



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



सत्यमेव जयते

ACCOUNTS AT A GLANCE

for the year
2021-22



GOVERNMENT OF ARUNACHAL PRADESH

**PRINCIPAL ACCOUNTANT GENERAL
ARUNACHAL PRADESH
ITANAGAR**



Accounts At A Glance for the year **2021-22**

**Principal Accountant General,
Arunachal Pradesh
Itanagar**



**GOVERNMENT OF
ARUNACHAL PRADESH**

Preface

I am happy to present the twenty-second issue of our annual publication, 'ACCOUNTS AT A GLANCE' for the financial year 2021-22, which provides a broad overview of the Government activities, as reflected in the Finance Accounts and Appropriation Accounts for the year.

Finance Accounts are summary Statements of Accounts of the State under the Consolidated Fund, Contingency Fund and Public Account of the State. Appropriation Accounts record Grant-wise expenditure against the provisions approved by the State Legislature and have explanations for the variations between actual expenditure and funds allocated.

Finance and Appropriation Accounts are prepared annually by my Office under the guidance and direction of the Comptroller & Auditor General of India in accordance with the requirements contained in the Comptroller and Auditor General's (Duties, Powers & Conditions of Service) Act, 1971, for being laid before the State Legislature.

We look forward to any feedback from readers, which would help us in improving the publication.



PLACE: ITANAGAR
DATE: 11 January 2023

(CHERRING ANGRUP BODH)
PRINCIPAL ACCOUNTANT GENERAL

Our Vision, Mission and Core Values

VISION

(The vision of the institution of the Comptroller and Auditor General of India represents what we aspire to become.)

We strive to be a global leader and initiator of national and international best practices in Public Sector Auditing and Accounting and recognized for independent, credible, balanced and timely reporting on Public Finance and Governance.

Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders: the Legislature, the Executive and the Public, that public funds are being used efficiently and for intended purposes.

MISSION

(Our mission enunciates our current role and describes what we are doing today.)

CORE VALUES

(Our core values are the guiding beacons for all that we do and give us benchmarks for assessing our performance.)

- Independence
- Objectivity
- Integrity
- Reliability
- Professional Excellence
- Transparency
- Positive Approach

Table of Contents

	Page No.
Chapter 1	Overview
1.1	Introduction 1
1.2	Structure of Accounts 2
1.3	Finance Accounts and Appropriation Accounts 4
1.4	Sources and Application of Funds 6
1.5	Fiscal Responsibility and Budget Management (FRBM) Act, 2006 9
Chapter 2	Receipts
2.1	Introduction 13
2.2	Revenue Receipts 13
2.3	Tax Revenue Receipts 15
2.4	State's own Tax Revenue Collection and State Share of Union Taxes 16
2.5	Trend in State Share of Union Taxes 17
2.6	Cost of Tax Collection 17
2.7	Grants-in-Aid 18
2.8	Public Debt 19
Chapter 3	Expenditure
3.1	Introduction 20
3.2	Revenue Expenditure 21
3.3	Capital Outlay 23
3.4	Committed Expenditure 26
Chapter 4	Appropriation Accounts
4.1	Summary of Appropriation Accounts for 2021-22 27
4.2	Trend of Savings/Excess during the past five years 27
4.3	Significant Savings 28

		Page No.
Chapter 5	Assets and Liabilities	
5.1	Assets	30
5.2	Debt and Liabilities	31
5.3	Guarantees	32
Chapter 6	Other Items	
6.1	Adverse Balances under Internal Debt	33
6.2	Loans and Advances by the State Government	33
6.3	Financial Assistance to Local Bodies and Others	33
6.4	Cash Balances and Investment of Cash Balance	35
6.5	Reconciliation of Accounts	35
6.6	Submission of Accounts by Accounts Rendering Units (ARUs)	35
6.7	Unadjusted Abstract Contingent (AC) Bills	36
6.8	Status of Suspense and Remittance Balance	36
6.9	Status of Outstanding Utilization Certificates	37
6.10	Commitments on account of incomplete Capital Works	38
6.11	National Pension System	38
6.12	Personal Deposit Accounts	39
6.13	Investments	39
6.14	Status of Reserve Funds	39
6.15	Accounting of Building and Other Constructions Workers Welfare Cess	41
6.16	Booking under Minor Head-800- Other Expenditure and Other Receipts	42
6.17	Interest Adjustment	42
6.18	Expenditure on Ecology and Environment	43
6.19	Unspent amount lying in the Bank Accounts of Single Nodal Agency (SNA)	43
6.20	Restructuring of Centrally Sponsored Schemes (CSSs)/ Additional Central Assistance (ACA) excluding Block Grants	43
6.21	MH 8670 Cheques and Bills	43
6.22	Cash Balance	44
6.23	Impact on Revenue Expenditure	44

Chapter I

Overview

1.1 Introduction

The Principal Accountant General, Arunachal Pradesh collates, classifies, compiles Accounts data rendered by multiple agencies, and prepares Accounts of the Government of Arunachal Pradesh. The compilation is done from the initial Accounts rendered by 31 District Treasuries/ Sub Treasuries, 51 Public Works Divisions, 24 Urban Development & Housing Divisions, 28 Water Resources Divisions, 32 Public Health Engineering Divisions, 21 Department of Hydro Power Divisions, 35 Power Divisions, 31 Rural Works Divisions and 48 Forest Divisions and advices of the Reserve Bank of India. Every month, a Monthly Civil Account is presented by the Office of the Principal Accountant General to the Government of Arunachal Pradesh. The Principal Accountant General also prepares, annually, Finance Accounts and Appropriation Accounts, which are placed before the State Legislature after audit by the Principal Accountant General, Arunachal Pradesh, and certification by the Comptroller and Auditor General of India.

1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

Diagram 1: Structure of Government Accounts

Part 1 CONSOLIDATED FUND

All revenues received by the Government, including Tax/ Non-Tax revenue, Loans raised and repayment of Loans given (including Interest thereon) form the Consolidated Fund of the State Government.

All expenditure and disbursements of the Government, including release of Loans and repayments of Loans taken (and Interest thereon), are met from this fund.

Contingency Fund is in the nature of an Imprest, intended to meet unforeseen expenditure, not provided in the Budget, pending authorization by the Legislature. Such expenditure is subsequently recouped from the Consolidated Fund.

The corpus of this fund for the Government of Arunachal Pradesh is ₹ 0.05 crore.

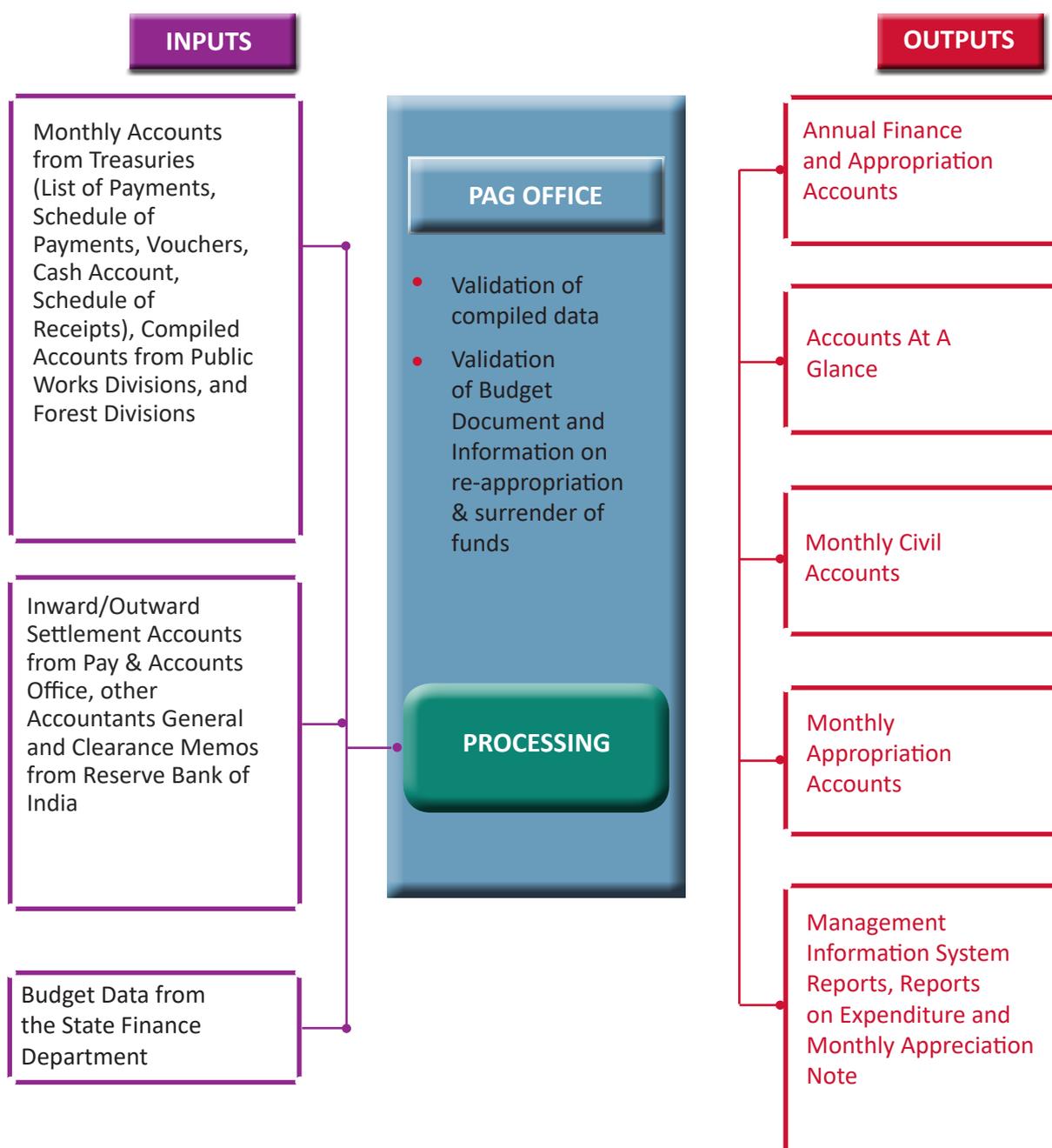
Part 2 CONTINGENCY FUND

Part 3 PUBLIC ACCOUNT

In Public Account, transactions relating to Debt (other than those included in Part-1), 'Deposits', 'Advances' [in respect of which Government incurs a liability to pay money received or has a claim to recover amounts paid, together with repayments of the former (Debt and Deposits) and recoveries of the latter (Advances)], 'Remittances' and 'Suspense' (embracing all merely adjusting Heads under which shall appear such transactions as remittances of cash between Treasuries and currency chests and transfer between different accounting circles) shall be recorded. Initial debits or credits of such Heads will be eventually cleared by corresponding receipts or payments, either within the same Circle or in another Account Circle or by booking to the final Heads of Accounts.

1.2.2 Compilation of Accounts

Diagram 2: Flow diagram for Accounts Compilation



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

Finance Accounts depict receipts and disbursements of the Government for the year, together with financial results disclosed by Revenue and Capital Accounts, Public Debt and Public Account balances recorded in the Accounts. Finance Accounts have been prepared in two Volumes, in a new format since 2014-15, to make them more comprehensive and informative. Volume-I of the Finance Accounts contains the Certificate of the Comptroller and Auditor General of India, summarized Statements, overall receipts and disbursements and 'Notes to Accounts', containing a summary of significant Accounting Policies, quality of Accounts and other items. Volume-II contains Detailed Statements (Part-I) and Appendices (Part -II).

The Union Government transfers substantial funds directly to State Implementing Agencies/ NGOs for implementation of various Schemes/ Programmes. This year, the Government of India directly released ₹ 1,914.35 crore to such Agencies. Since these funds are not routed through the State Budget, they are not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix-VI of Volume-II of the Finance Accounts.

1.3.2 Financial Highlights of 2021-22

The following Table provides details of actual financial results vis-à-vis Budget Estimates for 2021-22:

Table 1: Highlights of Accounts

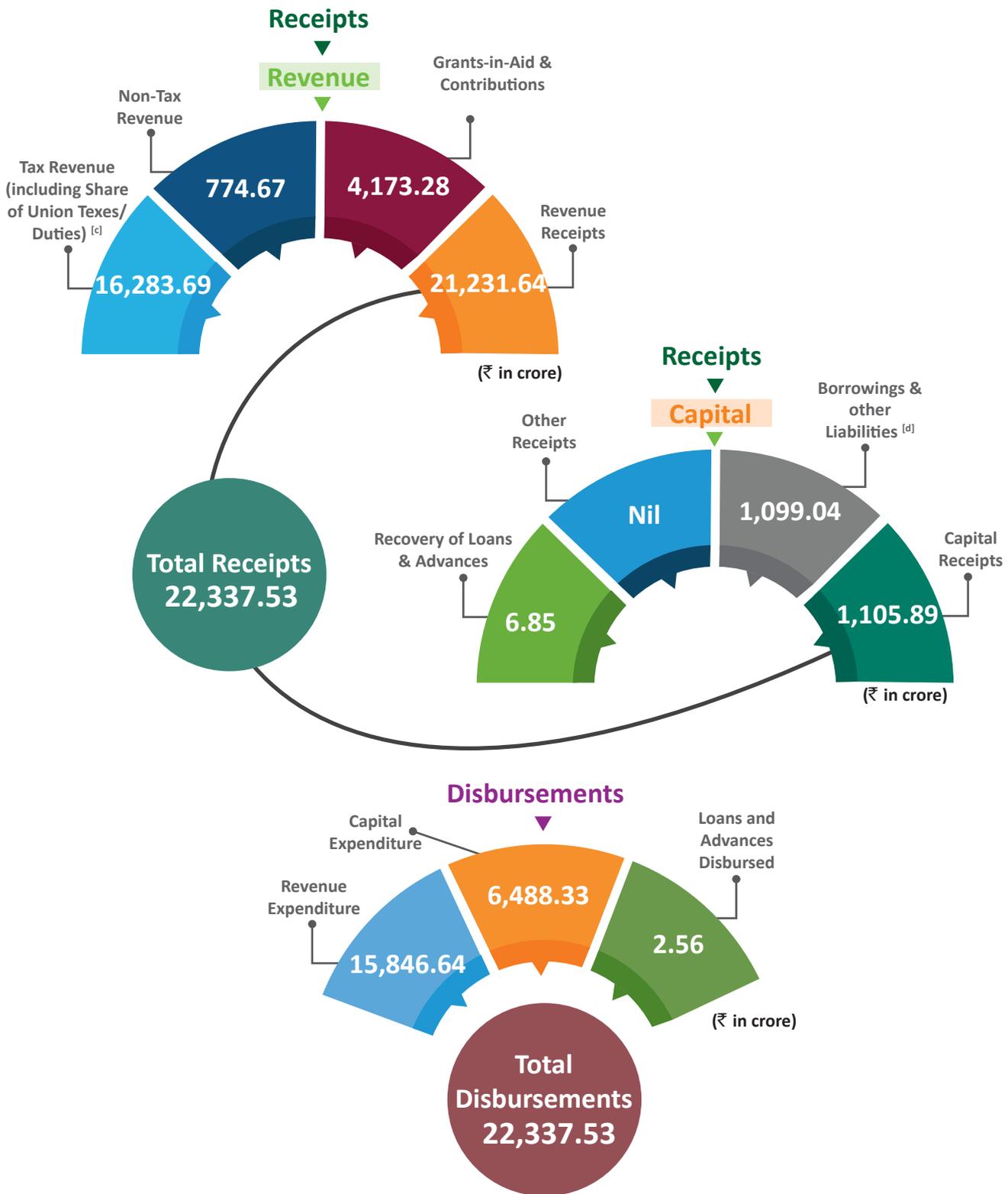
Sl. No.	Component	Budget Estimate (₹ in crore)	Actuals (₹ in crore)	Percentage of Actuals to BE	Percentage of Actuals to GSDP#
1.	Tax Revenue (including share of Union Taxes/ Duties) ^(a)	13,593.94	16,283.69	119.79	48.67
2.	Non-Tax Revenue	850.00	774.67	91.14	2.32
3.	Grants-in-Aid & Contributions	6,646.93	4,173.28	62.79	12.48
4.	Revenue Receipts (1+2+3)	21,090.87	21,231.64	100.67	63.46
5.	Recovery of Loans & Advances	10.00	6.85	68.50	0.02
6.	Other Receipts	0.00	0.00	0.00	0.00
7.	Borrowings & Other Liabilities ^(b)	578.50	1,099.04	189.98	3.29
8.	Capital Receipts (5 + 6 + 7)	588.50	1,105.89	187.92	3.31
9.	Total Receipts (4+8)	21,679.37	22,337.53	103.04	66.76
10.	Revenue Expenditure	15,344.32	15,846.64	103.28	47.37
11.	Expenditure on Interest Payments and Servicing of Debt (<i>out of Revenue Expenditure</i>)	826.27	777.62	94.12	2.33
12.	Capital Expenditure	6,328.05	6,488.33	102.54	19.40
13.	Loans & Advances Disbursed	7.00	2.56	36.58	0.01
14.	Total Expenditure (10+12+13)	21,679.37	22,337.53	103.04	66.76
15.	Revenue Surplus (+)/Deficit (-) {4 – 10}	5,746.55	5,385.00	93.71	16.10
16.	Fiscal Surplus (+)/Deficit (-) (4+5+6-14)	-578.50	-1,099.04	189.98	3.29

^(a) Includes share of Net (Tax) proceeds assigned to the State amounting to ₹ 14,643.90 crore. (State Government Own Tax receipts were ₹ 1,639.79 crore, which was 4.90 per cent of GSDP).

^(b) Borrowings and other Liabilities: Net (Receipts-Disbursement) of Public Debt + Net of Contingency Fund + Net (Receipts – Disbursement) of Public Account + Net of Opening and Closing Balance.

GSDP figure (₹ 33,459.15 crore) on current prices is taken from Department of Economics & Statistics, Government of Arunachal Pradesh, in May 2022, as the same was not available on the website of Ministry of Statistics and Programme Implementation, Government of India.

Diagram 3: Receipts and Disbursements in 2021-22



^(c) Includes share of net (tax) proceed assigned to the state amounting to ₹ 14,643.90 crore. (State Government Own Tax receipts were ₹ 1,639.79 crore which was 4.90 per cent of GSDP)

^(d) Borrowing and other Liabilities: Net (Receipts-Disbursement) of Public Debt + Net of Contingency Fund + Net (Receipts-Disbursement) of Public Account + Net of opening and closing balance.

1.3.3 Appropriation Accounts

Under the Constitution, no expenditure can be incurred by the Government except with authorisation of the Legislature. Barring certain expenditure specified in the Constitution as 'charged' on the Consolidated Fund, which can be incurred without vote of the Legislature, all other expenditure requires to be 'voted'. Appropriation Accounts supplement the Finance Accounts. The Budget of the Arunachal Pradesh has 04 Charged Appropriations, 77 voted Grants and 02 charged and voted Grants. The purpose of Appropriation Accounts is to indicate the extent to which Actual Expenditure complied with the appropriation authorised by the Legislature through the Appropriation Act of each year.

1.3.4 Efficiency on Budget Preparation

At the end of the year, Actual Expenditure of the Government of Arunachal Pradesh against the Budget approved by the Legislature, showed Net Savings of ₹ 4,986.35 crore (17.86 *per cent* of Estimates) and under-estimation of ₹ 242.29 crore on reduction of expenditure. Certain Grants related to Secondary Education, Forests, Relief, Rehabilitation and Re-settlement, Secretariat Economic Services, Town Planning Department, Panchayats, Rural Works Department, and Land Management showed substantial savings.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

Ways and Means Advances are taken from the Reserve Bank of India to maintain liquidity by making good the deficiency in the agreed minimum cash balance (₹ 0.26 crore), which the State Government is required to maintain with the RBI. During 2021-22, the Government of Arunachal Pradesh did not resort to OD facilities or WMA.

1.4.2 Fund Flow Statement

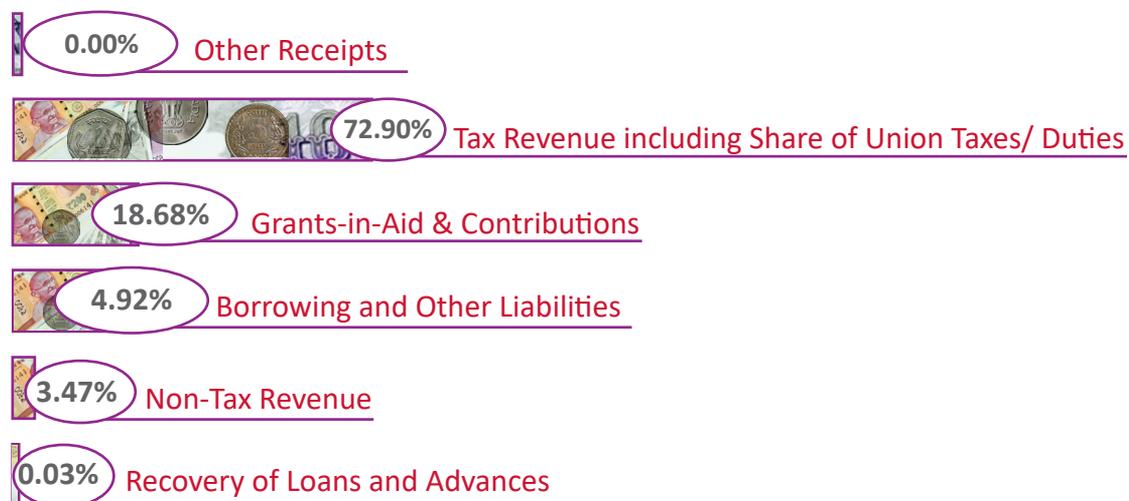
The State had a Revenue Surplus of ₹ 5,385.00 crore and Fiscal Deficit of ₹ 1,099.04 crore, representing 16.09 *per cent* and 3.28 *per cent* of the Gross State Domestic Product (GSDP) respectively. Around 38.81 *per cent* of Revenue Receipts (₹ 21,231.64 crore) of the State Government was spent on Committed Expenditure like Salaries (₹ 5,568.44 crore), Wages (₹ 531.43 crore), Interest Payment and Servicing of Debt (₹ 777.62 crore) and Pension (₹ 1,362.29 crore).

Table 2: Sources and Application of Funds

		(₹ in crore)
		AMOUNT
SOURCES	Opening Cash Balance as on 1 April 2021	7.01
	Revenue Receipts	21,231.64
	Capital Receipts	-
	Recovery of Loans and Advances	6.85
	Public Debt	1,482.71
	Small Savings Provident Funds, etc.	666.99
	Reserves Fund and Sinking Funds	975.31
	Deposits Received	443.90
	Civil Advances Repaid	237.91
	Suspense Account	85,463.70
	Remittances	5,101.80
	Contingency Fund	...
	Total	1,15,617.82
APPLICATION	Revenue Expenditure	15,846.64
	Capital Expenditure	6,488.33
	Loans Given	2.56
	Repayment of Public Debt (including Ways and Means Advances)	354.71
	Appropriation to Contingency Fund	...
	<i>Small Savings, Provident Funds etc.</i>	423.53
	Reserves Fund and Sinking Funds	585.61
	Deposits Repaid	478.60
	Civil Advances Given	232.84
	Suspense Account	88,140.02
	Remittances	5,128.50
	Closing Cash Balance as on 31 March 2022	-2,063.52
	Total	1,15,617.82

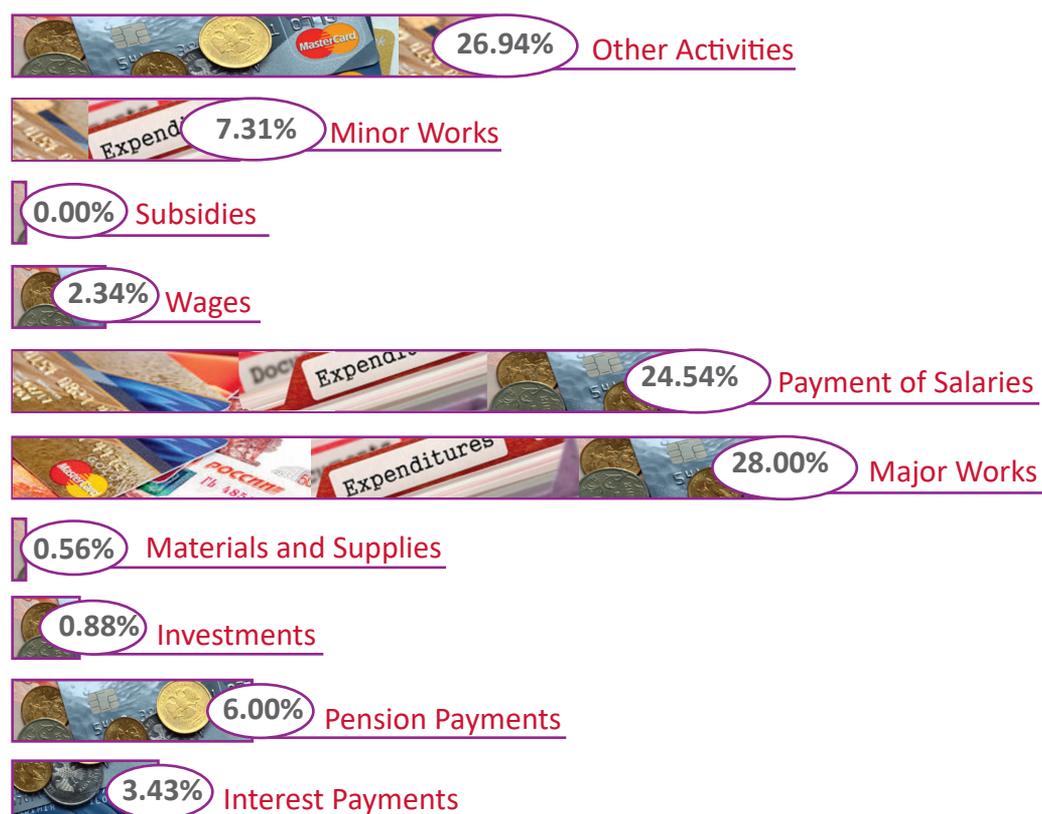
1.4.3 Where the ₹ came from? (in percentage of Total Receipt of ₹ 22,337.53 crore)

Diagram 4: Actual Receipts



1.4.4 Where the ₹ went? (in percentage)^[*]

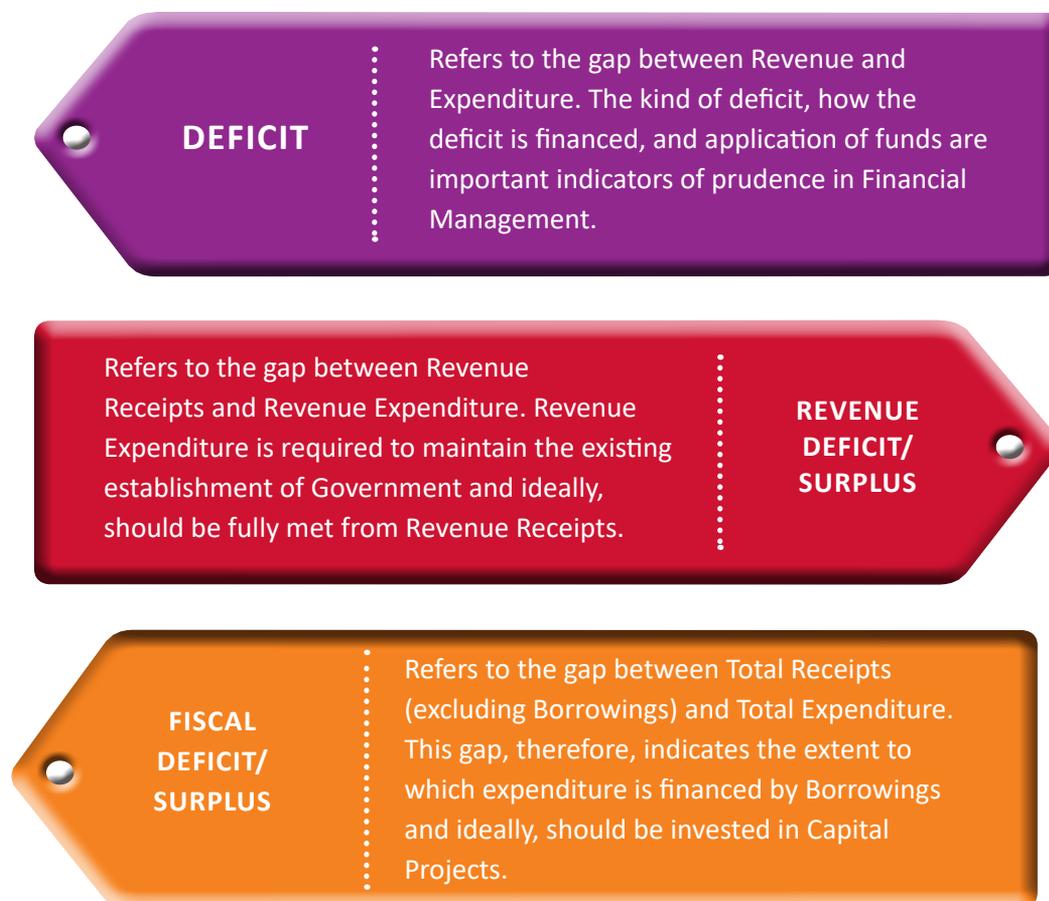
Diagram 5: Actual Expenditure



During 2021-22, Revenue Surplus of ₹ 5,385.00 crore and Fiscal Deficit of ₹ 1,099.04 crore represent 16.09 per cent and 3.28 per cent of the Gross State Domestic Product (GSDP) respectively. Fiscal Deficit constituted 4.84 per cent of Total Expenditure.

[*] For actual figures refer to Statement 4(b) of Finance Accounts (Vol-I).

Diagram 6: What does Deficits and Surplus indicate?



1.5 Fiscal Responsibility and Budget Management (FRBM) Act, 2006

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The Government of Arunachal Pradesh has enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2006. As per this Act, (as amended in April 2022) the State Government was required to achieve certain fiscal targets by specified periods. Achievements during the year 2021-22 against fiscal targets laid down in the Act and rules framed there under, were as follows:

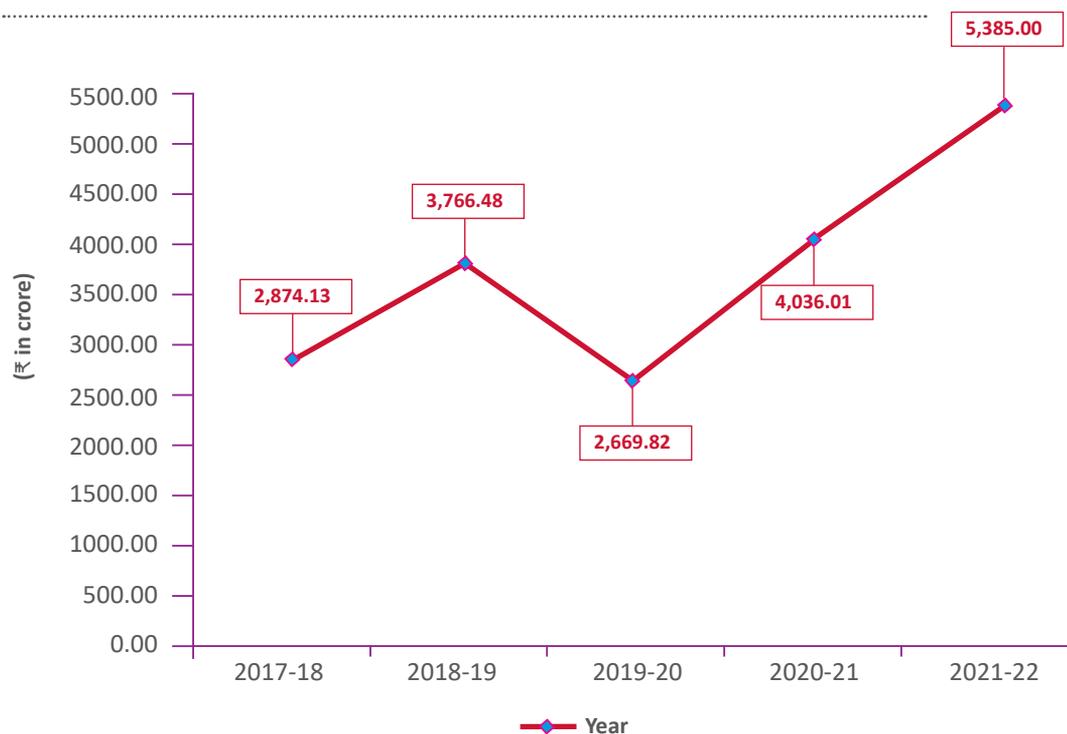
Table 3: Target and Achievements as per Accounts

Sl. No.	Financial Parameter	Actuals (₹ in crore)	Ratio to GSDP (₹ 33,459.15 crore)*	
			Target	Achievement
1.	Revenue Surplus	5,385.00	22.53	16.09 (not achieved)
2.	Fiscal Deficit	1,099.04	4.00	3.28 (achieved)
3.	Debt and other Obligations	13,736.76	39.61	41.05 (not achieved)

* APFRBM amended by the Government of Arunachal Pradesh in April 2022 did not include the targets of Revenue Surplus and Debt and Other Obligations. These figures are taken from MTFP Statements.

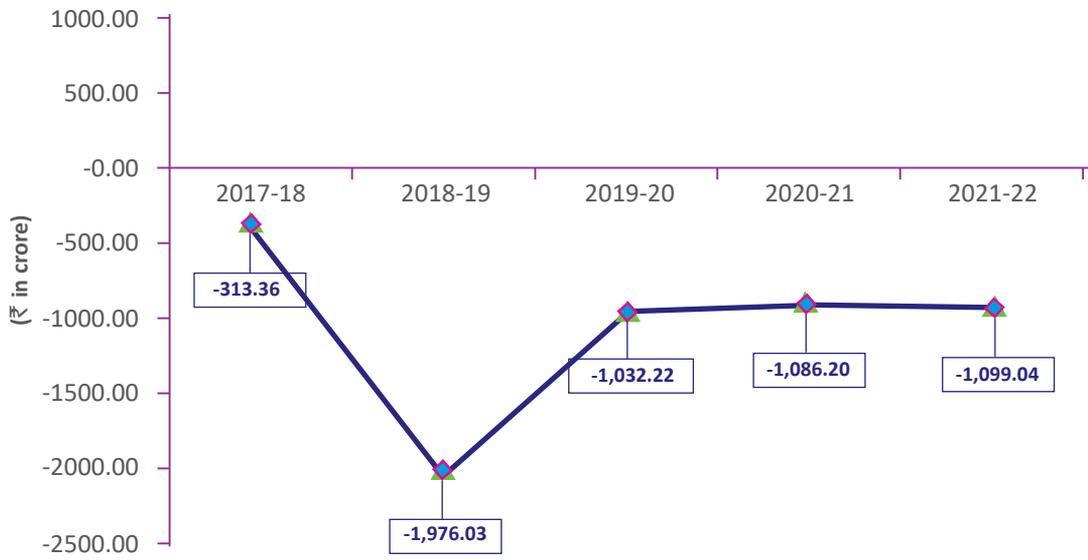
The State Government had Revenue Surplus of ₹ 4,036.01 crore in 2020-21 and ₹ 5,385.00 crore in 2021-22, which were below the target of MTFP. Fiscal Deficit increased by ₹ 12.84 crore from ₹ 1,086.20 crore in 2020-21 to ₹ 1,099.04 crore in the current year and was 3.28 per cent of GSDP, which was less than the FRMB Act target of 4.00 per cent. Against the target of reducing outstanding debt to 39.61 per cent of GSDP by 2021-22, outstanding Debt stood at ₹ 13,736.76 crore as on 31 March 2022, being 41.05 per cent of GSDP, which was above the target.

1.5.1 Trend of Revenue Deficit/ Surplus

Graph 1: Trend of Revenue Deficit(-)/ Surplus(+)

1.5.2 Trend of Fiscal Deficit/ Surplus

Graph 2: Trend of Fiscal Deficit(-)/ Surplus(+)



1.5.3 Proportion of Borrowed Funds spent on Capital Expenditure

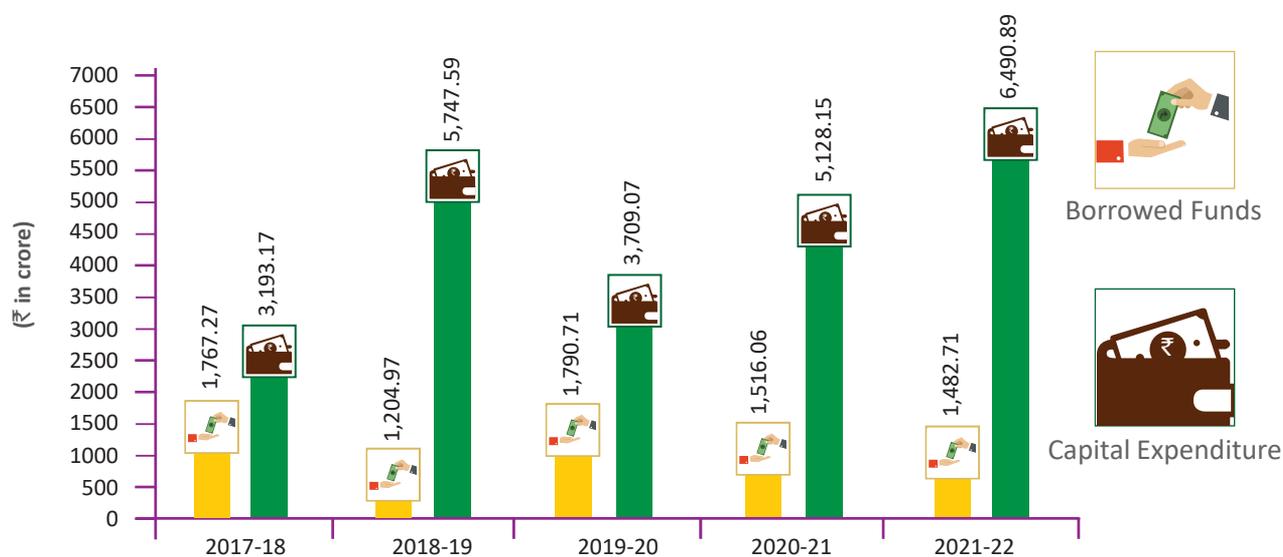
Table 4: Borrowed Funds and Capital Expenditure

(₹ in crore)

Year	Borrowed Funds	Capital Expenditure [#]
2017-18	1,767.27	3,193.17
2018-19	1,204.97	5,747.59
2019-20	1,790.71	3,709.07
2020-21	1,516.06	5,128.15
2021-22	1,482.71	6,490.89

[#] Capital Expenditure includes Loans and Advances Disbursed.

Graph 3: Borrowed Funds and Capital Expenditure



The governments usually run fiscal deficits and borrow funds for capital/ assets formation or for creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating an income stream. Thus, it is desirable to fully utilize borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest. The State Government fully utilized its borrowings of the current year (₹ 1,482.71 crore) for creation of Capital Assets.

Chapter II

Receipts

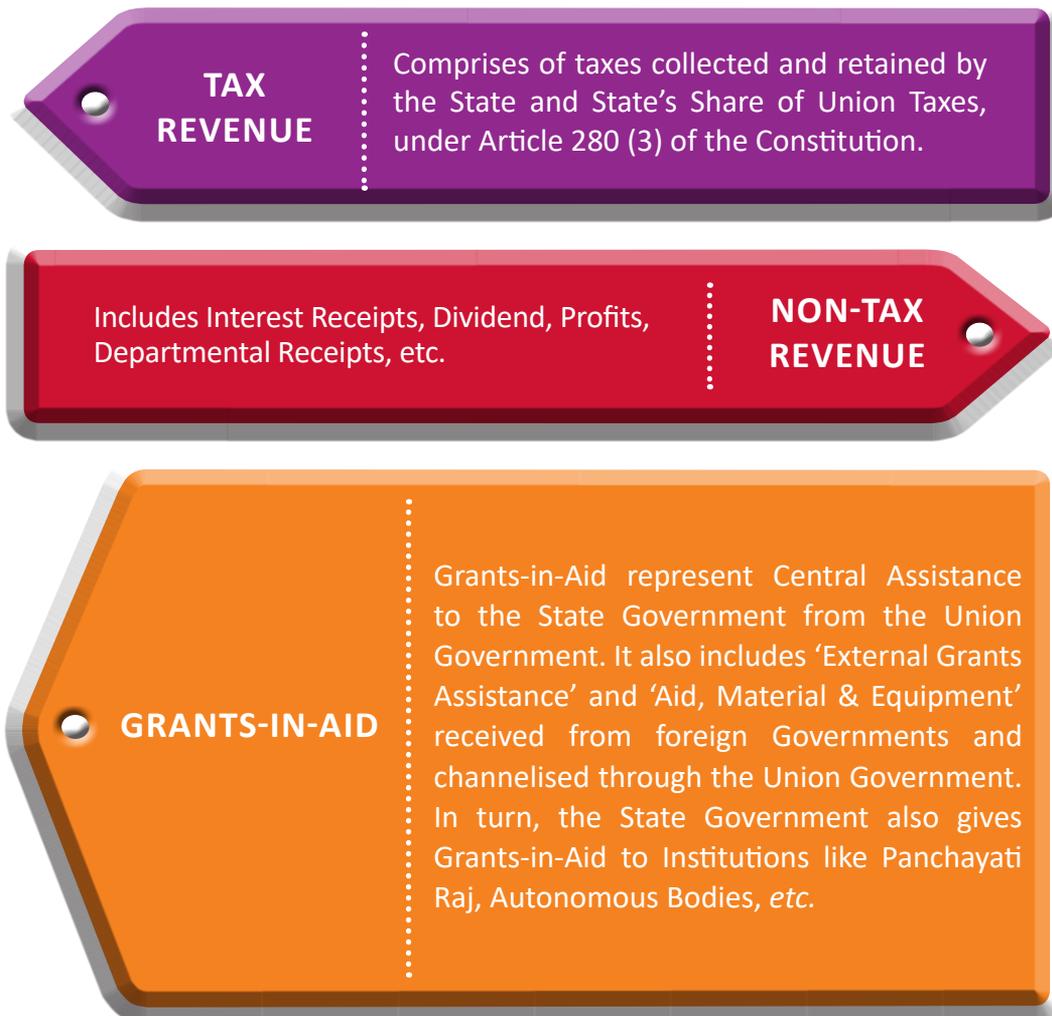
2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2021-22 were ₹ 22,337.53 crore.

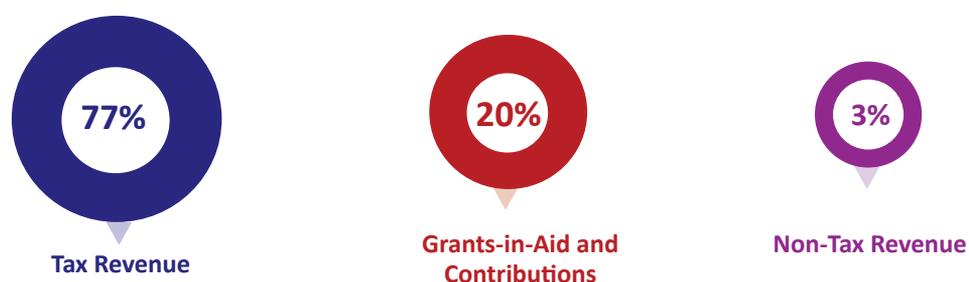
2.2 Revenue Receipts

Revenue Receipts of the Government comprise of three components - Tax Revenue, Non-tax Revenue and Grants-in-Aid received from the Union Government.

Diagram 7: Revenue Receipts



Graph 4 : Revenue Receipts



2.2.1 Revenue Receipts Components (2021-22)

Table 5: Revenue Receipts Components (2021-22)

(₹ in crore)

Components	Actuals (₹ in crore)	Per cent to Revenue Receipts
A. Tax Revenue^[*]	16,283.69	77
Goods and Services Tax	5,597.42	26
Taxes on Income & Expenditure	8,892.05	42
Taxes on Property, Capital & Other Transactions	19.55	1
Taxes on Commodities & Services	1,774.67	8
B. Non-Tax Revenue	774.67	4
Interest Receipts, Dividends & Profits	47.21	--
General Services	143.68	1
Social Services	47.98	--
Economic Services	535.80	3
C. Grants-in-Aid and Contributions	4,173.28	19
Total Revenue Receipts	21,231.64	100

* Includes share of net proceeds assigned to State (received from the Government of India)

2.2.2 Trend of Revenue Receipts

Table 6: Trend of Revenue Receipts

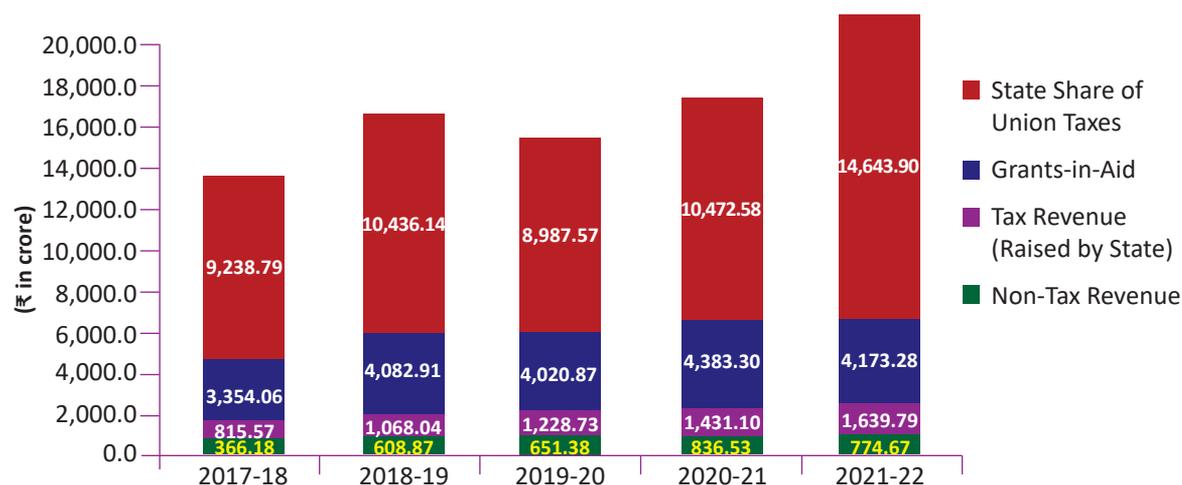
(₹ in crore)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Tax Revenue (raised by the State)	815.57	1,068.04	1,228.73	1,431.10	1,639.79
State Share of Union Taxes/ Duties	9238.79	10,436.14	8,987.57	10,472.58	14,643.90
Non-Tax Revenue	366.18	608.87	651.38	836.53	774.67
Grants-in-Aid	3,354.06	4,082.91	4,020.87	4,383.30	4,173.28
Total Revenue Receipts	13,774.60	16,195.96	14,888.55	17,123.51	21,231.64
GSDP	22,474.77	25,330.83	27,884.65	29,694.61	33,459.15

Note: GSDP (Gross State Domestic Product) Figures at current prices, as intimated by Department of Economics & Statistics, Government of Arunachal Pradesh (May 2022).

Though GSDP increased by 12.68 per cent in 2021-22, compared to the previous year, increase in Revenue Receipts was 23.99 per cent. Total Tax Revenue (including State share of Union Taxes/ Duties) increased by 36.79 per cent, non-Tax Revenue decreased by 7.39 per cent and Grants-in-Aid decreased by 4.79 per cent, compared to the previous year

Graph 5: Trend of Component of Revenue Receipts



2.3 Tax Revenue

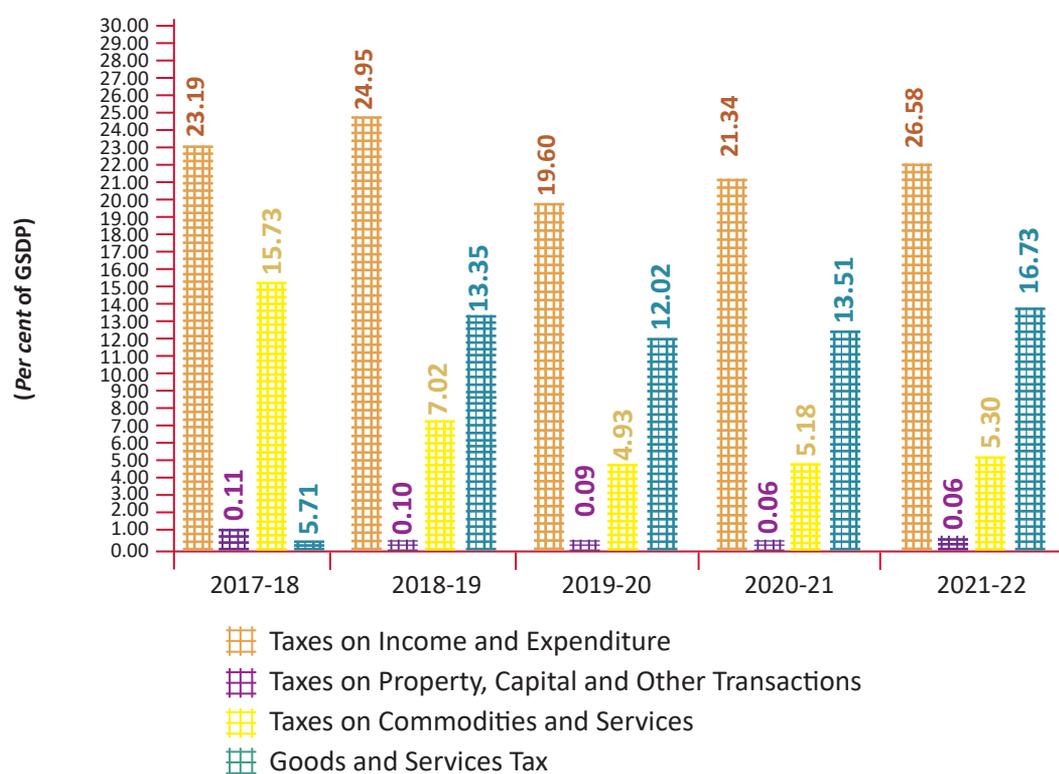
Table 7: Tax Revenue

(₹ in crore)

Sector-wise Tax Revenue					
Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
a. Goods and Services Tax	1,283.21	3,381.62	3,351.86	4,011.44	5,597.42
b. Taxes on Income and Expenditure	5,212.04	6,319.33	5,465.66	6,335.98	8,892.05
c. Taxes on Property, Capital and other Transaction	23.66	25.08	24.24	17.99	19.55
d. Taxes on Commodities and Services other than Goods and Services Tax	3,535.45	1,778.15	1,374.54	1,538.27	1,774.67
Total Tax Revenue	10,054.36	11,504.18	10,216.30	11,903.68	16,283.69
GSDP	22,474.77	25,330.83	27,884.65	29,694.61	33,459.15
Percentage of Tax Revenue to GSDP	44.74	45.42	36.64	40.09	48.67

The increase in total Tax Revenue during 2021-22 was mainly attributable to increase in allocation of State Share of Union Taxes/ Duties from the Government of India.

Graph 6: Trend of Major Taxes in Proportion to GSDP



2.4. State's own Tax Revenue Collection and State's share of Union Taxes/ Duties

Table 8: State's own Tax Revenue Collection and State's share of Union Taxes/ Duties

Year	Tax Revenue	State Share of Union Taxes	State's Own Tax Revenue	
			Amount	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2017-18	10,054.36	9,238.79	815.57	3.63
2018-19	11,504.18	10,436.14	1,068.04	4.22
2019-20	10,216.30	8,987.57	1,228.73	4.41
2020-21	11,903.68	10,472.58	1,431.10	4.82
2021-22	16,283.69	14,643.90	1,639.79	4.90

The proportion of State's Own Tax Revenue to GSDP (4.90 per cent) was lower than the 9.36 per cent rolling target of Medium Term Fiscal Plan Statements (MTFP) 2022.

2.5. Trend in State Share of Union Taxes/ Duties over the past five years

Table 9: Trend in State Share of Union Taxes over the past five years

(₹ in crore)

Major Head Description	2017-18	2018-19	2019-20	2020-21	2021-22
Goods & Services Tax	1,059.48	2,780.62	2,550.31	3,152.15	4,466.42
Corporation Tax	2,825.84	3,628.32	3,064.45	3,130.39	4,429.74
Taxes on Income other than Corporation Tax	2,386.20	2,672.11	2,401.21	3,205.59	4,462.28
Other Taxes on Income and Expenditure	-	18.90	--	--	0.03
Taxes on Wealth	-0.08	1.34	0.13	--	0.24
Customs	931.30	739.56	569.70	582.90	875.24
Union Excise Duties	973.50	491.48	396.08	355.91	350.06
Service Tax	1,062.55	98.42	--	39.53	45.09
Other Taxes and Duties on Commodities & Services	-	5.39	5.69	6.11	14.80
Total State Share of Union Taxes	9,238.79	10,436.14	8,987.57	10,472.58	14,643.90
Total Tax Revenue	10,054.36	11,504.18	10,216.30	11,903.68	16,283.69
Percentage of Union Taxes to Total Tax Revenue	91.89%	90.72%	87.97%	87.98%	89.93%

2.6. Cost of Tax Collection

Table 10: A. Taxes on Property, Capital and Other Transactions

(₹ in crore)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Collection	23.66	25.08	24.24	17.99	19.55
Expenditure on Collection	19.13	249.70	70.81	66.61	41.71
Cost of Tax Collection	80.85%	995.61%	292.12%	370.26%	213.35%

Table 10: B. Taxes on Commodities and Services

(₹ in crore)

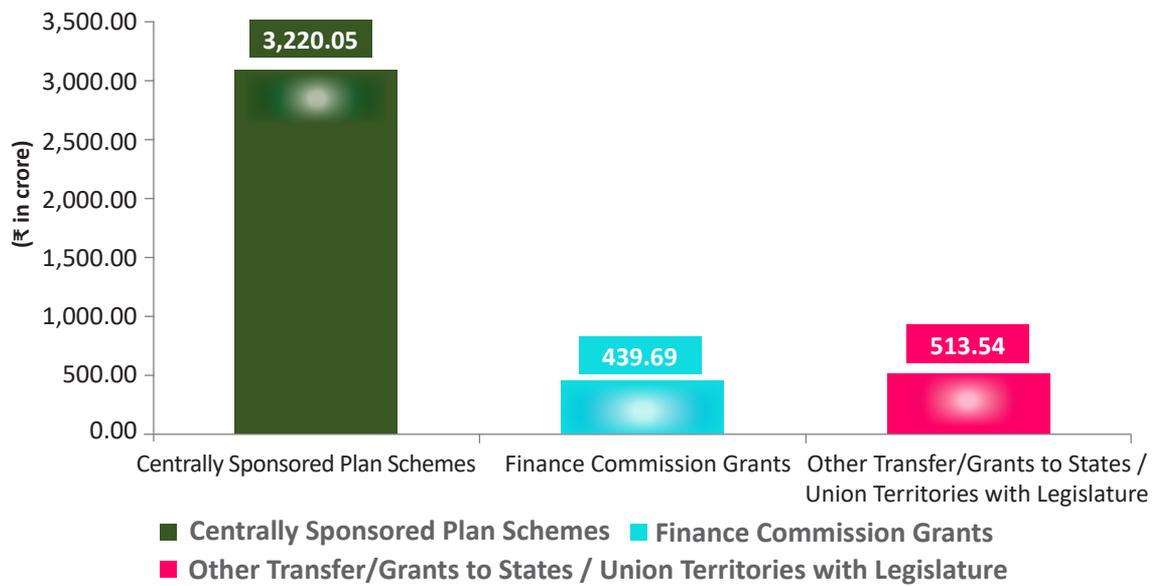
Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Collection	3,535.45	1,778.15	1,374.54	1,538.27	1,774.67
Expenditure on Collection	30.26	31.85	23.32	26.24	30.83
Cost of Tax Collection	0.86%	1.79%	1.70%	1.71%	1.74%

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

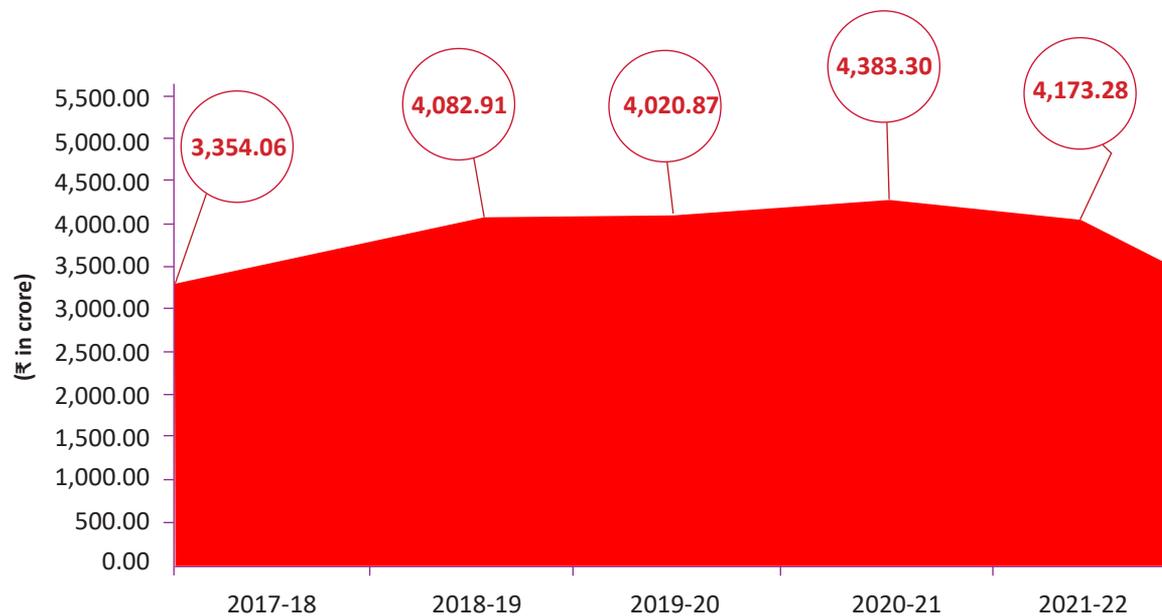
2.7 Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India and comprise of Grants for Centrally Sponsored Schemes, Finance Commission Grants and Other Transfer/ Grants to States. Total receipts during 2021-22 under Grants-in-Aid were ₹ 4,173.28 crore, as shown in Graph 8.

Graph 7: Grants-in-Aid



Graph 8: Trend of Grants-in-Aid



2.8 Public Debt

Table 11: Trend of Public Debt over the past five years

(₹ in crore)

Description	2017-18	2018-19	2019-20	2020-21	2021-22
Internal Debt	1,767.27	1,204.97	1,790.71	1,283.09	1,111.52
Central Loans	-	-	-	232.97	371.19
Total Public Debt	1,767.27	1,204.97	1,790.71	1,516.06	1,482.71

During 2021-22, Receipt under Public Debt saw a significant decrease by ₹ 33.35 crore, compared to the previous year and Internal Debt was financed from various sources like Special Securities (NSSF), Market Loans, Loans from Financial Institutions, Ministries of Government of India and other Loans.

Chapter III

Expenditure

3.1 Introduction

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

In Government Accounts, Expenditure at the top level is classified into three Sectors: *General Services, Social Services and Economic Services*. Significant areas of expenditure covered under these Sectors are mentioned in the Table below:

Diagram 8: Three Sectors of Government Accounts



3.2 Revenue Expenditure

Shortfall of Revenue Expenditure against Budget Estimates as per Appropriation Accounts during the past five years, is given below:

Table 12: Revenue Expenditure

(₹ in crore)					
Year	2017-18	2018-19	2019-20	2020-21	2021-22
Budget Estimates	12,976.01	10,255.66	13,406.78	14,207.60	15,344.32
Actuals	10,900.47	12,429.48	12,218.73	13,087.50	15,846.64
Gap	2,075.54	(-)2,173.82	1,188.05	1,120.10	(-)502.32
Percentage of variation – Actual against BE	16.00	(-)21.20	8.86	7.88	(-)3.27

(Source: Appropriation Accounts of respective years)

Notes: (+)/(-) means Short/ Excess

During 2021-22, Revenue Receipt of ₹ 21,231.64 crore was 0.67 per cent more than the Budget Estimate of ₹ 21,090.87 crore. The State Government was able to generate Revenue Surplus of ₹ 5,385.00 crore (16.09 per cent) which is lower than the target of 22.53 per cent of GSDP mentioned in the Medium Term Fiscal Policy (MTFP) 2022.

Nearly 52 per cent of total Revenue Expenditure was spent on Committed Expenditure (Salaries, Wages, Pensions and Interest Payment). Revenue Expenditure increased by 21.08 per cent from ₹ 13,087.50 crore in 2020-21 to ₹ 15,846.64 crore in 2021-22.

The position of committed and uncommitted Revenue Expenditure over the last five years is given in the Table below:

Table 13: Committed and Uncommitted Revenue Expenditure

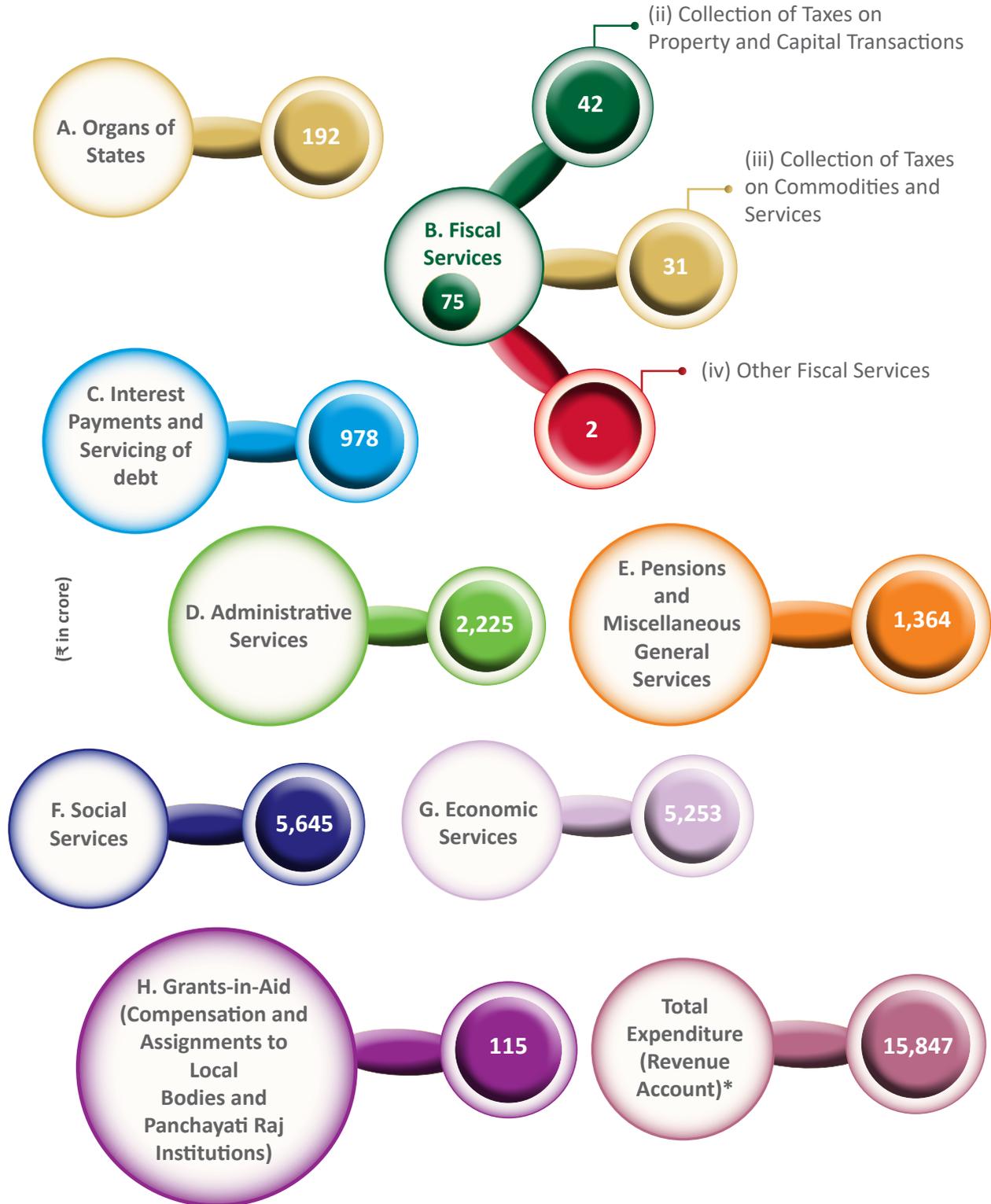
(₹ in crore)					
Component	2017-18	2018-19	2019-20	2020-21	2021-22
Total Revenue Expenditure	10,900.47	12,429.48	12,218.73	13,087.50	15,846.64
Committed Revenue Expenditure [#]	5,825.94	5,792.96	6,654.08	7,136.64	8,239.78
Percentage of committed Revenue Expenditure to total Revenue Expenditure	53	47	54	55	52
Uncommitted Revenue Expenditure	5,074.53	6,636.52	5,564.65	5,950.86	7,606.86
Percentage of Uncommitted Revenue Expenditure to total Revenue Expenditure	47	53	46	45	48

[#] Committed Revenue Expenditure includes expenditure on Salaries, Wages, Interest Payments and Pensions.

It can be seen that the uncommitted Revenue Expenditure available for implementation of various Schemes increased by 49.90 per cent from ₹ 5,074.53 crore in 2017-18 to ₹ 7,606.86 crore in 2021-22. Total Revenue Expenditure increased by 45.38 per cent from ₹ 10,900.47 crore in 2017-18 to ₹ 15,846.64 crore in 2021-22. However, committed Revenue Expenditure increased by 41.43 per cent from ₹ 5,825.94 crore in 2017-18 to ₹ 8,239.78 crore during 2021-22.

3.2.1 Sectoral Distribution of Revenue Expenditure (2021-22)

Diagram 9: Sectoral Distribution of Revenue Expenditure



Excludes Compensation and Assignments to Local Bodies and Panchayati Raj Institutions

* (Net, after deducting recoveries)

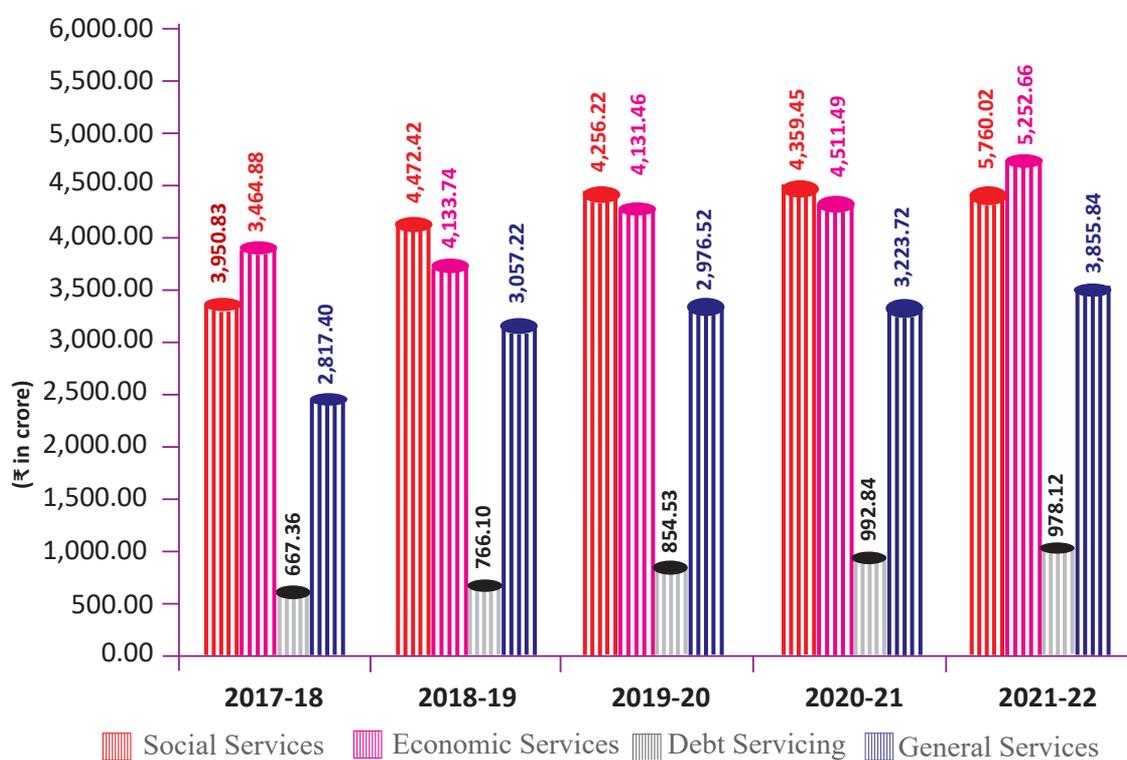
3.2.2 Major Components of Revenue Expenditure (2017-18 to 2021-22)

Table 14: Major Components of Revenue Expenditure

Components	2017-18	2018-19	2019-20	2020-21	2021-22
Social Services	3,950.83	4,472.42	4,256.22	4,359.45	5,760.02
Economic Services	3,464.88	4,133.74	4,131.46	4,511.49	5,252.66
Debt Servicing	667.36	766.10	854.53	992.84	978.12
General Services*(excluding Expenditure on Debt Servicing)	2,817.40	3,057.22	2,976.52	3,223.72	3,855.84

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

Graph 9: Trend of Major Components of Revenue Expenditure



3.3 Capital Outlay

Capital Outlay is essential if the growth process is to be sustained. Capital Outlay for 2021-22 amounting to ₹ 6,488.33 crore (19.39 per cent of GSDP) were less than Budget Estimates by ₹ 480.35 crore. Growth in Capital Outlay has not kept pace with the steady growth of GSDP during 2017-18 and 2021-22. This can be seen in the Table 15.

Table 15: Capital Outlay

(₹ in crore)						
Sl. No.	Components	2017-18	2018-19	2019-20	2020-21	2021-22
1.	Budget (B.E.)	4,105.11	7,877.86	8,006.72	7,119.74	6,328.05
2.	Actual Expenditure ^(#)	3,188.10	5,727.43	3,693.05	5,123.35	6,488.33
3.	Percentage of Actual Expenditure to Budget Estimate	7.77	72.70	46.12	71.96	102.53
4.	Yearly growth in Capital Outlay	106.56%	79.65%	(-)35.52%	38.73%	26.64%
5.	GSDP	22,474.77	25,330.83	27,884.65	29,694.61	33,459.15
6.	Yearly growth in GSDP (in per cent)	13.39%	12.71%	10.08%	6.49%	12.68%

^(#) Does not include Expenditure on Loans & Advances

3.3.1 Sectoral Distribution of Capital Outlay

Table 16: Sectoral Distribution of Capital Outlay

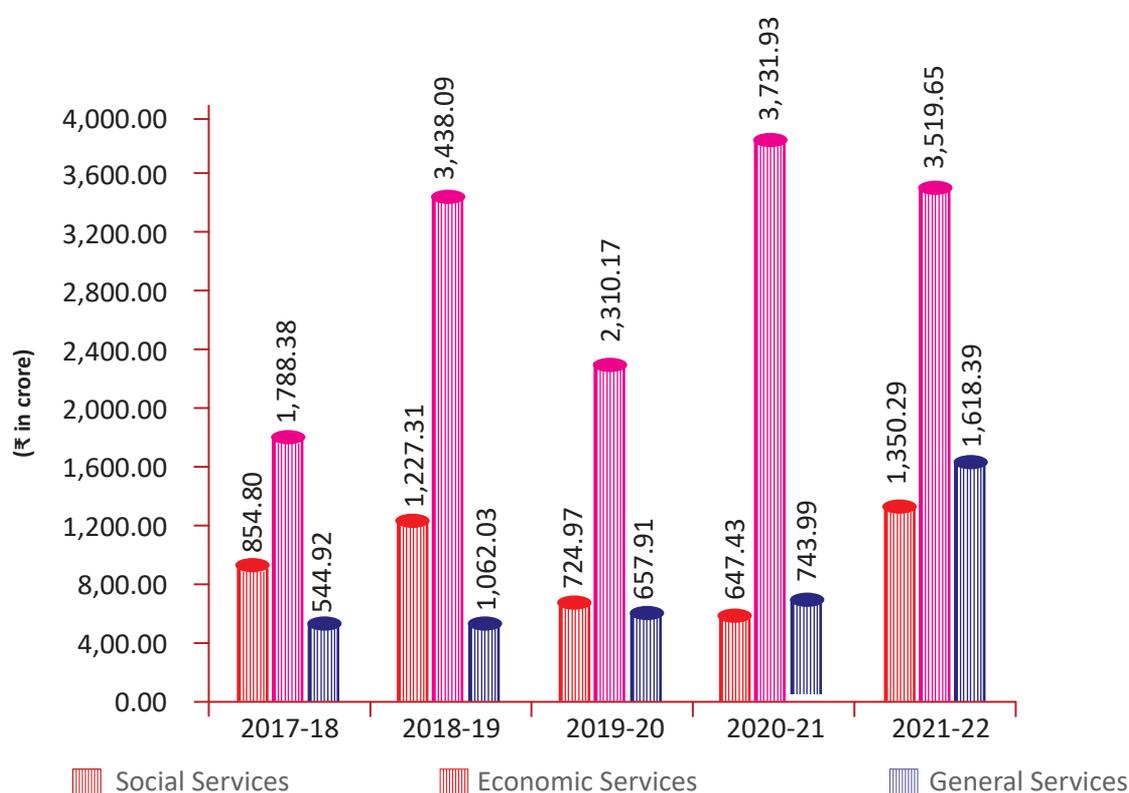
(₹ in crore)			
Sl. No.	Components	Amount	Percentage
1.	General Services: Police, Land Revenue; <i>etc.</i>	1,618.39	25
2.	Social Services: Education, Health & Family Welfare, Water Supply, Welfare of SC/ST, <i>etc.</i>	1,350.29	21
3.	Economic Services: Agriculture, Rural Development, Irrigation, Energy, Industries, Co-operation, Transport, <i>etc.</i>	3,519.65	54
TOTAL		6,488.33	100

3.3.2 Sectoral Distribution of Capital Outlay over the past five years

Table 17: Sectoral Distribution of Capital Outlay over the past five years

(₹ in crore)						
Sl. No.	Sector	2017-18	2018-19	2019-20	2020-21	2021-22
1.	General Services	544.92	1,062.03	657.91	743.99	1,618.39
2.	Social Services	854.80	1,227.31	724.97	647.43	1,350.29
3.	Economic Services	1,788.38	3,438.09	2,310.17	3,731.93	3,519.65
TOTAL		3,188.10	5,727.43	3,693.05	5,123.35	6,488.33

Graph 10: Trend of Sectoral Distribution of Capital Outlay



3.3.3 Sectoral distribution of Capital Outlay and Revenue Expenditure

The comparative sectoral distribution of Capital Outlay and revenue expenditure over the past five years is illustrated below:

Table 18: Sectoral distribution of Capital Outlay and Revenue Expenditure

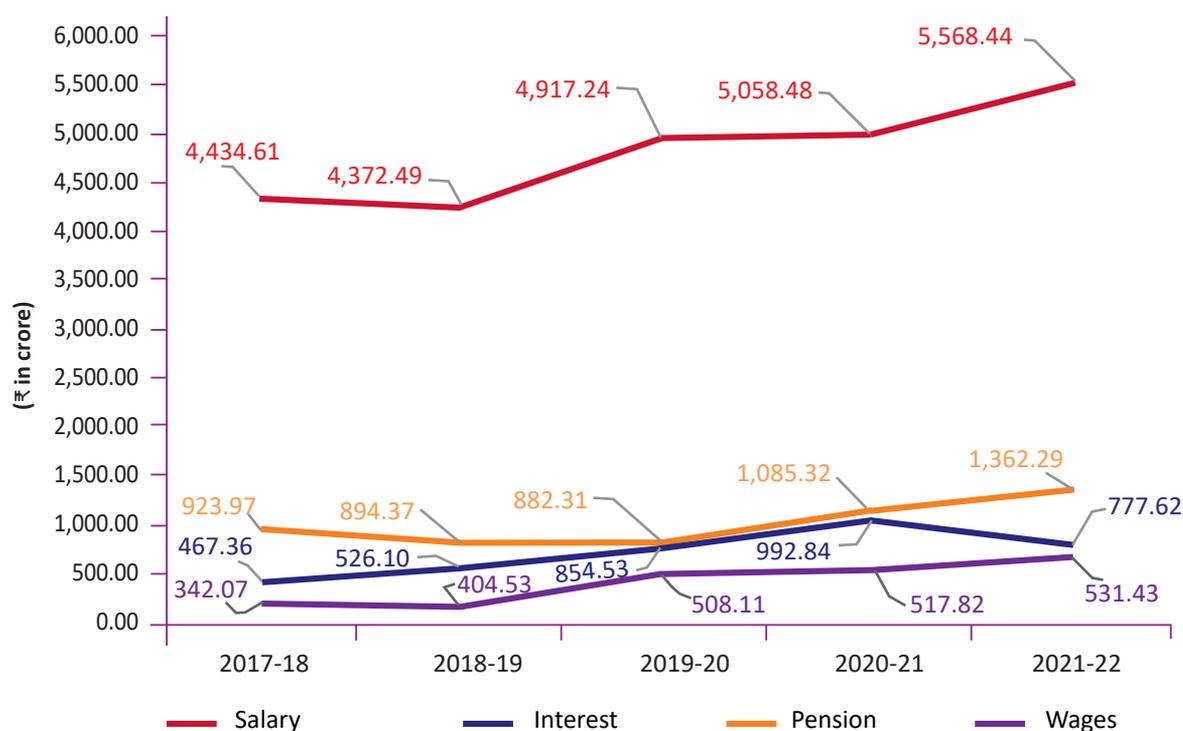
		(₹ in crore)					
Sl. No.	Sector		2017-18	2018-19	2019-20	2020-21	2021-22
(A)	General Services	Capital	544.92	1,062.03	657.91	743.99	1,618.39
		Revenue	3,484.76	3,823.32	3,831.05	4,216.56	4,833.96
(B)	Social Services	Capital	854.80	1,227.31	724.97	647.43	1,350.29
		Revenue	3,950.83	4,472.42	4,256.22	4,359.45	5,760.02
(C)	Economic Service	Capital	1,788.38	3,438.09	2,310.17	3,731.93	3,519.65
		Revenue	3,464.88	4,133.74	4,131.46	4,511.49	5,252.66
(D)	Grants-in-Aid and Contribution	Capital	NA*	NA*	NA*	NA*	NA*
		Revenue	1,566.88	1,869.45	1,332.05	2,183.36	2,562.42

[*] Not Applicable.

3.4 Committed Expenditure

Expenditure on Salaries, Wages and Pensions payments showed increase while expenditure on Interest payment showed decrease in 2021-22 over the previous year.

Graph 11: Trend of Committed Expenditure



The trend of Committed Expenditure, compared to Revenue Receipts and Revenue Expenditure over the past five years, is depicted in the Table below:

Table 19: Committed Expenditure, compared to Revenue Receipts and Revenue Expenditure

(₹ in crore)					
Component	2017-18	2018-19	2019-20	2020-21	2021-22
Committed Expenditure	5,825.94	5,792.96	6,654.08	7,136.64	8,239.78
Revenue Expenditure	10,900.47	12,429.48	12,218.73	13,087.50	15,846.64
Revenue Receipts	13,774.60	16,195.96	14,888.55	17,123.51	21,231.64
Percentage of Committed Expenditure to Revenue Receipts	42	36	45	42	39
Percentage of Committed Expenditure to Revenue Expenditure	53	47	54	55	52

Committed Expenditure increased by 41.43 per cent from 2017-18 to 2021-22 while Revenue Expenditure registered the growth of 45.38 per cent during the same period, leaving the Government with less flexibility in development spending.

Chapter IV

Appropriation Accounts

4.1 Summary of Appropriation Accounts for 2021-22

Table 20: Summary of Appropriation Accounts

(₹ in crore)

Sl. No.	Nature of Expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual Expenditure	Savings (-) Excesses(+)
1.	Revenue						
	Voted	14,248.75	2,727.56	...	16,976.31	15,077.18	(-)1,899.13
	Charged	43.16	1.62	...	44.78	34.15	(-)10.63
2.	Capital						
	Voted	6,328.05	2,875.15	...	9,203.20	6,488.40	(-)2,714.80
	Charged	--	...	...	...	...	...
3.	Public Debt						
	Charged	1,686.04	3.63	...	1,689.67	1,332.31	(-)357.35
4.	Loans and Advances						
	Voted	7.00	0.00 [#]	...	7.00	2.56	(-)4.44
	Charged	...	...	...	...	...	...
	Total	22,313.00	5,607.96	...	27,920.96	22,934.60	(-)4,986.35

4.2 Trend of Savings/ Excess during the past five years

Table 21: Trend of Savings/ Excess

(₹ in crore)

Year	Savings(-)/Excess(+)				Total
	Revenue	Capital	Public Debt	Loans and Advances	
2017-18	(-)2,056.61	(-)3,267.08	(-)18.93	(-)272.24	(-)5,614.86
2018-19	(-)1,274.10	(-)6,599.76	(-)266.55	(-)237.60	(-)8,378.01
2019-20	(-)1,997.47	(-)4,970.50	(-)233.57	(-)4.16	(-)7,205.70
2020-21	(-)2,585.66	(-)4,020.19	(-)317.06	(-)3.84	(-)6,926.75
2021-22	(-)1,909.76	(-)2,714.80	(-)357.35	(-)4.44	(-)4,986.35

4.3 Significant Savings

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

Some Grants with persistent and significant net Savings in the last five years are given below:

Table 22: Persistent Savings

(₹ in crore)

Grant No.	Nomenclature	2017-18	2018-19	2019-20	2020-21	2021-22
REVENUE						
6	District Administration	9.48	11.82	156.27	76.78	16.20
15	Health & Family Welfare	101.70	259.20	227.52	66.09	28.44
23	Forest	17.97	6.96	35.87	240.95	205.15
24	Agriculture	17.19	97.08	103.30	12.33	1.90
27	Panchayat	62.76	1.36	117.06	7.93	70.83
38	Water Resources Department	18.72	23.63	50.37	5.04	70.85
CAPITAL						
32	Roads & Bridges	303.64	774.79	185.07	351.85	384.18
34	Power	287.96	54.04	85.33	58.22	89.60
38	Water Resources	1.34	167.06	9.53	44.64	12.34
50	Secretariat Economic Services	359.74	2,996.47	3,025.42	2,389.91	1,767.33
56	Tourism	95.58	22.05	14.33	29.47	4.90
57	Urban Development	113.45	52.03	28.06	39.59	14.93

Persistent huge savings under Roads & Bridges, Forest, Secretariat Economic Services and Health and Power were on account of Schemes, which though approved by the Legislature, were given lesser priority during implementation. This could be attributed to either increased Budget estimation or the desire of the Government to keep its Fiscal Deficit below the ceiling.

During 2021-22, Supplementary Grants of ₹91.31 crore (2.49 per cent of Total Expenditure of ₹ 3,664.87 crore) proved to be unnecessary. In some cases, (Original Budget above ₹ 60 crore), there were significant Savings at the end of the year, even against original allocations. A few instances are given below:

Table 23: Savings

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
14	Secondary Education	Revenue	468.49	12.43	445.01
14	Secondary Education	Capital	62.10	23.37	46.12
23	Forest	Revenue	751.45	0.01	546.30
25	Relief, Rehabilitation and Re-settlement	Revenue	598.76	3.88	190.62
26	Rural Works Department	Revenue	291.81	10.75	272.90
27	Panchayats	Revenue	330.75	0.01	259.93
50	Secretariat Economic Services	Capital	2,689.65	0.01	922.32
68	Town Planning Department	Revenue	226.01	3.92	205.54
74	Social Justice, Empowerment and Tribal Affairs	Revenue	129.58	0.01	99.69
PD	Public Debt	Capital	633.63	3.63	354.71

An instance where there was excess expenditure at the end of the year even after supplementary allocations were made is given below:

Table 24: Excess Expenditure

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
28	Police	Capital	106.37	80.36	192.74
48	Horticulture	Revenue	84.48	79.33	169.45

There were no cases, where funds were allocated directly, by-passing the Legislature, i.e., through Re-appropriation instead of Original/ Supplementary Budget.

Chapter V

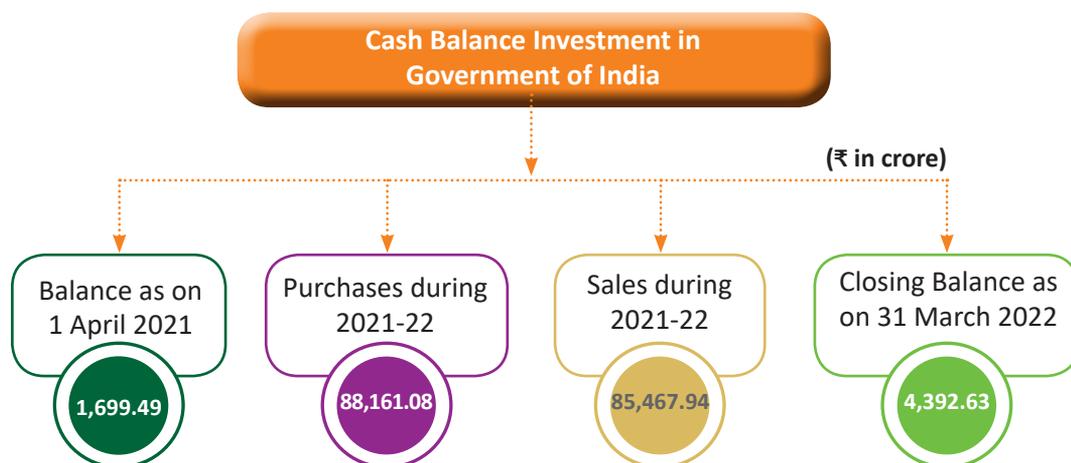
Assets and Liabilities

5.1 Assets

The existing form of Accounts does not easily depict the valuation of Government Assets like Land, Buildings, etc., except during the year of acquisition/ purchase. Similarly, while the Accounts presented the impact of Liabilities that arose in the current year, they did not depict the overall impact of Liabilities to future generations, except to a limited extent, as shown by the rate of Interest and period of existing loans.

Total Investment as Share Capital in Public Sector Undertakings (PSUs) stood at ₹ 251.13 crore at the end of 2021-22. No nominal dividend/ interest was received on Investment during 2021-22. Cash Balance with RBI stood at ₹ 7.01 crore on 1 April 2021 and decreased to ₹ (-)2,063.52 crore at the end of March 2022. In addition, the Government invested ₹ 88,161.08 crore on 175 occasions in 14-days Treasury Bills and rediscounted Treasury Bills worth ₹ 85,467.94 crore on 260 occasions during 2021-22. The Investment position during 2021-22 is depicted in the Table below:

Table 25: Cash Balance Investment



5.2 Debt and Liabilities

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

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

Table 26: Public Debt and Total Liabilities

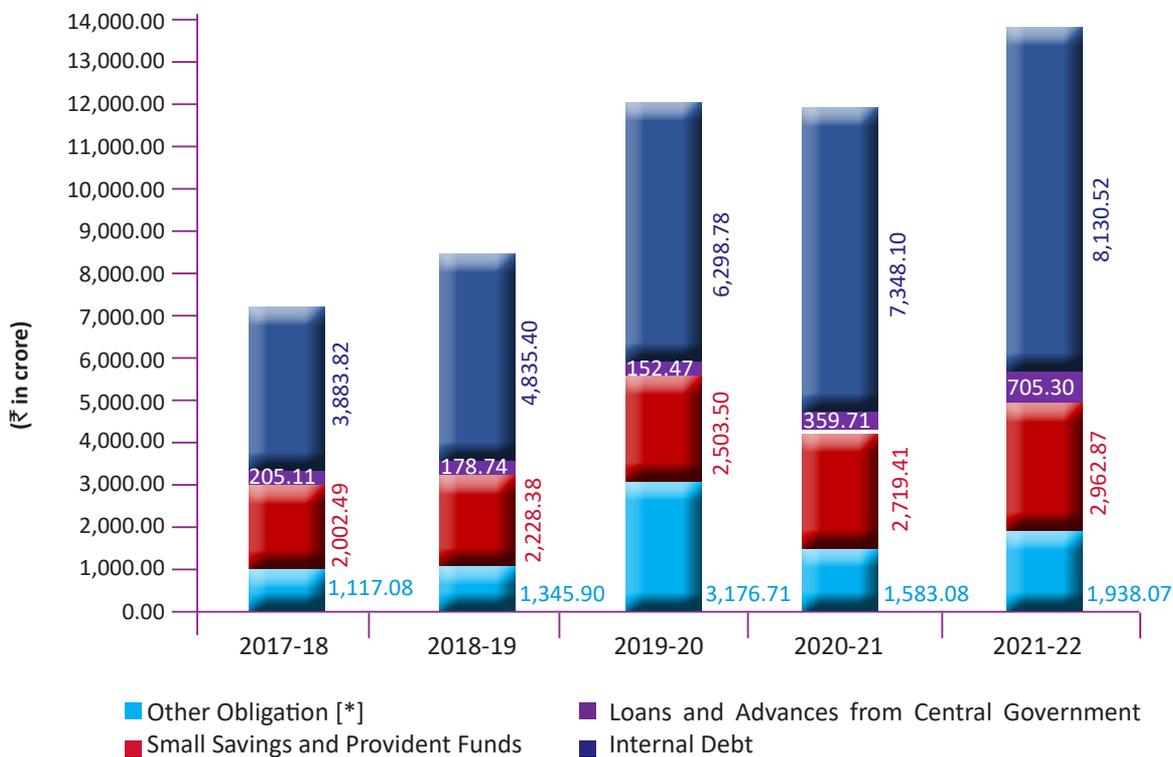
Year	Public Debt (₹ in crore)	% to GSDP	Public Account ^(*) (₹ in crore)	% to GSDP	Total Liabilities (₹ in crore)	Percentage to GSDP
2017-18	4,088.93	18.19	3,119.57	13.88	7,508.50	33.41
2018-19	5,014.14	19.79	3,574.28	14.11	8,588.42	33.90
2019-20	6,451.24	23.13	5,680.22	20.37	12,131.46	43.51
2020-21	7,707.81	25.96	4,302.49	14.49	12,010.30	40.45
2021-22	8,835.82	26.41	4,900.94	14.65	13,736.76	41.05

(*) Excludes Suspense & Remittances Balances.

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

During 2021-22 Public Debt and other Liabilities showed a net increase of ₹ 1,726.46 crore (14.37 per cent) over the previous year. Trends of Government Liabilities for the last five years is shown below:

Graph 12: Trend in Government Liabilities



(*) Refer Statement No. 6 of Finance Accounts (Vol-I).

5.3 Guarantees

In addition to raising Loans directly, State Governments also guarantee Loans raised by Statutory Corporations, Government Companies/ Corporations, Co-operative Societies, etc., from the market and Financial Institutions for implementation of various Schemes/ Programmes. Such Guarantees are contingent liabilities on the Consolidated Fund of the State in case of default in payment of Loans/ Capital and payment of Interest thereon raised by Statutory Corporations, Government Companies/ Corporations, Cooperative Societies, etc., to whom the Guarantee was extended and are projected outside the State Budget. The position of Guarantees by the State Government for re-payment of Loans (payment of Principal and Interest thereon) raised by Statutory Corporations, Government Companies and Corporations, Co-operative Societies etc., for the last five years is given in Table 27.

Table 27: Guarantees

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding at the end of the year	
		Principal	Interest
2017-18	2.00	0.97	0.04
2018-19	2.00	0.97	0.07
2019-20	2.00	0.97	0.10
2020-21	2.00	0.97	0.14
2021-22	7.00	5.97	3.10

Note: Details are available at Statement No: 9 and 20 of Finance Accounts, which are based on information received from the Finance Department..

Chapter VI

Other Items

6.1 Adverse Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, State Governments also guarantee loans raised by Government Companies and Corporations from the market and financial institutions for implementation of various Plan Schemes/ Programmes, which are projected outside the State Budget. Such Loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government. However, Loan repayments appear in Government Accounts, resulting in irreconcilable Adverse Balances and under-statement of Liabilities in Government Accounts. As on 31 March 2022, there was no Adverse Balance in respect of Arunachal Pradesh.

6.2 Loans and Advances by the State Government

The total Loans & Advances made by the State Government during the year 2021-22 was ₹ 2.56 crore. No Loans & Advances to Government Corporations/ Companies, Non-Government Institutions and Local Bodies was disbursed during the year. During 2021-22, ₹ 6.85 crore was received towards repayment of Loans & Advances, out of which ₹ 3.10 crore related to repayment of Loans to Government Servants. Effective steps to recover outstanding Loans would help the Government improving its fiscal position.

6.3 Financial Assistance to Local Bodies and Others

Grants-in-Aid given to Local Bodies, Autonomous Bodies, etc., increased from ₹ 1,566.88 crore in 2017-18 to ₹ 2,562.42 crore in 2021-22. Grants to Zilla Parishads (Panchayati Raj Institutions) and Municipalities/ Municipal Councils (₹ 305.64 crore) represent 11.93 *per cent* of total Grants given during the year.

Details of Grants-in-Aid Given in the last 5 years, are as under:

Table 28: Financial Assistance to Local Bodies and Others

(₹ in crore)

Sl. No.	Name of Institutions	2017-18	2018-19	2019-20	2020-21	2021-22
1.	Zilla Parishads	-	133.47	0.01	116.39	200.50
2.	Municipalities	1.92	16.24	7.97	83.51	105.14
3.	Other Urban Local Bodies	131.71	-	-	-	-
4.	Government Companies	6.76	-	-	5.18	5.84
5.	Statutory Corporations	-	-	-	-	-
6.	Universities	-	-	-	-	-
7.	Development Authorities	29.29	29.38	19.07	27.78	28.46
8.	Co-operative Institutions	-	-	-	-	-
9.	Other Autonomous Bodies	12.50	-	-	-	37.58
10.	Non-Government Organizations	1.00	-	-	-	-
11.	Grants for which classification of Institution is not available	1,383.70	1,690.36	1,305.00	1,950.50	2,184.90
	Total	1,566.88	1,869.15	1,332.05	2,183.36	2,562.42

Details of Grants-in-Aid Given for Creation of Assets in the last 5 years, are as under:

Table 29: Grants-in-Aid Given for Creation of Assets

(₹ in crore)

Sl. No.	Name of Institutions	2017-18	2018-19	2019-20	2020-21	2021-22
1.	Zilla Parishads	-	-	-	0.01	-
2.	Municipalities	-	-	-	7.97	-
3.	Other Urban Local Bodies	50.00	-	-	-	-
4.	Government Companies	-	-	-	-	-
5.	Statutory Corporations	-	-	-	-	-
6.	Universities	-	-	-	-	-
7.	Development Authorities	-	-	-	19.07	-
8.	Other Autonomous Bodies	5.00	-	-	-	-
9.	Non-Government Organizations	-	-	-	-	-
10.	Grants for which classification of Institution is not available	113.33	300.58	112.47	1,305.00	375.64
	Total	168.33	300.58	112.47	1,332.05	375.64

6.4 Cash Balance and Investment of Cash Balance

Table 30: Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2021	As on 31 March 2021	Net Increase (+)/ (-) Decrease
Cash Balances	7.01	(-) 2,063.52	(-) 2,056.51
Investments from Cash Balance (<i>Gol Treasury Bills</i>)	1,699.49	4,392.63	(+) 2,693.14
Investment from Earmarked Fund Balances	1,686.31	2,029.63	(+) 343.32
(a) <i>Sinking Fund</i>	1,684.11	2,026.75	(+) 342.64
(b) <i>Guarantee Redemption Fund</i>	2.20	2.88	(+) 0.68
(c) <i>Other Funds</i>	-	-	-

The State Government had a minus Closing Cash Balance as on 31 March 2022. Interest Receipts on investment of cash balance increased by 38.03 per cent from ₹ 32.37 crore in 2020-21 to ₹ 44.68 crore in 2021-22.

6.5 Reconciliation of Accounts

Accuracy and reliability of Accounts, among other things, depend on timely reconciliation of figures available with Departments and figures appearing in the Accounts compiled by the Principal Accountant General. This exercise is to be conducted by respective Heads of Departments. Reconciliation of Accounts of many Departments was in arrears. In 2021-22, Expenditure of ₹ 22,611.82 crore (99.65 per cent of Total Expenditure) and Receipts of ₹ 22,721.20 crore (100 per cent of Total Receipts) was reconciled by the State Government. The status of Reconciliation of Accounts in respect of Chief Controlling Officers (CCOs) of different Departments is given below:

Table 31: Reconciliation of Accounts

Particulars	No. of CCOs	Fully Reconciled	Partially Reconciled	Not Reconciled
Expenditure	83	99.65 %	-	0.35 %
Receipts	83	100 %	-	0 %

6.6 Submission of Accounts by Accounts Rendering Units

Finance Accounts, 2021-22 present transactions of the Government of Arunachal Pradesh from 1 April 2021 to 31 March, 2022. Accounts of Receipts and Expenditure of the Government of Arunachal Pradesh were compiled, based on initial Accounts rendered by 31 District Treasuries/ Sub Treasuries, 222 Public Works Divisions, 48 Forest Divisions and advices of the Reserve Bank of India. Delay in rendition of Monthly Accounts by the 31 Treasuries/ Sub-Treasuries to the office of the Principal Accountant General ranged from one day to 100 days.

6.7 Unadjusted Abstract Contingent (AC) Bills

Under Rule No. 308-312 of the Central Treasury Rules, Drawing & Disbursing Officers are authorized to draw sums of money by preparing Abstract Contingency (AC) Bills by debiting service heads. They are required to present Detailed countersigned Contingency (DCC) Bills containing vouchers in support of final expenditure to the accountant General. Out of 45 AC bills amounting to ₹ 1.35 crore drawn during the year 2021-22, 11 AC bills amounting to ₹ 0.44 crore (32.59 per cent) were drawn in March 2022. DCC bills in respect of a total of nine AC bills amounting to ₹ 0.29 crore as on 31 March 2022 were not received.

Details of AC bills outstanding as on 31 March 2022 are given below:

Table 32: Unadjusted AC Bills

(₹ in crore)		
Year	Number of pending DC Bills	Amount
2021-22	09	0.29
Total	09	0.29

At the end of 31 March 2021 (previous year), DCC bills in respect of a total of six AC bills amounting to ₹ 30,000/- were not received. Prolonged non-submission DCC Bills renders the expenditure under AC Bills opaque

6.8 Status of Suspense and Remittances Balances

Finance Accounts reflect Net Balances under Suspense and Remittance Heads. Outstanding balances under the Heads are worked out, aggregating outstanding Debit and Credit balances separately under various Heads. Significant Suspense items shown as gross Debit and Credit balances under Major Head-8658-Suspense Account and 8782-Remittances for the last three years, were as under:

Table 33: Major Head 8658 Suspense and Remittances Balances

Minor Head	2019-20		2020-21		2021-22	
	Dr	Cr	Dr	Cr	Dr	Cr
101 – Pay and Accounts Office Suspense	68.48	0.05	74.41	0.05	52.53	0.05
102 – Suspense Accounts (Civil)	38.06	7.19	36.56	7.19	29.33	1.46
107- Cash Settlement Suspense Account	24.03	4.82	24.03	4.82	24.03	4.82
109 – Reserve Bank Suspense - Headquarters	(-)16.58	(-)5.19	(-)16.44	(-)5.19	(-)16.49	(-)5.19
110 – Reserve Bank Suspense – Central Accounts Office	1,920.18	779.44	1,948.35	779.51	1,947.04	772.71
112 – Tax Deducted at Source (TDS) Suspense	--	6.86	--	7.95	--	7.90
113- Provident Fund Suspense	0.25	--	0.25	--	0.25	--

(₹ in crore)

Minor Head	2019-20		2020-21		2021-22	
	Dr	Cr	Dr	Cr	Dr	Cr
121- Additional Dearness Allowance Deposit Suspense Account (New)	0.01	0.08	0.01	0.08	0.01	0.08
123- AIS Group Insurance Scheme	0.02	0.01	0.02	0.01	0.02	0.01
126- Broadcasting Receiver Licence Fee Suspense	--	--	--	--	--	--
129- Material Purchase Settlement Suspense Account	19.58	0.02	19.58	0.02	19.58	0.02

Table 34: Major Head 8782 Suspense and Remittances Balances

(₹ in crore)

Major Head	2019-20		2020-21		2021-22	
	Dr	Cr	Dr	Cr	Dr	Cr
102 – Public Works Remittances	48,251.15	48,555.65	51,344.53	51,581.95	401.35	600.80
103 – Forest Remittances	1,773.73	1,772.79	1,843.35	1,842.62	15.90	25.89
105 – Reserve Bank of India Remittances	592.89	503.75	592.89	503.75	592.89	504.20

Non-clearance of outstanding balances under these heads affects the accuracy of receipt/ expenditure figures and balances under different heads of Accounts (which are carried forward from year to year) of the State Government.

6.9 Status of Outstanding Utilization Certificates

In terms of Rule 238 of the General Financial Rules, read with Rule 16.9 of the Manual of Standing Orders (A&E) Vol-I, Utilisation Certificates (UCs) in respect of Grants provided for specific purposes should be obtained by Departmental Officers from Grantees, and after verification, should be forwarded to the Principal Accountant General within 12 months of closure of the Financial Year, unless specified otherwise. UCs outstanding beyond the specified period indicate absence of assurance on utilisation of Grants for intended purposes. Further, to the extent of non-receipt of UCs, Expenditure shown in the Accounts cannot be treated as final or confirmed that the amount was expended for the purpose it was sanctioned.

Details of outstanding UCs as on 31 March 2022 are given below:

Table 35: Outstanding Utilization Certificates (UCs)

(₹ in crore)

Year*	Number of Utilisation Certificates awaited	Amount
Upto 2020-21	85	84.37
2021-22	90	466.09
TOTAL	175	550.46

* The year mentioned above relates to "Due year" i.e., after 12 months of actual drawal.

Delayed submission/ non-submission of UCs impede the assurance that funds were utilised for intended purposes.

6.10 Commitments on account of Incomplete Capital Works

A total expenditure of ₹ 665.92 crore was incurred by the State Government up to 2021-22 on 83 incomplete Projects, each involving ₹ 5 crore and above expenditure during the year, against original Estimated Cost of ₹ 1,420.46 crore as detailed in Appendix-IX in Volume-II of the Finance Accounts. A summarized view on commitments on account of 'Incomplete Capital Works' is shown in Table 36.

Table 36: Cammitments on account of Incomplete Capital Works

(₹ in crore)						
Sl. No.	Category of works (No. of Works)	Estimated Cost of Works	Expenditure during the year	Progressive Expenditure to the end of the year	Pending Payments	Estimated Cost after revision
1.	Irrigation, Power & Water Supply Works (17)	253.57	77.94	152.92	39.43	Not Available
2.	Building Works (18)	244.81	78.02	117.74	2.05	Not Available
3.	Road & Bridge Works (48)	922.08	208.23	395.26	2.56	Not Available
	Total	1,420.46	364.19	665.92	44.04	

Note: : List of Incomplete Capital Work is given in Appendix- IX of the Finance Accounts (Vol-II).

6.11 National Pension System

The State Government employees recruited on or after 1 January 2008 are covered under the National Pension System (NPS) which is a Defined Contribution Pension Scheme. In terms of the Scheme, the employee contributes 10 *per cent* of his/ her basic pay and dearness allowance, and 10 *per cent* of basic pay and dearness allowance is contributed by the State Government; and the entire amount is to be transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank.

During the year 2021-22, total contribution to Defined Contribution Pension Scheme was ₹ 220.41 crore (Employees' contribution ₹ 111.56 crore and Government's contribution ₹ 108.85 crore). The contribution to NPS is to be transferred to the Major Head 8342- Other Deposits-117-Defined Contribution Pension scheme for Government Employees' and henceforth to be transferred to the NSDL/ Trustee bank from this Major Head. This procedure has not been followed by the State Government. The entire contribution of ₹ 220.41 crore was credited in the Saving & Current Bank Accounts opened in the name of 'DIRECTOR OF ACCOUNTS AND TREASURIES, Government of Arunachal Pradesh'. The Government's contribution to the NPS was less by ₹ 2.71 crore, which resulted in overstatement of Revenue Surplus and understatement of Fiscal Deficit to that extent.

6.12 Personal Deposit Accounts

PD accounts enable designated Drawing Officers to incur expenditure for specific purposes pertaining to a scheme; by debiting the service heads in the Consolidated Fund of the State and crediting the Personal Deposits under the Major Head 8443-Civil Deposits and the Minor Head 106-Personal Deposits. Administrators of PD accounts are required to close such accounts on the last working day of the year and transfer the unspent balances back to the Consolidated Fund.

During 2021-22 an amount of ₹ 0.54 crore was transferred from the Consolidated Fund of the State to these PD Accounts. The whole amount of ₹ 0.54 crore was transferred in March 2022, of which, ₹ 0.11 crore was transferred on the last working day of March 2022.

Out of 12 Administrators authorised for renewal (or open) of Personal Deposit Accounts, four Administrators had renewed/ opened and other eight Administrators had not renewed/ opened. In terms of Rule 623 of Central Treasury Rules, this four Administrators had reconciled and verified their balances with the treasury figures, amounting to ₹ 0.54 crore, and annual verification certificates were furnished by them to the Treasury Officer for onward submission to Accountant General office.

Details of PD accounts as on 31 March 2022 are given below:

Table 37: Details of PD Accounts as on 31st March 2022

(₹ in crore)

Opening Balance as on 1 April 2021		Addition during the year 2021-22		Closed/Withdrawal during the year 2021-22		Closing Balance as on 31 March 2022	
Number of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount
Nil	Nil	04	0.54	04	0.54	Nil	Nil

6.13 Investment

The State Government invests in Equities and Shares of Statutory Corporations, Government Companies, Joint-Stock Companies and Co-operative Institutions. It has its holdings in five Government Companies and 156 Co-operative Banks, Societies, etc. In 2021-22, Government of Arunachal Pradesh made additional investment of ₹ 0.20 crore in the Regional Rural Bank. Total amount invested up to 31 March 2022 was ₹ 251.13 crore, out of which ₹ 190.53 crore was related to one entity - Arunachal Pradesh State Co-operative Apex Bank Ltd., Naharlagun.

6.14 Status of Reserve Funds

(A) Interest bearing Reserve Funds

There were two Interest bearing Reserve Funds. The total accumulated balance at the end of 31 March, 2022 in these 2 interest bearing Reserve Funds was ₹ 1,782.11 crore.

6.14.1 State Disaster Response Fund

In terms of guidelines on constitution and administration of the State Disaster Response Fund (under Major Head-'8121 General & Other Reserve Funds' which is under interest bearing section), the Central and State Governments are required to contribute to the fund in the proportion of 90:10. During the year 2021-22, the State Government received ₹ 200.00 crore as Central Government's share. The State Government's share during the year is ₹ 22.22 crore. Contrary to the fund account guidelines, the State Government parked ₹ 111.11 crore (which includes ₹ 100.00 crore as Central Government's share and ₹ 11.11 crore as State Government's share) to the Savings bank account (SBI) of the Department of Disaster Management by debiting the expenditure from MH 2245-05-101 instead of transferring to the respective Fund Accounts under Public Account Head MH 8121.122. The State had not received any fund from the Central Government toward NDRF.

6.14.2 State Compensatory Afforestation Fund

In compliance with the instructions issued by the Ministry of Environment and Forests, Government of India's vide their letter No. 5-1/2009-FC dated 28 April 2009 and Guidelines of 2 July 2009, the State Governments are required to establish the State Compensatory Afforestation Fund for amounts received from user agencies and utilization of monies collected for undertaking Compensatory Afforestation, assisted natural regeneration, conservation and protection of forests, infrastructure development, wildlife conservation and protection and other related activities and for matters connected therewith or incidental thereto.

The monies received by the State Governments from the user agencies need to be credited in 'State Compensatory Afforestation Deposits' under interest bearing section in Public Account of the State at Minor head level below the Major Head 8336-Civil Deposits. As per Section 3 (4) of the Compensatory Afforestation Fund Act, 2016, 90 *per cent* of the fund needs to be transferred to the Major Head 8121-General and Other Reserve Funds in Public Account of State and balance 10 *per cent* to be credited into the National Fund on yearly basis provided that, the credit of 10 *per cent* Central share of funds should be ensured on monthly basis so that the same is transferred to the National Fund.

The applicable rate of interest on balances available under 'State Compensatory Afforestation Deposits' under '8336-Civil Deposits' and 'State Compensatory Afforestation Fund' under 8121- General and other Reserve Funds will be as per the rate declared by the Central Government on year to year basis.

During the year 2021-22, no amount was received by the State Government from the user agencies and no amount was remitted to the National Fund. The Government received ₹ 612.95 crore (nil in previous year) from National Compensatory Afforestation Deposit. The total balance in the State Compensatory Afforestation Fund as on 31 March 2022 was ₹ 1,779.51 crore.

(B) Non-Interest bearing Reserve Funds

There were 2 active Non-interest bearing Reserve Funds earmarked for specific purposes, and another one fund was inactive from 2008-09. The total accumulated balance at the end of 31 March 2022 in these non-interest bearing Reserve Funds was ₹ 2,029.76 crore.

6.14.3 Consolidated Sinking Fund

The Government of Arunachal Pradesh set up the Consolidated Sinking Fund for amortization of loans in 2007. According to the guidelines of the Fund, States shall contribute a minimum of 0.50 *per cent* of their outstanding liabilities (Internal Debt + Public Account) as at the end of the previous year to the Consolidated Sinking Fund. In the year 2021-22, Government contributed only ₹ 200.00 crore as against ₹ 60.05 crore required to contribute to the fund. The total accumulation of the Fund was ₹ 2,026.75 crore as on 31 March 2022 (₹ 1,684.09 crore as on 31 March 2021).

6.14.4 Guarantee Redemption Fund

The State Government constituted the Guarantee Redemption Fund to be administered by the RBI. The latest amendment to the Fund notification issued by the State Government, effective from the year 2017-18, stipulates that the State Government shall initially contribute a minimum of 1 *per cent* and thereafter at the rate of 0.5 *per cent* of outstanding guarantees at the end of the previous year to achieve a minimum level of 3 *per cent* in next five years. The Fund shall be gradually increased to a desirable level of 5 *per cent*. During the year Government contributed ₹ 0.50 crore as against ₹ 0.01 crore required to contribute to the Fund. The total accumulation of the Fund was ₹ 2.89 crore as on 31 March 2022 (₹ 2.20 crore as on 31 March 2021).

Transactions in the Fund are depicted in Statements 21 and 22 of the Finance Accounts.

6.15 Accounting of Building and Other Construction Workers Welfare Cess

The Government of India enacted the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act) to levy and collect cess for providing benefits to the workers. The Act, inter alia, mandated constitution of a Building and Other Construction Workers' Welfare Board and framing of rules by every State Government to exercise the powers conferred under the Act. Accordingly, the Government of Arunachal Pradesh have framed Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules 1998 under the Act and have constituted Arunachal Pradesh Building & Other Construction Workers Welfare Board. The Board is responsible for the operation and maintenance of the amount credited by Government as Labour Cess Deposits.

During the year 2021-22, the Government collected ₹ 18.27 crore (2020-21: ₹ 19.29 crore) as Labour Cess under Major Head 0230-00-101 and no amount was transferred to the Building and Other Construction Workers Welfare Board. Thus, the

un-transferred amount from the Major Head 0230-00-101 was ₹ 127.68 crore as on March, 2022 (₹ 109.41 crore as on 31 March 2021).

6.16 Bookings under Minor Head 800-Other Expenditure and 800-Other Receipts

The Minor Head 800-Other Expenditure/ 800-Other Receipts is to be operated only when the appropriate minor head has not been provided in the accounts. Routine operation of Minor Head 800 should be discouraged, since it renders the accounts opaque.

During the year 2021-22, ₹ 7,083.24 crore under 89 Major Heads of accounts, constituting 31.71 per cent of the total Revenue and Capital expenditure (₹ 22,334.97 crore) was classified under the Minor Head 800-Other Expenditure in the accounts.

Similarly, ₹ 612.83 crore under 13 Major Heads of Account, constituting 2.89 per cent of the total Revenue Receipts (₹ 21,231.64 crore) was classified under 800-Other Receipts in the accounts.

6.17 Interest Adjustment

Government is liable to pay/ adjust interest in respect of balances under category J-Reserve Funds (a. Reserve Funds bearing interest) and K-Deposit and Advances (a. Deposits bearing interest), and for this purpose, specific Sub-Major Heads are provided in the List of Major and Minor Heads of Account.

Details of these Funds/ Deposits and interest paid by the Government during the year 2021-22 are given below:

Table 41: Interest Adjustment

(₹ in crore)				
Funds/ Deposits	Balance on 1 April 2021	Basis for calculation of interest	Interest due	Interest paid
Defined Contribution Pension Scheme for Government Employees.	13.58	Interest calculated as per the rate of interest notified by the Government/ payable to General Provident Fund (7.1 per cent).	0.96	Nil
State Compensatory Afforestation Fund.	1,389.81	Interest calculated at the rate of 4.06 per cent, taking average Ways and Means interest rate for the year 2020-21.	55.59	Nil
State Disaster Response Fund (SDRF).	2.62	Interest calculated at the rate of 4.06 per cent, taking average Ways and Means interest rate for the year 2020-21.	0.10	Nil
Civil Deposit bearing interest (excluding MH-8342).	18.07	Interest calculated at the rate of 4.06 per cent, taking average Ways and Means interest rate for the year 2020-21.	0.72	Nil
Total			57.37	Nil

Non-payment of the interest amounting to ₹ 57.37 crore has resulted in overstatement of Revenue Surplus and understatement of Fiscal Deficit by ₹ 57.37 crore.

6.18 Expenditure on Ecology and Environment

The National Environment Policy, 2006 is intended to mainstream environmental concerns in all developmental activities. The Budget and Expenditure data relating to “Environment”, “Waste Management”, “Prevention and Control of Pollution”, “Environment Research and Education”, “Environmental Protection” etc. are compiled from the vouchers/ budget documents etc. rendered by the State Government.

The expenditure incurred by the State Government towards environment is depicted in the Finance Accounts upto the level of Minor Head under various functional head of accounts. During the year 2021-22, the Government of Arunachal Pradesh incurred ₹ 3.49 crore against the budget allocation of ₹ 3.51 crore under Major Head 3435 - Ecology and Environment. The expenditure incurred during 2021-22 of ₹ 3.49 crore was 0.02 per cent of Revenue Expenditure.

6.19 Unspent amount lying in the Bank Accounts of Single Nodal Agency (SNA)

In accordance with the direction of Ministry of Finance, Government of India, funds received by the State Government under Centrally Sponsored Schemes are restricted for use by the State Government and was required to be transferred to concerned SNA's account within a period of 21 days of its receipt. In compliance with Gol's direction, the State Government has transferred CSS funds to SNA accounts.

As on 31 March 2022, an amount of ₹ 1,759.48 crore including both Central and State share, remained unspent in SNA accounts of 89 scheme.

6.20 Restructuring of Centrally Sponsored Schemes (CSSs)/ Additional Central Assistance (ACA) excluding Block Grants

Consequent to the merger of Plan/ Non-Plan, the Central Assistance released is now classified as Central Assistance/ Share under Centrally Sponsored Schemes.

The total expenditure booked under Centrally Sponsored Schemes, during the year 2021-22, is ₹ 5,262.08 crore (Revenue Expenditure ₹ 2,933.69 crore and Capital Expenditure ₹ 2,328.39 crore), which includes expenditure out of Central Assistance and State share for Centrally Sponsored Schemes.

6.21 MH 8670 Cheques and Bills

Credit balance under MH 8670 Cheques and Bills indicates cheques issued but remaining un-encashed. The opening balance as on 1 April 2021 was ₹ 0.04 crore (Credit). During 2021-22, no cheques were issued, leaving a closing balance of ₹ 0.04 crore (Credit) as on 31 March 2022. The closing balance represents expenditure originally booked in various financial years under different functional Major Heads,

which has not resulted in any cash outflow to the Government of Arunachal Pradesh till 31 March 2022.

6.22 Cash Balance

The Cash balance as on 31 March 2022 as per the record of Accountant General was ₹ 2,063.52 crore (Credit) and that reported by RBI was ₹ 731.98 crore (Debit). There was a net difference of ₹ 1,331.54 crore (Credit), mainly due to incorrect reporting by the accredited banks of Reserve Bank of India. However, ₹ 379.32 crore (Credit) remained outstanding by the end of July, 2022. The difference is under reconciliation.

6.23 Impact on Revenue expenditure

The impact on Revenue Expenditure of misclassification/ non-compliance to statutory provisions on the State's finance as brought out in the preceding paras is tabulated below:

Table 42: Impact on Revenue Expenditure

Para Number	Item (Illustrative)	Impact on Revenue Expenditure	
		Overstatement (₹ in crore)	Understatement (₹ in crore)
2(ii)	Misclassification between Revenue and Capital	...	0.50
2(viii)	Interest Adjustment	...	57.37
4(i)	National Pension System	...	2.71
4(ii) (A)(a)	State Disaster Response Fund (SDRF)	...	111.11
Total Net Impact		...	171.69

© **COMPTROLLER AND AUDITOR GENERAL OF INDIA**
2022
www.cag.gov.in

Website: www.agarun.cag.gov.in
E-mail: agarunachalpradesh@cag.gov.in