



सत्यमेव जयते

**GOVERNMENT  
OF  
ARUNACHAL PRADESH  
ACCOUNTS AT A GLANCE  
2014-2015**



**ACCOUNTANT GENERAL  
ARUNACHAL PRADESH  
ITANAGAR**



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## ***PREFACE***

I am happy to present the fifteenth issue of our annual publication, '**Accounts at a Glance**' of the Government of Arunachal Pradesh. The purpose of this publication is to distil and make more accessible the voluminous information available in the Annual Finance and Appropriation Accounts (totaling 616 pages this year) prepared by my office under directions of the Comptroller and Auditor General of India and placed before the Legislature in accordance with Article 149 of the Constitution of India.

The years have seen major changes in the scope and presentation of the various reports through which the Indian Audit & Accounts Department keeps the stakeholders - the Legislators, the Executive and the Public - informed. In keeping with these changes, the '**Accounts at a Glance**' has been completely remodeled and made more comprehensive. A combined reading of the Finance Accounts and Appropriation Accounts, the Report on State Finances and the Accounts at a Glance, will help the stakeholders to more effectively comprehend the various facets of the finances of the Government of Arunachal Pradesh.

We look forward to comments and suggestions for improving this publication.

Place: *Itanagar*

Date:



(*JOHN K. SELLATE*)  
ACCOUNTANT GENERAL



## ***Our Vision, Mission and Core Values***

The **Vision** of the institution of the Comptroller and Auditor General of India represents what we aspire to become: We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognized for independent, credible, balanced and timely reporting on public finance and governance.

Our **Mission** enunciates our current role and describes what we are doing today. Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders - the Legislature, the Executive and the Public - that public funds are being used efficiently and for the intended purposes.

Our **Core Values** are the guiding beacons for all that we do and give us the benchmarks for assessing our performance.

***Independence***

***Professional Excellence***

***Objectivity***

***Transparency***

***Integrity***

***Positive Approach***

***Reliability***



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# **CHAPTER - I**

## **OVERVIEW**

### ***1.1. Introduction***

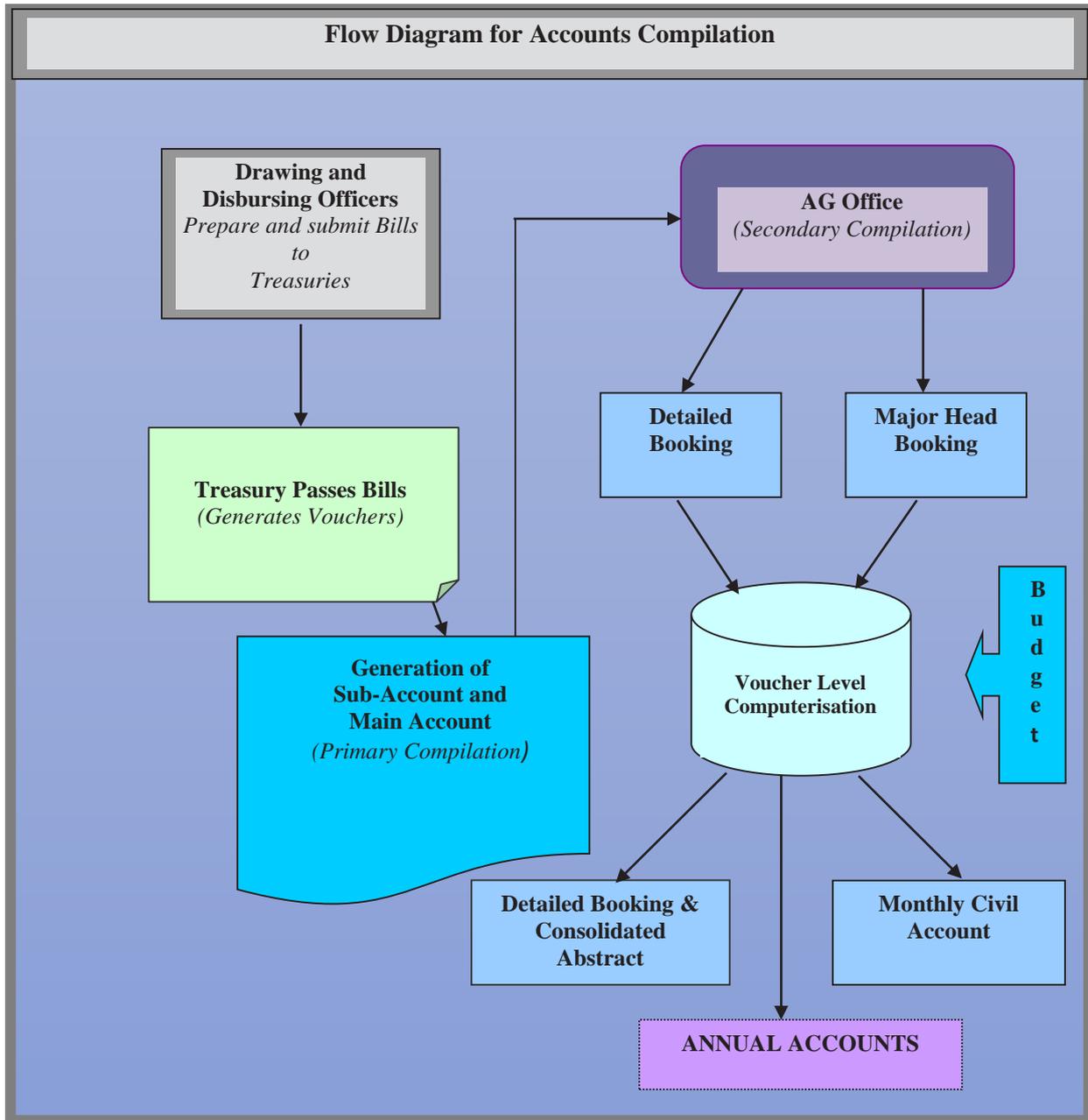
The Accountant General, Arunachal Pradesh compiles the accounts of receipts and expenditure of the Government of Arunachal Pradesh. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advice of the Reserve Bank of India. Following such compilation, the Accountant General prepares the annual Finance Accounts and Appropriation Accounts, which are placed before the State Legislature after audit by the Accountant General (Civil Audit), Arunachal Pradesh, and certification by the Comptroller and Auditor General of India.

### ***1.2. Structure of Accounts***

#### ***1.2.1. Government Accounts are kept in three parts***

<b><i>Part 1</i></b> <b><i>CONSOLIDATED FUND</i></b>	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans & Advances.
<b><i>Part 2</i></b> <b><i>CONTINGENCY FUND</i></b>	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is subsequently recouped from the Consolidated Fund.
<b><i>Part 3</i></b> <b><i>PUBLIC ACCOUNT</i></b>	Comprises of Debt, Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are to be cleared eventually by booking the final heads of accounts.

### 1.2.2. Compilation of Accounts



### 1.3. Finance Accounts and Appropriation Accounts

#### 1.3.1. Finance Accounts

The Finance Accounts depict receipts and disbursements of the Government for the year, together with financial results disclosed by the Revenue and Capital Accounts, Public Debt and Public Account balances recorded in the accounts. This year, the Finance Accounts have been prepared in two volumes, in a new format, to make them more comprehensive and informative. Volume-I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements, overall receipts and disbursements and 'Notes to Accounts', containing summary of significant accounting policies, quality of accounts and other items. Volume-II contains Detailed Statements (Part-I) and Appendices (Part -II).

Receipts and disbursements of the Government of Arunachal Pradesh, as depicted in the Finance Accounts 2014-15, are given below:

			(₹ in crore)
<b>RECEIPTS</b> (Total – 8644.70)	<b>Revenue</b> (Total: 9136.05)	<i>Tax Revenue</i>	1572.14
		<i>Non-Tax Revenue</i>	457.64
		<i>Grants-in-Aid</i>	7106.27
	<b>Capital</b> (Total: -491.35)	<i>Recovery of Loans &amp; Advances</i>	27.41
		<i>Borrowings &amp; Other Liabilities</i>	-518.76
<b>DISBURSEMENTS</b> (Total – 8644.70)	<b>Revenue</b>	7156.59	
	<b>Capital</b>	1483.18	
	<b>Loans &amp; Advances</b>	4.93	

*Borrowings and other Liabilities: Net (Receipts - Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance.*

The Union Government transfers substantial funds directly to State Implementing Agencies/NGOs for implementation of various Schemes/Programmes. This year, the Government of India directly released ₹ 176.10 crore to such agencies. Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix - VI of Volume - II of the Finance Accounts.

### ***1.3.2. Appropriation Accounts***

Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'Charged' on the Consolidated Fund or 'Voted' by the State Legislature. There are 5 charged Appropriations, 1 Grant (both charged and voted) and 72 voted Grants.

The Appropriation Act, 2014-15, provided for gross expenditure of ₹ 13,772.19 crore and reduction of expenditure (recoveries) of ₹ 0.30 crore. Against this, the actual gross expenditure was ₹ 9699.22 crore and reduction of expenditure was ₹ 0.61 crore, resulting in net savings of ₹ 4072.97 crore (29.57 per cent) and a less-estimation of ₹ 0.31 crore (103.34 per cent) on reduction of expenditure. The gross expenditure included ₹ 9.13 crore drawn on Abstract Contingent (AC) Bills, against which ₹ 6.25 crore was still outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

During 2014-15, ₹ 1.67 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under PD Accounts are to be transferred back to the Government at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD Accounts are available only with the Treasuries, since they are responsible for maintaining such records.

### ***1.4. Sources and Application of Funds***

#### ***1.4.1. Ways and Means Advances***

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable the State Government to maintain its liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 0.26 crore) maintained with the RBI. During 2014-15, the Government of Arunachal Pradesh resort to OD facilities of ₹ 605.39 crore and availed WMA of ₹ 254.17 crore.

### 1.4.2. Fund Flow Statement

The State had a Revenue Surplus of ₹ 1979.46 crore and a Fiscal Surplus of ₹ 518.76 crore, representing 12.70 and 3.33 per cent of the Gross State Domestic Product (GSDP) respectively. Around 40.33 per cent of Revenue Receipts (₹ 9136.05 crore) of the State Government was spent on Committed Expenditure like Salaries (₹ 2853.24 crore), Interest Payment (₹ 350.88 crore) and Pension (₹ 480.71 crore).

### Sources and Application of Funds

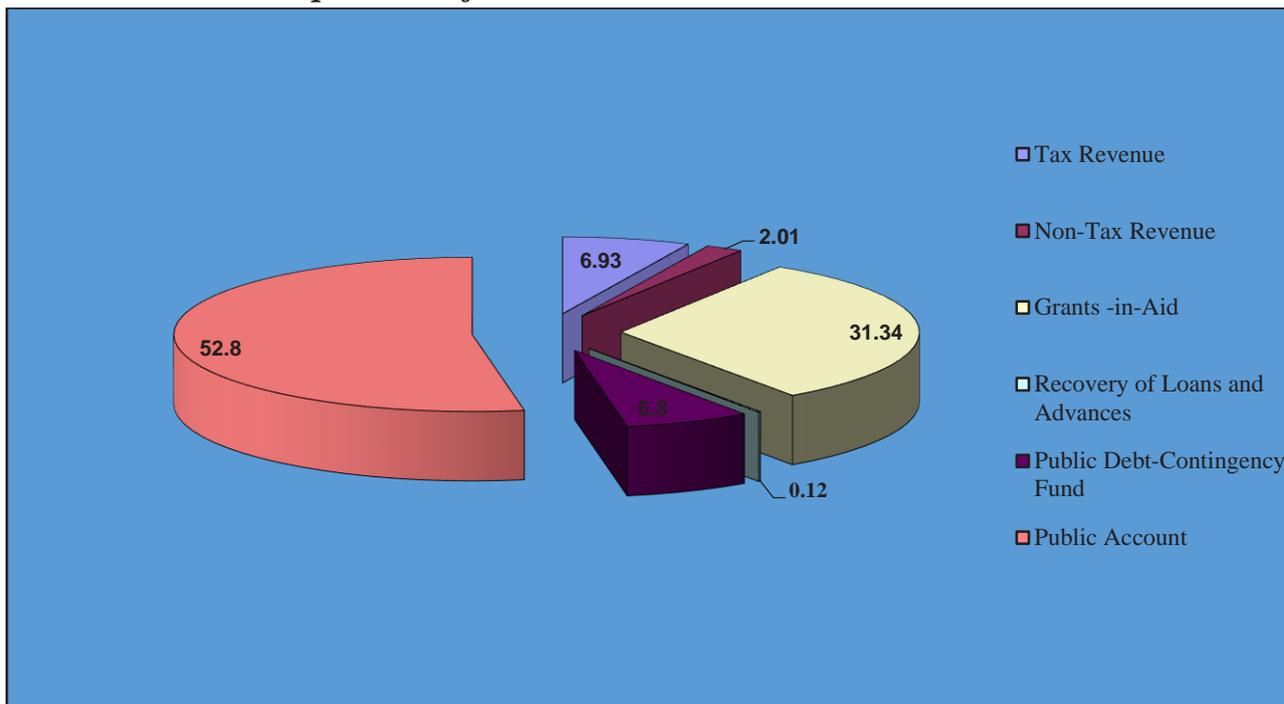
(₹ in crore)

SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01.04.2014	
Revenue Receipts		9136.05
Recovery of Loans and Advances		27.41
Public Debt		1540.40
Small Savings, Provident Fund & Others		405.28
Reserves and Sinking Funds		20.00
Deposits Received		2020.47
Civil Advances Repaid		60.88
Suspense Account		6258.43
Remittances		3203.61
Contingency Fund		-
	<b>TOTAL</b>	<b>22663.26</b>

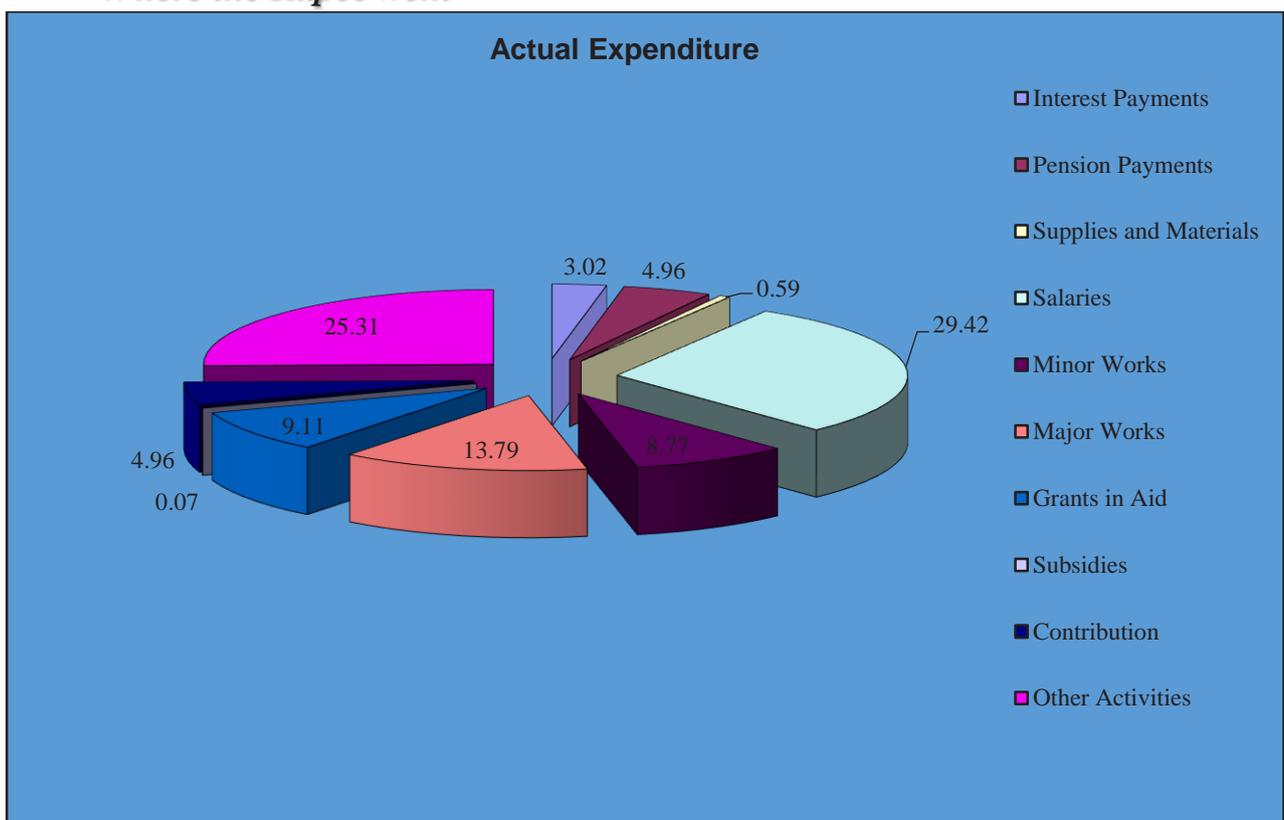
APPLICATION	PARTICULARS	AMOUNT
	Revenue Expenditure	
Capital Expenditure		1483.18
Loans Given		4.93
Repayment of Public Debt		1053.91
Transfer to Contingency Fund		-
Small Savings Provident Fund & Others		205.25
Reserves and Sinking Funds		20.00
Deposits Spent		1540.62
Civil Advances Given		60.47
Suspense Account		7945.23
Remittances		3120.68
Closing Cash Balance as on 31.03.2015		72.40
	<b>TOTAL</b>	<b>22663.26</b>

Except where indicated otherwise, GSDP figures used in this publication are adopted from the figures provided by the Ministry of Statistics & Programme Implementation as in July, 2015.

### 1.4.3. Where the Rupee came from



### 1.4.4. Where the Rupee went



## 1.5. Highlights of Accounts

(₹ in crore)

Sl. No.		BE 2014-15	Actuals	Percentage of Actuals to BE	Percentage of Actuals to GSDP (\$)
1.	Tax Revenue [ <i>@</i> ]	1730.50	1572.14	90.85	10.09
2.	Non-Tax Revenue	648.93	457.64	70.53	2.94
3.	Grants-in-Aid & Contributions	6398.05	7106.27	111.07	45.59
4.	Revenue Receipts (1+2+3)	8777.48	9136.05	104.09	58.61
5.	Recovery of Loans & Advances	0.00	27.41	--	0.18
6.	Borrowings & other Liabilities [ <i>A</i> ]	4544.49	-518.76	11.42	-3.33
7.	Capital Receipts (5 + 6)	4544.49	-491.35	10.82	-3.16
8.	Total Receipts (4 + 7)	13321.97	8644.70	64.89	55.46
9.	Non-Plan Expenditure	4685.67	4268.04	91.09	27.38
10.	NPE on Revenue Account	4650.54	4245.70	91.29	27.24
11.	NPE on Interest Payments	365.82	350.75	95.88	2.25
12.	NPE on Capital Account	35.13	22.34	63.59	0.14
13.	Plan Expenditure	8636.30	4376.66	50.68	28.08
14.	PE on Revenue Account	4548.66	2910.89	63.99	18.67
15.	PE on Capital Account	4087.64	1465.77	35.86	9.40
16.	Total Expenditure (9 + 13) [ <i>*</i> ]	13321.97	8644.70	64.89	55.46
17.	Revenue Expenditure (10+14)	9199.20	7156.59	77.80	45.91
18.	Capital Expenditure (12+15) [ <i>#</i> ]	4122.77	1488.11	36.10	9.55
19.	Revenue Surplus (4-17)	-421.72	1979.46	469.38	12.70
20.	Fiscal Deficit/Surplus {(16 - (4+5))}	4544.49	-518.76	11.42	-3.33

(*@*) Includes State Share of Union Taxes - ₹ 1109.98 crore.

(*\$*) GSDP figure of ₹ 15,588.00 crore as circulated by Ministry of Statistics & Programme Implementation in July, 2015.

(*#*) Expenditure on Capital Account includes Capital Expenditure (₹ 1483.18 crore) and Loans & Advances disbursed (₹ 4.93 crore)

(*\**) Expenditure includes (₹ 4268.04 crore) under Non-Plan and (₹ 4376.66 crore) under Plan which pertains to Loans & Advances

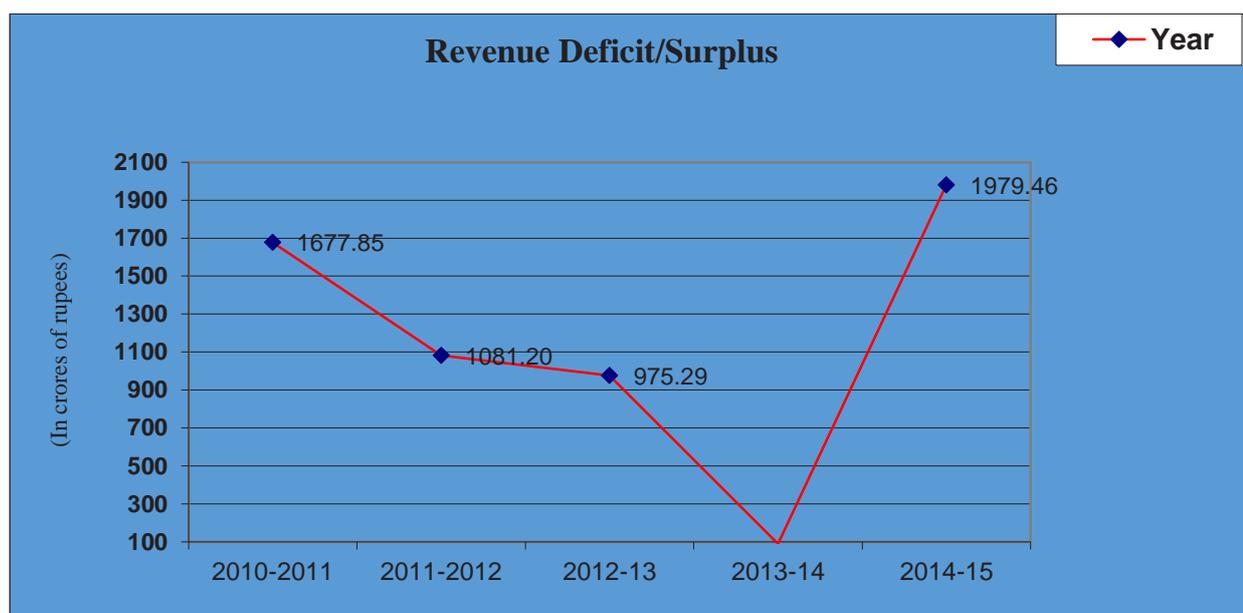
(*A*) Borrowings & other Liabilities Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balances.

## 1.6. What do the Deficits and Surpluses indicate?

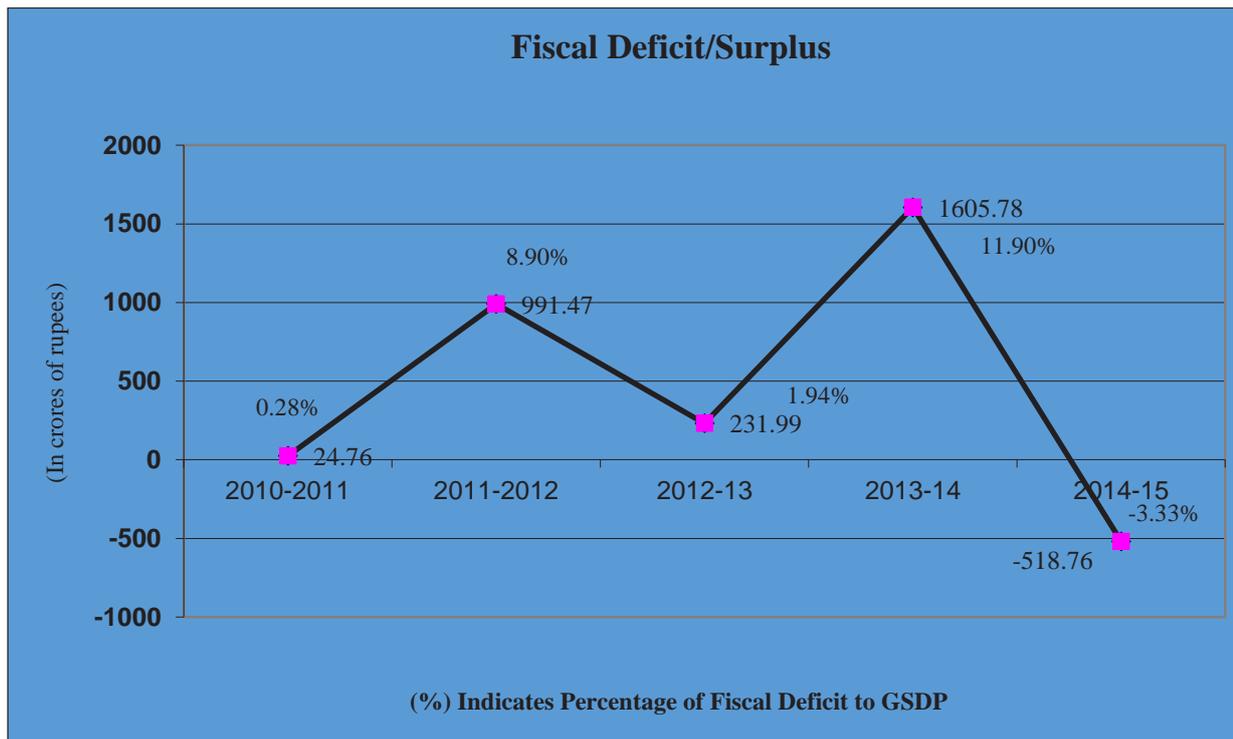
<b>DEFICIT</b>	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
<b>SURPLUS</b>	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of the Government and ideally, should be fully met form Revenue Receipts.
<b>FISCAL DEFICIT/SURPLUS</b>	Refers to the gap between Total Receipts (excluding Borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by Borrowings. Ideally, Borrowings should be invested in capital projects.

After enactment of the Arunachal Pradesh Fiscal Responsibility and Budget Management (FRBM) Act, 2006, wherein targets were set for important fiscal indicators like fiscal deficit and liabilities under the Consolidated Fund, the Government made a promising start, achieving revenue surplus of ₹ 694.94 crore in 2006-07. Continuing the upward trend, the State recorded its Gross State Domestic Product (GSDP) at ₹ 15,588.00 crore in 2014-15 at current prices, indicating an increase of 15.54 per cent from the previous year. The State also recorded a revenue surplus of ₹ 1979.46 crore in 2014-15. However, the fiscal deficit increased from ₹ 975.29 crore or 1.94 per cent of GSDP in 2012-13 to ₹ 1605.78 crore or 11.90 per cent of GSDP 2013-14. The fiscal surplus stood at ₹ 518.76 crore or 3.33 per cent of GSDP in 2014-15.

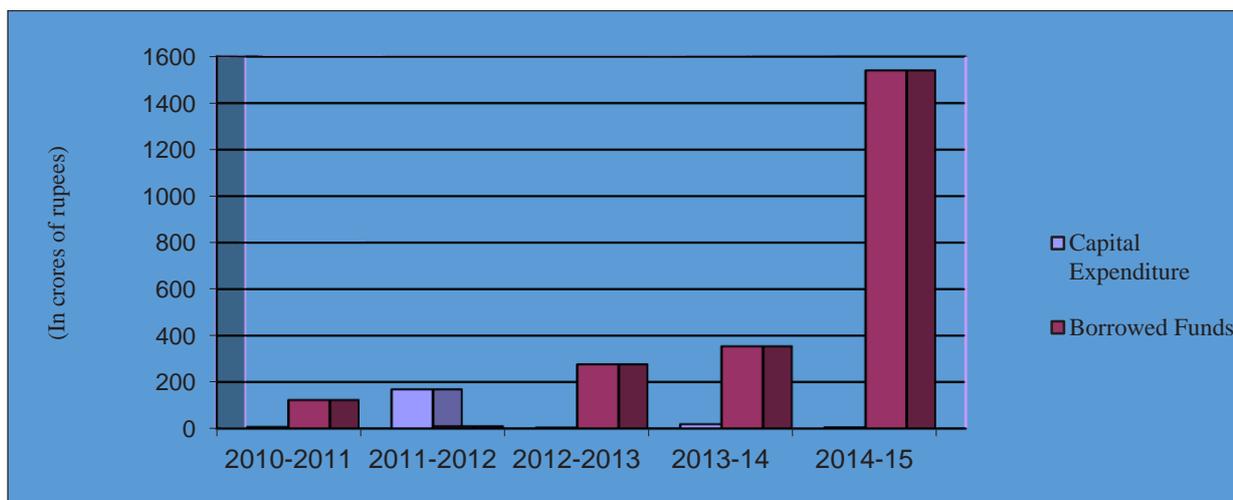
### 1.6.1. Trend of Revenue Deficit/Surplus



### 1.6.2. Trend of Fiscal Deficit/Surplus



### 1.6.3. Proportion of Borrowed Funds spent on Capital Expenditure



It is desirable to fully utilize borrowed funds for creation of Capital Assets, and to use Revenue Receipts for repayment of Principal and Interest. However, the State Government spent only 0.32 per cent of its borrowings of the current year (₹ 1540.41 crore) on Capital Expenditure (₹ 4.93 crore). Therefore, it would appear that 99.68 per cent of Borrowings were utilized to repay Principal and Interest on Public Debt of previous years, to meet periodic shortfalls of revenue against expenditure in the current year, to maintain a positive cash balance at the end of the year and to invest in Treasury Bills.

## CHAPTER - II

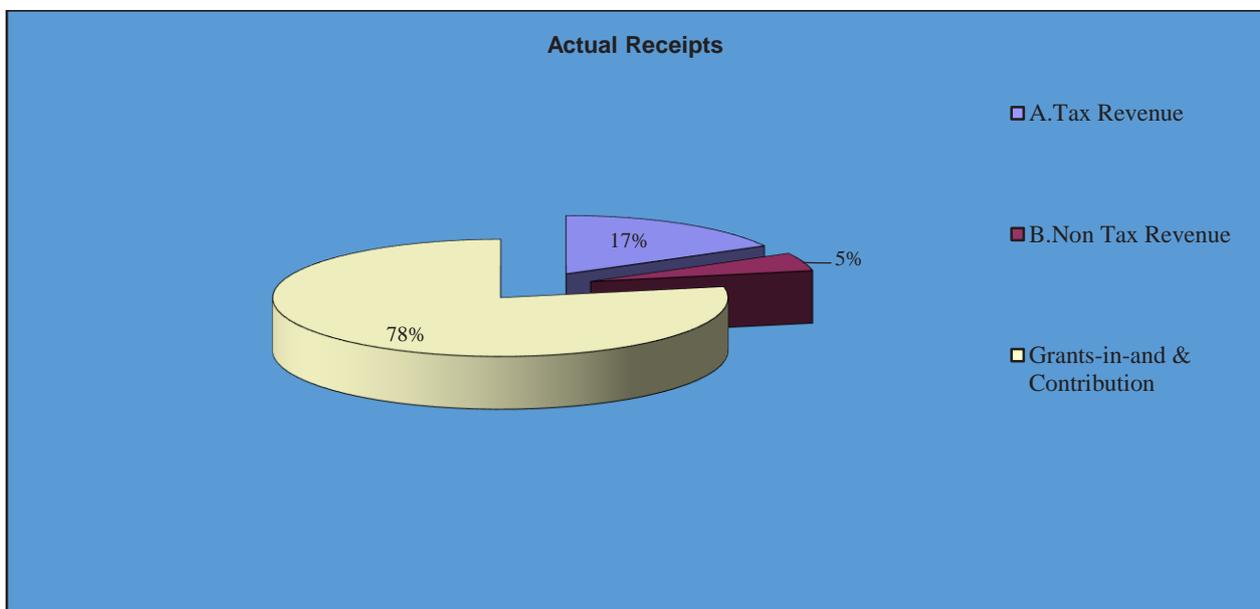
### RECEIPTS

#### 2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2014-15 were ₹ 8644.70 crore.

#### 2.2. Revenue Receipts

<b>TAX REVENUE</b>	Comprises of taxes collected and retained by the State and State Share of Union Taxes, under Article 280 (3) of the Constitution.
<b>NON-TAX REVENUE</b>	Includes Interest Receipts, Dividends, Profits, etc.;
<b>GRANTS-IN-AID</b>	Essentially, a form of Central Assistance to the State Government from the Centre. Includes 'External Grants Assistance' and 'Aid, Material & Equipment' received from foreign Governments and channelized through the Union Government. In turn, the State Government also gives Grants-in-Aid to institutions like Panchayati Raj, Autonomous Bodies, etc;



### 2.2.1. Revenue Receipt Components (2014-15)

(₹ in crore)

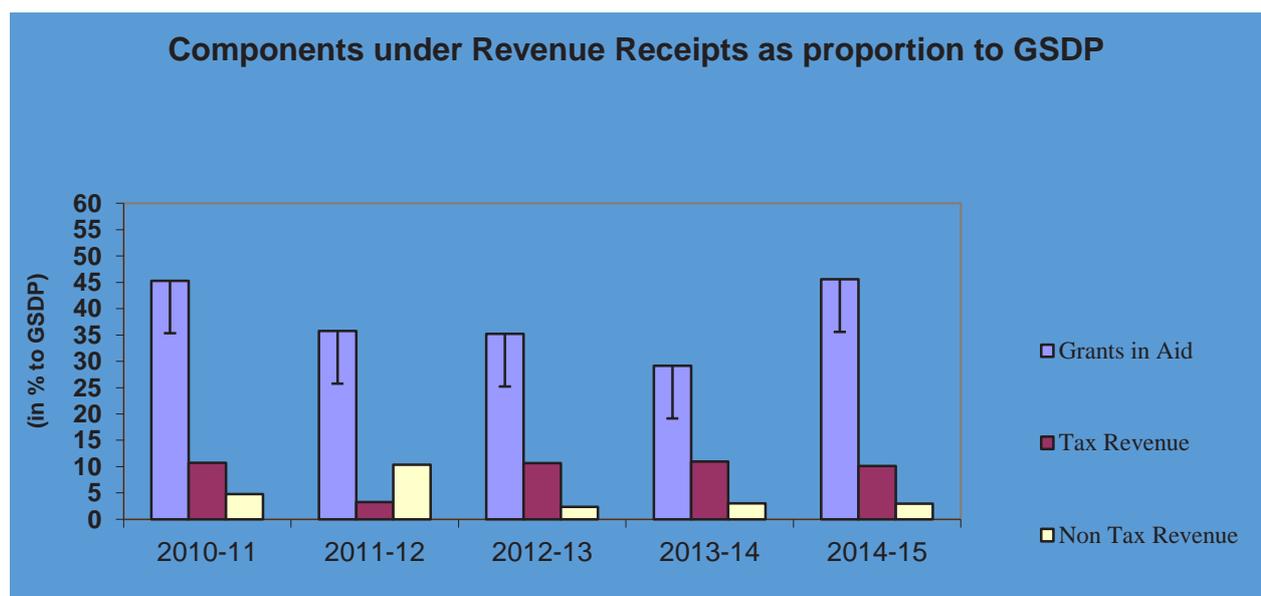
Components	Actuals
<b>A. TAX REVENUE</b>	<b>1572.14</b>
Taxes on Income & Expenditure	664.76
Taxes on Property & Capital Transactions	10.86
Taxes on Commodities & Services	896.52
<b>B. NON-TAX REVENUE</b>	<b>457.64</b>
Interest Receipts, Dividends & Profits	13.12
General Services	30.46
Social Services	28.07
Economic Services	385.98
<b>C. GRANTS-IN-AID AND CONTRIBUTIONS</b>	<b>7106.27</b>
<b>TOTAL- REVENUE RECEIPTS</b>	<b>9136.05</b>

### 2.3. Trend of Receipts

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
<b>TAX REVENUE</b>	935.18	1156.52	1274.43	1480.36	1572.14
<b>NON-TAX REVENUE</b>	530.18	360.71	284.22	405.06	457.64
<b>GRANTS -IN-AID</b>	3956.78	3981.73	4202.88	3935.01	7106.27
<b>TOTAL REVENUE RECEIPTS</b>	5422.14	5499.06	5761.53	5820.43	9136.05
<b>GSDP</b>	8731.50	11135.53	11942.81	13491.00	15588.00

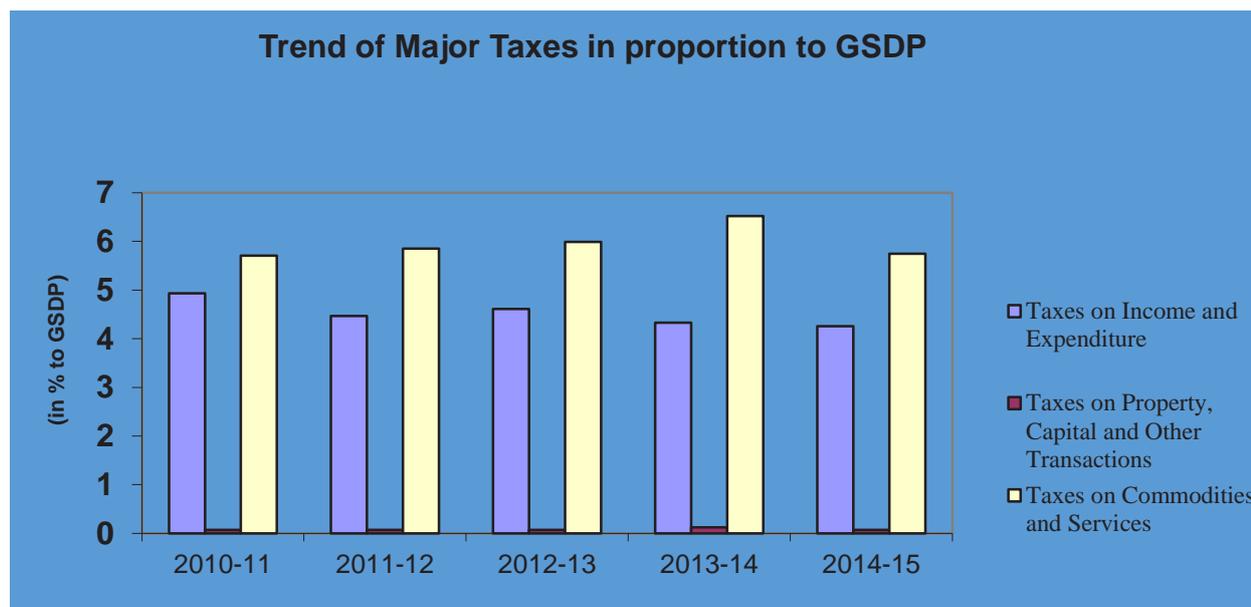
Though GSDP increased by 15.54 per cent between 2013-14 and 2014-15, growth in revenue collection was 56.97 per cent. While Tax Revenue increased by 6.20 per cent, Non-Tax Revenue increased by 12.98 per cent.



## Sector-wise Tax Revenue

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Taxes on Income and Expenditure	430.41	498.17	550.39	583.67	664.76
Taxes on Property, Capital and Other Transactions	5.80	7.37	8.32	16.54	10.86
Taxes on Commodities and Services	498.96	651.08	715.72	880.14	896.52
<b>TOTAL TAX REVENUE</b>	<b>935.17</b>	<b>1156.12</b>	<b>1274.43</b>	<b>1480.36</b>	<b>1572.14</b>



## 2.4. Performance of State's own Revenue Collection

(₹ in crore)

Year	Tax Revenue	State Share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2010-11	935.18	720.18	214.99	2.46
2011-12	1156.62	838.97	317.65	2.85
2012-13	1274.43	957.93	316.50	2.65
2013-14	1480.36	1045.85	434.51	3.22
2014-15	1572.14	1109.98	462.16	2.96

The proportion of the State's Own Revenue to GSDP was higher than the target of 2.91 per cent, as recommended by the 13<sup>th</sup> Finance Commission.

## 2.5. Efficiency of Tax Collection

### A. Taxes on Property, Capital and Other Transactions

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Collection	5.80	7.37	8.32	16.54	10.86
Expenditure on Collection	7.28	8.57	7.97	11.04	12.28
Cost of Tax Collection	125.51 %	116.28 %	95.80%	66.74%	113.08%

### B. Taxes on Commodities and Services

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Collection	498.96	651.08	715.72	880.14	896.52
Expenditure on Collection	8.03	12.88	12.36	14.39	17.72
Cost of Tax Collection	1.61 %	1.98 %	1.73%	1.63%	1.98%

Taxes on Commodities and Services form a major chunk of Tax Revenue. Tax collection efficiency of Taxes on Property, Capital and Other Transactions requires improvement.

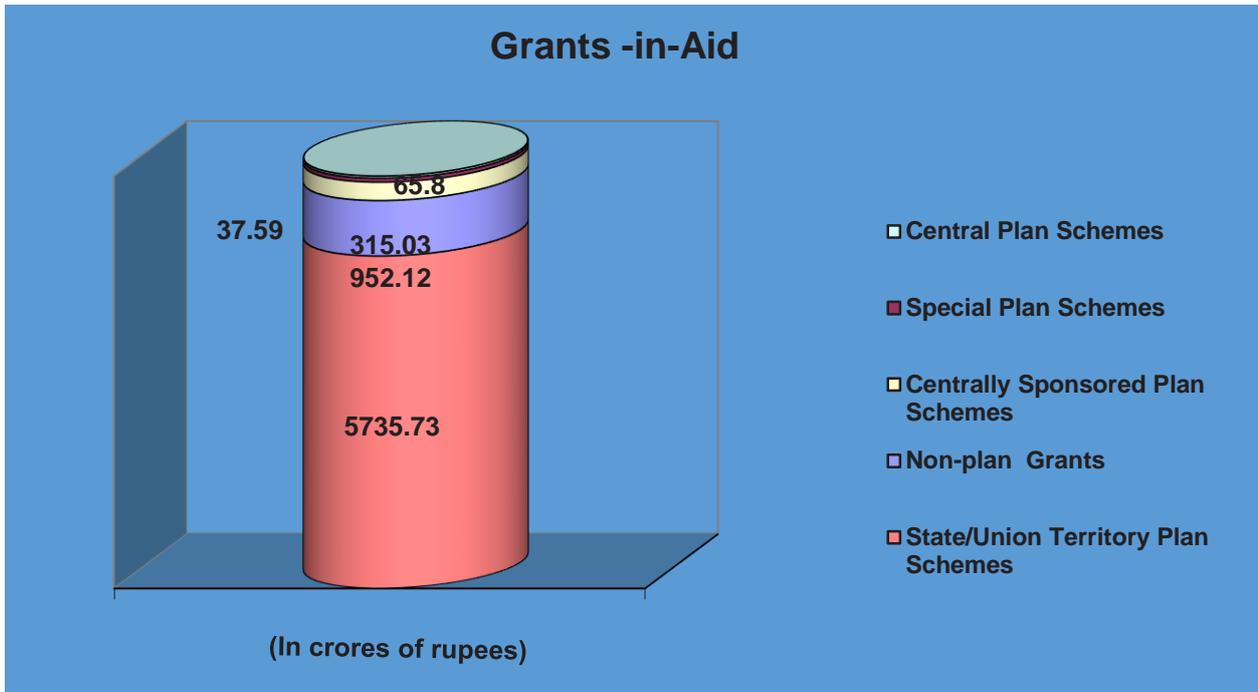
## 2.6. Trend in State's Share of Union Taxes over the past five years.

(₹ in crore)

Major Head Description	2010-11	2011-12	2012-13	2013-14	2014-15
Corporation Tax	281.59	330.36	344.28	351.93	387.82
Taxes on Income other than Corporation Tax	148.81	167.81	206.11	231.74	276.94
Taxes on Wealth	0.58	1.28	0.58	0.97	1.04
Customs	125.98	145.52	159.27	170.74	179.61
Union Excise Duties	91.64	94.17	108.24	120.58	101.42
Service Tax	71.58	99.83	139.45	169.89	163.15
Other Taxes and Duties on Commodities and Services	-	-	-	-	-
State Share of Union Taxes	<b>720.18</b>	<b>838.97</b>	<b>957.93</b>	<b>1045.85</b>	<b>1109.98</b>
Total Tax Revenue	<b>935.18</b>	<b>1156.62</b>	<b>1274.43</b>	<b>1480.36</b>	<b>1572.14</b>
Percentage of Union Taxes to Total Tax Revenue	77	72.54 %	75.17%	70.65%	70.60%

## 2.7. Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India and comprise of Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission; they also include State Non-plan Grants recommended by the Finance Commission. Total receipts during 2014-15 under Grants-in-Aid were ₹ 7106.27 crore, as shown below:



The share of Central Plan Schemes in total Grants-in-Aid declined from 4.23 *per cent* during 2013-14 to 0.53 *per cent* in 2014-15, while the share of Grants for state/Union Territory Plan Schemes increased from 64.64 *per cent* in 2013-14 to 80.72 *per cent* in 2014-15. Against a Budget Estimate of ₹ 6398.05 crore of Grants-in-Aid, the State Government actually received ₹ 7106.27 crore as Grants-in-Aid (111.07 *per cent* of BE).

## 2.8. Public Debt

### *Trend of Public Debt over the past five years*

(₹ in crore)

Description	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Internal Debt</b>	1721.51	121.99	168.66	276.45	354.15	1540.41
<b>Central Loans</b>	420.66	0.37	-	-	-	-
<b>Total Public Debt</b>	2142.17	122.36	168.66	276.45	354.15	1540.41

Against a total Internal Debt of ₹ 1540.41 crore of the State Government in 2014-15, Capital Expenditure was ₹ 1488.11 crore, indicating that the entire Public Debt was not used for developmental purposes.

## CHAPTER - III

### EXPENDITURE

#### 3.1. Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue Expenditure is used to meet day-to-day expenses for running an organization. Capital Expenditure is used to create permanent assets, enhance the utility of such assets or reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

<b>GENERAL SERVICES</b>	Includes Justice, Police, Jails, PWD, Pension, etc.;
<b>SOCIAL SERVICES</b>	Includes Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.;
<b>ECONOMIC SERVICES</b>	Includes Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.;

#### 3.2. Revenue Expenditure

Revenue Expenditure was ₹ 7156.59 crore for 2014-15, which was less than the Budget Estimates by ₹ 2042.61 crore. This was due to less disbursement of ₹ 1637.77 crore under Plan Expenditure and less disbursement of ₹ 404.84 crore under Non-Plan Expenditure. The shortfall/excess of expenditure against Budget Estimates under Revenue Section during the last five years given below:

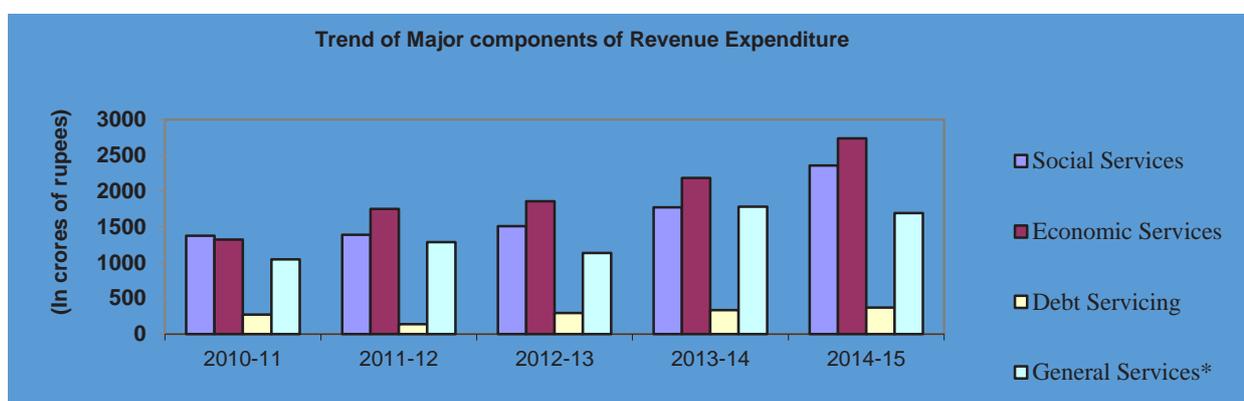
	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Budget Estimates</b>	4523.13	3606.29	5389.68	6322.78	9199.20
<b>Actuals</b>	3744.24	4417.86	4786.24	5731.40	7156.59
<b>Gap</b>	778.89	(-) 811.57	603.44	591.38	2042.61
<b>Percentage of gap over BEs</b>	17.22	22.50	11.20	9.35	22.20

Compounding the excess (4.08 per cent) of Revenue Receipts against Budget Estimates, the State Government was able to generate surplus of revenue in terms of the FRBM Act. Nearly 59.33 per cent of total Revenue Expenditure was committed to Non-Plan Expenditure (Salaries, Pensions, etc.). Plan Expenditure resultantly increased by 64.10 per cent from ₹ 1773.81 crore in 2013-14 to ₹ 2910.89 crore in 2014-15.

### 3.2.1. Sectoral Distribution of Revenue Expenditure (2014-15)

Components	Amount	Percentage
<b>A. Fiscal Services</b>	<b>31.09</b>	0.43
(i) Collection of Taxes on Property & Capital Transactions	12.28	-
(ii) Collection of Taxes on Commodities & Services	17.72	-
(iii) Other Fiscal Services	1.09	-
<b>B. Organs of State</b>	<b>129.73</b>	1.81
<b>C. Interest Payment &amp; Servicing of Debt</b>	<b>370.88</b>	5.18
<b>D. Administrative Services</b>	<b>1049.88</b>	14.67
<b>E. Pensions &amp; Miscellaneous General Services</b>	<b>481.01</b>	6.72
<b>F. Social Services</b>	<b>2358.39</b>	32.96
<b>G. Economic Services</b>	<b>2735.61</b>	38.23
<b>H. Grants-in-Aid &amp; Contributions</b>	-	-
<b>TOTAL - EXPENDITURE (REVENUE ACCOUNT)</b>	<b>7156.59</b>	<b>100</b>

### 3.2.2. Major Components of Revenue Expenditure (2010-2015)



*General Services excludes MH 2048 (Appropriation for reduction or avoidance of Debt), MH 2049 (Interest Payments).*

In 2014-15, the expenditure on Economic Services (which included important sectors like Rural Development, Agriculture and Irrigation) occupied the major portion of the total expenditure.

### 3.3. Capital Expenditure

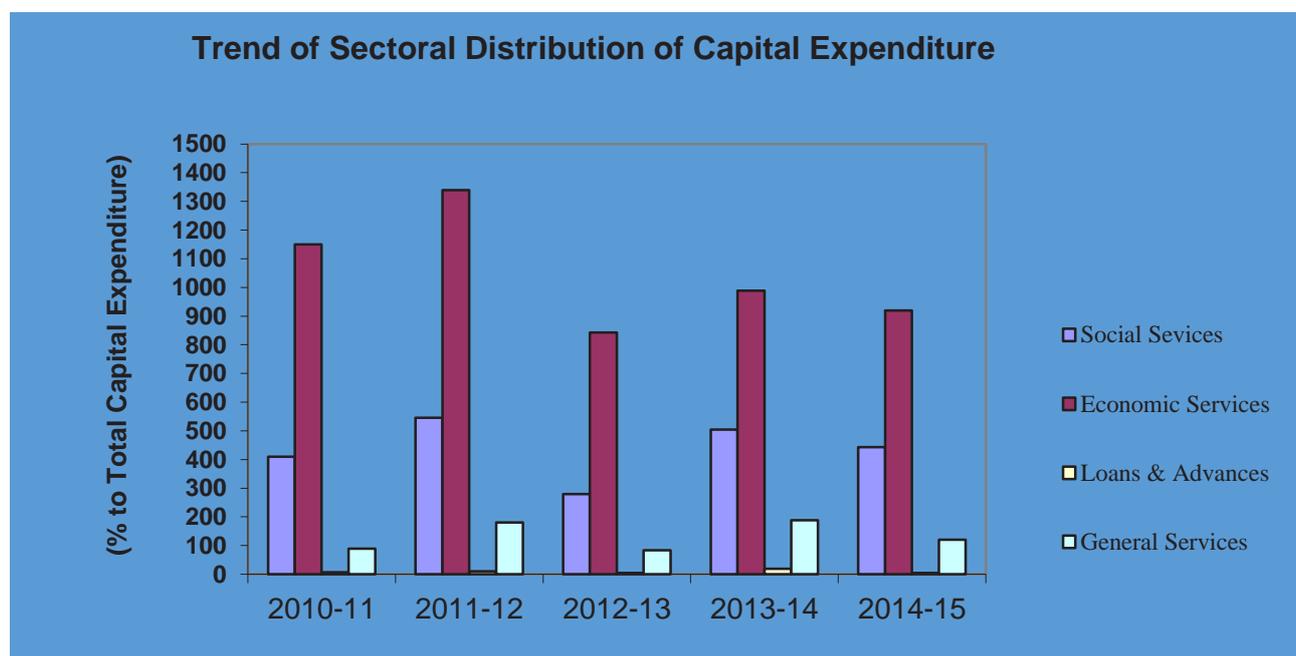
Capital disbursements for 2014-15 was 9.51 per cent of GSDP and less than Budget Estimates by ₹ 2634.66 crore (less disbursement of ₹ 2617.38 crore under Plan Expenditure and more disbursement of ₹ 17.28 crore under Non-Plan Expenditure).

### 3.3.1. Sectoral Distribution of Capital Expenditure

(₹ in crore)			
Sl. No.	Components	Amount	Percentage
1.	General Services - Police, Land Revenue; etc.;	120.70	8.11
2.	Social Services - Education, Health & Family Welfare, Water Supply, Welfare of SC/ST, etc.;	442.51	29.74
3.	Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport, etc.;	919.97	61.82
4.	Loans & Advances Disbursed	4.93	0.33
<b>TOTAL</b>		<b>1488.11</b>	<b>100</b>

### 3.3.2. Sectoral Distribution of Capital Expenditure over the past five years

(₹ in crore)						
Sl. No.	Sector	2010-11	2011-12	2012-13	2013-14	2014-15
1.	General Services	89.10	180.81	83.86	187.81	120.70
2.	Social Services	409.68	545.59	279.76	503.80	442.51
3.	Economic Services	1150.42	1339.48	842.66	988.09	919.97
4.	Loans & Advances	6.31	9.69	3.95	18.53	4.93
<b>TOTAL</b>		<b>1655.51</b>	<b>2075.57</b>	<b>1210.23</b>	<b>1698.23</b>	<b>1488.11</b>



## CHAPTER - IV

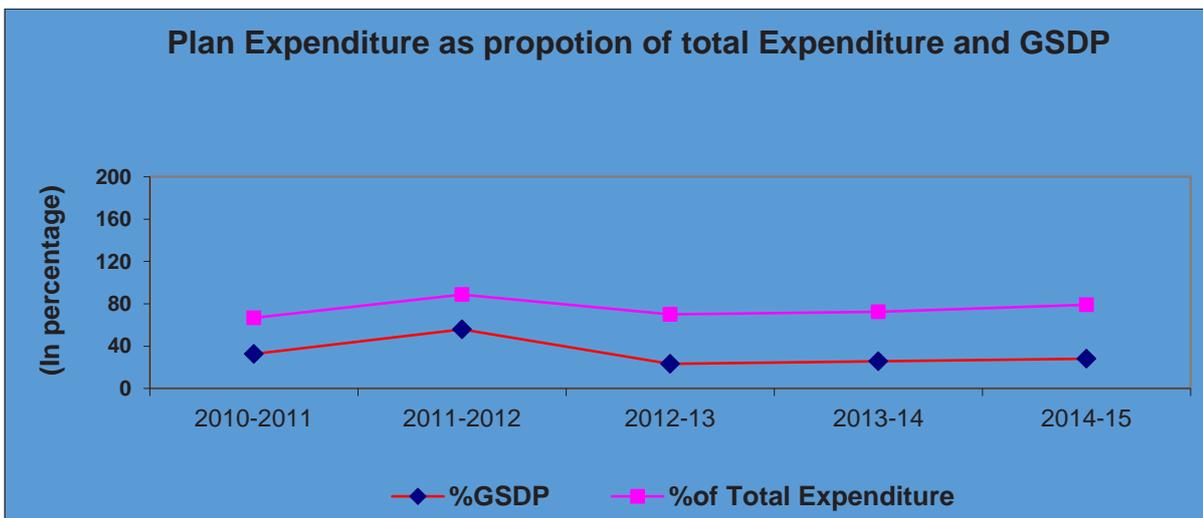
### PLAN AND NON PLAN EXPENDITURE

#### 4.1. Distribution of Expenditure (2014-15)



#### 4.2. Plan Expenditure

In 2014-15, Plan Expenditure, representing around 51 *per cent* of total disbursements, was ₹ 4376.66 crore (₹ 2516.10 crore under State Plan, ₹ 1860.12 crore under Centrally Sponsored Schemes and ₹ 0.44 crore under Loans & Advances).



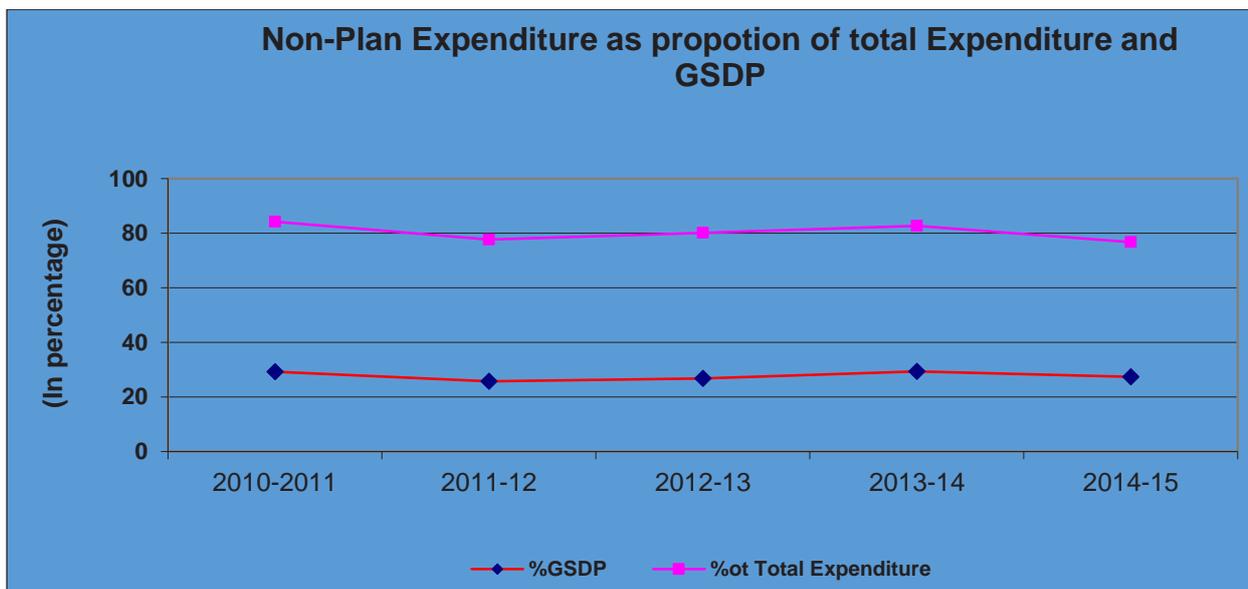
#### 4.2.1. Plan Expenditure under Capital Account

(₹ in crore)

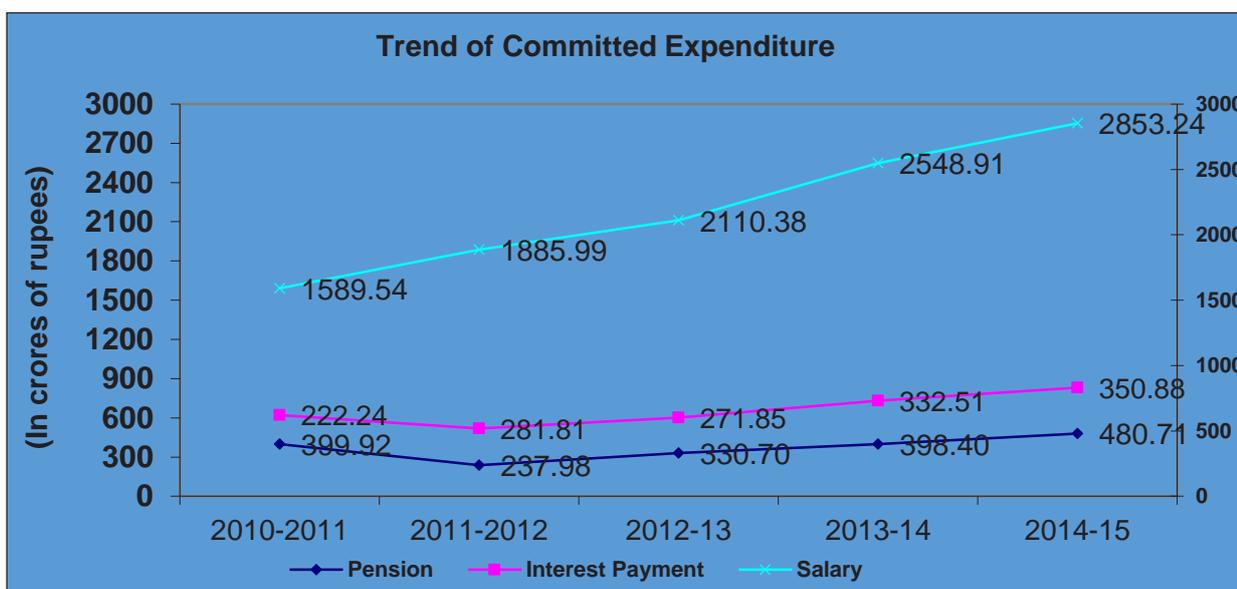
	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Total Capital Expenditure</b>	1655.51	2075.57	1214.18	1698.23	1488.11
<b>Capital Expenditure (Plan)</b>	1632.03	2059.85	1208.33	1692.02	1465.77
<b>% of Capital Expenditure (Plan) to Total Capital Expenditure</b>	<b>98.58</b>	<b>99.24</b>	<b>99.52</b>	<b>99.63</b>	<b>98.50</b>

#### 4.3. Non-Plan Expenditure

Non-Plan Expenditure during 2014-15, representing around 49 per cent of total disbursements, was ₹ 4268.04 crore (₹ 4245.70 crore under Revenue Expenditure, ₹ 17.85 crore under Capital Expenditure and ₹ 4.49 crore under Loans & Advances).



#### 4.4. Committed Expenditure



<i>(₹ in crore)</i>					
<b>Component</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<b>Committed Expenditure</b>	2211.70	2405.78	2712.93	3259.82	3684.83
<b>Revenue Expenditure</b>	3745.00	4417.86	4786.24	5731.40	7156.59
<b>% of Committed Expenditure to Revenue Receipts</b>	40.78	43.75	47.09	56.01	40.33
<b>% of Committed Expenditure to Revenue Expenditure</b>	<b>59.06</b>	<b>54.46</b>	<b>56.69</b>	<b>56.88</b>	<b>51.49</b>

The steep upward trend on both Committed and Revenue Expenditure left the Government with lesser flexibility for developmental spending.

## **CHAPTER – V**

### **APPROPRIATION ACCOUNTS**

#### **5.1. Summary of Appropriation Accounts for 2014-15**

*(₹ in crore)*

Sl. No.	Nature of Expenditure	Original Grant	Supplementary Grant	Re - appropriation	Total	Actual Expenditure	Savings (-) Excess (+)
1.	Revenue Voted Charged	6778.96	2016.12	-	8795.08	6771.96	(-)2023.12
		10.83	3.77		14.60	13.75	(-) 0.85
2.	Capital Voted Charged	2143.80	1962.19	-	4105.99	1483.79	(-) 2622.20
3.	Public Debt Charged	389.82	-----	-	389.82	370.88	(-) 18.94
4.	Loans & Advances Voted Charged	4.40	12.68	-	17.08	4.93	(-) 12.15
		267.75	181.87		449.62	1053.91	(+) 604.29
<b>TOTAL</b>		<b>9595.56</b>	<b>4176.63</b>	<b>-</b>	<b>13772.19</b>	<b>9699.22</b>	<b>(-) 4072.97</b>

#### **5.2. Trend of Saving/Excess during the past five years**

*(₹ in crore)*

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2010-11	(-) 906.82	(-) 1496.75	(+) 127.63	(-) 104.87	(+) 2380.81
2011-12	(-) 619.75	(-) 1896.74	(-) 28.55	(-) 85.85	(-) 2630.89
2012-13	(-) 541.98	(-) 2714.50	(-) 61.76	(-) 65.13	(-) 3383.37
2013-14	(-) 553.04	(-)3521.44	(-) 38.34	(-) 65.41	(-) 4178.23
2014-15	(-) 2023.97	(-)2622.20	(-) 18.94	(+) 592.14	(-) 4072.97

#### **5.3. Significant Savings**

Substantial savings under a Grant indicated either non-implementation or slow implementation of certain Schemes/Programmes.

Some Grants with persistent and significant savings are given below:

(₹ in crore)

Grant No.	Nomenclature	2010-11	2011-12	2012-13	2013-14	2014-15
<b>REVENUE</b>						
6	District Administration	19.80	38.44	29.06	103.70	21.77
15	Health & Family Welfare	2.04	3.16	24.69	29.84	69.79
23	Forest	34.46	49.52	156.24	62.63	127.68
24	Agriculture	26.64	36.70	28.51	24.64	56.56
27	Panchayat	18.62	42.12	73.76	90.42	72.49
38	Water Resource Department	8.62	51.53	40.99	39.08	103.84
Grant No.	Nomenclature	2010-11	2011-12	2012-13	2013-14	2014-15
<b>CAPITAL</b>						
8	Public Works	12.98	1.78	90.98	90.75	81.63
32	Roads & Bridges	63.03	50.72	245.66	193.41	323.87
34	Power	12.62	45.14	49.22	38.96	45.32
38	Water Resources	21.79	40.79	66.83	20.00	14.00
57	Urban Development	55.57	61.28	116.30	149.34	126.96

During 2014-15, Supplementary Grants totaling ₹ 651.64 crore (7.54 per cent of Total Expenditure of ₹ 8644.70) proved to be unnecessary. In some cases, there were significant savings at the end of the year, even against original allocations. A few instances are given below.

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
4	Election	Revenue	60.04	16.34	53.93
8	Police	Capital	10.00	7.69	0.19
14	Education	Revenue	209.25	447.88	196.48
19	Industries	Revenue	41.70	9.32	31.02
23	Forests	Revenue	347.17	17.33	236.82
24	Agriculture	Revenue	154.95	6.48	104.87
26	Rural Works	Revenue	801.38	12.61	449.73
27	Panchayat	Revenue	107.97	6.73	42.22
30	State Transport	Capital	3.70	5.25	3.26
38	Water Resource Development	Revenue	154.74	71.42	122.32
40	Housing	Revenue	26.60	0.13	22.96
42	Rural Development	Revenue	442.29	10.74	131.77
45	Civil Aviation	Revenue	23.35	0.10	22.76
58	Stationary And Printing	Capital	0.18	1.44	0.12
59	Public Health Engineering	Revenue	402.49	2.00	298.95
60	Textile And Handicraft	Revenue	28.28	5.10	27.72
74	Social Justice, Empowerment & Tribal Affairs	Revenue	35.69	0.21	21.25
75	Higher and Technical Education	Revenue	82.93	4.72	71.34
76	Elementary Education	Revenue	711.35	26.15	703.82

## **CHAPTER - VI**

### **ASSETS AND LIABILITIES**

#### **6.1. Assets**

The existing form of accounts did not easily depict the valuation of Government assets like land, buildings, etc. except during the year of acquisition/purchase. Similarly, while the accounts presented the impact of liabilities that arose in the current year, they did not depict the overall impact of liabilities to future generations, except to a limited extent, as shown by the rate of interest and period of existing loans.

Total investment as Share Capital in Public Sector Undertakings (PSUs) stood at ₹ 247.59 crore at the end of 2014-15. However, no dividends were received on investment. During 2014-15, investments increased by ₹ 2.54 crore.

Cash Balance with RBI stood at ₹ (-) 167.46 crore on 31 March 2014 and decreased to ₹ -85.79 crore at the end of March, 2015.

#### **6.2. Debts and Liabilities**

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be from time to time fixed by the State Legislature.

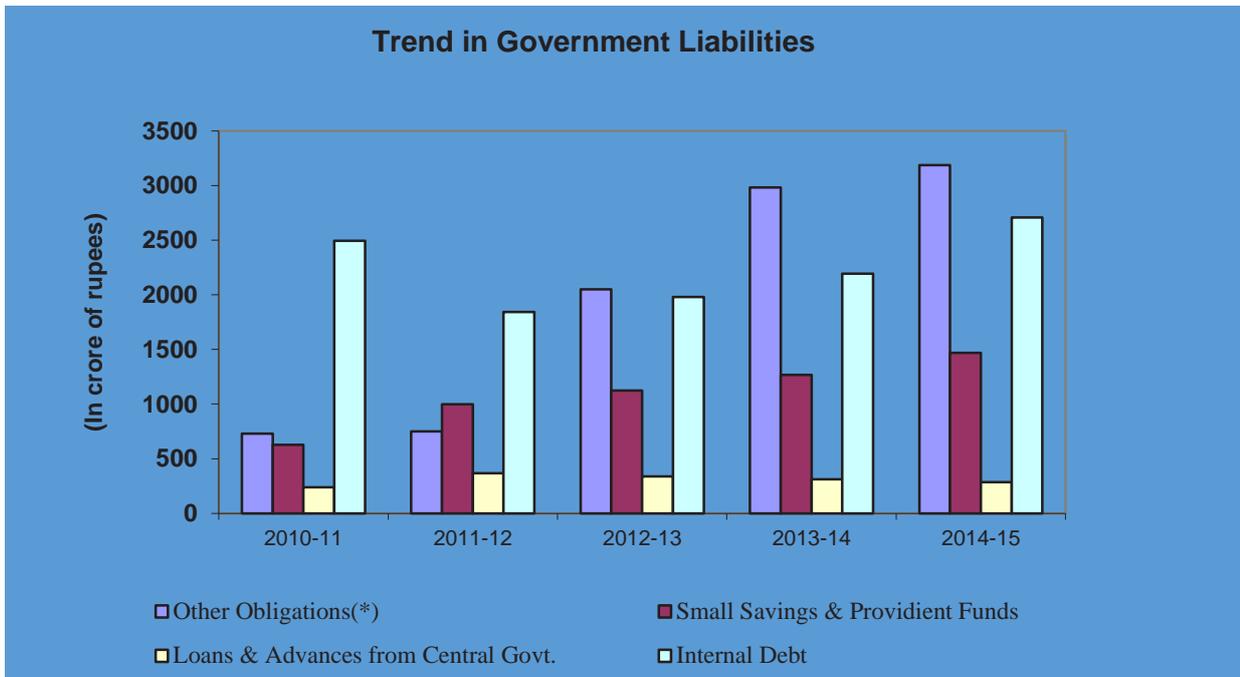
Details of the Public Debt and total liabilities of the State Government were as under:

(₹ in crore)						
Year	Public Debt	% to GSDP	Public Account (*)	% to GSDP	Total Liabilities	% to GSDP
2010-11	2178.03	24.94	583.22	6.68	3547.14	40.62
2011-12	2209.36	19.84	1663.66	14.94	3873.02	34.78
2012-13	2319.17	19.42	1859.90	15.58	4179.07	35.00
2013-14	2504.24	18.56	2026.58	14.54	4530.82	33.58
2014-15	2990.74	19.19	2770.48	17.77	5761.22	36.96

(\*) Excludes Suspense & Remittances Balances.

Note: Figures are progressive balances to end of the year.

There was a net increase of ₹ 1230.40 crore (27.16 per cent) in Public Debt and Other Liabilities as compared to 2013-14.



(\*) Non-interest bearing obligations such as deposits of Local Funds, Other earmarked funds, etc.

The Government of India determines, from time to time, the limits up to which a State Government can borrow from the market. Public Debt outstanding at the end of the year 2014-15 was ₹ 2990.74 crore out of which Market Loans outstanding was 1195.85 crore.

### 6.3. Guarantees

The position of Guarantees by the State Government for payment of Loans and Capital and payment of Interest thereon raised by Statutory Corporations, Government Companies, Corporations, Co-operative Societies, etc. is given below:

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 <sup>st</sup> March 2014	
		Principal	Interest
2010-11	<i>Information not intimated by State Govt.</i>		
2011-12	2.00		1.55*
2012-13	2.00		1.55*
2013-14	2.00		1.55*
2014-15	2.00		0.97*

(\*) Amount has not been bifurcated as Principal and Interest.

## **CHAPTER - VII**

### **OTHER ITEMS**

#### ***7.1. Adverse Balances under Internal Debt***

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, State Governments also guarantee loans raised by Government Companies and Corporations from the market and financial institutions for implementation of various Plan Schemes/Programmes, which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government. However, loan repayments appear in Government Accounts, resulting in irreconcilable Adverse Balances and under-statement of liabilities in Government Accounts. However, no Adverse Balance has appeared under Internal Debt for the year 2014-15.

#### ***7.2. Loans and Advances by the State Government***

The total Loans and Advances made by the State Government at the end of 2014-15 was ₹ 59.49 crore.

#### ***7.3. Financial Assistance to Local Bodies and Others***

During the last five years, Grants-in-Aid to Local Bodies, etc., was 209.00 crore in 2010-11 and decreased to ₹ 11.85 crore in 2014-15. No Grants were given to Zila Parishads and Municipalities during the year.

(₹ in crore)

<b>Year</b>	<b>Zila Parishads</b>	<b>Municipalities</b>	<b>Panchayat Samitis</b>	<b>Others</b>	<b>Total</b>
<b>2010-11</b>	-	-	-	209.00	<b>209.00</b>
<b>2011-12</b>	-	-	-	310.78	<b>310.78</b>
<b>2012-13</b>	-	-	-	16.14	<b>16.14</b>
<b>2013-14</b>	-	-	-	16.20	<b>16.20</b>
<b>2014-15</b>	-	-	2.49	9.36	<b>11.85</b>

#### 7.4. Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 <sup>st</sup> April 2014	As on 31 <sup>st</sup> March 2015	Net Increase (+)/ (-) Decrease
Cash Balances	(-) 9.27	72.40	81.67
Investments from Cash Balance (GoI Treasury Bills )	825.83	825.83	0.00
Investment from Earmarked Fund Balances	149.90	169.90	(+) 20.00
(a) Sinking Fund	149.90	169.90	(+) 20.00
(b) Guarantee Redemption Fund	-	-	-
(c) Other Funds	-	-	-
Interest Realized	21.41	12.34	(-) 9.07

There was a net increase in the Cash Balance of the State Government at the end of 2014-15.

#### 7.5. Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of figures available with Departments and figures appearing in the accounts compiled by the Accountant General. This exercise is to be conducted by respective Heads of Departments. The reconciliation of accounts of many Departments was in arrears. In 2014-15, ₹ 9,698.61 crore (100 per cent of the total expenditure) of the State Government was reconciled. Similarly, out of total receipts of ₹ 10,703.86 crore, only ₹ 10,005.76 crore (93.48 per cent) was reconciled. The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCOs) of different Departments is given below:

Particulars	No. of CCOs	Fully Reconciled	Partially Reconciled	Not Reconciled
Expenditure	78	100 %	-	-
Receipts	78	-	93.48 %	6.52 %

#### 7.6. Submission of Accounts by Treasuries

The delay in rendition of monthly Accounts by the 17 Treasuries to the office of the Accountant General was ranging from 02 days to 141 days.

#### 7.7. Abstract Contingent (AC) Bills and Detailed Contingent (DC) Bills

When money is required in advance or Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amount required, they are permitted to draw money without supporting documents through AC Bills. Such AC Bills are required to be settled, within a maximum of 90 days, through submission of DC Bills. 217 DC Bills amounting to ₹ 19.06 crore were outstanding at the end of 31 March 2015, indicating that these instructions were not followed.

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