

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

on

STATE FINANCES

for the year ended 31 March 2014



Government of Arunachal Pradesh

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Comptroller and Auditor General
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For the year ended 31 March 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 2014.*
- 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. Report 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 brought out with a view to objectively assess the financial performance of the State during 2013-14. 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 targets envisaged by the State Government in the Budget Estimates of 2013-14 and projections made by the Twelfth/Thirteenth Finance Commissions.

Based on audited accounts of the Government of Arunachal Pradesh for the year ending March 2014, 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 2014. 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 2013-14, the State witnessed significant decrease in all fiscal parameters as Revenue Surplus during the current year decreased by 90.87 *per cent*, Fiscal Deficit increased by 592.15 *per cent* and the primary surplus during the previous year took a turnaround and reached deficit status in the current year.

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

❖ Revenue Receipts

Revenue receipts during 2013-14 grew by 1.02 *per cent* (₹ 58.91 crore) over the previous year. Tax Revenue (₹ 434.51 crore) was 8.08 *per cent* higher than the assessment made in the Budget Estimates for the year. Collection of Non-Tax Revenue (₹ 405.06 crore) during 2013-14 was lower than assessments made by the 13th Finance Commission (14 *per cent*) and the Budget Estimates (27.87 *per cent*). Central Transfers, comprising of the State share of Central taxes and Grants-in-aid contributed about 86 *per cent* of Revenue Receipts during the year. The State primarily depends on resources transferred by the Central Government. The State's own resources as a percentage of total receipts declined from 15.94 *per cent* in 2009-10 to 14.42 *per cent* in 2013-14. 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 restore the buoyancy in Revenue Surplus in the ensuing years.

❖ Revenue and Total Expenditure

Revenue Expenditure of the State during 2013-14 increased by ₹ 945.16 crore over the previous year and constituted 77.14 *per cent* of the total expenditure during the year. Non-Plan Revenue Expenditure (NPRE) during 2013-14, which increased by ₹ 870.18 crore compared to the previous year, also exceeded the normative assessment made by the 13th Finance Commission by around 71.93 *per cent*. Committed Expenditure, *viz.*, Salaries, Pensions, Interest Payments and Subsidies, constituted about 56.98 *per cent* of the Revenue Expenditure during 2013-14.

❖ Capital and Development Expenditure

The State Government had given adequate thrust to Capital Expenditure in its budget for 2013-14, but failed to fulfill its commitment. Capital Expenditure during the current year increased over the previous year but fell short of the Budget Estimates by about 50.27 *per cent*. Development Expenditure during 2013-14 was 21.69 *per cent* higher than the previous year and also exceeded the assessment made in the Budget Estimates by 43.56 *per cent*, but only 27 *per cent* was utilized for Capital expenditure.

The Government should initiate suitable measures to compress components of Non-plan Revenue Expenditure and emphasize on provision of Development Capital Expenditure.

❖ Debt Sustainability

Prevalence of fiscal liabilities of the State over the period 2009-14, which stood at 36.58 *per cent* of the GSDP in 2013-14, appeared to be quite high, especially when compared with the limit prescribed by the 13th Finance Commission, *i.e.*, steady reduction in augmented Debt Stock of States to less than 25 *per cent* of GDP by 2014-15. The positive Resource Gap during 2012-13 turned into a negative Resource Gap

during 2013-14, indicating decreasing 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.

❖ **Financial Management and Budgetary Control**

During 2013-14, there was an overall savings of ₹ 4178.24 crore, which was the result of savings of ₹ 4244.11 crore offset by excess of ₹ 65.87 crore. The excess of ₹ 65.87 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 with rules, procedures and directives of 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. 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 (July 2014), Gross Domestic Product (GDP) of the State was ₹ 13,491.03 crore (Base Year 2004-05) and the estimated per capita GSDP of the State stood at ₹ 91,829 during 2013-14.

The State primarily depends on resources transferred by the Central Government, as the State's own resources during 2009-14 contributed only about 10 to 16 *per cent* of the total Revenue Receipts. Outstanding fiscal liabilities of the State as a percentage to GSDP indicated a decreasing trend during 2009-14. It declined from its peak of 41.73 *per cent* in 2009-10 to 36.58 *per cent* in 2013-14.

Growth and Composition of GSDP

Gross State Domestic Product (GSDP) is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State's economy as it indicates the standard of living of the State's population. The trend in the annual growth of India's GDP and State's GSDP at current prices are indicated below.

Table - 1.1

Trends in the annual growth of India's GDP and State's GSDP at current prices

(₹ in crore)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
India's GDP (₹ in crore)	61,08,903	72,48,860	83,91,691	93,88,876	1,04,72,807
Growth rate of India's GDP	15.18	18.66	15.77	11.88	11.54
State's GSDP (₹ in crore)	7474.45	9017.90	10396.16	11817.14	13491.03
Growth Rate of GSDP	31.42	20.65	15.28	13.67	14.16

As per the State's GSDP series (base year 2004-05), there was a fluctuating trend in the growth rate of GSDP. Increase in growth of GSDP during 2013-14 was mainly due to increase of 14.35 *per cent* in the Tertiary/ Service sector. During 2013-14, GSDP also exceeded the assessment (₹ 7355 crore) made by the 13th Finance

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 increased to 11, including Arunachal Pradesh.

Commission by 83.43 per cent. Incidentally, the growth of GSDP during 2013-14 at 14.16 per cent exceeded the assessment of the 13th Finance Commission (11.49 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**. While **Appendix 1.2** briefly outline the Fiscal Responsibility and Budget Management (FRBM) Act of the Government, **Appendix 1.3** presents the time series data on key fiscal variables/parameters and fiscal ratios relating to State Government finances for the period 2009-14.

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 (2013-14) *vis-à-vis* the previous year while **Appendix 1.4** provides details of receipts/disbursements and the overall fiscal position during the current year.

Table - 1.2

Summary of Fiscal Transactions (Current Year)

(₹ in crore)

Receipts	2012-13	2013-14	Disbursements	2012-13	2013-14		
					Non-Plan	Plan	Total
Section – A : Revenue							
Revenue Receipts	5761.52	5820.43	Revenue Expenditure	4786.24	3957.59	1773.81	5731.40
Tax Revenue	316.50	434.51	General Services	1423.46	1734.50	45.56	1780.06
Non-tax Revenue	284.22	405.06	Social Services	1506.28	970.38	799.78	1770.16
Share of Union Taxes/Duties	957.93	1045.85	Economic Services	1856.50	1252.72	928.46	2181.18
Grants-in-aid from Govt. of India	4202.87	3935.01	-	-	-	-	-
Section – B : Capital							
Miscellaneous Capital Receipts	Capital Outlay	1206.28	6.21	1673.49	1679.70
Recoveries of Loans & Advances	2.95	3.42	Loans & Advances Disbursed	3.95	12.50	6.03	18.53
Public Debt Receipts ²	276.45	354.15	Repayment of Public Debt	166.64	-	169.08	169.08
Contingency Fund	-	-	Contingency Fund	-	-	-	-
Public Account Receipts	4113.19	5705.44	Public Account Disbursements	3784.15	-	-	4648.49
Opening Balance	1108.81	1315.66	Closing Balance	1315.66	-	-	971.90
Total	11262.92	13199.10	Total	11262.92	-	-	13199.10

² Includes Net Ways and Means Advances.

Significant changes during 2013-14 over the previous year are shown below:

- **Revenue Receipts** increased by 1.02 *per cent* (₹ 58.91 crore) over the previous year. The increase was contributed by Non-Tax Revenue of ₹ 120.84 crore (42.52 *per cent*), Tax Revenue of ₹118.01 crore (37.29 *per cent*) and State share of Union Taxes & Duties of ₹ 87.92 crore (9.18 *per cent*), which was partly offset by decrease under Grants-in-Aid of ₹ 267.86 crore (6.37 *per cent*) from the Government of India (GoI).
- **Revenue Expenditure** increased by 19.75 *per cent* (₹ 945.16 crore) over the previous year. While 28.18 *per cent* (₹ 870.18 crore) of the increase was under Non-Plan heads, increase under Plan heads was 4.41 *per cent* (₹ 74.98 crore) over the previous year. **Capital Expenditure** during the year also increased by 39.25 *per cent* (₹ 473.42 crore) over the previous year.
- **Recovery of Loans & Advances** during the current year increased by ₹ 0.47 crore and **Disbursement of Loans & Advances** also increased by ₹ 14.58 crore compared to the previous year.
- **Public Debt Receipts** increased by ₹ 77.70 crore over the previous year wholly due to increase in receipts under Internal Debt. **Repayment of Public Debt** also increased by ₹ 2.44 crore over the previous year.
- **Public Account Receipts and Disbursements** increased by ₹ 1592.25 crore and ₹ 844.34 crore respectively over the previous year.
- The total inflow during 2013-14 was ₹ 11883.44 crore against ₹ 10154.11 crore in 2012-13, while the total outflow during 2013-14 was ₹ 12227.20 crore against ₹ 9947.26 crore during the previous year, registering an increase of 17.03 *per cent* in inflow and 22.92 *per cent* in outflow. During 2013-14, a decrease in cash balances by ₹ 343.76 crore (26.13 *per cent*) over the previous year was seen.

1.1.2 Review of the Fiscal Situation

Performance of the State during 2013-14 in terms of key fiscal targets set for selected parameters laid down in the Arunachal Pradesh Fiscal Responsibility & Budget Management (Amendment) Act, 2012, and projections made in the 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 2013-14

Fiscal Parameters	2013-14		
	Targets as prescribed in FRBM Act	Projections made in MTFPS	Actuals
Revenue Surplus (₹ in crore)	Strive to remain Revenue Surplus during 2010-15	-	89.03
Revenue Surplus (as % of GSDP)	Strive to maintain in a consistent manner	28.67	0.66
Fiscal Deficit/GSDP (<i>per cent</i>)	Not more than 3 %	1.21	11.90
Total Outstanding Debt/GSDP (<i>per cent</i>)	52.5	32.38	36.58

The above Table indicates that the State was able to achieve targets prescribed in the FRBM Act/MTFPS in respect of Revenue Surplus and Total Outstanding Debt as a percentage of GSDP. While the ratio of Fiscal Deficit-GSDP (in *percentage*) not only surpassed the target fixed in the FRBM Act but also failed to achieve the projection made in MTFPS.

1.1.3 Budget Estimates and Actuals

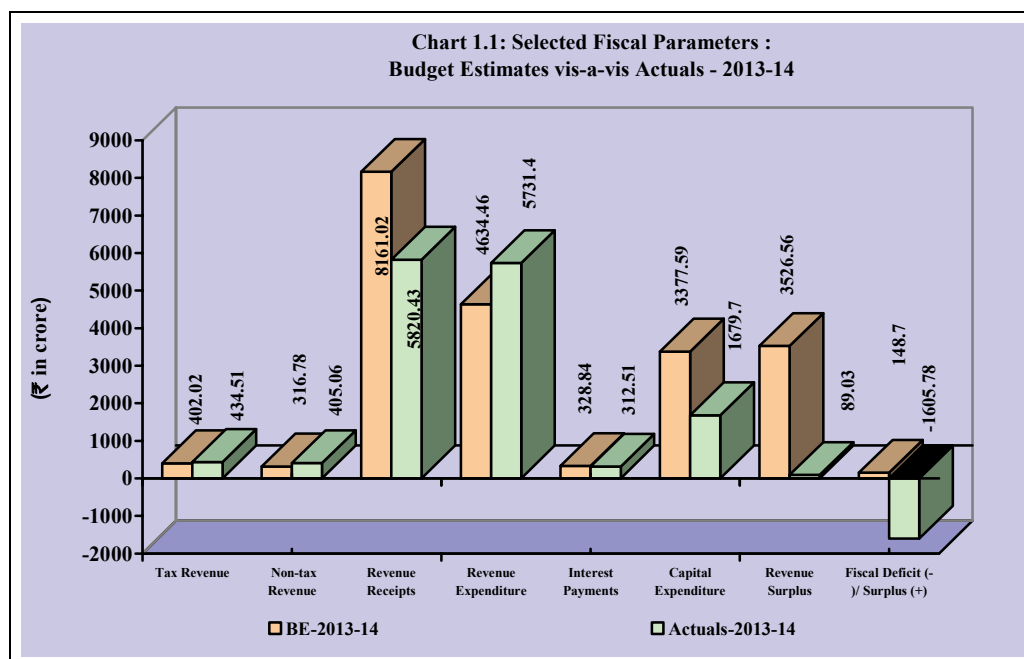
Budget papers presented by the State Government provide descriptions of projections or estimations of revenue and expenditure for a particular year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies 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 2012-13 (Actuals) and 2013-14 (Budget Estimates, Revised Estimates and Actuals) and **Chart 1.1** presents the Budget Estimates and Actuals for some important fiscal parameters for 2013-14.

Table - 1.4
Variation in Major Items – Actuals of 2013-14 over 2012-13 and Budget Estimates/Revised Estimates with Actuals of 2013-14

(₹ in crore)

Parameters	2012-13	2013-14			Percentage of Excess (+)/ Shortfall (-) with reference to		
	Actuals	Budget Estimates (BE) ³	Revised Estimates (RE) ⁵	Actuals	Actuals 2012-13	BE	RE
Tax Revenue	316.50	402.02	475.59	434.51	37.29	8.08	-8.64
Non-Tax Revenue	284.22	316.78	564.26	405.06	42.52	27.87	-28.21
REVENUE RECEIPTS	5761.52	8161.02	7232.41	5820.43	1.02	-28.68	-19.52
Non-debt Capital Receipts	2.95	3.85	0.00	3.42	15.93	-11.17	0.00
REVENUE EXPENDITURE	4786.24	4634.46	6324.04	5731.40	19.75	23.67	-9.37
Interest Payments	271.85	328.84	350.81	312.51	14.96	-4.97	-10.92
CAPITAL EXPENDITURE	1206.28	3377.59	3292.31	1679.70	39.25	-50.27	-48.98
Disbursement of Loans & Advances	3.95	4.12	20.32	18.53	369.11	349.76	-8.81
REVENUE SURPLUS	975.28	3526.56	908.37	89.03	-90.87	-97.48	-90.20
Fiscal Deficit (-)/ Surplus (+)	- 232.00	+148.70	-2404.26	-1605.78	-592.15	-1179.88	33.21

³ Net Estimates.



- In 2013-14, compared with the Budget Estimates and Revised Estimates, actual **Revenue Receipts** fell short by 28.68 and 19.52 *per cent* respectively. Compared with Budget Estimates, the actual **Revenue Expenditure** exceeded by 23.67 *per cent*, but fell short of Revised Estimates by 9.37 *per cent*.
- Compared with the Budget and Revised Estimates, **Capital Expenditure** was less by 50.27 and 48.98 *per cent* respectively. Compared to the previous year, Capital Expenditure increased by ₹ 473.42 crore (39.25 *per cent*), mainly due to increase of ₹ 103.95 crore (123.96 *per cent*) under General Services, ₹ 224.04 crore (80.08 *per cent*) under Social Services and ₹ 145.43 crore (17.26 *per cent*) under Economic Services.
- **Revenue Surplus** (₹ 89.03 crore) during the year was less by ₹ 3437.53 crore and ₹ 819.34 crore compared to the assessment made in the Budget and Revised Estimates respectively. Against the fiscal surplus of ₹ 148.70 crore and fiscal deficit of ₹ 2404.26 crore, as assessed in the Budget and Revised Estimates, the year ended with a fiscal deficit of ₹ 1605.78 crore.

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

1.2 Resources of the State

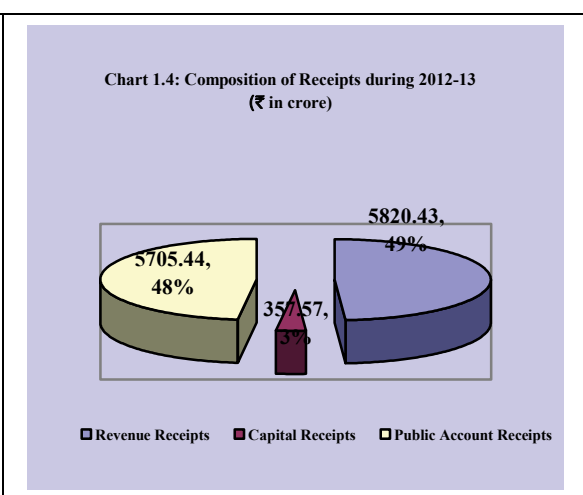
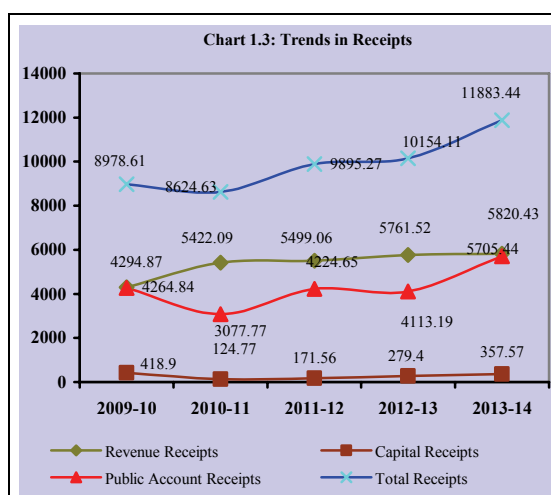
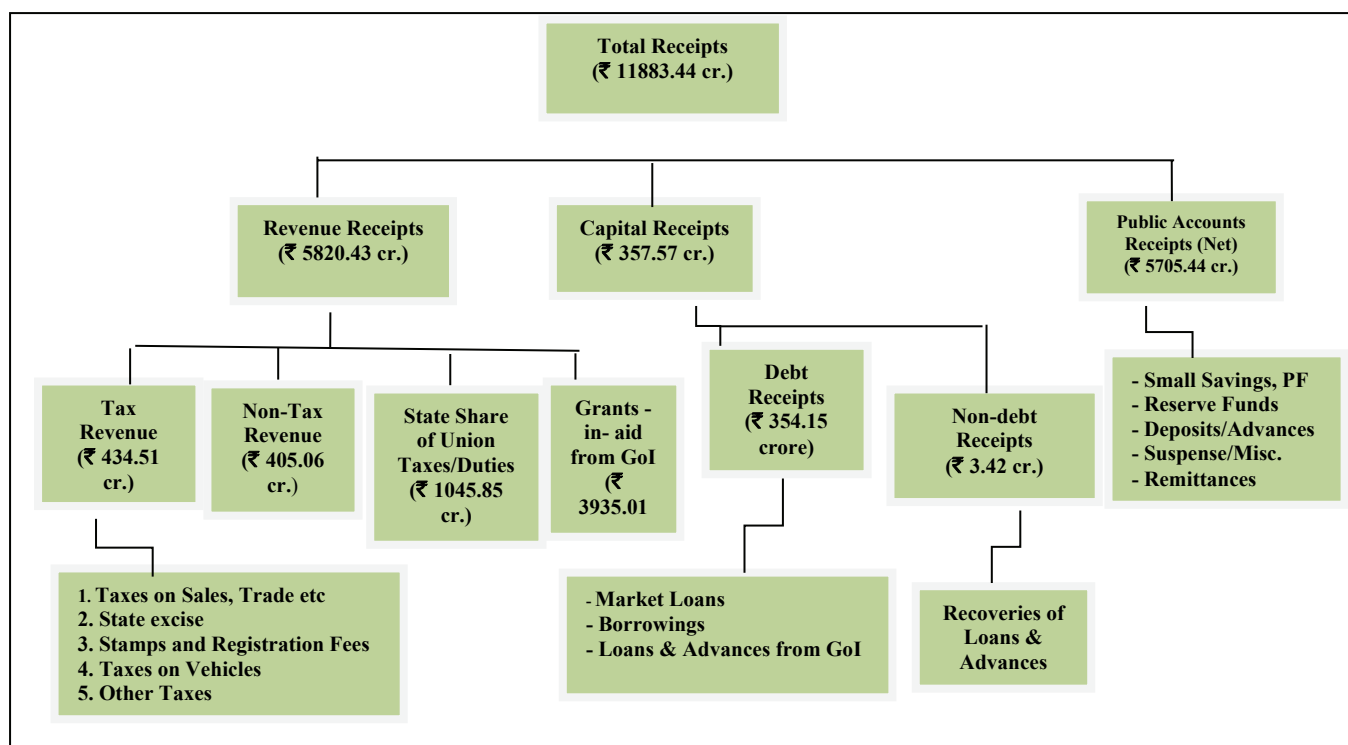
1.2.1 Resources of the State as per Annual Finance Accounts

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), loans & advances from the GoI and accruals from Public Account. **Table 1.2** above presents receipts and disbursements of the State during the current year as recorded in the Annual Finance Accounts, while **Charts 1.2 & 1.3** depict trends in various components of receipts of the State during 2009-14. **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



Total Receipts during the current year increased by ₹ 1729.33 crore (17.03 per cent) over the previous year. Out of the total receipts, Public Accounts Receipts increased by 38.71 per cent (₹ 1592.25 crore), followed by Capital Receipts by 27.98 per cent (₹ 78.17 crore), whereas Revenue Receipts increased by only 1.02 per cent (₹ 58.91 crore)

Total Receipts of the State for 2013-14 was ₹ 11883.44 crore, of which ₹ 5820.43 crore (48.98 per cent) came from Revenue Receipts and the remaining (52.02 per cent) from Borrowings and Public Account. Total Receipts of the State increased by 32.38 per cent from ₹ 8976.61 crore in 2009-10 to ₹ 11883.44 crore in 2013-14.

Revenue Receipts increased by 35.52 per cent steadily from ₹ 4294.87 crore in 2009-10 to ₹ 5820.43 crore in 2013-14, whereas **Capital Receipts** decreased by 14.64 per cent from ₹ 418.90 crore in 2009-10 to ₹ 357.57 crore in 2013-14. **Public Account Receipts** increased from ₹ 4264.84 crore (47.50 per cent of Total Receipts) in 2009-10 to ₹ 5705.44 crore (48.01 per cent of Total Receipts) in 2013-14.

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 Agencies⁴ for implementation of various Schemes/Programmes in the 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, 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 2013-14 for implementation of various Schemes is given in **Appendix 1.5**. The GoI directly transferred ₹ 1167.13 crore (approx.) to State Implementing Agencies during 2013-14. 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
National Rural Drinking Water Programme (NRDWP)	SWSM, Arunachal Pradesh	237.31
Sarva Shiksha Abhiyan (SSA)	SSA Rajya Mission, Itanagar	192.62
MGNREGA	DRDA (District)	158.53
Integrated Watershed Management Programme (IWMP)	SLNA & DRDA (District)	122.34
Support to National Institute of Technology (NITs) incl. Ghani Khan Institute	National Institute of Technology, Arunachal Pradesh	101.50
National Rural Health Mission (NRHM)	AP State Health Society	64.95
Rural Housing (IAY)	DRDA(District)	57.07
Assistance to other Institutes, incl. CIT Kokrajhar SLIET, NERIST, NIFFT, Ranchi,	North Eastern Regional Institute of Science & Technology (NERIST)	24.24
Assistance to other Institutes, incl. , CIT Kokrajhar SLIET, NERIST, NIFFT, Ranchi	North Eastern Regional Institute of Science & Technology (NERIST)	24.24
Grid Interactive Renewable Power	AP Energy Development Agency	19.42

Source: Central Plan Scheme Monitoring System of CGA Website

⁴ State Implementing Agency includes any Organization/Institution, including non-Governmental Organizations which are authorized by the State Government to receive funds from the GoI for implementing specific programmes in the State, e.g., State Implementing Society for SSA, State Health Mission for NRHM, etc.;

Out of ₹ 1167.13 crore, ₹ 237.31 crore (20.33 per cent) was transferred to the SWSM, Arunachal Pradesh for National Rural Drinking Water Programme and ₹ 192.62 crore (16.50 per cent) to the SSA Rajya Mission for Sarva Shiksha Abhiyan. Unless uniform accounting practices are diligently followed by all the implementing 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 2009-14 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**.

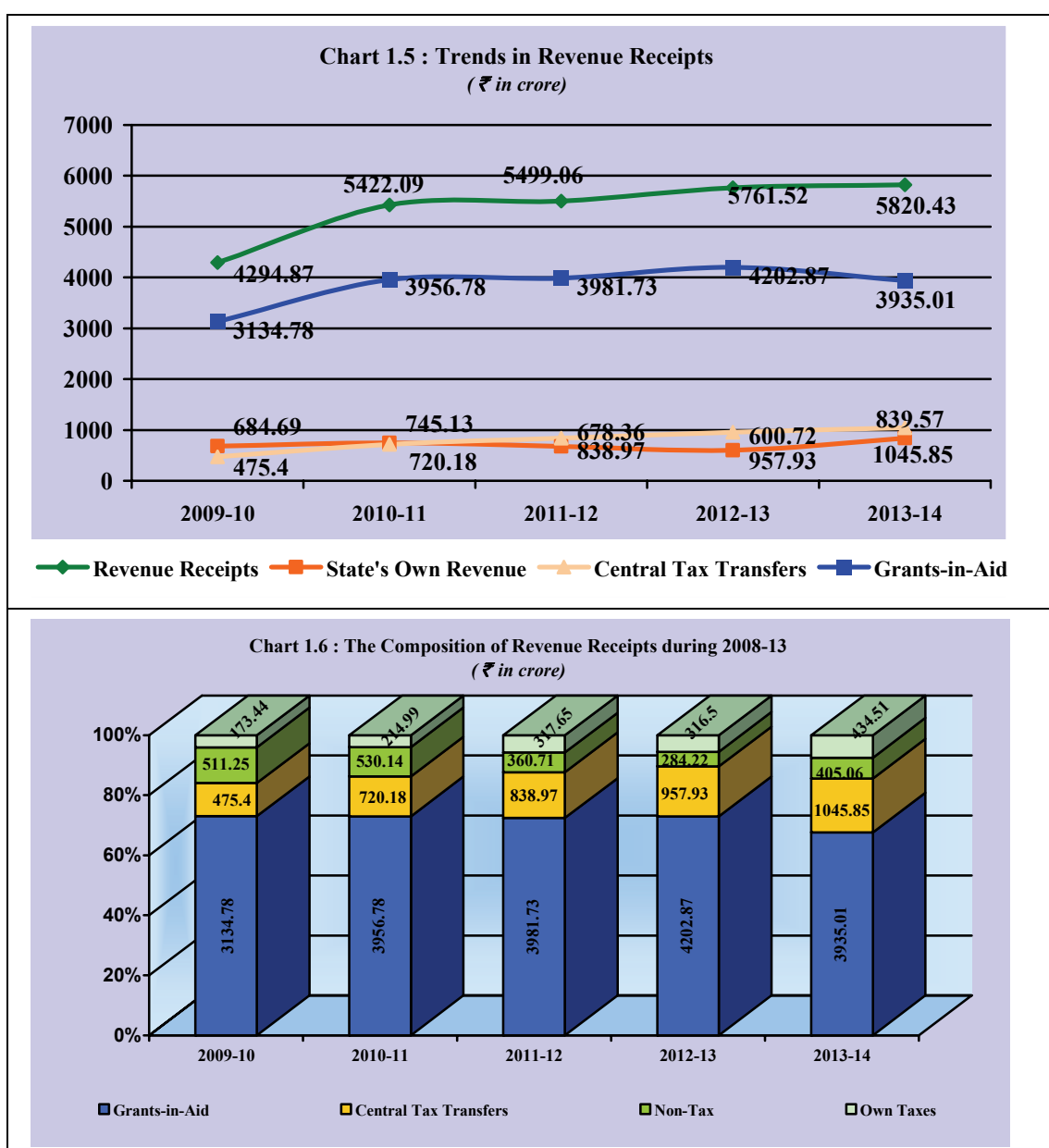


Table - 1.6
Trends in Revenue Receipts relative to GSDP

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Receipts (RR) (₹ in crore)	4294.87	5422.09	5499.06	5761.52	5820.43
Rate of growth of Revenue Receipts (per cent)	11.38	26.25	1.42	4.77	1.02
Rate of growth of Own Taxes (per cent)	27.31	23.96	47.75	(-) 0.36	37.29
Revenue Receipts/GSDP (per cent)	57.46	60.13	52.90	48.76	43.14
Buoyancy Ratio					
Revenue Buoyancy Ratio with reference to GSDP	0.36	1.27	0.09	0.35	0.07
State's Own Taxes Buoyancy Ratio with reference to GSDP	0.87	1.16	3.13	-0.03	2.63
State's Own Taxes Buoyancy Ratio with reference to Revenue Receipts	2.40	0.91	33.63	-0.08	36.56

Revenue Receipts of the State increased by ₹ 1525.56 crore (35.52 per cent) from ₹ 4294.87 crore in 2009-10 to ₹ 5820.43 crore in 2013-14. Tax revenue increased by ₹ 261.07 crore (150.52 per cent) from ₹ 173.44 crore in 2009-10 to ₹ 434.51 crore in 2013-14, whereas Non-tax revenue decreased by ₹ 106.18 crore (20.77 per cent) from ₹ 511.25 crore in 2009-10 to ₹ 405.06 crore in 2013-14. The Buoyancy Ratio of Revenue Receipts with reference to GSDP increased due to significant decrease in the rate of growth of GSDP in 2013-14 compared to the previous year. The Buoyancy Ratio of the State's own Tax revenue with reference to GSDP increased due to significant increase in the growth rate of the State's own Tax revenue under Taxes on Sales, Trade, etc; (38.35 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 35.56. This was due to increase in both Tax and Non-tax revenue in the current year compared to the 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 of own tax and non-tax sources.

The State's actual Tax and Non-tax receipts for 2013-14 vis-à-vis assessment made by 13th Finance Commission and MTFP (latest) are given in the Table below:

Table - 1.7

	13 th FC Projections	Budget Estimates	Actual
Tax Revenue	222.88	402.02	434.51
Non-Tax Revenue	470.99	316.78	405.06

Tax Revenue was 94.95 per cent higher than the assessment made by the 13th Finance Commission and 8.08 per cent higher than the assessment made in the Budget Estimates for the year. Collection of Non-Tax Revenue during 2013-14 was lower

than the assessments made by the 13th Finance Commission (14.00 per cent) and lower than the assessments made in the Budget Estimates (27.87 per cent).

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

Heads						(₹ in crore)
	2009-10	2010-11	2011-12	2012-13	2013-14	% Increase (+)/ Decrease (-) over Previous Year
Taxes on Sales, Trade, etc.;	130.23	168.24	216.36	161.62	223.60	38.35
State Excise	23.78	29.74	37.63	49.11	55.50	13.01
Taxes on Vehicles	13.07	11.76	12.41	13.37	17.09	27.82
Stamp & Registration Fees	1.88	1.86	2.24	3.05	4.18	37.05
Land Revenue	4.43	3.37	3.85	4.70	11.39	142.34
Taxes on Goods & Passengers		0.01	45.16	84.65	122.75	45.01
Other Taxes ⁵	0.05	0.02	-	-	-	-
TOTAL	173.44	214.99	317.65	316.50	434.51	37.29

Tax Revenue increased by 37.29 per cent during the current year (₹ 434.51 crore) over the previous year (₹ 316.50 crore). Revenue from Taxes on Sales, Trade, etc; contributed to the major share of Tax revenue (51.46 per cent) and increased by 38.35 per cent over the previous year. Taxes on goods and passengers, State Excise and Taxes on Vehicles were the other major contributors to the State Tax revenue. The Tax-GSDP Ratio 3.22 during 2013-14 was higher than the projection (3.03 per cent) made by the 13th Finance Commission.

1.3.1.2 Non-tax Revenue

Table 1.9 shows the trends of Non-Tax Revenue during the period 2009-14.

Table - 1.9

Non-Tax Revenue

Heads						(₹ in crore)
	2009-10	2010-11	2011-12	2012-13	2013-14	% Increase(+)/ Decrease (-) over previous year
Fiscal Services	0.02	-	-	-	-	-
Interest Receipts, Dividends & Profits	40.02	111.35	48.71	40.32	24.66	- 38.84
General Services	23.09	17.67	19.84	27.77	42.75	53.94
Social Services	9.07	9.67	10.35	16.97	36.86	117.21
Economic Services	439.05	391.45	281.81	199.16	300.79	51.03
TOTAL	511.25	530.14	360.71	284.22	405.06	42.52

Non-Tax Revenue (NTR), which constituted around 6.96 per cent of total Revenue Receipts, significantly increased by ₹ 120.84 crore (42.52 per cent) during 2013-14

⁵ Other Taxes include taxes on professions, trades, callings and employment, taxes & duties on electricity and other taxes & duties on commodities and services.

over the previous year. Around 74.26 *per cent* (₹ 300.79 crore) of Non-Tax Revenue during 2013-14 was received from Economic Services, and within this category, receipts under Power Sector alone contributed 48.34 *per cent* (₹ 145.41 crore). Interest Receipts decreased by ₹ 15.66 crore (38.84 *per cent*) during 2013-14 compared to the previous year, mainly due to decrease in Interest Receipts on State/Union Territory Governments by ₹ 17.07 crore. However, the CAGR of Non-Tax Revenue for Arunachal Pradesh between 2004-05 and 2012-13 (6.62 *per cent*) significantly inclined to 10.11 *per cent* between 2004-05 and 2013-14.

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)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Non-Plan Grants	505.76	836.29	850.18	966.40	743.62
Grants for State Plan Schemes	2296.66	2616.44	2565.22	2733.97	2543.31
Grants for Central Plan Schemes	66.43	47.59	30.74	13.04	166.23
Grants for Centrally Sponsored Schemes	142.39	378.31	352.96	391.16	391.68
Grants for Special Plan Schemes	123.54	78.15	182.63	98.30	90.17
TOTAL	3134.78	3956.78	3981.73	4202.87	3935.01
<i>Percentage of Increase (+)/Decrease (-) over previous year</i>	(+) 26.12	(+) 26.22	(+) 0.63	(+) 5.55	(-) 6.37

Grants-in-aid from the GoI decreased by 6.37 *per cent* (₹ 267.86 crore) from ₹ 4202.87 crore in 2012-13 to ₹ 3935.01 crore in the current year. The decrease was mainly due to decrease in Grants for State Plan Schemes by ₹ 190.66 crore (6.97 *per cent*), Non-plan Grants ₹ 222.78 crore (23.05 *per cent*) and Grants for Special Plan Schemes ₹ 8.13 crore (8.27 *per cent*). The decrease was partly offset by increase in Grants for Central Plan Schemes by ₹ 153.19 crore (1174.77 *per cent*).

Non-Plan Grants (₹ 743.62 crore) constituted 18.90 *per cent* of total grants during the year, of which 91.39 *per cent* (₹ 679.61 crore) was under the proviso to Article 275(1) of the Constitution. The remaining amount (₹ 64.01 crore) was released mainly as Contribution to Calamity Relief Fund State Disaster Response Fund (SDRF) (₹ 38.29 crore) and pay Scale of University and College Teachers (₹ 13.79 crore).

1.3.3 Central Tax Transfers

Central Tax Transfers increased by 9.18 *per cent* (₹ 87.92 crore) over the previous year and constituted 17.97 *per cent* of Revenue Receipts. The increase was mainly due to transfer of additional amount in Taxes on Income other than Corporation Tax (₹ 33.28 crore), Service Tax (₹ 30.44 crore), Union Excise Duties (₹ 12.34 crore), Customs (₹ 11.47 crore) and Corporation Tax (₹ 7.65 crore).

1.4 Capital Receipts

Details of Capital Receipts during 2009-10 to 2013-14 are given in **Table 1.11**.

Table - 1.11

Trends in Growth and Composition of Receipts

(₹ in crore/Rate of Growth in per cent)

Sources of State's Receipts	2009-10	2010-11	2011-12	2012-13	2013-14
Capital Receipts (CR)	418.90	124.77	171.56	279.40	357.57
Miscellaneous Capital Receipts	-	-	-	-	-
Recovery of Loans & Advances	202.70	2.41	2.90	2.95	3.42
Public Debt Receipts	216.20	122.36	168.66	276.45	354.15
Rate of growth of Non-debt Capital Receipts	7191.37	(-) 98.81	20.33	1.72	15.93
Rate of growth of Debt Capital Receipts	50.26	(-) 43.40	37.84	63.91	24.85
Rate of growth of CR	185.63	(-) 70.21	37.50	62.86	27.98

Public Debt Receipts increased by ₹ 77.70 crore (28.11 per cent) over the previous year. Public Debt Receipts Consisted two components viz. Internal Debt of the State and Loans and Advances from the Central Government. Internal Debt consisted of Market Loans (₹ 230 crore), Loans from Financial Institutions (₹ 68.72 crore), Special Securities issued to National Small Savings Fund (₹ 49.47 crore) and Other Loans (₹ 5.97 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

(₹ in crore)

Sources of State's Receipts	2009-10	2010-11	2011-12	2012-13	2013-14
PUBLIC ACCOUNT RECEIPTS	4264.84	3077.77	4224.65	4113.19	5705.44
Small Savings, Provident Fund, etc.,	220.14	183.41	256.02	278.81	308.36
Reserve Funds	15.00	17.00	19.00	20.00	62.54
Deposits & Advances	540.38	650.90	940.44	1032.07	1370.75
Suspense & Miscellaneous	649.59	(-) 219.28	10.55	(-) 0.07	963.98
Remittances	2839.74	2445.74	2998.64	2782.38	2999.81

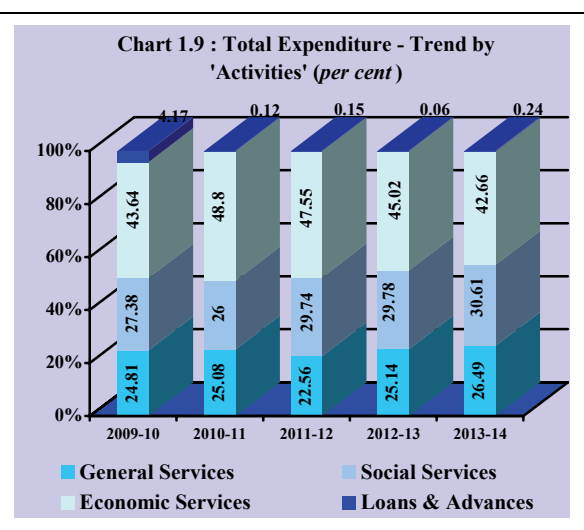
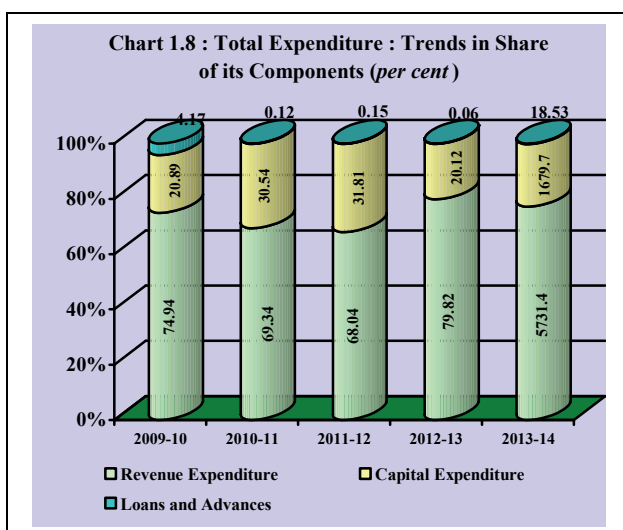
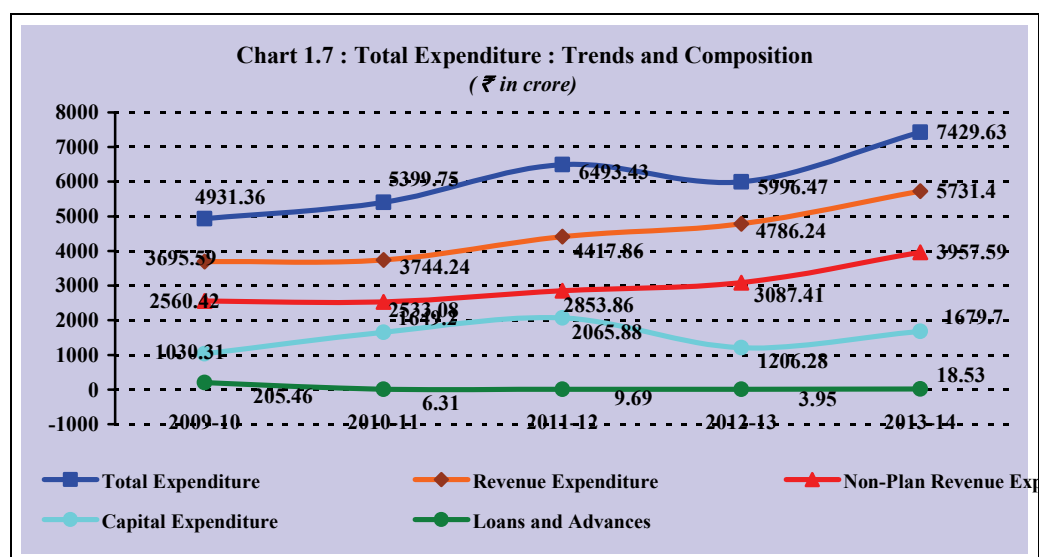
1.6 Application of Resources

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 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 (2009-14). 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 ₹ 2498.27 crore (50.66 per cent) from ₹ 4931.36 crore in 2009-10 to ₹ 7429.63 crore in 2013-14. 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

<i>(₹ in crore)</i>					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Total Expenditure (TE) (₹ in crore)	4931.36	5399.75	6493.43	5996.47	7429.63
Rate of Growth (per cent)	17.05	9.50	20.25	(-) 7.65	23.90
TE/GSDP Ratio (per cent)	65.98	59.88	62.46	50.74	55.07
RR/TE Ratio (per cent)	87.09	100.41	84.69	96.08	78.34
Buoyancy of Total Expenditure with reference to					
GSDP (ratio)	0.54	0.46	1.33	(-)0.56	1.69
RR (ratio)	1.50	0.36	14.26	(-) 1.60	23.43

The increase of ₹ 1433.16 crore (23.90 per cent) in Total Expenditure during 2013-14 over the previous year was mainly on account of increase of ₹ 945.16 crore in Revenue Expenditure, ₹ 473.42 crore in Capital Expenditure and ₹ 14.58 crore in Loans & Advances. While the share of Plan Expenditure constituted around 46.48 per cent (₹ 3453.33 crore) of the Total Expenditure, the remaining 53.52 per cent (₹ 3976.30 crore) was Non-plan Expenditure. The buoyancy of Total Expenditure to GSDP stood at 1.69 in 2013-14 due to growth rate of Total Expenditure at a much higher pace compared to GSDP. Similarly, the Buoyancy Ratio of Total Expenditure to Revenue Receipts stood at 23.43, indicating significant increase in expenditure at a much higher pace compared to Revenue 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 2013-14, expenditure on General Services, including Interest Payments, which are considered as non-developmental, together accounted for 26.49 per cent. On the other hand, expenditure on Social & Economic Services (Revenue & Capital) together accounted for 73.48 per cent during 2013-14. The relative share of Social Services increased from 29.78 per cent in 2012-13 to 30.74 per cent in 2013-14. The relative share of Economic Services was 42.74 per cent in 2013-14, which was lowest in the last 5 years, after reaching its peak in 2009-10 (52.74 per cent). Loans & Advances showed wide fluctuations during 2009-14 and stood at 0.25 per cent of the total expenditure during 2013-14.

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	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Expenditure (RE)	3695.59	3744.24	4417.86	4786.24	5731.40
<i>of which</i>					
Non-Plan Revenue Expenditure (NPRE)	2560.42 (69.28)	2533.08 (67.65)	2853.86 (64.60)	3087.41 (64.51)	3957.59 (69.05)
Plan Revenue Expenditure (PRE)	1135.17 (30.72)	1211.16 (32.35)	1564.00 (35.40)	1698.83 (35.49)	1773.81 (30.95)
Rate of Growth of					
RE (per cent)	27.63	1.32	17.99	8.34	19.75
NPRE (per cent)	46.08	(-) 1.07	12.66	8.18	28.18
PRE (per cent)	(-) 0.66	6.69	29.13	8.62	4.41
Ratio (per cent) of					
RE as percentage of TE	74.94	69.34	68.04	79.82	77.14
NPRE/GSDP (per cent)	34.26	28.09	27.45	26.13	29.33
NPRE as percentage of TE	51.92	46.91	43.95	51.49	53.27
NPRE as percentage of RR	59.62	46.72	51.90	53.59	67.99
Buoyancy Ratio of Revenue Expenditure with...					
GSDP	1.47	0.05	0.83	0.60	1.39
Revenue Receipts	2.43	0.05	12.67	1.74	19.36

(Figures in brackets represent percentages to Revenue Expenditure)

Revenue Expenditure constituted 68.04 to 77.14 per cent of Total Expenditure during 2009-14 and increased by 55.09 per cent from ₹ 3695.59 crore in 2009-10 to ₹ 5731.40 crore in 2013-14. Non-Plan Revenue Expenditure (NPRE) during the same period increased from ₹ 2560.42 crore in 2009-10 to ₹ 3957.59 crore in 2013-14 - an increase of 54.57 per cent - outpacing the growth of Revenue Expenditure during the period. As a percentage of total Revenue Expenditure, NPRE also decreased from 69.28 per cent in 2009-10 to 69.05 per cent in 2013-14. As a result, the share of Plan Revenue Expenditure (PRE) in the Total Revenue Expenditure, which normally covers maintenance expenditure incurred on services, showed marginal increase from 30.72 per cent during 2009-10 to 30.95 per cent during 2013-14.

Compared to previous years, NPRE during 2013-14 increased by ₹ 870.18 crore. The growth of 28.18 per cent in NPRE during 2013-14 against a growth of 8.18 per cent during the previous year, was mainly due to increased expenditure on Agriculture & Allied Activities (₹ 199.70 crore), Transport (₹ 142.96 crore) followed by Education, Sports and Arts & Culture (₹ 77.98 crore). PRE increased by ₹ 74.98 crore (4.41 per cent) over the previous year. The growth of PRE was mainly due to increased expenditure on Water Supply & Sanitation, Housing & Urban Development (₹ 85.77 crore).

NPRE at ₹ 3957.59 crore during 2013-14, was around 71.93 per cent (₹ 1655.68 crore) higher than the normatively assessed level of ₹ 2301.91 crore by the 13th Finance Commission (Table 1.15).

Table - 1.15

Actual Non-Plan Revenue Expenditure during 2013-14 vis-à-vis Normative Assessment by the 13th Finance Commission

(₹ in crore)

Sectors	13 th FC Assessment	Actuals
Salaries	937.73	2098.77
Interest Payments	289.15	312.51
Pension	212.20	398.40
Other General Services	173.05	271.04
Social Services	73.09	147.37
Economic Services	212.73	729.50
TOTAL	2301.91	3957.59

During 2013-14, actual expenditure incurred on all components under Non-Plan Head was more than the assessments made by the 13th Finance Commission. The total NPRE during 2013-14 also exceeded the projection made by the State Government in the Budget (₹ 3134.98 crore) by 26.24 per cent (₹ 822.61 crore).

According to recommendation of the 13th Finance Commission, *'the practice of diverting of Plan Assistance to meet Non-plan needs of Special Category States should be discontinued.'* During 2013-14, Revenue Receipts of Arunachal Pradesh, excluding Plan Assistance (₹ 3191.39 crore), was ₹ 2629.04 crore. Against this, NPRE during the year was ₹ 3957.59 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 Finance Commission.

1.6.3 Capital Expenditure

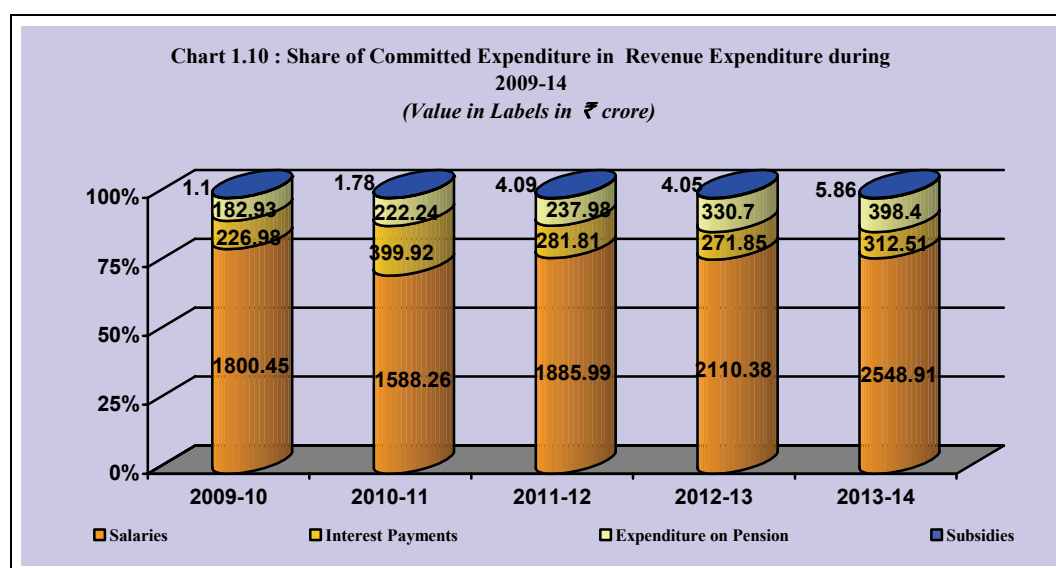
Capital Expenditure during 2013-14 (₹ 1679.70 crore) increased by ₹473.42 crore over the previous year mainly due to increased expenditure on General Services (₹ 103.95 crore), Transport (₹ 215.41 crore) and Water Supply, Sanitation, Housing and Urban Development (₹153.41 crore). However, this expenditure constituted only 22.61 per cent of Total Expenditure during this year. Though there was an increase in Capital Expenditure during the current year compared to the previous year, the State Government could not fulfil its commitment made in the Budget Estimates for incurring Capital Expenditure during the year, as the expenditure fell short of the Budget estimates (₹ 3377.59 crore) by 50.27 per cent.

1.6.4 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 2009-14.

Table - 1.16
Components of Committed Expenditure

Components of Committed Expenditure	(₹ in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Salaries	1800.45	1588.26	1885.99	2110.38	2548.91
<i>of which</i>					
<i>Non-Plan Head</i>	<i>1492.54</i>	<i>1368.19</i>	<i>1569.99</i>	<i>1752.10</i>	<i>2098.77</i>
<i>Plan Head</i>	<i>307.91</i>	<i>220.07</i>	<i>316.00</i>	<i>358.28</i>	<i>450.14</i>
Interest Payments	226.98	399.92	281.81	271.85	312.51
Expenditure on Pension and other Retirement Benefits	182.93	222.24	237.98	330.70	398.40
Subsidies	1.10	1.78	4.09	4.05	5.86
TOTAL	2211.46	2212.20	2409.87	2716.98	3265.68



Overall Committed Expenditure increased by ₹ 1054.22 crore (47.67 per cent) from ₹ 2211.46 crore in 2009-10 to ₹ 3265.68 crore in 2013-14. Committed Expenditure during 2013-14 constituted 56.98 per cent of Revenue Expenditure and 56.11 per cent of Revenue Receipts. Component-wise analysis is given below:-

1.6.4.1 Expenditure on Salaries

During 2013-14, **Salaries** alone accounted for 43.79 per cent of Revenue Receipts of the State. It increased by 20.78 per cent (₹ 438.53 crore) from ₹ 2110.38 crore in 2012-13 to ₹ 2548.91 crore in 2013-14, and also exceeded the projection made in the Macro-Economic Framework (MEF) Statement of March 2013 (₹ 1884.22 crore) by ₹ 664.69 crore. *The expenditure on Non-plan Salary component during 2013-14 (₹ 2098.77 crore) was more than twice of the assessment made by the 13th Finance Commission for the State (₹ 937.73 crore).*

1.6.4.2 Interest Payments

Interest Payments, comprising of interest on Internal Debt, Small Savings, Provident Funds, etc., Loans & Advances from the Central Government and other obligations increased by ₹ 40.66 crore from ₹ 271.85 crore in 2012-13 to ₹ 312.51 crore in 2013-14.

Interest Payments (₹ 312.51 crore) were higher than the projections of the year made by the 13th Finance Commission (₹ 289.15 crore) and lower than the MEFS of March 2013 (₹ 328.84 crore).

1.6.4.3 Expenditure on Pension Payments

Pension Payments (including other Retirement Benefits) indicated an increasing trend during the 5 year period (2009-14). Pension Payments during the current year increased by ₹ 67.70 crore, an increase of 20.47 per cent over the previous year. A comparative analysis of actual Pension Payments and the assessment/projection made by the 13th Finance Commission and the State Government showed that actual Pension Payments exceeded the assessment made by the 13th Finance Commission by ₹ 186.20 crore and the projection made by the State Government in its Budget for 2013-14 by ₹ 84.90 crore 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 13 th FC	Budget		By 13 th FC	in Budget
2013-14	212.20	313.50	398.40	186.20 (87.75)	84.90 (27.08)

(Figures in brackets represent percentages)

Subsidies

Table 1.16 shows that expenditure on payment of Subsidies increased by 44.69 per cent from ₹ 4.05 crore in 2012-13 to ₹ 5.86 crore during the current year. It constituted 0.10 per cent of Revenue Expenditure. The single recipient of Subsidies in 2013-14 was Agriculture (₹ 5.86 crore).

1.6.5 Financial Assistance by the State Government to Local Bodies and others

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 and others

(₹ in crore)

Institutions	2009-10	2010-11	2011-12	2012-13	2013-14
University and Educational Institutions	3.45	8.42	3.95	6.85	6.64
Cultural Institutions/Voluntary Organizations for promotion of Arts & Culture	28.76	8.11	0.46	3.06	1.00
State Institute of Rural Development	-	0.50	0.20	0.60	0.40
Social Welfare	0.32	0.34	0.60	0.53	0.57
Food and Warehousing	36.12	22.13	18.57	3.65	105.91
Co-operation	-	2.10	1.27	0.75	1.05
Other Institutions	0.93	16.51 ⁶	0.58	7.49	21.81
TOTAL	69.58	58.11	25.63	22.93	137.38
Assistance as percentage of RE	1.88	1.62	0.58	0.48	2.40

⁶ Other Institutions included Local Bodies, Corporations, Urban Development Authorities, Town Development : Scientific Bodies (AP Science Centre Society).

Financial assistance extended to Local Bodies and other Institutions with inter-year variations increased by 499.13 *per cent* from ₹ 22.93 crore in 2012-13 to ₹ 137.38 crore in 2013-14. The share of financial assistance in Revenue Expenditure also marginally increased from 0.48 *per cent* in 2012-13 to 2.40 *per cent* during the current year. Food and Warehousing were the major recipients (around 77.09 *per cent*) of the financial assistance followed by other Institutions (around 15.88 *per cent*).

1.6.5.1 Assistance to Co-operative Societies

With a view to providing for orderly development of Co-operative movement in the State, the Arunachal Pradesh Co-operative Societies Act, 1978 was enacted. Under the provisions of Section 51 to 62 of the Act, the State Government provides assistance to Co-Operative Societies (the Societies) in the shape of Share Capital, Subsidies/Grants, and Loans. As per information furnished by the Registrar of Co-operative Societies (the Registrar), at the end of 2013-14 the State had 701 functional registered Societies of 25⁷ categories.

In terms of Section 82 of the Act, the Registrar is responsible for Audit of every Society at least once in a year. Based on data and information provided by the Registrar, Government assistance and performance of the Societies were analyzed in Audit. Results are set out below:

- Up to 2013-14, Government investment towards Share Capital was ₹ 194.25 crore to 142 Societies (16 types).

As per latest Audited accounts, 98 Societies (10 types) where Government invested Share Capital of ₹ 193.96 crore, incurred total accumulated losses of ₹ 151.29 crore, while only 44 Societies (6 types) with Government Share Capital of ₹ 0.29 crore earned total profit of ₹ 3.69 crore (**Appendix 1.6**)

- During the 5 year period (2009-10 to 2013-14) the Government sanctioned ₹ 7.45 crore as subsidy to 170 Societies for creation of Assets/Infrastructure.
- At the end of 2013-14, State Government sanctioned interest bearing Loans of ₹ 28.05 crore to 581 Societies and net investment (after recovery and accord of fresh Loans) was ₹ 25.59 crore to 574 Societies.

As on 31.03.2014, overdue amount of Government Loans and Interest awaiting realization was ₹ 3.07 crore and ₹ 54.60 lakh respectively.

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

⁷ Apex (5), Lamps (34); Consumer (81); Multi-purpose (393); Marketing & Processing (7); Handloom & Weaving (37); Farming (22); Dairy (17); Transport (12); Industries (13); Thrift & Credit (17); Schools & Colleges (10); Fisheries (7); Piggery (3); Poultry (2); Welfare (3); Housing (1); Floriculture (1); Cinema (1); Hydropower (1); Cultural (1); Construction (4); Co-operative Union (13); Labour (6); Miscellaneous/Others (10).

basically involves three aspects - adequacy (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 goods⁸. 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

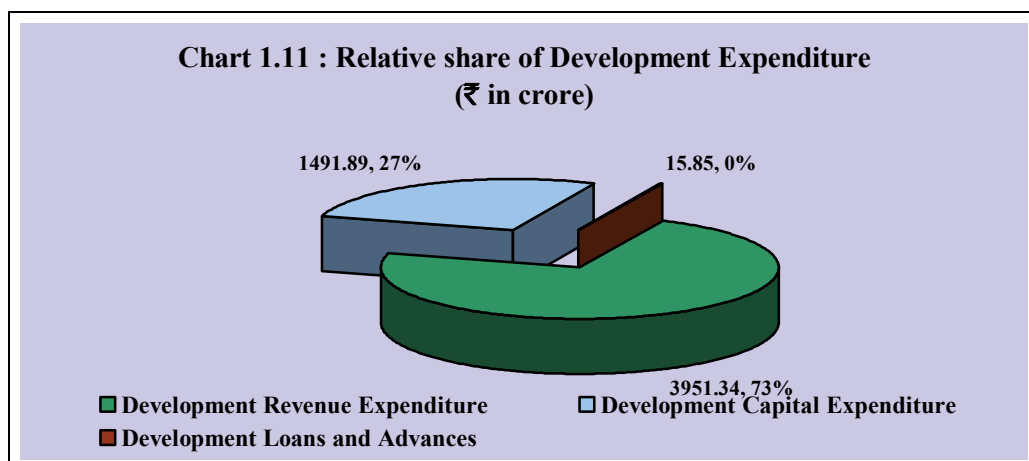
(₹ in crore)

Components of Development Expenditure	2009-10	2010-11	2011-12	2012-13	2013-14	
					BE (Net)	Actuals
Development Expenditure {(a) to (c)}	3706.17 (75.16)	4042.27 (74.86)	5024.44 (77.38)	4486.17 (74.81)	3802.58 (47.44)	5459.08 (73.48)
(a) Development Revenue Expenditure	2534.56 (51.40)	2479.01 (45.91)	3133.42 (48.26)	3362.78 (56.08)	3200.10 (39.92)	3951.34 (53.18)
(b) Development Capital Expenditure	967.90 (19.63)	1560.11 (28.89)	1885.07 (29.03)	1122.42 (18.72)	601.96 (7.51)	1491.89 (20.08)
(c) Development Loans & Advances	203.71 (4.13)	3.15 (0.06)	5.95 (0.09)	0.97 (0.01)	0.52 (0.01)	15.85 (0.21)

(Figures in brackets indicate percentage to Aggregate Expenditure)

Development expenditure increased by 21.69 per cent over the previous year and also exceeded the assessment made in the Budget Estimates by 43.56 per cent. The relative share of Development expenditure during 2013-14, given in **Chart 1.11** below, shows that around 73 per cent of Development Expenditure was incurred on Revenue Account and only 23 per cent was utilized for Capital Expenditure.

⁸ Appendix - 1.1.c.



During the current year, Development Capital Expenditure as a percentage of Aggregate Expenditure increased to 20.08 *per cent* as compared to 18.72 *per cent* in 2012-13, and also exceeded the budget projection by 147.84 *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	2012-13		2013-14	
	Ratio of Capital Exp. to Total Exp. ⁹	In Revenue Exp. the share of Salary	Ratio of Capital Exp. to Total Exp. ¹¹	Share of Salary in Revenue Exp.
SOCIAL SERVICES (SS)	15.66	56.34	22.16	56.98
General Education	6.93	68.33	6.52	74.84
Technical Education, Sports and Arts & Culture	35.24	30.43	50.21	45.66
Health & Family Welfare	4.82	78.55	8.30	80.47
Water Supply & Sanitation, Housing and Urban Development	37.43	27.79	47.72	23.58
Other Social Services	13.86	38.12	15.97	32.81
ECONOMIC SERVICES (ES)	31.22	34.86	31.18	35.56
Agriculture & Allied Activities	3.38	40.11	3.03	46.74
Irrigation & Flood Control	13.90	29.05	10.78	27.39
Energy	30.01	32.72	22.70	37.89
Transport	52.37	30.31	54.51	29.28
Other Economic Services	28.25	37.28	26.99	29.10

⁹ 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 15.66 *per cent* in 2012-13 and 22.16 *per cent* in 2013-14, which indicated that Revenue Expenditure was dominant. There was significant increase in the share of Capital Expenditure to Total Expenditure on Technical Education, Sports and Arts & Culture but decrease in General Education and Other General Services. Health & Family Welfare was the worst sufferer, as only 4.30 *per cent* of the Total Expenditure was incurred on Capital Account during 2013-14, but marginal inclination as against 4.82 *per cent* during the previous year.

Of the Revenue Expenditure on Social Services, the share of Salary component increased from 56.34 *per cent* in 2012-13 to 56.98 *per cent* in 2013-14, implying more expenditure on Salary components. The Non-salary and Wage Expenditure on Social Services increased by 15.80 *per cent* during 2013-14 from ₹ 657.65 crore in 2012-13 to ₹ 761.59 crore in 2013-14. 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 (2012-13 : 68.33 *per cent* and 2013-14 : 74.84 *per cent*) and Health & Family Welfare Services (2012-13 : 78.55 *per cent*; 2013-14 : 80.47 *per cent*).

Expenditure on the Non-plan Salary component under both General Education and Health & Family Welfare Sectors during 2013-14 increased by 15.83 *per cent* and 23.08 *per cent* respectively. While the Non-plan Non-salary Expenditure under General Education and Health & Family Welfare registered a decrease of 56.95 *per cent* and 20.48 *per cent* during 2013-14 over the previous year.

Economic Services

Expenditure on Economic Services (including Loans & Advances) during 2013-14 (₹ 3175.30 crore) accounted for about 42.74 *per cent* of the Total Expenditure¹⁰ and 58.17 *per cent* of Development Expenditure during the year. Out of the Total Expenditure on Economic Services during the current year, 38.39 *per cent* (₹ 1218.99 crore) was incurred on Transport, 19.68 *per cent* (₹ 624.84 crore) on Agriculture & Allied Activities and 16.61 *per cent* (₹ 527.57 crore) on Energy.

Trends in Revenue and Capital Expenditure on Economic Services indicated that under both heads, expenditure on Economic Services showed an increasing trend - ₹ 324.68 crore in Revenue Expenditure and ₹ 145.43 crore (17.26 *per cent*) in Capital Expenditure. The share of Capital Expenditure on Economic Services to the total Revenue and Capital Expenditure on Economic Services during 2009-14 ranged between 31.88 and 43.66 *per cent*. Revenue Expenditure on Economic Services also consistently increased from ₹ 1337.90 crore in 2009-10 to ₹ 21811.80 crore (63.03 *per cent*) in the current year. An increase of ₹ 324.68 crore (17.49 *per cent*) during

¹⁰ Revenue Expenditure + Capital Expenditure + Disbursement of Loans & Advances

2013-14 over the previous year in Revenue Expenditure was mainly due to the increase under Agriculture & Allied Services (₹ 164.56 crore), Transport (₹ 146.22 crore), Irrigation & Flood Control (₹ 31.90 crore), Energy (₹ 20.30 crore), Communication (₹ 4.97 crore), General Economic Services (₹ 3.74 crore), partly offset by decrease under Special Areas Programmes (₹ 91.81 crore), and Science, Technology & Environment (₹ 1.95 crore). Within Revenue Expenditure on Economic Services, the Salary component constituted 34.86 *per cent* and 35.56 *per cent* during 2012-13 and 2013-14 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 a 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 2013-14, as of 31 March 2013, the State Government invested ₹ 245.05 crore in 5 Government Companies (₹ 9 crore) and 145 Co-operative Banks and Societies (₹ 236.05 crore). Details are given in Table 1.21.

Table - 1.21
Return on Investment

Investment/Return/Cost of Borrowings	2009-10	2010-11	2011-12	2012-13	2013-14
Investment at the end of the year (₹ in crore)					
(i) Government Companies	9.04	9.04	9.04	9.04	9.00
(ii) Co-operative Bank/Societies	209.14	209.11	212.62	215.14	236.05
TOTAL	218.18	218.15	221.66	224.18	245.05
Return (₹ in crore)	-	-	-	-	-
Return (per cent)	-	-	-	-	-
Average Rate of Interest on Government Borrowings (per cent)	7.47	12.16	7.52	6.41	6.66
Difference between Interest Rate & Return (per cent)	7.47	12.16	7.52	6.41	6.66

During 2009-14, 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

Particulars	(<i>₹</i> in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
OPENING BALANCE	52.41	55.17	59.07	65.86	66.86
Amount advanced during the year	205.46	6.31	9.69	3.95	18.53
Amount recovered during the year	202.70	2.41	2.90	2.95	3.42
CLOSING BALANCE	55.17	59.07	65.86	66.86	81.97
<i>Net Addition</i>	<i>2.76</i>	<i>3.90</i>	<i>6.79</i>	<i>1.00</i>	<i>15.11</i>
Interest Receipts	5.22	1.78	0.66	1.32	1.84
Interest received as <i>percentage</i> to outstanding Loans & Advances	9.70	3.12	1.06	1.99	2.47
Interest payments as <i>percentage</i> to outstanding fiscal liabilities of the State Govt.	7.28	12.16	7.52	6.41	6.66
Difference between Interest Payments & Receipts (<i>percentage</i>)	(-) 2.23	8.98	6.46	4.42	4.19

Loans & Advances given by the State Government in 2013-14 increased from ₹ 3.95 crore in 2012-13 to ₹ 18.53 crore. During 2009-14, recovery of Loans & Advances was ₹ 214.38 crore against ₹ 243.94 crore advanced during the period. The total outstanding Loans & Advances as on 31 March 2013 was ₹ 81.97 crore. Interest Receipts of ₹ 1.84 crore on Loans & Advances by the Government of Arunachal Pradesh during 2013-14 constituted only 2.44 *per cent* of outstanding Loans & Advances at the end of 2013-14 (₹ 81.97 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	(<i>₹</i> in crore)		
	As on 1 st April 2013	As on 31 st March 2014	Increase(+)/ Decrease(-)
Cash Balances ¹¹	1315.66	971.90	343.76
Investments from Cash Balances (a & b)	1020.88	825.83	195.05
a. GOI Treasury Bills	1020.88	825.83	195.05
b. GOI Stock/Securities	-	-	-
Fund-wise break-up of Investment from Earmarked Balances (a & b)	129.90	149.90	(-)20.00
a. Sinking Fund Investment Account	129.90	149.90	(-)20.00
b. Other Development & Welfare Funds	-	-	-
Interest realized on Investment of Cash Balances	37.23	21.41	(-) 15.82

¹¹ Excluding investment of Earmarked Funds.

Cash Balances of the State Government at the end of the current year decreased from ₹ 1315.66 crore in 2012-13 to ₹ 971.90 crore in 2013-14. As of 31 March 2014, the State Government invested ₹ 825.83 crore in GoI Treasury Bills. During 2013-14, Interest of ₹ 21.41 crore was earned on investment of Cash Balances. *The 13th Finance Commission 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 mis-matches 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 2009-14, 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 2014, compared with the corresponding position on 31 March 2013. 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.

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**.

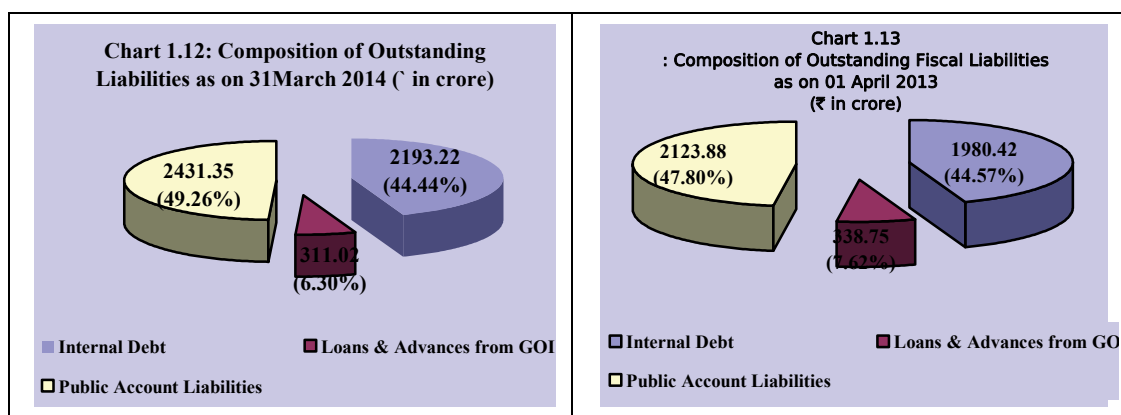


Table 1.24 gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP to Revenue Receipts and the State's own resources and also the buoyancy of fiscal liabilities with reference to these parameters.

Table - 1.24

Fiscal Liabilities – Basic Parameters

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Fiscal Liabilities¹² (₹ in crore)	3119.05	3456.24	4036.15	4443.04	4935.59
Rate of Growth (per cent)	5.56	10.81	16.78	10.08	11.09
Ratio of Fiscal Liabilities to					
GSDP (per cent)	41.73	38.33	38.82	37.60	36.58
Revenue Receipts (per cent)	72.62	63.74	73.40	77.12	84.80
Own Resources (per cent)	455.54	463.84	594.99	739.62	587.87
Buoyancy of Fiscal Liabilities to					
GSDP (ratio)	0.18	0.52	1.10	0.74	0.78
Revenue Receipts (ratio)	0.49	0.41	11.82	2.11	10.87
Own Resources (ratio)	(-) 0.23	1.22	(-) 1.87	(-) 0.88	29.74

Fiscal liabilities of ₹ 4935.59 crore during 2013-14 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; ₹ 2193.22 crore; Loans & Advances from the Central Government : ₹ 311.02 crore; Public Account Liabilities, e.g. Small Savings, Provident Funds, Reserve Funds and Deposits, etc; ₹ 2431.35 crore. Overall fiscal liabilities of the State increased from ₹ 3119.05 crore in 2009-10 to ₹ 4935.59 crore in 2013-14. The growth rate in 2013-14 was 11.09 per cent over the previous year. The ratio of fiscal liabilities to GSDP decreased from 37.60 per cent in 2012-13 to 36.58 per cent in 2013-14. **These liabilities were around 85 per cent of Revenue Receipts. The overall liability was about 4.55 times the State's own receipts at the end of 2009-10, whereas it was more than 5 times the State's own resources at the end of March 2013-14, which is a matter of concern.** The buoyancy of these liabilities with respect to GSDP during the year was 1.01, indicating that for every 1 per cent increase in GSDP, fiscal liabilities grew by 0.78 per cent.

As per the APFRBM Act (amended in December 2011), the State Government targeted to maintain the outstanding Debt-GSDP Ratio at 55.2 per cent during 2012-13, 52.5 per cent during 2013-14 and 50.1 per cent during 2014-15 in line with the recommendation of the 13th Finance Commission. As seen from **Table - 1.24** above, fiscal liabilities to GSDP Ratio during 2013-14 was within the target spelt out in the APFRBM Act.

During 1999-2000, the State Government constituted a 'Consolidated Sinking Fund' for redemption and amortization of Open Market Loans. In 2013-14, the Government appropriated ₹ 20 crore from Revenue and credited it to this fund for investment in Government of India Securities.

¹² Includes Internal Debt, Loans & Advances from Government of India, Small Savings, Reserve Funds Deposits and Provident Funds, etc;.

1.9.3 Status of Guarantees – Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by borrowers for whom the Guarantee was 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 2009-10, are given in **Table 1.25**.

Table - 1.25

Guarantees given by the Government of Arunachal Pradesh

Particulars	(₹ in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Maximum Amount Guaranteed	12.00	<i>Information not furnished by the State Govt.</i>	2.00	2.00	2.00
Outstanding Amount of Guarantees (incl. Interest)	0.61		1.55	1.55	1.55
Percentage of Maximum Amount Guaranteed to Total Revenue Receipts	0.28		0.04	0.04	0.04

The Government guaranteed loans to one Company, i.e., Arunachal Pradesh Industrial Development & Financial Corporation, Ltd. (APIDFCL), which at the end of 2013-14 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 Stabilization¹³, sufficiency of Non-Debt Receipts,¹⁴ net availability of Borrowed Funds,¹⁵ 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 2009-10 to 2013-14.

¹³ Appendix I.1.c.

¹⁴ Appendix I.1.c.

¹⁵ It indicates the extent to which Debt Receipts are used in debt redemption indicating the net availability of borrowed funds.

Table - 1.26

Debt Sustainability: Indicators and Trends

(₹ in crore)

Indicators of Debt Sustainability	2009-10	2010-11	2011-12	2012-13	2013-14
Debt Stabilization (Quantum Spread + Primary Deficit)	506.44	689.48	(-) 441.16	332.87	(-) 960.04
Sufficiency of Non-debt Receipts (Resource Gap)	(-) 79.61	458.54	(-) 1016.22	759.47	(-) 1373.78
Net Availability of Borrowed Funds	(-) 47.59	(-) 45.73	207.21	135.05	180.03
Burden of Interest Payments (IP/RR Ratio) (per cent)	5.28	7.38	5.12	4.72	5.37

The **Table** above shows that State Debt was stable during 2009-14 except in 2011-12 and 2013-14.

Trends in Resource Gap indicate the oscillation between positive and negative magnitudes. Resource Gap was negative in 3 of the 5-year period, indicating that incremental Non-debt Receipts were not sufficient to meet incremental Primary Expenditure and Interest burden. However, the negative Resource Gap during 2013-14 indicated a significant decreasing capacity of the State to sustain debt in medium to long run.

Debt Redemption Ratio fluctuated widely during 2009-14, which remained more than unity in 2009-10 and 2010-11, while during 2011-12, 2012-13 and 2013-14, the ratio was around 84, 91 and 91 *per cent* respectively. In the current year, against borrowed funds of ₹ 2037.66 crore, the Government repaid ₹ 1545.11 crore as Principal and Interest on Internal Debt (₹ 354.15 crore) and other Liabilities¹⁶ (₹ 1683.50 crore), as a result of which borrowed funds of ₹ 180.03 crore were available for development purposes.

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 receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, 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 deficits and assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2013-14.

¹⁶ Small Savings, Provident Funds, Reserve Funds, Deposits, etc.

1.11.1 Trends in Deficits

Charts 1.14 and 1.15 present the trends in deficit indicators over the period 2009-14.

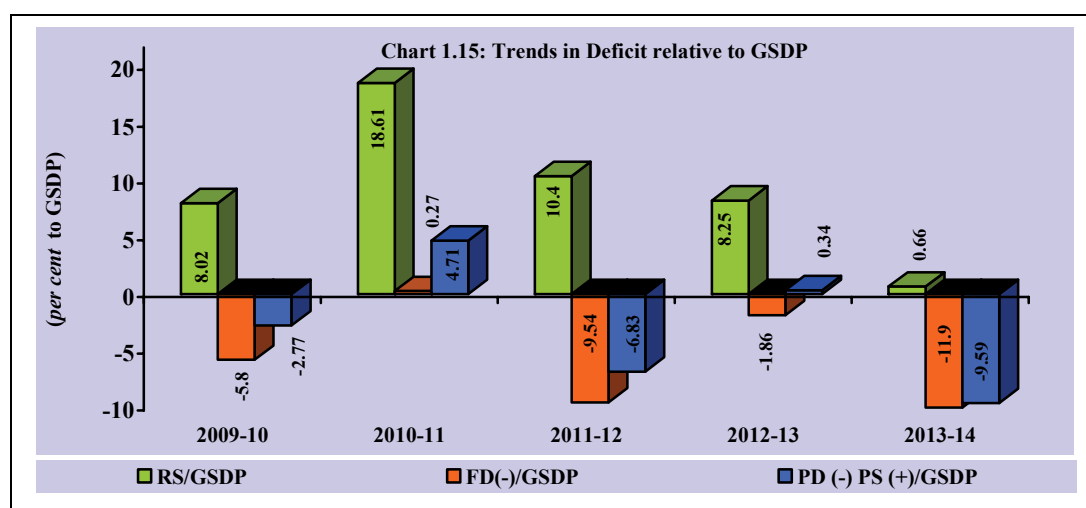
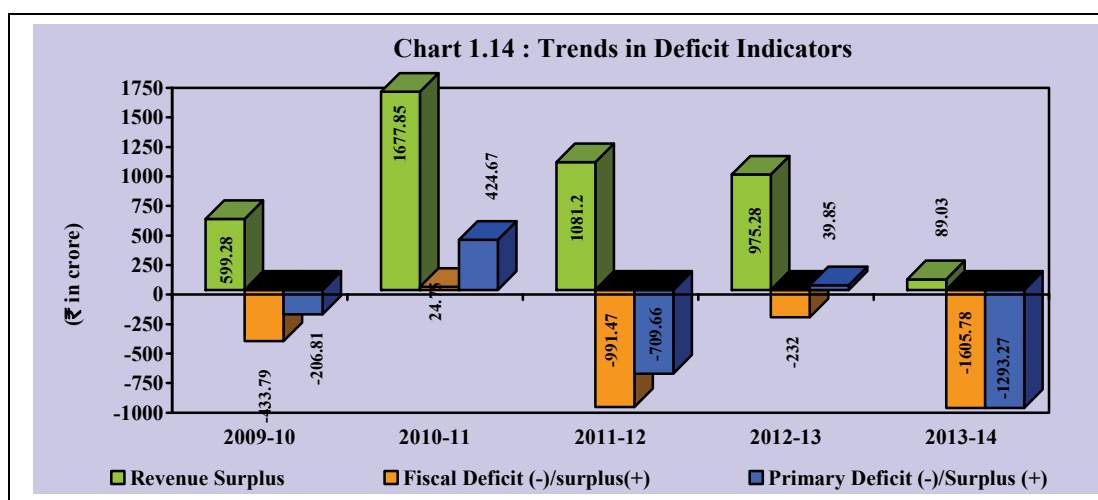


Chart 1.14 reveals that the State had Revenue Surplus during the period 2009-14, which after inter-year variations, decreased from ₹ 975.28 crore in 2012-13 to ₹ 89.03 crore in the current year. Compared to 2012-13, Revenue Surplus in 2013-14 significantly decreased by ₹ 886.25 crore (90.87 per cent) due to marginal increase in Revenue Receipts by ₹ 58.91 crore in 2013-14 and significant increase in Revenue Expenditure by ₹ 945.16 crore in 2013-14. The fact was due to decrease in Grants-in-Aid from the GoI of ₹ 267.86 (6.37 per cent) during 2013-14 compared to 2012-13. Revenue Surplus in the current year was primarily on account of better growth in State's own taxes and State Share in Union Taxes & Duties.

Fiscal deficit, which represents total borrowings of the Government and total Resource Gap, decreased from negative ₹ 232.00 crore in 2012-13 to negative ₹ 1605.78 crore in 2013-14. The significant increase in Total Expenditure (₹ 1433.16 crore) partly offset by decrease in Revenue Surplus (₹ 886.25 crore) over the previous year, mainly led to a fiscal deficit of ₹ 1605.78 crore in the current year.

As per recommendations of the 13th Finance Commission, *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 2012-13 and maintain it thereafter.* While the Government of Arunachal Pradesh was successful in restricting the Fiscal Deficit-GSDP Ratio in 2012-13, the State was unsuccessful in the current year as the Fiscal Deficit-GSDP Ratio in 2013-14 was 11.90 per cent.

The Primary Surplus of ₹ 39.85 crore, experienced by the State during 2012-13, took a turnaround in 2012-13 and resulted in a Primary Deficit of ₹ 1293.27 crore. The marginal increase of ₹ 40.66 crore (14.96 per cent) in Interest Payments in 2013-14 over the previous year and a significant Fiscal Deficit of ₹ 1605.78 crore witnessed during the year, led to the Primary Deficit.

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	2009-10	2010-11	2011-12	2012-13	2013-14
DECOMPOSITION OF FISCAL DEFICIT						
Fiscal Deficit (-)/Surplus (+)		(-) 433.79	(+) 24.75	(-) 991.47	(-) 232.00	(-) 1605.78
1.	Revenue Deficit (-)/Surplus (+)	599.28	1677.85	1081.20	975.28	89.03
2.	Net Capital Expenditure	1030.31	1649.20	2065.88	1206.28	1679.70
3.	Net Loans & Advances	(-) 2.76	(-) 3.90	(-) 6.79	(-) 1.00	(-)15.11
FINANCING PATTERN OF FISCAL DEFICIT						
1.	Market Borrowings	66.82	(-) 12.93	(-) 1.34	133.37	199.82
2.	Loans from GoI	(-) 24.13	(-) 26.82	(-) 27.55	(-) 27.55	(-) 27.73
3.	Special Securities issued to NSSF	49.90	55.10	5.48	17.11	23.23
4.	Loans from Financial Institutions	12.78	20.51	54.73	(-) 13.12	(-) 10.25
5.	Small Savings, PF, etc.;	142.74	79.49	128.18	125.92	143.53
6.	Reserve Funds	15.00	17.00	19.00	20.00	62.54
7.	Deposits & Advances	(-) 85.40	218.01	281.45	70.32	44.22
8.	Suspense & Miscellaneous	502.98	(-) 196.33	(-) 166.77	(-) 3.62	914.58
9.	Remittances	28.85	9.81	8.12	166.42	(-) 87.92
10.	Increase (-)/Decrease (+) in Cash Balances	(-) 275.77	(-) 188.59	(+) 690.17	(-) 206.85	343.76
11.	Increase/Decrease in Ways & Means Advances	-	-	-	-	-
Overall Deficit (1 to 11) (-)		(-) 433.79	24.75	(-) 991.47	(-) 232.00	(-)1605.78

Fiscal Deficit increased by ₹ 1373.78 crore from ₹ 232.00 crore in 2012-13 to ₹ 1605.78 crore in 2013-14. The Fiscal Deficit was mainly met out from Suspense and Miscellaneous (₹ 914.58 crore), Small Savings, PF, etc; (₹ 143.53 crore) and Market Borrowings (₹ 199.82 crore) and decrease in Cash Balance (₹ 343.76 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)
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
2013-14	5823.85	5418.89	1679.70	18.53	7117.12	404.96	(-)1293.27

Analysis of factors resulting into Primary Deficit or Surplus of the State during 2009-14 revealed that in 3 of the 5 years (2009-10, 2011-12 and 2013-14), 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 2009-10, 2011-12 and 2013-14, 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 Surplus of ₹ 39.85 crore during 2012-13 turned into Primary Deficit of ₹ 1293.27 crore in the current year, mainly on account of marginal increase in Non-Debt Receipts by ₹ 59.38 crore and significant increase in Primary Expenditure ₹ 1392.50 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 2009-14, 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

₹ 232.00 crore in 2012-13 and reached its peak at ₹ 1605.78 crore during 2013-14. Primary surplus of ₹ 39.85 crore in 2012-13 took a turnaround and resulted in Primary Deficit of ₹ 1293.27 crore in 2013-14.

Revenue Receipts

Revenue receipts during 2013-14 grew by 1.02 per cent (₹ 58.91 crore) over the previous year. Tax Revenue was 94.95 per cent higher than the assessment made by the 13th Finance Commission and 8.08 per cent higher than the assessment made in the Budget Estimates for the year. Collection of Non-Tax Revenue during 2013-14 was lower than the assessments made by the 13th Finance Commission (14.00 per cent) and in the Budget Estimates (27.87 per cent). Central Transfers, comprising of the State Share of Central taxes and Grants-in-Aid from the GoI decreased by ₹ 179.94 crore in 2013-14 and contributed about 86 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 15.94 per cent in 2009-10 to 14.42 per cent in 2013-14. 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 restore the buoyancy in Revenue Surplus in the ensuing years.

Revenue and Total Expenditure

Revenue Expenditure of the State increased by 55.09 per cent from ₹ 3695.59 crore in 2009-10 to ₹ 5731.40 crore in 2013-14. This expenditure as a percentage of Total Expenditure, though decreased to 77.14 per cent in 2013-14 from 79.82 per cent in 2012-13, averaged around 74 per cent during 2009-14, leaving inadequate resources for expansion of services and creation of assets. NPRES during the same period increased from ₹ 2560.42 crore in 2009-10 to ₹ 3957.59 crore in 2013-14, which was around 72 per cent (₹ 1655.68 crore) higher than the normative level of ₹ 2301.91 crore assessed by the 13th Finance Commission for the year. Further, Salaries, Pensions, Interest Payments and Subsidies continued to consume a major share of Revenue Expenditure, accounting for more than 57 per cent in 2013-14. Development Expenditure in 2013-14 increased by 21.69 per cent over the previous year, and also exceeded the assessment made in the Budget Estimates by 43.56 per cent. However, the relative share of Development Expenditure in 2013-14, showed that 73 per cent of Development Expenditure was incurred on Revenue Account and only 27 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 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 2013-14, there was significant degradation in all the three major fiscal indicators - Revenue Surplus, Fiscal Deficit and Primary Deficit. Increase in Fiscal Deficit in the last year indicated a unstable fiscal position of the State. Prevalence of fiscal liabilities of the State over 2009-14, which stood at 36.58 *per cent* of the GSDP in 2013-14, appeared to be quite high, especially when compared with the limit prescribed by the 13th Finance Commission, i.e., steady reduction in augmented Debt Stock of States to less than 25 *per cent* of GDP by 2014-15.

During 2013-14, while the Government paid Interest at an average rate of 6.66 *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 2013-14 decreased to ₹ 971.90 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 endeavour to maintain a proper Debt-GSDP Ratio, so that incremental non-debt receipts become adequate to cover the interest burden.

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 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 seeks 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 2013-14 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

(₹ in crore)

	Name of Expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure ¹	Savings (-)/ Excess (+)
Voted	I – Revenue	4277.65	1662.96	5940.61	5387.76	(-) 552.85
	II - Capital	3377.89	1823.25	5201.14	1680.29	(-) 3520.85
	III - Loans & Advances	4.12	6.39	10.51	18.53	(+) 8.02
TOTAL VOTED		7659.66	3492.60	11152.26	7086.58	(-) 4065.68
Charged	IV - Revenue	356.81	25.36	382.17	343.63	(-) 38.54
	V - Capital	-	-	-	-	-
	VI - Public Debt- Repayment	227.41	15.68	243.09	169.07	(-)74.02
TOTAL CHARGED		584.22	41.04	625.26	512.70	(-) 112.56
Appropriation to Contingency Fund (if any)		-	-	-	-	-
GRAND TOTAL		8243.88	3533.64	11777.52	7599.28	(-) 4178.24

¹ These are gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under Capital Expenditure (₹58.43 lakh).

The overall savings of ₹ 4178.24 crore was the result of savings of ₹ 4244.11 crore in 61 Grants and 1 Appropriation under Revenue Section, 39 Grants and 1 Appropriation under Capital Section, offset by excess of ₹ 65.87 crore in 10 Grants under Revenue and 7 Grant under Capital Section.

Savings/Excess (detailed in the Appropriation Accounts) were intimated (July 2014) 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 28 cases, savings exceeded ₹ 1 crore in each case - more than 20 per cent of total provision (**Appendix 2.1**). Against the total savings of ₹ 4244.10 crore, savings of ₹ 4137.26 crore (97.46 per cent) exceeding ₹ 10 crore in each case occurred in 30 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	312.90	109.66	422.56	318.87	103.69
2.	8 - Police	328.65	193.29	521.94	472.37	49.57
3.	11 - Social Welfare	101.87	37.56	139.43	129.59	10.84
4.	14 - Education	618.59	129.40	747.99	729.58	18.41
5.	15 - Health & Family Welfare	268.64	73.13	341.77	311.93	29.84
6.	21 - Food Storage & Warehousing	16.77	25.63	42.40	15.11	27.29
7.	23 - Forest	141.83	82.46	224.29	161.66	62.63
8.	24 - Agriculture	123.46	2.01	125.47	100.83	24.64
9.	26 - Rural Works	89.09	40.88	129.97	96.03	33.34
10.	27 - Panchayat	111.56	33.62	145.18	54.76	90.42
11.	38 - Water Resources Dept.	192.32	14.61	206.93	167.85	39.08
12.	45 - Civil Aviation	19.70	2.82	22.52	6.62	15.90
13.	50 - Secretariat Economic Service	9.99	27.95	37.94	11.49	26.45
REVENUE-CHARGED						
14.	97 - Public Debt	348.84	27.01	370.85	332.51	38.34
CAPITAL – VOTED						
15.	8 - Police	10.92	20.25	31.17	10.29	20.88
16.	14 - Education	14.27	61.11	75.38	64.62	10.76
17.	15 - Health & Family Welfare	14.22	34.98	49.20	28.24	20.96
18.	23 - Forest	.95	121.01	121.96	0.18	121.78
19.	26 - Rural Works	29.94	88.20	118.14	99.42	18.72
20.	31 - Public Works	33.70	195.21	228.91	138.16	90.75
21.	32 - Roads & Bridges	164.26	576.59	740.85	547.44	193.41
22.	33 - North Eastern Areas	60.90	27.52	88.42	69.04	19.38
23.	34 - Power	39.58	88.67	128.25	89.29	38.96
24.	38 - Water Resources Department	1.15	39.15	40.30	20.30	20.00
25.	50 - Secretariat Economic Services	2721.37	-	2721.37	4.27	2717.10
26.	52 - Sports & Youth Services	0.41	24.22	24.63	14.60	10.03
27.	56 - Tourism	30.16	26.80	56.96	32.81	24.15
28.	57 - Urban Development	121.03	288.97	410.00	260.66	149.34
29.	74 - Social Justice, Empowerment & Tribal Affairs	48.92	41.47	90.39	53.81	36.58
CAPITAL – CHARGED						
30.	97 - Public Debt	227.41	15.68	243.09	169.07	74.02
TOTAL		6203.40	2450.86	8647.86	4511.40	4137.26

2.3.2 Persistent Savings

In 11 cases (Table 2.3) during the last 5 years, there were persistent savings of more than ₹ 1 crore each and by 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.	No. and Name of Grant	Amount of Savings				
		2009-10	2010-11	2011-12	2012-13	2013-14
REVENUE – VOTED						
1.	24 - Agriculture	12.11 (15)	16.76 (20)	26.64 (27)	36.70 (23)	24.64 (20)
2.	45 - Panchayat	29.82 (38)	18.63 (34)	42.13 (57)	73.76 (69)	90.42 (62)
3.	45 - Civil Aviation	7.31 (22)	6.56 (30)	16.95 (50)	14.00 (62)	9.63 (42)
4.	47 - Administration of Justice	0.43 (14)	16.37 (80)	15.71 (78)	16.07 (78)	15.90 (71)
5.	50 - Secretariat Economic Services	784.95 (99)	663.43 (99)	228.76 (97)	2.99 (30)	26.45 (27)
CAPITAL – VOTED						
6.	33-North-Eastern Areas	31.94 (32)	41.93 (25)	35.59 (25)	30.22 (26)	19.38 (22)
7.	34 - Power	62.52 (27)	12.62 (12)	45.14 (27)	49.22 (31)	38.96 (30)
8.	38 - Water Resources Dept.	35.95 (49)	21.80 (19)	40.79 (40)	66.83 (75)	20.00 (50)
9.	56 - Tourism	6.19 (17)	19.47 (37)	7.18 (16)	33.92 (56)	24.15 (42)
10.	57 - Urban Development	83.84 (53)	55.57 (32)	61.29 (58)	116.30 (55)	149.34 (36)
CAPITAL – CHARGED						
11.	97 - Public Debt	88.38 (44)	104.77 (55)	83.49 (38)	64.51 (28)	74.02 (30)

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

Two Grants - 'Secretariat-Economic Services' and 'Water Resources Department' - 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 one case, expenditure aggregating ₹ 404.37 crore exceeded the approved budget provision by ₹ 1 crore or more 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	340.98	404.37	18.59
TOTAL			340.98	404.37	18.59

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 ₹ 18.66 crore was incurred in 7 Grants and 1 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 2013-14

<i>(₹ in crore)</i>	
Grant/Appropriation Number - Major Head of Account - Sub Head - Detailed Head	Expenditure Without Provision
06-2053-093-05-District Innovation fund	5.47
14-4202-800-05-school building	1.80
18-4202-04-800-01-Creation of Assets	3.90
33-2552-800-84-Anti-Erosion & Protection Works at Raks and Hiya Villages	1.79
33-2552-800-75 - Setting up NEC Information Cell at Capital	1.04
36-3454-01-800-01- Population Census	2.01

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 discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, excess expenditure of ₹ 1390.76 crore from 1986-87 to 2013-14 was yet to be regularized, as detailed in **Appendix 2.3**.

2.3.6 Excess over provisions during 2013-14 requiring regularisation

Table 2.6 contains a summary of total excesses in 16 Grants amounting to ₹ 65.87 crore over authorization from the Consolidated Fund during 2013-14, which required regularization under Article 205 of the Constitution.

Table - 2.6

Excess over provisions requiring regularization during 2013-14

<i>(₹ in crore)</i>				
Sl. No.	Number and Name of Grant/Appropriation	Total Grant/ Appropriation	Expenditure	Excess
REVENUE – VOTED				
1.	7 – Treasury & Accounts Administration	14.97	15.13	0.16
2.	13 – Directorate of Accounts	340.98	404.37	63.39
3.	17 – Gazetteer	0.55	0.61	0.06
4.	18 – Research	11.02	11.17	0.15

Sl. No.	Number and Name of Grant/Appropriation	Total Grant/Appropriation	Expenditure	Excess
5.	25 – Relief, Rehabilitation & Re-settlement	164.81	165.49	0.68
6.	29 – Co-operation	9.54	9.66	0.12
7.	30 – State Transport	74.99	75.08	0.09
8.	43 – Fisheries	28.23	28.40	0.17
9.	48 – Horticulture	44.51	44.61	0.10
10.	62 – Directorate of Transport	3.14	3.44	0.30
CAPITAL – VOTED				
11.	24 – Agriculture	4.59	4.79	0.20
12.	35 – Information & Public Relations	1.00	1.03	0.03
13.	43 – Fisheries	1.40	1.45	0.05
14.	47 – Administration of Justice	15.04	15.06	0.02
15.	51 – Directorate of Libraries	2.28	2.50	0.22
16.	54 – State Tax & Excise	4.34	4.38	0.04
17.	60 – Textiles & Handicrafts	2.20	2.29	0.09
TOTAL		723.59	789.46	65.87

2.3.7 Unnecessary/Excessive/Inadequate Supplementary Provision

Supplementary provisions aggregating ₹ 225.83 crore obtained in 11 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.	16	Arts & Culture Affairs	6.62	5.08	1.54	2.16
2.	21	Food, Storage & Warehousing	16.77	15.11	1.66	25.63
3.	24	Agriculture	123.46	100.83	22.63	2.01
4.	37	Legal Metrology & Consumer Affairs	6.27	6.10	0.17	0.54
5.	38	Water Resources Dept.	192.32	167.85	24.47	14.61
6.	41	Land Management	13.33	12.22	1.11	0.98
7.	66	Hydro Power Development	53.83	52.04	1.79	0.95
REVENUE – CHARGED						
8.	97	Public Debt	348.84	332.51	16.33	22.01
CAPITAL – VOTED						
9.	8	Police	10.92	10.28	0.64	20.25
10.	23	Forests	0.95	0.18	0.77	121.01
CAPITAL-CHARGED						
11.	97	Public Debt	227.41	169.08	58.33	15.68
TOTAL			1000.72	871.28	129.44	225.83

In one case, as shown in **Table 2.8** below, the supplementary provision of ₹ 24.21 crore proved insufficient by more than ₹ one crore, leaving an aggregate excess expenditure of ₹ 63.69 crore over the supplementary provision.

Table - 2.8
Cases of Insufficient Supplementary Provisions

(₹ in crore)						
Sl. No.	No. and Name of Grant/Appropriation	Original Provision	Supplementary Provision	Total	Expenditure	Excess
REVENUE – VOTED						
2.	13 – Directorate of Accounts	316.77	24.21	340.98	404.37	63.39
TOTAL		316.77	24.21	340.98	404.37	63.69

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 125 cases, 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 total provision was surrendered) were made in respect of 4 Grants. Out of the total provision of ₹ 2622.73 crore in the cases, ₹ 1828.79 crore (69.73 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.	21	Food, Storage & Warehousing	2408 - 02 - 001 - 01	27.28	64.34
2.	50	Secretariat Economic Services	05 - 4070 - 800 - 10	1800.00	69.82
3.	55	State Lotteries	2075 - 103 - 01	0.42	50.60
4.	73	Information Technology	3425 - 60 - 600 - 06	1.09	68.98
TOTAL				1828.79	69.73

2.3.11 Surrender Without Savings

In one case, surrender without savings, indicated inadequate budgetary control in the Department. As, in *Grant 48 – Horticulture*, there was excess of ₹ 9.97 lakh, But ₹ 125.04 lakh was surrendered.

2.3.12 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 the Financial Year 2013-14, there were 69 Grants/Appropriations with savings (₹ 10 lakh and above in each case), but were not surrendered by Departments concerned. The amount involved in these cases was ₹ 1305.47 crore (**Appendix 2.5**). Out of the 62 cases, savings were more than ₹ one crore in 43 cases.

Similarly, out of total Savings of ₹ 4039.57 crore under 36 Grants/Appropriations (where savings of ₹ 1 crore and above occurred in each Grant/Appropriation), an amount aggregating ₹ 2164.74 crore (53.60 *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.

2.3.13 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 2013-14, compared to the total expenditure during the year, expenditure during the 4th Quarter and in the month of March ranged between 51.14 and 100 *per cent* and 0 to 100 *per cent* respectively, in case of 39 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.	2013	12.88	7.62	59.17	6.26	48.60
2.	2014	6.62	3.38	51.14	1.74	26.34
3.	2015	32.44	18.51	57.06	15.30	47.18
4.	2030	2.27	1.78	78.43	1.44	63.52
5.	2048	20.00	20.00	100.00	0.00	0.00
6.	2049	312.51	178.41	57.09	31.49	10.08
7.	2054	19.86	10.30	51.90	6.36	32.03
8.	2075	0.41	0.27	65.61	0.23	55.26
9.	2204	28.49	15.66	54.98	8.64	30.34
10.	2205	29.28	16.56	56.55	13.70	46.78
11.	2215	267.76	172.09	64.27	122.63	45.80

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
12.	2216	24.71	13.31	53.86	6.21	25.11
13.	2217	29.60	18.00	60.81	10.45	35.30
14.	2220	14.97	7.71	51.49	5.45	36.41
15.	2230	14.86	8.73	58.73	6.23	41.94
16.	2236	29.10	29.05	99.82	28.28	97.19
17.	2250	0.05	0.05	100.00	0.05	100.00
18.	2404	2.33	1.46	62.39	1.29	55.49
19.	2405	28.40	18.33	64.52	16.31	57.44
20.	2408	122.06	108.50	88.89	85.71	70.22
21.	2415	11.23	9.10	81.08	7.67	68.28
22.	2501	16.12	9.23	57.24	0.00	0.00
23.	2505	9.40	9.40	100.00	4.40	46.82
24.	2506	3.45	3.26	94.47	2.87	83.28
25.	2551	0.07	0.06	90.51	0.06	85.73
26.	2552	21.15	17.14	81.02	14.04	66.40
27.	2575	49.67	45.55	91.71	35.43	71.33
28.	2701	0.48	0.48	100.00	0.48	100.00
29.	2702	142.18	90.56	63.39	71.19	50.07
30.	2711	19.50	19.50	100.00	0.00	0.00
31.	2810	6.85	6.85	100.00	0.00	0.00
32.	2852	0.69	0.69	100.00	0.69	100.00
33.	2875	7.58	6.84	90.28	6.69	88.32
34.	3053	2.05	1.14	55.75	1.04	50.91
35.	3054	473.89	351.47	74.17	158.62	33.47
36.	3275	11.16	8.94	80.04	8.84	79.20
37.	3425	11.17	9.60	81.54	9.19	78.11
38.	3451	101.89	79.37	77.90	60.70	59.57
39.	3452	19.34	14.27	73.80	10.41	53.84

2.4 Non-reconciliation of Departmental Figures

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

Rules provide that draws 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 with 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 2011 onwards, showed that 451 DCC Bills amounting to ₹ 10.71 crore were not furnished to the Accountant General as of March 2014. Thus, due to non-submission of DCC Bills, the actual expenditure against these draws

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**

<i>(₹ in crore)</i>		
Year	Number of Pending DCC Bills	Amount
Up to 2011-12	221	0.21
2012-13	66	2.25
2013-14	164	8.25
TOTAL	451	10.71

2.5 Conclusion and Recommendations

In 2013-14, there were net savings of ₹ 4178.24 crore, which was the result of savings of ₹ 4244.11 crore, offset by excess of ₹ 65.87 crore. The excess of ₹ 65.87 crore needs to be regularized as per Article 205 of the Constitution. There were substantial persistent savings in 11 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 the funds for other development purposes. Detailed Countersigned Contingent 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 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. During 2013-14, 148 UCs for an aggregate amount of ₹ 310.05 crore were outstanding, of which 139 UCs for an aggregate amount of ₹ 256.97 crore for Grants-in-Aid paid up to 2012-13 were awaited. A Department-wise analysis of the same is shown in the **Table 3.1** below.

Table-3.1

Department-wise outstanding Utilization Certificates (UCs) during 2013-14

(₹ in crore)

Sl. No.	Department	No. of UCs Outstanding	Amount Involved
1.	Director, Panchyat	11	36.48
2.	Director General of Police	10	23.34
3.	Director, School Education	13	34.83
4.	Director, Sports & Youth Affairs	11	4.79
5.	Director, Higher Education	07	12.55
6.	Director, Health Services	08	5.63
7.	Chief Engineer, PHED	02	24.92
8.	Director, Town Planning	10	8.02
9.	Director, Disaster Management	08	137.36
10.	Director, Social Welfare	21	2.99

Sl. No.	Department	No. of UCs Outstanding	Amount Involved
11.	Director, Agriculture	01	0.87
12.	Director, Fisheries	04	0.87
13.	Director, Textiles & Handicrafts	06	3.46
14.	Director, Tourism	01	5.00
15.	Director, Information Technology	34	8.53
16.	Director, Urban Development & Housing	01	0.41
TOTAL		148	310.05

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 & Auditor General's (Duties, Powers & 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 2014. 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	02
3.	3 – 5	12
4.	5 – 7	06
5.	7 – 9	-
6.	9 and above	05


Out of the 25 Bodies/Authorities, Annual Accounts in respect of one Organization viz., Donyi Polo Mission, Itanagar, was outstanding for 11 years.

3.3 Conclusion and Recommendations

Compliance of the State Government 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.

Place: **Itanagar**
Dated: the



(S. A. Bathew)
Accountant General
Arunachal Pradesh

Countersigned

Place: **New Delhi**
Dated: the



(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

APPENDICES

APPENDIX - 1.1

Part – A**Structure and Form of Government Accounts****(Reference: Page 2)**

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	Annexure to Notes to Accounts
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	Maintenance Expenditure, with segregation of Salary and Non-salary Components
XII	Statement of items for which allocation of balances, as a result of re-organization of States, has not been finalized

APPENDIX - 1.1

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

(Reference: Page - 2)

Norms/ceilings prescribed by the 12th 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 co-efficient 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	$\text{Interest Payment}/[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2]*100$
Interest Spread	GSDP Growth – Average Interest Rate
Quantum Spread	Debt Stock * Interest Spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} [(\text{Opening Balance} + \text{Closing Balance of Loans \& Advances})/2]*100$
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 <i>n</i> th root of the total percentage growth rate, where <i>n</i> 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 & 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) 2013-14	13491.03 crore
9.	GSDP ² CAGR (2004-05 to 2013-14)	16.22 %

B. Financial Data			
Particulars		Figures (percentage)	
		2004-05 to 2012-13	2004-05 to 2013-14
CAGR of			
(a)	Revenue Receipts	18.30	16.24
(b)	Own Tax Revenue	25.91	27.12
(c)	Non-Tax Revenue	6.62	10.11
(d)	Total Expenditure	15.52	16.42
(e)	Capital Expenditure	15.72	18.13
(f)	Revenue Expenditure on General Education	15.52	14.94
(g)	Revenue Expenditure on Health & Family Welfare	16.37	16.81
(h)	Salaries	18.31	18.58
(i)	Pension	21.35	21.25

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 2014.

APPENDIX - 1.2

Fiscal Responsibility and Budget Management Act, 2006

(Reference: Page 2)

Fiscal Responsibility and Budget Management Act

The State Government enacted the Arunachal Pradesh Fiscal Responsibility & 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 & Budget Management (FRBM) Rules, 2007, came into force with effect from 12th February 2007. The Rules 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 2013, the rolling targets for fiscal indicators for 2013-14 were as under:
 - Revenue Surplus as percentage of GSDP;
 - Fiscal Deficit as percentage of GSDP;
 - Total outstanding liabilities at the end of the year (*₹in crore*);
 - Liabilities as percentage of GSDP for the year.
- 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 the 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*)

	2009-10	2010-11	2011-12	2012-13	2013-14
PART - A (RECEIPTS)					
1. Revenue Receipts	4294.87	5422.09	5499.06	5761.52	5820.43
(a) Own Tax Revenue	173.44 (4)	214.99 (4)	317.65 (6)	316.50 (5)	434.51 (7)
Taxes on Sales, Trade, etc.,	130.23 (75)	168.24 (78)	216.36 (68)	161.62 (51)	223.60 (51)
State Excise	23.78 (14)	29.74 (14)	37.63 (12)	49.11 (16)	55.50 (13)
Taxes on Vehicles	13.07 (7)	11.76 (5)	12.41 (4)	13.38 (4)	17.09 (4)
Stamp and Registration Fees	1.88 (1)	1.86 (1)	2.24 (1)	3.04 (1)	4.18 (1)
Land Revenue	4.43 (3)	3.37 (2)	3.85 (1)	4.70 (1)	11.39 (3)
Other Taxes	0.05	0.01	45.16 (14)	84.65 (27)	122.75 (28)
(b) Non Tax Revenue	511.25 (12)	530.14 (10)	360.71 (7)	284.22 (5)	405.06 (7)
(c) State Share in Union Taxes & Duties	475.40 (11)	720.18 (13)	838.97 (15)	957.93 (17)	1045.85 (18)
(d) Grants-in-Aid from GoI	3134.78 (73)	3956.78 (73)	3981.73 (72)	4202.87 (73)	3935.01 (68)
2. Miscellaneous Capital Receipts	-	-	-	-	-
3. Recoveries of Loans & Advances	202.70	2.41	2.90	2.95	3.42
4. Total Revenue and Non-Debt Capital Receipts (1 + 2 + 3)	4497.57	5424.50	5501.96	5764.47	5823.85
5. Public Debt Receipts	216.20	122.36	168.66	276.45	354.15
Internal Debt (excluding Ways & Means Advances and Overdrafts)	216.20	121.99	168.66	276.45	354.15
Net Transactions under Ways & Means Advances & Overdrafts	-	-	-	-	-
Loans & Advances from GoI	-	0.37	-	-	-
6. Total receipts in the Consolidated Fund (4 + 5)	4713.77	5546.86	5670.62	6040.92	6178.00
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Accounts Receipts	4264.84	3077.77	4224.65	4113.19	5705.44
9. Total Receipts of Government (6 + 7 + 8)	8978.61	8624.63	9895.27	10154.11	11883.44
PART - B (EXPENDITURE/DISBURSEMENTS)					
10. Revenue Expenditure	3695.59	3744.24	4417.86	4786.24	5731.40
Plan	1135.17 (31)	1211.16 (32)	1564.00 (35)	1698.83 (35)	1773.81 (31)
Non-Plan	2560.42 (69)	2533.08 (68)	2853.86 (65)	3087.41 (65)	3957.59 (69)
General Services (incl. Interest Payments)	1161.03 (32)	1265.23 (34)	1284.44 (29)	1423.46 (30)	1780.06 (31)
Social Services	1196.66 (32)	994.28 (27)	1385.42 (31)	1506.28 (31)	1770.16 (31)
Economic Services	1337.90 (36)	1484.73 (39)	1748.00 (40)	1856.50 (39)	2181.18 (38)
11. Capital Expenditure	1030.31	1649.20	2065.88	1206.28	1679.70
Plan	1007.48 (98)	1632.03 (99)	2059.85 (100)	1205.38 (100)	1673.49 (100)
Non-Plan	22.83 (2)	17.17 (1)	6.03 (-)	0.90(-)	6.21 (-)
General Services	62.41 (6)	89.10 (5)	180.81 (9)	83.86(7)	187.81 (11)
Social Services	153.60 (15)	409.68 (25)	545.59 (26)	279.76(23)	503.80 (30)
Economic Services	814.30 (79)	1150.42 (69)	1339.48 (65)	842.66(70)	988.09 (59)
12. Disbursement of Loans & Advances	205.46	6.31	9.69	3.95	18.53
13. Total (10 + 11 + 12)	4931.36	5399.75	6493.43	5996.47	7429.63
14. Repayments of Public Debt	110.81	86.50	137.43	166.64	169.08
Internal Debt (excluding Ways & Means Advances and Overdrafts)	86.70	59.31	109.78	139.09	141.35
Loans & Advances from GoI	24.11	27.19	27.55	27.55	27.73
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total Disbursement out of Consolidated Fund (13 + 14 + 15)	5042.17	5486.25	6630.76	6163.11	7598.71
17. Contingency Fund Disbursements	-	-	-	-	-
18. Public Account Disbursements	3660.68	2949.79	3954.68	3784.15	4628.49
19. Total Disbursements by the State (16 + 17 + 18)	8702.85	8436.04	10585.44	9947.37	12227.20
PART - C (DEFICIT/SURPLUS)					
20. Revenue Deficit (-)/Surplus (+) {1 - 10}	(+) 599.28	(+) 1677.85	(+) 1081.20	(+) 975.28	(+) 89.03
21. Fiscal Deficit (-)/Surplus (+) {4 - 13}	(-) 433.79	(+) 24.75	(-) 991.47	(-) 232.00	(-) 1605.78
22. Primary Deficit (-)/Surplus (+) {21 + 23}	(-) 206.81	(+) 424.67	(-) 709.66	(+) 39.85	(-) 1293.27

	2009-10	2010-11	2011-12	2012-13	2013-14
PART - D (OTHER DATA)					
23. Interest Payments (incl. in Revenue Expenditure)	226.98	399.92	281.81	271.85	312.51
24. Financial Assistance to Local Bodies, etc.:	69.58	60.61	25.63	22.93	137.38
25. Ways & Means Advances/Overdraft availed (days)	-	-	-	-	-
26. Interest on Ways & Means Advances/Overdraft	-	-	-	-	-
27. Gross State Domestic Product (GSDP) ³	7474.45	9017.90	10396.16	11817.14	13491.03
28. Outstanding Fiscal liabilities (year end)	3119.05	3456.24	4036.15	4443.05	4935.59
29. Outstanding guarantees (year end)	0.61	- ⁴	1.83	1.55	1.55
30. Maximum Amount Guaranteed (yearend)	12.00	⁴	2.00	⁴	2.00
31. Number of incomplete projects	63	50	365	240	201
32. Capital blocked in incomplete projects	-	157.67	- ⁵	- ⁵	- ⁵
PART - E (FISCAL HEALTH INDICATORS) {per cent}					
I - Resource Mobilization					
Own Tax Revenue/GSDP	2.32	2.38	3.06	2.68	3.22
Own Non-Tax Revenue/GSDP	6.84	5.88	3.47	2.41	3.00
Central Transfers /GSDP	6.36	7.99	8.07	8.11	7.75
II - Expenditure Management					
Total Expenditure ⁶ /GSDP	65.98	59.88	62.46	50.74	55.07
Total Expenditure/Revenue Receipts	114.82	99.58	118.08	104.08	127.65
Revenue Expenditure/Total Expenditure	74.94	69.34	68.04	79.82	77.14
Expenditure on Social Services/Total Expenditure	27.38	26.00	29.74	29.78	30.74
Expenditure on Economic Services/Total Expenditure	43.64	48.80	47.55	45.02	42.74
Capital Expenditure/Total Expenditure	20.89	30.54	31.81	20.12	22.61
Capital Expenditure on Social and Economic Services/Total Expenditure	19.63	28.89	29.03	18.72	20.08
III - Management of Fiscal Imbalances					
Revenue Surplus/GSDP	8.02	18.61	10.40	8.25	0.66
Fiscal Deficit (-) or Surplus (+)/GSDP	(-)5.80	0.27	(-) 9.54	(-)1.96	(-) 11.90
Primary Deficit (-) or Surplus (+)/GSDP	(-)2.77	4.71	(-) 6.83	0.34	(-) 9.59
Revenue Surplus/Fiscal Surplus	(-) 138.15	(+) 6779.19	(-) 109.05	(-) 420.38	-0.06
Primary Revenue Balance/GSDP	11.05	23.04	13.11	10.55	2.98
IV - Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	41.73	38.33	38.82	37.60	36.58
Fiscal Liabilities/RR	72.62	63.74	73.40	77.12	84.80
Primary Deficit vis-à-vis Quantum Spread	713.25	264.81	268.20	293.02	333.23
Debt Redemption (Principal + Interest)/Total Debt Receipts	105.19	104.93	84.31	91.35	91.16
V - Other Fiscal Health Indicators					
Return on Investment (₹in crore)	-	-	-	-	-
Balance from Current Revenue (₹in crore)	(-) 879.57	(-) 214.47	(-) 467.35	(-) 542.86	(-) 1308.55
Financial Assets/Liabilities (ratio)	2.20	2.51	2.62	2.68	2.35

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

³ GSDP figures (Current Prices – Base Year 2004-05) as furnished (July 2014) by the Directorate of Economics & Statistics, Government of Arunachal Pradesh (2009-10: Revised Estimates; 2010-11: Revised Estimates; 2011-12: Revised Estimates ; 2012-13: Provisional Estimates & 2013-14: Quick 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 2013-14
(Reference: Paragraph 1.1.1; Page - 2)

(₹ in crore)

Receipts			Disbursements				
2012-13		2013-14	2012-13	2013-14			
Section - A : Revenue							
	I - Revenue Receipts			I - Revenue Expenditure	Non-Plan	Plan	Total
316.50	Own Tax Revenue	434.51	1423.46	General Services	1734.50	45.51	1780.06
284.22	Non-tax Revenue	405.06	1506.28	Social Services	970.37	799.79	1770.16
957.93	State Share of Union Taxes	1045.85	697.90	Education, Sports, Arts & Culture	556.62	221.86	778.48
966.40	Non-Plan Grants	743.62	259.27	Health & Family Welfare	241.81	70.12	311.93
2733.97	Grants for State Plan Schemes	2543.31	235.06	Water Supply, Sanitation, Housing & Urban Development	73.96	248.11	322.93
404.20	Grants for Central/ Centrally Sponsored Plans/Schemes	557.91	12.98	Information & Broadcasting	10.26	4.71	14.97
			12.24	Labour & Welfare	9.16	5.70	14.86
98.30	Grants for Special Plan Schemes	90.17	280.28	Social Welfare & Nutrition	67.43	249.29	316.72
			8.55	Others	11.13	-	11.13
			1856.50	Economic Services	1252.72	428.46	2181.18
			441.34	Agriculture & Allied Activities	458.04	147.86	605.90
			90.34	Rural Development	71.95	53.50	125.45
			162.70	Special Areas Programme	0.07	70.82	70.89
			135.95	Irrigation & Flood Control	49.40	118.45	167.85
			387.52	Energy	223.14	184.68	407.82
			47.35	Industries & Minerals	35.93	23.05	58.99
			408.24	Transport	365.64	188.82	554.46
			6.20	Communications	11.17	-	11.17
			14.23	Science, Technology and Environment	0.13	12.15	12.28
			162.63	General Economic Services	37.25	129.12	166.37
5761.52	Total Receipts	5820.43	4786.24	Total Disbursements	3957.59	1773.81	5731.40
	II - Revenue Deficit carried over to Section - B		975.28	II - Revenue Surplus carried over to Section - B			89.03

Receipts			Disbursements				
2012-13		2013-14	2012-13	2013-14			
Section – B							
				Non-Plan	Plan	Total	
1108.81	III - Opening Cash Balance, including Permanent Advances and Cash Balance Investment	1315.66	-	III - Opening Overdraft from RBI	-	-	-
-	IV - Miscellaneous Capital Receipts	-	1206.28	IV - Capital Outlay	6.22	1673.48	1679.70
			83.86	General Services	5.00	182.81	187.81
			279.76	Social Services	0.44	503.36	503.80
			75.47	Education, Sports, Arts & Culture	-	113.56	113.56
			13.12	Health & Family Welfare	0.44	27.81	28.25
			140.62	Water Supply, Sanitation, Housing & Urban Development	-	294.03	294.03
			48.93	Social Welfare & Nutrition	-	66.51	66.51
			0.26	Information & Broadcasting	-	1.03	1.03
			1.36	Others	-	0.42	0.42
			842.66	Economic Services	0.78	987.31	988.09
			15.46	Agriculture and Allied Activities	0.78	18.16	18.94
			39.25	Rural Development Programme	-	21.53	21.53
			110.92	Special Areas Programme	-	90.96	90.96
			21.94	Irrigation & Flood Control	-	20.29	20.29
			166.13	Energy	-	119.75	119.75
			8.75	Industry & Minerals	-	13.23	13.23
			448.82	Transport	-	664.53	664.53
			31.39	General Economic Services	-	38.86	38.86

2012-13	Receipts		2013-14	2012-13	Disbursements		2013-14
2.95	V - Recoveries of Loans & Advances		3.42	3.95	V - Loans & Advances Disbursed		18.53
-	from Power Projects	-		-	to Power Projects		
2.54	from Govt. Servants	2.79		2.98	to Govt. Servants	2.69	
0.41	from Others	0.63		0.97	to Others	15.84	
975.28	VI - Revenue Surplus brought down		89.03	-	VI - Revenue Deficit brought down		-
276.45	VII - Public Debt Receipts		354.15	166.64	VII - Repayment of Public Debt		169.08
276.45	Internal Debt other than Ways & Means Advances and Overdraft	354.15		139.09	Internal Debt other than Ways & Means Advances and Overdraft	141.35	
-	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.	27.73	
-	VIII - Appropriation to Contingency Fund		-	-	VIII - Appropriation to Contingency Fund		-
-	IX - Amount transferred to Contingency Fund		-	-	IX - Expenditure from Contingency Fund		-
4113.19	X - Public Account Receipts		5705.44	3784.15	X - Public Account Disbursements		4628.49
278.81	Small Savings & Provident Funds	308.36		152.89	Small Savings & Provident Funds	164.83	
20.00	Reserve funds	62.54		-	Reserve Funds	-	
-0.07	Suspense & Miscellaneous	963.98		3.55	Suspense & Miscellaneous	49.40	
2782.38	Remittances	2999.81		2665.96	Remittances	3087.73	
1032.07	Deposits & Advances	1370.75		961.75	Deposits & Advances	1326.53	
	XI - Earmarked Funds			1315.66	XI - Closing Cash Balance		971.90
				132.72	Cash in Treasuries and Local Remittances	158.19	
				21.55	Deposits with Reserve Bank and other Banks	-167.46	
				5.61	Departmental Cash Balance incl. Permanent Advances	5.44	
				1150.78	Cash Balance Investment and Investment of Earmarked Funds	975.73	
6476.68	TOTAL		7467.70	6476.68	TOTAL		7467.70

APPENDIX – 1.4

Summarized financial position of the Government of Arunachal Pradesh as on 31 March 2014

(Reference: Paragraph 1.9.1 and; Page - 26)

(₹ in crore)

As on 31 March 2013		Liabilities		As on 31 March 2014	
		Internal Debt			
	-	Market Loans not bearing interest			
	817.54	Market Loans bearing interest		1017.36	
	0.62	Loans from LIC		0.45	
	354.89	Loans from NABARD		354.39	
1980.43	98.12	Loans from other Institutions		32.90	2193.23
	55.64	Ways and Means and Advances		55.64	
	670.27	Special Securities issued to National Small Savings Fund of the Central Government		693.51	
	-	Overdraft from Reserve Bank of India			
	(-) 16.66	Other Loans		38.98	
		Loans and Advances from Central Government			
	38.15	Non-Plan Loans		37.79	
	241.80	Loans for State Plan Schemes		217.67	
338.74	1.37	Loans for Central Plan Schemes		0.45	311.01
	12.64	Loans for Centrally Sponsored Plan Schemes		11.53	
	44.78	Loans for Special Schemes		43.57	
	38.15	Other Ways & Means Advances		-	
0.05		Contingency Fund			0.05
1124.91		Small Savings, Provident Funds, etc.			1268.44
866.94		Deposits			968.34
1133.83		Suspense and Miscellaneous Balances			2048.40
132.02		Reserve Funds			194.56
		Surplus on Government Account			
9374.01	8398.73	(i) Revenue Surplus as on 31 March 2012		9374.01	9463.04
	975.28	(ii) Revenue Surplus during the year		89.03	
14950.93		TOTAL			16447.07
As on 31.03.2013		Assets		As on 31.03.2014	
		Gross Capital Outlay on Fixed Assets			
13490.44	224.18	Investment in Shares of Companies, Corporations, Co-operatives, etc.;		245.05	15170.14
	13266.26	Other Capital Outlay		14925.09	
		Loans & Advances			
	10.00	Loans for Power Projects		10.00	
66.86	46.96	Other Development Loans		62.17	81.97
	9.90	Loans to Government Servants and Miscellaneous Loans		9.80	
134.08		Civil Advances			191.25
(-) 56.11		Remittance Balances			+31.81
		Suspense and Miscellaneous Balances			
		Cash			
	137.72	Cash in Treasuries and Local Remittances		158.19	
	21.55	Deposits with Reserve Bank and other Banks		(-) 167.46	
1315.66	5.60	Departmental Cash Balance		5.43	971.90
	0.01	Permanent Advances		0.01	
	1020.88	Cash Balance Investments		825.83	
	129.90	Investment of Earmarked Funds		149.90	
14950.93		TOTAL			16447.07

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 {₹ 8.78 crore (credit)} between figures reflected in the accounts {₹ 167.46 crore (credit)} and figures intimated by the Reserve Bank of India {₹ 158.68 crore (credit)} due to misclassification by the Bank/Treasuries {₹ 8.78 crore (credit)}.

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.	Assistance to Training Institutions	Agency Name: Entrepreneurship Development Institute	0.90
2.	Aajeevika-Swaran Jayanti Gram Swarajgar Yojana SGSY/NRLM	AP State Rural Livelihood Mission	3.58
3.	Administration & Monitoring, including HRD & Training	Arunachal Pradesh Energy Development Agency	0.01
4.	Adult Education & Skill Development Scheme	Arunachal Pradesh State Literacy Mission Authority	14.18
5.	Advocacy & Publicity	Arunachal Pradesh Arts & Culture Eco-Tourism Society (APACETS)	0.02
6.	Afforestation & Forest Management	State Forest Development Agency Arunachal Pradesh	1.27
7.	Assistance to other Institutes, including SLIET, NERIST, NIFFT, RANCHI, CIT KOKRAJHAR	North Eastern Regional Institute of Science & Technology (NERIST)	24.24
8.	Assistance to Voluntary Organizations for providing Social Defence Services, including Prevention of Alcoholism & Drug Abuse	Arunachal Pali Vidyapith Agency Type: Registered Societies (NGOs)	0.20
9.	Baba Saheb Ambedkar Hastshilpa Vikas Yojana	Youth Action for Social Welfare Agency Type: Registered Society (NGO)	0.01
		N.N. Charitable Society (NNCS) Agency Type: Registered Society (NGO)	0.01
10.	Buddhist & Tibetan Studies	Centre for Buddhist Cultural Studies	1.21
		Mon Palpung Jangchub Choekhorling Kagyu Society	0.07
		Kalaktang Nyithilling Buddhist Cultural Society	0.07
		Tai-Khamti Heritage & Literature Society	0.18
		Pema Mani Charitable Trust	0.03
		Jangchub Choeling Nunnery School, Lhou (Buddhist Culture Preservation Society)	0.03
		Youth Action for Social Welfare	0.50
		Arunodaya Welfare Society in r/o Monyul Museum	0.10
		Usu Jang-Gu-La Charitable Society	0.03
		Monyul Traditional Culture Development Society	0.15
		Gyang-Gong Welfare Association	0.01
		Central Institute of Himalayan Culture Studies	0.53
		Tsun-Gon-Thoog-Jee-Ling Society	0.01
		Mahabodhi Maitri Mandala	0.31
Buddhist Culture Preservation Society	0.15		
Ngagyur Nyingma Palyul Jangchup Dargyeling Society	0.03		
11.	Central Rural Sanitation Programme	SWSM, Arunachal Pradesh	5.19
12.	Deen Dayal Disabled Rehabilitation Scheme	Ramakrishna Mission Hospital	0.11
		Manjushree Charitable Society, Tawang	0.09

Sl. No.	Programme/Scheme	Implementing Agency	Funds Transferred by GoI
13.	Design & Technical Up-gradation Scheme	Kera Dading Multipurpose Society, Kurung Kumey	0.04
		Yiren Gone Welfare Society, Itanagar	0.02
		R.K. Mossang Memorial Society	0.01
		Nani Sala Foundation	0.01
		Brand Arunachal Multipurpose Cooperative Society	0.02
		N.N. Charitable Society (NNCS)	0.01
14.	DRDA Administration	All DRDAs	13.00
15.	Electronic Governance	State Council for IT & e-Governance	0.25
16.	Forward linkages to NRHM - New Initiatives in NE	Arunachal Pradesh State Health Society	16.89
17.	Grant-in-Aid to NGOS for STs, incl. Coaching & Allied Schemes and Awards for exemplary services	Arunachal Pali Vidyapith	0.38
		Buddhist Culture Preservation Society	0.22
		Ramakrishna Sarada Mission,	0.37
		Ramakrishna Mission, Narottam Nagar	1.37
		Centre for Buddhist Cultural Studies	0.16
		Oju Welfare Association, Naharlagun	0.38
		Ramakrishna Mission, Aalo (Along)	2.36
Ramakrishna Mission Hospital	1.48		
18.	Grid Interactive Renewable Power, MNRE	AP Energy Development Agency	19.42
19.	Human Resource Development Handicrafts	Kera Dading Multi-purpose Society, Kurung Kumey	0.05
		Yiren Gone Welfare Society, Itanagar	0.01
		Young Mission Adventure Club	0.01
20.	Information Publicity & Extension	Arunachal Pradesh Energy Development Agency	0.92
21.	Integrated Watershed Management Programme (IWMP)	SLNA Arunachal Pradesh, Itanagar	110.83
		DRDAs - Kameng, Papumpare, East Siang, West Siang & Kurung Kumey Districts	1.51
22.	Mahatma Gandhi National Rural Employment Guarantee Scheme	Society for Rural Development Arunachal Pradesh	158.53
23.	MPs Local Area Development Scheme MPLADS	Deputy Commissioners - Lower Dibang Valley, Lohit & West Siang Districts	15.00
24.	Museums	Arunodaya Welfare Society in r/o Monyul Museum	0.89
		Bright Future Society, Ziro	0.40
25.	National Aids Control Programme	Arunachal Pradesh AIDS Control Society	9.80
26.	National Food Security Mission	Arunachal Pradesh Agriculture Marketing Board (APAMB), Naharlagun	11.32
27.	National Medicinal Plants Board	Mission Success	0.01
28.	National Mission on Bamboo	AP Forest Research & Development Agency	16.67
29.	National Mission on Medicinal Plants	AP Medicinal Plants Development Society	1.19
30.	National Programme for Control of Blindness	Arunachal Pradesh State Health Society	0.20
31.	National Project for Cattle & Buffalo Breeding	AP Livestock Development Society	4.38
32.	National Rural Drinking Water Program	SWSM, Arunachal Pradesh	237.31
33.	National Rural Health Mission - Centrally Sponsored	Arunachal Pradesh State Health Society	64.95
34.	North Eastern Council	North Eastern Regional Institute of Science & Technology (NERIST)	0.30
		Sports Authority of Arunachal	0.78
		State Council for IT & e-Governance	0.04
		AP State Council for Science & Technology, Itanagar	0.23

Sl. No.	Programme/Scheme	Implementing Agency	Funds Transferred by GoI
35.	Off-Grid DRPS	AP Energy Development Agency	6.79
36.	Pradhan Mantri Gram Sadak Yojana (PMGSY)	Rural Road Development, Itanagar	8.00
37.	Promotion & Dissemination of Arts & Culture	Tribal Development Society	0.01
		Youth Action for Social Welfare	0.01
		Hayang Memorial Agro Industry and Education Trust Arunachal Pradesh	0.07
		Kyochi Bagang	0.01
		Miss Yali Sangbia	0.01
		John Sonam	0.01
		Rechi Welfare Society	0.02
		Yadi Kamki	0.01
		Locha Bagang	0.01
		Smt. Tana Kuka	0.02
		Riken Ngomle	0.04
		Tame Bodi	0.01
		Usu Jang-Gu-La Charitable Society	0.03
38.	Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA)	State Institute of Rural Development, Arunachal Pradesh, Itanagar	10.07
39.	Renewable Energy for Rural Applications for all Villages	AP Energy Development Agency	0.25
40.	Research & Development (Handicrafts)	Jumi Jumte Welfare Society	0.03
		Abu Rassang Welfare Societies	0.02
41.	Research & Development, Dept. of Bio-technology	AP Forest Research & Development Agency	0.13
		North Eastern Regional Institute of Science & Technology (NERIST)	0.01
42.	Research & Development for Conservation & Development	AP Forest Research & Development Agency	0.32
43.	Research & Development Water Resources	North Eastern Regional Institute of Science & Technology (NERIST)	0.11
44.	Rural Housing- IAY	All DRDAs	57.07
45.	Sarva Shiksha Abhiyan (SSA)	SSA Rajya Mission, Itanagar	192.62
46.	Scheme for Infrastructure Development FPI	Itanagar Municipal Council	1.02
47.	Scheme for Leadership Development of Minority Women CS	Youth Action for Social Welfare	0.02
		Arunachal Pali Vidyapith	0.02
		Marjum welfare Society	0.02
48.	Scheme of Modernization of State Police Forces by Police Modernization Division	Arunachal Police Housing & Welfare Corporation, Ltd	7.29
49.	Science & Technology Programme for Socio-Economic Development	Thembang Bapu Community Conserved Area Management Committee	0.13
		AP State Council for Science & Technology, Itanagar	1.43
		Take Bogo Multi-purpose Co-operative Society Ltd.	0.08
50.	Skill Development	AP Skill Development Society	19.88
51.	State Science & Technology Programme	AP State Council for Science & Technology, Itanagar	1.14
52.	Strengthening of Institutions for Medical Education Training and Research	Director & Dy. Dir. of Health Services (Nursing)	0.06
53.	Support to National Institute of Technology (NITs) incl. Ghani Khan Institute	National Institute of Technology, AP	101.50
54.	Support to National State Scheduled Tribes Finance and Development Corporations	AP Industrial Development & Finance Corporation, Ltd	2.00

Sl. No.	Programme/Scheme	Implementing Agency	Funds Transferred by GoI
55.	Support To NGOs/Institutions/SRCs for Adult Education & Skill Development (merged schemes of NGOs JSS SRCs)	Jan Shikshan Sansthan, Naharlagun	0.30
		State Resource Centre, AP	0.68
56.	Support To State Extension Programme For Extension Reforms	AP Agriculture Marketing Board (APAMB), Naharlagun	6.97
57.	Swarna Jayanti Shahari Rojgar Yojana (SJSRY)/ National Urban Livelihoods Mission (NULM)	State Urban Development Agency (SUDA), AP	2.42
58.	Top Class Education Scheme for SC	National Institute of Technology, AP	0.41
59.	Top Class Education Scheme for ST	North Eastern Regional Institute of Science & Technology (NERIST)	0.03
60.	WWH Working Women Hostel	Topo Pori Society	1.11
TOTAL			1,167.13

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

APPENDIX 1.6

**Statement showing Loss incurring and Profit earning Societies where
Government invested Share Capital**

(Reference: Paragraph 1.6.5.1; Page 19)

Societies that Incurred/Accumulated Loss

Sl. No.	Type of Society	No. of Societies	Govt. Share Capital	Accumulated Loss
1.	Apex	03	19234.30	14752.46
2.	Lamp	32	123.18	156.03
3.	Consumer	43	21.98	24.81
4.	Marketing & Processing	04	3.65	62.15
5.	Handloom & Weaving	05	1.55	7.32
6.	Dairy	04	3.26	83.71
7.	Industrial	02	3.40	29.00
8.	Fisheries	03	3.13	3.77
9.	Housing	01	0.95	1.79
10.	Cinema	01	0.30	7.95
Total		98	19395.70	15128.99

Societies that Earned/Accumulated Profit

Sl. No.	Type of Society	No of Societies	Govt. Share Capital	Accumulated Profit
1.	Multi-purpose	31	20.01	317.30
2.	Farming	04	1.76	6.79
3.	Transport	03	5.29	40.61
4.	School/College	04	0.60	4.00
5.	Piggery	01	1.00	0.48
6.	Hydro Power	01	0.50	0.39
Total		44	29.16	369.57

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 - 36)

(& in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
Revenue – Voted					
1.	6	District Administration	422.56	103.70	24.54
2.	16	Art & Cultural Affairs	8.78	3.71	42.26
3.	21	Food Storage & Warehousing	42.40	27.29	64.36
4.	23	Forest	224.29	62.63	27.92
5.	26	Rural Works	129.98	33.34	25.65
6.	27	Panchayat	145.18	90.42	62.28
7.	45	Civil Aviation	22.85	9.63	42.14
8.	47	Administration of Justice	22.52	15.90	70.60
9.	50	Secretariat Economic Services	37.94	26.45	69.72
10.	68	Town Planning Department	20.09	8.11	40.37
11.	73	Information Technology	8.38	2.15	25.66
12.	74	Social Justice Empowerment Tribal Affairs	30.30	9.02	29.77
Capital - Voted					
13.	1	Legislative Assembly	8.63	3.63	42.06
14.	8	Police	31.17	20.88	66.99
15.	15	Health & Family Welfare	49.20	20.96	42.60
16.	23	Forest	121.96	121.78	99.85
17.	31	Public Works	228.92	90.75	39.64
18.	32	Road & Bridges	740.85	193.41	26.11
19.	33	North Eastern Areas	88.42	19.38	21.92
20.	34	Power	128.25	38.96	30.38
21.	38	Water Resources Department	40.30	20.00	49.63
22.	40	Housing	17.50	3.84	21.94
23.	50	Secretariat Economic Services	2721.37	2717.10	99.84
24.	52	Sports & Youth Services	24.63	10.03	40.72
25.	56	Tourism	56.96	24.15	42.40
26.	57	Urban Development	410.00	149.34	36.42
27.	74	Social Justice, Empowerment & Tribal Affairs	90.39	36.58	40.47
Capital - Charged					
28.	97	Public Debt	243.09	74.02	30.45
Total			6116.91	3937.16	64.37

APPENDIX - 2.2

Expenditure incurred without any Budget Provision

(Reference: Paragraph 2.3.4; Page - 38)

(₹ in lakh)

Sl. No.	Grant No.	Name of Grant/Appropriation	Actual Expenditure
1.	06	District Administration	546.88
	2053	District Administration	
	093	District Establishment	
	05	District Enovation Fund	
2.	14	Education	390.20
	4202	Capital Outlay on Education, Sports, Arts & Culture	
	07	Non-Lapsable Pool Fund	
	05	School Building	
3.	16	Arst & Culture Affairs	42.46
	2205	Arts & Culture	
	102	Promotion of Arts & Culture Affairs	
	04	Corpus Fund	
	4202	Capital Outlay on Education, Sports, Arts & Culture	
	800	Other Expenditure	
4.	01	Creation of Assets	71.29
	18	Research	
	4202	Capital outlay on Education, Sports, Arts & Culture	
	04	Arts & Culture	
	800	Other Expenditure	
5.	01	Creation of Assets	32.37
	25	Relief, Rehabilitation & Re-Settlement	
	03	Centrally Sponsored Schemes	
	101	Gratuitous Relief	
6.	01	Transferred to Rescue Fund Deposit A/c of Calamity fund	179.21
	33	North Eastern Areas	
	09	North Eastern Council	
	800	Other Expenditure	
	84	Anti-Erosion & Protection Works at Raks and Hiya Villages	
	800	Other Expenditure	
	75	Setting up NEC Information Cell at Capital	
	800	Other Expenditure	
	71	Anti-Erosion Work at Tara-Tamak River	
	4552	Capital Outlay on North Eastern Areas	
	800	Other Expenditure	
	64	Construction of 33KV Express Line from Migo-Zaran to Pistana	
	800	Other Expenditure	
7.	73	Infrastructure Development of Leel Middle English School, Sangram	103.55
	36	Statistics	
	3454	Census, Survey & Statistics	
	01	Census	
8.	800	Other Expenditure	201.77
	01	Population Census	
	97	Public Debt	
	2049	Interest Payments	
	01	Interest on Internal Debt	
8.	305	Management of Debt	15.21
	01	Interest on State Development Loan	
Total			1865.54

APPENDIX - 2.3

Statement showing Excess Expenditure relating to previous years requiring regularization

(Reference: Paragraph 2.3.5; Page - 38)

(₹ 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 2013-14 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		
2012-13	5	5, 13, 23, 43, 62	63.06		
TOTAL			1390.76		

APPENDIX - 2.4

Statement showing Exces/Unnecessary/Incipient Re-appropriation of funds.

(Reference: Paragraph 2.3.8; Page-40)

(₹ in lakh)

Sl. No.	Grant No.	Description	Head of Account	Re-Appropriation	Excess (+) / Savings (-)
1.	6	POL for Office Vehicle	2053-093-04	(-) 1.05	(-) 148.94
2.	6	POL for Office Vehicle	2053-094-04	(-) 2.25	(-) 59.35
3.	6	LTC	2053-093-09	0.80	(-) 36.33
4.	6	LTC	2053-094-06	0.45	(-) 22.56
5.	6	Establishment Charges	2053-094-01	(-) 0.20	376.52
6.	6	Honorarium to Gaon Burah	2053-093-03	2.89	278.17
7.	6	Establishment Charges	2053-093-01	(-) 0.64	111.08
8.	7	Establishment Charges	2054-097-01	11.47	23.64
9.	8	Establishment Expenses	2055-109-01	11.57	(-) 1785.64
10.	13	Ordinary Pension	2071-01-101-01	1,10,12.67	7187.42
11.	13	Ordinary Pension	2071-01-102-01	(-) 6530.95	(-) 411.46
12.	13	Ordinary Pension	2071-105-01	(-) 4180.57	320.32
13.	13	Payment of Gratuities	2071-104-01	(-) 391.15	(-) 561.15
14.	13	Pension to Legislators MLA	2071-01-111-01	90.00	(-) 200.00
15.	14	Setting up Model Degree college	4202-01-800-26	(-) 2791.18	(-) 200.00
16.	14	Construction of Building for Education	4202-04-202-01	(-) 325.00	59.50
17.	14	Building for Education	4202-04-201-01	(-) 37.16	20.00
18.	14	Construction of 7 New Polytechnics	4202-04-201-01	1383.41	(-) 496.45
19.	15	Establishment Expenses	2210-03-110-01	(-) 65.99	(-) 180.50
20.	15	Establishment Expenses	2210-04-101-01	(-) 64.00	(-) 14.41
21.	15	Medical Eradication Programme	2210-06-101-01	(-) 0.10	(-) 74.62
22.	15	Establishment Expenses	2210-04-102-01	(-) 22.50	(-) 20.09
23.	15	Establishment Expenses	2210-01-001-01	252.07	(-) 69.28
24.	16	Establishment Expenses	2205-001-01	(-) 158.49	(-) 196.26
25.	16	Grant-in-aid for promotion of Arts & Culture	2205-102-01	154.00	(-) 196.26
26.	18	Establishment Expenses	2205-102-02	33.91	(-) 17.80
27.	18	Establishment Expenses	2205-102-02	(-) 16.30	24.57
28.	18	Establishment Expenses	2205-107-01	(-) 0.15	(-) 17.78
29.	19	National Mission on Food Processing (NMFP)	03-2408-01-103-01	(-) 129.01	(-) 59.67
30.	19	Up-keeping of Schemes	2851-001-01	(-) 22.00	(-) 59.67
31.	19	Establishment Expenses	2851-001-01	12.00	(-) 30.67
32.	20	Creation of Assets	4250-201-01	(-) 7.00	(-) 15.73
33.	21	Procurement & Supply of Food Grains	4408-01-101-01	(-) 22.55	(-) 14.11
34.	23	Other Works	05-2406-02-800-01	280.00	(-) 4946.68
35.	23	Integrated Forest Protection Scheme	03-2406-02-110-05	(-) 116.45	(-) 30.00
36.	23	Tiger Project	03-2406-02-110-02	290.85	(-) 14.41
37.	24	Rastriya Krishi Vikash Yojna	03-2401-800-45	457.85	(-) 2356.14
38.	26	Maintenance of PMGSY Roads	3054-04-337-04	170.41	(-) 2500.00
39.	26	TFC	3054-05-05	47.31	(-) 750.00
40.	26	Establishment Expenses	3054-80-001-01	(-) 131.07	(-) 40.50
41.	26	Establishment Expenses	2402-001-01	(-) 22.48	(-) 34.08
42.	27	Backward Region Grant Fund	08-2515-001-06	743.72	(-) 2108.00
43.	29	Establishment Expenses	2425-001-01	(-) 43.00	11.27
44.	30	Purchase of Equipment & Buildings	5055-050-01	(-) 22.50	(-) 113.60
45.	31	Schemes under ACA/SPA	04-4059-80-051-10	988.90	(-) 5859.36
46.	31	Establishment of VKV Girls Residential School at Chayangtjo, East Kameng District	4059-07-15	(-) 52.64	(-) 55.79
47.	32	C/o Road from Roing Anini BRTF	5054-07-93	110.58	(-) 670.03
48.	32	C/o Road from Murga Bridge Point to Rho Village	5054-07-86	126.74	(-) 633.70
49.	32	C/o Road from Jia Tinali at Roing Santipul Road to Bizari	5054-07-50	(-) 178.12	(-) 133.57
50.	32	C/o Bailey/ RCC Bridge over River Buche & Bah of Litemori-Taramori Road in West Siang AP	5054-07-62	(-) 75.48	(-) 10.92

Sl. No.	Grant No.	Description	Head of Account	Re-Appropriation	Excess (+) / Savings (-)
51.	32	C/o Motor able Suspension Bridge over Lohit to Connect Manehal Administrative Circle	07-5054-04-800-16	21.76	(-) 97.43
52.	32	C/o Road from Wak to Lirombo	5054-07-42	(-) 83.92	14.57
53.	32	C/o Road from Lonbi Village Point to Tengman Village via Khelwa Joint Jodu	07-5054-04-800-80	767.86	(-) 130.82
54.	32	Infrastructure Development of ADC HQ Kodckha	5054-07-90	339.23	(-) 69.00
55.	32	Up-gradation of Nomchick Miao Mpenu Road in Changlang District	5054-07-85	290.54	(-) 27.14
56.	32	C/o Road from BTK to Namstreng connecting Zemithang	07-5054-04-800-91	406.09	(-) 318.07
57.	32	C/o Road from Likabali – Aalo BRTF Road to connect Kane Village	5054-07-78	355.42	(-) 270.42
58.	32	C/o Motorable bridge over Siyang River to connect left Banket Paya	5054-07-76	231.58	(-) 153.95
59.	32	C/o Road from Rani to Oyiromghat (Assam)	5054-07-75	677.39	(-) 611.72
60.	32	Bailey Bridge between Namaua and other Villages	5054-07-45	108.52	(-) 52.09
61.	32	C/o Inter-District Road connectivity from Chyangtago of East Kameng to Passang CO Circle	07-5054-04-800-87	134.12	(-) 93.33
62.	32	MBA Bridge over River Yame at Reghat under Mariyang	07-5054-58	113.11	(-) 78.32
63.	32	Improvement of Tawang Township Road Network	07-5054-67	83.40	(-) 49.96
64.	32	C/o road from Sangam to Pasi Polo	07-5054-92	689.41	(-) 673.15
65.	33	Establishment of Entrepreneurship Development Institute at Jote	09-2552-05-800-01	(-) 75.79	(-) 93.00
66.	33	Improvement of MIC and FC Works at Supyu	09-2552-800-96	(-) 30.20	(-) 20.20
67.	33	Flood Protection Works at Dirang Township A.P	09-2552-800-82	(-) 72.00	34.00
68.	33	Higher Professional Course	09-2552-62	169.00	(-) 24.02
69.	33	Compact Area Horticulture Garden with Orange, Pineappl, and Banana cultivation at Rodam (Nyoya) Village under Kamporijo Circle in Lower Subansiri	09-2552-01-800-02	(-) 82.40	193.38
70.	33	Double Cropping in A.P	09-2552-78	119.32	(-) 32.41
71.	33	Up-gradation of Forest Rest House	09-2552-800-93	134.42	(-) 65.07
72.	33	Digboi-Pangeri-Bordomsa Road	09-4552-48	(-) 400.00	(-) 173.70
73.	33	Pasighat Koyo Ego Road	09-4552-40	(-) 234.83	(-) 40.54
74.	33	Development of Community Sericulture Garden at Salunggae	09-4552-20-800-01	(-) 138.40	(-) 104.91
75.	33	Extension & Modernization of JN state Museum	09-4552-21-800-01	(-) 95.00	(-) 111.00
76.	33	C/o 33/11 KV Sub-Station at Pania including 33 KV Express Line Palin	09-4552-12-800-04	(-) 40.00	(-) 99.31
77.	33	Protection/ preservation of Archaeological Park at Itanagar	09-4552-800-80	(-) 1.00	(-) 69.30
78.	33	Infrastructure Development of School Building for 20-seat Hostel at Basar Circle	09-4552-06-800-06	2.00	(-) 19.00
79.	33	Strengthening and expansion of District Pig Breeding Firm at Siro	09-4552-03-800-01	(-) 120.49	104.91
80.	33	Seppa Chyangtayo Road	09-4552-800-46	1955.14	(-) 1009.00
81.	33	C/o Longding – Nokjan Road	09-4552-90	787.77	(-) 305.27
82.	33	C/o 33/II KV, 2x1 MVA Sub-Station at Pistano	09-4552-800-91	92.40	119.50
83.	33	C/o anti erosion work at Pasang Valley Paupm Pare	09-4552-19-800-01	200.20	(-) 16.29
84.	33	Infrastructure Development at ITS Tabarijo	09-4552-92	82.64	(-) 10.23
85.	33	Infrastructure Development for VKV Daporijo	09-4552-06-800-05	48.00	(-) 15.77
86.	33	C/o Anti erosion works to Project Broketang Village in Tawang	09-4552-19-800-85	44.60	(-) 14.61
87.	34	System Improvement under ACA/SPA	04-4801-80-800-16	510.98	(-) 132.41
88.	36	Establishment Expenses	3454-111-01	12.58	(-) 80.82
89.	36	Establishment Expenses of Director	3454-01-001-01	(-) 12.58	(-) 37.67
90.	37	Establishment Expenses	3475-106-01	(-) 25.00	(-) 31.25
91.	38	Accelerated Irrigation Benefits Programme	03-2702-80-800-06	(-) 6600.00	(-) 2084
92.	38	Maintenance of Assets	04-2702-80-800-09	2004.01	(-) 280.00
93.	38	Establishment Expenses	2702-80-001-01	497.95	(-) 143.34
94.	38	Scheme under CAD Programme	2705-800-01	738.84	(-) 399.81

Sl. No.	Grant No.	Description	Head of Account	Re-Appropriation	Excess (+) / Savings (-)
95.	38	Ground Water Scheme	2702-02-800-01	255.00	(-) 15.31
96.	47	Circuit Bench of Guwahati High Court in State Capital	2014-102-01	0.68	(-) 19.33
97.	48	ACA/SPA	09-2401-800-50	652.00	(-) 26.83
98.	48	Rastriya Krishi Vikash Yojana	03-2415-01-800-45	(-) 397.77	(-) 19.82
99.	48	Maintenance of Farm & Nursery	2401-119-04	(-) 197.00	129.65
100.	48	Establishment Expenses	2401-001-01	(-) 63.00	27.62
101.	50	Scheme under ACA/SPA/ PM Package	05-4070-800-10	(-)173488.02	(-) 84131.99
102.	50	Creation of Assets	05-4070-02	(-) 13696.00	(-) 586.03
103.	50	Creation of Assets	4070-800-02	32.20	159.44
104.	52	Scheme under PYKKA	05-2204-800-03	80.00	(-) 225.00
105.	56	Eco-Tourism at Kone- Gipong under Dambuk	08-5452-01-101-22	(-) 502.43	(-) 199.08
106.	56	Historical Heritage at Likabali	08-5452-01-101-21	(-) 178.31	(-) 38.82
107.	56	Development of River Island Resort	08-5452-14	72.31	(-) 194.25
108.	56	Destination Development at Yachali	08-5452-19	28.42	(-) 144.80
109.	56	Setting up of Hotel Management at Yupia	08-5452-01-102-84	(-) 86.91	(-) 21.82
110.	56	C/o Tourist Lodge at Liromba	08-5452-17	(-) 54.40	(-) 40.82
111.	56	C/o Tourist Resort at Karsingsa	08-5452-101-28	48.78	(-) 72.30
112.	56	Rural Tourism at Komkar	03-5452-25	(-) 6.24	(-) 11.96
113.	56	Development of way side amenities under Ziro-Daporijo	08-5452-32	146.65	(-) 51.01
114.	56	C/o White Water Rafting at Tai River	08-5452-101-23	348.19	(-) 324.49
115.	57	Establishment Expenses	2217-001-01	(-) 17.93	(-) 33.90
116.	57	Development of Yingkiong Town	03-4217-60-800-80	400.00	(-) 631.84
117.	57	Development of Along Town	03-4217-29	201.27	(-) 396.10
118.	60	Establishment Expenses	2851-001-01	23.95	(-) 129.36
119.	60	CM Loin Loom Scheme	2851-05-21	106.54	(-) 200.00
120.	61	Schemes under ACA/SPA	04-4853-60-800-02	30.00	(-) 18.00
121.	73	Schemes under ACA/SPA	3425-60-600-06	(-) 111.00	(-) 47.00
122.	73	Establishment Expenses	3425-60-001-01	75.00	(-) 12.14
123.	74	Post Metric scholarship to ST Students	08-2235-02-800-17	20.32	(-) 814.23
124.	97	Interest on Loans from NABARD	2049-03	0.01	(-) 1111.80
125.	97	Repayment of Loans for NABARD	6003-105-01	145.97	(-) 200.00

APPENDIX 2.5

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

(Reference: Paragraph 2.3.12; Page - 41)

(₹ in crore)

Sl. No.	Grant/ Appropriation No.	Name of Grant/Appropriation	Savings
1.	1	<i>Legislative Assembly</i> Capital – Voted	3.63
2.	4	<i>Election</i> Revenue – Voted	0.42
3.	5	<i>Secretariat Administration</i> Revenue – Voted	0.11
4.	6	<i>District Administration</i> Revenue – Voted	103.70
5.	7	<i>Treasury & Accounts Administration</i> Capital – Voted	0.10
6.	8	<i>Police</i> Revenue – Voted	49.57
7.	9	<i>Motor Garages</i> Revenue – Voted	2.92
8.	11	<i>Social Welfare</i> Revenue - Voted	10.84
9.	14	<i>Education</i> Revenue – Voted	18.41
10.	14	<i>Education</i> Capital - Voted	10.76
11.	15	<i>Health & Family Welfare</i> Revenue - Voted	29.84
12.	15	<i>Health & Family Welfare</i> Capital - Voted	20.96
13.	16	<i>Arts & Cultural Affairs</i> Capital – Voted	3.75
14.	18	<i>Research</i> Capital - Voted	0.58
15.	19	<i>Industries</i> Revenue – Voted	3.11
16.	22	<i>Food & Civil Supplies</i> Revenue – Voted	6.15
17.	22	<i>Food & Civil Supplies</i> Capital - Voted	0.27
18.	23	<i>Forests</i> Revenue – Voted	62.63
19.	26	<i>Rural Works</i> Revenue – Voted	33.34
20.	26	<i>Rural Works</i> Capital - Voted	18.72
21.	27	<i>Panchayat</i> Revenue - Voted	90.42
22.	28	<i>Animal Husbandry & Veterinary</i> Revenue – Voted	1.70
23.	29	<i>Co-operation</i> Revenue – Voted	0.11

Sl. No.	Grant/ Appropriation No.	Name of Grant/Appropriation	Savings
24.	29	<i>Co-operation</i> Capital - Voted	1.55
25.	30	<i>State Transport</i> Capital – Voted	1.93
26.	31	<i>Public Works</i> Revenue – Voted	3.11
27.	31	<i>Public Works</i> Capital - Voted	90.75
28.	32	<i>Roads & Bridges</i> Revenue – Voted	8.51
29.	32	<i>Roads & Bridges</i> Capital - Voted	193.41
30.	33	<i>North-Eastern Areas</i> Revenue – Voted	4.99
31.	33	<i>North-Eastern Areas</i> Capital - Voted	19.38
32.	34	<i>Power</i> Revenue – Voted	0.11
33.	34	<i>Power</i> Capital - Voted	38.96
34.	35	<i>Information & Public Relations</i> Revenue – Voted	0.68
35.	36	<i>Statistics</i> Revenue – Voted	2.33
36.	36	<i>Statistics</i> Capital - voted	0.11
37.	38	<i>Water Resources Department</i> Revenue – Voted	39.08
38.	38	<i>Water Resources Department</i> Capital - Voted	20.00
39.	39	<i>Loans to Government Servants</i> Capital – Voted	0.91
40.	40	<i>Housing</i> Capital – Voted	3.84
41.	42	<i>Rural Development</i> Revenue – Voted	1.24
42.	44	<i>Attached Offices of Secretariat Administration</i> Revenue – Voted	0.14
43.	47	<i>Administration of Justice</i> Revenue – Voted	15.90
44.	48	<i>Horticulture</i> Capital – Voted	0.93
45.	50	<i>Secretariat Economic Services</i> Revenue – Voted	26.45
46.	52	<i>Sports and Youth Services</i> Revenue – Voted	2.55
47.	52	<i>Sports & Youth Services</i> Capital – Voted	10.03
48.	53	<i>Fire Protection & Control</i> Revenue – Voted	0.85
49.	54	<i>State Tax & Excise</i> Revenue – Voted	0.99
50.	56	<i>Tourism</i> Capital – Voted	24.15

Sl. No.	Grant/ Appropriation No.	Name of Grant/Appropriation	Savings
51.	57	<i>Urban Development</i> Capital – Voted	149.34
52.	60	<i>Textiles & Handicrafts</i> Revenue – Voted	3.41
53.	61	<i>Geology & Mining</i> Capital – Voted	0.18
54.	62	<i>Directorate of Transport</i> Revenue – Voted	0.30
55.	62	<i>Directorate of Transport</i> Capital - Voted	0.30
56.	64	<i>Trade and Commerce</i> Revenue – Voted	0.11
57.	68	<i>Town Planning Department</i> Capital – Voted	8.11
58.	70	<i>Administrative Training Institute</i> Revenue – Voted	0.84
59.	74	<i>Social Justice, Empowerment & Tribal Affairs</i> Revenue – Voted	9.02
60.	74	<i>Social Justice, Empowerment & Tribal Affairs</i> Capital – Voted	36.58
61.	97	<i>Public Debt</i> Revenue – Charged	38.34
62.	97	<i>Public Debt</i> Capital – Charged	74.02
Total			1305.47

APPENDIX 2.6

Details of savings of ₹ 1 crore and above not surrendered

(Reference: Paragraph 2.3.12; Page - 41)

(₹ in crore)

Sl. No.	Number and Name of Grant/Appropriation	Savings	Surrender	Savings to be surrendered
1.	1- Legislative Assembly Capital - Voted	3.63	-	3.63
2.	6 - District Administration Revenue – Voted	103.70	-	103.70
3.	8 – Police Revenue – Voted Capital – Voted	49.57 20.88	- 0.63	49.57 20.25
4.	9 - Motor Garages Revenue – Voted	2.92	-	2.92
5.	11 - Social Welfare Revenue – Voted	10.84	-	10.84
6.	14- Education Revenue – Voted Capital - Voted	18.41 10.76	- -	18.41 10.76
7.	15- Health & Family Welfare Revenue – Voted Capital- Voted	29.84 20.96	- -	29.84 20.96
8.	16- Arts & Cultural Affairs Revenue – Voted Capital - Voted	3.71 3.75	0.04 -	3.67 3.75
9.	19 – Industries Revenue – Voted	3.11	-	3.11
10.	22 - Food & Civil Supplies Revenue – Voted	6.15	-	6.15
11.	23 – Forests Revenue – Voted Capital - Voted	62.63 121.78	- 0.77	62.63 121.01
12.	24 – Agriculture Revenue – Voted	24.64	1.06	23.58
13.	26 - Rural Works Revenue – Voted Capital – Voted	33.34 18.72	- -	33.34 18.72
14.	27 – Panchayat Revenue – Voted	90.42	-	90.42
15.	28 - Animal Husbandry & Veterinary Revenue – Voted	1.70	-	1.70
16.	29- Co-operation Capital - Voted	1.55	-	1.55
17.	30 - State Transport Capital – Voted	1.93	-	1.93
18.	31 - Public Works Revenue – Voted Capital – Voted	3.11 90.75	- -	3.11 90.75
19.	32 -. Roads & Bridges Revenue – Voted Capital – Voted	8.51 193.41	- -	8.51 193.41
20.	33 – North-Eastern Areas Revenue – Voted Capital – Voted	4.99 19.38	- -	4.99 19.38
21.	34 – Power Capital – Voted	38.96	-	38.96
22.	36- Statistics Revenue - Voted	2.33	-	2.33
23.	38 - Water Resources Department Revenue – Voted Capital – Voted	39.08 20.00	- -	39.08 20.00

Sl. No.	Number and Name of Grant/Appropriation	Savings	Surrender	Savings to be surrendered
24.	<i>40 – Housing</i> Capital- Voted	3.84	-	3.84
25.	<i>42 - Rural Development</i> Revenue – Voted	1.24	-	1.24
26.	<i>45 - Civil Aviation</i> Capital- Voted	1.23	0.12	1.11
27.	<i>47 - Administration of Justice</i> Revenue – Voted	15.90	-	15.90
28.	<i>50 - Secretariat Economic Services</i> Revenue- Voted Capital- Voted	26.45 2717.10	- 1871.02	26.45 846.08
29.	<i>52 - Sports & Youth Services</i> Revenue – Voted Capital - Voted	2.55 10.03	- -	2.55 10.03
30.	<i>56 – Tourism</i> Capital – Voted	24.15	-	24.15
31.	<i>57 - Urban Development</i> Capital - Voted	149.34		149.34
32.	<i>60 – Textiles & Handicrafts</i> Revenue – Voted	3.41	-	3.41
33.	<i>68 - Town Planning Department</i> Revenue – Voted	8.11	-	8.11
34.	<i>73 – Information Technology</i> Revenue – Voted	2.15	1.09	1.06
35.	<i>74- Social Justice, Empowerment & Tribal Affairs</i> Revenue – Voted Capital - Voted	9.02 36.58	- -	9.02 36.58
36.	<i>97 – Public Debt</i> Revenue – Charged Capital – Charged	38.33 74.02	- -	38.33 74.02
TOTAL		4039.57	1874.73	2164.84

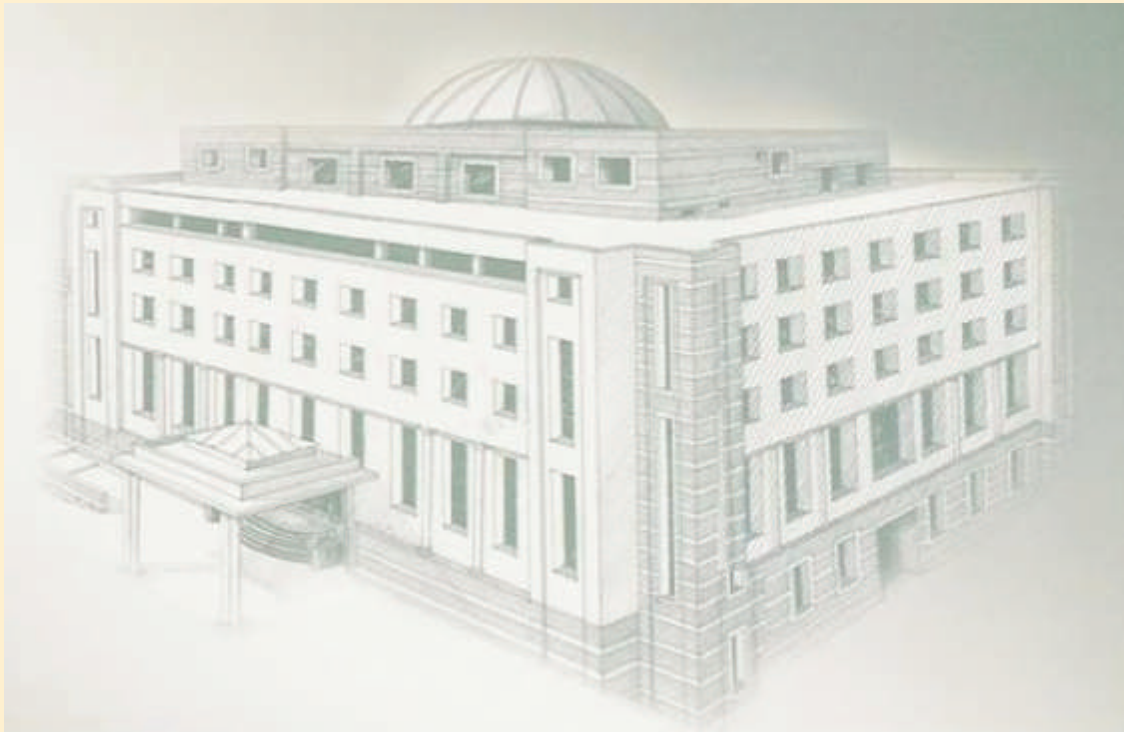
APPENDIX 3.1

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

(Reference: Paragraph 3.2: Page - 46)

Sl. No.	Body/Authority	Years for which Accounts not received	No. of Years
1.	Arunachal Pradesh Agriculture Marketing Board, Naharlagun	2005-06 to 2013-14	09
2.	Central School for Tibetans, Miao	2009-10 to 2013-14	05
3.	District Rural Development Agency, Along	2009-10 to 2013-14	05
4.	District Rural Development Agency, Anini	2008-09 to 2013-14	06
5.	District Rural Development Agency, Bomdila	2009-10 to 2013-14	05
6.	District Rural Development Agency, Changlang	2010-11 to 2013-14	04
7.	District Rural Development Agency, Daporijo	2010-11 to 2013-14	04
8.	District Rural Development Agency, Khonsa	2009-10 to 2013-14	05
9.	District Rural Development Agency, Pasighat	2009-10 to 2013-14	05
10.	District Rural Development Agency, Tezu	2010-11 to 2013-14	04
11.	District Rural Development Agency, Tawang	2010-11 to 2013-14	04
12.	District Rural Development Agency, Yingkiong	2005-06 to 2013-14	09
13.	District Rural Development Agency, Ziro	2012-13 to 2013-14	02
14.	Donyi Polo Mission, Itanagar	2003-04 to 2013-14	11
15.	Kendriya Vidyalaya, Along	2011-12 to 2013-14	03
16.	Kendriya Vidyalaya, Dirang	2010-11 to 2013-14	04
17.	Kendriya Vidyalaya, Kimin	2010-11 to 2013-14	04
18.	Kendriya Vidyalaya, Nirjuli	2010-11 to 2013-14	04
19.	Kendriya Vidyalaya, Tawang	2010-11 to 2013-14	04
20.	Kendriya Vidyalaya, Tenga Valley	2010-11 to 2013-14	04
21.	Member Secretary, Arunachal Pradesh State Council for Science & Technology	2013-14	01
22.	Ram Krishna Mission, Vivekananda Nagar Along	2005-06 to 2013-14	09
23.	Ram Krishna Mission, Narottam Nagar Deomali	2011-12 to 2013-14	03
24.	Ram Krishna Mission Hospital, Itanagar	2011-12 to 2013-14	03
25.	Ram Krishna Mission, Khonsa	2005-06 to 2013-14	09

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