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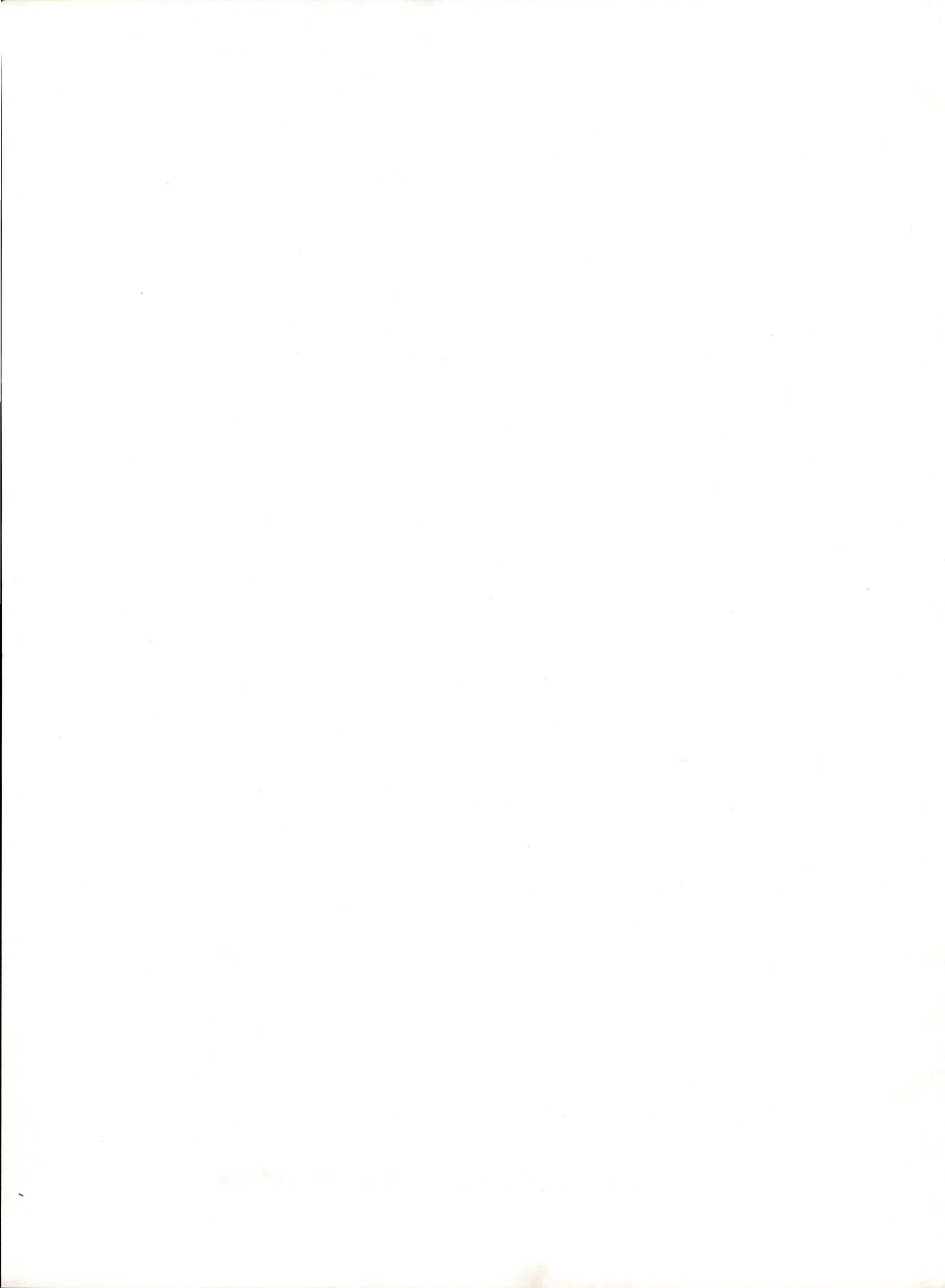
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**REPORT OF THE COMPTROLLER AND  
AUDITOR GENERAL OF INDIA  
ON  
STATE FINANCES  
FOR THE YEAR ENDED 31 MARCH 2010  
(REPORT NO. 1)**

**GOVERNMENT OF ARUNACHAL PRADESH**



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## **PREFACE**

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- 1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.*
- 2. Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2010.*
- 3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.*
- 4. Audit observations on matter arising from performance audit and audit of transactions in various departments including the Public Works department, audit of stores and stock, audit of autonomous bodies, Statutory Corporations, Boards and Government Companies and audit of revenue receipts for the year ended 31 March 2010 are included in a separate Report.*
- 5. The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.*



## **EXECUTIVE SUMMARY**

### **BACKGROUND**

Government of Arunachal Pradesh responded to the Twelfth Finance Commission's (TFC) recommendation by legislating "Arunachal Pradesh Fiscal Responsibilities and Budget Management (APFRBM) Act" in March 2006. The Act sets out a reform agenda through fiscal correction path in the medium term with the long-term goal of securing growth stability for its economy. The State Government implemented the Value Added Tax during 2005-06 which will go a long way in increasing tax revenue of the State.

The State Government has done well in establishing an institutional mechanism on fiscal transparency and accountability as evident from the year-on-year presentation of outcome budgets. These outcome indicators tend to serve a limited purpose of measuring the performance against the targets. They do not, however, give the 'big picture' of the overall financial management including debt position, cash management, etc. for the benefit of the State Legislature and other stakeholders.

The Comptroller and Auditor General's (C&AG) Civil Audit Reports step in to fill this gap. C&AG's reports have been commenting upon the

Government's finances for two years since the APFRBM legislation and have published two reports already. Since these comments formed part of the Civil Audit Report, it was felt that the audit findings on State finances remained camouflaged in the large body of audit findings on compliance and performance audits. The obvious fallout of this well-intentioned but all-inclusive reporting was that the financial management portion of these findings did not receive proper attention. In recognition of the need to bring State finances to centre-stage once again, a stand-alone report on State Government finances is considered as an appropriate audit response to this challenge. Accordingly, from the report year 2009 onwards, C&AG has decided to bring out a separate volume titled "Report of the Comptroller and Auditor General of India on State Finances".

### **THE REPORT**

Based on the audited accounts of the Government of Arunachal Pradesh for the year ending March 2010, this report provides an analytical review of the Annual Accounts of the State Government. The report is structured in three Chapters.

**Chapter I** is based on the audit of Finance Accounts and makes an assessment of Arunachal Pradesh

Government's fiscal position as on 31 March 2010. It provides an insight into trends in committed expenditure, borrowing pattern besides a brief account of central funds transferred directly to the State implementing agencies through off-budget route.

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

**Chapter III** is an inventory of Arunachal Pradesh Government's compliance with various reporting requirements and financial rules. The report also has an appendage of additional data collected from several sources in support of the findings.

### **Audit findings and recommendations**

#### ***Fiscal Correction Path***

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Revenue surplus decreased by ₹ 361 crore in 2009-10 and fiscal deficit and primary deficit has also shown deterioration in 2009-10 relative to the previous year. The reason for deterioration in fiscal deficit is mainly due to more expenditure incurred under Capital outlay. Moreover, the fiscal performance of the State vis-à-vis targets set in Fiscal Correction Path as well as Arunachal Pradesh Fiscal Responsibility and Budget

Management Act and Budget indicate a dismal picture during the year.

*(Paragraph 1.10)*

#### ***Revenue Receipts***

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Central transfers comprising state's share of Central taxes and grants-in-aid from the Government of India increased by ₹ 439 crore in 2009-10, indicating that the State continued to rely on Central transfers for its revenue receipts. The total loss of revenue due to underassessment/short levy/non-levy of taxes, etc., which was 6.70 *per cent* of the State's own resources consisting of tax and non-tax revenue during 2009-2010, indicates the presence of loopholes in resources mobilization. Pending revenue arrears constituted over 38 *per cent* of tax revenue of the State during 2009-10.

*(Paragraph 1.3)*

#### ***Expenditure Pattern***

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The expenditure pattern of the State reveals that though the revenue expenditure as a percentage of total expenditure, declined by 6.20 *per cent* in the current year, it hovered around 80 *per cent* during the period (2005-10) leaving inadequate resources for expansion of services and creation of assets. Within the revenue expenditure, Non Plan Revenue Expenditure (NPRE) at ₹ 2560 crore in 2009-10 constituted 69 *per cent* and remained



significantly higher than the normatively assessed level of ₹ 1030 crore by Twelfth Finance Commission for the year. Further, the salaries and wages, pensions, interest payments and subsidies continued to consume a major share of NPRE and was about 86 per cent during 2009-10.

*(Paragraph 1.4.1.2)*

#### ***Prevalence of Fiscal Deficit***

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The prevalence of fiscal deficit indicates continued reliance of the State on borrowed funds, resulting in increased fiscal liabilities of the State for the future. Fiscal liabilities stood at 49.84 per cent of the GSDP in 2009-10 and would further increase to 49.85 per cent after incorporating the contingent liabilities. However, this is within the limit of liabilities prescribed in the MTFP statement which was 70.49 per cent of GSDP for the year 2009-10.

*(Paragraph 1.9.1)*

#### ***Return on investment***

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The average returns on investment in Statutory Corporations, Government Companies and Co-operative Societies was almost nil during 2005-10, while the Government paid interest at an average rate of 7.47 per cent on its borrowings during the period. The increased fiscal liabilities accompanied by the negligible rate of return on Government investments, and inadequate interest cost recovery

on loans and advances might lead to an unsustainable fiscal situation in medium to long term, unless suitable measures are initiated to compress the non-plan revenue expenditure and to mobilize additional resources both through tax and non tax sources in the ensuing years.

*(Paragraph 1.6.2)*

#### ***Accounting of funds transferred to State Implementing Agencies***

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The Central Government has transferred ₹ 672.51 crore directly to the State Implementing Agencies for implementation of various schemes/programmes in the social and economic sectors. A system has to be put in place to ensure proper accounting of these funds and the updated information should be validated.

*(Paragraph 1.2.2)*

#### ***Financial management and budgetary control***

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There was a net savings of ₹ 2081.74 crore, after adjusting the excess of ₹ 35.13 crore from total savings of ₹ 2116.87 crore. The excess of ₹ 35.13 crore requires regularisation under Article 205 of the Constitution of India. There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriations. Rush of expenditure at the end of the year is another chronic feature noticed in the overall

financial management. In many cases, the anticipated savings were either not surrendered or surrendered on the last day of the year leaving no scope for diverting these funds for other development purposes. Detailed bills were not submitted for a large amount of advances drawn on abstract contingent bills. Budgetary controls should be strictly observed to avoid such deficiencies in financial management. Last minute fund releases and issuance of re-appropriation/surrender orders should be contained.

*(Chapter II)*

### ***Financial Reporting***

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State Government's compliance with various rules, procedures and directives was unsatisfactory as evident from the delay in furnishing utilization certificates for grants given by Urban Development and Panchayati Raj Department and also non-submission of information regarding utilization certificates by the Finance Department. Regarding losses and misappropriation also information is still awaited from the State Finance Department.

*(Chapter III)*

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



## CHAPTER I

### Finances of the State Government

#### *Profile of the State*

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Area-wise, **ARUNACHAL PRADESH**, which became a full-fledged state on February 20, 1987, is the largest state in the north-eastern region. Till 1972, it was known as the North- East Frontier Agency (NEFA). It gained the Union Territory status on January 20, 1972 and was renamed as Arunachal Pradesh. The State, being one of the Special Category State, is dependent on central assistance for plan investment because of poor resource base.

Arunachal Pradesh is thinly populated and is predominantly a tribal State. With a geographical area of 83,743 sq km, it has long international border with Bhutan in the west (160 km), China in the north and north-east (1,080 km) and Myanmar in the east (440km). It also shares common boundaries with Nagaland and Assam. It stretches from snow-capped mountains in the north to the plains of the Brahmaputra valley in the south. According to the Census 2001, it has a total population of 10,97,968. The State has the lowest density of 13 persons per sq. km (as against the national average of 312). The population growth of the state during 2000-2010 was 10.86 *per cent* which was lower than the population growth of NE states (11.79 *per cent*). The sex ratio of Arunachal Pradesh at 893 females to 1000 males is lower than the national average of 933.

Inhospitable terrain and low population density make rendering of health services rather difficult in Arunachal Pradesh. Though there has been a perceptible improvement in the public health facilities, most of the health care facilities are not well equipped with basic infrastructure like buildings, trained manpower, equipment etc. Despite, relatively poor public health care facilities, the infant mortality rate (per 1000 live births) is 32 while the All India average is 53. On the education front, literacy rate (as per 2001 census) was 54.30 per cent which was below the all India Average literacy rate of 64.80 per cent.

There has been a sharp increase in the growth rate of GSDP during 2009-10 which stood at ₹ 6257.88 crore 37.95 *percent* against ₹ 3888.25 crore (13.93 *percent*) during 2008-09. Considering the pre-revised GSDP series (base year 1999-2000), the Compound Annual Growth Rate (CAGR) of GSDP for Arunachal Pradesh between 2000-01 and 2008-09 was 12.38 per cent which was higher than that of NE average of 11.81 per cent during the same period.

This chapter provides a broad perspective of the finances of the Government of Arunachal Pradesh during the current year and analysis critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years. The analysis has been made based on State Finance Accounts and the information obtained from State Government. The structure of

Government Accounts, layout of Finance Accounts, methodology adopted for the assessment of fiscal position and State Profile are shown in **Appendix 1.1**. **Appendix 1.2** of the Chapter briefly outlines the fiscal responsibility and Budget Management Act of the Government and Outcome Indicators of the State's Own Fiscal Correction Path while **Appendix 1.3** presents the time series data on key fiscal variables/parameters and fiscal ratios relating to the State Government finances for the period 2005-10.

### 1.1 Summary of Current Year's Fiscal Transactions

**Table 1.1** presents the summary of the State Government's fiscal transactions during the current year (2009-10) *vis-à-vis* the previous year while **Appendix 1.4** provides details of receipts and disbursements as well as overall fiscal position during the current year.

**Table 1.1 Summary of the Current Year's Operations**

(Rupees in crore)

2008-09	Receipts	2009-10	2008-09	Disbursements	2009-10		
Section A: Revenue							
					Non-Plan	Plan	Total
3855.97	<b>I. Revenue Receipts</b>	4294.87	2895.46	<b>I. Revenue Expenditure</b>	2560.42	1135.17	3695.59
136.23	Tax Revenue	173.44	774.24	General Services	1075.62	85.41	1161.03
772.01	Non-tax Revenue	511.25	980.71	Social Services	700.45	496.21	1196.66
462.09	Share of Union taxes / duties	475.40	1140.51	Economic Services	784.35	553.55	1337.90
2485.64	Grants from Government of India	3134.78	.....	Grants-in-aid / contribution	.....	.....	.....
Section B: Capital							
...	<b>II. Miscellaneous Capital Receipts</b>	...	1290.23	<b>II. Capital outlay</b>	22.83	1007.48	1030.31
2.78	III. Recoveries of Loans and Advances	202.70	27.24	III. Loans and Advances disbursed	205.23	0.23	205.46
143.88	IV. Public Debt receipts	216.20	63.46	IV. Repayment of Public Debt	....	....	110.81
...	V. Contingency Fund	...	...	V. Contingency Fund	....	....	.....
7255.58	VI. Public Account receipts	4264.84	4229.12	VI. Public Account disbursements	....	...	3660.68
525.40	Opening balance	1334.62	3278.10	Closing balance	....	...	1610.39
11783.61	<b>Total</b>	10313.24	11783.61	<b>Total</b>			10313.24

Following are the significant changes during 2009-10 over the previous year:

- Revenue receipts grew by ₹ 438.90 crore (11.38 per cent) from ₹ 3,855.97 crore to ₹ 4,294.87 crore against revenue expenditure which increased by ₹ 800.13 crore (27.63 per cent) from ₹ 2,895.46 crore to ₹ 3,695.59 crore during 2009-10 over the previous year. The increase in revenue is mainly due to increase in Tax Revenue by ₹ 37.21 crore, Central tax transfer by ₹ 13.31 crore and Grants from GOI by ₹ 649.14 crore.

- Revenue expenditure grew from ₹ 2,895.46 crore to ₹ 3695.59 crore (27.63 per cent) in 2009-10 mainly due to increase in General Services by ₹ 386.79 crore (49.96 per cent), Social Services by ₹ 215.95 crore (22.02 per cent) and Economic Services by ₹ 197.39 crore (17.31 per cent) in 2009-10 over the previous year.
- Capital expenditure decreased by ₹ 259.92 crore (20.15 per cent) over the previous year.
- Loans and Advances of ₹ 205.46 crore was disbursed during the year 2009-10 against ₹ 27.24 crore in previous year. Recovery of Loans and Advances increased by ₹ 199.92 crore over the previous year.
- Receipts from Public Debt were ₹ 216.20 crore against disbursement of ₹ 110.81 crore during the current year. Receipts from Public Debt increased by ₹ 72.32 crore mainly due to increase in borrowing from market loan by ₹ 53.00 crore. Loans and Advances from GOI was nil during the year.
- Public Account Receipts decreased by 41.21 per cent from ₹ 7,255.58 crore in 2008-09 to ₹ 4,264.84 crore in 2009-10 mainly due to less receipt in Suspense Account by ₹ 3,243.34 crore (83.31 per cent). Public Account disbursement decrease by ₹ 568.44 crore (13.44 per cent) over the previous year.

## 1.2 Arunachal Pradesh Fiscal Responsibility and Budget Management Act, 2006

The performance of the State during 2009-10 in terms of key fiscal targets set for selected parameters laid down in Arunachal Pradesh Fiscal Responsibility and Budget Management (APFRBM) Act, 2006 *vis-à-vis* achievements are given in **Table 1.2**.

**Table 1.2: Trends in major fiscal parameters *vis-à-vis* projections for 2009-10**

Fiscal parameters	Targets as per prescribed in FRBM Act	2009-10	
		Projections made in Medium Term Fiscal Policy Statement	Actual
Revenue Deficit	Eliminate by 2008-09		-
Revenue Surplus/(as % GSDP)	-	20.39	
Fiscal Deficit (Rupees in crore)	-	-	
Fiscal Deficit/GSDP (per cent)	3 per cent by 2008-09	- 28.15	
Total Outstanding Liabilities/GSDP (per cent)	Not more than 28 per cent of GSDP	70.49	

As prescribed in the Act, the State had incorporated the following statements in the Budget for the year 2009-10.

- Macro-Economic Framework Statement giving an overview of the State economy.
- Medium Term Fiscal Plan Statement prescribing fiscal targets and assumptions for achieving them. Fiscal Plan Strategy Statement of the State for the ensuing year relating to taxation, expenditure, borrowings, lending and investments etc.

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

The above table indicates that though the State was successful in restricting the Fiscal Deficit-GSDP ratio as prescribed in the APFRBM Act, the ratio of Total Outstanding Liabilities-GSDP far surpassed the target fixed in this Act. The State Government has to initiate requisite measures to contain the Total Outstanding Liabilities-GSDP ratio within the permissible limit.

### **1.3 Growth and Composition of GSDP**

Gross State Domestic Product, a major fiscal indicator is considered to be a key factor for assessing the performance of the State's economy. It is prepared based on income generating approach that measures gross income generated by factors of production physically located within the geographical boundaries of the State and also represents the volume of goods and services produced within the State. As per GSDP series furnished (October 2010) by the Directorate of Economics and Statistics of the State Government, during 2009-10, the advance estimated GSDP for the State of Arunachal Pradesh was ₹ 6,257.88 crore, which was arrived at on the basis of current price taking into account the 1999-2000 as base year. The table below shows the trend of growth of GSDP for the last five years.

**Table 1.3: Trends in Gross State Domestic Product (GSDP)**

	2005-06	2006-07	2007-08	2008-09	2009-10
Gross State Domestic Product (Rupees in crore)	2918.34	3412.88	3888.25	4536.45	6257.88
Growth rate of GSDP	2.27	16.95	13.93	16.67	37.95
<i>Source:</i> Figures furnished by the State Government, Department of Economics and Statistics, (2005-06 & 2006-07-Revised estimate, 2007-08-Provisional estimate, 2008-09-Quick estimate and 2009-10 – Advance estimate)					

The GSDP at current prices increased from ₹ 4536.45 crore in 2008-09 to ₹ 6257.88 crore in 2009-10, representing an increase of 37.95 *per cent*. Considering GSDP figures (base year 1999-2000), the average compound annual growth rate in respect of GSDP for Arunachal Pradesh between 2000-01 and 2008-09 was 12.38 *per cent*, which was higher than that of NE average of 11.81 *per cent*.

### **1.4 Budget Analysis**

The budget papers presented by State Government provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal 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. Several reasons may account for the deviation of the actual realization from the budget estimates. It may be because of unanticipated and unforeseen events

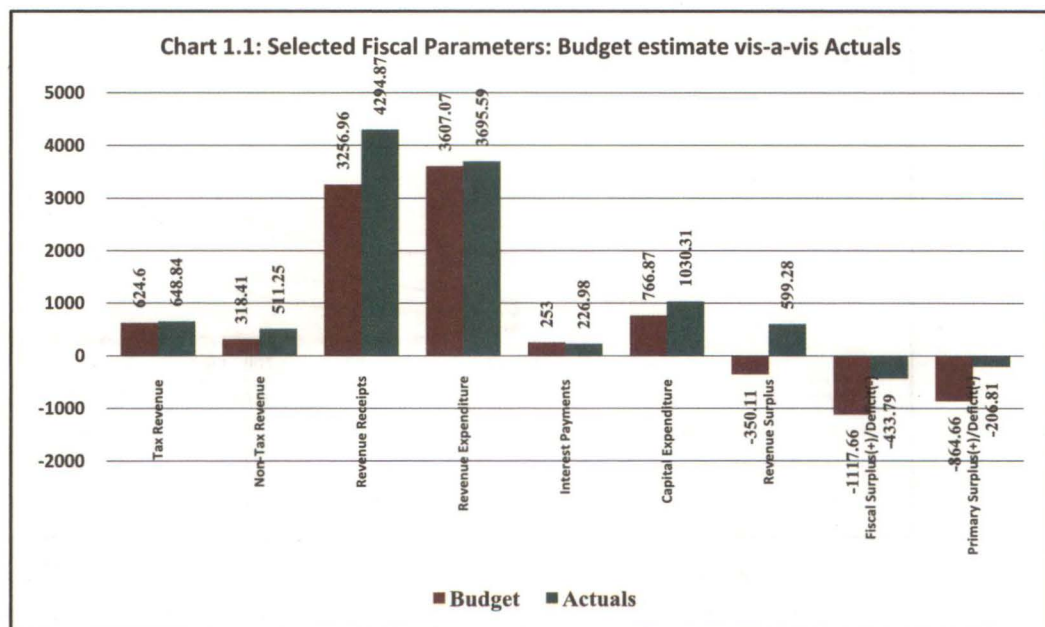


or under or over estimation of expenditure or revenue at the budget stage, *etc.* Actual realization of revenue and its disbursement, however, depends on a variety of factors, some internal and others external. **Table 1.4** presents the consolidated picture of State finances during 2008-09 (actuals) and 2009-10 (budget estimates, revised estimates and actuals) and **Chart 1.1** presents the budget estimates and actuals for some important fiscal parameters.

**Table 1.4: Variation in major items – actuals of 2009-10 over 2009-10 Budget Estimates and Revised Estimates and actuals of 2008-09**

*(Rupees in crore)*

Parameters	2008-09	2009-10		Percentage of Excess (+)/ Shortfall (-) with reference to	
	Actual	Budget Estimates	Actual	Actual of 2008-09	Budget Estimates
Tax Revenue	598.32	624.60	648.84	8.44	3.88
Non-Tax Revenue	772.01	318.41	511.25	-33.78	60.56
Revenue Receipts	3855.97	3256.96	4294.87	11.38	31.87
Non-debt Capital Receipts	3855.97	3256.96	4294.87	11.38	31.87
Revenue Expenditure	2895.46	3607.07	3695.59	27.63	2.45
Interest Payments	215.54	253.00	226.98	5.31	-10.28
Capital Expenditure	1290.23	766.87	1030.31	-20.15	34.35
Disbursement of Loans & Advances	27.24	4.20	205.46	654.26	4791.9
Revenue Surplus	960.51	-350.67	599.28	-37.61	-270.9
Fiscal Deficit (-)	-354.18	-1177.66	-433.79	22.48	-63.17
Primary Deficit (-) / Surplus (+)	-138.64	-864.66	-206.81	49.17	-76.08



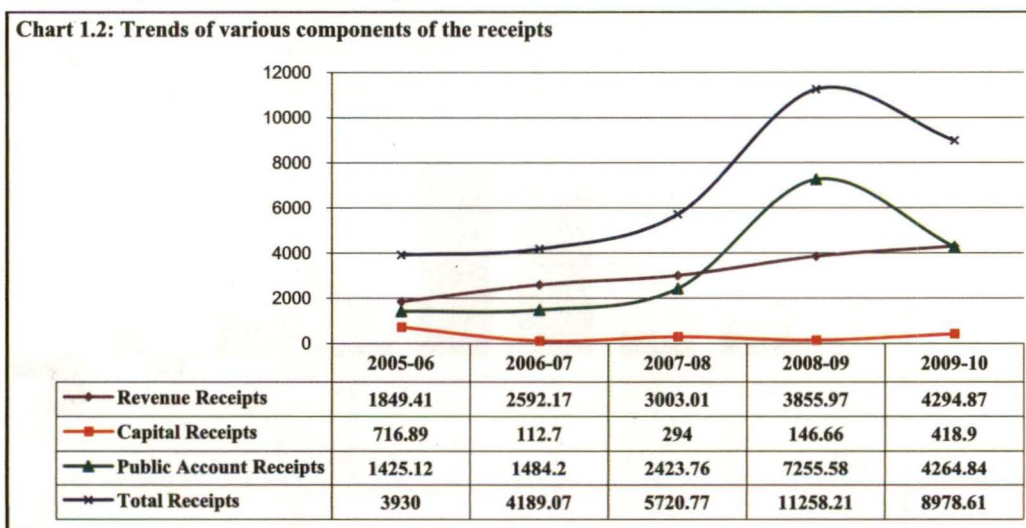
During the current year, while revenue expenditure increased by 27.63 per cent (₹ 800.13 crore), revenue receipts increased by 11.38 per cent (₹ 438.90 crore) over the previous year, resulting in a decrease in surplus by 37.61 per cent (₹ 361.23 crore) in revenue account. The decrease in revenue surplus by ₹ 361.23 crore along with a decrease of ₹ 259.92 crore on account of decrease in capital expenditure and an increase in loans and advances disbursed during 2008-09 by ₹ 178.22 crore led to an

increase of Rs. 79.61 crore in fiscal deficit (₹ 433.79 crore). The revenue surplus of the state during the year was ₹ 599.28 crore against the revenue deficit of ₹ 350.11 crore assessed by the State Government in the Budget. The fiscal deficit and the primary deficit of the state was ₹ 433.79 crore and ₹ 206.81 crore during the year as compared to the assessment made by the state government in the budget ₹ 1117.66 crore and ₹ 864 crore respectively. The wide variation between the budget provisions and actual indicated that the budget estimates were unrealistic and lacked credibility.

## 1.5 Resources of the State

### 1.5.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenue, non-tax revenue, State's share of Union taxes and duties and grants-in-aid from the Government of India (GOI). Capital receipts comprise 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) and loans and advances from GOI as well as accruals from Public Account. **Table-1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.2** depicts the trends in various components of the receipts of the State during 2005-10.



- Total Receipts during the current year has decreased by ₹ 2,279.60 (25.39 per cent) over the previous year. Of the increase in total receipts, revenue receipts formed 48 per cent (₹ 4,294.87 crore) followed by public account receipts 48 per cent (₹ 4,264.84 crore) and capital receipts 5 per cent (₹ 418.90 crore).
- Revenue Receipts of the State increased steadily from ₹ 1,849.41 crore in 2005-06 to ₹ 4294.87 crore in 2009-10 (132.23 per cent) at a CAGR of 23.45 per cent.
- State's own tax revenue increased by 179.34 per cent from ₹ 62.09 crore in

2005-06 to ₹ 173.44 crore in 2009-10. However, State's own tax revenue was only around 3 to 4 per cent of Revenue Receipts during the period 2005-10.

- Though in absolute terms State's share of Union taxes and duties has increased gradually from ₹ 272.15 crore (2005-06) to ₹ 475.40 crore (2009-10) but as a percentage of Revenue receipts it has decreased from 15 per cent (2005-06) to 11 per cent (2009-10).
- Similarly though in absolute terms, Grants-in-aid from GOI has increased from ₹ 1312.81 crore in 2005-06 to ₹ 3134.79 crore in 2009-10, as a percentage of Revenue Receipts fluctuated during the period 2005-10 and was 73 per cent in 2009-10.

### 1.5.2 Funds Transferred to State Implementing Agencies outside the State Budget

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies<sup>1</sup> for implementation of various schemes/programmes in social and economic sectors recognised as critical for the human and social development of population. During 2009-10, the Government of India has transferred an approximate amount of ₹ 672.51 crore directly to the Implementing Agencies (detailed in Appendix 1.5). Significant amounts released for major programmes/schemes are detailed in **Table 1.5**.

**Table 1.5: Funds Transferred directly to State Implementing Agencies**

*(Rupees in crore)*

Programme/Scheme	Implementing Agency in the State	Funds transferred by the GOI
Accelerated Rural Water Supply Scheme	SWSM Papumpare	123.45
Sarva Shiksha Abhiyan	SSA Rajya Mission, Itanagar	114.28
National Rural Health Mission (Centrally Sponsored)	State TB Control Society, Arunachal Pradesh State Blindness Control Society, Arunachal Pradesh, Arunachal Pradesh State Health Society	40.81
National Rural Employment Guarantee Scheme	DRDAs, (East Siang, Tawang, Lower Subansiri, west Siang, Upper Subansiri, Papumpare, Anjaw, Tirap, Kameng, East Kameng, Upper Siang, Dibang Valley, Kurim Kume, Lower Dibang Valley District)	35.72
GRID Interactive Renewable Power	Arunachal Pradesh Energy Development Agency	51.39
Pradhan Mantri Gram Sadak Yojana (PMGSY)	Rural Road Development Agencies, Itanagar	152.03
Rural Housing IAY	All DRDAs, in the State	33.37
Total		551.05

*(Source: CPMS of CGA's website)*

<sup>1</sup> State Implementing Agency includes any organization/institution including non-governmental Organisation which is authorized by the State Government to receive funds from the Government of India for implementing specific programmes in the state e.g. State Implementing Society for SSA and state Health Mission for NRHM, etc.

Table 1.2 shows that an amount of ₹ 551.05 crore (81.94 *per cent* of the total funds transferred) was given for (i) Accelerated Rural Water Supply Scheme (ARWSS) (18.36 *per cent*), (ii) Sarba Siksha Abhijan (SSA) ( 16.99 *per cent*), (iii) Pradhan Mantry Gram Sadak Yojana (PMGSY) (22.61 *per cent*), during 2009-10. With this transfer, the total availability of State resources increased from ₹ 8978.61 crore to ₹ 9651.12 crore. It is evident from the above fact that there is no single agency monitoring the funds directly transferred by the GOI and there is no readily available data on how much is actually spent in a particular year on major flagship schemes and other important schemes which are being implemented by the State Implementing Agencies and funded directly by GOI. Therefore, utilization of these funds remained to be verified by audit to establish accountability of the State Government for these funds.

An analysis on how these funds are being transferred and utilized for the purpose for which they are sanctioned, is carried out based on the data/ information made available through web sites in respect of (i) Sarba Siksha Abhijan (SSA) (ii) Accelerated Rural Water Supply Scheme (ARWSS) (iii) Pradhan Mantry Gram Sadak Yojana (PMGSY) which revealed the following:

➤ **Accelerated Rural Water Supply Scheme (ARWSS)**

During the year 2009-10 the GOI transferred ₹ 123.45 crore directly to the Implementing Agency (CE, SWSM). Test check of records of the CE, SWSM, however, revealed that the Implementing Agency had received ₹ 121.65 crore up to July 2010. The reasons for less receipt of ₹ 1.80 crore was neither on records nor stated. Out of ₹ 121.65 crore, the CE released ₹ 118.09 crore to various Implementing Agencies leaving an unspent balance of ₹ 3.56 crore at the end of the year.

➤ **Sarva Shiksha Abhiyan (SSA)**

The SSA is implemented by the State Implementing Society headed by the Arunachal Pradesh State Project Director, Sarba Siksha Abhijan Rajya Mission, Itanagar.

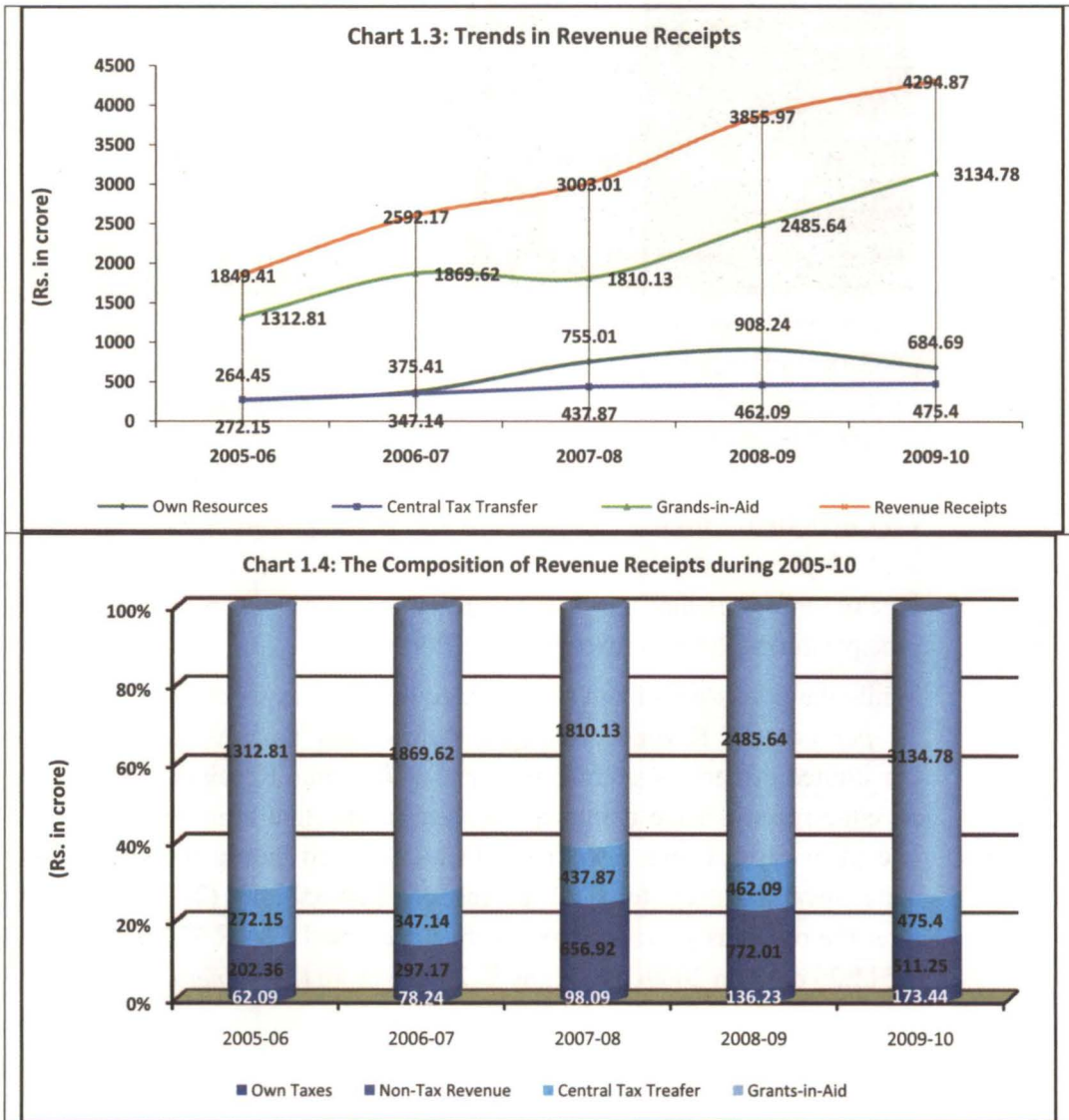
During 2009-10 the State Project Director (SPD) SSA received ₹ 114.28 crore released by the GOI of which the SPD released ₹ 95.61 crore to the District level Institutions authorised for implementation of the SSA, National Programme of Education for girls at Elementary Level (NPEGL) and Kasturba Gandhi Balika Vidyalaya (KGBV) leaving an unspent balance of ₹ 18.67 crore at the end of the year.

➤ **Pradhan Mantry Gram Sadak Yojana (PMGSY)**

The GOI transferred Rs.152.03 crore during 2009-10 to the Chief Executive Officer (CEO). Rural Works Department, the empowered officer of Arunachal Pradesh Rural Road Development Agency, Itanagar. The CEO in turn, however, released the entire amount to various programme implementation units.

1.6 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts of the State consist of its own tax and non-tax revenues, Central tax transfers and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2005-10 are presented in **Appendix 1.3** and also depicted in **Charts 1.3** and **1.4** respectively.



The trends in revenue receipts relative to GSDP are presented in Table 1.6.

**Table 1.6: Trends in Revenue Receipts relative to GSDP**

	2005-06	2006-07	2007-08	2008-09	2009-10
Revenue Receipts (RR) (Rupees in crore)	1849	2592	3003	3856	4295
Rate of growth of Revenue Receipts (per cent)	23.10	40.18	15.86	28.40	11.38
Own Taxes Revenue (Rupees in crore)	62	78	98	136	173
Rate of growth of Own Taxes (per cent)	24	25.81	25.64	38.78	27.21
Revenue Receipts / GSDP (per cent)	63.37	75.94	77.24	85.01	68.63
Buoyancy Ratios <sup>2</sup>	2005-06	2006-07	2007-08	2008-09	2009-10
Revenue Buoyancy with respect to GSDP	10.18	2.37	1.14	1.70	0.30
State's Own Tax Buoyancy with respect to GSDP	10.57	1.52	1.84	2.33	0.72
State's own taxes Buoyancy with reference to Revenue Receipts	1.04	0.64	1.61	1.37	2.38

The revenue receipts of the State increased by ₹ 2,354 crore from ₹ 1849 crore in 2005-06 to ₹ 4295 crore in 2009-10. During 2005-06, the revenue buoyancy with respect to GSDP was 10.18 due to higher growth of revenue (23.10 per cent) than the growth of GSDP (2.27 per cent) mainly due to introduction of VAT. There were, however, wide inter-year variations in the growth rates, which increased to 28.40 per cent in 2008-09 from 15.86 per cent during the preceding year and again decreased to 11.38 per cent during 2009-10. Buoyancy ratio of State's own taxes to revenue receipts indicates that the pace of growth of own taxes was faster than the revenue receipts during 2005-10 except during 2006-07.

While the grants-in-aid and state's share in Union taxes and duties constituted 73 and 11 per cent of Revenue Receipts, state's own tax revenue and non-tax revenue constituted a mere 04 and 12 per cent of Revenue Receipts. All the components of revenue receipts have exhibited increase in absolute terms over the period 2005-10 except in case of own resources which decreased during the year 2009-10. Though states own taxes registered an increase by ₹ 24.55 crore (27.21 per cent) in 2009-10 over the previous year, non-tax revenue decreased from ₹ 772.01 crore in 2008-09 to ₹ 511.25 crore in 2009-10, i.e., by ₹ 260.76 crore (33.78 per cent).

<sup>2</sup> Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance State's own receipts buoyancy ratio with reference to its GSDP at 0.60 implies that revenue receipts tend to increase by 0.60 percentage points, if the GSDP increases by one per cent.

### 1.6.1 Grants-in-aid

Details of grants-in-aid from GOI are given in **Table 1.7**.

**Table 1.7: Grants-in-aid from GOI**

	(Rupees in crore)				
	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Grants for State Plan Schemes</b>	726	1049	1269	1665	2297
<b>Non-Plan grants</b>	389	388	380	455	506
<b>Grants for Central Plan Schemes</b>	44	68	61	52	66
<b>Grants for Centrally Sponsored Plan Schemes</b>	105	320	62	249	142
<b>Grants for Special Plan Schemes</b>	49	45	38	65	124
<b>Total</b>	<b>1313</b>	<b>1870</b>	<b>1810</b>	<b>2486</b>	<b>3135</b>
Percentage of increase(+)/ decrease (-) over Previous year	(+) 20.46	(+) 42.42	(-) 3.21	(+) 37.35	(+) 26.11

Grants-in-aid from the GOI have increased by 26.11 *per cent* from ₹ 2486 crore in 2008-09 to ₹ 3135 crore in the current year. Within the plan grants, while grants for Central Plan Schemes decreased by 42.97 *per cent* compared to previous year, grants for State Plan Schemes, Central Plan Schemes and grants for Special Plan Schemes increased by 37.96 *per cent* (₹ 632 crore), 26.92 *per cent* (₹ 14 crore) 90.77 *per cent* (₹ 59 crore) respectively. The major increase under State Plan Schemes was in the form of increase in Block grants (₹ 2254 crore). The Non-Plan grants (₹ 506 crore) to the State constituted 16.14 *per cent* of the total grants during the year, of which 19.76 *per cent* (₹ 100.00 crore) was for Natural Calamities other than the margin money. Other components of non-plan grants mainly included (i) maintenance of forests (₹ 20 crore), (iii) contribution to calamity relief fund (₹ 32 crore) and maintenance of Public Building (₹ 14 crore)

### 1.6.2 State's Own Resources

The States performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. **Table 1.8** and **Table 1.9** show the trends of tax and non-tax revenue during 2005-10.

**Table 1.8 Tax Revenue**

Heads	2005-06	2006-07	2007-08	2008-09	(Rupees in crore)		
					2009-10		Variation Increase (+)/ Decrease (-)
					Budget Estimate	Actual	
Taxes on Sales, Trade etc.	47.69	61.64	77.06	105.68	80.00	130.23	(+) 63%
State Excise	9.51	10.98	11.61	16.61	15.00	23.78	(+) 59%
Taxes on Vehicles	2.99	2.93	6.42	7.76	8.00	13.07	(+) 63%
Stamp and Registration fees	0.41	0.55	0.86	1.25	1.00	1.88	(+) 88%
Land Revenue	1.11	2.10	2.12	4.90	5.00	4.43	(-) 11%
Other Taxes	0.38	0.04	0.02	0.03	...	0.05	
<b>Total</b>	<b>62.09</b>	<b>78.24</b>	<b>98.09</b>	<b>136.23</b>	<b>109.00</b>	<b>173.44</b>	<b>(+) 59%</b>

Table 1.9: Non-Tax Revenue

(Rupees in crore)

Heads	2005-06	2006-07	2007-08	2008-09	2009-10		
					Budget Estimate	Actual	Variation
Interest receipts, dividends and profits	7	13	29	35	37	40	(+) 08%
General services	41	75	53	28	36	23	(-) 56%
Social services	4	9	7	11	11	9	(-) 81%
Economic services	150	200	568	698	234	439	(+) 88%
<b>Total</b>	<b>202</b>	<b>297</b>	<b>657</b>	<b>772</b>	<b>318</b>	<b>511</b>	<b>(+) 16%</b>

### 1.6.2.1 Tax Revenue

Tax revenue has increased by 27.31 per cent during the current year (₹ 173.44 crore) over the previous year (₹ 136.23 crore). However, the actual collection of tax revenue during the year increased by 59.12 per cent of the budget estimate for the year mainly due to increase under Taxes on Sales, Trade etc. by over 62.79 per cent. The revenue from Sales Tax contributed the major share of tax revenue (75 per cent) and it increased by 23.23 per cent over the previous year. State excise and taxes on vehicles were the other major contributors in the states tax revenue.

### 1.6.2.2 Impact of implementation of Value Added Tax (VAT) on the State's Own Tax Revenue.

Table 1.10 gives the comparative position of pre-VAT (2001-02 to 2004-05) and post VAT (2005-06 to 2009-10) tax collection and the growth rate in each year.

Table-1.10: Position of pre-VAT and post VAT collection and its growth

(Rupees in crore)

Pre-VAT			Post-VAT		
Year	Actual collection	Percentage of growth	Year	Actual collection	Percentage of growth
2001-02	16.78	104.88	2005-06	47.69	68.81
2002-03	17.62	5.00	2006-07	61.64	29.25
2003-04	21.79	23.67	2007-08	77.06	25.02
2004-05	28.25	29.65	2008-09	105.68	37.14
			2009-10	130.23	23.23
<b>Average growth</b>		<b>40.80</b>	<b>Average growth</b>		<b>36.69</b>

The revenue all along the years from 2001-02 to 2009-10 showed an increasing trend, yet the growth rate of revenue after implementation of VAT showed a negative trend except in 2008-09 and 2009-10. The scenario would have been much better had the tax collection mechanism been more efficient and effective and instances of loss of revenue been avoided/minimized as pointed out in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2010.

### 1.6.2.3 Non-Tax Revenue

The non-tax revenue, which constituted 12 per cent of the total revenue receipts, has decreased by ₹ 260.76 crore (51 per cent) compared to the previous year. The decrease during the year was mainly due to less receipt under power by ₹ 280.47 crore



(46 per cent) compared to 2008-09. The trends in interest receipt and dividends and profits reveal significant improvement during 2009-10 as compared to 2005-06 mainly because of the increase in realization of interest on investment of Cash balances.

#### 1.6.2.4 *Own resources vis-a vis assessments made by the Twelfth Finance Commission*

The mobilization of State's own resources vis-à-vis assessments made by the Twelfth Finance Commission (TFC) and State Government in its own fiscal correction Path (FCP) are given below:

**Table-1.11: State's own resources vis-à-vis assessments made by TFC and State Government in FCP**

	Assessment made by TFC	Assessment made in FCP	Actual
Tax Revenue	180	75	173
Non-Tax Revenue	136	211	511

(Rupees in crore)

Tax revenue was 3.89 per cent lower as compared to the assessment made by the TFC, but it was higher by 130.67 per cent when compared to the assessment made in the FCP. The non-tax revenue exceeded by a big margin both the normative assessment of the TFC and FCP for 2009-10.

#### 1.6.2.5 *Loss of Revenue due to Evasion of Taxes, Write off/Waivers and Refunds*

Test-check (2009-10) of records of Taxation, State excise, Transport, State Lottery and Mining and other non-tax receipts revealed under assessment/short levy/non-levy/loss of revenue of ₹ 45.87 crore. The total loss of revenue, which was 6.70 per cent of the State's own resources consisting of tax and non-tax revenue (₹ 1684.69 crore) during 2009-10, indicate the presence of loopholes in resource mobilization system thereby adversely affecting the revenue generation required for the developmental activities of the State. Serious irregularities which resulted in loss of revenue of the State have been discussed in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2010 (Revenue Chapter)

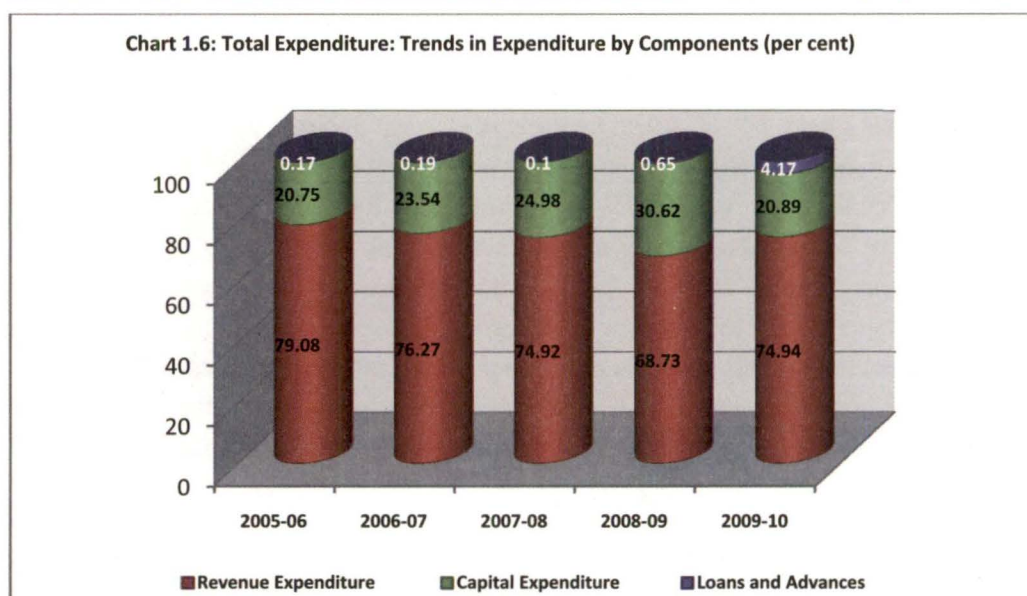
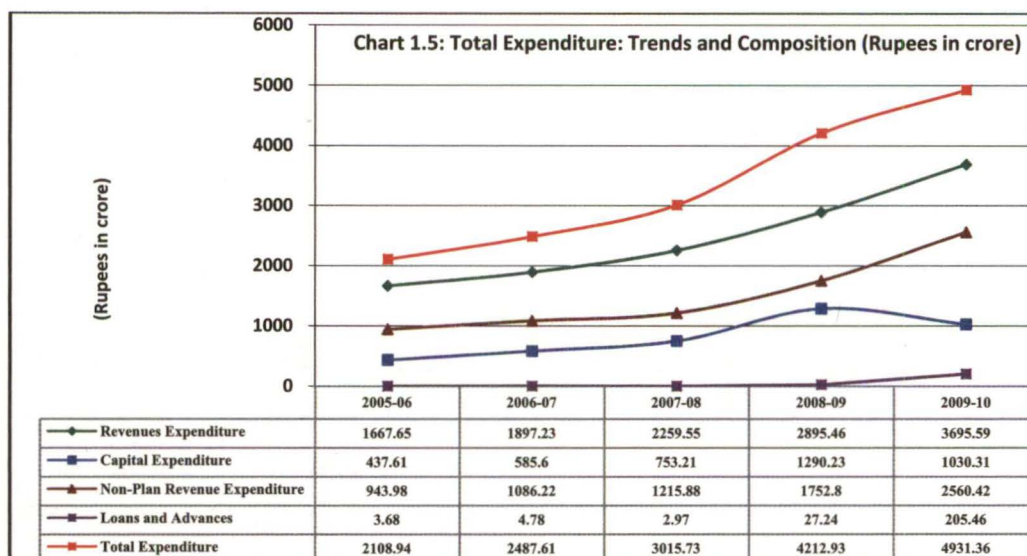
#### 1.6.2.6 *Revenue Arrears*

The arrears of tax revenue at the end of March 2010 in respect of some principal heads of revenue was ₹ 66.52 crore at the end of 2009-10. As the pending revenue arrears constituted over 38.35 per cent of the tax revenue of the State during 2009-10, appropriate steps need to be initiated by the State Government for their early recovery, which would in turn provide a cushion to reduce the burden of fiscal liabilities of the State.

### 1.7 *Application of resources*

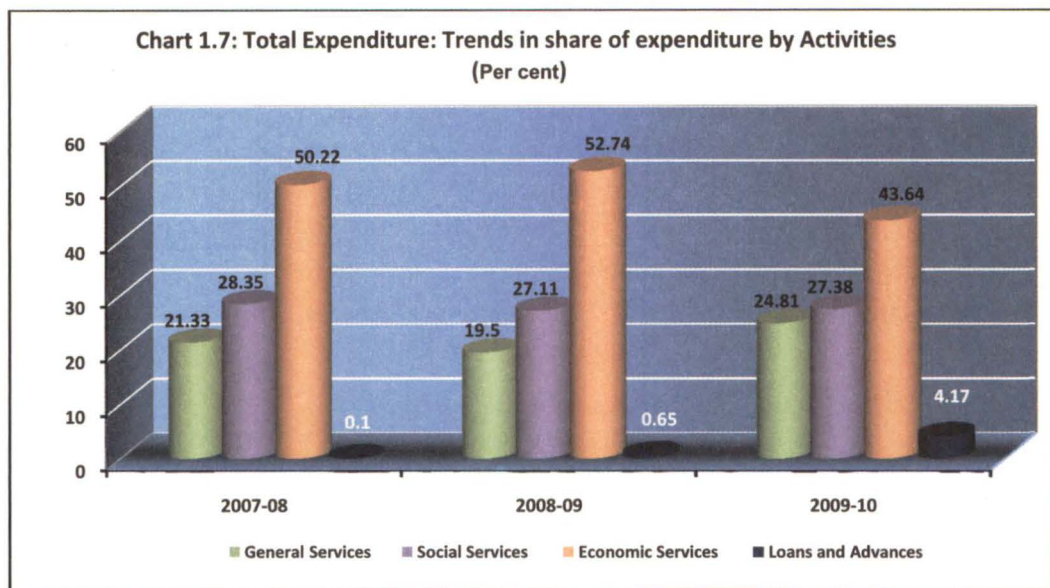
The analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in

raising the public expenditure financed by deficit or borrowings. It is therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, directed towards development and social sectors.



### **1.7.1 Growth and Composition of Expenditure**

**Chart 1.5** presents the trends in total expenditure over a period of five years (2005-10), and its composition both in terms of ‘economic classification’ and ‘expenditure by activities’ is depicted respectively in **Chart 1.6** and **Chart 1.7** respectively.



### 1.7.1.1 Trends in Total Expenditure

The total expenditure during the current year has increased by ₹ 718.43 crore (17.05 per cent) over the previous year. The total expenditure, its annual growth rate, the ratio of expenditure to the State GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in **Table 1.12**.

**Table 1.12: Total Expenditure – basic parameters**

	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Total Expenditure (TE)</b> (Rupees in crore)	2108.94	2487.61	3015.73	4212.93	4931.36
Rate of growth (per cent)	11.54	17.96	21.23	39.7	17.05
TE/GSDP ratio (per cent)	72.27	72.89	77.56	92.87	78.80
RR/TE ratio (per cent)	87.69	104.2	99.58	91.53	87.09
<b>Buoyancy of Total Expenditure with reference to:</b>					
GSDP (ratio)	5.08	1.06	1.52	2.38	0.45
RR (ratio)	0.5	0.45	1.34	1.4	1.5

The increase of ₹ 718.43 crore in total expenditure during the year over previous year was mainly on account of increase in revenue expenditure (₹ 800.13 crore) and disbursement of loans and advances (₹ 178.22 crore) offset by decrease in capital expenditure (₹ 259.92 crore). While the share of plan expenditure constituted 43.45 per cent (₹ 2142.88 crore) of the total expenditure, the remaining 56.55 per cent was non-plan expenditure (₹ 2788.48 crore). During the current year 87.09 per cent (₹ 4294.87 crore) of total expenditure was met from revenue receipts and the remaining (₹ 636.49 crore) from capital receipts and borrowed funds. **The buoyancy of total expenditure to GSDP stood at 0.45 in 2009-10 due to growth rate of GSDP at much greater pace as compared to that of total expenditure.**

In terms of the activities, total expenditure could be considered as being composed of expenditure on general services including interest payments, social and economic services, grants-in-aid and loans and advances. The movement of the relative share of

these components of expenditure indicated that all components had inter-year variations. Of the total expenditure during 2009-10, expenditure on general services and interest payments, which is considered as non-developmental expenditure together accounted for 24.81 per cent. On the other hand, expenditure on social and economic services together accounted for 75.15 per cent. The relative share of Social Services declined from 31.36 per cent in 2005-06 to 27.38 per cent in 2009-10. The relative share of economic services ranged between 44.53 per cent and 52.74 per cent during the period 2005-10, while loans and advances revealed wide fluctuations during the period 2005-09 and stood at 4.17 per cent during 2009-10.

### 1.7.1.2 Incidence of Revenue Expenditure

Revenue expenditure constituted 79.08 per cent to 68.73 per cent of total expenditure during 2005-10 and increased by 121.60 per cent from ₹ 1667.65 crore in 2005-06 to ₹ 3695.59 crore in 2009-10. The non-plan revenue expenditure (NPRE) during the same period increased from ₹ 943.98 crore to ₹ 2560.42 crore, showing an increase of 171.23 per cent indicating that the share of NPRE in total revenue expenditure increased from 56.61 per cent in 2005-06 to 69.28 per cent in 2009-10. Plan revenue expenditure (PRE), which normally covers the maintenance expenditure incurred on services, has increased by ₹ 411.50 crore during 2005-10 keeping its share in total revenue expenditure between 43.39 and 30.72 per cent during the period. The growth of PRE during 2009-10 declined to 0.66 per cent against 9.48 per cent during the previous year mainly due to decreased expenditure on special programmes for rural development and Rural Employment. The rate of growth of NPRE (46.08 per cent) in 2009-10 was more than that of the PRE. This expenditure ₹ 2560.42 crore during the year was 161.72 per cent (₹ 1582.12 crore) higher than the normatively assessed level of ₹ 978.30 crore by the TFC and 109.87 per cent (₹ 1340.42 crore) higher than the assessments made by the State Government in its FCP (Table 1.13).

Table 1.13: Non-Plan Revenue Expenditure: actual vis-à-vis Normative assessment by TFC

(Rupees in crore)

Particulars	Assessed by the TFC	Assessment made by the State Government in		Actual	Difference with reference to (Excess (+) / Less (-))		
		FCP	Budget 2009-10		TFC	FCP	Budget
Interest payments	217.84	210.00	253.00	226.98	+ 9.14	+ 16.98	-26.02
Pension	106.82	100.00	143.79	182.93	+ 76.11	+ 82.93	+39.14
Other general services	217.23	910.00	490.09	665.71	+448.48		+175.62
Social services	236.36		502.92	700.45	+464.09		+197.53
Economic services	200.05		540.40	784.35	+584.30	+1240.51	+243.95
Committed liabilities	52.10						NA
<b>Total</b>	<b>1030.40</b>	<b>1220.00</b>	<b>1930.20</b>	<b>2560.42</b>	<b>+1530.02</b>	<b>+1340.42</b>	<b>+630.22</b>

The actual expenditure incurred on all other components of non-plan revenue expenditure was more than the assessment made by the TFC. The expenditure also exceeded the assessment made in the Budget 2009-10 in respect of Economic services.

### 1.7.2 Capital Expenditure

Capital Expenditure constituted only 20.75 per cent to 30.63 per cent of total expenditure during 2005-10 and increased by 135 per cent from ₹ 437.61 crore in 2005-06 to ₹ 1030.31 in 2009-10. Compared to 2008-09, capital expenditure during the current year (2009-10) decreased by 20.15 per cent mainly due to decreased expenditure under Tourism (₹ 106.98). The State Government failed to fulfill its commitment of incurring expenditure on capital account made in the FCP (₹ 440.00)

### 1.7.3 Committed Expenditure

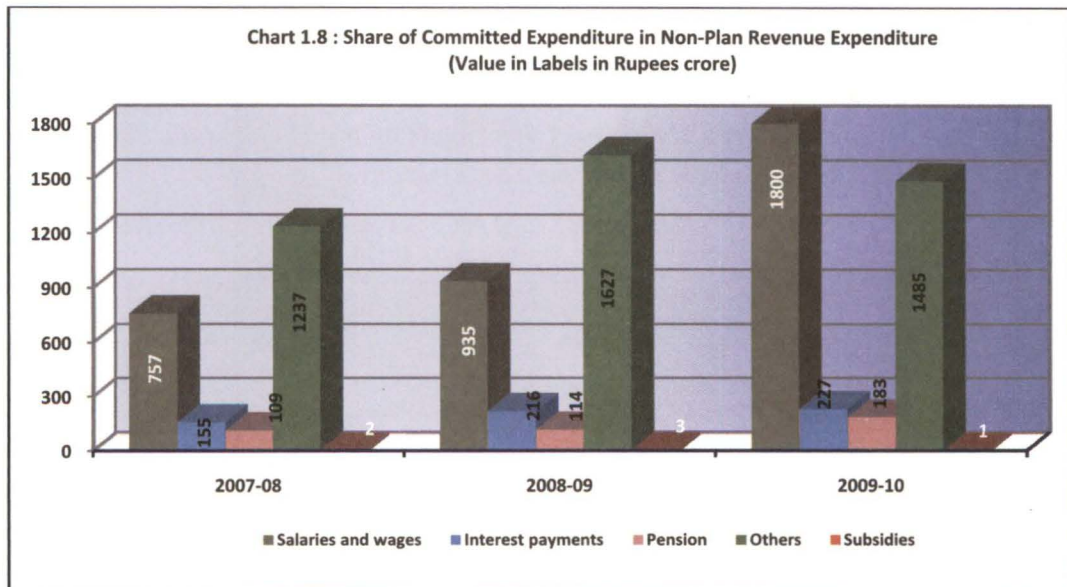
The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.14** and **Chart 1.8** present the trends in the expenditure on these components during 2005-10.

**Table-1.14: Components of Committed Expenditure**

*(Rupees in crore)*

Components of Committed Expenditure	2005-06	2006-07	2007-08	2008-09	2009-10
Salaries & Wages	575(31)	670(26)	757(25)	935(24)	1800(42)
Of which					
<i>Non-Plan Head</i>	421(23)	485(19)	535(18)	816(21)	615(14)
<i>Plan Head</i>	154(8)	185(7)	222(7)	119(3)	1185(28)
Interest Payments	157(8)	188(7)	155(5)	216(6)	227(5)
Expenditure on Pension and other retirement benefits	71(4)	79(3)	109(4)	114(3)	183(4)
Subsidies	2(1)	3(..)	2(..)	3(..)	1(..)
Other Components	863(47)	957(37)	1237(41)	1627(42)	1485(35)

(Figures in the parentheses indicate percentage to Revenue Receipts)  
.. refers to negligible percentage)



### 1.7.3.1 Salaries and Wages

The expenditure on salaries and wages increased by 193 per cent during 2009-10 over the previous year and accounted for 28.76 per cent of GSDP and 41.91 per cent of the revenue receipts. The quantum jump in the expenditure on salaries and wages was mainly due to implementation of recommendation of Pay Commission's award during the year in the State. The State Government could not restrict the expenditure on salaries during 2009-10 as assessed in its FCP (₹ 820 crore) for the year and also within the norm of 35 per cent prescribed by the TFC for the total salary bill relative to revenue expenditure net of interest payment and pension.

### 1.7.3.2 Interest Payments

Interest payments increased by 45.08 per cent from ₹ 156.45 crore in 2005-06 to ₹226.98 crore in 2009-10. Compared to the previous year, interest payments during 2009-10 increased by 5.31 per cent as against an increase of 39.11 per cent during 2008-09. Interest payments were on market loans (₹ 47.47 crore), Special Securities issued to National Small Savings Fund of the Central Government (₹ 52.02 crore), other internal debt (₹ 29.75 crore), loans and advances received from Central Government (₹ 35.07 crore) and Small Savings, Provident Fund, etc. (₹ 61.18 crore). Of the total interest payments during the year, about 20.91 per cent (₹ 47.47 crore) were paid on market borrowings. The interest payments (₹226.98 crore) was higher than the projections made by the TFC (₹ 217.84 crore) and FCP (₹210 crore) but lower than the budget estimates (₹ 253 crore) of the year.

### 1.7.3.3 Pension Payments

The pension payments (including other retirement benefits) indicated an increasing trend during the five year period 2005-10. Pension payments during the current year has increased by ₹69.38 crore recording a growth rate of over 61.10 per cent over the previous year mainly on account of increase in the number of pensioners. A comparative analysis of actual pension payments and the assessment/projections made by the TFC and the State Government (Table 1.15) reveals that actual pension payments exceeded the projections made by the TFC and the State Government in its FCP by 71 per cent and 83 per cent respectively.

Table 1.15: Actual Pension Payments vis-à-vis Projection

(Rupees in crore)

	Assessment made by the TFC	Assessment made by the State Government in		Actual	Expenditure in excess of assessment made in the		
		FCP	Budget 2009-10		TFC	FCP	Budget
Pension Payments	106.82	100.00	143.79	182.93	76.11(71)	82.93(83)	39.14 (27)

### 1.7.3.4 Subsidies

Table 1.14 also shows a inter year variation in payment of subsidies which constituted only 0.02 per cent of revenue receipts during 2009-10 against 1.26 per cent during 2005-06. Subsidy mainly given to Co-operative (₹ 0.89 crore) and Civil Supplies (₹ 0.21 crore) during 2009-10. During the current year, expenditure on payment of subsidies decreased by 39.85 per cent from ₹ 2.75 crore in 2008-09 to

₹ 1.10 crore mainly due to decrease in payment of subsidy to co-operation (₹ 0.43 crore) and civil supplies (₹ 0.30 crore).

#### 1.7.4 Financial Assistance by State Government to Local Bodies and Other Institutions

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in **Table 1.16**.

**Table 1.16: Financial Assistance to Local Bodies, etc.**

	2005-06	2006-07	2007-08	2008-09	2009-10
University and Educational Institute	16.49	10.14	12.96	47.00	3.45
Cultural Institutions/Voluntary Organizations for promotion of Art and Culture	5.21	0.25	0.50	2.72	28.76
State Institute of Rural Development	24.36	..	1.07	..	...
Social Welfare	0.15	0.15	0.16	7.27	0.32
Ware Housing Corporations	4.94	14.93	23.06	44.97	36.12
Co-operation	..	..	..	..	...
Zilla Parishads/Village Panchayats etc.	..	..	..	..	...
Other Institutions	15.97	1.84	5.74	0.28	0.93
<b>Total</b>	<b>67.12</b>	<b>27.31</b>	<b>43.49</b>	<b>102.24</b>	<b>69.58</b>
<i>Assistance as percentage of Revenue Expenditure</i>	4.02	1.44	1.92	3.53	1.88

The financial assistance extended to local bodies and other institutions with inter year variations increased by 3.67 percent from ₹ 67.12 crore in 2005-06 to ₹ 69.58 crore in 2009-10. ₹ 3.45 crore (4.96 per cent) of the total assistance was released to University and Educational Institutions and ₹ 36.12 crore (51.91 per cent) was released to Warehousing Corporation during the year 2009-10. The State Government is also giving adhoc grants on year to year basis to various institutions grouped under the head "Other Institutions" which varied from ₹ 15.97 crore in 2005-06 to ₹ 0.28 crore in 2008-09 and stood at ₹ 0.93 crore in the current year.

#### 1.8 Quality of Expenditure

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

##### 1.8.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to social sector and economic infrastructure are largely assigned to the State Governments. Enhancing human development levels require the States to step up their expenditure on key social services like, education and health, etc. The low level of spending on any sector by a particular State may be either due to low fiscal priority attached by the State Government or on account of the low fiscal capacity of the State Government or due to both. The low fiscal priority

(ratio of expenditure category to aggregate expenditure) is attached to a particular sector if it is below the respective national average while the low fiscal capacity would be reflected if the State's per capita expenditure is below the respective national average even after having a fiscal priority that is more than or equal to the national average. **Table 1.17** analyses the fiscal priority and fiscal capacity of the State Government with regard to development expenditure, social sector expenditure and capital expenditure during the current year.

**Table 1.17: Fiscal Priority of the State during 2009-2010**

Fiscal Priority of the State	AE/GSDP	DE/AE	SSE/AE	CE/AE	Education/ AE	Health/AE
All NE States Average (Ratio) 2005-06	29.92	65.98	32.91	16.21	18.06	4.63
Arunachal (Ratio) 2005-06	72.27	76.06	31.36	20.75	11.40	3.60
All NE States Average (Ratio) 2009-10	37.18	64.98	34.64	17.55	16.47	5.65
Arunachal (Ratio) 2009-10	78.80	75.19	27.44	20.89	12.92	4.41

\*As per cent to GSDP  
 AE: Aggregate Expenditure DE: Development Expenditure SSE: Social Expenditure CE: Capital Expenditure.  
 # Development expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.  
 Source: (1) For GSDP, the information was collected from the State's Directorate of Economics and Statistics and for the year 2009-10.

**Table 1.17** shows the fiscal priority given by the Arunachal Government to various expenditure heads in 2005-06 (the first year of the TFC Award Period) and the current year, i.e. 2009-10. The Government of Arunachal Pradesh had a much higher AE/GSDP ratio in both years under consideration compared to NE States' average and ratio of DE/AE was also higher than NE States' average during both years which indicated that the State has given priority to this category of expenditure as compared to other NE States. In Social Sector Expenditure involving the major components viz. Education and Health, the Arunachal Government expenditure as a percentage of AE was lower than the average of NE States, whereas in regards to CE, the ratio is higher in both 2005-06 and 2009-10 than the average of the NE States. This indicates that the Government had been attaching higher priority to economic services. The Government may consider giving greater emphasis to Social Sector, especially in the area of health considering most of the health care facilities are not well equipped.

### **1.8.2 Efficiency of Expenditure Use**

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalization measures and lay



emphasis on provision of core public and merit goods<sup>3</sup>. Apart from improving the allocation towards development expenditure<sup>4</sup>, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure 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 the existing social and economic services. The higher the ratio of these components to expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.18** presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year vis-à-vis budgeted and the previous years, **Table 1.19** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

Table 1.18: Development Expenditure

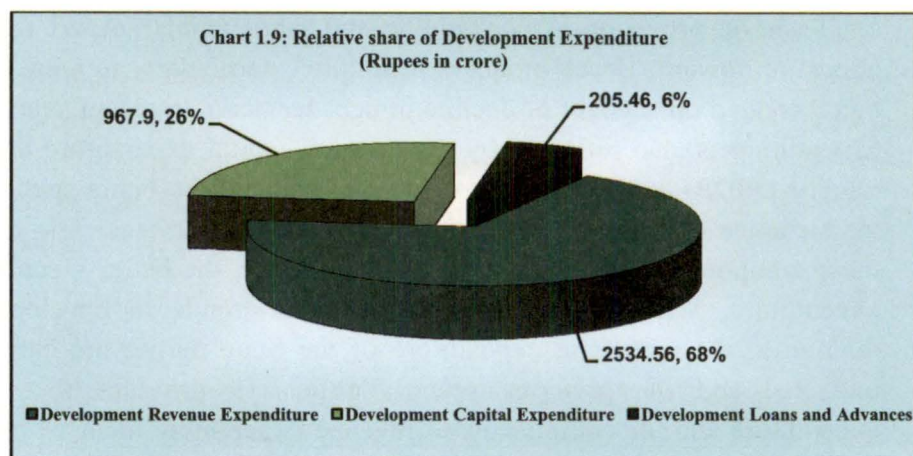
Components of Development expenditure	2005-06	2006-07	2007-08	2008-09	2009-10	
					BE	Actual
Development Expenditure (a to c)	1604.14 (76.06)	1905.99 (76.62)	2372.56 (78.67)	3391.47 (80.50)	3465.80	3707.92 (75.19)
a. Development Revenue Expenditure	1178.92 (55.90)	1337.63 (53.77)	1639.49 (54.36)	2121.22 (50.35)	2712.33	2534.56 (51.40)
b. Development Capital Expenditure	421.54 (19.99)	563.58 (22.66)	730.10 (24.21)	1243.01 (29.50)	749.27	967.90 (19.63)
c. Development Loans and Advances	3.68 (0.17)	4.78 (0.19)	2.97 (0.10)	27.24 (0.66)	4.20	205.46 (4.16)

(Figures in parentheses indicate percentage to aggregate expenditure)

The share of development expenditure to aggregate expenditure exhibited increase during the years 2005-06 to 2008-09. *Though the development expenditure increased 42.95 per cent over the previous year, it was much below the level of Budget Estimate of ₹ 406.12 crore for the year.* The relative share of development expenditure to total expenditure during 2008-09 given in **Chart 1.9** below showed that 62.55 per cent of it was incurred on revenue account and only 36.65 per cent was utilized as capital expenditure.

<sup>3</sup> Core public goods are which all citizens enjoy in common in the sense that each individual's consumption of such goods leads to no subtractions from any other individual's consumption of that goods, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore, wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation, etc.

<sup>4</sup> The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advance is categorized into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.



Predominant share of revenue expenditure in development expenditure indicated that more emphasis was given on maintenance of the current level of services (including 30.85 per cent revenue expenditure on salaries and wages under social services and 19.48 per cent on economic services) which did not result in any addition to State's infrastructure and service network. Thus, expenditure pattern under this sector needs to be more oriented towards asset creation in the ensuing years.

Table 1.19: Efficiency of Expenditure Use in Selected Social and Economic Services

(In per cent)

Social/Economic Infrastructure	2008-09		2009-10	
	Ratio of Capital Expenditure to Total Expenditure <sup>5</sup>	In Revenue Expenditure, the share of Salary & Wages	Ratio of Capital expenditure to Total Expenditure	In Revenue Expenditure, the share of Salary & Wages
<b>Social Service (SS)</b>				
General Education	9.78	62.18	2.71	85.93
Technical Education, Sports, Arts & Culture	41.00	35.18	21.23	38.38
Health and Family Welfare	6.48	60.82	3.30	33.65
Water Supply & Sanitation, Housing and Urban Development	15.78	7.40	33.35	45.06
Other SS	13.85	31.30	4.00	72.78
<b>Total (SS)</b>	<b>15.51</b>	<b>41.39</b>	<b>11.39</b>	<b>65.33</b>
<b>Economic Services (ES)</b>				
Agriculture and Allied Activities	3.52	38.55	1.97	30.00
Irrigation & Flood control	37.34	18.12	25.62	32.75
Power and Energy	62.35	20.98	58.43	25.81
Transport	2.83	11.63	60.95	11.04
Other ES	70.32	17.25	26.36	70.12
<b>Total (ES)</b>	<b>40.65</b>	<b>31.89</b>	<b>37.84</b>	<b>36.90</b>

(a) Social Services

The trends in capital expenditure on social services during 2008-09 and 2009-10 reveal that the share of capital expenditure to total expenditure during these years was around 16 and 17 per cent respectively, which indicated that the revenue expenditure

<sup>5</sup> Total revenue and capital expenditure of the services concerned.

was dominant. While there was some improvement in the share of capital expenditure to total expenditure under Water Supply & Sanitation, Housing & Urban development during the current year in respect of other Categories of Social Services, there was decrease in this category of expenditure. General Education Sector was the worst sufferer as only 2.71 *per cent* of total expenditure was incurred in this sector on capital account during 2009-10 against 9.78 *per cent* during the preceding year.

Of the revenue expenditure on social services, the share of salary and wage component has increased from 41.39 *per cent* in 2008-09 to 65.33 *per cent* in 2009-10 implying less expenditure on non-salary components. The non-salary and wage expenditure on social services has decreased by 22.83 *per cent* during 2009-10 from ₹ 636.50 crore in 2008-09 to ₹ 414.85 crore in 2009-10. Within the priority sectors, non-salary and wage component continues to have the dominant share under technical education, sports, art and culture; and water supply, sanitation, housing and urban development. High salary and wage expenditure during 2008-09 (62.18 *per cent* and 60.82 *per cent*) and 2009-10 (85.93 *per cent* and 33.65 *per cent*) was observed under General Education and Health and Family Welfare respectively.

**(b) Economic Services**

The expenditure on economic services during 2009-10 (₹ 2152.20 crore) accounted for about 43.64 *per cent* of the total expenditure and 69.99 *per cent* of the development expenditure during the year. Out of the total expenditure on economic services during the current year, 23.35 *per cent* was incurred on Power and Energy, 21.09 *per cent* on agriculture and allied services and 26.55 *per cent* on transport.

The trends in revenue and capital expenditure on economic services indicate that capital expenditure consistently increased from ₹ 331.33 crore in 2005-06 to ₹ 814.30 crore (145.77 *per cent*) in 2009-10. However, the share of capital expenditure to total expenditure on economic services during 2005-10 increased marginally from 35.28 *per cent* to 37.84 *per cent* which indicated that the revenue expenditure was dominant. Revenue expenditure also consistently increased from ₹ 607.87 crore in 2005-06 to ₹ 1337.90 crore (120.10 *per cent*) in the current year. Within the revenue expenditure on economic services, salary and wage component constituted 31.89 *per cent* and 36.90 *per cent* during 2008-09 and 2009-10 respectively. It increased from ₹ 363.71 crore in 2008-09 to ₹ 493.69 crore (35.74 *per cent*) during the current year. The non-salary and wage component of revenue expenditure also increased from ₹ 776.80 crore in 2008-09 to ₹ 844.21 crore during the current year. However, the capital expenditure decreased from ₹ 1081.32 crore in 2008-09 to ₹ 841.30 crore (22.20 *per cent*) during the current year indicating change in allocative priorities of the State Government.

## 1.9 Financial Analysis of Government Expenditure and Investments

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

### 1.9.1 Investment and returns

As of 31 March 2010, Government had invested ₹ 220.41 crore in Government Companies and Co-operative Societies (**Table 1.20**). The average return on this investment was nil except during the year 2008-09 which was also less than one *per cent*, while the Government paid interest at an average rate of 6.19 *per cent* to 7.99 *per cent* on its borrowings during the period.

**Table 1.20: Return on Investment**

<i>Investment/Return/cost of Borrowings</i>	<i>2005-06</i>	<i>2006-07</i>	<i>2007-08</i>	<i>2008-09</i>	<i>2009-10</i>
Investment at the end of the year ( <i>Rupees in crore</i> )	27.27	31.76	217.58	220.41	220.41
Return ( <i>Rupees in crore</i> )	0.00	0.00	*	0.00	...
Return ( <i>per cent</i> )	-	-	-	-	...
Average rate of interest on Government borrowings ( <i>per cent</i> )	7.58	7.99	6.19	7.71	7.47
Difference between interest rate and return ( <i>per cent</i> )	7.58	7.99	6.19	7.71	7.47

\*less than 0.01

As of March 2010, the State Government had invested ₹ 9.04 crore in five Government Companies and ₹ 211.37 crore in 145 Co-operative Societies. Out of ₹ 9.04 crore invested in Government Companies, ₹ 5.04 crore was invested in three loss making companies, which had accumulated loss of ₹ 16.55 crore as detailed in **Table 1.21**. Upto date working results of one Government company and all the Co-operative Societies had not been intimated.

**Table 1.21: Details of loss making Government Companies**

<i>Name of Companies</i>	<i>Amount invested as of March 2010</i>	<i>Invested up to</i>	<i>Accumulated loss</i>	<i>Period up to<sup>6</sup></i>
Arunachal Pradesh Mineral Development and Trading Corporations	2.39	2006-07	0.25	1993-94
Handloom and Handicraft Development Corporation Limited	0.83	1996-97	3.48	1996-97
Arunachal Pradesh Industrial Development and Financial Corporation Limited	1.82	2006-07	12.82	2007-08
		5.04	16.55	

<sup>6</sup> Accounts for the subsequent years are in arrears.

### 1.9.2 Loans and advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, Government has also been providing loans and advance to many of these institutions/organizations. **Table 1.22** presents the outstanding loans and advances as on 31 March 2010, interest receipts vis-à-vis interest payments during the last five years.

**Table 1.22: Average Interest Received on Loans and Advances given by the State Government**

(Rupees in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Opening Balance</b>	<b>25</b>	<b>25</b>	<b>28</b>	<b>28</b>	<b>52</b>
Amount advanced during the year	3	5	3	27	206
Amount recovered during the year	3	2	3	3	203
<b>Closing Balance</b>	<b>25</b>	<b>28</b>	<b>28</b>	<b>52</b>	<b>55</b>
Net addition	-	3	-	24	
Interest Receipts	-	0.54	1.00	0.87	5.19
<i>Interest received as per cent to Outstanding Loans and Advances</i>	-	2.04	3.57	2.18	9.70
Interest payments as per cent to outstanding fiscal liabilities of the State Government	7.58	7.99	6.19	7.71	7.47
<i>Difference between interest payments and receipts (per cent)</i>	7.58	5.95	2.62	5.53	-2.23

The total outstanding loans and advances as on 31 March 2010 was ₹ 55 crore. Interest received against these loans and advances was meager, which had decreased by 497 per cent during the year over previous year.

The outstanding loans and advances were mainly in Co-operation (₹ 200.23 crore), urban Development (₹ 0.98 crore), Power Projects (₹ 2.50 crore) and Government Servants (₹ 7.58 crore) during the current year. Major portion of loans were given as advances to Public Sector and undertakings (₹ 200.23 crore) and loans for Power Projects (₹ 2.50 crore).

### 1.9.3 Cash Balances and Investment of Cash balances

**Table 1.23** depicts the cash balances and investments made by the State Government out of cash balances during the year.

**Table 1.23: Cash Balances and Investment of Cash balances**

(Rupees in crore)

Particulars	As on 1 <sup>st</sup> April 2009	As on 31 <sup>st</sup> March 2010	Increase
<b>Cash Balances</b>	1334.62	1610.39	275.77
<b>Investments from Cash Balances (a &amp; b)</b>	1712.22	1616.37	-95.85
a. GOI Treasury Bills	1712.22	1616.37	-95.85
b. GOI Stock/Securities	...	...	...
<b>Fund-wise break-up of Investment from Earmarked balances (a &amp; b)</b>			
a. Sinking Fund Investment Account	58.90	73.90	15.00
b. Other Development and Welfare Fund	2.13	2.13	...
<b>Interest realised on investment of cash balance</b>	33.93	34.80	0.87

The cash balance of the State increased by ₹ 275.77 crore, from ₹ 1334.62 crore at the end of March 2009 to ₹ 1610.39 crore at the end of March 2010. Interest realised on investment of cash balances also increased by ₹ 0.87 crore during 2009-10 over that of previous year. By investment of ₹ 1712.22 crore on GOI Treasury Bills as on 1st April 2009, the State Government realised ₹ 34.80 crore as interest during 2009-10, which was only 2.03 *per cent* of the amount invested. However, this has to be viewed in the backdrop that the State Government raised open market loan of ₹ 79.05 crore during 2009-10. **Thus, there is an urgent need for more prudent cash management by the State Government which would minimize borrowing of funds from open market to meet its expenses.** Instead of investing the cash balances, had the Government utilized the amount to discharge the market loan, it could have saved the difference of interest payable on market loan.

The Government did not have to resort to WMA during the current year (2009-10) as well as during previous three years (2006-09), indicating comfortable position of the cash balances of the State.

The State Government had maintained a minimum cash balance of ₹ 26 lakh as per the agreement with the Reserve Bank of India during the last three years.

#### **1.10 Assets and Liabilities**

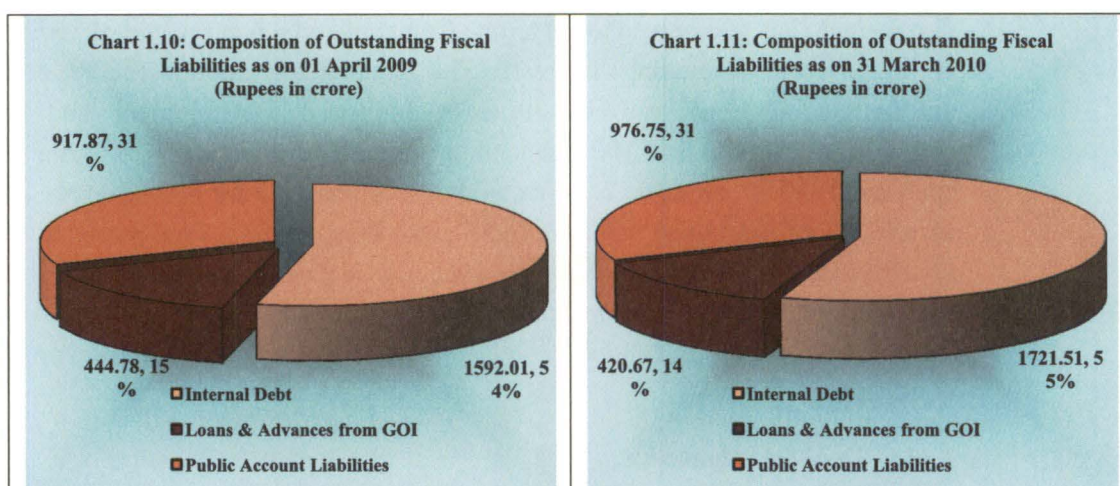
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##### **1.10.1 Growth and composition of Assets and Liabilities**

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. Appendix 1.4 gives an abstract of such liabilities and the assets as on 31 March 2010, compared with the corresponding position on 31 March 2009. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

##### **1.10.2 Fiscal Liabilities**

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.3**. However, the composition of fiscal liabilities during the current year vis-à-vis the previous year is presented in **Charts 1.10 and 1.11**.



Fiscal liabilities of the State increased from ₹ 2337.20 crore in 2005-06 to ₹ 3118.93 crore in 2009-10 and was mainly due to internal debt (₹ 1721.51 crore), small savings, provident funds (₹ 791.32 crore) and other non-interest bearing obligations such as deposit of local funds, civil deposits, etc. (₹ 185.44 crore). The fiscal liabilities registered a growth rate of 7.93 per cent over the previous year and its ratio to GSDP decreased from 65.13 per cent in 2008-09 to 49.84 per cent in 2009-10. As per thirteenth finance commission recommendation the debt-GSDP ratio has to be brought down to 25 per cent by 2014-15. To achieve this target the State to make efforts from the very beginning itself. These liabilities stood at 0.73 times of the revenue receipts and 0.22 times of the State's own resources during the current year. The buoyancy of these liabilities with respect to GSDP during the year was 0.15 indicating that for each one per cent increase in GSDP, fiscal liabilities grew by 0.15 per cent.

The State Government constituted a 'Consolidated Sinking Fund' for amortization of open market loans during 2009-10 and has appropriated ₹15.00 crore from revenue and credited to this fund for investment in the GOI Securities.

### 1.10.3 Status of Guarantees – Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per Statement 9 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees at the end of the year since 2005-06 are given in Table 1.24.

Table 1.24: Guarantees given by the Government of Arunachal Pradesh

	(Rupees in crore)				
	2005-06	2006-07	2007-08	2008-09	2009-10
Maximum amount guaranteed (year end)	24	24	12	12	2
Outstanding amount of guarantees (including interest)	6	13	0.98	0.61	0.90
Percentage of maximum amount guaranteed to total revenue receipts	1.30	0.93	0.40	0.31	...

Government has guaranteed loans to one Company, which at the end of 2009-10 stood at ₹0.90 crore (including interest). The guaranteed amount (₹0.90 crore) was outstanding against Arunachal Pradesh Industrial Development and Financial corporation (APIDFCL). The outstanding amount of guarantees is in the nature of contingent liabilities on revenue receipts of the state during 2009-10. *No law under Article 293 of the Constitution had been passed by the State Legislature laying down the maximum limit within which Government may give guarantees on the security of the Consolidated Fund of the State. Even the APFRMM Act, 2006 did not fix any ceiling limit for the maximum or outstanding guarantees to be given by the State Government.*

### **1.11 Debt Sustainability**

The Debt sustainability is defined as the ability of the State to maintain a constant debt-GDP ratio over a period of time and also embodies the concern about the ability to service its debt. 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 cost of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.

Apart from the magnitude of debt of the State, it is important to analyse various indicators that determine the debt sustainability of the State. This section assesses the sustainability of debt of the State in terms of debt stabilization<sup>7</sup>, sufficiency of non-debt receipt<sup>8</sup>; net availability of borrowed funds<sup>9</sup>, burden of interest payments (measured by interest payments to revenue receipts ratio and maturity profile of State Government securities. **Table 1.25** analyses the debt sustainability of the State according to these indicators for the period of five year beginning from 2005-06.

**Table 1.25: Debt Sustainability: Indicators and Trends**

Indicators of Debt Sustainability	2005-06	2006-07	2007-08	2008-09	2009-10
Debt Stabilization (Quantum Spread +Primary Deficit) (Rupees in crore)	-6	+503	+329	+97	+693.87
Sufficiency of Non-debt Receipts (Resource Gap)	+190	+513	+48	+217	-80
Net Availability of Borrowed Funds	403	-141	112	101	-61
Burden of Interest Payments (IP/RR Ratio)	8.46	7.24	5.16	5.59	5.28

<sup>7</sup> A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt\*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.

<sup>8</sup> Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

<sup>9</sup> Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.



**Table 1.23** reveals that quantum spread together with primary deficit/surplus has been positive during 2006-10. **Despite increase of primary deficit in 2009-10 by ₹ 68.17 crore over the previous year, the steep increase in quantum spread together with primary deficit/surplus during 2009-10 was mainly due to huge rate of growth of 37.95 per cent in GSDP during the year 2009-10, while during earlier four years the growth rate of GSDP was not more than 17 per cent.**

Viewed along with the ratio of fiscal deficit to GSDP which also indicated a fluctuating trend during the period 2005-10, it indicates oscillating debt-GSDP ratios during the period. The sum of quantum spread and primary deficit at ₹ 693.87 crore during 2009-10 against ₹ 97 crore during the previous year is a signal improvement in the fiscal imbalances for improving the debt sustainability position in medium to long run.

Negative resource gap indicates the non-sustainability of debt, while the positive resource gap strengthens the capacity of the State to sustain the debt. The trends in resource gap which was positive during 2005-09, turned negative during 2009-10 as incremental non-debt receipts during 2009-10 was more than the incremental total expenditure. The negative resource gap in the year 2009-10 was mainly due to the steep increase in non-interest revenue expenditure (₹ 3468.61 crore).

During the current year, the Government repaid ₹ 1038 crore as principal and interest on internal debt (₹ 164 crore), loans and advances from the GOI (₹ 111 crore) and other obligations (₹ 763 crore), as a result of which borrowed funds were not available for development purposes. Under the loans and advances from GOI, the net funds available continued to be negative during the entire period of five years.

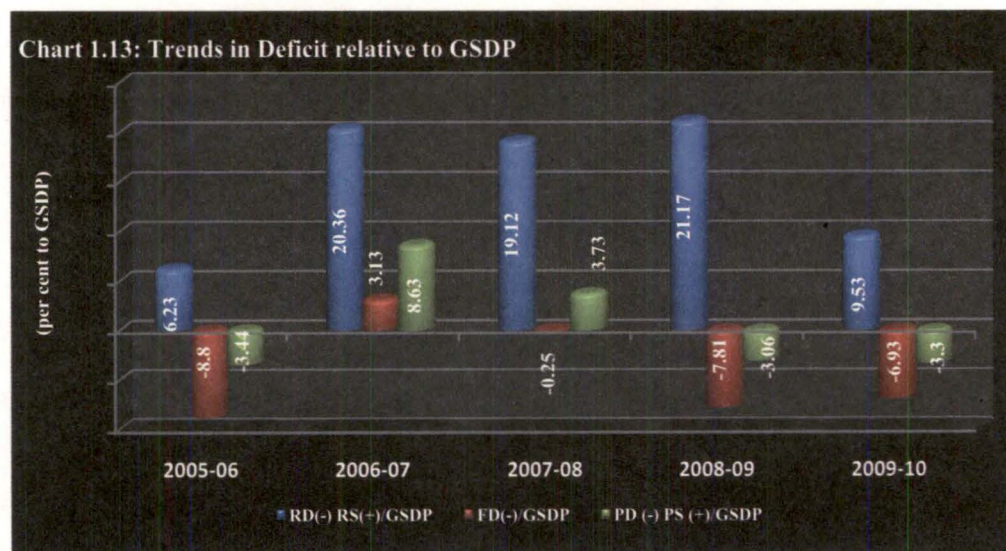
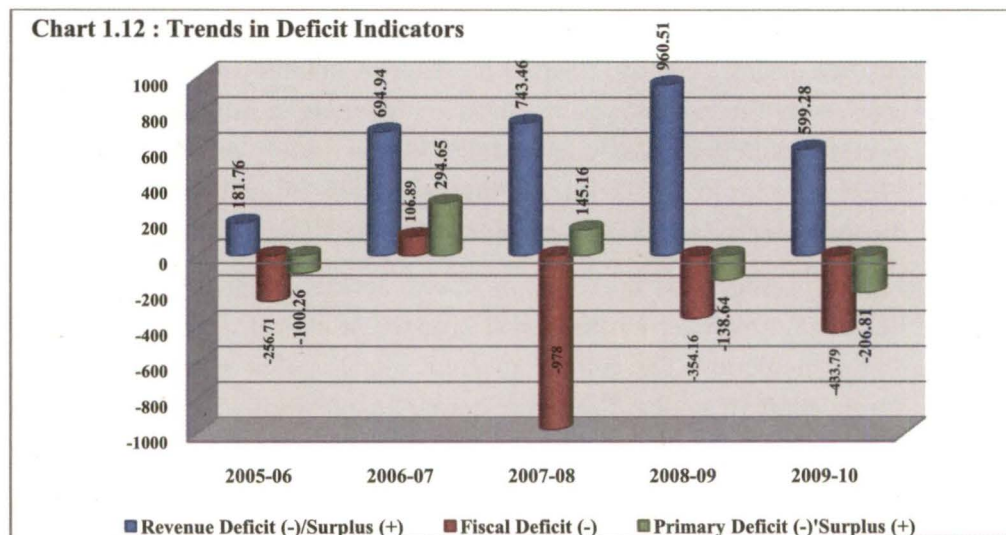
## **1.12 Fiscal Imbalances**

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Three key fiscal parameters – revenue, fiscal and primary deficits – indicate the extent of overall fiscal imbalances in the Finances of the State during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management by the Government. Further, the ways in which the deficit is financed and the resources which are raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis targets set under FRBM Act/Rules for the financial year 2009-10.

### **1.12.1 Trends in Deficits**

**Charts 1.12 and 1.13** present the trends in deficit indicators over the period 2005-10.



**Chart 1.13** reveals that the revenue account experienced a situation of substantial surplus since 2005-06. The revenue surplus of ₹ 599.28 crore during 2009-10 was lower by ₹ 361.23 crore as compared revenue surplus of ₹ 960.51 crore during 2008-09. The significant decrease during the current year was mainly on account of an increase of ₹ 800.13 crore (27.63 per cent) in revenue expenditure which was partially offset by increase in revenue receipts of ₹ 438.90 crore (11.38 per cent) over the previous year. The fact was that State's own resources contributed around (-) 50.93 per cent (₹ (-) 223.55 crore) in the incremental revenue receipts (₹ 438.90 crore) during 2009-10 against 17.96 per cent (₹ 838.90 crore) during 2008-09. The revenue surplus in the current was primarily on account better growth rate of 26.12 per cent (₹ 649.14 crore) in grants-in-aid as compared to 37.32 per cent (₹ 675.51 crore) during 2008-09.

The fiscal deficit, which represents the total borrowings of the Government and its total resource gap also increased from ₹ 354.16 crore in 2008-09 to ₹ 433.79 crore in

during 2009-10. The fiscal surplus in 2006-07 (₹ 106.39 crore) turned to deficit in 2007-08 and continued to deteriorate further during 2008-10. The increase in the fiscal deficit by ₹ 79.63 crore during the current year would have been much higher due to decrease in capital expenditure (₹ 259.92 crore) during the current year. Contrary to the commitment for achieving fiscal deficit of 3 per cent of GSDP within a period of five financial years ending on 31st March 2010 made by the State Government in the APFRBM Act, the fiscal was 6.93 per cent of GSDP during 2009-10 compared to 7.81 per cent during previous year.

The primary surplus which continued during 2006-07 and reached the level of ₹ 145.16 crore during 2007-08, also took a downward turn in 2008-09 and 2009-10 and resulted in a primary deficit<sup>10</sup> of ₹ 138.64 crore and ₹ 206.81 crore respectively. A sharp increase of Rs. 80 crore in fiscal deficit and a moderate increase in interest payments (₹ 11.44 crore) resulted in a primary deficit of ₹ 206.81 crore

### 1.12.2 Components of Fiscal Deficit and its Financing Pattern.

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the Table 1.26.

Table 1.26: Components of Fiscal Deficit and its Financing Pattern

(Rupees in crore)

Sl. No.	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Decomposition of Fiscal Deficit</b>						
	Fiscal deficit (-)/surplus (+)(1 to 3)	-257	+107	-10	-354	-434
1	Revenue Deficit (-)/Surplus (+)	+182	+695	+743	+960	599
2	Net Capital Expenditure	438	586	753	1290	1030
3	Net Loans and Advances	-1	-2	..	-24	-3
<b>Financing Pattern of Fiscal Deficit<sup>(a)</sup></b>						
1	Market Borrowing	42	100	172	14	67
2	Loans from GOI	-12	-28	-16	-4	-24
3	Special Securities issued to NSSF	238	130	25	21	50
4	Loans from Financial Institutions	30	22	33	49	13
5	Small Savings, PF. etc.	68	63	43	78	142
6	Reserve Funds	17	10	-80	14	15
7	Deposits and Advances	20	-50	100	154	-85
8	Suspense and Miscellaneous	-90	-90	191	2782	503
9	Remittances	22	-5	...	-2	28
10	Increase (-)/Decrease (+) in Cash Balances	-244	-53	-458	-2752	-275
11	Increase or decrease in Ways & Means Advances	+166	-206	..	..	...
<b>Overall Deficit (1 to 11) (-)</b>		<b>-257</b> <b>(8.81)</b>	<b>+107</b> <b>(3.14)</b>	<b>-10</b> <b>(0.26)</b>	<b>-354</b> <b>(7.80)</b>	<b>-434</b> <b>(6.94)</b>

Figures in brackets indicate the percent to GSDP.

<sup>(a)</sup> All the figures are net of disbursement/outflows during the year.

Except for the year 2006-07, there was fiscal deficit during the five year period ending 2009-10, which reached its peak during 2009-10. During the current year,

<sup>10</sup> Primary deficit, defined as the fiscal deficit net of interest payments indicates the extent of deficit which is an outcome of the fiscal transactions of the States during the course of the year.

fiscal deficit increased by over 22.60 percent (₹ 80 crore) over previous year despite decrease in capital expenditure by ₹ 260 crore. The fiscal deficit of ₹ 434 crore during 2009-10 was mainly met out from Suspense and Miscellaneous (₹ 503 crore) and Small Savings etc (₹ 142 crore).

### 1.12.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and the Capital Expenditure (including loans and advances) would indicate the quality of deficits in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. The analysis of the primary deficit (Table 1.27) would indicate the extent to which the deficit has been on account of enhancement in capital expenditure which is desirable to improve the productive capacity of the State's economy.

Table 1.27: Primary Deficit/Surplus – Bifurcation of Factors

(Rupees in crore)

Year	Non-debt receipt	Primary Revenue Expenditure	Capital Expenditure	Loans & Advances	Primary Expenditure	Primary Revenue Surplus	Primary Deficit (-) / Surplus (+)
2005-06	1852	1511	438	4	1953	+341	-101
2006-07	2594	1709	586	5	2300	+85	+294
2007-08	3006	2105	753	3	2861	+901	+145
2008-09	3859	2680	1290	27	3997	+1179	-138
2009-10	4498	3469	1030	205	4704	+1029	-206

The bifurcation of the factors resulting into primary deficit or surplus of the State during the period 2005-10 reveals that throughout this period, the primary deficit was on account of capital expenditure incurred and loans and advances disbursed by the State Government. In other words, non-debt receipts of the State were enough to meet the primary expenditure<sup>11</sup> requirements in the revenue account, rather some receipts were left to meet the expenditure under the capital account. But the surplus non-debt receipts were not enough to meet the expenditure requirements under capital account resulting in primary deficit during 2005-06, 2008-09 and 2009-10. This indicates the extent to which the primary deficit has been on account of enhancement in capital expenditure which to some extent may be desirable to improve the productive capacity of the State's economy.

<sup>11</sup> Primary expenditure of the State, defined as the total expenditure net of the interest payments, indicates the expenditure incurred on the transactions undertaken during the year.

### 1.13 Conclusion and Recommendations

#### *Fiscal Correction Path*

The fiscal position of the State viewed in terms of key fiscal parameters – fiscal deficit and primary deficit has shown decline in 2009-10 relative to the previous year. Revenue surplus decreased by ₹ 361 crore in 2009-10 but fiscal deficits have increased by over 1.22 times compared to the previous year. Moreover, the fiscal performance of the State vis-à-vis targets set in FCP as well as APFRBM Act and Budget does not indicate a very positive picture during the year.

#### *Revenue Receipts*

Central transfers comprising State's share of Central taxes and grants-in-aid from the Government of India increased by ₹ 662 crore in 2009-10 indicating Central transfers being the key in the increase in revenue receipts of the State. The total loss of revenue due to underassessment/short levy/non-levy of taxes, etc., which was 35 per cent of the State's own resources consisting of tax and non-tax revenue during 2009-2010, indicates the presence of loopholes in resources mobilization. Pending revenue arrears constituted over 38 per cent of tax revenue of the State during 2009-10.

*The State should, therefore, make efforts to increase tax compliance, collect revenue arrears and prune unproductive expenditure so that deficits are contained to the levels envisaged in the APFRBM Act, 2006. Effort should also be made to return to the state of primary surplus and reduction of fiscal deficits.*

#### *Expenditure Pattern*

The expenditure pattern of the State reveals that the revenue expenditure as a percentage of total expenditure, though increased by 6.21 per cent in the current year, hovered around 80 per cent for the period (2005-10) leaving inadequate resources for expansion of services and creation of assets. Within the revenue expenditure, NPRE at ₹ 2560 crore in 2009-10 constituted 69 per cent and remained significantly higher than the normatively assessed level of ₹ 1030 crore by TFC for the year. Further, the salaries and wages, pensions, interest payments and subsidies continued to consume a major share of NPRE which was about 86 per cent during 2009-10.

*Expenditure pattern under both the above sectors needs correction in the ensuing years. There is also need to give greater fiscal priority to the social sector expenditure, as the State has a lower expenditure on this category when compared to the ratio of aggregate expenditure to GSDP in respect of all States'/National Average.*

#### *Return on Investment*

The average return on investment in Statutory Corporations, Government companies and Co-operative Societies was almost nil during 2005-10, while the Government paid interest at an average rate of 7.47 per cent on its borrowings during the period. The increased fiscal liabilities accompanied by a negligible rate of return on Government investments and inadequate interest cost recovery on loans and advances

*might lead to an unsustainable fiscal situation in medium to long term, unless suitable measures are initiated to compress the non-plan revenue expenditure and to mobilize additional resources both through the tax and non tax sources in the ensuing years.*

***The State Government should ensure better value for money in investments, otherwise high cost borrowed funds will continue to be invested in projects with low financial return.***

***Accounting of funds transferred to State Implementing Agencies***

*The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies for implementation of various schemes/programmes in social and economic sectors.*

***Direct transfer from the Union to the State Implementing Agencies runs the risk of poor accountability. As such, a system should be put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Accountant General.***

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





## CHAPTER II

### Financial Management and Budgetary Control

#### 2.1 Introduction

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

**2.1.2** Audit of appropriation by the Comptroller and Auditor General of India seeks to ascertain whether 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 during 2009-10 against 72 grants/appropriations is given in **Table 2.1**:

**Table 2.1: Summarised position of Actual expenditure vis-à-vis Original/Supplementary provisions**

(Rupees in crore)

	Name of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure*	Saving (-)/ Excess (+)
<b>Voted</b>	<b>I Revenue</b>	3338.30	1187.66	4525.96	3444.58	(-) 1081.38
	<b>II Capital</b>	765.26	1146.32	1911.58	1031.07	(-) 880.51
	<b>III Loans and Advances</b>	6.31	203.53	209.84	205.46	(-) 4.38
<b>Total Voted</b>		<b>4109.87</b>	<b>2537.51</b>	<b>6647.38</b>	<b>4681.11</b>	<b>(-)1966.27</b>
<b>Charged</b>	<b>IV Revenue</b>	273.00	5.11	278.11	251.03	(-)27.08
	<b>V Capital</b>	--	-	--	-	-
	<b>VI Public Debt- Repayment</b>	172.67	26.53	199.20	110.81	(-)88.39
<b>Total Charged</b>		<b>445.67</b>	<b>31.64</b>	<b>477.31</b>	<b>361.84</b>	<b>(-)115.47</b>
<b>Appropriation to Contingency Fund (if any)</b>		-	-	-	-	-
<b>Grand Total</b>		<b>4555.54</b>	<b>2569.15</b>	<b>7124.69</b>	<b>5042.95</b>	<b>(-)2081.74</b>

\* These are gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under Revenue Expenditure (₹ 0.01 crore) and Capital Expenditure (₹ 0.77 crore).

The overall saving of ₹ 2081.74 crore was the results of saving of ₹ 2116.87 crore in 57 grants and four appropriations under Revenue Section, 39 grants under Capital Section, offset by excess of ₹ 35.13 crore in 11 grants under Revenue Section and one grant under Capital Section.

A substantial savings of ₹ 1084.98 crore in revenue (voted) head occurred due to savings in secretariat Economic Services (₹ 784.95 crore), Agriculture (₹ 16.76 crore), Rural Works (₹ 88.34 crore), Election (₹ 19.34 crore), Police (₹ 10.71 crore), Health and Family Welfare (₹ 18.07 crore) and Panchayat (₹ 29.82 crore).

Excess expenditure mainly occurred in Directorate of Accounts (₹ 13.49 crore), Education (₹ 5.77 crore), Art & Cultural Affairs (₹ 6.98 crore) and Fisheries (₹ 1.59 crore).

The savings/excess (Detailed in the Appropriation Accounts) for 69 Grants and one Appropriation were intimated from 8th December 2009 to 13th December 2009 to the Controlling Officers requesting them to explain the reasons for significant variations, out of which 22 replies were received from the Controlling Officers. Besides regular reminders, reconciliation were also held with the Finance Department and the Controlling Officers of each department from 7th September 2009 to 19th September 2009 by Accountant General in which they were again requested to furnish reasons for excess/savings. Out of 134 Major Heads, explanations for variations were not received (31 December 2009) in respect of 109 Major Heads (Savings in 91 Major Heads and excess in 18 Major Heads).

### 2.3 Financial Accountability and Budget Management

#### 2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit reveals that in 44 cases, savings exceeded rupees one crore in each case and also by more than 20 per cent of total provision (**Appendix 2.1**). Against the total savings of ₹ 2,116.87 crore, savings of ₹ 1,856.65 crore (79.83 per cent) exceeding ₹ 10 crore in each case occurred in 19 grants as indicated in **Table 2.2**.

**Table 2.2: List of Grants with savings of Rupees 10 crore and above.**

(Rupees in crore)

Sl. No	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Saving(-)
<b>Revenue -Voted</b>						
1	4 Election	49.31	11.43	60.74	41.41	19.33
2	26 Rural Works	113.3	82.63	195.93	107.59	88.34
3	27 Panchayat	62.07	16.38	78.45	48.63	29.82
4	38 Work Resources Department.	85.92	60.33	146.25	111.24	35.01
5	50 Secretariat Economic Services	795.27	0.17	795.44	10.5	784.94
<b>Capital- Voted</b>						
6	14 Education	10.36	79.46	89.82	16.34	73.48
7	16 Art and Cultural Affairs	0	23.56	23.56	10.26	13.3
8	26 Rural Works	4.58	48.78	53.36	12.74	40.62

Sl. No	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Saving(-)
9	27 Panchayat	0	25.42	25.42	0	25.42
10	31 Public Works	10.57	77.28	87.85	49.08	38.77
11	32 Roads & Bridges	281.11	307.56	588.67	331.5	257.17
12	33 North Eastern Areas	39.94	58.49	98.43	66.49	31.94
13	34 Power	93.54	140.8	234.34	171.82	62.52
14	38 Water Resource Deptt.	25.4	48.86	74.26	38.31	35.95
15	40 Housing	16.84	2.57	19.41	4.73	14.68
16	57 Urban Development	21.86	135.12	156.98	73.14	83.84
17	65 Department. of Tirap & Changlang District	22.2	1.7	23.9	0	23.9
18	66 Hydo Power	151.61	81.88	233.49	124.25	109.24
<b>Capital- Charged</b>						
19	Public Debt	172.67	26.52	199.19	110.81	88.38
<b>Total</b>		<b>1956.55</b>	<b>1228.94</b>	<b>3185.49</b>	<b>1328.84</b>	<b>1856.65</b>

Reason for excessive savings in the above cases had not been furnished (December 2010) by the Government.

### 2.3.2 Persistent Savings

In four cases, during the last five years there were persistent savings of more than rupees one crore each and also by normal 10 *per cent* or more of the total grant. (Table 2.3)

**Table 2.3: List of Grants indicating Persistent Savings during 2005-10**

(Rupees in crore)

Sl. No	No. and Name of the Grant	Amount of Savings				
		2005-06	2006-07	2007-08	2008-09	2009-10
<b>Revenue-Voted</b>						
1.	50-Secretariat Economic Services	341.37 (94)	328.24 (89)	523.23 (94)	1179.28 (99)	<b>784.95 (99)</b>
<b>Capital-Voted</b>						
2.	14-Education	10.75 (34)	9.84 (20)	10.11 (35)	66.53 (57)	<b>73.49 (82)</b>
3.	31-Public Works	3.21 (22)	10.03 (40)	5.10 (23)	31.82 (48)	<b>38.77 (44)</b>
4.	34-Power	<b>52.60 (37)</b>	<b>25.85 (22)</b>	<b>63.52 (40)</b>	<b>45.87 (28)</b>	<b>62.52 (27)</b>

(Figures in the parentheses indicate percentage of saving to total provision)

One grant, viz. 'Secretariat-Economic Services' posted large savings persistently for the last five years. There were also instances of inadequate provision of funds and unnecessary/excessive/re-appropriations-Persistent savings indicative of poor budgeting and inadequate control over allocation there against.

### 2.3.3 Excess Expenditure

In two cases, expenditure aggregating ₹ 786.73 crore exceeded the approved budget provision by ₹ one crore or more in each case or by more than 20 *per cent* of the total provisions. Details are given in **Appendix 2.2**.

**2.3.4 Expenditure without provision**

As per the Budget Manual, expenditure should not be incurred on a Scheme/Service without provision of funds. It is, however, noticed that expenditure of ₹ 12.19 crore was incurred in five grants and one appropriation as detailed in **Appendix-2.3** without any provision in the Original estimates/Supplementary demand and without any re-appropriation orders to this effect.

Significant case of such expenditure involving expenditure in excess of ₹ one crore is given in **Table 2.4**.

**Table 2.4: Expenditure incurred without provision during 2009-10**

*(Rupees in crore)*

Grant/Appropriation No. Major Head of Accounts-Sub Head-- Detailed Head	Expenditure without provision
Appropriation – 2049-60-701-03- Interest on Power Bonds	1.48

**2.3.5 Excess over provisions relating to previous year requiring regularization**

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excess over a grant/appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Constitution, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹ 1092.94 crore for the years from 1986-87 to 2008-09 was yet to be regularised as detailed in **Appendix 2.4**.

**2.3.6 Excess over provisions during 2009-10 requiring regularization**

**Table 2.5** contains the summary of total excess in 13 grants amounting to ₹ 35.12 crore over authorisation from the Consolidated Fund during 2009-10 and requires regularisation under Article 205 of the Constitution.

**Table 2.5: Excess over provisions requiring regularisation during 2009-10.**

*(Rupees in crore)*

Sl. No.	Number and Titles of grants/appropriation	Total Grant / Appropriation	Expenditure	Excess
<b>Revenue – Voted</b>				
1	13-Directorate of Accounts	172.92	186.41	13.49
2	14-Education	548.27	554.04	5.77
3	16-Art and Cultural Affairs	22.64	29.62	6.98
4	28- Animal Husbandry & Veterinary	58.01	58.19	0.18
5	31-Public Works	113.07	113.15	0.08
6	35-Information and Public Relations	10.04	10.71	0.67
7	36-Statistics	9.56	9.84	0.28
8	43- Fisheries	11.11	12.70	1.59
9	44-Attached offices of the Secretariat Administration	6.11	6.16	0.05
10	53- Fire Protection and Control	5.71	5.82	0.11
11	56- Tourism	7.82	8.03	0.21

Sl. No.	Number and Titles of grants/appropriation	Total Grant / Appropriation	Expenditure	Excess
<b>Capital – Voted</b>				
12	39- Loans to Government Servants	0.00	1.75	1.75
13	50- Secretariat Economic Services	0.00	3.96	3.96
	<b>Total</b>	<b>965.27</b>	<b>1000.38</b>	<b>35.12</b>

### 2.3.7 *Unnecessary/Excessive/Inadequate supplementary provision*

Supplementary provision aggregating ₹ 269.96 crore obtained in 20 cases, (₹ 10 lakh or more in each case) during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in **Appendix 2.5**. In 4 cases, supplementary provision of ₹ 223.75 crore proved insufficient, by more than rupees one crore in each case, leaving an aggregate excess expenditure of ₹ 27.83 crore over the supplementary provision (**Appendix 2.6**).

### 2.3.8 *Excessive/Unnecessary re-appropriation of funds*

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh in each sub-head of 132 grants/appropriations as detailed in **Appendix 2.7**.

### 2.3.9 *Unexplained re-appropriation*

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

### 2.3.10 *Substantial surrenders*

Substantial surrenders (the cases where more than 50 per cent of total provision was surrendered) were made in respect of 12 grants. Out of the total provisions of ₹ 811.27 crore in these 12 cases, ₹ 804.38 crore (99.15 per cent) were available for surrender. The details of such cases are given in **Appendix 2.8**.

### 2.3.11 *Surrender in excess of actual saving*

In 4 cases, the amounts surrendered were in excess of actual savings which indicated inadequate budgetary control in these departments. As against savings of ₹ 787.69 crore, the surrendered amount was ₹ 79.59 crore resulting in excess surrender of ₹ 4.90 crore. Details are given in **Appendix 2.9**.

### **2.3.12 Anticipated savings not surrendered**

As per the Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2009-10, there were 52 grants/appropriation in which savings occurred (₹ 10 lakh and above in each case) but no amount was surrendered by the departments concerned. The amount involved in these cases was ₹ 1124.88 crore (**Appendix 2.10**). Out of 52 in 42 cases the savings were more than rupees one crore.

Similarly, out of the total savings of ₹ 1289.60 crore under 47 grants/appropriations (where savings of ₹ one crore and above occurred in each grants/appropriation), amount aggregating ₹ 1266.04 crore (98.17 per cent of total savings) were not surrendered, details of which are given in **Appendix 2.11**.

Beside in 15 cases (Surrender of funds in excess of ₹1 crore) ₹ 856.35 crore were (**Appendix 2.12**) surrendered in the last working day of March 2010 indicating inadequate financial control and the fact that these could not be utilised for other development purposes.

### **2.3.13 Rush of expenditure**

Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill planned expenditure. As such, Government expenditure is required to be evenly phased over the year as far as possible. It was, however, noticed that during 2009-10, the expenditure during the fourth quarter and in the month of March compared to the total expenditure during the year ranged between 38 percent and 96 percent and 25 percent to 98 percent respectively in case of 14 illustrative major heads of account in (**Appendix 2.13**).

## **2.4 Non-reconciliation of departmental figures**

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### **2.4.1 Pending submission of detailed countersigned contingent bills against Abstract Contingent Bills.**

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

Records available in respect of 384 Drawing and Disbursing Officers (DDOs)/Controlling officers revealed that during 2001-09 ₹ 46.85 crore were drawn through 2955 AC bills but DCC bills against these drawals had not been furnished to the Accountant General as of March 2009 (**Appendix 2.14**). Thus, due to non-submission of DCC bills, the actual expenditure against these drawals remained un-assessed by the Government which indicated serious deficiency in control over expenditure.

### 2.4.2 Un-reconciled expenditure

To enable Controlling Officers of Departments to exercise effective control over expenditure to keep it within the budget grants to ensure accuracy of their accounts, Financial Rules stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General.

Even though non-reconciliation of Departmental figures is being pointed out regularly in Audit Reports, lapses on the part of controlling officers in this regard continued to persist during 2008-09. Also 6 Controlling Officer did not reconcile expenditure amounting to ₹ 102.29 crore as of March 2009. The details are given in **Table 2.6**.

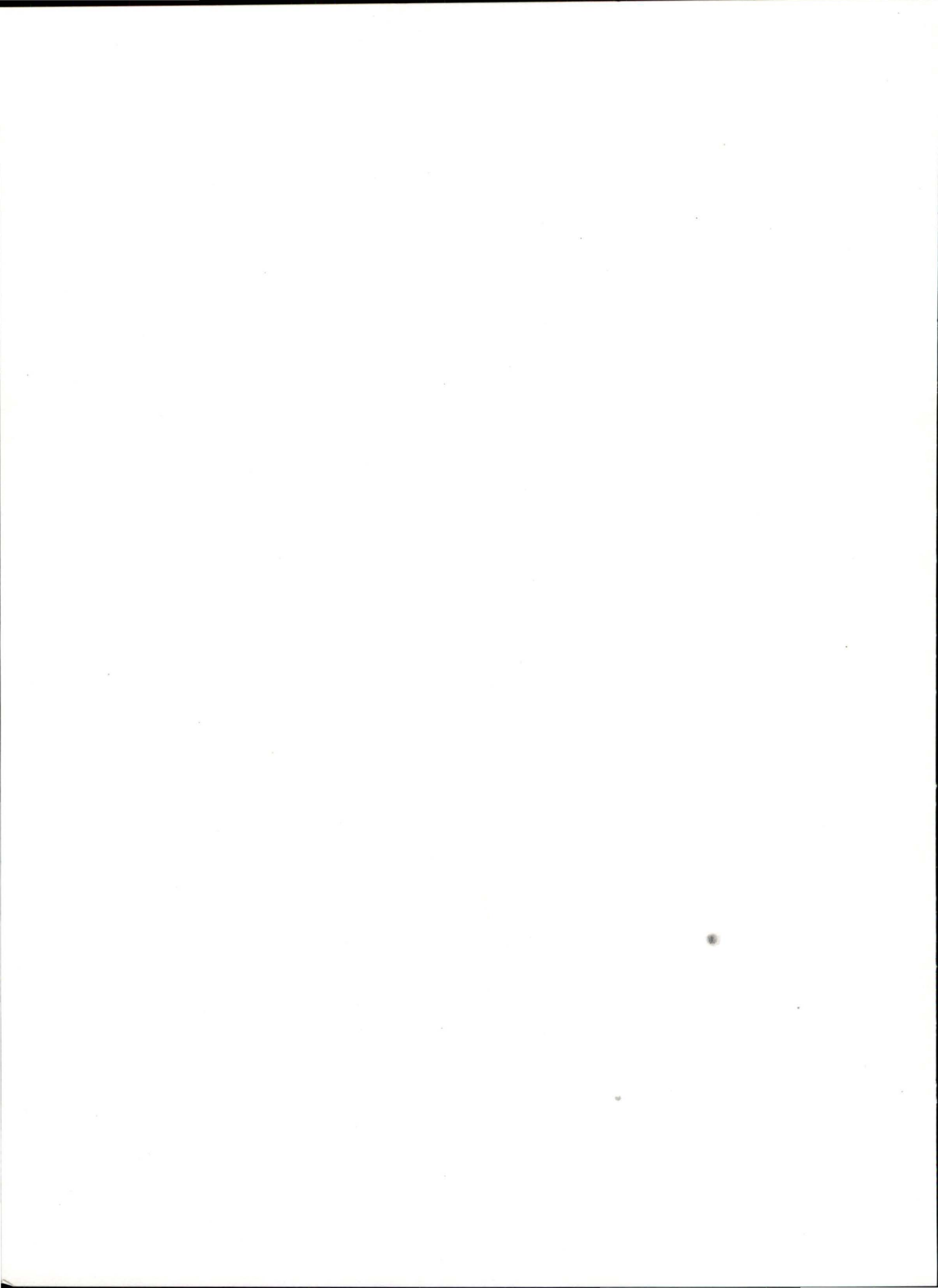
**Table 2.6: Expenditure remained un-reconciled**

*(Rupees in crore)*

Sl. No.	Controlling Officers	Number of Head of Accounts involved	Amount not reconciled
1	Secretary, Gazetteer	2070	0.32
2	Director, Social Security and Welfare	2235	0.23
3	Director, Urban Development	2217,2230,4217	35.08
4	Director, Civil Aviation	3053,3275,5053	45.68
5	Secretary, Horticulture	2401,2415,4401	19.27
6	Commissioner, Finance (Loans to Govt. Servant)	7610	1.71
<b>Total</b>			<b>102.29</b>

### 2.5 Conclusion

During 2009-10, there was a net saving of ₹ 2081.74 crore, after adjusting excess of ₹ 35.72 crore. The excess of ₹ 35.12 crore requires regularisation under Article 205 of the Constitution. Four grants, viz “Secretariat-Economic Services”, ‘Education’, ‘Public-Works’, and ‘Power’ posted large savings persistently for the last five years. There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriations. Rush of expenditure at the end of the year is another chronic feature noticed in the overall financial management. In many cases, the anticipated savings were either not surrendered or surrendered on the last day of the year leaving no scope for utilising these funds for other development purposes. Detailed bills were not submitted for large amount of advances drawn on abstract contingent bills. Budgetary controls should be strictly observed to avoid such deficiencies in financial management. Last minute fund releases and issuance of re-appropriation/surrender orders should be avoided.





**CHAPTER-III**  
**FINANCIAL REPORTING**



## CHAPTER III: Financial Reporting

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

### **3.1 Utilisation certificates**

General Financial Rules 151(1) provide that for the grants provided for specific purposes, utilization certificates (UCs) should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General within 18 months from the date of their sanction unless specified otherwise.

Department-wise position of utilization certificates for the grants provided for specific purposes, though called for (November 2010) from the State Finance Department, had been received only in respect of one department, viz., Director, Social Welfare of Child Development Department. As per information furnished by the Directorate, utilization certificates for ₹ 39.00 lakh was pending as intimated by the Director, as on 31st March 2010.

### **3.2 Non-submission / delay in submission of accounts.**

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

The annual accounts of 14 autonomous bodies/ authorities due upto 2009-10 had not been received as on December 2010 by the Accountant General (Audit). The details of these accounts are given in **Appendix 3.1** and their age-wise pendency is presented in **Table 3.1** below.

**Table 3.1**

Sl. No.	Delay in Number of Years	No. of the Bodies / Authorities	Grants Received (Rupees in lakh)
1.	0 – 1	....	NA
2.	1 – 3	2	NA
3.	3 – 5	9	NA
4.	5 – 7	1	NA
5.	7 – 9	--	--
6.	9 & above	2	NA

Out of 14 bodies/ authorities, annual accounts in respect of 2 organisations viz., DRDA, Seppa and RamKrishna Mission Hospital, Itanagar were outstanding for 9 and more years.

### **3.3 Delay in submission of Accounts**

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Four autonomous bodies have been set up in the State. Of these three bodies were created under Central Act viz., North Eastern Regional Institute of Science & Technology, Arunachal Pradesh Building and Other Construction Workers Welfare Board (APBOCWWB) and Rajiv Gandhi University and one viz., Arunachal Pradesh State legal Services Authority created under State Act. Audit of accounts of APSLSA upto 2006-07 was entrusted to the Comptroller and Auditor General of India under Section 19(2) of the DPC Act. Hence, accounts for the year 2007-08, 2008-09 and 2009-10 have not been received.

**3.4 Conclusion**

State Government's compliance with various rules, procedures and directives was unsatisfactory as evident from delay in furnishing utilization certificates for grants given by Social Welfare and Child Development Department and also non-submission of information regarding utilization certificates by the Finance Department. Regarding losses and misappropriation, the information was awaited from the Finance Department.

**Itanagar**

The 17 मार्च 2011  
MAR 2011

**(C. ANGRUP BODH)**

**Accountant General, Arunachal Pradesh**

**Countersigned**

**New Delhi**

The 17 मार्च 2011  
MAR 2011

**(VINOD RAI)**

**Comptroller and Auditor General of India**



## **APPENDICES**





**Appendix-1.1 - Part A**  
**STATE PROFILE (ARUNACHAL PRADESH)**  
(Reference: Page 1)

<b>A General Data</b>					
<b>Particulars</b>				<b>Figures</b>	
Area				83743 Sq km	
Population					
a. As per 2001 Census.				10.98 Lakh	
b. 2009-2010				12.20 Lakh	
Density of Population (2001) (All India Density = 325 persons per Sq. Km )				13 persons per Sq. km.	
Population below poverty line (All India Average = 27.5 per cent)				17.6 per cent	
Literacy (2001) (All India Average = 64.8 per cent)				54.30 per cent	
Infant mortality (per 1000 live births) (All India Average = 53 per 1000 live births )				32	
Gross State Domestic Product (GSDP) 2009-2010 at current prices				₹ 6258 crore (Advance Estimates)	
GSDP CAGR (2000-01 to 2009-10)*				14.97 per cent	
Per capita GSDP CAGR (2000-01 to 2009-10)*				13.66 per cent	
GSDP CAGR (2000-01 to 2008-2009)*		Arunachal Pradesh		12.38 per cent	
		NE States		11.81 per cent	
Population Growth ( 2000- 2001 to 2009-2010 )		Arunachal Pradesh		10.86 per cent	
		NE States		11.79 per cent	
<b>B Financial Data</b>					
Compound Average Growth Rate of		2000-01 to 2008-09		2000-01 to 2009-10	
		NE States	Arunachal Pradesh	Arunachal Pradesh	
a.	Revenue Receipts.	14.87	18.96	18.09	
b.	Own Tax Revenue.	15.15	26.61	26.69	
c.	Non Tax Revenue.	17.53	36.61	26.05	
d.	Total Expenditure.	11.80	16.44	16.51	
e.	Capital Expenditure.	19.67	21.92	16.32	
f.	Revenue Expenditure on Education.	7.69	14.01	17.41	
g.	Revenue Expenditure on Health.	11.29	14.74	15.60	
h.	Salary and Wages #.	7.26	13.11	23.60	
i.	Pension.	11.03	11.51	16.17	

Source: Financial data is based on figures in Finance Accounts. BPL (Planning Commission & NSSO data, 61st Round-[http://planning\\_commission.nic.in/data/database/Data0910/tab%2021.pdf](http://planning_commission.nic.in/data/database/Data0910/tab%2021.pdf)), Infant mortality rate (SRS Bulletin October,2009), Density of population (Office of the Registrar General and census commissioner of India; Ministry of Home Affairs and Literacy (Office of the Registrar General of India; Ministry of Home Affairs).

# For the period 2003-04 to 2008-09 or 2009-2010 as the case may be.

\* GSDP (current prices) with 1999-2000 as base year.

**Appendix 1.1 - Part B**

**Structure and Form of Government Accounts**

*(Reference: Paragraph 1.1)*

**Structure of Government Accounts:** The 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 State' established under Article 266(1) of the Constitution of India.

**Part II: Contingency Fund**

Contingency Fund of State established under Article 267(2) of the Constitution 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 Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

**Part III: Public Account**

Receipts and disbursement 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 and are not subject to vote by the State Legislature.

**Appendix 1.1**  
**Part-C: Layout of Finance Accounts**  
**(Reference: Page 2)**

**Layout of Finance Accounts**

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

Layout	
VOLUME I	
<b>Statement No. 1</b>	Statement of Financial Position
<b>Statement No. 2</b>	Statement of Receipts and Disbursements
<b>Statement No. 3</b>	Statement of Receipts (Consolidated Fund)
<b>Statement No. 4</b>	Statement of Expenditure (Consolidated Fund) By Function and Nature Notes of Accounts Appendix I: Cash Flow Statement
VOLUME 2 PART I	
<b>Statement No. 5</b>	Statement of Progressive Capital expenditure
<b>Statement No. 6</b>	Statement of Borrowings and other Liabilities
<b>Statement No. 7</b>	Statement of Loans and Advances given by the Government
<b>Statement No. 8</b>	Statement of Grants-in-aid given by the Government
<b>Statement No. 9</b>	Statement of Guarantees given by the Government
<b>Statement No. 10</b>	Statement of Voted and Charged Expenditure
PART II	
<b>Statement No. 11</b>	Detailed Statement of Revenue and Capital Receipts by minor heads
<b>Statement No. 12</b>	Detailed Statement of Revenue Expenditure by minor heads
<b>Statement No. 13</b>	Detailed Statement of Capital Expenditure
<b>Statement No. 14</b>	Detailed Statement of Investments of the Government
<b>Statement No. 15</b>	Detailed Statement of Borrowings and other Liabilities
<b>Statement No. 16</b>	Detailed Statement on Loans and Advances given by the Government
<b>Statement No. 17</b>	Detailed Statement on Sources and Application of funds for expenditure other than revenue account
<b>Statement No. 18</b>	Detailed Statement on Contingency Fund and other Public Account transactions
<b>Statement No. 19</b>	Detailed Statement on Investments of earmarked funds
PART III Appendices	
<b>II</b>	Comparative Expenditure on Salary
<b>III</b>	Comparative Expenditure on Subsidy
<b>IV</b>	Grants-in-aid (Scheme wise and Institution wise)
<b>V</b>	Externally Aided Projects
<b>VI</b>	Plan Scheme expenditure (Central and State Plan Schemes)
<b>VII</b>	Direct transfer of funds to implementing agencies
<b>VIII</b>	Summary of Balances
<b>IX</b>	Financial results of Irrigation Schemes
<b>X</b>	Incomplete Works
<b>XI</b>	Statement of items for which allocation of balances as a result of re-organisation of States has not been finalised
<b>XII</b>	Maintenance expenditure with segregation of salary and non-salary portion

APPENDIX : 1.1 – Part D

**Methodology Adopted for the Assessment of Fiscal Position**  
(Reference: Pages 1 & 18)

The norms/ceilings prescribed by the TFC for selected fiscal variables along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other Statements required to be laid in the legislature under the Act (Appendix 1.2) were used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that GSDP is the good indicator of the performance of the 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 percentage to the Gross State Domestic Product (GSDP) at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc, are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

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

Term	Basis for calculation
Buoyancy of a parameter	Rate of Growth of the parameter ÷ GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter	Rate of Growth of the parameter (X) ÷ Rate of Growth of the parameter (Y)
Rate of Growth (ROG)	{(Current year Amount ÷ Previous year Amount) minus 1} * 100
Average	Trend of growth over a period of 5 years
Share shift/Shift rate of a parameter	Trend of percentage shares, over a period of 5 years, of the parameter in Revenue or Expenditure as the case may be
Development Expenditure	Social Services + Economic Services
Weighted Interest Rate (Average interest paid by the State)	Interest payment / [(amount of previous year's Fiscal Liabilities + current year's Fiscal Liabilities)/2]*100
Interest spread	GSDP growth – Weighted Interest rates
Quantum spread	Debt stock * Interest Spread
Interest received as <i>per cent</i> to loans outstanding	Interest received / [(opening balance + closing balance of loans and advances)/2]* 100
Revenue deficit	Revenue receipt – revenue expenditure
Fiscal deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary deficit	Fiscal deficit – Interest payments
Balance from current revenue (BCR)	Revenue receipts <i>minus</i> plan grants and non-plan revenue expenditure excluding debits under 2048 – Appropriation for reduction or avoidance of debt.

## APPENDIX: 1.2

**Fiscal Responsibility and Budget Management Act, 2006***(Reference: Paragraph; Page)****The Fiscal Responsibility and Budget Management Act***

The State Government has enacted the Arunachal Pradesh Fiscal Responsibility and Budget Management (APFRBM) Act, 2006 to (i) ensure fiscal prudence, stability and efficiency, (ii) achieve fiscal consolidation for facilitating the generation of revenue surplus for enhancing the scope for improvement of investment in the social and economic sectors/infrastructure, (iii) ensure fiscal and debt sustainability through progressive reduction of the fiscal deficit and proper debt management system and (iv) provide a more transparent and accountable system of budgeting that will 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 and Budget Management (FRBM) Rules, 2007 came in to force with effect from 12<sup>th</sup> February 2007. The Rule set the following fiscal targets for the State Government;

- Maintain at least the level of revenue surplus in the base year (average of 2001-02 to 2003-04) in the subsequent years, beginning with the 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 the financial year 2005-06 so as to reduce the same to 3 *per cent* or below by 2009-10 and adhere to it thereafter.

***Fiscal Policy statements***

As prescribed in the Act, the State had incorporated the following statements in the Budget for the year 2009-10.

- Macro-Economic Framework Statement giving an overview of the State economy.
- Medium Term Fiscal Plan Statement prescribing fiscal targets and assumptions for achieving them. The targets for the year 2008-09 were as under:
 

⇒ Revenue surplus as percentage of GSDP (%)	-20.39
⇒ Fiscal Deficit as percentage of GSDP (%)	-28.15
⇒ Total outstanding liabilities at the end of the year	3243.15
⇒ Liabilities as percentage of GSDP for the year	70.49
- Fiscal Plan Strategy Statement of the State for the ensuing year relating to taxation, expenditure, borrowings, lending and investments etc.

**Roadmap to Achieve the Fiscal Targets as laid down in FRBM Act/Rules**

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

## Appendix – 1.3

 Time series data on State Government finances  
 (Reference: Paragraphs and ; Pages and )

(Rupees in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
<b>PART A. RECEIPTS</b>					
<b>1. Revenue Receipts</b>	<b>1849.41</b>	<b>2592.17</b>	<b>3003.01</b>	<b>3855.97</b>	<b>4294.87</b>
(a) Own Tax Revenue	62.09(3)	78.24(3)	98.09(3)	136.23(4)	173.44(4)
Taxes on Sales, Trade, etc.	47.69(77)	61.64(79)	77.06(79)	105.68(77)	130.23(75)
State Excise	9.51(15)	10.98(14)	11.61(12)	16.61(12)	23.78(14)
Taxes on vehicles	2.99(4)	2.93(4)	6.42(6)	7.76(6)	13.07(7)
Stamps and Registration fees	0.41(1)	0.55(1)	0.86(1)	1.25(1)	1.88(1)
Land Revenue	1.11(2)	2.10(2)	2.12(2)	4.90(4)	4.43(3)
Other Taxes	0.38(1)	0.04	0.02(..)	0.03(..)	0.05(..)
(b) Non Tax Revenue	202.36(11)	297.17(12)	656.92(22)	772.01(20)	511.25(12)
(c) State's share in Union taxes and duties	272.15(15)	347.14(13)	437.87(15)	462.09(12)	475.40(11)
(d) Grants-in-aid from Government of India	1312.81(71)	1869.62(72)	1810.13(60)	2485.64(64)	3134.78(73)
2. Miscellaneous Capital Receipts	-	-	-	-	-
3. Recoveries of Loans and Advances	2.82	2.33	2.94	2.78	202.70
4. Total Revenue and non Debt Capital receipts(1+2)	1849.41	2592.17	3003.01	3855.97	4294.87
5. Public Debt Receipts	714.07	110.37	291.06	143.88	216.20
Internal Debt(excluding Ways & Means Advance and Overdrafts)	345.46	299.74	285.01	143.88	216.20
Net Transactions under Ways & Means Advances & Overdraft	165.37	(-) 206.04	-	..	-
Loans and advances from Government of India	203.24	16.67	6.05	..	..
6. Total receipts in the Consolidated Fund(3+4+5)	2566.30	2704.87	3297.01	4002.63	4713.77
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Accounts Receipts	1425.12	1484.20	2423.76	7255.58	4264.84
9. Total Receipts of Government(6+7+8)	3991.42	4189.07	5720.77	11258.21	8978.61
<b>PART B. EXPENDITURE/DISBURSEMENT</b>					
10. Revenue Expenditure	1667.65(79)	1897.23(76)	2259.55(75)	2895.46(69)	3695.59(78)
Plan	723.67(43)	811.01(43)	1043.67(46)	1142.66(39)	1135.17(31)
Non-Plan	943.98(57)	1086.22(57)	1215.88(54)	1752.80(61)	2560.42(69)
General Services (including interest payments)	488.73(29)	559.60(30)	620.06(28)	774.24(27)	1161.03(32)
Social Services	571.05(34)	633.59(33)	706.58(31)	980.71(34)	1196.66(32)
Economic Services	607.87(37)	704.04(37)	932.91(41)	1140.51(39)	1337.90(36)
Grants-in-aid and contributions	-	-	-	-	-
11. Capital Expenditure	437.61(21)	585.60(24)	753.21(25)	1290.23(31)	1030.31(22)
Plan	438.68(100)	585.46(100)	552.08(73)	1279.61(99)	1007.48(98)
Non-Plan	(-)1.07(0)	0.14(0)	201.13	10.62(1)	22.83(2)
General Services	16.07(3)	22.02(4)	23.11(3)	47.22(4)	62.41(6)
Social Services	90.21(21)	139.85(24)	148.38(20)	161.69(12)	153.60(15)
Economic Services	331.33(76)	423.73(78)	581.72(77)	1081.32(84)	814.30(79)
12. Disbursement of Loans and Advances	3.68	4.78	2.97	27.24	205.46
13. Total (10+11+12)	2108.94	2487.61	3015.73	4212.93	4931.36

	2005-06	2006-07	2007-08	2008-09	2009-10
14. Repayments of Public Debt	250.55	92.44	77.13	63.46	110.81
Internal Debt (excluding Ways & Means Advances and Overdrafts)	35.88	47.75	54.97	59.75	86.70
Net Transactions under Ways & Means Advances & Overdraft	-	-	-	-	-
Loans and advances from Government of India	214.67	44.69	22.16	3.71	24.11
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total Disbursement out of Consolidated Fund (13+14+15)	2359.49	2580.05	3092.86	4276.39	5042.17
17. Contingency Fund disbursements	-	-	-	-	-
18. Public Account disbursements	1387.92	1556.07	2169.85	4229.12	3660.68
19. Total disbursements by the State (16+17+18)	3747.41	4136.12	5262.71	8505.51	8702.85
<b>PART C. DEFICITS/SURPLUS</b>					
20. Revenue Deficit (-)/ Revenue Surplus +(1-10)	(+) 181.76	(+) 694.94	(+)743.46	(+)960.51	(+)599.28
21. Fiscal Deficit (-)/ Fiscal Surplus +(3+4-13)	(-) 256.71	(+) 106.89	(-)9.78	(-)354.18	-433.79
22. Primary Deficit (-)/ Primary Surplus +(21+23)	(-) 100.26	(+) 294.65	(+)145.16	(-)138.64	-206.81
<b>PART D. OTHER DATA</b>					
23. Interest Payments (included in revenue expenditure)	156.45	187.76	154.94	215.54	226.98
24. Financial Assistance to local bodies etc.	66.95	50.87	43.49	102.24	69.58
25. Ways and Means Advances/Overdraft availed (days)	94	-	-	-	-
Ways and Means Advance to local bodies etc.	59	-	-	-	-
Overdraft availed (days)	35	-	-	-	-
26. Interest on Ways and Means Advances/ Overdraft	1.11	8.18	-	-	-
27. Gross State Domestic Product (GSDP)	2918.34	3412.88	3888.25	4536.45	6257.88
28. Outstanding Fiscal liabilities (year end)	2337.20	2371.27	2638.55	2954.66	3119.05
29. Outstanding guarantees (year end)	5.69	13.32	0.98	0.61	0.90
30. Maximum amount guaranteed (year end)	24.00	23.99	12.00	12.00	2.00
31. Number of incomplete projects	345	474	285	80	-
32. Capital blocked in incomplete projects	26.64	121.00	25.12	579.52	-
<b>PART E: FISCAL HEALTH INDICATORS</b>					
<b>I Resource Mobilization</b>					
Own tax revenue/GSDP (Ratio)	2.13	2.29	2.52	3.00	2.77
Own Non-Tax Revenue/GSDP (Ratio)	6.93	8.71	16.90	17.02	8.17
Central Transfers/GSDP (Ratio)	9.33	10.17	11.26	10.19	7.60
<b>II Expenditure Management</b>					
Total Expenditure/GSDP (Ratio)	72.27	72.89	77.56	92.87	78.80
Total Expenditure/Revenue Receipts (Ratio)	114.03	95.97	100.42	109.26	114.82
Revenue Expenditure/Total Expenditure (Ratio)	79.08	76.27	74.93	68.73	74.94
Expenditure on Social Services/Total Expenditure(Ratio)	31.36	31.09	28.35	27.12	27.38

	2005-06	2006-07	2007-08	2008-09	2009-10
Expenditure on Economic Services/Total Expenditure(Ratio)	44.53	45.35	50.22	52.74	43.64
Capital Expenditure/Total Expenditure (Ratio)	20.75	23.54	24.98	30.63	20.89
Capital Expenditure on Social and Economic Services/Total Expenditure(Ratio)	19.99	22.66	24.21	29.50	19.63
<b>III Management of Fiscal Imbalances</b>					
Revenue deficit (surplus)/GSDP(Ratio)	6.23	20.36	19.12	21.17	9.58
Fiscal deficit (surplus)/GSDP(Ratio)	(-)8.80	3.13	(-)0.25	(-)7.81	(-)6.93
Primary Deficit (surplus)/GSDP(Ratio)	(-)3.44	(+)8.63	(+)3.73	(-)3.06	(-)3.30
Revenue surplus/Fiscal Deficit(Ratio)	(-)70.80	(+)650.15	(-)7601.84	(-)271.19	(-)138.15
Primary Revenue Balance/ GSDP (Ratio)	11.59	25.86	23.11	25.92	13.20
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP(Ratio)	80.09	69.48	67.86	65.13	49.84
Fiscal Liabilities/RR(Ratio)	126.38	91.48	87.86	76.63	72.65
Primary deficit vis-à-vis quantum spread (Ratio)	(-)106.38	(+)140.67	(+)78.80	(-)58.90	-22.96
Debt Redemption (Principal + Interest) Total Debt Receipts(Ratio)	61.25	122.56	81.73	87.13	106.20
<b>V Other Fiscal Health Indicators</b>					
Return on Investment(Rs. in crore)	-	-	-	-	-
Balance from Current Revenue (Rs. in crore)	(-)8.00	37	370	86	(-)880
Financial Assets/Liabilities	2.09	2.39	2.62	3.72	3.31

1. Apart from public debt, includes other liabilities (i.e., Small savings etc., Reserve fund and Deposit).
2. Outstanding guarantees include interest.
3. GSDP for the year up to 2006-07 is on the basis of revised estimate and for the year 2007-08 is on provisional figures. The figure for the year 2008-09 is arrived at on the basis of quick estimate.
4. Figures in brackets represent percentage to total of each sub-heading.



## Appendix – 1.4

Abstract of receipts and disbursements for the year 2009-10  
(Reference: Paragraph ; Page )

(Rupees in crore)

Receipts			Disbursements				
2008-09		2009-10	2008-09		2009-10		
					Non-Plan	Plan	Total
<b>Section – A : Revenue</b>							
3855.97	<b>I. Revenue receipts</b>	4294.87	2895.46	<b>I. Revenue expenditure</b>	2560.42	1135.17	3695.59
136.23	Own Tax revenue	173.44	774.24	<i>General Services</i>	1075.62	85.41	1161.03
772.01	Non-tax revenue	511.25	980.71	<i>Social Services</i>	700.45	496.21	1196.66
462.09	State's share of Union taxes	475.40	407.85	Education, Sports, Arts and Culture	446.95	158.93	605.88
454.97	Non-Plan grants	505.76	171.48	Health and Family Welfare	159.93	50.49	210.42
1664.36	Grants for State Plan Scheme	2296.66	280.90	Water Supply, Sanitation, Housing and Urban Development	59.85	156.34	216.19
300.98	Grants for Central and Centrally Sponsored Plan Scheme	208.82	6.15	Information and Broadcasting	8.01	2.65	10.66
			5.44	Labour and Welfare	5.31	2.06	7.37
			103.72	Social Welfare and Nutrition	12.97	125.24	138.21
65.33	Grants for Special Plan Schemes	123.54	5.17	Others	7.43	0.50	7.93
			1140.51	<i>Economic Services</i>	784.35	553.55	1337.90
			338.41	Agriculture and Allied Activities	304.15	140.76	444.91
			72.33	Rural Development	58.84	34.97	93.81
			78.88	Special Area Programme	0.06	98.04	98.10
			123.21	Irrigation and Flood control	55.75	55.49	111.24
			157.02	Energy	181.17	27.69	208.86
			22.01	Industries and Minerals	26.50	11.54	38.04
			214.16	Transport	104.05	119.10	223.15
			37.27	Communications	25.09	-	25.09
			5.33	Science, Technology and Environment	0.06	3.47	3.53
			91.89	General Economic Services	28.68	62.49	91.17
			-	<b>Grants-in-aid and Contributions</b>	-	-	-
	<b>II. Revenue deficit carried over to Section B</b>		960.51	<b>II. Revenue surplus carried over to Section B</b>			599.28
<b>Section – B</b>							
525.40	<b>III. Opening Cash balance including Permanent Advances and Cash Balance Investment</b>	1334.62	-	<b>III. Opening Overdraft from RBI</b>			-

Receipts			Disbursements				
2008-09		2009-10	2008-09		2009-10		
					Non-Plan	Plan	Total
-	IV. Miscellaneous Capital receipts	-	1290.23	IV. Capital Outlay	22.83	1007.48	1030.31
			47.22	General Services	-	62.41	62.41
			161.69	Social Services	1.60	152.00	153.60
			77.81	Education, Sports, Art and Culture	-	31.39	31.39
			11.89	Health and Family Welfare	1.60	5.59	7.19
			52.62	Water Supply, Sanitation, Housing and Urban Development	-	108.18	108.18
			18.86	Social Welfare and Nutrition	-	6.11	6.11
			0.07	Information and Broadcasting	-	0.12	0.12
			0.44	Others	-	0.61	0.61
			1081.32	Economic Services	21.23	793.07	814.30
			12.35	Agriculture and Allied Activities	1.23	7.72	8.95
			10.34	Rural Development Programme	-	27.08	27.08
			64.12	Special Areas Programme	-	66.49	66.49
			73.41	Irrigation and Flood Control	20.00	18.31	38.31
			259.99	Energy	-	293.58	293.58
			3.43	Industry and Minerals	-	0.32	0.32
			624.12	Transport	-	348.30	348.30
			-	Science, Technology and Environment	-	-	-
			33.56	General Economic Services	-	31.27	31.27
2.78	V. Recoveries of Loan and Advances	202.70	27.24	V. Loans and Advances disbursed	205.23	0.23	205.46
-	From Power Projects	-	5.00	For Power Projects	2.50	-	2.50
2.38	From Government servants	-	1.71	To Government servants	1.75	-	1.75
0.40	From others	-	20.53	To others	200.98	0.23	201.21
960.51	VI. Revenue surplus brought down	599.28		VI. Revenue deficit brought down	-	-	-
143.88	VII. Public Debt receipts	216.20	63.46	VII. Repayment of Public Debt -			110.81
143.88	Internal debt other than Ways and Means Advances and Overdraft	216.20	59.75	Internal debt other than Ways and Means Advances and Overdraft	-	86.70	-
-	Net transaction under Ways and Means Advances including Overdraft	-	-	Net transaction under Ways and Means Advances including Overdraft	-	-	-

Receipts				Disbursements				
2008-09			2009-10	2008-09		2009-10		
						Non-Plan	Plan	Total
	Loans and Advances from Central Government	-		3.71	Repayment of Loans and Advances to Central Government	-	24.11	-
-	<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>7255.58</b>	<b>X. Public Account receipts -</b>	<b>-</b>	<b>4264.85</b>	<b>4229.12</b>	<b>X. Public Account disbursements -</b>	<b>-</b>	<b>-</b>	<b>3660.68</b>
157.21	Small Savings and Provident funds	220.14	-	78.67	Small Savings and Provident funds		77.40	-
14.00	Reserve funds	15.00	-	-	Reserve Funds		15.00	
3892.93	Suspense and Miscellaneous	649.59	-	1110.80	Suspense and Miscellaneous		131.60	
2658.00	Remittances	2839.74	-	2659.67	Remittances		2810.89	
533.44	Deposits and Advances	540.38	-	379.98	Deposits and Advances		625.79	
	<b>XI Earmarked Funds</b>			<b>3278.10</b>	<b>XI. Closing cash balance</b>			<b>1610.39</b>
				35.79	Cash in Treasuries and Local Remittances	62.16		
				-475.23	Deposits with Reserve Bank and other banks	(-)145.20		
				2.94	Departmental Cash Balance including Permanent Advances	3.16		
				3714.60	Cash Balance Investment and investment of earmarked funds	1690.27		
<b>12744.12</b>			<b>6617.65</b>	<b>12744.12</b>				<b>6617.65</b>

Appendix – 1.4

Summarised financial position of the Government of Arunachal Pradesh  
as on 31 March 2010  
(Reference: Paragraph and ; Page )

(Rupees in crore)

As on 31.03.2009	Liabilities	As on 31.03.2010
1592.01	Internal Debt	1721.51
631.61	Market loans bearing interest	698.43
-	Market loans not bearing interest	-
1.29	Loans from LIC	1.12
0.08	Loans from GIC	0.06
258.85	Loans from NABARD	283.47
(-) 0.94	Loans from NCDC	(-) 3.32
104.56	Loans from other Institutions	104.56
55.64	Ways and Means and Advances	55.64
542.68	Special Securities issued to National Small Savings Fund of the Central Government	592.58
-	Overdraft from Reserve Bank of India	-
(-)1.76	Other Loans	(-)11.03
444.78	Loans and Advances from Central Government	420.66
39.62	Non-Plan loans	39.25
336.56	Loans for State Plan Schemes	314.11
2.98	Loans for Central Plan Schemes	2.98
16.42	Loans for Centrally Sponsored Plan Schemes	15.83
49.20	Loans for Special Schemes	48.49
-	Other Ways and Means Advances	-
0.05	Contingency Fund	0.05
648.58	Small Savings, Provident Funds, etc.	791.32
267.16	Deposits	183.40
2941.04	Suspense and Miscellaneous Balances	1500.54
61.03	Reserve Funds	76.03
5040.40	Surplus on Government Account	
4079.89	(i) Revenue surplus as on 31 March 2009	5040.40
960.51	(ii) Revenue surplus during the year	599.28
10995.05	Total	10333.19

As on 31.03.2009	Assets		As on 31.03.2010
7538.77		Gross Capital Outlay on Fixed Assets	8569.07
	220.42	Investment in shares of Companies, Corporations, Cooperatives, etc.	220.42
	7318.35	Other Capital Outlay	8348.65
52.41		Loans and Advances	55.17
	5.00	Loans for Power Projects	7.50
	39.83	Other Development Loans	40.64
	7.58	Loans to Government servants and Miscellaneous loans	7.03
18.67		Civil Advances	20.32
107.09		Remittance Balances	78.24
-		Suspense and Miscellaneous Balances	-
3278.11		Cash	1610.39
	35.79	Cash in treasuries and Local Remittances	62.16
	(-) 475.23	Deposits with Reserve Bank and other Banks	(-)145.20
	2.94	Departmental Cash Balance	3.15
	0.01	Permanent Advances	0.01
	3655.70	Cash Balance Investments	1616.37
	58.90	Investment of earmarked funds	73.90
10995.05		Total	10333.19

Minus balance was the net difference between receipts and disbursement of the State Government for the year 2009-10 after incorporating all adjustments made by RBI.

#### Explanatory Notes for Appendices 1.2 and 1.4

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts, Government Accounts being mainly on cash basis, the 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. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc. There was a difference of ₹ 2614.41 lakh between the figures reflected in the accounts (₹ 2602.09 lakh) and that intimated by the Reserve Bank of India (₹ (-) 6495.33 lakh). The difference is under reconciliation (Decembar2010)

Appendix 1.5

Funds Transferred Directly to State Implementing Agencies  
(Reference: Paragraph 1.2)

(Rupees in crore)

Sl. No.	Programme / Scheme	Implementing Agency	Funds transferred by the GOI
1	Strengthening and Modernisation of Pest Management	Arunachal Pradesh Agricultural Marketing Board (APMAB), Naharlagun	0.48
2	Marketing Research Surveys and Information Network	State Agriculture Management and Extension Training Institute, Pasighat	0.13
3	National Bamboo Mission	Arunachal Pradesh Forest Research and Development Agency	0.63
4	Support to State Extension Programme for extension reforms	Arunachal Pradesh Agricultural Marketing Board (APMAB), Naharlagun	1.98
5	Medicinal Plants	Arunachal Pradesh State Medicinal Plants Board	0.83
		Arunachal Pradesh Forest Research and Development Agency	0.07
6	National Mission on Medicinal Plants	Arunachal Pradesh State Medicinal Plants Board	2.82
7	Promotion and Dissemination of Art and Culture	Rural Herbal Development and Literary Society, Arunachal Pradesh	0.01
		Hayang Memorial Agro Industry and Education Trust, Arunachal Pradesh	0.01
8	Museums	Tukpen Welfare Society	0.09
9	Accelerated Rural Water Supply Scheme	SWSM, Papumpare	123.45
10	Central Rural Sanitation Scheme	Drinking Water, Sanitation Mission, East Kameng	1.31
		SWSM, Papumpare	2.5
		DRDA, Papumpare	0.24
11	North Eastern Council	Arunachal Archery Association	0.03
		Mouling Tea Processors	0.16
12	Pollution Abatement	Arunachal Pradesh State Pollution Control Board	0.12
13	Sarva Shiksha Abhiyaan	SSA, Rajya Mission, Itanagar	114.28
14	Adult Education and Skill Development Scheme	Arunachal Pradesh State Literacy Mission Authority, Itanagar	4.04
15	Scheme for strengthening of Institutions including NIFTEM	Arunachal Pradesh Industrial Development and Finance Corporation Ltd.	0.03
16	National Rural Health Mission (Central Sector)	Arunachal Pradesh State Health Society	0.35
17	National Rural Health Mission (Centrally Sponsored)	Arunachal Pradesh State Health Society	38.71
		State TB Control Society, Arunachal Pradesh	2.1
18	National AIDS Control Programme including STD Control	Arunachal Pradesh State AIDS Control Society	7.47
19	National Mental Health Programme	Arunachal Pradesh State Health Society	0.5
20	Crime and Criminal Tracking Networking and System	Arunachal Police Housing and Welfare Corporation Ltd.	1.66
21	Upgradation of 1396 Government ITIs through PPP	IMC Society of ITI, Balinong (Miao)	2.50
22	National Integrated Watershed Management Programme	DRDA, Upper Subansiri	13.08
		DRDA, Kurung Kumey	3.00
		DRDA, West Siang	1.72
		DRDA, Changlang	0.64
		DRDA, Lohit	7.00
		DRDA, East Kameng	0.37
		DRDA, East Siang	0.87
		DRDA, Lower Subansiri	1.14
		SLNA, Arunachal Pradesh, Itanagar	1.54

Sl. No.	Programme / Scheme	Implementing Agency	Funds transferred by the GOI
		DRDA, Papumpare	2.89
		DRDA, Tawang	0.08
		DRDA, Upper Siang	0.65
		DRDA, Lower Dibang Valley	0.24
		DRDA, Anjaw	0.40
23	GRID Interactive Renewable Power MNRE	Arunachal Pradesh Energy Development Agency	51.39
24	Off GRID DRPS	Arunachal Pradesh Energy Development Agency	0.19
25	Renewable Energy for Rural Application for all villages	Arunachal Pradesh Energy Development Agency	0.23
26	Demonstration of Solar Thermal SPV Systems and Other activities	Arunachal Pradesh Energy Development Agency	1.33
27	Information Publicity and Extension	Arunachal Pradesh Energy Development Agency	0.54
28	National Rural Employment Guarantee Scheme	DRDA, East Siang	1.22
		DRDA, Tawang	4.94
		DRDA, Lower Subansiri	1.25
		DRDA, West Siang	1.54
		DRDA, Upper Subansiri	8.14
		DRDA, Papumpare	5.19
		DRDA, Anjaw	1.20
		DRDA, Tirap	2.14
		DRDA, West Kameng	3.03
		DRDA, East Kameng	4.12
		DRDA, Upper Siang	0.19
		DRDA, Dibang Valley	0.13
		DRDA, Kurung Kumey	0.57
		DRDA, Lower Dibang Valley	2.05
29	Swarnajayanti Gram Swarojgar Yojana	DRDA, Kameng District	0.38
		DRDA, Tawang	0.41
		DRDA, Upper Siang	0.26
		DRDA, Lohit	0.60
		DRDA, Lower Subansiri	1.05
		DRDA, Dibang Valley	0.17
		DRDA, West Siang	0.23
		DRDA, Changlang	0.32
		DRDA, Papumpare	0.16
		DRDA, East Kameng	0.26
		DRDA, Upper Subansiri	0.71
		DRDA, East Siang	0.09
30	Schemes arising out of the implementation of the Persons with Disabilities	Manjushree Charitable Society, Tawang	0.10
		District Disabilities Rehabilitation Centre, East Kameng	0.10
31	Deen Dayal Disabled Rehabilitation Scheme (SJE)	Ramakrishna Mission Hospital	0.07
32	Assistance to Voluntary Organisation for providing Social Defence Services	Arunachal Pali Vidyapeeth	0.09
33	Science and Technology Programme for Socio Economic Development	Arunachal Pradesh State Council for Science and Technology, Itanagar	0.14
		Take Bogo Multipurpose Cooperative Society Limited	0.13
		Subansiri Tribal Welfare Society	0.1
34	State Science and Technology Programme	Arunachal Pradesh State Council for Science and Technology, Itanagar	1.94
35	Handicrafts	Parte Danne Multipurpose Cooperative Society Ltd. Arunachal Pradesh	0.11
		Yiren Gone Welfare Society, Itanagar	0.02

Sl. No.	Programme / Scheme	Implementing Agency	Funds transferred by the GOI
		Kera Dading Multipurpose Society, Kurung Kumey	0.01
		Arun Kutir Udyog Cooperative Society	0.01
		Koje Janggo Multipurpose Cooperative Society Ltd.	0.08
		Oju Welfare Association, Naharlagun	0.01
		Mebo Handloom and Handicrafts Cooperative Society	0.10
		Tarhuk Samaj	0.11
		Child and Rural Development Organisation, Arunachal Pradesh	0.01
36	Lumpsum provision for projects / schemes for benefit of the NE Region	Commissioner - Cum - Secretary, UD Department, Government of Arunachal Pradesh	12.45
37	National Urban Information System (NUIS)	Commissioner - Cum - Secretary, UD Department, Government of Arunachal Pradesh	0.10
38	Step support to Training and Employment Programme for women	Banggo Women Welfare Association	0.11
		Medo Welfare Society, Itanagar	0.13
39	Seismicity and Earthquake precursors	Arunachal Pradesh State Council for Science and Technology, Itanagar	0.03
40	Rashtriya Madhyamik Shiksha Yojana	Arunachal Pradesh Rajya Madhyamik Shiksha Mission Authority	0.29
41	Rural Housing (IAY)	DRDA, Lower Dibang Valley	0.97
		DRDA, East Siang	0.96
		DRDA, Upper Subansiri	4.26
		DRDA, Upper Siang	0.49
		DRDA, East Kameng	3.13
		DRDA, Lower Subansiri	2.68
		DRDA, Papumpare	0.81
		DRDA, Tirap	5.91
		DRDA, West Siang	3.98
		DRDA, Tawang	1.93
		DRDA, Dibang Valley	0.30
		DRDA, Lohit	1.20
		DRDA, Anjaw	0.42
		DRDA, Kurung Kumey	1.56
		DRDA, Changlang	2.16
		DRDA, Kameng District	2.60
42	Buddhist and Tibetan Studies	Centre for Buddhist Cultural Studies	0.97
		Buddhist Culture Preservation Society	0.85
		Monjul Traditional Culture Development Society	0.01
43	National Afforestation Programme	Longding Forest Development Agency	0.54
		Bomdila Forest Development Agency	0.17
		Khonsa Forest Development Agency	0.95
		Deomali Jhum Forest Development Agency	0.22
		Yingkang Forest Development Agency	0.20
		Hapoli Forest Development Agency	0.29
44	MPLADS	Deputy Commissioner, West Siang	2.00
		Deputy Commissioner, Lower Dibang Valley	2.00
		Deputy Commissioner, Lohit	2.00
45	DRDA Administration	DRDA, West Siang	1.18
		DRDA, Upper Siang	0.92
		DRDA, Lohit	0.84
		DRDA, Kurung Kumey	0.84



Sl. No.	Programme / Scheme	Implementing Agency	Funds transferred by the GOI
		DRDA, Lower Dibang Valley	0.54
		DRDA, Dibang Valley	0.84
		DRDA, Tawang	0.84
		DRDA, East Siang	0.87
		DRDA, East Kameng	0.99
		DRDA, Anjaw	0.40
		DRDA, Tirap	0.66
		DRDA, Upper Subansiri	1.03
		DRDA, Papumpare	0.84
		DRDA, Kameng District	0.83
		DRDA, Lower Subansiri	0.84
		DRDA, Changlang	0.87
46	Setting up of Technology Upgradation Establishment Modernisation of Food	Mount Valley Food Private Limited	0.18
		Kryptokroma	1.87
		Sorang Kinik Charitable Society (M/s Arunachal Pork Products Industries)	0.31
		M/s Gonpapa's Integrated Fruit Processing Unit	1.40
47	Grants in Aid to NGOs for coaching ST Students for competitive examination	Oju Welfare Association, Naharlagun	0.35
		Ramakrishna Mission, Narottam Nagar	0.93
		Centre for Buddhist Cultural Studies	0.34
		Ramakrishna Sarada Mission	0.94
		Buddhist Culture Preservation Society	0.45
		Ramakrishna Mission, Aalo	1.38
		Bharatiya Adimjati Sevak Sangh, Rupa	0.17
		Arunachal Pali Vidyapeeth	0.38
		Ramakrishna Mission Hospital	0.72
48	Conservation of Natural Resources and Ecosystems	Arunachal Pradesh Forest Research and Development Agency	0.04
49	Clusters Development Programme and MSME Growth Poles	Department of Labour	0.6
50	Swarnajayanti Shahari Rozgar Yojana	State Urban Development Agency	1.04
51	Skill Development Initiative	Women Industrial Training Institute, Yupia	0.10
		Industrial Training Institute, Roing	0.1
		Industrial Training Institute, Dirang	0.10
52	Support to NGOs/Institutions/SRCs for adult education and skill development	Jan Shikshan Sansthan, Naharlagun	0.30
53	Pradhan Mantri Gram Sadak Yojana	Rural Road Development, Itanagar	152.03
54		Gensu Women Welfare Society	0.01
		AARRO Welfare Society	0.01
55	National Afforestation and Eco Development Board	Arunachal Pradesh Cooperative Milk Producers Union Limited	1.48
<b>Total</b>			<b>672.51</b>

Appendix 2.1

Statement of various grants/appropriations where saving was more than Rs. 1 crore and more than 20 per cent of the total provision  
(Reference: Paragraph 2.3.1)

(Rupees in lakh)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percentage
<b>Revenue-Voted</b>					
1	4	Election	6074.33	1933.59	31.83
2	26	Rural Works	19593.22	8834.28	45.09
3	27	Panchayat	7845.17	2982.07	38
4	37	Legal Metrology & Consumer Affairs	641.14	182.33	28.44
5	38	Water resources Deptt.	14624.83	3500.77	23.94
6	45	Civil Aviation	3353.55	730.57	21.78
7	49	Science & Technology	1229	917.94	74.69
8	50	Secretariat Economic Services	79544.48	78494.66	98.68
9	51	Directorate of Library	984.11	547.18	55.6
10	54	State Tax & Excise	1310.37	347.74	26.54
11	65	Deptt. Of Tirap & Changlang	280	200.51	71.61
12	70	Administrative Training Institute	317.81	134.17	42.22
13	71	Deptt. Of Tawang and West Kameng	159.25	149.25	93.72
<b>Capital-Voted</b>					
14	1	Legislative Assembly	390	200	51.28
15	7	Treasury & Accounts Administration	759	355.21	46.8
16	8	Police	753.25	547.25	72.65
17	11	Social Welfare	1599.5	988.32	61.79
18	14	Education	8982.27	7348.5	81.81
19	15	Health & Family Welfare	1489.38	770.31	51.72
20	16	Art & Cultural Affairs	2355.6	1329.6	56.44
21	19	Industries	199.13	138	69.3
22	24	Agriculture	165	165	100
23	26	Rural Works	5335.72	4061.76	76.12
24	27	Panchayat	2542	2542	100
25	28	Animal Husbandary & Veterinary	729.28	263.12	36.08
26	30	State Transport	450	300.93	66.87
27	31	Public Works	8784.94	3877.14	44.13
28	32	Roads & Bridges	58867.07	25716.88	43.69
29	33	North Eastern Areas	9842.68	3193.63	32.45
30	34	Power	23433.84	6251.55	26.68
31	35	Information & Public Relations	166.9	155.17	92.97
32	38	Water resource Deptt.	7425.85	3594.65	48.41
33	39	Loans to Govt. Servants	360	184.85	51.35
34	40	Housing	1941.32	1468.68	75.65
35	41	Land Management	208.15	208.15	100
36	42	Rural Development	3602.56	894.06	24.82
37	43	Fisheries	298.5	198.75	66.58
38	45	Civil Aviation	601.54	207.44	34.48

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
39	48	Horticulture	226.95	226.95	100
40	52	Sports and youth Services	1148.87	685.8	59.69
41	57	Urban Development	15698.34	8384.02	53.41
42	65	Deptt. Of Tirap & Changlang	2390.4	2390.4	100
43	66	Hydro Power District Department	23349.48	10923.97	46.78
<b>Capital(Charged)</b>					
44		Public Debt	19919.35	8838.12	44.37

## Appendix 2.2

Statement of various grants/appropriations where excess expenditure was more than Rs one crore each or more than 20 percent of the total provision.

(Reference: Paragraph 2.3.3 )

(Rupees in crore)

Sl. No	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Total Expenditure	Percentage of excess expenditure
<b>Revenue-Voted</b>					
1	13	Directorate of Accounts	172.92	186.41	8
2	14	Education	548.27	554.04	1
3	16	Arts and Cultural Affairs	22.64	29.62	31
4	43	Fisheries	11.11	12.7	14
<b>Capital-Voted</b>					
5	50	Secretariat Economic Service	0	3.96	100

**Appendix 2.3**

**Expenditure incurred without any budget provision**  
(Reference: Paragraph 2.3.3)

(Rupees in lakh)

Sl. No	Number and name of the grant/appropriation	Amount of actual expenditure
1	<b>57 Urban Development</b> 3 C.S.S 4217 Capital outlay on Urban Development 60 Other Urban Development Scheme 800 Other Expenditure 13 Development of Model Bosti Cheta Colony Roing	56.3
2	<b>14 Education</b> 4 S.P.S 4202 Capital outlay on Education, Sports, Arts Culture 1 General Education 800 Other Expenditure 2 Construction of Building for Education	13.99
3	<b>37 Legal Metrology and Consumer Affairs</b> 5475 Capital outlay on Other General Economic Services 800 Other Expenditure 1 Creation of Assets	9.84
4	<b>50 Secretariat Economic Services</b> 4070 Capital Outlay on Other Administrative Services 800 Other Expenditure 2 Creation of Assets	18.97
5	<b>4 Election</b> 2015 Election 800 Other Expenditure 1 Charges for Election President/Vice President	14.11
6	<b>Public Debt.</b> 2049 Interest Payments 60 Interest on other obligations 701 Miscellaneous 3 Interest on Power Bonds	148.34
<b>Total</b>		<b>261.55</b>

## Appendix – 2.4

Statement showing excess expenditure relating to previous years requiring regularisation  
(Reference: Paragraph ; 2.3.5)

(Rupees in crore)

Year	No. of Grants/ Appropriations	Grant/Appropriation(s)	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)	
1986-87 (U.T. Period)	13	1, 7, 11, 12, 13, 15, 17, 30, 32, 34, 39, 40 and 42	6.56	One PAC held during 2009-10	
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 and 43	12.71		
1987-88	16	14, 18, 19, 22, 23, 24, 26, 30, 31, 32, 33, 34, 35, 40, 42 and Public Debt	9.06		
1988-89	12	1, 13, 15, 17, 21, 24, 30, 31, 32, 34, 40 and Public Debt	54.51		
1989-90	15	8, 10, 15, 30, 31, 32, 33, 34, 38, 40, 43, 45, 48, 49 and Public Debt	17.49		
1990-91	16	5, 8, 13, 15, 19, 23, 24, 26, 30, 31, 32, 34, 40, 44, 48 and Public Debt	28.61		
1991-92	17	4, 8, 10, 14, 15, 18, 19, 23, 25, 28, 30, 31, 34, 37, 42, 43 and Public Debt	63.12		
1992-93	11	14, 15, 18, 28, 30, 31, 34, 40, 43, 21 and 38	27.91		
1993-94	12	8, 15, 19, 25, 28, 30, 31, 32, 34, 38, 40 and 45	30.66		
1994-95	18	6, 8, 11, 15, 21, 22, 23, 26, 28, 29, 31, 32, 34, 38, 40, 42, 43 and 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 and Public Debt	38.41		
1996-97	12	1, 9, 11, 13, 14, 21, 28, 30, 31, 34, 40 and 51	14.86		
1997-98	15	9, 10, 11, 13, 15, 20, 25, 30, 31, 34, 41, 46, 48, 59 and 60	25.34		
1998-99	15	1, 7, 13, 15, 19, 20, 31, 34, 36, 41, 50, 53, 54, 64 and Public Debt	25.26		
1999-00	7	13, 31, 44, 52, 53, 60 and Public Debt	14.27		
2000-01	12	1, 3, 8, 13, 19, 28, 32, 34, 36, 50, 52 and 62	13.27		
2001-02	13	1, 7, 8, 11, 13, 14, 16, 22, 28, 33, 35, 48 and 59	27.08		
2002-03	14	1, 4, 5, 7, 13, 19, 23, 28, 31, 43, 46, 58, 61 and 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 and 62	20.15		
2004-05	17	8, 14, 15, 18, 19, 26, 28, 31, 32, 33, 40, 43, 48, 58, 61, 65, 66 and Public Debt	46.46		
2005-06	13	1, 5, 8, 16, 25, 35, 41, 43, 52, 56, 58, 60, 66 and 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 and 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 and 65	31.77		
2008-09	13	5, 9, 14, 17, 29, 34, 37, 43, 45, 48, 56, 59 and 65	7059.88		
Total:			7059.58		

Appendix 2.5

Cases where supplementary provision (Rs. 10 lakh or more in each case) proved unnecessary  
(Reference: Paragraph 2.3.7)

(Rupees in crore)

Sl. No	Number & name of the Grant/Appropriation	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
<b>Revenue Voted</b>					
1	3 Council of Ministers	358.6	342.97	15.63	70.81
2	4 Election	4930.85	4140.74	790.11	1143.48
3	26 Rural works	11308.89	10758.94	549.95	8284.33
4	27 Panchayat	6207.09	4863.1	1343.99	1638.08
5	37 Legal Metrology & Consumer Affairs	567.13	458.81	108.32	74.01
6	45 Civil Aviation	2797.64	2622.98	174.66	555.91
7	50 Secretariat Economic Services	79527.2	1049.82	78477.38	17.28
8	51 Directorate of Library	850.23	436.93	413.3	133.88
<b>Capital (Charged)</b>					
9	Public Deptt.	17266.83	11081.23	6185.6	2652.52
<b>Capital Voted</b>					
10	8 Police	460	206	254	293.25
11	11 Social Welfare	1587.73	611.18	976.55	11.77
12	15 Health & Family Welfare	1207.95	719.07	488.88	281.43
13	19 Industries	163.02	61.13	101.89	36.11
14	22 Food & Civil Supplies	Nil	Nil	Nil	203.19
15	27 Panchayat	Nil	Nil	Nil	2542
16	35 Information & Public Relations	32.55	11.73	20.82	134.35
17	40 Housing	1684	472.64	1211.36	257.32
18	41 Land Management	Nil	Nil	Nil	208.15
19	47 Administration & Justice	Nil	Nil	Nil	99.5
20	65 Department Of Tirap & Changlang	2220	Nil	2220	170.4
21	66 Hydro Power Development	15161	12425.51	2735.49	8188.48
<b>Total</b>		<b>146330.71</b>	<b>50262.78</b>	<b>96067.93</b>	<b>26996.25</b>

APPENDIX 2.6

Statement of cases where supplementary provision proved insufficient resulting in excess expenditure of more than Rs.1 crore and above  
(Reference: Paragraph 2.3.7)

(Rupees in crore)

Sl.No	Number & name of the Grants and Appropriation	Original Provision	Supplementary Provision	Total	Expenditure	Excess
<b>Revenue-Voted</b>						
1	13 Directorate of Accounts	145.85	27.07	172.92	186.41	13.49
2	14 Education	372.52	175.75	548.27	554.04	5.77
3	16 Art & Cultural Affairs	388	18.76	22.64	29.62	6.98
4	43 Fisheries	8.94	2.17	11.11	12.7	1.59
<b>Total</b>		<b>915.31</b>	<b>223.75</b>	<b>754.94</b>	<b>782.77</b>	<b>27.83</b>

## Appendix 2.7

Excess/ unnecessary/insufficient re-appropriation of fund.  
(Reference : Paragraph 2.3.8)

(Rupees in lakh)

Sl. No.	Grant No.	Description	Head of Account	Reappropriation	Final excess (+) / savings (-)
<b>Revenue-voted</b>					
1	3	Hospitality Expenses	2013-104-0001	5.73	-16.66
2	4	Election Charges	2015-00-106-0001	-207	-41.98
3	13	Ordinary Pension	2071-01-101-0001	-6.9	7387.77
4	13	Ordinary Pension (Commutated Value)	2071-01-102-0001	6.9	-3339.43
5	13	Ordinary Pension (Family Pension)	2071-01-105-0001	70.1	-1652.76
6	13	Pensions to MLAs	2071-01-111-0001	-70.1	-32.77
7	14	Directorate Establishment	2202-03-001-0001	21.06	969.49
8	14	District Institute of Education and Training	2202-01-107-0001	29.59	15.5
9	14	Establishment Expenses	2202-80-001-0001	104.92	-63.04
10	14	College Establishment	2202-03-103-0001	-16.78	-1014.07
11	14	District Establishment	2202-02-109-0007	854.59	-1517.08
12	14	Sarva Shiksha Abiyaan	2202-01-800-0002	-606.76	263.37
13	14	Institutions administered by NGOs	2202-02-110-0001	-300	10.3
14	14	Scholarship for students	2202-01-109-0001	-195	-44.82
15	14	NCC Scouts / Guides activities in schools	2202-00-101-0001	91.41	-270.32
16	14	District Establishment	2202-04-001-0001	38.1	-213.61
17	14	Schools administered by NGOs	2202-01-102-0001	-49	-71.7
18	14	Rajiv Gandhi Polytechnic Establishment	2202-00-001-0002	3.92	-46.47
19	14	State Scholarship and incentive for higher education	2202-03-107-0002	25	-35.94
20	15	Schemes under ACA / SPA / PM Package	2210-80-800-0001	172.31	-1180
21	15	Setting up of Drug Testing Laboratory	2210-02-101-0001	-7	-10
22	15	Establishment Expenses	2210-03-110-0001	965.95	-361.39
23	15	Establishment Expenses	2210-01-001-0001	270.15	-24.44
24	15	Expenditure on Sub - centre	2211-00-101-0003	190	-92.03
25	15	Expanded programme on immunisation	2210-06-101-0002	96.1	-15.39
26	15	Leprosy Control Programme	2210-06-101-0004	41.51	-12.53
27	15	TB Control Programme	2210-06-101-0003	39.58	-17.48
28	16	Establishment Expenses	2205-00-001-0001	20	91.98
29	16	Grants in aid for promotion of Art and Culture	2205-00-102-0001	-20	64.75
30	18	Establishment Expenses	2205-00-001-0001	-7.8	-10.5
31	18	Development of Archeological Sites	2205-00-103-0002	58	-68
32	18	Establishment Expenses	2205-00-103-0001	4.48	-14.2
33	18	Establishment Expenses	2205-00-102-0001	24.07	105.47
34	20	Schemes under ACA / SPA	2230-01-800-0003	10.75	-79.6
35	21	Establishment Expenses	2408-02-001-0001	-100	-453.87
36	23	Establishment Expenses	2406-01001-0001	262.01	-104.83
37	23	Orchids and Mechanic logging and marketing of timber	2406-01-105-0001	7.98	11.2
38	23	Establishment Expenses	2406-02-110-0001	47.22	-28.33
39	24	Establishment of Reporting Agency for Agricultural Statistics	2401-00-800-0017	-168.33	95.83
40	24	Establishment Expenses	2435-01-101-0001	-42.71	-20.59
41	24	Maintenance of Assets	2415-01-004-0001	-62.75	44.25
42	26	ACA	3054-04-337-0003	4291.51	-8398.65
43	26	SPA and ACA	2402-00-103-0005	153.98	-203.98
44	27	Backward Regions Grant Fund(BRGF)	2515-00-001-0006	-1190	-2227
45	27	Panchayat/Local Bodies	2515-00-001-0003	4.54	-2817.04
46	27	Establishment Expenses	2015-00-101-0001	9.59	-70.19
47	27	Establishment Expenses	2515-00-001-0001	-291.48	3603.97
48	28	Establishment Expenses	2403-00-001-0001	32.23	451.53

Sl. No.	Grant No.	Description	Head of Account	Reappropriation	Final excess (+) / savings (-)
49	28	Establishment and Maintenance of Veterinary Dispensaries	2403-00-101-0002	4.55	178.98
50	28	Establishment Expenses	2403-00-102-0001	115.68	-60.42
51	28	Collaborating unit of AICRP of FMD	2403-00-800-0023	3.9	19.93
52	28	Maintenance of Cattle Breeding Farm at Nirjuli	2403-00-102-0002	-2.3	15.75
53	28	Establishment Expenses	2403-00-101-0001	-67.74	-82.67
54	28	Purchase of Medicines, vaccines, Instruments and Appliances	2403-00-101-0008	10	-160
55	28	Establishment Expenses	2403-00-104-0001	3.36	-55
56	28	Establishment Expenses	2403-00-105-0001	10.32	-32.18
57	28	State Poultry / Duck Farm	2403-00-800-0014	50.42	-69.42
58	28	Maintenance of District Cattle Breeding Farms	2403-00-102-0003	3.25	-15.61
59	28	Maintenance of Cattle Upgrading Centres	2403-00-102-0006	3.05	-14.92
60	28	Establishment expenses of IDDP	2404-00-102-0003	-33.18	21.87
61	28	Establishment Expenses	2403-00-107-0001	-2.31	-19.3
62	31	Scheme under ACA/SPA	4059-80-051-0010	678.35	-1935.39
63	33	Establishment of Orange & Large Cardamom Garden at Chesing Rijo	2552-800-81	37.41	-49
64	33	Double Cropping in Arunachal Pradesh	2552-00-800-0078	126.72	-21.03
65	33	Cultivation of Kiwi Fruit in Arunachal Pradesh	2552-00-800-0080	20	22.75
66	36	Establishment Expenses	3454-02-111-0001	-48.41	55.83
67	36	Establishment Expenses of Directorate	3454-01-001-0001	58.41	-52.99
68	37	Establishment Expenses	3475-00-106-0001	36.89	-45.36
69	38	Schemes under ACA / SPA	2702-80-800-0010	1465.91	-3399.72
70	38	Channel Maintenance	2702-03-102-0001	-60	-100
71	41	Establishment Expenses	2029-00-103-0001	83.15	-174.92
72	41	Establishment Expenses	2506-00-800-0001	-60	79.29
73	42	Establishment Expenses	2515-00-001-0001	737.87	124.36
74	42	DRDA Administration	2501-06-800-0004	54.74	-10.61
75	43	Establishment Expenses	2405-001-01	92.05	209.09
76	43	Construction of Fish Seed Firm including Expansion and Improvement	2405-101-05	-16	48.09
77	43	National Scheme welfare of Fishermen	2405-800-09	78.45	100
78	43	Establishment Expenses	2405-101-01	-43.5	24.26
79	49	National E - Governance	3425-60-600-0002	-433	-546
80	50	Establishment expenses of District Planning	3451-00-102-0001	109.58	388.87
81	54	Headquarter establishment	2039-00-001-0001	3	-276.75
82	54	District Establishment	2039-00-001-0002	-3	-67.66
83	56	Schemes under ACA / SPA	3452-80-800-0023	163.64	24.01
84	59	Accelerated Rural Water Supply Programme	2215-01-800-0001	-2969.98	-484.03
85	59	Rural Pipe Water Supply Programme	2215-01-102-0002	930.33	-2038.33
86	59	Augmentation of Water Supply at Namsai and Seppa Township	2215-01-800-0012	-503.57	-123.02
87	59	Computer Package	2215-01-800-0010	63.52	-10.46
88	59	Implementation of Water Supply Scheme under Swajaldhara	2215-01-800-0017	78	-44.56
89	65	Development of Tirap and Changlang District	2575-03-800-0001	-187.5	-17.5
90	70	Schemes under ACA / SPA	2052-00-090-0012	1.5	-99.5
<b>Revenue - Charged</b>					
91	97	Payment and interest on loan for Centrally Sponsored Schemes	2049-04-103-0001	-78.34	-33.67
92	12	Ex - gratia payment	2235-60-800-0002	10.85	-45.85
<b>Capital - Voted</b>					
93	11	Construction of Anganwadi Buildings	4235-02-800-0004	-593.25	-241.38
94	11	Road Constructions	4235-02-800-0003	590.75	-758.93
95	11	Construction of Ashram School / Hostel	4235-02-800-0002	2.5	12
96	14	Construction of building for polytechnic	4202-02-104-0002	383.65	-1400



Sl. No.	Grant No.	Description	Head of Account	Reappropriation	Final excess (+) / savings (-)
97	15	Schemes under ACA / SPA / PM Package	4210-80-800-0010	867.48	-992.74
98	19	Creation of Assets	4851-00-800-0001	-21.5	-99.5
99	26	Schemes under ACA / SPA	5054-04-800-0008	137.8	-4061.76
100	32	Schemes under ACA / SPA	5054-04-800-0008	1521.42	-22011.18
101	32	Construction of Road from Hawaii District HQ to Machal Admn Circle	5054-04-800-0044	-29.2	-708.7
102	32	Schemes under RIDF	5054-04-800-0004	-659	45.2
103	32	Bailey Bridge between Namara and Other village	5054-04-800-0045	-20.6	-248.45
104	32	Construction of Motorable Suspension bridge on River Siang at the site of Gandhi Bridge in Upper Siang District	5054-04-800-0022	193.89	-87.86
105	32	Improvement of Extension Dosing Pareng Sime Yibuk	5054-04-800-0053	476.01	-394.79
106	33	Construction of 132 x 33 kv line at Itanagar	4552-00-800-0039	480.1	-2452
107	33	Pasighat - Koyu - Ego Road	4552-00-800-0040	-480.01	-41.85
108	33	Leimakuri - Nari - Telam Road	4552-00-800-0054	481	-186.19
109	34	System improvement under ACA / SPA	4801-80-800-0016	-476.53	-4997.93
110	34	Schemes under APDRP	4801-01-800-0010	-578.98	-650.17
111	34	Schemes under REC	4801-01-800-0005	384.75	-610.55
112	34	11 KV transmission line from Hawaii to Kibithu	480-06-800-0004	902.02	-113.83
113	34	Repair and Maintenance of electrical installation in residential buildings	4801-80-800-0008	647.1	22.86
114	34	Petty Works	4801-80-800-0007	627	-189.04
115	34	Maintenance of transmission lines including sub stations	4801-80-800-0006	123.47	184.17
116	35	Schemes under ACA / SPA	4220-60-800-0004	24.85	-155.15
117	38	Schemes under ACA / SPA	4711-01-800-0004	1639.48	-3594.44
118	40	Schemes under ACA / SPA	4216-01-106-0002	1079.45	-1468.63
119	52	Construction of ongoing project at Chimpu	4202-03-800-0002	-15	-15
120	56	Construction of Tourist Lodge at Kaying	5452-01-102-0090	-315.67	-340.92
121	56	Construction of Building	5452-80-800-0001	-54	-74.34
122	56	Development of Doimukh - Segalee - Pakke - Kessang - Seppa Tourist circuit	5452-01-102-0098	610.06	-15.26
123	57	Capacity building activities of BSUP and IHSDP under JNNURM	4217-60-800-0056	-212	-30
124	57	Procurement of Assets	4217-60-800-0003	-200	64.41
125	57	Procurement of Assets	4217-60-001-0003	48	-61.21
126	57	State Capital Project	4217-60-800-0002	32	191.76
127	57	Construction of Guest House at Doimukh	4217-60-800-0057	78	-45.83
128	61	Creation of Assets	4853-60-800-0001	-45.77	-49.2
129	66	ACA / SPA / PM Package	4801-01-800-0019	293.81	-9883.38
130	66	Nurang MHP Phase III	4801-01-800-0012	-100	-900
131	97	Leimakuri - Nari - Telam Road	6003-00-800-0001	-156.93	-199.33
132	97	Repayment of Loans for NABARD	6003-105-01	276.3	-1645

**Appendix 2.8**

**Results of review of substantial surrenders made during the year  
(Reference: Paragraph 2.3.10)**

(Rupees in crore)

Sl. No.	Number and title of grant		Name of the Scheme (Head of Account)	Amount surrendered	Percentage of Surrender	Reasons attributed for Surrender
1	4	Election	Issues of Identity Card (2015)	180.3	82	Less requirement of Fund
2	10	Other General Social and Community Services	Subsidy to Postal Services(2250)	8.41	63	do
3	12	Social Security and welfare	Payment of Compensation under M.V. act ( No fault liability)	22.14	82	do
4	14	Social Security and welfare	Provision in lieu of 3rd Party insurance of APST buses	14	56	do
5	30	State Transport	Purchase of vehicles(5055)	160	100	do
			Purchase of equipments and Building (5055)	28	62	do
6	37	Legal Metrology and Consumer Affairs	Consumer awareness activities(3456)	15	100	do
			Setting up Consumer welfare Fund in A.P.(3456)	6.8	100	Do
7	42	Rural Development	Indira Awas Yojana (2505)	350	100	do
8	50	Secretariat Economic service	Establishment Expenses (3451)	78849.56	99	do
9	51	Directorate of Library	Maintenance of Library Building (2205)	540	100	do
10	58	Stationery & Printing	Creation of Assets( 4058)	22	51	do
11	65	Department of Tirap & Changlang District	Development of Tirap & Changlang Dist. (2575)	182.5	89	do
12	(Charged) Public Dept.		Interest on Loan from National Co-operation Development Corporation (2049)	59.28	59	do

**Appendix 2.9**

**Surrender in excess of actual savings (Rupees 10 lakh or more)  
(Reference: Paragraph 2.3.11)**

(Rupees in lakh)

Sl.No.	Number & name of the Grant/Appropriation		Total grant/ appropriation	Savings	Amount Surrendered	Amount surrendered excess
<b>Revenue Voted</b>						
1	29	Co-operation	878.12	18	39.7	21.7
2	42	Rural Development	4747.71	255.94	369.78	113.84
3	50	Secretariat Economic Services	79544.48	78494.66	78849.56	354.9

## Appendix 2.10

Statement of various grants/appropriations in which Savings occurred but no part of which had been surrendered.

(Reference: Paragraph 2.3.12)

(Rupees in crore)

Sl. No.	Number	Name of the Grant / Appropriation	Savings
1	1	Legislative Assembly	
		Revenue – Voted	0.28
		Capital - Voted	2
2	3	Council of Ministers	
		Revenue - Voted	0.86
3	5	Secretariat Administration	
		Revenue - Voted	0.11
4	6	District Administration	
		Revenue - Voted	8.75
5	7	Treasury and Accounts Administration	
		Revenue – Voted	1.38
		Capital - Voted	3.55
6	8	Police	
		Revenue – Voted	10.71
		Capital - Voted	5.47
7	11	Social Welfare	
		Revenue – Voted	3.44
		Capital - Voted	9.88
8	14	Education	
		Capital - Voted	73.49
9	15	Health and Family Welfare	
		Revenue – Voted	18.07
		Capital - Voted	7.7
10	16	Art & Cultural Affairs	
		Capital - Voted	13.3
11	18	Research	
		Revenue - Voted	1.08
12	19	Industries	
		Revenue – Voted	0.18
		Capital - Voted	1.38
13	20	Labour	
		Revenue - Voted	0.8
14	21	Food, Storage and Warehousing	
		Capital - Voted	0.16
15	22	Civil Supplies	
		Revenue – Voted	4.09
		Capital – Voted	2.03
16	23	Forests	
		Revenue - Voted	8.56
17	24	Agriculture	
		Revenue - Voted	16.76
18	25	Relief, Rehabilitation and Resettlement	
		Revenue - Voted	1.55
19	26	Rural Works	
		Capital - Voted	40.62

Sl. No.	Number	Name of the Grant / Appropriation	Savings
20	27	Panchayat	
		Capital - Voted	25.42
21	28	Animal Husbandry and Veterinary	
		Revenue - Voted	0.18
		Capital - Voted	2.63
22	30	State Transport	
		Revenue - Voted	2.01
23	31	Public Works	
		Capital - Voted	38.77
24	32	Roads and Bridges	
		Capital - Voted	257.17
25	33	North Eastern Council	
		Revenue - Voted	0.63
		Capital - Voted	31.94
26	34	Power	
		Capital - Voted	62.52
27	35	Information and Public Relations	
		Revenue - Voted	0.67
		Capital - Voted	1.55
28	36	Statistics	
		Revenue - Voted	0.28
		Capital - Voted	0.48
29	37	Legal Metrology and Consumer Affairs	
		Capital - Voted	0.51
30	38	Water Resources Department	
		Revenue - Voted	35.01
		Capital - Voted	35.95
31	39	Loans to Government Servants	
		Capital - Voted	1.85
32	40	Housing	
		Capital - Voted	14.69
33	41	Land Management	
		Revenue - Voted	0.96
		Capital - Voted	2.08
34	42	Rural Development	
		Capital - Voted	8.94
35	43	Fisheries	
		Revenue - Voted	1.59
		Capital - Voted	1.99
36	45	Civil Aviation	
		Capital - Voted	2.07
37	47	Administration of Justice	
		Revenue - Voted	0.43
		Capital - Voted	0.99
38	51	Directorate of Library	
		Capital - Voted	0.5
39	52	Sports and Youth Affairs	
		Revenue - Voted	0.37
		Capital - Voted	6.86
40	53	Fire Protection and Control	
		Revenue - Voted	0.11

Sl. No.	Number	Name of the Grant / Appropriation	Savings
41	54	Tax and Excise	
		Revenue - Voted	3.48
42	56	Tourism	
		Revenue - Voted	0.21
		Capital - Voted	6.19
43	57	Urban Development	
		Revenue - Voted	1.48
		Capital - Voted	83.84
44	58	Stationery and Printing	
		Revenue - Voted	1.28
45	59	Public Health Engineering	
		Revenue - Voted	27
		Capital - Voted	0.3
46	60	Textile and Handicraft	
		Revenue - Voted	1.03
47	65	Department of Tirap and Changlang	
		Capital - Voted	23.9
48	66	Hydro Power Development	
		Capital - Voted	109.24
49	69	Parliamentary Affairs Department	
		Revenue - Voted	0.37
50	70	Administrative Training Institute	
		Revenue - Voted	1.34
51	71	Department of Tawang & West Kameng	
		Revenue - Voted	1.49
52		Public Debt	
		Capital - Voted	88.38
<b>Total</b>			<b>1124.88</b>

Appendix 2.11

Details of saving of Rs. 1 crore and above not surrendered  
(Reference: Paragraph 2.3.12 )

(□ in crore)

Sl. No.	Number and Name of Grant/Appropriation	Saving	Surrender	Saving which remained to be surrendered
1	1. Legislative Assembly			
	Capital - Voted	2		2
2	6. District Administration			
	Revenue - Voted	8.75		8.75
3	7. Treasury and Accounts Administration			
	Revenue - Voted	1.38		1.38
	Capital - Voted	3.55		3.55
4	8. Police			
	Revenue - Voted	10.71		10.71
	Capital - Voted	5.47		5.47
5	11. Social Welfare			
	Revenue - Voted	3.44		3.44
	Capital - Voted	9.88		9.88
6	13. Directorate of Accounts			
	Revenue - Voted	13.49		13.49
7	14. Education			
	Capital - Voted	73.49		73.49
8	15. Health and Family Welfare			
	Revenue - Voted	18.07		18.07
	Capital - Voted	7.7		7.7
9	16. Art and Cultural Affairs			
	Capital - Voted	13.3		13.3
10	18. Research			
	Revenue - Voted	1.08		1.08
11	19. Industries			
	Capital - Voted	1.38		1.38
12	21. Food, Storage and Warehousing			
	Revenue - Voted	5.54	1	4.54
13	22. Civil Supplies			
	Revenue - Voted	4.09		4.09
	Capital - Voted	2.03		2.03
14	23. Forests			
	Revenue - Voted	8.56		8.56
15	24. Agriculture			
	Revenue - Voted	16.76		16.76
16	25. Relief, Rehabilitation and Resettlement			
	Revenue - Voted	1.55		1.55
17	26. Rural Works			
	Revenue - Voted	88.34	2.3	86.04
	Capital - Voted	40.62		40.62
18	27. Panchayat			
	Revenue - Voted	29.82	14.72	15.1
	Capital - Voted	25.42		25.42
19	28. Animal Husbandry and Veterinary			
	Capital - Voted	2.63		2.63

Sl. No.	Number and Name of Grant/Appropriation	Saving	Surrender	Saving which remained to be surrendered
20	30. State Transport Revenue - Voted	2.01		2.01
21	31. Public Works Capital - Voted	38.77		38.77
22	32. Roads and Bridges Capital - Voted	257.17		257.17
23	33. North Eastern Areas Capital - Voted	31.94		31.94
24	34. Power Capital - Voted	62.52		62.52
25	35. Information and Public Relations Capital - Voted	1.55		1.55
26	38. Water Resources Department Revenue - Voted Capital - Voted	35.01 35.95		35.01 35.95
27	39. Loans to Government Servants Capital - Voted	1.85		1.85
28	40. Housing Capital - Voted	14.69		14.69
29	41. Land Management Capital - Voted	2.08		2.08
30	42. Rural Development Capital - Voted	8.94		8.94
31	43. Fisheries Capital - Voted	1.99		1.99
32	45. Civil Aviation Capital - Voted	2.07		2.07
33	48. Horticulture Capital - Voted	2.27	0.28	1.99
34	49. Science and Technology Revenue - Voted	9.18	3.66	5.52
35	52. Sports and Youth Services Capital - Voted	6.86		6.86
36	54. Tax and Excise Revenue - Voted	3.48		3.48
37	56. Tourism Capital - Voted	6.19		6.19
38	57. Urban Development Revenue - Voted Capital - Voted	1.48 83.84		1.48 83.84
39	58. Stationary & Printing Revenue - Voted	1.28		1.28
40	59. Public Health Engineering Revenue - Voted	27		27
41	60. Textile and Handicraft Revenue - Voted	1.03		1.03
42	65. Department of Tirap and Changlang Capital - Voted	23.9		23.9
43	66. Hydropower Development Capital - Voted	109.24		109.24

Sl. No.	Number and Name of Grant/Appropriation	Saving	Surrender	Saving which remained to be surrendered
44	70. Administrative Training Institute			
	Revenue - Voted	1.34		1.34
45	71. Department of Tawang & West Kameng			
	Revenue - Voted	1.49		1.49
46	Public Debt			
	Revenue - Voted	27.02	1.57	25.45
	Capital - Voted	88.38		88.38
	<b>Total</b>	<b>1289.57</b>	<b>23.53</b>	<b>1266.04</b>



## Appendix 2.12

**Cases of Surrender of funds in excess of Rs. 1 crore on 30 and 31 March 2010**  
*(Reference: Paragraph 2.3.1)*

(₹ in crore)

Sl. No	Number & name of the Grants/Appropriations	Head of Account	Amount Surrender	Percentage of total Provision
1	4 Election	2015, 2059	19.08	31
2	21 Food, Storage and Warehousing	2408	1	2
3	24 Agriculture	4401, 4415, 4435	1.65	100
4	26 Rural Works	2059, 2216, 2402, 3054	2.3	1
5	27 Panchayat	2015, 2515	14.72	19
6	29 Co-operation	4425, 6425	1.59	1
7	30 State transport	5055	2.99	66
8	37 Legal Metrology and Consumer Affairs	3456, 3475	1.08	17
9	42 Rural Development	2059, 2501, 2505, 2515	3.7	8
10	45 Civil Aviation	3053, 3275	7.28	22
11	49 Science & Technology	3425	3.66	30
12	50 Secretariat Economic Services	3451	788.5	99
13	51 Directorate of Library	2205	5.4	55
14	65 Department of Tirap and Changlang District	2575	1.83	65
15	Public Debt.	2048, 2049	1.57	1
<b>Total</b>			<b>856.35</b>	<b>517</b>

Appendix 2.13

**Rush of Expenditure**  
(Reference: Paragraph 2.3.13)

Sl. No	Grant Code	Major Head Code	Expenditure incurred during last quarter	Expenditure incurred in March, 2010	Total	Percentage of Total expenditure incurred during	
						Last quarter	March 2010
1	11	2236	90,758,844.00	90,748,944.00	91,087,356.00	99.64	99.63
2	38	2705	25,767,488.00	25,524,986.00	28,043,186.00	91.89	91.02
3	61	4853	2,873,969.00	2,873,969.00	3,254,991.00	88.29	88.29
4	41	2506	12,094,954.00	11,629,897.00	14,429,161.00	83.82	80.6
5	38	2711	82,781,590.00	71,406,076.00	93,222,525.00	88.8	76.6
6	16	2205	212,361,384.00	207,649,929.00	296,173,211.00	71.7	70.11
7	35	4220	912,682.00	792,682.00	1,172,682.00	77.83	67.6
8	33	2552	34,515,827.00	34,216,026.00	54,377,943.00	63.47	62.92
9	45	3053	7,182,015.00	7,130,465.00	11,463,716.00	62.65	62.2
10	62	5055	478,966.00	478,966.00	814,017.00	58.84	58.84
11	44	2052	34,334,810.00	34,268,867.00	61,649,322.00	55.69	55.59
12	19	4250	6,112,660.00	3,326,891.00	6,112,660.00	100	54.43
13	57	2217	62,609,082.00	52,452,960.00	103,405,612.00	60.55	50.73
14	42	2501	11,441,000.00	11,441,000.00	22,873,883.00	50.02	50.02
15	50	4070	18,972,353.00	18,960,712.00	39,562,000.00	47.96	47.93
16	15	2211	66,264,559.00	59,311,411.00	123,976,407.00	53.45	47.84
17	46	2051	23,071,920.00	20,226,401.00	42,642,972.00	54.1	47.43
18	24	2401	501,294,225.00	434,690,187.00	936,964,269.00	53.5	46.39
19	14	2203	16,665,036.00	14,382,200.00	31,719,103.00	52.54	45.34
20	45	3275	145,145,464.00	108,822,346.00	250,834,755.00	57.86	43.38
21	55	2075	4,036,260.00	3,834,995.00	9,135,381.00	44.18	41.98

## Appendix 2.14

## Details of Outstanding Abstract Contingent Bills drawn between 2001-02 to 2008-09 and remaining outstanding till March 2009

(Reference: Paragraph 2.4.1)

Sl. No.	Name of the DDO / CO in whose name the AC Bill is drawn	Year	Number of AC Bills	Amount
1	Administrative Officer, Directorate of Eco. & Statistic, Itanagar	2008 - 2009	2	20000
2	Administrative Officer, Directorate of Research, Itanagar	Up to 2000 - 2001	1	38000
		2006 - 2007	1	15000
3	Assistant Commandant 1st AAP Bn BHQ, Itanagar	2001 - 2002	1	40000
		2007 - 2008	1	180000
4	Assistant Commissioner, Excise and Taxation, Itanagar	Up to 2000 - 2001	1	5000
		2002 - 2003	1	5000
		2005 - 2006	1	10000
		2006 - 2007	1	562411
		2008 - 2009	1	5000
5	Assistant Controller Department of Legal Metrology West Zone (GES)	2006 - 2007	2	15000
		2007 - 2008	5	50000
		2008 - 2009	3	21000
6	Assistant Director for Director Relief and Rehabilitation and settlement	2004 - 2005	3	13000
		2005 - 2006	1	5000
7	Assistant Director of Fisheries, Directorate of Fisheries, Itanagar	2008 - 2009	1	15000
8	Assistant Registrar Co-Operative Societies, Tawang.	Up to 2000 - 2001	1	24964
9	Assistant Registrar of Co-operative Societies, Khonsa.	2008 - 2009	2	20925
10	Asst. Director of Textile & Handicraft, Anini	2002 - 2003	1	25000
11	Asst. Director of Tourism, Itanagar	2007 - 2008	3	1060000
		2008 - 2009	5	38000
12	Asst. Research Officer, Directorate of Research, Itanagar	2002- 2003	1	10000
13	Block Development Officer, Tawang CD Block, Tawang	2008 - 2009	1	6641
14	Chief Election Officer	2009 - 2010	1	400000
15	Chief Engineer, East Zone PWD, Itanagar	2007 - 2008	5	98344
16	Chief Medical Officer General Hospital, Naharlagun	2002 - 2003	1	7500
		2003 - 2004	5	35000
		2004 - 2005	10	70000
		2005 - 2006	6	42500
		2009 - 2010	3	45000
17	Child Development Project Officer Doimukh,	2004 - 2005	1	2067000
18	Commandant 1st AAP BHQ, Itanagar	2003 - 2004	1	30000
19	Compiler(Gazetteers) Arunachal Pradesh, Itanagar	2008 - 2009	1	10000
		2009 - 2010	1	10000
20	Deputy Commissioner	2008 - 2009	1	9864
21	Deputy Commissioner (ADMN)	2001 - 2002	1	20000
		2002 - 2003	6	1142990
22	Deputy Commissioner (ADMN), Tawang	2002 - 2003	1	75000
		2003 - 2004	1	6000
23	Deputy Commissioner (Admn), Anini	2005 - 2006	1	28626
24	Deputy Commissioner (Admn), Bomdila	2005 - 2006	1	6000
		2007 - 2008	1	214500
25	Deputy Commissioner (ADMN), Tezu	2004 - 2005	4	17500
		2005 - 2006	1	10000
		2006 - 2007	6	45000
		2007 - 2008	6	50000
		2008 - 2009	17	1247590
		2009 - 2010	4	80000
26	Deputy Commissioner (ADMN), Tirap	2005 - 2006	1	5600
27	Deputy Commissioner (ADMN), Ziro	2008 - 2009	1	185000
28	Deputy Commissioner (ANC), Changlang	2008 - 2009	1	5000
29	Deputy Commissioner (CSS), Pasighat	2002 - 2003	1	2500

Sl. No.	Name of the DDO / CO in whose name the AC Bill is drawn	Year	Number of AC Bills	Amount
30	Deputy Commissioner (ESD) Pasighat	2005 - 2006	2	400000
		2006 - 2007	1	500000
		2007 - 2008	1	345970
31	Deputy Commissioner (GES), Ziro	2002 - 2003	1	100000
32	Deputy Commissioner (LAR), Along	2002 - 2003	1	54000
33	Deputy Commissioner (SES).Khonsa	2007 - 2008	1	7343
34	Deputy Commissioner (SYS), Seppa	2006 - 2007	1	200000
35	Deputy Commissioner (TRA), Changlang	2008 - 2009	1	33750
36	Deputy Commissioner (TSM), Along	2008 - 2009	1	2000000
37	Deputy Commissioner (TSM), Tawang	2007 - 2008	1	98085
38	Deputy Commissioner (TSM). Yingkiang	2005 - 2006	1	800000
		2006 - 2007	1	700000
39	Deputy Commissioner, Papumpare	2004 - 2005	1	6000
		2006 - 2007	1	153000
40	Deputy Commissioner Papumpare Dist, Itanagar.	2008 - 2009	2	250000
41	Deputy Commissioner Tax and Excise (STE), Itanagar	2002 - 2003	1	10000
		2006 - 2007	1	10000
		2007 - 2008	3	47500
		2009 - 2010	1	600000
42	Deputy Commissioner(TRA) Along, Along	2006 - 2007	1	100000
		2007 - 2008	2	21158
43	Deputy Commissioner, Itanagar Capital Complex	2008 - 2009	2	1932546
44	Deputy Commissioner, Papumpare Dist.	2005 - 2006	2	50000
		2006 - 2007	2	670000
45	Deputy Commissioner, Pasighat	Up to 2000 - 2001	4	7500
46	Deputy Commissioner, Roing	2008 - 2009	2	30000
47	Deputy Commissioner,(ADMN) Daporijo	2008 - 2009	1	40005000
48	Deputy Commissioner,(ADMN) West Siang District, Along	2001 - 2002	2	4500
		2008 - 2009	2	51000
49	Deputy Commissioner,(CSS) Tirap	2002 - 2003	1	5000
		2004 - 2005	1	6000
50	Deputy Director Dept of Art and Culture, Naharlagun	2007 - 2008	6	15730000
		2009 - 2010	1	7000
51	Deputy Director of School Education, Yingkiang	2002 - 2003	1	9174
		2005 - 2006	1	9050
		2008 - 2009	1	10174
52	Deputy Director of Health Services (T&R),(FWL) Pasighat	2003 - 2004	1	7500
		2004 - 2005	2	15000
		2005 - 2006	5	37500
		2007 - 2008	1	75000
53	Deputy Director of Land Management	2009 - 2010	1	10000
54	Deputy Director of School Education East Kameng District, Seppa	2005 - 2006	1	12350
		2008 - 2009	2	284988
55	Deputy Director of School Education Papumpare	2005 - 2006	1	14550
56	Deputy Director of School Education, Tezu	2009 - 2010	2	463350
57	Deputy Director of School Education, Ziro	2008 - 2009	4	1140150
		2009-2010	1	4000
58	Deputy Director of School Education, Along	2007 - 2008	1	27750
59	Deputy Director of School Education, Bomdila	2006 - 2007	1	15650
		2009 - 2010	2	182588
60	Deputy Director of School Education, Changlang	2005 - 2006	1	20050
		2006 - 2007	1	20050
61	Deputy Director of School Education, Daporijo	2002 - 2003	1	12612
62	Deputy Director of School Education, Roing	2002 - 2003	1	13755
63	Deputy Director, Administrative Training Institute	2009 - 2010	15	589090

Sl. No.	Name of the DDO / CO in whose name the AC Bill is drawn	Year	Number of AC Bills	Amount
64	Deputy Director, Small Saving	2001 - 2002	2	30000
		2003 - 2004	1	120000
65	Deputy Superintendent of Police(TELE), Itanagar	2001 - 2002	3	120000
		2002 - 2003	3	29000
66	Director (UD), Itanagar	2009 - 2010	1	84150
67	Director General of Police, Itanagar	2003 - 2004	4	2154994
		2004 - 2005	9	17620553
		2005 - 2006	2	55000
		2006 - 2007	2	9276986
		2008 - 2009	9	26739447
		2009 - 2010	6	78454853
68	Director Health Services(MED), Naharlagun	2003 - 2004	2	20000
69	Director Information and Public Relation, Naharlagun	2006 - 2007	1	15000
		2007 - 2008	2	4939
70	Director of Accounts and Treasuries, Naharlagun	Up to 2000 - 2001	1	5000
		2001 - 2002	1	5000
		2002 - 2003	1	5000
		2004 - 2005	4	40000
		2006 - 2007	1	5000
		2007 - 2008	1	15000
		2008 - 2009	3	35000
		2009 - 2010	3	30000
71	Director of Agriculture, Naharlagun	2002 - 2003	2	470000
72	Director of Art & Culture, Naharlagun	2005 - 2006	2	148400
		2006 - 2007	2	35000
		2007 - 2008	6	1378450
		2008 - 2009	2	33800
73	Director of Audit & Pension, Naharlagun	2001 - 2002	1	10000
		2002 - 2003	1	5000
		2004 - 2005	2	3000
		2007 - 2008	1	15000
		2009 - 2010	1	10000
74	Director of Food and Civil Supplies, Naharlagun	2002 - 2003	1	10000
		2003 - 2004	1	5000
		2004 - 2005	1	10000
		2005 - 2006	1	10000
		2007 - 2008	1	5000
		2008 - 2009	5	925200
75	Director of Health Services Naharlagun	2001 - 2002	1	15000
		2004 - 2005	10	110000
		2006 - 2007	1	5000
		2008 - 2009	1	10000
		2009 - 2010	1	15000
76	Director of Higher Education, Itanagar	2006 - 2007	1	175000
		2007 - 2008	2	1392416
		2008 - 2009	2	305000
		2009 - 2010	1	800000
77	Director of Planning, Itanagar	2007 - 2008	1	120000
		2009 - 2010	4	40000
78	Director of Research, Itanagar	2001 - 2002	1	5000
		2002 - 2003	26	190800
		2004 - 2005	1	200000
		2006 - 2007	2	25000
		2007 - 2008	20	7649000
		2008 - 2009	11	3519500

Sl. No.	Name of the DDO / CO in whose name the AC Bill is drawn	Year	Number of AC Bills	Amount
		2009 - 2010	12	3900000
79	Director of School Education Naharlagun	2009 - 2010	1	150000
80	Director of School Education, Itanagar	2008 - 2009	1	450000
		2009 - 2010	7	98876101
81	Director of School Education, Naharlagun	2002 - 2003	1	5000
		2004 - 2005	3	15000
		2006 - 2007	4	624800
		2007 - 2008	2	509800
82	Director of Small Savings, Naharlagun	2003 - 2004	1	15000
		2006 - 2007	1	10000
		2007 - 2008	2	25000
83	Director of Tirap & Changlang (DOTC), Govt. of A.P., Itanagar	2004 - 2005	3	15000
		2009 - 2010	1	14960
84	Director of Tourism	2002 - 2003	1	40000
		2003 - 2004	3	1460000
		2006 - 2007	2	750000
		2007 - 2008	1	560000
85	Director Relief and Rehabilitation, Itanagar	2002 - 2003	1	4000
		2003 - 2004	1	5000
		2004 - 2005	2	10000
		2005 - 2006	1	5000
		2006 - 2007	1	5000
		2008 - 2009	1	469000
86	Director Social Welfare Department, Naharlagun	2004 - 2005	2	17000
87	Director Urban Development, Itanagar	2008 - 2009	3	111784
88	Director, Dept., of Public Libraries, Itanagar	2008 - 2009	1	70000
89	Director, Sports and Youth Affairs, Itanagar	2002 - 2003	1	188250
		2004 - 2005	1	20000
		2005 - 2006	1	158450
		2006 - 2007	1	152600
		2007 - 2008	2	20000
90	Directorate of Horticulture, Naharlagun	2002 - 2003	1	10000
91	District Election Officer, Pasighat	2002 - 2003	1	78225
		2009 - 2010	3	387937
92	Dist. Fishery Dev. Officer, Upper Siang Dist., Yingkiang.	2008 - 2009	1	17920
93	District Supply Officer, Seppa	2008 - 2009	1	4950
94	District A.H. & Vet Officer, Dibang Valley Dist., Roing	Up to 2000 - 2001	1	2000
95	District Agriculture Officer, Lohit, Tezu	Up to 2000 - 2001	2	352698
96	District Agriculture Officer, Upper Subansiri, Daporijo	Up to 2000 - 2001	3	262500
97	District Agriculture Officer, Ziro	Up to 2000 - 2001	3	717603
98	District Agriculture Officer, Anini	2007 - 2008	2	8748
99	District AH & VETY Officer, Tawang	2005 - 2006	1	420000
		2008 - 2009	1	2219
100	District and Medical Officer(FWL), Along	2001 - 2002	18	115500
		2003 - 2004	8	55000
		2004 - 2005	14	99000
		2005 - 2006	5	34800
101	District Election Officer(ADC), Roing	2002 - 2003	1	10000
102	District Election Officer(DC), Seppa	2004 - 2005	5	3800000
		2008 - 2009	5	127600
		2009 - 2010	1	250000
103	District Election Officer, Yingkiang	2002 - 2003	16	222598
		2004 - 2005	10	121750
		2008 - 2009	2	155000
104	District Election Officer, Ziro	2002 - 2003	1	200000

Sl. No.	Name of the DDO / CO in whose name the AC Bill is drawn	Year	Number of AC Bills	Amount
105	District Election Officer, Along	2003 - 2004	1	18000
		2004 - 2005	30	1609430
106	District Election Officer, Bomdila	2002 - 2003	2	150000
		2004 - 2005	2	102000
107	District Election Officer, Changlang	2002 - 2003	3	100000
		2004 - 2005	1	350000
		2008 - 2009	10	136350
		2009 - 2010	2	1747200
108	District Election Officer,	2004 - 2005	1	168450
109	District Election Officer, Daporijo	2002 - 2003	2	436000
110	District Election Officer, Itanagar	2008 - 2009	1	129335
		2004 - 2005	1	200000
112	District Election Officer, Tirap, Khonsa	2004 - 2005	1	154100
		2008 - 2009	1	129800
		2009 - 2010	2	439000
113	District Horticulture Officer (CHD), Seppa	Up to 2000 - 2001	4	3076080
114	District Horticulture Officer, Tawang	Up to 2000 - 2001	2	421700
115	District Horticulture Officer, Tirap	Up to 2000 - 2001	1	40000
116	District Horticulture Officer, Yingkiang	Up to 2000 - 2001	2	282240
117	District Medical Officer (MED), Tezu	2004 - 2005	4	490000
		2007 - 2008	1	46719
118	District Medical Officer	2004 - 2005	1	30000
		2005 - 2006	1	30000
119	District Medical Officer Papumpare, Yupia, Papumpare	2004 - 2005	3	28000
120	District Medical Officer(FWL)	2003 - 2004	8	55700
		2004 - 2005	6	45000
		2005 - 2006	4	30000
121	District Medical Officer, Yingkiang	2003 - 2004	2	30000
122	District Medical Officer, (MED),Along	2008 - 2009	1	3370
123	District Medical Officer, Anini	Up to 2000 - 2001	3	261000
124	District Medical Officer, Khonsa	2003 - 2004	13	90000
125	District Medical Officer,(FWL) Bomdila	2004 - 2005	1	20000
		2005 - 2006	1	50000
126	District Medical Officer,(FWL) Changlang	2004 - 2005	1	15000
127	District Medical Officer,(FWL), Daporijo	2005 - 2006	1	20000
128	District Medical Officer,(MED)Changlang	2004 - 2005	1	45608
129	District Research Officer, Pasighat	2008 - 2009	1	9000
130	District Supply Officer, Ziro	2006 - 2007	1	177120
131	District Training Officer, Solari	2002 - 2003	8	221000
132	Divisional Commissioner,(West), Itanagar	2004 - 2005	3	991802
		2006 - 2007	1	5000
133	Drawing & Disbursing Officer Planning Department Govt. of Arunachal Pradesh	2005 - 2006	2	15000
		2006 - 2007	2	20000
		2007 - 2008	5	1092000
		2008 - 2009	10	304000
134	Drawing & Disbursing Officer, Land Management Dept., Itanagar	2003 - 2004	1	5000
135	Dy. Director (Fisheries), Directorate of Fisheries, Itanagar (A/P	2003 - 2004	1	10000
136	Dy. Director Directorate of Economics & Statistics, Itanagar	2008 - 2009	1	10000
		2009 - 2010	1	40495
137	Dy. Resident Commissioner, Tezpur	Up to 2000 - 2001	7	1597250
		2003 - 2004	4	16728
138	Dy. Director Stationery & Printing, Naharlagun	2004 - 2005	2	2125000
		2007 - 2008	1	7000

Sl. No.	Name of the DDO / CO in whose name the AC Bill is drawn	Year	Number of AC Bills	Amount
139	Editor, Arunachal Pradesh Gazetteer, Shillong	2001 - 2002	1	3000
		2004 - 2005	2	147482
140	Engineer Assistant to Superintending Engineer, Civil Circle, PWD	2008 - 2009	10	651039
141	Finance & A/cs Officer, Directorate of Industries, Itanagar	2006 - 2007	1	10000
		2007 - 2008	1	15000
142	Finance & A/cs Officer, Directorate of Textile and Handicraft	2006 - 2007	1	10000
143	Finance & A/cs Officer, Legislative Assembly, Naharlagun	2004 - 2005	12	175000
		2005 - 2006	16	235000
		2006 - 2007	8	135000
		2007 - 2008	25	382000
		2008 - 2009	12	190000
144	General Manager, State Transport Department	2007 - 2008	2	9000
		2008 - 2009	3	23000
145	Joint Director Geology and Mining, Itanagar	Up to 2000 - 2001	1	5000
		2006 - 2007	5	61000
		2007 - 2008	12	125000
		2008 - 2009	6	384564
146	Labour and Employment Department, Naharlagun	2003 - 2004	1	10000
147	Minister of Arunachal Pradesh	2001 - 2002	9	33587
		2004 - 2005	1	50000
		2008 - 2009	1	5000
148	Principal Government High School, Itanagar	2005 - 2006	1	26100
		2009 - 2010	2	50000
149	Principal Government College, Itanagar	2001 - 2002	1	4000
		2009 - 2010	1	50000
150	Principal Govt. H.S. School, Namsai	2008 - 2009	23	263109
151	Principal I.T.I., Daporijo	2006 - 2007	1	44700
152	Principal ITI Yupia	2007 - 2008	1	42100
153	Principal Jawaharlal Nehru College Pasighat	2005 - 2006	1	100000
		2006 - 2007	1	100000
		2008 - 2009	1	75000
154	Principal, Dera Natung Govt. College, Itanagar	2003 - 2004	2	100000
		2007-2008	1	75000
155	Principal, Donyi-Polo Government College, Kamki	2007 - 2008	1	50000
156	Principal, Industrial Training Institute, Roing	2005 - 2006	1	95000
157	Principal, Industrial Training Institute, Dirang	2005 - 2006	1	81000
158	Principal, Rang-frah Government College, Changlang	2004 - 2005	1	45000
		2006 - 2007	2	140000
		2007 - 2008	1	40000
159	Principal, Sangay Lhadeen Sports Academy, Papumpare	2007 - 2008	1	292240
		2008 - 2009	1	307200
160	Principal, State Institute of Education, Changlang	Up to 2000 - 2001	1	153160
161	Research Officer (E&M) Planning and Development Department, Itanagar	2002 - 2003	1	5000
		2003 - 2004	5	25000
		2004 - 2005	2	10000
162	Secretary State Election Commission	2009 - 2010	1	10000
163	Secretary, State Lotteries, Itanagar	2001- 2002	2	600000
		2002 - 2003	2	400000
		2003 - 2004	5	2231000
		2004 - 2005	8	2040300
		2005 - 2006	6	525000
		2006 - 2007	3	720000
		2007 - 2008	11	5395000



Sl. No.	Name of the DDO / CO in whose name the AC Bill is drawn	Year	Number of AC Bills	Amount
		2008 - 2009	3	1030000
		2009 - 2010	7	5431600
164	Senior and A/cs Officer(Sr Grade-II) Directorate of Supply and	2002 - 2003	1	128100
		2003 - 2004	1	81000
		2005 - 2006	2	162039
165	Social Welfare, Women & Child Dev. Dept. Naharlagun	2003 - 2004	6	53000
		2004 - 2005	4	52000
		2005 - 2006	1	39760
		2006 - 2007	1	1822200
166	Superintendent of Police (TELE), Itanagar	2002 - 2003	1	185920
		2003 - 2004	45	2790030
		2004 - 2005	113	10914546
		2005 - 2006	64	1832133
		2006 - 2007	34	1686200
		2007 - 2008	35	17837977
		2008 - 2009	18	57694983
		2009 - 2010	38	25234490
167	Superintendent of Police (PS), Itanagar	2002 - 2003	1	10000
		2004 - 2005	1	40000
		2006 - 2007	8	164564
		2007 - 2008	1	40000
168	Superintendent of Police, Itanagar	2007 - 2008	2	2574560
169	Superintendent of Police, Papumpare	2006 - 2007	1	9000
170	Treasury Officer, Along	2005 - 2006	1	15770
		2006 - 2007	4	80913
		2007 - 2008	2	55000
		2008 - 2009	2	28856
171	Treasury Officer, Itanagar	2003 - 2004	1	207951
172	Under Secretary (Establishment) (Law), Itanagar	2001 - 2002	1	7000
		2004 - 2005	1	864500
173	Under Secretary (Establishment) O/o the Divisional Commissioner, Itanagar	2001 - 2002	45	225230
		2002 - 2003	64	499848
		2003 - 2004	34	449880
		2004 - 2005	37	1114552
		2005 - 2006	11	98400
		2007 - 2008	1	860000
174	Under Secretary (Establishment), Itanagar	2001 - 2002	5	1344569
		2002 - 2003	14	74751
		2003 - 2004	5	55400
		2004 - 2005	8	118000
		2005 - 2006	4	23000
		2007 - 2008	8	61281
		2008 - 2009	2	20000
175	Under Secretary to Governor, Itanagar	2001 - 2002	15	137000
		2002 - 2003	10	57340
		2003 - 2004	27	1089942
		2004 - 2005	44	2099174
		2005 - 2006	82	2591178
		2006 - 2007	42	316247
		2007 - 2008	11	197608
		2008 - 2009	9	91500
		2009 - 2010	11	4174612
176	Under Secretary(Admn Reforms), Itanagar	2006 - 2007	1	8500
		2008 - 2009	2	10000
		2009 - 2010	4	265000

Sl. No.	Name of the DDO / CO in whose name the AC Bill is drawn	Year	Number of AC Bills	Amount
177	Under Secretary, Itanagar	2001 - 2002	4	14008
		2002 - 2003	42	424881
		2003 - 2004	5	134000
		2004 - 2005	24	1259978
		2005 - 2006	56	1694079
		2006 - 2007	25	417500
		2007 - 2008	63	1608555
		2008 - 2009	64	406000
		2009 - 2010	41	1847625
178	Under Secretary, Public Service Commission, Itanagar	2004 - 2005	9	176320
		2005 - 2006	4	20000
		2006 - 2007	3	53050
		2007 - 2008	4	426592
		2008 - 2009	22	936830
		2009 - 2010	24	333968
179	Under Secretary, Sports and Youth Affairs, Itanagar	Up to 2000 - 2001	1	5000
180	Under Secretary, ( Establishment) Govt. of Arunachal Pradesh, Itanagar	2001 - 2002	42	300306
		2002 - 2003	207	2347990
		2003 - 2004	45	5908460
		2004 - 2005	26	2097069
		2005 - 2006	21	730000
		2006 - 2007	1	50000
		2007 - 2008	10	6589780
		2008 - 2009	20	239000
		2009 - 2010	2	10000
181	Vice Principal, P.T.C. Banderdewa	2002 - 2003	1	20000
<b>Total</b>			<b>2634</b>	<b>554178572</b>

## Appendix 3.1

Statement showing names of bodies and authorities, the accounts of which had not been received  
(Reference: Paragraph 3.2 pages)

Sl. No.	Name of body/ authority	Years for which accounts had not been received
1.	District Rural Development Agency, Daporijo	2006-07 to 2008-09
2.	District Rural Development Agency, Seppa	1996-97 to 2008-09
3.	District Rural Development Agency, Tawang	2005-06 to 2008-09
4.	District Rural development Agency, Yingkiong	2005-06 to 2008-09
5.	Arunachal Pradesh Social Welfare Advisory Board Itanagar	2004-05 to 2008-09
6.	District Urban Development Agency, Bomdila	2004-05 to 2008-09
7.	District Urban Development Agency, Tawang	2004-05 to 2008-09
8.	Arunachal Pradesh Agricultural Marketing Board, Naharlagun	2005-06 to 2008-09
9.	Arunachal Pradesh State Council for Science Technology, Itanagar	2007-08 to 2008-09
10.	Donyi Polo Mission, Itanagar	2003-04 to 2008-09
11.	Ram Krishna Mission Hospital, Itanagar	1999-2000 to 2008-09
12.	Ram Krishna Mission Narottam Nagar, Deomali	2005-06 to 2008-09
13.	Ram Krishna Mission Vivekananda Nagar, Along	2005-06 to 2008-09
14.	Ram Krishna Mission, Khonsa	2005-06 to 2008-09

