



**GOVERNMENT  
OF  
ARUNACHAL PRADESH**

**ACCOUNTS AT A GLANCE  
2012-2013**



**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 711 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 stakeholders - the Legislature, 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, Report on State Finances and 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**

Dated:

(**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**

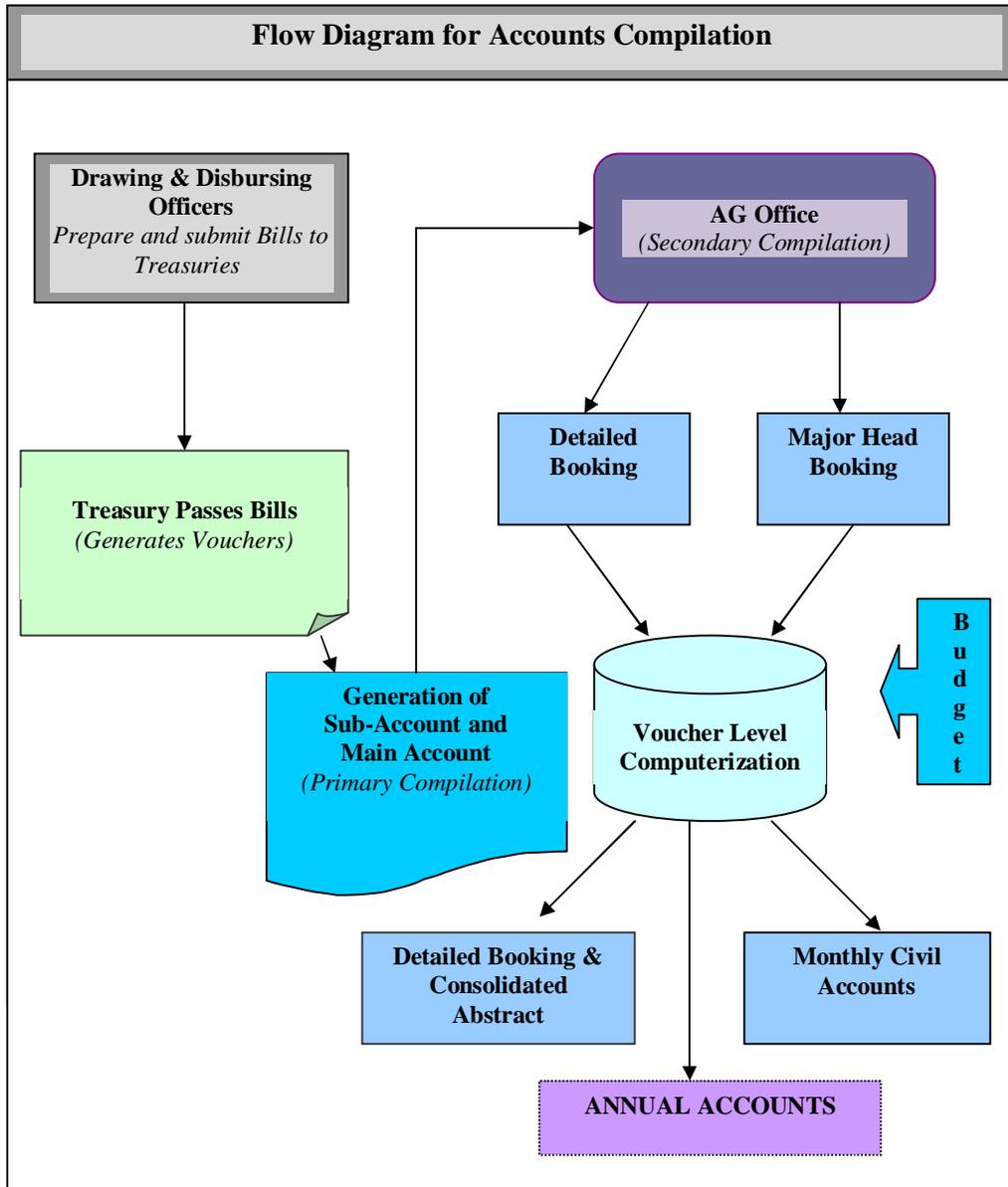
The Accountant General, Arunachal Pradesh compiles the accounts of receipts and expenditure of the Government of Arunachal Pradesh. This compilation is based on the initial accounts rendered by the District Treasuries, Pay & Accounts Officers of Public Works and Forest Divisions and advice of the Reserve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

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

### 1.2.2 *Compilation of Accounts*



### 1.3. Finance Accounts and Appropriation Accounts

#### 1.3.1 Finance Accounts

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 prepared in two volumes, in a new format, to make them more comprehensive and informative. Volume-I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements, overall receipts and disbursements and 'Notes to Accounts', containing a 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 2012-13 are given below:

( ` in crore )

<b>RECEIPTS</b> (Total – 5996.47)	<b>Revenue</b> (Total: 5761.53 )	<i>Tax Revenue</i>	1274.43
		<i>Non-Tax Revenue</i>	284.22
		<i>Grants-in-Aid</i>	4202.88
	<b>Capital</b> (Total:234.94)	<i>Recovery of Loans &amp; Advances</i>	2.95
<i>Borrowings and other Liabilities</i>		231.99	
<b>DISBURSEMENTS</b> (Total – 5996.47)	<b>Revenue</b>	4786.24	
	<b>Capital</b>	1206.28	
	<b>Loans &amp; Advances</b>	3.95	

*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 ` 146.50 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. This depicts 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 69 voted Grants.

The Appropriation Act, 2012-13, provided for gross expenditure of ` 9547.07 crore and reduction of expenditure (recoveries) of ` 0.60 crore. Against this, the actual gross expenditure was ` 6163.70 crore and reduction of expenditure was ` 0.59 crore, resulting in net savings of ` 3383.37 crore (35.44 per cent) and an over-estimation of ` 0.01 crore (1.67 per cent) on reduction of expenditure. The gross expenditure included ` 43.62 crore drawn on Abstract Contingent (AC) Bills, against which ` 16.49 crore was still outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

During 2012-13, ` 1.97 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under 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 2012-13, the Government of Arunachal Pradesh did not resort to OD facilities or availed of WMA.

### **1.4.2. Fund Flow Statement**

The State had a Revenue Surplus of ` 957.29 crore and a Fiscal Deficit of ` 231.99 crore, representing 8.17 and 1.95 per cent respectively of the Gross State Domestic Product (GSDP). Fiscal Deficit constituted 3.87 per cent of the total expenditure. This deficit was met from Public Debt ( ` 109.81 crore), increase in Public Account ( ` 160.14 crore) and net of opening and closing cash balances { ` (-) 37.96 crore}. Around 56.69 per cent of Revenue Receipts ( ` 5761.53 crore) of the State

Government was spent on Committed Expenditure like Salaries ( ₹ 2110.38 crore), Interest Payment ( ₹ 271.85 crore) and Pension ( ₹ 330.70 crore).

### **Sources and Application of Funds**

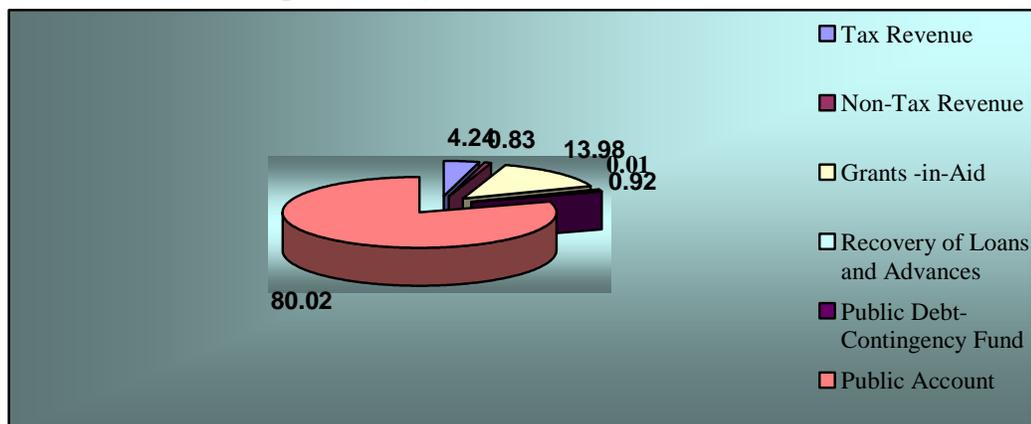
( ₹ in crore)

<b>SOURCES</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
	Opening Cash Balance as on 01.04.2012	121.30
	Revenue Receipts	5761.53
	Recovery of Loans & Advances	2.95
	Public Debt	276.45
	Small Savings, Provident Fund & Others	278.80
	Reserves and Sinking Funds	20.00
	Deposits Received	985.51
	Civil Advances Repaid	46.56
	Suspense Account	19937.46
	Remittances	2782.39
	Contingency Fund	-
	<b>TOTAL</b>	<b>30212.95</b>

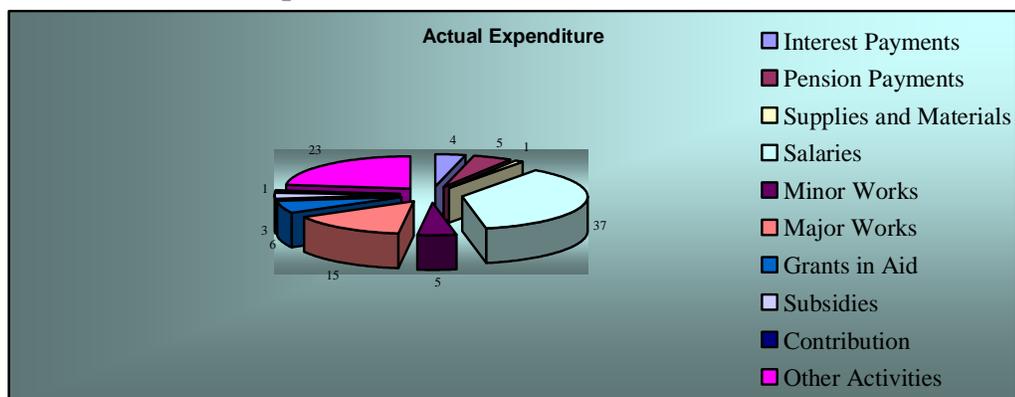
<b>APPLICATION</b>	<b>PARTICULARS</b>	<b>AMOUNT</b>
	Revenue Expenditure	4786.24
	Capital Expenditure	1206.28
	Loans Given	3.95
	Repayment of Public Debt	166.65
	Transfer to Contingency Fund	-
	Small Savings Provident Fund & Others	152.89
	Reserves and Sinking Funds	20.00
	Deposits Received	834.33
	Civil Advances Repaid	127.42
	Suspense Account	20089.96
	Remittances	2665.96
	Closing Cash Balance as on 31.3.2012	159.27
	<b>TOTAL</b>	<b>30212.95</b>

*Except where indicated otherwise, GSDP figures used in this publication are adopted from the Directorate of Economics & Statistics (December 2013), Government of Arunachal Pradesh.*

#### **1.4.3. Where the Rupee came from**



#### 1.4.4. Where the Rupee went



#### 1.5. Highlights of Accounts

Sl. No.		( ` in crore)			
		BE 2012-13	Actuals	Percentage of actuals to BE	Percentage of actuals to GSDP [ \$ ]
1.	Tax Revenue [ @ ]	1280.64	1274.43	99.52	10.67
2.	Non-Tax Revenue	421.17	284.22	67.48	2.38
3.	Grants-in-Aid & Contributions	4820.50	4202.88	87.19	35.19
4.	Revenue Receipts (1+2+3)	6522.31	5761.53	88.34	48.24
5.	Recovery of Loans & Advances	3.50	2.95	84.29	0.02
6.	Borrowings & other Liabilities [ A ]	2789.50	231.99	8.32	1.94
7.	Capital Receipts (5 + 6)	2793.00	234.94	8.41	1.97
8.	Total Receipts (4 + 7)	9315.31	5996.47	64.37	50.21
9.	Non-Plan Expenditure	3414.46	3201.05	93.75	26.80
10.	NPE on Revenue Account	3388.12	3195.20	94.31	26.75
11.	NPE on Interest Payments	334.61	271.85	81.24	2.28
12.	NPE on Capital Account	26.24	5.85	22.29	0.05
13.	Plan Expenditure	5900.85	2795.42	47.37	23.41
14.	PE on Revenue Account	2001.56	1591.04	79.49	13.32
15.	PE on Capital Account	3899.29	1204.38	30.89	10.08
16.	Total Expenditure (9 + 13) [ * ]	9315.31	5996.47	64.37	50.24
17.	Revenue Expenditure (10+14)	5389.68	4786.24	88.80	40.08
18.	Capital Expenditure (12+15) [ # ]	3925.63	1210.23	30.83	10.13
19.	Revenue Surplus (4-17)	1132.63	975.29	86.11	8.17
20.	Fiscal Deficit { (16 - (4+5)) }	2789.50	231.99	8.32	1.94

[ @ ] Includes State Share of Union Taxes - ` 957.93 crore.

[ \$ ] GSDP figure of ` 11942.81 crore adopted from the Directorate of Economic & Statistics (December 2013), Government of Arunachal Pradesh.

[ # ] Expenditure on Capital Account includes Capital Expenditure ( ` 1206.28 crore) and Loans & Advances disbursed ( ` 3.95 crore).

[ \* ] Expenditure includes ` 3201.05 crore under Non-Plan and ` 2795.42 crore under Plan, which pertains to Loans & Advances.

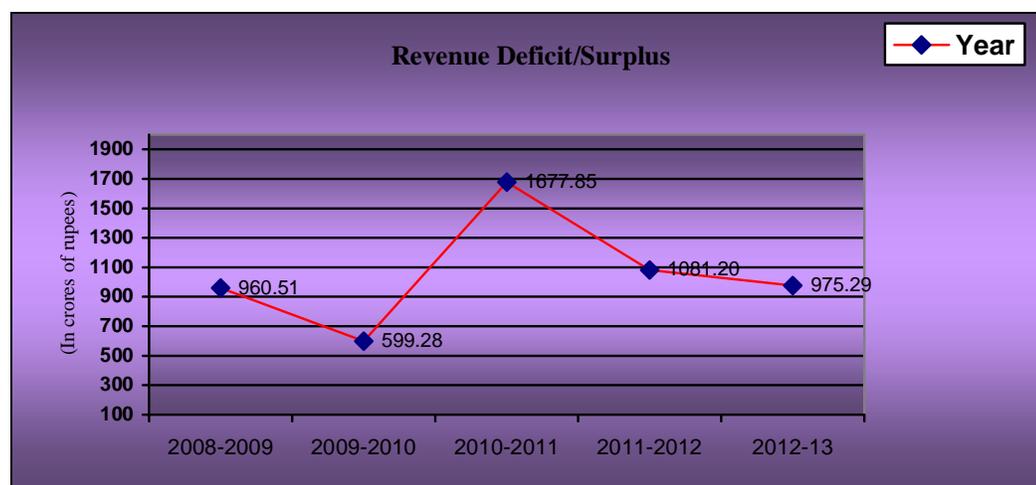
[ A ] Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

## 1.6 What do the Deficits and Surpluses indicate?

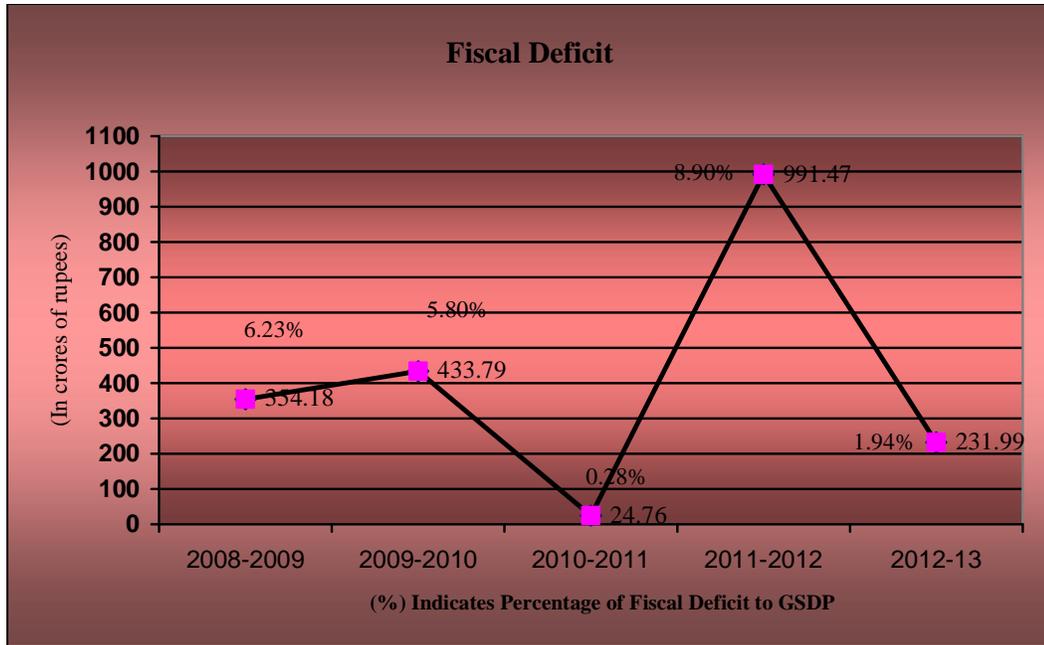
<b>DEFICIT</b>	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
<b>SURPLUS</b>	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure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

After enactment of the Arunachal Pradesh Fiscal Responsibility and Budget Management (FRBM) Act, 2006, wherein targets were set for important fiscal indicators like fiscal deficit and liabilities under the Consolidated Fund, the Government made a promising start, achieving revenue surplus of ` 694.94 crore in 2006-07. Continuing the upward trend, the State recorded Gross State Domestic Product (GSDP) at ` 11942.81 crore in 2012-13 at current prices, indicating an increase of 7.25 percent from the previous year. The State also recorded revenue surplus of ` 975.29 crore in 2012-13. However, fiscal deficit increased from ` (-) 24.76 crore or 0.28 percent of GSDP in 2010-11 to ` 991.47 crore or 8.9 percent of GSDP in 2011-12. Fiscal deficit stood at ` 231.99 crore or 1.95 percent of GSDP in 2012-13.

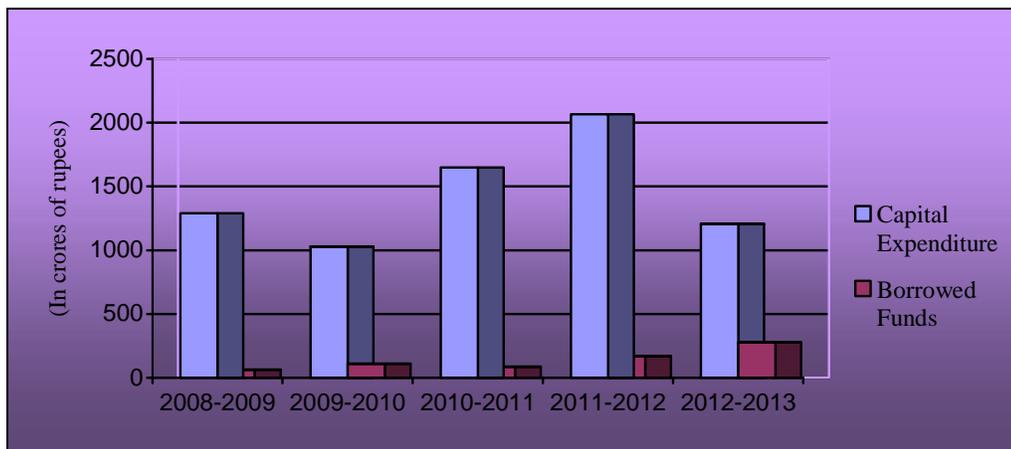
### 1.6.1. Trend of Revenue Deficit/Surplus



### 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 creation of Capital Assets, and to use Revenue Receipts for repayment of Principal and Interest. However, the State Government spent only 1.69 per cent of its borrowings of the current year ( ₹ 234.97 crore) on Capital Expenditure ( ₹ 3.95 crore). It would, therefore, appear that 98.31 per cent of Borrowings ( ₹ 234.97 crore) was utilized on the following:

- i. to repay the Principal and Interest on Public Debt of previous years,
- ii. to meet periodic shortfalls of revenue against expenditure in the current year,
- iii. to maintain a positive cash balance at the end of the year, and
- iv. to invest in Treasury Bills.

## **CHAPTER - II**

### **RECEIPTS**

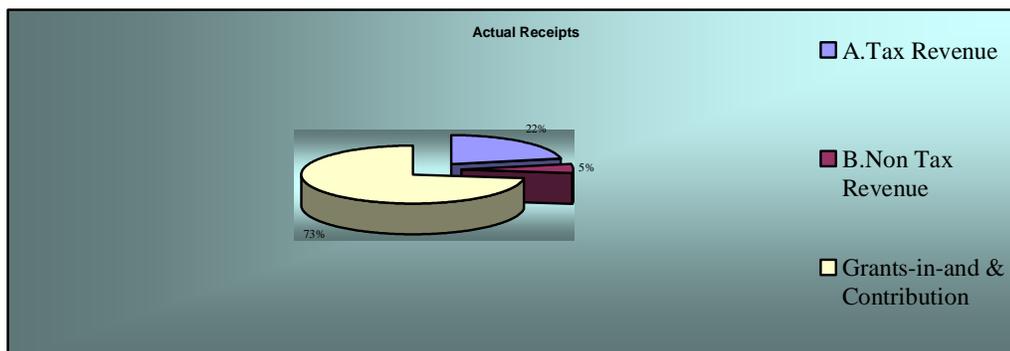
#### **2.1. Introduction**

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

Total Receipts for 2012-13 were ₹ 5996.47 crore.

#### **2.2. Revenue Receipts**

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



#### **2.1. Revenue Receipt Components (2012-13)**

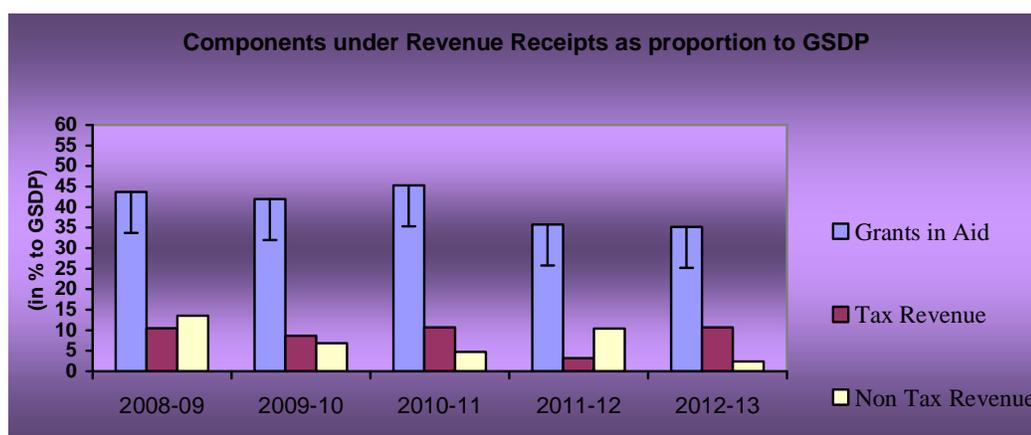
<b>Components</b>	<b>Actuals</b>
<b>A. TAX REVENUE</b>	<b>1274.43</b>
Taxes on Income & Expenditure	550.39
Taxes on Property and Capital Transactions	8.32
Taxes on Commodities and Services	715.72
<b>B. NON-TAX REVENUE</b>	<b>284.22</b>
Interest Receipts , Dividends and Profits	40.22
General Services	27.77
Social Services	16.97
Economic Services	199.16
<b>C. GRANTS-IN-AID AND CONTRIBUTIONS</b>	<b>4202.88</b>
<b>TOTAL- REVENUE RECEIPTS</b>	<b>5761.53</b>

### 2.3. Trend of Receipts

(in crore)

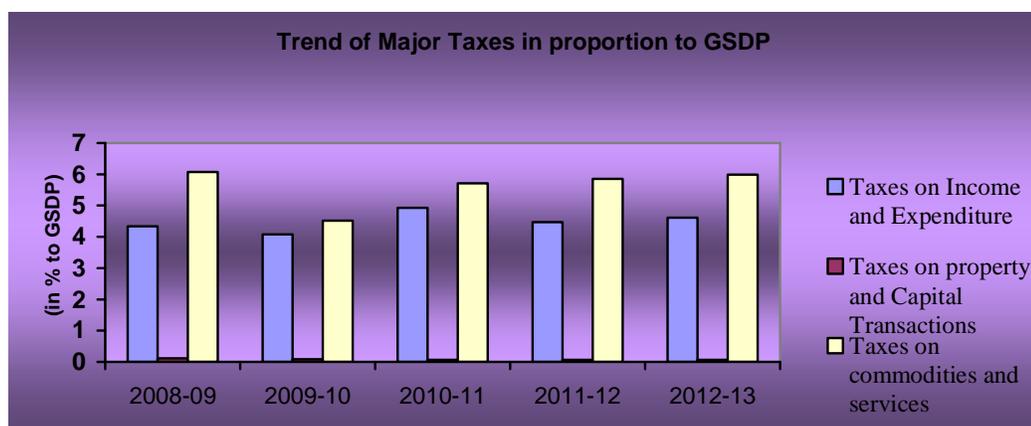
	2008-09	2009-10	2010-11	2011-12	2012-13
<b>TAX REVENUE</b>	598.31	648.84	935.18	1156.52	1274.43
<b>NON-TAX REVENUE</b>	772.01	511.25	530.18	360.71	284.22
<b>GRANTS -IN-AID</b>	2485.64	3134.78	3956.78	3981.73	4202.88
<b>TOTAL REVENUE RECEIPTS</b>	3855.96	4294.87	5422.14	5499.06	5761.53
<b>GSDP</b>	5687.32	7472.97	8731.50	11135.53	11942.81

Though GSDP increased by 7.25 per cent between 2011-12 and 2012-13, growth in revenue collection was only 4.78 per cent. While Tax Revenue increased by 10.19 per cent, Non-Tax Revenue decreased by 21.21 per cent.



### Sector-wise Tax Revenue

	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Tax on Income and Expenditure</b>	246.67	304.61	430.41	498.17	1274.43
<b>Taxes on Property and Capital Transactions</b>	6.29	6.78	5.80	7.37	550.39
<b>Taxes on Commodities and Services</b>	345.35	337.45	498.96	651.08	715.72
<b>TOTAL TAX REVENUE</b>	<b>598.31</b>	<b>648.84</b>	<b>935.17</b>	<b>1156.12</b>	<b>1274.43</b>



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

(` in crore)

Year	Tax Revenue	State Share of Union Taxes	State's Own Tax Revenue	
				Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
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
2012-13	1274.43	957.93	316.50	2.65

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

## 2.5. Efficiency of Tax Collection

### A. Taxes on Property and Capital Transactions

(` in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Collection	6.29	6.78	5.80	7.37	8.32
Expenditure on Collection	3.57	7.57	7.28	8.57	7.97
Cost of Tax Collection	56.76 %	111.65 %	125.51 %	116.28 %	95.80 %

### B. Taxes on Commodities and Services

(` in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Collection	345.35	337.45	498.96	651.08	715.72
Expenditure on Collection	4.01	8.77	8.03	12.88	12.36
Cost of Tax Collection	1.16 %	2.60 %	1.61 %	1.98 %	1.73 %

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

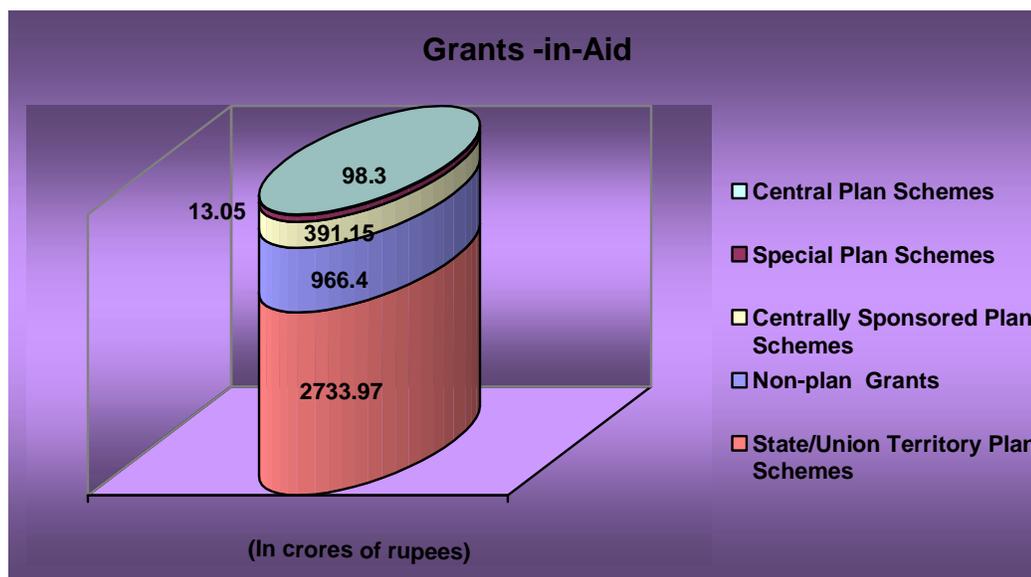
## 2.6. Trend in State Share of Union Taxes over the past five years

(` in crore)

Major Head Description	2008-09	2009-10	2010-11	2011-12	2012-13
Corporation Tax	151.55	195.63	281.59	330.36	344.28
Taxes on Income other than Corporation Tax	95.12	108.98	148.81	167.81	206.11
Taxes on Wealth	0.14	0.44	0.58	1.28	0.58
Customs	88.33	66.53	125.98	145.52	159.27
Union Excise Duties	77.02	53.59	91.64	94.17	108.24
Service Tax	49.94	50.23	71.58	99.83	139.45
Other Taxes and Duties on Commodities and Services	-	0.02	-	-	-
State Share of Union Taxes	462.09	475.40	720.18	838.97	957.93
Total Tax Revenue	598.31	648.84	935.18	1156.62	1274.43
Percentage of Union Taxes to Total Tax Revenue	77.23	73.27	77	72.54	75.17

## 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 2012-13 under Grants-in-Aid were ₹ 4202.88 crore, as shown below:



The share of Non-plan Grants in total Grants-in-Aid increased from 21.35 per cent during 2011-12 to 23 per cent in 2012-13, while the share of Grants for Plan schemes declined from 78.65 per cent in 2011-12 to 77 per cent in 2012-13. As against a Budget Estimate of ₹ 4820.50 crore of Union share in Plan schemes, the State Government actually received ₹ 4202.88 crore as Grants-in-Aid (87.19 per cent of BE).

## 2.8 Public Debt

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

Description	(` in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Internal Debt</b>	1592.01	1721.51	121.99	168.66	276.45
<b>Central Loans</b>	444.78	420.66	0.37	-	-
<b>Total Public Debt</b>	2036.79	2142.17	122.36	168.66	276.45

Against a total Internal Debt of ₹ 276.45 crore of the State Government in 2012-13, Capital Expenditure was ₹ 1210.23 crore (22.85 per cent), 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.

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

#### 3.2 Revenue Expenditure

Revenue Expenditure was ` 4786.24 crore for 2012-13, which was less than Budget Estimates by ` 603.44 crore. This was due to less disbursement of ` 410.52 crore under Plan Expenditure and ` 192.92 crore under Non-Plan Expenditure. The shortfall/excess of expenditure against Budget Estimates under Revenue Section during last five years is given below:

(` in crore)

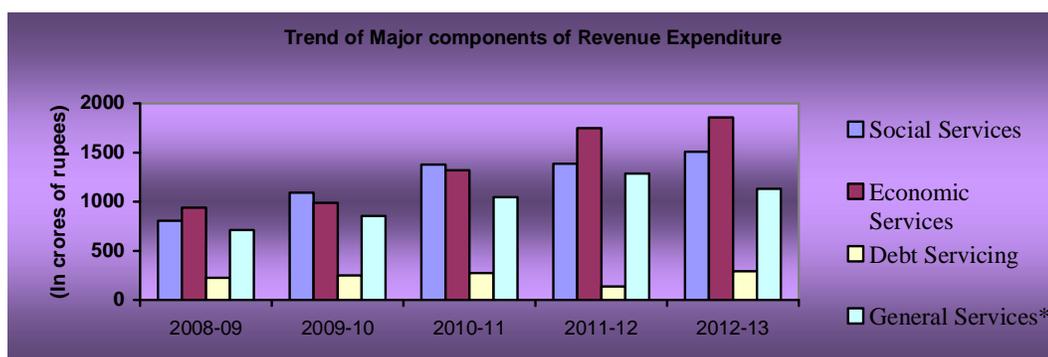
	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Budget Estimates</b>	4156.24	3607.37	4523.13	3606.29	5389.68
<b>Actual</b>	2895.45	3695.59	3744.24	4417.86	4786.24
<b>Gap</b>	1260.79	(-) 88.22	778.89	(-) 811.57	603.44
<b>Percentage of gap over BEs</b>	30.33	2.45	17.22	22.50	11.20

Compounding the shortfall (11.67 per cent) 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 56.69 per cent of total Revenue Expenditure was committed to Non-Plan Expenditure (Salaries, Pensions, etc.). Plan Expenditure resultantly increased by 1.73 per cent from ` 1564.00 crore in 2011-12 to ` 1591.04 crore in 2012-13.

### 3.2.1 Sectoral Distribution of Revenue Expenditure (2012-13)

Components	Amount	Percentage
<b>A. Fiscal Services</b>	21.15	0.44
(i) Collection of Taxes on Property and Capital Transactions	-	-
(ii) Collection of Taxes on Commodities and Services	-	-
(iii) Other Fiscal Services	0.82	-
<b>B. Organs of State</b>	56.39	1.18
<b>C. Interest Receipts, Dividends and Profits</b>	291.85	6.10
<b>D. Administrative Services</b>	722.98	15.11
<b>E. Pensions and Miscellaneous General Services</b>	331.00	6.92
<b>F. Social Services</b>	1506.28	31.47
<b>G. Economic Services</b>	1856.50	38.79
<b>H. Grants-in-Aid and Contributions</b>	-	-
<b>TOTAL EXPENDITURE (REVENUE ACCOUNT)</b>	<b>4786.24</b>	<b>100</b>

### 3.2.2 Major Components of Revenue Expenditure (2008-2013)



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

In 2012-13, 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 2012-13, which was 10.14 per cent of GSDP, was less than Budget Estimates by ` 2715.40 crore (less disbursement of ` 2694.91 crore under Plan Expenditure and more disbursement of ` 20.49 crore under Non-Plan Expenditure).

### 3.3.1 Sectoral Distribution of Capital Expenditure

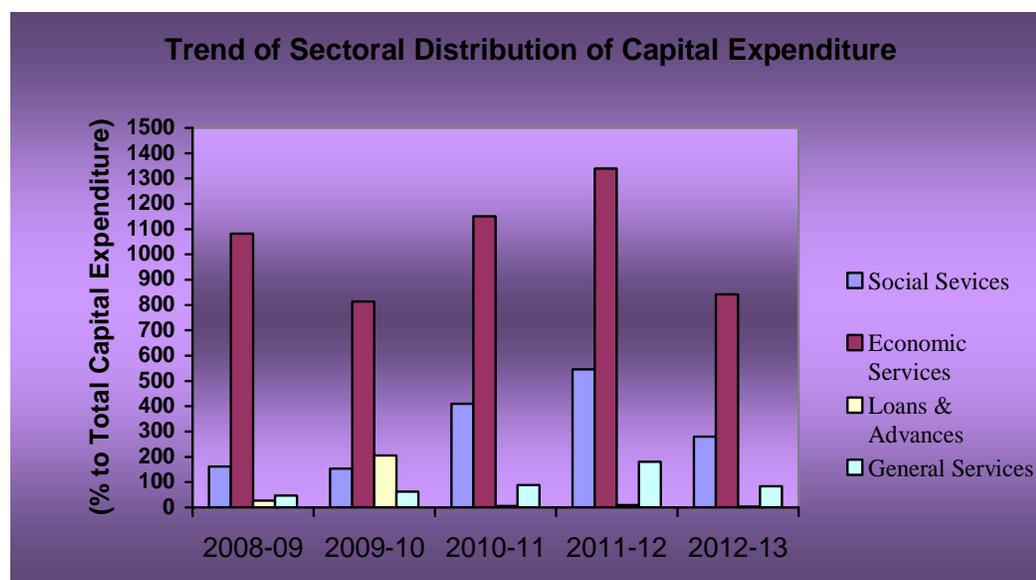
(` in crore)

Sl. No.	Components	Amount	Percent age
1.	General Services - Police, Land Revenue; etc;.	83.86	6.93
2.	Social Services - Education, Health & Family Welfare, Water Supply, Welfare of SC.ST, etc;.	279.76	23.12
3.	Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport, etc;.	842.66	69.62
4.	Loans & Advances Disbursed	3.95	0.33
	<b>TOTAL</b>	<b>1210.23</b>	<b>100</b>

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

(` in crore)

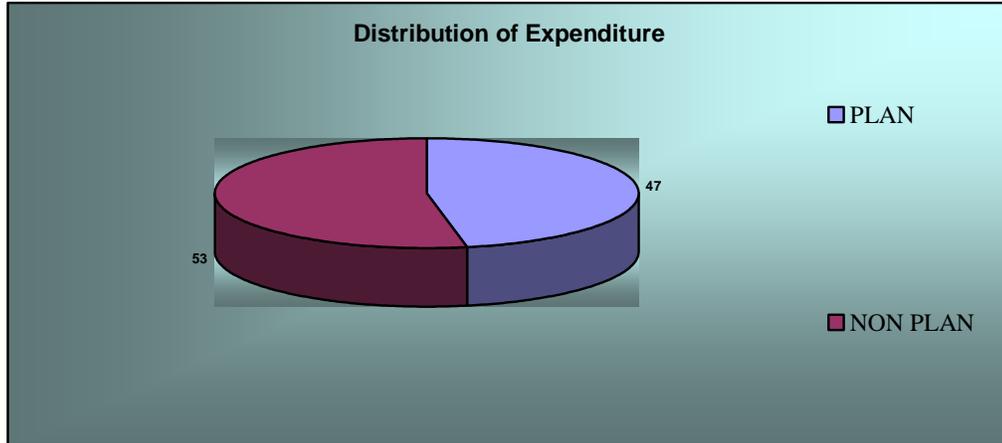
Sl. No.	Sector	2008-09	2009-10	2010-11	2011-12	2012-13
1.	General Services	47.22	62.41	89.10	180.81	83.86
2.	Social Services	161.69	153.60	409.68	545.59	279.76
3.	Economic Services	1081.32	814.30	1150.42	1339.48	842.66
4.	Loans & Advances	27.24	205.46	6.31	9.69	3.95
	<b>TOTAL</b>	<b>1317.47</b>	<b>1235.77</b>	<b>1655.51</b>	<b>2075.57</b>	<b>1210.23</b>



## CHAPTER - IV

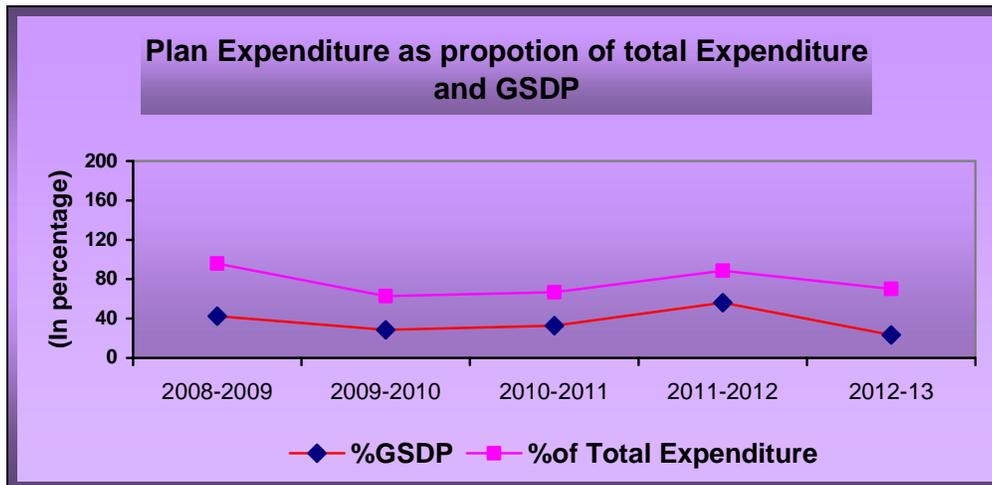
### PLAN AND NON PLAN EXPENDITURE

#### 4.1 Distribution of Expenditure (2012-13)



#### 4.2 Plan Expenditure

In 2012-13, Plan Expenditure, representing around 47 per cent of total disbursements, was ₹ 2795.42 crore (₹ 2839.66 crore under State Plan, ₹ 784.19 crore under Centrally Sponsored Schemes and ₹ 9.69 crore under Loans & Advances).



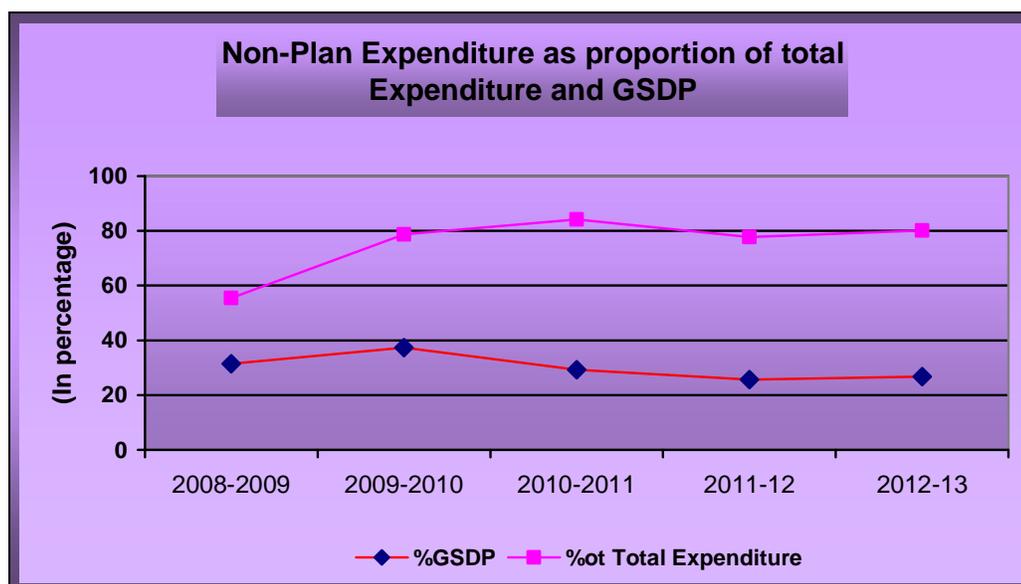
### 4.2.1 Plan Expenditure under Capital Account

(` in crore)

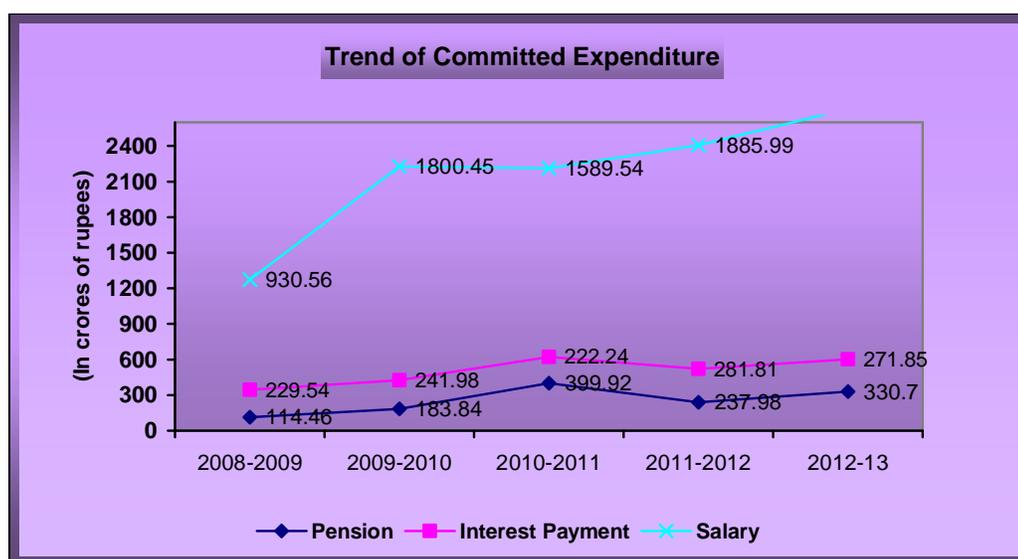
	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Total Capital Expenditure</b>	1317.47	1235.77	1655.51	2075.57	1214.18
<b>Capital Expenditure (Plan)</b>	1279.61	1007.49	1632.03	2059.85	1208.33
<b>% of Capital Expenditure (Plan) to Total Capital Expenditure</b>	<b>97.13</b>	<b>81.53</b>	<b>98.58</b>	<b>99.24</b>	<b>99.52</b>

### 4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2012-13, representing around 53 per cent of total disbursements, was ` 3201.05 crore (` 3195.20 crore under Revenue Expenditure and ` 6.03 crore under Capital Expenditure).



### 4.4 Committed Expenditure



(` in crore)

<b>Component</b>	<b>2008-09</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
<b>Committed Expenditure</b>	1274.56	2226.27	2211.70	2405.78	2712.93
<b>Revenue Expenditure</b>	2895.45	3695.59	3745.00	4417.86	4786.24
<b>% of Committed Expenditure to Revenue Receipts</b>	33.05	51.84	40.78	43.75	47.09
<b>% of Committed Expenditure to Revenue Expenditure</b>	<b>44.02</b>	<b>60.24</b>	<b>59.06</b>	<b>54.46</b>	<b>56.69</b>

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 2012-13

(' in crore)

Sl. No	Nature of Expenditure	Original Grant	Supplementary Grant	Re - appropriation	Total	Actual Expenditure	Savings (-) Excess (+)
1	Revenue Voted	3842.54	1182.80	-	5025.34	4484.22	(-) 541.12
	Charged	7.65	3.38		11.03	10.17	(-) 0.86
2	Capital Voted	2637.11	1284.26	-	3921.37	1206.87	(-) 2714.50
3	Public Debt						
	Charged	353.61	-	-	353.61	291.85	(-) 61.76
4	Loans & Advances Voted	4.46	0.11	-	4.57	3.95	(-) 0.62
	Charged	228.24	2.91		231.15	166.64	(-) 64.51
	<b>TOTAL</b>	<b>7073.61</b>	<b>2473.46</b>	<b>-</b>	<b>9547.07</b>	<b>6163.70</b>	<b>(-) 3383.37</b>

#### 5.2 Trend of Saving/Excess during last five years

(' in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
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
2012-13	(-) 541.98	(-) 2714.50	(-) 61.76	(-) 65.13	(-) 3383.37

#### 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)

Grant	Nomenclature	2008-09	2009-10	2010-11	2011-12	2012-13
		REVENUE				
6	District Administration	0.27	8.75	19.80	38.44	29.06
15	Health & Family Welfare	6.83	18.06	2.04	3.16	24.69
23	Forest	3.94	8.56	34.46	49.52	156.24
24	Agriculture	12.12	16.75	26.64	36.70	28.51
27	Panchayat	2.42	29.82	18.62	42.12	73.76
38	Water Resources Dept.	7.57	35.00	8.62	51.53	40.99
Grant	Nomenclature	2008-09	2009-10	2010-11	2011-12	2012-13
CAPITAL						
31	Public Works	31.82	38.77	12.98	1.78	90.98
32	Roads and Bridges	1.58	257.16	63.03	50.72	245.66
34	Power	45.87	62.52	12.62	45.14	49.22
38	Water Resources Dept.	18.02	35.94	21.79	40.79	66.83
57	Urban Development	8.31	88.84	55.57	61.28	116.30

During 2012-13, Supplementary Grants totaling ` 253.69 crore (4.23 per cent of Total Expenditure of ` 5996.47) proved to be unnecessary. In some cases, there were significant savings at the end of the year, even against original allocations. A few instances are given below.

(` in crore)

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
11	Social Welfare	Revenue	151.93	1.10	129.89
14	Education	Capital	53.73	29.88	51.09
23	Forest	Revenue	273.58	2.25	119.59
24	Agriculture	Revenue	119.36	7.18	98.03
26	Rural Works	Revenue	78.40	9.99	75.05
33	North Eastern Areas	Capital	98.68	19.27	87.69
38	Water Resources Dept.	Revenue	141.07	35.88	135.95
		Capital	62.40	26.37	21.94
57	Urban Development	Revenue	14.26	3.21	14.05
		Capital	133.71	78.62	96.03
60	Textiles and Handicrafts	Revenue	28.95	1.49	25.10
66	Hydro Power Development	Revenue	44.74	0.60	42.35
68	Town Planning Department	Revenue	9.00	0.01	2.12
74	Public Debt	Revenue	228.24	2.91	166.64

## 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 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 ` 224.18 crore at the end of 2012-13. However, no dividends were received on investment. During 2012-13, investments increased by ` 2.52 crore.

Cash Balance with RBI stood at ` 25.53 crore on 31 March 2012 and decreased to ` 21.55 crore at the end of March, 2013.

#### 6.2 Debts and Liabilities

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

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

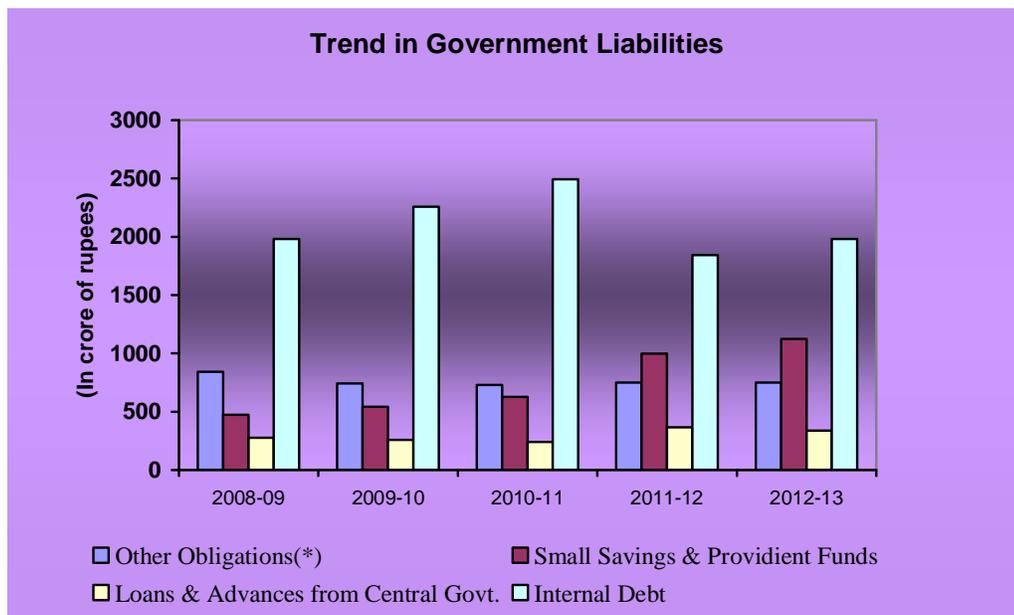
(` in crore)

Year	Public Debt	% to GSDP	Public Account (*)	% to GSDP	Total Liabilities	% to GSDP
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
2012-13	2319.17	19.42	1859.90	15.58	4179.07	35.00

(\*) Excludes Suspense & Remittances Balances.

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

There was a net increase of ` 306.05 crore (7.91 percent) in Public Debt and Other Liabilities as compared to 2011-12.



(\*) 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.

### 6.3 Guarantees

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

(` in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 <sup>st</sup> March 2012	
		Principal	Interest
2008-09	12.00	0.47	0.14
2009-10	12.00	0.47	0.14
2010-11	<i>Information not furnished by the State Govt.</i>		
2011-12	2.00	1.55*	
2012-13	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 31 March 2013, the position of Adverse Balances of the Government stood at ₹ 150.83 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 2012-13 was ₹ 66.86 crore.

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

During last five years, Grants-in-Aid to Local Bodies, etc., were not furnished by the State Government in 2008-09 and consequently it was noticed that the closing balance was ₹ 358.09 crore in 2012-13. No Grants were given to Zila Parishads, Panchayat Samities and Municipalities during this year.

( ₹ in crore)

<b>Year</b>	<b>Zila Parishads</b>	<b>Municipalities</b>	<b>Panchayat Samities</b>	<b>Others</b>	<b>Total</b>
<b>2008-09</b>	<i>No information furnished by the State Government</i>				
<b>2009-10</b>	-	-	-	-	-
<b>2010-11</b>	-	-	-	209	209
<b>2011-12</b>	-	-	-	310.78	310.78
<b>2012-13</b>	-	-	-	358.09	358.09

## 7.4 Cash Balance and Investment of Cash Balance

(` in crore)

Component	As on 1 <sup>st</sup> April 2012	As on 31 <sup>st</sup> March 2013	Net Increase (+)/ (-) Decrease
Cash Balances	121.30	159.27	(+) 37.97
Investments from Cash Balances (GOI Treasury Bills )	874.34	1020.88	(+) 146.54
Investment from Earmarked Fund Balances	109.90	129.90	(+) 20.00
(a) Sinking Fund	109.90	129.90	(+ ) 20.00
(b) Guarantee Redemption Fund	--	--	--
(c) Other Funds	--	--	--
Interest Realized	48.04	37.23	(-) 10.81

There was a net increase in the Cash Balance of the State Government at the end of 2012-13.

## 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 2012-13, only ` 4741.12 crore (76.96 per cent) of the total expenditure of ` 6160.50 crore of the State Government was reconciled. Similarly, out of total receipts of ` 6020.52 crore, only ` 654.43 crore (10.87 per cent) was reconciled. The status of reconciliation of accounts in respect of Chief Controlling Officers (CCOs) of different Departments is given below:

Particulars	No. of CCOs	Fully Reconciled	Partially Reconciled	Not Reconciled
<b>Expenditure</b>	74	---	76.96 %	23.04 %
<b>Receipts</b>	74	---	10.87 %	89.13 %

To exercise effective control of expenditure to keep it within budget grants and to ensure accuracy of accounts, all Controlling Officers are required to reconcile Receipts and Expenditure recorded in their books every month during the financial year with figures accounted for by the Accountant General. During the year, receipts of ` 654.43 crore (10.87 per cent of total receipts) and expenditure of ` 4741.12 crore (76.96 per cent of total expenditure) was reconciled by the State Government. Non-reconciliation of receipts and expenditure affects the completeness and accuracy of accounts.

### ***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 69 days.

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

When money is required in advance or Drawing & 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 period of 90 days, through submission of DC Bills. At the end of 31 March 2013, 951 DC Bills amounting to ` 16.49 crore were outstanding, indicating that these instructions were not followed for timely submission of DC Bills against AC Bills.