

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

**on
STATE FINANCES**

For the year ended 31 March 2012



GOVERNMENT OF ARUNACHAL PRADESH

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PREFACE

- 1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.*
- 2. Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of the Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2012.*
- 3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.*
- 4. Report containing the findings of Performance Audit and audit of transactions in various Departments and observations arising out of audit of Statutory Corporations, Government Companies and the Report containing observations on Revenue Receipts are presented separately.*

EXECUTIVE SUMMARY

BACKGROUND

This Report on the Finances of the Government of Arunachal Pradesh is being brought out with a view to objectively assess the financial performance of the State during the year 2011-12. The aim of this Report is to provide the State Government with timely inputs based on actual data so that there is a better insight into both 'well performing' as well as 'ill performing' Schemes/ Programmes of the Government. To give a perspective to the analysis, an effort has been made to compare achievements with the targets envisaged by the State Government in the Budget Estimates of 2011-12 and projections made by the Twelfth/ Thirteenth Finance Commissions.

Based on the audited accounts of the Government of Arunachal Pradesh for the year ending March 2012, this report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in three Chapters.

THE REPORT

Chapter I is based on the audit of Finance Accounts and makes an assessment of the fiscal position of the Government of Arunachal Pradesh as on 31 March 2012. It provides an insight into the trends in committed expenditure and borrowing patterns, besides a brief account of Central Funds transferred directly to State implementing agencies through the off-budget route.

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

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

AUDIT FINDINGS AND RECOMMENDATIONS

❖ *Return to Fiscal Correction*

During 2011-12, the State witnessed significant decrease in all the fiscal parameters as the revenue surplus during the current year decreased by 55.18 *per cent*, fiscal surplus and primary surplus during the previous year took a turnaround to deficit in the current year.

The State may need to give special attention to the fall in these fiscal parameters.

❖ Revenue Receipts

Revenue receipts during 2011-12 increased by 1.42 *per cent* (₹ 76.97 crore) over the previous year. Tax and Non-tax Revenue receipts exceeded the normative assessment made by the XIIIth Finance Commission by around 85 *per cent* and 66 *per cent* respectively. Central transfers, comprising of the State's share of Central taxes and Grants-in-aid from the Government of India, increased by ₹ 143.75 crore in 2011-12 and contributed to about 88 *per cent* of the Revenue receipts during the year. However, the State depends mostly on resources transferred by the Central Government. The State's own resources as a percentage of the total receipts declined from its peak (25.14 *per cent*) in 2007-08 to its lowest (12.34 *per cent*) in 2011-12. This indicates that Central transfers were the key to the increase in Revenue receipts of the State.

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

❖ Revenue and Total Expenditure

Revenue Expenditure of the State during 2011-12 increased by ₹ 673.62 crore over the previous year and constituted 68.04 *per cent* of the total expenditure during the year. Non-Plan Revenue Expenditure (NPRE) during 2011-12, which increased by ₹ 320.78 crore as compared to the previous year, also exceeded the normative assessment made by the XIIIth Finance Commission by around 73 *per cent*. Committed expenditure, *viz.*, salaries, pensions, interest payments and subsidies, constituted about 54 *per cent* of the Revenue Expenditure during 2011-12.

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

❖ Capital and Development Expenditure

The State Government has given adequate thrust to Capital Expenditure in its budget for 2011-12, but failed to fulfill its commitment. Though Capital Expenditure during the current year increased over the previous year, it fell short of the Budget Estimates by about 18 *per cent*. Development Expenditure during 2011-12 was 24.30 *per cent* more than the previous year and also exceeded the assessment made in the Budget Estimates by 46.70 *per cent*. But only 37.52 *per cent* was utilised for Capital expenditure.

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

❖ Debt Sustainability

Prevalence of fiscal liabilities of the State over the period 2007-12, which stood at 36.25 *per cent* of the GSDP in 2011-12, appears to be quite high especially when compared with the target prescribed by the XIIIth Finance Commission, *i.e.*, steady reduction in augmented Debt Stock of the States to less than 25 *per cent* of GDP by

2014-15. The positive resource gap during 2010-11 turned into a negative resource gap during 2011-12, indicating decreasing capacity of the State to sustain debt in the medium to long run.

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

❖ ***Funds transferred directly by GOI to State Implementing Agencies***

Funds transferred directly to State Implementing Agencies via the off-budget route impacts fiscal responsibility and legislative requirements of transparency. In the process, there is no accountability. During the current year, the GOI transferred ₹ 1098.98 crore (approx.) directly to State Implementing Agencies for implementation of various Schemes/Programmes without routing the amount through the State Budget.

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

❖ ***Financial Management and Budgetary Control***

During 2011-12, there was an overall savings of ₹ 2630.89 crore, which was the result of savings of ₹ 2674.64 crore offset by excess of ₹ 43.75 crore. The excess of ₹ 157.64 crore needed to be regularized as per Article 205 of the Constitution of India. There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriations. In many cases, anticipated savings were not surrendered and reconciliation of expenditure figures was not done by Controlling Officers.

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

❖ ***Financial Reporting***

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

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

CHAPTER – I: Finances of the State Government

Profile of Arunachal Pradesh

Arunachal Pradesh, the largest State area-wise in the North-Eastern region, is a Special Category State¹ with a geographical area of about 83,743 sq km. It has a long international border with Bhutan in the West (160 km), China in the North and North-east (1080 km) and Myanmar in the East (440 km). It also shares common boundaries with Assam and Nagaland. Arunachal Pradesh provides shelter to 0.11 *per cent* population of the country. According to the Census of India, 2011 (provisional data), the population of the State stands at 13,82,611 (Male:7,20,232; Female: 6,62,379) and the density of population of the State is 17 persons per sq km. As per data furnished by the Director of Economics & Statistics, Govt. of Arunachal Pradesh (December, 2012), Gross Domestic Product of the State was ₹ 11135.53 crore (Base Year 2004-05) and the estimated per capita GSDP of the State stood at ₹ 79,710 during 2011-12.

As per Gross State Domestic Product (GSDP)² series (Base Year 2004-05), there was a fluctuating trend in the growth rate of GSDP. While the growth of GSDP during 2007-08 was 17.09 *per cent*, and reached its peak in 2009-10 (31.40 *per cent*), it declined to 27.53 *per cent* in 2011-12. The average Compound Annual Growth Rate (CAGR) in respect of GSDP for Arunachal Pradesh between 2004-05 and 2011-12 was 18.04 *per cent*.

The State depends mostly on resources transferred by the Central Government as the State's own resources during 2007-12 contributed only about 13 to 25 *per cent* of the total revenue receipts. The outstanding fiscal liabilities of the State as percentage to GSDP indicated a decreasing trend during the period 2007-12. It declined from its peak of 54.86 *per cent* in 2007-08 to 36.25 *per cent* in 2011-12.

This Chapter provides a broad perspective of the finances of the Government of Arunachal Pradesh during the current year and analyses 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 the State Finance Accounts and information obtained from State Government. The structure of Government Accounts, lay-out of Finance Accounts, methodology adopted for assessment of the fiscal position and State Profile are shown in **Appendix 1.1** and **Appendix 1.2** of the Chapter, which briefly outline the Fiscal Responsibility and Budget Management Act of the Government, while **Appendix 1.3** presents the time series data on key fiscal variables/parameters and fiscal ratios relating to State Government finances for the period 2007-12.

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

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

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 (2011-12) *vis-à-vis* the previous year while Appendix 1.4 provides details of receipts/disbursements and the overall fiscal position during the current year.

Table 1.1: Summary of Fiscal Transactions (Current Year)

(₹ in crore)							
2010-11	Receipts	2011-12	2010-11	Disbursements	2011-12		
Section – A : Revenue							
					Non-Plan	Plan	Total
5422.09	Revenue Receipts	5499.06	3744.24	Revenue Expenditure	2853.86	1564.00	4417.86
214.99	Tax Revenue	317.65	1265.23	General Services	1244.80	39.64	1284.44
530.14	Non-tax Revenue	360.71	994.28	Social Services	756.72	628.70	1385.42
720.18	Share of Union Taxes/Duties	838.97	1484.73	Economic Services	852.34	895.66	1748.00
3956.78	Grants-in-aid from Government of India	3981.73					
Section – B : Capital							
...	Miscellaneous Capital receipts	...	1649.20	Capital Outlay	6.03	2059.85	2065.88
2.41	Recoveries of Loans and Advances	2.90	6.31	Loans and Advances Disbursed	9.69	...	9.69
122.36	Public Debt Receipts ³	168.66	86.50	Repayment of Public Debt	...	137.33	137.33
...	Contingency Fund	...	...	Contingency Fund	...	...	...
3077.77	Public Account Receipts	4224.65	2949.79	Public Account Disbursements	...	...	3954.68
1610.39	Opening Balance	1798.98	1798.98	Closing Balance	...	...	1108.81
10235.02	Total	11694.25	10235.02	Total			11694.25

Following are the significant changes during 2011-12 over the previous year:

- **Revenue Receipts** increased by 1.42 *per cent* (₹ 76.97 crore) over the previous year. The increase was contributed by Grants-in-aid of ₹ 24.95 crore (0.63 *per cent*) from the Government of India (GOI), State's share of Union Taxes and Duties of ₹ 118.79 crore (16.49 *per cent*), Tax Revenue of ₹ 102.66 crore (47.75 *per cent*), which was partly offset by decrease under Non-tax Revenue of ₹ 169.43 crore (31.96 *per cent*).
- **Revenue Expenditure** increased by 17.99 *per cent* (₹ 673.62 crore) over the previous year. While 29.13 *per cent* (₹ 352.84 crore) of the increase was under Plan heads, the increase under Non-plan heads was 12.66 *per cent* only (₹ 320.78 crore)

³ Includes net Ways and Means Advances.

over previous year. **Capital Expenditure** during the year increased by 25.27 per cent (₹ 416.68 crore) over the previous year.

- **Recovery and Disbursement of Loans and Advances** during the current year increased by ₹0.49 crore and ₹ 3.38 crore respectively compared to the previous year.
- **Public Debt Receipts** increased by ₹ 46.30 crore over the previous year mainly due to increase in receipts under Internal Debt (₹ 46.67 crore). **Repayment of Public Debt** also increased by ₹ 50.83 crore over the previous year.
- **Public Account Receipts and Disbursements** increased by ₹ 1146.88 crore and ₹ 1004.89 crore respectively over the previous year.
- The total inflow during 2011-12 was ₹ 9895.27 crore against ₹ 8624.63 crore in 2010-11, while the total outflow during 2011-12 was ₹ 10585.45 crore against ₹ 8436.04 crore during the previous year, registering an increase of 14.73 per cent and 25.48 per cent respectively, leading to a decline in the cash balances of the State by ₹ 690.17 crore (38.36 per cent) over the previous year.

1.2 Arunachal Pradesh Fiscal Responsibility and Budget Management Act

The performance of the State during 2011-12 in terms of key fiscal targets set for selected parameters laid down in the Arunachal Pradesh Fiscal Responsibility and Budget Management (Amendment) Act, 2011 *vis-à-vis* achievements are given below in **Table 1.2**.

Table 1.2: Trends in Major fiscal parameters/variables *vis-à-vis* projections for 2011-12

Fiscal Parameters	2011-12		
	Targets as per prescribed in FRBM Act	Projections made in Medium Term Fiscal Policy Statement	Actual
Revenue Surplus	Strive to remain revenue surplus during the period 2010-15	-	+ ₹ 1081.20
Revenue Surplus/(as % of GSDP)	Strive to maintain in a consistent manner	24.81	9.71
Fiscal Deficit/GSDP (<i>per cent</i>)	Not more than 3 per cent by 2011-12	2.08	8.90
Total outstanding debt/GSDP (<i>per cent</i>)	58.2	38.22	36.25

The above table indicates that though the State was able to achieve targets prescribed in the FRBM Act/MTFPS in respect of Revenue Surplus and Total Outstanding Debt as percentage of GSDP. However, the ratio of Fiscal Deficit-GSDP (in *percentage*) far surpassed the target fixed in the FRBM Act/MTFPS. The State Government has to initiate requisite measures to contain the Fiscal Deficit-GSDP ratio within permissible limits.

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 an income generating approach that measures gross income generated by factors of production physically located within the geographical boundaries of the State and also represents the volume of goods and services produced within the State. As per the New GSDP series furnished (December 2012) by the Directorate of Economics and Statistics, Government of Arunachal Pradesh, the quick estimated GSDP for the State of Arunachal Pradesh was ₹ 11135.53 crore during 2011-12, which was arrived at on the basis of current prices, taking into account 2004-05 as base year. The Table below shows the trend of growth of GSDP for the last five years.

Table 1.3: Trends in Gross State Domestic Product

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Gross State Domestic Product⁴ (₹ in crore)	4810.00	5687.32	7472.97	8731.50	11135.53
Growth Rate of GSDP	17.09	18.24	31.40	16.84	27.53

GSDP at current prices increased from ₹ 8731.50 crore in 2010-11 to ₹ 11135.53 crore in 2011-12, representing an increase of 27.53 *per cent*. Increase in the growth of GSDP during 2011-12 over that of previous year was mainly due to increase of 34.70 *per cent* under Industry, like Transport, Storage & Communications, Trade, Hotels, *etc.*, followed by 31.26 *per cent* under Agriculture and Allied Activities. The growth of GSDP during 2011-12 also significantly exceeded the projection made by the XIIIth FC. The average compound annual growth rate in respect of GSDP for Arunachal Pradesh between 2004-05 and 2011-12 was 18.04 *per cent*.

1.4 Budget Analysis

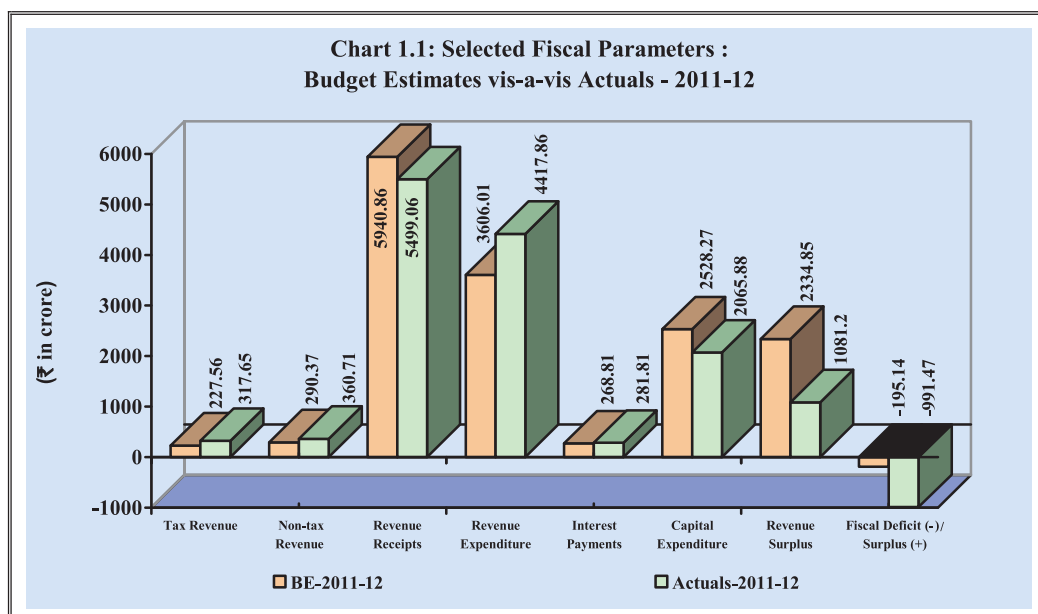
Budget documents presented by the State Government provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Several reasons may account for the deviation from actual realisation from the Budget Estimates. It may be due to unanticipated and unforeseen events or under or over-estimation of expenditure or revenue at the budget stage, *etc.* Actual realisation of revenue and its disbursement, however, depends on various factors, some internal and others external. **Table 1.4** presents the consolidated picture of State finances during 2010-11 (Actuals) and 2011-12 (Budget Estimates, Revised Estimates and Actuals) and **Chart 1.1** presents the Budget Estimates and actuals for some important fiscal parameters for 2011-12.

⁴ 2007-08 to 2009-10 - Revised Estimate; 2010-11 - Provisional Estimate; and 2011-12- Quick Estimate

Table 1.4: Variation in major items – actuals of 2011-12 over 2010-11 and Budget Estimates/Revised Estimates with actuals of 2011-12

(₹ in crore)

Parameters	2010-11	2011-12			Percentage of Excess (+)/ Shortfall (-) with reference to		
	Actuals	Budget Estimates (BE) ⁵	Revised Estimates (RE) ⁵	Actuals	Actuals of 2010-11	BE	RE
Tax Revenue	214.99	227.56	251.10	317.65	47.75	39.59	26.50
Non-Tax Revenue	530.14	290.37	371.25	360.71	-31.96	24.22	-2.84
REVENUE RECEIPTS	5422.09	5940.86	6650.78	5499.06	1.42	-7.44	-17.32
Non-debt Capital Receipts	2.41	3.30	3.30	2.90	20.33	-12.12	-12.12
REVENUE EXPENDITURE	3744.24	3606.31	4803.87	4417.86	17.99	22.50	-8.04
Interest Payments	399.92	268.81	310.36	281.81	-29.53	4.84	-9.20
CAPITAL EXPENDITURE	1649.20	2528.27	3415.22	2065.88	25.27	-18.29	-39.51
Disbursement of Loans and Advances	6.31	5.02	12.05	9.69	53.57	93.03	-19.59
REVENUE SURPLUS	+ 1677.85	+2334.45	+1846.91	+1081.20	-35.56	-53.69	-41.47
Fiscal Deficit (-)/Surplus (+)	+ 24.75	-195.44	-1577.06	-991.47	-4105.94	-407.30	37.13



- During 2011-12, the actual **Revenue Receipts** as compared with the Budget Estimates and Revised Estimates fell short by 7.44 per cent and 17.32 per cent respectively. The actual **Revenue Expenditure** as compared with the Budget Estimates, exceeded by 22.50 per cent but fell short of the Revised Estimates by 8.04 per cent.

- The **Capital Expenditure** as compared with the Budget Estimates and Revised Estimates was less by 18.29 per cent and 39.51 per cent respectively. Compared to the previous year, the Capital Expenditure of the State increased by ₹ 416.68 crore (25.27 per cent), which was mainly due to increase of ₹ 91.71 crore

⁵ Net estimates

(102.93 per cent) under General Services, ₹ 135.91 crore (33.17 per cent) under Social Services and ₹ 189.06 crore (16.43 per cent) under Economic Services.

- **Revenue Surplus** (₹ 1081.20 crore) during the year was less by 53.69 per cent (₹ 1253.65 crore) and 41.47 per cent (₹ 766.01 crore) compared to the assessment made in the Budget Estimates and Revised Estimates respectively. Against the fiscal deficit of ₹ 195.44 crore and ₹ 1577.06 crore, as assessed in the Budget and Revised Estimates, the year ended with a fiscal deficit of ₹ 991.47 crore. The wide variation between the Budget Estimates and actuals indicated that the budgeting was unrealistic.

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 of miscellaneous Capital Receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from the GOI and 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 and Table 1.5** depict the trends in various components of receipts of the State during 2007-12. **Chart 1.3** depicts the composition of resources of the State during the current year.

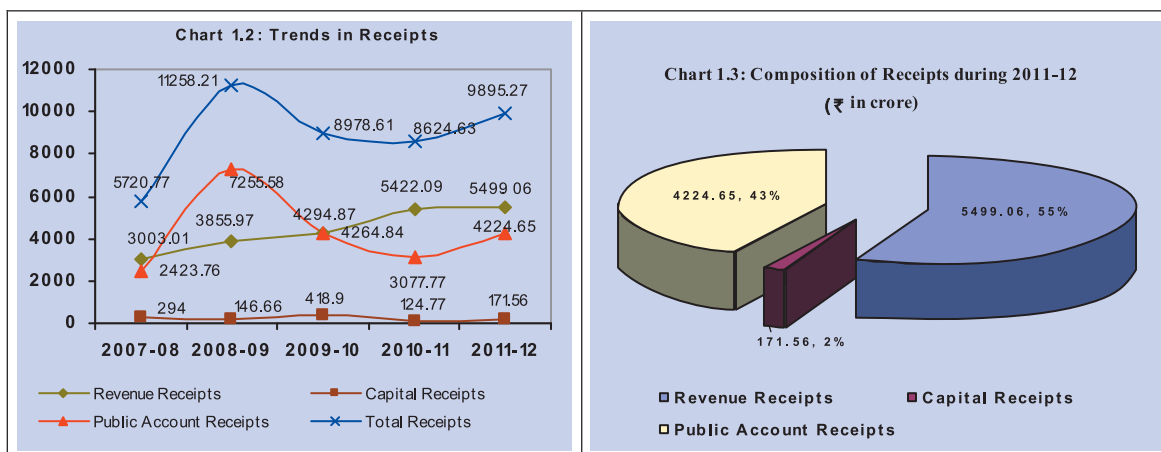


Table 1.5: Trends in Growth and Composition of Receipts

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

Sl. No.	Sources of State's Receipts	2007-08	2008-09	2009-10	2010-11	2011-12
I	REVENUE RECEIPTS	3003.01	3855.97	4294.87	5422.09	5499.06
II	CAPITAL RECEIPTS (CR)	294.00	146.66	418.90	124.77	171.56
	Miscellaneous Capital Receipts	-	-	-	-	-
	Recovery of Loans and Advances	2.94	2.78	202.70	2.41	2.90
	Public Debt Receipts	291.06	143.88	216.20	122.36	168.66
	Rate of growth of Non-debt Capital Receipts	26.18	5.44	7191.37	- 98.81	20.33
	Rate of growth of Debt Capital Receipts	163.71	- 50.57	50.26	- 43.40	37.84
	Rate of growth of GSDP	17.09	18.24	31.40	16.84	27.53
	Rate of growth of CR	160.87	- 50.12	185.63	- 70.21	37.50
III	CONTINGENCY FUND	-	-	-	-	
IV	PUBLIC ACCOUNT RECEIPTS	2423.76	7255.58	4264.84	3077.77	4224.65
	Small Savings, Provident Fund, etc.	122.21	157.21	220.14	183.41	256.02
	Reserve Funds	10.00	14.00	15.00	17.00	19.00
	Deposits and Advances	250.28	533.44	540.38	650.90	940.44
	Suspense and Miscellaneous	442.90	3892.93	649.59	- 219.28	10.55
	Remittances	1598.37	2658.00	2839.74	2445.74	2998.64
	TOTAL RECEIPTS	5720.77	11258.21	8978.61	8624.63	9895.27

Total Receipts during the current year increased by ₹ 1270.64 crore (14.73 per cent) over the previous year. Of the increase in total receipts, Public Account Receipts formed 37.26 per cent (₹ 1146.88 crore), followed by Revenue Receipts at 1.42 per cent (₹ 76.97 crore) and Capital Receipts by 37.50 per cent (₹ 46.79 crore). Out of the total receipts under Public Account, remittances constituted 70.98 per cent, out of which Public Works remittances constituted 93.74 per cent (₹ 2810.94 crore).

Total Receipts of the State for 2011-12 was ₹ 9895.27 crore, of which ₹ 5499.06 crore (55.57 per cent) came from Revenue receipts and the remaining (44.43 per cent) from borrowings and Public Account. The total receipts of the State increased by 72.97 per cent from ₹ 5720.77 crore in 2007-08 to ₹ 9895.27 crore in 2011-12.

Revenue Receipts increased steadily by 83.12 per cent from ₹ 3003.01 crore in 2007-08 to ₹ 5499.06 crore in 2011-12, whereas Public Debt receipts, which create future repayment obligations, decreased by 42.05 per cent from ₹ 291.06 crore in 2007-08 to ₹ 168.66 crore in 2011-12. Public Account receipts increased from ₹ 2423.76 crore (42.37 per cent of total receipts) in 2007-08 to ₹ 4224.65 crore (42.69 per cent of total receipts) in 2011-12.

Capital Receipts decreased by 41.65 per cent from ₹ 294.00 crore in 2007-08 to ₹ 171.56 crore in 2011-12.

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 State Implementing Agencies⁶ for implementation of various Schemes/ Programmes

⁶ State Implementing Agency includes any organisation/institution including non-Governmental Organisation which is authorised by the State Government to receive the 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.

in social and economic sectors recognized as critical. As these funds are not routed through the State Budget/State Treasury System, the Annual Finance Accounts do not reflect the flow of these funds, and to that extent, the State's receipts and expenditure and fiscal variables/parameters derived from them, are underestimated. An illustrative position of Central funds transferred to the State Implementing Agencies during 2011-12 for implementation of various Schemes is given in **Appendix 1.5**. The GOI directly transferred ₹ 1098.98 crore (approx.) to State Implementing Agencies during 2011-12. With this transfer, the total availability of State resources increased from ₹ 9895.27 crore to ₹ 10994.25 crore. The scheme-wise position involving substantial amount of Central funds is given in **Table 1.6**.

Table 1.6: Funds Transferred directly to State Implementing Agencies

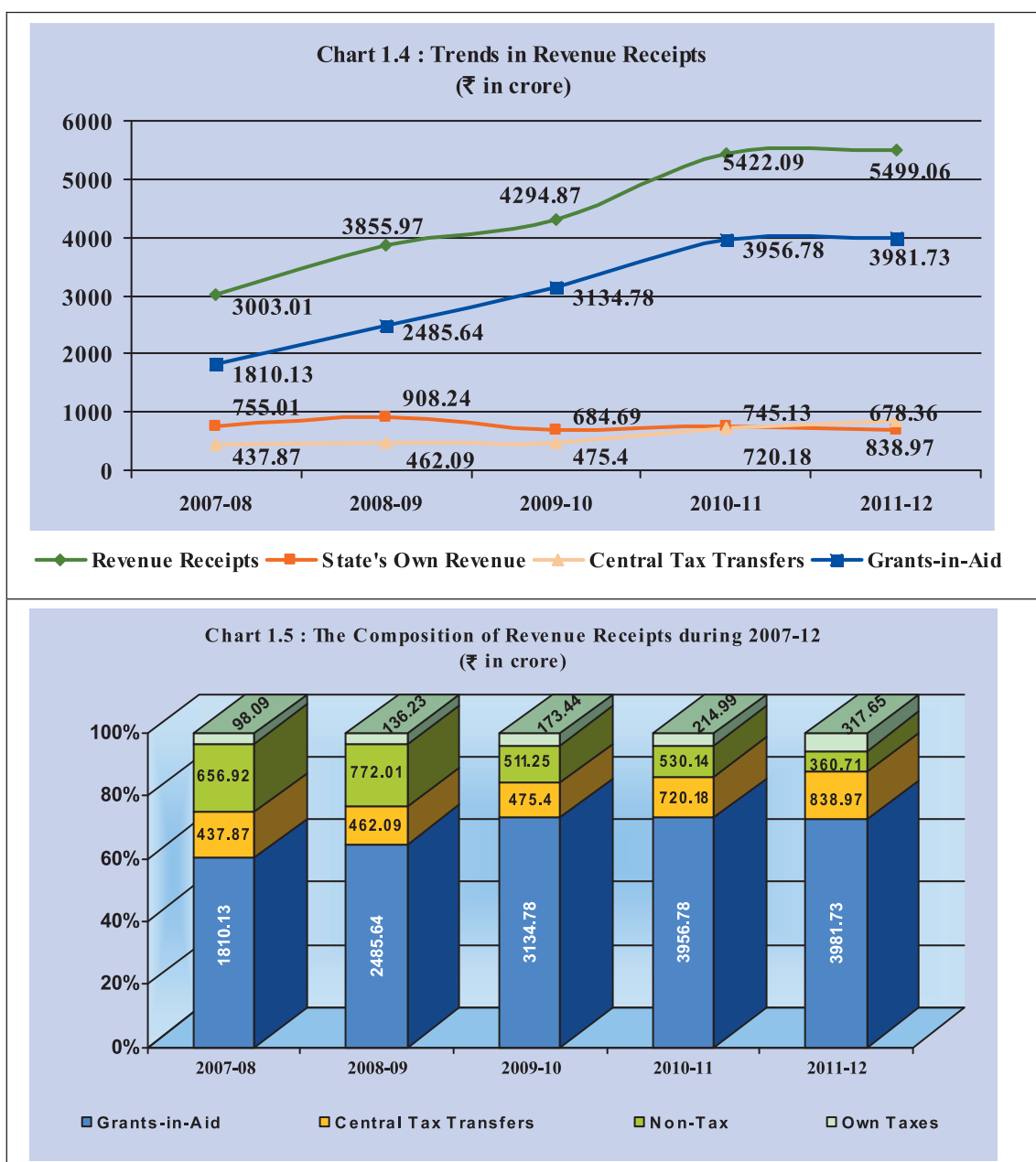
		(₹ in crore)
Programme/Scheme	Implementing Agency in the State	Funds Transferred by the GOI
Sarva Shiksha Abhiyan	SSA Rajya Mission, Itanagar	238.80
PMGSY	Rural Road Development, Itanagar	214.27
National Rural Drinking Water Programme	SWSM, Arunachal Pradesh	184.83
MGNREGA	DRDA(District)	78.42
Grid Interactive Renewable Power, MNRE	AP Energy Development Agency	62.77
NRHM(Centrally Sponsored)	AP State Health Society	52.83
Integrated Watershed Management Programme	DRDA(District)	38.06
Forward Linkages to NRHM, New Initiatives in NE	AP State Health Society	35.58
Rural Housing(IAY)	DRDA(District)	31.98
Adult Education & Skill Development Scheme	AP State Literacy Mission Authority, Itanagar	22.61
TOTAL		960.15

Source: Central Plan Scheme Monitoring System of CGA website

Out of ₹ 960.15 crore, ₹ 238.80 crore (24.87 per cent) was transferred to the Rajya Mission of Sarva Shiksha Abhiyan and ₹ 214.27 crore (22.32 per cent) to the Rural Road Development Agency. Unless uniform accounting practices are diligently followed by all these agencies and there is proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers.

1.6 Revenue Receipts

Statement - 11 of the Finance Accounts details the Revenue receipts of the Government. Revenue receipts consist of its own Tax and Non-tax revenue, Central Tax transfers and Grants-in-aid from GOI. The trends and composition of Revenue receipts over the period 2007-12 are presented in **Appendix 1.3** and also depicted in **Charts 1.4** and **1.5** respectively. The trends in Revenue receipts relative to GSDP are presented in **Table 1.7**.

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

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Receipts (RR) (₹ in crore)	3003.01	3855.97	4294.87	5422.09	5499.06
Rate of growth of Revenue Receipts (per cent)	15.85	28.40	11.38	26.25	1.42
Rate of growth of Own Taxes (per cent)	25.37	38.88	27.31	23.96	47.75
Revenue Receipts/GSDP (per cent)	62.43	67.80	57.47	62.10	49.38
Buoyancy Ratio					
Revenue Buoyancy Ratio with reference to GSDP	0.93	1.56	0.36	1.56	0.05
State's Own Taxes Buoyancy Ratio with reference to GSDP	1.48	2.13	0.87	1.42	1.73
State's Own Taxes Buoyancy Ratio with reference to Revenue Receipts	1.60	1.37	2.40	0.91	33.63

1.6.1 General Trends

Revenue Receipts of the State increased by ₹ 2496.05 crore from ₹ 3003.01 crore in 2007-08 to ₹ 5499.06 crore in 2011-12. Tax revenue increased by ₹ 219.56 crore from ₹ 98.09 crore in 2007-08 to ₹ 317.65 crore in 2011-12, whereas Non tax revenue decreased by ₹ 296.21 crore from ₹ 656.92 in 2007-08 to ₹ 360.71 crore in 2011-12. The Buoyancy Ratio of Revenue receipts with reference to GSDP decreased due to significant increase in the rate of growth of GSDP in 2011-12 compared to the previous year. But the Buoyancy Ratio of the State's own Tax revenue with reference to GSDP increased due to significant increase in the growth rate of the State's own Tax revenue under Taxes on Sales, Trade, etc., (28.60 per cent) and State Excise (26.53 per cent). The Buoyancy Ratio of the State's own taxes to Revenue receipts indicates that the pace of growth of its own taxes. State's own taxes buoyancy ratio with reference to Revenue Receipts during the current year was 33.63. This may not reflect the correct picture as the increase in revenue receipts during the year was restricted by significant decline in non-tax revenue and a very moderate increase in Grants-in-aid from Government of India during the current year compared to previous year.

1.6.2 Central Tax Transfers

Central Tax Transfers increased by 16.49 per cent (₹ 118.79 crore) over the previous year and constituted 15.26 per cent of Revenue receipts. The increase was mainly due to transfer of additional amount in Corporation Tax (₹ 48.77 crore), Service Tax (₹ 28.25 crore), Customs (₹ 19.54 crore) and Taxes on Income other than Corporation Tax (₹ 19 crore).

1.6.3 Grants-in-Aid

Details of Grants-in-aid from the GOI are given in **Table 1.8**.

Table 1.8: Grants-in-Aid from the GOI

Particulars	(₹ in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Non-Plan Grants	380.30	454.97	505.76	836.29	850.18
Grants for State Plan Schemes	1268.96	1664.36	2296.66	2616.44	2565.22
Grants for Central Plan Schemes	60.38	52.18	66.43	47.59	30.74
Grants for Centrally Sponsored Schemes	62.33	248.81	142.39	378.31	352.96
Grants for Special Plan Schemes	38.16	65.33	123.54	78.15	182.63
Total	1810.13	2485.65	3134.78	3956.78	3981.73
Percentage of increase(+)/decrease(-) over previous year	- 3.18	+ 37.32	+ 26.12	+ 26.22	+ 0.63

Grants-in-aid from the GOI increased by 0.63 per cent (₹ 24.95 crore) from ₹ 3956.78 crore in 2010-11 to ₹ 3981.73 crore in the current year. The increase was mainly due to increase in grants for Special Plan Schemes by ₹ 104.48 crore (133.69 per cent) and Non-Plan grants by ₹ 13.89 crore (1.66 per cent). The increase was partly offset by decrease in grants for State Plan Schemes by ₹ 51.22 crore (1.96 per

cent), grants, grants for Central Plan Schemes by ₹ 16.85 crore (35.41 per cent) and grants for Centrally Sponsored Schemes by ₹ 25.35 crore (6.70 per cent).

Non-Plan grants (₹ 850.18 crore) constituted 21.35 per cent of the total grants during the year, of which 94.35 per cent (₹ 802.14 crore) was under the proviso to Article 275(1) of the Constitution. The remaining amount (₹ 48.04 crore) was released mainly as modernization of the Police force (₹ 41.53 crore) and reimbursement of security related expenditure (₹ 2.20 crore).

1.6.4 State's Own Resources

As the State's share in Central taxes and Grants-in-aid are determined on the basis of recommendations of the Finance Commission, collection of Central tax receipts and Central assistance for Plan schemes, etc., the State's performance in mobilisation of additional resources should be assessed in terms of its own resources, comprising of revenue from its own Tax and Non-tax sources. Tables 1.9 and 1.10 below show the trends of Tax and Non-tax revenue during the period 2007-12 and the variation between the Budget Estimates of Revenue receipts and the actual receipts under the principal heads of Tax and Non-tax revenue for 2011-12.

Table 1.9: Tax Revenue

(₹ in crore)

Heads	2007-08	2008-09	2009-10	2010-11	2011-12		
					Budget Estimate	Actuals	Variations Increase (+) /Shortfall (-)(per cent)
Taxes on Sales, Trade, etc.	77.06	105.68	130.23	168.24	173.46	216.36	24.73
State Excise	11.61	16.61	23.78	29.74	28.78	37.63	30.75
Taxes on Vehicles	6.42	7.76	13.07	11.76	17.00	12.41	- 27.00
Stamp and Registration Fees	0.86	1.25	1.88	1.86	2.27	2.24	- 1.32
Land Revenue	2.12	4.90	4.43	3.37	6.05	3.85	- 36.36
Other Taxes ⁷	0.02	0.03	0.05	0.02	-	45.16	-
Total	98.09	136.23	173.44	214.99	227.56	317.65	39.59

Table 1.10: Non-Tax Revenue

(₹ in crore)

Heads	2007-08	2008-09	2009-10	2010-11	2011-12		
					Budget Estimate	Actuals	Variations Increase (+) Shortfall (-) (per cent)
Fiscal Services	-	-	0.02	-	-	-	-
Interest Receipts, Dividends and Profits	29.10	34.80	40.02	111.35	50.00	48.71	- 2.58
General Services	53.02	28.45	23.09	17.67	19.64	19.84	1.02
Social Services	7.30	10.73	9.07	9.67	11.20	10.35	- 7.59
Economic Services	567.50	698.03	439.05	391.45	209.53	281.81	34.50
Total	656.92	772.01	511.25	530.14	290.37	360.71	24.22

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

1.6.4.1 Tax Revenue

Tax Revenue increased by 47.75 per cent during the current year (₹ 317.65 crore) over the previous year (₹ 214.99 crore). Revenue from Taxes on Sales, Trade, etc; contributed to the major share of Tax revenue (68.11 per cent) and it increased by 28.60 per cent over the previous year. State Excise, Taxes on Vehicles and Stamp and Registration Fees were the other major contributors in the State's Tax revenue. Though there was an increase in the Tax revenue during 2011-12 over the previous year, the Tax-GSDP ratio (2.85 per cent) during 2011-12 was marginally lower than the projection (2.91 per cent) made by the XIIIth FC.

1.6.4.2 Non-Tax Revenue

Non-tax revenue (NTR), which constituted around 6.56 per cent of the total revenue receipts, significantly decreased by ₹ 169.43 crore (31.96 per cent) during 2011-12 over the previous year. Around 78.13 per cent (₹ 281.81 crore) of Non-tax revenue during 2011-12 was received from Economic Services, and within this category, receipts under Power Sector alone contributed 51.47 per cent (₹145.04 crore). Also receipt under power sector declined from its peak (₹ 609.74 crore) during 2008-09 to its lowest (₹ 145.04 crore) in 2011-12. Interest receipts decreased by ₹ 62.64 crore (56.26 per cent) during 2011-12 compared to the previous year, mainly due to decrease in Interest Receipts on State/Union Territory Governments by ₹ 62.65 crore. The CAGR of Non-tax revenue for Arunachal Pradesh between 2002-03 and 2010-11 (27.42 per cent) had, however, significantly declined to 18.84 per cent between 2002-03 and 2011-12.

➤ Cost Recovery in Supply of Merit Goods and Services

Current levels of cost recovery (Non-tax revenue receipts as a percentage of Non-plan revenue expenditure) in supply of merit goods and services by Government were negligible, as depicted in **Table 1.11**.

Table 1.11: Cost Recovery

(₹ in lakh)

Particulars	2011-12			2010-11		
	Non-Tax Revenue Receipts	Non-Plan Revenue Expenditure	Cost Recovery (per cent)	Non-Tax Revenue Receipts	Non-Plan Revenue Expenditure	Cost Recovery (per cent)
Elementary Education	80.16	27038.13	0.30	49.40	23775.55	0.21
Secondary Education	32.28	10355.72	0.31	9.55	8847.61	0.11
Medical and Public Health	43.05	18835.84	0.23	35.19	17654.79	0.20
Public Works	900.39	10792.29	8.34	302.36	8254.05	3.66

As can be seen from above, while the cost recovery for Public Works during 2011-12 was 8.34 per cent, for Elementary Education, Secondary Education and Medical & Public Health, the percentages were 0.30, 0.31 and 0.23 respectively. However, there was an increase in the cost recovery during the current year as compared to the previous year in all four heads.

1.6.4.3 Own Resources vis-à-vis assessments made by the Twelfth/Thirteenth Finance Commissions

Mobilisation of the State's own resources vis-à-vis assessments made by the XIIth FC (2007-10)/XIIIth FC (2010-12) and State Government in its own Fiscal Correction Path (2007-10)/Budget Estimate (BE) (2010-12) are given below:

Table 1.12

(₹ in crore)

Year	Assessment made by XIIth/ XIIIth FCs			Assessment made by State Government in Fiscal Correction Path (FCP)/BE-2010-12			Actuals		
	Tax Revenue	Non-Tax Revenue	Total	Tax Revenue	Non-Tax Revenue	Total	Tax Revenue	Non-Tax Revenue	Total
2007-08	138.07	103.85	241.92	67.06	195.00	262.06	98.09	656.92	755.01
2008-09	157.51	118.42	275.93	71.06	202.80	273.86	136.23	772.01	908.24
2009-10	179.69	136.03	315.72	75.06	211.00	286.06	173.44	511.25	684.69
2010-11	151.72	199.53	351.25	144.00	382.93	526.93	214.99	530.14	745.13
2011-12	172.17	217.89	390.06	227.56	290.37	517.93	317.65	360.71	678.36

Though the State failed to achieve the target fixed by the XIIth FC in collection of Tax revenue during 2007-10, it successfully achieved the target fixed by the XIIIth FC for the remaining two years (2010-11 and 2011-12). During 2011-12, Tax revenue was 84.50 per cent higher than the assessment made by the XIIIth FC and 39.59 per cent higher than the assessment made in the Budget Estimates for the year. Also, collection of Non-tax revenue during 2011-12 was higher than the assessment made by the XIIIth FC (65.55 per cent) and in Budget Estimates (24.22 per cent).

1.6.4.4 Loss of Revenue due to Evasion of Taxes, Write-offs/Waivers and Refunds

Test-check of the records of seven units of Commercial Tax, State Excise, Motor Vehicles, Forest and other Departmental offices conducted during the year 2011-12 revealed underassessment/short levy/loss of revenue aggregating to ₹ 12.60 crore in 44 cases. The total loss of revenue, which was around 2 per cent of the State's own resources consisting of Tax and Non-tax revenue (₹ 678.36 crore) during 2011-12, indicated the presence of loopholes in resource mobilization, thereby adversely affecting the developmental activities of the State.

1.7 Application of Resources

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 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, especially expenditure directed towards development and Social sectors.

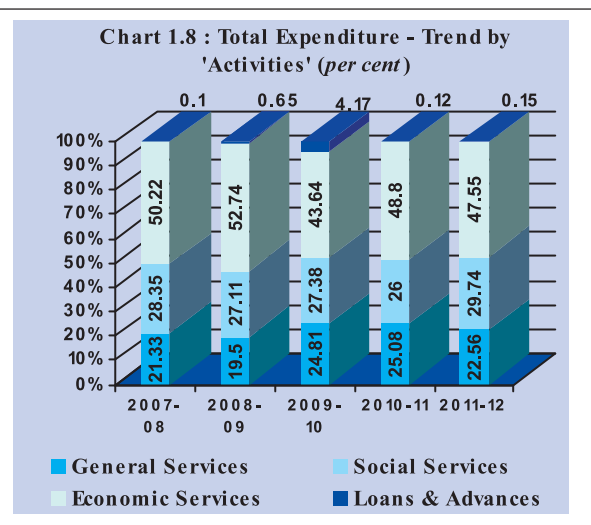
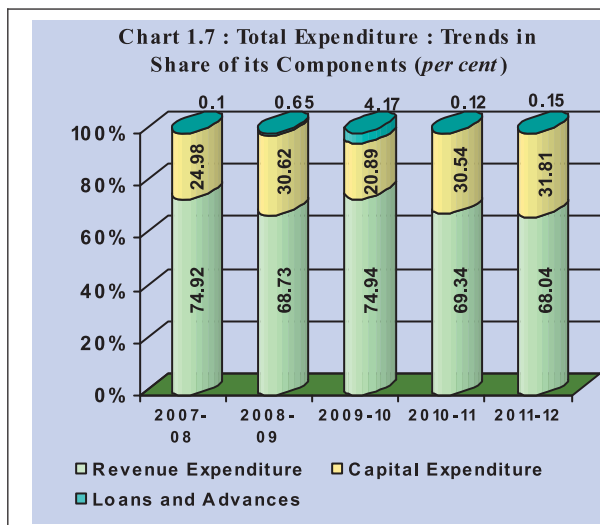
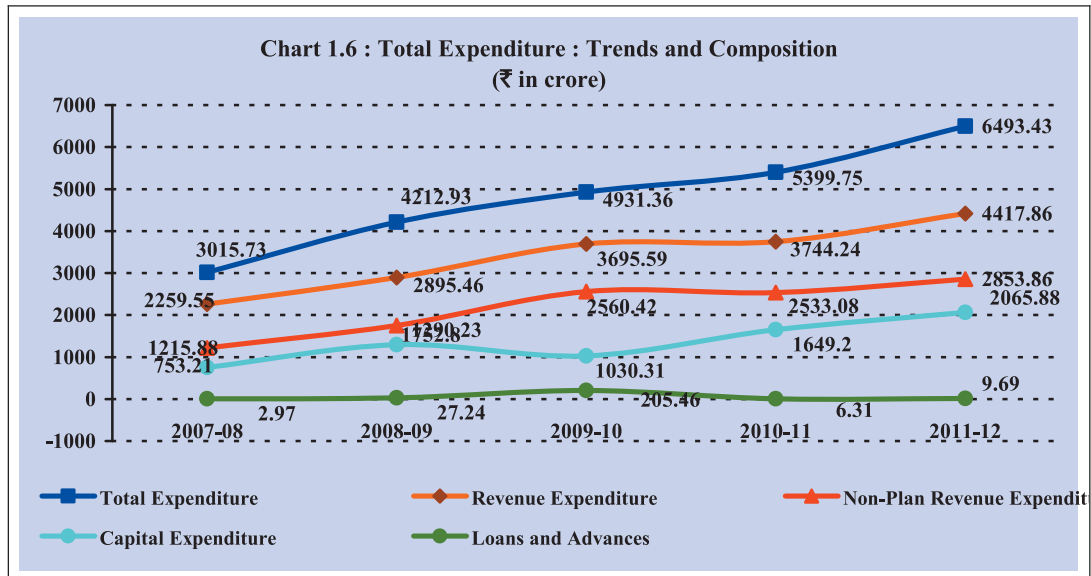
1.7.1 Growth and Composition of Expenditure

The total expenditure and its compositions during the years 2007-08 to 2011-12 are presented in the **Table 1.13**

Table 1.13: Total Expenditure and its Composition

Particulars	₹ in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
TOTAL EXPENDITURE	3015.73	4212.93	4931.36	5399.75	6493.43
Revenue Expenditure	2259.55	2895.46	3695.59	3744.24	4417.86
<i>of which, Non-plan Revenue Expenditure</i>	<i>1215.88</i>	<i>1752.80</i>	<i>2560.42</i>	<i>2533.08</i>	<i>2853.86</i>
Capital Expenditure	753.21	1290.23	1030.31	1649.20	2065.88
Loans and Advances	2.97	27.24	205.46	6.31	9.69

Chart 1.6 presents the trends in total expenditure over a period of five years (2007-12), and its composition both in terms of ‘economic classification’ and ‘expenditure by activities,’ is depicted respectively in **Charts 1.7 and 1.8**.



1.7.1.1 Trends in Total Expenditure

The total expenditure of the State increased by ₹ 3477.70 crore (115.32 *per cent*) from ₹ 3015.73 crore in 2007-08 to ₹ 6493.43 crore in 2011-12. 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 1.14**

Table 1.14: Total Expenditure – Basic Parameters

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Total Expenditure (TE) (₹ in crore)	3015.73	4212.93	4931.36	5399.75	6493.43
Rate of Growth (<i>per cent</i>)	21.23	39.70	17.05	9.50	20.25
TE/GSDP Ratio (<i>per cent</i>)	62.70	74.08	65.99	61.84	58.31
RR/TE Ratio (<i>per cent</i>)	99.58	91.53	87.09	100.41	84.69
Buoyancy of Total Expenditure with reference to...					
GSDP (ratio)	1.24	2.18	0.54	0.56	0.74
RR (ratio)	1.34	1.40	1.50	0.36	14.26

The increase of ₹ 1093.68 crore (20.25 *per cent*) in total expenditure during 2011-12 over the previous year was mainly on account of increase of ₹ 673.62 crore in Revenue expenditure, ₹ 416.68 crore in Capital Expenditure and ₹ 3.38 crore in Loans and Advances. While the share of Plan expenditure constituted around 55.81 *per cent* (₹ 3659.88 crore) of the total expenditure, the remaining 44.19 *per cent* (₹ 2869.58 crore) was Non-plan expenditure. The buoyancy of total expenditure to GSDP stood at 0.74 in 2011-12 due to growth rate of total expenditure at a much slower pace as compared to that of GSDP. Similarly, the Buoyancy Ratio of total expenditure to Revenue receipts stood at 14.26, indicating increase in expenditure at a pace much higher than receipts.

In terms of activities, total expenditure comprises of expenditure on General Services, including Interest payments, Social and Economic Services, Grants-in-aid and Loans and Advances. Of the total expenditure during 2011-12, expenditure on General Services, including Interest payments, which are considered as non-developmental, together accounted for 22.56 *per cent*. On the other hand, expenditure on Social and Economic Services (Revenue and Capital) together accounted for 77.29 *per cent* during 2011-12. The relative share of Social Services increased from 26 *per cent* in 2010-11 to 29.74 *per cent* in 2011-12. The relative share of Economic Services was 47.55 *per cent* in 2011-12, which was lowest in the last five years after reaching its peak in 2008-09 (52.74 *per cent*). Loans and Advances revealed wide fluctuations during the period 2007-12 and stood at 0.15 *per cent* of the total expenditure during 2011-12.

1.7.1.2 Incidence of Revenue Expenditure

Revenue Expenditure is incurred to maintain the current level of services and payment of past obligations and as such does not result in any addition to the State's infrastructure and service network. The overall Revenue expenditure, its rate of

growth, ratio of Revenue expenditure to GSDP and to Revenue receipts and its buoyancy are indicated in **Table 1.15**.

Table 1.15: Revenue Expenditure – Basic Parameters

(₹ in crore)					
Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Expenditure (RE)	2259.55	2895.46	3695.59	3744.24	4417.86
<i>of which</i>					
Non-Plan Revenue Expenditure (NPRE)	1215.88 (53.81)	1752.80 (60.54)	2560.42 (69.28)	2533.08 (67.65)	2853.86 (64.60)
Plan Revenue Expenditure (PRE)	1043.67 (46.19)	1142.66 (39.46)	1135.17 (30.72)	1211.16 (32.35)	1564.00 (35.40)
Rate of Growth of					
RE (<i>per cent</i>)	19.10	28.14	27.63	1.32	17.99
NPRE (<i>per cent</i>)	11.94	44.16	46.08	- 1.07	12.66
PRE (<i>per cent</i>)	28.69	9.48	- 0.66	6.69	29.13
Ratio (<i>per cent</i>)					
RE as percentage of TE	74.93	68.73	74.94	69.34	68.04
NPRE/GSDP (<i>per cent</i>)	25.28	30.82	34.26	29.01	25.63
NPRE as percentage of TE	40.32	41.61	51.92	46.91	43.95
NPRE as percentage of RR	40.49	45.46	59.62	46.72	51.90
Buoyancy Ratio of Revenue Expenditure with...					
GSDP	1.12	1.54	0.88	0.08	0.65
Revenue Receipts	1.21	0.99	2.43	0.05	12.67

(Figures in brackets represent percentages to Revenue expenditure)

Revenue Expenditure constituted 68.04 *per cent* to 74.94 *per cent* of the total expenditure during 2007-12 and increased by 95.52 *per cent* from ₹ 2259.55 crore in 2007-08 to ₹ 4417.86 crore in 2011-12. The Non-Plan Revenue Expenditure (NPRE) during the same period increased from ₹ 1215.88 crore in 2007-08 to ₹ 2853.86 crore in 2011-12, an increase of 134.72 *per cent*, outpacing the growth of Revenue Expenditure during the period. As a percentage of total Revenue expenditure, NPRE also increased from 53.81 *per cent* in 2007-08 to 64.60 *per cent* in 2011-12. As a result, the share of Plan Revenue Expenditure (PRE) in the total revenue expenditure, which normally covers maintenance expenditure incurred on services decreased from 46.19 *per cent* during 2007-08 to 35.40 *per cent* during 2011-12.

Compared to previous years, NPRE during 2011-12 increased by ₹ 320.78 crore. The positive growth of 12.66 *per cent* in NPRE during 2011-12 against a negative growth of 1.07 *per cent* during the previous year was mainly due to increased expenditure on Education, Sports and Arts and Culture (₹ 55.27 crore), followed by Agriculture and Allied Activities (₹ 52.51 crore). PRE increased by ₹ 352.84 crore (29.13 *per cent*) over the previous year. The growth of PRE was mainly due to increased expenditure on Education, Sports and Arts and Culture by ₹ 45.69 crore, followed by ₹ 22.14 crore on Health and Family Welfare.

The NPRE at ₹ 2853.86 crore during 2011-12, was around 72.72 per cent (₹ 1201.58 crore) higher than the normatively assessed level of ₹ 1652.28 crore by the XIIIth FC (Table 1.16).

Table 1.16 : Non-Plan Revenue Expenditure during 2011-12: Actuals vis-à-vis Normative Assessment by XIIIth FC

(₹ in crore)		
Sectors	XIIIth FC Recommendations	Actuals
Salary	834.57	1569.99
Interest Payments	257.78	281.81
Pension	175.38	237.98
Other General Services	137.00	208.86
Social Services	62.66	117.74
Economic Services	184.89	437.48
TOTAL	1652.28	2853.86

During 2011-12, the actual expenditure incurred on all other components of NPRE was more than the assessments made by the XIIIth FC. The total NPRE during 2011-12 also exceeded the projection made by the State Government in its Budget (₹ 2329.48 crore) by 22.51 per cent (₹ 524.38 crore).

According to the recommendation of the XIIIth FC, “*the practice of diverting of Plan assistance to meet Non-plan needs of Special Category States should be discontinued.*” During 2011-12, the Revenue receipts of Arunachal Pradesh, excluding Plan assistance (₹ 3131.55 crore), was ₹ 2367.51 crore. Against this, the NPRE during the year was ₹ 2853.86 crore. Obviously, Plan assistance was diverted for Non-plan heads and thus, the State could not adhere to the recommendation of the XIIIth FC.

1.7.1.3 Capital Expenditure

Capital Expenditure during 2011-12 (₹ 2065.88 crore) increased by ₹ 416.68 crore over the previous year mainly due to increased expenditure on Transport (by ₹ 172.25 crore) and General Services (by ₹ 91.72 crore). However, this expenditure constituted only 31.81 per cent of total expenditure during the year. Though there was an increase in Capital expenditure during the current year compared to the previous year, the State Government could not fulfill its commitment made in the Budget Estimates for incurring Capital expenditure during the year, as this expenditure fell short of the Budget Estimates (₹ 2528.27 crore) by 18.29 per cent

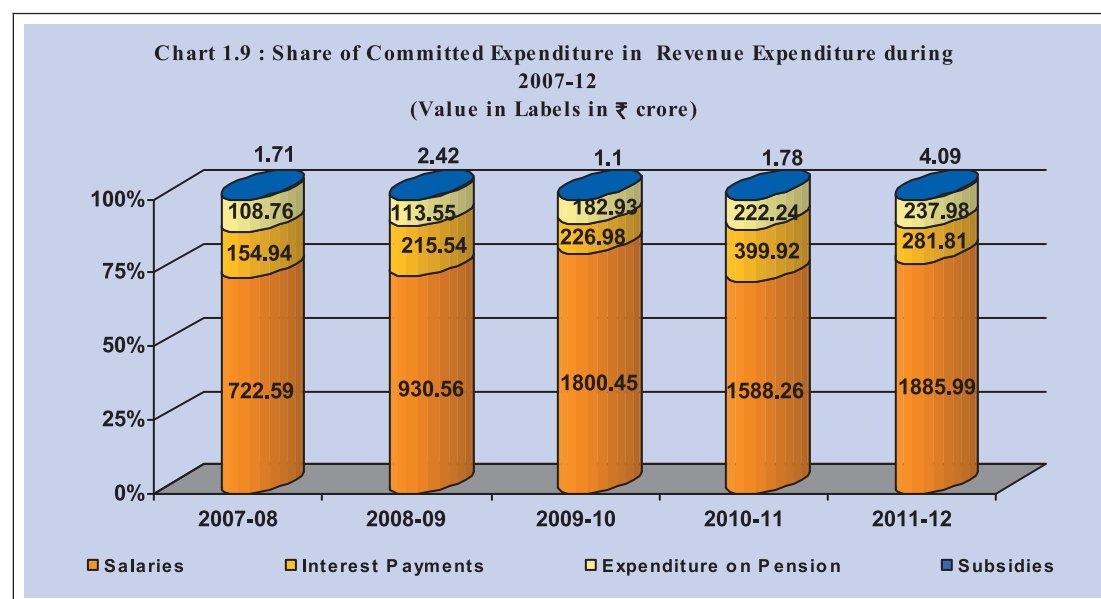
1.7.2 Committed Expenditure

Committed Expenditure of the State Government on Revenue account mainly consists of Interest payments, expenditure on salaries, pensions and subsidies. Table 1.17 and Chart 1.9 present the trends in expenditure on these components during 2007-12.

Table-1.17: Components of Committed Expenditure

(₹ in crore)					
Components of Committed Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12
Salaries	722.58 (24.06)	930.56 (24.13)	1800.45 (41.92)	1588.26 (29.29)	1885.99 (34.30)
<i>of which</i>					
Non-Plan Head	511.11 (17.02)	812.55 (21.07)	1492.54 (34.75)	1368.19 (25.23)	1569.99 (28.55)
Plan Head	211.47 (7.04)	118.01 (3.06)	307.91 (7.17)	220.07 (4.06)	316.00 (5.75)
Interest Payments	154.94 (5.16)	215.54 (5.59)	226.98 (5.28)	399.92 (7.38)	281.81 (5.12)
Expenditure on Pension and other Retirement Benefits	108.76 (3.62)	113.55 (2.94)	182.93 (4.26)	222.24 (4.10)	237.98 (4.33)
Subsidies	1.71 (0.06)	2.42 (0.06)	1.10 (0.03)	1.78 (0.03)	4.09 (0.07)
Other Components of Revenue Expenditure, i.e., other than Committed Expenditure	1271.56 (42.34)	1633.39 (42.36)	1484.13 (34.56)	1532.04 (28.26)	2007.99 (36.52)

(Figures in the parentheses indicate percentage to Revenue Receipts)



Overall Committed expenditure increased by ₹ 1421.88 crore from ₹ 987.99 crore in 2007-08 to ₹ 2409.87 crore in 2011-12. Committed expenditure during 2011-12 constituted 54.55 per cent of the Revenue expenditure and 43.82 per cent of the Revenue receipts. The component-wise analysis is given as under:-

1.7.2.1 Salaries

Salaries during 2011-12 alone accounted for 34.30 per cent of the Revenue receipts of the State during the year. It increased by 18.75 per cent from ₹ 1588.26 crore in 2010-11 to ₹ 1885.99 crore in 2011-12, and also exceeded the projection made in the Macro-Economic Framework (MEF) Statement of March 2011 (₹ 1421.35 crore) by

₹ 464.64 crore. The expenditure on Non-plan Salary component during 2011-12 (₹1569.99 crore) was also exorbitantly higher by around 88.12 per cent than the assessment made by the XIIIth FC for the State (₹834.57 crore).

1.7.2.2 Interest Payments

Interest Payments comprising of interest on Internal Debt, Small Savings, Provident Funds, etc., Loans and Advances from the Central Government and other obligations decreased by ₹ 118.11 crore from ₹ 399.92 crore in 2010-11 to ₹ 281.81 crore in 2011-12. Interest payments (₹ 281.81 crore) were higher than the projections of the year made by the XIIIth FC (₹ 257.78 crore) as well as in the MEFS of March 2011 (₹ 268.81 crore).

1.7.2.3 Pension Payments

Pension payments (including other Retirement Benefits) indicated an increasing trend during the five year period (2007-12). Pension payments during the current year increased by ₹ 15.74 crore, an increase of 7.08 per cent over the previous year. A comparative analysis of actual pension payments and the assessment/projection made by the XIIIth FC and the State Government showed that actual Pension payments exceeded the assessment made by the XIIIth FC by ₹ 62.60 crore and the projection made by the State Government in its Budget and MEF Statement for the year 2011-12 by ₹ 27.98 crore and ₹ 27.09 crore respectively as shown in (Table 1.18).

Table 1.18 : Actual Pension Payments vis-à-vis Projection

(₹ in crore)

Year	Assessment made by the XII/ XIIIth FC	Assessment made by the State Government in		Actuals	Expenditure in excess of Assessment made in		
		FCP	Budget/ MEF Statement of March 2011		XII/XIIIth FC	FCP	Budget
2007-08	88.28	85.00	85.48	108.76	20.48 (23.20)	23.76 (27.95)	23.28 (27.23)
2008-09	97.11	92.00	84.30	113.55	16.44 (16.93)	21.55 (23.42)	29.25 (34.70)
2009-10	106.82	100.00	143.79	182.93	76.11 (71.25)	82.93 (82.93)	39.14 (27.22)
2010-11	159.43	NA	160.00/ 201.15	222.24	62.81 (39.40)	NA	62.24 (38.90)/ 21.09 (10.48)
2011-12	175.38	NA	210.00/ 210.89	237.98	62.60 (35.69)	NA	27.98 (13.32)/ 27.09 (12.85)

(Figures in brackets represent percentages). NA: Not available.

1.7.2.4 Subsidies

Table 1.17 shows that the expenditure on payment of subsidies increased by about 129.78 per cent from ₹ 1.78 crore in 2010-11 to ₹ 4.09 crore during the current year. It constituted 0.09 per cent of the Revenue Expenditure. The major recipients of subsidies during 2011-12 were Agriculture (₹ 3.30 crore) and Rural Development and Panchayati Raj (₹ 0.77 crore).

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

The quantum of assistance provided by way of grants and loans to Local Bodies and others during the current year, relative to previous years is presented in **Table 1.19**.

Table 1.19: Financial Assistance to Local Bodies, etc.;

(₹ in crore)

Financial Assistance to Institutions	2007-08	2008-09	2009-10	2010-11	2011-12
University and Educational Institutions	12.96	47.00	3.45	8.42	3.95
Cultural Institutions/Voluntary Organisations for promotion of Arts & Culture	0.50	2.72	28.76	8.11	0.46
State Institute of Rural Development	1.07	0	0	0.50	0.20
Social Welfare	0.16	7.27	0.32	0.34	0.60
Ware Housing Corporations	23.06	44.97	36.12	22.13	18.57
Co-operation	0	0	0	2.10	1.27
Other Institutions	5.74	0.28	0.93	16.51 ⁸	0.58
TOTAL	43.49	102.24	69.58	58.11	25.63
Assistance as percentage of RE	1.92	3.53	1.88	1.62	0.58

Financial assistance extended to Local Bodies and other institutions with inter-year variations declined by 55.89 per cent from ₹ 58.11 crore in 2010-11 to ₹ 25.63 crore in 2011-12. The share of financial assistance in revenue expenditure also marginally decreased from 1.62 per cent in 2010-11 to 0.58 per cent during the current year. The Warehousing Corporation was the major recipient (around 72.45 per cent) of the financial assistance followed by University and Educational Institutions (around 15.41 per cent).

1.8 Quality of Expenditure

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

⁸ Other Institutions include assistance to Local Bodies, Corporations, Urban Development Authorities, Town Development (₹ 14.23 crore) and Assistance to Scientific bodies (AP Science Centre Society) (₹ 2.28 crore).

1.8.1 Efficiency of Expenditure Use

In view of the importance of public expenditure for Social and Economic development, it is important for the State Government to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods⁹. Apart from improving allocation towards development expenditure, the efficiency of expenditure use is also reflected by the ratio of Capital expenditure to total expenditure (and/or GSDP) and proportion of Revenue expenditure being spent on operation and maintenance of the existing Social and Economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.20** presents the trends in Development expenditure relative to the aggregate expenditure of the State during the current year *vis-à-vis* budget and the previous years, **Table 1.21** provides the details of Capital expenditure and the components of Revenue expenditure incurred on maintenance of the selected Social and Economic services.

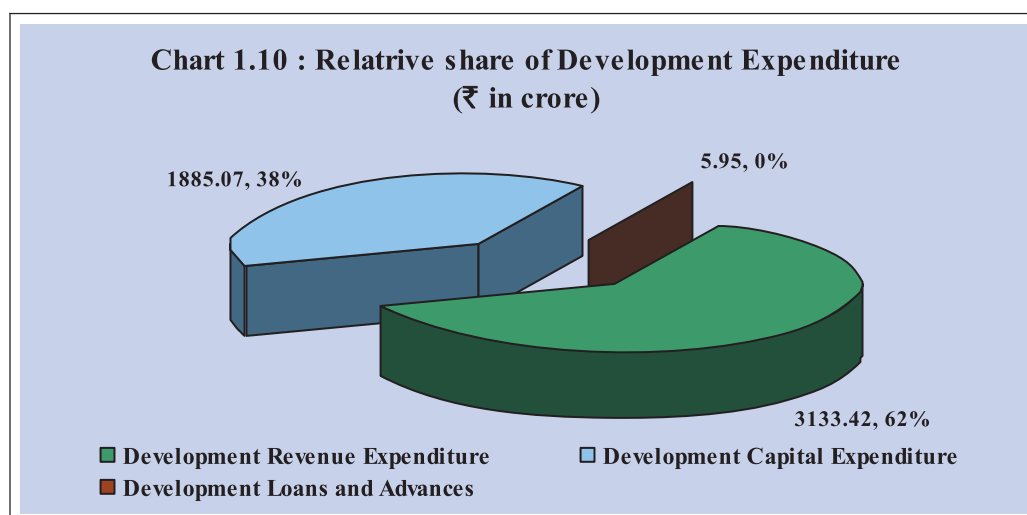
Table 1.20: Development Expenditure

Components of Development Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12	
					BE (Net)	Actuals
Development Expenditure {(a) to (c)}	2369.78 (78.58)	3389.76 (80.46)	3706.17 (75.16)	4042.27 (74.86)	3425.09	5024.44 (77.38)
(a) Development Revenue Expenditure	1639.49 (54.36)	2121.22 (50.35)	2534.56 (51.40)	2479.01 (45.91)	2518.41	3133.42 (48.26)
(b) Development Capital Expenditure	730.10 (24.21)	1243.01 (29.50)	967.90 (19.63)	1560.11 (28.89)	905.26	1885.07 (29.03)
(c) Development Loans & Advances	0.19 (0.01)	25.53 (0.61)	203.71 (4.13)	3.15 (0.06)	1.42	5.95 (0.09)

(Figures in parentheses indicate percentage to Aggregate Expenditure)

Development expenditure increased by 24.30 *per cent* over the previous year and also exceeded the assessment made in the Budget Estimates by 46.70 *per cent*. The relative share of Development expenditure during 2011-12 given in **Chart 1.10** below showed that around 62 *per cent* of the Development expenditure was incurred on Revenue account and only 38 *per cent* was utilised for Capital expenditure.

⁹ Appendix 1.1.c.



During the current year, Development Capital expenditure as a percentage of aggregate expenditure increased to 29.03 *per cent* as compared to 28.89 *per cent* in 2010-11, and also exceeded the budget projection by 108.24 *per cent*. This was a desirable improvement in expenditure pattern. However, the predominant share of Revenue expenditure in Development expenditure indicated that more emphasis was given on maintenance of the current level of services, which did not result in any addition to State's infrastructure and service network. Thus, the expenditure pattern under this sector needs further correction in the ensuing year.

Table 1.21: Efficiency of Expenditure Use in Selected Social and Economic Services

(In *per cent*)

Social/Economic Infrastructure	2010-11		2011-12	
	Ratio of Capital Expenditure to Total Expenditure ¹⁰	In Revenue Expenditure, the share of Salary	Ratio of Capital Expenditure to Total Expenditure ¹¹	In Revenue Expenditure, the share of Salary
SOCIAL SERVICES (SS)	29.18	67.53	28.25	55.91
General Education	15.77	83.68	15.75	76.91
Technical Education, Sports and Arts & Culture	35.02	35.10	57.44	46.48
Health and Family Welfare	13.59	83.74	17.31	77.11
Water Supply & Sanitation, Housing and Urban Development	60.31	33.59	50.54	25.48
Other SS	20.39	46.58	21.11	28.62
ECONOMIC SERVICES (ES)	43.66	31.43	43.38	33.52
Agriculture and Allied Activities	4.20	33.74	6.84	32.38
Irrigation & Flood Control	38.38	18.23	28.62	23.06
Energy	48.16	18.23	36.16	27.64
Transport	66.45	33.42	72.13	40.62
Other Economic Services	36.28	42.54	39.01	38.41

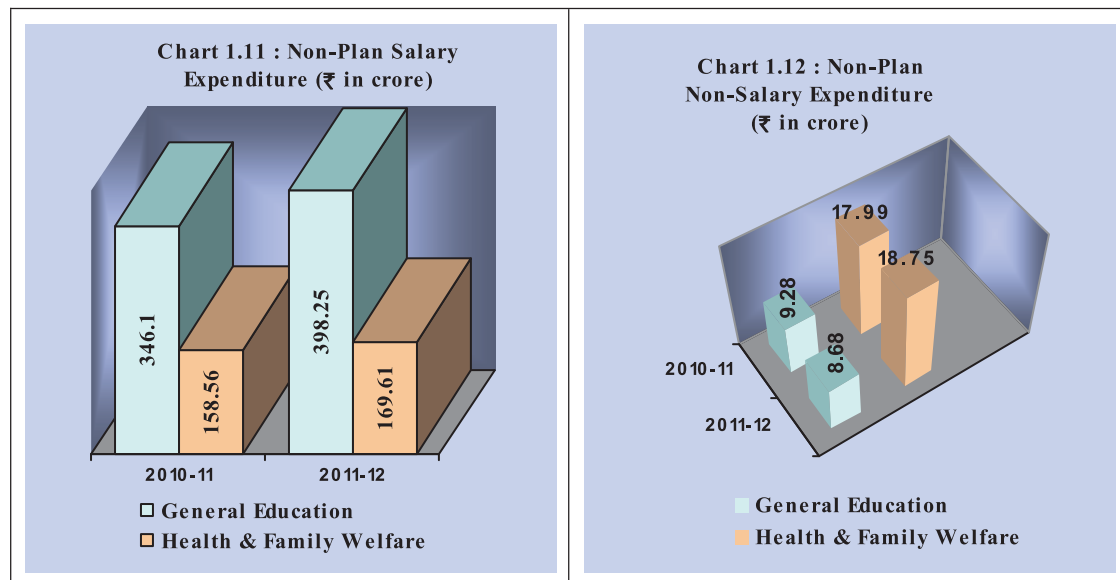
¹⁰ Total Revenue and Capital expenditure of the services concerned.

Social Services

Trends in Capital expenditure on Social Services during 2010-12 revealed that the share of Capital expenditure to total expenditure during these years was 29.18 and 28.25 *per cent*, which indicated that Revenue expenditure was dominant. While there was some improvement in the share of Capital expenditure to total expenditure on Technical Education, Sports, Art and Culture; Health and Family Welfare. Water Supply & Sanitation, Housing and Urban Development were the worst sufferers, as only 50.54 *per cent* of the total expenditure was incurred on Capital account during 2011-12, as against 60.31 *per cent* during the previous year.

Of the Revenue expenditure on Social Services, the share of Salary component significantly decreased from 67.53 *per cent* in 2010-11 to 55.91 *per cent* in 2011-12, implying more expenditure on non-salary components. The Non-salary and Wage expenditure on Social Services increased by 89.19 *per cent* during 2011-12 from ₹ 322.89 crore in 2010-11 to ₹ 610.89 crore in 2011-12. Within the priority sectors, Non-salary and Wage components continued to have the dominant share under Technical Education, Sports, Arts and Culture, Water Supply, Sanitation, Housing and Urban Development. High Salary and Wage expenditure was observed under General Education (2010-11 - 83.68 *per cent* and 2011-12 - 76.91 *per cent*) and Health and Family Welfare Services (2010-11 - 83.74 *per cent*; 2011-12 - 77.11 *per cent*).

Charts 1.11 and 1.12 provide the Non-plan Salary and Non-salary expenditure under Social Services incurred during 2009-11.



Expenditure on both the Non-plan Salary component under General Education and Health and Family Welfare sector during 2011-12 increased by 15.07 *per cent* and 6.97 *per cent* respectively. While the Non-salary (Non-plan) expenditure under Health and Family Welfare registered an increase of 4.22 *per cent* during 2011-12 over the previous year, it decreased by 6.47 *per cent* under General Education.

Economic Services

The expenditure on Economic Services (including Loans and Advances) during 2011-12 (₹ 3093.43 crore) accounted for about 47.64 *per cent* of the total expenditure¹¹ and 61.57 *per cent* of the Development expenditure during the year. Out of the total expenditure on Economic Services during the current year, 33.62 *per cent* (₹ 1039.99 crore) was incurred on Transport, 18.20 *per cent* (₹ 562.99 crore) on Energy and 17.39 *per cent* (₹ 537.98 crore) on Agriculture and Allied Activities.

Trends in Revenue and Capital expenditure on Economic Services indicated that except for 2010-11, Capital expenditure on Economic Services increased by 189.06 crore (16.43 *per cent*) from ₹ 1150.42 crore in 2010-11 to ₹ 1339.48 crore in 2011-12. However, the share of Capital expenditure on Economic Services to the total Revenue and Capital expenditure on Economic Services during 2007-12 ranged between 37.84 *per cent* and 48.67 *per cent*, which indicated that Revenue expenditure was dominant. Revenue expenditure on Economic Services also consistently increased from ₹ 932.91 crore in 2007-08 to ₹ 1748.00 crore (87.37 *per cent*) in the current year. An increase of ₹ 263.27 crore (17.73 *per cent*) during 2011-12 over the previous year in Revenue expenditure was mainly due to the increase under Agriculture and Allied Activities (₹ 88.42 crore), Energy (₹ 82.50 crore), Special Areas Programmes (₹ 50.99 crore), General Economic Services (₹ 23.89 crore), partly offset by decrease under Transport (₹ 2 crore). Within Revenue expenditure on Economic Services, the Salary component constituted 31.43 *per cent* and 33.52 *per cent* during 2010-11 and 2011-12 respectively.

1.9 Financial Analysis of Government Expenditure and Investments

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

1.9.1 Investment and Returns

As per Statement 14 of the Finance Accounts for 2011-12, as of 31 March 2012, the State Government invested ₹ 221.66 crore in five Government Companies (₹ 9.04 crore) and 145 Co-operative Banks and Societies (₹ 212.62 crore). Details are given in **Table 1.22**.

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

Table 1.22: Return on Investment

Investment/Return/Cost of Borrowings	2007-08	2008-09	2009-10	2010-11	2011-12
Investment at the end of the year (₹ in crore)					
(i) Government Companies	9.04	9.04	9.04	9.04	9.04
(ii) Co-operative Bank/Societies	208.55	211.38	209.14	209.11	212.62
TOTAL	217.59	220.42	218.18	218.15	221.66
Return (₹ in crore)	(a)	0	0	0	0
Return (per cent)	0	0	0	0	0
Average Rate of Interest on Government Borrowings (per cent)	6.19	7.71	7.47	12.16	7.52
Difference between Interest Rate and Return (per cent)	6.19	7.71	7.47	12.16	7.52

(a) less than 0.01

During 2007-12, the average return on investment was nil, except during 2007-08, which was less than one *per cent*, while the Government paid interest at an average rate of 6.19 *per cent* to 7.52 *per cent* on its borrowings during the period.

1.9.2 Loans and Advances by the State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the Government was also providing Loans and Advances for other purposes, e.g., loans for Power Projects, loans to Government servants, loans for Tourism, *etc.* **Table 1.23** presents the outstanding Loans and Advances as on 31 March 2012 and interest receipts *vis-à-vis* Interest payments during the last five years.

Table 1.23: Average Interest Received on Loans and Advances given by the State Government

Particulars	(₹ in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
OPENING BALANCE	27.92	27.95	52.41	55.17	59.07
Amount advanced during the year	2.97	27.24	205.46	6.31	9.69
Amount recovered during the year	2.94	2.78	202.70	2.41	2.90
CLOSING BALANCE	27.95	52.41	55.17	59.07	65.86
<i>Net Addition</i>	0.03	24.46	2.76	3.90	6.79
Interest Receipts	1.00	0.87	5.22	1.78	0.66
Interest received as <i>percentage</i> to outstanding Loans & Advances	3.58	2.17	9.70	3.12	1.06
Interest payments as <i>percentage</i> to outstanding fiscal liabilities of the State Government	6.19	7.71	7.28	12.16	7.52
Difference between Interest Payments and Receipts (<i>percentage</i>)	2.61	5.54	- 2.23	8.98	6.46

Loans and Advances given by the State Government during 2011-12 increased from ₹ 6.31 crore in 2010-11 to ₹ 9.69 crore. During 2007-12, recovery of Loans and Advances was ₹ 213.73 crore against ₹ 251.67 crore advanced during the period. The total outstanding Loans and Advances as on 31 March 2012 was ₹ 65.86 crore. *As the*

current level of recovery on Loans advanced by the States is extremely poor, the XIIIth FC projected the Interest receipts of States on a normative basis without linking it to the current level. Outstanding loans and advances at the end of 2009-10 have been projected by the XIIIth FC as constant over the projection period and applied an interest rate of 7 per cent to these outstanding loans and taken as the interest receipt in each of the years. Interest receipt of ₹ 0.66 crore on Loans and Advances by the Government of Arunachal Pradesh during 2011-12 constituted only 1 per cent of the outstanding Loans and Advances at the end of 2011-12 (₹ 65.86 crore) and thus, much below the Interest rate of 7 per cent as applied by the XIIIth FC.

1.9.3 Cash Balances and Investment of Cash Balances

Table 1.24 depicts the Cash Balances and Investments made by the State Government out of Cash Balances during the year.

Table 1.24: Cash Balances and Investment of Cash Balances

Particulars	₹ in crore)		
	As on 1 st April 2011	As on 31 March 2012	Increase(+)/ Decrease(-)
Cash Balances¹²	1798.98	1108.81	- 690.17
Investments from Cash Balances (a & b)	1903.64	874.34	- 1029.30
a. GOI Treasury Bills	1903.64	874.34	- 1029.30
b. GOI Stock/Securities	...	...	...
Fund-wise break-up of Investment from Earmarked Balances (a & b)	90.90	109.90	+ 19.00
a. Sinking Fund Investment Account	90.90	109.90	+ 19.00
b. Other Development and Welfare Funds	...	...
Interest realised on Investment of Cash Balances	109.57	48.04	- 61.53

Cash Balances of the State Government at the end of the current year decreased from ₹ 1798.98 crore in 2010-11 to ₹ 1108.81 crore in 2011-12. As on 31 March 2012, the State Government invested ₹ 874.34 crore in GOI Treasury Bills. During 2011-12, Interest of ₹ 48.04 crore was earned on investment of Cash Balances. The Interest realised on investment of Cash Balances (considering opening cash balance of ₹ 1798.98 crore) was 2.67 per cent during 2011-12, while the average rate of interest on Government borrowings during the year was 7.52 per cent. The XIIIth FC recommended that States with large Cash Balances make efforts towards utilizing their Cash Balances before resorting to fresh borrowings.

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

¹² Excluding investment of Earmarked Funds.

The Government did not have to resort to WMA during the current year or during 2007-12, indicating a comfortable position of Cash Balances of the State. However, there was a balance of WMAs amounting to ₹ 55.64 crore since March 2007 (Ordinary WMA - ₹ 50.24 crore; Special WMA - ₹ 5.40 crore).

1.10 Assets and Liabilities

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, Government accounts do capture financial liabilities of the Government and assets created out of expenditure incurred. **Appendix 1.4** gives an abstract of such liabilities and assets as on 31 March 2012, compared with the corresponding position on 31 March 2011. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GOI, receipts from Public Account and Reserve Funds, assets comprise mainly of Capital Outlay and Loans and Advances given by the State Government and Cash Balances.

1.10.2 Fiscal Liabilities

Trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.3**. However, the composition of fiscal liabilities during the current year *vis-à-vis* the previous year, is presented in **Charts 1.13** and **1.14**.

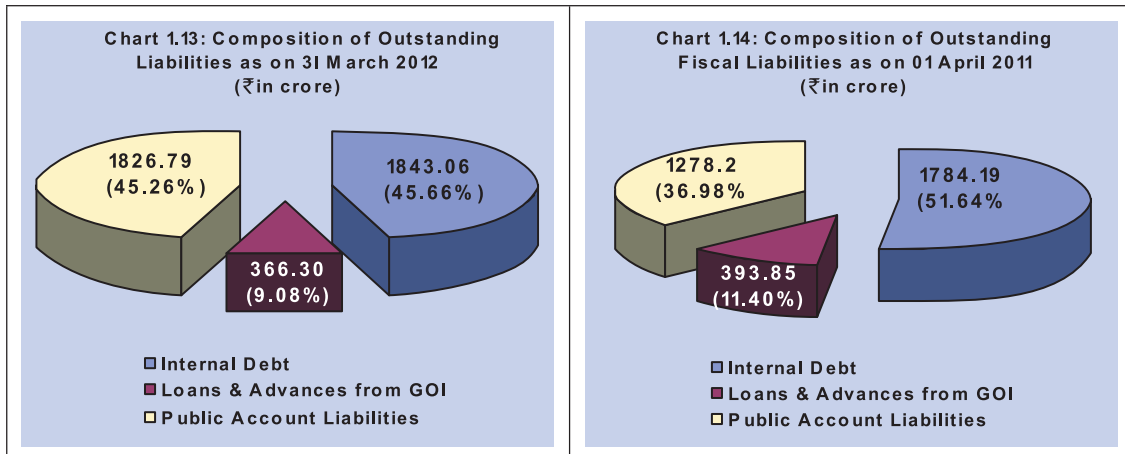


Table 1.25 gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP to Revenue receipts and the State's own resources and also the buoyancy of fiscal liabilities with reference to these parameters.

Table 1.25: Fiscal Liabilities – Basic Parameters

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Fiscal Liabilities¹³ (₹ in crore)	2638.55	2954.66	3119.05	3456.24	4036.15
Rate of Growth (<i>per cent</i>)	11.27	11.98	5.56	10.81	16.78
Ratio of Fiscal Liabilities to					
GSDP (<i>per cent</i>)	54.86	51.95	41.74	39.58	36.25
Revenue Receipts (<i>per cent</i>)	87.86	76.63	72.62	63.74	73.40
Own Resources (<i>per cent</i>)	349.47	325.32	455.54	463.84	594.99
Buoyancy of Fiscal Liabilities to					
GSDP (ratio)	0.66	0.66	0.18	0.64	0.61
Revenue Receipts (ratio)	0.71	0.42	0.49	0.41	11.82
Own Resources (ratio)	0.11	0.59	-0.23	1.22	-1.87

Fiscal liabilities of ₹ 4036.15 crore during 2011-12 consisted of Internal Debt, e.g., Market Loans bearing interest, WMA, loans from financial institutions and special securities issued to the National Small Savings Fund, *etc.*: (₹ 1843.06 crore), Loans and Advances from the Central Government: (₹ 366.30 crore), Public Account Liabilities, e.g. Small Savings, Provident Funds, Reserve Funds and Deposits, *etc.*: (₹ 1826.79 crore). Overall fiscal liabilities of the State increased from ₹ 2638.55 crore in 2007-08 to ₹ 4036.15 crore in 2011-12. The growth rate in 2011-12 was 16.78 *per cent* over the previous year. The ratio of fiscal liabilities to GSDP decreased from 39.58 *per cent* in 2010-11 to 36.25 *per cent* in 2011-12. These liabilities were around 73 *per cent* of Revenue receipts and stood at around 6 times of the State's own resources at the end of 2011-12. The buoyancy of these liabilities with respect to GSDP during the year was 0.61, indicating that for each one *per cent* increase in GSDP, fiscal liabilities grew by 0.61 *per cent*.

As per recommendations of the XIIIth FC, the Fiscal Consolidation Path embodies the steady reduction in augmented debt stock of the States to less than 25 per cent of GDP by 2014-15. But as per the APFRBM Act (amended in December 2011), the State Government targeted to maintain the outstanding debt GSDP ratio at 58.2 per cent during 2011-12, 55.2 per cent during 2012-13 and 50.1 per cent during 2014-15. As seen from Table 1.25 above, the fiscal liabilities to GSDP ratio during 2011-12 decreased by only 3.33 per cent from 39.58 per cent in 2010-11 to 36.25 per cent in 2011-12.

During 1999-2000, the State Government constituted a 'Consolidated Sinking Fund' for redemption and amortization of Open Market Loans. In 2011-12, the Government appropriated ₹ 19 crore from Revenue and credited it to this fund for investment in Government of India Securities.

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

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 the Finance Accounts, the maximum amount for which Guarantees were given by the State and outstanding Guarantees at the end of the year since 2007-08, are given in **Table 1.26**.

Table 1.26: Guarantees given by the Government of Arunachal Pradesh

Particulars	(₹ in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Maximum Amount Guaranteed	12.00	12.00	12.00	Information not furnished by the State Government	2.00
Outstanding Amount of Guarantees (including Interest)	0.98	0.61	0.61		1.55
Percentage of Maximum Amount Guaranteed to Total Revenue Receipts	0.40	0.31	0.28		0.04

The Government guaranteed loans to one Company, i.e., Arunachal Pradesh Industrial Development and Financial Corporation Ltd. (APIDFCL), which at the end of 2011-12 stood at ₹ 1.55 crore. As a percentage of Revenue receipt, it decreased from 0.40 per cent in 2007-08 to 0.04 per cent in 2011-12. No law under Article 293 of the Constitution was passed by the State Legislature laying down the maximum limit within which the Government may give guarantees on the security of the Consolidated Fund of the State.

1.11 Debt Sustainability

Debt sustainability is defined as the ability of the State to maintain a constant debt-GDP ratio over a period of time and also embodies the concern about the ability to service its debts. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match the increase in capacity to service the debt.

Apart from the magnitude of debt of the State Government, it is important to analyze various indicators that determine debt sustainability of the State. This section assesses the debt sustainability of the State Government in terms of debt stabilization¹⁴, sufficiency of non-debt receipts,¹⁵ net availability of borrowed funds,¹⁶ burden of Interest payments (measured by Interest payments to Revenue receipts ratio) and maturity profile of State Government securities. **Table 1.27** analyses the debt sustainability of the State according to these indicators for the five year period beginning from 2007-08.

¹⁴ Appendix 1.1.c.

¹⁵ Appendix 1.1.c.

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

Table 1.27: Debt Sustainability : Indicators and Trends

Indicators of Debt Sustainability	(₹ in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Debt Stabilisation (Quantum Spread + Primary Deficit)	403.63	139.20	500.24	570.64	-18.07
Sufficiency of Non-debt Receipts (Resource Gap)	- 116.67	- 344.40	- 79.61	458.54	-1016.22
Net Availability of Borrowed Funds	112.33	100.57	- 47.59	- 45.73	207.21
Burden of Interest Payments (IP/RR ratio) (<i>per cent</i>)	5.16	5.59	5.28	7.38	5.12

Table 1.27 reveals that Debt of the State was stable during 2007-12, but it became unstable during the current year as there was substantial amount of primary deficit (₹ 709.66 crore), which in turn effected Debt Stabilisation.

Trends in Resource Gap indicate the oscillation between positive and negative magnitudes. Resource Gap was negative in four out of the five year period, indicating that incremental Non-debt receipts were not sufficient to meet incremental primary expenditure and Interest burden. The State experienced a substantial negative Resource Gap in 2011-12, indicating that the State needs to make sustainable efforts to mobilize more resources to meet incremental liabilities arising on account of additional primary expenditure and interest payments during the year.

Debt Redemption ratio fluctuated widely during 2007-12, which remained more than unity in 2009-10 and 2010-11, while during 2007-08, 2008-09 and 2011-12, this ratio was around 82, 87 and 84 *per cent* respectively. In the current year, against borrowed funds of ₹ 1320.62 crore, the Government repaid ₹ 1113.41 crore as Principal and Interest on Internal Debt (₹ 255.36 crore), Loans and Advances from the Central Government (₹ 59.02 crore) and other liabilities¹⁷ (₹ 799.03 crore), as a result of which borrowed funds of ₹ 207.21 crore were available for development purposes.

1.12 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude, the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2011-12.

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

1.12.1 Trends in Deficits

Charts 1.15 and 1.16 present the trends in deficit indicators over the period 2007-12.

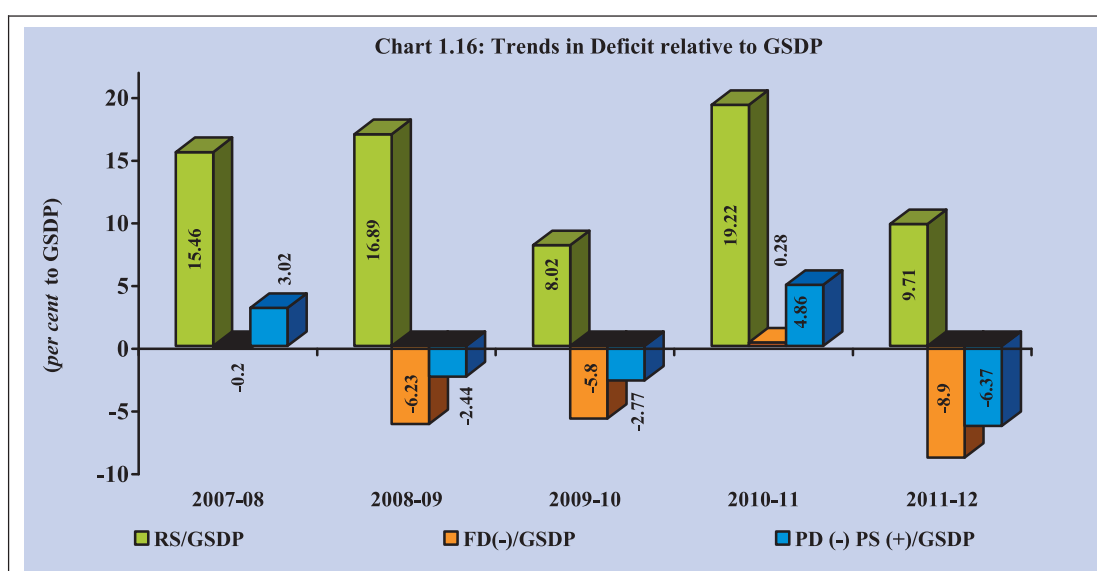
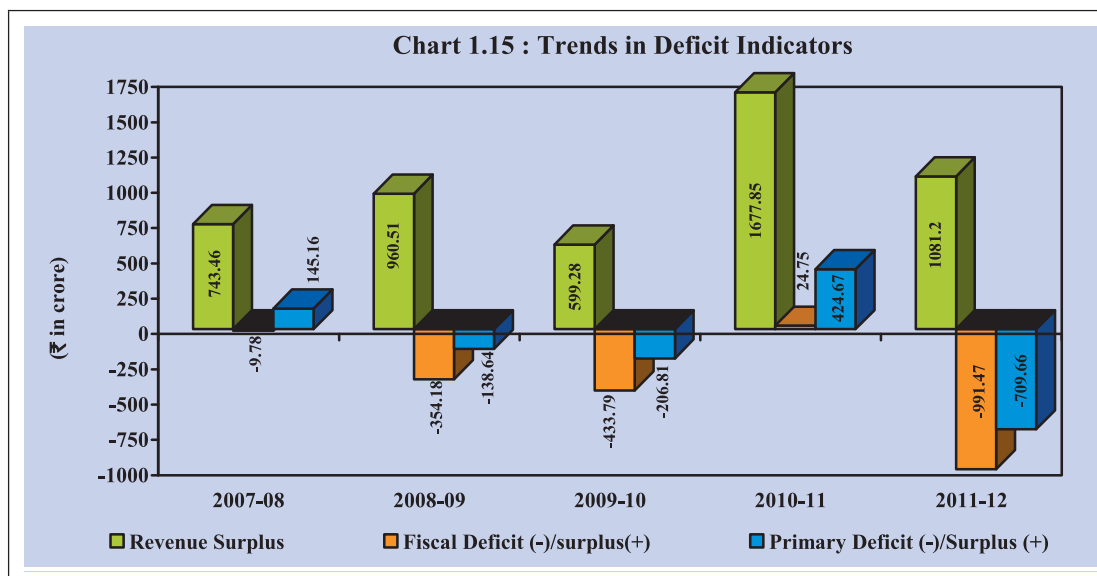


Chart 1.15 reveals that the State had a Revenue Surplus during the period 2007-12, which after inter-year variations, decreased from ₹ 1677.85 crore in 2010-11 to ₹ 1081.20 crore during the current year. Compared to 2010-11, Revenue Surplus during 2011-12 significantly decreased by ₹ 596.65 crore (35.56 per cent) due to marginal increase in Revenue receipts by ₹ 76.97 crore during 2011-12 and significant increase in Revenue expenditure by ₹ 673.62 crore during 2011-12.

Fiscal deficit, which represents total borrowings of the Government and its total Resource Gap, decreased significantly from positive ₹ 24.75 crore during 2010-11 to negative ₹ 991.47 crore during 2011-12. The decrease in Revenue Surplus (₹ 596.65 crore) offset by increase in Capital expenditure (₹ 416.68 crore) over the previous year mainly led to a fiscal deficit of ₹ 991.47 crore during the current year.

As per the recommendations of the XIIIth FC, *all Special Category States with base fiscal deficit of less than 3 per cent of GSDP in 2007-08, could incur a fiscal deficit of 3 per cent in 2011-12 and maintain it thereafter.* While the Government of Arunachal Pradesh was successful in restricting the fiscal deficit-GSDP ratio during 2010-11, the State was unsuccessful during the current year as the fiscal deficit-GSDP ratio during 2011-12 was 8.90 per cent.

The primary surplus of ₹ 424.67 crore, experienced by the State during 2010-11, took a turnaround in 2011-12 and resulted in a primary deficit of ₹ 709.66 crore. The significant decrease of ₹ 118.11 crore (29.53 per cent) in Interest payment during 2011-12 over the previous year and a fiscal deficit of ₹ 991.47 crore witnessed during the year, led to the primary deficit.

1.12.2 Components of fiscal deficit and its financing pattern

The financing pattern of the fiscal deficit underwent a compositional shift as reflected in **Table: 1.28**

Table 1.28: Components of Fiscal Deficit and its Financing pattern

(₹ in crore)						
Sl No	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
DECOMPOSITION OF FISCAL DEFICIT						
Fiscal Deficit (-)/Surplus (+)		- 9.78	- 354.18	- 433.79	+ 24.75	- 991.47
1	Revenue Deficit (-)/Surplus (+)	+743.46	960.51	599.28	1677.85	1081.20
2	Net Capital Expenditure	753.21	1290.23	1030.31	1649.20	2065.88
3	Net Loans and Advances	- 0.03	- 24.46	- 2.76	- 3.90	- 6.79
FINANCING PATTERN OF FISCAL DEFICIT						
1	Market Borrowings	171.96	14.09	66.82	- 12.93	-1.34
2	Loans from GOI	- 16.11	-3.71	- 24.13	- 26.82	- 27.55
3	Special Securities issued to NSSF	24.45	21.62	49.90	55.10	5.48
4	Loans from Financial Institutions	33.62	48.43	12.78	20.51	54.73
5	Small Savings, PF, etc;.	42.71	78.55	142.74	79.49	128.18
6	Reserve Funds	-79.70	14.00	15.00	17.00	19.00
7	Deposits and Advances	100.35	153.45	-85.40	218.01	281.45
8	Suspense and Miscellaneous	190.36	2782.13	502.98	- 196.33	- 166.77
9	Remittances	0.18	-1.67	28.85	9.81	8.12
10	Increase(-)/Decrease(+) in Cash Balances	- 458.06	-2752.71	- 275.77	- 188.59	+ 690.17
11	Increase or Decrease in Ways and Means Advances	-	-	-	-	-
Overall Deficit (1 to 11) (-)		- 9.78	- 354.18	- 433.79	24.75	- 991.47

The Fiscal Surplus of ₹ 24.75 crore, experienced by the State in 2010-11 took a turnaround in 2011-12 and resulted in a Fiscal deficit of ₹ 991.47 crore. During 2011-12, the Fiscal Deficit was mainly met out from decrease in Cash Balances

(₹ 690.17 crore) and Deposits and Advances (₹ 281.45 crore). The Cash Balances decreased by ₹ 878.76 crore (465.96 per cent) over the previous year.

1.12.2 Quality of Deficit/Surplus

The ratio of Revenue deficit to Fiscal deficit and the decomposition of Primary deficit into Primary Revenue deficit and Capital expenditure (including Loans and Advances) would indicate the quality of deficit 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, a persistently high ratio of Revenue deficit to Fiscal deficit also indicates that the asset base of the State is continuously shrinking and a part of borrowings (fiscal liabilities) do not have any asset back-up. The bifurcation of the Primary deficit (**Table 1.29**) would indicate the extent to which the deficit has been on account of enhancement in Capital expenditure, which may be desirable to improve the productive capacity of the State's economy.

Table 1.29: Primary Deficit/Surplus – Bifurcation of Factors

(₹ in crore)							
Year	Non-debt Receipt	Primary Revenue Expenditure	Capital Expenditure	Loans & Advances	Primary Expenditure	Primary Revenue Surplus	Primary Deficit (-)/ Surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2 -6)
2007-08	3005.95	2104.61	753.21	2.97	2860.79	901.34	+ 145.16
2008-09	3858.75	2679.92	1290.23	27.24	3997.39	1178.83	- 138.64
2009-10	4497.57	3468.61	1030.31	205.46	4704.38	1028.96	- 206.81
2010-11	5424.50	3344.32	1649.20	6.31	4999.83	2080.18	+ 424.67
2011-12	5501.96	4136.05	2065.88	9.69	6211.62	1365.91	-709.66

Analysis of the factors resulting into Primary deficit or surplus of the State during 2007-12 revealed that in three (2008-09, 2009-10 and 2011-12) out of the five years, the State experienced Primary deficit, which 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 sufficient to meet the Primary Revenue expenditure. But the Non-debt receipts were not enough to meet the expenditure requirements under Capital account and Loans and Advances during 2008-10 and 2011-12, resulting in Primary deficit. However, during 2007-08 and 2010-11, Non-debt receipts were sufficient to meet the expenditure requirement both under Revenue and Capital accounts, resulting in Primary surplus. Primary surplus of ₹ 424.67 crore during 2010-11 turned into primary deficit of ₹ 709.66 crore during the current year mainly on account of significant increase in Primary Revenue Expenditure by ₹ 791.73 crore, Capital Expenditure by ₹ 416.68 crore and off-set by marginal increase in Non-debt receipts by ₹ 77.46 crore as compared to the previous year, which may not be desirable and needs improvement.

1.13 Conclusion and Recommendations

The fiscal position of the State viewed in terms of key fiscal parameters - Revenue Surplus, Fiscal Deficit and Primary Deficit - indicated that the State maintained Revenue Surplus during 2007-12, but the State was not able to maintain the level in the remaining two parameters. Both the fiscal surplus (₹ 24.75 crore) and primary surplus (₹ 424.67 crore) during 2010-11 took a turnaround and resulted in fiscal deficit (₹ 991.47 crore) and primary deficit (₹ 709.66 crore) during the current year.

❖ Revenue Receipts

Revenue receipts during 2011-12 grew by 1.42 per cent (₹ 76.97 crore) over the previous year. Tax revenue and Non-tax revenue receipts exceeded the normative assessment made by the XIIIth FC by about 85 per cent and 66 per cent respectively. Central Transfers, comprising of the State's share of Central taxes and Grants-in-aid from the Government of India, increased by ₹ 143.74 crore in 2011-12 and contributed about 88 per cent of the Revenue receipts during the year. However, the State depends mostly on resources transferred by the Central Government. The State's own resources as percentage of the total receipts declined from its peak (25.14 per cent) in 2007-08 to its lowest (12.34 per cent) in 2011-12. This indicates that Central Transfers were the key to the increase in Revenue receipts of the State.

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

❖ Revenue and Total Expenditure

Revenue expenditure of the State increased by 95.52 per cent from ₹ 2259.55 crore in 2007-08 to ₹ 4417.86 crore in 2011-12. This expenditure as a percentage of total expenditure, though decreased to 68.04 per cent in 2011-12 from 69.34 per cent in 2010-11, averaged around 71 per cent during the period 2007-12, leaving inadequate resources for expansion of services and creation of assets. NPRE during the same period increased from ₹ 1215.88 crore in 2007-08 to ₹ 2853.86 crore in 2011-12, which was around 73 per cent (₹ 1201.58 crore) higher than the normative level of ₹ 1652.28 crore assessed by the XIIIth FC for the year. Further, Salaries, Pensions, Interest payments and Subsidies continued to consume a major share of the Revenue expenditure, accounting for more than 54 per cent during 2011-12. Development expenditure during 2011-12 increased by 24.30 per cent over the previous year and also exceeded the assessment made in the Budget Estimates by 46.70 per cent. The relative share of Development expenditure during 2011-12, however, showed that 62.36 per cent of the Development expenditure was incurred on Revenue account and only 37.52 per cent was utilised for Capital expenditure. A predominant share of Revenue expenditure in Development expenditure indicated that more emphasis was given on maintenance of the current level of resources, which did not result in any addition to State's infrastructure and service network.

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

❖ ***Fiscal Correction Path***

During 2011-12, the State witnessed significant decrease in all the fiscal parameters, viz., Revenue Surplus, Fiscal Deficit and Primary Deficit over the previous year. Fiscal deficit during 2011-12 against fiscal surplus during the last year indicated an unstable fiscal position of the State. Prevalence of fiscal liabilities of the State over the period 2007-12, which stood at 36.25 per cent of the GSDP in 2011-12, appeared to be quite high, especially when compared with the limit prescribed by the XIIIth FC, i.e., steady reduction in augmented Debt Stock of States to less than 25 per cent of GDP by 2014-15.

During 2011-12, while the Government paid Interest at an average rate of 7.52 per cent on its borrowings during the period, the average Return on Investment in Government Companies and Co-operative Societies was 'zero' (except less than one per cent during 2007-08). Cash Balances of the State at the end of 2011-12 decreased to ₹ 1108.81 crore

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

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

❖ ***Accounting of Funds Transferred to State Implementing Agencies***

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

A system has to be put in place to ensure proper accounting of these funds and updated information should be validated by the State Government and also by 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 the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2011-12 against 73 Grants/Appropriations is given in **Table 2.1**:

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

(₹ in crore)

	Name of Expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure ¹	Savings (-)/ Excess (+)
Voted	I - Revenue	3316.22	1409.90	4726.12	4106.90	- 619.22
	II - Capital	2524.21	1438.82	3963.03	2066.29	- 1896.74
	III - Loans and Advances	5.02	7.03	12.05	9.69	- 2.36
TOTAL VOTED		5845.45	2855.75	8701.20	6182.88	-2518.32
Charged	IV - Revenue	294.45	45.59	340.04	310.96	- 29.08
	V - Capital	...	...	...	...	...
	VI - Public Debt-Repayment	220.82	...	220.82	137.33	- 83.49
TOTAL CHARGED		515.27	45.59	560.86	448.29	- 112.57
Appropriation to Contingency Fund (if any)		...	...	...	...	...
GRAND TOTAL		6360.72	2901.34	9262.06	6631.17	- 2630.89

The overall savings of ₹ 2630.89 crore was the result of savings of ₹ 2674.64 crore in 56 Grants and five Appropriations under Revenue Section, 35 Grants and one

¹ These are gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under Capital Expenditure (₹ 40.42 lakh).

Appropriation under Capital Section, offset by excess of ₹ 43.75 crore in 8 Grants each under Revenue and Capital Sections.

The savings/excess (detailed in the Appropriation Accounts) were intimated (October 2012) to the Controlling Officers, with a request to explain the reasons for significant variations. Out of 135 Major Heads, explanations for variations were received for 129 Major Heads.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit revealed that in 26 cases, savings exceeded ₹ 1 crore in each case and by more than 20 per cent of total provision (**Appendix 2.1**). Against the total savings of ₹ 2674.64 crore, savings of ₹ 2568.19 crore (96.02 per cent) exceeding ₹ 10 crore in each case occurred in 22 Grants as indicated in **Table 2.2**.

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

(₹ in crore)

Sl. No	Number and Name of the Grant		Original Provision	Supplementary Provision	Total	Actual Expenditure	Savings
REVENUE - VOTED							
1.	6	District Administration	223.49	145.02	368.51	330.07	38.44
2.	23	Forests	176.76	13.97	190.73	141.21	49.52
3.	24	Agriculture	131.74	4.24	135.98	99.28	36.70
4.	26	Rural Works	70.13	27.95	98.08	86.86	11.22
5.	27	Panchayat	59.94	14.51	74.45	32.32	42.13
6.	31	Public Works	94.09	67.16	161.25	123.01	38.24
7.	32	Roads & Bridges	78.20	145.26	223.46	182.45	41.01
8.	38	Water Resources Department	93.13	110.68	203.81	152.28	51.53
9.	45	Civil Aviation	20.97	13.16	34.13	17.18	16.95
10.	47	Administration of Justice	19.28	0.74	20.02	4.31	15.71
11.	50	Secretariat Economic Services	236.39	-	236.39	7.63	228.76
REVENUE - CHARGED							
12.	97	Public Debt	287.81	41.55	329.36	300.81	28.55
CAPITAL - VOTED							
13.	8	Police	16.30	18.30	34.60	17.10	17.50
14.	15	Health & Family Welfare	13.55	49.69	63.24	50.47	12.77
15.	32	Roads & Bridges	354.49	265.70	620.19	569.47	50.72
16.	33	North-eastern areas	134.04	18.42	152.46	114.87	37.59
17.	34	Power	58.75	106.93	165.68	120.54	45.14
18.	38	Water Resource Department	12.11	89.74	101.85	61.06	40.79
19.	50	Secretariat Economic Services	1585.22	-	1585.22	1.21	1584.01
20.	57	Urban Development	99.63	105.96	205.59	144.30	61.29
21.	59	Public Health Engineering	18.73	67.32	86.05	49.92	36.13
CAPITAL - CHARGED							
22.	97	Public Debt	220.82	0	220.82	137.33	83.49
TOTAL			4005.57	1306.30	5311.87	2743.68	2568.19

2.3.2 Persistent Savings

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

Table 2.3: List of Grants indicating Persistent Savings during 2007-12

(₹ in crore)

Sl. No	Number and Name of Grant	Amount of Savings				
		2007-08	2008-09	2009-10	2010-11	2011-12
REVENUE - VOTED						
1.	50-Secretariat Economic Services	523.23 (94)	1179.28 (99)	784.95 (99)	663.43 (99)	228.76 (97)
CAPITAL - VOTED						
2.	34-Power	63.52 (40)	45.87 (28)	62.52 (27)	12.62 (12)	45.14(27)
3.	38-Water Resources Department	10.28 (51)	18.02 (20)	35.95 (49)	21.80 (19)	40.79 (40)
4.	97- Public Debt	116.99 (60)	121.08 (66)	88.38 (44)	104.77 (55)	83.49 (38)

(Figures in parentheses indicate percentage of savings 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, indicating poor budgeting and inadequate control over allocations.

2.3.3 Excess Expenditure

In six cases, expenditure aggregating ₹ 686.55 crore exceeded the approved budget provision by ₹ 1 crore or more in each case or by more than 20 per cent of the total provisions (Table 2.4).

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

(₹ in crore)

Sl. No.	Grant No	Name of Grant/Appropriation	Total Grant/ Appropriation	Total Expenditure	Percentage of Excess Expenditure
REVENUE - VOTED					
1.	8	Police	298.38	299.93	0.52
2.	16	Art & Cultural Affairs	6.03	8.22	36.32
3.	34	Power	315.53	319.10	1.13
4.	65	Department of Tirap & Changlang Districts	1.00	2.93	193.00
CAPITAL - VOTED					
5.	45	Civil Aviation	0.74	9.91	1239.18
6.	65	Department of Tirap & Changlang Districts	24.00	46.46	93.58
TOTAL			645.68	686.55	6.33

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 was, however, noticed that expenditure of ₹ 34.14 crore was incurred in six Grants and two Appropriation, as detailed in **Appendix - 2.2**, without any provision in the Original Estimates/Supplementary Demand and without any re-appropriation orders to that effect. Significant cases of such expenditure involving expenditure in excess of ₹ 1 crore are given in **Table 2.5**.

Table 2.5: Expenditure incurred without provision during 2011-12

(₹ in crore)

Grant/Appropriation Number - Major Head of Account - Sub Head - Detailed Head	Expenditure Without Provision
11-4235-02-800-01- Creation of Assets	27.88
32-07-5-5054-04-800-15- Construction of Road on Bameng to Loda	2.63
29-4425-106-02- Multipurpose Co-operatives	1.62

2.3.5 Excess over provisions relating to previous year requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get any 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 completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, excess expenditure amounting to ₹ 1283.95 crore for the years from 1986-87 to 2010-11 was yet to be regularised as detailed in **Appendix 2.3**.

2.3.6 Excess over provisions during 2011-12 requiring regularisation

Table 2.6 contains a summary of total excesses in 15 cases of Grants amounting to ₹ 43.75 crore over authorisation from the Consolidated Fund during 2011-12, which required regularisation under Article 205 of the Constitution.

Table 2.6: Excess over provisions requiring regularisation during 2011-12

(₹ in crore)

Sl. No.	Number and Name of Grant/Appropriation	Total Grant/ Appropriation	Expenditure	Excess
REVENUE - VOTED				
1.	8 – Police	298.38	299.93	1.55
2.	16 - Arts and Cultural Affairs	6.03	8.22	2.19
3.	29 – Co-operation	11.68	12.57	0.89
4.	34 – Power	315.53	319.10	3.57
5.	48 – Horticulture	35.89	36.14	0.25
7.	65 – Department of Tirap and Changlang Districts	1.00	2.93	1.93
7.	66 – Hydro Power Development	39.77	40.32	0.55
CAPITAL - VOTED				
8.	19 – Industries	6.39	6.51	0.12
9.	37 – Legal Metrology and Consumer Affairs	3.19	3.50	0.31
10.	39 – Loans to Government Servants	3.60	3.74	0.14
11.	43 – Fisheries	5.37	5.49	0.12
12.	45 – Civil Aviation	0.74	9.91	9.17
13.	47 – Administration of Justice	4.97	5.43	0.46
14.	62 – Directorate of Transport	3.47	3.51	0.04
15.	65 – Department of Tirap and Changlang Districts	24.00	46.46	22.46
TOTAL		760.01	803.76	43.75

2.3.7 Unnecessary/Excessive/Inadequate Supplementary Provision

Supplementary provision aggregating ₹ 68.30 crore obtained in eight cases, (₹ 10 lakh or more in each case) during the year proved unnecessary as the expenditure did not come up to the level of the original provisions, as detailed in **Table 2.7**.

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

(₹ in crore)

Sl. No.	Number & Name of Grant/Appropriation		Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
REVENUE - VOTED						
1.	23	Forests	176.75	141.21	35.54	13.97
2.	24	Agriculture	131.74	99.28	31.46	4.24
3.	27	Panchayat	59.94	32.32	27.62	14.52
4.	45	Civil Aviation	20.98	17.18	3.80	13.16
5.	47	Administration of Justice	19.28	4.31	14.97	0.74
6.	52	Sports and Youth Services	20.77	17.61	3.16	2.74
7.	68	Town Planning Department	5.95	1.81	4.14	0.51
CAPITAL - VOTED						
8.	33	North-Eastern Areas	134.04	114.87	19.17	18.42
TOTAL			569.45	428.59	139.86	68.30

In five cases (Table 2.8), the supplementary provision of ₹ 176.89 crore proved insufficient by more than ₹ one crore in each case, leaving an aggregate excess expenditure of ₹ 38.94 crore over the supplementary provision.

Table 2.8: Cases of Insufficient Supplementary Provisions

(₹ in crore)

Sl. No.	Number and Name of Grant/Appropriation		Original Provision	Supplementary Provision	Total	Expenditure	Excess
REVENUE - VOTED							
1.	8 – Police		238.78	59.60	298.38	299.93	1.55
2.	16 - Art & Cultural Affairs		5.11	0.92	6.03	8.22	2.19
3.	34 – Power		223.25	92.28	315.53	319.10	3.57
CAPITAL – VOTED							
4.	45 – Civil Aviation		0.65	0.09	0.74	9.91	9.17
5.	65 – Department of Tirap and Changlang Districts		0.00	24.00	24.00	46.46	22.46
TOTAL			467.79	176.89	644.68	683.62	38.94

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 77 Grants/Appropriations as detailed in Appendix 2.4.

2.3.9 Unexplained Re-appropriation

According to the Budget Manual, reasons for additional expenditure and savings should be explained in the Re-appropriation Statement and vague expressions such as “less requirement of funds”, “requirement of more funds,” etc., should be avoided. Scrutiny of re-appropriation orders issued by the Finance Department revealed that in respect of some cases, reasons given for additional provision/withdrawal of provision

in the re-appropriation orders were release of additional funds by the Government of India for major works, non-receipt of funds from the Finance Department, non-completion of construction works in time, etc.; while in most cases, vague expressions like, 'based on actual requirement,' etc., were shown as reasons for re-appropriation.

2.3.10 Substantial Surrenders

Substantial surrenders (cases where more than 50 per cent of the total provision was surrendered) were made in respect of seven Grants and one Appropriation. Out of the total provisions of ₹ 325.01 crore in these cases, ₹ 271.67 crore (83.59 per cent) was surrendered during the year, reasons for which were not stated. Details of such cases are given in **Table 2.9** below.

Table 2.9: Cases of Substantial Surrenders made during the year

(₹ in crore)					
Sl. No.	Number and Title of Grant		Head of Account	Amount Surrendered	% of Surrender
1.	12	Social Security and Welfare	2235-60-800-04	0.21	84.00
2.	19	Industries	08-2852-80-800-05	1.00	100.00
3.	19	Industries	2851-800-11	0.60	100.00
4.	50	Secretariat Economic Services	3451-090-01	117.65	78.83
5.	50	Secretariat Economic Services	2575-60-800-08	79.40	100.00
6.	50	Secretariat Economic Services	4070-800-02	69.93	83.07
7.	67	State Information Commission	03-2070-105-02	0.11	100.00
8.	97	Public Debt	6003-108-03	2.77	97.24
TOTAL				271.67	83.59

2.3.11 Anticipated Savings not surrendered

As per the Budget Manual, spending Departments are required to surrender Grants/Appropriations or portions thereof to the Finance Department as and when savings are anticipated. At the end of the financial year 2011-12, there were 57 Grants/Appropriations where there were savings (₹ 10 lakh and above in each case), but were not surrendered by the Departments concerned. The amount involved in these cases was ₹ 643.15 crore (**Appendix 2.5**). Out of the 57 cases, savings were more than ₹ one crore in 32 cases.

Similarly, out of the total savings of ₹ 2653.95 crore under 37 Grants/Appropriations (where savings of ₹ 1 crore and above occurred in each Grant/Appropriation), an amount aggregating ₹ 1845.52 crore (69.54 per cent of total savings) was not surrendered, details of which are given in **Appendix 2.6**. Due to the non-surrender of anticipated savings by the Departments concerned, there was no scope on the part of the Finance Department to utilize the funds for other purposes.

2.3.12 Rush of Expenditure

Rush of expenditure at the end of the financial year can lead to infructuous, nugatory or ill-planned expenditure. As such, Government expenditure is required to be evenly phased over the year as far as possible. It was, however, noticed that during 2011-12, expenditure during the fourth quarter and in the month of March compared to the total expenditure during the year ranged between 20.61 per cent and 91.62 per cent and 14.73 per cent to 80.29 per cent respectively in case of 12 illustrative major Heads of Account, as indicated in **Table 2.10** below:

Table 2.10: Cases of Rush of Expenditure towards the end of the Financial Year
(₹ in crore)

Sl. No.	Major Head	Total Expenditure during the Year	Expenditure during January - March 2012		Expenditure during March 2012	
			Amount	% of Total Expenditure	Amount	% of Total Expenditure
1.	2202	535.65	208.81	38.98	144.89	27.05
2.	2210	230.02	90.62	39.40	50.57	21.99
3.	2235	106.41	69.71	65.51	54.61	57.32
4.	2401	127.97	65.68	57.32	49.59	38.75
5.	2406	140.84	79.92	56.75	68.88	48.91
6.	2408	71.69	14.83	20.69	10.56	14.73
7.	2515	95.05	55.43	58.32	49.95	52.55
8.	2801	353.04	179.32	50.79	154.10	43.65
9.	3054	225.33	142.52	63.25	121.26	53.81
10.	4215	49.92	49.73	91.62	40.08	80.29

2.4 Non-reconciliation of Departmental Figures

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

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

Records available in respect of some Drawing & Disbursing Officers (DDOs)/COs revealed that from April 2009 onwards, 1138 DCC Bills amounting to ₹ 18.83 crore were not furnished to the Accountant General as of March 2012. Thus, due to non-submission of DCC Bills, the actual expenditure against these drawals remained un-assessed, indicating a serious deficiency in control over expenditure. The year-wise position is given in **Table 2.11** below.

Table 2.11: Position of Pending DCC bills

(₹ in crore)				
Year	Total Amount Drawn during the Year	Number of Pending DCC Bills	% of Outstanding Amount	Amount Involved
2009-10	25.84	113	45.28	11.70
2010-11	2.93	545	48.46	1.42
2011-12	7.60	480	75.13	5.71
TOTAL	36.37	1138	51.77	18.83

2.4.2 Un-reconciled Expenditure

To enable COs of Departments to exercise effective control over expenditure, to keep it within budget grants and 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. 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 2011-12 also. Five COs did not reconcile expenditure amounting to ₹ 20.24 crore as of March 2012. Details are given in **Table 2.12**.

Table 2.12: Un-reconciled Expenditure

(₹ in crore)			
Sl. No.	Controlling Officers	Number of Heads of Account involved	Amount not Reconciled
1.	Director, North-Eastern Areas	2552, 4552	11.83
2.	Director of Prisons	2056	4.67
3.	Secretary, Social Security and Welfare	2235	0.31
4.	Compiler, Gazetteer	2070	0.80
3.	Director, Loans to Govt. Servants	7610	2.63
Total			20.24

2.5 Conclusion and Recommendations

In 2011-12, there was net savings of ₹ 2630.89 crore, which was the result of savings of ₹ 2674.64 crore, offset by excess of ₹ 43.75 crore. The excess of ₹ 157.64 crore needed to be regularized as per Article 205 of the Constitution. There were large persistent savings in 4 Grants for the last five years. There were instances of inadequate provision of funds and unnecessary/excessive re-appropriations. Rush of expenditure at the end of the Financial Year is another chronic feature noticed in the overall financial management. In many cases, anticipated savings were not surrendered, leaving no scope for utilising these funds for other development purposes. Detailed Bills were not submitted for a large amount of advances drawn on Abstract Contingent Bills.

Budgetary Controls should be strictly observed to strengthen Financial Management.

CHAPTER – III : Financial Reporting

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

3.1 Utilisation Certificates

In respect of grants sanctioned for specific purposes, concerned Departmental officers are required to obtain Utilisation Certificates (UCs) from the grantees, which are to be forwarded to the Accountant General, after verification. However, for Grants-in-aid paid up to 2010-11, 226 UCs for an aggregate amount of ₹ 187.70 crore were awaited. During 2011-12, 122 UCs for an aggregate amount of ₹ 291.26 crore were awaited. A Department-wise analysis of the same is shown in **Appendix 3.1**.

3.2 Non-submission/Delay in Submission of Accounts

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

The Annual Accounts of 20 Autonomous Bodies/Authorities due up to 2011-12 have still not been received by the Accountant General as on December 2012. Details of these accounts are given in **Appendix 3.2** and their age-wise pendency is presented in the Table below.

Table 3.1

Sl. No.	Delay (in Years)	Number of Bodies/Authorities from whom Annual Accounts are awaited
1.	0 – 1	04
2.	1 – 3	09
3.	3 – 5	-
4.	5 – 7	05
5.	7 – 9	01
6.	9 and above	01

Out of 20 Bodies/Authorities, Annual Accounts in respect of one organization, viz., District Rural Development Agency, Seppa, was outstanding for 16 years.

3.3 Misappropriation, Losses, Defalcation, etc.;

According to Rule 33 of the General Financial Rules, 2005, any loss or shortage of public money, Departmental revenue or receipts, etc.; held by or on behalf of the Government, irrespective of the cause of loss and manner of detection, shall be immediately reported by the subordinate authority concerned to the next higher authority and to the Statutory Audit Officer and the Accounts Officer, even when such loss has been made good by the party responsible for it.

The State Government reported 14 cases of misappropriation, defalcation, etc., involving Government money amounting to ₹ 21.18 lakh up to the period 31 March 2012, on which final action was pending. A Department-wise break up of pending cases of misappropriation, losses, etc., is given in **Table 3.2** below.

Table 3.2: Department-wise break up of Pending Cases

(₹ in lakh)

Department	Theft		Misappropriation		Loss of Government Material		Total	
	No. of Cases	Amount	No. of Cases	Amount	No. of Cases	Amount	No. of Cases	Amount
Public Works	12	15.61	1	0.04	-	-	13	15.65
Fisheries	1	5.53	-	-	-	-	1	5.53
TOTAL	13	21.14	1	0.04	-	-	14	21.18

The age profile of pending cases and number of cases pending in each category (theft, misappropriation, loss) are summarised in **Table 3.3**.

Table 3.3: Profile of Thefts, Misappropriations, Losses, Defalcations etc.;

(₹ in lakh)

Age Profile of Pending Cases			Nature of Pending Cases		
Range (in Years)	Number of Cases	Amount Involved	Nature/Characteristics of Cases	Number of Cases	Amount Involved
0-5	6	19.85	Theft	13	21.14
5-10	1	0.65			
10-15	2	0.08			
15-20	2	0.47	Misappropriation/Losses	1	0.04
20-25	3	0.13			
	-	-	TOTAL	14	21.18
	-	-	Cases of losses Written off during the Year	-	-
	-	-	Recovery during the Year	-	-
TOTAL	14	21.18	TOTAL PENDING CASES	14	21.18

Out of ₹ 21.18 lakh, the highest number of cases and number of thefts, misappropriations, losses, etc., was ₹ 15.65 lakh in the Public Works Department involving 13 cases.

3.4 Conclusion and Recommendations

The State Government's compliance with various rules, procedures and directives was wanting, as evident from delays in furnishing Utilisation Certificates for Grants given by a Department. There were instances of losses and misappropriation in various Departments, which remained unsettled for periods ranging from one to 10 years.

Internal Control in all Departments/Organisations should be strengthened to prevent the above deficiencies. Efforts should be made to bring the defaulters to book.

Itanagar
the



(S. A. Bathew)
Accountant General
Arunachal Pradesh

Countersigned

New Delhi
the



(Vinod Rai)
Comptroller and Auditor General of India

APPENDICES

APPENDIX - 1.1**Part A - Structure and Form of Government Accounts****(Reference: Page 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 the State' is established under Article 266(1) of the Constitution of India.

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

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

APPENDIX 1.1

Part-B: Layout of Finance Accounts

(Reference: Page - 1)

Layout of Finance Accounts

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

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

APPENDIX - 1.1

Part - C: Methodology adopted for the Assessment of Fiscal Position

(Reference: Page - 1)

The norms/ceilings prescribed by the Twelfth Finance Commission 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 are used to make qualitative assessment of the trends and patterns of major fiscal aggregates. Assuming that Gross State Domestic Product¹ (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 percentages to the GSDP at current market prices. The buoyancy co-efficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilisation of resources, pattern of expenditure, *etc.*, are keeping pace with the change in the base or if these fiscal aggregates are also affected by factors other than GSDP. The New GSDP series with 2004-05 as base, as furnished (December 2012) by the Directorate of Economics and Statistics of the State Government, have been used in estimating these percentages and buoyancy ratios.

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

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

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

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

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

APPENDIX 1.1

Part - D: State Profile

(Reference: Page - 1)

A. General Data		
Sl. No.	Particulars	Figures
1.	Area	83,743 sq km
2.	Population - 2010-11 (as per 2011 census – provisional data)	13,82,611
	Male	7,20,232
	Female	6,62,379
3.	Density of Population (2011 – provisional data) (All-India Average = 382 persons per sq. km.)	17 persons per sq. km.
4.	Population below poverty line (All India Average = 27.5%)	17.6%
5.	Population Growth (2001 to 2011)	25.92%
6.	Literacy (as per 2011 census – provisional data) (All India Average = 64.8%)	66.95%
7.	Infant Mortality (per 1000 live births) (All-India Average = 50 per 1000 live births)	32
8.	Gross State Domestic Product (GSDP) 2011-12	₹ 11135.53 crore
9.	GSDP ² CAGR (2004-05 to 2011-12)	18.04%

B. Financial Data			
Particulars		Figures (percentage)	
		2002-03 to 2010-11	2002-03 to 2011-12
CAGR of			
(a)	Revenue Receipts	21.95	19.48
(b)	Own Tax Revenue	24.70	27.08
(c)	Non-Tax Revenue	27.42	18.84
(d)	Total Expenditure	19.24	19.35
(e)	Capital Expenditure	24.26	24.38
(f)	Revenue Expenditure on General Education	14.62	15.83
(g)	Revenue Expenditure on Health & Family Welfare	17.07	16.99
(h)	Salaries	18.52	18.55
(i)	Pension	17.75	16.52

Source: SI 7: SRS Bulletin January 2011 – Estimated Infant mortality rate, 2009.

² Based on GSDP Series (current prices) with 2004-05 as Base Year, as furnished by the Directorate of Economics & Statistics, Arunachal Pradesh, in December 2011.

APPENDIX - 1.2

Fiscal Responsibility and Budget Management Act, 2006

(Reference: Pages 1 & 3)

Fiscal Responsibility and Budget Management Act

The State Government enacted the Arunachal Pradesh Fiscal Responsibility and Budget Management (APFRBM) Act, 2006 to (i) ensure fiscal prudence, stability and efficiency, (ii) achieve fiscal consolidation for facilitating the generation of revenue surplus for enhancing the scope for improvement of investment in the social and economic sectors/infrastructure, (iii) ensure fiscal and debt sustainability through progressive reduction of 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 30th March 2006, and the Fiscal Responsibility and Budget Management (FRBM) Rules, 2007, came into force with effect from 12th February 2007. The Rule set the following fiscal targets for the State Government;

- Maintain at least the level of revenue surplus in the base year (average of 2001-02 to 2003-04) in subsequent years, beginning with 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 incorporated the following statements in the Budget for the year 2010-11.

- Macro-Economic Framework Statement, giving an overview of the State economy.
- Medium Term Fiscal Plan (MTFP) Statement, prescribing fiscal targets and assumptions for achieving them. As per MTFP Statement of March 2011, the rolling targets for fiscal indicators for the year 2011-12 were as under:

- Revenue surplus as percentage of GSDP	24.81
- Fiscal Deficit as percentage of GSDP	2.08
- Total outstanding liabilities at the end of the year (₹ in crore)	3596.80
- Liabilities as percentage of GSDP for the year	38.22
- Fiscal Plan Strategy Statement of the State for the ensuing year relating to taxation, expenditure, borrowings, lending and investments, etc;.

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

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

APPENDIX 1.3

Time Series Data on State Government Finances

(Reference: Pages 1 and 27)

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
PART - A. RECEIPTS					
1. Revenue Receipts	3003.01	3855.97	4294.87	5422.09	5499.06
<i>(a) Own Tax Revenue</i>	98.09 (3)	136.23 (4)	173.44 (4)	214.99 (4)	317.65 (6)
Taxes on Sales, Trade, etc.	77.06 (79)	105.68 (77)	130.23 (75)	168.24 (78)	216.36 (68)
State Excise	11.61 (12)	16.61 (12)	23.78 (14)	29.74 (14)	37.63 (12)
Taxes on Vehicles	6.42 (6)	7.76 (6)	13.07 (7)	11.76(5)	12.41 (4)
Stamps and Registration fees	0.86 (1)	1.25 (1)	1.88 (1)	1.86 (1)	2.24 (1)
Land Revenue	2.12 (2)	4.90 (4)	4.43 (3)	3.37 (2)	3.85 (1)
Other Taxes	0.02	0.03	0.05	0.01	45.16 (14)
<i>(b) Non Tax Revenue</i>	656.92 (22)	772.01 (20)	511.25 (12)	530.14 (10)	360.71 (7)
<i>(c) State's share in Union taxes and duties</i>	437.87 (15)	462.09 (12)	475.40 (11)	720.18 (13)	838.97 (15)
<i>(d) Grants-in-aid from Government of India</i>	1810.13 (60)	2485.64 (64)	3134.78 (73)	3956.78 (73)	3981.73 (72)
2. Miscellaneous Capital Receipts	-	-	-	-	-
3. Recoveries of Loans and Advances	2.94	2.78	202.70	2.41	2.90
4. Total Revenue and non Debt Capital receipts(1+2+3)	3005.95	3858.75	4497.57	5424.50	5501.96
5. Public Debt Receipts	291.06	143.88	216.20	122.36	168.66
Internal Debt (excluding Ways & Means Advances and Overdrafts)	285.01	143.88	216.20	121.99	168.66
Net Transactions under Ways & Means Advances & Overdrafts	-	-	-	-	-
Loans and Advances from Government of India	6.05	-	-	0.37	-
6. Total receipts in the Consolidated Fund (4+5)	3297.01	4002.63	4713.77	5546.86	5670.62
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Accounts Receipts	2423.76	7255.58	4264.84	3077.77	4224.65
9. Total Receipts of Government (6+7+8)	5720.77	11258.21	8978.61	8624.63	9895.27
PART - B. EXPENDITURE/DISBURSEMENT					
10. Revenue Expenditure	2259.55	2895.46	3695.59	3744.24	4417.86
Plan	1043.67 (46)	1142.66 (39)	1135.17 (31)	1211.16 (32)	1564.00 (35)
Non-Plan	1215.88 (54)	1752.80 (61)	2560.42 (69)	2533.08 (68)	2853.86 (65)
General Services (including interest payments)	620.06 (28)	774.24 (27)	1161.03 (32)	1265.23 (34)	1284.44 (29)
Social Services	706.58 (31)	980.71 (34)	1196.66 (32)	994.28 (27)	1385.42 (31)
Economic Services	932.91 (41)	1140.51 (39)	1337.90 (36)	1484.73 (39)	1748.00 (40)
11. Capital Expenditure	753.21	1290.23	1030.31	1649.20	2065.88
Plan	552.08 (73)	1279.61 (99)	1007.48 (98)	1632.03 (99)	2059.85 (100)
Non-Plan	201.13 (27)	10.62 (1)	22.83 (2)	17.17 (1)	6.03 (-)
General Services	23.11 (3)	47.22 (4)	62.41 (6)	89.10 (5)	180.81 (9)
Social Services	148.38 (20)	161.69 (12)	153.60 (15)	409.68 (25)	545.59 (26)
Economic Services	581.72 (77)	1081.32 (84)	814.30 (79)	1150.42 (69)	1339.48 (65)

	2007-08	2008-09	2009-10	2010-11	2011-12
12. Disbursement of Loans and Advances	2.97	27.24	205.46	6.31	9.69
13. Total (10+11+12)	3015.73	4212.93	4931.36	5399.75	6493.43
14. Repayments of Public Debt	77.13	63.46	110.81	86.50	137.43
Internal Debt (excluding Ways & Means Advances and Overdrafts)	54.97	59.75	86.70	59.31	109.78
Loans and Advances from Government of India	22.16	3.71	24.11	27.19	27.55
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total Disbursement out of Consolidated Fund (13+14+15)	3092.86	4276.39	5042.17	5486.25	6630.76
17. Contingency Fund disbursements	-	-	-	-	-
18. Public Account disbursements	2169.85	4229.12	3660.68	2949.79	3954.68
19. Total disbursements by the State (16+17+18)	5262.71	8505.51	8702.85	8436.04	10585.44
PART - C. DEFICITS/SURPLUS					
20. Revenue Deficit (-)/Surplus (+) (1-10)	+ 743.46	+ 960.51	+ 599.28	+ 1677.85	+1081.20
21. Fiscal Deficit (-)/Surplus (+) (4-13)	- 9.78	- 354.18	- 433.79	+ 24.75	-991.47
22. Primary Deficit (-)/Surplus (+) (21+23)	+ 145.16	- 138.64	- 206.81	+ 424.67	-709.66
PART - D. OTHER DATA					
23. Interest Payments (included in revenue expenditure)	154.94	215.54	226.98	399.92	281.81
24. Financial Assistance to local bodies etc.	43.49	102.24	69.58	60.61	25.63
25. Ways and Means Advances/ Overdraft availed (days)	-	-	-	-	-
26. Interest on Ways and Means Advances/ Overdraft	-	-	-	-	-
27. Gross State Domestic Product (GSDP) ³	4810.00	5687.32	7472.97	8731.50	11135.53
28. Outstanding Fiscal liabilities (year end)	2638.55	2954.66	3119.05	3456.24	4036.15
29. Outstanding guarantees (year end)	0.98	0.61	0.61	⁴	1.83
30. Maximum amount guaranteed (year end)	12.00	12.00	12.00	⁴	2.00
31. Number of incomplete projects	285	80	63	50	365
32. Capital blocked in incomplete projects	25.12	579.52	-	157.67	⁻⁵
PART - E. FISCAL HEALTH INDICATORS (per cent)					
I - Resource Mobilization					
Own tax revenue/GSDP	2.04	2.40	2.32	2.46	2.82
Own Non-Tax Revenue/GSDP	13.66	13.57	6.84	6.07	3.24
Central Transfers /GSDP	46.74	51.83	48.31	53.56	43.29
II - Expenditure Management					
Total Expenditure ⁶ /GSDP	62.70	74.08	65.99	61.84	58.31
Total Expenditure /Revenue Receipts	100.42	109.26	114.82	99.58	118.08

³ GSDP figures (Current Prices – Base Year 2004-05) as furnished (December 2012) by the Directorate of Economics and Statistics, Government of Arunachal Pradesh (2007-08 to 2009-10: Revised Estimate; 2011-12: Provisional Estimate; 2011-12: Quick Estimate).

⁴ Information not furnished by the State Government (January 2012).

⁵ Stipulated date of completion is not yet over.

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

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Expenditure /Total Expenditure	74.93	68.73	74.94	69.34	68.04
Expenditure on Social Services/Total Expenditure	28.35	27.12	27.38	26.00	29.74
Expenditure on Economic Services / Total Expenditure	50.22	52.74	43.64	48.80	47.55
Capital Expenditure /Total Expenditure	24.98	30.63	20.89	30.54	31.81
Capital Expenditure on Social and Economic Services /Total Expenditure	24.21	29.50	19.63	28.89	29.03
III - Management of Fiscal Imbalances					
Revenue Surplus /GSDP	+15.46	+16.89	+8.02	+19.22	+9.71
Fiscal Deficit (-) or Surplus(+)/GSDP	-0.20	-6.23	-5.80	+0.28	-8.90
Primary Deficit (-) or Surplus (+)/GSDP	+3.02	-2.44	-2.77	+4.86	-6.37
Revenue Surplus /Fiscal Surplus	- 7601.84	- 271.19	- 138.15	+ 6779.19	-109.05
Primary Revenue Balance/ GSDP	18.68	20.68	11.06	23.80	12.24
IV - Management of Fiscal Liabilities					
Fiscal Liabilities /GSDP	54.86	51.95	41.74	39.58	36.25
Fiscal Liabilities /RR	87.86	76.63	72.62	63.74	73.40
Primary Deficit vis-à-vis quantum spread	+403.63	+139.20	+500.24	+570.64	-18.07
Debt Redemption (Principal + Interest)/ Total Debt Receipts	81.69	87.18	105.19	104.93	84.31
V - Other Fiscal Health Indicators					
Return on Investment(₹ in crore)	0	0	0	0	0
Balance from Current Revenue (₹ in crore)	369.70	86.50	-879.57	-214.47	-467.35
Financial Assets/Liabilities (ratio)	2.44	1.87	2.20	2.51	2.62

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

APPENDIX - 1.4

Abstract of Receipts and Disbursements for the year 2011-12
(Reference: Paragraph 1.1; Page - 2)

(₹ in crore)

Receipts			Disbursements				
2010-11		2011-12	2010-11	2011-12			
Section - A : Revenue							
	I - Revenue Receipts			I - Revenue Expenditure	Non-Plan	Plan	Total
214.99	Own Tax Revenue	317.65	1265.23	General Services	1244.80	39.64	1284.44
530.14	Non-tax Revenue	360.71	994.28	Social Services	756.72	628.70	1385.42
720.18	State's share of Union taxes	838.97	488.78	Education, Sports, Arts and Culture	437.37	152.37	589.74
836.29	Non-Plan Grants	850.18	207.20	Health and Family Welfare	188.36	52.79	241.15
2616.44	Grants for State Plan Schemes	2565.22	147.89	Water Supply, Sanitation, Housing and Urban Development	91.23	138.87	230.10
425.90	Grants for Central and Centrally Sponsored Plans/Schemes	383.70	11.83	Information and Broadcasting	8.25	3.40	11.65
			7.61	Labour and Welfare	6.75	1.68	8.43
78.15	Grants for Special Plan Schemes	182.63	123.85	Social Welfare and Nutrition	16.90	279.59	296.49
			7.12	Others	7.86	-	7.86
			1484.73	Economic Services	852.34	895.66	1748.00
			407.23	Agriculture and Allied Activities	298.96	196.69	495.65
			91.50	Rural Development	60.69	34.37	95.06
			65.14	Special Areas Programme	0.06	116.07	116.13
			144.96	Irrigation and Flood Control	66.71	85.57	152.28
			276.92	Energy	209.20	150.22	359.42
			40.97	Industries and Minerals	31.25	18.27	49.52
			291.83	Transport	136.51	153.32	289.83
			13.69	Communications	15.29	-	15.29
			23.88	Science, Technology and Environment	0.16	22.16	22.32
			128.61	General Economic Services	33.51	118.99	152.50
5422.09	Total Receipts	5499.06	3744.24	Total Disbursements	2853.86	1564.00	4417.86
...	II - Revenue Deficit carried over to Section - B		1677.85	II - Revenue Surplus carried over to Section - B			1081.20

Receipts			Disbursements				
2010-11		2011-12	2010-11	2011-12			
Section – B							
					Non-Plan	Plan	Total
1610.39	III - Opening Cash Balance, including Permanent Advances and Cash Balance Investment	1798.98	-	III - Opening Overdraft from RBI	...	...	...
-	IV - Miscellaneous Capital Receipts		1649.20	IV - Capital Outlay	6.03	2059.85	2065.88
			89.09	General Services	2.81	178.00	180.81
			409.67	Social Services	-	545.59	545.59
			113.87	Education, Sports, Arts and Culture	-	173.11	173.11
			32.60	Health and Family Welfare	-	50.48	50.48
			224.70	Water Supply, Sanitation, Housing and Urban Development	-	235.17	235.17
			6.11	Social Welfare and Nutrition	-	81.28	81.28
			1.14	Information and Broadcasting	-	3.88	3.88
			1.17	Others	-	1.67	1.67
			1150.43	Economic Services	3.22	1336.26	1339.48
			17.84	Agriculture and Allied Activities	3.12	33.26	36.38
			19.22	Rural Development Programme	-	56.80	56.80
			146.21	Special Areas Programme	-	161.33	161.33
			90.28	Irrigation and Flood Control	0.10	60.96	61.06
			257.25	Energy	-	203.57	203.57
			3.50	Industry and Minerals	-	18.48	18.48
			577.91	Transport	-	750.16	750.16
			-	Science, Technology and Environment	-	-	-
			38.21	General Economic Services	-	51.70	51.70

2010-11	Receipts		2011-12	2010-11	Disbursements		2011-12
2.41	V - Recoveries of Loan and Advances		2.90	6.31	V - Loans and Advances disbursed		9.69
-	From Power Projects	-		2.50	For Power Projects	-	
2.18	From Government servants	2.30		3.16	To Government servants	3.74	
0.23	From others	0.60		0.65	To others	5.95	
1677.85	VI - Revenue Surplus brought down		1081.20	-	VI - Revenue Deficit brought down		-
122.36	VII - Public Debt receipts		168.66	86.50	VII - Repayment of Public Debt		137.33
121.99	Internal debt other than Ways and Means Advances and Overdraft	168.66		59.31	Internal debt other than Ways and Means Advances and Overdraft	109.78	
-	Net transaction under Ways and Means Advances including Overdraft	-		-	Net transaction under Ways and Means Advances including Overdraft	-	
0.37	Loans and Advances from Central Government	-		27.19	Repayment of Loans and Advances to Central Government	27.55	
-	VIII - Appropriation to Contingency Fund			-	VIII - Appropriation to Contingency Fund		-
-	IX - Amount transferred to Contingency Fund		-	-	IX - Expenditure from Contingency Fund		
3077.77	X - Public Account receipts		4224.65	2949.79	X - Public Account disbursements -		3954.68
183.41	Small Savings and Provident Funds	256.02		103.91	Small Savings and Provident funds	127.84	
17.00	Reserve funds	19.00		-	Reserve Funds	-	
- 219.28	Suspense and Miscellaneous	10.55		- 22.95	Suspense and Miscellaneous	177.32	
2445.74	Remittances	2998.64		2435.93	Remittances	2990.53	
650.90	Deposits and Advances	940.44		432.90	Deposits and Advances	658.99	
	XI - Earmarked Funds			1798.98	XI - Closing cash balance		1108.81
				86.26	Cash in Treasuries and Local Remittances	95.77	
				- 284.82	Deposits with Reserve Bank and other banks	25.88	
				3.00	Departmental Cash Balance including Permanent Advances	3.27	
				1994.54	Cash Balance Investment and investment of earmarked funds	984.24	
6490.78	Total		7276.39	6490.78	Total		7276.39

APPENDIX – 1.4

**Summarised financial position of the Government of Arunachal Pradesh as on
31 March 2012**
(Reference: Paragraph 1.10.1 and; Page - 27)

(₹ in crore)

As on 31 March 2011	Liabilities		As on 31 March 2012
		Internal Debt	
	-	Market loans not bearing interest	-
	685.50	Market loans bearing interest	684.16
	0.95	Loans from LIC	0.78
	306.30	Loans from NABARD	359.67
1784.19	100.67	Loans from other Institutions	99.85
	55.64	Ways and Means and Advances	55.64
	647.68	Special Securities issued to National Small Savings Fund of the Central Government	653.17
	-	Overdraft from Reserve Bank of India	-
	- 12.55	Other Loans	-10.20
		Loans and Advances from Central Government	
	38.88	Non-Plan loans	38.52
	290.03	Loans for State Plan Schemes	265.92
393.84	3.35	Loans for Central Plan Schemes	2.28
	14.22	Loans for Centrally Sponsored Plan Schemes	13.58
	47.36	Loans for Special Schemes	45.99
	-	Other Ways and Means Advances	-
0.05		Contingency Fund	0.05
870.81		Small Savings, Provident Funds, etc.	998.99
405.25		Deposits	715.76
1304.21		Suspense and Miscellaneous Balances	1137.45
93.03		Reserve Funds	112.02
		Surplus on Government Account	
7317.53	5639.68	(i) Revenue surplus as on 31 March 2011	7317.53
	1677.85	(ii) Revenue surplus during the year	1081.20
12168.91		Total	13572.36
As on 31.03.2011		Assets	As on 31.03.2012
		Gross Capital Outlay on Fixed Assets	
10218.27	218.18	Investment in shares of Companies, Corporations, Cooperatives, etc.	221.66
	10000.09	Other Capital Outlay	12062.50
		Loans and Advances	
	10.00	Loans for Power Projects	10.00
59.07	41.06	Other Development Loans	46.41
	8.01	Loans to Government servants and Miscellaneous loans	9.45
24.16		Civil Advances	53.22
68.43		Remittance Balances	60.31
-		Suspense and Miscellaneous Balances	
		Cash	
	86.26	Cash in treasuries and Local Remittances	95.77
	- 284.82	Deposits with Reserve Bank and other Banks	25.53
1798.98	2.99	Departmental Cash Balance	3.26
	0.01	Permanent Advances	0.01
	1903.64	Cash Balance Investments	874.34
	90.90	Investment of earmarked funds	109.90
12168.91		Total	13572.36

Explanatory Notes for Appendices 1.2 and 1.4

1. The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts.
2. Government Accounts, being mainly on cash basis, the surplus/deficit on Government Account, as shown in **Appendix 1.4**, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, *etc.*, do not figure in the accounts.
3. Suspense and Miscellaneous Balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, *etc.*.
4. There was a difference of {₹ 4.42 crore (debit)} between figures reflected in the accounts {₹ 25.53 crore (credit)} that intimated by the Reserve Bank of India {₹ 21.11 crore (credit)} due to misclassification by the Bank/Treasuries {₹ 4.42 crore (debit)}.

APPENDIX 1.5

Funds Transferred Directly to State Implementing Agencies (Reference: Paragraph 1.5; Page 8)

(₹ in crore)

Sl. No.	Programme/Scheme	Implementing Agency	Funds Transferred by Government of India
1	Aajeevika	DRDA Changlang, Lohit, Dibang Valley, Lower Subansiri, Papumpare, Tawang, , Kameng, East Siang, Upper Siang, Upper Subansiri, West Siang, East Kameng,	3.64
2.	Adult Education and Skill Development Scheme	AP State Literacy Mission Authority, Itanagar	22.61
4	Assistance to IHMS, FCIS, etc;.	AP Institute of Hotel Management, Catering Technology and Applied Nutrition Society.	3.00
4	Baba Saheb Ambedkar Hastshilpa Vikas Yojana	Mebo Handloom & Handicrafts Co-operative Society Ltd.	0.13
		Koje Janggo Multipurpose Co-operative Society Ltd.	0.09
		Tarchuk Samaj	0.16
		Arun Kutir Udyog Co-operative Society	0.08
		Kera Dading Multi-purpose Society, Kurung Kumey(AP)	0.01
		Parte Danne Multipurpose Co-operative Society, Ltd.	0.09
		Monya 1 Handloom & Handicraft Co-operative Society Ltd.	0.13
		Upper Subansiri Handloom Development Co-operative Society Ltd.	0.03
		Kadorna Welfare Centre Agency	0.06
5	Bio-informatics	NERIST	0.10
6	Buddhist and Tibetan Studies	Centre for Buddhist Cultural Studies	1.01
		Sera Jay Jamyang Choekhorling (Buddhist Culture Preservation Society)	0.03
		Tai-Khamti Heritage and Literature Society	0.06
		Central Institute of Himalyan Culture Studies	7.01
		Arunodaya Welfare Society in r/o Monyul Museum Agency	0.05
7	Central Rural Sanitation Programme	SWSM, AP	2.04
8	Comprehensive Scheme for Combating Trafficking	Nyia-ko-Society	0.05
9	Conservation of Natural Resources and Ecosystem	NERIST	0.05
10	Crime and Criminal Tracking Network and Systems	Arunachal Pradesh Police Housing and Welfare Corporation, Ltd.	0.90
11	Deen Dayal Disabled Rehabilitation Scheme SJE	Ramakrishna Mission Hospital, Itanagar	0.01
12	Design and Technical Upgradation Scheme	Abu Tariang Economic Development Society	0.01
		Nani Sala Foundation	0.06
		A.P Arts & Culture Eco-Tourism Society	0.01
		Kera Dading Multipurpose Society, Kurung Kumey	0.01
		Limi Society	0.01

Sl. No.	Programme/Scheme	Implementing Agency	Funds Transferred by Government of India
13	Directorate of Forensic Science CFSLs & GEsQD	Arunachal Pradesh Police Housing and Welfare Corporation Ltd.	2.18
14	DRDA Administration	DRDA Changlang, Lohit, Anjaw, Kurung Kumey, Dibang Valley, Lower Subansiri, Papumpare, Tawang, Tirap, Kameng, East Siang, Upper Siang, Upper Subansiri, West Siang, East Kameng, Anjaw, Lower Dibang Valley	18.31
15	E-Panchayats	Director Panchayati Raj Deptt., Itanagar	0.81
16	Environment Information, Education and Awareness	A.P. Forest Research and Development Agencies	0.01
17	Forward Linkages to NRHM (new initiatives in NE)	A.P State Health Society	35.58
18	Grants-in-aid to NGO's for ST's, including Coaching & Allied Schemes and Awards for exemplary service	Ramkrishna Sarada Mission	0.46
		Ramkrishna Mission, Narottam Nagar	0.90
		Ramakrishna Mission Aalo (Along)	1.33
		OJU Welfare Association, Naharlagun	0.42
		Arunachal Pali Vidyapith	0.38
		Centre for Buddhist Cultural Studies	0.17
	Buddhist Culture Preservation Society	0.32	
19.	Grid-interactive Renewable Power MNRE	A.P. Energy Development Agency	62.77
20.	Hospitals and Dispensaries (under NRHM)	A.P. State Health Society	2.55
21	HRD (Human Resource Development)	Longing Welfare Society	0.01
		Abu Tariang Economic Development Society	0.01
		Nani Sala Foundation	0.02
		A.P Art & Culture Eco-Tourism Society	0.01
22	Indian Leather Development Programme (ILDIP DIPP)	Yallang Multipurpose Co-operative Society Ltd.	0.33
23	Information Publicity & Extension	A.P. Energy Development Agency	1.01
24	INSPIRE	NERIST	0.02
25	Integrated Watershed Management Programme (IWMP)	SLNA A.P, Itanagar, DRDA Kurung Kumey, Kameng, East Kameng, West Siang, Papumpare, Lower Subansiri, Upper Siang, East Siang, Lohit, Lower Dibang Valley, Upper Subansiri, Tirap	38.06
26.	Mahatma Gandhi National Rural Employment Guarantee Scheme	DRDA Changlang, Lohit, Anjaw, Kurung Kumey, Dibang Valley, Lower Subansiri, Papumpare, Tawang, Tirap, Kameng, East Siang, Upper Siang, Upper Subansiri, West Siang, East Kameng, Anjaw, Lower Dibang Valley	78.42
27.	Marketing and Export Promotion Scheme	Director of Textiles and Handicrafts, Itanagar	0.39
28.	MPs Local Area Development Scheme (MPLADS)	Deputy Commissioner, Lohit, West Siang, Lower Dibang Valley	13.50
29	Museums	Arunodaya Welfare Society in respect of Monyul Museum	0.79
		Bright Future Society , Ziro	0.05
		Research Institute of World's Ancient Traditions Cultures & Heritage	0.05
		Directorate of Research, Govt. of A.P	0.30
30	National Mission on Medicinal Plants	A.P. Medicinal Plants Development Society	2.85
31	National Aids Control Programme, including STD Control	A.P. State Aids Control Society	7.13

Sl. No.	Programme/Scheme	Implementing Agency	Funds Transferred by Government of India
32	National Mission on Bamboo	A.P. Forest Research and Development Agency	3.00
33	National Medicinal Plants Board	State Forest Development Agency, AP	0.48
34	National Programme for Youth and Adolescent Development General Component	Jaw Krong Foundation	0.02
35	National Project for Cattle and Buffalo Breeding	A.P. Livestock Development Society	3.19
36	National Rural Drinking Water Program	SWSM, A.P. Agency	184.83
37	National Rural Health Mission (centrally sponsored)	A.P., State Health Society	52.83
38	National Rural Health Mission (NRHM), Central Sector	A.P. State Health Society	1.48
39	North-Eastern Areas	Director of Information and Public Relations	0.03
		Dy. Commissioner-cum-District Tourism Officer	0.10
		A.P. State Council for Science & Technology, Itanagar	0.58
		NERIST	0.38
		A.P. Skill Development Society	0.20
40	NERIST-DHE	NERIST	6.99
41	OFF Grid DRPS	A.P. Energy Development Agency	2.77
42	Panchayat Empowerment & Accountability Incentive Scheme	Director, Panchayati Raj Deptt. Itanagar	0.67
43.	Pollution Abatement	A.P. State Pollution Control Board	0.04
44	Pradhan Mantri Gram Sadak Yojana	Rural Development, Itanagar	214.26
45.	Promotion and Dissemination of Arts and Culture	Nyia-ko Society	0.10
		A.P. Arts & Culture Eco-Tourism Society	
		Hime Ohho Mienki SA Society	
		Hayang Memorial Agro Industry and Education Trust, AP	
46	Rashtriya Madhyamik Shiksha Abhiyan	A.P. Rajya Madhyamik Shiksha Mission Authority	20.24
47	Renewable Energy for Rural Application for all villages	A.P. Energy Development Agency	0.06
48.	Research and Development Deptt. of Bio-technology	National Research Centre on Yak	0.21
		A.P. Forest research and development agency	
49.	Research and Development for Conservation and Development	Jawaharlal Nehru College, & NERIST	0.12
50	Research and Development Support SERC	NERIST, RGU	0.16
51.	Research and Development Water Resources	NERIST	0.10
52.	Rural Housing - IAY	DRDA Changlang, East Kameng Lower Dibang Valley, Lower Subansiri, Tawang, Tirap, Upper Subansiri, West Siang, Kameng, Anjaw, Kurung Kumey, Upper Siang, Lohit, East Siang, Dibang Valley, Papumpare	31.98
53	Sarva Shiksha Abhiyan	SSA Rajya Mission, Itanagar, AP	238.80

Sl. No.	Programme/Scheme	Implementing Agency	Funds Transferred by Government of India
54.	Scheme for Strengthening of Institution	A.P. Industrial Development and Finance Corporation, Ltd.	0.06
55	Schemes arising out of the implementation of schemes for persons with disabilities - Social Justice & Empowerment (SJE) (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995	Manjushree Charitable Society, Tawang	0.12
56.	Science and Technology Programme for Socio-Economic Development	A.P. State Council for Science and Technology, Itanagar	0.13
		Tamey-Tanang Memorial Society	
		Subansiri Tribal Welfare Society	
		Take Bogo Multipurpose Cooperative Society, Limited	
		NERIST	
57	SJSRY (Swarna Jayanti Shahari RojgarYojana)	State Urban Development Agency, AP	1.29
58	Setting of new NITs, including Chaudhary Ghani Khan Institute of Engineerong (DHE)	National Institute of Technology A.P	7.00
59	Skill Development Initiative	A.P. Skill Development Society Itanagar	0.13
60	Strengthening of institutions for Medical Education Training and Research	Joint Director of Health Services (T&R)	0.25
61	State Science and Technology Programme	A.P. State Council for Science & Technology, Itanagar	5.52
62	Support to NGOs/Institution/SRCs Adult Education and Skill Development (merged schemes of NGOs, JSS, SRCs)	Jan Shikshan Sansthan, Naharlagun	0.30
		State Resource Centre, AP	1.06
63	Support to State Extension Programme for extension reforms	A.P. Agriculture Marketing Board (APAMB)	5.92
64	Technology Education Quality Improvement Programme	NERIST	2.00
65	Tobacco Control	A.P. State Health Society	0.12
66	Voluntary Organisations for providing Social Defence Services, including Prevention of Alcoholism and Drug Abuse - SJE	Arunachal Pali Vidyapith	0.10
67	Water Technology Initiative	A.P. State Council for Science & Technology, Itanagar	0.78
Total			1098.98

Source: Central Plan Scheme Monitoring System of CGA website.

APPENDIX - 2.1

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

(Reference: Paragraph 2.3.1; Page 38)

(₹ in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
Revenue – Voted					
1.	9	Motor Garages	12.12	3.89	32.10
2.	18	Research	11.93	3.05	25.57
3.	23	Forests	190.73	49.52	25.96
4.	24	Agriculture	135.98	36.70	26.99
5.	27	Panchayat	74.45	42.13	56.59
6.	31	Public Works	161.25	38.24	23.71
7.	36	Statistics	18.01	5.24	29.09
8.	38	Water Resources Department	203.81	51.53	25.28
9.	45	Civil Aviation	34.13	16.95	49.66
10.	47	Administration of Justice	20.02	15.71	78.47
11.	50	Secretariat Economic Services	236.39	228.76	96.77
12.	52	Sports and Youth Services	23.51	5.90	25.10
13.	68	Town Planning Department	6.47	4.65	71.87
Capital - Voted					
14	1	Legislative Assembly	13.63	6.01	44.09
15	8	Police	34.60	17.50	50.57
16	15	Health and Family Welfare	63.24	12.77	20.19
17	23	Forests	1.19	1.14	95.79
18	33	North Eastern Areas	152.46	37.59	24.65
19	34	Power	165.68	45.14	27.25
20	38	Water Resource Department	101.85	40.79	40.05
21	48	Horticulture	10.43	2.09	20.04
22	50	Secretariat Economic Services	1585.22	1584.01	99.92
23	52	Sports and Youth Services	19.01	5.50	28.93
24	57	Urban Development	205.59	61.29	29.81
25	59	Public Health Engineering	86.05	36.13	41.99
Capital - Charged					
26	97	Public Debt	220.83	83.49	37.81
Total			3788.58	2435.72	64.29

APPENDIX - 2.2

Expenditure incurred without any Budget Provision

(Reference: Paragraph 2.3.4; Page - 39)

(₹ in lakh)

Sl. No.	Number and Name of Grant/Appropriation	Actual Expenditure
1.	11 Social Welfare	2787.81
	4235 Capital Outlay on Social Security and Welfare	
	02 Social Welfare	
	800 Other Expenditure	
	01 Creation of Assets	
2	24 Agriculture	43.82
	03 Centrally Sponsored Schemes	
	2401 Crop Husbandry	
	800 Other Expenditure	
	50 ACA/SPA	
3.	29 Co-operation	87.37
	2425 Co-operation	
	190 Assistance to Public Sector and Other Undertakings	
	01 Subsidy	
4.	29 Co-operation	162.40
	4425 Capital Outlay on Co-operation	
	106 Investments in multi-purpose Rural Co-operatives	
	02 Multi-purpose Co-operatives	
5	32 Roads and Bridges	262.83
	07 Non-Lapsable Pool Fund	
	5054 Capital Outlay on Roads and Bridges	
	04 District and other Roads	
	800 Other Expenditure	
	15 Construction of Road from Bameng to Loda	
6.	33 North-Eastern Areas	38.30
	09 North-Eastern Council	
	4552 Capital Outlay on North-Eastern Areas	
	800 Other Expenditure	
	40 Pasighat-Koyu-Ego Road	
7.	97 Public Debt	13.56
	2049 Interest Payments	
	01 Interest on Internal Debt	
	305 Management of Debt	
	01 Interest on State Development Loan	
8.	97 Public Debt	17.57
	6004 Loans and Advances from GOI	
	03 Loans for Central Plan Schemes	
	800 Other Loans	
	03 Non-Lapsable Central Pool of Resources for the Development of Sub-transmission and Distribution in the North-Eastern Region and Sikkim	
Total		3413.66

APPENDIX - 2.3

Statement showing Excess Expenditure relating to previous years requiring regularisation

(Reference: Paragraph 2.3.5; Page - 40)

(₹ in crore)

Year	No. of Grants/ Appropriations	Grants/Appropriations	Amount of Excess	Stage of consideration by Public Accounts Committee (PAC)
1986-87 (UT Period)	13	1, 7, 11, 12, 13, 15, 17, 30, 32, 34, 39, 40 & 42	6.56	No meeting of the PAC was held during 2011-12 to discuss excess expenditure over Grants/ Appropriations
1986-87 (State Period)	28	1, 2, 3, 6, 7, 8, 10, 11, 13, 14, 16, 18, 19, 20, 22, 24, 27, 28, 29, 31, 32, 33, 34, 38, 39, 40, 42 & 43	12.71	
1987-88	16	14, 18, 19, 22, 23, 24, 26, 30, 31, 32, 33, 34, 35, 40, 42 & Public Debt	9.06	
1988-89	12	1, 13, 15, 17, 21, 24, 30, 31, 32, 34, 40 & Public Debt	54.51	
1989-90	15	8, 10, 15, 30, 31, 32, 33, 34, 38, 40, 43, 45, 48, 49 & Public Debt	17.49	
1990-91	16	5, 8, 13, 15, 19, 23, 24, 26, 30, 31, 32, 34, 40, 44, 48 & Public Debt	28.61	
1991-92	17	4, 8, 10, 14, 15, 18, 19, 23, 25, 28, 30, 31, 34, 37, 42, 43 & Public Debt	63.12	
1992-93	11	14, 15, 18, 28, 30, 31, 34, 40, 43, 21 & 38	27.91	
1993-94	12	8, 15, 19, 25, 28, 30, 31, 32, 34, 38, 40 & 45	30.66	
1994-95	18	6, 8, 11, 15, 21, 22, 23, 26, 28, 29, 31, 32, 34, 38, 40, 42, 43 & 45	64.45	
1995-96	24	8, 9, 11, 13, 14, 15, 16, 18, 20, 21, 23, 24, 28, 29, 31, 32, 34, 40, 41, 51, 53, 59, 60 & Public Debt	38.41	
1996-97	12	1, 9, 11, 13, 14, 21, 28, 30, 31, 34, 40 & 51	14.86	
1997-98	15	9, 10, 11, 13, 15, 20, 25, 30, 31, 34, 41, 46, 48, 59 & 60	25.34	
1998-99	15	1, 7, 13, 15, 19, 20, 31, 34, 36, 41, 50, 53, 54, 64 & Public Debt	25.26	
1999-00	7	13, 31, 44, 52, 53, 60 & Public Debt	14.27	
2000-01	12	1, 3, 8, 13, 19, 28, 32, 34, 36, 50, 52 & 62	13.27	
2001-02	13	1, 7, 8, 11, 13, 14, 16, 22, 28, 33, 35, 48 & 59	27.08	
2002-03	14	1, 4, 5, 7, 13, 19, 23, 28, 31, 43, 46, 58, 61 & 62	9.70	
2003-04	21	5, 13, 15, 16, 24, 26, 28, 31, 32, 33, 35, 36, 42, 43, 44, 47, 56, 58, 59, 61 & 62	20.15	
2004-05	17	8, 14, 15, 18, 19, 26, 28, 31, 32, 33, 40, 43, 48, 58, 61, 65, 66 & Public Debt	46.46	
2005-06	13	1, 5, 8, 16, 25, 35, 41, 43, 52, 56, 58, 60, 66 & Public Debt	266.95	
2006-07	18	5, 11, 13, 15, 24, 28, 29, 33, 35, 36, 38, 40, 41, 48, 58, 60, 61, 62 & Public Debt	173.74	
2007-08	19	1, 8, 13, 17, 24, 29, 30, 35, 36, 37, 43, 48, 51, 52, 58, 62, 63, 64 & 65	31.77	
2008-09	13	5, 9, 14, 17, 29, 34, 37, 43, 45, 48, 56, 59 & 65	70.60	
2009-10	12	13, 14, 16, 28, 31, 35, 36, 43, 44, 50, 53 & 56	33.37	
2010-11	17	12, 13, 14, 16, 20, 28, 29, 30, 33, 36, 44, 48, 54, 56, 61, 72 & Public Debt	157.64	
TOTAL			1283.95	

APPENDIX - 2.4

Excess/Unnecessary/Insufficient Re-appropriation of Funds

(Reference : Paragraph 2.3.8; Page - 41)

(₹ in lakh)

Sl. No.	Grant No.	Description	Head of Account	Re-Appropriation	Excess (+) / Savings (-)
1.	3	Sumptuary Allowances	2013-102-01	2.52	-20.60
2.	6	Establishment Charges	2053-094-01	3.76	-98.87
3.	6	Establishment Charges	2053-093-01	9.79	-101.40
4.	6	Honorarium to Gaon Buras	2053-093-03	-12.31	-17.82
5.	6	Honorarium to Gaon Buras	2053-094-03	-9.42	-13.68
6.	6	POL for Office Vehicles	2053-093-04	0.20	-15.96
7.	8	India Reserve Battalion	2055-104-02	304.01	206.41
8.	11	Old Age Pension/NSCP National Social Assistance Programme	2235-60-102-01	54.51	-20.98
9..	11	Integrated Child Development Schemes	2235-02-800-05	20.48	-49.77
10.	11	Creation of Assets	4235-02-800-01	738.00	-1924.07
11.	15	Establishment Expenses	2210-03-110-01	132.75	-184.33
12.	15	Establishment Expenses	2210-04-101-01	-66.27	-22.59
13.	15	Establishment Expenses	2210-04-102-01	-15.80	-39.21
14.	15	Establishment Expenses	2211-001-01	-570.10	-16.71
15.	15	Expenditure on Sub-Centres	2211-101-03	411.34	-14.01
16.	15	Family Welfare Services	2211-102-01	158.76	-10.13
17.	16	Maintenance of Assets	2205-800-02	19.89	+147.76
18.	16	Establishment Expenses	2205-001-01	125.11	+27.17
19.	16	Grants-in-aid for promotion of Arts and Culture	2205-102-01	2.00	+44.31
20.	18	Establishment Expenses	2205-001-01	-0.45	+22.50
21.	22	Schemes under ACA/SPA	5475-102-02	63.00	-204.42
22.	23	Other Works	2406-02-800-01	-68.10	-789.45
23.	23	Establishment Expenses	2406-01-001-01	25.00	-125.81
24.	23	Integrated Forest Protection Scheme	2406-02-110-05	-69.08	-138.28
25.	23	Scheme under ACA/SPA	2406-02-800-02	-215.00	+49.72
26.	23	Establishment Expenses	2406-02-110-01	5.00	-42.05
27.	23	Establishment Expenses	2406-01-102-01	-5.00	-16.55
28.	23	Assistance for Development of Zoo	2406-02-110-04	99.50	-11.01
29.	23	Establishment Expenses	2406-01-004-01	56.70	+12.61
30.	23	Establishment Expenses	2406-02-111-01	70.00	-29.85
31.	23	Raj Bhawan Lawn and Garden	2406-02-112-02	25.00	+14.44
32.	23	Buildings	2406-01-070-02	-5.00	+22.15
33.	24	National Watershed Development Project for Rain-fed Areas	2401-800-14	-361.78	-27.28
34.	26	Establishment Expenses	2402-001-01	3.00	-20.70
35.	26	TFC	3054-04-337-05	1930.00	-1080.00
36.	26	Rural Link Roads	5054-04-800-56	434.48	-66.21
37.	27	Backward Region Grand Fund (BRGF)	2515-001-06	678.36	-1338.00
38.	29	Loans to Multi-purpose Co-operatives	6425-106-01	32.00	-249.77
39.	31	Establishment Expenses	2059-80-001-01	-5.30	-64.19

Sl. No.	Grant No.	Description	Head of Account	Re-Appropriation	Excess (+) / Savings (-)
40.	32	Schemes under RIDF	5054-04-800-04	-5123.11	-258.90
41.	32	C/o Road from Rani to Oyiramghat (Assam)	5054-04-800-75	461.43	-1195.85
42.	32	Up-gradation of Namchik-Miao-M pen Road in Changlang District	5054-04-800-85	322.64	-747.62
43.	32	c/o Road from Likabali-Aalo BRTF Road to connect Kane Village	5054-04-800-78	600.00	-355.42
44.	32	Bailey Bridge between Namara and other Villages	5054-04-800-45	248.45	-69.13
45.	32	c/o Motorable Suspension Bridge between BRTF Road and Kamsin	5054-04-800-31	123.37	-15.59
46.	32	Up-gradation of Road from Subansiri Bridge Point to Segi	5054-04-800-83	600.00	-504.99
47.	33	C/o Taman-Dollongmukh Road	4552-800-82	-3500.00	+350.00
48.	33	Laimekuri-Nari - Telam Road	4552-800-54	-1371.00	+75.50
49.	33	Seppa-Chayangtajo Road	4552-800-46	1558.45	-2685.85
50.	33	c/o Longding-Nokjan Road	4552-800-90	257.99	-821.79
51.	33	c/o 33 KV Express Line from Pistana to Mengio	4552-800-75	90.00	-642.01
52.	33	c/o 33/11 KV, 2X1 MVA Sub-Station at Pistana	4552-800-91	23.22	-92.40
53.	33	Estt. of a 50-bedded Hospital at Mengio	4552-800-68	150.00	-197.61
54.	33	Establishment of 50-bedded Hospital at Palin in Kurung Kumey	4552-800-44	-200.00	+152.61
55.	33	Construction of 132 x 33 KV Line at Itanagar	4552-800-39	742.00	-10.00
56.	33	Estt. of a 30-bedded Hospital at Pareng, Sagalee	4552-800-94	130.00	+330.00
57.	33	Infrastructure Development of Leel M E School, Sangram	4552-800-73	-13.00	+220.00
58.	33	Infrastructure Development at ITI, Tabarijo	4552-800-92	162.59	-20.00
59.	34	c/o 132 kv Circuit Transmission line from Khuppi to Tawang	4801-01-800-22	1428.48	-2798.00
60.	34	Maintenance of Diesel Generation Including Fuel	4801-80-800-03	-1100.00	-47.33
61.	34	Schemes under R.E.C	4801-01-800-05	210.55	-410.55
62.	34	Creation of Assets	4801-06-800-03	409.48	-119.48
63.	34	School under APDRP	4801-01-800-10	504.98	504.98
64.	39	House Building	7610-201-01	60.00	+24.85
65.	45	Schemes under ACA/SPA	3053-80-800-02	0.25	-1308.43
66.	47	Schemes under ACA/SPA	4070-800-04	108.00	+45.51
67.	48	Schemes under ACA/SPA	4401-800-03	268.90	-208.51
68.	50	Establishment Expenses	3451-090-01	-3161.72	-110.18
69.	56	Construction of Building	5452-80-800-01	493.13	-27.00
70.	56	Development of Daporijo-Taliha-Siyum-Nacho Tourist Circle	5452-01-101-13	571.05	-381.17
71.	56	Development of Tourist Resort at Lebok	5452-01-101-16	308.05	-200.30
72.	59	Schemes under ACA/SPA	4215-01-800-04	1873.31	-3609.79
73.	72	Repairs and Maintenance of Jail Buildings	2059-01-053-03	12.00	-250.00
74.	97	Payment and Interest on Market Loans	2049-01-101-01	-500.00	-449.54
75.	97	Payment and Interest on NLCPR	2049-04-102-02	-14.43	-75.03
76.	97	Interest Payment on NSSF	2049-01-123-01	455.96	-35.90
77.	97	Payment and Interest on Block Loans	2049-04-101-02	-34.85	+121.27
TOTAL				1157.72	-22030.28

APPENDIX 2.5

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

(Reference: Paragraph 2.3.11; Page 42)

(₹ in crore)

Sl. No.	Number of Grant/Appropriation	Name of Grant/Appropriation	Savings
1.	1	Legislative Assembly Revenue – Voted	0.02
2.	2	Governor Revenue – Charged	0.30
3.	3	Council of Ministers Revenue - Voted	0.57
4.	4	Election Revenue – Voted	0.16
5.	5	Secretariat Administration Revenue – Voted	0.10
6.	6	District Administration Revenue – Voted	38.44
7.	7	Treasury and Accountants Administration Revenue – Voted	0.19
8.	8	Police Capital – Voted	17.50
9.	9	Motor Garages Revenue – Voted	3.89
10.	10	Other General, Social and Community Services Revenue – Voted	0.05
11.	11	Social Welfare Revenue – Voted Capital – Voted	0.88 5.82
12.	13	Health and Family Welfare Revenue – Voted	4.24
13.	14	Education Revenue – Voted Capital – Voted	6.45 0.12
14.	15	Health and Family Welfare Revenue – Voted Capital – Voted	3.17 12.77
15.	16	Art and Cultural Affairs Capital – Voted	1.91
16.	18	Research Revenue – Voted	3.05
17.	22	Food and Civil Supplies Capital – Voted	2.04
18.	23	Forests Capital – Voted	1.14
19.	24	Agriculture Capital – Voted	0.27
20.	26	Rural Works Revenue – Voted Capital – Voted	11.22 0.72
21.	27	Panchayat Revenue – Voted Capital – Voted	42.13 2.09
22.	28	Animal Husbandry and Veterinary Revenue – Voted Capital – Voted	1.40 0.01
23.	29	Co-operation Capital – Voted	0.97

Sl. No.	Number of Grant/Appropriation	Name of Grant/Appropriation	Savings
24.	30	State Transport Revenue – Voted Capital – Voted	1.06 0.06
25.	31	Public Works Revenue – Voted Capital - Voted	38.24 1.78
26.	32	Roads and Bridges Revenue – Voted Capital - Voted	41.01 50.72
27.	33	North-Eastern Areas Revenue – Voted Capital - Voted	0.67 37.59
28.	34	Power Capital - Voted	45.14
29.	35	Information and Public Relations Revenue – Voted Capital - Voted	0.46 0.10
30.	36	Statistics Capital – Voted	0.10
31.	37	Legal Metrology and Consumer Affairs Revenue – Voted	0.27
32.	38	Water Resources Department Revenue – Voted Capital - Voted	51.53 40.79
33.	40	Housing Revenue – Voted	0.92
34.	41	Land Management Capital - Voted	0.77
35.	42	Rural Development Revenue – Voted Capital - Voted	0.15 5.07
36.	43	Fisheries Revenue – Voted	0.24
37.	44	Attached Offices of the Secretariat Administration Revenue – Voted	0.13
38.	46	State Public Service Commission Revenue – Charged	0.01
39.	47	Administration of Justice Revenue – Voted	15.71
40.	48	Horticulture Capital - Voted	2.09
41.	52	Sports and Youth Services Capital – Voted	5.50
42.	53	Fire Protection and Control Revenue – Voted	1.02
43.	54	State Tax and Excise Revenue – Voted Capital - Voted	2.43 0.38
44.	56	Tourism Revenue – Voted	0.13
45.	57	Urban Development Revenue – Voted Capital - Voted	0.16 61.29
46.	58	Stationery and Printing Revenue – Voted	0.32
47.	59	Public Health Engineering Capital – Voted	36.13
48.	60	Textiles and Handicrafts	

Sl. No.	Number of Grant/ Appropriation	Name of Grant/Appropriation	Savings
		Revenue – Voted	0.53
49.	61	Geology and Mining Revenue – Voted Capital - Voted	0.04 1.42
50.	63	Protocol Department Revenue - Voted	0.01
51.	64	Trade and Commerce Revenue - Voted	0.04
52.	68	Town Planning Department Revenue – Voted	4.65
53.	69	Parliamentary Affairs Department Revenue - Voted	0.08
54.	70	Administrative Training Institute Revenue – Voted	0.13
55.	71	Department of Tawang and West Kameng Revenue – Voted	1.72
56.	72	Directorate of Prisons Revenue – Voted	2.38
57.	97	Public Debt Revenue – Charged	28.56
Total			643.15

APPENDIX 2.6

Details of savings of ₹ 1 crore and above not surrendered

(Reference: Paragraph 2.3.11; Page 42)

(₹ in crore)

Sl. No.	Number and Name of Grant/Appropriation	Savings	Surrender	Savings which remained to be surrendered
1.	1 - Legislative Assembly Capital – Voted	6.00	4.00	2.00
2.	6 - District Administration Revenue – Voted	38.44	-	38.44
4.	8 - Police Capital – Voted	17.50	-	17.50
3.	9 - Motor Garages Revenue – Voted	3.89	-	3.89
4.	11 - Social Welfare Capital – Voted	5.82	-	5.82
5.	13 - Directorate of Accounts Revenue – Voted	4.24	-	4.24
6.	14 - Education Revenue – Voted	6.45	-	6.45
8.	15 - Health and Family Welfare Revenue – Voted Capital – Voted	3.17 12.77	- -	3.17 12.77
9.	16 - Art and Cultural Affairs Capital – Voted	1.91	-	1.91
10.	18 - Research Revenue – Voted	3.05	-	3.05
11.	22 - Food and Civil Supplies Revenue – Voted Capital – Voted	3.01 2.04	0.05 -	2.96 2.04
12.	23 - Forests Revenue – Voted Capital – Voted	49.52 1.14	38.05 -	11.47 1.14
13.	24 - Agriculture Revenue – Voted	36.70	18.49	18.21
14.	26 - Rural Works Revenue – Voted	11.22	-	11.22
15.	27 - Panchayat Revenue – Voted Capital – Voted	42.13 2.09	- -	42.13 2.09
16.	28 - Animal Husbandry and Veterinary Revenue – Voted	1.40	-	1.40
17.	30 - State Transport Revenue – Vote	1.06	-	1.06
18.	31 - Public Works Revenue – Voted Capital – Voted	38.24 1.78	- -	38.24 1.78
19.	32 -. Roads and Bridges Revenue – Voted Capital – Voted	41.01 50.72	- -	41.01 50.72
20.	33 – North-Eastern Areas Capital – Voted	37.59	-	37.59
21.	34 - Power Capital – Voted	45.14	-	45.14
22.	36 - Statistics Revenue – Voted	5.24	0.79	4.45
23.	38 - Water Resources Department Revenue – Voted Capital – Voted	51.53 40.79	- -	51.53 40.79

Sl. No.	Number and Name of Grant/Appropriation	Savings	Surrender	Savings which remained to be surrendered
24.	42 - Rural Development Capital – Voted	5.07	-	5.07
25.	45 - Civil Aviation Revenue – Voted	16.95	3.86	13.09
26.	47 - Administration of Justice Revenue – Voted	15.71	-	15.71
27.	48 - Horticulture Capital – Voted	2.09	-	2.09
28.	50 - Secretariat Economic Services Revenue- Voted Capital- Voted	228.76 1584.01	197.30 542.15	31.46 1041.86
29.	52 - Sports and Youth Services Capital – Voted	5.50	-	5.50
30.	53 - Fire Protection and Control Revenue – Voted	1.02	-	1.02
30.	54 - State Tax and Excise Revenue – Voted	2.43	-	2.43
31.	56 - Tourism Capital- Voted	7.18	0.97	6.21
31.	57 - Urban Development Capital – Voted	61.29	-	61.29
32.	59 - Public Health Engineering Capital – Voted	36.13	-	36.13
33.	61 - Geology and Mining Capital – Charged	1.42	-	1.42
34.	68 - Town Planning Department Revenue – Voted	4.65	-	4.65
35.	71 - Department of Tawang and West Kameng Revenue – Voted	1.72	-	1.72
36.	72 - Directorate of Prisons Revenue – Voted	2.38	-	2.38
37.	97 - Public Debt Revenue – Voted Capital – Voted	28.56 83.49	- 2.77	28.56 80.72
TOTAL		2653.95	808.43	1845.52

APPENDIX 3.1

Statement showing department-wise outstanding Utilisation Certificates (UCs) during 2011-12

(Reference: Paragraph 3.1; Page 45)

(₹ in crore)			
Sl No.	Department	No of UCs Outstanding	Amount Involved
1.	Agriculture	2	0.55
2.	Cultural Affairs	17	0.50
3.	General Administration	1	2.00
4.	Election	1	0.10
5.	Environment and Forests	1	0.05
6.	Fisheries	3	1.88
7.	Industries	4	1.19
8.	Textiles and Handicrafts	15	5.03
9.	Home (Police)	6	21.34
10.	Information and Public Relations	7	9.64
11.	Planning, Programme Implementation, Economics & Statistics	4	10.00
12.	Relief and Rehabilitation	6	119.18
13.	Rural Development and Panchayati Raj	21	43.44
14.	Co-operation	2	4.38
15.	Education	13	39.64
16.	Social Welfare, Women and Child Development	7	20.26
17.	Sports and Youth Affairs	3	1.10
18.	Finance	9	10.98
Total		122	291.26

APPENDIX 3.2

Statement showing names of Bodies and Authorities, accounts of which had not been received

(Reference: Paragraph 3.2; Page 45)

Sl. No.	Name of Body/Authority	Years for which Accounts had not been received	Years
1.	District Rural Development Agency, Yupia	till 2011-12	1
2.	District Rural Development Agency, Seppa	1996-97 to 2011-12	16
3.	District Rural Development Agency, Tawang	2010-11 & 2011-12	2
4.	District Rural Development Agency, Along	2009-10 to 2011-12	3
5.	District Rural Development Agency, Anini	2009-10 to 2011-12	3
6.	District Urban Development Agency, Bomdila	2009-10 to 2011-12	3
7.	District Urban Development Agency, Pasighat	2009-10 to 2011-12	3
8.	District Rural Development Agency, Tezu	2008-09 to 2011-12	3
9.	District Rural Development Agency, Daporijo	2005-06 to 2011-12	7
10.	District Rural Development Agency Khonsa	2011-12	1
11.	District Rural Development Agency, Changlang	2010-11 & 2011-12	2
12.	District Rural Development Agency, Roing	2010-11 & 2011-12	2
13.	Arunachal Pradesh Agriculture Marketing Board, Naharlagun	2005-06 to 2011-12	7
14.	Member Secretary, Arunachal Pradesh State Council for Science and Technology	2011-12	1
15.	Donyi Polo Mission, Itanagar	2003-04 to 2011-12	9
16.	Ram Krishna Mission, Narottam Nagar, Deomali	2011-12	1
17.	Ram Krishna Mission, Vivekananda Nagar, Along	2005-06 to 2011-12	7
18.	Ram Krishna Mission, Khonsa	2005-06 to 2011-12	7
19.	Ram Krishna Mission Hospital, Itanagar	2011-12	1
20.	Arunachal Pradesh State Legal Service Authority	2007-08 to 2011-12	5