



**Report of the
Comptroller and Auditor General of India
on
STATE FINANCES
for the year ended 31 March 2016**



Government of Arunachal Pradesh
Report No. 1 of 2017

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Comptroller and Auditor General
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GOVERNMENT OF ARUNACHAL PRADESH

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TABLE OF CONTENTS

	<i>Paragraph</i>	<i>Page</i>
Preface		iii
Executive Summary		v
CHAPTER I – FINANCES OF THE STATE GOVERNMENT		
Profile of Arunachal Pradesh		1
Growth and Composition of GSDP		1
Introduction	1.1	2
Resources of the State	1.2	7
Revenue Receipts	1.3	8
Capital Receipts	1.4	15
Public Account Receipts	1.5	15
Application of Resources	1.6	16
Quality of Expenditure	1.7	21
Financial Analysis of Government Expenditure and Investments	1.8	25
Assets and Liabilities	1.9	28
Debt Management	1.10	31
Fiscal Imbalances	1.11	32
Follow-up on Audit Report on State Finances	1.12	35
Conclusion and Recommendations	1.13	35
CHAPTER II – FINANCIAL MANAGEMENT AND BUDGETARY CONTROL		
Introduction	2.1	37
Summary of Appropriation Accounts	2.2	37
Financial Accountability and Budget Management	2.3	38
Outcome of review of Selected Grant	2.4	45
Non-reconciliation of Departmental Figures	2.5	47
Conclusion and Recommendations	2.6	48
CHAPTER III – FINANCIAL REPORTING		
Utilization Certificates	3.1	49
Non-submission/Delay in Submission of Accounts	3.2	49
Opaqueness in Government accounts	3.3	50
End Use of Cess	3.4	50
Conclusion and Recommendations	3.5	51

APPENDICES

Appendix No.	Particulars	Page
	Part - A : Structure and Form of Government Accounts	53
	Part - B : Layout of Finance Accounts	54
Appendix 1.1	Part - C : Methodology Adopted for Assessment of Fiscal Position	56
	Part - D : State Profile	58
Appendix 1.2	Fiscal Responsibility and Budget Management Act, 2006	59
Appendix 1.3	Time Series Data on State Government Finances	60
Appendix 1.4	Abstract of Receipts and Disbursements for 2015-16	63
Appendix 1.5	Summarized Financial Position of the Government of Arunachal Pradesh as on 31 March 2016	66
	Explanatory Notes for Appendices 1.2 and 1.4	68
Appendix 2.1	Statement of various Grants/Appropriations where Savings were more than ₹ 1 crore and more than 20 per cent of the total provision	69
Appendix 2.2	Expenditure Incurred without any Budget Provision	71
Appendix 2.3	Statement showing excess expenditure relating to previous years requiring regularization	72
Appendix 2.4	Cases of Unnecessary Supplementary Provision	73
Appendix 2.5	Cases of Substantial Surrenders made during the year	75
Appendix 2.6	Statement of various Grants/Appropriations in which Savings occurred but no part of which had been surrendered	77
Appendix 2.7	Details of Savings of ₹ 1 crore and above not surrendered	80
Appendix 3.1	Department wise break-up of outstanding utilisation certificates for the year 2014-15 and 2015-16	83
Appendix 3.2	Statement showing names of Bodies and Authorities, Accounts of which were not received	84
Appendix 3.3	Statement showing Transaction under 800 Other Receipts	85
Appendix 3.4	Statement showing Transaction under 800 Other Expenditure	86

PREFACE

- 1. This Report has been prepared for submission to the Governor of the Arunachal Pradesh under Article 151 of the Constitution.*
- 2. Chapter 1 and 2 of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2016. Information has been obtained from the Government of Arunachal Pradesh wherever necessary.*
- 3. Chapter 3 on Financial Reporting provides an overview and status of the State Government's compliance with various financial rules, procedures and directives relating to Financial Reporting during the current year.*
- 4. The Report containing findings of performance audit and compliance audit in various departments, audit of Statutory Corporations, Boards & Government Companies and Revenue Sector are presented separately.*



EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

BACKGROUND

This Report on Finances of the Government of Arunachal Pradesh is brought out with a view to objectively assess the financial performance of the State during 2015-16. The aim of this Report is to provide the State Government with timely inputs based on actual data so that there is a better insight into both 'well performing' as well as 'ill performing' Schemes/ Programmes of the Government. To give a perspective to the analysis, an effort has been made to compare achievements with targets envisaged by the State Government in the Budget Estimates of 2015-16 and projections made by the 14th Finance Commissions.

Based on audited accounts of the Government of Arunachal Pradesh for the year ending March 2016, this Report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in three Chapters.

THE REPORT

Chapter I is based on the audit of Finance Accounts and makes an assessment of the fiscal position of the Government of Arunachal Pradesh as on 31 March 2016. It provides an insight into the trends in committed expenditure and borrowing patterns.

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

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

AUDIT FINDINGS AND RECOMMENDATIONS

➤ Return to Fiscal Correction

During 2015-16, the State maintained all the fiscal parameters as Surplus. During the current year, while the Revenue Surplus increased by 10.65 *per cent*, Fiscal Surplus and Primary Surplus showed marginal decrease.

➤ Revenue Receipts

Revenue Receipts during 2015-16 grew by 15.51 *per cent* (₹ 1417.05 crore) over the previous year. Tax Revenue was 19.78 *per cent* lower than the assessment made by the XIV Finance Commission, however, it was 5.42 *per cent* higher than the assessment made in the Budget Estimates for the year. Collection of Non-Tax Revenue during 2015-16 was lower than the Budget Estimates (20.36 *per cent*).

Central Transfers comprising of the State Share of Central Taxes and Grants-in-Aid from the GoI increased by ₹ 1409.66 crore in 2015-16 and contributed about 91 *per cent* of Revenue Receipts during the year. As such, the State primarily depends on resources transferred by the Central Government. The State's own resources as a percentage of Total Receipts declined from 12.34 *per cent* in 2011-12 to 8.79 *per cent* in 2015-16. This indicates that Central Transfers were the key to the increase in Revenue Receipts of the State.

➤ Revenue and Total Expenditure

Revenue Expenditure of the State during 2015-16 increased by ₹ 1206.15 crore over the previous year and constituted 80.65 *per cent* of the total expenditure during the year. Non-Plan Revenue Expenditure during 2015-16, which increased by ₹ 1413.70 crore compared to the previous year, also marginally exceeded the budget estimates assessment made by the State Government by around 1.23 *per cent*. Committed Expenditure, *viz.*, Salaries, Pensions, Interest Payments and Subsidies, constituted more than 49 *per cent* of the Revenue Expenditure during 2015-16.

➤ Capital and Development Expenditure

The State Government had given adequate thrust to Capital Expenditure in its budget for 2015-16, but failed to fulfill its commitment. Capital Expenditure during the current year increased over the previous year but fell short of the Budget Estimates by about 30.45 *per cent*. Development expenditure increased by 16.19 *per cent* over the previous year, but fell short of the assessment made in the Budget Estimates by 7.11 *per cent*. However, out of development expenditure, only 22 *per cent* was utilized for Capital expenditure.

➤ Debt Sustainability

Fiscal Liabilities which stood at 30.27 *per cent* of the GSDP in 2015-16, was lower than the limit prescribed by the XIV Finance Commission, *i.e.*, steady reduction in augmented Debt Stock of States to less than 33.96 *per cent* of GSDP by 2015-16. These liabilities were around 56 *per cent* of Revenue Receipts. The overall liability was about 5.95 times the State's own receipts at the end of 2011-12, whereas it has become more than six times the State's own resources at the end of March 2016, which is a matter of concern.

The maturity profile of outstanding stock as on 31 March 2016 shows that 49.06 *per cent* of the loans are in the maturity bucket of within seven years, which is high.

The State Government should make efforts to reduce its Fiscal Liabilities with better debt management keeping in view high repayment liabilities within coming seven years.

➤ **Financial Management and Budgetary Control**

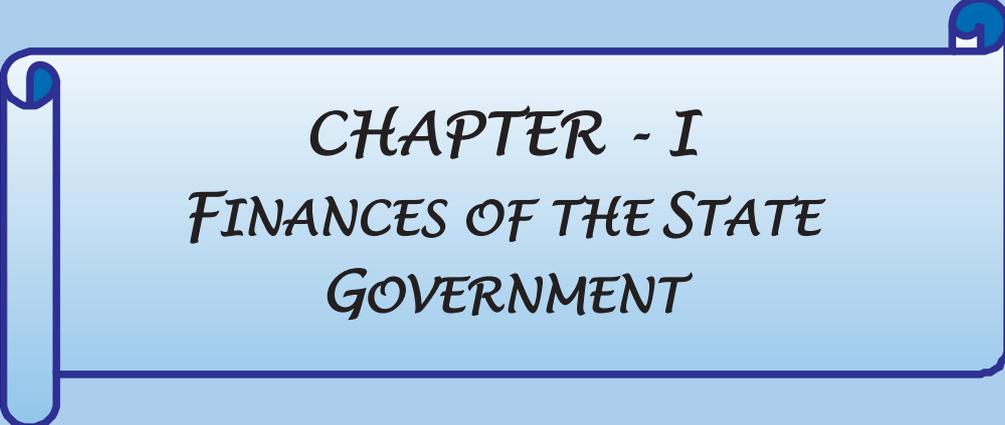
In 2015-16, there were net savings of ₹ 3912.54 crore, which was the result of savings of ₹ 4387.04 crore, offset by excess of ₹ 474.50 crore. The excess of ₹ 474.50 crore, needs to be regularized, as per Article 205 of the Constitution. There were substantial persistent savings in eight Grants for the last five years. There were instances of inadequate provision of funds, expenditure without provision, unnecessary/excessive/inadequate re-appropriations. In many cases, anticipated savings were not surrendered, leaving no scope for utilizing the fund for other development purposes. Detailed Countersigned Contingent bills were not submitted for a large amount of advances drawn on Abstract Contingent Bills.

All departments may closely monitor the expenditure against the allocations and excess expenditure over allocations be avoided to the extent possible. Funds may be surrendered well before the close of the year so as to enable their utilization for other development schemes.

➤ **Financial Reporting**

Compliance to rules, procedures and directives of the State Government was unsatisfactory, as evident from the delay in furnishing Utilization Certificates for grants given to/by Government Departments. There were inordinate delays in submission of Annual Accounts by various Autonomous Bodies.

Internal Control in all Departments/Organizations should be strengthened.



CHAPTER - I
FINANCES OF THE STATE
GOVERNMENT

Chapter I

Finances of the State Government

Profile of Arunachal Pradesh

Arunachal Pradesh is a Special Category State¹, area-wise is the largest State in the North-Eastern region with a geographical area of about 83,743 sq. km. It has a long international border with Bhutan in the West (160 km), China in the North and North-east (1080 km) and Myanmar in the East (440 km). It also shares common boundaries with Assam and Nagaland. Arunachal Pradesh provides shelter to 0.11 *per cent* population of the country. According to the Census of India, 2011, the population of the State stood at 13,83,727 (Male:7,13,912; Female: 6,69,815) and the density of population of the State was 17 persons per sq. km. The state's literacy rate increased from 54.54 *per cent* (2001) to 65.38 *per cent* (2011), second lowest among States/Union Territories.

Growth and Composition of GSDP

Gross State Domestic Product (GSDP) is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State's economy as it indicates the standard of living of the State's population. The trend in the annual growth of India's Gross Domestic Product (GDP) and State's GSDP at current prices are indicated below.

Table - 1.1: Trends in the annual growth of India's GDP and State's GSDP at current prices

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
India's GDP (₹ in crore)	87,36,039	99,51,344	112,72,764	124,88,205	13,567,192
Growth rate of India's GDP	*	13.91	13.28	10.78	8.64
State's GSDP (₹ in crore)	11,063	12,547	14,607	16,389	19,473*
Growth Rate of GSDP	*	13.41	16.42	12.20	18.82

(Source: Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation except for GSDP for 2015-16)

* Growth of GSDP and GDP for the year 2011-12 has not been indicated as the base year has been revised to 2011-12.

Table 1.1 shows that the annual growth rate of GSDP of the state was not uniform and ranged between 22.64 *per cent* (2011-12) to 12.20 *per cent* (2014-15). The GSDP increased from ₹ 16,389 crore in 2014-15 to ₹ 19,473 crore in 2015-16, representing an increase of 18.82 *per cent*. The GSDP during 2015-16 exceeded the assessment (₹ 18,536.00 crore) made by XIV Finance Commission (FC) by 5.06 *per cent*. The Compound Annual Growth Rate (CAGR) in respect of GSDP between the period from 2006-07 to 2015-16 was 18.87 *per cent*.

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

Finances of The State Government

1.1 Introduction

This Chapter provides a broad perspective of finances of the Government of Arunachal Pradesh and analyses critical changes in major fiscal aggregates keeping in view the overall trend during the last five years. The analysis has been made based on the State Finance Accounts and information obtained from State Government. The structure of Government Accounts, lay-out of Finance Accounts, methodology adopted for assessment of the fiscal position and State Profile are shown in **Appendix 1.1**. **Appendix 1.2** briefly outline the Fiscal Responsibility and Budget Management (FRBM) Act of the Government, while **Appendix 1.3** presents the time series data on key fiscal variables/parameters and fiscal ratios relating to State Government finances for the period 2011-16

1.1.1 Summary of Current Year Fiscal Transactions

Table 1.2 presents a summary of the State Government's fiscal transactions during the current year (2015-16) *vis-à-vis* the previous year while **Appendix 1.4** provides details of receipts/disbursements and the overall fiscal position during the said period.

Table - 1.2: Summaries of Fiscal Transactions (Current Year)

Receipts	2014-15	2015-16	Disbursements	2014-15	2015-16		
					Non-Plan	Plan	Total
Section – A : Revenue							
Revenue Receipts	9136.05	10553.10	Revenue Expenditure	7156.59	5659.41	2703.33	8362.74
Tax Revenue	462.16	535.07	General Services	2062.59	2457.41	60.68	2518.09
Non-Tax Revenue	457.64	392.12	Social Services	2358.39	1297.19	1259.48	2556.67
Share of Union Taxes/Duties	1109.98	7075.58	Economic Services	2735.61	1904.81	1383.17	3287.98
Grants-in-aid from Govt. of India	7106.27	2550.33	-	-	-	-	-
Section – B : Capital							
Miscellaneous Capital Receipts	-	-	Capital Outlay	1483.18	9.62	1983.63	1993.25
Recoveries of Loans & Advances	27.41	5.48	Loans & Advances Disbursed	4.93	2.77	10.21	12.98
Public Debt Receipts ²	1540.41	621.10	Repayment of Public Debt	1053.91	-	-	1286.44
Contingency Fund	-	-	Contingency Fund	-	-	-	-
Public Account Receipts	4018.72	6038.90	Public Account Disbursements	4922.45	-	-	5360.99
Opening Balance	971.90	1073.43	Closing Balance	1073.43	-	-	1275.61
Total	15694.49	18292.01	Total	15694.49	-	-	18292.01

Significant changes during 2015-16 over the previous year are shown below:

- Revenue Receipts increased by 15.51 per cent (₹ 1417.05 crore) over the previous year. The increase was mainly contributed by State share of Union Taxes & Duties

² Includes Net Ways and Means Advances.

Finances of The State Government

₹ 5965.60 crore (537.45 per cent), Tax Revenue ₹ 72.92 crore (15.78 per cent) which was partly offset by decrease in Grants-in-Aid (GIA) from Government of India (GoI) ₹ 4555.94 crore (64.11 per cent) and Non-Tax Revenue ₹ 65.52 crore (14.32 per cent). Huge variation in the State's share of Union Taxes and Duties and GIA from the GoI was due to change in pattern of devolution as recommended by XIV FC

- Revenue Expenditure increased by 16.85 per cent (₹ 1206.15 crore) over the previous year. Capital Expenditure during the year also increased by 34.39 per cent (₹ 510.07 crore) over the previous year.
- Recovery of Loans & Advances during the current year decreased by ₹ 21.93 crore whereas Disbursement of Loans & Advances also increased by ₹ 8.05 crore compared to the previous year.
- Public Debt Receipts decreased by ₹ 919.31 crore over the previous year due to decrease in receipts under Internal Debt and Ways and Means Advance. Repayment of Public Debt increased by ₹ 232.53 crore over the previous year.
- Public Account Receipts increased by ₹ 2020.18 crore and Public Account Disbursements also increased by ₹ 438.54 crore over the previous year.
- The total inflow in respect of all fund during 2015-16 was ₹ 17,218.58 crore against ₹ 14,722.59 crore in 2014-15, while the total outflow during 2015-16 was ₹ 17,016.40 crore against ₹ 14,621.06 crore during the previous year. During 2015-16, increase in cash balances by ₹ 202.18 crore (18.83 per cent) over the previous year was seen.

1.1.2 Review of the Fiscal Situation

Performance of the State during 2015-16 in terms of key fiscal targets set for selected parameters laid down in the Arunachal Pradesh Fiscal Responsibility & Budget Management (Amendment) Act (FRBM), 2012, and projections made in the Medium Terms Fiscal Policy (MTFP) Statement *vis-à-vis* achievements are given in **Table 1.3** below:

Table - 1.3: Trends in Major fiscal parameters/variables *vis-à-vis* projections for 2015-16

Particulars	Targets as prescribed in FRBM Act	Projections made in MTFP Statement	Actuals
Revenue Surplus (₹ in crore)	Strive to remain Revenue Surplus during 2011-16	2333.26	2190.36
Revenue Surplus (as % of GSDP)	Strive to maintain in a consistent manner	25.63	11.25
Fiscal Deficit/GSDP (per cent)	Not more than 3 % by 2012-13	Revenue Surplus	
Total Outstanding Debt/GSDP (per cent)	No mention.	25.15	30.27

The above table indicates that the State was able to achieve targets prescribed in the Arunachal Pradesh FRBM Act/MTFP Statement in respect of Revenue Surplus and Fiscal Deficit/Surplus-GSDP (as percentage). While Revenue Surplus as a percentage of

Finances of The State Government

GSDP was below the target prescribed in the MTFP Statement, the total Outstanding Debt as a percentage of GSDP was quite higher than the projection made in MTFP Statement.

1.1.3 Budget Estimates and Actuals

Budget papers presented by the State Government provide descriptions of projections or estimations of revenue and expenditure for a particular year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from Budget Estimates are indicative of non-attainment and non-optimization of desired fiscal objectives due to various reasons, some within and some beyond the control of the Government. **Table 1.4** presents the consolidated picture of State Finances during 2014-15 (Actuals) and 2015-16 {Budget Estimates (BE), Revised Estimates (RE) and Actuals} and **Chart 1.1** presents the Budget Estimates and Actuals for some important fiscal parameters for 2015-16.

Table - 1.4: Variation in Major Items – Actuals of 2015-16 over 2014-15 and Budget Estimates/Revised Estimates with Actuals of 2015-16

(₹ in crore)

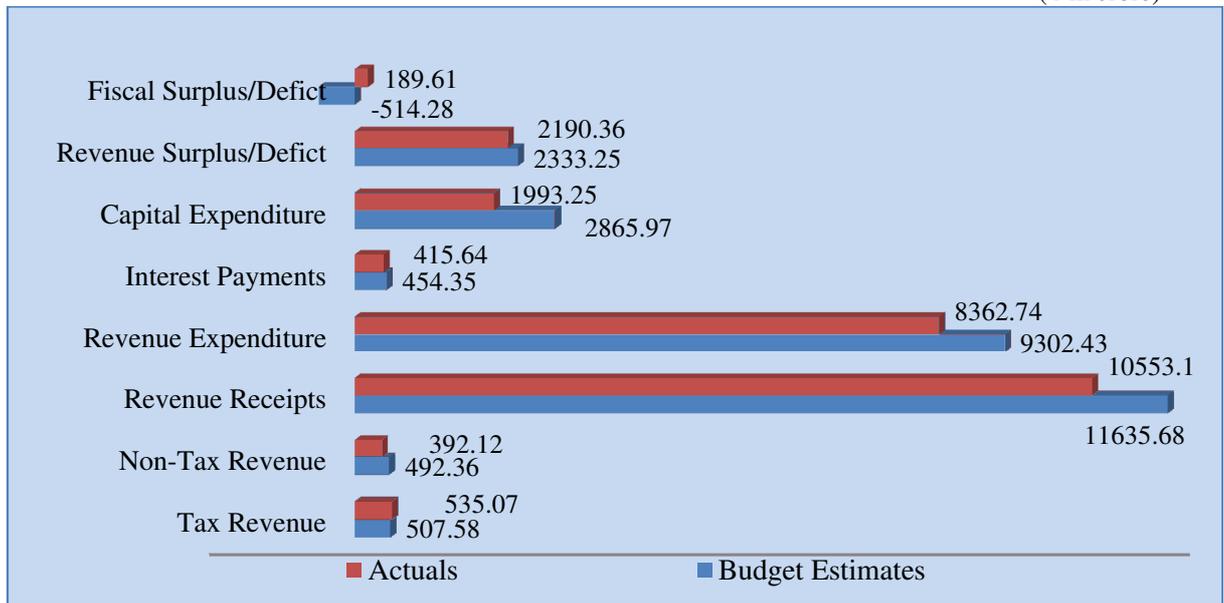
Parameters	2014-15	2015-16			Percentage of Excess (+)/ Shortfall (-) of actuals with reference to		
	Actuals	BE ³	RE ⁴	Actuals	2014-15	BE	RE
Tax Revenue	462.16	507.58	555.07	535.07	15.78	5.42	-3.60
Non-Tax Revenue	457.64	492.36	492.36	392.12	-14.32	-20.36	-20.36
Revenue Receipts	9136.05	11,635.68	11,407.98	10,553.10	15.51	-9.30	-7.49
Non-debt Capital Receipts	27.41	28.04	28.04	5.48	-80.01	-80.46	-80.46
Revenue Expenditure	7156.59	9302.43	9172.19	8362.74	16.85	-10.10	-8.83
Interest payments	350.88	454.35	491.77	415.64	18.46	-8.52	-15.48
Capital Expenditure	1483.18	2865.97	2554.01	1993.25	34.39	-30.45	-21.92
Disbursement of Loans & Advances	4.93	9.60	13.81	12.98	163.29	35.21	-6.01
Revenue Surplus	1979.46	2333.25	2235.79	2190.36	10.65	-6.12	-2.03
Fiscal Deficit (-)/ Surplus (+)	518.76	(-) 514.28	(-)303.99	189.61	-63.45	136.87	162.37

³ Net Estimates

Finances of The State Government

Chart 1.1:- Selected Fiscal Parameters: Budget Estimates vis-à-vis Actuals

(₹ in crore)



- In 2015-16, when compared with the Budget Estimates, actual Revenue Receipts exceeded by 5.42 *per cent* but in case of Revised Estimates, it fell short by 3.60 *per cent*. Compared with Budget Estimates, the actual Revenue Expenditure fell short by 10.10 *per cent*, similarly against Revised Estimates; the actual Revenue Expenditure fell short by 8.83 *per cent*.
- Compared with the Budget and Revised Estimates, Capital Expenditure was lower by 30.45 and 21.92 *per cent* respectively. Compared to the previous year, Capital Expenditure increased by ₹ 510.07 crore (34.39 *per cent*) mainly due to increase of ₹ 305.44 crore (33.20 *per cent*) under Economic Services, ₹ 224.88 crore (186.31 *per cent*) under General Services, which was partly offset by decrease of ₹ 20.25 crore (4.58 *per cent*) under Social Services.
- Against the Revenue Surplus of ₹ 2333.25 crore projected in Budget Estimates and ₹ 2235.79 crore in Revised Estimates, the year ended with a Revenue Surplus of ₹ 2190.36 crore. Further, in 2015-16, the State Government witnessed Fiscal Surplus of ₹ 189.61 crore against the Fiscal Deficit of ₹ 514.28 crore and ₹ 303.99 crore projected in Budget Estimates and Revised Estimates respectively.

The wide variation between Budget Estimates and Actuals indicated that the budgeting was unrealistic.

1.1.4 Major policy initiatives in the budget

Major policy announcements made in the budget speech 2015-16 and status of their implementation is given in the **Table 1.5**.

Finances of The State Government

Table - 1.5: Status of implementation of major policy announcements during 2015-16

Major Announcements	Status of Implementation (March 2016)
A sum of ₹ 30.00 crore was provided for effective implication of the Chief ministers Universal Health Scheme	No budget provision against the scheme was made during the year and accordingly no expenditure was incurred.
A sum of ₹ 12.70 crore was provided for launching the scheme 'VIDYA' a flagship programme to encourage girl child education.	No budget provision against the scheme was made during the year and accordingly no expenditure was incurred
A sum of ₹ 10.00 crore was provided for Chief Ministers Agriculture Mechanisation Scheme	During the year 2015-16, a provision of ₹10.00 crore was made in the Budget, but the entire fund was re-appropriated without assigning any reason.

1.1.5 Migration to New Pension Scheme (NPS)

GoI introduced (01 April 2004) a defined, contribution based NPS to cover all new entrants to Government service. The interim Pension Fund Regulatory and Development Authority (PFRDA) was established by GoI (October 2003). PFRDA being the regulator for the NPS had been authorised by the GoI to appoint/establish various intermediaries in the system, such as Central Record Keeping Agency (CRA), Pension Funds Trust for the NPS, Custodian Banks and etc. PFRDA appointed National Securities Depository Limited (NSDL) as the CRA for a period of 10 years from 01 December 2007 for performing the functions of record keeping, accounting, administration and customer services for subscribers to the schemes of pension funds approved by PFRDA. Further, three pension fund managers, a custodian and a trustee bank had also been appointed.

Under the NPS, the option to join the new system was available to the State Governments. The NPS architecture, evolved and worked out by the PFRDA was capable of accommodating the various State Governments' request to join the NPS, within the overall framework of the pension architecture as devised by the PFRDA.

State Government employees recruited on or after 01 January 2008 are eligible for the New Pension Scheme, which is a defined contributory pension scheme. According to the terms of the Scheme, the Government and employee each contribute 10 *per cent* of basic pay and dearness allowance and the entire amount, is transferred to the designated fund manager through NSDL/Trustee Bank.

As on 01 April 2015, the fund had a balance of ₹ 91.33 crore (Major Head 8342-117). During 2015-16, the State Government transferred an amount of ₹ 5.19 crore being Government and employees contribution pertaining to previous years to the fund. Out of the total fund ₹ 96.52 crore, the State Government transferred ₹ 33.25 crore of accumulated balances to NSDL along with interest of ₹3.74 crore. An amount of ₹ 0.07 crore was also withdrawn from the accumulated balances for payment of terminal

Finances of The State Government

benefits to retired/resigned persons and withdrawal of excess deposit of employers contribution made in the earlier years. The closing balance in the fund as on 31 March 2016 was ₹ 63.20 crore.

During 2015-16, the employee's contribution towards NPS had been directly uploaded to NSDL. Further, out of the Government share of ₹ 15.51 crore booked under Major Head 2071-01-117, an amount of ₹ 6.98 crore was only uploaded directly to NSDL. The State Government intimated that the balance fund could not be transferred due to procedural delay.

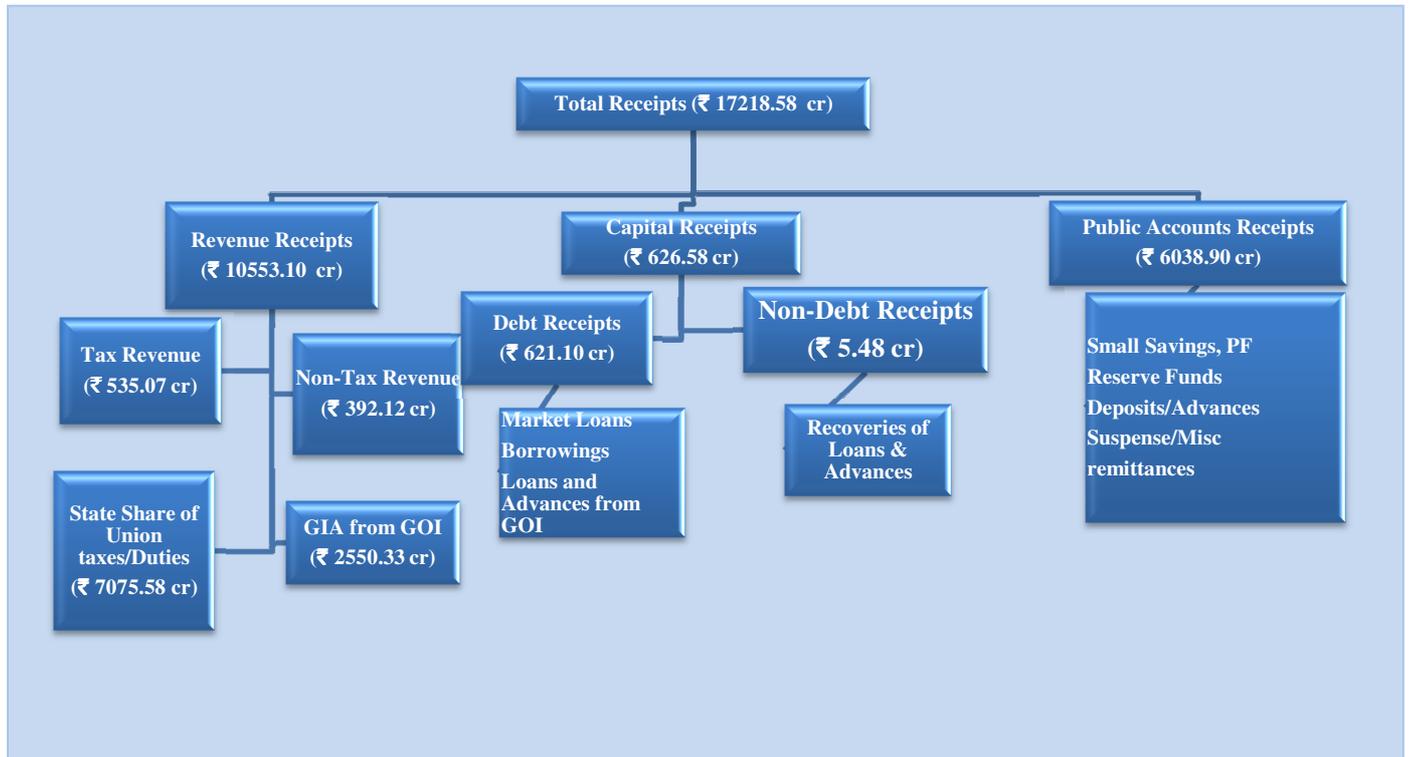
1.2 Resources of the State

1.2.1 Resources of the State as per Annual Finance Accounts

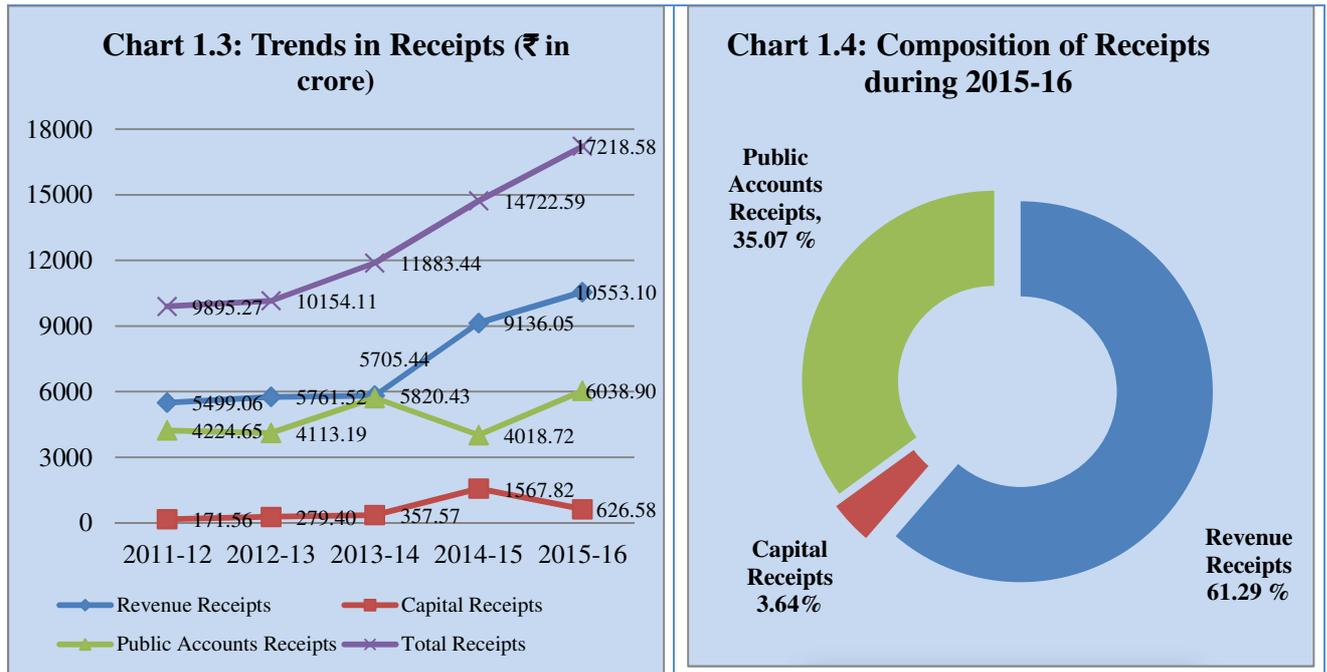
Revenue and Capital are the two streams of receipts that constitute resources of the State Government. Revenue Receipts consist of Tax Revenue, Non-Tax Revenue, State share of Union Taxes & Duties and GIA from GoI. Capital Receipts comprise of miscellaneous Capital Receipts such as proceeds from disinvestments, recoveries of loans & advances, debt receipts from internal sources (market loans, borrowings from Financial Institutions/Commercial Banks), loans & advances from the GoI and accruals from Public Account. **Table 1.2** presents receipts and disbursements of the State during the current year as recorded in the Annual Finance Accounts, while **Chart 1.3** depict trends in various components of receipts of the State during 2011-16 and **Chart 1.2** & **1.4** depict the composition of resources of the State during the current year.

The following Flow Chart shows the components and sub-components of resources.

Chart - 1.2: Components and Sub-components of Resources



Finances of The State Government



Total Receipts during the current year increased by ₹ 2495.99 crore (16.95 per cent) over the previous year. Out of the total receipts, Public Accounts Receipts increased by 50.27 per cent (₹ 2020.18 crore) and Revenue Receipts by 15.51 per cent (₹ 1417.05 crore), whereas Capital Receipts decreased by 60.03 per cent (₹ 941.24 crore).

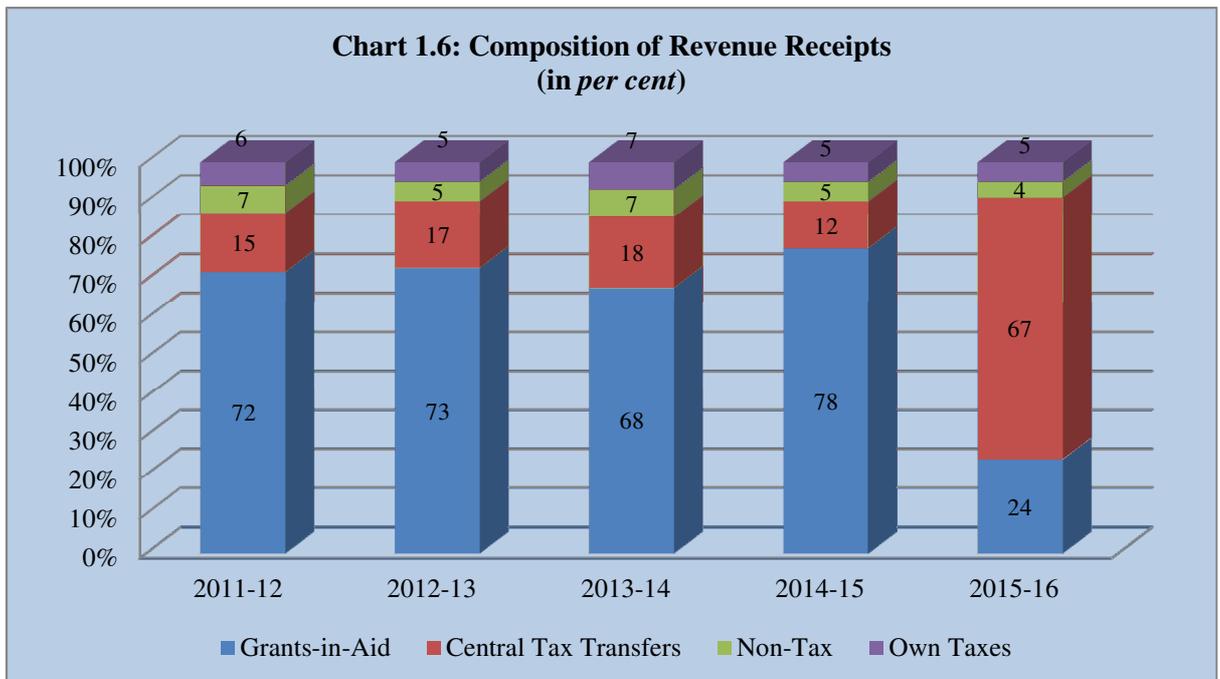
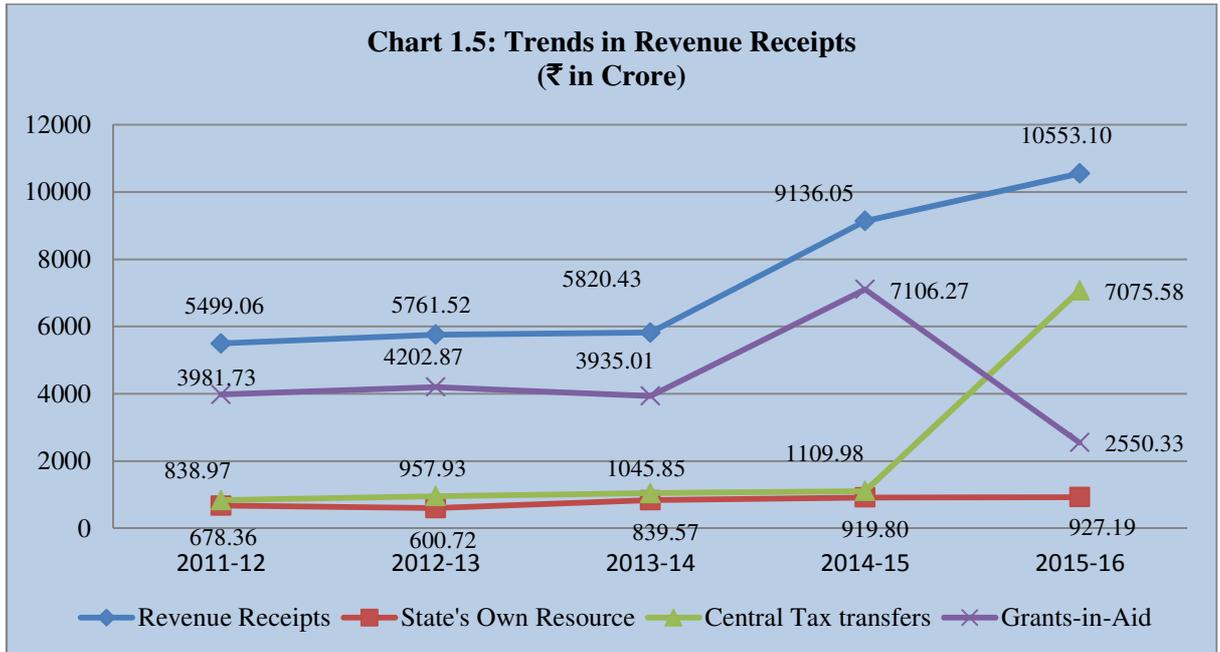
Total Receipts of the State for 2015-16 was ₹ 17,218.58 crore, of which ₹ 10,553.10 crore (61.29 per cent) came from Revenue Receipts and the remaining (38.71 per cent) from Borrowings and Public Account. Total Receipts of the State increased from ₹ 9895.27 crore in 2011-12 to ₹ 17,218.58 crore in 2015-16 at a compounded annual growth rate of 14.85 per cent.

Revenue Receipts increased steadily from ₹ 5499.06 crore in 2011-12 to ₹ 10,553.10 crore in 2015-16, whereas Capital Receipts increased from ₹ 171.56 crore in 2011-12 to ₹ 626.58 crore in 2015-16. Public Account Receipts increased from ₹ 4224.65 crore in 2011-12 to ₹ 6038.90 crore in 2015-16.

1.3 Revenue Receipts

Statement - 14 of the Finance Accounts details Revenue Receipts of the Government. Revenue Receipts consist of its own Tax and Non-Tax revenues, Central Tax transfers and GIA from GoI. Trends and composition of Revenue Receipts over the period 2011-16 are presented in **Appendix 1.3** and depicted in **Charts 1.5** and **1.6** respectively. Trends in Revenue receipts relative to GSDP are presented in **Table 1.6**.

Finances of The State Government



Revenue Receipts of the State increased by ₹ 5054.04 crore from ₹ 5499.06 crore in 2011-12 to ₹ 10,553.10 crore in 2015-16 at a CAGR of 17.70 per cent. However, during the same period State's Own Resources grew at much less pace and grew at a CAGR of 8.13 per cent.

Finances of The State Government

Table - 1.6: Trends in Revenue Receipts relative to GSDP

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Receipts (₹ in crore)	5499.06	5761.52	5820.43	9136.05	10553.10
Rate of growth of Revenue Receipts (per cent)	1.42	4.77	1.02	56.97	15.51
Rate of growth of Own Taxes (per cent)	47.75	(-) 0.36	37.29	6.36	15.78
Revenue Receipts/GSDP (per cent)	49.71	45.92	39.85	55.75	54.19
Buoyancy Ratio⁴					
Revenue Buoyancy Ratio with reference to GSDP	0.06	0.36	0.06	4.67	0.82
State's Own Taxes Buoyancy Ratio with reference to GSDP	2.11	(-)0.03	2.27	0.52	0.84
State's Own Taxes Buoyancy Ratio with reference to Revenue Receipts	33.63	-0.08	36.56	0.11	1.02

The Buoyancy Ratio of Revenue Receipts with reference to GSDP decreased due to significant decrease in the rate of growth of Revenue Receipts in 2015-16 compared to the previous year. The Buoyancy Ratio of the State's Own Tax Revenue with reference to GSDP indicates the slower pace of growth rate in State's Own Tax Revenue as compared to growth rate of GSDP in 2014-15 and 2015-16.

The Buoyancy Ratio of the State's own taxes with reference to Revenue Receipts indicates the pace of growth of its own taxes. State's own taxes Buoyancy Ratio with reference to Revenue Receipts during the current year was 1.02, which indicates that State's Own Tax Revenue increased by almost same pace as Revenue Receipts.

1.3.1 State's Own Resources

As the State share in Central taxes and GIA from GoI is determined on the basis of recommendations of the Finance Commission, the State's performance in mobilization of resources was assessed in terms of its own resources comprising of own tax and non-tax sources.

The State's actual Tax and Non-Tax receipts for 2015-16 vis-à-vis assessment made by XIV FC and Budget Estimates are given in the **Table 1.7** and **Chart 1.7** below:

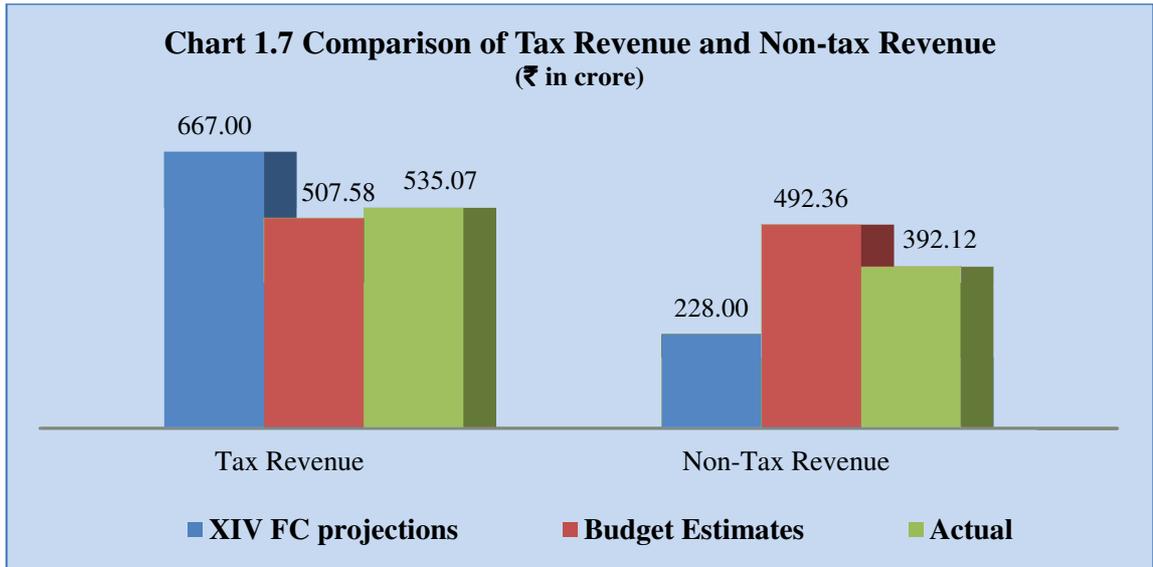
Table - 1.7: Tax and Non-Tax Receipts

	XIV FC Projections	Budget Estimates	Actual
Tax Revenue	667.00	507.58	535.07
Non-Tax Revenue	228.00	492.36	392.12

(₹ in crore)

⁴ As explained Appendix 1.1.C

Finances of The State Government



Tax Revenue was 19.78 per cent lower than the assessment made by the XIV FC and 5.42 per cent higher than the assessment made in the Budget Estimates for the year. Collection of Non-Tax Revenue during 2015-16 was higher than the assessments made by the XIV FC (71.98 per cent), but lower than the assessments made in the Budget Estimates (20.36 per cent).

1.3.1.1 Tax Revenue

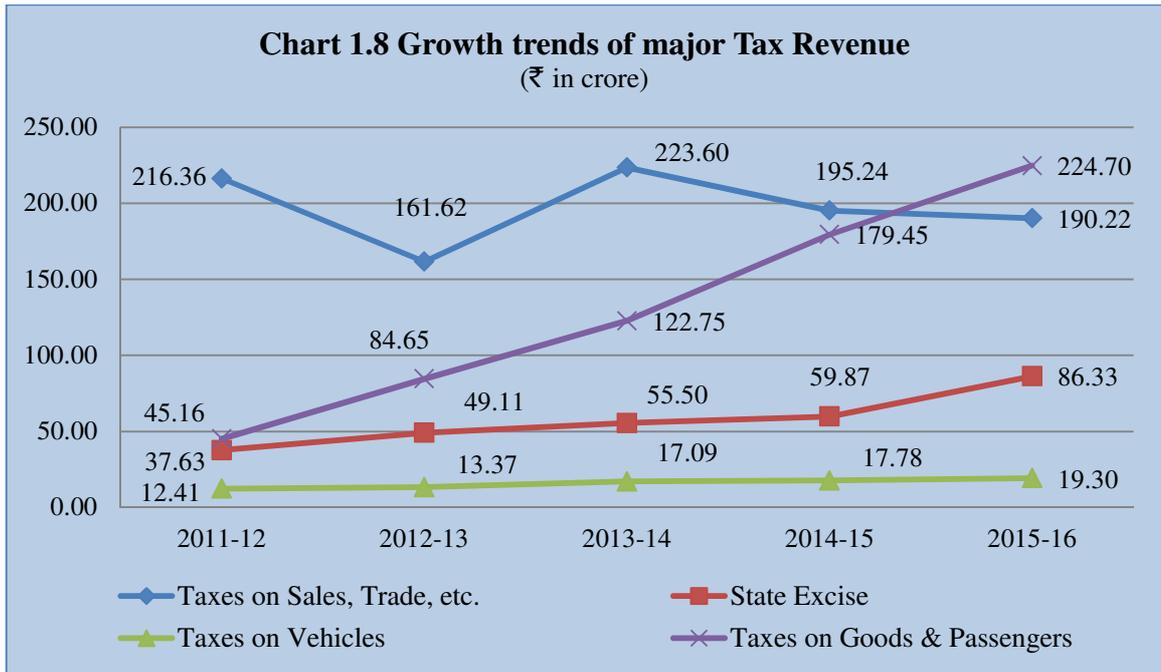
The gross collection in respect of major taxes and duties is given in **Table 1.8 and Chart 1.8** below:

Table - 1.8: Tax Revenue

(₹ in crore)

Heads	2011-12	2012-13	2013-14	2014-15	2015-16	% Increase (+)/ Decrease (-) over Previous Year
Taxes on Sales, Trade, etc.	216.36	161.62	223.60	195.24	190.22	(-2.57)
State Excise	37.63	49.11	55.50	59.87	86.33	44.20
Taxes on Vehicles	12.41	13.37	17.09	17.78	19.30	8.55
Stamp & Registration Fees	2.24	3.05	4.18	3.83	5.63	47.00
Land Revenue	3.85	4.70	11.39	5.99	8.89	48.41
Taxes on Goods & Passengers	45.16	84.65	122.75	179.45	224.70	25.22
TOTAL	317.65	316.50	434.51	462.16	535.07	15.78

Finances of The State Government



Tax Revenue increased by ₹ 217.42 crore (68.45 per cent) from ₹ 317.65 crore in 2011-12 to ₹ 535.07 crore in 2015-16 and by 15.78 per cent during the current year (₹ 535.07 crore) over the previous year (₹ 462.16 crore). Revenue from Taxes on Goods & passengers contributed to the major share of Tax Revenue (41.99 per cent) and increased by 25.22 per cent over the previous year. Taxes on Sales, Trade, etc., State Excise and Taxes on Vehicles were the other major contributors to the State Tax Revenue. The Tax-GSDP Ratio of 2.75 during 2015-16 was lower than the projection (3.60 per cent) made by the XIV FC.

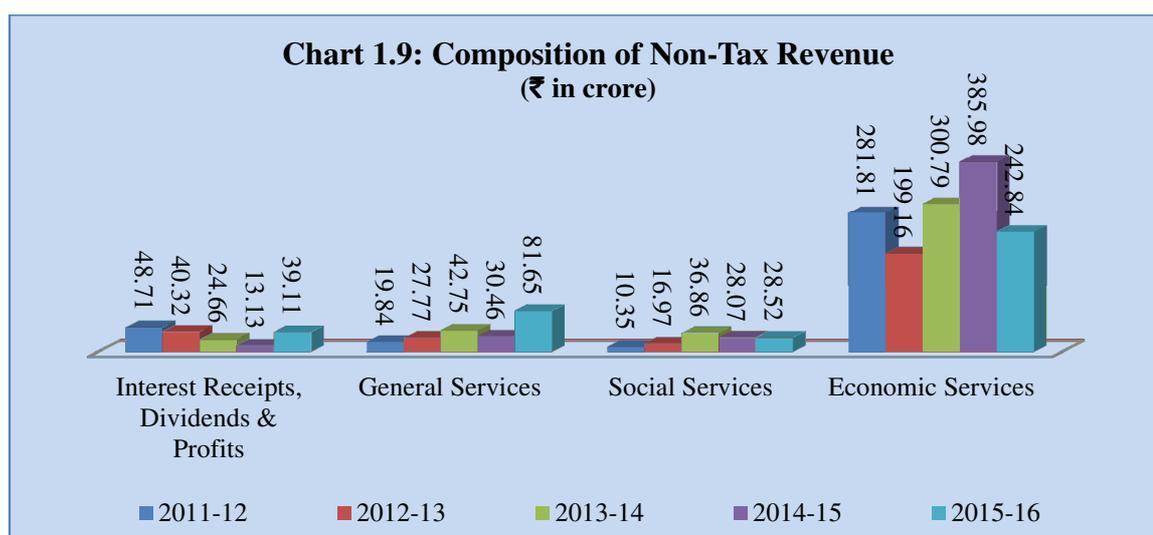
1.3.1.2 Non-Tax Revenue

Table 1.9 and Chart 1.9 show the trends of Non-Tax Revenue during the period 2011-12 to 2015-16.

Table - 1.9 Non-Tax Revenue

Heads	(₹ in crore)					% Increase/ Decrease over previous year
	2011-12	2012-13	2013-14	2014-15	2015-16	
Interest Receipts, Dividends & Profits	48.71	40.32	24.66	13.13	39.11	197.87
General Services	19.84	27.77	42.75	30.46	81.65	168.06
Social Services	10.35	16.97	36.86	28.07	28.52	1.60
Economic Services	281.81	199.16	300.79	385.98	242.84	(-)37.08
TOTAL	360.71	284.22	405.06	457.64	392.12	(-)14.32

Finances of The State Government



Non-Tax Revenue decreased by ₹ 65.52 crore (14.32 *per cent*) during 2015-16 over the previous year. Non-Tax Revenue constituted around 3.72 *per cent* of Revenue Receipts. Around 61.93 *per cent* (₹ 242.84 crore) of Non-Tax Revenue during 2015-16 was received from Economic Services, and within this category, receipts under Power Sector alone contributed 48.20 *per cent* (₹ 117.04 crore). Interest Receipts increased by ₹ 25.98 crore (197.87 *per cent*) during 2015-16 compared to the previous year, mainly due to increase in Interest Receipts on State/Union Territory Governments by ₹ 39.11 crore. CAGR of Non-Tax Revenue for Arunachal Pradesh between 2006-07 and 2014-15 was 5.55 *per cent*. However, it witnessed a decline of 14.32 *per cent* during 2014-15 to 2015-16.

1.3.2 Grants-in-Aid

Details of GIA from GoI are given in **Table 1.10**.

Table - 1.10: Grants-in-Aid from the Government of India

Particulars	(₹ in crore)				
	2011-12	2012-13	2013-14	2014-15	2015-16
Non-Plan Grants	850.18	966.40	743.62	952.12	174.36
Grants for State Plan Schemes	2565.22	2733.97	2543.31	5735.73	2062.45
Grants for Central Plan Schemes	30.74	13.04	166.23	37.59	60.72
Grants for Centrally Sponsored Schemes	352.96	391.16	391.68	315.03	147.54
Grants for Special Plan Schemes	182.63	98.30	90.17	65.80	105.26
TOTAL	3981.73	4202.87	3935.01	7106.27	2550.33
Percentage of Increase (+)/Decrease (-) over previous year	(+) 0.63	(+) 5.55	(-) 6.37	(+) 80.59	(-) 64.11
Total Grants as a percentage of Revenue Receipts	72.41	72.95	67.61	77.78	24.17

GIA from GoI significantly decreased by 64.11 *per cent* (₹ 4555.94 crore) from ₹ 7106.27 crore in 2014-15 to ₹ 2550.33 crore in 2015-16. The decrease was mainly due to decrease in Grants for State Plan Schemes by ₹ 3673.28 crore (64.04 *per cent*), Non-plan Grants ₹ 777.76 crore (81.69 *per cent*) and Grants for Centrally Sponsored Scheme

Finances of The State Government

by ₹ 167.49 crore (53.17 per cent). The decrease was partly offset by marginal increase in Grants for Special Plan Scheme by ₹ 39.46 crore (59.97 per cent) and Grants for Central Plan Schemes by ₹ 23.13 crore (61.53 per cent).

Non-Plan Grants (₹ 174.36 crore) constituted 6.84 per cent of total grants during the year, of which ₹ 99.00 crore was under the proviso to Article 275(1) of the Constitution. The remaining amount was released mainly as Contribution to State Disaster Response Fund (SDRF) (₹ 46.80 crore) and Other Grants (₹ 28.56 crore).

1.3.3 Central Tax Transfers

14 FC had recommended that the State's Share of Central Taxes be increased to 42 per cent from 32 per cent. The share of Union taxes received during 2015-16 was ₹ 7075.58 crore, an increase of ₹ 5965.60 crore (537.45 per cent) over the previous year. The main contributions of the share of Union taxes were mainly, Corporation Tax (₹ 2239.74 crore), Taxes on Income other than Corporation tax (₹ 1585.26 crore), Service Tax (₹ 1232.59 crore), Customs (₹ 1115.78 crore) and Union Excise (₹ 900.89 crore).

1.3.4 Optimisation of XIV Finance Commission Grants

XIV FC was constituted by the President of India under Article 280 of the Constitution of India on 13th January 2013 to give recommendations on specified aspects of Centre-State fiscal relations during 2015-20 (award period). XIV FC, as per the terms of reference, has three constitutionally mandated tasks namely, the distribution of net revenues from the divisible pool of taxes, grants-in-aid to the needy States and measures for supplementing the State resources for devolution to local bodies.

The details of the XIV FC grants released, disbursed and utilised during the period 2015-16 are given in **Table 1.11**.

Table - 1.11: Details of grants released, disbursed and utilised

(₹ in crore)

Sl No	Purpose for which grant is released	Amount to be released by GoI as per recommendations	Actual amount released by GoI	Shortfall in release in grants
1	Share in Central Taxes	7231.00	7075.58	155.42
2	Disaster Relief (SDRF)	47.00	46.80	0.20
3	Local Bodies Grant			
(i)	Performance Grants			
(a)	RLB	0.00	0.00	0.00
(b)	ULB	0.00	0.00	0.00
(ii)	Basic Grants			
(a)	RLB	88.52	44.26	44.26
(b)	ULB	23.42	11.71	11.71
Total		7389.94	7178.35	211.59

The State Government had received financial assistance of ₹ 7178.35 crore (97.14 per cent) against the recommended amount of ₹ 7389.94 crore.

Finances of The State Government

1.4 Capital Receipts

Details of Capital Receipts during 2011-12 to 2015-16 are given in **Table 1.12**.

Table - 1.12: Trends in Growth and Composition of Capital Receipts

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

Sources of State's Receipts	2011-12	2012-13	2013-14	2014-15	2015-16
Public Debt Receipts	168.66	276.45	354.15	1540.41	621.10
Recovery of Loans & Advances	2.90	2.95	3.42	27.41	5.48
Miscellaneous Capital Receipts	-	-	-	-	-
Capital Receipts	171.56	279.40	357.57	1567.82	626.58
Rate of growth of Non-debt Capital Receipts	20.33	1.72	15.93	701.46	(-)80.01
Rate of growth of Debt Capital Receipts	37.84	63.91	24.85	334.96	(-)59.68
Rate of growth of CR	37.50	62.86	27.98	338.47	(-)60.03

Public Debt Receipts decreased by ₹ 919.31 crore (59.68 per cent) over the previous year. Public Debt Receipts Consists of two components viz., Internal Debt of the State and Loans and Advances from the Central Government. Internal Debt consisted of Market Loans (₹ 130.04 crore), Ways and Means Advances from the RBI (₹ 333.18 crore), Special Securities issued to National Small Savings Fund (₹ 136.39 crore), Loans from Financial Institutions (₹ 16.85 crore), and Other Loans (₹ 4.64 crore).

During the year, no Loans & Advances from the Central Government were received by Government of Arunachal Pradesh.

1.5 Public Account Receipts

Receipts and disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances, etc., which do not form part of the Consolidated Fund, are kept in Public Accounts set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. Here, the Government acts as a banker. After disbursements, the balance is the fund available for use with the Government.

Table - 1.13: Public Account Receipts

(₹ in crore)

Sources of State's Receipts	2011-12	2012-13	2013-14	2014-15	2015-16
Public Accounts Receipts	4224.65	4113.19	5705.44	4018.72	6038.90
Small Savings, Provident Fund, etc;.	256.02	278.81	308.36	405.28	387.63
Reserve Funds	19.00	20.00	62.54	20.00	200.00
Deposits & Advances	940.44	1032.07	1370.75	2081.34	1946.75
Suspense & Miscellaneous	10.55	(-) 0.07	963.98	(-) 1691.51	(-)480.14
Remittances	2998.64	2782.38	2999.81	3203.61	3984.66

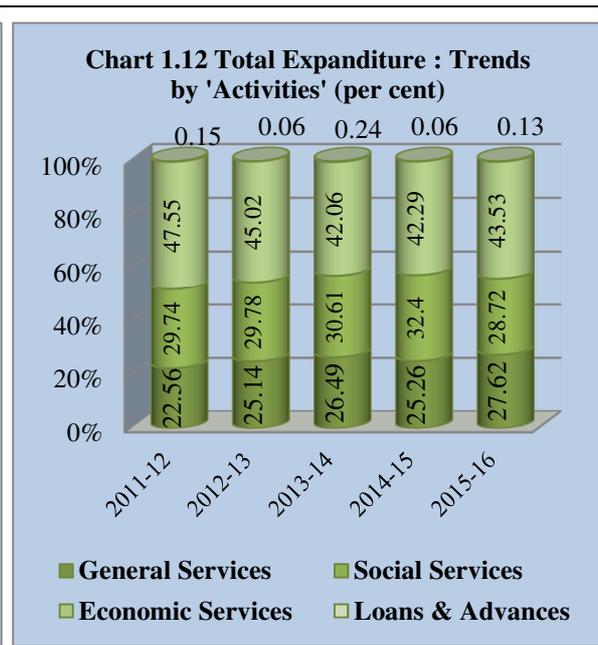
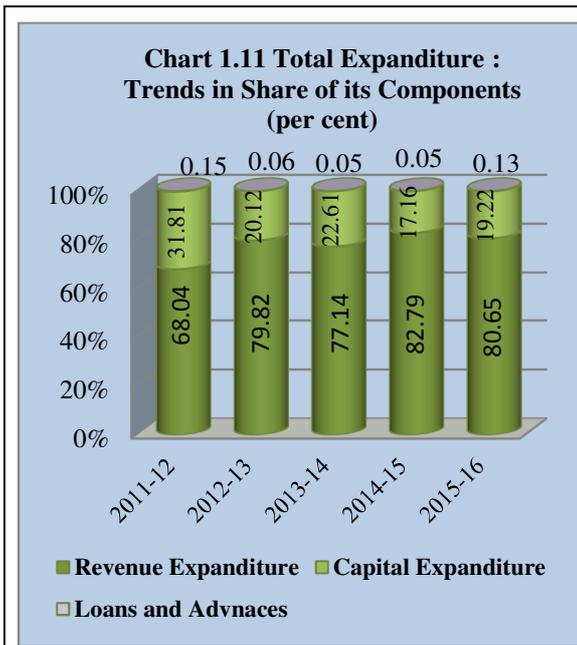
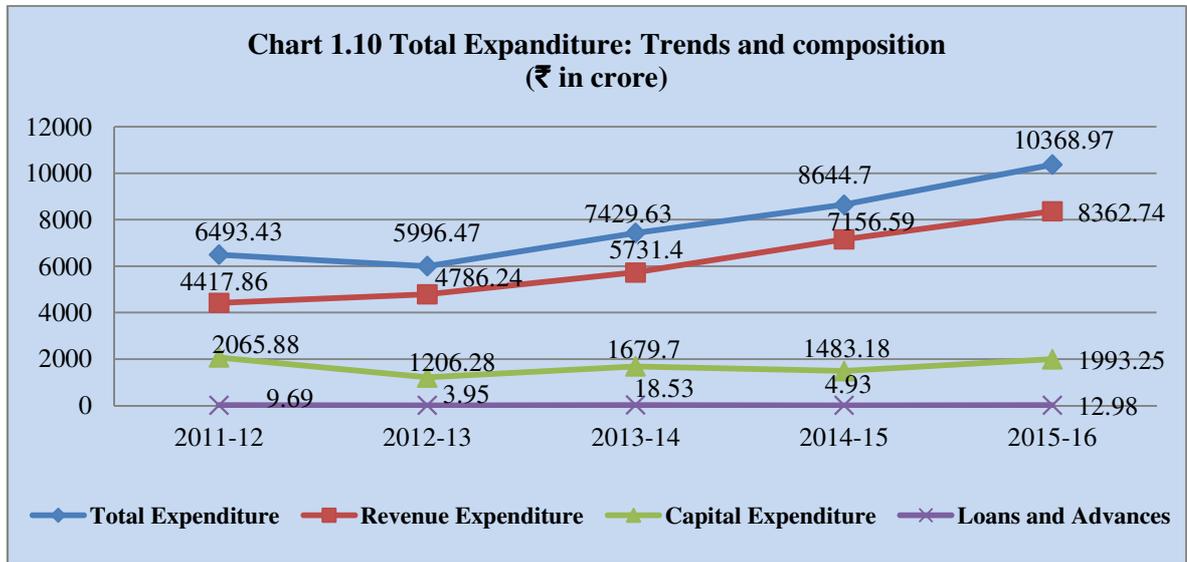
Finances of The State Government

1.6 Application of Resources

Analysis of allocation of expenditure at State Government level assumes significance since major expenditure responsibilities are entrusted with the State Government. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. Therefore, it is important to ensure that the ongoing fiscal correction and consolidation process at State level is not at the cost of expenditure, especially expenditure directed towards development and Social sectors.

1.6.1 Growth and Composition of Expenditure

Chart 1.10 presents trends in total expenditure over five years (2011-12 to 2015-16). The composition, both in terms of 'economic classification' and 'expenditure by activities,' are depicted in Charts 1.11 and 1.12 respectively.



Finances of The State Government

Total Expenditure of the State increased by ₹ 3875.54 crore (59.68 per cent) from ₹ 6493.43 crore in 2011-12 to ₹ 10,368.97 crore in 2015-16. Total Expenditure, its annual growth rate, the ratio of expenditure to the State GSDP and to Revenue receipts and its buoyancy with respect to GSDP and Revenue Receipts are indicated in **Table 1.14**.

Table - 1.14: Total Expenditure – Basic Parameters

(₹ in crore)					
Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Total Expenditure (TE) (₹ in crore)	6493.43	5996.47	7429.63	8644.70	10368.97
<i>Non-Plan Expenditure</i>	2863.63	3092.26	3966.49	4268.05	5671.80
<i>Plan Expenditure</i>	3629.80	2904.21	3463.14	4376.65	4697.17
Rate of Growth of TE (per cent)	20.25	(-) 7.65	23.90	16.35	19.95
TE/GSDP Ratio (per cent)	58.70	47.79	50.86	52.75	53.25
RR/TE Ratio (per cent)	84.69	96.08	78.34	105.68	101.78
Buoyancy of Total Expenditure with reference to					
GSDP (ratio)	0.89	(-)0.57	1.46	1.34	1.06
RR (ratio)	14.26	(-) 1.60	23.43	0.29	1.29

The increase of ₹ 1724.27 crore (19.95 per cent) in Total Expenditure during 2015-16 over the previous year was on account of increase of ₹ 1206.15 crore in Revenue Expenditure, followed by increase in Capital Expenditure by ₹ 510.07 crore and Loans and Advances by ₹ 8.05 crore. While the share of Plan Expenditure constituted around 45.30 per cent (₹ 4697.17 crore) of the Total Expenditure, the remaining 54.70 per cent (₹ 5671.80 crore) was Non-plan Expenditure. Buoyancy of Total Expenditure to Revenue Receipts stood at 1.29, indicating significant increase in Total Expenditure at a much higher pace compared to Revenue Receipt.

In terms of activities, Total Expenditure comprises of expenditure on General Services, including Interest Payments, Social and Economic Services, and Loans & Advances. Of the Total Expenditure in 2015-16, expenditure on General Services, including Interest Payments, which are considered as non-developmental, together accounted for 27.62 per cent. On the other hand, expenditure on Social & Economic Services (Revenue & Capital) together accounted for 72.36 per cent during 2015-16. The relative share of Social Services decreased from 32.40 per cent in 2014-15 to 28.73 per cent in 2015-16. The relative share of Economic Services increased from 42.29 per cent in 2014-15 to 43.53 per cent in 2015-16.

1.6.2 Revenue Expenditure

Revenue Expenditure is incurred to maintain the current level of services and payment of past obligations and does not result in any addition to the State's infrastructure and service network. The overall Revenue Expenditure, its rate of growth, ratio of Revenue Expenditure to GSDP and Revenue Receipts and its buoyancy are indicated in **Table 1.15**.

Finances of The State Government

Table - 1.15: Revenue Expenditure – Basic Parameters

(₹ in crore)					
Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Expenditure (RE)	4417.86	4786.24	5731.40	7156.59	8362.74
<i>of which</i>					
Non-Plan Revenue Expenditure (NPRE)	2853.86 (64.60)	3087.41 (64.51)	3957.59 (69.05)	4245.71 (59.33)	5659.40 (67.67)
Plan Revenue Expenditure (PRE)	1564.00 (35.40)	1698.83 (35.49)	1773.81 (30.95)	2910.88 (40.67)	2703.34 (32.33)
Rate of Growth of					
Rate of Growth of RE (per cent)	17.99	8.34	19.75	24.87	16.85
Ratio (per cent) of					
RE as percentage of TE	68.04	79.82	77.14	82.79	80.65
Buoyancy Ratio of RE with					
GSDP	0.79	0.62	1.20	2.04	0.90
Revenue Receipts	12.67	1.75	19.36	0.44	1.09

(Figures in brackets represent percentages to Revenue Expenditure)

Revenue Expenditure increased by ₹ 3944.88 crore from ₹ 4417.86 crore in 2011-12 to ₹ 8362.74 crore in 2015-16 at a CAGR of 17.30 per cent. Non-Plan Revenue Expenditure (NPRE) during the same period increased from ₹ 2853.86 crore in 2011-12 to ₹ 5659.40 crore in 2015-16, at a CAGR of 18.67 per cent outpacing the growth of Revenue Expenditure during the period. As a percentage of total Revenue Expenditure, NPRE also increased from 64.60 per cent in 2011-12 to 67.67 per cent in 2015-16. As a result, the share of Plan Revenue Expenditure (PRE) in the total Revenue Expenditure, which normally covers maintenance expenditure incurred on services, showed marginal decrease from 35.40 per cent during 2011-12 to 32.33 per cent during 2015-16.

1.6.3 Capital Expenditure

Capital Expenditure during 2015-16 (₹ 1993.25 crore) increased by ₹ 510.07 crore over the previous year due to increased expenditure on General Services (₹ 224.88 crore), Transport (₹ 205.62 crore), Irrigation and Flood Control (₹ 90.64 Crore), energy (₹ 22.18 crore). This expenditure constituted only 19.22 per cent of Total Expenditure during this year as compared to 17.16 per cent during the previous year. The State Government could not fulfil its commitment made in the Budget Estimates and Revised Estimates for incurring Capital Expenditure during the year, as the expenditure fell short of the Budget estimates (₹ 2865.97 crore) by 30.45 per cent and Revised Estimates (₹ 2554.01 crore) by 21.92 per cent.

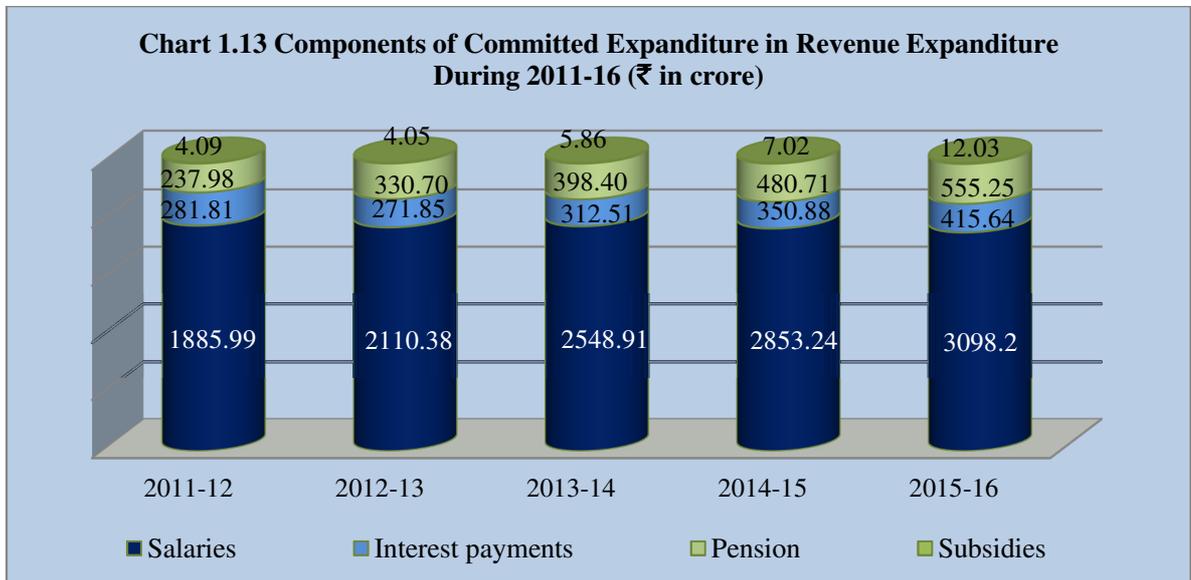
1.6.4 Committed Expenditure

Committed Expenditure of the State Government on Revenue Account mainly consists of Interest Payments, expenditure on Salaries, Pensions and Subsidies. **Table 1.16** and **Chart 1.13** present the trends in expenditure on these components during 2011-16.

Finances of The State Government

Table - 1.16: Components of Committed Expenditure

Components of Committed Expenditure	2011-12	2012-13	2013-14	2014-15	2015-16
Salaries	1885.99	2110.38	2548.91	2853.24	3098.20
<i>of which</i>					
<i>Non-Plan Head</i>	1569.99	1752.10	2098.77	2343.78	2864.40
<i>Plan Head</i>	316.00	358.28	450.14	509.46	233.80
Interest Payments	281.81	271.85	312.51	350.88	415.64
Expenditure on Pension and other Retirement Benefits	237.98	330.70	398.40	480.71	555.25
Subsidies	4.09	4.05	5.86	7.02	12.03
TOTAL	2409.87	2716.98	3265.68	3691.85	4081.12



Overall Committed Expenditure increased by ₹ 1671.25 crore (69.35 per cent) from ₹ 2409.87 crore in 2011-12 to ₹ 4081.12 crore in 2015-16. Committed Expenditure during 2015-16 constituted 48.80 per cent of Revenue Expenditure and 38.67 per cent of Revenue Receipts. Component-wise analysis is given below:

1.6.4.1 Expenditure on Salaries

During 2015-16, Salaries alone accounted for 29.36 per cent of Revenue Receipts of the State. It increased by 8.59 per cent (₹ 244.96 crore) from ₹ 2853.24 crore in 2014-15 to ₹ 3098.20 crore in 2015-16, and but, fell short of the projection made in the Macro Economic Framework Statement⁵ (MEFS) of March 2016 (₹3181.22 crore) by ₹83.02 crore.

⁵ A statement presented to the State Legislature at the time of the budget under FRBM Act and the rules thereunder. It contains an assessment of growth prospects of the economy with specific underlying assumption like expected GSDP, fiscal balance of the State Government, etc.

Finances of The State Government

1.6.4.2 Interest Payments

Interest Payments, comprising of interest on Internal Debt, Small Savings, Provident Funds, etc., Loans & Advances from the Central Government and other obligations increased by ₹ 64.76 crore (18.46 per cent) from ₹ 350.88 crore in 2014-15 to ₹ 415.64 crore in 2015-16. Interest Payments (₹ 415.64 crore) were higher than the projections made by the XIV FC (₹ 330.00 crore) and lower than the MEFS of March 2016 (₹ 439.77 crore).

1.6.4.3 Expenditure on Pension Payments

Pension Payments (including other Retirement Benefits) indicated an increasing trend during the 5 year period (2011-16). Pension Payments increased by ₹ 74.54 crore (15.51 per cent) over the previous year. A comparative analysis of actual Pension Payments and the assessment/projection made by the XIV FC and the State Government showed that actual Pension Payments exceeded the assessment made by the XIV FC by ₹ 170.25 crore but lower than the projection made by the State Government in its Budget for 2015-16 by ₹ 130.71 crore as shown in (Table 1.17).

Table-1.17: Actual Pension Payments vis-à-vis Projection

(₹ in crore)

Year	Assessment made		Actuals	Excess over assessment made	
	by XIV FC	Budget		by XIV FC	in Budget
2015-16	385.00	739.19	555.25	170.25 (44.22)	(-183.94 (24.88))

(Figures in brackets represent percentages)

1.6.4.4 Subsidies

Table 1.16 shows that expenditure on payment of Subsidies increased by 71.37 per cent from ₹ 7.02 crore in 2014-15 to ₹ 12.03 crore during the current year. It constituted 0.14 per cent of Revenue Expenditure. The single recipient of Subsidies in 2015-16 was Agriculture (₹ 12.03 crore).

1.6.5 Financial Assistance by the State Government to Local Bodies NGOs and others

The quantum of assistance provided by way of Grants and Loans to Local Bodies and others during the current year, relative to previous years is presented in Table 1.18

Table - 1.18: Financial Assistance to Local Bodies NGOs and others

(₹ in crore)

Institutions	2011-12	2012-13	2013-14	2014-15	2015-16
University and Educational Institutions	3.95	6.85	6.64	11.16	7.39
Cultural Institutions/Voluntary Organizations for promotion of Arts & Culture	0.46	3.06	1.00	0.00	2.22
State Institute of Rural Development	0.20	0.60	0.40	0.00	0.66

Finances of The State Government

Institutions	2011-12	2012-13	2013-14	2014-15	2015-16
Social Welfare	0.60	0.53	0.57	0.57	0.44
Food and Warehousing	18.57	3.65	105.91	22.09	0.00
Co-operation	1.27	0.75	1.05	3.22	1.25
Other Institutions ⁶	0.58	7.49	21.81	7.59	14.21
TOTAL	25.63	22.93	137.38	44.63	26.03
<i>Assistance as percentage of RE</i>	<i>0.58</i>	<i>0.48</i>	<i>2.40</i>	<i>0.62</i>	<i>0.31</i>

Financial assistance extended to Local Bodies NGOs and other Institutions with inter-year variations decreased by 41.68 *per cent* from ₹ 44.63 crore in 2014-15 to ₹ 26.03 crore in 2015-16. The share of financial assistance in Revenue Expenditure also significantly decreased from 0.62 *per cent* in 2014-15 to 0.31 *per cent* during the current year. University and Educational Institutions were the major recipients (around 28 *per cent*) of the financial assistance followed by Other Institutions (Other Scientific Bodies 27 *Per cent*, Municipal Council 26 *Per cent*).

1.7 Quality of Expenditure

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

1.7.1 Adequacy of public Expenditure

The expenditure responsibilities relating to Social sector and Economic infrastructure are largely assigned to State Governments. Enhancing human development levels requires the State to step up their expenditure on Key Social Services like Education, Health, etc. **Table 1.19** analyses the fiscal priority given by the State Government to various expenditure heads in 2012-13 and the current year viz., 2015-16 with regard to Developmental Expenditure, Social Sector Expenditure and Capital Expenditure.

⁶ *Other Institutions include Municipal committees and Scientific Bodies*

Finances of The State Government

Table-1.19: Fiscal priority of the State in 2012-13 and 2015-16

Fiscal priority by the State	<i>(in per cent)</i>					
	AE/GSDP	DE/AE	SSE/AE	CE/AE	Education/AE	Health/AE
Special Category State Average (Ratio) 2012-13	22.23*	69.92	38.42	15.53	20.86	5.58
Arunachal Pradesh Average (Ratio) 2012-13	47.79	74.81	29.78	20.12	12.90	4.54
Special Category State Average (Ratio) 2015-16	21.66*	70.41	39.78	13.95	20.63	6.41
Arunachal Pradesh Average (Ratio) 2015-16	53.25	72.36	28.73	19.22	13.46	4.97

* Exclude Jammu & Kashmir and Manipur
 AE: Aggregate Expenditure; DE: Development Expenditure; SSE: Social Sector Expenditure; CE: Capital Expenditure
 #Developmental expenditure includes Developmental revenue expenditure, Developmental capital Expenditure and Loans and Advances disbursed.
 (Source: For GSDP, Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation website as on 29 July 2016)

A comparison of the data related to Arunachal Pradesh with that of the Special Category States (SCS) revealed the following:

- Development Expenditure as a proportion of aggregate expenditure has been higher in the State as compared to the SCS average both during 2012-13 and 2015-16.
- Expenditure on Social Sector as a proportion of aggregate expenditure was lower than the SCS average during 2012-13 and 2015-16. The share of expenditure on education as a proportion of aggregate expenditure was also lower than the SCS averages in both the years, though it improved in 2015-16. The share of expenditure on health as a proportion of aggregate expenditure was also less than the SCS averages in 2012-13 and 2015-16.
- The share of Capital Expenditure of the State was higher than the SCS average in both the years 2012-13 and 2015-16.

1.7.2 Efficiency of Expenditure Use

In view of the importance of public expenditure for social and economic development, it is important for the State Government to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods⁷. Apart from improving allocation towards Development Expenditure, the efficiency of expenditure use is also reflected by the ratio of Capital Expenditure to Total Expenditure (and/or GSDP) and proportion of Revenue Expenditure being spent on operation and maintenance of existing Social and Economic Services infrastructure. The higher the ratio of these components to Total Expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.20** presents the trend in Development Expenditure relative to the aggregate expenditure of the State during the current year *vis-à-vis* budget and the previous years, **Table 1.21** shows details of Capital Expenditure and components of Revenue Expenditure incurred on maintenance of the selected Social and Economic Services infrastructure.

⁷ Appendix - I.I.C.

Finances of The State Government

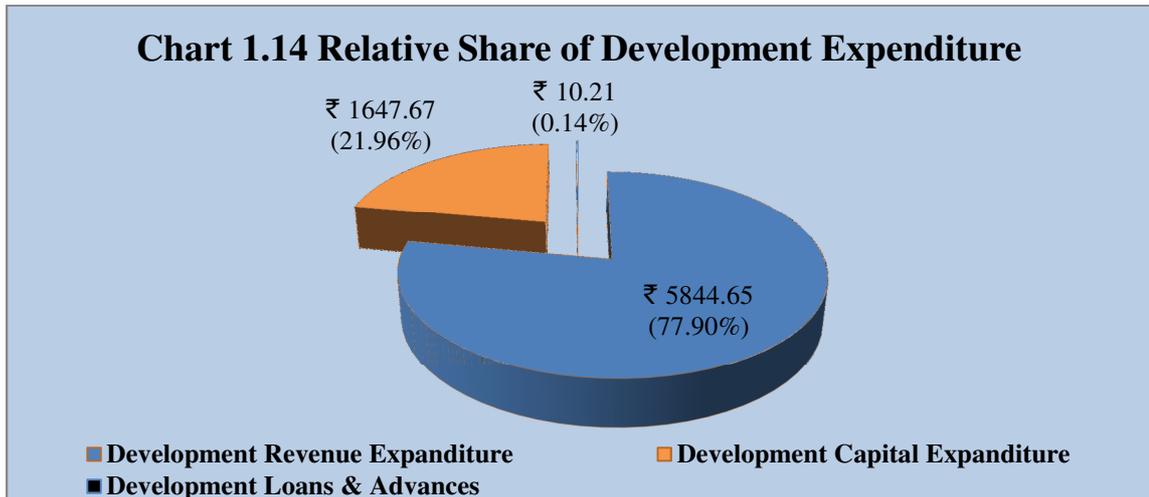
Table - 1.20: Development Expenditure

(₹ in crore)

Components of Development Expenditure	2011-12	2012-13	2013-14	2014-15	2015-16	
					BE (Net)	Actuals
Development Expenditure {(a) to (c)}	5024.44 (77.38)	4486.17 (74.81)	5459.08 (73.48)	6456.92 (74.69)	8076.79 (66.32)	7502.53 (72.36)
(a) Development Revenue Expenditure	3133.42 (48.26)	3362.78 (56.08)	3951.34 (53.18)	5094.00 (58.93)	6331.82 (52.00)	5844.65 (56.37)
(b) Development Capital Expenditure	1885.07 (29.03)	1122.42 (18.72)	1491.89 (20.08)	1362.48 (15.76)	1744.97 (14.32)	1647.67 (15.89)
(c) Development Loans & Advances	5.95 (0.09)	0.97 (0.01)	15.85 (0.21)	0.44 (0.01)	6.00 (0.05)	10.21 (0.10)

(Figures in brackets indicate percentage to Aggregate Expenditure)

Development Expenditure increased by 16.19 per cent over the previous year, but fell short of the assessment made in the Budget Estimates by 7.11 per cent. The relative share of Development Expenditure during 2015-16, given in **Chart 1.14** below, shows that around 77.90 per cent of Development Expenditure was incurred on Revenue Account and only 21.96 per cent was utilized for Capital Expenditure.



During the current year, Development Capital Expenditure as a percentage of Total Expenditure increased to 15.89 per cent as compared to 15.76 per cent in 2014-15, but fell short to the budget projection by 5.58 per cent. This was a desirable improvement in the expenditure pattern. However, the predominant share of Revenue Expenditure in Development Expenditure indicated that more emphasis was given on maintenance of current level of services, which did not result in any addition to the State's infrastructure and service network. Thus, the expenditure pattern under this sector needs further correction in the ensuing year.

Finances of The State Government

Table - 1.21 Efficiency of Expenditure Use in selected Social and Economic Services

(Figures in per cent)

Social/Economic Services	2014-15		2015-16	
	Capital Exp. to Total Exp.	Share of Salary in Revenue Exp.	Capital Exp. to Total Exp.	Share of Salary in Revenue Exp.
Social Services	15.80	46.53	14.17	47.04
General Education	4.71	60.10	3.94	54.02
Technical Education, Sports and Arts & Culture	52.67	45.62	44.95	46.03
Health & Family Welfare	5.87	51.38	5.05	59.66
Water Supply & Sanitation, Housing and Urban Development	38.24	23.75	32.30	21.70
Other Social Services	11.41	29.11	14.36	39.12
Economic Services	25.18	31.27	27.15	28.46
Agriculture & Allied Activities	1.05	34.49	2.07	39.81
Irrigation & Flood Control	20.09	42.68	40.91	32.08
Energy	19.55	40.27	18.74	37.20
Transport	41.18	20.15	41.99	15.10
Other Economic Services	20.73	34.57	16.36	30.90

Social Services

Trends in Capital Expenditure on Social Services revealed that the share of Capital Expenditure to Total Expenditure during the period in 2014-15 was 15.80 *per cent* and decreased to 14.17 *per cent* in 2015-16, which indicated that Revenue Expenditure was dominant. There was significant decrease in the share of Capital Expenditure to Total Expenditure on Technical Education, Sports and Arts & Culture followed by Water Supply & Sanitation, Housing and Urban Development, Health & Family Welfare and General Education but, an increase in Other Social Services. Under General Education only 3.94 *per cent* of the Total Expenditure was incurred on Capital Account during 2015-16, and also showed significant decline as against 4.71 *per cent* during the previous year.

Of the Revenue Expenditure on Social Services, the share of Salary component increased from 46.53 *per cent* in 2014-15 to 47.04 *per cent* in 2015-16. Within the priority Sectors, non-salary components continued to have the dominant share under Water Supply, Sanitation, Housing and Urban Development. High Salary Expenditure was observed under General Education (2014-15: 60.10 *per cent* and 2015-16: 54.02 *per cent*) and Health & Family Welfare Services (2014-15: 51.38 *per cent*; 2015-16: 59.66 *per cent*).

Economic Services

Expenditure on Economic Services (including Loans & Advances) during 2015-16 (₹ 4523.60 crore) accounted for about 43.63 *per cent* of the Total Expenditure⁸ and 60.16 *per cent* of Development Expenditure during the year. Out of the Total Expenditure on Economic Services during the current year, 42.80 *per cent* (₹ 1931.54 crore) was incurred on Transport, 15.26 *per cent* (₹ 688.73 crore) on Energy and 15.07 *per cent* (₹ 680.14 crore) on Agriculture & Allied Activities.

⁸ Revenue Expenditure + Capital Expenditure + Disbursement of Loans & Advances

Finances of The State Government

Trends in Revenue Expenditure on Economic Services indicated that under these heads, expenditure showed an increasing trend of ₹ 552.37 crore. Capital Expenditure on Economic Services increased by ₹ 305.44 crore compared to previous year. The share of Capital Expenditure on Economic Services to the total Revenue and Capital Expenditure on Economic Services increased from 25.18 *per cent* in 2014-15 to 27.15 *per cent* in 2015-16. Revenue Expenditure on Economic Services also consistently increased from ₹ 1748.00 crore in 2011-12 to ₹ 3287.98 crore (88.10 *per cent*) in the current year. An increase of ₹ 552.37 crore (20.19 *per cent*) during 2015-16 over the previous year in Revenue Expenditure was mainly due to the increase under Transport (₹ 255.82 crore), Rural Development (₹ 143.07 crore) and Energy (₹ 119.82 crore) partly offset by decrease under Special Areas Programme (₹ 88.76 crore). Within Revenue Expenditure on Economic Services, the Salary component constituted 31.27 *per cent* and 28.46 *per cent* during 2014-15 and 2015-16 respectively.

1.8 Financial Analysis of Government Expenditure and Investments

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

1.8.1 Investment and Returns

As per Statement 8 and 19 of the Finance Accounts for 2015-16, as of 31 March 2016, the State Government invested ₹ 249.11 crore in 5 Government Companies (₹ 9.00 crore) and 150 Co-operative Banks and Societies (₹ 240.11 crore). Details are given in **Table 1.22**.

Table-1.22: Return on Investment

Investment/Return/Cost of Borrowings	2011-12	2012-13	2013-14	2014-15	2015-16
<i>(₹ in crore)</i>					
Investment at the end of the year (₹ in crore)					
(i) Government Companies	9.04	9.04	9.00	9.00	9.00
(ii) Co-operative Bank/Societies	212.62	215.14	236.05	238.59	240.11
TOTAL	221.66	224.18	245.05	247.59	249.11
Return (₹ in crore)	-	-	-	-	-
Return (per cent)	-	-	-	-	-
Average Rate of Interest on Government Borrowings (per cent)	7.52	6.41	6.66	6.35	6.92
Difference between Interest Rate & Return rate (per cent)	7.52	6.41	6.66	6.35	6.92

Finances of The State Government

During 2011-16, the average return on investment was 'Nil', while the Government paid interest at an average rate of 6.35 to 7.52 *per cent* on its borrowings during the period. Out of ₹ 9.00 crore invested in five government companies, ₹ 7.97 crore was invested in three loss making companies, which had accumulated loss of ₹ 26.66 crore as detailed in **Table 1.23**. Up to date working results of four government companies and all the Co-operative societies had not been intimated (October 2016).

Table-1.23: Details of loss making Government companies

(₹ in crore)

Name of the companies	Amount invested as of March 2016	Invested up to	Accumulated loss	Periods up to ⁹
Arunachal Pradesh Forest Corporation Limited	3.80	1995-96	4.58	2006-07
Arunachal Pradesh Industrial Development and Financial Corporation	1.78	2006-07	20.27	2014-15
Arunachal Pradesh Mineral Development and Trading Corporation	2.39	2006-07	1.81	1999-00
Total	7.97		26.66	

1.8.2 Loans & Advances by the State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the Government also provided Loans & Advances for other purposes, e.g., loans to Power Projects, Government servants, Tourism, *etc.*, **Table 1.24** shows outstanding Loans & Advances as on 31 March 2015 and Interest Receipts *vis-à-vis* Interest Payments during the last five years.

Table - 1.24: Average Interest received on Loans & Advances given by the State Government

(₹ in crore)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
OPENING BALANCE	59.07	65.86	66.86	81.97	59.49
Amount advanced during the year	9.69	3.95	18.53	4.93	12.98
Amount recovered during the year	2.90	2.95	3.42	27.41	5.48
CLOSING BALANCE	65.86	66.86	81.97	59.49	66.99
<i>Net Addition</i>	6.79	1.00	15.11	-22.48	7.50
Interest Receipts	0.66	1.32	1.84	0.78	1.04
Interest received as <i>percentage</i> to outstanding Loans & Advances	1.06	1.99	2.47	1.10	1.55
Interest payments as <i>percentage</i> to outstanding fiscal liabilities of the State Govt.	7.52	6.41	6.66	6.35	6.92
Difference between Interest Payments & Receipts (<i>percentage</i>)	6.46	4.42	4.19	5.25	5.37

Loans & Advances given by the State Government increased from ₹ 4.93 crore in 2014-15 to ₹ 12.98 crore in 2015-16. During 2011-12 to 2015-16, recovery of Loans & Advances was ₹ 42.16 crore against ₹ 49.98 crore advanced during the period. The total outstanding Loans

⁹ Accounts for the subsequent years are in arrears

Finances of The State Government

& Advances as on 31 March 2016 was ₹ 66.99 crore. Interest Receipts of ₹ 1.04 crore on Loans & Advances by the Government of Arunachal Pradesh during 2015-16 constituted only 1.55 per cent of outstanding Loans & Advances at the end of 2015-16.

1.8.3 Cash Balances and Investment of Cash Balances

Table 1.25 depicts Cash Balances and Investments made by the State Government out of Cash Balances during the year.

Table-1.25: Cash Balances and Investment of Cash Balances

Particulars	(₹ in crore)		
	As on 1 st April 2015	As on 31 st March 2016	Increase(+)/ Decrease(-)
Cash Balances¹⁰	1073.43	1275.61	202.18
Investments from Cash Balances (a & b)	825.83	2026.86	1201.03
a. GoI Treasury Bills	825.83	2026.86	1201.03
b. GoI Stock/Securities	-	-	-
Fund-wise break-up of Investment from Earmarked Balances (a & b)	169.90	369.90	200.00
a. Sinking Fund Investment Account	169.90	369.90	200.00
b. Other Development & Welfare Funds	-	-	-
Interest realized on Investment of Cash Balances	12.34	38.07	25.73

Cash Balances of the State Government at the end of the current year increased from ₹ 1073.43 crore in 2014-15 to ₹ 1275.61 crore in 2015-16. As of 31 March 2016, the State Government invested ₹ 2026.86 crore in GoI Treasury Bills. During 2015-16, Interest of ₹ 38.07 crore was earned on investment of Cash Balances.

It is generally desirable that the State's flow of resources should match its expenditure obligations. However, to take care of any temporary mismatches in the flow of resources and expenditure obligations, a mechanism of Ways and Means Advances (WMA), Ordinary or Special, from the Reserve Bank of India (RBI) has been put in place. The operating limit for ordinary WMA is reckoned as the three year average of Revenue Receipts and the operative limit for special WMA is fixed by RBI from time to time depending on the holding of Government securities.

Under the agreement with the RBI, the State Government has to maintain an all-time minimum balance of ₹ 26.00 lakh with RBI. If the balance falls below the agreed minimum, the government can take ordinary WMA from the RBI, in addition, special WMA are made available against GoI securities held by the State Government. Overdrafts are given by the RBI, if the state has a minus balance after availing of the maximum advances.

During the year 2015-16, the state government have availed WMAs and overdrafts as detailed in the **Table 1.26**

¹⁰ Excluding investment of Earmarked Funds

Finances of The State Government

Table - 1.26: Transaction relating to WMAs obtained from the RBI during 2015-16
(₹ in crore)

Particulars	Balance as on 1st April 2015	Amount obtained	Amount repaid	Balance as on 31st March 2016	Interest paid during the year	Number of days
Ordinary Ways and Means Advance	95.13	11.40	108.90	(-)2.37	0.76	2
Special Ways and Means Advance	258.13	88.41	138.96	207.58	0.42	12
Shortfall/Overdraft	(-)24.01	233.37	814.75	(-)605.39	3.23	14
Total	329.25	333.18	1062.61	(-)400.18	4.41	28

As it can be seen from the above table, during the year 2015-16, the government resorted to normal and special Ways and Means Advances and Overdrafts from (RBI for 2, 12 and 14 days respectively (total 28 days). During 2015-16, the quantum of the advances was ₹ 333.18 crore and the State government repaid ₹ 1062.61 crore leaving a favourable balance of ₹ 400.18 crore as on 31 March 2016. The increase in the cash balance as on 31 March 2016 over 31 March 2015 was to the extent of ₹ 729.43 crore.

1.9 Assets and Liabilities

1.9.1 Growth and Composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of Fixed Assets like land and buildings owned by the Government is not done. However, Government accounts do capture financial liabilities of the Government and assets created out of expenditure incurred. **Appendix 1.5** gives an abstract of such liabilities and assets as on 31st March 2016, compared with the corresponding position on 31st March 2015. While liabilities in the Appendix consist mainly of Internal Borrowings, Loans & Advances from GoI, receipts from Public Account and Reserve Funds, Assets comprise mainly of Capital Outlay and Loans & Advances given by the State Government and Cash Balances.

1.9.2 Fiscal Liabilities

Trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.3**. However, the composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Charts 1.15** and **1.16**.

Finances of The State Government

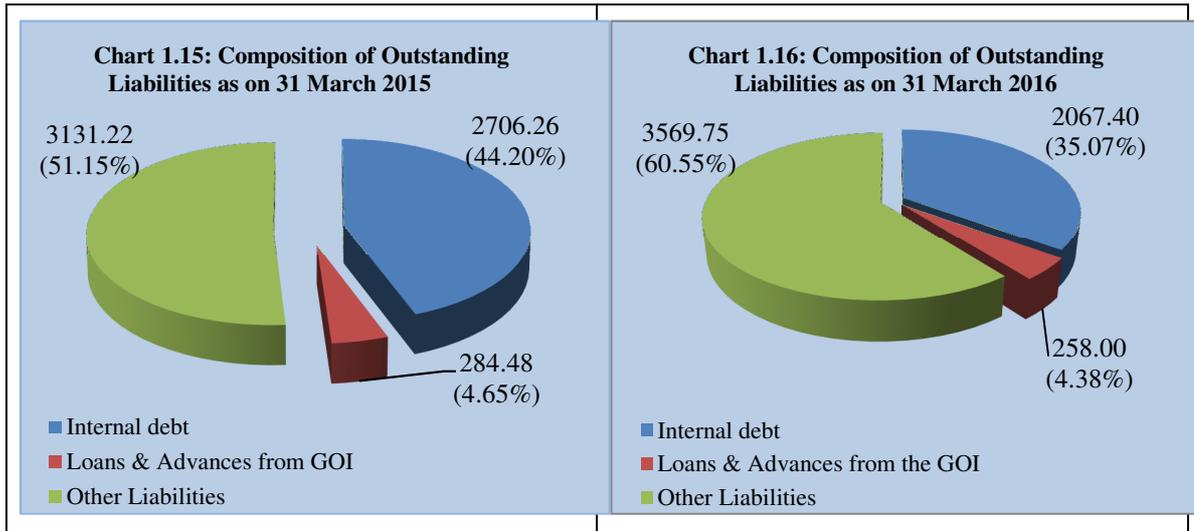


Table 1.27 gives the Fiscal Liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP to Revenue Receipts and the State's Own Resources and also the buoyancy of Fiscal Liabilities with reference to these parameters. And Chart 1.17 depicts the composition of the Fiscal Liabilities.

Table - 1.27: Fiscal Liabilities – Basic Parameters

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Fiscal Liabilities¹¹ (₹ in crore)	4036.15	4443.04	4935.59	6121.96¹²	5895.15
<i>Rate of Growth (per cent)</i>	16.78	10.08	11.09	24.04	(-)3.70
Ratio of Fiscal Liabilities to					
<i>GSDP (per cent)</i>	36.48	35.41	33.79	37.35	30.27
<i>Revenue Receipts (per cent)</i>	73.40	77.12	84.80	67.01	55.86
<i>Own Resources (per cent)</i>	594.99	739.62	587.87	665.58	635.81
Buoyancy of Fiscal Liabilities to					
GSDP (ratio)	0.74	0.75	0.68	1.97	(-)0.20
Revenue Receipts (ratio)	11.82	2.11	10.87	0.42	(-)0.24
Own Resources (ratio)	(-) 1.87	(-) 0.88	0.28	2.52	(-)4.61

Fiscal Liabilities of ₹ 5895.15 crore during 2015-16 consisted of Internal Debt (e.g., Market Loans bearing interest, WMA, loans from Financial Institutions and Special Securities issued to the National Small Savings Fund, etc.): ₹ 2067.40 crore; Loans & Advances from the Central Government: ₹ 258.00 crore; Public Account Liabilities (e.g. Small Savings, Provident Funds, Reserve Funds and Deposits, etc.): ₹ 3569.75 crore. While the Fiscal Liabilities of the State increased from ₹ 4036.15 crore

¹¹ Includes Internal Debt, Loans & Advances from Government of India, Small Savings, Reserve Funds Deposits and Provident Funds, etc.

¹² The difference of ₹ 0.25 crore between last year Closing Balance and this year Opening Balance is due to correction of error in calculation

Finances of The State Government

in 2011-12 to ₹ 5895.15 crore in 2015-16, it decreased by 3.70 per cent from ₹ 6121.96 crore in 2014-15 to ₹ 5895.15 crore in 2015-16. The ratio of Fiscal Liabilities to GSDP decreased from 37.55 per cent in 2014-15 to 30.27 per cent in 2015-16. These liabilities were around 56 per cent of Revenue Receipts. The overall liability was about 5.95 times the State's own receipts at the end of 2011-12, whereas it has become more than 6 times the State's own resources at the end of March 2016, which is a matter of concern.

1.9.3 Transactions under Reserve Fund

The total fiscal liabilities of ₹ 5895.15 crore include balance of ₹ 414.57 crore under Reserve Funds as on 31 March 2016. The State has three Reserve Funds viz., State Disaster Response Fund (SDRF), Sinking Funds and Other Funds.

The State Disaster Response Fund was set up by the State Government in 2010-11 with contribution of fund from GoI and the State Government in the ratio of 90:10. During 2015-16, GoI contributed ₹ 46.80 crore and ₹ 5.20 crore from the State Government which totalled ₹ 52.00 crore was transferred to current bank account without investing in the Central Government securities/interest bearing deposits as per the guidelines. No detail of expenditure incurred on natural calamities have been furnished by the government during current year. Moreover, as on 31st March 2016, an amount of ₹ 44.54 crore of previous year's balance remained in the fund un-invested.

The State Government set up a 'Consolidated Sinking Fund' in 1999-2000 for amortization of market borrowings, other loans and non-debt obligations as per the recommendation of XII FC. According to the guidelines of the RBI, which is responsible for management of the Fund, State Government is required to contribute a minimum of 0.5 per cent of the outstanding liabilities (internal debt plus public account) of the previous year. Accordingly, the contribution due from the state government was ₹ 30.61 crore (0.5 per cent of the total outstanding liabilities of ₹ 6,121.96 crore of State Government as on 31 March 2015). Against this, the State Government contributed ₹200.00 crore to the fund. As of 31 March 2016, ₹ 369.90 crore (including previous year's balance of ₹ 169.90 crore) was invested in GoI Securities.

1.9.4 Status of Guarantees – Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by borrowers for whom the Guarantee was extended. As per the Finance Accounts, the maximum amount for which Guarantees were given by the State and outstanding Guarantees at the end of the year since 2011-12 to 2015-16, is given in **Table 1.28**.

Table - 1.28: Guarantees given by the Government of Arunachal Pradesh

Particulars	(₹ in crore)				
	2011-12	2012-13	2013-14	2014-15	2015-16
Maximum Amount Guaranteed	2.00	2.00	2.00	2.00	2.00
Outstanding Amount of Guarantees (incl. Interest)	1.55	1.55	1.55	0.97	0.97
Percentage of Maximum Amount Guaranteed to Total Revenue Receipts	0.04	0.04	0.04	0.02	0.02

Finances of The State Government

The Government guaranteed loans to one Company, i.e., Arunachal Pradesh Industrial Development & Financial Corporation, Ltd., which at the end of 2015-16 stood at ₹ 0.97 crore.

No law under Article 293 of the Constitution was passed by the State Legislature laying down the maximum limit within which the Government may give Guarantees on the security of the Consolidated Fund of the State.

1.10 Debt Management

1.10.1 Debt Sustainability

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

Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine debt sustainability of the State.. **Table 1.29** shows the debt sustainability of the State according to these indicators for five year period from 2011-12 to 2015-16.

Table - 1.29: Debt Sustainability: Indicators and Trends

Indicators of Debt Sustainability	2011-12	2012-13	2013-14	2014-15	2015-16
Outstanding Debt	2209.36	2319.17	2504.24	2990.74	2325.40
Rate of Growth of Debt	1.44	4.97	7.98	19.43	(-)22.25
Debt Repayments/ Debt Receipts	0.81	0.60	0.48	0.68	2.07
Average interest rate of Outstanding Debt	15.74	7.76	7.66	7.99	9.16
Rate of Growth of GSDP	22.64	13.41	16.42	12.20	18.82
Debt/GSDP (<i>in per cent</i>)	31.24	32.17	30.42	30.12	31.44

Net availability of borrowed funds decreased from ₹ 835.25 crore in 2014-15 to negative ₹ 642.45 crore in 2015-16. In the current year, against borrowed funds of ₹ 3110.70 crore, the Government repaid ₹ 3337.51 crore as Principal and ₹ 415.64 crore as Interest on Internal Debt and other Liabilities,¹³ as a result of which no funds were available for development purposes from the total borrowings.

¹³ *Small Savings, Provident Funds, Reserve Funds, Deposits, etc.*

Finances of The State Government

1.10.2 Debt Profile

Though the state had Fiscal Surplus during the period 2014-15 to 2015-16, to discharge its expenditure obligations, the State Government had borrowed funds from different sources. The maturity profile of outstanding loans as on 31 March 2016 shows that 49.06 per cent of the loans are in the maturity bucket of within seven years as shown in **Table 1.30**, which is high. The State needs to make proper planning for repayment of this debt.

Table - 1.30: Maturity profile of State Public Debt

(₹ in crore)

Maturity profile (in years)	Year of Maturity	Amount		
		Internal Debt	Loans & Advances from GoI	Total Amount
Up to one year	2016-17	2.58	0.56	3.14
One to three years	2017-19	3.79	0.37	4.16
Three to five years	2019-21	2.31	0.37	2.68
Five to seven years	2021-23	3.40	0.30	3.70
Seven years and above	2023 and above	13.45	0.75	14.20
Total		25.53	2.35	27.88

Details of the Public Debt are available in Statement-17 of Finance Accounts 2015-16 and summarized in the **Table 1.31**.

Table - 1.31: Summary of Public Debt

(₹ in crore)

Sl No	Description of the Debt	Balance as on 01 April 2015	Additions during the year	Repayments during the year	Balance as on 31 March 2016	Interest paid during the years
1	Internal Debt	2706.26	621.10	1259.96	2067.40	223.47
2	Loans and Advances from GoI	284.48	-	26.48	258.00	20.04
Total		2990.74	621.10	1286.44	2325.40	243.51

The Public Debt of the State Government as on 01 April 2015 was ₹ 2990.74 crore with addition during the year 2015-16 of ₹ 621.10 crore. After discharging/re-payment of loan amount of ₹ 1286.44 crore during the year (excluding an interest payment of ₹ 243.51 crore), there was a closing balance of ₹ 2325.40 crore as on 31 March 2016.

1.11 Fiscal Imbalances

Three key fiscal parameters - Revenue, Fiscal and Primary Deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in Government Accounts represents the gap between receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, ways in which the deficit is financed and resources raised are applied are important pointers to its fiscal health. This Section presents trends, nature, magnitude, the manner of financing deficits and assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2015-16.

1.11.1 Trends in Deficits/Surplus

Charts 1.18 and 1.19 present the trends in deficit indicators over the period 2011-12 to 2015-16.

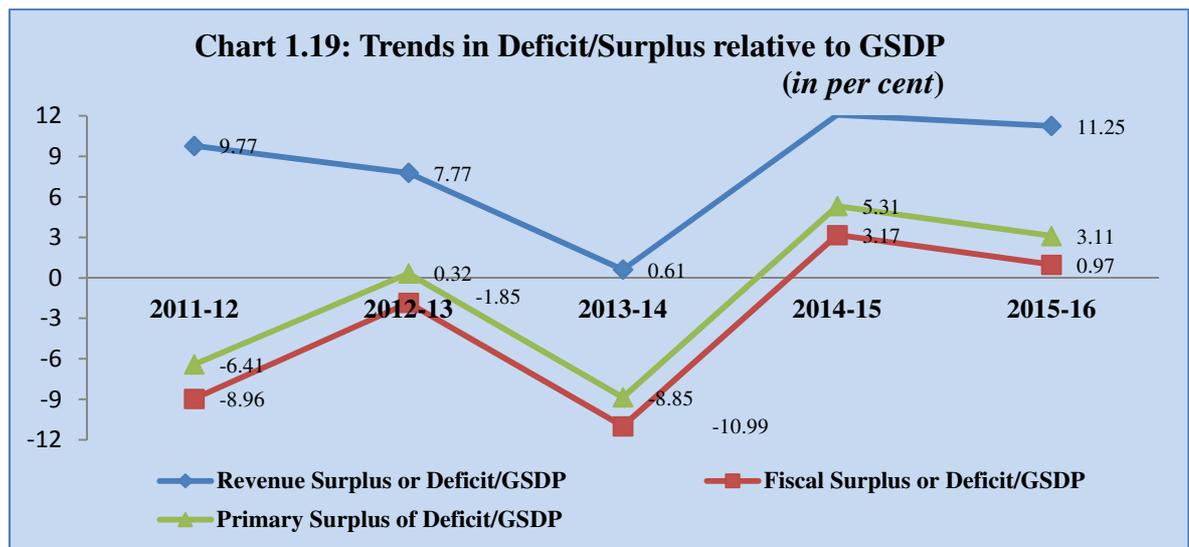
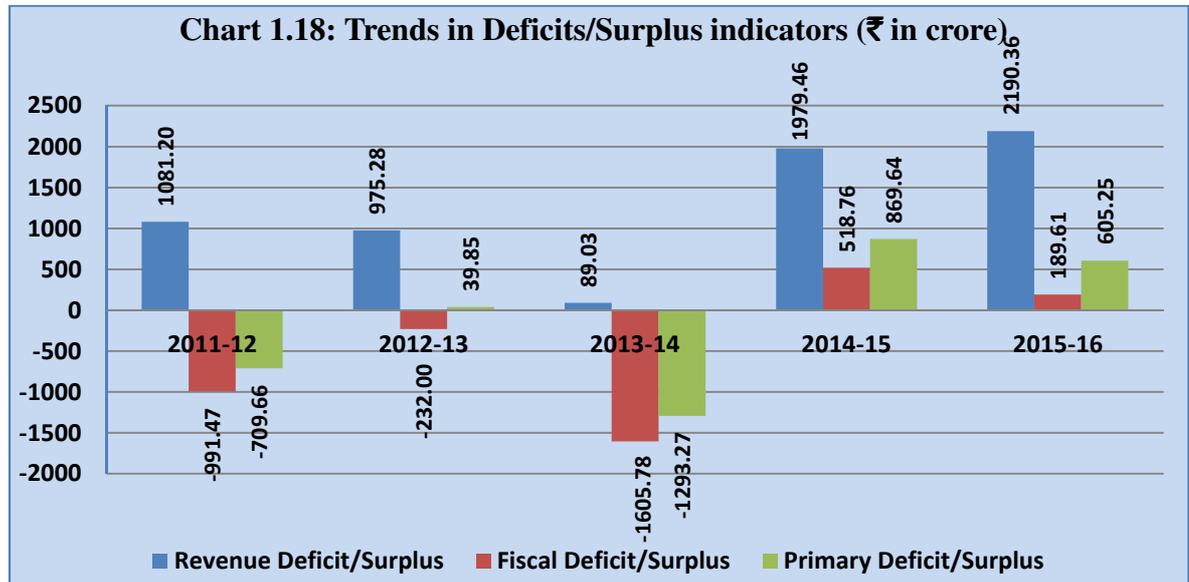


Chart 1.18 reveals that the State had Revenue Surplus during the period 2011-12 to 2015-16, which increased from ₹ 1979.46 crore in 2014-15 to ₹ 2190.36 crore in the current year. Compared to 2014-15, Revenue Surplus in 2015-16 significantly increased by ₹ 210.90 crore (10.65 per cent) due to significant increase in Revenue Receipts by ₹ 1417.05 crore in 2015-16 and only a marginal increase in Revenue Expenditure by ₹ 1206.15 crore in 2015-16.

Fiscal Surplus, which represents excess of total resource gap over the total borrowings of the Government, decreased from ₹ 518.76 crore in 2014-15 to ₹ 189.61 crore in 2015-16. The significant increase in Revenue Surplus (₹ 210.90 crore) over the previous year, mainly led to a Fiscal Surplus of ₹ 189.61 crore in the current year.

Finances of The State Government

As per recommendations of the XIV FC, *Fiscal Deficit of all States will be anchored to an annual limit of 3 per cent of GSDP*. The State was successful to maintain Fiscal Surplus for the last two years.

The Primary Deficit of ₹ 1293.27 crore, experienced by the State during 2013-14, took a turnaround in 2014-15 and followed in 2015-16, resulting in a Primary Surplus of ₹ 605.25 crore. The decrease of ₹ 264.39 crore (30.40 per cent) compared to previous year in primary surplus was due to decrease in Fiscal Surplus (₹ 329.15 crore) over the previous year which was partly offset by increase in Interest Payments by ₹ 64.76 crore.

1.11.3 Quality of Deficit/Surplus

The ratio of Revenue Deficit to Fiscal Deficit and decomposition of Primary Deficit into Primary Revenue Deficit and Capital Expenditure (including Loans & Advances) would indicate the quality of deficit in the State's finances. The ratio of Revenue Deficit to Fiscal Deficit indicates the extent to which borrowed funds were used for current consumption. Further, a persistently high ratio of Revenue Deficit to Fiscal Deficit also indicates that the asset base of the State is continuously shrinking and a part of borrowings (Fiscal Liabilities) does not have any asset back-up. The bifurcation of Primary Deficit (**Table 1.32**) would indicate the extent to which the deficit was on account of enhancement in Capital Expenditure, which may be desirable to improve the productive capacity of the State's economy.

Table - 1.32: Primary Deficit/Surplus – Bifurcation of Factors

Year	Non-Debt Receipt	Primary Revenue Expenditure	Capital Expenditure	Loans & Advances	Primary Expenditure	Primary Revenue Surplus	(₹ in crore)
							Primary Deficit (-)/ Surplus (+)
1	2	3	4	5	6 (3 + 4 + 5)	7 (2 - 3)	8 (2 - 6)
2011-12	5501.96	4136.05	2065.88	9.69	6211.62	1365.91	(-) 709.66
2012-13	5764.47	4514.39	1206.28	3.95	5724.62	1250.08	(+) 39.85
2013-14	5823.85	5418.89	1679.70	18.53	7117.12	404.96	(-)1293.27
2014-15	9163.46	6805.71	1483.18	4.93	8293.82	2357.75	(+)869.64
2015-16	10558.58	7947.10	1993.25	12.98	9953.33	2611.48	(+)605.25

Analysis of the factors resulting into Primary Deficit or Surplus of the State during 2011-12 to 2015-16 revealed that in two of the five years (i.e., 2011-12 and 2013-14), the State experienced Primary Deficit as the Non-Debt Receipts were not enough to meet expenditure requirements under Revenue, Capital and Loans & Advances Account during 2011-12 and 2013-14. However, during 2012-13, 2014-15 and 2015-16 Non-debt Receipts were sufficient to meet the expenditure requirement under Revenue, Capital and Loans & Advances Accounts, resulting in Primary Surplus. Primary Deficit of ₹ 1293.27 crore during 2013-14 turned into Primary surplus of ₹ 869.64 crore in 2014-15 and continued as Primary Surplus of ₹ 605.25 crore during the current year, which is desirable and needs to be maintained in a consistent manner.

Finances of The State Government

1.12 Follow-up on Audit Report on State Finances

The State Finance Report is being presented to the State Legislature from 2008-09 onwards. A discussion in Public Accounts Committee on this report is yet to take place.

1.13 Conclusion and Recommendations

The fiscal position of the State viewed in terms of key fiscal parameters - Revenue Surplus, Fiscal Deficit/Surplus and Primary Deficit/Surplus - indicated that the State maintained Revenue Surplus during 2011-12 to 2015-16, but Fiscal and Primary Deficits showed fluctuating trends. Fiscal Deficit of ₹1605.78 crore in 2013-14 took a turnaround and ended in Fiscal Surplus of ₹ 518.76 crore in 2014-15 and continued as Fiscal Surplus of ₹ 189.61 crore in 2015-16. Primary Deficit of ₹ 1293.27 crore in 2013-14 took a turnaround and ended in Primary Surplus of ₹ 869.64 crore in 2014-15 and continued as Primary Surplus of ₹ 605.25 crore in 2015-16.

Revenue Receipts

Revenue Receipts during 2015-16 grew by 15.51 per cent (₹1417.05 crore) over the previous year. Tax Revenue was 19.78 per cent lower than the assessment made by the XIV FC and 5.42 per cent higher than the assessment made in the Budget Estimates for the year. Collection of Non-Tax Revenue during 2015-16 was higher than the assessments made by the XIV FC (71.98 per cent), but lower than the Budget Estimates (20.36 per cent). Central Transfers, comprising of the State Share of Central taxes and GIA from GoI increased by ₹ 1409.66 crore in 2015-16 and contributed about 91 per cent of Revenue Receipts during the year. As such, the State primarily depends on resources transferred by the Central Government. The State's Own Resources as a percentage of Total Receipts declined from 12.34 per cent in 2011-12 to 8.79 per cent in 2015-16. This indicates that Central Transfers were the key to the increase in Revenue Receipts of the State.

Revenue and Total Expenditure

Revenue Expenditure of the State increased by 89.29 per cent from ₹ 4417.86 crore in 2011-12 to ₹ 8362.74 crore in 2015-16 and by 16.85 per cent (₹ 1206.15 crore) over previous year. This expenditure as a percentage of Total Expenditure decreased to 80.65 per cent in 2015-16 from 82.79 per cent in 2014-15. Non-Plan Revenue Expenditure (₹ 5659.40 crore) in 2015-16 was higher than the normative level of ₹ 5590.34 crore assessed in the Budget Estimates for the year. Further, Salaries, Pensions, Interest Payments and Subsidies continued to consume a major share of Revenue Expenditure, accounting for more than 49 per cent in 2015-16. Development Expenditure increased by 16.19 per cent over the previous year, but fell short of the assessment made in the Budget Estimates by 7.11 per cent. However, the relative share of Development Expenditure in 2015-16, showed that 78 per cent of Development Expenditure was incurred on Revenue Account and only 22 per cent was utilized for Capital Expenditure. A predominant share of Revenue Expenditure in Development Expenditure indicated that more emphasis was given on maintenance of the current level of resources, which did not result in any addition to the State's infrastructure and service network.

Finances of The State Government

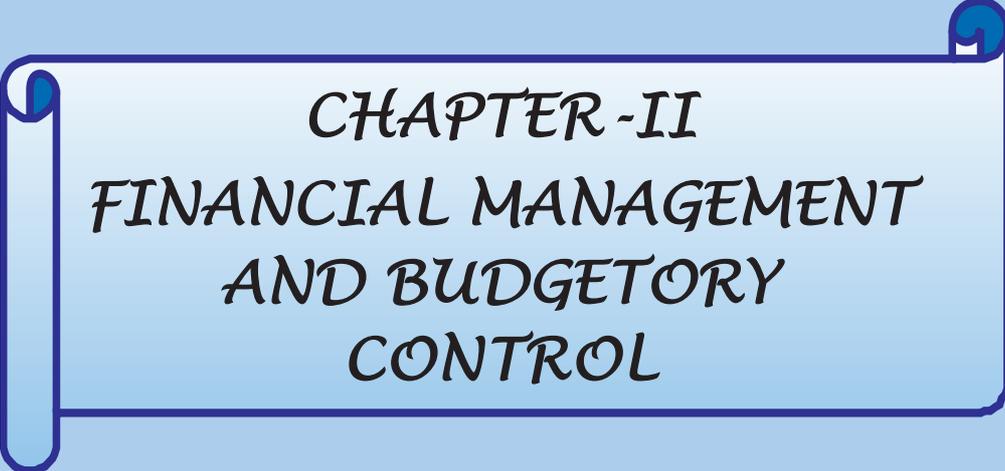
Fiscal Correction Path

During 2015-16, there was continuation in all the three major fiscal indicators - Revenue Surplus, Fiscal Surplus and Primary surplus compared to previous year. Fiscal Surplus in the current year indicated a stable fiscal position of the State.

During 2015-16, while the Government paid interest at an average rate of 6.92 *per cent* on its borrowings, the average return on investment in Government Companies and Co-operative Bank, Societies was 'Nil'. Cash Balances of the State at the end of 2015-16 increased to ₹ 1275.61 crore

No return on Government investments and inadequate interest cost recovery on Loans & Advances may lead to an unsustainable fiscal situation in the medium to long-term time-frame. The ratio of Fiscal Liabilities to GSDP decreased from 37.55 *per cent* in 2014-15 to 30.27 *per cent* in 2015-16. These liabilities were around 56 *per cent* of Revenue Receipts. The overall liability was about 5.95 times the State's own receipts at the end of 2011-12, whereas it has become more than six times the State's own resources at the end of March 2016, which is a matter of concern. The maturity profile of outstanding stock as on 31 March 2016 shows that 49.06 *per cent* of the loans are in the maturity bucket of within seven years, which is high.

The State Government should make efforts to reduce its Fiscal Liabilities with better debt management keeping in view high repayment liabilities within coming seven years.



CHAPTER -II
FINANCIAL MANAGEMENT
AND BUDGETORY
CONTROL

Chapter II

Financial Management and Budgetary Control

2.1 Introduction

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

Audit of appropriation by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various Grants is within the authorization given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure in 2015-16 against 78 Grants/Appropriations is given in **Table 2.1** below:

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

Nature of Expenditure		Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure ¹	Savings (-)/ Excess (+)	Amount Surrendered ²	(₹ in crore)
								Percentage of savings surrendered by 31st March
Voted	I- Revenue	8633.23	1572.97	10206.20	7724.19	(-)2482.01	1699.71	68.48
	II - Capital	2866.27	774.97	3641.24	1994.00	(-)1647.24	1155.79	70.17
	III - Loans & Advances	9.60	4.21	13.81	12.98	(-)0.83	-	-
TOTAL VOTED		11509.10	2352.15	13861.25	9731.17	(-)4130.08	2855.50	69.14
Charged	IV - Revenue	669.49	61.86	731.35	638.55	(-)92.80	14.58	15.71
	VI - Public Debt- Repayment	384.62	591.48	976.10	1286.44	(+)310.34	-	-
TOTAL CHARGED		1054.11	653.34	1707.45	1924.99	(+)217.54	14.58	6.70
Appropriation to Contingency Fund (if any)		-	-	-	-	-	-	-
GRAND TOTAL		12563.21	3005.49	15568.70	11656.16	(-)3912.54	2870.08	73.36

¹ These are gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under Capital Expenditure (₹74.86 lakh).

² Entire amount was surrendered on 31 March 2016

Financial Management and Budgetary Control

The overall savings of ₹ 3912.54 crore was the result of savings of ₹ 4387.04 crore in 60 Grants and six Appropriations under Revenue Section and 41 Grants under Capital Section, offset by excess of ₹ 474.50 crore in 10 Grants under Revenue and six Grants and one Appropriation under Capital Section.

Savings/Excess (detailed in the Appropriation Accounts) were intimated (August 2016) to Controlling Officers, with a request to give reasons for significant variations. Out of 78 grants/ appropriations, explanations for variations were received for 68 grants/ appropriations.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of appropriation audit revealed that in 46 cases, savings exceeded ₹ one crore in each case and more than 20 per cent of total provision (**Appendix 2.1**). Against the total savings of ₹ 4387.04 crore, savings of ₹ 4250.39 crore (96.89 per cent) exceeding ₹ 10 crore in each case occurred in 33 Grants out of 78 Grants as indicated in **Table 2.2**.

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

(₹ in crore)

Sl No	Number and Name of the Grant	Original Provision	Supplementary Provision	Total	Actual Expenditure	Savings
Revenue Voted						
1	6 District Administration	741.76	54.85	796.61	445.84	350.77
2	7 Treasury and Accounts Administration	212.60	0.30	212.90	34.45	178.45
3	8 Police	578.16	161.74	739.90	670.55	69.35
4	14 Secondary Education	388.70	8.86	397.56	268.84	128.72
5	15 Health and Family Welfare	639.03	64.69	703.72	489.09	214.63
6	19 Industries	70.14	1.87	72.01	41.47	30.54
7	20 Labour	24.35	0.03	24.38	6.85	17.53
8	23 Forests	300.91	12.71	313.62	225.70	87.92
9	24 Agriculture	146.27	33.35	179.62	142.46	37.16
10	27 Panchayat	143.26	19.97	163.23	115.56	47.67
11	28 Animal Husbandry and Veterinary	119.95	29.53	141.48	97.57	43.91
12	30 State Transport	100.45	10.22	110.67	91.45	19.22
13	32 Roads and Bridges	257.14	326.16	583.30	511.23	72.06
14	34 Power	382.00	169.50	551.50	495.63	55.87
15	36 Statistics	14.43	14.37	28.80	17.34	11.46
16	38 Water Resource Department	99.25	103.22	202.47	175.38	27.09
17	41 Land Management	41.15	3.17	44.32	17.72	26.60
18	42 Rural Development	328.91	26.31	355.22	210.90	144.32
19	50 Secretariat Economic Services	468.44	10.25	478.69	10.69	468.00
20	57 Urban Development	18.76	47.08	65.84	40.71	25.13
21	59 Public health Engineering	387.72	65.47	453.19	365.24	87.95
22	64 Trade and Commerce	20.92	0.78	21.70	11.22	10.48
23	66 Hydro Power Department	74.15	11.89	86.04	64.01	22.03
24	68 Town Planning Department	62.07	13.24	75.31	27.51	47.80
25	75 Higher and technical Education	168.46	24.63	193.09	97.72	95.37

Financial Management and Budgetary Control

Sl No	Number and Name of the Grant	Original Provision	Supplementary Provision	Total	Actual Expenditure	Savings
26	76 Elementary Education	963.59	46.53	1010.12	845.20	164.92
Revenue Charged						
27	7 Treasury and Accounts Administration	0.00	52.00	52.00	3.74	48.26
28	Public Debt	654.35	0.00	654.35	611.90	42.45
Capital Voted						
29	28 Animal Husbandry and Veterinary	12.20	0.48	12.68	2.38	10.30
30	32 Roads and Bridges	487.74	172.39	660.13	612.05	48.09
31	33 North Eastern Areas	48.99	37.80	86.79	63.93	22.86
32	34 Power	80.94	61.30	142.24	101.40	40.84
33	38 Water Resource Department	265.82	62.53	328.35	121.40	206.95
34	48 Horticulture	120.55	0.00	120.55	2.00	118.55
35	50 Secretariat Economic Services	955.88	5.40	961.28	9.95	951.33
36	52 Sports and Youth Services	63.85	11.45	75.30	32.85	42.45
37	56 Tourism	20.51	24.12	44.63	10.52	34.11
38	57 Urban Development	82.08	108.99	191.07	120.53	70.54
39	59 Public health Engineering	102.30	0.00	102.30	73.46	28.84
40	66 Hydro Power Department	32.98	5.73	38.71	27.69	11.02
41	71 Department of Tawang and West Kameng	11.49	0.00	11.49	1.49	10.00
42	74 Social Justice, Empowerment & Tribal Affairs	130.94	0.00	130.94	52.09	78.85
Total		9815.19	1802.91	11618.10	7367.71	4250.39

2.3.2 Persistent Savings

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

Table - 2.3: List of Grants indicating persistent savings during 2011-12 to 2015-16

(₹ in crore)

Sl. No.	No. and Name of Grant	Amount of Savings				
		2011-12	2012-13	2013-14	2014-15	2015-16
Revenue – Voted						
1.	23 Forest	49.52 (26)	156.24 (57)	62.63 (28)	127.68 (35)	87.92 (28)
2.	24 Agriculture	36.70(27)	28.52(23)	24.64 (20)	56.56 (35)	37.16 (21)
3.	27Panchayat	42.13 (57)	73.76 (69)	90.42 (62)	72.49 (63)	47.67 (29)
4.	38 Water Resources Dept.	51.53 (25)	41.00 (23)	39.08 (19)	103.84 (46)	27.09 (13)
5.	50 Secretariat Economic Services	228.76 (97)	2.99 (30)	26.45 (70)	89.96 (89)	468.00 (98)
Capital – Voted						
6.	34 Power	45.14 (27)	49.22 (31)	38.96 (30)	45.32 (33)	55.87 (10)
7.	38 Water Resources Dept.	40.79 (40)	66.83 (75)	20.00 (50)	14.00 (31)	206.95 (63)
8.	50 Secretariat Economic Services	1584.00 (100)	1755.35 (100)	2717.10 (100)	1722.53(100)	951.33 (99)
9.	56 Tourism	7.18 (16)	33.92 (56)	24.15 (42)	8.72 (16)	34.11 (76)
10.	57 Urban Development	61.29 (58)	116.30 (55)	149.34 (36)	126.96 (44)	70.54 (37)

(Figures in parentheses indicate percentage of savings to total provision)

Financial Management and Budgetary Control

Three Grants - 'Secretariat-Economic Services', 'Panchayat' and 'Urban Development' - had large savings persistently for the last five years. This shows that budgetary provisions were made in excess of actual requirements indicating poor budgetary exercise.

2.3.3 Excess Expenditure

In 11 cases, expenditure aggregating ₹ 471.57 crore exceeded the approved budget provision either by ₹ one crore or more in each case or by more than 20 per cent of the total provisions (Table 2.4).

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

(₹ in crore)					
Sl No	Number and Name of the Grants/Appropriation	Total Grants/Appropriations	Total Expenditure	Excess	Percentage of Excess Expenditure
Revenue- Voted					
1	16 Arts and Cultural Affairs	8.14	11.05	2.91	35.75
2	43 Fisheries	16.37	57.16	40.79	249.18
3	48 Horticulture	47.72	54.74	7.02	14.71
4	65 Department of Tirap and Changlang Affairs	0.93	3.23	2.30	247.31
5	71 Department of Tawang and West Kameng	3.79	9.41	5.62	148.28
Capital- Voted					
6	14 Secondary Education	12.68	14.13	1.45	11.44
7	16 Art and Cultural Affairs	7.49	18.95	11.46	153.00
8	26 Rural Works	101.79	185.32	83.53	82.06
9	53 Fire protection and Control	11.60	14.59	2.99	25.78
10	76 Elementary Education	2.76	5.91	3.15	114.13
Capital- Charged					
11	97-Public Debt	976.09	1286.44	310.35	31.80
Total		1189.36	1660.93	471.57	39.65

2.3.4 Expenditure without Provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. However, it was noticed that expenditure of ₹ 88.91 crore was incurred in 18 instances, as detailed in **Appendix 2.2**, without any provision in the Original Estimates/Supplementary Demand and without any re-appropriation orders to that effect. Significant cases of such expenditure involving expenditure in excess of ₹ one crore are given in **Table 2.5**.

Financial Management and Budgetary Control

Table - 2.5: Expenditure incurred without provision during 2015-16

(₹ in crore)

Sl No	Grants/Appropriation Number- Major Head of Account-Sub Head-Detailed Head	Expenditure without Provision
1	14-04-4202-01-800-02- Construction of Building for Education	1.19
2	16-04-4202-04-800-01- Creation of Assets	3.98
3	16-04-4202-04-800-07- C/O Renovation of Community Hall	8.99
4	26-5054-04-800-01- Construction of District Roads	1.43
5	28-4403-800-01- Maintenance/Creation of Assets	1.00
6	48-03-2401-800-48- Integrated Development of Community/Village Fruit Nursery and Plantation on Jhum land	7.54
7	50-4070-800-02- Creation of Assets	1.29
8	65-2575-03-800-01- Development of Tirap and Changlang District	2.58
9	65-04-4575-03-800-01- Development of Tirap and Changlang District	36.52
10	71-2205-001-01- Establishment Expenses	5.74
11	75-04-4202-02-104-01- Establishment of Polytechnic	11.69
12	76-04-4202-01-201-01- Building for Education	3.65
Total		85.60

This shows that bills were passed in the Treasuries in spite of there being no provisions in the Budget, which is a violation of existing financial rules. Besides, Budget and the corresponding Appropriation Act have been flouted.

2.3.5 Excess over provisions relating to previous year requiring regularization

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get any excess over a Grant/Appropriation regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Constitution, the regularization of excess expenditure is done after discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, excess expenditure of ₹ 2161.72 crore from 1986-87 to 2014-15 was yet to be regularized, as detailed in **Appendix 2.3**.

2.3.6 Excess over provisions during 2015-16 requiring regularisation

Table 2.6 contains a summary of total excesses in 19 cases of Grants amounting to ₹ 474.50 crore over authorization from the Consolidated Fund during 2015-16, which required regularization under Article 205 of the Constitution.

Financial Management and Budgetary Control

Table - 2.6: Excess over provisions requiring regularization during 2015-16

(₹ in crore)

Sl No	Number and Name of the Grant/Appropriations	Total Grant/ Appropriation	Expenditure	Excess
Revenue-Voted				
1	5 Secretariat Administration	88.96	89.25	0.29
2	13 Directorate of Accounts	543.62	544.31	0.69
3	16 Art and Cultural Affairs	8.14	11.05	2.91
4	26 Rural Works	568.01	568.96	0.95
5	43 Fisheries	16.37	57.16	40.79
6	48 Horticulture	47.72	54.74	7.02
7	51 Directorate of Library	9.62	10.21	0.59
8	65 Department of Tirap and Changlang District	0.93	3.23	2.30
9	67 State Information Commission	1.90	2.20	0.30
10	71 Department of Tawang and West Kameng	3.79	9.41	5.62
Capital-Voted				
12	7 Treasury and Accounts Administration	0.99	1.10	0.11
13	14 Secondary Education	12.68	14.13	1.45
14	16 Art and Cultural Affairs	7.49	18.95	11.46
15	26 Rural Works	101.79	185.32	83.53
17	53 Fire Protection and Control	11.60	14.59	2.99
18	76 Elementary Education	2.76	5.91	3.15
Capital- Charged				
19	97 Public Debt	976.09	1286.44	310.35
Total		2402.46	2876.96	474.50

2.3.7 Unnecessary/Excessive/Inadequate Supplementary Provision

Supplementary provisions aggregating ₹ 559.99 crore obtained in 33 cases, (₹ 10 lakh or more in each case) during the year proved totally unnecessary as the actual expenditure did not come up to the level of the original provisions, as detailed in **Appendix 2.4**.

In 10 cases, as shown in **Table 2.7** below, the supplementary provision of ₹ 653.09 crore proved insufficient by more than ₹ one crore in each case, leaving an aggregate excess expenditure of ₹ 470.12 crore over the supplementary provision.

Financial Management and Budgetary Control

Table - 2.7: Cases of inadequate supplementary provisions

(₹ in crore)

Sl No	Number and Name of the Grants/Appropriations	Original Provision	Supplementary Provision	Total	Expenditure	Excess
Revenue-Voted						
1	16 Art and Cultural Affairs	6.85	1.29	8.14	11.05	2.91
2	43-Fisheries	14.22	2.15	16.37	57.16	40.79
3	48 Horticulture	35.45	12.27	47.72	54.74	7.02
4	65 Department of Tirap and Changlang District	0.59	0.34	0.93	3.23	2.30
5	71 Department of Tawang and West Kameng	3.48	0.31	3.79	9.41	5.62
Capital Voted						
6	16 Art and Cultural Affairs	6.18	1.31	7.49	18.95	11.46
7	26 Rural Works	71.21	30.58	101.79	185.32	83.53
8	53 Fire Protection and control	0.00	11.60	11.60	14.59	2.99
9	76 Elementary Education	1.00	1.76	2.76	5.91	3.15
Capital Charged						
10	97-Public Debt	384.62	591.48	976.09	1286.44	310.35
Total		523.60	653.09	1176.69	1646.81	470.12

2.3.8 Unexplained Re-appropriation

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

2.3.9 Substantial Surrenders

Substantial surrenders (cases where more than 50 per cent of total provision was surrendered) were made in 34 cases. Out of the total provision of ₹ 2896.83 crore in the 34 cases, ₹ 2419.15 crore (83.51 per cent) was surrendered during the year, reasons for which were not stated. Details of such cases are given in **Appendix 2.5**.

Financial Management and Budgetary Control

2.3.10 Surrender more than Savings

In four cases, surrender was more than savings, as in detailed in **Table 2.8**. Out of the total savings of ₹ 194.30 crore, these four departments surrendered ₹ 204.98 crore on 31 March 2016, reasons for which were not stated.

Table-2.8: List of Grants showing surrenders more than savings

(₹ in crore)

Sl No.	No. and Name of the Grants	Total provision	Total Expenditure	Savings	Amount Surrendered	Excess surrender
Revenue-Voted						
1	7 Treasury and Accounts Administration	212.90	34.45	178.45	183.77	5.32
Capital-Voted						
2	28 Animal Husbandry and Veterinary	12.68	2.38	10.30	11.00	0.70
3	58 Stationery and Printing	5.84	5.84	0.00	1.49	1.49
4	75 Higher and Technical Education	51.11	45.56	5.55	8.72	3.17
Total		282.53	88.23	194.30	204.98	10.68

This shows that departments were not aware of their fund position and the expenditure already incurred *vis-a-vis* the budgetary provision.

2.3.11 Injudicious surrender

In three cases, there was injudicious surrender of ₹ 104.33 crore as departments had already made excess expenditure of ₹ 7.76 crore out of the total provision of ₹ 560.09 crore. Details are in **Table 2.9**.

Table-2.9: Surrender out of the Excess Expenditure

(₹ in crore)

Sl No	Number and Name of the Grant/ Appropriation	Total Provision	Total Expenditure	Excess	Surrender
Revenue-Voted					
1	13 Director of Accounts	543.62	544.31	0.69	98.98
2	71 Department of Tawang and West Kameng	3.79	9.41	5.62	2.00
Capital- Voted					
3	14 Secondary Education	12.68	14.13	1.45	3.35
Total		560.09	567.85	7.76	104.33

This shows that departments were not aware of their fund position and the expenditure already incurred *vis-a-vis* the budgetary provision.

2.3.12 Anticipated Savings not surrendered

As per the Budget Manual, spending Departments are required to surrender Grants/ Appropriations or portions thereof to the Finance Department as and when savings are anticipated. At the end of the Financial Year 2015-16, there were 52 Grants/

Financial Management and Budgetary Control

Appropriations with savings, but were not surrendered by the departments concerned. The amount involved in these cases was ₹ 656.10 crore (**Appendix 2.6**). Out of the 52 cases, savings were more than ₹ one crore in 31 cases.

Similarly, out of total savings of ₹3921.55 crore under 47 Grants/Appropriations (where savings of ₹ 1 crore and above occurred in each Grant/Appropriation), an amount aggregating ₹ 1620.19 crore (41.32 per cent of total savings) was not surrendered, details of which are given in **Appendix 2.7**. Due to non-surrender of anticipated savings by departments concerned, there was no scope on the part of the Finance Department to utilize the funds for other purposes.

2.4 Outcome of review of Selected Grants

Audit conducted (November 2016) a review of budgetary procedure and control over expenditure of “57- Urban Development”. Important findings are detailed below:-

2.4.1 Introduction

Audit scrutiny of the records revealed that under the Grant No. 50-Urban Development, due to either unrealistic budget provisions or due to excessive control on disbursement the amount during 2015-16 as savings of more than ₹ 25.13 crore in Revenue Section and ₹ 70.54 crore in Capital Section were noticed.

The overall position of the Budget Provisions, actual disbursements and savings under this grant during the last five years is shown in **Table 2.10**.

Table -2.10: Financial overview of Grant No. 57 Urban Development

(₹ in crore)

Year	Total Grant/ Appropriation		Actual Expenditure		Savings	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
2011-12	17.47	212.33	14.05	96.03	3.42	116.30
2012-13	17.81	205.59	17.65	144.30	0.16	61.29
2013-14	18.74	410.00	17.62	260.66	1.12	149.34
2014-15	21.98	290.32	21.43	163.36	0.55	126.96
2015-16	65.84	191.07	40.71	120.53	25.13	70.54

2.4.2 Withdrawal of whole budget provision through re-appropriation

Under this grant, the whole budget provision was withdrawn (**Table 2.7**) through re-appropriation in March 2015 which diluted the process of budget making and control over expenditure.

Table-2.11: Withdrawal of budget provision through re-appropriation

(₹ in crore)

Sl No	Minor Head/Scheme	Total Provision	Re-appropriation
1	03-Centrally Sponsored Scheme 4217- Capital Outlay on Urban Development 60- Other Urban Development Schemes 051- Construction 14- Atal Mission for Rejuvenation and Urban Transformation	10.00	10.00

Financial Management and Budgetary Control

SI No	Minor Head/Scheme	Total Provision	Re-appropriation
2	03-Centrally Sponsored Scheme 4217- Capital Outlay on Urban Development 60- Other Urban Development Schemes 051- Construction 10- National Urban Livelihood Mission	5.73	5.73
Total		15.73	15.73

Withdrawal of entire provision by re-appropriation in both these cases above was reportedly due to less requirement of fund under Major Works (Central Share).

2.4.3 Persistent Savings under Sub-heads

Scrutiny of the Appropriation Accounts revealed that under this Grant, in one Sub-head, there were persistent savings of more than ₹ one crore as shown in **Table 2.12**

Table-2.12:- Persistent Savings during 2011-16

(₹ in crore)

Head of Account with Schemes	Amounts of Savings				
	2011-12	2012-13	2013-14	2014-15	2015-16
04-4217-60-051-61- Schemes under ACA/SPA/SCA	59.27	116.28	101.60	28.23	4.23

2.4.4 Substantial Savings under Sub-heads

As per the Detailed Appropriation Accounts for the year 2015-16, more than 50 per cent savings occurred under three schemes in respect of major head 2217- Urban Development and 2217-Capital Outlay on Urban Developments shown in the **Table 2.13**.

Table-2.13: Cases with Substantial Savings

(₹ in crore)

SI No	Name of the Schemes	Total provision	Actual Expenditure	Savings	Percentage
1	04-2217-80-800-09 Other Annual Operating Plan Provisions	32.00	7.00	25.00	78
2	03-4217-60-051-08 Creation of Assets	59.05	9.21	49.84	84
3	03-4217-60-051-07 Rajiv Awas Yojana	17.38	0.95	16.43	95

The reasons for huge savings at SI No 1 were reportedly due to non-receipt of Administrative Approval and Expenditure Sanction from the State Government and in case of SI No. 2 & 3 was reportedly due to non-release of fund by GoI.

This indicates that budgetary control was deficient in the Department.

Financial Management and Budgetary Control

2.5 Non-reconciliation of Departmental Figures

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

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

Records available in respect of some Drawing & Disbursing Officers (DDOs)/COs revealed that from April 2012 onwards 188 DCC Bills amounting to ₹ 11.85 crore were not furnished to the Accountant General as of March 2016. Thus, due to non-submission of DCC Bills, the actual expenditure against these drawals remained un-assessed, indicating serious deficiencies in control over expenditure. The year-wise position is given in **Table 2.14** below:

Table-2.14: Position of pending DCC Bills

Year	Number of Pending DCC Bills	Amount(₹in crore)
Up to 2013-14	72	9.19
2014-15	57	0.69
2015-16	59	1.97
TOTAL	188	11.85

2.5.2 Transfer of funds to Personal Deposit (PD) Accounts

The Personal Deposit (PD) accounts, also known as Personal Ledger Accounts (PLA), are in the nature of a banking account kept in the treasuries. The Government of Arunachal Pradesh is authorized to keep funds required for specific purposes in the PD accounts by transfer of funds from the Consolidated Fund. Generally, administrators are required to close such accounts on last working day of the year and transfer the unspent balances back to the Consolidated Fund of Government Accounts.

The State follows Central Treasury Rules. In terms of the Central Treasury Rules, PD Accounts remaining inoperative for two years are required to be closed. As on 31 March 2016, 7 PD Accounts showing a total balance of ₹ 1.61 crore were not transferred to the Consolidated Fund, as indicated in **Table 2.15**.

Table 2.15:- Status of Personal Deposit Accounts during 2015-16

SI No	Particulars	Number	Amount (₹in crore)
1	Opening balance as on 1st April 2015	14	1.67
2	Renewed during the year	01	0.81
3	Opened during the year	00	0.00
4	Closed during the year	08	0.87
5	Closing balance as on 31st March 2016	07	1.61

Financial Management and Budgetary Control

2.5.3 Parking of moneys outside the Government Accounts

As per rule, no money shall be drawn from Government Account unless it is required for immediate disbursement. It is not permissible to draw money from Government Account in anticipation of demands or to prevent the lapse of budget grants.

The State Government withdrew an amount of ₹ 31.61 crore during March 2016 from various heads and parked the same outside the Government accounts. Details are given in **Table 2.16**.

Table-2.16: Position of moneys outside the Government Accounts

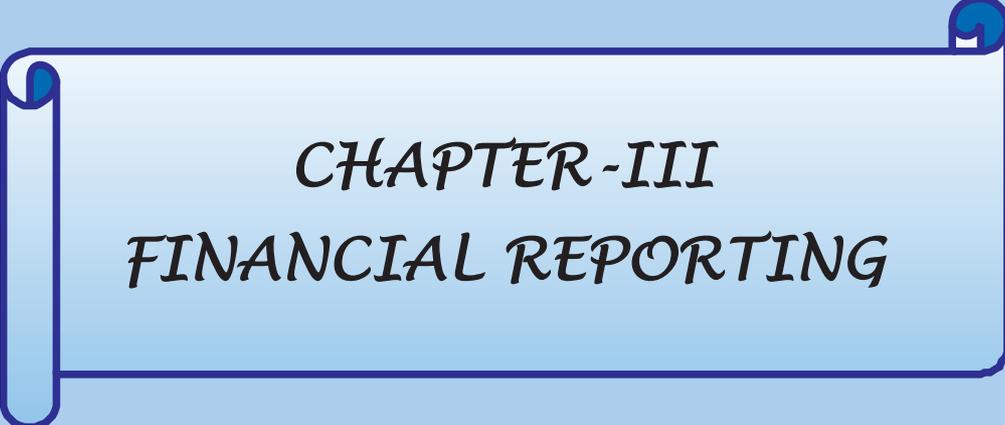
(₹ in Crore)

Sl No	Number and Name of the Grant/ Appropriation	Amount	Mode of Deposit
1	7 Treasury and Accounts Administration	0.42	Demand Draft
2	15 Health and Family Welfare	4.00	Bankers Cheque
3	18 Research	0.61	Bank Account of Assistant Director of Research
4	24 Agriculture	1.05	Bank Account of Director of Agriculture
5	26 Rural Works	5.00	Bank Account of Director of Agriculture
6	28 Animal Husbandry and Veterinary	0.11	Bank Account of DAH&VO, Yupia
7	29 Co-operation	0.55	Demand Draft
8	35 Information and Public Relations	0.80	Bank Account of Director, Information and Public Relations
9	48 Horticulture	7.54	Bank Account of Managing Director, APSEAC
10	55 State Lotteries	0.15	Not available
11	74 Social Justice, Empowerment and tribal Affairs	11.38	Bank Account of Director, Social Justice, Empowerment and tribal Affairs
Total		31.61	

2.6 Conclusion and Recommendations

In 2015-16, there were net savings of ₹ 3912.54 crore, which was the result of savings of ₹ 4387.04 crore, offset by excess of ₹ 474.50 crore. The excess of ₹ 474.50 crore needs to be regularized as per Article 205 of the Constitution. There were substantial persistent savings in eight Grants for the last five years. There were instances of inadequate provision of funds, expenditure without provision, unnecessary/excessive/inadequate re-appropriations. In many cases, anticipated savings were not surrendered, leaving no scope for utilizing the fund for other development purposes. DCC bills were not submitted for a large amount of advances drawn on AC Bills.

All departments may closely monitor the expenditure against the allocations and excess expenditure over allocations be avoided to the extent possible. Funds may be surrendered well before the close of the year so as to enable their utilization for other development schemes.



CHAPTER-III
FINANCIAL REPORTING

Chapter III

Financial Reporting

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

3.1 Utilization Certificates

In respect of grants sanctioned for specific purposes, concerned departmental officers are required to obtain Utilization Certificates (UCs) from grantees, which are to be forwarded to the Accountant General, after verification. The Department-wise position of outstanding UCs for the year up to 2014-15 is given in **Appendix 3.1**. The year-wise position of total outstanding UCs in the state as on 31 March 2016 is given in **Table 3.1**.

Table-3.1: Year-wise position of total outstanding Utilization Certificates (UCs) as on 31 March 2016

(₹ in crore)

Year	No of UCs Outstanding	Amount Involved
Upto 2013-14	78	114.62
2014-15	60	289.56
Total	138	404.18

The major departments with large pendency of (amount-wise) were Elementary Education, Health and Family Welfare and Panchayat. The large pendency in submission of UCs indicates lack of monitoring of utilization of grants and loans by the departments as it cannot be ensured that expenditure has actually been incurred for the purpose for which it was given.

3.2 Non-submission/Delay in submission of accounts

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

The Annual Accounts of 25 Autonomous Bodies/Authorities due up to 2015-16 have still not been received by the Accountant General as on November 2016. Details of these accounts are given in **Appendix 3.2**, and their age-wise pendency is presented in **Table 3.2**.

Financial Reporting

Table-3.2: Age-wise arrears of Annual Accounts due from institutions

Sl. No.	Delay (in Years)	Number of Bodies/Authorities from whom Annual Accounts are awaited
1.	0 – 1	01
2.	1 – 3	04
3.	3 – 5	04
4.	5 – 7	12
5.	7 – 9	01
6.	9 and above	03

Out of 25 Bodies/Authorities annual accounts in respect of 3 organisations viz., Arunachal Pradesh Agriculture Marketing Board, Naharlagun, Ram Krishna Mission Vivekanand Nagar, Aalo and Ram Krishna Mission Khonsa were outstanding for more than nine years.

3.3 End use of Cess

To provide social security and other welfare measures for building for building and other construction workers of the state, the Arunachal Pradesh Building & Other Construction Workers Welfare board came into existence from 1st May 2007 by framing the Arunachal Pradesh Building & Other Construction Workers Welfare Board Rules, 2006, under the provisions of Section 18 of the Building & Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, GoI. The main source of income of the board was collection of cess @ 1 per cent of total construction cost incurred by an employer under Section 3 of the Building & Other Constructions Workers Welfare Act, 1996.

Table 3.3 shows the last five years position of cess collection and actual expenditure incurred for collection of cess:-

Table-3.3: Details of Cess collection and expenditure

Particulars	(₹ in crore)				
	2011-12	2012-13	2013-14	2014-15	2015-16
Cess	9.93	13.75	1.00	13.54	16.41
Expenditure	1.56	10.06	22.38	12.81	9.02

3.4 Transparency in Government Accounts

There is a global trend towards greater openness in government finances. This is based on a belief that transparent budgetary and accounting practices can ensure that funds raised by the Government for public purposes will be spent as promised by the Government, while maximizing the benefits derived from spending. One crucial component of a transparent system of accounting is that the forms of accounts in which the receipts and expenditure of the Government are reported to the Legislature, are constantly reviewed and updated so that they truly reflect receipts and expenditure in respect of all major activities of the Government in a transparent manner.

Minor Head 800- Other Expenditure/Other Receipts are intended to be operated only when the appropriate Minor Head has not been provided for in the accounts. Routine operation of Minor Head 800 is to be discouraged, since it renders the accounts opaque. Details of significant transactions (involving more than ₹ 1 crore and constituting more than 50 percent of the relevant Major Head) of receipts (12 items involving ₹ 1984.20 crore) and expenditure (36 items involving ₹ 1447.44 crore) are given in **Appendix 3.3 & 3.4** respectively.

3.5 Conclusion and Recommendations

Delay in furnishing of Utilization Certificates for grants given to/by Departments is a major area of concern. At the end of March 2016, 138 UCs involving an aggregate amount of ₹ 404.18 were pending for submission. Delays and non-submission of Accounts by various autonomous bodies indicates non-compliance with financial rules and weakness in accountability arrangements within the organizations. Regarding losses and misappropriation, the information was still awaited from the Finance Department. This indicative of the fact that compliance of the State Government to various rules, procedures and directives was not satisfactory.

Internal Control in all Departments/Organizations should be strengthened to prevent the above deficiencies. The accounts of Autonomous Bodies/ Authorities and Departmental Undertaking need to be finalized at the earliest.

Place: Itanagar
Dated: the



(JOHN K. SELLATE)
Principal Accountant General
Arunachal Pradesh

Countersigned

Place: New Delhi
Dated: the



(SHASHI KANT SHARMA)
Comptroller and Auditor General of
India



APPENDICES

APPENDIX - 1.1

Part – A**Structure and Form of Government Accounts****(Reference: Paragraph 1.1; Page 2)**

Structure of Government Accounts: Accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I -Consolidated Fund: All revenues received by the State Government, all loans raised by issue of Treasury Bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled, the *Consolidated Fund of the State*, which is established under Article 266(1) of the Constitution of India.

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

Part III -Public Account: Receipts and disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances, *etc.*; which do not form part of the Consolidated Fund, are kept in the Public Account, set up under Article 266(2) of the Constitution of India, and are not subject to vote by the State Legislature.

Appendices

APPENDIX 1.1

Part – B

Layout of Finance Accounts (Reference: Paragraph 1.1; Page - 2)

Layout of Finance Accounts

The Finance Accounts (Revised format introduced from 2014-15) have been divided into two Volumes – I and II. Volume I represents financial statements of the Government in summarized form, while Volume II represents detailed financial statements along with the Appendices. The layout of the Finance Accounts is chalked out in the following manner:

Layout	
VOLUME - I	
Statement No. 1	Statement of Financial Position
Statement No. 2	Statement of Receipts and Disbursements
Statement No. 3	Statement of Receipts (Consolidated Fund)
Statement No. 4	Statement of Expenditure (Consolidated Fund)
Statement No. 5	Statement of Progressive Capital Expenditure
Statement No. 6	Statement of Borrowings and other Liabilities
Statement No. 7	Statement of Loans & Advances given by the Government
Statement No. 8	Statement of Investment of the Government
Statement No. 9	Statement of Guarantees given by the Government
Statement No. 10	Statement of Grants-in-aid given by the Government
Statement No. 11	Statement of Voted and Charged Expenditure
Statement No. 12	Statement of Sources and Application of Funds for expenditure other than revenue account
Statement No. 13	Summary of Balances under Consolidated Fund, Contingency Fund and Public Account
Notes to Accounts	
VOLUME - II (Part- I Detailed Statements)	
Statement No. 14	Detailed Statement of Revenue and Capital Receipts by Minor Head
Statement No. 15	Detailed Statement of Revenue Expenditure by Minor Heads
Statement No. 16	Detailed Statement of Capital Expenditure by Minor Heads & Sub-Heads
Statement No. 17	Detailed Statement of Borrowings and Other Liabilities
Statement No. 18	Detailed Statement of Loans & Advances given by the Government
Statement No. 19	Detailed Statement of Investment of the Government

Layout	
Statement No. 20	Detailed Statement of Guarantees given by the Government
Statement No. 21	Detailed Statement on Contingency Fund and other Public Accounts Transactions
Statement No. 22	Detailed Statement on Investment of Earmarked Funds
VOLUME-II (Part- II Appendices)	
I	Comparative Expenditure on Salary by Major Heads
II	Comparative Expenditure on Subsidy
III	Grants-in-aid given by the State Government (Scheme-wise and Institution-wise)
IV	Detailed of Externally Aided Projects
V	Plan Scheme Expenditure A. Central Schemes (Centrally Sponsored Schemes Central Plan Schemes) B. State Plan Schemes
VI	Direct Transfer of Central Scheme funds to Implementing Agencies in the State
VII	Acceptance and Reconciliation of Balances in respect of closing balances shown in St. No. 16 and 21
VIII	I. Financial Results of Irrigation Schemes II. Financial Results of Electricity Schemes
IX	Commitments of the Government-List of Incomplete Capital Works
X	Maintenance Expenditure with segregation of Salary and Non-salary portion
XI	Implications of Major policy Decisions of the Government during the year or New schemes proposed in the Budget for future cash flow
XII	Committed Liabilities of the Government
XIII	Re-organisation of the State-items for which allocation of balances between/among the State has not been finalized.

APPENDIX - 1.1

Part – C

Methodology adopted for the Assessment of Fiscal Position

(Reference: Paragraph 1.1; Page - 2)

Norms/ceilings prescribed by the 12th Finance Commission for selected fiscal variables along with its projections for a set of fiscal aggregates and commitments/projections made by State Governments in their Fiscal Responsibility Acts and other statements required to be laid in the Legislature under the Act are used to make a qualitative assessment of trends and patterns of major fiscal aggregates. Assuming that Gross State Domestic Product¹ (GSDP) is a good indicator of the performance of a State's economy, major fiscal aggregates like Tax and Non-Tax Revenue, Revenue and Capital Expenditure, Internal Debt and Revenue and Fiscal Deficits have been presented as percentages to the GSDP at current market prices. The buoyancy co-efficient for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether mobilization of resources, pattern of expenditure, *etc.*, are keeping pace with changes in the base or if these fiscal aggregates are also affected by factors other than GSDP. The New GSDP series at current prices (Base Year 2011-12) as furnished by the Directorate of Economics & Statistics of the State Government, have been used in estimating these percentages and buoyancy ratios.

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

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

Terms	Basis of Calculation
Buoyancy of a Parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a Parameter (X) with respect to another Parameter (Y)	Rate of Growth of parameter (X)/Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount}/\text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average Interest paid by the State	$\text{Interest Payment}/[(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/2] * 100$
Interest Spread	GSDP Growth – Average Interest Rate
Quantum Spread	Debt Stock * Interest Spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} [(\text{Opening Balance} + \text{Closing Balance of Loans \& Advances})/2] * 100$
Revenue Deficit	Revenue Receipts – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans & Advances – Revenue Receipts – Miscellaneous Capital Receipts

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

Terms	Basis of Calculation
Primary Deficit	Fiscal Deficit – Interest Payments
Compound Annual Growth Rate (CAGR)	Compound Annual Growth Rate (CAGR) is calculated by taking the n^{th} root of the total percentage growth rate, where n is the number of years in the period being considered. $CAGR = ((\text{Ending Value}/\text{Beginning Value})^{(1/\text{period})}) - 1$

Core Public Goods and Merit Goods

Core Public Goods are goods which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtraction from any other individual's consumption of that good, e.g. enforcement of law & order, security and protection of rights; pollution free air and other environmental goods, road infrastructure, etc.,

Merit Goods are commodities that the Public Sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the Government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water, sanitation, etc.,

Appendices

APPENDIX 1.1

Part – D

State Profile

(Reference: Paragraph 1.1; Page - 2)

A. General Data					
Sl. No.	Particulars	Figures			
1.	Area	83,743 sq. km.			
2.	Population - 2010-11 (as per 2011 Census – provisional data)				
	Male	7,20,232			
	Female	6,62,379			
	Total	13,82,611			
3.	Density of Population (2011 – provisional data) (All India Average = 382 persons per sq. km.)	17 persons per sq. km.			
4.	Population Below Poverty Line (All India Average = 29.5 %)	17.6 %			
5.	Population Growth (2001 to 2011)	25.92 %			
6.	Literacy (as per 2011 Census – provisional data) (All India Average = 73 %)	66.95 %			
7.	Infant Mortality (per 1000 live births) (All India Average = 40 per 1000 live births)	32			
8.	Gross State Domestic Product (GSDP) 2015-16	19473.00 crore			
9.	GSDP ² CAGR (2006-07 to 2015-16)	18.89 %			
B. Financial Data					
Particulars	CAGR 2006-07 to 2014-15		Growth 2014-15 to 2015-16		
	Special Category States	Arunachal Pradesh	Special Category States	Arunachal Pradesh	
(a) Revenue Receipts	13.54	17.05	11.45	15.51	
(b) Own Tax Revenue	15.47	24.86	19.80	15.78	
(c) Non-Tax Revenue	5.62	5.55	(-)18.75	(-) 14.32	
(d) Total Expenditure	15.10	16.85	2.73	19.95	
(e) Capital Expenditure	12.38	12.32	(-)6.26	34.39	
(f) Revenue Expenditure on General Education	17.28	19.33	1.24	24.79	
(g) Revenue Expenditure on Health & Family Welfare	18.14	24.83	20.65	(-) 10.46	
(h) Salaries	16.86	20.61	5.19	8.59	
(i) Pension	19.48	25.36	16.65	15.51	

Source: Serial No. 7: SRS Bulletin September 2014 – Estimated Infant Mortality Rate, 2013.

² Based on the data furnished by the Directorate of Economics and Statistics, Government of Arunachal Pradesh

APPENDIX - 1.2

Fiscal Responsibility and Budget Management Act, 2006 (Reference: Paragraph 1.1; Page 2)

Fiscal Responsibility and Budget Management Act

The State Government enacted the Arunachal Pradesh Fiscal Responsibility & Budget Management (APFRBM) Act, 2006 to

- (i) ensure fiscal prudence, stability and efficiency,
- (ii) achieve fiscal consolidation for facilitating the generation of Revenue Surplus for enhancing the scope for improvement of investment in the Social and Economic Sectors/Infrastructure,
- (iii) ensure Fiscal and Debt Sustainability through progressive reduction of Fiscal Deficit and proper Debt Management System and
- (iv) provide a more transparent and accountable system of budgeting that would ensure an efficient and effective system of governance.

The APFRBM Act, 2006, came into effect on 30th March 2006, and the Fiscal Responsibility & Budget Management (FRBM) Rules, 2007, came into force with effect from 12th February 2007. The Rules set the following fiscal targets for the State Government;

- Maintain at least the level of Revenue Surplus in the Base Year (average of 2001-02 to 2003-04) in subsequent years, beginning with Financial Year 2005-06 and ending with 2008-09, and adhere to it thereafter.
- Reduce every year the fiscal deficit by a minimum of 0.03 *per cent* of the GSDP by the end of each financial year, beginning with Financial Year 2005-06, so as to reduce the same to 3 *per cent* or below by 2009-10 and adhere to it thereafter.

❖ Fiscal Policy Statements

As prescribed in the Act, the State incorporated the following statements in the Budget for the year 2015-16.

- Macro-Economic Framework Statement, giving an overview of the State economy.
- Medium Term Fiscal Plan (MTFP) Statement, prescribing fiscal targets and assumptions for achieving them. As per the MTFP Statement of March 2016, the rolling targets for fiscal indicators for 2015-16 were as under:

- Revenue Surplus as percentage of GSDP;	25.63
- Fiscal Deficit as percentage of GSDP;	1.72
- Total outstanding liabilities at the end of the year (<i>₹in crore</i>);	4472.99 crore
- Liabilities as percentage of GSDP for the year.	25.15
- Fiscal Plan Strategy Statement of the State for the ensuing year relating to Taxation, Expenditure, Borrowings, Lending, Investments, etc.;

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

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

Appendices

APPENDIX 1.3

Time Series Data on State Government Finances (Reference: Paragraph 1.1 and 1.9.2; Pages 2 & 28)

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
PART - A (RECEIPTS)					
1. Revenue Receipts	5499.06	5761.52	5820.43	9136.05	10553.10
(a) Own Tax Revenue	317.65 (6)	316.50 (5)	434.51 (7)	462.16 (5)	535.07(5)
Taxes on Sales, Trade, etc.,	216.36 (68)	161.62 (51)	223.60 (51)	195.24 (42)	190.22(35)
State Excise	37.63 (12)	49.11 (16)	55.50 (13)	59.87 (13)	86.33(16)
Taxes on Vehicles	12.41 (4)	13.38 (4)	17.09 (4)	17.78 (4)	19.30(4)
Stamp and Registration Fees	2.24 (1)	3.04 (1)	4.18 (1)	3.83 (1)	5.63(1)
Land Revenue	3.85 (1)	4.70 (1)	11.39 (3)	5.99 (1)	8.89(2)
Other Taxes	45.16 (14)	84.65 (27)	122.75 (28)	179.45 (39)	224.70(42)
(b) Non Tax Revenue	360.71 (7)	284.22 (5)	405.06 (7)	457.64 (5)	392.12(4)
(c) State Share in Union Taxes & Duties	838.97 (15)	957.93 (17)	1045.85 (18)	1109.98 (12)	7075.58(67)
(d) Grants-in-Aid from GoI	3981.73 (72)	4202.87 (73)	3935.01 (68)	7106.27 (78)	2550.33(24)
2. Miscellaneous Capital Receipts	-	-	-	-	-
3. Recoveries of Loans & Advances	2.90	2.95	3.42	27.41	5.48
4. Total Revenue and Non-Debt Capital Receipts(1+2+3)	5501.96	5764.47	5823.85	9163.46	10558.58
5. Public Debt Receipts	168.66	276.45	354.15	1540.41	621.10
Internal Debt(excluding Ways & Means Advances and Overdrafts)	168.66	276.45	354.15	407.24	287.92
Net Transactions under Ways & Means Advances & Overdrafts	-	-	-	1133.17	333.18
Loans & Advances from GoI	-	-	-	-	-
6. Total receipts in the Consolidated Fund (4+5)	5670.62	6040.92	6178.00	10703.87	11179.68
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Accounts Receipts	4224.65	4113.19	5705.44	4018.72	6038.90
9. Total Receipts of Government (6+7+8)	9895.27	10154.11	11883.44	14722.59	17218.58
PART - B (EXPENDITURE/DISBURSEMENTS)					
10. Revenue Expenditure	4417.86	4786.24	5731.40	7156.59	8362.74
Plan	1564.00 (35)	1698.83 (35)	1773.81(31)	2910.88(41)	2703.34(32)
Non-Plan	2853.86 (65)	3087.41(65)	3957.59(69)	4245.71(59)	5659.40(68)
General Services (incl. Interest Payments)	1284.44 (29)	1423.46 (30)	1780.06(31)	2062.59(29)	2518.09(30)
Social Services	1385.42 (31)	1506.28 (31)	1770.16(31)	2358.39(33)	2556.67(31)
Economic Services	1748.00 (40)	1856.50 (39)	2181.18(38)	2735.61(38)	3287.98(39)
11. Capital Expenditure	2065.88	1206.28	1679.70	1483.18	1993.25
Plan	2059.85 (100)	1205.38 (100)	1673.49(100)	1465.33(99)	1983.63(100)
Non-Plan	6.03 (-)	0.90(-)	6.21(-)	17.85(1)	9.62(-)
General Services	180.81 (9)	83.86(7)	187.81(11)	120.70(8)	345.58(17)
Social Services	545.59 (26)	279.76(23)	503.80(30)	442.51(30)	422.26(21)

Appendices

	2011-12	2012-13	2013-14	2014-15	2015-16
Economic Services	1339.48 (65)	842.66(70)	988.09 (59)	919.97(62)	1225.41(62)
12. Disbursement of Loans & Advances	9.69	3.95	18.53	4.93	12.98
13. Total of Revenue Expenditure, Capital Expenditure and Disbursement of Loans & Advances (10+11+12)	6493.43	5996.47	7429.63	8644.70	10368.97
14. Repayments of Public Debt	137.43	166.64	169.08	1053.91	1286.44
Internal Debt (including Ways & Means Advances and Overdrafts)	109.78	139.09	141.35	1027.38	1259.95
Loans & Advances from GoI	27.55	27.55	27.73	26.53	26.49
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total Disbursement out of Consolidated Fund (13+14+15)	6630.76	6163.11	7598.71	9698.61	11655.41
17. Contingency Fund Disbursements	-	-	-	-	-
18. Public Account Disbursements	3954.68	3784.15	4628.49	4922.45	5360.99
19. Total Disbursements by the State (16+17+18)	10585.44	9947.37	12227.20	14621.06	17016.40
PART - C (DEFICIT/SURPLUS)					
20. Revenue Deficit (-)/Surplus (+) {1-10}	(+) 1081.20	(+) 975.28	(+) 89.03	(+) 1979.46	(+)2190.36
21. Fiscal Deficit (-)/Surplus (+) {4-13}	(-) 991.47	(-) 232.00	(-) 1605.78	(+) 518.76	(+)189.61
22. Primary Deficit (-)/Surplus (+) {21+23}	(-) 709.66	(+) 39.85	(-) 1293.27	(+) 869.64	(+)605.25
PART - D (OTHER DATA)					
23. Interest Payments (incl. in Revenue Expenditure)	281.81	271.85	312.51	350.88	415.64
24. Financial Assistance to Local Bodies, etc.,	25.63	22.93	137.38	44.63	26.03
25. Ways & Means Advances/Overdraft availed (days)	-	-	-	33	2
26. Interest on Ways & Means Advances/Overdraft	-	-	-	-	-
27. Gross State Domestic Product (GSDP) ³	11063.00	12547.00	14607.00	16389.00	19473.00
28. Outstanding Fiscal liabilities (year end)	4036.15	4443.05	4935.59	6121.96	5895.15
29. Outstanding guarantees (year end)	1.83	1.55	1.55	0.97	0.97
30. Maximum Amount Guaranteed(yearend)	2.00	2.00	2.00	2.00	2.00
31. Number of incomplete projects	365	240	201	175	156
32. Capital blocked in incomplete projects	- ⁴	- ⁴	- ⁴	- ⁴	- ⁴
PART - E (FISCAL HEALTH INDICATORS) {per cent}					
I - Resource Mobilization					
Own Tax Revenue/GSDP	2.87	2.52	2.97	2.82	2.75
Own Non-Tax Revenue/GSDP	3.26	2.27	2.77	2.79	2.01
Central Transfers /GSDP	43.57	41.13	34.10	50.13	49.43

³ GSDP figures furnished by the Directorate of Economics & Statistics, Government of Arunachal Pradesh

⁴ Stipulated date of completion is not yet over.

Appendices

	2011-12	2012-13	2013-14	2014-15	2015-16
II - Expenditure Management					
Total Expenditure ⁵ /GSDP	58.70	47.79	50.86	52.75	53.25
Total Expenditure/Revenue Receipts	118.08	104.08	127.65	94.62	98.26
Revenue Expenditure/Total Expenditure	68.04	79.82	77.14	82.79	80.65
Expenditure on Social Services/Total Expenditure	29.74	29.78	30.74	32.40	28.73
Expenditure on Economic Services/Total Expenditure	47.55	45.02	42.74	42.28	43.63
Capital Expenditure/Total Expenditure	31.81	20.12	22.61	17.16	19.22
Capital Expenditure on Social and Economic Services/Total Expenditure	29.03	18.72	20.08	15.76	15.89
III - Management of Fiscal Imbalances					
Revenue Surplus/GSDP	9.77	7.77	0.61	12.08	11.25
Fiscal Deficit (-) or Surplus (+)/GSDP	(-)8.96	(-)1.85	(-)10.99	3.17	0.97
Primary Deficit (-) or Surplus (+)/GSDP	(-)6.41	0.32	(-)8.85	5.31	3.11
Revenue Surplus/Fiscal Surplus	(-) 109.05	(-) 420.38	(-)0.06	381.58	1155.19
Primary Revenue Balance/GSDP	12.32	9.94	2.75	14.22	13.38
IV - Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	36.48	35.41	33.79	37.35	30.27
Fiscal Liabilities/RR	73.40	77.12	84.80	67.01	55.86
Primary Deficit vis-à-vis Quantum Spread	(-)187.08	322.38	(-)859.63	1158.37	1333.76
Debt Redemption (Principal + Interest)/Total Debt Receipts	84.31	91.35	91.16	79.04	120.65
V - Other Fiscal Health Indicators					
Return on Investment(₹in crore)	-	-	-	-	-
Balance from Current Revenue (₹in crore)	(-) 467.35	(-) 542.86	(-) 1308.55	(-)1263.61	2517.93
Financial Assets/Liabilities (ratio)	2.62	2.68	2.35	1.12	1.13

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

⁵Revenue Expenditure, Capital Expenditure and Disbursement of Loans & Advances

APPENDIX - 1.4

Abstract of Receipts and Disbursements for 2015-16

(Reference: Paragraph 1.1.1; Page - 2)

(₹ in crore)

Receipts			Disbursements				
2014-15		2015-16	2014-15				
Section – A : Revenue							
	I - Revenue Receipts			I - Revenue Expenditure	Non-Plan	Plan	Total
462.16	Own Tax Revenue	535.07	2062.59	General Services	2457.41	60.68	2518.09
457.64	Non-tax Revenue	392.12	2358.39	Social Services	1297.19	1259.48	2556.67
1109.98	State Share of Union Taxes	7075.58	1030.59	Education, Sports, Arts & Culture	705.16	571.10	1276.26
952.12	Non-Plan Grants	174.36	546.19	Health & Family Welfare	310.71	178.38	489.09
5735.73	Grants for State Plan Schemes	2062.45	357.41	Water Supply, Sanitation, Housing & Urban Development	209.37	257.88	467.25
352.62	Grants for Central/ Centrally Sponsored Plans/Schemes	208.26	15.40	Information & Broadcasting	12.16	7.82	19.98
			19.42	Labour & Welfare	11.50	19.76	31.26
65.80	Grants for Special Plan Schemes	105.26	378.08	Social Welfare & Nutrition	34.14	224.54	258.68
			11.30	Others	14.15	-	14.15
			2735.61	Economic Services	1904.81	1383.17	3287.98
			656.85	Agriculture & Allied Activities	499.63	166.43	666.06
			184.86	Rural Development	151.78	176.15	327.93
			186.90	Special Areas Programme	0.40	97.74	98.14
			122.32	Irrigation & Flood Control	89.82	85.56	175.38
			439.82	Energy	475.43	84.21	559.64
			62.63	Industries & Minerals	47.27	24.72	71.99
			864.75	Transport	557.57	563.00	1120.57
			20.72	Communications	26.45	-	26.45
			19.03	Science, Technology and Environment	4.47	11.67	16.14
			177.72	General Economic Services	51.99	173.68	225.67
9136.05	Total Receipts	10553.10	7156.59	Total Disbursements	5659.41	2703.33	8362.74
	II - Revenue Deficit carried over to Section - B		1979.46	II - Revenue Surplus carried over to Section - B			2190.36

Appendices

Receipts			Disbursements				
2014-15		2015-16	2014-15	2015-16			
Section – B							
				Non-Plan	Plan	Total	
971.90	III - Opening Cash Balance, including Permanent Advances and Cash Balance Investment	1073.43	-	III - Opening Overdraft from RBI			-
-	IV - Miscellaneous Capital Receipts	-	1483.18	IV - Capital Outlay	9.62	1983.63	1993.25
			120.70	General Services	5.00	340.58	345.58
			442.51	Social Services	4.00	418.26	422.26
			132.52	Education, Sports, Arts & Culture	-	118.91	118.91
			34.04	Health & Family Welfare	4.00	22.03	26.03
			221.29	Water Supply, Sanitation, Housing & Urban Development	-	222.97	222.97
			52.90	Social Welfare & Nutrition	-	52.34	52.34
			0.03	Information & Broadcasting	-	1.01	1.01
			1.73	Others	-	1.00	1.00
			919.97	Economic Services	0.62	1224.79	1225.41
			6.98	Agriculture and Allied Activities	0.58	13.50	14.08
			18.41	Rural Development Programme	-	20.43	20.43
			96.46	Special Areas Programme	-	100.46	100.46
			30.76	Irrigation & Flood Control	-	121.40	121.40
			106.91	Energy	-	129.09	129.09
			4.39	Industry & Minerals	-	10.75	10.75
			605.35	Transport	-	810.97	810.97
			50.71	General Economic Services	0.04	18.19	18.23

Appendices

2014-15	Receipts		2015-16	2014-15	Disbursements		2015-16
27.41	V - Recoveries of Loans & Advances		5.48	4.93	V - Loans & Advances Disbursed		12.98
-	from Power Projects	-		-	to Power Projects		
2.90	from Govt. Servants	3.23		4.49	to Govt. Servants	2.77	
24.51	from Others	2.25		0.44	to Others	10.21	
1979.46	VI - Revenue Surplus brought down		2190.36	-	VI - Revenue Deficit brought down		-
1540.41	VII - Public Debt Receipts		621.10	1053.91	VII - Repayment of Public Debt		1286.44
407.24	Internal Debt other than Ways & Means Advances and Overdraft	287.92		167.82	Internal Debt other than Ways & Means Advances and Overdraft	197.35	
1133.17	Net transactions under Ways & Means Advances, incl. Overdraft	333.18		859.56	Net transactions under Ways & Means Advances incl. Overdraft	1062.61	
-	Loans and Advances from Central Govt.	-		26.53	Repayment of Loans & Advances to Central Govt.	26.48	
-	VIII - Appropriation to Contingency Fund		-	-	VIII - Appropriation to Contingency Fund		-
-	IX - Amount transferred to Contingency Fund		-	-	IX - Expenditure from Contingency Fund		-
4018.72	X - Public Account Receipts		6038.90	4922.45	X - Public Account Disbursements		5360.99
405.28	Small Savings & Provident Funds	387.63		205.25	Small Savings & Provident Funds	251.97	
20.00	Reserve funds	200.00		-	Reserve Funds	-	
-	Suspense & Miscellaneous	-480.14		-4.57	Suspense & Miscellaneous	-26.14	
1691.51							
3203.61	Remittances	3984.66		3120.68	Remittances	3260.78	
2081.34	Deposits & Advances	1946.75		1601.09	Deposits & Advances	1874.38	
	XI - Earmarked Funds			1073.43	XI - Closing Cash Balance		1275.61
				158.19	Cash in Treasuries and Local Remittances	260.24	
				-85.79	Deposits with Reserve Bank and other Banks	-1388.41	
				5.30	Departmental Cash Balance incl. Permanent Advances	7.02	
				995.73	Cash Balance Investment and Investment of Earmarked Funds	2396.76	
8537.90	TOTAL		9929.27	8537.90	TOTAL		9929.27

Appendices

APPENDIX 1.5

Summarized financial position of the Government of Arunachal Pradesh as on 31 March 2016
(Reference: Paragraph 1.9.1 and Page - 28)

(₹ in crore)

As on 31 March 2015	Liabilities		As on 31 March 2016
	Internal Debt		
	-	Market Loans not bearing interest	-
	1195.85	Market Loans bearing interest	1254.60
	0.20	Loans from LIC	0.04
	373.00	Loans from NABARD	316.61
2706.26	29.05	Loans from other Institutions	24.58
	329.25	Ways and Means and Advances	(-400.18)
	745.21	Special Securities issued to National Small Savings Fund of the Central Government	843.28
		Overdraft from Reserve Bank of India	28.47
	33.70	Other Loans	-
	Loans and Advances from Central Government		
	37.42	Non-Plan Loans	37.06
	193.54	Loans for State Plan Schemes	169.40
284.48	(-)0.44	Loans for Central Plan Schemes	(-)1.34
	11.53	Loans for Centrally Sponsored Plan Schemes	11.53
	42.43	Loans for Special Schemes	41.34
	-	Other Ways & Means Advances	-
0.05	Contingency Fund		0.05
1468.47	Small Savings, Provident Funds, etc.		1604.13
1448.18	Deposits		1551.05
361.46	Suspense and Miscellaneous Balances		(-) 92.53
214.56	Reserve Funds		414.56
	Surplus on Government Account		
11442.50	9463.04	(i) Revenue Surplus as on 31 March 2015	11442.50
	1979.46	(ii) Revenue Surplus during the year	2190.36
17925.96	TOTAL		19435.51

As on 31 March 2015	Assets		As on 31 March 2016
	Gross Capital Outlay on Fixed Assets		
16653.32	247.59	Investment in Shares of Companies, Corporations, Co-operatives, etc;.	249.11
	16405.73	Other Capital Outlay	18397.46
	Loans & Advances		
	10.00	Loans for Power Projects	10.00
59.49	38.10	Other Development Loans	46.06
	11.39	Loans to Government Servants and Miscellaneous Loans	10.93
190.84	Civil Advances		
(-)51.12	Remittance Balances		
	Suspense and Miscellaneous Balances		
	Cash		
	158.19	Cash in Treasuries and Local Remittances	260.24
	(-) 85.79	Deposits with Reserve Bank and other Banks	(-)1388.41
1073.43	5.29	Departmental Cash Balance	7.02
	0.01	Permanent Advances	-
	825.83	Cash Balance Investments	2026.86
	169.90	Investment of Earmarked Funds	369.90
17925.96	TOTAL		
			19435.51

Explanatory Notes for Appendices 1.2 and 1.4

1. The abridged accounts in the foregoing Statements have to be read with comments and explanations in the Finance Accounts.
2. Government Accounts, being mainly on cash basis, the surplus/deficit on Government Account, as shown in **Appendix 1.4**, indicates the position on cash basis, as opposed to accrual basis in Commercial Accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, *etc.*, do not figure in the accounts.
3. Suspense and Miscellaneous Balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, *etc.*.
4. There was a difference of {₹ 7.68 crore (Debit)} between figures reflected in the accounts {₹ 13,88.41 crore (credit)} and figures intimated by the Reserve Bank of India {₹ 13,96.09 crore (debit)} due to mis-classification by the Bank/Treasuries {₹ 7.68 crore (Debit)}.

APPENDIX - 2.1

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

(Reference: Paragraph 2.3.1; Page - 38)

(₹ in crore)

Sl No	Number and Name of the Grant/ Appropriations	Total Grant/ Appropriations	Savings	Percentage
Revenue- Voted				
1	6 District Administration	796.61	350.77	44.03
2	7 Treasury and Accounts Administration	212.90	178.45	83.82
3	9 Motor Garages	5.51	2.03	36.84
4	14 Secondary Education	397.56	128.72	32.38
5	19 Industries	72.01	30.53	42.40
6	23 Forests	313.62	87.92	28.03
7	27 Panchayat	163.23	47.67	29.20
8	28 Animal Husbandry and Veterinary	141.48	43.91	31.04
9	33 North Eastern Areas	16.95	4.31	25.43
10	35 Information and Public Relations	25.25	5.28	20.91
11	36 Statistics	28.80	11.46	39.79
12	41 Land Management	44.32	26.60	60.02
13	42 Rural Development	355.23	144.32	40.63
14	50 Secretariat Economic Services	478.68	468.00	97.77
15	53 Fire Protection and Control	20.60	4.31	20.92
16	57 urban Development	65.84	25.13	38.17
17	59 Public Health Engineering	453.19	87.95	19.41
18	64 Trade and Commerce	21.70	10.48	48.29
19	66 Hydro power Department	86.04	22.03	25.60
20	68 Town Planning Department	75.31	47.80	63.47
21	73 Information Technology	17.99	8.68	48.25
22	75 Higher and technical Education	193.09	95.37	49.39
Capital-Voted				
23	18 Research	6.00	6.00	100.00
24	25 Relief, Rehabilitation and Re-settlement	9.47	9.47	100.00
25	28 Animal Husbandry and Veterinary	12.68	10.30	81.23
26	33 North Eastern Areas	86.79	22.85	26.33

Appendices

SI No	Number and Name of the Grant/ Appropriations	Total Grant/ Appropriations	Savings	Percentage
27	34 Power	142.24	40.84	28.71
28	38 Water Resource Department	328.35	206.95	63.03
29	41 Land Management	3.65	3.65	100.00
30	43 Fisheries	11.99	6.45	53.79
31	45 Civil Aviation	4.25	2.23	52.47
32	47 Administration of Justice	18.20	9.22	50.66
33	48 Horticulture	120.55	118.55	98.34
34	50 Secretariat Economic Services	961.28	951.33	98.96
35	52 Sports and Youth Affairs	75.30	42.45	56.37
36	56 Tourism	44.63	34.11	76.43
37	57 urban Development	191.07	70.54	36.92
38	59 Public Health Engineering	102.30	28.84	28.19
39	61 Geology and Mining	4.99	1.02	20.44
40	64 Trade and Commerce	2.00	2.00	100.00
41	66 Hydro power Department	38.71	11.02	28.47
42	68 Town Planning Department	2.92	2.92	100.00
43	70 Administrative Training Institute	1.50	1.50	100.00
44	71 Department of Tawang and West Kameng	11.49	10.00	87.03
45	74 Social Justice, Empowerment and Tribal Affairs	130.94	78.85	60.22
Revenue-Charged				
46	7 Treasury and Accounts Administration	52.00	48.26	92.81
Total		6349.21	3551.07	55.93

APPENDIX - 2.2

Expenditure incurred without any Budget Provision

(Reference: Paragraph 2.3.4; Page - 40)

(₹ in crore)

Sl No	Grants/Appropriation Number- Major Head of Account-Sub Head-Detailed Head	Expenditure without Provision
1	14-04-4202-01-800-02- Construction of Buiding for Education	1.19
2	16-04-4202-04-800-01- Creation of Assets	3.98
3	16-04-4202-04-800-07- C/O Renovation of Community Hall	8.99
4	26-03-2402-103-04- River valley project	0.50
5	26-5054-04-800-01- Construction of District Roads	1.43
6	28-4403-800-01- Maintenance/Creation of Assets	1.00
7	33-09-2552-01-800-09- Cultivation of Orange garden at Hina	0.43
8	35-4220-60-800-01- Creation of Assets	0.98
9	48-03-2401-800-48- Integrated Development of Community/Village Fruit Nursery and Plantation on Jhum land	7.54
10	50-4070-800-02- Creation of Assets	1.29
11	50-05-4070-800-02- Creation of Assets	0.24
12	65-2575-03-800-01- Development of Tirap and Changlang District	2.58
13	65-04-4575-03-800-01- Development of Tirap and Changlang District	36.52
14	71-2205-001-01- Establishment Expenses	5.74
15	75-04-4202-02-104-01- Establishment of Polytechnic	11.69
16	75-08-4202-02-104-01- Establishment of Polytechnic	0.66
17	75-08-4202-02-104-05- Upgradation of Existing Polytechnic	0.50
18	76-04-4202-01-201-01- Building for Education	3.65
Total		88.91

Appendices

APPENDIX - 2.3

Statement showing Excess Expenditure relating to previous years requiring regularization
(Reference: Paragraph 2.3.5; Page - 41)

(₹ in crore)

Year	No. of Grants/ Appropriations	Grants/Appropriations	Excess Amount	Stage of consideration by Public Accounts Committee
1986-87 (UT Period)	13	1,7,11,12,13,15,17,30,32,34,39,40 & 42	6.56	No meeting of the PAC was held during 2015- 16 to discuss excess expenditure over Grants/ Appropriations
1986-87 (State Period)	28	1,2,3,6,7,8,10,11,13,14,16,18,19,20,22, 24,27,28, 29,31,32,33,34,38,39,40,42 & 43	12.71	
1987-88	16	14,18,19,22,23,24,26,30,31,32,33,34,35,40,42 & Public Debt	9.06	
1988-89	12	1,13,15,17,21,24,30,31,32,34,40 & Public Debt	54.51	
1989-90	15	8,10,15,30,31,32,33,34,38,40,43,45,48, 49 & Public Debt	17.49	
1990-91	16	5,8,13,15,19,23,24,26,30,31,32,34,40,44,48 & Public Debt	28.61	
1991-92	17	4,8,10,14,15,18,19,23,25,28,30,31,34,37,42,43 & Public Debt	63.12	
1992-93	11	14,15,18,28,30,31,34,40,43,21 & 38	27.91	
1993-94	12	8,15,19,25,28,30,31,32,34,38,40 & 45	30.66	
1994-95	18	6,8,11,15,21,22,23,26,28,29,31,32,34,38,40,42,43 & 45	64.45	
1995-96	24	8,9,11,13,14,15,16,18,20,21,23,24,28,29,31,32,34,40, 41,51,53,59,60 & Public Debt	38.41	
1996-97	12	1,9,11,13,14,21,28,30,31,34,40 & 51	14.86	
1997-98	15	9,10,11,13,15,20,25,30,31,34,41,46,48, 59 & 60	25.34	
1998-99	15	1,7,13,15,19,20,31,34,36,41,50,53,54, 64 & Public Debt	25.26	
1999-00	7	13,31,44,52,53,60 & Public Debt	14.27	
2000-01	12	1,3,8,13,19,28,32,34,36,50,52 & 62	13.27	
2001-02	13	1,7,8,11,13,14,16,22,28,33,35,48 & 59	27.08	
2002-03	14	1,4,5,7,13,19,23,28,31,43,46,58,61 & 62	9.70	
2003-04	21	5,13,15,16,24,26,28,31,32,33,35,36,42,43,44,47,56,58, 59,61 & 62	20.15	
2004-05	17	8,14,15,18,19,26,28,31,32,33,40,43,48, 58,61,65,66 & Public Debt	46.46	
2005-06	13	1,5,8,16,25,35,41,43,52,56,58,60,66 & Public Debt	266.95	
2006-07	18	5,11,13,15,24,28,29,33,35,36,38,40,41,48,58,60, 61,62 & Public Debt	173.74	
2007-08	19	1,8,13,17,24,29,30,35,36,37,43,48,51, 52, 58,62,63,64 & 65	31.77	
2008-09	13	5,9,14,17,29,34,37,43,45,48,56,59 & 65	70.60	
2009-10	12	13,14,16,28,31,35,36,43,44,50,53 & 56	33.37	
2010-11	17	12, 13, 14, 16, 20, 28, 29, 30, 33, 36, 44, 48, 54, 56, 61, 72 & Public Debt	157.64	
2011-12	16	8,16,17,19,29,34,37,39,43,45,47,48,51,62,65,66	43.75	
2012-13	5	5,13,23,43,62	63.06	
2013-14	16	7,13,17,18,25,29,30,35,43,47,48,51,54,60,62,	65.87	
2014-15	12	1,7,13,16,19,21,43,52,70,72,76,97	705.09	
TOTAL			2161.72	

APPENDIX - 2.4

Cases of Unnecessary Supplementary Provision (₹ 10 lakh or more in each case)
(Reference: Paragraph 2.3.7; Page - 42)

(₹ in crore)

Sl No	Number and Name of the Grant/Appropriations	Original Provision	Actual Expenditure	Savings out of the original provision	Supplementary Provision
Revenue-Voted					
1	4 Election	18.83	18.25	0.58	0.98
2	6 District Administration	741.76	445.84	295.92	54.85
3	7 Treasury and Accounts Administration	212.60	34.45	178.15	0.30
4	9 Motor Garages	5.22	3.48	1.74	0.29
5	14 Secondary Education	388.70	268.84	119.86	8.86
6	15 Health and family Welfare	639.03	489.09	149.94	64.69
7	19 Industries	70.14	41.47	28.67	1.86
8	23 Forests	300.91	225.70	75.21	12.71
9	24 Agriculture	146.27	142.46	3.81	33.35
10	27 panchayat	143.26	115.56	27.70	19.97
11	28 Animal Husbandry and veterinary	111.95	97.56	14.39	29.53
12	30 State Transport	100.45	91.45	9.00	10.22
13	35 Information and Public Relations	21.70	19.98	1.72	3.55
14	41 Land Management	41.15	17.72	23.43	3.17
15	42 Rural Development	328.91	210.90	118.01	26.31
16	50 Secretariat Economic Services	468.44	10.69	457.75	10.24
17	52 Sports and Youth Affairs	22.89	21.61	1.28	0.25
18	53 Fire Protection and Control	17.03	16.29	0.74	3.57
19	59 Public Health Engineering	387.72	365.24	22.48	65.47
20	64 Trade and Commerce	20.92	11.22	9.70	0.77
21	66 Hydro Power Development	74.15	64.01	10.14	11.89
22	68 Town Planning Department	62.07	27.52	34.55	13.24
23	70 Administrative training Institute	0.00	0.00	0.00	1.50
24	75 Higher and Technical Education	168.46	97.72	70.74	24.63
25	76 Elementary Education	963.59	845.20	118.39	46.53
Capital-Voted					
26	28 Animal Husbandry and veterinary	12.20	2.38	9.82	0.48

Appendices

Sl No	Number and Name of the Grant/Appropriations	Original Provision	Actual Expenditure	Savings out of the original provision	Supplementary Provision
27	38 Water Resources Department	265.82	121.40	144.42	62.53
28	45 Civil Aviation	3.00	2.01	0.99	1.26
29	50 Secretariat Economic Services	955.88	9.95	945.93	5.4
30	52 Sports and Youth Affairs	63.85	32.85	31.00	11.45
31	56 Tourism	20.51	10.52	9.99	24.12
32	66 Hydro Power Development	32.99	27.69	5.30	5.73
Revenue-Charged					
33	1 Legislative Assembly	0.44	0.27	0.17	0.29
Total		6810.84	3889.32	2921.52	559.99

Appendix 2.5

Cases of Substantial Surrenders made during the year (Reference: Paragraph 2.3.9; Page - 43)

(₹ in crore)

Sl No	Number and Name of the Grants/ Appropriations	Head of Account	Total provision	Surrender	Percentage of Surrender
1	6 District Administration	2053-093-01	427.03	289.50	67.79
2	7 Treasury and Accounts Administration	2071-01-117-01	199.19	183.77	92.26
3	8 Police	04-2055-800-02	50.00	50.00	100.00
4	14 Secondary Education	08-2202-04-103-03	93.00	64.08	68.90
5	14 Secondary Education	08-2202-02-800-16	89.44	63.17	70.63
6	18 Research	04-4202-04-800-01	6.00	6.00	100.00
7	20 Labour	2230-01-800-05	17.68	17.38	98.30
8	22 Food and Civil Supplies	03-4408-02-800-01	1.00	0.70	70.00
9	25 Relief, Rehabilitation and Re-settlement	4235-01-800-01	4.00	4.00	100.00
10	28 Animal Husbandry and veterinary	04-4404-800-03	12.20	11.00	90.16
11	30 State Transport	05-3055-800-05	9.95	9.95	100.00
12	34 Power	2801-06-800-01	17.20	17.20	100.00
13	37 Legal Metrology and Consumer Affairs	5475-800-01	0.28	0.28	100.00
14	38 Water Resources Department	03-4711-01-800-05	229.89	172.33	74.96
15	41 Land Management	2029-800-01	31.07	26.18	84.26
16	41 Land Management	4070-800-02	3.65	3.65	100.00
17	43 Fisheries	04-4405-800-05	10.00	6.11	61.10
18	50 Secretariat Economic Services	03-3451-800-03	345.00	345.00	100.00
19	50 Secretariat Economic Services	03-3451-102-06	112.50	112.50	100.00
20	50 Secretariat Economic Services	03-4070-800-13	512.18	445.93	87.07
21	50 Secretariat Economic Services	04-4070-800-14	250.00	250.00	100.00
22	50 Secretariat Economic Services	07-4070-800-15	184.07	104.07	56.54
23	59 Public Health Engineering	07-4215-01-800-02	17.00	14.82	87.18
24	61 Geology and Mining	4853-60-190-01	2.00	1.02	51.00
25	64 Trade and Commerce	04-2875-60-800-09	15.00	10.19	67.93
26	64 Trade and Commerce	4875-60-800-01	2.00	2.00	100.00
27	66 Hydro Power Development	2801-05-800-01	15.00	15.00	100.00
28	66 Hydro Power Development	2801-05-800-02	6.93	6.93	100.00
29	68 Town Planning Department	4217-03-800-02	2.92	2.92	100.00

Appendices

Sl No	Number and Name of the Grants/ Appropriations	Head of Account	Total provision	Surrender	Percentage of Surrender
30	71 Department of Tawang and West Kameng	04-2205-800-14	2.00	2.00	100.00
31	74 Social Justice, Empowerment and Tribal Affairs	04-4235-02-800-05	80.00	55.50	69.38
32	74 Social Justice, Empowerment and Tribal Affairs	04-4235-02-800-11	12.65	12.65	100.00
33	75 Higher and Technical Education	05-2202-03-800-08	52.00	52.00	100.00
34	76 Elementary Education	08-2202-01-800-07	84.00	61.32	73.00
Total			2896.83	2419.15	83.51

Appendix 2.6

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

(Reference: Paragraph 2.3.12; Page - 45)

(₹ in crore)

Sl. No.	Grant/ Appropriation	Name of Grant/Appropriation	Savings
1	1	Legislative Assembly Revenue- Voted Revenue- Charged	0.78 0.46
2	2	Governor Revenue- Charged	1.46
3	3	Council of Ministers Revenue- Voted	0.12
4	4	Election Revenue- Voted	1.56
5	7	Treasury & Accounts Administration Revenue- Charged	48.26
6	9	Motor Garages Revenue – Voted	2.03
7	10	Other General, Social and Community Services Revenue- Voted	0.50
8	11	Social Welfare Revenue - Voted	1.40
9	13	Director of Accounts Capital- Voted	0.30
10	15	Health & Family Welfare Capital- Voted	5.00
11	17	Gazetteer Revenue- Voted	0.10
12	19	Industries Capital – Voted	0.11
13	21	Food Storage and Warehousing Revenue-Voted Capital Voted	1.45 0.15
14	22	Food & Civil Supplies Revenue – Voted	1.20
15	23	Forests Revenue- Voted	87.92
16	28	Animal Husbandry & Veterinary Revenue – Voted	43.91
17	29	Co-operation Revenue - Voted	0.44
18	30	State Transport Capital – Voted	0.25
19	31	Public Works Revenue- Voted Capital - Voted	0.96 9.74
20	32	Roads & Bridges Revenue- Voted Capital - Voted	72.06 48.09

Appendices

Sl. No.	Grant/ Appropriation	Name of Grant/Appropriation	Savings
21	33	North-Eastern Areas Revenue - Voted	4.32
22	34	Power Capital - Voted	40.84
23	35	Information & Public Relations Revenue – Voted Capital - Voted	5.28 0.58
24	36	Statistics Revenue- Voted Capital- Voted	11.46 0.06
25	37	Legal Metrology and Consumer Affairs Revenue- Voted	0.28
26	38	Water Resources Department Revenue – Voted	27.09
27	39	Loans to Government Servants Capital – Voted	0.83
28	40	Housing Revenue – Voted	6.50
29	42	Rural Development Capital – Voted	2.24
30	44	Attached Offices of Secretariat Administration Revenue – Voted	1.18
31	45	Civil Aviation Capital- Voted	2.25
32	46	State Public Service Commission Revenue-Charged	0.01
33	47	Administration of Justice Revenue- Voted Capital- Voted	0.60 9.22
34	49	Science and Technology Revenue- Voted	2.07
35	52	Sports and Youth Services Capital – Voted	42.45
36	54	State Tax & Excise Revenue – Voted Capital- Voted	1.63 0.96
37	55	State Lotteries Revenue- Voted	0.04
38	56	Tourism Revenue- Voted Capital – Voted	1.85 34.11
39	57	Urban Development Revenue- Voted Capital – Voted	25.13 70.54
40	58	Stationery and Printing Revenue- Voted	0.12
41	61	Geology & Mining Revenue – Voted	0.07
42	62	Directorate of Transport Capital- Voted	0.04
43	63	Protocol Department Revenue – Voted	0.07

Appendices

Sl. No.	Grant/ Appropriation	Name of Grant/Appropriation	Savings
44	65	Department of Tirap and Changlang District Capital- Voted	3.48
45	66	Hydro Power Department Capital- Voted	11.02
46	69	Parliamentary Affairs Department Revenue- Voted	0.13
47	70	Administrative Training Institute Revenue- Voted Capital – Voted	0.33 1.50
48	71	Department of Tawang and West Kameng Capital- Voted	10.00
49	72	Directorate of Prison Revenue- Voted Capital- Voted	0.46 0.25
50	73	Information Technology Revenue- Voted	8.68
51	74	Social Justice, Empowerment and Tribal Affairs Revenue- Voted	0.01
52	77	Gauhati High Court Itanagar Permanent Bench Revenue- Charged	0.17
Total			656.10

Appendices

APPENDIX 2.7

Details of savings of ₹ one crore and above not surrendered (Reference: Paragraph 2.3.12; Page - 45)

(₹ in crore)

Sl. No.	Number of Grant/Appropriation	Name of Grant/Appropriation	Savings	Surrender	Savings to be surrendered
1	2	<i>Governor</i> Revenue – Charged	1.46	-	1.46
2	4	<i>Election</i> Revenue- Voted	1.56	-	1.56
3	6	<i>District Administration</i> Revenue- Voted	350.77	345.35	5.42
4	7	<i>Treasury and Accounts Administration</i> Revenue- Charged	48.26	-	48.26
5	8	<i>Police</i> Revenue- Voted	69.35	50.00	19.35
6	9	<i>Motor Garages</i> Revenue – Voted	2.03	-	2.03
7	11	<i>Social Welfare</i> Revenue – Voted	1.40	-	1.40
8	15	<i>Health & Family Welfare</i> Revenue – Voted Capital- Voted	214.63 5.00	93.55 -	121.08 5.00
9	21	<i>Food, Storage and Warehousing</i> Revenue- Voted	1.45	-	1.45
10	22	<i>Food and Civil Supplies</i> Revenue – Voted Capital- Voted	1.20 1.74	- 0.70	1.20 1.04
11	23	<i>Forests</i> Revenue – Voted	87.92	-	87.92
12	24	<i>Agriculture</i> Revenue – Voted	37.16	8.80	28.36
13	25	<i>Relief, Rehabilitation and Re-settlement</i> Capital- Voted	9.47	4.00	5.47
14	27	<i>Panchayat</i> Revenue – Voted	47.67	2.83	44.84
15	28	<i>Animal Husbandry & Veterinary</i> Revenue – Voted	43.91	-	43.91
16	30	<i>State Transport</i> Revenue- Voted	19.22	11.45	7.77
17	31	<i>Public Works</i> Capital – Voted	9.74	-	9.74
18	32	<i>Roads & Bridges</i> Revenue- Voted	72.06 48.09	- -	72.06 48.09

Appendices

Sl. No.	Number of Grant/Appropriation	Name of Grant/Appropriation	Savings	Surrender	Savings to be surrendered
		Capital – Voted			
19	33	<i>North-Eastern Areas</i> Revenue- Voted Capital – Voted	4.32 22.85	- 1.36	4.32 21.49
20	34	<i>Power</i> Revenue- Voted Capital – Voted	55.87 40.84	37.20 -	18.67 40.84
21	35	<i>Information and Public Relations</i> Revenue- Voted	5.28	-	5.28
22	36	<i>Statistics</i> Revenue - Voted	11.46	-	11.46
23	38	<i>Water Resources Department</i> Revenue – Voted Capital – Voted	27.09 206.95	- 183.73	27.09 23.22
24	40	<i>Housing</i> Revenue-Voted	6.50	-	6.50
25	42	<i>Rural Development</i> Revenue – Voted Capital- Voted	144.32 2.24	9.13 -	135.19 2.24
26	44	<i>Attached offices of the Secretariat Administration</i> Revenue-Voted	1.18	-	1.18
27	45	<i>Civil Aviation</i> Revenue- Voted Capital- Voted	6.26 2.25	3.37 -	2.89 2.25
28	47	<i>Administration of Justice</i> Capital– Voted	9.22	-	9.22
29	48	<i>Horticulture</i> Capital- Voted	118.55	29.25	89.30
30	49	<i>Science and Technology</i> Revenue- Voted	2.07	-	2.07
31	50	<i>Secretariat Economic Services</i> Revenue- Voted Capital- Voted	468.00 951.33	462.50 800.35	5.50 150.98
32	52	<i>Sports & Youth Services</i> Capital – Voted	42.45	-	42.45
33	53	<i>Fire Protection and Control</i> Revenue- Voted	4.31	0.42	3.89
34	54	<i>State Tax and Excise</i> Revenue- Voted	1.63	-	1.63
35	56	<i>Tourism</i> Revenue- Voted Capital – Voted	1.85 34.11	- -	1.85 34.11
36	57	<i>Urban Development</i> Revenue- Voted	25.13 70.54	- -	25.13 70.54

Appendices

Sl. No.	Number of Grant/Appropriation	Name of Grant/Appropriation	Savings	Surrender	Savings to be surrendered
		Capital - Voted			
37	59	<i>Public Health Engineering</i> Revenue-Voted Capital- Voted	87.95 28.84	15.54 14.82	72.41 14.02
38	65	<i>Department of Tirap and Changlang District</i> Capital – Voted	3.48	-	3.48
39	66	<i>Hydro Power Development</i> Capital – Voted	11.02	-	11.02
40	68	<i>Town Planning Department</i> Revenue – Voted	47.80	0.47	47.33
41	70	<i>Administrative training Institute</i> Capital – Voted	1.50	-	1.50
42	71	<i>Department of Tawang and West Kameng</i> Capital – Voted	10.00	-	10.00
43	73	<i>Information Technology</i> Revenue – Voted	8.68	-	8.68
44	74	<i>Social Justice, Empowerment & Tribal Affairs</i> Capital - Voted	78.85	75.04	3.81
45	75	<i>Higher and Technical Education</i> Revenue- Voted	95.37	75.60	19.77
46	76	<i>Elementary Education</i> Revenue- Voted	164.92	61.32	103.60
47	97	<i>Public Debt</i> Revenue – Charged	42.45	14.58	27.87
TOTAL			3921.55	2301.36	1620.19

APPENDIX 3.1

Department wise break-up of outstanding utilisation certificates upto2014-15 (Reference: Paragraph 3.1; Page - 49)

SI No	Department	Number of outstanding UCs		Amount involved (₹ in crore)	
		Upto2013-14	2014-15	Upto2013-14	2014-15
1	Science and Technology	10	8	9.15	3.60
2	Art and Culture	1	-	0.01	-
3	Town Planning	9	5	8.01	4.49
4	Industries	4	4	2.32	5.78
5	Sports and Youth Affairs	-	2	-	7.81
9	Elementary Education	-	8	-	141.30
10	Health Services	3	21	23.00	99.26
11	Panchayat	6	1	16.85	15.35
14	Tourism	2	-	8.00	-
15	Urban Development	1	-	0.41	-
16	Information Technology	1	3	0.90	1.77
17	Administration of Justice	1	-	0.10	-
18	Co-operation	6	-	2.54	-
19	District Administration	1	-	1.50	-
20	Forests	2	-	0.66	-
21	Police	1	-	4.69	-
22	Relief, Rehabilitation and Re-settlement	1	-	1.00	-
23	Secondary Education	26	5	34.67	6.96
24	Social Justice, Empowerment and Tribal Affairs	1	1	0.25	0.25
25	Social Welfare	1	-	0.48	-
26	Fisheries	1	-	0.08	-
27	Higher and Technical Education	-	2	-	3.00
Total		78	60	114.62	289.56

Appendices

APPENDIX 3.2

Statement showing Bodies and Authorities, accounts of which were not received (Reference: Paragraph 3.2; Page - 50)

Sl. No.	Body/Authority	Category	Years for which Accounts not received	Provision under which Audit conducted
1	Arunachal Pradesh Agriculture Marketing Board, Naharlagun	State AB	2005-06 to 2015-16	19(1)
2	Central School for Tibetans, Miao	NGOs	2009-10 to 2015-16	14 (1)
3	District Rural Development Agency, Along	State AB	2009-10 to 2015-16	14 (1)
4	District Rural Development Agency, Anini	State AB	2009-10 to 2015-16	14 (1)
5	District Rural Development Agency, Bomdila	State AB	2009-10 to 2015-16	14 (1)
6	District Rural Development Agency, Changlang	State AB	2009-10 to 2015-16	14 (1)
7	District Rural Development Agency, Daporijo	State AB	2009-10 to 2015-16	14 (1)
8	District Rural Development Agency, Khonsa	State AB	2014-15 & 2015-16	14 (1)
9	District Rural Development Agency, Pasighat	State AB	2009-10 to 2015-16	14 (1)
10	District Rural Development Agency, Tezu	State AB	2009-10 to 2015-16	14 (1)
11	District Rural Development Agency, Tawang	State AB	2009-10 to 2015-16	14 (1)
12	District Rural Development Agency, Yingkiong	State AB	2009-10 to 2015-16	14 (1)
13	District Rural Development Agency, Ziro	State AB	2009-10 to 2015-16	14 (1)
14	District Rural Development Agency, Seppa	State AB	2014-15 & 2015-16	14 (1)
15	District Rural Development Agency, Roing	State AB	2014-15 & 2015-16	14 (1)
16	Donyi Polo Mission, Itanagar	NGO	2014-15 & 2015-16	14 (1)
17	Member Secretary, Arunachal Pradesh State Council for Science & Technology	State AB	2013-14 to 2015-16	14 (1)
18	Ram Krishna Mission, Vivekananda Nagar Along	NGO	2005-06 to 2015-16	14 (1)
19	Ram Krishna Mission, Narottam Nagar Deomali	NGO	2011-12 to 2015-16	14 (1)
20	Ram Krishna Mission Hospital, Itanagar	NGO	2011-12 to 2015-16	14 (1)
21	Ram Krishna Mission, Khonsa	NGO	2005-06 to 2015-16	14 (1)
22	Arunachal Pradesh Building & Other Construction Workers Welfare Board, Naharlagun	State AB	2012-13 to 2015-16	19 (2)
23	Arunachal Pradesh State Legal Service Authority, Itanagar	State AB	2007-08 to 2015-16	19(2)
24	Arunachal Pradesh State Electricity Regulatory commission	State AB	2015-16	19 (2)
25	State Compensatory Afforestation Fund & Planning Authority	State AB	2010-11 to 2015-16	19 (2)

APPENDIX 3.3

Statement showing Transaction under 800 Other Receipts

(Reference: Paragraph; 3.3; Page - 51)

(₹ in crore)

Sl. No.	Major Head	Description	Total Receipts under the Major Head	Total Receipts under '800'- Other Receipts	Percentage to Total Revenue Receipts under the Major Head
1	0039	State Excise	86.33	86.33	100
2	0055	Police	9.34	8.75	94
3	0059	Public Works	7.35	6.28	85
4	0070	Other Administrative Services	9.52	7.95	84
5	0075	Miscellaneous General Services	54.39	41.91	77
6	0217	Urban Development	3.63	3.46	95
7	0403	Animal Husbandry	1.21	0.91	75
8	0801	Power	1,17.04	1,17.04	100
9	0853	Non-ferrous Mining and Metallurgical industries	86.72	82.05	95
10	1055	Road Transport	13.76	12.86	93
11	1275	Other Communication Services	4.86	4.84	100
12	1601	Grants-in-aid from Central Government	25,50.33	16,11.82	63
Total			2944.48	1984.20	67

Appendices

APPENDIX 3.4

Statement showing Transactions under 800 Other Expenditure (Reference: Paragraph: 3.3; 3.3; Page - 51)

(₹ in crore)

Sl. No.	Major Head	Description	Total Expenditure under the Major Head	Total Expenditure under '800-Other Expenditure'	Percentage to Total Expenditure under the Major Head
1	2013	Council of Ministers	11.29	6.17	55
2	2216	Housing	33.79	17.45	52
3	2217	Urban Development	68.23	35.47	52
4	2230	Labour and Employment	31.26	18.31	59
5	2235	Social Security and Welfare	1,42.91	1,13.14	79
6	2415	Agricultural Research and Education	7.86	5.32	68
7	2501	Special Programmes for Rural Development	54.42	54.42	100
8	2506	Land Reforms	4.00	4.00	100
9	2552	North Eastern Areas	12.64	12.64	100
10	2575	Other Special Area Programmes	85.44	84.79	99
11	2810	New and Renewable Energy	22.51	22.51	100
12	2875	Other Industries	11.22	10.37	92
13	3055	Road Transport	95.05	91.45	96
14	3275	Other Communication Services	26.45	26.45	100
15	3452	Tourism	25.30	13.60	54
16	4055	Capital Outlay on Police	4.17	4.17	100
17	4070	Capital Outlay on Other Administrative	25.04	25.04	100
18	4202	Capital Outlay on Education, Sports, Art and Culture	1,18.91	74.20	62
19	4210	Capital Outlay on Medical and Public Health	26.03	26.03	100
20	4215	Capital Outlay on Water Supply and Sanitation	73.46	73.46	100
21	4220	Capital Outlay on Information and Publicity	1.02	1.02	100
22	4235	Capital Outlay on Social Security and Welfare	52.34	52.34	100
23	4250	Capital Outlay on Other	1.00	1.00	100

Appendices

Sl. No.	Major Head	Description	Total Expenditure under the Major Head	Total Expenditure under '800-Other Expenditure'	Percentage to Total Expenditure under the Major Head
		Social Services			
24	4401	Capital Outlay on Crop Husbandry	3.00	3.00	100
25	4403	Capital Outlay on Animal Husbandry	2.38	2.38	100
26	4405	Capital Outlay on Fisheries	5.54	5.54	100
27	4435	Capital Outlay on Other Agricultural Programmes	1.00	1.00	100
28	4552	Capital Outlay on North Eastern Areas	63.93	63.93	100
29	4575	Capital Outlay on other Special Areas	36.52	36.52	100
30	4702	Capital Outlay on Minor Irrigation	8.59	8.59	100
31	4801	Capital Outlay on Power Projects	1,29.09	1,14.79	89
32	4851	Capital Outlay on Village and Small Industries	1.39	1.39	100
33	4852	Capital Outlay on Iron & Steel Industries	5.40	5.40	100
34	4853	Capital Outlay on Non-ferrous Mining and Metallurgical Industry	3.96	2.99	76
35	5053	Capital Outlay on Civil Aviation	2.01	2.01	100
36	5054	Capital Outlay on Roads and Bridges	7,96.67	6,43.39	81
		Total	1776.98	1447.44	81

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