



**State Finances Audit Report of the  
Comptroller and Auditor General of India  
for the year ended 31 March 2019**



**लोकहितार्थ सत्यनिष्ठा**  
**Dedicated to Truth in Public Interest**

**Government of Assam**  
**(Report No. 1 of 2020)**



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

**FOR THE YEAR ENDED 31 MARCH 2019**

**GOVERNMENT OF ASSAM**  
*(Report No. 1 of 2020)*



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## Preface

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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 & III of the Report contain audit findings on matters arising from an examination of the Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2019. Information has been obtained from Government of Assam, wherever necessary.
4. 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.
5. The Reports 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

## 1 The Report

Based on the audited accounts of the Government of Assam for the year ending 31 March 2019, this Report provides an analytical review of the finances of the State Government. The Report is structured in four Chapters.

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

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

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

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

The Report has 12 appendices containing additional data collated from several sources in support of the audit observations.

## 2 Audit findings

### 2.1 Fiscal Position

*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 State could achieve Revenue Surplus during two years out of the five-year period 2014-19. During 2018-19, the Revenue Surplus was ₹6,580 crore. However, this surplus has to be viewed in the light of non-contribution to the required causes by the State Government and misclassification of revenue items under capital category. Incorporating these would result in the State having a Revenue Surplus of ₹1,291 crore during 2018-19.*

*The State was successful in containing the Fiscal Deficit below three per cent of GSDP in four out of the last five years, and had in fact, a Fiscal Surplus of ₹3,005 crore in 2015-16. It was also successful in reining in the Fiscal Deficit below three per cent in 2018-19.*

*During the five-year period 2014-19, the outstanding debt of the State remained between 17.08 and 18.84 per cent of GSDP, which was consistently below the norm of 28.50 per cent of GSDP prescribed by the Assam Fiscal Responsibility and Budget Management Act, 2011.*

**(Chapter 1)**

## **2.2 Finances of the State**

*The State Government registered an increase of 17.27 per cent in its Revenue Receipts during 2018-19 compared to the previous year. There has been a significant increase in Non-Tax Revenue and the buoyancy of the State's own revenue was also higher than the preceding four years due to the implementation of Goods and Services Tax. However, the State continued to be dependent on GoI, with 62 per cent of the revenue coming from Central transfers and Grants-in-Aid.*

*Development expenditure of the State as well as expenditure on health and education was more than that of the other Special Category States.*

*The State continued to be non-compliant with the Indian Government Accounting Standards as regards the accounting treatment given to expenditure incurred out of Grants-in-Aid.*

*The State Government violated the rules governing National Pension System and its act of short contribution to this pension system as well as retaining the balances in current account and non-transfer of the balances to the Trustee is fraught with the risk of unauthorised use of funds belonging to the employees, thereby creating uncertainty in respect of the benefits due to the employees and avoidable future liability to the Government.*

**(Chapter 2)**

## **2.3 Budgetary Management**

*Budgetary assumptions of the State Government were not realistic during 2018-19 and despite carrying out an elaborate pre-budget exercise to bring about efficiency and transparency in budget formulation and execution, budgetary estimates were off the mark to a considerable extent, and control over the execution and monitoring of budget was inadequate.*

*Significant policy initiatives of the Government were not fulfilled during the year due to non-completion of the preparatory activities relating to these initiatives.*

*Supplementary Grants/ Appropriations were obtained without adequate justification, and large amounts were expended without budgetary provision. Despite flagging this issue every year over the last several years, the State Government had failed to take corrective measures in this regard.*

*Savings during the year accounted for about a third of the budget; however, the Controlling Officers did not surrender the funds on time. Nor were explanations provided*

*to the 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 absorb the allocations.*

**(Chapter 3)**

## **2.4 Quality of Accounts & Financial Reporting Practices**

*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.*

*Non-submission of Utilisation Certificates and Detailed Countersigned Contingent bills by departments for funds drawn for specific developmental programmes/ projects and non-submission of accounts by Autonomous Councils, Development Bodies and Authorities was violative of prescribed financial rules and directives pointing to inadequate internal controls and reflect poorly on the monitoring mechanism of the State Government.*

*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.*

*Non-reconciliation of receipts and expenditure booked by the Controlling Officers of the State with the figures of the Accountant General (A&E) reflects poorly on the internal control system within the Government and raises concerns relating to accuracy of accounts.*

**(Chapter 4)**



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# **Chapter - I**

## **Overview**

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## 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. At 12.27 *per cent*, the decadal (2009-2019) growth of population of the State was more than the 11.91 *per cent* rate of growth of Special Category States (SCS), but marginally lower than the all India growth rate of 12.84 *per cent*.

The State has 33 districts and three Autonomous District Councils (ADCs). It was designated as an 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 income of the State at current prices was ₹ 91,861 in 2018-19, which was lower than the all India average of ₹ 1,42,719 as well as the average of the SCS of ₹ 1,37,174.

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

## 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 2019 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 Accountant General (Audit), and certified by the CAG.

Finance Accounts and Appropriation Accounts of the State for the year 2018-19 constitute the core data for this report. Other sources include the following:

- Budget of the State for the year 2018-19 also 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 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 from the Directorate of Economics and Statistics Wing of Transformation and Development (T&D) Department of Assam; and
- Various audit reports of the CAG of India during 2014-19 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 in January 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 in February 2020 for comments. Replies of the Government, where received, have been incorporated in this Report at appropriate places.

### 1.3 Report Structure

The SFAR is structured into the following four Chapters:

<b>Chapter - I</b>	<b>Overview</b> <i>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.</i>
<b>Chapter - II</b>	<b>Finances of the State</b> <i>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 2014-15 to 2018-19, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.</i>
<b>Chapter - III</b>	<b>Budgetary Management</b> <i>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.</i>
<b>Chapter - IV</b>	<b>Quality of Accounts &amp; Financial Reporting Practices</b> <i>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.</i>

## 1.4 Structure of Government Accounts

It is necessary to understand the structure of Government Accounts in order to appreciate the analysis of the finances of the State Government given in **Chapter 2** of this report.

Government Accounts are defined by the twin principles of Fund based accounting and functional classification of transactions of the Government. Fund based accounting system involves sourcing and allocating all receipts and disbursements to one of the three Funds, *viz.*, Consolidated Fund, Contingency Fund and Public Account. These Funds are created by the Constitution and function as instruments of public accountability. The details and purpose of each of these Funds are given in **Chart 1.1**.

**Chart 1.1: Structure of Government Accounts**

### Consolidated Fund - Part I

The Consolidated Fund comprises all the receipts and expenditure of the Government on Revenue and Capital Accounts, Public Debt and Loans and Advances

### Contingency Fund - Part II

This Fund is intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund. The corpus of this Fund is ₹ 100 crore in Assam

### Public Account - Part III

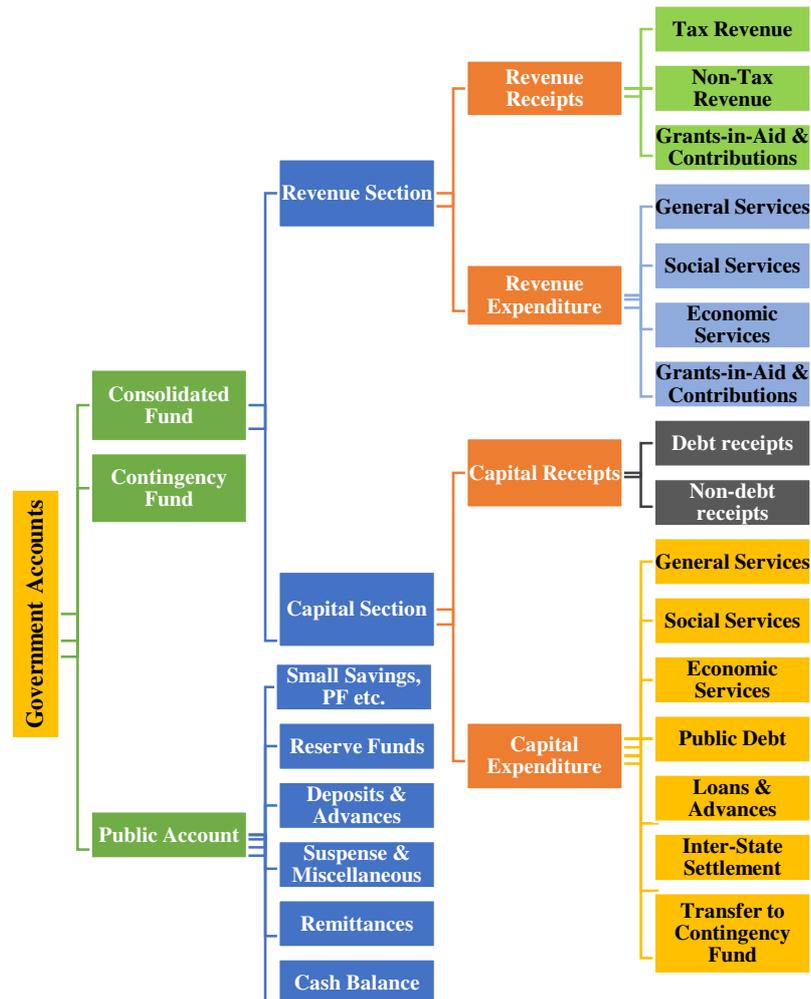
All public money received, other than that credited to the Consolidated Fund, is accounted for under Public Account. The Government acts as a trustee or a banker in respect of such funds

Functional classification involves arranging the receipts and expenditure by economic categories, distinguishing the Government transactions into Sections like Revenue and Capital (including Public Debt, Loans and Advances), Sectors like Tax Revenue from other revenue and Grants-in-Aid, Sub-sectors like Taxes on Income and Expenditure, fiscal services, *etc.* On the expenditure side also, the transactions are classified into Sectors *viz.*, General Services, Economic Services, Social Services and Grants-in-Aid and contributions and sub-divided into Major Heads of account below these Sectors.

Major Heads of account falling within the Consolidated Fund generally correspond to 'Functions' of Government, such as 'Agriculture', while Minor Heads subordinate to them identify the 'Programme' undertaken to achieve the objectives of the function represented by the Major Head. A programme may consist of a number of schemes or activities and these generally, correspond to 'Sub-heads' below the Minor head. 'Detailed head' below the Sub-head, is primarily meant for itemised control over expenditure and indicates the object or nature of expenditure on a scheme or activity in terms of inputs such as 'Salaries', 'Office Expenses', 'Grants-in-Aid', *etc.*

A pictorial depiction of the structure of Government Accounts is given in **Chart 1.2**.

**Chart 1.2: Pictorial depiction of the structure of Government Accounts**



Fund based accounting coupled with functional and economic classification of transactions facilitates an in-depth analysis of Government activities/ transactions and enables Legislative oversight over public finances.

## 1.5 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 2018-19, 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 81 Demands for Grants/ Appropriations and after approval of these, the Appropriation Bill

was passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

As mentioned in Paragraph 1.2, Finance Accounts and Appropriation Accounts encompass the core data for preparation of the SFAR. These Accounts are based on actual receipts and expenditure of the State during the year 2018-19 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 2018-19 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. While formulating its Budget for 2018-19, the State Government introduced substantial procedural and policy changes to improve transparency and to ensure better control over unproductive areas. Towards this end, it outlined the following strategy:

- a) rationalise Budget Heads of Accounts, where no expenditure is recorded;
- b) streamline revenue systems and prevent revenue leakages so as to augment own tax revenue;
- c) curtail unproductive revenue expenditure to maintain revenue balance;
- d) focus on identifying budgetary interventions in priority areas with an emphasis on **Outcome** budget (aligned to sustainable development goals set by the UN), **Gender** budget, **Child** budget (girl child), **Elderly** budget and **Divyang** budget.

Although the State has been preparing an ‘Outcome budget’ during the last few years, it is yet to map the actual outcomes of various budgetary interventions with the corresponding projections made in the relevant budget. The achievement of actual outcomes as against those projected in Budget 2018-19 were thus, not placed before the Legislature as of March 2020.

Results of audit scrutiny of budget and implementation of other budgetary initiatives of the State Government are detailed in **Chapter 3** of this Report.

## 1.6 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 (nominal) *vis-à-vis* that of the country are given in **Table 1.1**.

Table 1.1: Trends in growth of GDP and GSDP

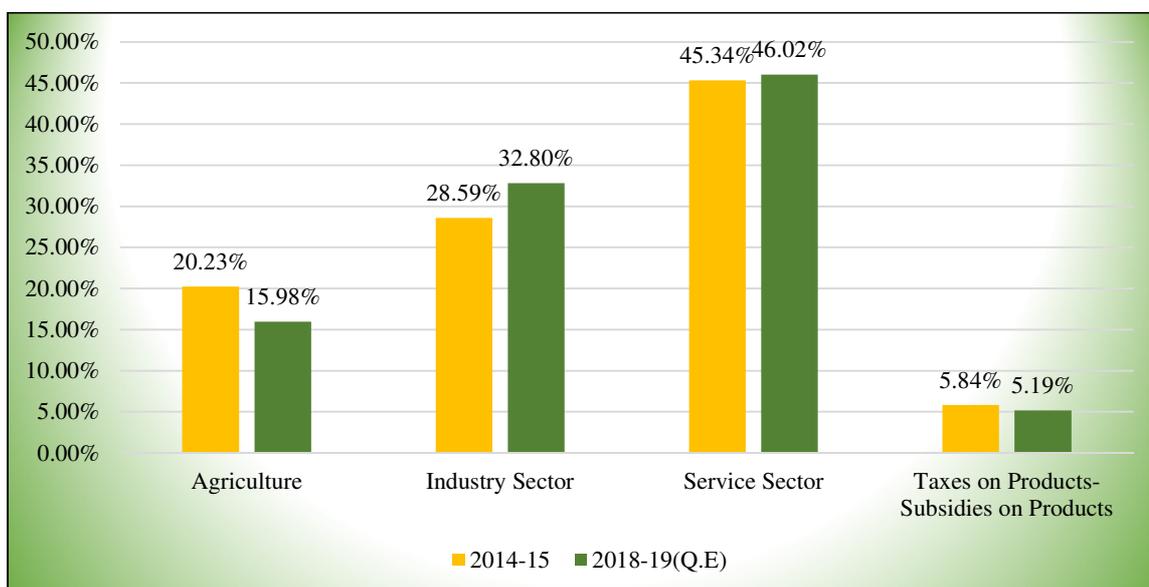
(₹ in crore)					
Year	2014-15	2015-16	2016-17	2017-18	2018-19
National GDP (2011-12 Series)	1,24,67,959	1,37,71,874	1,53,62,386 (2 <sup>nd</sup> RE)	1,70,95,005 (1 <sup>st</sup> RE)	1,90,10,164 (PE)
Growth rate of GDP over previous year at current prices (per cent)	10.99	10.46	11.55	11.29	11.20
State's GSDP (2011-12 Series)	1,95,723	2,27,959	2,54,478	2,88,494 (PE)	3,15,372 (QE)
Growth rate of GSDP over previous year at current prices (per cent)	10.11	16.47	11.63	13.37	9.32

Source of data: GoI's Economic Survey (2018-19) 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 period from 2015-16 to 2017-18 compared to the national growth rate. However, during the year 2018-19, it registered the lowest growth rate in five years.

**Chart 1.3** reveals that during the five-year period from 2014-15 to 2018-19, there has been a significant decrease in the relative share of Agriculture in GSDP, reducing from 20.23 per cent in 2014-15 to 15.98 per cent in 2018-19. Matching increase was seen in Industry sector, with only a marginal increase in the relative share of Services sector.

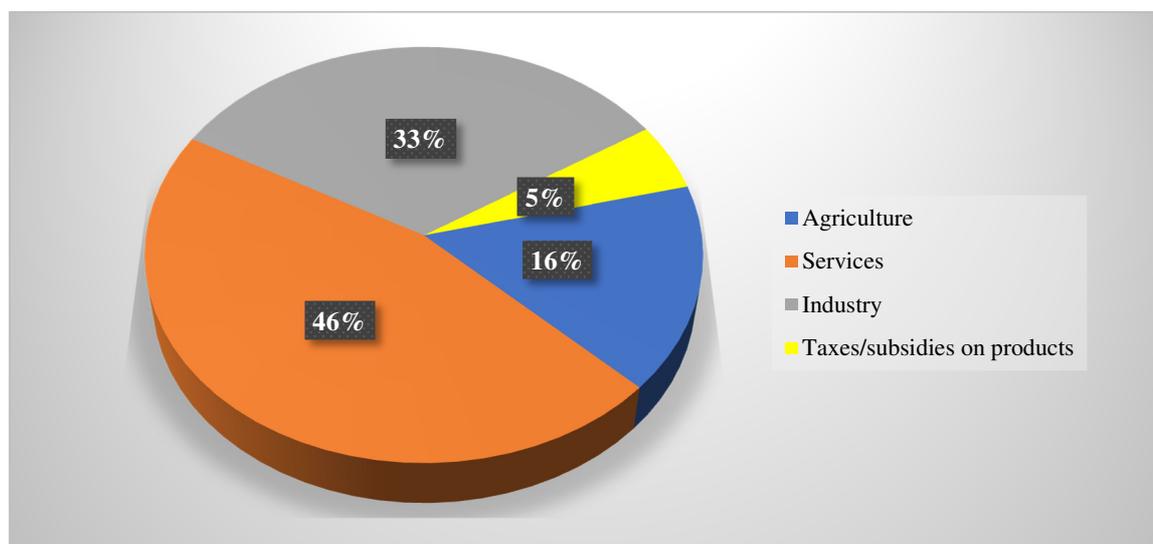
Chart 1.3: Change in sectoral contribution to GSDP (2014-15 to 2018-19)



Source of data: Directorate of Economics and Statistics, Assam

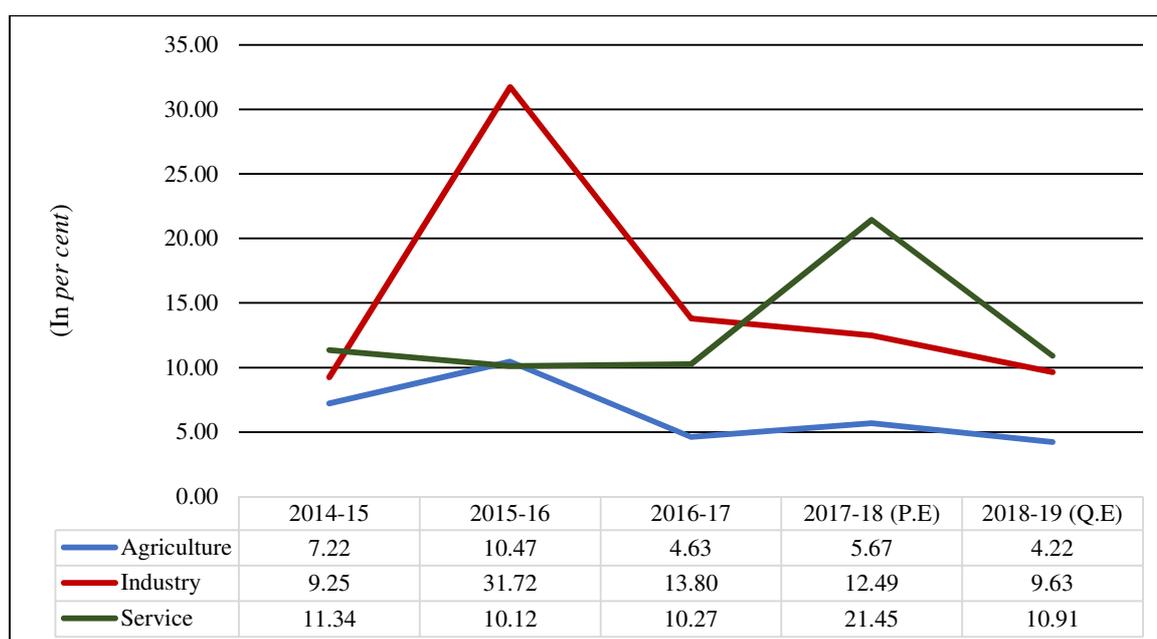
The sectoral contribution to GSDP of the State during 2018-19 is given in **Chart 1.4**.

**Chart 1.4: Sectoral Contribution to GSDP (2018-19 Quick Estimates)**



During 2018-19, there was a decline in the growth rate of all three sectors in comparison with the previous year, as can be seen from **Chart 1.5**.

**Chart 1.5: Sectoral growth in GSDP**



## 1.7 Trends in Key Fiscal Parameters

Deficit is an indicator of prudent fiscal management of the Government. Further, the ways in which the deficit is financed, and the resources raised are applied, are important pointers to its fiscal health. This Section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under AFRBM Act/ Rules for the financial year 2018-19.

## 1.7.1 What are Deficit and Surplus?

<b>Revenue Deficit/ Surplus</b>	<i>Refers to the gap between Revenue Expenditure and Revenue Receipts</i>
<b>Fiscal Deficit/ Surplus</b>	<i>This is the difference between the Revenue Receipts plus Non-debt Capital Receipts (NDCR) and the Total Expenditure. FD is reflective of the total borrowing requirements of Government</i>
<b>Primary Deficit/ Surplus</b>	<i>Primary Deficit is measured as Fiscal Deficit less interest payments</i>

Source: Budget at a Glance, Government of India 2018-19

## 1.7.2 Trends of Deficit/ Surplus

The State is well within the targets specified by the XIV FC during 2018-19 with regard to the key fiscal parameters, compared to the previous year. It had a fiscal deficit of ₹ 4,779 crore during the year 2018-19, representing 1.52 per cent of the GSDP and constituted seven per cent of Total Expenditure. The Primary Deficit of ₹ 6,137 crore during 2017-18 was reduced to ₹ 935 crore during the current year and the Revenue Deficit of ₹ 1,350 crore in 2017-18 turned to a surplus of ₹ 6,580 crore during 2018-19. The trend of these surplus and deficits over the five-year period from 2014-15 to 2018-19 is depicted in **Chart 1.6** and trend in surplus or deficit relative to GSDP is given in **Chart 1.7**.

**Chart 1.6: Trends in Surplus/ Deficit**

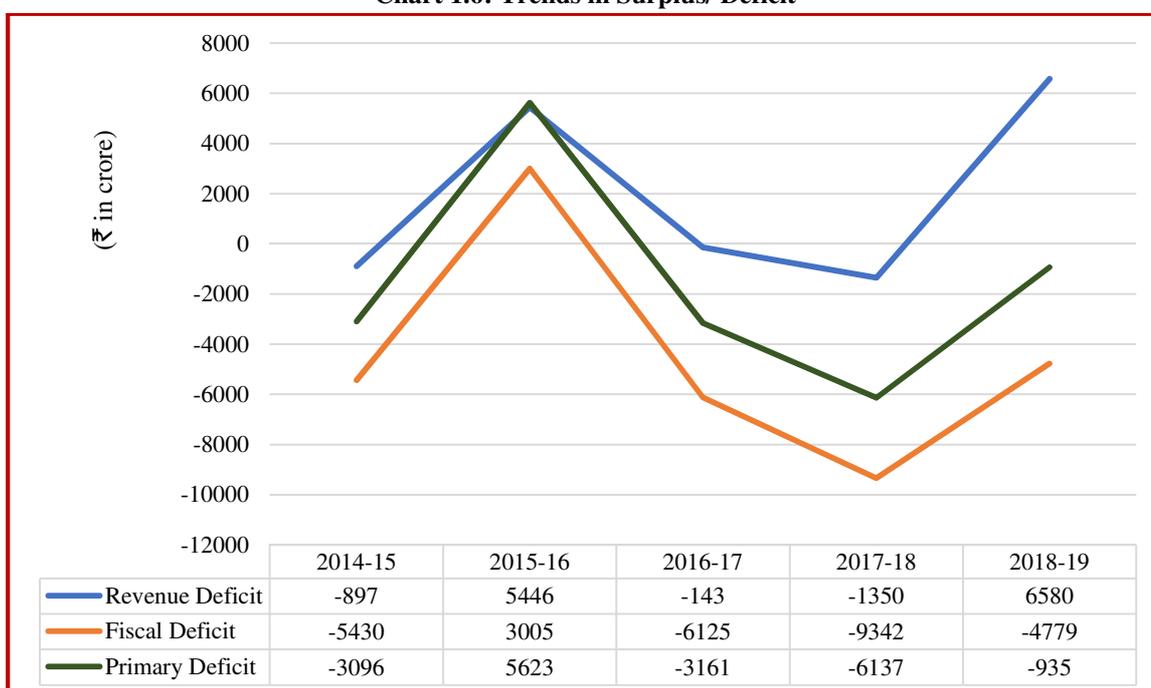
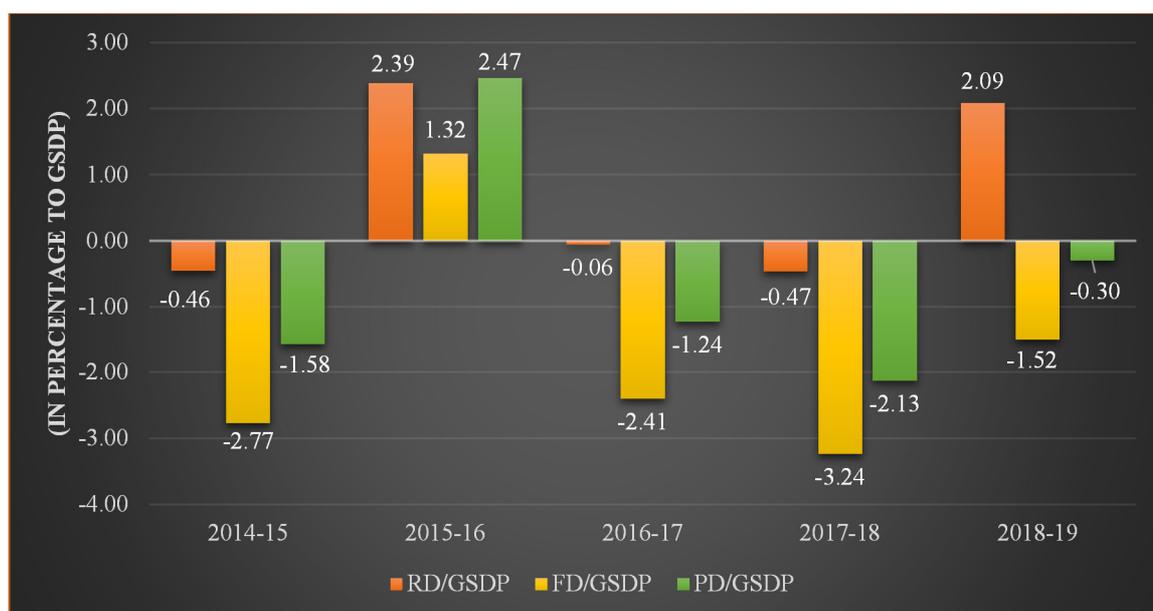


Chart 1.7: Trends in Surplus/ Deficit relative to GSDP



Significant surplus on Revenue Account was mainly due to the fact that the State could not utilise the available resources, with the actual Revenue Expenditure falling short of BE and RE by 20.23 and 30.62 *per cent* respectively during the year. During 2018-19, Revenue Receipts increased significantly by 17.27 *per cent* (₹ 9,348 crore) over the previous year, while Revenue Expenditure increased marginally by 2.56 *per cent* (₹ 1,418 crore) during the same period.

### 1.7.3 Components of Fiscal Deficit and its Financing Pattern

The share of Revenue Deficit in Fiscal Deficit indicates the extent to which borrowed funds were used for current consumption. Persistently high ratio of Revenue Deficit to Fiscal Deficit also indicates that the asset base of the State is continuously being eroded and a part of borrowings (fiscal liabilities) does not have any asset backup.

The financing pattern of Fiscal Deficit has undergone a compositional shift as reflected below in **Table 1.2**.

Table 1.2: Components of Fiscal Deficit and its financing pattern

(₹ in crore)

Particulars		2014-15	2015-16	2016-17	2017-18	2018-19
Fiscal Deficit (-)/Surplus (+) (FD/GSDP)		-5,430 (-2.77)	3,005 (+1.32)	-6,125 (-2.41)	-9,342 (-3.24)	-4,779 (-1.52)
<b>Composition of Fiscal Deficit/Surplus</b>						
1	Revenue Deficit (-) /Surplus(+)	-897	5,446	-143	-1,350	6,580
2	Net Capital Expenditure	-3,912	-2,691	-5,502	-7,693	-11,034
3	Net Loans & Advances	-621	250	-480	-249	-325
<b>Financing Pattern of Fiscal Deficit*</b>						
1	Public Debt	2,955.23	3,529.09	1,859.08	6,488.47	8,165.29
2	Small Savings, Provident Fund & Others	890.13	860.14	796.45	1,027.66	981.06
3	Reserves & Sinking Fund	320.62	230.03	1,240.52	-2,294.54	107.50
4	Deposits	-528.16	-967.83	1,029.91	72.71	896.87
5	Civil Advances	294.62	-38	-684.26	-516.32	254.59

Particulars		2014-15	2015-16	2016-17	2017-18	2018-19
6	Cash Balance Investment Account	1,607.27	-5,505.40	2,328.47	4,244.69	-7,325.32
7	Other Suspense and Miscellaneous Account	-88.40	-229.43	223.20	650.93	1,011.59
8	Remittances	30.26	-47.66	-72.34	20.50	-56.58
9	Deposits with RBI	-52.04	-836.41	-595.26	-401.90	744.06
10	Contingency Fund	0	0	0	50.00	0
Total		<b>5,429.53</b>	<b>-3,005.47</b>	<b>6,125.77</b>	<b>9,342.20</b>	<b>4,779.06</b>

\*All the figures are net of disbursements/ outflows during the year

### 1.7.4 Actual Revenue and Fiscal Deficit

Excessive focus on short-term objectives for overcoming budget deficit, encourages creative accounting and recourse to one-off deficit-reducing measures. **Table 1.3** assesses actual surplus/ deficit after taking into account short/ non-contribution to funds and incorrect classifications/ booking by the State Government during 2018-19.

**Table 1.3: Actual Revenue and Fiscal Deficit**

Particulars	Impact on Revenue Surplus (Understated(-)/ overstated(+)) (₹ in crore)	Impact on Fiscal Deficit (Understated) (₹ in crore)
Major works budgeted/ booked under Revenue Section instead of Capital	(-) 545.34	--
Minor works budgeted/ booked under Capital Section instead of Revenue	(+) 120.01	--
Grants-in-Aid booked under Capital Section instead of Revenue	(+) 5,489.95	--
Short transfer of Government matching contribution towards National Pension System	(+) 144.89	144.89
Non discharge of Interest liabilities	(+) 59.12	59.12
Shortfall in State Government contribution to Consolidated Sinking Fund	(+) 10.52	10.52
Inter account transfer of expenditure pertaining to the year 2017-18 from MH-8121 to MH-2245	(+) 9.38	9.38
<b>Total</b>	<b>(+) 5,288.53</b>	<b>223.91</b>

Source: Finance Accounts

As can be seen from the above table, there was an overstatement of Revenue Surplus by ₹ 5,288.53 crore during the year. However, considering that the overall Revenue Surplus depicted in the accounts was ₹ 6,580 crore, the State would have a Revenue Surplus of ₹ 1,291 crore during 2018-19 even after considering the items of misclassification, that have resulted in overstatement.

## 1.8 Fiscal Correction Path

State Government enacted the AFRBM Act, 2005 in line with the Union FRBM Act, 2003, to ensure fiscal stability and sustainability, improve efficiency and transparency in management of public finances, enhance the availability of resources by achieving sufficient revenue surplus, reduce fiscal deficit and remove the impediments to effective conduct of fiscal policy and prudent debt management.

The Act was subsequently amended five times, with the latest amendment being in April 2017.

### 1.8.1 AFRBM Targets on Key Fiscal Parameters and Achievements thereon

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 2014-15 to 2018-19 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)				
		2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Revenue	-897	5,446	-143	-1,350	6,580
	Surplus	X	✓	X	X	✓
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	Three <i>per cent</i>	-5,430 (-2.77)	3,005 (1.32)	-6,125 (-2.41)	-9,342 (-3.24)	-4,779 (-1.52)
		✓	✓	✓	X	✓
Ratio of total outstanding debt to GSDP (in <i>per cent</i> )	28.50 <i>per cent</i>	18.09	17.13	17.28	17.08	18.84
		✓	✓	✓	✓	✓

The State could achieve Revenue Surplus only during two out of the five-year period from 2014-15 to 2018-19. During 2018-19, the Revenue Surplus was ₹ 6,580 crore. However, as detailed in **Table 1.3**, this surplus has to be viewed in the light of non-contribution to the required causes by the State Government and misclassification of revenue items under capital category.

The State was successful in containing the Fiscal Deficit below three *per cent* of GSDP in four out of the last five years, and had in fact, a fiscal surplus of ₹ 3,005 crore in 2015-16. It was also successful in reining in the Fiscal Deficit below three *per cent* in 2018-19.

During the five-year period from 2014-15 to 2018-19, 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.

## 1.8.2 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 2018-19 in MTFP presented to the State Legislature along with the Annual Budget for 2018-19 and Actuals of the year.

**Table 1.5: Actuals *vis-à-vis* projection in MTFP for 2018-19**

(₹ in crore)

Sl. No.	Fiscal Variables	Projection as per MTFP	Actuals (2018-19)	Variation (in per cent)
1	Own Tax Revenue	17,452	15,925	-8.75
2	Non-Tax Revenue	8,192	8,221	+0.35
3	Share of Central Taxes	26,095	25,216	-3.37
4	Grants-in-Aid from GoI	22,380	14,117	-36.92
5	Revenue Receipts (1+2+3+4)	74,119	63,479	-14.36
6	Revenue Expenditure	71,329	56,899	-20.23
7	Revenue Deficit (-)/ Surplus (+) (5-6)	2,790	6,580	+135.84
8	Fiscal Deficit (-)/ Surplus (+)	-9,774	-4,779	-51.10
9	Debt-GSDP ratio ( <i>per cent</i> )	17.62	18.84	+6.92
10	GSDP growth rate at current prices ( <i>per cent</i> )	17.00	9.32	-45.18

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 improved significantly during 2018-19 compared to the projections. However, 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.

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# **Chapter - II**

## **Finances of the State**

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## 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 2014-15 to 2018-19, 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 2018-19 vis-à-vis 2017-18

**Table 2.1** gives a bird's eye view of the major changes in key fiscal aggregates of the State during 2018-19, compared to the previous year.

**Table 2.1: Changes in key fiscal aggregates in 2018-19 compared to 2017-18**

<b>Revenue Receipts</b>	<ul style="list-style-type: none"> <li>➤ Revenue Receipts of the State increased by 17.27 <i>per cent</i></li> <li>➤ Own Tax Receipts of the State increased by 20.50 <i>per cent</i></li> <li>➤ Own Non-Tax Receipts increased by 101.89 <i>per cent</i></li> <li>➤ State's Share of Union Taxes and Duties increased by 13.07 <i>per cent</i></li> <li>➤ Grants-in-Aid from Government of India decreased by 2.92 <i>per cent</i></li> </ul>
<b>Revenue Expenditure</b>	<ul style="list-style-type: none"> <li>➤ Revenue Expenditure increased by 2.56 <i>per cent</i></li> <li>➤ Revenue Expenditure on General Services decreased by 4.53 <i>per cent</i></li> <li>➤ Revenue Expenditure on Social Services increased by 18.53 <i>per cent</i></li> <li>➤ Revenue Expenditure on Economic Services decreased by 14.20 <i>per cent</i></li> <li>➤ Expenditure on Grants-in-Aid increased by 119.20 <i>per cent</i></li> </ul>
<b>Capital Expenditure</b>	<ul style="list-style-type: none"> <li>➤ Capital Expenditure increased by 43.43 <i>per cent</i></li> <li>➤ Capital Expenditure on General Services increased by 32.19 <i>per cent</i></li> <li>➤ Capital Expenditure on Social Services decreased by 23.96 <i>per cent</i></li> <li>➤ Capital Expenditure on Economic Services increased by 86.97 <i>per cent</i></li> </ul>
<b>Loans and Advances</b>	<ul style="list-style-type: none"> <li>➤ Disbursements of Loans and Advances increased by 29.13 <i>per cent</i></li> <li>➤ Recoveries of Loans and Advances decreased by 40 <i>per cent</i></li> </ul>
<b>Public Debt</b>	<ul style="list-style-type: none"> <li>➤ Public Debt Receipts increased by 39.16 <i>per cent</i></li> <li>➤ Repayment of Public Debt increased by 83.30 <i>per cent</i></li> </ul>
<b>Public Account</b>	<ul style="list-style-type: none"> <li>➤ Public Account Receipts decreased by 6.89 <i>per cent</i></li> <li>➤ Public Account Disbursements decreased by 2.76 <i>per cent</i></li> </ul>

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

## 2.3 Sources and Application of Funds

**Table 2.2** compares the sources and application of funds of the State during 2018-19 with 2017-18 in figures, while **Charts 2.1** and **2.2** give the details of receipts into and expenditure from the Consolidated Fund during 2018-19 in terms of percentages.

Table 2.2: Details of Sources and Application of funds during 2017-18 and 2018-19

(₹ in crore)

	Particulars	2017-18	2018-19	Increase/ Decrease
Sources	Opening Cash Balance with RBI	-220.92	180.98	401.90
	Revenue Receipts	54,130.94	63,479.16	9,348.22
	Recoveries of Loans & Advances	4.71	2.93	-1.78
	Public Debt Receipts (Net)	6,488.47	8,165.29	1,676.82
	Public Account Receipts (Net)	3,205.63	-4,130.29	-7,335.92
	<b>Total</b>	<b>63,608.83</b>	<b>67,698.07</b>	<b>4,089.24</b>
Application	Revenue Expenditure	55,480.94	56,899.00	1,418.06
	Capital Expenditure	7,692.84	11,034.08	3,341.24
	Disbursements of Loans & Advances	254.07	328.07	74.00
	Closing Cash Balance with RBI	180.98	-563.08	-744.06
	<b>Total</b>	<b>63,608.83</b>	<b>67,698.07</b>	<b>4,089.24</b>

Chart 2.1: Sources of Resources (per cent)

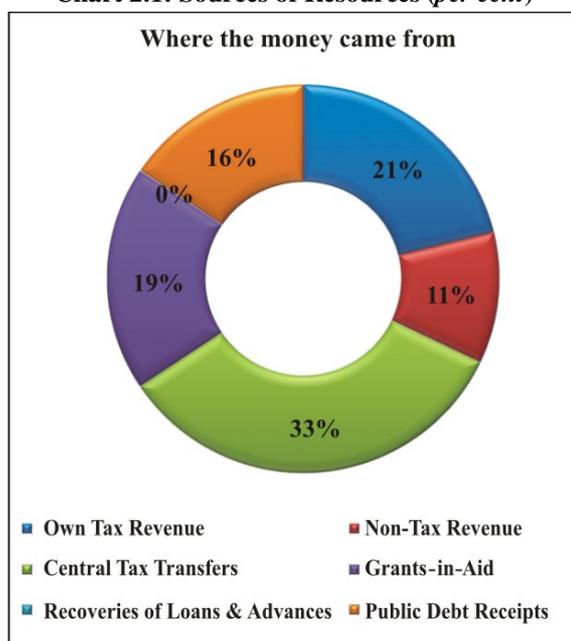
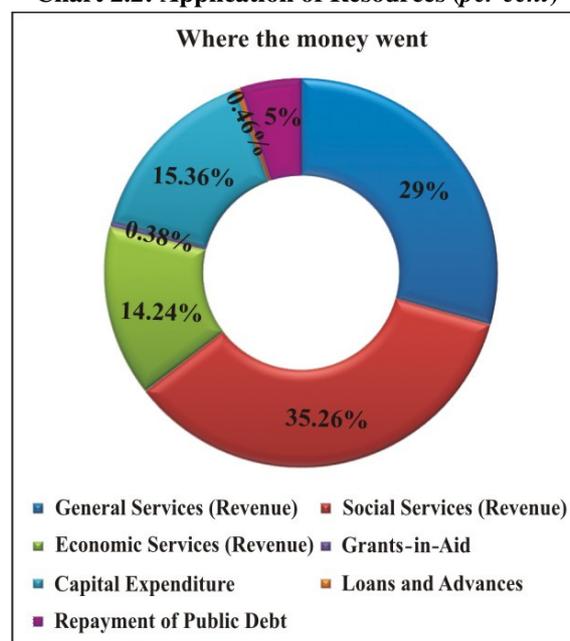


Chart 2.2: Application of Resources (per cent)

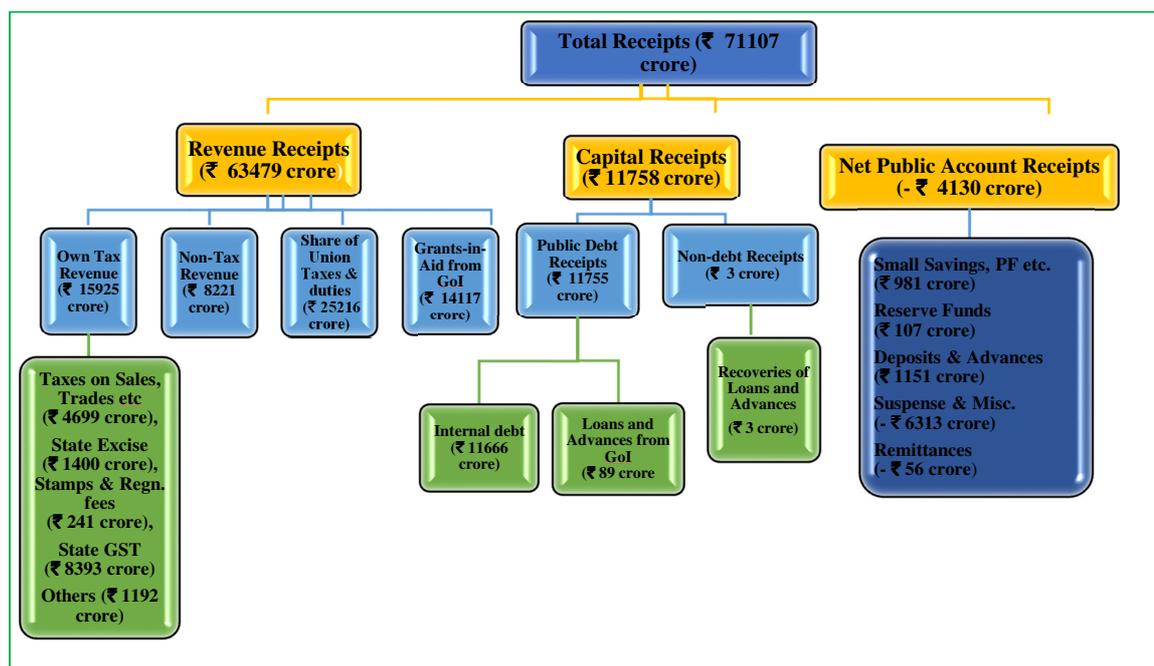


## 2.4 Resources of the State

Revenue Receipts and Capital Receipts are the two streams of receipts that constitute the resources of the State Government. Revenue Receipts consist of Tax Revenue, Non-Tax Revenue, State's share of Union taxes and duties and Grants-in-Aid from Government of India (GoI). Capital Receipts comprise miscellaneous Capital Receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/ commercial banks, etc.) and loans and advances from GoI. Besides, the funds available in the Public Account after disbursements, are also utilised by the Government to finance its deficit.

Composition of receipts of the State during 2018-19 is given in **Chart 2.3**.

**Chart 2.3 Composition of receipts of the State during 2018-19**



## 2.5 Revenue Receipts

### 2.5.1 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 2014-19. 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	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Receipts (RR) (₹ in crore)	38,181	42,457	49,220	54,131	63,479
Rate of growth of RR ( <i>per cent</i> )	18.53	11.20	15.93	9.98	17.27
Own Tax Revenue (₹ in crore)	9,450	10,106	12,080	13,216	15,925
Non-Tax Revenue (₹ in crore)	2,413	2,741	4,353	4,072	8,221
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) ( <i>per cent</i> )	1.39	8.29	27.91	5.20	39.67
Gross State Domestic Product (₹ in crore) (2011-12 Series)	1,95,723	2,27,959	2,54,478	2,88,494 (P.E.)	3,15,372 (Q.E.)
Rate of growth of GSDP ( <i>per cent</i> )	10.11	16.47	11.63	13.37	9.32
RR/GSDP ( <i>per cent</i> )	19.51	18.62	19.34	18.76	20.13
<b>Buoyancy Ratios<sup>1</sup></b>					
Revenue Buoyancy w.r.t GSDP	1.83	0.68	1.37	0.75	1.85
State's Own Revenue Buoyancy w.r.t GSDP	0.14	0.50	2.40	0.39	4.26

Source of GSDP figures: Directorate of Economics and Statistics, Assam;  
P.E. - Provisional Estimates; Q.E. - Quick Estimates

<sup>1</sup> 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 1.85 implies that Revenue Receipts tend to increase by 1.85 percentage points, if the GSDP increases by one *per cent*.

Chart 2.4: Trend of Revenue Receipts

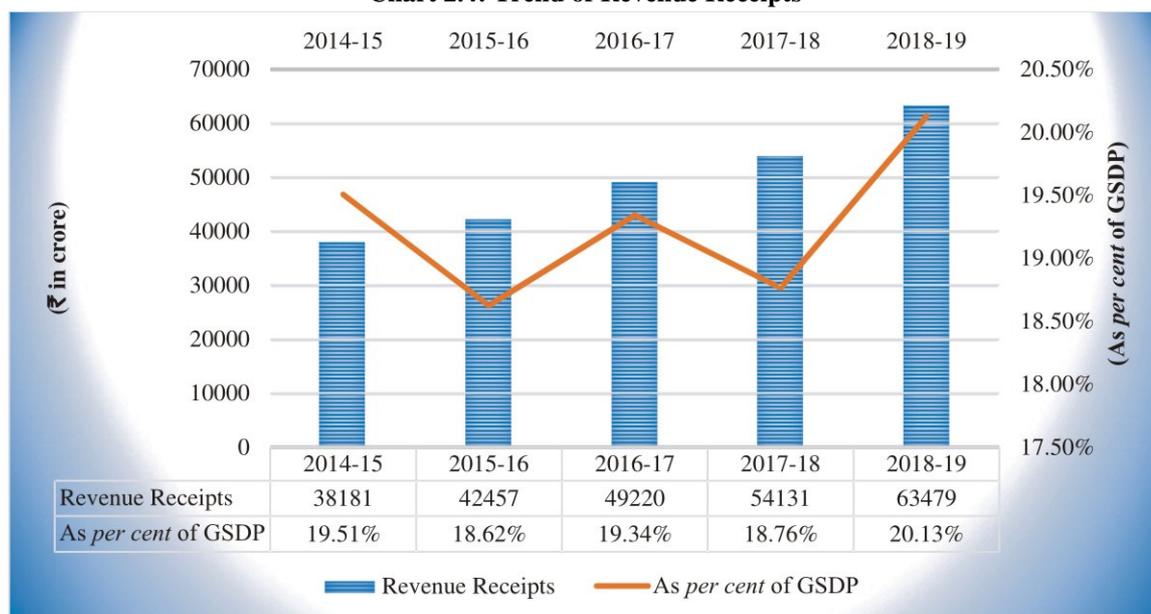
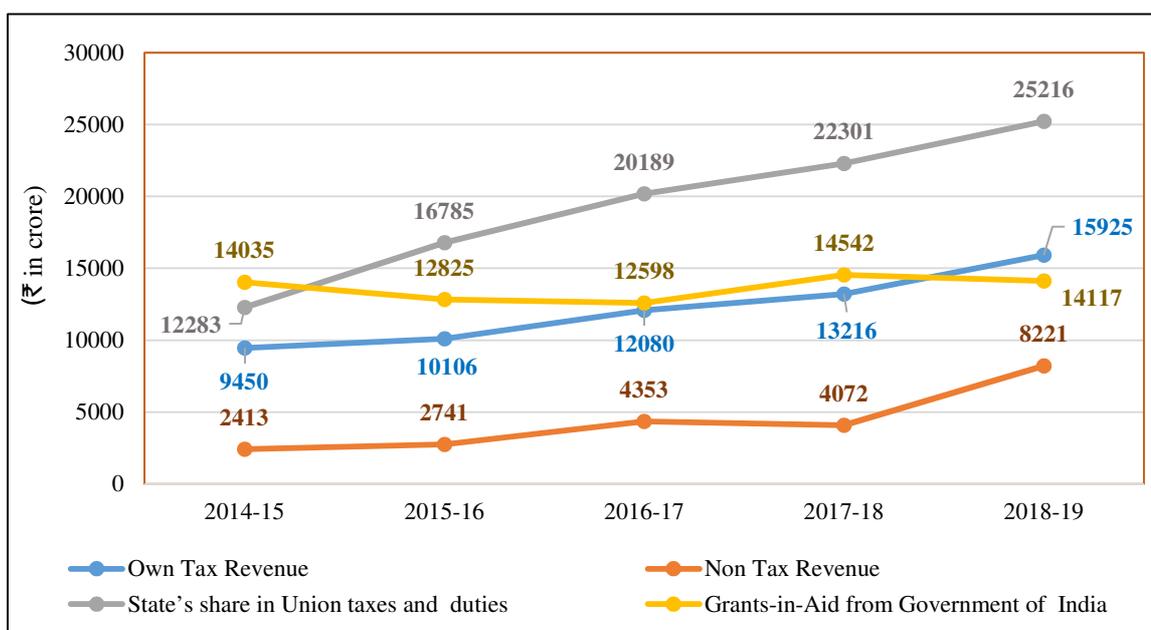


Chart 2.5: Trend of components of Revenue Receipts



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

- Revenue Receipts increased by 66.26 per cent from ₹ 38,181 crore in 2014-15 to ₹ 63,479 crore in 2018-19 at an annual average growth rate of 13.55 per cent. During 2018-19, Revenue Receipts increased by ₹ 9,348 crore (17.27 per cent) over the previous year.
- About 38 per cent of the Revenue Receipts during 2018-19 came from the State's own resources, while Central Tax Transfers and Grants-in-Aid together contributed 62 per cent. This is indicative of the fact that Assam's fiscal position is largely influenced by the tax transfers and Grants-in-Aid from GoI.

- During the current year, the increase of 17.27 *per cent* (₹ 9,348 crore) in Revenue Receipts was significantly higher than the marginal increase of 2.56 *per cent* (₹ 1,418 crore) in Revenue Expenditure, leading to a Revenue Surplus, as against a Revenue Deficit in the previous year.
- There was wide fluctuation in the revenue buoyancy of the State, as extraneous factors such as Finance Commission Award (XIV FC impact on 2015-16) and implementation of GST (in 2017-18), impacted the actual receipts in different components of revenue.

## 2.5.2 State's Own Resources

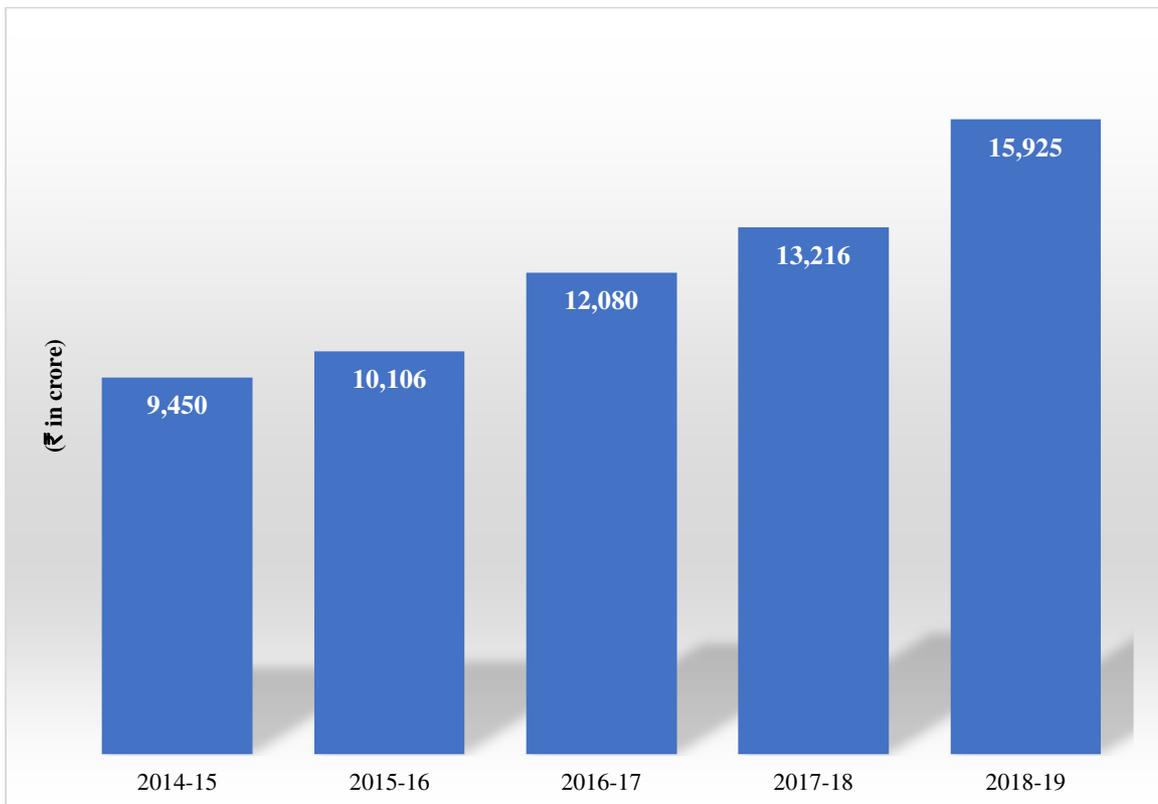
State's share in Central taxes is determined on the basis of recommendations of the Finance Commission; share of Grants-in-Aid are determined by the quantum of collection of Central tax receipts and anticipated Central assistance for schemes, *etc.* State's performance in mobilisation of additional resources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

The gross collections in respect of major Tax and Non-Tax Revenue and their relative share in GSDP during 2014-19 are given in *Appendix 1.2*.

### 2.5.2.1 Own Tax Revenue

The details of Own Tax Revenue of the State during the five-year period 2014-19 is given below.

**Chart 2.6: Growth of Own Tax Revenue during 2014-19**



The component-wise details of Own Tax Revenue collected during the years 2014-19 were as follows.

**Table 2.4: Component-wise Own Tax Revenue during 2014-19**

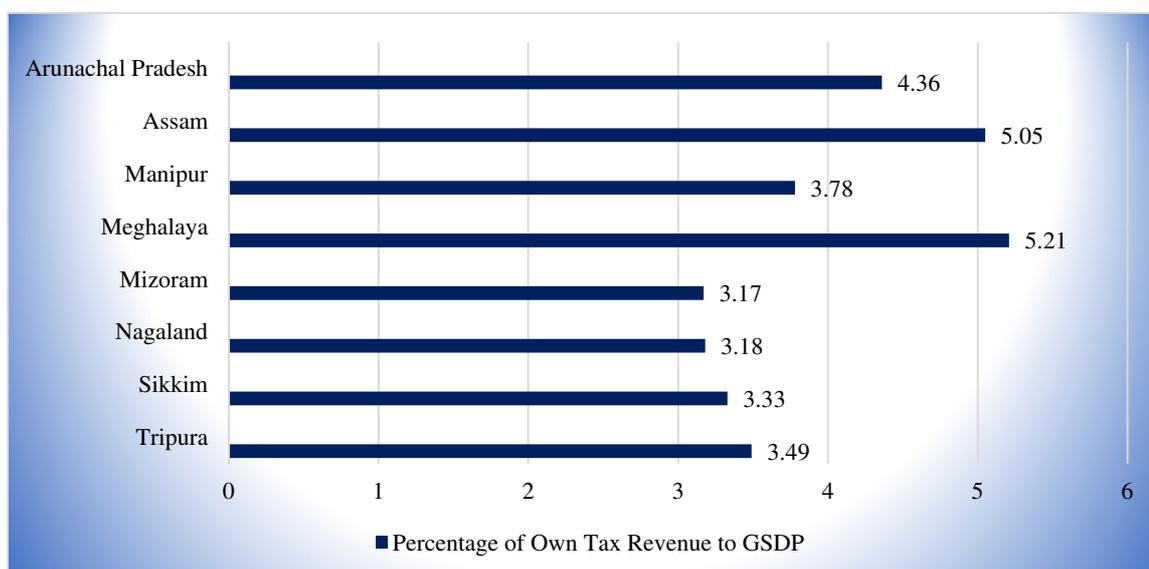
(₹ in crore)

Heads	2014-15	2015-16	2016-17	2017-18	2018-19	
					Budget Estimates	Actuals
Taxes on Sales, Trades, etc.	7,351	7,494	8,752	6,373	4,041	4,699
State Goods and Services Tax	--	--	--	4,078	4,718	8,393
State Excise	665	808	964	1,095	1,300	1,400
Taxes on Vehicle	365	443	522	647	737	765
Stamps and Registration Fees	189	225	227	239	274	241
Land Revenue	142	229	210	219	254	163
Other Taxes <sup>2</sup>	738	907	1,405	565	316	264
<b>Total</b>	<b>9,450</b>	<b>10,106</b>	<b>12,080</b>	<b>13,216</b>	<b>11,640</b>	<b>15,925</b>

Own Tax Revenue of the State increased by ₹ 6,475 crore from ₹ 9,450 crore in 2014-15 to ₹ 15,925 crore in 2018-19 at an annual average rate of 13.70 per cent. During the current year, major contributors of Tax Revenue were Goods and Services Tax (52.70 per cent), Taxes on Sales, Trades etc., (29.51 per cent) and State Excise (8.79 per cent).

State's Own Tax Revenue of ₹ 15,925 crore at 5.05 per cent of GSDP, was marginally lower than that of Meghalaya (5.21 per cent) during 2018-19 but higher than the other NER States as shown in **Chart 2.7**.

**Chart 2.7: Percentage of Own tax revenue to GSDP of SCS during 2018-19**



### 2.5.2.2 State Goods and Services Tax (SGST)

Twelve years after the implementation of Value Added Tax (VAT) in 2005, 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.

<sup>2</sup> 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.

Actual collection of revenue under State Goods and Services Tax (SGST) during 2017-18 and 2018-19 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 <sup>3</sup>	2018-19	Increase
Tax	3,613.48	7,094.96	3,481.48
Apportionment of Taxes from IGST	453.39	1,235.73	782.34
Others	10.80	62.35	51.55
<b>SGST collection</b>	<b>4,077.67</b>	<b>8,393.04</b>	<b>4,315.37</b>

Source: Finance Accounts

With automation of the collection of GST having taken place, it is essential for Audit to transition from sample checks to a comprehensive check of all transactions, to fulfil the CAG's constitutional mandate of certifying the Accounts. The required access to data is yet to be provided. Not having access to the data pertaining to all GST transactions has come in the way of comprehensively auditing the GST receipts. The accounts for the year 2018-19 are, therefore, certified on the basis of test audit, as was done when records were manually maintained, as a one-time exception.

As per the GST Act, any shortfall in revenue by the State is required to be compensated by the Central Government. In accordance with Section 6 of GST (Compensation to States) Act, 2017, the protected revenue<sup>4</sup> of the State for the year 2018-19 was fixed at ₹ 8,868.00 crore. Since the GST receipts in 2018-19 fell short of the protected revenue, in keeping with the GST (Compensation to States) Act, the State Government received a compensation of ₹ 466 crore (including ₹ 94 crore pertaining to 2017-18 received in 2018-19) from GoI as Grants-in-Aid.

### 2.5.2.3 Non-Tax Revenue

The component-wise details of Non-Tax Revenue collected during the years 2014-19 were as follows.

**Table 2.6: Component-wise Non-Tax Revenue during 2014-19**

(₹ in crore)

Heads	2014-15	2015-16	2016-17	2017-18	2018-19	
					Budget Estimates	Actuals
Interest receipts	314	299	475	305	586	588
Dividend and Profit	16	70	124	226	153	153
Petroleum	1,421	1,672	3,102	2,533	6,411	5,643
Forestry and Wild Life	116	117	216	251	156	364
Other Administrative Services	69	329	210	76	259	212
Others	477	254	226	681	627	1,261
<b>Total</b>	<b>2,413</b>	<b>2,741</b>	<b>4,353</b>	<b>4,072</b>	<b>8,192</b>	<b>8,221</b>

<sup>3</sup> For the period with effect from July 2017 to March 2018

<sup>4</sup> The GST (Compensation to State) Act, 2017 provides that Union Government shall compensate the states for loss of revenue due to implementation of GST. Base year for calculating the compensation shall be the revenue collection of the State during 2015-16. Protected revenue is calculated by taking into consideration the revenue collection of the base year plus 14 per cent increase for every following year.

Non-Tax Revenue, which ranged between six and 13 *per cent* of Total Revenue Receipts of the State during the five-year period from 2014-15 to 2018-19, increased significantly by ₹ 4,149 crore (102 *per cent*) during 2018-19 over the previous year. Major contributors for the increase in Non-Tax Revenue were royalties on crude oil (₹ 5,637 crore) under Petroleum, Miscellaneous General Services (₹ 678 crore) and Interest Receipts (₹ 588 crore).

#### 2.5.2.4 Central Tax Transfers

The GoI accepted the recommendations of XIV FC to increase the States' share in the divisible pool of taxes from 32 *per cent* to 42 *per cent* with effect from 2015-16 onwards. 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.

The details of Central tax transfers to the State during 2014-19 are given in **Table 2.7**.

**Table 2.7: Central Tax Transfers**

(₹ in crore)					
Head	2014-15	2015-16	2016-17	2017-18	2018-19
Central Goods and Services Tax	--	--	--	316	6,223
Integrated Goods and Services Tax	--	--	--	2,251	497
Corporation Tax	4,290	5,273	6,471	6,829	8,769
Taxes on Income other than Corporation Tax	3,063	3,653	4,497	5,767	6,458
Customs	1,987	2,689	2,784	2,251	1,787
Union Excise Duties	1,122	2,250	3,179	2,352	1,188
Service Tax	1,811	2,904	3,155	2,535	232
Other Taxes <sup>5</sup>	10	16	103	Nil	62
<b>Central Tax transfers</b>	<b>12,283</b>	<b>16,785</b>	<b>20,189</b>	<b>22,301</b>	<b>25,216</b>
Percentage of increase over previous year	6.12	36.65	20.28	10.46	13.07
Percentage of Central tax transfers to Revenue Receipts	<b>32</b>	<b>40</b>	<b>41</b>	<b>41</b>	<b>40</b>

Over the five-year period 2014-19, Central tax transfers increased by 105.29 *per cent* from ₹ 12,283 crore in 2014-15 to ₹ 25,216 crore in 2018-19. During the current year, the increase was ₹ 2,915 crore (13.07 *per cent*) and constituted 40 *per cent* of the Revenue Receipts.

#### 2.5.2.5 Grants-in-Aid from Government of India

Grants-in-Aid (GIA) received by the State Government from GoI during 2014-19 are detailed in **Table 2.8**.

**Table 2.8: Grants-in-Aid from GoI**

(₹ in crore)					
Head	2014-15	2015-16	2016-17	2017-18	2018-19
Non-Plan Grants	1,491	3,330	2,154	*	*
Grants for State Plan Schemes	12,376	8,737	9,111	*	*
Grants for Central Plan Schemes	19	572	979	*	*
Grants for Centrally Sponsored Schemes	17	15	207	*	*
Grants for Special Plan Schemes	132	171	147	*	*
Grants for Centrally Sponsored Schemes	--	--	--	11,600	11,849

<sup>5</sup> Include Taxes on Wealth, Other Taxes on Income and Expenditure, Other Taxes and Duties on commodities and Services

Head	2014-15	2015-16	2016-17	2017-18	2018-19
Finance Commission Grants	--	--	--	1,283	932
Other transfers/ Grants to States/ Union Territories with Legislature	--	--	--	1,659	1,336
<b>Total</b>	<b>14,035</b>	<b>12,825</b>	<b>12,598</b>	<b>14,542</b>	<b>14,117</b>
Percentage of increase over the previous year	57.03	(-) 8.62	(-) 1.77	15.43	(-) 2.92
<b>Percentage of GIA to Revenue Receipts</b>	<b>37</b>	<b>30</b>	<b>26</b>	<b>27</b>	<b>22</b>

\*There are no figures 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 decreased by ₹ 425 crore (three per cent) during the year compared to the previous year. GIA constituted 22 per cent of Revenue Receipts during the year 2018-19. Grants for Centrally Sponsored Schemes (₹ 11,849 crore) to the State constituted 84 per cent of the total grants during the year. Finance Commission Grants (₹ 932 crore) to the State were provided for Local Bodies and State Disaster Response Fund (SDRF) and constituted seven per cent of total grants during the year.

Other grants received by the State during the year were in respect of (i) Central Road Fund (₹ 256 crore), and (ii) compensation for loss of revenue arising out of implementation of GST (₹ 466 crore).

#### 2.5.2.6 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 provided by the GoI to the State in this regard during the years 2017-18 and 2018-19 are given in **Table 2.9**.

**Table 2.9: Grants-in-Aid released by GoI as per recommendation of XIV FC**

(₹ in crore)				
Department	Sectors	2017-18	2018-19	Increase (+)/ Decrease (-)
Panchayat and Rural Development	Panchayati Raj Institutions	740.89	404.88	(-) 336.01
Urban Development, Guwahati Development	Urban Local Bodies	85.87	48.52	(-) 37.35
Revenue and Disaster Management	State Disaster Response Fund	456.30	478.80	(+) 22.50
<b>Total</b>		<b>1,283.06</b>	<b>932.20</b>	<b>(-) 350.86</b>

Source: Finance Accounts

The decrease in XIV FC grants for local bodies (both urban and rural) by ₹ 373.36 crore during 2018-19 compared to the previous year was 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. Consequently, the XIV FC funds due during 2018-19 were released in the following year.

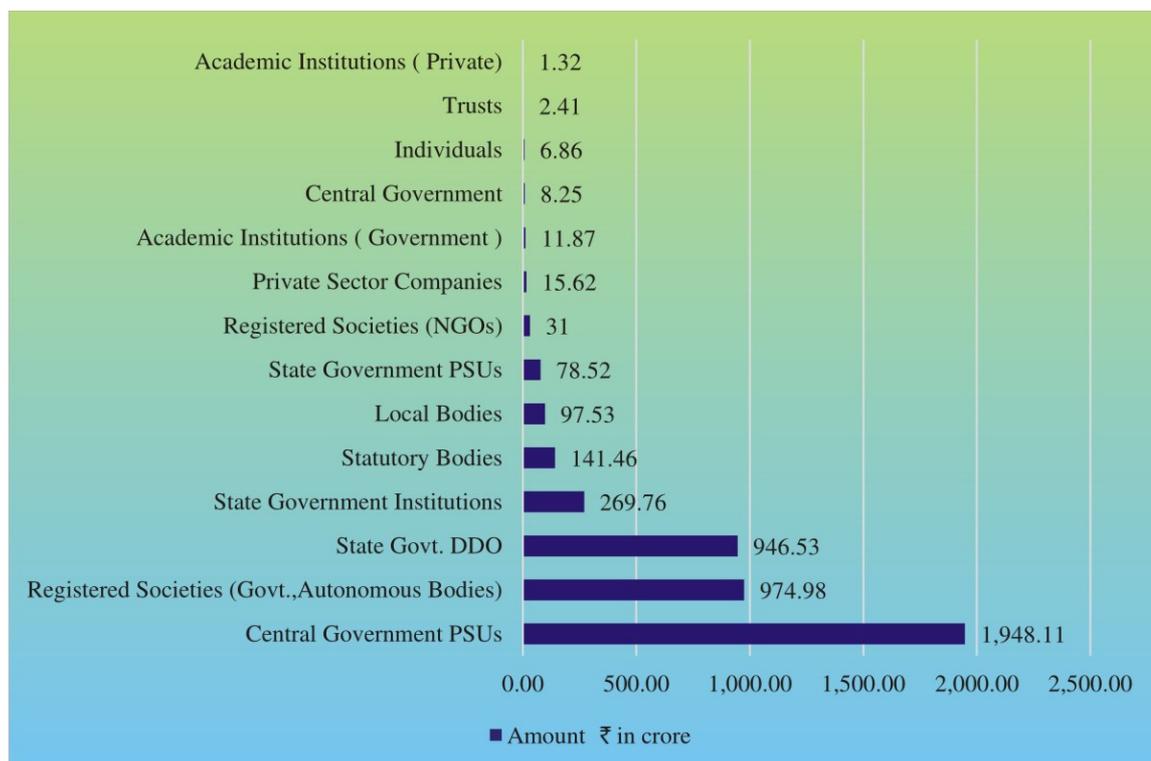
#### 2.5.2.7 Funds Transferred to Implementing Agencies Outside the State Budget

GoI has been transferring sizeable quantum of funds directly to the State Implementing Agencies/ Non-Government Organisations (NGOs) for implementation of various schemes/ programmes. As these funds are not routed through the State budget/ State Treasury system, Finance Accounts do not capture the flow of these funds or the related expenditure. To present a holistic picture about the availability of aggregate resources, the details of such transfers are given in **Table 2.10**.

**Table 2.10: Funds transferred to State Implementing agencies**

Direct transfers to State implementing agencies	2016-17	2017-18	2018-19
Funds transferred (₹ in crore)	2,846.20	4,702.20	4,534.21

The agencies that have received funds directly from the GoI during 2018-19 for implementing various developmental schemes and the quantum of such funds are given in **Chart 2.8**.

**Chart 2.8: Implementing agencies that received funds directly from GoI during 2018-19**

Source: PFMS data for 2018-19

## 2.6 Capital Receipts

Capital Receipts consist of public debt receipts, non-debt receipts like proceeds from disinvestments (under miscellaneous capital receipts), and recoveries of loans and advances. The net public debt receipts after discharging of public debt *plus* other capital receipts, is the net Capital Receipts.

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

**Table 2.11: Trends in growth and composition of net Capital Receipts**

Sources of State's Capital Receipts	2014-15	2015-16	2016-17	2017-18	2018-19
Public Debt Receipts	4,582	5,498	3,902	8,447	11,755
Public Debt Repayment	1,627	1,969	2,043	1,958	3,589
Net Public Debt Receipts	2,955	3,529	1,859	6,489	8,166
Miscellaneous Capital Receipts	Nil	Nil	Nil	Nil	Nil
Recovery of Loans and Advances	10	510	19	5	3
Net Capital Receipts	2,965	4,039	1,878	6,494	8,169

Net Capital Receipts increased by 176 *per cent* from ₹ 2,965 crore in 2014-15 to ₹ 8,169 crore in 2018-19.

Public debt receipts create future repayment obligation and these are taken from Market, Financial Institutions and Central Government. During the five-year period 2014-19, 32.70 per cent of Public debt receipts were utilised for repayment of Public Debt taken in earlier years and the remaining 67.30 per cent was utilised for other purposes.

## 2.7 Application of Resources

The Total Expenditure, its composition and relative share in GSDP during the years 2014-15 to 2018-19 is presented in **Table 2.12**.

**Table 2.12: Total Expenditure and its composition**

(₹ in crore)					
Parameters	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Total Expenditure (TE)</b>	<b>43,621</b>	<b>39,962</b>	<b>55,364</b>	<b>63,428</b>	<b>68,261</b>
<b>Revenue Expenditure (RE)</b>	39,078	37,011	49,363	55,481	56,899
<b>Capital Expenditure (CE)</b>	3,912	2,691	5,502	7,693	11,034
<b>Loans and Advances</b>	631	260	499	254	328
<b>As a percentage of GSDP</b>					
<b>TE/GSDP</b>	22.29	17.53	21.76	21.99	21.64
<b>RE/GSDP</b>	19.97	16.24	19.40	19.23	18.04
<b>CE/GSDP</b>	2.00	1.18	2.16	2.67	3.50
<b>Loans and Advances/GSDP</b>	0.32	0.11	0.20	0.09	0.10

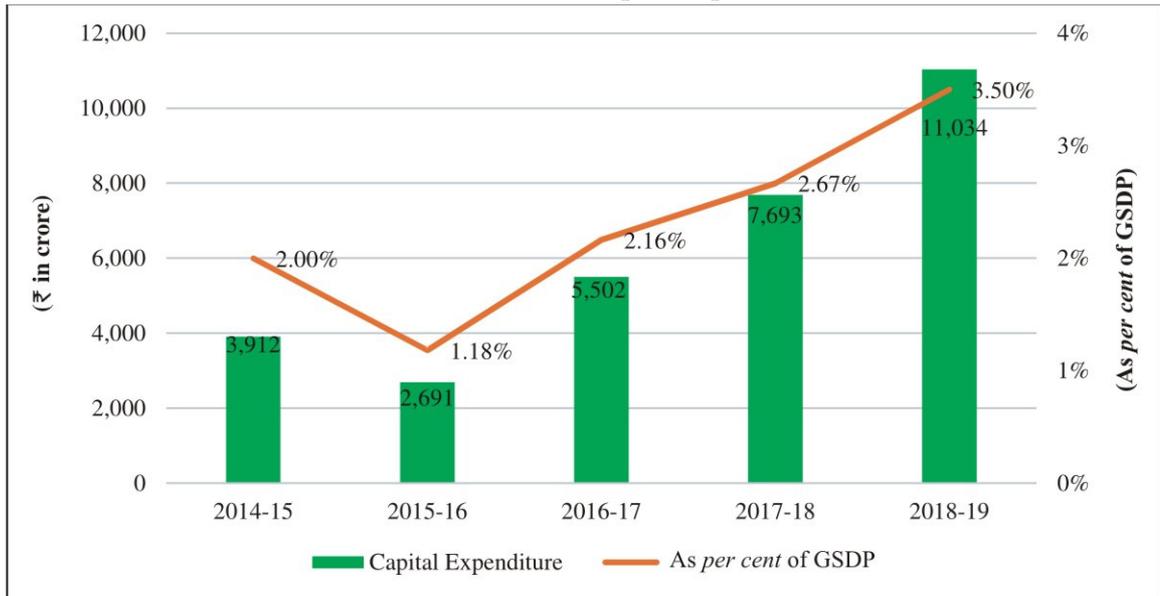
The above table shows that Total Expenditure of the State increased by 56 per cent from ₹ 43,621 crore in 2014-15 to ₹ 68,261 crore in 2018-19. During the year, it increased by eight per cent over the previous year. As a percentage of GSDP, the Total Expenditure remained in the range of 17.53 per cent to 22.29 per cent during 2014-19.

**Charts 2.9** and **2.10** present the trends in Revenue Expenditure and Capital Expenditure over a period of five years (2014-19) whereas **Chart 2.11** depicts the trend of the share of the components in Total Expenditure.

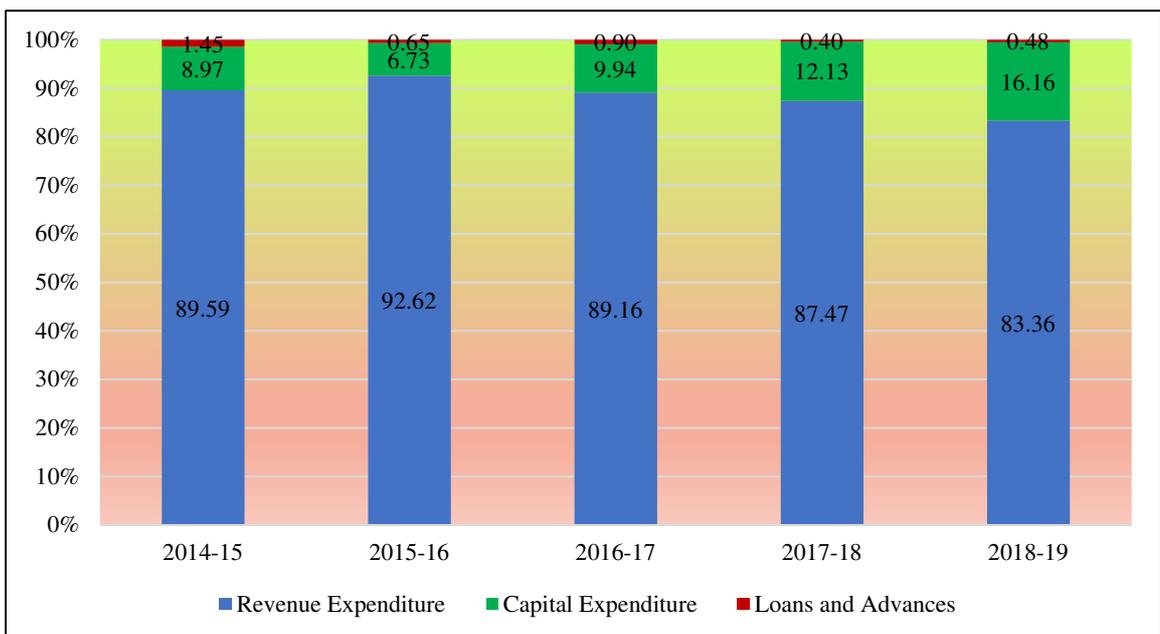
**Chart 2.9: Trend of Revenue Expenditure during 2014-19**



**Chart 2.10: Trend of Capital Expenditure**



**Chart 2.11: Trends in share of components in Total Expenditure**



As is evident from the above charts, Capital Expenditure has shown a significant increase in the last few years, with its share as a percentage of GSDP increasing from 1.18 in 2015-16 to 3.50 per cent in 2018-19. However, this increase has to be viewed in the light of the fact that GIA of ₹ 5,490 crore was booked under capital section, instead of under revenue, as discussed in paragraph 1.7.4.

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 of ₹ 68,261 crore (refer **Appendix 1.2**) during 2018-19 is given in **Table 2.13**.

Table 2.13: Relative share of various sectors of expenditure

Parameters	2014-15	2015-16	2016-17	2017-18	2018-19
General Services	29.93	31.86	31.29	35.33	31.53
Social Services	42.77	45.88	43.74	38.18	40.28
Economic Services	23.58	20.67	22.89	25.89	27.30
Others (Grants to Local Bodies and Loans and Advances)	3.73	1.59	2.08	0.60	0.88

The relative share of the above components of expenditure indicates that the share of Social Services, Economic Services and others in the Total Expenditure increased by 3.79 *per cent* during 2018-19 over the previous year. These increases were, however, offset by decrease in the respective share of General Services.

### 2.7.1 Revenue Expenditure

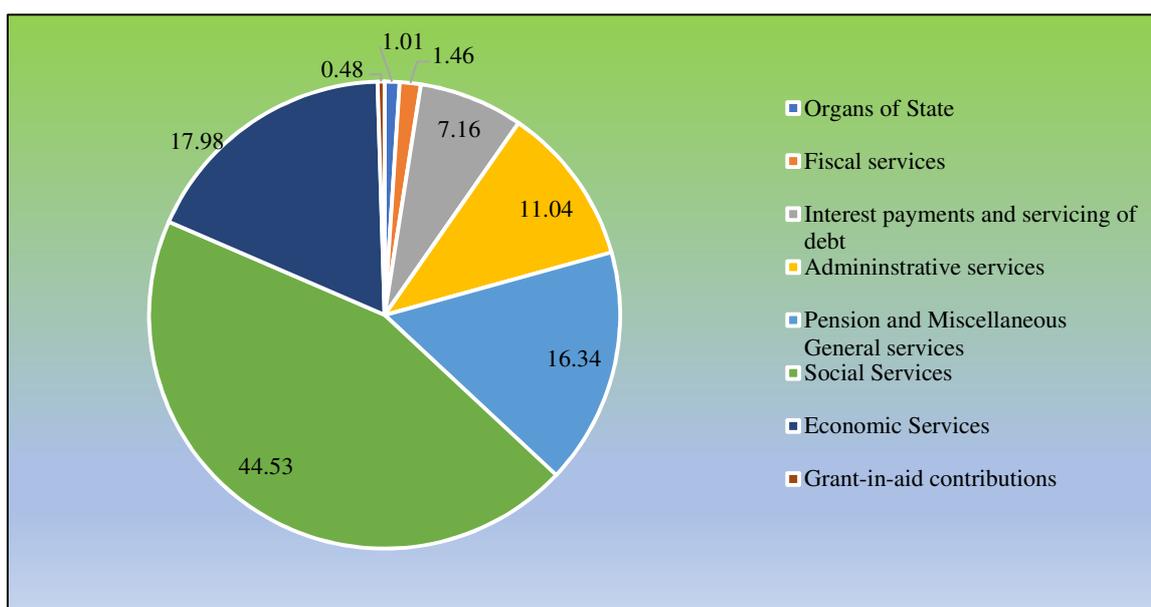
Revenue Expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network.

Revenue Expenditure formed on an average 88 *per cent* (ranging from 83.36 *per cent* in 2018-19 to 92.62 *per cent* in 2015-16) of the total expenditure during the period 2014-19. Rate of growth of Revenue Expenditure has displayed wide fluctuation during the five-year period 2014-19. The overall Revenue Expenditure, its rate of growth, its ratio to Total Expenditure and buoyancy *vis-à-vis* GSDP and Revenue Receipts are indicated in **Table 2.14** and the sectoral distribution of Revenue Expenditure pertaining to 2018-19 is given in **Chart 2.12**.

Table 2.14: Revenue Expenditure – basic parameters

Parameters	2014-15	2015-16	2016-17	2017-18	2018-19
Total Expenditure (TE)	43,621	39,962	55,364	63,428	68,261
Revenue Expenditure (RE)	39,078	37,011	49,363	55,481	56,899
Rate of Growth of RE ( <i>per cent</i> )	22.16	-5.29	33.37	12.39	2.56
Revenue Expenditure as percentage of TE	89.59	92.62	89.16	87.47	83.36
RE/GSDP ( <i>per cent</i> )	19.97	16.24	19.40	19.23	18.04
RE as percentage of RR	102.35	87.17	100.29	102.49	89.63
<b>Buoyancy of Revenue Expenditure with</b>					
GSDP (ratio)	2.19	-0.32	2.87	0.93	0.27
Revenue Receipts (ratio)	1.20	-0.47	2.10	1.24	0.15

Chart 2.12: Sectoral distribution of Revenue Expenditure during 2018-19 (In per cent)



During 2018-19, Revenue Expenditure as a percentage of GSDP has dipped, although it witnessed a marginal increase of ₹ 1,418 crore (2.56 per cent) over the previous year. Revenue Expenditure was lower by ₹ 14,430 crore *vis-à-vis* the assessment made in Medium Term Fiscal Plan (MTFP) (₹ 71,329 crore).

### 2.7.1.1 Major Changes in Revenue Expenditure

Table 2.15 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 2.15: Variation in Revenue Expenditure during 2018-19 compared to 2017-18

(₹ in crore)

Major Heads of Account	2017-18	2018-19	Variation (percentage)
2040-Taxes on Sales, Trade etc.	174.21	375.88	201.67 (115.76)
2215-Water Supply and Sanitation	391.05	642.72	251.67 (64.36)
2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	642.52	1,649.47	1,006.95 (156.72)
2236 Nutrition	249.20	455.04	205.84 (82.60)
2501-Special Programmes for Rural Development	632.91	920.55	287.64 (45.45)
2075-Miscellaneous General Services	3,580.95	1,184.69	-2,396.26 (-66.92)
2216-Housing	1,832.40	99.12	-1,733.28 (-94.59)
2505-Rural Employment	760.38	129.52	-630.86 (-82.97)
2515-Other Rural Development Programmes	1,721.11	932.91	-788.20 (-45.80)
2575-Other Special Areas Programmes	441.54	98.42	-343.12 (-77.71)

The above table indicates that Revenue Expenditure under Miscellaneous General Services declined significantly during the year, primarily due to the decrease in expenditure on revision of pay and pension and one-time special grant for development purposes. Housing also recorded a decrease during 2018-19 compared to the previous year due to decline in expenditure relating to Pradhan Mantri Awas Yojana (Gramin).

## 2.7.2 Object Head-wise Expenditure

Finance Accounts depict transactions only up to the Minor Head level. Therefore, a drill down view of budgetary allocation and extent of expenditure (above ₹ 100 crore) incurred on the actual items at the Object Head Level are given in **Table 2.16**.

**Table 2.16: Object Head-wise expenditure vis-à-vis budget authorisation**

(₹ in crore)

Head	Budget	Expenditure	Utilisation percentage
Salaries	29,484.02	23,512.01	79.7%
Wages	573.36	439.54	76.7%
Office Expenses	959.13	653.76	68.2%
Payment for Professionals & Special Services	604.27	445.79	73.8%
Scholarships and Stipend	401.26	188.93	47.1%
Major Works	10,422.93	5,308.14	50.9%
Minor Works	398.41	223.62	56.1%
Machinery and Equipment/ Tools and Plants	400.74	180.26	45.0%
Motor Vehicles	110.50	37.37	33.8%
Maintenance	872.39	557.96	64.0%
Investment/ Loans/ Interest/ Dividends and Others	11,870.87	8,475.17	71.4%
Materials and Supplies	729.95	387.13	53.0%
Pensions / Gratuity	8,164.74	8,189.85	100.3%
Writes off / Losses	554.14	0.01	0.0%
Other Charges	3,016.40	1,589.57	52.7%
Deployment	182.84	182.84	100.0%
Grants-in-Aid-General (Salary)	2,750.83	2,665.83	96.9%
Grants-in-Aid-General (Non-Salary)	24,063.06	12,484.13	51.9%
Subsidy	653.70	483.63	74.0%
Grants for Creation of Capital Assets	11,482.84	5,604.93	48.8%
Inter Accounts Transfer	532.00	532.00	100.0%

Out of a total budgetary allocation of ₹ 1,08,490.35 crore, the actual expenditure on various Object Heads during 2018-19 was only ₹ 72,331.34 crore (66.67 per cent). Out of the 21 Objects mentioned above, only three heads had spent their budgetary allocation in full. Six Objects have utilised more than 70 per cent of their allocation while the rest were below that.

## 2.7.3 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.

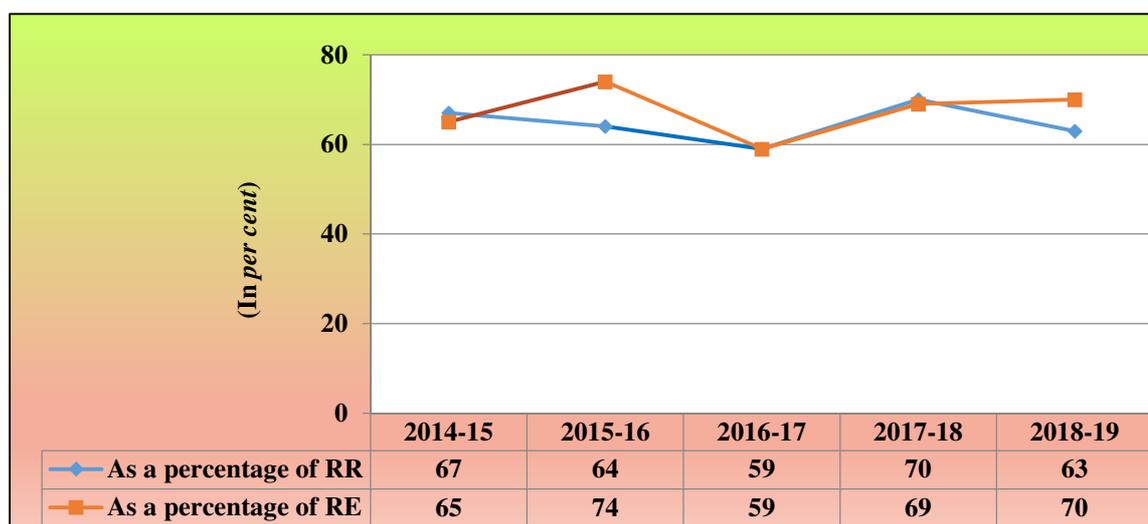
**Table 2.17** presents the trends in the components of committed expenditure during 2014-19. Percentage of committed expenditure to Revenue Receipts and Revenue Expenditure during 2014-19 is given in **Chart 2.13**.

Table 2.17: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2014-15	2015-16	2016-17	2017-18	2018-19
Salaries & Wages	17,829	18,758	19,498	26,068	26,617
Expenditure on Pensions	5,237	5,985	6,565	8,287	8,112
Interest Payments	2,334	2,618	2,964	3,205	3,844
<b>Total</b>	<b>25,458</b>	<b>27,380</b>	<b>29,223</b>	<b>38,151</b>	<b>39,897</b>
<b>As a percentage of Revenue Receipts (RR)</b>					
Salaries & Wages	46.70	44.18	39.61	48.16	41.93
Expenditure on Pensions	13.72	14.10	13.34	15.31	12.78
Interest Payments	6.11	6.17	6.02	5.92	6.06
<b>Total</b>	<b>66.68</b>	<b>64.49</b>	<b>59.37</b>	<b>70.48</b>	<b>62.85</b>
<b>As a percentage of Revenue Expenditure (RE)</b>					
Salaries & Wages	45.62	50.68	39.50	46.99	46.78
Expenditure on Pensions	13.40	16.17	13.30	14.94	14.26
Interest Payments	5.97	7.07	6.00	5.78	6.76
<b>Total</b>	<b>65.15</b>	<b>73.98</b>	<b>59.20</b>	<b>68.76</b>	<b>70.12</b>

Chart 2.13: Share of Committed Expenditure in revenue receipts and expenditure



As can be seen from the details tabulated above, the committed expenditure constituted over 70 per cent of Revenue Expenditure during 2015-16 and 2018-19, while it accounted for over 60 per cent of the receipts of the State during the five-year period 2014-19 (except for 2016-17, where the committed liabilities fell below 60 per cent of Revenue Receipts).

### 2.7.3.1 Salaries and Wages

Expenditure on salaries and its share in the Revenue Expenditure remained constant during the current year relative to the previous year. Expenditure on salaries and wages accounted for 47 per cent of Revenue Expenditure during 2018-19. Over the five-year period 2014-19, it increased by ₹ 8,788 crore (49 per cent) from ₹ 17,829 crore in 2014-15 to ₹ 26,617 crore in 2018-19. Expenditure on Salaries (₹ 26,178 crore) during 2018-19 was less by ₹ 2,937 crore compared to the projection of ₹ 29,115 crore made in MTFP.

### 2.7.3.2 Interest Payments

Interest Payments increased by ₹ 639 crore (19.94 *per cent*) from ₹ 3,205 crore in 2017-18 to ₹ 3,844 crore in 2018-19 primarily due to increase in interest payment on Market Loans by ₹ 617 crore. During the current year, the Interest Payments were made on internal debt (₹ 2,956 crore), Small Savings, Provident Fund, *etc.*, (₹ 792 crore) and Loans and Advances from Central Government (₹ 96 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 2.18**.

**Table 2.18: 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	
2018-19	3,834	4,193	4,193	3,844

Above table indicates that the interest payments by State Government were within its own projections made in MTFP and Budget for 2018-19. However, it exceeded the assessment of XIV FC made for the year marginally.

### 2.7.3.3 Pensions

The expenditure during the year on pension and other retirement benefits to State Government employees recruited prior to 30 January, 2005, was ₹ 7,667.01 crore (13.47 *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.

#### *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.

State Government informed the Accountant General (A&E), in July 2019, that contributions deposited in Public Account in respect of individual employees cannot be transferred to NSDL until the latter allots individual PRANs, and that, as on 31 March 2019, 26,417 PRANs were yet to be allotted due to errors in filling the applications.

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 2.19**.

**Table 2.19: Details of transactions under National Pension System**(**₹ in crore**)

Year	Opening Balance	Details of contribution received				Funds transferred to Current Account	Closing Balance (6-7)
		Employees	Government	Short contribution by Govt (3-4)	Total (2+3+4)		
1	2	3	4	5	6	7	8
2009-10	0	3.21	76.72	-73.51	79.93	0	79.93
2010-11	79.93	53.11	1.32	51.79	134.36	3.54	130.82
2011-12	130.82	83.55	57.34	26.21	271.71	94.05	177.66
2012-13	177.66	108.39	99.54	8.85	385.59	201.49	184.10
2013-14	184.10	201.16	84.98	116.18	470.24	180.11	290.13
2014-15	290.13	288.52	250.00	38.52	828.65	599.86	228.79
2015-16	228.79	334.80	352.51	-17.71	916.10	704.98	211.12
2016-17	211.12	396.70	308.12	88.58	915.94	616.11	299.83
2017-18	299.83	529.01	565.89	-36.88	1,394.73	1,131.40	263.33
2018-19	263.33	590.14	445.25	144.89	1,298.72	890.50	408.22
<b>Total</b>		<b>2,588.59</b>	<b>2,241.67</b>	<b>346.92</b>		<b>4,422.04</b>	

Audit observations in this regard are as follows:

- At the time of launch of NPS in the State in January, 2010, State Government gave an option to the employees to either opt for the scheme with retrospective effect from February, 2005 or from January, 2010, with matching Government contribution. The amount of employees' and employer's contribution, receivable since inception based on the option exercised by the employees, has not been estimated. Consequently, the actual liability of the employees and the Government, under the scheme, is not ascertainable.
- As of 31 March 2019, Government of Assam collected ₹ 2,588.59 crore from employees as contribution towards NPS and contributed only ₹ 2,241.67 crore as Government share. Thus, the Government had a liability for payment of ₹ 346.92 crore.
- State Government has not discharged its statutory liability. Against the total collected funds of ₹ 4,830.26 crore (comprising employees share of ₹ 2,588.59 crore and Government share of ₹ 2,241.67 crore), the Government transferred only ₹ 4,422.04 crore to the designated authority (NSDL) for further investment as per the provisions of the scheme. It was yet to transfer ₹ 408.22 crore as well as the interest on it to NSDL from the Public Account as of 31 March 2019.

The State Government has thus not only violated the rules governing NPS, but also created interest liability on the amount not transferred to NSDL, incorrectly used the funds that belong to its employees and created uncertainty in respect of benefits due to the employees affected/ avoidable financial liability to Government in future, and, thus leading to possible failure of the scheme itself.

During the Entry Conference (January 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 (January 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.

#### 2.7.4. Subsidies

There was a significant increase in expenditure on subsidies during the year 2018-19 as can be seen from the details given in **Table 2.20**. Subsidies as a percentage of Revenue Receipts increased significantly from 1.09 *per cent* in 2017-18 to 2.09 *per cent* in 2018-19. In absolute terms, expenditure on payment of subsidies increased from ₹ 591 crore in 2017-18 to ₹ 1,324 crore in 2018-19.

**Table 2.20: Expenditure on subsidies during 2014-19**

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Subsidies (₹ in crore)	58	19	196	591	1,324
Subsidies as a percentage of Revenue Receipts	0.15	0.04	0.40	1.09	2.09
Subsidies as a percentage of Revenue Expenditure	0.15	0.05	0.40	1.07	2.33

During 2018-19, the major departments which incurred expenditure on subsidy were Power (₹ 852 crore), Finance Department (₹ 342.50 crore), Co-operation Department (₹ 4.69 crore) and Industry & Commerce Department (₹ 23.42 crore). State Government had not made any projection for subsidy in its MTFP during 2018-19.

#### 2.7.5 Capital Expenditure

Capital Expenditure includes primarily expenditure on creation of fixed infrastructure assets, such as buildings, roads, bridges, *etc.*

Capital Expenditure of the State showed significant increase during the last three years with a sharp increase from ₹ 2,691 crore in 2015-16 to ₹ 11,034 crore in 2018-19. However, the State could not expend the budgetary allocation on creation of assets in any year during the five-year period 2014-19. While the extent of utilisation of budget has been increasing since 2015-16, it was only marginally above half the allocation during 2018-19. Details of Capital Expenditure *vis-à-vis* budget during the five-year period 2014-19 are given in **Chart 2.14**.

Chart 2.14: Trend of Capital Expenditure over the five-year period from 2014-15 to 2018-19

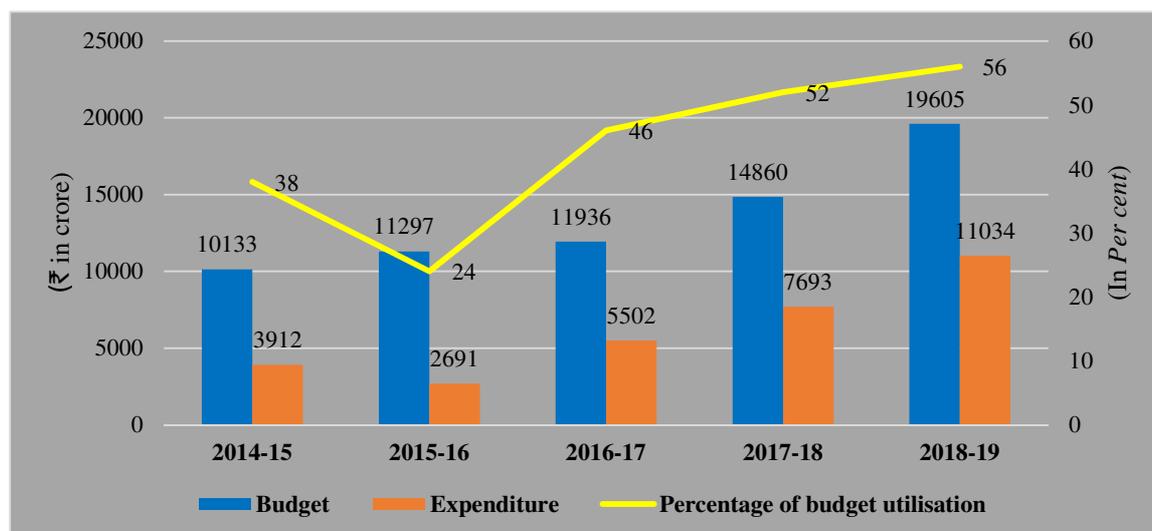


Table 2.21 highlights the cases of significant increase or decrease in various Heads of Account in Capital Expenditure during 2018-19 *vis-à-vis* the previous year.

Table 2.21: Capital Expenditure during 2018-19 compared to 2017-18

(₹ in crore)

Major Heads of Accounts	2017-18	2018-19	Variation (percentage)
5054-Capital Outlay on Roads and Bridges	2,101.72	5,356.14	3,252.42 (154.75)
5055-Capital Outlay on Road Transport	80.06	181.57	101.51 (126.79)
4702-Capital Outlay on Minor Irrigation	293.18	1,085.60	792.42 (270.28)
4711-Capital Outlay on Flood Control Projects	304.84	486.50	181.66 (59.59)
4059-Capital Outlay on Public Works	180.56	299.45	118.89 (65.85)
4210-Capital Outlay on Medical and Public Health	229.46	390.55	161.09 (70.20)
4801-Capital Outlay on Power Projects	803.99	369.69	-434.30 (-54.02)

The above table reveals that 30 *per cent* of total Capital Expenditure was incurred on Roads and Bridges and Road Transport Sectors followed by nine *per cent* on Minor Irrigation and Flood Control Projects.

Some of the major projects on which Capital Expenditure was incurred during 2018-19 were as follows.

Table 2.22: Capital expenditure on major projects during 2018-19

(₹ in crore)

Major Head	Project	Expenditure
4702-Capital Outlay on Minor Irrigation	Accelerated Irrigation Benefit Programme	770
4711-Capital Outlay on Flood Control Projects	Brahmaputra Flood Control Project	293
5054-Capital Outlay on Roads and Bridges	PMGSY Works (Block Grant)	1,770
	District Roads ARIASP (World Bank Project)	650
	Construction of Bridge over River Brahmaputra connecting Guwahati to North Guwahati (New Development Bank BRICS)	250
	Conversion of 1000 Nos. of SPT Bridges	121.75
	Chief Minister's Special Package for Barak Valley	105.97
	Construction of Roads in Tea Garden Labour Lines	102.01
	Conversion of Conventional PMGSY Roads to ICBP Roads	100.00
5055-Capital Outlay on Road Transport	LGB International Airport, Guwahati	129
<b>Total</b>		<b>4,291</b>

### 2.7.5.1 Misclassification of Revenue Expenditure under Capital Section

The sharp increase recorded in capital expenditure during 2018-19 was primarily due to misclassification of ₹ 5,490 crore of expenditure out of Grants-in-Aid as Capital Expenditure, instead of as Revenue Expenditure. This was violative of Indian Government Accounting Standard (IGAS-2), which was notified by the GoI in 2011 for accounting and classification of Grants-in-Aid received or given by both Central as well as State Governments. In terms of this Standard, expenditure out of GIA is to be classified as Revenue Expenditure, regardless of end utilisation (Paragraph 4.10 in Chapter 4 also refers to this aspect).

**Table 2.23 and Chart 2.15** highlight the extent of classification of GIA as Capital Expenditure instead of as revenue by the State during 2014-19.

**Table 2.23: Extent of classification of GIA as Capital Expenditure**

	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Capital Expenditure</b>	<b>3,912</b>	<b>2,691</b>	<b>5,502</b>	<b>7,693</b>	<b>11,034</b>
Share of GIA in Capital Expenditure	436	165	1,559	3,945	5,490

**Chart 2.15: Share of Grants-in-Aid in Capital Expenditure**

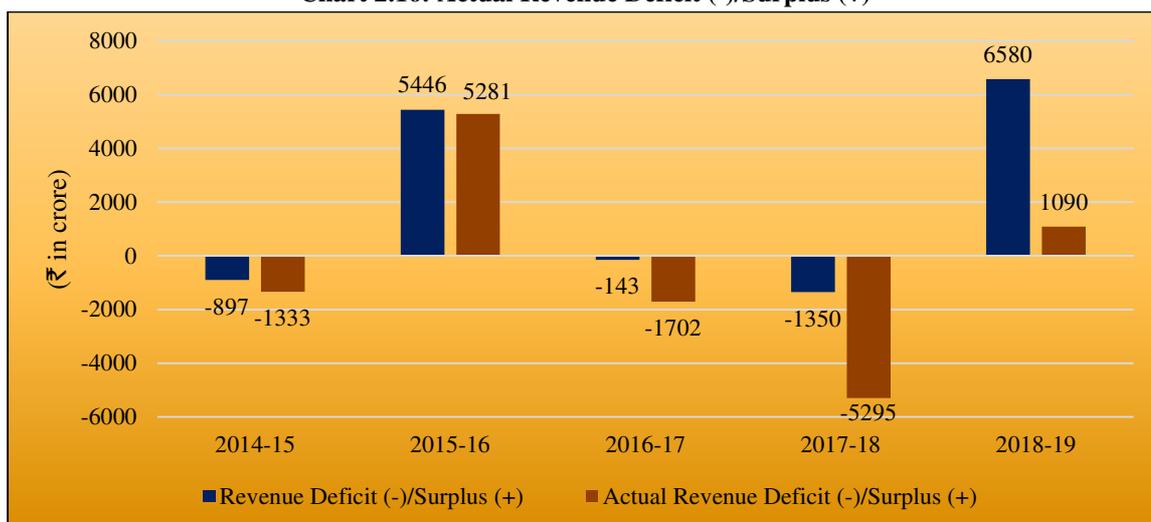


**Table 2.24 and Chart 2.16** indicate the impact of non-compliance with the provisions of IGAS-2 by the State in absolute terms during 2014-19 as Revenue Surplus was overstated and Revenue Deficit was understated during the period due to non-compliance with provisions of IGAS-2. Moreover, Capital Expenditure during the period was also overstated to that extent.

**Table 2.24: Impact of non-compliance with IGAS-2**

	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Grants-in-Aid booked as Capital Expenditure</b>	436	165	1,559	3,945	5,490
<b>Revenue Deficit (-)/Surplus (+) of the State</b>	-897	5,446	-143	-1,350	6,580
<b>Actual Revenue Deficit (-) /Revenue Surplus (+), if expenditure from GIA is treated as Revenue Expenditure</b>	-1,333	5,281	-1,702	-5,295	1,090

Chart 2.16: Actual Revenue Deficit (-)/Surplus (+)



During the Entry Conference on SFAR (January 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) it 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.).

## 2.8 Quality of Expenditure

Availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. It is important for the State Government to take appropriate expenditure rationalisation by focusing more on Development Expenditure – which is expenditure on Social and Economic Services. Apart from improving the allocation towards development expenditure, the efficiency of expenditure use is also reflected by the ratio of Capital Expenditure to Total Expenditure and the proportion of Revenue Expenditure being spent on Education and Health Sectors. The higher the ratio of these components to Total Expenditure, the quality of expenditure is considered to be better.

**Table 2.25** compares the fiscal priority of the State Government with that of Special Category States (SCS) with regard to development expenditure, expenditure on Social and Economic Sectors, and Capital Expenditure during 2018-19, taking 2014-15 as the base year.

Table 2.25: Fiscal Priority of the State in 2014-15 and 2018-19

(In per cent)

Fiscal Priority of the State	AE/ GSDP	SSE/ AE	ESE/ AE	DE/ AE	CE/ AE	Education/ AE	Health/ AE
Average (ratio) in 2014-15 of							
SCS	26.00	36.27	30.49	66.76	14.46	18.52	5.60
Assam	22.29	42.78	25.01	67.79	8.97	25.59	4.41

Fiscal Priority of the State	AE/ GSDP	SSE/ AE	ESE/ AE	DE/ AE	CE/ AE	Education/ AE	Health/ AE
Average (ratio) in 2018-19 of							
SCS	26.73	35.75	29.08	64.82	15.69	18.21	6.48
Assam	21.64	40.29	27.68	67.96	16.16	22.96	6.80
AE: Aggregate Expenditure; DE: Development Expenditure; SSE: Social Sector Expenditure; ESE: Economic Sector Expenditure; CE: Capital Expenditure.							

As can be seen from the above table, development expenditure, as a ratio of Aggregate Expenditure of the State of Assam, was more than that of SCS during both the years *i.e.*, 2014-15 and 2018-19. Capital Expenditure of the State was less than that of SCS during 2014-15. However, it improved and exceeded that of SCS in 2018-19. Expenditure of the State on education as well as health was more during 2018-19.

## 2.9 Investments and Returns

### 2.9.1 Investment in Public Sector Entities

As per the Finance Accounts 2018-19, Government of Assam had invested ₹ 2,609.44 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 2019. The State Government earned a return of ₹ 153.24 crore on these investments during 2018-19. Year-wise details of investment by Government of Assam over the five-year period 2014-15 to 2018-19 were as follows:

**Table 2.26: Details of Investment and return on Investment as of 31 March 2019**

(₹ in crore)

Entities	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Statutory Corporations<sup>6</sup></b> (No. of entities)	2,077.41 (4)	2,077.41 (4)	2,136.13 (4)	2,136.13 (4)	2,151.90 (4)
<b>Government Companies</b> (No. of entities)	176.05 (24)	176.91 (24)	176.92 (24)	176.92 (24)	176.92 (24)
<b>Joint Stock Companies</b> (No. of entities)	29.05 (16)	29.05 (16)	65.81 (17)	80.49 (17)	149.03 (17)
<b>Banks<sup>7</sup></b> (No. of entities)	11.16 (1)	11.16 (1)	21.26 (2)	21.76 (2)	21.76 (2)
<b>Co-operatives</b> (No. of entities)	110.23 (18)	109.84 (18)	109.83 (18)	109.83 (18)	109.83 (18)
<b>Total Investment</b>	<b>2,403.90</b>	<b>2,404.37</b>	<b>2,509.95</b>	<b>2,525.13</b>	<b>2,609.44</b>
<b>Return on investment (₹ in crore)</b>	16.23	70.06	124.44	225.55	153.24
<b>Return on investment (per cent)</b>	0.68	2.91	4.96	8.93	5.87
<b>Average rate of interest on Government borrowings (per cent)</b>	6.95	7.03	7.14	6.87	7.07

The average rate of return on investment was 4.67 *per cent* during the five-year period from 2014-15 to 2018-19, while the average rate of interest paid by the State Government during the period was 7.01 *per cent*.

There is a difference in the details relating to the State Public Sector Undertakings (PSUs) as given above in **Table 2.26** (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

<sup>6</sup> 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.

<sup>7</sup> It includes the Rural Bank and Urban and Industrial Co-operative Bank.

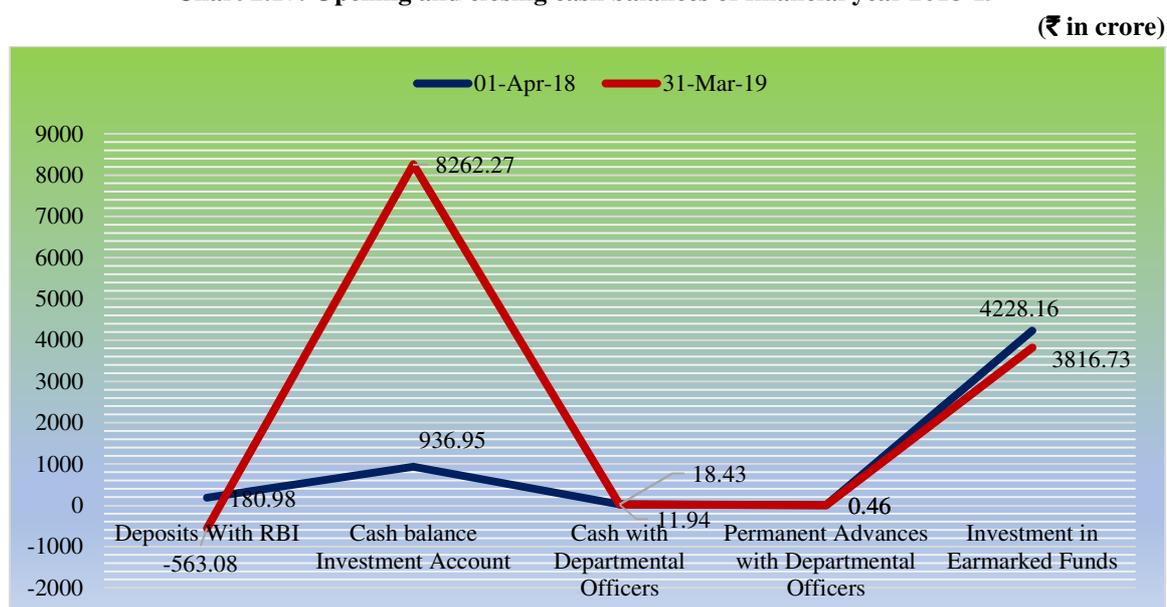
Accountant General (A&E) and the details given in the Audit Reports obtained from the individual PSUs. The differences in the number of PSUs as well as investments made by the State Government in these PSUs are under reconciliation.

The State Government has been requested several times during 2018-19 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.

## 2.9.2 Cash Balances

The details of cash balances with the Government of Assam as of 01 April 2018 and 31 March 2019 were as follows:

**Chart 2.17: Opening and closing cash balances of financial year 2018-19**



As per an agreement with the Reserve Bank of India, State Government has to maintain a minimum daily cash balance of ₹ 1.08 crore 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)/ Overdraft (OD) 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 2018-19 and no WMA/ SWMA/ OD was availed during the year.

## 2.9.3 Investment of Cash Balances

**Table 2.27** depicts the cash balances and investments made out of these by the State Government during the year.

Table 2.27: Cash Balances and their investment

(₹ in crore)

	Opening balance on 01 April 2018	Closing balance on 31 March 2019
<b>A. General Cash Balance</b>		
Cash in treasuries	0.00	0.00
Deposits with Reserve Bank of India	180.98	(-) 563.08
Deposits with other Banks	0.00	0.00
Remittances in transit – Local	0.00	0.00
<b>Total</b>	<b>180.98</b>	<b>(-) 563.08</b>
Investments held in Cash Balance investment account	936.95	8,262.27
<b>Total (A)</b>	<b>1,117.93</b>	<b>7,699.19</b>
<b>B. Other Cash Balances and Investments</b>		
Cash with departmental officers viz., Public Works, Forest Officers	18.43	11.94
Permanent advances for contingent expenditure with department officers	0.46	0.46
Investment in earmarked funds	4,228.16	3,816.73
<b>Total (B)</b>	<b>4,247.05</b>	<b>3,829.13</b>
<b>Total (A + B)</b>	<b>5,364.98</b>	<b>11,528.32</b>
<b>Interest realised</b>	<b>286.53</b>	<b>307.00</b>

Source: Finance Accounts

Cash Balances of the State Government at the end of the current year increased significantly by ₹ 6,163 crore from ₹ 5,365 crore in 2017-18 to ₹ 11,528 crore in 2018-19. This was mainly due to increase in investment in Treasury Bills by ₹ 7,325 crore from ₹ 937 crore in 2017-18 to ₹ 8,262 crore in 2018-19.

State Government invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The profits derived from such investments are credited as receipts under the head '0049-Interest Receipts'. The State Government has earned an interest of ₹ 307 crore during 2018-19 from the investments made in GoI Securities and Treasury Bills.

Out of the investment of ₹ 3,817 crore in earmarked funds, ₹ 3,769 crore was invested in the Consolidated Sinking Fund and ₹ 47 crore in Guarantee Redemption Fund at the end of the year.

The cash balance investments of the State during the five-year period 2014-15 to 2018-19 are given below:

Table 2.28: Cash Balance investment Account (Major Head-8673)

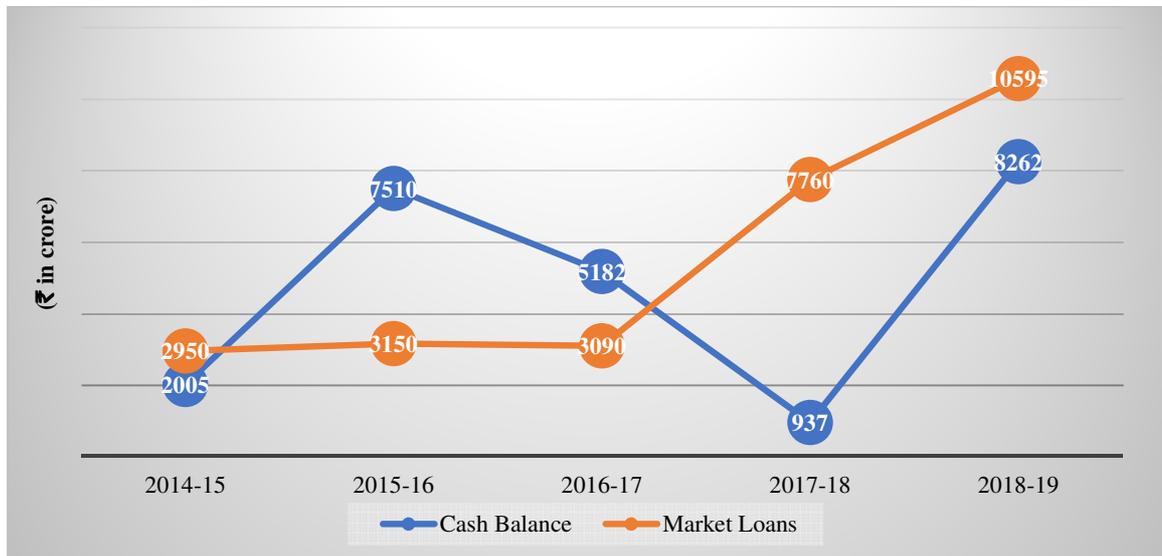
(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
2014-15	3,611.98	2,004.71	-1,607.27	298.76
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

The trend analysis of the cash balance investment of the State Government during 2014-19 revealed that investment increased significantly during 2015-16 and 2018-19. During the current year, i.e., 2018-19, the cash balance stood at 7.6 per cent of the budget of the State.

**Chart 2.18** compares the balances available in the Cash Balance Investment Account and the Market Loans taken by the State during the period 2014-19. Market Loans were taken at higher interest rates whereas investment in Treasury Bills yielded interest at lower rates.

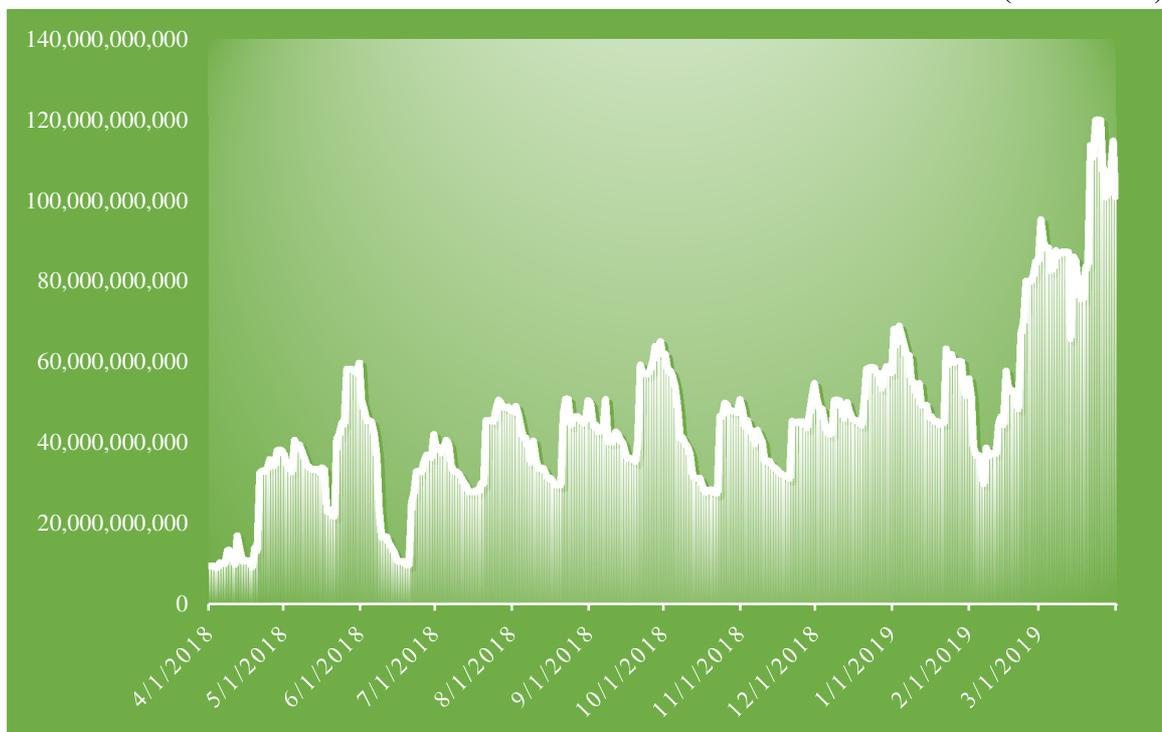
**Chart 2.18: Market loans vis-a-vis Cash Balance**



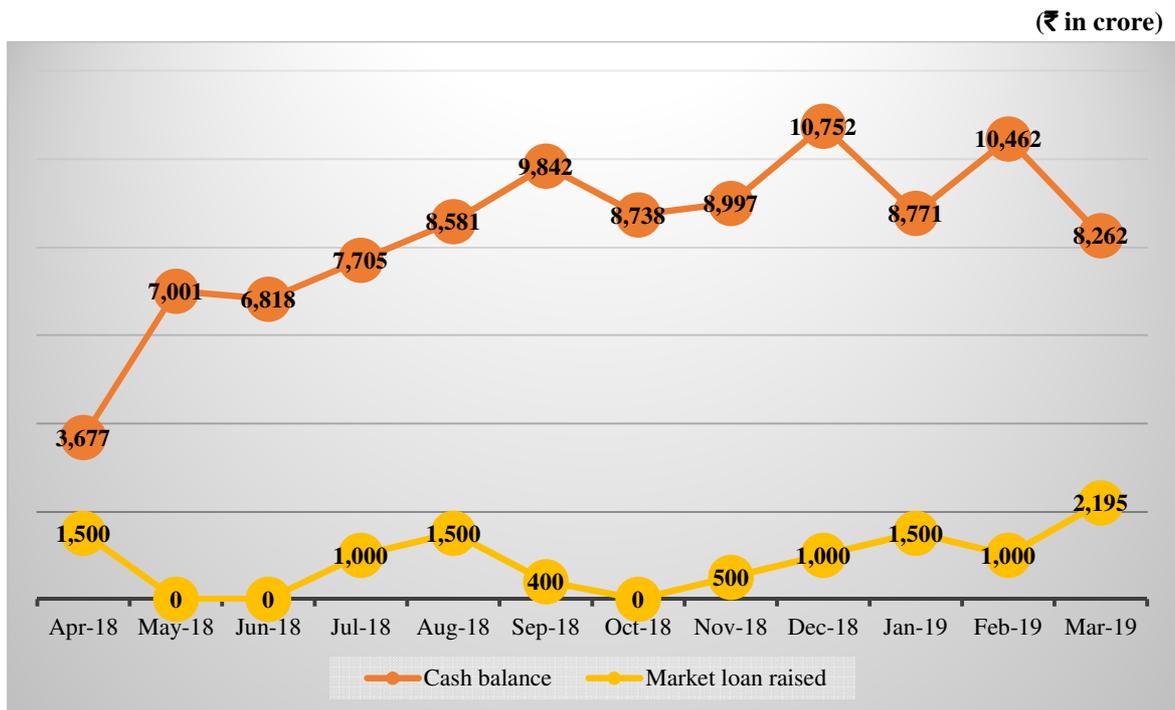
**Chart 2.19** shows the daily cash balance during 2018-19 and **Chart 2.20** compares the month-wise Cash Balance Investment Account with the market loans obtained by the State.

**Chart 2.19: Cash balances during 2018-19**

(Amount in ₹)



**Chart 2.20: Month-wise movement of Cash Balances Investment Account and market loans during 2018-19**



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 leading to further accretion to cash balances without putting it to productive use. During the year 2018-19, the State Government raised ₹ 10,595 crore from the market, while at the same time, the cash balance increased significantly from ₹ 937 crore to ₹ 8,262 crore, indicating that much of the borrowing was avoidable.

Further, borrowings are normally resorted to, to invest in capital projects and creation of assets. While there has been an increase in the Capital Expenditure of the State during 2018-19 compared to the previous years, as brought out in Paragraph 2.7.5.1, 50 per cent of the Capital Expenditure was funded by the Grants-in-Aid provided by the GoI. Therefore, there appears to be little rationale for borrowing at a higher rate of interest while the cash balances were high throughout the year.

#### 2.9.4 Investment in Incomplete Projects

The State Government has not made available the details of the projects which were running behind schedule, where the estimated cost and the timelines were revised. In the absence of this information, the details of incomplete projects given below is based on a sample check of a few projects in selected Public Works Divisions across the State.

As per Finance Accounts of the State for the year 2018-19, there were 94 incomplete/ongoing projects in 15 works divisions of Public Works, Irrigation and Water Resources Departments as on 31 March 2019. Age profile of incomplete projects based on the year of sanction/ year of start of these projects as on 31 March 2019 is as follows.

Table 2.29: Age profile of incomplete projects as on 31 March 2019 (₹ in crore)

Year	No of incomplete projects	Estimated cost	Expenditure (as on 31 March 2019)
2011-12	2	29.46	29.46
2012-13	30	129.67	86.32
2013-14	2	10.45	4.64
2014-15	15	556.31	422.55
2015-16	6	29.49	13.38
2016-17	9	21.64	4.67
2017-18	27	83.27	25.35
2018-19	3	12.50	0.00
<b>Total</b>	<b>94</b>	<b>872.79</b>	<b>586.37</b>

Table 2.30: Department-wise profile of incomplete projects as on 31 March 2019 (₹ in crore)

Department	No. of incomplete projects	Estd cost	Expenditure
<b>Public Works</b>	37	107.47	37.23
<b>Irrigation</b>	36	139.78	91.37
<b>Water Resources</b>	21	625.54	457.77
<b>Total</b>	<b>94</b>	<b>872.79</b>	<b>586.37</b>

Source: Finance Accounts

Physical progress of the projects as on 31 March 2019 was in the range of 0 to 95 per cent in respect of projects being executed by Public Works Department, 60 to 97 per cent in respect of projects being executed by Irrigation Department and 35 to 95 per cent in respect of projects being executed by Water Resources Department.

Blocking of funds on incomplete projects/ works impinges negatively on the quality of expenditure and deprives the State of the intended benefits for prolonged periods. Further, the funds borrowed for implementation of these projects during the respective years proved futile and the State had to share the extra burden in terms of servicing of debt and interest liabilities. Effective steps need to be taken to complete all these above projects without further delay to avoid cost overrun due to time overrun.

## 2.10 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. The Contingency Fund of the Government of Assam for 2018-19 was ₹ 100 crore.

## 2.11 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.

### 2.11.1 Net Balances in Public Account

Component-wise net balances in Public Account of the State as of end of March 2019 are as follows.

Table 2.31: Component-wise net balances in Public Account as of 31 March of the year

(₹ in crore)

Sector	Sub Sector	2014-15	2015-16	2016-17	2017-18	2018-19
<b>I. Small Savings, Provident Funds, etc.</b>	Small Savings, Provident Funds, etc.	890.13	860.15	796.46	1,027.66	981.06
<b>J. Reserve Funds</b>	(a) Reserve Funds bearing Interest	320.62	230.03	1,240.52	-2,294.54	107.50
	(b) Reserve Funds not bearing Interest	0.00	0.00	0.00	0.00	-0.00
<b>K. Deposits and Advances</b>	(a) Deposits bearing Interest	-27.85	-13.73	89.38	-36.32	148.06
	(b) Deposits not bearing Interest	-500.31	-954.11	940.54	109.04	748.82
	(c) Advances	294.62	-38.00	-684.26	-516.33	254.59
<b>L. Suspense and Miscellaneous</b>	(a) Suspense	-91.91	-228.60	234.01	651.55	-48.32
	(b) Other Accounts*	1,610.78	-5,506.22	2,317.66	4,244.07	-7,318.83
	(c) Accounts with Governments of Foreign Countries	---	---	---	---	---
	(d) Miscellaneous	---	---	---	---	1,053.41
<b>M. Remittances</b>	(a) Money Orders, and other Remittances	43.53	-57.76	-54.33	-3.73	-39.35
	(b) Inter-Governmental Adjustment Account	-13.27	10.09	-18.01	24.22	-17.23
<b>TOTAL</b>		<b>2,526.34</b>	<b>-5,698.15</b>	<b>4,861.96</b>	<b>3,205.63</b>	<b>-4,130.29</b>

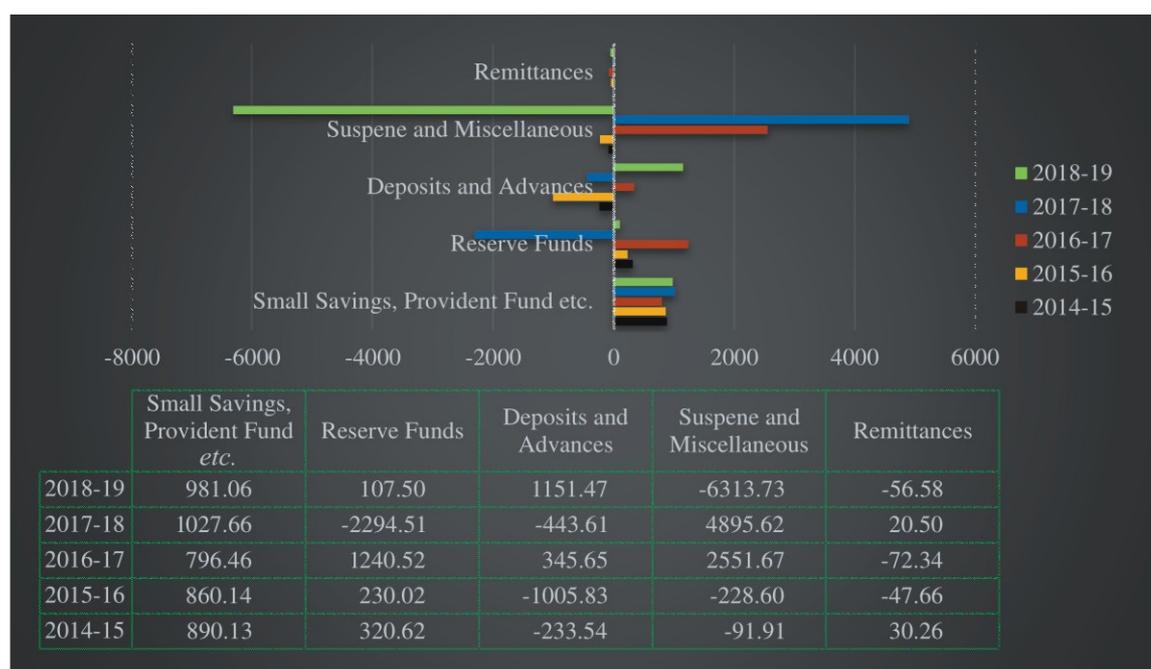
Note: +ve denotes debit balance and -ve denotes credit balances

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

The yearly changes in composition of balances in Public Account over the five-year period 2014-19 are given in **Chart 2.21**.

Chart 2.21: Yearly changes in composition of Public Account balances

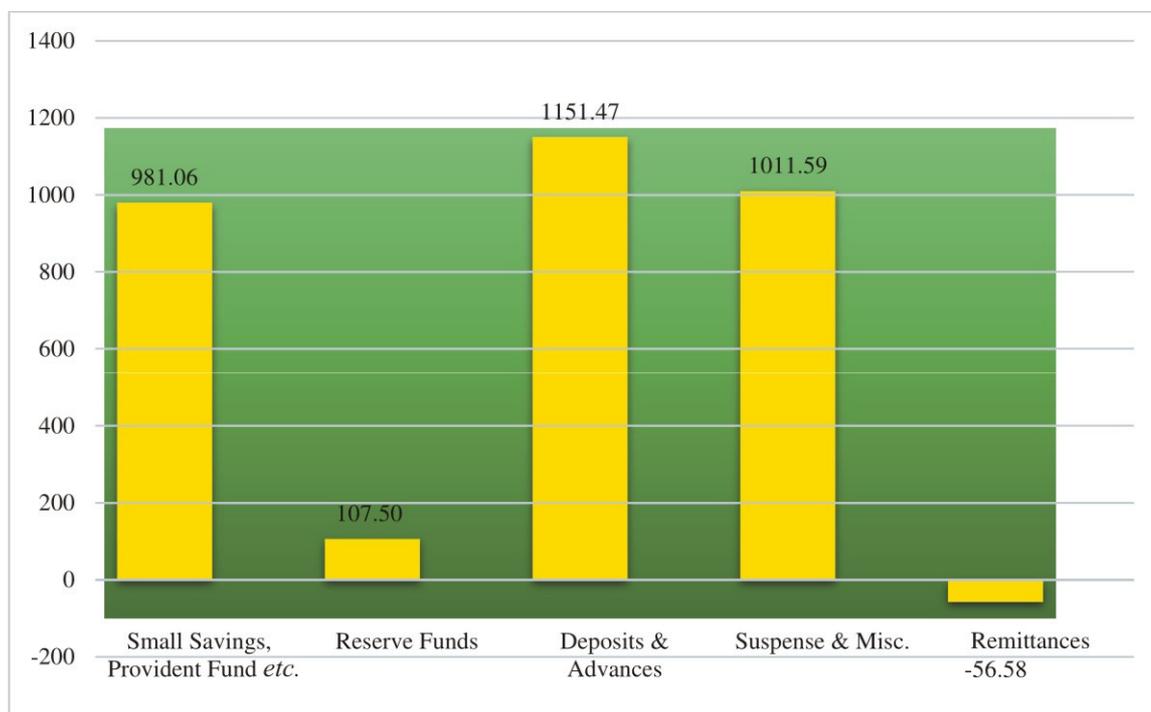
(₹ in crore)



\*Suspense and Miscellaneous for the years 2016-17, 2017-18 and 2018-19 include Cash Balance Investment Account

The following Chart gives the details of changes in the balances in Public Account during the year 2018-19.

**Chart 2.22: Change in balances in Public Account during the year 2018-19 (₹ in crore)**



*Note: Changes in Suspense and miscellaneous balances during the year 2018-19 include only balances under suspense and miscellaneous heads of account. These do not include balances of 'Other Accounts-Cash Balance Investment Account'.*

## 2.11.2 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 2019, there were 14 Reserve Funds in the State. Out of these, six 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 2019, was ₹ 4,434.80 crore (₹ 4,427.97 crore in active funds and ₹ 6.83 crore in inactive funds) of which, ₹ 3,816.73 crore (86.06 per cent) was invested.

Details of transactions during the year in the six active and eight inactive Reserve Funds are discussed below:

### 2.11.2.1 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. The fund is managed by the Reserve Bank of India. As of 31 March 2019, the balance in the Sinking Fund was ₹ 3,776.52 crore, of which ₹ 3,769.28 crore has been invested.

### 2.11.2.2 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 to 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.

As on 01 April 2018, the Fund had a balance of ₹ 496.10 crore. During 2018-19, an amount of ₹ 532 crore (GoI share: ₹ 478.80 crore *plus* State's share: ₹ 53.20 crore) was transferred to the Fund. Further, the State Government carried out an adjustment of ₹ 9.38 crore of expenditure pertaining to 2017-18 and ₹ 424.50 crore pertaining to current year by inter account transfer of expenditure to Major Head-8121. As on 31 March 2019, a balance of ₹ 603.61 crore was lying in the Fund.

Government of Assam has not paid the half-yearly interest on the balance lying in the Fund in violation of Paragraph 4 of the SDRF guidelines. The unpaid interest by the GoA led to overstatement of Revenue Surplus to that extent during 2018-19.

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.

### 2.11.2.3 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 2018-19, the State Government contributed ₹ 3.91 crore to the Fund, which was three *per cent* of ₹ 130 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 2019, the total amount lying in the Fund was ₹ 47.03 crore (including the accrued

interest of ₹ 3.30 crore for 2018-19) and the entire amount was invested by the Reserve Bank of India.

#### 2.11.2.4 General and Other Reserve Funds

There were three active Reserve Funds (not bearing interest) which had a cumulative balance of ₹ 0.82 crore as on 31 March 2019.

#### 2.11.2.5 Inactive Reserve Funds

There were eight inactive Reserve Funds with an aggregate balance of ₹ 6.83 crore at the end of 2018-19, which were lying dormant for decades. The State Government needs to review these inactive funds and take appropriate action as per rules in consultation with the Accountant General (A&E).

## 2.12 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 2.32** presents the outstanding loans and advances as on 31 March 2019 along with interest receipts *vis-à-vis* interest payments during the five-year period from 2014-15 to 2018-19.

**Table 2.32: Details of Loans advanced by State Government and interest received**

	(₹ in crore)				
Quantum of Loans/ Interest Receipts/ Cost of Borrowings	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Balance	4,323	4,944	4,694	5,174	5,423
Amount advanced during the year	631	260	499	254	328
Amount recovered during the year	10	510	19	5	3
Closing Balance	<b>4,944</b>	<b>4,694</b>	<b>5,174</b>	<b>5,423</b>	<b>5,748</b>
Interest Receipts	15	14	17	19	281
Interest receipts as a <i>percentage</i> of outstanding Loans and Advances	0.30	0.30	0.33	0.35	4.89
Average rate of interest on Government borrowing ( <i>per cent</i> )	6.95	7.03	7.14	6.87	7.07
Difference between Interest Payments and Interest Receipts ( <i>per cent</i> )	6.65	6.73	6.81	6.52	2.18

The total amount of outstanding loans and advances as on 31 March 2019 was ₹ 5,748 crore. The amount of loans disbursed during the year increased by 29.13 *per cent* from ₹ 254 crore in 2017-18 to ₹ 328 crore in 2018-19.

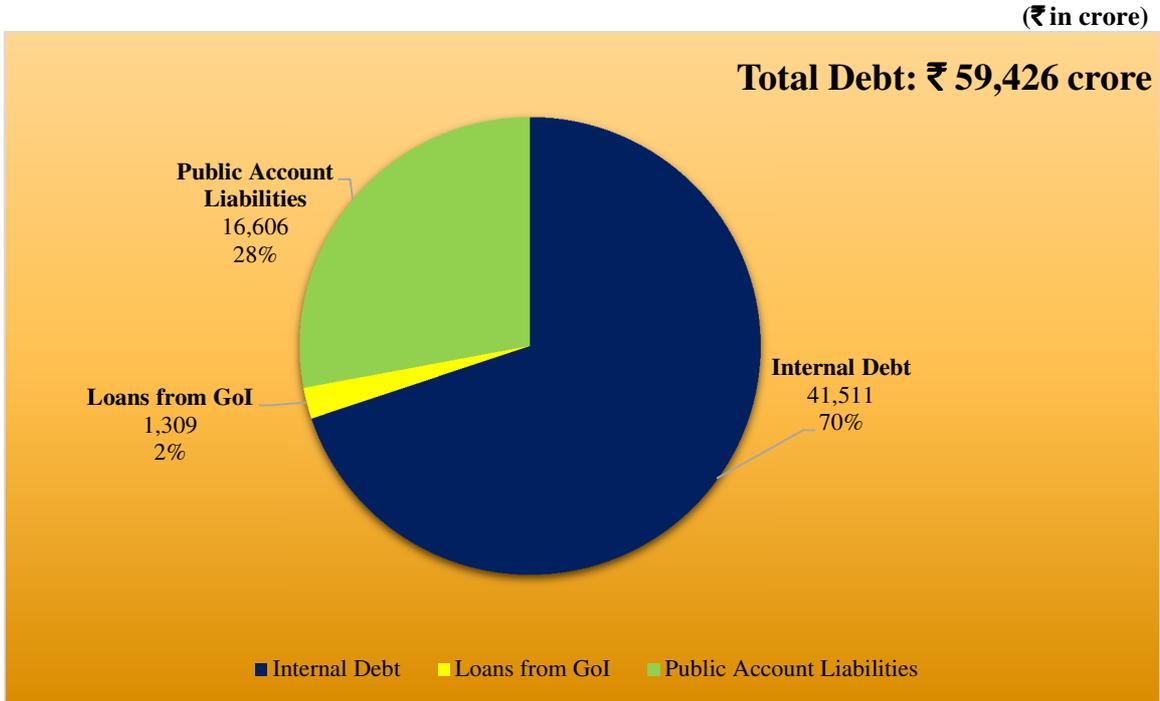
Out of the total amount of loans advanced during the year, Social Services received ₹ 2.54 crore, Economic Services received ₹ 254.32 crore and the remaining ₹ 71.21 crore was provided to Government servants. Within the Social Services, Urban Development (69 *per cent*) received the major share; in Economic Services, it was power projects (51 *per cent*) followed by Industry and Minerals (43 *per cent*).

Recovery of loans and advances decreased by ₹ two crore from ₹ five crore in 2017-18 to ₹ three crore in 2018-19. However, interest receipts in this regard increased by ₹ 262 crore during the year.

## 2.13 Debt Management and Sustainability

The total outstanding debt of the State Government at the end of 2018-19 was ₹ 59,426 crore. Component-wise break-up of debt is shown below in **Chart 2.23**.

**Chart 2.23: Break-up of Outstanding Debt at the end of FY 2018-19**



Internal debt, which is primarily market borrowings through issue of State Development Loans (SDLs), accounts for 70 per cent of the total outstanding debt.

### 2.13.1 Trend of Debt

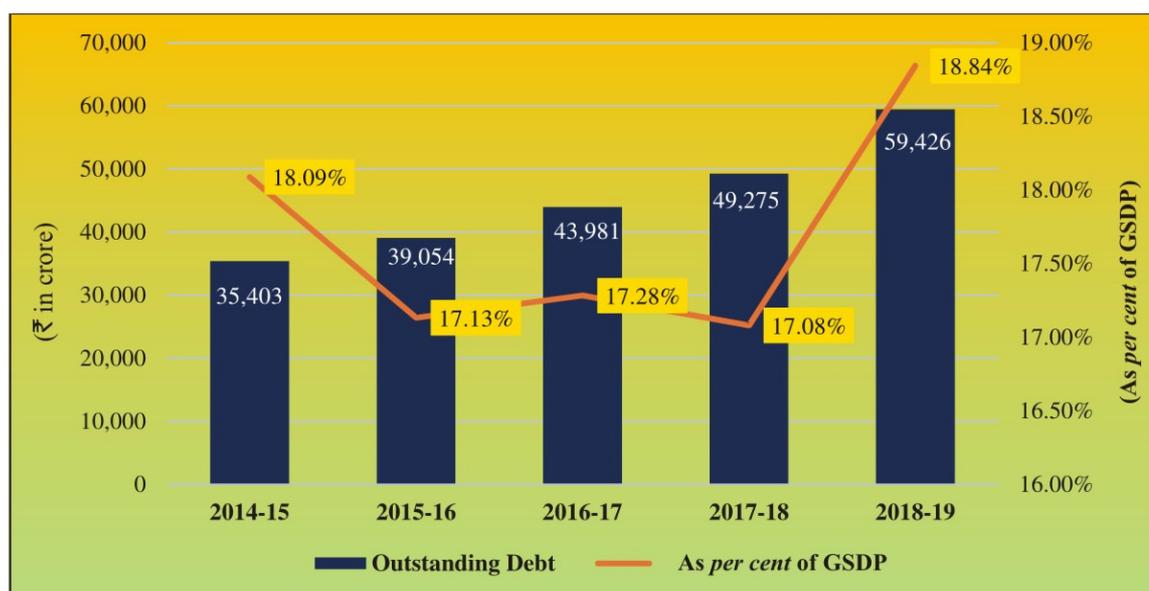
The details relating to total debt received, repayment of debt, ratio of debt to GSDP and the actual quantum of debt available to the State during the five-year period 2014-19 are given in **Table 2.33**, as also in **Chart 2.24**.

**Table 2.33: Trend of Debt**

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19	
<b>Outstanding Debt</b>	<b>35,403</b>	<b>39,054</b>	<b>43,981</b>	<b>49,275</b>	<b>59,426</b>	
<b>Public Debt</b>	<i>Internal Debt</i>	21,187	24,799	26,737	33,294	41,511
	<i>Loans from GoI</i>	1,591	1,508	1,430	1,361	1,309
<b>Public Account Liabilities</b>	12,625	12,747	15,814	14,620	16,606	
<b>Rate of growth of outstanding debt (percentage)</b>	11.45	10.31	12.62	12.04	20.60	
<b>Gross State Domestic Product (GSDP)</b>	1,95,723	2,27,959	2,54,478	2,88,494	3,15,372	
<b>Debt/GSDP (per cent)</b>	18.09	17.13	17.28	17.08	18.84	
<b>Total Debt Receipts</b>	14,374	13,341	13,534	18,848	25,164	
<b>Total Debt Repayments</b>	10,736	9,689	8,608	13,554	15,013	
<b>Total Debt Available</b>	3,638	3,652	4,926	5,294	10,151	

Chart 2.24: Trend of overall Debt



### 2.13.2 Debt Sustainability

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.

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 2.34 shows the debt sustainability of the State according to these indicators for the five-year period beginning from 2014-15.

Table 2.34: Debt Sustainability: Indicators and Trends

Indicators of Debt sustainability	2014-15	2015-16	2016-17	2017-18	2018-19
Debt/GSDP ( <i>per cent</i> )	18.09	17.13	17.28	17.08	18.84
Fiscal Deficit/GSDP ( <i>per cent</i> )	2.77	-1.32*	2.41	3.24	1.52
Interest Payments/Revenue Receipts Ratio	6.11	6.17	6.02	5.92	6.06
Rate of growth of outstanding Debt ( <i>percentage</i> )	11.45	10.31	12.62	12.04	20.60
Rate of growth of GSDP ( <i>percentage</i> )	10.11	16.47	11.63	13.37	9.32
Interest payment	2,334	2,618	2,964	3,205	3,844
Average interest rate on Outstanding debt ( <i>per cent</i> )	6.95	7.03	7.14	6.87	7.07
Available Debt as a percentage of Debt Receipts	25.31	27.37	36.40	28.09	40.34

\* 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 2.34**, in the five-year period from 2014-15 to 2018-19, the ratio of debt to GSDP of Assam has been fairly stable, and within a narrow range of 17.08 to 18.84 *per cent*, well below the 25 *per cent* recommended by the XIV FC, and below the target ceiling for debt of 28.50 *per cent* set in AFRBM Act. The growth rate of revenue receipts has generally outpaced the growth rate of debt during the last ten years, except during 2017-18 and 2018-19, where the debt grew at a significantly faster rate than the Revenue Receipts. However, in absolute terms, Revenue Receipts were higher than debt even in these two years.

The burden of interest payment ranged from 5.92 to 6.17 *per cent* of the Revenue Receipts. These indicate sustainability of debt of the State.

However, during the five-year period 2014-15 to 2018-19, while GSDP has grown at a CAGR of 12.70 *per cent*, the outstanding debt has grown at a faster rate of 13.80 *per cent*.

Sustainability of debt of the Government of Assam is also assessed in terms of the Domar model in **Table 2.35**, where the sustainability of debt is based on the relationship between the key fiscal values - public debt, growth rate, interest rate and primary balance. As per this model, for debt to be sustainable, the rate of interest payable on the outstanding debt should be lower than the rate of growth of GSDP (Domar gap); and there should be a primary surplus.

Debt sustainability of Government of Assam is given below as per the Domar model.

**Table 2.35: Debt sustainability as per the Domar model**

Year	Growth Rate (g) of GSDP	Average Interest Rate (r)	g-r	Primary Deficit/ Surplus (s) (₹ in crore)	Remarks
2014-15	10.11	6.95	3.16	-3096	As $g-r > 0$ and $s < 0$ , public debt will converge to a stable level
2015-16	16.47	7.03	9.44	5623	As $g-r > 0$ and $s > 0$ , public debt will converge to a stable level less than zero leading to public savings
2016-17	11.63	7.14	4.49	-3161	As $g-r > 0$ and $s < 0$ , public debt will converge to a stable level
2017-18	13.37	6.87	6.50	-6137	
2018-19	9.32	7.07	2.25	-935	

*Note: While the Domar model applies the real growth rate and real interest rate, since the CPI rate for the State is not available, the average interest rate on outstanding debt, as featured in the SFARs of the respective years, has been taken as 'r' rather than the real interest rate. The GSDP is nominal (at current price).*

The positive Domar gap combined with reduction of primary deficit in 2018-19 is indicative of the debt of Government of Assam being sustainable both as per the Domar model, as well as the fiscal consolidation roadmap recommended by the XIV FC.

### 2.13.2.1 Maturity Profile of Public Debt

Public Debt consists of Internal Debt and Loans and Advances received from GoI. As per Statement 17 of the Finance Accounts for the year 2018-19, the maturity profile of public debt is as follows.

Table 2.36: Maturity Profile of Public Debt

Year of maturity	Maturity Profile	Amount			(₹ in crore)
		Internal Debt	Loans & Advances from GoI	Total	Per cent of total Public Debt
By 2019-20	0-1 year	2,614.73	265.78	2,880.51	6.73
Between 2020-21 & 2021-22	2-3 years	4,490.96	317.21	4,808.17	11.23
Between 2022-23 & 2023-24	4-5 years	2,400.93	318.37	2,719.30	6.35
Between 2024-25 & 2025-26	6-7 years	11,334.91	106.41	11,441.32	26.72
2026-27 onwards	Above 7 years	20,669.59	301.30	20,970.89	48.97
<b>Total</b>		<b>41,511.12</b>	<b>1,309.07</b>	<b>42,820.19</b>	-

The maturity profile of outstanding stock of public debt as on 31 March 2019 indicates that out of the outstanding public debt of ₹ 42,820.19 crore, 51.03 per cent (₹ 21,849.30 crore) is payable within the next seven years while the remaining 48.97 per cent (₹ 20,970.89 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 96.94 per cent (₹ 41,511.12 crore).

During the seven-year period<sup>8</sup> 2012-13 to 2018-19, the State repaid ₹ 13,897 crore of debt against the indicated amount of ₹ 10,374 crore in Finance Accounts. The Difference between the indicated amount and actual repayment is under reconciliation.

The details of actual pay-out vis-à-vis that indicated in the SFARs during 2017-18 and 2018-19 are tabulated below.

Table 2.37: Maturity Profile of Public Debt

Year	Outstanding Debt as on 31 March	Indicated payment	(₹ in crore)
			Actual repayment
2017-18	34,654.91	1,464.76	1,959
2018-19	42,820.20	3,413.34	3,589

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

### 2.13.3 Liabilities on Account of Ujwal Discom Assurance Yojana (UDAY)

GoI launched UDAY in November 2015 for financial turnaround of power distribution companies (DISCOMs) and improving their operational and financial efficiency to ensure provision of affordable and accessible power 24x7 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 04 January 2017. As per the Memorandum of Understanding (MoU) amongst GoI, State Government 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

<sup>8</sup> In SFAR, the maturity profile of debt is given up to seven years and onwards

30 September 2015. The total outstanding debt of the DISCOM as on 30 September 2015 was ₹ 1,510 crore and thus, 75 per cent of it, i.e. ₹ 1,132.50 crore was due for conversion into grant and equity.

However, as of 31 March 2019, despite the MoU, Government of Assam has not taken over any of the ₹ 1,132.50 crore liabilities of APDCL in its books.

## 2.14 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 2014-15 to 2018-19 are shown in **Table 2.38**:

**Table 2.38: Guarantees given by the Government of Assam**

(₹ in crore)					
Guarantees	2014-15	2015-16	2016-17	2017-18	2018-19
Outstanding amount of guarantees including interest liability	143	143	130	90	85
Criteria as per the AFRBM Act, 2005	State Government guarantees shall be restricted at any point of time to 50 per cent of State's own tax and non-tax revenue of the second preceding year as reflected in the books of accounts maintained by Accountant General (A&E).				

Government had guaranteed loans raised by various Corporations and Others which at the end of 2018-19 stood at ₹ 85 crore. It was 0.52 per cent of State's Own Tax and Non-Tax Revenue of the second preceding year i.e., well within the limit prescribed in the State FRBM Act. Out of the total outstanding guarantees, ₹ 22.95 crore (27 per cent) pertained to power sector.

## 2.15 Conclusion

*The State Government registered an increase of 17.27 per cent in its Revenue Receipts during 2018-19 compared to the previous year. There has been a significant increase in Non-Tax Revenue and the buoyancy of the State's own revenue was also higher than the preceding four years due to the implementation of GST. However, the State continued to be dependent on GoI with 62 per cent of the revenue coming from Central transfers and Grants-in-Aid.*

*Development expenditure of the State as well as expenditure on health and education was more than that of the other Special Category States.*

*The State continued to be non-compliant with the Indian Government Accounting Standards as regards the accounting treatment given to expenditure incurred out of Grants-in-Aid.*

*The State Government violated the rules governing NPS and its act of short contribution to this pension system as well as retaining the balances in current account and non-transfer of the balances to the Trustee is fraught with the risk of unauthorised use of*

*funds belonging to the employees, thereby creating uncertainty in respect of the benefits due to the employees and avoidable future liability to the Government.*

## **2.16 Recommendations**

- i. State Government needs to review the accounting treatment given to the
  - a. expenditure met out of Grants-in-Aid and take necessary action to comply with the Indian Government Accounting Standards; and
  - b. mode of accounting for re-investment of cash balances in various securities on their maturity.
- ii. It is imperative that the State Government undertake a rigorous exercise to arrive at its liability for NPS including short contribution and interest on the funds yet to be transferred to NSDL. The prescribed procedure for accounting the NPS related transactions should be adhered to scrupulously and the State Government should provide an assurance to the pensioners about the returns on their investment.
- iii. State Government needs to provide on priority, accurate information to the Accountant General (A&E) with regard to the capital invested in projects, which are at various stages of completion for several years, as well as the complete and accurate details relating to its investment in PSUs.

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# **Chapter - III**

## **Budgetary Management**

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## Chapter 3

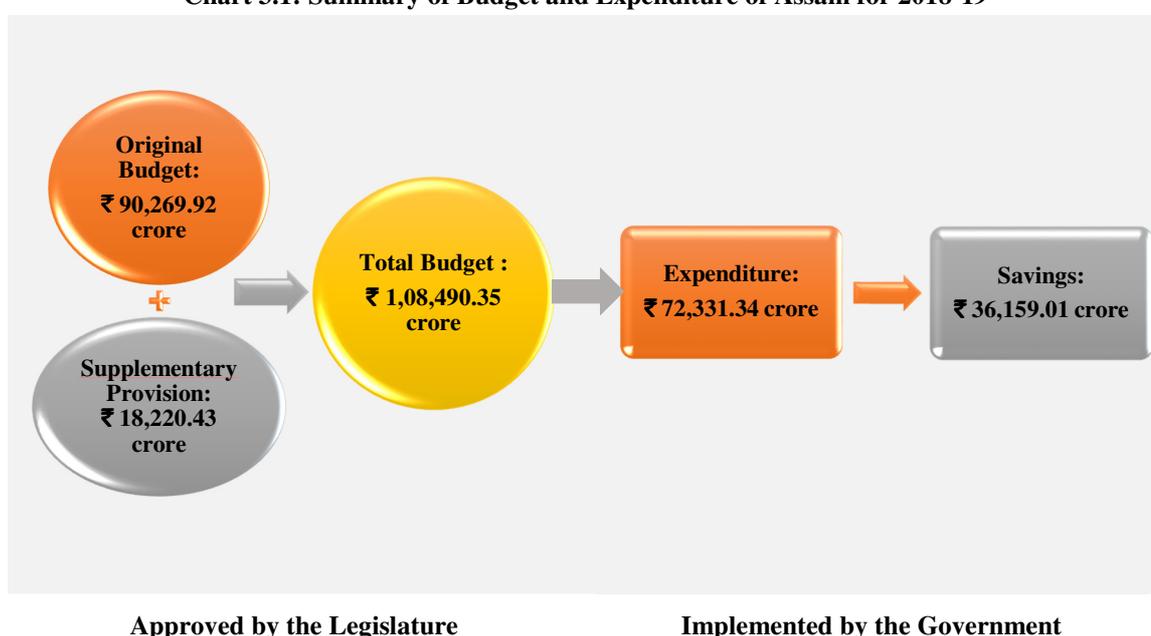
## Budgetary Management

### 3.1 Introduction

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.

The total amount approved by the State Legislature including the original and supplementary budgets, expenditure and savings during the year 2018-19 is depicted below.

Chart 3.1: Summary of Budget and Expenditure of Assam for 2018-19



### 3.2 Budget Preparation 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, NEC<sup>1</sup>, NLCPR<sup>2</sup>, etc. are estimated and provided for;

<sup>1</sup> North Eastern Council

<sup>2</sup> Non-Lapsable Central Pool of Resources

- Allocations for Hill Areas Autonomous District Councils (ADCs) are made based on the requirement projected by the Departments responsible for the activities of the ADCs;
- Anticipated receipts from central tax transfers and funding for CSS are assessed and the quantum of funds required for committed expenditure on salaries, pension, repayment of loan, *etc.* are also worked out by Finance Department.

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

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

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

### 3.3 Financial Accountability and Budget Review

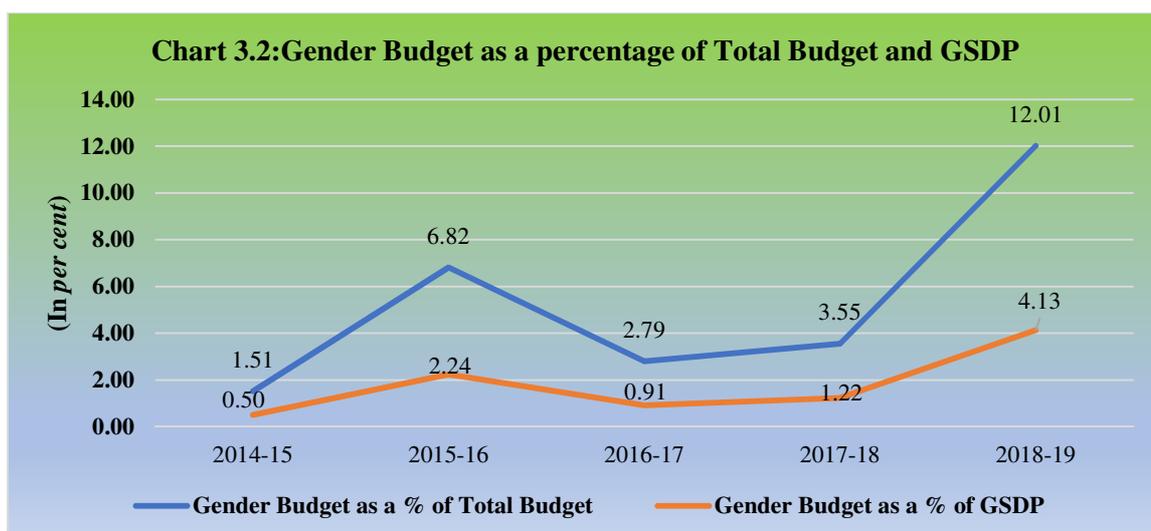
#### 3.3.1 Gender Budget

Gender budget was incorporated in the State budget as a significant statement highlighting the need to segregate budgetary allocations on the basis of gender under the demands for grants.

**Table 3.1** details the allocation under Gender Budget made by the State during the five-year period 2014-19 whereas **Chart 3.2** highlights the percentage of Gender Budget with respect to total Budget and GSDP during the period.

**Table 3.1: Allocation under Gender Budget during 2014-19**

	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Gender Budget</b>	988.21	5,103.38	2,321.67	3,532.00	13,031.27
<b>Total Budget</b>	65,350.89	74,818.50	83,069.15	99,453.08	1,08,490.35
<b>GSDP</b>	1,95,723.00	2,27,959.00	2,54,478.00	2,88,494.00	3,15,372.00



During 2018-19, there was a significant jump in allocation towards gender specific schemes, with the allocation increasing from ₹ 3,532 crore in 2017-18 to ₹ 13,031.27 crore in 2018-19. This allocation was spread across 18 departments on schemes designed specifically to benefit women under category 'A'<sup>3</sup> and category 'B'<sup>4</sup>.

The State Government has not reported on the performance of Gender Budget of previous years in the Gender Budget of 2018-19 to gauge the effectiveness of the schemes targeted to benefit women. The Finance Department should insist that the respective Departments submit performance reports of previous year along with the proposal for Gender Budget of current year to bring about transparency in public spending for the socio-economic empowerment of women in the State through various schemes.

### 3.3.2 Child Budget

UNICEF (2007) defined a child friendly budget as one that reflects the realisation of children's rights. Specifically, national (or sub-national) budgets that adequately address children's issues, such as poverty, malnutrition, illiteracy or child protection can be considered to be equitable child friendly budgets. The goal of these children's budgets is the prioritisation of children and other socially vulnerable groups in the public expenditure system.

In keeping with the above spirit, the Government of Assam introduced Child Budget during the year 2018-19. The aim was to segregate specific expenditure targeted for the Child/ Girl Child from the overall expenditure of the Department for facilitating better monitoring of outcome of the expenditure. The Child Budget involved an outlay of ₹ 8,386.69 crore to be expended under 103 schemes covering 10 Departments.

Child Budget reveals that the allocations under these schemes targeted exclusively or partially towards children have been reflected in the budget documents. As in the case of Gender Budget, the Finance Department should seek a performance report from the

<sup>3</sup> Budgetary allocations for schemes designed to benefit women to the extent of 100 *per cent* of allocation.

<sup>4</sup> Budgetary allocations for schemes designed to benefit women to the extent of 30 *per cent* of allocation.

concerned Department on Child Budget also so that actual outcome on allocation made during the year can be assessed.

### 3.4 Audit of Appropriations

Details of the figures depicted in **Chart 3.1** are given in the Appropriation Accounts of the State for the year 2018-19. Appropriation Accounts provide details of expenditure of the Government for the financial year, compared with the amounts of the voted grants and charged appropriations for various purposes specified in the schedules appended to the Appropriation Act passed by the Legislature. These Accounts depict the original budget provision, supplementary grants, savings, 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. Appropriation Accounts are therefore, complementary to Finance Accounts.

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

#### 3.4.1 Summary of Appropriation Accounts

The summarised position of budget including supplementary budget, actual expenditure, and excess/ savings during 2018-19 against 81 Grants/ Appropriations (78 Grants and three Appropriations) is given below.

**Table 3.2: Summarised position of Expenditure *vis-à-vis* Budget provision**

(₹ in crore)							
Voted / Charged	Nature of Expenditure	Budget (Original)	Budget (Supp)	Total Budget (O + S)	Expenditure	Excess/ Savings (-)	Excess/ Savings %
<b>Voted</b>	Revenue	66,818.09	10,663.68	77,481.77	53,224.16	-24,257.61	-31.31%
	Capital Outlay	14,571.57	5,033.08	19,604.65	11,034.08	-8,570.57	-43.72%
	Loans and Advances	538.67	11.91	550.58	328.07	-222.51	-40.41%
	<b>Total Voted</b>	<b>81,928.33</b>	<b>15,708.67</b>	<b>97,637.00</b>	<b>64,586.31</b>	<b>-33,050.69</b>	<b>-33.85%</b>
<b>Charged</b>	Revenue Expenditure	4,511.27	11.76	4,523.03	4,155.67	-367.36	-8.12%
	Public Debt	3,830.32	2,500.00	6,330.32	3,589.36	-2,740.96	-43.30%
	<b>Total Charged</b>	<b>8,341.59</b>	<b>2,511.76</b>	<b>10,853.35</b>	<b>7,745.03</b>	<b>-3,108.32</b>	<b>-28.64%</b>
<b>Grand Total</b>		<b>90,269.92</b>	<b>18,220.43</b>	<b>1,08,490.35</b>	<b>72,331.34</b>	<b>-36,159.01</b>	<b>-33.33%</b>

Source: Appropriation Accounts

As can be seen from the table above, the overall savings of 33.33 *per cent* of total grants and appropriations was almost twice the size of supplementary budget of ₹ 18,220.43 crore obtained during the year, which raises questions about the budget formulation process.

### 3.5 Impact of 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 15<sup>th</sup> January, and their subsequent surrender to the Finance Department is

15<sup>th</sup> February. However, audit scrutiny revealed that intimation of surrender of excess funds was sent to the Finance Department by the Controlling Officers in April and May 2019, *i.e.*, after the close of the financial year 2018-19.

In fact, against the final savings of ₹ 36,159.01 crore, the total amount stated to have been surrendered before the close of the financial year (although intimation about it was given only in April-May) was ₹ 3.60 crore.

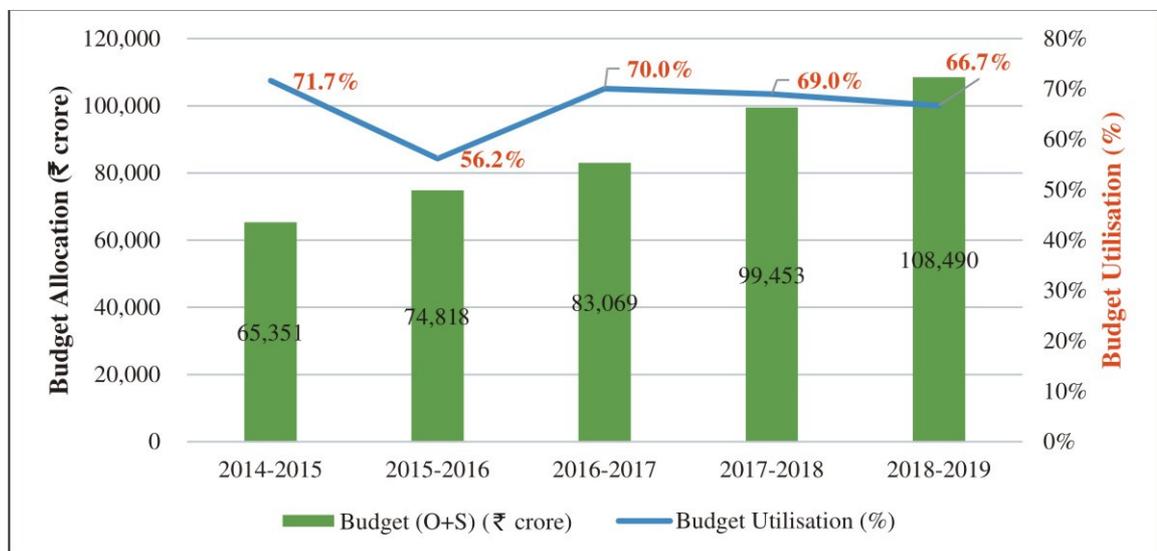
Non-compliance with the prescribed time schedule for intimation of savings and their surrender not only deprives the other needy Departments of resources, but also defeats the objective of achieving efficiency in budget management.

Clearly, the State Government prepared a budget which it did not have the ability to implement and/or its Departments have not done the ground work to be able to utilise the allocated funds within the envisaged timeframe. Some of the Controlling Officers have stated that they could not spend the allocated budgetary provision due to orders from the Government to that effect.

### 3.6 Sub-optimal Utilisation of Budgeted Funds

Utilisation of budgeted funds by the State has been sub-optimal every year during the past few years. The extent of utilisation of budget during the five-year period from 2014-15 to 2018-19 is given below.

**Chart 3.3: Budget Utilisation during 2014-15 to 2018-19**



As can be seen from the Chart above, utilisation of budget has rarely exceeded 70 per cent, and has shown further decrease during the last two years. This was despite the stated initiatives taken by the State Government while formulating its budget for the year 2018-19 as detailed in Paragraph 1.5 in Chapter 1 of this report.

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.

### 3.7 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).

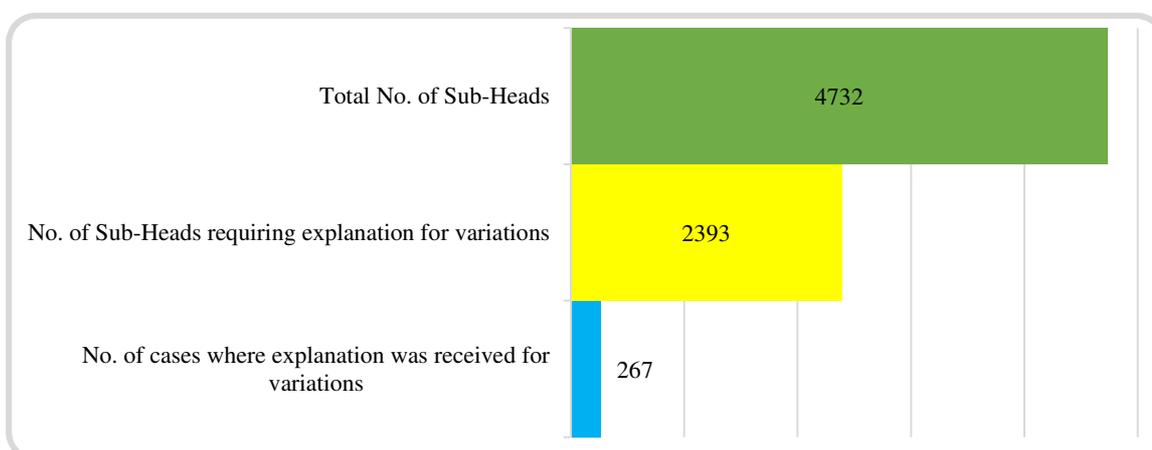
Accountant General (A&E) provides the draft Appropriation Accounts to the Controlling Officers of the Departments and seeks the reasons/ explanation for the variations in expenditure with reference to approved budgetary allocation in keeping with the limits set by the PAC.

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

<b>Savings</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
<b>Excess</b>	<ul style="list-style-type: none"> <li>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)</li> <li>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</li> </ul>

Audit of Appropriation Accounts of 2018-19 and an analysis of the underlying accounting data revealed that the Controlling Officers have not provided explanation for the variations in the expenditure *vis-à-vis* budgeted allocation in about 89 per cent of cases. Of the 81 Grants/ Appropriations, reasons for variation were required in respect of 79 Grants/ Appropriations. However, in respect of 59 Grants/Appropriations reasons were not furnished by the Controlling Officers of Government Departments. Partial response was received in respect of the remaining 20 Grants/Appropriations. In terms of the Sub-Heads involved, the total number of Sub-Heads in the accounts, those requiring explanation for variation, and the Sub-Heads where explanation were received for variations from allocations, are given in **Chart 3.4**. Details in this regard are given in **Appendix 3.1**.

**Chart 3.4: Summary of unexplained variations *vis-à-vis* budget**



Absence of explanation for variation between the budgeted allocation and its utilisation limits legislative control over budget as a means of ensuring financial accountability of the Government.

### 3.8 Budgetary Deviations at Primary Unit of Appropriation

Sub-Head is the primary unit of appropriation, and the Appropriation Accounts accordingly bring out instances of deviations from approved expenditure from budgetary provision at this level, as per the criteria specified by the PAC. The Assam Budget Manual states that primary unit of appropriation is the lowest unit of classification denoting the objects of expenditure.

As detailed in **Chart 3.4** above, there are 4,732 such units of appropriation in the Appropriation Accounts of the State with over 20,000 line items in the State budget at the primary unit of appropriation, *i.e.*, at the lowest level of accounting classification. The distribution of Sub-Heads by size and total budgetary allocation is given in **Table 3.3**.

**Table 3.3: Distribution of Sub-Heads (Unit of Appropriation) by Size**

Budget Allocation	Number of Sub-Heads	Share of Sub-Heads ( <i>per cent</i> )	Total Budget (₹ in crore)	Share of Sub-heads in Budget ( <i>per cent</i> )
Less than 15 Lakhs	981	20.73	50.41	0.05
15 Lakhs - 50 Lakhs	742	15.68	213.35	0.20
50 Lakhs - 1 Crore	513	10.84	345.11	0.32
1 Crore - 10 Crore	1,604	33.90	5,146.46	4.74
10 Crore - 100 Crore	699	14.77	22,199.74	20.46
More than 100 Crore	193	4.08	80,535.29	74.23
<b>TOTAL</b>	<b>4,732</b>	<b>100</b>	<b>1,08,490.35</b>	<b>100</b>

As can be seen from the above Table, about 4.08 *per cent* of the Sub-Heads account for 74.23 *per cent* of the total budgetary allocation, while 20.73 *per cent* of the Sub-Heads account for merely 0.05 *per cent* of the total allocation. There is a need for rationalisation of the Unit of Appropriation, both in terms of the number of Heads, and the size of Heads to increase legislative control as well as make budget administration easier.

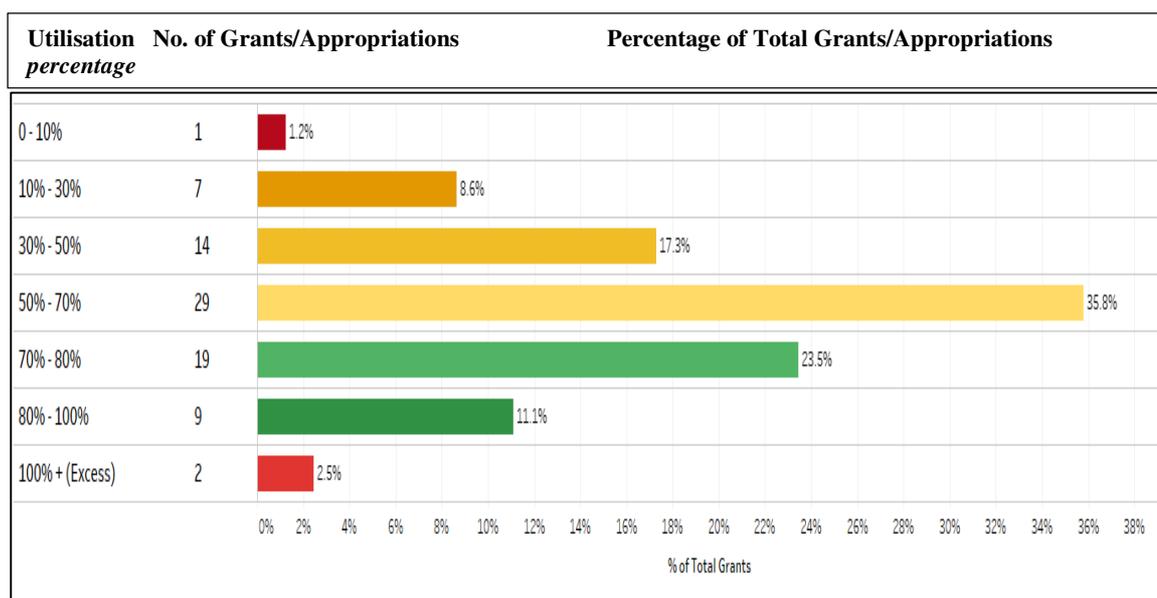
While a detailed budget with a large number of line items may *prima facie* appear to increase the control exercised by the legislature over executive spend, budget implementation and Appropriation Accounts show that too many instances of deviation lead to large scale non-compliance and reduced accountability for compliance with budget.

In keeping with its 2018-19 budgetary pronouncement, the State Government initiated rationalisation of Units of Appropriation in 2018-19. However, the impact was visible only in 2019-20, with around 10 *per cent* reduction in the number of budgeted heads (up to the lowest level).

### 3.9 Large and Persistent Savings in Grants/ Appropriations

There were huge savings during 2018-19, with 22 out of 81 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 as follows.

Chart 3.5: Grant-wise savings



Of the 22 Grants/ Appropriations with budget utilisation of less than 50 per cent, 10 had shown similar low utilisation in four of the last five years, which 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 22 Grants/ Appropriations for the five-year period from 2014-15 to 2018-19 is shown in **Table 3.4**.

**Table: 3.4: Grants/ Appropriations where utilisation of budget was less than 50 per cent***(₹ in crore)*

Sl. No.	Grant	2014-15	2015-16	2016-17	2017-18	2018-19	No. of Years*	Budget 2018-19	Total Budget (5 Years)
1	24 Aid Materials	0%	0%	0%	0%	0%	5	0.01	0.05
2	34 Urban Development (Municipal Administration)	17%	9%	29%	21%	37%	5	1,114.12	2,656.02
3	44 North Eastern Council Schemes	18%	22%	32%	24%	25%	5	1,272.96	6,201.89
4	50 Other Special Areas Programmes	19%	-12%	27%	18%	24%	5	161.39	900.50
5	31 Urban Development (Town and Country Planning)	27%	9%	54%	46%	18%	4	692.47	1,913.94
6	38 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes etc.	34%	6%	52%	33%	45%	4	1,656.19	7,134.37
7	49 Irrigation	55%	34%	37%	49%	31%	4	1,710.77	7,219.50
8	70 Hill Areas	3%	83%	23%	36%	18%	4	10.74	253.04
9	73 Urban Development (Guwahati Development Department)	22%	23%	67%	29%	21%	4	1,524.84	5,755.21
10	67 Horticulture	49%	39%	40%	53%	49%	4	113.47	404.62
11	33 Residential Buildings	58%	29%	46%	56%	46%	3	6.25	164.52
12	42 Other Social Services	20%	43%	90%	84%	35%	3	340.85	2,207.11
13	45 Census, Surveys and Statistics	52%	43%	54%	40%	48%	3	86.70	377.74
14	56 Rural Development (Panchayat)	50%	29%	33%	51%	39%	3	2,169.51	10,056.15
15	58 Industries	79%	23%	61%	28%	50%	3	771.80	2,411.29

Sl. No.	Grant	2014-15	2015-16	2016-17	2017-18	2018-19	No. of Years*	Budget 2018-19	Total Budget (5 Years)
16	25 Miscellaneous General Services	97%	-104%	40%	96%	45%	3	4,338.91	9,558.16
17	75 Information and Technology	59%	4%	98%	47%	22%	3	73.99	367.04
18	48 Agriculture	66%	33%	51%	58%	45%	2	1,926.18	8,330.54
19	62 Power (Electricity)	71%	26%	94%	65%	43%	2	4,952.19	12,798.16
20	21 Guest Houses, Government Hostels	71%	68%	52%	54%	39%	1	61.26	185.13
21	40 Social Security and Welfare (Freedom Fighter)	88%	71%	81%	55%	35%	1	84.76	382.06
22	57 Rural Development	60%	75%	54%	75%	30%	1	3,700.95	18,171.30

\* 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 38 Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes, etc., despite drawing large allocation of over ₹ 1,500 crore annually needs an in-depth analysis by the State Government and initiation of prompt remedial action.

Of the overall savings of ₹ 36,159.01 crore, savings of ₹ 35,819.24 crore (99.06 per cent) occurred in 64 cases (₹ 50 crore and above in each case) at Segment level and within 45 Grants/ Appropriations as indicated in **Appendix 3.2**.

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.

### 3.10 Expenditure Without Budget Provision

As per ABM, 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.

Audit scrutiny revealed that in 61 cases, expenditure in excess of ₹ 50 lakh was incurred (total amount of expenditure was ₹ 1628.89 crore) without budget provision as detailed in **Appendix 3.3**. Grant-wise summary of the cases where expenditure was incurred without budget provision is given in **Table 3.5**.

**Table 3.5: Summary of Expenditure without Budget Provision during 2018-19**

(₹ in crore)

Grant/ Appropriation	Description	Expenditure (₹ in crore)	Number of Schemes/ Sub-Heads
26	Education (Higher)	1.00	1
48	Agriculture	22.05	1
52	Animal Husbandry	4.87	1

Grant/ Appropriation	Description	Expenditure (₹ in crore)	Number of Schemes/ Sub-Heads
62	Power (Electricity)	117.97	1
64	Roads and Bridges	473.58	2
76	Karbi Anglong Autonomous Council	101.04	12
77	North Cachar Hills Autonomous Council	46.92	10
78	Bodoland Territorial Council	386.93	19
Appropriation	PD Public Debt and Servicing of Debt	474.53	14
<b>Total</b>		<b>1,628.89</b>	<b>61</b>

Head of Account-wise details of significant items of expenditure without budget provision are given below. Unbudgeted expenditure of ₹ 269.36 crore was incurred on interest payments during the year 2018-19.

Table 3.6: Expenditure incurred without budget provision during 2018-19

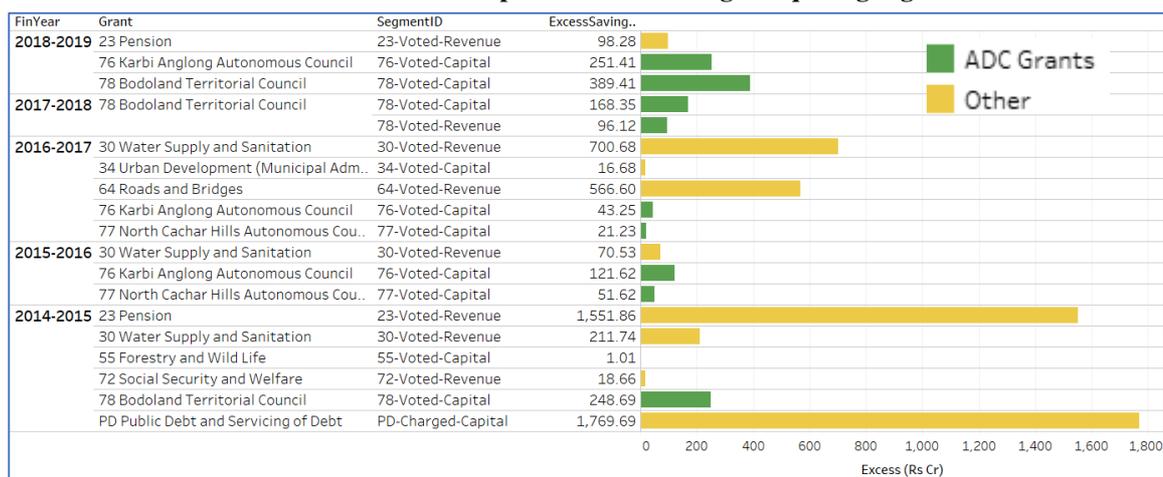
(₹ in crore)

Sl. No.	Heads of Account where expenditure was incurred without budget provision		Expenditure without Provision
1	3054-80-799-0291	Miscellaneous Public Works Advances-General	150.00
2	5054-03-799-0291	Miscellaneous Public Works Advances-General	323.58
3	2049-01-101-6881	8.20% Assam State Dev. Loan, 2028 Rs.50000 L General (Charge)	41.00
4	2049-01-101-6884	8.36% Assam State Dev. Loan, 2028 Rs.50000 L General (Charge)	41.80
5	2049-01-101-6885	8.29% Assam State Dev. Loan, 2028 Rs.51275 L General (Charge)	41.98
6	2049-01-101-6886	7.97% Assam State Dev. Loan, 2028 Rs.100000 L General (Charge)	59.78
7	2049-01-101-6888	8.54% Assam State Dev. Loan, 2028 Rs.50000 L (i) General (Charge)	42.70
8	2049-01-101-6889	8.42% Assam State Dev. Loan, 2028 Rs.50000 L (i) General (Charge)	42.10
9	4552-244-4504	Projects & Scheme for Karbi Anglong Autonomous Territorial Council as per MOS (KAATS Package)- Sixth Schedule (Pt. I) Areas	45.84
10	78-2225-02-800-5946	One Time Special Grant Sixth Schedule (Pt. I) Areas	293.64

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.

### 3.11 Excess expenditure Requiring Regularisation

Apart from large savings in certain grants/ Appropriations, there were several instances of excess expenditure over budgeted provision. Details of excess expenditure over the approved allocation during the five-year period from 2014-15 to 2018-19, which require regularisation by the State Legislature, are given in **Chart 3.6**.

**Chart 3.6: Grants with excess expenditure over budget requiring regularisation**

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 2014-19, there is a clear preponderance of ADC Grants with excess expenditure, especially during the current year, despite there being only three Grants for ADCs out of the total 78 Grants/Appropriations. Of the total 19 instances of excess requiring regularisation during the five-year period from 2014-15 to 2018-19, nine pertained to the three ADC related Grants.

The reasons for recurrent excess/ large savings in ADC Grants have been analysed in detail in respect of one of the ADC Grants (Grant 78 for Bodoland Territorial Council). 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.

**Table 3.7: 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
<b>Total</b>	<b>54</b>	<b>12</b>	<b>9,588.10</b>

The PAC had discussed (February 2020) the excess expenditure for the years 2005-06 to 2017-18 partially and is yet to recommend regularisation of the total excess expenditure amounting to ₹ 9,588 crore under Article 205 of the Constitution. Year-wise summarised position of excess expenditure over budgeted provision partly discussed by the PAC and pending regularisation is given alongside. Grant-wise details of excess expenditure are given in *Appendix 3.4*.

Table below contains the summary of total excess expenditure amounting to ₹ 739.11 crore incurred over authorisation from the Consolidated Fund of State during 2018-19 in respect of three Grants.

**Table 3.8: Excess expenditure over provision during 2018-19 requiring regularisation**

(₹ in crore)

Grant No.	Name of the Grant	Nature	Total Grant	Actual Expenditure	Excess Expenditure
23	Pension	Revenue Voted	8,005.79	8,104.08	98.29
76	Karbi Anglong Autonomous District Council	Capital Voted	335.33	586.74	251.41
78	Bodoland Territorial Council	Capital Voted	414.76	804.17	389.41
<b>Total</b>			<b>8,755.88</b>	<b>9,494.99</b>	<b>739.11</b>

This is in violation of 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. This vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

### 3.12 Unnecessary Supplementary Provision

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.

The State Legislature approved two supplementaries of ₹ 18,220.43 crore<sup>5</sup> in 72 Grants/Appropriations for the year 2018-19. Audit analysis of utilisation of these supplementary allocations showed that a provision of only ₹ 2,980.92 crore was required in nine Grants/Appropriations where the final expenditure exceeded the original budget provision. Details relating to the actual expenditure incurred against the original budget allocation and supplementary provision are given in *Appendix 3.5*. Both the supplementaries were Cash Supplementaries<sup>6</sup> leading to large savings at the end of the year.

### 3.13 Excessive/ Unnecessary Re-appropriation of Funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where 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.

In several cases, re-appropriation proved excessive and resulted in huge savings. In 12 Sub-Heads, the savings were ₹ 10 lakh and above, with four of these having savings more than ₹10 crore each, as detailed in **Table 3.9**.

<sup>5</sup> ₹ 10,590.25 crore (Dated 10<sup>th</sup> October 2018) and ₹ 7,630.18 crore (Dated 11<sup>th</sup> February 2019)

<sup>6</sup> Cash Supplementary is over and above the original budget provision and results in enhancement of the allocation for the Demand/ Grant

Table 3.9: Excessive re-appropriation

(₹ in lakh)

Sl. No.	Grant No.	Major Head	Minor Head	Sub-Head	Sub Sub-Head	Nomenclature	Re-appropriation	Final Savings
1	4	2015	105	--	--	Charges for Conduct of Elections to Parliament	277.50	35.60
2	14	2055	101	0442	--	Criminal Investigation Department	58.75	25.09
3	35	2220	001	0172	236	Social Media	25.00	16.78
4	43	4425	800	2327	107	Co-operation Warehouse/ Cold Storage	993.52	519.36
5	44	4552	212	3761	927	Central Share	160.00	102.35
6	64	5054	337	0337	793	State Priority Scheme	23,000.00	9,453.00
7	64	5054	796	1536	--	Works	1,000.00	262.29
8	64	5054	800	0789	548	Works	2,500.00	2,308.27
9	65	3452	104	1440	--	Tourist Information and Publicity	1,000.00	546.20
10	63	4711	103	0120	976	EMP 90% Grant (Central)	11,027.00	10,425.87
11	25	2052	090	0406	313	Incentive to Tea Garden	10,000.00	1,456.40
12	74	2204	800	0800	549	State Level Advisory Committee	50.00	31.31
<b>Total</b>							<b>50,091.77</b>	<b>25,182.52</b>

Further, re-appropriation proved unnecessary in 65 cases, as the re-appropriated amount ultimately resulted in savings of ₹ 10 lakh and above in every case. Of these, in 21 Sub-Heads, the savings were more than ₹ 10 crore in each case as shown below. 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 3.6*.

Table 3.10: Unnecessary re-appropriation of funds

(₹ in lakh)

Grant No.	Major Head	Minor Head	Sub-Head	Nomenclature	Re-appropriation	Final Savings
14	2055	101	0443	Special Branch	72.00	11,266.21
14	2055	104	0446	Armed police Battalions	78.87	16,327.15
14	2055	109	0145	District Police Proper	2,471.65	30,113.77
14	2055	109	0454	River Police	10.60	1,228.93
14	2055	109	0457	Reimbursable from GoI	13.00	4,035.16
14	2055	109	1015	Reimbursable from GoI	12.34	3,565.70
14	2055	109	1015	Checking of Bangladeshi Infiltration	79.35	3,909.64
14	2055	114	0480	Wireless and Computer	34.46	1,731.32
14	2055	800	0482	Raising of New Battalion	43.43	3,471.74
14	2055	800	0483	New Indian Reserve Battalion	40.00	9,737.03
26	2202	103	4556	Infrastructure Devl. of Govt and Provincialised College	1,028.34	1,912.37
29	2210	001	0172	Headquarters Establishment	5.35	1,104.79
29	2210	103	0726	Primary Health Units	9,200.00	21,676.22
30	4215	102	0778	Rural Water Supply	1,700.00	3,184.53
48	2401	001	0240	Subordinate Establishment	1.53	2,172.50
64	3054	337	1857	Centre Share	10,000.00	15,858.83
64	3054	001	0138	Direction	70.00	1,659.74
64	5054	337	0337	CM's Spl Package for Spl Focus on Construction of Border Area Roads & Bridges	500.00	1,556.14

Grant No.	Major Head	Minor Head	Sub-Head	Nomenclature	Re-appropriation	Final Savings
64	5054	337	0337	Construction of Roads in Tea Garden Labour Lines	1,000.00	2,799.39
64	5054	337	0337	Conversion of Conventional PMGSY Roads to ICBP Roads	10,000.00	25,000.00
20	2070	107	0525	Assam Special Reserve Force	201.85	1,035.25
<b>Total</b>					<b>36,562.77</b>	<b>1,63,346.41</b>

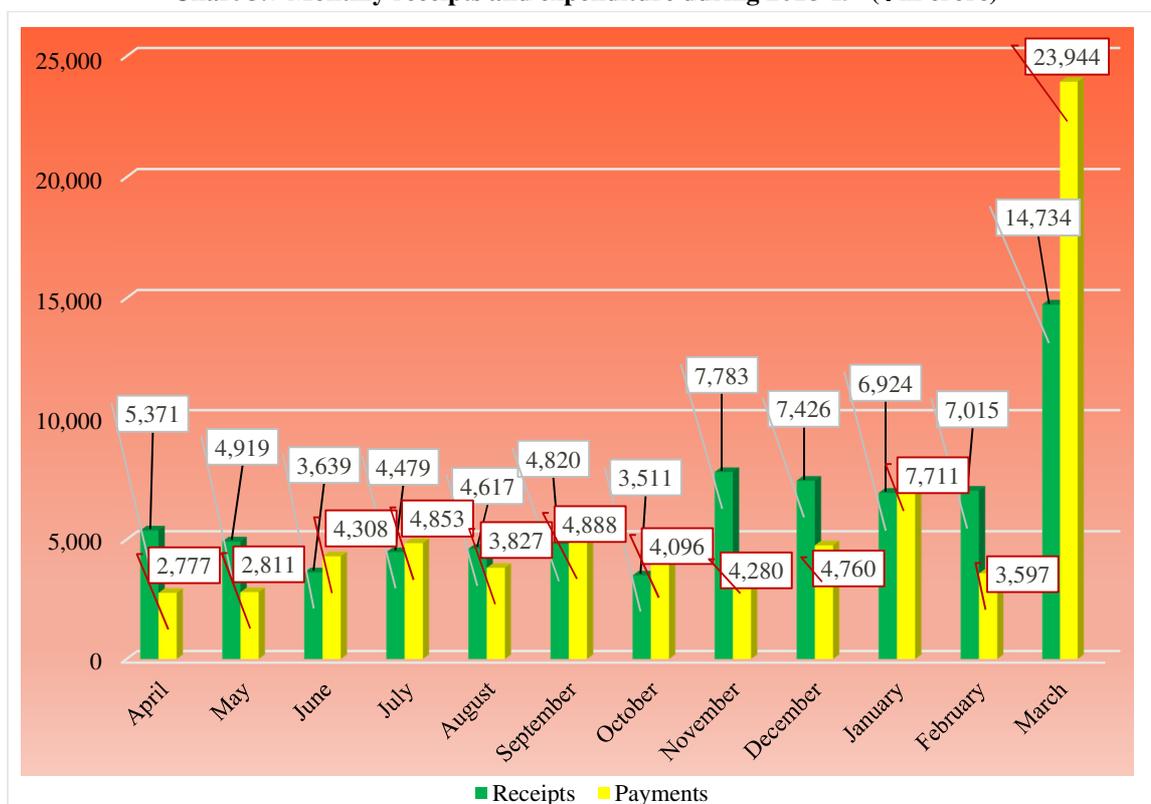
Substantial savings of more than ₹ 10 crore in respect of Heads of Account where re-appropriation was resorted to, reflects poorly on planning and monitoring of budget allocation and its utilisation by the State Government.

### 3.14 Rush of Expenditure

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 in to the State exchequer and disbursements during 2018-19 is given in the following Chart.

Chart 3.7 Monthly receipts and expenditure during 2018-19 (₹ 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 2018-19. However, Audit scrutiny of the pattern of expenditure during 2018-19 revealed that the State Government incurred an expenditure

of ₹ 23,944 crore, constituting about 33 *per cent* of the total expenditure of ₹ 71,851 crore<sup>7</sup>, in March 2019 alone. Of this, ₹ 3,170.89 crore (13.24 *per cent* of amount drawn in March), was drawn on the last day of March.

Eight major cases where more than 50 *per cent* of the total expenditure was incurred in March 2019 alone are detailed in **Table 3.11**.

**Table 3.11: Quantum of Expenditure in March**

(₹ in crore)

Major Head	Description	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total	Expenditure in March	Expenditure in March as % age of TE
2216	Housing	1.55	2.97	3.19	90.85	98.56	84.69	85.93
2217	Urban Development	6.86	140.64	122.47	385.65	655.62	349.15	53.25
2515	Other Rural Devl Programmes	58.65	148.74	75.25	650.27	932.91	612.19	65.62
2575	Other Special Areas Programmes	0.86	10.28	6.57	80.71	98.42	72.59	73.76
3451	Secretariat- Economic Services	12.78	29.45	29.24	496.67	568.14	394.84	69.50
4217	Capital Outlay on Urban Dev	11.59	5.52	29.35	212.85	259.31	190.32	73.39
4401	Capital Outlay on Crop Husbandry	0	0	0	24.02	24.02	24.02	100.00
6801	Loans for Power Projects	0	0	0	129.45	129.45	129.45	100.00
	<b>Total</b>	<b>92.29</b>	<b>337.60</b>	<b>266.07</b>	<b>2070.47</b>	<b>2766.43</b>	<b>1857.25</b>	

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.

### 3.15 Review of Selected Grants

During the year 2018-19, two Grants - Grant No. 37-Food Storage and Warehousing, and Grant No. 78-Bodoland Territorial 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.

#### 3.15.1 Grant No. 37-Food Storage and Warehousing

The Food, Civil Supplies & Consumer Affairs (FCS & CA) Department is responsible for maintaining overall stability of general price level and to ensure adequate supply of commodities in adequate quantities to the people of the State. The policies of the Department are mainly implemented by the Office of the Directorate of Food, Civil Supplies and Consumer Affairs. Four Major Heads *viz.*, 2408-Food Storage and Warehousing, 3456-Civil Supplies, 4408-Capital Outlay on Food Storage and Warehousing and 6408-Loans for Food Storage and Warehousing are operated under this Grant.

<sup>7</sup> Including expenditure on public debt

### 3.15.1.1 Budget and Expenditure

The overall position of budget provision, actual expenditure and savings/ excesses under this Grant during the five-year period 2014-19 is given below.

**Table-3.12: Budget and Expenditure**

	(₹ in crore)				
Grant No. 37	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Total Budget Provision</b>	<b>358.29</b>	<b>316.52</b>	<b>716.39</b>	<b>891.79</b>	<b>883.12</b>
Expenditure	74.88	83.78	438.81	497.62	683.35
Savings	283.41	232.74	277.58	394.17	199.77
<b>Savings (%)</b>	<b>79.10</b>	<b>73.53</b>	<b>38.75</b>	<b>44.20</b>	<b>22.62</b>
<b>i) Revenue Provision</b>	<b>358.29</b>	<b>316.52</b>	<b>716.17</b>	<b>741.57</b>	<b>823.33</b>
Expenditure	74.88	83.78	438.81	497.62	682.88
Savings	283.41	232.74	277.36	243.95	140.45
<b>Savings (%)</b>	<b>79.10</b>	<b>73.53</b>	<b>38.73</b>	<b>32.90</b>	<b>17.06</b>
<b>ii) Capital Provision</b>	<b>0.00</b>	<b>0.00</b>	<b>0.22</b>	<b>150.22</b>	<b>59.79</b>
Expenditure	0.00	0.00	0.00	0.00	0.47
Savings	0.00	0.00	0.22	150.22	59.32
<b>Savings (%)</b>	<b>0.00</b>	<b>0.00</b>	<b>100.00</b>	<b>100.00</b>	<b>99.21</b>

Source: Appropriation Accounts

As can be seen from the above table, savings as a percentage of total budget provision ranged between 22.62 per cent and 79.10 per cent during the period 2014-19. Persistently large savings is indicative of incorrect assessment of actual needs and calls for a critical review of budget preparation exercise of the Department.

### 3.15.1.2 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 15<sup>th</sup> February of each year.

**Table 3.12** reveals that out of a total budget provision of ₹ 883.12 crore for the Grant during 2018-19, there were savings of ₹ 199.77 crore. But no portion of savings was surrendered by the Food, Civil Supplies and Consumer Affairs Department even at the end of the financial year. 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.

### 3.15.1.3 Unnecessary Supplementary Grant

It was noted in Audit that during the year 2018-19, supplementary provision of ₹ 25.89 crore under Major Head 2408 proved unnecessary, as the expenditure of ₹ 682.30 crore did not even reach the threshold of original provision as detailed in **Table 3.13**.

Table-3.13: Unnecessary supplementary Provision

(₹ in crore)

Grant No.	Head of Account	Original Provision	Actual expenditure	Savings out of original provision	Supplementary Grant
37	2408	796.58	682.30	114.28	25.89

Source: Appropriation Accounts (2018-19)

Clearly, the supplementary provision was made without assessing the actual requirement. There is thus, a need for strengthening the monitoring controls for ensuring financial discipline.

### 3.15.1.4 Persistent Savings under Sub-Head

Under one Sub-Head, there were persistent savings during 2014-19 ranging between 14.52 per cent and 100 per cent of the total provision as detailed below.

Table 3.14: Persistent Savings under Sub-Head

(₹ in crore)

Head of Account	Year	Total Grant (O + S)	Expenditure	Total Savings	Percentage of Savings
2408-01-102-4732-National Food Security Scheme	2014-15	227.09	0.00	227.09	100.00
	2015-16	233.29	64.35	168.94	72.42
	2016-17	664.51	399.93	264.58	39.82
	2017-18	554.92	353.79	201.13	36.24
	2018-19	592.04	506.08	85.96	14.52

Source: Appropriation Accounts

Persistent savings ranged between 14.52 per cent and 100.00 per cent under one Sub-Head during the last five years *i.e.*, 2014-19 indicating that the budgeting process in the Department was unrealistic as funds to the extent of savings were not required during the years.

Director of the Department stated (February 2020) that the savings in 2018-19 was on account of non-receipt of bills from the respective Deputy Commissioners and Principal Secretary of the Autonomous Councils.

### 3.15.1.5 Savings of Entire Budget Provision

Budget provision of ₹ 75.87 crore made under the following five schemes/ projects for the year 2018-19 under Grant No. 37 remained unutilised at the end of the year. Details are given below.

Table 3.15: Non-utilisation of budget provision

(₹ in crore)

Sl. No.	Name of the Scheme/ Projects	Budget provision	Savings	Percentage
1	Price Stabilisation Fund	50.00	50.00	100
2	Fair Price Shop Automation	25.00	25.00	100
3	State Consumer Help Line	0.41	0.41	100
4	Consumer Awareness Activities	0.30	0.30	100
5	Construction/Upgradation of Toilet in District Consumer Fora	0.16	0.16	100
<b>Total</b>		<b>75.87</b>	<b>75.87</b>	<b>100</b>

Source: Appropriation Accounts (2018-19)

The Director, FCS&CA stated that the budget provisions could not be utilised due to various reasons *i.e.*, non-receipt of proposals, non-receipt of sanction from Government,

cancellation of sanction by the Government, non-completion of process of selection of vendor, etc.

### 3.15.1.6 Non-Materialisation of Budget Commitment

While presenting the Budget for the year 2018-19 in the State Legislature, the Finance Minister announced various schemes/ projects under Grant No. 37. Details of funds committed for these schemes over ₹ 10 crore, budget allotment and actual expenditure in this regard are given below.

**Table 3.16: Budget Commitment**

(₹ in crore)

Scheme/ project	Budget allotment	Expenditure	Savings	Reply of the Department
<b>Price Stabilisation Fund</b>	50.00	0.00	50.00	Director, FCS&CA stated that the scheme did not take off, as the sanctioned amount was cancelled by the Government and was surrendered as per direction of Government.
<b>Financial assistance of Rs.1000 per BPL family under PMUY</b>	153.70	141.13	12.57	Savings were due to non-receipt of bills from Bharat Petroleum Corporation Limited, Indian Oil Corporation Limited and Hindustan Petroleum Corporation Limited.
<b>National Food Security Act, 2013</b>	591.87	506.08	85.79	Director, FCS&CA stated that the main reason for shortfall was due to deletion of beneficiaries and non-completion of selection of beneficiaries in different districts.
<b>Fair Price Shop Automation</b>	25.00	0.00	25.00	Director, FCS&CA stated that the scheme could not be launched in 2018-19 due to non-completion of process of selection of vendor.

Source: Budget Speech (2018-19), Appropriation Accounts (2018-19)

Audit observed that out of the four schemes, two schemes 'Price Stabilisation Fund' and 'Fair Price Shop Automation' did not take off during the financial year.

### 3.15.2 Grant No. 78 – Welfare of Plain Tribes and Backward Classes (Bodoland Territorial 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 Bodoland Territorial Council (BTC) was created in Assam under the Sixth Schedule of the Constitution and was made operational with effect from 07 December 2003.

In order to facilitate smooth functioning of the BTC (Council) and enable it to achieve its objectives, the State Government entrusted powers for administering 39 out of 40 subjects (except Relief and Rehabilitation) listed in paragraph 3B of the Sixth Schedule to the Constitution to the BTC.

#### 3.15.2.1 Release and Accounting of Funds

BTC Fund is constituted under sub paragraph (1) of paragraph 7 of the Sixth Schedule to the Constitution of India, into which, all moneys including the taxes levied and collected by the Council or other revenues (grants-in-aid, advances, loans or any other receipts of

any nature from any source) received from the Government in accordance with the provisions of the Constitution, are deposited.

In terms of the administrative procedures/ modalities framed in October 2004 in consultation with the BTC, Government of Assam makes the plan funds available to it as advances (Major Head 8550-Civil Advances) from Grant No. 78, for implementation of various developmental schemes/ activities. Expenditure in this regard is accounted for under Grant No. 78.

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 BTC with the Kokrajhar Treasury and operated by the Principal Secretary to the Council. As per the current arrangement, BTC is responsible to the State Legislature in respect of all matters relating to such funds.

As per Paragraph 3 (3) of the BTC Fund Rule, 2012, unspent balance at credit of the BTC fund at the end of the financial year shall be carried over to the next financial year and shall be spent.

### 3.15.2.2 BTC Budgetary Process

BTC prepares two budgets as detailed below.

- i) **Entrustment Budget** in respect of Grant No. 78, which is submitted to the State Government for release of funds. Funds from this Grant are released to 'BTC Fund' in two instalments as advances;
- ii) **Council Budget** in respect of the estimated own revenue receipts, estimated CSS receipts relating to other grants to be received from the State Government, etc.

### 3.15.2.3 Maintenance of Accounts

Monthly Accounts for the expenditure out of Grant No. 78 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. 78 and other Grants at the end of the financial year neither lapse automatically nor are surrendered by the BTC. These savings accumulate in PL Account of BTC and are utilised in subsequent years.

### 3.15.2.4 Outstanding Balances Under Personal Ledger Account

Summarised position of outstanding balances in the PL Account as of end of March 2019 is given below.

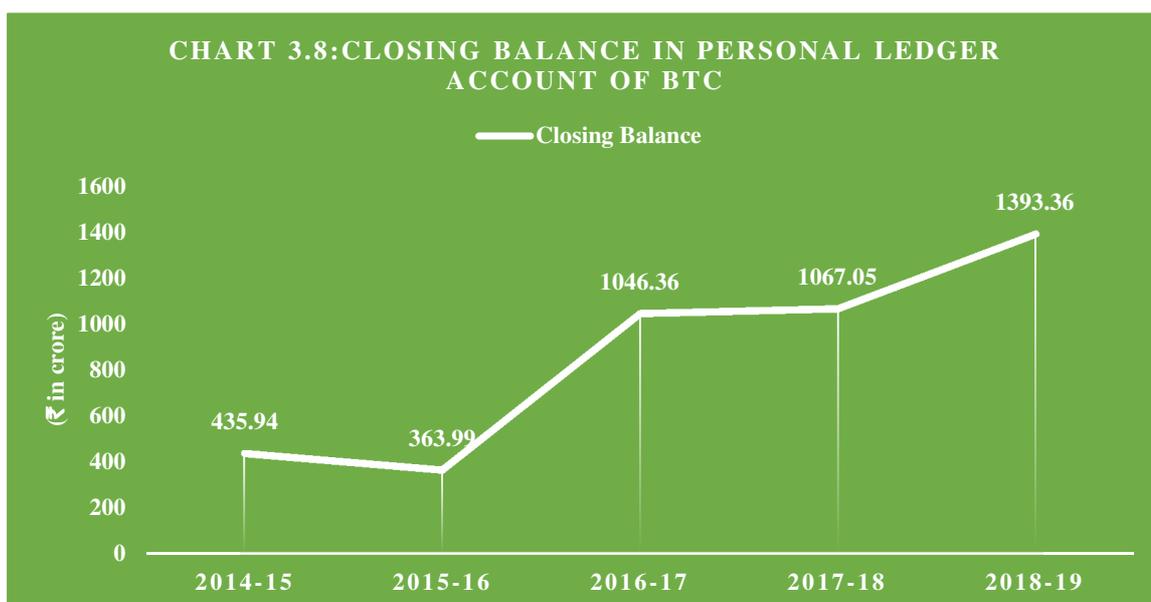
**Table 3.17: Outstanding balances under PLA**

(₹ in crore)

Year	Opening Balance	Receipts	Disbursements	Closing Balance
2014-15	779.41	2,314.44	2,657.91	435.94
2015-16	435.94	2,318.07	2,390.02	363.99
2016-17	363.99	3,012.17	2,329.80	1,046.36
2017-18	1,046.36	3,336.32	3,315.63	1,067.05
2018-19	1,067.05	3,954.24	3,627.93	1,393.36

Source: Records of Kokrajhar Treasury

Chart 3.8: Closing Balance in Personal Ledger Account of BTC



As can be seen from the Chart above, there was a spurt in the closing balances in the PL Account of the Council since 2015-16. However, audit could not ascertain the year-wise savings of funds under Grant No. 78 due to non-availability of the figures with the Council. Principal Secretary, BTC confirmed that grant-wise, head-wise details of balances were not maintained since inception of BTC *i.e.*, from 2003-04.

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.

### 3.15.2.5 Budget vs. Expenditure

The overall status of expenditure *vis-à-vis* budget provision, and savings/ excesses under Grant No. 78 during the five-year period 2014-15 to 2018-19 is given below.

Table-3.18: Year-wise details of Expenditure *vis-à-vis* Budget

		(₹ in crore)				
Grant No. 78		2014-15	2015-16	2016-17	2017-18	2018-19
<b>Total Budget Provision</b>		<b>2,043.34</b>	<b>2,297.02</b>	<b>2,973.52</b>	<b>2,474.58</b>	<b>3,391.36</b>
Expenditure		2,135.53	1,947.26	2,009.75	2,739.05	3,713.48
Savings (-)/Excess (+)		+92.19	-349.76	-963.77	+264.47	+322.12
<i>Percentage of Savings/Excess</i>		4.51	-15.23	-32.41	10.69	9.50
<b>Revenue Provision</b>		<b>1,820.14</b>	<b>1,926.95</b>	<b>2,639.04</b>	<b>2,210.46</b>	<b>2,976.60</b>
Expenditure		1,663.64	1,700.34	1,816.76	2,306.57	2,909.31
Savings (-)/Excess (+)		-156.50	-226.61	-822.28	+96.11	-67.29
<i>Percentage of Savings/ Excess</i>		-8.60	-11.76	-31.16	4.35	-2.26
<b>Capital Provision</b>		<b>223.20</b>	<b>370.07</b>	<b>334.48</b>	<b>264.12</b>	<b>414.76</b>
Expenditure		471.89	246.92	192.99	432.48	804.17
Savings (-)/Excess (+)		+248.69	-123.15	-141.49	+168.36	+389.41
<i>Percentage of Savings/ Excess</i>		111.42	-33.28	-42.30	63.74	93.89

Source: Appropriation Accounts

As can be seen from the table above, there have been savings in four out of the last five financial years in revenue expenditure, while there was excess expenditure on capital account with the savings ranging between ₹ 67.29 crore and ₹ 822.28 crore and excess expenditure ranging between ₹ 96.11 crore and ₹ 389.41 crore under Grant No. 78 during the period. The excess expenditure requires regularisation by the State Legislature under Article 205 of the Constitution.

Principal Secretary, BTC attributed the savings to receipt of funds, especially construction works related 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 year as per Paragraph 3 (3) of the BTC Fund Rules, 2012. Further, it was stated that expenditure incurred out of unspent balance of previous years was also the reason for excess expenditure under Grant No. 78.

However, 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. Therefore, it is an anomalous situation with regard to carrying forward of the unspent balances of the funds released by the State Government to the Council to the following year.

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 Account and one year in Revenue Account during the five-year period from 2014-15 to 2018-19. Legislative intervention is required to regularise the excess expenditure.

### **3.16 Discussion of Audit Report by PAC**

During its meeting held on 25 February 2020, the Public Accounts Committee (PAC) discussed the SFAR of Assam for the year ended 31 March 2018, and enquired from the Finance Department the reasons for excess expenditure reported in the Report.

Accountant General (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 Chairman agreed with this concern and directed (February 2020) the Finance Department to constitute a high level Committee to study the present accounting system of the three Councils and suggest ways for avoiding excess expenditure in future.

### **3.17 Conclusion**

*Budgetary assumptions of the State Government were not realistic during 2018-19 and despite carrying out an elaborate pre-budget exercise to bring about efficiency and transparency in budget formulation and execution, budgetary estimates were off the mark*

*to a considerable extent, and control over the execution and monitoring of budget was inadequate.*

*Significant policy initiatives of the Government were not fulfilled during the year due to non-completion of the preparatory activities relating to these initiatives.*

*Supplementary Grants/ Appropriations were obtained without adequate justification, and large amounts were expended without budgetary provision. Despite flagging this issue every year over the last several years, the State Government had failed to take corrective measures in this regard.*

*Savings during the year accounted for about a third of the budget; however, the Controlling Officers did not surrender the funds on time. Nor were explanations provided to the 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 absorb the allocations.*

### **3.18 Recommendations**

- i) State Government needs to formulate a realistic budget based on reliable assumptions of the needs of the Departments and their capacity to utilise the allocated resources;
- ii) An appropriate control mechanism needs to be instituted by the Government to enforce proper implementation and monitoring of budget to ensure that savings are curtailed, large savings within the Grant/ Appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe;
- iii) Controlling Officers need to be made aware of their responsibility to explain the variation in expenditure from the allocation to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts;
- iv) State Government should operationalise its ‘outcome budget’ initiative in true spirit to enforce accountability of the Departments for public funds placed at their disposal.

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## **Chapter - IV**

### **Quality of Accounts & Financial Reporting Practices**

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# Chapter 4 Quality of Accounts & Financial Reporting Practices

## 4.1 Introduction

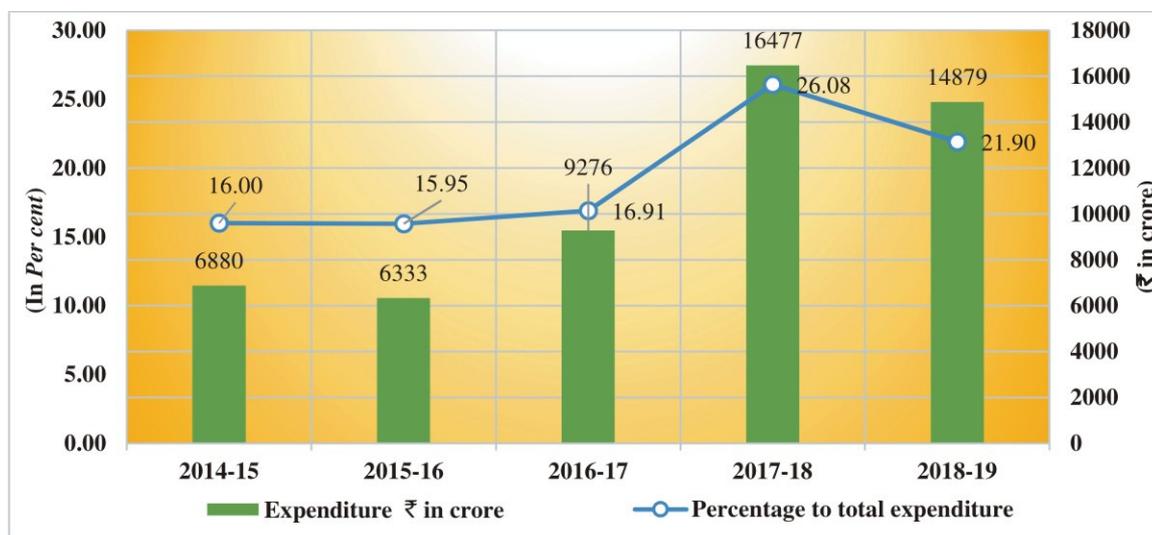
Sound internal financial reporting system and compliance with rules and procedures contribute significantly to good governance. These also ensure relevant, reliable and timely financial reporting and thereby assist the State Government in meeting its basic stewardship responsibilities, including strategic planning and appropriate 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.

## 4.2 Opaqueness in Accounts - Operation of Omnibus 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 obtain approval to open appropriate Minor Heads. Indiscriminate booking of receipts and expenditure under Minor Head 800 affects transparency and nature of transactions, and renders the accounts opaque.

Government of Assam has operated this Minor Head extensively during the five-year period 2014-19. The quantum of expenditure booked under this Minor Head showed a mixed trend over the years. During 2018-19, the State Government booked an expenditure of ₹ 14,879.24 crore under Minor Head 800 under 69 revenue and capital Major Heads of Account, constituting 21.90 per cent of the total revenue and capital expenditure of ₹ 67,933.08 crore. The extent of operation of Minor Head 800 for Other Expenditure, as a percentage of Total Expenditure during 2014-19 is given in **Chart 4.1**.

Chart 4.1: Operation of Minor Head 800 - Other Expenditure during 2014-19



**Chart 4.1** shows that there has been largescale operation of 800 for Other Expenditure, with its share in total 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 4.1**.

**Table: 4.1 Significant expenditure booked under Minor Head 800 – Other Expenditure during 2018-19**

(₹ in crore)

Major Head	Description	Expenditure under Minor Head 800	Total Expenditure	Percentage
2075-Miscellaneous General Services	Financial Assistance to farmers for farm implements, Assam Infrastructure Financing Authority and expenditure in connection with the revision of Pay and Pension	1,175.39	1,184.69	99.21
2501-Special Programme for Rural Development	National Rural Livelihood Mission (NRLM), Financial Assistance to 1(one) lakh women SHGs and National Social Assistance Programme	803.95	920.55	87.33
2515-Other Rural Development Programmes	General Basic Grant and share of State own taxes assigned to PRIs & ULBs as per recommendations of SFC	577.66	932.91	61.92
2801 - Power	Payment of dues as per FTFRP, Ujwal DISCOM Assurance Yojana (UDAY) and Targeted subsidy to APDCL	1,641.36	1,641.36	100.00
3056-Inland Water Transport	Government Transport Services working expenses - Major Ferry Services, Subansiri River Passenger Services (Commercial)	127.92	144.12	88.76
4405-Capital Outlay on Fisheries	Assam Rural Infrastructure Development Fund (RIDF)- NABARD’s Loan component	58.10	60.25	96.43
4425-Capital Outlay on Co-operation	Rural Infrastructure Development Fund (RIDF)	12.56	13.85	90.69
4701-Capital Outlay on Medium Irrigation	Accelerated Irrigation Benefits Programme (AIBP)	10.19	10.19	100.00
4801-Capital Outlay on Power Projects	Externally Aided Projects (ADB), APSEIP Tranche 4 (ADB) and conversion of 500 KM of LT conductor with AB cables in towns	369.69	369.69	100.00

In the case of receipts, the operation of Minor Head 800 has been lower compared to expenditure, and ranged between 1.34 *per cent* of total receipts in 2017-18 to a high of 3.12 *per cent* of total receipts during 2018-19. During 2018-19, the State Government classified receipts of ₹ 1,982.90 crore, pertaining to 45 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 4.2**.

Table: 4.2 Significant receipts booked under Minor Head 800 – Other Receipts during 2018-19

(₹ in crore)

Sl. No.	Major Head	Receipts under Minor Head 800	Total Receipts	Percentage
1	0059-Public Works	2.52	2.64	95.45
2	0070-Other Administrative Services	204.41	211.90	96.47
3	0215-Water Supply and Sanitation	0.31	0.54	57.41
4	0404-Dairy Development	0.24	0.24	100.00
5	0408-Food Storage and Warehousing	287.94	287.94	100.00
6	0552-North Eastern areas	33.34	33.34	100.00
7	0701-Medium Irrigation	1.00	1.00	100.00
8	0702-Minor Irrigation	0.19	0.22	86.36
9	0852-Industries	0.41	0.41	100.00
10	1054-Roads and Bridges	40.63	41.21	98.59
11	1056-Inland Water Transport	7.56	7.56	100.00
12	1456-Civil Supplies	0.06	0.06	100.00

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.

### 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 9,455 UCs in respect of grants aggregating ₹ 19,672.06 crore given to 49 Departments of the State Government during the period from 2001-02 to 2017-18 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 2016-17	12,846	14,772.89	1,861	12,267.50	3,066	2,133.13	11,641	24,907.26
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	9,455	19,672.06

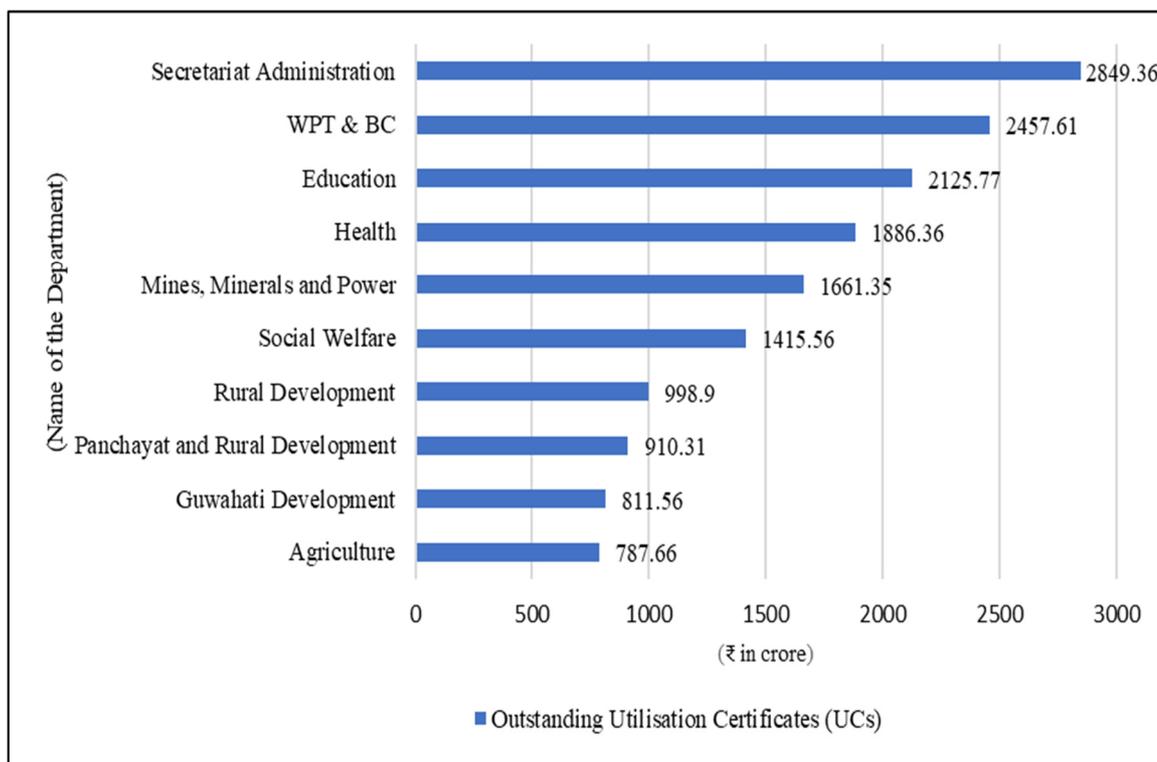
\*UCs for the GIA disbursed during 2018-19 become due only during 2019-20.

**Table 4.4: Year-wise breakup of pending 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	123	447.71
2010-11	307	395.94
2011-12	275	583.03
2012-13	289	827.68
2013-14	401	1,243.02
2014-15	795	1,594.14
2015-16	487	2,972.91
2016-17	33	2,013.93
2017-18	1,637	8,224.26
<b>Total</b>	<b>9,455</b>	<b>19,672.06</b>

The year-wise details of pending UCs and the amounts involved are tabulated alongside. Considering that the Departmental authorities have not yet explained as to how an amount of ₹ 19,672 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. In the absence of accountability for expenditure relating to funds provided as far back as 2001-02, the possibility of misappropriation of these funds cannot be ruled out.

**Table 4.4** reveals that 67.16 per cent of outstanding UCs pertains to the last three years i.e., 2015-16, 2016-17 and 2017-18. Department-wise break-up of outstanding UCs for the grants paid up to the year 2017-18 is given in **Appendix 4.1**. Status of outstanding UCs in respect of 10 major departments is given in **Chart 4.2**.

**Chart 4.2: Outstanding UCs in respect of 10 major Departments for the grants paid up to 2017-18**

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. This assumes greater importance as about 50 *per cent* of capital expenditure is being incurred out of Grants-in-Aid. Huge pendency in submission of UCs is fraught with the risk of fraud and misappropriation of funds.

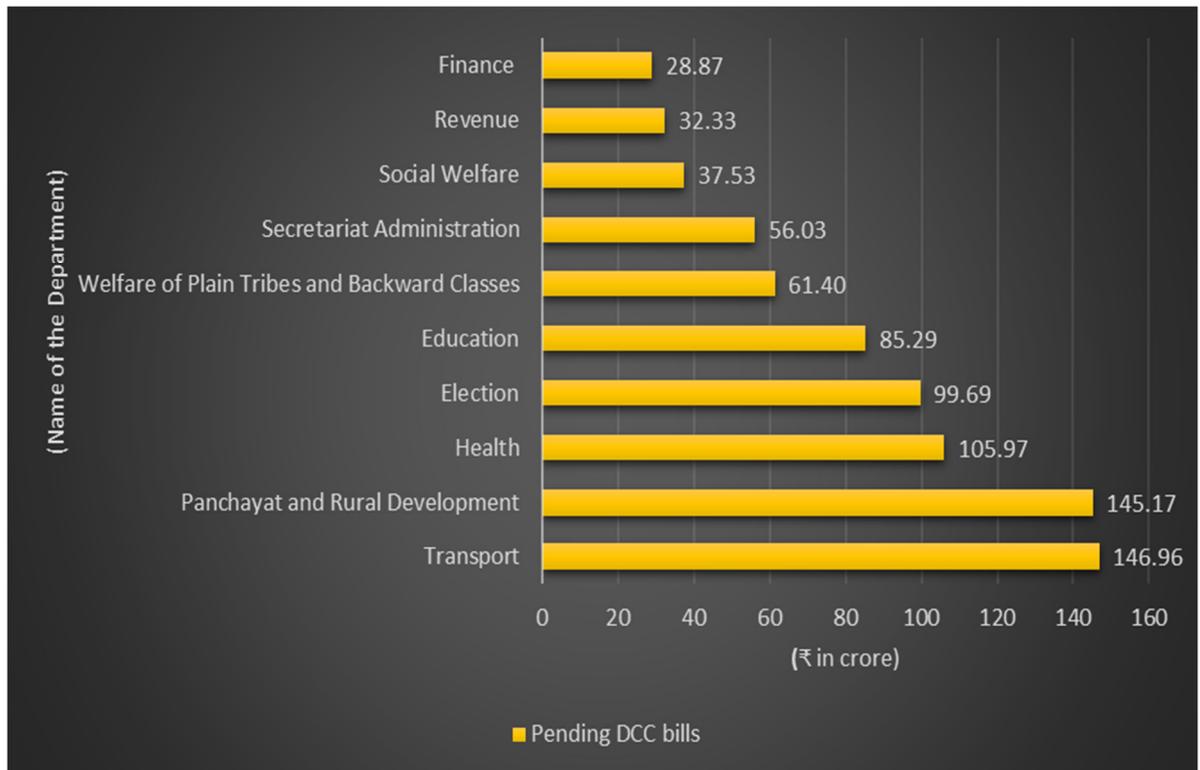
During the Entry Conference (January 2020), the Principal Secretary, Finance stated that the Government has taken the observation on outstanding UCs made in the C&AG's State Finances Audit Report for the year ended 31 March 2018 seriously, and initiated measures whereby the quantum of outstanding UCs due for 2016-17 have been substantially reduced. The Principal Secretary assured that similar efforts would be made in the ensuing year also.

#### 4.4 Pending DCC 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 25<sup>th</sup> of the month following the month in which such amounts are drawn.

As of 31 March 2019, 42 Departments of the Government of Assam had not submitted DCC bills for ₹ 965.82 crore against 1,323 AC Bills. Department-wise pending DCC bills for the years up to 2018-19 are detailed in *Appendix 4.2*. Status of pending DCC bills in respect of 10 major departments is given in **Chart 4.3**.

**Chart 4.3: Pending DCC Bills in respect of 10 major Departments**



Year-wise details of pendency of DCC bills for the years up to 2018-19 is given in **Table 4.5**.

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

(₹ in crore)

Year	Opening Balance		Addition		Clearance		Closing Balance	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 2016-17	1,264	661.29	64	12.66	192	106.82	1,136	567.13
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

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

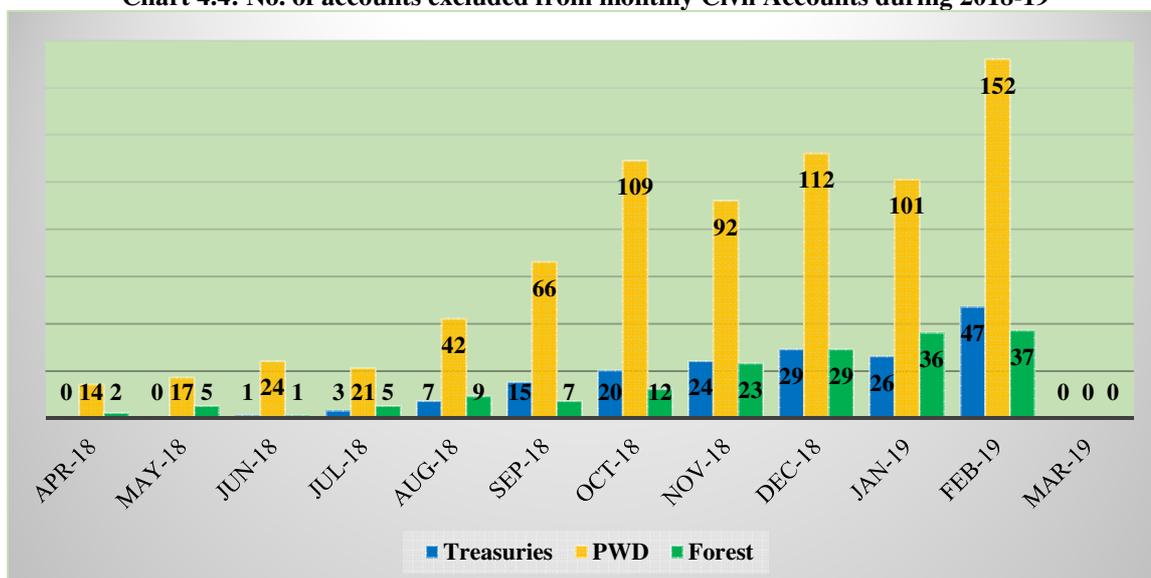
**Table 4.5** reveals that during 2018-19, 298 AC bills were drawn for an amount of ₹ 289.53 crore, of which, 232 AC bills for an amount of ₹ 135.37 crore (46.76 per cent) were drawn in March 2019. Out of the drawal in March 2019, 30 AC bills for ₹ 39.31 crore were drawn on the last day of the financial year.

Advances drawn and not accounted for increase the possibility of wastage/ misappropriation/ malfeasance, etc. and therefore, requires close monitoring by the respective DDOs for ensuring submission of DCC 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 Timeliness and Quality of Accounts

The accounts of the State Government are compiled by the Accountant General (A&E) from the initial accounts rendered by 33 district treasuries, 36 sub-treasuries, Assam House (New Delhi), cyber treasury (Dispur), 265 public works divisions (including 69 irrigation and 80 public health engineering and water resources divisions) and 146 forest divisions, apart from the RBI advices. During the financial year 2018-19, there were delays in rendition of monthly accounts ranging from 01 to 219 days by treasuries, 01 to 139 days by public works divisions and 01 to 141 days by forest divisions. Details of accounts excluded from the monthly Civil Accounts are given in **Chart 4.4**.

**Chart 4.4: No. of accounts excluded from monthly Civil Accounts during 2018-19**



As can be seen from **Chart 4.4**, 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 in the 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 Accountant General (A&E) throughout the year 2018-19, except for March 2019. Therefore, the monthly accounts indicating the receipts and disbursements of the State during the month, rendered by the 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 budgetary position of the Government, but also impacts its 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 Accountant General (A&E) on a timely basis, to manage its own budget more effectively.

## 4.6 Suspense and Remittance Balances

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 4.6**.

**Table 4.6: Balances under Suspense and Remittance Heads**

(₹ in crore)

Minor Head	2016-2017		2017-18		2018-19	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
<b>Major Head 8658 - Suspense</b>						
101 - PAO suspense	91.54	0.01	108.77	0.05	117.06	52.53
Net	<b>Dr. 91.53</b>		<b>Dr. 108.72</b>		<b>Dr. 64.53</b>	
102 - Suspense Account-Civil	1,209.28	11.22	965.30	11.86	1,393.36	61.40
Net	<b>Dr. 1,198.06</b>		<b>Dr. 953.44</b>		<b>Dr. 1,331.96</b>	
107 - Cash Settlement Suspense Account	82.73	15.65	82.73	15.65	82.73	15.65
Net	<b>Dr. 67.08</b>		<b>Dr. 67.08</b>		<b>Dr. 67.08</b>	

Minor Head	2016-2017		2017-18		2018-19	
Major Head 8658 - Suspense	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
109 - Reserve Bank Suspense - Headquarters	(-) 150.15	(-)17.18	(-) 331.40	3.36	(-)297.50	(-)0.29
Net	Cr. 132.97		Cr. 334.76		Dr. 297.21	
110 - Reserve Bank Suspense - CAO	14.37	365.75	14.37	588.02	14.30	911.52
Net	Cr. 351.38		Cr. 573.65		Cr. 897.22	
112 - Tax Deducted at Source (TDS) Suspense	---	----	---	0.02	---	---
Net	-----		Cr. 0.02		---	
123 - A.I.S. Officers' Group Insurance Scheme	0.10	1.32	0.12	1.38	0.14	1.42
Net	Cr. 1.22		Cr. 1.26		Cr. 1.28	
<b>Major Head 8782-Cash Remittances</b>						
102 - P.W. Remittances	47,084.58	46,819.99	52,082.15	51,800.35	61,358.86	61,051.00
Net	Dr. 264.59		Dr. 281.80		Dr. 307.86	
103 - Forest Remittances	3,810.48	3,521.30	4,271.31	3,998.85	4,737.65	4,454.57
Net	Dr. 289.18		Dr. 272.46		Dr. 283.08	

## 4.7 Personal Deposit (PD) Accounts

Under specific circumstances, the Government may authorise the opening of 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.

The following table provides the status of funds lying in PDA on the last day of the financial year during 2014-19.

Table 4.7: Parking of funds in Personal Deposit Accounts during 2014-19

Year	₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Funds parked in PDA	9.98	1.00	0.60	0.60	0.60

Although the closing balance under PDA has reduced from ₹ 9.98 crore in 2014-15 to ₹ 0.60 crore during 2016-17, thereafter, these accounts were not closed at the end of the financial year and the amount credited to the Consolidated Fund of the State. As on 31 March 2019, there were 26 PD Accounts and all these accounts have been inoperative for more than three years.

Non-transfer of unspent balances lying in PD Accounts to Consolidated Fund of the State entails the risk of misuse of public fund, fraud and misappropriation. Further, the Departmental officers have not verified/ reconciled the balances with those maintained by the Office of the Accountant General (A&E), Assam.

## 4.8 Accounting of Transactions Relating to Central Road Fund

Accounting procedure relating to Central Road Fund (CRF) requires the receipts of grant from GoI to be recorded as revenue receipts in keeping with the principle that Grants-in-Aid are to be recorded in the Revenue section, irrespective of their purpose. Further, expenditure on prescribed road works is to be first accounted for under the relevant revenue or capital expenditure section, and then reimbursed out of the Fund as a deduct expenditure.

GoI released ₹ 408.90 crore towards CRF during the period 2008-09 to 2017-18, which was not accounted for by the State Government in the prescribed manner. During 2018-19, GoI released ₹ 255.92 crore to Assam towards CRF. While the receipts were accounted for correctly as revenue receipts, the prescribed procedure for recording the expenditure under CRF was not followed. There was no budget provision under the relevant Head of Account in Public Account and therefore, expenditure from CRF was not recorded in the appropriate Head. Consequently, it could not be ascertained from accounts whether the amount of ₹ 255.92 crore was spent on revenue or capital Heads.

## 4.9 Non-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 (Board) within thirty days of its collection.

Audit scrutiny revealed that out of ₹ 1,004 crore of Cess collected by the State Government, only an amount of ₹ 985 crore was transferred to the Board and an amount of ₹ 18.79 crore was yet to be transferred as of 31 March 2019 in violation of the Rules. Year-wise details of collection of Cess and their transfer are detailed in **Table 4.8**.

**Table 4.8: Workers' Welfare Cess collected and transferred to the Board**

(Amount in ₹)

Financial Year	Amount of Cess collected	Amount transferred to the Board	Short transfer
2008-09	3,91,02,961.00	3,91,02,961.00	Nil
2009-10	11,79,37,485.00	11,79,37,485.00	Nil
2010-11	53,70,77,253.00	53,70,77,253.00	Nil
2011-12	58,87,60,125.36	58,87,60,125.36	Nil
2012-13	76,81,48,788.99	76,81,48,788.99	Nil
2013-14	97,87,98,381.20	97,27,87,138.23	60,11,242.97
2014-15	94,15,04,459.69	93,50,59,483.84	64,44,975.85
2015-16	91,94,39,592.14	85,55,44,417.48	638,95,174.66
2016-17	141,38,78,553.00	130,38,75,543.47	11,00,03,009.53
2017-18	160,15,16,792.00	160,15,16,792.00	Nil
2018-19	212,93,33,059.00	212,78,33,059.00	15,00,000.00
Total	<b>10,03,54,97,450.38</b>	<b>9,84,76,43,047.37</b>	<b>18,78,54,403.01</b>

The State Government needs to transfer the full Cess amount collected to the Building and Other Construction Workers' Welfare Board immediately for its intended utilisation.

## 4.10 Compliance with Indian Government 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 2019, 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 2018-19 are given in **Table 4.9**.

**Table 4.9: 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 furnished.
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 ₹ 5,489.95 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.  Further, government budgeted and spent an amount of ₹ 545.34 crore on “Major Works” under the Revenue Section and ₹ 120.01 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 &amp; 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 Accountant General (A&E).

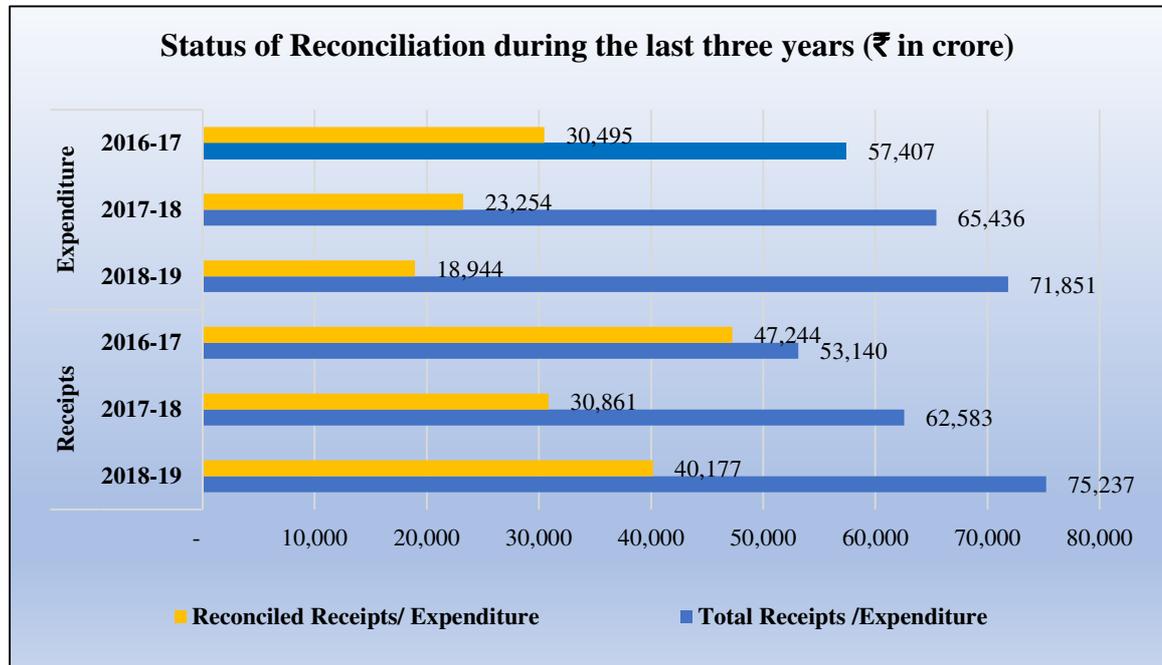
## 4.11 Reconciliation of Accounts by Controlling Officers

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 49 *per cent* of the receipts and 36 *per cent* of the disbursements were reconciled during 2017-18, these figures were 53 *per cent* for receipts and 26 *per cent* in respect of disbursements for the year 2018-19.

The status of reconciliation of receipts and expenditure figures by the COs during the three year period 2016-19 is shown in **Chart 4.5**.

**Chart 4.5: Status of reconciliation during the three years 2016-19**



The details relating to the number of COs and the extent of reconciliation during the last three years are given in **Table 4.10**.

**Table 4.10: 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	Reconciled Receipts/Expenditure	Percentage of Reconciliation
<b>Receipts</b>							
2016-17	54	8	4	42	53,140	47,244	88.90
2017-18	54	4	3	47	62,583	30,861	49.31
2018-19	54	7	4	43	75,237	40,177	53.40
<b>Expenditure</b>							
2016-17	54	24	17	13	57,407	30,495	53.12
2017-18	54	14	26	14	65,436	23,254	35.54
2018-19	54	31	16	7	71,851	18,944	26.37

Non-reconciliation of figures has been pointed out by the CAG in the Audit Reports year after year. However, there has not been any improvement in this regard even during 2018-19.

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.

## 4.12 Reconciliation of Cash Balances

As on 31 March 2019, there was a difference of ₹ 1,299.56 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 ₹ 1,299.56 crore, ₹ 1,264.97 crore (97.34 per cent) pertains to the pension payments made by non-link branches and directly reported to the RBI. The corresponding bank scrolls were not sent by the bank branches to the treasuries as required under the directives of RBI. The remaining difference of ₹ 34.59 crore (2.66 per cent) was due to erroneous reporting by Agency Banks. Non-furnishing of date-wise monthly sheets along with pension payment scrolls by bank branches to the treasuries led to the non-accounting of expenditure on pension payments to the extent of ₹ 1,264.97 crore in the State Accounts and in turn, resulted in discrepancy in the Cash Balance of the State Government to that extent.

## 4.13 Non-entrustment of Audit of Autonomous Councils, Development Councils and Development Authorities

Government of Assam, through various Acts passed by the Legislature/ Ordinances of the Government, created six Autonomous Councils (other than in Sixth Schedule Areas), 31 Development Councils and 24 Development Authorities. State Government disbursed funds to the extent of ₹ 1,176.25 crore to these Councils and Authorities from the Consolidated Fund of State during the five-year period 2014-19 as detailed in **Table 4.11**.

**Table 4.11: Funds disbursed to Autonomous Councils, Development Councils & Development Authorities**

		(₹ in crore)					
Entities	Name	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Autonomous Councils (Other than 6 <sup>th</sup> Schedule Areas)	Lalung (Tiwa) Autonomous Council	16.36	32.93	55.81	36.00	39.60	<b>180.70</b>
	Mising Autonomous Council	29.26	32.19	117.80	72.00	79.20	<b>330.45</b>
	Rabha Hasong Autonomous Council	41.20	22.65	70.61	54.36	59.80	<b>248.62</b>
	Deuri Autonomous Council	26.56	14.61	17.17	20.35	22.39	<b>101.08</b>
	Sonowal Kachari Autonomous Council	25.14	13.83	27.98	31.18	36.50	<b>134.63</b>
	Thengal Kachari Autonomous Council	25.12	20.72	15.33	18.00	19.80	<b>98.97</b>

Entities	Name	2014-15	2015-16	2016-17	2017-18	2018-19	Total
Development Councils	31 DCs	60.28	7.81	0.17	1.09	7.75	77.10
Development Authorities	24 DAs	3.70	0.00	0.00	1.00	0.00	4.70
Total		227.62	144.74	304.87	233.98	265.04	1,176.25

The State Government entrusted the audit of six Autonomous Councils and 19 Development Councils to the CAG of India in October 2013. The CAG however, could not take up audit due to non-finalisation of the terms and conditions of the entrustment as well as non-submission of annual accounts. The Government had not entrusted the audit of the remaining 12 Development Councils and 24 Development Authorities to the CAG (January 2020).

During the Entry Conference, the Principal Secretary, Finance stated (January 2020) that the Government would complete all the formalities for formal entrustment of the Autonomous Councils and Development Councils and Authorities and issue direction to the concerned entities to submit the accounts without delay.

#### 4.14 Non-submission of Accounts by PSUs, Autonomous Councils (Sixth Schedule Areas), Government Bodies and Authorities

The CAG has not received 394 annual accounts of 92 Autonomous Councils, Development Councils and Government Bodies and 362 annual accounts of 40 PSUs (due up to 2018-19) for audit as of 31 January 2020.

**Table 4.12: Age-wise analysis of Annual Accounts due for audit but not submitted**

Delay in Number of Years	No. of Accounts
0-1	132
1-3	154
3-5	94
5-10	155
10-20	151
More than 20	70

The Department-wise details of accounts due from Autonomous Councils, Development Councils, Government Bodies and PSUs are given in *Appendix 4.3 and Appendix 4.4* respectively. Age-wise pendency of these 756 accounts is given alongside.

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.

#### 4.15 Follow-up on Audit Reports

##### 4.15.1 Suo-motu Action Taken Notes

In his Audit Reports on the Finances of the Government of Assam, the Comptroller and Auditor General of India has been flagging year after year, 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 several Departments.

#### **4.15.2 Discussion of SFAR 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 2020).

### **4.16 Conclusion**

*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.*

*Non-submission of UCs and DCC bills by Departments for funds drawn for specific developmental programmes/ projects and non-submission of accounts by Autonomous Councils, Development Bodies and Authorities was violative of prescribed financial rules and directives. These point to inadequate internal controls and deficient monitoring mechanism of the State Government.*

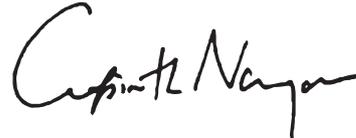
*Delayed rendering of accounts by the account rendering units/authorities distorted the accurate depiction of monthly transactions of the State and impacted effective budgetary management. Further, non-furnishing of requisite missing details by the treasuries, public works divisions and other account rendering units, delayed clearance of suspense and remittances transactions in the books of accounts.*

*Non-reconciliation of receipts and expenditure booked by the Controlling Officers of the State with the figures of the Accountant General (A&E) reflects poorly on the internal control system within the Government and raises concerns relating to accuracy of accounts.*

### **4.17 Recommendations**

- i. State Government needs to 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 Accountant General (A&E), to identify appropriate Heads of Account to classify the transactions correctly in the books of accounts.
- iv. 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.



(K. S. GOPINATH NARAYAN)  
Accountant General (Audit), Assam

**Guwahati**  
The 24th July 2020

*Countersigned*



(RAJIV MEHRISHI)  
Comptroller and Auditor General of India

**New Delhi**  
The 28th July 2020



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# Appendices

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## Appendix 1.1: State Profile

(Reference: Paragraph 1.1)

Sl. No.	Particulars	Unit	India	Assam
1	Area	Sq km	32,87,263	78,438
2	Population as per Census, 2011	In crore	121.09	3.12
3	Density of Population (2011)	Per Sq km	382	398
4	Population below poverty line (2011-12)	<i>Per cent</i>	21.9	31.9
5	Literacy (2011)	<i>Per cent</i>	73	72.2
6	Infant Mortality Rate (2016)	Per 1000 live births	33	44
7	Life Expectancy at Birth (2012-16)	Year	68.7	65.5
8	Population Growth (2001 to 2011)	<i>Per cent</i>	17.64	16.93
9	GDP/GSDP (2018-19) at current prices (2011-12 Series)	(₹ in crore)	1,90,10,164	3,15,372

*Sources: Census data, MoSPI website and Economic Survey (2018-19)*

## Appendix 1.2: Time Series Data on State Government Finances

(Reference: Paragraphs 2.5.2 and 2.7)

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Part A: Receipts</b>					
<b>1. Revenue Receipts</b>	<b>38181 (89)</b>	<b>42457(88)</b>	<b>49220(93)</b>	<b>54131(86)</b>	<b>63479(84)</b>
(i) <b>Own Tax Revenue</b>	<b>9450 (25)</b>	<b>10106(24)</b>	<b>12080(24)</b>	<b>13216(24)</b>	<b>15925(25)</b>
State Goods and Services Tax (SGST)	NA	NA	NA	4078(31)	8393(52)
Taxes on Agricultural Income	51	32	23	14	8
Taxes on Sales, Trade etc.	7351 (78)	7494(74)	8752(72)	6373(48)	4699(30)
Taxes and duties on Electricity	44	48	49	60	73
State Excise	665 (7)	808(8)	964(8)	1095(8)	1400(9)
Taxes on vehicles	365 (4)	443(4)	522(4)	647(5)	765(5)
Stamps and Registration fees	189 (2)	225(2)	227(2)	239(2)	241(2)
Land Revenue	142 (2)	229(2)	210(2)	219(2)	163(1)
Other Taxes	643 (7)	827(8)	1333(11)	491(4)	183(1)
(ii) <b>Non Tax Revenue</b>	<b>2413 (6)</b>	<b>2741(6)</b>	<b>4353(9)</b>	<b>4072(8)</b>	<b>8221(13)</b>
(iii) <b>State's share in Union taxes and duties</b>	<b>12283 (32)</b>	<b>16785(40)</b>	<b>20189(41)</b>	<b>22301(41)</b>	<b>25216(40)</b>
(iv) <b>Grants in aid from GoI</b>	<b>14035 (37)</b>	<b>12825(30)</b>	<b>12598(26)</b>	<b>14542(27)</b>	<b>14117(22)</b>
<b>2. Miscellaneous Capital Receipts</b>	--	--	--	--	--
<b>3. Recovery of Loans and Advances</b>	<b>10</b>	<b>510 (1)</b>	<b>19</b>	<b>5</b>	<b>3</b>
<b>4. Total revenue and Non debt capital receipts (1+2+3)</b>	<b>38191</b>	<b>42967</b>	<b>49239</b>	<b>54136</b>	<b>63482</b>
<b>5. Public Debt Receipts</b>	<b>4582 (11)</b>	<b>5498 (11)</b>	<b>3902 (7)</b>	<b>8447 (13)</b>	<b>11755 (16)</b>
Internal Debt (excluding Ways and Means Advance and Overdraft)	4532	5448	3845	8377	11666
Net transactions under Ways and Means Advance and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from GoI	50	50	57	70	89
<b>6.Total receipts in the Consolidated Fund (4+5)</b>	<b>42773</b>	<b>48465</b>	<b>53141</b>	<b>62583</b>	<b>75237</b>
<b>7. Contingency Fund Receipts</b>	--	--	--	<b>50</b>	--
<b>8. Public Account Receipts<sup>^</sup></b>	<b>147534</b>	<b>141948</b>	<b>230915</b>	<b>175497</b>	<b>163406</b>
<b>9.Total receipts of the State (6+7+8)</b>	<b>190307</b>	<b>190413</b>	<b>284056</b>	<b>238130</b>	<b>238643</b>
<b>Part B: Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>39078 (63)</b>	<b>37011(93)</b>	<b>49363(89)</b>	<b>55481(87)</b>	<b>56899(83)</b>
Plan	9391 (24)	9435(25)	13434(27)	*	*
Non Plan	29687 (76)	27576(75)	35929(73)	*	*
General Services (including interest payments)	12922	12656	17123	22058	21059
Social Services	18088	17740	22673	21373	25334
Economic Services	7075	6240	8914	11925	10232
Grants-in-aid and contributions	993	375	653	125	274
<b>11. Capital Expenditure</b>	<b>3912 (6)</b>	<b>2691(7)</b>	<b>5502(10)</b>	<b>7693(12)</b>	<b>11034(16)</b>
Plan	3827(98)	2704(100.48)	5270(96)	*	*
Non Plan	85(2)	-13 <sup>#</sup> (-0.48)	232(4)	*	*
General Services	134	76	200	351	464
Social Services	569	596	1542	2846	2164
Economic Services	3209	2019	3760	4496	8406
<b>12. Disbursement of Loans and Advances</b>	<b>631 (1)</b>	<b>260(1)</b>	<b>499(1)</b>	<b>254</b>	<b>328</b>
<b>13. Total (10+11+12)</b>	<b>43621 (96)</b>	<b>39962 (95)</b>	<b>55364 (96)</b>	<b>63428 (97)</b>	<b>68261 (95)</b>

\* Plan and Non-plan nomenclatures were removed from the year 2017-18 <sup>#</sup>Negative figure is due to recoveries of overpayments; NA: Not Applicable

## Appendix-1.2 (Contd...)

	2014-15	2015-16	2016-17	2017-18	2018-19
<b>14. Repayment of Public Debt</b>	<b>1627 (4)</b>	<b>1969(5)</b>	<b>2043(4)</b>	<b>1959(3)</b>	<b>3589 (5)</b>
Internal Debt (excluding Ways and Means Advances and Overdraft)	1225	1835	1907	1820	3448
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	402	134	136	138	141
<b>15. Appropriation to Contingency Fund</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>50</b>	<b>Nil</b>
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>45248</b>	<b>41931</b>	<b>57407</b>	<b>65436</b>	<b>71850</b>
<b>17. Contingency Fund disbursements</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>18. Public Account disbursements^</b>	<b>145007</b>	<b>147646</b>	<b>226053</b>	<b>172291</b>	<b>167537</b>
<b>19. Total disbursement by the state (16+17+18)</b>	<b>190255</b>	<b>189577</b>	<b>283460</b>	<b>237727</b>	<b>239387</b>
<b>Part C: Deficits</b>					
<b>20. Revenue Deficit (-)/ Surplus (+) (1-10)</b>	<b>(-) 897</b>	<b>(+) 5446</b>	<b>(-) 143</b>	<b>(-) 1350</b>	<b>(+) 6580</b>
<b>21. Fiscal Deficit (-)/Surplus (+) (4-13-15)</b>	<b>(-) 5430</b>	<b>(+) 3005</b>	<b>(-) 6125</b>	<b>(-) 9342</b>	<b>(-) 4779</b>
<b>22. Primary Deficit (-)/Surplus (+) (21+23)</b>	<b>(-) 3096</b>	<b>(+) 5623</b>	<b>(-) 3161</b>	<b>(-) 6137</b>	<b>(-) 935</b>
<b>Part D: Other data</b>					
<b>23. Interest Payments (included in revenue expenditure)</b>	<b>2334</b>	<b>2618</b>	<b>2964</b>	<b>3205</b>	<b>3844</b>
<b>24. Ways and Means Advances/ Overdraft availed (days)</b>					
Ways and Means Advances availed (No. of days)	1563.20 (31)	Nil	Nil	Nil	Nil
Overdraft availed (days)	Nil	Nil	Nil	Nil	Nil
<b>25. Interest on Ways and Means Advances/overdraft</b>	<b>4.52</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>26. Gross State Domestic Product (GSDP)♦</b>	<b>195723</b>	<b>227959</b>	<b>254478</b>	<b>288494 (P.E.)</b>	<b>315372 (Q.E.)</b>
<b>27. Outstanding Debt</b>	<b>35403</b>	<b>39054</b>	<b>43981</b>	<b>49275</b>	<b>59426</b>
<b>28. Outstanding guarantees</b>	<b>143</b>	<b>143</b>	<b>130</b>	<b>90</b>	<b>85</b>
<b>29. Maximum amount guaranteed</b>	<b>582</b>	<b>482</b>	<b>482</b>	<b>482</b>	<b>482</b>
<b>30. Number of incomplete projects</b>	<b>62</b>	<b>127</b>	<b>181</b>	<b>166</b>	<b>94</b>
<b>31. Capital blocked in incomplete projects (₹ in crore)</b>	<b>409</b>	<b>304</b>	<b>402</b>	<b>360</b>	<b>586</b>
<b>Part E: Fiscal Health Indicators</b>					
<b>32. Resource Mobilisation (in per cent)</b>					
Own tax Revenue/GSDP	4.83	4.43	4.75	4.58	5.05
Own Non-Tax Revenue/GSDP	1.23	1.20	1.71	1.41	2.61
Central Transfers/GSDP	13.45	12.99	12.88	12.77	12.47
<b>33. Expenditure Management (in per cent)</b>					
Total Expenditure/GSDP	22.29	17.53	21.76	21.99	21.64
Total Expenditure/Revenue Receipts	114.25	94.12	112.48	117.18	107.53
Revenue Expenditure/Total Expenditure	89.59	92.62	89.16	87.47	83.36

## Appendix-1.2 (Concluded)

	2014-15	2015-16	2016-17	2017-18	2018-19
Expenditure on Social Services/Total Expenditure	42.77	45.88	43.74	38.18	40.28
Expenditure on Economic Services/Total Expenditure	23.58	20.67	22.89	25.89	27.30
Capital Expenditure/Total Expenditure	8.97	6.73	9.94	12.13	16.16
Capital Expenditure on Social and Economic Services/Total Expenditure	8.66	6.54	9.58	11.58	15.48
<b>34. Management of Fiscal Imbalances (in per cent)</b>					
Revenue Deficit /Surplus/GSDP	(-) 0.46	(+) 2.39	(-) 0.06	(-) 0.47	(+) 2.09
Fiscal Deficit /Surplus/GSDP	(-) 2.77	(+) 1.32	(-) 2.41	(-) 3.24	(-) 1.52
Primary Deficit /Surplus/GSDP	(-) 1.58	(+) 2.47	(-) 1.24	(-) 2.13	(-) 0.30
Revenue Deficit/Fiscal Deficit	16.52	**	2.33	14.45	**
<b>35. Management of Fiscal Liabilities/Outstanding Debt (in per cent)</b>					
Fiscal Liabilities/GSDP	18.09	17.13	17.28	17.08	18.84
Fiscal Liabilities/RR	92.72	91.98	89.36	91.03	93.62

Note: Figures in brackets of Sl. No. 1, 3, 5, 13 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.

\*\* There was Revenue surplus

♦ GSDP figures at current prices (Base year 2011-12) were obtained from Directorate of Economics and Statistics.

**Appendix 3.1: Heads with Variation Beyond PAC Specified Limits and Status of Explanation**  
(Reference: Paragraph 3.7)

Grant	Total Heads	Heads Requiring Explanation	Heads where explanation was given
01 State Legislature	17	8	0
02 Council of Ministers	6	3	0
03 Administration of Justice	50	35	0
04 Elections	31	9	2
05 Sales Tax and Other Taxes	7	3	3
06 Land Revenue	36	29	0
07 Stamps and Registration	7	4	0
08 Excise and Prohibition	7	4	0
09 Transport Services	77	42	8
10 Other Fiscal Services	3	2	1
11 Secretariat and Attached Offices	86	40	0
12 District Administration	54	26	1
13 Treasury and Accounts Administration	19	12	3
14 Police	106	70	64
15 Jails	19	12	11
16 Printing and Stationery	6	4	0
17 Administrative and Functional Buildings	30	17	0
18 Fire Services	16	7	0
19 Vigilance Commission and Others	19	13	0
20 Other Administrative Services	12	6	0
21 Guest Houses, Government Hostels	13	13	0
22 Administrative Training	9	7	0
23 Pension	24	20	0
24 Aid Materials	1	0	0
25 Miscellaneous General Services	41	38	0
26 Education (Higher)	83	55	0
27 Art and Culture	132	72	0
28 State Archives	2	1	0
29 Medical and Public Health	208	144	10
30 Water Supply and Sanitation	32	28	19
31 Urban Development (Town and Country Planning)	23	19	0
32 Housing Schemes	7	2	0
33 Residential Buildings	4	2	0
34 Urban Development (Municipal Administration)	27	25	0
35 Information and Publicity	22	9	0
36 Labour and Employment	82	50	9
37 Food Storage and Warehousing	17	11	0
38 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes etc.	203	107	0
39 Social Security, Welfare and Nutrition	126	65	0
40 Social Security and Welfare (Freedom Fighter)	4	4	0
41 Natural Calamities	21	16	0
42 Other Social Services	12	7	0
43 Co-operation	19	9	0
44 North Eastern Council Schemes	301	245	18
45 Census, Surveys and Statistics	20	14	13
46 Weights and Measures	7	5	0
47 Trade Adviser	1	0	0
48 Agriculture	75	49	36
49 Irrigation	43	32	0
50 Other Special Areas Programmes	9	10	0
51 Soil and Water Conservation	23	14	2

Grant	Total Heads	Heads Requiring Explanation	Heads where explanation was given
52 Animal Husbandry	63	46	0
53 Dairy Development	22	14	0
54 Fisheries	29	11	0
55 Forestry and Wild Life	67	36	0
56 Rural Development (Panchayat)	25	15	0
57 Rural Development	26	19	0
58 Industries	61	44	0
59 Village and Small Industries, Sericulture and Weaving	93	49	40
60 Cottage Industries	13	9	0
61 Mines and Minerals	14	6	0
62 Power (Electricity)	24	14	0
63 Water Resources	38	25	0
64 Roads and Bridges	91	59	0
65 Tourism	39	12	0
66 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	16	10	10
67 Horticulture	11	10	10
68 Loans to Government Servants etc.	3	2	0
69 Scientific Services and Research	48	13	0
70 Hill Areas	10	8	0
71 Education (Elementary, Secondary etc.)	113	74	0
72 Social Security and Welfare	2	1	0
73 Urban Development (Guwahati Development Department)	33	27	0
74 Sports and Youth Services	27	16	0
75 Information and Technology	23	8	0
76 Karbi Anglong Autonomous Council	179	146	0
77 North Cachar Hills Autonomous Council	147	118	0
78 Bodoland Territorial Council	247	148	0
C1 Public Service Commission	1	1	1
C2 Head of State	20	3	0
PD Public Debt and Servicing of Debt	1048	30	6
<b>Total</b>	<b>4732</b>	<b>2393</b>	<b>267</b>

**Appendix 3.2: Statement showing Grants (at Segment level) with Savings of ₹ 50 crore and above**  
(Reference: Paragraph 3.9)

(₹ in crore)

Sl No.	Grant No.	Name of the Grant/ Appropriation	Nature	Total Grant	Actual Expenditure	Savings
1	3	Administration of Justice	RV	426.01	275.20	150.81
2	3	Administration of Justice	CV	177.72	109.24	68.48
3	5	Sales Tax and Other Taxes	RV	582.88	375.88	207.00
4	6	Land Revenue	RV	409.84	257.10	152.74
5	9	Transport Services	CV	268.62	187.69	80.93
6	11	Secretariat and Attached Offices	RV	1026.37	786.04	240.33
7	12	District Administration	RV	535.73	278.35	257.38
8	14	Police	RV	5074.92	3870.64	1204.28
9	14	Police	CV	188.67	109.08	79.59
10	17	Administrative and Functional	RV	290.66	181.05	109.61
11	17	Buildings	CV	80.66	19.31	61.35
12	19	Vigilance Commission and Others	RV	475.90	378.16	97.74
13	25	Miscellaneous General Services	RV	3467.91	1846.24	1621.67
14	25	Miscellaneous General Services	CV	871.00	104.53	766.47
15	26	Education	RV	3233.23	2342.42	890.81
16	26	Education	CV	163.40	36.93	126.47
17	29	Medical And Public Health	RV	6137.29	3985.03	2152.26
18	29	Medical And Public Health	CV	818.42	380.43	437.99
19	30	Water Supply And Sanitation	RV	709.25	498.09	211.16
20	30	Water Supply And Sanitation	CV	2608.02	1378.84	1229.18
21	31	Urban Development (Town and Country Planning)	RV	692.47	124.31	568.16
22	34	Urban Development (Municipal Administration)	RV	1110.16	409.21	700.95
23	36	Labour and Employment	RV	319.71	226.72	92.99
24	37	Food Storage and Warehousing	RV	823.33	682.88	140.45
25	37	Food Storage and Warehousing	CV	59.79	0.47	59.32
26	38	Welfare of SC, ST and OBC etc.	RV	1478.36	733.63	744.73
27	38	Welfare of SC, ST and OBC etc.	CV	177.83	10.28	167.55
28	39	Social Security, Welfare and Nutrition	RV	2559.68	1465.67	1094.01
29	40	Social Security & Welfare (Freedom Fighter)	RV	84.76	30.06	54.70
30	41	Natural Calamities	RV	1283.08	949.54	333.54
31	42	Other Social Services	RV	339.35	118.45	220.90
32	44	North Eastern Council Schemes	CV	1249.00	315.73	933.27
33	48	Agriculture	RV	1463.67	833.73	629.94
34	48	Agriculture	CV	462.51	24.02	438.49
35	49	Irrigation	RV	567.06	453.56	113.50
36	49	Irrigation	CV	1143.71	83.73	1059.98
37	50	Other Special Areas Programmes	CV	155.27	36.84	118.43
38	52	Animal Husbandry	RV	412.97	269.01	143.96
39	52	Animal Husbandry	CV	94.57	35.59	58.98
40	55	Forestry and Wild Life	RV	590.25	425.54	164.71
41	56	Rural Development (Panchayat)	RV	2169.15	837.71	1331.44
42	57	Rural Development	RV	3700.95	1106.36	2594.59
43	58	Industries	RV	379.16	154.92	224.24
44	58	Industries	CV	392.63	228.65	163.98

Sl No.	Grant No.	Name of the Grant/ Appropriation	Nature	Total Grant	Actual Expenditure	Savings
45	59	Village and Small Industries, Sericulture and Weaving	RV	359.96	221.51	138.45
46	62	Power (Electricity)	RV	4053.61	1646.31	2407.30
47	62	Power (Electricity)	CV	898.58	499.14	399.44
48	63	Water Resources	RV	338.78	261.62	77.16
49	63	Water Resources	CV	802.14	449.16	352.98
50	64	Roads and Bridges	RV	2130.41	1082.92	1047.49
51	64	Roads and Bridges	CV	6055.16	5129.96	925.20
52	66	Compensation and Assignment to LBs and PRIs	RV	448.67	273.89	174.78
53	67	Horticulture	RV	105.47	55.41	50.06
54	Appn	Public Debt and Servicing of Debt	RC	4422.40	4073.43	348.97
55	Appn	Public Debt and Servicing of Debt	CC	6330.31	3589.36	2740.95
56	71	Education (Elementary, Secondary etc.)	RV	13593.39	11315.17	2278.22
57	71		CV	674.00	0.62	673.38
58	73	Urban Development (Guwahati Development Department)	RV	601.28	106.78	494.50
59	73		CV	923.56	216.20	707.36
60	74	Sports and Youth Services	RV	158.70	98.25	60.45
61	75	Information and Technology	RV	72.99	15.95	57.04
62	76	Karbi Anglong Autonomous Council	RV	1315.43	998.72	316.71
63	77	North Cachar Hills Autonomous Council	RV	652.38	449.92	202.46
64	78	Bodoland Territorial Council	RV	2976.60	2909.32	67.28
<b>Total</b>				<b>96169.74</b>	<b>60350.50</b>	<b>35819.24</b>

RV: Revenue Voted; RC: Revenue Charged; CV: Capital Voted; CC: Capital Charged

### Appendix 3.3: Expenditure in Excess of ₹ 50 lakh Without Provision at Sub-Head Level

(Reference: Paragraph 3.10 )

(₹ in crore)

Sl No	Grant	Segment	Major Head	Sub-Head / Sub Sub-Head	Sub Sub-Head	Expenditure		
1	26 Education (Higher)	Voted-Revenue	2202-General Education	{601}-Grants to Non-Government Professional Colleges	[425]-Financial Assistance to Colleges for Introduction of Vocational Courses (Normal)	1.00		
2	48 Agriculture	Voted-Capital	4401-Capital Outlay on Crop Husbandry	{5865}-WIF-Agriculture Cold Storage	[927]-Central Share	22.05		
3	52 Animal Husbandry	Voted-Revenue	2403-Animal Husbandry	{3575}-Rashtriya Gokul Mission (CSS)	[927]-Central Share	4.87		
4	62 Power (Electricity)	Voted-Capital	4801-Capital Outlay on Power Projects	{4168}-Externally Aided Project (ADB)	--	117.97		
5	64 Roads and Bridges	Voted-Capital	5054-Capital Outlay on Roads and Bridges	{291}-Miscellaneous Public Works Advances	--	323.58		
6		Voted-Revenue	3054-Roads and Bridges	{291}-Miscellaneous Public Works Advances	--	150.00		
7	76 Karbi Anglong Autonomous Council	Voted-Capital	4552-Capital Outlay on North Eastern Areas	{4504}-Projects & Scheme for Karbi Anglong Autonomous Territorial Council as per MOS (KAATC Package)	--	45.84		
8				{5348}-Provision for State Share of Non-Lapsable Central Pool of Resource (NLCPR) Project	[928]-State Share	5.50		
9		Voted-Revenue	2075-Miscellaneous General Services	{5946}-One Time Special Grant	[112]-Development Grant	20.15		
10				2402-Soil and Water Conservation	{122}-Common & Other Schemes	[602]-Nature Conservation	0.90	
11						[603]-Building and Approach Road	1.94	
12						{1136}-Bamboo Plantation / Regeneration	--	1.00
13						{1143}-Land Improvement	--	1.09
14						{1144}-Terracing with Water Distribution/ Harvesting	--	1.56
15						2406-Forestry and Wild Life	{1259}-Rehabilitation of Degraded Forest	--
16				{2869}-Recreation Park at Diphu & Hamren	--		8.83	
17				2851-Village and Small Industries	{1946}-Small Scale Industries	--	9.58	
18	3451-Secretariat-Economic Services	{6341}-Upgradation of Standard of Administration-Award of 13th Finance Commission	[583]-Karbi Anglong Autonomous Council (KAAC)	2.33				
19		Voted-Capital		{121}-Buildings	--	0.54		

Sl No	Grant	Segment	Major Head	Sub-Head / Sub Sub-Head	Sub Sub-Head	Expenditure
20	77 North Cachar Hills Autonomous Council		4406-Capital Outlay on Forestry and Wild Life	{1240}-Amenities to Forest Staff & Labourer	--	0.79
21				{1250}-Plywood Plantation	--	0.63
22				{1256}-Plantation of Quick growing Species	--	2.58
23				{1259}-Rehabilitation of Degraded Forest	--	0.66
24				4552-Capital Outlay on North Eastern Areas	{5150}-Construction/Conversion of Haflong Civil Hospital(100 bed to 200 bed Incl. renovation of Staff Qts)	--
25		Voted-Revenue	2075-Miscellaneous General Services	{5946}-One Time Special Grant	[112]-Development Grant	14.75
26			2215-Water Supply and Sanitation	{779}-Operation & Maintenance	--	4.74
27			2402-Soil and Water Conservation	{122}-Common & Other Schemes	[601]-Cash Crop Development	2.01
28					[603]-Building and Approach Road	1.29
29		78 Bodoland Territorial Council	Voted-Capital	4402-Capital Outlay on Soil and Water Conservation	{5338}-Rural Infrastructure Development Fund ( RIDF)	--
30	4552-Capital Outlay on North Eastern Areas			{2957}-Additional Package for Bodoland Territorial Autonomous Council Development (BTAD)	--	25.02
31				{3240}-Project and Schemes for BTAD as per Memorandum of Settlement (BTC Package)	--	14.91
32				{4346}-Upgradation of NT Road through Ramfal Bil Bazar to All Weather Road with Conversion of Bridge into RCC Bridge (International Border Area)	--	1.69
33				{4414}-Improvement/ Upgradation of Mangaldoi Bhutiachang Samrang Road from CH.47722 M to CH.48292 M and from CH.50000 M to CH.62500 M including Cross Drainage Works	--	1.70
34				{4415}-Construction of Road from Bijni Subhaijhar Road at Village Nayapara No.2 to Kathalguri via Sanyasiguri including Construction of RCC Bridge No.1/2 over River Chara in Chirang District	[927]-Central Share	1.42
35				{4488}-Construction of RCC Bridge No.15/2 over River Burhisuti on Patdadaha Panbari Road	--	3.25

Sl No	Grant	Segment	Major Head	Sub-Head / Sub Sub-Head	Sub Sub-Head	Expenditure			
36		Voted-Revenue		{5348}-Provision for State Share of Non-Lapsable Central Pool of Resources (NLCPR) Project	[928]-State Share	4.17			
37							1.44		
38				4701-Capital Outlay on Medium Irrigation	{1705}-Accelerated Irrigation Benefits Programme (AIBP)	[944]-Champamati Irrigation Project	4.27		
39				2075-Miscellaneous General Services	{5946}-One Time Special Grant	[112]-Development Grant	12.24		
40				2202-General Education	{0}--	--	4.49		
41					{223}-Other Miscellaneous Charges	--	4.36		
42				2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	{201}-Assistance to Bodoland Territorial Council	[619]-Special Package for Restoration of Damage Infrastructure in BTC Riot Affected Areas during 2012-13	1.11		
43					{862}-Special Central Assistance for TSP-Implementation of Family Oriented Income Generating Schemes & Infrastructure Development in ITDP	--	0.94		
44					{4087}-Grants under Article 275 (i) of Constitution for Tribal Development	--	1.06		
45					{5012}-Grants to BTC for Construction of Ashram School at Udalguri	--	2.23		
46					{5946}-One Time Special Grant	--	293.65		
47					2702-Minor Irrigation	{152}-Establishment	--	7.36	
48				PD Public Debt and Servicing of Debt	Charged-Capital	6003-Internal Debt of the State Government	{6663}-Special Securities issued to NSSF of the Centre by State Government (2012-2013)-2037-38	--	40.75
49								{6664}-Special Securities issued to NSSF of the Centre by State Government (2013-2014)-2038-39	--
50	Charged-Revenue	2049-Interest Payments	{6880}-8.08% Assam State Dev. Loan, 2028 Rs. 50000 L		--	40.40			
51			{6881}-8.20% Assam State Dev. Loan, 2028 Rs. 50000 L		--	41.00			
52			{6882}-8.05% Assam State Dev. Loan, 2028 Rs. 50000 L		--	40.25			
53		{6883}-8.29% Assam State Dev. Loan, 2028 Rs. 50000 L	--	21.25					

Sl No	Grant	Segment	Major Head	Sub-Head / Sub Sub-Head	Sub Sub-Head	Expenditure
54				{6884}-8.36% Assam State Dev. Loan, 2028 Rs. 50000 L	--	41.80
55				{6885}-8.29% Assam State Dev. Loan, 2028 Rs. 51275 L	--	41.98
56				{6886}-7.97% Assam State Dev. Loan, 2028 Rs. 100000 L	--	59.78
57				{6888}-8.54% Assam State Dev. Loan, 2028 Rs. 50000 L (i)	--	42.70
58				{6889}-8.42% Assam State Dev. Loan, 2028 Rs. 50000 L (i)	--	42.10
59				{6890}-8.41% Assam State Dev. Loan, 2028 Rs. 50000 L	--	21.03
60				{6893}-8.75% Assam State Dev. Loan, 2028 Rs. 40000 L	--	17.50
61				{7103}-8.29% Assam State Development Loan, 2029	--	20.73
<b>Total</b>						<b>1628.89</b>

### Appendix-3.4: Excess Expenditure of Previous Years Requiring Regularisation

(Reference: Paragraph 3.11)

(₹ in crore)

Year	Number of Grants/ Appropriations	Grant No./Appropriation	Amount of excess	Status of discussion by Public Accounts Committee (PAC)
2005-06	2-Grants 2-Appropriations	Revenue Voted-47 Capital Voted-67 Revenue Charged-6 and 14	2.45	Partly discussed by PAC. Act awaited.
2006-07	4-Grants 2-Appropriations	Revenue Voted-30 Capital Voted-54, 58 and 60 Revenue Charged-8 Capital Charged-12	80.61	
2007-08	9-Grants 2-Appropriations	Revenue Voted-4, 40, 42 and 65 Capital Voted-31, 34, 59, 60 and 70 Revenue Charged-Head of State and 6	113.24	
2008-09	6-Grants 2-Appropriations	Revenue Voted-4, 40 and 72 Capital Voted-60, 76 and 77 Revenue Charged-Head of State and 39	108.40	
2009-10	3-Grants	Revenue Voted- 40 and 47 Capital Voted- 60	10.18	
2010-11	1-Grant 1-Appropriation	Revenue Voted-40 Revenue Charged-15	4.27	
2011-12	5-Grants 2-Appropriations	Revenue Voted-22, 23, 47 and 62 Capital Voted-78 Revenue Charged-12 Capital Charged-63	915.14	
2012-13	4-Grants	Revenue Voted-13, 23 and 47 Capital Voted-78	1195.61	
2013-14	5-Grants	Revenue Voted-23, 40 and 64 Capital Voted-55 and 78	1499.89	
2014-15	5-Grants 1-Appropriation	Revenue Voted-23 30 and 72 Capital Voted-55 and 78 Capital Charged- Public Debt and Servicing of Debt	3801.63	
2015-16	3 Grants	Revenue Voted – 30 Capital Voted – 76 and 77	243.77	
2016-17	5 Grants	Revenue Voted – 30 and 64 Capital Voted – 34, 76 and 77	1348.44	
2017-18	2 Grants	Revenue Voted – 78 Capital Voted - 78	264.47	
<b>Total</b>			<b>9588.10</b>	

**Appendix 3.5: Unnecessary Supplementary Budget Provision**  
(Reference: Paragraph 3.12)

(₹ in crore)

Sl. No.	Grant	Budget (Original)	Total Expenditure	Saving Against Original Budget	Budget (Supplementary)	Actual Supplementary Requirement
1	32 Housing Schemes	2.79	5.40	-	3.25	2.61
2	72 Social Security and Welfare	10.02	17.42	-	10.00	7.40
3	19 Vigilance Commission and Others	223.58	381.58	-	263.38	158.00
4	64 Roads and Bridges	4648.87	6212.88	-	3536.70	1564.01
5	78 Bodoland Territorial Council	2786.26	3713.48	-	605.10	927.22
6	76 Karbi Anglong Autonomous Council	1397.42	1585.46	-	253.35	188.04
7	66 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	241.91	273.89	-	206.76	31.98
8	65 Tourism	81.00	84.37	-	22.76	3.37
9	23 Pension	8005.79	8104.08	-	0.00	98.29
10	C2 Head of State	8.38	8.30	0.08	3.52	-
11	04 Elections	197.41	194.75	2.66	12.45	-
12	11 Secretariat and Attached Offices	817.17	786.04	31.13	214.20	-
13	67 Horticulture	57.68	55.41	2.27	55.79	-
14	26 Education (Higher)	2541.82	2379.36	162.46	854.81	-
15	PD Public Debt and Servicing of Debt	8252.71	7662.79	589.92	2500.00	-
16	68 Loans to Government Servants etc.	75.99	70.00	5.99	0.00	-
17	35 Information and Publicity	63.45	57.91	5.54	2.13	-
18	02 Council of Ministers	7.76	6.88	0.88	1.85	-
19	41 Natural Calamities	1084.15	949.54	134.61	198.93	-
20	63 Water Resources	824.92	710.78	114.14	316.00	-
21	20 Other Administrative Services	279.20	240.01	39.19	7.91	-
22	29 Medical and Public Health	5082.17	4365.92	716.25	1874.90	-
23	55 Forestry and Wild Life	505.47	426.12	79.35	95.17	-
24	09 Transport Services	518.61	435.47	83.14	30.84	-
25	71 Education (Elementary, Secondary etc.)	13619.21	11315.79	2303.42	648.17	-
26	47 Trade Adviser	1.49	1.23	0.26	0.00	-
27	77 North Cachar Hills Autonomous Council	676.72	545.66	131.06	83.38	-
28	37 Food Storage and Warehousing	857.23	683.35	173.88	25.89	-
29	62 Power (Electricity)	2702.22	2145.45	556.77	2249.97	-
30	01 State Legislature	128.79	102.02	26.77	11.78	-
31	18 Fire Services	202.90	159.77	43.13	0.45	-
32	14 Police	5106.36	3980.19	1126.17	159.80	-
33	51 Soil and Water Conservation	181.05	139.91	41.14	16.72	-
34	25 Miscellaneous General Services	2550.75	1950.77	599.98	1788.16	-
35	C1 Public Service Commission	14.95	11.42	3.53	0.25	-
36	08 Excise and Prohibition	74.35	56.54	17.81	0.80	-
37	15 Jails	122.83	88.65	34.18	5.53	-
38	54 Fisheries	160.82	115.40	45.42	0.60	-
39	03 Administration of Justice	628.15	444.75	183.40	43.15	-

Sl. No.	Grant	Budget (Original)	Total Expenditure	Saving Against Original Budget	Budget (Supplementary)	Actual Supplementary Requirement
40	30 Water Supply and Sanitation	2661.84	1876.93	784.91	655.43	-
41	39 Social Security, Welfare and Nutrition	2098.72	1465.67	633.05	462.96	-
42	10 Other Fiscal Services	3.00	2.07	0.93	0.00	-
43	74 Sports and Youth Services	163.83	112.32	51.51	29.35	-
44	52 Animal Husbandry	456.48	304.83	151.65	51.55	-
45	69 Scientific Services and Research	51.82	33.84	17.98	1.18	-
46	16 Printing and Stationery	47.64	31.06	16.58	0.70	-
47	28 State Archives	2.34	1.53	0.81	0.02	-
48	43 Co-operation	157.00	101.64	55.36	1.71	-
49	13 Treasury and Accounts Administration	146.91	95.00	51.91	0.42	-
50	36 Labour and Employment	385.39	248.17	137.22	1.75	-
51	53 Dairy Development	35.57	22.77	12.80	0.00	-
52	46 Weights and Measures	20.45	12.98	7.47	0.16	-
53	60 Cottage Industries	85.02	53.48	31.54	6.26	-
54	05 Sales Tax and Other Taxes	621.48	386.31	235.17	13.18	-
55	06 Land Revenue	423.51	261.95	161.56	1.33	-
56	22 Administrative Training	26.24	15.92	10.32	1.36	-
57	59 Village and Small Industries, Sericulture and Weaving	385.26	231.20	154.06	5.08	-
58	07 Stamps and Registration	48.71	29.15	19.56	0.40	-
59	17 Administrative and Functional Buildings	343.82	200.36	143.46	27.51	-
60	27 Art and Culture	155.83	86.20	69.63	8.55	-
61	61 Mines and Minerals	22.11	12.09	10.02	0.01	-
62	12 District Administration	664.91	360.06	304.85	1.02	-
63	38 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes etc.	1380.36	743.91	636.45	275.84	-
64	58 Industries	754.59	383.57	371.02	17.21	-
65	45 Census, Surveys and Statistics	83.62	41.52	42.10	3.08	-
66	48 Agriculture	1743.46	857.75	885.71	182.72	-
67	33 Residential Buildings	6.19	2.86	3.33	0.06	-
68	34 Urban Development (Municipal Administration)	938.06	410.96	527.10	176.06	-
69	56 Rural Development (Panchayat)	2123.44	837.89	1285.55	46.07	-
70	21 Guest Houses, Government Hostels	61.26	23.63	37.63	0.00	-
71	42 Other Social Services	327.53	118.88	208.65	13.32	-
72	40 Social Security and Welfare (Freedom Fighter)	83.61	30.06	53.55	1.15	-
73	49 Irrigation	1700.90	537.29	1163.61	9.87	-
74	57 Rural Development	3685.44	1106.36	2579.08	15.51	-
75	44 North Eastern Council Schemes	1194.28	318.79	875.49	78.69	-
76	75 Information and Technology	60.07	15.95	44.12	13.92	-
77	70 Hill Areas	7.82	1.94	5.88	2.92	-
78	50 Other Special Areas Programmes	161.39	38.38	123.01	0.00	-

Sl. No.	Grant	Budget (Original)	Total Expenditure	Saving Against Original Budget	Budget (Supplementary)	Actual Supplementary Requirement
79	73 Urban Development (Guwahati Department)	1515.19	322.98	1192.21	9.64	-
80	31 Urban Development (Town and Country Planning)	692.47	124.31	568.16	0.00	-
81	24 Aid Materials	0.01	0.00	0.01	0.00	-
<b>Total</b>		<b>90269.92</b>	<b>72331.30</b>	<b>20,919.54</b>	<b>18220.44</b>	<b>2980.92</b>

### Appendix 3.6: Unnecessary Re-appropriation of Funds at Sub-Head Level

(Reference: Paragraph 3.13)

(₹ in lakh)

Sl. No.	Grant No.	Major Head	Sub MH	Minor Head	Sub-head	Sub Sub-head	Nomenclature	Re-appropriation	Final Savings
1	1	2011	02	103	-	-	Legislative Secretariat	6.00	374.73
2	Appn	2012	03	103	0301	-	Military Secretariat and his Establishment	1.37	59.22
3	4	2015	-	102	0144	-	District Establishment	0.15	104.86
4	4	2015	-	106	-	-	Charge for conduct of Elections to State/ Union Territory Legislative	0.50	58.75
5	4	2015	-	106	-	-	Charge for conduct of Elections to State/ Union Territory Legislative	17.48	47.62
6	6	2029	-	102	0319	446	Reproduction Section	10.48	484.92
7	12	2053	-	093	0239	-	Sub-Divisional Establishment	6.63	251.83
8	12	2053	-	101	-	-	Commissioners	1.50	280.39
9	12	4216	01	700	-	-	Other Housing	300.00	542.18
10	14	2055	-	001	0433	-	Police Range	22.68	459.07
11	14	2055	-	003	0435	-	Police Training College	9.98	691.23
12	14	2055	-	003	0436	-	Armed Police Training Centre	11.60	641.18
13	14	2055	-	003	0437	-	Recruits in Training School of Assam	3.50	223.12
14	14	2055	-	003	0439	-	Battalion Training Centre	3.50	501.63
15	14	2055	-	101	0443	-	Special Branch	72.00	11266.21
16	14	2055	-	101	0445	-	Special Branch (BIEO)	6.00	584.70
17	14	2055	-	104	0446	-	Armed police Battalions	78.87	16327.15
18	14	2055	-	109	0145	-	District Police Proper	2471.65	30113.77
19	14	2055	-	109	0454	-	River Police	10.60	1228.93
20	14	2055	-	109	0457	491	Reimbursable from Government of India	13.00	4035.16
21	14	2055	-	109	1015	491	Reimbursable from Government of India	12.34	3565.70
22	14	2055	-	109	1015	901	Checking of Bangladeshi Infiltration	79.35	3909.64
23	14	2055	-	111	0475	-	Supervising Staff	21.20	476.86
24	14	2055	-	114	0480	-	Wireless and Computer	34.46	1731.32
25	14	2055	-	800	0482	924	Raising of New Battalion	43.43	3471.74
26	14	2055	-	800	0482	935	Battalion for ONGC (Reimbursable from ONGC)	5.00	813.98
27	14	2055	-	800	0483	-	New Indian Reserve Battalion	40.00	9737.03
28	17	2059	01	052	0196	-	New Supplies	15.00	60.41
29	18	2070	-	108	0526	504	Fire & E. S. Station	130.79	181.90

Sl. No.	Grant No.	Major Head	Sub MH	Minor Head	Sub-head	Sub Sub-head	Nomenclature	Re-appropriation	Final Savings
30	18	2070	-	108	0527	-	Direction & Administration	123.32	203.80
31	26	2202	03	103	4556	611	Infrastructure Development of Government and Provincialised College	1028.34	1912.37
32	26	2202	03	800	0800	428	Poor and Meritorious Students	130.00	200.00
33	29	2210	01	001	0172	-	Headquarters Establishment	5.35	1104.79
34	29	2210	03	103	0726	-	Primary Health Units	9200.00	21676.22
35	30	4215	01	102	0778	-	Rural Water Supply	1700.00	3184.53
36	35	2220	60	102	0803	-	General Information Centres	1.15	12.21
37	38	2225	03	001	0881	626	Establishment of Director of Tea Garden & Other Staff	100.00	161.34
38	38	2225	03	102	4826	-	Distribution of Power Tiller under FOIGS	37.50	187.50
39	38	2225	03	800	2372	-	Distribution of Bi-Cycle for Ladies in the age group 14 to 28	195.00	495.00
40	38	2225	03	800	2374	-	Construction of Sports Academy	75.00	475.00
41	48	2401	-	001	0240	-	Subordinate Establishment	1.53	2172.50
43	48	2401	-	105	1043	-	Soil Testing Laboratories	1.54	24.94
44	48	2401	-	108	1061	-	Sugarcane Development	2.64	50.49
45	49	4702	-	101	1522	116	Improvement of LIS from River Buridihing Tripling Fakhial Mouza in Joypur Development Block (ph-I)	200.00	200.01
46	49	4702	-	101	1522	118	Remodelling of LIS Singahuti Beel under Kheremia and Sassoni Mouza	200.00	200.01
47	54	2405	-	001	0143	-	District Administration	9.74	242.78
48	54	2405	-	101	0106	-	Applied Nutrition Programme	29.41	32.04
49	54	2415	05	004	1304	-	Survey of Fisheries & Collection of Statistics	12.72	20.71
50	64	3054	03	337	1857	927	Centre Share	10000.00	15858.83
51	64	3054	80	001	0138	-	Direction	70.00	1659.74
52	64	3054	80	192	2216	701	District Panchayats	140.00	140.00
53	64	5054	03	337	0337	316	Chief Minister's Special Package for Special Focus on Construction of Border Area Roads & Bridges	500.00	1556.14
54	64	5054	03	337	0337	324	Construction of Roads in Tea Garden Labour Lines	1000.00	2799.39
55	64	5054	03	337	0337	326	Conversion of Conventional PMGSY Roads to ICBP Roads	10000.00	25000.00
56	71	2202	01	104	0249	-	Sub-Divisional Office	7.59	735.45
57	71	2202	02	001	0172	-	Headquarters Establishment	20.47	255.56
58	25	2052	-	090	1415	-	Commission	150.00	229.34
59	74	2204	-	001	0172	-	Headquarters Establishment	4.33	159.35
60	74	2204	-	800	0800	548	Other Institutes and Association	58.00	221.70
61	20	2070	-	106	0520	-	Civil Defence Directorate	7.91	67.76

Sl. No.	Grant No.	Major Head	Sub MH	Minor Head	Sub-head	Sub Sub-head	Nomenclature	Re-appropriation	Final Savings
62	20	2070	-	106	0521	-	Air raid Precautions	8.19	75.58
63	20	2070	-	106	2923	-	New Air raid precautions	4.37	66.37
64	20	2070	-	107	0522	-	Home Guard Establishment	49.46	308.58
65	20	2070	-	107	0525	-	Assam Special Reserve Force	201.85	1035.25
<b>Total</b>								<b>38704.47</b>	<b>174950.51</b>

**Appendix 4.1: Department-wise List of Outstanding Utilisation Certificates for the  
Grants provided up to the Year 2017-18  
(Reference: Paragraph 4.3)**

(₹ in crore)

Sl. No	Name of the Department	No. of UCs	Amount
1	Administrative Reforms (Training)	3	29.29
2	Agriculture	86	787.66
3	Animal Husbandry	8	6.12
4	Border Area	7	12.68
5	Co-operation	57	38.71
6	Cultural Affairs	295	146.10
7	Dairy Development	24	24.16
8	Education (General)	4221	2125.77
9	Election	2	0.22
10	Finance (EA)	160	201.30
11	Finance (Taxation)	409	707.67
12	Finance	10	99.06
13	Fisheries	26	24.53
14	Food & Civil Supplies	12	20.72
15	Forest	4	3.48
16	General Administration	231	126.56
17	Guwahati Development	49	811.56
18	Handloom & Textile	9	13.61
19	Health	132	1886.36
20	Hills Areas	90	29.25
21	Home	14	47.80
22	Horticulture	5	14.73
23	Industry and Commerce	57	110.96
24	Information and Technology	18	51.07
25	Irrigation	1	3.60
26	Judicial	8	1.61
27	Labour & Employment	21	89.79
28	Mines, Minerals & Power	24	1661.35
29	Minority Development	91	425.50
30	Panchayat & Rural Development	84	910.31
31	Planning & Development	235	297.56
32	Political Department	27	10.55
33	Public Health Engineering	6	141.17
34	Public Works	6	6.92
35	Revenue & Disaster Management	151	24.68
36	Revenue	455	285.53
37	Rural Development	21	998.90
38	Science Technology Environment	22	9.57
39	Secretariat Administration	132	2849.36
40	Sericulture	162	82.95
41	Skill, Employment & Entrepreneurship	1	2.00
42	Social Welfare	873	1415.56
43	Sports & Youth Welfare	57	37.23
44	Tourism	82	95.58
45	Transport	14	36.49
46	Urban Development (Municipal Administration)	95	189.36
47	Urban Development (Town and Country Planning)	162	318.25
48	Urban Development	4	1.26
49	Welfare of Plain Tribes and Backward Classes	792	2457.61
<b>Total</b>		<b>9455</b>	<b>19672.06</b>

**Appendix 4.2: Outstanding DCC Bills Against the Drawal of AC Bills up to 2018-19**

(Reference: Paragraph 4.4)

Sl. No.	Name of Department	No. of AC bills	Amount (in ₹)
1	Assembly Secretariat	1	2,16,508
2	Administrative Reforms	1	36,13,987
3	Agriculture	1	1,01,750
4	Border Area Development	23	22,67,45,358
5	Chief Minister Secretariat	2	1,19,560
6	Co-operation	1	15,000
7	Cultural Affairs	18	2,12,97,854
8	Education	35	85,28,69,102
9	Election	184	99,69,40,147
10	Excise	1	20,000
11	Finance (Taxation)	11	93,31,951
12	Finance	24	28,87,44,217
13	Food and Civil Supplies	2	26,02,66,000
14	General Administration	76	18,29,48,158
15	Governor Secretariat	1	20,75,717
16	Handloom & Textile	2	33,18,478
17	Health	19	1,05,96,68,316
18	Hill Area Development	9	1,78,76,825
19	Home	92	24,90,87,894
20	Industry and Commerce	3	69,85,455
21	Information and Public Relation	4	2,30,200
22	Judicial	55	64,86,766
23	Labour & Employment	3	59,342
24	Minority Development	9	12,30,31,400
25	Panchayat and Rural Development	135	1,45,17,12,970
26	Pension and Public Grievances	4	6,63,235
27	Personnel	10	81,08,106
28	Planning and Development	35	21,71,54,323
29	Political	17	11,88,837
30	Public Health Engineering	2	4,001
31	Public Works	16	25,70,23,058
32	Revenue & Disaster Management	11	90,47,000
33	Revenue	301	32,32,58,676
34	Sainik Welfare	1	3,00,000
35	Secretariat Administration	139	56,03,07,189
36	Sericulture	4	1,52,388
37	Social Welfare	18	37,53,19,857
38	Sports & Youth Welfare	2	29,41,166
39	Tourism	4	5,41,00,000
40	Transport	9	1,46,96,00,262
41	Water Resource	12	12,69,666
42	Welfare of Plain Tribes and Backward Classes	26	61,39,99,878
<b>Total</b>		<b>1323</b>	<b>965,82,00,597</b>

### Appendix 4.3: Statement Showing Details of Pendency in Finalisation of Accounts by various Bodies and Authorities

(Reference: Paragraph 4.14)

Sl. No	Name of the Department	Name of the Body/Authority	Year (s) for which accounts had not been received	Total No. of pending annual accounts
1	Agriculture	Assam State Agricultural Marketing Board, Guwahati	2016-17 to 2018-19	3
2		Assam State Seed Certification Agency, Guwahati	2016-17 to 2018-19	3
3		Assam Agricultural University, Jorhat	2016-17 to 2018-19	3
4		Assam Rural Infrastructure and Agricultural Service Society, Guwahati	2016-17 to 2018-19	3
5	Cultural Affairs	Srimanta Sankardev Kalakshetra, Guwahati	2017-18 and 2018-19	2
6	Education (Higher)	Guwahati University	2018-19	1
7		Dibrugarh University	2017-18 and 2018-19	2
8		Assam Science & Technology University, Guwahati	2017-18 and 2018-19	2
9		SMD, Rashtriya Uchhatar Siksha Abhiyan, Guwahati	2007-08 to 2018-19	12
10		Cotton College State University, Guwahati	2017-18 to 2018-19	2
11		Bodoland University, Kokrajhar	2017-18 to 2018-19	2
12		Kumar Bhaskar Varma Sanskrit & Ancient Studies University, Nalbari	2018-19	1
13		Mahapurush Srimanta Sankardeva Viswavidyalaya	2017-18 to 2018-19	2
14		Krishna Kanta Handique State Open University	2018-19	1
15		Education (Secondary)	Rashtriya Madhyamik Siksha Abhiyan	2017-18 to 2018-19
16	Education (Higher)	Anandaram Borooah Institute of Language, Art & Culture, Guwahati	2017-18 to 2018-19	2
17	Education (Elementary)	Sarba Siksha Abhiyan	2018-19	1
18	Education (Technical)	Assam Institute of Management, Guwahati	2017-18 to 2018-19	2
19	Forest	Assam State Biodiversity Board	2018-19	1
20		CAMPA(Compensatory Afforestation Fund Management and Planning Authority)	2018-19	1
21	Handloom Textile & Sericulture	Assam Apex Weavers & Artisan Co-operation Federation, Guwahati (ARTFED)	2016-17 & 2018-19	3
22		Assam Khadi & Village Industry Board, Guwahati	2006-07 to 2018-19	13
23	Home	Assam Human Rights Commission	2017-18 & 2018-19	2
24	Hill Area	N.C. Hills Autonomous Council, Dima Hasao, Haflong	2017-18 & 2018-19	2
25		Karbi Anglong Autonomous Council, Diphu	2016-17 to 2018-19	3
26	Health & Family Welfare	National Health Mission	2017-18 to 2018-19	2
27		Assam Arogya Nidhi, NHM	2017-18 to 2018-19	2
28		AIDS Control Society, Assam	2017-18 to 2018-19	2
29		Dr. B. Barooah Cancer Institute	2017-18 to 2018-19	2
30		MS, Hospital Management Society, GMCH, Guwahati	2017-18 to 2018-19	2
31		MS, Hospital Management Society, AMCH, Dibrugarh	2018-19	1
32		MS, Hospital Management Society, JMCH, Jorhat	2017-18 to 2018-19	2
33		MS, Hospital Management Society, BMCH, Barpeta	2018-19	1

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
34		MS, Hospital Management Society, CH, Barpeta	2018-19	1
35		MS, Hospital Management Society, Goalpara	2018-19	1
36		MS, Hospital Management Society, Bongaigaon	2018-19	1
37		MS, Hospital Management Society, Regional Dental college, Guwahati	2017-18 to 2018-19	2
38		MS, Hospital Management Society, Dhemaji	2018-19	1
39		MS, Hospital Management Society, SMCH, Silchar	2018-19	1
40		MS, Hospital Management Society, CH, Golaghat	2018-19	1
41		MS, Hospital Management Society, CH, Diphu	2018-19	1
42		MS, Hospital Management Society, CH, Morigaon	2007-08 to 2018-19	12
43		MS, Hospital Management Society, Kokrajhar	2018-19	1
44		MS, Hospital Management Society, CH, Nalbari	2007-08 to 2018-19	12
45		MS, Hospital Management Society, CH, Darrang, Mangaldoi	2007-08 to 2018-19	12
46		MS, Hospital Management Society, CH, Karimganj	2007-08 to 2018-19	12
47		MS, Hospital Management Society, CH, Hailakandi	2007-08 to 2018-19	12
48		MS, Hospital Management Society, CH, Nagaon	2018-19	1
49		MS, Hospital Management Society, Udalguri	2018-19	1
50		MS, Hospital Management Society, Chirang	2018-19	1
51		MS, Hospital Management Society, CH, Sivasagar	2007-08 to 2018-19	12
52		MS, Hospital Management Society, CH, Tinsukia	2007-08 to 2018-19	12
53		MS, Hospital Management Society, Dhubri	2017-18 to 2018-19	2
54		MS, Hospital Management Society, TMCH, Tezpur	2017-18 to 2018-19	2
55		MS, Hospital Management Society, CH, Tezpur, Sonitpur	2007-08 to 2018-19	12
56		MS, Hospital Management Society, CH, North Lakhimpur	2007-08 to 2018-19	12
57		Srimanta Sankardeva University of Health Science	2007-08 to 2018-19	12
58	<b>Labour &amp; Employment</b>	Assam Building & Other Construction Workers Welfare Board	2016-17 to 2018-19	3
59		Employment Generation Mission, Guwahati	2017-18 to 2018-19	2
60	<b>Legislative</b>	Assam State Legal Services Authority	2017-18 to 2018-19	2
61	<b>Minorities Welfare</b>	Assam Minorities Development Board	2017-18 to 2018-19	2
62	<b>Power</b>	Assam Energy Development Agency	2015-16 to 2018-19	4
63	<b>P &amp; RD</b>	State Institute of Panchayat & Rural Development	2018-19	1
64		DRDA, Diphu	2018-19	1
65		DRDA, Chirang	2018-19	1
66		DRDA, Kokrajhar	2018-19	1
67		DRDA, Udalguri	2018-19	1
68		DRDA, Haflong	2018-19	1
69		DRDA, Baksa	2018-19	1
70		Assam State Rural Livelihood Mission Society	2017-18 to 2018-19	2
71	<b>P &amp; RD (DoNER)</b>	North East Rural Livelihood Project, Guwahati	2018-19	1
72	<b>PWD (Road)</b>	Assam State Road Board	2015-16 to 2018-19	4
73	<b>PHED</b>	National Rural Drinking Water Supply Project, Guwahati	2014-15 to 2018-19	5
74		Swacha Bharat Abhiyan (Rural)	2018-19	1
75	<b>Planning &amp; Development</b>	Omeo Kumar Das Institute of Social Change and Development	2017-18 & 2018-19	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
76	Revenue & Disaster Management	Assam State Disaster Management Authority	2018-19	1
77	Science & Technology	Assam Science Technology & Environmental Council, Guwahati	2016-17 to 2018-19	3
78	Sports & Youth Welfare	DG, Sports Authority of Assam, Guwahati	2010-11 to 2018-19	9
79	Social Welfare	Assam State Social Welfare Board	2018-19	1
80		State Child Protection Society, Guwahati	2017-18 to 2018-19	2
81		Assam State Commission for Child Rights	2018-19	1
82	GDD	Guwahati Metropolitan Development Authority	2014-15 to 2018-19	5
83	Urban Development	Swatcha Bharat Abhiyan (Urban)	2014-15 to 2018-19	5
84		Assam State Housing Board, Guwahati	2018-19	1
85	Welfare of Plains Tribes & Backward Classes	Assam Tribal Development Authority	2018-19	1
86		Bodoland Territorial Council	2016-17 to 2018-19	3
87		Mising Autonomous Council	1995-96 to 2018-19	24
88		Rabha Hasong Autonomous Council	1995-96 to 2018-19	24
89		Tiwa Autonomous Council	1995-96 to 2018-19	24
90		Sonowal Kachari Autonomous Council	2005-06 to 2018-19	14
91		Thengal Kachari Autonomous Council	2005-06 to 2018-19	14
92		Deori Autonomous Council	2014-15 to 2018-19	5
<b>Total</b>				<b>394</b>

### Appendix 4.4: Statement Showing the Details of Pendency in Finalisation of Accounts by the State Public Sector Undertakings

(Reference: Paragraph 4.14)

Sl. No	Name of the Department	Name of the PSUs	Year (s) for which Accounts had not been received	Total No. of pending annual accounts
1	Agriculture	Assam Seeds Corporation Ltd.	2014-15 to 2018-19	5
2		Assam Agro-Industries Development Corporation Ltd.	2010-11 to 2018-19	9
3	Animal Husbandry	Assam Live Stock and Poultry Corporation Ltd.	2017-18 to 2018-19	2
4	Co-operation	Assam State Warehousing Corporation	2017-18 to 2018-19	2
5	Cultural Affairs	Assam State Film (Finance and Development) Corporation Ltd.	2014-15 to 2018-19	5
6	Education	Assam State Textbook Production and Publication Corporation Ltd.	1996-97 to 2018-19	23
7	Fisheries	Assam Fisheries Development Corporation Ltd.	2015-16 to 2018-19	4
8	Handloom Textile & Sericulture	Assam Government Marketing Corporation Ltd.	2010-11 to 2018-19	9
9	Home	Assam Police Housing Corporation Ltd.	2014-15 to 2018-19	5
10	Hill Area	Assam Hills Small Industries Development Corp. Ltd.	1999-2000 to 2018-19	20
11	Industries & Commerce	Assam Small Industries Development Corporation Ltd.	2015-16 to 2018-19	4
12		Assam Tea Corporation Ltd.	2013-14 to 2018-19	6
13		Assam State Fertilizers and Chemicals Ltd.	2010-11 to 2018-19	9
14		Assam Industrial Development Corporation Ltd	2018-19	1
15		Assam Trade Promotion Organization	2018-19	1
16		Ashok Paper Mill (Assam) Ltd.	2016-17 to 2018-19	3
17		Assam Spun Silk Mills Ltd.	2014-15 to 2018-19	5
18		Assam Tanneries Ltd.	1982-83 to 2018-19	37
19		Cachar Sugar Mills Ltd.	2014-15 to 2018-19	5
20		Assam Polytex Ltd.	1988-89 to 2018-19	31
21		Assam Conductors and Tubes Ltd.	2015-16 to 2018-19	4
22		Industrial Papers (Assam) Ltd.	2001-02 to 2018-19	18
23		Assam Power Loom Development Corporation Ltd.	1994-95 to 2018-19	25
24		Pragjyotish Fertilizers and Chemicals Ltd.	2013-14 to 2018-19	6
25		Assam Syntax Ltd.	2018-19	1
26		Fertichem Ltd.	2018-19	1
27		Assam State Weaving and Manufacturing Company Ltd.	2018-19	1
28	Information Technology	Assam Electronics Development Corporation Ltd.	2013-14 to 2018-19	6
29		Amtron Informatics (India) Ltd.	2016-17 to 2018-19	3
30	Irrigation	Assam State Minor Irrigation Development Corporation Ltd.	2012-13 to 2018-19	7
31	Mines & Minerals	Assam Mineral Development Corporation Ltd.	2017-18 to 2018-19	2
32		Assam and Meghalaya Mineral Development Corporation Ltd.	1984-85 to 2018-19	35
33	Power	Assam Electricity Regulatory Commission	2018-19	1
34	Soil Conservation	Assam Plantation Crop Development Corporation Ltd.	1991-92 to 2011-12 & 2014-15 to 2018-19	26
35	Transport	Assam State Transport Corporation	2017-18 to 2018-19	2
36	Tourism	Assam Tourism Development Corporation Ltd.	2017-18 to 2018-19	2

Sl. No	Name of the Department	Name of the PSUs	Year (s) for which Accounts had not been received	Total No. of pending annual accounts
37	Welfare of Plains Tribes & Backward Classes	Assam State Development Corporation for SC Ltd.	2010-11 to 2018-19	9
38		Assam State Development Corporation for OBC Ltd.	2016-17 to 2018-19	3
39	Food, Supplies and Consumers Affairs	Civil and Assam Food and Civil Supplies Corporation limited Guwahati	2016-17 to 2018-19	3
40	Minorities Welfare	Assam Minorities Development Corporation	1998-99 to 2018-19	21
<b>Total</b>				<b>362</b>

# **Glossary of Abbreviations**



<b>Glossary of Abbreviations</b>	
<b>A&amp;E</b>	Accounts and Entitlements
<b>ABM</b>	Assam Budget Manual
<b>AC Bills</b>	Abstract Contingent Bills
<b>ADC</b>	Autonomous District Councils
<b>AG</b>	Accountant General
<b>AIBP</b>	Accelerated Irrigation Benefits Programme
<b>APDCL</b>	Assam Power Distribution Company Limited
<b>ATN</b>	Action Taken Notes
<b>BE</b>	Budget Estimates
<b>BTC</b>	Bodoland Territorial Council
<b>CAG</b>	Comptroller and Auditor General of India
<b>CAGR</b>	Compound Annual Growth Rate
<b>CE</b>	Capital Expenditure
<b>CGST</b>	Central Goods and Services Tax
<b>CO</b>	Controlling Officers
<b>CRF</b>	Central Road Fund
<b>CSS</b>	Centrally Sponsored Schemes
<b>DCC</b>	Detailed Countersigned Contingent
<b>DDO</b>	Drawing and Disbursing Officers
<b>DISCOM</b>	Distribution Companies
<b>FCS &amp; CA</b>	Food, Civil Supplies & Consumer Affairs
<b>FD</b>	Fiscal Deficit
<b>FRBM</b>	Fiscal Responsibility and Budget Management
<b>GASAB</b>	Government Accounting Standards Advisory Board
<b>GDP</b>	Gross Domestic Product
<b>GIA</b>	Grants-in-Aid
<b>GoA</b>	Government of Assam
<b>GoI</b>	Government of India
<b>GSDP</b>	Gross State Domestic Product
<b>GST</b>	Goods and Services Tax
<b>IGAS</b>	Indian Government Accounting Standards
<b>IGST</b>	Integrated Goods and Services Tax
<b>MoU</b>	Memorandum of Understanding
<b>MTFP</b>	Medium Term Fiscal Plan
<b>NDCR</b>	Non-debt Capital Receipts
<b>NEC</b>	North Eastern Council
<b>NER</b>	North Eastern Region
<b>NGO</b>	Non-Government Organisations
<b>NLCPR</b>	Non-lapsable Central Pool of Resources
<b>NPS</b>	National Pension System
<b>NRLM</b>	National Rural Livelihood Mission
<b>NSDL</b>	National Securities Depository Limited
<b>OD</b>	Overdrafts
<b>PAC</b>	Public Accounts Committee
<b>PD</b>	Personal Deposits
<b>PE</b>	Provisional Estimates
<b>PL</b>	Personal Ledger

<b>Glossary of Abbreviations</b>	
<b>PRAN</b>	Permanent Retirement Account Number
<b>PRI</b>	Panchayati Raj Institutions
<b>PSU</b>	Public Sector Undertakings
<b>QE</b>	Quick Estimates
<b>RBI</b>	Reserve Bank of India
<b>RD</b>	Revenue Deficit
<b>RE</b>	Revenue Expenditure
<b>RIDF</b>	Rural Infrastructure Development Fund
<b>RR</b>	Revenue Receipts
<b>SCS</b>	Special Category States
<b>SDRF</b>	State Disaster Response Fund
<b>SFAR</b>	State Finances Audit Report
<b>SGST</b>	State Goods and Services Tax
<b>SWMA</b>	Special Ways and Means Advances
<b>T&amp;D</b>	Transformation and Development
<b>TE</b>	Total Expenditure
<b>UC</b>	Utilisation Certificates
<b>UDAY</b>	Ujwal Discom Assurance Yojana
<b>ULB</b>	Urban Local Bodies
<b>VAT</b>	Value Added Tax
<b>WMA</b>	Ways and Means Advances
<b>XIV FC</b>	Fourteenth Finance Commission



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