

**State Finances Audit Report  
of the  
Comptroller and Auditor General of India  
for the year ended 31 March 2019**



**लोकहितार्थं सत्यनिष्ठा**  
**Dedicated to Truth in Public Interest**

**Government of Arunachal Pradesh**  
***Report No. 1 of 2020***



**STATE FINANCES AUDIT REPORT**

**of the**

**Comptroller and Auditor General of India**

**For the year ended 31 March 2019**

**GOVERNMENT OF ARUNACHAL PRADESH**

*Report No. 1 of 2020*



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## PREFACE

- 1. This Report has been prepared for submission to the Governor of Arunachal Pradesh under Article 151 of the Constitution, for being placed in Arunachal Pradesh Legislative Assembly.*
- 2. Chapters 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 2019. 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

## 1 The Report

Based on the audited accounts of the Government of Arunachal Pradesh for the year ending March 2019, this report provides an analytical review of the finances of the State Government. The report is structured in three Chapters.

### Chapter 1-Finances of the State

*This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the last five years, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.*

### Chapter 2- Financial Management and Budgetary Control

*This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.*

### Chapter 3- Financial Reporting

*This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.*

The Report has 21 appendices containing additional data collated from several sources in support of the audit observations.

## 2. Audit findings

### 2.1 Fiscal position

*The fiscal position of the State is viewed in terms of three key fiscal parameters – Revenue Deficit/Surplus, Fiscal Deficit/Surplus and the ratio of Outstanding Debt to GSDP.*

*The State could achieve revenue surplus during the five-year period 2014-19. During 2018-19, the revenue surplus was ₹3,766.48 crore.*

*The State had a Fiscal Surplus during three years out of the preceding five-year period 2014-19. However, the State had a Fiscal Deficit of ₹313.36 crore during 2017-18 and ended with a higher Fiscal Deficit of ₹1,976.03 crore during 2018-19. Fiscal Deficit of the State should be anchored to an annual limit of three per cent of GSDP. However, during 2018-19, the State was not successful in maintaining this limit as the Fiscal Deficit shot up to 8.07 per cent of GSDP. This was primarily due to issuing cheques for payment of ₹1144.58 crore and accounting for this expenditure, while simultaneously issuing ‘stop payment’ orders towards the end of the financial year 2018-19. Even if this inflated expenditure (since the cheques were issued and booked as expenditure but payment was not released) is*

excluded, the State would still have a fiscal deficit of 3.40 per cent of GSDP. This has had a cascading effect on the other key fiscal parameters like Fiscal Deficit-GSDP ratio and Total Outstanding Liabilities-GSDP ratio (35.07), which exceeded the limit fixed by the 14<sup>th</sup> FC (30.48), the FRBM Act (25) and MTFP Statement (21.46).

Revenue receipts increased by ₹2,421.36 crore (17.58 per cent) over the previous year. The increase was mainly due to increased receipts from GoI both under share of central taxes and grants-in-aid. There has been a significant increase in the tax revenue (₹252.47 crore (30.96 per cent)) and non-tax revenue (₹242.69 crore (66.28 per cent)) during the year. The increase in non-tax revenue was mainly due to book adjustment by the State Government towards payment of arrears of electricity bills of Government establishments. However, the State continues to be heavily dependent on Central transfers, as the State's own resources (own tax plus non-tax revenue) is a meagre 10.35 per cent of revenue receipts during 2018-19 (8.58 per cent during 2017-18).

There has been a significant increase in the Capital Expenditure (₹2,539.33 crore (79.65 per cent)) over the previous year. However, the actual Capital Expenditure fell short of the amount estimated in the budget by over 27 per cent. The increase in Capital Expenditure is partially attributable to inflated expenditure due to unpaid cheques (₹1144.58).

The Development Expenditure on socio-economic services increased from ₹6,456.92 crore in 2014-15 to ₹13,286.58 crore in 2018-19. The increase in 2018-19 was 32.06 per cent (₹3,225.94 crore) over the previous year and was mainly due to increased expenditure on construction and maintenance of roads and bridges, purchase of power, implementation of new schemes like Samagra Siksha Abhiyaan in Elementary Education etc. During the five-year period ending 2018-19, the share of State's Development Expenditure averaged around 73 per cent of the State's Total Expenditure.

The State has not complied with the rules governing NPS, which is fraught with the risk of unauthorized use of funds belonging to its employees, thereby creating uncertainty in respect of the benefits due to the employees, avoidable future liability to the Government, and possible failure of the NPS itself in the State

The State did not maintain the details of its investment in capital projects, as well as the status of these projects along with the liabilities likely to arise from delays in completing these projects.

(Chapter 1)

## 2.2 Financial Management and Budgetary Control

Budgetary assumptions of the State Government were not realistic during 2018-19 and despite carrying out an elaborate pre-budget exercise to bring about efficiency and transparency in budget formulation and execution, budgetary estimates were off the mark by a considerable extent, and control over the execution and monitoring of budget was inadequate.

*Supplementary Grants/Appropriations were obtained without adequate justification, and amounts were expended without budgetary provision. Despite flagging this issue every year over the last several years, the State Government had not taken corrective measures in this regard.*

*Savings during the year accounted for a quarter of the budget; however, the Controlling Officers did not surrender over forty per cent of the funds of the anticipated savings before close of the financial year. Departments were not cautioned against persistent savings; nor were their budgets varied in accordance with their ability to absorb the allocations.*

**(Chapter 2)**

## **2.3 Financial Reporting**

*Indiscriminate operation of omnibus Minor Head 800 – Other Expenditure affected transparency in financial reporting and obscured proper analysis of allocative priorities and quality of expenditure.*

*Several Departments have not submitted UCs and DCC bills for funds drawn for specific developmental programmes/projects, which was violative of prescribed financial rules and directives, and point to inadequate internal controls, while reflecting poorly on the monitoring mechanism of the State Government.*

*Parking of funds in bank accounts by the implementing agencies not only inflated the expenditure in the Consolidated Fund but also had an adverse impact on the ways and means position of the Government.*

**(Chapter 3)**







*CHAPTER - I*  
*FINANCES OF THE STATE*



## 1.1 Profile of the State

Arunachal Pradesh is a Special Category State and area-wise, it is the largest State in the North-Eastern region with a geographical area of about 83,743 sq. km. It has an international border with Bhutan in the West (160 kms), China in the North and North-East (1,080 kms) and Myanmar in the East (440 kms). It also shares a common boundary with Assam and Nagaland. Arunachal Pradesh is home to 13.84 lakh persons as per Census 2011 (0.11 *per cent* of the country's population) with a density of 17 persons per sq. km (lowest in the country). The decadal growth rate of population of 11.55 *per cent* (based on estimation for the period from 2009 to 2019), is lower than the rate of growth of Special Category States (SCS) of 11.91 *per cent* and the all India growth rate of 12.84 *per cent*.

The per capita income of the State at current prices was ₹ 1, 52,013 in 2018-19, which was higher than the average of the SCS of ₹ 1, 37,174 as well as the all India average of ₹ 1, 42,719.

General data relating to the State is given in *Appendix 1.1(Part-C)*

## 1.2 Basis and approach for State Finances Audit Report

In terms of Article 151 (2) of the Constitution of India, the reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. The State Finances Audit Report (SFAR) of Arunachal Pradesh for the year ending 31 March 2019 has been prepared by the CAG for submission to the Governor of Arunachal Pradesh under Article 151 (2) of the Constitution of India.

Accountant General (Accounts) prepares the Finance Accounts and Appropriation Accounts of the State annually, from the vouchers, challans and initial and subsidiary accounts rendered by the treasuries, offices and departments responsible for the keeping of such accounts functioning under the control of the State Government, and the statements received from the Reserve Bank of India. These accounts are audited independently by the Accountant General (Audit), and certified by the CAG.

Finance Accounts and Appropriation Accounts of the State for the year 2018-19 constitute the core data for this report. Other sources include the following:

- Budget of the State for the year 2018-19 also forms an important source of data – both for assessing the fiscal parameters and allocative priorities vis-à-vis projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit carried out by the Office of the Accountant General (Audit), Arunachal Pradesh at the State Secretariat as well as at the field level during the year;

- Other data with departmental authorities and Treasuries (accounting as well as MIS),
- GSDP data and other State related statistics from the Directorate of Economics and Statistics of Arunachal Pradesh; and
- Various audit reports of the Comptroller and Auditor General (CAG) of India during 2014-19 have also been used to prepare this analysis/commentary as appropriate.

The analysis has been carried out in the context of recommendations of the Fourteenth Finance Commission, Arunachal Pradesh FRBM Act, best practices and guidelines of the Government of India. An entry conference was held in January 2020 with the Principal Secretary to the Government of Arunachal Pradesh, Finance Department wherein the audit approach was explained and the draft report was forwarded to the State Government in February 2020 for comments. The replies of the Government, where received, have been incorporated in this report at appropriate places

### 1.3 Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of Arunachal Pradesh caused to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year 2018-19, in the form of an **Annual Financial Statement** (referred to as Budget) with estimates of expenditure-

- Charged upon the Consolidated Fund of the State;
- The sums required to meet other expenditure proposed to be made from the Consolidated Fund of the State; and shall distinguish expenditure on revenue account from other expenditure.

In terms of Article 203, the above was submitted to the State Legislature in the form of 83 Demands for Grants/Appropriations and after approval of these, the Appropriation Bill was passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

As mentioned in paragraph 1.2 above, Finance Accounts and Appropriation Accounts encompass the core data for preparation of the SFAR. These accounts are based on actual receipts and expenditure of the State during the year 2018-19 including various inter-governmental and other adjustments carried out by the Reserve Bank of India (RBI). Considering that these receipts and expenditure are estimated in the budget and the expenditure has been approved by the State Legislature, it is important to study the budget of the State for 2018-19 closely and analyse the actual receipts and expenditure during the year with reference to the projections made in the budget.

The Government of Arunachal Pradesh had not prepared its Budget manual so far. While formulating its Budget for 2018-19, the State Government introduced several significant policy and legislative reforms for the development of the State. The State Government had given thrust in the following areas in the budget;

- Ensure transparency in public spending through governance reforms
- Sustainable economic development
- Infrastructure development
- Improved health care
- Improving the quality of education, skill development and create an ecosystem of entrepreneurship
- Catalyzing economic development

Results of audit scrutiny of budget and implementation of other budgetary initiatives of the State Government are detailed in **Chapter 2** of this report.

## 1.4 Structure of Government Accounts

It is necessary to understand the structure of Government accounts in order to appreciate the analysis of the finances of the State Government given in this Chapter.

Government accounts are defined by the twin principles of Fund based accounting and functional classification of transactions of the Government. Fund based accounting system involves sourcing and allocating all receipts and disbursements to one of the three Funds, viz., Consolidated Fund, Contingency Fund and Public Account. These Funds are created by the Constitution and function as instruments of public accountability. The details and purpose of each of these Funds are given below.

### Consolidated Fund

The Consolidated Fund comprises all the receipts and expenditure of the Government on Revenue and Capital Accounts, Public Debt and Loans and Advances

### Contingency Fund

This Fund is intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.

### Public Account

All public money received, other than that credited to the Consolidated Fund, is accounted for under Public Account. The Government acts as a trustee or a banker in respect of such funds.

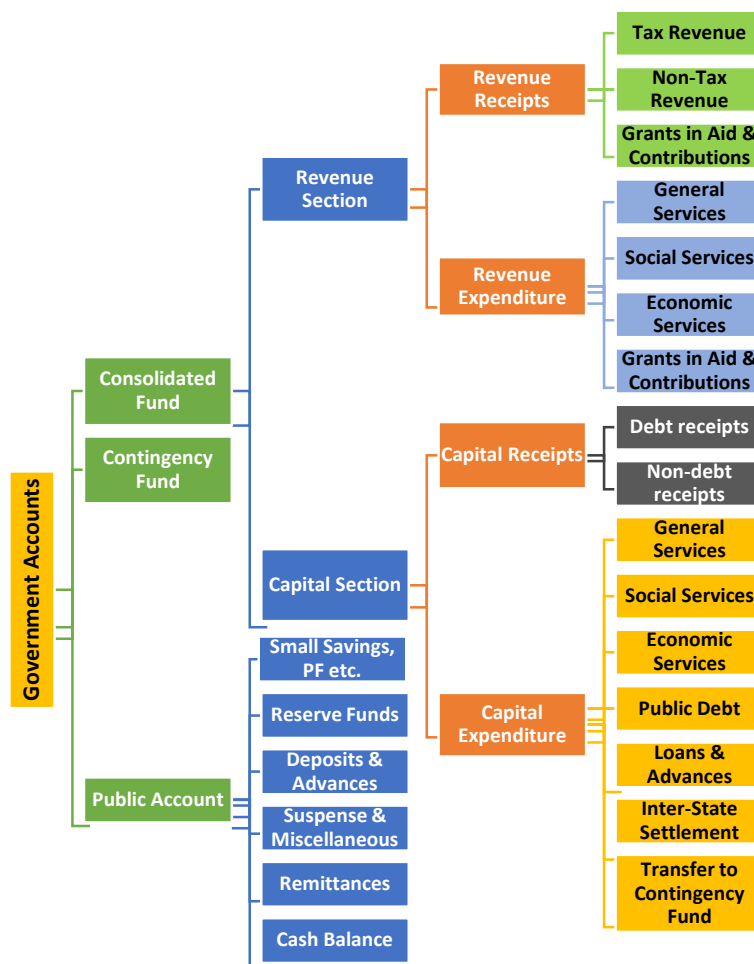
Functional classification involves arranging the receipts and expenditure by economic categories, distinguishing Government transactions in to Sections like revenue and capital (including public debt, loans and advances), Sectors like tax revenue from other

## Finances of the State

revenue and grants-in-aid, Sub-sectors like taxes on income and expenditure, fiscal services etc. On the expenditure side also, the transactions are classified in to Sectors viz., general services, economic services, social services and grants-in-aid and contributions and sub-divided in to Major heads of account below these Sectors.

Major heads of account falling within the Consolidated Fund generally correspond to 'Functions' of Government, such as 'Agriculture', while Minor heads subordinate to them identify the 'Programme' undertaken to achieve the objectives of the function represented by the Major head. A programme may consist of a number of schemes or activities and these generally, correspond to 'Sub-heads' below the Minor head. 'Detailed head' below the Sub-head, is primarily meant for itemized control over expenditure and indicates the object or nature of expenditure on a scheme or activity in terms of inputs such as 'Salaries', 'Office Expenses', 'Grants-in-aid', etc.

A pictorial depiction of the structure of Government Accounts is given below.



### 1.5 Gross State Domestic Product

Gross State Domestic Product (GSDP) is the value of all the goods and services produced within the boundaries of the State in a given period of time. Growth of GSDP

is an important indicator of the State’s economy, as it denotes the extent of changes in the level of economic development of the State over a period of time.

Trends in annual growth of State’s GSDP vis-à-vis that of the country is given below.

**Table 1.1: Trends in growth of GDP and GSDP**

(₹ in crore)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
India’s GDP (₹ in crore)	1,24,67,959	1,37,71,874	1,53,62,386 (2 <sup>nd</sup> RE)	1,70,95,005 (1 <sup>st</sup> RE)	1,90,10,164 (PE)
Growth rate of India’s GDP (per cent)	10.99	10.46	11.55	11.28	11.20
State’s GSDP (₹ in crore)	17,959.41	18,509.16	19,626.82	22,231.30 (PE)	24,489.36 (QE)
Growth Rate of GSDP (per cent)	23.17	3.06	6.04	13.27	10.16

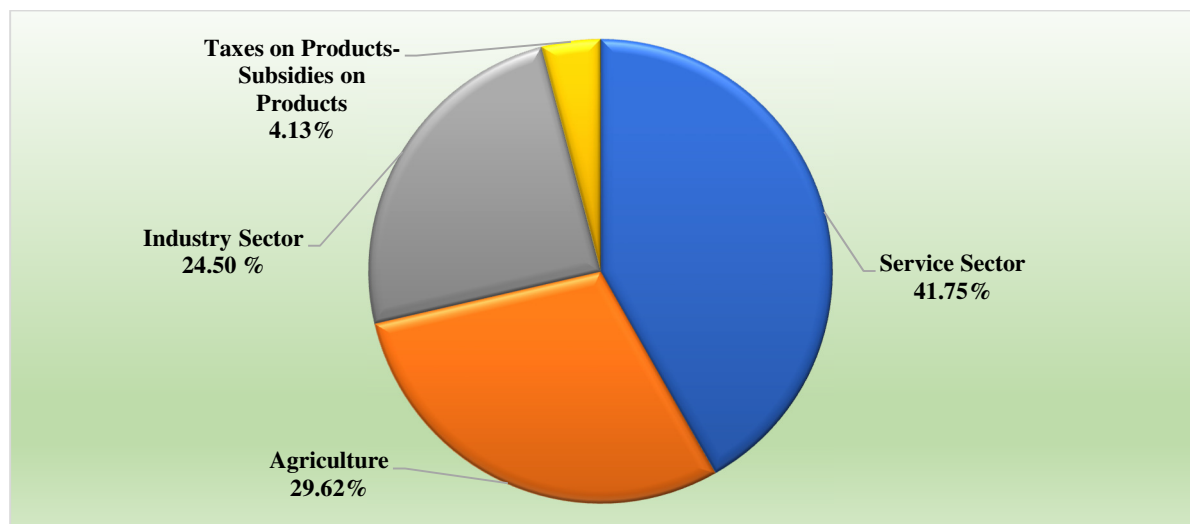
Source of data: GoI’s Economic Survey (2018-19) and Department of Economics and Statistics, Arunachal Pradesh

R.E: Revised Estimates; P.E. - Provisional Estimates; Q.E. - Quick Estimates

As can be seen from the details tabulated above, the State’s GSDP grew at a slower rate during the period 2015-17, exceeded the rate of growth in 2017-18, and in 2018-19 compared to the country’s growth rate.

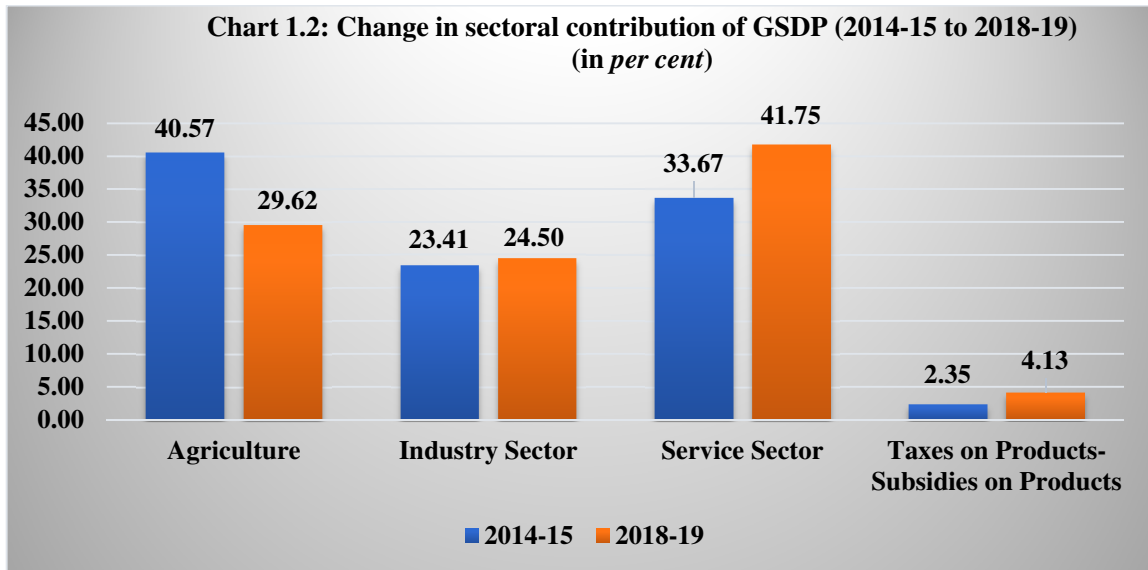
The sectoral contribution to GSDP of the State during 2018-19 is given below.

**Chart 1.1: Sectoral Contribution to GSDP (2018-19 Quick Estimates)**



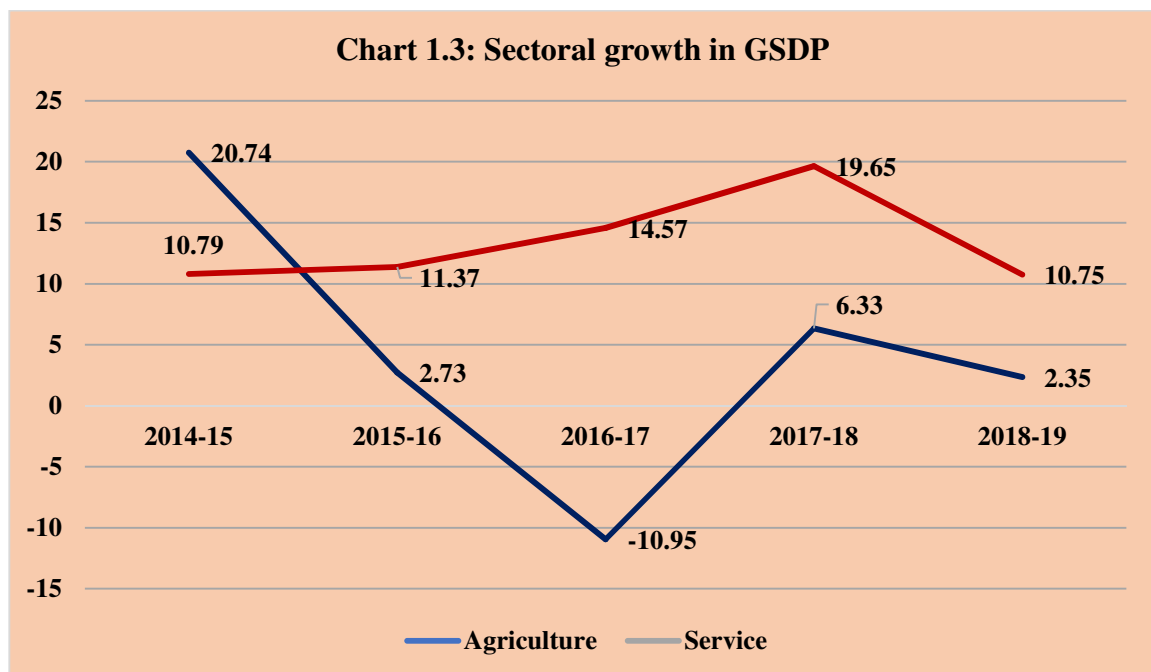
Source: data furnished by the State Government

In the last five years, there has been a significant decrease in the relative share of Agriculture in GSDP, from 40.57 per cent to 29.62 per cent. Matching increase was seen in Services sector, with only a marginal increase in relative share of Industry Sector, as can be seen in **Chart 1.2**.



Source: Data furnished by the State Government

During 2018-19, there was a decline in the growth rate in two sectors in comparison with the previous year as can be seen from the chart given below.



The GSDP of the State fell short of the assessment made by the 14<sup>th</sup> Finance Commission (14<sup>th</sup> FC) in all the four years of the award period. While the 14<sup>th</sup> FC projected the annual growth rate of GSDP of the State for the entire award period (2015-20) as 15.60 per cent, the GSDP at 10.16 per cent during 2018-19 was lower than the assessment (₹ 28,633 crore). The percentage of aggregate Government expenditure (excluding the amounts spent by the Ministries of the GOI directly in the State) to GSDP in the State has been increasing at a greater pace over the past five years. It had increased from 48.13 per cent in 2014-15 to 63.40 per cent in 2017-18 and to 74.22 per cent in 2018-19.



The high percentage of Government expenditure to GSDP indicates that the State is heavily dependent on Government spending. The Compound Annual Growth Rate (CAGR) in respect of GSDP between the period from 2011-12 to 2018-19 was 12.02 *per cent* which is higher than the average CAGR of SCS (11.55 *per cent*) but lower than the average CAGR of all the States (12.19 *per cent*) in the country indicating that despite the Government of India (GoI) providing more funds, the growth in economy of the State is not at par with other States.

The Finance Department of the Government in response to the observation stated (February 2020) that as per the Union Ministry of Finance, GSDP for the year was ₹ 29,351 crore and requested to adopt the same. The Government also stated that the allocations from GoI were also less than the recommendation of the 14<sup>th</sup> FC.

The Finance department's reply was based on the communication pertaining to fixation of Annual Borrowing ceiling for the financial year 2018-19 by the Union Ministry of Finance, for the State of Arunachal Pradesh. This projection of the GSDP at ₹ 29,351 crore was based on GSDP estimates published by Central Statistical Organisation (CSO) on 28 February 2018. Since the projection was made before the commencement of the financial year 2018-19, the projected figure cannot be adopted. Further, GSDP at current prices for the year 2018-19 as per the quick estimates was ₹ 24,489.36 crore which is furnished by the Director, Department of Economics and Statistics of Government of Arunachal Pradesh in November 2019 (after the close of the Financial year 2018-19). Since Ministry of Finance, GoI does not compile the GSDP figures, the figures published by the Director, Department of Economics and Statistics are adopted as per the standard practice.

As regards the reply of the Government with regard to allocations, it would be pertinent to state that while the GoI allocated taxes as per the devolution percentage recommended by the 14<sup>th</sup> FC, the actual amount depends on the collections in a financial year.

### **1.6 Fiscal Correction Path**

State Government enacted the Arunachal Pradesh Fiscal Responsibility and Budget Management (APFRBM) Act, 2006 in line with the Union FRBM Act, 2003, to ensure fiscal stability and sustainability, improve efficiency and transparency in management of public finances, enhance the availability of resources by achieving sufficient revenue surplus, reduce fiscal deficit and remove impediments to effective conduct of fiscal policy and prudent debt management.

The Act was subsequently amended five times, with the latest amendment being in March 2018.

#### **1.6.1 AFRBM targets on key fiscal parameters and achievement thereon**

The last amendment of the AFRBM Act (Details in *Appendix 1.2*) in 2018 incorporated the recommendations of the 14<sup>th</sup> FC relating to the limit of fiscal deficit recommended

## Finances of the State

for the States during its award period (2015-20). The State Government was to maintain revenue surplus during the period 2015-20, reduce fiscal deficit to not more than three per cent and limit the outstanding debt-GSDP ratio to less than or equal to 25 per cent.

Revised targets relating to key fiscal parameters envisaged in the amended APFRBM Act and their achievement during the last five years are given below in **Table 1.2**.

**Table 1.2: Compliance with provisions of APFRBM Act**

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Revenue Surplus	1979.46	2190.36	2385.03	2,874.13	3,766.48
		✓	✓	✓	✓	✓
Fiscal Deficit as percentage of GSDP	Three per cent	3.33	Fiscal Surplus	Fiscal Surplus	1.28	8.07
		X	✓	✓	✓	X
Ratio of total outstanding debt to GSDP (in per cent)	25 per cent	39.27	30.27	23.38	29.49	35.07
		X	X	✓	X	X

Source: Finance Accounts of respective years

The State Government was successful in maintaining Revenue Surplus as targeted in APFRBM Act during the last five years and containing the Fiscal Deficit below 3 per cent of GSDP in three out of the last five years, and had in fact, a Fiscal Surplus in 2015-16 and 2016-17. However, during 2018-19, fiscal deficit as a percentage of GSDP exceeded the limit prescribed in the APFRBM Act due to booking the expenditure by the works departments against the cheques issued by them, which could not be encashed due to freezing of the payments by the State Government for the period from 29 March 2019 to 24 June 2019, as discussed in **Para-1.7.4**. Even if this inflated expenditure (since the cheques were issued and booked as expenditure but payment was not released) is excluded, the State would still have a fiscal deficit, but it would be 3.40 per cent of GSDP.

During the five-year period 2014-19, the State Government was unsuccessful in maintaining the outstanding debt-GSDP ratio within the norms prescribed by the AFRBM Act except in the year 2016-17.

### 1.6.2 Medium Term Fiscal Plan

As per the APFRBM Act, the State Government has to lay before the State Legislature, a Five-Year Fiscal Plan along with the Annual Budget. The Medium Term Fiscal Plan (MTFP) has to set forth a five-year rolling target for the prescribed fiscal indicators.

**Table 1.3** indicates the variation between the projections made for 2018-19 in MTFP presented to the State Legislature along with the Annual Budget for 2018-19 and Actuals for the year.

**Table 1.3: Actuals vis-à-vis projection in MTFP for 2018-19**

(₹ in crore)

Sl. No.	Fiscal Variables	Projection as per MTFP	Actuals (2018-19)	Variation (in per cent)
1	Own Tax Revenue	1,100.00	1,068.04	(-) 2.91
2	Non-Tax Revenue	800.00	608.87	(-) 23.89
3	Share of Central Taxes	10,798.47	10,436.14	(-) 3.36
4	Grants -in-aid from GoI	4,855.09	4,082.91	(-) 15.90
<b>5</b>	<b>Revenue Receipts (1+2+3+4)</b>	<b>17,553.56</b>	<b>16,195.96</b>	<b>(-) 7.73</b>
6	Revenue Expenditure	10,255.66	12,429.48	21.20
7	Revenue Deficit (-)/ Surplus (+) (5-6)	7,297.90	3,766.48	(-) 48.39
8	Fiscal Deficit (-)/ Surplus (+)	(-)546.82	(-)1,976.03	261.37
9	Debt-GSDP ratio (per cent)	21.46	35.07	63.42
10	GSDP growth rate at current prices (per cent)	4.83	10.16	110.35

Source: MTFP Statement and Finance Accounts 2018-19

The State MTFP envisaged containing revenue expenditure by reducing administrative costs through austerity measures. However, the Government could not control the expenditure as envisaged in the MTFP statement, as the revenue expenditure increased by more than over 21 per cent of the amount projected in the MTFP. Due to this steep increase in revenue expenditure when compared with the projections indicated in the MTFP, the envisaged Revenue Surplus was not achieved and the Debt-GSDP ratio also increased to 35.07 per cent. The revenue expenditure increased by 14 per cent over the previous year and the Revenue Surplus could not meet the targets set both in the 14<sup>th</sup> FC as well as MTFP.

The Government in response stated (February 2020) that due efforts are being made to achieve the prescribed targets.

### 1.7. Trends in Key Fiscal Parameters

Deficit is an indicator of prudent fiscal management of the Government. Further, the ways in which the deficit is financed, and the resources raised are applied, are important pointers to its fiscal health. This Section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis targets set under APFRBM Act/Rules for the financial year 2018-19.

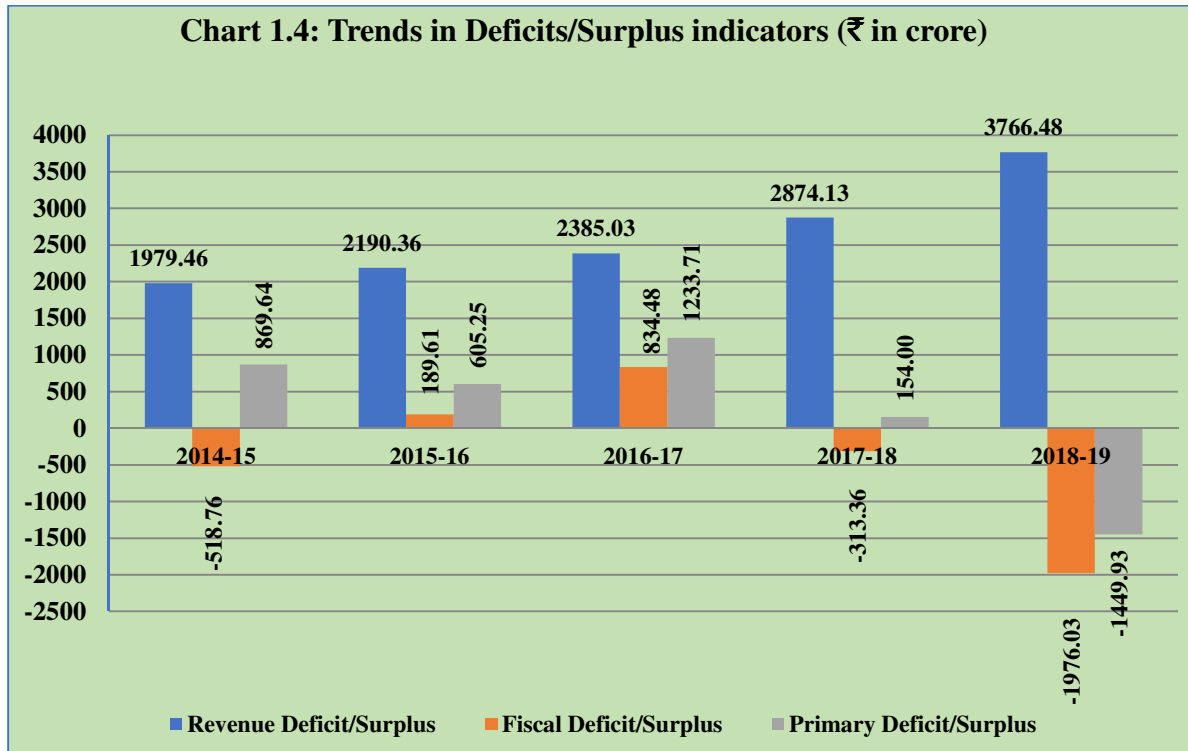
## 1.7.1 What are Deficit and Surplus?

<b>Revenue Surplus</b>	<b>Deficit/</b>	Refers to the gap between revenue expenditure and revenue receipts.
<b>Fiscal Surplus</b>	<b>Deficit/</b>	This is the difference between the Revenue Receipts plus Non-debt Capital Receipts (NDCR) and the total expenditure.
<b>Primary Surplus</b>	<b>Deficit/</b>	Primary Deficit is measured as Fiscal Deficit less interest payments

## 1.7.2 Trend of Deficit/Surplus

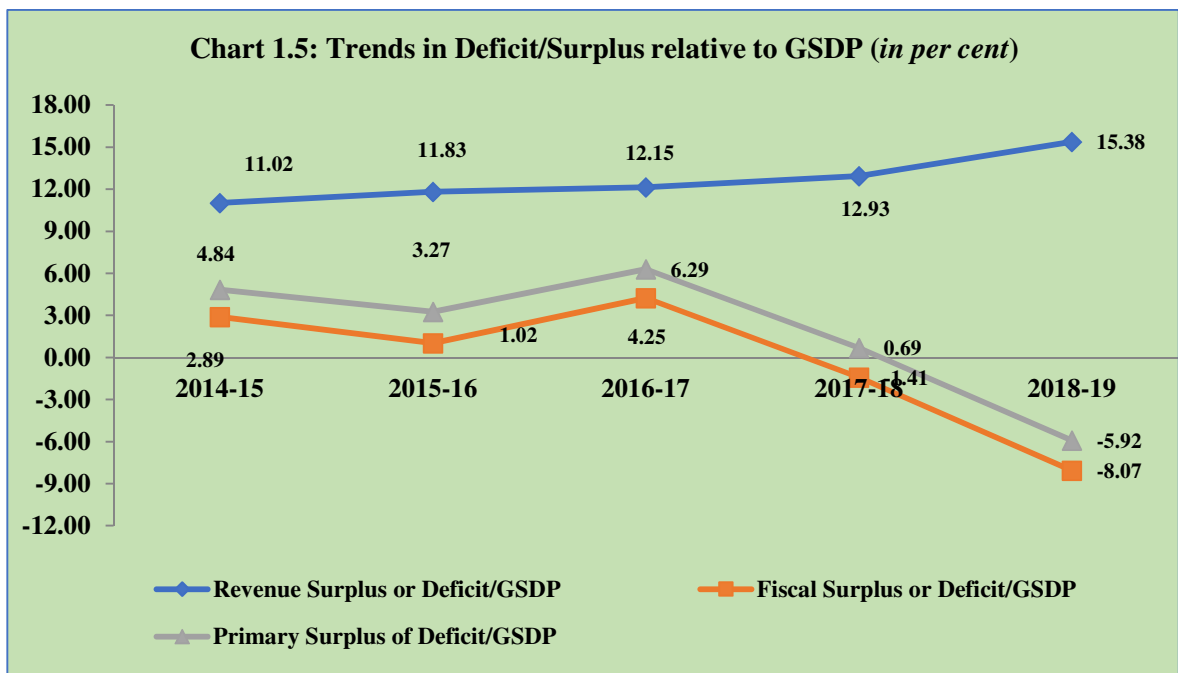
Though the State was successful in maintaining the targets specified by the 14<sup>th</sup> FC during 2014-18 with regard to the key fiscal parameters, during 2018-19 it could not achieve the targets. It had a Fiscal Deficit of ₹ 1,976.03 crore during the year 2018-19, representing (-) 8.07 *per cent* of the GSDP constituting 10.87 *per cent* of the total expenditure. The Primary Surplus of ₹ 154 crore during 2017-18 turned to Primary Deficit of ₹ 1,449.93 crore during the current year. The trend of these surplus and deficits over the five year period from 2014-15 to 2018-19 is depicted below.

**Chart 1.4: Trends in Surplus/Deficit**



Source: Finance Accounts of respective years

Chart 1.5: Trends in Surplus/Deficit relative to GSDP



Source: Finance Accounts of respective years

Significant surplus on revenue account was mainly due to the fact that the State could not utilise the available resources. During 2018-19, Revenue Receipts increased significantly by 17.58 per cent (₹ 2,421.36 crore) over the previous year, while revenue expenditure increased by 14.03 per cent (₹1,529.01 crore) during the same period.

Chart 1.4 reveals that the State maintained Revenue Surplus during the period 2014-15 to 2018-19, which increased from ₹ 1,979.46 crore in 2014-15 to ₹ 3,766.48 crore in 2018-19. Compared to 2017-18, Revenue Surplus in 2018-19 increased by ₹ 892.35 crore (31.05 per cent) due to significant increase in Revenue Receipts by ₹ 2,421.36 crore compared to growth of Revenue Expenditure. Fiscal Surplus, which represents excess of total resource gap over the total borrowings of the Government, decreased from ₹ 834.48 crore in 2016-17 and turned into Fiscal Deficit in 2017-18 culminating in Fiscal Deficit of ₹1,976.03 crore in 2018-19. The significant increase in Capital Expenditure (₹ 2,539.33 crore) during 2018-19 together with increase in Revenue Expenditure (₹1,529.01 crore) over the previous year mainly led to Fiscal Deficit.

The Revenue Surplus indicated in the budget and revised estimates was more than the projections made by the 14<sup>th</sup> FC by ₹ 1,413 crore and ₹ 381 crore respectively. However, the actual Revenue Surplus fell short of even the projections of the 14<sup>th</sup> FC. Against the Revenue Surplus of ₹ 7,297.91 crore projected in BEs, the year ended with a Revenue Surplus of ₹ 3,766.48 crore.

The Primary Surplus experienced by the State during the period 2014-18, took a turn in 2018-19, resulting in a Primary Deficit of ₹ 1,449.93 crore. The decrease of ₹ 1,603.93 crore (1,041.51 per cent) compared to previous year in primary surplus was mainly due to huge Fiscal Deficit experienced during the current year.

## Finances of the State

The pre-devolution Revenue Deficit assessed by the 14<sup>th</sup> FC for the year 2018-19 was ₹ 6,467.00 crore. However, the actual pre-devolution Revenue Deficit of the State was ₹ 10,752.57 crore indicating that the State's actual revenue expenditure out of its own resources, far exceeded the projections of 14<sup>th</sup> FC. Further it also implies that the State could not mobilise the resources as projected to the 14<sup>th</sup> FC and at the same time the Government could not control expenditure, as it overshoot the amount projected to the 14<sup>th</sup> FC.

Further, in 2018-19, the State Government witnessed Fiscal Deficit of ₹ 1,976.03 crore as against the projected amount of ₹ 546.81 crore in BEs. Even after deducting the amount of cheques that remained unpaid to end of March 2019 as discussed in Para 1.7.4, the actual Fiscal Deficit (₹ 831.45 crore) exceeded the projections made in the budget.

During 2018-19, the target of Revenue Surplus to GSDP set both by the 14<sup>th</sup> FC (22.24 per cent) and MTFP (21.35 per cent) could not be achieved, as the actual Revenue Surplus to GSDP was far less at 15.38 per cent. This was due to the significant increase in revenue expenditure vis-à-vis the projection made to 14<sup>th</sup> FC.

The targets set for Fiscal Deficit and Total Outstanding Liabilities to GSDP ratio could not be achieved. The Fiscal Deficit-GSDP ratio and Total Outstanding Liabilities-GSDP ratio (35.07) far exceeded the limit fixed by the 14<sup>th</sup> FC (30.48), the FRBM Act (25) and MTFP Statement (21.46).

### 1.7.3 Components of fiscal deficit and its financing pattern

The financing pattern of fiscal deficit has undergone a compositional shift as reflected below in Table 1.4.

**Table 1.4: Components of Fiscal Deficit and its financing pattern**

(₹ in crore)

Sl. No	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Decomposition of Fiscal Deficit</b>						
<b>Fiscal Deficit (-)/Surplus (+)</b>		<b>518.76</b>	<b>189.61</b>	<b>834.48</b>	<b>(-)313.36</b>	<b>(-)1,976.03</b>
1	Revenue Deficit (-)/ Surplus (+)	1,979.46	2,190.36	2,385.03	2,874.13	3,766.48
2	Net Capital Expenditure	(-)1,483.18	(-)1,993.25	(-) 1,544.01	(-) 3,188.10	(-) 5,727.43
3	Net Loans & Advances	22.48	(-) 7.50	(-) 6.54	0.61	(-) 15.08
<b>Financing pattern of Fiscal Deficit</b>						
1	Market Borrowings	178.49	58.76	287.28	703.10	762.96
2	Other Loans	--	-	-	(-) 6.85	4.16
3	Loans from GoI	(-)26.53	(-)26.49	(-)26.45	(-) 26.43	(-) 26.36
4	Special Securities issued to NSSF	51.70	98.07	86.77	93.42	50.45
5	Loans from Financial Institutions	9.23	(-)66.26	89.21	115.97	189.64

Sl. No	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
6	Small Savings, PF, etc.	200.03	135.66	157.23	241.13	225.89
7	Reserve Funds	20.00	200.00	171.55	137.87	307.32
8	Deposits and Advances	480.25	72.37	(-)1305.66	(-)134.19	(-)75.93
9	Suspense and Miscellaneous	(-)1,686.94	(-)454.00	148.74	(-)404.85	(-)176.63
10	Remittances	82.93	723.89	(-) 363.18	34.09	1,134.66
11	Increase (+)/Decrease (-) in cash balances	(-)101.53	(-) 202.18	(-)71.67	(-) 895.72	(-) 364.49
12	Increase/Decrease in WMAs, Overdraft	273.61	(-) 729.43	(-) 8.30	455.82*	(-)55.64
<b>Overall Deficit (1 to 11) (-)</b>		<b>(-) 518.76</b>	<b>(-) 189.61</b>	<b>(-) 834.48</b>	<b>313.36</b>	<b>1,976.03</b>

*Source: Finance Accounts of respective years*

\*This was due to rectification of misclassification of Ways and means advance of 2013-14

### 1.7.4 Overstatement of Fiscal Deficit

As per the Arunachal Pradesh Fiscal Responsibility and Budget Management Act (Amendment) 2018, fiscal deficit of the State should be anchored to an annual limit of three *per cent* of GSDP. However, during 2018-19, the State was not successful in adhering to this limit, as the fiscal deficit shot up to 8.07 *per cent* of GSDP.

Audit scrutiny revealed that cheques amounting to ₹1,144.58 crore relating to Public Works, Rural Works, Urban Development, Water Resources Department and Public Health Engineering Departments remained unpaid at the end of the financial year, as the Government had instructed to stop payment of all cheques issued by the Works and Forest Divisions from 29 March to 24 June 2019. Although the cheques remained unpaid, the amount was booked as expenditure in the monthly accounts of the concerned Works Divisions. Consequently, the total expenditure of the State was inflated to that extent with a cascading effect on the fiscal deficit.

The matter was taken up with the Principal Secretary, Finance Department in December 2019 and was also discussed during the exit conference in January 2020. The Principal Secretary confirmed (January 2020) that the cheques remained unpaid in accordance with the instructions of the Finance Department to maintain financial discipline and propriety. He attributed the 'stop payment orders' to adherence to the model code of conduct notified by the Election Commission prior to the conduct of elections to the Lok Sabha and the State Assembly. He further stated that the fiscal deficit would be 3.40 *per cent* of GSDP, if the unpaid cheques were excluded from the total expenditure of the State.

The response of the Government is not acceptable, as it should have held-in-abeyance the cheque drawing authority of the DDOs in the Works and Forest Departments along with issuing the stop payment orders to the Treasuries. By issuing stop payment orders to the Treasuries and not following suit with the Works and Forest Divisions, it permitted a

## Finances of the State

situation where the cheques were issued and the expenditure was debited, which had the obvious impact of pushing up the total expenditure, with a cascading increase in fiscal deficit.

### 1.8 Major changes in key fiscal aggregates vis-à-vis 2017-18

Table 1.5 below gives a bird's eye view of the major changes in key fiscal aggregates of the State during 2018-19, compared to the previous year.

**Table 1.5: Changes in Key fiscal aggregates in 2018-19 compared to 2017-18**

<b>Revenue Receipts</b>	<ul style="list-style-type: none"> <li>➤ Revenue Receipts of the State increased by 17.58 <i>per cent</i></li> <li>➤ Own Tax Revenue of the State increased by 30.96 <i>per cent</i></li> <li>➤ Own Non-Tax Revenue increased by 66.28 <i>per cent</i></li> <li>➤ State's Share of Union Taxes and Duties increased by 12.96 <i>per cent</i></li> <li>➤ Grants-in-Aid from Government of India increased by 21.73 <i>per cent</i></li> </ul>
<b>Revenue Expenditure</b>	<ul style="list-style-type: none"> <li>➤ Revenue Expenditure increased by 14.03 <i>per cent</i></li> <li>➤ Revenue expenditure on General Services increased by 9.72 <i>per cent</i></li> <li>➤ Revenue Expenditure on Social Services increased by 13.20 <i>per cent</i></li> <li>➤ Revenue Expenditure on Economic Services increased by 19.30 <i>per cent</i></li> <li>➤ Expenditure on Grants-in-Aid increased by 19.31 <i>per cent</i></li> </ul>
<b>Capital Expenditure</b>	<ul style="list-style-type: none"> <li>➤ Capital Expenditure increased by 79.65 <i>per cent</i></li> <li>➤ Capital expenditure on General Services increased by 94.90 <i>per cent</i></li> <li>➤ Capital Expenditure of Social Services increased by 43.58 <i>per cent</i></li> <li>➤ Capital Expenditure on Economic Services increased by 92.25 <i>per cent</i></li> </ul>
<b>Loans and Advances</b>	<ul style="list-style-type: none"> <li>➤ Disbursement of Loans and advances increased by 297.63 <i>per cent</i></li> <li>➤ Recoveries of Loans and advances decreased by 10.56 <i>per cent</i></li> </ul>
<b>Public Debt</b>	<ul style="list-style-type: none"> <li>➤ Public Debt Receipts decreased by 31.82 <i>per cent</i></li> <li>➤ Repayment of Public Debt decreased by 35.28 <i>per cent</i></li> </ul>
<b>Public Account</b>	<ul style="list-style-type: none"> <li>➤ Public Account Receipts increased by 36.37 <i>per cent</i></li> <li>➤ Public Account Disbursement increased by 7.83 <i>per cent</i></li> </ul>
<b>Cash Balances</b>	<ul style="list-style-type: none"> <li>➤ Cash Balance increased by 16.25 <i>per cent</i></li> </ul>

Each of the above indicators is analysed in the succeeding paragraphs.

### 1.9 Sources and Application of Funds

Table 1.6 compares the sources and application of funds of the State during 2018-19 with 2017-18.



**Table 1.6: Details of Sources and Application of funds during 2018-19 compared to 2017-18**

(₹ in crore)

	Particulars	2017-18	2018-19	Increase/Decrease
<b>Sources</b>	Opening Cash Balance	1347.28	2243	895.72
	Revenue Receipts	13774.6	16195.96	2421.36
	Recoveries of Loans & Advances	5.68	5.08	(-)0.6
	Public Debt Receipts (Net)	1335.03	925.21	(-)409.82
	Public Accounts Receipts (Net)	(-)125.95	1415.31	1541.26
	<b>Total</b>	<b>16336.64</b>	<b>20784.56</b>	<b>4447.92</b>
<b>Application</b>	Revenue Expenditure	10900.47	12429.48	1529.01
	Capital Expenditure	3188.1	5727.43	2539.33
	Disbursement of Loans & Advances	5.07	20.16	15.09
	Closing Cash Balance	2243	2607.49	364.49
	<b>Total</b>	<b>16336.64</b>	<b>20784.56</b>	<b>4447.92</b>

### 1.9.1 Summary of Current Year Fiscal Transactions

Government accounts are maintained on cash basis. **Table 1.7** presents a summary of the State Government's fiscal transactions during 2018-19 *vis-à-vis* the previous year while **Appendix 1.3** provides details of receipts/disbursements and the overall fiscal position during the period.

**Table 1.7: Summary of Fiscal Transactions (Current and Previous Year)**

(₹ in crore)

Receipts	2017-18	2018-19	Disbursements	2017-18	2018-19
<b>Section – A: Revenue</b>					
<b>Revenue Receipts</b>	<b>13,774.60</b>	<b>16,195.96</b>	<b>Revenue Expenditure</b>	<b>10,900.47</b>	<b>12,429.48</b>
Tax Revenue	815.57	1,068.04	General Services	3,484.76	3,823.32
Non-Tax Revenue	366.18	608.87	Social Services	3,950.83	4,472.42
Share of Union Taxes/ Duties	9,238.79	10,436.14	Economic Services	3,464.88	4,133.74
GIA from GoI	3,354.06	4,082.91			
<b>Section – B: Capital</b>					
<b>Misc. Capital Receipts</b>	<b>NIL</b>	<b>NIL</b>	<b>Capital Expenditure</b>	<b>3,188.10</b>	<b>5,727.43</b>
<b>Recoveries of Loans &amp; Advances</b>	<b>5.68</b>	<b>5.08</b>	<b>Loans &amp; Advances Disbursed</b>	<b>5.07</b>	<b>20.16</b>

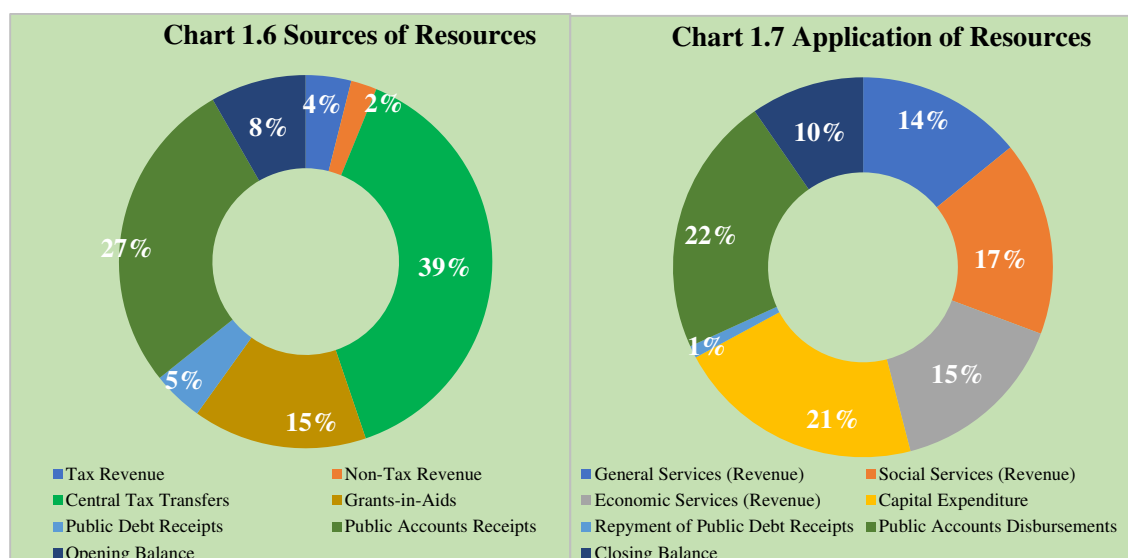
## Finances of the State

Receipts	2017-18	2018-19	Disbursements	2017-18	2018-19
Public Debt Receipts	1,767.27*	1,204.97	Repayment of Public Debt	432.24	279.76
Public Account Receipts	5,435.37	7,411.96	Public Account Disbursements	5,561.32	5,996.65
Opening Balance	1,347.28	2,243.00	Closing Balance	2,243.00	2,607.49
<b>Total</b>	<b>22,330.20</b>	<b>27,060.97</b>	<b>Total</b>	<b>22,330.20</b>	<b>27,060.97</b>

Source: Finance Accounts 2017-18 & 2018-19

\*Includes the rectification of misclassification of Ways and Means advance of 2013-14 amounting to ₹ 516.94 crore.

The percentage share of various resources collected during the year and their application is given in the charts below:



Source: Finance Accounts 2018-19

In both composition and application of resources, the share of receipt and disbursement of loans and advances was less than one per cent.

Significant changes during 2018-19 over the previous year are:

- Revenue receipts increased by ₹ 2,421.36 crore (17.58 per cent) over the previous year. The increase is mainly due to increased receipts from GoI both under share of central taxes and grants-in-aid. There has been a significant increase in the tax revenue (₹ 252.47 crore (30.96 per cent)) and non-tax revenue (₹ 242.69 crore (66.28 per cent)) during the year. The increase in State own tax revenue was reportedly due to putting more effort in collecting taxes and widening the tax base. The increase in non-tax revenue was mainly due to book adjustment by the State Government towards payment of arrears of electricity bills of Government establishments (The State Government debited ₹ 117.72 crore to the Service Head in the Consolidated Fund and credited an equal amount to Receipts Head 0801-Power towards the electricity dues for the year). The State's own resources increased by ₹ 103.91 crore, when compared with the assessment of the 14<sup>th</sup> FC for the year

2018-19, but, the actual own tax revenue of the State despite a growth of 30.96 *per cent* over the previous year, fell short of the 14<sup>th</sup> FC assessment by ₹ 185.96 crore.

- The increase in State share of Union Taxes & Duties was ₹ 1,197.35 crore (12.96 *per cent*), while increase in Grants-in-aid (GIA) from Government of India (GoI) was ₹ 728.85 crore (21.73 *per cent*) compared to the previous year. The increase in State share of Union taxes and duties was due to increased collection by the GoI, and the increase in GIA was due to higher allocation to schemes like PMGSY.
- Although there is a significant growth in the State's own resources, the State continues to be heavily dependent on Central transfers, as the State's own resources (own tax *plus* non-tax revenue) is a meagre 10.35 *per cent* (8.58 *per cent* during 2017-18) of revenue receipts during 2018-19.
- Revenue expenditure increased by ₹ 1,529.01 crore (14.03 *per cent*) over the previous year mainly due to acquisition of land and payment of compensation (₹ 230 crore), maintenance of roads and bridges (₹ 349.63 crore), purchase of power (₹ 254.01 crore), urban development (₹ 128.43 crore) and increase in interest payment on money borrowed by the Government (₹ 58.71 crore). There has been a significant increase (₹ 4,390.48 crore) in the Revenue Expenditure of the State when compared with the assessment of the 14<sup>th</sup> FC for the year 2018-19. The Revenue Expenditure of the State was ₹ 12,429.48 crore as against the projection of ₹ 8,039.00 crore made in the 14<sup>th</sup> FC Report.
- There has been a significant increase in the Capital Expenditure (₹ 2,539.33 crore (79.65 *per cent*)) over the previous year. However, the actual Capital Expenditure fell short of the amount estimated in the budget by over 27 *per cent*. The increase in Capital Expenditure is partially due to inflating the expenditure due to unpaid cheques (45 *per cent*) as discussed in **Para 1.7.4**. The Capital Expenditure also increased over the previous year mainly due to increase in expenditure on construction of roads and bridges (₹ 1667.76 crore), MLALADs/Untied fund (₹ 179.55 crore) hydel power projects (₹ 92.78 crore), flood control (₹ 75.40 crore) etc.
- Public Account Receipts outpaced the Public Account Disbursements, as the Receipts increased by ₹ 1,976.59 crore (36.37 *per cent*) and Disbursements by ₹ 435.33 crore (7.83 *per cent*) over the previous year respectively.
- The total inflow <sup>1</sup> in respect of all funds was ₹ 24,817.97 crore against ₹ 20,982.92 crore in 2017-18, while the total outflow<sup>2</sup> was ₹ 24,453.48 crore against ₹ 20,087.20 crore during the previous year.

<sup>1</sup> For 2018-19, Gross Receipts ₹ 27,060.97 crore *minus* Opening Balance of ₹ 2,243.00 crore;  
For 2017-18, Gross Receipts ₹ 22,330.20 crore *minus* Opening Balance of ₹ 1,347.28 crore

<sup>2</sup> For 2018-19, Gross Disbursements ₹ 27,060.97 crore *minus* Closing Balance of ₹ 2,607.49 crore; For 2017-18, Gross Disbursements ₹ 22,330.20 crore *minus* Closing Balance of ₹ 2,243.00 crore

- There was an increase in cash balances by ₹ 364.49 crore (16.25 per cent) over the previous year. This was mainly due to closure of all treasuries and sub-treasuries with effect from 29<sup>th</sup> March 2019 to maintain financial discipline.

### 1.9.2 Budget Estimates and Actuals

Budget of the State Government provides estimation 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 (BEs) are indicative of non-attainment and non-optimisation of desired fiscal objectives due to various reasons, some within and some beyond the control of the Government. **Table 1.8** presents the consolidated picture of BEs, REs and Actuals of the current year *vis-à-vis* Actuals of 2017-18.

**Table 1.8: Variation between budget estimates and actuals**

(₹ in crore)

Parameters	2017-18	2018-19			Percentage of variation with reference to
	Actuals	BE	RE	Actuals	Actuals of previous year
Tax Revenue	815.57	931.28	797.98	1,068.04	30.96
Non-Tax Revenue	366.18	800.00	825.00	608.87	66.28
Revenue Receipts	13,774.6	17,553.57	19,749.04	16,195.96	17.58
Non-debt Capital Receipts	5.68	36.74	39.00	5.08	-10.56
Revenue Expenditure	10,900.47	10,255.66	13,483.45	12,429.48	14.03
Interest payments	467.36	791.90	528.42	526.10	12.57
Capital Expenditure	3,188.10	7,877.86	7,289.16	5,727.43	79.65
Disbursement of Loans & Advances	5.07	3.60	22.16	20.16	297.83
Revenue Surplus	2,874.13	7,297.91	6,265.59	3,766.48	31.05
Fiscal Deficit (-) / Surplus (+)	(-) 313.36	(-) 546.81	(-) 1,006.73	(-) 1,976.03	530.60

Source: Finance Accounts 2018-19 and Annual Financial Statement 2018-19 & 2019-20 of the State Government

- While the actual State own tax revenue collections exceeded the estimates both at original budget and revised estimates stage, the overall Revenue Receipts of the State fell short of the BE as well as RE. This was mainly because of overestimation of the devolution and GIA from the GoI both at BE as well as RE stages. The overestimation in GIA from GoI was more unrealistic in RE as the actual GIA received from the GoI was ₹ 4,082.91 crore as against ₹ 7,287.90 crore estimated in RE.

- Even though the possibility of achieving the budgeted target of revenue mobilisation was difficult, the Government enhanced the Revenue Receipts by over 12 *per cent* of the BE at the RE stage. Based on this, the Revenue Expenditure was also enhanced in RE. However, in 2018-19, Revenue Receipts fell short of even the BE by 7.73 *per cent*. This resulted in reduced Revenue Surplus than estimated in the budget and the RE.
- The Revenue Surplus indicated in the Budget and Revised Estimates was more than the projections made by the 14<sup>th</sup> FC by ₹ 1,413 crore and ₹ 381 crore respectively. However, the actual Revenue Surplus fell short of the projections of the 14<sup>th</sup> FC.
- Compared with the BE, the Non-debt Capital Receipts and Capital Expenditure in 2018-19 fell short by 86.17 *per cent* and 27.30 *per cent* respectively.

### 1.9.3 Buoyancy Ratios

Buoyancy Ratios<sup>3</sup> indicate the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. The Buoyancy Ratios of Revenue Receipts, Own Tax Receipts, Total Expenditure and Fiscal Liabilities vis a vis GSDP are given in **Table 1.9**.

**Table 1.9: Buoyancy Ratios of Receipts, Expenditure and Fiscal Liabilities in comparison to GSDP**

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Gross State Domestic Product (GSDP)</b>					
GSDP (₹ in crore)	17,959.41	18,509.16	19,626.82	22,231.30	24,489.36
Growth rate of GSDP ( <i>per cent</i> )	23.17	3.06	6.04	13.27	10.16
<b>Revenue Receipts (RR)</b>					
RR (₹ in crore)	9,136.05	10,553.10	11,779.57	13,774.60	16,195.96
Growth rate of RR ( <i>per cent</i> )	56.97	15.51	11.62	16.94	17.58
Buoyancy of RR with respect to GSDP	2.46	5.07	1.92	1.28	1.73
<b>State's Own Tax Revenue (OTR)</b>					
OTR (₹ in crore)	462.16	535.07	708.75	815.57	1,068.04
Growth rate of OTR ( <i>per cent</i> )	6.36	15.78	32.46	15.07	30.96
Buoyancy of OTR with respect to GSDP	0.27	5.16	5.37	1.14	3.05

<sup>3</sup> To cite an example the Buoyancy ratio of Revenue Receipts with GSDP of more than one indicates that the growth rate of Revenue Receipts would be much higher than the growth rate of the GSDP

## Finances of the State

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Total Expenditure (TE)</b>					
TE (₹ in crore)	8,644.70	10,368.97	10,948.88	14,093.64	18,177.07
Growth rate of TE ( <i>per cent</i> )	16.35	19.95	5.59	28.72	28.97
Buoyancy of TE with respect to GSDP	0.71	6.52	0.93	2.16	2.85
<b>Fiscal Liabilities (FL)</b>					
FL (₹ in crore)	6,121.96	5,895.15	5,625.09	7,208.50	8,588.42
Growth rate of FL ( <i>per cent</i> )	24.04	(-)3.70	(-) 4.58	28.15	19.14
Buoyancy of FL with respect to GSDP	1.04	(-) 1.21	(-) 0.76	2.12	1.88

*Source: Finance Accounts of the respective years*

During 2017-19, all the critical buoyancy ratios were more than unity i.e., one, indicating the growth rates in those fiscal parameters was faster than the growth rate of the GSDP, which is encouraging.

Tax buoyancy indicates the measure of efficiency or responsiveness in tax collection in response to growth in GSDP. Tax revenues are considered as buoyant when they increase more than proportionately in response to the increase in GSDP even when the rates of taxes remain unchanged. The State's own tax revenue buoyancy ratio which was more than five in the years 2015-16 and 2016-17 fell sharply in the year 2017-18 and improved in the year 2018-19 but could not reach the levels of those two buoyant years. The State Government stated (February 2020) that this was due to implementation of GST in July 2017.

The Buoyancy Ratio of Revenue Receipts with reference to GSDP increased due to significant increase in the rate of growth of Revenue Receipts in 2018-19 over previous year as compared with the growth of GSDP during the same period. This is partially due to increase in receipts from the Government of India. The Buoyancy Ratio of the State's own Tax Revenue with reference to GSDP also indicates the increased growth rate in State's own Tax Revenue in 2018-19 as compared to growth rate of GSDP in 2018-19.

### 1.9.4 Major Policy Initiatives in Budget Speech

The budget speech of the Finance Minister indicated allocations for different schemes both existing as well as new. However, the actual budget provisions could not be specifically made in the Detailed Demands for Grants (DDG) against many schemes mentioned in the budget speech, and only lump-sum provisions were made against the State Annual Development Agenda (SADA), and State Infrastructure Development Fund (SIDF), contrary to the financial rules. The allocations under SADA and SIDF were finalised and approved by the competent authority with a delay of about six months (in

October 2018 although the budget was passed in March 2018). This left very little time for implementation of the schemes/programmes announced in the budget speech.

i) To double the farmer's income by 2022 commemorating 75 years of India's independence, the Finance Minister of Government of Arunachal Pradesh in his Budget Speech (12 March 2018) for 2018-19 announced two new schemes i.e. Chief Minister's Sashakt Kisan Yojana (CMSKY) and Chief Minister's Krishi Samuh Yojana (CMKSY) with a budget allotment of ₹ 70 crore and ₹ 40 crore respectively. The competent authority approved the allocations for these schemes only on 10 October 2018 as there was no specific provision for these two schemes in the Detailed Demands for Grants. The expenditure sanction was accorded at the fag end of the financial year (19 February 2019) and was restricted to only ₹ 55 crore for CMSKY and ₹ 10 crore for CMKSY. The sanctioned amount was to be drawn by the Director of Agriculture and deposited into Arunachal Pradesh Agricultural Development Society Bank Account for subsequent release to the District Agriculture Development Society for implementation of the approved action plan under both the schemes. The bills for drawal of fund were presented in the treasury on 20 March 2019, after a delay of one month from the date of sanction of the schemes. However, the department failed to withdraw the funds from the treasury and funds lapsed. Thus, two flagship programmes announced in the budget for the farmers could not actually be implemented during the year.

The concerned department intimated (April 2019) that due to delay in opening of Bank Account and non-issue of authorisation for drawal of bills by the Government, the amounts could not be drawn before lapse of the budget.

ii) Government had enhanced the social security pensions for widows, old age (from ₹ 200-500 pm to ₹ 1500-2000 pm), and disabled (₹ 300-2000 pm) people, seeking to pay the enhanced amount to 52,600 beneficiaries through a Direct Benefit Transfer mode; accordingly an amount of ₹ 88 crore was announced in the budget speech. Similarly, to create income generation opportunities for Puroik community, a sum of ₹ 10 crore was announced in the budget speech. However, no specific approval from the legislature was obtained through the DDG and hence the competent authority had to accord necessary approval under SADA. The competent authority approved the allocation only on 13<sup>th</sup> October 2018 with a condition that the department shall utilize the fund after obtaining necessary clearance from Planning & Investment Division. Against this allocation of ₹ 98 crore, only an amount of ₹ 20.94 crore was incurred, depriving the beneficiaries of the benefits announced in the budget speech.

In response, the Government stated (February 2020) that the allocation was made based on the proposals mooted by the nodal department on real time basis. The reply is silent about not obtaining specific approval of the Legislature for funding the schemes announced in the budget speech.

iii) To supplement the efforts for enhancing air connectivity to remote localities of the State through helicopter services, the State Government announced that it would

provide additional subsidy of ₹ 1,500 per trip on the existing Heli-services being operated on a viability gap funding model. For this additional subsidy an amount of ₹ 15 crore was announced in the budget speech. Further an amount of ₹ 20 crore was announced for infrastructure development at various locations for operationalisation of Udaan scheme. However, no specific approval from the legislature was obtained through the DDG and hence the competent authority had to accord necessary approval under SADA. It was noticed that though the additional subsidy of ₹ 15 crore announced in the budget speech was in the nature of Revenue Expenditure, the competent authority approved the provision under Capital section of the Civil Aviation grant. Further as against the announcement of ₹ 15 crore, only an amount of ₹ 11.86 crore was approved by the competent authority in October 2018 with a condition that the department shall utilize the fund after obtaining necessary clearance from Planning & Investment Division. Thus, the actual provision could not be made commensurate with the announcement made in the budget speech. The actual expenditure however, fell short of even this provision by ₹ 15.52 crore for both the announcements.

The Government stated (February 2020) that the allocation was made as per the proposal of the nodal department.

### 1.10 Resources of the State

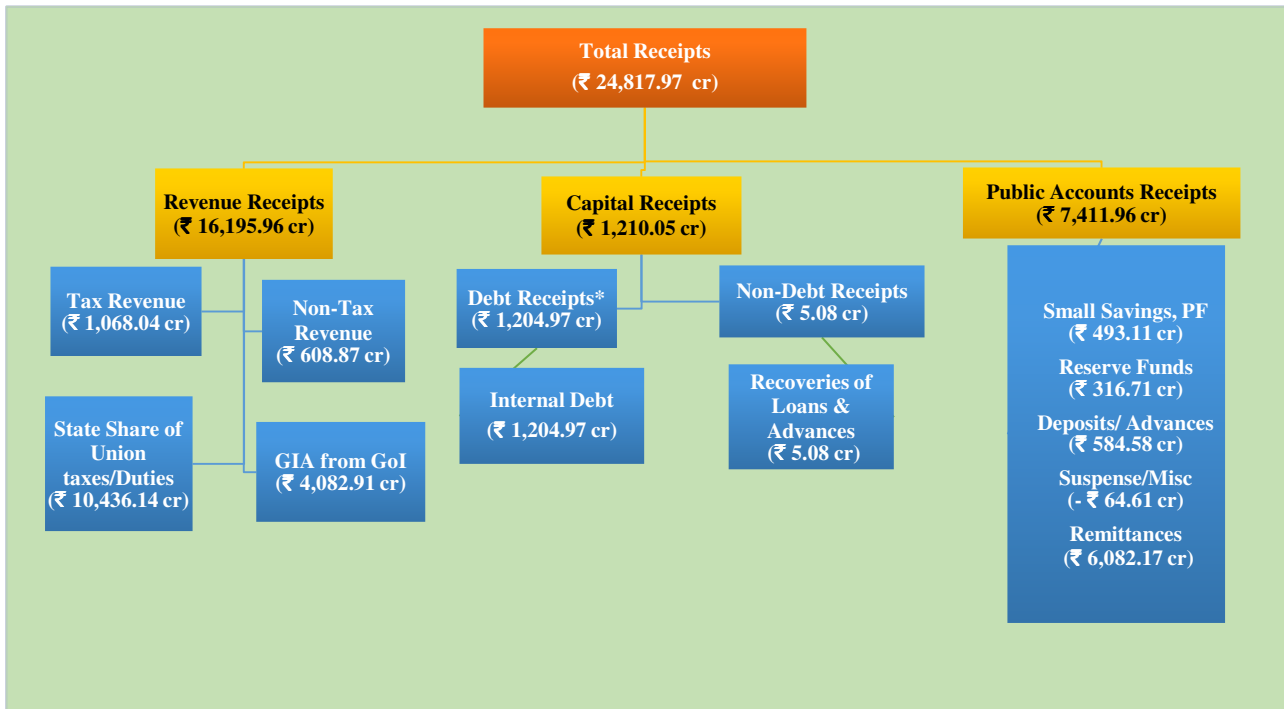
#### 1.10.1 Resources of the State as per Annual Finance Accounts

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, recoveries of Loans and Advances, debt receipts from internal sources (market loans, borrowings from Financial Institutions/Commercial Banks), Loans and Advances from the GoI and accruals from Public Account.

**Chart 1.8** depicts the trends in various components of the receipts of the State during 2014-19. **Chart 1.8** and **Chart 1.9** depict the composition of the receipts of the State during the current year.

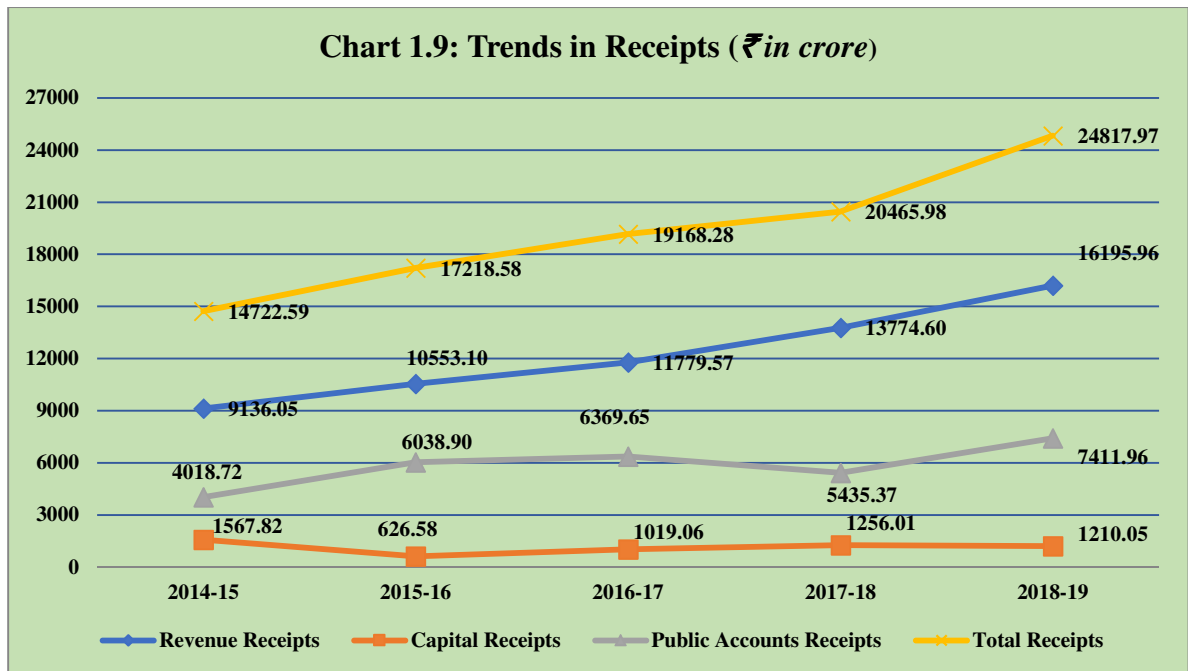


Chart 1.8: Components and Sub-components of Resources



Source: Finance Accounts 2018-19

Chart 1.9 depicts trends in various components of receipts of the State during 2014-15 to 2018-19.



Source: Finance Accounts of the respective years

Total Receipts of the State during 2018-19 were ₹ 24,817.97 crore, of which, Revenue receipts comprised ₹ 16,195.96 crore (65.26 per cent) and ₹ 8,622.01 crore (34.74 per cent) were from Capital Receipts and Public Account. During the year the receipts under Remittances in Public Account were more than the previous year due to

## Finances of the State

huge un-encashed cheques owing to close of the treasuries from 29 March 2019 to 24 June 2019, as discussed in **Para-1.7.4**.

Total Receipts of the State increased from ₹ 14,722.59 crore in 2014-15 to ₹ 24,817.97 crore in 2018-19 at a CAGR of 13.95 *per cent*. Total Receipts during 2018-19 increased by ₹ 4,351.99 crore (21.26 *per cent*) over the previous year.

Revenue Receipts in 2018-19 (₹ 16,195.96 crore) increased by ₹ 7,059.91 crore (77.28 *per cent*) and ₹ 2,421.36 crore (17.58 *per cent*) over 2014-15 and 2017-18 respectively.

### 1.10.2 Funds Directly Transferred to the Implementing Agencies in the State

The GoI has been transferring a sizeable quantum of funds directly to the Implementing Agencies in the State for implementing various schemes/programmes in Social and Economic Sectors. From 2015-16 onwards, GoI decided to route these funds through the State Budget. Contrary to this decision, however, an amount of ₹ 179.48 crore was released (**Appendix-1.4**) directly to the implementing agencies/organisations in the State during 2018-19.

**Table 1.10** presents details of fund released (₹ 10 crore and above in each case) directly to the Implementing Agencies during 2018-19:

**Table 1.10: Funds transferred directly to Implementing Agencies in the State**

(₹ in crore)

Sl No.	Name of the schemes/programmes	Implementing Units	Funds released
1	Khelo India	Sports Authority of Arunachal	40.41
2	Organic Value Chain Development for North East Region	Arunachal Pradesh Agriculture Marketing Board (APAMB), Naharlagun	18.71
3	Apprenticeship and Training	Arunachal Pradesh Skill Development Society	14.00
4	Biotechnology Research and Development	Arunachal Pradesh State Council for Science & Technology, Itanagar	10.32

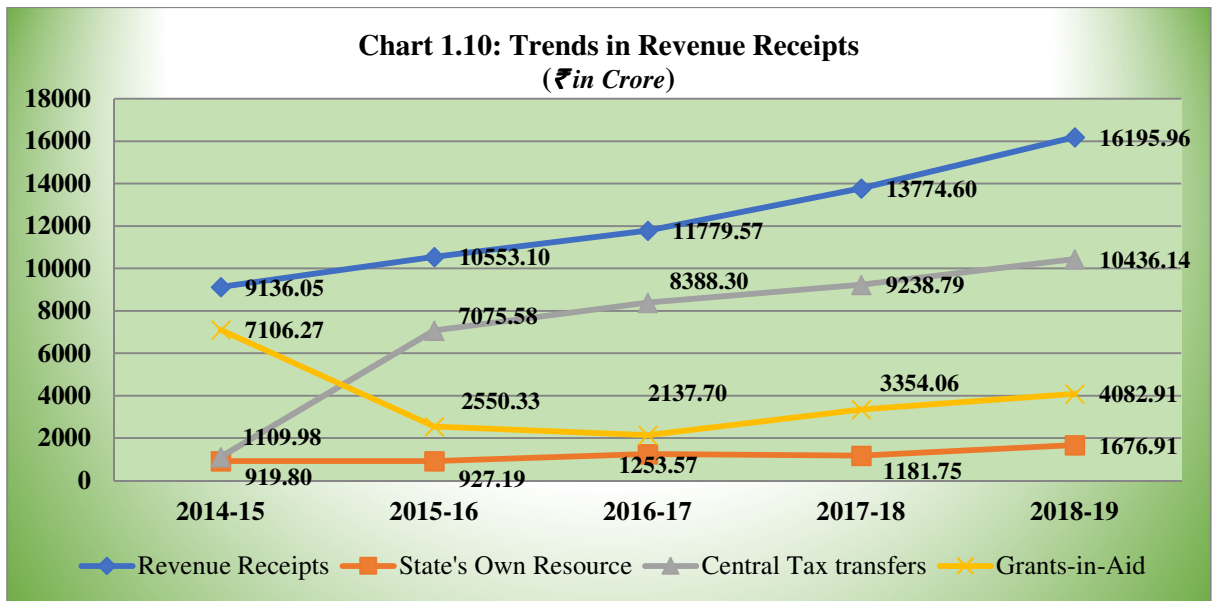
*Source: 'Public Financial Management System' Portal of the Controller General of Accounts, GoI*

As there is no central monitoring mechanism for utilisation of funds under this category, reliable data on quantum of expenditure against the funds received directly by the Implementing Agencies from GoI, is not readily available to Audit. In view of different accounting practices followed by different implementing agencies, it is difficult to monitor the end use of these direct transfers.

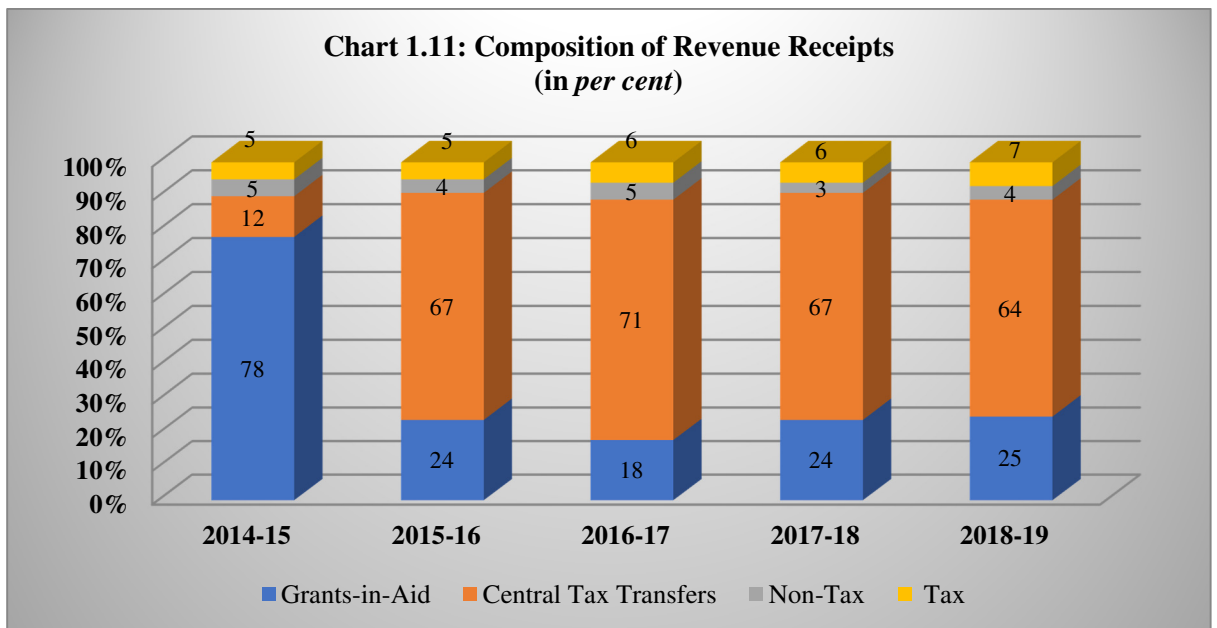
### 1.11 Revenue Receipts

**Statement-14** of the Finance Accounts details Revenue Receipts of the Government. Trends and composition of Revenue Receipts over the period 2014-19 are presented in

Appendix-1.5 and depicted in Charts 1.10 and 1.11 respectively. Trends in Revenue Receipts relative to GSDP are presented in Table 1.11.



Source: Finance Accounts of the respective years



Source: Finance Accounts of the respective years

The State Government submitted to 14<sup>th</sup> FC that the State's own revenue resources during the award period would be ₹ 5,288.00 crore. However, the actual collections at the end of 2018-19 were ₹ 5,039.42 crore indicating that the State could not achieve its own projected revenue collection from own resources.

As per the recommendation of 14<sup>th</sup> FC for the award period 2015-16 to 2019-20, the share of net proceeds of central taxes increased from 32 per cent to 42 per cent. However, there was reduction in the GIA from the GoI when compared to the amounts in 2014-15. The actual GIA received from GoI during the year was ₹ 4,082.91 crore as

against ₹ 7,106.27 crore in 2014-15. The share of central taxes from the GoI sharply increased after the year 2014-15 due to the decision of enhancing the share. The actual receipts on account of share of central taxes during the year was ₹ 10,436.14 crore against ₹ 1,109.98 crore in 2014-15. With the enhancement in the percentage of the share of net proceeds of shareable central taxes, the share of GIA, which constituted 78 *per cent* of the total revenue receipts in the year 2014-15 was reduced to 24 *per cent* in 2015-16 and, the share of central taxes, which constituted 12 *per cent* in 2014-15 increased to 67 *per cent* of the total revenue receipts of the Government. Since the GIA was tied funds, the enhancement of share of central taxes has provided financial leverage to State Government to prioritise its expenditure as per the policy of the State Government.

Revenue Receipts of the State increased by ₹ 7,059.91 crore from ₹ 9,136.05 crore in 2014-15 to ₹ 16,195.96 crore in 2018-19 at a CAGR of 15.39 *per cent*.

**Table 1.11: Trends in Revenue Receipts relative to GSDP**

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Revenue Receipts (₹ in crore)	9,136.05	10,553.10	11,779.57	13,774.60	16,195.96
Rate of growth of Revenue Receipts ( <i>per cent</i> )	56.97	15.51	11.62	16.94	17.58
Rate of growth of Own Taxes ( <i>per cent</i> )	6.36	15.78	32.46	15.07	30.96
Revenue Receipts/ GSDP ( <i>per cent</i> )	50.87	57.02	60.02	61.96	66.13

Source: Finance Accounts of the respective years

### 1.11.1 State's Own Resources

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

The State's Tax and Non-Tax receipts for 2018-19 *vis-à-vis* assessment made by 14<sup>th</sup> FC and BEs are given in **Table 1.12** below:

**Table 1.12: Tax and Non-Tax Receipts**

Particulars	(₹ in crore)		
	14 <sup>th</sup> FC Projections	Budget Estimates	Actual
Tax Revenue	1,254.00	931.28	1,068.04
Non-Tax Revenue	319.00	800.00	608.87

Source: 14<sup>th</sup> FC Report, Annual Financial Statement and Finance Accounts 2018-19

Tax Revenue was 14.83 *per cent* lower than the projections made by the 14<sup>th</sup> FC and 14.69 *per cent* higher than the assessment made in the BE for 2018-19. Collection of Non-Tax Revenue during 2018-19 was higher than the projections made by the 14<sup>th</sup> FC (90.87 *per cent*) but lower than the assessments made in the BE (23.89 *per cent*).

### 1.11.2 Tax Revenue

The gross collection in respect of major taxes and duties is given in **Table 1.13**.

**Table 1.13: Tax Revenue**

(₹ in crore)

Heads	2014-15	2015-16	2016-17	2017-18	2018-19	Percentage variation over previous year
Goods and Service Tax	-	-	-	223.73	601.00	168.63
Taxes on Sales, Trade, etc.	195.24	190.22	282.54	285.13	268.74	(-) 5.75
State Excise	59.87	86.33	109.05	122.61	136.73	11.52
Taxes on Vehicles	17.78	19.30	24.47	31.40	32.43	3.28
Stamps & Registration Fees	3.83	5.63	5.08	10.42	9.16	(-) 12.09
Land Revenue	5.99	8.89	6.44	13.32	14.58	9.46
Taxes on Goods & Passengers	179.45	224.70	281.17	128.96	5.40	(-) 95.81
<b>TOTAL</b>	<b>462.16</b>	<b>535.07</b>	<b>708.75</b>	<b>815.57</b>	<b>1,068.04</b>	<b>30.96</b>

Source: Finance Accounts of the respective years

In 2018-19, Tax Revenue increased by 131.10 per cent from ₹ 462.16 crore in 2014-15 to ₹ 1,068.04 crore and by 30.96 per cent over the previous year (₹ 815.57 crore). Thus, there was a significant increase in the State's own tax revenue during the financial year. The Tax-GSDP Ratio of 4.36 per cent during 2018-19 was marginally lower than the projection (4.38 per cent) made by the 14<sup>th</sup> FC. Besides, the collections from Taxes on Goods and Passengers fell drastically by over 95 per cent during the year 2018-19 as it got subsumed in GST from July 2017. The Government also stated that the significant increase in own tax revenue was due to low base figure of the parameter.

### 1.11.3 Implementation of Goods & Services Tax (GST)

The Arunachal Pradesh Goods and Services Tax Act, 2017 was passed by the State Legislature on 24 June 2017 and made effective from 01 July 2017 in the State. According to GST (Compensation to the States) Act 2017, GoI was to compensate the State for loss of revenue on account of implementation of GST for a period of five years.

The protected revenue of the State for the year 2018-19 in accordance with Section 6 of GST (Compensation to States) Act, 2017, was fixed at ₹ 379.32 crore with monthly average protected revenue at ₹ 31.61 crore per month for the period. The actual revenue received by the State under the State Goods and Services Tax (SGST) was ₹ 601.00 crore including an amount of ₹ 93.51 crore on account of apportionment of Integrated Goods and Services Tax (IGST). Due to achievement in SGST collection during the year, the State had not received GST compensation.

Audit had sought data of daily, dealer-wise SGST transactions of the State for examination and analysis and also to compare the correctness and reliability of the

relevant data with those provided by RBI and treasuries. The State Government, however, did not provide any data in this regard.

With automation of the collection of Goods and Services Tax (GST) having taken place, it is essential for Audit to transition from sample checks to a comprehensive check of all transactions, to fulfill the CAG's Constitutional mandate of certifying the Accounts. The required access to data is yet to be provided. Not having access to the data pertaining to all GST transactions has come in the way of comprehensively auditing the GST receipts. The accounts for the year 2018-19 are, therefore, certified on the basis of test audit, as was done when records were manually maintained, as a one-time exception.

### 1.11.4 Non-Tax Revenue

Table 1.14 shows the trends of Non-Tax Revenue during the period 2014-19.

**Table 1.14: Non-Tax Revenue**

(₹ in crore)

Heads	2014-15	2015-16	2016-17	2017-18	2018-19	Percentage variation over previous year
Interest Receipts, Dividends & Profits	13.13	39.11	56.39	46.98	88.01	87.34
General Services	30.46	81.65	108.96	40.48	53.53	32.24
Social Services	28.07	28.52	17.57	35.86	41.28	15.11
Economic Services	385.98	242.84	361.90	242.86	426.05	75.43
<b>TOTAL</b>	<b>457.64</b>	<b>392.12</b>	<b>544.82</b>	<b>366.18</b>	<b>608.87</b>	<b>66.28</b>

Source: Finance Accounts of the respective years

Non-Tax Revenue increased significantly by ₹ 242.69 crore (66.28 per cent) during 2018-19 over the previous year and constituted 3.76 per cent of the Revenue Receipts. The increase in Non-tax revenue was mainly due to increase in revenue collection on power, interest receipts, roads & bridges, medical and health welfare. During 2018-19, Economic Services contributed 69.97 per cent (₹ 426.05 crore) of Non-Tax Revenue, and within this category, receipts under Power Sector accounted for 67.38 per cent (₹ 287.08 crore). CAGR of Non-Tax Revenue between 2014-15 and 2018-19 for the State was 7.40 per cent.

**1.12 Grants-in-aid (GIA)**

Details of GIA from GoI are given in **Table 1.15**.

**Table 1.15: GIA from the GoI**

(₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Non-Plan Grants	952.12	174.36	228.69	-	-
Grants for State Plan Schemes	5,735.73	2,062.45	1,633.22	-	-
Grants for Central Plan Schemes	37.59	60.72	17.73	-	-
Grants for Centrally Sponsored Schemes	315.03	147.54	187.99	-	-
Grants for Special Plan Schemes	65.80	105.26	70.07	-	-
Centrally Sponsored Schemes	-	-	-	2,511.35	3,056.16
FC Grants	-	-	-	140.17	124.57
Other Grants to State with Legislatures	-	-	-	702.54	902.18
<b>TOTAL</b>	<b>7,106.27</b>	<b>2,550.33</b>	<b>2,137.70</b>	<b>3,354.06</b>	<b>4,082.91</b>
<i>Percentage of Increase (+)/ Decrease (-) over previous year</i>	(+) 80.59	(-)64.11	(-)16.18	(+)56.90	(+) 21.73
<i>Total Grants as a percentage of Revenue Receipts</i>	77.78	24.17	18.15	24.35	25.21

*Source: Finance Accounts of the respective years*

GIA from GoI increased by 21.73 per cent (₹ 728.85 crore) from ₹ 3,354.06 crore in 2017-18 to ₹ 4,082.91 crore in 2018-19. The increase was mainly due to allotment of ₹ 744.45 crore in two categories i.e. (i) Centrally Sponsored Schemes (₹ 544.81 crore) and (ii) Other Grants to State with Legislatures (₹ 199.64 crore). The increase was partly offset by decrease in FC Grants (₹ 15.60 crore).

The Government estimated the GIA from GoI at ₹ 4,855.10 crore in the budget estimates for the year 2018-19 and the same was revised with a substantial increase to ₹ 7,287.90 crore in the Revised Estimates. Against the estimates, the GoI released ₹ 4,082.91 crore as GIA during the year. However, the State Government booked an expenditure of ₹ 3,572.52 crore against the schemes for which the GoI released funds, although an amount of ₹ 1,850.57 crore was parked in various bank accounts aligned with PFMS, thereby inflating the Government expenditure against schemes without actual utilisation of the money for the purpose for which it was released.

**1.12.1 Central Tax Transfers**

As per the 14<sup>th</sup> FC recommendations, the share of net proceeds of shareable Central Taxes was increased from 32 per cent during 13<sup>th</sup> FC award period to 42 per cent. The State share for all shareable taxes was increased from 0.288 per cent during 13<sup>th</sup> FC

award period to 1.370 *per cent* during 14<sup>th</sup> FC award period and the share of Service Tax from 0.328 *per cent* during 13<sup>th</sup> FC award period to 1.431 *per cent* during 14<sup>th</sup> FC award period.

The share of Union taxes received during 2018-19 was ₹ 10,436.14 crore, an increase of ₹ 1,197.35 crore (12.96 *per cent*) over the previous year. However, there was a decrease of ₹ 1,803.85 crore in share of Union Taxes compared to the recommendation of 14<sup>th</sup> FC (₹ 12,239.99 crore). The main contributors of the share of Union taxes during the year were Corporation Tax- ₹ 3,628.32 crore (34.77 *per cent*); Goods and Service Tax ₹ 2,780.62 crore (26.64 *per cent*); Taxes on Income other than Corporation Tax- ₹ 2,672.11 crore (25.60 *per cent*); Customs ₹ 739.56 crore (7.09 *per cent*) and Union Excise ₹ 491.48 crore (4.71 *per cent*).

### 1.12.2 Optimisation of 14<sup>th</sup> FC Grants

The details of recommendation of 14<sup>th</sup> FC and grants during the period 2017-18 & 2018-19 are given in **Table 1.16**.

**Table 1.16: Details of grants released *vis-à-vis* 14<sup>th</sup> FC recommendations**

(₹ in crore)

Sl. No.	Purpose for which grant was released	Funds recommended by 14 <sup>th</sup> FC for 2018-19	Actual release during 2018-19
1	Disaster Relief (SDRF)	54.00	54.00
2	Local Bodies Grant, of which	240.13	70.57
	(I)Performance Grants	32.96	0.00
	(a)Rural Local Bodies	20.66	0.00
	(b)Urban Local Bodies	12.30	0.00
	(II)Basic Grants	207.17	70.57
	(a)Rural Local Bodies	163.83	70.57
	(b)Urban Local Bodies	43.34	0.00
	<b>Total</b>		<b>294.13</b>

*Source: Data Furnished by the State Government*

The State Government received financial assistance of ₹ 124.57 crore (42.35 *per cent*) against an amount of ₹ 294.13 crore recommended by 14<sup>th</sup> FC. There was no release of Performance Grants to Local Bodies. Also, there was short release of ₹ 136.60 crore in Basic Grants as recommended by the 14<sup>th</sup> FC during 2018-19.

The Government accepted the audit observation and stated (February 2020) that short release of funds by GoI was due to non-submission of UCs by the concerned departments and that, they have been advised to expedite the process.



### 1.13 Capital Receipts

Details of Capital Receipts during 2014-15 to 2018-19 are given in **Table 1.17**.

**Table 1.17: Trends in Growth and Composition of Capital Receipts**

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

Sources of State's Receipts	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Capital Receipts</b>	<b>1,567.82</b>	<b>626.58</b>	<b>1,019.06</b>	<b>1,256.01</b>	<b>1,210.05</b>
Public Debt Receipts	1,540.41	621.10	1,015.27	1,250.33*	1,204.97
Recovery of Loans & Advances	27.41	5.48	3.79	5.68	5.08
Miscellaneous Capital Receipts	-	-	-	-	-
Rate of growth of Non-debt Capital Receipts	701.46	(-) 80.01	(-)30.84	49.87	(-)10.56
Rate of growth of Debt Capital Receipts	334.96	(-)59.68	63.46	23.15	(-) 3.63
Rate of growth of CR	338.47	(-)60.03	62.64	23.25	(-) 3.66

Source: Finance Accounts of the respective years

Capital Receipts estimated in the budget were ₹1,671 crore. However, the actual capital receipts during the year were ₹1,210.05 crore, constituting only 72.41 per cent of the budgeted receipts.

The budget assumed public debt receipts at ₹1,634.26 crore, indicating over estimation of the receipts as the Government was entitled to borrow only 3.50 per cent of the GSDP which works out to only ₹ 857.00 crore.

Public Debt Receipts consist of two components viz., Internal Debt of the State and Loans and Advances from the GoI. Internal Debt consisted of Market Loans (₹ 789.01 crore), Loans from Financial Institutions (₹ 267.83 crore) and Special Securities issued to National Small Savings Fund (₹ 139.08 crore).

During the year, no Loans & Advances were received by the State from the GoI.

#### 1.13.1 Recoveries of Loans and Advances

Recovery of loans and advances were essentially from Government Servants (₹ 2.97 crore) and Co-operation Department (₹ 2.11 crore), although, due to short recovery from the latter, the recovery of Loans and Advances decreased from ₹ 5.68 crore during 2017-18 to ₹ 5.08 crore during 2018-19.

### 1.14 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 1.18: Trends in growth and composition of Public Account Receipts, disbursements and balance available with the Government**

(₹in crore)

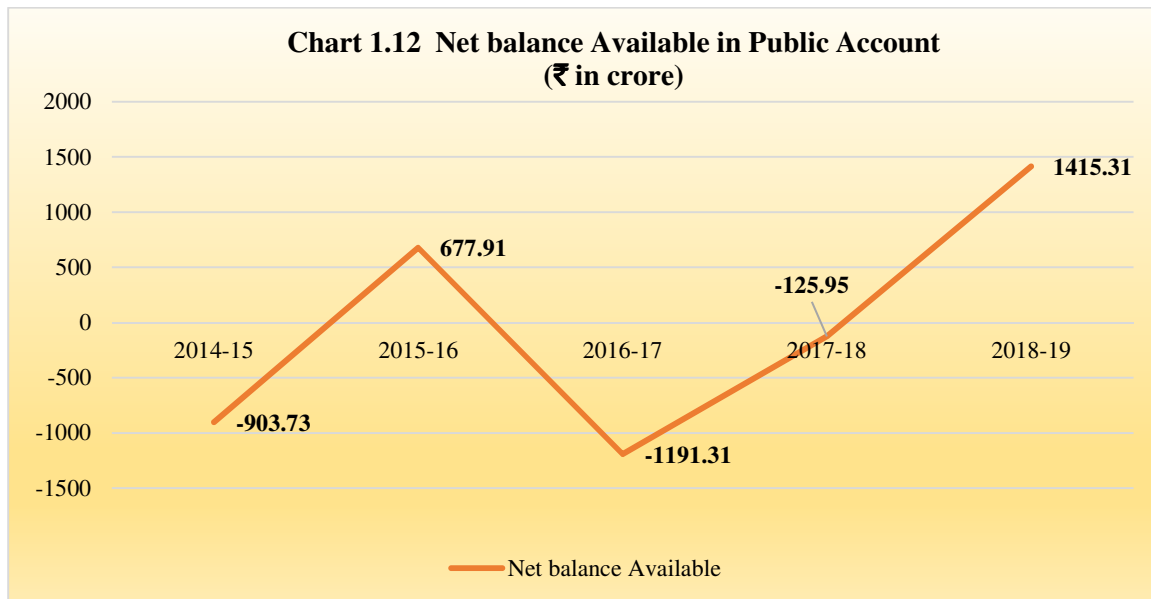
Sources of State's Receipts	2014-15	2015-16	2016-17	2017-18	2018-19
<b>A. Public Account Receipts</b>					
Small Savings, Provident Fund, etc.	405.28	387.63	388.41	471.15	493.11
Reserve Funds	20.00	200.00	180.15	157.96	316.71
Deposits & Advances	2,081.34	1,946.75	732.13	549.24	584.58
Suspense & Miscellaneous	(-) 1,691.51	(-)480.14	145.16	(-) 482.11	(-) 64.61
Remittances	3,203.61	3,984.66	4,923.80	4,739.13	6,082.17
<b>Total (A)</b>	<b>4,018.72</b>	<b>6,038.90</b>	<b>6,369.65</b>	<b>5,435.37</b>	<b>7,411.96</b>
<b>B. Public Account Disbursements</b>					
Small Savings, Provident Fund, etc.	205.25	251.97	231.18	230.02	267.21
Reserve Funds	-	-	8.60	20.09	9.39
Deposits & Advances	1,601.09	1,874.38	2,037.79	683.43	660.52
Suspense & Miscellaneous	(-) 4.57	(-) 26.14	(-)3.59	(-) 77.26	112.01
Remittances	3,120.68	3,260.78	5,286.98	4,705.04	4,947.52
<b>Total (B)</b>	<b>4922.45</b>	<b>5,360.99</b>	<b>7,560.96</b>	<b>5,561.32</b>	<b>5,996.65</b>
<b>Net balance available (A-B)</b>	<b>(-) 903.73</b>	<b>677.91</b>	<b>(-) 1,191.31</b>	<b>(-) 125.95</b>	<b>1,415.31</b>

Source: Finance Accounts of the respective years

The net balance of the public account indicates the amount available for the Government to meet the expenditure under the Consolidated Fund. Net balance available out of Public Account fund of the State varied during the last five years and stood positive at ₹ 1,415.31 crore during 2018-19 compared to negative ₹ 125.95 crore during 2017-18.

Public Account receipts ranged between 25.90 per cent to 35.07 per cent of the total receipts of the State during the last five years, whereas the Public Account disbursements ranged between 24.52 per cent to 39.59 per cent of the total disbursements of the State during the same period. The net available funds from the public account for expenditure from the Consolidated Fund of the State for two out of five years was marginal.

Chart 1.12 showed the year-wise net available balances with the government at the end of each financial year to meet the expenditure under the Consolidated Fund.



### 1.14.1 Transactions under Reserve Fund

The total Outstanding Liabilities of ₹ 8,588.42 crore include balance of ₹ 1,031.31 crore under Reserve Funds as on 31 March 2019. The status of Reserve Funds viz., State Disaster Response Fund (SDRF), Consolidated Sinking Fund and Guarantee Redemption Fund are as follows:

#### 1.14.1.1 State Disaster Response Fund

State Disaster Response Fund (SDRF) was set up by the Government in 2010-11 with contribution of funds from GoI and the State Government in the ratio of 90:10. The 14<sup>th</sup> FC recommended an amount of ₹ 60.00 crore (Central share ₹ 54.00 crore, State share ₹ 6.00 crore) under SRDF for year 2018-19 and accordingly GoI released an amount of ₹ 54.00 crore (in two instalments of ₹ 27.00 crore each) towards SDRF. In addition, an amount of ₹ 132.49 crore was released by the GoI under National Disaster Response Fund (NDRF). As against the total amount of ₹ 186.49 crore received from GoI excluding State share, the Government booked an expenditure of ₹ 168.80 crore against the Major Head-2245-Relief on account of natural calamities during year. Out of this, an amount of ₹ 136.80 crore, constituting over 80 per cent was booked under Minor Head 800-Other Expenditure which had an impact on the transparency of the accounting transactions.

As per the guidelines of SDRF fund, the GoI contributions along with State share are to be transferred to the Public Account (Major Head-8121). Expenditure incurred during the year on natural calamities should be adjusted by debiting the Public Account with contra deduct debit to the Expenditure Major Head-2245. The remaining amount of the fund is to be invested. However, contrary to the guidelines, as against ₹ 60.00 crore (Central share ₹ 54.00 crore, State share ₹ 6.00 crore) to be transferred to Public Account, the Government did not transfer any amount to Public Account and instead transferred ₹ 27.00 crore to bank account by debiting the expenditure to Consolidated

Fund of the State. Since the money was parked in bank account outside the Government account, the expenditure from it is not subject to usual treasury control and other prescribed checks including audit. As such, it was not possible to assess the actual amount of utilisation of this fund on natural calamities. Further the expenditure in Consolidated Fund was inflated to this extent as the adjustment from the Public Account to reduce the expenditure booked against Major Head-2245 could not be carried out. The balance amount of ₹ 33.00 crore (including State share of ₹ 6.00 crore) was also transferred to the same bank account in July 2019 (after the close of the financial year 2018-19).

As on 01 April 2018, a cumulative balance of ₹ 3.46 crore was lying in the Public Account (Major Head-8121), out of which ₹ 0.54 crore was incurred for intended purpose. At the end of March 2019, outstanding balance under Public Account amounting to ₹ 2.92 crore, remained un-invested and the details of the amount in bank account are not available.

### 1.14.1.2 Consolidated Sinking Fund

The State Government set up a 'Consolidated Sinking Fund' (CSF) in 1999-2000 for amortisation of market borrowings, other loans and non-debt obligations as per the recommendation of 12<sup>th</sup> 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 of the previous year. Accordingly, the contribution due from the State Government was ₹ 36.04 crore<sup>4</sup>. Against this, the State Government contributed ₹ 240.00 crore to the Fund. As of 31 March 2019, ₹ 1,027.25 crore (including previous year's balance of ₹ 719.90 crore and interest amount of ₹ 76.20 crore earned on investment of Sinking Fund) was invested in GoI Securities.

### 1.14.1.3 Guarantee Redemption Fund

The State Government had constituted (February 2018) a 'Guarantee Redemption Fund' for meeting the payment obligations arising out of the guarantees issued by the Government in respect of bonds issued and other borrowings by the State Level Public Sector Undertakings or other Bodies and invoked by the beneficiaries. The accumulations in the Fund would be utilised only towards payment of the guarantees issued by the Government and invoked by the beneficiary and not paid by the institution on whose behalf guarantee was issued.

According to the Act of the fund, the Government should contribute a minimum of one *per cent* of the outstanding guarantees at the end of the previous year and thereafter minimum 0.50 *per cent* every year to achieve a minimum level of three *per cent* in next five years.

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<sup>4</sup> 0.5 *per cent* of the total Outstanding Liabilities of ₹ 7,208.50 crore of State Government as on 31 March 2018

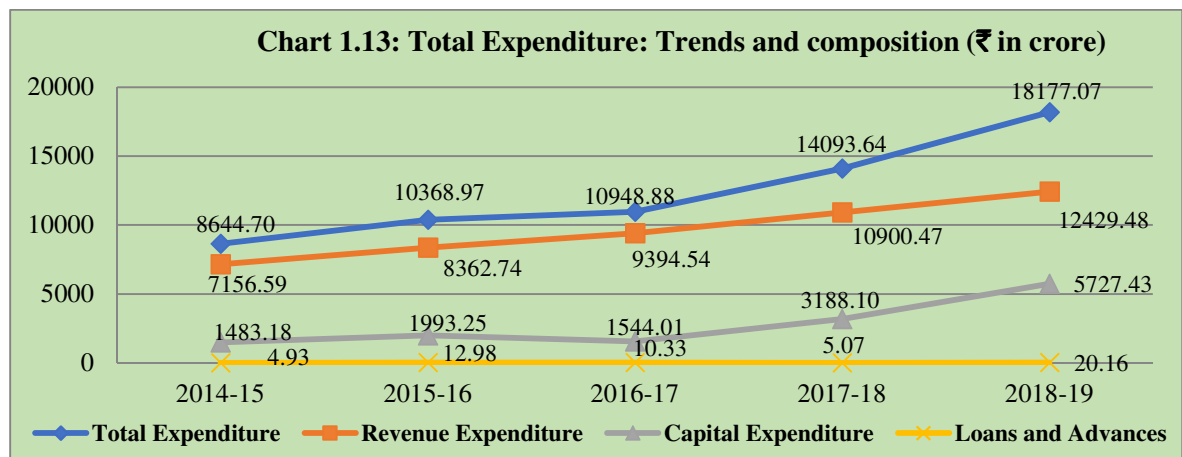
As on 01 April 2018, the fund had a balance of ₹ 0.50 crore. During 2018-19, the State Government contributed ₹ 0.51 crore to the Fund, which was almost 53 per cent of ₹ 0.97 crore (i.e., outstanding guarantee at the end of previous financial year). No guarantee was invoked during the year. As on 31 March 2019, the total amount lying in the Fund was ₹ 1.01 crore and the entire amount has been invested by the Reserve Bank of India in GoI Securities.

## 1.15 Application of Resources

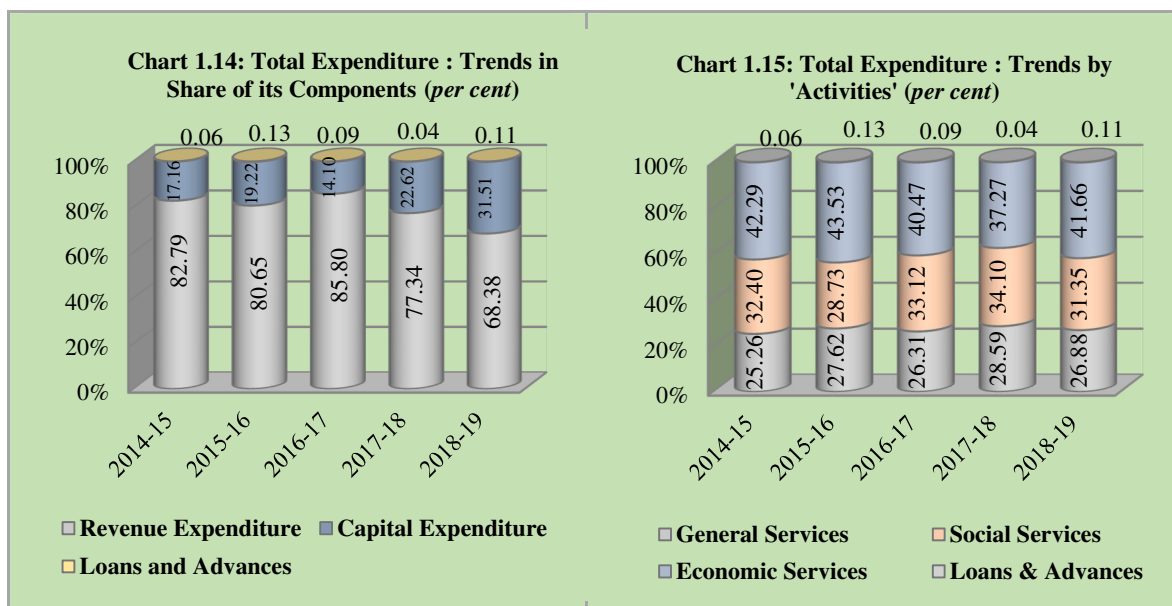
Analysis of allocation of expenditure at State Government level assumes significance since the State Government has major expenditure responsibilities. Within the framework of fiscal responsibility legislations, there are budgetary constraints on raising finance by deficit or borrowings. Therefore, it 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 Sector.

### 1.15.1 Growth and Composition of Expenditure

Chart 1.13 presents trends in Total Expenditure over five years (2014-15 to 2018-19). The compositions, both in terms of 'economic classification' and 'expenditure by activities,' are depicted in Charts 1.13 and 1.14 respectively.



Source: Finance Accounts of the respective years



Source: Finance Accounts of the respective years

Total Expenditure of the State increased by ₹ 9,532.37 crore (110.27 per cent) from ₹ 8,644.70 crore in 2014-15 to ₹ 18,177.07 crore in 2018-19. The CAGR of the Total Expenditure is partially due to inflating the expenditure without actual disbursement. The CAGR of Total Expenditure is much higher than the CAGR of the Revenue Receipts of the State which is only 17.58 per cent, indicating that the increase of the expenditure is faster than the receipts which partly contributed to non-achievement of the Revenue Surplus target in the budget. While the proportion of expenditure in General Services has increased over the last five years, the same in respect of Social and Economic Services has marginally declined, indicating that the administrative expenditure outpaced other vital sectors. The buoyancy of the Total Expenditure to GSDP is 2.85 indicating that the component Government expenditure in the GSDP is increasing at a greater pace than the growth in GSDP.

Although in absolute terms the increase in Revenue Expenditure was more than Capital Expenditure, the percentage increase of capital expenditure is more than the percentage increase of Revenue Expenditure. While the increase in Revenue Expenditure was 73.68 per cent over 2014-15 to 2018-19, the increase in the Capital expenditure was 286.16 per cent during the same period, indicating that the Government has been focussing on improving the infrastructure in the State. However, the available resources were thinly spread among large number of works which resulted in many works remaining incomplete due to which the benefit of higher Capital expenditure did not fully accrue to the State.

Total Expenditure, its annual growth rate, the ratio of expenditure to the State GSDP and to Revenue receipts are indicated in **Table 1.19**.

**Table 1.19: Total Expenditure – Basic Parameters**

(₹ in crore)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Total Expenditure (TE)	8,644.70	10,368.97	10,948.88	14,093.64	18,177.07
Rate of Growth of TE ( <i>per cent</i> )	16.35	19.95	5.59	28.72	28.97
TE/GSDP Ratio ( <i>per cent</i> )	48.13	56.02	55.79	63.40	74.22
RR/TE Ratio ( <i>per cent</i> )	105.68	101.78	107.59	97.74	89.10

Source: Finance Accounts of the respective years

The increase of ₹ 4,083.43 crore (28.97 *per cent*) in Total Expenditure during 2018-19 over the previous year was on account of increase of ₹ 2,539.33 crore in Capital Expenditure, ₹ 1,529.01 crore in Revenue Expenditure and ₹ 15.09 crore in Loans and Advances.

Component-wise major expenditure in Revenue and Capital sections incurred in 2018-19 compared with 2017-18 is in **Table-1.20**.

**Table 1.20: Major expenditure components under Revenue and Capital**

Revenue				Capital			
Component	Sector	2017-18	2018-19	Component	Sector	2017-18	2018-19
Education, Sports, Arts and Culture	Social	1,717.66	1,813.55	Transport	Economic	1,174.04	2,629.70
Transport	Economic	804.11	1,148.88	Water Supply, Sanitation, UD & H	Social	568.21	810.46
Health and Family Welfare	Social	893.52	1,060.85	Energy	Economic	250.92	340.36
Water Supply, Sanitation, UD & H	Social	819.02	998.39	Education, Sports, Arts and Culture	Social	86.62	205.05
Energy	Economic	704.22	971.12	Irrigation and Flood	Economic	69.57	164.73

Source: Finance Accounts of the respective years

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 2018-19, expenditure on General Services, including Interest Payments, which are considered as non-developmental, accounted for 26.88 *per cent*. On the other hand, expenditure on Social and Economic Services (Revenue & Capital), termed as Development Expenditure, together accounted for 73.01 *per cent* during 2018-19. The relative share of Social Services decreased from 34.10 *per cent* in 2017-18 to 31.35 *per cent* in 2018-19, whereas the relative share of Economic Services increased from 37.27 *per cent* in 2017-18 to 41.66 *per cent* in 2018-19.

### 1.15.2 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 Revenue Expenditure, its rate of growth are indicated in **Table 1.21**.

**Table 1.21: Revenue Expenditure – Basic Parameters**

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Revenue Expenditure (RE), of which</b>	<b>7,156.59</b>	<b>8,362.74</b>	<b>9,394.54</b>	<b>10,900.47</b>	<b>12,429.48</b>
Rate of Growth of RE ( <i>per cent</i> )	24.87	16.85	12.34	16.03	14.03
RE as percentage of TE	82.79	80.65	85.80	77.34	68.38

(₹ in crore)

*Source: Finance Accounts of the respective years*

*Figures in brackets represent percentages to Revenue Expenditure*

Revenue Expenditure increased by ₹ 5,272.89 crore (73.68 *per cent*) from ₹ 7,156.59 crore in 2014-15 to ₹ 12,429.48 crore in 2018-19 at a CAGR of 14.03 *per cent*. During 2018-19, it increased by ₹ 1,529.01 crore (14.03 *per cent*) over the previous year, due to increase in expenditure under Economic Services by ₹ 668.86 crore, Social Services by ₹ 521.59 crore and General Services by ₹ 338.59 crore. The increase in expenditure in Economic Services over the previous year was mainly due to increased expenditure on maintenance of Roads and Bridges, and purchase of power. The increase in expenditure under Social Services over previous year was mainly due to implementation of new scheme viz Samagra Siksha Abhiyaan under elementary education. The increase in expenditure in General Services over previous year was mainly due to payment of compensation for the land acquired.

### 1.15.3 Committed Expenditure

Committed Expenditure of the State Government on Revenue Account consists of Interest Payments and, expenditure on Salaries, and on Pensions. **Table 1.22** presents the trends in expenditure on these components during 2014-19.

**Table 1.22: Components of Committed Expenditure**

Components of Committed Expenditure	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Salaries</b>	<b>2,853.24</b>	<b>3,098.20</b>	<b>3,566.88</b>	<b>4,434.61</b>	<b>4,372.49</b>
Interest Payments	350.88	415.64	399.23	467.36	526.10
Pension and other Retirement Benefits	480.71	555.25	640.58	923.97	894.37
<b>TOTAL</b>	<b>3684.83</b>	<b>4069.09</b>	<b>4606.69</b>	<b>5825.94</b>	<b>5792.96</b>

(₹ in crore)

*Source: Finance Accounts of the respective years*

Overall Committed Expenditure increased by ₹ 2,108.13 crore (57.21 *per cent*) from ₹ 3,684.83 crore in 2014-15 to ₹ 5,792.96 crore in 2018-19. Committed Expenditure



during 2018-19 constituted 46.61 *per cent* of Revenue Expenditure and 35.76 *per cent* of Revenue Receipts. Component-wise analysis is given in the succeeding paragraphs.

### 1.15.3.1 Salaries

During 2018-19, Salaries alone accounted for 27 *per cent* of Revenue Receipts. These increased by 53.25 *per cent* over 2014-15 but decreased by 1.40 *per cent* over 2017-18. The decrease in the current year when compared to previous year was due to payment of arrears of pay revision in the previous year. The expenditure on salaries as a percentage of Revenue Receipts is lowest among the Special Category North-Eastern States (which ranged between 27 *per cent* to 45 *per cent*).

### 1.15.3.2 Interest Payments

During 2018-19, Interest Payments, comprising of interest on Internal Debt, Small Savings, Provident Funds, *etc.*, Loans & Advances from the GoI and other obligations, increased by 49.94 *per cent* and 12.57 *per cent* over 2014-15 and 2017-18 respectively. The expenditure on interest payments during the year 2018-19 was ₹ 526.10 crore as against ₹ 461.00 crore projected in the 14<sup>th</sup> FC Report. The increase in payment of interest over previous year was due to more market borrowings necessitating payment of additional interest.

### 1.15.3.3 Pension Payments

Pension Payments (including other Retirement Benefits) showed decreasing trend during 2018-19. During 2018-19, Pension Payments decreased by ₹ 29.60 crore (3.20 *per cent*) over 2017-18 but increased by ₹ 413.66 crore (86.05 *per cent*) over 2014-15. The decrease of pension payments during the current year was due to payment of arrears of revision in the previous year. The expenditure on pension payments during the year 2018-19 was ₹ 894.37 crore as against ₹ 512.00 crore projected in the 14<sup>th</sup> FC Report.

### 1.15.3.4 National Pension System

The State Government introduced (January 2008) 'National Pension System' applicable to all new entrants joining State Governments Service on regular basis against vacant sanctioned post (s) on or after 01 January 2008. According to terms of the Scheme, both the Government and employees were to contribute 10 *per cent* each of basic pay and dearness allowance and the entire amount was to be transferred to NSDL through the designated fund manager.

In Arunachal Pradesh, the expenditure during the year 2018-19 on pension and other retirement benefits of State Government employees recruited on or before 31 December 2007 was ₹ 828.66 crore (6.67 *per cent* of the total revenue expenditure of ₹ 12,429.48 crore). As regards the employees recruited on or after 1 January 2008, the NPS, which is a defined contributory pension scheme, is applicable.

As per the rules governing NPS, the contributions of employees and matching contribution of the State Government are to be credited initially to Public Account

(Major Head-8342) and transferred to the NSDL/Trustee Bank through the designated fund manager in the same year itself (Major Head 8342 comes under the category of 'deposits bearing interest' implying thereby, that the Government has to pay interest on balances that are retained in this Major Head)

The State Government however, did not comply with the prescribed procedure fully. While an amount of ₹ 47.29 crore was credited to Public Account (Major Head-8342) as of 01 April 2018, no fresh amount was credited to this account. In fact, the State Government transferred ₹ 7.26 crore out of this amount in Public Account to a current Account with SBI in Naharlagun, (outside Government account).

As of 01 April 2018, the current account (in SBI, Naharlagun) had a balance of ₹ 48.58 crore. During the year 2018-19, the State Government credited an amount of ₹ 148.11 crore (₹ 78.03 crore as employees' contribution and ₹ 69.34 crore as Government contribution and ₹ 0.74 crore interest) to this current account with SBI.

Out of the total amount of ₹ 196.69 crore (₹ 148.11 crore plus ₹ 48.58 crore), State Government withdrew ₹ 175.19 crore during the year 2018-19, leaving a balance of ₹ 21.50 crore in the current account. Of this ₹ 175.19 crore, State Government transferred ₹ 125.08 crore to NSDL; credited ₹ 50.00 crore to a savings bank account (in SBI, Itanagar); ₹ 0.09 crore was adjusted for accounting error and ₹ 0.02 crore was disbursed as final payment as of 31 March 2019.

As of 31 March 2019, a cumulative balance of ₹ 40.03 crore was lying in Public Account, yet to be transferred to NSDL and a cumulative balance of ₹ 21.50 crore was lying in the current account with SBI, also to be transferred to NSDL. Further, ₹ 50.00 crore parked in saving account with SBI was also to be transferred to NSDL. Thus, a total amount of ₹ 111.53 crore was yet to be transferred to NSDL as of 31 March 2019. The summary of transactions of NPS during the last five years is given below:

**Table 1.23: Summary of transactions in NPS**

(₹ in crore)

Year	Opening Balance	Details of Contribution				Transfer to NSDL	Closing Balance (2+6-7)	Interest liability {(2+5)*Rate}
		Employee	Employer	Short (3-4)	Total (3+4)			
2014-15	47.76	49.04	0.08	(+)48.96	49.12	0.04	96.84	8.41
2015-16	96.84	34.63	15.51	(+)19.12	50.14	77.86	69.12	9.28
2016-17	69.12	83.71	9.77	(+)73.94	93.48	79.33	83.27	11.16
2017-18	83.27	90.09	64.39	(+)25.70	154.48	141.88	95.87	8.73
2018-19	95.87	74.40	66.45 <sup>5</sup>	(+)7.95	140.85	125.19 <sup>6</sup>	111.53	8.31
<b>Total</b>		<b>331.87</b>	<b>156.20</b>	<b>175.67</b>	<b>488.07</b>	<b>424.30</b>		

Source: Data furnished by the State Government and Finance Accounts of the respective years

Audit analysis of functioning of NPS revealed the following:

<sup>5</sup> It includes ₹ 0.74 crore as interest

<sup>6</sup> It includes ₹ 0.10 crore towards withdrawal for final payment and wrong booking.

During the period from 2014-15 to 2018-19, State Government contributed only ₹ 156.20 crore as against the total Employees' share of ₹ 331.87 crore. Moreover, against the total collected funds of ₹ 535.83 crore (including previous year's balance ₹ 47.76 crore), the Government transferred only ₹ 424.30 crore to the designated authority (NSDL). As a result, the total liability of the Government on account of NPS stood at ₹ 287.20 crore (₹ 175.67 crore- matching share not contributed *plus* ₹ 111.53 crore- short transfer to NSDL) as on 31 March 2019. Thus, the State Government has created interest liability on the amount not transferred to NSDL, incorrectly used the funds that belong to its employees and created uncertainty of benefit in respect of the affected employees.

It was also observed that both the contributions (₹140.85 crore) in the current year under NPS were not routed through the Public Account and instead, were routed through the current account. Thus, non-routing of the contributions through the Public Account is in violation of guidelines, besides being vulnerable to risks associated with the normal bank account operations.

Non-transfer of funds to NSDL was reportedly due to non-allotment of Permanent Retirement Account Number (PRAN) to 2395 employees. NSDL allots a Permanent Retirement Account Number (PRAN) to each employee enrolled under the System on receipt of requisite information/documents from Government.

The State Government has thus not only violated the rules governing NPS, but also created interest liability on the amount not transferred to NSDL, incorrectly used the funds that belong to its employees and created uncertainty in respect of benefits due to the employees affected/ avoidable financial liability to Government in future, and, thus leading to possible failure of the scheme itself.

In response, the Government stated (February 2020) that up-dation and up-loading of Employers and Employees contribution to NSDL is a continuous process and that, the gap amount of ₹ 111.53 crore for the period in question was due to inherent problems of network connectivity and other technical reason. Efforts are on to extend near real time benefits to subscriber as per mandated NPS architecture. It was further stated that the retention of interest funds in bank account outside the Government account was due to spill over effect during the fiscal and will be subsumed in new financial year.

The reply has not addressed the accumulation of government liabilities over several years, potentially depriving subscribers of mandated benefits.

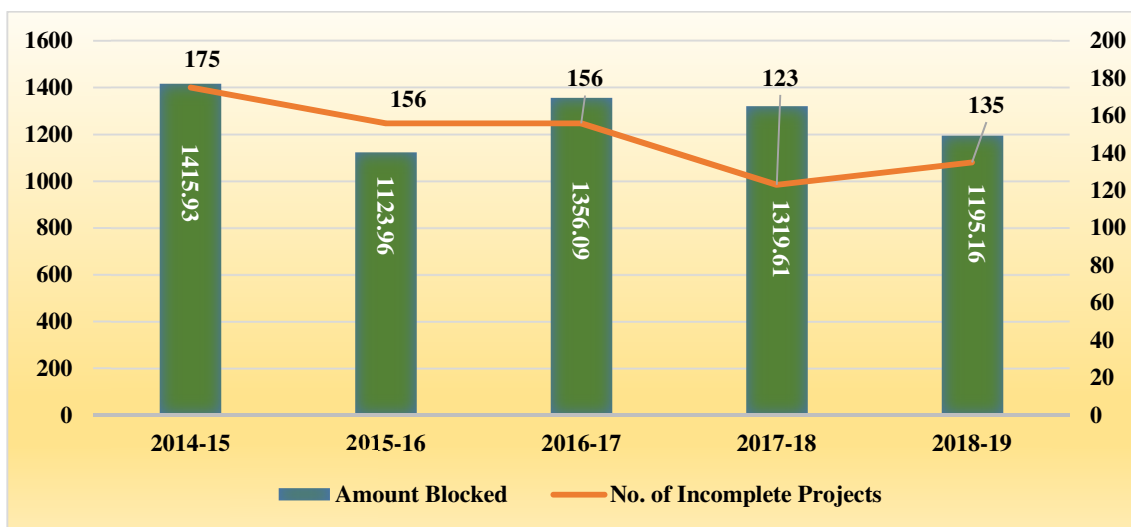
### **1.16 Capital Expenditure**

Capital Expenditure during 2018-19 (₹ 5,727.43 crore) increased by ₹ 2,539.33 crore over the previous year due to significant increase in expenditure on Economic Services (₹ 1,649.71 crore), General Services (₹ 517.11 crore) and Social Services (₹ 372.51 crore). This expenditure constituted 31.51 *per cent* of Total Expenditure during 2018-19 as compared to 22.62 *per cent* during the previous year. The Capital Expenditure booked during the current year may not reflect the actual disbursements

made by the Government on capital account as substantial amount of cheques remained unpaid to end of March 2019 (₹ 1,144.58 crore). The ratio of Capital Expenditure to Aggregate Expenditure of the State (31.51 *per cent*) is very high when compared with the average of the SCS (15.69 *per cent*) indicating that the fiscal priority of the Government is more oriented towards creation of capital assets or improve the infrastructure of the State which would contribute to increase in the growth of GSDP. However, the State Government could not maintain the Capital Expenditure in line with the projections made in the BE and RE during 2018-19, and the expenditure fell short of the BE (₹ 7,877.86 crore) by 27.30 *per cent* and RE (₹ 7,289.16 crore) by 21.43 *per cent*.

The Government does not have a comprehensive list of capital projects taken up, status of these projects, details of time and cost over run in the execution of these projects, approved cost and revised cost of completing the projects etc. In the absence of a comprehensive database of incomplete projects, information was sought from the implementing departments, and based on the information furnished, it was seen that 135 projects on which an expenditure of ₹ 1,195.16 crore was incurred remained incomplete and the resources required for completing these works were not made available. The year-wise details of incomplete projects is shown in the chart below:

**Chart 1.16: Year-wise details of incomplete projects**



Even the details of expenditure incurred during the current year on these incomplete works was not available. While there are large number of works which remained incomplete over several years, the Government also took up execution of new works during the current year. Test check of the records revealed that 31 new works costing ₹ 416.30 crore were taken up for execution during the year on which the expenditure incurred was marginal. The Government has been taking up large number of works without ensuring the availability of resources for completing those works within the stipulated timeframe, and available resources are thinly spread over an extended number of works. Due to this, while the Capital Expenditure has been increasing significantly, assets to contribute to GSDP have not increased commensurately.

In response, the Government stated (February 2020) that the actual capital expenditure was less than budgeted amount due to non-formulation of guidelines etc in respect of various schemes announced in the Budget Speech. It was further stated that normally schemes are budgeted for, based on resources earmarked by GoI in its BE. But at RE stage these earmarked funds are not received in full from Government of India. The Government further stated that due to frequent court cases regarding tendering process and consequent delay in execution of various works, the Capital Expenditure was less than what was projected in the BE and RE.

### 1.17 Financial Assistance to Local Bodies etc.

The quantum of assistance provided by way of Grants and Loans to Local Bodies and others during 2018-19, relative to previous years is presented in **Table 1.24**.

**Table 1.24: Financial Assistance to Local Bodies etc.**

(₹ in crore)

Institutions	2014-15	2015-16	2016-17	2017-18	2018-19
University and Educational Institutions	11.16	7.39	0.00	1.00	5.43
Cultural Institutions/Voluntary Organisations for promotion of Arts & Culture	0.00	2.22	0.00	0.00	0.00
State Institute of Rural Development	0.00	0.66	0.66	0.00	0.00
Social Welfare	0.57	0.44	0.48	0.41	0.54
Food, Storage and Warehousing	22.09	0.00	7.11	15.59	7.67
Co-operation	3.22	1.25	2.99	0.83	1.15
Other Institutions <sup>7</sup>	7.59	14.21	26.63	19.54	39.84
<b>TOTAL</b>	<b>44.63</b>	<b>26.17</b>	<b>37.87</b>	<b>37.37</b>	<b>54.63</b>
<i>Assistance as percentage of Revenue Expenditure</i>	<i>0.62</i>	<i>0.31</i>	<i>0.40</i>	<i>0.34</i>	<i>0.44</i>

*Source: Finance Accounts of the respective years*

Financial assistance extended to Local Bodies and other Institutions with inter-year variations increased by 22.41 per cent from ₹ 44.63 crore in 2014-15 to ₹ 54.63 crore in 2018-19. However, the share of financial assistance in Revenue Expenditure decreased from 0.62 per cent in 2014-15 to 0.44 per cent during 2018-19. Other Institutions (like Arunachal Pradesh Energy Development Agency, Arunachal Pradesh Council for Science and Technology, APSCS and SRSAC) were the major recipients (around 72.93 per cent) of the financial assistance followed by Food, Storage and Warehousing (14.04 per cent).

<sup>7</sup> Other Institutions include Power, Science & Technology, Trade & Commerce and Town Planning Department

### 1.18 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 of expenditure and effectiveness (assessment of outlay-outcome relationships for select services)

#### 1.18.1 Adequacy of Public Expenditure

The analysis of expenditure data is disaggregated into Developmental and Non-Developmental Expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into Social, Economic and General Services. **Table 1.25** analyses the fiscal priority given by the State Government to various expenditure heads in 2014-15 and 2018-19 with regard to Developmental Expenditure, Social Sector Expenditure and Capital Expenditure.

**Table 1.25: Fiscal priority of the State**

Fiscal priority by the State	(in per cent)						
	TE/GSDP	DE/TE	SSE/TE	ESE/TE	CE/TE	Education/TE	Health/TE
SCS Average 2014-15	26.00	66.76	36.27	30.49	14.46	18.52	5.60
Arunachal Pradesh 2014-15	48.13	74.69	32.29	42.41	17.16	12.14	6.71
SCS Average 2018-19	26.73	64.82	35.75	29.08	15.69	18.21	6.48
Arunachal Pradesh 2018-19	74.22	73.10	31.36	41.74	31.51	10.19	6.15

*Source: Finance Accounts 2014-15 & 2018-19*

*TE: Total Expenditure; DE: Development Expenditure; SSE: Social Sector Expenditure; CE: Capital Expenditure*

*Developmental Expenditure includes Developmental Revenue Expenditure, Developmental Capital Expenditure and Development Loans & Advances disbursed.*

### 1.19 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 rationalisation measures and lay emphasis on provision of core public and merit goods<sup>8</sup>. 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. Even while the Revenue Expenditure has increased over the previous year, the percentage of development expenditure on revenue account declined due to increased expenditure on general services including interest payments. Further due to inflating the expenditure on

<sup>8</sup> As explained in Appendix - 1.1.C.

certain GoI schemes by parking the funds in various bank accounts as discussed in **Para-3.4**, the actual development expenditure during the financial year is lower than what has been recorded in the books of accounts. This indicates that the quality of the expenditure was compromised as the proportion of Development Expenditure on education, health and other social sectors has come down.

Development expenditure on Revenue Account as compared to the total development expenditure has decreased during the period 2014-15 to 2018-19 indicating that the Government's ability to adequately maintain the assets created or sustain the schemes launched was perhaps getting compromised. Further as mentioned in **Para-1.16** supra the number of incomplete projects indicated that the benefits of developmental expenditure on capital account did not accrue to the State as envisaged. The higher the ratio of these components of development expenditure to Total Expenditure (and/or GSDP), the better would be the quality of expenditure. **Table 1.26** presents the trend in Development Expenditure relative to the Total Expenditure of the State during 2018-19 *vis-à-vis* previous years:

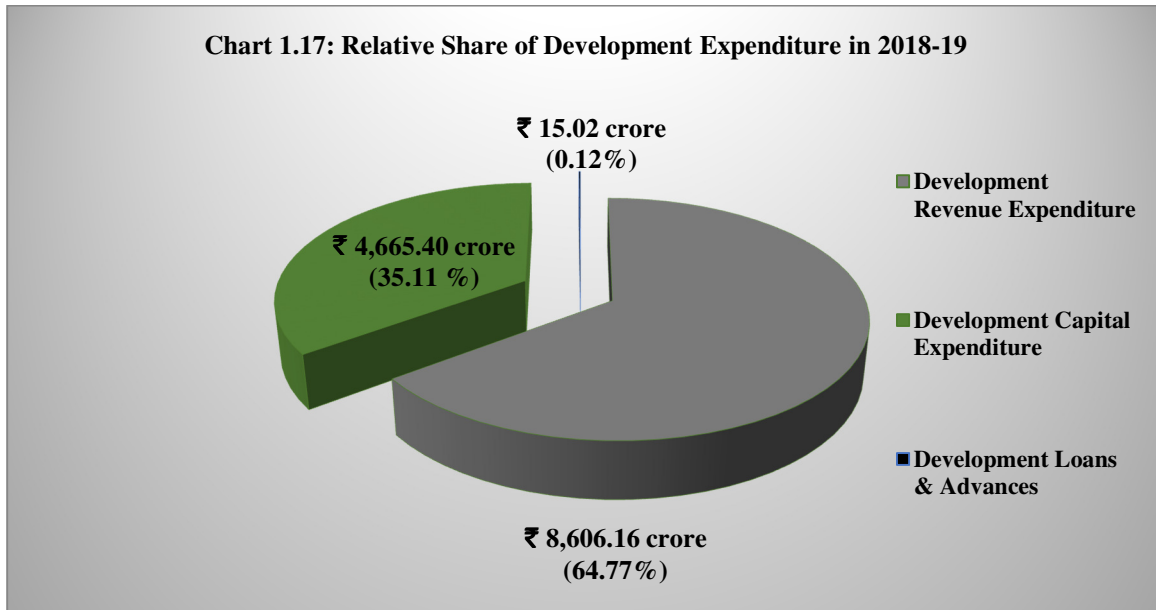
**Table 1.26: Development Expenditure**

Components of Development Expenditure	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Development Expenditure {(a)+(b)+(c)} £	6,456.92 (74.69)	7,502.53 (72.36)	8,065.61 (73.67)	10,060.64 (71.38)	13,286.58 (73.10)
(a) Development Revenue Expenditure\$	5,094.00 (78.89)	5,844.65 (77.90)	6,626.78 (82.16)	7,415.71 (73.71)	8,606.16 (64.77)
(b) Development Capital Expenditure\$	1,362.48 (21.10)	1,647.67 (21.96)	1,430.93 (17.74)	2,643.18 (26.27)	4,665.40 (35.11)
(c) Development Loans & Advances\$	0.44 (0.01)	10.21 (0.14)	7.90 (0.10)	1.75 (0.02)	15.02 (0.12)

**Source:** Finance Accounts of the respective years

Figures in parenthesis indicate: £: Percentage to Total Expenditure, \$: Percentage to Development Expenditure

In absolute terms, the Development Expenditure on socio-economic services increased from ₹ 6,456.92 crore in 2014-15 to ₹ 13,286.58 crore in 2018-19. The increase in 2018-19 was 32.06 per cent (₹ 3,225.94 crore) over the previous year and was mainly due to increased expenditure on construction and maintenance of roads and bridges, purchase of power, implementation of new schemes like Samagra Siksha Abhiyaan in Elementary Education etc. During the five-year period ending 2018-19, the share of State's Development Expenditure averaged around 73 per cent of the State's Total Expenditure. The relative share of Development Expenditure during 2018-19, depicted in **Chart 1.17** below, shows that 64.77 per cent was incurred on Revenue Account and only 35.11 per cent was utilised for Capital Expenditure.



Source: Finance Accounts 2018-19

During 2018-19, Development Capital Expenditure as a percentage of Total Expenditure increased to 25.67 per cent as compared to 18.75 per cent in 2017-18.

Although the State Government had earmarked a considerable amount in the budget to create assets, it failed to utilise the same. The actual expenditure on revenue account exceeded the budget estimates which resulted in a predominant share of Revenue Expenditure in Development Expenditure. This indicated that more emphasis was given to maintenance of current level of services, as opposed to addition to the State's infrastructure and service network. The expenditure pattern under this sector needs correction in the ensuing years.

**Table 1.27** and **Table 1.28** summarise the percentage of expenditure incurred by the State Government in expanding and maintaining Social and Economic Services in the State under selected components of Economic and Social Services sector during the period 2014-19.

**Table 1.27: Capital Expenditure on selected Social and Economic Services**



(in per cent)

Services	Ratio of Capital Expenditure to Total Expenditure <sup>£</sup>				
	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Social Services (SS)</b>					
General Education	4.71	3.94	3.94	3.20	10.79
Technical Education, Sports and Arts & Culture	52.67	44.95	26.04	20.35	0.00
Health & Family Welfare	5.87	5.05	2.11	4.46	5.08
Water Supply & Sanitation, Housing and Urban	38.24	32.30	41.86	40.96	44.81
Other Social Services	11.41	14.36	12.03	23.31	20.54
<b>Total (SS)</b>	<b>15.80</b>	<b>14.17</b>	<b>15.99</b>	<b>17.79</b>	<b>21.53</b>
<b>Economic Services (ES)</b>					
Agriculture & Allied Activities	1.05	2.07	0.95	1.73	3.83
Irrigation & Flood Control	20.09	40.91	31.38	20.20	44.68
Energy	19.55	18.74	18.15	26.27	25.95
Transport	41.18	41.99	30.34	59.35	69.59
Other Economic Services	20.73	16.36	17.47	23.50	21.19
<b>Total (ES)</b>	<b>25.18</b>	<b>27.15</b>	<b>19.20</b>	<b>34.04</b>	<b>45.41</b>
<b>Grand Total (SS + ES)</b>	<b>21.10</b>	<b>21.99</b>	<b>17.76</b>	<b>26.28</b>	<b>35.15</b>

Source: Finance Accounts of the respective years

£-Total Revenue and Capital Expenditure of the Services concerned

The Table shows that:

- Development Capital expenditure, in *percentage* terms, increased to 35.15 *per cent* in 2018-19 from 21.10 *per cent* and 26.28 *per cent* over 2014-15 and 2017-18 respectively.
- The ratio of Capital Expenditure in selected Social Services ranged between 14.17 *per cent* to 21.53 *per cent* during 2014-19.
- The ratio of Capital Expenditure in selected Economic Services ranged between 19.20 *per cent* to 45.41 *per cent* during 2014-19.

**Table 1.28: Revenue Expenditure on selected Social and Economic services**

(₹ in crore)

Services	In Revenue Expenditure, the share of Salary					In Revenue Expenditure, the share of Non-Salary				
	2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16	2016-17	2017-18	2018-19
General Education	573.26 (60.10)	643.04 (54.02)	715.45 (55.37)	901.83 (56.94)	875.66 (51.64)	380.61 (39.90)	547.32 (45.98)	576.69 (44.63)	682.04 (43.06)	820.16 (48.36)
Technical Education, Sports and Arts & Culture	35.00 (45.62)	39.54 (46.03)	50.05 (42.79)	56.98 (42.59)	55.70 (47.31)	41.72 (54.38)	46.36 (53.97)	66.93 (57.21)	76.81 (57.41)	62.03 (52.69)
Health & Family Welfare	280.63 (51.38)	291.79 (59.66)	388.09 (56.06)	555.72 (62.20)	518.38 (48.86)	265.57 (48.62)	197.30 (40.34)	304.23 (43.94)	337.79 (37.80)	542.47 (51.14)
Water Supply & Sanitation, UD & H	84.89 (23.75)	101.41 (21.70)	112.26 (19.16)	137.13 (16.74)	133.18 (13.34)	272.52 (76.25)	365.84 (78.30)	473.58 (80.84)	681.89 (83.26)	865.21 (86.66)
Other Social Services	116.10 (27.37)	130.51 (40.27)	138.30 (38.50)	182.79 (35.11)	198.60 (33.12)	308.09 (72.63)	193.56 (59.73)	220.89 (61.50)	337.85 (64.89)	401.03 (66.88)
<b>Social Services</b>	<b>1,089.88</b> <b>(46.21)</b>	<b>1,206.29</b> <b>(47.18)</b>	<b>1,404.15</b> <b>(46.09)</b>	<b>1,834.45</b> <b>(46.43)</b>	<b>1,781.52</b> <b>(39.83)</b>	<b>1,268.51</b> <b>(53.79)</b>	<b>1,350.38</b> <b>(52.82)</b>	<b>1,642.32</b> <b>(53.91)</b>	<b>2,116.38</b> <b>(53.57)</b>	<b>2,690.90</b> <b>(60.17)</b>
Agriculture & Allied Activities	226.56 (34.49)	265.16 (39.81)	279.27 (36.26)	325.82 (42.36)	341.06 (42.61)	430.29 (65.51)	400.90 (60.19)	490.94 (63.74)	443.36 (57.64)	459.29 (57.39)
Irrigation & Flood Control	52.20 (42.67)	56.26 (32.08)	67.82 (37.65)	79.24 (28.83)	73.43 (36.00)	70.12 (57.33)	119.12 (67.92)	112.33 (62.35)	195.62 (71.17)	130.54 (64.00)
Energy	177.12 (40.27)	208.20 (37.20)	231.28 (29.03)	271.15 (38.50)	260.55 (37.00)	262.70 (59.73)	351.44 (62.80)	565.32 (70.97)	433.07 (61.50)	443.67 (63.00)
Transport	174.24 (20.15)	169.20 (15.10)	48.76 (5.56)	268.55 (33.40)	265.29 (23.09)	690.51 (79.85)	951.37 (84.90)	828.68 (94.44)	535.56 (66.60)	883.59 (76.91)
Other Economic Services	221.86 (34.03)	233.07 (30.41)	455.00 (47.60)	357.58 (39.19)	351.81 (27.56)	430.01 (65.97)	533.26 (69.59)	500.91 (52.40)	554.93 (60.81)	924.51 (72.44)
<b>Economic Services</b>	<b>851.98</b> <b>(31.14)</b>	<b>931.89</b> <b>(28.34)</b>	<b>1,082.13</b> <b>(30.22)</b>	<b>1,302.34</b> <b>(37.59)</b>	<b>1,292.14</b> <b>(31.26)</b>	<b>1,883.63</b> <b>(68.86)</b>	<b>2,356.09</b> <b>(71.66)</b>	<b>2,498.18</b> <b>(69.78)</b>	<b>2,162.54</b> <b>(62.41)</b>	<b>2,841.60</b> <b>(68.74)</b>
<b>Grand Total</b>	<b>1,941.86</b> <b>(38.12)</b>	<b>2,138.18</b> <b>(36.58)</b>	<b>2,486.28</b> <b>(37.52)</b>	<b>3,136.79</b> <b>(42.30)</b>	<b>3,073.66</b> <b>(35.71)</b>	<b>3,152.14</b> <b>(61.88)</b>	<b>3,706.47</b> <b>(63.42)</b>	<b>4,140.50</b> <b>(62.48)</b>	<b>4,278.92</b> <b>(57.70)</b>	<b>5,532.50</b> <b>(64.29)</b>

Source: Finance Accounts of the respective years

Figures in brackets represent percentage of Revenue Expenditure in that service

The table shows that:

- The expenditure on Salary components under Social and Economic Services during 2018-19 increased by 58.28 per cent over 2014-15 but decreased by 2.01 per cent over 2017-18. The decrease of salary component over the previous year was due to payment of arrears of pay in the previous year. The expenditure on Non-Salary

component under Social and Economic Services in 2018-19 increased by 75.52 per cent and 29.30 per cent over 2014-15 and 2017-18 respectively.

- The Salary component under Revenue Expenditure in selected Social Services in 2018-19 increased by 63.46 per cent over 2014-15, however, decreased by 2.89 per cent over 2017-18. The Non-Salary component in 2018-19 increased by 112.13 per cent and 27.15 per cent over 2014-15 and 2017-18 respectively. The increase in Non-Salary component of expenditure in social sector was mainly due to increased disbursement of grants to institutions like Tomo Riba Institute of Health and Medical Sciences etc.
- The Salary component under Revenue Expenditure in selected Economic Services in 2018-19 increased by 51.66 per cent over 2014-15, however, decreased by one per cent over 2017-18. The Non-Salary component in 2018-19 increased by 50.86 per cent and 31.40 per cent over 2014-15 and 2017-18 respectively. The increase was mainly due to increase in purchase of power and establishment expenditure.
- The share of expenditure on Education as a proportion of Total Expenditure was lower than the SCS average during 2017-18 as well as 2018-19. This has to be viewed in the light of the fact that literacy rate in the State is lower than other SCS states in the North-East. The expenditure on Education (both Capital and Revenue) during the year 2018-19 constituted 10.19 per cent of the Total Expenditure which is lowest among all the Special Category North-Eastern States (which ranged between 10.19 per cent to 22.96 per cent).
- The share of expenditure on Health as a proportion of Total Expenditure (6.15 per cent) was less than the SCS average (6.48 per cent) in 2018-19 but was higher in 2014-15 indicating that the focus of the State on health sector has marginally come down over a period of time.

### 1.19.1 Grants-in-Aid (GIA) given by the State Government

The State Government released an amount of ₹ 1,869.45 crore as GIA to various institutions during the year 2018-19. The utilisation of the amounts granted to these institutions should be subject to compliance with the rules prescribed in GFRs including submission of Utilisation Certificates (UCs). A test check of the records revealed that out of the amount booked as GIA by the State, an amount of ₹ 380.09 crore was the regular expenditure of the Government, which should normally be accounted for under the relevant Service Heads of Account. It was further noticed that in respect of an amount of ₹ 274.55 crore, the recipients of the GIA were also not recorded and the purpose of release of the amount was stated as Schemes under SADA without any details. There is no mechanism to ensure compliance with the procedure prescribed in the GFR including the submission of UCs to ensure that the funds were actually spent for the purpose for which they were released. Further an amount of ₹ 300.58 crore was given as GIA for creation of capital assets. However, due to non-availability of the specific details, the utilisation of the GIA for creation of capital assets could not be ascertained in audit.

Further, out of the total disbursement of ₹ 1,869.44 crore, UCs in respect of only ₹ 294.88 crore were received as of September 2019.

### 1.20 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 and 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 borrowings to avoid complete dependence on market borrowings. This section presents a broad financial analysis of investments and other Capital Expenditure undertaken by the Government during 2018-19 *vis-à-vis* previous years.

#### 1.20.1 Investment and Returns

As per Statement 8 and 19 of the Finance Accounts for 2018-19, as of 31 March 2019, the State Government invested ₹ 250.93 crore in five Government Companies (₹ 9.00 crore) and 150 Co-operative Banks and Societies (₹ 241.93 crore) as detailed in **Table 1.29**.

**Table 1.29: Return on Investment**

	(₹ in crore)				
Investment/Return/Cost of Borrowings	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Investment at the end of the year (₹ in crore)</b>					
(i) Government Companies	9.00	9.00	9.00	9.00	9.00
(ii) Co-operative Bank/Societies	238.59	240.11	241.02	241.02	241.93
<b>TOTAL</b>	<b>247.59</b>	<b>249.11</b>	<b>250.02</b>	<b>250.02</b>	<b>250.93</b>
Return (₹ in crore)	<i>Nil</i>				
Average Rate of Interest on Government Borrowings ( <i>per cent</i> )	6.35	6.92	6.93	7.28	6.66
Difference between Interest Rate & Return rate ( <i>per cent</i> )	6.35	6.92	6.93	7.28	6.66

*Source: Finance Accounts of the respective years*

During 2014-15 to 2018-19, average return on investment was '*Nil*', while the Government paid interest at an average rate of 6.35 *per cent* to 7.28 *per cent* on its borrowings during the period. As on 31 March 2019, there were five working Government Companies and as per latest finalised annual accounts, three<sup>9</sup> companies had accumulated losses of ₹ 29.46 crore and two companies had earned a profit of ₹ 23.50 crore. As per their latest finalised accounts, aggregate net worth<sup>10</sup> of two loss

<sup>9</sup> AP Industrial Development and Financial Corporation Limited (₹ 23.07 crore); AP Mineral Development and Trading Corporation Limited (₹ 1.81 crore) and AP Forest Corporation Limited (₹ 4.58 crores)

<sup>10</sup> Net worth represents paid up capital plus free reserves less accumulated losses.

making companies<sup>11</sup> stood at *negative* ₹ 19.00 crore and in one loss making company<sup>12</sup> the accumulated loss was more than 80 *per cent* of its paid-up capital. The two profit making companies<sup>13</sup> had a combined net worth of ₹ 28.52 crore.

### 1.20.2 Loans & Advances by the State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the Government also provided Loans and Advances for other purposes, *e.g.*, loans to Power Projects, Government servants, Tourism, *etc.* **Table 1.30** shows outstanding Loans and Advances as on 31 March of last five years.

**Table 1.30: Loans & Advances by the State Government**

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
<b>OPENING BALANCE</b>	<b>81.97</b>	<b>59.49</b>	<b>66.99</b>	<b>73.53</b>	<b>72.92</b>
Amount advanced during the year	4.93	12.98	10.33	5.07	20.16
Amount recovered during the year	27.41	5.48	3.79	5.68	5.08
<b>CLOSING BALANCE</b>	<b>59.49</b>	<b>66.99</b>	<b>73.53</b>	<b>72.92</b>	<b>88.00</b>
<i>Net Addition</i>	(-) 22.48	7.50	6.54	(-) 0.61	15.08

Source: Finance Accounts of the respective years

The Loans & Advances by the State Government increased from ₹ 5.07 crore in 2017-18 to ₹ 20.16 crore in 2018-19. Out of this, ₹ 15.02 crore pertains to Economic Services (Loans for Co-operation) and ₹ 5.14 crore to Government Servants. The repayment of Loans and Advances decreased by ₹ 0.60 crore in 2018-19 mainly on account of recovery of Loans for Co-operation (₹ 2.11 crore) and Loans to Government Servants (₹ 2.97 crore).

### 1.20.3 Cash Balances and 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. Overdrafts are given by the RBI, if the State has a minus balance after availing of the maximum advances.

<sup>11</sup> AP Industrial Development and Financial Corporation Limited (₹ 18.92 crore); and AP Forest Corporation Limited (₹ 0.08 crore)

<sup>12</sup> AP Mineral Development and Trading Corporation Limited (₹ 1.81 crore)

<sup>13</sup> Arunachal Police Housing and Welfare Corporation Limited (₹ 22.02 crore) and Hydro Power Development Corporation of Arunachal Pradesh Limited (₹ 6.50 crore)

## Finances of the State

Under an agreement with the RBI, the State Government has to maintain a 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 WMAs are made available against GoI securities held by the State Government.

The State Government did not avail of any ways and means advances during the current year.

The Cash Balances and Investments made by the State Government out of Cash Balances during 2018-19 are shown in **Table 1.31**.

**Table 1.31: Cash Balances and Investment of Cash Balances**

Particulars	(₹ in crore)	
	Opening balance on 01 April 2018	Closing balance on 31 March 2019
<b>A. General Cash Balance</b>		
Cash in treasuries	0.00	0.00
Deposits with Reserve Bank	(-) 7.44	(-) 316.60
Deposits with other Banks	0.00	0.00
Remittances in transit – Local	392.00	392.00
<b>Total (A)</b>	<b>384.56</b>	<b>75.40</b>
<b>B. Investments held in Cash Balance investment account</b>		
(a) Total (A+B))	1,138.91	1,498.94
(b) Other Cash Balances and Investments	1,523.47	1,574.34
<b>(b) Other Cash Balances and Investments</b>		
Cash with departmental officers	7.97	4.87
Permanent advances for contingent expenditure with department officers	0.01	0.01
Investment of earmarked funds	711.55	1,028.27
<b>Total (b)</b>	<b>719.53</b>	<b>1,033.15</b>
<b>Total (a) + (b)</b>	<b>2,243.00</b>	<b>2,607.49</b>
<b>Interest realized</b>	<b>45.28</b>	<b>78.01</b>

Source: Finance Accounts 2018-19

Cash Balances of the State Government increased from ₹ 2,243.00 crore in 2017-18 to ₹ 2,607.49 crore in 2018-19. There was a difference of ₹ 13.23 crore (net debit) at the end of accounting year 2018-19 between the General Cash Balance as worked out by the Accountant General (₹ 316.60 crore) and as reported by the RBI (₹ 329.83 crore). This difference was mainly due to misclassification of transactions by bank/ treasuries. As of 31 March 2019, the State Government invested ₹ 1,498.94 crore in GoI Treasury Bills. During 2018-19, Interest of ₹ 78.01 crore was earned on investment of Cash Balances.

The Government could have lowered its borrowings considering the availability of cash since it borrowed at an average interest rate of 6.66 per cent whereas average interest received on cash balance investment was only five per cent.

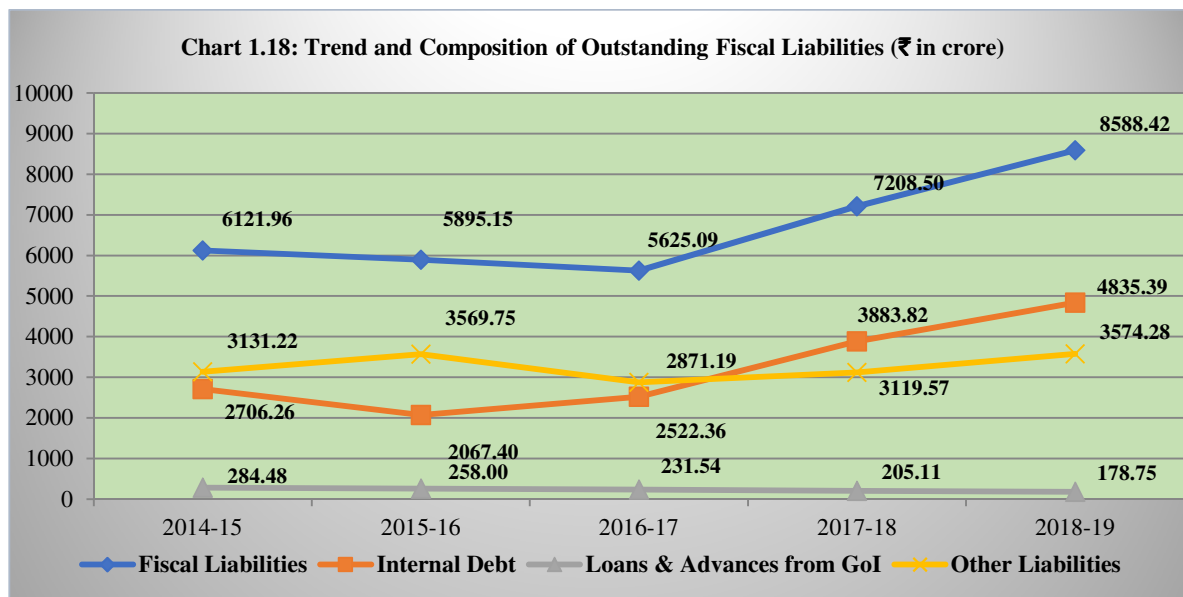
**1.21 Assets and Liabilities**

**1.21.1 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 1.6* gives an abstract of such liabilities and assets as on 31 March 2019, compared with the corresponding position on 31 March 2018. While liabilities 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.

**1.21.2 Fiscal Liabilities**

Trends and composition of fiscal liabilities during the last five years are presented in **Chart 1.18**.



Source: Finance Accounts of the respective years

**Table 1.32** gives the Fiscal Liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP, to Revenue Receipts and to the State’s Own Resources and also the buoyancy of Fiscal Liabilities with reference to these parameters.

**Table 1.32: Fiscal Liabilities – Basic Parameters**

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Fiscal Liabilities (₹ in crore)</b>	<b>6,121.96<sup>14</sup></b>	<b>5,895.15</b>	<b>5,625.09</b>	<b>7,208.50</b>	<b>8,588.42</b>
<i>Rate of Growth (per cent)</i>	24.04	(-)3.70	(-) 4.58	28.15	19.14
<b>Ratio of Fiscal Liabilities to</b>					
<i>GSDP (per cent)</i>	34.09	31.85	28.66	32.43	35.07
<i>Revenue Receipts (per cent)</i>	67.01	55.86	47.75	52.33	53.03
<i>Own Resources (per cent)</i>	665.58	635.81	448.73	609.99	512.16
<b>Buoyancy of Fiscal Liabilities with</b>					
<i>GSDP</i>	1.04	(-)1.21	(-)0.76	2.12	1.88
<i>Revenue Receipts</i>	0.42	(-)0.24	(-)0.39	1.66	1.09
<i>Own resources</i>	3.78	(-)0.23	(-)0.14	1.87	0.62

*Source: Finance Accounts of the respective years*

Fiscal Liabilities of ₹ 8,588.42 crore during 2018-19 consisted of Internal Debt (market loans, WMAs, loans from Financial Institutions and Special Securities issued to National Small Savings Fund, etc.): ₹ 4,835.39 crore; Loans & Advances from the GoI: ₹ 178.75 crore; Public Account Liabilities (Small Savings, Provident Funds, etc., Reserve Funds and Deposits): ₹ 3,574.28 crore. The Fiscal Liabilities of the State increased (40.29 per cent) from ₹ 6,121.96 crore in 2014-15 to ₹ 8,588.42 crore in 2018-19. The ratio of Fiscal Liabilities to GSDP increased from 34.09 per cent in 2014-15 to 35.07 per cent in 2018-19. The buoyancy of these liabilities with respect to GSDP during the year was 1.88 indicating that for each one per cent increase in GSDP, fiscal liabilities increased by 1.88 per cent.

The liabilities were above 53 per cent of Revenue Receipts and five times the State's own resources at the end of 2018-19.

The State Government in its Medium-Term Fiscal Plan (MTFP) Statement projected the total Outstanding Liabilities-GSDP ratio for the year 2018-19 as 21.46 per cent. As can be seen from the **Table 1.32** above, the Fiscal Liabilities-GSDP ratio of the State (35.07 per cent) was higher than the limit fixed by the 14<sup>th</sup> FC (30.48 per cent) and higher than the MTFP.

The Government in their response stated (February 2020) that due diligence would be taken to reduce the fiscal liabilities to the prescribed limit in future.

<sup>14</sup> The difference of ₹ 0.25 crore between last year Closing Balance and this year Opening Balance is due to correction of error in calculation



### 1.21.3 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 2014-15 to 2018-19, is given in **Table 1.33**.

**Table 1.33: Guarantees given by the State Government**

(₹ in crore)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maximum amount Guaranteed	2.00	2.00	2.00	2.00	2.00
Outstanding amount of Guarantees	0.97	0.97	0.97	0.97	0.97
Percentage of Maximum amount Guaranteed to Total Revenue Receipts	0.02	0.02	0.02	0.01	0.01

Source: Finance Accounts of the respective years

The outstanding amount of guarantee of ₹ 0.97 crore as at the close of 2018-19 was with respect to loans to one Company, *i.e.*, Arunachal Pradesh Industrial Development & Financial Corporation Limited.

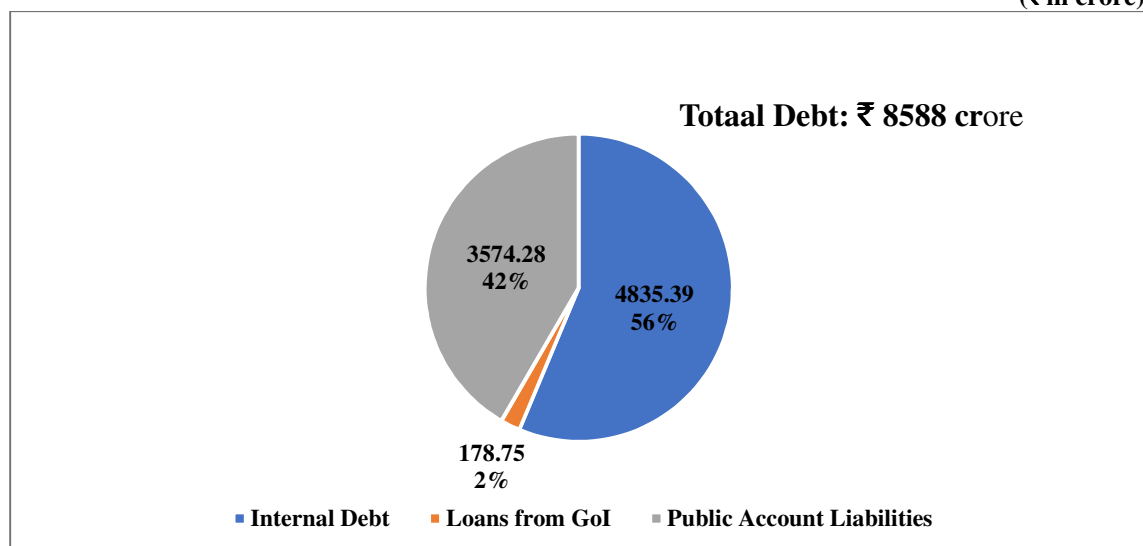
No law under Article 293 of the Constitution has been passed by the State Legislature laying down the maximum limit within which the Government may extend Guarantees on the security of the Consolidated Fund of the State.

### 1.22 Debt Management and Sustainability

The total outstanding debt of the State Government at the end of 2018-19 was ₹ 8,588.42 crore. Component-wise break-up of debt is shown below in **Chart 1.19**.

**Chart 1.19: Break-up of Outstanding Debt at the end of FY 2018-19**

(₹ in crore)



## Finances of the State

Internal debt, which is primarily market borrowings through issue of State Development Loans (SDLs), accounts for 56 per cent of the total outstanding debt.

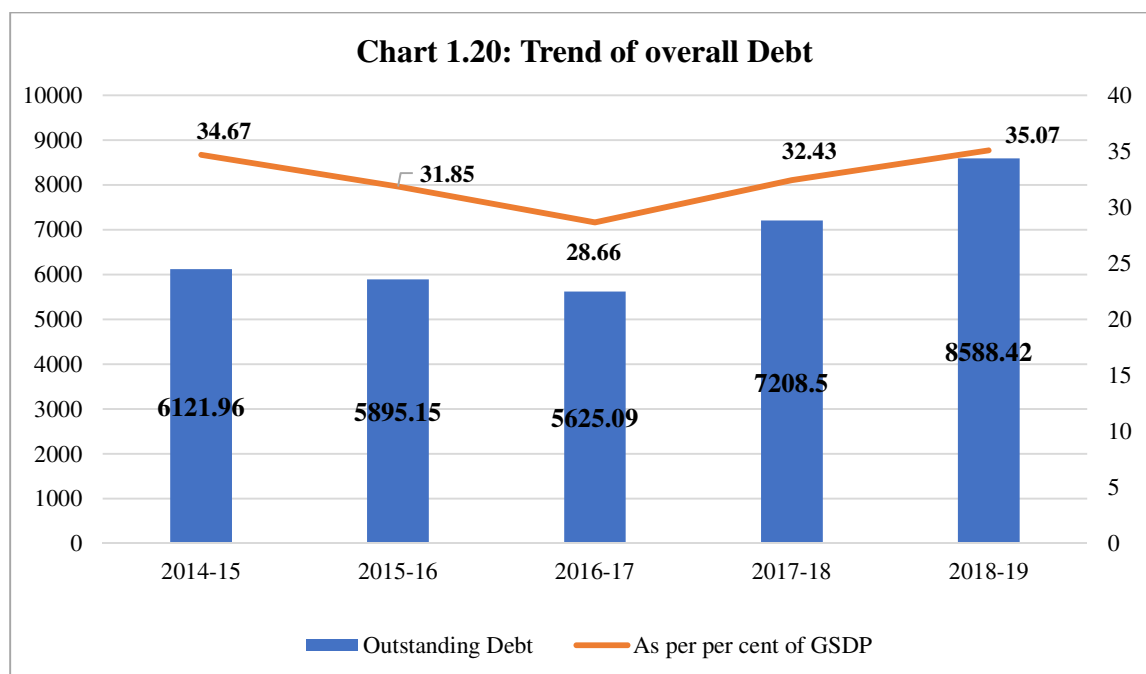
### 1.22.1 Trend of Debt

The details relating to total debt received, repayment of debt, ratio of debt to GSDP and the actual quantum of debt available to the State during the five-year period 2014-19 are given in **Table 1.34**, as also in **Chart 1.20**.

**Table 1.34: Trend of Debt**

		(₹ in crore)				
		2014-15	2015-16	2016-17	2017-18	2018-19
<b>Outstanding Debt</b>		<b>6121.96</b>	<b>5895.15</b>	<b>5625.09</b>	<b>7208.50</b>	<b>8588.42</b>
<b>Public Debt</b>	<b>Internal Debt</b>	2706.26	2067.40	2522.36	3883.82	4835.39
	<b>Loans from GoI</b>	284.48	258.00	231.54	205.11	178.75
<b>Public Account Liabilities</b>		3131.22	3569.75	2871.19	3119.57	3574.28
<b>Rate of growth of outstanding debt (percentage)</b>		24.04	(-)3.70	(-)4.58	28.15	19.14
<b>Gross State Domestic Product (GSDP)</b>		17959.41	18509.16	19626.82	22231.30	24489.36
<b>Debt/GSDP (per cent)</b>		34.09	31.85	28.66	32.43	35.07
<b>Total Debt Receipts</b>		3985.91	3110.70	2222.86	2908.33	2528.62
<b>Total Debt Repayments</b>		2448.90	2921.87	2093.69	1792.28	1674.80
<b>Total Debt Available</b>		1537.01	188.83	129.17	1116.05	853.82

**Chart 1.20: Trend of overall Debt**



### 1.22.2 Debt Sustainability

Debt is considered sustainable if the borrower, in this case the State, is in a position to service its debt now, and in future. Debt sustainability indicators accordingly seek to

assess the credit worthiness and the liquidity position of the borrower by examining their ability to service the debt through timely interest payments and repay debt out of current and regular sources of revenue.

This section assesses the sustainability of debt of the State Government in terms of debt/GSDP ratio, Fiscal Deficit, burden of interest payments (measured by ratio of interest payments to Revenue Receipts) and maturity profile of the State Government debt.

**Table 1.35** shows the debt sustainability of the State according to these indicators for the five-year period beginning from 2014-15.

**Table 1.35: Debt Sustainability: Indicators and Trends**

Indicators of Debt sustainability	2014-15	2015-16	2016-17	2017-18	2018-19
Debt/GSDP ( <i>per cent</i> )	34.09	31.85	28.66	32.43	35.07
Fiscal Deficit/Surplus to GSDP ( <i>per cent</i> )	2.89	1.02	4.25	(-) 1.41	(-) 8.07
Interest Payments/Revenue Receipts Ratio	3.84	3.90	3.39	3.39	3.24
Rate of growth of outstanding Debt ( <i>percentage</i> )	24.04	(-) 3.70	(-) 4.58	28.15	19.14
Rate of growth of GSDP ( <i>percentage</i> )	23.17	3.06	6.04	13.27	10.16
Rate of growth of Revenue Receipts ( <i>percentage</i> )	56.97	15.51	11.62	16.94	17.58
Interest payment	350.88	415.64	399.23	467.36	526.10
Average interest rate on Outstanding Debt ( <i>per cent</i> )	6.35	6.92	6.93	7.28	6.66
Available Debt as a percentage of Debt Receipts	<b>38.56</b>	<b>6.07</b>	<b>5.81</b>	<b>38.37</b>	<b>33.77</b>

The fiscal consolidation roadmap recommended by the XIV FC had set the following targets relating to debt sustainability –

- Debt should be less than 30.48 *per cent* of GSDP; and
- Interest payments should be less than 10 *per cent* of Revenue Receipts.

As can be seen from **Table 1.35**, in the last five years, the ratio of debt to GSDP of Arunachal has been hovering between 28.66 to 35.07 *per cent*, and in four years out of the five-year period 2014-19, this ratio was above 30.48 *per cent* recommended by the XIV FC, and far above the target ceiling for debt of 25 *per cent* set in APFRBM Act. The growth rate of revenue receipts has generally outpaced the growth rate of debt during three years out of the last five years, except during 2016-17 and 2018-19, where the debt grew at a significantly faster rate than the revenue receipts. However, in absolute terms, revenue receipts were higher than debt even in these two years. The burden of interest payment ranged from 3.24 to 3.90 *per cent* of the Revenue Receipts. These indicate sustainability of debt of the State.

However, during the five-year period 2014-15 to 2018-19, while GSDP has grown at a CAGR of 8.06 *per cent*, the outstanding debt has grown at a marginally faster rate of 8.83 *per cent*.

Sustainability of Debt of the Government of Arunachal is also assessed in terms of the Domar model in **Table 1.36**, where the sustainability of debt is based on the relationship between the key fiscal values - public debt, growth rate, interest rate and primary

balance. As per this model, for debt to be sustainable, the rate of interest payable on the outstanding debt should be lower than the rate of growth of GSDP (Domar gap); and there should be a primary surplus.

Debt sustainability of Government of Arunachal is given below as per the Domar model.

**Table 1.36: Debt Sustainability as per the Domar Model**

Year	Growth rate (g)	Interest Rate (r)	g-r (Domar Gap)	Primary Deficit(-)/ Surplus(+) (₹ in crore)	Remarks
2014-15	23.17	6.35	16.82	869.64	g>r and s>0: GSDP growth rate outpaced the interest rate and with a primary surplus, the debt of the State was sustainable
2015-16	3.06	6.92	(-) 3.86	605.25	g<r and s>0: Despite the growth rate of GSDP being lower than the interest rate, growth of public debt was also low during this period and debt as a percentage of GSDP was stable during these years due to high level of primary surplus
2016-17	6.04	6.93	(-) 0.89	1233.71	g<r and s>0: With the growth rate of GSDP being higher than the interest rate, coupled with a primary surplus, debt was sustainable
2017-18	13.27	7.28	5.99	154.00	g>r and s<0: During this year, although the rate of growth of GSDP was higher than the interest rate, due to the high primary deficit, there is a need for the State to exercise caution with regard to its debt.
2018-19	10.16	6.66	3.5	(-)1449.93	g>r and s<0: During this year, although the rate of growth of GSDP was higher than the interest rate, due to the high primary deficit, there is a need for the State to exercise caution with regard to its debt.

*Note: While the Domar model applies the real growth rate and real interest rate, since the CPI rate for the State is not available, the average interest rate on outstanding debt, as featured in the SFARs of the respective years, has been taken as 'r' rather than the real interest rate. The GSDP is nominal (at current price).*

The state had a positive Domar gap during three years out of the five-year period 2014-19 and coupled with primary surplus in four out of the last five years, the debt position of the State appears to be sustainable. The high primary deficit in 2018-19 was due to high fiscal deficit, which spiked on account of booking capital expenditure during the year without actually releasing payments.

### 1.22.3 Maturity Profile of Public Debt

Public Debt consists of Internal Debt and Loans and Advances received from GoI. As per Statement 17 of the Finance Accounts for the year 2018-19, the maturity profile of public debt is as follows.

**Table 1.37: Maturity Profile of Public Debt**

(₹ in crore)

Date maturity	Maturity Profile	Amount			Per cent
		Internal Debt	Loans & Advances from GoI	Total	
By 2019-20	0-1 year	198.62	15.32	213.94	4.27
Between 2020-21 & 2021-22	Over 1 year to 3 years	356.41	30.62	387.03	7.72
Between 2022-23 & 2023-24	Over 3 years to 5 years	747.39	30.62	778.01	15.52
Between 2024-25 & 2025-26	Over 5 years to 7 years	697.14	30.62	727.76	14.51
2025-26 onwards	Above 7 years	2,835.84	71.56	2,907.40	57.98
<b>Total</b>		<b>4,835.40</b>	<b>178.74</b>	<b>5,014.14</b>	<b>100.00</b>

The maturity profile of outstanding stock of public debt as on 31 March 2019 indicates that out of the outstanding public debt of ₹ 5,014.14 crore, 42.02 per cent (₹ 2,106.74 crore) is payable within the next seven years while the remaining 57.98 per cent (₹ 2907.40 crore) is in the maturity bracket of more than seven years. Of the total outstanding public debt, internal debt consisting of market borrowings, loans from NABARD and special securities issued to NSSF of Central Government constituted 96.44 per cent (₹ 4835.40 crore).

### 1.23 Conclusion & Recommendations

i) The State had revenue surplus consistently during the period 2014-15 to 2018-19 and the revenue receipts also grew steadily during this period. The State has done well to augment its non-tax revenue by expanding its tax base and collecting more from economic services. However, the State's own resources constituted only around 11 per cent of the total revenue receipts during 2018-19, indicating heavy dependence of the State on funds from the Government of India, which contributed ₹ 14,519.05 crore of the total receipts of ₹16,201.04 crore in 2018-19.

***The State Government needs to shore up its resources and explore ways of harnessing the potential within the State by appropriate measures.***

ii) Both revenue and capital expenditure increased by ₹ 1,529.01 crore (14.03 per cent) and ₹ 2,539.33 crore (79.65 per cent) respectively over the previous year. Revenue expenditure, which was in the nature of current consumption, accounted for 68 per cent of the State's total expenditure during 2018-19, leaving only 32 per cent for infrastructure and asset creation. The Government could not expend the amounts announced in its budget on new policy initiatives, due to procedural delays. Revenue expenditure was overstated as cheques amounting to ₹ 1,144.58 crore remained unpaid as per the instructions of the Government.

***The State needs to plan adequately for rolling out its major policy initiatives and ensure that adequate capacities are developed for consumption of capital expenditure for creation of durable assets.***

iii) The State has not complied with the rules governing NPS as well as SDRF. Non observance of the rules governing NPS by the State Government is fraught with the risk of unauthorized use of funds belonging to its employees, thereby creating uncertainty in respect of the benefits due to the employees, avoidable future liability to the Government, and possible failure of the NPS itself in the State.

***The State Government needs to adhere to the prescribed procedure for accounting for the NPS transactions scrupulously. It should ensure that Government contribution relating to NPS is fully matched with that of the employees' contribution and that the entire amount is transferred to NSDL in a timely manner to avoid unlimited liability on the State exchequer as well as to provide an assurance to the pensioners about the returns on their investment.***

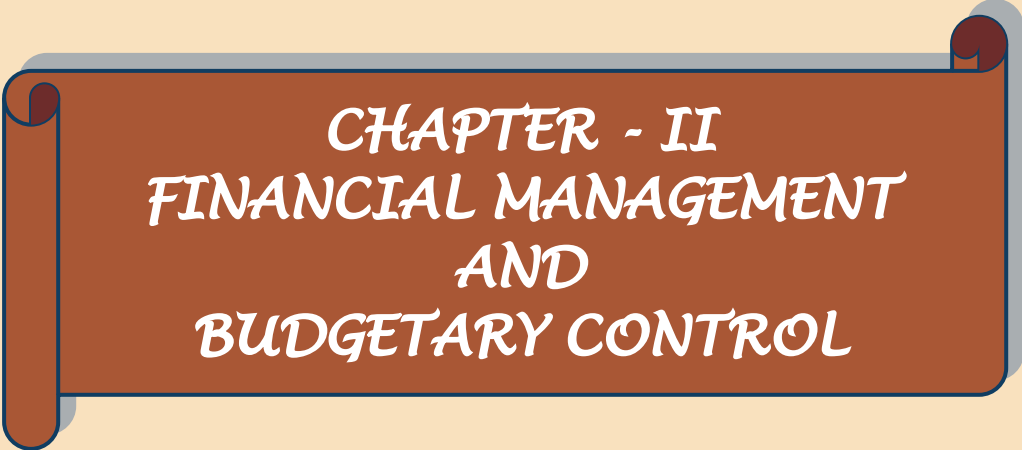
***The Government also needs to ensure transparency in the funds and transactions relating to the SDRF and SADA and provide assurance to the stakeholders, especially Legislature, with regard to their operation.***

iv) During 2018-19, the Government had invested ₹ 250.93 crore in Government Companies, Co-operative Bank, Societies, etc. The average return on this investment was Nil in the last five years while, the Government paid an average interest rate ranging from 6.35 to 7.28 per cent on its borrowings during 2014-19. Out of the five working Government Companies, accumulated losses in two Companies had exceeded their paid-up capital and in one Company, the accumulated loss was more than 80 per cent of the paid-up capital; the remaining two Companies were in profit.

***The Government may consider reviewing the continuance of these loss-making companies from the perspective of their public utility.***

v) The State did not maintain the details of its investment in capital projects, as well as the status of these projects along with the liabilities likely to arise from delays in completing these projects.

***The Government needs to maintain an accurate database with regard to the capital invested in projects which are at various stages of completion for several years and review its commitment to these and liabilities arising out of inordinate delays in their completion.***



*CHAPTER - II*  
*FINANCIAL MANAGEMENT*  
*AND*  
*BUDGETARY CONTROL*





# Chapter 2 Financial Management and Budgetary Control

## 2.1 Introduction

Effective financial management ensures that decisions taken at the policy level are implemented successfully at the administrative level without wastage or diversion of funds. This Chapter reviews the allocative priorities of the State Government and comments on the transparency of budget formulation and effectiveness of its implementation.

## 2.2 Budget Preparation Process

The Government of Arunachal Pradesh has not yet prepared a Budget Manual, detailing the processes involved in budget formulation exercise, roles and responsibilities of the persons entrusted with the preparation and implementation of budget, timelines for preparation and submission of budgetary estimates, requirements of supplementary budget, mode of seeking re-appropriations within Grants, assessment of savings, surrenders etc. and monitoring and controls to be exercised by the Controlling Officers at all stages of budget preparation and implementation.

In the absence of a Budget Manual, the Government has been following the General Financial Rules, various provisions of the Constitution of India and guidelines issued by the Central and State Governments.

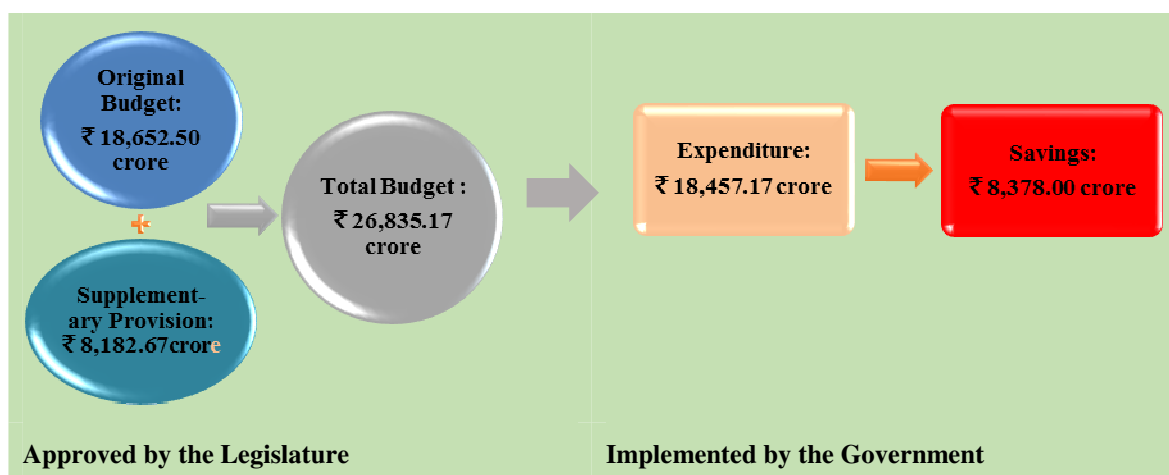
The State Government secures legislative approval for expenditure out of the Consolidated Fund of the State by presenting its annual Budget and 83 Demands for Grants. Normally, every Department has one Demand for Grant, to ensure that the Head of the Department takes responsibility for implementing the policy decisions and expending public funds for the intended purposes.

Supplementary or additional Grant/Appropriation is provided during the course of the financial year for meeting expenditure in excess of the originally budgeted amount or for incurring the expenditure on the items which are not envisaged in the budget. Further, the State Government also re-appropriates/re-allocates funds from various Units of Appropriation where savings are anticipated, to Units where additional expenditure is envisaged (within the Grant/Appropriation) during the year.

## 2.3 Budget 2018-2019

The total amount approved by the State Legislature including the original and supplementary budgets, expenditure and savings during the year 2018-19 is depicted below.

**Chart 2.1: Summary of Budget and Expenditure of Arunachal Pradesh for 2018-19**

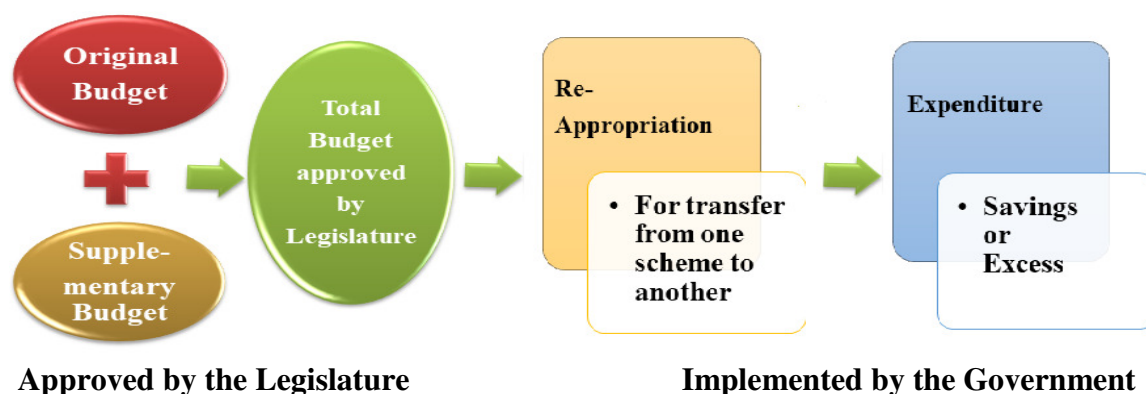


The actual expenditure fell short of the amount approved by the Legislature by ₹ 8,378 crore (31.22 *per cent* of the total budget provision of ₹ 26,835.17 crore), which raises questions about the basic assumptions that went in to formulating what is clearly, an unrealistic budget.

### 2.4 Financial Accountability and Budget Review

Details of the figures depicted in the above Chart are given in the Appropriation Accounts of the State for the year 2018-19. 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 the Schedules appended to the Appropriation Act. These Accounts list the original budget estimates (BEs), supplementary grants, surrenders and re-appropriations distinctly, and indicate the actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of budget. The reasons for variation between the actual expenditure and the amounts approved by the legislature are also explained briefly. The Appropriation Accounts thus capture the data along the entire process of budget formulation and implementation (**Chart 2.2**).

**Chart 2.2: Flow chart of budget implementation**



Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation 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.

### 2.4.1 Summary of Appropriation Accounts

The summarised position of actual expenditure vis-à-vis budget including supplementary budget, and excess/saving during 2018-19 against 83 Grants/Appropriations (78 Grants and five Appropriations) is given below.

**Table 2.1: Summarised position of Expenditure vis-à-vis approved Budget**

Nature of Expenditure		Details of Grant/ Appropriation		Total	Actual Expenditure <sup>1</sup>	Savings (-)/ Excess (+)	Percentage of Savings to Budget
		Original	Suppl				
Voted	I- Revenue	9,202.18	3,708.42	12,910.60	11,638.27	(-)1,272.33	9.85
	II - Capital	7,877.86	4,449.66	12,327.52	5,727.76	(-)6,599.76	53.53
	III - Loans & Advances	3.60	18.55	22.15	20.17	(-)1.98	8.93
<b>Total Voted</b>		<b>17,083.64</b>	<b>8,176.63</b>	<b>25,260.27</b>	<b>17,386.20</b>	<b>(-) 7,874.07</b>	<b>31.17</b>
Charged	IV - Revenue	1,053.48	6.04	1,059.52	791.21	(-)268.31	25.32
	VI Public Debt- Repayment	515.38	-	515.38	279.76	(-)235.62	45.71
<b>Total Charged</b>		<b>1,568.86</b>	<b>6.04</b>	<b>1,574.90</b>	<b>1,070.97</b>	<b>(-)503.93</b>	<b>31.99</b>
<b>Grand Total</b>		<b>18,652.50</b>	<b>8,182.67</b>	<b>26,835.17</b>	<b>18,457.17</b>	<b>(-) 8,378.00</b>	<b>31.22</b>

*Source: Appropriation Accounts*

As can be seen from the table above, the overall saving was more than the size of supplementary budget of ₹ 8,182.67 crore obtained during the year, which raises questions about the need for supplementary budget as well the capacity of the departments to utilize the funds provided.

During the year 46 schemes encompassing 27 departments could not be implemented due to non-receipt/late receipt of authorisation from the Finance Department and non-sanction of the schemes, resulting in a saving of ₹ 2,009.89 crore.

In response, the Government assured (February 2020) that it would exercise due diligence in the future.

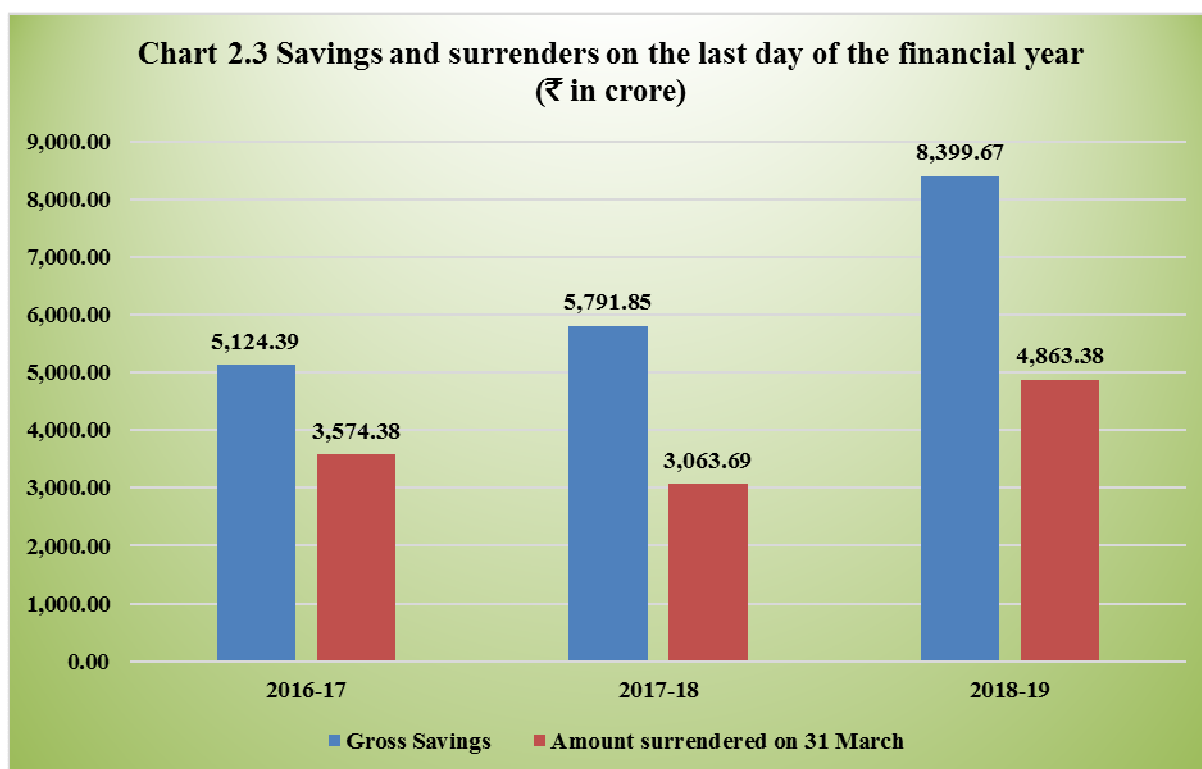
Gross savings of ₹ 8,399.67 crore in 73 Grants and three appropriations under Revenue Section and 61 Grants and one appropriation under Capital Section were offset by excess expenditure of ₹ 21.67 crore in six Grants under Revenue and one Grant under Capital Section, thereby, leading to a total savings of ₹ 8,378 crore.

<sup>1</sup> These are gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under Capital Expenditure (₹ 33.07 lakh).

### 2.4.2 Impact of non-surrender of savings

Rule 61 (1) of General Financial Rules 2017 specifies that all the anticipated savings should be surrendered by the dates prescribed by the Finance Department and the latter should communicate the acceptance of such surrenders before the close of the Financial year.

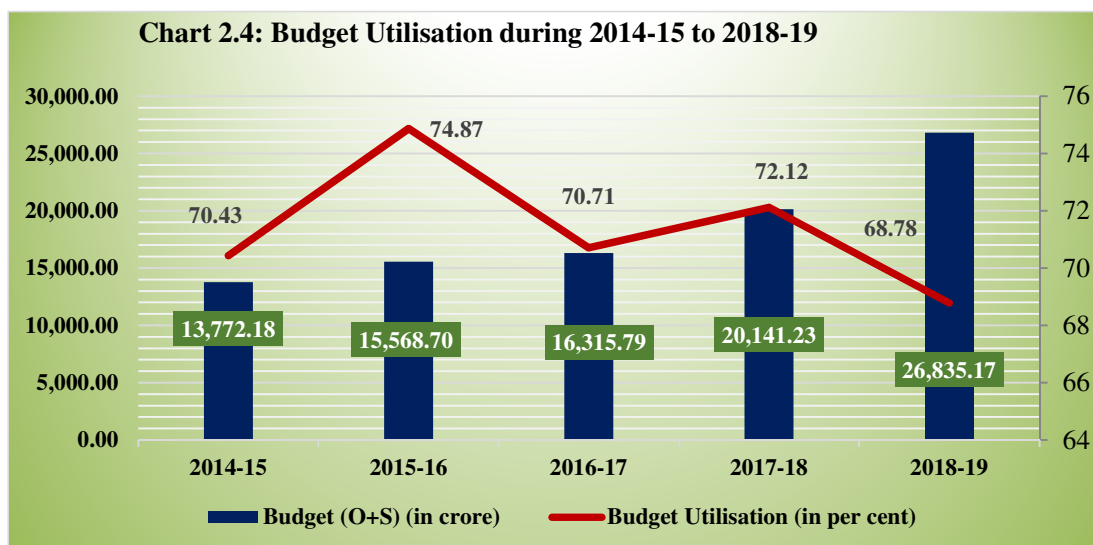
However, during 2018-19, against the gross saving of ₹ 8,399.67 crore, various departments of Government of Arunachal Pradesh surrendered only ₹ 4,863.38 crore (57.90 per cent) and this entire amount was surrendered on the last day of the financial year. Audit scrutiny revealed that this was in keeping with the practice followed during the last three years, where all the savings were surrendered on the last day of the financial year, as can be seen from **Chart 2.3** given below.



Non-compliance with the prescribed rules not only deprives the other needy Departments of resources, but also defeats the objective of achieving efficiency in budget management.

### 2.4.3 Sub-optimal utilization of budgeted funds

Utilisation of budgeted funds by the State has been sub-optimal every year during the past few years. The extent of savings during the last five years is given below.



As can be seen from the Chart above, utilisation of budget hovered between 70 – 75 per cent during the period 2014-17, and fell steeply during 2018-19 to 68 per cent. This was despite the stated initiatives taken by the State Government while formulating its budget for the year 2018-19 as detailed in Paragraph 1.3 in Chapter 1 of this report.

Large amount of savings in allocated funds indicate both inaccurate assessment of requirement as well as inadequate capacity to utilize the funds for intended purposes.

During 2018-19, a provision of ₹ 4,396.30 crore (Original *plus* Supplementary) for maintenance works, Centrally Sponsored Schemes (CSS), Schemes under SADA, *etc.* under 44 Grants was approved. The concerned Departments, however, could not implement the schemes for which the budget provision was obtained, which resulted in saving of the entire provision as detailed in **Appendix-2.1**

**Table 2.2: Saving of entire budget provision during 2018-19**

(₹ in crore)

Sl. No	Grant No. & Name	Head of Account/ Description	Budget Provision			Savings
			Original	Supplementary	Total	
1	6-District Administration	4070-800-17	105.80	0.00	105.80	105.80
2	14-Secondary Education	03-4202-01-800-03	103.38	0.00	103.38	103.38
3	22-Food and Civil Supplies	2408-02-800-01	21.55	0.00	21.55	21.55
4	34-Power	08-4801-05-800-23	0.00	16.12	16.12	16.12
		04-2801-05-800-04	25.00	0.00	25.00	25.00
5	38-Water Resource Department	04-2701-04-800-02	24.50	0.00	24.50	24.50
		03-4702-800-03	126.47	0.00	126.47	126.47
6	48-Horticulture	04-4401-800-06	61.50	0.00	61.50	61.50

## Financial Management and Budgetary Control

Sl. No	Grant No. & Name	Head of Account/ Description	Budget Provision			Savings
			Original	Supplementary	Total	
7	50-Secretariat Economic Services	04-3451-90-800-04	92.54	0.00	92.54	92.54
		03-4070-800-13	245.00	0.00	245.00	245.00
		04-4070-800-14	2874.83	0.00	2874.83	2874.83
8	59-Public Health Engineering	07-4215-01-800-19	24.06	0.00	24.06	24.06
		07-4215-01-800-20	24.06	0.00	24.06	24.06
		07-4215-01-800-21	24.06	0.00	24.06	24.06
9	68-Town Planning Department	4217-03-800-02	225.04	0.00	225.04	225.04
10	79-Department of Skill Development and Entrepreneur	04-4250-800-04	26.94	0.00	26.94	26.94

### 2.4.4 Expenditure without Provision

As per Article 266(3) of the Constitution of India, no money shall be withdrawn from Consolidated Fund of the State except under appropriations made by law passed in accordance with the provisions of this Article. It was noticed that an expenditure of ₹ 11.10 crore was incurred in five sub-heads under five Grants without any provision in the original estimates/ supplementary demands and without any re-appropriation orders to this effect as detailed in **Table 2.3**.

**Table 2.3: Expenditure incurred without budget provision during 2018-19**

(₹ in crore)

Sl. No.	Grants/Appropriation Number- Major Head of Account-Sub Head-Detailed Head	Expenditure	Reasons for expenditure
1	06-04-3451-102-07- Schemes under SADA	1.53	Reasons have not been intimated
2	33-4552-06-800-05- Infrastructure Development for VKV Kumporijo	0.50	
3	43-03-2405-800-45-Rastriya Krishi Vikash Yojana (RKVY)	2.12	Due to erroneous issue of sanction order by the Finance Department
4	48-04-2415-01-800-05-Schemes under SADA	6.63	Reasons have not been intimated
5	50-03-4070-800-11-District Innovation Fund	0.32	Due to wrong booking of funds in Grant No. 50.
<b>Total</b>		<b>11.10</b>	

Source: Appropriation Accounts 2018-19

Drawal of money without budgetary provision in the above grants was violative of the provisions of the Constitution. The authorities, while issuing sanctions for incurring the expenditure from the Government account against the schemes mentioned, could not ensure budget provision before issuing such sanction orders. Even the Treasury officers passed the bills based on those sanction orders without adequate scrutiny. There have been several such instances in the State, which are being flagged in the CAG's Audit Reports year after year. Considering that expenditure without budget provision reflects poorly on internal controls within the Government, it is imperative that the State

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Government takes appropriate corrective measures to strengthen the internal control mechanism.

In response (February 2020), the Government stated that reconciliation will be carried out with the concerned departments.

### 2.4.5 Appropriation vis-à-vis Allocative Priorities

Appropriation audit revealed that savings aggregating ₹ 1,026.21 crore in 21 cases (Revenue) and ₹ 6,370.44 crore in 49 cases (Capital) exceeded ₹ one crore in each case and more than 20 per cent of the total provision. In 25 such cases, reasons for variation have not been appropriately explained in the Appropriation Accounts (**Appendix-2.2**). Against the net savings of ₹ 8,378 crore, savings of ₹ 6,145.59 crore (73.35 per cent), exceeding ₹ 100 crore in each case, occurred in 12 Grants/Appropriations as shown in **Table 2.4**.

**Table 2.4: List of Grants with Savings of ₹ 100 crore and above**

(₹ in crore)

Sl. No.	Number and Name of the Grants	Total	Actual Expenditure	Details of Savings		Reasons for savings
				Amount	Per cent	
<b>Revenue Voted</b>						
1	15-Health and Family Welfare	1,291.18	1,031.98	259.20	20.07	Due to non-implementation of schemes envisaged under SADA
2	22-Food and Civil Supplies	221.53	59.09	162.44	73.33	Non-receipt of financial concurrence and expenditure sanction
<b>Revenue Charged</b>						
3	Public Debt	1,031.90	765.36	266.54	25.83	Reason was not intimated
<b>Capital Voted</b>						
4	6-District Administration	105.80	0.00	105.80	100.00	Due to non-implementation of various schemes under SADA
5	14-Secondary Education	145.39	13.89	131.50	90.45	Due to non-implementation of certain components of SSA and non-implementation of schemes envisaged in SADA
6	15- Health and Family Welfare	430.26	53.16	377.10	87.64	Due to non-establishment of Agri mandi and non-creation of assets
7	24-Agriculture	229.96	8.92	221.04	96.12	Non-completion of physical works and also non-finalisation of schemes
8	31-Public Works	683.82	355.00	328.82	48.09	Non-completion of physical works
9	32-Roads and Bridges	1,622.11	847.31	774.80	47.76	Due to non-sanction of schemes
10	38-Water Resource Department	331.80	164.73	167.07	50.35	Non-implementation of the schemes and also non-release of funds by the Government.
11	50-Secretariat Economic Services	3,629.83	633.36	2,996.47	82.55	Non- receipt of authorization from the PFMS Cell
12	68-Town Planning Department	228.55	109.36	119.19	52.15	Reason was not intimated
<b>Capital Charged</b>						
13	Public Debt	515.38	279.76	235.62	45.72	
<b>Grand Total</b>		<b>10,467.51</b>	<b>4,321.92</b>	<b>6,145.59</b>	<b>58.71</b>	

Source: Appropriation Accounts 2018-19

- There was substantial saving even in Public Debt, indicating that the preparation of BE lacked due diligence, as interest liability can be estimated with near accuracy based on the outstanding debt of the government and the interest rates at which the amounts were borrowed and the due date of payment of interest.
- Under Grant No. 6-District Administration, a provision of ₹105.80 crore was made for creation of assets under State Annual Development Agenda (SADA), without specifying the nature of assets and districts where such assets were intended to be created. Even during the course of the year, the details of the works to be taken up against the budget provided could not be identified, resulting in saving of the entire provision.
- Under Grant No. 24-Agriculture, an amount of ₹128.47 crore was provided for establishing agri-mandi in the State; however, the entire amount was surrendered without assigning any reason resulting in non-implementation of the scheme.
- Under Grant No. 32-Roads and Bridges, an amount of ₹1,173.98 crore was provided in the budget for 'Creation of Assets under SADA', without specifying the specific works for which the provision was intended. Consequently, during the year, an amount of ₹ 615.50 crore could not be utilised due to non-finalisation of schemes and physical completion of works, resulting in substantial savings.
- Under Grant No.50-Secretariat Economic Services, an amount of ₹ 2,874.83 crore was provided for schemes under Infrastructure Development Fund, without giving any details of the projects to be taken up with the funds. Funds were not utilised without assigning any reason resulting in non-creation of the envisaged infrastructure. Further an amount of ₹ 260.00 crore was provided in the budget for creation of assets under SADA without identifying the assets on which the expenditure was to be incurred. Out of this amount, only ₹17.36 crore was spent and the balance amount could not be spent for want of authorisation from the Finance Department.
- In Grant No.14-Secondary Education an amount of ₹103.38 crore was provided in the Capital section of the budget for Sarva Siksha Abhiyan; however, the entire provision was withdrawn by re-appropriation on the grounds that the funds were not required. Further, an amount of ₹42.00 crore was provided for creation of assets under SADA without specifying the works to be taken up. The Government identified and finalised the individual allocations under SADA only in August 2018 almost after five months of passing the budget. The Government could spend only ₹12.09 crore against the provision under SADA due to lack of authorisation from the Finance Department and also adoption of model code of conduct before elections, resulting in a saving of ₹29.91 crore. Thus, the envisaged assets could not be created.



## 2.4.5.1 State Annual Development Agenda (SADA)

Government of Arunachal Pradesh initiated the 'State Annual Development Agenda' (SADA) during 2016-17 to facilitate implementation of various government programmes. The details of funds allocated to SADA and expenditure therefrom are given below.

**Table 2.5: Details of budget and expenditure in SADA**

(₹ in crore)

	2016-17		2017-18		2018-19	
	Revenue	Capital	Revenue	Capital	Revenue	Capital
<b>Total budget</b>	367.67	59.00	917.20	2549.61	1392.51	4595.06
<b>Total expenditure</b>	369.78	180.08	706.14	1513.78	894.23	2667.05

While SADA was intended to fund various development initiatives of the Government in the administrative departments, the details of such initiatives were not included in the Demands for Grants of the departments. Lumpsum provision was made in the budget for SADA and sanctions/approvals were given subsequently for implementing the programmes. There were delays up to six months in sanctioning schemes as brought out above, which had an adverse impact on utilisation of funds for the intended purposes. Further, considering that there were no details presented in the budget relating to the schemes proposed to be undertaken under SADA, Legislature was not aware of the funds allocated from SADA to various programmes.

## 2.4.6 Persistent Savings

During the last five years, there were persistent savings of more than ₹ one crore and 10 per cent or more of the total provision in 10 Grants as shown in **Table 2.6**.

**Table 2.6: Grants where persistent savings occurred during 2014-15 to 2018-19**

(₹ in crore)

Grant No.	No. and Name of Grant	Amount of Savings				
		2014-15	2015-16	2016-17	2017-18	2018-19
<b>Revenue Voted</b>						
15	Health & Family Welfare	615.98 (11.32)	214.63 (30.49)	182.36(20.84)	101.70 (10.21)	259.20 (20.07)
19	Industries	19.99 (39.18)	30.53 (42.4)	25.91 (40.58)	144.26 (47.09)	15.11 (37.78)
68	Town Planning Dept.	3.69 (20.78)	47.80(63.46)	26.89 (69.80)	199.43 (83.27)	4.62 (11.47)
<b>Capital Voted</b>						
34	Power	45.32 (33.10)	40.84 (28.71)	69.67 (37.76)	287.96 (59.41)	56.04 (16.73)
45	Civil Aviation	1.80 (29.74)	2.24 (52.77)	19.16 (85.36)	5.25 (59.35)	20.32 (52.78)

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50	Secretariat Economic Services	1,722.53 (99.95)	951.32 (98.96)	635.98 (98.78)	359.74(48.02)	2,996.46 (82.55)
56	Tourism	8.71(15.51)	34.11 (76.43)	17.32 (24.55)	95.58 (75.43)	22.02 (17.90)
57	Urban Development	126.96 (43.73)	70.54 (36.91)	75.87 (20.91)	113.45 (32.24)	52.03 (16.79)
74	Social Justice, Empowerment and Tribal Affairs	26.55 (41.07)	78.85 (60.21)	51.68 (51.68)	22.24 (12.42)	38.85 (23.54)
75	Higher and Technical Education	37.92 (58.41)	5.55 (41.07)	19.41 (33.87)	60.95 (60.69)	37.44 (38.48)

*Figures in parentheses indicate percentage of savings to total provision*

*Source: Appropriation Accounts of respective years*

Analysis of the reasons for the savings during 2018-19 revealed the following:

- Savings under Health and Family Welfare were due to short utilisation of funds under Office Expenses, Administrative Expenses, Minor Works, Grants-in-aid, Stipend etc. and implementation of Model Code of Conduct on account of simultaneous elections to State Legislature and Parliament.
- Savings under Industries Department were due to non-consideration of various schemes by the State Government.
- Savings under Town Planning Department were due to non-receipt of expenditure authorisation for Grant-in-aid.
- Savings under Power Department were due to non-receipt of Letter of Credit (LoC) authorisation from the Finance Department.
- The reasons for savings under Civil Aviation Department have not been intimated.
- The huge savings under Secretariat Economic Services were due to non-implementation of schemes.
- Savings under Tourism Department were due to non-receipt of finance concurrence and expenditure authorisation from the Finance Department.
- Savings under Urban Development Department were due to non-receipt of expenditure authorization from the Finance Department.
- Savings under Social Justice, Empowerment and Tribal Affairs were due to late receipt of fund from the GoI.
- Savings under Higher and Technical Education Department were due to non-receipt of expenditure authorization from the Finance Department and implementation of Model Code of Conduct on account of simultaneous elections to State Legislature and Parliament.

In many cases, funds could not be spent due to non-receipt of concurrence and expenditure authorisation from the Finance Department which could be due to daily cash management issues, primarily arising out of mis-match between the receipts and expenditure.

### 2.4.7 Substantial Surrenders

Substantial surrenders<sup>2</sup> were made in respect of 42 sub-heads under 31 Grants/Appropriations without assigning any reasons. Out of the total provision amounting to ₹ 5,071.11 crore in these 31 Grants/appropriations, ₹ 4,503.46 crore (**Appendix-2.3**) was surrendered which included 100 *per cent* surrender in 18 sub-heads (₹ 429.51 crore).

### 2.4.8 Lack of Budgetary control

As per the financial rules, the departmental officers are supposed to review the expenditure against the budget provision periodically to identify the funds which cannot be spent during the financial year and surrender the same on time. Similarly, where the departmental officers estimate that the expenditure under a particular unit of appropriation would exceed the budget provision, they should seek additional funds either by way of Re-appropriation or by way of supplementary Grants. In no case the expenditure should exceed the amount approved by the State Legislature. However, in seven Grants, the total expenditure under the Grant exceeded the budget approved by the Legislature. In Grant N0.13-Directorate of Accounts, although the total expenditure (₹834.87 crore) exceeded the budget provision (₹ 833.33 crore) by ₹ 1.54 crore, the Controlling officer surrendered ₹ 77.38 crore. In six Grants<sup>3</sup>, the actual expenditure exceeded the budget provision even after obtaining the supplementary grants in February, indicating that the departmental officers could not exercise effective budgetary control.

### 2.4.9 Excess Expenditure

As per Article 204 (3) of the Constitution of India, no money shall be withdrawn from Consolidated Fund of the State except under appropriations made by law passed in accordance with the provisions of this Article.

In 2018-19, expenditure in seven cases (₹ 1,161.99 crore) exceeded the approved provisions (₹ 1,140.32 crore) by ₹ 21.67 crore as detailed in **Appendix-2.4**.

In reply (February 2020), the Government stated that it would exercise due diligence henceforth.

Moreover, in six Grants, expenditure aggregating ₹ 1,086.72 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 as detailed in **Table 2.7**.

<sup>2</sup> Cases where more than 50 *per cent* of total provisions was surrendered

<sup>3</sup> Legislative Assembly, Treasury and Accounts Administration, Fisheries, Horticulture, Directorate of Family Welfare, Department of Tawang and West Kameng

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**Table 2.7: Details of Grants/Appropriations where excess expenditure was more than Rupees 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 provision	Details of Expenditure		Excess as per cent of Total Provision	Reasons for excess expenditure
			Total	Excess		
<b>Revenue Voted</b>						
1	7-Treasury and Accounts Administration	85.67	89.06	3.39	3.96	Specific reply has not been provided
2	13-Directorate of Accounts	833.33	834.87	1.54	0.18	
3	43-Fisheries	26.15	28.32	2.17	8.26	Due to erroneous issue of sanction order by the Finance Department
4	48-Horticulture	90.06	95.04	4.98	5.53	Specific reply has not been provided
5	81-Directorate of Family Welfare	19.43	25.54	6.11	31.45	Due to payment of MACP, arrears and annual increment
<b>Capital Voted</b>						
6	71-Department of Tawang and West Kameng	10.97	13.89	2.92	26.62	Due to wrong booking of schemes under Capital instead of under revenue
<b>Total</b>		<b>1,065.61</b>	<b>1,086.72</b>	<b>21.11</b>	<b>1.98</b>	

Source: Appropriation Accounts 2018-19

In response, the Government stated (February 2020) that the issue has been noted and assured that due diligence would be exercised and the matter would be reconciled with the department.

### 2.4.10 Excess over provision relating to previous year requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess expenditure over a Grant/ Appropriation regularised by the State Legislature. Although, no time limit for regularisation was prescribed under the Article, excess expenditure was to be regularised after discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). Administrative Departments concerned are required to submit Explanatory Notes for excess expenditure to PAC through Finance Department. However, excess expenditure of ₹ 3,158.13 crore from 1986-87 to 2017-18 was yet to be regularised, as detailed in *Appendix 2.5*. The summarised position is given in **Table 2.8**.

**Table 2.8: Year wise summary of expenditure requiring regularisation**

Year	No. of Grants/Appropriation	Amount requiring regularisation
1986 to 2013-14	437	1456.63
2014-15	12	705.09
2015-16	15	474.5
2016-17	15	344.92
2017-18		176.99
<b>Total expenditure requiring regularisation</b>		<b>3158.13</b>

This is in violation of Article 204 of the Constitution which provides that no money shall be withdrawn from the Consolidated Fund except under appropriation made by Law by the State Legislature. This vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

The Government in response stated (February 2020) that the process of regularisation is underway.

### 2.4.11 Unnecessary supplementary provision

Supplementary provision aggregating ₹ 116.97 crore (₹ 10 lakh or more in each case) obtained in 14 Grants during 2018-19 proved unnecessary, as even the original provision was not fully utilised, as detailed in *Appendix-2.6*. Clearly, the Controlling Officers could not assess/ estimate the actual requirement of funds for the remaining period of the financial year realistically. Also, the Finance Department did not release funds as mentioned in **Para 2.4.6**. The position of some of the grants where the total supplementary provision was unnecessary is given in **Table 2.9**.

**Table 2.9: Unnecessary Supplementary Provision**

(₹ in crore)

Sl. No.	Number and Name of the Grant/Appropriations	Original Provision	Actual Expenditure	Savings out of the original provision	Supplementary Provision
<b>Revenue Voted</b>					
1	19-Industries	38.04	24.89	13.15	1.95
2	38-Water Resource Department	223.10	203.97	19.13	4.49
<b>Capital Voted</b>					
3	33-North Eastern Areas	104.00	97.03	6.97	37.02
4	57-Urban Development	260.00	257.81	2.19	49.84
5	65-Department of Tirap, Changlang and Longding	50.00	31.94	18.06	15.91
<b>Total</b>		<b>675.14</b>	<b>615.64</b>	<b>59.5</b>	<b>109.21</b>

The Government stated (February 2020) that due diligence would be exercised.

In Grant No.57-Urban Development, against three sub-heads, the original provision was ₹ 260.00 crores against which the actual expenditure was only ₹ 241.43 crores. However, the department obtained supplementary grants for ₹33.44 crore, and the entire supplementary grant proved unnecessary as the expenditure fell short of even the original provision. It was stated that this was mainly due to non-authorisation of the expenditure by the Finance Department.

Similarly, in the case of Grant No. 65-Department of Tirap, Changlang and Logding, an amount of ₹50.00 crore was provided for Creation of Capital Assets under SADA without specifying the assets for which the provision was made. Even though the expenditure was only ₹31.94 crore, the department obtained Supplementary Provision of ₹15.91 crore which proved totally unnecessary.

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Out of these 14 cases, there was unnecessary supplementary provision (₹10 crore and above in each case) aggregating ₹ 102.77 crore (24.82 per cent) in three cases as detailed in Table 2.10.

**Table 2.10: Details of unnecessary Supplementary Provision of ₹ 10 crore and above**

(₹ in crore)

Sl. No.	Number and Name of the Grants	Original Provision	Actual Expenditure	Savings out of original provision	Supplementary Provision
<b>Capital Voted</b>					
1	33-North Eastern Areas	104.00	97.03	6.97	37.02
2	57-Urban Development	260.00	257.81	2.19	49.84
3	65-Department of Tirap, Changlang and Longding	50.00	31.94	18.06	15.91
<b>Total</b>		<b>414.00</b>	<b>386.78</b>	<b>27.22</b>	<b>102.77</b>

(Source: Appropriation Accounts 2018-19)

### 2.4.12 Excessive or Inadequate Supplementary Provision

During 2018-19, excessive or inadequate Supplementary Provision (₹ One crore and above in each case) ranged between one to more than 100 per cent in 75 cases as detailed in Table 2.11.

**Table 2.11: Excessive or inadequate Supplementary provision**

(₹ in crore)

Range of Supplementary Provisions (excess/ less)	Details of Supplementary Provisions		Number of Cases
	Total	Excess (+)/ Less (-)	
0-20 per cent	3,946.19	485.79	28
21-40 per cent	955.64	320.23	15
41-60 per cent	1,400.25	705.92	14
61-80 per cent	1,511.44	997.41	04
More than 81 per cent	359.69	357.33	14
<b>Total</b>	<b>8,173.21</b>	<b>2,866.68</b>	<b>75</b>

(Source: Appropriation Accounts, 2018-19)

Further, in 70 cases, supplementary provision aggregating ₹ 8,150.39 crore proved excessive by ₹ 2,883.43 crore, while in five cases, ₹ 22.82 crore proved inadequate by ₹ 16.75 crore as detailed in Appendix-2.7.

### 2.4.13 Excessive/ inadequate/ unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a Grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Re-appropriation proved inadequate as the expenditure finally was more than the total grant available by ₹156.75 crore in 17 cases. Similarly, re-appropriation was injudicious

in 95 cases as the expenditure fell short of the available grant. The details of such cases in 112 sub-heads which resulted in savings/ excess (₹ one crore and above in each case) as detailed in **Appendix-2.8**.

The Government in response stated (February 2020) that due diligence would be exercised

### 2.4.14 Unexplained re-appropriations

According to Rule 65(4) of the General Financial Rules 2017, re-appropriation of funds shall ordinarily be supported by a statement showing how the excess is proposed to be met. In all orders sanctioning re-appropriation, the reasons for saving and excess of ₹ one lakh or over and the primary units (secondary units, wherever necessary), affected shall be invariably stated. Scrutiny of Appropriation Accounts revealed that reasons for re-appropriations made during 2018-19 under various heads of accounts were not explained in detail. Even in cases where the reasons given for additional provision/withdrawal of provision in re-appropriation orders, they were of general nature like “less requirement of funds”, “less expenditure than anticipated”, “on-approval of Scheme”, “less claim”, “revised budget outlay” and “reduction of provision” etc.

### 2.4.15 Savings not surrendered

As per extant Financial Rules, the spending departments are required to surrender the Grants/ Appropriations or portion thereof to the Finance Department as and when savings are anticipated. At the close of 2018-19, out of total savings of ₹ 7,567.97 crore under 56 Grants, savings (₹ one crore and above in each case) of ₹ 3,576.92 crore (47.26 per cent) remained to be surrendered as shown in **Appendix-2.9**. Further, out of the above, there were savings (₹ 10 crore and above in each case) of ₹ 2,534.99 crore (21.48 per cent) under 19 Grants but no part of the savings was surrendered by the concerned departments as shown in **Table 2.12**.

**Table 2.12: Details of Grants/ Appropriations where no part of the savings was surrendered (₹ 10 crore and above)**

(₹ in crore)

Grant No.	Number and Name of the Grant/Appropriation	Total Provision	Expenditure	Savings
<b>Revenue voted</b>				
6	District Administration	308.49	296.67	11.82
8	Police	965.23	874.1	91.13
15	Health and Family Welfare	1,291.18	1,031.98	259.2
19	Industries	39.99	24.89	15.1
24	Agriculture	288.08	191.00	97.08
25	Relief, Rehabilitation and Re-Settlement	239.13	179.46	59.67
31	Public Works	309.44	276.99	32.45
38	Water Resource Department	227.59	203.97	23.62

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Grant No.	Number and Name of the Grant/Appropriation	Total Provision	Expenditure	Savings
56	Tourism	53.51	43.06	10.45
59	Public Health Engineering	744.59	732.58	12.01
76	Elementary Education	1,336.68	1,198.17	138.51
<b>Capital voted</b>				
8	Police	73.20	38.80	34.40
26	Rural Works	2,038.74	1,755.73	283.01
31	Public Works	683.82	355.00	328.82
32	Roads and Bridges	1,622.11	847.31	774.80
33	North Eastern Areas	141.02	97.03	43.99
34	Power	334.94	278.91	56.03
38	Water Resource Department	331.80	164.73	167.07
57	Urban Development	309.84	257.81	52.03
59	Public Health Engineering	460.23	416.43	43.80
65	Department of Tirap, Changlang and Longding	65.91	31.94	33.97
74	Social Justice, Empowerment and Tribal Affairs	165.05	126.19	38.86
80	Directorate of Medical Education, Training and Research	26.17	3.60	22.57
<b>Total</b>		<b>11,799.61</b>	<b>9,264.62</b>	<b>2,534.99</b>

(Source: Appropriation Accounts, 2018-19)

### 2.4.16 Inaccuracies in preparation of Revised Estimates

According to Appendix below Rule 52(3) of General Financial Rules 2017, while preparing the Revised Estimates, previous year's actuals and current year's trends will be material factors to review the original budget estimates and special attention should be given to make as realistic an estimate as possible of receipts which are likely to materialize during the rest of the financial year. Further as per Appendix 3 below Rule 52, the Revised Estimates for expenditure should be framed with great care to include only those items which are likely to materialize for payment during the current year, in the light of (i) actuals so far recorded during the current year, compared with the actuals for corresponding period of the last and previous years, (ii) seasonal character or otherwise of the nature of expenditure, (iii) sanctions for expenditure and orders of appropriation or re-appropriation already issued or contemplated and (iv) any other relevant factor, decision or development.

The revised estimate of receipts should be the best forecast that the estimating officer can make and the revised estimates for expenditure should not merely be a repetition of the budget figures of the year, but a genuine re-estimation of receipts and requirements.

Significant cases of variation between the revised estimates and actuals during 2018-19 under both receipt and expenditure heads of accounts are given in **Table 2.13**.



**Table 2.13: Variation between revised estimates and actuals**

(₹ in crore)

Sl. No	Number and name of head of accounts	Budget Estimates	Revised estimates	Actuals	Variation Excess (+)/ Shortfall (-) (per cent)
<b>Receipts</b>					
1	0037 –Custom	531.96	647.51	739.56	(+) 14.22
2	0041 – Taxes on Vehicles	29.59	34.54	32.43	(-) 6.11
3	0044 – Service Tax	0.00	52.02	98.42	(+) 89.20
4	0049 – Interest receipts	92.26	100.68	88.01	(-) 12.58
5	0075 – Miscellaneous General Services	94.63	30.24	12.49	(-) 58.70
6	0801–Power	304.50	351.00	287.08	(-) 18.21
<b>Expenditure</b>					
1	2071 – Pension and other Retirement Benefits	896.00	814.91	894.37	(+) 9.75
2	2205 – Art and Culture	43.94	54.62	45.61	(-) 16.50
3	2230– Labour and Employment	45.73	36.03	33.32	(-) 7.52
4	2408 – Food Storage and Warehousing	184.80	133.32	7.67	(-) 94.25
5	2415 – Agricultural Research and Education	2.77	4.86	9.71	(+) 99.79
6	4059 –Capital Outlay on Public Works	89.00	689.61	363.07	(-) 47.35

*Source: Annual Financial Statement 2019-20 and Finance Accounts 2018-19*

As can be seen from the table above, there was a wide variation ranging from 6.11 per cent to 89.20 per cent under Receipt heads and 7.52 per cent to 99.79 per cent under Expenditure heads between the revised estimates and actuals. Substantial variation of actuals vis-a-vis revised estimates indicates absence of due diligence in assessing the revised estimates by the controlling officers concerned as envisaged in the General Financial Rules, 2017 and failure of the Finance (Budget) Department in exercising adequate checks over the preliminary revised estimates.

## 2.5 Outcome of Review of Selected Grant

### 2.5.1 Introduction

Financial rules prescribe detailed and specific procedure to be followed in preparation of budget estimates. The Government also issues instructions to the Controlling Officers every year for submission of budget estimates. To verify the compliance with prescribed procedures in the budget preparation and also to evaluate the effectiveness of the budget formulation process, one grant i.e., Grant 57-Urban Development has been taken up for a detailed audit scrutiny during 2018-19.

The budget provision, expenditure incurred and savings under Grant 57-Urban Development for the last five years are given in **Table 2.14**.

**Table 2.14: Year-wise budget provision, expenditure incurred and savings**

(₹ in crore)

Year	Budget Provision			Actual Expenditure			Savings
	Revenue (O + S)	Capital (O+S)	Total	Revenue	Capital	Total	
2014-15	21.98	290.32	312.30	21.43	163.36	184.79	127.51
2015-16	65.84	191.07	256.91	40.71	120.53	161.24	95.67
2016-17	100.99	362.80	463.79	34.30	286.93	321.23	142.56
2017-18	173.45	351.82	525.27	55.40	238.37	293.77	231.50
2018-19	194.28	309.84	504.12	188.25	257.81	446.06	58.06

Source: Appropriation Accounts of the respective years

### 2.5.2 Delayed Submission of Budget Estimates

Since the Government of Arunachal Pradesh has not prepared its Budget manual so far, the departments are guided by the General Financial Rules, Delegation of Financial Powers Rules and instructions issued by the Finance Department for submission of the budget estimates from time to time. The Controlling Officers are required to submit the estimates of receipts and expenditure for the succeeding year along with revised estimates for the current year to the Finance Department as per the target date stipulated by the latter. Delay in submission of the budget estimates by the Controlling Officers impacts the extent and effectiveness of scrutiny by the Finance Department in the budget formulation exercise.

Audit observed that there were delays ranging from 5-39 days in submission of the budget estimates by the department for the years 2014-15 to 2018-19 to the Finance Department.

The Government stated (February 2020) that the department has been advised to ensure submission of BEs within the timeline henceforth.

### 2.5.3 Unrealistic Budget Estimates

It was noticed that the actual expenditure under the grant (both under Revenue and Capital Sections) was never close to the budget estimates during the last five years, as there were huge variations when compared to the budget provision as indicated in **Table 2.15**, although the situation improved during the current year.

**Table 2.15: Persistent savings during 2014-15 to 2018-19**

(₹ in crore)

Particulars	Year-wise Savings				
	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Revenue (Major Head-2217)</b>	0.55 (2.50)	25.13 (38.17)	66.69 (66.04)	118.05 (68.06)	6.03 (3.10)
<b>Capital (Major Head-4217)</b>	126.96 (43.73)	70.54 (36.92)	75.87 (20.91)	113.45 (32.25)	52.03 (16.79)

*Source: Appropriation Accounts of respective years*

*Figures in parentheses indicate percentage of savings to total provision*

In the year 2018-19 the total provision in the Capital section (including supplementary grant) was less than the previous year provision by ₹ 41.98 crore. Further, in the original budget for 2018-19, there was no provision for maintenance of assets under the Object Head 'minor works'. However, during the year the department incurred an expenditure of ₹ 120.40 crore under this Object Head towards maintenance of the assets. A supplementary provision of ₹ 160.08 crore was obtained in February 2019 which included ₹ 130.34 crore for establishment expenses, of which ₹ 120.40 crore was towards minor works.

Explicit allocation for the announcements made in the budget speech was also not made in the original budget. The department obtained lumpsum provision in the Capital section under two heads viz., SADA and SIDF without giving the details of the works to be taken up. The provision obtained was ₹ 271.50 crore under SADA for 62 ongoing schemes and 171 new works, and ₹ 14.72 crore under SIDF for 34 ongoing schemes and 24 new works. Allocation for the announcements made in the budget speech was finalised from the lump-sum provision made under SADA only in October 2018. It was also observed that even while finalizing the individual provisions for the budget announcements in October 2018, there were variations between the amounts announced and actual allocation. For several GOI schemes, like Swachh Bharat Mission (Urban), National Urban Livelyhood mission, Housing for all by 2022-Pradhan Manthri Awas Yojana etc. due to non-provision of budget initially, the department obtained supplementary budget of ₹ 14.72 crore. It could not, however, utilise it.

## 2.5.4 Non-assessment of Liabilities

Rule 50(3) read with Appendix 3 of General Financial Rules 2017 prescribes that the estimates for the expenditure shall include suitable provision for liabilities of the previous years that are to be discharged during the year. The Controlling Officer while sending the budget proposals did not assess the arrears towards work bills and other payments to be discharged, and did not furnish the required information to the Finance Department. Therefore, the budget estimates did not consider the liabilities to be discharged during the year, which is violative of the prescribed financial rule. Due to this non-inclusion of liabilities in the budget estimates, the funds required were understated, and the funds meant for the schemes/works proposed in the current year were spent for clearing the liabilities resulting in non-execution/delayed execution of schemes.

The Government in response stated (February 2020) that the department was advised to take note of the previous liabilities while formulating the BE.

### **2.5.5 Lump-sum Provision in the Budget**

Rule 7 of Delegation of Financial Power Rules, 1978 prohibits making lumpsum provision in the budget without giving details of the schemes and objects against which the expenditure is proposed. However, an amount of ₹ 309.84 crore was provided in the capital section of the grant in the budget, out of which, an amount of ₹ 286.22 crore constituting 92.38 *per cent* of the total budget under capital section, was lump-sum provision without giving any details of the assets to be created with the proposed provision. This not only violated the rule, but did not also provide an opportunity to the Legislature to know the details before the expenditure is authorized. Further, due to making a lump-sum provision, the actual execution of the schemes also suffered as it took considerable time in identifying the works and getting the approval for implementation of the proposals which was granted by the State Government only in October 2018 i.e., after more than six months in to the financial year.

### **2.5.6 Unrealistic Demands for Supplementary Grants**

During the period 2018-19, Audit observed that there was no original budget provision against two subheads (viz Construction of RCC Bridges and Creation of Assets under SIDF). A supplementary provision of ₹ 21.97 crore was obtained against these sub-heads in February 2019. However, no expenditure was incurred against this allocation during the year reportedly due to non-authorization of amount by the Finance Department. Since the Supplementary grant proposals were prepared by the Finance Department itself without any proposal from the department, there is no rationale for obtaining supplementary provision without ensuring availability of the financial resources for funding these items.

### **2.5.7 Drawal of Funds in Advance of Requirements**

Rule 100 (2) of Receipts and Payment Rules, 1983 prohibits drawal of funds in advance of requirements by the drawing and disbursing officers to avoid lapse of provision at the end of the financial year. Rules also prescribe that amounts should be drawn from the Government account only for immediate disbursement, and the drawal should be supported by bills, measurements etc. However, Executive Engineer, Itanagar Division of the department had drawn an amount of ₹ 16.50 crore meant for five works from the Government account in March 2019 and kept the amount in the form of Demand Drafts, in violation of the rules.

The Government stated (February 2020) that the department has been advised to draw the amount from the state exchequer as required and ensure instant disbursement.

### 2.6 Missing/ Incomplete Explanation for Variation from Budget

Apart from showing the expenditure against the approved budget, Appropriation Accounts also provide explanation for cases where the expenditure varies significantly from the budgeted provision (Original + Supplementary). The limit beyond which, such variation at the Sub-Head/Sub-Sub-Head level (Unit of Appropriation) are to be explained in the Appropriation Accounts is set by the Public Accounts Committee (PAC).

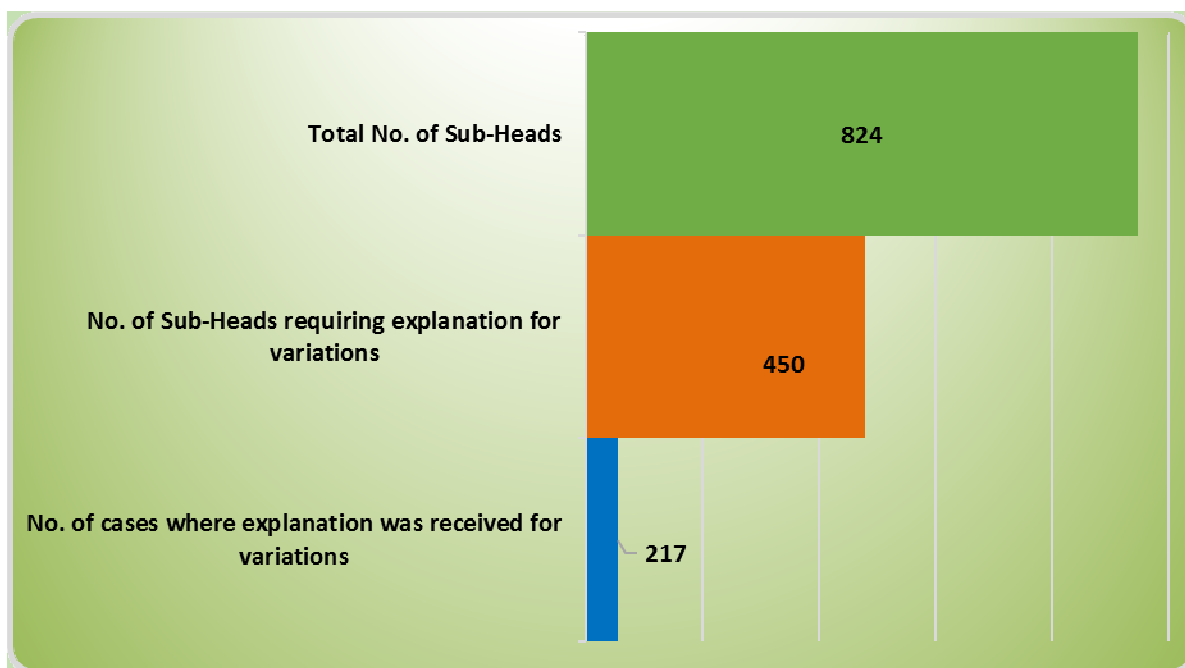
Accountant General (Accounts) provides the draft Appropriation Accounts to the Controlling Officers of the Departments and seeks the reasons/explanation for the variations in expenditure with reference to approved budgetary allocation in keeping with the limits set by the PAC. The Public Accounts Committee of the State has not prescribed any norms pertaining to monetary limits/percentage in respect of Savings/Excess. In the absence of norms set by the PAC of the state, the norms followed by Meghalaya (previous station of this office) have been adopted for comments on the Appropriation Accounts.

The current limits, being followed in preparation of Appropriation Accounts are as follows

<b>Savings</b>	<ul style="list-style-type: none"> <li>• <i>Comments are made if (savings including non-utilisation) overall saving is over 5 per cent of the total provision.</i></li> <li>• <i>Individual comments under Sub-Heads of Grants/ Appropriations are made if the expenditure is over ₹ 5 lakh and total provision (original plus supplementary) to which the concerned sub-head relates is ₹20 crore or less,.</i></li> </ul>
<b>Excess</b>	<ul style="list-style-type: none"> <li>• <i>General comments are made for regularization of excess over the provision in all cases where there is an overall excess (irrespective of the amount)</i></li> <li>• <i>Comments are made if variations (excesses) under Sub-Heads of Grants/ Appropriations are ₹5 lakh and total provision (original plus supplementary) to which the concerned sub-head relates is ₹20 crore or less.</i></li> <li>• <i>Comments are made if variations (excesses) under Sub-Heads of Grants/ Appropriations are ₹10 lakh and total provision (original plus supplementary) to which the concerned sub-head relates is more than ₹20 crore</i></li> </ul>

Audit of Appropriation Accounts of 2018-19 and an analysis of the underlying accounting data revealed that the Controlling Officers have not provided explanation for the variations in the expenditure vis-à-vis budgeted allocation in 48 per cent of cases. Of the 83 Grants/ Appropriations, reasons for variation were required in respect of 73 Grants/ Appropriations. However, in respect of 8 Grants/Appropriations reasons were not furnished by the Controlling Officers of Government Departments. Partial response was received in respect of 31Grants/Appropriations. In terms of the Sub-Heads involved, the total number of Sub-Heads in the accounts, those requiring explanation for variation, and the Sub-Heads where explanations were received for variations from allocations, are given below in **Chart 2.5**.

Chart 2.5: Summary of unexplained variations *vis-à-vis* budget



Absence of explanation for variation between the budgeted allocation and its utilisation limits legislative control over budget as a means of ensuring financial accountability of the Government.

### 2.7 Conclusion & Recommendations

i) Budgetary assumptions of the State Government were not realistic during 2018-19 and budgetary estimates were off the mark by a considerable margin, and control over the execution and monitoring of budget was inadequate.

Significant policy initiatives of the Government were not fulfilled during the year due to non-completion of the preparatory activities relating to these initiatives.

Supplementary Grants/Appropriations were obtained without adequate justification, and large amounts were expended without budgetary provision. Despite flagging this issue every year over the last several years, the State Government had not only failed to take corrective measures in this regard, but it did not also obtain legislative approval for regularization of expenditure in excess of budgetary provision.

Savings during the year accounted for a quarter of the budget; however, the Controlling Officers did not surrender over forty per cent of the anticipated savings before close of the financial year. Departments were not cautioned against persistent savings; nor were their budgets varied in accordance with their ability to absorb the allocations.

***State Government needs to formulate a realistic budget based on reliable assumptions of the needs of the Departments and their capacity to utilize the allocated resources;***

***An appropriate control mechanism needs to be instituted by the Government to enforce proper implementation and monitoring of budget to ensure that savings are curtailed,***

*large savings within the Grant/Appropriation are controlled, and anticipated savings are identified, expenditure is not incurred without budget provision and is surrendered within the specified timeframe;*

*Controlling Officers need to be made aware of their responsibility to explain the variation in expenditure from the allocation to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts.*

ii) The Government of Arunachal has not yet prepared a Budget Manual, detailing the processes involved in budget formulation exercise, roles and responsibilities of the persons entrusted with the preparation and implementation of budget, timelines for preparation and submission of budgetary estimates, requirements of supplementary budget, mode of seeking re-appropriations within Grants, assessment of savings, surrenders etc. and monitoring and controls to be exercised by the Controlling Officers at all stages of budget preparation and implementation.

*Government needs to prepare a Budget Manual on priority and ensure that all the Controlling Officers comply with the procedures detailed therein.*







*CHAPTER - III*  
*FINANCIAL REPORTING*



### 3.1 Introduction

Sound internal financial reporting system and compliance with rules and procedures contribute significantly to good governance. These also ensure relevant, reliable and timely financial reporting and thereby assist the State Government in meeting its basic stewardship responsibilities, including strategic planning and appropriate decision making. This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

### 3.2 Opaqueness in Accounts - Operation of Omnibus Minor Head 800

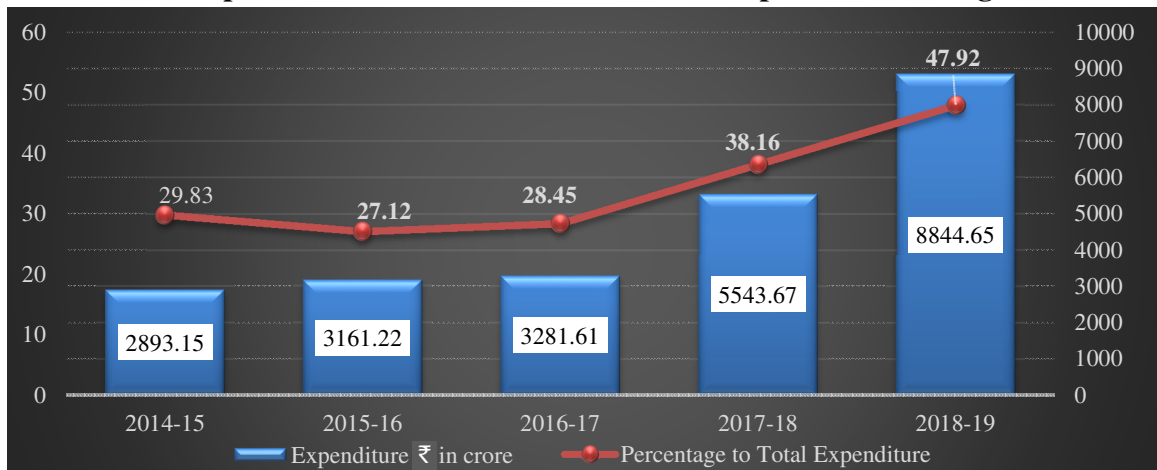
The omnibus Minor Head 800 relating to Other Receipts/Other Expenditure is to be operated only in cases where the appropriate Minor Head has not been provided under a Major Head in the accounts. If such instances occur on a regular basis, it is the responsibility of the State Government to discuss with the Accountant General (Accounts) and obtain approval to open appropriate Minor Heads. Indiscriminate booking of receipts and expenditure under Minor Head 800 affects transparency and nature of transactions, and renders the accounts opaque.

Government of Arunachal Pradesh has operated this Minor Head extensively during the five-year period 2014-19. The quantum of expenditure booked under this Minor Head showed an increasing trend over the years 2015-16 to 2018-19 as it constituted 27.12 *per cent* of the total expenditure during 2015-16 and stood at 47.92 *per cent* during 2018-19. During 2018-19, the State Government booked an expenditure of ₹ 8,844.65<sup>1</sup> crore under Minor Head 800 under 95 Revenue and Capital Major Heads of Account, constituting 47.92 *per cent* of the total revenue and capital expenditure of ₹ 18,456.83 crore. The extent of operation of Minor Head 800 for Other Expenditure, as a percentage of total expenditure during 2014-19 is given below.

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<sup>1</sup> Includes expenditure booked under all Heads of Account

**Chart 3.1: Operation of Minor Head 800 - Other Expenditure during 2014-19**



Source: Finance Accounts of the respective years

Scrutiny of transactions of relevant Major Heads showed that under expenditure section, in 13 transactions involving an expenditure of ₹ 2,270.96 crore (*Appendix-3.1*), the entire provision was booked under Minor Head 800-Other Expenditure as shown in table below:

**Table 3.1: No. of Departments that booked entire provision under Minor Head 800-OE**  
(₹ in crore)

Range	Number of Departments
0 > 50 crore	6
More than 50 crore	7

Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure. Details of Major Heads where the entire expenditure was booked (where it is more than ₹ 50 crore) under the omnibus Minor Head 800 are given below:

**Table 3.2: Major Heads where entire expenditure was booked under Minor Head 800-OE**  
(₹ in crore)

Major Head	Description	Total Expenditure under the Major Head	Total expenditure under MH '800-Other Expenditure'
4059	Capital Outlay on Public Works	363.07	363.07
4070	Capital Outlay on Other Administrative Services	658.41	658.41
4215	Capital Outlay on Water Supply and Sanitation	416.43	416.43

Major Head	Description	Total Expenditure under the Major Head	Total expenditure under MH '800-Other Expenditure'
4235	Capital Outlay on Social Security and Welfare	147.62	147.62
4552	Capital Outlay on North Eastern Areas	97.03	97.03
4711	Capital Outlay on Flood Control Projects	141.40	141.40
4801	Capital Outlay on Power Projects	340.36	340.36

### 3.3 Delay in submission of Utilisation Certificates

Financial Rules provide that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees and forwarded to the Accountant General (Accounts) within 12 months from the date of their sanction unless specified otherwise.

Audit scrutiny revealed that 65 UCs in respect of grants aggregating ₹ 437.29 crore given to 10 Departments of the State Government during the period from 2014-15 to 2017-18 have not been submitted to the Accountant General (Accounts) as of 31 March 2019. Age-wise details of delay in submission of UCs is given below.

**Table 3.3: Age-wise Arrears of Utilisation Certificates as on 31 March 2019**

(₹ in crore)

Year	Opening Balance		Additions		UCs Submitted		Outstanding UCs	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
2014-15	451	540.46	112	480.15	425	616.43	138	404.18
2015-16	138	404.18	216	475.86	156	189.88	198	690.16
2016-17	198	690.16	150	729.64	262	1,166.15	86	253.65
2017-18	86	253.65	150	1,013.12	171	829.48	65	437.29

Source: Finance Accounts of the respective years

The year-wise details of pending UCs and the amounts involved are tabulated below: -

**Table 3.4: Year-wise breakup of pending UCs**

(₹ in crore)

Year	Number of UCs	Amount
2014-15	7	7.24
2015-16	17	12.35
2016-17	15	92.06
2017-18	26	325.64
<b>Total</b>	<b>65</b>	<b>437.29</b>

Source: Finance Accounts of the respective years

## Financial Reporting

It is a matter of concern that the Departmental authorities have not yet explained as to how an amount of ₹ 437.29 crore was spent over the years, as it involves public funds provided to them for implementation of specific programmes/schemes and there is no assurance that the intended objectives of providing these funds have been achieved. In the absence of accountability for expenditure relating to funds provided as far back as 2014-15, the possibility of misappropriation of these funds cannot be ruled out. The Department-wise break-up of outstanding UCs for the grants paid up to the year 2017-18 is given below.

**Table 3.5: Department-wise outstanding UCs as on 31 March 2019**

Sl. No.	Department	No. of UCs outstanding	Amount involved (₹ in crore)
1	Home	8	158.50
2	Education	11	53.98
3	Health & Family Welfare	9	136.18
4	Secretariat Administration	1	0.11
5	Town Planning	9	19.62
6	Rural Development	1	0.04
7	Sports & Youth Affairs	8	6.49
8	Science & Technology	3	1.10
9	Panchayati Raj	14	60.27
10	Cultural Affairs	1	1.00
	<b>Total</b>	<b>65</b>	<b>437.29</b>

Source: Finance Accounts 2018-19

In the absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which those were given. This assumes greater importance as about 50 per cent of capital expenditure is being incurred out of Grants-in-aid. Huge pendency in submission of UCs is fraught with the risk of fraud and misappropriation of funds. It is imperative that the State Government monitors this aspect closely and hold the concerned persons accountable for submission of UCs in a timely manner.

The Government stated (February 2020) that the concerned departments are being emphatically advised through planning division for submission of UCs immediately.

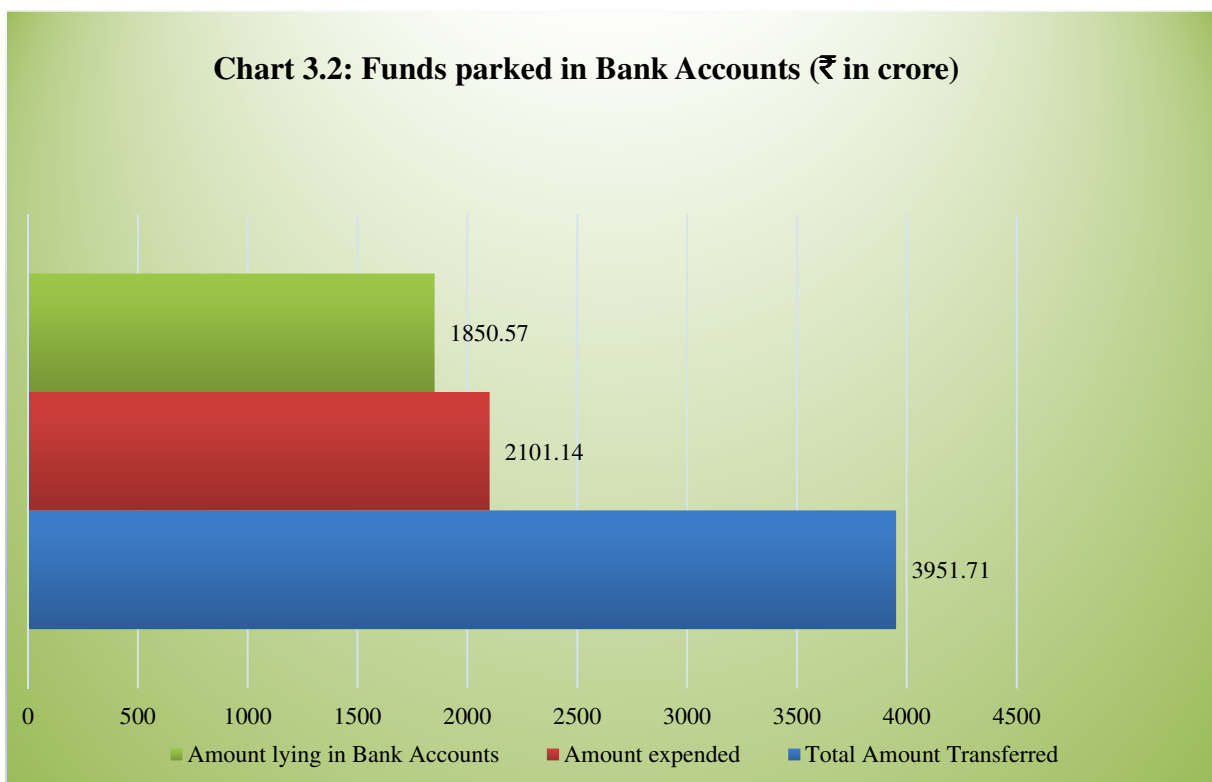
### 3.4 Parking of funds in PFMS aligned bank accounts

In order to ensure just-in-time budgetary releases and enable monitoring of the end usage of funds, State Government has been using Public Financial Management System (PFMS) to cover all transactions/payments under the Central Sector and Centrally Sponsored Schemes (CSS). To facilitate monitoring of funds of these schemes, all the implementing agencies in the State, whether at State, District, Block, Panchayat or Village level are to register along with the details of their bank accounts, preferably Core Banking Solution (CBS) bank accounts on PFMS. All the implementing agencies of the

Central sector schemes registered themselves with the PFMS portal duly giving the details of the bank accounts.

Funds received from GoI for implementation of CSS are to be transferred by Finance Department to the bank accounts of the concerned implementing agencies within a stipulated timeframe. On receipt of funds through PFMS along with the sanction order and credit advice of RBI, the concerned departments charge expenditure from the Consolidated Fund of the State under appropriate Head of Account and prepare a consolidated bill to transfer the amount to the dedicated bank account of the implementing agency. Subsequently, the implementing agencies transfer these funds to the downstream agencies for payment to vendors and beneficiaries.

During 2018-19, the Finance Department transferred ₹ 3,951.71 crore (including ₹ 61.33 crore under Central Road Fund and ₹ 45.10 crore under Pradhan Mantri Gram Sadak Yojana) to various departments through PFMS for implementation of various CSS. The implementing agencies did not transfer this money to downstream agencies/vendors/ beneficiaries as stipulated, defeating the purpose of the schemes. Out of the total amount transferred, ₹ 1,850.57 crore (46.83 per cent) remained undisbursed as of end of March 2019 and was parked in the bank accounts aligned to PFMS by 24 departments in respect of 90 schemes as detailed below in **Chart 3.2**.



*Source: Data furnished by the State Government*

The details of the amounts held by the departments are given in **Appendix 3.2**. Cases where the departments held more than ₹ 100 crore funds in the bank accounts are given below.

**Table 3.6: Departments which held more than ₹100 crore in bank accounts**

		(₹ in Crore)
Sl. No.	Department	Amount
1	Education	284.33
2	Health & Family Welfare	330.65
3	PHED	149.09
4	Planning	126.68
5	Rural Development	179.45
6	SJETA	161.00
7	Town Planning	110.26
8	Women & Child Development	113.52

Parking of these funds not only inflated the expenditure in the Consolidated Fund but also had an impact on the ways and means position of the Government.

In response, the Government stated (February 2020) that the concerned departments have been advised to incur expenditure in this regard immediately under intimation to Finance Department. The Government further stated that it would exercise due diligence in future and work out an action plan and a road map to avoid heavy cash balance in PFMS accounts.

### 3.5 Parking of funds outside Government Accounts

As per Rule 100 (2) of Receipts and Payments Rules 1983, 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.

Scrutiny of records of three Drawing and Disbursements Officers<sup>2</sup> (DDOs) revealed that during March 2019, the DDOs withdrew ₹ 22.30 crore pertaining to nine different projects from Government accounts and kept in different bank instruments as detailed in *Appendix 3.3*.

Thus, the basic principle of Government finances that money is to be withdrawn only when required has been violated. It misleads the Legislature and other stakeholders as amount withdrawn but not actually disbursed, is reported as expenditure. Once out of Government control, there is scope for misuse.

### 3.6 Non-submission of DCC Bills against AC Bills

Rule 308 and 309 of the Central Treasury Rules provide that for Drawing and Disbursing Officer (DDO) to draw money by preparing Abstract Contingency (AC) Bills subject to the presentation of Detailed Countersigned Contingency (DCC) Bills to the Controlling officer for countersignature and transmission to the Accountant General. Further, a

<sup>2</sup> DDSE, Passighat, Director, Sports and Youth Affairs and Executive Engineer, Itanagar Division, UD & Housing



Certificate is to be attached to every AC Bill to the effect that DCC Bills have been submitted to the Controlling Officer (CO) in respect of AC Bills (drawn more than a month before the date of the current Bill) without which no AC Bill is to be accepted.

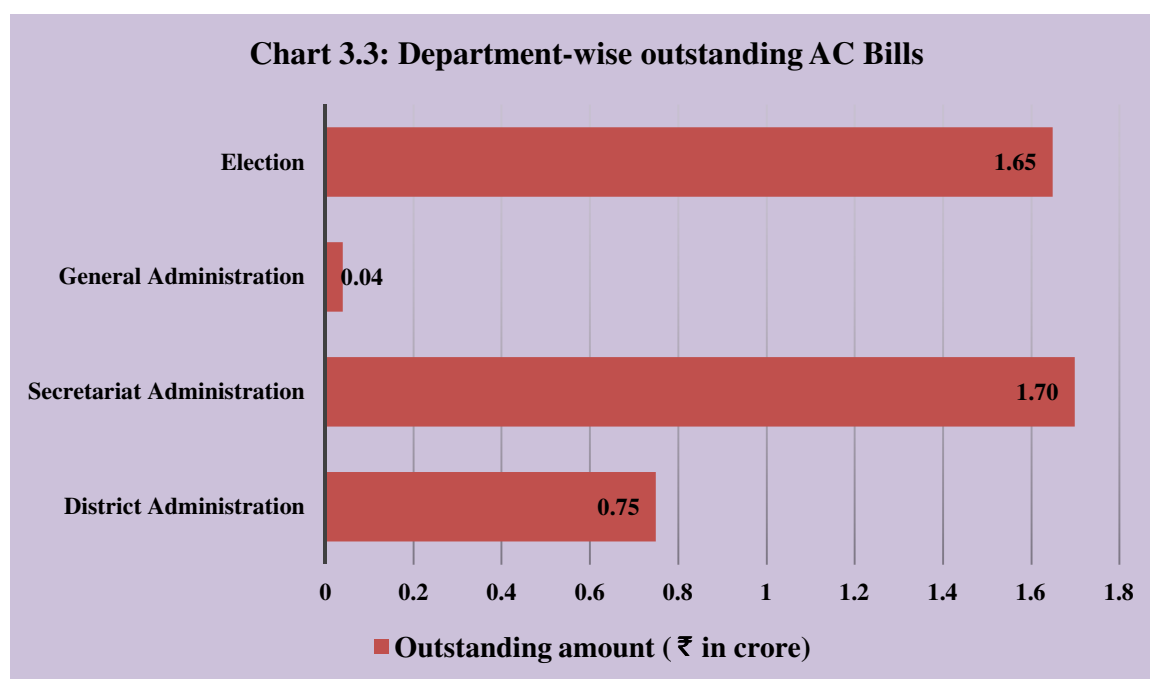
In contravention of the above mentioned provisions, as of 31 March 2019, four departments of the Government of Arunachal Pradesh had not submitted DCC bills for ₹ 4.14 crore against 53 AC Bills. Details of outstanding AC Bills for the last four years is given below:

**Table 3.7: Details of outstanding AC Bills during the period 2015-16 to 2018-19**

Year	Opening Balance		AC Bills drawn		DCC Bills submitted		Outstanding AC Bills	
	Nos.	Amount (₹ in crore)	Nos.	Amount (₹ in crore)	Nos.	Amount (₹ in crore)	Nos.	Amount (₹ in crore)
2015-16	217	19.06	351	3.33	380	10.54	188	11.85
2016-17	188	11.85	296	5.19	419	13.11	65	3.90
2017-18	65	3.90	183	5.70	188	6.26	60	3.34
2018-19	60	3.34	139	5.93	146	5.13	53	4.14

Source: Finance Accounts of respective years

Department-wise pending DCC bills for the years up to 2018-19 are detailed below.



Source: Finance Accounts 2018-19

During the year 2018-19, out of 139 AC bills amounting to ₹ 5.93 crore drawn, 89 DCC Bills amounting to ₹ 2.54 crore were adjusted leading to 50 outstanding AC Bills worth ₹ 3.39 crore as on 31 March 2019. During the last four years, the Government has decreased substantially the number of outstanding AC bills to 53 involving ₹ 4.14 crore which is appreciated.

Advances drawn and not accounted for increase the possibility of wastage/ misappropriation/ malfeasance, *etc.* and therefore, requires close monitoring by the respective DDOs for ensuring submission of DCC bills. Further, to the extent of non-receipt of DCC bills, there is no assurance that the expenditure shown in the Finance Accounts is correct or final.

### **3.7 Timeliness and Quality of Accounts**

Finance and Appropriation Accounts of the Government of Arunachal Pradesh have been compiled based on the initial monthly accounts rendered by 26 District Treasuries/ Sub-treasuries, 199 Public Works and 46 Forest Divisions and advices of the Reserve Bank of India. The monthly Accounts were to be submitted to the Accountant General by the Treasuries and Divisions by 10<sup>th</sup> of the following month. However, there were delays in rendition of monthly accounts ranging from one to 91 days by Treasuries, one to 90 days by Public Works Divisions and one to 130 days by Forest Divisions.

The State Government needs to monitor closely and ensure the rendition of accounts by all the account rendering authorities to the Accountant General on a timely basis, to manage its own budget more effectively.

### **3.8 Suspense and Remittance Balances**

Suspense heads are operated in Government accounts to reflect transactions that cannot be booked initially to their final Head of Account for some reason or the other. These are finally cleared by minus debit or minus credit when the amount is taken to its final Head of Account. If the amounts under suspense heads remain unadjusted, the balances under these heads get accumulated resulting in understatement of Government's receipts and payments.

Remittances embrace all transactions which are adjusting Heads of Account and the debits or credits under these heads are eventually cleared by corresponding credit or debit within the same or in another circle of accounting.

Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/ Works and Forest Divisions, *etc.* The position of gross figures under major suspense and remittance heads for the last three years is given below.

**Table 3.8: Balances under Suspense and Remittance Heads**

(₹ in crore)

Minor Head	2016-2017		2017-18		2018-19	
Major Head 8658 - Suspense	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101 - PAO suspense	29.26	0.21	33.85	0.47	52.60	0.05
<b>Net</b>	<b>Dr. 29.05</b>		<b>Dr.33.38</b>		<b>Dr.52.55</b>	
102 - Suspense Account-Civil	48.95	25.14	39.65	23.10	162.37	23.10
<b>Net</b>	<b>Dr.23.81</b>		<b>Dr.16.55</b>		<b>Dr.139.27</b>	
107 - Cash Settlement Suspense Account	24.03	4.82	24.03	4.82	24.03	4.82
<b>Net</b>	<b>Dr. 19.21</b>		<b>Dr.19.21</b>		<b>Dr. 19.21</b>	
109 - Reserve Bank Suspense -Headquarters	(-)24.77	(-)20.69	(-) 38.10	(-) 13.89	(-) 16.57	(-)5.44
<b>Net</b>	<b>Dr.(-)4.08</b>		<b>Dr.24.21</b>		<b>Dr.(-)11.13</b>	
110 - Reserve Bank Suspense - CAO	1,943.58	2,084.62	1,884.35	1,600.42	1,833.37	1,520.70
<b>Net</b>	<b>Cr.1,734.96</b>		<b>Dr.283.93</b>		<b>Dr.312.67</b>	
112 - Tax Deducted at Source (TDS) Suspense	---	2.91	---	(-) 0.02	---	7.04
<b>Net</b>	<b>Cr.2.91</b>		<b>Cr. (-) 0.02</b>		<b>Cr. 7.04</b>	
113 - Provident Fund Suspense	0.25	---	0.25	---	0.25	---
<b>Net</b>	<b>Dr.0.25</b>		<b>Dr. 0.25</b>		<b>Dr. 0.25</b>	
121 - Additional Dearness Allowance Deposit Suspense Account (New)	0.01	0.08	0.01	0.08	0.01	0.08
<b>Net</b>	<b>Cr.0.07</b>		<b>Cr. 0.07</b>		<b>Cr. 0.07</b>	
123 - A.I.S Officers' Group Insurance Scheme	0.02	---	0.02	---	0.02	0.01
<b>Net</b>	<b>Dr. 0.02</b>		<b>Dr. 0.02</b>		<b>Dr. 0.01</b>	
129- Material Purchase Settlement Suspense Account	19.58	0.02	19.58	0.02	19.58	0.02
<b>Net</b>	<b>Dr.19.56</b>		<b>Dr.19.56</b>		<b>Dr. 19.56</b>	
<b>Major Head 8782-Cash Remittances</b>						

## Financial Reporting

Minor Head	2016-2017		2017-18		2018-19	
<b>102 - P.W. Remittances</b>	34,863.87	34,979.94	39,382.07	39,481.71	44,063.88	45,306.20
<b>Net</b>	<b>Cr.116.07</b>		<b>Cr.99.64</b>		<b>Cr.1,242.32</b>	
<b>103 - Forest Remittances</b>	1,534.18	1,529.71	1,604.94	1,602.73	1,728.87	1,738.30
<b>Net</b>	<b>Dr.4.47</b>		<b>Dr. 2.21</b>		<b>Cr.9.43</b>	
<b>105- Reserve Bank of India Remittances</b>	3.20	304.23	3.20	352.51	144.91	474.63
<b>Net</b>	<b>Cr.301.03</b>		<b>Cr. 349.31</b>		<b>Cr.329.72</b>	

Source: Finance Accounts of the respective years

### 3.9 Accounts of transactions relating to Central Road Fund

Accounting procedure relating to Central Road Fund (CRF) requires the receipt of grant from GoI to be recorded as revenue receipts in keeping with the principle that Grants-in-Aid are to be recorded in the Revenue section, irrespective of their purpose. Further, expenditure on prescribed road works is to be first accounted for under the relevant revenue or capital expenditure section, and then reimbursed out of the Fund as a deduct expenditure.

GoI released ₹ 504.25 crore towards CRF during the period 2008-09 to 2017-18, which was not accounted for by the State Government in the prescribed manner. During 2018-19, GoI released another ₹ 108.39 crore to Government of Arunachal Pradesh towards CRF. While the receipts were accounted for correctly as revenue receipts, the prescribed procedure for recording the expenditure under CRF was not followed. There was no budget provision under the relevant Head of Account in Public Account and therefore, expenditure from CRF was not recorded in the appropriate Head. Consequently, it could not be ascertained from accounts whether the amount of ₹ 108.39 crore was spent on revenue or capital Heads.

### 3.10 Errors in Classification of Expenditure

Expenditure relating to minor works, repairs and grants-in-aid is to be classified as revenue expenditure. Capital expenditure is incurred with the object of increasing concrete assets of a material and permanent character or reducing permanent liabilities. As per Government Financial Rules read with Indian Government Accounting Standards, subsequent charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order as also all other expenses incurred for the day to day running of the organisation, including establishment and administrative expenses are to be classified as revenue expenditure.

As per the Detailed Appropriation Accounts for the year 2018-19, the State Government made a budget provision and incorrectly incurred ₹ 32.03 crore for maintenance of transmission lines including Sub-Stations under Capital Section instead of booking the

same under Revenue section. This had the impact of understating the revenue expenditure and overstating the Revenue Surplus as detailed below.

The Government while issuing sanctions for implementation of the schemes did not strictly adhere to the Government Accounting Rules 1990 with regard to classification of expenditure, which resulted in misclassification of revenue expenditure as capital expenditure and vice-versa. Even the Treasury officers while passing the bills did not take up the matter with the appropriate authority and rectify the misclassification. A test check of the sanctions indicated that an amount of ₹ 85.10 crore was misclassified. The details of misclassifications are given in **Appendix 3.4**.

As per para 25(1) of the GFR 2017, all sanctions shall indicate the details of the provision in the relevant grant or appropriation from which the expenditure has to be met. A test check of the sanctions issued by the Government indicated that in 154 sanction orders involving an amount of ₹ 48.31 crore, there was no provision in the grant or appropriation from which the expenditure was to be met or the head of account under which the expenditure was to be classified. Non observance of instructions has resulted in booking of expenditure without budget provision by the Drawing and Disbursing Officers (DDOs).

### 3.11 Compliance with Indian Government Accounting Standards

Government Accounting Standards Advisory Board (GASAB) set up by the Comptroller and Auditor General of India in 2002, has been formulating standards for government accounting and financial reporting, to enhance accountability mechanisms. As of end of March 2019, three Indian Government Accounting Standards (IGAS) have been notified. The details of these standards and the extent of compliance with these by the Government of Arunachal Pradesh in the Finance Accounts for the year 2018-19 are given below.

<i>IGAS</i>	<i>Essence of IGAS</i>	<i>Status</i>	<i>Impact of Non-Compliance</i>
<i>IGAS 1 Guarantees given by Government Disclosure required</i>	This standard requires the government to disclose the maximum amount of guarantees given during the year in its financial statements along with additions, deletions, invoked discharged and outstanding at the end of the year	Complied	--
<i>IGAS 2 Accounting and Classification of Grants-in-aid</i>	Grants-in-aid are to be classified as revenue expenditure in the accounts of the grantor and as revenue receipts in the accounts of the grantee, irrespective of the end use	Not complied	An amount of ₹32.03 crore given as grant-in-aid for maintenance of transmission line was classified as Capital expenditure, resulting in overstatement of Revenue Surplus. Further, the accounting classification was not

			mentioned in the sanction orders in respect of grants-in-aid amounting to ₹ 48.31 crore, which gave discretion to the drawing officer to book the expenditure without reference to function and resulted in misclassification of expenditure.
<i>IGAS 3 Loans &amp; Advances made by Government</i>	This standard relates to recognition, measurement, valuation and reporting in respect of loans and advances made by the Government in its Financial statement to ensure complete, accurate and uniform accounting practices	Partly complied	Statement as per requirements of IGAS was partially complied with. Disclosure regarding write off of irrecoverable loans and advances, entity wise details of interest credited on loans and advances given by the state government and details of overdue principal and interest where detailed accounts are maintained by the State were not reported.

### 3.12 Reconciliation of Cash Balances

As on 31 March, 2019 there was a difference of ₹ 13.23 crore (debit), between the Cash Balance of the State Government, as per the books of Accounts of the Accountant General (Accounts), and the Cash Balance reported by the Reserve Bank of India. This difference is mainly due to misclassification by Bank/Treasury and needs to be rectified.

### 3.13 Transfer of funds to Personal Deposit (PD) Accounts

The Government of Arunachal Pradesh is authorised 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 financial year and transfer the unspent balances back to the Government Account. As on 31 March 2019, two PD Accounts<sup>3</sup> which have a total balance of ₹ 0.32 crore, and have been inoperative since 2010-11, were not transferred to the Government Account, as indicated in **Table 3.9**.

**Table 3.9: Status of Personal Deposit Accounts during 2018-19**

Sl. No.	Particulars	Number	Amount (₹ in crore)
1	Opening balance as on 1st April 2017	02 <sup>@</sup>	0.32
2	Addition during the year	05	0.39
3	Closed during the year	05	0.39
4	Closing balance as on 31st March 2018	02 <sup>@</sup>	0.32

Source: Finance Accounts 2018-19

<sup>@</sup> These PD accounts were inoperative since 2010-11.

<sup>3</sup> (i) Director, Town Planning, Itanagar and (ii) Controller of Legal Metrology cum Director of Consumer Affairs, Naharlagun

During 2018-19, five PD accounts were opened and an amount of ₹ 0.39 crore was transferred into these. In compliance with the relevant rules, both these accounts were closed at the end of the year.

### 3.14 End use of Cess

The GoI has levied a Cess under Building and Other Construction Workers Welfare (Regulation of Employment and Conditions of Service) Act, 1996 at the rate of one *per cent* of the cost of construction incurred by an employer or any executing agency as the case may be. Rule 5 of the Cess Rules, 1996 provides that the proceeds of the Cess collected shall be transferred by such Government office/ Establishment, as the case may be, to the Arunachal Pradesh Building and Other Construction Workers Welfare Board (APBOCWB).

As per rule 5(3) of the Building and Other Construction Workers Welfare Cess Rules 1998, the amount collected has to be transferred to the Board within thirty days of its collection.

The State Government however, did not comply with the prescribed procedure fully. As of 01 April 2018, the State Government was yet to transfer Cess amounting to ₹ 66.95 crore to the Board. During the year another ₹ 3.46 crore was collected as labour Cess by the State Government. Out of the total amount of ₹ 90.41 crore, State Government transferred only ₹ 26.27 crore to the Board during 2018-19, leaving a balance of ₹ 64.14 crore yet to be transferred as on 31 March 2019.

### 3.15 Non-submission of Accounts by Autonomous Bodies/ Authorities

The CAG has not received 193 annual accounts of 25 Autonomous Bodies/Authorities for audit as of 31 March 2020. Age-wise pendency of these is given below:

**Table 3.10: Age-wise arrears of Annual Accounts due from institutions**

Sl. No.	Delay (in Years)	Number of Bodies/Authorities from whom Annual Accounts are awaited	Number of Outstanding Annual Accounts
1	0 – 1	02	02
2	1 – 3	01	02
3	3 – 5	05	25
4	5 – 7	02	14
5	7 – 9	12	108
6	9 above	03	42

The details of such Autonomous Bodies/Authorities are given in *Appendix 3.5*.

In the absence of annual accounts and their audit, proper utilisation of the grants and loans disbursed to those Bodies/Authorities and their accountal cannot be vouched. Audit took up the matter of non-submission of accounts of the defaulting Bodies with the authorities concerned from time to time, but without perceptible improvement.

### 3.16 Follow-up on Audit Reports

#### 3.16.1 Suo-motu Action Taken Notes

In his Audit Reports on the Finances of the Government of Arunachal Pradesh, the Comptroller and Auditor General of India has been flagging year after year, issues of concern relating to various aspects of financial and budgetary management, areas of non-compliance with the prescribed procedures, rules and regulations etc. by the State Government departments/authorities. These Reports can achieve the desired results only when they evoke positive and adequate response from the Government/administration itself. To ensure accountability of the Executive with regard to the issues contained in the Audit Reports, the Finance Department issued instructions (June 1996), for submission of *suo motu* explanatory notes indicating the action taken or proposed to be taken by the concerned administrative departments within three months from the date of presentation of the Audit Reports to the State Legislature.

#### 3.16.2 Discussion of SFAR by the PAC

Although all the Audit Reports on State Finances (9) were placed before the State Legislature, *suo motu* explanatory notes on the observations (167 paragraphs) made in the Audit Reports have not been provided by any of the concerned departments.

The Public Accounts Committee (PAC) met in August and October 2018 and in September 2019. It selected a total of 59 Grants in respect of 18 Departments (details in *Appendix-3.6*) pertaining to the period from 2008-09 to 2017-18 for discussion. The concerned Departments furnished their replies grant-wise to the Accountant General's Office and after vetting, these were forwarded (August & October 2018 and October 2019) to the PAC. Further action in this regard is awaited.

### 3.17 Conclusion & Recommendations

i) Indiscriminate operation of omnibus Minor Head 800 – Other Expenditure affected transparency in financial reporting and obscured proper analysis of allocative priorities and quality of expenditure.

*The State Government should discourage the use of omnibus Minor Head 800 and chalk out a specific timeframe in consultation with the Accountant General (Accounts), to identify appropriate Heads of Account to classify the transactions correctly in the books of accounts.*

ii) Non-adjustment of advances drawn on AC bills for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DCC bills. Further, to the extent of non-receipt of DCC bills, there is no assurance the expenditure of the State Government reflected in the Finance Accounts is correct or final.



*The State Government needs to address the issue of DC bills appropriately and strengthen monitoring mechanism to ensure that DC Bills are submitted within the prescribed timeframe. Subsequent AC Bills should not be drawn without ensuring submission of DCC Bills against AC Bills already drawn.*

iii) Several departments had not submitted the UCs and DCC bills for funds drawn for specific developmental programmes/projects, which was violative of prescribed financial rules and directives, and point to inadequate internal controls, while reflecting poorly on the monitoring mechanism of the State Government.


*State Government needs to institute a rigorous monitoring mechanism to ensure that the Departments comply with the prescribed rules and procedures with regard to submission of UCs, DCC bills and accounts for audit.*

iv) Parking of funds in bank accounts by the implementing agencies not only inflated the expenditure in the Consolidated Fund but also had an adverse impact on the ways and means position of the Government.

*Government should put in place an appropriate monitoring mechanism to review the balances in the PFMS and credit back the unspent amounts into the Consolidated Fund to avoid parking of funds outside Government account.*

**Place: Itanagar**

**Dated: the 17 July 2020**

  
(FREDERICK SYIEMLIEH)  
Accountant General  
Arunachal Pradesh

**Countersigned**

**Place: New Delhi**

**Dated: the 21 July 2020**

  
(RAJIV MEHRISHI)

**Comptroller and Auditor General of India**





*APPENDICES*



## APPENDIX - 1.1

### Part – A

#### Layout of Finance Accounts

#### Layout of Finance Accounts

The Finance Accounts (Revised format introduced from 2015-16) have been divided into two Volumes – I and II. Volume I represents financial statements of the Government in summarised 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
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

## APPENDICES

Layout	
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 Statement No. 18 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 finalised.

**Part – B**  
**Methodology adopted for the Assessment of Fiscal Position**

Norms/ceilings prescribed by the 12<sup>th</sup> 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 Product<sup>1</sup> (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 mobilisation 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 (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/Surplus	Revenue Receipts – Revenue Expenditure
Fiscal Deficit/Surplus	Revenue Expenditure + Capital Expenditure + Net Loans & Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest Payments
Compound Annual Growth Rate (CAGR)	Compound Annual Growth Rate (CAGR) is calculated by taking the $n^{\text{th}}$ root of the total percentage growth rate, where $n$ is the number of years in the period being considered. $\text{CAGR} = ((\text{Ending Value}/\text{Beginning Value})^{(1/\text{period})}) - 1$

<sup>1</sup> 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.

## APPENDICES

Terms	Basis of Calculation
Core Public Goods and Merit Goods	<p><b>Core Public Goods</b> 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 &amp; order, security and protection of rights; pollution free air and other environmental goods, road infrastructure, etc.,</p> <p><b>Merit Goods</b> are commodities that the Public Sector provides free or at subsidised 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 subsidised 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.,</p>



## APPENDIX 1.1

**Part – C**  
**State Profile**  
*(Reference: Paragraph 1.1, Page 1,)*

A. General Data					
Sl. No.	Particulars			Figures	
1	Area			83,743 sq. km.	
2	Population - 2010-11 (as per 2011 Census)				
	Male			7,13,912	
	Female			6,69,815	
	<b>Total</b>			13,83,727	
3	Density of Population (as per 2011 Census) (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) (All India Average = 73 %)			65.38 %	
7	Infant Mortality (per 1000 live births) (All India Average = 33 per 1000 live births)			42	
8	Gross State Domestic Product (GSDP)			₹ 24,489.36 crore	
9	GSDP <sup>2</sup> CAGR (2009-10 to 2018-19)			16.37	
B. Financial Data					
Particulars		CAGR 2009-10 to 2017-18		Growth 2017-18 to 2018-19	
		Special Category States	Arunachal Pradesh	Special Category States	Arunachal Pradesh
(a)	Revenue Receipts	13.41	15.68	11.64	17.58
(b)	Own Tax Revenue	17.65	21.35	23.22	30.96
(c)	Non-Tax Revenue	8.57	(-) 4.09	19.16	66.28
(d)	Total Expenditure	11.95	14.03	13.97	28.97
(e)	Capital Expenditure	9.64	15.16	13.68	79.65
(f)	Revenue Expenditure on General Education	13.97	14.24	16.16	7.07
(g)	Revenue Expenditure on Health & Family Welfare	15.37	19.81	17.91	18.73
(h)	Salaries	12.81	11.93	14.70	(-) 1.40
(i)	Pension	19.15	22.44	13.33	(-) 3.20

Source: Serial No. 7: SRS Bulletin May 2019 – Estimated Infant Mortality Rate, 2017

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

**Fiscal Responsibility and Budget Management Act, 2006***(Reference: Paragraph: 1.6.1; Page: 7)***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 30<sup>th</sup> March 2006, and the Fiscal Responsibility & Budget Management (FRBM) Rules, 2007, came into force with effect from 12<sup>th</sup> 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 three *per cent* or below by 2009-10 and adhere to it thereafter.

During 2018-19, the Government of Arunachal Pradesh had amended Fiscal Responsibility and Budget Management Act with the following revised targets:-

- a) To maintain level of revenue surplus for the period from 01 April 2015 to 31 March 2020.
- b) To maintain revenue surplus as percentage of GSDP in a consistent manner for the period from 01 April 2015 to 31 March 2020.
- c) To reduce fiscal deficit to not more than three *per cent* of the estimated GSDP for the years 2015-16 to 2019-20.
- d) To maintain debt-GSDP ratio less than or equal to 25 *per cent* in the preceding year to avail additional borrowing of 0.25 *per cent* of GSDP.
- e) To maintain interest payments-Revenue Receipts ratio less than or equal to 10 *per cent* in the preceding year to avail additional borrowing of 0.25 *per cent* of GSDP in a given year for which borrowing limits are to be fixed.

❖ **Fiscal Policy Statements**

As prescribed in the Act, the State incorporated the following statements in the Budget for the year 2018-19.

- 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 2018, the rolling targets for fiscal indicators for 2018-19 were as under:

Revenue Surplus as percentage of GSDP-	21.35
Fiscal Deficit as percentage of GSDP-	3.43
Total outstanding liabilities at the end of the year ( <i>₹ in crore</i> )-	6,298.35
Liabilities as percentage of GSDP for the year-	21.46

- Fiscal Plan Strategy Statement of the State for the ensuing year relating to Taxation, Expenditure, Borrowings, Lending, Investments, *etc.*

# APPENDICES

## APPENDIX – 1.3

### Abstract of Receipts and Disbursements for 2018-19 (Reference: Paragraph 1.9.1; Page:15)

(₹ in crore)

Receipts			Disbursements		
2017-18		2018-19	2017-18		2018-19
<b>Section – A: Revenue</b>					
<b>I - Revenue Receipts</b>			<b>I - Revenue Expenditure</b>		
815.57	Own Tax Revenue	1,068.04	<b>3,484.76</b>	<b>General Services</b>	<b>3,823.32</b>
366.18	Non-tax Revenue	608.87	<b>3,950.83</b>	<b>Social Services</b>	<b>4,472.42</b>
9,238.79	State Share of Union Taxes	10,436.14	1,717.66	Education, Sports, Arts & Culture	1,813.55
2,511.35	Grants for Centrally Sponsored Schemes	3,056.16	893.52	Health & Family Welfare	1,060.85
140.17	Finance Commission Grants	124.57	819.02	Water Supply, Sanitation, Housing & Urban Development	998.39
702.54	Other Grants To State With Legislature	902.18	25.51	Information & Broadcasting	38.42
			33.51	Labour & Welfare	33.32
			439.46	Social Welfare & Nutrition	505.67
			22.15	Others	22.22
			<b>3,464.88</b>	<b>Economic Services</b>	<b>4,133.74</b>
			769.19	Agriculture & Allied Activities	800.35
			575.62	Rural Development	618.22
			17.71	Special Areas Programme	5.74
			274.86	Irrigation & Flood Control	203.97
			704.22	Energy	971.12
			90.78	Industries & Minerals	97.40
			804.11	Transport	1,148.88
			30.42	Communications	47.24
			45.82	Science, Technology and Environment	73.50
			152.15	General Economic Services	167.32
<b>13,774.60</b>	<b>Total Receipts</b>	<b>16,195.96</b>	<b>10,900.47</b>	<b>Total Disbursements</b>	<b>12,429.48</b>
	<b>II - Revenue Deficit carried over to Section - B</b>		<b>2,874.13</b>	<b>II - Revenue Surplus carried over to Section - B</b>	<b>3,766.48</b>

## APPENDICES

Receipts			Disbursements		
2017-18		2018-19	2017-18		2018-19
<b>Section – B</b>					
1,347.28	III - Opening Cash Balance, including Permanent Advances and Cash Balance Investment	2,243.00	-	III - Opening Overdraft from RBI	
-	IV - Miscellaneous Capital Receipts	-	3,188.10	IV - Capital Outlay	5,727.43
			544.92	General Services	1,062.03
			854.80	Social Services	1,227.31
			86.62	Education, Sports, Arts & Culture	205.05
			41.71	Health & Family Welfare	56.76
			568.21	Water Supply, Sanitation, Housing & Urban Development	810.46
			156.72	Social Welfare & Nutrition	147.62
			0.69	Information & Broadcasting	7.31
			0.85	Others	0.11
			1,788.38	Economic Services	3,438.09
			13.58	Agriculture and Allied Activities	31.84
			53.10	Rural Development Programme	34.58
			168.57	Special Areas Programme	128.97
			69.57	Irrigation & Flood Control	164.73
			250.92	Energy	340.36
			10.28	Industry & Minerals	3.49
			1,174.04	Transport	2,629.70
			13.14	Science, Technology and Environment	0.00
			35.18	General Economic Services	104.42

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2017-18	Receipts		2018-19	2017-18	Disbursements		2018-19
<b>5.68</b>	<b>V - Recoveries of Loans &amp; Advances</b>		<b>5.08</b>	<b>5.07</b>	<b>V - Loans &amp; Advances Disbursed</b>		<b>20.16</b>
-	from Power Projects	-		-	to Power Projects	-	
3.04	from Govt. Servants	2.97		3.32	to Govt. Servants	5.14	
2.64	from Others	2.11		1.75	to Others	15.02	
<b>2,874.13</b>	<b>VI - Revenue Surplus brought down</b>		<b>3,766.48</b>	-	<b>VI - Revenue Deficit brought down</b>		-
<b>1,767.27</b>	<b>VII - Public Debt Receipts</b>		<b>1,204.97</b>	<b>432.24</b>	<b>VII - Repayment of Public Debt</b>		<b>279.76</b>
1,250.33	Internal Debt other than Ways & Means Advances and Overdraft	1,204.97		344.69	Internal Debt other than Ways & Means Advances and Overdraft	253.40	
516.94*	Net transactions under Ways & Means Advances, incl. Overdraft	-		61.12	Net transactions under Ways & Means Advances incl. Overdraft	-	
-	Loans and Advances from Central Govt.	-		26.43	Repayment of Loans & Advances to Central Govt.	26.36	
-	<b>VIII - Appropriation to Contingency Fund</b>		-	-	<b>VIII - Appropriation to Contingency Fund</b>		-
-	<b>IX - Amount transferred to Contingency Fund</b>		-	-	<b>IX - Expenditure from Contingency Fund</b>		-
<b>5,435.37</b>	<b>X - Public Account Receipts</b>		<b>7,411.96</b>	<b>5,561.32</b>	<b>X - Public Account Disbursements</b>		<b>5,996.65</b>
471.15	Small Savings & Provident Funds	493.11		230.02	Small Savings & Provident Funds	267.21	
157.96	Reserve funds	316.71		20.09	Reserve Funds	9.39	
(-)482.11	Suspense & Miscellaneous	(-)64.61		(-) 77.26	Suspense & Miscellaneous	112.01	
4,739.13	Remittances	6,082.17		4,705.04	Remittances	4,947.52	
549.24	Deposits & Advances	584.58		683.43	Deposits & Advances	660.52	
	<b>XI - Earmarked Funds</b>			<b>2,243.00</b>	<b>XI - Closing Cash Balance</b>		<b>2,607.49</b>
				392.00	Cash in Treasuries and Local Remittances	392.00	
				(-)7.44	Deposits with Reserve Bank and other Banks	(-) 316.60	
				7.98	Departmental Cash Balance incl. Permanent Advances	4.88	
				1,850.46	Cash Balance Investment and Investment of Earmarked Funds	2,527.21	
<b>11,429.73</b>	<b>TOTAL</b>		<b>14,631.49</b>	<b>11,429.73</b>	<b>TOTAL</b>		<b>14,631.49</b>

(Source: Finance Accounts of respective years)

\*This represents the rectification of misclassification occurred in 2013-14, the actual ways and means during the year is nil

## APPENDIX – 1.4

**Funds transferred directly to Implementing Agencies in the State**  
(Reference: Paragraph: 1.10.2; Page: 24)

(₹ in lakh)

Sl. NO.	Central Scheme Name	Implementing Agency name	Released from Govt. of India
1	Biotechnology Research and Development	Arunachal Pradesh State Council for Science & Technology, Itanagar	1031.89
		Arunachal Pradesh State Health Society	50.40
		North Eastern Regional Institute of Science & Technology (NERIST)	81.66
		National Institute of Technology, Arunachal Pradesh	8.34
		Rajiv Gandhi University	101.09
2	Development of Museums	Bright Future Society, Ziro	26.99
3	Schemes of North East Council - Special Development Projects	DRDA Dibang Valley	23.88
		Arunachal Pradesh Public Works Department	41.79
		M/S Phoenix Rising	10.00
4	Pollution Abatement	Arunachal Pradesh State Pollution Control Board	109.00
5	Research, Education and Training Outreach (Reachout)	Rajiv Gandhi University	1.50
6	Electronic Governance	Arunachal Pradesh State Council for Science & Technology, Itanagar	254.00
7	Management Support to Rural Development Programs and Strengthening of District Planning Process	Society for Rural Development Arunachal Pradesh	95.19
8	Schemes for differently Abled persons	Social Justice & Empowerment & Tribal Affairs Deptt.	31.00
9	Capacity Development CSO and NSSO	Directorate of Economics and Statistics, Arunachal Pradesh	368.38
10	Capacity Building for Service Providers	Department of Tourism, Government of Arunachal Pradesh	61.66
11	Domestic Promotion and Publicity including Market Development Assistance	Arunachal Tourism Society (ATS)	20.00
12	National Fellowship and Scholarship for higher education of ST Students	National Institute of Technology, Arunachal Pradesh	16.98
13	Member of Parliament Local Area Development Scheme (MPLAD)	Deputy Commissioner Lohit	500.00
		Deputy Commissioner West Siang	500.00
		Deputy Commissioner Lower Dibang Valley	500.00
14	Womens Helpline	Itanagar WHL	81.36

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Sl. NO.	Central Scheme Name	Implementing Agency name	Released from Govt. of India
15	Incentivization of Panchayat	Panchayati Raj Arunachal Pradesh	50.00
16	Organic Value Chain Development for North East Region	Arunachal Pradesh Agriculture Marketing Board (APAMB), Naharlagun-791110	1870.55
17	Science and Technology Institutional and Human Capacity Building	Arunachal Pradesh State Council for Science & Technology, Itanagar	155.44
		North Eastern Regional Institute of Science & Technology (NERIST)	20.01
		National Institute of Technology, Arunachal Pradesh	9.31
		Rajiv Gandhi University	17.56
18	Innovation, Technology Development and Deployment	Arunachal Pradesh State Council for Science & Technology, Itanagar	262.31
		North Eastern Regional Institute of Science & Technology (NERIST)	11.76
		Thembang Bapu Community Conserved Area Management Committee	6.00
		Take Bogo Welfare Society	4.50
19	Kala Sanskriti Vikas Yojana	Arunchala Pradesh ART & Cultural Eco Tourism Society	24.37
		District Horticulture and Agriculture Development Cooperative Society Ltd	5.00
		Changkiu Bagang VFMC	13.40
		The SDFP Welfare Society of the Arunachal Pradesh	1.50
		Shosi Namchar Bagang VFMC	2.50
		Arunachal Pradesh Bhikkhu Sangha	7.50
		Singpho Development Society	1.00
		Essomi Foundation Trust	2.50
		Idu Mishmi Cultural and Literary Society	1.50
		Tarak Women Welfare Society	3.00
		Gamnya Foundation	10.00
		Tarh Yadek Solong Memorial Foundation	6.50
		Abotani Ashram Welfare Association	15.00
		All Arunachal Pradesh Delinquent Welfare Association (AAPDWA)	1.00
		Gorsam Stupa Culture Centre	14.85
		Jangchub Chosling Welfare and Charitable Society	10.00
		Thegtse Meditation Culture Centre	2.50
		Samten Choeling Educational & Cultural Preservation Society	16.75
		Tawang District Youth Welfare Society	10.38
		Monyul Buddhist Culture Preservation Society	16.50
		Lhomon Culture Development Society	1.50
		Dodum Dol Welfare Society	2.50
Arunachal Pali Vidyapith Society	3.75		
Sotos Welfare and Agro Forestry Society	5.00		
Volunteers Rural Development Society	0.75		



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Sl. NO.	Central Scheme Name	Implementing Agency name	Released from Govt. of India
		Rigdzin Choeling Lhakhang Society	15.00
		Zangdokpalri Foundation for Greater Compassion	7.50
		Trangpodar Welfare Society	3.50
		Tukpen Culture Foundation	13.00
		Thupsang Dhargyelling Himalayan Culture & Tradition Preservation Society	19.00
		Rigdzin Norbu Choeling Gonpa	3.00
		Integrated Development Action and Rural Technology	1.25
		Bui Welfare Society	14.40
		Buddhist Culture Preservation Society Bomdila	22.40
		Gyang Gon Welfare Association	12.50
		Hayang Memorial Agro Industry and Education Trust	7.63
		Youth Action for Social Welfare	24.51
		Kongyom Bagang	0.88
		Mahabodhi Maitri Mandala	9.00
		Monyul Traditional Culture Development Society	14.00
		Mon Palpung Jangchub Choekhorling Kagyu Society	18.80
		North East Vajarayana Buddhist Cultural Association	21.50
		Nikta Bodi	0.88
		Nyia Ko Society	27.50
		Simang Valley Women Welfare Society	3.00
		Thembang Mpcs Ltd	12.50
		Tsun-Gon-Thoog-Jee-Ling Society	20.00
20	Training Schemes	Administrative Training Institute, Naharlagun	22.50
21	Institutional Development for Inclusive Urban Governance, Building Materials And Technology Promotion Council (BMTPC)	Directorate of Economics and Statistics, Arunachal Pradesh	11.00
22	Atal Innovation Mission (AIM) including Self Employment and Talent Utilization (SETU)	Government Secondary School Diyun Atl Grant	12.00
		St Joseph School	12.00
		Vivekananda Kendra Vidyalaya Wessang	12.00
		Govt Hr Sec School Bazarline Seppa	12.00
		Vivekananda Kendra Vidyalaya Seijosa	12.00
		Jawahar Navodaya Vidyalaya East Kameng	12.00
		Govt Gandhi Secondary School Pasighat	12.00
		Kendriya Vidyalaya, Pasighat	12.00
		Jawahar Navodaya Vidyalaya, Lower Subansiri	12.00
		Vivekananda Kendra Vidyalaya Ziro	12.00
		Government Higher Secondary School Chowkham	12.00
		Government Higher Secondary School, Namsai	12.00
		JNV. Roing Atal Tinkering Lab	12.00
		Government Secondary School, Nirjuli	12.00
		Government Higher Secondary School Arunodaya Itanagar	12.00

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Sl. NO.	Central Scheme Name	Implementing Agency name	Released from Govt. of India
		Shr/Arpd/Tawang	12.00
		Jawahar Navodaya Vidyalaya Tawang	12.00
		Govt. Higher Secondary School, Rupa	12.00
23	Environmental Information Systems	Arunachal ENVIS Centre	52.50
24	Rashtriya Gokul Mission	Arunachal Pradesh Livestock Development Society	14.75
25	Khelo India	Sports Authority of Arunachal	4040.71
26	e-Courts Phase II	Registrar General, High Court of Gauhati (Arunachal Pradesh)	284.92
27	DEVELOPMENT OF SKILLS	Jan Shikshan Sansthan, Naharlagun	15.25
28	Apprenticeship and Training	Arunachal Pradesh Skill Development Society	1400.00
29	Research and Development	State Remote Sensing Application Centre of Arunachal Pradesh State Council for Science and Technolog	31.29
		Director (Environment) and Climate Change Centre	10.00
		North Eastern Regional Institute of Science & Technology (NERIST)	74.85
		Rajiv Gandhi University	61.02
30	Development of Nursing Services	Arunachal Pradesh Nursing Council	16.53
31	Small Hydro Power-Grid Interactive	Arunachal Pradesh Energy Development Agency	493.56
32	Small Hydro Power-Grid Interactive	Hydro Power Development Corporation of Arunachal Pradesh Limited	100.00
33	Aid to Voluntary Organisations Working for the Welfare of Scheduled Tribes	Arunachal Pali Vidyapith	4.79
		Bharatiya Adimjati Sevak Sangh (Rupa, Arunachal Branch)	9.85
		Centre For Buddhist Culturalstudies	15.81
		Buddhist Culture Preservation Society Bomdila	67.96
		Ramakrishna Mission Hospital	13.13
		Ramakrishna Mission, Aalo (Along)	147.36
		Ramakrishna Mission, Narottam Nagar	153.05
Ramakrishna Sarada Mission,	75.16		
34	Pradhan Mantri Kisan Sampada Yojana-Integrated Cold Chain & Value Addition Infrastructure	Gangri Food Products	324.76
		Itanagar Municipal Council	0.76
35	NER Textiles Promotion Scheme	Arunachal Pradesh Handloom & Handicrafts Development Society (APHHDS)	332.96
36	Pradhan Mantri Gram Sadak Yojna	Rural Road Development Itanagar	3.75
37	National Rural Livelihood Mission	Arunachal Pradesh State Rural Livelihood Mission	412.80
38	National Service Scheme	Arunachal Pradesh State NSS Cell	146.72
39	National Handloom	Arunachal Pradesh Handloom & Handicrafts Development	3.50

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Sl. NO.	Central Scheme Name	Implementing Agency name	Released from Govt. of India
	Development Programme	Society (APHHDS)	
40	National AIDS and STD Control Programme	Arunachal Pradesh AIDS Control Society	855.15
41	Beti Bachao Beti Padhao	DC BBBP East Kameng	25.00
		Deputy Director (ICDS), Koloriang	25.00
		District Magistrate BBBP Lower Dibang Valley	25.00
		DC- Dibang Valley	19.25
		Deputy Commissioner Upper Siang District	46.17
		Beti Bachao Beti Padhao West Siang	25.00
42	National Young Leaders Programme	Arunachal Pradesh State NSS Cell	3.07
43	Integrated Development of Tourist Circuits around specific themes (Swadesh Darshan)	Arunachal Tourism Society (ATS)	706.54
44	Working Women Hostel	Niaga Welfare Society	60.00
		Bui Welfare Society	56.76
45	One Stop Center	Deputy Commissioner, Anjaw District	43.76
		Deputy Commissioner, Changlang District	43.76
		Deputy Commissioner, East Kameng District, Seppa	43.76
		Deputy Commissioner, Kurung Kumei District, Koloriang	33.76
		Deputy Commissioner, Lohit District, Tezu	43.76
		One Stop Centre Pasighat	30.08
		Deputy Commissioner, Kra-Daadi District, Jamin, Camo-Palin	43.76
		Deputy Commissioner, Lower Subansiri District, Ziro	33.76
		Deputy Commissioner, Longding District	43.76
		Deputy Commissioner, Lower Siang District, Likabali	43.76
		Deputy Commissioner, Namsai District, Namsai	33.76
		District Magistrate One Stop Centre	0.50
		Deputy Commissioner, Lower Dibang Valley District, Roing	43.76
		Deputy Commissioner, Siang District, Pangin	33.76
		Deputy Commissioner, Tawang District, Tawang	33.76
		Deputy Commissioner, Tirap District, Khonsa	33.76
		Osc Daporijo	43.76
		Deputy Commissioner, Dibang Valley District	43.76
		One Stop Centre (Arp-14)	43.76
		One Stop Centre, Bomdila	33.76
Beti Bachao Beti Padhao West Siang	43.76		
<b>Total</b>			<b>17,948.07</b>

Source: - Public Financial Management System (PFMS) portal of the Controller General of Accounts (CGA))

# APPENDICES

## APPENDIX-1.5

### Time Series Data on State Government Finances (Reference: Paragraph 1.11; Page:24)

(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
<b>PART - A (RECEIPTS)</b>					
<b>1. Revenue Receipts</b>	<b>9,136.05</b>	<b>10,553.10</b>	<b>11,779.57</b>	<b>13,774.60</b>	<b>16,195.96</b>
(a) Own Tax Revenue	462.16 (5)	535.07(5)	708.75(6)	815.57 (6)	1068.04(7)
Goods and Service Tax	-	-	-	223.73 (27)	601.00(56)
Taxes on Sales, Trade, etc.:	195.24 (42)	190.22(35)	282.54(40)	285.13 (35)	268.74(25)
State Excise	59.87 (13)	86.33(16)	109.05(15)	122.61 (15)	136.73(13)
Taxes on Vehicles	17.78 (4)	19.30(4)	24.47(3)	31.40 (4)	32.43(3)
Stamp and Registration Fees	3.83 (1)	5.63(1)	5.08(1)	10.42 (1)	9.16(1)
Land Revenue	5.99 (1)	8.89(2)	6.44(1)	13.32 (2)	14.58(1)
Taxes on Goods and Passengers	179.45 (39)	224.70(42)	281.17(40)	128.96 (16)	5.40(1)
(b) Non-Tax Revenue	457.64 (5)	392.12(4)	544.82(5)	366.18 (3)	608.87(4)
(c) State Share in Union Taxes & Duties	1,109.98 (12)	7,075.58(67)	8,388.30(71)	9,238.79 (67)	10,436.14(64)
(d) Grants-in-aid from GoI	7,106.27 (78)	2,550.33(24)	2,137.70(18)	3,354.06 (24)	4,082.91(25)
<b>2. Miscellaneous Capital Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3. Recoveries of Loans &amp; Advances</b>	<b>27.41</b>	<b>5.48</b>	<b>3.79</b>	<b>5.68</b>	<b>5.08</b>
<b>4. Total Revenue and Non-Debt Capital Receipts (1+2+3)</b>	<b>9,163.46</b>	<b>10,558.58</b>	<b>11,783.36</b>	<b>13,780.28</b>	<b>16,201.04</b>
<b>5. Public Debt Receipts</b>	<b>1,540.41</b>	<b>621.10</b>	<b>1,015.27</b>	<b>1,767.27</b>	<b>1,204.97</b>
Internal Debt (excluding Ways & Means Advances and Overdrafts)	407.24	287.92	761.33	1,250.33	1,204.97
Net Transactions under Ways & Means Advances & Overdrafts	1,133.17	333.18	253.94	516.94*	-
Loans & Advances from GoI	-	-	-	-	-
<b>6. Total receipts in the Consolidated Fund (4+5)</b>	<b>10,703.87</b>	<b>11,179.69</b>	<b>12,798.64</b>	<b>15,547.55</b>	<b>17,406.01</b>
<b>7. Contingency Fund Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8. Public Accounts Receipts</b>	<b>4,018.72</b>	<b>6,038.90</b>	<b>6,369.65</b>	<b>5,435.37</b>	<b>7,411.96</b>
<b>9. Total Receipts of Government (6+7+8)</b>	<b>14,722.59</b>	<b>17,218.58</b>	<b>19,168.28</b>	<b>20,982.92</b>	<b>24,817.98</b>
<b>PART - B (EXPENDITURE/DISBURSEMENTS)</b>					
<b>10. Revenue Expenditure</b>	<b>7,156.59</b>	<b>8,362.74</b>	<b>9,394.54</b>	<b>10,900.47</b>	<b>12,429.48</b>
Plan	2,910.88(41)	2,703.34(32)	2,756.14(29)		12,429.48
Non-Plan	4,245.71(59)	5,659.40(68)	6,638.40(71)	10,900.47	
General Services (incl. Interest Payments)	2,062.59(29)	2,518.09(30)	2,767.76(29)	3,484.76 (32)	3,823.32(31)
Social Services	2,358.39(33)	2,556.67(31)	3,046.47(33)	3,950.83 (36)	4,472.42(36)
Economic Services	2,735.61(38)	3,287.98(39)	3,580.31(38)	3,464.88 (32)	4,133.74(33)
<b>11. Capital Expenditure</b>	<b>1,483.18</b>	<b>1,993.25</b>	<b>1,544.01</b>	<b>3,188.10</b>	<b>5,727.43</b>
Plan	1,465.33(99)	1,983.63(100)	1,543.39(100)		5,727.43
Non-Plan	17.85(1)	9.62(-)	0.62 (-)	3,188.10	
General Services	120.70(8)	345.58(17)	113.08	544.92(17)	1,062.03(19)
Social Services	442.51(30)	422.26(21)	579.91	854.80 (27)	1,227.31(21)

	2014-15	2015-16	2016-17	2017-18	2018-19
Economic Services	919.97(62)	1,225.41(62)	851.02	1,788.38 (56)	3,438.09(60)
<b>12. Disbursement of Loans &amp; Advances</b>	<b>4.93</b>	<b>12.98</b>	<b>10.33</b>	<b>5.07</b>	<b>20.16</b>
<b>13. Total of Revenue Expenditure, Capital Expenditure and Disbursement of Loans &amp; Advances (10+11+12)</b>	<b>8,644.70</b>	<b>10,368.97</b>	<b>10,948.88</b>	<b>14,093.64</b>	<b>18,177.07</b>
<b>14. Repayments of Public Debt</b>	<b>1,053.91</b>	<b>1,286.44</b>	<b>586.77</b>	<b>432.24</b>	<b>279.76</b>
Internal Debt (including Ways & Means Advances and Overdrafts)	1,027.38	1,259.95	560.31	405.81	253.40
Loans & Advances from GoI	26.53	26.49	26.46	26.43	26.36
<b>15. Appropriation to Contingency Fund</b>	<b>-NIL</b>	<b>-NIL</b>	<b>-NIL</b>	<b>-NIL</b>	<b>-NIL</b>
<b>16. Total Disbursement out of Consolidated Fund (13+14+15)</b>	<b>9,698.61</b>	<b>11,655.41</b>	<b>11,535.65</b>	<b>14,525.88</b>	<b>18,456.83</b>
17. Contingency Fund Disbursements	-	-	-	-	-
18. Public Account Disbursements	4,922.45	5,360.99	7,560.96	5,561.32	5,996.65
<b>19. Total Disbursements by the State (16+17+18)</b>	<b>14,621.06</b>	<b>17,016.40</b>	<b>19,096.61</b>	<b>20,087.20</b>	<b>24,453.48</b>
<b>PART - C (DEFICIT/SURPLUS)</b>					
<b>20. Revenue Deficit (-)/ Surplus (+) {1-10}</b>	<b>(+) 1,979.46</b>	<b>(+)2,190.36</b>	<b>(+)2,385.03</b>	<b>(+) 2,874.13</b>	<b>(+) 3,766.48</b>
<b>21. Fiscal Deficit (-)/ Surplus (+) {4-13}</b>	<b>(+) 518.76</b>	<b>(+)189.61</b>	<b>(+) 834.48</b>	<b>(-) 313.36</b>	<b>(-) 1,976.03</b>
<b>22. Primary Deficit (-)/ Surplus (+) {21+23}</b>	<b>(+) 869.64</b>	<b>(+)605.25</b>	<b>(+)1,233.71</b>	<b>(+) 154.00</b>	<b>(-) 1,449.93</b>
<b>PART - D (OTHER DATA)</b>					
23. Interest Payments (incl. in Revenue Expenditure)	350.88	415.64	399.23	467.36	526.10
24. Financial Assistance to Local Bodies, etc.,	44.63	26.03	37.67	37.37	54.63
25. Ways & Means Advances/Overdraft availed (days)	33	2	12	-	-
26. Interest on Ways & Means Advances/Overdraft	-	-	-	-	-
27. Gross State Domestic Product (GSDP) <sup>3</sup>	17,959.41	18,509.16	19,626.82	22,231.30	24,489.36
28. Outstanding Fiscal liabilities (year-end)	6,121.96	5,895.15	5,625.09	7,208.50	8,588.42
29. Outstanding guarantees (year-end)	0.97	0.97	0.97	0.97	0.97
30. Maximum Amount Guaranteed (year-end)	2.00	2.00	2.00	2.00	2.00
31. Number of incomplete projects	175	156	156	123	135
32. Capital blocked in incomplete projects	-	-	-	-	- <sup>4</sup>
<b>PART - E (FISCAL HEALTH INDICATORS) {Per cent}</b>					
<b>I - Resource Mobilisation</b>					
33. Own Tax Revenue/GSDP	2.57	2.89	3.61	3.67	4.36
34. Own Non-Tax Revenue/GSDP	2.55	2.12	2.78	1.65	2.49
35. Central Transfers /GSDP	45.75	52.01	53.63	56.64	59.29

<sup>3</sup> GSDP figures furnished by the Directorate of Economics & Statistics, Government of Arunachal Pradesh

<sup>4</sup> Stipulated date of completion is yet not over

## APPENDICES

	2014-15	2015-16	2016-17	2017-18	2018-19
<b>II - Expenditure Management</b>					
36.Total Expenditure <sup>5</sup> /GSDP	48.13	56.02	55.79	63.40	74.22
37.Total Expenditure/Revenue Receipts	94.62	98.26	92.95	102.32	112.23
38.Revenue Expenditure/Total Expenditure	82.79	80.65	85.80	77.34	68.38
39.Expenditure on Social Services/Total Expenditure	32.40	28.73	33.12	34.10	31.36
40.Expenditure on Economic Services/Total Expenditure	42.29	43.53	40.47	37.29	41.74
41.Capital Expenditure/Total Expenditure	17.16	19.22	14.10	22.62	31.51
42.Capital Expenditure on Social and Economic Services/Total Expenditure	15.76	15.89	13.07	18.75	25.67
<b>III - Management of Fiscal Imbalances</b>					
43.Revenue Surplus/GSDP	11.02	11.83	12.15	12.93	15.38
44.Fiscal Deficit (-) or Surplus (+)/GSDP	2.89	1.02	4.25	(-) 1.41	(-) 8.07
45.Primary Deficit (-) or Surplus (+)/GSDP	4.84	3.27	6.29	0.69	(-) 5.92
46.Revenue Surplus/Fiscal Surplus	381.58	1,155.19	285.81	(-) 917.20	(-)190.61
47.Primary Revenue Balance/GSDP					
<b>IV - Management of Fiscal Liabilities</b>					
48.Fiscal Liabilities/GSDP	34.09	31.85	28.66	32.43	35.07
49.Fiscal Liabilities/RR	67.01	55.86	47.75	52.33	53.03
50.Primary Deficit vis-à-vis Quantum Spread	1,699.78	369.01	1,181.15	490.94	(-)1,197.84
51.Debt Redemption (Principal + Interest)/Total Debt Receipts	79.04	120.65	130.11	61.63	66.23
<b>V - Other Fiscal Health Indicators</b>					
52.Return on Investment (₹in crore)	-	-	-	-	
53.Balance from Current Revenue (₹in crore)	(-)1,263.61	2,517.93	3,382.16	-	-
54.Financial Assets/Liabilities (ratio)	1.12	1.13	1.12	1.13	1.14

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

*(Source: Finance Accounts of respective years)*

*\* This was due to rectification of misclassification occurred in 2014-15, the actual ways and means advance is nil during the year.*

<sup>5</sup> Revenue Expenditure, Capital Expenditure and Disbursement of Loans & Advances

## APPENDIX-1.6

Summarised financial position of the Government of Arunachal Pradesh as on  
31 March 2019

(Reference: Paragraph 1.21.1; Page: 53)

(₹ in crore)

As on 31 March 2018	Liabilities		As on 31 March 2019	
	<b>Internal Debt</b>			
	-	Market Loans not bearing interest	-	
	2,244.98	Market Loans bearing interest	3,007.93	
	(-) 0.18	Loans from LIC	0.67	
	422.24	Loans from NABARD	617.34	
<b>3,883.82</b>	124.34	Loans from other Institutions	118.05	<b>4,835.40</b>
	55.64	Ways and Means and Advances	-	
	1,023.47	Special Securities issued to National Small Savings Fund of the Central Government	1,073.92	
	-	Overdraft from Reserve Bank of India	-	
	13.33	Other Loans	17.49	
	<b>Loans and Advances from Central Government</b>			
	36.34	Non-Plan Loans	36.00	
	121.14	Loans for State Plan Schemes	97.00	
<b>205.10</b>	(-) 3.12	Loans for Central Plan Schemes	(-) 4.02	<b>178.74</b>
	11.53	Loans for Centrally Sponsored Plan Schemes	11.52	
	39.21	Loans for Special Schemes	38.23	
	-	Other Ways & Means Advances	-	
<b>0.05</b>	<b>Contingency Fund</b>			
<b>2,002.49</b>	<b>Small Savings, Provident Funds, etc.</b>			
<b>393.07</b>	<b>Deposits</b>			
<b>(-) 348.64</b>	<b>Suspense and Miscellaneous Balances</b>			
<b>723.99</b>	<b>Reserve Funds</b>			
	<b>Surplus on Government Account</b>			
<b>18,892.02</b>	16,017.89	(i) Revenue Surplus as on 31 March 2018	18,892.02	<b>22,658.50</b>
	2,874.13	(ii) Revenue Surplus during the year	3,766.48	
<b>25,751.90</b>	<b>TOTAL</b>			
<b>30,721.70</b>				
As on 31 March 2018	Assets		As on 31 March 2019	
	<b>Gross Capital Outlay on Fixed Assets</b>			
<b>23,378.68</b>	250.02	Investment in Shares of Companies, Corporations, Co-operatives, etc;	250.93	<b>29,106.11</b>
	23,128.66	Other Capital Outlay	28,855.18	
	<b>Loans &amp; Advances</b>			
	10.00	Loans for Power Projects	10.00	
<b>72.92</b>	52.33	Other Development Loans	65.24	<b>88.00</b>
	10.59	Loans to Government Servants and Miscellaneous Loans	12.76	
<b>503.23</b>	<b>Civil Advances</b>			
<b>(-) 445.91</b>	<b>Remittance Balances</b>			
	<b>Suspense and Miscellaneous Balances</b>			

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<b>Cash</b>				
	392.00	Cash in Treasuries and Local Remittances	392.00	
	(-) 7.44	Deposits with Reserve Bank and other Banks	(-) 316.60	
<b>2,243.00</b>	7.97	Departmental Cash Balance	4.87	<b>2,607.49</b>
	0.01	Permanent Advances	0.01	
	1,138.91	Cash Balance Investments	1,498.94	
	711.55	Investment of Earmarked Funds	1,028.27	
<b>25,751.92</b>		<b>TOTAL</b>		<b>30,721.70</b>

(Source: Finance Accounts of respective years)



**Explanatory Notes for Appendices 1.2 and 1.4 and 1.5**

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 1.5**, 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 {₹ 13.23 crore (Debit)} between figures reflected in the accounts {₹ 316.60 crore (credit)} and figures intimated by the Reserve Bank of India {₹ 329.83 crore (debit)} due to misclassification by the Bank/Treasuries {₹ 13.23 crore (Debit)}.

# APPENDICES

## APPENDIX – 2.1

### Statement showing Unutilised Budget Provision during 2018-19

(Reference: Paragraph 2.4.3; Page: 64)

(₹ in crore)

Sl. No	Grant No. & Name	Head of Account/ Description	Budget Provision			Savings
			Original	Supplementary	Total	
1	2-Governor	2012-03-800-03	0.01	0.03	0.04	0.04
		2012-03-04	0.06	0.01	0.07	0.07
2	5-Secretariat Administration	2052-90-34	6.50	0.00	6.50	6.50
3	6-District Administration	4070-800-17	105.80	0.00	105.80	105.80
4	8-Police	04-4055-800-08	16.90	17.50	34.40	34.40
5	9-Motor Garages	3056-800-02	0.90	0.00	0.90	0.90
		04-5056-800-02	3.20	0.00	3.20	3.20
6	11-Social Welfare	04-2235-02-800-26	2.60	0.00	2.60	2.60
		08-2235-02-800-08	0.01	0.00	0.01	0.01
		08-2235-02-800-27	0.01	0.00	0.01	0.01
		04-2236-02-800-01	12.40	0.00	12.40	12.40
7	12-Social Security and Welfare	2235-60-800-04	0.16	0.00	0.16	0.16
8	13-Directorate of Accounts	2071-01-103-01	0.02	0.00	0.02	0.02
		2071-01-108-01	0.01	0.00	0.01	0.01
9	14-Secondary Education	2202-02-108-02	0.15	0.00	0.15	0.15
		04-2202-04-800-04	17.30	0.00	17.30	17.30
		03-4202-01-800-03	103.38	0.00	103.38	103.38
10	19-Industries	04-2230-03-800-14	0.00	0.44	0.44	0.44
		04-2408-01-800-02	13.05	0.00	13.05	13.05
		2852-80-800-06	0.10	0.00	0.10	0.10
		4408-01-103-01	36.16	0.00	36.16	36.16
11	20-Labour	04-2230-01-800-06	0.12	0.00	0.12	0.12
		04-2230-02-800-08	0.07	0.00	0.07	0.07
12	21-Directorate of Sports	03-4202-03-800-27	6.25	0.00	6.25	6.25
13	22-Food and Civil Supplies	2408-02-800-01	21.55	0.00	21.55	21.55
14	23-Forests	2406-01-70-01	0.01	0.00	0.01	0.01
		2406-01-70-02	0.01	0.00	0.01	0.01
		2406-02-110-03	0.01	0.00	0.01	0.01
		2406-02-110-05	0.01	0.00	0.01	0.01
		2406-02-110-26	0.01	0.00	0.01	0.01
		2406-01-101-02	0.01	0.00	0.01	0.01
		08-2406-02-110-27	0.01	0.00	0.01	0.01
		04-3435-60-800-10	0.02	0.00	0.02	0.02
15	24-Agriculture	2401-800-49	0.00	0.08	0.08	0.08
		03-2408-01-800-01	0.00	11.52	11.52	11.52

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Sl. No	Grant No. & Name	Head of Account/ Description	Budget Provision			Savings
			Original	Supplementary	Total	
16	25-Relief, Rehabilitation and Re-settlement	08-2245-02-800-01	0.60	0.00	0.60	0.60
17	26-Rural Works	2402-103-01	5.00	0.00	5.00	5.00
		2402-800-02	1.31	0.00	1.31	1.31
18	27-Panchayat	04-4515-800-06	3.85	0.00	3.85	3.85
19	29-Co-operation	03-2425-108-01	0.00	0.59	0.59	0.59
20	32-Roads and Bridges	07-5054-04-337-08	0.00	0.88	0.88	0.88
21	33-North Eastern Areas	09-2252-01-800-01	0.40	0.00	0.40	0.40
		09-2252-01-800-09	0.56	0.00	0.56	0.56
		09-2252-01-800-16	1.15	0.00	1.15	1.15
		09-2252-01-800-17	0.08	0.00	0.08	0.08
		2552-07-800-01	0.13	0.00	0.13	0.13
		2552-07-800-04	0.10	0.00	0.10	0.10
		2552-13-800-03	1.43	0.00	1.43	1.43
		2552-13-800-04	0.08	0.00	0.08	0.08
		2552-14-800-01	0.09	0.00	0.09	0.09
		2552-15-800-06	0.40	0.00	0.40	0.40
		2552-19-800-01	0.72	0.00	0.72	0.72
		2552-19-800-02	0.72	0.00	0.72	0.72
		2552-19-800-03	0.00	0.01	0.01	0.01
		2552-19-800-71	0.33	0.00	0.33	0.33
		2552-19-800-72	0.14	0.00	0.14	0.14
		2552-19-800-83	0.00	0.01	0.37	0.37
		2552-20-800-01	0.32	0.00	0.32	0.32
		2552-26-800-01	1.11	0.00	1.11	1.11
		2552-27-800-01	0.80	0.00	0.80	0.80
		09-4552-03-800-01	0.13	0.01	0.42	0.42
		09-4552-03-800-02	0.00	0.10	1.76	1.76
		09-4552-03-800-03	0.00	0.01	0.15	0.15
		09-4552-05-800-02	0.80	0.00	0.80	0.80
		09-4552-06-800-01	0.00	0.01	0.11	0.11
		09-4552-06-800-02	0.43	0.00	0.43	0.43
		09-4552-06-800-03	0.00	0.01	0.49	0.49
		09-4552-06-800-06	0.72	0.00	0.72	0.72
		09-4552-06-800-10	0.00	0.50	2.04	2.04
		09-4552-06-800-12	0.56	0.00	0.56	0.56
		09-4552-06-800-13	0.55	0.00	0.55	0.55
		09-4552-06-800-73	0.67	0.00	0.67	0.67
		09-4552-07-800-02	1.27	0.00	1.27	1.27
		09-4552-07-800-03	0.07	0.00	0.07	0.07
		09-4552-07-800-12	0.80	0.00	0.80	0.80
09-4552-07-800-17	0.00	0.01	0.10	0.10		
09-4552-12-800-07	3.20	0.00	3.20	3.20		

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Sl. No	Grant No. & Name	Head of Account/ Description	Budget Provision			Savings
			Original	Supplementary	Total	
		09-4552-12-800-91	0.50	0.00	0.50	0.50
		09-4552-15-800-01	0.37	0.00	0.37	0.37
		09-4552-15-800-05	1.58	0.00	1.58	1.58
		09-4552-15-800-07	1.50	0.00	1.50	1.50
		09-4552-15-800-08	3.89	0.00	3.89	3.89
		09-4552-16-800-02	3.74	0.00	3.74	3.74
		09-4552-16-800-03	3.26	0.05	4.28	4.28
		09-4552-16-800-90	2.06	0.00	2.06	2.06
		09-4552-18-800-01	0.80	0.00	0.80	0.80
		09-4552-18-800-04	0.80	0.00	0.80	0.80
		09-4552-18-800-94	0.80	0.00	0.80	0.80
		09-4552-18-800-97	0.67	0.00	0.67	0.67
		09-4552-19-800-04	0.21	0.00	0.03	0.03
		09-4552-19-800-05	0.72	0.00	0.72	0.72
		09-4552-19-800-07	0.00	0.01	0.10	0.10
		09-4552-19-800-08	0.00	0.01	0.10	0.10
		09-4552-19-800-63	0.54	0.00	0.54	0.54
		09-4552-19-800-85	0.42	0.00	0.42	0.42
		09-4552-20-800-02	0.53	0.00	0.53	0.53
		09-4552-22-800-01	0.73	0.00	0.73	0.73
		09-4552-22-800-03	0.72	0.00	0.24	0.24
		09-4552-22-800-04	0.80	0.00	0.02	0.02
		09-4552-22-800-05	0.80	0.00	0.80	0.80
		09-4552-22-800-06	0.95	0.00	0.95	0.95
		09-4552-22-800-93	0.36	0.00	0.36	0.36
		09-4552-28-800-01	0.21	0.00	0.21	0.21
22	34-Power	08-4801-05-800-23	0.00	16.12	16.12	16.12
		04-2801-05-800-04	25.00	0.00	25.00	25.00
23	36-Statistics	04-3454-01-800-06	0.50	0.00	0.50	0.50
24	38-Water Resource Department	03-2702-80-800-04	0.00	0.60	0.60	0.60
		04-2701-04-800-02	24.50	0.00	24.50	24.50
		03-4702-800-03	126.47	0.00	126.47	126.47
25	42-Rural Development	04-2501-06-800-15	8.50	0.00	8.50	8.50
26	44-Attached Offices of the Secretariat Administration	04-4070-800-17	8.00	0.00	8.00	8.00
27	46-State Public Service Commission	4070-800-01	5.00	0.00	5.00	5.00
28	47-Administration of Justice	2014-800-07	1.30	0.00	0.05	0.05
29	48-Horticulture	04-2401-800-62	14.00	0.00	14.00	14.00
		03-2415-01-800-45	0.00	0.50	1.34	1.34
		04-4401-800-06	61.50	0.00	61.50	61.50
30	49-Science and Technology	03-3425-60-800-01	1.38	0.00	1.38	1.38

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Sl. No	Grant No. & Name	Head of Account/ Description	Budget Provision			Savings
			Original	Supplementary	Total	
31	50-Secretariat Economic Services	04-3451-90-800-04	92.54	0.00	92.54	92.54
		03-4070-800-13	245.00	0.00	245.00	245.00
		04-4070-800-14	2874.83	0.00	2874.83	2874.83
32	57-Urban Development	07-4217-60-051-16	0.00	7.25	7.25	7.25
		08-4217-60-051-17	0.00	14.72	14.72	14.72
33	59-Public Health Engineering	07-4215-01-800-19	24.06	0.00	24.06	24.06
		07-4215-01-800-20	24.06	0.00	24.06	24.06
		07-4215-01-800-21	24.06	0.00	24.06	24.06
34	62-Directorate of Transport	04-3055-800-07	2.45	0.00	2.45	2.45
35	64-Trade and Commerce	2875-10	0.60	0.00	0.60	0.60
		04-2875-60-800-10	0.00	0.10	0.10	0.10
36	68-Town Planning Department	4217-03-800-02	225.04	0.00	225.04	225.04
37	73-Information Technology	04-5425-800-03	81.00	0.00	81.00	81.00
38	74-Social Justice, Empowerment and Tribal Affairs	04-4235-02-800-12	2.50	0.00	2.50	2.50
39	75-Higher and Technical Education	08-2203-105-01	0.00	1.50	1.50	1.50
40	76-Elementary Education	2202-01-800-15	0.00	0.01	5.00	5.00
		2202-01-102-01	5.00	0.00	5.00	5.00
		07-4202-01-800-11	0.00	0.001	1.16	1.16
41	78-Political Department	2251-090-04	0.12	0.00	0.12	0.12
42	79-Department of Skill Development and Entrepreneur	04-4250-800-04	26.94	0.00	26.94	26.94
43	80-Directorate of Medical Education, Training and Research	4210-03-105-03	0.00	6.17	6.17	6.17
44	Public Debt	04-2049-106-01	0.80	0.00	0.80	0.80
<b>Total</b>			<b>4,307.43</b>	<b>78.76</b>	<b>4,396.30</b>	<b>4,396.30</b>

(Source: Appropriation Accounts, 2018-19)

# APPENDICES

## APPENDIX - 2.2

### Statement of various Grants/ Appropriations where Savings was more than ₹ One Crore and more than 20 per cent of the Total Provision (Reference: Paragraph 2.4.5; Page: 67)

(₹ in crore)

Sl. No.	Number and Name of the Grant/ Appropriations	Total	Expenditure	Savings	Percentage	Remarks
<b>Revenue Voted</b>						
1	15-Health and Family Welfare	1,291.18	1,031.98	259.20	20.07	
2	19-Industries	39.99	24.89	15.11	37.78	
3	22-Food and Civil Supplies	221.53	59.09	162.45	73.33	
4	24-Agriculture	288.08	191.00	97.08	33.70	
5	25 Relief, Rehabilitation and Re-settlement	239.13	179.46	59.68	24.96	Reason not intimated
6	33 North Eastern Areas	10.09	4.82	5.27	52.23	Reason not intimated
7	35 Information and Public Relations	54.79	38.42	16.37	29.88	
8	44 Attached Offices of the Secretariat Administration	12.87	9.69	3.18	24.70	Reason not intimated
9	50 Secretariat Economic Services	102.47	43.14	59.33	57.90	
10	52 Sports and Youth Services	11.68	7.47	4.21	36.04	
11	62 Directorate of Transport	7.79	4.75	3.04	39.02	
12	65 Department of Tirap, Changlang and Longding	1.13	0.80	0.33	29.02	
13	67 State Information Commission	4.92	2.82	2.10	42.68	
14	69 Parliamentary Affairs Department	3.97	3.03	0.94	23.68	Reason not intimated
15	70 Administrative Training Institute	9.70	3.76	5.94	61.24	
16	71 Department of Tawang and West Kameng	8.50	2.39	6.10	71.76	
17	74 Social Justice, Empowerment and Tribal Affairs	103.81	66.65	37.16	35.80	
18	79 Department of Skill Development and Entrepreneur	38.03	25.01	13.03	34.26	Reason not intimated
19	80 Directorate of Medical Education, Training and Research	9.71	3.32	6.38	65.71	
20	82 Department of Indigenous Affairs	11.63	8.86	2.77	23.82	
<b>Total of Revenue Voted</b>		<b>2,471.00</b>	<b>1,711.35</b>	<b>759.67</b>	<b>30.74</b>	
<b>Revenue Charged</b>						
21	Public Debt	1,031.90	765.36	266.54	25.83	Reason not intimated
<b>Total of Revenue Charged</b>		<b>1,031.90</b>	<b>765.36</b>	<b>266.54</b>	<b>25.83</b>	
<b>Capital Voted</b>						
22	6 District Administration	105.8	0.00	105.8	100.00	Reason not intimated
23	8 Police	73.20	38.80	34.40	46.99	
24	9 Motor Garages	3.20	0.00	3.20	100.00	Reason not intimated

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Sl. No.	Number and Name of the Grant/ Appropriations	Total	Expenditure	Savings	Percentage	Remarks
25	14 Secondary Education	145.39	13.89	131.49	90.44	
26	15 Health and Family Welfare	430.26	53.16	377.09	87.64	
27	16 Art and Cultural Affairs	13.50	7.40	6.10	45.18	Reason not intimated
28	18 Research	7.45	0.65	6.80	91.28	Reason not intimated
29	19 Industries	73.45	1.63	71.82	97.78	
30	21 Directorate of Sports	51.75	19.91	31.84	61.53	Reason not intimated
31	22 Food and Civil Supplies	27.50	13.88	13.62	49.53	
32	23 Forests	20.50	1.70	18.80	91.71	Reason not intimated
33	24 Agriculture	229.96	8.92	221.05	96.13	
34	27 Panchayat	3.85	0.00	3.85	100.00	Reason not intimated
35	28 Animal Husbandry and Veterinary	62.45	1.66	60.79	97.34	Reason not intimated
36	29 Co-operation	34.86	19.64	15.22	43.66	Reason not intimated
37	30 State Transport	12.00	7.64	4.36	36.33	
38	31 Public Works	683.82	354.99	328.83	48.09	
39	32 Roads and Bridges	1,622.11	847.31	774.79	47.76	
40	33 North Eastern Areas	141.02	97.03	43.98	31.19	
41	35 Information and Public Relations	18.80	7.31	11.49	61.11	
42	36 Statistics	10.04	0.87	9.16	91.24	
43	38 Water Resource Department	331.80	164.73	167.06	50.35	
44	39 Loans to Government Servants	7.03	5.14	1.89	26.88	Reason not intimated
45	40 Housing	36.35	26.85	9.50	26.13	
46	41 Land Management	3.50	2.41	1.09	31.14	Reason not intimated
47	42 Rural Development	93.50	34.58	58.92	63.01	
48	43 Fisheries	5.99	2.77	3.22	53.76	
49	44 Attached Offices of the Secretariat Administration	8.00	0.00	8.00	100.00	Reason not intimated
50	45 Civil Aviation	38.50	18.18	20.32	52.78	
51	46 State Public Service Commission	5.00	0.00	5.00	100.00	Reason not intimated
52	47 Administration of Justice	15.20	10.12	5.18	34.08	
53	48 Horticulture	61.50	0.00	61.50	100.00	Reason not intimated
54	50 Secretariat Economic Services	3,629.83	633.36	2,996.47	82.55	
55	51 Directorate of Library	2.84	1.78	1.06	37.32	
56	52 Sports and Youth Services	3.10	0.54	2.56	82.58	Reason not intimated
57	54 State Tax and Excise	12.10	0.10	12.00	99.17	

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Sl. No.	Number and Name of the Grant/ Appropriations	Total	Expenditure	Savings	Percentage	Remarks
58	61 Geology and Mining	3.15	0.91	2.24	71.11	
59	65 Department of Tirap, Changlang and Longding	65.91	31.94	33.97	51.54	
60	68 Town Planning Department	228.55	109.36	119.18	52.15	
61	70 Administrative Training Institute	5.80	0.82	4.98	85.86	
62	72 Directorate of Prison	47.10	1.10	46.00	97.66	Reason not intimated
63	73 Information Technology	81.00	0.00	81.00	100.00	Reason not intimated
64	74 Social Justice, Empowerment and Tribal Affairs	165.05	126.19	38.85	23.54	
65	75 Higher and Technical Education	97.30	59.86	37.44	38.48	
66	76 Elementary Education	136.00	71.28	64.72	47.59	
67	79 Department of Skill Development and Entrepreneur	26.94	0.00	26.94	100.00	Reason not intimated
68	80 Directorate of Medical Education, Training and Research	26.17	3.60	22.56	86.21	
69	82 Department of Indigenous Affairs	44.50	15.84	28.66	64.40	
<b>Total of Capital Voted</b>		<b>8,952.62</b>	<b>2,817.85</b>	<b>6,134.79</b>	<b>68.53</b>	
<b>Capital Charged</b>						
70	Public Debt	515.38	279.76	235.62	45.72	Reason not intimated
<b>Total of Capital Charged</b>		<b>515.38</b>	<b>279.78</b>	<b>235.62</b>	<b>45.72</b>	
<b>Grand Total</b>		<b>12,970.90</b>	<b>5,574.34</b>	<b>7,396.62</b>	<b>57.02</b>	

(Source: Appropriation Accounts, 2018-19)



## APPENDIX-2.3

**Cases of Substantial Surrenders (50 per cent and above of Total Provisions)  
made during the year**

*(Reference: Paragraph 2.4.7; Page 71)*

*(₹ in crore)*

Sl. No.	Number and Name of the Grants/ Appropriations	Head of Account	Total Provision	Details of Surrender	
				Amount	Percent
1	4-Election	2015-108-01	5.54	4.35	78.52
2	6-District Administration	04-4070-800-17	105.80	105.80	100.00
3	9-Motor Garages	04-5056-800-02	3.20	3.20	100.00
4	14-Secondary Education	03-4202-01-800-03	103.38	98.67	95.44
5	15-Health & Family Welfare	04-4210-80-800-11	430.25	344.59	80.09
6	18-Research	04-4202-04-800-08	7.45	5.54	74.36
7	19-Industries	4408-01-103-01	36.16	35.18	97.29
8	20-Labour	04-4250-800-04	95.50	84.74	88.73
9	21-Directorate of Sports	04-4202-03-800-29	45.50	23.49	51.63
		03-4202-03-800-27	6.25	6.25	100.00
10	23-Forests	04-4406-01-800-02	20.50	18.80	91.70
11	24-Agriculture	04-4435-01-800-02	128.46	104.61	81.43
		04-4435-01-800-01	101.49	101.49	100.00
12	27-Panchayat	04-4415-800-06	3.85	3.85	100.00
13	28-Animal Husbandry & Veterinary	04-4403-800-13	43.70	41.95	95.99
		04-4404-800-04	18.75	18.75	100.00
14	29-Co-Operation	04-4425-800-03	18.82	15.12	80.34
15	33-North Eastern Areas	2552-13-800-03	1.43	1.08	75.52
		2552-01-800-16	1.15	1.15	100.00
		2552-01-800-09	0.56	0.56	100.00
		2552-01-800-01	0.40	0.40	100.00
		2552-07-800-72	0.14	0.14	100.00
		2552-01-800-17	0.08	0.08	100.00
		2552-09-800-04	0.08	0.05	62.5
		2552-07-800-01	2.95	2.95	100.00
16	35-Information & Public Relations	04-4220-60-800-05	18.80	10.74	57.13
17	36-Statistics	04-5475-800-03	10.03	8.55	85.24
18	44-Attached Offices of The Secretariat Administration	04-4070-800-17	8.00	8.00	100.00
19	46-State Public Service Commission	4070-800-01	5.00	5.00	100.00
20	48-Horticulture	04-4401-800-06	61.50	61.50	100.00
21	50-Secretariat Economic Services	04-3451-800-04	92.54	46.38	50.11
		04-4070-800-14	2874.82	2847.09	99.03
22	52-Sports and Youth Services	04-4202-03-800-29	3.10	2.56	82.58
23	54-State Tax and Excise	04-4070-800-17	12.10	10.65	88.10
24	61-Geology and Mining	04-4853-60-800-03	3.15	2.23	70.79
25	62-Directorate of Transport	04-3055-800-07	2.45	2.45	100.00
26	68-Town Planning Department	4217-03-800-02	225.03	112.97	50.20

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Sl. No.	Number and Name of the Grants/ Appropriations	Head of Account	Total Provision	Details of Surrender	
				Amount	Percent
27	70-Administrative Training Institute	04-2070-800-11	5.56	3.97	71.40
28	73-Information Technology	04-5425-800-03	81.00	81.00	100.00
29	79-Department of Skill Development and Entrepreneur	04-4250-800-04	26.94	26.94	100.00
30	80-Directorate of Medical Education, Training and Research	2210-05-105-03	9.70	5.39	55.56
31	Public Debt	2409-01-101-01	450.00	245.25	54.50
<b>Total</b>			<b>5,071.11</b>	<b>4,503.46</b>	<b>88.80</b>

(Source: Appropriation Accounts, 2018-19)

## APPENDIX - 2.4

**Details of Excess Over Provisions during 2018-19**  
(Reference: Paragraph 2.4.9, Page: 71)

(₹ in crore)

Sl. No.	Number and Name of the Grant/Appropriations	Total Grant/ Appropriation	Expenditure	Excess
<b>Revenue Voted</b>				
1	1-Legislative Assembly	74.70	75.27	0.57
2	7-Treasury and Accounts Administration	85.67	89.06	3.39
3	13-Directorate of Accounts	833.34	834.87	1.53
4	43-Fisheries	26.15	28.32	2.16
5	48-Horticulture	90.06	95.04	4.98
6	81-Directorate of Family Welfare	19.43	25.54	6.11
<b>Capital Voted</b>				
7	71-Department of Tawang and West Kameng	10.97	13.89	2.92
<b>Total</b>		<b>1,140.32</b>	<b>1,161.99</b>	<b>21.67</b>

(Source: Appropriation Accounts, 2018-19)

# APPENDICES

## APPENDIX - 2.5

### Statement showing Excess Expenditure relating to Previous Years requiring Regularization (Reference: Paragraph 2.4.10, Page:72)

(₹ in crore)

Year	No. of Grants/ Appropriations	Grants/Appropriations	Excess Amount	Stage of consideration by PAC
1986-87 (UT Period)	13	1,7,11,12,13,15,17,30,32,34,39,40 & 42	6.56	Two meeting of the PAC were held during 2018-19 to discuss Excess/Savings Expenditure over Grants/ Appropriations. However, PAC has not finalized its report recommending regularization of Excess Expenditure.
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	
2015-16	15	5, 7, 13, 14, 16, 26, 43, 48, 51, 53, 65, 67, 71, 76, 97	474.5	
2016-17	15	6, 8, 13, 17, 26, 33, 43, 48, 55, 59, 62, 63, 65, 71, 76	344.92	
2017-18		12, 13, 30, 33, 41, 50, 72, 74, 76	176.99	
<b>TOTAL</b>			<b>3,158.13</b>	

(Source: Appropriation Accounts of the respective years)

## APPENDIX - 2.6

**Cases of Unnecessary Supplementary Provision (₹10 lakh or more in each case)**  
*(Reference: Paragraph 2.4.11, Page: 73)*

(₹ in crore)

Sl. No.	Number and Name of the Grant/Appropriations	Original Provision	Actual Expenditure	Savings out of the Original provision	Supplementary Provision
<b>Revenue Voted</b>					
1	16-Art and Cultural Affairs	10.52	9.39	1.13	0.94
2	19-Industries	38.04	24.89	13.15	1.95
3	37-Legal Metrology and Consumer Affairs	9.37	9.20	0.17	1.26
4	38-Water Resource Department	223.10	203.97	19.13	4.49
5	70-Administrative Training Institute	8.59	3.76	4.83	1.11
<b>Revenue Charged</b>					
6	1-Legislative Assembly	0.59	0.56	0.03	0.26
<b>Capital Voted</b>					
9	30-State Transport	9.00	7.64	1.36	3.00
10	33-North Eastern Areas	104.00	97.03	6.97	37.02
11	51-Directorate of Library	2.10	1.78	0.32	0.74
12	57-Urban Development	260.00	257.81	2.19	49.84
13	62-Directorate of Transport	1.05	0.84	0.21	0.45
14	65-Department of Tirap, Changlang and Longding	50.00	31.94	18.06	15.91
<b>Total</b>		<b>716.36</b>	<b>648.81</b>	<b>67.55</b>	<b>116.97</b>

(Source: Appropriation Accounts, 2018-19)

# APPENDICES

## Appendix - 2.7

### Details of Excessive/ Inadequate Supplementary Provision (₹One crore and above) (Reference: Paragraph 2.4.12, Page:74)

(₹ in crore)

Sl. No.	Number and Name of the Grant/ Appropriation	Details of Budget provisions			Expenditure	Supplementary Provisions	
		Original	Supplementary	Total		Excess(+)/ Less(-)	Per cent
<b>Revenue Voted</b>							
1	1-Legislative Assembly	69.54	5.16	74.70	75.27	(-)0.57	11.05
2	2-Governor	6.65	1.46	8.12	6.85	1.26	86.30
3	3-Council of Ministers	9.99	7.45	17.44	17.39	0.05	0.67
4	4-Election	26.40	48.41	74.82	54.42	20.39	42.12
5	5-Secretariat Administration	129.80	31.14	160.94	160.60	0.34	1.09
6	6-District Administration	287.36	21.13	308.49	296.67	11.82	55.94
7	8-Police	827.68	137.55	965.23	874.09	91.14	66.26
8	9-Motor Garages	7.70	10.30	18.00	17.78	0.22	2.14
9	11-Social Welfare	174.87	85.22	260.09	254.09	6.00	7.04
10	14-Secondary Education	357.75	11.32	369.07	364.23	4.84	42.76
11	15-Health and Family Welfare	720.80	570.37	1291.17	1031.98	259.20	45.44
12	18-Research	12.67	2.08	14.75	14.47	0.28	13.46
13	19-Industries	38.04	1.95	39.99	24.89	15.11	774.36
14	20-Labour	7.20	1.03	8.24	7.96	0.28	26.21
15	21-Directorate of Sports	21.35	17.94	39.29	36.58	2.71	15.11
16	23-Forests	192.88	87.29	280.17	273.21	6.96	7.97
17	24-Agriculture	165.60	122.48	288.08	191.00	97.08	79.26
18	25-Relief, Rehabilitation and Re-settlement	72.97	166.16	239.13	179.46	59.67	35.91
19	26-Rural Works	154.47	53.35	207.82	204.65	3.17	5.94
20	27-Panchayat	101.16	86.65	187.81	186.45	1.36	1.57
21	28-Animal Husbandry and Veterinary	110.65	24.26	134.91	125.48	9.43	38.87
22	29-Co-Operation	12.49	7.99	20.48	19.29	1.19	14.89
23	30-State Transport	98.74	5.31	104.04	102.79	1.26	23.73
24	31-Public Works	219.24	90.20	309.44	277	32.45	35.96
25	32-Roads and Bridges	477.23	495.77	973.00	895.20	77.80	15.69
26	34-Power	685.37	158.44	843.81	842.53	1.28	0.80
27	36-Statistics	16.73	3.20	19.93	19.09	0.84	26.25
28	37-Legal Metrology and Consumer Affairs	9.37	1.26	10.63	9.20	1.43	113.49
29	38-Water Resource Department	223.10	4.49	227.59	203.97	23.63	526.06
30	39-Loans to Government Servants	3.60	3.43	7.03	5.14	1.89	55.10
31	40-Housing	23.71	18.93	42.64	41.92	0.72	3.80
32	41-Land Management	24.96	226.89	251.85	251.82	0.03	0.01
33	42-Rural Development	355.43	94.92	450.35	430.89	19.46	20.50
34	43-Fisheries	20.66	5.49	26.15	28.32	(-)2.17	39.53
35	45-Civil Aviation	39.91	14.96	54.88	51.92	2.96	19.72

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Sl. No.	Number and Name of the Grant/ Appropriation	Details of Budget provisions			Expenditure	Supplementary Provisions	
		Original	Supplementary	Total		Excess(+)/ Less(-)	Per cent
36	47-Administration of Justice	12.77	4.86	17.63	14.95	2.68	55.14
37	48-Horticulture	87.15	2.92	90.06	95.04	(-)4.98	170.21
38	49-Science and Technology	17.44	6.67	24.12	23.99	0.13	1.80
39	53-Fire Protection and Control	18.56	1.73	20.30	19.29	1.00	57.80
40	54-State Tax and Excise	24.61	9.48	34.09	31.85	2.24	23.63
41	56-Tourism	35.70	17.8	53.51	43.06	10.44	58.65
42	57-Urban Development	34.20	160.08	194.28	188.25	6.03	3.77
43	59-Public Health Engineering	404.79	339.80	744.59	732.58	12.01	3.53
44	61-Geology and Mining	13.44	3.45	16.89	16.44	0.45	13.04
45	66-Hydro Power Development	111.74	19.25	130.99	128.59	2.40	12.47
46	68-Town Planning Department	30.16	10.11	40.27	35.65	4.62	45.70
47	70-Administrative Training Institute	8.59	1.11	9.70	3.76	5.94	535.13
48	71-Department of Tawang and West Kameng	7.50	3.47	10.97	13.89	(-)2.92	84.15
49	72-Directorate of Prison	9.36	3.38	12.74	11.64	1.10	32.54
50	73-Information Technology	19.85	28.10	47.96	46.66	1.30	4.59
51	75-Higher and Technical Education	98.12	72.83	170.95	161.48	9.48	13.00
52	76-Elementary Education	950.36	386.31	1336.68	1198.17	138.51	35.85
53	81-Directorate of Family Welfare	13.66	5.78	19.43	25.55	(-)6.11	105.70
54	82-Department of Indigenous Affairs	0.50	11.13	11.63	8.86	2.77	24.89
<b>Revenue Charged</b>							
55	46-State Public Service Commission	7.21	2.07	9.27	9.17	0.11	5.31
<b>Capital Voted</b>							
56	4-Election	4.00	1.79	5.79	4.83	0.95	53.63
57	8-Police	16.90	56.30	73.20	38.80	34.40	61.10
58	11-Social Welfare	0.00	25.93	25.93	21.43	4.50	17.35
59	26-Rural Works	401.86	1636.88	2038.74	1755.73	283.01	17.29
60	29- Co-Operation	1.35	33.51	34.86	19.64	15.22	45.42
61	30-State Transport	9.00	3.00	12.00	7.64	4.36	145.33
62	31-Public Works	85.00	598.82	683.82	355.00	328.83	54.91
63	32-Roads and Bridges	427.00	1195.11	1622.11	847.31	774.79	64.83
64	33-North Eastern Areas	104.00	37.02	141.02	97.03	43.98	118.83
65	34-Power	25.65	309.29	334.95	278.91	56.04	18.12
66	38-Water Resource Department	126.47	205.33	331.80	164.73	167.07	81.37
67	40-Housing	0.00	36.35	36.35	26.85	9.50	26.13
68	41-Land Management	0.00	3.50	3.50	2.41	1.09	31.43
69	47-Administration of Justice	5.70	9.50	15.20	10.02	5.18	54.53
70	57-Urban Development	260.00	49.83	309.84	257.81	52.03	104.39

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Sl. No.	Number and Name of the Grant/ Appropriation	Details of Budget provisions			Expenditure	Supplementary Provisions	
		Original	Supplementary	Total		Excess(+)/ Less(-)	Per cent
71	59-Public Health Engineering	345.31	114.92	460.23	416.43	43.80	38.11
72	65-Department of Tirap, Changlang and Longding	50.00	15.91	65.91	31.94	33.97	213.51
73	66-Hydro Power Development	35.00	32.28	67.28	61.45	5.83	18.06
74	74-Social Justice, Empowerment and Tribal Affairs	97.58	67.47	165.05	126.19	38.86	57.60
75	80-Directorate of Medical Education, Training and Research	0.00	26.16	26.17	3.60	22.56	86.24
	<b>Total</b>	<b>9,606.60</b>	<b>8,173.21</b>	<b>17,779.89</b>	<b>14,913.22</b>	<b>2,866.68</b>	<b>35.07</b>

(Source: Appropriation Accounts, 2018-19)



## Appendix - 2.8

**Injudicious Re-Appropriation resulted in Savings/ Excess of over ₹One Crore**  
(Reference: Paragraph 2.4.13, Page: 74)

(₹ in lakh)

Sl. No.	Number and Name of the Grant/ Appropriation	Head of Account	Re-Appropriation	Excess (+)/ Savings (-)
1	1-Legislative Assembly	04-2011-02-800-02	(-) 1,200.00	(+)158.43
2	6-District Administration	2053-93-01	(-)324.28	(-)767.69
		2053-94-01	(+)233.62	(-)399.49
4	7-Treasury and Accounts Administration	2071-01-117-01	(-)535.00	(+)305.90
3	8-Police	2055-001-01	(-)80.73	(-)2,005.52
		2055-109-01	(+)1,000.00	(-)2,122.21
		2055-114-01	(+)8.75	(-)439.82
		04-2055-800-03	(-)640.00	(+)378.77
4	11-Social Welfare	08-2235-02-102-01	(+)139.71	(-)600.00
5	13-Directorate of Accounts	2071-01-105-01	(+)166.76	(+)7,895.47
6	14-Secondary Education	04-2202-02-800-15	(+)4,609.98	(-)432.44
		04-4202-01-800-28	(-)1,824.85	(-)1,165.66
		04-4202-01-01	(+)471.14	(-)291.34
7	15-Health and Family Welfare	2210-03-110-01	(+)4.82	(-)1,367.92
		2210-06-02	(+)7,742.69	(-)2,724.00
		2210-06-04	(-)7,660.00	(-)140.00
		03-4210-80-800-01	(+)600.00	(-)600.00
		04-4210-80-800-11	(-)36,607.83	(-)1,938.31
		07-4210-80-800-06	(+)948.09	(-)711.05
8	16-Art and Cultural Affairs	2205-001-01	(+)40.00	(-)136.69
		4202-04-800-08	(-)272.80	(-)337.66
9	18-Research	04-4202-04-800-08	(-)554.13	(-)125.78
10	19-Industries	2851-001-01	(-)187.99	(-)110.06
		04-2408-800-25	(+)1,517.99	(-)1,354.21
		04-4851-800-06	(+)98.00	(-)3,664.25
11	21-Directorate of Sports	2204-800-07	(+)522.55	(-)254.07
		04-4202-03-800-29	(-)2,477.00	(+)209.41
12	22-Food and Civil Supplies	2408-02-190-01	(+)351.83	(-)361.83
		2408-02-190-02	(-)5,010.00	(-)10,000.00
		03-2408-02-800-01	(+)1,779.37	(-)1,013.15
		03-2408-102-01	(+)354.59	(-)355.59
		04-5475-800-03	(-)2,479.58	(-)132.82
13	23-Forests	2406-01-001-01	(-)64.97	(-)438.18
14	24-Agriculture	03-2401-800-56	(-)238.69	(-)455.89
		03-2401-800-61	(+)212.24	(-)694.45
		04-4435-01-800-01	(-)10,149.52	(+)151.44
		04-4435-01-800-03	(+)2,169.90	(-)1,574.80
15	25-Relief, Rehabilitation and Re-settlement	08-2245-02-800-02	(+)2,044.24	(-)2,700.00
16	26-Rural Works	2402-001-01	(-)107.49	(-)258.18

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Sl. No.	Number and Name of the Grant/ Appropriation	Head of Account	Re- Appropriation	Excess (+)/ Savings (-)
17	30-State Transport	04-3055-800-07	(-)300.00	(-)100.00
18	31-Public Works	2059-80-001-01	(-)16.02	(-)1067.70
		2059-80-001-02	(+)598.26	(-)1,715.90
		2059-80-001-03	(+)4.22	(-)451.53
19	32-Roads and Bridges	3054-04-001-01	(+)98.51	(-)934.36
		04-3054-04-800-07	(-)2,786.10	(-)633.76
20	33-North Eastern Areas	09-2552-01-800-12	(+)128.60	(-)129.60
		09-4552-03-800-02	(+)165.91	(-)175.91
		4552-06-10	(+)154.07	(-)204.07
		4552-16-800-03	(+)97.10	(-)427.70
		4552-16-800-16	(+)2,034.43	(-)1,187.72
		4552-16-800-46	(+)565.16	(-)2,268.88
		4552-18-68	(+)84.00	(+)100.00
21	34-Power	2801-05-001-01	(+)1,100.33	(-)127.05
22	35-Information and Public Relations	2220-60-800-08	(-)657.00	(-)904.22
23	38-Water Resource Department	04-2702-80-800-13	(+)6,443.30	(-)2,317.30
		04-4711-800-08	(+)12,647.00	(-)15,203.13
24	42-Rural Development	03-2505-702-02	(-)1,387.02	(-)279.31
		2515-001-01	(-)344.00	(-)1,002.50
		04-4515-103-04	(+)6,322.40	(-)3210.00
		04-4515-800-05	(-)8,805.10	(-)199.03
25	45-Civil Aviation	3275-800-01	(+)30.78	(-)283.37
		04-5053-80-800-03	(-)1,014.04	(-)1,018.26
26	47-Administration of Justice	2014-105-03	(+)27.24	(-)183.74
27	48-Horticulture	2401-119-49	(+)853.64	(+)111.11
		03-2415-01-800-45	(+)84.29	(-)134.29
28	50-Secretariat Economic Services	3451-90-01	(+)4,305.79	(-)2173.75
		3451-102-01	(+)309.65	(+)879.73
		4070-800-18	(+)19,355.67	(-)4,438.70
		4070-800-19	(+)19,801.94	(-)2050.15
		04-4070-800-02	(+)654.00	(-)254.10
		04-4070-800-17	(-)16,037.77	(-)8226.19
29	52-Sports and Youth Services	04-2204-800-07	(+)322.00	(-)175.05
30	54-State Tax and Excise	2039-001-01	(+)6.31	(-)102.05
		04-4070-800-17	(-)1,065.17	(-)134.91
31	56-Tourism	5452-01-101-53	(-)1,110.00	(-)1,092.05
32	59-Public Health Engineering	04-2215-01-800-25	(-)2,080.00	(-)600.02
		04-4215-01-800-26	(+)8,858.08	(-)1,910.76
33	60-Textile and Handicraft	2851-800-25	(-)1,434.00	(-)176.07
34	66-Hydro Power Development	2801-05-001-01	(+)740.26	(-)240.10
35	67-State Information Commission	2070-105-01	(-)40.80	(-)169.31
36	68-Town Planning Department	04-2217-03-800-06	(+)677.48	(-)344.65
		4217-03-800-04	(+)11,499.00	(-)600.00
37	70-Administrative Training Institute	04-2070-800-11	(-)386.63	(-)100.00
		04-4070-800-17	(-)80.00	(-)418.00

Sl. No.	Number and Name of the Grant/ Appropriation	Head of Account	Re- Appropriation	Excess (+)/ Savings (-)
38	71-Department Tawang and West Kameng	04-2205-800-08	(-)261.95	(-)372.05
39	72-Directorate of Prison	04-4055-800-08	(-)40.00	(-)4,560.00
40	74-Social Justice, Empowerment and Tribal Affairs	04-2235-02-800-26	(-)2,878.28	(-)4,927.27
		2235-02-17	(+)2,178.59	(+)1,883.82
		2235-02-31	(+)217.44	(-)126.15
		08-4235-02-800-01	(+)250.00	(-)328.86
41	75-Higher and Technical Education	2202-03-103-01	(+)1,145.76	(-)164.87
		04-2202-03-800-12	(+)825.89	(-)321.91
		2203-105-01	(-)180.81	(-)308.68
		03-4202-01-800-26	(+)599.90	(+)400.00
		04-4202-01-800-28	(-)2,582.79	(-)2,357.60
		08-4202-02-104-03	(+)994.60	(-)798.04
42	76-Elementary Education	2202-01-800-15	(+)499.00	(-)500.00
		03-2202-01-800-11	(+)15,782.77	(-)8,566.91
		2202-01-13	(+)10,038.39	(-)5,199.38
		04-4202-01-800-28	(-)11,953.70	(-)1,038.87
		04-4202-01-800-31	(+)4,740.60	(+)999.87
		07-4202-01-800-11	(+)116.17	(-)116.27
43	79-Department of Skill Development and Entrepreneur	04-2230-03-800-14	(-)1,199.36	(-)169.04
44	81-Directorate of Family Welfare	2211-001-01	(+)559.73	(+)299.99
		08-2211-101-01	(+)471.47	(+)210.99
		2211-102-01	(+)98.56	(+)100.45
45	82-Department of Indigenous Affairs	4202-04-800-01	(-)2,550.00	(-)316.23
46	Public Debt	2049-01-123-01	(+)300.00	(+)283.23
		2049-01-200-04	(+)197.11	(-)594.02
		6003-108-03	(-)79.56	(+)244.13
		6003-111-06	(+)1,000.00	(+)1,362.60
		6003-800-01	(+)30.00	(-)230.64

(Source: Appropriation Accounts, 2018-19)

# APPENDICES

## APPENDIX - 2.9

### Details of Savings of ₹ One Crore and Above Not Surrendered (Reference: Paragraph 2.4.15, Page: 75)

(₹ in crore)

Sl. No.	Number and Name of Grant/ Appropriation	Section	Savings	Surrender	Savings to be surrendered
1	6-District Administration	Revenue-Voted	11.82	00	11.82
2	7-Treasury & Accounts Administration	Capital-Voted	3.39	0.00	3.39
3	8-Police	Revenue-Voted	91.14	0.00	91.14
		Capital-Voted	34.40	0	34.40
4	11-Social Welfare	Revenue-Voted	6.00	0	6.00
		Capital-Voted	4.50	0	4.50
5	14-Secondary Education	Revenue-Voted	4.84	0	4.84
		Capital-Voted	131.49	116.92	14.57
6	15-Health and Family Welfare	Revenue-Voted	259.20	0	259.20
7	16-Art and Cultural Affairs	Revenue-Voted	2.06	0	2.06
		Capital-Voted	6.10	2.73	3.37
8	18-Research	Capital-Voted	6.80	5.54	1.26
9	19-Industries	Revenue-Voted	15.11	0	15.11
		Capital-Voted	71.82	35.18	36.64
10	21-Directorate of Sports	Revenue-Voted	2.71	0	2.71
		Capital-Voted	31.84	29.74	2.10
11	22-Food and Civil Supplies	Revenue-Voted	162.45	40.53	121.92
		Capital-Voted	13.62	12.21	1.41
12	23-Forests	Revenue-Voted	6.96	0	6.96
13	24-Agriculture	Revenue-Voted	97.08	0	97.08
		Capital-Voted	221.05	206.11	14.94
14	25-Relief, Rehabilitation and Re- Settlement	Revenue-Voted	59.67	0	59.67
15	26-Rural Works	Revenue-Voted	3.17	0	3.17
		Capital-Voted	283.00	0	283.00
16	27-Panchayat	Revenue-Voted	1.36	0	1.36
17	28-Animal Husbandry and Veterinary	Revenue-Voted	9.43	0	9.43
18	30-State Transport	Revenue-Voted	1.26	0	1.26
		Capital-Voted	4.36	0	4.36
19	31-Public Works	Revenue-Voted	32.45	0	32.45
		Capital-Voted	328.83	0	328.83
20	32-Roads and Bridges	Revenue-Voted	77.80	60.52	17.28
		Capital-Voted	774.79	0	774.79
21	33-North Eastern Areas	Revenue-Voted	5.27	3.46	1.81
		Capital-Voted	43.98	0	43.98
22	34-Power	Revenue-Voted	1.28	0	1.28
		Capital-Voted	56.04	0	56.04
23	35-Information and Public Relations	Revenue-Voted	16.37	7.29	9.08
24	37-Legal Metrology and Consumer Affairs	Revenue-Voted	1.43	0	1.43

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Sl. No.	Number and Name of Grant/ Appropriation	Section	Savings	Surrender	Savings to be surrendered
25	38-Water Resource Department	Revenue-Voted	23.63	0	23.63
		Capital-Voted	167.06	0	167.06
26	39-Loans to Government Servants	Capital-Voted	1.89	0	1.89
27	40-Housing	Capital-Voted	9.50	0	9.50
28	41-Land Management	Capital-Voted	1.09	0	1.09
29	42-Rural Development	Revenue-Voted	19.46	3.44	16.04
		Capital-Voted	58.92	24.83	34.10
30	43-Fisheries	Revenue-Voted	2.16	0	2.16
31	45-Civil Aviation	Revenue-Voted	2.96	0	2.96
		Capital-Voted	20.32	10.14	10.18
32	47-Administration of Justice	Revenue-Voted	2.68	0	2.68
		Capital-Voted	5.18	0	5.18
33	48-Horticulture	Revenue-Voted	4.98	0	4.98
34	50-Secretariat Economic Service	Revenue-Voted	59.33	46.39	12.94
		Capital-Voted	2,996.47	2,847.09	149.37
35	51-Directorate of Library	Capital-Voted	1.06	0	1.06
36	52-Sports and Youth Services	Revenue-Voted	4.21	1.79	2.42
37	54-State Tax and Excise	Revenue-Voted	2.24	0	2.24
		Capital-Voted	12.00	10.65	1.35
38	56-Tourism	Revenue-Voted	10.44	0	10.44
		Capital-Voted	22.02	11.10	10.92
39	57-Urban Development	Revenue-Voted	6.03	0	6.03
		Capital-Voted	52.03	0	52.03
40	59-Public Health Engineering	Revenue-Voted	12.01	0	12.01
		Capital-Voted	43.80	0	43.80
41	60-Textile and Handicraft	Revenue-Voted	12.75	10.82	1.93
42	65-Department of Tirap, Changlang and Longding	Capital-Voted	33.97	0	33.97
43	66-Hydro Power Development	Revenue-Voted	2.40	0	2.40
		Capital-Voted	5.83	0	5.83
44	67-State Information Commission	Revenue-Voted	2.10	0.41	1.69
45	68-Town Planning Department	Revenue-Voted	4.62	0	4.62
		Capital-Voted	119.19	112.97	6.22
46	70-Administrative Training Institute	Revenue-Voted	5.94	4.87	1.07
		Capital-Voted	4.98	0.80	4.18
47	71-Department of Tawang and West Kameng	Revenue-Voted	6.10	2.37	3.73
48	72-Directorate of Prison	Revenue-Voted	1.10	0	1.10
		Capital-Voted	46.00	0.40	45.6
49	73-Information Technology	Revenue-Voted	1.30	0	1.30
50	74-Social Justice, Empowerment and Tribal Affairs	Revenue-Voted	37.16	4.63	32.54
		Capital-Voted	38.85	0	38.85
51	75-Higher and Technical Education	Revenue-Voted	9.48	0	9.48
		Capital-Voted	37.44	9.88	27.56

## APPENDICES

Sl. No.	Number and Name of Grant/ Appropriation	Section	Savings	Surrender	Savings to be surrendered
52	76-Elementary Education	Revenue-Voted	138.51	0	138.51
		Capital-Voted	64.72	63.16	1.56
53	79-Department of Skill Development and Entrepreneur	Revenue-Voted	13.03	11.07	1.96
54	80-Directorate of Medical Education, Training and Research	Capital-Voted	22.56	0	22.56
55	82-Department of Indigenous Affairs	Revenue-Voted	2.77	0	2.77
		Capital-Voted	28.66	25.50	3.16
56	Public Debt	Revenue-Charged	266.54	263.47	3.07
		Capital-Charged	235.62	5.05	230.57
<b>Total</b>			<b>7,567.97</b>	<b>3,991.06</b>	<b>3,576.92</b>

(Source: Appropriation Accounts, 2018-19)

## APPENDIX – 3.1

**Statement showing 100 per cent Transactions Booked under ‘800-Other Expenditure’**  
(Reference: Paragraph 3.2, Page: 85)

(₹ in crore)

Major Head	Description	Total Expenditure under the Major Head	Total Expenditure under ‘800-Other Expenditure’	Percentage to Total Expenditure under the Major Head
2552	North Eastern Areas	4.82	4.82	100
2711	Flood Control and Drainage	7.88	7.88	100
2810	New and Renewable Energy	31.41	31.41	100
2852	Industries	7.16	7.16	100
3275	Other Communication Services	47.24	47.24	100
4059	Capital Outlay on Public Works	363.07	363.07	100
4070	Capital Outlay on Other Administrative Services	658.41	658.41	100
4215	Capital Outlay on Water Supply and Sanitation	416.43	416.43	100
4235	Capital Outlay on Social Security and Welfare	147.62	147.62	100
4552	Capital Outlay on North Eastern Areas	97.03	97.03	100
4711	Capital Outlay on Flood Control Projects	141.40	141.40	100
4801	Capital Outlay on Power Projects	340.36	340.36	100
5055	Capital Outlay on Road Transport	8.13	8.13	100
<b>Total</b>		<b>2270.96</b>	<b>2270.96</b>	<b>100</b>

## APPENDICES

### Appendix – 3.2

#### Statement showing the Fund Parked Outside State Ex- chequer in PFMS Bank Accounts as on 31 March 2019

(Reference: Paragraph 3.4; Page: 85)

(₹ in Crore)

Sl. No.	Department	Amount
1	Agriculture	24.80
2	Animal Husbandry & Veterinary	5.64
3	Disaster Management	70.17
4	Economics & Statistics	0.16
5	Education	284.33
6	Food & Civil Supply	10.59
7	Fisheries	3.20
8	Environment & Forest	18.37
9	Health & Family Welfare	330.65
10	Home	48.39
11	Horticulture	11.73
12	Law & Judicial	0.08
13	Panchayati Raj	12.90
14	PHED	149.09
15	Planning	126.68
16	Power	29.40
17	PWD	61.33
18	Rural Development	179.45
19	RWD	45.10
20	SJETA	161.00
21	Town Planning	110.26
22	Urban Development	29.92
23	Women & Child Development	113.52
24	WRD	11.14
25	Wages	8.33
26	NLCPR	3.19
27	NEC	1.15
<b>Total</b>		<b>1,850.57</b>



## Appendix - 3.3

**Statement showing Parking of Funds Outside Government Accounts**  
(Reference: Paragraph 3.5, Page: 90)

(₹ in lakh)

Sl. No.	Name of the DDOs	Project Name	Amount withdrawal	Month on which amount was withdraw	Remarks
1	DDSE, Passighat	Up-gradation to Model School at Govt. Secondary School, Gandhi, East Siang District.	100.00	March 2019	
		Implementation of Vidya Scheme in East Siang District.	169.60	March 2019	
2	Director, Sports and Youth Affairs	Promotion of Indigenous Games	50.00	March 2019	Kept in the form of Demand Draft
		Training and coaching of Elite Sports Person	60.00	March 2019	
3	Executive Engineer, Itanagar Division, UD & Housing	C/O Land Protection Works at Sidhart Vihar near Gompa Mandir	200.00	March 2019	Kept in the form of Demand Draft
		C/O RCC retaining wall near Biological Zoo Park, Itanagar	100.00	March 2019	
		C/O Viewing Gallery and Artificial turf at RG Stadium, Naharlagun	400.00	March 2019	
		C/O Dorjee Khandu Badminton Academy at Itanagar	1000.00	March 2019	
		C/O CC Pavement road and CC Drain at Burial Ground Chimpu	150.00	March 2019	
<b>Total</b>			<b>2229.60</b>		

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## APPENDIX – 3.4

### Details of Misclassifications noticed in Sanction Orders during 2018-19 (Reference: Paragraph 3.10, page: 94)

(₹ in lakh)

Sl No.	Name of the Schemes	Sanctioning Authority	Head of Accounts where Booked	Section where Booked	Section where to be Booked	Sanctioned Amount
1	Renovation & Augmentation of Water Supply at Domong (Rampa) against Emergency Maintenance work under CE (D&P)	Commissioner (PHE & WS), Govt. of AP	4215-01-800-00-53	Capital	Revenue	35.00
2	Improvement of RCC boundary wall & renovation of Chief Engineers Office (Eastern Zone. CC flooring) & C/o security guard room/parking/protection wall under Poma Division, Papumpare District	Secretary (RWD), Govt. of AP	5054-04-800-02-00-53	Capital	Revenue	50.00
3	For purchase of One Scorpio and Four Bolero	Commissioner (Law)	2014-00-800-01	Revenue	Capital	48.53
4	Payment towards cost of acquisition of private land measuring 41,365 Sq. mtrs for C/o building infrastructure etc. for APP at Daporijo	Under Secretary (Home), Govt. of AP,	2055-00-001-01-00-50	Revenue	Capital	156.11
5	Development/Construction of Tourist Facilitation Center at New Space allotted by Airport Authority of India, LGBI, Guwahati	Secretary (Tourism), Govt. of AP,	3452-80-800-04	Revenue	Capital	3.50
6	Augmentation of Water Supply to Dirang Township under RIDF – 2018-19	Commissioner (PHE & WS), Govt. of AP,	2215-01-102-07-00-50	Revenue	Capital	85.68
7	Providing Water Supply at Lampung Tagampu (R.K. Mission site) and adjoining village under RIDF – 2018-19		2215-01-102-07-00-51	Revenue	Capital	55.00
8	C/o Vehicle Garage (Phase-III)	DC, Siang Dist., Boleng, AP	2053-00-094-01-06-27	Revenue	Capital	1.25
9	C/o Vehicle parking place at EAC's Office Kaying (Phase-I)		2053-00-094-01-06-27	Revenue	Capital	1.25
10	C/o Vehicle parking place at EAC's Office Kaying (Phase-I)		2053-00-094-01-06-27	Revenue	Capital	1.25
11	C/o Vehicle parking place at EAC's Office Kaying (Phase-II)		2053-00-094-01-06-27	Revenue	Capital	1.25
12	C/o Vehicle parking place at EAC's Office Kaying (Phase-II)		2053-00-094-01-06-27	Revenue	Capital	1.25
	C/o Vehicle parking place at EAC's Office Kaying (Phase-III)		2053-00-094-01-06-27	Revenue	Capital	1.25
13	C/o Vehicle parking place at EAC's Office Kaying (Phase-IV)		2053-00-094-01-06-27	Revenue	Capital	1.25
14	C/o Vehicle parking place at EAC's Office Kaying (Phase-V)		2053-00-094-01-06-27	Revenue	Capital	1.25
15	C/o Vehicle parking place at EAC's Office Kaying (Phase-VI)		2053-00-094-01-06-27	Revenue	Capital	1.25
16	The payment of furniture items of HS Residential Office		Secretary, Legislative Assembly, AP	2011-02-101-01-00-13	Revenue	Capital

Sl No.	Name of the Schemes	Sanctioning Authority	Head of Accounts where Booked	Section where Booked	Section where to be Booked	Sanctioned Amount
17	Augmentation of Water Supply at Changlang Township	Commissioner (PHE & WS), Govt. of AP,	2215-01-102-07-00-50	Revenue	Capital	53.18
18	Providing Water Supply for Borduria and adjoining village, Tirap Dist.		2215-01-102-07-00-51	Revenue	Capital	61.72
19	Providing Water Supply at Mariyang ADC Hq.		2215-01-102-07-00-52	Revenue	Capital	425.00
20	Providing of Water Supply at Jomlo Administrative HQ		2215-01-102-07-00-53	Revenue	Capital	426.54
21	C/o RCC Retaining Wall between Qtr. No. 2,3 & 4, T-II at E-Sector, Itanagar	Commissioner (PWD),	2216-01-800-01-00-27	Revenue	Capital	4.97
22	Special Repair & Renovation and Furnishing of Circuit House at Jengging i/c Protection work, Boundary Wall	EE, Yingkiang Division, PWD, AP	4059-80-051-01-00-53	Capital	Revenue	88.27
23	Steel frame structure shed for DG set at Nirman Bhawan	Commissioner (PWD), Govt. of AP, Itanagar	2059-80-800-01-00-27	Revenue	Capital	10.00
24	Provision for engagement of private security at Nirman Bhawan		2059-80-800-01-00-27	Revenue	Capital	5.00
25	C/o of Septic tank to the official residence of Secretary (GA) at "C" Sector, Itanagar		2216-05-800-01-00-27	Revenue	Capital	4.83
26	For purchase of new vehicles Scorpio S11 2WD and Bolero ZLX against DC, Likabali, Lower Siang Dist.	Secretary (DA), Govt. of AP	2053-00-094-01-05-13	Revenue	Capital	23.20
27	Only for procurement of 1 no of jeep Compass vehicle for official use of Smti Gum Tayeng, Hon'ble MLA	Secretary, Legislative Assembly	2011-02-101-02-00-13	Revenue	Capital	15.62
28	Establishment of Kiwi Nursery and Research and Development Centre at Ziro	Secretary (Horti), Govt. of AP	2415-01-800-51	Revenue	Capital	200.00
29	Reval of 5 water sources under Bomdila township	Secretary (Planning & Investment)	4070-00-800-19-00-53	Capital	Revenue	30.00
30	Modification & Renovation of existing office building of CE, PHED(EZ) including furniture & fixtures and water supply connectivity/ C/o storage for O/o Divisional Commissioner & CE's offices at Namsai	Commissioner (PHE & WS), Govt. of AP,	4215-01-800-26-00-53	Capital	Revenue	115.00
31	Renovation of Road from NH-513 to Sisiri river (5.00 km)	Secretary (Planning & Investment)	4070-00-800-19-00-53	Capital	Revenue	47.00
32	Repair and Renovation of wire rope suspension bridge at Magi village		4070-00-800-19-00-53	Capital	Revenue	30.00
33	Repair of Existing WRSB over Siyum river to connect Paya village		4070-00-800-19-00-53	Capital	Revenue	16.00
34	C/o RCC (DS) SP (Capital/Security) office building with Guard Room, Sentry Post, Garage and B/Wall at Ganga Itanagar (Phase-I) under SADA-2018-19	Under Secretary (Home), Govt. of AP,	2055-00-800(04)-02-03-29	Revenue	Capital	500.00
35	C/o RCC (DS) SP (Capital/Security) office building with Guard Room,		2055-00-800(04)-02-	Revenue	Capital	200.00

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Sl No.	Name of the Schemes	Sanctioning Authority	Head of Accounts where Booked	Section where Booked	Section where to be Booked	Sanctioned Amount
	Sentry Post, Garage and B/Wall at Anini (Phase-I) under SADA-2018-19		03-29			
36	C/o RCC (DS) SP (Capital/Security) office building with Guard Room, Sentry Post, Garage and B/Wall at Bomdila (Phase-I) West Kameng Dist under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	200.00
37	C/o RCC SP office Building (Phase-III) at Tawang Dist., Tawang under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	50.00
38	C/o RCC Type-VI-01 No. Quarter, B/Wall, Guard Room, Sentry Post, Garage for DIGP (Central Range) East Siang Dist., Pasighat under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	110.00
39	C/o RCC (DS) Type-V-01 No. Quarter, B/Wall, Guard Room, Sentry Post, Garrage for SP Residence at Anjaw District, Hawai under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	120.00
40	C/o RCC T-IV-01 No. Qtr with Boundary wall for SDPO Balijan being the fund provision under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	65.00
41	C/o RCC T-III-01 No. Qtr with Boundary wall at Paglam under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	50.00
42	C/o RCC Type-II-04 Nos. Qtr (1 unit) at Thirizino, West Kameng District under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	110.00
43	C/o RCC Type-II-04 Nos. Qtr (1 unit) at Ziro Lower Subansiri District under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	110.00
44	C/o RCC Type-II-04 Nos. Qtr (1 unit) at Yazali under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	100.00
45	C/o RCC Type-II-04 Nos. Qtr (1 unit) at Mebo East Siang District under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	100.00
46	C/o RCC Type-II-04 Nos. Qtr (1 unit) at Mechuka under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	120.00
47	C/o RCC Type-II-04 Nos. Qtr (1 unit) at Boleng Siang District under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	100.00
48	C/o RCC Type-II-04 Nos. Qtr (1 unit) at Hayuliang, Anjaw District under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	110.00
49	C/o RCC Type-II-04 Nos. Qtr (1 unit) at Liromoba, West Siang under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	120.00
50	C/o RCC Type-II-04 Nos. Qtr (1 unit) at Gensi, Lower Siang District under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	120.00

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Sl No.	Name of the Schemes	Sanctioning Authority	Head of Accounts where Booked	Section where Booked	Section where to be Booked	Sanctioned Amount
51	C/o RCC Type-II-04 Nos. Qtr (1 unit) at Palin, Kara Daadi Dist. under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	120.00
52	C/o RCC Police Station Building, earth filling, Guard room, Sentry Post, Garrage etc at Lower Siang Dist., Likabali under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	210.00
53	C/o RCC 40 men Barrack, Kitchen, Dining, Toilet & Bathroom at Bameng, East Kameng Dist. Under SADA-2018-9		2055-00-800(04)-02-03-29	Revenue	Capital	150.00
54	C/o RCC 40 men Barrack, Kitchen, Dining, Toilet & Bathroom at Khenewa, East Kameng Dist. Under SADA-2018-9		2055-00-800(04)-02-03-29	Revenue	Capital	150.00
55	C/o RCC 40 men Barrack, Kitchen, Dining, Toilet & Bathroom at Raga Kamle Dist. Under SADA-2018-9		2055-00-800(04)-02-03-29	Revenue	Capital	150.00
56	C/o RCC 40 men Barrack, Kitchen, Dining, Toilet & Bathroom at Jamin, Kara Daadi Dist. Under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	160.00
57	C/o RCC 40 men Barrack, Kitchen, Dining, Toilet & Bathroom at Police Station at Ziro Under SADA-2018-9		2055-00-800(04)-02-03-29	Revenue	Capital	140.00
58	C/o RCC 20 men Barrack, Kitchen, Dining, Toilet & Bathroom alongwith Kote Room Boundary wall and Sentry Post at Dullung Ramghat under Taraso Circle Under SADA-2018-9		2055-00-800(04)-02-03-29	Revenue	Capital	150.00
59	For Extension and Landscaping of Police Station Itanagar & Women P.S at Itanagar under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	161.00
60	For conversion of Police Station Itanagar into Model Police Station Itanagar, Papumpare Dist. Under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	20.00
61	C/o Retaining wall at SP, Office/Ganga Officer Mess at Itanagar under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	120.00
62	C/o Protection wall / Retaining wall to protect landslide / soil erosion of the Police Colony New Seppa, East Kameng Dist under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	100.00
63	C/o Boundary wall around SP office, Seppa, East Kameng Dist. Under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	50.00
64	C/o Boundary wall for SP Residence Koloriang (Phase-II) to complete remaining boundary wall including c/o Guard room, Sentry Post & Iron gate at Koloriang, Kurung Kumey District under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	50.00

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Sl No.	Name of the Schemes	Sanctioning Authority	Head of Accounts where Booked	Section where Booked	Section where to be Booked	Sanctioned Amount
65	C/o Compound wall around Police Station Complex Bameng, East Kameng Dist. Under Sada-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	50.00
66	C/o Retaining wall around Police Station Bameng, East Kameng District under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	20.00
67	C/o Boundary wall / Retaining wall around Police Station at Taliha, Upper Subansiri Dist. Under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	45.00
68	C/o Retaining wall at work site of c/o Type-II_10 Quarters (Sh-Type II Qtrs-06 nos) at Itanagar under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	40.00
69	C/o Boundary wall around Dy. SP residence at Khonsa, Tirap Dist under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	40.00
70	C/o Boundary wall, Sentry Post, Guard room for SP, residence at Anini, Dibang Valley Dist. Under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	65.00
71	C/o Boundary wall around SP, residence at Yinkiong, Upper Siang Dist. Under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	40.00
72	C/o Boundary wall around Police Station at Daporijo under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	30.00
73	C/o RCC Retaining wall, Kitchen, dining & Fencing around Rpeater Station at Daria Hill, Itanagar under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	33.00
74	For Extension of Central Store building (1st floor) including iron racks at PHQ, Itanagar under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	130.00
75	C/o R.P. Gate 4 Men Guard room, Sentry Post at 3rd IRBN HQ at Sijosa under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	10.00
76	For providing of open will with Distribution line including Sintext, Motor & stand at 3rd IRBN HQ Seijosa under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	20.00
77	C/o RCC Overhead Water Tank with Motor Facility at Aalo, West Siang District under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	35.00
78	C/o RCC (DS) Police Station Beat Post at Hapoli Market, Lower Subansiri Dist., Ziro under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	20.00
79	C/o RCC (DS) Tourism Police Booth at Tawang Market, Tawang under SADA-208-19		2055-00-800(04)-02-03-29	Revenue	Capital	20.00
80	For extensioin of Police Station building at Raga, Kamle District under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	20.00

Sl No.	Name of the Schemes	Sanctioning Authority	Head of Accounts where Booked	Section where Booked	Section where to be Booked	Sanctioned Amount
81	C/o RCC Police Station Building at Richkrong, East Kameng Dist under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	150.00
82	C/o Iron Gate Channel at District Kote Seppa, East Kameng Dist under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	2.00
83	C/o Damage Boundary wall at 3rd IRBN HQ Seijosa under SADA-2018-19		2055-00-800(04)-02-03-29	Revenue	Capital	10.00
84	Education Development & Charitable Welfare Society, Mangnam Village, Dist. Tawang	DC, Tawang Dist, Tawang	4202-04-800-07-00-53	Capital	Revenue	4.00
85	Imparting Training on Traditional Music, Arts & Drama		4202-04-800-07-00-53	Capital	Revenue	14.00
86	Celebration of Traditional Festivals, Ceremonies, Commemorations		4202-04-800-07-00-53	Capital	Revenue	5.00
87	Strengthening of DICs	Commissioner (Industries), Govt. of AP, Itanagar	4851-00-800-06-00-53	Capital	Revenue	5.00
88	Strengthening of DICs		4851-00-800-06-00-53	Capital	Revenue	3.00
89	Strengthening of DICs		4851-00-800-06-00-53	Capital	Revenue	6.50
90	Industrial Estates		4851-00-800-06-00-53	Capital	Revenue	5.00
91	Strengthening of DICs		4851-00-800-06-00-53	Capital	Revenue	5.00
92	The cost of 4 Nos. of Bolero vehicles for DTOs of Tawang, Bomdial, Ziro & Mechuka	Secretary (Tourism), Govt. of AP, Itanagar	3452-80-001-01-00-13	Revenue	Capital	33.37
93	The expenses related to FAM Tour for the Stake Holders in Itanagar-Psighat-Boleng-Pangin-Yinkiong-Tuting-Pasigh	Secretary Tourism	3452-80-800-04-00-50	Revenue	Capital	10.00
94	The expenses related to FAM Tour for the Stake Holders in Itanagar-Namsai-Tezu-Hayuliang-Wallong-Kaho-Wakro		3452-80-800-04-00-50	Revenue	Capital	10.00
95	Repair and Maintenance works of Margherita to Changlang	Secretary (Planning & Investment)	4070-00-800-00-00-53	Capital	Revenue	50.00
96	Renovation of School building and Teacher Quarter at Nikte Govt. Secondary School		4070-00-800-00-00-53	Capital	Revenue	70.00
97	Maintenance of road from Kharsang Bet camp		4070-00-800-00-00-53	Capital	Revenue	30.00
98	Conduct of Adventure Youth awareness camp at Miao		4070-00-800-00-00-53	Capital	Revenue	40.00
99	Repair & Maintenance of road Arun Subansiri to Mowb-II		4070-00-800-00-00-53	Capital	Revenue	45.00
100	Renovation of existing DWACRA building/Development of infrastructure for functioning of K.V. School at Namsai		4070-00-800-00-00-53	Capital	Revenue	50.00

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Sl No.	Name of the Schemes	Sanctioning Authority	Head of Accounts where Booked	Section where Booked	Section where to be Booked	Sanctioned Amount
101	Maintenance of DIGP Qtr at Namsai		4070-00-800-00-53	Capital	Revenue	50.00
102	Repair & maintenance of Type-V Govt. qtr. No. 01, P-sector		4070-00-800-00-53	Capital	Revenue	20.00
103	Extension of HT Line at Proposed site of KV Complex		4070-00-800-00-53	Capital	Revenue	50.00
104	Maintenance of Road from Raj-Ali to Tanyo village, Dollungmukh		4070-00-800-00-53	Capital	Revenue	50.00
105	C/o Renovation and Maintenance of Hospital Building at Raga		4070-00-800-00-53	Capital	Revenue	50.00
106	Renovation of DC Residence, Lower Dibang Valley District		4070-00-800-00-53	Capital	Revenue	20.00
107	For purchase of 3 numbers of Bolero vehicles for the office of Dist. Statistics Officer of Anini, Roing and Namsai of Deptt. Economics & Statistics, Govt. of AP	Secretary (Eco. & Statistics), Govt. of AP, Itanagar	3454-01-001-01-00-13	Revenue	Capital	26.92
108	For purchase of one new vehicle SCORPIO against ADC, Nyapin, Kurung Kumey Dist.	Deputy Secretary (DA), Govt. of AP, Itanagar	2053-00-094-01-28-13	Revenue	Capital	12.00
109	C/o CC Pavement near PHC, Kamhua-Noknu	DC, Longding	2515-00-800(04)-10-00-29	Revenue	Capital	10.00
110	C/o CC Pavement near UPS, Kamhua-Noknu	DC, Longding	2515-00-800(04)-10-00-29	Revenue	Capital	10.00
111	C/o of 4 water storage tanks in different parts of Kamhua-Noknu		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
112	C/o water storage tanks at PHC and UPS Kamhua-Noknu		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
113	Extension of Water supply network at Kamhua-Noknu		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
114	C/o Market Shed for economic activity at Kamhua-Noknu		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
115	C/o community toilet near Chief residence at Kamhua-Noknu		2515-00-800(04)-10-00-29	Revenue	Capital	5.00
116	C/o Internal Village road within Kamhua-Noknu		2515-00-800(04)-10-00-29	Revenue	Capital	9.00
117	C/o CC Pavement at Satsa colony, Kamhua-Noknu		2515-00-800(04)-10-00-29	Revenue	Capital	8.00
118	C/o CC Pavement at Chingkhau Colony, Kamhua-Noknu		2515-00-800(04)-10-00-29	Revenue	Capital	8.00



Sl No.	Name of the Schemes	Sanctioning Authority	Head of Accounts where Booked	Section where Booked	Section where to be Booked	Sanctioned Amount
119	Installation of Solar Street Light at Kamhua-Noknu		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
120	C/o CC Pavement Road from BRTF Road to Government Secondary School Niausa Village		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
121	C/o RCC Culvert at Titoh-Kho link road at Niausa Village Part (ii)		2515-00-800(04)-10-00-29	Revenue	Capital	6.67
122	C/o RCC Culvert at Titoh-Kho link road at Niausa Village Part (i)		2515-00-800(04)-10-00-29	Revenue	Capital	6.67
123	C/o 1 unit Bachelor Barrack for Medical Staff at Niausa		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
124	C/o MIC at Ozalo WRC field at Tissing at Niausa Village		2515-00-800(04)-10-00-29	Revenue	Capital	6.66
125	Installation of Solar Street Light at Niausa		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
126	C/o CC Paver Block Road from Soulow-Tong zero '0' point to Chemmo-Pha point at Niausa Village		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
127	C/o CC Paver Block Road from Titokho zero '0' point to Soulow-tong road at Niausa Village		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
128	C/o CC Paver Block Road from Tito-Niaunu Lampong to Tito-kho at Niausa Village		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
129	C/o CC Paver Block Road from BRTF zero 0 point to Tito-Niaunu lampong at Niausa Village		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
130	C/o RCC Culvert at Zero '0' Point BRTF road to Village link road, Niausa		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
131	C/o interlocking paver Block Road at Laichui Kalaptong, Hasse-Rusa		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
132	C/o Interlocking Paver Block Road at Graveyard Area, Hasse-Rusa		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
133	C/o Interlocking Paver Block Road at Nyahsaarai, Hasse-Rusa		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
134	C/o Interlocking Paver Block Road at Tingsa Colony, Hasse-Rusa		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
135	C/o Interlocking Paver Block Road at Wangkham Ngattong, Hasse-Rusa		2515-00-800(04)-10-00-29	Revenue	Capital	10.00

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Sl No.	Name of the Schemes	Sanctioning Authority	Head of Accounts where Booked	Section where Booked	Section where to be Booked	Sanctioned Amount
136	C/o Interlocking Paver Block Road at School Lampong, Hasse-Rusa		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
137	C/o Interlocking Paver Block Road at Tarang Lampong, Hasse-Rusa		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
138	C/o Interlocking Paver Block Road at Akot Colony, Hasse-Rusa		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
139	C/o Interlocking Paver Block Road at Ranthak Lampong, Hasse-Rusa		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
140	C/o Interlocking Paver Block Road at Napho colony, Hasse-Rusa		2515-00-800(04)-10-00-29	Revenue	Capital	10.00
141	For purchase of Vehicles for District Administration through Information Technology Department	Deputy Secretary (GA), Govt. of AP, Itanagar	2052-00-090-02-00-13	Revenue	Capital	621.39
142	The cost of one new vehicle Innova Crysta for the Chief Secretary		2052-00-090-02-00-13	Revenue	Capital	13.50
143	Procurement of one No. of Scorpio vehicle	Secretary LA, AP, Itanagar	2011-02-101-02-00-13	Revenue	Capital	15.62
144	To meet up the expenditure in connection with maintenance of Academic Building for Class I-VIII at VKV Gaga under United Fund for the year 2018-19	Addl. DC, Nyapin, Kurung Kumey Dist., AP	4070-00-800-18-00-53	Capital	Revenue	10.00
145	To meet up the expenditure in connection with maintenance of Principal Office at VKV Gaga under United Fund for the year 2018-19		4070-00-800-18-00-53	Capital	Revenue	10.00
146	To meet up the expenditure in connection with maintenance of Girls Hostel at VKV Gaga under United Fund for the year 2018-19		4070-00-800-18-00-53	Capital	Revenue	10.00
147	To meet up the expenditure in connection with maintenance Bachelor Barrack IV Unit -1 No. at VKV Gaga under United Fund for the year 2018-19		4070-00-800-18-00-53	Capital	Revenue	10.00
148	To meet up the expenditure in connection with maintenance Bachelor Barrack IV Unit at VKV Gaga under United Fund for the year 2018-19		4070-00-800-18-00-53	Capital	Revenue	10.00
<b>Total</b>						<b>8509.91</b>

## Appendix – 3.5

**Statement showing Bodies and Authorities, Accounts of which were not received**  
(Reference: Paragraph 3.15, Page: 97)

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 2018-19	19(1)
2	Central School for Tibetans, Miao	NGO	2009-10 to 2018-19	14 (1)
3	District Rural Development Agency, Along	State AB	2009-10 to 2018-19	14 (1)
4	District Rural Development Agency, Anini	State AB	2009-10 to 2018-19	14 (1)
5	District Rural Development Agency, Bomdila	State AB	2009-10 to 2018-19	14 (1)
6	District Rural Development Agency, Changlang	State AB	2009-10 to 2018-19	14 (1)
7	District Rural Development Agency, Daporijo	State AB	2009-10 to 2018-19	14 (1)
8	District Rural Development Agency, Khonsa	State AB	2015-16&2018-19	14 (1)
9	District Rural Development Agency, Pasighat	State AB	2009-10 to 2018-19	14 (1)
10	District Rural Development Agency, Tezu	State AB	2009-10 to 2018-19	14 (1)
11	District Rural Development Agency, Tawang	State AB	2009-10 to 2018-19	14 (1)
12	District Rural Development Agency, Yingkiong	State AB	2009-10 to 2018-19	14 (1)
13	District Rural Development Agency, Ziro	State AB	2009-10 to 2018-19	14 (1)
14	District Rural Development Agency, Seppa	State AB	2015-16&2018-19	14 (1)
15	District Rural Development Agency, Roing	State AB	2015-16&2018-19	14 (1)
16	Donyi Polo Mission, Itanagar	NGO	2015-16&2018-19	14 (1)
17	Member Secretary, Arunachal Pradesh State Council for Science & Technology	State AB	2014-15 to 2018-19	14 (1)
18	Ram Krishna Mission, Vivekananda Nagar Along	NGO	2005-06 to 2018-19	14 (1)
19	Ram Krishna Mission, Narottam Nagar Deomali	NGO	2011-12 to 2018-19	14 (1)
20	Ram Krishna Mission Hospital, Itanagar	NGO	2011-12 to 2018-19	14 (1)
21	Ram Krishna Mission, Khonsa	NGO	2005-06 to 2018-19	14 (1)
22	Arunachal Pradesh Building & Other Constructions Workers Welfare Board, Naharlagun	State AB	2017-18 & 2018-19	19 (2)
23	Arunachal Pradesh State Legal Service Authority, Itanagar	State AB	2018-19	19 (2)
24	Arunachal Pradesh State Electricity Regulatory commission	State AB	2018-19	19 (2)
25	State Compensatory Afforestation Fund & Planning Authority	State AB	2010-11 to 2018-19	19 (2)

(AB:- Autonomous Bodies, NGO:-Non-Governmental Organisations)

## APPENDICES

### APPENDIX – 3.6

**Details of Outcomes of Public Accounts Committee meeting held in August,  
October 2018 and September 2019**  
(Reference: Paragraph 3.16.2, Page: 98)

Sl No	Date on PAC held	Grant No/ Department	Year of Accounts	No. of Grants discussed
1	06 August 2018	26 Rural Works Department	2012-13	01
2	08 August 2018	57 Urban Development & Housing	2009-10, 2012-13, 2014-15, 2016-17 & 2017-18	05
3	25 October 2018	08 Home	2009-10 & 2016-17	02
		46 Public Service Commission	2008-09 to 2017-18	09
		05 Secretariat Administration	2010-11	01
4	26 October 2018	11 Social Welfare	2009-10 & 2010-11	02
		59 Public Health Engineering	2010-11 to 2017-18	07
		51 Library	2010-11	01
		52 Sports & Youth Affairs	2012-13	01
		68 Town Planning	2017-18	01
		29 Cooperation	2017-18	01
		04 Election	2009-10, 2010-11, 2011-12, 2012-13, 2015-16, 2016-17 & 2017-18	07
5	29 October 2018	15 Health & Family Welfare	2008-09 to 2016-17	08
		23 Forest	2009-10	01
6	23 September 2019	21 Tax & Excise	2009-10	01
		69 Parliamentary Affairs	2009-10, 2010-11, 2012-13	03
		27 Panchayati Raj	2008-09, 2012-13, 2013-14, 2014-15, 2015-16	05
7	24 September 2019	36 Economics & Statistics	2012-13	01
		23 Forest	2009-10	01
		29 Co-operation	2016-17	01
<b>Total</b>				<b>59</b>



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