



**GOVERNMENT
OF
ARUNACHAL PRADESH**

**ACCOUNTS AT A GLANCE
2010 - 2011**



**ACCOUNTANT GENERAL
ARUNACHAL PRADESH**



Preface

I am happy to present the Twelfth issue of our annual publication, ‘**Accounts at a Glance**’ of the Government of Arunachal Pradesh. The purpose of this publication is to distil and make more accessible the voluminous information that is available in the annual Finance and Appropriation Accounts (totaling 558 pages this year) prepared by my office under the directions of the Comptroller and Auditor General of India and placed before the Legislature in accordance with Article 149 of the Constitution of India.

This year marks the 150th anniversary of the Indian Audit and Accounts Department (IA&AD). The years have seen major changes in the scope and presentation of the various reports through which the IA&AD keeps the stakeholders - the Legislators, the Executive and the Public - informed. This year, the format of the Finance Accounts has undergone significant changes, with additional statements incorporated to bring out the financial position of the Government more clearly. In keeping with these changes, the ‘**Accounts at a Glance**’ has been completely remodeled and made more comprehensive. A combined reading of the Finance Accounts and Appropriation Accounts, the Report on State Finances and the Accounts at a Glance, will help the stakeholders to more effectively comprehend the various facets of the finances of the Government of Arunachal Pradesh.

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

Place: Itanagar

Date:

(*S. A. BATHEW*)
ACCOUNTANT GENERAL

Our Vision, Mission and Core Values

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

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

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

Independence

Professional Excellence

Objectivity

Transparency

Integrity

Positive Approach

Reliability

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CHAPTER - I

OVERVIEW

1.1 Introduction

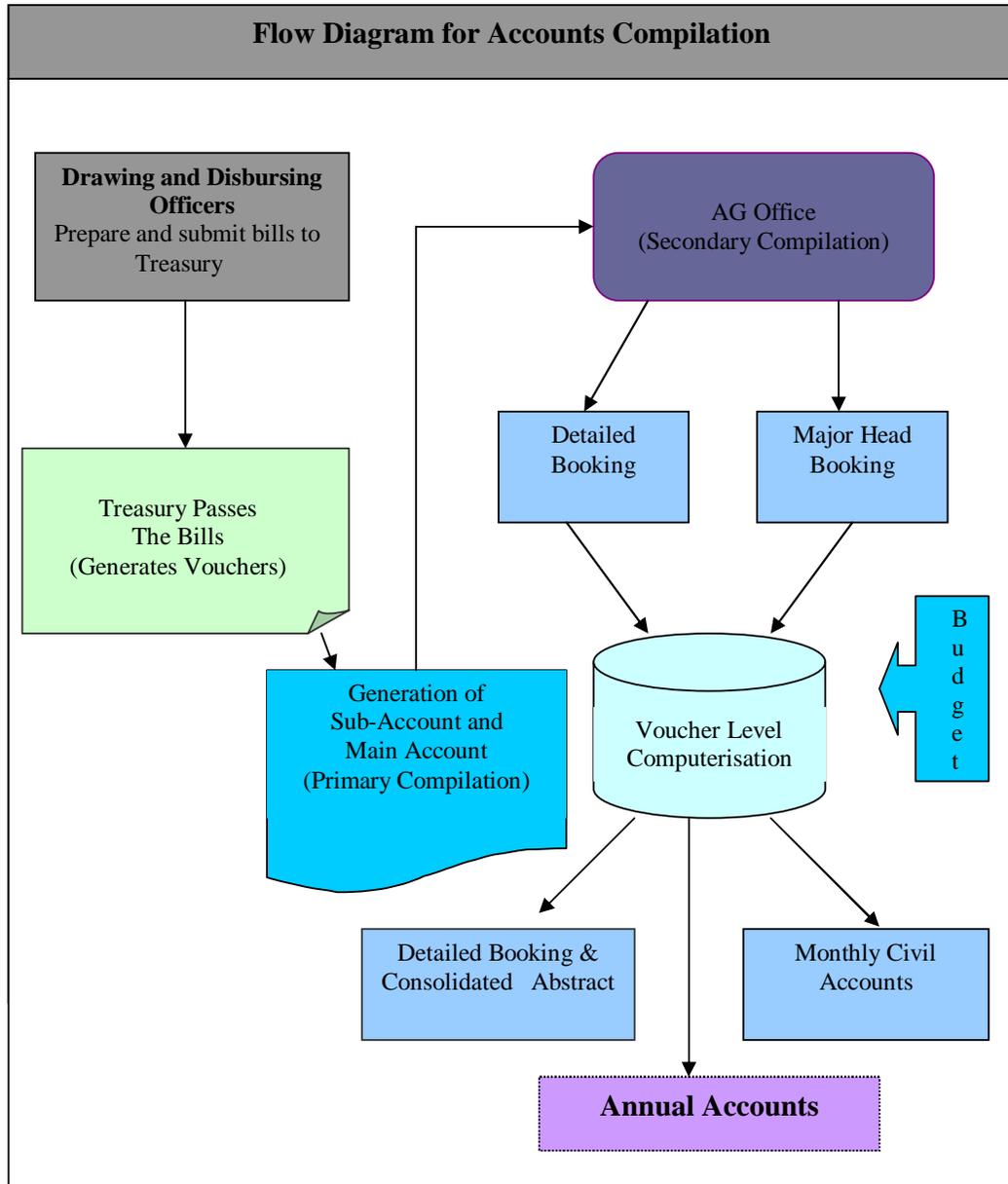
The Accountant General, Arunachal Pradesh compiles the accounts of receipts and expenditure of the Government of Arunachal Pradesh. This compilation is based on the initial accounts rendered by the District Treasuries, Pay & Accounts Officers of Public Works and Forest Divisions and advice of the Reserve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

1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

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

1.2.2 *Compilation of Accounts*



1.3. Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

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

Receipts and disbursements of the Government of Arunachal Pradesh as depicted in the Finance Accounts 2010-11 are given below.

(in crore of Rupees)			
Receipts (Total : 53,99.75)	Revenue (Total : 42,60.48)	Tax Revenue	9,35.18
		Non-Tax Revenue	5,30.14
		Grants-in-Aid	39,56.78
	Capital (Total : 3,68.64)	Recovery of Loans & Advances	2.41
		Borrowings and other Liabilities	-24.76
Disbursements (Total : 53,99.75)	Revenue		37,44.24
	Capital		16,49.20
	Loans and Advances		6.31

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

The Union Government transfers substantial funds directly to State Implementing Agencies/NGOs for implementation of various Schemes/Programmes. This year, the Government of India directly released ₹ 759.86 crore. Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix - III of Volume - II of the Finance Accounts.

1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'Charged' on the Consolidated Fund or 'Voted' by the State Legislature. There are 4 charged Appropriations, 1 Grant (both charged and voted) and 68 voted Grants.

The Appropriation Act 2010-11, had provided for gross expenditure of ₹ 7868.00 crore and reduction of expenditure (recoveries) of ₹ 0.60 crore. Against this, the actual gross expenditure was ₹ 5487.20 crore and reduction of expenditure was ₹ 0.95 crore, resulting in net savings of ₹ 2380.80 crore (30.26 %) and an under-estimation of ₹ 0.35 crore (58.13 %) on reduction of expenditure. The gross expenditure included ₹ 107.67 crore drawn on Abstract Contingent (AC) Bill, against which ₹ 27.57 crore is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

During 2010-11, ₹ 108 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under PD Accounts are to be transferred back to the Government at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD Accounts are available only with the Treasuries, since they are responsible for maintaining such records.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 0.26 crore) maintained with the RBI. During 2010-11, the Government of Arunachal Pradesh did not resort to any OD facilities and availed of WMA.

1.4.2 Fund Flow Statement

The State had a Revenue Surplus of ₹ 1677.29 crore and a Fiscal Deficit of ₹ -24.76 crore, representing 20.37% and -0.30% of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 0.46% of the total expenditure. This deficit was met from Public Debt (₹ 122.36 crore), increase in Public Account (₹ 501.84 crore) and net of opening and closing cash balance (₹ -114.96 crore). Around 40.77 % of the Revenue Receipts (₹ 5422.10 crore) of the State Government was spent on Committed Expenditure like Salaries (₹ 1588.26 crore), Interest Payment (₹ 399.92 crore) and Pensions (₹ 222.24 crore).

Except where indicated otherwise, GSDP figures used in this publication are adopted from the Economic Survey of the Planning Department, Government of Arunachal Pradesh.

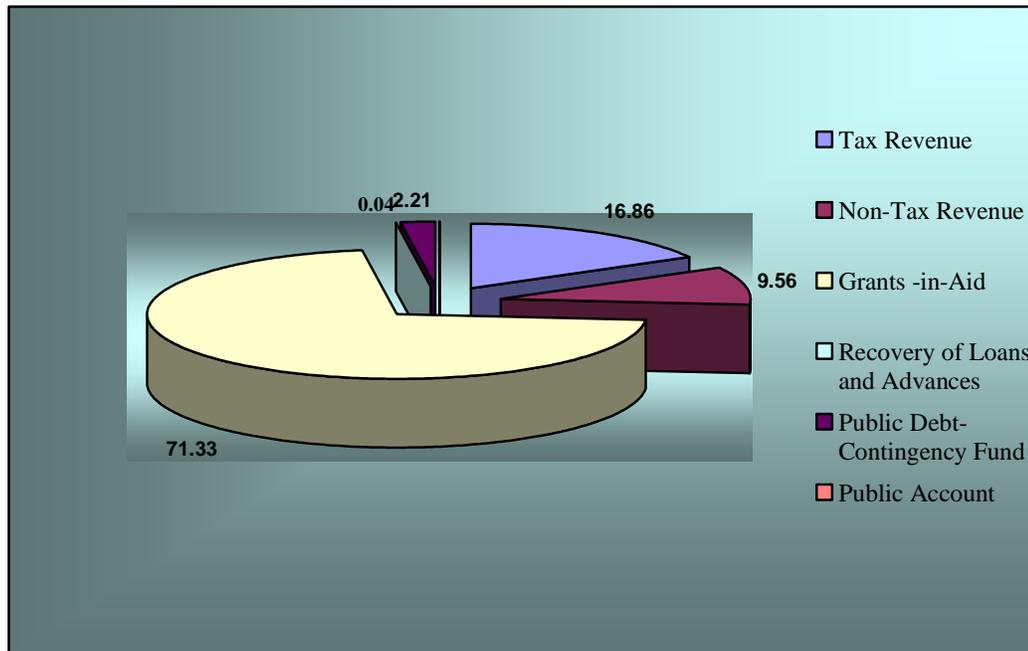
Sources and Application of Funds

(in crore of Rupees)

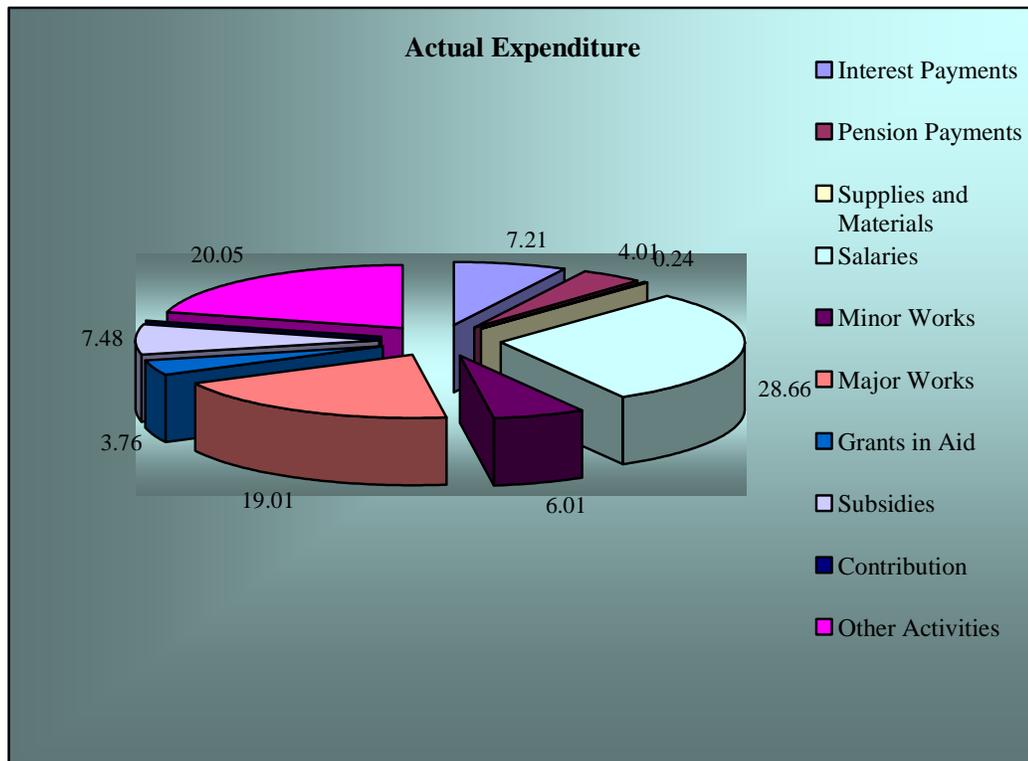
	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2010	-83.04
	Revenue Receipts	5422.10
	Recovery of Loans & Advances	2.41
	Public Debt	122.36
	Small Savings Provident Fund & Others	183.41
SOURCES	Reserves and Sinking Funds	17.00
	Deposits Received	602.04
	Civil Advances Repaid	45.38
	Suspense Account	-219.28
	Remittances	2445.74
	Contingency Fund	-
	Total	8538.12

	PARTICULARS	AMOUNT
	Revenue Expenditure	3744.81
	Capital Expenditure	1654.94
	Loans Given	6.31
	Repayment of Public Debt	86.50
	Transfer to Contingency Fund	-
	Small Savings Provident Fund & Others	103.91
APPLICATION	Reserves and Sinking Funds	17.00
	Deposits Received	383.68
	Civil Advances Repaid	49.22
	Suspense Account	-219.28
	Remittances	2435.93
	Closing Cash Balance as on 31.3.2011	
	Total	8538.12

1.4.3 Where the Rupee came from



1.4.4 Where the Rupee went



1.5 Highlights of Accounts

(in crore of Rupees)

	B.E. 2010-11	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP
1. Tax Revenue (@)	8,30.37	9,35.18	112.62	11.36
2. Non-Tax Revenue	3,82.93	5,30.14	138.45	6.44
3. Grants -in-aid & Contribution	38,87.83	39,56.78	101.77	48.06
4. Revenue Receipts (1+2+3)	51,01.13	54,22.10	106.29	65.86
5. Recovery of Loans and Advances	2.72	2.41	88.60	0.03
6. Borrowings & Other Liabilities (A)	25,72.29	-24.76	-0.96	-0.30
7. Capital Receipts (5+6)	25,75.01	-22.35	0.87	-0.27
8. Total Receipts (4+7)	76,76.14	53,99.75	70.34	65.59
9. Non-Plan Expenditure(*)	25,60.76	2550.25	101.81	30.98
10. NPE on Revenue Account	25,22.84	2533.08	102.37	30.77
11. NPE on Interest Payments	27,4.29	3,99.92	145.80	4.86
12. NPE on Capital Account	37.92	17.17	63.92	8.21
13. Plan Expenditure(**)	51,15.38	28,49.50	54.56	34.61
14. PE on Revenue Account	20,00.79	1211.16	58.07	14.71
15. PE on Capital Account	31,15.09	1632.03	52.35	19.82
16. Total Expenditure (9+13)	76,76.14	53,99.75	70.34	65.59
17. Revenue Expenditure(10+14)	45,23.63	37,44.24	82.79	45.48
18. Capital Expenditure (12+15)(#)	31,53.01	16,55.51	52.48	20.11
19. Revenue Surplus(4-17)	5,77.50	16,77.86	290.18	20.37
20. Fiscal Deficit{(16-(4+5)}	25,72.29	-24.76	-0.96	-0.30

(@) Includes State's share of Union Taxes ₹ 720.18 crore.

(\$) GSDP figure of ₹ 8233.06 crore adopted from the Economic Survey published by Planning Department, Government of Arunachal Pradesh.

(#) Expenditure on Capital Account includes Capital Expenditure (₹ 1649.20 crore) and Loans and Advances disbursed (₹ 6.31 crore).

(*) Expenditure includes (₹ crore) under Non-Plan and (₹ crore) under Plan which pertains to Loans Advances.

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

(**) Negative expenditure is due to recoveries not estimated in the Budget.

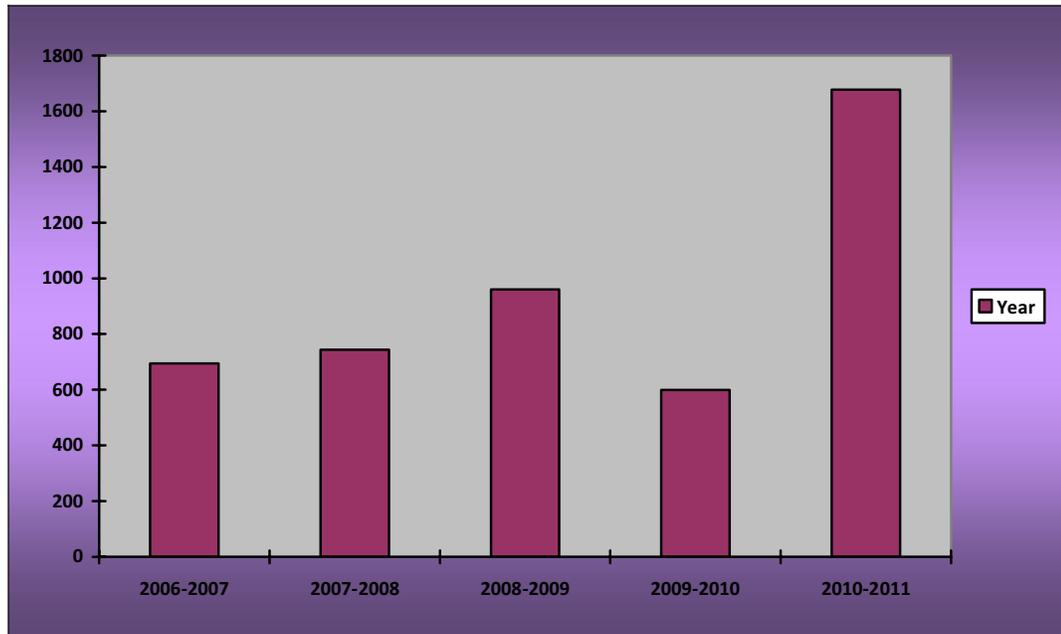
1.6 What do the Deficits and Surpluses indicate?

Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
Revenue	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met form Revenue Receipts.
Fiscal Deficit/Surplus	Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicated the extent to which expenditure is financed by borrowings. Ideally, Borrowings should be invested in Capital Projects.

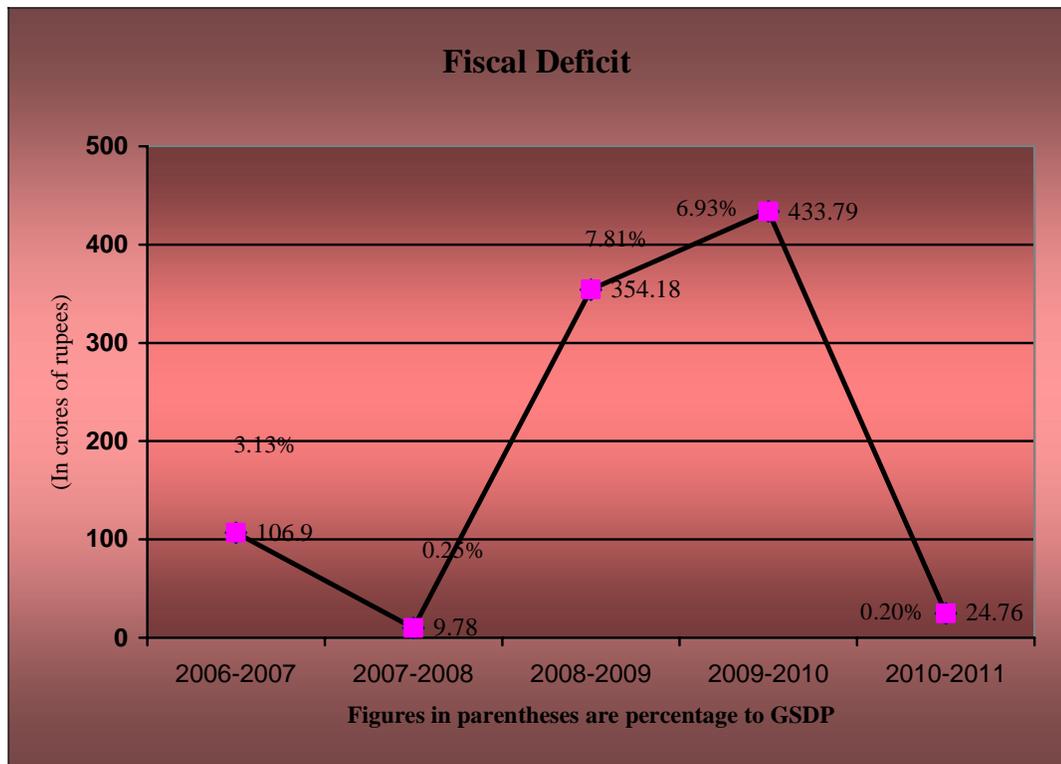
Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The 12th Finance Commission had recommended that the States achieve revenue balance by 2008-09 and reduce Gross Fiscal Deficit to 3% of GSDP by 2009-10. In view of the economic slow-down, the Government of India further relaxed the acceptable ceiling for the Fiscal Deficit-GSDP ratio to 3.5% in 2008-09 and to 4% in 2009-10. To encourage State Governments to achieve these goals, the Government of India extended Debt Consolidation and Relief Facility (DCRF) to States, under which successful State Governments would receive relief on repayment of principal and /or interest.

The State Government was successful in achieving the Revenue Surplus target as early as in 2006-07 and maintained it thereafter. However, there is a difference of opinion between the State Government and the Government of India on the calculation of percentage of Fiscal Deficit to GSDP. According to the State Government estimation, the ratio of Fiscal Deficit to GSDP ranged between 7.8% (Quick Figures) in 2008-09 and 17.89% (Budget Estimates) in 2009-10, the same, as per the Government of India, was 7.8% in 2008-09 and 17.89% (Budget Estimates) in 2009-10.

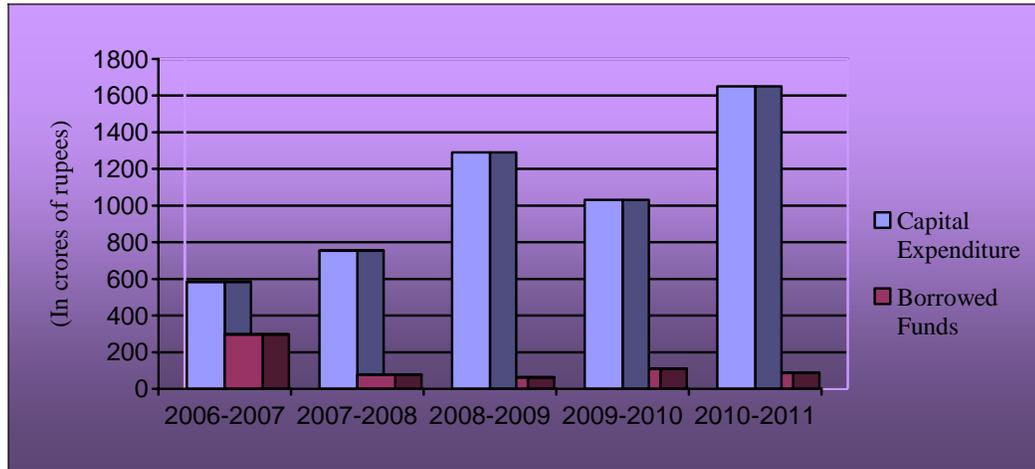
1.6.1 Trend of Revenue Deficit/Surplus



1.6.2 Trend of Fiscal Deficit



1.6.3 Proportion of Borrowed Funds spent on Capital Expenditure



It is desirable to fully utilize borrowed funds for the creation of Capital Assets, and to use Revenue Receipts for the repayment of principal and interest. However, the State Government spent only 62 % of the borrowings of the current year (₹ 356.39 crore) on Capital Expenditure (₹ 574.73 crore). It would, therefore, appear that 38 % of the Public Debt (₹ 141.08 crore) was utilized on the following to repay the principal and interest on Public Debt of previous years, to meet periodic shortfalls of revenues against expenditure in the current year, to maintain a positive cash balance at the end of the year and to invest in Treasury Bills.

CHAPTER - II

RECEIPTS

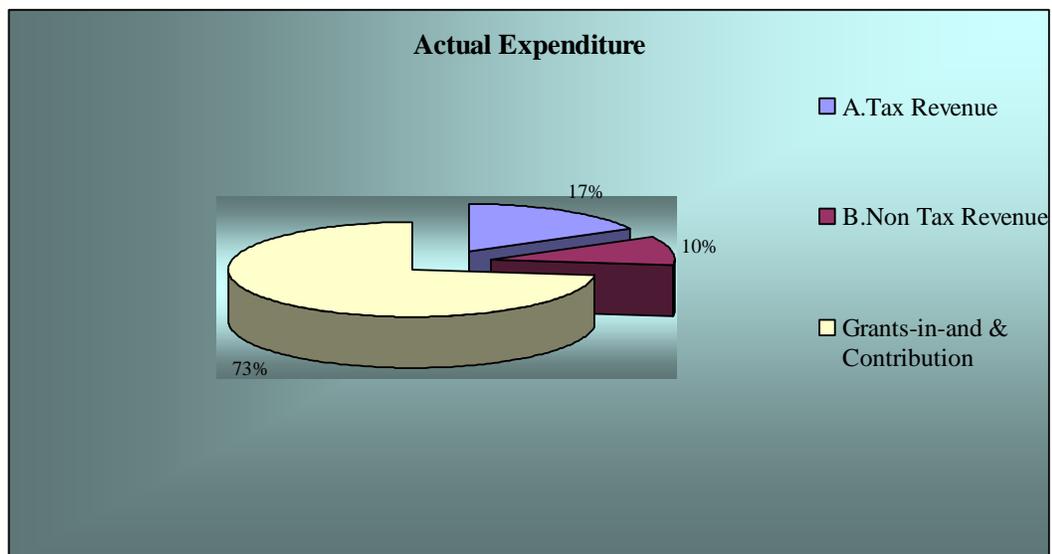
2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts.

Total Receipts for 2010-11 was ₹ 5399.75 crore.

2.2. Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution
Non-Tax Revenue	Includes interest receipts, dividends, profits etc
Grants-in-Aid	Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grants Assistance' and Aid, Material and Equipment' received from foreign Governments and channelised through the Union Government. In turn, the State Government also give Grants-in-aid to institutions like Panchayati Raj institutions, Autonomous bodies etc.



Revenue Receipts Components (2010-11)

(in crore of Rupees)

Components	Actuals
A. Tax Revenue	935.18
Taxes on Income & Expenditure	430.41
Taxes on Property and Capital Transactions	5.80
Taxes on Commodities and Services	498.96
B. Non-Tax Revenue	530.14
Interest Receipts , Dividends and Profits	111.35
General Services	17.67
Social Services	9.67
Economic Services	391.45
C. Grants-in-Aid and Contributions	3956.78
Total - Revenue Receipts	5422.14

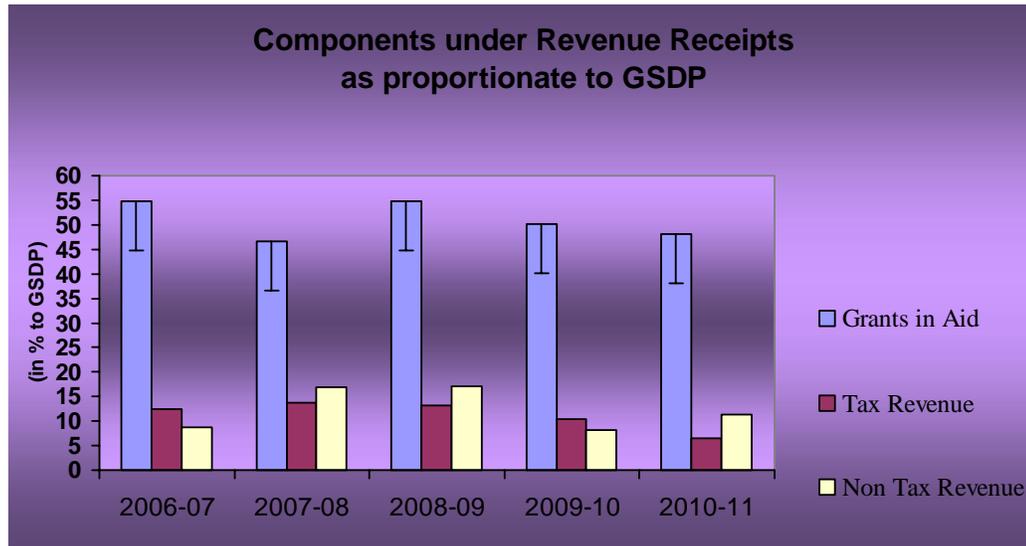
2.3. Trend of Receipts

(in crore of Rupees)

	2006-07	2007-08	2008-09	2009-10	2010-11
Tax Revenue	425.38	535.96	598.31	648.84	935.18
Non-Tax Revenue	297.18	656.92	772.01	511.25	530.18
Grants-in-Aid	1869.62	1810.13	2485.64	3134.78	3956.78
Total Revenue Receipts	2592.18	3003.01	3855.96	4294.87	5422.14
GSDP	3412.88	3888.25	4536.45	6257.88	8233.06

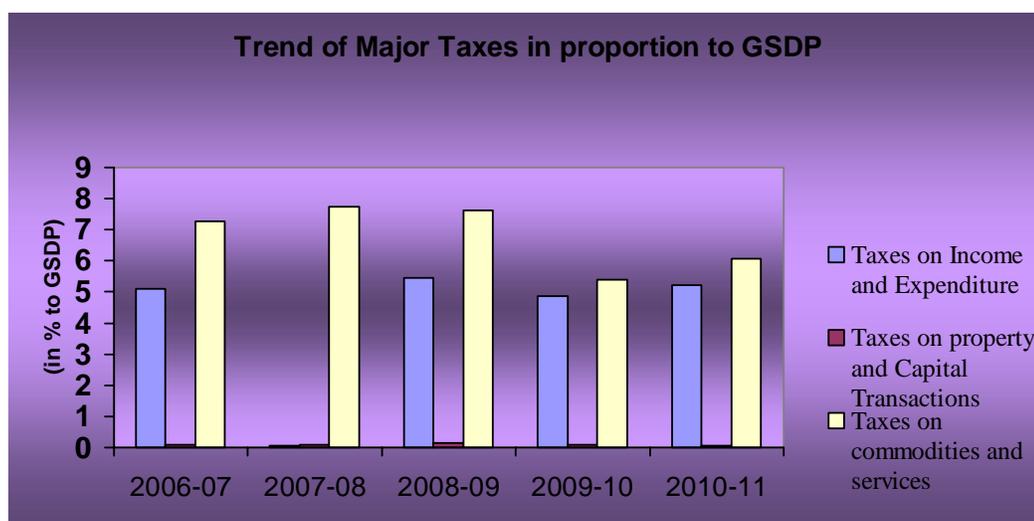
Note: Figures in parentheses represent percentage to GSDP

Though the GSDP increased by 31.56 % between 2009-10 and 2010-11, growth in revenue collection was only 26.25 %. While Tax revenues increased by 44.13 %, Non-Tax revenues increased by 3.7 %.



Sector-wise Tax Revenue

	2006-07	2007-08	2008-09	2009-10	2010-11
Tax on Income and Expenditure	174.11	232.22	246.67	304.61	430.41
Taxes on property and Capital Transactions	2.79	3.13	6.29	6.78	5.80
Taxes on Commodities and Services	248.48	300.61	345.35	337.45	498.96
Total Revenue Receipts	425.38	535.96	598.31	648.84	935.17



(*) Primarily net proceeds of Central Shares to the State

2.4 Performance of State's own Revenue Collection

(in crore of Rupees)

Year	Tax Revenue	State Share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2006-07	425.38	347.14	78.21	2.30
2007-08	535.96	437.87	98.06	2.52
2008-09	598.31	462.09	136.20	3
2009-10	648.84	475.40	173.44	2.77
2010-11	935.18	720.18	214.99	2.61

The proportion of the State's Own Revenue to GSDP is perceptibly lower than the target of 6.8% recommended by the 12th Finance Commission.

2.5 Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(in crore of Rupees)

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Collection	2.79	3.13	6.29	6.78	5.80
Expenditure on Collection	1.94	2.53	3.57	7.57	7.28
Cost of Tax Collection	70%	81%	57%	112%	126%

B. Taxes on Commodities and Services

(in crore of Rupees)

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Collection	248.48	300.16	345.35	337.45	498.96
Expenditure on Collection	2.81	3.39	4.01	8.77	8.03
Cost of Tax Collection	1.13 %	1.13 %	1.16 %	2.6 %	1.61 %

Taxes on commodities and services form a major chunk of Tax revenue. Tax collection efficiency is excellent. However, the collection efficiency of taxes on Property and Capital transactions can be improved.

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

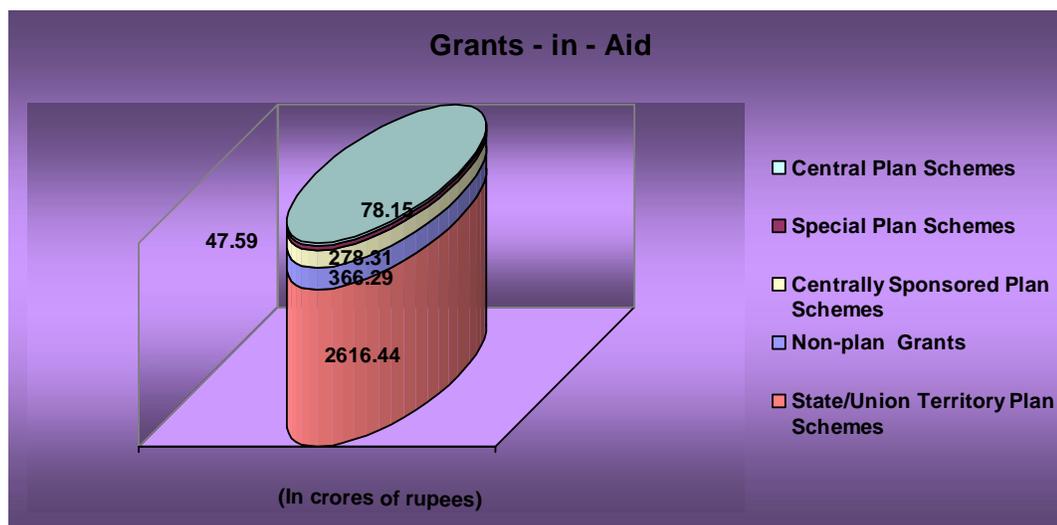
(in crore of Rupees)

Major Head Description	2006-07	2007-08	2008-09	2009-10	2010-11
Corporation Tax	108.34	138.96	151.55	195.63	281.59
Taxes on Income other than Corporation Tax	65.79	93.27	95.12	108.98	148.81
Taxes on Wealth	0.14	0.15	0.14	0.44	0.58
Customs	67.70	82.76	88.33	66.53	125.98
Union Excise Duties	71.89	79.01	77.02	53.59	91.64
Service Tax	33.32	43.75	49.94	50.23	71.58
Other Taxes and Duties on Commodities and Services	0.03	–	–	0.02	–
State Share of Union Taxes	347.21	437.87	462.09	475.40	720.18
Total Tax Revenue	425.38	535.96	598.31	648.84	935.18
Percentage of Union Taxes to Total Tax Revenue	81.62	81.70	77.23	73.27	77

The Government of Arunachal Pradesh received 7.3% of the net proceeds of all shareable Union taxes during the period 2006-07 to 2010-11.

2.7 Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India, and comprise of Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission, and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2010-11 under Grants in Aid were ₹ 3956.78 crore as shown below.



The share of Non-plan Grants in total Grants-in-Aid increased from 16.13 % during 2009-10 to 21.14 % in 2010-11, while the share of grants for Plan schemes declined from 83.87 % in 2009-10 to 78.86 % in 2010-11. As against a Budget Estimate of ₹ 3887.83 crore of Union share in Plan schemes, the State Government actually received ₹ 3956.78 crore of Grants in Aid (101.77 % of BE).

2.8 Public Debt

Trend of Public Debt over the past five years

(in crore of Rupees)

Description	2006-07	2007-08	2008-09	2009-10	2010-11
Internal Debt	1277.84	1507.87	1592.01	1721.51	121.99
Central Loans	464.60	448.50	444.78	420.66	0.37
Total Public Debt	1742.44	1956.37	2036.79	2142.17	122.36

In 2010-11 three loans totaling ₹ 190 crore at interest rates varying from 8.37 % to 8.39 % and redeemable in the years 2019-20 were raised at par.

Against the total Internal Debt of ₹ 121.99 crore of the State Government in 2010-11, plus the Central Loan component of ₹ 0.37 crore received during this period, Capital Expenditure was ₹ 1655.51 crore (1357.09 %), indicating that the entire Public Debt was used for developmental purposes.

CHAPTER - III

EXPENDITURE

3.1. Introduction

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

General Services	includes Justice, Police, Jail, PWD, Pensions, etc;.
Social Services	includes Education, Health & Family Welfare, Water Supply, Welfare of SCs/STs, etc;.
Economic Services	includes Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport, etc;.

3.2 Revenue Expenditure

Revenue Expenditure was ₹ 3744.24 crore for 2010-11, which fell short of the Budget Estimates by ₹ 1779.39 crore. This was due to less disbursement of ₹ 789.63 crore under Plan Expenditure and excess disbursement of ₹ 10.24 crore under Non-plan Expenditure. This shortfall is to be viewed in the light of the ₹ 320.97 crore (6.29 %) shortfall in Revenue Receipts and the need of the State to maintain a revenue surplus in terms of the Arunachal Pradesh FRBM Act, 2006.

The shortfall of expenditure against budget estimates under Revenue Section during the past five years given below:

(in crore of Rupees)

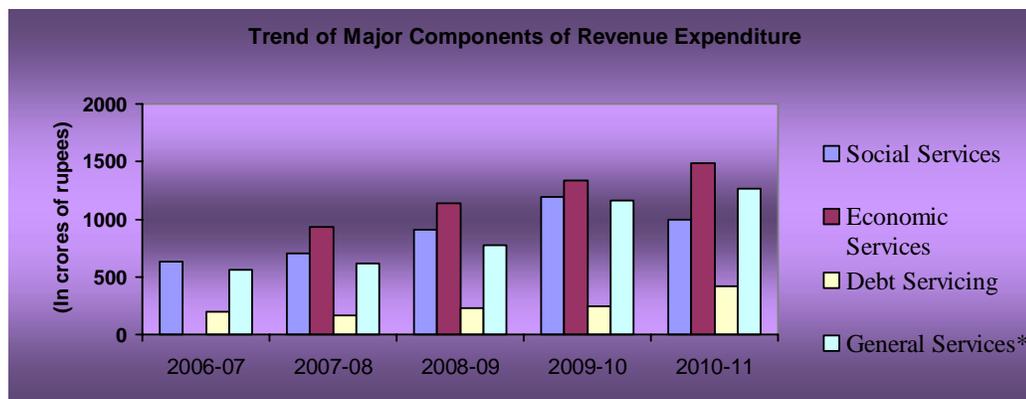
	2006-07	2007-08	2008-09	2009-10	2010-11
Budget Estimates	2297.16	2973.72	4156.24	3607.37	4523.13
Actuals	1897.23	2259.55	2895.45	3695.59	3744.24
Gap	399.93	714.17	1260.79	88.22	778.89
Percentage of Gap over B.E.	17	24	30	2	17

Compounding the increase (6.29 %) of Revenue Receipts against Budget Estimates, the State Government generated revenue surplus in terms of the FRBM Act. Nearly 68 % of total Revenue Expenditure was committed to Non-Plan Expenditure (Salaries, Pensions, etc;). Added to this was the fact that the Government of India released only 80% of the promised Grants-in-Aid. Plan Expenditure resultantly increased by 7 % from ₹ 1135.17 crore in 2009-10 to ₹ 1211.16 crore in 2010-11.

3.2.1 Sectoral Distribution of Revenue Expenditure (2010-11)

Components	Amount	Percentage
A. Fiscal Services	16.07	0.43
(i) Collection of Taxes on Property and Capital Transactions	7.28	-
(ii) Collection of Taxes on Commodities and Services	8.03	-
(iii) Other Fiscal Services	0.76	-
B. Organs of State	48.84	1.31
C. Interest Receipts, Dividends and Profits	416.92	11.14
D. Administrative Services	560.19	14.96
E. Pensions and Miscellaneous General Services	223.21	5.96
F. Social Services	994.28	26.55
G. Economic Services	1484.73	39.65
H. Grants-in-aid and Contributions	159.65	-
Total - Expenditure (Revenue Account)	3744.24	100

3.2.2. Major Components of Revenue Expenditure (2006-2011)



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

The expenditure on Economic Services (which includes important sectors like Rural Development, Agriculture and Irrigation) increased, as well as a steady increase of expenditure in other services.

3.3 Capital Expenditure

Capital Disbursements for 2010-11 at 20.10% of GSDP were less than the Budget Estimates by ₹ 1497.5 crore (less disbursement of ₹ 1483.06 crore under Plan Expenditure and ₹ 20.75 crore under Non-Plan Expenditure).

3.3.1 Sectoral Distribution of Capital Expenditure

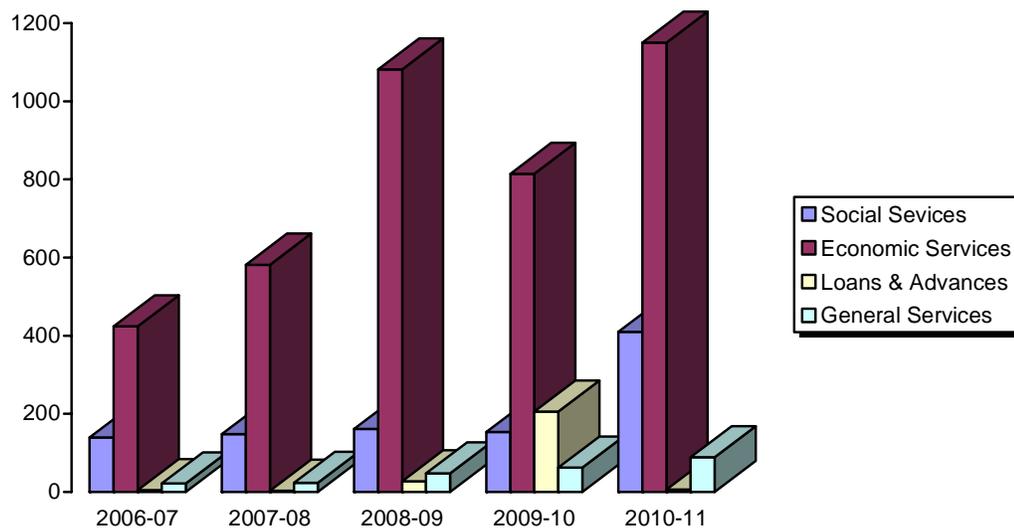
(in crore of Rupees)

	Components	Amount	Percentage
1	General Services - Police, Land Revenue, etc;.	89.10	5.38
2	Social Services – Education, Health & Family Welfare, Water Supply, Welfare of SCs/STs, etc;.	409.68	24.75
3	Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport, etc;.	1150.42	69.49
4	Loans & Advances Disbursed	6.31	0.38
Total		1655.51	100

3.3.2 Sectoral Distribution of Capital Expenditure over the past five years

(in crore of Rupees)

Sl. No.	Sector	2006-07	2007-08	2008-09	2009-10	2010-11
1	General Services	22.02	23.11	47.22	62.41	89.10
2	Social Services	139.85	148.38	161.69	153.60	409.68
3	Economic Services	423.73	581.71	1081.32	814.30	1150.42
4	Loans and Advances	4.78	2.97	27.24	205.46	6.31
	Total	590.38	756.18	1317.47	1235.77	1655.51

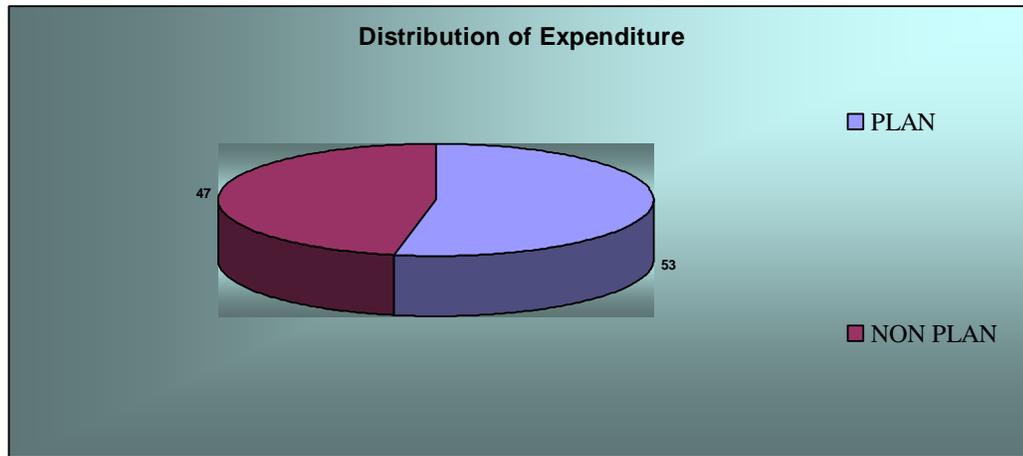


Sectoral Distribution of Capital Expenditure over the past five years

CHAPTER - IV

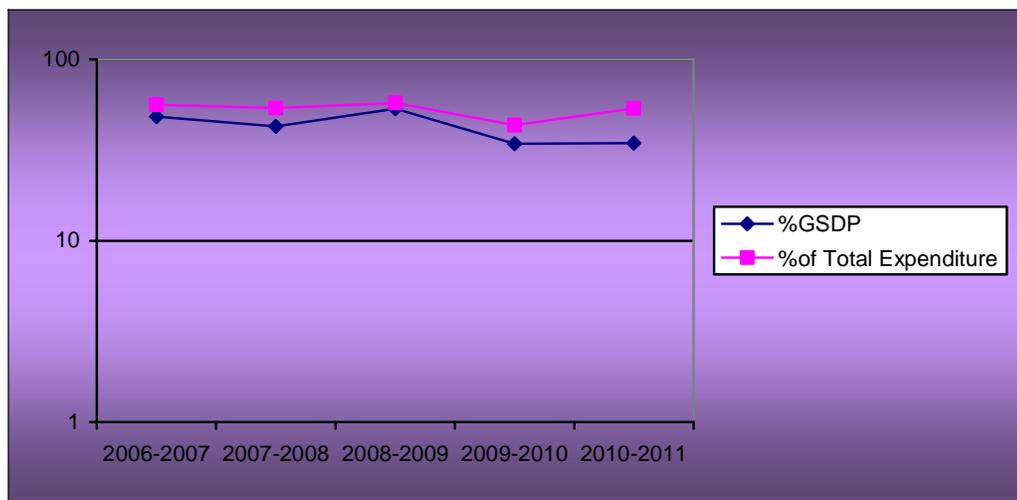
PLAN AND NON PLAN EXPENDITURE

4.1 Distribution of Expenditure (2010-2011)



4.2 Plan Expenditure

During 2010-11, Plan Expenditure, representing 53 % of total disbursements, was ₹ 2843.19 crore (₹ 2298.00 crore under State Plan, ₹ 545.19 crore under Centrally Sponsored Schemes and ₹ 65.38 crore under Loans % Advances).



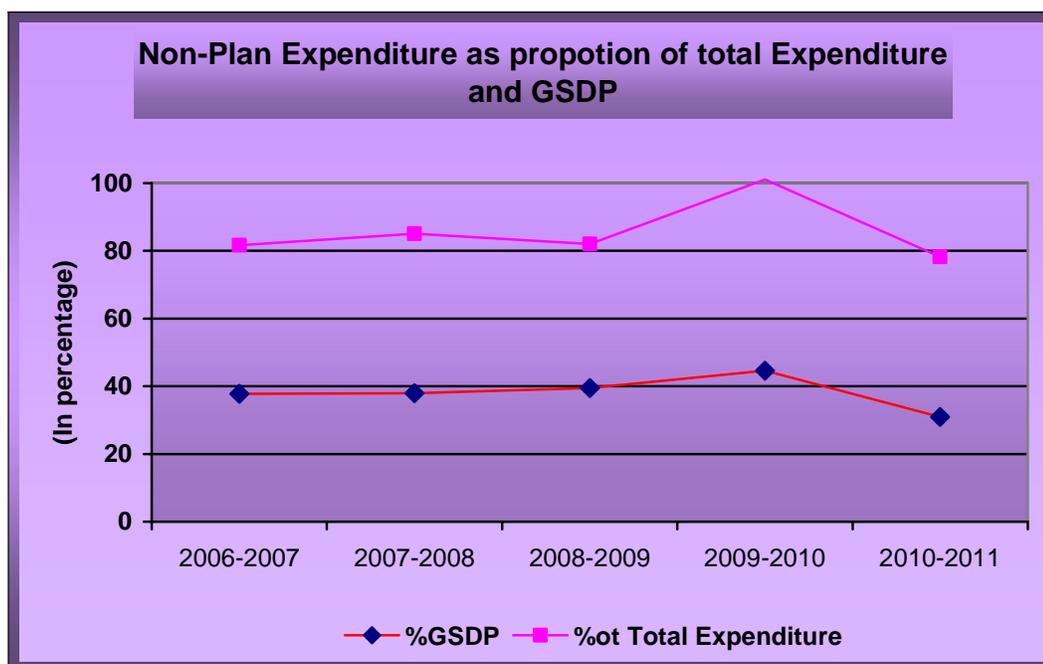
4.2.1 Plan Expenditure under Capital Account

(in crore of Rupees)

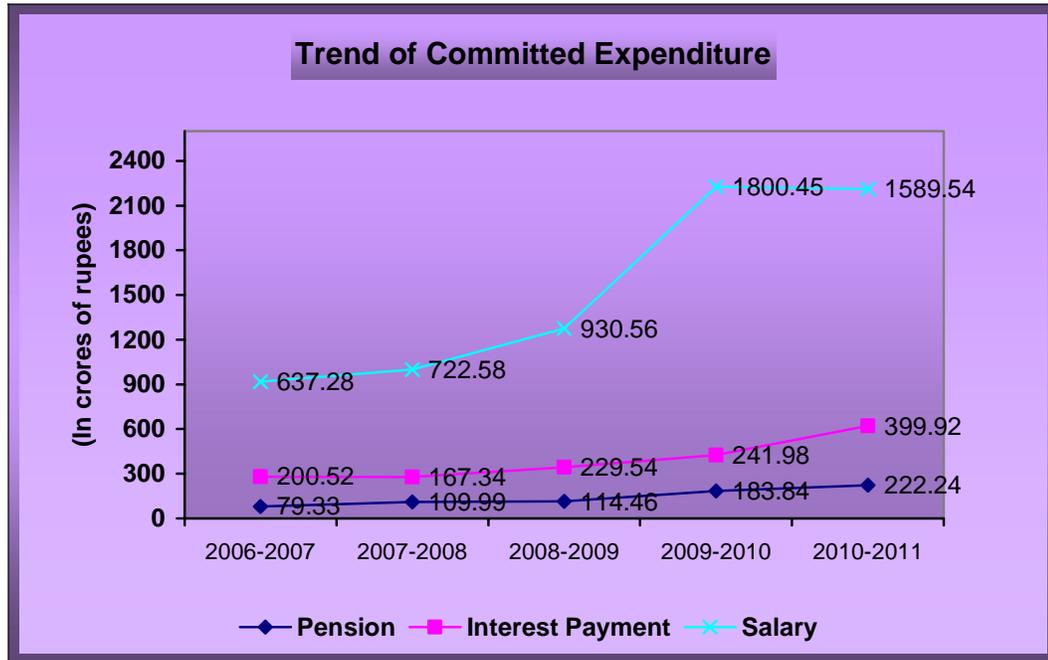
	2006-07	2007-08	2008-09	2009-10	2010-11
Total Capital Expenditure	590.38	756.18	1317.47	1235.77	1655.51
Capital Expenditure(Plan)	585.46	552.08	1279.61	1007.49	1632.03
% of Capital Expenditure(Plan) to Total Capital Expenditure	99.17	73	97.13	81.53	98.58

4.3. Non-Plan Expenditure

Non-Plan Expenditure during 2010-11, representing 47 % of total disbursements, was ₹ 2550.25 crore. (₹ 2533.08 crore under Revenue Expenditure and ₹ 17.17 crore under Capital Expenditure).



4.4 Committed Expenditure



(in crore of Rupees)

Component	2006-07	2007-08	2008-09	2009-10	2010-11
Committed Expenditure	916.81	999.91	1274.56	2226.27	2211.7
Revenue Expenditure	1897.23	2259.55	2895.45	3695.59	3745
% of Committed Expenditure to Revenue Receipts	35	33	33	52	41
% of Committed Expenditure to Revenue Expenditure	48	44	44	60	59

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

CHAPTER - V

APPROPRIATION ACCOUNTS

5.1. Summary of Appropriation Accounts for 2010-11

(in crore of Rupees)

Sl. No.	Nature of Expenditure	Original Grant	Supplementary Grant	Re-Appropriation	Total	Actual Expenditure	Savings(-) Excess(+)
1	Revenue						
	Voted	3047.06	1178.72	----	4225.78	3319.08	-906.7
	Charged	5.69	2.66		8.35	8.22	-0.13
2	Capital						
	Voted	1871.45	1275.46	----	3146.91	1650.15	-1496.76
	Charged						
3	Public Debt						
	Charged	289.29	----	----	289.29	416.93	127.64
4	Loans and Advances						
	Voted	3.60	2.80	----	6.4	6.31	-0.09
	Charged	190.33	0.94		191.27	86.50	-104.77
	Total	5407.42	2461.58	----	7868.00	5487.19	-2380.81

5.2. Trend of Savings/Excess during the past five years

(in crore of Rupees)

Year	Savings(-)/Excess(+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2006-07	-400.22	-91.54	142.99	-39	-349.16
2007-08	-714.43	-442.21	-116.99	-1.26	-1274.89
2008-09	-1261.06	-485.16	-121.08	-1.78	-1869.08
2009-10	-1082.46	-882.61	-26.01	-90.66	-2081.74
2010-11	-906.83	-1496.76	127.64	-104.86	-2380.81

5.3 Significant Savings

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

Some Grants with persistent and significant savings are given below:

(in crore of Rupees)

Grant	Nomenclature	2006-07	2007-08	2008-09	2009-10	2010-11
10	Other General, Social and Community Services (Revenue)	.13	.08	.05	.09	.01
23	Forest (Revenue)	4.31	2.90	3.94	8.56	34.46
27	Panchayat (Revenue)	13.60	12.02	2.42	29.82	18.62
31	Public Works (Capital)	104.3	5.10	31.81	38.77	21.98
34	Power (Capital)	25.84	63.52	45.87	62.51	12.62
49	Science and Technology (Revenue)	10.02	9.73	7.66	9.17	2.21
56	Tourism (Capital)	.94	11.12	6.14	6.19	19.46
57	Urban Development (Capital)	12.97	2.18	8.31	88.84	55.57
59	Public Health Engineering (Revenue)	5.10	10.31	37.07	27.00	51.38
66	Power (Civil) (Capital)	0.94	87.82	78.91	109.23	43.98

During 2010-11, Supplementary Grants totaling ₹ 56.73 crore (1.03 % of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below.

(in crore of Rupees)

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
36	Statistics	Revenue	16.56	3.65	14.88
45	Civil Aviation	Revenue	19.71	2.01	15.10
47	Administration of Justice	Revenue	18.06	2.42	4.11
57	Urban Development	Revenue	7.42	0.75	6.93
57	Urban Development	Capital	140.66	35.74	120.83
59	Public Health Engineering	Revenue	158.64	11.22	118.48
	Public Debt	Capital	190.32	.94	86.49

CHAPTER - VI

ASSETS AND LIABILITIES

6.1 Assets

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

Total investment as Share Capital in Non- financial Public Sector Undertakings (PSUs) stood at ₹ 218.15 crore at the end of 2010-11. However, no dividends were received on Investments during the year.

The Cash Balance with RBI stood at - 83.04 crore on 31st March 2010, and increased to - 198.56 crore at the end of March 2011.

6.2. Debt and Liabilities

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

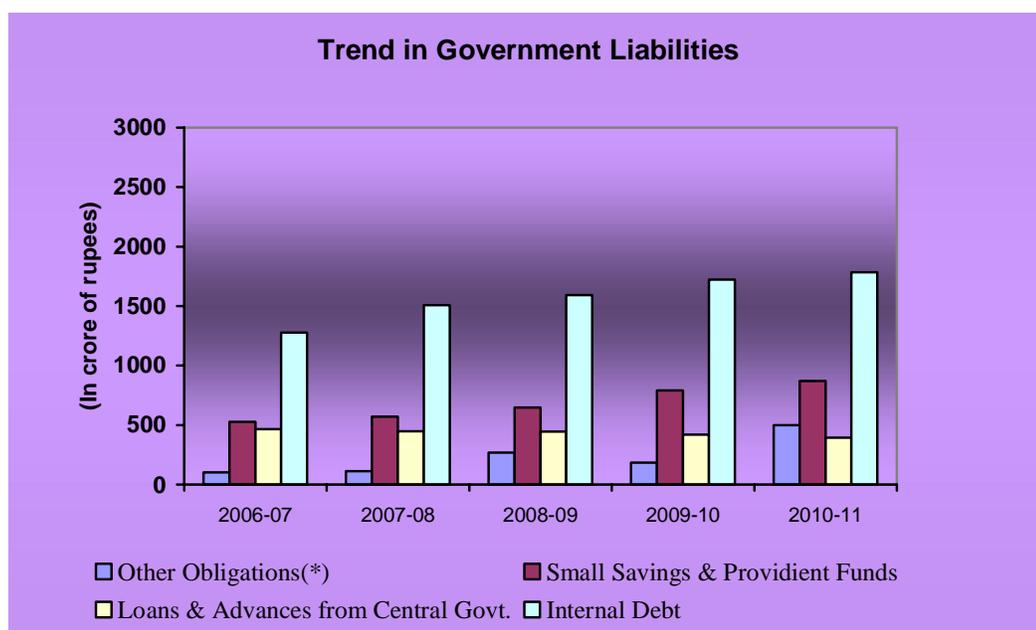
Details of Public Debt and total liabilities of the State Government are as under:

Year	Public Debt	% to GSDP	Public Account(*)	% to GSDP	Total Liabilities	% to GSDP
2006-07	1742.44	51.05	628.84	18.43	2371.28	69.26
2007-08	1956.37	50.31	682.19	17.54	2638.56	67.86
2008-09	2036.79	44.89	917.87	20.23	2954.66	65.13
2009-10	2142.17	34.23	967.85	15.60	3119.02	49.84
2010-11	2178.03	26.45	583.22	7.08	3547.14	43.08

(*) Excludes Suspense and Remittances Balances.

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

There was a net increase of ₹ 428.12 crore (13.72 %) in Public Debt and Other Liabilities as compared to 2009-10.



(*) Non –interest bearing obligations such as deposits of Local Funds, other Earmarked Funds, etc.;

The Government of India determines, from time to time, the limits up to which a State Government can borrow from the market. This limit was reduced (by 30.54 %) for the Government of Arunachal Pradesh, from ₹ 273.54 crore in 2009-10 to ₹ 190 crore in 2010-11.

6.3 Guarantees

The position of guarantees by the State Government for the payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations , Co-operative Societies, etc is given below.

At the end of the Year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 st March 2011	
		Principal	Interest
2006-07	23.99	13.15	0.17
2007-08	12.00	0.78	0.20
2008-09	12.00	0.47	0.14
2009-10	12.00	0.47	0.14
2010-11	Information not intimated by State Government		

CHAPTER - VII

OTHER ITEMS

7.1 Adverse Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, State Governments also guarantee loans raised by Government Companies and Corporations from the market and financial institutions for implementation of various Plan Schemes/Programmes, which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government. However, the loan repayments appear in Government Accounts, resulting in irreconcilable Adverse Balances and understatement of liabilities in Government Accounts. As on 31st March 2011, the position of Adverse Balances of the Government stood at ₹ 0.76 crore.

7.2 Loans and Advances by the State Government

The total Loans and Advances made by the State Government at the end of 2010-11 was ₹ 59.07 crore. Of this, Loans and Advances to Government Corporations/ Companies, Non-Government Institutes and Local Bodies amounted to ₹ 496.90 crore. Recovery of Principal aggregating to ₹ 29.62 crore and interest amounting to ₹ 4.37 crore was in arrears at the end of 31st March 2011.

7.3 Financial Assistance to Local Bodies and Others

During the past five years, Grants-in-Aid to Local Bodies, etc; increased from ₹ 27.31 crore in 2006-07 to ₹ 209.00 crore in 2010-11. No Grants to Zilla Parishads, Panchayat Samities and Municipalities was given during the year.

(in crore of Rupees)

Year	Zilla Parishads	Municipalities	Panchayat Samities	Others	Total
2006-07	...NIL...	...NIL...	...NIL...	27.31	27.31
2007-08	...NIL...	...NIL...	...NIL...	5.16	5.61
2008-09	No information was furnished by the Govt.				
2009-10	...NIL...	...NIL...	...NIL...	...NIL...	...NIL...
2010-11	...NIL...	...NIL...	...NIL...	209	209

7.4 Cash Balance and Investment of Cash Balance

(in crore of Rupees)

Component	As on 1 st April 2010	As on 31 st March 2011	Net Increase(+)/ Decrease
Cash Balances	-83.04	-198.56	-115.52
Investments from Cash Balance (GOI Treasury Bills)	1616.37	1903.64	+28.27
Investment from Earmarked Fund Balances	73.90	90.90	+17.00
(a) Sinking Fund	73.90	90.90	+17.00
(b) Guarantee Redemption Fund	--	--	--
(c) Other Funds	--	--	--
Interest Realised	34.80	109.57	74.77

There is a net decrease in the Cash Balance of the State Government at the end of 2010-11.

7.5 Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the figures available with the Departments and the figures appearing in the accounts compiled by the Accountant General. This exercise is to be conducted by the respective Heads of Departments. The reconciliation of accounts of many Departments is in arrears. In 2010-11 only ₹ 1508.96 crore (30.99 %) of the total expenditure of ₹ 4869.20 crore of the State Government was reconciled. Similarly, out of total receipts of ₹ 4644.12 crore, only ₹ 4164.17 crore (89.67%) was reconciled. The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCOs) of different Departments is given below:

Particulars	Total No. of CCOs	Fully Reconciled	Partially Reconciled	Not Reconciled
Expenditure	73	69	--	4
Receipts	73	69	--	4
Total	73	69	--	4

Chronic defaulters in reconciliation are listed below:

Sl. No.	Name of Department/Chief Controlling Officer	Pending (in Years)
1.	Social Security and Welfare	8

7.6 Submission of Accounts by Treasuries

The average delay in rendition of Treasury Accounts by the 17 Treasuries to the office of the Accountant General was 45.47 days.

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

When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC Bills. Such AC Bills are required to be settled, within a maximum of 90 days, through submission of DC Bills. At the end of 31st March 2011, 2359 DC Bills amounting to ₹ 27.57 crore were outstanding, indicating that these instructions were not followed.