

**Report of the
Comptroller and Auditor General
of India**

on

STATE FINANCES

For the year ended 31 March 2013

The Report has been laid on the table of the State Legislature Assembly on 26-07-2014

GOVERNMENT OF ARUNACHAL PRADESH

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PREFACE

- 1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.*
- 2. Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of the Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2013.*
- 3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.*
- 4. Reports containing findings from Performance Audit and Compliance Audit in various Departments and observations arising out of audit of Statutory Corporations, Government Companies and the Report containing observations on Revenue Receipts are presented separately.*



EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

BACKGROUND

This Report on Finances of the Government of Arunachal Pradesh is being brought out with a view to objectively assess the financial performance of the State during 2012-13. The aim of this Report is to provide the State Government with timely inputs based on actual data so that there is a better insight into both 'well performing' as well as 'ill performing' Schemes/Programmes of the Government. To give a perspective to the analysis, an effort has been made to compare achievements with the targets envisaged by the State Government in the Budget Estimates of 2012-13 and projections made by the Twelfth/Thirteenth Finance Commissions.

Based on audited accounts of the Government of Arunachal Pradesh for the year ending March 2013, this report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in three Chapters.

THE REPORT

Chapter I is based on the audit of Finance Accounts and makes an assessment of the fiscal position of the Government of Arunachal Pradesh as on 31 March 2013. It provides an insight into the trends in committed expenditure and borrowing patterns, besides a brief account of Central Funds transferred directly to State implementing agencies through the off-budget route.

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

Chapter III is an inventory of compliance to various reporting requirements and financial rules by the Government of Arunachal Pradesh.

AUDIT FINDINGS AND RECOMMENDATIONS

❖ Return to Fiscal Correction

During 2012-13, the State witnessed improvement in two fiscal parameters, viz., fiscal deficit and primary deficit but the Revenue Surplus during the current year decreased by 9.80 per cent.

The State may need to give special attention to the fall in Revenue Surplus and maintain fiscal deficit within limits.

❖ Revenue Receipts

Revenue receipts during 2012-13 grew by 4.78 per cent (₹ 262.46 crore) over the previous year. Tax revenue and Non-tax revenue receipts exceeded the normative assessment made by the 13th FC by about 61.68 and 30.68 per cent respectively. Central Transfers, comprising of the State share of Central taxes and Grants-in-aid from the Government of India, increased by ₹ 340.10 crore in 2012-13 and contributed about 90 per cent of Revenue receipts during the year. However, the State primarily depends on resources transferred by the Central Government. The State's own resources as a percentage of total receipts declined from its peak (23.56 per cent) in 2008-09 to its lowest (10.43 per cent) in 2012-13. This indicated that Central Transfers were the key to the increase in Revenue receipts of the State.

The State should make efforts to increase its own resources and maintain Revenue Surplus in the ensuing years.

❖ Revenue and Total Expenditure

Revenue Expenditure of the State during 2012-13 increased by ₹ 368.38 crore over the previous year and constituted 79.82 per cent of the total expenditure during the year. Non-Plan Revenue Expenditure (NPRE) during 2012-13, which increased by ₹ 233.54 crore as compared to the previous year, also exceeded the normative assessment made by the 13th Finance Commission by around 43.35 per cent. Committed expenditure, viz., salaries, pensions, interest payments and subsidies, constituted about 54 per cent of the Revenue Expenditure during 2012-13.

The Government should initiate suitable measures to compress Non-Plan Revenue Expenditure.

❖ Capital and Development Expenditure

The State Government had given adequate thrust to Capital Expenditure in its budget for 2012-13, but failed to fulfill its commitment. Capital Expenditure during the current year decreased over the previous year and fell short of the Budget Estimates by about 54.25 per cent. Development Expenditure during 2012-13 was 10.71 per cent less than the previous year but exceeded the assessment made in the Budget Estimates by 35.75 per cent. But only 25 per cent was utilized for Capital expenditure.

The Government should consider prioritizing outlays in favour of Development Capital Expenditure.

❖ Debt Sustainability

Prevalence of fiscal liabilities of the State over the period 2008-13, which stood at 37.20 per cent of the GSDP in 2012-13, appeared to be quite high, especially when

compared with the limit prescribed by the 13th FC, i.e., steady reduction in augmented Debt Stock of States to less than 25 per cent of GDP by 2014-15. The negative Resource Gap during 2011-12 turned into a positive Resource Gap during 2012-13, indicating increasing capacity of the State to sustain debt in the medium to long run.

The State Government should endeavour to maintain a proper Debt-GSDP Ratio so that incremental non-debt receipts become adequate to cover the interest burden.

❖ Funds transferred directly by GOI to State Implementing Agencies

Funds transferred directly to State Implementing Agencies via the off-budget route impacts fiscal responsibility and legislative requirements of transparency. In the process, there is no accountability. During the current year, the GoI transferred ₹ 1495.22 crore (approx.) directly to State Implementing Agencies for implementation of various Schemes/Programmes without routing the amount through the State Budget.

It is imperative that a system be put in place to ensure proper accounting of such funds, and the updated information validated by both the State Government and the Accountant General.

❖ Financial Management and Budgetary Control

During 2012-13, there was an overall savings of ₹ 3383.37 crore, which was the result of savings of ₹ 3446.01 crore offset by excess of ₹ 62.65 crore. The excess of ₹ 62.65 crore was required to be regularized as per Article 205 of the Constitution of India. There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriations. In many cases, anticipated savings were not surrendered and reconciliation of expenditure figures was not done by Controlling Officers.

Budgetary Controls should be strictly observed to avoid deficiencies in Financial Management.

❖ Financial Reporting

Compliance to rules, procedures and directives by the State Government was unsatisfactory, as evident from the delay in furnishing Utilization Certificates for grants given to/by Government Departments. Delays also figured in submission of Annual Accounts by some Autonomous Bodies.

Internal Control in all Departments/Organizations should be strengthened.



CHAPTER - I
FINANCES OF THE STATE GOVERNMENT

CHAPTER – I: Finances of the State Government

Profile of Arunachal Pradesh

Arunachal Pradesh, the largest State area-wise in the North-Eastern region, is a Special Category State¹ with a geographical area of about 83,743 sq km. It has a long international border with Bhutan in the West (160 km), China in the North and North-east (1080 km) and Myanmar in the East (440 km). It also shares common boundaries with Assam and Nagaland. Arunachal Pradesh provides shelter to 0.11 *per cent* population of the country. According to the Census of India, 2011, the population of the State stood at 13,83,727 (Male:7,13,912; Female: 6,69,815) and the density of population of the State was 17 persons per sq km. The state's literacy rate increased from 54.54 *per cent* (2001) to 65.38 *per cent* (2011), second lowest among states/UTs. As per data furnished by the Director of Economics & Statistics, Govt. of Arunachal Pradesh (August, 2013), Gross Domestic Product (GDP) of the State was ₹ 11,942.81 crore (Base Year 2004-05) and the estimated *per capita* GSDP of the State stood at ₹ 86,692 during 2012-13.

As per Gross State Domestic Product (GSDP)² series (Base Year 2004-05), there was a fluctuating trend in the growth rate of GSDP. While the growth of GSDP during 2008-09 was 18.24 *per cent*, and reached its peak in 2009-10 (31.43 *per cent*), it declined to 9.99 *per cent* in 2012-13. The average Compound Annual Growth Rate (CAGR) in respect of GSDP for Arunachal Pradesh between 2004-05 and 2012-13 was 16.63 *per cent*.

The State primarily depends on resources transferred by the Central Government as the State's own resources during 2008-13 contributed only about 10 to 24 *per cent* of the total revenue receipts. Outstanding fiscal liabilities of the State as a percentage to GSDP indicated a decreasing trend during 2008-13. It declined from its peak of 51.95 *per cent* in 2008-09 to 37.20 *per cent* in 2012-13.

Growth and Composition of GSDP

Gross State Domestic Product (GSDP), a major fiscal indicator, is considered to be a key factor for assessing the performance of a State's economy. It is prepared based on an income generating approach that measures gross income generated by factors of production physically located within the geographical boundaries of the State and also represents the volume of goods and services produced within the State. As per the New GSDP series (August 2013) furnished by the Directorate of Economics & Statistics, Government of Arunachal Pradesh, the quick estimated GSDP for the State of Arunachal Pradesh was ₹ 11,942.81 crore during 2012-13, which was arrived at on

¹ The 5th Finance Commission (1969) accorded special status to 3 States on the basis of harsh terrain, backwardness and social problems prevailing in the States. Thereafter, the number of such states has increased to 11, including Arunachal Pradesh.

² GSDP is defined as the total income of the State or the market value of goods and services using labour and all other factors of production.

the basis of current prices, taking into account 2004-05 as base year. The Table below shows the trend of growth of GSDP for the last five years.

Table-1.1: Trends in Gross State Domestic Product

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Gross State Domestic Product³ (₹ in crore)	5687.32	7474.45	9010.87	10858.85	11942.81
Growth Rate of GSDP	18.24	31.43	20.56	20.51	9.98

GSDP at current prices increased from ₹ 10858.85 crore in 2011-12 to ₹ 11942.81 crore in 2012-13, representing an increase of 9.98 *per cent*. Increase in the growth of GSDP during 2012-13 over the previous year was mainly due to increase of 14.49 *per cent* under Manufacturing, followed by 10.74 *per cent* under Electricity, Gas and Water Supply and 10.33 *per cent* under Agricultural & Allied Activities. The growth of GSDP during 2012-13 was also significantly below the projection made by the 13th FC. The average compound annual growth rate in respect of GSDP for Arunachal Pradesh between 2004-05 and 2012-13 was 16.63 *per cent*.

1.1 Introduction

This Chapter provides a broad perspective of finances of the Government of Arunachal Pradesh during the current year and analyses critical changes in major fiscal aggregates relative to the previous year, keeping in view the overall trend during the last five years. The analysis has been made based on the State Finance Accounts and information obtained from State Government. The structure of Government Accounts, lay-out of Finance Accounts, methodology adopted for assessment of the fiscal position and State Profile are shown in **Appendices 1.1.** and **1.2** of the Chapter, which briefly outline the Fiscal Responsibility and Budget Management (FRBM) Act of the Government, while **Appendix 1.3** presents the time series data on key fiscal variables/parameters and fiscal ratios relating to State Government finances for the period 2008-13.

1.1.1 Summary of Current Year Fiscal Transactions

Table 1.2 presents a summary of the State Government's fiscal transactions during the current year (2012-13) *vis-à-vis* the previous year while **Appendix 1.4** provides details of receipts/disbursements and the overall fiscal position during the current year.

³ 2008-09 to 2009-10 - Revised Estimates; 2010-11 - Provisional Estimates; 2011-12 - Quick Estimates and 2012-13 - Advance Estimates.

Table-1.2: Summary of Fiscal Transactions (Current Year)

(₹ in crore)

Receipts	2011-12	2012-13	Disbursements	2011-12	2012-13		
					Non-Plan	Plan	Total
Section – A : Revenue							
Revenue Receipts	5499.06	5761.52	Revenue Expenditure	4417.86	3087.41	1698.83	4786.24
Tax Revenue	317.65	316.50	General Services	1284.44	1380.76	42.70	1423.46
Non-tax Revenue	360.71	284.22	Social Services	1385.42	832.31	673.97	1506.28
Share of Union Taxes/Duties	838.97	957.93	Economic Services	1748.00	874.34	982.16	1856.50
Grants-in-aid from Govt. of India	3981.73	4202.87					
Section – B : Capital							
Miscellaneous Capital Receipts	...	...	Capital Outlay	2065.88	0.90	1205.38	1206.28
Recoveries of Loans & Advances	2.90	2.95	Loans & Advances Disbursed	9.69	2.98	0.97	3.95
Public Debt Receipts ⁴	168.66	276.45	Repayment of Public Debt	137.33	...	166.64	166.64
Contingency Fund	...	...	Contingency Fund	...	...	...	...
Public Account Receipts	4224.65	4113.19	Public Account Disbursements	3954.68	...	...	3784.15
Opening Balance	1798.98	1108.81	Closing Balance	1108.81	...	...	1315.66
Total	11694.25	11262.92	Total	11694.25			11262.92

Following are the significant changes during 2012-13 over the previous year:

- **Revenue Receipts** increased by 4.77 per cent (₹ 262.46 crore) over the previous year. The increase was contributed by Grants-in-aid of ₹ 221.15 crore (5.55 per cent) from the Government of India (GoI) and State share of Union Taxes & Duties of ₹ 118.96 crore (14.18 per cent), which was partly offset by decrease under Tax Revenue of ₹ 1.15 crore (0.36 per cent) and Non-Tax Revenue of ₹ 76.49 crore (21.21 per cent).
- **Revenue Expenditure** increased by 8.34 per cent (₹ 368.38 crore) over the previous year. While 8.18 per cent (₹ 233.55 crore) of the increase was under Non-Plan heads, increase under Plan heads was 8.62 per cent (₹ 134.83 crore) over previous year. **Capital Expenditure** during the year decreased by 41.61 per cent (₹ 859.60 crore) over the previous year.
- **Recovery of Loans & Advances** during the current year increased by ₹ 0.05 crore and **Disbursement of Loans & Advances** decreased by ₹ 5.74 crore compared to the previous year.
- **Public Debt Receipts** increased by ₹ 107.79 crore over the previous year wholly due to increase in receipts under Internal Debt. **Repayment of Public Debt** also increased by ₹ 29.31 crore over the previous year.
- **Public Account Receipts** and **Disbursements** decreased by ₹ 111.46 crore and ₹ 170.53 crore respectively over the previous year.

⁴ Includes Net Ways and Means Advances.

- The total inflow during 2012-13 was ₹ 10154.11 crore against ₹ 9895.27 crore in 2011-12, while the total outflow during 2012-13 was ₹ 9947.26 crore against ₹ 10585.45 crore during the previous year, registering an increase of 2.62 per cent in inflow and decrease of 6.03 per cent in outflow. During 2012-13, an increase in the cash balances by ₹ 206.85 crore (18.66 per cent) over the previous year was witnessed.

1.1.2 Review of the Fiscal Situation

Performance of the State during 2012-13 in terms of key fiscal targets set for selected parameters laid down in the Arunachal Pradesh Fiscal Responsibility and Budget Management (Amendment) Act, 2012 and the projections made in Medium Terms Fiscal Policy Statement (MTFPS) *vis-à-vis* achievements are given in **Table 1.3** below.

Table-1.3

Trends in Major fiscal parameters/variables *vis-à-vis* projections for 2012-13

Fiscal Parameters	2012-13		
	Targets as prescribed in FRBM Act	Projections made in MTFPS	Actuals
Revenue Surplus (₹ in crore)	Strive to remain Revenue Surplus during 2010-15	-	(+) ₹ 975.28
Revenue Surplus (as % of GSDP)	Strive to maintain in a consistent manner	23.12	8.17
Fiscal Deficit/GSDP (per cent)	Not more than 3 % by 2011-12	0.89	1.95
Total Outstanding Debt/GSDP (per cent)	58.2	39.24	38.66

The above Table indicates that though the State was able to achieve targets prescribed in the FRBM Act/MTFPS in respect of Revenue Surplus and Total Outstanding Debt as percentage of GSDP. While the ratio of Fiscal Deficit-GSDP (in *percentage*) surpassed the target fixed in the FRBM Act but failed to achieve the projection made in MTFPS.

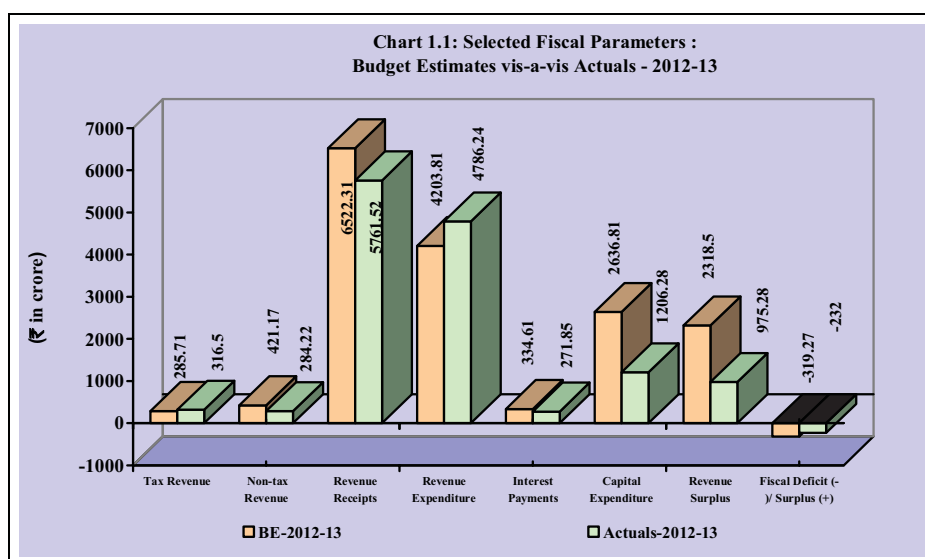
1.1.3 Budget Estimates and Actuals

Budget papers presented by the State Government provide descriptions of projections or estimations of revenue and expenditure for a particular year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from Budget Estimates are indicative of non-attainment and non-optimization of desired fiscal objectives due to various causes, some within and some beyond the control of the Government. **Table 1.4** presents the consolidated picture of State Finances during 2011-12 (Actuals) and 2012-13 (Budget Estimates, Revised Estimates and Actuals) and **Chart 1.1** presents the Budget Estimates and Actuals for some important fiscal parameters for 2012-13.

Table-1.4: Variation in Major Items – Actuals of 2012-13 over 2011-12 and Budget Estimates/Revised Estimates with Actuals of 2012-13

(₹ in crore)

Parameters	2011-12	2012-13		Percentage of Excess (+)/ Shortfall (-) with reference to			
	Actuals	Budget Estimates (BE) ⁵	Revised Estimates (RE) ⁵	Actuals	Actuals 2011-12	BE	RE
Tax Revenue	317.65	285.71	465.59	316.50	(-) 0.36	10.78	(-) 32.03
Non-Tax Revenue	360.71	421.17	428.89	284.22	(-) 21.21	(-) 32.52	(-) 33.73
REVENUE RECEIPTS	5499.06	6522.31	7290.90	5761.52	4.77	(-) 11.66	(-) 20.98
Non-debt Capital Receipts	2.90	3.50	3.50	2.95	1.72	(-) 15.71	(-) 15.71
REVENUE EXPENDITURE	4417.86	4203.81	5211.93	4786.24	8.34	13.85	(-) 8.17
Interest Payments	281.81	334.61	312.15	271.85	(-) 3.53	(-) 18.76	(-) 12.91
CAPITAL EXPENDITURE	2065.88	2636.81	3091.56	1206.28	(-) 41.61	(-) 54.25	(-) 60.98
Disbursement of Loans & Advances	9.69	4.46	4.57	3.95	(-) 59.24	(-) 11.43	(-) 13.57
REVENUE SURPLUS	1081.20	2318.50	2078.97	975.28	(-) 9.80	(-) 57.93	(-) 55.09
Fiscal Deficit (-)/ Surplus (+)	(-) 991.47	(-) 319.27	(-) 667.15	(-) 232.00	76.60	27.33	65.23



- In 2012-13, compared with the Budget Estimates and Revised Estimates, the actual **Revenue Receipts** fell short by 11.66 *per cent*, and 20.98 *per cent*. Compared with the Budget Estimates, the actual **Revenue Expenditure** exceeded by 13.85 *per cent*, but fell short of Revised Estimates by 8.17 *per cent*.
- Compared with the Budget and Revised Estimates, **Capital Expenditure** was less by 54.25 *per cent* and 60.98 *per cent* respectively. Compared to the previous year, Capital Expenditure decreased by ₹ 859.60 crore (41.61 *per cent*), mainly due to decrease of ₹ 96.95 crore (53.62 *per cent*) under General Services, ₹ 265.83 crore (48.72 *per cent*) under Social Services and ₹ 496.82 crore (37.09 *per cent*) under Economic Services.

⁵ Net Estimates.

- **Revenue Surplus** (₹ 975.28 crore) during the year was less by 57.93 per cent (₹ 1343.22 crore) and 53.09 per cent (₹ 1103.69 crore) compared to the assessment made in the Budget and Revised Estimates respectively. Against the fiscal deficit of ₹ 319.27 crore and ₹ 667.15 crore, as assessed in the Budget and Revised Estimates, the year ended with a fiscal deficit of ₹ 232 crore.

The wide variation between Budget Estimates and Actuals indicated that the budgeting was unrealistic.

1.2 Resources of the State

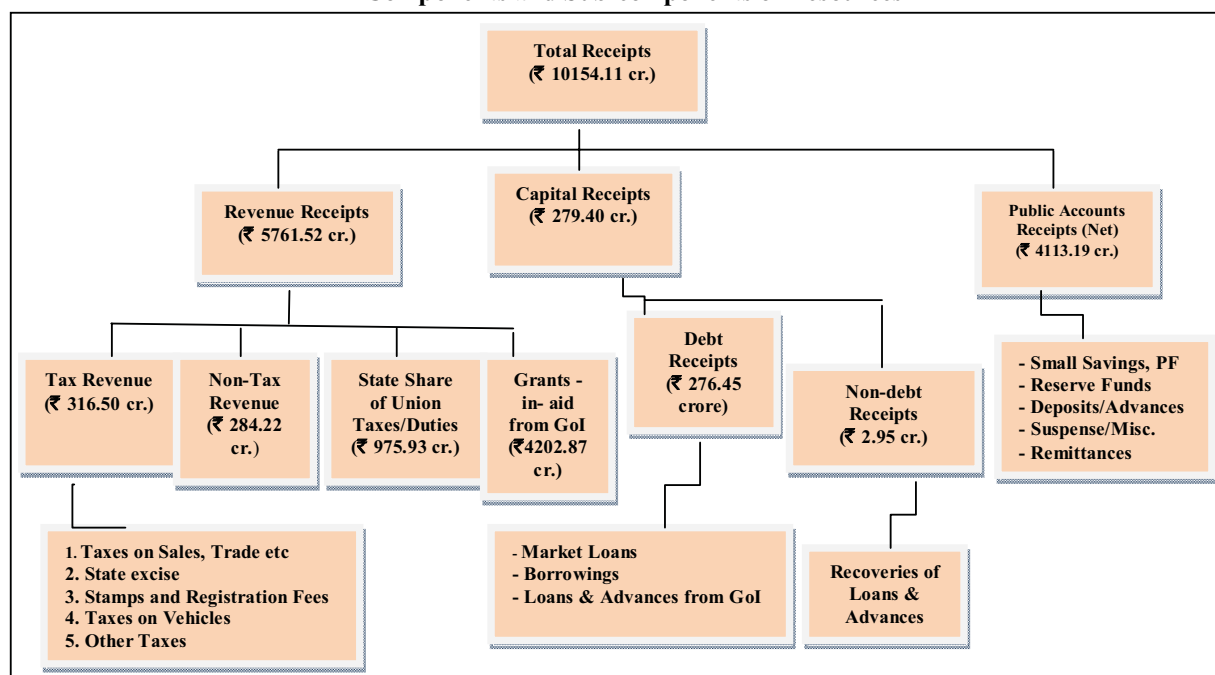
1.2.1 Resources of the State as per Annual Finance Accounts

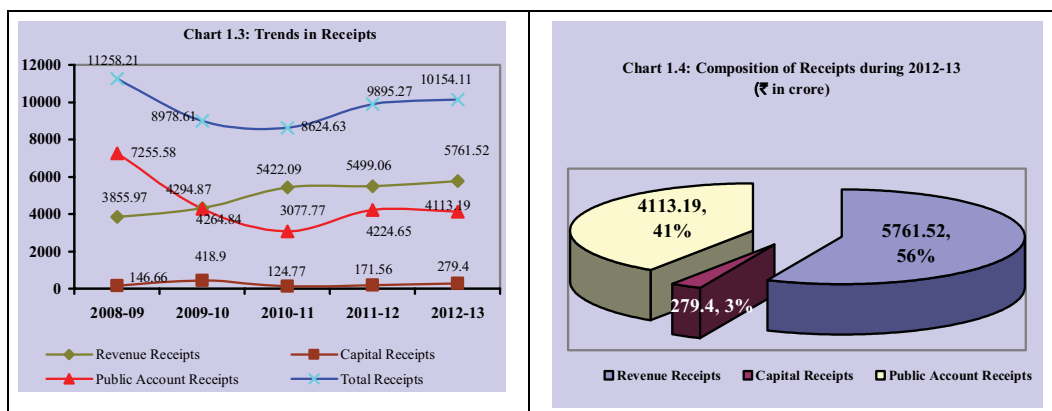
Revenue and **Capital** are the two streams of receipts that constitute resources of the State Government. Revenue Receipts consist of Tax Revenue, Non-tax Revenue, State share of Union Taxes & Duties and Grants-in-aid from the Government of India (GoI). Capital Receipts comprise of miscellaneous Capital Receipts such as proceeds from disinvestments, recoveries of loans & advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans & advances from the GoI and accruals from Public Account. **Table 1.1** presents receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Charts 1.2 & 1.3** depict trends in various components of receipts of the State during 2008-13. **Chart 1.4** depicts the composition of resources of the State during the current year.

The following Flow Chart shows the components and sub-components of resources.

Chart-1.2

Components and Sub-components of Resources





Total Receipts during the current year increased by ₹ 258.84 crore (2.62 per cent) over the previous year. Out of the total receipts, Revenue Receipts increased by 4.78 per cent (₹ 262.46 crore), followed by Capital Receipts by 62.86 per cent (₹ 107.84 crore).

Total Receipts of the State for 2012-13 was ₹ 10154.11 crore, of which ₹ 5761.52 crore (56.74 per cent) came from Revenue receipts and the remaining (43.26 per cent) from borrowings and Public Account. The total receipts of the State decreased by 9.81 per cent from ₹ 11258.21 crore in 2008-09 to ₹ 10154.11 crore in 2012-13.

Revenue Receipts increased by 49.42 per cent steadily from ₹ 3855.97 crore in 2008-09 to ₹ 5761.52 crore in 2012-13, whereas Public Debt Receipts, which create future repayment obligations, increased by 42.14 per cent from ₹ 143.88 crore in 2008-09 to ₹ 276.45 crore in 2012-13. Public Account receipts decreased from ₹ 7255.58 crore (64.45 per cent of total receipts) in 2008-09 to ₹ 4113.19 crore (40.51 per cent of total receipts) in 2012-13.

Capital Receipts increased by 90.51 per cent from ₹ 146.66 crore in 2008-09 to ₹ 279.40 crore in 2012-13.

1.2.2 Funds Transferred to State Implementing Agencies outside the State Budget

The Central Government transferred a sizeable quantum of funds directly to State Implementing Agencies⁶ for implementation of various Schemes/Programmes in Social and Economic Sectors recognized as critical. As the funds were not routed through the State Budget/State Treasuries, the Annual Finance Accounts do not reflect the flow of such funds, and to that extent, the State receipts/expenditure and fiscal variables/parameters derived from the Annual Finance Accounts are underestimated. An illustrative position of Central funds transferred to State Implementing Agencies during 2012-13 for implementation of various Schemes is given in **Appendix 1.5**. The

⁶ State Implementing Agency include any Organization/Institution, including non-Governmental Organizations which are authorized by the State Government to receive the funds from the GoI for implementing specific programmes in the State, e.g., State Implementing Society for SSA, State Health Mission for NRHM, etc.;

GoI directly transferred ₹ 1495.22 crore (approx.) to State Implementing Agencies during 2012-13. With this transfer, the total availability of State resources increased from ₹ 10994.25 crore to ₹ 12489.47 crore. The scheme-wise position involving substantial amount of Central funds is given in **Table 1.5**.

Table-1.5: Funds Transferred directly to State Implementing Agencies

(₹ in crore)

Programme/Scheme	Implementing Agency in the State	Funds Transferred by GoI
Sarva Shiksha Abhiyan (SSA)	SSA Rajya Mission, Itanagar	437.65
PMGSY	Rural Road Development, Itanagar	455.18
National Rural Drinking Water Programme	SWSM, Arunachal Pradesh	223.22
MGNREGA	DRDA (District)	68.34
Grid Interactive Renewable Power	AP Energy Development Agency	35.25
National Rural Health Mission (NRHM)	AP State Health Society	38.66
Integrated Watershed Management Programme	DRDA (District)	20.44
Forward Linkages to NRHM, New Initiatives in NE	AP State Health Society	13.15
Rural Housing (IAY)	DRDA(District)	33.27
MPs Local Area Development Scheme (MPLAD)	DCs of West Siang, Lohit, & Lower Dibang Valley	15.00
TOTAL		1325.31

Source: Central Plan Scheme Monitoring System of CGA Website

Out of ₹ 1495.22 crore, ₹ 437.65 crore (29.27 per cent) was transferred to the Rajya Mission of Sarva Shiksha Abhiyan and ₹ 455.18 crore (30.44 per cent) to the Rural Road Development Agency. Unless uniform accounting practices are diligently followed by all these agencies and there is proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers.

1.3 Revenue Receipts

Statement - 11 of the Finance Accounts details Revenue receipts of the Government. Revenue receipts consist of its own Tax and Non-tax revenues, Central Tax transfers and Grants-in-aid from GoI. Trends and composition of Revenue receipts over the period 2008-13 are presented in **Appendix 1.3** and depicted in **Charts 1.5** and **1.6** respectively. Trends in Revenue receipts relative to GSDP are presented in **Table 1.6**.

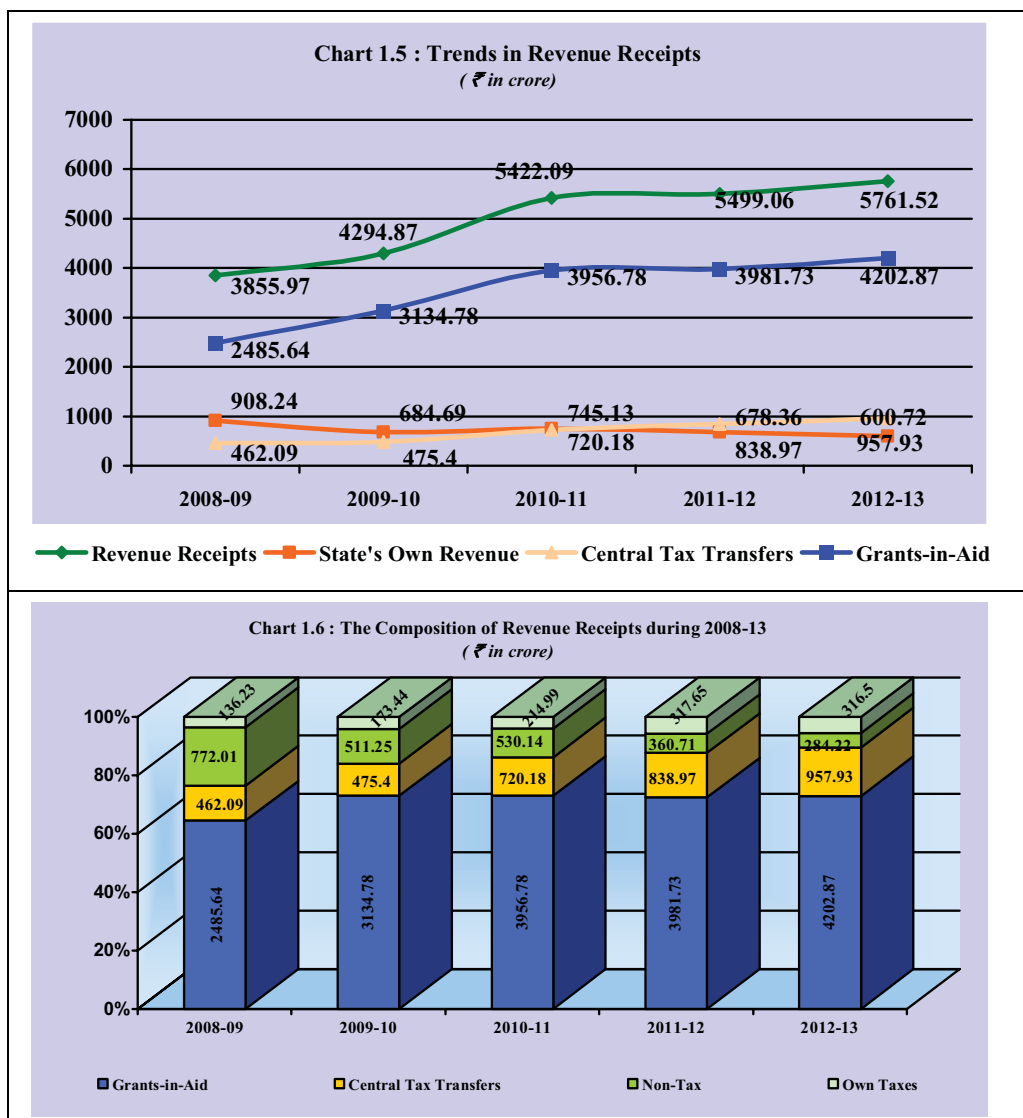


Table - 1.6: Trends in Revenue Receipts relative to GSDP

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Receipts (RR) (₹ in crore)	3855.97	4294.87	5422.09	5499.06	5761.52
Rate of growth of Revenue Receipts (per cent)	28.40	11.38	26.25	1.42	4.78
Rate of growth of Own Taxes (per cent)	38.88	27.31	23.96	47.75	(-) 0.36
Revenue Receipts/GSDP (per cent)	67.80	57.46	60.17	50.64	48.24
Buoyancy Ratio					
Revenue Buoyancy Ratio with reference to GSDP	1.56	0.37	1.28	0.07	0.48
State's Own Taxes Buoyancy Ratio with reference to GSDP	2.13	0.87	1.17	2.33	(-) 0.04
State's Own Taxes Buoyancy Ratio with reference to Revenue Receipts	1.37	2.40	0.91	33.63	(-) 0.08

Revenue Receipts of the State increased by ₹ 1905.55 crore from ₹ 3855.97 crore in 2008-09 to ₹ 5761.52 crore in 2012-13. Tax revenue increased by ₹ 180.27 crore from ₹ 136.23 crore in 2008-09 to ₹ 316.50 crore in 2012-13, whereas Non-tax revenue decreased by ₹ 487.79 crore from ₹ 772.01 in 2008-09 to ₹ 284.22 crore in 2012-13. The Buoyancy Ratio of Revenue receipts with reference to GSDP increased due to significant decrease in the rate of growth of GSDP in 2012-13 compared to the previous year. The Buoyancy Ratio of the State's own Tax revenue with reference to GSDP decreased due to significant decrease in the growth rate of the State's own Tax revenue under Taxes on Sales, Trade, etc; (25.30 per cent).

The Buoyancy Ratio of the State's own taxes with reference to Revenue receipts indicates the pace of growth of its own taxes. State's own taxes Buoyancy Ratio with reference to Revenue Receipts during the current year was (-) 0.08. This was due to decline in both Tax and Non-tax revenue the current year compared to previous year.

1.3.1 State's Own Resources

As the State share in Central taxes and Grants-in-aid is determined on the basis of recommendations of the Finance Commission, the State's performance in mobilization of resources was assessed in terms of its own resources comprising own tax and non-tax sources.

The State's actual Tax and Non-tax receipts for 2012-13 vis-à-vis assessment made by 13th FC and MTFP (latest) are given in the table below:

Table-1.7

(₹ in crore)

	13 th FC Projections	Budget Estimates	MTFP Projection	Actual
Tax Revenue	195.93	285.71	465.59	316.50
Non-Tax Revenue	409.98	421.17	428.89	284.22

Tax Revenue was 61.54 per cent higher than the assessment made by the 13th FC and 10.78 per cent higher than the assessment made in the Budget Estimates for the year. Collection of Non-Tax Revenue during 2012-13 was lower than the assessments made by the 13th FC (30.67 per cent) and in the Budget Estimates (32.52 per cent). Both Tax and Non-Tax Revenue were lower than MTFP projections by 32.02 per cent and 33.73 per cent respectively.

1.3.1.1 Tax Revenue

The gross collection in respect of major taxes and duties is given in **Table 1.8**

Table-1.8: Tax Revenue

(₹ in crore)

Heads	2008-09	2009-10	2010-11	2011-12	2012-13	% Increase (+) / Decrease (-) over Previous Year
Taxes on Sales, Trade, etc.:	105.68	130.23	168.24	216.36	161.62	(-) 25.30
State Excise	16.61	23.78	29.74	37.63	49.11	30.51
Taxes on Vehicles	7.76	13.07	11.76	12.41	13.37	7.82
Stamp & Registration Fees	1.25	1.88	1.86	2.24	3.05	36.16
Land Revenue	4.90	4.43	3.37	3.85	4.70	22.08
Taxes on Goods & Passengers	-	-	0.01	45.16	84.65	87.44
Other Taxes⁷	0.03	0.05	0.02	-	-	-
TOTAL	136.23	173.44	214.99	317.65	316.50	(-) 0.36

Tax Revenue decreased by 0.36 *per cent* during the current year (₹ 316.50 crore) over the previous year (₹ 317.65 crore). Revenue from Taxes on Sales, Trade, etc; contributed to the major share of Tax revenue (51.06 *per cent*) and decreased by 25.30 *per cent* over the previous year. Taxes on goods and passengers State Excise and Taxes on Vehicles were the other major contributors in the State's Tax revenue. *The Tax-GSDP ratio 2.65 during 2012-13 was lower than the projection (2.97 per cent) made by the 13th FC.*

1.3.1.2 Non-tax Revenue

Table 1.9 shows the trends of Non-Tax Revenue during the period 2008-13.

Table-1.9: Non-Tax Revenue

(₹ in crore)

Heads	2008-09	2009-10	2010-11	2011-12	2012-13	% increase/ decrease over previous year
Fiscal Services	-	0.02	-	-	-	-
Interest Receipts, Dividends and Profits	34.80	40.02	111.35	48.71	40.32	(-) 17.22
General Services	28.45	23.09	17.67	19.84	27.77	39.97
Social Services	10.73	9.07	9.67	10.35	16.97	63.96
Economic Services	698.03	439.05	391.45	281.81	199.16	(-) 29.33
Total	772.01	511.25	530.14	360.71	284.22	(-) 21.21

Non-Tax Revenue (NTR), which constituted around 4.93 *per cent* of total revenue receipts, significantly decreased by ₹ 76.49 crore (21.21 *per cent*) during 2012-13 over the previous year. Around 70.07 *per cent* (₹ 199.16 crore) of Non-Tax Revenue during 2012-13 was received from Economic Services, and within this category, receipts under Power Sector alone contributed 56.78 *per cent* (₹ 113.07 crore). But receipts under Power Sector declined from its peak (₹ 609.74 crore) during 2008-09

⁷ Other Taxes include taxes on professions, trades, callings and employment, taxes and duties on electricity and other taxes and duties on commodities and services.

to its lowest (₹ 113.07 crore) in 2012-13. Interest Receipts decreased by ₹ 8.39 crore (17.22 per cent) during 2012-13 compared to the previous year, mainly due to decrease in Interest Receipts on State/Union Territory Governments by ₹ 8.38 crore. However, the CAGR of Non-Tax Revenue for Arunachal Pradesh between 2003-04 and 2011-12 (14.68 per cent) significantly declined to 10 per cent between 2003-04 and 2012-13.

1.3.2 Grants-in-Aid

Details of Grants-in-aid from the GoI are given in **Table 1.10**.

Table 1.10: Grants-in-Aid from the GoI

Particulars	(₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Non-Plan Grants	454.97	505.76	836.29	850.18	966.40
Grants for State Plan Schemes	1664.36	2296.66	2616.44	2565.22	2733.97
Grants for Central Plan Schemes	52.18	66.43	47.59	30.74	13.04
Grants for Centrally Sponsored Schemes	248.81	142.39	378.31	352.96	391.16
Grants for Special Plan Schemes	65.33	123.54	78.15	182.63	98.30
TOTAL	2485.65	3134.78	3956.78	3981.73	4202.87
<i>Percentage of increase (+)/decrease (-) over previous year</i>	(+) 37.32	(+) 26.12	(+) 26.22	(+) 0.63	(+) 5.55

Grants-in-aid from the GoI increased by 5.55 per cent (₹ 221.14 crore) from ₹ 3981.73 crore in 2011-12 to ₹ 4202.87 crore in the current year. The increase was mainly due to increase in grants for State Plan Schemes by ₹ 168.75 crore (6.58 per cent) Non-plan Grants ₹ 116.22 (18.67 per cent) and grants for Centrally Sponsored Schemes ₹ 38.20 crore (10.83 per cent). The increase was partly offset by decrease in grants for Special Plan Schemes by ₹ 84.33 crore (46.18 per cent), and grants for Central Plan Schemes by ₹ 17.70 crore (57.58 per cent).

Non-Plan grants (₹ 966.40 crore) constituted 22.99 per cent of total grants during the year, of which 90.66 per cent (₹ 876.13 crore) was under the proviso to Article 275(1) of the Constitution. The remaining amount (₹ 90.27 crore) was released mainly as modernization of Police force (₹ 46.14 crore) and Indian Reserve Battalion related (₹ 6.38 crore).

1.3.3 Central Tax Transfers

Central Tax Transfers increased by 14.18 per cent (₹ 118.96 crore) over the previous year and constituted 16.63 per cent of Revenue receipts. The increase was mainly due to transfer of additional amount in Corporation Tax (₹ 13.92 crore), Service Tax (₹ 39.62 crore), Customs (₹ 13.75 crore), Union Excise Duties (₹ 14.07 crore) and Taxes on Income other than Corporation Tax (₹ 38.30 crore).

1.4 Capital Receipts

The details of Capital receipts during 2008-09 to 2012-13 are given in **Table 1.11**.

Table-1.11: Trends in Growth and Composition of Receipts

<i>(₹ in crore/Rate of Growth in per cent)</i>					
Sources of State's Receipts	2008-09	2009-10	2010-11	2011-12	2012-13
Capital Receipts (CR)	146.66	418.90	124.77	171.56	279.40
Miscellaneous Capital Receipts	-	-	-	-	-
Recovery of Loans & Advances	2.78	202.70	2.41	2.90	2.95
Public Debt Receipts	143.88	216.20	122.36	168.66	276.45
<i>Rate of growth of Non-debt Capital Receipts</i>	5.44	7191.37	(-) 98.81	20.33	1.72
<i>Rate of growth of Debt Capital Receipts</i>	(-) 50.57	50.26	(-) 43.40	37.84	63.91
<i>Rate of growth of CR</i>	(-) 50.12	185.63	(-) 70.21	37.50	62.86

Public Debt Receipts increased by ₹ 107.79 crore (63.91 percent) over the previous year. Internal Debt consisted of Market Loans (₹ 170 crore), loans from financial institutions (₹ 55.41 crore), Special Securities issued to National Small Savings Fund (₹ 41.99 crore) and Other Loans (₹ 9.05 crore).

During the year, no Loans & Advances from the Central Government were received by Government of Arunachal Pradesh.

1.5 Public Account Receipts

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

Table-1.12: Public Account Receipts

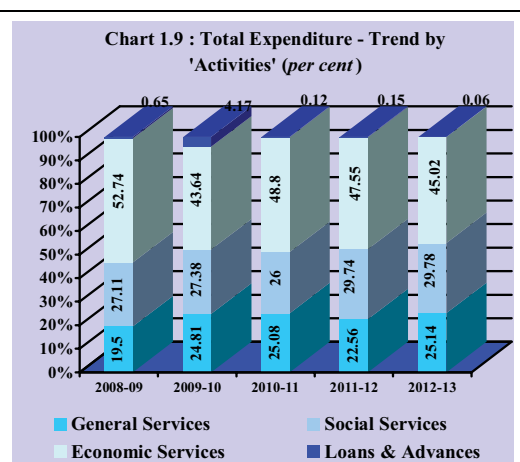
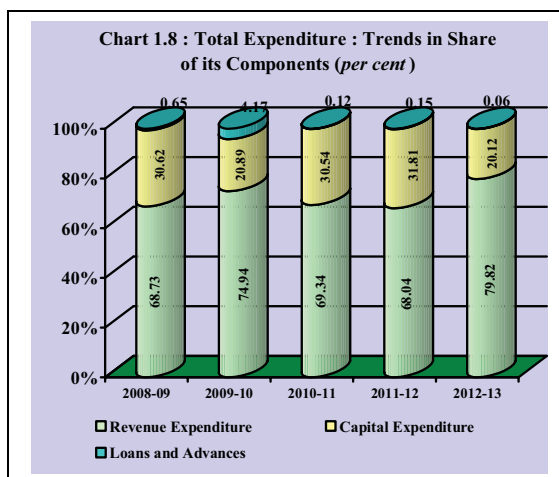
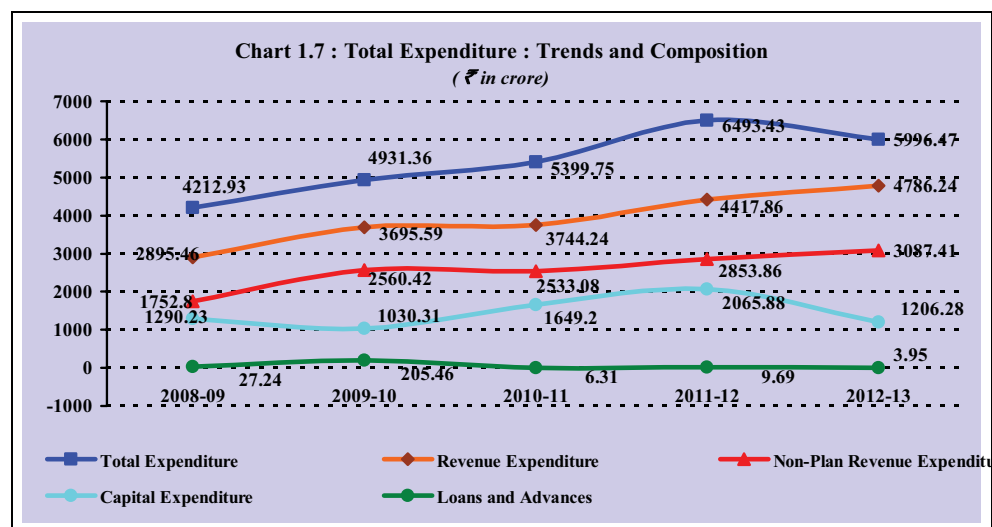
<i>(₹ in crore)</i>					
Sources of State's Receipts	2008-09	2009-10	2010-11	2011-12	2012-13
PUBLIC ACCOUNT RECEIPTS	7255.58	4264.84	3077.77	4224.65	4113.19
Small Savings, Provident Fund, etc.;	157.21	220.14	183.41	256.02	278.81
Reserve Funds	14.00	15.00	17.00	19.00	20.00
Deposits and Advances	533.44	540.38	650.90	940.44	1032.07
Suspense and Miscellaneous	3892.93	649.59	(-) 219.28	10.55	(-) 0.07
Remittances	2658.00	2839.74	2445.74	2998.64	2782.38

1.6 Application of Resources

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

1.6.1 Growth and Composition of Expenditure

Chart 1.7 presents trends in total expenditure over 5 years (2008-13). The composition, both in terms of 'economic classification' and 'expenditure by activities,' are depicted in Charts 1.8 and 1.9 respectively.



The total expenditure of the State increased by ₹ 1783.54 crore (42.33 per cent) from ₹ 4212.93 crore in 2008-09 to ₹ 5996.47 crore in 2012-13. The total expenditure, its

annual growth rate, the ratio of expenditure to the State GSDP and to Revenue receipts and its buoyancy with respect to GSDP and Revenue receipts, are indicated in **Table 1.13**.

Table 1.13; Total Expenditure – Basic Parameters

Particulars	(₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Total Expenditure (TE) (₹ in crore)	4212.93	4931.36	5399.75	6493.43	5996.47
Rate of Growth (<i>per cent</i>)	39.70	17.05	9.50	20.25	(-) 7.65
TE/GSDP Ratio (<i>per cent</i>)	74.08	65.98	59.92	59.80	50.21
RR/TE Ratio (<i>per cent</i>)	91.53	87.09	100.41	84.69	96.08
Buoyancy of Total Expenditure with reference to					
GSDP (<i>ratio</i>)	2.18	0.54	0.46	0.99	(-) 0.77
RR (<i>ratio</i>)	1.40	1.50	0.36	14.26	(-) 1.60

The decrease of ₹ 496.96 crore (7.65 *per cent*) in total expenditure during 2012-13 over the previous year was mainly on account of decrease of ₹ 859.60 crore in Capital expenditure and ₹ 5.74 crore in Loans & Advances, which was offset by increase under Revenue Expenditure by ₹ 368.38 crore (8.34 *per cent*). While the share of Plan expenditure constituted around 48.45 *per cent* (₹ 2905.19 crore) of the total expenditure, the remaining 51.55 *per cent* (₹ 3091.28 crore) was Non-plan expenditure. The buoyancy of total expenditure to GSDP stood at (-) 0.77 in 2012-13 due to growth rate of total expenditure at a much slower pace compared to GSDP. Similarly, the Buoyancy Ratio of total expenditure to Revenue receipts stood at (-) 1.61, indicating increase in expenditure at a much slower pace than receipts.

In terms of activities, total expenditure comprises of expenditure on General Services, including Interest payments, Social & Economic Services, Grants-in-aid and Loans & Advances. Of the total expenditure in 2012-13, expenditure on General Services, including Interest payments, which are considered as non-developmental, together accounted for 25.14 *per cent*. On the other hand, expenditure on Social & Economic Services (Revenue & Capital) together accounted for 74.80 *per cent* during 2012-13. The relative share of Social Services increased from 29.74 *per cent* in 2011-12 to 29.78 *per cent* in 2012-13. The relative share of Economic Services was 45.02 *per cent* in 2012-13, which was lowest in the last 5 years, after reaching its peak in 2008-09 (52.74 *per cent*). Loans & Advances showed wide fluctuations during 2008-13 and stood at 0.06 *per cent* of the total expenditure during 2012-13.

1.6.2 Revenue Expenditure

Revenue Expenditure is incurred to maintain the current level of services and payment of past obligations and does not result in any addition to the State's infrastructure and service network. The overall Revenue expenditure, its rate of growth, ratio of Revenue expenditure to GSDP and Revenue receipts and its buoyancy are indicated in **Table 1.14**.

Table-1.14: Revenue Expenditure – Basic Parameters

(₹ in crore)					
Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Expenditure (RE)	2895.46	3695.59	3744.24	4417.86	4786.24
<i>of which</i>					
Non-Plan Revenue Expenditure (NPRE)	1752.80 (60.54)	2560.42 (69.28)	2533.08 (67.65)	2853.86 (64.60)	3087.41 (64.51)
Plan Revenue Expenditure (PRE)	1142.66 (39.46)	1135.17 (30.72)	1211.16 (32.35)	1564.00 (35.40)	1698.83 (35.49)
Rate of Growth of					
RE (per cent)	28.14	27.63	1.32	17.99	8.34
NPRE (per cent)	44.16	46.08	(-) 1.07	12.66	8.18
PRE (per cent)	9.48	(-) 0.66	6.69	29.13	8.62
Ratio (per cent) of					
RE as percentage of TE	68.73	74.94	69.34	68.04	79.82
NPRE/GSDP (per cent)	30.82	34.26	28.11	26.28	25.85
NPRE as percentage of TE	41.61	51.92	46.91	43.95	51.49
NPRE as percentage of RR	45.46	59.62	46.72	51.90	53.59
Buoyancy Ratio of Revenue Expenditure with...					
GSDP	1.54	0.88	0.06	0.88	0.83
Revenue Receipts	0.99	2.43	0.05	12.67	1.74

(Figures in brackets represent percentages to Revenue Expenditure)

Revenue Expenditure constituted 68.04 per cent to 79.82 per cent of the total expenditure during 2008-13 and increased by 65.30 per cent from ₹ 2895.46 crore in 2008-09 to ₹ 4786.24 crore in 2012-13. The Non-Plan Revenue Expenditure (NPRE) during the same period increased from ₹ 1752.80 crore in 2008-09 to ₹ 3087.41 crore in 2012-13 - an increase of 76.14 per cent - outpacing the growth of Revenue Expenditure during the period. As a percentage of total Revenue Expenditure, NPRE also increased from 60.54 per cent in 2008-09 to 64.51 per cent in 2012-13. As a result, the share of Plan Revenue Expenditure (PRE) in the total Revenue Expenditure, which normally covers maintenance expenditure incurred on services decreased from 39.46 per cent during 2008-09 to 35.49 per cent during 2012-13.

Compared to previous years, NPRE during 2012-13 increased by ₹ 233.55 crore. The growth of 8.18 per cent in NPRE during 2012-13 against a growth of 12.66 per cent during the previous year was mainly due to increased expenditure on Education, Sports and Arts & Culture (₹ 41.43 crore), followed by Transport (₹ 86.17 crore). PRE increased by ₹ 134.84 crore (8.62 per cent) over the previous year. The growth of PRE was mainly due to increased expenditure on Education, Sports and Arts & Culture by ₹ 66.73 crore, followed by ₹ 46.58 crore on Special Areas Programme.

NPRE at ₹ 3087.41 crore during 2012-13, was around 43.33 per cent (₹ 933.42 crore) higher than the normatively assessed level of ₹ 2153.99 crore by the 13th FC (Table 1.15).

Table 1.15: Actual Non-Plan Revenue Expenditure during 2012-13 vis-à-vis Normative Assessment by the 13th FC

(₹ in crore)

Sectors	13 th FC Assessment	Actuals
Salaries	884.65	1752.10
Interest Payments	272.61	271.85
Pension	192.91	330.70
Other General Services	153.11	174.34
Social Services	67.67	132.75
Economic Services	198.30	425.67
TOTAL	2153.99	3087.41

During 2012-13, actual expenditure incurred on all other components except Interest Payments of NPPE was more than the assessments made by the 13th FC. The total NPPE during 2012-13 also exceeded the projection made by the State Government in the Budget (₹ 2674.19 crore) by 15.45 per cent (₹ 413.22 crore).

According to the recommendation of the 13th FC, 'the practice of diverting of Plan Assistance to meet Non-plan needs of Special Category States should be discontinued.' During 2012-13, Revenue receipts of Arunachal Pradesh, excluding Plan Assistance (₹ 3236.47 crore), was ₹ 2525.05 crore. Against this, NPPE during the year was ₹ 3087.41 crore. It was obvious that Plan assistance was diverted to Non-plan heads and that the State could not adhere to the recommendation of the 13th FC.

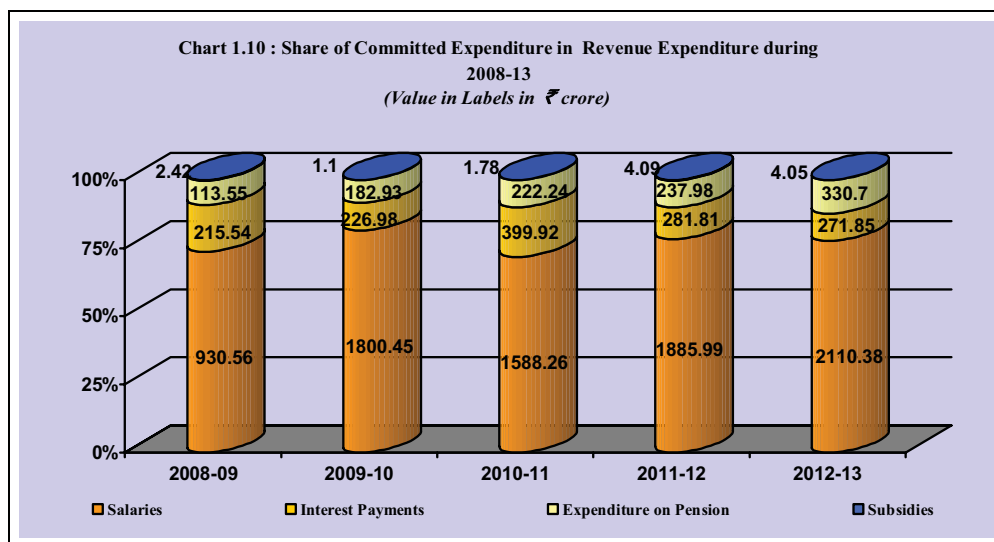
1.6.3 Committed Expenditure

Committed Expenditure of the State Government on Revenue Account mainly consists of Interest payments, expenditure on salaries, pensions and subsidies. **Table 1.16** and **Chart 1.10** present the trends in expenditure on these components during 2008-13.

Table-1.16: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13
Salaries	930.56	1800.45	1588.26	1885.99	2110.38
<i>of which</i>					
<i>Non-Plan Head</i>	812.55	1492.54	1368.19	1569.99	1752.10
<i>Plan Head</i>	118.01	307.91	220.07	316.00	358.28
Interest Payments	215.54	226.98	399.92	281.81	271.85
Expenditure on Pension and other Retirement Benefits	113.55	182.93	222.24	237.98	330.70
Subsidies	2.42	1.10	1.78	4.09	4.05
TOTAL	1262.07	2211.46	2212.20	2409.87	2716.98



Overall Committed expenditure increased by ₹ 1454.91 crore from ₹ 1262.07 crore in 2008-09 to ₹ 2716.98 crore in 2012-13. Committed expenditure during 2012-13 constituted 56.77 per cent of Revenue expenditure and 47.16 per cent of Revenue receipts. Component-wise analysis is given as under:-

Expenditure on Salaries

During 2012-13, **Salaries** alone accounted for 36.63 per cent of Revenue receipts of the State. It increased by 11.90 per cent from ₹ 1885.99 crore in 2011-12 to ₹ 2110.38 crore in 2012-13, and also exceeded the projection made in the Macro-Economic Framework (MEF) Statement of March 2012 (₹ 1603.12 crore) by ₹ 507.26 crore. *The expenditure on Non-plan Salary component during 2012-13 (₹ 1752.10 crore) was almost double than the assessment made by the 13th FC for the State (₹ 884.65 crore).*

Interest Payments

Interest Payments, comprising of interest on Internal Debt, Small Savings, Provident Funds, etc., Loans & Advances from the Central Government and other obligations decreased by ₹ 9.96 crore from ₹ 281.81 crore in 2011-12 to ₹ 271.85 crore in 2012-13. *Interest Payments (₹ 271.85 crore) were lower than the projections of the year made by the 13th FC (₹ 272.61 crore) and the MEFS of March 2012 (₹ 334.61 crore).*

Expenditure on Pension Payments

Pension Payments (including other Retirement Benefits) indicated an increasing trend during the five year period (2008-13). Pension payments during the current year increased by ₹ 92.72 crore, an increase of 38.96 per cent over the previous year. A comparative analysis of actual pension payments and the assessment/projection made by the 13th FC and the State Government showed that actual Pension Payments exceeded the assessment made by the 13th FC by ₹ 137.79 crore and the projection made by the State Government in its Budget and MEF Statement for 2012-13 by ₹ 79.76 crore and ₹ 80.70 crore respectively, as shown in (Table 1.17).

Table-1.17: Actual Pension Payments vis-à-vis Projection

(₹ in crore)

Year	Assessment made		Actuals	Excess over assessment made	
	by the 13 th FC	in Budget		by the 13 th FC	in Budget
2012-13	192.91	250.14	330.70	137.79 (71.42)	79.76 (31.78)

(Figures in brackets represent percentages)

Subsidies

Table 1.16 shows that expenditure on payment of Subsidies decreased by 0.98 *per cent* from ₹ 4.09 crore in 2011-12 to ₹ 4.05 crore during the current year. It constituted 0.08 *per cent* of Revenue Expenditure. Major recipients of Subsidies in 2012-13 were Agriculture (₹ 3.71 crore) and Rural Development & Panchayati Raj (₹ 0.19 crore).

1.6.4 Financial Assistance by the State Government to Local Bodies and other Institutions

The quantum of assistance provided by way of grants and loans to Local Bodies and others during the current year, relative to previous years is presented in **Table 1.18**.

Table-1.18: Financial Assistance to Local Bodies, etc.;

(₹ in crore)

Institutions	2008-09	2009-10	2010-11	2011-12	2012-13
University and Educational Institutions	47	3.45	8.42	3.95	6.85
Cultural Institutions/Voluntary Organizations for promotion of Arts & Culture	2.72	28.76	8.11	0.46	3.06
State Institute of Rural Development	-	-	0.50	0.20	0.60
Social Welfare	7.27	0.32	0.34	0.60	0.53
Food and Warehousing	44.97	36.12	22.13	18.57	3.65
Co-operation	-	-	2.10	1.27	0.75
Other Institutions	0.28	0.93	16.51 ⁸	0.58	7.49
TOTAL	102.24	69.58	58.11	25.63	22.93
Assistance as percentage of RE	3.53	1.88	1.62	0.58	0.48

Financial assistance extended to Local Bodies and other Institutions with inter-year variations declined by 10.53 *per cent* from ₹ 25.63 crore in 2011-12 to ₹ 22.93 crore in 2012-13. The share of financial assistance in revenue expenditure also marginally decreased from 0.58 *per cent* in 2011-12 to 0.48 *per cent* during the current year. Other Institutions were the major recipients (around 32.66 *per cent*) of the financial assistance followed by University and Educational Institutions (around 29.87 *per cent*).

⁸ Other Institutions included Local Bodies, Corporations, Urban Development Authorities, Town Development : Scientific Bodies (AP Science Centre Society).

1.7 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of expenditure. Improvement in the quality of expenditure basically involves three aspects, viz., adequacy (i.e. adequate provisions for providing public services); efficiency (expenditure use) and effectiveness (assessment of outlay-outcome relationships for select services) of expenditure. Analysis of expenditure data is dis-aggregated into Development and Non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans & Advances is categorized into Social, Economic and General Services. Broadly, Social and Economic services constitute Development expenditure, while expenditure on General Services is treated as Non-development expenditure.

1.7.1 Efficiency of Expenditure Use

In view of the importance of public expenditure for social and economic development, it is important for the State Government to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods⁹. Apart from improving allocation towards Development expenditure, the efficiency of expenditure use is also reflected by the ratio of Capital expenditure to Total expenditure (and/or GSDP) and proportion of Revenue expenditure being spent on operation and maintenance of existing social and economic services. The higher the ratio of these components to Total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.19** presents the trend in Development expenditure relative to the aggregate expenditure of the State during the current year *vis-à-vis* budget and the previous years, **Table 1.20** shows details of Capital expenditure and components of Revenue expenditure incurred on maintenance of the selected social and economic services.

Table-1.19: Development Expenditure

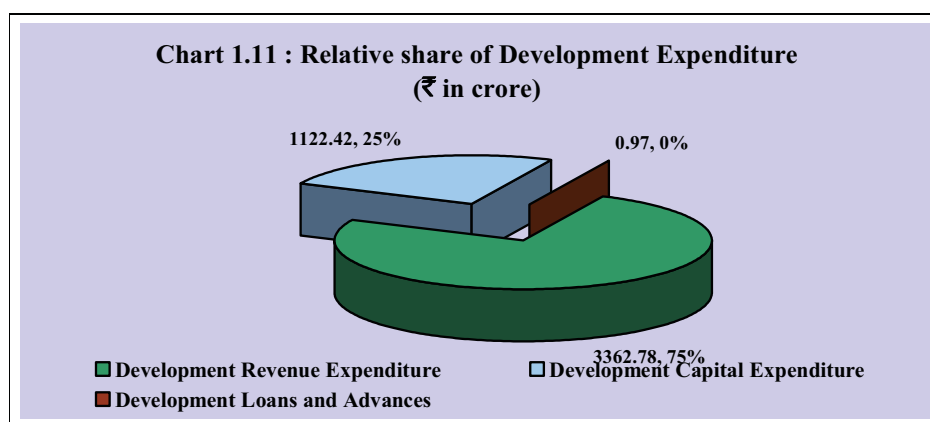
Components of Development Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13	
					BE (Net)	Actuals
Development Expenditure {(a) to (c)}	3389.76 (80.46)	3706.17 (75.16)	4042.27 (74.86)	5024.44 (77.38)	3780.19	4486.17 (74.81)
(a) Development Revenue Expenditure	2121.22 (50.35)	2534.56 (51.40)	2479.01 (45.91)	3133.42 (48.26)	2952.52	3362.78 (56.08)
(b) Development Capital Expenditure	1243.01 (29.50)	967.90 (19.63)	1560.11 (28.89)	1885.07 (29.03)	826.81	1122.42 (18.72)
(c) Development Loans & Advances	25.53 (0.61)	203.71 (4.13)	3.15 (0.06)	5.95 (0.09)	0.86	0.97 (0.01)

(Figures in brackets indicate percentage to Aggregate Expenditure)

Development expenditure decreased by 10.71 *per cent* over the previous year but exceeded the assessment made in the Budget Estimates by 18.68 *per cent*. The relative share of Development expenditure during 2012-13, given in **Chart 1.11**

⁹ Appendix 1.1.c.

below, showed that around 75 per cent of Development expenditure was incurred on Revenue account and only 25 per cent was utilized for Capital expenditure.



During the current year, Development Capital expenditure as a percentage of aggregate expenditure decreased to 18.72 per cent as compared to 29.03 per cent in 2011-12, but exceeded the budget projection by 35.75 per cent. This was a desirable improvement in the expenditure pattern. However, the predominant share of Revenue expenditure in Development expenditure indicated that more emphasis was given on maintenance of current level of services, which did not result in any addition to the State's infrastructure and service network. Thus, the expenditure pattern under this sector needs further correction in the ensuing year.

Table-1.20: Efficiency of Expenditure Use in Selected Social and Economic Services

(In per cent)

Social/Economic Infrastructure	2011-12		2012-13	
	Ratio of Capital Expenditure to Total Expenditure ¹⁰	In Revenue Expenditure, the share of Salary	Ratio of Capital Expenditure to Total Expenditure ¹¹	Share of Salary in Revenue Expenditure
SOCIAL SERVICES (SS)	28.25	55.91	15.66	56.34
General Education	15.75	76.91	6.93	68.33
Technical Education, Sports and Arts & Culture	57.44	46.48	35.24	30.43
Health & Family Welfare	17.31	77.11	4.82	78.55
Water Supply & Sanitation, Housing and Urban Development	50.54	25.48	37.43	27.79
Other Social Services	21.11	28.62	13.86	38.12
ECONOMIC SERVICES (ES)	43.38	33.52	31.22	34.86
Agriculture & Allied Activities	6.84	32.38	3.38	40.11
Irrigation & Flood Control	28.62	23.06	13.90	29.05
Energy	36.16	27.64	30.01	32.72
Transport	72.13	40.62	52.37	30.31
Other Economic Services	39.01	38.41	28.25	37.28

¹⁰ Total Revenue and Capital expenditure of services concerned.

Social Services

Trends in Capital expenditure on Social Services revealed that the share of Capital expenditure to total expenditure during the period was 28.25 *per cent* in 2011-12 and 15.66 *per cent* in 2012-13, which indicated that Revenue expenditure was dominant. There was decline in the share of Capital expenditure to total expenditure on all components of Social Services over the previous year. Health & Family Welfare was the worst sufferer, as only 4.82 *per cent* of the total expenditure was incurred on Capital account during 2012-13, as against 17.31 *per cent* during the previous year.

Of the Revenue expenditure on Social Services, the share of Salary component increased from 55.91 *per cent* in 2011-12 to 56.34 *per cent* in 2012-13, implying more expenditure on salary components. The Non-salary and Wage expenditure on Social Services increased by 7.65 *per cent* during 2012-13 from ₹ 610.89 crore in 2011-12 to ₹ 657.65 crore in 2012-13. Within the priority Sectors, Non-salary and Wage components continued to have the dominant share under Technical Education, Sports, Arts & Culture, Water Supply, Sanitation, Housing and Urban Development. High Salary and Wage expenditure was observed under General Education (2011-12 : 76.91 *per cent* and 2012-13 : 68.33 *per cent*) and Health & Family Welfare Services (2011-12 : 77.11 *per cent*; 2012-13 : 78.55 *per cent*).

Expenditure on the Non-plan Salary component under both General Education and Health & Family Welfare Sectors during 2012-13 increased by 11.16 *per cent* and 6.11 *per cent* respectively. While the Non-plan Non-salary expenditure under General Education and Health & Family Welfare registered a decrease of 22.31 *per cent* and 11.73 *per cent* during 2012-13 over the previous year.

Economic Services

Expenditure on Economic Services (including Loans & Advances) during 2012-13 (₹ 2700.13 crore) accounted for about 45.03 *per cent* of the total expenditure¹¹ and 60.18 *per cent* of Development expenditure during the year. Out of the total expenditure on Economic Services during the current year, 31.74 *per cent* (₹ 857.06 crore) was incurred on Transport, 20.50 *per cent* (₹ 553.65 crore) on Energy and 16.92 *per cent* (₹ 456.80 crore) on Agriculture & Allied Activities.

Trends in Revenue and Capital expenditure on Economic Services indicated that Capital expenditure on Economic Services decreased by 496.82 crore (37.09 *per cent*) from ₹ 1339.48 crore in 2011-12 to ₹ 840.66 crore in 2012-13. The share of Capital expenditure on Economic Services to the total Revenue and Capital expenditure on Economic Services during 2008-13 ranged between 37.84 and 43.66 *per cent*. Revenue expenditure on Economic Services also consistently increased from ₹ 1140.51 crore in 2008-09 to ₹ 1856.50 crore (62.77 *per cent*) in the current year. An increase of ₹ 108.50 crore (6.21 *per cent*) during 2012-13 over the previous year in

¹¹ Revenue expenditure + Capital expenditure + Disbursement of Loans and Advances

Revenue expenditure was mainly due to the increase under Transport (₹ 118.41 crore), Energy (₹ 28.10 crore), Special Areas Programmes (₹ 46.57 crore), General Economic Services (₹ 10.13 crore), partly offset by decrease under Agriculture and Allied Services (₹ 54.31 crore), Irrigation & Flood Control (₹ 16.33 crore), Communication (₹ 9.09 crore) and Science, Technology & Environment (₹ 8.09 crore). Within Revenue expenditure on Economic Services, the Salary component constituted 33.52 per cent and 34.86 per cent during 2011-12 and 2012-13 respectively.

1.8 Financial Analysis of Government Expenditure and Investments

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

1.8.1 Investment and Returns

As per Statement 14 of the Finance Accounts for 2012-13, as of 31 March 2013, the State Government invested ₹ 224.18 crore in five Government Companies (₹ 9.04 crore) and 145 Co-operative Banks and Societies (₹ 215.14 crore). Details are given in **Table 1.21**.

Table-1.21: Return on Investment

Investment/Return/Cost of Borrowings	2008-09	2009-10	2010-11	2011-12	2012-13
Investment at the end of the year (₹ in crore)					
(i) Government Companies	9.04	9.04	9.04	9.04	9.04
(ii) Co-operative Bank/Societies	211.38	209.14	209.11	212.62	215.14
TOTAL	220.42	218.18	218.15	221.66	224.18
Return (₹ in crore)	-	-	-	-	-
Return (per cent)	-	-	-	-	-
Average Rate of Interest on Government Borrowings (per cent)	7.71	7.47	12.16	7.52	6.41
Difference between Interest Rate and Return (per cent)	7.71	7.47	12.16	7.52	6.41

During 2008-13, the average return on investment was nil, while the Government paid interest at an average rate of 6.41 to 12.16 per cent on its borrowings during the period.

1.8.2 Loans & Advances by the State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the Government also provided Loans & Advances for other purposes, e.g., loans to Power Projects, Government servants, Tourism, etc.;. **Table 1.22** shows outstanding Loans & Advances as on 31 March 2013 and Interest Receipts *vis-à-vis* Interest Payments during the last 5 years.

Table-1.22: Average Interest received on Loans & Advances given by the State Government

(₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
OPENING BALANCE	27.95	52.41	55.17	59.07	65.86
Amount advanced during the year	27.24	205.46	6.31	9.69	3.95
Amount recovered during the year	2.78	202.70	2.41	2.90	2.95
CLOSING BALANCE	52.41	55.17	59.07	65.86	66.86
<i>Net Addition</i>	24.46	2.76	3.90	6.79	1.00
Interest Receipts	0.87	5.22	1.78	0.66	1.32
Interest received as <i>percentage</i> to outstanding Loans & Advances	2.17	9.70	3.12	1.06	1.99
Interest payments as <i>percentage</i> to outstanding fiscal liabilities of the State Government	7.71	7.28	12.16	7.52	6.41
Difference between Interest Payments and Receipts (<i>percentage</i>)	5.54	(-) 2.23	8.98	6.46	4.42

Loans & Advances given by the State Government in 2012-13 decreased from ₹ 9.69 crore in 2011-12 to ₹ 3.95 crore. During 2008-13, recovery of Loans & Advances was ₹ 213.74 crore against ₹ 252.65 crore advanced during the period. The total outstanding Loans & Advances as on 31 March 2013 was ₹ 66.86 crore. Interest receipt of ₹ 1.32 crore on Loans & Advances by the Government of Arunachal Pradesh during 2012-13 constituted only 1.99 *per cent* of outstanding Loans & Advances at the end of 2012-13 (₹ 66.86 crore).

1.8.3 Cash Balances and Investment of Cash Balances

Table 1.23 depicts Cash Balances and Investments made by the State Government out of Cash Balances during the year.

Table-1.23: Cash Balances and Investment of Cash Balances

Particulars	(₹ in crore)		
	As on 1 st April 2012	As on 31 March 2013	Increase(+)/ Decrease(-)
Cash Balances¹²	1108.81	1315.66	206.85
Investments from Cash Balances (a & b)	874.34	1020.88	146.54
a. GOI Treasury Bills	874.34	1020.88	146.54
b. GOI Stock/Securities	-	-	-
Fund-wise break-up of Investment from Earmarked Balances (a & b)	109.90	129.90	20.00
a. Sinking Fund Investment Account	109.90	129.90	20.00
b. Other Development and Welfare Funds	-	-	-
Interest realized on Investment of Cash Balances	48.04	37.23	(-) 10.81

Cash Balances of the State Government at the end of the current year increased from ₹ 1108.81 crore in 2011-12 to ₹ 1315.66 crore in 2012-13. As of 31 March 2013, the State Government invested ₹ 1020.88 crore in GoI Treasury Bills. During 2012-13, Interest of ₹ 37.23 crore was earned on investment of Cash Balances. *The 13th FC recommended that States with large Cash Balances make efforts towards utilizing their Cash Balances before resorting to fresh borrowings.*

It is generally desirable that the State's flow of resources should match its expenditure obligations. However, to take care of any temporary mismatches in the flow of resources and expenditure obligations, a mechanism of Ways and Means Advances (WMA) – Ordinary and Special – from the Reserve Bank of India (RBI) has been put in place.

The Government did not have to resort to WMA during the current year or during 2008-13, indicating a comfortable position of Cash Balances of the State. However, there was a balance of WMA of ₹ 55.64 crore since March 2007 (Ordinary WMA - ₹ 50.24 crore; Special WMA - ₹ 5.40 crore).

1.9 Assets and Liabilities

1.9.1 Growth and Composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of Fixed Assets like land and buildings owned by the Government is not done. However, Government accounts do capture financial liabilities of the Government and assets created out of expenditure incurred. **Appendix 1.4** gives an abstract of such liabilities and assets as on 31 March 2013, compared with the corresponding position on 31 March 2012. While liabilities in the Appendix consist mainly of internal borrowings, loans & advances from the GoI, receipts from Public Account and Reserve Funds, assets comprise mainly of Capital Outlay and Loans & Advances given by the State Government and Cash Balances.

¹² Excluding investment of Earmarked Funds.

1.9.2 Fiscal Liabilities

Trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.3**. However, the composition of fiscal liabilities during the current year *vis-à-vis* the previous year, is presented in **Charts 1.12** and **1.13**.

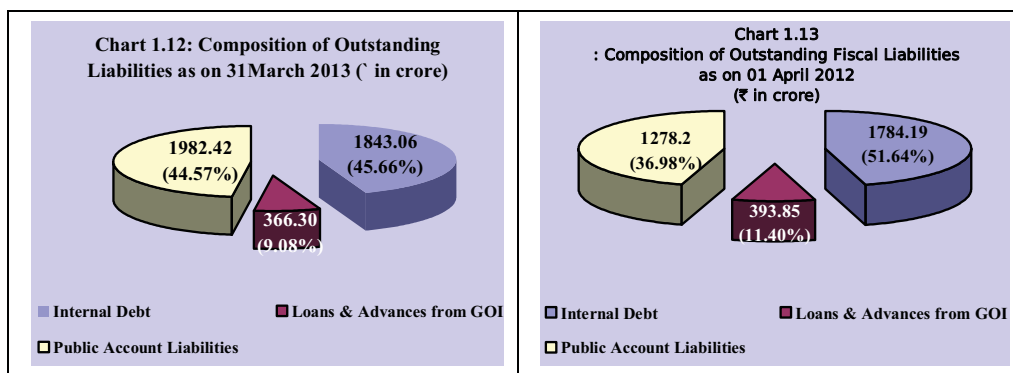


Table 1.25 gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP to Revenue receipts and the State's own resources and also the buoyancy of fiscal liabilities with reference to these parameters.

Table-1.24: Fiscal Liabilities – Basic Parameters

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Fiscal Liabilities¹³ (₹ in crore)	2954.66	3119.05	3456.24	4036.15	4443.04
<i>Rate of Growth (per cent)</i>	11.98	5.56	10.81	16.78	10.08
Ratio of Fiscal Liabilities to					
<i>GSDP (per cent)</i>	51.95	41.73	38.36	37.17	37.20
<i>Revenue Receipts (per cent)</i>	76.63	72.62	63.74	73.40	77.12
<i>Own Resources (per cent)</i>	325.32	455.54	463.84	594.99	739.62
Buoyancy of Fiscal Liabilities to					
<i>GSDP (ratio)</i>	0.66	0.18	0.53	0.82	1.01
<i>Revenue Receipts (ratio)</i>	0.42	0.49	0.41	11.82	2.11
<i>Own Resources (ratio)</i>	0.59	(-) 0.23	1.22	(-) 1.87	(-) 0.88

Fiscal liabilities of ₹ 4443.04 crore during 2012-13 consisted of Internal Debt, e.g., Market Loans bearing interest, WMA, loans from financial institutions and special securities issued to the National Small Savings Fund, etc; (₹ 1980.43 crore), Loans & Advances from the Central Government: (₹ 338.74 crore), Public Account Liabilities, e.g. Small Savings, Provident Funds, Reserve Funds and Deposits, etc; (₹ 2123.87 crore). Overall fiscal liabilities of the State increased from ₹ 2954.66 crore in 2008-09 to ₹ 4443.04 crore in 2012-13. The growth rate in 2012-13 was 10.08 per cent over the previous year. The ratio of fiscal liabilities to GSDP increased from 37.17 per cent in 2011-12 to 37.20 per cent in 2012-13. These liabilities were around 77 per cent of Revenue receipts., The overall liabilities was about 3.25 times the state's own receipts

¹³ Includes Internal Debt, Loans & Advances from Government of India, Small Savings, Reserve Funds Deposits and Provident Funds, etc;

at end of 2008-09 whereas it was more than 7 times the state's own resources at the end of March 2012-13, which is matter of concern. This was due to the deteriorating trend of state's own resources, as a decline of 33.86 per cent was witnessed during the period 2008-13. The buoyancy of these liabilities with respect to GSDP during the year was 1.01, indicating that for each one per cent increase in GSDP, fiscal liabilities grew by 1.01 per cent.

As per the APFRBM Act (amended in December 2011), the State Government targeted to maintain the outstanding debt GSDP ratio at 58.2 per cent during 2011-12, 55.2 per cent during 2012-13 and 50.1 per cent during 2014-15 in line with the recommendation of the 13th FC. As seen from **Table 1.24** above, fiscal liabilities to GSDP ratio during 2012-13 was within the target spelt out in APFRBM Act.

During 1999-2000, the State Government constituted a 'Consolidated Sinking Fund' for redemption and amortization of Open Market Loans. In 2012-13, the Government appropriated ₹ 20 crore from Revenue and credited it to this fund for investment in Government of India Securities.

1.9.3 Status of Guarantees – Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per the Finance Accounts, the maximum amount for which Guarantees were given by the State and outstanding Guarantees at the end of the year since 2008-09, are given in **Table 1.25**.

Table-1.25: Guarantees given by the Government of Arunachal Pradesh

Particulars	(₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Maximum Amount Guaranteed	12.00	12.00	Information not furnished by the State Government	2.00	2.00
Outstanding Amount of Guarantees (incl. Interest)	0.61	0.61		1.55	1.55
Percentage of Maximum Amount Guaranteed to Total Revenue Receipts	0.31	0.28		0.04	0.04

The Government guaranteed loans to one Company, i.e., Arunachal Pradesh Industrial Development and Financial Corporation, Ltd. (APIDFCL), which at the end of 2012-13 stood at ₹ 1.55 crore. No law under Article 293 of the Constitution was passed by the State Legislature laying down the maximum limit within which the Government may give guarantees on the security of the Consolidated Fund of the State.

1.10 Debt Management

1.10.1 Debt Sustainability

Debt sustainability is defined as the ability of the State to maintain a constant Debt-GDP Ratio over a period of time and also embodies the concern about the ability

to service debts. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match the increase in capacity to service debts.

Apart from the magnitude of debt of the State Government, it is important to analyze various indicators that determine debt sustainability of the State. This Section assesses the debt sustainability of the State Government in terms of Debt Stabilization¹⁴, sufficiency of Non-Debt Receipts,¹⁵ net availability of Borrowed Funds,¹⁶ burden of Interest Payments (measured by Interest payments to Revenue Receipts Ratio) and maturity profile of State Government securities. **Table 1.26** shows the debt sustainability of the State according to these indicators for the 5 year period from 2008-09 to 2012-13.

Table-1.26: Debt Sustainability: Indicators and Trends

(₹ in crore)					
Indicators of Debt Sustainability	2008-09	2009-10	2010-11	2011-12	2012-13
Debt Stabilization (Quantum Spread + Primary Deficit)	139.20	506.74	671.08	(-) 260.69	184.34
Sufficiency of Non-debt Receipts (Resource Gap)	(-) 344.40	(-) 79.61	458.54	(-)1016.22	759.47
Net Availability of Borrowed Funds	100.57	(-) 47.59	(-) 45.73	207.21	135.05
Burden of Interest Payments (IP/RR Ratio) (per cent)	5.59	5.28	7.38	5.12	4.72

The **Table** above shows that State Debt was stable during 2008-13 except in 2011-12.

Trends in Resource Gap indicate the oscillation between positive and negative magnitudes. Resource Gap was negative in 3 out of the 4 year period, indicating that incremental Non-debt receipts were not sufficient to meet incremental primary expenditure and Interest burden. However, the positive Resource Gap during 2012-13 indicated an increasing capacity of the State to sustain debt in medium to long run.

Debt Redemption Ratio fluctuated widely during 2008-13, which remained more than unity in 2009-10 and 2010-11, while during 2008-09, 2011-12 and 2012-13, the ratio was around 87, 84 and 93 *per cent* respectively. In the current year, against borrowed funds of ₹ 1560.76 crore, the Government repaid ₹ 1153.86 crore as Principal and Interest on Internal Debt (₹ 139.09 crore), Loans & Advances from the Central Government (₹ 27.55 crore) and other liabilities¹⁷ (₹ 987.22 crore), as a result of which borrowed funds of ₹ 135.05 crore were available for development purposes.

¹⁴ Appendix I.1.c.

¹⁵ Appendix I.1.c.

¹⁶ It indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.

¹⁷ Small Savings, Provident Funds, Reserve Funds, Deposits, etc.

1.10.2 Market Borrowings

Market loans are most significant component of instruments which are used for financing the fiscal deficit of the Government. The borrowing requirement of the Government during the year is determined by the Fiscal deficit.

Under the provisions of Article 293(1) of the Constitution of India, the State Governments are empowered to borrow funds within the territory if India upon the security of the Consolidated Fund of the State within such limits, if any, as may from time to time be fixed by the Legislature of such State by law. However, Article 293(3) of the Constitution of India imposes restriction that a State may not without the consent of the Government of India raise any loan if there is still outstanding any part of a loan which has been made to the State by the Government of India or in respect of which a guarantee has been given by the Government of India.

Market loans are raised either by auction or are tapped as part of a multi-state debt issuance process using the RBI as agent, with a fixed interest rate payable half yearly and fixed maturity tenure.

1.10.2.1 Position of Market Borrowing

The requirement of market borrowing which forms component of total borrowings of the State (which includes loans from NSSF, loans from Banks and Financial Institutions) are finalized at the time of the finalization of Annual Plan Financing by the Planning Commission each year. Once the Planning Commission approves the plan size and associated borrowings, proposal for market borrowings, etc. are sent to the Ministry of Finance, GOI for their approval. The borrowing is carried out in a phased manner throughout the year based on actual requirement of funds and market conditions. Before raising each tranche of loan from the market, the State Government has to obtain sanction from the Ministry of Finance, GOI for raising the loan.

The position of the borrowing limit, operating balances, borrowings / repayments together with closing balances, of open market loans, in respect of the State is brought out in the Table 1.27

Table-1.27: Position of Market Borrowings

Details	Amount (₹ in crore)					Total
	2008-09	2009-10	2010-11	2011-12	2012-13	
Opening balance	587.29	603.79	673.02	663.47	664.54	
Loan Raised	26.05	79.05	0.00	33.00	170.00	308.10
Repayments made	9.55	9.82	20.52	31.93	34.22	106.04
Outstanding Market loan on 31 March	603.79	673.02	663.47*	664.54	800.32	
Increase (+)/Decrease (-)	(+) 16.05	(+) 69.23	(-) 9.55	(+) 1.07	(+) 135.78	213.03
Percentage of increase/decrease in the outstanding market loan	(+) 2.73	(+)11.47	(-) 1.48	(+) 0.16	(+) 20.43	

Source: Departmental figures

*Difference of ₹ 10.97 crore was not explained

It can be seen from the above table that during 2008-13, the State government borrowed ₹308.10 crore through open market borrowings and repaid ₹106.04 crore. Outstanding market loan as 31 March 2013 stood at ₹800.32 crore against the outstanding balance of ₹587.29 crore at the beginning of 2008-09, i.e. an increase of ₹213.03 crore (36.27 per cent). No loan was raised in 2010-11. In other four years, the net increase in borrowing from open market was lowest (0.16 per cent) in 2011-12, while the increase ranged between 2.73 per cent and 20.43 per cent during the remaining three years.

1.10.2.2 Maturity Profile of Market Loans

During the period 2008-13, the State Government used Arunachal Pradesh Government Stock (securities) for raising Market loans. The instruments were sold through the Reserve Bank of India (RBI) by auction. The tenor of all the market loans raised by the State during the period was of 10 year maturity with varying interest rates payable half-yearly.

The total outstanding market loan as on 31 March 2013 was ₹ 800.32 crore. The maturity profile of market loans of the State payable in the next 6 years is shown in Table 1.28

Table-1.28: Maturity trend of market loans

Maturity year	Maturity amount (₹ in crore)	As a percent of Outstanding Market loans
2014-15	45.15	5.64
2015-16	68.87	8.61
2016-17	165.75	20.71
2017-18	184.69	23.08
2018-19	26.05	3.25
2019-20	79.05	9.88
TOTAL	569.56	71.77

Source: Departmental figures

It may be seen from the above table that in the next seven years, around 71.77 per cent (₹ 569.56 crore) is re-payable. During 2008-13, except for fiscal surplus of ₹ 24.75 crore during 2011-12, there was heavy fiscal deficits varying from ₹ 232.00 crore to ₹ 991.47 crore during the remaining four years. Thus, the Government will have to borrow further to discharge the expenditure obligations unless there is adequate fiscal surplus. Ideally, further borrowings in future should be made in such a way that there is no bunching of repayments in any particular year as that will cause undue stress on the State budget.

1.10.2.3 Interest Rate Profile of Market Loans

The interest rate of market loans is set by the lender and incorporated in the loan conditions. The cut-off yield determined at the auction is the coupon rate percent per annum on the Stock sold at the auction. The position of interest rate profile of market loans raised during 2008-13 is given below.

Table-1.29: Interest Rate Profile

Rate of Interest (%)	Market loans raised during the year (₹ in crore)					
	2008-09	2009-10	2010-11	2011-12	2012-13	TOTAL
Below 7	-	-	-	-	-	-
7 – 7.99	-	-	-	-	-	-
8 – 8.99	26.05	79.05	-	-	170.00	275.10
9 – 9.99	-	-	-	33.00	-	33.00
10-10.99	-	-	-	-	-	-
Total	26.05	79.05	-	33.00	170.00	308.10
Average Interest Rate	8.47	8.29	-	9.02	8.70	-

Source: Departmental figures

It may be seen from the above table that a total of ₹308.10 crore was raised by the State Government as Market loans during four years (no loan raised during 2010-11) from 2008-13 with varying average interest rates ranging from 8.29 per cent (2009-10) to 9.02 per cent (2011-12).

The percentage of interest payments on market loan to revenue receipts varied widely from 0.80 per cent (2012-13) to 1.56 per cent (2009-10) as shown in table 1.30

Table-1.30: Interest payments on market loan as a percentage of revenue receipts

(Amount ₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Interest payable on Market loan	46.39	49.63	52.71	50.50	46.31
Revenue Receipts	3855.97	4294.87	5422.09	5499.06	5761.52
Interest payable as percentage of revenue receipts	1.20	1.56	0.97	0.92	0.80

Source: Finance Accounts

1.10.2.4 Application of borrowings

Table 1.31 indicates the position of Revenue Surplus / Deficit, Fiscal Deficit, Market loan raised and Capital outlay during the period 2008-13.

Table-1.31: Position of Revenue Surplus / Deficit, Fiscal Deficit, Market loan raised and Capital outlay during the period 2008-13

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Surplus	960.51	599.28	1677.85	1080.20	975.28
Fiscal Surplus (+)/Deficit (-)	(-) 354.18	(-) 433.79	(+) 24.75	(-)991.47	(-) 232.00
Market Loans Raised	26.05	79.05	-	33.00	170.00
Capital Outlay	1290.23	1030.31	1649.20	2065.88	1206.88

As could be seen from the above table, the State Government had maintained revenue surplus in all the years during the period 2008-13. Further, the capital outlay was always more than the market borrowings throughout the entire period. This implied that during these years, besides the borrowed funds a part of revenue surplus was used on capital outlay or for repayment of past loan obligations.

1.10.2.5 Consolidated Sinking Fund

The State Government constituted a reserve fund called Consolidated Sinking Fund to meet future repayment obligations of loans contracted in the past including Market Loans. As per the instructions of the RBI, the State was required to contribute a minimum of 0.5 *per cent* of their outstanding liabilities (internal debt *plus* public account) at the end of the previous year to the Consolidate Sinking Fund. During 2012-13, the State Government contribution was ₹20.00 crore, against the required amount of ₹20.18 crore (0.5 *per cent* of the total outstanding liabilities of the Government of Arunachal Pradesh as on 31st March, 2012, i.e. ₹4036.15 crore).

The State did not make projections to take care of asset liability matching through maturity profiling with revenue estimations to meet the liabilities during the review period.

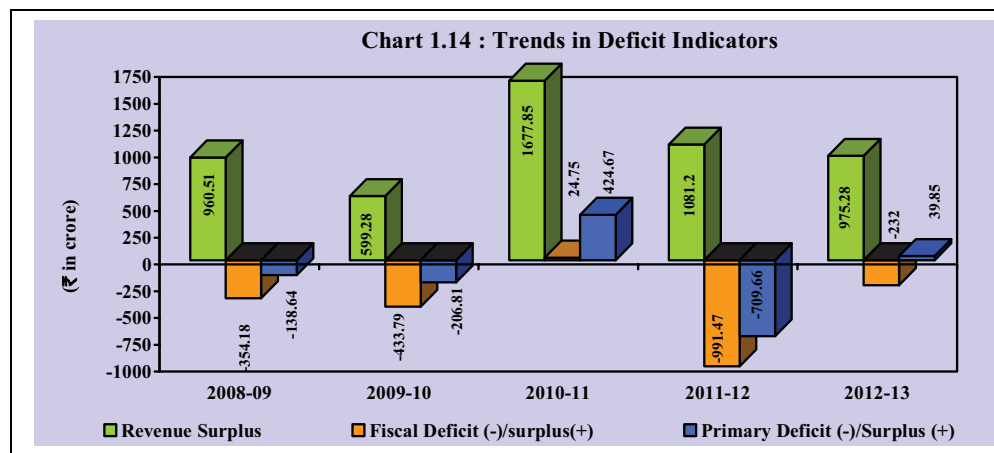
Though the steps taken by the State Government for redemption were encouraging, the fund in Consolidated Sinking Fund is just 2.92 *per cent* of total outstanding liabilities of the State at ₹4443.05 crore as of March 31 2013.

1.11 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and resources raised are applied are important pointers to its fiscal health. This Section presents trends, nature, magnitude, the manner of financing these deficits and also assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2012-13.

1.11.1 Trends in Deficits

Charts 1.14 and 1.15 present the trends in deficit indicators over the period 2008-13.



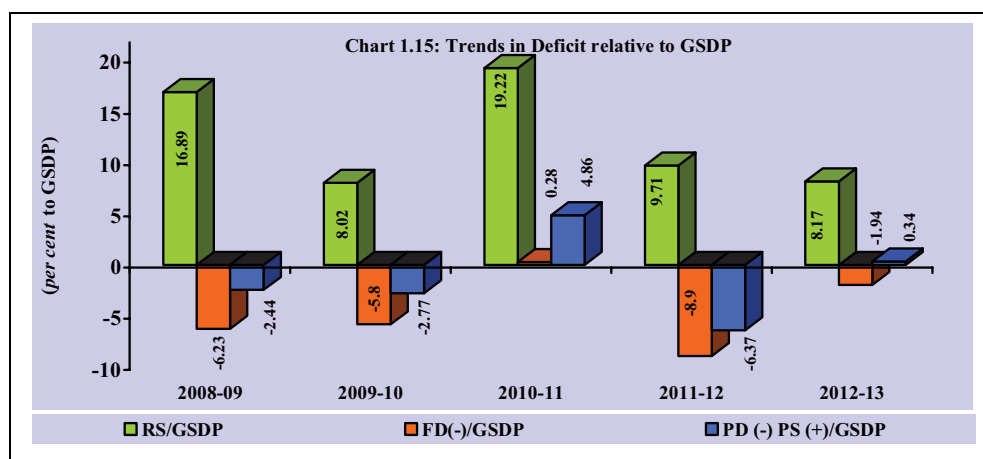


Chart 1.14 reveals that the State had Revenue Surplus during the period 2008-13, which after inter-year variations, decreased from ₹ 1081.20 crore in 2011-12 to ₹ 975.28 crore in the current year. Compared to 2011-12, Revenue Surplus in 2012-13 significantly decreased by ₹ 105.92 crore (9.80 per cent) due to marginal increase in Revenue receipts by ₹ 262.46 crore in 2012-13 and increase in Revenue expenditure by ₹ 368.38 crore in 2012-13. The fact was that the State's own resources contributed around 29.58 per cent (₹ 77.64 crore) in the incremental revenue receipt (₹ 262.46 crore) in 2012-13. Revenue Surplus in the current year was primarily on account of better growth in Grants-in-aid from GoI and State share in Union Taxes & Duties.

Fiscal deficit, which represents total borrowings of the Government and total Resource Gap, decreased from negative ₹ 991.47 crore in 2011-12 to negative ₹ 232 crore in 2012-13. The decrease in Capital expenditure (₹ 859.60 crore) partly offset by decrease in Revenue Surplus (₹ 105.92 crore) over the previous year, mainly led to a fiscal deficit of ₹ 232.00 crore in the current year.

As per recommendations of the 13th FC, *all Special Category States with base fiscal deficit of less than 3 per cent of GSDP in 2007-08, could incur a fiscal deficit of 3 per cent in 2011-12 and maintain it thereafter.* While the Government of Arunachal Pradesh was successful in restricting the fiscal deficit-GSDP Ratio in 2011-12, the State was unsuccessful in the current year as the Fiscal Deficit-GSDP Ratio in 2012-13 was 1.95 per cent.

The primary deficit of ₹ 709.66 crore, experienced by the State during 2011-12, took a turnaround in 2011-12 and resulted in a primary surplus of ₹ 39.85 crore. The decrease of ₹ 9.98 crore (3.54 per cent) in Interest payments in 2012-13 over the previous year and a fiscal deficit of ₹ 232.00 crore witnessed during the year, led to the primary surplus.

1.11.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of fiscal deficit underwent a compositional shift as reflected in **Table 1.32**

Table 1.32: Components of Fiscal Deficit and its Financing pattern

(₹ in crore)						
Sl No	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
DECOMPOSITION OF FISCAL DEFICIT						
Fiscal Deficit (-)/Surplus (+)		(-) 354.18	(-) 433.79	(+) 24.75	(-) 991.47	(-) 232.00
1.	Revenue Deficit (-)/Surplus (+)	960.51	599.28	1677.85	1081.20	975.28
2.	Net Capital Expenditure	1290.23	1030.31	1649.20	2065.88	1206.28
3.	Net Loans & Advances	(-) 24.46	(-) 2.76	(-) 3.90	(-) 6.79	(-) 1.00
FINANCING PATTERN OF FISCAL DEFICIT						
1.	Market Borrowings	14.09	66.82	(-) 12.93	(-) 1.34	133.37
2.	Loans from GoI	(-) 3.71	(-) 24.13	(-) 26.82	(-) 27.55	(-) 27.55
3.	Special Securities issued to NSSF	21.62	49.90	55.10	5.48	17.11
4.	Loans from Financial Institutions	48.43	12.78	20.51	54.73	(-) 13.12
5.	Small Savings, PF, etc;	78.55	142.74	79.49	128.18	125.92
6.	Reserve Funds	14.00	15.00	17.00	19.00	20.00
7.	Deposits and Advances	153.45	(-) 85.40	218.01	281.45	70.32
8.	Suspense and Miscellaneous	2782.13	502.98	(-) 196.33	(-) 166.77	(-) 3.62
9.	Remittances	(-) 1.67	28.85	9.81	8.12	166.42
10.	Increase (-)/Decrease (+) in Cash Balances	(-) 2752.71	(-) 275.77	(-) 188.59	(+) 690.17	(-) 206.85
11.	Increase/Decrease in Ways & Means Advances	-	-	-	-	-
Overall Deficit (1 to 11) (-)		(-) 354.18	(-) 433.79	24.75	(-) 991.47	(-) 232.00

Fiscal Deficit decreased by ₹ 759.47 crore from ₹ 991.47 crore in 2011-12 to ₹ 232 crore in 2012-13. The fiscal deficit was mainly met out from increase in Remittances (₹ 116.42 crore), Small Savings, PF, etc; (₹ 125.92 crore) and Market Borrowings (₹ 133.37 crore).

1.11.3 Quality of Deficit/Surplus

The ratio of Revenue deficit to Fiscal deficit and decomposition of Primary deficit into Primary Revenue deficit and Capital expenditure (including Loans & Advances) would indicate the quality of deficit in the State's finances. The ratio of Revenue deficit to Fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, a persistently high ratio of Revenue deficit to Fiscal deficit also indicates that the asset base of the State is continuously shrinking and a part of borrowings (fiscal liabilities) do not have any asset back-up. The bifurcation of Primary deficit (**Table 1.33**) would indicate the extent to which the deficit was on account of enhancement in Capital expenditure, which may be desirable to improve the productive capacity of the State's economy.

Table - 1.33
Primary Deficit/Surplus – Bifurcation of Factors

(₹ in crore)

Year	Non-debt Receipt	Primary Revenue Expenditure	Capital Expenditure	Loans & Advances	Primary Expenditure	Primary Revenue Surplus	Primary Deficit (-)/ Surplus (+)
1	2	3	4	5	6 (3 + 4 + 5)	7 (2 - 3)	8 (2 - 6)
2008-09	3858.75	2679.92	1290.23	27.24	3997.39	1178.83	(-) 138.64
2009-10	4497.57	3468.61	1030.31	205.46	4704.38	1028.96	(-) 206.81
2010-11	5424.50	3344.32	1649.20	6.31	4999.83	2080.18	(+) 424.67
2011-12	5501.96	4136.05	2065.88	9.69	6211.62	1365.91	(-) 709.66
2012-13	5764.47	4514.39	1206.28	3.95	5724.62	1250.08	(+) 39.85

Analysis of factors resulting into Primary deficit or surplus of the State during 2008-13 revealed that in 3 out of the 5 years (2008-09, 2009-10 and 2011-12), the State experienced Primary deficit, which was on account of Capital expenditure incurred and Loans & Advances disbursed by the State Government. In other words, Non-debt receipts of the State were sufficient to meet Primary Revenue expenditure. But Non-debt receipts were not enough to meet expenditure requirements under Capital account and Loans & Advances during 2008-10 and 2011-12, resulting in Primary deficit. However, during 2010-11 and 2012-13, Non-debt receipts were sufficient to meet the expenditure requirement both under Revenue and Capital accounts, resulting in Primary surplus. Primary deficit of ₹ 709.66 crore during 2011-12 turned into primary surplus of ₹ 39.85 crore in the current year, mainly on account of significant increase in Non-Debt Receipts by ₹ 262.51 crore and decrease in Capital expenditure ₹ 859.60 crore, which was partly offset by increase in primary Revenue expenditure by ₹ 378.34 crore, which may not be desirable and needs improvement.

1.12 Conclusion and Recommendations

The fiscal position of the State viewed in terms of key fiscal parameters - Revenue Surplus, Fiscal Deficit and Primary Deficit - indicated that the State maintained Revenue Surplus during 2008-13, but Fiscal and Primary deficits showed fluctuating trends. Fiscal surplus of ₹ 24.75 crore in 2010-11 took a turnaround and resulted in Fiscal deficit of ₹ 991.47 crore in 2011-12 and again decreased to Fiscal deficit of ₹ 232 crore in 2012-13. Primary surplus of ₹ 424.67 crore in 2010-11 took a turnaround and resulted in primary deficit of ₹ 709.66 crore in 2011-12 but again turned in primary surplus of ₹ 39.85 crore.

Revenue Receipts

Revenue receipts during 2012-13 grew by 4.78 per cent (₹ 262.46 crore) over the previous year. Tax and Non-tax revenue receipts exceeded the normative assessment made by the 13th FC by about 61.68 per cent and 30.68 per cent respectively. Central Transfers, comprising of the State's share of Central taxes and Grants-in-aid from the GoI increased by ₹ 340.10 crore in 2012-13 and contributed about 90 per cent of the

Revenue receipts during the year. However, the State primarily depends on resources transferred by the Central Government. The State's own resources as a percentage of total receipts declined from its peak (23.56 *per cent*) in 2008-09 to its lowest (10.43 *per cent*) in 2012-13. This indicates that Central Transfers were the key to the increase in Revenue receipts of the State.

The State should make efforts to increase its own resources and maintain Revenue Surplus in the ensuing years.

Revenue and Total Expenditure

Revenue expenditure of the State increased by 65.31 *per cent* from ₹ 2895.46 crore in 2008-09 to ₹ 4786.24 crore in 2012-13. This expenditure as a percentage of total expenditure, though increased to 79.82 *per cent* in 2012-13 from 68.04 *per cent* in 2011-12, averaged around 72 *per cent* during 2008-13, leaving inadequate resources for expansion of services and creation of assets. NPPE during the same period increased from ₹ 1752.80 crore in 2008-09 to ₹ 3087.41 crore in 2012-13, which was around 43 *per cent* (₹ 933.72 crore) higher than the normative level of ₹ 2153.99 crore assessed by the 13th FC for the year. Further, Salaries, Pensions, Interest payments and Subsidies continued to consume a major share of Revenue expenditure, accounting for more than 54 *per cent* in 2012-13. Development expenditure in 2012-13 decreased by 10.71 *per cent* over the previous year, but exceeded the assessment made in the Budget Estimates by 18.68 *per cent*. However, the relative share of Development expenditure in 2012-13, showed that 75 *per cent* of Development expenditure was incurred on Revenue account and only 25 *per cent* was utilized for Capital expenditure. A predominant share of Revenue expenditure in Development expenditure indicated that more emphasis was given on maintenance of the current level of resources, which did not result in any addition to the State's infrastructure and service network.

The expenditure pattern of the State Government needs correction in the ensuing years. The Government should initiate suitable measures to compress components of Non-plan Revenue Expenditure and emphasize on provision of Development Capital Expenditure.

Fiscal Correction Path

During 2011-12, there was significant improvement in two major fiscal indicators, *viz.*, fiscal deficit and primary deficit, but decrease in Revenue surplus. Decline in fiscal deficit in the last year indicated a stable fiscal position of the State. Prevalence of fiscal liabilities of the State over 2008-13, which stood at 37.20 *per cent* of the GSDP in 2012-13, appeared to be quite high, especially when compared with the limit prescribed by the 13th FC, *i.e.*, steady reduction in augmented Debt Stock of States to less than 25 *per cent* of GDP by 2014-15.

During 2012-13, while the Government paid Interest at an average rate of 6.41 *per cent* on its borrowings during the period, the average Return on Investment in

Government Companies and Co-operative Societies was 'zero'. Cash Balances of the State at the end of 2012-13 increased to ₹ 1315.66 crore

Increasing fiscal liabilities, accompanied by no return on Government investments and inadequate interest cost recovery on loans & advances, may lead to an unsustainable fiscal situation in the medium to long-term time-frame.

The State Government should make efforts to restrict its fiscal liabilities and also ensure proper Debt Management through advanced planning, which could minimize the need to hold large cash surpluses.

Accounting of Funds Transferred to State Implementing Agencies

The GoI has been transferring substantial amounts directly to the State Implementing Agencies for implementation of various Schemes/Programmes in the Social and Economic Sectors. As long as these funds remain outside the State budget, there is no agency monitoring their use and data is not readily available on how much is actually spent in a particular year.

A system has to be put in place to ensure proper accounting of such funds and updated information should be validated by the State Government and the Accountant General.

CHAPTER - II
FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

CHAPTER II: Financial Management and Budgetary Control

2.1 Introduction

2.1.1 Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amount of voted grants and appropriations charged for different purposes as specified in the Schedules appended to the Appropriation Accounts. These Accounts list the original budget estimate, supplementary grants, surrenders and re-appropriations distinctly and indicate actual Capital and Revenue expenditure on various specified services *vis-à-vis* those authorized by the Appropriation Accounts in respect of both charged and voted items of budget. The Appropriation Accounts thus facilitate management of finances and Accounts.

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

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure in 2012-13 against 73 Grants/Appropriations is given in **Table 2.1** below:

Table 2.1: Summarized position of Actual Expenditure vis-à-vis Original/Supplementary Provisions

<i>(₹ in crore)</i>						
	Name of Expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure ¹	Savings (-)/ Excess (+)
Voted	I - Revenue	3842.54	1182.80	5025.34	4484.22	(-) 541.12
	II - Capital	2637.11	1284.26	3921.37	1206.87	(-) 2714.50
	III - Loans & Advances	4.46	0.11	4.57	3.95	(-) 0.62
TOTAL VOTED		6484.11	2467.17	8951.28	5695.04	(-) 3256.24
Charged	IV - Revenue	361.26	3.37	364.64	302.02	(-) 62.62
	V - Capital					
	VI - Public Debt-Repayment	228.24	2.91	231.15	166.64	(-) 64.51
TOTAL CHARGED		589.51	6.28	595.79	468.66	(-) 127.13
Appropriation to Contingency Fund (if any)		-	-	-	-	-
GRAND TOTAL		7073.62	2473.45	9547.07	6163.70	(-) 3383.37

The overall savings of ₹ 3383.37 crore was the result of savings of ₹ 3446.01 crore in 59 Grants and 4 Appropriations under Revenue Section, 42 Grants and 1 Appropriation under Capital Section, offset by excess of ₹ 62.65 crore in 3 Grants under Revenue and 1 Grant under Capital Sections.

¹ These are gross figures without taking into account recoveries adjusted in accounts as reduction of expenditure under Capital Expenditure (₹59.43 lakh).

Savings/excess (detailed in the Appropriation Accounts) were intimated (October 2012) to Controlling Officers, with a request to give reasons for significant variations. Out of 159 Major Heads, explanations for variations were received for 90 Major Heads.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of appropriation audit revealed that in 45 cases, savings exceeded ₹ 1 crore in each case - more than 20 per cent of total provision (**Appendix 2.1**). Against the total savings of ₹ 3446.01 crore, savings of ₹ 3205.89 crore (93.03 per cent) exceeding ₹ 10 crore in each case occurred in 31 Grants as indicated in **Table 2.2**.

Table 2.2: List of Grants with Savings of ₹ 10 crore and above

(₹ in crore)						
Sl. No	Number and Name of Grant	Original Provision	Supplementary Provision	Total	Actual Expenditure	Savings
REVENUE – VOTED						
1.	6 - District Administration	326.25	84.06	410.31	381.26	29.06
2.	8 - Police	248.93	120.24	369.16	350.85	18.31
3.	11 - Social Welfare	151.93	1.11	153.04	129.89	23.14
4.	14 - Education	500.95	177.97	678.92	657.56	21.36
5.	15 - Health & Family Welfare	234.92	49.05	283.97	259.27	24.70
6.	23 - Forest	273.58	2.25	275.83	119.59	156.24
7.	24 - Agriculture	119.36	7.18	126.55	98.03	28.52
8.	26 - Rural Works	78.40	9.99	88.39	75.05	13.34
9.	27 - Panchayat	104.07	3.19	107.26	33.50	73.76
10.	31 - Public Works	113.19	20.19	133.38	123.07	10.31
11.	32 - Roads & Bridges	125.00	222.11	347.11	303.16	43.95
12.	38 - Water Resources Dept.	141.07	35.88	176.95	135.95	41.00
13.	45 - Civil Aviation	22.47	-	22.47	8.47	14.00
14.	47 - Administration of Justice	19.37	1.31	20.68	4.61	16.07
CAPITAL – VOTED						
15.	8 - Police	13.10	20.35	33.45	12.55	20.90
16.	11 - Social Welfare	82.77	-	82.77	48.93	33.85
17.	14 - Education	53.73	29.89	83.61	51.10	32.52
18.	15 - Health & Family Welfare	2.30	43.31	45.61	13.13	32.49
19.	16 - Art & Cultural Affairs	0.80	30.23	31.03	4.48	26.55
20.	26 - Rural Works	24.93	130.44	155.37	87.79	67.59
21.	31 - Public Works	31.06	104.91	135.97	44.98	90.99
22.	32 - Roads & Bridges	189.21	406.23	595.44	349.78	245.66
23.	33 - North Eastern Areas	98.64	19.27	117.91	87.69	30.22
24.	34 - Power	59.73	98.73	158.46	109.24	49.22
25.	38 - Water Resources Department	62.40	26.37	88.77	21.94	66.83
26.	40 - Housing	3.00	22.48	25.48	13.04	12.44
27.	50 - Secretariat Economic Services	1764.02	-	1764.02	8.67	1755.35
28.	56 - Tourism	21.02	39.30	60.32	26.40	33.92
29.	57 - Urban Development	133.71	78.62	212.33	96.03	116.30
30.	59 - Public Health Engineering	21.41	22.03	43.45	30.65	12.79
CAPITAL – CHARGED						
31.	97 - Public Debt	228.24	2.91	231.15	166.64	64.51
TOTAL		5249.56	1809.60	7059.19	3853.30	3205.89

2.3.2 Persistent Savings

In eight cases (**Table 2.3**), during the last five years there were persistent savings of more than ₹ 1 crore each - 10 per cent or more of the total grant.

Table-2.3: List of Grants indicating Persistent Savings during 2008-13

(₹ in crore)

Sl. No	Number and Name of Grant	Amount of Savings				
		2008-09	2009-10	2010-11	2011-12	2012-13
REVENUE – VOTED						
1.	24 - Agriculture	12.11 (15)	16.76 (15)	26.64 (20)	36.70 (27)	28.52 (23)
2.	45 - Civil Aviation	9.45 (20)	7.31 (22)	6.56 (30)	16.95 (50)	14.00 (62)
3.	50 - Secretariat Economic Services	1179.28 (99)	784.95 (99)	663.43 (99)	228.76 (97)	2.99 (30)
CAPITAL – VOTED						
4.	34 - Power	45.87 (28)	62.52 (27)	12.62 (12)	45.14 (27)	49.22 (31)
5.	38 - Water Resources Department	18.02 (20)	35.95 (49)	21.80 (19)	40.79 (40)	66.83 (75)
6.	56 - Tourism	6.15 (16)	6.19 (17)	19.47 (37)	7.18 (16)	33.92 (56)
7.	57 - Urban Development	8.31 (24)	83.84 (53)	55.57 (32)	61.29 (58)	116.30 (55)
8.	97 - Public Debt	121.08 (66)	88.38 (44)	104.77 (55)	83.49 (38)	64.51 (28)

(Figures in parentheses indicate percentage of savings to total provision)

One Grant, viz. 'Secretariat-Economic Services' posted large savings persistently for the last 5 years. There were also instances of inadequate provision of funds and unnecessary/excessive/re-appropriations, indicating poor budgeting and inadequate control over allocations.

2.3.3 Excess Expenditure

In 2 cases, expenditure aggregating ₹ 371.28 crore exceeded the approved budget provision by ₹ 1 crore or more in each case or by more than 20 per cent of the total provisions (Table 2.4).

Table 2.4: Details of Grants/Appropriations where excess expenditure was more than ₹ 1 crore each or more than 20 per cent of the total provision

(₹ in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Total Grant/Appropriation	Total Expenditure	Percentage of Excess Expenditure
REVENUE – VOTED					
1.	13	Directorate of Accounts	290.83	334.31	14.95
2.	43	Fisheries	18.40	36.97	100.90
TOTAL			309.23	371.28	115.85

2.3.4 Expenditure without Provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. However, it was noticed that expenditure of ₹ 507.40 Lakh was incurred in 2 Grants and 2 Appropriation, as detailed in Appendix - 2.2, without any provision in the Original Estimates/Supplementary Demand and without any re-appropriation orders to that effect. Significant cases of such expenditure involving expenditure in excess of ₹ 1 crore are given in Table 2.5.

Table-2.5: Expenditure incurred without provision during 2012-13

(₹ in crore)

Grant/Appropriation Number - Major Head of Account - Sub Head - Detailed Head	Expenditure Without Provision
16-2205-102-04	0.33
97-2049-04-101-01	4.61
97-2049-01-305-01	0.13

2.3.5 Excess over provisions relating to previous year requiring regularization

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get any excess over a Grant/Appropriation regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Constitution, the regularization of excess expenditure is done after completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, excess expenditure amounting to ₹ 1327.70 crore from 1986-87 to 2011-12 was yet to be regularized, as detailed in **Appendix 2.3**.

2.3.6 Excess over provisions during 2012-13 requiring regularisation

Table 2.6 contains a summary of total excesses in 5 cases of Grants amounting to ₹ 63.06 crore over authorization from the Consolidated Fund during 2012-13, which required regularization under Article 205 of the Constitution.

Table-2.6: Excess over provisions requiring regularization during 2012-13

(₹ in crore)

Sl. No.	Number and Name of Grant/Appropriation	Total Grant/Appropriation	Expenditure	Excess
REVENUE – VOTED				
1.	5 – Secretariat Administration	6199.66	6241.04	0.41
2.	13 – Directorate of Accounts	29083.03	33430.51	43.47
3.	43 – Fisheries	1840.23	3696.99	18.57
4.	62 – Directorate of Transport	237.48	242.06	0.46
CAPITAL – VOTED				
5.	23 – Forest	232.87	247.87	0.15
TOTAL		37593.27	43858.47	63.06

2.3.7 Unnecessary/Excessive/Inadequate Supplementary Provision

Supplementary provisions aggregating ₹ 254.92 crore obtained in 23 cases, (₹ 10 lakh or more in each case) during the year proved unnecessary as the expenditure did not come up to the level of the original provisions, as detailed in **Table 2.7**.

Table-2.7: cases of Unnecessary Supplementary Provision (₹ 10 lakh or more in each case)

(₹ in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
REVENUE – VOTED						
1.	11	Social Welfare	151.93	129.89	22.04	1.10
2.	23	Forests	273.58	119.59	153.99	2.25
3.	24	Agriculture	119.36	98.03	21.33	7.18
4.	26	Rural Works	78.40	75.05	3.35	9.99
5.	27	Panchayat	104.07	33.50	70.57	3.19
6.	38	Water Resources Department	141.07	135.95	5.11	35.88
7.	41	Land Management	12.78	10.41	2.37	0.23
8.	47	Administration of Justice	19.37	4.61	14.76	1.31
9.	50	Secretariat Economic Services	9.24	7.11	2.12	0.87
10.	52	Sports & Youth Services	13.45	13.24	0.21	0.76
11.	54	State Tax and Excise	14.51	12.36	2.16	0.89

Sl. No.	Grant No.	Name of Grant/Appropriation	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
REVENUE – VOTED						
12.	56	Tourism	14.73	14.61	0.12	0.34
13.	57	Urban Development	14.26	14.05	0.21	3.21
14.	60	Textile and Handicraft	28.95	25.10	3.85	1.50
15.	66	Hydro Power Development	44.74	42.35	2.39	0.60
CAPITAL – VOTED						
16.	8	Police	13.10	12.55	0.55	20.35
17.	14	Education	53.73	51.10	2.63	29.88
18.	33	North Eastern Areas	98.64	87.69	10.95	19.27
19.	38	Water Resources Department	62.40	21.94	40.46	26.37
20.	41	Land Management	-	-	-	7.20
21.	48	Horticulture	1.86	0.06	1.82	1.02
22.	57	Urban Development	133.71	96.03	37.68	78.62
23.		Public Debt	228.24	166.64	61.60	2.91
TOTAL			1632.12	1171.86	460.27	254.92

In 4 cases, as shown in **Table 2.8** below, the supplementary provision of ₹ 59.69 crore proved insufficient by more than ₹ one crore in each case, leaving an aggregate excess expenditure of ₹ 62.62 crore over the supplementary provision.

Table-2.8: Cases of Insufficient Supplementary Provisions

<i>(₹ in crore)</i>						
Sl. No.	Number and Name of Grant/Appropriation	Original Provision	Supplementary Provision	Total	Expenditure	Excess
REVENUE – VOTED						
1.	5 – Secretariat Administration	44.00	18.00	62.00	62.41	0.41
2.	13 – Directorate of Accounts	252.89	37.92	290.81	334.31	43.5
3.	43 – Fisheries	15.78	2.63	18.41	36.97	18.56
CAPITAL – VOTED						
4.	23 – Forests	1.19	1.14	2.33	2.48	0.15
TOTAL		313.86	59.69	373.55	436.17	62.62

2.3.8 Excessive/Unnecessary Re-appropriation of Funds

Re-appropriation is transfer of funds within a Grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are required. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh in each Sub-head of 151 Grants/Appropriations, as detailed in **Appendix 2.4**.

2.3.9 Unexplained Re-appropriation

According to the Budget Manual, reasons for additional expenditure and savings should be explained in the Re-appropriation Statement and vague expressions such as “less requirement of funds”, “requirement of more funds,” etc., should be avoided. Scrutiny of re-appropriation orders issued by the Finance Department revealed that in respect of some cases, reasons given for additional provision/withdrawal of provision in the re-appropriation orders were release of additional funds by the Government of India for major works, non-receipt of funds from the Finance Department, non-completion of construction works in time, etc., while in most cases, vague expressions like, ‘based on actual requirement,’ etc., were shown as reasons for re-appropriation.

2.3.10 Substantial Surrenders

Substantial surrenders (cases where more than 50 per cent of the total provision was surrendered) were made in respect of seven Grants. Out of the total provision of ₹ 27.07 crore in these cases, ₹ 16.78 crore (61.99 per cent) was surrendered during the year, reasons for which were not stated. Details of such cases are given in **Table 2.9** below.

Table-2.9: Cases of Substantial Surrenders made during the year

(₹ in crore)					
Sl. No.	Grant No.	Name of Grant	Head of Account	Amount Surrendered	% of Surrender
1.	35	Information and Public Relations	07-4220-60-800-03	2.46	73.21
2.	45	Civil Aviation	3275-800-01	13.78	68.22
3.	55	State Lotteries	2075-103-01	0.54	57.45
TOTAL				16.78	61.99

2.3.11 Anticipated Savings not surrendered

As per the Budget Manual, spending Departments are required to surrender Grants/Appropriations or portions thereof to the Finance Department as and when savings are anticipated. At the end of Financial Year 2012-13, there were 64 Grants/Appropriations where there were savings (₹ 10 lakh and above in each case), but were not surrendered by Departments concerned. The amount involved in these cases was ₹ 1280.46 crore (**Appendix 2.5**). Out of the 64 cases, savings were more than ₹ one crore in 43 cases.

Similarly, out of total savings of ₹ 3281.22 crore under 43 Grants/Appropriations (where savings of ₹ 1 crore and above occurred in each Grant/Appropriation), an amount aggregating ₹ 2277.42 crore (69.41 per cent of total savings) was not surrendered, details of which are given in **Appendix 2.6**. Due to non-surrender of anticipated savings by Departments concerned, there was no scope on the part of the Finance Department to utilize the funds for other purposes.

2.3.12 Rush of Expenditure

Rush of expenditure at the end of the financial year can lead to infructuous, nugatory or ill-planned expenditure. As far as possible, Government expenditure is required to be evenly phased over the year. However, it was noticed that in 2012-13, compared to the total expenditure during the year, expenditure during the 4th quarter and in the month of March ranged between 33.25 per cent and 94.56 per cent and 21.34 per cent to 99.72 per cent respectively in case of 37 Major Heads of Account, as indicated in **Table 2.10**:

Table-2.10: Cases of Rush of Expenditure towards the end of the Financial Year

(₹ in crore)

Sl. No.	Major Head	Total Expenditure during the Year	Expenditure during January - March 2013		Expenditure during March 2013	
			Amount	% of Total Expenditure	Amount	% of Total Expenditure
1.	2011	20.18	15.38	76.21	15.20	75.32
2.	2013	10.44	7.23	69.25	7.22	69.16
3.	2014	4.61	3.07	66.59	2.72	59.00
4.	2015	16.58	11.79	71.11	10.77	64.96
5.	2039	12.36	6.50	52.59	5.72	46.28
6.	2051	4.11	1.74	42.34	1.74	42.34
7.	2052	70.04	36.18	51.66	35.00	49.97
8.	2053	137.62	60.59	44.03	41.97	30.50
9.	2054	12.84	6.42	50.00	5.40	42.06
10.	2055	347.17	149.15	42.96	117.69	33.90
11.	2056	5.44	2.39	53.86	2.93	53.86
12.	2058	5.38	3.18	59.11	3.16	58.86
13.	2059	122.97	50.36	40.95	35.19	28.62
14.	2070	15.93	9.89	62.08	7.11	44.63
15.	2071	330.70	193.55	58.53	134.91	40.80
16.	2202	647.92	327.72	50.58	223.32	34.47
17.	2204	18.65	11.62	62.31	10.61	56.89
18.	2205	27.10	18.68	68.93	17.15	63.28
19.	2215	192.18	138.83	72.24	99.00	51.51
20.	2220	12.98	8.54	65.79	7.85	60.48
21.	2235	103.16	57.34	55.58	45.49	44.10
22.	2251	8.30	4.04	48.67	4.04	48.67
23.	2402	37.55	19.51	51.96	16.23	43.22
24.	2403	69.78	38.34	54.94	30.23	43.32
25.	2405	36.97	19.85	53.69	18.38	49.72
26.	2406	118.51	62.44	52.69	47.57	40.14
27.	2408	22.18	16.59	74.80	15.40	69.43
28.	2425	8.75	4.70	53.71	3.63	41.49
29.	2501	7.16	-	-	7.14	99.72
30.	2515	71.72	27.49	38.33	21.31	29.71
31.	2575	142.18	134.45	94.56	133.51	93.90
32.	2702	132.68	99.10	74.69	88.60	66.78
33.	2801	380.53	126.53	33.25	81.22	21.34
34.	3054	331.32	239.97	72.43	185.47	55.98
35.	3425	13.92	12.14	87.21	11.81	84.84
36.	3451	115.09	101.49	88.18	90.07	78.26
37.	3456	19.34	12.05	62.31	10.44	53.98

2.4 Non-reconciliation of Departmental Figures

2.4.1 Pending submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

Rules provide that drawals through Abstract Contingent Bills (AC Bills) require presentation of Detailed Countersigned Contingent Bills (DCC Bills) to the Controlling Officer (CO) and transmission of the same to the Accountant General. A Certificate is also required to be attached to every AC Bill to the effect that DCC Bills have been submitted to the CO in respect of all 1 month old AC Bills (drawn more than a month before the date of the Bill).

Records available in respect of some Drawing & Disbursing Officers (DDOs)/COs revealed that from April 2009 onwards, 1138 DCC Bills amounting to ₹ 18.83 crore

were not furnished to the Accountant General as of March 2013. Thus, due to non-submission of DCC Bills, the actual expenditure against these drawls remained un-assessed, indicating a serious deficiency in control over expenditure. The year-wise position is given in **Table 2.11 below.**

Table-2.11
Position of Pending DCC Bills

Year	Number of Pending DCC Bills	AMOUNT
2010-11	482	11.04
2011-12	307	0.82
2012-13	162	4.63
TOTAL	951	16.49

(₹ in crore)

2.5 Conclusion and Recommendations

In 2012-13, there were net savings of ₹ 3383.37 crore, which was the result of savings of ₹ 3446.01 crore, offset by excess of ₹ 62.65 crore. The excess of ₹ 62.65 crore needed to be regularized as per Article 205 of the Constitution. There were large persistent savings in 4 Grants for the last 5 years. There were instances of inadequate provision of funds and unnecessary/excessive re-appropriations. Rush of expenditure at the end of the Financial Year was another chronic feature noticed in the overall Financial Management. In many cases, anticipated savings were not surrendered, leaving no scope for utilizing these funds for other development purposes. Detailed Bills were not submitted for a large amount of advances drawn on Abstract Contingent Bills.

Budgetary Controls should be strictly observed to strengthen Financial Management.



CHAPTER - III
FINANCIAL REPORTING

CHAPTER – III : Financial Reporting

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

3.1 Utilization Certificates

In respect of Grants sanctioned for specific purposes, concerned Departmental officers are required to obtain Utilization Certificates (UCs) from grantees, which are to be forwarded to the Accountant General, after verification. However, for Grants-in-aid paid up to 2011-12, 236 UCs for an aggregate amount of ₹ 412.48 crore were awaited. During 2012-13, 139 UCs for an aggregate amount of ₹ 256.97 crore were awaited. A Department-wise analysis of the same is shown in the **Table** below.

Table-3.1
Department-wise outstanding Utilization Certificates (UCs) during 2012-13

Sl No.	Department	No of UCs Outstanding	Amount Involved (₹ in crore)
1.	Director, Arts & Culture	50	3.74
2.	Director, Industries	03	1.74
3.	Director, Sports & Youth Affairs	04	2.56
4.	Director, School Education	17	8.60
5.	Director, Higher Education	04	0.69
6.	Director General of Police	09	24.51
7.	Director, Panchayat	07	22.90
8.	Director, Textiles & Handicrafts	05	22.98
9.	Director, Information Technology	02	1.12
10.	Registrar, Co-operative Societies	02	0.65
11.	Director, Health Services	08	10.80
12.	Director, Disaster Management	-	141.95
13.	Director, Science & Technology	19	9.90
14.	Director, Social Welfare, Women & Child Development	02	0.70
15.	Principal Chief Conservator of Forests	01	0.35
16.	Director, Tourism	02	3.09
17.	Director, Urban Development & Housing	01	0.42
18.	Manager, GSF, Sonajoli	01	0.70
Total		139	256.97

3.2 Non-submission/Delay in Submission of Accounts

In order to identify Institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Heads of Departments are required to furnish to Audit every year detailed information regarding financial assistance given to various Institutions, purposes of the assistance granted and the total expenditure of the Institutions.

The Annual Accounts of 25 Autonomous Bodies/Authorities due up to 2012-13 have still not been received by the Accountant General as on December 2013. Details of these accounts are given in **Appendix 3.1**, and their age-wise pendency is presented in the Table below.

Table-3.2

Sl. No.	Delay (in Years)	Number of Bodies/Authorities from whom Annual Accounts are awaited
1.	0 – 1	-
2.	1 – 3	04
3.	3 – 5	16
4.	5 – 7	-
5.	7 – 9	04
6.	9 and above	01

Out of 25 Bodies/Authorities, Annual Accounts in respect of 1 organization, viz., Donyi Polo Mission, Itanagar, was outstanding for 10 years.

3.3 Conclusion and Recommendations

The State Government's compliance to various rules, procedures and directives was unsatisfactory as evident from delays in furnishing Utilization Certificates for Grants given to/by a Department. Regarding losses and misappropriation, the information was still awaited from the Finance Department.

Internal Control in all Departments/Organizations should be strengthened to prevent the above deficiencies.

Itanagar
the

(S. A. Bathew)
Accountant General
Arunachal Pradesh

Countersigned

(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

New Delhi
the



APPENDICES

APPENDIX - 1.1

Part – A

Structure and Form of Government Accounts

(Reference: Page 1)

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

Part I - Consolidated Fund: All revenues received by the State Government, all loans raised by issue of Treasury Bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled, the *Consolidated Fund of the State*, which is established under Article 266 (1) of the Constitution of India.

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

Part III - Public Account: Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances, *etc.*, which do not form part of the Consolidated Fund, are kept in the Public Account, set up under Article 266 (2) of the Constitution of India, and are not subject to vote by the State Legislature.

APPENDIX 1.1

Part – B

Layout of Finance Accounts

(Reference: Page - 2)

Layout of Finance Accounts

The Finance Accounts (new format introduced from 2009-10) have been divided into two Volumes – I and II. Volume I represents financial statements of the Government in summarized form, while Volume II represents detailed financial statements. The layout of the Finance Accounts is chalked out in the following manner:

Layout	
VOLUME - I	
Statement No. 1	Statement of Financial Position
Statement No. 2	Statement of Receipts and Disbursements
Statement No. 3	Statement of Receipts in the Consolidated Fund
Statement No. 4	Statement of Expenditure in the Consolidated Fund by Function and Nature Notes to Accounts
Appendix I	Cash Balances and Investment of Cash Balances
VOLUME - II (PART- I)	
Statement No. 5	Statement of Progressive Capital Expenditure
Statement No. 6	Statement of Borrowings and other Liabilities
Statement No. 7	Statement of Loans & Advances given by the Government
Statement No. 8	Statement of Grants-in-aid given by the Government
Statement No. 9	Statement of Guarantees given by the Government
Statement No. 10	Statement of Voted and Charged Expenditure
PART- II	
Statement No. 11	Detailed Statement of Revenue and Capital Receipts by Minor Heads
Statement No. 12	Detailed Statement of Revenue Expenditure by Minor Heads
Statement No. 13	Detailed Statement of Capital Expenditure by Minor Heads
Statement No. 14	Detailed Statement of Investments of the Government
Statement No. 15	Detailed Statement of Borrowings and other Liabilities
Statement No. 16	Detailed Statement on Loans & Advances given by the Government
Statement No. 17	Detailed Statement on Sources and Application of funds for expenditure other than on Revenue Account
Statement No. 18	Detailed Statement on Contingency Fund and other Public Account Transactions
Statement No. 19	Detailed Statement on Investments of Earmarked Funds
PART- III (APPENDICES)	
II	Comparative Expenditure on Salaries
III	Comparative Expenditure on Subsidies
IV	Grants-in-aid (Scheme-wise and Institution-wise)
V	Externally Aided Projects
VI	Plan Scheme Expenditure (Central and State Plan Schemes)
VII	Direct Transfer of Central Scheme funds to Implementing Agencies
VIII	Summary of Balances
IX	Financial results of Irrigation Schemes
X	Incomplete Works
XI	Statement of items for which allocation of balances, as a result of re-organization of States, has not been finalized
XII	Maintenance Expenditure, with segregation of Salary and Non-salary components

APPENDIX - 1.1

Part – C**Methodology adopted for the Assessment of Fiscal Position**

(Reference: Page - 2)

Norms/ceilings prescribed by the Twelfth Finance Commission for selected fiscal variables along with its projections for a set of fiscal aggregates and commitments/projections made by State Governments in their Fiscal Responsibility Acts and other statements required to be laid in the Legislature under the Act are used to make a qualitative assessment of trends and patterns of major fiscal aggregates. Assuming that Gross State Domestic Product¹ (GSDP) is a good indicator of the performance of a State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentages to the GSDP at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether mobilization of resources, pattern of expenditure, *etc.*, are keeping pace with changes in the base or if these fiscal aggregates are also affected by factors other than GSDP. The New GSDP series with 2004-05 as base, as furnished (August 2013) by the Directorate of Economics & Statistics of the State Government, have been used in estimating these percentages and buoyancy ratios.

Definitions of some selected terms used in assessing trends and patterns of fiscal aggregates are given below:

List of terms used in Chapter - I and basis for their calculation

Terms	Basis of Calculation
Buoyancy of a Parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a Parameter (X) with respect to another Parameter (Y)	Rate of Growth of parameter (X)/Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount}/\text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average Interest paid by the State	Interest payment/ $[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2] * 100$
Interest Spread	GSDP Growth – Average Interest Rate
Quantum Spread	Debt Stock * Interest Spread
Interest received as <i>per cent</i> to Loans Outstanding	Interest Received $[(\text{Opening Balance} + \text{Closing Balance of Loans \& Advances})/2] * 100$
Revenue Deficit	Revenue Receipts – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans & Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest Payments
Balance from Current Revenue (BCR)	Revenue Receipts <i>minus</i> all Plan Grants and Non-plan Revenue Expenditure, excluding expenditure recorded under Major Head 2048 – Appropriation for reduction of avoidance of Debt
Compound Annual Growth Rate (CAGR)	Compound Annual Growth Rate (CAGR) is calculated by taking the n^{th} root of the total percentage growth rate, where n is the number of years in the period being considered. $\text{CAGR} = [\text{Ending Value}/\text{Beginning Value}]^{(1/\text{period}) - 1}$

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

Terms	Basis of Calculation
Core Public Goods and Merit Goods	<p>Core Public Goods are goods which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtraction from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of rights; pollution free air and other environmental goods, road infrastructure, etc;.</p> <p>Merit Goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the Government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water, sanitation, etc;.</p>
Debt Stabilization	<p>A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or cost of public borrowings, the Debt-GDP ratio is likely to be stable, provided primary balances are either zero or positive or are moderately negative. Given the Rate Spread (GSDP Growth Rate – Interest Rate) and Quantum Spread (Debt*Rate Spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, the Debt-GSDP Ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, the Debt-GSDP Ratio would rise and in case it is positive, the Debt-GSDP Ratio would eventually fall.</p>
Non-Debt Receipts	<p>Adequacy of incremental Non-Debt Receipts of the State to cover incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if incremental non-debt receipts could meet the incremental interest burden and incremental primary expenditure.</p>

APPENDIX 1.1

Part – D**State Profile**

(Reference: Page - 2)

A. General Data		
Sl. No.	Particulars	Figures
1.	Area	83,743 sq. km.
2.	Population - 2010-11 (as per 2011 Census – provisional data)	
	Male	7,20,232
	Female	6,62,379
	Total	13,82,611
3.	Density of Population (2011 – provisional data) (All India Average = 382 persons per sq. km.)	17 persons per sq. km.
4.	Population Below Poverty Line (All India Average = 27.5 %)	17.6 %
5.	Population Growth (2001 to 2011)	25.92 %
6.	Literacy (as per 2011 Census – provisional data) (All India Average = 64.8 %)	66.95 %
7.	Infant Mortality (per 1000 live births) (All India Average = 50 per 1000 live births)	32
8.	Gross State Domestic Product (GSDP) 2012-13	11942.81 crore
9.	GSDP ² CAGR (2004-05 to 2012-13)	16.63 %

B. Financial Data			
Particulars		Figures (percentage)	
		2003-04 to 2011-12	2003-04 to 2012-13
CAGR of			
(a)	Revenue Receipts	16.90	15.49
(b)	Own Tax Revenue	28.13	24.60
(c)	Non-Tax Revenue	14.68	10.00
(d)	Total Expenditure	21.99	18.27
(e)	Capital Expenditure	21.56	12.05
(f)	Revenue Expenditure on General Education	10.51	15.09
(g)	Revenue Expenditure on Health & Family Welfare	13.68	15.44
(h)	Salaries	17.90	17.22
(i)	Pension	17.40	19.62

Source: SI 7: SRS Bulletin January 2011 – Estimated Infant Mortality Rate, 2009.

² Based on GSDP Series (current prices) with 2004-05 as Base Year, as furnished by the Directorate of Economics & Statistics, Arunachal Pradesh, in August 2013.

APPENDIX - 1.2

Fiscal Responsibility and Budget Management Act, 2006

(Reference: Pages - 2)

Fiscal Responsibility and Budget Management Act

The State Government enacted the Arunachal Pradesh Fiscal Responsibility and Budget Management (APFRBM) Act, 2006 to (i) ensure fiscal prudence, stability and efficiency, (ii) achieve fiscal consolidation for facilitating the generation of revenue surplus for enhancing the scope for improvement of investment in the social and economic sectors/infrastructure, (iii) ensure fiscal and debt sustainability through progressive reduction of fiscal deficit and proper debt management system and (iv) provide a more transparent and accountable system of budgeting that would ensure an efficient and effective system of governance.

The APFRBM Act, 2006, came into effect on 30th March 2006, and the Fiscal Responsibility and Budget Management (FRBM) Rules, 2007, came into force with effect from 12th February 2007. The Rule set the following fiscal targets for the State Government;

- Maintain at least the level of Revenue Surplus in the base year (average of 2001-02 to 2003-04) in subsequent years, beginning with Financial Year 2005-06 and ending with 2008-09, and adhere to it thereafter.
- Reduce every year the fiscal deficit by a minimum of 0.03 *per cent* of the GSDP by the end of each financial year, beginning with Financial Year 2005-06, so as to reduce the same to 3 *per cent* or below by 2009-10 and adhere to it thereafter.

❖ Fiscal Policy Statements

As prescribed in the Act, the State incorporated the following statements in the Budget for the year 2011-12.

- Macro-Economic Framework Statement, giving an overview of the State economy.
- Medium Term Fiscal Plan (MTFP) Statement, prescribing fiscal targets and assumptions for achieving them. As per the MTFP Statement of March 2012, the rolling targets for fiscal indicators for 2012-13 were as under:

- Revenue surplus as percentage of GSDP	23.12
- Fiscal Deficit as percentage of GSDP	0.89
- Total outstanding liabilities at the end of the year (<i>₹in crore</i>)	3936
- Liabilities as percentage of GSDP for the year	39.24
- Fiscal Plan Strategy Statement of the State for the ensuing year relating to taxation, expenditure, borrowings, lending, investments, etc;.

❖ Road Map to achieve Fiscal Targets as laid down in FRBM Act/Rules

The State Government also developed its own Fiscal Correction Path (FCP), detailing structural adjustments required for mobilizing additional resources and identifying areas where expenditure could be compressed, to achieve targets set out in the APFRBM Act.

APPENDIX 1.3

Time Series Data on State Government Finances

(Reference: Pages- 2 & 26)

(`in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
PART - A (RECEIPTS)					
1. Revenue Receipts	3855.97	4294.87	5422.09	5499.06	5761.52
(a) Own Tax Revenue	136.23 (4)	173.44 (4)	214.99 (4)	317.65 (6)	316.50 (5)
Taxes on Sales, Trade, etc.;	105.68 (77)	130.23 (75)	168.24 (78)	216.36 (68)	161.62 (51)
State Excise	16.61 (12)	23.78 (14)	29.74 (14)	37.63 (12)	49.11 (16)
Taxes on Vehicles	7.76 (6)	13.07 (7)	11.76(5)	12.41 (4)	13.38 (4)
Stamp and Registration Fees	1.25 (1)	1.88 (1)	1.86 (1)	2.24 (1)	3.04 (1)
Land Revenue	4.90 (4)	4.43 (3)	3.37 (2)	3.85 (1)	4.70 (1)
Other Taxes	0.03	0.05	0.01	45.16 (14)	84.65 (27)
(b) Non Tax Revenue	772.01 (20)	511.25 (12)	530.14 (10)	360.71 (7)	284.22 (5)
(c) State Share in Union Taxes & Duties	462.09 (12)	475.40 (11)	720.18 (13)	838.97 (15)	957.93 (17)
(d) Grants-in-Aid from GoI	2485.64 (64)	3134.78 (73)	3956.78 (73)	3981.73 (72)	4202.87 (73)
2. Miscellaneous Capital Receipts	-	-	-	-	-
3. Recoveries of Loans & Advances	2.78	202.70	2.41	2.90	2.95
4. Total Revenue and Non-Debt Capital Receipts (1 + 2 + 3)	3858.75	4497.57	5424.50	5501.96	5764.47
5. Public Debt Receipts	143.88	216.20	122.36	168.66	276.45
Internal Debt (excluding Ways & Means Advances and Overdrafts)	143.88	216.20	121.99	168.66	276.45
Net Transactions under Ways & Means Advances & Overdrafts	-	-	-	-	-
Loans & Advances from GoI	-	-	0.37	-	-
6. Total receipts in the Consolidated Fund (4 + 5)	4002.63	4713.77	5546.86	5670.62	6040.92
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Accounts Receipts	7255.58	4264.84	3077.77	4224.65	4113.19
9. Total Receipts of Government (6 + 7 + 8)	11258.21	8978.61	8624.63	9895.27	10154.11
PART - B (EXPENDITURE/DISBURSEMENTS)					
10. Revenue Expenditure	2895.46	3695.59	3744.24	4417.86	4786.24
Plan	1142.66 (39)	1135.17 (31)	1211.16 (32)	1564.00 (35)	1698.83 (35)
Non-Plan	1752.80 (61)	2560.42 (69)	2533.08 (68)	2853.86 (65)	3087.41(65)
General Services (incl. Interest Payments)	774.24 (27)	1161.03 (32)	1265.23 (34)	1284.44 (29)	1423.46 (30)
Social Services	980.71 (34)	1196.66 (32)	994.28 (27)	1385.42 (31)	1506.28 (31)
Economic Services	1140.51 (39)	1337.90 (36)	1484.73 (39)	1748.00 (40)	1856.50 (39)
11. Capital Expenditure	1290.23	1030.31	1649.20	2065.88	1206.28
Plan	1279.61 (99)	1007.48 (98)	1632.03 (99)	2059.85 (100)	1205.38 (100)
Non-Plan	10.62 (1)	22.83 (2)	17.17 (1)	6.03 (-)	0.90(-)
General Services	47.22 (4)	62.41 (6)	89.10 (5)	180.81 (9)	83.86(7)
Social Services	161.69 (12)	153.60 (15)	409.68 (25)	545.59 (26)	279.76(23)
Economic Services	1081.32 (84)	814.30 (79)	1150.42 (69)	1339.48 (65)	842.66(70)
12. Disbursement of Loans & Advances	27.24	205.46	6.31	9.69	3.95
13. Total (10 + 11 + 12)	4212.93	4931.36	5399.75	6493.43	5996.47
14. Repayments of Public Debt	63.46	110.81	86.50	137.43	166.64
Internal Debt (excluding Ways & Means Advances and Overdrafts)	59.75	86.70	59.31	109.78	139.09
Loans & Advances from GoI	3.71	24.11	27.19	27.55	27.55
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total Disbursement out of Consolidated Fund (13 + 14 + 15)	4276.39	5042.17	5486.25	6630.76	6163.11
17. Contingency Fund Disbursements	-	-	-	-	-
18. Public Account Disbursements	4229.12	3660.68	2949.79	3954.68	3784.15
19. Total Disbursements by the State (16 + 17 + 18)	8505.51	8702.85	8436.04	10585.44	9947.37
PART - C (DEFICIT/SURPLUS)					
20. Revenue Deficit (-)/Surplus (+) {1 - 10}	(+) 960.51	(+) 599.28	(+) 1677.85	(+) 1081.20	(+) 975.28

	2008-09	2009-10	2010-11	2011-12	2012-13
21. Fiscal Deficit (-)/Surplus (+) {4 - 13}	(-) 354.18	(-) 433.79	(+) 24.75	(-) 991.47	(-) 232.00
22. Primary Deficit (-)/Surplus (+) {21 + 23}	(-) 138.64	(-) 206.81	(+) 424.67	(-) 709.66	(+) 39.85
PART - D (OTHER DATA)					
23. Interest Payments (incl. in Revenue Expenditure)	215.54	226.98	399.92	281.81	271.85
24. Financial Assistance to Local Bodies, etc.;	102.24	69.58	60.61	25.63	22.93
25. Ways & Means Advances/Overdraft availed (days)	-	-	-	-	-
26. Interest on Ways & Means Advances/Overdraft	-	-	-	-	-
27. Gross State Domestic Product (GSDP) ³	5687.32	7474.45	9010.87	10858.85	11942.81
28. Outstanding Fiscal liabilities (year end)	2954.66	3119.05	3456.24	4036.15	4443.05
29. Outstanding guarantees (year end)	0.61	0.61	- ⁴	1.83	1.55
30. Maximum Amount Guaranteed (year end)	12.00	12.00	⁴	2.00	⁴
31. Number of incomplete projects	80	63	50	365	240
32. Capital blocked in incomplete projects	579.52	-	157.67	- ⁵	- ⁵
PART - E (FISCAL HEALTH INDICATORS) {per cent}					
I - Resource Mobilization					
Own Tax Revenue/GSDP	2.40	2.32	2.39	2.93	2.65
Own Non-Tax Revenue/GSDP	13.57	6.84	5.89	3.41	2.38
Central Transfers /GSDP	51.83	48.30	51.91	45.24	43.22
II - Expenditure Management					
Total Expenditure ⁶ /GSDP	74.08	65.98	59.93	59.80	50.21
Total Expenditure/Revenue Receipts	109.26	114.82	99.58	118.08	104.08
Revenue Expenditure/Total Expenditure	68.73	74.94	69.34	68.04	79.82
Expenditure on Social Services/Total Expenditure	27.12	27.38	26.00	29.74	29.78
Expenditure on Economic Services/Total Expenditure	52.74	43.64	48.80	47.55	45.02
Capital Expenditure/Total Expenditure	30.63	20.89	30.54	31.81	20.12
Capital Expenditure on Social and Economic Services/Total Expenditure	29.50	19.63	28.89	29.03	18.72
III - Management of Fiscal Imbalances					
Revenue Surplus/GSDP	(+) 16.89	(+) 8.02	(+) 18.62	(+) 9.96	(+) 8.17
Fiscal Deficit (-) or Surplus (+)/GSDP	(-) 6.23	(-) 5.81	(+) 0.28	(-) 9.13	(-) 1.95
Primary Deficit (-) or Surplus (+)/GSDP	(-) 2.44	(-) 2.77	(+) 4.72	(-) 6.54	(+) 0.34
Revenue Surplus/Fiscal Surplus	(-) 271.19	(-) 138.15	(+) 6779.19	(-) 109.05	(-) 420.38
Primary Revenue Balance/GSDP	20.68	11.06	23.06	12.55	10.45
IV - Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	51.95	41.73	38.36	37.17	37.21
Fiscal Liabilities/RR	76.63	72.62	63.74	73.40	77.12
Primary Deficit vis-à-vis Quantum Spread	(+)139.20	506.74	671.98	(-) 260.69	184.34
Debt Redemption (Principal + Interest)/Total Debt Receipts	87.18	105.19	104.93	84.31	91.35
V - Other Fiscal Health Indicators					
Return on Investment (₹in crore)	-	-	-	-	-
Balance from Current Revenue (₹in crore)	86.50	(-) 879.57	(-) 214.47	(-) 467.35	(-) 542.86
Financial Assets/Liabilities (ratio)	1.87	2.20	2.51	2.62	2.68

Note: Figures in brackets represent percentages to total of each Sub-heading.

³ GSDP figures (Current Prices – Base Year 2004-05) as furnished (Aug 2013) by the Directorate of Economics & Statistics, Government of Arunachal Pradesh (2009-10: Revised Estimates; 2011-12: Provisional Estimates; 2011-12: Quick Estimates; 2012-13: Advance Estimates)

⁴ Information not furnished by the State Government (January 2014).

⁵ Stipulated date of completion is not yet over.

⁶ Revenue Expenditure, Capital Expenditure and disbursement of Loans & Advances.

APPENDIX - 1.4

Abstract of Receipts and Disbursements for 2012-13
(Reference: Paragraph 1.1.1; Page - 2)

(₹ in crore)

Receipts			Disbursements				
2011-12		2012-13	2011-12	2012-13			
Section – A : Revenue							
	I - Revenue Receipts			I - Revenue Expenditure	Non-Plan	Plan	Total
317.65	Own Tax Revenue	316.50	1284.44	General Services	1380.76	42.70	1423.46
360.71	Non-tax Revenue	284.22	1385.42	Social Services	832.32	673.96	1506.28
838.97	State Share of Union Taxes	957.93	589.74	Education, Sports, Arts & Culture	478.80	219.10	697.90
850.18	Non-Plan Grants	966.40	241.15	Health & Family Welfare	196.82	62.45	259.27
2565.22	Grants for State Plan Schemes	2733.97	230.10	Water Supply, Sanitation, Housing & Urban Development	72.72	162.34	235.06
383.70	Grants for Central/ Centrally Sponsored Plans/Schemes	404.20	11.65	Information & Broadcasting	8.47	4.51	12.98
			8.43	Labour & Welfare	7.55	4.69	12.24
182.63	Grants for Special Plan Schemes	98.30	296.49	Social Welfare & Nutrition	59.41	220.87	280.28
			7.86	Others	8.55	-	8.55
			1748.00	Economic Services	874.33	982.17	1856.50
			495.65	Agriculture & Allied Activities	258.34	183.00	441.34
			95.06	Rural Development	61.85	28.49	90.34
			116.13	Special Areas Programme	0.05	162.65	162.70
			152.28	Irrigation & Flood Control	33.84	102.11	135.95
			359.42	Energy	226.03	161.49	387.52
			49.52	Industries & Minerals	32.27	15.08	47.35
			289.83	Transport	222.68	185.56	408.24
			15.29	Communications	6.20	-	6.20
			22.32	Science, Technology and Environment	0.08	14.15	14.23
			152.50	General Economic Services	32.99	129.64	162.63
5499.06	Total Receipts	5761.52	4417.86	Total Disbursements	3087.41	1698.33	4786.24
	II - Revenue Deficit carried over to Section - B		1081.20	II - Revenue Surplus carried over to Section - B			975.28

Receipts			Disbursements				
2011-12		2012-13	2011-12	2012-13			
Section – B							
				Non-Plan	Plan	Total	
1798.98	III - Opening Cash Balance, including Permanent Advances and Cash Balance Investment	1108.81	-	III - Opening Overdraft from RBI	-	-	-
-	IV - Miscellaneous Capital Receipts	-	2065.88	IV - Capital Outlay	0.90	1205.38	1206.28
			180.81	General Services	-	83.86	83.86
			545.59	Social Services	-	279.76	279.76
			173.11	Education, Sports, Arts & Culture	-	75.47	75.47
			50.48	Health & Family Welfare	-	13.12	13.12
			235.17	Water Supply, Sanitation, Housing & Urban Development	-	140.62	140.62
			81.28	Social Welfare & Nutrition	-	48.93	48.93
			3.88	Information & Broadcasting	-	0.26	0.26
			1.67	Others	-	1.36	1.36
			1339.48	Economic Services	0.90	841.76	842.66
			36.38	Agriculture and Allied Activities	0.90	14.56	15.46
			56.80	Rural Development Programme	-	39.25	39.25
			161.33	Special Areas Programme	-	110.92	110.92
			61.06	Irrigation & Flood Control	-	21.94	21.94
			203.57	Energy	-	166.13	166.13
			18.48	Industry & Minerals	-	8.75	8.75
			750.16	Transport	-	448.82	448.82
			-	Science, Technology and Environment	-	-	-
			51.70	General Economic Services	-	31.39	31.39

2011-12	Receipts		2012-13	2011-12	Disbursements		2012-13
2.90	V - Recoveries of Loans & Advances		2.95	9.69	V - Loans & Advances Disbursed		3.95
-	from Power Projects	-		-	to Power Projects	-	
2.30	from Govt. Servants	2.54		3.74	to Govt. Servants	2.98	
0.60	from Others	0.41		5.95	to Others	0.97	
1081.20	VI - Revenue Surplus brought down		975.28	-	VI - Revenue Deficit brought down		-
168.66	VII - Public Debt Receipts		276.45	137.33	VII - Repayment of Public Debt		166.64
168.66	Internal Debt other than Ways & Means Advances and Overdraft	276.45		109.78	Internal Debt other than Ways & Means Advances and Overdraft	139.09	
-	Net transactions under Ways & Means Advances, incl. Overdraft	-		-	Net transactions under Ways & Means Advances incl. Overdraft	-	
-	Loans and Advances from Central Govt.	-		27.55	Repayment of Loans & Advances to Central Govt.	27.55	
-	VIII - Appropriation to Contingency Fund		-	-	VIII - Appropriation to Contingency Fund		-
-	IX - Amount transferred to Contingency Fund		-	-	IX - Expenditure from Contingency Fund		-
4224.65	X - Public Account Receipts		4113.19	3954.68	X - Public Account Disbursements		3784.15
256.02	Small Savings & Provident Funds	278.81		127.84	Small Savings & Provident Funds	152.89	
19.00	Reserve funds	20.00		-	Reserve Funds	-	
10.55	Suspense & Miscellaneous	-0.07		177.32	Suspense & Miscellaneous	3.55	
2998.64	Remittances	2782.38		2990.53	Remittances	2665.96	
940.44	Deposits & Advances	1032.07		658.99	Deposits & Advances	961.75	
	XI - Earmarked Funds			1108.81	XI - Closing Cash Balance		1315.66
				95.77	Cash in Treasuries and Local Remittances	132.72	
				25.88	Deposits with Reserve Bank and other Banks	21.55	
				3.27	Departmental Cash Balance incl. Permanent Advances	5.61	
				984.24	Cash Balance Investment and Investment of Earmarked Funds	1150.78	
7276.39	TOTAL		6476.68	7276.39	TOTAL		6476.68

APPENDIX – 1.4

**Summarized financial position of the Government of Arunachal Pradesh as on
31 March 2013**

(Reference: Paragraph 1.9.1 and; Page - 25)

(₹ in crore)

As on 31 March 2012	Liabilities		As on 31 March 2013
	Internal Debt		
	-	Market Loans not bearing interest	-
	684.16	Market Loans bearing interest	817.54
	0.78	Loans from LIC	0.62
	359.67	Loans from NABARD	354.89
1843.07	99.85	Loans from other Institutions	98.12
	55.64	Ways and Means and Advances	55.64
	653.17	Special Securities issued to National Small Savings Fund of the Central Government	670.27
	-	Overdraft from Reserve Bank of India	-
	(-) 10.20	Other Loans	(-) 16.66
		Loans and Advances from Central Government	
	38.52	Non-Plan Loans	38.15
	265.92	Loans for State Plan Schemes	241.80
366.29	2.28	Loans for Central Plan Schemes	1.37
	13.58	Loans for Centrally Sponsored Plan Schemes	12.64
	45.99	Loans for Special Schemes	44.78
	-	Other Ways & Means Advances	-
0.05		Contingency Fund	0.05
998.99		Small Savings, Provident Funds, etc.	1124.91
715.76		Deposits	866.94
1137.45		Suspense and Miscellaneous Balances	1133.83
112.02		Reserve Funds	132.02
		Surplus on Government Account	
8398.73		(i) Revenue Surplus as on 31 March 2012	8398.73
		(ii) Revenue Surplus during the year	975.28
13572.36		TOTAL	14950.93
As on 31.03.2012	Assets		As on 31.03.2013
	Gross Capital Outlay on Fixed Assets		
12284.16	221.66	Investment in Shares of Companies, Corporations, Co-operatives, etc.;	224.18
	12062.50	Other Capital Outlay	13266.26
	Loans & Advances		
	10.00	Loans for Power Projects	10.00
65.86	46.41	Other Development Loans	46.96
	9.45	Loans to Government Servants and Miscellaneous Loans	9.90
53.22		Civil Advances	134.08
60.31		Remittance Balances	(-) 56.11
	Suspense and Miscellaneous Balances		
	Cash		
	95.77	Cash in Treasuries and Local Remittances	137.72
	25.53	Deposits with Reserve Bank and other Banks	21.55
1108.81	3.26	Departmental Cash Balance	5.60
	0.01	Permanent Advances	0.01
	874.34	Cash Balance Investments	1020.88
	109.90	Investment of Earmarked Funds	129.90
13572.36		TOTAL	14950.93

Explanatory Notes for Appendices 1.2 and 1.4

1. The abridged accounts in the foregoing Statements have to be read with comments and explanations in the Finance Accounts.
2. Government Accounts, being mainly on cash basis, the surplus/deficit on Government Account, as shown in **Appendix 1.4**, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, *etc.*, do not figure in the accounts.
3. Suspense and Miscellaneous Balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, *etc.*:
4. There was a difference of {₹ 12.90 crore (debit)} between figures reflected in the accounts {₹ 21.55 crore (debit)} and figures intimated by the Reserve Bank of India {₹ 8.65 crore (credit)} due to misclassification by the Bank/Treasuries {₹ 12.90 crore (debit)}.

APPENDIX 1.5

Funds Transferred Directly to State Implementing Agencies

(Reference: Paragraph 1.2.2; Page -7)

			(₹ in crore)
Sl. No.	Programme/Scheme	Implementing Agency	Funds Transferred by GoI
1.	Dairy Development Project	Arunachal Pradesh Cooperative Milk Producers Union Limited	2.00
2.	Aajeeka – Swaran Jayanti Gram Swarojkar Youna SGSY/NRLM	DRDAs - Upper Subansiri, Lower Subansiri, Tawang, Kameng and West Siang Districts	2.07
3.	Administration & Monitoring, incl. HRD and Training	Arunachal Pradesh Energy Development Agency	0.05
4.	Afforestation & Forest Management	State Forest Development Agency, Arunachal Pradesh	1.66
5.	Assistance to Voluntary Organizations for Programmes related to the aged	Arunachal Pradesh Art & Cultural Eco-Tourism Society	0.04
6.	Baba Saheb Ambedkar Hastshilpa Vikas Yojana	Arun Kutir Udyog Cooperative Society	0.415
		Kera Dading Multi-purpose Society, Kurung Kumey	
		Koje Janggo Multi-purpose Co-operative Society, Ltd.	
		Tarhuk Samaj Mebo Handloom & Handicrafts Co-operative Society, Ltd.	
		Longging Welfare Society.	
		Abu Tariang Economic Development Society, Arunachal Pradesh.	
		Arunachal Pradesh Bamboo Resources and Development Agency.	
7.	Bio-informatics	Rajiv Gandhi University	0.03
8.	Buddhist and Tibetan Studies	Center For Buddhist Cultural Studies.	10.61
		Central Institute of Himalayan Culture Studies.	
		Mon Palpung Jangchub Choekhorling Kagyu Society Agency.	
		Nagagyur Nyingma Palyul Jangchup Dargyeling Society.	
		Youth Action For Social Welfare.	
		Kalaktang Nyithilling Buddhist Cultural Society.	
		Buddhist Cultural Preservation Society.	
		Mahabodhi Maitri Mandala.	
		Tai-Khamti Heritage and Literature Society.	
		Tsun – Gon – Thoog – Jee – Ling Society.	
		Gaden Namgyal Lhatse Welfare and Charitable Society, Tawang Monastery.	
		Jangchub Choeling Nunnery School, Lhou.	
		Gyang - Gong	
9.	Central Rural Sanitation Programme	SWSM, Arunachal Pradesh	9.87
10.	Cyber Security incl. Cert in IT Act	Rajiv Gandhi University	0.09
11.	Design & Technical Up-gradation Scheme	Abu Tariang Economic Development Society, Arunachal Pradesh.	0.15
		Yiren Gone Welfare Society, Itanagar.	
		Nani Sala Foundation.	

Sl. No.	Programme/Scheme	Implementing Agency	Funds Transferred by GoI
12.	DRDA Administration	DRDAs - Anjaw, Papumpare, Tawang Upper Subansiri, East Kameng, Lohit (Tezu), Upper Siang, West Siang, Dibang Valley, Kameng, Lower Dibang Valley, Changlang, East Siang (Pasighat), Lower Subansiri, Tirap and Kurung Kumey Districts.	8.34
13.	Electronic Governance	State Council for IT and e-Governance	6.50
14.	Enhancing Skill Development Infrastructure in NE States & Sikkim	Arunachal Pradesh Skill Development Society.	1.38
15.	Forward Linkages to NRHM - New Initiatives in NE	Arunachal Pradesh State Health Society.	13.15
16.	Grant-in-aid to NGOs for STs, including Coaching & Allied Schemes and Awards for Exemplary Service	Bhartiya Adimjati Sevak Sangh (Rupa, Arunachal Branch).	0.80
		Ramakrishna Mission, Narottam Nagar.	
		Ramakrishna Sarada Mission.	
		Mahabodhi Maitri Mandala.	
17.	Grid Interactive Renewable Power - MNRE	Arunachal Pradesh Energy Development Agency.	35.52
18.	Human Resource Development	Kera Dading Multipurpose Society, Kurung Kumey (AP).	0.25
		Monyal Handloom & Handicrafts Co-op Society.	
19.	Information Education and Communications, Deptt. of Ayush	Arunachal Pradesh State Health Society.	0.35
20.	Information Publicity and Extension	Arunachal Pradesh Energy Development Agency.	1.33
21.	Integrated Watershed Management Programme (IWMP)	DRDAs - Upper Subansiri, Lohit (Tezu), East Siang (Pasighat), Kurung Kamey, Changlang and West Siang Districts.	20.44
		SLNA, Arunachal Pradesh, Itanagar	
22.	Mahatma Gandhi National Rural Employment Guarantee Scheme	DRDAs - Anjaw, Kurung Kumey, Upper Subansiri, Upper Siang, Kemeng, Lower Subansiri, Changlang, West Siang, Papumpare, Lower Dibang Valley, Tirap, Dibang Valley, East Kameng, Lohit (Tezu), East Siang (Pasighat), Lower Subansiri and Tawang Districts	68.34
23.	Marketing Support & Services and Export Promotion Scheme	Arunachal Pradesh Khadi & Village Industries Board.	0.60
24.	MPs Local Area Development (MPLAD) Scheme	Deputy Commissioners - West Siang, Lohit, Lower Dibang Valley and West Siang Districts.	15.00
25.	Museums	Bright Future Society, Ziro.	0.76
26.	National Aids Control Programme (NACP)	Arunachal Pradesh Aids Control Society.	8.70
27.	National Food Security Mission	Arunachal Pradesh Agriculture Marketing Board (APAMB), Naharlagun.	8.40
28.	National Mission in Education through ICT	National Institute of Technology, Arunachal Pradesh.	0.05
29.	National Mission on Bamboo	Arunachal Pradesh Forest Research & Development Agency.	5.22
30.	National Programme for prevention and control of Diabetes and Cardiovascular Diseases	Arunachal Pradesh Health Society.	4.80

Sl. No.	Programme/Scheme	Implementing Agency	Funds Transferred by GoI
31.	National Project for Cattle and Buffalo Breeding	Arunachal Pradesh Livestock Development Society.	2.87
32.	National Rural Drinking Water Program (NRDWP)	SWSM, A.P. (State Water & Sanitation Mission)	223.22
33.	National Rural Health Mission (Centrally Sponsored)	Arunachal Pradesh State Health Society	38.66
34.	National Rural Health Mission (NRHM), Central Sector	Arunachal Pradesh State Health Society.	0.94
35.	North Eastern Areas	Sports Authority of Arunachal.	0.96
		Director of Information & Public Relations, Arunachal Pradesh	
		Arunachal Pradesh State Council for Science & Technology, Itanagar	
36.	North Eastern Regional Institute of Science & Technology (NERIST)	North Eastern Regional Institute of Science & Technology (NERIST)	5.80
37.	Off-Grid DRPS	Arunachal Pradesh Energy Development Agency.	2.02
38.	Panchyat Empowerment and Accountability Incentive Scheme	Director, Panchayati Raj Development, Itanagar, Arunachal Pradesh.	0.03
39.	Pradhan Mantri Gram Sadak Yojana (PMGSY)	Rural Road Development, Itanagar, Arunachal Pradesh.	214.26
40.	Promotion and Dissemination of Arts & Culture	Hayang Memorial Agro Industry & Education Trust, Arunachal Pradesh	0.23
		Meenang Bangang	
		Mamung Danyi	
		Rechi Welfare Society	
		Arunachal Pradesh Arts & Culture Eco-Tourism Society	
		Usu Jang-Gu-La Charitable Society	
		Se-Donyi Charitable Trust	
41.	Rajiv Gandhi Panchyat Sashaktikaran Abhiyan (RGPSA)	State Institute of Rural Development, Itanagar, Arunachal Pradesh.	0.99
42.	Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	Arunachal Pradesh Rajya Madhyamik Shiksha Mission Authority	24.37
43.	Renewable Energy for Rural application for all Villages	Arunachal Pradesh Energy Development Agency.	0.08
44.	Renewable Energy for Urban Industrial and Commercial Application	Arunachal Pradesh Energy Development Agency.	0.04
45.	Research & Development Department of Biotechnology	Botanical Survey of India, Itanagar.	0.29
		North Eastern Regional Institute of Science & Technology (NERIST)	
		National Research Centre on Yak	
46.	Research & Development Support SERC	North Eastern Regional Institute of Science & Technology(NERIST)	1.31
47.	Resource Support to State	Department of Panchyati Raj.	0.07
48.	Indira Awaas Yojana (IAY) Rural Housing	DRDA Upper Subansiri, Upper Siang District, Changlang, Tawang, West Siang, Lower Subansiri, East Siang, Pasighat, Tirap, Lohit (Tezu), Kemeng District, East Kemeng, Kurung Kumey District, Lower Dibang Valley, Anjaw.	33.27
49.	Sarva Shiksha Abhiyan (SSA)	SSA Rajya Mission, Itanagar	437.65
50.	Scheme of NDMA	Disaster Management Department, Arunachal Pradesh.	1.52

Sl. No.	Programme/Scheme	Implementing Agency	Funds Transferred by GoI
51.	Schemes arising from implementation of schemes for persons with disabilities - Social Justice & Empowerment (SJE) (Equal Opportunities, Protection of Rights and full Participation) Act, 1995	Manjushree Charitable Society, Tawang	0.12
52.	Science & Technology Programme for Socio-Economic Development	A.P. State Council for Science & Technology, Itanagar	0.21
53.	Setting up of new National Institute of Technology (NIT) incl. Chaudhary Ghani Khan Institute of Engineering, Directorate of Higher Education	National Institute of Technology , Arunachal Pradesh Itanagar.	17.62
54.	Skill Development	Arunachal Pradesh Skill Development Society.	1.36
55.	State Science & Technology Programme	Arunachal Pradesh State Council for Science & Technology, Itanagar	3.43
56.	Step support to Training & Employment Programme for Women	Jonyong Olung Welfare Society TARHUK Samaj	0.30
57.	Support to NGOs/Institutions/SRCS for Adult Education and Skill Development (merged scheme of NGOs)	Jan Sikshan Sansthan, Naharlagun State Resource Centre, Arunachal Pradesh	0.98
58.	Support to State Extension Programme for Extension Reforms	Arunachal Pradesh Agriculture Marketing Board (APAMB) Naharlagun.	9.16
59.	Swarn Jayanti Shahari Rojgar Yojana(SJSRY)/National Urban Livelihoods Mission (NULM)	State Urban Development Agency (SUDA) Arunachal Pradesh.	1.30
60.	Technology Development Programme	Arunachal Pradesh State Council for Science & Technology, Itanagar North Eastern Regional Institute of Science & Technology (NERIST).	0.13
61.	Technology Education Quality Improvement Programme	North Eastern Regional Institute of Science & Technology (NERIST).	4.33
62.	Top Class Education Scheme for SCs	National Institute of Technology, Arunachal Pradesh.	0.01
TOTAL			1495.22

(Source: Central Plan Scheme Monitoring System of CGA Website)

APPENDIX - 2.1

Statement of various Grants/Appropriations where savings was more than ₹ 1 crore and more than 20 per cent of the total provision

(Reference: Paragraph 2.3.1; Page 40)

(₹ in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
Revenue – Voted					
1.	6	District Administration	410.31	29.06	7.09
2.	16	Art & Cultural Affairs	12.73	4.04	31.72
3.	18	Research	11.58	2.01	17.36
4.	33	North Eastern Areas	26.57	6.11	23.00
5.	38	Water Resources Department	176.95	41.00	23.17
6.	41	Land Management	13.01	2.60	20.02
7.	45	Civil Aviation	22.47	14.00	62.31
8.	47	Administration of Justice	20.68	16.07	77.70
9.	50	Secretariat Economic Services	10.11	2.99	29.63
10.	64	Trade and Commerce	7.69	5.89	77.00
11.	68	Town Planning Department	9.01	6.89	76.52
12.	72	Directorate of Prisons	7.93	2.51	31.68
13.	73	Information Technology	8.36	2.52	30.14
Capital - Voted					
14.	8	Police	33.45	20.90	63.00
15.	11	Social Welfare	82.77	33.85	41.00
16.	14	Education	83.61	32.52	39.00
17.	15	Health & Family Welfare	45.61	32.49	72.00
18.	16	Art & Cultural Affairs	31.03	26.55	86.00
19.	18	Research	5.85	4.93	85.00
20.	19	Industries	8.85	7.24	82.00
21.	22	Food & Civil Supplies	8.90	6.76	76.00
22.	24	Agriculture	5.10	4.24	84.00
23.	26	Rural Works	155.37	67.59	44.00
24.	28	Animal Husbandry & Veterinary	5.88	1.47	25.00
25.	31	Public Works	135.97	90.99	67.00
26.	32	Roads & Bridges	595.44	245.66	42.00
27.	33	North-Eastern Areas	117.91	30.22	26.00
28.	34	Power	158.46	49.22	31.00
29.	35	Information & Public Relations	3.66	3.40	93.00
30.	36	Statistics	4.48	2.75	62.00
31.	38	Water Resources Department	88.77	66.83	76.00
32.	40	Housing	25.48	12.44	49.00
33.	41	Land Management	7.20	7.20	100.00
34.	45	Civil Aviation	10.13	6.28	62.00
35.	47	Administration of Justice	12.47	5.69	46.00
36.	48	Horticulture	2.89	2.83	98.00
37.	50	Secretariat Economic Services	1764.02	1755.35	100.00
38.	51	Directorate of Libraries	2.00	1.79	90.00
39.	52	Sports & Youth Services	25.27	6.64	27
40.	54	State Tax and Excise	5.50	4.34	79
41.	57	Urban Development	212.33	116.30	55
42.	59	Public Health Engineering	43.45	12.79	30
43.	60	Textiles & Handicrafts	5.40	2.62	49.00
44.	62	Directorate of Transport	3.10	1.80	58.00
45.	71	Department of Tawang & West Kameng	2.70	2.57	96.00
Capital - Charged					
46.	97	Public Debt	231.15	64.51	28.00
Total			4661.60	2866.45	2568.34

APPENDIX - 2.2

Expenditure incurred without any Budget Provision

(Reference: Paragraph 2.3.4; Page - 41)

(₹ in lakh)

Sl. No.	Grant No.	Name of Grant/Appropriation	Actual Expenditure
1.	16	Art & Cultural Affairs	33.62
	102	Promotion of Arts & Culture	
	04	Corpus Fund	
2.	97	Public Debt	460.59
	2049	Interest Payment	
	04	Interest on Loans & Advances from Central Government	
	101	Interest on Loans for State/Union Territory Plan Schemes	
	01	Interest on State Plan Loan	
3.	97	Public Debt	13.19
	2049	Interest Payments	
	01	Interest on Internal Debt	
	305	Management of Debt	
	01	1154 Interest on State Development Loan	
TOTAL			507.40

APPENDIX - 2.3

Statement showing Excess Expenditure relating to previous years requiring regularization

(Reference: Paragraph 2.3.5; Page - 42)

(₹ in crore)

Year	No. of Grants/ Appropriations	Grants/Appropriations	Excess Amount	Stage of consideration by Public Accounts Committee (PAC)
1986-87 (UT Period)	13	1, 7, 11, 12, 13, 15, 17, 30, 32, 34, 39, 40 & 42	6.56	No meeting of the PAC was held during 2012-13 to discuss excess expenditure over Grants/ Appropriations
1986-87 (State Period)	28	1, 2, 3, 6, 7, 8, 10, 11, 13, 14, 16, 18, 19, 20, 22, 24, 27, 28, 29, 31, 32, 33, 34, 38, 39, 40, 42 & 43	12.71	
1987-88	16	14, 18, 19, 22, 23, 24, 26, 30, 31, 32, 33, 34, 35, 40, 42 & Public Debt	9.06	
1988-89	12	1, 13, 15, 17, 21, 24, 30, 31, 32, 34, 40 & Public Debt	54.51	
1989-90	15	8, 10, 15, 30, 31, 32, 33, 34, 38, 40, 43, 45, 48, 49 & Public Debt	17.49	
1990-91	16	5, 8, 13, 15, 19, 23, 24, 26, 30, 31, 32, 34, 40, 44, 48 & Public Debt	28.61	
1991-92	17	4, 8, 10, 14, 15, 18, 19, 23, 25, 28, 30, 31, 34, 37, 42, 43 & Public Debt	63.12	
1992-93	11	14, 15, 18, 28, 30, 31, 34, 40, 43, 21 & 38	27.91	
1993-94	12	8, 15, 19, 25, 28, 30, 31, 32, 34, 38, 40 & 45	30.66	
1994-95	18	6, 8, 11, 15, 21, 22, 23, 26, 28, 29, 31, 32, 34, 38, 40, 42, 43 & 45	64.45	
1995-96	24	8, 9, 11, 13, 14, 15, 16, 18, 20, 21, 23, 24, 28, 29, 31, 32, 34, 40, 41, 51, 53, 59, 60 & Public Debt	38.41	
1996-97	12	1, 9, 11, 13, 14, 21, 28, 30, 31, 34, 40 & 51	14.86	
1997-98	15	9, 10, 11, 13, 15, 20, 25, 30, 31, 34, 41, 46, 48, 59 & 60	25.34	
1998-99	15	1, 7, 13, 15, 19, 20, 31, 34, 36, 41, 50, 53, 54, 64 & Public Debt	25.26	
1999-00	7	13, 31, 44, 52, 53, 60 & Public Debt	14.27	
2000-01	12	1, 3, 8, 13, 19, 28, 32, 34, 36, 50, 52 & 62	13.27	
2001-02	13	1, 7, 8, 11, 13, 14, 16, 22, 28, 33, 35, 48 & 59	27.08	
2002-03	14	1, 4, 5, 7, 13, 19, 23, 28, 31, 43, 46, 58, 61 & 62	9.70	
2003-04	21	5, 13, 15, 16, 24, 26, 28, 31, 32, 33, 35, 36, 42, 43, 44, 47, 56, 58, 59, 61 & 62	20.15	
2004-05	17	8, 14, 15, 18, 19, 26, 28, 31, 32, 33, 40, 43, 48, 58, 61, 65, 66 & Public Debt	46.46	
2005-06	13	1, 5, 8, 16, 25, 35, 41, 43, 52, 56, 58, 60, 66 & Public Debt	266.95	
2006-07	18	5, 11, 13, 15, 24, 28, 29, 33, 35, 36, 38, 40, 41, 48, 58, 60, 61, 62 & Public Debt	173.74	
2007-08	19	1, 8, 13, 17, 24, 29, 30, 35, 36, 37, 43, 48, 51, 52, 58, 62, 63, 64 & 65	31.77	
2008-09	13	5, 9, 14, 17, 29, 34, 37, 43, 45, 48, 56, 59 & 65	70.60	
2009-10	12	13, 14, 16, 28, 31, 35, 36, 43, 44, 50, 53 & 56	33.37	
2010-11	17	12, 13, 14, 16, 20, 28, 29, 30, 33, 36, 44, 48, 54, 56, 61, 72 & Public Debt	157.64	
2011-12	16	8, 16, 17, 19, 29, 34, 37, 39, 43, 45, 47, 48, 51, 62, 65, 66	43.75	
TOTAL			1327.70	

APPENDIX - 2.4

Excess/Unnecessary/Insufficient Re-appropriation of Funds

(Reference : Paragraph 2.3.8; Page - 43)

(₹ in lakh)

Sl. No.	Grant No.	Description	Head of Account	Re-Appropriation	Excess (+) / Savings (-)
1.	6	Establishment Charges	2053-093-01	(-) 19.81	(-) 384.08
2.	6	Establishment Charges	2053-094-01	(-) 0.93	(-) 72.29
3.	6	LTC	2053-093-09	0.30	(-) 13.09
4.	7	Deposit Linked Insurance Scheme	2235-60-104-01	(-) 15.00	(-) 0.63
5.	7	Establishment Charges	2054-097-01	8.00	(-) 0.81
6.	9	VIP Movement	2070-800-09	5.31	(-) 92.52
7.	11	Integrated Child Development Scheme (ICDS)	08-2235-02-800-05	(-) 1222.03	(+) 55.43
8.	11	Establishment Charges	2235-02-001-01	(-) 21.15	(-) 0.50
9.	11	Creation of Assets	08-4235-02-800-01	330.92	(-) 1014.91
10.	11	Program for Welfare of Minorities	08-4235-02-800-05	1083.89	(-) 492.11
11.	11	Scheme under ACA/SPA	04-4235-02-800-06	450.00	(-) 2.25
12.	13	Ordinary Pension	2071-01-101-01	1.00	(+) 15857.28
13.	13	Ordinary Pension	2071-01-102-01	1.00	(-) 6124.87
14.	14	Construction of 7 New Polytechnics	08-4202-02-104-03	(-) 2968.10	(-) 328.91
15.	14	Scheme under ACA/SPA for School Education	04-4202-01-800-15	2484.70	(-) 2033.52
16.	14	Scheme under ACA/SPA for University and Higher Education	04-4202-01-800-14	856.51	(-) 461.12
17.	14	Building for Education	04-4202-01-201-01	88.97	(-) 18.00
18.	15	Establishment Expenses	2210-03-110-01	(-) 347.16	(-) 620.08
19.	15	Establishment Expenses	2210-04-102-01	(-) 39.16	(-) 135.36
20.	15	Malaria Eradication Program	2210-06-101-01	0.88	(-) 75.11
21.	15	Training	2210-05-105-01	(-) 13.29	(-) 56.21
22.	15	Family Welfare Services	08-2211-102-01	(-) 51.66	(-) 6.53
23.	15	Establishment Expenses	2210-04-101-01	(-) 24.30	(-) 2.26
24.	15	Establishment Expenses	2210-01-001-01	485.40	(-) 34.56
25.	15	Expenditure on Sub-Centres	08-2211-101-03	51.66	(-) 20.96
26.	16	Grants-in-Aid for Promotion of Arts & Culture	2205-102-01	76.00	(-) 437.25
27.	16	Construction/Renovation of Community Hall	05-4202-04-800-07	80.00	(-) 375.00
28.	18	Establishment Expenses	2205-001-01	(-) 37.19	(-) 0.06
29.	18	Establishment Expenses	2205-102-02	19.08	(-) 0.07
30.	18	Establishment Expenses	2205-103-01	18.11	(-) 0.03
31.	19	National Mission on Food Processing	03-2408-01-103-01	110.36	(-) 167.99
32.	19	Subsidies to Industrial Units	2885-02-800-01	(-) 30.00	(-) 10.00
33.	19	Establishment Expenses	2851-001-1	(-) 21.00	(-) 0.30
34.	19	Establishment Expenses of ITI	2230-03-101-01	(-) 5.55	(-) 10.01
35.	19	Schemes under ACA/SPA	04-4851-800-02	133.10	(-) 587.59
36.	19	Creation of Assets	4851-800-01	(-) 45.00	(-) 36.09
37.	21	Procurement & Supply of Foodgrains	4408-01-101-01	(-) 20.70	(-) 3.02
38.	23	Other Works	05-2406-02-800-01	(-) 10962.14	(-) 4999.74
39.	23	Establishment Expenses	2406-02-110-01	(-) 177.42	(+) 24.18
40.	23	Recreational Forestry	2406-02-112-01	(-) 111.00	(-) 20.06
41.	23	Assistance for Development of Zoo	03-2406-02-110-04	(-) 75.50	(-) 15.00
42.	23	Compensatory Afforestation	2406-01-102-02	(-) 49.04	(-) 5.95
43.	23	Establishment Expenses	2406-02-111-01	(-) 31.83	(-) 7.30
44.	23	Establishment Expenses	2406-01-001-01	182.02	(+) 6.91
45.	23	Establishment Expenses	2406-01-004-01	33.76	(+) 15.24
46.	24	Rashtriya Krishi Vikas Yojana (RKVY)	03-2401-800-45	718.10	(-) 2563.00
47.	24	Establishment Expenses	2401-001-01	(-) 13.10	(-) 181.64
48.	24	Maintenance of Assets	2415-01-004-01	(-) 4.25	(-) 11.89
49.	24	Establishment Expenses	2435-01-101-01	14.83	(+) 5.26
50.	26	River Valley Project	03-2402-103-04	(-) 600.00	(-) 86.12
51.	26	Establishment Expenses	3054-80-001-01	(-) 213.71	(-) 120.05
52.	26	Establishment Expenses	2402-001-01	(-) 34.96	(-) 147.64
53.	26	TFC	3054-04-337-05	622.54	(-) 750.00
54.	26	Establishment Expenses	2402-109-01	(-) 20.00	(-) 12.06

Sl. No.	Grant No.	Description	Head of Account	Re-Appropriation	Excess (+) / Savings (-)
55.	26	LRD Schemes	2402-103-03	18.66	(-) 3.63
56.	26	Schemes under ACA & SPA	04-5054-04-800-08	511.30	(+) 60.61
57.	26	C/o Road from NH-52 'A' to Papu - Hill Settlement	4402-800-01	83.05	(-) 34.09
58.	27	Panchayat/Local Bodies	05-2515-001-03	(-) 1547.00	(-) 4218.00
59.	27	Backward Region Grant Fund	08-2515-001-06	300.00	(-) 1638.00
60.	28	Schemes under ACA/SPA	04-4403-800-11	76.00	(-) 99.33
61.	29	Establishment Expenses	4425-001-01	(-) 12.00	(-) 8.25
62.	31	Maintenances of Assets	05-2059-01-053-01	101.50	(-) 735.22
63.	31	Establishment Expenses	2059-80-001-01	(-) 214.66	(-) 60.18
64.	31	Structural Planning	2059-80-001-03	(-) 8.79	(-) 78.15
65.	31	Schemes under ACA/SPA	04-4059-80-051-10	1395.55	(-) 6701.68
66.	31	C/o A.P. Secretariat Building	07-4059-80-800-12	(-) 1395.55	(-) 50.00
67.	32	C/o District Roads	05-3054-800-01	1137.00	(-) 4241.92
68.	32	Establishment Expenses	3045-04-001-01	(-) 1137.00	(-) 131.28
69.	32	Improvement of Jangthung Cherrong Panchvati, etc.; West Kameng District	07-5054-04-800-79	(-) 1350.84	(-) 59.04
70.	32	C/o Road from Likabali-Aalo BRTF Road to connect Kane Village	07-5054-04-800-78	(-) 296.13	(-) 327.38
71.	32	Bailey Bridge between Namara and other Villages	07-5054-04-800-45	69.13	(-) 108.52
72.	32	C/o Road from Dumporijo to Hali	07-5054-04-800-37	700.68	(-) 203.19
73.	32	C/o Steel Suspension Bridge over River Subansiri	07-5054-04-800-18	383.31	(+) 16.70
74.	32	C/o Motorable Suspension Bridge Between BRTF Road Kamsin	07-5054-04-800-31	667.63	(-) 377.99
75.	32	C/o Road from Jia Tinali on Roing Shantipur Road to Bizari	07-5054-04-800-50	545.15	(-) 258.00
76.	32	C/o Road From Tamang Tali Road via Yorkum	07-5054-04-800-40	518.85	(-) 264.83
77.	32	C/o Road from Nyorak to Rime Muku	07-5054-04-800-32	251.29	(-) 62.59
78.	32	C/o Road from Wak to Hiromba	07-5054-04-800-42	673.79	(-) 584.19
79.	32	C/o Motorable Suspension Bridge over River Lohit to connect Manchal Administrative Circle	07-5054-04-800-16	319.30	(-) 277.20
80.	32	MSA Bridge over River Yamne at Reglet under Mariyang	07-5054-04-800-68	134.09	(-) 113.11
81.	33	Flood Protection Works at Dirang Township	09-2552-800-82	(-) 78.92	(-) 10.00
82.	33	Establishment of Entrepreneurship Development Institute at Jote	09-2552-05-800-01	17.14	(-) 93.00
83.	33	Development and Beautification of PTSO Lake at Tawang	09-2552-15-800-04	(-) 40.00	(-) 10.14
84.	33	Up-gradation of Forest Rest House	09-2552-800-93	(-) 35.69	(-) 10.51
85.	33	Cultivation of Citronella in Pochar and Wakka in Tirap	09-2552-01-800-06	177.00	(-) 5.65
86.	33	Establishment of Orange Garden at Rantiwa of Melbua-III Village, Seppa	09-2552-01-800-01	164.50	(-) 14.57
87.	33	Hi-Tech Oragne at Lutak in Gensi Circle	09-2552-01-800-03	121.50	(-) 11.33
88.	33	Improvement of MIC and FC Works at Supyu	09-2552-800-96	103.00	(-) 5.00
89.	33	Establishment of Kiwi Garden at Dora Morey Hija Village	09-2552-01-800-04	170.50	(-) 116.99
90.	33	Integrated Program for Sericulture Development	09-2552-800-36	60.00	(-) 10.00
91.	33	Establishment of Oranges, Large Cardamom garden at Rilung	09-2552-01-800-05	100.40	(-) 68.23
92.	33	Seppa-Chayangtajo Road	09-4552-800-46	185.85	(-) 955.14
93.	33	C/o 82 Pedestrian Wire Rope Suspension Bridges	09-4552-800-70	(-) 284.00	(-) 37.26
94.	33	System Improvement in and around Rupa-Kalaktang Towns	09-4552-12-800-02	(-) 299.52	(+) 18.01
95.	33	Improvement of Water Supply at Swamy Camp, Anjaw	09-4552-22-800-01	(-) 152.62	(-) 61.98
96.	33	C/o 33/11 KV Sub-Station at Pania including 33 KV Express line Palin	09-4552-12-800-04	9.00	(-) 209.00
97.	33	C/o 33 KV Line from Pakke to Chayagtajo	09-4552-12-800-05	4.00	(-) 159.00
98.	33	Extension and Modernization of J.N. State Museum	09-4552-21-800-01	12.00	(-) 50.00
99.	33	Laimekuri-Nari-Telam Road	09-4552-800-54	500.00	(-) 236.92
100.	33	System Improvement in and around Bomdila Township	09-4552-800-88	154.00	(+) 14.17
101.	33	C/o 33 KV Express Line from Changlang to Khimyang	09-4552-800-86	164.00	(-) 4.00
102.	33	Improvement & Renovation of 33KV Line from Pasighat to Mebo	09-4552-800-57	97.92	(-) 1.66

Sl. No.	Grant No.	Description	Head of Account	Re-Appropriation	Excess (+) / Savings (-)
103.	33	Augmentation and Improvement of Existing T & DB System at Sangram	09-4552-12-800-03	35.00	(-) 5.00
104.	33	C/o Anti-Erosion on Right and Left Bank of Komla at Nirjuli	09-4552-19-800-02	40.00	(-) 10.01
105.	36	Establishment Expenses of Directorate	3454-01-001-01	(-) 69.10	(-) 57.24
106.	36	National Sample Survey Works	03-3454-02-201-01	86.12	(+) 101.96
107.	38	Scheme under RIDF Loan	2702-03-102-02	302.00	(-) 472.80
108.	38	Scheme under Accelerated Irrigation Benefits Programme	4711-01-800-05	4226.00	(-) 6000.00
109.	38	Scheme under ACA/SPA	04-4711-01-800-04	130.00	(-) 630.45
110.	40	Establishment Expenses	2216-05-001-01	(-) 101.50	(-) 58.68
111.	41	Cadastral Survey	2506-800-05	(-) 204.15	(-) 2.62
112.	41	Establishment Expenses	2506-800-01	(-) 162.10	(-) 6.48
113.	43	Rashtriya Krishi Vikas Yojana (RKVY)	03-2405-800-45	(-) 34.66	(+) 1033.42
114.	43	Establishment Expenses	2405-001-01	(-) 5.49	(+) 823.29
115.	43	Scheme on ACA/SPA	04-4405-800-03	5.00	(-) 89.07
116.	45	Maintenance of Assets	3275-800-01	(-) 1393.74	(-) 5.67
117.	47	Construction of Court Building	03-4059-80-800-02	972.00	(-) 397.44
118.	48	ACA/SPA	03-2401-800-50	129.40	(-) 630.00
119.	48	Establishment Expenses	2401-001-01	(-) 96.50	(+) 8.92
120.	48	Scheme under ACA/SPA	04-4401-800-03	187.50	(-) 283.00
121.	50	Establishment Expenses of District Planning	3451-102-01	(-) 39.25	(-) 213.33
122.	50	Establishment Expenses	3451-090-01	38.25	(-) 20.41
123.	50	Creation of Assets	05-4070-800-02	401.00	(-) 7901.00
124.	50	District Innovation Fund	05-4070-800-11	800.00	(-) 175.91
125.	50	Schemes under ACA/SPA/PM Package	05-4070-800-10	89006.03	(-) 88814.34
126.	52	Directorate Establishment	2204-001-01	193.05	(-) 6.82
127.	52	Schemes under ACA/SPA	03-4202-03-800-22	563.15	(-) 664.38
128.	54	Mission Mode Project for Computerization of Taxes	03-2039-800-01	(-) 215.47	(-) 28.22
129.	56	Development of Daporijo-Taliha-Siyum-Nacho Tourist Circle	08-5452-01-101-13	(-) 189.88	(-) 77.88
130.	56	Development of Tourist Resort at Lebok	08-5452-01-101-16	(-) 107.75	(-) 23.61
131.	56	Tourism Infrastructure Development at Dong	07-5452-01-102-78	(-) 58.02	(-) 52.42
132.	56	Eco-Tourism at Kone-Gipong under Dambuk	08-5452-01-101-22	297.24	(-) 309.68
133.	57	Establishment Expenses	2217-80-001-01	(-) 110.60	(-) 30.83
134.	57	Schemes under ACA/SPA	04-4217-60-800-61	1775.56	(-) 11628.04
135.	58	Establishment Expenses	2058-103-01	(-) 28.50	(-) 6.41
136.	59	Schemes under ACA/SPA	4215-01-800-04	1866.89	(-) 682.36
137.	60	Establishment Expenses	2851-001-01	(-) 15.03	(-) 135.29
138.	60	Establishment Expenses	2851-103-01	110.00	(-) 8.00
139.	61	Establishment Expenses	2853-02-001-01	(-) 15.00	(-) 54.96
140.	62	Establishment Expenses	3055-001-01	4.50	(+) 4.58
141.	64	Schemes under ACA/SPA/PM Package	04-2875-60-800-02	15.00	(-) 86.07
142.	66	Establishment Expenses	2801-05-001-01	(-) 288.35	(-) 10.57
143.	66	Hydel-Improvement	4801-01-052-01	(-) 10.12	(-) 50.00
144.	66	Maintenance of Hydel Station	4801-80-800-05	(-) 80.00	(+) 49.88
145.	68	Establishment Expenses	2217-03-001-01	(-) 2.15	(-) 10.14
146.	71	Development of Tawang and West Kameng Districts	2205-102-05	(-) 121.11	(-) 11.10
147.	73	Schemes under ACA/SPA	3425-60-600-06	(-) 225.52	(-) 158.00
148.	97	Interest on State Provident Fund	2049-03-104-01	(-) 2027.00	(-) 500.00
149.	97	Payment of Interest on Block Loan	2049-04-101-02	(-) 186.64	(-) 460.60
150.	97	Interest on Loan from Power Bond	2049-01-200-07	(-) 17.06	(+) 5.12
151.	97	Loans from NSSF	6003-111-06	196.50	(+) 15.85
TOTAL				1157.72	(-) 22030.28

APPENDIX 2.5

Statement of various Grants/Appropriations in which savings occurred but no part of which had been surrendered

(Reference: Paragraph 2.3.11; Page- 44)

(₹ in crore)

Sl. No.	Grant/ Appropriation No.	Name of Grant/Appropriation	Savings
1.	1	Legislative Assembly Revenue – Voted	0.17
2.	2	Governor Revenue – Charged	0.18
3.	3	Council of Ministers Revenue – Voted	0.08
4.	4	Election Revenue – Voted	0.04
5.	6	District Administration Revenue – Voted	29.06
6.	7	Treasury & Accounts Administration Revenue – Voted	1.08
7.	7	Treasury & Accountants Administration Capital – Voted	0.10
8.	8	Police Revenue – Voted	18.31
9.	9	Motor Garages Revenue – Voted	1.57
10.	14	Education Revenue – Voted	21.36
11.	14	Education Capital – Voted	32.53
12.	15	Health & Family Welfare Revenue – Voted Capital – Voted	24.70 32.49
13.	16	Art & Cultural Affairs Revenue – Voted Capital – Voted	4.04 26.55
14.	17	Gazetteer Revenue – Voted	0.07
15.	18	Research Revenue – Voted Capital – Voted	2.01 4.93
16.	19	Industries Revenue – Voted	2.34
17.	19	Industries Capital – Voted	7.24
18.	21	Food Storage & Warehousing Revenue – Voted	0.03
19.	22	Food & Civil Supplies Revenue – Voted Capital – Voted	0.64 6.76
20.	23	Forests Capital – Voted	0.15
21.	24	Agriculture Revenue – Voted Capital – Voted	28.52 4.24
22.	25	Relief, Rehabilitation – Settlement Revenue – Voted	0.16
23.	26	Rural Works Revenue – Voted Capital – Voted	13.34 67.59
24.	28	Animal Husbandry & Veterinary Revenue – Voted	2.34 1.47

Sl. No.	Grant/ Appropriation No.	Name of Grant/Appropriation	Savings
		Capital – Voted	
25.	29	Co-operation Capital – Voted	0.23
26.	30	State Transport Capital – Voted	0.88
27.	31	Public Works Revenue – Voted Capital – Voted	10.31 90.99
28.	32	Roads & Bridges Revenue – Voted Capital – Voted	43.95 245.66
29.	33	North-Eastern Areas Revenue – Voted Capital – Voted	6.11 30.22
30.	34	Power Capital – Voted	49.22
31.	35	Information and Public Relations Revenue – Voted	0.84
32.	36	Statistics Revenue – Voted Capital – Voted	1.77 2.75
33.	37	Legal Metrology & Consumer Affairs Revenue – Voted Capital – Voted	0.20 0.60
34.	38	Water Resources Department Revenue – Voted Capital – Voted	41.00 66.83
35.	39	Loans to Government Servants Capital – Voted	0.61
36.	40	Housing Capital – Voted	12.44
37.	41	Land Management Capital – Voted	7.20
38.	42	Rural Development Revenue – Voted Capital – Voted	3.05 0.96
39.	43	Fisheries Revenue – Voted Capital – Voted	18.57 0.89
40.	44	Attached Offices of Secretariat Administration Revenue – Voted	0.16
41.	45	Civil Aviation Capital – Voted	6.28
42.	47	Administration of Justice Revenue – Voted Capital – Voted	16.07 5.69
43.	48	Horticulture Revenue – Voted Capital – Voted	7.01 2.83
44.	50	Secretariat Economic Services Revenue – Voted	2.99
45.	51	Directorate of Libraries Capital – Voted	1.79
46.	52	Sports and Youth Services Capital – Voted	6.64
47.	53	Fire Protection & Control Revenue – Voted	0.94
48.	54	State Tax & Excise Capital – Voted	4.43
49.	56	Tourism Revenue – Voted Capital – Voted	0.46 33.92
50.	57	Urban Development Capital – Voted	116.30

Sl. No.	Grant/ Appropriation No.	Name of Grant/Appropriation	Savings
51.	58	<i>Stationery & Printing</i> Capital – Voted	0.88
52.	59	<i>Public Health Engineering</i> Revenue – Voted Capital – Voted	2.57 12.79
53.	60	<i>Textiles & Handicrafts</i> Capital – Voted	2.62
54.	61	<i>Geology & Mining</i> Capital – Voted	0.72
55.	62	<i>Directorate of Transport</i> Revenue – Voted Capital – Voted	0.05 1.80
56.	63	<i>Protocol Department</i> Revenue – Voted	0.17
57.	64	<i>Trade and Commerce</i> Revenue – Voted	5.89
58.	66	<i>Hydro Power Development</i> Capital – Voted	7.30
59.	68	<i>Town Planning Department</i> Capital – Voted	0.90
60.	69	<i>Parliamentary Affairs Department</i> Revenue – Voted	0.11
61.	70	<i>Administrative Training Institute</i> Revenue – Voted	0.20
62.	71	<i>Department of Tawang and West Kameng</i> Capital – Voted	2.57
63.	72	<i>Directorate of Prisons</i> Revenue – Voted	2.51
64.	97	<i>Public Debt</i> Capital – Charged	64.51
Total			1280.46

APPENDIX 2.6

Details of savings of ₹ 1 crore and above not surrendered

(Reference: Paragraph 2.3.11; Page- 44)

(₹ in crore)

Sl. No.	Number and Name of Grant/Appropriation	Savings	Surrender	Savings to be surrendered
1.	6 - District Administration Revenue - Voted	29.06	-	29.06
2.	7 - Treasury & Accounts Administration Revenue - Voted	1.08	-	1.08
3.	8 - Police Revenue - Voted Capital - Voted	18.31 20.90	- 1.55	18.31 19.35
4.	9 - Motor Garages Revenue - Voted	1.57	-	1.57
5.	11 - Social Welfare Revenue - Voted Capital - Voted	23.14 33.85	21.19 18.75	1.95 15.10
6.	19 - Industries Revenue - Voted Capital - Voted	2.34 7.24	-	2.34 7.24
7.	22 - Food & Civil Supplies Capital - Voted	6.76	-	6.76
8.	23 - Forests Revenue - Voted	156.24	105.45	50.79
9.	24 - Agriculture Revenue - Voted Capital - Voted	28.52 4.24	- -	28.52 4.24
10.	26 - Rural Works Revenue - Voted Capital - Voted	13.34 67.59	- -	13.34 67.59
11.	27 - Panchayat Revenue - Voted	73.76	13.31	60.45
12.	28 - Animal Husbandry & Veterinary Revenue - Voted Capital - Voted	2.34 1.47	- -	2.34 1.47
13.	30 - State Transport Revenue - Voted	1.25	1.10	0.15
14.	31 - Public Works Revenue - Voted Capital - Voted	10.31 90.99	- -	10.31 90.99
15.	32 - Roads & Bridges Revenue - Voted Capital - Voted	43.95 245.66	- -	43.95 245.66
16.	33 - North-Eastern Areas Revenue - Voted Capital - Voted	6.11 30.22	- -	6.11 30.22
17.	34 - Power Revenue - Voted Capital - Voted	6.61 49.22	5.38 -	1.23 49.22
18.	35 - Information & Public Relations Capital - Voted	3.40	2.46	0.94
19.	36 - Statistics Revenue - Voted Capital - Voted	1.77 2.75	- -	1.77 2.75
20.	38 - Water Resources Department Revenue - Voted Capital - Voted	41.00 66.83	- -	41.00 66.83
21.	40 - Housing Revenue - Voted Capital - Voted	1.66 12.44	1.08 -	0.58 12.44

Sl. No.	Number and Name of Grant/Appropriation	Savings	Surrender	Savings to be surrendered
22.	41 – Land Management			
	Revenue- Voted	2.60	2.45	0.15
	Capital- Voted	7.20	-	7.20
23.	42 - Rural Development			
	Revenue – Voted	3.05	-	3.05
24.	45 - Civil Aviation			
	Revenue – Voted	14.00	13.90	0.10
	Capital- Voted	6.28	-	6.28
25.	47 - Administration of Justice			
	Revenue – Voted	16.07	-	16.07
	Capital- Voted	5.69	-	5.69
26.	48 – Horticulture			
	Revenue – Voted	7.01	-	7.01
	Capital – Voted	2.83	-	2.83
27.	50 - Secretariat Economic Services			
	Revenue- Voted	2.99	-	2.99
	Capital- Voted	1755.35	786.44	968.91
28.	51 – Directorate of Libraries			
	Capital – Voted	1.79	-	1.79
29.	52 - Sports & Youth Ser vices			
	Capital – Voted	6.64	-	6.64
30.	54 - State Tax & Excise			
	Revenue – Voted	3.05	2.15	0.90
	Capital – Voted	4.34	-	4.34
31.	56 – Tourism			
	Capital – Voted	33.92	-	33.92
32.	57 - Urban Development			
	Revenue – Voted	3.41	1.11	2.20
	Capital – Voted	116.30	-	116.30
33.	59 - Public Health Engineering			
	Revenue – Voted	2.57	-	2.57
	Capital – Voted	12.79	-	12.79
34.	60 – Textiles & Handicrafts			
	Revenue – Voted	5.34	1.91	3.43
	Capital – Voted	2.62	-	2.62
35.	61 - Geology & Mining			
	Revenue – Voted	1.02	0.47	0.55
36.	62 – Directorate of Transport			
	Capital – Voted	1.80	-	1.80
37.	64 – Trade & Commerce			
	Revenue – Voted	5.59	-	5.89
38.	66 – Hydro Power Development			
	Revenue – Voted	2.99	2.88	0.11
	Capital – Voted	7.30	-	7.30
39.	68 - Town Planning Department			
	Revenue – Voted	6.89	0.01	6.88
40.	71 - Department of Tawang and West Kameng			
	Revenue – Voted	2.57	-	2.57
41.	72 - Directorate of Prisons			
	Revenue – Voted	2.51	-	2.51
42.	73 – Information Technology			
	Revenue – Voted	2.52	0.94	1.58
43.	97 – Public Debt			
	Revenue – Charged	61.76	21.47	40.29
	Capital – Charged	64.51	-	64.51
TOTAL		3281.22	1004.00	2277.42

APPENDIX 3.1

Statement showing Bodies and Authorities, accounts of which were not received

(Reference: Paragraph 3.2; Page 48)

Sl. No.	Name of Body/Authority	Years for which Accounts not received	Years
1.	Kendriya Vidyalaya, Tawang	2010-11 to 2012-13	03
2.	Kendriya Vidyalaya, Nirjuli	2010-11 to 2012-13	03
3.	Kendriya Vidyalaya, Along	2011-12 & 2012-13	02
4.	Kendriya Vidyalaya, Dirang	2010-11 to 2012-13	03
5.	Kendriya Vidyalaya, Kimin	2010-11 to 2012-13	03
6.	District Rural Development Agency, Bomdila	2009-10 to 2012-13	04
7.	District Rural Development Agency, Along	2009-10 to 2012-13	04
8.	Central School for Tibetans, Miao	2009-10 to 2012-13	04
9.	Kendriya Vidyalaya-I, Chimpu Itanagar	2010-11 to 2012-13	03
10.	Kendriya Vidyalaya, Tenga Valley	2010-11 to 2012-13	03
11.	District Rural Development Agency, Roing	2010-11 & 2012-13	03
12.	District Rural Development Agency, Yupia	2011-12 & 2012-13	02
13.	Arunachal Pradesh Agriculture Marketing Board, Naharlagun	2005-06 to 2012-13	08
14.	Member Secretary, Arunachal Pradesh State Council for Science & Technology	2010-11 to 2012-13	03
15.	Donyi Polo Mission, Itanagar	2003-04 to 2012-13	10
16.	Ram Krishna Mission, Narottam Nagar, Deomali	2011-12 & 2012-13	02
17.	Ram Krishna Mission, Vivekananda Nagar, Along	2005-06 to 2011-13	08
18.	Ram Krishna Mission, Khonsa	2005-06 to 2012-13	08
19.	Ram Krishna Mission Hospital, Itanagar	2011-12 & 2012-13	02
20.	District Rural Development Agency, Tawang	2010-11 to 2012-13	03
21.	District Rural Development Agency, Yingkiong	2005-06 to 2012-13	08
22.	District Rural Development Agency, Pasighat	2009-10 to 2012-13	04
23.	District Rural Development Agency, Tezu	2010-11 to 2012-13	03
24.	District Rural Development Agency, Daporijo	2010-11 to 2012-13	03
25.	District Rural Development Agency, Changlang	2010-11 to 2012-13	03