



**GOVERNMENT
OF
ARUNACHAL PRADESH**

**ACCOUNTS AT A GLANCE
2011-2012**



**ACCOUNTANT GENERAL
ARUNACHAL PRADESH
ITANAGAR**

PREFACE

I am happy to present the thirteenth issue of our annual publication, '**Accounts at a Glance**' of the Government of Arunachal Pradesh. The purpose of this publication is to distil and make more accessible the voluminous information available in the annual Finance and Appropriation Accounts (totaling 577 pages this year) prepared by my office under directions of the Comptroller and Auditor General of India and placed before the Legislature in accordance with Article 149 of the Constitution of India.

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

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

Place: Itanagar

Date:

(**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

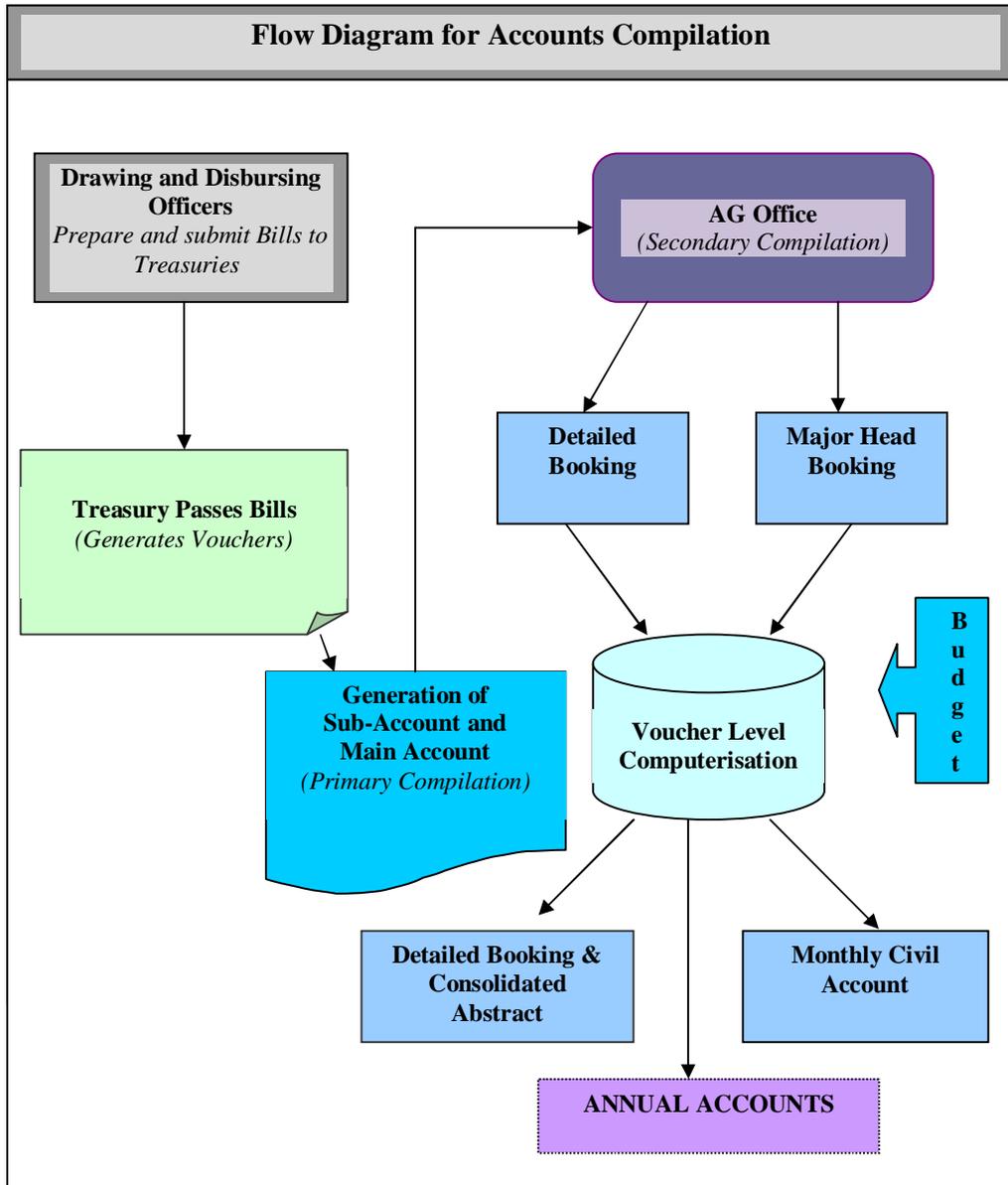
The Accountant General, Arunachal Pradesh compiles the accounts of receipts and expenditure of the Government of Arunachal Pradesh. This compilation is based on the initial accounts rendered by the District Treasuries, Pay and Accounts Officers of Public Works and Forest Divisions and advice of the Reserve 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

<i>Part 1 CONSOLIDATED FUND</i>	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
<i>Part 2 CONTINGENCY FUND</i>	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is subsequently recouped from the Consolidated Fund.
<i>Part 3 PUBLIC ACCOUNT</i>	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 summary 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 2011-12 are given below:

(in crore of rupees)			
RECEIPTS (Total - 6493.43)	Revenue (Total: 5499.06)	<i>Tax Revenue</i>	1156.62
		<i>Non-Tax Revenue</i>	360.71
		<i>Grants-in-Aid</i>	3981.73
	Capital (Total:994.37)	<i>Recovery of Loans & Advances</i>	2.90
		<i>Borrowings and other Liabilities</i>	991.47
DISBURSEMENTS (Total - 6493.43)	Revenue		4417.86
	Capital		2065.88
	Loans and Advances		9.69

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 ` 693.31 crore to such agencies. Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix - VII of Volume - II of the Finance Accounts.

1.3.2. Appropriation Accounts

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

The Appropriation Act, 2011-12, provided for gross expenditure of ` 9262.06 crore and reduction of expenditure (recoveries) of ` 0.90 crore. Against this, the actual gross expenditure was ` 6631.17 crore and reduction of expenditure was ` 0.40 crore, resulting in net savings of ` 2630.89 crore (28.41 %) and an over-estimation of ` 0.50 crore (55.56 %) on reduction of expenditure. The gross expenditure included ` 36.37 crore drawn on Abstract Contingent (AC) Bills, against which ` 18.83 crore was still outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

During 2011-12, ` 0.30 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under PD accounts are to be transferred back to the Government at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD accounts are available only with the Treasuries, since they are responsible for maintaining such records.

1.4 Sources and Application of Funds

1.4.1. Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable the State Government to maintain its liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (` 0.26 crore) maintained with the RBI. During 2011-12, neither did the Government of Arunachal Pradesh resort to OD facilities nor availed of WMA.

1.4.2. Fund Flow Statement

The State had a Revenue Surplus of ` 1081.20 crore and a Fiscal Deficit of ` 991.47 crore, representing 9.71 % and 8.90 % of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 15.27 % of the total expenditure. This deficit was met from Public Debt (` 31.33 crore), increase in Public Account (` 1280.02 crore) and net of opening and closing cash balances (` 319.86 crore). Around 43.75 % of the Revenue Receipts (` 5499.06 crore) of the State Government was spent on Committed Expenditure like Salaries (` 1885.99 crore), Interest Payment (` 281.81 crore) and Pension (` 237.98 crore).

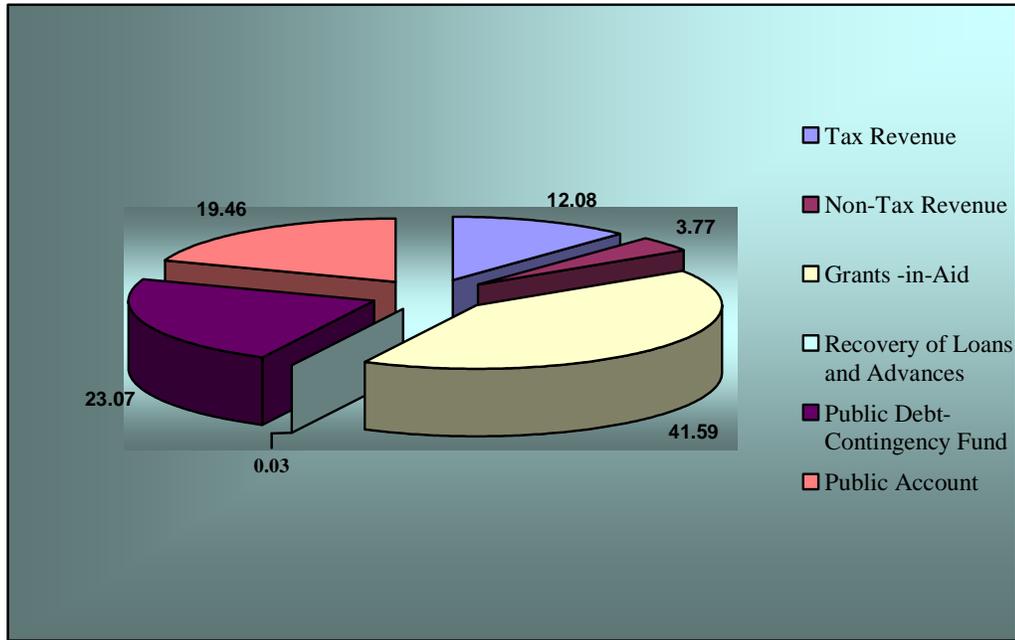
Sources and Application of Funds

(in crore of rupees)		
	PARTICULARS	AMOUNT
SOURCES	Opening Cash Balance as on 01.04.2011	(-) 198.56
	Revenue Receipts	5499.06
	Recovery of Loans and Advances	2.90
	Public Debt	168.66
	Small Savings, Provident Fund & Others	256.02
	Reserves and Sinking Funds	19.00
	Deposits Received	876.94
	Civil Advances Repaid	63.49
	Suspense Account	26984.57
	Remittances	2998.65
	Contingency Fund	-
	TOTAL	36670.73

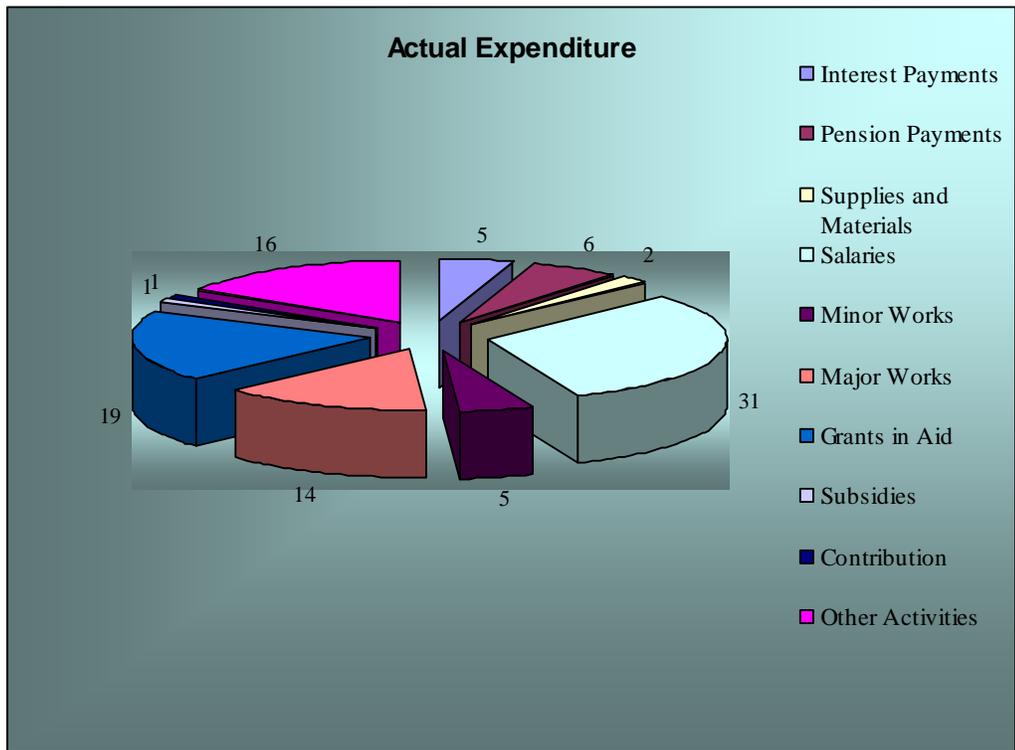
	PARTICULARS	AMOUNT
APPLICATION	Revenue Expenditure	4417.86
	Capital Expenditure	2065.88
	Loans Given	9.69
	Repayment of Public Debt	137.33
	Transfer to Contingency Fund	-
	Small Savings Provident Fund & Others	127.84
	Reserves and Sinking Funds	19.00
	Deposits Received	566.44
	Civil Advances Repaid	92.55
	Suspense Account	26122.31
	Remittances	2990.52
	Closing Cash Balance as on 31.3.2012	121.30
	TOTAL	36670.73

Except where indicated otherwise, GSDP figures used in this publication are adopted from the Directorate of Economics & Statistics (December 2012), Government of Arunachal Pradesh.

1.4.3. Where the Rupee came from



1.4.4. Where the Rupee went



1.5. Highlights of Accounts

(in crore of rupees)

Sl. No.		BE 2011-12	Actuals	Percentage of actuals to BE	Percentage of actuals to GSDP (\$)
1.	Tax Revenue [①]	1011.56	1156.62	114.34	10.39
2.	Non-Tax Revenue	290.37	360.71	124.22	3.24
3.	Grants-in-Aid & Contributions	4638.93	3981.73	85.83	35.76
4.	Revenue Receipts (1+2+3)	5940.86	5499.06	92.56	49.38
5.	Recovery of Loans & Advances	3.30	2.90	87.88	0.03
6.	Borrowings & other Liabilities [A]	195.71	991.47	506.60	8.90
7.	Capital Receipts (5 + 6)	199.01	994.37	499.66	8.93
8.	Total Receipts (4 + 7)	6139.87	6493.43	105.76	58.31
9.	Non-Plan Expenditure	2335.45	2859.89	122.46	25.68
10.	NPE on Revenue Account	2329.77	2853.86	122.50	25.63
11.	NPE on Interest Payments	268.81	281.81	104.84	2.53
12.	NPE on Capital Account	5.68	6.03	106.16	0.05
13.	Plan Expenditure	3804.42	3633.54	95.51	32.63
14.	PE on Revenue Account	1276.52	1564.00	122.52	14.05
15.	PE on Capital Account	2527.90	2059.85	81.48	18.50
16.	Total Expenditure (9 + 13) [*]	6139.87	6493.43	105.76	58.31
17.	Revenue Expenditure (10+14)	3606.29	4417.86	122.50	39.67
18.	Capital Expenditure (12+15) [#]	2533.58	2075.57	81.92	18.64
19.	Revenue Surplus (4-17)	2334.57	1081.20	46.31	9.71
20.	Fiscal Deficit{(16 - (4+5))}	195.71	991.47	506.60	8.90

(①) Includes State's share of Union Taxes - ` 838.97 crore.

(\$) GSDP figure of ` 11135.53 crore adopted from the Directorate of Economic & Statistics (December 2012), Government of Arunachal Pradesh.

(#) Expenditure on Capital Account includes Capital Expenditure (` 2065.88 crore) and Loans and Advances disbursed (` 9.69 crore)

(*) Expenditure includes (` 2859.89 crore) under Non-Plan and (` 3633.54) under Plan which pertains to Loans and Advances

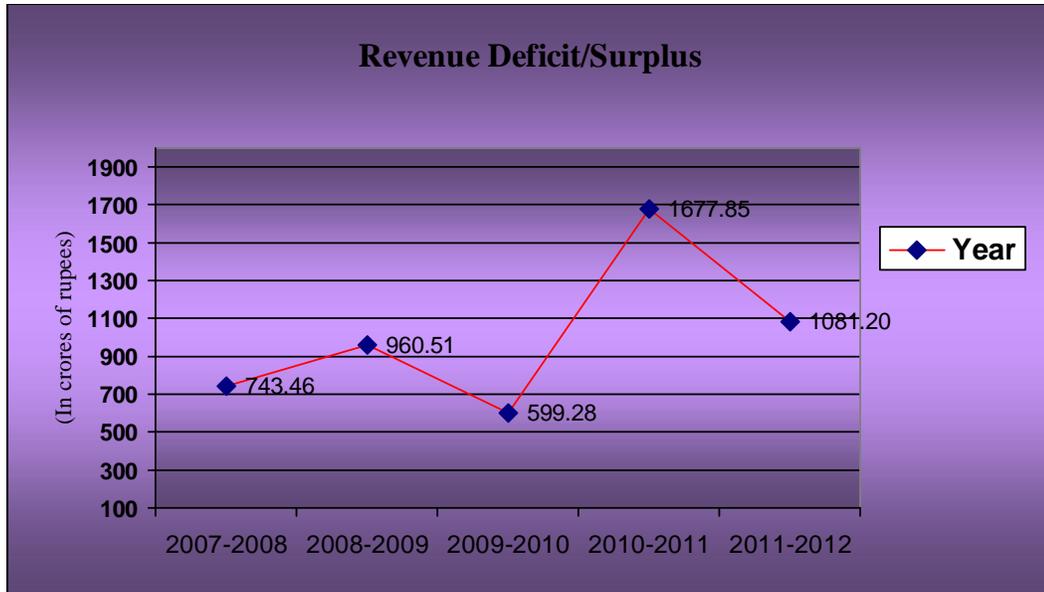
(A) Borrowings and other Liabilities Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

1.6 What do the Deficits and Surpluses indicate?

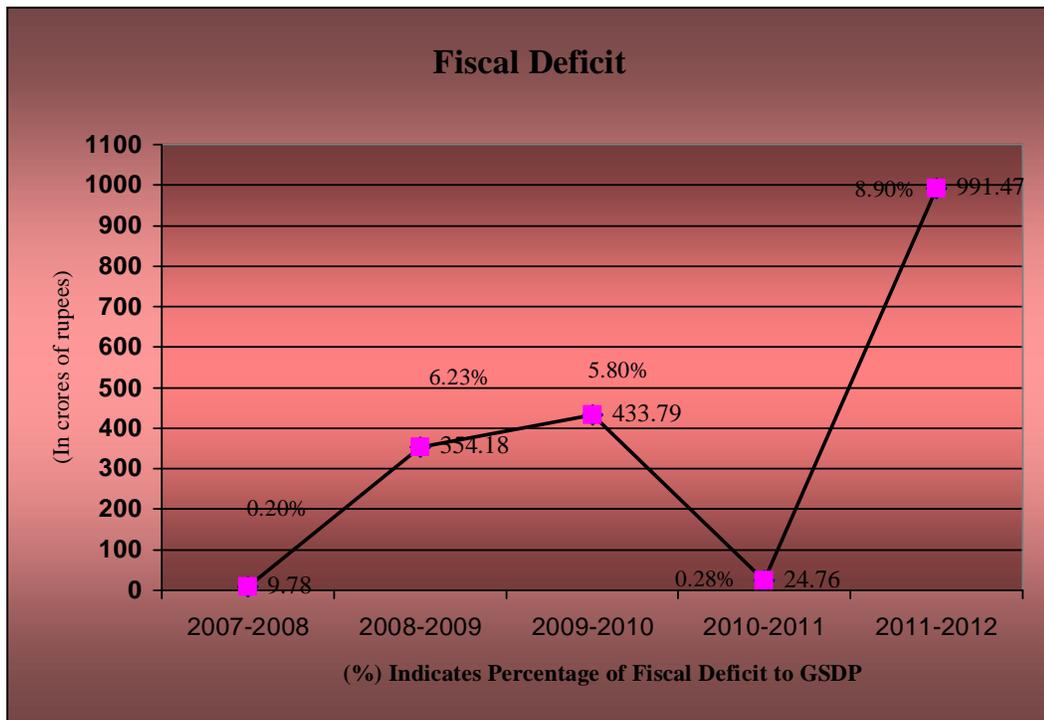
DEFICIT	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
SURPLUS	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required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

After enactment of the Arunachal Pradesh Fiscal Responsibility and Budget Management (FRMB) Act, 2006, wherein targets were set for important fiscal indicators like fiscal deficit and liabilities under the Consolidated Fund, the Government made a promising start, achieving revenue surplus of ` 694.94 crore in 2006-07. Continuing the upward trend, the State recorded its Gross State Domestic Product (GSDP) at ` 8731.50 crore in 2010-11 at current prices, indicating an increase of 16.84 % from the previous year. The State also recorded a revenue surplus of ` 1677.86 crore in 2010-11. However, the fiscal deficit decreased from ` 433.79 crore or 5.80 % of GSDP in 2009-10 to ` (-) 24.76 crore or 0.28 % of GSDP 2010-11. The fiscal deficit stood at ` 991.47 crore or 8.90 % of GSDP in 2011-12.

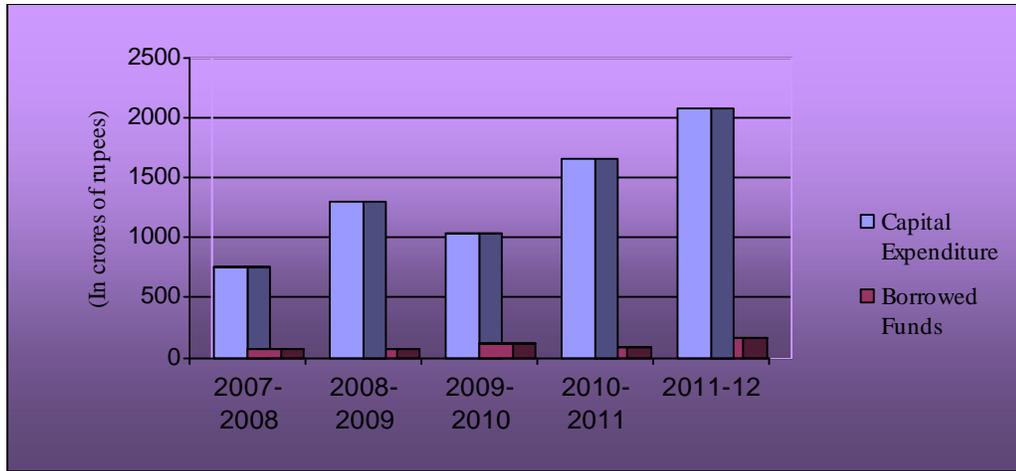
1.6.1. Trend of Revenue Deficit/Surplus



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 repayment of the Principal and Interest. However, the State Government spent only 55.12 % of its borrowings of the current year (₹ 168.66 crore) on Capital Expenditure (₹ 2065.88 crore). It would, therefore, appear that 44.88 % of the Public Debt (₹ 137.33 crore) was utilized on the following to repay the Principal and Interest on Public Debt of previous years, to meet periodic shortfalls of revenue against expenditure in the current year, to maintain a positive cash balance at the end of the year and to invest in Treasury Bills.

CHAPTER - II

RECEIPTS

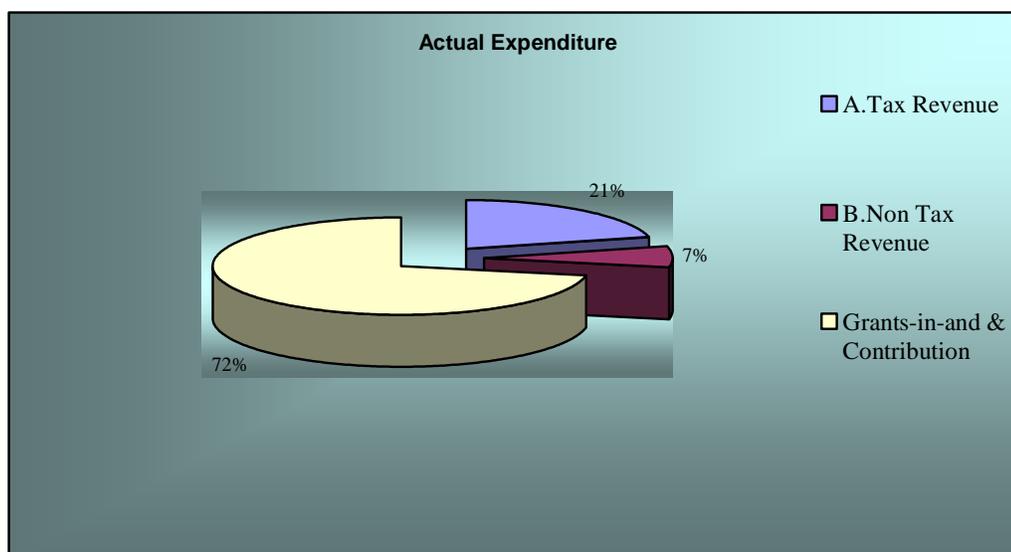
2.1. Introduction

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

Total Receipts for 2011-12 were ` 6493.43 crore.

2.2. Revenue Receipts

TAX REVENUE	Comprises of 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 Centre. 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 gives Grants-in-Aid to institutions like Panchayati Raj, Autonomous Bodies, etc;.



2.2.1. Revenue Receipt Components (2011-12)

(in crore of rupees)

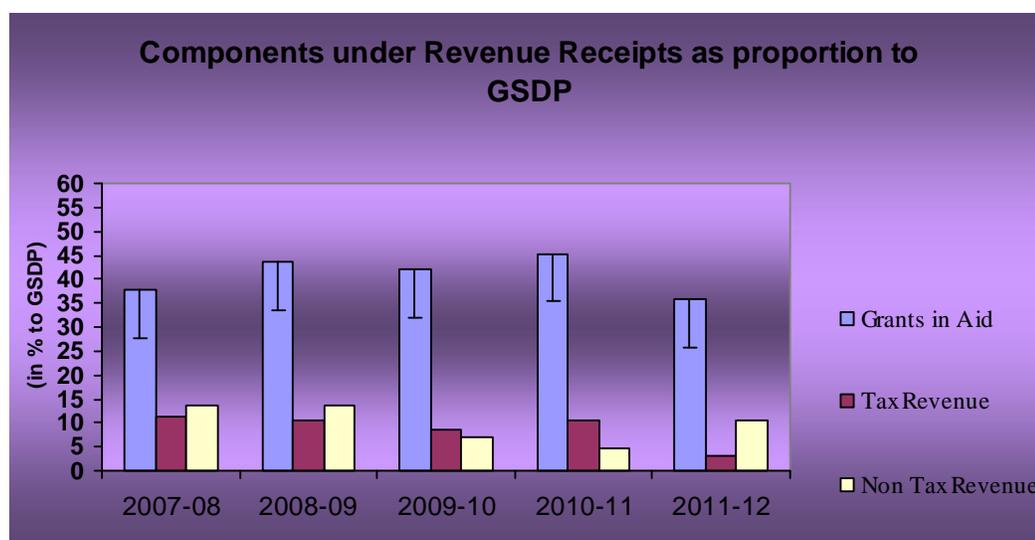
Components	Actuals
A. TAX REVENUE	1156.62
Taxes on Income & Expenditure	498.17
Taxes on Property and Capital Transactions	7.37
Taxes on Commodities and Services	651.08
B. NON-TAX REVENUE	360.71
Interest Receipts , Dividends and Profits	48.71
General Services	19.84
Social Services	10.35
Economic Services	281.81
C. GRANTS-IN-AID AND CONTRIBUTIONS	3981.73
TOTAL- REVENUE RECEIPTS	5499.06

2.3. Trend of Receipts

(in crore of rupees)

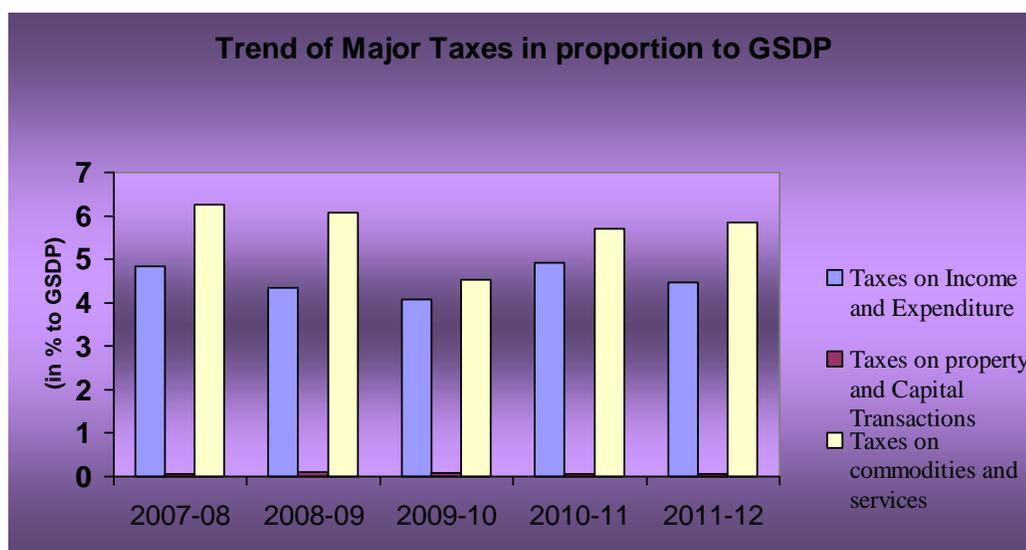
	2007-08	2008-09	2009-10	2010-11	2011-12
TAX REVENUE	535.96	598.31	648.84	935.18	1156.52
NON-TAX REVENUE	656.92	772.01	511.25	530.18	360.71
GRANTS -IN-AID	1810.13	2485.64	3134.78	3956.78	3981.73
TOTAL REVENUE RECEIPTS	3003.01	3855.96	4294.87	5422.14	5499.06
GSDP	4810.00	5687.32	7472.97	8731.50	11135.53

Though GSDP increased by 27.53 % between 2010-11 and 2012-12, growth in revenue collection was only 1.42 %. While Tax Revenue increased by 23.68 %, Non-Tax Revenue decreased by 31.96 %.



Sector-wise Tax Revenue

	2007-08	2008-09	2009-10	2010-11	2011-12
Tax on Income and Expenditure	232.22	246.67	304.61	430.41	498.17
Taxes on Property and Capital Transactions	3.13	6.29	6.78	5.80	7.37
Taxes on Commodities and Services	300.61	345.35	337.45	498.96	651.08
TOTAL TAX REVENUE	535.96	598.31	648.84	935.17	1156.12



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)
2007-08	535.96	437.87	98.06	2.04
2008-09	598.31	462.09	136.20	2.39
2009-10	648.84	475.40	173.44	2.32
2010-11	935.18	720.18	214.99	2.46
2011-12	1156.62	838.97	317.65	2.85

The proportion of the State's Own Revenue to GSDP is perceptibly lower than the target of 2.91 %, as recommended by the 13th Finance Commission.

2.5. Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(in crore of rupees)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	3.13	6.29	6.78	5.80	7.37
Expenditure on Collection	2.53	3.57	7.57	7.28	8.57
Cost of Tax Collection	80.83 %	56.76 %	111.65 %	125.51 %	116.28 %

B. Taxes on Commodities and Services

(in crore of rupees)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	300.16	345.35	337.45	498.96	651.08
Expenditure on Collection	3.39	4.01	8.77	8.03	12.88
Cost of Tax Collection	1.13 %	1.16 %	2.60 %	1.61 %	1.98 %

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

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

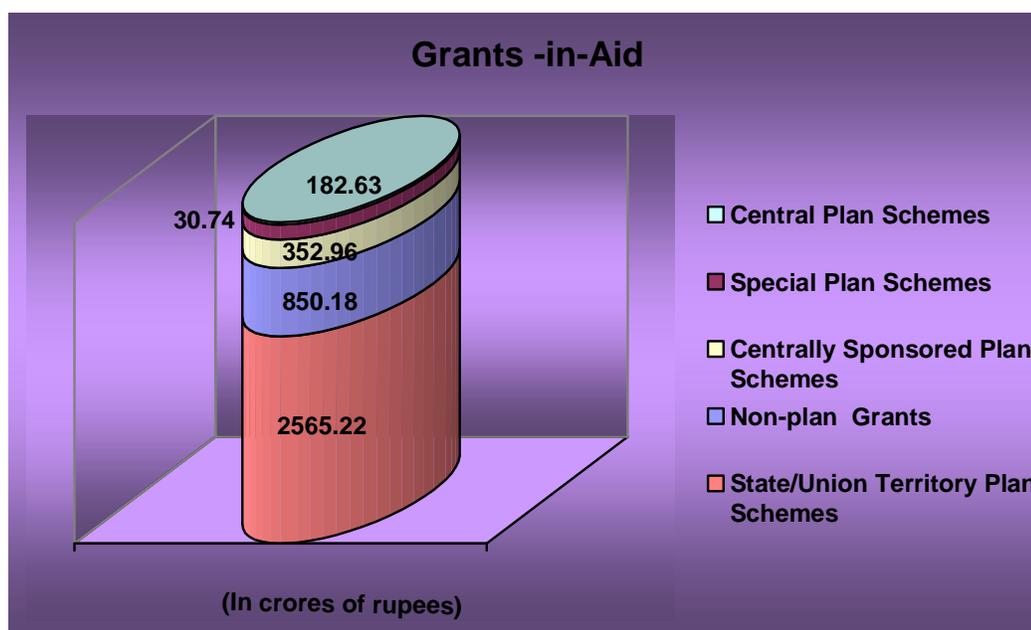
(in crore of rupees)

Major Head Description	2007-08	2008-09	2009-10	2010-11	2011-12
Corporation Tax	138.96	151.55	195.63	281.59	330.36
Taxes on Income other than Corporation Tax	93.27	95.12	108.98	148.81	167.81
Taxes on Wealth	0.15	0.14	0.44	0.58	1.28
Customs	82.76	88.33	66.53	125.98	145.52
Union Excise Duties	79.01	77.02	53.59	91.64	94.17
Service Tax	43.75	49.94	50.23	71.58	99.83
Other Taxes and Duties on Commodities and Services	-	-	0.02	-	-
State Share of Union Taxes	437.87	462.09	475.40	720.18	838.97
Total Tax Revenue	535.96	598.31	648.84	935.18	1156.62
Percentage of Union Taxes to Total Tax Revenue	81.70 %	77.23 %	73.27 %	77 %	72.54 %

2.7. Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India, and comprise of Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission; they also include State Non-plan

Grants recommended by the Finance Commission. Total receipts during 2011-12 under Grants-in-Aid were ₹ 3981.73 crore, as shown below:



The share of Non-plan Grants in total Grants-in-Aid increased from 21.14 % during 2010-11 to 21.35 % in 2011-12, while the share of Grants for Plan schemes declined from 78.86 % in 2010-11 to 78.65 % in 2011-12. As against a Budget Estimate of ₹ 4009.19 crore of Union share in Plan schemes, the State Government actually received ₹ 3131.55 crore as Grants-in-Aid (78.10 % of BE).

2.8 Public Debt

Trend of Public Debt over the past five years

(in crore of rupees)

Description	2007-08	2008-09	2009-10	2010-11	2011-12
Internal Debt	1507.87	1592.01	1721.51	121.99	168.66
Central Loans	448.50	444.78	420.66	0.37	-
Total Public Debt	1956.37	2036.79	2142.17	122.36	168.66

In 2011-12 three loans totaling ₹ 33 crore at interest rates varying from 8.37 % to 8.39 % and redeemable in the years 2021-22, were raised at par.

Against a total Internal Debt of ₹ 168.66 crore of the State Government in 2011-12, Capital Expenditure was ₹ 2065.88 crore (12.25 %), 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 day-to-day expenses for running an organization. Capital Expenditure is used to create permanent assets, enhance the utility of such assets or reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

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

3.2 Revenue Expenditure

Revenue Expenditure was ` 4417.86 crore for 2011-12, which exceeded the Budget Estimates by ` 811.57 crore. This was due to excess disbursement of ` 287.48 crore under Plan Expenditure and excess disbursement of ` 524.09 crore under Non-Plan Expenditure. This excess is to be viewed in the light of the ` 1081.20 crore (7.44 %) excess 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/excess of expenditure against Budget Estimates under Revenue Section during the past five years given below:

(In crore of rupees)

	2007-08	2008-09	2009-10	2010-11	2011-12
Budget Estimates	2973.72	4156.24	3607.37	4523.13	3606.29
Actuals	2259.55	2895.45	3695.59	3744.24	4417.86
Gap	714.17	1260.79	(-) 88.22	778.89	(-) 811.57
Percentage of gap over BEs	24.31	30.33	2.45	17.22	22.50

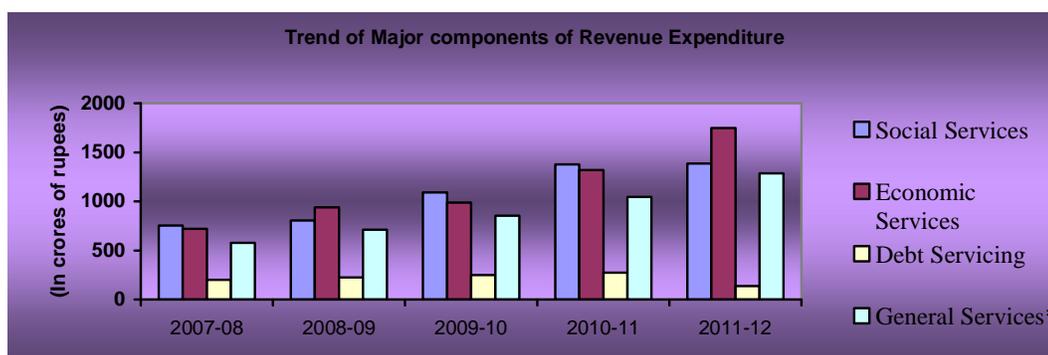
Compounding the shortfall (7.44%) of Revenue Receipts against Budget Estimates, the State Government was faced with the problem of generating surplus revenue in terms of the FRBM Act. Nearly 54.55 % of total Revenue Expenditure was committed to Non-Plan Expenditure (Salaries, Pensions, etc;.). Added to this was the

fact that the Government of India released only 85.83 % of the promised Grants-in-Aid. Plan Expenditure resultantly increased by 29.13 % from ` 1211.16 crore in 2010-11 to ` 1564 crore in 2011-12.

3.2.1 Sectoral Distribution of Revenue Expenditure (2011-12)

Components	Amount	Percentage
A. Fiscal Services	22.29	0.50
(i) Collection of Taxes on Property and Capital Transactions	8.57	—
(ii) Collection of Taxes on Commodities and Services	12.88	—
(iii) Other Fiscal Services	0.84	—
B. Organs of State	53.37	1.21
C. Interest Receipts, Dividends and Profits	300.81	6.81
D. Administrative Services	669.58	15.15
E. Pensions and Miscellaneous General Services	238.40	5.40
F. Social Services	1385.41	31.36
G. Economic Services	1748.00	39.57
H. Grants-in-Aid and Contributions	---	---
TOTAL - EXPENDITURE (REVENUE ACCOUNT)	4417.86	100

3.2.2 Major Components of Revenue Expenditure (2007-2012)



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

In 2011-12 the expenditure on Economic Services (which included important sectors like Rural Development, Agriculture and Irrigation) and other services increased.

3.3 Capital Expenditure

Capital disbursements for 2011-12 at 18.64 % of GSDP were less than Budget Estimates by ` 458.01 crore (less disbursement of ` 468.05 crore under Plan Expenditure and more disbursement of ` 0.35 crore under Non-Plan Expenditure).

3.3.1 Sectoral Distribution of Capital Expenditure

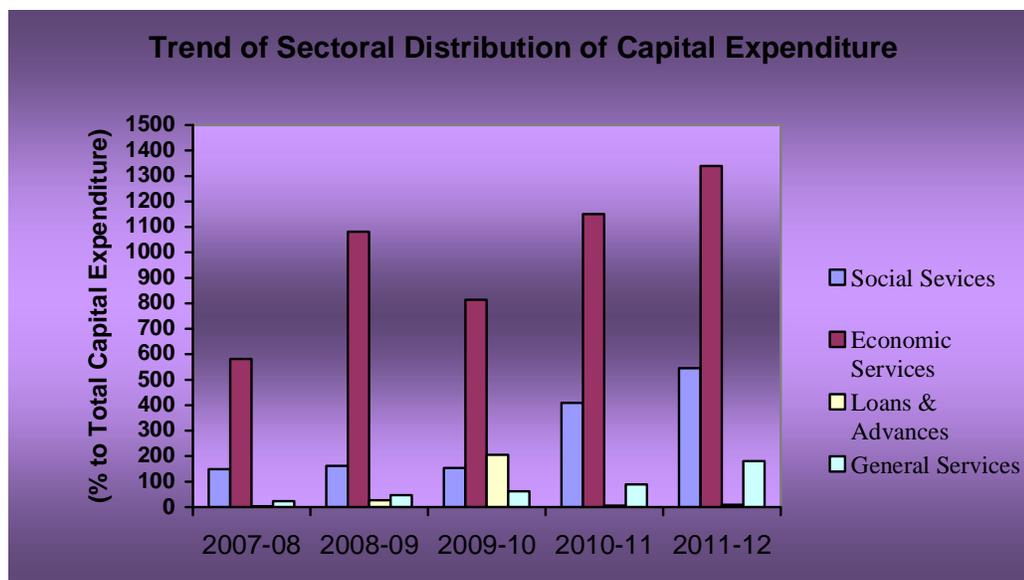
(in crore of rupees)

	Components	Amount	Percentage
1	General Services - Police, Land Revenue; etc;.	180.81	8.71
2.	Social Services - Education, Health & Family Welfare, Water Supply, Welfare of SC.ST, etc;.	545.59	26.29
3.	Economic Services - Agriculture, Rural Development, Irrigation , Co-operation, Energy, Industries, Transport, etc;.	1339.48	64.53
4	Loans and Advances Disbursed	9.69	0.47
	TOTAL	2075.57	100

3.3.2 Sectoral Distribution of Capital Expenditure over the past five years

(in crore of rupees)

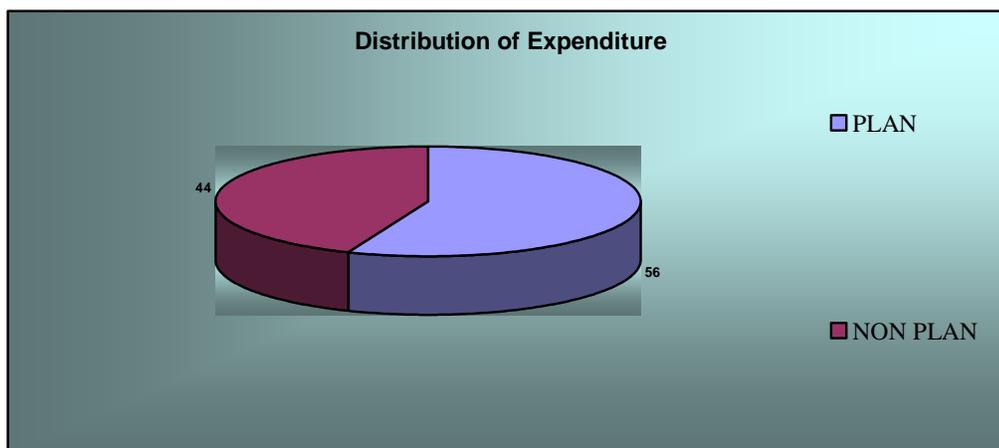
Sl. No.	Sector	2007-08	2008-09	2009-10	2010-11	2011-12
1.	General Services	23.11	47.22	62.41	89.10	180.81
2.	Social Services	148.38	161.69	153.60	409.68	545.59
3.	Economic Services	581.71	1081.32	814.30	1150.42	1339.48
4.	Loans and Advances	2.97	27.24	205.46	6.31	9.69
	TOTAL	756.18	1317.47	1235.77	1655.51	2075.57



CHAPTER - IV

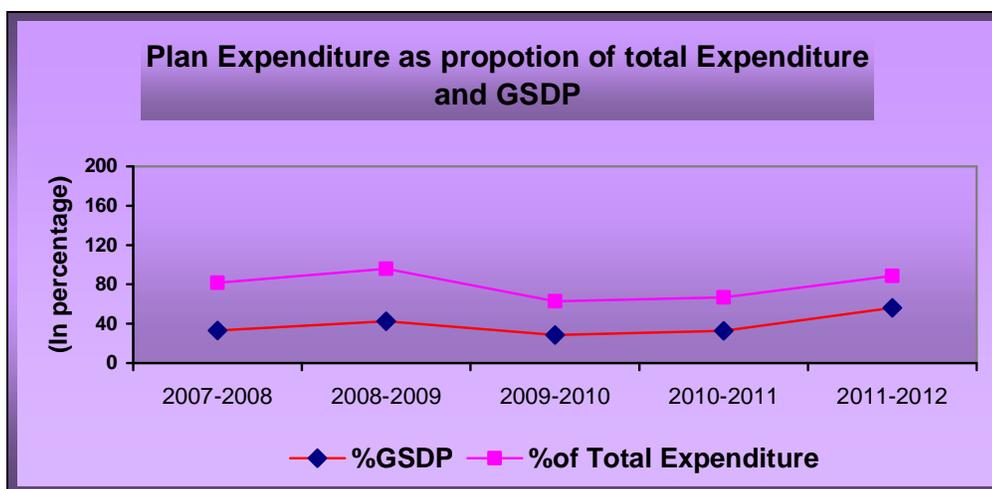
PLAN AND NON PLAN EXPENDITURE

4.1 Distribution of Expenditure (2011-2012)



4.2 Plan Expenditure

In 2011-12, Plan Expenditure, representing around 56 % of total disbursements, was ₹ 3633.54 crore (₹ 2839.66 crore under State Plan, ₹ 784.19 crore under Centrally Sponsored Schemes and ₹ 9.69 crore under Loans and Advances).



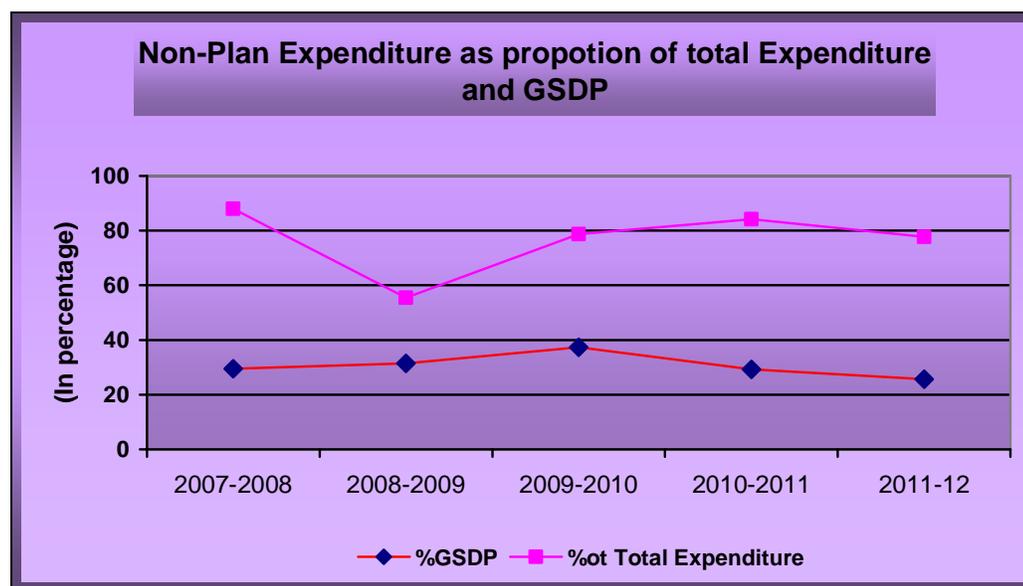
4.2.1 Plan Expenditure under Capital Account

(in crore of rupees)

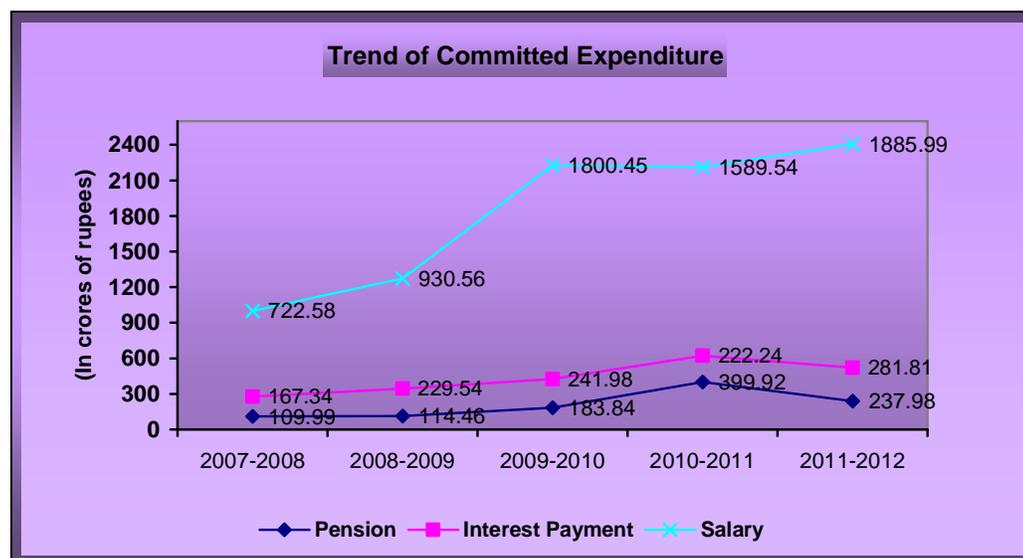
	2007-08	2008-09	2009-10	2010-11	2011-12
Total Capital Expenditure	756.18	1317.47	1235.77	1655.51	2075.57
Capital Expenditure (Plan)	552.08	1279.61	1007.49	1632.03	2059.85
% of Capital Expenditure (Plan) to Total Capital Expenditure	73.00	97.13	81.53	98.58	99.24

4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2011-12, representing around 44 % of total disbursements, was ₹ 2859.89 crore (₹ 2853.86 crore under Revenue Expenditure and ₹ 6.03 crore under Capital Expenditure).



4.4 Committed Expenditure



(in crore of rupees)

Component	2007-08	2008-09	2009-10	2010-11	2011-12
Committed Expenditure	999.91	1274.56	2226.27	2211.70	2405.78
Revenue Expenditure	2259.55	2895.45	3695.59	3745.00	4417.86
% of Committed Expenditure to Revenue Receipts	33.30	33.05	51.84	40.78	43.75
% of Committed Expenditure to Revenue Expenditure	44.25	44.02	60.24	59.06	54.46

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 2011-12

(in crore of rupees)

Sl. No	Nature of Expenditure	Original Grant	Supplementary Grant	Re - appropriation	Total	Actual Expenditure	Savings (-) Excess (+)
1	Revenue Voted	3316.22	1409.90	----	4726.12	4106.90	(-) 619.22
	Charged	6.64	4.04	----	10.68	10.15	(-) 0.53
2	Capital Voted	2524.21	1438.82	----	3963.03	2066.29	(-) 1896.74
3	Public Debt						
	Charged	287.81	41.55	----	329.36	300.81	(-) 28.55
4	Loans & Advances Voted	5.02	7.03	----	12.05	9.69	(-) 2.36
	Charged	220.82		----	220.82	137.33	(-) 83.49
	TOTAL	6360.72	2901.34	----	9262.06	6631.17	(-) 2630.89

5.2 Trend of Saving/Excess during the past five years

(in crore of rupees)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
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	(-) 906.82	(-) 1496.75	(+) 127.63	(-) 104.87	(+) 2380.81
2011-12	(-) 619.75	(-) 1896.74	(-) 28.55	(-) 85.85	(-) 2630.89

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	2007-08	2008-09	2009-10	2010-11	2011-12
REVENUE						
10	Other General, Social & Community Services	0.08	0.05	0.09	0.01	0.05
23	Forest	2.90	3.94	8.56	34.46	49.52
27	Panchayat	12.02	2.42	29.82	18.62	42.12
31	Public Works	5.10	31.81	38.77	21.98	38.24
56	Tourism	11.12	6.14	6.19	19.46	7.17
CAPITAL						
34	Power	63.52	45.87	62.51	12.62	45.13
57	Urban Development	2.18	8.31	88.84	55.57	61.28
59	Public Health Engineering	10.31	37.07	27.00	51.38	36.13

During 2011-12, Supplementary Grants totaling ` 68.28 crore (1.02 % of Total Expenditure of ` 6631.17) proved to be unnecessary. In some cases, there were significant savings at the end of the year, even against original allocations. A few instances are given below.

(in crore of rupees)

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
23	Forest	Revenue	176.75	13.97	141.20
24	Agriculture	Revenue	131.73	4.24	99.27
27	Panchayat	Revenue	59.93	14.51	32.32
33	North-Eastern Areas	Capital	134.04	18.42	114.87
45	Civil Aviation	Revenue	20.97	13.15	17.18
47	Administration of Justice	Revenue	19.27	0.74	4.31
52	Sports & Youth Services	Revenue	20.76	2.74	17.60
68	Town Planning Department	Revenue	5.95	0.51	1.81
TOTAL			56.94	68.28	428.56

CHAPTER - VI

ASSETS AND LIABILITIES

6.1 Assets

The existing form of accounts does 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 a limited extent, as 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 ` 221.66 crore at the end of 2011-12. However, no dividends were received on investment. During 2011-12, investments increased by ` 3.48 crore.

Cash Balance with RBI stood at ` (-) 284.82 crore on 31st March 2011 and increased to ` 25.53 crore at the end of March, 2012.

6.2 Debts and Liabilities

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

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

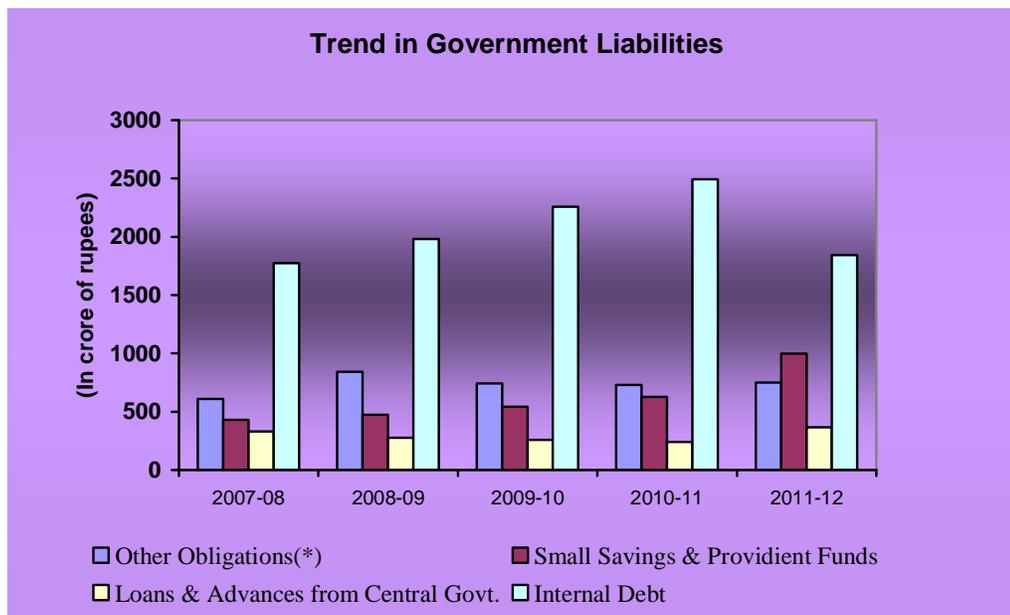
(in crore of rupees)

Year	Public Debt	% to GSDP	Public Account (*)	% to GSDP	Total Liabilities	% to GSDP
2007-08	1956.37	40.67	682.19	14.18	2638.56	54.86
2008-09	2036.79	35.81	917.87	16.14	2954.66	51.95
2009-10	2142.17	28.67	967.85	12.95	3119.02	41.74
2010-11	2178.03	24.94	583.22	6.68	3547.14	40.62
2011-12	2209.36	19.84	1663.66	14.94	3873.02	34.78

(*) Excludes Suspense & Remittances Balances.

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

There was a net increase of ` 325.88 crore (9.19 %) in Public Debt and Other Liabilities as compared to 2010-11.



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 increased (by 100%), for the Government of Arunachal Pradesh, which was ` 33 crore 2011-12.

6.3 Guarantees

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

(in crore of rupees)

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

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

CHAPTER - VII

OTHER ITEMS

7.1 Adverse Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, State Governments also guarantee loans raised by Government Companies and Corporations from the market and financial institutions for implementation of various Plan Schemes/Programmes, which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government. However, loan repayments appear in Government Accounts, resulting in irreconcilable Adverse Balances and understatement of liabilities in Government Accounts, As on 31st March 2012, the position of Adverse Balances of the Government stood at ` 53.33 crore (Debit).

7.2 Loans and Advances by the State Government

The total Loans and Advances made by the State Government at the end of 2011-12 was ` 65.86 crore.

7.3 Financial Assistance to Local Bodies and Others

During the past five years, Grants-in-Aid to Local Bodies, etc., increased from ` 5.16 crore in 2007-08 to ` 310.78 crore in 2011-12. No Grants were given to Zila Parishads, Panchayat Samities and Municipalities during the year.

(in crore of rupees)

Year	Zila Parishads	Municipalities	Panchayat Samities	Others	Total
2007-08	NIL	NIL	NIL	5.16	5.16
2008-09	<i>No information has been furnished by the State Govt.</i>				
2009-10	NIL	NIL	NIL	NIL	NIL
2010-11	NIL	NIL	NIL	209	209
2011-12	NIL	NIL	NIL	310.78	310.78

7.4 Cash Balance and Investment of Cash Balance

(in crore of rupees)

Component	As on 1 st April 2011	As on 31 st March 2012	Net increase (+)/ (-) Decrease
Cash Balances	(-) 198.56	121.30	(+) 319.86
Investments from Cash Balance (GOI Treasury Bills)	1903.64	874.34	(-) 1029.30
Investment from Earmarked Fund Balances	90.90	109.90	(+) 19.00
(a) Sinking Fund	90.90	109.90	(+) 19.00
(b) Guarantee Redemption Fund	--	--	--
(c) Other Funds	--	--	--
Interest Realised	109.57	48.04	(-) 61.53

There was a net increase in the Cash Balance of the State Government at the end of 2011-2012.

7.5 Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of figures available with the Departments and figures appearing in the accounts compiled by the Accountant General. This exercise is to be conducted by respective Heads of Departments. The reconciliation of accounts of many Departments is in arrears. In 2011-12 only ` 3325.35 crore (50.15 %) of the total expenditure of ` 6630.77 crore of the State Government was reconciled. Similarly, out of total receipts of ` 5670.62 crore, only ` 5152.04 crore (90.85 %) was reconciled. The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCOs) of different Department is given below:

Particulars	No. of CCOs	Fully Reconciled	Partially Reconciled	Not Reconciled
Expenditure	73	68	---	5
Receipts	73	68	---	5
TOTAL	73	68	---	5

Chronic defaulters in reconciliation are listed below:

Sl. No.	Department/Chief Controlling Officer	Year/Years Pending
1.	Social Security and Welfare	9

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 46 days.

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

When money is required in advance or Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amount required, they are permitted to draw money without supporting documents through AC Bills. Such AC Bills are required to be settled, within a maximum of 90 days, through submission of DC Bills. 1138 DC Bills amounting to ` 18.83 crore were outstanding at the end of 31st March 2012, indicating that these instructions were not followed.