



सत्यमेव जयते

**GOVERNMENT
OF
ARUNACHAL PRADESH
ACCOUNTS AT A GLANCE
2013-2014**



**ACCOUNTANT GENERAL
ARUNACHAL PRADESH
ITANAGAR**

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PREFACE

I am happy to present the fourteenth issue of our annual publication, '**Accounts at a Glance**' of the Government of Arunachal Pradesh. The purpose of this publication is to distil and make more accessible the voluminous information available in the Annual Finance and Appropriation Accounts (totaling 602 pages this year) prepared by my office under directions of the Comptroller and Auditor General of India and placed before the Legislature in accordance with Article 149 of the Constitution of India.

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

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

Place: *Itanagar*

Date:



(*S. A. BATHEW*)
ACCOUNTANT GENERAL

Our Vision, Mission and Core Values

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

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

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

Independence

Professional Excellence

Objectivity

Transparency

Integrity

Positive Approach

Reliability

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CHAPTER - I

OVERVIEW

1.1 Introduction

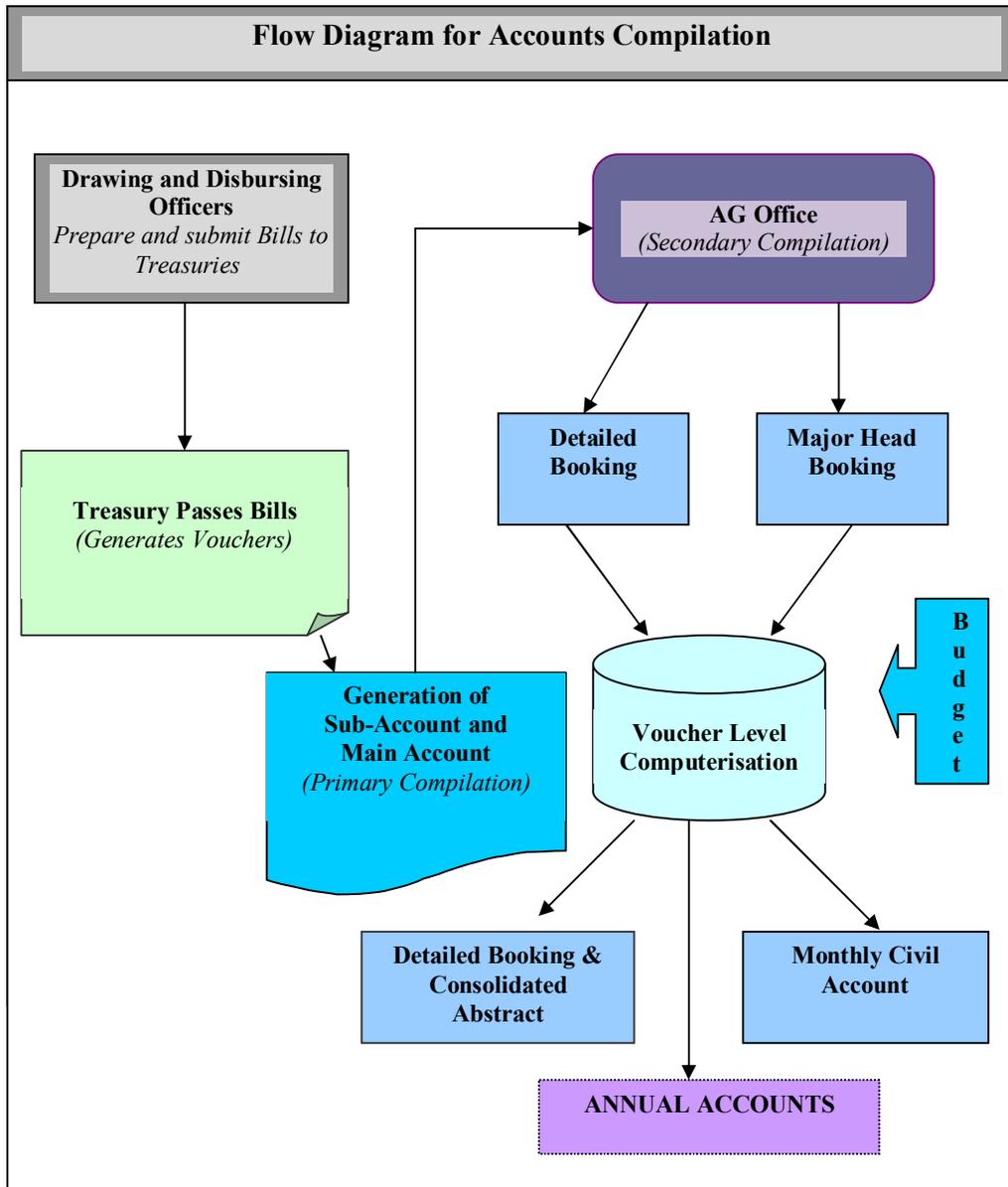
The Accountant General, Arunachal Pradesh compiles the accounts of receipts and expenditure of the Government of Arunachal Pradesh. This compilation is based on the initial accounts rendered by the District Treasuries, Pay & Accounts Officers of Public Works and Forest Divisions and advice of the Reserve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

1.2 Structure of Accounts

1.2.1. Government Accounts are kept in three parts

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

1.2.2 *Compilation of Accounts*



1.3. Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

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

Receipts and disbursements of the Government of Arunachal Pradesh, as depicted in the Finance Accounts 2013-14, are given below:

<i>(₹ in crore)</i>			
RECEIPTS <i>(Total – 7429.63)</i>	Revenue (Total: 5820.43)	Tax Revenue	1480.36
		Non-Tax Revenue	405.06
		Grants-in-Aid	3935.01
	Capital (Total: 1609.20)	Recovery of Loans & Advances	3.42
		Borrowings & Other Liabilities	1605.78
DISBURSEMENTS <i>(Total – 7429.63)</i>	Revenue		5731.40
	Capital		1679.70
	Loans & Advances		18.53

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

The Union Government transfers substantial funds directly to State Implementing Agencies/NGOs for implementation of various Schemes/Programmes. This year, the Government of India directly released ₹ 1157.29 crore to such agencies. Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix - VII of Volume - II of the Finance Accounts.

1.3.2. Appropriation Accounts

Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'Charged' on the Consolidated Fund or 'Voted' by the State Legislature. There are 4 charged Appropriations, 1 Grant (both charged and voted) and 70 voted Grants.

The Appropriation Act, 2013-14, provided for gross expenditure of ₹ 11777.52 crore and reduction of expenditure (recoveries) of ₹ 0.60 crore. Against this, the actual gross expenditure was ₹ 7599.29 crore and reduction of expenditure was ₹ 0.58 crore, resulting in net savings of ₹ 4178.23 crore (35.48 *per cent*) and an over-estimation of ₹ 0.02 crore (3.33 *per cent*) on reduction of expenditure. The gross expenditure included ₹ 15.66 crore drawn on Abstract Contingent (AC) Bills, against which ₹ 10.71 crore was still outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

During 2013-14, ₹ 1.25 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under PD Accounts are to be transferred back to the Government at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD Accounts are available only with the Treasuries, since they are responsible for maintaining such records.

1.4 Sources and Application of Funds

1.4.1. Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable the State Government to maintain its liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 0.26 crore) maintained with the RBI. During 2013-14, neither did the Government of Arunachal Pradesh resort to OD facilities nor availed of WMA.

1.4.2. Fund Flow Statement

The State had a Revenue Surplus of ₹ 89.03 crore and a Fiscal Deficit of ₹ 1605.78 crore, representing 0.66 and 11.90 *per cent* of the Gross State Domestic Product (GSDP) respectively. Fiscal Deficit constituted 21.61 *per cent* of the total expenditure. This deficit was met from Public Debt (₹ 185.07 crore), increase in Public Account (₹ 1250.17 crore) and net of opening and closing cash balances (₹ 168.54 crore). Around 56.11 *per cent* of Revenue Receipts (₹ 5820.43 crore) of the State Government was spent on Committed Expenditure like Salaries (₹ 2548.91 crore), Interest Payment (₹ 312.51 crore) and Pension (₹ 398.40 crore).

Sources and Application of Funds

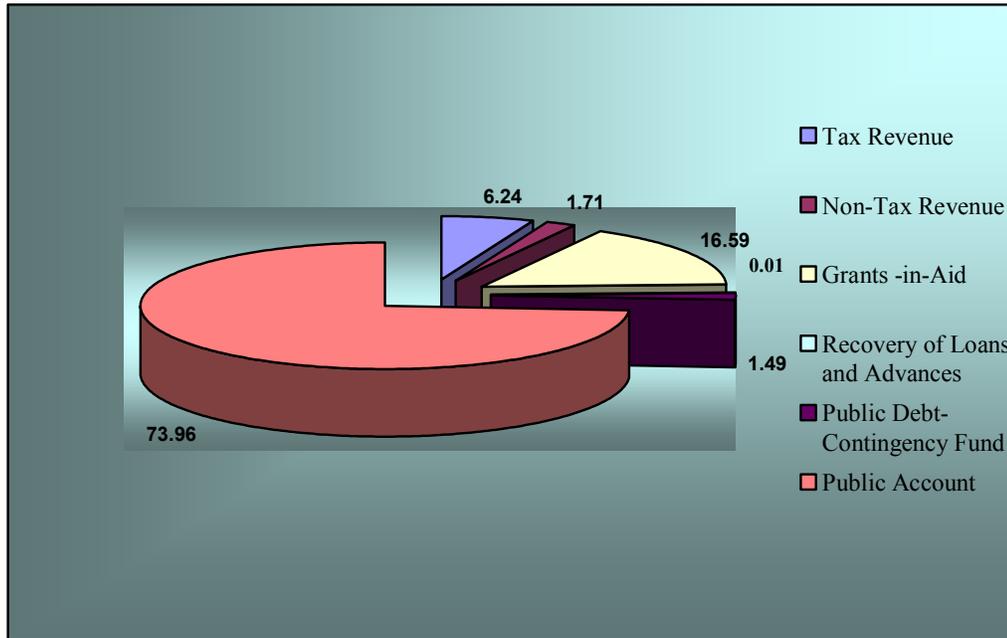
(₹ in crore)

SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01.04.2013	159.27
	Revenue Receipts	5820.43
	Recovery of Loans & Advances	3.42
	Public Debt	354.15
	Small Savings, Provident Fund & Others	308.36
	Reserves & Sinking Funds	64.54
	Deposits Received	1312.59
	Civil Advances Repaid	58.16
	Suspense Account	12795.65
	Remittances	2999.82
	Contingency Fund	-
	TOTAL	23876.39

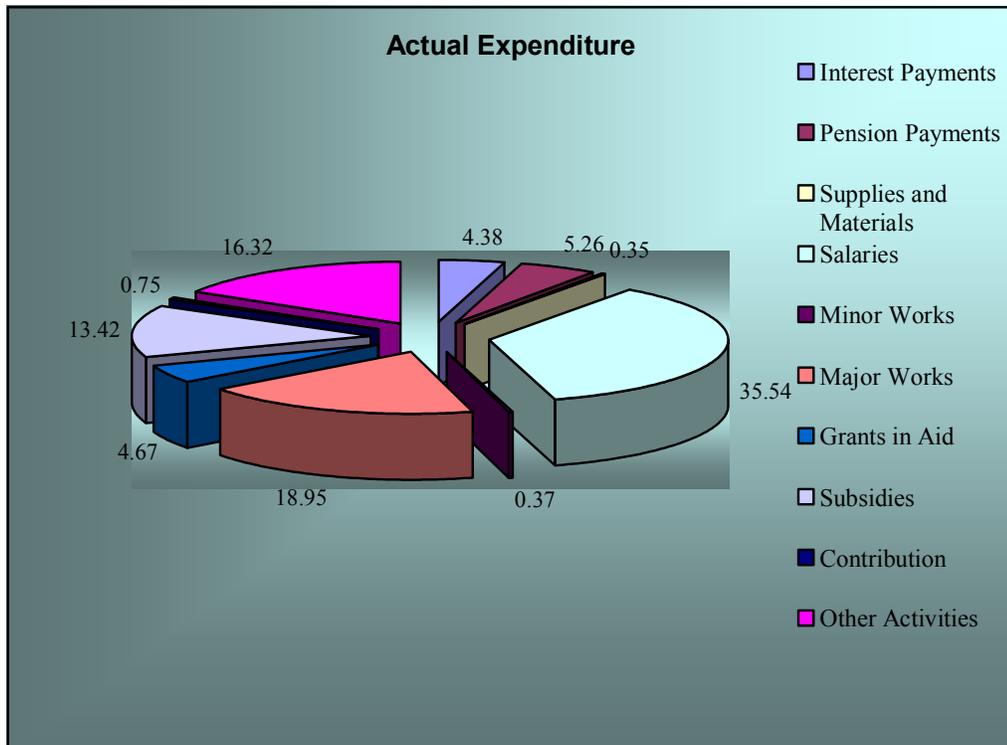
APPLICATION	PARTICULARS	AMOUNT
	Revenue Expenditure	5731.40
	Capital Expenditure	1679.70
	Loans Given	18.53
	Repayment of Public Debt	169.08
	Transfer to Contingency Fund	-
	Small Savings Provident Fund & Others	164.83
	Reserves and Sinking Funds	20.00
	Deposits Received	1211.20
	Civil Advances Repaid	115.33
	Suspense Account	11685.86
	Remittances	3089.75
	Closing Cash Balance as on 31.03.2014	-9.27
TOTAL	23876.39	

Except where indicated otherwise, GSDP figures used in this publication are adopted from the Directorate of Economics & Statistics (December 2014), Government of Arunachal Pradesh.

1.4.3. Where the Rupee came from



1.4.4. Where the Rupee went



1.5. Highlights of Accounts

(₹ in crore)

Sl. No.	Component	BE 2013-14	Actuals	Percentage of Actuals to BE	Percentage of Actuals to GSDP (\$)
1.	Tax Revenue [A]	1542.38	1480.36	95.98	10.98
2.	Non-Tax Revenue	316.78	405.06	127.87	3.01
3.	Grants-in-Aid & Contributions	6301.86	3935.01	62.45	29.17
4.	Revenue Receipts (1+2+3)	8161.02	5820.43	71.32	43.15
5.	Recovery of Loans & Advances	3.85	3.42	88.84	0.03
6.	Borrowings & other Liabilities [A]	3369.26	1605.78	47.66	11.91
7.	Capital Receipts (5 + 6)	3373.11	1609.20	47.71	11.93
8.	Total Receipts (4 + 7)	11534.13	7429.63	64.42	55.08
9.	Non-Plan Expenditure	4441.52	3963.80	89.24	29.38
10.	NPE on Revenue Account	4273.08	3957.59	92.62	29.34
11.	NPE on Interest Payments	350.85	312.51	94.78	2.47
12.	NPE on Capital Account	168.44	6.21	3.69	0.05
13.	Plan Expenditure	7029.61	3465.83	49.30	25.69
14.	PE on Revenue Account	2049.70	1773.81	86.54	13.15
15.	PE on Capital Account	5042.91	1692.02	33.55	12.54
16.	Total Expenditure (9 + 13) [*]	11534.13	7429.63	64.42	55.08
17.	Revenue Expenditure (10+14)	6322.78	5731.40	90.65	42.49
18.	Capital Expenditure (12+15) [#]	5211.35	1698.23	32.59	12.59
19.	Revenue Surplus (4-17)	1838.24	89.03	4.85	0.66
20.	Fiscal Deficit {(16 - (4+5))}	3369.26	1605.78	47.66	11.91

(@) Includes State Share of Union Taxes - ₹1045.85 crore.

(\$) GSDP figure of ₹ 13491 crore adopted from the Directorate of Economic & Statistics (December 2014), Government of Arunachal Pradesh.

(#) Expenditure on Capital Account includes Capital Expenditure (₹1679.70 crore) and Loans & Advances disbursed (₹18.53 crore)

(*) Expenditure includes (₹3982.33 crore) under Non-Plan and (₹3447.30 crore) under Plan which pertains to Loans & Advances

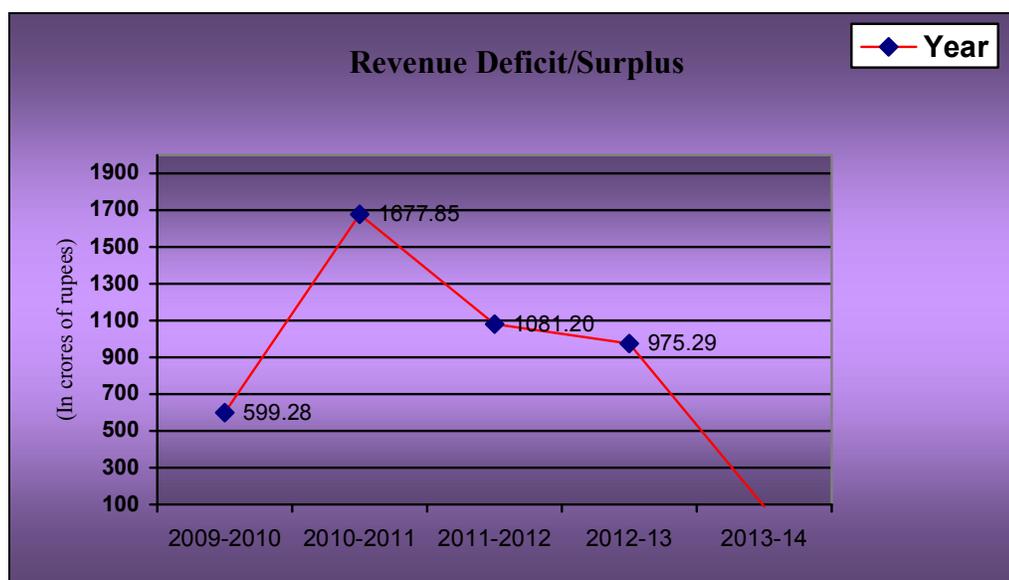
(A) Borrowings & other Liabilities Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balances.

1.6 What do the Deficits and Surpluses indicate?

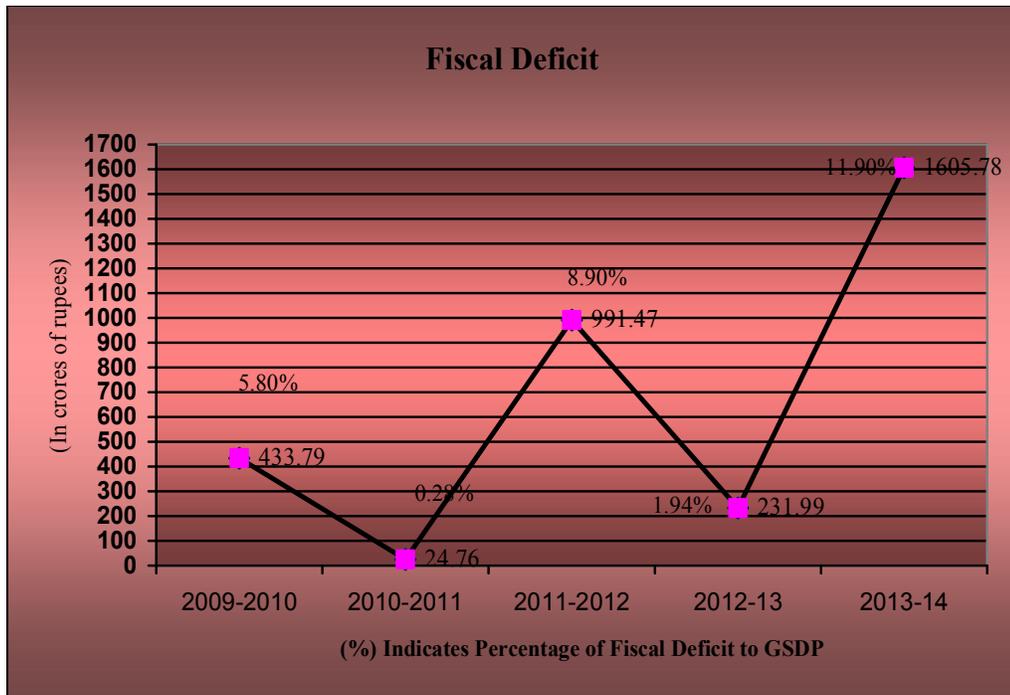
DEFICIT	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
SURPLUS	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required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

After enactment of the Arunachal Pradesh Fiscal Responsibility and Budget Management (FRMB) Act, 2006, wherein targets were set for important fiscal indicators like fiscal deficit and liabilities under the Consolidated Fund, the Government made a promising start, achieving revenue surplus of ₹ 694.94 crore in 2006-07. Continuing the upward trend, the State recorded its Gross State Domestic Product (GSDP) at ₹ 13,491 crore in 2013-14 at current prices, indicating an increase of 12.96 per cent from the previous year. The State also recorded a revenue surplus of ₹ 89.03 crore in 2013-14. However, the fiscal deficit increased from ₹ 991.47 crore or 8.9 per cent of GSDP in 2011-12 to ₹ 975.29 crore or 1.94 per cent of GSDP 2012-13. The fiscal deficit stood at ₹ 1605.78 crore or 11.90 per cent of GSDP in 2013-14.

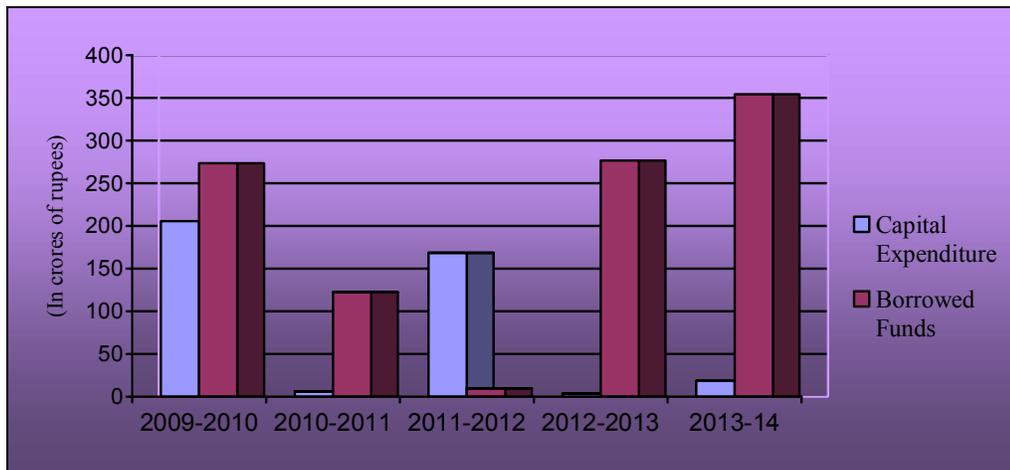
1.6.1. Trend of Revenue Deficit/Surplus



1.6.2. Trend of Fiscal Deficit



1.6.3. Proportion of Borrowed Funds spent on Capital Expenditure



It is desirable to fully utilize borrowed funds for creation of Capital Assets, and to use Revenue Receipts for repayment of Principal and Interest. However, the State Government spent only 5.25 per cent of its borrowings of the current year (₹ 354.15 crore) on Capital Expenditure (₹ 18.53 crore). Therefore, it would appear that 94.75 per cent of Borrowings were utilized to repay Principal and Interest on Public Debt of previous years, to meet periodic shortfalls of revenue against expenditure in the current year, to maintain a positive cash balance at the end of the year and to invest in Treasury Bills.

CHAPTER - II

RECEIPTS

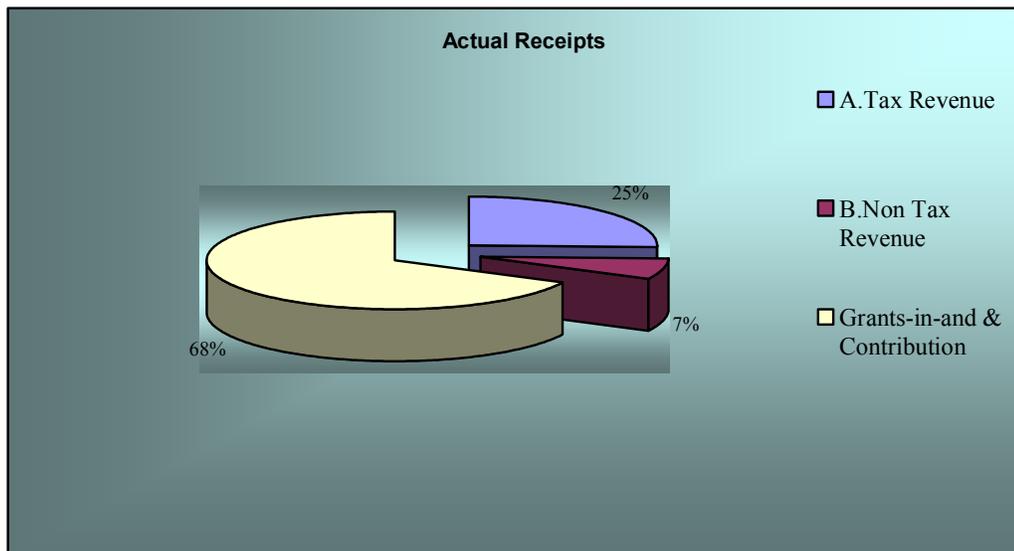
2.1. Introduction

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

Total Receipts for 2013-14 were ₹ 7429.63 crore.

2.2. Revenue Receipts

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



2.2.1. Revenue Receipt Components (2013-14)

(₹ in crore)

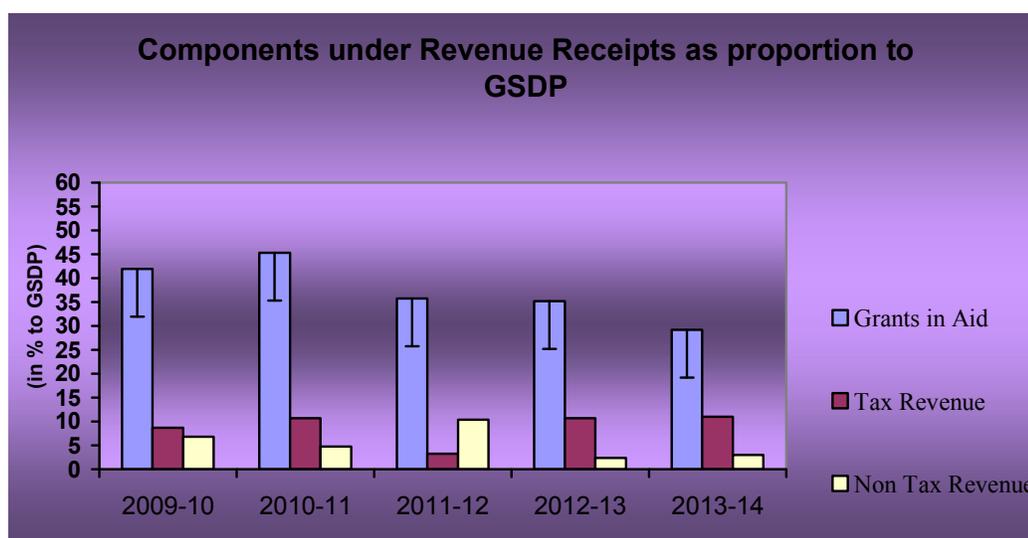
Components	Actuals
A. TAX REVENUE	1480.36
Taxes on Income & Expenditure	583.67
Taxes on Property & Capital Transactions	16.54
Taxes on Commodities & Services	880.14
B. NON-TAX REVENUE	405.06
Interest Receipts, Dividends & Profits	24.66
General Services	42.75
Social Services	36.86
Economic Services	300.79
C. GRANTS-IN-AID AND CONTRIBUTIONS	3935.01
TOTAL- REVENUE RECEIPTS	5820.43

2.3. Trend of Receipts

(₹ in crore)

Component	2009-10	2010-11	2011-12	2012-13	2013-14
TAX REVENUE	648.84	935.18	1156.52	1274.43	1480.36
NON-TAX REVENUE	511.25	530.18	360.71	284.22	405.06
GRANTS-IN-AID	3134.78	3956.78	3981.73	4202.88	3935.01
TOTAL REVENUE RECEIPTS	4294.87	5422.14	5499.06	5761.53	5820.43
GSDP	7472.97	8731.50	11135.53	11942.81	13491.00

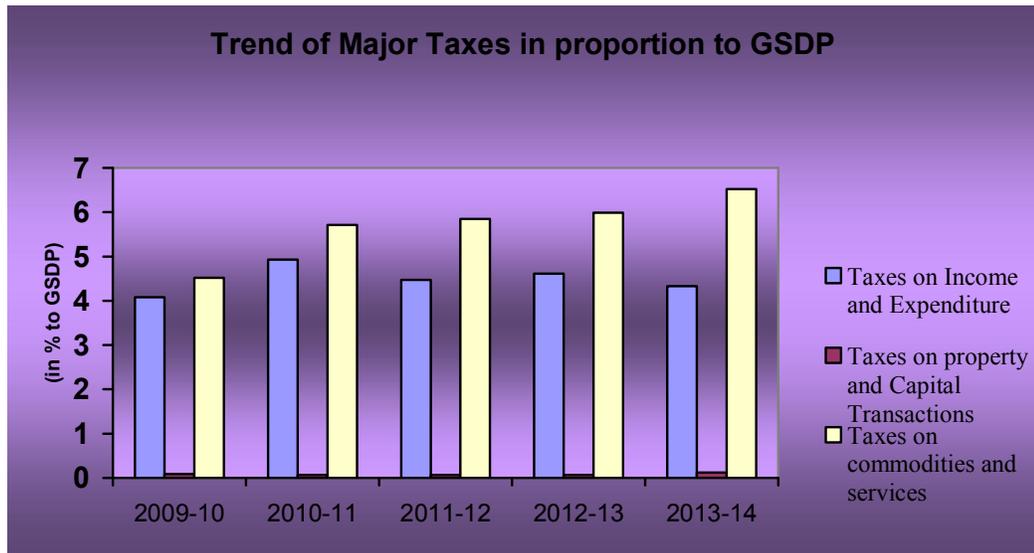
Though GSDP increased by 12.96 per cent between 2012-13 and 2013-14, growth in revenue collection was only 1.02 per cent. While Tax Revenue increased by 16.16 per cent, Non-Tax Revenue decreased by 42.52 per cent.



Sector-wise Tax Revenue

(₹ in crore)

Component	2009-10	2010-11	2011-12	2012-13	2013-14
Tax on Income & Expenditure	304.61	430.41	498.17	550.39	583.67
Taxes on Property & Capital Transactions	6.78	5.80	7.37	8.32	16.54
Taxes on Commodities & Services	337.45	498.96	651.08	715.72	880.14
TOTAL TAX REVENUE	648.84	935.17	1156.12	1274.43	1480.36



2.4. Performance of State's own Revenue Collection

(₹ in crore)

Year	Tax Revenue	State Share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2009-10	648.84	475.40	173.44	2.32
2010-11	935.18	720.18	214.99	2.46
2011-12	1156.62	838.97	317.65	2.85
2012-13	1274.43	957.93	316.50	2.65
2013-14	1480.36	1045.85	434.51	3.22

The proportion of the State's Own Revenue to GSDP was perceptibly higher than the target of 2.91 per cent, as recommended by the 13th Finance Commission.

2.5. Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

Component	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Collection	6.78	5.80	7.37	8.32	16.54
Expenditure on Collection	7.57	7.28	8.57	7.97	11.04
Cost of Tax Collection	111.65 %	125.51 %	116.28 %	95.80	66.74

B. Taxes on Commodities and Services

(₹ in crore)

Component	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Collection	337.45	498.96	651.08	715.72	880.14
Expenditure on Collection	8.77	8.03	12.88	12.36	14.39
Cost of Tax Collection	2.60 %	1.61 %	1.98 %	1.73	1.63

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

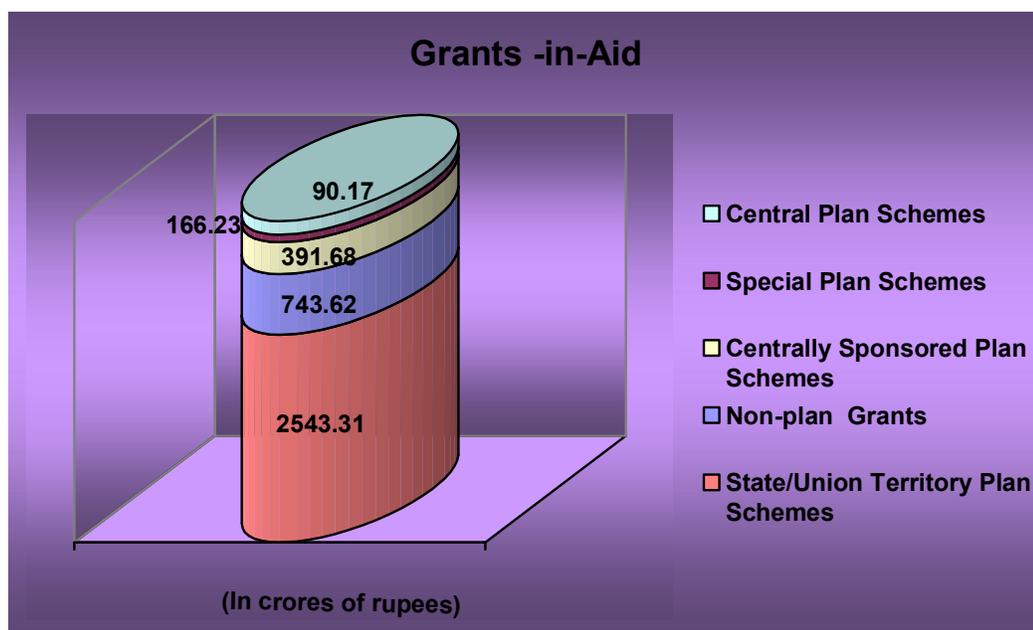
2.6. Trend in State's Share of Union Taxes over the past five years.

(₹ in crore)

Major Head Description	2009-10	2010-11	2011-12	2012-13	2013-14
Corporation Tax	195.63	281.59	330.36	344.28	351.93
Taxes on Income other than Corporation Tax	108.98	148.81	167.81	206.11	231.74
Taxes on Wealth	0.44	0.58	1.28	0.58	0.97
Customs	66.53	125.98	145.52	159.27	170.74
Union Excise Duties	53.59	91.64	94.17	108.24	120.58
Service Tax	50.23	71.58	99.83	139.45	169.89
Other Taxes and Duties on Commodities and Services	0.02	-	-	-	-
State Share of Union Taxes	475.40	720.18	838.97	957.93	1045.85
Total Tax Revenue	648.84	935.18	1156.62	1274.43	1480.36
Percentage of Union Taxes to Total Tax Revenue	73.27	77	72.54 %	75.17%	70.65

2.7. Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India, and comprise of Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission; they also include State Non-plan Grants recommended by the Finance Commission. Total receipts during 2013-14 under Grants-in-Aid were ₹ 3935.01 crore, as shown below:



The share of Non-plan Grants in total Grants-in-Aid declined from 23 *per cent* during 2012-13 to 18.89 *per cent* in 2013-14, while the share of Grants for Plan schemes increased from 77 *per cent* in 2012-13 to 81.11 *per cent* in 2013-14. As against a Budget Estimate of ₹ 6301.86 crore of Grants-in-Aid, the State Government actually received ₹ 3935.01 crore as Grants-in-Aid (62.44 *per cent* of BE).

2.8 Public Debt

Trend of Public Debt over the past five years

Component	(₹ in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Internal Debt	1721.51	121.99	168.66	276.45	354.15
Central Loans	420.66	0.37	-	-	-
Total Public Debt	2142.17	122.36	168.66	276.45	354.15

Against a total Internal Debt of ₹ 354.15 crore of the State Government in 2013-14, Capital Expenditure was ₹ 1698.23 crore (20.85 *per cent*), indicating that the entire Public Debt was used for developmental purposes.

CHAPTER - III

EXPENDITURE

3.1. Introduction

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

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

3.2 Revenue Expenditure

Revenue Expenditure was ₹ 5731.40 crore for 2013-14, which was less than the Budget Estimates by ₹ 591.38 crore. This was due to less disbursement of ₹ 275.89 crore under Plan Expenditure and less disbursement of ₹ 315.49 crore under Non-Plan Expenditure. The shortfall/excess of expenditure against Budget Estimates under Revenue Section during the last five years given below:

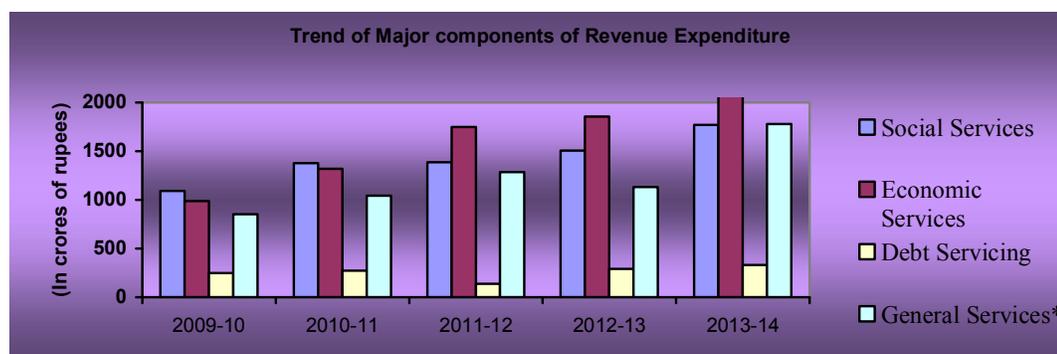
Component	2009-10	2010-11	2011-12	2012-13	2013-14
Budget Estimates	3607.37	4523.13	3606.29	5389.68	6322.78
Actuals	3695.59	3744.24	4417.86	4786.24	5731.40
Gap	(-) 88.22	778.89	(-) 811.57	603.44	591.38
Percentage of gap over BEs	2.45	17.22	22.50	11.20	9.35

Compounding the shortfall (28.68 per cent) of Revenue Receipts against Budget Estimates, the State Government was faced with the problem of generating surplus revenue in terms of the FRBM Act. Nearly 56.88 per cent of total Revenue Expenditure was committed to Non-Plan Expenditure (Salaries, Pensions, etc.). Plan Expenditure resultantly increased by 11.49 per cent from ₹ 1591.04 crore in 2012-13 to ₹ 1773.81 crore in 2013-14.

3.2.1 Sectoral Distribution of Revenue Expenditure (2013-14)

Components	Amount	Percentage
A. Fiscal Services	26.38	0.46
(i) Collection of Taxes on Property & Capital Transactions	11.04	-
(ii) Collection of Taxes on Commodities & Services	14.39	-
(iii) Other Fiscal Services	0.95	-
B. Organs of State	83.44	1.45
C. Interest Payment & Servicing of Debt	332.51	5.80
D. Administrative Services	938.93	16.38
E. Pensions & Miscellaneous General Services	398.81	6.96
F. Social Services	1770.16	30.89
G. Economic Services	2181.17	38.06
H. Grants-in-Aid & Contributions	-	-
TOTAL - EXPENDITURE (REVENUE ACCOUNT)	5731.40	100

3.2.2 Major Components of Revenue Expenditure (2009-2014)



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

In 2013-14, the expenditure on Economic Services (which included important sectors like Rural Development, Agriculture and Irrigation) and other services increased.

3.3 Capital Expenditure

Capital disbursements for 2013-14 was 12.59 per cent of GSDP was less than Budget Estimates by ₹ 3513.12 crore (less disbursement of ₹ 3350.89 crore under Plan Expenditure and more disbursement of ₹ 162.23 crore under Non-Plan Expenditure).

3.3.1 Sectoral Distribution of Capital Expenditure

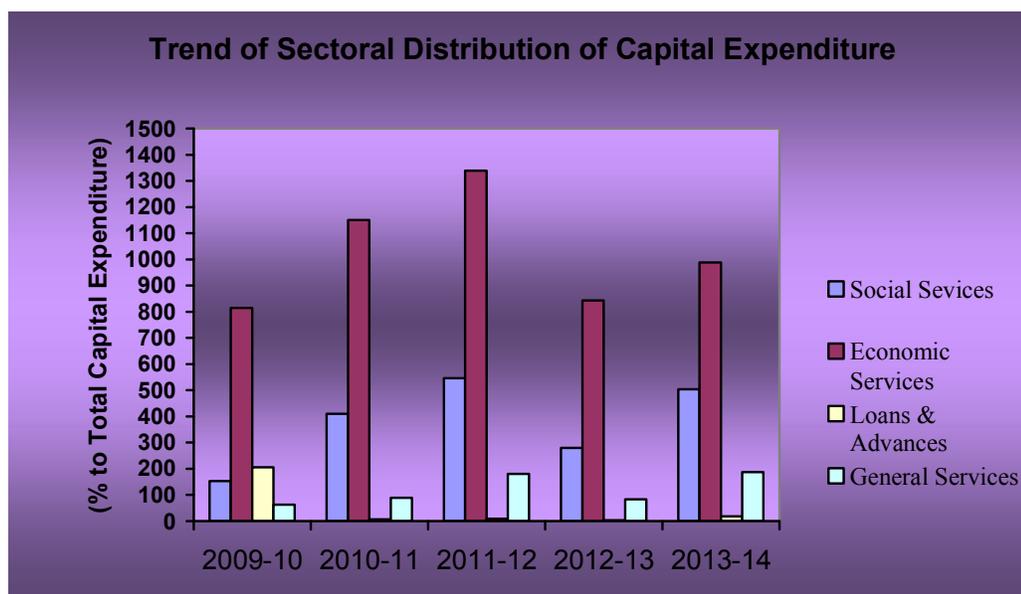
(₹ in crore)

Sl. No.	Components	Amount	Percentage
1.	General Services - Police, Land Revenue; etc;.	187.81	11.06
2.	Social Services - Education, Health & Family Welfare, Water Supply, Welfare of SC/ST, etc;.	503.80	29.67
3.	Economic Services - Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport, etc;.	988.09	58.18
4.	Loans & Advances Disbursed	18.53	1.09
TOTAL		1698.23	100

3.3.2 Sectoral Distribution of Capital Expenditure over the past five years

(₹ in crore)

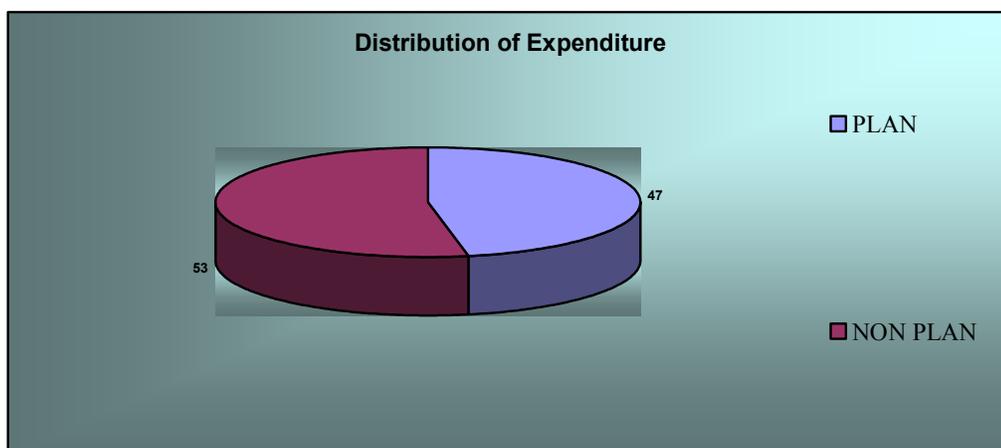
Sl. No.	Sector	2009-10	2010-11	2011-12	2012-13	2013-14
1.	General Services	62.41	89.10	180.81	83.86	187.81
2.	Social Services	153.60	409.68	545.59	279.76	503.80
3.	Economic Services	814.30	1150.42	1339.48	842.66	988.09
4.	Loans & Advances	205.46	6.31	9.69	3.95	18.53
TOTAL		1235.77	1655.51	2075.57	1210.23	1698.23



CHAPTER - IV

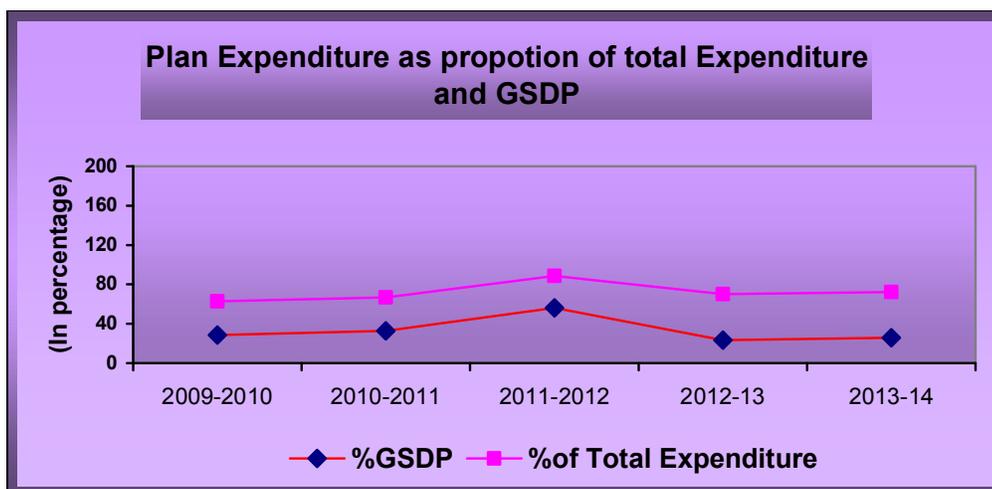
PLAN AND NON PLAN EXPENDITURE

4.1 Distribution of Expenditure (2013-14)



4.2 Plan Expenditure

In 2013-14, Plan Expenditure, representing around 47 per cent of total disbursements, was ₹ 3465.83 crore (₹ 2630.13 crore under State Plan, ₹ 817.17 crore under Centrally Sponsored Schemes and ₹ 18.53 crore under Loans & Advances).



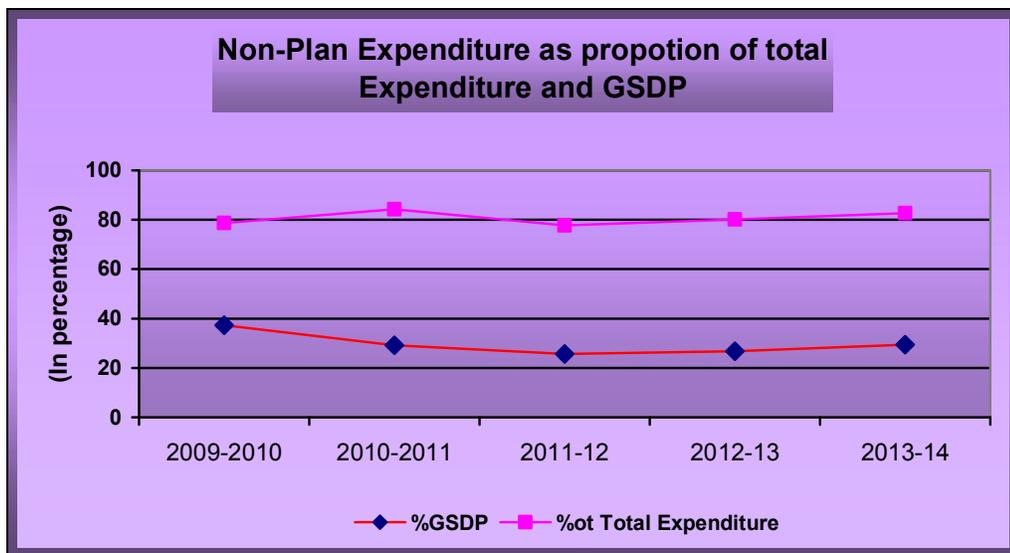
4.2.1 Plan Expenditure under Capital Account

(₹ in crore)

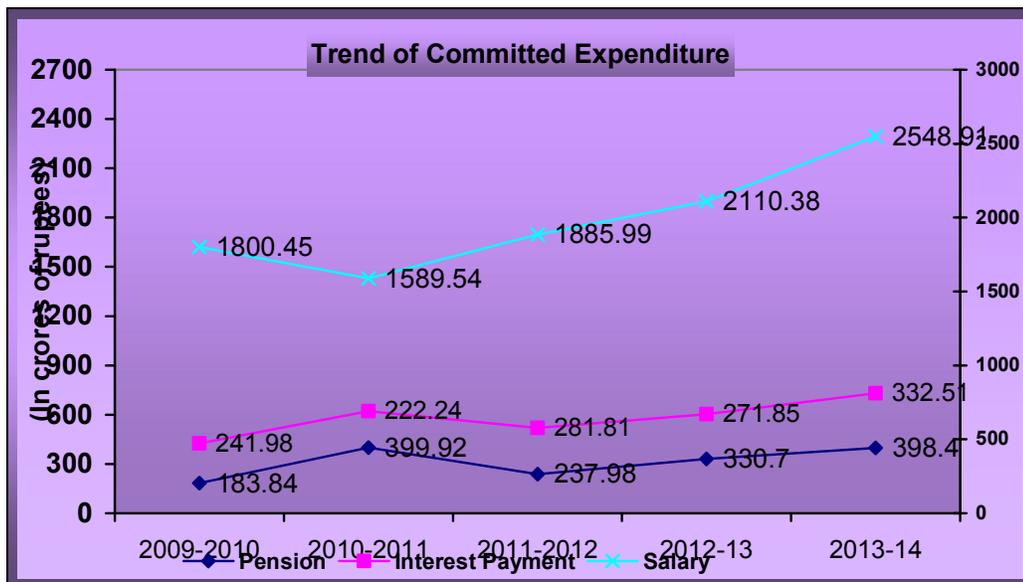
Component	2009-10	2010-11	2011-12	2012-13	2013-14
Total Capital Expenditure	1235.77	1655.51	2075.57	1214.18	1698.23
Capital Expenditure (Plan)	1007.49	1632.03	2059.85	1208.33	1692.02
% of Capital Expenditure (Plan) to Total Capital Expenditure	81.53	98.58	99.24	99.52	99.63

4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2013-14, representing around 53 per cent of total disbursements, was ₹ 3963.80 crore (₹ 3957.59 crore under Revenue Expenditure and ₹ 6.21 crore under Capital Expenditure).



4.4 Committed Expenditure



(₹ in crore)

Component	2009-10	2010-11	2011-12	2012-13	2013-14
Committed Expenditure	2226.27	2211.70	2405.78	2712.93	3259.82
Revenue Expenditure	3695.59	3745.00	4417.86	4786.24	5731.40
% of Committed Expenditure to Revenue Receipts	51.84	40.78	43.75	47.09	56.01
% of Committed Expenditure to Revenue Expenditure	60.24	59.06	54.46	56.69	56.88

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

CHAPTER – V

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts for 2013-14

(₹ in crore)

Sl. No.	Nature of Expenditure	Original Grant	Supplementary Grant	Re - appropriation	Total	Actual Expenditure	Savings (-) Excess (+)
1.	Revenue Voted Charged	4277.65 7.97	1662.96 3.35	-	5940.61 11.32	5387.76 11.13	(-) 552.85 (-) 0.19
2.	Capital Voted Charged	3377.89	1823.25	-	5201.14	1680.28	(-) 3520.86
3.	Public Debt Charged	348.84	22.01	-	370.85	332.51	(-) 38.34
4.	Loans & Advances Voted Charged	4.12 227.41	6.39 15.68	-	10.51 243.09	18.53 169.08	(+) 8.02 (-) 74.01
	TOTAL	8243.88	3533.64	-	11777.52	7599.29	(-) 4178.23

5.2 Trend of Saving/Excess during the past five years

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2009-10	(-) 1082.46	(-) 882.61	(-) 26.01	(-) 90.66	(-) 2081.74
2010-11	(-) 906.82	(-) 1496.75	(+) 127.63	(-) 104.87	(+) 2380.81
2011-12	(-) 619.75	(-) 1896.74	(-) 28.55	(-) 85.85	(-) 2630.89
2012-13	(-) 541.98	(-) 2714.50	(-) 61.76	(-) 65.13	(-) 3383.37
2013-14	(-) 553.04	(-) 3520.86	(-) 38.34	(-) 65.99	(-) 4178.23

5.3 Significant Savings

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

Some Grants with persistent and significant savings are given below:

(₹ in crore)

Grant No.	Nomenclature	2009-10	2010-11	2011-12	2012-13	2013-14
REVENUE						
6	District Administration	8.75	19.80	38.44	29.06	103.70
15	Health & Family Welfare	18.06	2.04	3.16	24.69	29.84
23	Forest	8.56	34.46	49.52	156.24	62.63
24	Agriculture	16.75	26.64	36.70	28.51	24.64
27	Panchayat	29.82	18.62	42.12	73.76	90.42
38	Water Resource Department	35.00	8.62	51.53	40.99	39.08
Grant No.	Nomenclature	2009-10	2010-11	2011-12	2012-13	2013-14
CAPITAL						
8	Public Works	38.77	12.98	1.78	90.98	90.75
32	Roads & Bridges	257.16	63.03	50.72	245.66	193.41
34	Power	62.52	12.62	45.14	49.22	38.96
38	Water Resources	35.94	21.79	40.79	66.83	20.00
57	Urban Development	88.84	55.57	61.28	116.30	149.34

During 2013-14, Supplementary Grants totaling ₹ 221.76 crore (2.98 per cent of Total Expenditure of ₹ 7429.63) proved to be unnecessary. In some cases, there were significant savings at the end of the year, even against original allocations. A few instances are given below.

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
8	Police	Revenue	10.92	20.25	10.29
16	Arts & Cultural Affairs	Capital	6.62	2.16	5.08
21	Food Storage & Warehousing	Revenue	16.77	25.63	15.11
23	Forest	Revenue	0.95	121.01	0.18
24	Agriculture	Revenue	123.46	2.01	100.83
27	Panchayat	Capital	111.56	33.62	54.76
37	Legal Metrology & Consumer Affairs	Revenue	6.27	0.54	6.10
38	Water Resources	Revenue	192.32	14.61	167.85
41	Land Management	Revenue	13.33	0.98	12.22
66	Hydropower Development	Revenue	53.83	0.95	52.04

CHAPTER - VI

ASSETS AND LIABILITIES

6.1 Assets

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

Total investment as Share Capital in Public Sector Undertakings (PSUs) stood at ₹ 245.05 crore at the end of 2013-14. However, no dividends were received on investment. During 2013-14, investments increased by ₹ 20.76 crore.

Cash Balance with RBI stood at ₹ 21.55 crore on 31 March 2013 and decreased to ₹ (-) 167.46 crore at the end of March, 2014.

6.2 Debts and Liabilities

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

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

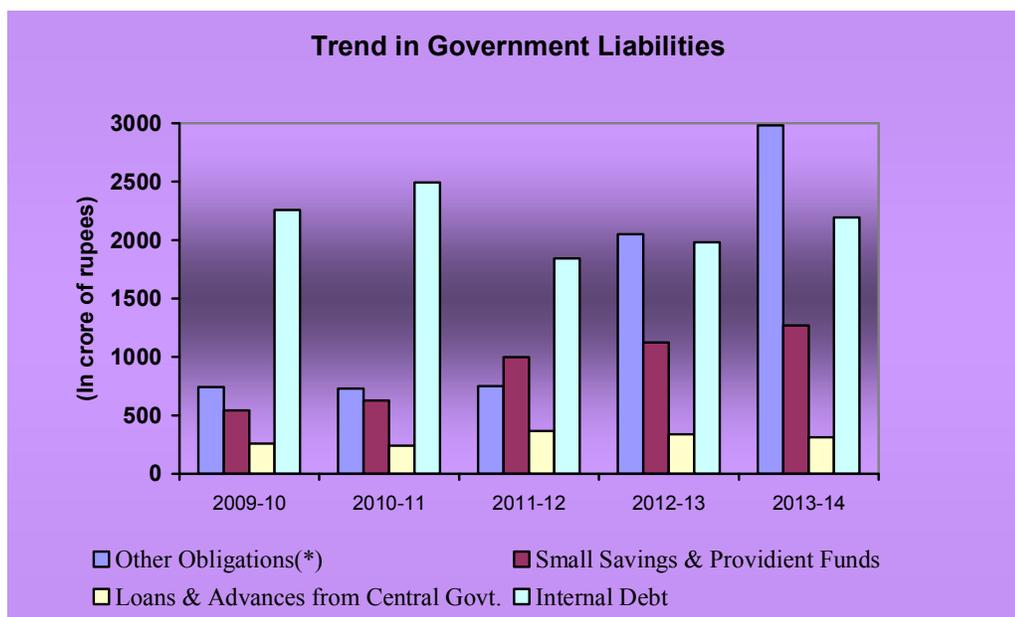
(₹ in crore)

Year	Public Debt	% to GSDP	Public Account (*)	% to GSDP	Total Liabilities	% to GSDP
2009-10	2142.17	28.67	967.85	12.95	3119.02	41.74
2010-11	2178.03	24.94	583.22	6.68	3547.14	40.62
2011-12	2209.36	19.84	1663.66	14.94	3873.02	34.78
2012-13	2319.17	19.42	1859.90	15.58	4179.07	35.00
2013-14	2504.24	18.56	2026.58	14.54	4530.82	33.58

() Excludes Suspense & Remittances Balances.*

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

There was a net increase of ₹ 351.07 crore (8.40 per cent) in Public Debt and Other Liabilities as compared to 2012-13.



(*) Non-interest bearing obligations such as deposits of Local Funds, Other earmarked funds, etc.

The Government of India determines, from time to time, the limits up to which a State Government can borrow from the market. This limit was increased (by 100 per cent) for the Government of Arunachal Pradesh, which was ₹ 33 crore in 2011-12.

6.3 Guarantees

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

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 st March 2014	
		Principal	Interest
2009-10	12.00	0.47	0.14
2010-11	<i>Information not intimated by State Govt.</i>		
2011-12	2.00		1.55*
2012-13	2.00		1.55*
2013-14	2.00		1.55*

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

CHAPTER - VII

OTHER ITEMS

7.1 Adverse Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, State Governments also guarantee loans raised by Government Companies and Corporations from the market and financial institutions for implementation of various Plan Schemes/Programmes, which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government. However, loan repayments appear in Government Accounts, resulting in irreconcilable Adverse Balances and under-statement of liabilities in Government Accounts, As on 31 March 2014, the position of Adverse Balances of the Government stood at ₹ 1,92.26 crore (Debit).

7.2 Loans and Advances by the State Government

The total Loans and Advances made by the State Government at the end of 2013-14 was ₹ 81.97 crore.

7.3 Financial Assistance to Local Bodies and Others

During the last five years, Grants-in-Aid to Local Bodies, etc;, was *nil* in 2009-10 and increased to ₹ 16.20 crore in 2013-14. No Grants were given to Zila Parishads, Panchayat Samitis and Municipalities during the year.

(₹ in crore)

Year	Zila Parishads	Municipalities	Panchayat Samitis	Others	Total
2009-10	-	-	-	-	-
2010-11	-	-	-	209.00	209.00
2011-12	-	-	-	310.78	310.78
2012-13	-	-	-	16.14	16.14
2013-14	-	-	-	16.20	16.20

7.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 st April 2013	As on 31 st March 2014	Net Increase (+)/ (-) Decrease
Cash Balances	159.27	(-) 9.27	(-) 168.54
Investments from Cash Balance (GoI Treasury Bills)	1020.88	825.83	(-) 195.05
Investment from Earmarked Fund Balances	129.90	149.90	(+) 20.00
(a) Sinking Fund	129.90	149.90	(+) 20.00
(b) Guarantee Redemption Fund	-	-	-
(c) Other Funds	-	-	-
Interest Realized	37.23	21.47	(-) 15.82

There was a net decrease in the Cash Balance of the State Government at the end of 2013-14.

7.5 Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of figures available with Departments and figures appearing in the accounts compiled by the Accountant General. This exercise is to be conducted by respective Heads of Departments. The reconciliation of accounts of many Departments was in arrears. In 2013-14, ₹ 7598.71 crore (100 per cent of the total expenditure) of the State Government was reconciled. Similarly, out of total receipts of ₹ 5820.45 crore, only ₹ 5197 crore (89.30 per cent) was reconciled. The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCOs) of different Departments is given below:

Particulars	No. of CCOs	Fully Reconciled	Partially Reconciled	Not Reconciled
Expenditure	74	100 %	-	-
Receipts	74	-	89.30 %	10.70 %

7.6 Submission of Accounts by Treasuries

The average delay in rendition of Treasury Accounts by the 17 Treasuries to the office of the Accountant General was 46 days.

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

When money is required in advance or Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amount required, they are permitted to draw money without supporting documents through AC Bills. Such AC Bills are required to be settled, within a maximum of 90 days, through submission of DC Bills. 451 DC Bills amounting to ₹ 10.71 crore were outstanding at the end of 31 March 2014, indicating that these instructions were not followed.

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