

**GOVERNOR'S SECRETARIAT
ARUNACHAL PRADESH
ITANAGAR**

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PRESS RELEASE**

Governor briefed on financial status

The Governor of Arunachal Pradesh Shri JP Rajkhowa called an emergency meeting on 7th April 2016 to discuss about the alleged overdraft of around Rs. 500 crores by the State Government as reported in certain section of the print media. The Chief Secretary Smt Shakuntala Gamlin, IAS and Commissioner Finance, Ashish Kundar, IAS attended the meeting. It was reported in the media that the RBI is reported to have directed the SBI to stop transaction in Arunachal Pradesh because of overdraft.

The Commissioner Finance informed, that the newspaper report on purported overdraft is utterly baseless and untrue. In fact the financial situation of the state is sound and it's a normal practice in the month of April and May every year to observe financial prudence in view of reconciliation of accounts for the previous year is done by AG and RBI Treasury office. There is no iota of truth that RBI has stopped the treasury operation of the state. The cash inflows of Central share of taxes are due and expected soon; all payments will be honored by the state government, the Commissioner Finance clarified in the meeting.

He further informed the Governor, that the State Government has released the civil deposits pertaining to many CSS projects pending from FY 2014-15 and released payments of all major projects, pending salary and wages including that of SSA, NHRM and of those employee who were recruited earlier in the delinked CSS projects, the Commissioner further clarified.

In order to assuage public apprehension on the issue of "Financial Mess", the Governor advised the Chief Secretary to issue a Press Statement immediately clarifying the position. Accordingly Commissioner Finance issued a Press release on 7th April itself and endorsed a copy to the Governor's Secretariat. The Press Release is reproduced below for general information.

"A News report appearing in certain section of media suggested that the Arunachal Pradesh State is in overdraft and the treasury operation was stopped on the advice of RBI is completely inaccurate. The factual position is that the Government is fully utilizing the allotted budget for the year 2015-16 honoring its commitment, to fully utilize the resource allocation made by Government of India. In fact the Government has even discharged liabilities of genuine work done under Civil Deposit, TFC etc of the financial year 2014-15 to avoid hardships to people.

Apart from the allocated budgetary resources RBI has opened a window of ways and means advance and special drawing facility to the extent of Rs.390 Crores. Government of Arunachal Pradesh has so far utilized Rs.19.24 crores out of this facility. The finance department is maintaining a close watch on fiscal situation and availability of cash resources for prudent financial management. It is a normal practice that during the month of April and May financial year reconciliation of accounts are carried out by AG office/ RBI and Government Treasury on financial accounts of the previous financial year. It is only because of this reason that for the time being Treasury operations other than payments of salary wages and pensions is temporarily postponed till finalization of accounts".

PRO to Governor
Arunachal Pradesh
ITANAGAR, April 8, 2016

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