

**State Finances Audit Report of the
Comptroller and Auditor General of India
for the year ended 31 March 2020**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Government of Assam
(Report No. 4 of 2021)

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

FOR THE YEAR ENDED 31 MARCH 2020

GOVERNMENT OF ASSAM
(Report No. 4 of 2021)

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Preface

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

Executive Summary

Executive Summary

The Report

Based on the audited accounts of the Government of Assam for the year ending 31 March 2020, this Report provides an analytical review of the finances of the State Government. The Report is structured in five Chapters.

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

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

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

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

Chapter 5-Functioning of State Public Sector Enterprises: This Chapter presents the financial performance of Government Companies and Statutory Corporations. The term State Government Public Sector Enterprises (SPSEs) encompasses the State government owned companies set up under the Companies Act, 2013 and Statutory Corporations set up under the statutes enacted by the Parliament.

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

Audit findings

Chapter-1 Overview of State Finances

- The fiscal position of the State is viewed in terms of three key fiscal parameters – Revenue Deficit/ Surplus, Fiscal Deficit/ Surplus and the ratio of Outstanding Debt to GSDP.
- The GSDP of Assam grew from ₹ 2,27,959 crore in 2015-16 to ₹ 3,51,318 crore (Quick Estimates) in 2019-20 with Compounded Annual Growth Rate (CAGR) of 11.42 *per cent* against the national CAGR of 10.37 *per cent*. However, there was a decline in the growth rate from 16.47 *per cent* in 2015-16 to 11.22 *per cent* in 2019-20.

- The State could achieve Revenue Surplus only during two years out of the five-year period from 2015-16 to 2019-20. During 2019-20, the State ended up with a Revenue Deficit of ₹ 2,171.60 crore against a Revenue Surplus of ₹ 6,580.16 crore in 2018-19.
- The State was successful in containing the Fiscal Deficit below three *per cent* of GSDP in three out of the last five years, and had in fact, a fiscal surplus of ₹ 3,005.48 crore in 2015-16. During the current year i.e., 2019-20, Fiscal Deficit of the State stood at 4.25 *per cent* of GSDP, which was significantly more than the limit of three *per cent* fixed under the Assam Fiscal Responsibility and Budget Management (AFRBM) Act. The Fiscal deficit which increased by 212.10 *per cent* from ₹ 4,779.06 crore in 2018-19 to ₹ 14,915.80 crore in 2019-20, was the highest level of fiscal deficit, since the enactment of the AFRBM Act in 2005.
- During the five-year period 2015-20, outstanding debt of the State remained consistently below 28.50 *per cent* of GSDP, i.e., within the norms prescribed in the AFRBM Act, 2011. However, the outstanding debt during 2019-20 (₹ 72,256.52 crore) increased by ₹ 12,829.91 crore (21.59 *per cent*) as compared to ₹ 59,426.61 crore during 2018-19.
- During the year, Revenue Deficit was understated by ₹ 7,478.77 crore and Fiscal Deficit was also understated by ₹ 1,444.44 crore due to misclassification of Grants-in-Aid of ₹ 6,225.45 crore under Capital Section instead of Revenue Section, short contribution of ₹ 17.09 crore to earmarked funds and non-discharge of interest liabilities of ₹ 79.00 crore by the State Government and non-reporting of Pension payments of ₹ 1,348.35 crore by banks *etc.*, as observed in Audit.

Recommendations

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

Chapter-2 Finances of the State

- The fiscal position of the State is viewed in terms of key fiscal parameters-Revenue deficit/surplus, fiscal deficit/surplus and primary deficit/surplus.

During 2019-20, the State had a Revenue deficit of ₹ 2,171.60 crore which was 0.62 *per cent* of GSDP during the year. Fiscal deficit during 2019-20 was ₹ 14,915.80 crore which was 4.25 *per cent* of GSDP and primary deficit was ₹ 10,476.93 crore (2.98 *per cent* of GSDP).

- Revenue Receipts during the year 2019-20 were ₹ 64,495.08 crore, which increased by ₹ 1,015.92 crore (1.60 *per cent*), as compared to 2018-19 (₹ 63,479.16 crore). State's

Own Tax revenues increased by ₹ 603.84 crore (3.79 *per cent*) compared to the previous year (₹ 15,924.85 crore), while Non-Tax revenue decreased by ₹ 2,681.95 crore (32.62 *per cent*) during the year as compared to 2018-19 (₹ 8,221.29 crore). Grants-in-aid from GoI increased by ₹ 6,588.44 crore (46.67 *per cent*) as compared to the previous year (₹ 14,117.17 crore) whereas State's Share of Union taxes and Duties decreased by ₹ 3,494.41 crore (13.86 *per cent*) during 2019-20 as compared to the previous year (₹ 25,215.85 crore). During 2019-20, revenue collections under State Goods and Services Tax (SGST) increased marginally by ₹ 362.26 crore (4.32 *per cent*) from ₹ 8,393.04 crore in 2018-19 to ₹ 8,755.30 crore in 2019-20.

- Revenue expenditure during the year 2019-20 was ₹ 66,666.68 crore constituting 82.76 *per cent* of the total expenditure of ₹ 80,551.39 crore. There was a misclassification of ₹ 6,225.45 crore due to grants-in-aid given by the State Government to the local bodies or individual entities under various Central Schemes during the year being as Capital instead of revenue expenditure, resulting in overstatement of Capital expenditure and understatement of Revenue expenditure to that extent.
- Committed expenditure of the Government like salary & wages, pensions, interest payments steadily increased during the last five-year period 2015-20. It increased by ₹ 2,911.78 crore during the year 2019-20. The Committed expenditure during 2019-20 was ₹ 41,485.78 crore (64.32 *per cent* of the total Revenue receipts of ₹ 64,495.08 crore and 62.23 *per cent* of the total Revenue expenditure of ₹ 66,666.68 crore).
- The State Government short contributed ₹ 357.23 crore to National Pension System (NPS) since inception of the Scheme creating an avoidable future liability to the Government. As on 31 March 2019, an amount of ₹ 408.22 crore remained in the Public Account on which interest of ₹ 32.66 crore was payable in 2019-20.
- Capital expenditure is the expenditure incurred for creation of fixed infrastructure assets such as roads, building, *etc.* It is noticed that during the year the State's Capital expenditure increased by ₹ 2,434.47 crore (22.06 *per cent*) from ₹ 11,034.08 crore during 2018-19 to ₹ 13,468.55 crore during 2019-20. However, this increase has to be viewed in the light of the fact that GIA of ₹ 6,225.45 crore was booked under capital section, instead of under revenue resulting in understatement of Revenue Deficit to that extent.
- During 2019-20, the State Government invested ₹ 290.81 crore in Statutory Corporations and ₹ 20.00 crore in Joint Stock Companies. As on 31 March 2020 the State Government's investment stood at ₹ 2,920.25 crore in those Companies/ Corporations and Co-operative societies. However, they got negligible returns of ₹ 30.64 crore as dividend during the year.
- As regards contribution to the Consolidated Sinking Fund the State Government was required to contribute ₹ 297.13 crore against which they contributed ₹ 280.04 crore to the Funds during the year, leading to a short contribution of ₹ 17.09 crore. This has resulted in understatement of Revenue Deficit and Fiscal Deficit to that extent.

- As on 31 March 2020 the State had a balance of ₹ 725.23 crore lying in the State Disaster Response Fund (SDRF). Government of Assam had neither invested the balances in SDRF in any of the instruments specified in the Guidelines, nor had it paid the half-yearly interest on the balance lying in the Fund in violation of SDRF guidelines. The unpaid interest of ₹ 45.27 crore by the GoA led to understatement of Revenue Deficit to that extent (during 2019-20) and accumulated liabilities for future.
- Outstanding Debt of the State rapidly increased from ₹ 39,054.59 crore in 2015-16 to ₹ 72,256.52 crore in 2019-20. The rate of growth of outstanding Debt was from 10.31 *per cent* in 2015-16 to 21.59 *per cent* in 2019-20. The Debt/GSDP ratio increased from 17.13 *per cent* in 2015-16 to 20.57 *per cent* in 2019-20 due to more borrowings from the open market. The State used about nine to five *per cent* of its revenue receipts for payment of interest on the outstanding Public Debt at an average rate of interest ranging between 7.39 *per cent* to 8.36 *per cent*, during the five-year period 2015-20.
- The maturity profile of outstanding stock of the State public debt as on 31 March 2020 indicated that 54.69 *per cent* (₹ 29,478.03 crore) of the debt is payable within the next seven years while the remaining 45.31 *per cent* (₹ 24,422.53 crore) is in the maturity bracket of more than seven years.
- Public Debt constituted 75 *per cent* of total State debt at the end of 2019-20. During the year, it grew at the rate of 25.88 *per cent* i.e., the highest in the last five-year period, and also outpaced the growth rate of GSDP (11.22 *per cent*) during the year. These all indicated that there would be increased fiscal pressure on account of interest payment on public debt in forthcoming years.
- It is observed that over the last five years public debt receipts increased by 159.18 *per cent* from ₹ 5,497.99 crore in 2015-16 to ₹ 14,249.63 crore in 2019-20. In context of utilisation of debt receipts, it is seen that a significant portion of the public debt receipts during the year were utilised to meet the increased capital expenditure as compared to previous year. The capital expenditure increased by ₹ 10,777.64 crore (400.52 *per cent*) during the year 2019-20 as compared to 2015-16 from ₹ 2,690.91 crore to ₹ 13,468.55 crore in 2019-20. Out of public debt receipts of ₹ 14,249.63 crore during 2019-20, the State Government utilised ₹ 3,169.26 crore (22.24 *per cent*) for repayment of earlier borrowing.
- The State Government had taken recourse to market loans on several occasions during the year despite having large cash balances. During the year 2019-20, the State Government raised ₹ 12,906.00 crore from the market, while at the same time, the cash balance of the State Government was in the range of ₹ 2,932.60 crore to ₹ 12,374.39 crore during the year, indicating that much of the borrowing was avoidable and Cash balances were not used for productive purposes.

Recommendations

- i) State Government may take necessary steps to reduce the Revenue and Fiscal deficits and to achieve the targets under the AFRBM Act, 2011.

- ii) The State Government needs to make all efforts to increase its GST collection considering the size of its economy and GSDP.
- iii) State Government may undertake a rigorous exercise to meet its liability for NPS including short contribution of its share and interest liability and the balance funds to be transferred to NSDL, the pension authority, to ensure that the NPS employees are not deprived of returns. The prescribed procedure for accounting the NPS related transactions should be adhered to scrupulously to avoid future liability.
- iv) State Government should review the functioning of the loss making State Public Sector Undertakings (SPSUs) in the State considering the investment and negligible returns on investments.
- v) The State Government may contribute the required share to the Consolidated Sinking Fund and invest the balances lying in State Disaster Response Fund (SDRF) as per the guidelines.
- vi) In view of the increasing growth rate of its public debt, the State Government may make efforts to augment its own Revenues and reduce its revenue expenditure so as to avoid pressure on repayment of Public Debt and interest liabilities on Public Debt in forthcoming years.
- vii) The State Government may use its Cash Balances for productive purposes and reduce its market borrowings.

Chapter-3 Budgetary Management

- Budgetary assumptions of the Government of Assam (GoA) continued to be unrealistic and overestimated during 2019-20, as the State Government incurred an expenditure of ₹ 84,163.60 crore, against 82 grants and appropriations of ₹ 1,19,715.68 crore, resulting in overall savings of ₹ 35,552.08 crore during the year as against the savings of ₹ 36,159.00 crore during the previous year. These savings stood at 30 *per cent* of total grants and appropriations made for the year. The savings were 1.8 times the size of supplementary budget during the year.
- Savings during the year accounted for about a third of the budget; however, the Controlling Officers neither surrendered the funds during the year, nor provided any explanations to the Principal Accountant General (A&E) for variations in expenditure vis-à-vis allocations. Departments were not cautioned against persistent savings; nor were their budgets varied in accordance with their ability to spend the allocations.
- During 2019-20, against savings of ₹ 36,510.64 crore in 81 Grant/ Appropriation and an excess of ₹ 2,907.51 crore in 17 Grants/ Appropriation, variations have been explained by the departments only in 525 Sub-heads covering a saving of ₹ 7,927.85 crore and an excess of ₹ 82.86 crore and balance savings of ₹ 28,582.80 crore (78 *per cent*) and excess of ₹ 2,824.65 crore (97 *per cent*) remained unexplained. Absence of explanations for variation between the budgeted allocation and its utilisation in a large number of heads does not give desired inputs for ensuring financial accountability of the Government and legislative control over budget.

- Review of selected grants revealed that the Urban Development Department-(Municipal Administration) had persistent savings ranging from 63.11 *per cent* to 91.27 *per cent* under Grant No. 34, during the period 2015-20.
- Under National Urban Livelihood Mission (NULM) (2217-05-80-4093) and Swatch Bharat Abhiyan (2217-80-192-5665), there was persistent savings during the five-year period 2015-20 ranging between 69 to 100 *per cent* under NULM and 47.62 to 96.70 *per cent* under Swatch Bharat Abhiyan.
- The Departments (Grant No. 23-Pension and Grant No. 78-Bodoland Territorial Council) incurred excess expenditure amounting to ₹ 1,159.23 crore over and above the authorisations during 2019-20. Such excess expenditure vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources. Moreover, excess expenditure of ₹ 499.29 crore was incurred in 34 Sub-heads under 6 grants and 1 Appropriation (₹ 15 lakh and above in each cases) without budget provision.
- State Legislature approved three supplementary Grants of ₹ 20,296.77 crore¹ in 76 Grants/ Appropriations for the year 2019-20. Audit analysis revealed that a provision of only ₹ 7,055.94 crore (34.76 *per cent*) was required in 15 Grants/ Appropriations where the final expenditure exceeded the original budget provision. Thus, the Supplementary Grants/ Appropriations were obtained without adequate justification. Despite flagging this issue every year over the last several years in the CAG's Audit Reports, the State Government had failed to take corrective measures in this regard.
- Autonomous District Councils (ADCs) in the State are maintaining Personal Ledger (PL) Accounts as authorised by the State Government. Audit of grant no. 76-Karbi Anglong Autonomous Council revealed that the balances under the PL Accounts increased by ₹ 446.55 crore (346.73 *per cent*) during 2019-20 from ₹ 128.79 crore in 2018-19 to ₹ 575.34 core in 2019-20. Parking of unspent balances in the Public Account and funding the schemes/projects in subsequent years had resulted in persistent instances of large variation from budget provision, including excess expenditure, thereby diluting budgetary control and accountability of Departments.

Recommendations

- i) State Government may formulate a realistic budget based on reliable assumptions of likely resource mobilisation, the needs of the Departments and their capacity to utilise the allocated resources so as to avoid inflated budget without actual resources;
- ii) State Government may institute an appropriate control mechanism to enforce proper implementation and monitoring of budget to ensure that large savings within the Grant/ Appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe;
- iii) Finance Department may critically review the Departments having persistent savings for prudential budget allocation and monitoring of expenditure;

¹ ₹ 7,580.52 crore (Dated 19 August, 2019), ₹ 11,535.82 crore (Dated 19 December, 2019) and ₹ 1,180.43 crore (Dated 17 March, 2020).

- iv) Controlling Officers should explain the variation in expenditure from the allocation in time to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts;
- v) Finance Department may initiate necessary action for improved compliance and reporting of deviations by Departments. Norms for Explaining Variation at Sub-Head Level may be considered for revision by the State PAC, as also setting an appropriate limit of Saving at Grant/Appropriation level beyond which explanation would be required.
- vi) Based on the PAC recommendations, the State Government may complete their High level enquiry on ADC funds in time bound manner and submit their Report with proposed solutions of arresting the excess expenditure by ADC and parking of funds in PL Accounts.
- vii) State Government may consider withdrawing the exemption given to three Autonomous District Councils for closure of PL Accounts at the end of financial year and also review their accounting arrangement. Non-closure of PL Accounts at the end of the financial year may be limited to only own funds of Council as against Government of Assam funds.

Chapter-4 Quality of Accounts & Financial Reporting Practices

- Audit scrutiny revealed that 9,379 Utilisation Certificates (UCs) in respect of grants aggregating ₹ 20,402.48 crore given to 52 Departments of the State Government during the period from 2001-02 to 2018-19 had not been submitted. In absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which those were given, and the assets had been created.
- During 2019-20, the State Government had given grants-in-aid of ₹ 18,032.66 crore to 'Others' which constituted 70.39 *per cent* of total grants given (₹ 25,619.63 crore) during the year. In absence of specific accounting code, institution wise amount of grants given during 2019-20 could not be ascertained.
- As of 31 March 2020, 39 State Departments had not submitted DCC bills for ₹ 870.10 crore against 1,432 AC Bills. Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DCC bills.
- As on 31 March 2020, balances of ₹ 0.57 crore were lying in 22 PD Accounts, which had been inoperative for more than three years.
- During 2019-20, the State Government booked an expenditure of ₹ 19,036.52 crore under Minor Head 800 under 71 revenue and capital Major Heads of Account, constituting 23.76 *per cent* of the total revenue and capital expenditure of ₹ 80,135.23 crore. Further, the State Government classified receipts of ₹ 1,078.48 crore (1.67 *per cent* of Revenue Receipts), pertaining to 46 Major Heads, under the Minor Head '800 - Other Receipts'. Indiscriminate operation of omnibus Minor Head 800 – Other Expenditure affected transparency in financial reporting and obscured proper analysis of allocative priorities and quality of expenditure.

- During the year, expenditure amounting to ₹ 54,157.10 crore (64.69 per cent of total expenditure of ₹ 83,720.65 crore) was reconciled leaving expenditure of ₹ 29,563.55 crore (35.31 per cent of total expenditure) unreconciled. Further, receipts of ₹ 52,250.97 crore (65.41 per cent of the total receipts of ₹ 79,885.22 crore) were reconciled leaving receipts for ₹ 27,634.25 crore (34.59 per cent of the total receipts) unreconciled. Failure to exercise/ adhere to the codal provisions and executive instructions in this regard resulted in misclassification and incorrect booking of receipts and expenditure in the accounts.
- Due to non-reporting of pension payments by the Agency Banks to the State Government/Treasuries, Pension payments of ₹ 1,348.35 crore during the year were not accounted for in the State Accounts. This resulted in understatement of Revenue expenditure and Fiscal Deficit of the State during the year.
- As on 31 March 2020 there were 704 annual accounts of 138 Autonomous Councils, Development Councils and Government Bodies (due up to 2019-20) pending for submission to CAG for audit. Delayed rendering of accounts by the account rendering units/ authorities distorted the accurate depiction of monthly transactions of the State and impacted effective budgetary management and diluted accountability of these Bodies.
- During the financial year 2019-20, there were delays in rendition of monthly accounts ranging from 01 to 356 days by Treasuries, 01 to 296 days by Public Works Divisions and 01 to 135 days by Forest Divisions. Delayed rendering of accounts by the account rendering units/ authorities distorted the accurate depiction of monthly transactions of the State and impacted effective budgetary management. Further, non- furnishing of requisite missing details by the treasuries and public works divisions and other account rendering units delayed clearance of suspense and remittances transactions in the books of accounts.
- Out of total Cess of ₹ 1,243.15 crore collected by the State Government under the Building and Other Construction Workers' Welfare Cess Act 1996 during the period from 2008-09 to 2019-20, an amount of ₹ 1,224.37 crore was transferred to the Other Construction Workers Welfare Board leading to the shortfall in transfer of Cess of ₹ 18.78 crore to the Board.

Recommendations

- i) State Government may institute a rigorous monitoring mechanism to ensure that the Departments comply with the prescribed rules and procedures with regard to submission of UCs, DCC bills and accounts for audit.
- ii) All the accounts rendering units need to be instructed to submit the complete accounts as per the prescribed time schedule and furnish the missing/incomplete details to enable clearance of suspense and remittances transactions in a time bound manner.
- iii) State Government should discourage the use of omnibus Minor Head 800 and chalk out a specific timeframe in consultation with the Principal Accountant General (A&E), to identify appropriate Heads of Account to classify the transactions correctly in the books of accounts.

- iv) State Government should resolve the issue of non-accountal of pension disbursed by non-linked branches in Government Accounts in consultation with RBI and Principal AG(A&E) at the earliest to address the large discrepancy in State's cash balance, and incorrect reporting of pension expenditure.
- v) Internal control mechanism needs to be strengthened and the Government needs to ensure that the Controlling Officers reconcile their figures of receipts and expenditure with those of the Accountant General (A&E) at prescribed intervals, to provide transparency and accuracy in accounting of Government transactions.
- vi) The State Government may draw up a concrete plan to clear arrears in Accounts of persistently delaying/defaulting Autonomous District Councils (ADCs) and other Government bodies. Disbursal of financial assistance to ADCs/Autonomous Bodies of the State be linked to improvement in finalisation of their Accounts.

Chapter-5 Functioning of State Public Sector Enterprises

- As on 31 March 2020, the State had 51 SPSEs, which included 48 Government companies (32 working and 16 non-working) and three Statutory Corporations (all working). There was a difference of ₹ 3,586.29 crore in the investment figures of the State Government (Equity: ₹ 839.45 crore; Long-term Loans: ₹ 2,746.84 crore) as per State Finance Accounts *vis-à-vis* records of SPSEs due to non-reconciliation. Further, the State Finance Accounts did not have any mention of the equity contribution made by GoA in 12 out of 40 SPSEs.
- During 2019-20 the State Government has provided budgetary support of ₹ 2,819.85 crore to SPSEs in the form of Equity (₹ 303.13 crore), Loans (₹ 312.86 crore) and grants/subsidy (₹ 2,203.86 crore). The major recipients of budgetary assistance were three power sector companies, which received budgetary allocation of ₹ 2,530.90 crore (89.75 *per cent*) in the form of equity, loans and grants. Despite the support provided to three power sector companies, there was constant deterioration in their performance as evident from the fact that the overall profits of ₹ 343.82 crore earned by three SPSEs during 2017-18 turned into overall losses of ₹ 156.31 crore during 2019-20 as per their latest finalised accounts.
- During 2019-20, out of 35 working SPSEs, 16 working SPSEs earned profits (₹ 187.15 crore) as per their latest finalised accounts as compared to 19 SPSEs in 2018-19. However, more than 63 *per cent* (₹ 117.97 crore) of the profits (₹ 187.15 crore) earned by 16 working SPSEs was contributed by only two SPSEs, namely, Assam Gas Company Limited (₹ 82.55 crore) and DNP Limited (₹ 35.42 crore). The net overall accumulated losses of working SPSEs during 2019-20 have recorded ₹ 5,113.57 crore (2019-20). The major contributors to the accumulated losses of SPSEs during 2019-20 were Assam Power Distribution Company Limited (₹ 2,956.01 crore), Assam State Transport Corporation (₹ 948.04 crore), Assam Electricity Grid Corporation Limited (₹ 395.98 crore) and Assam Tea Corporation Limited (₹ 323.75 crore).
- Further, the accumulated losses (₹ 4,842.89 crore) of 15 out of 35 working SPSEs as per details given in Table 5.12 (paragraph 5.12), had completely eroded their paid-up capital (₹ 498.24 crore) as per their latest finalised accounts. Complete erosion of equity capital

by the accumulated losses (net after free reserves) represents negative net worth of these SPSEs. The net worth of 13 out of above 15 SPSEs continued to be negative for more than 10 years while, the net worth of remaining two SPSEs (Assam Power Distribution Company Limited and Assam Electricity Grid Corporation Limited) was negative for less than 10 years. The losses incurred by these SPSEs over the years is a drain on the State's economy and resources.

- Delays in finalization of accounts may entail risk of frauds and leakage of public money, besides violation of statutory provisions.
- As on 30 September 2020, 44 SPSEs out of 51 SPSEs had a total arrear of 390 Accounts. The Accounts of 21 SPSEs (11 working and 10 non-working) had total 332 Accounts pending finalisation for more than five years. The highest number of accounts pending finalisation amongst working and non-working SPSEs pertained to Assam Plantation Crop Development Corporation Limited (27 Accounts) and Assam Tanneries Limited (37 Accounts) respectively.

Recommendations

- i) The State Government and the SPSEs concerned should take concrete steps to reconcile the differences in the investment figures (Equity and Long term Loans) of the State Government as appearing in the State Finance Accounts vis-à-vis SPSE records in a time-bound manner. To reconcile the Equity differences, the State Government should obtain the Share Certificates from the SPSEs concerned issued in favour of the State Government and reconcile the differences with the Finance Accounts. Regarding Loan figures, the State Government needs to compile/include SPSE-wise Loan figures in the Finance Accounts and reconcile the differences by obtaining the Balance Confirmation Certificates from the SPSEs concerned.
- ii) Accumulation of huge losses by 15 out of 35 working SPSEs had eroded public wealth, which is a cause of concern. To address the issue, State Government needs to identify the focus areas of operations of each SPSE and devise an effective long-term plan for improvement in their operational results. State Government needs to periodically review the working of these SPSEs to either improve their profitability or close their operations.
- iii) The Administrative Departments concerned have the responsibility to oversee the activities of the SPSEs having backlog of Accounts and ensure that these SPSEs have adequate and trained Accounts personnel for preparation of accounts. The Administrative Departments should also consider applying the appropriate accounting software by the SPSEs functioning under them which would help the SPSEs in preparation of accounts in a timely manner. They should review giving of any further financial assistance to persistent defaulters in finalisation of Accounts.

Chapter 1

Overview of State Finances

1.1 Profile of the State

Assam is the second largest State in the North Eastern region of India and is, in fact, the gateway to this region. The State is spread over a geographical area of 78,438 sq.km. (2.4 per cent of the country's total geographical area) and is home to around 3.12 crore persons (2.6 per cent of the population of the country) as per Census 2011. As per the Census, the State's population was 3.12 crore in 2011 recording a decadal growth of 16.93 per cent against 17.64 per cent growth for the country as a whole. The population of the State during 2019-20 was 3.49 crore. The decadal (2011-2020) growth rate of State's population was 10.98 per cent against the average growth rate of 10.00 per cent of North Eastern and Himalayan States and all India growth rate of 11.09 per cent.

The State has 33 districts and three Autonomous District Councils (ADCs) namely (i) Karbi Anglong Autonomous Council (ii) North Cachar Hills Autonomous Council and (iii) Bodoland Territorial Council. It was designated as a Special Category State (SCS) in 1969 in terms of the Gadgil formula, which ensured that 90 per cent of funding for centrally sponsored schemes is received as a grant from Central Government. The per capita Gross State Domestic Product (GSDP) of the State at current price was ₹ 1,00,909 in 2019-20, which was lower than all India average of ₹ 1,51,677 as well as average of North Eastern and Himalayan States of ₹ 1,42,121.

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

1.1.1 Gross State Domestic Product of Assam

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

Trends in annual growth of Assam's GSDP *vis-à-vis* that of the country are given in **Table 1.1**.

Table 1.1: Trends in growth of GDP and GSDP

(₹ in crore)						
Year	2015-16	2016-17	2017-18	2018-19	2019-20	CAGR
National GDP (2011-12 Series) at current prices	1,37,71,874	1,53,91,669	1,70,98,304	1,89,71,237	2,03,39,849	--
Growth rate of GDP over previous year (per cent)	10.46	11.76	11.09	10.95	7.21	10.37
State's GSDP (2011-12 Series) at current prices	2,27,959	2,54,382	2,83,165	3,15,881 (PE)	3,51,318 (QE)	--
Growth rate of GSDP over previous year (per cent)	16.47	11.59	11.31	11.55	11.22	11.42

Source of data: GoI's Economic Survey (2019-20) and Directorate of Economics and Statistics, Assam
R.E: Revised Estimates; P.E. - Provisional Estimates; Q.E. - Quick Estimates

As can be seen from the details tabulated above, the GSDP of Assam grew at a higher rate during the last five-year period from 2015-16 to 2019-20 compared to the national growth rate of GDP, with a Compound Annual Growth Rate (CAGR) of 11.42 *per cent* against the national CAGR of 10.37 *per cent*. However, during the five year period the GSDP growth rate declined from 16.47 *per cent* in 2015-16 to 11.22 *per cent* in 2019-20.

Sectoral contribution in State’s GSDP during 2019-20 is given in **Chart 1.1** whereas change in sectoral contribution in GSDP over a period of last five years i.e., 2015-16 to 2019-20 is detailed in **Chart 1.2**.

Chart 1.1: Sectoral Contribution to GSDP during 2019-20 (QE)

(Share in per cent)

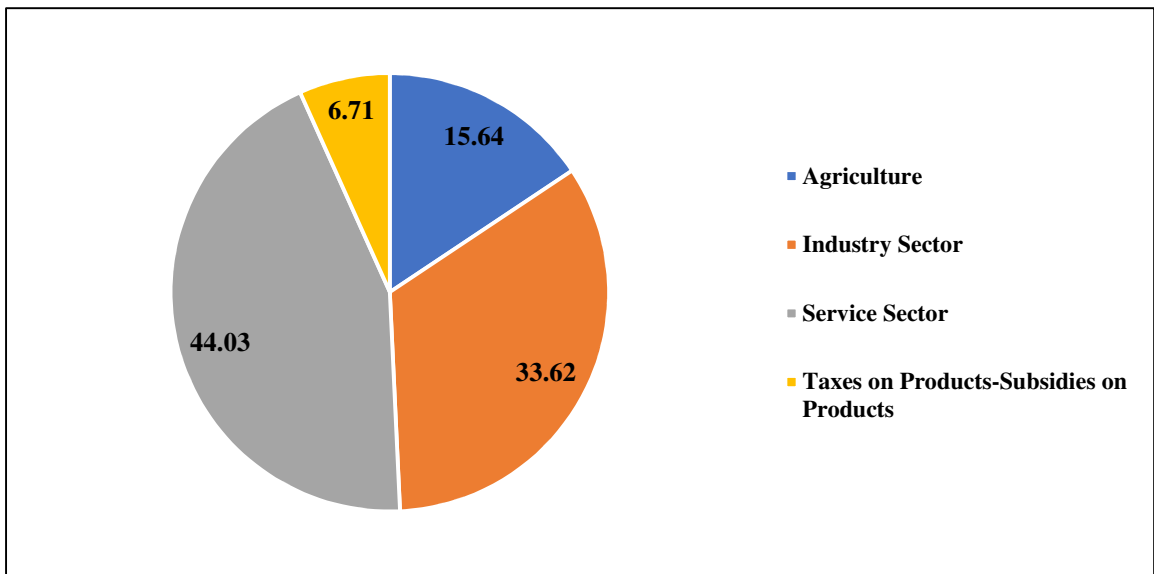
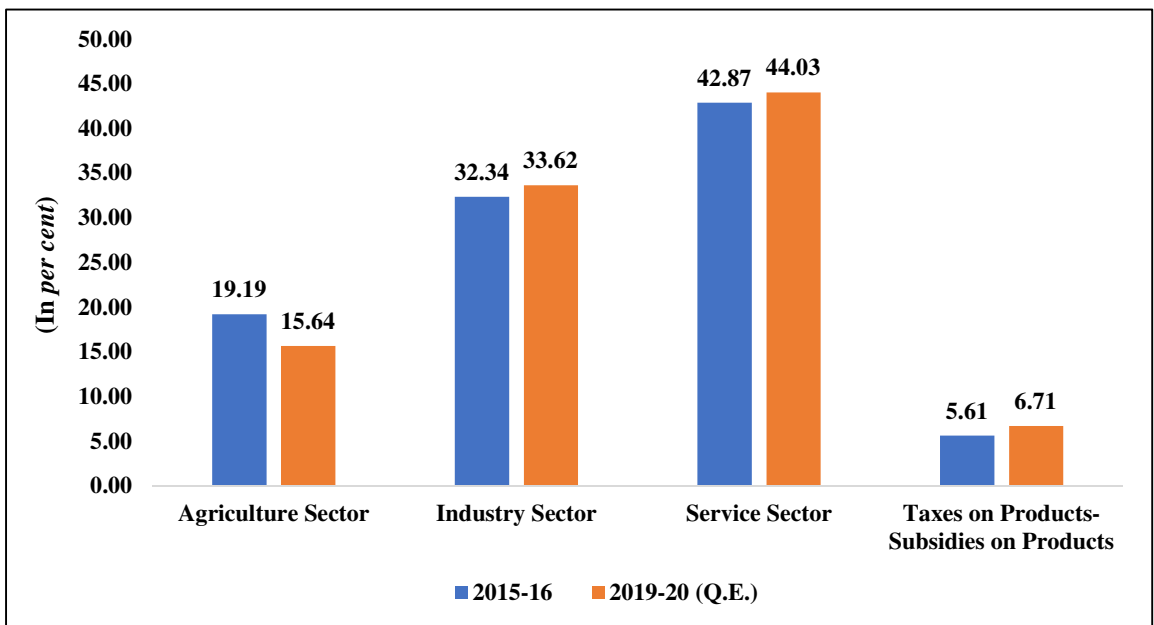


Chart 1.2: Change in sectoral contribution to GSDP (2015-16 to 2019-20)

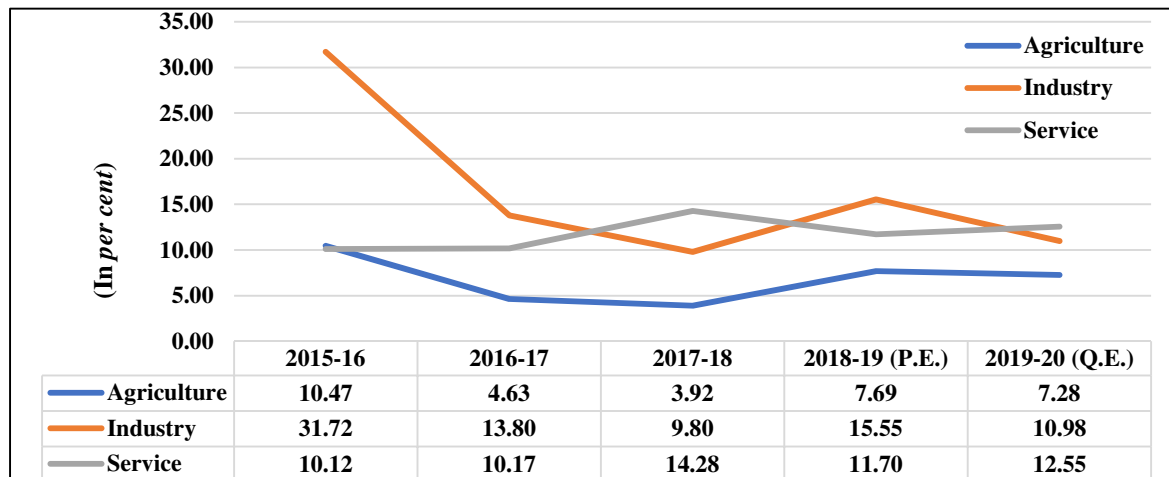


Source of data: Directorate of Economics and Statistics, Assam

Chart 1.2 reveals that during the five-year period from 2015-16 to 2019-20, the relative share of Agriculture in GSDP, declined from 19.19 *per cent* in 2015-16 to 15.64 *per cent* in 2019-20, with a marginal increase in the relative share of Industry (33.62 *per cent*) and Service sectors (44.03 *per cent*).

Further, during 2019-20, there was a decline in the growth rate in Agriculture and Industry Sectors while there was an increase in the Service sector in comparison with the previous year, as can be seen from **Chart 1.3**.

Chart 1.3: Sectoral growth in GSDP



1.2 Basis and Approach to State Finances Audit Report

In terms of Article 151 (2) of the Constitution of India, the reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. The State Finances Audit Report (SFAR) of Assam for the year ending 31 March 2020 has been prepared by the CAG for submission to the Governor of Assam under Article 151 (2) of the Constitution of India.

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

Finance Accounts and Appropriation Accounts of the State for the year 2019-20 constitute the core data for this report. Other sources include the following:

- Budget of the State for the year 2019-20 forms an important source of data – both for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit carried out by the Office of the Principal Accountant General (Audit), Assam at the State Secretariat as well as at the field level during the year;

- Other data with Departmental Authorities and Treasuries (accounting as well as MIS);
- GSDP data and other State related statistics; and
- Various audit reports of the CAG of India during 2015-20 have also been used to prepare this analysis/ commentary as appropriate.

The analysis has been carried out in the context of recommendations of the XIV Finance Commission (FC), Assam Fiscal Responsibility and Budget Management (AFRBM) Act, best practices and guidelines of the Government of India. An entry conference was held on 17 September 2020 with the Principal Secretary to the Government of Assam, Finance Department wherein the audit approach was explained and the draft Report was forwarded to the State Government on 8 February 2021 for comments. Subsequently, an exit conference of the Report as also held on 23 February 2021 with the Principal Secretary to the Government of Assam, Finance Department. The replies of the Government, where received, have been incorporated in this Report at appropriate places.

1.3 Report Structure

The SFAR is structured into the following five Chapters:

Chapter - 1	Overview of State Finances This Chapter describes the basis and approach to the Report and the underlying data, provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficits/ surplus.
Chapter - 2	Finances of the State This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2015-16 to 2019-20, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
Chapter - 3	Budgetary Management This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.
Chapter - 4	Quality of Accounts & Financial Reporting Practices This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.
Chapter - 5	Functioning of State Public Sector Enterprises This Chapter presents the financial performance of Government Companies and Statutory Corporations. The term State Government Public Sector Enterprises (SPSEs) encompasses the State government owned companies set up under the Companies Act, 2013 and Statutory Corporations set up under the statutes enacted by the Parliament.

1.4 Overview of Government Account Structure and Budgetary Processes

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

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

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

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

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

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

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

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

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

Revenue expenditure consists of all those expenditures of the government which do not result in creation of physical or financial assets. It relates to those expenses incurred for the

normal functioning of the government departments and various services, interest payments on debt incurred by the government, and grants given to various institutions (even though some of the grants may be meant for creation of assets).

The **Capital receipts** consist of:

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

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

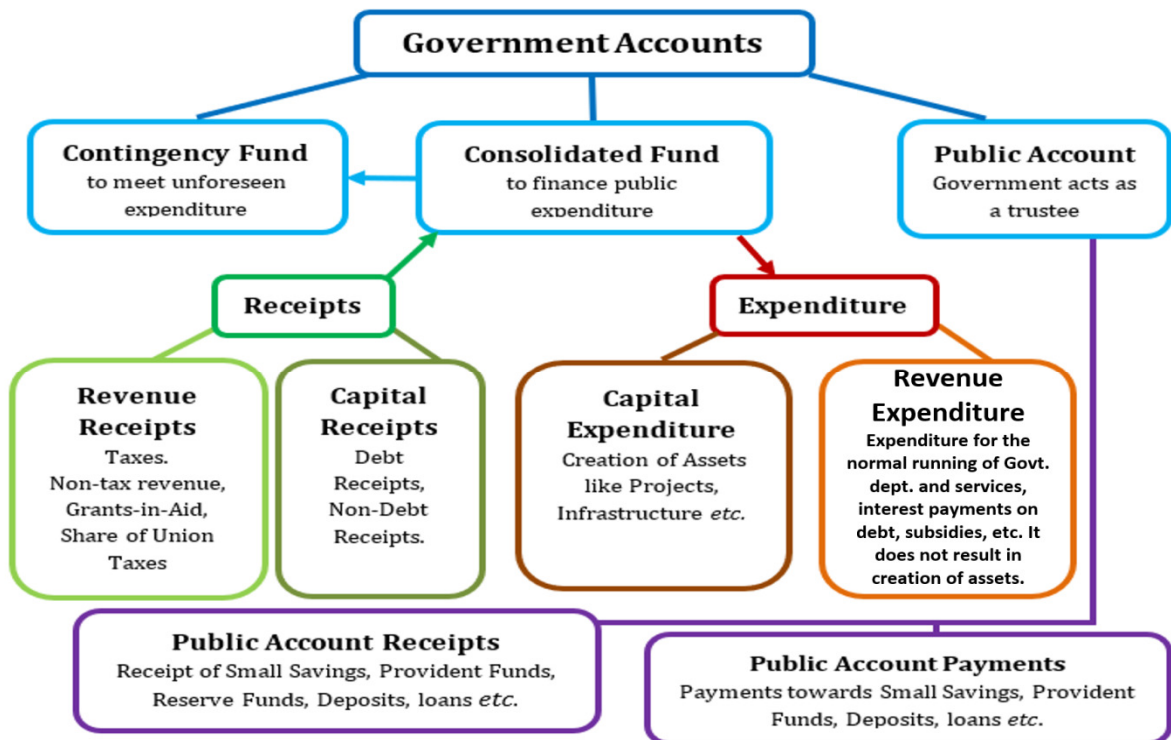
At present, we have an accounting classification system in government that is both functional and economic.

Attribute of transaction		Classification followed in Assam Government Accounts
Standardised in List of Major and Minor Heads by CGA	Function- Education, Health, <i>etc.</i> / Department	Major Head under Grants (4-digit)
	Sub-Function	Sub Major Head (2-digit)
	Programme	Minor Head (3-digit)
Flexibility left for States	Scheme	Sub-Head (4-digit)
	Sub scheme	Sub-Sub-Head (4-digit)
	Economic nature/Activity	Detailed Head (2-digit); Sub-Detailed Head (2-digit)

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

A pictorial depiction of the structure of Government Accounts is given in **Chart 1.4**.

Chart 1.4: Structure of Government Accounts



Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of Assam caused to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year 2019-20, in the form of an **Annual Financial Statement** (referred to as Budget) with estimates of expenditure,

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

In terms of Article 203, the above was submitted to the State Legislature in the form of 82 Demands for Grants/ Appropriations and after approval of these, the Appropriation Bill was passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

As mentioned in Paragraph 1.2, Finance Accounts and Appropriation Accounts encompass the core data for preparation of the SFAR. These Accounts are based on actual receipts and expenditure of the State during the year 2019-20 including various inter-governmental and other adjustments carried out by the Reserve Bank of India (RBI). Considering that these receipts and expenditure are estimated in the budget and the expenditure has been approved by the State Legislature, it is important to study the budget of the State for 2019-20 closely and analyse the actual receipts and expenditure during the year with reference to the projections made in the budget.

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

1.4.1 Summarised position of State Finances

Table 1.2 provides the details of actual audited financial results of 2019-20 vis-a-vis Budget Estimates for the year 2019-20 and actuals of 2018-19.

Table 1.2: Comparison with Budget Estimates and Actuals

(₹ in crore)

Sl. No.	Components	2018-19 (Actual)	2019-20 (Budget Estimates)	2019-20 (Actuals)	Percentage of Actual to B.E.	Percentage of Actual to GSDP
1	Own Tax Revenue	15,924.85	17,322.29	16,528.69	95.42	4.70
2	Non-Tax Revenue	8,221.29	8,531.65	5,539.34	64.93	1.58
3	Share of Union taxes/duties	25,215.85	35,046.06	21,721.44	61.98	6.18
4	Grants-in-aid and Contributions	14,117.17	22,247.99	20,705.61	93.07	5.89
5	Revenue Receipts (1+2+3+4)	63,479.16	83,147.99	64,495.08	77.57	18.36
6	Recovery of Loans and Advances	2.93	1,048.33	1,140.51	108.79	0.32
7	Other Receipts	0.00	0.00	0.00	0.00	0.00
8	Borrowings and other Liabilities (a)	-2,128.34	11,113.46	19,707.82	177.33	5.61
9	Capital Receipts (6+7+8)	-2,125.41	12,161.79	20,848.33	171.42	5.93
10	Total Receipts (5+9)	61,353.75	95,309.78	85,343.41	89.54	24.29
11	Revenue Expenditure	56,899.00	79,742.26	66,666.68	83.60	18.98
12	Interest payments	3,844.37	4,792.92	4,438.87	92.61	1.26
13	Capital Expenditure	11,034.08	15,219.20	13,468.55	88.50	3.83
14	Loan and advances	328.07	348.32	316.16	90.77	0.09
15	Appropriation to Contingency Fund	0	100.00	100.00	100.00	0.03
16	Total Expenditure (11+13+14+15)	68,261.15	95,409.78	80,551.39	84.43	22.93
17	Revenue Deficit (5-11)	6,580.16	3,405.73	-2,171.60	-63.76	-0.62
18	Fiscal Deficit {(5+6+7)-16}	-4,779.06	-11,213.46	-14,915.80	133.02	-4.25
19	Primary Deficit (18-12)	-934.69	-6,420.54	-10,476.93	163.18	-2.98

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

Data in above table relating to Recoveries of loans and advances, Revenue Expenditure, Capital Expenditure, Total expenditure and Revenue Deficit do not tally with the Finance Accounts (2019-20) as these are audited figures, which incorporate the Uday transaction of

₹ 1,132.53 crore which stands excluded from the Finance Accounts for the reasons given below.

Power Department, Government of Assam, in keeping with UDAY guidelines, took over the 75 per cent of loan of ₹ 1,510.04 crore of APDCL as on 30 September 2015, and issued sanction for converting acquired liability of ₹ 1,132.53 crore into grant and equity in 3:1 ratio (i.e., Grants: ₹ 849.40 crore and Equity: ₹ 283.13 crore) vide No. PEL 137/2019/68, dated 05-02-2021 during the financial year 2019-20. This transaction was however, not included in the Finance Accounts (2019-20)-Government of Assam due to late receipt of Government of Assam's financial sanction dated 5th February 2020 by the Accountant General (A&E). On such exclusion from the State Accounts during 2019-20, Finance Department, Government of Assam, vide letter dated 2nd June 2021 requested the Accountant General (A&E) to include the UDAY transactions in the financial year 2019-20 itself as the budget for conversion of grant and equity was made in the year 2019-20, and the sanctions were issued within the financial year, and the said transactions were also accounted for in the books of APDCL during the year. However, UDAY transactions were not included in the Finance Accounts (2019-20) due to late receipt of Government sanction.

This exclusion has led to under-reporting of Revenue Expenditure by ₹ 849.40 crore, Capital Expenditure by ₹ 283.13 crore, Total expenditure by ₹ 1,132.53 crore, Revenue Deficit by ₹ 849.40 crore during 2019-20 and also overstates the outstanding loans and advances of State Government by ₹ 1,132.53 crore as on 31 March 2020.

Thus, by taking into account the State Government's view and the materiality of the transaction, the above transaction has been included for commenting on the Finances of the State, and the revised audited figures of Recoveries of Loans and Advances (₹ 1,140.51 crore), Revenue Expenditure (₹ 66,666.68 crore), Capital Expenditure (13,468.55 crore), Total Expenditure (₹ 80,551.39 crore) and Revenue Deficit (₹ 2,171.60 crore) have been worked out, and included in above table and also in the subsequent Paragraphs of State Finances Audit Report for year ended 31 March 2020-Government of Assam.

1.4.2 Snapshot of Assets and Liabilities of the Government

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

Table 1.3 provides a summarised position of Assets and Liabilities of the State during 2018-19 and 2019-20.

Table 1.3: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities				Asset			
Components	As on 31 March 2019	As on 31 March 2020	Increase(+)/ Decrease (-) (%)	Components	As on 31 March 2019	As on 31 March 2020	Increase(+)/ Decrease (-) (%)
Consolidated Fund							
Internal Debt	41,511.13	52,630.27	26.79	Gross Capital Outlay	59,732.88	72,918.30	22.07
Loans and Advances from GoI	1,309.07	1,270.29	-2.96	Loans and Advances disbursed	5,748.81	6,056.99	5.36
Contingency Fund							
Contingency Fund	100.00	200.00	100.00	-	-	-	-
Public Account							
Small Savings, Provident Funds, etc.	12,188.05	13,156.52	7.95	Civil Advances	4,043.70	3,288.64	-18.67
Deposits	3,799.29	3,898.94	2.62	Remittance	600.50	742.45	23.64
Reserve Funds	4,434.80	5,655.32	27.52	Suspense and Miscellaneous	266.48	681.54	155.76
Remittances				-	-	-	-
Surplus on Government Account	18,578.35	17,156.16	-7.66	Cash balances (including investment in Earmarked Fund)	11,528.32	10,279.58	-10.83
Total	81,920.69	93,967.50	14.71	Total	81,920.69	93,967.50	14.71

1.5 Fiscal Balance: Achievement of Deficit and total debt targets

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

Revenue Deficit/ Surplus	<i>Refers to the difference between revenue expenditure and revenue receipts.</i>
(Revenue Expenditure – Revenue Receipts)	<ul style="list-style-type: none"> When the government incurs a revenue deficit, it implies that the government is dissaving and is using up the savings of the other sectors of the economy to finance a part of its consumption expenditure. Existence of revenue deficit is a cause of concern as revenue receipts were not able to meet even revenue expenditure. Moreover, part of capital receipts was utilised to meet revenue expenditure, reducing availability of capital resources to that extent for creation of capital assets.

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

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

By borrowing, the government transfers the burden of reduced consumption on future generations. This is because it borrows by issuing bonds to the people living at present but may decide to pay off the bonds some twenty years later by raising taxes or reducing expenditure. Also, government borrowing from the people reduces the savings available to

the private sector. To the extent that this reduces capital formation and growth, debt acts as a 'burden' on future generations.

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

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

1.5.1 AFRBM Targets on key Fiscal Parameters and achievement thereon

The State Governments had passed Assam Fiscal Responsibility and Budget Management Act (AFRBM), 2005 with the objective of ensuring prudence in fiscal management by eliminating revenue deficit, reducing fiscal deficit and overall/ outstanding debt to acceptable level, establishing improved debt management and improving transparency in a medium term framework. In this context, the Act provides quantitative targets to be adhered by the State with regard to deficit measures and debt level. The Act was subsequently amended five times, with the latest amendment being in April 2017.

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

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

Revised targets relating to key fiscal parameters envisaged in the amended AFRBM Act and their achievement during the five-year period from 2015-16 to 2019-20 are given in **Table 1.4**.

Table 1.4: Compliance with provisions of AFRBM Act

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Revenue	5,446	-143	-1,350	6,580	-2,172
	Surplus	✓	✗	✗	✓	✗
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	Three per cent	3,005 (1.32)	-6,125 (-2.41)	-9,342 (-3.30)	-4,779 (-1.51)	-14,916 (-4.25)
		✓	✓	✗	✓	✗
Ratio of total outstanding debt to GSDP (in per cent)	28.50 per cent	17.13	17.29	17.40	18.81	20.57
		✓	✓	✓	✓	✓

The State could achieve Revenue Surplus only during two out of the five-year period from 2015-16 to 2019-20. During 2019-20, the State ended up with Revenue Deficit of ₹ 2,171.60 crore. However, this deficit has been understated and it is to be viewed in the light of non-contribution to the required causes by the State Government, misclassification of revenue items under capital category and discrepancy related to non reporting of pension payments as detailed in **Table 1.6** given under the subsequent paragraph 1.6.

The State was successful in containing the Fiscal Deficit below three per cent of GSDP in three out of the last five years, and had in fact, a fiscal surplus of ₹ 3,005 crore in 2015-16. During the current year *i.e.*, 2019-20, Fiscal Deficit of the State stood at 4.25 per cent of GSDP, which was significantly more than the limit of three per cent fixed under AFRBM Act. Moreover, this was the highest level of fiscal deficit since the enactment of the AFRBM Act in 2005.

During the five-year period from 2015-16 to 2019-20, outstanding debt of the State remained consistently below 28.50 per cent of GSDP, *i.e.*, within the norms prescribed in the AFRBM Act, 2011. The outstanding debt of the State as on 31 March 2020 was ₹ 72,256.52 crore.

1.5.2 Medium Term Fiscal Plan

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

Table 1.5 indicates the variation between the projections made for 2019-20 in MTFP presented to the State Legislature along with the Annual Budget for 2019-20 and Actuals of the year.

Table 1.5: Actuals vis-à-vis projection in MTFP for 2019-20

Sl. No.	Fiscal Variables	(₹ in crore)		
		Projection as per MTFP	Actuals (2019-20)	Variation (in per cent)
1	Own Tax Revenue	17,994	16,529	-8.14
2	Non-Tax Revenue	8,532	5,539	-35.08
3	Share of Central Taxes	34,374	21,721	-36.81
4	Grants-in-Aid from GoI	22,248	20,706	-6.93

Sl. No.	Fiscal Variables	Projection as per MTFP	Actuals (2019-20)	Variation (in per cent)
5	Revenue Receipts (1+2+3+4)	83,148	64,495	-22.43
6	Revenue Expenditure	79,742	66,667	-16.40
7	Revenue Deficit (-)/ Surplus (+) (5-6)	3,406	-2,172	-163.77
8	Fiscal Deficit (-)/ Surplus (+)	-11,113	-14,916	34.21
9	Debt-GSDP ratio (per cent)	17.57	20.57	17.07
10	GSDP growth rate at current prices (per cent)	12.36	11.22	-9.22

As can be seen from the above table, the projections made in MTFP relating to two key fiscal parameters *i.e.*, Revenue Surplus and Fiscal Deficit deviated significantly by 164 per cent and 34 per cent respectively during 2019-20 compared to the projections. Projections relating to Debt-GSDP ratio and growth rate of GSDP were not met, with the year ending at a higher Debt to GSDP ratio, and with lower growth in GSDP than was projected in the MTFP.

1.5.3 Trends of Deficit/ Surplus

The State exceeded the limits specified by the XIV FC during 2019-20 with regard to the key fiscal parameters. It could not maintain Revenue Surplus during the year and had a Revenue Deficit of ₹ 2,171.60 crore, as against a revenue surplus in the previous year. There was a sharp rise in Fiscal deficit of the State, which increased to ₹ 14,916 crore during 2019-20, or 4.25 per cent of the GSDP, compared to ₹ 4,779 crore in the previous year, and constituted 19 per cent of Total Expenditure.

The Primary Deficit of ₹ 935 crore during 2018-19 further increased and reached ₹ 10,477 crore during the current year. The trend of these surplus and deficits over the five-year period from 2015-16 to 2019-20 is depicted in **Chart 1.5** and trend in surplus or deficit relative to GSDP is given in **Chart 1.6**.

Chart 1.5: Trends in Surplus/ Deficit

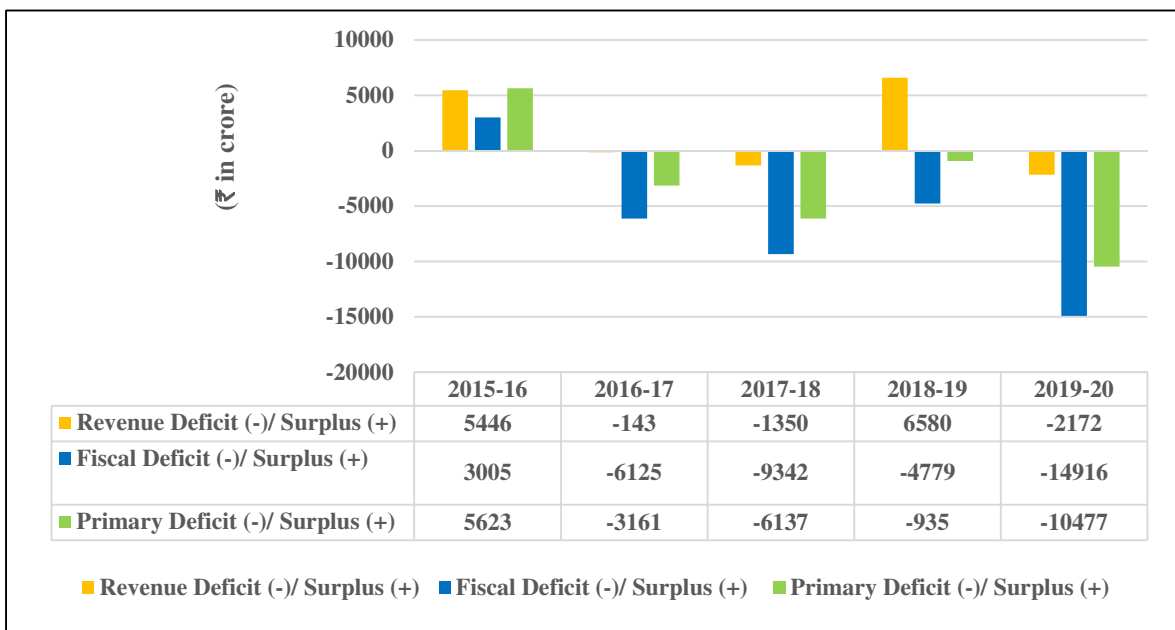
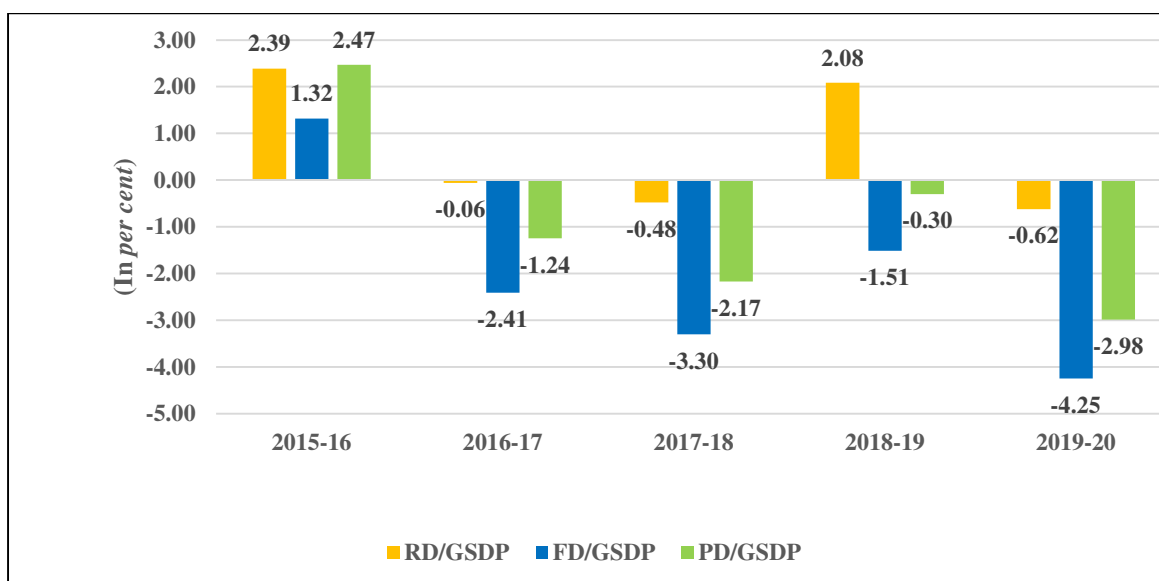


Chart 1.6: Trends in Surplus/ Deficit relative to GSDP

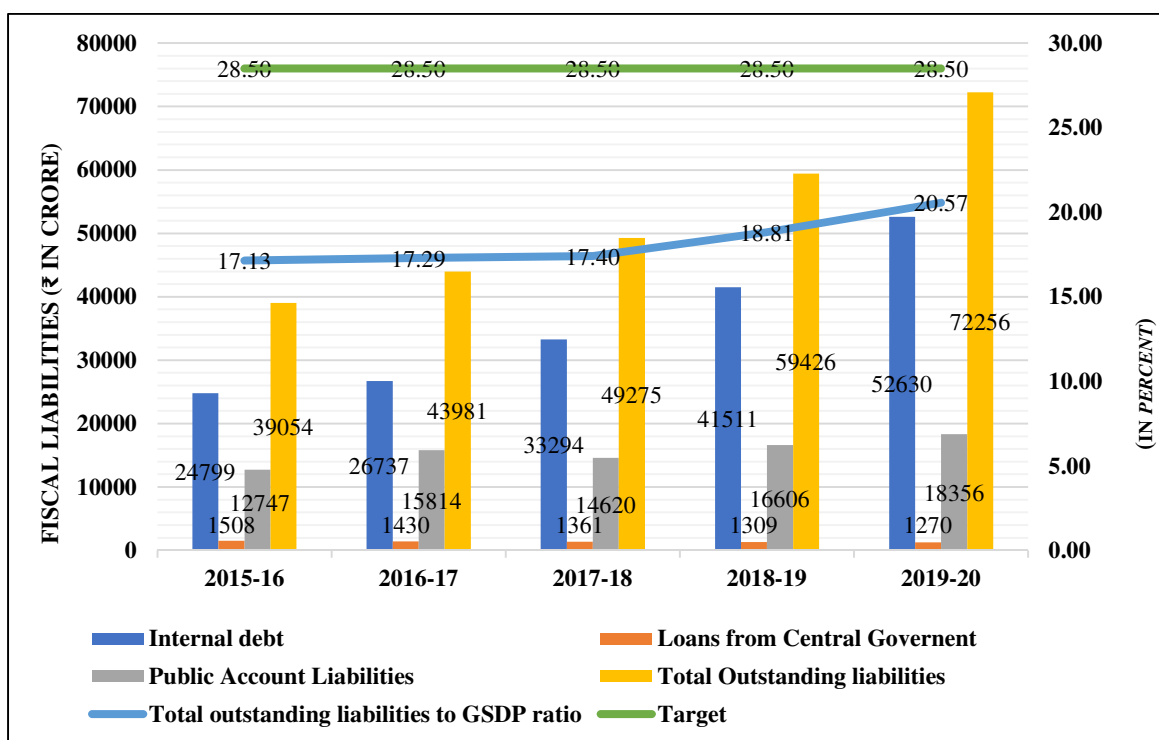


During 2019-20, Revenue Receipts increased nominally by 1.6 per cent (₹ 1,015.92 crore) over the previous year, while Revenue Expenditure increased significantly by 17.17 per cent (₹ 9,767.68 crore) during the same period, with a resulting Revenue Deficit of ₹ 2,171.60 crore during the year.

1.5.4 Trends in Fiscal Liabilities relative to GSDP

Trends in fiscal liabilities of the State, its components and its ratio to GSDP during the last five years i.e., 2015-20 are given in **Chart 1.7**.

Chart 1.7: Trends in Fiscal Liabilities relative to GSDP



As can be seen from **Chart 1.7** that over five-year period, the fiscal liabilities of the State had increased by 85 per cent from ₹ 39,054 crore in 2015-16 to ₹ 72,256 crore in 2019-20. However, the ratio of fiscal liabilities with respect to GSDP during the period remained the less than 28.50 per cent i.e., limit fixed under AFRBM Act, 2011.

1.6 Deficits and Total Debt after examination in audit

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

1.6.1 Post audit – Deficits

Misclassification of revenue expenditure as capital and off-budget fiscal operations impacts deficit figures. Besides, deferment of clear cut liabilities, not depositing cess/royalty to Consolidated Fund, short contribution to National Pension System (NPS), sinking and redemption funds, etc. also impacts the revenue and fiscal deficit figures.

The impact on Revenue Deficit/Fiscal Deficit due to misclassification, short contribution to earmarked funds and non-discharge of interest liabilities during 2019-20 is shown in **Table 1.6**.

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

Sl. No.	Particulars	Impact on Revenue Deficit (Understated (+)/ overstated (-)) (₹ in crore)	Impact on Fiscal Deficit (Understated(+)) (₹ in crore)
1	Major works budgeted/ booked under Revenue Section instead of Capital	-345.62	0
2	Minor works budgeted/ booked under Capital Section instead of Revenue	154.5	0
3	Grants-in-Aid booked under Capital Section instead of Revenue	6,225.45	0
4	Non discharge of Interest liabilities on SDRF, NPS etc. ¹	79.00	79.00
5	Shortfall in State Government contribution to Consolidated Sinking Fund	17.09	17.09
6	Discrepancy related to non-reporting of Pension payments	1,348.35	1,348.35
Total (Net) impact		7,478.77	1,444.44

Source: Finance Accounts

As per IGAS 2, Grant-in-aid disbursed by a grantor to a grantee shall be classified and accounted for as revenue expenditure irrespective of the purpose for which the funds disbursed as Grants-in-aid are to be spent by the grantee, except in cases where it has been specifically authorised by President on the advice of the Comptroller and Auditor General of India. It is observed that grants-in-aid of ₹ 6,225.45 crore was erroneously booked under Capital Section instead of Revenue, in violation of IGAS 2. Further, an amount of ₹ 550 crore released as Grants-in-aid to Assam State Road Project was incorrectly budgeted

¹ Non-discharge of Interest on SDRF- ₹ 45.27 crore, Deposit bearing Interest ₹ 32.66 crore and Deposits ₹ 1.07 crore

and booked under the Capital Major Head (5054), though the transaction was of revenue nature.

As can be seen from the above table, there was an understatement of Revenue Deficit by ₹ 7,478.77 crore during the year. Thus, the actual Revenue Deficit of the State would have been ₹ 9,650.37 crore during 2019-20 after taking into account the items of misclassification/non-reporting of expenditure during the year as brought out in the table above.

Similarly, Fiscal Deficit of the State was also understated by ₹ 1,444.44 crore during 2019-20. If this is taken into account, the actual Fiscal Deficit would have been ₹ 16,360.24 crore instead of ₹ 14,915.80 crore as reported in the Finance Accounts of 2019-20.

The State Government should classify expenditure correctly and also report the expenditure in time so that Finance Accounts may present the true and fair view of fiscal position of the State.

1.6.2 Total Outstanding Liabilities

The outstanding liabilities of the State as on 31 March 2020 was as under:

Table 1.7: Outstanding liabilities of the State as on 31 March 2020

Liabilities upon the Consolidated Fund (Public Debt)	<p>Internal Debt: ₹ 52,630.27 crore</p> <ul style="list-style-type: none"> ➤ Market Loans bearing interest: ₹ 41,551.00 crore ➤ Market Loans not bearing interest: ₹ 0.01 crore ➤ Loans from other Institutions, etc.: ₹ 3,879.64 crore ➤ Special Securities issued to the National Small Saving Fund of the Central Government: ₹ 7,199.62 crore
	<p>Loans and Advances from Central Government: ₹ 1,270.29 crore</p> <ul style="list-style-type: none"> ➤ Non-plan Loans: ₹ 87.38 crore ➤ Loans for Central Plan Schemes: ₹ 0.08 crore ➤ Loans for Special Schemes: ₹ 61.56 crore ➤ Pre-1984-85 Loans: ₹ 0.25 crore ➤ Other loans for States/Union Territory with Legislative Scheme: ₹ 1,121.02 crore

Liabilities upon Public Accounts	Liabilities upon Public Accounts: ₹ 18,355.96 crore <ul style="list-style-type: none"> ➤ Small Savings, Provident Funds, <i>etc.</i>: ₹ 13,156.52 crore ➤ Deposits: ₹ 3,898.94 crore ➤ Reserve Funds: ₹ 1,300.50 crore
Borrowings by State Public Sector Companies, corporations and other bodies	Nil
Borrowing by SPVs and other equivalent instruments	

1.7 Conclusion

- The fiscal position of the State is viewed in terms of three key fiscal parameters – Revenue Deficit/ Surplus, Fiscal Deficit/ Surplus and the ratio of Outstanding Debt to GSDP.
- The GSDP of Assam grew from ₹ 2,27,959 crore in 2015-16 to ₹ 3,51,318 crore (Quick Estimates) in 2019-20 with Compounded Annual Growth Rate (CAGR) of 11.42 *per cent* against the national CAGR of 10.37 *per cent*. However, there was a decline in the growth rate from 16.47 *per cent* in 2015-16 to 11.22 *per cent* in 2019-20.
- The State could achieve Revenue Surplus only during two years out of the five-year period from 2015-16 to 2019-20. During 2019-20, the State ended up with a Revenue Deficit of ₹ 2,171.60 crore against a Revenue Surplus of ₹ 6,580.16 crore in 2018-19.
- The State was successful in containing the Fiscal Deficit below three *per cent* of GSDP in three out of the last five years, and had in fact, a fiscal surplus of ₹ 3,005.48 crore in 2015-16. During the current year i.e., 2019-20, Fiscal Deficit of the State stood at 4.25 *per cent* of GSDP, which was significantly more than the limit of three *per cent* fixed under the Assam Fiscal Responsibility and Budget Management (AFRBM) Act. The Fiscal deficit which increased by 212.10 *per cent* from ₹ 4,779.06 crore in 2018-19 to ₹ 14,915.80 crore in 2019-20, was the highest level of fiscal deficit, since the enactment of the AFRBM Act in 2005.
- During the five-year period 2015-20, outstanding debt of the State remained consistently below 28.50 *per cent* of GSDP, i.e., within the norms prescribed in the AFRBM Act, 2011. However, the outstanding debt during 2019-20 (₹ 72,256.52 crore) increased by ₹ 12,829.91 crore (21.59 *per cent*) as compared to ₹ 59,426.61 crore during 2018-19.
- During the year, Revenue Deficit was understated by ₹ 7,478.77 crore and Fiscal Deficit was also understated by ₹ 1,444.44 crore due to misclassification of Grants-in-Aid of ₹ 6,225.45 crore under Capital Section instead of Revenue Section, short contribution of ₹ 17.09 crore to earmarked funds and non-discharge of interest liabilities of ₹ 79.00 crore by the State Government and non-reporting of Pension payments of ₹ 1,348.35 crore by banks *etc.*, as observed in Audit.

1.8 Recommendations

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

Chapter 2

Finances of the State

Chapter 2

Finances of the State

2.1 Introduction

This Chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the five-year period from 2015-16 to 2019-20, debt sustainability of the State and key Public Account transactions, based on the Finance Accounts of the State. Information was also obtained from the State Government where necessary.

2.2 Major changes in Key Fiscal Aggregates during 2019-20 vis-à-vis 2018-19

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

Each of these indicators is analysed in the succeeding paragraphs.

Table 2.1: Changes in key fiscal aggregates in 2019-20 compared to 2018-19

Revenue Receipts	<ul style="list-style-type: none">➤ Revenue Receipts of the State increased by 1.60 <i>per cent</i>➤ Own Tax Receipts of the State increased by 3.79 <i>per cent</i>➤ Own Non-Tax Receipts decreased by 32.62 <i>per cent</i>➤ State's Share of Union Taxes and Duties decreased by 13.86 <i>per cent</i>➤ Grants-in-Aid from Government of India increased by 46.67 <i>per cent</i>
Revenue Expenditure	<ul style="list-style-type: none">➤ Revenue Expenditure increased by 17.17 <i>per cent</i>➤ Revenue Expenditure on General Services increased by 6.13 <i>per cent</i>➤ Revenue Expenditure on Social Services increased by 14.71 <i>per cent</i>➤ Revenue Expenditure on Economic Services increased by 45.52 <i>per cent</i>➤ Expenditure on Grants-in-Aid increased by 33.71 <i>per cent</i>
Capital Expenditure	<ul style="list-style-type: none">➤ Capital Expenditure increased by 22.06 <i>per cent</i>➤ Capital Expenditure on General Services increased by 9.15 <i>per cent</i>➤ Capital Expenditure on Social Services decreased by 22.20 <i>per cent</i>➤ Capital Expenditure on Economic Services increased by 34.17 <i>per cent</i>
Loans and Advances	<ul style="list-style-type: none">➤ Disbursements of Loans and Advances decreased by 3.63 <i>per cent</i>➤ Recoveries of Loans and Advances increased significantly by 38,825.26 <i>per cent</i>
Public Debt	<ul style="list-style-type: none">➤ Public Debt Receipts increased by 21.23 <i>per cent</i>➤ Repayment of Public Debt decreased by 11.70 <i>per cent</i>
Public Account	<ul style="list-style-type: none">➤ Public Account Receipts increased by 7.03 <i>per cent</i>➤ Public Account Disbursements increased by 0.05 <i>per cent</i>
Cash Balance	<ul style="list-style-type: none">➤ Cash balance decreased by ₹ 1,248.74 crore (10.83 <i>per cent</i>) during 2019-20 compared to previous year.

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

2.3 Sources and Application of Funds

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

Table 2.2: Details of Sources and Application of funds during 2018-19 and 2019-20

(₹ in crore)

	Particulars	2018-19	2019-20	Increase (+) / Decrease (-)
Sources	Opening Cash Balance with RBI	180.98	-563.08	-744.06
	Revenue Receipts	63,479.16	64,495.08	1,015.92
	Recoveries of Loans & Advances	2.93	1,140.51	1,137.58
	Public Debt Receipts (Net)	8,165.29	11,080.37	2,915.08
	Contingency Fund Receipts	0	100.00	100.00
	Public Account Receipts (Net)	-4,130.29	7,278.71	11,409.00
	Total	67,698.07	83,531.59	15,833.52
Application	Revenue Expenditure	56,899.00	66,666.68	9,767.68
	Capital Expenditure	11,034.08	13,468.55	2,434.47
	Disbursements of Loans & Advances	328.07	316.16	-11.91
	Appropriation to Contingency Fund	0	100.00	100.00
	Closing Cash Balance with RBI	-563.08	2,980.20	3,543.28
	Total	67,698.07	83,531.59	15,833.52

Chart 2.1: Composition of Resources (per cent)

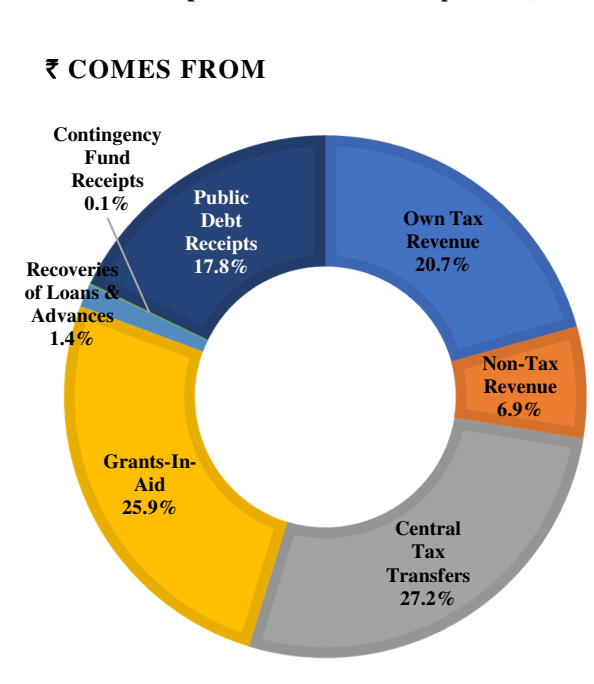
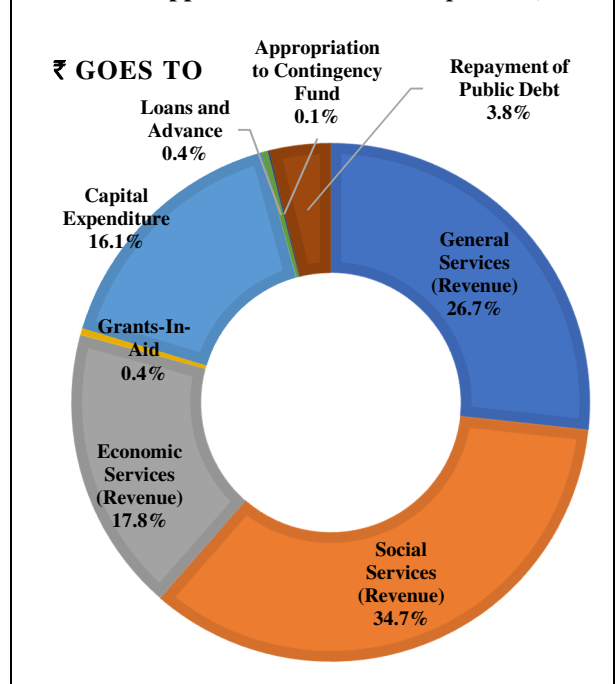


Chart 2.2: Application of Resources (per cent)



2.4 Resources of the State

The resources of the State are described below:

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

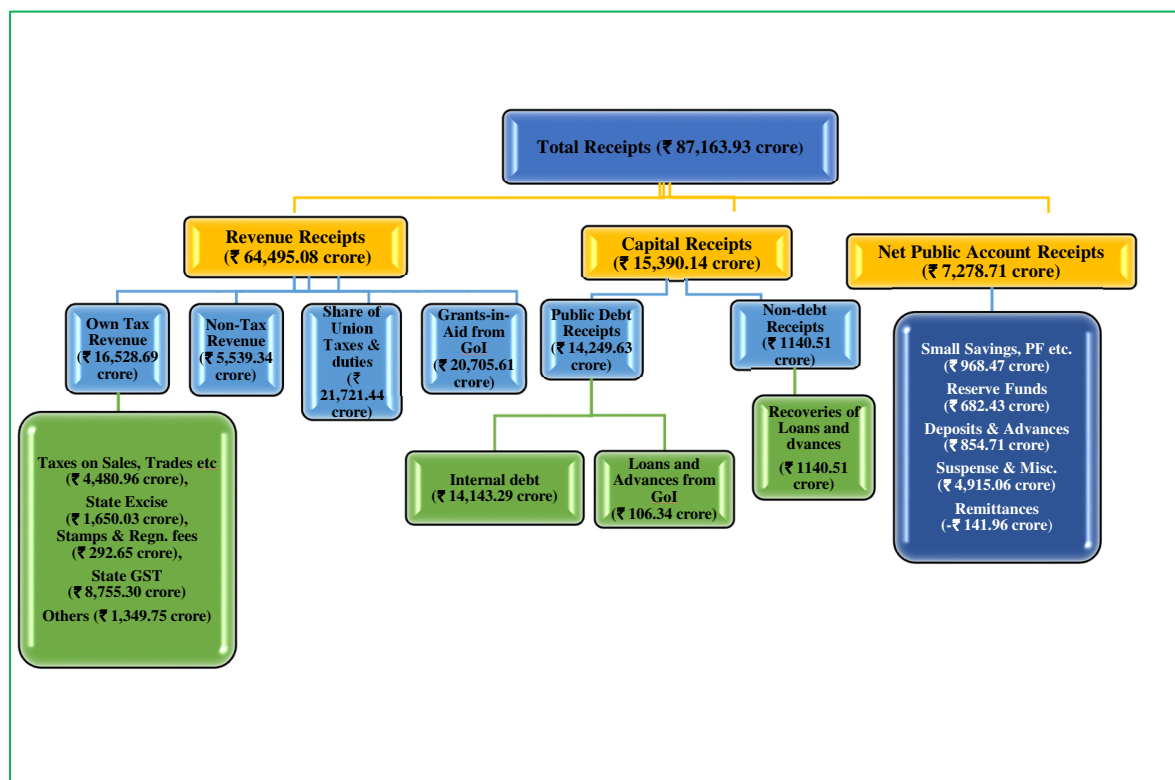
3. **Net Public Accounts receipts:** There are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.* which do not form part of the Consolidated Fund. These are kept in the Public Account set up under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

2.4.1 Receipts of the State

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

Composition of receipts of the State during 2019-20 is given in **Chart 2.3**.

Chart 2.3: Composition of receipts of the State during 2019-20



2.4.2 State's Revenue Receipts

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

2.4.2.1 Trends and growth of Revenue Receipts

Table 2.3 provides the trends and growth of Revenue Receipts as well as revenue buoyancy with respect to GSDP over the five-year period 2015-20. Further, trends in Revenue Receipts relative to GSDP and composition of Revenue Receipts are given in **Charts 2.4** and **2.5** respectively.

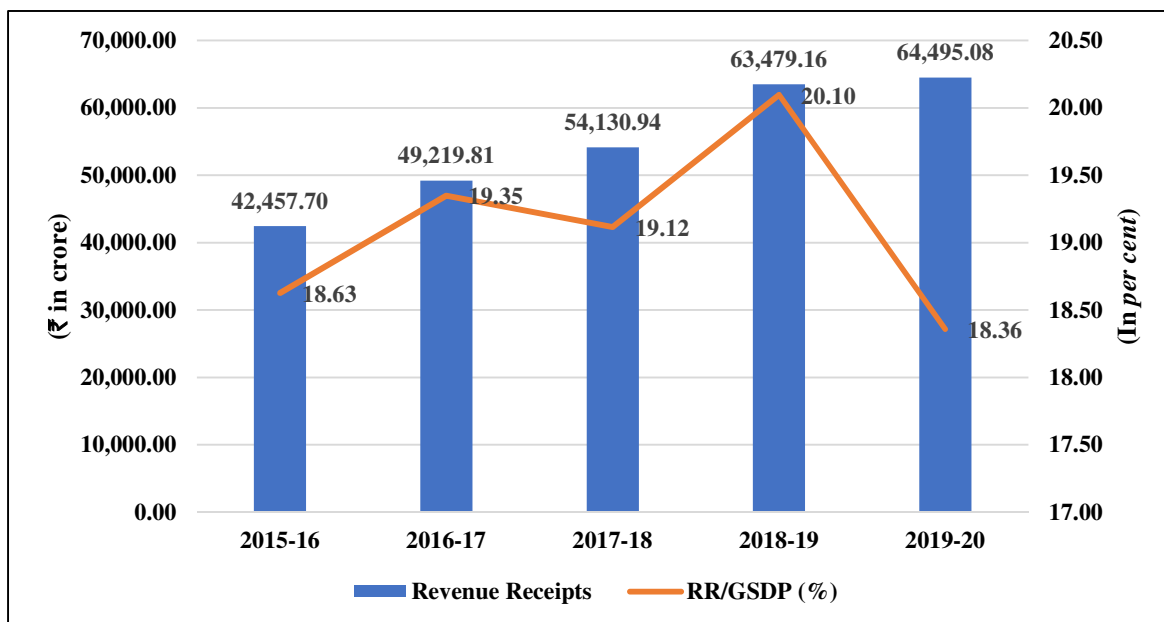
Table 2.3: Trend in Revenue Receipts

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Receipts (RR) (₹ in crore)	42,457.70	49,219.81	54,130.94	63,479.16	64,495.08
Rate of growth of RR (<i>per cent</i>)	11.20	15.93	9.98	17.27	1.60
Own Tax Revenue (₹ in crore)	10,106.50	12,079.56	13,215.52	15,924.85	16,528.69
Non-Tax Revenue (₹ in crore)	2,741.57	4,353.13	4,071.97	8,221.29	5,539.34
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (<i>per cent</i>)	8.31	27.90	5.20	39.67	-8.61
Gross State Domestic Product (₹ in crore) (2011-12 Series)	2,27,958.82	2,54,382.36	2,83,164.90	3,15,881.20 (PE)	3,51,317.77 (QE)
Rate of growth of GSDP (<i>per cent</i>)	16.47	11.59	11.31	11.55	11.22
RR/GSDP (<i>per cent</i>)	18.63	19.35	19.12	20.10	18.36
Buoyancy Ratios¹					
Revenue Buoyancy w.r.t GSDP	0.68	1.37	0.88	1.49	0.14
State's Own Revenue Buoyancy w.r.t GSDP	0.50	2.41	0.46	3.43	-0.77

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

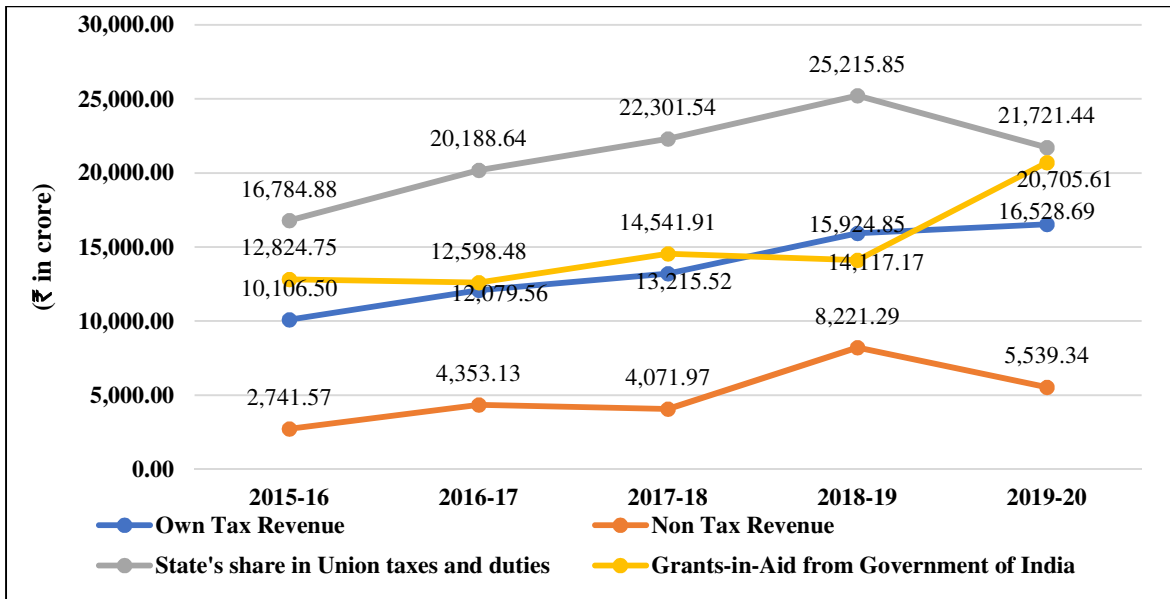
P.E. - Provisional Estimates; Q.E. - Quick Estimates

Chart 2.4: Trend of Revenue Receipts



¹ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 0.14 implies that Revenue Receipts tend to increase by 0.14 percentage points, if the GSDP increases by one *per cent*.

Chart 2.5: Trend of components of Revenue Receipts



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

- Revenue Receipts increased by 51.90 per cent from ₹ 42,457.70 crore in 2015-16 to ₹ 64,495.08 crore in 2019-20 at an annual average growth rate of 10.38 per cent. During 2019-20, Revenue Receipts increased marginally by ₹ 1,015.92 crore (1.60 per cent) over the previous year. As a percentage of GSDP, the Revenue Receipts actually decreased from 20.10 to 18.36 per cent in 2019-20, primarily on account of the sharp decrease in the share of Union taxes.
- During 2019-20, State's own revenue constituted 34.22 per cent of Revenue Receipts and remaining 65.78 per cent came from Government of India as Central transfers and Grant-in-Aid. The Grants-in-Aid from Government of India increased by ₹ 6,588.44 crore from ₹ 14,117.17 crore of the previous year to ₹ 20,705.61 crore during the year, an increase of 46.67 per cent.
- Increase in Revenue Expenditure of 17.17 per cent (₹ 9,767.68 crore) was significantly higher than the marginal increase of Revenue Receipts of 1.60 per cent (₹ 1,015.92 crore), leading to Revenue Deficit during the current year.

2.4.2.2 State's Own Resources

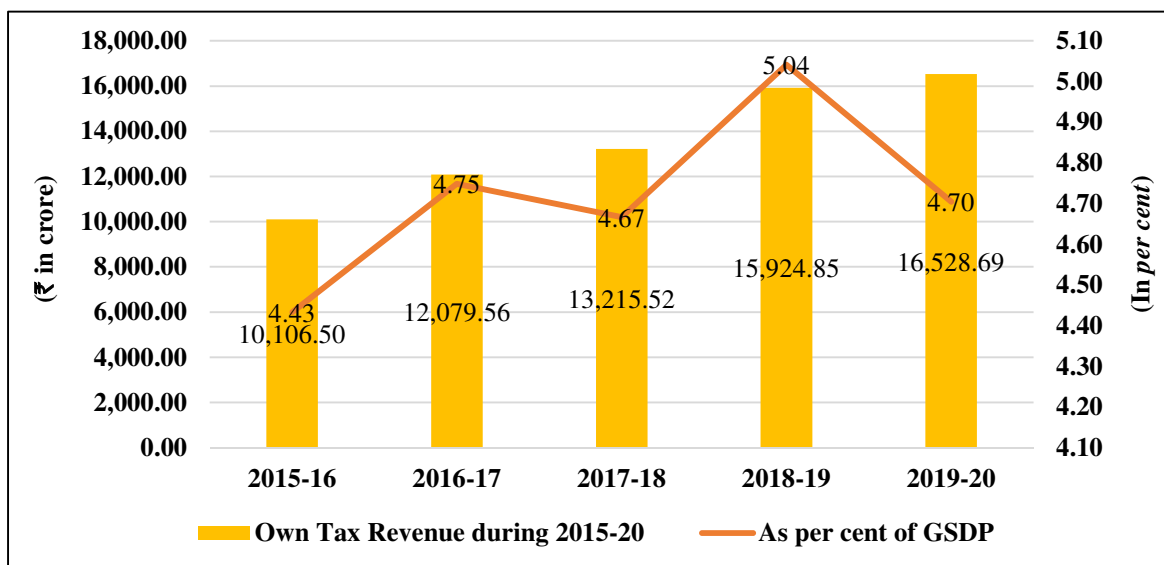
State's share in Central taxes is determined on the basis of recommendations of the Finance Commission; share of Grants-in-Aid are determined by the quantum of collection of Central tax receipts and anticipated Central assistance for schemes, etc. State's performance in mobilisation of additional resources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

Own Tax Revenue

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

The total collection of Own Tax Revenue of the State and its ratio to GSDP during the five-year period *i.e.*, 2015-20 is given in **Chart 2.6**.

Chart 2.6: Growth of Own Tax Revenue during 2015-20



The component-wise details of Own Tax Revenue collected during the years 2015-20 were as follows.

Table 2.4: Components of State's own tax revenue during 2015-20

(₹ in crore)

Heads	2015-16	2016-17	2017-18	2018-19	2019-20	
					Budget Estimates	Actuals
State Goods and Services Tax	0.00	0.00	4,077.67	8,393.04	9,309.68	8,755.30
Taxes on Sales, Trades, etc.	7,493.72	8,751.63	6,373.00	4,698.74	4,856.25	4,480.96
State Excise	807.96	963.81	1,095.16	1,399.84	1,450.00	1,650.03
Taxes on Vehicles	442.73	521.59	646.96	765.01	898.31	815.82
Stamps and Registration Fees	224.83	226.78	239.17	240.72	396.80	292.65
Land Revenue	229.46	210.02	219.39	163.22	253.30	94.16
Other Taxes ²	907.80	1,405.73	564.17	264.28	157.95	439.77
Total	10,106.50	12,079.56	13,215.52	15,924.85	17,322.29	16,528.69

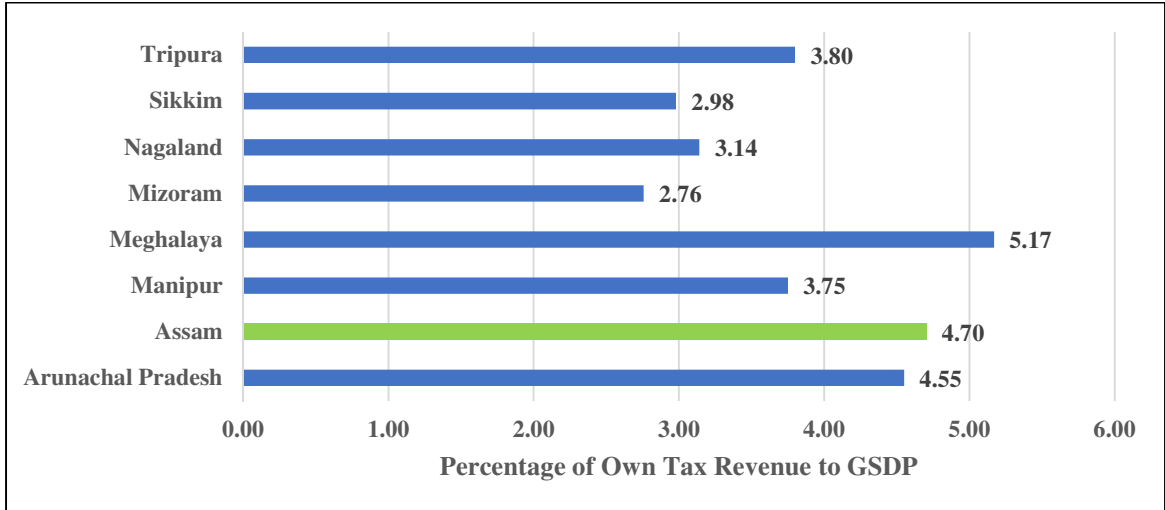
Source: Finance Accounts

Own Tax Revenue of the State increased by ₹ 6,422.19 crore from ₹ 10,106.50 crore in 2015-16 to ₹ 16,528.69 crore in 2019-20 at an annual average rate of 12.71 per cent. During the current year, major contributors of Tax Revenue were State Goods and Services Tax (52.97 per cent), Taxes on Sales, Trades etc., (27.11 per cent) and State Excise (9.98 per cent).

² Other Taxes include taxes on agricultural income, taxes on goods and passengers, taxes and duties on electricity and other taxes and duties on commodities and services, etc.

During 2019-20 State's Own Tax Revenue of ₹ 16,528.69 crore at 4.70 *per cent* of GSDP, was marginally lower than that of Meghalaya (5.17 *per cent*) but higher than the other NER States as shown in **Chart 2.7**.

Chart 2.7: Percentage of Own Tax Revenue to GSDP of NER States during 2019-20



State Goods and Services Tax (SGST)

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

As per the GST (Compensation to States) Act, 2017, States will be compensated for the shortfall in revenue arising on account of implementation of the goods and services tax considering an annual growth of 14 *per cent* from the base year 2015-16, for a period of 5 years. The centre levies the Integrated GST (IGST) on inter-state supply of goods and services, and apportions the state's share of tax to the State where the goods or services are consumed.

Actual collection of revenue under State Goods and Services Tax (SGST) from 2017-18 to 2019-20 is given in **Table 2.5**.

Table 2.5: SGST receipts of Government of Assam

(₹ in crore)				
State Goods and Services Tax (SGST)	2017-18	2018-19	2019-20	Increase /decrease over previous year
Tax (Minor Head: 101, 105)	3,613.48	7,094.96	8,248.97	1,154.01
IGST Apportionment (Minor Head: 106,110)	453.39	1,235.73	332.16	-903.57
Others (Minor Head: 102,103, 104, 500, 800)	10.80	62.35	174.17	111.82
SGST collection	4,077.67	8,393.04	8,755.30	362.26

Source: Finance Accounts

During 2019-20, SGST collection of the State increased marginally by ₹ 362.26 crore (4.32 *per cent*) only over the previous year.

Further, in accordance with Section 6 of GST (Compensation to States) Act, 2017, the protected revenue of the State for the year 2019-20 was fixed at ₹ 10,109 crore by taking into consideration the revenue collection of 2015-16 (₹ 5,985.50 crore) as base year *plus* 14 *per cent* annual increase. Since the SGST receipts in 2019-20 fell short of the protected revenue, in keeping with the GST (Compensation to States) Act, the State Government received a compensation of ₹ 878.97 crore during the year, on account of loss of revenue arising out of implementation of GST.

Further, access to GST data was not provided to the audit by financial year 2018-19. The matter was taken up with the State Government from time to time. Government finally provided User ID based access to GST data to audit on 9 November 2020.

Analysis of arrears of revenue and arrears of assessment

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

Analysis of arrears of revenue

The arrears of revenue as on 31 March 2020 in respect of the Finance (Taxation), Excise, Transport, Mines and Minerals Departments amounted to ₹ 5,735.63 crore of which ₹ 2,560.62 crore was outstanding for more than five years, as detailed in the **Table 2.6**

Table 2.6: Arrears of revenue

(₹ in crore)

Sl. No.	Head of Revenue	Name of Department	Total Amount outstanding as on 31 March 2020	Amount outstanding for more than five years as on 31 March 2020	Replies of the Department
1	Taxes on Agriculture Income	Finance (Taxation)	73.50	49.54	Following are the reasons for the pending arrears: i. Some amounts become arrears when the amounts are not paid by the dealers on due date. The assessing officer issues notices to the defaulters for payment of arrears and tries his best to realize the amount. Such arrears are paid by the concerned dealers with interest. Current arrears are also included in the above amount. ii. For the amount which cannot be realised by the assessing officers in spite of all efforts, arrear certificates are issued by the assessing officers to the Bakijai officers for realisation of the amount and these amounts remain as arrear with the Superintendent of Taxes (Recovery) till recovery of the said arrear amount.
2	Other Taxes on Income and Expenditure		3.53	2.02	
3	Land Revenue		2,308.59	1,202.32	
4	Taxes on Sales, Trade etc		3,130.23	1,137.21	
5	Taxes on Goods and Passengers		92.19	45.92	
6	Taxes and Duties on Electricity		33.18	30.76	
7	Other Taxes and Duties on commodities and Services		5.27	3.71	

Sl. No.	Head of Revenue	Name of Department	Total Amount outstanding as on 31 March 2020	Amount outstanding for more than five years as on 31 March 2020	Replies of the Department
					iii. Pending of cases involving areas of revenue in High Court/ Supreme Court/ Board of revenue and with Appellate/ Revision Authority. iv. Untraceability of dealers at the time of realisation of dues etc.
8	State Excise	Excise	70.76	70.76	Due to non-payment of levies by the wholesale warehouse in due time.
9	Taxes on vehicles	Transport	18.30	18.30	Shortage of Enforcement personnel/ staff and inadequate infrastructure in respect of enforcement drive due to ongoing covid-19 pandemic.
10	Non-ferrous Mining and Metallurgical Industries	Mines and Minerals	0.08	0.08	Non-payment of royalty on limestone by NECEM Cement Ltd. for 2005-06, 2006-07 and 2011-12 (₹ 8,15,789)
	Total		5,735.63	2,560.62	

The replies of the departments capture the reasons for outstanding arrears of revenue. The fact remains that recovery of ₹ 2,560.62 crore was pending for more than five years. Clearance of arrears of such magnitude requires focused efforts by all departments concerned and a push for coordination with other departments such as banks, police department and quasi-judicial/ judicial bodies involved in the process of recovery.

Arrears in Assessments

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

Table 2.7: Arrears in assessment

Nomenclature of the Act	Arrears of assessment due as on 31 March 2019	New cases due for assessments during 2019-20	Total assessment due	Cases disposed on during 2019-20	Balance at the end of the year	Percentage of disposal (col. 5 to 4)
1	2	3	4 (2+3)	5	6 (4-5)	7
Sales Tax (AGST/ AVAT/ CST Acts)	20,710	6,839	27,549	7,003	20,546	25.42
Profession Traders, Callings and Employment Taxation Act	37,344	30,924	68,268	21,717	46,551	31.81
Amusement and Betting Taxation Act	595	32	627	119	508	18.98
Entry Tax Act	3,060	631	3,691	1,191	2,500	32.27

Nomenclature of the Act	Arrears of assessment due as on 31 March 2019	New cases due for assessments during 2019-20	Total assessment due	Cases disposed on during 2019-20	Balance at the end of the year	Percentage of disposal (col. 5 to 4)
Luxury (Hotel & Lodging Houses) Act	416	120	536	270	266	50.37
Electricity duty Act	2,513	476	2,989	220	2,769	7.36
Taxation (on Specified Lands) Acts	1,070	1,293	2,363	2,143	220	90.69
Agricultural Income Tax Act	1,607	762	2,369	394	1,213	24.52
Total	67,315	41,077	1,08,392	33,057	74,573	30.71

Above table indicates that the assessments pending at the end of the year increased over the previous year in respect of all the heads of revenue. The percentage of disposal of cases due for assessment in overall cases was 30.71 *per cent* during the year. In respect of Assam Electricity Duty Act, percentage of disposal of cases at 7.36 *per cent* was, however, very poor. Pendency in assessment may result in non/short realisation of Government revenues and further accumulation in arrears of revenue.

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

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

The cases of evasion of tax detected by the Excise & Taxation Department and cases finalised and the demands for additional tax raised are shown in **Table 2.8**.

Table 2.8: Evasion of Tax Detected

Sl. No.	Head of Revenue	Cases pending as on 31 March 2019	Cases detected during 2019-20	Total	No. of cases in which assessment / investigation completed and additional demand with penalty <i>etc.</i> raised		No. of cases pending for finalisation as on 31 March 2020
					No. of cases	Amount of demand (₹ in crore)	
1.	Taxes/VAT on sales, Trade	0	0	-	-	-	-
2.	GST	0	707	707	707	8.14	0
3.	State Excise	4	0	4	4	43.94	0
	Total	4	707	711	711	52.08	0

Source: Information furnished by the Commissioner of Taxes

Thus, the Government of Assam had raised a demand of ₹ 52.08 crore relating to 711 cases of evasion of Tax as of 31 March 2020.

Further, the details of claims for refund received and refund made under GST, Sales Tax (VAT) and State Excise are shown in **Table 2.9**.

Table 2.9: Details of refund cases

(₹ in crore)

Sl. No.	Particulars	GST		Sales tax/VAT		State Excise		Total	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1	Claims outstanding at the beginning of the year 2019-20	0	0	7	54.00	NA	NA	7	54.00
2	Claims received during the year 2019-20	325	59.18	82	68.73	NA	NA	407	127.91
3	Refunds made during the year	300	55.02	79	62.63	NA	NA	379	117.65
4	Refunds rejected during the year	-	-	-	-	-	-	-	-
5	Balance outstanding at the end of year	25	4.16	10	60.10	NA	NA	35	64.26

Source: Information furnished by the Commissioner of Taxes; NA: Not Available

During 2019-20, the State Government refunded ₹ 117.65 crore under GST and Sales Tax/VAT pertaining to 379 cases. Out of that, 300 cases involving ₹ 55.02 crore were related to GST and 79 cases involving ₹ 62.63 crore were related to Sales Tax/ VAT. At the end of 2019-20, 35 cases of claim for refund involving ₹ 64.26 crore were outstanding for settlement.

Non-Tax Revenue

Non-Tax revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts, etc. The component-wise details of Non-Tax Revenue collected during the years 2015-20 are given in **Table 2.10**.

Table 2.10: Component-wise Non-Tax Revenue during 2015-20

(₹ in crore)

Heads	2015-16	2016-17	2017-18	2018-19	2019-20	
					Budget Estimates	Actuals
Interest receipts	298.80	475.40	305.39	588.09	376.27	666.86
Dividend and Profit	70.06	124.44	225.55	153.24	277.90	30.64
Petroleum	1,672.03	3,101.96	2,533.20	5,642.66	5,293.72	3,805.34
Forestry and Wild Life	117.30	215.85	250.74	364.27	308.93	416.06
Other Administrative Services	329.16	210.46	75.74	211.90	95.34	103.17
Others	254.22	225.02	681.35	1,261.13	2,179.49	517.27
Total	2,741.57	4,353.13	4,071.97	8,221.29	8,531.65	5,539.34

Source: Finance Accounts

Non-Tax Revenue, which ranged between six (2015-16) and 13 *per cent* (2018-19) of Total Revenue Receipts of the State during the five-year period from 2015-16 to 2019-20, decreased significantly by ₹ 2,681.95 crore (33 *per cent*) during 2019-20 over the previous year. Major contributors of Non-Tax Revenue during 2019-20 were Petroleum (₹ 3,805.34 crore), followed by interest receipts (₹ 666.86 crore) and Forestry and Wild Life (₹ 416.06 crore). The main reason for decrease of revenue as compared to 2018-19 was due to the fact that arrears of royalties on petroleum relating to previous years were received during 2018-19 and less receipts of dividend from SPSUs as compared to previous year.

2.4.2.3 Transfers from the Centre

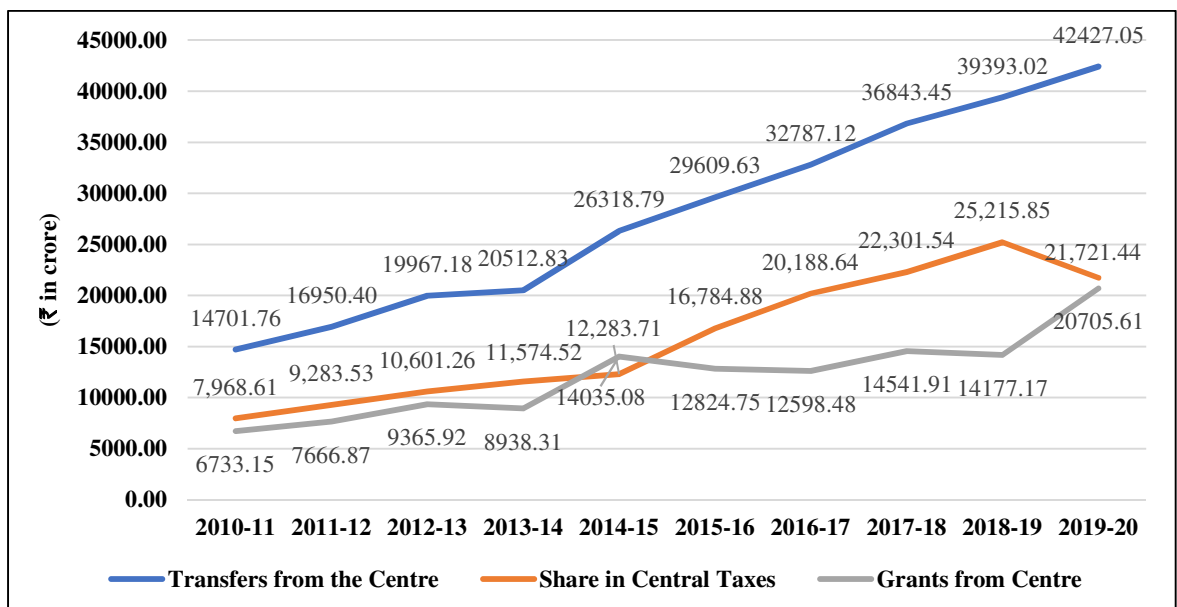
During last 10 years from 2010-11 to 2019-20, there were two Central Finance Commissions (XIII FC and XIV FC) constituted by the Central Government. As per recommendations of these FCs, the State Government had received its share of devolved taxes, as also certain grants recommended by FC. In addition, the State received significant amount of Grants from the Central Government for implementation of various schemes in the State.

The XIII FC recommended 32 *per cent* share of Union taxes to the State during the period for 2010-15. However, the XIV FC had recommended for increasing the percentage of State's Share of Union taxes to 42 *per cent* during the FC award period from 2015-16 to 2019-20. This significant increase in the State's share altered the composition of central transfers in favour of statutory transfers from discretionary transfers made earlier. It also led to greater predictability and certainty in the quantum of funds being transferred to the State. As a result, the devolution of State's Share of Union taxes had substantially increased during the XIV FC Award period.

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

The trend and composition of Central Transfer during last ten years are shown in **Chart 2.8**.

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



Central Tax Transfers

Actual devolution of Union taxes to the State *vis-à-vis* projection of the Finance Commission is given in **Table 2.11**.

Table 2.11: State's share in Union taxes and duties: Actual devolution *vis-à-vis* Finance Commission projections

(₹ in crore)

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

Source: Report of the TFC & FFC, Finance Accounts

As can be seen in **Table 2.11** above, the Actual Tax Devolution has fallen short of the projection made by the Finance Commission. While the shortfall in projected devolution was fairly low at 1.7 *per cent* during the XIII FC period, this shortfall was as high as 19 *per cent* for the XIV FC period, with the shortfall rising to 36.8 *per cent* in the terminal year of 2019-20.

While States share in the buoyancy of Central Taxes through the percentage-based devolution, the shortfall in realisation of Central Tax revenue for devolution has greater impact on a State like Assam, has historically been in receipt of Revenue Deficit (RD) Grants from the FC, with three of the last four FCs, *viz* FCXI, FCXII and FCXIV, having recommended RD Grants to Assam. Had the FC XIV been in possession of the actual Central revenue forecast for the award period, the State of Assam would have been assessed as in need of higher Revenue Deficit of ₹ 22,803 crore during the award period, as against ₹ 3,379³ crore recommended by the FC XIV.

Details of Central tax transfers

The details of Central tax transfers to the State during 2015-20 are given in **Table 2.12**.

³ FY 2015-16: ₹ 2,191 crore; FY 2016-17: ₹ 1,188 crore

Table 2.12: Central Tax Transfers

(₹ in crore)

Head	2015-16	2016-17	2017-18	2018-19	2019-20
Central Goods and Services Tax	0.00	0.00	315.80	6,223.49	6,163.89
Integrated Goods and Services Tax	0.00	0.00	2,251.40	496.70	0.00
Corporation Tax	5,273.44	6,470.99	6,829.45	8,768.87	7,406.13
Taxes on Income other than Corporation Tax	3,653.08	4,497.36	5,767.00	6,457.89	5,803.21
Customs	2,689.32	2,783.57	2,250.70	1,787.36	1,376.85
Union Excise Duties	2,250.26	3,178.60	2,352.60	1,187.80	957.27
Service Tax	2,903.71	3,154.60	2,534.80	231.85	0.00
Other Taxes	15.07	103.52	-0.21	61.89	14.09
Central Tax transfers	16,784.88	20,188.64	22,301.54	25,215.85	21,721.44
Percentage of increase over previous year	36.64	20.28	10.47	13.07	-13.86
Percentage of Central tax transfers to Revenue Receipts	39.53	41.02	41.20	39.72	33.68

Over the five-year period 2015-20, Central tax transfers increased by 29.41 per cent from ₹ 16,784.88 crore in 2015-16 to ₹ 21,721.44 crore in 2019-20, though it fell far short of the increase projected by FC XIV. During the current year, the Central tax transfers decreased significantly by ₹ 3,494.41 crore (13.86 per cent) from ₹ 25,215.85 crore in 2018-19 to ₹ 21,721.44 crore in 2019-20.

Grants-in-Aid from Government of India

Grants-in-Aid (GIA) received by the State Government from GoI during 2015-20 are detailed in Table 2.13.

Table 2.13: Grants-in-Aid from Government of India

(₹ in crore)

Head	2015-16	2016-17	2017-18*	2018-19*	2019-20*
Non-Plan Grants	3,330.48	2,154.41	0.00	0.00	0.00
Grants for State Plan Schemes	8,737.30	9,111.10	0.00	0.00	0.00
Grants for Central Plan Schemes	571.54	979.01	0.00	0.00	0.00
Grants for Centrally Sponsored Schemes	14.94	207.23	0.00	0.00	0.00
Grants for Special Plan Schemes	170.49	146.73	0.00	0.00	0.00
Grants for Centrally Sponsored Schemes(CSS)	0.00	0.00	11,600.11	11,849.26	14,389.53
Finance Commission Grants	0.00	0.00	1,283.06	932.20	4,604.07
Other transfers/ Grants to States/ Union Territories with Legislature	0.00	0.00	1,658.74	1,335.71	1,712.01
Total	12,824.75	12,598.48	14,541.91	14,117.17	20,705.61
Percentage of increase over the previous year	(-)8.62	(-)1.76	15.43	(-)2.92	46.67
Percentage of GIA to Revenue Receipts	30.21	25.60	26.86	22.24	32.10

Source: Finance Accounts

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

Grants-in-Aid from GoI increased by ₹ 6,588.44 crore (47 per cent) during the year compared to the previous year. GIA constituted 32 per cent of Revenue Receipts during the year 2019-20. Grants for Centrally Sponsored Schemes (₹ 14,389.53 crore) to the State constituted 69 per cent of the total grants during the year. Finance Commission Grants

(₹ 4,604.07 crore) to the State were provided for Local Bodies and State Disaster Response Fund (SDRF) and constituted 22 *per cent* of total grants during the year.

Other grants received by the State during the year were in respect of (i) Compensation for loss of revenue arising out of implementation of GST (₹ 878.97 crore) (ii) Grants to Autonomous Councils and Areas covered under Sixth Schedule (₹ 188.98 crore), (iii) Central Road Fund (₹ 149.03 crore) *etc.*

Fourteenth Finance Commission Grants

As mentioned in the previous paragraph, XIV FC Grants were provided to the states for local bodies and SDRF. Details of grants recommended by XIV FC and actual release by GoI during 2015-20 are given in **Table 2.14**.

Table 2.14: Recommended amount, actual release and transfers of Grant-in-aid

(₹ in crore)

Particulars	Recommendation of the XIV-FC			Actual release by GoI		
	2015-16 to 2018-19	2019-20	Total	2015-16 to 2018-19	2019-20	Total
1	2	3	4	5	6	7
Local Bodies	4,448.95	1,938.16	6,387.11	1,725.35	4,100.97	5,826.32
(i) Grants to PRIs	3,775.40	1,641.19	5,416.59	1,590.96	3,600.57	5,191.53
(ii) Grants to ULBs	673.55	296.97	970.52	134.39	500.40	634.79
State Disaster Response Fund	1,982.00	559.00	2,541.00	1,783.80	503.10	2,286.90
Grand Total	6,430.95	2,497.16	8,928.11	3,509.15	4,604.07	8,113.22

Source: XIV-FC Report and Finance Accounts

It could be seen from above table that XIV FC recommended ₹ 4,448.95 crore for release to the local bodies during four years i.e., 2015-16 to 2018-19. Out of that GoI released only ₹ 1,725.35 crore (38.78 *per cent*) during the period. In the terminal year i.e., 2019-20, remaining amount of earlier years as well as the amount due for the current year was released to the Government of Assam.

Less release of grants for local bodies (both urban and rural) in earlier years was mainly due to the delay in holding elections to the local bodies. While elections were due in March 2018, the State Government conducted elections only in December 2018.

2.4.3 Capital Receipts

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

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

Table 2.15: Trends in growth and composition of Capital Receipts

(₹ in crore)

Sl. No.	Sources of State's Capital Receipts*	2015-16	2016-17	2017-18	2018-19	2019-20
1	Capital Receipts	6,008.18	3,920.31	8,451.78	11,757.58	15,390.14
(a)	Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	0.00
(b)	Recovery of Loans and Advances	510.19	18.60	4.71	2.93	1,140.51
(c)	Public Debt Receipts	5,497.99	3,901.71	8,447.07	11,754.65	14,249.63
(i)	Internal Debt (excluding Ways and Means Advance and Overdraft)	5,447.50	3,844.36	8,377.50	11,665.49	14,143.29
	Growth rate (In per cent)	20.20	-29.43	117.92	39.25	21.24
(ii)	Loans and advances from Gol	50.49	57.35	69.57	89.16	106.34
	Growth rate (In per cent)	1.67	13.59	21.31	28.16	19.27
2	Rate of growth of debt Capital Receipts (In per cent)	30.84	-34.75	115.59	39.11	30.89
3	Rate of growth of non-debt capital receipts (In per cent)	4,936.43	-96.35	-74.68	-37.79	38,825.26
4	Rate of growth of GSDP (In per cent)	16.47	11.59	11.31	11.55	11.22
5	Rate of growth of Capital Receipts (In per cent)	30.84	-34.75	115.59	39.11	30.90

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

*Includes only receipt under Consolidated Fund

Capital Receipts increased by 156.15 per cent from ₹ 6,008.18 crore in 2015-16 to ₹ 15,390.14 crore in 2019-20. Public debt receipts create future repayment obligation and these are taken from Market, Financial Institutions and Central Government. During the current year, it grew significantly by 21.23 per cent from ₹ 11,754.65 crore in 2018-19 to ₹ 14,249.63 crore in 2019-20.

2.4.4 State's performance in mobilisation of resources

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

The gross collections in respect of major Tax and Non-Tax Revenue and their relative share in GSDP during 2015-20 are given in *Appendix 1.2*. Further, **Table 2.16** provides the State's performance in mobilisation of resources assessed in terms of its own resources comprising own-tax and non-tax sources.

Table 2.16: Tax and Non-Tax receipt vis-à-vis projections

(₹ in crore)

	FC projections	Budget Estimates	Actual	Percentage variation of actual over	
				FC projections	Budget Estimates
Own Tax Revenue	22,991.00	17,322.29	16,528.69	(-) 28.11	(-) 4.58
Non-Tax Revenue	5,979.00	8,531.65	5,539.34	(-) 7.35	(-) 35.07

It can be seen from above table that State's Own Tax and Non-Tax Revenues were short of 28.11 and 7.35 per cent respectively from the projections of XIV FC whereas same were short of 4.58 and 35.07 per cent respectively over the estimates made in the Budget during 2019-20.

2.5 Application of resources

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

2.5.1 Growth and composition of total expenditure

The expenditure of the State is broadly classified under three categories viz., Revenue Expenditure, Capital Expenditure and Loans & Advances. These three together are called total expenditure⁴ of the State.

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

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

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

The Total Expenditure, its composition and relative share in GSDP during the years 2015-16 to 2019-20 is presented in **Table 2.17**.

Table 2.17: Total Expenditure and its composition

(₹ in crore)					
Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
Total Expenditure (TE)	39,962.42	55,364.18	63,477.85	68,261.15	80,551.39
Revenue Expenditure (RE)	37,011.42	49,362.72	55,480.94	56,899.00	66,666.68
Capital Expenditure (CE)	2,690.91	5,502.08	7,692.84	11,034.08	13,468.55
Loans and Advances	260.09	499.38	254.07	328.07	316.16
Appropriation to Contingency Fund	0.00	0.00	50.00	0.00	100.00
As a percentage of GSDP					
TE/GSDP	17.53	21.76	22.42	21.61	22.93
RE/GSDP	16.24	19.40	19.59	18.01	18.98
CE/GSDP	1.18	2.16	2.72	3.49	3.83
Loans and Advances/GSDP	0.11	0.20	0.09	0.10	0.09
Appropriation to Contingency Fund	0.00	0.00	0.02	0.00	0.03

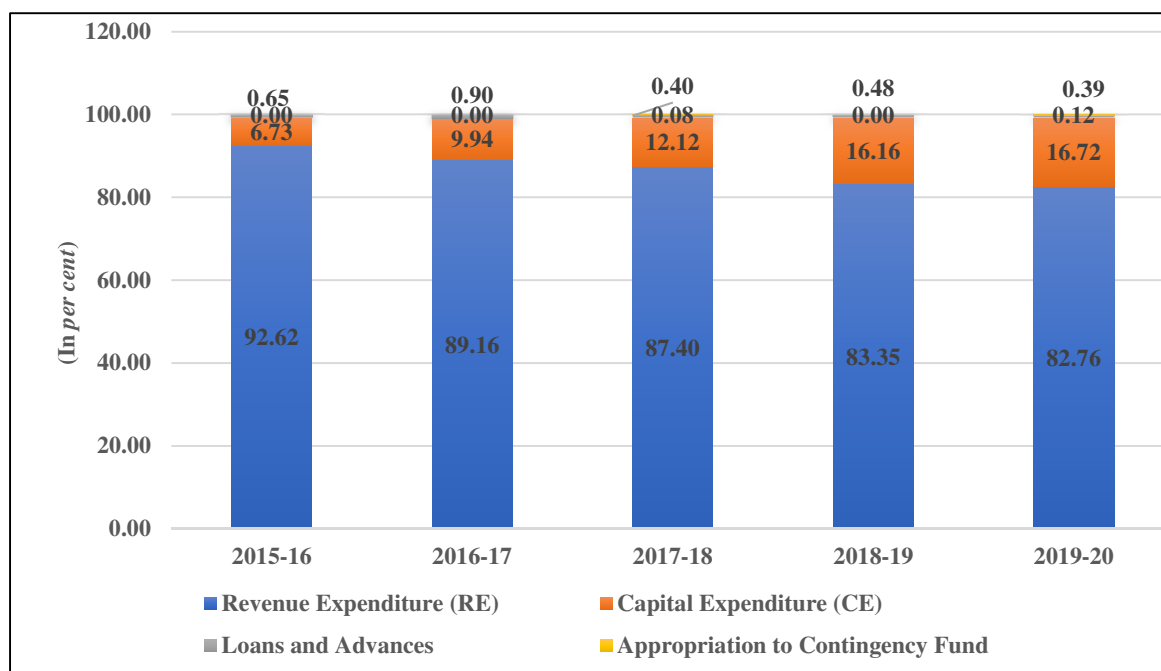
The above table shows that Total Expenditure of the State nearly doubled from ₹ 39,962.41 crore in 2015-16 to ₹ 80,551.39 crore in 2019-20. During the year, it increased

⁴ Any Appropriation to Contingency Fund for increasing the Corpus of the Fund also forms part of the Total Expenditure.

by 18 per cent over the previous year. As a percentage of GSDP, the Total Expenditure remained in the range of 17.53 per cent to 22.93 per cent during 2015-20.

Chart 2.9 depicts the share of components of total expenditure and their trend during 2015-20. As evident from below chart that the share of Revenue expenditure in total expenditure had shown steady decline from 92.62 per cent in 2015-16 to 82.76 per cent in 2019-20 whereas share of Capital expenditure in Total expenditure had shown matching increase and increased from 6.73 per cent in 2015-16 to 16.72 per cent in 2019-20.

Chart 2.9: Trends in share of components in Total Expenditure



In terms of activities, the Total Expenditure is composed of expenditure on General Services including Interest Payments, Social Services, Economic Services and others. Relative share of these components in the Total Expenditure (also refer *Appendix 1.2*) during 2015-20 is given in **Table 2.18** and also in **Chart 2.10**. Composition of Total expenditure during current year i.e., 2019-20 is also given in **Chart 2.11**.

Table 2.18: Relative share of various sectors of expenditure

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
General Services	31.86	31.29	35.33	31.53	28.38
Social Services	45.88	43.74	38.18	40.28	38.17
Economic Services	20.67	22.89	25.89	27.30	32.48
Others (Grants to Local Bodies, Loans and Advances Appropriation to Contingency Fund)	1.59	2.08	0.60	0.88	0.97

Chart 2.10: Trends in share of Total expenditure by activities

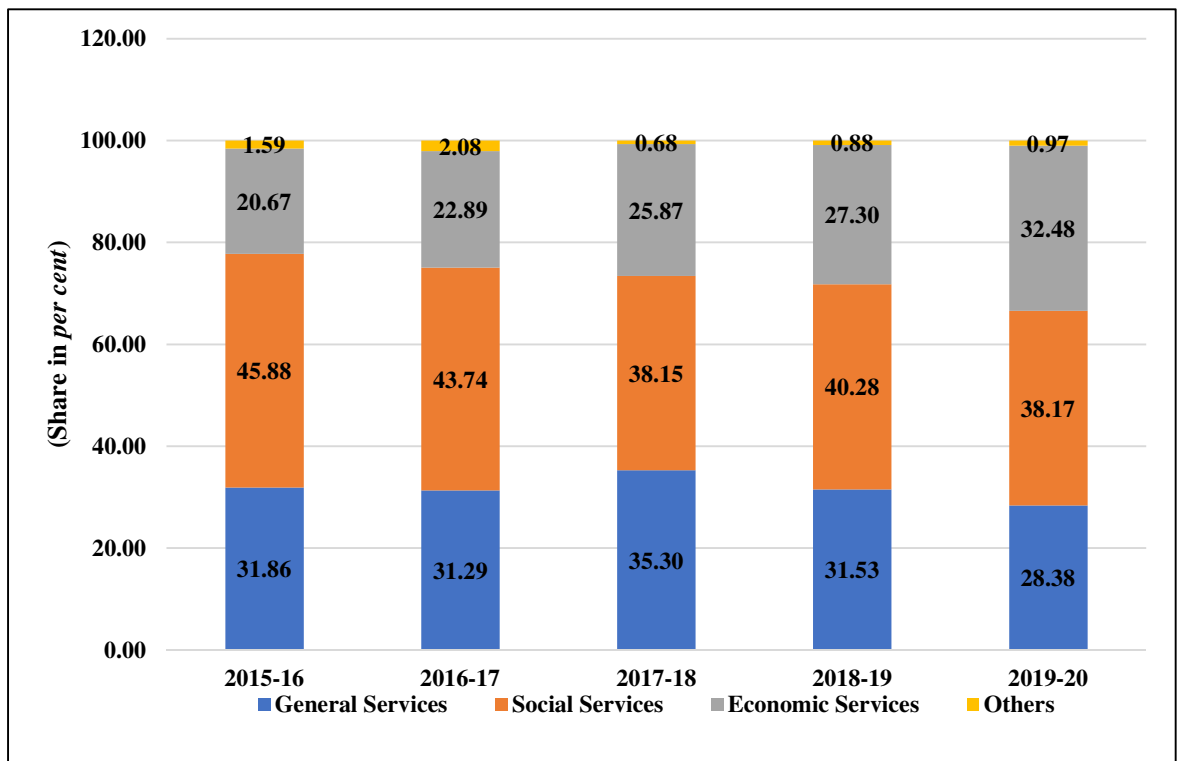
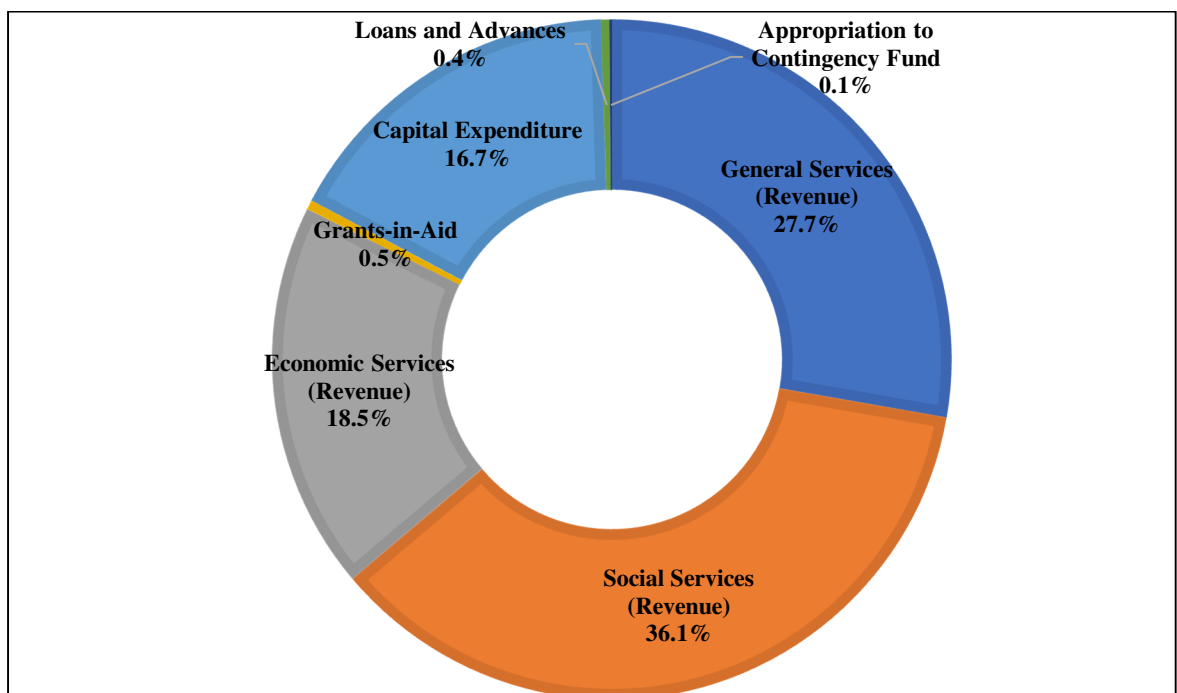


Chart 2.11: Composition of Expenditure during 2019-20 (In per cent)



The relative share of the above components of expenditure indicates that the share of Economic Services and others in the Total Expenditure increased by 5.19 *per cent* during 2019-20 over the previous year. These increases were, however, offset by decrease in the respective share of General Services and Social Services.

2.5.2 Revenue Expenditure

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

Table 2.19 indicates the overall Revenue Expenditure, its rate of growth, its ratio to Total Expenditure and buoyancy *vis-à-vis* GSDP and Revenue Receipts during the five-year period (2015-20). As evident from the table that the Revenue Expenditure formed on an average 87 *per cent* (ranging from 82.76 *per cent* in 2019-20 to 92.62 *per cent* in 2015-16) of the total expenditure during the period 2015-20. Rate of growth of Revenue Expenditure has displayed wide fluctuation during the five-year period.

Trends in Revenue Expenditure over a period of five years (2015-20) is given in **Chart 2.12** whereas the sectoral distribution of Revenue Expenditure pertaining to 2019-20 is given in **Chart 2.13**.

Table 2.19: Revenue Expenditure – Basic parameters

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
Total Expenditure (TE)	39,962.42	55,364.18	63,477.85	68,261.15	80,551.39
Revenue Expenditure (RE)	37,011.41	49,362.72	55,480.94	56,899.00	66,666.68
Rate of Growth of RE (<i>per cent</i>)	-5.29	33.37	12.39	2.56	17.17
Revenue Expenditure as percentage of TE	92.62	89.16	87.40	83.35	82.76
RE/GSDP (<i>per cent</i>)	16.24	19.40	19.59	18.01	18.98
RE as percentage of RR	87.17	100.29	102.49	89.63	103.37
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	-0.32	2.88	1.10	0.22	1.53
Revenue Receipts (ratio)	-0.47	2.10	1.24	0.15	10.73

Chart 2.12: Trend of Revenue Expenditure during 2015-20

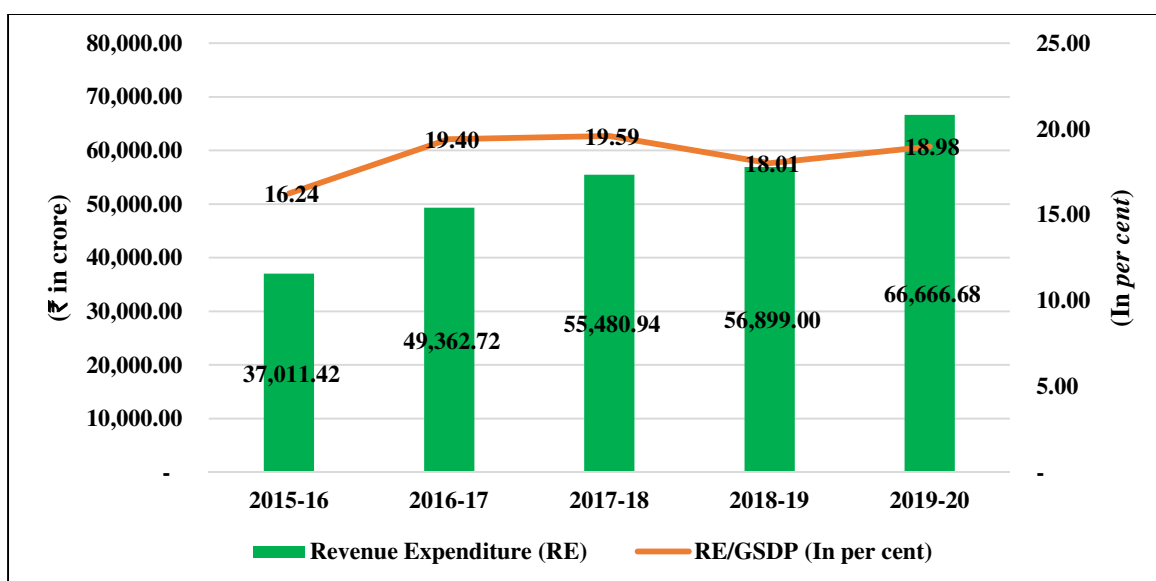
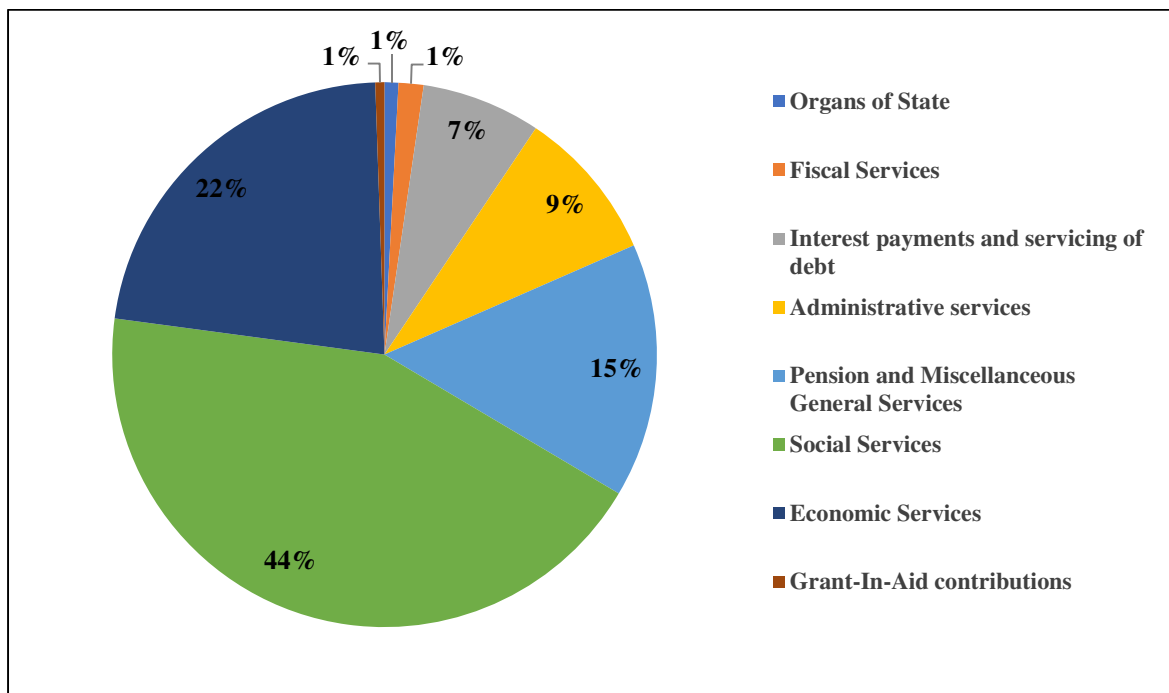


Chart 2.13: Sectoral distribution of Revenue Expenditure during 2019-20 (In per cent)

Revenue expenditure increased by ₹ 9,767.68 crore (17.17 per cent) from ₹ 56,899.00 crore in 2018-19 to ₹ 66,666.68 crore in 2019-20. Revenue expenditure as a percentage of GSDP also increased marginally during the year. However, Revenue expenditure during the year was lower by ₹ 13,075.58 crore *vis-à-vis* the projections made in Medium Term Fiscal Plan (MTFP) (₹ 79,742.26 crore).

2.5.2.1 Major Changes in Revenue Expenditure

Table 2.20 details significant variations under various Heads of Account with regard to Revenue Expenditure of the State during the current year and the previous year.

Table 2.20: Variation in Revenue Expenditure during 2019-20 compared to 2018-19

(₹ in crore)

Major Heads of Account	2018-19	2019-20	Increase	Increase (In per cent)
2040-Taxes on Sales, Trade etc.	375.88	525.25	149.37	39.74
2216-Housing	99.12	1,545.31	1,446.19	1,459.03
2217-Urban Development	655.62	970.50	314.88	48.03
2236-Nutrition	455.04	794.78	339.74	74.66
2401-Crop Husbandry	624.62	1,180.35	555.73	88.97
2415-Agricultural Research and Education	369.56	516.79	147.23	39.84
2515-Other Rural Development Programmes	932.91	4,138.43	3,205.52	343.60
2801-Power	1,641.36	2,253.56	612.20	37.30

The above table indicates that Revenue Expenditure under Housing increased significantly due to increase in expenditure under Pradhan Mantri Awas Yojana (Gramin). Other Rural development programmes also recorded a sharp increase during 2019-20 compared to

previous year due to increase in expenditure under (i) assistance to Gaon Panchayat and (ii) National Social Assistance Programme.

2.5.2.2 Committed Expenditure

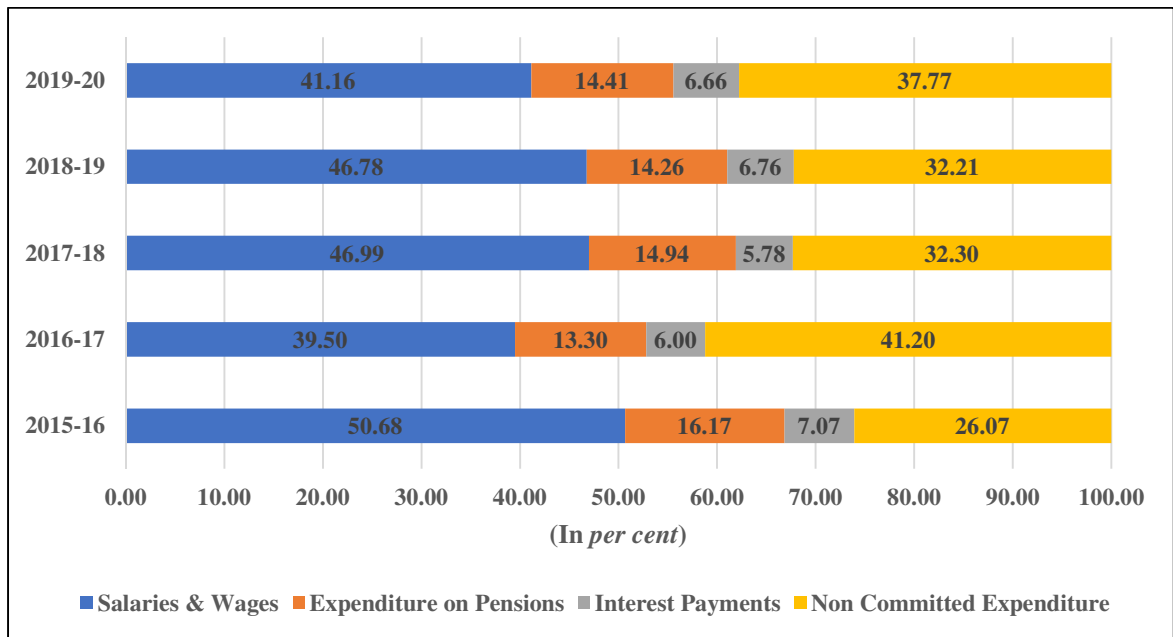
Committed Expenditure of Government on revenue account consists mainly of expenditure on salaries and wages, interest payments and pensions. The FRBM Act of the State prescribes that there should be a Revenue Surplus, it is challenging to achieve it, given that a large proportion of Revenue Expenditure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

Table 2.21 presents the trends in the components of committed expenditure during 2015-20. Share of committed and non-committed expenditure in Revenue Expenditure during 2015-20 is given in **Chart 2.14**.

Table 2.21: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2015-16	2016-17	2017-18	2018-19	2019-20
Salaries & Wages	18,758.17	19,497.61	26,068.00	26,617.37	27,437.89
Expenditure on Pensions	5,985.23	6,564.64	8,287.34	8,112.26	9,609.02
Interest Payments	2,618.44	2,963.75	3,205.32	3,844.37	4,438.87
Total	27,361.84	29,026.00	37,560.66	38,574.00	41,485.78
As a percentage of Revenue Receipts (RR)					
Salaries & Wages	44.18	39.61	48.16	41.93	42.54
Expenditure on Pensions	14.10	13.34	15.31	12.78	14.90
Interest Payments	6.17	6.02	5.92	6.06	6.88
Total	64.44	58.97	69.39	60.77	64.32
As a percentage of Revenue Expenditure (RE)					
Salaries & Wages	50.68	39.50	46.99	46.78	41.16
Expenditure on Pensions	16.17	13.30	14.94	14.26	14.41
Interest Payments	7.07	6.00	5.78	6.76	6.66
Total	73.93	58.80	67.70	67.79	62.23

Chart 2.14: Share of Committed Expenditure in total Revenue Expenditure

As can be seen from the details tabulated above, the committed expenditure constituted 60 per cent and above of both Revenue Receipts and Revenue Expenditure during the five-year period 2015-20 (except for 2016-17, where the committed liabilities fell below 60 per cent of both Revenue Receipts and Revenue Expenditure).

Salaries and Wages

Expenditure on salaries and wages accounted for 41.16 per cent of Revenue Expenditure during 2019-20. Over the five-year period 2015-20, it increased by ₹ 8,679.72 crore (46.27 per cent) from ₹ 18,758.17 crore in 2015-16 to ₹ 27,437.89 crore in 2019-20. Expenditure on Salaries (₹ 27,008.58 crore) during 2019-20 was less by ₹ 5,285.41 crore compared to the projection of ₹ 32,293.99 crore made in MTFP.

Interest Payments

Interest Payments increased by ₹ 594.50 crore (15.46 per cent) from ₹ 3,844.37 crore in 2018-19 to ₹ 4,438.87 crore in 2019-20 primarily due to an increase of ₹ 554.33 crore in interest payment on Market Loans. During the current year, Interest Payments were made on internal debt (₹ 3,479.93 crore), Small Savings, Provident Fund, etc., (₹ 866.36 crore) and Loans and Advances from Central Government (₹ 92.58 crore).

Interest Payments with reference to assessment made by the XIV FC and the projections of the State Government in its Budget and MTFP are given in **Table 2.22**.

Table 2.22: Interest Payments vis-à-vis assessment of the XIV FC and State's Projections

(₹ in crore)

Year	Assessment made by the XIV FC	Assessment made by the State Government in		Actuals
		Budget	MTFP	
2019-20	4,337.00	4,792.92	4,792.92	4,438.87

Above table indicates that the interest payments of State Government were within its own projections made in MTFP and Budget for 2019-20. However, it exceeded by ₹ 101.87 crore from the assessment of XIV FC made for the year.

Pensions

The expenditure during the year on pension and other retirement benefits to State Government employees recruited prior to 30 January, 2005, was ₹ 8,859.70 crore (13.46 *per cent* of Revenue Expenditure). State Government employees, recruited on or after 01 February, 2005 are eligible for the National Pension System (NPS), which is a defined contributory pension scheme.

2.5.2.3 Undischarged Liability under National Pension System

Government of Assam introduced (January 2010) the 'National Pension System' (NPS) applicable to all new entrants joining State Government Service on regular basis against vacant sanctioned post(s) on or after 01 February 2005. State Government gave an option to the existing employees to either opt for the system with retrospective effect (from February 2005) or from January 2010.

Under this system, employees contribute 10 *per cent* basic pay and dearness allowance, which is matched by the State Government and both employee's and employer's contribution are initially transferred to the Public Account (Major Head '8342-117-Defined Contributory Pension Scheme'). State Government has the responsibility to deposit both employee's and employer's share with the designated authority *i.e.*, National Securities Depository Limited (NSDL)/ trustee bank for further investment as per the guidelines of NPS. NSDL allots a Permanent Retirement Account Number (PRAN) to each employee enrolled under the system on receipt of requisite information/ documents from Government.

As on 31 March 2020, 1,56,894 PRANs were allotted to the employees whereas 24,013 PRANs were yet to be allotted.

The State Government opened a Current Account with the State Bank of India for parking the funds before transfer to NSDL. Details of contribution received and transactions involving Current Account, since the inception of NPS in Assam, are given in **Table 2.23**.

Table 2.23: Details of transactions under National Pension System(**₹ in crore**)

Year	Details of contribution received				Details of funds transferred			
	Employees Contribution	Government Contribution	Short contribution made by Govt.	Total contribution	Fund transferred to NSDL Total	Funds paid to beneficiaries	Net Refunds (-) and re-submission (+)	Less transfer
	1	2	3 (1-2)	4 (1+2)	5	6	7	8{(4+7)-(5+6)}
2009-10	3.21	*76.72	(-) 73.51	79.93	Nil	--	--	79.93
2010-11	53.11	*1.32	51.79	54.43	3.54	--	--	50.89
2011-12	83.55	*57.34	26.21	140.89	94.05	--	--	46.84
2012-13	108.39	**101.42	6.97	209.81	201.49	--	--	8.32
2013-14	201.16	***98.80	102.36	299.96	180.11	--	--	119.85
2014-15	288.52	250.00	38.52	538.52	599.86	--	--	(-) 61.34
2015-16	334.80	352.50	(-)17.70	687.30	704.98	0.01	0.19	(-) 17.50
2016-17	396.69	308.12	88.57	704.81	616.11	0.16	0.01	88.55
2017-18	529.01	565.88	(-) 36.87	1,094.89	1,131.40	0.38	0.26	(-) 36.63
2018-19	590.14	445.25	144.89	1035.39	890.06	0.44	(-) 0.14	144.75
2019-20	682.96	749.32	(-) 66.36	1432.28	1498.30	0.38	(-) 0.03	(-) 66.43
Total	3,271.54	3,006.67	264.87	6,278.21	5,919.90	1.37	0.29#	357.23

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

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

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

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

Audit observations in this regard are as follows:

As of 31 March 2020, Government of Assam collected ₹ 3,271.54 crore from employees as contribution towards NPS and contributed only ₹ 3,006.67 crore as Government share. Thus, the Government short contributed ₹ 264.87 crore in the fund. Against the total collected funds of ₹ 6,278.21 crore (comprising employees share of ₹ 3,271.54 crore and Government share of ₹ 3,006.67 crore), the Government had transferred only ₹ 5,919.90 crore to the designated authority (NSDL) for further investment as per the provisions of the scheme. Funds of ₹ 357.23 crore as well as the interest on it remained to be transferred to NSDL from the Public Account as of 31 March 2020. Out of ₹ 357.23 crore funds of ₹ 341.82 crore were lying in the Public Account and the balance ₹ 15.41 crore was lying in the Current Account as of 31 March 2020.

In terms of the guidelines of the Scheme, Government of Assam is liable to pay interest on funds not transferred to NSDL. As on 31 March 2019, an amount of ₹ 408.22 crore remained in the Public Account under the Major Head - 8342 – 117 on which interest payable in 2019-20 has been estimated as ₹ 32.66 crore (@ 8 per cent). Uncollected, unmatched and un-transferred amounts, with accrued interest, represent outstanding liabilities under the scheme. Non-payment of interest of ₹ 32.66 crore has resulted in underestimation of Revenue Deficit and Fiscal Deficit.

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

During the Entry Conference (September 2020), Audit raised the above issues pertaining to the functioning of NPS in the State, and expressed concern about the possible loss caused to employees due to non-compliance with the statutory provisions of NPS by the State Government.

Principal Secretary, Finance Department stated (September 2020) that State Government is working on this issue and assured that all liabilities of the Government relating to NPS would be estimated and discharged soon.

During Exit Conference (February 2021) the Principal Secretary informed that the Government of Assam vide OM dated 4 November 2020 has decided to pay compensation for non-deposit or delayed deposit of contributions during 2005-10 in the form of interest as per rates applicable for GPF from time to time, and has also raised the Government Contribution from 10 *per cent* to 14 *per cent* under NPS to be effective from 1 April 2019 and is working on the other deficiencies as pointed out by Audit.

2.5.2.4 Subsidies

Table 2.24 indicates that there has been significant increase in expenditure on subsidies during the last three years of five-year period. Subsidies as a percentage of Revenue Receipts and Revenue expenditure stood at 2.28 *per cent* and 2.21 *per cent* respectively during the current year.

Table 2.24: Expenditure on subsidies during 2015-20

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Subsidies (₹ in crore)	56.49	226.74	703.84	1,464.93	1,473.23
Subsidies as a percentage of Revenue Receipts	0.13	0.46	1.30	2.31	2.28
Subsidies as a percentage of Revenue Expenditure	0.15	0.46	1.27	2.57	2.21

Source: VLC data of respective years

During 2019-20, subsidies were mainly given under targeted subsidy to APDCL (₹ 715.95 crore), ANNA Yojana covered under National Food Security Scheme (₹ 378.90 crore), Pradhan Mantri Awas Yojana (Housing for All) (₹ 237.77 crore), and State support for Ujjwala Scheme (₹ 98.18 crore). State Government had not made any projection for subsidy in its MTFP during 2019-20.

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

Financial assistance is provided by the State Government to Local bodies and other institutions by way of grants and loans. The following table details the quantum of grants given by the State to local bodies and other institutions during the last five years i.e., 2015-20.

Table 2.25: Financial Assistance to Local Bodies and other Institutions

(₹ in crore)

Institutions	2015-16	2016-17	2017-18	2018-19	2019-20
PRIs	0	144.59	818.42	569.49	3,642.78
ULBs	3.45	151.27	306.73	456.98	578.33
PSUs	6.04	8.62	22.78	10.18	886.81
Autonomous Bodies	185.31	382.60	476.61	839.91	1,252.07
Others	6,901.76	12,968.07	17,392.69	15,687.58	19,259.65
Total⁵	7,096.56	13,655.15	19,017.23	17,564.14	25,619.64
Revenue Expenditure	37,011.41	49,362.72	55,480.94	56,899.00	66,666.68
Assistance as percentage of Revenue Expenditure	19.17	27.66	34.28	30.87	38.43

Source: Finance Accounts (Statement 10 and Appendix III)

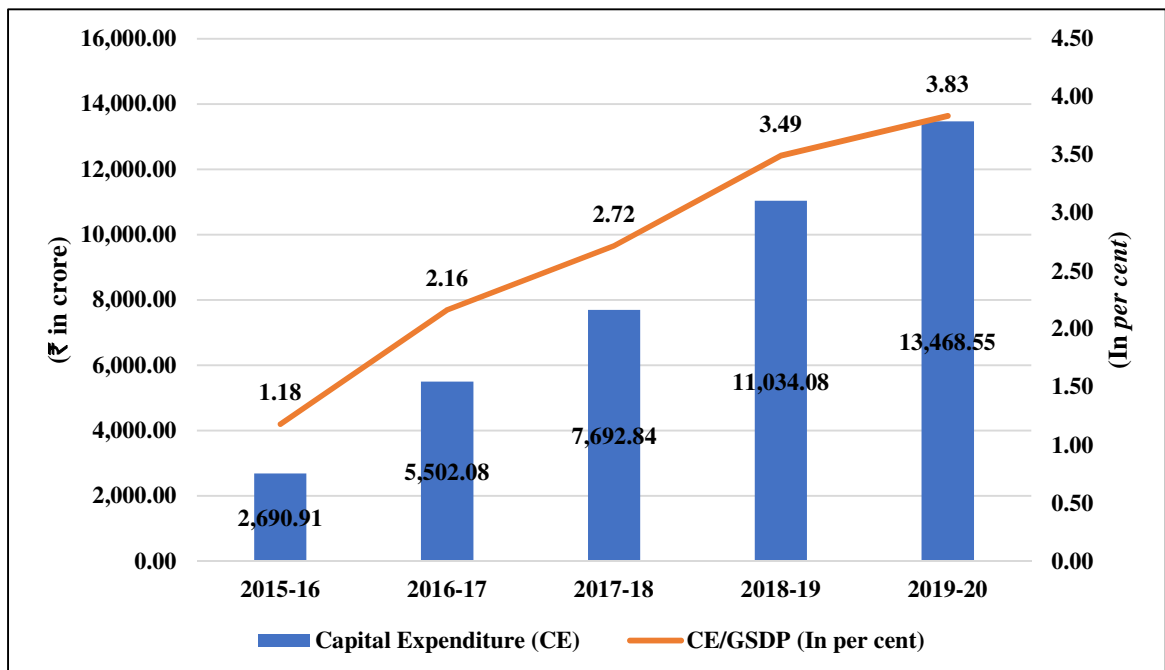
It can be seen from above table that Grant-in-aid to local bodies and other institutions as percentage of Revenue expenditure increased from 19.17 per cent in 2015-16 to 38.43 per cent in 2019-20. During the year, out of the total grants-in-aid given by the State, 75 per cent went to Others constituting various educational, health institutions etc., followed by 14 per cent to PRIs and 5 per cent to Autonomous Bodies.

2.5.3 Capital Expenditure

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

Capital Expenditure of the State showed an increasing trend during the last five-year period with a sharp increase from ₹ 11,034.08 crore in 2018-19 to ₹ 13,468.55 crore in 2019-20 as detailed in Chart 2.15.

Chart 2.15: Trend of Capital Expenditure

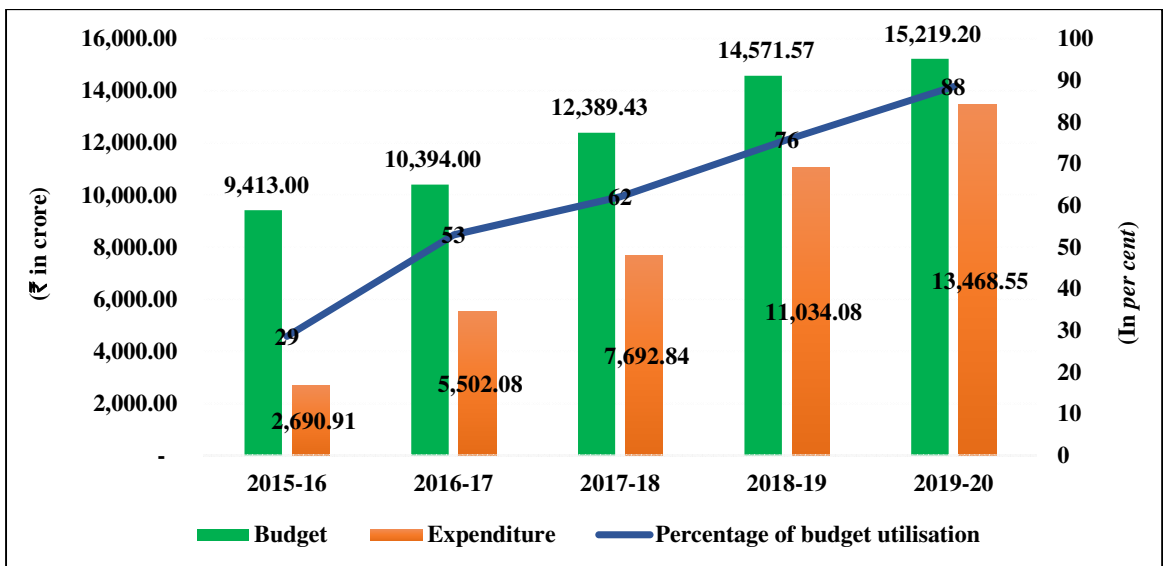


⁵ Includes GIA booked under Capital Major Heads

As is evident from this chart, Capital Expenditure has shown a significant increase in the last few years, with its share as a percentage of GSDP increasing threefold from 1.18 in 2015-16 to 3.83 per cent in 2019-20. However, this increase has to be viewed in the light of the fact that GIA of ₹ 6,225.45 crore was booked under capital section, instead of under revenue which resulted in understatement of Revenue expenditure and Revenue Deficit to that extent, as discussed in Chapter 3 under Paragraph 3.3.7.

However, the State could not fully expend the budgetary allocation on creation of assets in any year during the five-year period 2015-20. While the extent of utilisation of budget for Capital Expenditure has been increasing since 2016-17, it reached the level of 88 per cent during 2019-20. Details of Capital Expenditure *vis-à-vis* budget during the five-year period 2015-20 are given in **Chart 2.16**.

Chart 2.16: Trend of Capital Expenditure over the five-year period from 2015-16 to 2019-20



2.5.3.1 Major changes in Capital Expenditure

Significant variations under various Heads of Accounts with regard to Capital expenditure of the State during the current year and previous year is shown in **Table 2.26**.

Table 2.26: Capital Expenditure during 2019-20 compared to 2018-19

(₹ in crore)

Major Heads of Accounts	2018-19	2019-20	Increase	Increase (per cent)
4070 - Capital Outlay on other Administrative Services	54.63	238.84	184.21	337.20
4202 - Capital Outlay on Education, Sports, Art and Culture	67.13	166.04	98.91	147.34
4225 - Capital Outlay on Welfare of Scheduled Caste, Scheduled Tribes, Other Backward Classes & Minorities	10.28	48.74	38.46	374.12
4401 - Capital Outlay on Crop Husbandry	24.02	48.91	24.89	103.62

Major Heads of Accounts	2018-19	2019-20	Increase	Increase (per cent)
4575 - Capital Outlay on other Special Areas Programmes	37.28	72.97	35.69	95.73
4711 - Capital Outlay on Flood Control Project	486.50	732.94	246.44	50.66
5054 - Capital Outlay on Roads and Bridges	5,356.14	8,373.57	3,017.43	56.34

The above table reveals that Capital Outlay on Roads and Bridges increased significantly by ₹ 3,017.43 crore during the year. It was mainly due to increase in expenditure on roads under PMGSY and State Priority Scheme. Expenditure on Roads and Bridges during the year constituted 62 *per cent* of total Capital Expenditure of the State. Capital Outlay on Flood Control Project increased by ₹ 246.44 crore during the year mainly due to increase in Civil Works expenditure for Flood Damage Restoration and Flood Management Programme under Barak Valley Flood Control Project and Brahmaputra Flood Control Project.

2.5.3.2 Quality of Capital expenditure

If the State Government keeps on making investments in loss making government companies, whose net worth is completely eroded, there are no chances of return on investment. Similarly, experience has shown the inevitability of write-off of the loans given to loss making corporations and other bodies such as financial corporations, *etc.* Requisite steps have to be taken to infuse transparency in such financial operations. This section presents an analysis of investments and other capital expenditure undertaken by the Government during the current year.

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

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

As per the Finance Accounts 2019-20, Government of Assam had invested ₹ 2,920.25 crore in four Statutory Corporations, 24 Government Companies (Working: 21; Non-working: 3), 17 Joint Stock Companies, two Rural Banks and 18 Co-operatives in the State as of 31 March 2020. The State Government earned a return of ₹ 30.64 crore on these investments during 2019-20. The average rate of return on investment was 4.75 *per cent* during the five-year period from 2015-16 to 2019-20, while the average rate of interest paid by the State Government during the period was 6.97 *per cent*.

Details of investment by Government of Assam and returns on investment during the five-year period 2015-16 to 2019-20 were as follows:

Table 2.27: Details of Investment and returns on Investment during last five years

(₹ in crore)

Entities	2015-16	2016-17	2017-18	2018-19	2019-20
Statutory Corporations ⁶ (No. of entities)	2,077.41 (4)	2,136.13 (4)	2,136.13 (4)	2,151.90 (4)	2,442.71 (4)
Government Companies (No. of entities)	176.91 (24)	176.92 (24)	176.92 (24)	176.92 (24)	176.92 (24)
Joint Stock Companies (No. of entities)	29.05 (16)	65.81 (17)	80.49 (17)	149.03 (17)	169.03 (17)
Banks ⁷ (No. of entities)	11.16 (1)	21.26 (2)	21.76 (2)	21.76 (2)	21.76 (2)
Co-operatives (No. of entities)	109.84 (18)	109.83 (18)	109.83 (18)	109.83 (18)	109.83 (18)
Total Investment	2,404.37	2,509.95	2,525.13	2,609.44	2,920.25
Return on investment (₹ in crore)	70.06	124.44	225.55	153.24	30.64
Return on investment (Per cent)	2.91	4.96	8.93	5.87	1.05
Average rate of interest on Government borrowings (Per cent)	7.03	7.14	6.87	7.07	6.74
Difference between interest rate and return (Per cent)	4.12	2.18	-2.06	1.20	5.69
Difference between interest on Government borrowings and return on investment (₹ in crore)	2,548.38	2,839.31	2,979.77	3,691.13	4,408.23

Source: Finance Accounts

During the last five years, *i.e.*, 2015-20, the State Government's investments had increased by ₹ 515.88 crore from ₹ 2,404.37 crore to ₹ 2,920.25 crore. During the current year, Government invested ₹ 290.81 crore in Statutory Corporations and ₹ 20.00 crore in Joint Stock Companies.

Out of four Statutory Corporations, three were incurring losses and their accumulated losses amounted to ₹ 113.59 crore⁸. Similarly, out of 24 Government Companies in the State, 16 companies were incurring losses and their accumulated losses amounted to ₹ 614.62 crore.

The major loss incurring five Government Companies were Assam Tea Corporation Limited, Guwahati (Investment: ₹ 8.07 crore; accumulated loss: ₹ 305.77 crore), Assam Industrial Development Corporation Limited (Investment: ₹ 29.71 crore; accumulated loss: ₹ 102.98 crore), Assam Plain Tribes Development Corporation, (Investment: ₹ 0.46 crore; accumulated loss: ₹ 41.71 crore), The Assam State Textile Corporation Limited, (Investment: ₹ 4.78 crore; accumulated loss: ₹ 36.72 crore) and Assam State Development Corporation for Scheduled Castes Limited (Investment: ₹ 4.88 crore; accumulated loss: ₹ 23.74 crore).

⁶ Out of four, one Statutory Corporation *i.e.*, Assam State Electricity Board (ASEB) was reorganised into three entities namely (i) Assam Power Distribution Company Limited (APDCL) (ii) Assam Electricity Grid Corporation Limited (AEGCL) and (iii) Assam Power Generation Corporation Limited (APGCL) in March 2013. Present status of investment already made in erstwhile ASEB and up to date status of investments made in three Companies are awaited from Government.

⁷ It includes the Rural Bank and Urban and Industrial Co-operative Bank.

⁸ Assam State Warehousing Corporation : ₹ 9.06 crore (as on 31-03-2017);
Assam State Transport Corporation (ASTC) : ₹ 94.8 crore (as on 31-03-2017);
Assam Financial Corporation, Guwahati : ₹ 9.73 crore (as on 31-03-2019).

Moreover, it is worth mentioning that there is a difference in the details relating to the State Public Sector Undertakings (PSUs) as given above in **Table 2.27** (as per Finance Accounts) and the CAG's Audit Report on the State PSUs. The differences have arisen primarily due to the investment transactions being booked in Government accounts based on the vouchers received in the Office of the Accountant General (A&E) and the details given in the Audit Reports obtained from the individual PSUs. The differences in the number of PSUs as well as investments made by the State Government in these PSUs are under reconciliation.

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

During Exit Conference (February 2021) Audit raised the issue of discrepancy between the number of Public Sector Undertaking (PSUs) recorded in the Finance Accounts (45) and that of mentioned in the Audit Report on PSUs (50) and also urged the Finance Department to issue necessary direction to the Public Sector Enterprise Department for early reconciliation with the office of the AG (A&E), Assam regarding correct number of PSUs and investment made therein.

The Principal Secretary, Finance Department assured Audit to take appropriate action in this regard.

(ii) Loans and advances by State Government

In addition to investments in Co-operative societies, Corporations and Companies, State Government has also provided loans and advances to many institutions/ organisations. **Table 2.28** presents the outstanding loans and advances as on 31 March 2020 along with interest receipts *vis-à-vis* interest payments during the five-year period from 2015-16 to 2019-20.

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

(₹ in crore)

Quantum of Loans/ Interest Receipts/ Cost of Borrowings	2015-16	2016-17	2017-18	2018-19	2019-20
Opening Balance	4,943.62	4,693.52	5,174.30	5,423.67	5,748.81
Amount advanced during the year	260.09	499.38	254.07	328.07	316.16
Amount recovered during the year	510.19	18.6	4.71	2.93	1,140.51
Closing Balance	4,693.52	5,174.30	5,423.66	5,748.81	4,924.46
Net addition	-250.10	480.78	249.36	325.14	-824.35
Interest Receipts	14.46	17.28	18.86	281.10	284.00
Interest receipts as a percentage of outstanding Loans and Advances	0.31	0.33	0.35	4.89	5.77
Average rate of interest on Government borrowing (per cent)	7.03	7.14	6.87	7.07	6.74
Difference between Interest Payments and Interest Receipts (per cent)	6.72	6.81	6.52	2.18	0.97

The total amount of outstanding loans and advances as on 31 March 2020 was ₹ 4,924 crore. During 2019-20, the State Government recovered a loan of ₹ 1,140.51⁹ crore from Public Sector Undertakings. Further, the State Government also disbursed a loan of ₹ 316.16 crore to different entities during the year and received ₹ 284.00 crore as interest on loans disbursed in earlier years.

Out of the total amount of loans advanced during the year, Social Services received ₹ 2.71 crore, Economic Services received ₹ 312.86 crore and the remaining ₹ 0.59 crore was provided to Government servants.

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

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

Audit observed that out of total loans of ₹ 316.16 crore disbursed during the year 2019-20 fresh loans and advances of ₹ 315.57 crore were made in respect of seven loanee entities during the year from whom repayments of earlier loans ₹ 5,784.24 crore were in arrears. Out of those seven cases, loans in respect of Assam Hills Small Industries Development Corporation Limited (₹ 107.13 crore) were in arrears since 1976-77. Details in this regard are given in the following table.

Table 2.29: Payment of fresh loans to entity during 2019-20

(₹ in crore)

Sl. No.	Name of the loanee entity	Loans Disbursed during the current year		Amount of arrears as on 31 March 2020			Earliest period to which arrears relate
		Rate of Interest	Principal	Principal	Interest	Total	
1	Assam Tea Corporation Limited	11.50%	22.17	413.71	69.45	483.16	2001-02
2	Ashok Paper Mills Ltd.	14.50%	0.52	12.72	16.93	29.65	---
3	Assam Power Distribution and Generation Company Ltd.	10%	285.11	2,726.60	2,225.43	4,952.03	2003-04
4	General Financial and Trading Institution	3%	4.00	80.85	7.59	88.44	---

⁹ The recovery of ₹ 1,140.51 crore includes ₹ 1,132.53 crore on account of conversion of this amount of outstanding loan of APDCL into grant and equity as a part of meeting the Uday scheme commitment, vide Power Department, Government of Assam, sanction dated 7 February 2020.

Sl. No.	Name of the loanee entity	Loans Disbursed during the current year		Amount of arrears as on 31 March 2020			Earliest period to which arrears relate
		Rate of Interest	Principal	Principal	Interest	Total	
5	Assam Urban Water Supply and Sewerage Board	11.50%	1.92	68.67	47.70	116.38	2006-07
6	Assam Hills Small Industries Development Corporation Ltd	14.50%	1.06	38.56	68.57	107.13	1976-77
7	Housing Loan	---	0.79	7.46	0.00	7.46	---
Total			315.57	3,348.57	2,435.67	5,784.24	

(iii) Capital locked in Incomplete Projects

As per data provided by the Public Works, Irrigation and Transport Departments, there were 162 incomplete/ ongoing projects with the progressive expenditure of ₹ 1,072.21 crore as of 31 March 2020 made in 45 works divisions of these Departments of the State. Age profile of incomplete projects based on the year of sanction of these projects and department-wise profile as on 31 March 2020 is given in the following tables.

Table 2.30: Age profile of incomplete projects as on 31 March 2020 (₹ in crore)

Year of sanction of the project	No of incomplete projects	Estimated cost	Progressive Expenditure (as on 31 March 2020)
2009-10	8	25.64	14.94
2010-11	1	2.60	1.39
2011-12	9	614.64	453.70
2012-13	1	1.55	1.24
2013-14	2	19.13	6.18
2014-15	9	84.07	55.28
2015-16	7	48.51	13.02
2016-17	5	71.21	34.01
2017-18	46	843.84	419.79
2018-19	62	175.57	64.79
2019-20	12	70.71	7.87
Total	162	1,957.47	1,072.21

Source: Finance Accounts

Table 2.31: Department-wise profile of incomplete projects as on 31 March 2020 (₹ in crore)

Department	No. of incomplete projects	Estimated cost	Progressive Expenditure (as on 31 March 2020)
Public Works	132	1,839.79	1,036.67
Irrigation	25	100.84	28.53
Transport	5	16.84	7.01
Total	162	1,957.47	1,072.21

Physical progress of the projects as on 31 March 2020 was in the range of 10 to 100 per cent in respect of projects being executed by Public Works Department, 0.5 to 96 per cent in respect of projects being executed by Irrigation Department and 40 to 90 per cent in respect of projects being executed by Water Resources Department.

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

(iv) Implementation of Ujwal Discom Assurance Yojana (UDAY)

Government of India launched (November 2015) Ujwal Discom Assurance Yojana (UDAY) for financial turnaround of Power Distribution Companies (DISCOMs) and for improving

operational and financial efficiency of the State DISCOMs. Its main objective is to provide affordable and accessible 24x7 power to all. One of the important provisions of the scheme is that the State shall take over 75 per cent of DISCOMs debt as on 30 September 2015 over two years – 50 per cent debt shall be taken in 2015-16 and 25 per cent in 2016-17.

Government of Assam entered the Yojana on 4 January 2017. As per Memorandum of Understanding (MoU) amongst Government of India, Government of Assam and Assam Power Distribution Company Limited (APDCL), GoA was required to take over 75 per cent of outstanding loan as on 30 September 2015 payable by APDCL and convert the same into grant and equity in 3:1 ratio and further, to waive the unpaid interest due from APDCL as on 30 September 2015. The total outstanding debt of the DISCOM as on 30th September 2015 was ₹ 1,510.04 crore and thus 75 per cent of it, i.e. ₹ 1,132.53 crore was due for conversion into grant and equity.

Before 2019-20, despite the MoU, Government of Assam had not taken over any of the liabilities of APDCL in its books by absorbing the liability of APDCL to the tune of ₹ 1,132.53 crore. During 2019-20, the Government of Assam issued (November 2019) financial sanction of ₹ 554.00 crore for waiver of unpaid interest of APDCL under UDAY to be applied in the financial year 2019-20 and also requested (February 2020) Accountant General (A&E), Assam to carry out book adjustment of ₹ 849.40 crore for conversion of Loan to Grant and ₹ 283.13 crore as Equity under the Scheme. However, the book adjustment remained to be carried out in the Finance Accounts and Appropriation Accounts during the year 2019-20 due to late receipt of the Government sanction letter in the A&E Office. Principal Secretary (Finance) had vide their letter dated 2nd June 2021 addressed to PAG(A&E) Assam, requested that the UDAY transaction be included in the Accounts of Government of Assam for financial year 2019-20. However, the book adjustment could not be carried out in the Accounts.

Non-incorporation of UDAY transactions in the Accounts of 2019-20 has the following implication on completeness and accuracy of Accounts:

- (i) The non-transfer of Grants-in-Aid (under UDAY Scheme) of ₹ 849.40 crore has resulted in understatement of Revenue deficit.
- (ii) The recoveries of loans and advance is understated by ₹ 1,132.53 crore.
- (iii) Capital expenditure is understated by ₹ 283.13 crore.
- (iv) Total Receipts under Consolidated fund of the State is understated by ₹1,132.53 crore.
- (v) Similarly total expenditure under Consolidated Fund of the State is also under stated by ₹ 1,132.53 crore.

2.5.3.3 Resource availability of the State under Public Private Partnership Projects

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

During 2019-20, no PPP project was completed in the State. However, three projects¹⁰ were ongoing and other three¹¹ were planned for future. Department wise details of ongoing projects and projects under pipeline are given in **Table 2.32**.

Table 2.32: Status of PPP projects during 2019-20

(₹ in crore)

Sl. No.	Sector	Completed		Ongoing		Planned for future	
		No.	Estimated Cost	No.	Estimated Cost	No.	Estimated Cost
1	PWD (Roads)	-	-	1	1,220.00	-	-
2	GDD (GMC)	-	-	1	291.60	-	-
3	GDD (GMDA)	-	-	1	671.21	-	-
4	Power	-	-	-	-	3	65.81
	Total	-	-	3	2,182.81	3	65.81

2.5.4 Expenditure priorities

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

Table 2.33 compares the fiscal priority of the State Government with that of North Eastern and Himalayan States (NE & HS) with regard to development expenditure, expenditure on Social and Economic Sectors, and Capital Expenditure during 2019-20, taking 2015-16 as the base year.

Table 2.33: Fiscal Priority of the State in 2015-16 and 2019-20

(In per cent)

Fiscal Priority of the State	AE/ GSDP	CE/ AE	Education/AE	Health/AE
Average (ratio) in 2015-16 of				
North Eastern and Himalayan States	24.58	13.96	18.32	5.95
Assam	17.53	6.73	26.80	7.16
Average (ratio) in 2019-20 of				
North Eastern and Himalayan States	23.02	14.08	17.42	6.19
Assam	22.58	16.62	20.15	6.72

As can be seen from the above table, Capital Expenditure of the State was less than that of NE&HS during 2015-16. However, it improved and exceeded that of (NE & HS) in 2019-20. Expenditure of the State on education as well as health was more than (NE & HS) during both the years.

¹⁰ i) Six Road Project (Bundle), ii) Development of Adabari Bus Terminus Land, Guwahati and iii) Construction of Games Village (Phase-II)

¹¹ i) Bordikrai Power Project (4.7 MW) (₹ 46.03 crore), ii) Pahunora Power Project (2 MW) (₹ 15.66 crore) and iii) Rupai Power Project (0.4 MW) (₹ 4.12 crore)

2.5.5 Object Head-wise Expenditure

Table 2.34 compares the object head-wise expenditure (above ₹ 100 crore) of the State during current year with respect to the previous year.

Table 2.34: Object Head-wise expenditure

(₹ in crore)					
Sl. No.	Head	Expenditure (2018-19)	Expenditure (2019-20)	Increase (+)/ Decrease (-)	Increase/ decrease (%)
1	Salaries	23,512.01	24,331.02	819.01	3.48
2	Grants-in-aid-General (Salary)	2,665.82	2,677.56	11.74	0.43
3	Grants-in-aid-General (Non-Salary)	11,702.63	17,610.45	5,907.82	50.48
4	Grants for Creation of Capital Assets	5,861.52	8,559.48	2,697.96	46.03
5	Pension / Gratuity	8,112.26	9,609.02	1,496.76	18.45
6	Major Works	5,308.13	6,485.04	1,176.91	22.17
7	Interest	3,844.37	4,438.87	594.50	15.46
8	Other Charges	1,589.57	1,946.78	357.21	22.47
9	Office Expenses	653.76	626.39	-27.37	-4.19
10	Maintenance	557.96	616.20	58.24	10.44
11	Inter-Accounts Transfer	532.00	559.00	27.00	5.08
12	Materials and Supplies	387.13	516.99	129.86	33.54
13	Subsidy	1,464.93	1,473.23	8.30	0.57
14	Wages	439.54	429.31	-10.23	-2.33
15	Payment for Professionals & Special Services	445.79	345.02	-100.77	-22.60
16	Minor Works	223.62	263.44	39.82	17.81
17	Scholarships and Stipend	188.93	192.94	4.01	2.12
18	Machinery and Equipment / Tools and Plants	180.26	185.09	4.83	2.68
19	Deployment	182.84	140.06	-42.78	-23.40
20	Others	1,640.80	2,580.82	940.02	57.29

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

2.6 Contingency Fund

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

As on 31 March 2019, the balance under Contingency Fund was ₹ 100 crore. During the current year 2019-20, balance under the Contingency Fund was increased by ₹ 100 crore and no amount was lying un-recouped at the end of the financial year. Thus, the balance under Contingency fund was ₹ 200 crore as of 31 March 2020.

2.7 Public Account

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances, etc., which do not form

part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. The Government acts as a banker in respect of these. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

2.7.1 Net Balance of transactions in Public Account

Sector-wise net balance of transactions in Public Account of the State as of end of March 2020 are given in **Table 2.35** and also in **Chart 2.17**.

Table 2.35: Component-wise net balance of transactions in Public Account

(₹ in crore)

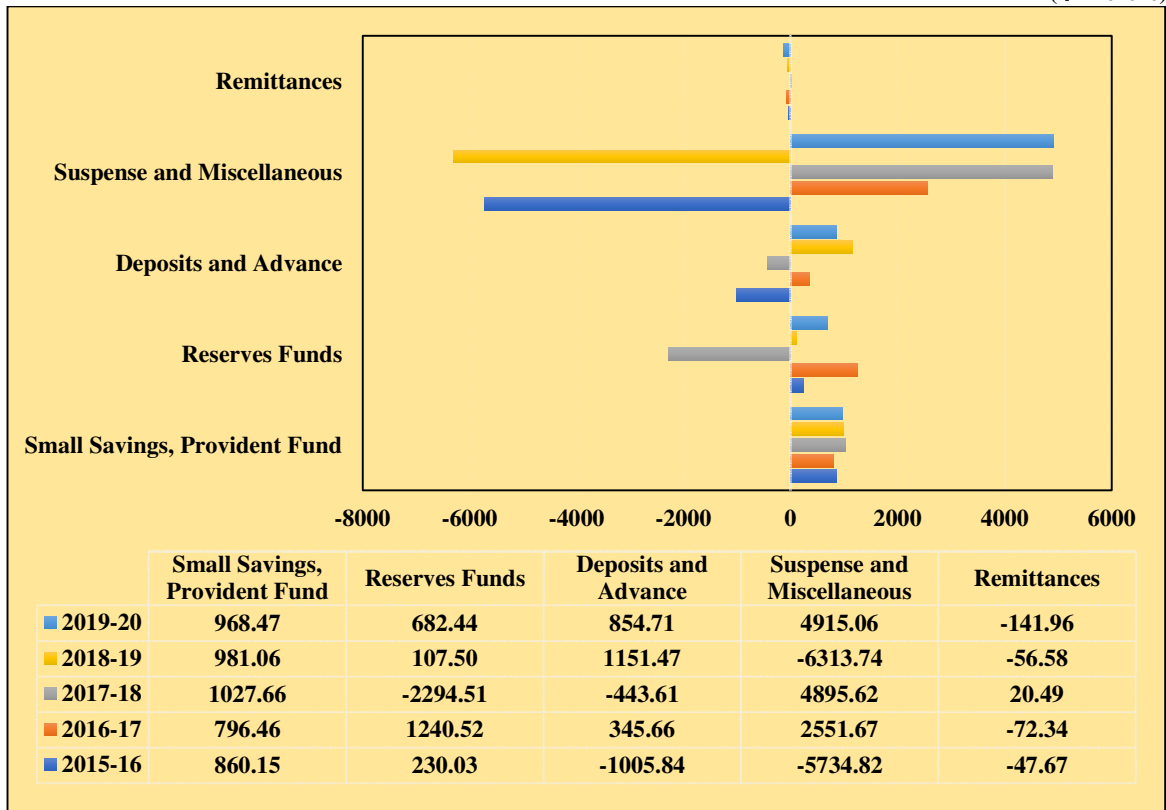
Sector	Sub Sector	2015-16	2016-17	2017-18	2018-19	2019-20
I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	860.15	796.46	1,027.66	981.06	968.47
J. Reserve Funds	(a) Reserve Funds bearing Interest	230.03	1,240.52	-2,294.54	107.50	682.43
	(b) Reserve Funds not bearing Interest	0.00	0.00	0.00	0.00	0.00
K. Deposits and Advances	(a) Deposits bearing Interest	-13.73	89.38	-36.32	148.06	-62.19
	(b) Deposits not bearing Interest	-954.11	940.54	109.04	748.82	161.84
	(c) Advances	-38.00	-684.26	-516.33	254.59	755.06
L. Suspense and Miscellaneous	(a) Suspense	-228.60	234.01	651.55	-48.32	-415.06
	(b) Other Accounts*	-5,506.22	2,317.66	4,244.07	-7,318.83	5,330.12
	(c) Accounts with Governments of Foreign Countries	---	---	---	---	---
	(d) Miscellaneous	---	---	---	1,053.41	---
M. Remittances	(a) Money Orders, and other Remittances	-57.76	-54.33	-3.73	-39.35	-123.90
	(b) Inter-Governmental Adjustment Account	10.09	-18.01	24.22	-17.23	-18.06
Total		-5,698.15	4,861.97	3,205.62	-4,130.29	7,278.71

Note: Net balances denote excess of receipt over expenditure;

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

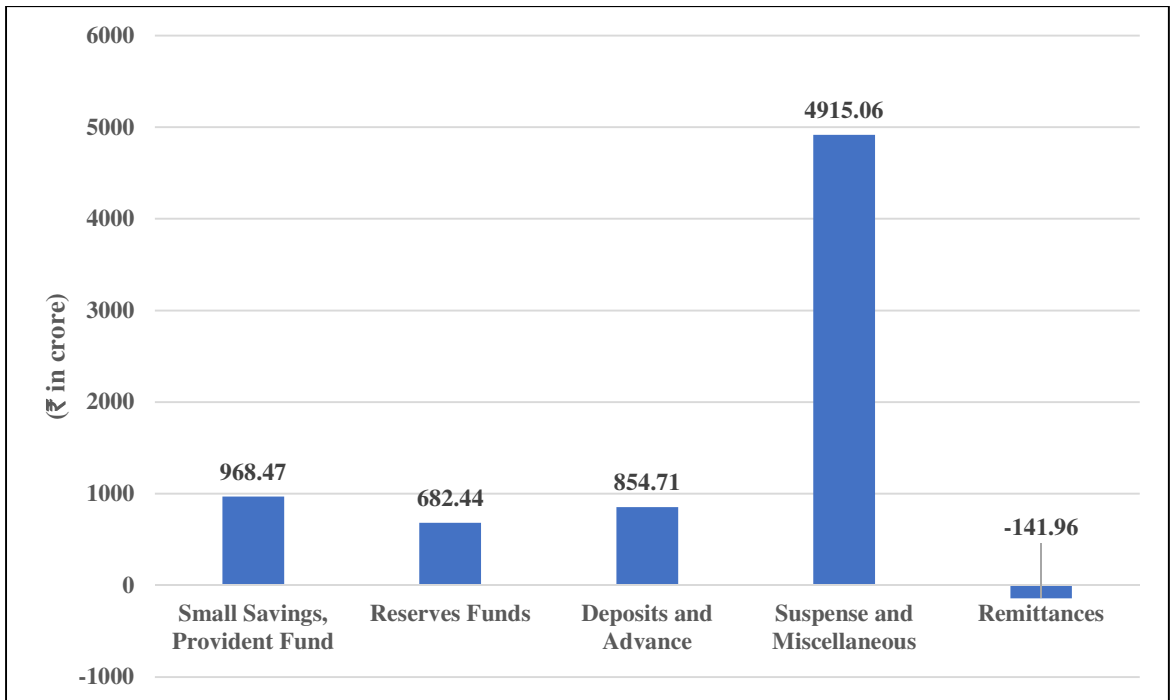
Chart 2.17: Yearly changes in net balances of transactions in Public Account

(₹ in crore)



The following Chart gives the details of changes in the balances in Public Account during the year 2019-20.

Chart 2.18: Change in net balances in transactions of Public Account during 2019-20



2.7.2 Reserve Funds

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

As of 31 March 2020, there were 15 Reserve Funds in the State. Out of these, seven Reserve Funds were active and the remaining eight have been inactive for several years. The total accumulated balance in these funds, as of 31 March 2020, was ₹ 5,655.32 crore (₹ 5,648.49 crore in active funds and ₹ 6.83 crore in inactive funds) out of which, ₹ 4,354.82 crore (77 per cent) was invested.

Details of transactions during the year in three main active Reserve Funds are discussed below:

2.7.2.1 Consolidated Sinking Fund

The State Government had set up the Sinking Fund in line with the recommendations of the XII Finance Commission for amortisation of market borrowings as well as other loans and debt obligations. Under the scheme guidelines, State Government is required to make annual contributions to the Fund at least 0.5 per cent of the outstanding liabilities at the end of the previous financial year. In terms of guidelines of the RBI, which is responsible for management of the Fund, outstanding liabilities are defined as comprising Internal Debt and Public Account liabilities of the State Government. Accordingly, the State Government was required to contribute ₹ 297.13 crore (0.5 per cent) of the outstanding liabilities as of 31 March 2019 (₹ 59,425.61 crore).

Against this requirement, the State Government contributed ₹ 280.04 crore to the Fund during the year leading to a short contribution of ₹ 17.09 crore. As on 31 March 2020, an amount of ₹ 4,308.56 crore was lying in the Fund (including accrued interest of ₹ 252.01 crore), of which ₹ 4,301.33 crore had been invested. Non-contribution of ₹ 17.09 crore has resulted in understatement of Revenue Deficit and Fiscal Deficit.

2.7.2.2 State Disaster Response Fund

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

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

As on 01 April 2019, the Fund had a balance of ₹ 603.61 crore. During 2019-20, an amount of ₹ 559 crore (GoI share: ₹ 503.10 crore plus State's share: ₹ 55.90 crore as per recommendation of the XIV Finance Commission) was transferred to the Fund. Further, the State Government carried out an adjustment of ₹ 437.37 crore pertaining to 2019-20 by inter account transfer of expenditure to Major Head-8121. As on 31 March 2020, a balance of ₹ 725.23 crore was lying in the Fund.

Government of Assam had neither invested the balances in SDRF in any of the instruments specified in the Guidelines, nor had it paid the half-yearly interest on the balance lying in the Fund in violation of SDRF guidelines. The unpaid interest of ₹ 45.27 crore by the GoA led to understatement of Revenue Deficit to that extent during 2019-20 and accumulated liabilities for future.

During the Public Accounts Committee (PAC) meeting (November 2019) on SFAR for the year ended 31 March 2018, the Chairman raised the issue of non-investment of balances under SDRF by the Government. The Principal Secretary, Finance Department acknowledged that SDRF funds were not being invested regularly and stated that it was due to the highly unpredictable nature of disasters in the State, which necessitate quick access to funds. The Principal Secretary however, assured that the Government would take necessary action for investment of the funds as per the norms prescribed by GoI guidelines. The State Government is yet to act in this regard.

2.7.2.3 Guarantee Redemption Fund

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

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

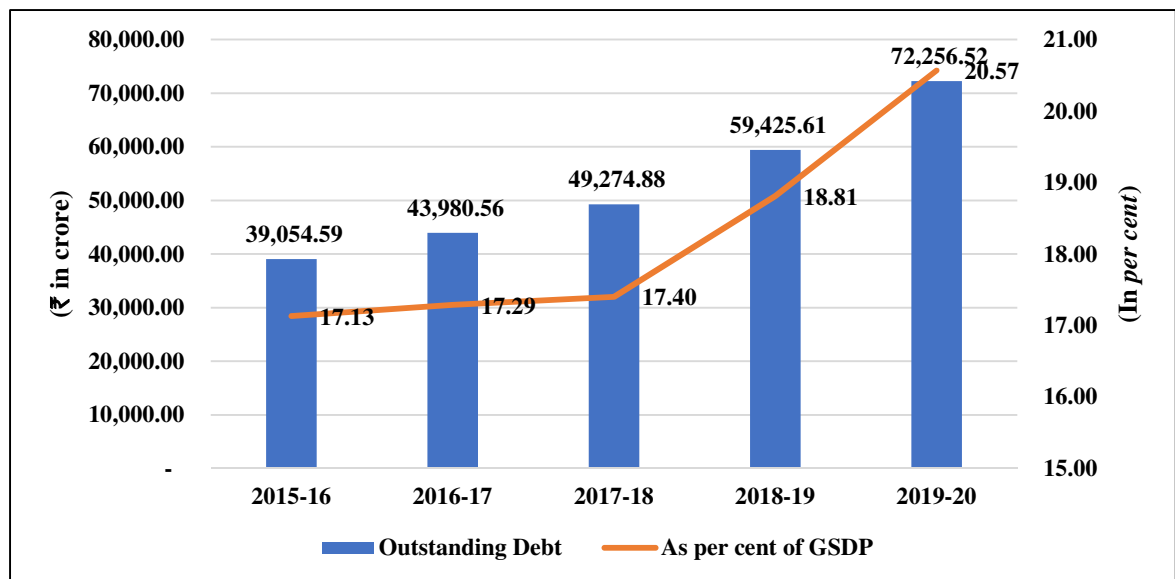
During 2019-20, the State Government contributed ₹ 2.71 crore to the Fund, which was three *per cent* of ₹ 90.24 crore (outstanding guarantees at the end of second financial year preceding the current financial year). No guarantee was invoked during the year. As on 31 March 2020, the total amount lying in the Fund was ₹ 53.07 crore (including the accrued interest of ₹ 3.33 crore for 2019-20) and the entire amount was invested by the Reserve Bank of India.

2.8 Debt Management

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

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

Chart 2.19: Trend of outstanding Debt



2.8.1 Debt profile: Components

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

Item	What it means	Interest rate
Ways and Means Advance (WMA)	<p>It is a facility for both the Centre and states to borrow from the RBI to help them tide over temporary mismatches in cash flows of their receipts and expenditures. Such advances should be repaid not later than three months from the date of the taking the advance.</p> <p>The limit for ordinary WMA to the State Government was ₹ 940 crore with effect from 01 April 2016 and the limit of SWMA is revised by the bank from time to time. The Bank has also agreed to give Special Ways and Means Advances against the pledge of Government Securities. The limit of Special Ways and Means Advances is revised by the Bank from time to time.</p> <p>The Government of Assam maintained the minimum cash balance with RBI during 2019-20 and no Ways and Means Advances or Overdraft was taken during the year.</p>	<p>The interest rate on WMA is the RBI’s repo rate, which is basically the rate at which it lends short-term money to banks. That rate is currently 4.4 per cent.</p>

Item	What it means	Interest rate
Overdrafts	The governments are allowed to draw amounts in excess of their WMA limits. No state can run an overdraft with the RBI for more than a certain period. A state can be in overdraft from 14 to 21 consecutive working days, and from 36 to 50 working days during a quarter	The interest on overdraft is two percentage points above the repo rate, which works out to 6.4 <i>per cent</i> .
Government securities	A Government Security (G-Sec) is a tradeable instrument issued by the Central Government or the State Governments. Such securities are short term (usually called treasury bills, with original maturities of less than one year) or long term (usually called Government bonds or dated securities with original maturity of one year or more). In India, the Central Government issues both, treasury bills and bonds or dated securities while the State Governments issue only bonds or dated securities, which are called the State Development Loans (SDLs).	Long term securities carry a fixed or floating coupon (interest rate) which is paid on the face value, payable at fixed time periods (usually half-yearly).
T-bills	Treasury bills are short-term securities issued by the Central government. Their maturity periods range up to one year. These securities are sold at a discount rate and will be paid at face value, which is how the investors make their money. At present, the active T-Bills are 91-days T-Bills, 182-day T-Bills and 364-days T-Bills	Treasury-Bills are issued on discount to face value, while the holder gets the face value on maturity. The return on T-Bills is the difference between the issue price and face value. Thus, return on T-Bills depends upon auctions.
T-Notes	Treasury notes are government securities with maturity periods longer than treasury bills. Their maturity periods can be two, three, four, five, seven, and ten years. Interest is paid every six months.	
T-Bonds	Treasury bonds are long-term investments with a maturity period of 30 years. Interest is paid every six months.	

Outstanding debt, total debt received, repayment of debt, ratio of debt to GSDP and the actual quantum of debt available to the State during the five-year period 2015-20 are given in **Table 2.36**.

Table 2.36: Trend of Outstanding Debt

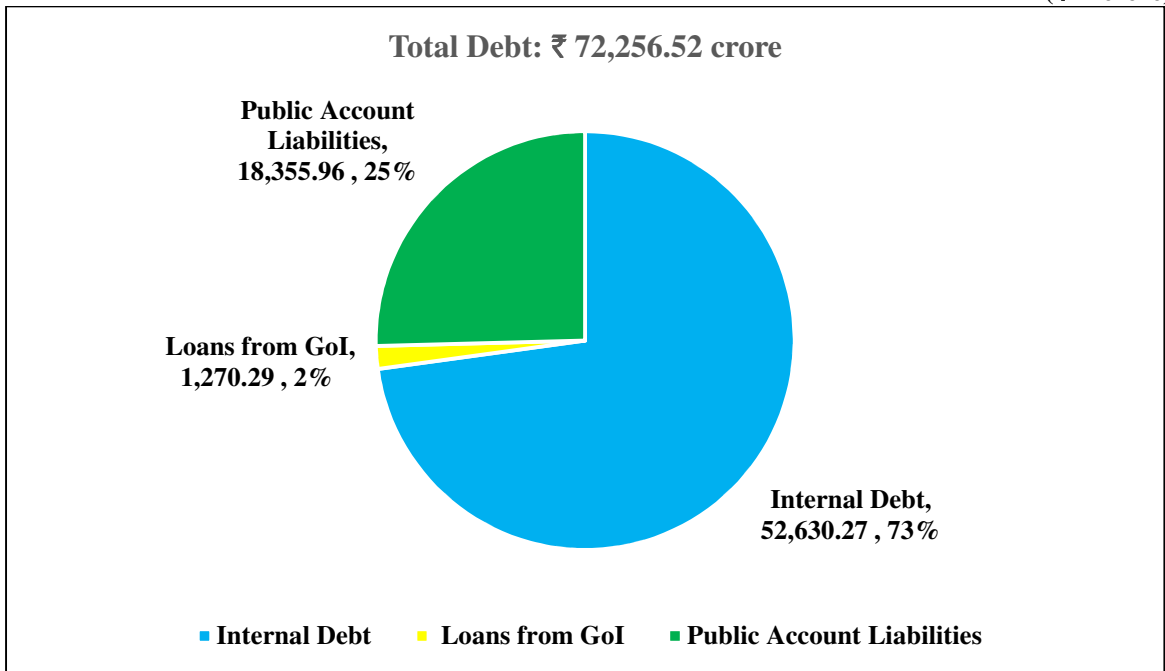
		(₹ in crore)				
		2015-16	2016-17	2017-18	2018-19	2019-20
Outstanding overall Debt		39,054.59	43,980.56	49,274.88	59,425.61	72,256.52
Public Debt	Internal Debt	24,799.19	26,736.65	33,293.73	41,511.13	52,630.27
	Loans from GoI	1,508.16	1,429.78	1,361.18	1,309.61	1,270.29

	2015-16	2016-17	2017-18	2018-19	2019-20
Public Account Liabilities	12,747.24	15,814.13	14,619.97	16,605.41	18,355.96
(i) Small Savings, Provident Funds, etc.	9,382.87	10,179.33	11,206.99	12,188.05	13,156.52
(ii) Reserve Funds	1,564.58	2,805.10	510.56	618.07	1,300.50
(iii) Deposits	1,799.79	2,829.70	2,902.42	3,799.29	3,898.94
Rate of growth of outstanding overall debt (percentage)	10.31	12.62	12.04	20.60	21.59
Gross State Domestic Product (GSDP)	2,27,958.82	2,54,382.36	2,83,164.90	3,15,881.20	3,51,317.77
Debt/GSDP (per cent)	17.13	17.29	17.40	18.81	20.57
Total Debt Receipts	13,340.80	13,533.76	18,848.19	25,163.98	25,275.04
Total Debt Repayments	9,689.37	8,607.78	13,553.88	15,013.26	12,444.13
Total Debt Available	3,651.43	4,925.98	5,294.31	10,150.72	12,830.91
Debt Repayments/Debt Receipts (percentage)	72.63	63.60	71.91	59.66	49.23

The total outstanding debt of the State Government at the end of 2019-20 was ₹ 72,256.52 crore. Component-wise break-up of debt is shown below in **Chart 2.20**.

Chart 2.20: Break-up of Outstanding Debt at the end of FY 2019-20

(₹ in crore)



Internal debt, which is primarily market borrowings through issue of State Development Loans (SDLs), accounts for 73 per cent of the total outstanding debt. Components wise debt and their trends during 2015-20 are given in **Chart 2.21**. Internal debt receipts and repayment made by the State during the period is given in **Chart 2.22**.

Chart 2.21: Component wise debt trends (₹ in crore)

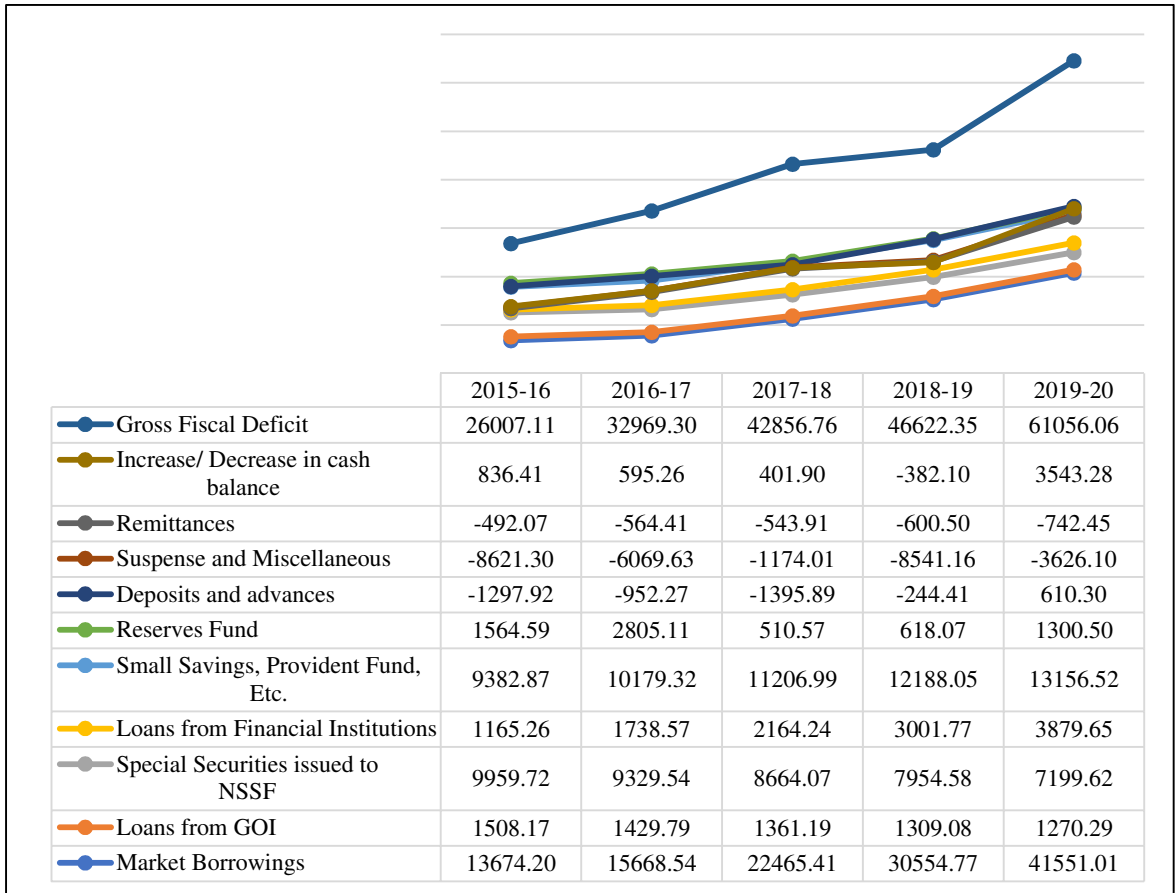
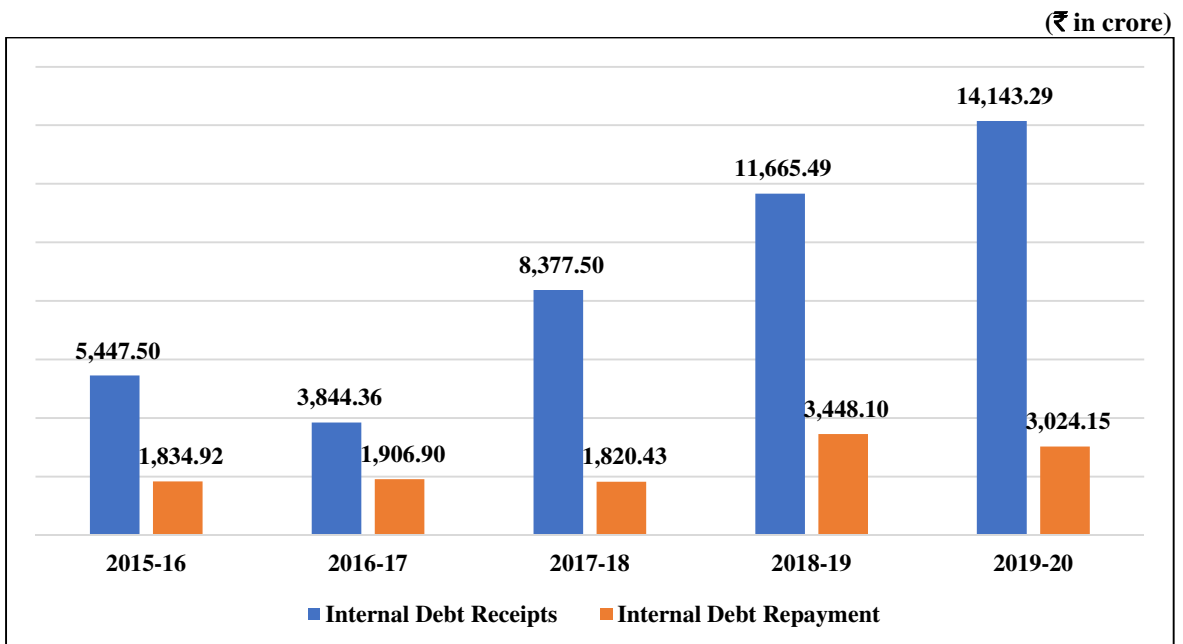


Chart 2.22: Internal debt taken vis-à-vis repaid



Fiscal Deficit of the State ranged between 1.51 *per cent* and 4.25 *per cent* of GSDP during 2015-20. The financing pattern of fiscal deficit during the five-year period has undergone a compositional shift as reflected in **Table 2.37**. Financing of fiscal deficit during 2019-20 has also been expressed through a water flow chart given below.

Table 2.37: Components of fiscal deficit and its financing pattern

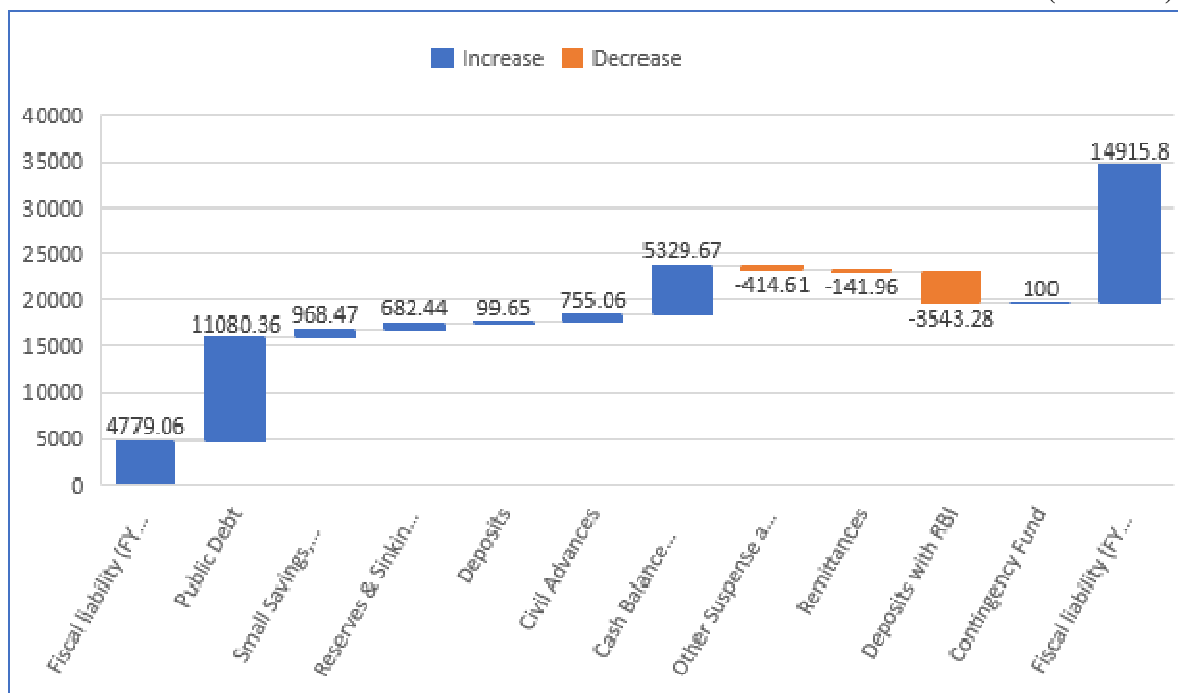
(₹ in crore)

Particulars		2015-16	2016-17	2017-18	2018-19	2019-20
Fiscal Deficit (-)/Surplus (+) (FD/GSDP)		3,005.47	-6,125.77	-9,342.20	-4,779.06	-14,915.80
		(+1.32)	(-2.41)	(-3.30)	(-1.51)	(-4.25)
Composition of Fiscal Deficit/Surplus						
1	Revenue Deficit (-) /Surplus(+)	5,446.28	-142.91	-1,350.00	6,580.16	-2,171.60
2	Net Capital Expenditure	-2,690.91	-5,502.08	-7,692.84	-11,034.08	-13,468.55
3	Net Loans & Advances	250.10	-480.78	-249.36	-325.14	824.35
4	Appropriation to Contingency Fund	0.00	0.00	-50.00	0.00	-100.00
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	1,896.75	1,994.34	6,796.87	8,089.36	10,996.24
2	Loans from GOI	-83.49	-78.38	-68.60	-52.11	-38.78
3	Special Securities issued to NSSF	1,512.63	-630.19	-665.47	-709.49	-754.96
4	Loans from Financial Institutions	203.20	573.31	425.67	837.53	877.86
5	Small Savings, Provident Fund & Others	860.14	796.45	1,027.66	981.06	968.47
6	Deposits and Advances	-1,005.83	345.65	-443.61	1,151.46	854.71
7	Suspense and Miscellaneous	-5,734.83	2,551.67	4,895.62	-6,313.73	4,915.06
8	Remittances	-47.66	-72.34	20.50	-56.58	-141.96
9	Reserves & Sinking Fund	230.03	1,240.52	-2,294.54	107.50	682.44
10	Contingency Fund	0.00	0.00	50.00	0.00	100.00
11	Overall Deficit	-2,169.06	6,721.03	9,744.10	4,035.00	18,459.08
12	Increase (-) / Decrease (+) in cash balance	-836.41	-595.26	-401.90	744.06	-3,543.28
13	Gross Fiscal Deficit	-3,005.47	6,125.77	9,342.20	4,779.06	14,915.80

*Net of receipt and disbursement during the year

Chart 2.23: Financing of fiscal deficit expressed through a water flow chart

(₹ in crore)



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

Table 2.38: Receipts and Disbursements under components financing the fiscal deficit during 2019-20

(₹ in crore)

Particulars		Receipt	Disbursement	Net
1	Market Borrowings	12,906.00	1,909.76	10,996.24
2	Loans and Advance from GOI	106.34	145.12	-38.78
3	Special Securities issued to NSSF	0	754.96	-754.96
4	Loans from Financial Institutions	1,237.29	359.43	877.86
5	Small Savings, PF, etc.	2,387.95	1,419.48	968.47
6	Deposits and Advances	9,927.51	9,072.80	854.71
7	Suspense and Miscellaneous	1,52,385.37	1,47,470.31	4,915.06
8	Remittances	8,538.13	8,680.09	-141.96
9	Reserves & Sinking Funds	1,657.89	975.46	682. 43
10	Contingency Fund	100.00	0	100.00
10	Overall Deficit			18,459.08
11	Increase (-)/Decrease (+) in cash balance	-563.08	2,980.20	-3,543.28
12	Gross Fiscal Deficit			14,915.80

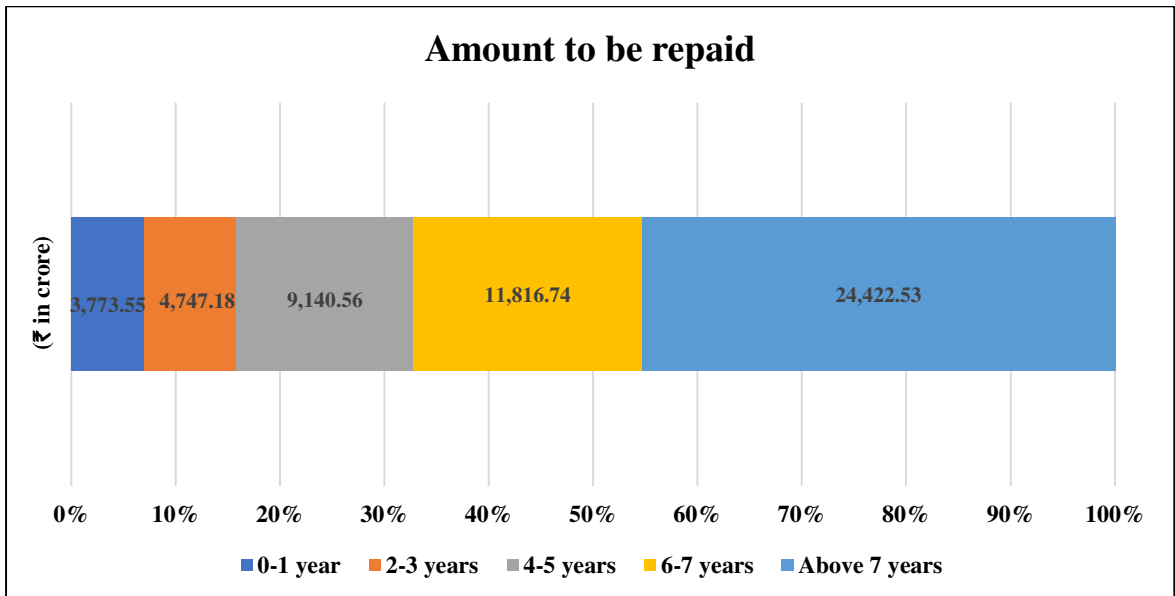
2.8.2 Debt profile: Maturity and Repayment

Public Debt consists of Internal Debt and Loans and Advances received from GoI. As per Statement 17 of the Finance Accounts for the year 2019-20, the maturity profile of public debt is given in **Table 2.39** and **Chart 2.24**.

Table 2.39: Maturity Profile of Public Debt

Year of maturity	Maturity Profile	Amount			Per cent of total Public Debt
		Internal Debt	Loans & Advances from GoI	Total	
By 2020-21	0-1 year	3,497.09	276.46	3,773.55	7.00
Between 2021-22 & 2022-23	2-3 years	4,433.98	313.20	4,747.18	8.81
Between 2023-24 & 2024-25	4-5 years	8,925.33	215.23	9,140.56	16.96
Between 2025-26 & 2026-27	6-7 years	11,728.97	87.77	11,816.74	21.92
2027-28 onwards	Above 7 years	24,044.91	377.62	24,422.53	45.31
Total		52,630.27	1,270.29	53,900.56	-

Chart 2.24: Maturity Profile of Public Debt



The maturity profile of outstanding stock of public debt as on 31 March 2020 indicates that out of the outstanding public debt of ₹ 53,900.56 crore, 54.69 per cent (₹ 29,478.03 crore) is payable within the next seven years while the remaining 45.31 per cent (₹ 24,422.53 crore) is in the maturity bracket of more than seven years. Of the total outstanding public debt, internal debt consisting of market borrowings, loans from NABARD and special securities issued to NSSF of Central Government constituted 97.64 per cent (₹ 52,630.27 crore).

The details of actual pay-out vis-à-vis that indicated in the SFARs during 2018-19 and 2019-20 are tabulated below.

Table 2.40: Maturity Profile of Public Debt

(₹ in crore)

Year	Outstanding Public debt as on 31 March	Indicated payment	Actual repayment
2018-19	42,820.20	3,301.19	3,589.36
2019-20	53,900.56	2,880.50	3,169.27

As seen from the above, the State has a satisfactory track record of debt servicing.

2.9 Debt Sustainability Analysis (DSA)

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

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

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

Debt Sustainability indicators:

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

2.9.1 Debt Sustainability Analysis (DSA)-Outstanding Debt

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

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

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

Table 2.41 shows the debt sustainability of the State according to these indicators for the five-year period beginning from 2015-16.

Table 2.41: Debt Sustainability: Indicators and Trends

Indicators of Debt sustainability	2015-16	2016-17	2017-18	2018-19	2019-20
Outstanding Debt (₹ in crore)	39,054.59	43,980.56	49,274.88	59,425.61	72,256.52
Percentage of outstanding Debt to Revenue Receipts	91.98	89.36	91.02	93.61	112.03
Debt/GSDP (<i>per cent</i>)	17.13	17.29	17.40	18.81	20.57
Fiscal Deficit/GSDP (<i>per cent</i>)	-1.32*	2.41	3.30	1.51	4.25
Interest Payments/Revenue Receipts Ratio	6.17	6.02	5.92	6.06	6.88
Rate of growth of outstanding Debt (<i>per cent</i>)	10.31	12.62	12.04	20.60	21.59
Rate of growth of GSDP (<i>per cent</i>)	16.47	11.59	11.31	11.55	11.22
Rate of growth of RR (<i>per cent</i>)	11.20	15.93	9.98	17.27	1.60
Interest payment (₹ in crore)	2,618.44	2,963.75	3,205.32	3,844.37	4,438.87
Average interest rate on Outstanding debt (<i>per cent</i>)	7.03	7.14	6.87	7.07	6.74
Available Debt as a percentage of Debt Receipts	27.37	36.40	28.09	40.34	50.77

* Fiscal Surplus in 2015-16

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

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

As can be seen from **Table 2.41** that during the initial three years i.e 2015-16 to 2017-18, ratio of debt to GSDP stood around 17 *per cent*. However, in the subsequent two years it had shown an upward trend and reached the level of 20.57 *per cent* during 2019-20. Though this ratio was well below the 25 *per cent* recommended by the XIV FC, and also below the target ceiling for debt of 28.50 *per cent* set in AFRBM Act, the continued increase in debt at the current rate may lead to a high level of debt. During 2019-20, the total outstanding

debt was 112.03 *per cent* of Revenue Receipts of the State. The rate of growth of Revenue Receipts was 1.60 *per cent* as against the rate of growth of outstanding debt of 21.59 *per cent* during the year. However, the growth rate of Revenue Receipts outpaced the growth rate of debt only in two years i.e in 2015-16 and 2016-17 out of five-year period. The burden of interest payment ranged from 5.92 to 6.88 *per cent* of the Revenue Receipts. During the five-year period 2015-16 to 2019-20, while GSDP has grown at a CAGR of 11.42 *per cent*, the outstanding debt has grown at a faster rate of 16.63 *per cent*, and hence the State needs to review the debt position for remedial action. The State Government needs to further augment its revenue receipts to be in a position to service the debt on a sustainable basis.

There has been a sharp increase in Fiscal Deficit in FY 2019-20, and the deficit is expected to be higher in FY 2020-21 on account of the impact on the economy of the Covid-19 pandemic.

2.9.1.1 Debt Sustainability Analysis (DSA)-Public Debt

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

Public debt sustainability of the State according to these indicators for the five-year period beginning from 2015-16 is given in **Table 2.42** and also in **Chart 2.25**.

Table 2.42: Trends in Public Debt Sustainability indicators

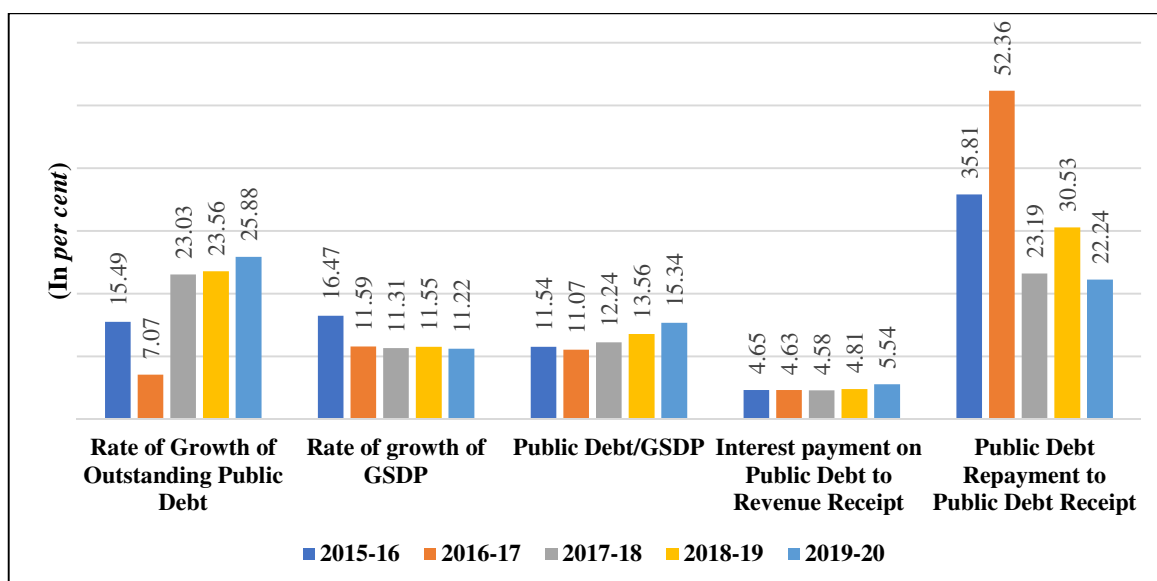
(₹ in crore)					
Debt sustainability Indicators	2015-16	2016-17	2017-18	2018-19	2019-20
Outstanding Public Debt*	26,307.35	28,166.43	34,654.91	42,820.20	53,900.56
Rate of Growth of Outstanding Public Debt (per cent)	15.49	7.07	23.04	23.56	25.88
GSDP	2,27,958.82	2,54,382.36	2,83,164.90	3,15,881.20	3,51,317.77
Rate of growth of GSDP (percentage)	16.47	11.59	11.31	11.55	11.22
Public Debt/GSDP (per cent)	11.54	11.07	12.24	13.56	15.34
Debt Maturity profile of repayment of State debt - including default history, if any	1,968.90	2,042.63	1,958.60	3,589.36	3,169.26
Average interest rate of Outstanding Public Debt (per cent)	8.04	8.36	7.90	7.88	7.39
Percentage of Interest payment on Public Debt to Revenue Receipt	4.65	4.63	4.58	4.81	5.54
Percentage of Public Debt Repayment to Public Debt Receipt	35.81	52.35	23.19	30.54	22.24
Net Debt available to the State[#]	1,556.60	-418.85	4,007.28	5,113.18	7,507.85
Net Debt available as per cent to Debt Receipts	28.32	-10.74	47.47	43.51	52.69

Source: Finance Accounts

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

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

Chart 2.25: Trends in debt Sustainability indicators



As evident from above table that public debt constituted 75 per cent of total debt at the end of 2019-20. During the year, it grew at the rate of 25.88 per cent i.e., the highest in the last five-year period. Growth rate of public debt at 25.88 per cent also outpaced the growth rate of GSDP (11.22 per cent) during the year. These all indicate that there would be increased pressure on interest payment on public debt in forthcoming years.

2.9.2 Utilisation of borrowed funds

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

The trend of borrowing (public debt receipt) during the last five-year period 2015-20 and utilisation are shown in **Table 2.43**.

Table 2.43: Utilisation of borrowed funds

		(₹ in crore)				
Sl. No.	Year	2015-16	2016-17	2017-18	2018-19	2019-20
1	Total Borrowings (Public Debt Receipt)	5,497.99	3,901.71	8,447.07	11,754.65	14,249.63
2	Repayment of earlier borrowings (percentage)	1,968.90 (35.81)	2,042.63 (52.35)	1,958.60 (23.19)	3,589.36 (30.54)	3,169.26 (22.24)
3	Capital expenditure (percentage)	2,690.91 (48.94)	5,502.08 (141.02)	7,692.84 (91.07)	11,034.08 (93.87)	13,468.55 (94.51)

Source: Finance Accounts

It is observed that over the last five years, public debt receipts increased by 159.18 per cent from ₹ 5,497.99 crore in 2015-16 to ₹ 14,249.63 crore in 2019-20. Out of public debt receipts of ₹14,249.63 crore during 2019-20, the State Government utilised ₹ 3,169.26 crore (22.24 per cent) for repayment of earlier borrowing. It can be seen from the above table that during the year 2019-20, percentage of utilisation of debt receipts towards repayment of earlier borrowing was the lowest during last five years. The capital expenditure increased

by ₹ 10,777.64 crore (400.52 *per cent*) during the year 2019-20 as compared to 2015-16. A significant portion of the public debt receipts during the year was utilised to meet the increased capital expenditure as compared to previous year.

2.9.3 Status of Guarantees – Contingent Liabilities

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

The details of outstanding guarantees given by the State Government including interest liability during the five-year period from 2015-16 to 2019-20 are shown in **Table 2.44**.

Table 2.44: Guarantees given by the Government of Assam

(₹ in crore)					
Guarantees	2015-16	2016-17	2017-18	2018-19	2019-20
Outstanding amount of guarantees including interest liability	143.13	130.00	90.23	85.02	83.42
Criteria as per the AFRBM Act, 2005	State Government guarantees shall be restricted at any point of time to 50 <i>per cent</i> of State's own tax and non-tax revenue of the second preceding year as reflected in the books of accounts maintained by Accountant General (A&E).				

Government had guaranteed loans raised by various Corporations and Others which at the end of 2019-20 stood at ₹ 83.42 crore. It was 0.48 *per cent* of State's Own Tax and Non-Tax Revenue of the second preceding year (₹ 17,287.49 crore) *i.e.*, well within the limit prescribed in the State FRBM Act. Out of the total outstanding guarantees, ₹ 14.60 crore (18 *per cent*) pertained to power sector.

2.9.4 Management of Cash Balances

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

The limit for ordinary WMA to the State Government was ₹ 940 crore with effect from 01 April 2016 and the limit of SWMA is revised by the bank from time to time. The State Government maintained the minimum daily cash balance with the RBI during 2019-20 and no WMA/ SWMA/ OD was availed during the year.

Table 2.45 and **Chart 2.26** depict the cash balances and investments made out of these by the State Government during the year.

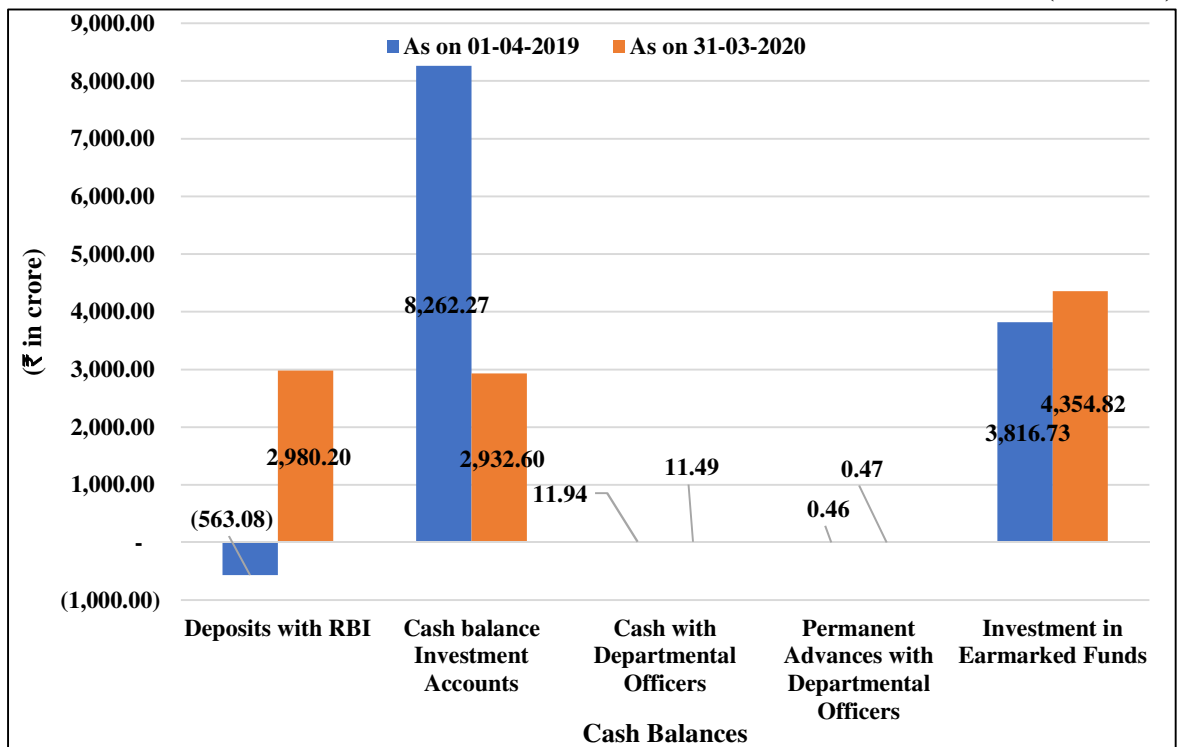
Table 2.45: Cash Balances and their investment

(₹ in crore)

	Opening balance on 01 April 2019	Closing balance on 31 March 2020
A. General Cash Balance		
Cash in treasuries	0.00	0.00
Deposits with Reserve Bank of India ¹²	(-) 563.08	2,980.20
Deposits with other Banks	0.00	0.00
Remittances in transit – Local	0.00	0.00
Total	(-) 563.08	2,980.20
Investments held in Cash Balance investment account	8,262.27	2,932.60
Total (A)	7,699.19	5,912.80
B. Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works, Forest Officers	11.94	11.49
Permanent advances for contingent expenditure with department officers	0.46	0.47
Investment in earmarked funds	3,816.73	4,354.82
Total (B)	3,829.13	4,366.78
Total (A + B)	11,528.32	10,279.58
Interest realised	307.00	382.86

Chart 2.26: Cash balances of the State Government during 2019-20

(₹ in crore)



Cash Balances of the State Government at the end of the current year decreased by ₹ 1,248.74 crore from ₹ 11,528.32 crore in 2018-19 to ₹ 10,279.58 crore in 2019-20. This was mainly due to decrease in investment in Treasury Bills by ₹ 5,329.67 crore from ₹ 8,262.27 crore in 2018-19 to ₹ 2,932.60 crore in 2019-20.

¹² There is a difference of ₹ 2,480.38 crore between Closing Cash Balance as per Accounts (₹ 2,980.20 crore) as per Finance Accounts, and as per RBI (₹ 499.82 crore).

State Government invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The interest earned from such investments are credited as receipts under the head '0049-Interest Receipts'. The cash balances are invested in the Consolidated Sinking Fund and Guarantee Redemption Fund as well. It is not desirable that State Government take recourse to market loans despite having large cash balances leading to further accretion to cash balances without putting it to productive use. The State Government has earned an interest of ₹ 382.86 crore during 2019-20 from the investments made in GoI Securities and Treasury Bills.

Out of the investment of ₹ 4,354.82 crore in earmarked funds, ₹ 4,301.33 crore was invested in the Consolidated Sinking Fund and ₹ 53.07 crore in Guarantee Redemption Fund at the end of the year. Interest earned from earmarked funds are credited back to the funds to which these relate for their investment by RBI.

The cash balance investments of the State during the five-year period 2015-16 to 2019-20 are given in the following table:

Table 2.46: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
2015-16	2,004.71	7,510.11	5,505.40	284.35
2016-17	7,510.11	5,181.64	-2,328.47	458.12
2017-18	5,181.64	936.95	-4,244.69	286.53
2018-19	936.95	8,262.27	7,325.32	307.00
2019-20	8,262.27	2,932.60	-5,329.67	382.86

The trend analysis of the cash balance investment of the State Government during 2015-20 revealed that investment increased significantly during 2015-16 and 2018-19. During the current year, *i.e.*, 2019-20, interest earned by the State from its investment in the cash balance investment account stood at ₹ 382.86 crore.

Chart 2.27 compares the balances available in the Cash Balance Investment Account and the Market Loans taken by the State during the period 2015-20. Market Loans were taken at higher interest rates whereas investment in Treasury Bills yielded interest at lower rates.

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

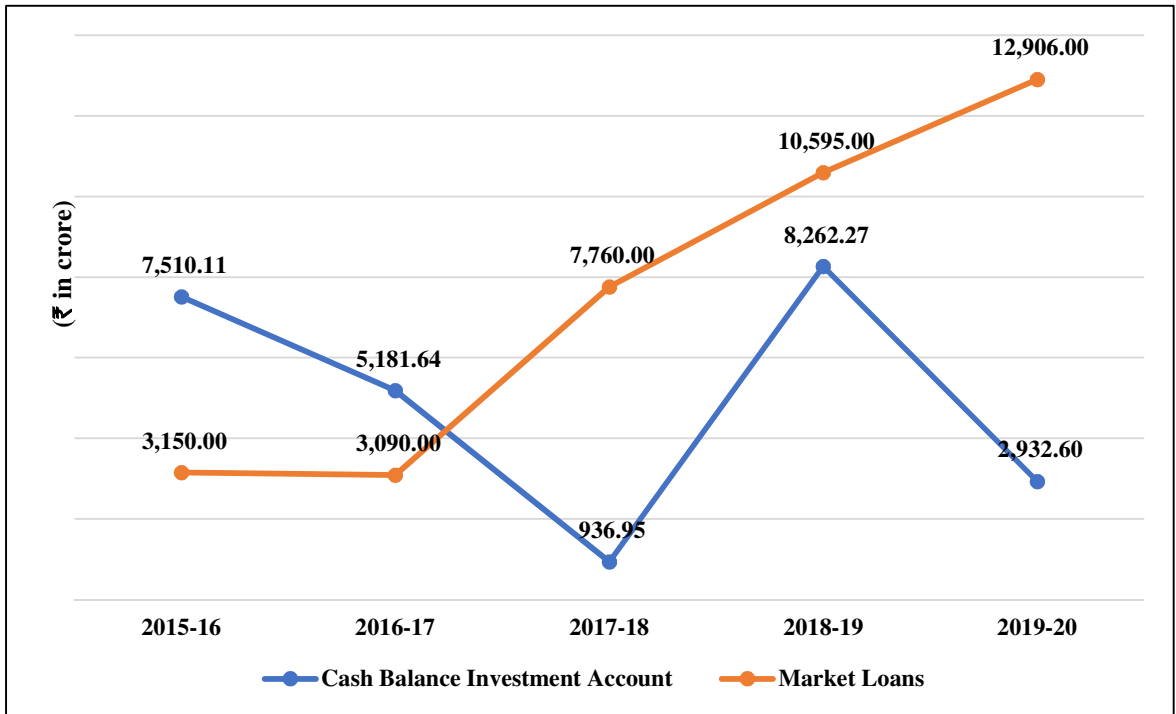
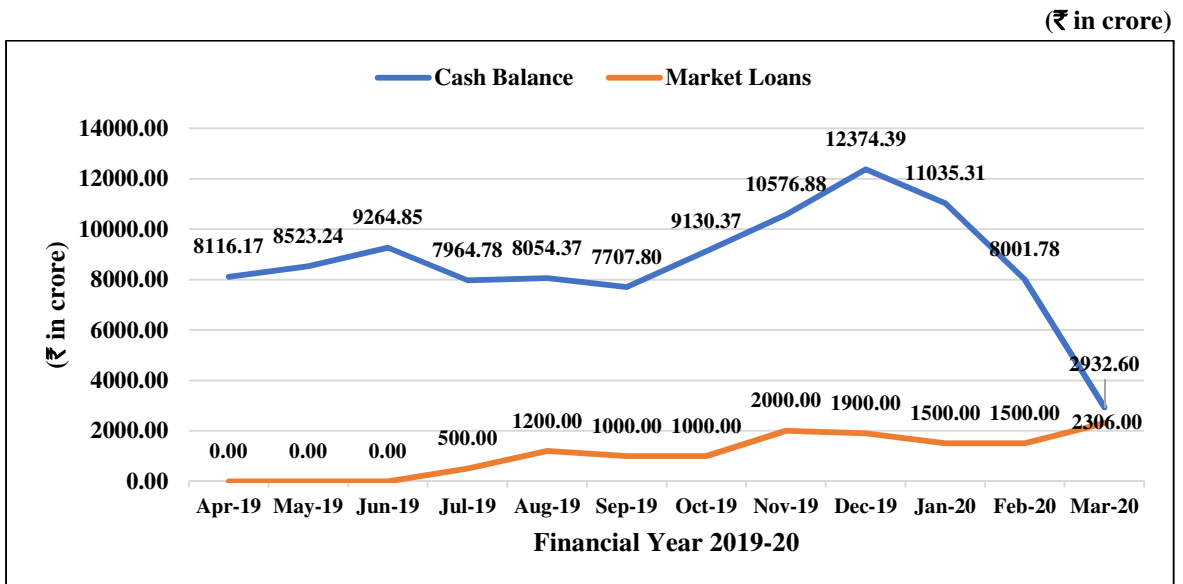


Chart 2.28 compares the month-wise Cash Balance Investment Account with the market loans obtained by the State.

Chart 2.28: Month-wise movement of Cash Balances Investment Account and market loans during 2019-20



The preceding chart indicates that the State Government had taken recourse to market loans on several occasions during the year despite having large cash balances. During the year 2019-20, the State Government raised ₹ 12,906.00 crore from the market, while at the same time, the cash balance of the State Government was in the range of ₹ 2,932.60 crore to ₹ 12,374.39 crore during the year, indicating that much of the borrowing was avoidable and Cash balances were not used for productive purposes.

2.10 Conclusion

- The fiscal position of the State is viewed in terms of key fiscal parameters-Revenue deficit/surplus, fiscal deficit/surplus and primary deficit/surplus.

During 2019-20, the State had a Revenue deficit of ₹ 2,171.60 crore which was 0.62 *per cent* of GSDP during the year. Fiscal deficit during 2019-20 was ₹ 14,915.80 crore which was 4.25 *per cent* of GSDP and primary deficit was ₹ 10,476.93 crore (2.98 *per cent* of GSDP).

- Revenue Receipts during the year 2019-20 were ₹ 64,495.08 crore, which increased by ₹ 1,015.92 crore (1.60 *per cent*), as compared to 2018-19 (₹ 63,479.16 crore). State's Own Tax revenues increased by ₹ 603.84 crore (3.79 *per cent*) compared to the previous year (₹ 15,924.85 crore), while Non-Tax revenue decreased by ₹ 2,681.95 crore (32.62 *per cent*) during the year as compared to 2018-19 (₹ 8,221.29 crore). Grants-in-aid from GoI increased by ₹ 6,588.44 crore (46.67 *per cent*) as compared to the previous year (₹ 14,117.17 crore) whereas State's Share of Union taxes and Duties decreased by ₹ 3,494.41 crore (13.86 *per cent*) during 2019-20 as compared to the previous year (₹ 25,215.85 crore). During 2019-20, revenue collections under State Goods and Services Tax (SGST) increased marginally by ₹ 362.26 crore (4.32 *per cent*) from ₹ 8,393.04 crore in 2018-19 to ₹ 8,755.30 crore in 2019-20.
- Revenue expenditure during the year 2019-20 was ₹ 66,666.68 crore constituting 82.76 *per cent* of the total expenditure of ₹ 80,551.39 crore. There was a misclassification of ₹ 6,225.45 crore due to grants-in-aid given by the State Government to the local bodies or individual entities under various Central Schemes during the year being as Capital instead of revenue expenditure, resulting in overstatement of Capital expenditure and understatement of Revenue expenditure to that extent.
- Committed expenditure of the Government like salary & wages, pensions, interest payments steadily increased during the last five year period 2015-20. It increased by ₹ 2,911.78 crore during the year 2019-20. The Committed expenditure during 2019-20 was ₹ 41,485.78 crore (64.32 *per cent* of the total Revenue receipts of ₹ 64,495.08 crore and 62.23 *per cent* of the total Revenue expenditure of ₹ 66,666.68 crore).
- The State Government short contributed ₹ 357.23 crore to National Pension System (NPS) since inception of the Scheme creating an avoidable future liability to the Government. As on 31 March 2019, an amount of ₹ 408.22 crore remained in the Public Account on which interest of ₹ 32.66 crore was payable in 2019-20.
- Capital expenditure is the expenditure incurred for creation of fixed infrastructure assets such as roads, building, *etc.* It is noticed that during the year the State's Capital expenditure increased by ₹ 2434.47 crore (22.06 *per cent*) from ₹ 11,034.08 crore during 2018-19 to ₹ 13,468.55 crore during 2019-20. However, this increase has to be viewed in the light of the fact that GIA of ₹ 6,225.45 crore was booked under

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

- During 2019-20, the State Government invested ₹ 290.81 crore in Statutory Corporations and ₹ 20.00 crore in Joint Stock Companies. As on 31 March 2020 the State Government's investment stood at ₹ 2,920.25 crore in those Companies/ Corporations and Co-operative societies. However, they got negligible returns of ₹ 30.64 crore as dividend during the year.
- As regards contribution to the Consolidated Sinking Fund the State Government was required to contribute ₹ 297.13 crore against which they contributed ₹ 280.04 crore to the Funds during the year, leading to a short contribution of ₹ 17.09 crore. This has resulted in understatement of Revenue Deficit and Fiscal Deficit to that extent.
- As on 31 March 2020 the State had a balance of ₹ 725.23 crore lying in the State Disaster Response Fund (SDRF). Government of Assam had neither invested the balances in SDRF in any of the instruments specified in the Guidelines, nor had it paid the half-yearly interest on the balance lying in the Fund in violation of SDRF guidelines. The unpaid interest of ₹ 45.27 crore by the GoA led to understatement of Revenue Deficit to that extent (during 2019-20) and accumulated liabilities for future.
- Outstanding Debt of the State rapidly increased from ₹ 39,054.59 crore in 2015-16 to ₹ 72,256.52 crore in 2019-20. The rate of growth of outstanding Debt was from 10.31 *per cent* in 2015-16 to 21.59 *per cent* in 2019-20. The Debt/GSDP ratio increased from 17.13 *per cent* in 2015-16 to 20.57 *per cent* in 2019-20 due to more borrowings from the open market. The State used about nine to five *per cent* of its revenue receipts for payment of interest on the outstanding Public Debt at an average rate of interest ranging between 7.39 *per cent* to 8.36 *per cent*, during the five year period 2015-20.
- The maturity profile of outstanding stock of the State public debt as on 31 March 2020 indicated that 54.69 *per cent* (₹ 29,478.03 crore) of the debt is payable within the next seven years while the remaining 45.31 *per cent* (₹ 24,422.53 crore) is in the maturity bracket of more than seven years.
- Public Debt constituted 75 *per cent* of total State debt at the end of 2019-20. During the year, it grew at the rate of 25.88 *per cent* i.e., the highest in the last five-year period, and also outpaced the growth rate of GSDP (11.22 *per cent*) during the year. These all indicated that there would be increased fiscal pressure on account of interest payment on public debt in forthcoming years.
- It is observed that over the last five years public debt receipts increased by 159.18 *per cent* from ₹ 5,497.99 crore in 2015-16 to ₹ 14,249.63 crore in 2019-20. In context of utilisation of debt receipts, it is seen that a significant portion of the public debt receipts during the year were utilised to meet the increased capital expenditure as compared to previous year. The capital expenditure increased by ₹ 10,777.64 crore (400.52 *per cent*) during the year 2019-20 as compared to

2015-16 from ₹ 2,690.91 crore to ₹ 13,468.55 crore in 2019-20. Out of public debt receipts of ₹ 14,249.63 crore during 2019-20, the State Government utilised ₹ 3,169.26 crore (22.24 per cent) for repayment of earlier borrowing.

- The State Government had taken recourse to market loans on several occasions during the year despite having large cash balances. During the year 2019-20, the State Government raised ₹ 12,906.00 crore from the market, while at the same time, the cash balance of the State Government was in the range of ₹ 2,932.60 crore to ₹ 12,374.39 crore during the year, indicating that much of the borrowing was avoidable and Cash balances were not used for productive purposes.

2.11 Recommendations

- i.) State Government may take necessary steps to reduce the Revenue and Fiscal deficits and to achieve the targets under the AFRBM Act, 2011.
- ii.) The State Government needs to make all efforts to increase its GST collection considering the size of its economy and GSDP.
- iii.) State Government may undertake a rigorous exercise to meet its liability for NPS including short contribution of its share and interest liability and the balance funds to be transferred to NSDL, the pension authority, to ensure that the NPS employees are not deprived of returns. The prescribed procedure for accounting the NPS related transactions should be adhered to scrupulously to avoid future liability.
- iv.) State Government should review the functioning of the loss making State Public Sector Undertakings (SPSUs) in the State considering the investment and negligible returns on investments.
- v.) The State Government may contribute the required share to the Consolidated Sinking Fund and invest the balances lying in State Disaster Response Fund (SDRF) as per the guidelines.
- vi.) In view of the increasing growth rate of its public debt, the State Government may make efforts to augment its own Revenues and reduce its revenue expenditure so as to avoid pressure on repayment of Public Debt and interest liabilities on Public Debt in forthcoming years.
- vii.) The State Government may use its Cash Balances for productive purposes and reduce its market borrowings.

Chapter 3

Budgetary Management

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

3.1 Budget Process

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

- At the outset, Finance Department estimates the resources required for State priority development areas and projects allocation for these in consultation with the Transformation and Development (T&D) Department and Administrative Departments;
- Resources required for State share of centrally sponsored schemes, counter party funding for externally aided projects, NEC¹, NLCPR², *etc.* are estimated and provided for;
- Allocations for Hill Areas Autonomous District Councils (ADCs) are made based on the requirement projected by the Departments responsible for the activities of the ADCs;
- Anticipated receipts from central tax transfers and funding for CSS are assessed and the quantum of funds required for committed expenditure on salaries, pension, repayment of loan, *etc.* are also worked out by Finance Department.

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

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

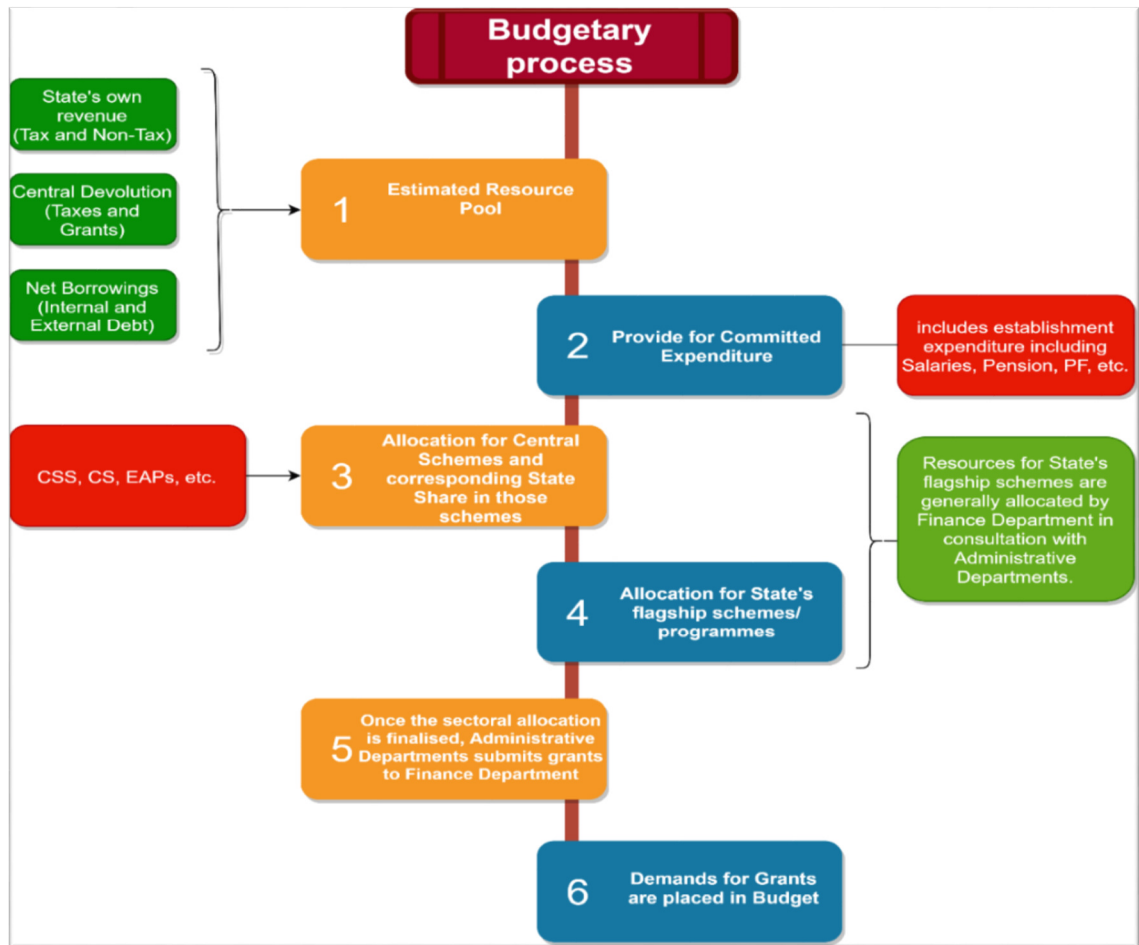
Supplementary or additional Grant/ Appropriation is provided during the course of the financial year for meeting expenditure in excess of the originally budgeted amount. Further, the State Government also re-appropriates/ re-allocates funds from various Units of Appropriation where savings are anticipated,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

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

¹ North Eastern Council

² Non-Lapsable Central Pool of Resources

Chart 3.1: Summary of Budgetary process of Assam



CSS: Centrally Sponsored Scheme; CS: Central Schemes

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

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

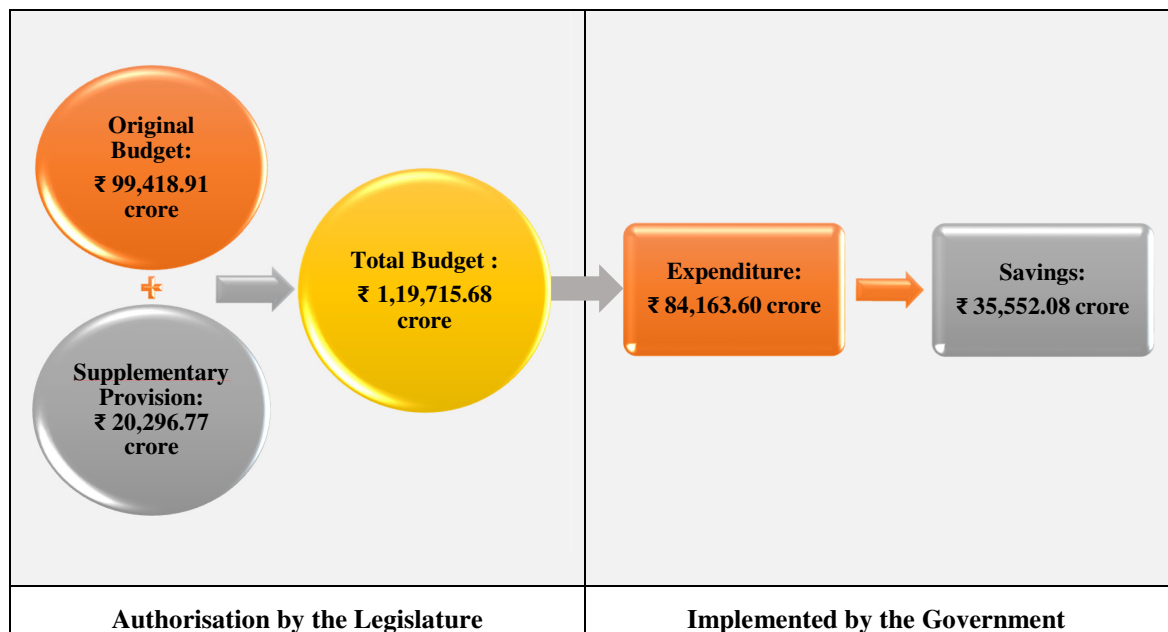
The Annual Financial Statement also called general budget is placed prior to the commencement of the financial year in the State Legislature, in accordance with Article 202 of the Constitution. The estimates of receipts and disbursements in the Annual Financial Statement and of expenditure in the demand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

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

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

Apart from supplementary grant, Re-appropriation can also be used to re-allocate funds within a Grant. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the Grant or Charged Appropriation. The total amount approved by the State Legislature including the original and supplementary budgets, expenditure, and savings during the year 2019-20 is depicted in the **Chart 3.2**.

Chart 3.2: Summary of Budget and Expenditure of Assam for 2019-20



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

A summarised position of total budget provision, disbursement and saving/excess with the bifurcation into voted/charged during the year 2019-20 is given in **Table 3.1**.

Table 3.1: Budget provision, disbursement and savings/excess during 2019-20

(₹ in crore)

Total Budget provision		Disbursements		Saving/Excess	
Voted	Charged	Voted	Charged	Voted	Charged
1,10,268.58	9,447.10	76,083.59	8,080.01	34,184.99	1,367.09

Source: Appropriation Accounts

As can be seen from **Table 3.1** that during the year 2019-20, Government of Assam (GoA) incurred total expenditure of ₹ 84,163.60 crore against the total grants and appropriations

of ₹ 1,19,715.68 crore resulting in overall savings of ₹ 35,552.08 crore. These savings stood at 30 per cent of total grants and appropriations made for the year.

3.1.2 Charged and Voted disbursements

The break-up of total disbursement into charged and voted during the last five years (2015-20) is given in **Table 3.2**.

Table 3.2: Trend of Disbursement into Charged and Voted during 2015-20

(₹ in crore)

Year	Disbursements			Savings/ Excess		
	Voted	Charged	Total	Voted	Charged	Total
2015-16	37,231.45	4,800.00	42,031.45	30,126.18	2,660.85	32,787.03
2016-17	52,927.33	5,250.99	58,178.32	21,823.16	3,067.67	24,890.83
2017-18	63,086.11	5,500.88	68,586.99	27,548.45	3,317.64	30,866.09
2018-19	64,586.31	7,745.03	72,331.34	33,050.68	3,108.32	36,159.00
2019-20	76,083.59	8,080.01	84,163.60	34,184.99	1,367.09	35,552.08

Source: Appropriation Accounts

It can be seen from **Table 3.2** that the savings ranged between ₹ 24,890.83 crore in 2016-17 and ₹ 36,159.00 crore in 2018-19. Large amount of savings in allocated funds indicate both inaccurate assessment of requirement as well as inadequate capacity to utilise the funds for the intended purposes.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 and 205 of the Constitution of India. Appropriation Accounts are on Gross basis. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services vis-à-vis those authorised by the Appropriation Act in respect of both Charged and Voted items of budget. Appropriation Accounts thus facilitate understanding of utilisation of funds, the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

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

3.3 Comments on integrity of budgetary and accounting process

3.3.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of this article 204 of

the constitution. Expenditure on new scheme should not be incurred on a scheme/service without provision of funds except after obtaining additional funds by re-appropriation, supplementary grant or appropriation or an advance from the Contingency Fund of the State.

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

‘New Instrument of Service’ means relatively large expenditure arising out of important expansion of an existing activity.

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

However, during 2019-20, an expenditure of ₹ 499.29 crore was incurred in 34 Sub-heads under 6 Grants and 1 Appropriation (₹ 15 lakh and above in each case) without budget provision as detailed in **Appendix 3.1**. Grant-wise summary of the cases where expenditure was incurred without budget provision is given in **Table 3.3**.

Table 3.3: Summary of Expenditure without Budget Provision during 2019-20

(₹ in crore)

Sl. No.	Grant No. and Name	Number of Sub Heads	Expenditure
1	22 Administrative Training	1	2.57
2	30 Water Supply and Sanitation	1	3.41
3	62 Power (Electricity)	1	69.88
4	76 Karbi Anglong Autonomous Council	7	12.24
5	77 North Cachar Hills Autonomous Council	10	11.41
6	78 Bodoland Territorial Council	3	5.98
7	PD Public Debt and Servicing of Debt	11	393.80
-	Grand Total	34	499.29

Out of the 34 Sub-Heads, the details of 10 Sub-Heads with large expenditure without budget provision are given in the following table.

Table 3.4: Expenditure incurred without budget provision during 2019-20

(₹ in crore)

Sl. No.	Grant No. and Name	Heads of Account where expenditure was incurred without budget provision		Expenditure without Provision
1	Public Debt and Servicing of Debt	2049-01-101-7104	8.34% Assam State Development Loan, 2029	83.40
2	62 Power (Electricity)	4801-06-800-4168	Externally Aided Project (ADB)	69.88
3	Public Debt and Servicing of Debt	2049-01-101-1733	7.69% Assam State Development Loan, 2023	53.45
4	Public Debt and Servicing of Debt	2049-01-101-1592	8.45% Assam State Development Loan, 2029	42.25

Sl. No.	Grant No. and Name	Heads of Account where expenditure was incurred without budget provision		Expenditure without Provision
5	Public Debt and Servicing of Debt	2049-01-101-2572	8.19% Assam State Development Loan, 2029	40.95
6	Public Debt and Servicing of Debt	2049-01-101-1604	7.82% Assam State Development Loan, 2024	39.10
7	Public Debt and Servicing of Debt	2049-01-101-1648	7.72% Assam State Development Loan, 2024	38.60
8	Public Debt and Servicing of Debt	2049-01-101-2656	7.10% Assam State Development Loan, 2029	24.85
9	Public Debt and Servicing of Debt	2049-01-101-2663	7.30 % Assam State Development Loan, 2029	18.25
10	Public Debt and Servicing of Debt	2049-01-101-2655	7.15 % Assam State Development Loan, 2029	17.88

Above tables indicate that out of ₹ 499.29 crore incurred without budget provision under 34 Sub heads, ₹ 358.73 crore (71.84 per cent) was incurred on interest payments on Public Debt only.

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

3.3.2 Misclassification of expenditure

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

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

Classification of expenditure of revenue nature as capital expenditure or vice-versa, results in overstatement/understatement of revenue expenditure and revenue deficit/surplus.

As per IGAS 2, Grant-in-aid disbursed by a grantor to a grantee shall be classified and accounted for as revenue expenditure irrespective of the purpose for which the funds disbursed as Grants-in-aid are to be spent by the grantee, except in cases where it has been specifically authorised by President on the advice of the Comptroller and Auditor General of India. It is observed that grants-in-aid of ₹ 6,225.45 crore was erroneously booked

under Capital Section instead of Revenue, in violation of IGAS 2. Further, an amount of ₹ 550 crore released as Grants-in-aid to Assam State Road Project was incorrectly budgeted and booked under the Capital Major Head (5054), though the transaction was of revenue nature.

Further, government budgeted and spent an amount of ₹ 345.62 crore on “Major Works” under the Revenue Section and ₹ 154.50 crore on “Minor Works” under the Capital Section.

Non-compliance led to understatement of revenue deficit and overstatement of capital expenditure during the year.

3.3.3 Unnecessary or Excessive Supplementary Grants

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

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

When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the Grant to cover the excess by Re-Appropriation, the Secretary in the Department concerned proposes to the Finance Department for Supplementary or Additional Grant or Appropriation.

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

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

Besides approving original budget of ₹ 99,418.91 crore, the State Legislature also approved three supplementaries of ₹ 20,296.77 crore³ in 76 Grants/ Appropriations for the year 2019-20. Audit analysis of utilisation of these supplementary allocations showed that a provision of only ₹ 7,055.94 crore (34.76 per cent) was required in 15 Grants/ Appropriations where the final expenditure exceeded the original budget

³ ₹ 7,580.52 crore (Dated 19 August, 2019), ₹ 11,535.82 crore (Dated 19 December, 2019) and ₹ 1,180.43 crore (Dated 17 March, 2020).

provision. Details relating to the actual expenditure incurred against the original budget allocation and supplementary provision are given in *Appendix 3.2*. All three supplementaries were Cash Supplementaries⁴ leading to large savings at the end of the year.

Further analysis revealed that out of 82 grants/Appropriations, Supplementary grants were made in 62 grants/Appropriations during the year although there was no requirement of Supplementary Grant in those grants/Appropriations. Under one grant (Grant 23 – Pension) where Supplementary Grant was actually required, no supplementary allocation was provided. Thus, it can be concluded that during the year Supplementary grants were required only in 15 grants as detailed in **Table 3.5**.

Table 3.5: Grant wise supplementary Required and Received Status

Sl. No.	No. of Grants	Supplementary Required	Supplementary Received	Remark
1	62	No	Yes	×
2	1	Yes	No	×
3	14	Yes	Yes	✓
4	5	No	No	✓
Total	82	15	76	-

Thus, seeking supplementary grants without any requirement is indicative of poor budgetary management by the State Government.

3.3.4 Unnecessary or Excessive Re-appropriation

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where need for additional funds is identified. As per Paragraph 9.2 of ABM, 2012, Finance Department has the power to sanction/authorise any re-appropriation within a Grant, which does not involve the undertaking of a recurring liability.

Audit analysis revealed that re-appropriation proved excessive and resulted in huge savings in 31 Sub-Heads (₹ 10 lakh and above in each case), details of which are given in *Appendix 3.3*. Out of those 31 Sub-Heads, the savings were more than ₹ 10 crore in six sub-heads, as detailed in *Table 3.6*.

⁴ Cash Supplementary is over and above the original budget provision and results in enhancement of the allocation for the Demand/ Grant

Table 3.6: Excessive re-appropriation

(₹ in lakh)

Sl. No.	Grant No.	Major Head	Minor Head	Sub-Head	Sub Sub-Head	Nomenclature	Re-appropriation	Final Savings
1	64	5054	337	0337	793	General Road Works (State Priority Scheme)	30000.00	18734.86
2	44	4552	212	3650	927	NESRIP under ADB (Central Share)	17126.00	7312.15
3	57	2216	105	5689	928	PMAY – G (State Share)	8645.09	4002.94
4	14	4055	207	0145	532	Mission MOITRI for Barracks	3250.00	2358.56
5	41	2245	101	4703	---	Gratuitous Relief (Flood)	6000.00	1620.09
6	14	4055	207	0145	540	Mission MOITRI for Other Capital Asset Creation (Police Memorial/ Officers Housing etc.)	1500.00	1382.50
Total							66521.09	35411.10

Further, re-appropriation proved unnecessary in 104 Sub-Heads, as the re-appropriated amount ultimately resulted in savings of ₹ 10 lakh and above in every case. The complete list of Heads of Account where funds were re-appropriated, where the final savings was more than ₹ 10 lakh, is given in *Appendix 3.4*. Further analysis of data also revealed that 28 Sub-Heads recorded savings of more than ₹ 10 crore in each case, of which 10 major cases are shown in the following table.

Table 3.7: Unnecessary re-appropriation of funds

(₹ in lakh)

Sl. No.	Grant No.	Major Head	Minor Head	Sub Head	Sub Sub-Head	Nomenclature	Re-appropriation	Final Savings
1	14	2055	109	0145	---	District Police Proper	102.50	51234.34
2	29	2210	800	3594	927	NHM (Central Share)	15028.92	21832.10
3	14	2055	101	0443	---	Special Branch	6.00	15656.12
4	64	5054	337	0337	743	Reconstruction of Flood Damaged Roads	5000.00	13836.51
5	44	4552	212	2473	531	Construction of Double Lane Road from Lanka to Umrangshu via Diyungmukh Halflong Tinali and Panimur	9238.00	9238.01
6	14	2055	114	0480	---	Wireless and Computer	23.00	7618.17
7	39	2235	102	0177	928	ICDS (State Share)	220.00	5919.38
8	63	2711	001	0120	932	Brahmaputra Flood Control Project (Execution)	19.00	5279.45
9	14	2055	109	1015	901	Checking of Bangladeshi Infiltration	5.00	4683.46
10	71	2202	800	0800	941	Uniform for Class IX & X Students under RMSA	2053.56	4553.56
Total							31695.98	139851.10

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

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

3.3.5.1 Non-surrender of Savings

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

In fact, against the overall savings of ₹ 35,552.08 crore recorded in the Appropriation Accounts of the State during 2019-20, no amount was surrendered by any department of Government of Assam during the year. This was against the provision of Budget Manual.

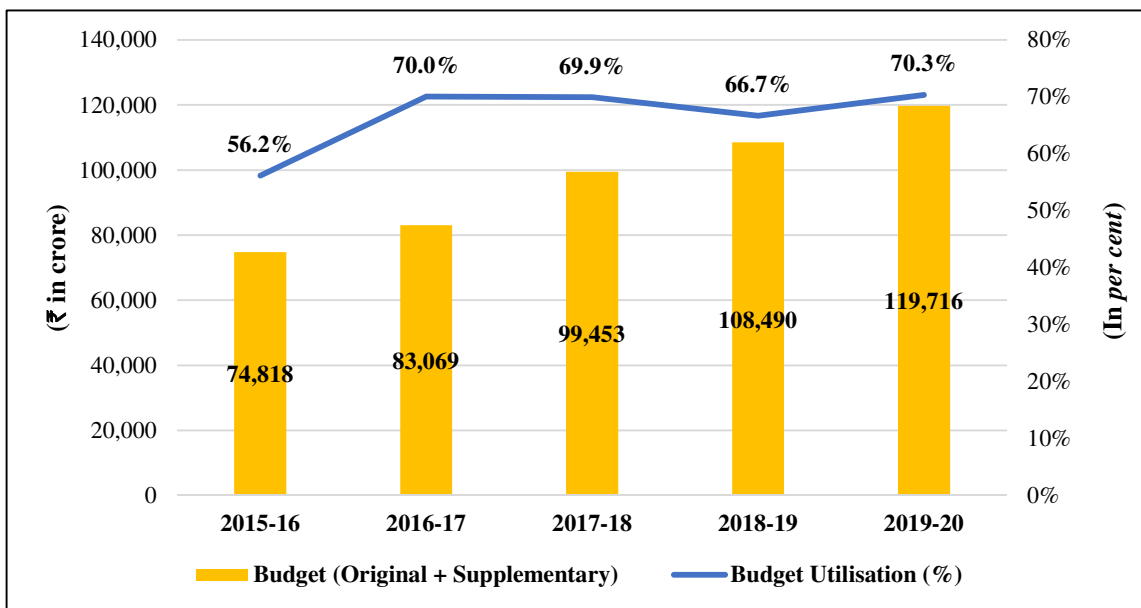
Thus, non-compliance with the prescribed time schedule for intimation of savings and their surrender by the concerned Departments defeats the objective of achieving efficiency in budget management.

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

3.3.5.2 Underutilisation of Budgeted Funds

Budget provision has been significantly underutilised by the State every year during the past few years. The extent of utilisation of budget during the five-year period from 2015-16 to 2019-20 is given in **Chart 3.3**.

Chart 3.3: Budget Utilisation during 2015-16 to 2019-20

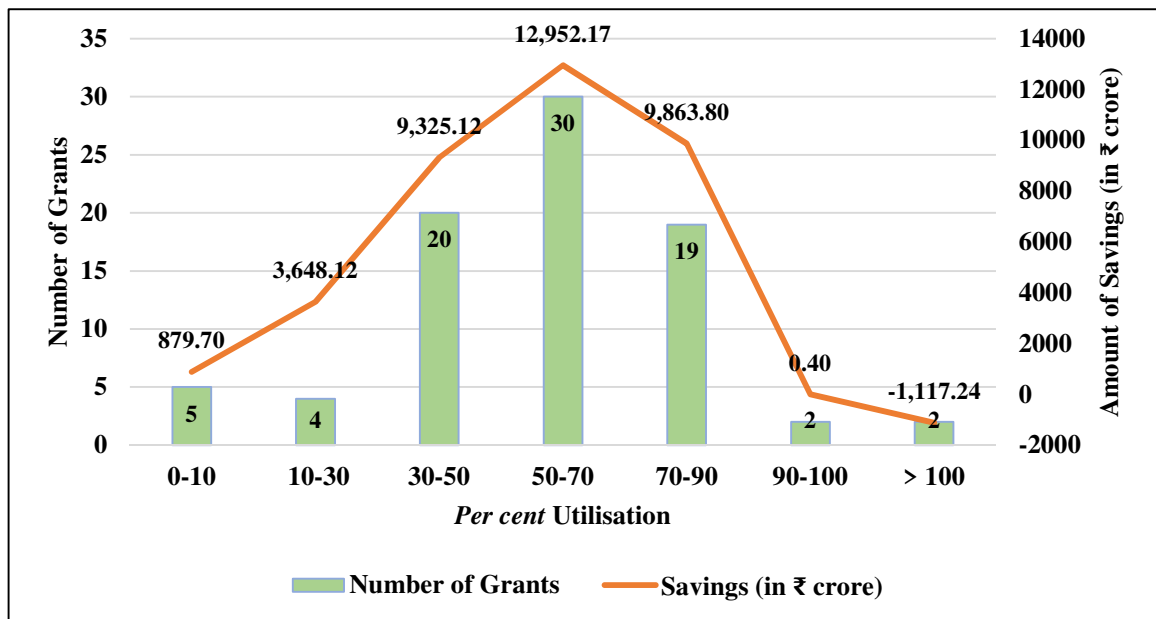


As can be seen from the Chart above, utilisation of budget has rarely exceeded 70 per cent in any of the five-year period. Large amount of savings in allocated funds indicate both inaccurate assessment of requirement as well as inadequate capacity to utilise the funds for intended purposes.

3.3.5.3 Large and Persistent Savings in Grants/ Appropriations

There were huge savings during 2019-20, with 29 out of 82 Grants/ Appropriations showing utilisation of less than 50 per cent of the budget allocation. The distribution of the number of Grants/ Appropriations grouped by the extent of savings is given in **Chart 3.4**.

Chart 3.4: Grant-wise utilisation of funds



Further, a total of 26 Grants/Appropriations show low utilisation in three or more years during the five-year period i.e., 2015-20. This is indicative of systemic issues that warrants a close review by the Government to enable initiation of expeditious corrective measures. Utilisation of budgetary allocation in these 26 Grants/ Appropriations for the five-year period from 2015-16 to 2019-20 is shown in **Table 3.8**.

Table: 3.8: Grants/Appropriations where budget utilisation was < 50 per cent

(₹ in crore)

Sl. No.	Grant	2015-16	2016-17	2017-18	2018-19	2019-20	Number of Years*	Budget 2019-20	Total Budget (5 Years)
1	17 Administrative and Functional Buildings	26.0%	59.8%	40.3%	54.0%	48.3%	3	457.56	2,949.22
2	19 Vigilance Commission and Others	33.9%	45.6%	57.2%	78.4%	18.8%	3	1,555.92	3,513.91
3	24 Aid Materials	0.0%	0.0%	0.0%	0.0%	0.0%	5	0.01	0.05
4	25 Miscellaneous	-104.4%	39.6%	95.7%	45.0%	34.5%	4	2,830.23	11,872.78

Sl. No.	Grant	2015-16	2016-17	2017-18	2018-19	2019-20	Number of Years*	Budget 2019-20	Total Budget (5 Years)
	General Services								
5	27 Art and Culture	18.6%	65.8%	48.4%	52.4%	39.0%	3	256.08	887.85
6	31 Urban Development (Town and Country Planning)	8.5%	54.4%	45.6%	18.0%	42.8%	4	747.26	2,520.67
7	33 Residential Buildings	28.7%	45.9%	56.4%	45.8%	53.0%	3	10.00	132.20
8	34 Urban Development (Municipal Administration)	8.7%	29.1%	20.6%	36.9%	31.7%	5	1,635.74	4,126.91
9	36 Labour and Employment	27.2%	61.4%	39.6%	64.1%	42.7%	3	450.75	1,588.30
10	38 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes etc.	6.0%	52.3%	33.2%	44.9%	64.5%	3	1,534.19	7,323.88
11	42 Other Social Services	43.0%	90.3%	83.5%	34.9%	9.2%	3	257.12	1,800.42
12	44 North Eastern Council Schemes	21.6%	32.0%	24.4%	25.0%	15.3%	5	2,766.49	7,334.65
13	45 Census, Surveys and Statistics	43.3%	54.1%	40.5%	47.9%	58.7%	3	71.62	361.39
14	49 Irrigation	34.0%	37.5%	49.3%	31.4%	45.8%	5	1,489.44	7,394.25
15	50 Other Special Areas Programmes	-11.5%	27.4%	18.1%	23.8%	72.3%	4	105.43	780.83
16	52 Animal Husbandry	41.1%	64.9%	49.1%	60.0%	50.0%	3	579.39	2,486.67
17	56 Rural Development (Panchayat)	29.0%	33.0%	51.1%	38.6%	86.3%	3	4,682.91	13,278.15
18	58 Industries	22.8%	61.4%	27.7%	49.7%	6.8%	4	243.03	2,492.00
19	63 Water Resources	18.6%	31.1%	20.2%	62.3%	57.8%	3	1,680.05	9,891.11
20	66 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	27.3%	93.9%	23.8%	61.0%	35.3%	3	1,036.70	4,081.48
21	67 Horticulture	38.9%	40.0%	53.4%	48.8%	42.7%	4	201.74	527.54
22	68 Loans to Government Servants etc.	11.5%	0.0%	5.0%	92.1%	0.0%	4	100.00	442.53
23	70 Hill Areas	82.7%	22.7%	35.7%	18.0%	11.6%	4	25.60	136.09
24	72 Social Security and Welfare	24.3%	46.8%	48.5%	87.0%	14.9%	4	20.02	255.11

Sl. No.	Grant	2015-16	2016-17	2017-18	2018-19	2019-20	Number of Years*	Budget 2019-20	Total Budget (5 Years)
25	73 Urban Development (Guwahati Development Department)	23.2%	67.5%	28.8%	21.2%	35.6%	4	993.80	6,054.15
26	75 Information and Technology	4.0%	98.4%	47.2%	21.6%	33.8%	4	86.09	368.04

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

Improving urban infrastructure is a challenge faced by the State, and the low utilisation of the three Grants directly related to urban infrastructure, viz., 34 Urban Development (Municipal Administration), 31 Urban Development (Town and Country Planning), and 73 Urban Development (Guwahati Development Department) is a cause for concern. State Government needs to examine the reasons for poor utilisation of allocated funds in these Grants and take appropriate corrective action expeditiously.

Similarly, low utilisation in Grant No. 49 Irrigation despite drawing large allocation of over ₹ 1,400 crore annually needs an in-depth analysis by the State Government and initiation of prompt remedial action.

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

3.3.6 Excess Expenditure and its Regularisation

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

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

3.3.6.1 Excess Expenditure relating to the year 2019-20

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring Legislative sanction but also indicative of bad planning, which could be avoided by keeping track of expenditure progression with budget made for the purpose. Cases of excess expenditure over the provision of the financial year are to be carefully examined.

During 2019-20, an amount of ₹ 1,159.23 crore was incurred in excess of the budget provision in two Grants/Appropriations which is required to be regularised by the State

Legislature as per Article 205 of the Constitution. The details of the Grants/Appropriation in which the excess expenditure occurred are shown in **Table 3.9**.

Table 3.9: Excess expenditure during 2019-20 requiring regularisation

(₹ in crore)

Grant No.	Name of the Grant	Nature	Total Grant	Actual Expenditure	Excess Expenditure
23	Pension	Revenue Voted	8,956.31	9,602.14	645.83
78	Bodoland Territorial Council	Capital Voted	374.35	887.75	513.40
Total			9,330.66	10,489.89	1,159.23

Under these two grants, there were excess expenditure during 2018-19 also. Moreover, an amount of ₹ 1,348.35 crore being pension payments of 2019-20 was not booked as expenditure in the State Accounts (2019-20). The reason behind this has been detailed under Paragraph 4.9.1 of the Report. If these were taken into account, excess payment on pension could have been ₹ 1,994.18 crore during the year.

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

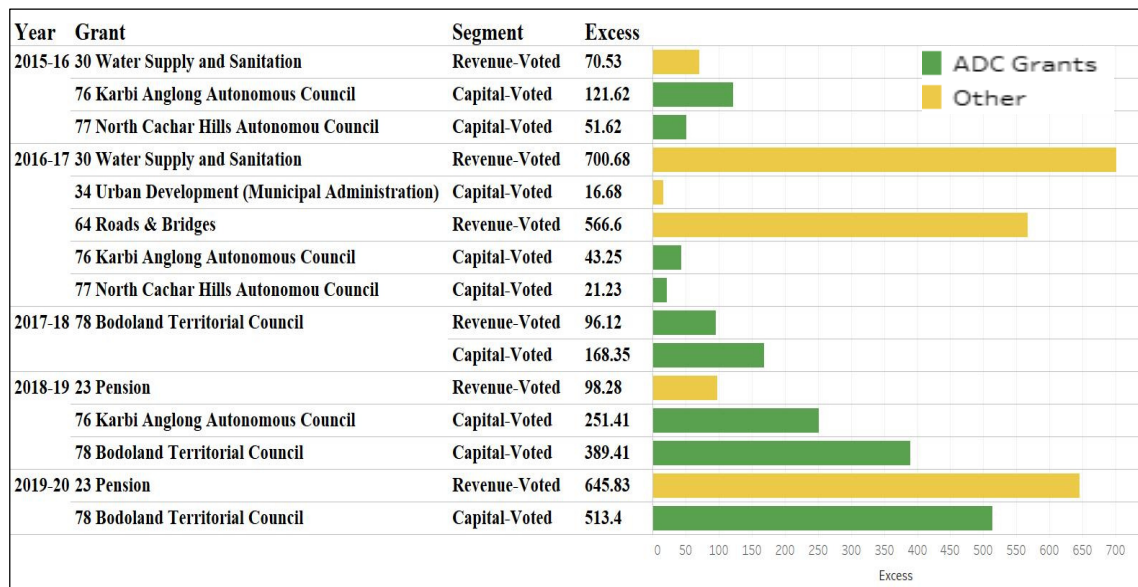
PAC vide 161st Report placed in the Legislature on 24th March 2020 had recommended to constitute a High-level Committee to study the reason for excess expenditure under Grant No. 23-Pension. Accordingly, Pension & Public Grievance Department constituted a High level Committee on 11th June 2020. The Report of the Committee is awaited (January 2021).

3.3.6.2 Persistent excesses in certain Grants

Details of excess expenditure over the approved allocation during the five-year period from 2015-16 to 2019-20, which require regularisation by the State Legislature, are given in **Chart 3.5**.

Chart 3.5: Grants with excess expenditure requiring regularisation

(₹ in crore)



As can be seen from the above chart, while there have been cases of excess expenditure over budgeted provision in certain Grants over the five-year period 2015-20, there is a clear preponderance of ADC Grants with excess expenditure, despite there being only three Grants for ADCs⁵ out of the total 78 Grants. Of the total 15 instances of excess requiring regularisation during the five-year period from 2015-16 to 2019-20, nine pertained to the three ADC related Grants.

The reasons for recurrent excess/ large savings in ADC Grants have been analysed in respect of one of the ADC Grants (Grant 76 for Karbi Anglong Autonomous Council), and detailed in the subsequent Paragraph 3.5.2.

3.3.6.3 Regularisation of excess expenditure of previous financial years

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

Table 3.10: Excess expenditure relating to previous years requiring regularisation

Year	Number of		Amount of excess over provision (₹ in crore)
	Grants	Appropriations	
2005-06	2	2	2.45
2006-07	4	2	80.61
2007-08	9	2	113.24
2008-09	6	2	108.40
2009-10	3	Nil	10.18
2010-11	1	1	4.27
2011-12	5	2	915.14
2012-13	4	Nil	1,195.61
2013-14	5	Nil	1,499.89
2014-15	5	1	3,801.63
2015-16	3	Nil	243.77
2016-17	5	Nil	1,348.44
2017-18	2	Nil	264.47
2018-19	3	Nil	739.11
Total	57	12	10,327.21

The PAC had discussed (February 2020 and February 2021) the excess expenditure for the years 2005-06 to 2017-18 and issued recommendation vide its 161st and 169th Reports for regularisation of the total excess expenditure amounting to ₹ 9,540.38 crore under Article 205 of the Constitution. But the Act regularising the excess expenditure is yet to be issued by the Government. Year-wise details of excess expenditure are given alongside and Grant-wise details thereof are given in **Appendix 3.5**.

⁵ Grant 76 – Karbi Anglong Autonomous Council, Grant 77 – N.C. Hills Autonomous Council, Grant 78 – Bodoland Territorial Council

3.3.7 Grants-in-aid for creation of capital assets

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

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

There was a sharp increase recorded in the capital expenditure during 2019-20, primarily due to depiction of ₹ 6,225.45 crore of expenditure out of Grants-in-Aid as Capital Expenditure, instead of as Revenue Expenditure.

Table 3.11 and **Chart 3.6** highlight the extent of classification of GIA as Capital Expenditure instead of as revenue by the State during 2015-20.

Table 3.11: Extent of classification of GIA as Capital Expenditure

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Capital Expenditure	2,691	5,502	7,693	11,034	13,468
Share of GIA in Capital Expenditure	165	1,559	3,945	5,490	6,225

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

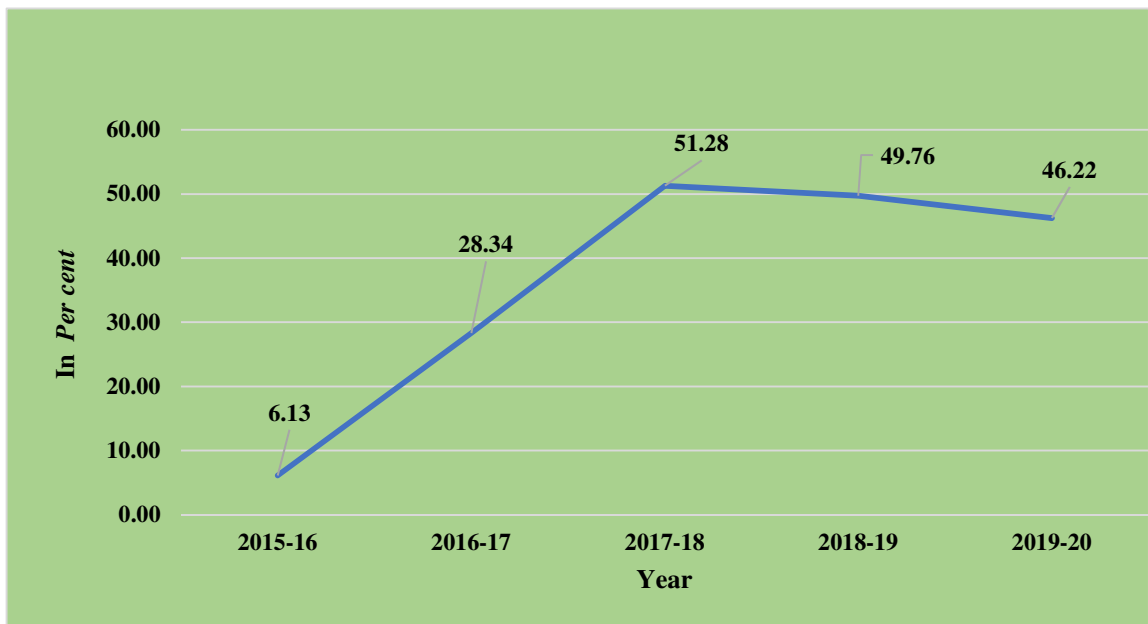


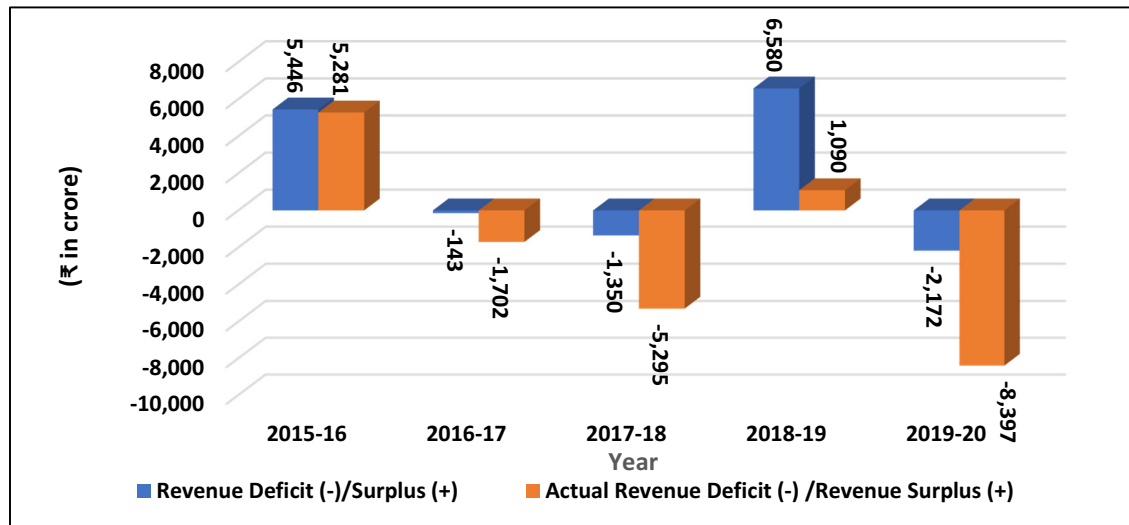
Table 3.12 and **Chart 3.7** indicate the impact of non-compliance with the provisions of IGAS-2 by the State in absolute terms during 2015-20 as Revenue Surplus was overstated and Revenue Deficit was understated during the period. Moreover, Capital Expenditure during the period was also overstated to that extent.

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

(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Grants-in-Aid booked as Capital Expenditure	165	1,559	3,945	5,490	6,225
Revenue Deficit (-)/Surplus (+) of the State	5,446	-143	-1,350	6,580	-2,172
Actual Revenue Deficit (-) /Revenue Surplus (+), if expenditure from GIA is treated as Revenue Expenditure	5,281	-1,702	-5,295	1,090	-8,397

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



During the Entry Conference on SFAR (September 2020), Audit raised the issue regarding classification of GIA as Capital Expenditure in violation of IGAS-2 before the Principal Secretary, Finance Department.

In response, the Principal Secretary stated that, expenditure incurred under the Detailed Head '35- Grants for creation of capital assets' where the ownership of the final asset created rests with the State Government (even when the project is implemented by Government Societies/ PSUs/ Institutions) is being budgeted under capital Head of Account only, and where the assets created will not be owned by the State Government, provision is being made under revenue Head of Account (since the assets will then belong to that Grantee Institution - local bodies, institutions or individual beneficiaries, *etc.*).

During Exit Conference (February 2021), the Principal Secretary reiterated the State Government's above view on classification of expenditure being made from Grants-in-Aid.

3.4 Comments on effectiveness of budgetary and accounting process

3.4.1 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on

unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some departments deprives other departments of the funds which they could have utilised.

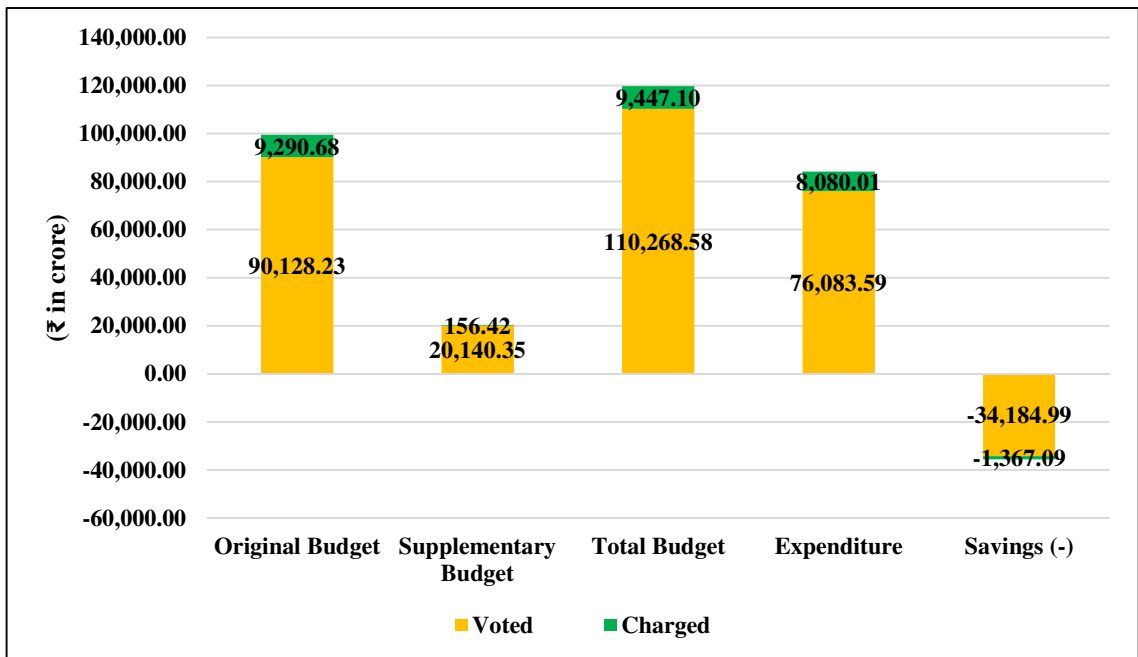
The summarised position of budget including supplementary budget, actual expenditure, and excess/ savings during 2019-20 against 82 Grants/ Appropriations (78 Grants and four Appropriations) is given in **Table 3.13** as well as in **Chart 3.8**.

Table 3.13: Summarised position of Expenditure vis-à-vis Budget provision
(₹ in crore)

Voted / Charged	Nature of Expenditure	Budget (Original)	Budget (Supplementary)	Total	Expenditure	Excess / Savings (-)	Excess / Savings %
Voted	Revenue Expenditure	74,560.71	12,415.53	86,976.24	62,298.87	-24,677.37	-28.37%
	Capital Outlay	15,219.20	7,505.25	22,724.45	13,468.56	-9,255.89	-40.73%
	Loans and Advances	348.32	219.57	567.89	316.16	-251.73	-44.33%
	Total Voted	90,128.23	20,140.35	1,10,268.58	76,083.59	-34,184.99	-31.00%
Charged	Revenue Expenditure	5,181.55	55.97	5,237.52	4,810.75	-426.77	-8.15%
	Public Debt	4,109.13	0.45	4,109.58	3,169.26	-940.32	-22.88%
	Transfer to Contingency Fund	0.00	100.00	100.00	100.00	0.00	0.00%
	Total Charged	9,290.68	156.42	9,447.10	8,080.01	-1,367.09	-14.47%
Total (Voted and Charged)		99,418.91	20,296.77	1,19,715.68	84,163.60	-35,552.08	-29.70%

Source: Appropriation Accounts

Chart 3.8: Summarised position of Expenditure vis-à-vis Budget provision during 2019-20



As can be seen from **Table 3.13** that during the year 2019-20, Government of Assam (GoA) incurred expenditure of ₹ 84,163.60 crore against the total grants and appropriations of ₹ 1,19,715.68 crore resulting in overall savings of ₹ 35,552.08 crore. These savings stood at 30 *per cent* of total grants and appropriations made for the year. Huge savings were also 1.8 times the size of supplementary budget obtained during the year.

Clearly, the State Government prepared a budget which it did not have the capacity to implement and/or its Departments have not done the groundwork to be able to utilise the allocated funds within the envisaged timeframe.

Of the overall savings of ₹ 35,552.08 crore, savings of ₹ 34,861.69 crore (98.06 *per cent*) occurred in 57 cases (₹ 100 crore and above in each case) at Segment level within 42 Grants/ Appropriations as indicated in **Appendix 3.6**.

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

Table 3.14: Original Budget, Revised Estimate and Expenditure during 2015-20

(₹ in crore)					
Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Original Budget	66,142.16	78,253.36	85,922.69	90,269.92	99,418.91
Supplementary Budget	8,676.33	4,815.79	13,530.39	18,220.43	20,296.77
Revised Estimate	74,818.49	83,069.15	99,453.08	1,08,490.35	1,19,715.68
Actual Expenditure	42,031.46	58,178.31	68,586.99	72,331.34	84,163.60
Saving (-) /excess (+)	(-) 32,787.03	(-) 24,890.84	(-) 30,866.09	(-) 36,159.01	(-) 35,552.08
Per cent Savings	- 43.82	- 29.96	- 31.04	- 33.33	- 29.70

As can be seen from **Table 3.14**, savings of budget during the last five years ranged between 29.70 *per cent* to 43.82 *per cent*.

3.4.1.1 Missing/ Incomplete Explanation for Variation from Budget

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

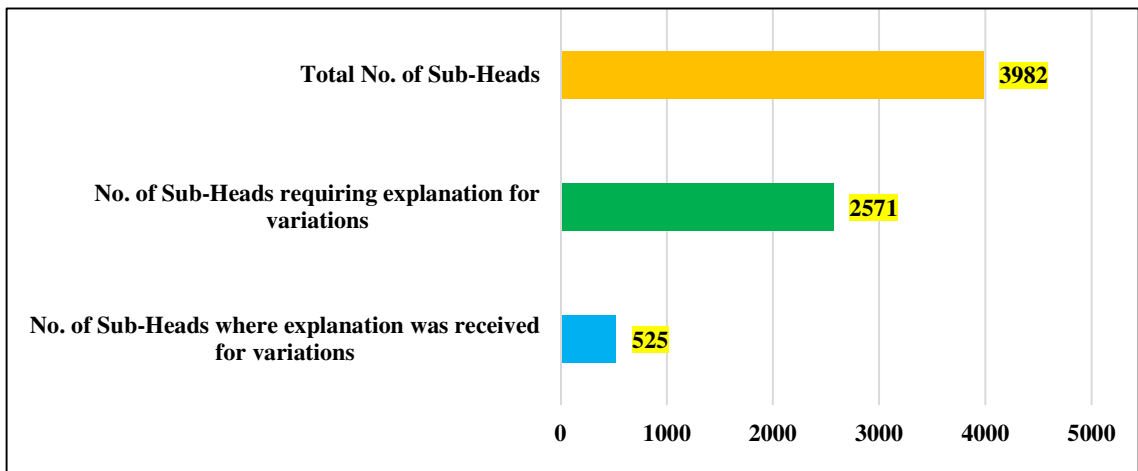
Accountant General (A&E) provides the draft Appropriation Accounts to the Controlling Officers of the Departments and seeks the reasons/ explanations for the variations in expenditure with reference to approved budgetary allocation in keeping with the limits set by the PAC.

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

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

Audit of Appropriation Accounts of 2019-20 and an analysis of the underlying accounting data revealed that the Controlling Officers have provided explanation for the variations in the expenditure *vis-à-vis* budgeted allocation in about 20 per cent of cases. Of the 82 Grants/ Appropriations, reasons for variation were called for in respect of 2,571 cases under 81 Grants/ Appropriations. However, reasons for variations in respect of only 525 cases under 55 Grants/Appropriations were furnished by the Controlling Officers of Government Departments. Summary of unexplained variations over budget provision is given in **Chart 3.9** and grant-wise further details are given in **Appendix 3.7**.

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



Further analysis revealed that these 2,571 heads together accounted for a saving of ₹ 36,510.64 crore in 81 Grant/ Appropriation and an excess of ₹ 2,907.51 crore in 17 Grant/ Appropriation. Out of these, variations have been explained only in 525 Sub-heads covering a saving of ₹ 7,927.85 crore and an excess of ₹ 82.86 crore and variations in respect of 2,046 Sub-heads covering savings of ₹ 28,582.80 crore (78 per cent) and an excess of ₹ 2,824.65 crore (97 per cent) remain unexplained due to non-receipt of replies from the concerned departments of State Government.

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

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

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

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

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

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

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

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

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

Of immediate relevance in case of Assam is the absence of any norm for explanation based on absolute/size of deviation, and explanation for large savings at the Grant level. Thus, while central PAC had set a limit of ₹ 100 Lakh, which has now been raised to ₹ 500 Lakh, for explaining variation (Excess or Saving) irrespective of the percentage of

deviation from the Budget provision, there is no analogous norm in Assam. Thus, in cases where the budget provision at Sub-Head level is high, say over ₹ 25 crore, then even a variation of ₹ 5 Crore would not require explanation as it would be within the 20% limit.

During Exit Conference (February 2021), Audit highlighted that the poor response from the Departments as mentioned in Paragraph 3.4.1.1 above, reduces the utility of Appropriation Account and stressed that the norms for submission of explanation for variation at Sub-Head level set in 1987-88 may be considered for revision, as was done in case of Union Government. Audit also stated that a suitable upward increase would reduce the number Sub-Heads requiring explanation, and possibly lead to improved compliance in reporting explanations for such deviation. Thus, the Finance Department may initiate necessary action in this regard in consultation with Accountant General (A&E), Assam.

The Commissioner and Secretary, Finance Department assured (February 2021) to look into this matter.

3.4.1.3 Large Variation from Budget at Grant level

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

As regards explanation for large Savings at Grant level, there is no such requirement presently set by State PAC. Even if the limit of ₹ 100 crore as applicable for Centre is considered for the State of Assam, explanation would be necessitated in 42 of the 82 Grants/Appropriations. As observed in para 3.3.5.2, Assam has seen significant underutilisation of Budget in each of the last 5 years. Thus, the bigger problem in Budgetary compliance is that of Saving rather than excess.

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

During Exit Conference (February 2021) Audit emphasised that in line with Central PAC a suitable norm for seeking explanation for variation at Grant Level needs to be set.

The Commissioner and Secretary, Finance Department agreed to look into this matter.

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

Several policy initiatives taken up by Government are partially executed or not executed due to non-approval of scheme guidelines/modalities, non-commencement of works for want of administrative sanction, non-release of budget, *etc.* This deprives the beneficiaries

of intended benefits. Savings in such schemes deprives other departments of the funds which they could have utilised.

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

In the Budget Speech 2019-20, the Finance Minister had announced 18 flagship schemes, “Ashtadash Mukutar Unnoyonee Mala”, for the social and economic welfare of the people of the State.

Appropriation Accounts (2019-20) along with underlying data reveal that there was no expenditure in 2 out of 18 flagship schemes announced by the State Government in the Budget of 2019-20. Scheme-wise details are given in **Table 3.16**.

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

(₹ in crore)

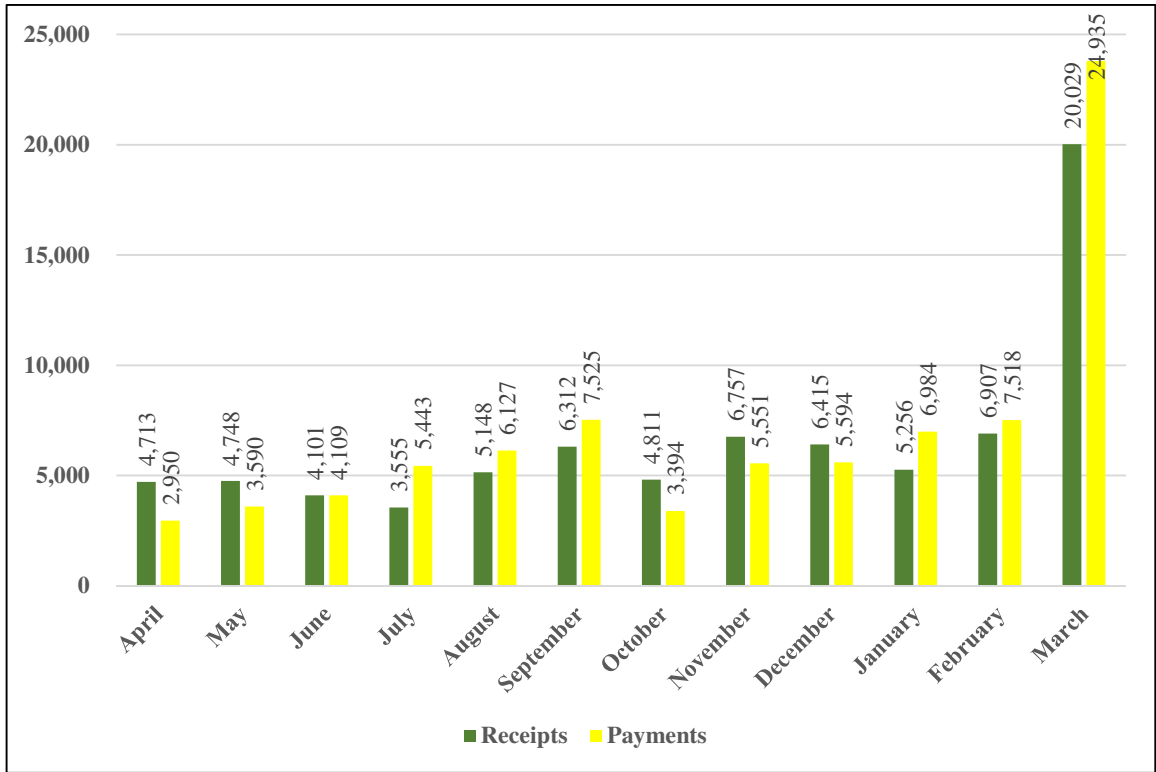
Grant No.	Head details	Name of the Scheme	Budget (Original)	Expenditure
29-Medical and Public Health	2210-03-800-3594-124	Vistarita Atal Amrit Abhiyan	200	Nil
25-Miscellaneous General Services	2052-00-090-0417-345	Apunar Apun Ghar	200	Nil

3.4.3 Rush of Expenditure

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

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

The monthly flow of receipts into the State exchequer and disbursements during 2019-20 is given in the following Chart.

Chart 3.10: Monthly receipts and expenditure⁶ during 2019-20 (₹ in crore)

As can be seen from the Chart above, the receipts were paced more or less evenly across all the months during the financial year 2019-20. However, Audit scrutiny of the pattern of expenditure during 2019-20 revealed that the State Government incurred an expenditure of ₹ 39,437 crore in the last quarter, constituting about 47 per cent of total expenditure of ₹ 83,721 crore⁷ made under Consolidated Fund during the year. Out of that, ₹ 24,935 crore (30 per cent of the total expenditure) was incurred in March 2020 alone. This rush of expenditure was against the standing instructions of the Finance Department.

Eight major cases where more than 50 per cent of the total expenditure (TE) was incurred in March 2020 alone are detailed in Table 3.17.

Table 3.17: Quantum of Expenditure in March

(₹ in crore)								
Head of Account	Description	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	Expenditure in March	Expenditure in March as % age of TE
2225	Welfare of SCs, STs, OBCs and Minorities	31.56	37.95	106.15	1,894.54	2,070.21	1,212.81	58.58
3451	Secretariat-Economic Services	0.37	5.09	30.06	385.36	420.88	333.99	79.36

⁶ As per Monthly Accounts

⁷ Including expenditure on public debt

Head of Account	Description	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	Expenditure in March	Expenditure in March as % age of TE
3604	Compensation & Assignments to Local Bodies & Panchayati Raj Institution	---	26.72	92.24	247.27	366.23	247.27	67.52
4217	Capital Outlay on Urban Development	10.48	20.36	38.16	224.45	293.45	212.63	72.46
4250	Capital Outlay on Other Social Services	---	0.86	1.11	16.21	18.18	14.21	78.16
4701	Capital Outlay on Medium Irrigation	---	0.04	0.31	3.46	3.81	3.13	82.15
5055	Capital Outlay on Road Transport	---	3.50	3.73	72.86	80.09	71.52	89.30
7465	Loans for General Financial and Trading Institution	---	---	---	4.00	4.00	4.00	100
	Total	42.41	94.52	271.76	2,848.15	3,256.85	2,099.56	64.47

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

3.5 Review of Selected Grants

During the year 2019-20, two Grants - Grant No. 34 – Urban Development (Municipal Administration), and Grant No. 76 – Karbi Anglong Autonomous Council were selected for detailed scrutiny in audit to review compliance with prescribed budgetary procedures, monitoring of funds, control mechanisms and implementation of schemes within these grants. Outcome of the audit is discussed in the succeeding paragraphs.

3.5.1 Grant No. 34 – Urban Development (Municipal Administration)

The Urban Development Department is responsible for improving the quality of urban life by facilitating the creation of quality urban infrastructure with assured service level and efficient governance. The policies of the Department are mainly implemented by the Directorate of Municipal Administration (DMA). Three Major Heads viz., 2217-Urban Development, 3054-Roads and Bridges, 6217-Loans for Urban Development are operated under this Grant.

3.5.1.1 Budget and Expenditure

The overall position of budget provision, actual expenditure and savings/ excesses under this Grant during the five-year period 2015-20 is given below.

Table 3.18: Budget and Expenditure

(₹ in crore)

Grant No. 34	2015-16	2016-17	2017-18	2018-19	2019-20
Total Budget Provision	135.69	291.65	949.71	1,114.12	1,635.74
Expenditure	11.85	84.99	195.58	410.96	517.77
Savings (-)/ Excess (+)	-123.84	-206.66	-754.13	-703.16	-1,117.97
Savings/Excess (in per cent)	- 91.27	- 70.86	- 79.41	- 63.11	- 68.35
i) Revenue Provision	128.64	273.65	911.44	1,110.16	1,631.56
Expenditure	9.35	50.31	194.23	409.21	515.85
Savings (-)/ Excess (+)	-119.29	-223.34	-717.21	-700.95	-1,115.71
Savings (in per cent)	- 92.73	- 81.62	- 78.69	- 63.14	- 68.38
ii) Capital Provision	7.05	18.00	38.27	3.96	4.18
Expenditure	2.50	34.68	1.35	1.75	1.92
Savings (-)/ Excess (+)	-4.55	+ 16.68	-36.92	-2.21	-2.26
Savings/Excess (in per cent)	- 64.54	+ 92.67	- 96.47	- 55.81	- 54.07

Source: Appropriation Accounts

As can be seen from the above table, savings as a percentage of total budget provision ranged between 63.11 per cent and 91.27 per cent during the period 2015-20. During the current year, it stood at 68.35 per cent of total budget provision. Persistently large savings is indicative of incorrect assessment of actual needs and calls for a critical review of budget preparation exercise of the Department.

3.5.1.2 Surrender of Savings

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

Table 3.19 details the Major Head wise total Budget, Expenditure and Savings under Grant No. 34, during the last five years, i.e., 2015-20.

Table 3.19: Major Head wise Budget and Expenditure

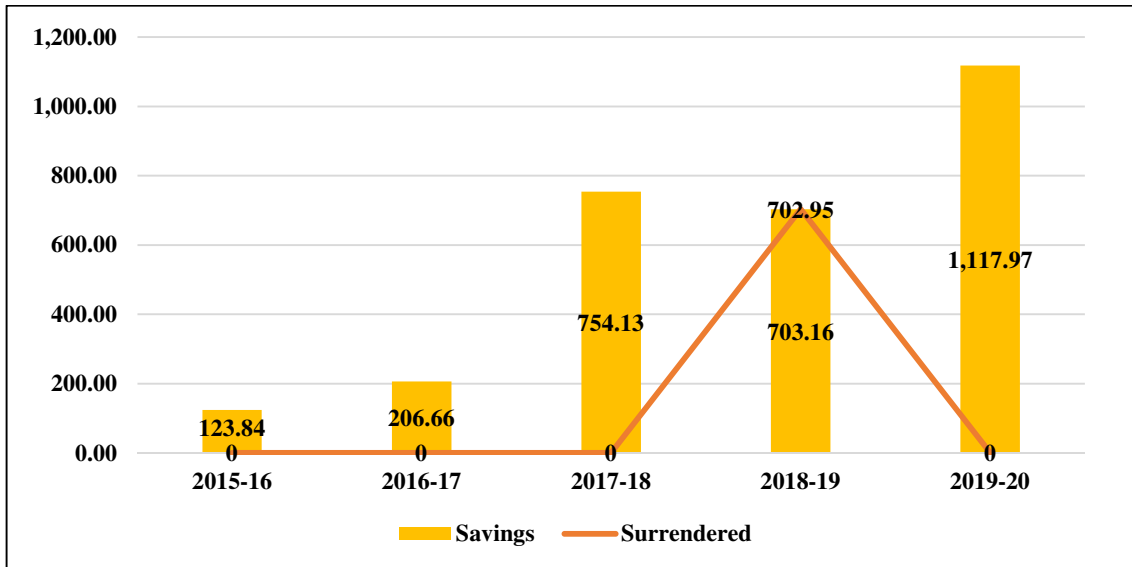
(₹ in crore)

Year	Original Provision	Supplementary Provision	Total Budget Provision	Expenditure	(-) Savings/ (+) Excess	Per cent Savings/ Excess
2217 – Urban Development						
2015-16	120.58	7.96	128.54	9.35	-119.19	- 92.73
2016-17	262.29	11.26	273.55	50.31	-223.24	- 81.61
2017-18	742.29	169.03	911.32	194.19	-717.13	- 78.69
2018-19	933.10	176.06	1,109.16	409.21	-699.95	- 63.11
2019-20	1,182.22	448.24	1,630.46	515.76	-1,114.70	- 68.37
Total	3,240.48	812.55	4,053.03	1,178.82	-2,874.21	- 70.92
3054 – Roads and Bridges						
2015-16	0.1	0	0.1	0	-0.1	- 100.00
2016-17	0.1	0	0.1	0	-0.1	- 100.00

Year	Original Provision	Supplementary Provision	Total Budget Provision	Expenditure	(-) Savings/ (+) Excess	Per cent Savings/ Excess
2017-18	0.12	0	0.12	0.04	-0.08	- 66.67
2018-19	1	0	1	0	-1	- 100.00
2019-20	1.1	0	1.1	0.09	-1.01	- 91.82
Total	2.42	0	2.42	0.13	-2.29	- 94.63
6217 – Loans for Urban Development						
2015-16	7.05	0	7.05	2.5	-4.55	- 64.54
2016-17	18	0	18	34.68	+ 16.68	92.67
2017-18	5.59	32.68	38.27	1.35	-36.92	- 96.47
2018-19	3.96	0	3.96	1.75	-2.21	- 55.81
2019-20	4.18	0	4.18	1.92	-2.26	- 54.07
Total	38.78	32.68	71.46	42.2	-29.26	- 40.95

As can be seen from above table that out of the savings recorded in the range of ₹ 123.84 crore and ₹ 1,117.97 crore during 2015-16 to 2019-20 under Grant No. 34, the Urban Development Department surrendered the savings only in one year, i.e., during 2018-19. During 2019-20, out of a total budget provision of ₹ 1,635.74 crore, there were savings of ₹ 1,117.97 crore. But no portion of savings was surrendered by the Urban Development Department even at the end of the financial year as indicated in the following Chart.

Chart 3.11: Surrender of Savings (₹ in crore)



Non-compliance with the prescribed time schedule of surrender of savings not only deprives other needy departments of resources, but also defeats the objective of efficient budget management. Had the savings been surrendered on time as per the provisions of the Assam Budget Manual, the funds could have been utilised for other developmental purposes.

3.5.1.3 Unnecessary Supplementary Grant

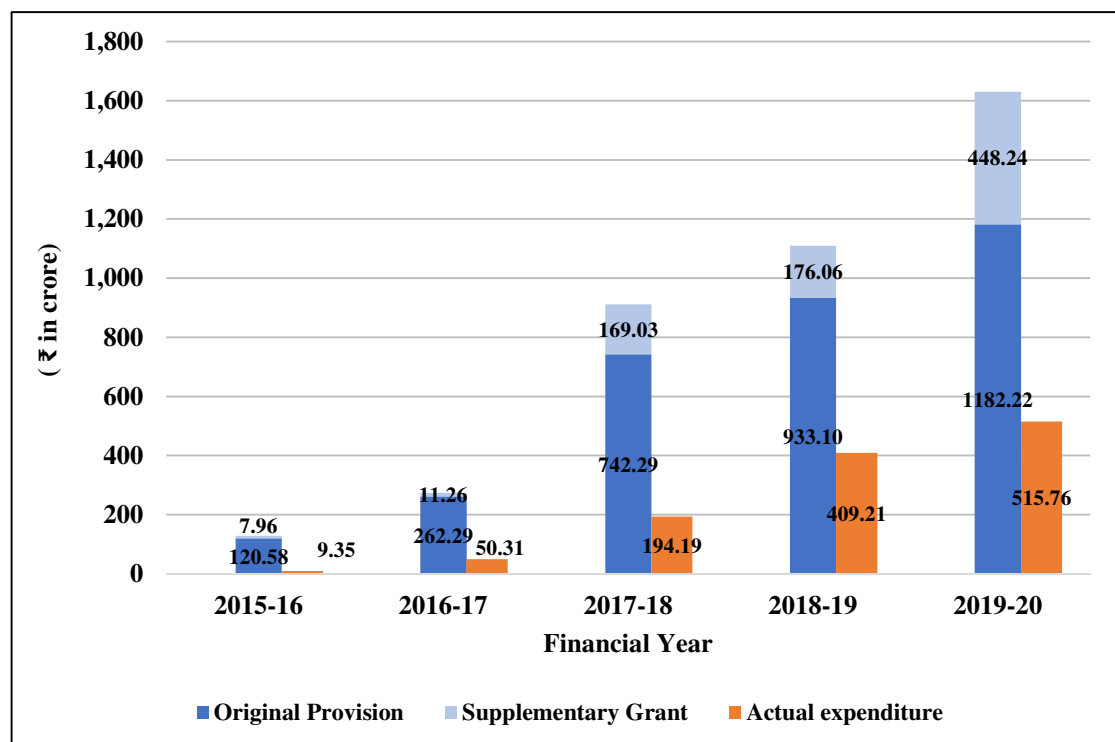
Quantum of Supplementary Grant provided to the Urban Development Department under the Major Head 2217 during the last five years i.e., 2015-16 to 2019-20 is given in **Table 3.20** and also in **Chart 3.12**.

Table-3.20: Unnecessary Supplementary Provision

(₹ in crore)

Grant No.	Head of Account	Year	Original Provision	Actual expenditure	Savings out of original provision	Supplementary Grant
34	2217	2015-16	120.58	9.35	111.23	7.96
		2016-17	262.29	50.31	211.98	11.26
		2017-18	742.29	194.19	548.10	169.03
		2018-19	933.10	409.21	523.89	176.06
		2019-20	1,182.22	515.76	666.46	448.24

Source: Appropriation Accounts

Chart 3.12: Unnecessary Supplementary grants under Major Head 2217

It can be seen from above that actual expenditure under 2217 did not even reach the threshold of original provision in any of the five-year period.

The Director, Municipal Administration attributed (December 2020) non-receipt of FOC/Sanction, non-completion of NIT process, etc as the reason for low utilization of supplementary grant during 2019-20.

3.5.1.4 Persistent Savings under Sub-Head

Under the Sub-Head 4093 (NULM), there were persistent savings during 2015-20 ranging between 69.03 per cent and 100 per cent of the total provision. Similarly, under the Sub-Head 5665 (Swatch Bharat Abhiyan), there were persistent savings during the same period ranging between 47.62 per cent and 96.70 per cent, as detailed in the following table.

Table 3.21: Persistent Savings under Sub-Head

(₹ in crore)

Head of Account	Year	Total Grant (O + S)	Expenditure	Total Savings	Percentage of Savings
2217-05-800-4093- National Urban Livelihood Mission	2015-16	59.75	0.00	59.75	100.00
	2016-17	44.53	0.00	44.53	100.00
	2017-18	154.63	0.00	154.63	100.00
	2018-19	107.07	26.85	80.22	74.92
	2019-20	53.34	16.52	36.82	69.03
2217-80-192-5665 – Swatch Bharat Abhiyan	2015-16	6.97	0.23	6.74	96.70
	2016-17	43.41	18.65	24.76	57.04
	2017-18	68.24	17.72	50.52	74.03
	2018-19	266.12	139.40	126.72	47.62
	2019-20	207.36	92.53	114.83	55.38

Source: Appropriation Accounts

Persistent savings ranged between 69.03 per cent and 100.00 per cent under NULM, and between 47.62 per cent and 96.70 per cent under Swatch Bharat Abhiyan, during the last five years i.e., 2015-20 indicated that the budgeting process under these two sub-heads was unrealistic as funds to the extent of savings were not required during the years.

The reason for savings under both the Schemes during the period was stated by the Department as non-receipt of sanction as well as Fixation of Ceiling (FOC) from the Government.

3.5.1.5 Unnecessary Re-appropriation

Re-appropriation means the transfer of savings from one unit of appropriation to meet additional expenditure under another unit within the same Grant or Charged Appropriation.

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

Within Grant 34, the re-appropriation proved unnecessary in 2 Sub-Heads as huge savings were recorded under these Sub-heads, as detailed in **Table 3.22**.

Table 3.22: Unnecessary Re-appropriation

(₹ in lakh)

Head of Account	Nomenclature	Re-appropriation	Final Savings	Reply of the Department
2217-05-192-2409	GIA to ULB (Financial Support)	100.00	2052.07	Re-appropriation was made for development of Pukhuri of Howly MB, but tender process was not completed on time
2217-05-192-5541	Development of Small Towns	41.33	71.33	Expenditure was not made due to non-receipt of Progress Report, UC, Photographs etc. from the Sarthebari and Digboi MB, and Demand for fund etc., from ULBs.

Thus, the Re-appropriation of ₹ 1.41 crore made under two Sub-heads proved unnecessary as the final Savings exceeded the Re-appropriated amount.

3.5.1.6 Savings of Entire Budget Provision

Budget provision of ₹ 105.40 crore made under the following thirteen schemes/ projects for the year 2019-20 under Grant No. 34 remained unutilised at the end of the year. Scheme-wise details along with the reply of the Department on non-utilisation of budget provision is given in the following table.

Table 3.23: Non-utilisation of budget provision

(₹ in crore)

Sl. No.	Head of Account	Name of the Scheme/ Projects	Budget Provision	Savings	Saving (%)	Reply of the Department on non-utilisation of budget provision
1	2217-80-192-5446	Solid waste disposal under award of State Finance Commission	46.00	46.00	100.00	Sanction was not accorded by the Government.
2	2217-05-192-2509	Water Supply Scheme	25.00	25.00	100.00	Non-receipt of demand for fund and progress report from AUWS&SB
3	2217-80-192-2513	Market under award of State Finance Commission	9.55	9.55	100.00	No demand was received from the concerned ULBs.
4	2217-80-192-5447	Bus stand under award of State Finance Commission	9.55	9.55	100.00	No demand was received from the concerned ULBs.
5	2217-80-192-2185	Urban Development (Municipal Election)	5.00	5.00	100.00	No Municipal Election was conducted.
6	2217-05-192-0103	Solar Street Light to ULBs	2.00	2.00	100.00	NIT process could not be completed.
7	2217-05-192-5217	Training under Recommendation of 5th Assam State Finance Commission	1.98	1.98	100.00	No Training was conducted as per 5 th ASFC.
8	2217-80-192-2516	Sulabh Toilet under award of State Finance Commission	1.82	1.82	100.00	Administrative Approval was not accorded.
9	2217-80-192-0104	Library cum Auditorium at Barpeta Road MB	1.00	1.00	100.00	Administrative approval was not accorded.
10	2217-80-192-2511	Bus Terminus for Dibrugarh MB under the award of State Finance Commission	1.00	1.00	100.00	The same scheme was undertaken under CIDF.
11	2217-80-192-2514	Market Complex Barpeta Road MB under award of State Finance Commission	1.00	1.00	100.00	No demand was received from Barpeta Road MB.
12	2217-80-192-2515	Market complex Sorbhog TC under award of State Finance Commission	1.00	1.00	100.00	No demand was received from Sorbhog MB.
13	2217-80-192-2512	LNB Park at Dibrugarh MB under award of State Finance Commission	0.50	0.50	100.00	No demand was received from the Dibrugarh MB.
Total			105.40	105.40	100.00	

Source: Appropriation Accounts (2019-20)

3.5.1.7 Non-Materialisation of Budget Commitment

While presenting the Budget for the year 2019-20 in the State Legislature, the Finance Minister announced various schemes/ projects under Grant No. 34. Details of funds committed in the budget speech, final budget allotment and actual expenditure in this regard are given the following table.

Table 3.24: Budget Commitment

(₹ in crore)

Sl. No.	Scheme/ Project	Budget Commitment	Budget Allotment	Expenditure	Savings	Reply of the Department
1	Construction/ Improvement of Drains in the ULBs	50.00	100.00	4.53	95.47	Non-receipt of Progress Report/Other Documents by several ULBs.
2	Purchase of equipment for emergency response in ULBs	10.00	0.00	0.00	-	No Budget Allotted.
3	Construction/ Improvement of Road with Paver Block in the ULBs	150.00	150.00	38.20	111.80	Non-receipt of Demand from several ULBs in the stipulated time.
4	Street Lights to ULBs	61.00	61.97	31.01	30.96	Non-receipt of bills/vouchers in the stipulated time by the executing agency.
5	Water Supply Scheme	100.00	25.00	0.00	25.00	Non-receipt of demand for fund and progress report from AUWS&SB

Source: Budget Speech (2019-20), Appropriation Accounts (2019-20)

Audit observed that out of the five schemes/projects, two schemes/projects did not take-off during the financial year, while the remaining three had expenditure of 9.06 to 50.84 per cent of the commitment made in the Budget.

3.5.1.8 Additional Burden on Consolidated Fund of State

The General Basic Grant (GBG) is recommended by the Fourteenth Finance Commission (FFC) with the purpose of providing unconditional support to the Gram Panchayat and Municipalities. They are intended to be used to support and strengthen the delivery of basic services including water supply, sanitation etc.

As per the guidelines of the FFC, GBG released by the GoI must be passed on to the Local Bodies within 15 days. Further delay results in interest, at bank rate of RBI, to be paid by the State Government from its own funds to the Local Bodies.

Scrutiny showed that a total interest of ₹ 2.37 crore was paid to the ULBs by the Government of Assam, as shown in the following table.

Table 3.25: Interest Paid under General Basic Grant of FFC

(₹ in crore)

Year	Interest Paid	Details of Delayed release of GBG
2016-17	1.18	Delay in release of 1 st instalment of 2015-16 to Municipal Boards
2018-19	0.10	Delay in release of 2 nd instalment of 2015-16 to Municipal Boards
	0.12	Delay in release of 1 st instalment of 2016-17 to Municipal Boards
2019-20	0.18	Delay in release of 2 nd instalment of 2016-17 to Municipal Board
	0.79	(i) Delay in release of 1 st instalment of 2016-17 to GMC (₹ 0.32 crore) (ii) Delay in release of 2 nd instalment of 2017-18 to GMC (₹ 0.05 crore) (iii) Delay in release of 2 nd instalment of 2016-17 to GMC (₹ 0.42 crore)
Total	2.37	

It can be seen from the table above that there was an extra burden of ₹ 2.37 crore on the Consolidated Fund of the State due to payment of interest during 2015-20, despite having sufficient prior provision for payment.

The Director of Municipal Administration stated that delay in release of GBG was due to non-receipt of sanction and FOC from the Government of Assam in the stipulated time.

3.5.2 Grant No. 76 – Karbi-Anglong Autonomous Council

The Sixth Schedule to the Constitution of India provides for administration of specified tribal areas through the constitution of a District/ Regional Council for each autonomous district/ region. The Karbi-Anglong District Council in Assam was set up on 23 June 1952 under the provisions of Article 244 (2) read with the Sixth Schedule of the Constitution of India. In terms of Memorandum of understanding (April 1995) amongst State, Central Government, and representatives of the district, the Council was renamed as Karbi Anglong Autonomous Council (KAAC).

In order to facilitate smooth functioning of the KAAC and enable it to achieve its objectives, the State Government (June 1995) entrusted powers for administering 30 subjects under paragraph 6 (2) of the Sixth Schedule to the Constitution of India to the KAAC.

3.5.2.1 Release and Accounting of Funds

KAAC Fund is constituted under sub paragraph (1) of paragraph 7 of the Sixth Schedule to the Constitution of India. It states that a Regional Fund should be constituted for each autonomous region, to which should be credited all moneys received by the Regional Council for that region in the course of its administration.

In terms of the administrative procedures/ modalities framed in December 1996, Government of Assam makes the plan funds available to it as advances (Major Head 8550-Civil Advances) from Grant No. 76, for implementation of various developmental schemes/ activities. Expenditure in this regard is accounted for under Grant No. 76. The Hill Area Development Department releases these funds biannually, in April and October.

The State Government also provides funds from other Grants through Major Head 8550-Civil Advances and through Major Head 8443-Civil Deposits, which are maintained in the Personal Ledger (PL) Account of KAAC with the Diphu Treasury and operated by

the Principal Secretary to the Council. As per the current arrangement, KAAC is responsible to the State Legislature in respect of all matters relating to such funds.

On receipt of funds by KAAC, it is drawn from the Major Head 8550 – Civil Advance, and credited to the Head of Accounts 8443-00-120 – Deposit of Autonomous District and Regional Funds, (PL Account), maintained in the Diphu Treasury.

Expenditure is incurred on the basis of Budget Provision of the Council, after obtaining financial sanction. All cheques are drawn by the Principal Secretary/Secretary and to be passed by Treasury Officer before presenting to bank.

It is the duty of the Council to submit separate detailed monthly accounts to the Accountant General (A&E), Assam to make necessary adjustments by debit to the appropriate Head of Account of the State Budget.

3.5.2.2 KAAC Budgetary Process

KAAC prepares two budgets as detailed below.

- i) **Entrusted Budget** in respect of Grant No. 76, which is submitted to the State Government for release of funds. Funds from this Grant are released to ‘KAAC Fund’ in two instalments as advances;
- ii) **Non-entrusted/ Normal/ Inherent Budget** in respect of the estimated own revenue receipts and expenditure.

3.5.2.3 Maintenance of Accounts

Monthly Accounts for the expenditure out of Grant No. 76 are furnished to the AG (A&E) Assam for clearance of the ‘advance’ booked under Major Head 8550. Further, monthly accounts of expenditure out of other grants are also furnished to the AG (A&E), Assam for booking under the respective Grants. However, savings under Grant No. 76 and other Grants at the end of the financial year neither lapse automatically nor are surrendered by the KAAC. These savings accumulate in PL Account of KAAC and are utilised in subsequent years.

3.5.2.4 Outstanding Balances Under Personal Ledger Account

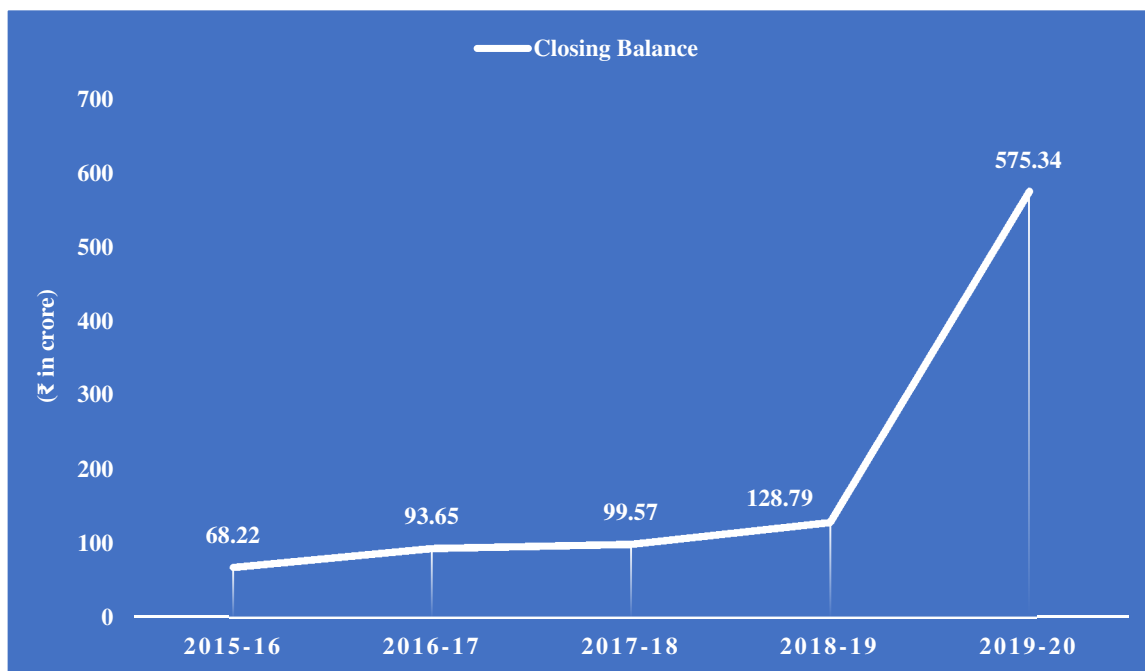
Summarised position of outstanding balances in the PL Account as of end of March 2020 is given in **Table 3.26** as well as in **Chart 3.13**.

Table 3.26: Outstanding balances under PLA

(₹ in crore)				
Year	Opening Balance	Receipts	Disbursements	Closing Balance
2015-16	54.01	1,133.79	1,119.58	68.22
2016-17	68.22	1,076.21	1,050.78	93.65
2017-18	93.65	1,609.81	1,603.89	99.57
2018-19	99.57	1,770.55	1,741.33	128.79
2019-20	128.79	1,196.11	749.56	575.34

Source: Records of Diphu Treasury

Chart 3.13: Closing Balance in Personal Ledger Account of KAAC



As can be seen from the Chart above, there was a continuous increase in the closing balances in the PL Account of the Council from 2015-16 to 2018-19, with a sharp increase during 2019-20. However, audit could not ascertain the year wise unspent balance specifically under Grant No. 76 due to non-availability of the figures with the Council.

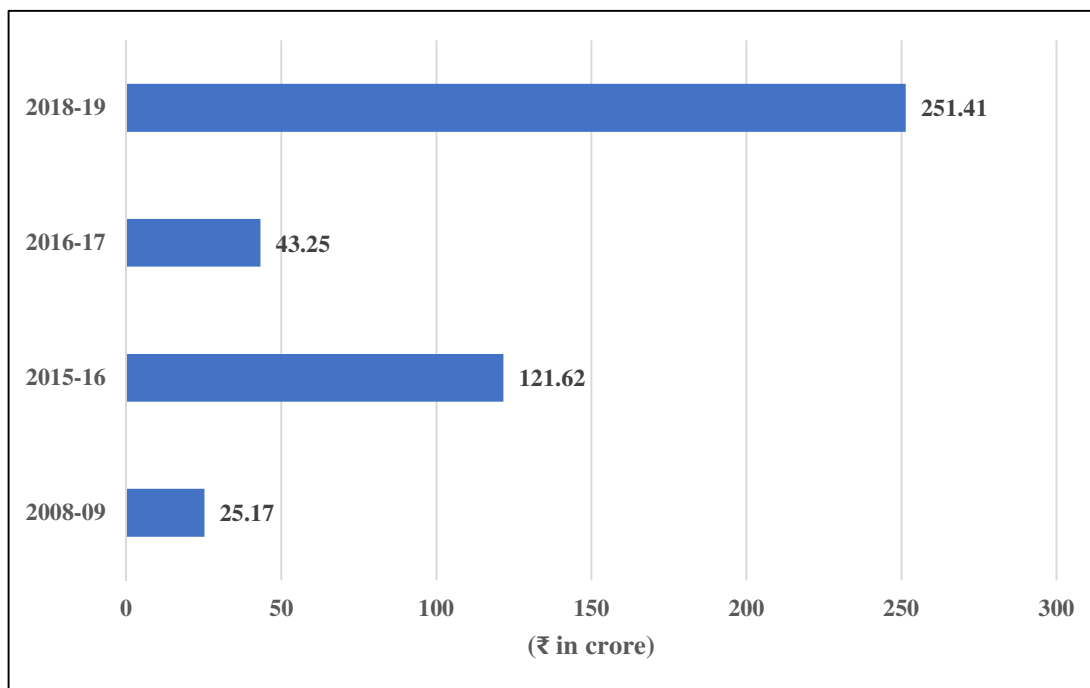
Non-maintenance of consolidated opening and closing balances with head/ grant wise details in the PLA defeats the very purpose of control over the public purse and is fraught with the risk of the funds released for various schemes/ programmes being locked up or diverted. Further, there was no assurance that the expenditure incurred out of the unspent balance of previous years was actually incurred for the purpose for which it was sanctioned.

Further, an analysis on operation of PL accounts revealed that Finance Department instructed all authorities on 12 March 2010 to close PL Accounts being operated in the State without up-to-date Government sanction and AG's authority by 31 March 2010 and to transfer the balance of the PL Accounts to the relevant receipt head of the concerned Department. However, Finance Department subsequently exempted (29 March 2010) three Autonomous District Councils (ADCs) from the above order and allowed them to maintain their PL Accounts till further orders.

As a result, accumulated balances of previous years of all three Councils continue to be used for funding the expenditure in subsequent years against the budgetary allocation made for a particular year. This is included in the accounts of the State through the monthly accounts of their expenditure submitted by the Councils to the AG (A&E), Assam. This had led to the large savings in some year and excess in subsequent years in the three Grants pertaining to the Councils.

Chart 3.14 highlights that the excess expenditure incurred under Grant No. 76 in four years out of 10-year period i.e., 2008-09 to 2019-20. There was no excess expenditure under Grant No. 76 during 2019-20. The excess expenditure requires regularisation under Article 205 of the Constitution of India.

Chart 3.14: Excess Expenditure incurred under Grant No. 76-KAAC during 2008-09 to 2019-20



As per Paragraph 7.2 of Assam Budget Manual, an appropriation is intended to cover all the charges, including the liabilities of past years, to be paid during the year or to be adjusted in the accounts of the year. All unutilised funds provided in the Budget lapse at the end of the financial year. The situation in the three ADCs where the Budget balance from the funds released by the State Government to the Council under their respective Grants – Grant No. 76, 77 and 78, are permitted to be carried forward in their PL Accounts is an anomalous situation.

Thus, it is recommended that Government of Assam may consider withdrawing this exemption given to three Autonomous District Councils for closure of PL Accounts at the end of financial year along with review of their accounting arrangement. Non-closure of PL Accounts at the end of the financial year may be limited to own funds of Council. Entrusted function funds of ADC specific Grants (Grant No. 76, 77 and 78) like all other grants, should lapse at the end of the year.

During its meeting held on 25 February 2020, the Public Accounts Committee (PAC) discussed Excess Expenditure reported in Appropriation Accounts of different years, and enquired from the Finance Department the reasons for excess expenditure reported in the Appropriation Accounts.

Audit expressed concern during the meeting about the issue of excess expenditure being recorded in all three Council Grants (Grant No. 76 - Karbi Anglong Autonomous District

Council, Grant No. 77 - North Cachar Hills/ Dima Hasao Autonomous District Council and Grant No. 78 - Bodoland Territorial Council) year after year, primarily due to non-lapsing of the funds of the Councils at the end of the financial year, and emphasised the need for streamlining the present accounting system of the ADCs.

The PAC agreed with the concern of audit and recommended vide Para 6 of its 161st Report placed in the State Legislature on 24 March 2020 that the Finance Department should take initiative to constitute a high-level Committee to study the present accounting system of three Councils and suggest ways for avoiding excess expenditure in future.

During Exit Conference (February 2021) the Commissioner and Secretary, Finance apprised Audit regarding the progress made in the Council accounts with respect to digitization of salary expenditures. The Department also stated that in compliance of Para 6 of 161st Report of PAC, Governor of Assam has constituted (February 2021) a High-Level Committee in order to streamline the matter of excess expenditure against grants across the State including Sixth Schedule Areas and BTR.

Further analysis on budgeting and expenditure of Karbi Anglong Autonomous Council under the Grant No. 76 are detailed in the succeeding paragraphs.

3.5.2.5 Budget vs. Expenditure

The overall status of expenditure *vis-à-vis* budget provision, and savings/ excesses under Grant No. 76 during the five-year period 2015-16 to 2019-20 is given below.

Table 3.27: Year-wise details of Expenditure *vis-à-vis* Budget

(₹ in crore)

Grant No. 76	2015-16	2016-17	2017-18	2018-19	2019-20
Total Budget Provision	1,207.78	929.61	1,415.35	1,650.76	1,620.62
Expenditure	1,108.67	818.81	919.07	1,585.46	1,223.48
Savings (-)/Excess (+)	-99.11	-110.80	-496.28	-65.30	-397.14
Savings/Excess (in per cent)	- 8.21	- 11.92	- 35.06	- 3.96	- 24.51
Revenue Provision	880.70	834.51	981.43	1,315.43	1,401.95
Expenditure	659.97	680.46	775.28	998.72	1,129.02
Savings (-)/Excess (+)	-220.73	-154.05	-206.15	-316.71	-272.93
Savings/Excess (in per cent)	- 25.06	- 18.46	- 21.01	- 24.08	- 19.47
Capital Provision	327.08	95.10	433.92	335.33	218.67
Expenditure	448.70	138.35	143.79	586.74	94.46
Savings (-)/Excess (+)	+121.62	+43.25	-290.13	+251.41	-124.21
Savings/Excess (in per cent)	37.18	45.48	- 66.86	74.97	- 56.80

Source: Appropriation Accounts

As can be seen from the table above, there has been persistent savings under Revenue Account during 2015-20, ranging between ₹ 154.05 crore and ₹ 316.71 crore. Moreover, out of the five-year period of 2015-20, excess expenditure was also reported in three years, i.e., 2015-16, 2016-17, and 2018-19 under Capital Account.

Principal Secretary, KAAC attributed (December 2020) the savings to receipt of funds at the fag end of the financial year which could not be utilised during that financial year and were carried over to the next financial.

Parking of unspent balances in the Public Account and funding the schemes/ projects in subsequent years had resulted in persistent instances of large variation from Budget

provision, including excess expenditure in three years under Capital head during the five-year period from 2015-16 to 2019-20. Legislative intervention is required to regularise the excess expenditure.

3.5.2.6 Savings at Sub Head Level

Scrutiny of the Appropriation Accounts for the year 2019-20 revealed that there were 38 Sub Heads under which savings occurred in excess of 50 per cent of the Budget Provision. Details are given in *Appendix 3.8*.

Large Savings is indicative of the fact that the budget provision sought and obtained was far in excess of the actual requirement of the department, and its ability to utilise. It also deprives allocation of resources to other priority sectors.

3.5.2.7 Savings of Entire Budget Provision

Budget provision of ₹ 120.04 crore made under the following sixteen Sub Heads for the year 2019-20 under Grant No. 76 remained unutilised at the end of the year. Details are given below.

Table 3.28: Non-utilisation of Budget Provision

(₹ in crore)

Head of Account	Name of Project/Scheme	Original Grant	Supplementary Grant	Final Grant	Expenditure
Revenue					
2225-02-800-1412	Construction of Roads	0.00	25.00	25.00	0.00
2215-01-102-0779	Operation & Maintenance	6.80	0.00	6.80	0.00
2401-00-113-0044	Agriculture Implements	1.39	0.00	1.39	0.00
2202-04-200-0612	State Research Centre	0.95	0.00	0.95	0.00
2216-01-106-1881	Maintenance and Repairs (a) Ordinary Repairs	0.61	0.00	0.61	0.00
2401-00-104-0284	Agriculture Farming Corporation	0.54	0.00	0.54	0.00
2401-00-195-1129	Working Capital Grant to Farming Co-Operation	0.54	0.00	0.54	0.00
2402-00-103-0170	Gully Control Works	0.34	0.00	0.34	0.00
2415-01-04-0227	Education	0.34	0.00	0.34	0.00
2403-00-103-1974	Working Capital Grant to Poultry	0.32	0.00	0.32	0.00
2402-00-101-0000	(No Sub Head)	0.27	0.00	0.27	0.00
2202-03-800-0800	Other Expenditure	0.20	0.00	0.20	0.00
2235-02-107-0967	Voluntary Welfare Organisation	0.16	0.00	0.16	0.00
Total		12.46	25.00	37.46	0.00
Capital					
4702-00-101-2555	Pradhan Mantri Krishi Sinchai Yojana - Har Khet ko Pani	0.00	74.59	74.59	0.00

Head of Account	Name of Project/Scheme	Original Grant	Supplementary Grant	Final Grant	Expenditure
5055-00-190-1540	Share Capital Contribution to Assam Road Transport Corporation	5.00	0.00	5.00	0.00
4202-01-203-0597	Government Art College (Cotton College)	3.00	0.00	3.00	0.00
Total		8.00	74.59	82.59	0.00

Principal Secretary, KAAC, stated (December 2020) that the funds were released at the end of March 2020, and could not be utilized due to COVID outbreak and the subsequent lockdown. He further stated that the unspent funds were not surrendered, and carried over to the next financial year.

3.5.2.8 Expenditure Without Budget Provision

Assam Budget Manual (Paragraph 8.3) states that no expenditure may be incurred under a particular Head against which no provision exists in the Budget as passed by the Assembly.

Audit scrutiny revealed that under 7 Sub Heads, expenditure was incurred (total amount of expenditure was ₹ 12.23 crore) without budget provision as detailed in **Table 3.29**.

Table 3.29: Expenditure without Budget Provision during 2019-20

(₹ in crore)

Major Head	Sub Major Head	Minor Head	Sub Head	Sub Head Name	Total Grant	Expenditure
2402	00	102	0602	Nature Conservation	0.00	1.31
2402	00	102	0603	Building & Approach Roads	0.00	2.15
2402	00	102	1136	Bamboo Plantation / Regeneration	0.00	0.83
2402	00	102	1144	Terracing with Water Distribution/ Harvesting	0.00	1.10
2402	00	103	1143	Land Improvement	0.00	0.69
2406	01	101	1240	Amenities to Forest Staff & Labourer	0.00	3.06
2406	02	112	0000	(No Sub Head)	0.00	3.09
Total					0.00	12.23

The Principal Secretary, KAAC, stated (December 2020) that considering the urgency of works, the same were executed out of the savings of previous years in the PL Accounts, and approved by the KAAC Authority.

3.5.2.9 Expenditure in Excess of Budget Provision

There were several instances of excess expenditure over budgeted provision under Grant No. 76 during the financial year 2019-20. Details of expenditure in excess of ₹ 5 crore over the approved allocation are given in **Table 3.30**.

Table 3.30: Excess Expenditure under Grant No. 76 during 2019-20

(₹ in crore)

Sl. No.	Major Head	Sub-Major Head	Minor Head	Sub Head	Description	Total Grant	Expenditure	Excess
1	2225	02	800	2419	Special Grants to Karbi Anglong Autonomous Council	160.00	204.49	44.49
2	2851	03	103	0013	District Development Schemes	4.04	27.45	23.41
3	2401	00	001	0240	Subordinate Establishment	12.70	25.92	13.22
4	2210	06	102	0000	Prevention of Food Adulteration	0.46	13.56	13.10
5	2236	02	101	0976	Special Nutrition Programme (PMGY)	0.32	10.12	9.80
6	3054	80	001	0246	Supervision	3.28	12.48	9.20
7	2515	00	001	0172	Headquarters Establishment	0.90	8.73	7.83
8	2202	02	101	0179	Inspection	3.10	8.89	5.79
9	2405	00	101	1203	Fish and Fish Seed Farming	1.20	6.61	5.41
10	2235	02	101	0280	Vocational Training & Rehabilitation	0.39	5.78	5.39

3.5.2.10 Budget Commitment

The Finance Minister, Government of Assam, in his budget speech for the year 2019-20 made the following commitment for KAAC under Grant No. 76.

Table 3.31: Budget Commitment

(₹ in crore)

Scheme/ Project	Budget Commitment	Budget Allotment	Expenditure	Excess
2225-02-800-2419 Special Grant to 6 th Schedule Areas	160.00	160.00	204.49	44.49

The Principal Secretary, KAAC, stated (December 2020) that excess expenditure was made out of the unspent balances of the previous year, maintained in the PL Account.

3.6 Conclusion

- Budgetary assumptions of the Government of Assam (GoA) continued to be unrealistic and overestimated during 2019-20, as the State Government incurred an expenditure of ₹ 84,163.60 crore, against 82 grants and appropriations of ₹ 1,19,715.68 crore, resulting in overall savings of ₹ 35,552.08 crore during the year as against the savings of ₹ 36,159.00 crore during the previous year. These savings stood at 30 per cent of total grants and appropriations made for the year. The savings were 1.8 times the size of supplementary budget during the year.
- Savings during the year accounted for about a third of the budget; however, the Controlling Officers neither surrendered the funds during the year, nor provided any explanations to the Principal Accountant General (A&E) for variations in expenditure vis-à-vis allocations. Departments were not cautioned against persistent savings; nor were their budgets varied in accordance with their ability to spend the allocations.

- During 2019-20, against savings of ₹ 36,510.64 crore in 81 Grant/ Appropriation and an excess of ₹ 2,907.51 in 17 Grant/ Appropriation, variations have been explained by the departments only in 525 Sub-heads covering a saving of ₹ 7,927.85 crore and an excess of ₹ 82.86 crore and balance savings of ₹ 28,582.80 crore (78 per cent) and excess of ₹ 2,824.65 crore (97 per cent) remained unexplained. Absence of explanations for variation between the budgeted allocation and its utilisation in a large number of heads does not give desired inputs for ensuring financial accountability of the Government and legislative control over budget.
- Review of selected grants revealed that the Urban Development Department- (Municipal Administration) had persistent savings ranging from 63.11 per cent to 91.27 per cent under Grant No. 34, during the period 2015-20.
- Under National Urban Livelihood Mission (NULM) (2217-05-80-4093) and Swatch Bharat Abhiyan (2217-80-192-5665), there was persistent savings during the five year period 2015-20 ranging between 69 to 100 per cent under NULM and 47.62 to 96.70 per cent under Swatch Bharat Abhiyan.
- The Departments (Grant No. 23-Pension and Grant No. 78 Bodoland Territorial Council) incurred excess expenditure amounting to ₹ 1,159.23 crore over and above the authorisations during 2019-20. Such excess expenditure vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources. Moreover, excess expenditure of ₹ 499.29 crore was incurred in 34 Sub-heads under 6 grants and 1 Appropriation (₹ 15 lakh and above in each cases) without budget provision.
- State Legislature approved three supplementary Grants of ₹ 20,296.77 crore⁸ in 76 Grants/ Appropriations for the year 2019-20. Audit analysis revealed that a provision of only ₹ 7,055.94 crore (34.76 per cent) was required in 15 Grants/ Appropriations where the final expenditure exceeded the original budget provision. Thus, the Supplementary Grants/ Appropriations were obtained without adequate justification. Despite flagging this issue every year over the last several years in the CAG's Audit Reports, the State Government had failed to take corrective measures in this regard.
- Autonomous District Councils (ADCs) in the State are maintaining Personal Ledger (PL) Accounts as authorised by the State Government. Audit of grant no. 76-Karbi Anglong Autonomous Council revealed that the balances under the PL Accounts increased by ₹ 446.55 crore (346.73 per cent) during 2019-20 from ₹ 128.79 crore in 2018-19 to ₹ 575.34 crore in 2019-20. Parking of unspent balances in the Public Account and funding the schemes/projects in subsequent years had resulted in persistent instances of large variation from budget provision, including excess expenditure, thereby diluting budgetary control and accountability of Departments.

⁸ ₹ 7,580.52 crore (Dated 19 August, 2019), ₹ 11,535.82 crore (Dated 19 December, 2019) and ₹ 1,180.43 crore (Dated 17 March, 2020).

3.7 Recommendations

- i.) State Government may formulate a realistic budget based on reliable assumptions of likely resource mobilisation, the needs of the Departments and their capacity to utilise the allocated resources so as to avoid inflated budget without actual resources;
- ii.) State Government may institute an appropriate control mechanism to enforce proper implementation and monitoring of budget to ensure that large savings within the Grant/ Appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe;
- iii.) Finance Department may critically review the Departments having persistent savings for prudential budget allocation and monitoring of expenditure;
- iv.) Controlling Officers should explain the variation in expenditure from the allocation in time to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts;
- v.) Finance Department may initiate necessary action for improved compliance and reporting of deviations by Departments. Norms for Explaining Variation at Sub-Head Level may be considered for revision by the State PAC, as also setting an appropriate limit of Saving at Grant/Appropriation level beyond which explanation would be required.
- vi.) Based on the PAC recommendations, the State Government may complete their High level enquiry on ADC funds in time bound manner and submit their Report with proposed solutions of arresting the excess expenditure by ADC and parking of funds in PL Accounts.
- vii.) State Government may consider withdrawing the exemption given to three Autonomous District Councils for closure of PL Accounts at the end of financial year and also review their accounting arrangement. Non-closure of PL Accounts at the end of the financial year may be limited to only own funds of Council as against Government of Assam funds.

Chapter 4
Quality of Accounts &
Financial Reporting
Practices

Chapter 4 Quality of Accounts & Financial Reporting Practices

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

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

Issues related to completeness of accounts

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

The Government has a liability to provide and pay interest on the amounts in the Interest-bearing Reserve Funds and Deposits. It has been observed from Statement 21 of Finance Accounts 2019-20 that despite the existence of balances in these Reserve Funds and Deposits, no interest liability was discharged by the Government during the year, as detailed in the following table. This had an impact on the understatement of revenue deficit to that extent.

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

(₹ in crore)

Sector	Sub-Sector	Rate of Interest	Balance at the Beginning of 2019-20	Interest Payable
J-Reserve Funds	Reserve Funds Bearing Interest (SDRF)	7.5 per cent (average of Ways and Means interest rate)	603.61	45.27
K-Deposits and Advances	Deposits Bearing Interest MH 8342 (NPS)	8 per cent* (interest rate payable on balances as notified by Government)	408.22	32.66
K-Deposits	MH 8336, 8338, 8342 (103 & 120)	7.5 per cent (average of Ways and Means interest rate)	14.31	1.07
Total			1,026.14	79.00

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

4.2 Funds transferred directly to State implementing agencies

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

system, these are not reflected in the Accounts of the State Government.

The following table provides quantum of fund transferred to the State implementing agencies during the last five years i.e., 2015-20.

Table 4.2: Funds transferred by GoI directly to State Implementing Agencies

(₹ in crore)						
Direct transfers to State Implementing Agencies	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Funds transferred	1,277.60	2,846.20	4,702.20	4,534.21	5,946.75	19,306.96

As can be seen from above table that transfer of funds increased by 31.15 per cent from ₹ 4,534.21 crore in 2018-19 to ₹ 5,946.75 crore in 2019-20.

4.3 Delay in Submission of Utilisation Certificates

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

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

Audit scrutiny revealed that 9,379 UCs in respect of grants aggregating ₹ 20,402.48 crore given to 52 Departments of the State Government during the period from 2001-02 to 2018-19 had not been submitted. Age-wise details of delays in submission of UCs is given in **Table 4.3**.

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

(₹ in crore)								
Year	Opening Balance		Addition		Clearance		Due for submission	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 2017-18	11,641	24,907.26	2,267	15,958.31	2,271	6,972.16	11,637	33,893.41
2018-19	11,637	33,893.41	2,248	13,381.83	2,182	14,221.35	11,703	33,053.89
2019-20	11,703	33,053.89	2,732*	22,833.65*	2,324	12,651.41	9,379	20,402.48

Source: Data compiled by the O/o the PAG (A&E), Assam; *UCs for grants paid in 2019-20 would become due only in 2020-21 unless otherwise specified.

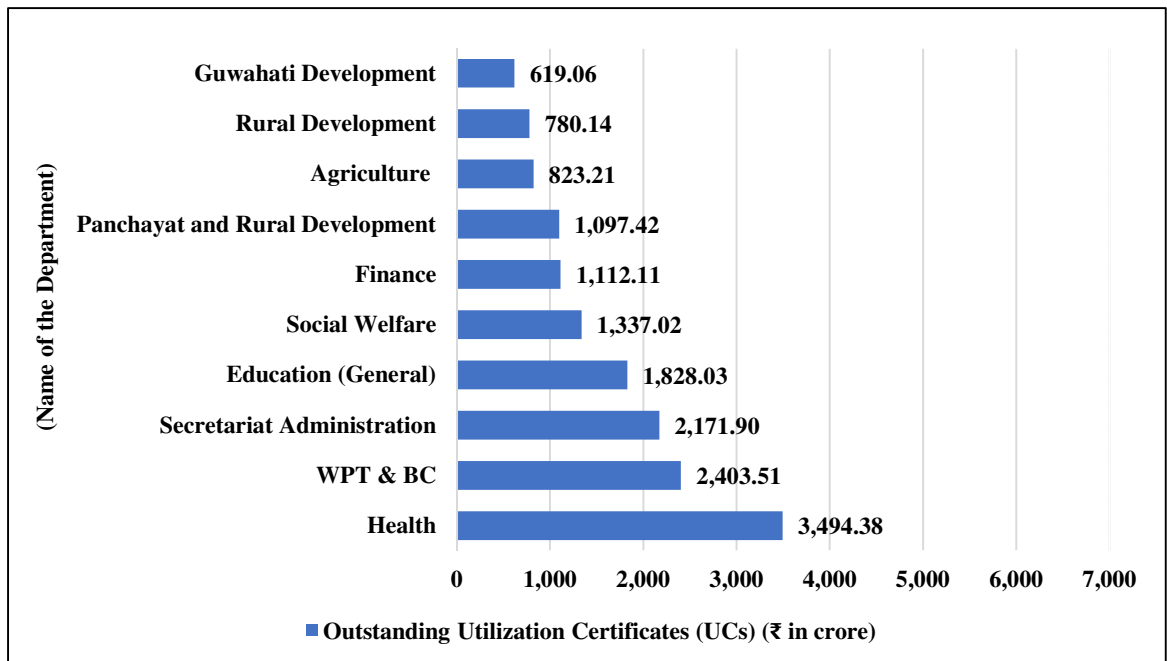
Table 4.4: Year wise break up of outstanding UCs
(₹ in crore)

Year	Number of UCs	Amount
2001-02	833	54.26
2002-03	409	36.22
2003-04	744	197.07
2004-05	949	145.80
2005-06	712	203.12
2006-07	656	198.87
2007-08	463	220.85
2008-09	342	313.25
2009-10	122	447.19
2010-11	306	395.16
2011-12	275	583.03
2012-13	289	827.68
2013-14	401	1,243.02
2014-15	793	1,593.46
2015-16	479	2,963.30
2016-17	24	1,607.23
2017-18	237	2,175.13
2018-19	1345	7,197.84
Total	9,379	20,402.48

The analysis of year-wise details of pending UCs and the amounts involved are tabulated alongside. The Departmental authorities have not yet explained as to how an amount of ₹ 20,402.48 crore was spent over the years is a matter of concern, as it involves public funds provided to them for implementation of specific programmes /schemes and there is no assurance that the intended objectives of providing these funds have been achieved. **Table 4.4** reveals that 68.34 *per cent* of outstanding UCs pertains to the last four years *i.e.*, 2015-16, 2016-17, 2017-18 & 2018-19.

Department-wise break-up of outstanding UCs for the grants paid up to the year 2018-19 is given in **Appendix 4.1**. Status of outstanding UCs in respect of 10 major departments is given in **Chart 4.1**.

Chart 4.1: Outstanding UCs in respect of 10 major Departments for the grants paid up to 2018-19



About 50 *per cent* of capital expenditure is being incurred out of Grants-in-Aid. In the absence of the UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which those were given, and the assets had been created.

4.3.1 Recording of Grantee Institution as “Others”

There is a mechanism in some States of giving institute code to various bodies and authorities receiving Grants-in-Aid from Government. These grants are also recorded in Voucher Level Computerisation (VLC) system of AG office and submission of UCs is monitored against outstanding amount against each institute. Needless to say, for this system to work, grantee institute should be recorded properly. In absence of proper code, outstanding amounts against all institutes cannot be worked out.

If Grants-in-Aid constitute a significant portion of the total expenditure of the State, it is essential that the Government provides the details and nature of the Grantee Institution to which it is providing funds, in the interests of transparency of accounts.

Table 4.5 indicates the extent of Grants-in-Aid shown under Others by the State Government during the last five years i.e., 2015-20.

Table 4.5: Recording of Grantee Institution as “Others”

Particulars	Grants released				
	2015-16	2016-17	2017-18	2018-19	2019-20
Total Grants	7,096.56	13,655.15	19,017.23	17,564.15	25,619.63
Grantee Institutions as “Others”	4,181.74	10,880.55	15,755.94	14,924.48	18,032.66
Grantee Institutions as “Others” (In per cent)	58.93	79.68	82.85	84.97	70.39

(Source: Finance Accounts)

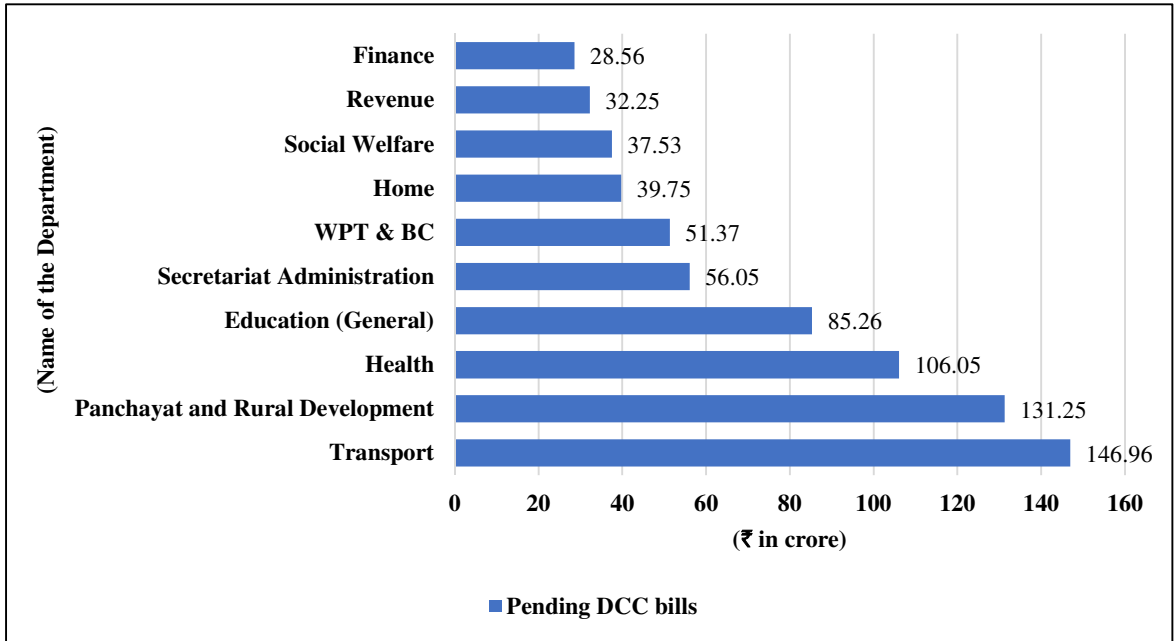
During 2015-20 total grants shown under others by the State ranged between 58.93 per cent and 84.97 per cent of the total grants paid during the period. During 2019-20, the State Government had given grants-in-aid of ₹ 18,032.66 crore to ‘Others’ which constituted 70.39 per cent of total grants given (₹ 25,619.63 crore) during the year. Due to absence of proper code, institution wise amount of grants given during 2019-20 could not be ascertained.

4.4 Abstract Contingent Bills

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

As of 31 March 2020, 39 Departments of the Government of Assam had not submitted DCC bills for ₹ 870.10 crore against 1,432 AC Bills. Department-wise pending DCC bills for the years up to 2019-20 are detailed in **Appendix 4.2**. Status of pending DCC bills in respect of 10 major departments is given in **Chart 4.2**.

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



Year-wise details of pendency of DCC bills for the years up to 2019-20 is given in **Table 4.6**.

Table 4.6: Pendency in submission of DCC bills against the AC bills

(₹ in crore)

Year	Opening Balance		Addition		Clearance		Closing Balance	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 2017-18	1,136	567.13	10	127.07	80	15.35	1,066	678.85
2018-19	1,066	678.85	298	289.53	41	2.56	1,323	965.82
2019-20	1,323	965.82	282	53.63	173	149.35	1,432	870.10

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

Table 4.6 reveals that during 2019-20, 282 AC bills were drawn for an amount of ₹ 53.63 crore, of which, 59 AC bills for an amount of ₹ 5.73 crore (10.68 per cent) were drawn in March 2020. Out of the drawal in March 2020, one AC bill for ₹ 0.10 crore was drawn on the last day of the financial year.

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

4.5 Personal Deposit Accounts

Under specific circumstances, the Government may authorise the opening of Personal Deposit (PD) accounts for operation by designated Administrators. Transfer of funds to PD accounts is booked under the service major heads, as expenditure under the Consolidated Fund of the State. Under the rules, the Administrators are required to close such accounts on the last working day of the year and transfer the unspent balances back to the

Consolidated Fund, with the PD accounts being reopened in the next year, if necessary. Government of Assam, however, did not follow this procedure.

As on 31 March 2020, there were 22 PD Accounts and all these accounts have been inoperative for more than three years. The following table provides the status of funds lying in PDA on the last day of the financial year during 2015-20.

Table 4.7: Parking of funds in Personal Deposit Accounts during 2015-20

(₹ in crore)					
Year	2015-16	2016-17	2017-18	2018-19	2019-20
Funds parked in PDA	1.00	0.60	0.60	0.60	0.57

Although the closing balance under PDA has reduced from ₹ 1.00 crore in 2015-16 to ₹ 0.57 crore during 2019-20, thereafter, these accounts were not closed at the end of the financial year and the amount credited to the Consolidated Fund of the State. The Departmental officers have not verified/ reconciled the balances with those maintained by the Office of the Accountant General (A&E), Assam.

4.6 Indiscriminate use of Minor Head 800

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

Government of Assam had operated this Minor Head extensively during the five-year period 2015-20. The quantum of expenditure booked under this Minor Head showed a mixed trend over the years. During 2019-20, the State Government booked an expenditure of ₹ 19,036.52 crore under Minor Head 800 under 71 revenue and capital Major Heads of Account, constituting 23.76 *per cent* of the total revenue and capital expenditure of ₹ 80,135.23 crore. The extent of operation of Minor Head 800 for Other Expenditure, as a percentage of Total Expenditure during 2015-20 is given in **Chart 4.3**.

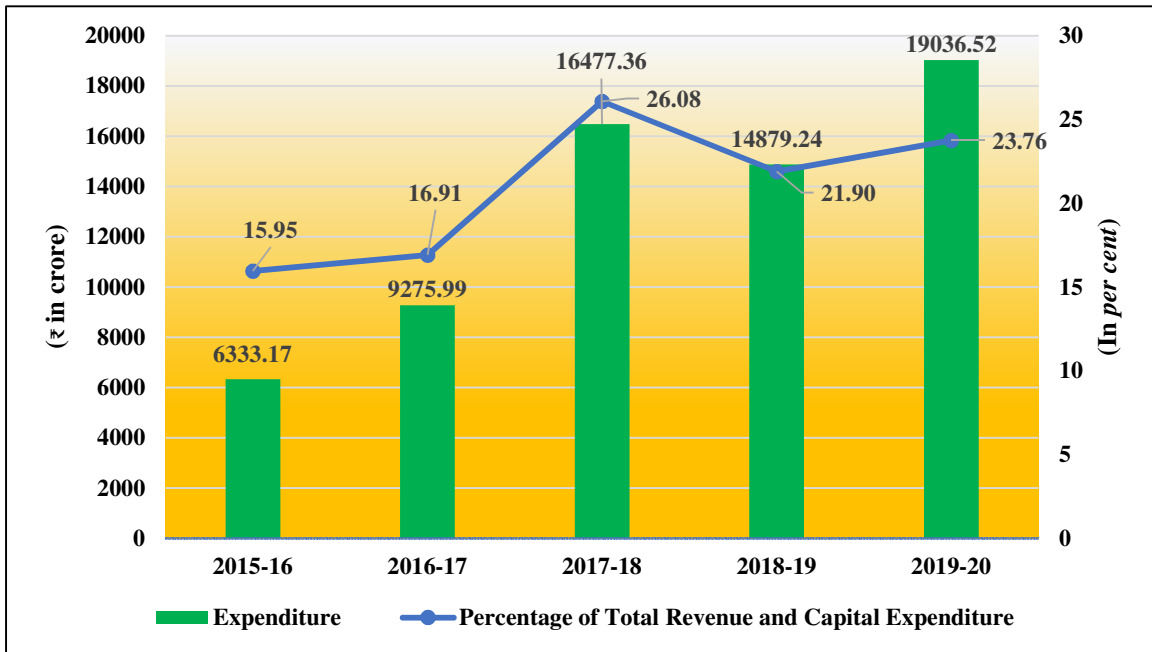
Chart 4.3: Operation of Minor Head 800 - Other Expenditure during 2015-20

Chart 4.3 shows that there has been largescale operation of 800 for Other Expenditure, with its share in total revenue and capital expenditure ranging from 15.95 per cent to 26.08 per cent during the period. Instances of substantial proportion (50 per cent or more) of the expenditure within a given Major Head, classified under the Minor Head 800 – ‘Other Expenditure’, are given in **Table 4.8**.

Table 4.8: Significant expenditure booked under Minor Head 800 – Other Expenditure during 2019-20

(₹ in crore)					
Sl. No.	Major Head	Major Schemes under Minor Head 800	Expenditure under Minor Head 800	Total Expenditure	Percentage
1.	2501- Special Programme for Rural Development	National Rural Livelihood Mission (NRLM), Financial Assistance to one lakh women SHG and National Social Assistance Programme (NSAP)	1,021.50	1,136.39	89.89
2.	2515-Other Rural Development Programmes	General Basic Grant and General Performance Grant	3,602.37	4,138.43	87.05
3.	2801 - Power	Payment of dues as per FTFRP, Targeted subsidy to APDCL and DDUGJY and SAUBHAGYA Scheme	1,384.16	2,253.56	61.42
4.	3056 - Inland Water Transport	Government Transport Services working expenses - Major Ferry Services, Subansiri River Passenger Services (Commercial)	147.86	165.56	89.31
5.	4070- Capital Outlay on Other Administrative Services	State Signature Scheme, Protection and Control of Fire Service station and Foreigners’ Tribunal	238.61	238.84	99.90

Sl. No.	Major Head	Major Schemes under Minor Head 800	Expenditure under Minor Head 800	Total Expenditure	Percentage
6.	4401- Capital Outlay on Crop husbandry	Rural Infrastructure Development Fund (RIDF) and Agriculture Cold Storage	46.30	48.91	94.66
7.	4405- Capital Outlay on Fisheries	Assam Rural Infrastructure Development Fund (RIDF) - NABARD's Loan component	21.21	24.52	86.54
8.	4408- Capital Outlay on Food Storage and Warehousing	Construction of Food Storage Godowns	6.63	6.63	100.00
9.	4702 - Capital Outlay on Minor Irrigation	Pradhan Mantri Krishi Sinchai Yojana- Har Khet Ko Pani and Flow Irrigation	619.80	882.75	70.21
10.	4801 - Capital Outlay on Power Projects	Externally Aided Projects (ADB), Bardikarai Small Hydro Electric Project and Replacement of existing wooden/Bamboo poles in HT/LT Network of APDCL etc.	112.37	112.37	100.00
TOTAL			7,200.81	9,007.96	79.93

In the case of receipts, the operation of Minor Head 800 has been lower compared to expenditure, and ranged between 1.34 *per cent* (2017-18) to 3.12 *per cent* (2018-19) of total revenue receipts. During 2019-20, the State Government classified receipts of ₹ 1,078.48 crore (1.67 *per cent* of Revenue Receipts), pertaining to 46 Major Heads, under the Minor Head '800 - Other Receipts'. Cases where over 50 *per cent* of receipts were classified under Minor Head 800 – 'Other Receipts', are given in **Table 4.9**.

Table 4.9: Significant receipts booked under Minor Head 800 – Other Receipts during 2019-20

(₹ in crore)

Sl. No.	Major Head	Receipts under Minor Head 800	Total Receipts	Percentage
1	0059 - Public Works	1.68	1.70	98.82
2	0070 - Other Administrative Services	97.66	103.17	94.66
3	0215 - Water Supply and Sanitation	0.70	0.77	90.91
4	0404 - Dairy Development	0.07	0.08	87.50
5	0408 - Food Storage and Warehousing	0.39	0.39	100.00
6	0552 - North Eastern areas	203.58	203.58	100.00
7	0701 - Medium Irrigation	0.67	0.67	100.00
8	0702 - Minor Irrigation	0.30	0.32	93.75
9	0852 - Industries	2.14	2.14	100.00
10	1054 - Roads and Bridges	39.01	39.59	98.53
11	1425- Other Scientific Research	0.29	0.29	100.00
12	1456 - Civil Supplies	0.05	0.05	100.00
Total		346.54	352.75	98.24

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

Audit examined selected cases of booking under Minor Head 800, and noted that in some instances, a valid Minor Head, other than 800, was available in the List of Major and Minor Head (LMMH), for booking these transactions. This includes large centrally sponsored schemes like Sarva Siksha Abhiyan, and Mid-Day Meal scheme, where an expenditure of ₹ 2,737.84 crore (14.38 per cent of total expenditure under 800) was booked in State Finance Accounts (2019-20), as given in the following table:

Table 4.10: Incorrect depiction of Minor Heads in the State Accounts (2019-20)

Head of Account as per State Appropriation Accounts	Name of the Scheme	Classification upto Minor Head in Finance Accounts	Expenditure (₹ in crore)	Depiction in the LMMH
2202-01-800-1686	{1686}-Sarba Siksha Abhijan	2202-01-800 Other Expenditure	2,184.58	2202-01-111 Sarva Shiksha Abhiyan
2202-01-800-3844	{3844}-Mid-Day-Meal Scheme for Cooking Cost	2202-01-800 Other Expenditure	553.26	2202-01-112 National Programme of Mid Day Meals in Schools

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

During Exit Conference (February 2021) Audit pointed out that in some cases expenditures are being classified as Other Expenditure in the Finance Accounts in spite of availability of appropriate Minor Head of Accounts in the List of Major and Minor Head (LMMH). Audit also urged the Finance Department to review the depiction of all Receipts and Expenditure being made under 800 at the budget formulation stage itself.

The Commissioner and Secretary, Finance Department assured to take corrective measures at budget preparation stage.

Issues related to Measurement

4.7 Outstanding balance under major Suspense and DDR heads

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

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

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/ Works and Forest Divisions, etc. The position of gross figures under major suspense and remittance heads for the last three years is given in **Table 4.11**.

Table 4.11: Balances under Suspense and Remittance Heads

(₹ in crore)

Name of Major and Minor Head	2017-18		2018-19		2019-20	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
8658 - Suspense						
101 - PAO suspense	108.77	0.05	117.06	52.53	224.98	145.92
Net	Dr. 108.72		Dr. 64.53		Dr. 79.06	
102 - Suspense Account-Civil	965.30	11.86	1,393.36	61.40	2,322.47	531.66
Net	Dr. 953.44		Dr. 1,331.96		Dr. 1,790.81	
107 - Cash Settlement Suspense Account	82.73	15.65	82.73	15.65	82.73	15.65
Net	Dr. 67.08		Dr. 67.08		Dr. 67.08	
109 - Reserve Bank Suspense - Headquarters	(-) 331.40	3.36	(-) 297.50	(-) 0.29	(-) 226.65	(-) 10.02
Net	Cr. 334.76		Cr. 297.21		Cr. 216.63	
110 - Reserve Bank Suspense - CAO	14.37	588.02	14.30	911.52	14.30	1,050.40
Net	Cr. 573.65		Cr. 897.22		Cr. 1,036.10	
112 - Tax Deducted at Source (TDS) Suspense	---	0.02	---	---	---	0.01
Net	Cr. 0.02		---		Cr. 0.01	
123 - A.I.S Officers' Group Insurance Scheme	0.12	1.38	0.14	1.42	0.18	1.47
Net	Cr. 1.26		Cr. 1.28		Cr. 1.29	
8782-Cash Remittances						
102 - P.W. Remittances	52,082.15	51,800.35	61,358.86	61,051.00	69,526.23	69,159.54
Net	Dr. 281.80		Dr. 307.86		Dr. 366.69	
103 - Forest Remittances	4,271.31	3,998.85	4,737.65	4,454.57	5,231.80	4,884.08
Net	Dr. 272.46		Dr. 283.08		Dr. 347.72	

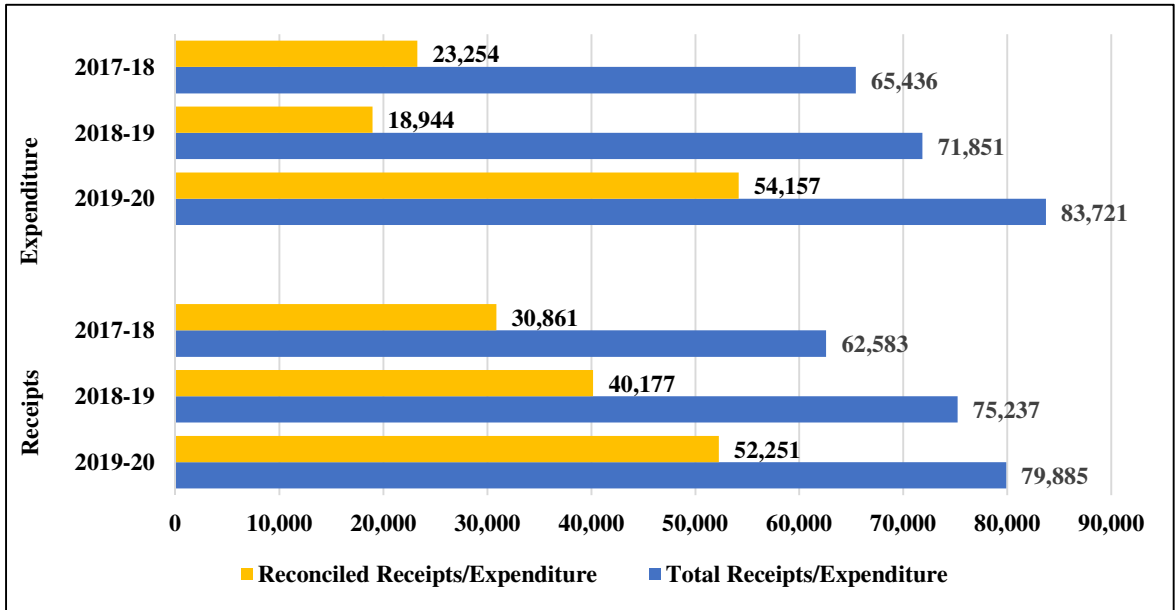
4.8 Non-reconciliation of Departmental figures

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

While 53 per cent of the receipts and 26 per cent of the disbursements were reconciled during 2018-19, these figures improved and reached the level of 65 per cent for both receipts and disbursements for the year 2019-20.

The status of reconciliation of receipts and expenditure figures by the COs during the three-year period 2017-20 is shown in **Chart 4.4**.

Chart 4.4: Status of reconciliation during the three years 2017-20 (₹ in crore)



The details relating to the number of COs and the extent of reconciliation during the last three years are given in **Table 4.12**.

Table 4.12: Status of Reconciliation of Receipts and Expenditure figures

Year	Total No. of Controlling Officers	Fully Reconciled	Partially Reconciled	Not reconciled at all	Total Receipts/Expenditure (₹ in crore)	Reconciled Receipts/Expenditure (₹ in crore)	Percentage of Reconciliation
Receipts							
2017-18	54	4	3	47	62,583	30,861	49.31
2018-19	54	7	4	43	75,237	40,177	53.40
2019-20	54	6	0	48	79,885	52,251	65.41
Expenditure							
2017-18	54	14	26	14	65,436	23,254	35.54
2018-19	54	31	16	7	71,851	18,944	26.37
2019-20	54	34	0	20	83,721	54,157	64.69

Non-reconciliation of figures has been pointed out by the CAG in the Audit Reports year after year. The Committee on Public Account (PAC) in its 161st Report (Para 13) also recommended (March 2020) that the departments should reconcile their figures with the Accountant General (A&E) on monthly basis or at least quarterly basis to avoid wrong booking of figures. In spite of this, 35 *per cent* each of receipt and expenditure figures booked by the Accountant General (A&E) remained un-reconciled by the departmental authorities during 2019-20.

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

4.9 Reconciliation of Cash Balances

As on 31 March 2020, there was a difference of ₹ 2,480.38 crore (Net debit), between the Cash Balance of the State Government, as per the books of Accounts of the Accountant General (A&E), and the Cash Balance as reported by the Reserve Bank of India. Out of this unreconciled cash balance of ₹ 2,480.38 crore, ₹ 2,613.32 crore¹ (Debit amount) pertains to the pension payments made by non-link branches and directly reported to the RBI. The remaining difference of ₹ 132.94 crore (Credit amount) was due to erroneous reporting by Agency Banks. The details is discussed in subsequent paragraph.

4.9.1 Non-Reporting of Pension Payments

Out of the discrepancy in the Reserve Bank Deposit (RBD) of ₹ 2,613.32 crore, ₹ 1,348.35 crore (51.60 *per cent*) pertains to Financial Year 2019-20 alone. The reason for the discrepancy is due to the non-receipt of accounts by the State Treasuries of the pension payments (including other state pensioners) made by non-linked bank branches.

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

From January 2018, the RBI directed all agency (non-linked) bank branches to submit their claims pertaining to agency transactions directly to the RBI without routing through linked branches that act as aggregator. The RBI also directed all agency banks to send scrolls/details of such payments made by them directly to the State Government/Treasury. However, the non-linked branches making such payments have not been submitting the Date-wise Monthly Statement (DMS) and corresponding payment vouchers to the concerned Treasury, resulting in non-inclusion of such payments in accounts of the State. This has resulted in huge discrepancy between the cash balance as reflected in the Finance Accounts, and as reported by RBI, with the entire pension payments made by the non-linked branches remaining unaccounted. In 2019-20 itself, pension payments to the tune of ₹ 1,348.35 crore made by the agency bank branches were not accounted for in the Finance Accounts. Further, pension payments of ₹ 1,264.97 crore made in the two years prior to 2019-20 were also not accounted for in the State Accounts for the same reason. The details of the differences are as tabulated below:

¹ 2017-18: ₹ 112.59 crore
 2018-19: ₹ 1,152.38 crore
 2019-20: ₹ 1,348.35 crore
Total: ₹ 2,613.32 crore

Table 4.13: Year wise details of non-reporting of pension payments

(₹ in crore)

Year	Amount of non-reporting of pension payments
2017-18	112.59 (Dr.)
2018-19	1,152.38 (Dr.)
2019-20	1,348.35 (Dr.)
Total	2,613.32 (Dr.)

The non-accounting of the Pension payments to the tune of ₹ 2,613.32 crore had resulted in understatement of Revenue and Fiscal Deficit of the State during the period.

During Exit Conference (December 2020) on audit of Annual Accounts, the Principal Secretary, Finance said that the matter would be further pursued with the non-link banks and RBI, in consultation with Office of the Accountant General (A&E), and all efforts would be made to resolve the issue in Financial Year 2020-21 itself.

During Exit Conference (February 2021) on SFAR the Commissioner and Secretary, Finance informed that the Department is working on the issue in consultation with the Office of the AG (A&E), Assam and RBI and is hopeful of resolving the matter soon.

Issues related to Disclosure

4.10 Compliance with Accounting Standards

Government Accounting Standards Advisory Board (GASAB), set up by the Comptroller and Auditor General of India in 2002, has been formulating standards for government accounting and financial reporting to enhance accountability mechanisms. As of end of March 2020, three Indian Government Accounting Standards (IGAS) have been notified. The details of these standards and the extent of compliance with these by the Government of Assam in its financial statements for the year 2019-20 are given in **Table 4.14**.

Table 4.14: Compliance with Indian Government Accounting Standards

IGAS	Essence of IGAS	Status	Impact of non-compliance
IGAS 1 <i>Guarantees given by government – Disclosure requirements</i>	This standard requires the government to disclose the maximum amount of guarantees given during the year in its financial statements along with additions, deletions, invoked, discharged and outstanding at the end of the year.	Partly complied	While the government has disclosed the maximum amount of guarantees given during the year, detailed information like number of guarantees for each institution was not depicted.
IGAS 2 <i>Accounting and Classification of Grants-in-Aid</i>	Grants-in-Aid are to be classified as revenue expenditure in the accounts of the grantor and as revenue receipts in the accounts of the grantee, irrespective of the end use.	Not complied	State Government made budgetary provision and classified GIA amounting to ₹ 6,225.45 crore under Capital Major Heads of Account, instead of under the Revenue Section. It did not also furnish any information regarding GIA paid in kind during the year.

IGAS	Essence of IGAS	Status	Impact of non-compliance
			Further, government budgeted and spent an amount of ₹ 345.62 crore on “Major Works” under the Revenue Section and ₹ 154.50 crore on “Minor Works” under the Capital Section. Non-compliance led to overstatement of revenue surplus and overstatement of capital expenditure.
IGAS 3 <i>Loans & Advances made by Government</i>	This Standard relates to recognition, measurement, valuation and reporting in respect of loans and advances made by the Government in its Financial Statements to ensure complete, accurate and uniform accounting practices.	Partly complied	While the State government complied with the format prescribed by the Standard, the information in this regard is incomplete, since the details of overdue principal and interest in respect of loans and advances have not been provided to the Principal Accountant General (A&E).

4.11 Submission of Accounts of Autonomous Councils/Bodies

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

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

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

The CAG had not received 704 annual accounts of 138 Autonomous Councils, Development Councils and Government Bodies (due up to 2019-20) for audit as of 31 December 2020.

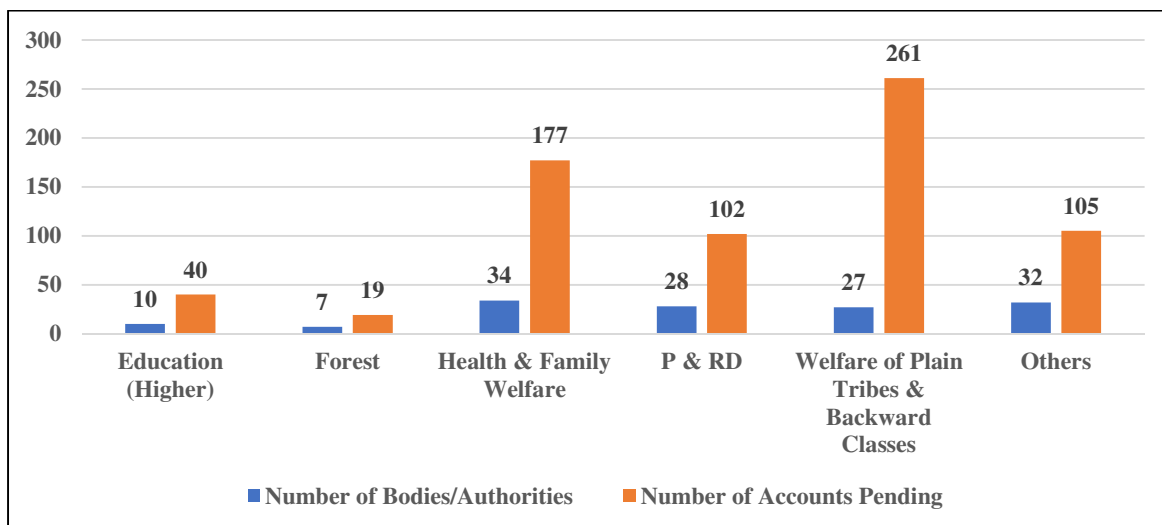
Table 4.15: Age-wise analysis of Annual Accounts due for audit but not submitted

Delay in Number of Years	No. of Accounts
0-1	138
1-3	212
3-5	114
5-10	201
More than 10	39
TOTAL	704

The Department-wise details of accounts due from Autonomous Councils, Development Councils, Government Bodies are given in **Appendix 4.3**. Age-wise pendency of these 704 accounts is given alongside.

Status of pending accounts in respect of five major departments is given in **Chart 4.5**.

Chart 4.5: Status of pending accounts of Autonomous Councils/ Bodies in respect of five major Departments



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

4.12 Departmental Commercial Undertakings/Corporations/Companies

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

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

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

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

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

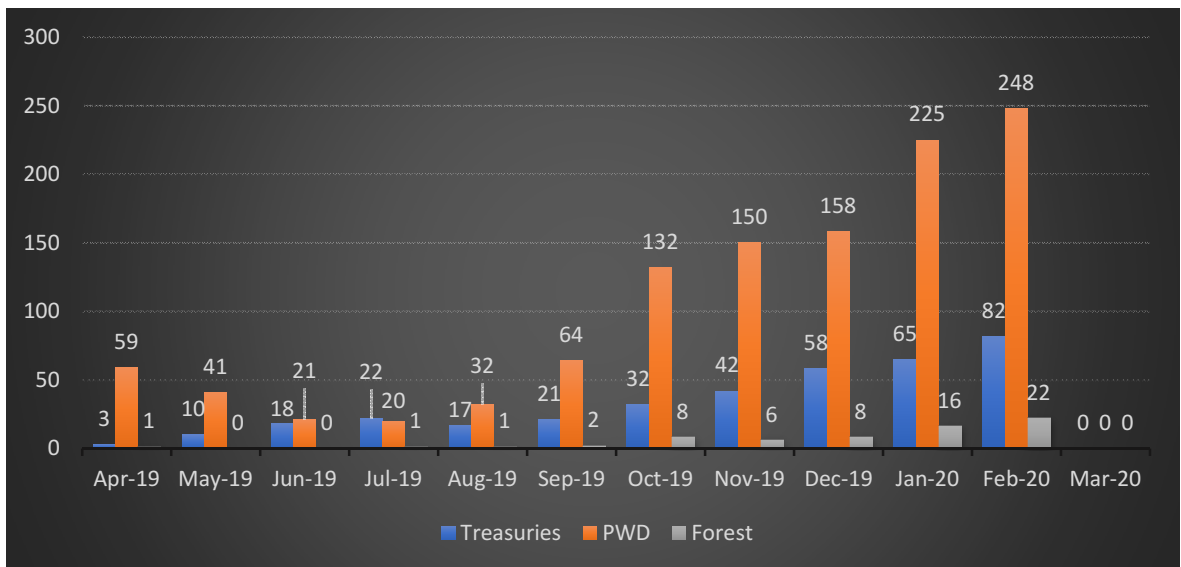
However, the CAG has not received 392 annual accounts of 45 Public Sector Undertakings (due up to 2019-20) for audit as of 31 December 2020. Financial performance of all State PSUs along with the status of pendency in submission of their accounts is detailed in Chapter 5 of this Report.

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

4.13 Timeliness and Quality of Accounts

The accounts of the State Government are compiled by the Principal Accountant General (A&E) from the initial accounts rendered by 33 District Treasuries, 48 Sub-Treasuries, Assam House (New Delhi), Cyber Treasury (Dispur), 265 Public Works Divisions (including 69 Irrigation and 44 Public Health Engineering and 36 Water Resources Divisions) and 146 Forest Divisions, apart from the RBI advices. During the financial year 2019-20, there were delays in rendition of monthly accounts ranging from 01 to 356 days by Treasuries, 01 to 296 days by Public Works Divisions and 01 to 135 days by Forest Divisions. Details of accounts excluded from the monthly Civil Accounts are given in Chart 4.6.

Chart 4.6: No. of accounts excluded from monthly Civil Accounts during 2019-20



As can be seen from *Chart 4.6*, public works divisions were the major units that delayed the rendition of monthly accounts. Consequently, receipts and expenditure relating to these divisions/ units could not be incorporated in the Civil Accounts of the respective month of the occurrence of the transaction. Due to the failure of the account rendering units to furnish accounts on time, some accounts were excluded from the monthly Civil Accounts by the Principal Accountant General (A&E) throughout the year 2019-20, except for March 2020. Therefore, the monthly accounts indicating the receipts and disbursements of the State during the month, rendered by the Principal Accountant General (A&E) to the State Government were incomplete in all the months, except for the month of March.

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

Other Issues

4.14 Misappropriations, losses, thefts, *etc.*

Audit observed 529 cases of theft, misappropriation, and losses involving Government money amounting to ₹ 228.67 crore (up to March 2020) on which final action was pending. The Department-wise breakup of pending cases and age-wise analysis and nature of those cases is given in *Appendix 4.4*.

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

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

(₹ in lakh)

Age Profile of the Pending cases			Nature of the Pending Cases		
Range in Years	Number of cases	Amount involved	Nature/ characteristics of the cases	Number of cases	Amount involved
0-5	193	9,853.60	Theft	36	1196.10
5-10	196	9,657.54			
10-15	104	2,970.13	Misappropriation/ Loss of material <i>etc.</i>	493	21671.08
15-20	24	302.65			
20-25	10	72.73			
25 and above	2	10.53	Total	529	22867.18
			Cases of loss written off during the year	34	2,514.52
Total	529	22,867.18	Total cases as on 31 March 2020	495	20352.66

Source: *Inspection Reports*

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

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

Reasons for the Delay of Outstanding Pending cases	Number of cases	Amount (₹ in lakh)
(i) Non-receipt of reply or want of reply from Department	168	8188.91
(ii) Non-submission of specific/ proper/ appropriate reply by Department	361	14678.27
Total	529	22867.18

Source: Inspection Reports

Of the 529 cases above, the First Information Report (FIR) in respect of only 38 cases involving ₹8.59 crore was lodged where the investigation was in process. Government may take necessary action in all the remaining cases also, and logically conclude the misappropriation cases. Besides, Government should consider putting in place an effective mechanism to ensure monitoring and speedy settlement of cases relating to theft, misappropriation and losses, in their own financial interests.

4.15 Short transfer of Labour Cess to Labour Welfare Board

Under Section 3 of the Building and Other Construction Workers' Welfare Cess Act, 1996, there shall be levied and collected a Cess at such rate not exceeding two *per cent*, but not less than one *per cent* of the cost of construction incurred by an employer, as the Government may, by notification in the Official Gazette, from time to time, specify. As per Rule 5(3) of the Building and Other Construction Workers Welfare Cess Rules, 1998, the amount collected is to be transferred to the Building and Other Construction Workers' Welfare Board within thirty days of its collection.

Data collected from Assam Building and Other Construction Workers' Welfare Board² (ABOCWWB) revealed that out of total Cess of ₹ 1,243.15 crore collected by the State Government under the Building and Other Construction Workers' Welfare Cess Act 1996 during the period from 2008-09 to 2019-20, an amount of ₹ 1,224.37 crore was transferred to the Board leading to the shortfall in transfer of Cess of ₹ 18.78 crore to the Board. Year-wise details of collection of Cess and their transfer are detailed in **Table 4.18**.

Table 4.18: Workers' Welfare Cess collected and transferred to the Board

(₹ in crore)

Financial Year	Amount of Cess collected	Amount transferred to the Board	Short transfer
2008-09	3.91	3.91	Nil
2009-10	11.79	11.79	Nil
2010-11	53.71	53.71	Nil
2011-12	58.88	58.88	Nil
2012-13	76.82	76.82	Nil
2013-14	97.88	97.28	0.60
2014-15	94.15	93.51	0.64
2015-16	91.94	85.55	6.39
2016-17	141.39	130.39	11.00
2017-18	160.15	160.15	Nil
2018-19	212.93	212.78	0.15
2019-20	239.60	239.60	Nil
Total	1,243.15	1,224.37	18.78

² The Board was created on 12 February 2008.

The Labour Commissioner, ABOCWBB stated (November 2020) that short transfer was mainly due to return/rejection of some instruments by the bank due to various reasons and the matter is regularly pursued with the SBI, West Guwahati Branch.

It is evident from the table above that the short transfer of Cess mainly pertained to the period 2013-14 to 2016-17 which remained unsettled even after a lapse of more than six to three years. Thus, the State Government needs to take necessary steps for early transfer of full Cess amount collected to the Building and Other Construction Workers' Welfare Board for its intended utilisation.

4.16 Follow up action on State Finances Audit Report

4.16.1 Suo-motu Action Taken Notes

In the Audit Reports on the Finances of the Government of Assam, the Comptroller and Auditor General of India has been flagging issues of concern relating to various aspects of financial and budgetary management, areas of non-compliance with the prescribed procedures, rules and regulations, *etc.* by the State Government departments/ authorities. These Reports can achieve the desired results only when they evoke positive and adequate response from the Government/ administration itself. To ensure accountability of the executive with regard to the issues contained in the Audit Reports, the Public Accounts Committee (PAC) of Assam Legislative Assembly issued instructions (September 1994) for submission of *suo motu* Action Taken Notes (ATNs) by the administrative departments concerned within three months of presentation of the Audit Reports to the State Legislature. However, this is not being complied with by most Departments.

4.16.2 Discussion of SFAR and Appropriation Accounts by the PAC

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

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

4.17 Conclusions

- Audit scrutiny revealed that 9,379 Utilisation Certificates (UCs) in respect of grants aggregating ₹ 20,402.48 crore given to 52 Departments of the State Government during the period from 2001-02 to 2018-19 had not been submitted. In absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which those were given, and the assets had been created.

- During 2019-20, the State Government had given grants-in-aid of ₹ 18,032.66 crore to 'Others' which constituted 70.39 *per cent* of total grants given (₹ 25,619.63 crore) during the year. In absence of specific accounting code, institution wise amount of grants given during 2019-20 could not be ascertained.
- As of 31 March 2020, 39 State Departments had not submitted DCC bills for ₹ 870.10 crore against 1,432 AC Bills. Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DCC bills.
- As on 31 March 2020, balances of ₹ 0.57 crore were lying in 22 PD Accounts, which had been inoperative for more than three years.
- During 2019-20, the State Government booked an expenditure of ₹ 19,036.52 crore under Minor Head 800 under 71 revenue and capital Major Heads of Account, constituting 23.76 *per cent* of the total revenue and capital expenditure of ₹ 80,135.23 crore. Further, the State Government classified receipts of ₹ 1,078.48 crore (1.67 *per cent* of Revenue Receipts), pertaining to 46 Major Heads, under the Minor Head '800 - Other Receipts'. Indiscriminate operation of omnibus Minor Head 800 – Other Expenditure affected transparency in financial reporting and obscured proper analysis of allocative priorities and quality of expenditure.
- During the year, expenditure amounting to ₹ 54,157.10 crore (64.69 *per cent* of total expenditure of ₹ 83,720.65 crore) was reconciled leaving expenditure of ₹ 29,563.55 crore (35.31 *per cent* of total expenditure) unreconciled. Further, receipts of ₹ 52,250.97 crore (65.41 *per cent* of the total receipts of ₹ 79,885.22 crore) were reconciled leaving receipts for ₹ 27,634.25 crore (34.59 *per cent* of the total receipts) unreconciled. Failure to exercise/ adhere to the codal provisions and executive instructions in this regard resulted in misclassification and incorrect booking of receipts and expenditure in the accounts.
- Due to non-reporting of pension payments by the Agency Banks to the State Government/Treasuries, Pension payments of ₹ 1,348.35 crore during the year were not accounted for in the State Accounts. This resulted in understatement of Revenue expenditure and Fiscal Deficit of the State during the year.
- As on 31 March 2020 there were 704 annual accounts of 138 Autonomous Councils, Development Councils and Government Bodies (due up to 2019-20) pending for submission to CAG for audit. Delayed rendering of accounts by the account rendering units/ authorities distorted the accurate depiction of monthly transactions of the State and impacted effective budgetary management and diluted accountability of these Bodies.
- During the financial year 2019-20, there were delays in rendition of monthly accounts ranging from 01 to 356 days by Treasuries, 01 to 296 days by Public Works Divisions and 01 to 135 days by Forest Divisions. Delayed rendering of accounts by the account rendering units/ authorities distorted the accurate depiction of monthly transactions of the State and impacted effective budgetary management. Further, non- furnishing of requisite missing details by the treasuries and public works divisions and other account

rendering units delayed clearance of suspense and remittances transactions in the books of accounts.

- Out of total Cess of ₹ 1,243.15 crore collected by the State Government under the Building and Other Construction Workers' Welfare Cess Act 1996 during the period from 2008-09 to 2019-20, an amount of ₹ 1,224.37 crore was transferred to the Other Construction Workers Welfare Board leading to the shortfall in transfer of Cess of ₹ 18.78 crore to the Board.

4.18 Recommendations

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

Chapter 5
Functioning of State Public
Sector Enterprises

Chapter 5 Functioning of State Public Sector Enterprises

SUMMARY OF FINANCIAL PERFORMANCE OF STATE PUBLIC SECTOR ENTERPRISES

5.1 Introduction

This Chapter presents the financial performance of Government Companies and Statutory Corporations. The term State Government Public Sector Enterprises (SPSEs) encompasses the State government owned companies set up under the Companies Act, 2013 and Statutory Corporations set up under the statutes enacted by the Parliament.

A Government Company is defined in Section 2(45) of the Companies Act, 2013 as a company in which not less than fifty-one *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary of a Government Company.

5.2 Mandate

Audit of Government companies is conducted by the CAG under the provisions of Section 143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made thereunder. Under the Companies Act, 2013, the CAG appoints the Chartered Accountants as Statutory Auditors for companies and gives directions on the manner in which the accounts are to be audited. In addition, CAG has right to conduct a supplementary audit. The statutes governing some Statutory Corporations require their accounts to be audited only by CAG.

5.3 Working and Non-working SPSEs

As on 31 March 2020, there were 51 SPSEs under the audit jurisdiction of the CAG. These include 48 Government Companies (32 working and 16 non-working) and three Statutory Corporations (all working) as detailed in *Appendix 5.1*. The summary of the working and non-working SPSEs are given in **Table 5.1**.

Table 5.1: Details of working and non-working SPSEs

Type of SPSEs	Working SPSEs	Non-working SPSEs ¹	Total
Government Companies	32	16	48
Statutory Corporations	03	-	03
Total	35	16	51

Table 5.2 below provides the comparative details of working SPSEs turnover and State GSDP for a period of three years ending 2019-20.

¹ Non-working SPSEs are those which have ceased to carry on their operations.

Table 5.2: Contribution of working SPSEs-turnover to GSDP

Particulars	₹ in crore)		
	2017-18	2018-19	2019-20
SPSEs-Turnover ²	6,637.80	7,785.64	6,858.34
GSDP	2,83,165	3,15,881	3,51,318
Percentage of Turnover to GSDP	2.34	2.46	1.95

Source: As per latest finalised accounts of SPSEs as on 30th September of respective years.

As could be noticed from the **Table** above, the turnover of working SPSEs had registered an overall increase of 3.32 per cent during 2017-20. This increase was, however, not commensurate with the growth rate (24.07 per cent) of the GSDP during the same period leading to reduction in the contribution of SPSE-turnover to GSDP from 2.34 per cent (2017-18) to 1.95 per cent (2019-20).

The major contributors to SPSEs-turnover during 2019-20 were three power sector companies viz., Assam Power Distribution Company Limited (₹ 5,223.97 crore), Assam Power Generation Corporation Limited (₹ 503.98 crore) and Assam Electricity Grid Corporation Limited (₹ 272.60 crore). Further, Assam Gas Company Limited (₹ 274.81 crore) and Assam Mineral Development Corporation Limited (₹ 102.05 crore) also contributed substantially to the SPSEs overall turnover.

5.4 Investment in SPSEs

State Government's investment in SPSEs

The State's investment in the SPSEs was by way of Equity Share Capital and Long-term Loans. The figures in respect of Equity Capital and Loans provided by the State Government as per the records of the SPSEs should agree with the corresponding figures appearing in the Finance Accounts of the State. In case of differences in the figures, the SPSEs concerned and the Finance Department should carry out reconciliation of differences. The position in this regard for last three years is given in **Table 5.3**.

Table 5.3: Equity and Loans outstanding as per the State Finance Accounts vis-à-vis records of SPSEs for last three years

Year	2017-18			2018-19			2019-20		
	Amount as per Finance Accounts	Amount as per records of SPSEs ³	Difference	Amount as per Finance Accounts	Amount as per records of SPSEs ³	Difference	Amount as per Finance Accounts	Amount as per records of SPSEs ³	Difference
Equity	2,313.05	1,404.61	908.44	2,328.82	1,477.05	851.77	2,619.63 ⁴	1780.18	839.45
Loans	4,717.09	3,341.22	1,375.87	5,224.47	3,594.29	1,630.18	5,532.17	2785.33	2,746.84
Total	7,030.14	4,745.83	2,284.31	7,553.29	5,071.34	2,481.95	8,151.80	4,565.51	3,586.29

Source: As per State Finance Accounts and as per information furnished by the SPSEs.

It can be seen from the **Table** above, that, as on 31 March 2020, as per records of SPSEs,

² As per the latest finalised accounts of working SPSEs as on 30th September of respective years

³ Figures of Government investment (Equity and Loans) in respect of SPSEs having arrear of accounts are provisional and as provided by the SPSEs concerned.

⁴ This includes partial Loan (₹ 283.13 crore) of Assam Power Distribution Company Limited converted into Equity by the State Government under Ujwal DISCOM Assurance Yojna (UDAY) vide sanction dated 5 February 2020 but not included in the State Finance Accounts 2019-20 due to late receipt of Government sanction.

the investment (Equity and Loan) given by GoA to the SPSEs decreased from ₹ 4,745.83 crore in 2017-18 to ₹ 4,565.51 crore in 2019-20, a decrease of 3.80 per cent. There were however, differences in the figures of Equity (₹ 839.45 crore) and Loan (₹ 2,746.84 crore) as per two sets of records mainly because the Finance Accounts did not reflect equity details of 12⁵ out of 40 SPSEs⁶, where GoA had infused funds in the form of Equity. Analysis of differences in Loan figures was, however, not possible as the Finance Accounts did not provide the SPSE-wise details of the loans provided by the GoA.

As the unreconciled differences of outstanding investments remained significant, the GoA and the PSUs concerned need to take concrete steps to reconcile the differences in a time-bound manner.

5.5 Budgetary assistance to SPSEs

The State Government provides financial support to SPSEs in various forms through annual budgetary allocations. The summarised details of budgetary support towards Equity, Loans and Grants/subsidies in respect of SPSEs during past three years are given in **Table 5.4**.

Table 5.4: Details regarding annual budgetary support to SPSEs

(₹ in crore)

Particulars	2017-18		2018-19		2019-20	
	No. of SPSEs	Amount	No. of SPSEs	Amount	No. of SPSEs	Amount
Equity capital outgo from budget	2	111.20	4	73.29	2	303.13
Loans given from budget	8	497.74	6	253.07	7	312.86
Grants ⁷ /subsidy from budget	9	2,398.19	12	1,463.50	10	2,203.86
Total Outgo⁸	17	3,007.13	19	1,789.86	14	2,819.85

Source: As per information furnished by SPSEs

As can be noticed from the **Table**, during the three years from 2017-18 to 2019-20, the year-wise budgetary outgo of the State Government to the SPSEs, in the form of equity, loans, grants/subsidies showed a mixed trend. The budgetary outgo was at highest in 2017-18 (₹ 3,007.13 crore) as compared to subsequent two years (₹ 1,789.86 crore in 2018-19 and ₹ 2,819.85 crore in 2019-20). The major recipients of budgetary assistance during last three years were three power sector companies, which received budgetary allocation of ₹ 2,701.27 crore (2017-18), ₹ 1,410.57 crore (2018-19) and ₹ 2,530.90 crore (2019-20) in the form of equity, loans and grants. Analysis of the operational results of power sector SPSEs revealed gradual deterioration in their performance during last three years. During first two years (2017-18 and 2018-19), three power SPSEs earned overall profits of ₹ 343.82 crore and ₹ 332.86 crore respectively, which turned into overall losses of ₹ 156.31 crore⁹ during 2019-20 as per their latest finalised accounts. The State Government

⁵ SPSEs at Serial No. A1, A2, A3, B3, B6, B9, B17, B18, B21, D2, D3 and D5 of **Appendix 5.1**.

⁶ Excluding 11 SPSEs (Serial no. B22, B23, B28, B29, D7, D9, D11, D12, D13, D15 and D16 of **Appendix 5.1**), which had no direct equity investment by the State Government.

⁷ Includes Capital and Revenue grants.

⁸ Actual number of PSUs which received equity, loans, grants/subsidies from GoA

⁹ Assam Power Distribution Company Limited (year of accounts: 2018-19; profit: (+) ₹ 21.01 crore); Assam Power Generation Company Limited (year of accounts: 2019-20; profit: (+) ₹ 4.28 crore) and Assam Electricity Grid Corporation Limited (year of accounts: 2019-20; loss: (-) ₹ 181.60 crore)

needs to pull up the overall performance of three power sector SPSEs considering significant budgetary support provided by them to these SPSEs during the period 2017-20.

5.6 Returns from Government Companies and Corporations

Profit earned and Dividend paid by working SPSEs

The position of aggregate profit earned and dividend paid by profit earning working SPSEs during the past three years as per their latest finalised accounts as on 30 September of respective year is given in **Table 5.5**.

Table 5.5: Details of profits earned and dividend paid by working SPSEs

Year	2017-18	2018-19	2019-20
Number of profit earning working SPSEs	19	19	16
Aggregate profit earned (₹ in crore)	505.35	298.11	187.15
Dividend declared/paid (₹ in crore)	3.87	3.87	5.56

As can be noticed from **Table** above, during last three years, 16 to 19 working SPSEs earned profits ranging from ₹ 187.15 crore (2019-20) to ₹ 505.35 crore (2017-18). However, only two SPSEs¹⁰ had declared/paid dividend during all the past three years. During the same periods one SPSE, namely DNP Limited which had no direct equity investment of the State Government, had also declared and paid dividend amounting to ₹ 19.56 crore (2017-18), ₹ 23.08 crore (2018-19) and ₹ 15.72 crore (2019-20) to its holding company (Assam Gas Company Limited).

Analysis of the working results of the SPSEs further revealed that more than 63 per cent (₹ 117.97 crore) of the profits (₹ 187.15 crore) earned by 16 working SPSEs during 2019-20 was contributed by two SPSEs, namely, Assam Gas Company Limited (₹ 82.55 crore) and DNP Limited (₹ 35.42 crore) as per their latest finalised accounts (2019-20) as on 30 September 2020. This indicated that the other SPSEs had made a meagre contribution towards the profits of the public sector enterprises.

5.7 Long Term Debts of working SPSEs

The position of outstanding Long Term Debts of working SPSEs during the last three years as per their latest finalised accounts is given in **Table 5.6**.

Table 5.6: Position of Outstanding Long Term Loans of the SPSEs

Particulars	(₹ in crore)		
	2017-18	2018-19	2019-20
Government Companies	3,926.79	4,380.69	4,798.06
Statutory Corporations	44.25	54.25	54.25
Total	3,971.04	4,434.94	4,852.31

It can be noticed from the **Table** above that during 2019-20, the total long-term loans of working SPSEs (Companies and Corporations) registered an increase of ₹ 417.37 crore as compared to previous year (2018-19) from ₹ 4,434.94 crore (2018-19) to ₹ 4,852.31 crore (2019-20). This was mainly due to increase of ₹ 355.84 crore in loans of Assam

¹⁰ Assam Gas Company Limited and Assam Mineral Development Corporation Limited.

Petrochemicals Limited during 2019-20 from ₹ 52.56 crore (2018-19) to ₹ 408.40 crore (2019-20). Further, the major portion (83.29 per cent) of SPSEs Loans (₹ 4,852.31 crore) for 2019-20 pertained to three power sector companies, which had total outstanding loans of ₹ 4,041.90 crore as on 31 March 2020.

5.8 Adequacy of assets to meet Long Term Debts of working SPSEs

Ratio of total debt to total assets is one of the methods used to determine whether a company can stay solvent. To be considered solvent, the value of an entity's assets must be greater than the sum of its loans/debts. The coverage of long-term debts by value of total assets in 19 working SPSEs which had outstanding loans as per their latest finalised accounts as on 30 September 2020 is given in **Table 5.7**.

Table 5.7: Coverage of long term loans with total assets

Nature of SPSEs	Positive coverage				Negative coverage			
	No. of SPSEs	Long term loans	Assets	Percentage of assets to loan	No. of SPSEs	Long term loans	Assets	Percentage of assets to loans
		(₹ in crore)				(₹ in crore)		
Statutory Corporations	02	54.25	175.07	322.71	Nil	Nil	Nil	Nil
Government Companies	15	4,778.44	23,595.23	493.79	2	19.62	10.94	55.76
Total	17	4,832.69	23,770.30	491.86	2	19.62	10.94	55.76

Source: As per latest finalised accounts as on 30 September 2020

It could be seen from **Table** that out of the 19 working SPSEs, in respect of two SPSEs (viz. Assam Hills Small Industries Development Corporation Limited and Assam State Fertilizers and Chemicals Limited) the value of total assets was lower than the loans outstanding as per their latest finalised accounts as on 30 September, 2020.

5.9 Operating Efficiency of SPSEs

Key parameters

Some of the key parameters of the operational efficiency of working SPSEs for last three years as per their latest finalised accounts as on 30 September of the respective year are given in **Table 5.8** below:

Table 5.8: Key parameters of operational efficiency of working SPSEs

Year	No. of working SPSEs	(₹ in crore)				
		Paid up capital	Net overall Accumulated profits (+)/ losses(-)	Net overall profits (+)/ losses(-)	EBIT	Capital Employed ¹¹
2017-18	33	1,364.23	(-) 5,256.15	372.78	756.40	997.00
2018-19	34	1,808.69	(-) 4,926.56	171.32	498.98	2,269.13
2019-20	35	1,982.27	(-) 5,113.57	(-) 125.01	182.66	2,790.21

11 **Capital Employed**= Paid up share capital plus Free reserves and Surplus *plus* Long term loans *minus* Accumulated losses *minus* Deferred revenue expenditure.

From the *Table* above, it can be seen that over the last three years, the net overall profits of ₹ 372.78 crore (2017-18) have turned into losses of ₹ 125.01 crore (2019-20) indicating dismal performance of SPSEs. This has correspondingly caused reduction (₹ 573.74 crore) in the 'Earnings before Interest and Tax' (EBIT) of SPSEs from ₹ 756.40 crore (2017-18) to ₹ 182.66 crore (2019-20). The Capital Employed of SPSEs during 2017-20, however, has appreciated (₹ 1,793.21 crore) mainly due to increase (₹ 881.27 crore) in the long-term borrowings of the SPSEs from ₹ 3,971.04 crore (2017-18) to ₹ 4,852.31 crore (2019-20). The increase in long-term borrowings of SPSEs was mainly due to increase of ₹ 404.10 crore in the loans of Assam Petrochemicals Limited (₹ 355.84 crore) and three power sector SPSEs (₹ 48.26 crore) during the period 2018-20.

Further, the net overall accumulated losses of working SPSEs during last three years have recorded marginal reduction of ₹ 142.58 crore (2.71 per cent) from ₹ 5,256.15 crore (2017-18) to ₹ 5,113.57 crore (2019-20). The major contributors to the accumulated losses of SPSEs during 2019-20 were Assam Power Distribution Company limited (₹ 2,956.01 crore), Assam State Transport Corporation (₹ 948.04 crore), Assam Electricity Grid Corporation Limited (₹ 395.98 crore) and Assam Tea Corporation Limited (₹ 323.75 crore).

Performance of power sector SPSEs

High Transmission & Distribution Losses

Analysis of the operational performance of power sector SPSEs further revealed that Assam Power Distribution Company Limited (APDCL), which was a major contributor to the accumulated losses of SPSEs could not achieve the targeted Transmission & Distribution (T&D) losses during last three years.

As against the T&D loss targets of 17.10 per cent (2017-18), 16.85 per cent (2018-19) and 16.00 per cent (2019-20) fixed for last three years, the actual T&D losses of the Company were to the tune of 17.64 per cent (2017-18), 19.70 per cent (2018-19) and 19.06 per cent (2019-20) respectively. The increase in the T&D losses after 2017-18 was primarily attributable to enhancement of Low Tension (LT) networks under DDUGJY (a Government of India Scheme) without adequate High Tension (HT) infrastructure as well as implementation of massive household electrification carried out under GoI's flagship programme SAUBHAGYA. High T&D loss of APDCL was a major factor contributing towards its high losses. APDCL, by incurring excess T&D loss of 2.85 per cent of its power purchased during 2019-20 as per its latest finalised accounts (2018-19), lost the opportunity to reduce the accumulated losses to the extent of ₹ 145.31¹² crore.

Low Plant Load Factor

The plant load factor (PLF) is a measure of average capacity utilisation of a power generating unit and is expressed in terms of percentage of actual generation to the installed capacity. Hence, the PLF of a generating company is positively correlated with the generating

¹² Total power purchased (9730.24 million units) x 2.85 per cent x Average cost of power purchase per unit (₹ 5.24 per unit).

efficiency of a power generation utility.

Assam Power Generation Corporation Limited (APGCL), the State owned power generation utility in Assam had total five Generating Stations¹³ with total installed capacity of 345.20 MW. Analysis of the PLF of the generating stations of APGCL for last three years revealed that there was an overall reduction in the PLF of four out of five generating stations (except Lakwa Replacement Power Project) during 2017-20 ranging between 4.56 per cent (Namrup Thermal Power Station) and 14.10 per cent (Lakwa Thermal Power Station), which was significant. PLF of the fifth power plant (Lakwa Replacement Power Project), which was commissioned in 2018-19, however, increased by 6.86 per cent during the 2018-20. Though APGCL has earned nominal profit of ₹ 4.28 crore during 2019-20, it had significant accumulated losses of ₹ 107.59 crore as per its latest finalised accounts for the year ended 31 March 2020.

The Company accordingly needs to appropriately address the issue of low PLF of its generating stations to improve its operational performance and financial position in coming years.

5.10 Return on Capital Employed

Return on Capital Employed (RoCE) is a profitability metric that measures the long-term profitability and efficiency of the total capital employed by a company. Companies create value when they generate returns on the capital employed in excess of the cost of capital.

RoCE is an important metric for long term lenders. RoCE is calculated by dividing a company's Earnings before Interest and Taxes (EBIT) by the Capital Employed.

During 2019-20, out of 35 working SPSEs, 24¹⁴ SPSEs had positive capital employed while remaining 11 SPSEs had negative capital employed as detailed in **Appendix 5.1**. Similarly, during 2017-18 and 2018-19, out of total 33 and 34 working SPSEs, 23 and 24 SPSEs had the positive capital employed respectively and remaining 10 SPSEs had negative capital employed. The RoCE is not workable in respect of SPSEs having negative capital employed.

The details of RoCE in respect the working SPSEs having positive capital employed during last three years (2017-18 to 2019-20) have been given in **Table 5.9** below:

Table 5.9: Return on Capital Employed

Year	Total number of working SPSEs	SPSEs having positive Capital Employed			
		Number	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (per cent)
2017-18	33	23	740.61	2,791.52	26.53
2018-19	34	24	432.30	3,648.34	11.85
2019-20	35	24	107.70	4,180.30	2.58

Source: As per latest finalised accounts as on 30 September 2020

¹³ Karbi-Langpi Hydro Electric Project (capacity: 100 MW); Myntriang Small Hydro Electric Project (capacity: 13.50 MW); Namrup Thermal Power Station (capacity: 64.50 MW); Lakwa Thermal Power Station (capacity: 97.50 MW) and Lakwa Replacement Power Project (capacity: 70 MW).

¹⁴ SPSEs at Serial No. A1, A2, B2, B3, B5, B6, B9, B11, B12, B13, B15, B16, B17, B18, B19, B21, B23, B24, B26, B27, B28, B29, C1 and C3 of **Appendix 5.1**.

It can be noticed from the *Table* above that during last three years, the SPSEs with positive capital employed had registered significant increase of ₹ 1,388.78 crore (49.75 per cent) in aggregate capital employed from ₹ 2,791.52 crore (2017-18) to ₹ 4,180.30 crore (2019-20). On the contrary, however, the EBIT of these SPSEs had reduced by ₹ 632.91 crore (85.46 per cent) from ₹ 740.61 crore (2017-18) to ₹ 107.70 crore (2019-20). As a result, the RoCE of the working SPSEs having positive capital employed had reduced significantly from 26.53 per cent (2017-18) to 2.58 per cent (2019-20) during last three years.

5.11 Return on Equity (ROE)

Return on equity¹⁵ (ROE) is a measure of financial performance of companies calculated by dividing the 'net income earned' by the Equity. During 2019-20, 16 working SPSEs earned profits of ₹ 187.15 crore as per their latest finalised accounts as on 30 September 2020, as compared to the profits of ₹ 298.11 crore earned by 19 working SPSEs during 2018-19. Further, out of 16 SPSEs which earned profit during 2019-20, only 14 SPSEs had positive equity or shareholders' fund. The ROE of these 14 SPSEs was 10.19 per cent in 2019-20 as compared to 6.75 per cent in respect of 16 SPSEs (having positive equity or shareholders' fund) in 2018-19. In case of the remaining two¹⁶ SPSEs which earned profit during 2019-20, the accumulated losses (₹ 2,962.37 crore) had completely eroded their paid-up capital (₹ 167.33 crore) as per their latest finalised accounts.

5.12 SPSEs incurring Losses

The position of aggregate losses incurred by loss making working SPSEs during the past three years as per their latest finalised accounts is given in **Table 5.10**.

Table 5.10: Details of loss making working SPSEs

Year	2017-18	2018-19	2019-20
Total No. of working SPSEs	33	34	35
Number of loss making working SPSEs	14	15	19
Aggregate losses (₹ in crore)	(-) 132.57	(-) 126.79	(-) 312.16

The details of major contributors to losses of working SPSEs (₹ 312.16 crore) incurred during 2019-20 are given in **Table 5.11** below:

Table 5.11: Major contributors to losses of working SPSEs during 2019-20

Sl. No.	Name of the Company	Latest finalised accounts	Net Loss
1	Assam Electricity Grid Corporation Limited	2019-20	181.60
2.	Assam State Transport Corporation	2016-17	77.87
3.	Assam Tea Corporation Limited	2013-14	17.98
	Total		277.45

From the *Tables* above, it can be seen that the number of loss making SPSEs had

¹⁵ **Return on Equity** = (Net profit after tax and preference dividend ÷ Equity) x 100; where, **Equity**=paid up capital plus free reserves and accumulated profits minus accumulated losses and deferred revenue expenditure.

¹⁶ Assam Power Distribution Company Limited and Assam State Fertilizers and Chemicals Limited.

increased to 19 with aggregate loss of ₹ 312.16 crore and more than 88 per cent of the losses incurred by working SPSEs during 2019-20 were contributed by the above mentioned three SPSEs.

SPSEs having complete erosion of capital

The aggregate paid-up capital and overall accumulated losses (net after adjusting free reserves & surplus) of 35 working SPSEs as per their latest finalised accounts as on 30 September 2020 were ₹ 1,982.27 crore and (-) ₹ 4,044.37 crore respectively. Analysis of investment and net accumulated losses of these SPSEs revealed that the accumulated losses (net after adjusting free reserves & surplus) of 15 working SPSEs (₹ 4,842.89 crore) had completely eroded their paid-up capital (₹ 498.24 crore) as detailed in **Table 5.12**.

Table 5.12: Erosion of Capital of SPSEs

(₹ in crore)			
Name of SPSE	Latest finalised accounts	Paid up capital	Accumulated losses (net after adjusting free reserves)
Assam Seeds Corporation Limited	2013-14	1.46	(-)13.17
Assam Tea Corporation Limited	2013-14	27.54	(-)323.75
Assam Plantation Crops Development Corporation Limited	2013-14	5.00	(-)13.71
Assam Plains Tribes Development Corporation Limited	2018-19	2.95	(-)41.71
Assam State Development Corporation for Other Backward Classes Limited	2015-16	3.40	(-)15.79
Assam State Development Corporation for Scheduled Castes Limited	2009-10	9.85	(-)23.74
Assam Hills Small Industries Development Corporation Limited	1998-99	2.00	(-)8.57
Assam Small Industries Development Corporation Limited	2014-15	6.67	(-)17.63
Ashok Paper Mill (Assam) Limited	2015-16	0.01	(-)83.10
Amtron Informatics (India) Limited	2015-16	0.01	(-)4.13
Assam State Fertilizers and Chemicals Limited	2009-10	4.56	(-)6.36
Assam Government Marketing Corporation Limited	2014-15	4.36	(-)9.74
Assam State Transport Corporation	2016-17	167.73	(-)948.04
Assam Electricity Grid Corporation Limited	2019-20	99.93	(-)395.98
Assam Power Distribution Company Limited	2018-19	162.77	(-)2,937.47
Total		498.24	(-) 4,842.89

Complete erosion of equity capital by the accumulated losses (net after free reserves) represents negative net worth¹⁷ of these SPSEs. Analysis of the financial performance of these SPSEs further revealed that the net worth of 13 out of 15 SPSEs mentioned above continued to be negative for more than 10 years while, the net worth of remaining two SPSEs (Assam Power Distribution Company Limited and Assam Electricity Grid Corporation Limited) was negative for less than 10 years. This gradual process of incurring losses by these SPSEs over the years is a drain on the State's economy and resources.

Accumulation of huge losses by these SPSEs had eroded public wealth, which is a cause of

¹⁷ Net worth means the sum total of the 'equity paid-up capital' and 'free reserves and surplus' minus 'accumulated losses' and 'deferred revenue expenditure'.

concern and the State Government needs to review the working of these SPSEs to either improve their profitability or close their operations.

5.13 Audit of State Public Sector Enterprises (SPSEs)

The Comptroller & Auditor General of India (CAG) appoints the statutory auditors of a Government Company and Government Controlled Other Company under Section 139(5) and (7) of the Companies Act, 2013. CAG has a right to conduct a supplementary audit and supplement or comment upon the Audit Report of the statutory auditor. Statutes governing some corporations require that their accounts be audited by the CAG and a report be submitted to the State Legislature.

5.14 Appointment of statutory auditors of SPSEs by CAG

Sections 139(5) of the Companies Act, 2013 provides that the statutory auditors in case of a Government Company or Government Controlled Other Company are to be appointed by the CAG within a period of 180 days from the commencement of the financial year. The statutory auditors of 48 SPSEs¹⁸ out of total 51 SPSEs in Assam are appointed by the CAG.

5.15 Submission of accounts by SPSEs

Need for timely submission

According to Section 394 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation laid before both the Houses of Parliament together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. In the case of State owned Government companies, the State Government shall cause a copy of the Annual Report together with a copy of the Audit Report and the comments made thereon by the CAG to be laid before both the Houses of the State Legislature. Almost similar provisions exist in the respective Acts regulating statutory corporations.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year have to be placed in the said AGM for their consideration.

Section 129(7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

Despite above, annual accounts of various SPSEs were pending as on 30 September 2020, as discussed below.

¹⁸ Excluding **Assam State Transport Corporation** where CAG is the sole auditor and other two corporations, namely **Assam Financial Corporation** (AFC) and **Assam Warehousing Corporation** (AWC). The auditors of AFC are appointed by the Corporation out of the panel of auditors provided by Reserve Bank of India while the auditors of AWC are appointed by the State Government on the advice of CAG.

5.16 Timeliness in preparation of accounts by SPSEs

As on 31 March 2020, there were 51 SPSEs under the audit jurisdiction of the Principal Accountant General (Audit), Assam. These include 48 Government Companies, three Statutory Corporations. Details of submission of accounts by SPSEs and age-wise analysis of arrears of accounts by SPSEs are given in **Table 5.13** and **Table 5.14** below:

Table 5.13: Details of submission of accounts by SPSEs

Particulars	SPSEs
Total number of SPSEs under the purview of CAG's audit	51
Number of SPSEs having no arrear of accounts	07*
Number of SPSEs which submitted their accounts for CAG's audit during October 2019 to September 2020	20

*Including one non-working SPSE

Table 5.14: Age-wise analysis of arrears of accounts of SPSEs

Particulars		No. of Accounts in arrears	No. of SPSEs
Break-up of accounts in arrears	Working SPSEs		
	Companies	185	26
	Statutory Corporations	07	03
	Non-working SPSEs		
	All companies	198	15
	Total	390	44
Age-wise Analysis of the arrears (No. of accounts)	No arrears	-	07
	One year (2019-20)	08	08
	Two to five years (2014-15 and 2018-19)	50	15
	More than five years	332	21

Source: Compiled based on accounts of SPSEs received during October 2019 to September 2020

As can be noticed from the **Table** above, 21 SPSEs (11 working and 10 non-working) had total 332 accounts pending finalisation for more than five years. The highest number of accounts pending finalisation amongst working and non-working SPSEs pertained to Assam Plantation Crop Development Corporation Limited (27 Accounts) and Assam Tanneries Limited (37 Accounts) respectively. Delay in finalization of accounts may entail the risk of fraud/misappropriation and leakages of public money apart from violation of the provisions of the relevant Statutes. Further, in absence of up-to-date accounts of SPSEs, the actual status regarding utilisation and current worth of the public money invested in these SPSEs could not be ascertained and reported to the Legislature and other Stakeholders including the State Government.

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

5.17 CAG's oversight - Audit of accounts and supplementary audit

Financial reporting framework

Companies are required to prepare the financial statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory

Committee on Accounting Standards. The statutory corporations are required to prepare their accounts in the format prescribed under the rules, framed in consultation with the CAG and any other specific provision relating to accounts in the Act governing such corporations.

5.18 Audit of accounts of Government Companies by Statutory Auditors

The statutory auditors appointed by the CAG under Section 139 of the Companies Act 2013, conduct audit of accounts of the Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG plays an oversight role by monitoring the performance of the statutory auditors in audit of the public sector enterprises with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively.

This function is discharged by exercising the power:

- to issue directions to the statutory auditors under Section 143(5) of the Companies Act, 2013 and
- to supplement or comment upon the statutory auditor's report under Section 143(6) of the Companies Act, 2013.

5.19 Supplementary Audit of accounts of Government Companies

The prime responsibility for preparation of financial statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the Management of an entity.

The statutory auditors appointed by the CAG under section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the financial statements under section 143 of the Companies Act, 2013 based on independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India (ICAI) and directions given by the CAG. The statutory auditors are required to submit the Audit Report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected Government Companies along with the report of the statutory auditors are reviewed by CAG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the Annual General Meeting.

5.20 Result of CAG's oversight role

Audit of accounts of SPSEs

During October 2019 to September 2020, 20 SPSEs forwarded their 27 accounts to the Principal Accountant General (Audit), Assam. Of these, 21¹⁹ accounts (seven accounts for the year 2019-20 and 14 accounts for previous years) of 15 SPSEs were selected for supplementary audit. For the remaining six accounts of six SPSEs²⁰, non-review certificates (NRCs) were issued. In addition to above, two Consolidated Financial Statements (CFS) forwarded by two SPSEs were also selected for supplementary audit.

¹⁹ One Statutory corporation: 03 accounts and 14 Government companies: 18 accounts.

²⁰ Out of six SPSEs one SPSE had forwarded two accounts (2015-16 and 2016-17) for which NRC was issued for the year 2015-16 and supplementary audit was conducted for the year 2016-17.

Significant Comments of the CAG issued as supplement to the statutory auditors' reports on Government Companies and as a sole auditor of statutory corporations

Some of the significant comments issued on financial statements of the Government Companies are detailed below:

Government Companies

Comments on Profitability

Sl. No.	Name of the Company	Comment
1	Assam Plains Tribes Development Corporation Limited (2018-19)	As against demand notice received (March 2019) for ₹ 17.84 crore towards interest payable against Loans, the Company accounted for interest liability to the extent of ₹ 1.78 crore only (current year: ₹ 0.59 crore; prior periods: ₹ 1.19 crore). This resulted in understatement of 'Finance Cost' and 'prior period expenses' by ₹ 1.02 crore and ₹ 15.04 crore respectively with corresponding understatement of 'Short term provisions' and 'loss for the year' by ₹ 16.06 crore each.
2	Assam Power Distribution Company Limited (2019-20)	The Company has not accounted the power purchase bills (₹ 25.99 crore) for 2019-20 raised (May-November 2020) by NTPC before approval (27 November 2020) of Accounts. This resulted in overstatement of 'Profit for the year' and understatement of 'Current Liabilities' to that extent.
3	Assam Power Generation Corporation Limited (2019-20)	The Company has not accounted ₹ 2.15 crore being the fixed O&M support expenses payable in respect of Lakwa Thermal Power Station for the period November 2019 to March 2020. This has resulted in understatement of "Other Current Liabilities" and overstatement of "Profit for the year" by ₹ 2.15 crore each.

Comments on Financial Position

Sl. No.	Name of the Company	Comment
1	Assam Industrial Development Corporation (2018-19)	Short recovery of 'Forest Royalty' amounting to ₹ 19.67 lakh from contractors as per enhanced rates resulted in understatement of 'Other Current Liabilities (payable to Forest Department)' and 'Other Current Assets' by ₹ 19.67 lakh each.
2	Assam Power Generation Corporation Limited (2019-20)	As per Tariff order for the financial year 2019-20, Namrup Thermal Power Station (NTPS) of the Company was to achieve the minimum availability index of 50 <i>per cent</i> for recovering full fixed cost. In the event of non-achievement of the prescribed minimum availability index, the proportionate

		<p>annual fixed charges was not allowable by AERC during truing up of tariff for 2019-20.</p> <p>AERC had provisionally allowed annual fixed cost of ₹ 22.50 crore for NTPS for the financial year 2019-20 subject to achievement of minimum availability index. Though the Company could achieve availability index of 32.44 <i>per cent</i> for NTPS during 2019-20, it did not provide for the proportionate annual fixed cost to be refunded to APDCL due to under-achievement of availability index.</p> <p>This has resulted in understatement of 'Provision for Regularity liability' by ₹ 7.90 crore with corresponding overstatement of 'Profit for the year' to the same extent.</p>
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Comments on Disclosure

Sl. No.	Name of the Company	Comment
1	Assam Power Generation Corporation Limited (2019-20)	The Company booked ₹ 13.94 crore under 'Fuel related receivables & claims (OIL)-other current assets' (Note-7) against excess gas volume billed by M/s Oil India Limited (OIL) for the period April 2019 to September 2019 based on a debit note issued (March 2020) on OIL. The claim of the Company has not been confirmed/accepted by OIL, while submitting 'station-wise' outstanding balances (as on 31 March 2020) to the Company, which was also accepted by the latter without any protest. The fact that the debit note has not been accepted merits for appropriate disclosure under 'Notes on Accounts'.

Statutory Corporations

Comments on Financial Position

Sl. No.	Name of the Corporation	Comment
1	Assam State Warehousing Corporation	Profit and Loss Account (Accumulated Loss) head is understated by ₹ 8.96 crore due to short provisioning towards liabilities for the premium required to be paid to the Life Insurance Corporation of India (LICI) to maintain the Group Gratuity Scheme fund for payment of gratuity to the retiring employees of the Corporation. This has correspondingly resulted in understatement of other Liabilities to the same extent.

5.21 Management Letters

One of the objectives of financial audit is to establish communication on audit matters arising from the audit of financial statements between the auditor and those charged with the responsibility of governance of the corporate entity.

The material observations on the financial statements of SPSEs were reported as comments by the CAG under Section 143 (5) of the Companies Act, 2013. Besides these comments, irregularities or deficiencies observed by CAG in the financial reports or in the reporting process were also communicated to the management through 'Management Letter' for taking corrective action. These deficiencies generally related to:

- application and interpretation of accounting policies and practices,
- adjustments arising out of audit observations that could have a significant effect on the financial statements and
- Inadequate or non-disclosure of certain information on which management of the concerned PSE gave assurances that corrective action would be taken in the subsequent year.

As per latest finalised accounts as on 30 September of respective years, 'Management Letters' were issued to six SPSEs as shown in **Table 5.15**.

Table 5.15: List of the SPSEs where Management Letters were issued

Sl. No.	Name of the SPSEs	Year of accounts
1	Assam Power Generation Corporation Limited	2019-20
2	Assam Petrochemicals Limited	2019-20
3	Assam Government Marketing Corporation Limited	2014-15
4	Assam Gas Company Limited	2019-20
5	DNP Limited	2019-20
6	Assam Government Construction Corporation Limited	2019-20

5.22 Conclusion

- As on 31 March 2020, the State had 51 SPSEs, which included 48 Government companies (32 working and 16 non-working) and three Statutory Corporations (all working). There was a difference of ₹ 3,586.29 crore in the investment figures of the State Government (Equity: ₹ 839.45 crore; Long-term Loans: ₹ 2,746.84 crore) as per State Finance Accounts *vis-à-vis* records of SPSEs due to non-reconciliation. Further, the State Finance Accounts did not have any mention of the equity contribution made by GoA in 12 out of 40 SPSEs.
- During 2019-20 the State Government has provided budgetary support of ₹ 2,819.85 crore to SPSEs in the form of Equity (₹ 303.13 crore), Loans (₹ 312.86 crore) and grants/subsidy (₹ 2,203.86 crore). The major recipients of budgetary assistance were three power sector companies, which received budgetary allocation of ₹ 2,530.90 crore (89.75 per cent) in the form of equity, loans and grants. Despite the support provided to three power sector companies, there was constant deterioration in their performance as evident from the fact that the overall profits of ₹ 343.82 crore earned by three SPSEs during 2017-18 turned into overall losses of ₹ 156.31 crore during 2019-20 as per their latest finalised accounts.

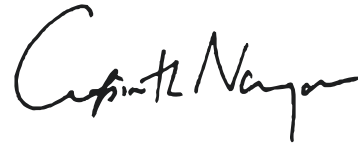
- During 2019-20, out of 35 working SPSEs, 16 working SPSEs earned profits (₹ 187.15 crore) as per their latest finalised accounts as compared to 19 SPSEs in 2018-19. However, more than 63 *per cent* (₹ 117.97 crore) of the profits (₹ 187.15 crore) earned by 16 working SPSEs was contributed by only two SPSEs, namely, Assam Gas Company Limited (₹ 82.55 crore) and DNP Limited (₹ 35.42 crore). The net overall accumulated losses of working SPSEs during 2019-20 have recorded ₹ 5,113.57 crore (2019-20). The major contributors to the accumulated losses of SPSEs during 2019-20 were Assam Power Distribution Company limited (₹ 2,956.01 crore), Assam State Transport Corporation (₹ 948.04 crore), Assam Electricity Grid Corporation Limited (₹ 395.98 crore) and Assam Tea Corporation Limited (₹ 323.75 crore).
- Further, the accumulated losses (₹ 4,842.89 crore) of 15 out of 35 working SPSEs as per details given in Table 5.12 (paragraph 5.12), had completely eroded their paid-up capital (₹ 498.24 crore) as per their latest finalised accounts. Complete erosion of equity capital by the accumulated losses (net after free reserves) represents negative net worth of these SPSEs. The net worth of 13 out of above 15 SPSEs continued to be negative for more than 10 years while, the net worth of remaining two SPSEs (Assam Power Distribution Company Limited and Assam Electricity Grid Corporation Limited) was negative for less than 10 years. The losses incurred by these SPSEs over the years is a drain on the State's economy and resources.
- Delays in finalization of accounts may entail risk of frauds and leakage of public money, besides violation of statutory provisions.
- As on 30 September 2020, 44 SPSEs out of 51 SPSEs had a total arrear of 390 Accounts. The Accounts of 21 SPSEs (11 working and 10 non-working) had total 332 Accounts pending finalisation for more than five years. The highest number of accounts pending finalisation amongst working and non-working SPSEs pertained to Assam Plantation Crop Development Corporation Limited (27 Accounts) and Assam Tanneries Limited (37 Accounts) respectively.

5.23 Recommendations

- i) The State Government and the SPSEs concerned should take concrete steps to reconcile the differences in the investment figures (Equity and Long term Loans) of the State Government as appearing in the State Finance Accounts vis-à-vis SPSE records in a time-bound manner. To reconcile the Equity differences, the State Government should obtain the Share Certificates from the SPSEs concerned issued in favour of the State Government and reconcile the differences with the Finance Accounts. Regarding Loan figures, the State Government needs to compile/include SPSE-wise Loan figures in the Finance Accounts and reconcile the differences by obtaining the Balance Confirmation Certificates from the SPSEs concerned.
- ii) Accumulation of huge losses by 15 out of 35 working SPSEs had eroded public wealth, which is a cause of concern. To address the issue, State Government needs to identify the focus areas of operations of each SPSE and devise an effective long-term plan for improvement in their operational results. State Government needs to periodically

review the working of these SPSEs to either improve their profitability or close their operations.

- iii) The Administrative Departments concerned have the responsibility to oversee the activities of the SPSEs having backlog of Accounts and ensure that these SPSEs have adequate and trained Accounts personnel for preparation of accounts. The Administrative Departments should also consider applying the appropriate accounting software by the SPSEs functioning under them which would help the SPSEs in preparation of accounts in a timely manner. They should review giving of any further financial assistance to persistent defaulters in finalisation of Accounts.



Guwahati
The 17 November 2021

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

Countersigned



New Delhi
The 23 November 2021

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

Appendices

Appendices

Appendix 1.1: State Profile (Reference: Paragraph 1.1)

A. General Data							
Sl. No.	Particulars	Unit		Assam (2011 Census)			
1.	Area	In sq. kms		78,438			
2.	Population	In Crore		3.12			
3.	Density of Population (All India Average:382)	Per sq km		398			
4.	Literacy (All India Average:73.0)	Per cent		72.2			
5.	Gross State Domestic Product (GSDP) 2019-20# at current prices	In crore		3,51,318 (Q.E)			
6.	Per capita GSDP of the State, 2019-20	In ₹		1,00,909			
7.	Population Below Poverty Line (BPL) 2011-12 (All India Average = 21.90 per cent)	Per cent		31.9			
8.	Infant mortality (All India Average = 33 per 1000 live births) (2017)	Per 1000 live births		41			
9.	Life Expectancy at birth (in 2013-17) (All India Average: 69.0)	In years		66.2			
B. Financial Data							
	Particulars	Compound Annual Growth Rate (%)					
		CAGR (2010-11 to 2018-19)		CAGR (2014-15 to 2018-19)		Growth 2018-19 to 2019-20	
		SCS*	Assam	SCS*	Assam	SCS*	Assam
a.	Revenue Receipts	12.26	13.53	12.85	13.55	-9.88	1.60
b.	Tax Revenue	13.29	13.14	11.80	13.94	-8.10	3.79
c.	Non-tax Revenue	13.92	16.80	22.55	35.86	-19.72	-32.62
d.	Total Expenditure	12.56	13.36	12.45	11.85	-6.05	16.20
e.	Capital Expenditure	11.41	23.79	14.74	29.59	-15.60	19.50
f.	Revenue Expenditure on Education	12.75	11.72	12.41	8.74	-8.16	1.31
g.	Revenue Expenditure on Health	15.50	14.10	17.07	22.17	-4.96	13.99
h.	Revenue Expenditure on Salary and Wages	12.05	12.23	12.45	10.54	-7.07	3.08
i.	Revenue Expenditure on Pension	16.56	16.53	16.52	11.56	3.05	18.45

Sources: Census data, Economic Survey (2019-20), SRS bulletin (May 2020) and Directorate of Economics and Statistics, Assam

*SCS: 11 Special Category States.

Report of the Technical Group on Population Projections constituted by the National Commission on Population, Ministry of Statistics and Programme Implementation, Government of India.

#Directorate of Economic and Statistics, Government of Assam.(A): Advance Estimate

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

(₹ in crore)

Indicators	2015-16	2016-17	2017-18	2018-19	2019-20
Part A: Receipts					
1. Revenue Receipts	42457.70 (87.60)	49219.81 (92.62)	54130.94 (86.50)	63479.16 (84.37)	64,495.08 (80.73)
<i>(i) Own Tax Revenue</i>	<i>10106.50</i> <i>(23.80)</i>	<i>12079.56</i> <i>(24.54)</i>	<i>13215.52</i> <i>(24.41)</i>	<i>15924.85</i> <i>(25.09)</i>	<i>16,528.69</i> <i>(25.63)</i>
<i>State Goods and Services Tax (SGST)</i>	0 (0.00)	0 (0.00)	4077.67 (30.86)	8393.04 (52.70)	8,755.30 (52.97)
<i>Taxes on Agricultural Income</i>	32.01 (0.32)	23.23 (0.19)	13.52 (0.10)	7.85 (0.05)	6.87 (0.04)
<i>Taxes on Sales, Trade etc.</i>	7493.72 (74.15)	8751.63 (72.45)	6373.00 (48.22)	4698.74 (29.51)	4,480.96 (27.11)
<i>Taxes and duties on Electricity</i>	48.64 (0.48)	49.44 (0.41)	60.19 (0.46)	72.75 (0.46)	194.57 (1.18)
<i>State Excise</i>	807.96 (7.99)	963.81 (7.98)	1095.16 (8.29)	1399.84 (8.79)	1,650.03 (9.98)
<i>Taxes on Vehicles</i>	442.73 (4.38)	521.59 (4.32)	646.96 (4.90)	765.01 (4.80)	815.82 (4.94)
<i>Stamps and Registration fees</i>	224.83 (2.22)	226.78 (1.88)	239.17 (1.81)	240.72 (1.51)	292.65 (1.77)
<i>Land Revenue</i>	229.46 (2.27)	210.02 (1.74)	219.39 (1.66)	163.22 (1.02)	94.16 (0.57)
<i>Other Taxes</i>	827.15 (8.18)	1333.06 (11.04)	490.46 (3.71)	183.68 (1.15)	238.33 (1.44)
<i>(ii) Non Tax Revenue</i>	<i>2741.57</i> <i>(6.46)</i>	<i>4353.13</i> <i>(8.84)</i>	<i>4071.97</i> <i>(7.52)</i>	<i>8221.29</i> <i>(12.95)</i>	<i>5,539.34</i> <i>(8.59)</i>
<i>(iii) State's share in Union taxes and duties</i>	<i>16784.88</i> <i>(39.53)</i>	<i>20188.64</i> <i>(41.02)</i>	<i>22301.54</i> <i>(41.20)</i>	<i>25215.85</i> <i>(39.72)</i>	<i>21,721.44</i> <i>(33.68)</i>
<i>(iv) Grants in aid from GoI</i>	<i>12824.75</i> <i>(30.21)</i>	<i>12598.48</i> <i>(25.60)</i>	<i>14541.91</i> <i>(26.86)</i>	<i>14117.17</i> <i>(22.24)</i>	<i>20,705.61</i> <i>(32.10)</i>
2. Miscellaneous Capital Receipts	--	--	--	--	--
3. Recovery of Loans and Advances	510.19 (1.05)	18.60 (0.04)	4.71 (0.01)	2.93 (0.00)	1,140.51 (1.43)
4. Total revenue and Non debt capital receipts (1+2+3)	42967.89	49238.41	54135.65	63482.09	65635.59
5. Public Debt Receipts	5497.99 (11.34)	3901.71 (7.34)	8447.07 (13.50)	11754.65 (15.62)	14,249.63 (17.84)
<i>Internal Debt (excluding Ways and Means Advance and Overdraft)</i>	5447.5	3844.36	8377.5	11665.49	14,143.29
<i>Net transactions under Ways and Means Advance and Overdraft</i>	Nil	Nil	Nil	Nil	Nil
<i>Loans and Advances from GoI</i>	50.49	57.35	69.57	89.16	106.34
6.Total receipts in the Consolidated Fund (4+5)	48465.88	53140.12	62582.72	75236.74	79,885.22
7. Contingency Fund Receipts	--	--	50	--	100.00
8. Public Account Receipts[^]	141948.33	230915.05	175496.51	163406.39	1,74,896.85
9.Total receipts of the State (6+7+8)	190414.21	284055.17	238129.23	238643.13	254882.07

Indicators	2015-16	2016-17	2017-18	2018-19	2019-20
Part B: Expenditure					
10. Revenue Expenditure	37011.42 (92.62)	49362.72 (89.16)	55480.94 (87.40)	56899.00 (83.35)	66666.68 (82.76)
<i>Plan</i>	9435.57	13433.83	*	*	
<i>Non Plan</i>	27575.85	35928.89	*	*	
General Services (including interest payments)	12656.03	17123.19	22057.80	21058.65	22,350.35
Social Services	17740.36	22673.14	21373.17	25334.44	29,060.76
Economic Services	6239.87	8914.03	11924.92	10232.02	14,889.34
Grants-in-Aid and Contributions	375.16	652.36	125.05	273.89	366.23
11. Capital Expenditure	2690.91 (6.73)	5502.08 (9.94)	7692.84 (12.12)	11034.08 (16.16)	13,468.55 (16.72)
<i>Plan</i>	2704.06	5270.25	*	*	*
<i>Non Plan</i>	-13.15	231.83	*	*	*
General Services	75.56	199.61	350.63	464.28	506.74
Social Services	596.09	1542.60	2845.87	2164.07	1,683.64
Economic Services	2019.26	3759.87	4496.34	8405.73	11,278.17
12. Disbursement of Loans and Advances	260.09 (0.65)	499.38 (0.90)	254.07 (0.40)	328.07 (0.48)	316.16 (0.39)
<i>Social Services</i>	2.5	35.36	2.61	2.54	2.71
<i>Economic Services</i>	257.47	457.2	240.75	254.32	312.86
<i>Loans to Govt. Servant</i>	0.12	6.82	10.71	71.21	0.59
13. Appropriation to Contingency Fund	0	0	50	0	100.00
14. Total (10+11+12+13)	39962.42 (95.30)	55364.18 (96.44)	63477.85 (97.01)	68261.15 (95.00)	80551.39 (96.21)
15. Repayment of Public Debt	1968.90 (4.70)	2042.63 (3.56)	1958.60 (2.99)	3589.36 (5.00)	3,169.26 (3.79)
Internal Debt (excluding Ways and Means Advances and Overdraft)	1834.92	1906.90	1820.43	3448.10	3,024.15
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	133.98	135.73	138.17	141.26	145.11
16. Total disbursement out of Consolidated Fund (14+15)	41931.32	57406.81	65436.45	71850.51	83,720.65
17. Contingency Fund disbursements	0	0	0	0	0
18. Public Account disbursements[^]	147646.48	226053.09	172290.88	167536.69	1,67,618.14
19. Total disbursement by the state (16+17+18)	189577.80	283459.90	237727.33	239387.20	251338.79
Part C: Deficits					
20. Revenue Deficit (-)/Surplus (+) (1-10)	(+)5446.28	(-)142.91	(-)1350.00	(+)6580.16	(-)2,171.60
21. Fiscal Deficit (-)/Surplus (+) (4-14)	(+)3005.47	(-)6125.77	(-)9342.20	(-)4779.06	(-)14915.80
22. Primary Deficit (-)/Surplus (+) (21+23)	(+)5623.91	(-)3162.02	(-)6136.88	(-)934.69	(-)10476.93
Part D: Other data					
23. Interest Payments (included in revenue expenditure)	2618.44	2963.75	3205.32	3844.37	4,438.87
24. Ways and Means Advances/ Overdraft availed (days)					
Ways and Means Advances availed (No. of days)	Nil	Nil	Nil	Nil	Nil
Overdraft availed (days)	Nil	Nil	Nil	Nil	Nil

Indicators	2015-16	2016-17	2017-18	2018-19	2019-20
25. Interest on Ways and Means Advances/overdraft	Nil	Nil	Nil	Nil	Nil
26. Gross State Domestic Product (GSDP)	227958.82	254382.36	283164.90	315881.20 (P.E)	3,51,317.77 (Q.E)
27. Outstanding Debt	39054.59	43980.56	49274.88	59425.61	72,256.52
28. Outstanding guarantees	143.13	130.00	90.24	85.02	83.42
29. Maximum amount guaranteed	482.25	482.25	482.25	482.25	482.25
30. Number of incomplete projects	127	181	166	94	162
31. Capital blocked in incomplete projects (₹ in crore)	304.12	402.08	360.70	586.37	1,072.21
Part E: Fiscal Health Indicators					
32. Resource Mobilisation (in per cent)					
Own tax Revenue/GSDP	4.43	4.75	4.67	5.04	4.70
Own Non-Tax Revenue/GSDP	1.20	1.71	1.44	2.60	1.58
Central Transfers/GSDP	12.99	12.89	13.01	12.45	12.08
33. Expenditure Management (in per cent)					
Total Expenditure/GSDP	17.53	21.76	22.42	21.61	22.93
Total Expenditure/Revenue Receipts	94.12	112.48	117.27	107.53	124.90
Revenue Expenditure/Total Expenditure	92.62	89.16	87.40	83.35	82.76
Expenditure on Social Services/Total Expenditure	45.89	43.80	38.16	40.29	38.17
Expenditure on Economic Services/Total Expenditure	21.31	23.72	26.25	27.68	32.87
Capital Expenditure/Total Expenditure	6.73	9.94	12.12	16.16	16.72
Capital Expenditure on Social and Economic Services/Total Expenditure	6.54	9.58	11.57	15.48	16.09
34. Management of Fiscal Imbalances (in per cent)					
Revenue Deficit (-) or Surplus (+)/GSDP	2.39	-0.06	-0.48	2.08	-0.62
Fiscal Deficit (-) or Surplus (+)/GSDP	1.32	-2.41	-3.30	-1.51	-4.25
Primary Deficit (-) or Surplus (+)/GSDP	2.47	-1.24	-2.17	-0.30	-2.98
Revenue Deficit/Fiscal Deficit	181.21	2.33	14.45	-137.69	14.56
35. Management of Fiscal Liabilities/Outstanding Debt (in per cent)					
Fiscal Liabilities/GSDP	17.13	17.29	17.40	18.81	20.57
Fiscal Liabilities/RR	91.98	89.36	91.03	93.61	112.03

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

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

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

**Appendix 3.1: Expenditure in Excess of ₹ 15 lakh without Provision at the Sub-Head Level
(Reference: Paragraph 3.3.1)**

(₹ in crore)

Sl. No.	Grant	Segment	Major Head	Sub-Head	Sub Sub-Head	Expenditure
1	22 Administrative Training	Voted-Capital	4059-Capital Outlay on Public Works	{1486}-Other Administrative Service (Assam Administrative Staff College)	[584]-Works	2.57
2	30 Water Supply and Sanitation	Voted-Revenue	2215-Water Supply and Sanitation	{0291}-Miscellaneous Public Works Advances	---	3.41
3	62 Power (Electricity)	Voted-Capital	4801-Capital Outlay on Power Projects	{4168}-Externally Aided Project (ADB)	---	69.88
4	76 Karbi Anglong Autonomous Council	Voted-Revenue	2406-Forestry and Wild Life	---	---	3.09
5	76 Karbi Anglong Autonomous Council	Voted-Revenue	2406-Forestry and Wild Life	{1240}-Amenities to Forest Staff & Labourer	---	3.06
6	76 Karbi Anglong Autonomous Council	Voted-Revenue	2402-Soil and Water Conservation	{0603}-Building & Approached Roads	---	2.15
7	76 Karbi Anglong Autonomous Council	Voted-Revenue	2402-Soil and Water Conservation	{0602}-Nature Conservation	---	1.31
8	76 Karbi Anglong Autonomous Council	Voted-Revenue	2402-Soil and Water Conservation	{1144}-Terracing with Water Distribution/ Harvesting	---	1.10
9	76 Karbi Anglong Autonomous Council	Voted-Revenue	2402-Soil and Water Conservation	{1136}-Bamboo Plantation / Regeneration	---	0.83
10	76 Karbi Anglong Autonomous Council	Voted-Revenue	2402-Soil and Water Conservation	{1143}-Land Improvement	---	0.69
11	77 North Cachar Hills Autonomous Council	Voted-Revenue	2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	{0863}-Project Administration (ITDP)	[770]-Project Administration Entertainment of Project Director	5.30
12	77 North Cachar Hills Autonomous Council	Voted-Revenue	2235-Social Security and Welfare	{2127}-Anganwadi Workers/ Helpers - Enhancement	---	2.11
13	77 North Cachar Hills Autonomous Council	Voted-Revenue	2402-Soil and Water Conservation	{0603}-Building & Approached Roads	---	0.84
14	77 North Cachar Hills Autonomous Council	Voted-Capital	4406-Capital Outlay on Forestry and Wild Life	{1256}-Plantation of Quickgrowing Species	---	0.83

Sl. No.	Grant	Segment	Major Head	Sub-Head	Sub Sub-Head	Expenditure
15	77 North Cachar Hills Autonomous Council	Voted-Revenue	2402-Soil and Water Conservation	{0122}-Common & Other Schemes	[601]-Cash Crop Development	0.61
16	77 North Cachar Hills Autonomous Council	Voted-Revenue	2402-Soil and Water Conservation	{1141}-Protection and Afforestation	---	0.49
17	77 North Cachar Hills Autonomous Council	Voted-Capital	4406-Capital Outlay on Forestry and Wild Life	{1240}-Amenities to Forest Staff & Labourer	---	0.47
18	77 North Cachar Hills Autonomous Council	Voted-Capital	4406-Capital Outlay on Forestry and Wild Life	{1250}-Plywood Plantation	---	0.33
19	77 North Cachar Hills Autonomous Council	Voted-Capital	4406-Capital Outlay on Forestry and Wild Life	{1259}-Rehabilitation of Degraded Forest	---	0.27
20	77 North Cachar Hills Autonomous Council	Voted-Capital	4406-Capital Outlay on Forestry and Wild Life	{1268}-Development of Other Wildlife Areas	---	0.16
21	78 Bodoland Territorial Council	Voted-Capital	4705-Capital Outlay on Command Area Development	{0781}-Champamati Irrigation Project	[927]-Central Share	3.55
22	78 Bodoland Territorial Council	Voted-Revenue	2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	{2421}-Special Grant to Bodoland Autonomous Council	[538]-One Time Grant to Road Development	1.94
23	78 Bodoland Territorial Council	Voted-Revenue	2402-Soil and Water Conservation	{5338}-Assam Rural Infrastructure Development Fund (RIDF)	---	0.49
24	PD Public Debt and Servicing of Debt	Charged-Revenue	2049-Interest Payments	{7104}-8.34% Assam State Development Loan, 2029	---	83.40
25	PD Public Debt and Servicing of Debt	Charged-Revenue	2049-Interest Payments	{1733}-7.69% Assam State Development Loan, 2023	---	53.45
26	PD Public Debt and Servicing of Debt	Charged-Revenue	2049-Interest Payments	{1592}-8.45% Assam State Development Loan, 2029	---	42.25
27	PD Public Debt and Servicing of Debt	Charged-Revenue	2049-Interest Payments	{2572}-8.19% Assam State Development Loan, 2029	---	40.95
28	PD Public Debt and Servicing of Debt	Charged-Revenue	2049-Interest Payments	{1604}-7.82% Assam State Development Loan, 2024	---	39.10
29	PD Public Debt and Servicing of Debt	Charged-Revenue	2049-Interest Payments	{1648}-7.72% Assam State Development Loan, 2024	---	38.60
30	PD Public Debt and Servicing of Debt	Charged-Revenue	2049-Interest Payments	{2656}-7.10% Assam State Development Loan, 2029	---	24.85

Sl. No.	Grant	Segment	Major Head	Sub-Head	Sub Sub-Head	Expenditure
31	PD Public Debt and Servicing of Debt	Charged-Revenue	2049-Interest Payments	{2663}-7.30 % Assam State Development Loan, 2029	---	18.25
32	PD Public Debt and Servicing of Debt	Charged-Revenue	2049-Interest Payments	{2655}-7.15% Assam State Development Loan, 2029	---	17.88
33	PD Public Debt and Servicing of Debt	Charged-Revenue	2049-Interest Payments	{2662}-7.13% Assam State Development Loan, 2029	---	17.83
34	PD Public Debt and Servicing of Debt	Charged-Revenue	2049-Interest Payments	{2433}-6.90% Assam State Development Loan, 2029	---	17.25
Total						499.29

**Appendix 3.2: Unnecessary Supplementary Provision at the Segment Level
(Reference: Paragraph 3.3.3)**

(₹ in crore)

Grant	Segment	Budget (Original)	Expenditure	Saving Against Original Budget	Budget (Supplementary)	Actual Supplementary Requirement
01 State Legislature	Capital (Voted)	60.88	58.24	2.64	10.00	0.00
01 State Legislature	Revenue (Charged)	1.08	0.73	0.35	0.20	0.00
01 State Legislature	Revenue (Voted)	93.02	74.36	18.66	5.37	0.00
02 Council of Ministers	Revenue (Voted)	12.91	7.70	5.21	1.50	0.00
03 Administration of Justice	Capital (Voted)	137.20	77.74	59.46	0.00	0.00
03 Administration of Justice	Revenue (Charged)	74.03	67.24	6.79	2.50	0.00
03 Administration of Justice	Revenue (Voted)	353.08	294.49	58.59	30.98	0.00
04 Elections	Capital (Voted)	28.00	34.57	0.00	7.25	6.57
04 Elections	Revenue (Voted)	132.34	112.19	20.15	3.75	0.00
05 Sales Tax and Other Taxes	Capital (Voted)	18.85	7.95	10.90	0.00	0.00
05 Sales Tax and Other Taxes	Revenue (Voted)	630.60	525.25	105.35	30.34	0.00
06 Land Revenue	Capital (Voted)	6.00	3.30	2.70	0.00	0.00
06 Land Revenue	Revenue (Voted)	480.01	286.69	193.32	10.25	0.00
07 Stamps and Registration	Revenue (Voted)	351.48	32.64	318.84	0.85	0.00
08 Excise and Prohibition	Capital (Voted)	1.00	0.00	1.00	0.00	0.00
08 Excise and Prohibition	Revenue (Voted)	89.31	57.61	31.70	1.42	0.00
09 Transport Services	Capital (Voted)	271.25	85.41	185.84	32.97	0.00
09 Transport Services	Revenue (Voted)	340.07	337.69	2.38	116.65	0.00
10 Other Fiscal Services	Revenue (Voted)	3.44	1.78	1.66	0.00	0.00
11 Secretariat and Attached Offices	Capital (Voted)	50.60	0.49	50.11	0.00	0.00
11 Secretariat and Attached Offices	Revenue (Voted)	1,140.71	633.94	506.77	10.76	0.00
12 District Administration	Capital (Voted)	75.20	52.50	22.70	0.00	0.00
12 District Administration	Revenue (Voted)	553.56	309.04	244.52	7.08	0.00
13 Treasury and Accounts Administration	Capital (Voted)	25.75	3.07	22.68	0.00	0.00
13 Treasury and Accounts Administration	Revenue (Voted)	134.66	88.37	46.29	0.00	0.00
14 Police	Capital (Voted)	173.50	19.82	153.68	0.00	0.00
14 Police	Revenue (Charged)	2.57	1.88	0.69	1.10	0.00
14 Police	Revenue (Voted)	5,656.89	4,096.38	1,560.51	150.26	0.00
15 Jails	Capital (Voted)	23.21	17.09	6.12	0.00	0.00
15 Jails	Revenue (Charged)	0.60	0.30	0.30	0.00	0.00

Grant	Segment	Budget (Original)	Expenditure	Saving Against Original Budget	Budget (Supplementary)	Actual Supplementary Requirement
15 Jails	Revenue (Voted)	113.28	80.64	32.64	2.08	0.00
16 Printing and Stationery	Capital (Voted)	2.90	1.11	1.79	0.00	0.00
16 Printing and Stationery	Revenue (Voted)	50.59	25.34	25.25	0.72	0.00
17 Administrative and Functional Buildings	Capital (Voted)	87.75	45.56	42.19	65.80	0.00
17 Administrative and Functional Buildings	Revenue (Voted)	302.85	175.65	127.20	1.17	0.00
18 Fire Services	Capital (Voted)	28.50	32.85	0.00	30.00	4.35
18 Fire Services	Revenue (Charged)	0.00	0.21	0.00	0.21	0.21
18 Fire Services	Revenue (Voted)	153.16	138.18	14.98	0.00	0.00
19 Vigilance Commission and Others	Capital (Voted)	20.00	8.96	11.04	0.00	0.00
19 Vigilance Commission and Others	Revenue (Voted)	375.72	282.84	92.88	1,160.20	0.00
20 Other Administrative Services	Capital (Voted)	2.27	0.00	2.27	0.00	0.00
20 Other Administrative Services	Revenue (Voted)	289.64	247.00	42.64	0.13	0.00
21 Guest Houses, Government Hostels	Revenue (Voted)	75.86	25.16	50.70	3.43	0.00
22 Administrative Training	Capital (Voted)	13.00	3.16	9.84	7.00	0.00
22 Administrative Training	Revenue (Voted)	16.89	8.74	8.15	0.69	0.00
23 Pension	Revenue (Voted)	8,956.31	9,602.14	0.00	0.00	645.83
24 Aid Materials	Revenue (Voted)	0.01	0.00	0.01	0.00	0.00
25 Miscellaneous General Services	Capital (Voted)	256.00	224.05	31.95	100.00	0.00
25 Miscellaneous General Services	Revenue (Voted)	2,112.23	751.40	1,360.83	362.00	0.00
26 Education (Higher)	Capital (Voted)	119.00	46.91	72.09	1.00	0.00
26 Education (Higher)	Revenue (Voted)	2,865.42	2,175.15	690.27	309.23	0.00
27 Art and Culture	Capital (Voted)	109.15	13.32	95.83	2.21	0.00
27 Art and Culture	Revenue (Voted)	107.26	86.60	20.66	37.46	0.00
28 State Archives	Capital (Voted)	0.12	0.11	0.01	0.00	0.00
28 State Archives	Revenue (Voted)	2.19	1.74	0.45	0.00	0.00
29 Medical and Public Health	Capital (Voted)	651.55	479.25	172.30	210.28	0.00
29 Medical and Public Health	Revenue (Charged)	1.38	0.18	1.20	0.01	0.00
29 Medical and Public Health	Revenue (Voted)	6,031.21	4,551.25	1,479.96	419.20	0.00
30 Water Supply and Sanitation	Capital (Voted)	1,578.53	635.55	942.98	497.04	0.00
30 Water Supply and Sanitation	Revenue (Voted)	695.51	529.34	166.17	27.00	0.00
31 Urban Development (Town and Country Planning)	Revenue (Voted)	438.76	320.11	118.65	308.50	0.00
32 Housing Schemes	Capital (Voted)	0.00	0.79	0.00	0.79	0.79
32 Housing Schemes	Revenue (Voted)	1.60	3.82	0.00	2.62	2.22

Grant	Segment	Budget (Original)	Expenditure	Saving Against Original Budget	Budget (Supplementary)	Actual Supplementary Requirement
33 Residential Buildings	Capital (Voted)	4.00	2.70	1.30	1.50	0.00
33 Residential Buildings	Revenue (Voted)	4.49	2.60	1.89	0.01	0.00
34 Urban Development (Municipal Administration)	Capital (Voted)	4.18	1.92	2.26	0.00	0.00
34 Urban Development (Municipal Administration)	Revenue (Voted)	1,183.32	515.85	667.47	448.24	0.00
35 Information and Publicity	Revenue (Voted)	75.55	61.05	14.50	12.66	0.00
36 Labour and Employment	Capital (Voted)	24.04	18.18	5.86	10.41	0.00
36 Labour and Employment	Revenue (Voted)	402.17	174.19	227.98	14.13	0.00
37 Food Storage and Warehousing	Capital (Voted)	9.79	6.31	3.48	0.00	0.00
37 Food Storage and Warehousing	Revenue (Voted)	1,219.82	835.83	383.99	88.73	0.00
38 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes etc.	Capital (Voted)	141.75	48.74	93.01	3.50	0.00
38 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes etc.	Revenue (Voted)	1,148.98	941.27	207.71	239.97	0.00
39 Social Security, Welfare and Nutrition	Capital (Voted)	0.22	0.00	0.22	0.00	0.00
39 Social Security, Welfare and Nutrition	Revenue (Voted)	2,363.10	2,207.84	155.26	396.37	0.00
40 Social Security and Welfare (Freedom Fighter)	Revenue (Voted)	83.85	31.83	52.02	0.00	0.00
41 Natural Calamities	Revenue (Voted)	1,129.40	997.38	132.02	256.83	0.00
42 Other Social Services	Capital (Voted)	2.80	0.11	2.69	0.00	0.00
42 Other Social Services	Revenue (Voted)	222.63	23.61	199.02	31.69	0.00
43 Co-operation	Capital (Voted)	39.83	2.84	36.99	34.04	0.00
43 Co-operation	Revenue (Voted)	99.10	83.70	15.40	5.88	0.00
44 North Eastern Council Schemes	Capital (Voted)	2,758.73	420.18	2,338.55	5.76	0.00
44 North Eastern Council Schemes	Revenue (Voted)	2.00	2.00	0.00	0.00	0.00
45 Census, Surveys and Statistics	Capital (Voted)	3.00	2.04	0.96	0.00	0.00
45 Census, Surveys and Statistics	Revenue (Voted)	68.08	39.99	28.09	0.54	0.00
46 Weights and Measures	Capital (Voted)	0.88	0.32	0.56	0.00	0.00
46 Weights and Measures	Revenue (Voted)	21.95	13.83	8.12	0.60	0.00
47 Trade Adviser	Revenue (Voted)	1.38	0.88	0.50	0.04	0.00
48 Agriculture	Capital (Voted)	191.39	48.91	142.48	3.09	0.00
48 Agriculture	Revenue (Voted)	1,774.69	1,490.39	284.30	678.86	0.00
49 Irrigation	Capital (Voted)	412.74	212.99	199.75	464.59	0.00

Grant	Segment	Budget (Original)	Expenditure	Saving Against Original Budget	Budget (Supplementary)	Actual Supplementary Requirement
49 Irrigation	Revenue (Voted)	590.27	468.67	121.60	21.85	0.00
50 Other Special Areas Programmes	Capital (Voted)	98.70	72.86	25.84	0.00	0.00
50 Other Special Areas Programmes	Revenue (Voted)	6.73	3.39	3.34	0.00	0.00
51 Soil and Water Conservation	Capital (Voted)	87.22	39.63	47.59	0.39	0.00
51 Soil and Water Conservation	Revenue (Voted)	135.36	115.91	19.45	3.10	0.00
52 Animal Husbandry	Capital (Voted)	41.11	24.94	16.17	29.22	0.00
52 Animal Husbandry	Revenue (Charged)	0.50	0.00	0.50	0.00	0.00
52 Animal Husbandry	Revenue (Voted)	491.47	264.54	226.93	17.09	0.00
53 Dairy Development	Capital (Voted)	1.10	0.75	0.35	0.40	0.00
53 Dairy Development	Revenue (Voted)	25.29	21.85	3.44	5.39	0.00
54 Fisheries	Capital (Voted)	34.66	24.52	10.14	0.00	0.00
54 Fisheries	Revenue (Voted)	83.86	53.77	30.09	0.00	0.00
55 Forestry and Wild Life	Capital (Voted)	19.60	5.51	14.09	2.00	0.00
55 Forestry and Wild Life	Revenue (Voted)	695.17	450.92	244.25	367.44	0.00
56 Rural Development (Panchayat)	Revenue (Charged)	0.27	0.19	0.08	0.19	0.00
56 Rural Development (Panchayat)	Revenue (Voted)	2,813.85	4,041.20	0.00	1,868.61	1,227.35
57 Rural Development	Revenue (Voted)	3,218.19	2,823.14	395.05	868.17	0.00
58 Industries	Capital (Voted)	129.19	84.50	44.69	4.57	0.00
58 Industries	Revenue (Voted)	109.13	-68.09	177.22	0.14	0.00
59 Village and Small Industries, Sericulture and Weaving	Capital (Voted)	15.23	8.74	6.49	0.00	0.00
59 Village and Small Industries, Sericulture and Weaving	Revenue (Voted)	338.05	254.06	83.99	57.78	0.00
60 Cottage Industries	Capital (Voted)	0.50	0.00	0.50	0.00	0.00
60 Cottage Industries	Revenue (Voted)	80.81	54.81	26.00	2.02	0.00
61 Mines and Minerals	Capital (Voted)	1.58	1.03	0.55	0.00	0.00
61 Mines and Minerals	Revenue (Voted)	24.73	13.75	10.98	0.02	0.00
62 Power (Electricity)	Capital (Voted)	716.98	680.62	36.36	594.94	0.00
62 Power (Electricity)	Revenue (Voted)	1,160.23	2,258.50	0.00	1,776.62	1,098.27
63 Water Resources	Capital (Voted)	671.67	700.03	0.00	600.30	28.36
63 Water Resources	Revenue (Voted)	395.06	271.17	123.89	13.02	0.00
64 Roads and Bridges	Capital (Voted)	5,093.24	8,123.17	0.00	4,533.27	3,029.93
64 Roads and Bridges	Revenue (Voted)	1,337.21	969.43	367.78	442.33	0.00
65 Tourism	Capital (Voted)	159.34	10.79	148.55	5.65	0.00

Grant	Segment	Budget (Original)	Expenditure	Saving Against Original Budget	Budget (Supplementary)	Actual Supplementary Requirement
65 Tourism	Revenue (Voted)	59.39	93.09	0.00	59.70	33.70
66 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	Revenue (Voted)	486.07	366.23	119.84	550.63	0.00
67 Horticulture	Capital (Voted)	5.00	0.00	5.00	0.00	0.00
67 Horticulture	Revenue (Voted)	52.08	86.10	0.00	144.65	34.02
68 Loans to Government Servants etc.	Capital (Voted)	0.00	0.00	0.00	100.00	0.00
69 Scientific Services and Research	Capital (Voted)	6.15	3.52	2.63	0.00	0.00
69 Scientific Services and Research	Revenue (Voted)	24.37	25.21	0.00	5.12	0.84
70 Hill Areas	Capital (Voted)	5.40	1.06	4.34	1.00	0.00
70 Hill Areas	Revenue (Voted)	12.39	1.92	10.47	6.81	0.00
71 Education (Elementary, Secondary etc.)	Capital (Voted)	264.32	94.93	169.39	0.18	0.00
71 Education (Elementary, Secondary etc.)	Revenue (Voted)	14,533.49	11,579.84	2,953.65	558.63	0.00
72 Social Security and Welfare	Revenue (Voted)	20.02	2.97	17.05	0.00	0.00
73 Urban Development (Guwahati Development Department)	Capital (Voted)	482.87	234.91	247.96	38.22	0.00
73 Urban Development (Guwahati Development Department)	Revenue (Voted)	339.50	118.47	221.03	133.22	0.00
74 Sports and Youth Services	Capital (Voted)	34.36	10.76	23.60	5.11	0.00
74 Sports and Youth Services	Revenue (Voted)	143.22	168.32	0.00	88.52	25.10
75 Information and Technology	Capital (Voted)	1.00	0.00	1.00	0.00	0.00
75 Information and Technology	Revenue (Voted)	23.47	29.07	0.00	61.62	5.60
76 Karbi Anglong Autonomous Council	Capital (Voted)	144.08	94.46	49.62	74.59	0.00
76 Karbi Anglong Autonomous Council	Revenue (Voted)	1,342.01	1,129.02	212.99	59.94	0.00
77 North Cachar Hills Autonomous Council	Capital (Voted)	94.07	63.20	30.87	0.00	0.00
77 North Cachar Hills Autonomous Council	Revenue (Voted)	689.05	395.37	293.68	31.28	0.00
78 Bodoland Territorial Council	Capital (Voted)	126.58	887.75	0.00	247.77	761.17
78 Bodoland Territorial Council	Revenue (Voted)	2,969.14	3,020.77	0.00	93.62	51.63
Appropriation to the Contingency Fund	Capital (Charged)	0.00	100.00	0.00	100.00	100.00
C1 Public Service Commission	Revenue (Charged)	17.76	13.66	4.10	1.03	0.00
C2 Head of State	Revenue (Charged)	10.41	7.44	2.97	0.74	0.00
PD Public Debt and Servicing of Debt	Capital (Charged)	4,109.13	3,169.27	939.86	0.44	0.00
PD Public Debt and Servicing of Debt	Revenue (Charged)	5,072.96	4,718.91	354.05	50.00	0.00
Total		99,418.89	84,163.60	22,311.22	20,296.77	7,055.94

**Appendix 3.3: Excessive Re-appropriation of Funds
(Reference: Paragraph 3.3.4)**

(₹ in lakhs)

Sl. No.	Grant No.	Major Head	Minor Head	Sub-Head	Sub-Sub-Head	Nomenclature	Re-appropriation	Final Savings
1	09	3055	001	1394	129	Assam Motor Vehicle Road Safety Compounding Fee	1,600.00	37.02
2	09	5055	800	2443	462	Airport	1,749.92	214.82
3	12	4059	101	0271	437	Construction of Ministers' Quarters	200.00	44.79
4	12	4216	106	1504	194	Other Administrative Service (GAD-Raj Bhawan)	199.90	161.26
5	14	4055	207	0145	532	Mission MOITRI for Barracks	3,250.00	2,358.56
6	14	4055	207	0145	535	Mission MOITRI for IR Battalions	250.00	33.21
7	14	4055	207	0145	540	Mission MOITRI for Other Capital Asset Creation (Police Memorial/ Officers Housing etc.)	1,500.00	1,382.50
8	14	4055	207	0145	542	Mission MOITRI for Soft Asset and Soft Infrastructure including Training and Capacity Buildings	500.00	465.11
9	18	4059	101	0250	---	Training for Fire Service Personnel	93.48	79.97
10	25	2052	090	0417	349	Recapitalisation Assistance	1,180.00	558.01
11	25	2052	090	0417	---	Director Institutional Finance Cell	389.71	108.13
12	26	2202	800	0800	407	Mess Dues Waiver of College	438.98	200.48
13	27	2205	101	0668	705	NGO Cultural Organisation	35.00	11.00
14	36	4250	800	4696	968	Set-up of one Mini ITI in each Block for Development of Skill in Various Trade	464.60	32.31
15	39	2235	001	0142	---	District & Subordinate Offices	249.99	160.77
16	41	2245	101	4703	---	Gratuitous Relief (Flood)	6,000.00	1,620.09
17	44	4552	212	3650	927	Central Share	17,126.00	7,312.15
18	44	4552	219	4773	927	Central Share	108.99	77.06
19	48	2401	105	1042	---	Soil Testing and Soil Fertility Index	19.95	17.28
20	48	2401	109	1081	---	Special Sub-Project (NAEP-III)	173.51	121.87
21	49	4702	101	0160	537	Dimoria FIS at Tegheria, Upper Tepesia, Fullung and Khamar	505.00	105.35
22	49	4702	101	0160	984	Panbari FIS	550.00	328.73
23	49	4702	101	1522	831	Renovation, Remodelling & Extension of Maloibari ELIS	1,100.00	180.13
24	49	4702	796	---	---	Tribal Area Sub-Plan	43.00	38.16
25	49	4705	002	5473	945	CAD for Pahumara Irrigation Project	425.00	145.02
26	55	2406	110	1270	927	Central Share	674.84	29.93
27	57	2216	105	5689	928	State Share	8,645.09	4,002.94
28	59	2851	103	0013	346	Handloom Model Village	150.00	87.00
29	64	5054	337	0337	793	State Priority Scheme	30,000.00	18,734.86
30	74	2204	800	0800	983	Financial Support for National Games, Meghalaya	800.00	500.00
31	78	3454	800	1461	---	Integrated Schemes for Improvement of Statistical System of Assam	17.47	13.46
Total							78,440.43	39,161.97

Appendix 3.4: Unnecessary Re-appropriation of Funds
(Reference: Paragraph 3.3.4)

(₹ in lakhs)

Sl. No.	Grant No.	Major Head	Minor Head	Sub-Head	Sub Sub-Head	Nomenclature	Re-appropriation	Final Savings
1	01	2011	103	---	---	Legislative Secretariat	50.69	183.11
2	03	2014	102	0152	---	Establishment	45.00	523.97
3	04	2015	106	---	---	Charges for Conduct of Elections to State/ Union Territory Legislature	162.00	162.05
4	06	2029	001	0140	---	Directorate of Land Records	49.64	323.07
5	06	2029	101	---	---	Collection Charges	531.47	1,392.67
6	09	3056	003	1395	---	Inland Water Transport Crew Training Centre	7.70	21.50
7	09	3056	101	---	---	Hydrographic Survey	10.00	47.06
8	09	3056	800	1396	929	Management	10.41	401.13
9	09	3056	800	1400	902	Operation	29.93	56.45
10	09	3056	800	1400	929	Management	35.42	150.21
11	09	3056	800	1401	---	Maintenance of I.W. Central Workshop Guwahati, Dibrugarh & Silchar	0.10	26.67
12	11	2052	090	1491	112	e-Prastuti	8.60	17.20
13	11	3451	091	1421	700	Special Fund	108.79	2,300.01
14	12	2053	093	0239	---	Sub-Divisional Establishment	6.00	730.36
15	12	2053	093	0239	---	Sub-Divisional Establishment	3.00	322.24
16	12	2053	094	0424	---	Process Serving Establishment	9.00	64.11
17	12	2053	094	0424	---	Process Serving Establishment	8.00	339.22
18	12	2216	106	1881	194	Other Administrative Service - Raj Bhawan	75.00	92.30
19	12	2235	200	0930	---	Directorate of Sainik Welfare, Assam	14.67	29.57
20	14	2055	001	0172	---	Headquarters Establishment	100.00	2,504.26
21	14	2055	001	0433	---	Police Range	16.00	552.84
22	14	2055	003	0436	---	Armed Police Training Centre	22.00	136.47
23	14	2055	003	0437	---	Recruits in Training School of Assam	15.00	279.07
24	14	2055	101	0442	---	Criminal Investigation Department	984.55	1,112.99
25	14	2055	101	0443	---	Special Branch	6.00	15,656.12
26	14	2055	109	0145	---	District Police Proper	102.50	51,234.34
27	14	2055	109	1015	491	Reimbursable from Government of India	50.00	2,109.96
28	14	2055	109	1015	901	Checking of Bangladeshi Infiltration	5.00	4,683.46
29	14	2055	110	0474	---	Village Police/ Village Defence Organisation	10.00	1,062.28
30	14	2055	111	0475	---	Supervising Staff	4.00	607.30
31	14	2055	111	0476	---	Crime Police	2.00	529.90
32	14	2055	111	0477	---	Order Police	2.00	559.13
33	14	2055	114	0480	---	Wireless and Computer	23.00	7,618.17
34	14	2055	800	0482	935	Battalion for ONGC (Reimbursable from ONGC)	10.10	628.53

Sl. No.	Grant No.	Major Head	Minor Head	Sub-Head	Sub Sub-Head	Nomenclature	Re-appropriation	Final Savings
35	14	4055	207	0145	533	Mission MOITRI for A.P. Battalions	150.00	150.01
36	14	4055	207	0145	538	Mission MOITRI for Other Organisations	350.00	350.01
37	14	4055	207	0145	539	Mission MOITRI for District Police Infrastructure	1,000.00	1,000.01
38	15	2056	102	---	---	Jail Manufactures	4.60	86.12
39	15	2056	800	0489	---	Open Air Jails	1.83	50.75
40	18	2070	108	0526	504	Fire & E.S.Station	148.37	965.20
41	18	2070	108	0526	506	State Disaster Response	6.00	201.53
42	18	2070	108	0527	---	Direction & Administration	4.93	123.26
43	20	2070	106	0520	---	Civil Defence Directorate	2.50	29.04
44	21	2070	115	0042	---	Assam House, Kolkata	82.50	241.88
45	26	2202	102	3006	542	Sui-Ka-Pha Chair in Dibrugarh University	400.00	400.00
46	27	2205	102	0690	---	Fair, Function, Festival etc.	5.00	790.15
47	27	4202	101	0680	497	Development (Construction) of Batadrava Than at Cultural Tourist Destination	200.00	200.01
48	27	4202	106	0699	---	Directorate of Museum	35.00	149.24
49	29	2210	800	3594	927	Central Share	15,028.92	21,832.10
50	30	4215	102	0778	---	Rural Water Supply	2,000.00	3,025.39
51	34	2217	192	2409	---	GIA to ULB (Financial Support)	100.00	2,052.07
52	34	2217	192	5541	---	Development of Small Towns	41.33	71.33
53	35	2220	103	0805	816	Pension Scheme for Journalists	28.12	86.56
54	36	2230	001	1333	---	Labour Commissioner General Establishment	5.00	516.89
55	36	2230	102	0901	---	Inspector of Factories Headquarters Establishment	22.50	106.56
56	38	2225	001	0881	626	Establishment of Director of Tea Garden & Other Staff	5.00	110.93
57	38	2225	800	5610	---	Distribution of Yarn to Poor SC Weavers	50.13	68.47
58	38	4225	800	0821	456	Infrastructure Development/ Construction of SC Community Halls etc.	50.00	214.27
59	39	2235	001	0172	---	Headquarters Establishment	124.99	492.32
60	39	2235	101	0941	---	School for Hearing Impaired, Jorhat	4.36	28.91
61	39	2235	102	0177	928	State Share	220.00	5,919.38
62	43	2425	001	0174	---	Headquarters Organisation	4.50	251.67
63	43	2425	101	1316	---	Sub-Divisional Organisation (Transferred Staff)	53.37	491.09
64	44	4552	212	2473	530	Construction of RCC Bridge No. 3/1 (L=160.94 m) over River Dikhow at Chiripuria Ghat alongwith road from Chiripuria via Azanpeer Dorgah Road to NH-37 (528th km)	1,799.00	1,799.01
65	44	4552	212	2473	531	Construction of Double Lane Road from Lanka to Umrangshu	9,238.00	9,238.01

Sl. No.	Grant No.	Major Head	Minor Head	Sub-Head	Sub Sub-Head	Nomenclature	Re-appropriation	Final Savings
						via Diyungmukh, Halflong Tinali and Panimur		
66	44	4552	219	4772	927	Infrastructure Development of Victoria Girls Higher Secondary School	11.59	11.60
67	44	4552	231	2473	533	Rebuilding and Development of Bank of River Brahmaputra at Boghuli, Bhurbandha and its Adjoining Areas etc.	1,500.00	1,500.01
68	44	4552	231	2473	534	Rebuilding and Development of Bank of River Brahmaputra (Ananta Nallah) alongwith Protection of Sarbananda Singha Kshtra and Guijan and its Adjoining Areas	1,000.00	1,000.01
69	44	4552	233	2473	989	Digboi Town Water Supply Scheme	4,168.80	4,168.81
70	44	4552	233	2800	927	Central Share	360.00	361.00
71	44	4552	234	2473	536	Greater Manipur Multi-Village Piped Water Supply Scheme	1,500.00	1,500.01
72	48	2401	108	1061	---	Sugarcane Development	29.20	29.38
73	48	2435	101	0132	---	Development of Market Intelligence	9.97	33.93
74	48	2435	102	3133	---	Development of Quality control Agmark Grading	8.27	47.45
75	49	2702	102	1374	---	Minor Lift Irrigation	283.32	1,188.72
76	49	2702	800	0160	---	Flow Irrigation System	11.89	273.83
77	49	4702	800	0800	604	Loan Assistance from NABARD under RIDF	370.00	1,392.30
78	49	4705	002	5474	013	New CAD for Dhonsiri	601.92	1,342.36
79	50	4575	001	5898	---	Border Development Activities in Interstate Border	250.00	276.27
80	51	4402	102	0217	---	Protection of Reverie Land	200.00	439.51
81	52	2403	103	1165	---	Grants-in-Aid to Assam Poultry Co-operation Ltd.	200.00	220.00
82	53	2404	192	1196	---	Processing	73.19	247.37
83	54	2405	101	0106	---	Applied Nutrition Programme	2.20	17.21
84	54	2405	101	1202	---	Riverine Fisheries	0.15	24.31
85	54	2405	101	1203	---	Fish and Fish Seed Farming	25.90	126.69
86	54	2405	109	1216	---	Fisheries Extension Service	18.00	143.45
87	54	2415	004	1304	---	Survey of Fisheries & Collection of Statistics	0.31	61.62
88	58	2852	001	0172	971	Maintenance of Capital Assets	19.50	32.68
89	58	2852	001	0172	---	Headquarters Establishment	91.69	317.13
90	58	4885	800	1531	---	Agar International Trade Centre	199.99	199.99
91	58	4885	800	2345	---	Construction of Boundary Wall in the remaining 666 Bighas Land at Gelapukhuri, Tinsukia	150.00	150.01
92	58	4885	800	4302	---	Brahmaputra Cracker & Polymer Ltd. (BCPL)	285.37	285.37
93	59	2851	103	3018	348	Income Generation Intervention to Handloom Weavers under Weavers Extension Service Unit	40.00	385.08

Sl. No.	Grant No.	Major Head	Minor Head	Sub-Head	Sub Sub-Head	Nomenclature	Re-appropriation	Final Savings
94	63	2711	001	0120	932	Execution	19.00	5,279.45
95	64	3054	192	2216	701	District Panchayats	140.00	140.01
96	64	3054	337	0189	914	RRNMU and RCTRC	100.00	100.01
97	64	5054	337	0337	322	Contribution of Matching State Share for Construction of Railway Over Bridge	3,000.00	4,186.90
98	64	5054	337	0337	743	Reconstruction of Flood Damaged Roads	5,000.00	13,836.51
99	64	5054	337	3805	977	Improvement (i) Dumuni Chouki to Kuruwa Road (ii) Khandajan to Sanowa Road (iii) Malibaritari Road including Cross Drainage Works in Darang District	50.00	73.38
100	71	2202	003	0647	---	Provincialised B.T. College	0.28	55.48
101	71	2202	110	0562	---	Other Interview and Test	9.55	160.00
102	71	2202	800	0800	941	Uniform for Class IX & X Students under RMSA	2,053.56	4,553.56
103	71	2202	800	2811	564	Grants for Anundo Ram Barooah Award	538.45	538.45
104	77	2210	101	0748	---	Epidemic General including Cholera, Dysentery, Typhoid etc.	3.32	20.00
Total							56,008.94	1,92,219.74

**Appendix 3.5: Excess Expenditure of Previous Years Requiring Regularisation
(Reference: Paragraph 3.3.6.3)**

(₹ in crore)

Year	Number of Grants/ Appropriations	Grant No./Appropriation	Amount of excess	Status of discussion by Public Accounts Committee (PAC)
2005-06	2-Grants	Revenue Voted-47 Capital Voted-67	2.45	Partly recommended for regularisation. Act awaited.
	2-Appropriations	Revenue Charged-6 and 14		
2006-07	4-Grants	Revenue Voted-30 Capital Voted-54, 58 and 60	80.61	
	2-Appropriations	Revenue Charged-8 and 12		
2007-08	9-Grants	Revenue Voted-4, 40, 42 and 65 Capital Voted-31, 34, 59, 60 and 70	113.24	
	2-Appropriations	Revenue Charged-Head of State and 6		
2008-09	6-Grants	Revenue Voted-4, 40 and 72 Capital Voted-60, 76 and 77	108.41	
	2-Appropriations	Revenue Charged-Head of State and 39		
2009-10	3-Grants	Revenue Voted- 40 and 47 Capital Voted- 60	10.18	
2010-11	1-Grant 1-Appropriation	Revenue Voted-40 Revenue Charged-15	4.27	
2011-12	5-Grants	Revenue Voted-22, 23, 47 and 62 Capital Voted-78	915.14	
	2-Appropriations	Revenue Charged-12 Capital Charged-63		
2012-13	4-Grants	Revenue Voted-13, 23 and 47 Capital Voted-78	1195.60	
2013-14	5-Grants	Revenue Voted-23, 40 and 64 Capital Voted-55 and 78	1499.89	
2014-15	5-Grants	Revenue Voted-23 30 and 72 Capital Voted-55 and 78	3801.64	
	1-Appropriation	Capital Charged- Public Debt and Servicing of Debt		
2015-16	3 Grants	Revenue Voted – 30 Capital Voted – 76 and 77	243.78	
2016-17	5 Grants	Revenue Voted – 30 and 64 Capital Voted – 34, 76 and 77	1348.44	
2017-18	2 Grants	Revenue Voted – 78 Capital Voted - 78	264.47	
2018-19	3 - Grants	Revenue Voted - 23 Capital Voted - 76 & 78	739.11	
Total			10,327.23	

**Appendix 3.6: Grants (at Segment level) with Savings of ₹ 100 crore and above
(Reference: Paragraph 3.4.1)**

(₹ in crore)

Sl. No.	Grant No. and Name	Nature	Total Grant	Actual Expenditure	Savings
1	05 Sales Tax and Other Taxes	RV	660.94	525.25	135.69
2	06 Land Revenue	RV	490.26	286.69	203.57
3	07 Stamps and Registration	RV	352.33	32.64	319.69
4	09 Transport Services	CV	304.21	85.41	218.80
5	09 Transport Services	RV	456.72	337.69	119.03
6	11 Secretariat and Attached Offices	RV	1,151.47	633.94	517.53
7	12 District Administration	RV	560.64	309.04	251.60
8	14 Police	CV	173.50	19.82	153.68
9	14 Police	RV	5,807.15	4,096.38	1,710.77
10	17 Administrative and Functional Buildings	CV	153.55	45.56	107.99
11	17 Administrative and Functional Buildings	RV	304.01	175.65	128.36
12	19 Vigilance Commission and Others	RV	1,535.92	282.84	1,253.08
13	25 Miscellaneous General Services	CV	356.00	224.05	131.95
14	25 Miscellaneous General Services	RV	2,474.23	751.40	1,722.83
15	26 Education (Higher)	RV	3,174.65	2,175.15	999.50
16	29 Medical and Public Health	CV	861.82	479.25	382.57
17	29 Medical and Public Health	RV	6,450.41	4,551.25	1,899.16
18	30 Water Supply and Sanitation	CV	2,075.57	635.55	1,440.02
19	30 Water Supply and Sanitation	RV	722.51	529.34	193.17
20	31 Urban Development (Town and Country Planning)	RV	747.26	320.11	427.15
21	34 Urban Development (Municipal Administration)	RV	1,631.56	515.85	1,115.71
22	36 Labour and Employment	RV	416.30	174.19	242.11
23	37 Food Storage and Warehousing	RV	1,308.55	835.83	472.72
24	38 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes etc.	RV	1,388.95	941.27	447.68
25	39 Social Security, Welfare and Nutrition	RV	2,759.47	2,207.84	551.63
26	41 Natural Calamities	RV	1,386.23	997.38	388.85
27	42 Other Social Services	RV	254.32	23.61	230.71
28	44 North Eastern Council Schemes	CV	2,764.49	420.18	2,344.31
29	48 Agriculture	CV	194.48	48.91	145.57
30	48 Agriculture	RV	2,453.55	1,490.39	963.16
31	49 Irrigation	CV	877.32	212.99	664.33
32	49 Irrigation	RV	612.12	468.67	143.45
33	52 Animal Husbandry	RV	508.56	264.54	244.02
34	55 Forestry and Wild Life	RV	1,062.61	450.92	611.69
35	56 Rural Development (Panchayat)	RV	4,682.46	4,041.20	641.26
36	57 Rural Development	RV	4,086.36	2,823.14	1,263.22
37	58 Industries	RV	109.27	-68.09	177.36
38	59 Village and Small Industries, Sericulture and Weaving	RV	395.84	254.06	141.78
39	62 Power (Electricity)	CV	1,311.92	680.62	631.30

Sl. No.	Grant No. and Name	Nature	Total Grant	Actual Expenditure	Savings
40	62 Power (Electricity)	RV	2,936.85	2,258.50	678.35
41	63 Water Resources	CV	1,271.97	700.03	571.94
42	63 Water Resources	RV	408.08	271.17	136.91
43	64 Roads and Bridges	CV	9,626.51	8,123.17	1,503.34
44	64 Roads and Bridges	RV	1,779.54	969.43	810.11
45	65 Tourism	CV	164.99	10.79	154.20
46	66 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	RV	1,036.70	366.23	670.47
47	67 Horticulture	RV	196.74	86.10	110.64
48	68 Loans to Government Servants etc.	CV	100.00	0.00	100.00
49	71 Education (Elementary, Secondary etc.)	CV	264.50	94.93	169.57
50	71 Education (Elementary, Secondary etc.)	RV	15,092.12	11,579.84	3,512.28
51	73 Urban Development (Guwahati Development Department)	CV	521.09	234.91	286.18
52	73 Urban Development (Guwahati Development Department)	RV	472.72	118.47	354.25
53	76 Karbi Anglong Autonomous Council	CV	218.67	94.46	124.21
54	76 Karbi Anglong Autonomous Council	RV	1,401.95	1,129.02	272.93
55	77 North Cachar Hills Autonomous Council	RV	720.33	395.37	324.96
56	PD Public Debt and Servicing of Debt	CC	4,109.57	3,169.27	940.30
57	PD Public Debt and Servicing of Debt	RC	5,122.96	4,718.91	404.05
Total			1,02,462.80	67,601.11	34,861.69

Appendix 3.7: Heads with Variation Beyond PAC Specified Limits and Status of Explanation
(Reference: Paragraph 3.4.1.1)

Grant	Total Heads	Heads Requiring Explanation	Heads where Explanation was given
01 State Legislature	18	8	2
02 Council of Ministers	7	5	0
03 Administration of Justice	49	33	3
04 Elections	18	10	7
05 Sales Tax and Other Taxes	7	4	2
06 Land Revenue	38	35	35
07 Stamps and Registration	8	5	0
08 Excise and Prohibition	8	5	4
09 Transport Services	88	49	3
10 Other Fiscal Services	3	2	1
11 Secretariat and Attached Offices	55	42	4
12 District Administration	44	26	24
13 Treasury and Accounts Administration	14	10	0
14 Police	99	79	58
15 Jails	18	11	11
16 Printing and Stationery	8	6	6
17 Administrative and Functional Buildings	39	29	0
18 Fire Services	15	6	0
19 Vigilance Commission and Others	17	13	0
20 Other Administrative Services	15	11	11
21 Guest Houses, Government Hostels	13	13	13
22 Administrative Training	14	11	10
23 Pension	14	9	0
24 Aid Materials	1	1	0
25 Miscellaneous General Services	43	35	4
26 Education (Higher)	96	62	3
27 Art and Culture	139	90	5
28 State Archives	2	1	1
29 Medical and Public Health	207	150	7
30 Water Supply and Sanitation	38	28	15
31 Urban Development (Town and Country Planning)	28	18	2
32 Housing Schemes	5	1	0
33 Residential Buildings	4	3	0
34 Urban Development (Municipal Administration)	38	34	2
35 Information and Publicity	23	11	2
36 Labour and Employment	78	48	20
37 Food Storage and Warehousing	32	17	0
38 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes etc.	200	121	7
39 Social Security, Welfare and Nutrition	127	73	14
40 Social Security and Welfare (Freedom Fighter)	2	2	0
41 Natural Calamities	23	18	2
42 Other Social Services	14	11	1
43 Co-operation	18	16	4
44 North Eastern Council Schemes	265	232	6
45 Census, Surveys and Statistics	19	12	0
46 Weights and Measures	9	6	0
47 Trade Adviser	1	1	0

Grant	Total Heads	Heads Requiring Explanation	Heads where Explanation was given
48 Agriculture	80	58	9
49 Irrigation	74	59	18
50 Other Special Areas Programmes	11	7	7
51 Soil and Water Conservation	26	16	16
52 Animal Husbandry	73	50	47
53 Dairy Development	22	9	9
54 Fisheries	30	17	17
55 Forestry and Wild Life	74	52	1
56 Rural Development (Panchayat)	25	23	3
57 Rural Development	30	21	0
58 Industries	71	46	3
59 Village and Small Industries, Sericulture and Weaving	83	41	38
60 Cottage Industries	13	9	0
61 Mines and Minerals	13	6	0
62 Power (Electricity)	32	27	1
63 Water Resources	43	26	8
64 Roads and Bridges	80	67	12
65 Tourism	47	26	0
66 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	17	11	10
67 Horticulture	11	10	0
68 Loans to Government Servants etc.	5	1	1
69 Scientific Services and Research	43	12	0
70 Hill Areas	11	10	0
71 Education (Elementary, Secondary etc.)	127	76	3
72 Social Security and Welfare	3	2	0
73 Urban Development (Guwahati Development Department)	42	33	1
74 Sports and Youth Services	35	22	22
75 Information and Technology	15	11	0
76 Karbi Anglong Autonomous Council	195	133	1
77 North Cachar Hills Autonomous Council	174	118	2
78 Bodoland Territorial Council	260	135	0
C2 Head of State	19	3	0
PD Public Debt and Servicing of Debt	174	20	6
C1 Public Service Commission	2	1	1
Appropriation to the Contingency Fund	1	0	0
Total	3982	2571	525

**Appendix 3.8: Savings in Excess of 50 per cent under Grant No. 76 at the Sub Head Level
(Reference: Paragraph 3.5.2.6)**

(₹ in lakhs)

Sl. No.	Head of Account	Name of Project/Scheme	Final Grant	Expenditure	Savings	Per cent Savings
1	2202-01-107-0214	Primary School Teachers Training	259.87	94.71	165.16	63.55
2	2202-02-109-0576	Secondary School for Boys	700.33	326.16	374.17	53.43
3	2202-03-001-0172	Head Quarters Establishment	719.74	279.19	440.55	61.21
4	2202-03-104-0600	Grants to Non-Government Arts College	361.10	119.67	241.43	66.86
5	2204-00-104-0000	Sports & Games	371.82	159.18	212.64	57.19
6	2205-00-101-0670	Cultural centre, Training Tradition and Satriya Training	194.01	96.22	97.79	50.40
7	2205-00-105-0698	Directorate of Library Services (i) Improvement	177.21	83.38	93.83	52.95
8	2210-01-001-0144	District Establishment	1704.29	121.58	1582.71	92.87
9	2210-01-110-0710	Other T.B. Hospital/Clinic	160.11	78.79	81.32	50.79
10	2210-02-102-0000	Homeopathy	48.17	22.39	25.78	53.52
11	2211-00-03-0764	Training of A.N.M.S.	183.03	78.78	104.25	56.96
12	2211-00-102-0000	Urban Family Welfare Services	85.27	36.15	49.12	57.61
13	2215-02-105-0000	Sanitation Services	93.97	39.23	54.74	58.25
14	2220-60-106-0000	Field Publicity	77.23	34.48	42.75	55.35
15	2235-02-001-0142	District & Subordinate Offices	1161.65	541.72	619.93	53.37
16	2235-60-102-0199	Old Age Pension Schemes	21.79	0.69	21.10	96.83
17	2401-00-104-1041	L.S.M. Farm Kheroni	238.00	117.28	120.72	50.72
18	2401-00-109-1077	Farmers Institutes & EMTC	63.16	7.85	55.31	87.57
19	2401-00-110-0000	Crop Insurance	74.00	2.48	71.52	96.65
20	2401-00-113-1092	Agricultural Engineering Schemes	1295.95	140.05	1155.90	89.19
21	2401-00-119-1105	Community Canning & Training on Fruit Preservation	373.08	49.63	323.45	86.70
22	2402-00-001-0172	Headquarters Establishment	280.48	74.76	205.72	73.35
23	2403-00-001-0240	Subordinate Establishment	1176.76	110.99	1065.77	90.57
24	2403-00-107-0200	Other Development Programme	73.77	34.53	39.24	53.19
25	2405-00-001-0143	District Administration	1092.23	275.12	817.11	74.81
26	2406-01-001-0172	Headquarters Establishment	1624.66	494.77	1129.89	69.55
27	2415-05-004-1304	Survey of Fisheries & Collection of Statistics	16.53	7.55	8.98	54.33
28	2425-00-001-1311	Headquarters Organisation for Hills District	1141.12	529.70	611.42	53.58

Sl. No.	Head of Account	Name of Project/Scheme	Final Grant	Expenditure	Savings	Per cent Savings
29	2515-05-004-1304	District Administration	23.07	11.22	11.85	51.37
30	2515-00-001-1349	Block Administration	3416.70	1210.67	2206.03	64.57
31	2711-01-001-0493	Headquarters Staff	632.85	309.84	323.01	51.04
32	2851-01-001-0240	Subordinate Establishment	268.05	131.97	136.08	50.77
33	2851-01-107-0011	Regional Development Schemes	506.76	22.83	483.93	95.49
34	2851-02-101-0000	Industrial Estates	134.17	10.86	123.31	91.91
35	2851-02-102-0172	Headquarters Establishment	643.13	81.70	561.43	87.30
36	2851-02-104-0000	Handicraft Industries	56.42	18.38	38.04	67.42
37	2851-03-03-0000	Training	364.73	182.22	182.51	50.04
38	4059-01-101-0271	Lump Provision for Construction of Administrative & Allied Building (GAD)	390.00	173.76	216.24	55.45

**Appendix 4.1: Department-wise List of Outstanding Utilisation Certificates
for the Grants provided up to the Year 2018-19
(Reference: Paragraph 4.3)**

(₹ in crore)

Sl. No.	Name of the Department	No. of UCs	Amount
1	Administrative Reforms and Training	2	27.29
2	Agriculture	140	823.21
3	Animal Husbandry	12	8.49
4	Assembly Secretariat	30	0.75
5	Cooperation	59	30.25
6	Cultural Affairs	355	167.91
7	Dairy Development	24	25.62
8	Education (General)	4130	1,828.03
9	Education (Technical)	31	20.32
10	Election	2	0.22
11	Excise	1	0.33
12	Finance (Economic Affairs)	159	200.67
13	Finance (Taxation)	409	707.67
14	Finance	16	1,112.11
15	Fishery	104	27.63
16	Food, Civil Supplies & Consumer Affairs	11	11.80
17	Environment & Forest	4	3.48
18	General Administration	228	117.56
19	Guwahati Development	83	619.06
20	Handloom & Textiles	33	29.26
21	Health & Family Welfare	178	3,494.38
22	Hills Areas	90	29.25
23	Home	26	170.10
24	Horticulture	4	10.69
25	Industries and Commerce	65	239.68
26	Information Technology	19	31.66
27	Irrigation	4	296.50
28	Information and Public Relation	2	0.20
29	Judicial	8	6.90
30	Labour & Employment	24	206.44
31	Mines, Minerals & Power	9	296.10
32	Welfare of Minorities & Development	22	317.22

Sl. No.	Name of the Department	No. of UCs	Amount
33	Panchayat & Rural Development	111	1,097.42
34	Transformation & Development	417	577.98
35	Political	14	18.95
36	Public Health Engineering	7	275.89
37	Public Works	6	6.92
38	Revenue & Disaster Management	151	24.68
39	Revenue	218	120.51
40	Rural Development	18	780.14
41	Science & Technology	45	32.08
42	Secretariat Administration	170	2,171.90
43	Sericulture	171	83.92
44	Social Welfare	616	1,337.02
45	Sports & Youth Welfare	105	47.75
46	Tourism	90	104.38
47	Transport	16	33.14
48	Urban Development (Municipal Administration)	51	291.01
49	Urban Development (Town & Country Planning)	93	60.24
50	Urban Development	4	1.26
51	Water Resources	2	73.00
52	Welfare of Plain Tribes and Backward Classes	790	2,403.51
Total		9,379	20,402.48

Appendix 4.2: Outstanding DCC Bills against the drawal of AC Bills up to 2019-20
(Reference: Paragraph 4.4)

Sl. No	Name of the Department	No. of Outstanding DCC bills	Amount (in ₹)
1	Administrative Reforms and Training	1	39,000
2	Agriculture	1	1,01,750
3	Assembly Secretariat	6	9,96,832
4	Cooperation	1	15,000
5	Cultural Affairs	26	2,23,50,662
6	Development of Border Areas	23	22,48,37,400
7	Education (General)	35	85,25,68,927
8	Election	75	8,12,12,584
9	Excise	1	20,000
10	Finance (Taxation)	11	28,48,306
11	Finance	24	28,56,18,528
12	Food, Civil Supplies & Consumer Affairs	2	26,02,66,000
13	General Administration	84	18,23,81,079
14	Governor Secretariat	1	20,75,717
15	Health & Family Welfare	22	1,06,05,20,360
16	Hill Areas	9	2,78,76,825
17	Home	163	39,75,47,230
18	Industries and Commerce	4	2,93,28,415
19	Information And Public Relations	4	2,30,200
20	Judicial	56	62,78,765
21	Labour & Employment	3	13,000
22	Welfare of Minorities & Development	9	12,30,31,400
23	Panchayat & Rural Development	133	1,31,24,91,026
24	Pension & Public Grievances	4	6,63,235

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25	Personnel	10	85,38,411
26	Transformation & Development	42	21,88,67,364
27	Political	42	32,87,818
28	Public Health Engineering	2	4,000
29	Public Works	34	25,82,11,675
30	Revenue & Disaster Management	11	90,47,000
31	Revenue	301	32,24,81,110
32	Sainik Welfare	1	3,00,000
33	Secretariat Administration	140	56,04,75,573
34	Social Welfare	17	37,52,71,492
35	Sports & Youth Welfare	2	26,48,160
36	Tourism	42	8,44,31,432
37	Transport	10	1,46,96,02,652
38	Water Resources	54	8,59,595
39	Welfare of Plain Tribes and Backward Classes	26	51,37,00,182
Total		1,432	8,70,10,38,705

**Appendix 4.3: Statement showing details of pendency in finalisation
of Accounts by various Bodies and Authorities
(Reference: Paragraph 4.11)**

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts
1	Agriculture	Assam Agricultural University, Jorhat	2018-19 to 2019-20	2
2		Assam Rural Infrastructure Services Society Project, Guwahati	2018-19 to 2019-20	2
3		Assam State Agricultural Marketing Board, Guwahati	2016-17 to 2019-20	4
4		Assam State Seed Certification Agency, Guwahati	2016-17 to 2019-20	4
5	Cultural Affairs	Srimanta Sankaradeva Kalakhetra	2017-18 to 2019-20	3
6	Education (Elementary)	Sarba Siksha Abhiyan, Guwahati	2019-20	1
7	Education (Higher)	Anandaram Borooah Institute of Language, Art & Culture, Guwahati	2017-18 to 2019-20	3
8		Assam Science & Technology University, Guwahati	2017-18 to 2019-20	3
9		Bodoland University, Kokrajhar	2017-18 to 2019-20	3
10		Cotton College State University, Guwahati	2017-18 to 2019-20	3
11		Dibrugarh University, Dibrugarh	2017-18 to 2019-20	3
12		Gauhati University	2018-19 to 2019-20	2
13		Krishna Kanta Handique State Open University	2018-19 to 2019-20	2
14		Kumar Bhaskar Varma Sanskrit & Ancient Studies University, Nalbari	2018-19 to 2019-20	2
15		Mahapurush Srimanta Sankaradeva Vishwavidyalaya	2014-15 to 2019-20	6
16		Rashtriya Uchhatar Siksha Abhiyan, Guwahati	2007-08 to 2019-20	13
17	Assam Institute of Management, Guwahati	2017-18 to 2019-20	3	
18	Education (Secondary)	Rashtriya Madhyamik Siksha Abhiyan, Guwahati	2017-18 to 2019-20	3
19	Finance	Chief Minister Samagra Gramya Unnayan Yojana - Mega Mission Society	2018-19 to 2019-20	2
20	Environment & Forest	Assam Project Forest and Biodiversity Conservation (APFBC)	2018-19 to 2019-20	2
21		Assam State Bio-Diversity Boards (ASBB)	2018-19 to 2019-20	2
22		Compensatory Afforestation fund Management and Authority (CAMPA)	2018-19 to 2019-20	2
23		Kaziranga Tiger Conservation Foundation	2019-20	1
24		Manas Tiger Conservation Foundation	2019-20	1
25		Nameri Tiger Conservation Foundation	2018-19 to 2019-20	2

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts
26		State Pollution Control Board, Assam (SPCB)	2011-12 to 2019-20	9
27	GDD	Guwahati Metropolitan Development Authority	2015-16 to 2019-20	5
28	Handloom Textile & Sericulture	Assam Apex Weavers & Artisan Co-op. Fed., Guwahati	2016-17 to 2019-20	4
29		Assam Khadi Village Industry Board, Guwahati	2015-16 to 2019-20	5
30	Health & Family Welfare	Assam State AIDS Control Society, Guwahati	2017-18 to 2019-20	3
31		Assam Arogya Nidhi, Guwahati	2017-18 to 2019-20	3
32		MS, Hospital Management Society, AMCH, Dibrugarh	2018-19 to 2019-20	2
33		MS, Hospital Management Society, Baksa	2018-19 to 2019-20	2
34		MS, Hospital Management Society, BMCH, Barpeta	2018-19 to 2019-20	2
35		MS, Hospital Management Society, Bongaigaon	2019-20	1
36		MS, Hospital Management Society, CH, Barpeta	2018-19 to 2019-20	2
37		MS, Hospital Management Society, CH, Darrang, Mangaldoi	2018-19 to 2019-20	2
38		MS, Hospital Management Society, CH, Diphu	2018-19 to 2019-20	2
39		MS, Hospital Management Society, CH, Golaghat	2018-19 to 2019-20	2
40		MS, Hospital Management Society, CH, Haflong	2019-20	1
41		MS, Hospital Management Society, CH, Hailakandi	2007-08 to 2019-20	13
42		MS, Hospital Management Society, CH, Karimganj	2007-08 to 2019-20	13
43		MS, Hospital Management Society, CH, Morigaon	2007-08 to 2019-20	13
44		MS, Hospital Management Society, CH, Nagaon	2018-19 to 2019-20	2
45		MS, Hospital Management Society, CH, North Lakhimpur	2007-08 to 2019-20	13
46		MS, Hospital Management Society, CH, Sivasagar	2007-08 to 2019-20	13
47		MS, Hospital Management Society, CH, Tejpur, Sonitpur	2007-08 to 2019-20	13
48		MS, Hospital Management Society, CH, Tinsukia	2007-08 to 2019-20	13
49		MS, Hospital Management Society, Chirang	2018-19 to 2019-20	2
50		MS, Hospital Management Society, Dhemaji	2018-19 to 2019-20	2
51		MS, Hospital Management Society, Dhubri	2017-18 to 2019-20	3
52		MS, Hospital Management Society, GMCH, Guwahati	2017-18 to 2019-20	3
53		MS, Hospital Management Society, Goalpara	2019-20	1
54		MS, Hospital Management Society, JMCH, Jorhat	2017-18 to 2019-20	3
55	MS, Hospital Management Society, Kokrajhar	2018-19 to 2019-20	2	

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts	
56		MS, Hospital Management Society, Regional Dental College, Guwahati	2019-20	1	
57		MS, Hospital Management Society, SMCH, Silchar	2018-19 to 2019-20	2	
58		MS, Hospital Management Society, TMCH, Tezpur	2019-20	1	
59		MS, Hospital Management Society, Udalguri	2018-19 to 2019-20	2	
60		MS, Hospital Management Society, CH, Baksa	2007-08 to 2019-20	13	
61		MS, Hospital Management Society, CH, Nalbari	2007-08 to 2019-20	13	
62		National Health Mission, Guwahati	2019-20	1	
63		Srimanta Sankaradeva University of Health Science	2007-08 to 2019-20	13	
64		Hill Areas	Karbi Anglong Autonomous Council, Diphu	2018-19 to 2019-20	2
65			North Cachar Hills Autonomous Council, Haflong	2017-18 to 2019-20	3
66	Home	Assam Human Rights Commission	2017-18 to 2019-20	3	
67	Labour & Employment	Assam Building & Other Construction Workers Welfare Board, Guwahati	2016-17 to 2019-20	4	
68		Assam Skill Development Mission (erstwhile Employment Generation Mission), Guwahati	2017-18 to 2019-20	3	
69		Assam Tea Employees Provident Fund Organisation	2014-15 to 2019-20	6	
70	Legislative	Assam State Legal Services Authority	2017-18 to 2019-20	3	
71	Welfare of Minorities and Development	Assam Minority Development Board, Guwahati	2017-18 to 2019-20	3	
72	P & RD	Assam State Rural Livelihood Mission Society (ASRLMS)	2019-20	1	
73		DRDA, Diphu	2018-19 to 2019-20	2	
74		DRDA, Chirang	2019-20	1	
75		DRDA, Kokrajhar	2019-20	1	
76		DRDA, Udalguri	2018-19 to 2019-20	2	
77		DRDA, Haflong	2018-19 to 2019-20	2	
78		DRDA, Baksa	2018-19 to 2019-20	2	
79		DRDA, Dhubri	2018-19 to 2019-20	2	
80		DRDA, Mangaldoi	2015-16 to 2019-20	5	
81		DRDA, Dhemaji	2017-18 to 2019-20	3	
82		DRDA, Bongaigaon	2013-14 to 2019-20	7	
83		DRDA, Cachar	2016-17 to 2019-20	4	
84		DRDA, Dibrugarh	2013-14 to 2019-20	7	
85		DRDA, Jorhat	2013-14 to 2019-20	7	

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts
86		DRDA, Karimganj	2016-17 to 2019-20	4
87		DRDA, Sivasagar	2017-18 to 2019-20	3
88		DRDA, Barpeta	2018-19 to 2019-20	2
89		DRDA, Golaghat	2016-17 to 2019-20	4
90		DRDA, Nagaon	2016-17 to 2019-20	4
91		DRDA, Sonitpur	2014-15 to 2019-20	6
92		DRDA, North Lakhimpur	2017-18 to 2019-20	3
93		DRDA, Kamrup (M)	2015-16 to 2019-20	5
94		DRDA, Kamrup (R)	2014-15 to 2019-20	6
95		DRDA, Nalbari	2017-18 to 2019-20	3
96		DRDA, Hailakandi	2016-17 to 2019-20	4
97		DRDA, Goalpara	2018-19 to 2019-20	2
98		DRDA, Morigaon	2016-17 to 2019-20	4
99		DRDA, Tinsukia	2014-15 to 2019-20	6
100		PHED	National Rural Drinking Water Supply Project	2014-15 to 2019-20
101	Swachha Bharat Abhiyan (Rural)		2018-19 to 2019-20	2
102	PWD (Roads)	Assam State Road Board	2017-18 to 2019-20	3
103	Science & Technology	Assam Energy Development Agency	2015-16 to 2019-20	5
104		Assam Science Technology & Environmental Council	2018-19 to 2019-20	2
105	Social Welfare	Assam State Commission for Child Rights	2018-19 to 2019-20	2
106		Assam State Social Welfare Board, Guwahati	2018-19 to 2019-20	2
107		State Child Protection Society, Guwahati	2019-20	1
108	Sports & Youth Welfare	Sports Authority of Assam, Guwahati	2010-11 to 2019-20	10
109	Transformation & Development	Omeo Kumar Das Institute of Social Change & development	2017-18 to 2019-20	3
110	Urban Development	Assam State Housing Board	2018-19 to 2019-20	2
111	Water Resource	Flood & River Erosion Management Agency	2018-19 to 2019-20	2
112	Welfare of Plain Tribes and Backward Classes	Deori Autonomous Council	2009-10 to 2019-20	11
113		Adivasi Development Council	2010-11 to 2019-20	10
114		Amri Karbi Development Council	2010-11 to 2019-20	10
115		Assam Tribal Development Authority, Guwahati	2018-19 to 2019-20	2
116		Barak Valley Hill Tribes Development Council	2010-11 to 2019-20	10
117		Bishnupriya Manipuri Development Council	2010-11 to 2019-20	10
118		Bodoland Territorial Council	2017-18 to 2019-20	3
119		Chutia Development Council	2010-11 to 2019-20	10

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts
120		Gorkha Development Council	2010-11 to 2019-20	10
121		Koch Rajbongashi Development Council	2010-11 to 2019-20	10
122		Maimal Development Council.	2010-11 to 2019-20	10
123		Manipuri Development Council	2010-11 to 2019-20	10
124		Mech Kachari Development Council	2010-11 to 2019-20	10
125		Mising Autonomous Council	2009-10 to 2019-20	11
126		Moran Development Council,	2010-11 to 2019-20	10
127		Moria Development Council	2010-11 to 2019-20	10
128		Mottok Development Council	2010-11 to 2019-20	10
129		Nath Yogi Development Council	2010-11 to 2019-20	10
130		Rabha Hasong Autonomous Council	2009-10 to 2019-20	11
131		Sadharanjati Development Council	2010-11 to 2019-20	10
132		Sarania Kachari Development Council	2010-11 to 2019-20	10
133		Singph (Man Tai) Development Council	2010-11 to 2019-20	10
134		Sonowal Kachari Autonomous Council	2009-10 to 2019-20	11
135		T.G & Ex-Tea Garden Development Council	2010-11 to 2019-20	10
136		Thengal Kachari Autonomous Council	2009-10 to 2019-20	11
137		Tia Ahom Development Council	2010-11 to 2019-20	10
138		Tiwa Autonomous Council	2009-10 to 2019-20	11
Total				704

Appendix-4.4: Department-wise/duration-wise/category-wise breakup of the cases of theft, misappropriation, defalcation etc.

(Cases where final action was pending at the end of 31 March 2020)

(Reference to Paragraph: 4.14)

(₹ in lakh)

Sl. No.	Name of the Department/ Directorate	Upto 5 years		5 to 10 years		10 to 15 years		15 to 20 years		20 to 25 years		More than 25 years		Total		Theft cases		Misappropriation/ Loss to Government	
		N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A
1	Agriculture	0	0	3	60.25	2	1.69	2	53.43	5	6.63	2	10.53	14	132.53	5	7.31	9	125.22
2	Animal Husbandry & Veterinary	2	57.04	4	8.67	0	0	0	0	3	10.20	0	0	9	75.91	3	15.07	6	60.84
3	Autonomous Bodies ¹	6	7.02	0	0	0	0	4	101.92	1	54.57	0	0	11	163.51	3	6.44	8	157.07
4	Border Protection and Development	0	0	0	0	1	22.41	0	0	0	0	0	0	1	22.41	0	0	1	22.41
5	Co-operation	7	23.00	2	10.16	0	0	0	0	0	0	0	0	9	33.16	0	0	9	33.16
6	Cultural Affairs	0	0	1	89.72	0	0	0	0	0	0	0	0	1	89.72	0	0	1	89.72
7	Dairy Development	0	0	1	301.00	0	0	0	0	0	0	0	0	1	301.00	0	0	1	301.00
8	General Administration (DCs)	41	1559.85	10	424.01	3	421.82	6	82.10	0	0	0	0	60	2487.78	0	0	60	2487.78
9	Education (Elementary)	3	32.02	13	696.02	0	0	0	0	0	0	0	0	16	728.04	1	0.37	15	727.67
10	Education (Secondary)	4	73.00	2	109.16	0	0	0	0	0	0	0	0	6	182.16	0	0	6	182.16

¹ Assam Rural Infrastructure Agricultural Services Society, Assam State Agricultural Marketing Board, Assam Agriculture University, Assam State Seed Certification Agency, Assam Khadi Village Industries Board and Assam Apex Weavers & Artisans Co-operative Federation (ARTFED).

Sl. No.	Name of the Department/ Directorate	Upto 5 years		5 to 10 years		10 to 15 years		15 to 20 years		20 to 25 years		More than 25 years		Total		Theft cases		Misappropriation/ Loss to Government	
		N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A
11	Education (Higher)	2	181.95	4	1015.00	0	0	0	0	0	0	0	0	6	1196.95	0	0	6	1196.95
12	Education (Tech)	0	0	1	3.60	0	0	0	0	0	0	0	0	1	3.60	0	0	1	3.60
13	Fisheries	1	0.60	0	0	0	0	2	1.55	0	0	0	0	3	2.15	1	0.75	2	1.40
14	Food & Civil Supplies	9	258.47	0	0	0	0	0	0	0	0	0	0	9	258.47	9	258.47	0	0
15	Guwahati Development	2	186.91	0	0	0	0	2	34.83	0	0	0	0	4	221.74	0	0	4	221.74
16	Handloom & Textile	2	1.05	2	11.65	2	9.10	1	8.57	0	0	0	0	7	30.37	2	9.10	5	21.27
17	Health & Family Welfare	14	441.32	29	884.50	0	0	0	0	0	0	0	0	43	1325.82	0	0	43	1325.82
18	Hill Areas	2	10.40	16	298.15	0	0	0	0	0	0	0	0	18	308.55	0	0	18	308.55
19	Home (Police)	6	116.03	1	4.87	0	0	0	0	0	0	0	0	7	120.90	0	0	7	120.90
20	Home (Jail)	1	0.28	0	0	0	0	0	0	0	0	0	0	1	0.28	0	0	1	0.28
21	Industries and Commerce	2	68.32	0	0	1	505.19	0	0	0	0	0	0	3	573.51	0	0	3	573.51
22	Information & Public Relations	0	0	2	797.24	0	0	0	0	0	0	0	0	2	797.24	1	797	1	0.24
23	Irrigation	5	205.56	2	98.91	5	71.67	0	0	0	0	0	0	12	376.14	4	16.78	8	359.36
24	Skill, Employment & Entrepreneurship Department	3	314.00	1	0.05	0	0	0	0	0	0	0	0	4	314.05	0	0	4	314.05

Appendices

Sl. No.	Name of the Department/ Directorate	Upto 5 years		5 to 10 years		10 to 15 years		15 to 20 years		20 to 25 years		More than 25 years		Total		Theft cases		Misappropriation/ Loss to Government	
		N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A
25	Panchayat & Rural Development	33	4097.03	60	2222.80	60	1675.41	0	0	0	0	0	0	153	7995.24	2	30.16	151	7965.08
26	Public Health Engineering	1	293.50	0	0	0	0	0	0	0	0	0	0	1	293.50	0	0	1	293.50
27	Public Works	9	845.89	7	2071.71	1	2.18	0	0	0	0	0	0	17	2919.78	0	0	17	2919.78
28	General Administration {SDO (Civil)}	0	0	2	71.58	1	5.67	4	9.18	1	1.33	0	0	8	87.76	0	0	8	87.76
29	Sericulture	1	3.55	1	5.19	0	0	0	0	0	0	0	0	2	8.74	1	5.19	1	3.55
30	Social Welfare	10	370.69	6	22.58	0	0	0	0	0	0	0	0	16	393.27	0	0	16	393.27
31	Urban Development	9	424.12	18	346.14	27	243.06	3	11.07	0	0	0	0	57	1024.39	0	0	57	1024.39
32	Water Resources	1	18.31	2	31.53	1	11.93	0	0	0	0	0	0	4	61.77	3	43.46	1	18.31
33	WPT&BC	11	175.69	0	0	0	0	0	0	0	0	0	0	11	175.69	0	0	11	175.69
34	WPT&BC (BTC)	6	88.00	6	73.05	0	0	0	0	0	0	0	0	12	161.05	1	6.00	11	155.05
Total		193	9853.60	196	9657.54	104	2970.13	24	302.65	10	72.73	2	10.53	529	22867.18	36	1196.1	493	21671.08

N-number; A-amount.

Source: Inspection Reports.

Appendix-5.1: Summarised financial position and working results of Government Companies and Statutory Corporations as per their latest financial statements/accounts as on 30 September 2020

(Referred to in Paragraph 5.3 & 5.10)

(₹ in crore)

Sl. No.	Sector/Name of the SPSE	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus*	Long term loan outstanding ^{&}	Net worth [@]	Capital employed [#]
1	2	3	4	5	6	7	8	9	10	11	12	13
A. Power sector SPSEs (Working)												
1	Assam Power Generation Corporation Ltd.	2019-20	2020-21	68.67	4.28	503.98	455.86	-107.59	0.00	1,001.51	348.27	1,349.78
2	Assam Electricity Grid Corporation Ltd.	2019-20	2020-21	-144.93	-181.60	272.60	99.93	-395.98	0.00	631.02	-296.05	334.97
3	Assam Power Distribution Company Ltd.	2018-19	2019-20	179.77	21.01	5,223.97	162.77	-2,956.01	18.54	2,409.37	-2,774.70	-365.33
Total A (Sector wise)				103.51	-156.31	6,000.55	718.56	-3,459.58	18.54	4,041.90	-2,722.48	1,319.42
B. Non-Power sector SPSEs (Working)												
AGRICULTURE & ALLIED												
1	Assam Seeds Corporation Ltd.	2013-14	2016-17	-3.64	-3.64	22.00	1.46	-13.17	0.00	7.19	-11.71	-4.52
2	Assam Fisheries Development Corporation Ltd.	2015-16	2019-20	5.07	5.07	8.37	0.49	0.00	18.58	0.00	19.07	19.07
3	Assam Livestock and Poultry Corporation Ltd.	2017-18	2020-21	-0.36	-0.36	0.28	2.19	-1.13	0.00	0.00	1.06	1.06
4	Assam Tea Corporation Ltd.	2013-14	2020-21	-14.90	-17.98	46.55	27.54	-323.75	0.00	174.08	-296.21	-122.13
5	Assam Plantation Crop Development Corporation Ltd. ¹	2013-14	2016-17	-0.16	-0.16	1.99	5.00	-13.71	0.00	9.69	-8.71	0.98
6	Assam Food & Civil Supplies Corporation Limited	2016-17	2020-21	-0.31	-0.31	0.00	12.19	-1.04	0.00	0.00	11.15	11.15
Sector wise total				-14.30	-17.38	79.19	48.87	-352.80	18.58	190.96	-285.35	-94.39
FINANCE												

Sl. No.	Sector/Name of the SPSE	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus*	Long term loan outstanding ^{&}	Net worth [@]	Capital employed [#]
1	2	3	4	5	6	7	8	9	10	11	12	13
7	Assam Plains Tribes Development Corporation Ltd.	2018-19	2019-20	-2.09	-2.68	0.00	2.95	-44.06	2.35	14.70	-38.76	-24.06
8	Assam State Development Corporation for Other Backward Classes Ltd.	2015-16	2018-19	-0.33	-0.33	0.03	3.40	-15.79	0.00	4.10	-12.39	-8.29
9	Assam Minorities Development and Finance Corporation Ltd.	1997-98	2016-17	0.01	0.01	0.00	0.01	0.00	0.01	0.00	0.02	0.02
10	Assam State Development Corporation for Scheduled Castes Ltd.	2009-10	2012-13	-1.19	-1.68	0.00	9.85	-23.74	0.00	11.57	-13.89	-2.32
11	Assam State Film (Finance & Development) Corporation Ltd.	2013-14	2019-20	0.28	0.28	0.03	0.10	0.00	0.82	0.04	0.92	0.96
Sector wise total				-3.32	-4.40	0.06	16.31	-83.59	3.18	30.41	-64.10	-33.69
INFRASTRUCTURE												
12	Assam Hills Small Industries Development Corporation Ltd.	1998-99	2019-20	-0.89	-0.89	0.03	2.00	-8.57	0.00	9.95	-6.57	3.38
13	Assam Industrial Development Corporation Ltd.	2018-19	2020-21	10.70	7.93	11.73	139.21	-95.05	0.00	86.35	44.16	130.51
14	Assam Small Industries Development Corporation Ltd.	2014-15	2017-18	-3.11	-3.11	44.86	6.67	-17.63	0.00	5.19	-10.96	-5.77
15	Assam Electronics Development Corporation Ltd.	2012-13	2016-17	2.36	2.26	0.92	9.46	0.00	0.25	0.00	9.71	9.71
16	Assam Mineral Development Corporation Ltd.	2017-18	2020-21	31.44	22.46	102.05	4.89	0.00	35.49	0.00	40.38	40.38

Sl. No.	Sector/Name of the SPSE	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus*	Long term loan outstanding ^{&}	Net worth [@]	Capital employed [#]
1	2	3	4	5	6	7	8	9	10	11	12	13
17	Assam Police Housing Corporation Ltd.	2013-14	2019-20	-2.43	-2.44	1.94	0.04	0.00	16.34	0.00	16.38	16.38
18	Assam Trade Promotion Organisation	2018-19	2019-20	0.97	0.62	0.47	10.00	0.00	3.39	0.00	13.39	13.39
Sector wise total				39.04	26.83	162.00	172.27	-121.25	55.47	101.49	106.49	207.98
MANUFACTURING												
19	Assam Petrochemicals Ltd.	2019-20	2020-21	-10.09	-10.11	83.05	497.17	-24.05	33.09	408.40	506.21	914.61
20	Ashok Paper Mill (Assam) Ltd.	2015-16	2017-18	-0.83	-2.73	0.00	0.01	-83.10	0.00	13.32	-83.09	-69.77
21	Assam Hydro-Carbon and Energy Company Ltd.	2018-19	2019-20	1.69	1.27	0.59	21.00	0.00	13.93	0.00	34.93	34.93
22	Amtron Informatics (India) Ltd.	2015-16	2018-19	-0.12	-0.12	0.00	0.01	-4.13	0.00	0.00	-4.12	-4.12
23	Assam State Fertilizers and Chemicals Ltd.	2009-10	2017-18	0.40	0.40	3.20	4.56	-6.36	0.00	9.67	-1.80	7.87
Sector wise total				-8.95	-11.29	86.84	522.75	-117.64	47.02	431.39	452.13	883.52
SERVICES												
24	Assam Tourism Development Corporation Ltd.	2016-17	2019-20	2.25	1.51	4.44	0.39	0.00	15.60	0.00	15.99	15.99
Sector wise total				2.25	1.51	4.44	0.39	0.00	15.60	0.00	15.99	15.99
MISCELLANEOUS												
25	Assam Government Marketing Corporation Ltd.	2014-15	2020-21	-0.73	-0.73	59.07	4.36	-9.74	0.00	1.91	-5.38	-3.47
26	Assam State Text Book Production and Publication Corporation Ltd.	1995-96	2019-20	2.16	1.95	13.41	1.00	0.00	3.59	0.00	4.59	4.59
27	Assam Gas Company Ltd.	2019-20	2020-21	99.08	82.55	274.81	16.91	0.00	806.04	0.00	822.95	822.95

Sl. No.	Sector/Name of the SPSE	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus*	Long term loan outstanding ^{&}	Net worth [@]	Capital employed [#]
1	2	3	4	5	6	7	8	9	10	11	12	13
28	DNP Ltd.	2019-20	2020-21	44.41	35.42	85.16	167.25	0.00	101.18	0.00	268.43	268.43
29	Purba Bharti Gas Private Limited	2019-20	2020-21	-2.14	-2.14	0.00	100.00	-2.14	0.00	0.00	97.86	97.86
Sector wise total				142.78	117.05	432.45	289.52	-11.88	910.81	1.91	1,188.45	1,190.36
Total B (All sector wise)				157.50	112.32	764.98	1,050.11	-687.16	1,050.66	756.16	1,413.61	2,169.77
Total (A+B)				261.01	-43.99	6,765.53	1,768.67	-4,146.74	1,069.20	4,798.06	-1,308.87	3,489.19
C. Statutory Corporations (Working)												
FINANCE												
1	Assam Financial Corporation	2018-19	2019-20	-1.21	-3.28	7.25	32.4	-9.73	0	50	22.67	72.67
Sector wise total				-1.21	-3.28	7.25	32.4	-9.73	0	50	22.67	72.67
SERVICES												
2	Assam State Transport Corporation	2016-17	2018-19	-77.87	-77.87	70.54	167.73	-948.04	0.00	0.00	-780.31	-780.31
3	Assam State Warehousing Corporation	2016-17	2020-21	0.73	0.13	15.02	13.47	-9.06	0.00	4.25	4.41	8.66
Sector wise total				-77.14	-77.74	85.56	181.20	-957.10	0.00	4.25	-775.90	-771.65
Total C (All sector wise Statutory corporations)				-78.35	-81.02	92.81	213.60	-966.83	0.00	54.25	-753.23	-698.98
Grand Total (A + B + C)				182.66	-125.01	6,858.34	1,982.27	-5,113.57	1,069.20	4,852.31	-2,062.10	2790.21
D. Non-Power sector SPSEs (Non-Working)												
1	Assam Agro-Industries Development Corporation Ltd	2009-10	2017-18	-0.45	-0.45	0.00	2.20	-22.56	0.00	7.26	-20.36	-13.10
2	Assam State Minor Irrigation Development Corporation Ltd.	2011-12	2013-14	-0.02	-0.02	0.00	17.35	-63.76	0.00	45.65	-46.41	-0.76
3	Assam Power Loom Development Corporation Ltd.	1993-94	2001-02	0.00	0.00	0.00	1.47	0.00	0.00	0.00	1.47	1.47
4	Assam Government Construction Corporation Ltd.	2019-20	2020-21	-0.05	-0.05	0.00	2.00	-10.50	0.00	0.00	-8.50	-8.50

Sl. No.	Sector/Name of the SPSE	Period of Accounts	Year in which finalised	Net profit/loss before interest & Tax	Net Profit (+) /Loss (-)	Turn-over	Paid Up Capital	Accumulated Loss (-)	Free Reserve & Surplus*	Long term loan outstanding ^{&}	Net worth [@]	Capital employed [#]
1	2	3	4	5	6	7	8	9	10	11	12	13
5	Assam Conductors and Tubes Ltd.	2014-15	2017-18	-2.01	-2.01	0.00	1.54	-8.20	0.00	468	-6.66	-1.98
6	Assam State Textiles Corporation Ltd.	2018-19	2019-20	0.70	0.70	0.00	15.44	-36.72	0.00	6.07	-21.28	-15.21
7	Pragjyotish Fertilizers and Chemicals Ltd.	2012-13	2017-18	0.00	0.00	0.00	2.33	0.00	0.00	0.31	2.33	2.64
8	Assam Tanneries Ltd.	1982-83	1983-84	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.02	0.02
9	Industrial Papers (Assam) Ltd.	2000-01	2012-13	0.00	0.00	0.00	0.40	0.00	0.00	0.00	0.40	0.40
10	Assam Spun Silk Mills Ltd.	2013-14	2015-16	0.00	0.00	0.00	1.70	0.00	0.00	3.99	1.70	5.69
11	Assam Polytex Ltd.	1987-88	1993-94	0.00	0.00	0.00	5.26	0.00	0.00	6.30	5.26	11.56
12	Assam Syntex Ltd.	2017-18	2019-20	-0.03	-0.03	0.00	5.12	-59.09	0.00	0.00	-53.97	-53.97
13	Assam State Weaving and Manufacturing Company Ltd.	2017-18	2019-20	-0.41	-0.41	0.00	8.20	-24.77	0.00	0.00	-16.57	-16.57
14	Assam and Meghalaya Mineral Development Corporation Ltd.	1983-84	1984-85	-0.01	-0.01	0.00	0.23	-0.09	0.00	0.00	0.14	0.14
15	Cachar Sugar Mills Ltd.	2013-14	2017-18	-0.04	-0.04	0.00	3.38	-7.14	0.00	0.70	-3.76	-3.06
16	Fertichem Ltd.	2018-19	2019-20	-0.03	-0.03	0.00	0.43	-22.12	0.00	0.00	-21.69	-21.69
Total D {All sector wise Non-Power sector SPSEs (Non-working)}				-2.35	-2.35	0.00	51.63	-254.95	0.00	74.96	-187.88	-112.92
Grand Total (A+B+C+D)				180.31	-127.36	6858.34	2033.90	-5368.52	1069.20	4927.27	-2249.98	2677.29

ⁱ Assam Plantation Crop Development Corporation Limited finalised its accounts till 1990-91. Thereafter it had finalised two years accounts (2012-13 and 2013-14) with an undertaking that the arrears of accounts (1991-92 to 2011-12) would be finalised within five years.

** Free Reserve & Surplus does include accumulated profit at the end of the respective year.

& Long term loan outstanding also includes 'Current portion of Long Term Debts'.

@Net worth means Paid up Capital (Equity) *plus* Free Reserves and Surplus *minus* Accumulated losses *minus* Deferred Revenue Expenditure.

Capital Employed represents Shareholders' Fund (Net worth) plus Long Term Borrowings.

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