



# **GOVERNMENT OF ASSAM FINANCE DEPARTMENT**

**Statements laid before the Assam Legislative  
Assembly as required under the  
Assam Fiscal Responsibility and Budget  
Management Act, 2005**

**2025-2026**

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## **PREFACE**

The Government of Assam (GoA) enacted the Fiscal Responsibility and Budget Management (AFRBM) Act in May 2005, which came into force from September 1, 2005 to ensure fiscal stability, sustainability, improve efficiency and transparency in management of public finances, enhance the availability of resources, remove the impediments for effective conduct of fiscal policy and prudent debt management for improving social and physical infrastructure and human development in the State. Under Section 3 of the Act, the Government of Assam is required to submit in the State Legislative Assembly a five Year Rolling Fiscal Plan with objectives of the State Government along with relevant fiscal indicators, a statement on recent economic trends and future prospects for growth and development affecting the fiscal position of the State.

Accordingly, a Statement is therefore laid before the State Legislative Assembly in compliance with the above statutory requirements. A Medium Term Fiscal Policy (MTFP) 2026-2031 is also placed along with this Statement, which takes into cognizance the key challenges on revenue flows in the GST regime coupled with current economic scenario and the expenditure management.

## **I. OVERVIEW OF GLOBAL AND INDIAN ECONOMY**

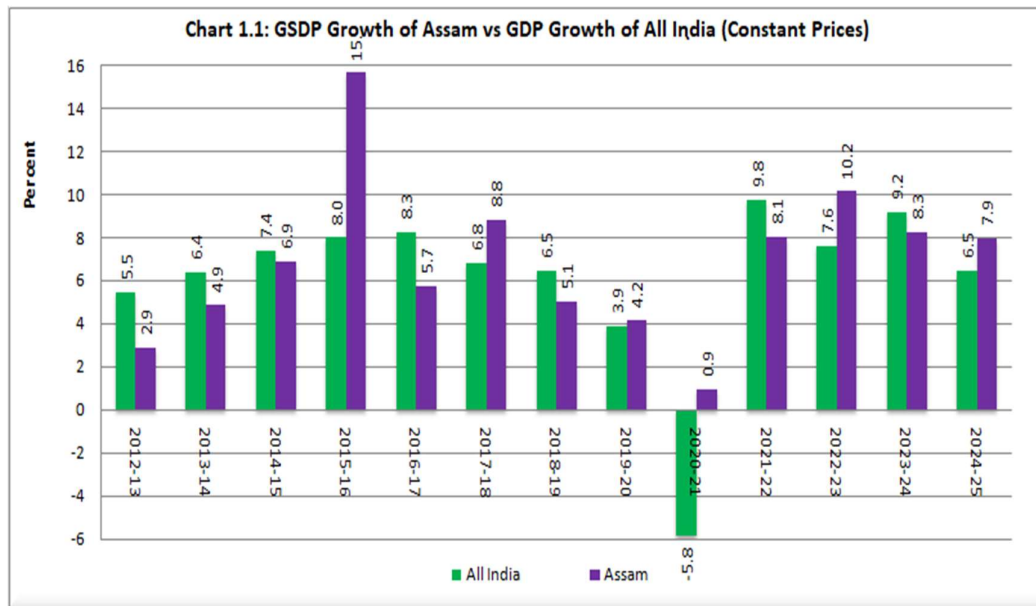
The global economy continues to exhibit resilience with steady growth and moderating inflation, while elevated food inflation, conflict, armed violence and weather extremes hinders the growth. As per projection of the International Monetary Fund (IMF), growth in world economy is projected to be steady at 3.3 per cent both in 2025 and 2026, and the risks to the global outlook are tilted towards downside amid elevated policy uncertainty. Some low-income and developing economies including India have, however, seen sizable downside growth revisions, often tied to intensifying conflicts. The IMF suggested that many countries have to shift gears on fiscal policy to ensure that public debt is on a sustainable path and to rebuild fiscal buffers. However, the pace of adjustment should be tailored to country-specific circumstances. Structural reforms are necessary to lift medium-term growth prospects, but support for the most vulnerable should be maintained. The continuing geopolitical risks and policy uncertainty, especially with respect to trade policies, have imparted heightened volatility to global financial markets.

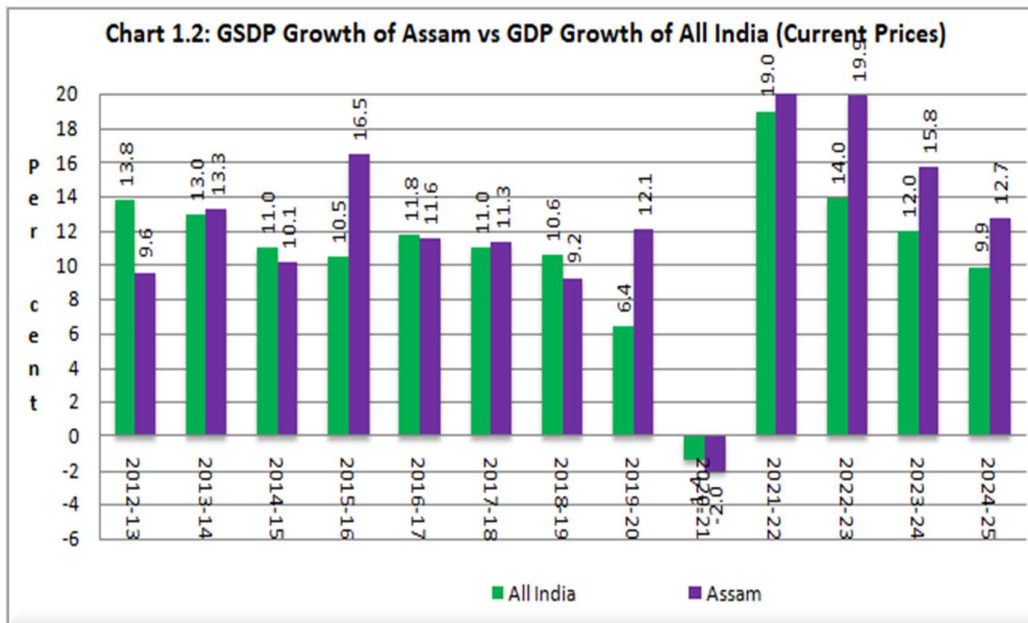
Reflecting these outlooks and apprehensions, the growth in Indian economy is likely to remain robust with Gross Domestic Product (GDP) growth of 6.5 per cent during 2025-26, as compared with the same growth recorded during 2024-25, as projected by the IMF. The IMF has suggested that lack of convergence in per capita income across Indian states requires greater resources for lower-income states for investment and improved public services. Central and State governments need to raise both tax and non-tax revenues, reduce subsidies, and reorient expenditure toward national and state-level priorities to restore the higher growth to achieve the vision to turn India into a developed economy by 2047, the centennial of independence. Marching towards this vision, as per the World Bank Atlas method, the per capita GNI is low for India on account of higher population coupled with lower base of absolute GDP, which is, however, growing fast during the recent period. Accordingly, India has been elevated from Low Income Country to Lower Middle-Income Country in 2007 and is to grow at a higher level to capture the status of Upper Middle Income and to High Income Country.

Reflecting these global trends coupled with improving employment conditions, tax relief in the Union Budget, moderating inflation, higher capacity utilization levels, robust business expectations and government policy support would augur well for

growth and accordingly the Reserve Bank of India (RBI), in its February 2025 monetary policy has projected the real GDP growth at 6.7 per cent for 2025-26, fractionally lower than the earlier estimate. However, positive outlooks such as robust *kharif* foodgrain production and good *rabi* prospects, coupled with an expected pickup in industrial activity and sustained buoyancy in services augur well for private consumption. Investment activity is expected to pick up. Resilient world trade prospects should provide support to external demand and exports. Headwinds from geo-political uncertainties, volatility in international commodity prices, and geo-economic fragmentation continue to pose risks to the outlook.

On the domestic front, the National Statistics Office (NSO) has estimated that the real GDP will grow at a lower rate of 6.5 per cent during 2024-25 as compared with 9.2 per cent growth achieved during the previous year (Chart 1.1). The GDP at current prices is projected to grow lower at 9.9 per cent during 2024-25 as compared with 12.0 per cent during the previous year (Chart 1.2).





In terms of Gross Value Added (GVA) at constant prices, Indian economy is estimated to grow lower at 6.4 per cent during 2024-25 as compared with 8.6 per cent during the previous year. Sector wise, Agriculture, Livestock, and Forestry & Fishing is the only sector estimated to grow higher at 4.6 per cent during 2024-25 as compared with 2.7 per cent during the previous year. This is mainly due to record level of foodgrain productions coupled with rural demand. While the Public Administration, Defence & other Services has maintained the growth level of the previous year, all other sectors have been estimated to grow at lower rates when compared to the previous year.

In nominal GVA terms also, while the primary sector has been estimated to grow at a higher rate at 10.1 per cent during 2024-25 as compared with 9.1 per cent during the previous year, the secondary sector and the tertiary sector are have been estimated to grow at a lower rate at 6.6 per cent and 10.7 per cent, respectively as compared with 12.3 per cent and 11.5 per cent during the previous year. Accordingly, the GVA growth during 2024-25 projected to be recorded lower at 9.5 per cent as compared with 11.2 per cent during the previous year. The growth estimate of GVA has been broadly reflected in the Index of Industrial Production. Although the growth of the Mining sector and the Electricity sector improved in December 2024, the overall growth during April–December 2024 was lower at 4.0 percent compared to 6.3 percent during the same period in the previous year.

## II. AN OVERVIEW OF THE STATE ECONOMY

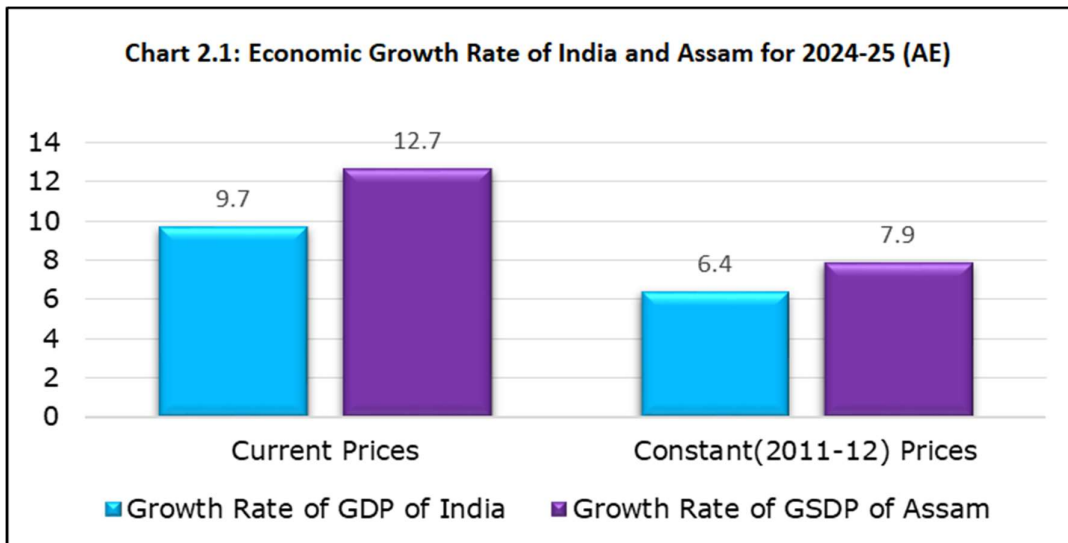
The estimate of the State Domestic Product reveals the extent and direction of changes in the levels of economic development of the state over a while. Assam is one of the potential states registering high growth in terms of GVA and GSDP.

Economic performance is measured by the pace at which economic activity is growing in a country or state. Assam by that measure, is one of the high-performing states in the country. Higher economic growth helps in making the lives of the people better. Assam is consistently performing better.

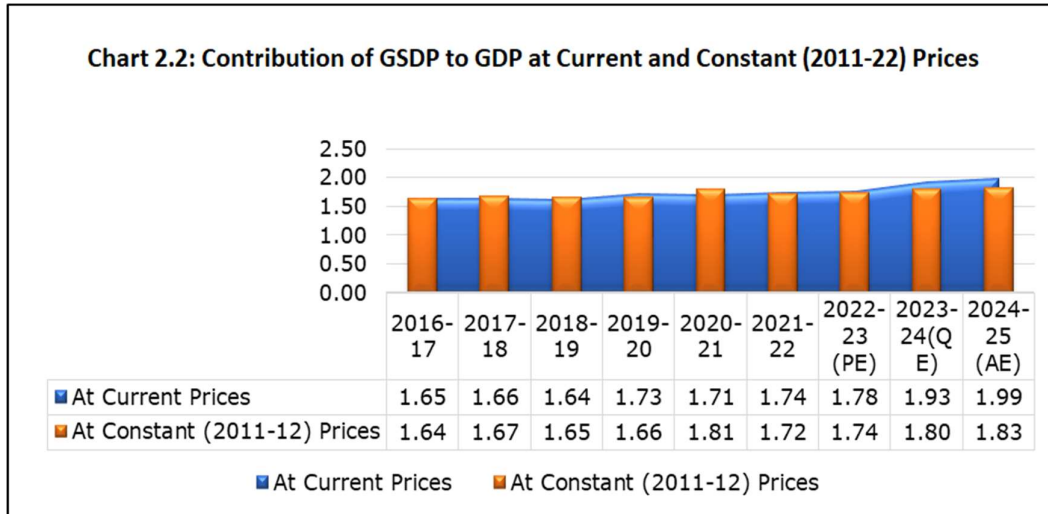
As per the advance estimates, the nominal GSDP for Assam at current prices for the FY 2024-25 (AE) is likely to attain a level of ₹6,43,667 crore as against ₹5,70,944 crore in FY 2023-24 (QE) reflecting a growth of 12.74 per cent over the preceding year. The real GSDP for Assam at constant prices for the FY 2024-25(AE) is likely to attain a level of ₹3,37,933 crore as against ₹3,13,065 crore in FY 2023-24(QE) reflecting a growth of 7.94 percent over the preceding year.

As per the projected estimate, the state GDP at current prices for the year 2025-26 is expected to reach the level of ₹7.42 lakh crore while the real GSDP at constant (2011-12) will be ₹3.70 lakh crore.

The nominal economic growth of Assam is estimated to be 12.74 per cent in FY 2024-25(AE) as compared to 9.9 percent at the All-India level and the real economic growth of Assam is projected to attain 7.9 percent in FY 2024-25(AE) as compared to 6.4 percent at the All India level.



The state has improved its share in India’s GDP at current prices, recording a rise from 1.65 percent in FY 2016-17 to 1.99 percent in FY 2024-25 (AE) and at constant (2011-12) prices, the contribution of GSDP to GDP has increased from 1.64 percent in 2016-17 to 1.83 percent in 2024-25(AE).





The GSDP of Assam and GDP of All India and its annual growth rate at current prices are presented in Table 2.1

**Table 2.1**

<b>GSDP of Assam and GDP of All India at current prices</b>						
<b>₹ in crore</b>						
<b>Assam</b>				<b>All India</b>		
<b>Sl. No</b>	<b>Year</b>	<b>GSDP of Assam</b>	<b>Growth Rate (In %)</b>	<b>Year</b>	<b>GDP of All India</b>	<b>Growth Rate (In %)</b>
<b>1</b>	2016-17	2,54,382	11.6	2016-17	1,53,91,669	11.8
<b>2</b>	2017-18	2,83,165	11.3	2017-18	1,70,90,042	11.0
<b>3</b>	2018-19	3,09,336	9.2	2018-19	1,88,99,668	10.6
<b>4</b>	2019-20	3,46,851	12.1	2019-20	2,01,03,593	6.4
<b>5</b>	2020-21	3,39,803	-2.0	2020-21	1,98,54,096	-1.2
<b>6</b>	2021-22	4,10,724	20.9	2021-22	2,35,97,399	18.8
<b>7</b>	2022-23 (PE)	4,79,390	16.7	2022-23 (FE)	2,68,90,473	14
<b>8</b>	2023-24(QE)	5,70,944	19.1	2023-24 (FRE)	3,01,22,956	12.0
<b>9</b>	2024-25 (AE)	6,43,667	12.7	2024-25 (SAE)	3,31,03,215	9.9
<b>10</b>	2025-26 (Proj)	7,41,626	15.2	NA	NA	NA

For Assam, PE: Provisional Estimates, QE: Quick Estimates and AE: Advance Estimates, Proj: - Projected Estimates

For All India, FRE: First Revised Estimates, FE: Final Estimates, SAE: Second Advance Estimates

**Source:** Directorate of Economics and Statistics, Assam & National Statistics Office, Ministry of Statistics and Programme Implementation (MoSPI), Govt. of India.

The GSDP of Assam and the GDP of All India and its annual growth rate at constant (2011-12) prices are presented in **Table: 2.2**

**Table 2.2**

GSDP of Assam and GDP of All India at constant (2011-12) prices						
₹ in crore						
Assam				All India		
Sl No	Year	GSDP of Assam	Growth Rate (In %)	Year	GDP of All India	Growth Rate (In %)
1	2016-17	2,02,081	5.7	2016-17	1,23,08,193	8.3
2	2017-18	2,19,919	8.8	2017-18	1,31,44,582	6.8
3	2018-19	2,31,040	5.1	2018-19	1,39,92,914	6.5
4	2019-20	2,40,707	4.2	2019-20	1,45,34,641	3.9
5	2020-21	2,47,819	3.0	2020-21	1,36,94,869	-5.8
6	2021-22	2,58,140	4.2	2021-22	1,50,21,846	9.7
7	2022-23 (PE)	2,80,570	8.7	2022-23(FE)	1,61,64,913	7.6
8	2023-24 (QE)	3,13,065	11.6	2023-24 (FRE)	1,76,50,591	9.2
9	2024-25 (AE)	3,37,933	7.9	2024-25 (SAE)	1,87,95,095	6.5
10	2025-26 (Proj.)	3,70,177	9.5	NA	NA	NA

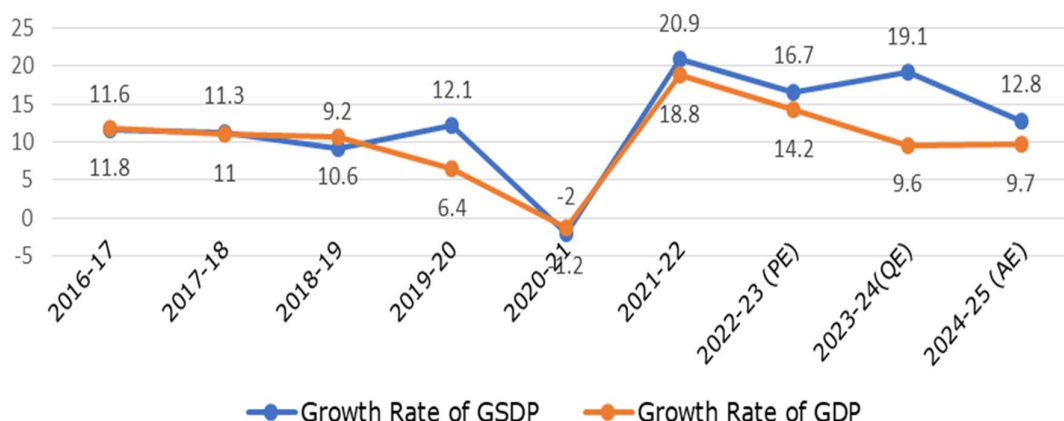
For Assam, PE: Provisional Estimates, QE: Quick Estimates and AE: Advance Estimates, Proj: - Projected Estimates

For All India, FRE: First Revised Estimates, FE: Final Estimates, SAE: Second Advance Estimates

Source: Directorate of Economics and Statistics, Assam & National Statistics Office, Ministry of Statistics and Programme Implementation (MoSPI), Govt. of India.

The growth rate of the GSDP of Assam and the GDP of All India at current prices is depicted in Chart 2.3.

**Chart 2.3: Growth Rate of GSDP of Assam and GDP of India at Current Prices (in %)**



### **Per Capita Income at current and constant (2011-12) prices**

The Per Capita Income is one of the indicators to measure the standard of living of residents of a State. These estimates not only serve as an indicator to assess the status of the economy among the States in the country but also throw light on the overall impact of various developmental programmes implemented by the Government.

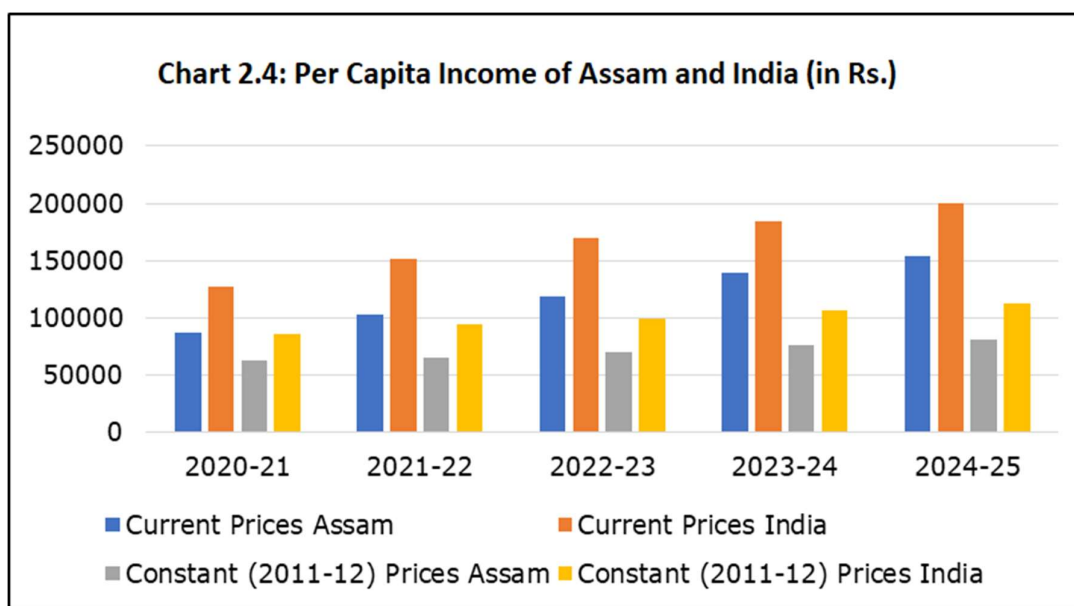
As per the advance estimates, the Per Capita Income (PCI) of Assam at current prices for the year 2024-25(AE) is estimated to be Rs.1,54,222 as against Rs.1,39,783 for the year 2023-24 (QE) registering an increase of 10.3 per cent.

As per the advance estimates, the Per Capita Income of the State at constant (2011-12) prices for the year 2024-25 is estimated to be Rs.81,127 as against Rs.75,938 for the FY 2022-23 (PE), showing a growth of 6.8 percent.

Table 2.3

Per Capita Income of Assam and India					
Sl. No	Year	Current Prices (in Rs.)		Constant (2011-12) Prices (in Rs.)	
		Assam	India	Assam	India
1	2017-18	75,151	1,15,224	57,835	87,586
2	2018-19	81,034	1,25,946	59,943	92,133
3	2019-20	90,123	1,32,341	61,519	94,420
4	2020-21	86,947	1,27,065	62,944	86,034
5	2021-22	1,03,370	1,50,906	64,998	94,054
6	2022-23	1,19,192	1,69,496	70,109	99,404
7	2023-24	1,39,783	1,84,205	75,938	1,06,744
8	2024-25	1,54,222	2,00,162	81,127	1,12,358

For Assam, PE: Provisional Estimates, QE: Quick Estimates and AE: Advance Estimates

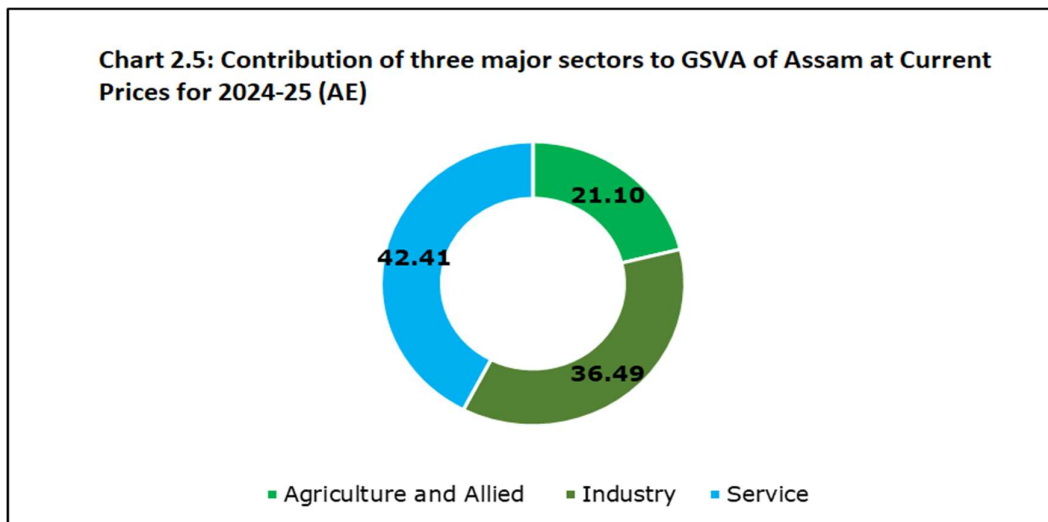


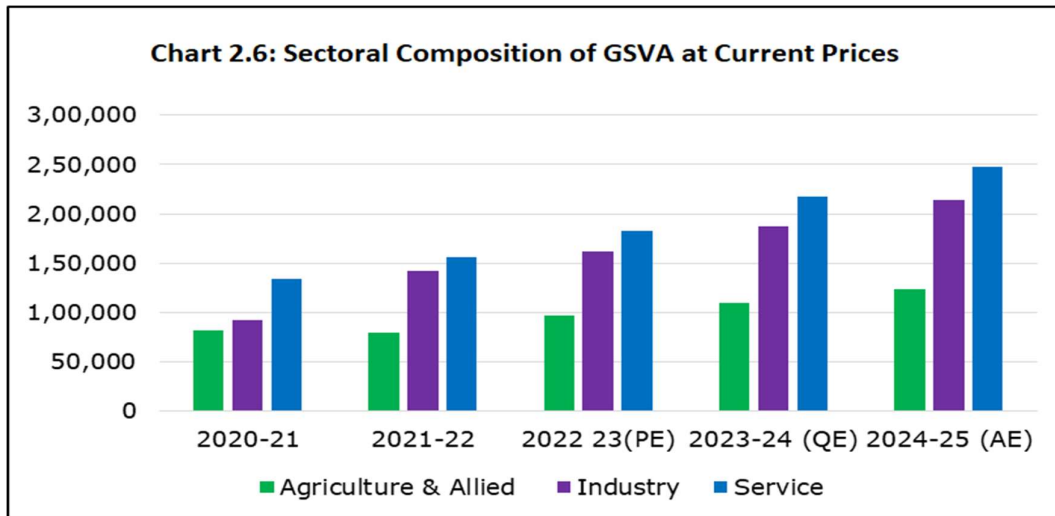
### Sectoral Contribution to GSVA at Current Prices

**Agriculture and Allied Sector:** The contribution of the agriculture and allied sector which includes crops, livestock, forestry & logging and the fishing sector is estimated to be 21.31 per cent of total GSVA at current prices for the FY 2023-24(QE). The GSVA of this sector is likely to attain a level of ₹ 1,23,467 crore in the FY 2024-25(AE) showing a positive growth of 12.8 per cent.

**Industry Sector:** The contribution of the Industry Sector comprising Mining and quarrying, Manufacturing, Electricity, Gas, Water Supply & Other Utility Services and Construction is estimated at 36.42 per cent to the total GSVA at current prices for the FY 2023-24(QE). As per the advance estimates, the GSVA of the Industry sector is estimated to reach the level of ₹ 2,13,486 crore in FY 2024-25 with a growth of 14.2 percent.

**The Service Sector:** The Service Sector, comprising Trade, Hotels & Restaurants, Transport, Storage & Communication, Financial Services, Real estate, Ownership of dwellings & Professional Services, Public Administration, Railway and Other Services is the major contributor to the economy of the State and it is estimated to be 42.27 per cent of the total GSVA at current prices for the FY 2023-24(QE). As per advance estimates, the GSVA of the Service sector is estimated to attain a level of ₹ 2,48,098 crore in FY 2024-25 showing a growth of 14.3 percent over the previous year.





### Sectoral Contribution to GSVA at Constant Prices

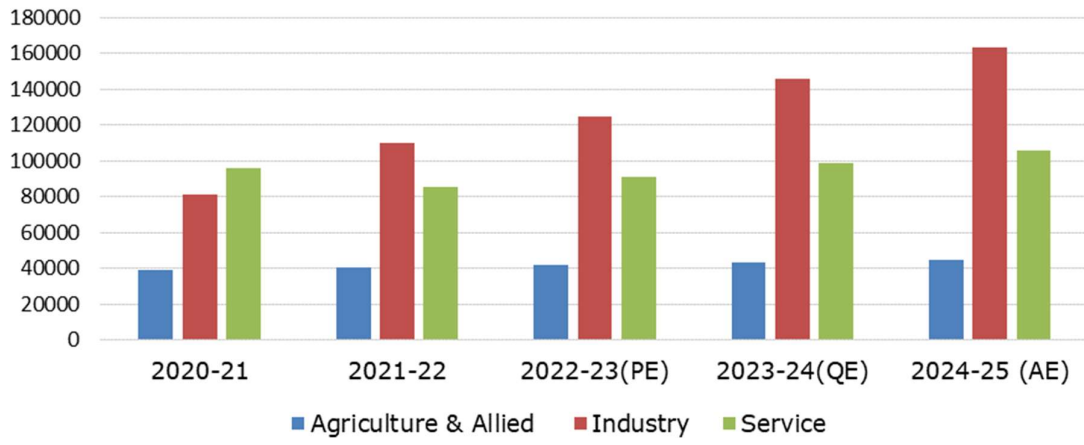
**Agriculture and Allied Sector:** The contribution of the agriculture and allied sector is estimated to be 15.06 per cent of total GSVA at constant (2011-12) prices for the FY 2023-24(QE). The GSVA of this sector is likely to attain a level of ₹ 44,467 crore in the FY 2024-25(AE) showing a growth of 2.66 percent over the previous year.

**Industry Sector:** The industry sector contributed 46.75 percent to the total GSVA at constant (2011-12) prices in 2021-22, and it increased to 50.60 percent in FY 2023-24(QE). As per advance estimates, the GSVA of the Industry sector at constant (2011-12) prices is estimated to attain a level of ₹ 1, 63,079 crore in 2024-25, showing a growth of 12.08 percent over the previous year.

**The Service Sector:** As per advance estimates, the GSVA of the Service sector at constant (2011-12) prices is estimated to attain a level of ₹ 1,05,710 crore in the year 2024-25 (QE) showing a growth of 7.05 percent over the previous year.

The composition of GSVA by broad sectors of the economy at constant prices is depicted in Chart 2.7

**Chart 2.7: Sectoral Composition of GSVA at Constant Prices (2011-12)**



### III. STATE FINANCES: FRBM & FISCAL CORRECTION PATH

(Under Rule 3(4) (b) & 3(4) (c) of AFRBM Act, 2005)

#### Fiscal Scenario

##### Own Tax Revenue

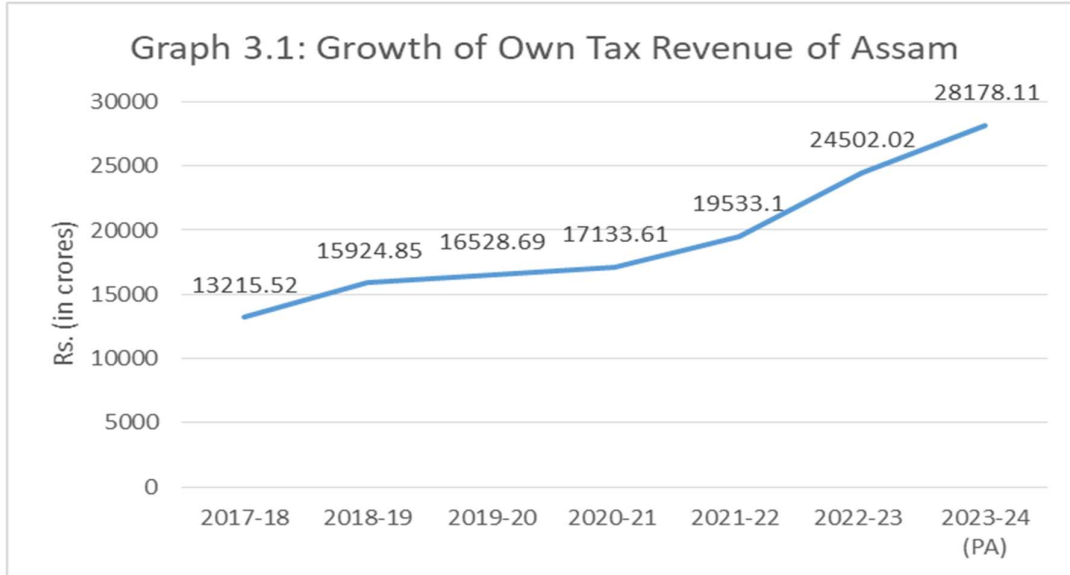
State's own tax revenue registered a growth of 20.5% in 2018-19. This high rate of growth in Own Tax Revenue (OTR) of the State in 2018-19 was due to increase in collection from petroleum products and more receipt of GST with Advanced Settlement.

The decline in growth rate of OTR in 2019-20 may be attributed to the decline in price of petroleum products, less collection of VAT/CST and less receipt of GST with Advance Settlement. The growth rate declined further in 2020-21 due to adverse effect of Covid-19 pandemic. However, The State has turned around in 2021-22 and registered an increase of 14% in its Own Tax Revenue. The Trend continued and OTR showed a growth rate of 25.44% in 2022-23 and may be assumed to attain its optimum level and then declining to 15% in 2023-24 (PA).

<b>Table 3.1: Growth of Own Tax Revenue of Assam</b>		
(Rs. in Crore)		
	<b>Own Tax</b>	<b>Growth (%)</b>
2017-18	13215.52	-
2018-19	15924.85	20.5
2019-20	16528.69	3.8
2020-21	17133.61	3.7
2021-22	19533.10	14.0
2022-23	24502.02	25.4
2023-24 (PA)	28178.11	15.0

Source: Finance Accounts





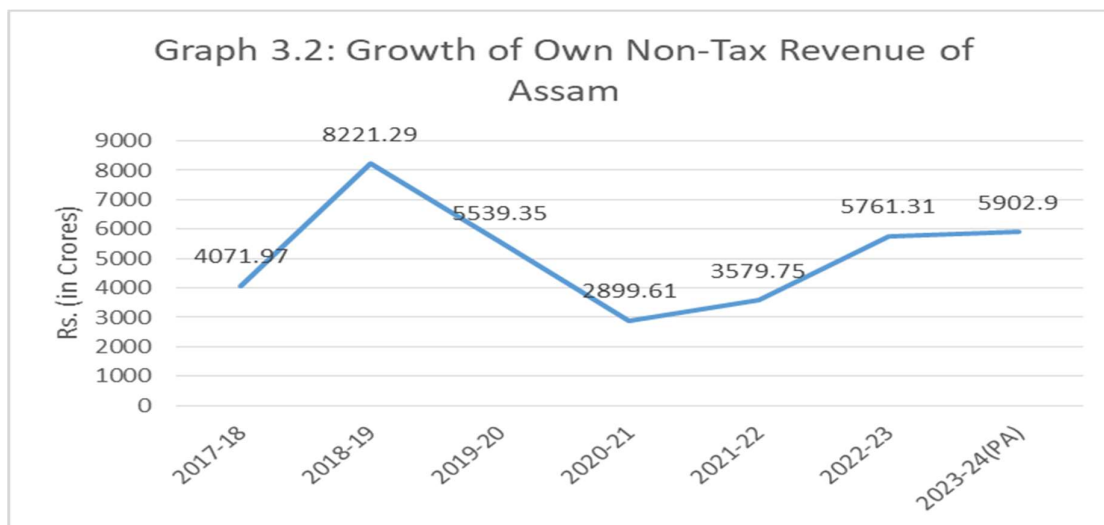
### Non-Tax Revenue

The collection of Non-Tax Revenue has shown significant improvement from 2017-18 to 2018-19 which is mainly due to arrear royalty from Govt. of India and showed a growth of around 102%. The growth rate in 2019-20 is -32.6%. The reason for declining growth rate in 2019-20 may be attributed to the fact that no arrear payment towards royalty was made during that year. The growth rate showed tremendous decline in 2020-21 and the reason may be attributed to COVID-19 Pandemic. The growth rate improved remarkably in 2021-22 and the State had registered a growth rate of 23.46%. However, no standard pattern emerged in the non-tax revenue collection during the recent period (Table 3.2). During 2022-23, ONTR showed a growth of 60.9% over the previous year which may again be attributed to increased collection against Petroleum royalty and in absence of this, the growth rate for ONTR in 2023-24 (PA) came down to 2.5% only.

(Rs. In Crore)		
Year	Non-Tax	Growth (%)
2017-18	4071.97	
2018-19	8221.29	101.9
2019-20	5539.35	-32.6
2020-21	2899.61	-47.6

2021-22	3579.75	23.5
2022-23	5761.31	60.9
2023-24(PA)	5902.90	2.5

Source: Finance Accounts



### Revenue Expenditure

The expenditure of the Govt. of Assam has been increasing steadily during the recent period on account of increase in administrative expenditure (Table 3.3) and increase in maintenance cost of capital assets, creation of seven Autonomous Councils and thirty-three Development Councils and long drawn insurgency problem in the State. However, for each year, the ratio of Development Expenditure to Total Revenue Expenditure is more than the ratio of non-development expenditure to Total Revenue Expenditure. Revenue expenditure showed an increasing growth during 2019-20, due to COVID -19 pandemic effects. However, it has decreased considerably during 2020-21.

During 2021-22, Revenue Expenditure showed a growth rate of 28% over the previous year mainly due to an increase in committed expenditure of the State. Revenue expenditure in 2022-23 increased in declining rate of 23% as compared to that in the previous year. However, the ratio of Development Expenditure to Total Revenue Expenditure continues to be more than the ratio of Non-Development expenditure to Total Revenue Expenditure.

Due to continuous effort of the State Government and more realistic approach to prepare the State Annual Budget, the FY 2023-24 registered decrease in Revenue Expenditure with a negative growth rate of 7.52%. This year also, the percentage of Development Expenditure to Total Revenue expenditure remained higher than that of Non-Development Expenditure to Total revenue Expenditure.

**Table 3.3 Developmental Expenditure Table vs Non-Developmental expenditure**  
(Rs. in Crore)

Item	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24 (PA)
Total Revenue Expenditure	55480.94	56899	65817.30	64519.59	82547.96	101814.64	94162.90
Developmental Expenditure	33565.08	35811.37	43358.70	41924.13	46544.06	67204.72	56144.24
Non-Developmental Expenditure	21790.81	20813.74	22092.30	22595.50	36003.90	34093.69	37685.43
Grants-In-Aid And Contributions (GIA)	125.05	273.89	366.23	376.95	306.13	516.23	333.23
Developmental Expenditure as percent of TRE	60.5	62.94	65.88	64.98	56.38	66.01	59.62
Non-Developmental Expenditure as percent of TRE	39.28	36.58	33.57	35.02	43.62	33.49	40.02
GIA as per cent of TRE	0.23	0.48	0.56	0.58	0.37	0.51	0.35
Growth Rate (TRE)		2.56	15.67	-1.97	27.94	23.34	-7.52

*Source: Finance Accounts*

### Capital Expenditure

The State's capital expenditure indicates the level of investment made for development purposes, which helps in accelerating economic development. Contraction of revenue expenditure to the extent possible generates surplus funds for capital investment. Trend relating to share of revenue expenditure and share of capital expenditure in the total expenditure for the period from 2017-18 is indicated in the Table 3.4 below:

**Table 3.4: Ratio of Revenue Expenditure and Capital Expenditure to Total Expenditure**

Year	Non-Debt Capital Expenditure	Revenue expenditure	Total Expenditure	% Share of Revenue Expenditure	% Share of Capital Expenditure	Capital Expenditure as % of GSDP
2017-18	7692.84	55480.94	63427.85	87.47	12.13	2.72
2018-19	11034.08	56899.00	68261.15	83.35	16.16	3.57
2019-20	13185.42	65817.3	79318.86	82.98	16.62	3.80
2020-21	12399.39	64159.59	77006.78	83.78	16.10	3.51
2021-22	20125.83	82547.96	102777.8	80.32	19.68	4.88
2022-23	15997.71	101814.64	119952.19	84.88	13.34	2.51
2023-24 (PA)	21444.23	94162.90	115671.63	81.41	18.54	3.76

*Source: Finance Accounts*

From the above table, it has been observed that share of revenue expenditure in total expenditure has declined from 87% in 2017-18 to 81% during 2023-24(PA). On the other hand, Capital expenditure trend has been upward since 2017-18 onwards till 2021-22. It slowed down slightly in 2022-23 but gained its speed again in 2023-24. The percentage of capital expenditure to GSDP has also improved, registering 2.72% during 2017-18 to 3.76% in 2023-24 after obtaining its peak at 4.88% in 2021-22.

During 2021-22, the substantial increase in Capital Expenditure was primarily on account of the following reasons:

- i. Implementation of Government of India's Scheme for Special Assistance for Capital Investment.
- ii. Book adjustment of Rs.3095.81 Cr. on account of conversion of outstanding loans of Power Sector PSUs to Equity.
- iii. Equity investment of Rs.1216.88 Cr. in Numaligarh Refinery.

#### **Scheme for Special Assistance to States for Capital Investment (SASCI)**

Capital Expenditure always has a high multiplier effect, enhances future productive capacity of the economy, and results in a higher rate of economic growth. SASCI, a Govt. Of India scheme, introduced back in 2020-21 has immensely helped in boosting economic development, capital spending and enabling environment and ecosystem for greater investment and growth in the State. Paradigm shift was brought in with the launch of the scheme in FY 2020-21 that developed our capacities both ways in the process – Reform & Capital expenditure. Since the introduction of the scheme in

FY2023-24, Assam has obtained an amount of Rs.11154.57 Crore as 50-year interest free loan only to invest in capital sector so as to increase its capital expenditure in absolute terms as well as percentage of Capital Expenditure in Total expenditure of the State.

The amount received by the State against the scheme is shown in the Table 3.5 below:

**Table 3.5: Fund received from GoI under SASCI from 2020-21 to 2023-24**

*Rs.in crore*

<b>Year</b>	<b>Amount received</b>
2020-21	450.00
2021-22	600.00
2022-23	4300.14
2023-24	5804.43
<b>Total</b>	<b>11154.57</b>

### **Consolidated Sinking Fund**

Government of Assam constituted a Consolidated Sinking Fund (CSF) vide letter No.BW.15/98/Pt/127 dtd. 22<sup>nd</sup> February, 2000 to be utilized **as an Amortization Fund for redemption of Open Market Borrowings** of the Government and it came into force w.e.f. Financial Year 1999-2000.

The Consolidated Sinking Fund (CSF) is being revised time to time as per advice/approval of Reserve Bank of India.

The Revised Schemes for Constitution and Administration of the Consolidated Sinking Fund (CSF) were issued vide Notifications No.BW.06/2006 dated 21.11.2007, No.BW.06/2006 dated 16.06.2017, No.BW.06/2006 dated 30.05.2019 for redemption of outstanding liabilities of the State Government.

During 2023-24, as per advice of Reserve Bank of India, the Government of Assam in partial modification of earlier notifications, has constituted a Revised Scheme for Constitution and Administration of the Consolidated Sinking Fund (CSF)

vide Notification No.BW.15/2000/Vol-III dated 25.01.2024 for its utilization as an Amortization Fund for redemption of outstanding liabilities of the State Government.

Government of Assam is contributing to the Consolidated Sinking Fund every year since 1999-2000 till date as per the relevant terms & conditions of the Fund.

### **Guarantee Redemption Fund**

Govt. of Assam constituted a Guarantee Redemption Fund (GRF) vide Gazette Notification No.FEA.120/2001/151 dtd. 4<sup>th</sup> April, 2012. As per para 5.2 of this notification, the Govt. shall contribute during each year an amount equivalent to at least 3% of outstanding Guarantees at the end of the second Financial Year.

Govt. of Assam has been contributing to the Fund (GRF) since 2012-13 as per terms and conditions of the Fund.

During Financial Year 2023-24, as per advice of Reserve Bank of India, Govt. of Assam, in partial modification of the earlier notification, has constituted a Revised “Scheme for Constitution and Administration of Guarantee Redemption Fund (GRF) of Government of Assam” vide Notification No.FEA.120/2001/489 dtd. 30<sup>th</sup> January, 2024 for meeting its obligations arising out of the Guarantee issued on behalf of the State Level Public Enterprises or other bodies, when the guarantees are invoked by the lending institutions.

Since 2012-13, Govt. of Assam is contributing to the fund as per terms and conditions of the fund.

### **Gross Fiscal Deficit**

The fiscal deficit of the Govt of Assam has started accelerating steeply from Rs. 9342.21 Crore in 2017-18 to Rs. 20854.69 Crore in 2023-24 mainly on account of significant increase in Capital Expenditure and steady increase in Revenue Expenditure as against marginal increase in own tax revenue coupled with near stagnant own non-tax revenue collections. In 2018-19, however, Fiscal Deficit decelerated to Rs.4,779.06 Cr with increase in own tax and own non-tax revenue collections, keeping the figure well within the limit prescribed in AFRBM Act, 2005 and subsequent amendments.

During the FY 2019-20, Fiscal Deficit as a percentage of GSDP had crossed 3%, the limit prescribed under Assam Fiscal Responsibility and Budget Management

Act, 2011 as well as Amended Act, 2017, due to decline in Revenue Receipt as a result of non-receipt of Central share of taxes as per estimated amount of the same reflected in the Union Budget, 2019-20.

The 14th Finance Commission recommended an amount of Rs.34374 Crore as Share of Central Taxes for the State of Assam for 2019-20. However, the Union Government has provided an amount of Rs.26790 Crore in 2019-20 Union Budget for the same, which has been revised to Rs.23,670 Crore. But Actual receipt is Rs. 21721.44Cr, which is even lesser than the amount of Rs. 22301.54 Cr. received in 2017-18 and that received in 2018-19 (Rs. 25215.85 Cr.). To compensate this loss, Govt. of India has allowed additional borrowing of Rs. 1949 Crore during 2019-20 and the AFRBM Act has been amended accordingly.

For 2020-21, over and above 3% of GSDP, Govt. of India allowed additional borrowing of 2% of GSDP to overcome revenue loss due to COVID-19 Pandemic and the AFRBM Act has been suitably amended to accommodate the additional space.

For 2021-22, the 15th Finance Commission has recommended fiscal deficit to be restricted within 4% of GSDP. However, Govt. of India has allowed up to 4.5 % of GSDP under certain performance conditions linked to Incremental Capital Expenditure and Power Sector Reforms. The existing AFRMB Act has been amended accordingly.

For 2022-23, over and above 3.5% of GSDP, Govt. of India has allowed additional 0.5 % of GSDP under certain performance conditions linked to Power Sector Reforms. The Hon'ble Cabinet has approved necessary amendment in the existing AFRMB Act for the purpose and the AFRBM Act has been suitably amended to accommodate the additional space.

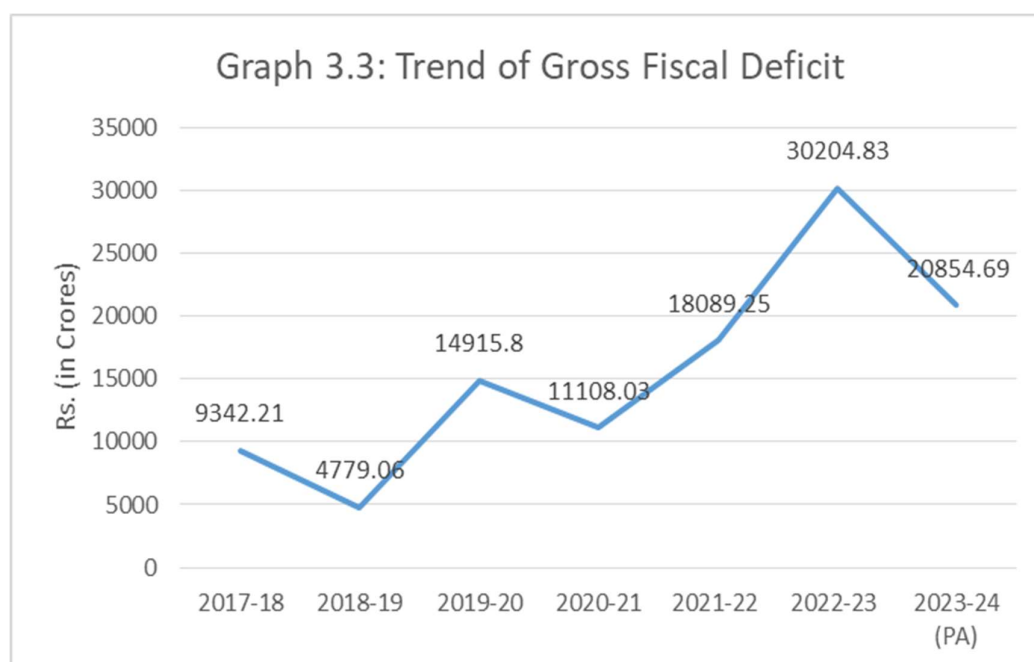
However, during 2022-23, Gross Fiscal Deficit (GFD) has crossed the prescribed limit of 3.5% of GSDP mainly due to increase in expenditure in keeping with the State's budgetary commitments and committed liabilities.

During 2023-24, GFD is slightly over the prescribed limit of 3% of GSDP plus additional 0.5% of GSDP linked to Power Sector Reforms.

<b>Year</b>	<b>Gross Fiscal Deficit (Rs. in Crore)</b>	<b>Fiscal deficit as % of GSDP</b>
2017-18	9342.21	3.30
2018-19	4779.06	1.54
2019-20	14915.80	4.30
2020-21	11108.03	3.27
2021-22	18089.25	4.40
2022-23	30204.83	6.30
2023-24 (PA)	20854.69	3.65

*N.B.: (-ve) sign indicates surplus)*

*(Source: Departmental Data and Directorate of Eco & Stats)*



### **Financing of Fiscal Deficit**

During the recent past, financing of GFD through the National Small Savings Fund (NSSF) and Provident Fund has decelerated and as a consequence, open market borrowings have increased. As recommended by the 14th Finance Commission, States have been excluded from the NSSF borrowings, which have also led to the move towards more market borrowings to finance the GFD.



## **FRBM and Fiscal Correction Path**

The fiscal base and fiscal health of a State are directly related to the development of the State. Public Investment in the infrastructure expands the productive capacity of the economy and thus, expands the revenue generating potential of the State. The fiscal base is determined by the size of the economy, which can be expanded in the long run. Thus, in the medium term, the fiscal health of the State has to be improved so that the Government can increase the development expenditure and expand the economic base of the state. Towards this objective, the debt management strategy is to be streamlined in alignment with medium term fiscal policy.

## **Five Year Rolling Fiscal Plan**

The Thirteenth Finance Commission had revised the revenue and fiscal deficit targets for the five fiscal years from 2010-11 to 2014-15. The 14th Finance Commission has viewed that tax devolution should be the primary route of transfer of resources to States since it is formula based and thus conducive to sound fiscal federalism. However, to the extent that formula-based transfers do not meet the needs of specific States, they need to be supplemented by grants-in-aid on an assured basis and in a fair manner. They further recommended that fiscal deficit of all States will be anchored to an annual limit of 3 per cent of GSDP.

The Fourteenth Finance Commission recommended that Fiscal Deficit-GSDP ratio to be maintained at 3% during 2015-2020. However, the State will be eligible for flexibility subject to the fulfilment of the following:

- State will be eligible for flexibility at 0.25% provided its Debt-GSDP ratio of the preceding year is less than or equal to 25%.
- State will be eligible for additional borrowing of 0.25% of GSDP in a given year provided the interest payment are less than or equal to 10 percent of the revenue receipts in the preceding year.
- The two options under these flexibility provisions can be availed of by a State either separately, if any of the above criteria is fulfilled, or simultaneously if both the above stated criteria are fulfilled.
- The flexibility in availing the additional limit under either of the two options

or both will be available to a State only if there is no revenue deficit in the previous year.

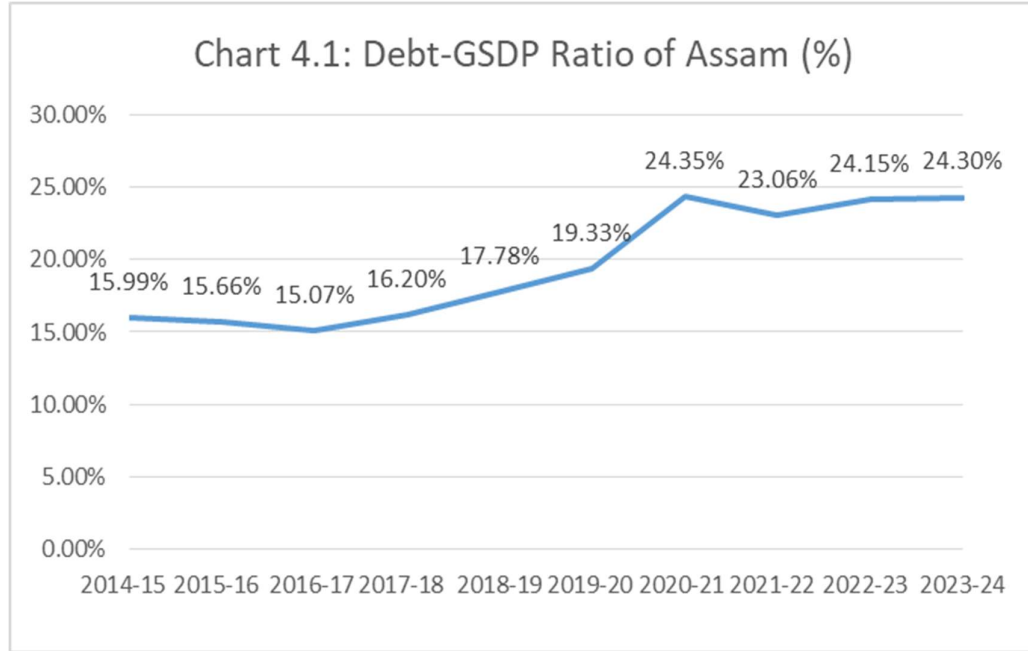
- Accordingly, an amendment of AFRBM Act, 2005 was introduced in the Budget Session of Assam Legislative Assembly, 2017-18. The said amendment received the assent of the Governor on 30th March, 2017 and notified vide gazette notification Dated 5th April, 2017.
- The 15th FC has also recommended that both central and state governments should focus on debt consolidation and comply with the fiscal deficit and debt levels as per their respective Fiscal Responsibility and Budget Management (FRBM) Acts. The Commission has also indicated the fiscal deficit-GSDP ratio limits as 4.5, 4.0, 3.5 for 2020-21, 2021-22 and 2022-23 respectively and 3.0 for 2023-24, 2024-25 and 2025-26. However, 0.5% of GSDP has been allowed as additional borrowing space linked to Power Sector Reforms for 2023-24 and 2024-25.
- The fiscal indicators along with the budget estimates for 2025-26 and the rolling targets for the next five years are placed in **Annexure-I**.

## IV. DEBT MANAGEMENT

### Debt Structure

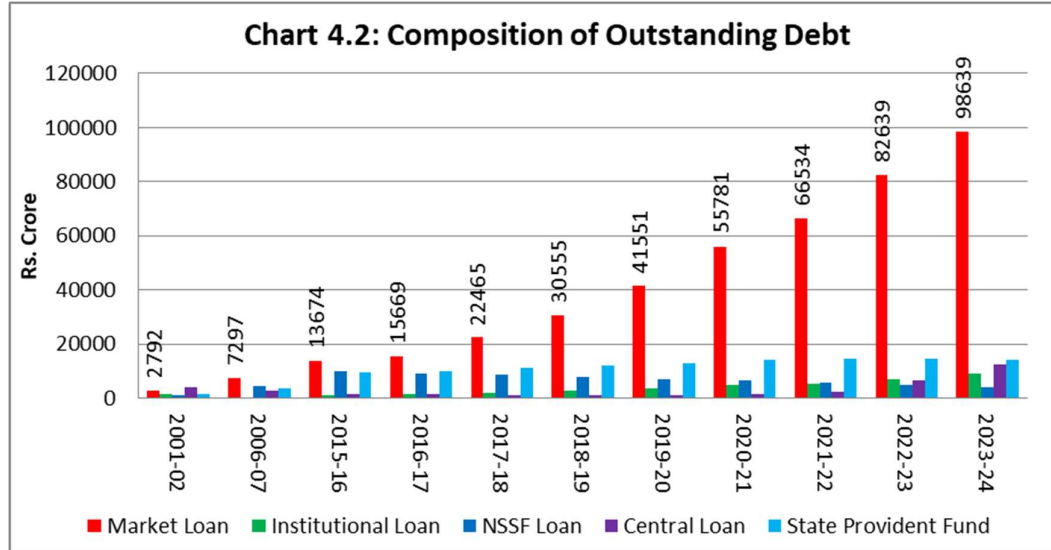
The outstanding debt of the Government of Assam (GoA) increased from Rs. 35,690.22 crore at the end of March, 2016 to Rs.1,38,754.30 crore at the end of March, 2024. The Debt to GSDP ratio of the State accelerated from 15.66% at end-March 2016 to 24.3% at end-March 2024 mainly due to increase in issuance of State Government Securities (SGS), Institutional loan and loans under “Schemes for Special Assistance to States for Capital Investment (Table 4.1 & Chart 4.1). However, the Debt to GSDP ratio was well within the prescribed limit of 32% of GSDP as per AFRBM Act.

<b>Table 4.1: Debt Position and Debt-GSDP Ratio</b>							
							(Rs.in Cr.)
<b>Year</b>	<b>Market Loan</b>	<b>Institutional Loan</b>	<b>NSSF Loan</b>	<b>Central Loan</b>	<b>State Provident Fund</b>	<b>Yearend total outstanding debt</b>	<b>Debt - GSDP Ratio (%)</b>
2001-02	2792.20	1640.12	1216.37	4312.88	1738.65	11700.22	30.54
2006-07	7296.53	417.74	4688.26	2775.31	3614.78	18792.62	29.05
2015-16	13674.20	1165.26	9959.73	1508.16	9382.87	35690.22	15.66
2016-17	15668.54	1738.56	9329.55	1429.78	10179.33	38345.76	15.07
2017-18	22465.41	2164.24	8664.08	1361.18	11206.99	45861.90	16.20
2018-19	30554.77	3001.78	7954.59	1309.07	12188.05	55008.25	17.78
2019-20	41551.01	3876.59	7199.62	1270.29	13156.52	67054.02	19.33
2020-21	55781.01	4785.36	6444.66	1684.68	14045.37	82741.07	24.35
2021-22	66534.01	5553.40	5689.70	2287.99	14646.90	94711.99	23.06
2022-23	82639.01	6866.71	4934.73	6563.80	14747.07	115751.32	24.15
2023-24	98639.01	9155.79	4179.78	12403.42	14376.34	138754.30	24.30



### **Composition of Debt**

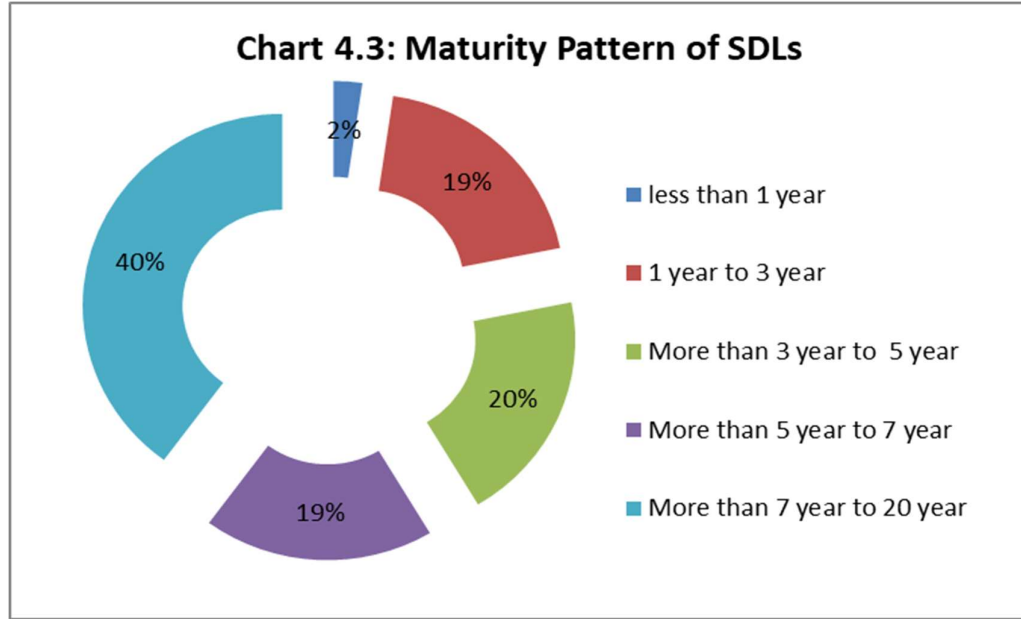
The market borrowings during 2023-24 constitute the major share of 71.1% in the total debt followed by Provident Fund and Central Loans. While the share of market borrowings and Institutional Loan accelerated during 2015-16 to 2023-24, the share of Central Loan has decreased up to 2019-20 and thereafter increased and the increase was more visible during 2023-24 on account of enhanced Special Assistance to States for Capital Investments (Chart 4.2). In addition to SGSs, GoA has also availed institutional loans from NABARD, NCDC, GIC etc., and Block Loan from GoI for EAP to cater to the needs of the capital investment. As loans from NSSF have been discontinued, servicing of these loans has been continuing along with other loans. Loan from NABARD under RIDF, NIDA, etc., has been increasing during the recent past on account of increase in rural infrastructure projects in the state. Similarly, EAP loan has also edged up on account of more projects that have been initiated during the recent past for the development of the State.



### Maturity Pattern of Outstanding Debt

The maturity patterns of the SGSs as at end-March 2024 reveals that SDLs of ₹ 5150 crore are due for repayment during 2024-25. The residual maturity of outstanding SGSs over 1 year to 3 years was at ₹21,100 crore as at end-March 2024 and more than 3 year to 5 year at Rs.21,156 crore. Over 5 year to 7 year maturity was at ₹20,183 crore and above 7 year was at ₹43,100 crore as on January 29, 2025 (Table 4.2 and Chart 4.3). Therefore, there is no sufficient cushion for further issuance of short term securities of more than 1 year to 5 year maturities to smoothen the repayment curve of the State. During 2024-25, up to March 5, 2025, Assam has raised ₹ 16,600 crore of varying maturities of 7 year to 20 years as compared with ₹14,500 crore raised during the corresponding period of the previous year.

Period	Maturity Amount (Rs. Crore)	(% share in Outstanding)
less than 1 year	2500	4.3
1 year to 3 year	21100	21.6
More than 3 year to 5 year	21156	21.7
More than 5 year to 7 year	20183	20.4
More than 7 year to 20 year	43100	32.0
<b>Total as on Jan 29, 2025</b>	<b>108039</b>	<b>100.0</b>

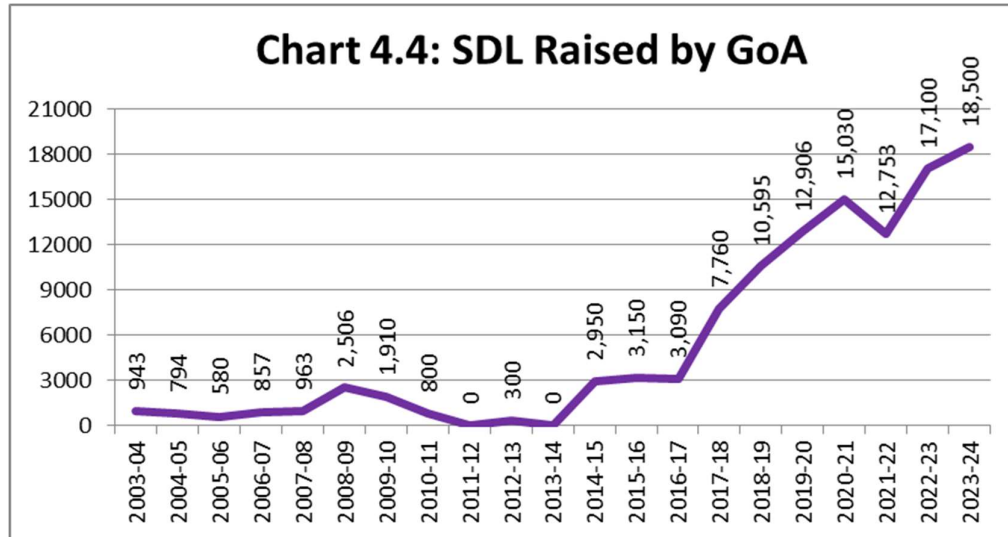


### **Debt Management Strategy**

Market borrowing is the main source of financing the GFD of the GoA during the recent past on account of exclusion of States from accessing the NSSF funds and also deceleration in Government of India (GoI) assistance to State. However, GoA availed the Open Market Borrowings (OMBs) judiciously to finance its fiscal deficit and accordingly, the actual borrowings were, in many years, lower than the actual sanctions by the GoI. In recent years, the market borrowings have increased on account of increase in capital expenditure coupled with increase in State's share to cope up with the enhanced RIDF and EAP borrowings for capital intensive projects (Table 4.3).

<b>Table 4.3: SDL Raised and Repayment by GoA</b>			
(Rs. in Crore)			
<b>Year</b>	<b>Gross SDL Raised</b>	<b>Repayment</b>	<b>Net SDL Raised</b>
2015-16	3,150	1,253	1,897
2016-17	3,090	1,096	1,994
2017-18	7,760	963	6,797
2018-19	10,595	2,506	8,089
2019-20	12,906	1,910	10,996
2020-21	15,030	800	14,230
2021-22	12,753	2,000	10,753
2022-23	17,100	995	16,105
2023-24	18,500	2,500	16,000
2024-25 (Up to Mar 5, 2025)	16,600	3,650	12,950
Source : Internal Records			

As a prudent debt management initiative, since 2018-19, GoA has been raising 3 year, 4 year, 5 year, 6 year and 7 year SGSs in addition to regular 10 year securities at competitive rates to smoothen the repayment schedule. During 2024-25, GoA has refined its strategy to borrow more long term securities of more than 15 years to take advantage of the yield movement in the bond market for very soft interest on over 15 year securities. Accordingly, GoA has raised very long term securities of 15 year and 20 year in addition to medium term and regular long term securities of 10 year (Chart 4.4). Short term borrowings have been raised wherever repayment cushion is available for the GoA.



### Medium Term Debt Management Strategy

Prudent public debt management and coordinated and conducive policy options thereon are an integral part of macroeconomic development of the State. It is well-recognised that GoA needs efficient and effective public debt management as the public debt is the largest financial portfolio in the economy and its impact could be felt over years. Developing and implementing an effective strategy for managing the debt in order to raise the required amount of funds at a lower cost over the medium term, consistent with a prudent degree of risk is essential in this context. A prudent and efficient debt management strategy is important for the sustainability of the debt of the State and the budget formulation.

Towards this goal, a prudent Medium-Term Debt Management Strategy (MTDS) is an essential tool in the cash and debt management operations of the GoA. Accordingly, the GoA is in practice of preparing MTDS as and when required in addition to regular debt retirement strategy and devises the borrowing strategy depending upon the funds requirements, the ruling interest rate and bond market conditions. As the GoA's issuance of securities is limited to around Rs.18,000 crore, long term planning in terms of interest rate risk may not yield the desired results as the movement of financial market depends upon various factors including the supply of securities, bidding pattern, larger issuer of securities like the GoI and fiscally bigger states. Studies have concluded that the yield on the SGSs generally depends on demand and supply in the bond market, which are decided by factors such as prevailing interest rate scenario, financial market conditions especially liquidity conditions, time of accessing the market, bidding pattern of the



market participants, developments in other financial markets such as forex market, capital market, international bond market, etc. Another RBI study concluded that, sometimes, market do not differentiate between the borrowings of various states, notwithstanding their very different fiscal conditions. Therefore, cost of borrowings of the GoA may depend upon various factors, which include market factors as well as fiscal factors. As the GoA has minimal influence in the market factors, improvement in fiscal factors may influence to raise SGSs at a competitive rate. GoA has generally avoided lumping of repayments and has smoothen its repayment curve for better management of its debt portfolio. Accordingly, GoA has been issuing medium term securities of 3 to 7 years and very long term securities of 15 year and 20 years in addition to regular 10 year securities. As a result, the weighted average cost of borrowings of Assam has competitively been kept lower than all states average cost.

### **Debt Sustainability Analysis**

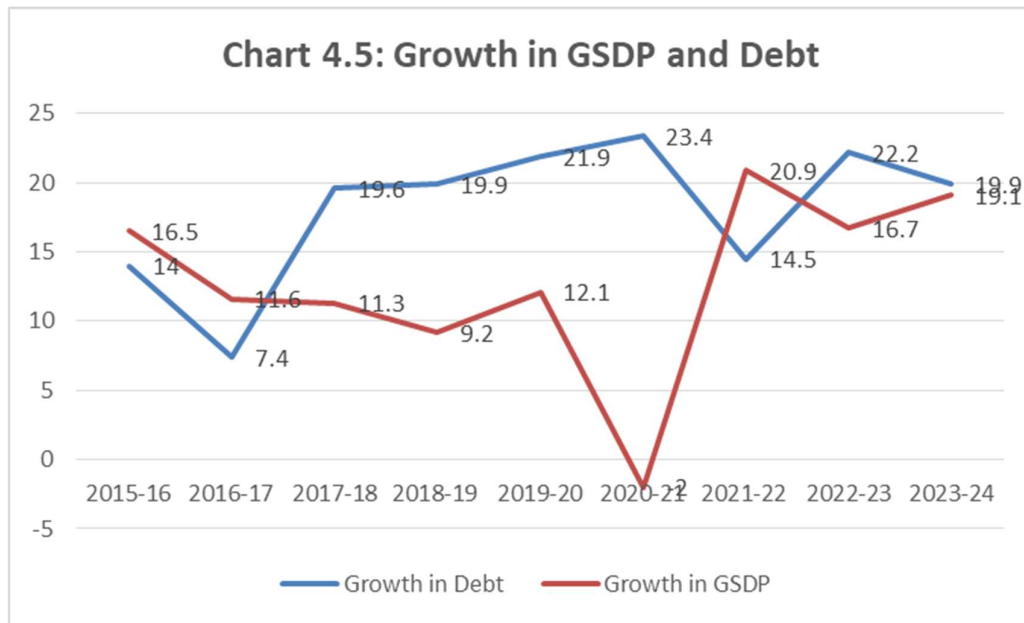
In terms of international standards, Debt Sustainability is defined as the ability of a country to meet its debt obligations without requiring debt relief or accumulating arrears. Debt sustainability can be assessed on the basis of different debt and debt-service indicators relative to measures of repayment capacity, which can be measured in terms of GSDP or fiscal indicators.

State Finances: A Study of Budgets (RBI) described the debt sustainability of the State by way of two indicators:

- The rate of growth of public debt ( $k$ ) should be lower than the growth rate of nominal GSDP ( $g$ ), i.e.,  $k-g < 0$ .
- The growth rate of GSDP should be higher than effective interest rate ( $i$ ), i.e.,  $g-i > 0$ .

In terms of these two indicators, the growth of nominal GSDP of Assam is higher than the growth of debt up to 2016-17 and thereafter, the growth in debt has increased till 2020-21 on account of increased spending in capital expenditure for the development of the state (Table 4.4 & Chart 4.5). However, the debt to GSDP ratio was much lower than the AFRBM target on account of need based borrowing strategy adopted by the state. Since 2021-22, the growth in GSDP has surpassed the debt growth as Assam was one of the highest GSDP growth states in India. Further, interest payment to revenue receipts ratio of the State was also lower than the Finance

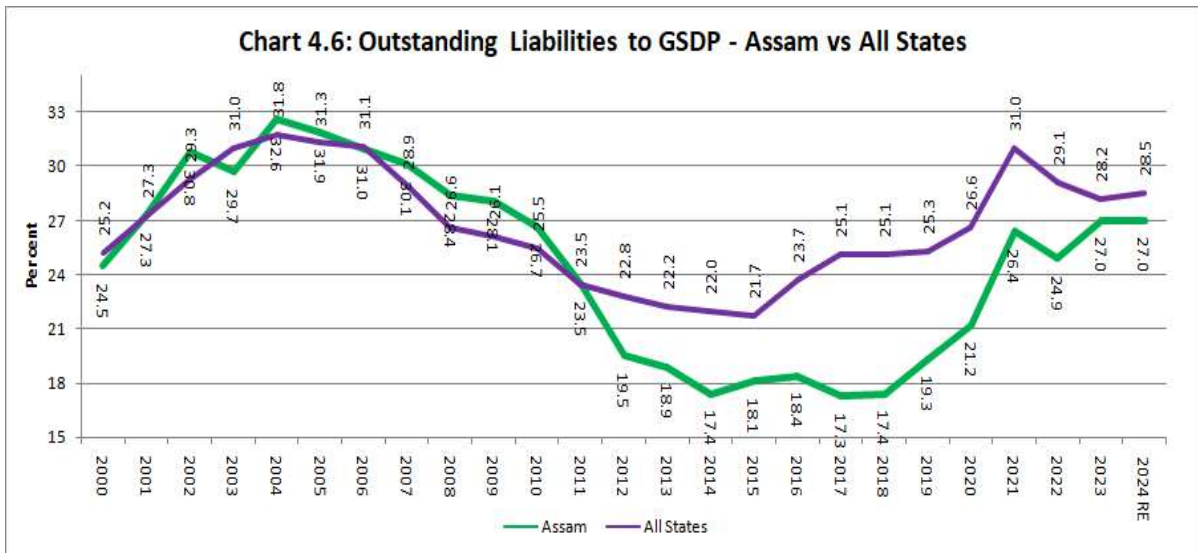
Commission (14th FC) prescription of 10 per cent. Overall, the quality of fiscal policy is an important element, which includes reducing distortions and waste in a tax system and its administration, broadening the tax base, eliminating wasteful government expenditures, and providing public goods and services that achieve their goal in an efficient way. The GoA has been following such efficient policies, which has supported a broader policy goal of higher and more stable economic growth. Therefore, it may be concluded that the debt position of GoA is highly sustainable at this juncture.



**Table 4.4: Growth in GSDP and Debt**  
(Rs.in Cr.)

Year	Year end total outstanding debt	GSDP At current prices	Year to Year growth on Outstanding Debt	Year to Year growth of GSDP
2015-16	35690	227959	14.0	16.5
2016-17	38346	254382	7.4	11.6
2017-18	45862	283165	19.6	11.3
2018-19	55008	309336	19.9	9.2
2019-20	67054	346851	21.9	12.1
2020-21	82741	339803	23.4	-2.0
2021-22	94712	410724	14.5	20.9
2022-23	115751	479390	22.2	16.7
2023-24	138754	570944	19.9	19.1

In addition to lower debt to GSDP ratio of the GoA, and lower interest payment to revenue receipt ratio, outstanding liabilities of the state as a percentage of GSDP has also been much lower than the all states' average since 2014-15 (Chart 4.6). The trend may likely to continue as Assam has been borrowing lower than the sanctioned limit of the GoI coupled with restricted issuance of guarantees and rationalising other liabilities of the State.



## **V. STATE FINANCES: A CRITICAL ACCOUNT**

(Under Rule 5(3) of AFRBM Act, 2005)

A close scrutiny on the State Finances is very crucial for the purpose of estimating its Balance from Current Revenue (BCR) of the state. Moreover, for making a critical analysis of the state finances, it is imperative to take a close look at the State's own resources and its revenue expenditure. State's own resources consist of

(i) Tax revenue, (ii) Non-Tax revenue, (iii) Share of Central taxes and (iv) Grants-in-aid from the Centre.

### **State Tax Revenue**

The following are the main components of state's own tax revenue:

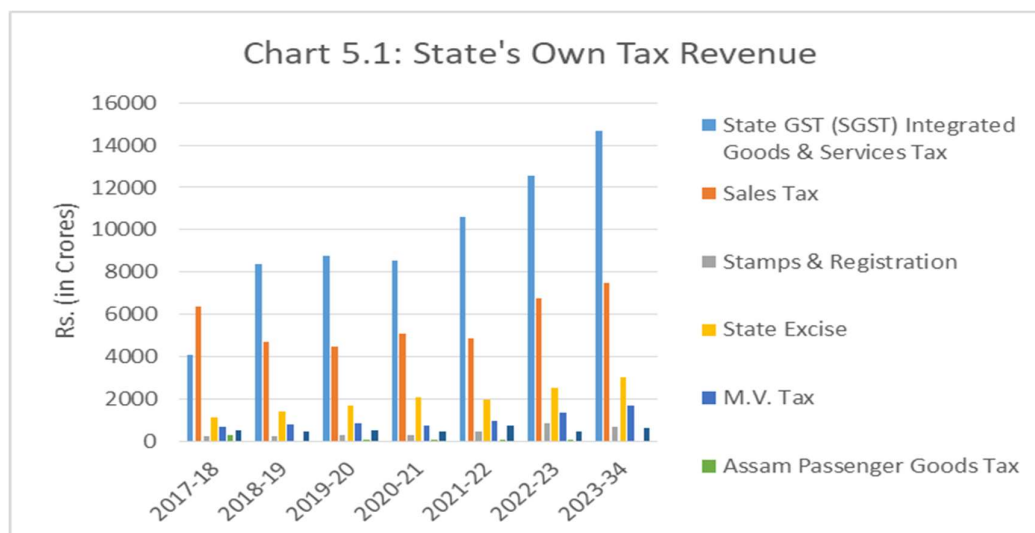
(1) Sales Tax, (2) Agricultural Income Tax, (3) Taxes on Profession, etc., (4) Land Revenue including cess on Green Tea Leaf, (5) Stamp Duty & Registration, (6) State Excise Duties, (7) Motor Vehicle Tax, (8) Passengers & Goods Tax which includes Entry Tax (9) Electricity Duty and (10) Entertainment Tax.

However, in view of introduction of a uniform tax regime all over the country through the GST, there are considerable decreases in Sales Tax till 2021-22 although some marginal increase was noticed during 2020-21. However from 2022-23, Sales Tax has registered an increasing trend. An increasing trend has also been noticed in SGST over the years from 2017-18 to 2023-24 (PA). An increasing trend is also noticed in Stamps & Registration, State Excise and MV taxes over the same period. Table 5.1 depicts State's Own Tax Revenue for last 7 years. The Compounded average growth rate of the State's Own Tax Revenue over last seven years is nearly 13.5%.

**Table 5.1: State's Own Tax Revenue**

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-34	CAGR in %
	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(PA)	(2017-23)
State GST (SGST) Integrated Goods & Services Tax	4078	8393	8755	8549	10580	12565	14654	23.8
Sales Tax	6373	4699	4481	5071	4867	6749	7462	2.7
Stamps & Registration	239	241	293	281	439	852	695	19.5
State Excise	1095	1400	1650	2040	1939	2526	3039	18.6
M.V. Tax	647	765	816	724	978	1348	1690	17.4
Assam Passenger Goods Tax	263	(-4)	47	4	2	3	0	-73.6
Other Taxes	521	431	487	465	728	459	638	3.4
Total	13216	15925	16529	17134	19533	24502	28178	13.5

*Source: Finance Accounts*



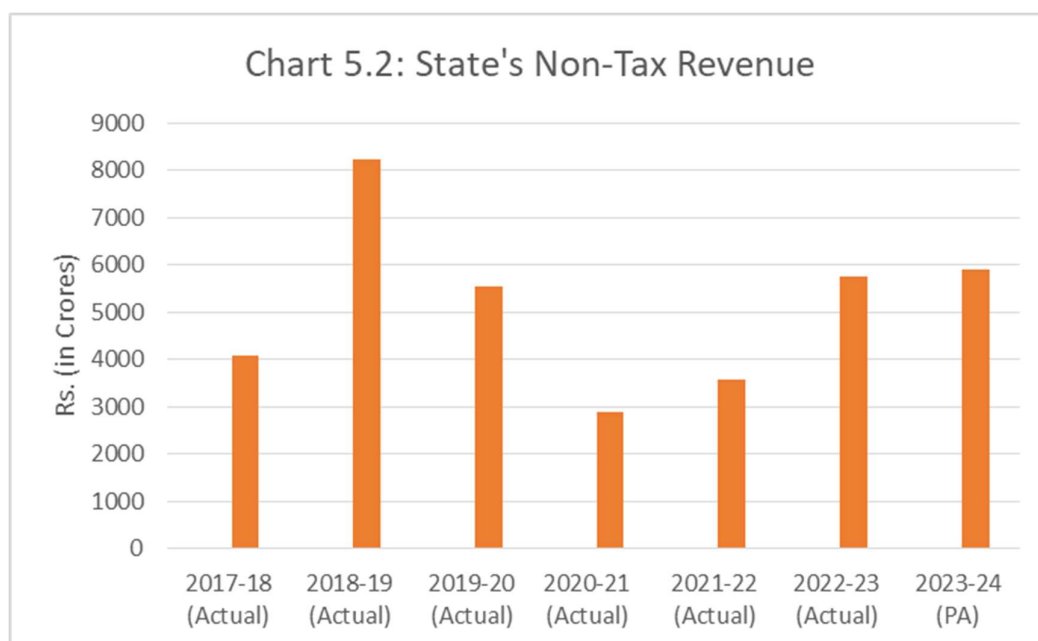
## Non-Tax Revenue

The major component of non-tax revenue is royalty on petroleum crude. Other items in this category are royalty on coal and gas, receipts from interest and dividend and forest produce. It also includes departmental receipts like fees, fines user charges etc. The trend of Non-Tax revenue collection from 2017-18 to 2023-24 (PA) may be seen from the following Table 5.2.

**Table 5.2. Non-Tax Revenue**

Non-Tax Revenue	2017-18 (Actual)	2018-19 (Actual)	2019-20 (Actual)	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Actual)	2023-24 (PA)
Total Collection	4072	8221	5539	2900	3580	5761	5903

*Source: Finance Accounts*



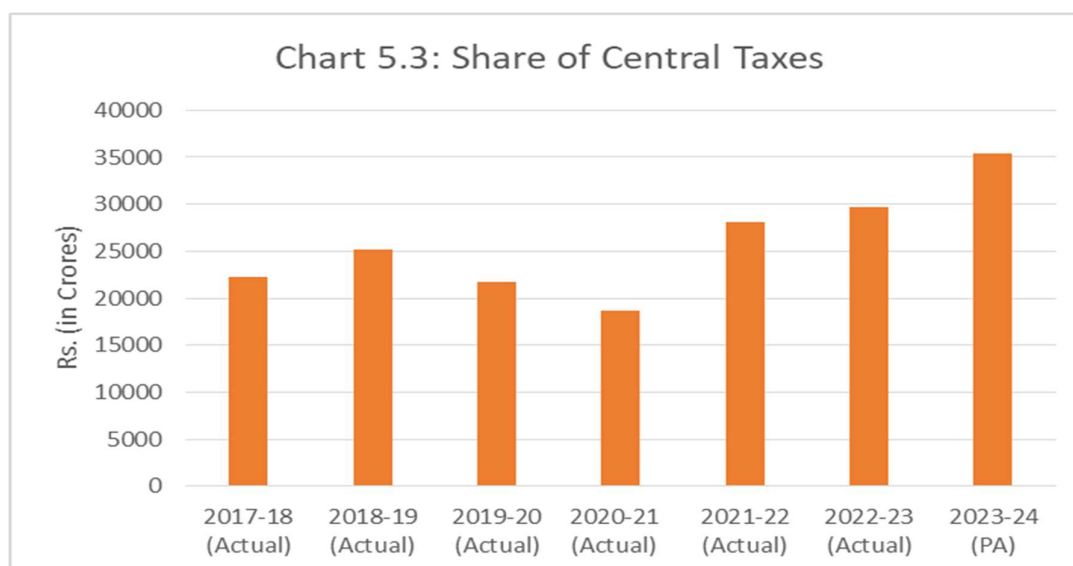
As reported by the AG, the aggregate collection from non-tax revenue during 2018-19 was Rs.8221 Crore. However, the collection showed a downward trend and decreased to Rs.5539 Cr and Rs.2900 Cr in 2019-20 and 2020-21 respectively. The cause of decrease may be attributed to Covid-19 pandemic. Usually the growth rate of non-tax revenue is erratic and it fluctuates widely. This is so because about 65-70% of non-tax revenue accrues from oil royalty which is linked to international crude price, and on the quantum of annual extraction of crude oil. However, the Non-Tax Revenue of the State has increased to Rs.5761 Cr. in 2022-23 and to Rs.5903 Cr in 2023-24(PA).

### Share of Central Taxes

The State's share of Central taxes is received against collection of Income Tax, Corporate Tax, Wealth Tax, Union Excise Duty, Customs Duty and Service Tax collected by the Union Government. After introduction of GST, the two major components viz. Central Goods & Services Tax (CGST) and Integrated Goods and Services Tax (IGST) have been added to this Head. The actual devolution during 2017-18 to 2022-23 (PA) may be seen from Table 5.3.

(Rs. in Crore)						
2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Actual	Actual	Actual	Actual	Actual	Actual	(PA)
22302	25216	21721	18629	28151	29694	35331

Source: Finance Accounts



The 15th Finance Commission in its Report recommended a tax devolution amount of Rs.26,776 Crore for the State of Assam in 2020-21, however, the Union Budget has provided only Rs. 24,553 crore whereas actual receipt is Rs. 18629 Cr. During 2021-22, an amount of Rs.28151 Crore was received as Share of Central Taxes and for 2022-23, the figure stands at Rs.29694 Cr. For 2023-24, the amount increased to Rs.35331 Crore .

### **Grant from the Centre**

After the merger of Plan and Non-Plan classification in 2017-18, the state receives Grants under Centrally Sponsored Schemes, Finance Commission Grants and other transfers. The trend of receiving Non-Plan grants/FC grants and other transfers from centre during the recent years may be seen from the following Table 5.4.

<b>Table 5.4: Grant from Centre</b>			
(Rs. in Crore)			
<b>Transfer from the Centre</b>			
<b>Year</b>	<b>Share in Central Taxes</b>	<b>Other Grants</b>	<b>Total (2+3)</b>
1	2	3	4
2017-18	22302	14542	36844
2018-19	25216	14117	39333
2019-20	21721	20706	42427
2020-21	18629	27234	44869
2021-22	28151	30326	58477
2022-23	29694	29785	59479
2023-24(PA)	35331	22123	57453

*Source: Finance Accounts*



## Revenue Expenditure

The main components of revenue expenditure of the State Government are - salary and pension of employees, interest payment on public debt, maintenance of law and order, out-go on account of Central and State Finance Commissions award and other expenditure pertaining to General, Social and Economic Services.

However, the major share of revenue expenditure of the State Government has to be incurred for payment of salary of the employees. During 2017-18, the total amount spent under salary accounted for Rs.25,752 Crore which has significantly increased to Rs. 29807 Crore in 2023-24 (PA).

In 2017-18, salary and pension expenditure accounted for about 61% of total revenue expenditure and about 12% of GSDP. However, in 2018-19, salary and pension expenditure accounted for about 60% of Total Revenue Expenditure. During 2019-20, Salary and pension expenditure slowed down and it was nearly 56% of Total Revenue Expenditure. During 2022-23, salary and pension expenditure accounted for about 46% of Total Revenue Expenditure and 7% of GSDP. Over the period of 2017-18 to 2021-22, Salary and pension expenditure was 10% of GSDP.

During 2023-24, salary and pension expenditure accounted for about 50% of Total Revenue Expenditure and 8% of GSDP. (Table 5.5)

<b>Table 5.5: Major Components of Revenue Expenditure</b>						
<b>(Rs in Crore)</b>						
Year	Salary	Pension	Total Revenue Expenditure	Percentage of Salary to TRE	Percentage of Pension to TRE	Salary and pension as percentage of GSDP
2017-18	25752	8287	55481	46.42	14.94	12.02
2018-19	26178	8112	56899	46.01	14.26	11.09
2019-20	27008	9609	65817	41.04	14.60	10.56
2020-21	26803	10329	64520	41.54	16.01	10.50
2021-22	28560	17224	82548	34.60	20.87	11.10
2022-23	30868	16407	101815	30.32	16.11	7.40
2023-24 (PA)	29807	17654	94163	31.65	18.75	8.32

Source: Finance Accounts

The ratio of interest payment to total revenue receipt was 5.92% in 2017-18 (Table 5.6). However, since 2018-19, the state has been compelled to resort to borrowing in order to offset revenue losses. An increase in borrowing increases the expenditure on Interest payment. Interest payment increased from Rs. 3844 Cr in 2018-19 to Rs. 6875 Cr in 2021-22. The percentage ratio of Interest payment to Revenue receipt has increased from 6.06 in 2018-19 to 7.89% in 2020-21 thereafter decreasing to 7.42% in 2021-22. The said ratio was recorded as 8.89% during 2023-24(PA). The acceptable level of Debt-GSDP ratio and the ratio of interest payment to total revenue receipt is pegged at 32% and 10% respectively and Assam is well within the accepted norms.

<b>Table 5.6: Ratio of Interest Payment to Total Revenue Receipts</b>			
<b>(Rs. in crore)</b>			
Year	Total Revenue Receipts	Interest Payment	Interest Payment to Revenue Receipts Ratio (in percent)
2017-18	54131	3205	5.92
2018-19	63479	3844	6.06
2019-20	64495	4439	6.88
2020-21	65896	5199	7.89
2021-22	81589	6051	7.42
2022-23	89742	6875	7.66
2023-24 (PA)	91534	8139	8.89

*Source: Finance Accounts*

The trend of Revenue Expenditures of the State during last few years have been indicated in the following Table 5.7.

**Table 5.7: Trend of Revenue Expenditure (Rs. in crore)**

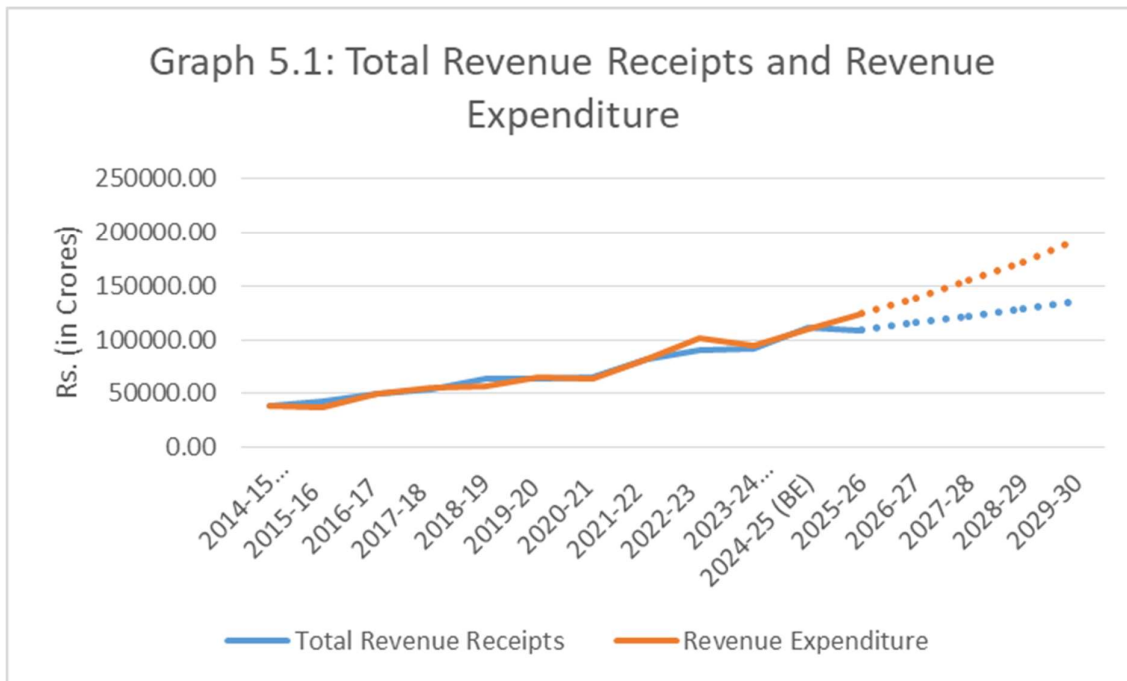
Year	Salary	Pension	Interest	others	Total Revenue Expenditure
2017-18	25751.61	8287.34	3205.32	18236.7	55480.95
2018-19	26177.73	8112.26	3844.37	18764.6	56899
2019-20	27008.57	9609.02	4438.87	24761.1	65817.28
2020-21	26803.09	10329.01	5199.18	22188.3	64519.59
2021-22	28559.49	17223.74	6051.47	30713.25	82547.96
2022-23	30868.01	16406.63	6874.97	47665.03	101814.64
2023-24 (PA)	29806.54	17654.20	8139.17	38562.98	94162.90

*Source: Finance Accounts*

The revenue expenditure of Assam has exhibited a steady rise over the years, driven by increased administrative costs, maintenance of capital assets, creation of autonomous and development councils, and socio-political factors such as insurgency-related expenditures. Despite efforts to control spending, revenue expenditure surged in 2021-22 (27.94%) and 2022-23 (23%), mainly due to committed liabilities. However, 2023-24 saw a notable decline of 7.52%, reflecting the government's improved fiscal management.

### **Revenue Receipt and Revenue Expenditure-A critical Assessment**

A critical assessment of the projected total revenue receipts and revenue expenditure for the next five years is presented in Graph 5.1. This analysis provides valuable insights into the anticipated fiscal trends, highlighting potential revenue growth, expenditure patterns, and overall financial sustainability.



A major concern is the overwhelming share of salary and pension payments, which accounted for 50% of total revenue expenditure in 2023-24. A further increase in the share is anticipated upon the completion of the ongoing mass recruitment exercise. While salary expenditure increased from ₹25,752 crore in 2017-18 to ₹29,807 crore in 2023-24, its proportion of Gross State Domestic Product (GSDP) declined from 12.02% to 8.32%, indicating better revenue mobilization. Pension costs have also risen sharply, reaching ₹17,654 crore in 2023-24, adding to fiscal stress.

Another pressing issue is interest payments on public debt, which escalated from ₹3,205 crore in 2017-18 to ₹8,139 crore in 2023-24. The interest-to-revenue receipt ratio increased from 5.92% to 8.89%, highlighting growing debt obligations. While Assam remains within the acceptable Debt-GSDP ratio (32%), continued borrowing to compensate revenue shortfalls could threaten long-term fiscal stability.

On a positive note, developmental expenditure consistently outweighs non-developmental expenditure, suggesting a focus on productive investment. However, fluctuating growth rates and rising committed expenditures necessitate a more balanced fiscal approach. Moving forward, Assam must prioritize revenue augmentation, expenditure rationalization, and efficient debt management to ensure sustainable economic growth.

## Capital Expenditure

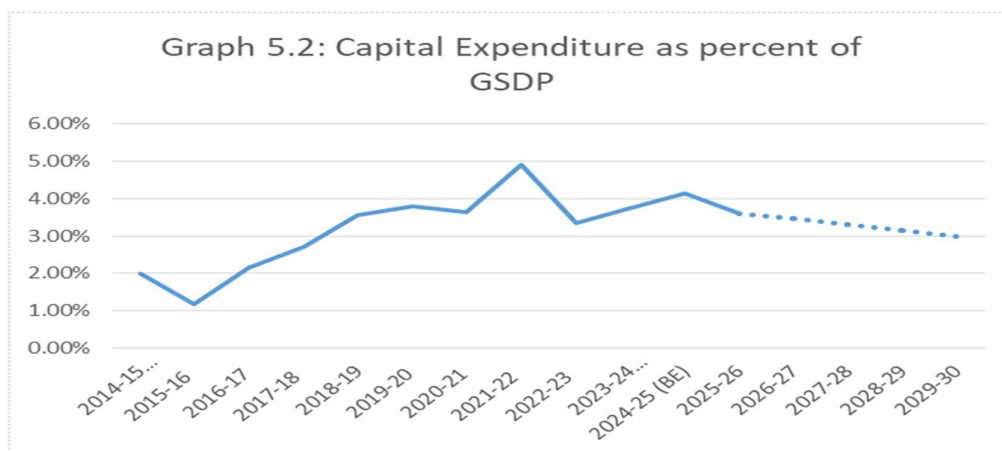
Assam's capital expenditure has shown a general upward trend, reflecting a growing focus on development-oriented investments. The share of capital expenditure in total expenditure increased from 12.13% in 2017-18 to 19.68% in 2021-22 before dipping to 13.34% in 2022-23 and rebounding to 18.54% in 2023-24 (PA). Similarly, capital expenditure as a percentage of GSDP improved from 2.72% in 2017-18 to 3.76% in 2023-24, peaking at 4.88% in 2021-22.

The sharp rise in 2021-22 was driven by Government of India's Scheme for Special Assistance for Capital Investment, equity investments in Numaligarh Refinery, and the restructuring of power sector loans. While these measures are significant, a major portion of the increase resulted from book adjustments rather than fresh capital creation. This raises concerns about the sustainability of capital investment in core infrastructure such as roads, health, and education.

The decline in capital expenditure in 2022-23 suggests fiscal constraints or shifting expenditure priorities. The subsequent recovery in 2023-24 is encouraging but highlights the need for consistency. Volatility in capital spending can hamper long-term economic growth, as infrastructure projects require steady funding. Moreover, despite an overall increase, Assam's capital expenditure as a percentage of GSDP remains moderate, indicating room for further improvement.

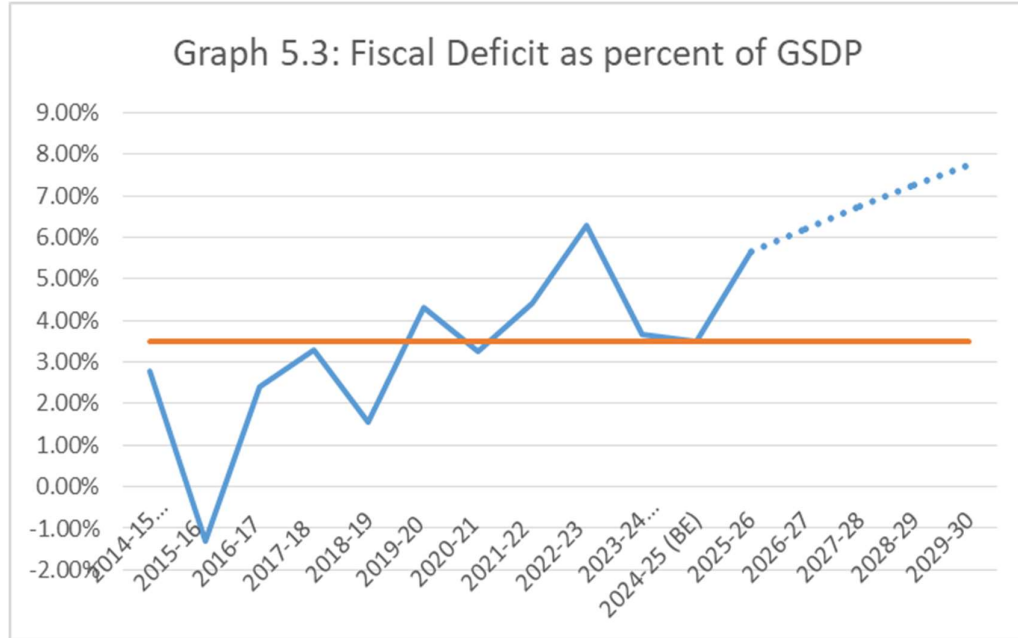
The projected capital expenditure as a percentage of GSDP for Assam over the next five years (Graph 5.2) shows a fluctuating but slightly declining trend. After an expected rise to 3.61% in 2025-26, it is set to decline to 2.99% by 2029-30. This suggests a potential slowdown in capital investments, which could impact infrastructure development and economic growth.

To ensure sustained economic development, Assam must maintain a stable and increasing capital investment trajectory. Reducing reliance on short-term financial adjustments and focusing on high-impact infrastructure projects will be crucial for fostering long-term growth and improving public services.



### **Fiscal Deficit**

The fiscal deficit of the Government of Assam has shown a sharp upward trajectory (Graph 5.3), increasing from ₹9,342.21 crore in 2017-18 to ₹20,854.69 crore in 2023-24. This significant rise is due to escalating capital expenditure and a steady increase in revenue expenditure, while own tax revenue has seen only marginal growth and non-tax revenue remains nearly stagnant. A temporary improvement was observed in 2018-19, when an increase in both own tax and non-tax revenue collections led to a decline in the fiscal deficit to ₹4,779.06 crore, keeping it within the limits prescribed by the Assam Fiscal Responsibility and Budget Management (AFRBM) Act, 2005. However, in 2019-20, the fiscal deficit as a percentage of GSDP exceeded the 3% threshold due to a shortfall in the central share of taxes, which fell significantly below the amount estimated in the Union Budget. To mitigate the fiscal strain, the Government of India permitted additional borrowings beyond the prescribed GSDP limits in subsequent years, particularly in response to the COVID-19 pandemic. Despite these adjustments, Assam's Gross Fiscal Deficit (GFD) has consistently exceeded prescribed thresholds, reflecting persistent fiscal challenges driven by increasing budgetary commitments and expenditure liabilities.



### TRENDS IN MAJOR FISCAL INDICATORS

The trends in various parameters of fiscal indicators of Assam vis-a-vis all States are in Table 5.8.

Item	Year	(Per cent)	
		Assam	All States
Revenue Deficit /GSDP	2016-17	0.1	0.3
	2017-18	0.5	0.1
	2018-19	-2.1	0.1
	2019-20	0.4	0.6
	2020-21	-0.4	1.9
	2021-22	0.2	0.4
	2022-23	2.5	0.2
	2023-24 (RE)	0.2	0.5
Gross Fiscal Deficit/GSDP	2016-17	2.4	3.5
	2017-18	3.3	3.1
	2018-19	1.5	2.9
	2019-20	4.3	2.6
	2020-21	3.1	4.7
	2021-22	4.4	2.8
	2022-23	5.9	2.7
2023-24 (RE)	5.2	3.5	
Own revenue/Revenue Expenditure	2017-18	31.1	56
	2018-19	42.4	54.3
	2019-20	33.5	53.2

	2020-21	31.1	45.6
	2021-22	28.0	49.8
	2022-23	29.7	55.0
	2023-24	36.2(PA)	54.4(RE)
Development Expenditure/ Aggregate Disbursement*	2017-18	62.5	64.2
	2018-19	64.7	62.9
	2019-20	68.0	61.9
	2020-21	67.2	61.2
	2021-22	71.1	63.6
	2022-23	67.2	61.5
	2023-24(RE)	65.6	62.9
Non-Developmental Expenditure/ Aggregate Disbursement*	2017-18	34.3	28.2
	2018-19	30.0	28.3
	2019-20	27.7	28.8
	2020-21	29.6	28.8



Non-Developmental Expenditure/ Aggregate Disbursement*	2021-22	25.7	27.0
	2022-23	30.1	27.8
	2023-24(RE)	30.9	26.5
Interest Payment/Revenue Expenditure	2016-17	6.0	11.4
	2017-18	5.8	12.5
	2018-19	6.8	12.1
	2019-20	6.7	12.6
	2020-21	8.1	13.1
	2021-22	7.3	12.2
	2022-23	5.7 (PA)	12.0(RE)
Interest Payment/ Revenue Receipt	2017-18	5.9	12.6
	2018-19	6.1	12.2
	2019-20	6.9	13.2
	2020-21	7.9	15.0
	2021-22	7.4	12.9
	2022-23	7.7	12.6
	2023-24	8.9(PA)	12.3(RE)
Committed Expenditure/ Revenue Expenditure	2017-18	31.2	31.2
	2018-19	32.1	31.0
	2019-20	30.5	32.2
	2020-21	33.1	32.5
	2021-22	30.5	30.6
	2022-23	29.5	31.7
	2023-24(RE)	30.2	30.4
Pension/Revenue Expenditure	2017-18	14.9	11.8
	2018-19	14.3	11.9
	2019-20	14.6	12.4
	2020-21	16.0	12.5
	2021-22	20.9	11.2
	2022-23	16.1	12.5
	2023-24	18.7(PA)	11.7(RE)
Gross Transfers/Aggregate Disbursement	2017-18	53	35.2
	2018-19	54.2	36.4
	2019-20	51.6	34.8
	2020-21	58.7	37.7
	2021-22	50.8	37.9
	2022-23	52.9	36.0
	2023-24(RE)	55.0	34.5
Source: Finance accounts and RBI publications.			

(\*:Development and Non development expenditure as a ratio to aggregate disbursement may not add up to hundred as aggregate disbursement also includes repayments.)

## GUARANTEE POLICY AND OUTSTANDING GUARANTEES

The Assam FRBM Act provides that State Government guarantee for loans contracted by Public Sector Undertakings, Boards, Companies, Corporations, Cooperative Societies, Autonomous organizations under the State Government, shall be restricted at any point of time to fifty percent of State's own tax and non-tax revenue of the second preceding year, as reflected in the books of accounts as maintained by the Accountant General.

The State Government guarantees do not form part of the State Government debt liabilities. However, in the event of default in servicing Government guaranteed debt by the borrowing agencies / organizations, the guarantee becomes the liability of the State and the State Government has to pay the debt. As such, the Government guarantees are treated as contingent liabilities of the State.

Table 5.9 reflects Guarantee amount by the State Govt. to Public Sector undertakings. The total amount of Government Guarantee was Rs. 90.24 Crore in 2016-17, which showed a decreasing trend up to 2020-21. During 2021-22, an amount of Rs. 238.63 Crore has been issued guarantee to AIFA thereby increasing the outstanding guarantee amount to Rs. 311.76 crore at the end of the financial year 2021-22. During 2022-23, an amount of Rs. 852.60 Crore has been issued guarantee to AIFA thereby increasing the outstanding guarantee amount to Rs. 1166.50 crore at the end of the financial year 2022-23. During 2023-24, Rs.10000 Cr has been issued guarantee to AIFA thereby increasing the guarantee amount to Rs.2241.23 Cr. at the end of the financial year 2023-24. However, this is well within the limit set by AFRBM Act, 2005.

<b>Table 5.9: Outstanding Government Guarantees</b>			
<b>Year</b>	<b>Outstanding Government guarantees at the end of the Financial Year 2023-24 (Rs. In Crore)</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2017-18	57.58	32.66	90.24
2018-19	49.22	35.80	85.02
2019-20	50.57	32.84	83.41
2020-21	42.25	35.47	77.71
2021-22	274.60	37.16	311.76
2022-23	1127.20	39.30	1166.50
2023-24 (PA)	2210.54	30.76	2241.30

*Source: Finance Accounts and Internal data*

Table 5.10 depicts the details of Sector-wise guarantees given by the Government.

**STATEMENT OF GUARANTEES GIVEN BY THE GOVERNMENT  
(Outstanding as on 31.03.2024)**

Sector	Class (Name of the Financial Institutions to whom Government Guarantee issued)	Maximum amount guaranteed	Outstanding at the beginning of 2023-24 (Rs. In Crore)		Outstanding at the end of 2023-24 (Rs. In Crore)	
			Principal	Interest	Principal	Interest
1	2	3	4	5	10	11
<b>Cooperative Sector</b>						
1. Assam State Cooperative Agriculture & Rural Development (ASCARD) Bank Ltd.	SCARD Banks of other States, Banks & FIs, Central & State Governments for debenture floatation	20.00	2.14	4.15	2.14	4.15
<b>Total Cooperative Sector</b>		<b>20.00</b>	2.14	4.15	2.14	4.15
<b>Any Other :</b>						

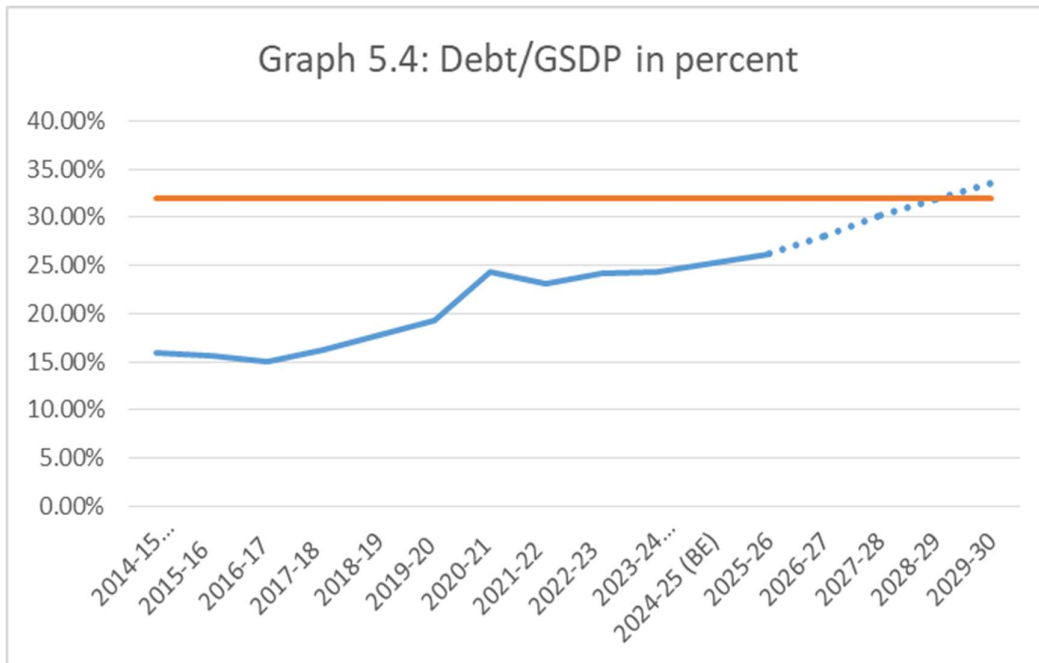
1. Assam Infrastructure Financing Authority (AIFA)*	NABARD	10000.00	1091.24	0.00	2193.13	0.00
<b>Government Companies</b>						
1. Assam State Development Corporation for OBC Ltd.	NBCF&DC	4.00	0.00	0.00	0.00	0.00

2. Assam Plains Tribes Development Corporation Ltd.	National Scheduled Tribes Finance & Development Corporation, New Delhi	4.00	15.26	24.56	15.26	26.61
3. Assam State Development Corporation for Scheduled Castes Ltd.**	National Safai Karmacharies Finance & Development Corporation, New Delhi	5.00	4.15	3.19	0.00	0.00
4. Assam State Development Corporation for Scheduled Castes Ltd.**	National Scheduled Castes Finance & Development Corporation, New Delhi	4.00	5.54	1.26	0.00	0.00
5. Assam Minorities Development and Finance Corporation Ltd.***	National Minorities Development & Finance Corporation, New Delhi	10.00	8.87	6.14	0.00	0.00
<b>Total any other</b>		<b>10027.00</b>	<b>1125.07</b>	<b>35.15</b>	<b>2208.39.</b>	<b>26.61</b>
<b>Grand Total</b>		<b>10047.00</b>	<b>1127.21</b>	<b>39.29</b>	<b>2210.54</b>	<b>30.76</b>

### Debt Management

The debt trajectory of the Government of Assam (GoA) has experienced a significant upward trend from Rs. 45,861.90 crore in March 2018 to Rs. 1,38,749.38 crore by March 2024. This escalation has resulted in the Debt-to-GSDP ratio increasing from 16.2% to 24.33% over the same period. Although the ratio remains within the prescribed limit of 32% under the Assam Fiscal Responsibility and Budget Management (AFRBM) Act, the rapid growth in debt warrants critical examination.

A critical assessment of the current borrowing trend and the projected growth of GSDP over the next five years indicates that the Debt-to-GSDP ratio is expected to exceed the prescribed 32% limit by the fiscal year 2029-30, as illustrated in Graph 5.4.



The dominant reliance on market borrowings, which account for approximately 70% of the total debt, reflects a shift from traditional central loans and provident fund contributions. While this strategy provides flexibility, it also exposes Assam to heightened interest rate risks and rollover risks, particularly given the concentration of debt repayments in the 3-7 year maturity bracket. The debt maturity profile indicates limited fiscal space for further short-term borrowing without exacerbating repayment pressures.

Assam's Medium-Term Debt Management Strategy (MTDS) aims to mitigate these risks through diversified borrowing tenures and prudent issuance strategies. However, the effectiveness of this approach is constrained by external factors such as national interest rate trends, liquidity conditions, and market dynamics, over which the state has limited control. The state's debt sustainability analysis reveals that, except for 2021-22, the growth rate of debt has consistently outpaced the growth of GSDP, raising concerns about long-term fiscal health. The spike in debt growth to 22.2% in 2022-23, compared to a GSDP growth of 19.9%, further underscores this issue. While the GoA's fiscal policy framework emphasizes efficient expenditure and revenue optimization, the increasing dependence on debt to finance capital-intensive projects raises questions about the sustainability of such growth.

The state's proactive debt management, including the strategic issuance of securities with varied maturities, is commendable. Nonetheless, the growing fiscal deficit, coupled with reduced central assistance and exclusion from NSSF funding, poses structural challenges.

In conclusion, while Assam's current debt position remains within statutory limits and is deemed sustainable, the increasing debt burden, potential interest rate vulnerabilities, and fiscal imbalances necessitate vigilant monitoring and adaptive fiscal strategies to ensure long-term debt sustainability.

## **VI. MAJOR POLICY INTERVENTIONS**

### **1. ASPIRe- (Assam Public Finance Institutional Reforms Project)**

#### **Strengthening Public Finance Reforms**

The **Assam Public Finance Institutional Reforms Project (ASPIRe)**, supported by the World Bank, played a pivotal role in strengthening **Public Financial Management (PFM)** systems in Assam. The project enhanced fiscal discipline, transparency, efficiency, and accountability within the state's financial ecosystem. The reforms that were undertaken are as follows:

#### **1. Enhancing Predictability and Transparency in Budget Execution**

- **Cash & Debt Management:** A dedicated **Cash & Debt Management Unit** has been established in the Finance Department, leading to proactive debt management practices. The average cost of fresh borrowings for Assam's State Development Loans (SDLs) was consistently lower than the national average, resulting in estimated interest savings of **Rs. 5,465 crores**. The debt recording and management module within **IFMIS** ensures robust debt tracking and reporting.
- **Integrated Financial Management Information System (IFMIS):** The IFMIS(FinAssam), with 14 integrated modules, has become the single source of truth for Assam's financial reporting. It supports end-to-end automation from budget preparation to expenditure reporting, integrated with systems like e-Kuber (RBI) and Accountant General (AG). Budget distribution timelines have improved significantly, reducing delays from months to under a week. Accounting related compliances has improved significantly with timely submission of accounts. Enhanced Budget disclosure and publishing budget execution report in public domain has resulted in enhanced transparency in public spendings.

#### **2. Promoting Transparent and Efficient Procurement Practices**

- **Legal and Institutional Reforms:** The **Assam Procurement Act 2017** and

**Assam Procurement Rules 2020** institutionalized transparent procurement processes. The launch of the **State Public Procurement Portal (SPPP)** provides comprehensive access to procurement information.

- **E-Procurement Growth:** E-procurement experienced a **600% increase** in transaction value, with tenders rising from 1626 in FY2016 to 9726 in FY2024. The average procurement cycle time reduced from 196 days to 127 days during the project period.
- **Capacity Building:** Over **1,613 officials** were trained in procurement practices, supported by a **Massive Open Online Course (MOOC)** platform.

### 3. Strengthening Revenue Mobilization and Tax Administration

- **IT-Driven Tax Reforms:** The introduction of the **Assam Tax Revenue System (ATReMS)** and **Assam Excise Revenue Management System (AERIMS)** improved tax compliance and collection efficiency. Excise revenues increased from Rs. 800 Crore in FY2015-16 to Rs. 3138 Crore in FY2023-24, a **CAGR of 15%** during the project period.
- **Data-Driven Compliance:** The establishment of an **Economic Intelligence Unit** and use of data analytics tools led to the recovery of over **Rs. 296 crore** in tax revenues through fraud detection.

### 4. Facilitating Direct Benefit Transfers (DBT)

- The **Digital Infrastructure for DBT Schemes (DIDS)** platform streamlined welfare benefit distribution. It processes direct transfers to over **24 lakh beneficiaries**, covering schemes like **Orunodoi** and **Indira Miri Universal Widow Pension Scheme**.

### 5. Modernizing Treasury and Digital Governance

- **Digital Signature Certificates (DSCs):** More than **10,000 DSCs** were issued, ensuring secure digital transactions for salary payments and government disbursements and thereby reducing paper trail during transaction.
- **e-GRAS Portal:** Facilitated over **95%** of government revenue collections electronically, covering 684 services across 60 departments.



## **6. Impact on Governance and Public Service Delivery**

- **Improved Fiscal Governance:** The reforms undertaken under ASPIRe have significantly enhanced fiscal predictability, with budget execution rates improving from 65% to 81% during the project period from 2015-16 to 2023-24. Additionally, the share of discretionary expenditures in the last quarter of the financial year reduced from 55% to 40% during the same period, reflecting improved budgetary discipline and efficient fiscal management.
- **Enhanced Service Delivery:** Digitalization reduced service delivery timelines and improved efficiency, benefiting both government agencies and citizens.

The World Bank aided ASPIRe project was successfully closed on 31<sup>st</sup> March, 2024 with a highly satisfactory rating from World Bank and based on the learnings of the previous project Government of Assam is working towards next generation reforms in Public Finance Reforms and Service Delivery through a follow-up project with an objective to strengthen state capabilities for improved service delivery in a fiscally sustainable manner. The primary focus areas include:

- Strengthening and deepening core Public Finance Capabilities
- Efficient delivery of services and benefits to citizens
- Strengthening Data Ecosystem and analytics capabilities

### **Strengthening and deepening core Public Finance Capabilities**

The project aims to enhance Government of Assam's public financial management (PFM) by improving Government-to-Government (G2G) efficiencies. It focuses on macro-fiscal resilience through realistic planning and budgeting, cash management, fiscal risk assessment, and improved data systems. Public expenditure efficiency will be enhanced via IFMIS upgrades, project readiness appraisals, procurement reforms, and institutional capacity building. Revenue augmentation will target Excise, Commercial Taxes, and other departments with policy changes, e-governance, and data analytics. Additionally, the project supports tourism through PPPs, technical support and ecosystem strengthening, boosting growth without direct revenue impact.

### **Efficient delivery of services and benefits to citizens**

The project focuses on strengthening Government-to-Citizens (G2C) and Government-to-Business (G2B) service delivery through a whole-of-government approach, building on gains from the ACCSD project. It aims to expand the Sewa Setu portal and the Digital Infrastructure for DBT Schemes (DIDS) for seamless, unified service delivery and real-time monitoring. The project will enhance RTPS and non-RTPS services, implement business process reengineering, and establish interoperability between Sewa Setu and DIDS for efficient, citizen-centric experiences. The project includes institutional strengthening of AITEC&CSD Society through assessments and capacity building to ensure effective delivery and governance.

### **Strengthening Data Ecosystem and analytics capabilities**

The project focuses on strengthening data-driven governance by operationalizing the State Data Policy (2022) and enhancing data exchange, analytics, and monitoring capabilities. Led by AITEC&CSD, it supports creating a meta-data catalogue, establishing data exchange protocols, and developing interactive dashboards for informed decision-making. It also emphasizes geo-spatial data integration, with ASSAC serving as the coordinating entity for state-wide geo-spatial data management. Additionally, it aims to improve GSDP and DDP estimates through enhanced methodologies, technical assistance, and digitization of statistical data pipelines, enabling better fiscal consolidation, debt management, and district-level economic insights for policy planning and monitoring.

## **2. Chief Minister Samagra Gramya Unnayan Yojana (CMSGUY):**

Mega Mission Society - Chief Minister Samagra Gramya Unnayan Yojana (MMS-CMSGUY) is a Society Registered under Societies Registration Act 1860 and formed by the Govt. of Assam with a view to double the farm income.

Eight Missions were created under the Mega Mission Society i.e, the Assam Agriculture and Commercial Plantation Mission Society, Assam Milk, Meat & Egg Mission Society, Fishery Mission Society, Assam Youth Development Mission Society, Silk and Khadi Mission Society, Broadband and Citizen service Mission Society. Cultural Renaissance Mission Society and Semi processing and Processing Mission Society to be implemented various schemes for enhancement of farm income.

Finance Department has so far released a total amount of **Rs. 4,875 Crore** (Rs. 1,500 Crore during 2016-17, Rs. 200 Crore during 2017-18, Rs. 100 Crores during 2018-19, Rs. 400 Crore during 2021-22, Rs. 1,550 Crore during 2022-23 and Rs. 1125 Crore during 2023-24) to MMS-CMSGUY and the Mega Mission Society has been releasing funds for implementing various schemes under its Missions.

The major schemes that are implemented by MMS-CMSGUY across sectors are as follows

a) **Working Capital Loan for Paddy Procurement:**

An amount of **Rs. 215.00 Crore** out of total **Rs. 503.08 Crore** (KMS 2023-24) and **Rs. 250.00 Crore** out of total **Rs. 470.00 Crore** (KMS 2024-25) had been released to Assam Food & Civil Supplies Corporation Ltd. (AFCSCL) in order to achieve the target of Paddy Procurement in the State and deliver the benefits of MSP to paddy farmers.

b) **Margin Money for Mustard Seed Procurement:**

An amount of **Rs. 9 Crore** has been released for procurement of mustard from farmers at remunerative price through Agriculture Marketing Board and Assam Food and Civil Supplies Corporation Ltd.

These procurement programs will help enhance the farmer's income as envisaged by the Hon'ble Prime Minister of India.

**Chief Minister's Atmanirbhar Asom Abhijan (CMAAA):**

The Government of Assam had announced this new scheme with an aim to support the budding youth in their entrepreneurial journey through robust monetary and policy support. An amount of **Rs. 271.5525 Crore** for the scheme as per the fund demands received from the IC & PE Department.

### **Mukhya Mantrir Nijut Moina Aasoni:**

The Departments of School Education and Higher Education had organized Cheque Distribution program LAC wise in all districts and Central Program for Morigaon, Kamrup and Kamrup (M) at Veterinary field, Khanapara, Guwahati on 6<sup>th</sup> October, 2024. An amount of **Rs. 4.29 Crore** had been released as Temporary Loan for Cheque Distribution Program under this scheme to the Bank Account of Samagra Shiksha (SOPD) Scheme.

### **Mission Amrit Sarovar:**

Mission Amrit Sarovar which aims at construction/development of at least 75 Amrit Sarovars in every district which will ensure availability of water to the residents of the village and also act as an income generating asset through pisciculture and commercial plantation. “Mission Amrit Sarovars” by PNRD under CMSGUY has been instrumental in the successful implantation of **2950** “Amrit Sarovars” across the State. The “Amrit Sarovars” being constructed in the Amrit Kaal shall paved the way for Assam to embark towards a new dawn of progress in days to come. In Assam, the implementation of “Mission Amrit Sarovars” model has significantly contributed to enriching the States cultural, spiritual and environmental heritage. An amount of Rs. **607,45,68,491/-** has been sanctioned to P&RD Department for implementation of this scheme and **Rs. 307.00 Crore** has already been released till date.

Besides the aforementioned schemes there are various other ongoing schemes which are being implemented by MMS-CMGSUY across sectors which are as follows:

- Setting up of Godown for storage of Paddy at Rural Areas of Assam.
- Top up subsidy on Micro Irrigation Component of Per Drop More Crops under PMKSY
- Solar Pump under PM Kusum
- Distribution of Combined Harvester under CMSGUY
- Distribution of Tractor Units under CMSGUY
- Distribution of Mini trucks at subsidized rate to local youth and SHGs under CMSGUY
- Incentivization of Milling of Paddy for KMS 2023-24 (1<sup>st</sup> Crop) under CMSGUY
- Setting up of 1 MT/hr, 2 MT/hr, 4 Mt/hr Capacity Rice Mills in Assam

- Setting up of Fortified Rice Kernel (FRK) blending machines in Rice Mills of Assam, 2022
- Special Intervention in Jalukbari LAC under CMSGUY (AMMEMS) Project for Livelihood and Employment Generation for Youth and Women in Livestock Sector
- Establishment of New Dairy Plant of 20 TLPD at Jamugurighat in Sonitpur District (Ph-II)
- Special intervention in Sootea LAC under CMSGUY (AMMEMS) Project for Livelihood and Employment Generation for Youth and Women in Livestock Sector (Ph-II)

### **3. Rural Infrastructure Development Fund (RIDF):**

The Government of Assam has been emphasizing on rural connectivity and strengthening the assets in rural areas for accelerating growth and employment in the State. Realizing that Rural infrastructure is to be broad based to agriculture and allied sectors, the State Government diversified the projects under RIDF and decided to take up schemes/projects such as Roads & Bridges, Irrigation, Flood Protection, Soil Conservation, Beel Fisheries, Marketing Infrastructure (Vegetable processing), Rural Godowns, Veterinary Hospitals & Sub-Centers, Cattle Feed Plant, Modern Abattoirs, Sericulture, Small Hydel Power, Agriculture, Const. of Model Anganwadi Centre, Water Supply Project, Up-gradation and Infrastructure development of schools etc. During current financial year (2024-25), NABARD has communicated normative allocation for an amount of Rs. 2880 Cr. under RIDF-XXX and accordingly rural infrastructure projects will be implemented in various sectors.

### **4. Seventh Assam State Finance Commission**

The 7<sup>th</sup> Assam State Finance Commission has been constituted under the Chairmanship of Lieutenant General Rana Pratap Kalita, PVSM, UYSM, AVSM, SM, VSM (Retd.) along with 5 other Members vide Notification No. FEA (SFC)31/2023/138 dated 1<sup>st</sup> July, 2024. The Commission shall make its report available to the Governor of Assam by June, 2025, covering period of five years i.e. 2025-30.

## **5. Externally Aided Projects (EAP)**

At present, there are 18 ongoing Externally Aided Projects with total project cost of Rs.44279.32 cr and 9 pipeline Externally Aided Projects involving total project cost of Rs.16854.55 cr in the State. Thus, total project cost for EAPs as on 31st Jan, 2025 stands at Rs.61133.87 cr.

The pipeline projects have already been approved by Department of Economic Affairs, Ministry of Finance of Government of India and are at various stages for execution of Loan Agreement between Govt. of India and Donor Agencies.

The ongoing Externally Aided Projects currently being implemented under various Administrative Departments are depicted in Table No. 6.1

<b>Table 6.1 ONGOING PROJECTS</b>	
1.	Assam Agribusiness and Rural Transformation Project (APART)
2.	Guwahati Sewerage Project (Phase -I)
3.	Guwahati Water Supply Project
4.	Assam Project on Forest & Biodiversity Conservation phase II
5.	Assam Health System Strengthening Project (AHSSP)
6.	Assam State Secondary Healthcare Initiative for Service Delivery Transformation (ASSIST)
7.	Enhancement of Intrastate Transmission System of Assam Phase-I (AEGCL)
8.	Assam Power Sector Investment program (APSIP-Tr III) (Lower Kopili Hydro Electric Project)
9.	Assam Power Distribution System Enhancement & Loss Reduction Project (APDCL)
10.	Assam Bridge Project (Brahmaputra Bridge connecting Guwahati to North Guwahati)
11.	Assam South Asia Subregional Economic Cooperation Corridor Connectivity Improvement Project (ASASECCCIP) (erst while ARNIP)
12.	Assam Secondary Road Network Improvement Project (ASRIP)
13.	Assam Bridge Project-II (ABP – II) (Bridge over River Brahmaputra connecting Palashbari and Sualkuchi)
14.	Assam Resilient Rural Bridge Project (ARRBP)(Assam State Bridge Infrastructure Project )(ASBIP)
15.	Assam Skill University at Mangaldoi
16.	Assam Inland Water Transport
17.	Assam Integrated River Basin Management project (Phase-I)
18.	Climate Resilient Brahmaputra Integrated Flood and River Bank Erosion Risk Management Project

Again, the Externally Aided Projects in the pipeline are shown in Table 6.2 below:

<b>Table 6.2</b>	
<b>PIPELINE PROJECTS</b>	
1.	Assam Fisheries Development and Livelihood Project
2.	Sustainable Wetlands and Fisheries Transformation Project (SWIFT)
3.	Assam Urban Infrastructure Investment Project (AUIIP)-II
4.	Assam Urban Sector Development Project (AUSDP)
5.	Assam Disaster Resilient Hill Area Road Development Project (ADRHARDP)
6.	1000 MW Solar Power Plants in Assam (1KMWSP)
7.	Assam Integrated River Basin Management Project (Phase-II)
8.	Assam Governance and Service Delivery Programme
9.	Supporting School Education in Assam

Most of the Externally Aided Projects are in 80:20 basis. That is, 80% of the Project Cost is borne by the Govt. of India. Out of the Govt of India funding (80% of Project Cost), 90% is transferred by Govt. of India to State as grant and 10% is transferred as Central Loan. Remaining 20% of the Project Cost is borne by State Govt. as State Share of the Project.



## VII. MEDIUM TERM FISCAL PLAN AND UNDERLYING ASSUMPTIONS

The consolidated Medium Term Fiscal Plan (MTFP) is placed at Annexure-I and related assumptions are presented in Table 7.1 below:

<b>Table 7.1 – Major Assumptions</b>	
<b>Item</b>	<b>Growth Rate Assumption</b>
GSDP	17%
I. State Good & Service Tax (SGST)	11%
II Sales Tax	11%
III State Excise	12%
IV Stamp Duty & Registration	11%
V Motor Vehicle Tax	11%
VI Taxes on Goods & Passengers	11%
VII Tax on Professions, Trades etc.	10%
VIII Other Taxes on Commodities & Services	11%
IX Land Revenue	11%
X Taxes on agricultural income.	11%
XI Taxes & Duties on Electricity	11%
I Interest receipts	10%
II Royalty on Crude Oil & Natural Gas	10%
III Forestry & Wild life	10%
IV Others	10%
a) Share of Central Taxes	12%
i) CS/CSS/NEC/NLCPR	11% for 2026-27 and 09% for rest of the years
ii) Grants under Finance Commission and other grants	07% for 2026-27 and 06% for rest of the years
v) Recoveries of loans & advances	10%
a) Interest	12%
b) Salary	12% for 2026-27 and 13% for rest of the years
c) Pension	13%
d) Others	10% for 2026-27 and 08% for rest of the years
4. Capital Outlay	10%
5. Lending	05%
6. Year End Debt Stock	10%

## Annexure- I

(Rs. in Crore)

Items	2023-24 (PA)	2024-25 (BE)	2025-26 Estimates	2026-27 Projection	2027-28 Projection	2028-29 Projection	2029-30 Projection	2030-31 Projection
<b>I. Total Revenue Receipts</b>	<b>91534.48</b>	<b>111943.85</b>	<b>117225.97</b>	<b>130332.17</b>	<b>144315.88</b>	<b>159829.23</b>	<b>177042.04</b>	<b>196143.22</b>
<b>Own Revenues (a+b)</b>	<b>34081.01</b>	<b>43019.71</b>	<b>43184.28</b>	<b>47892.68</b>	<b>53115.69</b>	<b>58909.71</b>	<b>65337.32</b>	<b>72467.95</b>
<b>a) Own Tax Revenue (i to xi)</b>	<b>28178.11</b>	<b>34148.43</b>	<b>34823.04</b>	<b>38695.31</b>	<b>42998.59</b>	<b>47780.90</b>	<b>53095.63</b>	<b>59002.09</b>
i. State Good & Service Tax (SGST) Integrated Goods & Service Tax (IGST)	14653.64	17237.96	17889.08	19856.88	22041.14	24465.66	27156.88	30144.14
ii. Sales Tax	7462.99	8718.00	8591.00	9536.01	10584.97	11749.32	13041.74	14476.33
iii. State Excise	3038.67	4100.82	4424.64	4955.60	5550.27	6216.30	6962.26	7797.73
iv. Stamp Duty & Registration	694.78	1226.18	840.69	933.17	1035.81	1149.75	1276.23	1416.61
v. Motor Vehicle Tax	1689.80	2197.71	2119.55	2352.71	2611.50	2898.77	3217.63	3571.57
vi. Taxes on Goods & Passengers	0.09	3.81	0.11	0.12	0.13	0.15	0.16	0.18
vii. Tax on Professions, Trades etc.	223.66	306.44	251.00	276.10	303.71	334.08	367.49	404.24
viii. Other Taxes on Commodities & Services	0.05	0.06	0.06	0.07	0.07	0.08	0.09	0.10
ix. Land Revenue	333.63	228.24	472.19	524.13	581.79	645.79	716.82	795.67
x. Taxes on agricultural income.	0.49	2.76	0.72	0.80	0.89	0.98	1.09	1.21
xi. Taxes & Duties on Electricity	80.31	126.45	234.00	259.74	288.31	320.03	355.23	394.30
<b>b) Non-Tax Revenue</b>	<b>5902.90</b>	<b>8871.28</b>	<b>8361.24</b>	<b>9197.36</b>	<b>10117.10</b>	<b>11128.81</b>	<b>12241.69</b>	<b>13465.86</b>
i. Interest receipts	828.11	466.10	1095.18	1204.70	1325.17	1457.68	1603.45	1763.80
ii. Royalty on Crude Oil & Natural Gas	3840.48	5860.37	5077.53	5585.28	6143.81	6758.19	7434.01	8177.41
iii. Forestry & Wild life	564.67	1250.00	997.00	1096.70	1206.37	1327.01	1459.71	1605.68
iv. Others	669.64	1294.82	1191.53	1310.68	1441.75	1585.92	1744.52	1918.97
<b>Transfer from the Centre (a+b)</b>	<b>57453.47</b>	<b>68924.14</b>	<b>74041.69</b>	<b>82439.49</b>	<b>91200.19</b>	<b>100919.51</b>	<b>111704.72</b>	<b>123675.27</b>
<b>a) Share of Central Taxes</b>	<b>35330.57</b>	<b>40000.00</b>	<b>44494.04</b>	<b>49833.32</b>	<b>55813.32</b>	<b>62510.92</b>	<b>70012.23</b>	<b>78413.70</b>
<b>b) Grants (i +ii)</b>	<b>22122.90</b>	<b>28924.14</b>	<b>29547.65</b>	<b>32606.16</b>	<b>35386.86</b>	<b>38408.59</b>	<b>41692.49</b>	<b>45261.57</b>
i) Centrally Sponsored Schemes	16205.52	23196.82	24754.58	27477.59	29950.57	32646.12	35584.27	38786.86
ii) Grants under Finance Commission and other transfers	5917.37	5727.31	4793.06	5128.58	5436.29	5762.47	6108.22	6474.71
<b>2. Recovery of loans and advances</b>	<b>3282.46</b>	<b>2221.03</b>	<b>2017.78</b>	<b>2219.56</b>	<b>2441.52</b>	<b>2685.67</b>	<b>2954.23</b>	<b>3249.66</b>
<b>3. Revenue Expenditure (a to d)</b>	<b>94162.90</b>	<b>110092.10</b>	<b>117225.97</b>	<b>130598.87</b>	<b>144969.80</b>	<b>160995.47</b>	<b>178873.34</b>	<b>198825.04</b>
a) Interest	8139.17	9597.38	10987.07	12305.52	13782.18	15436.04	17288.37	19362.97
b) Salary	34653.00	36399.03	40177.42	44998.71	50848.54	57458.85	64928.50	73369.20
c) Pension	17654.20	17811.43	20900.29	23617.32	26687.58	30156.96	34077.37	38507.42
d) Others	33716.52	46284.25	45161.20	49677.32	53651.50	57943.62	62579.11	67585.44
<b>4. Capital Outlay</b>	<b>21444.23</b>	<b>26595.58</b>	<b>29364.50</b>	<b>32300.95</b>	<b>35531.04</b>	<b>39084.14</b>	<b>42992.56</b>	<b>47291.81</b>
<b>5. Lending+contribution to Contingency Fund</b>	<b>64.50</b>	<b>11.47</b>	<b>51.58</b>	<b>54.16</b>	<b>56.86</b>	<b>59.71</b>	<b>62.69</b>	<b>65.83</b>
<b>6. Revenue Deficit</b>	<b>2628.42</b>	<b>-1851.75</b>	<b>0.00</b>	<b>266.70</b>	<b>653.92</b>	<b>1166.25</b>	<b>1831.31</b>	<b>2681.82</b>
[Surplus (-)/ Deficit(+)]								
<b>7. Fiscal Deficit</b>	<b>20854.69</b>	<b>22534.27</b>	<b>27398.29</b>	<b>30402.24</b>	<b>33800.31</b>	<b>37624.43</b>	<b>41932.32</b>	<b>46789.80</b>
[Surplus (-) / Deficit (+)]								
<b>8. Year End Debt Stock</b>	<b>138749.38</b>	<b>162242.06</b>	<b>190281.00</b>	<b>209309.10</b>	<b>230240.01</b>	<b>253264.01</b>	<b>278590.41</b>	<b>306449.45</b>
<b>9. Year End Outstanding Guarantees</b>	<b>2241.30</b>	<b>311.76</b>	<b>311.76</b>	<b>2241.30</b>	<b>2241.30</b>	<b>2241.30</b>	<b>2241.30</b>	<b>2241.30</b>
<b>10. Debt Stock including Guarantees (8+9)</b>	<b>140990.68</b>	<b>162553.82</b>	<b>190592.76</b>	<b>211550.40</b>	<b>232481.31</b>	<b>255505.31</b>	<b>280831.71</b>	<b>308690.75</b>
<b>11. Debt/GSDP</b>	<b>24.30%</b>	<b>25.21%</b>	<b>25.66%</b>	<b>24.12%</b>	<b>22.68%</b>	<b>21.32%</b>	<b>20.05%</b>	<b>18.85%</b>
<b>12. (Debt+Guarantee)/GSDP</b>	<b>24.69%</b>	<b>25.25%</b>	<b>25.70%</b>	<b>24.38%</b>	<b>22.90%</b>	<b>21.51%</b>	<b>20.21%</b>	<b>18.98%</b>
<b>13. Revenue Balance/Revenue Receipts (%)</b>	<b>2.87</b>	<b>-1.65</b>	<b>0.00</b>	<b>0.20</b>	<b>0.45</b>	<b>0.73</b>	<b>1.03</b>	<b>1.37</b>
<b>14. Revenue Balance/GSDP (%)</b>	<b>0.46</b>	<b>-0.29</b>	<b>0.00</b>	<b>0.03</b>	<b>0.06</b>	<b>0.10</b>	<b>0.13</b>	<b>0.16</b>
<b>15. Fiscal Balance/GSDP (%)</b>	<b>3.65</b>	<b>3.50</b>	<b>3.69</b>	<b>3.50</b>	<b>3.33</b>	<b>3.17</b>	<b>3.02</b>	<b>2.88</b>
<b>16. Interest Payment/Revenue receipt (%)</b>	<b>8.89</b>	<b>8.57</b>	<b>9.37</b>	<b>9.44</b>	<b>9.55</b>	<b>9.66</b>	<b>9.77</b>	<b>9.87</b>
<b>17. Own revenue /GSDP(%)</b>	<b>5.97</b>	<b>6.68</b>	<b>5.82</b>	<b>5.52</b>	<b>5.23</b>	<b>4.96</b>	<b>4.70</b>	<b>4.46</b>
<b>18. Own Taxrevenue /GSDP(%)</b>	<b>4.93</b>	<b>5.31</b>	<b>4.70</b>	<b>4.46</b>	<b>4.24</b>	<b>4.02</b>	<b>3.82</b>	<b>3.63</b>
<b>18. GSDP (Rs. in crore) at current prices</b>	<b>570994.00</b>	<b>643667.00</b>	<b>741626.00</b>	<b>867702.42</b>	<b>1015211.83</b>	<b>1187797.84</b>	<b>1389723.48</b>	<b>1625976.47</b>