



**Report of the  
Comptroller and Auditor General of India  
on  
STATE FINANCES  
for the year ended 31 March 2017**



**Government of Arunachal Pradesh  
Report No. 1 of 2018**

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Comptroller and Auditor General of India**

**on**

**STATE FINANCES**

**For the year ended 31 March 2017**

**GOVERNMENT OF ARUNACHAL PRADESH**

*Report No. 1 of 2018*



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## PREFACE

- 1. This Report has been prepared for submission to the Governor of the Arunachal Pradesh under Article 151 of the Constitution.*
- 2. Chapter 1 and 2 of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2017. Information has been obtained from the Government of Arunachal Pradesh wherever necessary.*
- 3. Chapter 3 on Financial Reporting provides an overview and status of the State Government's compliance with various financial rules, procedures and directives relating to Financial Reporting during the current year.*
- 4. The Report containing findings of performance audit and compliance audit in various departments, audit of Statutory Corporations, Boards & Government Companies and Revenue Sector are presented separately*





*EXECUTIVE SUMMARY*



# EXECUTIVE SUMMARY

## THE REPORT

*This report provides an analysis of the finances of the State Government based on the audited accounts of the Government of Arunachal Pradesh for the year ended March 2017. The Report has three Chapters.*

*Chapter I is based on the Finance Accounts and makes an assessment of Arunachal Pradesh Government's fiscal position as on 31 March 2017. It presents and analyses the State Government's resources and their application.*

*Chapter II is based on audit of the Appropriation Accounts and reviews the allocative priorities of the State Government and the manner in which the allocated resources were managed by the various Departments.*

*Chapter III gives an overview and status of the State Government's compliance with various financial rules, procedures and directives during 2016-17.*

*The Report has 20 appendices containing additional data collated from several sources in support of the findings.*

## AUDIT FINDINGS

### *Analysis of Finances of the State Government*

- *State's Own Resources (Own Tax and Non-Tax Resources) were only about 11 per cent of the Revenue Receipts. As such, the State primarily depends on resources transferred by the Central Government.*
- *Central Transfers, comprising of the State Share of Central taxes and Grants-in-aid from Government of India, increased by ₹900.09 crore in 2016-17 over 2015-16 which constituted about 89 per cent of Revenue Receipts.*
- *Revenue Receipts during 2016-17 grew by 11.62 per cent (₹1226.475 crore) over the previous year.*
- *During 2016-17, Revenue Expenditure, with an increase of ₹1031.80 crore over the previous year, accounted for 86 per cent of the State's Total Expenditure, which was in the nature of current consumption, leaving only 14 per cent for Capital Expenditure (investment in infrastructure and asset creation).*
- *Non-Plan Revenue Expenditure, with an increase of ₹979.00 crore over previous year, constituted about 71 per cent of the Revenue Expenditure*

during 2016-17. It had ranged between 59 to 71 per cent during the last five years.

- *Committed Expenditure, viz., Salaries, Pensions, Interest Payments and Subsidies, constituted more than 49 per cent of the Revenue Expenditure during 2016-17.*
- *The State Government had given adequate thrust to Capital Expenditure in its budget for 2016-17, but failed to fulfill its commitment. Capital Expenditure (₹1544.01 crore) during 2016-17 decreased over the previous year (₹1993.25 crore) and also fell short of the Budget Estimates (₹2605.86 crore) by 40.75 per cent.*
- *The ratio of Development Expenditure of the State stood at an average of 74 per cent of the Total Expenditure during the period 2012-17 which was way above the combined average (61.00 per cent) of Special Category States.*
- *During 2016-17, the return to the Government on its investments in Government Companies, Co-operative Bank, Societies, etc. was 'NIL' while the Government paid an average interest rate ranging from 6.35 to 6.93 per cent on its borrowings during 2012-17. Out of the five working Government Companies, accumulated losses in two Companies had exceeded their paid-up capital and in one Company, the accumulated loss was more than 80 per cent of the paid-up capital; the remaining two Companies were in profit.*
- *During 2016-17, the State maintained all the fiscal parameters as Surplus-the Revenue Surplus increased by 8.89 per cent, Fiscal Surplus by 340.10 per cent and Primary Surplus by 103.84 per cent.*
- *Fiscal Liabilities which stood at 23.38 per cent of the GSDP in 2016-17, was lower than the limit prescribed by the XIV Finance Commission.*
- *The State's Fiscal Liabilities were about seven times the State's Own Resources at the end of 2012-13, whereas it had reduced to about four times the State's Own Resources at the end of 2016-17.*

**(Chapter-I)**

### **Financial Management and Budgetary Control**

*Sound financial management requires advance planning and accurate estimation of revenues and expenditure. There were instances of excess expenditure or substantial savings with reference to provisions made during the year, exhibiting weakness in expenditure monitoring and control.*

- *In 2016-17, there were total savings of ₹4779.47 crore, which was the result of gross savings of ₹5124.39 crore partially offset by an excess of ₹344.92 crore.*
- *Out of the total savings of ₹4,779.47 crore, total surrender amounted to ₹3,574.38 crore (76.90 per cent). Further, in 41 sub-heads, the surrenders amounted to more than 50 per cent of the budgetary provisions.*
- *Excess expenditure over the budgetary allocations amounting to ₹2,636.22 crore pertaining to the years 1986-87 to 2015-16 was not regularised till February 2018. The cases of excess expenditure over grants are serious breaches of legislative intent.*
- *Detailed Countersigned Contingent Bills were not submitted for ₹3.90 crore drawn on 65 Abstract Contingent Bills. In the absence of Detailed Countersigned Contingent Bills, it was not possible to ascertain whether expenditure had taken place or not. Non-adjustment of AC Bills for long periods in violation of prescribed rules was fraught with the risk of embezzlement.*

**(Chapter II)**

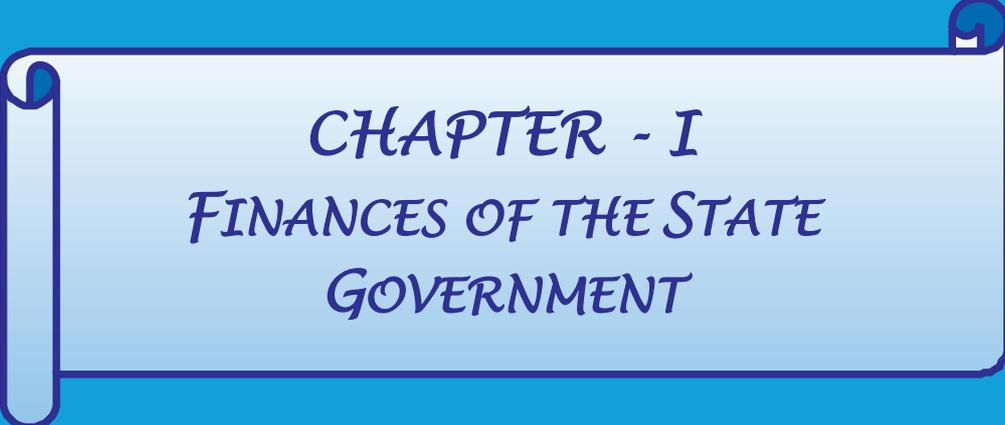
### **Financial Reporting**

*Audit observed various instances of non-observance of financial rules and procedures and absence of financial controls.*

- *Utilisation Certificates were not furnished in 198 cases for ₹690.16 crore. There were delays in submission of annual accounts by 25 Autonomous Bodies/ Authorities which diluted accountability and defeated the very purpose of preparation of accounts.*

**(Chapter III)**





*CHAPTER - I*  
*FINANCES OF THE STATE*  
*GOVERNMENT*



# Chapter I

## Finances of the State Government

### Profile of Arunachal Pradesh

Arunachal Pradesh is a Special Category State and area-wise, is the largest State in the North-Eastern region with a geographical area of about 83,743 sq. km. It has an international border with Bhutan in the West (160 kms), China in the North and North-East (1,080 kms) and Myanmar in the East (440 kms). It also shares common boundaries with Assam and Nagaland. Arunachal Pradesh has 0.11 *per cent* of the country's population. According to the Census of India-2011, population of the State stood at 13,83,727<sup>1</sup> with a population density of 17 persons per sq. km and literacy rate of 65.38 *per cent*.

### Growth and Composition of Gross State Domestic Product

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 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 Gross Domestic Product (GDP) and State's GSDP at current prices are indicated below.

**Table - 1.1: Trends in the annual growth of India's GDP vis-à-vis GSDP**

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
India's GDP (₹ in crore)	99,44,013	112,33,522	124,45,128	136,82,035	151,83,709
Growth rate of India's GDP (in per cent)	13.82	12.97	10.79	9.94	10.98
State's GSDP (₹ in crore)	12,547	14,581	17,931	20,294	24,056
Growth Rate of GSDP (in per cent)	13.41	16.21	22.98	13.18	18.54

(Source: Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation for India's GDP and Department of Economics and Statistics, Government of Arunachal Pradesh for State GSDP).

**Table 1.1** shows that the annual growth rate of GSDP of the State ranged between 22.98 *per cent* (2014-15) to 13.18 *per cent* (2015-16). The GSDP increased to ₹ 24,056 crore in 2016-17 from ₹ 12,547 crore in 2012-13 and ₹ 20,294 crore in 2015-16; thereby, representing an increase of 91.73 *per cent* and 18.54 *per cent* respectively. The GSDP during 2016-17 exceeded the assessment (₹ 21,427 crore) made by Fourteenth Finance Commission (FFC) by 12.27 *per cent*. The Compound Annual Growth Rate (CAGR) in respect of GSDP between the period from 2007-08 to 2016-17 was 22.98 *per cent*.

<sup>1</sup> Male:7,13,912; Female: 6,69,815

# Finances of The State Government

## 1.1 Introduction

This Chapter provides a broad perspective of finances of the Government of Arunachal Pradesh and analyses critical changes in major fiscal aggregates keeping in view the overall trends 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 **Appendix 1.1**. While, **Appendix 1.2** briefly outlines the Fiscal Responsibility and Budget Management (FRBM) Act of the State 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 2012-13 to 2016-17.

### 1.1.1 Summary of Current Year Fiscal Transactions

**Table 1.2** presents a summary of the State Government's fiscal transactions during 2016-17 *vis-à-vis* the previous year while **Appendix 1.4** provides details of receipts/ disbursements and the overall fiscal position during the period.

**Table - 1.2: Summaries of Fiscal Transactions (Current Year)**

(₹ in crore)

Receipts	2015-16	2016-17	Disbursements	2015-16	2016-17		
					Non-Plan	Plan	Total
<b>Section – A : Revenue</b>							
<b>Revenue Receipts</b>	<b>10553.1</b>	<b>11779.57</b>	<b>Revenue Expenditure</b>	<b>8362.74</b>	<b>6638.40</b>	<b>2756.14</b>	<b>9394.54</b>
Tax Revenue	535.07	708.75	General Services	2518.09	2696.79	70.97	2767.76
Non-Tax Revenue	392.12	544.82	Social Services	2556.67	1653.77	1392.70	3046.47
Share of Union Taxes/ Duties	7075.58	8388.30	Economic Services	3287.98	2287.84	1292.47	3580.31
Grants-in-aid from Govt. of India	2550.33	2137.70	-	-	-	-	-
<b>Section – B : Capital</b>							
<b>Misc. Capital Receipts</b>	<b>-</b>	<b>-</b>	<b>Capital Outlay</b>	<b>1993.25</b>	<b>0.56</b>	<b>1543.45</b>	<b>1544.01</b>
Recoveries of Loans & Advances	5.48	3.79	Loans & Advances Disbursed	12.98	-	-	10.33
Public Debt Receipts	621.10	1015.27	Repayment of Public Debt	1286.44	-	-	586.77
Public Account Receipts	6038.90	6369.65	Public Account Disbursements	5360.99	-	-	7560.96
Opening Balance	1073.43	1275.61	Closing Balance	1275.61	-	-	1347.28
<b>Total</b>	<b>18292.01</b>	<b>20443.89</b>	<b>Total</b>	<b>18292.01</b>	<b>-</b>	<b>-</b>	<b>20443.89</b>

(Source: Finance Accounts 2015-16 & 2016-17)

Significant changes during 2016-17 were as under:

- Revenue Receipts increased by ₹ 1,226.47 crore (11.62 per cent) over the previous year. The increase was mainly due to increase in State share of Union Taxes & Duties by ₹ 1,312.72 crore (18.55 per cent), Own Tax Revenue by ₹ 173.68 crore (32.46 per cent) and Non Tax Revenue by ₹ 152.70 crore (38.94 per cent) partly offset by decrease in Grants-in-aid (GIA) from Government of India (GoI) by ₹ 412.63 crore (16.18 per cent). However, finances of States are heavily dependent on Central transfers and State's Own Resources (Own Tax plus Non-Tax Revenue) is just 10.64 per cent of Revenue Receipts during 2016-17.
- Revenue Expenditure increased by ₹ 1,031.80 crore (12.34 per cent) over the previous year.
- Capital Expenditure decreased by ₹ 449.24 crore (22.54 per cent) over the previous year.
- Recovery and Disbursement of Loans & Advances decreased by ₹ 1.69 crore (30.84 per cent) and ₹ 2.65 crore (20.42 per cent) respectively compared to the previous year.
- Public Debt Receipts increased by ₹ 394.17 crore (63.46 per cent) over the previous year due to increase in receipts under Internal Debt other than Ways and Means Advance (WMA) whereas, Repayment of Public Debt decreased by ₹ 699.67 crore (54.39 per cent) over the previous year.
- Public Account Receipts and Public Account Disbursements increased by ₹ 330.75 crore (5.48 per cent) and ₹ 2,199.97 crore (41.04 per cent) over the previous year respectively.
- The total inflow<sup>2</sup> in respect of all fund was ₹ 19,168.28 crore against ₹ 17,218.58 crore in 2015-16, while the total outflow<sup>3</sup> was ₹ 19,096.61 crore against ₹ 17,016.40 crore during the previous year.
- There was an increase in cash balances by ₹ 71.67 crore (5.62 per cent) over the previous year.

### 1.1.2 Review of the Fiscal Situation

FFC and the State Government set fiscal indicators to be achieved during 2016-17. Targets *vis-à-vis* achievements in respect of major fiscal aggregates are shown in **Table 1.3:**

<sup>2</sup> For 2016-17, Gross Receipt ₹ 20,443.89 crore minus Opening Balance of ₹ 1,275.61 crore; for 2015-16, Gross Receipt ₹ 18,292.01 crore minus Opening Balance of ₹ 1,073.43 crore

<sup>3</sup> For 2016-17, Gross Disbursement ₹ 20,443.89 crore minus Closing Balance of ₹ 1,347.28 crore; for 2015-16, Gross Disbursement ₹ 18,292.01 crore minus Closing Balance of ₹ 1,275.61 crore

## Finances of The State Government

**Table - 1.3: Trends in Major fiscal parameters/ variables vis-à-vis projections for 2016-17**

Particulars	Targets as prescribed in the FFC	Projections made in Medium Term Fiscal Plan Statement (MTFPS)	Actuals
Revenue Surplus (₹ in crore)	-	2341.33	2385.03
Revenue Surplus (as % of GSDP)	-	11.09	9.91
Fiscal Deficit/ GSDP (per cent)	3.25	0.41	Fiscal Surplus
Total Outstanding Debt/ GSDP (per cent)	32.63	21.94	23.38

(Source: Budget documents of the State Government, FFC report and Finance Accounts 2016-17)

It will be seen that the State was able to achieve targets prescribed by the FFC for Fiscal Deficit as well as Outstanding Debt as a percentage of GSDP.

### 1.1.3 Budget Estimates and Actuals

Budget papers presented by the State Government provide 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 (BEs) are indicative of non-attainment and non-optimisation of desired fiscal objectives due to various reasons, some within and some beyond the control of the Government.

**Table 1.4** presents the consolidated picture of BEs vis-à-vis Actuals for the State Finances during 2016-17.

**Table - 1.4: Variation in Major Items – Actuals (2016-17) over BEs**

(₹ in crore)

Parameters	2016-17		Percentage of variations with reference to BEs
	BEs	Actuals	
Tax Revenue	670.64	708.75	5.68
Non-Tax Revenue	528.90	544.82	3.01
Revenue Receipts	12774.16	11779.57	(-7.79)
Non-debt Capital Receipts	30.84	3.79	(-87.71)
Revenue Expenditure	10553.32	9394.54	(-10.98)
Interest payments	500.84	399.23	(-20.29)
Capital Expenditure	2605.86	1544.01	(-40.75)
Disbursement of Loans & Advances	14.60	10.33	(-29.25)
Revenue Surplus	2,220.84	2,385.03	7.39
Fiscal Deficit (-)/ Surplus (+)	-368.78	834.48	326.28

(Source: Finance Accounts 2016-17 and Annual Financial Statement 2017-18 of the State Government)

- In 2016-17, when compared with the BEs, Revenue Receipts and Revenue Expenditure fell short by 7.79 per cent and 10.98 per cent respectively.
- Compared with the BEs, the Non-debt Capital Receipts and Capital Expenditure in 2016-17 fell short by 87.71 per cent and 40.75 per cent respectively.
- Against the Revenue Surplus of ₹ 2,220.84 crore projected in BEs, the year ended with a Revenue Surplus of ₹ 2,385.03 crore. Further, in 2016-17, the State Government witnessed Fiscal Surplus of ₹ 834.48 crore against the projected Fiscal Deficit of ₹ 368.78 crore in BEs.

## Finances of The State Government

The wide variation between BEs and Actuals indicated that the estimation was unrealistic.

### 1.1.4 Major policy initiatives in the budget

Major policy announcements made in the budget speech 2016-17 and status of their implementation is given in **Table 1.5**.

**Table - 1.5: Status of implementation of major policy announcements during 2016-17**

Major Announcements	Department	Status of Implementation (March 2017)
₹ 10.00 crore was proposed for reconstruction of working women hostel at Itanagar. ₹ 25.00 crore was also earmarked for establishment of working women hostels in district and circle headquarters.	Women and Child Development	No budget provision was made for construction of working women hostels.
₹ 5.00 crore was proposed for Agriculture Employment Generation Programme.	Agriculture	₹ 15.00 crore was provisioned for the Programme, out of which ₹ 13.00 crore was re-appropriated to other schemes and balance ₹ 2.00 crore was utilised for the scheme.
₹ 12.00 crore was proposed for sanitation and waste disposal activities.	Urban Development	₹ 2.15 crore was provisioned and utilised for the said activities.

(Source: Budget Speech and Appropriation Accounts 2016-17)

### 1.1.5 Migration to New Pension Scheme

GoI introduced (01 April 2004) a defined, contribution based New Pension Scheme (NPS) to cover all new entrants to Government service. The interim Pension Fund Regulatory and Development Authority (PFRDA) was established (October 2003) by GoI. The PFRDA, being regulator for NPS, had been authorised by the GoI to appoint/ establish various intermediaries in the system, such as Central Record Keeping Agency (CRA), Pension Funds Trust for NPS, Custodian Banks, etc. PFRDA appointed National Securities Depository Limited (NSDL) as the CRA for a period of 10 years from 01 December 2007 for performing the functions of record keeping, accounting, administration and customer services for subscribers to the schemes of pension funds approved by PFRDA. Further, three pension fund managers, a custodian and a trustee bank had also been appointed.

Under the NPS, the option to join the new system was available for state governments. According to terms of the Scheme, both the Government and employee were to contribute 10 per cent each of basic pay and dearness allowance and the entire amount was to be transferred to the designated fund manager through NSDL/ Trustee Bank.

In Arunachal Pradesh, State Government employees recruited on or after 01 January 2008 were eligible for NPS. The contributions received from both the Government and employees are credited to the Major Head 8342-117 under Deposit & Advances and are transferred to NSDL/ Trustee Bank by debiting the same Major Head of Account.

# Finances of The State Government

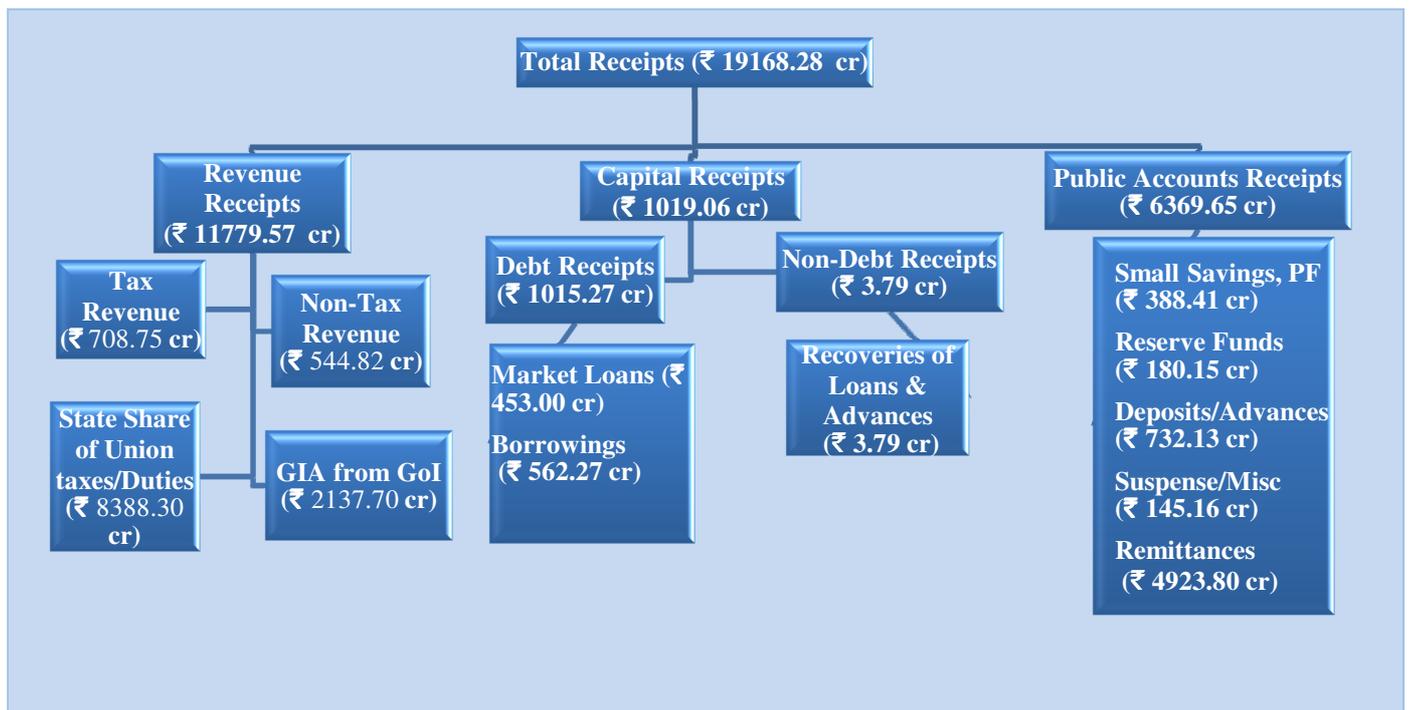
As on 01 April 2016, the fund (Major Head 8342-117) had a balance of ₹ 63.20 crore. During 2016-17, the State Government transferred an amount of ₹ 0.28 crore (₹ 0.14 crore each being Government and employees contributions) to the fund. Out of the total amount of ₹ 63.48 crore<sup>4</sup> available under this fund, the State Government has only transferred ₹ 3.47 crore (5.47 per cent) to NSDL, leaving a balance of ₹ 59.97 crore<sup>5</sup> as on 31 March 2017 yet to be transferred.

## 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 GIA from GoI. Capital Receipts comprise of miscellaneous Capital Receipts such as proceeds from disinvestments, recoveries of Loans and Advances, debt receipts from internal sources (market loans, borrowings from Financial Institutions/ Commercial Banks), Loans and Advances from the GoI and accruals from Public Account. **Chart 1.1** shows the composition of resources of the State during 2016-17.

**Chart - 1.1: Components and Sub-components of Resources**

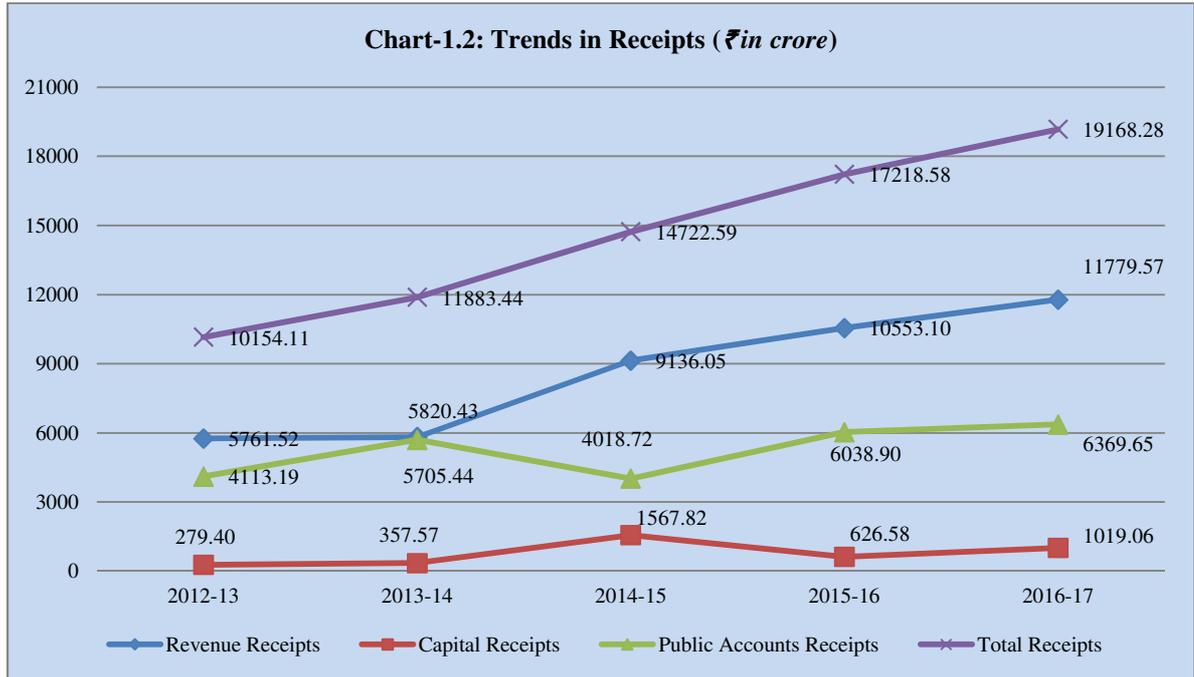


(Source: Finance Accounts 2016-17)

<sup>4</sup> Opening Balance of ₹ 63.20 crore plus Contribution received ₹ 0.28 crore

<sup>5</sup> An amount of ₹ 0.04 crore was transferred to GPF accounts/ CGEGIS accounts/ salary head, which was erroneously deposited under the Major Head 8342-117

**Chart 1.2** depicts trends in various components of receipts of the State during 2012-13 to 2016-17.



(Source: Finance Accounts of respective years)

Total Receipts of the State during 2016-17 was ₹ 19,168.28 crore, of which ₹ 11,779.57 crore (61.45 per cent) came from Revenue Receipts and the remaining ₹ 7388.71 crore (38.55 per cent) from Capital Receipts and Public Account. Total Receipts of the State increased from ₹ 10,154.11 crore in 2012-13 to ₹ 19,168.28 crore in 2016-17 at a CAGR of 17.22 per cent. Total Receipts during 2016-17 increased by ₹ 1,949.70 crore (11.32 per cent) over the previous year.

Revenue Receipts in 2016-17 (₹ 11,779.57 crore) increased by ₹ 6018.05 crore (104.45 per cent) and ₹ 1226.47 crore (11.62 per cent) over 2012-13 and 2015-16 respectively.

Capital Receipts in 2016-17 (₹ 1,019.06 crore) increased by ₹ 739.66 crore (264.73 per cent) and ₹ 392.48 crore (62.64 per cent) over 2012-13 and 2015-16 respectively.

Public Account Receipts in 2016-17 (₹ 6,369.65 crore) increased by ₹ 2256.46 crore (54.86 per cent) and ₹ 330.75 crore (5.48 per cent) over 2012-13 and 2015-16 respectively.

### 1.2.2 Funds directly transferred to the Implementing Agencies in the State

The GoI has been transferring a sizeable quantum of funds directly to the Implementing Agencies in the State for implementing various schemes/ programmes in Social and Economic Sectors. From 2014-15 onwards, GoI decided to route these funds through the State Budget. Contrary to this decision, however, an amount of ₹ 254.35 crore was released (**Appendix-1.6**) directly to the implementing agencies/ organisations in the State during 2016-17.

## Finances of The State Government

**Table-1.6** presents details of fund released (₹ 10 crore and above in each case) directly to the Implementing Agencies during 2016-17:

**Table - 1.6: Funds transferred directly to Implementing Agencies in the State**

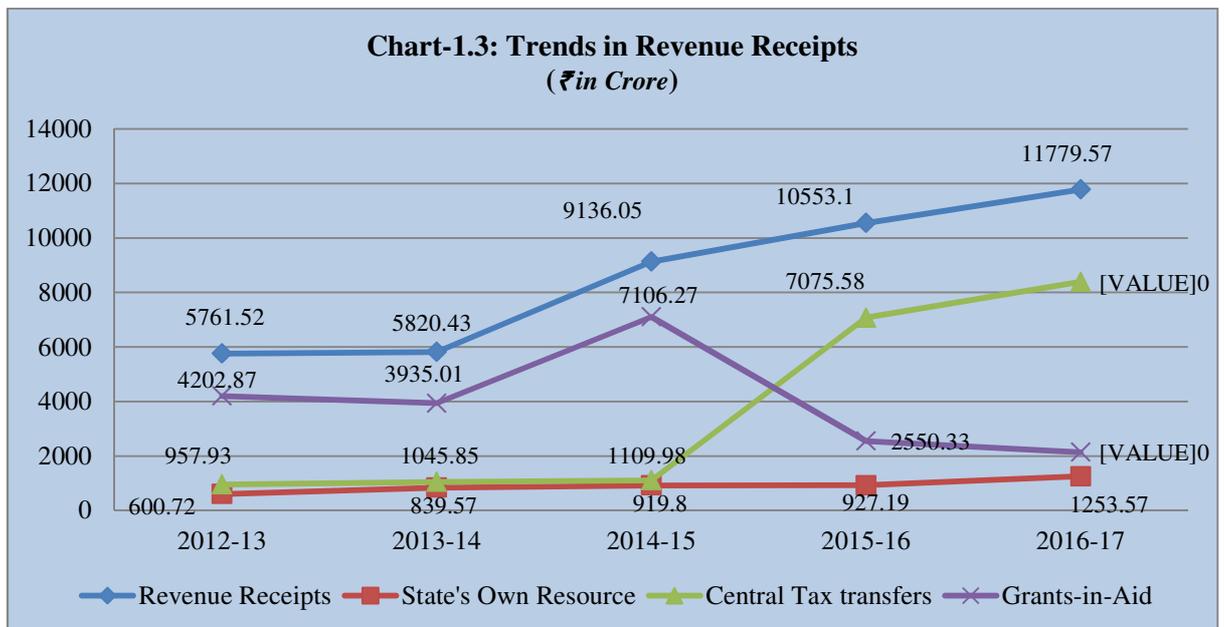
Sl No.	Name of the schemes/ programmes	Implementing Units	Funds released (₹ in crore)
1	National Institute of Technology	NIT, Arunachal Pradesh	51.71
2	Swadesh Darshan-Integrated Development of Theme based Tourism Circuits	Arunachal Tourism Society	44.02
3	Pradhan Mantri Kaushal Vikas Yojana (PMKVY)	Arunachal Pradesh Skill Development Society	20.77
4	MPs Local Area Development Schemes	Deputy Commissioners	15.00
5	National Health Mission	Arunachal Pradesh State Health Society	14.04
6	NER-Textile Promotion Scheme	Director of Textiles and Handicrafts	13.95
7	GRID Interactive Renewable Power MNRE	AP Energy Development Agency	10.79

(Source: 'Public Financial Management System' Portal of the Controller General of Accounts, GoI)

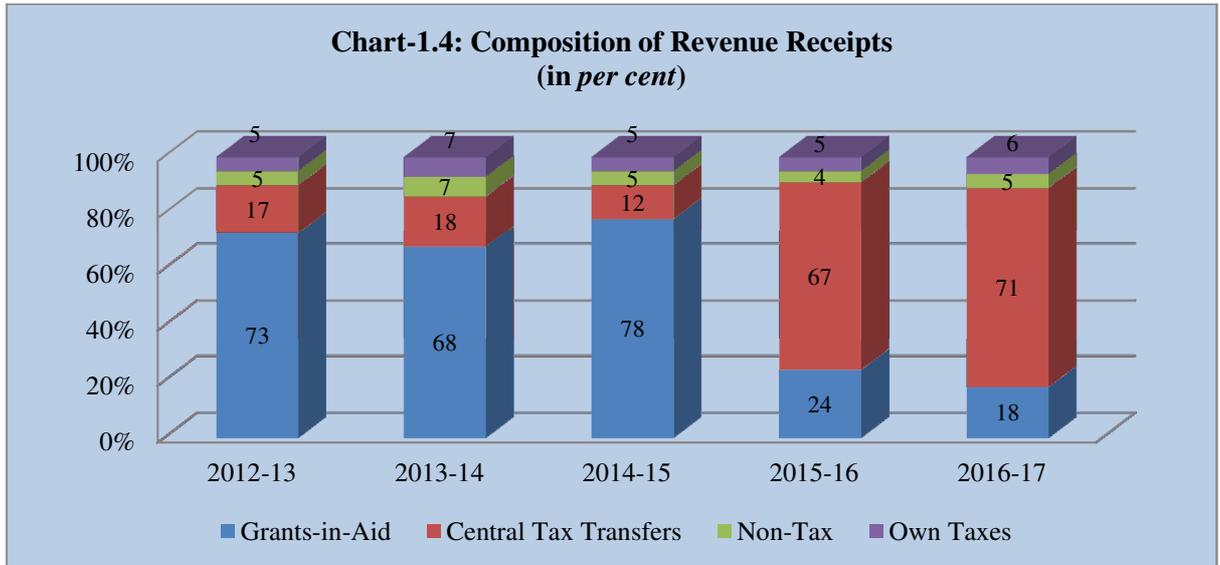
As there is no central monitoring mechanism for utilisation of funds under this category, reliable data on quantum of expenditure against the funds received directly by the Implementing Agencies from GoI, is not readily available to Audit. In view of different accounting practices followed by different implementing agencies, it is difficult to monitor the end use of these direct transfers.

### 1.3 Revenue Receipts

**Statement-14** of the Finance Accounts details Revenue Receipts of the Government. Trends and composition of Revenue Receipts over the period 2012-17 are presented in **Appendix-1.3** and depicted in **Charts 1.3** and **1.4** respectively. Trends in Revenue Receipts relative to GSDP are presented in **Table 1.7**.



(Source: Finance Accounts of respective years)



(Source: Finance Accounts of respective years)

Revenue Receipts of the State increased (₹ 6,018.05 crore) from ₹ 5,761.52 crore in 2012-13 to ₹ 11,779.57 crore in 2016-17 at a CAGR of 19.58 per cent. Similarly, during the same period, State's Own Resources grew almost at same pace at a CAGR of 20.19 per cent.

**Table - 1.7: Trends in Revenue Receipts relative to GSDP**

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Receipts (₹ in crore)	5761.52	5820.43	9136.05	10553.10	11779.57
Rate of growth of Revenue Receipts (per cent)	4.77	1.02	56.97	15.51	11.62
Rate of growth of Own Taxes (per cent)	(-) 0.36	37.29	6.36	15.78	32.46
Revenue Receipts/ GSDP (per cent)	45.92	39.92	50.95	52.00	48.97
<b>Buoyancy Ratio<sup>6</sup></b>					
Revenue Buoyancy Ratio with reference to GSDP	0.36	0.06	2.48	1.18	0.63
State's Own Taxes Buoyancy Ratio with reference to GSDP	(-)0.03	2.30	0.28	1.20	1.75
State's Own Taxes Buoyancy Ratio with reference to Revenue Receipts	(-)0.08	36.47	0.11	1.02	2.79

(Source: Finance Accounts of respective years)

The Buoyancy Ratio of Revenue Receipts with reference to GSDP decreased due to significant decrease in the rate of growth of Revenue Receipts in 2016-17 compared to the previous year as well as significant increase in the growth of GSDP. The Buoyancy Ratio of the State's Own Tax Revenue with reference to GSDP indicates the significant pace of growth rate in State's Own Tax Revenue in 2016-17 as compared to growth rate of GSDP in 2016-17.

State's Own Taxes Revenue Buoyancy Ratio with reference to Revenue Receipts during 2016-17 was 2.79, which indicates that the rate of growth of State's Own Tax Revenue was more than double as compared to rate of growth of Revenue Receipts.

<sup>6</sup> As explained in Appendix 1.1.C

## Finances of The State Government

### 1.3.1 State's Own Resources

As the State share in Central taxes and GIA from GoI is determined on the basis of recommendations of the FC, the State's performance in mobilisation of resources was assessed in terms of its own resources comprising of own tax and non-tax sources.

The State's Own Tax and Non-Tax receipts for 2016-17 vis-à-vis assessment made by FFC and BEs are given in the **Table 1.8** below:

**Table - 1.8: Tax and Non-Tax Receipts**

(₹ in crore)

Particulars	FFC Projections	Budget Estimates	Actual
Own Tax Revenue	823.00	670.64	708.75
Non-Tax Revenue	251.00	528.90	544.82

(Source: FFC Report, Annual Financial Statement and Finance Accounts 2016-17)

Own Tax Revenue was 13.88 per cent lower than the projections made by the FFC and 5.68 per cent higher than the assessment made in the BEs for 2016-17. Collection of Non-Tax Revenue during 2016-17 was higher than the projections made by the FFC (117.06 per cent) as well as the assessments made in the BEs (3.01 per cent).

#### 1.3.1.1 Own Tax Revenue

The gross collection in respect of major taxes and duties is given in **Table 1.9**.

**Table - 1.9: Own Tax Revenue**

(₹ in crore)

Heads	2012-13	2013-14	2014-15	2015-16	2016-17	Percentage variation over previous year
Taxes on Sales, Trade, etc.	161.62	223.60	195.24	190.22	282.54	48.53
State Excise	49.11	55.50	59.87	86.33	109.05	26.32
Taxes on Vehicles	13.37	17.09	17.78	19.30	24.47	26.79
Stamps & Registration Fees	3.05	4.18	3.83	5.63	5.08	(-)9.77
Land Revenue	4.70	11.39	5.99	8.89	6.44	(-)27.56
Taxes on Goods & Passengers	84.65	122.75	179.45	224.70	281.17	25.13
<b>TOTAL</b>	<b>316.50</b>	<b>434.51</b>	<b>462.16</b>	<b>535.07</b>	<b>708.75</b>	<b>32.46</b>

(Source: Finance Accounts of respective years)

In 2016-17, Own Tax Revenue increased by 123.93 per cent from ₹ 316.50 crore in 2012-13 to ₹ 708.75 crore and by 32.46 per cent over the previous year (₹ 535.07 crore). Taxes on Sales, Trade, etc., increased by ₹ 92.32 crore in 2016-17 over 2015-16 due to increase in tax base and revenue mobilisation by enforcement teams. Receipt in State Excise also witnessed an increase of 26.32 per cent due to revision of Excise Duty and import fee. However, due to change of volume and transaction of land acquisition during 2015-16 and 2016-17, the Land Revenue registered a decrease of 27.56 per cent in 2016-17 over 2015-16. The Tax-GSDP Ratio of 2.95 during 2016-17 was lower than the projection (3.84 per cent) made by the FFC.

#### 1.3.1.2 Non-Tax Revenue

**Table 1.10** shows the trends of Non-Tax Revenue during the period 2012-17.

## Finances of The State Government

**Table - 1.10: Non-Tax Revenue**

(₹ in crore)

Heads	2012-13	2013-14	2014-15	2015-16	2016-17	Percentage variation over previous year
Interest Receipts, Dividends & Profits	40.32	24.66	13.13	39.11	56.39	44.18
General Services	27.77	42.75	30.46	81.65	108.96	33.45
Social Services	16.97	36.86	28.07	28.52	17.57	(-)38.39
Economic Services	199.16	300.79	385.98	242.84	361.90	49.03
<b>TOTAL</b>	<b>284.22</b>	<b>405.06</b>	<b>457.64</b>	<b>392.12</b>	<b>544.82</b>	<b>38.94</b>

(Source: Finance Accounts of respective years)

Non-Tax Revenue significantly increased by ₹ 152.70 crore (38.94 per cent) during 2016-17 over the previous year and constituted 4.63 per cent of the Revenue Receipts. During 2016-17, Economic Services contributed 66.43 per cent (₹ 361.90 crore) of Non-Tax Revenue, and within this category, receipts under Power Sector accounted for 71.74 per cent (₹ 259.61 crore). CAGR of Non-Tax Revenue between 2007-08 and 2016-17 for the State was (-) 2.06 per cent.

### 1.3.2 Grants-in-aid

Details of GIA from GoI are given in **Table 1.11**.

**Table - 1.11: Grants-in-aid from the Government of India**

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Non-Plan Grants	966.40	743.62	952.12	174.36	228.69
Grants for State Plan Schemes	2733.97	2543.31	5735.73	2062.45	1633.22
Grants for Central Plan Schemes	13.04	166.23	37.59	60.72	17.73
Grants for Centrally Sponsored Schemes	391.16	391.68	315.03	147.54	187.99
Grants for Special Plan Schemes	98.30	90.17	65.80	105.26	70.07
<b>TOTAL</b>	<b>4202.87</b>	<b>3935.01</b>	<b>7106.27</b>	<b>2550.33</b>	<b>2137.70</b>
Percentage of Increase (+)/Decrease (-) over previous year	(+) 5.55	(-) 6.37	(+) 80.59	(-)64.11	(-)16.18
Total Grants as a percentage of Revenue Receipts	72.95	67.61	77.78	24.17	18.15

(Source: Finance Accounts of respective years)

GIA from GoI decreased by 16.18 per cent (₹ 412.63 crore) from ₹ 2550.33 crore in 2015-16 to ₹ 2,137.70 crore in 2016-17. The decrease was mainly due to decrease in Grants for State Plan Schemes by ₹ 429.23 crore (20.81 per cent), Grants for Central Plan Schemes by ₹ 42.99 crore (70.80 per cent) and Grants for Special Plan Scheme by ₹ 35.19 crore (33.43 per cent). The decrease was partly offset by increase in Non-plan Grants by ₹ 54.33 crore (31.16 per cent) and Grants for Centrally Sponsored Scheme (CSS) by ₹ 40.45 crore (27.42 per cent).

Non-Plan Grants (₹ 228.69 crore) constituted 10.70 per cent of total grants during 2016-17, of which ₹ 105.78 crore was under the proviso to Article 275 (1)<sup>7</sup> of the

<sup>7</sup> Grants under Article 275(1) of the Constitution of India provides such sums, capital and recurring as may be necessary, as Parliament may by law provide shall be charged on the Consolidated Fund of India as GIA to enable that State to meet the costs of promoting the welfare of Scheduled Tribes in that State or raising the level of administration of the Scheduled Areas therein.

## Finances of The State Government

Constitution. The remaining amount was released mainly as Contribution to National Disaster Response Fund (NDRF) (₹ 51.06 crore), State Disaster Response Fund (SDRF) (₹ 49.50 crore) and Other Grants (₹ 22.35 crore).

### 1.3.3 Central Tax Transfers

As per the FFC recommendations, the share of net proceeds of shareable Central Taxes was increased from 32 per cent during XIII FC award period to 42 per cent. The State share for all shareable taxes was increased from 0.288 per cent during XIII FC award period to 1.370 per cent during FFC award period and the share of Service Tax from 0.328 per cent during XIII FC award period to 1.431 per cent during FFC award period.

The share of Union taxes received during 2016-17 was ₹ 8,388.30 crore, an increase of ₹ 1,312.72 crore (18.55 per cent) over the previous year. The main contributions of the share of Union taxes were Corporation Tax-₹ 2,677.52 crore (31.92 per cent); Taxes on Income other than Corporation Tax-₹ 1,860.88 crore (22.19 per cent); Service Tax-₹ 1,376.76 crore (16.42 per cent); Union Excise-₹ 1,315.22 crore (15.88 per cent); and, Customs-₹ 1,151.76 crore (13.73 per cent).

### 1.3.4 Optimisation of Fourteenth Finance Commission Grants

The details of devolution of FFC grants during the period 2016-17 are given in **Table-1.12**.

**Table - 1.12: Details of grants released vis-à-vis FFC recommendations**

(₹ in crore)

Sl. No.	Purpose for which grant is released	Actual release 2015-16	Fund recommended by FFC for 2016-17	Actual release 2016-17
1	Share in Central Taxes	7075.58	8388.30	8388.30
2	Disaster Relief (SDRF)	46.80	49.00	49.50
3	Local Bodies Grant, of which	55.97	180.66	77.37
	(I) Performance Grants			
	(a) Rural Local Bodies	Nil	16.08	16.08
	(b) Urban Local Bodies	Nil	9.57	0.00
	(II) Basic Grants			
	(a) Rural Local Bodies	44.26	122.58	61.29
(b) Urban Local Bodies	11.71	32.43	0.00	
	<b>Total</b>	<b>7178.35</b>	<b>8617.96</b>	<b>8515.17</b>

(Source: Data Furnished by the State Government)

The State Government had received financial assistance of ₹ 8,515.17 crore (98.81 per cent) against an amount of ₹ 8,617.96 crore as recommended by FFC. **There** was a significant decrease of ₹ 103.29 crore (57.18 per cent) in the funds released as Local Bodies Grant as compared to the FFC recommendations during 2016-17.

## 1.4 Capital Receipts

Details of Capital Receipts during 2012-13 to 2016-17 are given in **Table 1.13**.

## Finances of The State Government

**Table - 1.13: Trends in Growth and Composition of Capital Receipts**

(₹ in crore/Rate of Growth in per cent)					
Sources of State's Receipts	2012-13	2013-14	2014-15	2015-16	2016-17
Public Debt Receipts	276.45	354.15	1540.41	621.10	1015.27
Recovery of Loans & Advances	2.95	3.42	27.41	5.48	3.79
Miscellaneous Capital Receipts	-	-	-	-	-
Capital Receipts	279.40	357.57	1567.82	626.58	1019.06
Rate of growth of Non-debt Capital Receipts	1.72	15.93	701.46	(-)80.01	(-)30.84
Rate of growth of Debt Capital Receipts	63.91	24.85	334.96	(-)59.68	63.46
Rate of growth of CR	62.86	27.98	338.47	(-)60.03	62.64

(Source: Finance Accounts of respective years)

Public Debt Receipts increased by ₹ 392.48 crore (62.64 per cent) over the previous year. Public Debt Receipts consist of two components viz., Internal Debt of the State and Loans and Advances from the Central Government. Internal Debt consisted of Market Loans (₹ 453.00 crore), Ways and Means Advances from the RBI (₹ 253.94 crore), Loans from Financial Institutions (₹ 166.63 crore) and Special Securities issued to National Small Savings Fund (₹ 141.70 crore). During the year, no Loans & Advances from the Central Government were received by Government of Arunachal Pradesh.

### 1.4.1 Recoveries of Loans and Advances

The Recoveries of Loans and Advances progressively decreased from ₹ 27.41 crore during 2014-15 to ₹ 3.97 crore during 2016-17. The major contributor of recoveries under Loans and Advances were loan recovery from Government Servants (₹ 3.05 crore), Multipurpose Rural Cooperatives (₹ 0.49 crore) and Other Cooperatives (₹ 0.20 crore)

## 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 - 1.14: Public Account Receipts**

(₹ in crore)					
Sources of State's Receipts	2012-13	2013-14	2014-15	2015-16	2016-17
Public Accounts Receipts	4113.19	5705.44	4018.72	6038.90	6369.65
Small Savings, Provident Fund, etc.	278.81	308.36	405.28	387.63	388.41
Reserve Funds	20.00	62.54	20.00	200.00	180.15
Deposits & Advances	1032.07	1370.75	2081.34	1946.75	732.13
Suspense & Miscellaneous	(-) 0.07	963.98	(-) 1691.51	(-)480.14	145.16
Remittances	2782.38	2999.81	3203.61	3984.66	4923.80

(Source: Finance Accounts of respective years)

During 2016-17, the Public Account Receipts increased by ₹ 330.75 crore (5.48 per cent) over the previous year. This was mainly due to increase in Remittances by ₹ 939.14 crore, Suspense and Miscellaneous by ₹ 625.30 crore and Small Savings,

# Finances of The State Government

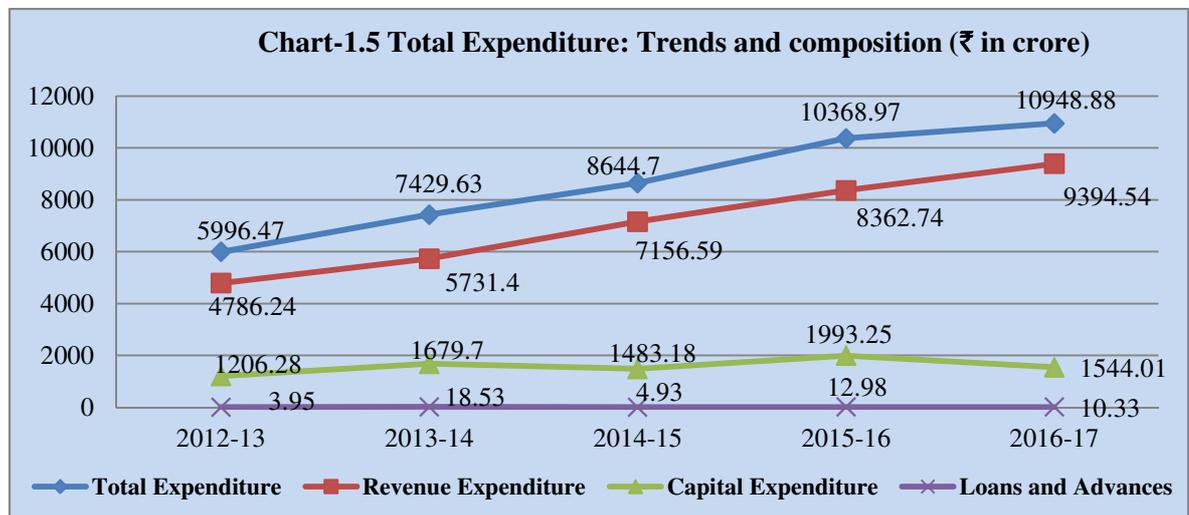
Provident Fund, etc. by ₹ 0.78 crore offset by decrease in Deposit and Advances by ₹ 1214.62 crore and Reserve Funds by ₹ 19.85 crore.

## 1.6 Application of Resources

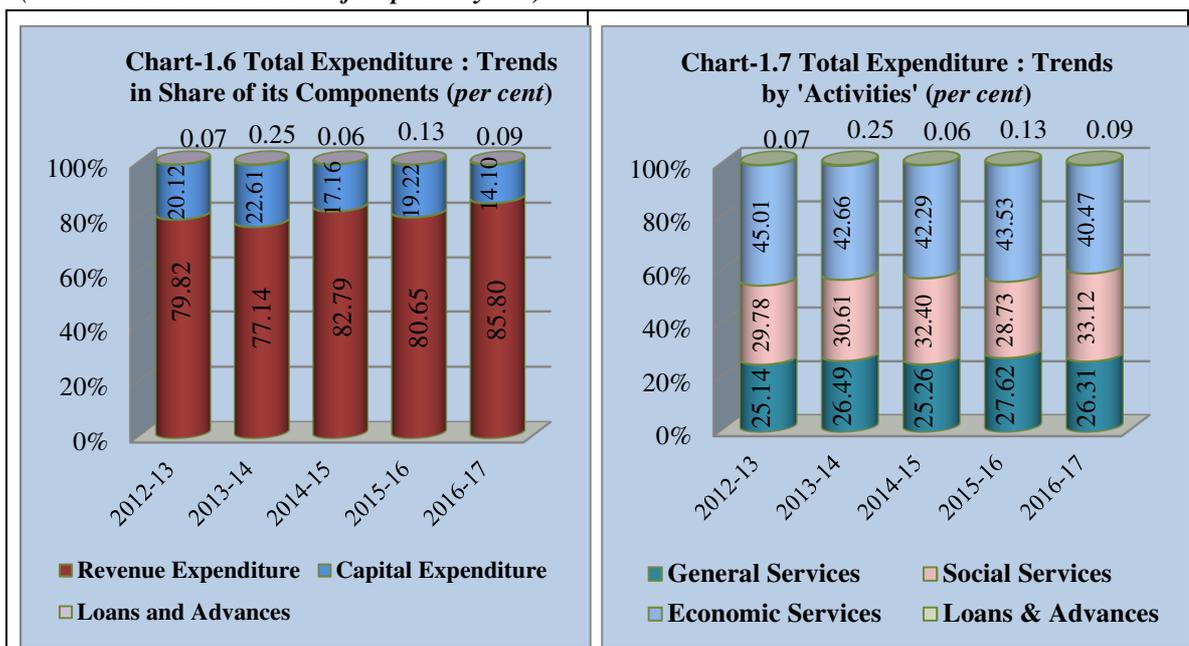
Analysis of allocation of expenditure at State Government level assumes significance since major expenditure responsibilities are entrusted with the State Government. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by 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 Sector.

### 1.6.1 Growth and Composition of Expenditure

**Chart 1.5** presents trends in total expenditure over five years (2012-13 to 2016-17). The composition, both in terms of 'economic classification' and 'expenditure by activities,' are depicted in **Charts 1.6 and 1.7** respectively.



(Source: Finance Accounts of respective years)



(Source: Finance Accounts of respective years)

## Finances of The State Government

Total Expenditure of the State increased by ₹ 4,952.41 crore (82.59 per cent) from ₹ 5,996.47 crore in 2012-13 to ₹ 10,948.88 crore in 2016-17. 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 1.15**.

**Table - 1.15: Total Expenditure – Basic Parameters**

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Total Expenditure (TE)</b>	<b>5996.47</b>	<b>7429.63</b>	<b>8644.70</b>	<b>10368.97</b>	<b>10948.88</b>
<i>Non-Plan Expenditure</i>	3092.26	3966.49	4268.05	5671.80	6641.45
<i>Plan Expenditure</i>	2904.21	3463.14	4376.65	4697.17	4307.43
Rate of Growth of TE( <i>per cent</i> )	(-) 7.65	23.90	16.35	19.95	5.59
TE/GSDP Ratio ( <i>per cent</i> )	47.79	50.95	48.21	51.09	45.51
RR/TE Ratio ( <i>per cent</i> )	96.08	78.34	105.68	101.78	107.59
<b>Buoyancy of Total Expenditure with reference to</b>					
GSDP ( <i>ratio</i> )	(-) 0.57	1.47	0.71	1.51	0.30
RR ( <i>ratio</i> )	(-) 1.60	23.43	0.29	1.29	0.49

(Source: Finance Accounts of respective years)

The increase of ₹ 579.91 crore (5.59 per cent) in Total Expenditure during 2016-17 over the previous year was on account of increase of ₹ 1031.80 crore in Revenue Expenditure partly offset by decrease in Capital Expenditure by ₹ 449.24 crore and Loans and Advances by ₹ 2.65 crore. While the share of Plan Expenditure constituted around 39.34 per cent (₹ 4,307.43 crore) of the Total Expenditure, the remaining 60.66 per cent (₹ 6,641.45 crore) was Non-plan Expenditure. Buoyancy of Total Expenditure to Revenue Receipts stood at 0.49, indicating that the growth rate of Total Expenditure was lower as compared to growth rate of Revenue Receipts.

In terms of activities, Total Expenditure comprises of expenditure on General Services, including Interest Payments, Social and Economic Services and Loans & Advances. Of the Total Expenditure in 2016-17, expenditure on General Services, including Interest Payments, which are considered as non-developmental, accounted for 26.31 per cent. On the other hand, expenditure on Social and Economic Services (Revenue & Capital), termed as Development Expenditure, together accounted for 73.59 per cent during 2016-17. The relative share of Social Services increased from 28.72 per cent in 2015-16 to 33.12 per cent in 2016-17, whereas the relative share of Economic Services decreased from 43.53 per cent in 2015-16 to 40.47 per cent in 2016-17.

### 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 Revenue Expenditure, its rate of growth, buoyancy ratio of Revenue Expenditure to GSDP and Revenue Receipts are indicated in **Table 1.16**.

## Finances of The State Government

**Table - 1.16: Revenue Expenditure – Basic Parameters**

(₹ in crore)					
Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Revenue Expenditure (RE), of which</b>	<b>4786.24</b>	<b>5731.40</b>	<b>7156.59</b>	<b>8362.74</b>	<b>9394.54</b>
<i>Non-Plan Revenue Expenditure (NPRE)</i>	3087.41 (64.51)	3957.59 (69.05)	4245.71 (59.33)	5659.40 (67.67)	6638.40 (70.66)
<i>Plan Revenue Expenditure (PRE)</i>	1698.83 (35.49)	1773.81 (30.95)	2910.88 (40.67)	2703.34 (32.33)	2756.14 (29.34)
Rate of Growth of RE(per cent)	8.34	19.75	24.87	16.85	12.34
RE as percentage of TE	79.82	77.14	82.79	80.65	85.80
<b>Buoyancy Ratio of RE with</b>					
GSDP	0.62	1.22	1.08	1.28	0.67
Revenue Receipts	1.75	19.36	0.44	1.09	1.06

(Figures in brackets represent percentages to Revenue Expenditure)

(Source: Finance Accounts of respective years)

Revenue Expenditure increased by ₹ 4,608.30 crore from ₹ 4,786.24 crore in 2012-13 to ₹ 9,394.54 crore in 2016-17 at a CAGR of 18.36 per cent. Non-Plan Revenue Expenditure (NPRE) during the same period increased from ₹ 3,087.41 crore in 2012-13 to ₹ 6,638.40 crore in 2016-17 at a CAGR of 21.09 per cent outpacing the growth of Revenue Expenditure during the period. As a percentage of Revenue Expenditure, NPRE also increased from 64.51 per cent in 2012-13 to 70.66 per cent in 2016-17. As a result, the share of Plan Revenue Expenditure (PRE) in the Revenue Expenditure decreased from 35.49 per cent during 2012-13 to 29.34 per cent during 2016-17.

### 1.6.3 Committed Expenditure

Committed Expenditure of the State Government on Revenue Account mainly consists of Interest Payments, expenditure on Salaries, Pensions and Subsidies. **Table 1.17** present the trends in expenditure on these components during 2012-17.

**Table - 1.17: Components of Committed Expenditure**

(₹ in crore)					
Components of Committed Expenditure	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Salaries, of which</b>	<b>2110.38</b>	<b>2548.91</b>	<b>2853.24</b>	<b>3098.20</b>	<b>3566.88</b>
<i>Non-Plan Head</i>	1752.10	2098.77	2343.78	2864.40	3468.12
<i>Plan Head</i>	358.28	450.14	509.46	233.80	98.76
Interest Payments	271.85	312.51	350.88	415.64	399.23
Pension and other Retirement Benefits	330.70	398.40	480.71	555.25	640.58
Subsidies	4.05	5.86	7.02	12.03	4.99
<b>TOTAL</b>	<b>2716.98</b>	<b>3265.68</b>	<b>3691.85</b>	<b>4081.12</b>	<b>4611.68</b>

(Source: Finance Accounts of respective years)

Overall Committed Expenditure increased by ₹ 1,894.70 crore (69.74 per cent) from ₹ 2,716.98 crore in 2012-13 to ₹ 4,611.68 crore in 2016-17. Committed Expenditure during 2016-17 constituted 49.09 per cent of Revenue Expenditure and 39.15 per cent of Revenue Receipts. Component-wise analysis is as follows:

### 1.6.3.1 Salaries

During 2016-17, Salaries alone accounted for 30.28 *per cent* of Revenue Receipts. It increased by 69.02 *per cent* and 15.13 *per cent* over 2012-13 and 2015-16 respectively.

### 1.6.3.2 Interest Payments

During 2016-17, Interest Payments, comprising of interest on Internal Debt, Small Savings, Provident Funds, *etc.*, Loans & Advances from the Central Government and other obligations, increased by 46.86 *per cent* over 2012-13; it decreased by ₹ 16.41 crore (3.95 *per cent*) over 2015-16.

### 1.6.3.3 Pension Payments

Pension Payments (including other Retirement Benefits) showed an increasing trend during the five year period (2012-17). During 2016-17, Pension Payments increased by ₹ 309.88 crore (93.70 *per cent*) over 2012-13 and by ₹ 85.33 crore (15.37 *per cent*) over the previous year.

### 1.6.3.4 Subsidies

Expenditure on payment of Subsidies increased by 23.21 *per cent* over 2012-13 whereas it decreased by 58.52 *per cent* from ₹ 12.03 crore in 2015-16 to ₹ 4.99 crore during 2016-17. It constituted 0.05 *per cent* of Revenue Expenditure. The single recipient of Subsidies in 2016-17 was Agriculture Department.

### 1.6.4 Capital Expenditure

Capital Expenditure during 2016-17 (₹ 1544.01 crore) decreased by ₹ 449.24 crore over the previous year due to significant decrease in expenditure on Economic Services (₹ 374.38 crore) and General Services (₹ 232.50 crore), which was partly offset by increase in expenditure on Social Services (₹ 157.65 crore). This expenditure constituted only 14.10 *per cent* of Total Expenditure during 2016-17 as compared to 19.22 *per cent* during the previous year. The State Government could not maintain the Capital Expenditure in line with the projections made in the BEs and REs during 2016-17, as the expenditure fell short of the BEs (₹ 2,605.86 crore) by 40.75 *per cent* and REs (₹ 2,438.24 crore) by 36.68 *per cent*. This 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.

### 1.6.5 Financial Assistance by the State Government to Local Bodies, etc.

The quantum of assistance provided by way of Grants and Loans to Local Bodies and others during 2016-17, relative to previous years is presented in **Table 1.18**

**Table - 1.18: Financial Assistance to Local Bodies etc.**

Institutions	2012-13	2013-14	2014-15	2015-16	2016-17
University and Educational Institutions	6.85	6.64	11.16	7.39	0.00
Cultural Institutions/ Voluntary Organisations for promotion of Arts & Culture	3.06	1.00	0.00	2.22	0.00
State Institute of Rural Development	0.60	0.40	0.00	0.66	0.66
Social Welfare	0.53	0.57	0.57	0.44	0.48

(₹ in crore)

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Institutions	2012-13	2013-14	2014-15	2015-16	2016-17
Food, Storage and Warehousing	3.65	105.91	22.09	0.00	7.11
Co-operation	0.75	1.05	3.22	1.25	2.99
Other Institutions <sup>8</sup>	7.49	21.81	7.59	14.21	26.63
<b>TOTAL</b>	<b>22.93</b>	<b>137.38</b>	<b>44.63</b>	<b>26.03</b>	<b>37.67</b>
<i>Assistance as percentage of Revenue Expenditure</i>	<i>0.48</i>	<i>2.40</i>	<i>0.62</i>	<i>0.31</i>	<i>0.40</i>

(Source: Finance Accounts of respective years)

Financial assistance extended to Local Bodies and other Institutions with inter-year variations increased by 44.72 per cent from ₹ 26.03 crore in 2015-16 to ₹ 37.67 crore in 2016-17. The share of financial assistance in Revenue Expenditure also marginally increased from 0.31 per cent in 2015-16 to 0.40 per cent during 2016-17. Other Institutions were the major recipients (around 70.69 per cent) of the financial assistance followed by Food, Storage and Warehousing (18.87 per cent).

### 1.7 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of expenditure. Improvement in the quality of expenditure basically involves three aspects - adequacy (adequate provisions for providing public services); efficiency (expenditure use) and effectiveness (assessment of outlay-outcome relationships for select services) of expenditure.

#### 1.7.1 Adequacy of Public Expenditure

The analysis of expenditure data is disaggregated into Developmental and Non-Developmental Expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into Social, Economic and General Services. In terms of quality of expenditure, the State was relatively well placed compared to other Special Category States (SCS). **Table 1.19** analyses the fiscal priority given by the State Government to various expenditure heads in 2012-13 and 2016-17 with regard to Developmental Expenditure, Social Sector Expenditure and Capital Expenditure.

**Table - 1.19: Fiscal priority of the State in 2012-13 and 2016-17**

Fiscal priority by the State	TE/GSDP	DE/TE	SSE/TE	CE/TE	Education/TE	Health/TE
SCS Average (Ratio) 2012-13	24.80	61.10	34.30	15.10	18.10	5.30
Arunachal Pradesh (Ratio) 2012-13	47.79	74.81	29.78	20.12	11.73	4.54
SCS Average (Ratio) 2016-17	27.40	61.50	34.20	13.60	16.60	5.40
Arunachal Pradesh (Ratio) 2016-17	45.51	73.67	33.12	14.10	12.51	6.46

TE: Total Expenditure; DE: Development Expenditure; SSE: Social Sector Expenditure; CE: Capital Expenditure

Developmental expenditure includes Developmental Revenue Expenditure, Developmental Capital Expenditure and Development Loans & Advances disbursed.

(Source: Finance Accounts 2012-13 & 2016-17)

A comparison of the data related to Arunachal Pradesh with that of the SCS revealed the following:

<sup>8</sup> Other Institutions include Municipal Committees and Scientific Bodies.

- Total Expenditure as a proportion of GSDP had been higher in the State as compared to the SCS average during 2012-13 and 2016-17.
- Development Expenditure as a proportion of Total Expenditure has also been higher in the State as compared to the SCS average during both 2012-13 and 2016-17.
- Expenditure on Social Sector as a proportion of Total Expenditure was lower than the SCS average during 2012-13 and 2016-17.
- The share of Capital Expenditure as a proportion of Total Expenditure of the State was higher than the SCS average in both the years 2012-13 and 2016-17.
- The share of expenditure on Education as a proportion of Total Expenditure was also lower than the SCS averages in both the years, though it improved in 2016-17.
- The share of expenditure on Health as a proportion of Total Expenditure was less than the SCS average in 2012-13 but was higher in 2016-17.

### 1.7.2 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 rationalisation measures and lay emphasis on provision of core public and merit goods<sup>9</sup>. 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 infrastructure. The higher the ratio of these components to Total Expenditure (and/ or GSDP), the better would be the quality of expenditure. **Table 1.20** presents the trend in Development Expenditure relative to the Total Expenditure of the State during 2016-17 *vis-à-vis* previous years:

**Table - 1.20: Development Expenditure**

Components of Development Expenditure	2012-13	2013-14	2014-15	2015-16	2016-17
Development Expenditure {(a)+(b)+(c)}£	4486.17 (74.81)	5459.08 (73.48)	6456.92 (74.69)	7502.53 (72.36)	8065.61 (73.67)
(a) Development Revenue Expenditure\$	3362.78 (74.96)	3951.34 (73.38)	5094.00 (78.89)	5844.65 (77.90)	6626.78 (82.16)
(b) Development Capital Expenditure\$	1122.42 (25.02)	1491.89 (27.33)	1362.48 (21.10)	1647.67 (21.96)	1430.93 (17.74)
(c) Development Loans & Advances\$	0.97 (0.02)	15.85 (0.29)	0.44 (0.01)	10.21 (0.14)	7.90 (0.10)

(₹ in crore)

(Figures in parenthesis indicate:-£: Percentage to Total Expenditure, \$: Percentage to Development Expenditure)

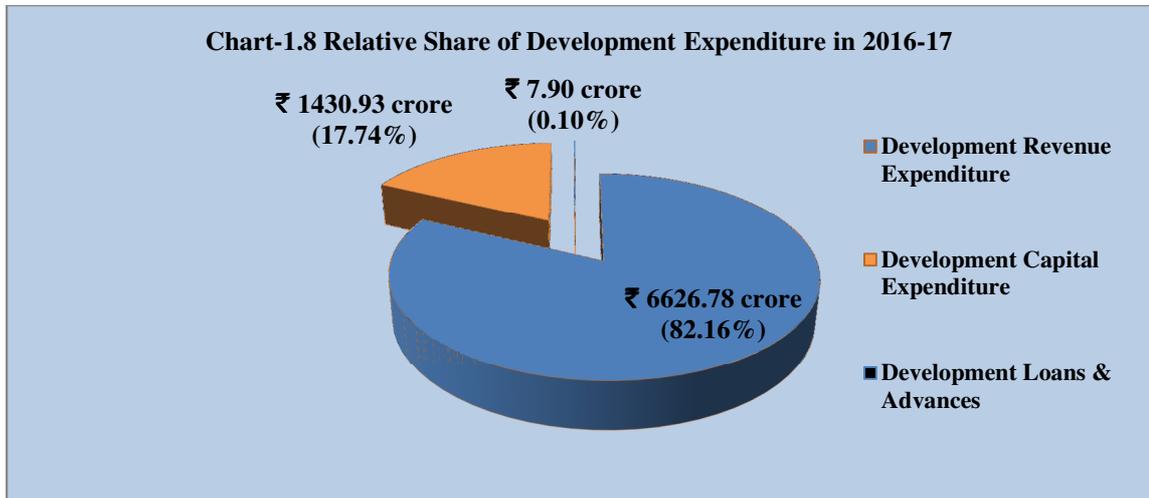
(Source: Finance Accounts of the respective years)

The Development Expenditure on socio-economic services increased from ₹ 4486.17 crore in 2012-13 to ₹ 8065.61 crore in 2016-17. Development Expenditure increased by 7.51 per cent (₹ 563.08 crore) over the previous year. During the five year period ending 2016-17, the share of State's Development Expenditure averaged around 74 per cent of the State's Total Expenditure. The relative share of Development

<sup>9</sup> As explained in Appendix - 1.1.C.

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Expenditure during 2016-17, depicted in **Chart 1.8** below, shows that 82.16 per cent of Development Expenditure was incurred on Revenue Account and only 17.74 per cent was utilised for Capital Expenditure.



(Source: Finance Accounts 2016-17)

During 2016-17, Development Capital Expenditure as a percentage of Total Expenditure decreased to 13.07 per cent as compared to 15.89 per cent in 2015-16. Though, the State Government had earmarked a considerable amount to create assets, it failed to utilise the same, which resulted in predominant share of Revenue Expenditure in Development Expenditure. This 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. The expenditure pattern under this sector needs correction in the ensuing years.

**Table 1.21** and **Table 1.22** summarise the percentage of expenditure incurred by the State Government in expanding and maintaining Social and Economic Services in the State under selected components of Economic and Social Services sector during the period 2012-17.

**Table - 1.21 Efficiency of Capital Expenditure in selected Social and Economic Services**

(in per cent)

Services	Ratio of Capital Expenditure to Total Expenditure <sup>†</sup>				
	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Social Services (SS)</b>					
General Education	6.93	6.52	4.71	3.94	3.94
Technical Education, Sports and Arts & Culture	35.24	50.21	52.67	44.95	26.04
Health & Family Welfare	4.82	8.30	5.87	5.05	2.11
Water Supply & Sanitation, Housing and Urban Development	37.43	47.72	38.24	32.30	41.86
Other Social Services	13.86	15.97	11.41	14.36	12.03
<b>Total (SS)</b>	<b>15.66</b>	<b>22.16</b>	<b>15.8</b>	<b>14.17</b>	<b>15.99</b>
<b>Economic Services (ES)</b>					
Agriculture & Allied Activities	3.38	3.030	1.05	2.07	0.95
Irrigation & Flood Control	13.90	10.78	20.09	40.91	31.38
Energy	30.01	22.70	19.55	18.74	18.15

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Services	Ratio of Capital Expenditure to Total Expenditure <sup>£</sup>				
	2012-13	2013-14	2014-15	2015-16	2016-17
Transport	52.37	54.51	41.18	41.99	30.34
Other Economic Services	28.25	26.99	20.73	16.36	17.47
<b>Total (ES)</b>	<b>31.22</b>	<b>31.18</b>	<b>25.18</b>	<b>27.15</b>	<b>19.20</b>
<b>Grand Total (SS + ES)</b>	<b>25.02</b>	<b>27.41</b>	<b>21.10</b>	<b>21.99</b>	<b>17.76</b>

(Source: Finance Accounts of respective years)

£-Total Revenue and Capital Expenditure of the Services concerned

The Table shows that:

- Development Capital expenditure, in *per cent* terms, decreased to 17.76 *per cent* in 2016-17 from 25.02 *per cent* in 2012-13 and 21.99 *per cent* 2015-16 respectively.
- The ratio of Capital Expenditure in selected Social Services ranged between 14.17 to 22.16 *per cent* during 2012-17.
- The ratio of Capital Expenditure in selected Economic Services ranged between 19.20 to 31.22 *per cent* during 2012-17.

**Table - 1.22: Efficiency of Revenue Expenditure in selected Social and Economic services**

(₹ in crore)

Services	In Revenue Expenditure, the share of Salary					In Revenue Expenditure, the share of Non-Salary				
	2012-13	2013-14	2014-15	2015-16	2016-17	2012-13	2013-14	2014-15	2015-16	2016-17
General Education	461.04 (71.16)	535.41 (74.84)	573.26 (60.10)	643.04 (54.02)	715.45 (55.37)	186.83 (28.84)	179.95 (25.16)	380.61 (39.90)	547.32 (45.98)	576.69 (44.63)
Technical Education, Sports and Arts & Culture	25.86 (51.69)	28.82 (45.66)	35.00 (45.62)	39.54 (46.03)	50.05 (42.79)	24.17 (48.31)	34.30 (54.34)	41.72 (54.38)	46.36 (53.97)	66.93 (57.21)
Health & Family Welfare	203.66 (78.55)	251.02 (80.47)	280.63 (51.38)	291.79 (59.66)	388.09 (56.06)	55.61 (21.45)	60.91 (19.53)	265.57 (48.62)	197.30 (40.34)	304.23 (43.94)
Water Supply & Sanitation, Housing and Urban Development	65.33 (27.79)	75.96 (23.58)	84.89 (23.75)	101.41 (21.70)	112.26 (19.16)	169.73 (72.21)	246.11 (76.42)	272.52 (76.25)	365.84 (78.30)	473.58 (80.84)
Other Social Services	95.17 (30.30)	120.72 (33.75)	116.10 (27.37)	130.51 (40.27)	138.30 (38.50)	218.88 (69.70)	236.96 (66.25)	308.09 (72.63)	193.56 (59.73)	220.89 (61.50)
<b>Social Services</b>	<b>851.06</b> <b>(56.50)</b>	<b>1011.93</b> <b>(57.17)</b>	<b>1089.88</b> <b>(46.21)</b>	<b>1206.29</b> <b>(47.18)</b>	<b>1404.15</b> <b>(46.09)</b>	<b>655.22</b> <b>(43.50)</b>	<b>758.23</b> <b>(42.83)</b>	<b>1268.51</b> <b>(53.79)</b>	<b>1350.38</b> <b>(52.82)</b>	<b>1642.32</b> <b>(53.91)</b>
Agriculture & Allied Activities	177.00 (40.11)	202.87 (33.48)	226.56 (34.49)	265.16 (39.81)	279.27 (36.26)	264.34 (59.89)	403.03 (66.52)	430.29 (65.51)	400.90 (60.19)	490.94 (63.74)
Irrigation & Flood Control	39.51 (29.06)	45.97 (27.39)	52.20 (42.67)	56.26 (32.08)	67.82 (37.65)	96.44 (70.94)	121.88 (72.61)	70.12 (57.33)	119.12 (67.92)	112.33 (62.35)
Energy	126.79 (32.72)	154.52 (37.89)	177.12 (40.27)	208.20 (37.20)	231.28 (29.03)	260.73 (67.28)	253.30 (62.11)	262.70 (59.73)	351.44 (62.80)	565.32 (70.97)
Transport	123.72 (30.31)	162.33 (29.28)	174.24 (20.15)	169.20 (15.10)	48.76 (5.56)	284.52 (69.69)	392.13 (70.72)	690.51 (79.85)	951.37 (84.90)	828.68 (94.44)
Other Economic Services	177.79 (36.78)	206.50 (46.39)	221.86 (34.03)	233.07 (30.41)	455.00 (47.60)	305.66 (63.22)	238.64 (53.61)	430.01 (65.97)	533.26 (69.59)	500.91 (52.40)
<b>Economic Services</b>	<b>644.81</b> <b>(34.73)</b>	<b>772.19</b> <b>(35.40)</b>	<b>851.98</b> <b>(31.14)</b>	<b>931.89</b> <b>(28.34)</b>	<b>1082.13</b> <b>(30.22)</b>	<b>1211.69</b> <b>(65.27)</b>	<b>1408.98</b> <b>(64.60)</b>	<b>1883.63</b> <b>(68.86)</b>	<b>2356.09</b> <b>(71.66)</b>	<b>2498.18</b> <b>(69.78)</b>
<b>Grand Total</b>	<b>1495.87</b> <b>(44.48)</b>	<b>1784.12</b> <b>(45.15)</b>	<b>1941.86</b> <b>(38.12)</b>	<b>2138.18</b> <b>(36.58)</b>	<b>2486.28</b> <b>(37.52)</b>	<b>1866.91</b> <b>(55.52)</b>	<b>2167.21</b> <b>(54.85)</b>	<b>3152.14</b> <b>(61.88)</b>	<b>3706.47</b> <b>(63.42)</b>	<b>4140.50</b> <b>(62.48)</b>

(Source: Finance Accounts of respective years)

The table shows that:

- The expenditure on Salary components under Social and Economic Services during 2016-17 increased by 66.21 *per cent* and 16.28 *per cent* over 2012-13 and

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2015-16 respectively. The expenditure on Non-Salary component under Social and Economic Services in 2016-17 increased by 121.78 per cent and 11.71 per cent over 2012-13 and 2015-16 respectively.

- The Salary component under Revenue expenditure in selected Social Services in 2016-17 increased by 64.99 per cent and 16.40 per cent over 2012-13 and 2015-16 respectively. The Non-Salary component in 2016-17 increased by 150.65 per cent and 21.62 per cent over 2012-13 and 2015-16 respectively.
- The Salary component under Revenue expenditure in selected Economic Services in 2016-17 increased by 67.82 per cent and 16.12 per cent over 2012-13 and 2015-16 respectively. The Non-Salary component in 2016-17 increased by 106.17 per cent and 6.03 per cent over 2012-13 and 2015-16 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 and 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 borrowings to avoid complete dependence on market borrowings. This section presents a broad financial analysis of investments and other Capital Expenditure undertaken by the Government during 2016-17 *vis-à-vis* previous years.

#### 1.8.1 Investment and Returns

As per Statement 8 and 19 of the Finance Accounts for 2016-17, as of 31 March 2017, the State Government invested ₹ 250.02 crore in five Government Companies (₹ 9.00 crore) and 150 Co-operative Banks and Societies (₹ 241.02 crore) as detailed in **Table 1.23**.

**Table - 1.23: Return on Investment**

	(₹ in crore)				
Investment/ Return/ Cost of Borrowings	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Investment at the end of the year (₹ in crore)</b>					
(i) Government Companies	9.04	9.00	9.00	9.00	9.00
(ii) Co-operative Bank/ Societies	215.14	236.05	238.59	240.11	241.02
<b>TOTAL</b>	<b>224.18</b>	<b>245.05</b>	<b>247.59</b>	<b>249.11</b>	<b>250.02</b>
Return (₹ in crore)	<i>Nil</i>				
Average Rate of Interest on Government Borrowings (per cent)	6.41	6.66	6.35	6.92	6.93
Difference between Interest Rate & Return rate (per cent)	6.41	6.66	6.35	6.92	6.93

(Source: Finance Accounts of respective years)

During 2012-13 to 2016-17, average return on investment was 'Nil', while the Government paid interest at an average rate of 6.41 per cent to 6.93 per cent on its borrowings during the period. As on 31 March 2017, there were five working

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Government Companies and as per latest finalised annual accounts, three<sup>10</sup> companies had accumulated losses of ₹ 29.09 crore and two companies had earned a profit of ₹ 23.50 crore. As per their latest finalised accounts, aggregate net worth<sup>11</sup> of two loss making companies<sup>12</sup> stood at *negative* ₹ 18.63 crore and the accumulated losses in these two companies exceeded their paid up capital and in one loss making company<sup>13</sup> the accumulated loss was more than 80 *per cent* of its paid up capital. The two profit making companies<sup>14</sup> had a combined net worth of ₹ 28.52 crore.

### 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 and Advances for other purposes, *e.g.*, loans to Power Projects, Government servants, Tourism, *etc.* **Table 1.24** shows outstanding Loans and Advances as on 31 March of last five years.

**Table - 1.24: Loans & Advances by the State Government**

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
<b>OPENING BALANCE</b>	<b>65.86</b>	<b>66.86</b>	<b>81.97</b>	<b>59.49</b>	<b>66.99</b>
Amount advanced during the year	3.95	18.53	4.93	12.98	10.33
Amount recovered during the year	2.95	3.42	27.41	5.48	3.79
<b>CLOSING BALANCE</b>	<b>66.86</b>	<b>81.97</b>	<b>59.49</b>	<b>66.99</b>	<b>73.53</b>
<i>Net Addition</i>	<i>1.00</i>	<i>15.11</i>	<i>-22.48</i>	<i>7.50</i>	<i>6.54</i>

(₹ in crore)

(Source: Finance Accounts of respective years)

The amount of Loans & Advances by the State Government decreased from ₹ 12.98 crore in 2015-16 to ₹ 10.33 crore in 2016-17. Out of this, ₹ 7.90 crore pertains to Economic Services (Loans for Co-operation) and ₹ 2.43 crore to Government Servants. The repayment of Loans and Advances also decreased by ₹ 1.69 crore in 2016-17 mainly on account of decreases in recovery of Loans for Co-operation (₹ 1.53 crore) and Loans to Government Servants (₹ 0.18 crore), which was offset by an increase under Loans for Urban Development (₹ 0.02 crore).

### 1.8.3 Cash Balances and Investment of Cash Balances

It is generally desirable that the State's flow of resources should match its expenditure obligations. However, to take care of any temporary mismatches in the flow of resources and expenditure obligations, a mechanism of Ways and Means Advances (WMA), Ordinary or Special, from the Reserve Bank of India (RBI) has been put in place. The operating limit for ordinary WMA is reckoned as the three year average of Revenue Receipts and the operative limit for special WMA is fixed by RBI from time to time

<sup>10</sup> AP Industrial Development and Financial Corporation Limited (₹ 22.70 crore); AP Mineral Development and Trading Corporation Limited (₹ 1.81 crore) and AP Forest Corporation Limited (₹ 4.58 crores)

<sup>11</sup> Net worth represents paid up capital plus free reserves less accumulated losses.

<sup>12</sup> AP Industrial Development and Financial Corporation Limited (₹ 18.55 crore); and AP Forest Corporation Limited (₹ 0.08 crores)

<sup>13</sup> AP Mineral Development and Trading Corporation Limited (₹ 0.32 crore)

<sup>14</sup> Arunachal Police Housing and Welfare Corporation Limited (₹ 22.02 crore) and Hydro Power Development Corporation of Arunachal Pradesh Limited (₹ 6.50 crore)

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depending on the holding of Government securities. Overdrafts are given by the RBI, if the state has a minus balance after availing of the maximum advances.

Under an agreement with the RBI, the State Government has to maintain an all-time minimum balance of ₹ 26.00 lakh with RBI. If the balance falls below the agreed minimum, the Government can take ordinary WMA from the RBI, in addition, special WMAs are made available against GoI securities held by the State Government.

The position of Ways and Means Advances and Overdraft for the period 2012-17 is shown in **Table 1.25**:

**Table - 1.25: Ways and Means Advances and Overdraft**

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Ordinary and Special Ways &amp; Means Advance</b>					
Availed during the year	0	0	551.79 (33)	99.81 (14)	253.94 (12)
Outstanding WMAs	55.64	55.64	55.64	353.26	205.21
Interest Paid	0	0	4.21	1.18	0.56
<b>Overdraft</b>					
Availed during the year	0	0	581.38 (28)	233.37 (14)	0
Outstanding Overdraft	0	0	0	(-) 24.01	(-) 605.39
Interest Paid	0	0	0	3.23	0

Figures in parenthesis indicate number of days the advances/ Overdraft availed during the year.  
(Source: Finance Accounts of respective years)

During 2016-17, the Government resorted to ordinary and special Ways and Means Advances amounting to ₹ 253.94 crore for 12 days.

The Cash Balances and Investments made by the State Government out of Cash Balances during 2016-17 are shown in **Table 1.26**

**Table - 1.26: Cash Balances and Investment of Cash Balances**

(₹ in crore)

Particulars	As on 1 <sup>st</sup> April 2016	As on 31 <sup>st</sup> March 2017	Increase(+)/ Decrease(-)
<b>Cash Balances<sup>15</sup></b>	<b>1275.61</b>	<b>1347.28</b>	<b>71.67</b>
<b>Investments from Cash Balances (a &amp; b)</b>	<b>2026.86</b>	<b>1103.03</b>	<b>(-) 923.83</b>
a. GoI Treasury Bills	2026.86	1103.03	(-) 923.83
b. GoI Stock/ Securities	-	-	-
<b>Fund-wise break-up of Investment from Earmarked Balances (a &amp; b)</b>	<b>369.90</b>	<b>519.90</b>	<b>150.00</b>
a. Sinking Fund Investment Account	369.90	519.90	150.00
b. Other Development & Welfare Funds	-	-	-
<b>Interest realised on Investment of Cash Balances</b>	<b>38.07</b>	<b>55.43</b>	<b>17.36</b>

(Source: Finance Accounts 2016-17)

Cash Balances of the State Government increased from ₹ 1,275.61 crore in 2015-16 to ₹ 1,347.28 crore in 2016-17. There was a difference of ₹ 12.31 crore (net debit) at the end of accounting year 2016-17 between the General Cash Balance as worked out by the Accountant General (₹ 599.28 crore) and as reported by the RBI (₹ 611.59 crore). This difference was mainly due to misclassification of transactions by bank/ treasuries. As of

<sup>15</sup> Including investment of Earmarked Funds

## Finances of The State Government

31 March 2017, the State Government invested ₹ 1,103.03 crore in GoI Treasury Bills. During 2016-17, Interest of ₹ 55.43 crore was earned on investment of Cash Balances.

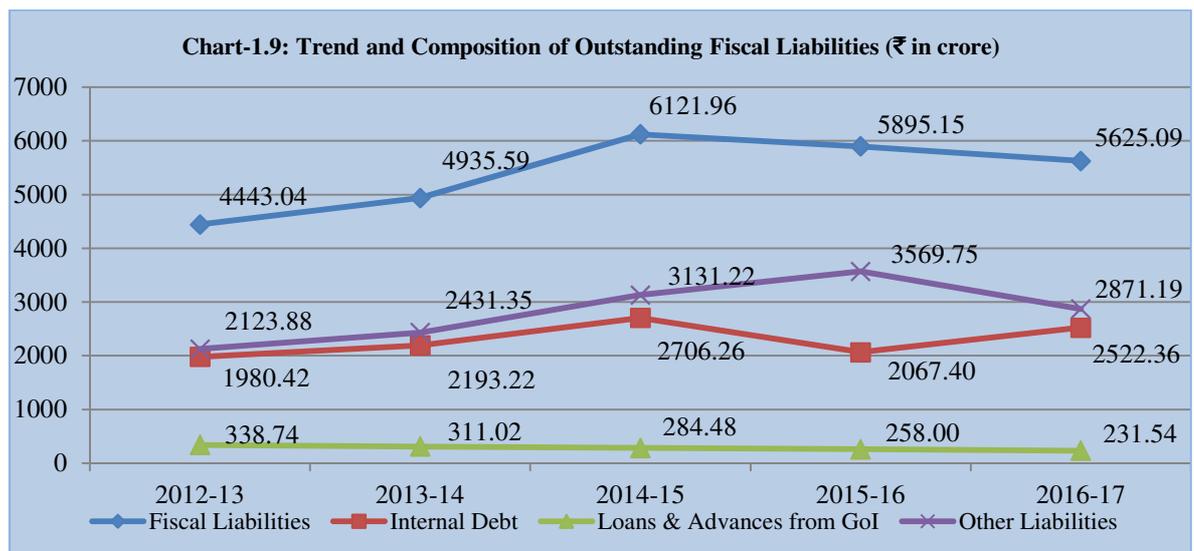
### 1.9 Assets and Liabilities

#### 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 1.5** gives an abstract of such liabilities and assets as on 31 March 2017, compared with the corresponding position on 31 March 2016. While, liabilities consist mainly of Internal Borrowings, Loans & Advances from 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 and composition of fiscal liabilities during the last five years are presented in **Charts 1.9**.



(Source: Finance Accounts of respective years)

**Table 1.27** gives the Fiscal Liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP, to Revenue Receipts and to the State's Own Resources and also the buoyancy of Fiscal Liabilities with reference to these parameters.

**Table - 1.27: Fiscal Liabilities – Basic Parameters**

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Fiscal Liabilities (₹ in crore)</b>	<b>4443.04</b>	<b>4935.59</b>	<b>6121.96<sup>16</sup></b>	<b>5895.15</b>	<b>5625.09</b>
Rate of Growth (per cent)	10.08	11.09	24.04	(-).3.70	(-) 4.58
<b>Ratio of Fiscal Liabilities to</b>					
GSDP (per cent)	35.41	33.85	34.14	29.05	23.38
Revenue Receipts (per cent)	77.12	84.80	67.01	55.86	47.75

<sup>16</sup> The difference of ₹ 0.25 crore between last year Closing Balance and this year Opening Balance is due to correction of error in calculation

## Finances of The State Government

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Own Resources (per cent)	739.62	587.87	665.58	635.81	448.73
<b>Buoyancy of Fiscal Liabilities to</b>					
GSDP (ratio)	0.75	0.68	1.05	(-)0.28	(-)0.25
Revenue Receipts (ratio)	2.11	10.87	0.42	(-)0.24	(-)0.39
Own Resources (ratio)	(-) 0.88	0.28	2.52	(-)4.61	(-)0.13

(Source: Finance Accounts of respective years)

Fiscal Liabilities of ₹ 5625.09 crore during 2016-17 consisted of Internal Debt (market loans, WMAs, loans from Financial Institutions and Special Securities issued to National Small Savings Fund, etc.) :- ₹ 2522.36 crore; Loans & Advances from the Central Government :- ₹ 231.54 crore; Public Account Liabilities (Small Savings, Provident Funds, etc., Reserve Funds and Deposits) :- ₹ 2871.19 crore. While the Fiscal Liabilities of the State increased (26.60 per cent) from ₹ 4443.04 crore in 2012-13 to ₹ 5625.09 crore in 2016-17, it decreased (4.58 per cent) from ₹ 5895.15 crore in 2015-16. The ratio of Fiscal Liabilities to GSDP decreased from 29.05 per cent in 2015-16 to 23.38 per cent in 2016-17. These liabilities were around 48 per cent of Revenue Receipts. The overall liability was about 7.40 times the State's own resources at the end of 2012-13, whereas it had improved to more than four times the State's own resources at the end of March 2017.

### 1.9.3 Transactions under Reserve Fund

The total Fiscal Liabilities of ₹ 5625.09 crore include balance of ₹ 586.12 crore under Reserve Funds as on 31 March 2017. The State has three Reserve Funds viz., State Disaster Response Fund (SDRF), Sinking Funds and Other Funds. The status of Reserve Funds are as under:

#### (a) State Disaster Response Fund

SDRF was set up by the State Government in 2010-11 with contribution of funds from GoI and the State Government in the ratio of 90:10. During 2016-17, Central Government released an amount of ₹ 49.50 crore towards SDRF. Although, the State Government deposited ₹ 24.75 crore, being first instalment of SDRF released by the Central Government, to the designated bank account, the second instalment from the Central Government (₹ 24.75 crore) along with State share (₹ 5.40 crore) amounting to ₹ 30.15 crore was transferred to the Public Account Head 8121-112. Moreover, the State share was short by ₹ 0.10 crore. At the end of March 2017, outstanding balance under the Public Account Head 8121-112 amounting to ₹ 66.09 crore, remained un-invested.

Further, the amount deposited in the SDRF Bank Account was kept outside the purview of Government Accounts. As such, Audit could not ascertain the quantum of expenditure incurred as well as the balance available in the SDRF Bank Account.

#### (b) Consolidated Sinking Fund

The State Government set up a 'Consolidated Sinking Fund' (CSF) in 1999-2000 for amortisation of market borrowings, other loans and non-debt obligations as per the recommendation of XII FC. According to the guidelines of the RBI, which is

## Finances of The State Government

responsible for management of the Fund, State Government is required to contribute a minimum of 0.5 *per cent* of the outstanding liabilities of the previous year. Accordingly, the contribution due from the State Government was ₹ 29.48 crore<sup>17</sup>. Against this, the State Government contributed ₹ 150.00 crore to the Fund. As of 31 March 2017, ₹ 519.90 crore (including previous year's balance of ₹ 369.90 crore) was invested in GoI Securities.

### 1.9.4 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 2012-13 to 2016-17, is given in **Table 1.28**.

**Table - 1.28: Guarantees given by the Government of Arunachal Pradesh**

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Maximum Amount Guaranteed	2.00	2.00	2.00	2.00	2.00
Outstanding Amount of Guarantees (incl. Interest)	1.55	1.55	0.97	0.97	0.98
Percentage of Maximum Amount Guaranteed to Total Revenue Receipts	0.04	0.04	0.02	0.02	0.02

(Source: Finance Accounts of respective years)

The outstanding amount of guarantee of ₹ 0.98 crore as at the close of 2016-17 was with respect to the Government guaranteed loans to one Company, *i.e.*, Arunachal Pradesh Industrial Development & Financial Corporation Limited.

No law under Article 293 of the Constitution has been passed by the State Legislature laying down the maximum limit within which the Government may extend 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 service its debt in future 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 analyse various indicators that determine debt sustainability of the State. **Table 1.29** shows the debt sustainability of the State according to these indicators for five year period from 2012-13 to 2016-17.

<sup>17</sup> 0.5 *per cent* of the total outstanding liabilities of ₹ 5895.15 crore of State Government as on 31 March 2016

## Finances of The State Government

**Table - 1.29: Fiscal Liabilities – Net Debt Available to the State**

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Fiscal Liabilities (FL)	4443.04	4935.59	6121.96 <sup>18</sup>	5895.15	5625.09
GSDP	12,547	14,581	17,931	20,294	24,056
Total Debt Receipts	1560.76	2037.65	3985.91	3110.70	2222.86
Total Debt Payments	882.01	1232.6	2448.90	2921.87	2093.69
Net Debt available to the State	678.75	805.05	1537.01	188.83	129.17
Ratio of FL to GSDP	35.41	33.85	34.14	29.05	23.38

(Source:-Finance Accounts of the respective years and for GSDP figures: Directorate of Economics and Statistics, Government of Arunachal Pradesh)

**Table-1.29** shows that the Debt-GSDP ratio had been on a downward trend from 34.14 per cent during 2014-15 to 23.38 per cent in 2016-17. Again, the Debt-GSDP ratio during 2016-17 was 23.38 per cent which was well within the projected Debt-GSDP ratio set forth by FFC (32.63 per cent) for Arunachal Pradesh. The net Debt available to the State had been positive during 2012-17 indicating that the incremental revenue receipts were sufficient to meet the incremental primary expenditure and interest burden. Although, the net Debt available to the State stood at positive at ₹ 129.17 crore during 2016-17, the decreasing trend from 2014-15 indicate that the State had to made sustainable efforts to mobilise more resources to meet the incremental liabilities arising on account of additional primary expenditure and interest payments.

Details of the Public Debt are available in the Statement 17 of the Finance Accounts 2016-17 and summarised in **Table 1.30**.

**Table - 1.30 Summary of Public Debt**

(₹ in crore)

Sl. No.	Description of the Debt	Balance as on 01 April 2016	Additions	Repayments	Balance as on 31 March 2017	Interest paid during the year
1	Internal Debt	2067.40	1015.27	560.31	2522.36	229.99
2	Loans and Advances from GoI	258.00	-	26.46	231.54	18.00
<b>Total</b>		<b>2325.40</b>	<b>1015.27</b>	<b>586.77</b>	<b>2753.90</b>	<b>247.99</b>

(Source: Finance Accounts 2016-17)

The Public Debt of the State Government as on 01 April 2016 was ₹ 2,325.40 crore with addition during the year 2016-17 of ₹ 1,015.27 crore. After discharging/ repayment of loan amount of ₹ 586.77 crore during the year (excluding an interest payment of ₹ 247.99 crore), there was a closing balance of ₹ 2,753.40 crore as on 31 March 2017.

### 1.11 Fiscal Imbalances

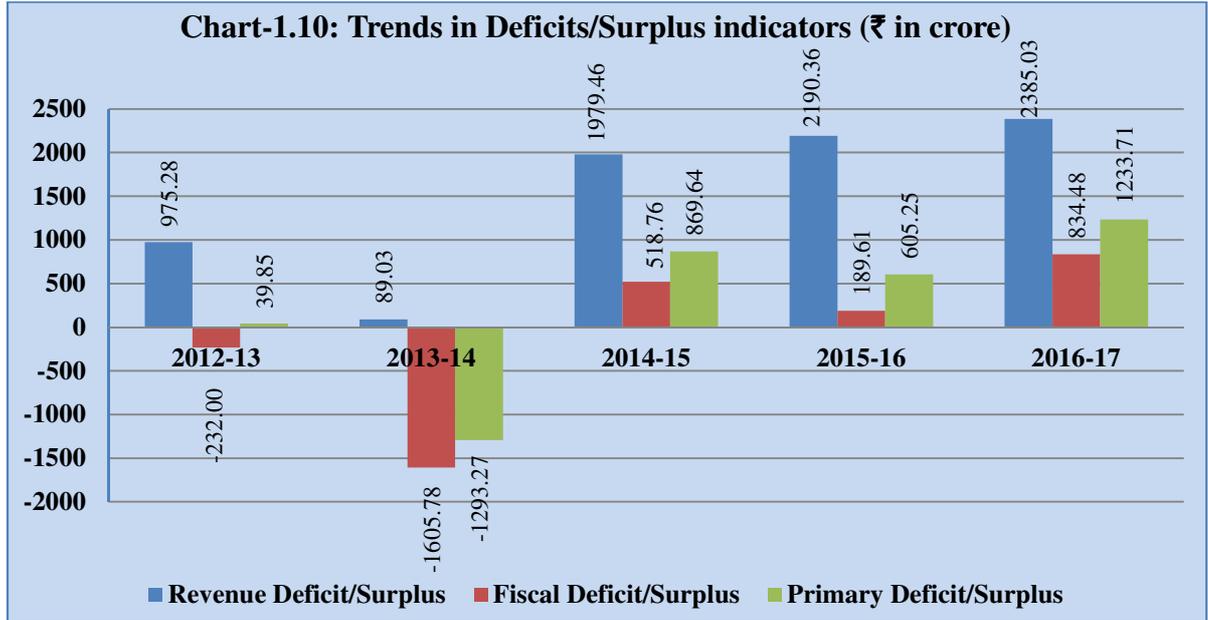
Three key fiscal parameters - Revenue, Fiscal and Primary Deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in Government Accounts represents the gap between receipts and

<sup>18</sup> The difference of ₹ 0.25 crore between last year Closing Balance and this year Opening Balance is due to correction of error in calculation

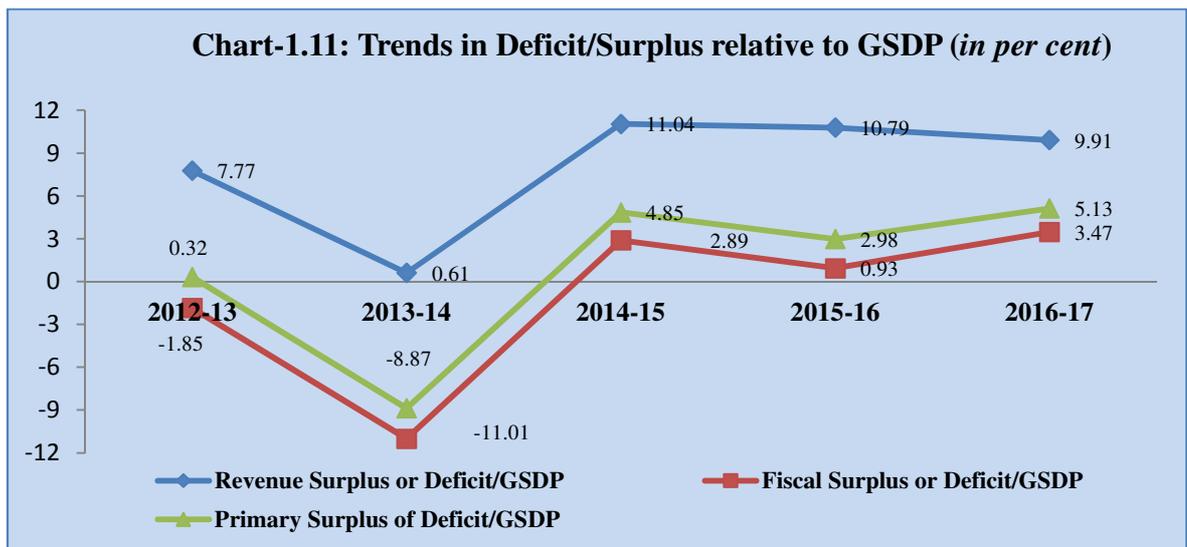
expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, ways in which the deficit is financed and resources raised are applied are important pointers to its fiscal health. This Section presents trends, nature, magnitude, the manner of financing deficits and assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under FRBM Act/ Rules for the financial year 2016-17.

### 1.11.1 Trends in Deficits/Surplus

Charts 1.10 and 1.11 present the trends in deficit indicators over the period 2012-13 to 2016-17.



(Source: Finance Accounts of the respective years)



(Source: Finance Accounts of the respective years)

**Chart 1.18** reveals that the State had Revenue Surplus during the period 2012-13 to 2016-17, which increased from ₹ 89.03 crore in 2013-14 to ₹ 2,385.03 crore in 2016-17. Compared to 2015-16, Revenue Surplus in 2016-17 increased by ₹ 194.67 crore

## Finances of The State Government

(8.89 per cent) due to significant increase in Revenue Receipts by ₹ 1,226.47 crore in 2016-17 and only a marginal increase in Revenue Expenditure by ₹ 1,031.80 crore in 2016-17.

Fiscal Surplus, which represents excess of total resource gap over the total borrowings of the Government, increased from ₹ 189.61 crore in 2015-16 to ₹ 834.48 crore in 2016-17. The significant increase in Revenue Receipt (₹ 1,226.47 crore) over the previous year plus significant decrease in Capital expenditure (₹ 449.24 crore) mainly led to a Fiscal Surplus of ₹ 834.48 crore in 2016 - 17.

As per recommendations of the XIV FC, Fiscal Deficit of all States will be anchored to an annual limit of three per cent of GSDP. The State was successful to maintain Fiscal Surplus for the last three years.

The Primary Deficit of ₹ 1,293.27 crore, experienced by the State during 2013-14, took a turnaround in 2014-15 followed up to 2016-17, resulting in a Primary Surplus of ₹ 1,233.71 crore. The increase of ₹ 628.46 crore (103.83 per cent) compared to previous year in primary surplus was due to significant increase in Fiscal Surplus (₹ 644.87 crore) over the previous year coupled with decrease in Interest Payments by ₹ 16.41 crore.

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

The financing pattern of the Fiscal Deficit is given in **Table-1.31**.

**Table - 1.31: Components of Fiscal Deficit and its Financing Pattern1**

		(₹ in crore)				
Sl. No	Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Decomposition of Fiscal Deficit</b>						
<b>Fiscal Deficit (-)/Surplus (+)</b>		(-)232.00	(-)1605.78	518.76	189.61	834.48
1	Revenue Deficit (-)/Surplus (+)	975.28	89.03	1979.46	2190.36	2385.03
2	Net Capital Expenditure	1206.28	1679.70	1483.18	1993.25	1544.01
3	Net Loans & Advances	(-)1.00	(-)15.11	22.48	(-)7.50	(-)6.54
<b>Financing pattern of Fiscal Deficit</b>						
1	Market borrowings	133.37	199.82	178.49	58.76	287.28
2	Loans from GoI	(-)27.55	(-)27.73	(-)26.53	(-)26.49	(-)26.45
3	Special Securities issued to NSSF	17.11	23.23	51.70	98.07	86.77
4	Loans from Financial Institutions	(-)13.12	(-)10.25	9.23	(-)66.26	89.21
5	Small Savings, PF, etc	125.92	143.53	200.03	135.66	157.23
6	Reserve Funds	20.00	62.54	20.00	200.00	171.55
7	Deposits and Advances	70.32	44.22	480.25	72.37	(-)1305.66
8	Suspense and Miscellaneous	(-)3.62	914.58	(-)1686.94	(-)454.00	148.74
9	Remittances	166.42	(-)87.92	82.93	723.89	(-)363.18
10	Increase (-)/ Decrease (+) in cash balances	(-)206.85	343.76	(-)101.53	(-)202.18	(-)71.67
11	Increase/ Decrease in WMAs, Overdraft	0.00	0.00	273.61	(-)729.43	(-)8.30
<b>Overall Deficit (1 to 11) (-)</b>		232.00	1605.78	(-)518.76	(-)189.61	(-)834.48

(Source: Finance Accounts of respective years)

## Finances of The State Government

The table shows that though the State observed Fiscal Deficit during 2012-13 and 2013-14, the State was in a comfortable position with Fiscal Surplus of ₹ 518.76 crore during 2014-15 and ₹ 834.48 crore during 2016-17.

### 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) does not have any asset back-up. The bifurcation of Primary Deficit (*Table 1.32*) 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 - 1.32: 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)
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
2014-15	9163.46	6805.71	1483.18	4.93	8293.82	2357.75	(+) 869.64
2015-16	10558.58	7947.10	1993.25	12.98	9953.33	2611.48	(+) 605.25
2016-17	11783.36	8995.31	1544.01	10.33	10549.65	2788.05	(+) 1233.71

(Source: Finance Accounts of respective years)

Analysis of the factors resulting into Primary Deficit or Surplus of the State during 2012 - 13 to 2016 - 17 revealed that only in 2013 - 14, the State experienced Primary Deficit as the Non-Debt Receipts were not enough to meet expenditure requirements under Revenue, Capital and Loans & Advances Account. However, during 2012 - 13, 2014 - 15 to 2016 - 17, Non- debt Receipts were sufficient to meet the expenditure requirement under Revenue, Capital and Loans & Advances Accounts, resulting in Primary Surplus. Primary Deficit of ₹ 1,293.27 crore during 2013 - 14 turned into Primary surplus of ₹ 869.64 crore in 2014 - 15 and continued as Primary Surplus of ₹ 1,233.71 crore during 2016 - 17, which is desirable and needs to be maintained in a consistent manner.

### 1.12 Significant Findings and Recommendations

The State had Revenue Surplus during the period 2012-13 to 2016-17, which increased from ₹ 89.03 crore in 2013-14 to ₹ 2,385.03 crore in 2016-17. The State had a Fiscal Surplus of ₹ 834.48 crore in 2016-17 which was well beyond the Fiscal Deficit limit of three *per cent* of GSDP recommended by FFC.

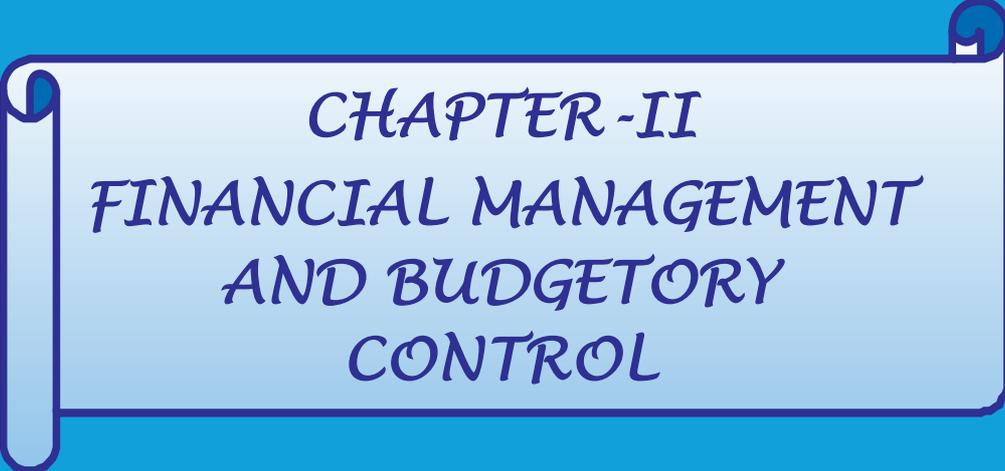
The Revenue Receipts of the State grew steadily from ₹ 5,761.32 crore in 2012-13 to ₹ 11,779.57 crore in 2016-17. However, the State's Own Resources (Own Tax and Non-Tax Resources) constituted only around 11 *per cent* of the Revenue Receipts during

2012-17. *The State Government may explore mobilising additional resources through Tax and non-Tax sources.*

Revenue Expenditure increased by ₹ 1,031.81 crore (12.34 per cent) but Capital Expenditure decreased by ₹ 449.24 crore (22.54 per cent) over the previous year. Revenue Expenditure accounted for 86 per cent of the State's Total Expenditure during 2016-17, which was in the nature of current consumption, thereby, leaving only 14 per cent for Capital Expenditure (investment in infrastructure and asset creation). The Non-Plan Revenue Expenditure ranged between 59 to 71 per cent during 2012-17. The Committed Expenditure on salaries and wages, interest payments, pension and subsidies grew from ₹ 2,716.98 crore in 2012-13 to ₹ 4,611.68 crore in 2016-17.

During 2016-17, the Government had invested ₹ 250.02 crore in Government Companies, Co-operative Bank, Societies, etc. The average return on this investment was *Nil* in the last five years while, the Government paid an average interest rate ranging from 6.35 to 6.93 per cent on its borrowings during 2012-17. Out of the five working Government Companies, accumulated losses in two Companies had exceeded their paid-up capital and in one Company, the accumulated loss was more than 80 per cent of the paid-up capital; the remaining two Companies were in profit. *The Government may consider reviewing the continuance of these loss-making companies from the perspective of their public utility.*

The outstanding fiscal liabilities have shown a steady increase from ₹ 4,443.04 crore in 2012-13 to ₹ 5,625.09 crore in 2016-17. The ratio of fiscal liabilities to GSDP has decreased marginally from 34.14 per cent in 2014-15 to 23.38 per cent in 2016-17, which was lower than the limit prescribed by the FFC for 2016-17.



*CHAPTER-II*  
*FINANCIAL MANAGEMENT*  
*AND BUDGETORY*  
*CONTROL*



## Chapter II

# Financial Management and Budgetary Control

### 2.1 Introduction

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 Estimates (BEs), Supplementary Grants, surrenders and re-appropriations distinctly and indicate actual Capital and Revenue Expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of budget. The Appropriation Accounts thus, facilitate management of finances and accounts.

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 authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

### 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure in 2016-17 against 76 Grants and three Appropriations is given in **Table 2.1** below:

**Table - 2.1: Position of Actual Expenditure *vis-à-vis* Original/ Supplementary Provisions**  
(₹ in crore)

Nature of Expenditure	Details of Grant/ Appropriation		Total	Actual Expenditure <sup>1</sup>	Savings (-)/ Excess (+)	Details of Surrender <sup>2</sup>		
	Original	Supplementary				Amount	Per cent	
<b>Voted</b>	I- Revenue	9732.65	1560.00	11292.65	8825.99	(-) 2466.66	2127.14	86.24
	II - Capital	2606.16	840.73	3446.89	1544.68	(-) 1902.21	1159.31	60.95
	III - Loans & Advances	14.60	6.04	20.64	10.33	(-) 10.31	0.00	0.00
	<b>TOTAL VOTED</b>	<b>12353.41</b>	<b>2406.77</b>	<b>14760.18</b>	<b>10381.00</b>	<b>(-) 4379.18</b>	<b>3286.45</b>	
<b>Charged</b>	IV - Revenue	820.98	1.13	822.11	568.55	(-) 253.56	187.04	73.77
	VI - Public Debt-Repayment	733.50	0.00	733.50	586.77	(-) 146.73	100.89	68.76
	<b>TOTAL CHARGED</b>	<b>1554.48</b>	<b>1.13</b>	<b>1555.61</b>	<b>1155.32</b>	<b>(-) 400.29</b>	<b>287.93</b>	71.93
<b>Appropriation to Contingency Fund (if any)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>13907.89</b>	<b>2407.90</b>	<b>16315.79</b>	<b>11536.32</b>	<b>(-) 4779.47</b>	<b>3574.38</b>	76.90	

(Source: Appropriation Accounts 2016-17)

It will be seen that:

<sup>1</sup> These are gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under Capital Expenditure (₹ 66.76 lakh).

<sup>2</sup> Entire amount was surrendered on 31 March 2017.

## Financial Management and Budgetary Control

- The total savings of ₹ 4,779.47 crore was 34.37 *per cent* of the original budget provision of ₹ 13907.89 crore.
- Gross savings of ₹ 5,124.39 crore had occurred in 71 grants and seven appropriations under Revenue Section and 48 grants and one appropriation under Capital Section.
- The above gross savings was offset by excess expenditure of ₹ 344.92 crore in eight Grants each under Revenue and Capital Section.
- Out of the total savings of ₹ 4,779.47 crore, only ₹ 3,574.38 crore (76.90 *per cent* of the total unspent provision/ savings) was surrendered by 31 March 2017.
- 13.76 *per cent* of the savings of ₹ 2466.66 crore under the Revenue Expenditure head (voted) was not surrendered.
- 39.05 *per cent* of the savings of ₹ 1902.21 crore under the Capital Expenditure head (voted) was not surrendered.
- 26.23 *per cent* of the savings of ₹ 253.56 crore under the Revenue Expenditure head (charged) was not surrendered.
- 31.24 *per cent* of the savings of ₹ 146.73 crore under the Public Debt Repayment (charged) was not surrendered.

The reasons for savings/ excesses (Detailed Appropriation Accounts) were called for (August 2017) from all the concerned departments, out of which explanations for variations were received for 69 Grants/ Appropriations. The State Government needs to make the budget and allocation process more realistic so that optimum utilisation of resources is ensured.

### 2.3 Financial Accountability and Budget Management

#### 2.3.1 Expenditure without Provision

As per Article 204 (3) of the Constitution of India, expenditure should not be incurred on a scheme/ service without provision of funds. In 2016-17, it was noticed that an expenditure of ₹ 224.21 crore was incurred in 17 sub-heads under 14 Grants/ Appropriations without any provisions in the original estimates/ supplementary demands and without any re-appropriation orders to this effect as detailed in **Appendix-2.1**.

Further, there were seven sub-heads under six Grants, where expenditure (more than ₹ one crore in each case) of ₹ 218.63 crore (97.51 *per cent* of the total expenditure without budget provisions) was incurred during the year without any budget provision as shown in the **Table-2.2**.

## Financial Management and Budgetary Control

**Table - 2.2: Expenditure incurred without provision during 2016-17**  
(more than ₹ one crore in each case)

(₹ in crore)

Sl. No.	Grant No.	Major Head of Account-Sub Head-Detailed Head	Expenditure without Provision
1	24	04-2415-80-800-01-Creation of Assets	1.79
2	26	04-5054-80-800-02- Creation of Assets under SADA	43.55
3		04-5054-04-800-04-Schemen under RIDF	4.48
4	33	09-800-02- Celebration of Nyokum Yullo festival at Sagalee	1.14
5	45	3275-80-800-01- Maintenance of Assets	31.61
6	59	4215-01-800-26- Creation of Assets under SADA	91.25
7	65	04-4575-03-800-01- Development of Tirap Changlang District	44.81
<b>Total</b>			<b>218.63</b>

(Source: Appropriation Accounts 2016-17)

This shows that bills were passed in the Treasuries in spite of there being no provisions in the Budget, which is a violation of existing Financial Rules. Besides, Budget and the corresponding Appropriation Act have been flouted.

### 2.3.2 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit showed that savings aggregating ₹ 2520.21 crore in 35 cases (Revenue) and ₹ 2252.90 crore in 34 cases (Capital) exceeded ₹ one crore in each case and more than 20 per cent of the total provisions (*Appendix-2.2*). Against the gross savings of ₹ 5,124.39 crore, savings of ₹ 3450.03 crore (67.33 per cent), exceeding ₹ 100 crore in each case, occurred in 12 Grants/ Appropriations as shown in **Table 2.3**.

**Table - 2.3: List of Grants with Savings of ₹ 100 crore and above**

(₹ in crore)

Sl. No.	Number and Name of the Grant/ Appropriations	Total	Actual Expenditure	Details of Savings	
				Amount	Per cent
<b>Revenue Voted</b>					
1	6-District Administration	535.33	360.96	174.37	32.57
2	11-Social Welfare	233.05	121.21	111.84	47.99
3	15-Health and Family Welfare	874.68	692.32	182.36	20.85
4	26-Rural Works	840.78	418.17	422.61	50.26
5	34-Power	900.41	708.1	192.31	21.36
6	75-Higher and Technical Education	292.57	119.01	173.56	59.32
7	76-Elementary Education	1227.22	899.24	327.98	26.73
<b>Revenue Charged</b>					
8	97-Public Debt	750.84	549.14	201.70	26.86
<b>Capital Voted</b>					
9	31-Public Works	247.65	93.04	154.61	62.43
10	32-Roads and Bridges	652.06	318.17	333.89	51.21
11	50-Secretariat Economic Services	643.82	7.84	635.98	98.78
12	66-Hydro Power Development	453.93	61.84	392.09	86.38
<b>Capital Charged</b>					
13	97-Public Debt	733.50	586.77	146.73	20.00
<b>Grand Total</b>		<b>8385.84</b>	<b>4935.81</b>	<b>3450.03</b>	<b>41.14</b>

(Source: Appropriation Accounts 2016-17)

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### 2.3.3 Persistent Savings

During the last five years, there were persistent savings of more than ₹ one crore each and by 10 per cent or more of the total provisions in six Grants as shown in **Table 2.4**.

**Table - 2.4: List of Grants where persistent savings occurred during 2012-13 to 2016-17**

Sl. No.	No. and Name of Grant	Amount of Savings				
		2012-13	2013-14	2014-15	2015-16	2016-17
<i>(₹ in crore)</i>						
<b>Revenue – Voted</b>						
1	23-Forest	156.24 (57)	62.63 (28)	127.68 (35)	87.92 (28)	47.65 (17)
2	27-Panchayat	73.76 (69)	90.42 (62)	72.49 (63)	47.67 (29)	69.18 (47)
3	38-Water Resources Dept.	41.00 (23)	39.08 (19)	103.84 (46)	27.09 (13)	59.98 (25)
<b>Capital – Voted</b>						
4	38-Water Resources Dept.	66.83 (75)	20.00 (50)	14.00 (31)	206.95 (63)	85.34 (51)
5	50-Secretariat Economic Services	1755.35 (100)	2717.10 (100)	1722.53(100)	951.33 (99)	635.98 (99)
6	56-Tourism	33.92 (56)	24.15 (42)	8.72 (16)	34.11 (76)	17.32 (25)
7	57-Urban Development	116.30 (55)	149.34 (36)	126.96 (44)	70.54 (37)	75.87 (21)

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

*(Source: Appropriation Accounts of respective years)*

Analysis of the reasons for the savings during 2016-17 showed that:

- (i) The savings under Forest was due to non-payment of Assured Career Progression (ACP)/ Modified Assured Career Progression (MACP) to government employees.
- (ii) The savings under Water Resources Department was due to non-receipt of authorisation from the Finance Department.
- (iii) The savings under Tourism was due to incurring expenditure as per actual physical progress of the works.

The trend of persistent savings are being highlighted in the Report of the C&AG on State Finances every year but no corrective measures had been taken by the departments concerned to correct this situation.

### 2.3.4 Unutilised budgetary provision

Appropriation of fund for a work/ scheme during a financial year is approved by the Legislature through the budget. During 2016-17, a provision of ₹ 293.60 crore (Original plus Supplementary) for maintenance works, Centrally Sponsored Schemes (CSS), Non Lapsable Central Pool of Resources Schemes (NLCPRS), Schemes under State Annual Development Agenda (SADA), etc. under 18 Grants and one Appropriation was approved. The concerned Departments, however, could not utilise the funds which resulted in savings of the entire provision as detailed in **Appendix-2.3**.

### 2.3.5 Substantial Surrenders

Substantial surrenders<sup>3</sup> were made in respect of 93 sub-heads under 44 Grants/ Appropriations without assigning any reasons. Out of the total provision amounting to

<sup>3</sup> Cases where more than 50 per cent of total provisions was surrendered.

## Financial Management and Budgetary Control

₹ 2,911.30 crore in these 93 sub-heads, ₹ 2,337.87 crore (**Appendix-2.4**) was surrendered which included 100 *per cent* surrender in 47 sub-heads (₹ 773.74 crore).

### 2.3.6 Surrenders in excess of actual savings

In six Grants, as against savings of ₹ 399.72 crore, ₹ 552.86 crore were surrendered resulting in excess surrender of ₹ 153.14 crore as detailed in **Table 2.5**.

**Table - 2.5: List of Grants showing surrenders more than savings**

(₹ in crore)

Sl. No.	No. and Name of the Grants	Total provision	Total Expenditure	Savings	Details of surrender	
					Amount	Excess
<b>Revenue-Voted</b>						
1	7-Treasury and Accounts Administration	79.58	29.34	50.24	59.02	8.78
2	29-Co-operation	19.26	17.92	1.34	1.79	0.45
3	76-Elementary Education	1227.22	899.24	327.98	463.56	135.58
<b>Capital-Voted</b>						
4	14-Secondary Education	9.49	9.42	0.07	0.67	0.60
5	21-Food, Storage and Warehousing	1.22	0.10	1.12	1.22	0.10
6	53-Fire Protection and Control	26.60	7.63	18.97	26.60	7.63
<b>Total</b>		<b>1363.37</b>	<b>963.65</b>	<b>399.72</b>	<b>552.86</b>	<b>153.14</b>

(Source: Appropriation Accounts 2016-17)

This shows that departments were not aware of their fund position and the expenditure actually incurred there against *vis-à-vis* their budgetary provisions.

### 2.3.7 Savings not surrendered

As per extant Financial Rules, the spending departments are required to surrender the Grants/ Appropriations or portion thereof to the Finance Department as and when savings are anticipated. At the close of 2016-17, out of total savings of ₹ 4425.15 crore under 46 Grants, savings (₹ one crore and above in each case) of ₹ 1695.61 crore (38.32 *per cent*) remained to be surrendered as shown in **Appendix-2.5**. Further, out of the above, there were savings (₹ 10 crore and above in each case) of ₹ 839.52 crore (18.98 *per cent*) under nine Grants but no part of the savings was surrendered by the concerned departments as shown in **Table-2.6**.

**Table - 2.6: Details of Grants/ Appropriations in which no part of the savings was surrendered (₹ 10 crore and above)**

(₹ in crore)

Sl. No.	Name of Grant/ Appropriation	Total provision	Expenditure	Savings	Surrender
<b>Revenue (Voted)</b>					
1	31-Public Works	262.59	221.57	41.02	Nil
2	32-Roads & Bridges	446.08	413.76	32.32	Nil
3	38-Water Resources Department	240.13	180.15	59.98	Nil
4	65-Department of Tirap, Longding and Changlang District	51.08	1.02	50.06	Nil

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Sl. No.	Name of Grant/ Appropriation	Total provision	Expenditure	Savings	Surrender
<b>Capital (voted)</b>					
5	15-Health & Family Welfare	26.67	14.89	11.78	Nil
6	31-Public Works	247.65	93.03	154.62	Nil
7	32-Roads & Bridges	652.06	318.17	333.89	Nil
8	33-North-Eastern Areas	75.98	58.67	17.31	Nil
9	38-Water Resources Department	167.71	82.37	85.34	Nil
10	40-Housing	20.10	3.63	16.47	Nil
11	56-Tourism	70.53	53.21	17.32	Nil
12	75-Higher and Technical Education	57.3	37.89	19.41	Nil
<b>Total</b>		<b>2317.88</b>	<b>1478.36</b>	<b>839.52</b>	

(Source: Appropriation Accounts, 2016-17)

### 2.3.8 Savings partially surrendered

Out of the total savings (₹ 50 crore and above in each case) of ₹ 1507.00 crore under six Grants, only an amount of ₹ 1047.92 crore (69.54 per cent) was surrendered as shown in **Table-2.7**.

**Table - 2.7: Details of savings partially surrendered (₹ 50 crore and above)**

(₹ in crore)

Sl. No.	No and Name of Grants	Savings	Surrender	Savings to be surrendered
<b>Revenue (Voted)</b>				
1	8-Police	127.20	76.77	50.43
2	15-Health & Family Welfare	182.36	126.87	55.49
3	26-Rural Works	422.61	362.52	60.09
4	27-Panchayat	69.18	2.81	66.37
<b>Capital (Voted)</b>				
5	34-Power	69.67	0.01	69.66
6	50-Secretariat Economic Services	635.98	478.94	157.04
<b>Total</b>		<b>1507.00</b>	<b>1047.92</b>	<b>459.08</b>

(Source: Appropriation Accounts 2016-17)

Due to non-surrender of anticipated savings by departments concerned, there was no scope on the part of the Finance Department to utilise the funds for other purposes.

The state Government has not taken any corrective action in this regard in spite of the same being pointed out in State Finance Reports year after year.

### 2.3.9 Excess Expenditure

As per Article 204 (3) of the Constitution of India, no money shall be withdrawn from Consolidated Fund of the State except under appropriations made by law passed in accordance with the provisions of this Article.

In 2016-17, expenditure in 16 cases (₹ 1565.17 crore) exceeded the approved provisions (₹ 1220.26 crore) by ₹ 344.91 crore as detailed in **Appendix-2.6**.

Moreover, in six Grants, expenditure aggregating ₹ 341.32 crore exceeded the approved budget provision either by ₹ one crore or more in each case or by more than 20 per cent of the total provisions as detailed in **Table 2.8**.

**Table - 2.8: Details of Grants/ Appropriations where excess expenditure was more than ₹ one crore each or more than 20 per cent of the total provisions**

(₹ in crore)

Sl. No.	Number and Name of the Grants/ Appropriation	Total provision	Details of Expenditure		Excess as per cent of Total Provisions
			Total	Excess	
<b>Revenue Voted</b>					
1	13-Directorate of Accounts	535.68	636.43	100.75	18.81
2	43-Fisheries	23.50	41.57	18.07	76.89
3	59-Public Health Engineering	495.29	514.37	19.08	3.85
<b>Capital Voted</b>					
4	26-Rural Works	0.00	48.03	48.03	100.00
5	59-Public Health Engineering	24.16	131.17	107.01	442.92
6	65-Department of Tirap, Longding and Changlang District	0.00	44.81	44.81	100.00
7	76-Elementary Education	11.50	15.07	3.57	31.04
<b>Total</b>		<b>1090.13</b>	<b>1431.45</b>	<b>341.32</b>	<b>31.31</b>

(Source: Appropriation Accounts 2016-17)

### 2.3.10 Excess over provisions relating to previous year requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess expenditure over a Grant/ Appropriation regularised by the State Legislature. Although, no time limit for regularisation was prescribed under the Article, excess expenditure was to be regularised after discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). Administrative Departments concerned are required to submit Explanatory Notes for excess expenditure to PAC through Finance Department. However, excess expenditure of ₹ 2636.22 crore from 1986-87 to 2015-16 was yet to be regularised, as detailed in **Appendix 2.7**.

### 2.3.11 Unnecessary supplementary provisions

Supplementary provision aggregating ₹ 382.83 crore (₹ 10 lakh or more in each case) obtained in 35 cases, under 32 Grants, during 2016-17 proved entirely unnecessary as even the original provision was not fully utilised, as detailed in **Appendix-2.8**. This indicated that the Chief Controlling Officers could not realistically assess/ estimate the actual requirement of funds for the remaining period of the financial year. Monitoring of expenditure needs to be strengthened.

Out of these 35 cases, there were unnecessary supplementary provisions (₹ 10 crore and above in each case) aggregating ₹ 160.63 crore (41.96 per cent) in six cases as detailed in **Table-2.9**.

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**Table - 2.9: Statement showing unnecessary Supplementary Provisions of ₹ 10 crore and above**

(₹ in crore)

Sl. No.	Number and Name of the Grants	Original Provision	Actual Expenditure	Savings out of original provision	Supplementary Provision
<b>REVENUE VOTED</b>					
1	6-District Administration	512.66	360.96	151.70	22.67
2	8-Police	756.21	734.42	21.79	105.41
3	26-Rural Works	826.00	418.17	407.83	14.78
4	65-Department of Tirap, Longding and Changlang District	40.74	1.02	39.72	10.34
<b>CAPITAL VOTED</b>					
5	31-Public Works	112.00	93.04	18.96	135.65
6	38-Water Resources Department	142.73	82.37	60.36	24.98
<b>Total</b>		<b>254.73</b>	<b>175.41</b>	<b>79.32</b>	<b>160.63</b>

(Source: Appropriation Accounts 2016-17)

### 2.3.12 Excessive or Inadequate Supplementary Provision

During 2016-17, the excessive or inadequate Supplementary Provisions (₹ One crore and above in each case) ranged between 5 to 100 per cent of the Supplementary Provisions in 56 cases as detailed in Table-2.10.

**Table - 2.10: Range of excessive or inadequate Supplementary provisions**

(₹ in crore)

Range of Supplementary Provisions (excess/ less)	Details of Supplementary Provisions		Number of Grants
	Total	Excess (+)/ Less (-)	
0-20 per cent	549.90	60.97	7
21-40 per cent	161.73	8.35	8
41-60 per cent	200.53	105.98	3
61-80 per cent	913.55	604.72	8
More than 81 per cent	112.78	(-)173.99	4
<b>Total</b>	<b>1938.49</b>	<b>606.03</b>	<b>30</b>

(Source: Appropriation Accounts, 2016-17)

Further, under 27 Grants, Supplementary Provisions aggregating ₹ 1790.87 crore proved excessive by ₹ 832.88 crore; while in three Grants, Supplementary Provisions aggregating ₹ 147.62 crore proved inadequate by ₹ 226.85 crore as detailed in Appendix-2.9.

### 2.3.13 Excessive/ inadequate/ 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 needed. Injudicious re-appropriation proved excessive, inadequate or insufficient in 91 sub-heads and resulted in savings/ excess (₹ one crore and above in each case) as detailed in Appendix-2.10.

## 2.3.14 Injudicious surrender

In four Grants, there were injudicious surrender of ₹ 5.70 crore as departments had already made excess expenditure of ₹ 138.70 crore out of the total provision of ₹ 1145.06 crore as detailed in **Table 2.11**.

**Table - 2.11: Surrender out of the Excess Expenditure**

(₹ in crore)					
Sl. No.	Number and Name of the Grant/ Appropriation	Total Provision	Total Expenditure	Excess	Surrender
<b>Revenue-Voted</b>					
1	13-Director of Accounts	535.68	636.43	100.75	0.05
2	43-Fisheries	23.50	41.57	18.07	2.09
3	48-Horticulture	90.60	91.39	0.79	1.35
4	59-Public Health Engineering	495.28	514.37	19.09	2.21
<b>Total</b>		<b>1145.06</b>	<b>1283.76</b>	<b>138.70</b>	<b>5.70</b>

(Source: Appropriation Accounts 2016-17)

## 2.3.15 Misclassification between Revenue and Capital Heads

Expenditure on minor works, repairs and GIA is to be classified as Revenue Expenditure. Capital Expenditure is incurred with the object of increasing concrete assets. During 2016-17, an expenditure of ₹ 63.54 lakh was incorrectly classified under Capital Head instead of Revenue Head as detailed in **Table 2.10**.

**Table - 2.10 Misclassification between Revenue and Capital Head**

Sl. No.	Major Head	Grant No. & Name	Expenditure (₹ in lakh)	Remarks
1	4202	76- Elementary Education	0.83	Renovation of DIET*
			19.23	Renovation of SCERT*
			24.06	Renovation of DIET*
2	4202	14- Secondary Education	16.25	Renovation of Meeting Hall
			3.17	Renovation of Meeting Hall at Directorate
<b>Total</b>			<b>63.54</b>	

**DIET:-**District Institute of Education & Training; **SCERT:-**State Council of Educational Research & Training

\*-Expenditure out of GIA

(Source: Sanction Orders of the State Government)

Misclassification was noticed in Elementary Education (three cases) and Secondary Education Departments (two cases). Classification of Revenue Expenditure as Capital Expenditure resulted in over-statement of Capital Expenditure by ₹ 63.54 lakh.

## 2.4 Outcome of review of Selected Grants

Audit conducted (November 2017) a review of budgetary procedure and control over expenditure of Grant No. 65-“Department of Tirap, Longding and Changlang District”. Important findings are detailed below:

### 2.4.1 Introduction

Audit scrutiny of the records showed that during 2016-17, a saving of ₹ 50.06 crore in Revenue Section and excess of ₹ 44.81 crore in Capital Section were noticed in the said

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Grant. This was due to either unrealistic budget provisions or excessive control on disbursement of the amount.

The overall position of the budget provisions, actual disbursements and savings under this grant during the last five years is shown in **Table 2.11**.

**Table - 2.11: Financial overview of Grant No. 65 Department of Tirap, Longding and Changlang District**

(₹ in crore)

Year	Total Grant/ Appropriation		Actual Expenditure		Savings		Excess	
	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital
2012-13	2.47	24.00	2.47	23.23	-	0.77	-	-
2013-14	3.11	22.53	3.11	21.91	-	0.62	-	-
2014-15	3.03	26.95	2.92	26.62	0.11	0.32	-	-
2015-16	0.93	40.00	3.23	36.52	-	3.48	2.30	-
2016-17	51.08	-	1.02	44.81	50.06	-	-	44.81

(Source: Appropriation Accounts of respective years)

### 2.4.2 Expenditure without budget provision

Under Capital head, an Expenditure of ₹ 44.81 crore was incurred for development of Tirap and Changlang district without any budget provision. The Department stated that actual grant was ₹ 50.00 crore and necessary budget support from the Finance Department was also accorded. However, as per budget documents of the Finance Department, there was no provision of fund under Capital head in this grant as detailed below:

**Table - 2.12: Expenditure without budget provision**

(₹ in crore)

Sl No	Minor Head/Scheme	Total Provision	Expenditure	Savings (-)/ Excess (+)
1	04- State Plan Schemes 4575- Capital Outlay on Other Areas Programmes 03- Tribal Areas 800- Other Expenditure 01- Development of Tirap and Changlang District	-	44.81	(+) 44.81

(Source: Appropriation Accounts 2016-17)

The excess expenditure of ₹ 44.81 crore, which is a violation of existing financial rules, requires regularisation.

### 2.4.3 Substantial Savings under Sub-heads

As per the Detailed Appropriation Accounts for the year 2016-17, more than 50 per cent savings occurred under Major Head 2575- Other Special Area Programme- 'Development of Tirap and Changlang District' as shown in the **Table 2.13**.

**Table - 2.13: Substantial Savings under the Grant**

(₹ in crore)					
Sl No	Name of the Schemes	Total provision	Actual Expenditure	Savings	Percentage
1	2575-03-001-01 Development of Tirap and Changlang District	51.08	1.02	50.06	98

(Source: Appropriation Accounts 2016-17)

The reason for huge savings was due to erroneous reflection of provision of ₹ 50.00 crore under Plan Section under Revenue Head instead of Capital Head.

Further, no part of these savings were surrendered by the Department by 31<sup>st</sup> March 2017. This indicates that budgetary control was deficient in the Department.

## 2.5 Non-reconciliation of Departmental Figures

### **2.5.1 Submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills**

Rules provide that drawal 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 AC Bills (drawn more than a month before the date of the current Bill).

Records available in respect of some of the Drawing & Disbursing Officers (DDOs)/ COs revealed that DCC Bills for 65 AC Bills amounting to ₹ 3.90 crore were not submitted as on 31 March 2017. Details of AC Bills outstanding as on 31 March 2017 is given in **Table 2.14**:

**Table - 2.14: Position of outstanding AC Bills**

Year	Number of outstanding AC Bills	Amount (₹ in crore)
2015-16	3	0.50
2016-17	62	3.40
<b>TOTAL</b>	<b>65</b>	<b>3.90</b>

(Source: Finance Accounts 2016-17)

During 2016-17, ₹ 5.16 crore was drawn through 296 AC Bills by various COs, out of which, ₹ 1.76 crore was adjusted against 234 DCC Bills leaving ₹ 3.40 crore pending for adjustment against 62 AC Bills.

The State Government has not taken any action on this matter in spite of the same being pointed out in State Finance Reports year after year.

Non-adjustment of advances for long period is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective drawing and disbursing officers. Responsibility needs to be fixed in this regard and a time bound programme needs to be evolved by the State Government to settle these outstanding AC/ DCC Bills.

### 2.5.2 Transfer of funds to Personal Deposit Accounts

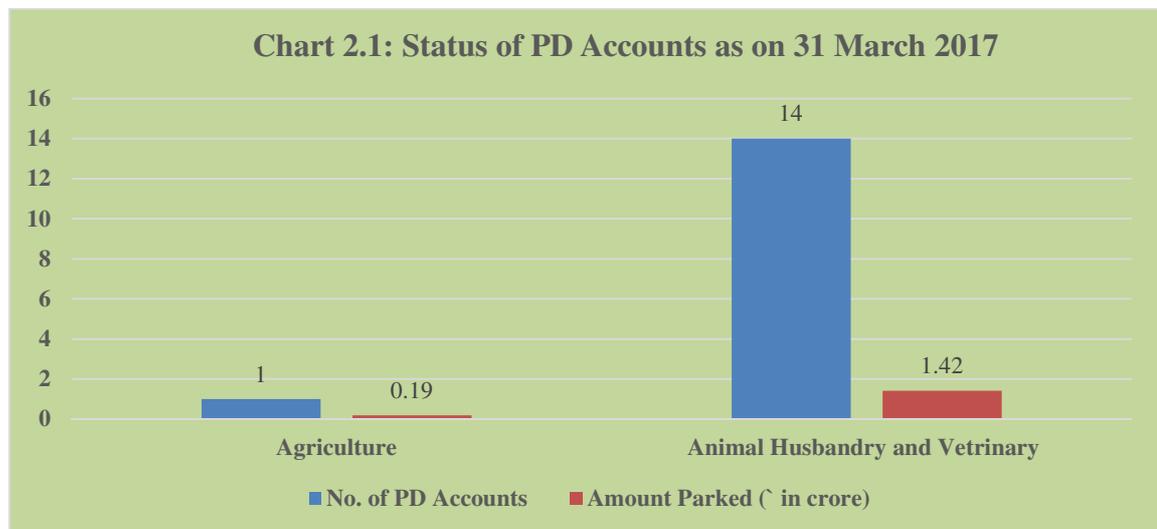
The Personal Deposit (PD) accounts, also known as Personal Ledger Accounts (PLA), are in the nature of a banking account kept in the treasuries. The Government of Arunachal Pradesh is authorised to keep funds required for specific purposes in the PD accounts by transfer of funds from the Consolidated Fund. Generally, administrators are required to close such accounts on last working day of the financial year and transfer the unspent balances back to the Consolidated Fund of Government Accounts. As on 31 March 2017, 15 PD Accounts having a total balance of ₹ 1.61 crore were not transferred to the Consolidated Fund, as indicated in **Table 2.15** and Department-wise status of PD Accounts is shown in **Chart 2.1**

**Table - 2.15:- Status of Personal Deposit Accounts during 2016-17**

Sl. No.	Particulars	Number	Amount (₹ in crore)
1	Opening balance as on 1st April 2016	11 <sup>@</sup>	1.98 <sup>@</sup>
2	Addition during the year	15	1.61
3	Closed during the year	11	1.98
4	Closing balance as on 31st March 2017	15	1.61

<sup>@</sup> Closing balance of number of PD accounts was shown inadvertently in C & AG's Report on State Finances for the year ended 31 March 2016 as seven having deposits of ₹ 1.61 crore instead of 11 having deposits of ₹ 1.98 crore.

(Source: Finance Accounts 2016-17)



(Source: Finance and Appropriation Accounts 2016-17)

## 2.6 Significant findings

The estimates of receipts and expenditure under the Consolidated Fund, Contingency Fund and Public Account were prepared without due diligence.

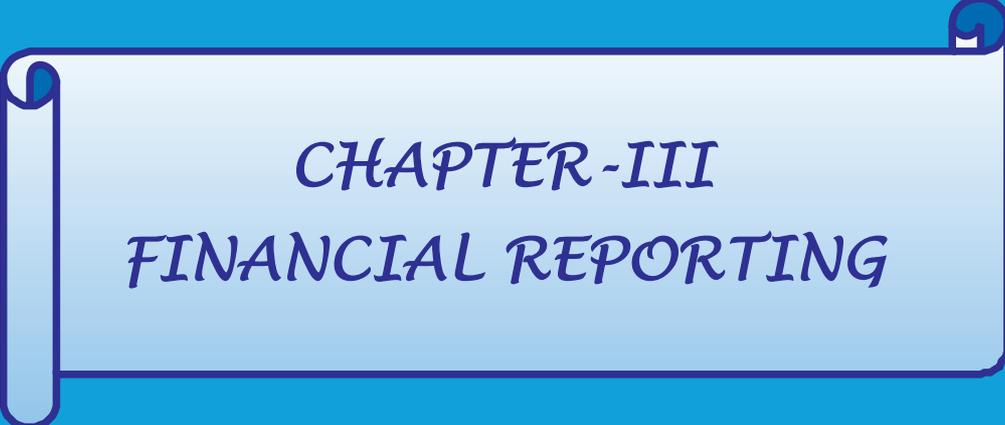
Further, huge excesses over budget provisions, non-utilisation of budget provisions and persistent savings, etc. which were noticed were indicative of ineffective control mechanisms.

At the close of the financial year 2016-17, there were persistent savings under six Grants. 23.10 per cent of the total savings (₹ 1205.09 crore) were not surrendered. There was an excess expenditure of ₹ 344.92 crore in eight Grants each under Revenue and Capital Sections. Excess expenditure over the budgetary allocations amounting to ₹ 2636.87 crore pertaining to the years 1986-87 to 2015-16 was not regularised till November 2017. Detailed Countersigned Contingent Bills were not submitted for an amount of ₹ 3.90 crore drawn on 65 Abstract Contingent Bills. 15 PD Accounts with a total balance of ₹ 1.61 crore were not transferred to the Consolidated Fund.

*Government should put in place an effective mechanism to ensure financial discipline and preparation of realistic budgets. Budgetary controls should be strengthened in all the Government Departments where savings/ excesses persisted. A monitoring mechanism should be put in place at the Drawing and Disbursing Officers (DDOs) level to adjust the Abstract Contingent Bills.*

*With regards to maintenance of PD accounts, the Departments should be directed to strictly follow the procedure prescribed in Civil Accounts Manual for transfer of closing balance of the accounts to the Consolidated Fund at the year end.*





*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. The attributes of good governance consist of compliance with financial rules, procedures, directives, timeliness and quality of reporting. This Chapter provides an overview and status of the State Government's compliances with various financial rules, procedures and directives during the current year.

### 3.1 Utilisation Certificates

General Financial Rules provides that the Utilisation Certificates (UCs) should be obtained by the departmental officers from the Grantees and after verification, these should be forwarded to the Accountant General within 12 months from the date of their sanction as specified in respect of the grants provided for specified purposes. The Department-wise position of outstanding UCs up to the year 2015-16 is given in **Appendix 3.1**. Year-wise position of total outstanding UCs in the State as on 31 March 2017 is given in **Table 3.1**.

**Table - 3.1: Year-wise position of outstanding UCs as on 31 March 2017**

(₹ in crore)

Year	No of UCs Outstanding	Amount Involved
2013-14	25	41.12
2014-15	48	251.32
2015-16	125	397.72
<b>Total</b>	<b>198</b>	<b>690.16</b>

(Source: Finance Accounts 2016-17)

The major departments with large pendency (amount-wise) were Elementary Education (₹ 373.74 crore), Health and Family Welfare (₹ 170.50 crore), Relief and Rehabilitation (₹ 32.50 crore) and Urban Development (₹ 29.50 crore). The pendency in submission of UCs indicates lack of monitoring of utilisation of grants by departments due to which it cannot be ensured that expenditure has actually been incurred for the purpose for which it was given.

The State Government has not taken any action in spite of the same also being pointed out in previous State Finance Reports. The Government needs to enforce strict compliance to the timelines for submission of the UCs by the recipients and failure to comply with the timelines should be scrupulously dealt with.

## Financial Reporting

### 3.2 Submission of Accounts by Autonomous Bodies/ Authorities

The Government need to provide annual inputs to Audit on financial assistance provided to various institutions, the purpose for which the assistance was granted and the expenditure of these institutions to enable the Accountant General to assess audit requirement under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

Annual Accounts of 25 Autonomous Bodies/ Authorities due up to 2016-17 was yet to be submitted to the Accountant General (November 2017). Details of such accounts are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.2**.

**Table - 3.2: Age-wise arrears of Annual Accounts due from institutions**

Sl. No.	Delay (in Years)	Number of Bodies/ Authorities from whom Annual Accounts are awaited
1.	0 – 1	00
2.	1 – 3	05
3.	3 – 5	02
4.	5 – 7	03
5.	7 – 9	11
6.	9 above	04

Out of 25 Bodies/ Authorities, the Annual Accounts in respect of four organisations *viz.*, Arunachal Pradesh Agriculture Marketing Board, Naharlagun, Arunachal Pradesh State Legal Service Authority, Itanagar and Ram Krishna Missions at Aalo and Khonsa were outstanding for more than nine years.

### 3.3 Submission of Accounts by Treasuries, Public Works and Forest Divisions

The Finance and Appropriation Accounts of the Government of Arunachal Pradesh have been compiled based on the initial monthly accounts rendered by 22 District Treasuries/ Sub-treasuries, 181 Public Works and 46 Forest Divisions and advices of the Reserve Bank of India. The monthly Accounts were to be submitted to the Accountant General by the Treasuries and Divisions by 10<sup>th</sup> of the following month. However, there was a delay in rendition of monthly accounts ranging from one to 122 days by Treasuries, one to 140 days by Public Works Divisions and one to 95 days by Forest Divisions.

### 3.4 End use of Cess

The GoI had levied a Cess under Building and Other Construction Welfare (Regulation of Employment and Conditions of Service) Act, 1996 at the rate of one *per cent* of the cost of construction incurred by an employer or any executing agency as the case may be. Rule 5 of the Cess Rule, 1996 provides that the proceeds of the Cess collected shall be transferred by such Government office/ Establishment, as the case may be, to the Arunachal Pradesh Building and Other Construction Welfare Board.

Accordingly, the State Government directed all departments of the State Government to deduct, at source, the Labour Cess at the rate of one *per cent* on the cost of construction works/ projects undertaken by all building and other constructors in the State. Further, this amount was required to be passed on to the Secretary, Arunachal Pradesh Building and Other Construction Welfare Board through an Account Payee Cheque/ Bank Draft.

Section 24 (3) of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 states that no Board shall, in any financial year, incur expenses towards salaries, allowances and other remuneration to its members, officers and other employees and for meeting the other administrative expenses exceeding five *per cent* of its total expenses during the financial year.

Scrutiny of the Receipt and Payment Account of the Arunachal Pradesh Building and Other Construction Workers' Welfare Board for 2016-17 revealed that out of the total expenditure of ₹ 55.69 crore, an expenditure of ₹ 4.28 crore (7.69 *per cent* of the total expenditure) was incurred towards administrative expenses in contravention of Section 24 (3).

### 3.5 Transparency in Government Accounts

There is a global trend towards greater openness in government finances. This is based on a belief that transparent budgetary and accounting practices can ensure that funds raised by the Government for public purposes will be spent as promised by the Government, while maximising the benefits derived from spending. One crucial component of a transparent system of accounting is that the forms of accounts in which the receipts and expenditure of the Government are reported to the Legislature, are constantly reviewed and updated so that they truly reflect receipts and expenditure in respect of all major activities of the Government.

Minor Head 800- Other Expenditure/ Other Receipts are intended to be operated only when the appropriate Minor Head has not been provided for in the accounts. Routine operation of Minor Head 800 is to be discouraged, since it renders the accounts opaque.

## Financial Reporting

Scrutiny of transactions of relevant Major Heads showed that under revenue section, there were 12 transactions involving a receipt of ₹ 2160.86 crore (**Appendix 3.3**) booked under 'Minor Head 800-Other Receipts' (₹ One crore and above in each case and constituting more than 20 *per cent* of the respective Major Head); while under expenditure section, there were 47 transactions involving an expenditure of ₹ 3125.92 crore (**Appendix-3.4**) booked under 'Minor Head 800-Other Expenditure'. Further, in two transactions under revenue section, involving ₹ 368.66 crore (17.06 *per cent* of above mentioned receipts), and 16 transactions under expenditure section, involving ₹ 447.89 crore (14.33 *per cent* of above mentioned expenditure), the entire provision was booked under 'Minor Head 800-Other Receipts' and 'Minor Head 800-Other Expenditure' respectively.

### 3.6 Follow up action on Audit Reports

The Reports of the Comptroller and Auditor General of India on State Finances in respect of the Government of Arunachal Pradesh have been commenting upon Government's finances since 2008-09. These Audit Reports can achieve the desired results only if they evoke positive and adequate response from the administration itself. To ensure accountability of the executive about the issues contained in the Audit Reports, the Finance Department issued instructions (June 1996), for submission of *suo motu* explanatory notes indicating the action taken or proposed to be taken by the concerned administrative departments within three months from the date of presentation of the Audit Reports to the State Legislature.

Though, the Audit Reports on State Finances were placed before the State Legislature in September 2010 (2008-09), March 2011 (2009-10), September 2012 (2010-11), September 2013 (2011-12), July 2014 (2012-13), July 2015 (2013-14), March 2017 (2014-15) and October 2017 (2015-16), *suo motu* explanatory notes on the observations (145 paragraphs) made in the Audit Reports had not been intimated by any of the concerned departments.

State Government should look into this matter and ensure effective action on the audit observations which, in turn, would facilitate reducing the recurrence of financial and other irregularities/ deficiencies as pointed out in these Audit Reports.

**3.7 Significant Findings**

At the end of March 2017, 198 Utilisation Certificates involving ₹ 690.16 crore were yet to be submitted by the grantees. Delays in submission of accounts by treasuries, public works and forest divisions and non-submission of accounts by various autonomous bodies indicates non-compliance with financial rules and weakness in accountability arrangements within the organisations coupled with lack of effective system of internal controls.

**Place: Itanagar**  
**Dated: the 02 April 2018**



**(JOHN K. SELLATE)**  
**Principal Accountant General**  
**Arunachal Pradesh**

**Countersigned**

**Place: New Delhi**  
**Dated: the 04 April 2018**



**(RAJIV MEHRISHI)**  
**Comptroller and Auditor General of India**





*APPENDICES*



**Part – A****Structure and Form of Government Accounts**

*(Reference: Paragraph 1.1; 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 authorisation 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.

# APPENDICES

## APPENDIX 1.1

### Part – B

#### **Layout of Finance Accounts** *(Reference: Paragraph 1.1; page 2)*

#### **Layout of Finance Accounts**

The Finance Accounts (Revised format introduced from 2014-15) have been divided into two Volumes – I and II. Volume I represents financial statements of the Government in summarised form, while Volume II represents detailed financial statements along with the Appendices. The layout of the Finance Accounts is chalked out in the following manner:

Layout	
<b>VOLUME - I</b>	
Statement No. 1	Statement of Financial Position
Statement No. 2	Statement of Receipts and Disbursements
Statement No. 3	Statement of Receipts (Consolidated Fund)
Statement No. 4	Statement of Expenditure (Consolidated Fund)
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 Investment of the Government
Statement No. 9	Statement of Guarantees given by the Government
Statement No. 10	Statement of Grants-in-aid given by the Government
Statement No. 11	Statement of Voted and Charged Expenditure
Statement No. 12	Statement of Sources and Application of Funds for expenditure other than revenue account
Statement No. 13	Summary of Balances under Consolidated Fund, Contingency Fund and Public Account
<b>Notes to Accounts</b>	
<b>VOLUME - II ( Part- I Detailed Statements)</b>	
Statement No. 14	Detailed Statement of Revenue and Capital Receipts by Minor Head
Statement No. 15	Detailed Statement of Revenue Expenditure by Minor Heads
Statement No. 16	Detailed Statement of Capital Expenditure by Minor Heads & Sub-Heads
Statement No. 17	Detailed Statement of Borrowings and Other Liabilities
Statement No. 18	Detailed Statement of Loans & Advances given by the Government
Statement No. 19	Detailed Statement of Investment of the Government
Statement No. 20	Detailed Statement of Guarantees given by the Government

Layout	
Statement No. 21	Detailed Statement on Contingency Fund and other Public Accounts Transactions
Statement No. 22	Detailed Statement on Investment of Earmarked Funds
<b>VOLUME-II (Part- II Appendices)</b>	
<b>I</b>	Comparative Expenditure on Salary by Major Heads
<b>II</b>	Comparative Expenditure on Subsidy
<b>III</b>	Grants-in-aid given by the State Government (Scheme-wise and Institution-wise)
<b>IV</b>	Detailed of Externally Aided Projects
<b>V</b>	Plan Scheme Expenditure A. Central Schemes (Centrally Sponsored Schemes Central Plan Schemes) B. State Plan Schemes
<b>VI</b>	Direct Transfer of Central Scheme funds to Implementing Agencies in the State
<b>VII</b>	Acceptance and Reconciliation of Balances in respect of closing balances shown in St. No. 18 and 21
<b>VIII</b>	I. Financial Results of Irrigation Schemes II. Financial Results of Electricity Schemes
<b>IX</b>	Commitments of the Government-List of Incomplete Capital Works
<b>X</b>	Maintenance Expenditure with segregation of Salary and Non-salary portion
<b>XI</b>	Implications of Major policy Decisions of the Government during the year or New schemes proposed in the Budget for future cash flow
<b>XII</b>	Committed Liabilities of the Government
<b>XIII</b>	Re-organisation of the State-items for which allocation of balances between/among the State has not been finalised.

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

*(Reference: Paragraph 1.1; page: 2)*

Norms/ ceilings prescribed by the 12<sup>th</sup> 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 Product<sup>1</sup> (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 mobilisation 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 at current prices (Base Year 2011-12) as furnished 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 (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/Surplus	Revenue Receipts – Revenue Expenditure
Fiscal Deficit/Surplus	Revenue Expenditure + Capital Expenditure + Net Loans & Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest Payments
Compound Annual Growth Rate (CAGR)	Compound Annual Growth Rate (CAGR) is calculated by taking the $n^{\text{th}}$ root of the total percentage growth rate, where $n$ is the number of years in the period being considered. $\text{CAGR} = ((\text{Ending Value}/\text{Beginning Value})^{(1/\text{period})}) - 1$

<sup>1</sup> 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><b>Core Public Goods</b> 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 &amp; order, security and protection of rights; pollution free air and other environmental goods, road infrastructure, etc.,</p> <p><b>Merit Goods</b> are commodities that the Public Sector provides free or at subsidised 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 subsidised 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>

# APPENDICES

## APPENDIX 1.1

### Part – D

#### State Profile

(Reference: Paragraph 1.1; page: 2)

A. General Data					
Sl. No.	Particulars			Figures	
1.	Area			83,743 sq. km.	
2.	Population - 2010-11 (as per 2011 Census)				
	Male			7,13,912	
	Female			6,69,815	
	<b>Total</b>			13,83,727	
3.	Density of Population (as per 2011 Census) (All India Average = 382 persons per sq. km.)			17 persons per sq. km.	
4.	Population Below Poverty Line (All India Average = 29.5 %)			17.6 %	
5.	Population Growth (2001 to 2011)			25.92 %	
6.	Literacy (as per 2011 Census) (All India Average = 73 %)			65.38 %	
7.	Infant Mortality (per 1000 live births) (All India Average = 37 per 1000 live births)			30	
8.	Gross State Domestic Product (GSDP) 2016-17			₹ 24,056 crore	
9.	GSDP <sup>2</sup> CAGR (2007-08 to 2016-17)			22.98	
B. Financial Data					
Particulars		CAGR 2007-08 to 2015-16		Growth 2015-16 to 2016-17	
		Special Category States	Arunachal Pradesh	Special Category States	Arunachal Pradesh
(a)	Revenue Receipts	13.40	17.01	14.44	11.62
(b)	Own Tax Revenue	17.20	23.62	4.99	32.46
(c)	Non-Tax Revenue	6.58	-6.25	21.61	38.94
(d)	Total Expenditure	11.78	16.69	18.78	5.59
(e)	Capital Expenditure	6.17	12.94	50.62	-22.54
(f)	Revenue Expenditure on General Education	15.30	20.04	13.86	8.55
(g)	Revenue Expenditure on Health & Family Welfare	17.91	21.45	20.55	41.55
(h)	Salaries	15.95	19.96	4.41	15.13
(i)	Pension	17.87	22.60	11.76	15.37

Source: Serial No. 7: SRS Bulletin December 2016 – Estimated Infant Mortality Rate, 2015.

<sup>2</sup> Based on the data furnished by the Directorate of Economics and Statistics, Government of Arunachal Pradesh

**Fiscal Responsibility and Budget Management Act, 2006**  
(Reference: Paragraph 1.1; 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 30<sup>th</sup> March 2006, and the Fiscal Responsibility & Budget Management (FRBM) Rules, 2007, came into force with effect from 12<sup>th</sup> 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 three *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 2016-17.

- 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 2017, the rolling targets for fiscal indicators for 2016-17 were as under:

Revenue Surplus as percentage of GSDP-	11.09
Fiscal Deficit as percentage of GSDP-	0.41
Total outstanding liabilities at the end of the year ( <i>₹in crore</i> )-	4696.44
Liabilities as percentage of GSDP for the year-	21.94

- 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 mobilising additional resources and identifying areas where expenditure could be compressed, to achieve targets set out in the APFRBM Act.

# APPENDICES

## APPENDIX 1.3

### Time Series Data on State Government Finances (Reference: Paragraph 1.1; pages: 2)

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
<b>PART - A (RECEIPTS)</b>					
<b>1. Revenue Receipts</b>	<b>5761.52</b>	<b>5820.43</b>	<b>9136.05</b>	<b>10553.10</b>	<b>11779.57</b>
(a) Own Tax Revenue	316.50 (5)	434.51 (7)	462.16 (5)	535.07(5)	708.75(6)
Taxes on Sales, Trade, etc.;	161.62 (51)	223.60 (51)	195.24 (42)	190.22(35)	282.54(40)
State Excise	49.11 (16)	55.50 (13)	59.87 (13)	86.33(16)	109.05(15)
Taxes on Vehicles	13.38 (4)	17.09 (4)	17.78 (4)	19.30(4)	24.47(3)
Stamp and Registration Fees	3.04 (1)	4.18 (1)	3.83 (1)	5.63(1)	5.08(1)
Land Revenue	4.70 (1)	11.39 (3)	5.99 (1)	8.89(2)	6.44(1)
Taxes on Goods and Passengers	84.65 (27)	122.75 (28)	179.45 (39)	224.70(42)	281.17(40)
(b) Non Tax Revenue	284.22 (5)	405.06 (7)	457.64 (5)	392.12(4)	544.82(5)
(c) State Share in Union Taxes & Duties	957.93 (17)	1045.85 (18)	1109.98 (12)	7075.58(67)	8388.30(71)
(d) Grants-in-aid from GoI	4202.87 (73)	3935.01 (68)	7106.27 (78)	2550.33(24)	2137.70(18)
<b>2. Miscellaneous Capital Receipts</b>	-	-	-	-	-
<b>3. Recoveries of Loans &amp; Advances</b>	<b>2.95</b>	<b>3.42</b>	<b>27.41</b>	<b>5.48</b>	<b>3.79</b>
<b>4. Total Revenue and Non-Debt Capital Receipts(1+2+3)</b>	<b>5764.47</b>	<b>5823.85</b>	<b>9163.46</b>	<b>10558.58</b>	<b>11783.36</b>
<b>5. Public Debt Receipts</b>	<b>276.45</b>	<b>354.15</b>	<b>1540.41</b>	<b>621.10</b>	<b>1015.27</b>
Internal Debt(excluding Ways & Means Advances and Overdrafts)	276.45	354.15	407.24	287.92	761.33
Net Transactions under Ways & Means Advances & Overdrafts	-	-	1133.17	333.18	253.94
Loans & Advances from GoI	-	-	-	-	-
<b>6. Total receipts in the Consolidated Fund (4+5)</b>	<b>6040.92</b>	<b>6178.00</b>	<b>10703.87</b>	<b>11179.69</b>	<b>12798.64</b>
<b>7. Contingency Fund Receipts</b>	-	-	-	-	-
<b>8. Public Accounts Receipts</b>	<b>4113.19</b>	<b>5705.44</b>	<b>4018.72</b>	<b>6038.90</b>	<b>6369.65</b>
<b>9. Total Receipts of Government (6+7+8)</b>	<b>10154.11</b>	<b>11883.44</b>	<b>14722.59</b>	<b>17218.58</b>	<b>19168.28</b>
<b>PART - B (EXPENDITURE/DISBURSEMENTS)</b>					
<b>10. Revenue Expenditure</b>	<b>4786.24</b>	<b>5731.40</b>	<b>7156.59</b>	<b>8362.74</b>	<b>9394.54</b>
Plan	1698.83 (35)	1773.81(31)	2910.88(41)	2703.34(32)	2756.14(29)
Non-Plan	3087.41(65)	3957.59(69)	4245.71(59)	5659.40(68)	6638.40(71)
General Services (incl. Interest Payments)	1423.46 (30)	1780.06(31)	2062.59(29)	2518.09(30)	2767.76(29)
Social Services	1506.28 (31)	1770.16(31)	2358.39(33)	2556.67(31)	3046.47(33)
Economic Services	1856.50 (39)	2181.18(38)	2735.61(38)	3287.98(39)	3580.31(38)
<b>11. Capital Expenditure</b>	<b>1206.28</b>	<b>1679.70</b>	<b>1483.18</b>	<b>1993.25</b>	<b>1544.01</b>
Plan	1205.38 (100)	1673.49(100)	1465.33(99)	1983.63(100)	1543.39(100)
Non-Plan	0.90(-)	6.21(-)	17.85(1)	9.62(-)	0.62 (-)
General Services	83.86(7)	187.81(11)	120.70(8)	345.58(17)	113.08
Social Services	279.76(23)	503.80(30)	442.51(30)	422.26(21)	579.91
Economic Services	842.66(70)	988.09 (59)	919.97(62)	1225.41(62)	851.02

## APPENDICES

	2012-13	2013-14	2014-15	2015-16	2016-17
<b>12. Disbursement of Loans &amp; Advances</b>	<b>3.95</b>	<b>18.53</b>	<b>4.93</b>	<b>12.98</b>	<b>10.33</b>
<b>13. Total of Revenue Expenditure, Capital Expenditure and Disbursement of Loans &amp; Advances (10+11+12)</b>	<b>5996.47</b>	<b>7429.63</b>	<b>8644.70</b>	<b>10368.97</b>	<b>10948.88</b>
<b>14. Repayments of Public Debt</b>	<b>166.64</b>	<b>169.08</b>	<b>1053.91</b>	<b>1286.44</b>	<b>586.77</b>
Internal Debt (including Ways & Means Advances and Overdrafts)	139.09	141.35	1027.38	1259.95	560.31
Loans & Advances from GoI	27.55	27.73	26.53	26.49	26.46
<b>15. Appropriation to Contingency Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>16. Total Disbursement out of Consolidated Fund (13+14+15)</b>	<b>6163.11</b>	<b>7598.71</b>	<b>9698.61</b>	<b>11655.41</b>	<b>11535.65</b>
17. Contingency Fund Disbursements	-	-	-	-	-
18. Public Account Disbursements	3784.15	4628.49	4922.45	5360.99	7560.96
<b>19. Total Disbursements by the State (16+17+18)</b>	<b>9947.37</b>	<b>12227.20</b>	<b>14621.06</b>	<b>17016.40</b>	<b>19096.61</b>
<b>PART - C (DEFICIT/SURPLUS)</b>					
<b>20. Revenue Deficit (-)/ Surplus (+) {1-10}</b>	<b>(+) 975.28</b>	<b>(+) 89.03</b>	<b>(+) 1979.46</b>	<b>(+)2190.36</b>	<b>(+)2385.03</b>
<b>21. Fiscal Deficit (-)/ Surplus (+) {4-13}</b>	<b>(-) 232.00</b>	<b>(-) 1605.78</b>	<b>(+) 518.76</b>	<b>(+)189.61</b>	<b>(+) 834.48</b>
<b>22. Primary Deficit (-)/ Surplus (+) {21+23}</b>	<b>(+) 39.85</b>	<b>(-) 1293.27</b>	<b>(+) 869.64</b>	<b>(+)605.25</b>	<b>(+)1233.71</b>
<b>PART - D (OTHER DATA)</b>					
23. Interest Payments (incl. in Revenue Expenditure)	271.85	312.51	350.88	415.64	399.23
24. Financial Assistance to Local Bodies, etc.,	22.93	137.38	44.63	26.03	37.67
25. Ways & Means Advances/Overdraft availed (days)	-	-	33	2	12
26. Interest on Ways & Means Advances/Overdraft	-	-	-	-	-
27. Gross State Domestic Product (GSDP) <sup>3</sup>	12547.00	14581.00	17931.00	20294.00	24056.00
28. Outstanding Fiscal liabilities (year end)	4443.05	4935.59	6121.96	5895.15	5625.09
29. Outstanding guarantees (year end)	1.55	1.55	0.97	0.97	0.97
30. Maximum Amount Guaranteed (year end)	2.00	2.00	2.00	2.00	2.00
31. Number of incomplete projects	240	201	175	156	156
32. Capital blocked in incomplete projects	-	-	-	-	- <sup>4</sup>
<b>PART - E (FISCAL HEALTH INDICATORS) {per cent}</b>					
<b>I - Resource Mobilisation</b>					
33. Own Tax Revenue/GSDP	2.52	2.98	2.58	2.64	2.95
34. Own Non-Tax Revenue/GSDP	2.27	2.78	2.55	1.93	2.26
35. Central Transfers /GSDP	41.13	34.16	45.82	47.43	43.76

<sup>3</sup> GSDP figures furnished by the Directorate of Economics & Statistics, Government of Arunachal Pradesh

<sup>4</sup> Stipulated date of completion is yet not over

## APPENDICES

	2012-13	2013-14	2014-15	2015-16	2016-17
<b>II - Expenditure Management</b>					
36.Total Expenditure <sup>5</sup> /GSDP	47.79	50.95	48.21	51.09	45.51
37.Total Expenditure/Revenue Receipts	104.08	127.65	94.62	98.26	92.95
38.Revenue Expenditure/Total Expenditure	79.82	77.14	82.79	80.65	85.80
39.Expenditure on Social Services/Total Expenditure	29.78	30.74	32.40	28.73	33.12
40.Expenditure on Economic Services/Total Expenditure	45.02	42.74	42.28	43.63	40.55
41.Capital Expenditure/Total Expenditure	20.12	22.61	17.16	19.22	14.10
42.Capital Expenditure on Social and Economic Services/Total Expenditure	18.72	20.08	15.76	15.89	13.07
<b>III - Management of Fiscal Imbalances</b>					
43.Revenue Surplus/GSDP	7.77	0.61	11.04	10.79	9.91
44.Fiscal Deficit (-) or Surplus (+)/GSDP	-1.85	-11.01	2.89	0.93	3.47
45.Primary Deficit (-) or Surplus (+)/GSDP	0.32	-8.87	4.85	2.98	5.13
46.Revenue Surplus/Fiscal Surplus	(-) 420.38	(-)0.06	381.58	1155.19	285.81
47.Primary Revenue Balance/GSDP	9.94	2.75	13.00	12.84	11.57
<b>IV - Management of Fiscal Liabilities</b>					
48.Fiscal Liabilities/GSDP	35.41	33.85	34.14	29.05	23.38
49.Fiscal Liabilities/RR	77.12	84.80	67.01	55.86	47.75
50.Primary Deficit vis-à-vis Quantum Spread	282.70	424.36	820.55	383.13	684.22
51.Debt Redemption (Principal + Interest)/Total Debt Receipts	91.35	91.16	79.04	120.65	130.11
<b>V - Other Fiscal Health Indicators</b>					
52.Return on Investment(₹in crore)	-	-	-	-	-
53.Balance from Current Revenue (₹in crore)	(-) 542.86	(-) 1308.55	(-)1263.61	2517.93	3382.16
54.Financial Assets/Liabilities (ratio)	2.68	2.35	1.12	1.13	1.12

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

*(Source: Finance Accounts of respective years)*

<sup>5</sup> Revenue Expenditure, Capital Expenditure and Disbursement of Loans & Advances

## APPENDIX - 1.4

## Abstract of Receipts and Disbursements for 2016-17

(Reference: Paragraph 1.1.1; page: 2)

(₹ in crore)

Receipts			Disbursements				
2015-16		2016-17	2015-16	2016-17			
<b>Section – A : Revenue</b>							
	<b>I - Revenue Receipts</b>			<b>I - Revenue Expenditure</b>	<b>Non-Plan</b>	<b>Plan</b>	<b>Total</b>
535.07	Own Tax Revenue	708.75	<b>2518.09</b>	<b>General Services</b>	<b>2696.79</b>	<b>70.97</b>	<b>2767.76</b>
392.12	Non-tax Revenue	544.82	<b>2556.67</b>	<b>Social Services</b>	<b>1653.77</b>	<b>1392.7</b>	<b>3046.47</b>
7075.58	State Share of Union Taxes	8388.30	1276.26	Education, Sports, Arts & Culture	817.51	591.61	1409.12
174.36	Non-Plan Grants	228.69	489.09	Health & Family Welfare	417.70	274.62	692.32
2062.45	Grants for State Plan Schemes	1633.22	467.25	Water Supply, Sanitation, Housing & Urban Development	314.75	271.09	585.84
208.26	Grants for Central/ Centrally Sponsored Plans/Schemes	205.72	19.98	Information & Broadcasting	18.61	10.23	28.84
			31.26	Labour & Welfare	15.06	10.48	25.54
105.26	Grants for Special Plan Schemes	70.07	258.68	Social Welfare & Nutrition	52.65	234.67	287.32
			14.15	Others	17.49	0	17.49
			<b>3287.98</b>	<b>Economic Services</b>	<b>2287.84</b>	<b>1292.47</b>	<b>3580.31</b>
			666.06	Agriculture & Allied Activities	558.31	211.9	770.21
			327.93	Rural Development	153.22	268.55	421.77
			98.14	Special Areas Programme	1.09	120.19	121.28
			175.38	Irrigation & Flood Control	100.95	79.20	180.15
			559.64	Energy	765.72	30.88	796.60
			71.99	Industries & Minerals	59.91	18.96	78.87
			1120.57	Transport	536.13	341.31	877.44
			26.45	Communications	31.62	-	31.62
			16.14	Science, Technology and Environment	13.21	11.71	24.92
			225.67	General Economic Services	67.68	209.77	277.45
<b>10553.10</b>	<b>Total Receipts</b>	<b>11779.57</b>	<b>8362.74</b>	<b>Total Disbursements</b>	<b>6638.40</b>	<b>2756.14</b>	<b>9394.54</b>
	<b>II - Revenue Deficit carried over to Section - B</b>		<b>2190.36</b>	<b>II - Revenue Surplus carried over to Section - B</b>	-	-	<b>2385.03</b>

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Receipts			Disbursements				
2015-16		2016-17	2015-16	2016-17			
Section – B							
				Non-Plan	Plan	Total	
1073.43	III - Opening Cash Balance, including Permanent Advances and Cash Balance Investment	1275.61	-	III - Opening Overdraft from RBI	-	-	-
-	IV - Miscellaneous Capital Receipts	-	1993.25	IV - Capital Outlay	0.62	1543.39	1544.01
			345.58	General Services	0.00	113.08	113.08
			422.26	Social Services	0.00	579.91	579.91
			118.91	Education, Sports, Arts & Culture	0.00	94.14	94.14
			26.03	Health & Family Welfare	0.00	14.89	14.89
			222.97	Water Supply, Sanitation, Housing & Urban Development	0.00	421.74	421.74
			52.34	Social Welfare & Nutrition	0.00	48.32	48.32
			1.01	Information & Broadcasting	0.00	0.62	0.62
			1.00	Others	0.00	0.20	0.20
			1225.41	Economic Services	0.62	850.40	851.02
			14.08	Agriculture and Allied Activities	0.35	7.01	7.36
			20.43	Rural Development Programme	0.00	35.66	35.66
			100.46	Special Areas Programme	0.00	103.48	103.48
			121.40	Irrigation & Flood Control	0.00	82.37	82.37
			129.09	Energy	0.00	176.67	176.67
			10.75	Industry & Minerals	0.00	6.79	6.79
			810.97	Transport	0.00	382.22	382.22
			0.00	Other Scientific and Environmental	0.06	0.00	0.06
			18.23	General Economic Services	0.21	56.20	56.41

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2015-16	Receipts		2016-17	2015-16	Disbursements		2016-17
<b>5.48</b>	<b>V - Recoveries of Loans &amp; Advances</b>		<b>3.79</b>	<b>12.98</b>	<b>V - Loans &amp; Advances Disbursed</b>		<b>10.33</b>
-	from Power Projects	-			to Power Projects	-	
3.23	from Govt. Servants	3.05		2.77	to Govt. Servants	2.43	
2.25	from Others	0.74		10.21	to Others	7.90	
<b>2190.36</b>	<b>VI - Revenue Surplus brought down</b>		<b>2385.03</b>	-	<b>VI - Revenue Deficit brought down</b>		-
<b>621.10</b>	<b>VII - Public Debt Receipts</b>		<b>1015.27</b>	<b>1286.44</b>	<b>VII - Repayment of Public Debt</b>		<b>586.77</b>
287.92	Internal Debt other than Ways & Means Advances and Overdraft	761.33		197.35	Internal Debt other than Ways & Means Advances and Overdraft	306.37	
333.18	Net transactions under Ways & Means Advances, incl. Overdraft	253.94		1062.61	Net transactions under Ways & Means Advances incl. Overdraft	253.94	
-	Loans and Advances from Central Govt.	-		26.48	Repayment of Loans & Advances to Central Govt.	26.46	
-	<b>VIII - Appropriation to Contingency Fund</b>		-	-	<b>VIII - Appropriation to Contingency Fund</b>		-
-	<b>IX - Amount transferred to Contingency Fund</b>		-	-	<b>IX - Expenditure from Contingency Fund</b>		-
<b>6038.90</b>	<b>X - Public Account Receipts</b>		<b>6369.65</b>	<b>5360.99</b>	<b>X - Public Account Disbursements</b>		<b>7560.96</b>
387.63	Small Savings & Provident Funds	388.41		251.97	Small Savings & Provident Funds	231.18	
200.00	Reserve funds	180.15		-	Reserve Funds	8.60	
-480.14	Suspense & Miscellaneous	145.16		-26.14	Suspense & Miscellaneous	-3.59	
3984.66	Remittances	4923.80		3260.78	Remittances	5286.98	
1946.75	Deposits & Advances	732.13		1874.38	Deposits & Advances	2037.79	
	<b>XI - Earmarked Funds</b>			<b>1275.61</b>	<b>XI - Closing Cash Balance</b>		<b>1347.28</b>
				260.24	Cash in Treasuries and Local Remittances	317.77	
				-1388.41	Deposits with Reserve Bank and other Banks	-599.28	
				7.02	Departmental Cash Balance incl. Permanent Advances	6.46	
				2396.76	Cash Balance Investment and Investment of Earmarked Funds	1622.93	
<b>9929.27</b>	<b>TOTAL</b>		<b>11049.35</b>	<b>9929.27</b>	<b>TOTAL</b>		<b>11049.35</b>

(Source: Finance Accounts of respective years)

# APPENDICES

## APPENDIX 1.5

### Summarised financial position of the Government of Arunachal Pradesh as on 31 March 2017 (Reference: Paragraph 1.9.1; page: 25)

(₹ in crore)

As on 31 March 2016	Liabilities		As on 31 March 2017
	<b>Internal Debt</b>		
	-	Market Loans not bearing interest	-
	1254.60	Market Loans bearing interest	1541.88
	0.04	Loans from LIC	(-) 0.09
	316.61	Loans from NABARD	307.93
<b>2067.40</b>	24.58	Loans from other Institutions	122.60
	(-)400.18	Ways and Means and Advances	(-) 400.18
	843.28	Special Securities issued to National Small Savings Fund of the Central Government	930.05
	28.47	Overdraft from Reserve Bank of India	20.17
	-	Other Loans	-
	<b>Loans and Advances from Central Government</b>		
	37.06	Non-Plan Loans	36.70
	169.40	Loans for State Plan Schemes	145.27
<b>257.99</b>	(-)1.34	Loans for Central Plan Schemes	(-) 2.23
	11.53	Loans for Centrally Sponsored Plan Schemes	11.53
	41.34	Loans for Special Schemes	40.27
	-	Other Ways & Means Advances	-
<b>0.05</b>	<b>Contingency Fund</b>		<b>0.05</b>
<b>1604.13</b>	<b>Small Savings, Provident Funds, etc.</b>		<b>1761.36</b>
<b>1551.05</b>	<b>Deposits</b>		<b>523.71</b>
<b>(-) 92.53</b>	<b>Suspense and Miscellaneous Balances</b>		<b>56.21</b>
<b>414.56</b>	<b>Reserve Funds</b>		<b>586.11</b>
	<b>Surplus on Government Account</b>		
<b>13632.86</b>	11442.50	(i) Revenue Surplus as on 31 March 2016	13632.86
	2190.36	(ii) Revenue Surplus during the year	2385.03
<b>19435.51</b>	<b>TOTAL</b>		<b>21699.23</b>

As on 31 March 2016	Assets		As on 31 March 2017
	<b>Gross Capital Outlay on Fixed Assets</b>		
<b>18646.57</b>	249.11	Investment in Shares of Companies, Corporations, Co-operatives, etc;.	250.02
	18397.46	Other Capital Outlay	19940.56
	<b>Loans &amp; Advances</b>		
	10.00	Loans for Power Projects	10.00
<b>66.99</b>	46.06	Other Development Loans	53.22
	10.93	Loans to Government Servants and Miscellaneous Loans	10.31
<b>221.35</b>	<b>Civil Advances</b>		<b>499.67</b>
<b>(-)775.01</b>	<b>Remittance Balances</b>		<b>(-)411.83</b>
	<b>Suspense and Miscellaneous Balances</b>		
	<b>Cash</b>		
	260.24	Cash in Treasuries and Local Remittances	317.17
	(-)1388.41	Deposits with Reserve Bank and other Banks	(-)599.28
<b>1275.61</b>	7.02	Departmental Cash Balance	6.46
	-	Permanent Advances	-
	2026.86	Cash Balance Investments	1103.03
	369.90	Investment of Earmarked Funds	519.90
<b>19435.51</b>	<b>TOTAL</b>		<b>21699.23</b>

(Source: Finance Accounts of respective years)

### Explanatory Notes for Appendices 1.2 and 1.4 and 1.5

1. The abridged accounts in the foregoing Statements have to be read with comments and explanations in the Finance Accounts.
2. Government Accounts, being mainly on cash basis, the surplus/deficit on Government Account, as shown in **Appendix 1.4**, indicates the position on cash basis, as opposed to accrual basis in Commercial Accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, *etc.*, do not figure in the accounts.
3. Suspense and Miscellaneous Balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, *etc.*
4. There was a difference of {₹ 12.31 crore (Debit)} between figures reflected in the accounts {₹ 599.28 crore (credit)} and figures intimated by the Reserve Bank of India {₹ 611.59 crore (debit)} due to misclassification by the Bank/ Treasuries {₹ 12.31 crore (Debit)}.

## APPENDIX 1.6

## Funds transferred directly to Implementing Agencies in the State

(Reference: Paragraph 1.2.2; page: 7)

			(₹ in lakh)
Sl. No.	Name of the Scheme/ Programme	Implementing Units	Funds released
1	Alliance and R & D Mission	Rajiv Gandhi University (RGU)	10.60
		Arunachal University of Studies	11.00
		North Eastern Regional Institute of Science & Technology (NERIST)	6.78
		National Institute of Technology (NIT), Arunachal Pradesh	19.00
2	Kala Sanskriti Vikas Yojana	Ome Society	1.50
		Kalaktang Nyithiling Buddhist Cultural Society	12.50
		Mon Palpung Jangchub Choekhorling Kagyu Society	18.75
		Centre for Buddhist Cultural Studies	250.99
		Central Institute of Himalayan Cultural Studies (CIHCS)	177.63
		Axis Welfare Society	0.04
		Mero Nabam	1.50
		Meena Beyong	1.88
		Nikte Bodi	2.63
		Locha Kawa	2.63
		Mei Killo	1.88
		Arunachal Pradesh Art and Culture Eco Tourism Society	17.50
		Mahabodhi Maitri Mandala	29.75
		North East Vajrayana Buddhist Cultural Association	27.50
		Thembang Multi-purpose Cooperative Society Ltd.	7.50
		Bright Future Society, Ziro	0.12
		Kara Neyi	2.25
		Youth Action for Social Welfare	36.00
		Buddhist Culture Preservation Society	55.00
		Tsun-Gon-Thoog-Jee-Ling Society	15.65
		Tai Khamti Heritage and Literature Society	8.75
		Monyul Traditional Culture Development Society	5.00
		Changkiu Bagang VFMC	5.08
		Gyang-Gong Welfare Association	15.75
		District Horticulture and Agriculture Development Cooperative Society Limited	0.13
		Simang Valley Women Welfare Society, Boleng	1.50
		Hayang Memorial Agro Industry and Education Trust, Arunachal Pradesh	3.50
		Tarak Women Welfare Society	0.50
		Yanang Rebe	1.50
		Gorsam Stupa Cultural Centre	15.00
		Arunachal Pradesh Bhikkhu Sangha	5.00
Zangdok Pabri Foundation for Greater Compassion	5.00		
Jaychueb Chosling Lhaxhang Society	7.50		

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Sl. No.	Name of the Scheme/ Programme	Implementing Units	Funds released
		Padmapa Fellowship	5.00
		Rigdzen Choeling Lhaxhang Society	12.50
		Sir Changlang Development Board	15.00
3	National Fellowship and Scholarship for Higher Education of S.T. children	NIT, Arunachal Pradesh	16.88
4	National Mission on Sustainable Agriculture	Arunachal Pradesh Agriculture Marketing Board (APAMB), Naharlagun	522.65
5	Khelo India-National Programme for development of Sports (An Umbrella Scheme)	Sports Authority of Arunachal	65.66
6	Baba Sahib Ambedkar Hastshilpa Yojana	Arunachal Pradesh Handloom & Handicrafts Development Society (APHHDS)	1.50
7	Disha Programme for Women in Science	RGU	3.00
8	Development of Libraries and Archives	Director of Public Libraries	10.50
9	Biotechnology Research and Development	Botanical Survey of India, Itanagar, Arunachal Pradesh	8.23
		NERIST	17.71
		RGU	45.36
10	Capacity Development Special	Directorate of Economics and Statistics, Arunachal Pradesh	62.86
11	Deen Dayal disabled rehabilitation scheme SJE	Ramakrishna Mission Hospital	5.78
		Manjushree Charitable Society, Tawang	3.87
12	Digital India Programme	All India Survey of Higher Education, Arunachal Pradesh	2.00
13	Environment Protection and Monitoring	Arunachal ENVIS Centre	11.09
14	Grant-in-Aid to voluntary Organisation working for the welfare of scheduled tribes	Ramakrishna Mission Hospital	69.40
		Mahabodhi Maitri Mandala	4.27
		Ramakrishna Mission Aalo	124.22
		Buddhist Culture Preservation Society	22.23
		Oju Welfare Association, Naharlagun	42.18
		Arunachal Pradesh Pali Vidyapeeth	76.14
		Centre for Buddhist Cultural Studies	15.81
		Ramakrishna Mission, Narottam Nagar	91.98
		Bharatiya Adimjati Sevak Sangh (Rupa, Arunachal Branch)	9.80
15	Grants to States E&I Form CRF	M/s Tenzing Construction	49.99
16	Management support to Rural Development Programms and strengthening of District Planning Process in lieu of programms	The Director, State Institute of Rural Development, Itanagar	77.19
17	National Action Plan on Climate Change	Director Environment and Climate Change Centre	6.00

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Sl. No.	Name of the Scheme/ Programme	Implementing Units	Funds released
18	MPs local area development schemes,	Deputy Commissioners	1500.00
19	Museums	Research Institute of World's Ancient Traditions Cultures and Heritage	35.44
		Bright Future Society , Ziro	26.99
		Bui Welfare Society	138.15
		Arunodaya Welfare Society in respect of Monyul Museum	9.54
20	National Handloom Development Programmes CS	Dili Valley Society	18.10
		Parte Danne Multi-Purpose Co-Operative Society Ltd., Arunachal Pradesh	18.10
		M/s Mangder Hender Welfare Society	18.10
		Pago Paa MPCs Ltd.	18.10
		Arunachal Pradesh Handloom & Handicrafts Development Society (APHHDS)	5.00
21	National Health Mission	Arunachal Pradesh State Health Society	1404.00
22	National Mission for justice delivery and legal reforms	State Resource Centre, Arunachal Pradesh	10.44
		Registrar General, High Court of Guwahati (Arunachal Pradesh)	132.79
23	National plan for Dairy Development	Arunachal Pradesh Co-operative Milk producers Union Limited	306.73
24	MGNREGA CS	Society for Rural Development Arunachal Pradesh	21.30
25	NER-Textile promotion scheme	Director of Textile and Handicrafts	1394.90
		Arunachal Pradesh Handloom & Handicrafts Development Society (APHHDS)	503.94
26	North Eastern Council	DRDA Dibang Valley	149.00
		Sambo Lapung	3.00
		Arunachal Pradesh State Badminton Association	10.00
		Hydro Power Development Corporation of Arunachal Pradesh Limited	210.00
		All Arunachal Pradesh Carrom Association	7.00
		Arunachal Pradesh Mountaineering and Adventure Sports Association	10.00
		Department of Tourism, Government of Arunachal Pradesh	124.32
		Arunachal Pradesh State Council for Science & Technology, Itanagar	10.00
		North Eastern Regional institute of Science & Technology (NERIST)	4.12
27	Science and Technology programmed for socio economic development	Take Bogo Welfare Society	8.74
		Sampya Siko Development Society	9.48
		Sieganbo Welfare Society	5.39
		Thembang Bapu Community Conserved Area Management Committee	6.00
		Take Bogo Multipurpose Cooperative Society Limited	10.00
		Arunachal Pradesh State Council for Science & Technology, Itanagar	188.10
28	Protection and Empowerment of Women	Bui Welfare Society	192.54
29	Support to AYUSH	North Eastern Institute of Folk Medicine	745.00

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Sl. No.	Name of the Scheme/ Programme	Implementing Units	Funds released
	Institutions		
30	Strengthening of AYUSH Delivery Systems	Arunachal Pradesh Indian Medicine Council	7.00
		Arunachal Pradesh AYUSH Society	7.00
31	Statutory Institutions	Arunachal Pradesh State Medicinal Plants Board	95.84
		Forest Development Agency, Arunachal Pradesh	93.71
32	Survey and Research	Jawahar Nehru College	3.08
33	Swadesh Darshan- Integrated Development of Theme based Tourism Circuits	Arunachal Tourism Society	4402.40
34	Technology development programme	NERIST	6.00
		Arunachal Pradesh State Council for Science and Technology	30.23
35	Top Class Education Scheme for SC	NIT, Arunachal Pradesh	33.62
36	Research and Development Programme	NERIST	5.22
37	Research and Innovation	NIT, Arunachal Pradesh	3.75
38	Research Education Training and Outreach	Arunachal University of Studies	4.00
39	National AIDS Control Programme III	Arunachal Pradesh AIDS Control Society	931.45
40	GRID Interactive Renewable Power MNRE	Arunachal Pradesh Energy Development Agency	1078.57
		Hydro Power Development Corporation of Arunachal Pradesh Limited	229.74
41	Media and Publicity Panchayati Raj	35 Radhpu Gram Panchayat	10.00
42	Human Resource Development Handicrafts	Nani Sala Foundation	1.95
43	Marketing Support and Services	Arunachal Pradesh Handloom & Handicrafts Development Society (APHHDS)	2.81
44	National Service Scheme NSS CS	Arunachal Pradesh State NSS Cell	49.16
45	Integrated Scheme on Agriculture Marketing	Arunachal Pradesh Agriculture Marketing Board	0.08
46	Off Grid DRPS	Arunachal Pradesh Energy Development Agency	697.36
		Government Polytechnic	2.50
47	State Science and Technology Programme	Arunachal Pradesh State Council for Science and Technology	754.87
48	Design & Technical Up gradation Scheme	Nani Sala Foundation	5.79
		R.K. Mossang	0.83
49	Pradhan Mantri Kaushal Vikas Yojana (PMKVY)	Arunachal Pradesh Skill Development Society	2076.87
50	Technology Education quality Improvement Programme	NERIST	100.00
51	Capacity Building- Panchayat Sashaktikaran Abhiyan(RGPSA)	State Institute of Rural Development	59.00

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Sl. No.	Name of the Scheme/ Programme	Implementing Units	Funds released
52	National Education Mission (Saakshar Bharat C.S.)	State Resource Centre, Arunachal Pradesh	61.61
		Jan Shikshan Sansthan, Naharlagun	26.55
53	National Institute of Technology	NIT, Arunachal Pradesh	5171.00
54	Schemes arising out of the implementation of the Person with Disabilities SJE (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995	National Youth Project	3.03
55	Training Schemes PPG&P	Administrative Training Institute, Naharlagun	11.93
56	Atal Innovation Mission (AIM)	Dibang Valley	0.25
		Anjaw	0.25
		Upper Siang	0.25
		Lohit	0.25
		Kurung Kumey	0.25
		Tirap	0.25
		Longding	0.25
		Lower Dibang Valley	0.25
		Tawang	0.25
		East Kameng	0.25
		West Kameng	0.25
		Lower Subansiri	0.25
		West Siang	0.25
		Changlang	0.25
		Vivekananda Kendriya Vidyalaya Arunachal Pradesh Trust (Kuporijo)	12.03
		St. Fransalian School	12.03
		Namsai	0.25
Siang	0.25		
Kra Daddi	0.25		
Upper Subansiri	0.25		
<b>Total</b>			<b>25435.41</b>

(Source: - Public Financial Management System (PFMS) portal of the Controller General of Accounts (CGA))

## APPENDICES

### APPENDIX - 2.1

#### Expenditure incurred without any Budget Provision

(Reference: Paragraph 2.3.1; Page: 34)

(₹ in lakh)

Sl. No.	Grants/ Appropriation Number- Major Head of Account-Sub Head-Detailed Head	Expenditure without Provision
1	06-05-2053-094-05- Maintenance of Asset	58.59
2	08-4055-800-01- Infrastructure Development	75.87
3	14-08-2202-02-800-12- Preparation of state perspective plan and Teacher's training	69.12
4	22-4408-02-800-01- Construction of Godown	56.02
5	24-04-2415-80-800-01- Creation of Assets	178.75
6	26-04-5054-80-800-02- Creation of Assets under SADA	4354.69
7	26-04-5054-04-800-04- Schemes under RIDF	448.09
8	29-04-2425-800-03- Schemes under SADA	50.00
9	29-04-6425-800-01- Working Capital Loan	86.00
10	29-4425-800-03- Creation of Assets under SADA	79.97
11	33-2552-09-800-02- Celebration of Nyokum Yullo festival at Sagalee	113.86
12	36-5475-112-01- Creation of Assets	20.86
13	45-3275-80-800-01- Maintenance of Assets	3161.54
14	59-4215-01-800-26- Creation of Assets under SADA	9125.04
15	62-5055-050-01- Purchase of Equipment & Buildings	10.72
16	65-04-4575-03-800-01- Development of Tirap Changlang District	4481.40
17	75-2203-800-01- Schemes under SADA	50.00
<b>Total</b>		<b>22420.52</b>

(Source: Appropriation Accounts, 2016-17)

**APPENDIX - 2.2**

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

*(Reference: Paragraph 2.3.2; Page: 35)*

*(₹ in crore)*

Sl. No.	Number and Name of the Grant/ Appropriations	Total	Expenditure	Savings	Percentage
<b>Revenue Voted</b>					
1	4 Election	51.49	24.09	27.40	53.21
2	6 District Administration	535.33	360.96	174.37	32.57
3	7 Treasury and Accounts Administration	79.58	29.34	50.24	63.13
4	11 Social Welfare	233.05	121.21	111.84	47.99
5	14 Secondary Education	395.94	303.49	92.45	23.35
6	15 Health and Family Welfare	874.68	692.32	182.36	20.85
7	16 Art and Cultural Affairs	21.52	13.06	8.46	39.31
8	18 Research	16.58	9.85	6.73	40.59
9	19 Industries	63.85	37.94	25.91	40.58
10	20 Labour	8.36	6.55	1.81	21.65
11	26 Rural Works	840.78	418.17	422.61	50.26
12	27 Panchayat	146.90	77.72	69.18	47.09
13	28 Animal Husbandry and Veterinary	166.65	111.51	55.14	33.09
14	34 Power	900.41	708.10	192.31	21.36
15	36 Statistics	23.96	17.88	6.08	25.38
16	38 Water Resource Department	240.13	180.15	59.98	24.98
17	40 Housing	51.70	25.54	26.16	50.60
18	41 Land Management	27.90	20.32	7.58	27.17
19	52 Sports and Youth Affairs	74.09	53.43	20.66	27.89
20	53 Fire Protection and Control	25.36	15.02	10.34	40.77
21	56 Tourism	51.55	31.11	20.44	39.65
22	57 Urban Development	100.99	34.30	66.69	66.04
23	58 Stationery and Printing	15.22	8.26	6.96	45.73
24	64 Trade and Commerce	25.97	7.31	18.66	71.85
25	65 Department of Tirap, Longding and Changlang District	51.08	1.02	50.06	98.00
26	68 Town Planning Department	38.52	11.63	26.89	69.81
27	71 Department of Tawang and West Kameng	7.76	0.84	6.92	89.18
28	73 Information Technology	24.75	14.78	9.97	40.28
29	74 Social Justice, Empowerment and Tribal Affairs	32.31	23.45	8.86	27.42
30	75 Higher and Technical Education	292.57	119.01	173.56	59.32
31	76 Elementary Education	1227.22	899.24	327.98	26.73
<b>Total of Revenue (Voted)</b>		<b>6646.20</b>	<b>4377.60</b>	<b>2268.60</b>	<b>34.13</b>
<b>Revenue Charged</b>					
32	7 Treasury and Accounts Administration	50.00	0.09	49.91	99.82
33	97 Public Debt	750.84	549.14	201.70	26.86
<b>Total of Revenue (Charged)</b>		<b>800.84</b>	<b>549.23</b>	<b>251.61</b>	<b>31.42</b>
<b>Capital Voted</b>					

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Sl. No.	Number and Name of the Grant/ Appropriations	Total	Expenditure	Savings	Percentage
34	11 Social Welfare	35.00	0.00	35.00	100.00
35	15 Health and Family Welfare	26.68	14.90	11.78	44.15
36	16 Art and Cultural Affairs	16.00	1.27	14.73	92.06
37	18 Research	3.23	0.68	2.55	78.95
38	19 Industries	10.03	6.66	3.37	33.60
39	20 Labour	1.33	0.20	1.13	84.96
40	21 Food, Storage and Warehousing	1.22	0.10	1.12	91.80
41	22 Food and Civil Supplies	10.95	3.73	7.22	65.94
42	24 Agriculture	6.70	0.00	6.70	100.00
43	25 Relief, Rehabilitation and Resettlement	1.50	0.00	1.50	100.00
44	27 Panchayat	5.00	0.00	5.00	100.00
45	28 Animal Husbandry and Veterinary	1.95	0.50	1.45	74.36
46	29 Co-operation	17.98	9.64	8.34	46.38
47	30 State Transport	20.13	12.64	7.49	37.21
48	31 Public Works	247.65	93.04	154.61	62.43
49	32 Roads and Bridges	652.06	318.17	333.89	51.21
50	33 North Eastern Areas	75.98	58.67	17.31	22.78
51	34 Power	184.50	114.83	69.67	37.76
52	35 Information and Public Relations	2.55	0.62	1.93	75.69
53	38 Water Resource Department	167.71	82.37	85.34	50.89
54	39 Loans to Government Servant	3.60	2.43	1.17	32.50
55	40 Housing	20.10	3.64	16.46	81.89
56	45 Civil Aviation	22.44	3.28	19.16	85.38
57	47 Administration of Justice	22.27	0.52	21.75	97.67
58	48 Horticulture	55.00	0.00	55.00	100.00
59	50 Secretariat Economic Services	643.82	7.84	635.98	98.78
60	53 Fire Protection and Control	26.60	7.63	18.97	71.32
61	54 State Tax and Excise	3.10	0.00	3.10	100.00
62	56 Tourism	70.53	53.21	17.32	24.56
63	57 Urban Development	362.80	286.93	75.87	20.91
64	61 Geology and Mining	8.00	1.92	6.08	76.00
65	66 Hydro Power Development	453.93	61.84	392.09	86.38
66	72 Directorate of Prisons	2.00	0.00	2.00	100.00
67	74 Social Justice, Empowerment and Tribal Affairs	100.00	48.32	51.68	51.68
68	75 Higher and Technical Education	57.30	37.89	19.41	33.87
<b>Total of Capital (Voted)</b>		<b>3339.64</b>	<b>1233.47</b>	<b>2106.17</b>	<b>63.07</b>
<b>Capital Charged</b>					
69	97 Public Debt	733.50	586.77	146.73	20.00
<b>Total of Capital (Charged)</b>		<b>733.50</b>	<b>586.77</b>	<b>146.73</b>	<b>20.00</b>
<b>Grand Total</b>		<b>11520.18</b>	<b>6747.07</b>	<b>4773.11</b>	<b>41.43</b>

(Source: Appropriation Accounts, 2016-17)

**APPENDIX - 2.3**

**Statement showing unutilised provision of fund during 2016-17**

*(Reference: Paragraph 2.3.4; Page: 36)*

*(₹ in crore)*

Sl. No	Grant No. & Name	Head of Account/ Description	Budget Provision			Savings	Reasons/ Remarks
			Original	Supplementary	Total		
1	8- Police	05-2055-001-02 Repairs and Maintenance of Police Building	17.50	0.00	17.50	17.50	Non-receipt of sanction order
2	10-Other General, Social and Community Services	2075-797-01 Guarantee Redemption Fund	50.00	0.00	50.00	50.00	Non-receipt of bills
3	13-Directorate of Accounts	2071-01-111-01 Members of Legislative Assembly	4.00	0.00	4.00	4.00	Not intimated
4	14-Secondary Education	2202-02-108-01 Reimbursement of Examination/Tuition fees of AISSCE	0.39	0.00	0.39	0.39	Non submission of Bank A/c and Aadhar numbers
5	22-Food and Civil Supplies	2408-02-190-01 Land Transport Subsidy	0.10	0.00	0.10	0.10	Non-receipt of financial concurrence
6	23-Forests	08-2406-02-110-37 Integrated of Wildlife Habitats	2.82	0.00	2.82	2.82	Not intimated
7	28-Animal Husbandry and Veterinary	03-4415-03-800-01 RKVY	0.00	1.35	1.35	1.35	Release of fund at the fag end of the Financial Year
8	33-North Eastern areas	09-4552-06-800-89 C/o Boundary Wall	0.00	0.14	0.14	0.14	Not intimated
9	35-Information and Public Relations	4220-60-800-01 Creation of Assets	1.63	0.30	1.93	1.93	Misclassification of Major Heads of Accounts
10	36-Statistics	05-3454-02-800-01 Improvement of Statistical Systems	0.25	0.00	0.25	0.25	No Budgetary Support obtained
11	41-Land Management	2029-800-01 NLRMP	5.00	0.00	5.00	5.00	Non release of fund by GoI
12	45-Civil Aviation	3275-800-01 Maintenance of Assets	31.66	0.00	31.66	31.66	Non-receipt of Administrative Approval and Expenditure Sanction
13	50-Secretariat Economic Services	07-4070-800-15 Scheme under NLCPR	158.92	0.00	158.92	158.92	Not intimated
14	52-Sports and Youth Services	03-4202-03-800-09 C/o Playfield	0.00	1.13	1.13	1.13	Not intimated

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Sl. No	Grant No. & Name	Head of Account/ Description	Budget Provision			Savings	Reasons/ Remarks
			Original	Supplementary	Total		
15	53-Fire Protection and Control	04-2070-800-11 Schemes under SADA	7.63	0.00	7.63	7.63	Misclassification of Major Heads of Accounts
16	54-State Tax and Excise	2039-800-01 Mission mode Project for computrisation taxes	0.64	0.00	0.64	0.64	Not intimated
17	57-Urban Development	03-2217-80-800-11 AMRUT	7.37	0.00	7.37	7.37	Non-receipt of Administrative Approval and Expenditure Sanction
18	59-Public Health Engineering	07-4215-01-800-22 PWS at Mebo	0.00	1.57	1.57	1.57	Misclassification of Major Heads of Accounts
19	97-Public Debt	6003-101-07 Repayment of Loans on Power Bonds	1.20	0.00	1.20	1.20	Not intimated
<b>Total</b>			<b>289.11</b>	<b>4.49</b>	<b>293.60</b>	<b>293.60</b>	

(Source: Appropriation Accounts, 2016-17)

**APPENDIX - 2.4**

**Cases of Substantial Surrenders (50 per cent and above of total provisions) made during the year  
(Reference: Paragraph 2.3.5; Page: 36)**

*(₹ in crore)*

Sl. No.	Number and Name of the Grants/ Appropriations	Head of Account	Total provision	Details of Surrender	
				Amount	Per cent
1	4 Elections	2015-106-02	38.30	27.21	71
2	6 District Administration	3451-102-02	90.00	76.16	85
		3451-102-02	74.34	74.34	100
3	7 Treasury and Accounts Administration	2071-01-117-01	63.00	59.02	94
4	8 Police	04-2055-800-02	50.00	50.00	100
5	11 Social Welfare	2235-02-102-01	37.16	31.25	84
		2235-02-800-16	5.06	3.55	70
		2235-60-200-09	2.00	1.85	93
		2235-02-001-01	1.06	1.06	100
		04-4235-02-800-01	35.00	35.00	100
6	14 Secondary Education	2202-02-107-02	55.00	42.81	78
7	16 Art and Cultural Affairs	04-4202-04-800-05	16.00	8.80	55.00
8	18 Research	2205-001-01	8.68	6.02	69
9	19 Industries	2852-80-800-09	10.70	10.50	98
		2230-03-800-13	5.00	5.00	100
		2230-03-800-10	5.00	2.89	58
		2852-80-800-03	0.50	0.25	50
		2230-02-800-07	0.50	0.50	100
10	20 Labour	2230-01-800-05	0.40	0.40	100
		4250-201-01	0.80	0.80	100
11	21 Food, Storage and Warehousing	4408-01-101-01	1.22	1.22	100
12	22 Food and Civil Supplies	03-3456-102-01	8.52	8.52	100
		03-4408-02-800-01	5.00	2.85	57
		03-5475-102-01	5.95	3.50	59
13	23 Forest	2406-01-070-03	10.45	10.45	100
		2406-01-102-01	15.02	9.14	61
		2406-01-800-08	10.00	10.00	100
		03-2046-01-101-02	2.00	2.00	100
		08-2406-02-110-27	0.61	0.61	100
14	24 Agriculture	03-2401-111-01	1.23	0.82	67
		4435-01-800-02	6.70	4.91	73
15	25 Relief, Rehabilitation and Re-settlement	4235-01-800-01	1.50	1.50	100
16	26 Rural Works	3054-04-800-02	25.00	21.00	84
		05-3054-04-337-04	15.00	15.00	100
		3054-80-800-01	8.00	8.00	100
		03-3054-04-800-03	2.77	2.77	100
17	27 Panchayat	4515-800-01	5.00	5.00	100
18	28 Animal Husbandry and Veterinary	2404-800-01	19.00	18.42	97
		03-2403-800-36	13.90	13.90	100
		03-2403-800-37	12.51	12.51	100

## APPENDICES

Sl. No.	Number and Name of the Grants/ Appropriations	Head of Account	Total provision	Details of Surrender	
				Amount	Per cent
		03-2403-800-32	8.07	8.07	100
		2403-106-05	2.50	1.78	71
19	29 Co-operation	03-2425-108-19	1.15	1.15	100
		03-2425-108-11	0.60	0.60	100
20	34 Power	2810-60-800-01	213.25	171.69	80
21	37 Legal Metrology and Consumer Affairs	5475-800-01	0.70	0.67	96
22	40 Housing	2216-05-800-01	27.88	19.16	69
23	43 Fisheries	03-2405-800-08	0.29	0.29	100
		03-2405-800-09	0.52	0.52	100
		04-4405-800-06	0.80	0.80	100
24	45 Civil Aviation	5053-80-800-01	18.50	17.51	95
25	47 Administration of Justice	03-4070-800-12	16.00	16.00	100
		03-4070-800-03	4.50	4.50	100
		04-4070-800-09	1.77	1.22	69
26	48 Horticulture	03-4401-800-04	50.00	50.00	100
		03-4401-800-05	5.00	5.00	100
27	50 Secretariat Economic Services	4070-800-16	242.21	157.33	65
		4070-800-14	195.36	195.36	100
		4070-800-13	126.25	126.25	100
28	53 Fire Protection and Control	4070-800-02	26.60	26.60	100
29	54 State Tax and Excise	4047-039-01	3.10	3.10	100
30	56 Tourism	3452-80-800-37	26.00	18.30	70
31	57 Urban Development	2217-80-800-11	40.00	31.63	79
		2217-80-800-10	20.00	18.94	95
		2217-80-800-08	7.77	7.39	95
		4217-60-051-02	64.80	48.49	75
32	58 Stationery and Printing	2058-800-02	8.00	6.85	86
33	60 Textile and Handicraft	2851-104-01	2.96	2.55	86
34	61 Geology and Mining	2853-02-800-01	2.74	2.00	73
		4853-60-800-01	8.00	5.15	64
35	64 Trade and Commerce	2875-60-800-09	15.00	13.00	89
		2875-60-800-05	3.53	3.53	100
		2875-60-800-01	0.33	0.33	100
36	66 Hydra Power Development	4801-80-800-05	400.00	345.05	86
		4801-01-800-20	30.00	30.00	100
37	68 Town Planning Department	2217-80-001-01	1.00	1.00	100
38	71 Department of Tawang and West Kameng	2205-102-05	2.96	2.00	68
39	72 Director of Prison	4055-800-07	2.00	2.00	100
40	73 Information Technology	3425-60-600-02	3.30	3.30	100
41	74 Social Justice, Empowerment and Tribal Affairs	4235-02-800-05	79.99	45.50	57
42	75 Higher and Technical Education	2202-03-103-01	173.45	108.47	63
		2202-03-001-01	24.39	19.92	82
		2202-03-112-03	3.37	2.29	68
		2202-03-800-03	0.55	0.55	100

Sl. No.	Number and Name of the Grants/ Appropriations	Head of Account	Total provision	Details of Surrender	
				Amount	Per cent
43	76 Elementary Education	2202-80-001-01	39.41	34.93	89
		2202-01-109-01	25.05	25.05	100
		2202-01-102-01	7.30	7.30	100
		2202-01-108-01	3.00	3.00	100
		2202-01-110-01	0.61	0.61	100
		2202-02-107-02	0.25	0.25	100
44	97 Public Debt	2408-101-01	300.00	150.00	50
		2049-01-200-07	0.20	0.15	75
		6003-101-07	2.41	1.21	50
<b>Total</b>			<b>2911.30</b>	<b>2337.87</b>	<b>80</b>

(Source: Appropriation Accounts, 2016-17)

## APPENDICES

### APPENDIX - 2.5

#### Details of savings of ₹ one crore and above not surrendered

(Reference: Paragraph 2.3.7; page: 37)

(₹ in crore)

Sl. No.	Number and Name of Grant/ Appropriation	Section	Savings	Surrender	Savings to be surrendered
1	3 Councils of Ministers	Revenue-Voted	1.40	0.00	1.40
2	6 District Administration	Revenue-Voted	174.36	150.51	23.85
3	7 Treasury and Accounts Administration	Revenue-Charged	49.91	19.20	30.71
4	8 Police	Revenue-Voted	127.20	76.77	50.43
5	9 Motor Garages	Revenue-Voted	1.09	0.00	1.09
6	11 Social Welfare	Revenue-Voted	111.84	94.73	17.11
7	14 Secondary Education	Revenue-Voted	92.45	84.24	8.21
8	15 Health & Family Welfare	Revenue-Voted	182.36	126.87	55.49
		Capital-Voted	11.78	0.00	11.78
9	16 Art and Cultural Affairs	Revenue-Voted	8.46	0.00	8.46
		Capital-Voted	14.73	8.80	5.93
10	18 Research	Capital-Voted	2.55	0.00	2.55
11	19 Industries	Revenue-Voted	25.91	20.14	5.77
		Capital-Voted	3.37	0.00	3.37
12	21 Food, Storage and Warehousing	Revenue-Voted	3.11	1.21	1.90
13	23 Forests	Revenue-Voted	47.65	39.52	8.13
14	24 Agriculture	Revenue-Voted	10.30	8.61	1.69
		Capital-Voted	6.70	4.91	1.79
15	26 Rural Works	Revenue-Voted	422.61	362.52	60.09
16	27 Panchayat	Revenue-Voted	69.18	2.81	66.37
17	28 Animal Husbandry and veterinary	Capital-Voted	1.45	0.00	1.45
18	29 Co-operation	Capital-Voted	8.34	0.00	8.34
19	30 State Transport	Revenue-Voted	4.94	0.00	4.94
20	31 Public Works	Revenue-Voted	41.02	0.00	41.02
		Capital-Voted	154.62	0.00	154.62
21	32 Roads and Bridges	Revenue-Voted	32.32	0.00	32.32
		Capital-Voted	333.89	0.00	333.89
22	33 North Eastern Areas	Capital-Voted	17.31	0.00	17.31
23	34 Power	Revenue-Voted	192.31	171.69	20.62
		Capital-Voted	69.67	0.01	69.66
24	35 Information and Public Relation	Revenue-Voted	1.58	0.00	1.58
		Capital-Voted	1.93	0.00	1.93
25	36 Statistics	Revenue-Voted	6.08	4.69	1.39
26	38 Water Resources Department	Revenue-Voted	59.98	0.00	59.98
		Capital-Voted	85.34	0.00	85.34
27	39 Loans to Government Servants	Capital-Voted	1.17	0.00	1.17
28	40 Housing	Revenue-Voted	26.16	19.16	7.00
		Capital-Voted	16.47	0.00	16.47
29	41 Land Management	Revenue-Voted	7.58	1.27	6.31
30	42 Rural Development	Revenue-Voted	11.76	7.66	4.10

Sl. No.	Number and Name of Grant/ Appropriation	Section	Savings	Surrender	Savings to be surrendered
31	45 Civil Aviation	Capital-Voted	19.15	17.50	1.65
32	47 Administration of Justice	Revenue-Voted	1.40	0.00	1.40
33	50 Secretariat Economic Services	Revenue-Voted	9.77	0.00	9.77
		Capital-Voted	635.98	478.94	157.04
34	52 Sports & Youth Services	Revenue-Voted	20.66	15.41	5.25
		Capital-Voted	1.26	0.00	1.26
35	53 Fire Protection and Control	Revenue-Voted	10.34	2.70	7.64
36	54 State Tax and Excise	Revenue-Voted	2.27	0.00	2.27
37	56 Tourism	Revenue-Voted	20.43	18.30	2.13
		Capital-Voted	17.32	0.00	17.32
38	57 Urban Development	Revenue-Voted	66.69	59.29	7.40
		Capital-Voted	75.87	48.49	27.38
39	64 Trade and Commerce	Revenue-Voted	18.66	16.91	1.75
40	65 Department of Tirap, Longding and Changlang District	Revenue-Voted	50.06	0.00	50.06
41	66 Hydro Power Development	Revenue-Voted	6.58	0.00	6.58
		Capital-Voted	392.09	375.05	17.04
42	68 Town Planning Department	Revenue-Voted	26.89	1.28	25.61
43	71 Department of Tawang and West Kameng	Revenue-Voted	6.92	2.13	4.79
44	74 Social Justice, Empowerment & Tribal Affairs	Revenue-Voted	8.85	0.00	8.85
		Capital-Voted	51.68	45.50	6.18
45	75 Higher and Technical Education	Revenue-Voted	173.56	154.79	18.77
		Capital-Voted	19.41	0.00	19.41
46	97 Public Debt	Revenue-Charged	201.70	187.04	14.66
		Capital-Charged	146.73	100.89	45.84
<b>TOTAL</b>			<b>4425.15</b>	<b>2729.54</b>	<b>1695.61</b>

(Source: Appropriation Accounts, 2016-17)

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### APPENDIX - 2.6

#### Details of excess over provisions during 2016-17 (Reference: Paragraph 2.3.9; page: 38)

(₹ in crore)

Sl. No.	Number and Name of the Grant/ Appropriations	Total Grant/ Appropriation	Expenditure	Excess
<b>Revenue Voted</b>				
1	13 Directorate of Accounts	535.68	636.43	100.75
2	17 Gazetteer	0.93	1.05	0.12
3	33 North Eastern Areas	18.40	18.82	0.42
4	43 Fisheries	23.50	41.57	18.07
5	48 Horticulture	90.60	91.39	0.79
6	55 State Lotteries	0.97	0.98	0.01
7	59 Public Health Engineering	495.29	514.37	19.08
8	63 Protocol Department	4.11	4.43	0.32
<b>Capital Voted</b>				
9	6 District Administration	1.70	2.20	0.50
10	8 Police	0.00	0.76	0.76
11	26 Rural Works	0.00	48.03	48.03
12	59 Public Health Engineering	24.16	131.17	107.01
13	62 Directorate of Transport	0.00	0.11	0.11
14	65 Department of Tirap, Longding and Changlang District	0.00	44.81	44.81
15	71 Department of Tawang and West Kameng	13.42	13.98	0.56
16	76 Elementary Education	11.50	15.07	3.57
<b>Total</b>		<b>1220.26</b>	<b>1565.17</b>	<b>344.91</b>

(Source: Appropriation Accounts, 2016-17)

**APPENDIX - 2.7**

**Statement showing Excess Expenditure relating to previous years requiring regularisation  
(Reference: Paragraph 2.3.10; page: 39)**

*(₹ in crore)*

Year	No. of Grants/ Appropriations	Grants/Appropriations	Excess Amount	Stage of consideration by Public Accounts Committee
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 2016-17 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	
2013-14	16	7,13,17,18,25,29,30,35,43,47,48,51,54,60,62,	65.87	
2014-15	12	1,7,13,16,19,21,43,52,70,72,76,97	705.09	
2015-16	15	5, 7, 13, 14, 16, 26, 43, 48, 51, 53, 65, 67, 71, 76, 97	474.50	
<b>TOTAL</b>			<b>2636.22</b>	

*(Source: Appropriation Accounts of the respective years)*

# APPENDICES

## APPENDIX - 2.8

### Cases of Unnecessary Supplementary Provision (₹ 10 lakh or more in each case)

(Reference: Paragraph 2.3.11; page: 39)

(₹ in crore)

Sl. No.	Number and Name of the Grant/ Appropriations	Original Provision	Actual Expenditure	Savings out of the original provision	Supplementary Provision
<b>REVENUE VOTED</b>					
1	6 District Administration	512.66	360.96	151.70	22.67
2	8 Police	756.21	734.42	21.79	105.41
3	19 Industries	58.49	37.94	20.55	5.36
4	20 Labour	7.74	6.55	1.19	0.62
5	26 Rural Works	826.00	418.17	407.83	14.78
6	27 Panchayat	146.30	77.72	68.58	0.60
7	28 Animal Husbandry and Veterinary	165.91	111.51	54.40	0.74
8	29 Co-operation	19.08	17.92	1.16	0.17
9	36 Statistics	21.64	17.88	3.76	2.32
10	40 Housing	47.79	25.54	22.25	3.91
11	41 Land Management	25.81	20.32	5.49	2.09
12	45 Civil Aviation	34.32	33.83	0.49	4.38
13	53 Fire Protection and Control	16.48	15.02	1.46	8.88
14	56 Tourism	48.84	31.11	17.73	2.71
15	57 Urban Development	100.79	34.30	66.49	0.20
16	58 Stationery and Printing	14.98	8.26	6.72	0.24
17	60 Textiles and Handicraft	42.35	39.84	2.51	1.18
18	61 Geology and Mining	15.03	12.77	2.26	0.82
19	64 Trade and Commerce	25.84	7.31	18.53	0.13
20	65 Department of Tirap, Longding and Changlang District	40.74	1.02	39.72	10.34
21	68 Town Planning Department	36.82	11.64	25.18	1.70
22	70 Administrative Training Institute	2.84	2.80	0.04	0.32
23	71 Department of Tawang and West Kameng	7.69	0.84	6.85	0.07
24	73 Information Technology	21.80	14.78	7.02	2.95
25	74 Social Justice, Empowerment and Tribal Affairs	31.82	23.45	8.37	0.49
26	78 Political Department	1.73	1.46	0.27	0.21
<b>REVENUE CHARGED</b>					
27	46 State Public Service Commission	6.27	5.79	0.48	0.11
<b>CAPITAL VOTED</b>					
28	15 Health and Family Welfare	17.30	14.90	2.40	9.38
29	20 Labour	0.80	0.20	0.60	0.53
30	29 Co-operation	11.00	9.64	1.36	6.98
31	31 Public Works	112.00	93.04	18.96	135.65
32	35 Information and Public Relations	1.63	0.62	1.01	0.92
33	38 Water Resources Department	142.73	82.37	60.36	24.98
34	45 Civil Aviation	18.50	3.28	15.22	3.94

Sl. No.	Number and Name of the Grant/ Appropriations	Original Provision	Actual Expenditure	Savings out of the original provision	Supplementary Provision
35	75 Higher and Technical Education	50.25	37.89	12.36	7.05
<b>Total</b>		<b>3390.18</b>	<b>2315.09</b>	<b>1075.09</b>	<b>382.83</b>

*(Source: Appropriation Accounts, 2016-17)*

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## Appendix 2.9

### Details of Excessive/ Inadequate supplementary provision (₹ one crore and above) (Reference: Paragraph 2.3.12; page: 40)

(₹ in crore)

Sl. No.	Number and Name of the Grant/ Appropriation	Details of Budget provisions			Expenditure	Supplementary Provisions	
		Original	Supplementary	Total		Excess(+) / Less(-)	Per cent
<b>Revenue-Voted</b>							
1	1-Legislative Assembly	39.94	12.20	52.14	49.29	2.85	23
2	3-Council of Ministers	5.04	10.44	15.48	14.07	1.41	14
3	9-Motor Garages	5.27	8.09	13.36	12.27	1.09	13
4	13-Directorate of Accounts	485.04	50.64	535.68	636.43	(-)100.75	-199
5	16-Arts and Cultural Affairs	9.97	11.55	21.52	13.06	8.46	73
6	22-Food and Civil Supplies	33.44	29.44	62.88	53.49	9.39	32
7	23-Forests	181.40	99.61	281.01	233.36	47.65	48
8	25-Relief, Rehabilitation and Resettlement	67.92	73.95	141.87	138.54	3.33	5
9	30-State Transport	98.85	6.23	105.08	100.15	4.93	79
10	31-Public Works	194.26	68.32	262.58	221.57	41.01	60
11	32-Roads and Bridges	279.91	166.17	446.08	413.75	32.33	19
12	34-Power	607.71	292.70	900.41	708.10	192.31	66
13	35-Information and Public Relations	23.78	6.64	30.42	28.84	1.58	24
14	38-Water Resources Department	159.56	80.57	240.13	180.15	59.98	74
15	42-Rural Development	275.63	77.20	352.83	341.06	11.77	15
16	44-Attached Offices of the Secretariat Administration	10.00	1.54	11.54	10.39	1.15	75
17	47- Administration of Justice	7.49	3.90	11.39	9.99	1.40	36
18	50-Secretariat Economic Services	10.65	197.11	207.76	197.98	9.78	5
19	54-State Tax and Excise	19.66	6.07	25.73	23.47	2.26	37
20	59-Public Health Engineering	422.46	72.82	495.28	514.37	(-)19.09	-26
21	66-Hydro Power Department	72.95	22.13	95.08	88.49	6.59	30
<b>Capital-Voted</b>							
22	18-Research	0.00	3.23	3.23	0.68	2.55	79
23	19-Industries	1.50	8.53	10.03	6.66	3.37	40
24	28-Animal Husbandry and Veterinary	0.00	1.95	1.95	0.50	1.45	74
25	32-Roads and Bridges	136.28	515.78	652.06	318.17	333.89	65
26	33-North Eastern Areas	58.10	17.88	75.98	58.67	17.31	97
27	40- Housing	0.00	20.10	20.10	3.64	16.46	82
28	52-Sports and Youth Services	0.00	16.94	16.94	15.68	1.26	7
29	56-Tourism	37.93	32.60	70.53	53.21	17.32	53
30	59-Public Health Engineering	0.00	24.16	24.16	131.17	(-)107.01	-443
<b>Total</b>		<b>3244.74</b>	<b>1938.49</b>	<b>5159.07</b>	<b>4446.03</b>	<b>606.03</b>	<b>31</b>

(Source: Appropriation Accounts, 2016-17)

**Appendix 2.10**

**Injudicious re-appropriation resulted in savings/ excess of over ₹ one crore**

*(Reference: Paragraph 2.3.13; page: 40)*

*(₹ in lakh)*

Sl. No.	Grant/ Appropriation	Description	Major Head	Re-appropriation	Excess (+)/ Savings (-)
1	6	60 Others 800 Other Expenditure (01) BADP	2575	(+)1,533.73	(-)2,157.35
2		094 Other Establishments (03) Honorarium to Gaon Buras	2053	(+)115.11	(-)325.06
3		094 Other Establishments (01) Establishment Charges	2053	(-)326.56	(+)489.07
4	7	01 Civil 117 Government Contribution for Defined Contribution Pension Scheme (01) Government Contribution	2071	(-)6,148.00	(+)825.39
5		05 Interest Payments 105 Interest on General and other Reserve Funds (01) Interest payments of NPS	2049	(-)1,920.00	(-)3,071.34
6	8	109 District Police (01) Establishment Expenses	2055	(+)122.85	(-)1,473.96
7		104 Special Police (02) Indian Reserve Battalion	2055	(-)26.57	(-)975.94
8	11	02 Social Welfare 800 Other Expenditure (05) Integrated Child Dev. Service ICDS	2235	(-)4,395.06	(+)344.51
9		02 Social Welfare 102 Child Welfare (01) Integrated Child Protection Scheme	2235	(-)3,125.32	(-)395.06
10	13	105 Family Pensions (01) Ordinary Pensions	2071	(+)700.00	(-)373.01
11		104 Gratuity (01) Payment of Gratuity	2071	(-)900.00	(-)1,231.68
12	15	06 Public Health 800 Other Expenditure (02) National Health Mission (NHM)	2210	(-)12,498.11	(-)5,055.88
13		03 Rural Health Services-Allopathy 110 Hospitals and Dispensaries (01) Estt. Expenses	2210	(-)6,909.46	(-)452.74
14		80 General 800 Other Expenditure (01) Creation of Assets	4210	(-)664.65	(-)134.11
15		03 CSS 80 General 800 Other Expenditure (01) Creation of Assets	4210	(+)163.78	(-)858.60
16		07 NLPF 80 General 800 Other Expenditure (06) Construction of Buildings	4210	(+)500.87	(-)185.22
17	16	800 Other Expenditure (02) Maintenance of Assets	2205	(+)424.50	(-)845.78
18		04 Art and Culture 800 Other Expenditure (05) Scheme under ACA/ SPA	4202	(-)880.00	(-)593.30
19	19	03 Training 101 ITI (01) Establishment Expenses of ITI	2230	(-)6.00	(-)108.30
20		03 Training 800 Other Expenditure (07) Enhancing Skill Development Infrastructure in existing ITI	2230	(+)568.00	(-)381.54
21	22	02 Storage and Warehousing 800 Other Expenditure (01) Grants towards NFSA	2408	(+)29.95	(-)221.06
22		001 District and Administration (01) Establishment Expenses	3456	(-)117.34	(+)153.82
23	23	01 Forestry 001 District and Administration (01) Establishment Expenses	2406	(+)75.89	(-)335.43
24	24	03 CSS 800 Other Expenditure (55) NMAET	2401	(-)50.34	(+)110.06
25	26	001 Direction and Administration	2402	(-)1,043.73	(-)148.46

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Sl. No.	Grant/ Appropriation	Description	Major Head	Re-appropriation	Excess (+)/ Savings (-)
26		04 District and Other Roads 800 Other Expenditure (07) Schemes under SADA	3054	(+)12,175.50	(-)5,995.90
27		04 District and Other Roads 800 Other Expenditure (08) Maintenance of Assets	3054	(+)499.60	(+)277.10
28	29	108 Loans to Other Co-operatives (02) Loans to Consumer Co-operative	6425	(+)985.72	(-)1,000.00
29		80 General 001 District and Administration (03) Structural Planning	2059	(+)28.52	(-)321.03
30	31	80 General 051 Construction (01) Jail Building	4059	(+)3,174.02	(-)13,935.56
31		80 General 051 Construction (10) Schemes under ACA/ SPA	4059	(+)1,825.98	(-)1,525.96
32	32	04 District and Other Roads 800 Other Expenditure (01) Construction of District Roads	5054	(-)1,271.33	(-)21,736.63
33		04 District and Other Roads 800 Other Expenditure (04) Schemes under RIDF	5054	(+)1,369.33	(-)2,426.45
34		16 Roads and Bridges 800 Other Expenditure (16) Pakke-Seijosa-Itakola Road	4552	(+)163.76	(-)951.14
35		29 Trade and Commerce Department 800 Other Expenditure (01) Multipurpose Shopping Complex at Hapoli	4552	(+)52.75	(-)263.77
36	33	18 Medical Department 800 Other Expenditure (02) Infrastructure Development of Sagalee CHC	4552	(+)173.04	(-)166.22
37		15 Tourism Department 800 Other Expenditure (05) Adv. Tourism Site at Doimukh, P/Pare	4552	(-)68.98	(+)131.91
38		15 Tourism Department 800 Other Expenditure (04) Adv. Tourism Site at Baririjo, U/ Subansiri	4552	(-)64.80	(+)123.29
39		15 Tourism Department 800 Other Expenditure (06) C/o Mega Festival cum Multipurpose Ground at Tawang	4552	(+)398.94	(-)356.00
40		80 General 800 Other Expenditure (17) Rajiv Gandhi Gramya Vikash Yojana (RGGVY)	4801	(-)4,580.91	(-)344.09
41	34	80 General 800 Other Expenditure (19) System Improvement	4801	(+)7,956.26	(-)3,712.16
42		80 General 800 Other Expenditure (16) System Improvement under ACA/SPA	4801	(+)4,782.19	(-)2,493.59
43		80 General 800 Other Expenditure (14) Automatic Metering System	4801	(+)720.00	(-)383.90
44	35	60 Others 800 Other Expenditure (08) Schemes under SADA	2220	(+)837.00	(+)122.62
45		01 Surface Water 103 Diversion Scheme (01) Modification of Channel	2702	(+)1,469.76	(-)5,388.98
46		03 Maintenance 102 Lift Irrigation Schemes (01) Channel Maintenance	2702	(+)1,490.00	(-)598.56
47	38	01 Flood Control 001 District and Administration (01) Establishment Charges	4711	(+)7,785.86	(-)6,114.87
48		800 Other Expenditure (01) Procurement and Creation of Assets	4702	(+)2,415.00	(-)2,084.47
49		01 Flood Control 800 Other Expenditure (02) Schemes under ACA/ SPA (F. C on Shillong Nall	4711	(+)447.50	(-)334.35

Sl. No.	Grant/ Appropriation	Description	Major Head	Re-appropriation	Excess (+)/ Savings (-)
		to Protect Goilang Township)			
50	41	800 Other Expenditure (07) Schemes under SADA	2506	(+)514.14	(-)205.31
51	43	101 Inland Fisheries (05) Construction of Fish Seed Farms including Expansion and Improvement	2405	(+)97.54	(+)1,948.57
52		001 District and Administration (01) Establishment Expenses	2405	(-)0.39	(+)218.89
53	45	800 Other Expenditure (01) Maintenance of Assets	3275	(-)453.83	(-)3,165.59
54	48	119 Horticulture and Vegetables Crops (01) Establishment Expenses	2401	(-)135.44	(+)313.74
55		01 Crop Husbandry 800 Other Expenditure (05)Schemes under SADA	2415	(-)265.76	(-)118.98
56	50	800 Other Expenditure (13) Scheme under CSS	4070	(-)12,625.00	(+)533.09
57		800 Other Expenditure (15) Scheme under NLCPR	4070	(+)7,892.17	(-)15,892.17
58		800 Other Expenditure (10) Scheme under ACA/ SPA/ PM Package	4070	(+)402.62	(-)230.11
59		800 Other Expenditure (02) Creation of Assets	4070	(+)193.51	(-)122.51
60	52	001 District and Administration (01) Directorate Establishment	2204	(-)1,608.39	(-)415.40
61	56	80 General 800 Other Expenditure (01) Construction of Building	5452	(+)383.08	(-)888.65
62	57	80 General 800 Other Expenditure (11) Atal Mission for Rejuvenation and Urban Transformation(AMRUT)	2217	(-)3,263.00	(-)737.00
63		60 Other Urban Development Scheme 051 Construction (11) Scheme under State Plan	4217	(+)7,738.89	(-)1,951.36
64		60 Other Urban Development Scheme 051 Construction (61) Scheme under ACA/SPA/SCA	4217	(+)2,510.88	(-)785.91
65	59	01 Water Supply 800 Other Expenditure (18) National Rural Water Programme (NRDWP)	2215	(+)5,295.62	(+)186.88
66		01 Water Supply 800 Other Expenditure (23) Swachha Bharat Mission (Gramin)	2215	(-)796.20	(+)2,427.47
67		01 Water Supply 102 Rural Water Supply Programme (07) RIDF	2215	(+)1,779.88	(-)662.40
68		01 Water Supply 800 Other Expenditure (21) Water Supply Scheme at Longding Township	2215	(-)0.10	(+)224.00
69		01 Water Supply 800 Other Expenditure (24) Water Supply Scheme at Anini	2215	(-)0.10	(+)157.30
70	66	80 General 800 Other Expenditure (02) Construction of Building	4801	(-)384.00	(-)417.85
71		01 Hydel Generation 052 Machinery and Equipment (01) Hydel Improvement	4801	(+)3,379.73	(-)878.36
72		01 Hydel Generation 800 Other Expenditure (11) System Improvement under ACA/SPA	4801	(+)663.50	(-)148.50
73	68	03 Integrated Development of Small and Medium Towns 800 Other Expenditure (03) Capacity Building Programme for Urban Local Bodies (ULB)	2217	(-)250.00	(-)2,446.02
74		03 Integrated Development of Small and Medium	2217	(+)21.60	(-)114.82

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Sl. No.	Grant/ Appropriation	Description	Major Head	Re-appropriation	Excess (+)/ Savings (-)
		Towns 001 Direction and Administration (01) Establishment Expenses			
75	74	02 Social Welfare 800 Other Expenditure (17) Post Matric Scholarship to ST Students	2235	(+)1,136.22	(-)851.41
76		02 Social Welfare 800 Other Expenditure (01) Creation of Assets	4235	(+)741.48	(-)670.06
77	75	03 University and Higher Education 103 Government Colleges and Institutes (01) College Establishment	2202	(-)11,498.38	(-)862.76
78		03 University and higher Education 800 Other Expenditure (11) Rashtriya Uchcharat Shiksha Abhiyan	2202	(-)2,844.65	(+)826.04
79		03 University and higher Education 800 Other Expenditure (12) Schemes under SADA	2202	(+)5,223.32	(-)1,443.07
80		105 Polytechnics (01) Polytechnic Establishment	2203	(+)1,872.87	(-)428.69
81		02 Technical Education 104 Polytechnics (03) Construction of 7 new Polytechnic	4202	(-)126.92	(-)442.15
82		01 General Education 800 Other Expenditure (28) Creation of Assets under SADA	4202	(+)3,167.25	(-)1,498.41
83		76	01 Elementary Education 001 Direction and Administration (01) District Establishment	2202	(-)22,625.41
84	01 Elementary Education 800 Other Expenditure (02) Sarva Shiksha Abhiyan		2202	(-)21,058.35	(+)14,519.27
85	01 Elementary Education 107 Teachers Training (01) DIET		2202	(-)103.76	(-)182.23
86	01 Elementary Education 800 Other Expenditure (13) Schemes under SADA		2202	(+)5,877.46	(-)456.23
87	01 General Education 800 Other Expenditure (28) Creation of Assets under SADA		4202	(+)320.23	(+)356.79
88			01 Interest on Internal Debt 200 Interest on Other Internal Debt (04) Interest on Loans from RECL	2049	(-)1,896.99
89	Public Debt	01 Interest on Internal Debt 123 Interest on Special Securities Issued to National Small Savings Fund of the Central Government by State Government (01) Interest Payment on NSSF	2049	(+)800.00	(+)419.09
90		110 Ways and Means Advances from Reserve Bank of India (01) Repayment of Advances taken from Reserve Bank of India under Ways and Means	6003	(-)500.00	(-)4,350.00
91		111 Special Securities Issued to National Small Savings Fund of the Central Government (06) Loans from NSSF	6003	(+)500.00	(+)1,493.40

(Source: Appropriation Accounts, 2016-17)

**APPENDIX 3.1****Statement showing Department-wise outstanding Utilisation Certificates (UCs) up to 2015-16  
(Reference: Paragraph 3.1; page: 47)**

Sl. No.	Department	No. of UCs outstanding	Amount involved (₹ in crore)
1	Urban Development	18	29.50
2	Education	31	373.74
3	Health & Family Welfare	50	170.50
4	Industries	4	7.78
5	Tourism	2	10.00
6	Justice	1	0.10
7	Co-operation	2	0.60
8	Social Welfare	5	0.71
9	Information & Public Relations	26	11.97
10	Rural Development	19	27.33
11	Sports & Youth Affairs	5	10.31
12	Science & Technology	11	3.73
13	Relief & Rehabilitation	3	32.50
14	Art & Culture	10	0.63
15	Panchayati Raj	8	9.19
16	Civil Supplies	1	0.05
17	Fisheries	1	0.52
18	Agriculture	1	1.00
	<b>Total</b>	<b>198</b>	<b>690.16</b>

## APPENDICES

### Appendix 3.2

#### Statement showing Bodies and Authorities, accounts of which were not received (Reference: Paragraph 3.2; page: 48)

Sl. No.	Body/Authority	Category	Years for which Accounts not received	Provision under which Audit conducted
1	Arunachal Pradesh Agriculture Marketing Board, Naharlagun	State AB	2005-06 to 2016-17	19(1)
2	Central School for Tibetans, Miao	NGO	2009-10 to 2016-17	14 (1)
3	District Rural Development Agency, Along	State AB	2009-10 to 2016-17	14 (1)
4	District Rural Development Agency, Anini	State AB	2009-10 to 2016-17	14 (1)
5	District Rural Development Agency, Bomdila	State AB	2009-10 to 2016-17	14 (1)
6	District Rural Development Agency, Changlang	State AB	2009-10 to 2016-17	14 (1)
7	District Rural Development Agency, Daporijo	State AB	2009-10 to 2016-17	14 (1)
8	District Rural Development Agency, Khonsa	State AB	2014-15 & 2016-17	14 (1)
9	District Rural Development Agency, Pasighat	State AB	2009-10 to 2016-17	14 (1)
10	District Rural Development Agency, Tezu	State AB	2009-10 to 2016-17	14 (1)
11	District Rural Development Agency, Tawang	State AB	2009-10 to 2016-17	14 (1)
12	District Rural Development Agency, Yingkiong	State AB	2009-10 to 2016-17	14 (1)
13	District Rural Development Agency, Ziro	State AB	2009-10 to 2016-17	14 (1)
14	District Rural Development Agency, Seppa	State AB	2014-15 & 2016-17	14 (1)
15	District Rural Development Agency, Roing	State AB	2014-15 & 2016-17	14 (1)
16	Donyi Polo Mission, Itanagar	NGO	2014-15 & 2016-17	14 (1)
17	Member Secretary, Arunachal Pradesh State Council for Science & Technology	State AB	2013-14 to 2016-17	14 (1)
18	Ram Krishna Mission, Vivekananda Nagar Along	NGO	2005-06 to 2016-17	14 (1)
19	Ram Krishna Mission, Narottam Nagar Deomali	NGO	2011-12 to 2016-17	14 (1)
20	Ram Krishna Mission Hospital, Itanagar	NGO	2011-12 to 2016-17	14 (1)
21	Ram Krishna Mission, Khonsa	NGO	2005-06 to 2016-17	14 (1)
22	Arunachal Pradesh Building & Other Constructions Workers Welfare Board, Naharlagun	State AB	2012-13 to 2016-17	19 (2)
23	Arunachal Pradesh State Legal Service Authority, Itanagar	State AB	2007-08 to 2016-17	19 (2)
24	Arunachal Pradesh State Electricity Regulatory commission	State AB	2015-16 to 2016-17	19 (2)
25	State Compensatory Afforestation Fund & Planning Authority	State AB	2010-11 to 2016-17	19 (2)

(AB:-Autonomous Bodies, NGO:-Non-Governmental Organisations)

**APPENDIX 3.3**

**Statement showing Transaction under 800 Other Receipts**

*(Reference: Paragraph 3.5; page: 49)*

*(₹ in crore)*

Major Head	Description	Total Receipts under		Percentage to Total Revenue Receipts under the Major Head
		Major Head	'800-Other Receipts'	
0039	State Excise	109.05	109.05	100
0059	Public Works	8.95	7.65	85
0070	Other Administrative Services	11.24	6.50	58
0075	Miscellaneous General Services	21.67	8.30	38
0215	Water Supply and Sanitation	4.50	1.01	22
0217	Urban Development	3.65	2.01	55
0406	Forestry and Wild Life	13.86	7.71	56
0801	Power	259.61	259.61	100
0853	Non-ferrous Mining and Metallurgical industries	61.01	56.27	92
1055	Road Transport	16.02	12.85	80
1275	Other Communication Services	3.77	2.22	59
1601	Grants-in-aid from Central Government	2,137.70	1,687.68	79
<b>Total</b>		<b>2,651.03</b>	<b>2,160.86</b>	<b>82</b>

## APPENDICES

### APPENDIX 3.4

#### Statement showing Transactions under 800 Other Expenditure (Reference: Paragraph 3.5; page: 49)

(₹ in crore)

Major Head	Description	Total Expenditure under		Percentage to Total Expenditure under the Major Head
		Major Head	'800-Other Expenditure'	
2013	Council of Ministers	27.34	18.25	67
2014	Administration of Justice	13.72	2.73	20
2056	Jails	11.62	2.70	23
2202	General Education	1292.14	542.07	42
2204	Sports and Youth Services	67.86	17.45	26
2210	Medical and Public Health	678.75	160.42	24
2215	Water Supply and Sanitation	514.37	225.35	44
2217	Urban Development	45.93	15.04	33
2220	Information and Publicity	28.84	10.23	35
2230	Labour and Employment	25.54	9.10	36
2235	Social Security and Welfare	135.89	95.26	70
2245	Relief on Account of Natural Calamities	128.87	51.97	40
2401	Crop Husbandry	223.64	62.65	28
2408	Food, Storage and Warehousing	61.01	32.89	54
2415	Agricultural Research and Education	23.12	20.46	88
2435	Other Agriculture Programme	2.62	1.50	57
2501	Special Programmes for Rural Development	40.44	36.83	91
2506	Land Reforms	5.88	5.88	100
2552	North Eastern Areas	18.82	18.82	100
2575	Other Special Area Programmes	102.39	101.37	99
2702	Minor Irrigation	163.53	45.30	28
2705	Command Area Development	16.62	16.62	100
2810	New and Renewable Energy	42.07	42.07	100
2875	Other Industries	7.31	5.70	78
3054	Roads and Bridges	770.35	361.97	47
3055	Road Transport	104.87	100.15	95
3275	Other Communication Services	31.62	31.62	100
3452	Tourism	31.11	11.94	38
4059	Capital Outlay on Public Works	93.04	57.00	61
4070	Capital Outlay on Other Administrative Services	18.85	18.85	100
4202	Capital Outlay on Education, Sports, Art and Culture	94.14	76.77	82
4210	Capital Outlay on Medical and Public Health	14.90	14.90	100
4215	Capital Outlay on Water Supply and Sanitation	131.17	131.17	100
4217	Capital Outlay on Urban Development	286.93	101.77	35
4235	Capital Outlay on Social Security and Welfare	48.32	48.32	100
4408	Capital Outlay on Food, Storage and Warehousing	3.59	1.11	31
4552	Capital Outlay on North Eastern Areas	58.67	58.67	100
4575	Capital Outlay on other Special Areas	44.81	44.81	100

Major Head	Description	Total Expenditure under		Percentage to Total Expenditure under the Major Head
		Major Head	'800-Other Expenditure'	
4702	Capital Outlay on Minor Irrigation	6.31	6.31	100
4711	Capital Outlay on Flood Control Projects	76.06	59.35	78
4801	Capital Outlay on Power Projects	176.67	151.65	86
4851	Capital Outlay on Village and Small Industries	3.04	3.04	100
4852	Capital Outlay on Iron & Steel Industries	1.61	1.61	100
4853	Capital Outlay on Non-ferrous Mining and Metallurgical Industry	1.92	1.92	100
5053	Capital Outlay on Civil Aviation	3.28	3.28	100
5054	Capital Outlay on Roads and Bridges	366.20	287.68	79
5452	Capital Outlay on Tourism	53.21	11.37	21
<b>Total</b>		<b>6098.99</b>	<b>3125.92</b>	<b>51</b>

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