



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



सत्यमेव जयते

ACCOUNTS AT A GLANCE

for the year
2022-23



GOVERNMENT OF ARUNACHAL PRADESH

**PRINCIPAL ACCOUNTANT GENERAL
ARUNACHAL PRADESH
ITANAGAR**



Accounts At A Glance for the year **2022-23**

**Principal Accountant General,
Arunachal Pradesh
Itanagar**



**GOVERNMENT OF
ARUNACHAL PRADESH**

Preface

I am happy to present the twenty-third issue of our annual publication, '**ACCOUNTS AT A GLANCE**' for the financial year 2022-23, 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 (CHERRING ANGRUP BODH)
Date: 6 November 2023 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

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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 37 Treasuries and Sub-Treasuries, 51 Public Works Divisions, 24 Urban Development and Housing Divisions, 28 Water Resources Divisions, 37 Public Health Engineering and Water Supply Divisions, 20 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.

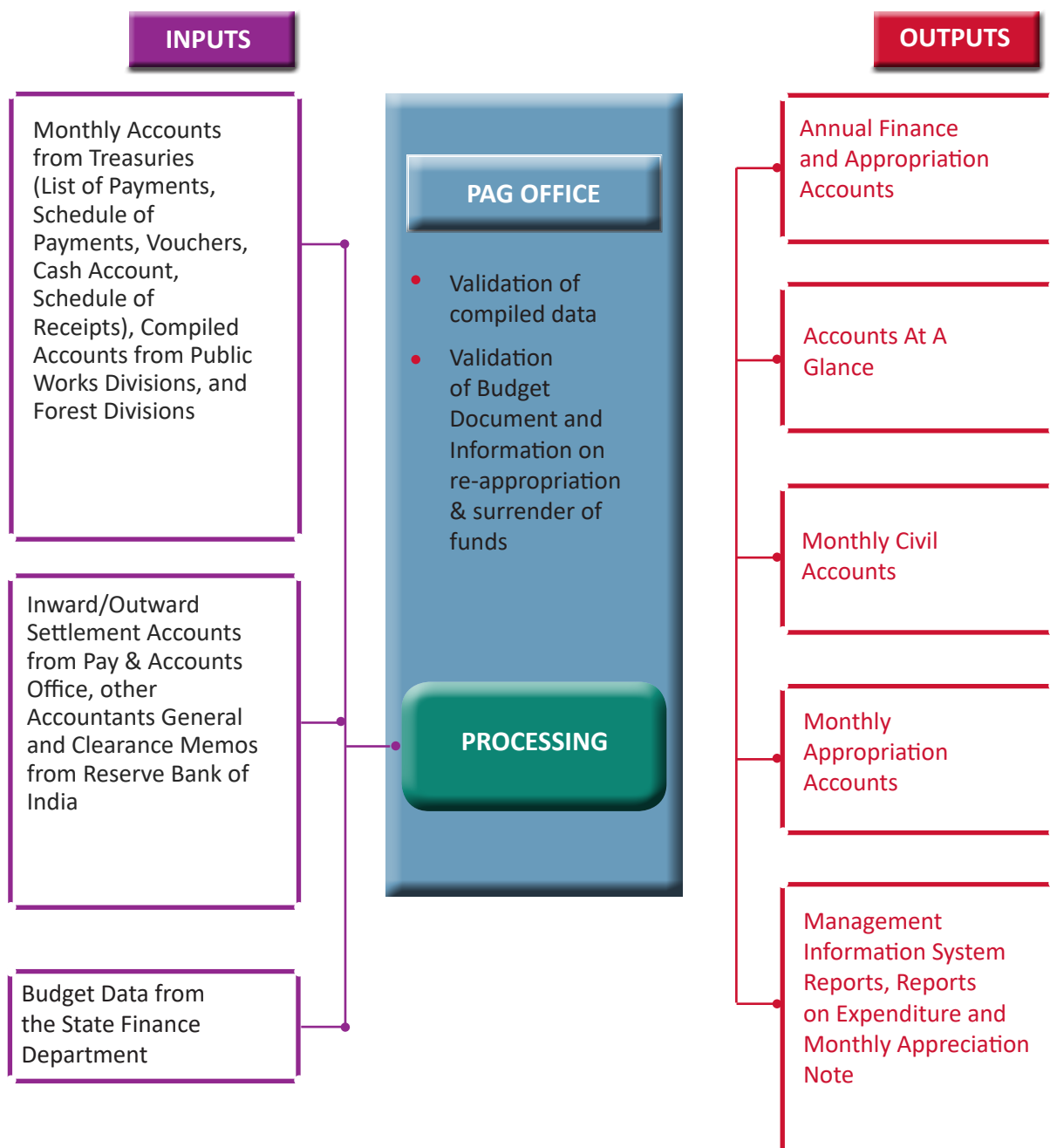
Part 2 CONTINGENCY FUND

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 ₹ 1,620.25 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 2022-23

The following Table provides details of actual financial results *vis-à-vis* Budget Estimates for 2022-23:

Table 1: Highlights of Accounts

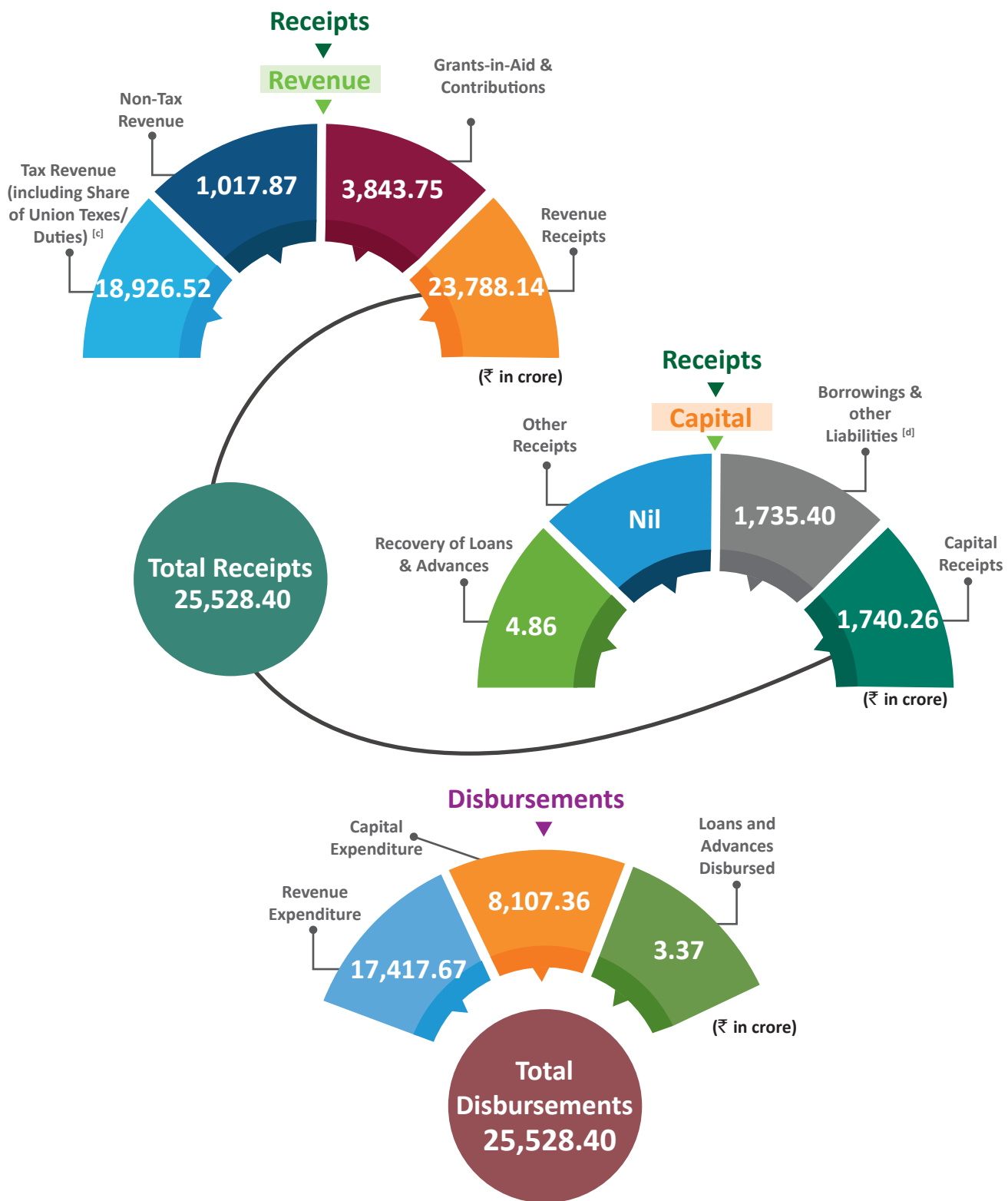
Sl. No.	Component	Budget Estimate (₹ in crore)	Actuals (₹ in crore)	Percentage of Actuals to BE	Percentage of Actuals to GSDP#
1.	Tax Revenue (including share of Union Taxes/ Duties) ^(a)	16,438.54	18,926.52	115.13	47.71
2.	Non-Tax Revenue	935.00	1,017.87	108.86	2.57
3.	Grants-in-Aid and Contributions	6,465.00	3,843.75	59.45	9.69
4.	Revenue Receipts (1+2+3)	23,838.54	23,788.14	100.21	59.96
5.	Recovery of Loans and Advances	10.00	4.86	48.60	0.01
6.	Other Receipts	0.00	0.00	0.00	0.00
7.	Borrowings and Other Liabilities ^(b)	1,059.80	1,735.40	163.75	4.37
8.	Capital Receipts (5 + 6 + 7)	1,069.80	1,740.26	162.67	4.39
9.	Total Receipts (4+8)	24,908.34	25,528.40	102.49	64.35
10.	Revenue Expenditure	18,201.54	17,417.67	95.69	43.90
11.	Expenditure on Interest Payments and Servicing of Debt (out of Revenue Expenditure)	852.52	905.72	106.24	2.28
12.	Capital Expenditure	6,701.15	8,107.36	120.98	20.44
13.	Loans and Advances Disbursed	5.65	3.37	59.65	0.01
14.	Total Expenditure (10+12+13)	24,908.34	25,528.40	102.49	64.35
15.	Revenue Surplus (+)/ Deficit (-) {4 – 10}	5,637.00	6,370.47	113.01	16.06
16.	Fiscal Surplus (+)/ Deficit (-) (4+5+6-14)	(-1,059.80)	(-1,735.40)	163.75	4.37

^(a) Includes share of Net (Tax) proceeds assigned to the State amounting to ₹ 16,689.17 crore. (State Government Own Tax receipts were ₹ 2,237.35 crore, which was 5.64 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 (₹ 39,671.24 crore) on current prices is taken from Department of Economics and Statistics, Government of Arunachal Pradesh, in May 2023, as the same was not available on the website of Ministry of Statistics and Programme Implementation, Govt. of India.

Diagram 3: Receipts and Disbursements in 2022-23



^(e) Includes share of net (tax) proceed assigned to the state amounting to ₹ 16,689.17 crore. (State Government Own Tax receipts were ₹ 2,237.35 crore which was 5.64 per cent of GSDP).

^(f) 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 Article 204 of the Constitution of India, 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 four (04) Charged Appropriations, 73 voted Grants and two (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 ₹ 6,696.30 crore (20.31 per cent of Estimates) and under-estimation of ₹ 189.28 crore on reduction of expenditure. Certain Grants related to Public Works Department, Forests, Water Resources Department, Secretariat Economic Services and Panchayats 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 2022-23, the Government of Arunachal Pradesh did not resort to Over Draft facilities or Ways and Means Advance.

1.4.2 Fund Flow Statement

The State had a Revenue Surplus of ₹ 6,370.47 crore and Fiscal Deficit of ₹ 1,735.40 crore, representing 16.06 per cent and 4.37 per cent of the Gross State Domestic Product (GSDP) respectively. Around 39.36 per cent of Revenue Receipts (₹ 23,788.14 crore) of the State Government was spent on Committed Expenditure like Salaries (₹ 6,233.10 crore), Wages (₹ 557.02 crore), Interest Payment and Servicing of Debt (₹ 905.72 crore) and Pension (₹ 1,665.21 crore).

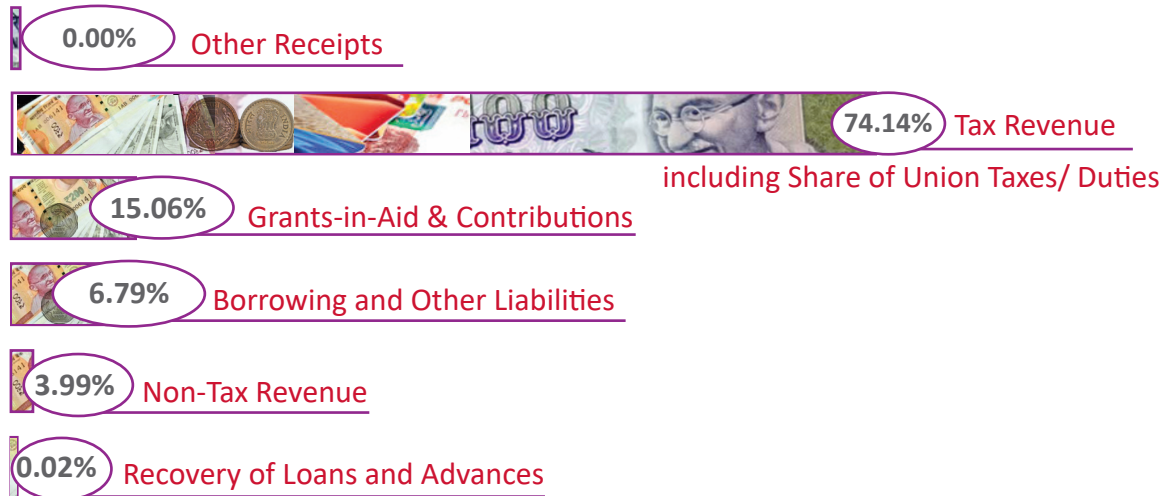
Table 2: Sources and Application of Funds

(₹ in crore)

	PARTICULARS	AMOUNT
 <p>SOURCES</p>	Opening Cash Balance as on 1 April 2021	(-)2,063.52
	Revenue Receipts	23,788.14
	Capital Receipts	-
	Recovery of Loans and Advances	4.86
	Public Debt	2,479.56
	Small Savings Provident Funds, etc.	639.91
	Reserves Fund and Sinking Funds	244.98
	Deposits Received	684.35
	Civil Advances Repaid	236.60
	Suspense Account	1,33,638.55
	Remittances	6,990.67
	Contingency Fund	...
	Total	1,66,644.10
 <p>APPLICATION</p>	Revenue Expenditure	17,417.67
	Capital Expenditure	8,107.36
	Loans Given	3.37
	Repayment of Public Debt (including Ways and Means Advances)	551.11
	Appropriation to Contingency Fund	...
	<i>Small Savings, Provident Funds etc.</i>	485.23
	Reserves Fund and Sinking Funds	423.88
	Deposits Repaid	678.60
	Civil Advances Given	236.47
	Suspense Account	1,32,281.46
	Remittances	7,404.54
	Closing Cash Balance as on 31 March 2022	(-)945.59
	Total	1,66,644.10

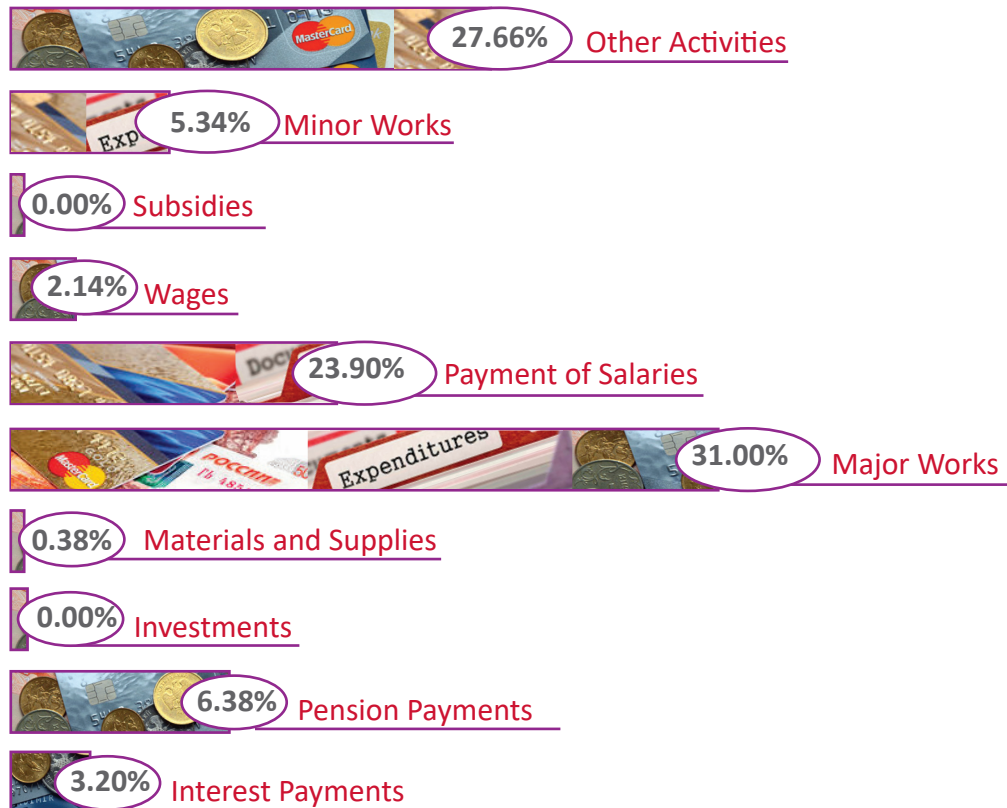
1.4.3 Where the ₹ came from? (in percentage of Total Receipt of ₹ 25,528.40 crore)

Diagram 4: Actual Receipts



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

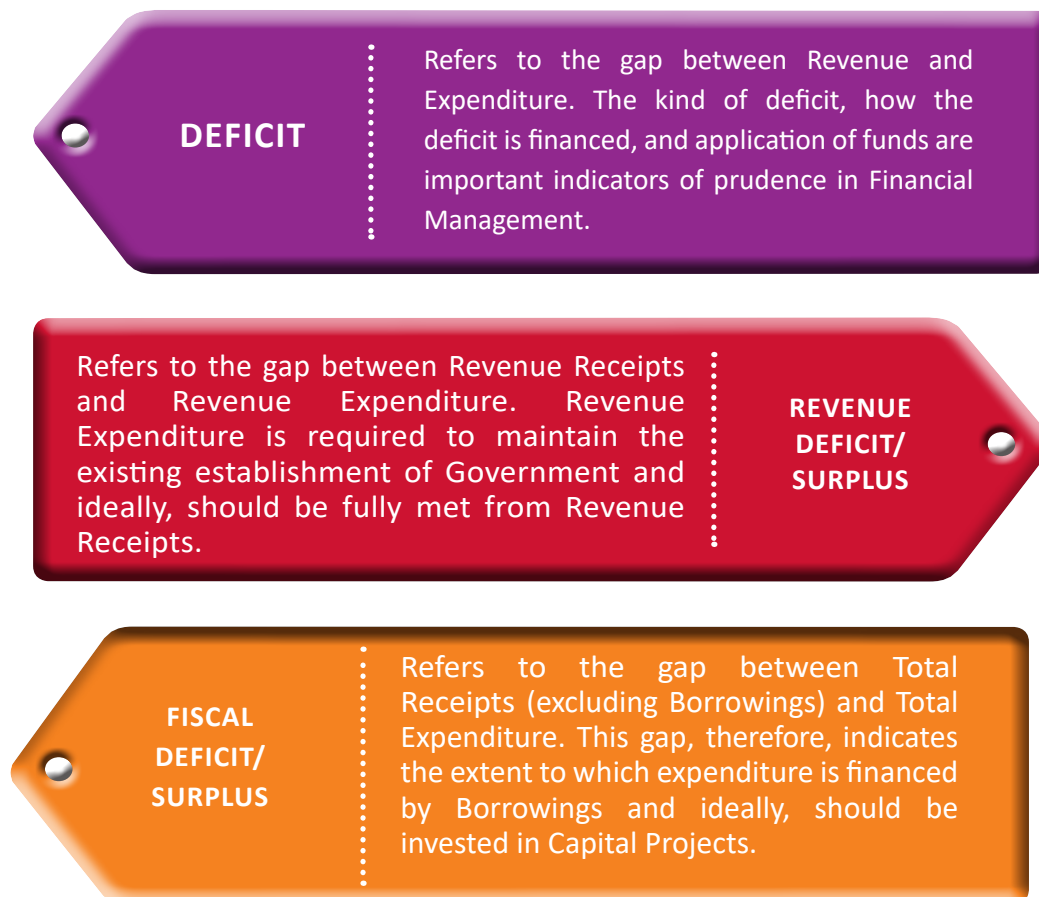
Diagram 5: Actual Expenditure



During 2022-23, Revenue Surplus of ₹ 6,370.47 crore and Fiscal Deficit of ₹ 1,735.40 crore represent 16.06 per cent and 4.37 per cent of the Gross State Domestic Product (GSDP) respectively. Fiscal Deficit constituted 6.80 per cent of Total Expenditure (₹ 25,528.40 crore).

[*] 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 2022-23 against fiscal targets laid down in the Act and rules framed there under, were as follows:

Table 3: Target and Achievements as per Accounts

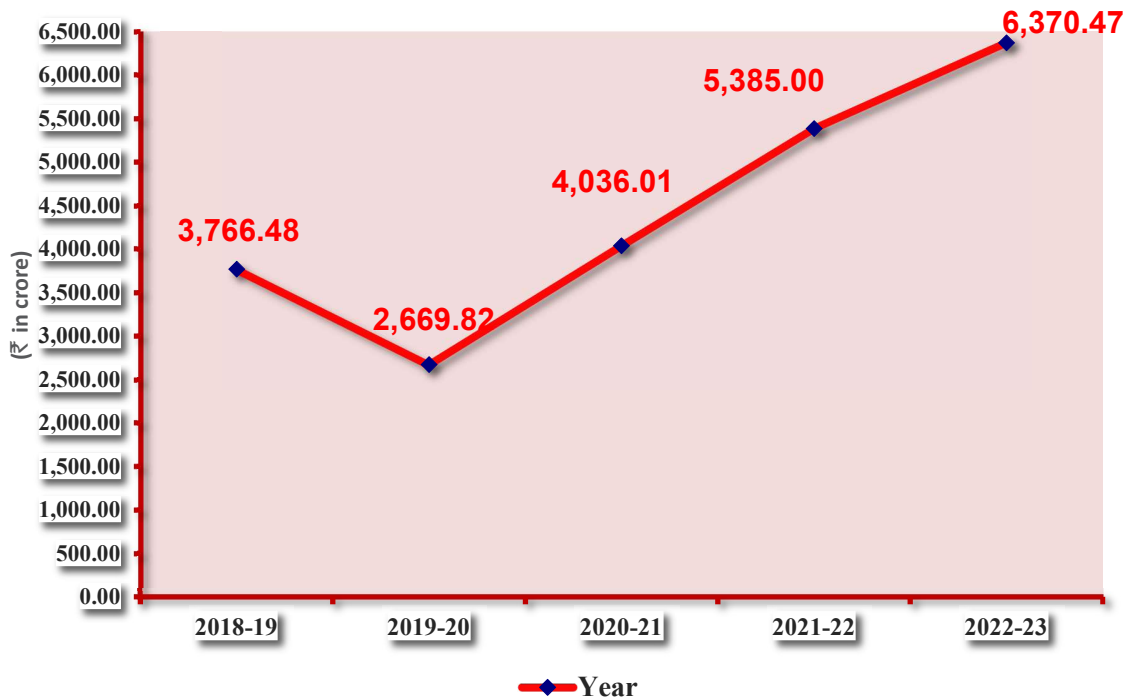
Sl. No.	Financial Parameter	Actuals (₹ in crore)	Ratio to GSDP (₹ 39,671.24 crore)*	
			Target	Achievement
1.	Revenue Surplus	6,370.47	15.09	16.06 <i>(achieved)</i>
2.	Fiscal Deficit	1,735.40	2.46	4.37 <i>(not achieved)</i>
3.	Debt and other Obligations	15,646.75	45.38	39.44 <i>(achieved)</i>

* APFRBM amended by the Government of Arunachal Pradesh in April 2023 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 ₹5,385.00 crore in 2021-22 and ₹6,370.47 crore in 2022-23, which was above the target of Medium Term Fiscal Plan (MTFP). Fiscal Deficit increased by ₹636.36 crore from ₹1,099.04 crore in 2021-22 to ₹1,735.40 crore in the current year and was 4.37 per cent of GSDP, which was less than the MTFP target of 2.46 per cent. Against the target of reducing outstanding debt to 45.38 per cent of GSDP by 2022-23, outstanding Debt stood at ₹15,646.75 crore as on 31 March 2023, being 39.44 per cent of GSDP, which was above the target.

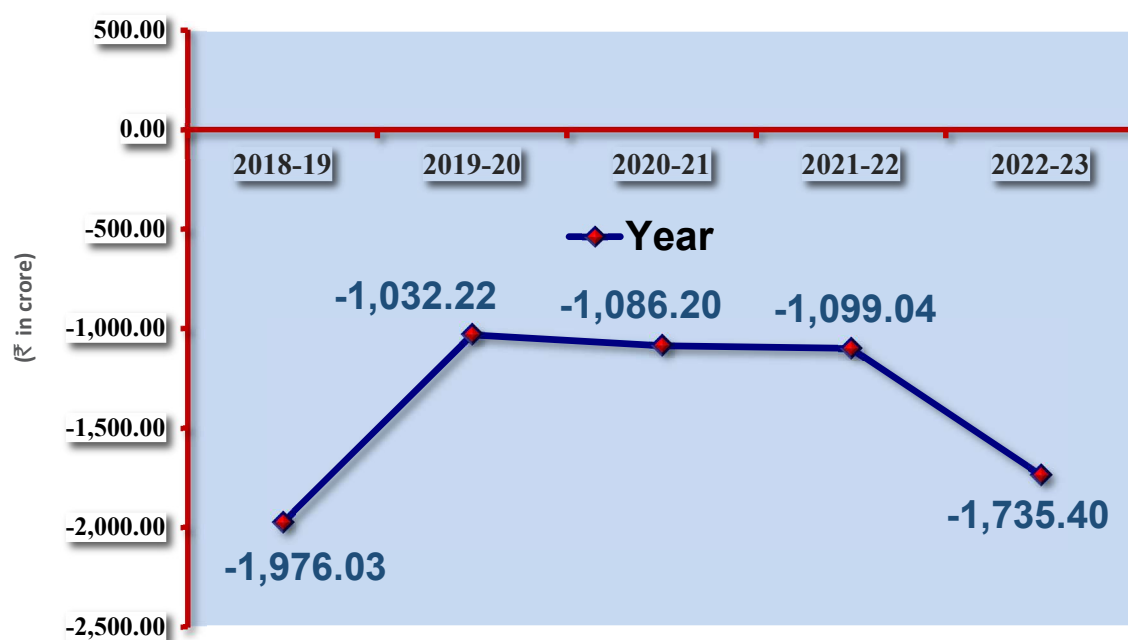
1.5.1 Trend of Revenue Deficit/ Surplus

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

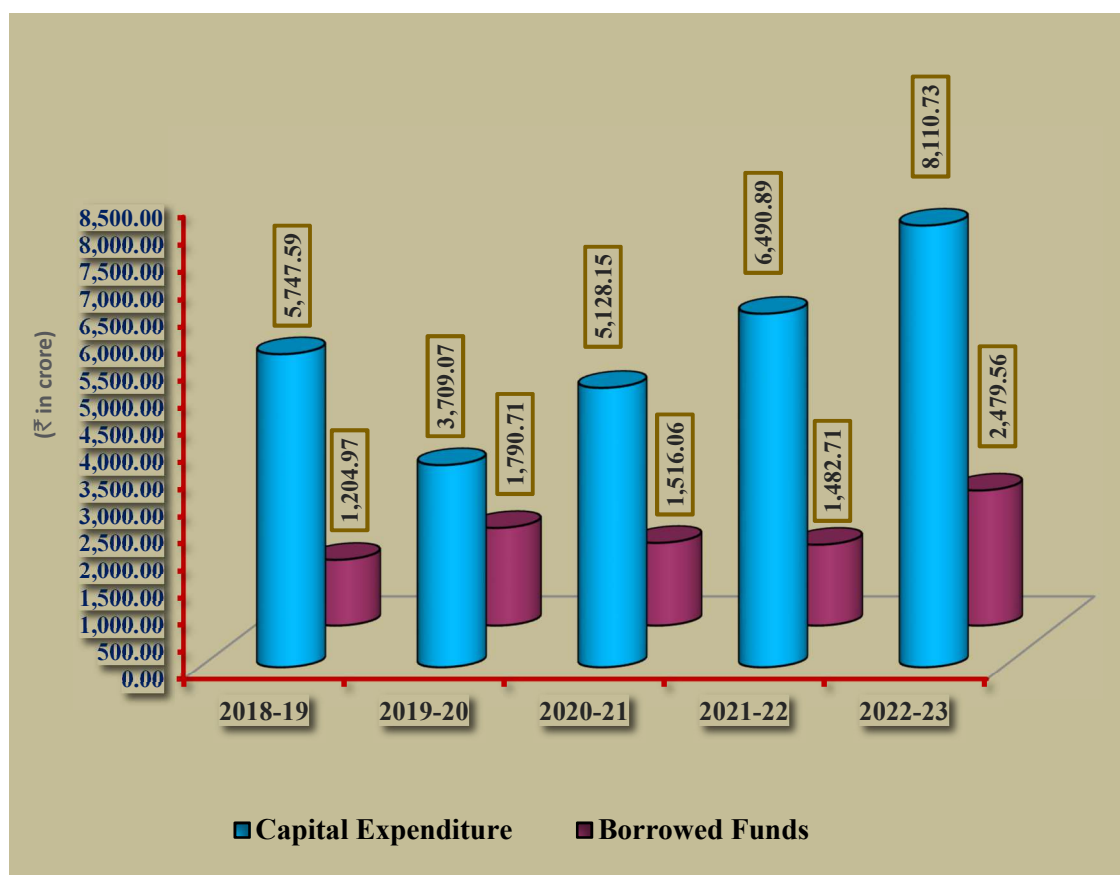
Table 4: Borrowed Funds and Capital Expenditure

(₹ in crore)

Year	Borrowed Funds	Capital Expenditure [#]
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
2022-23	2,479.56	8,110.73

[#] 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 utilise borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest. The State Government fully utilised its borrowings of the current year (₹2,479.56 crore) for creation of Capital Assets.

Chapter II

Receipts

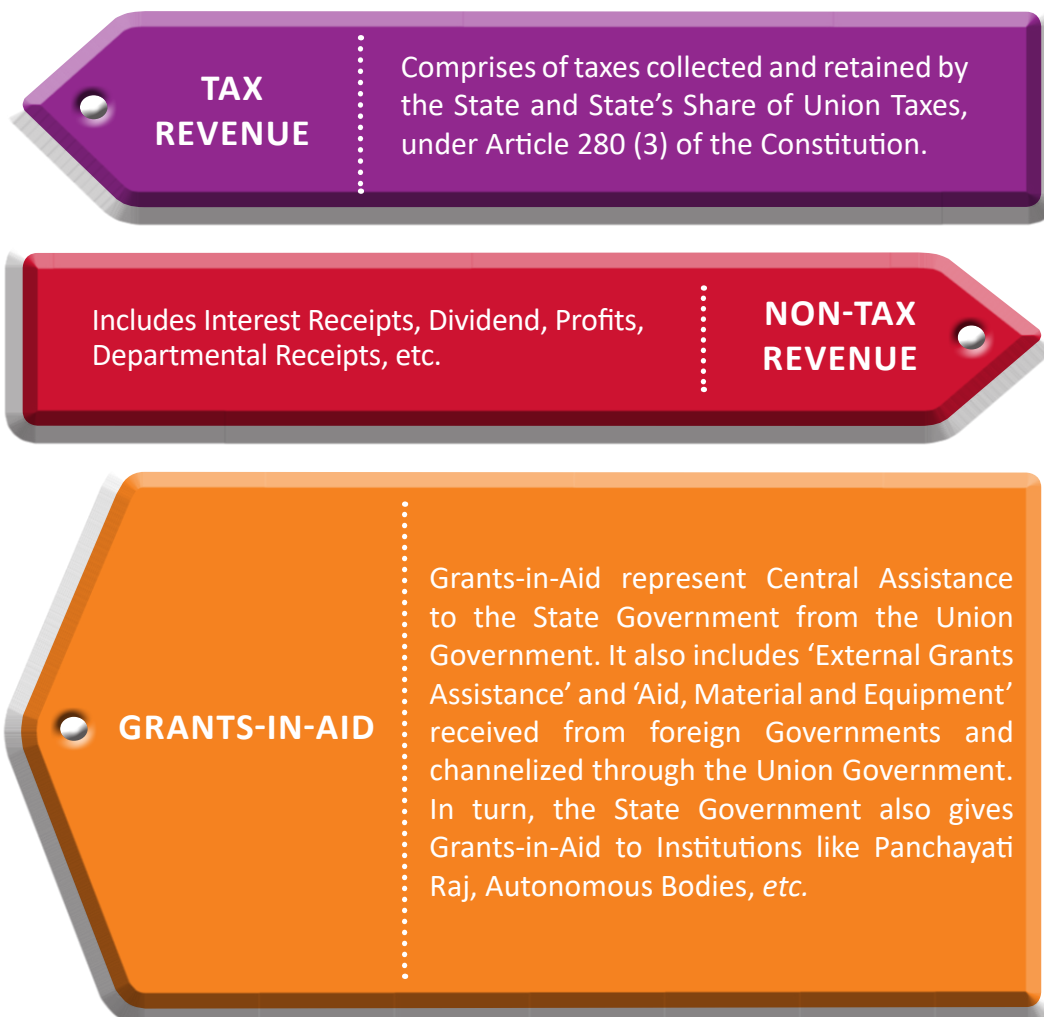
2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2022-23 were ₹ 25,528.40 crore.

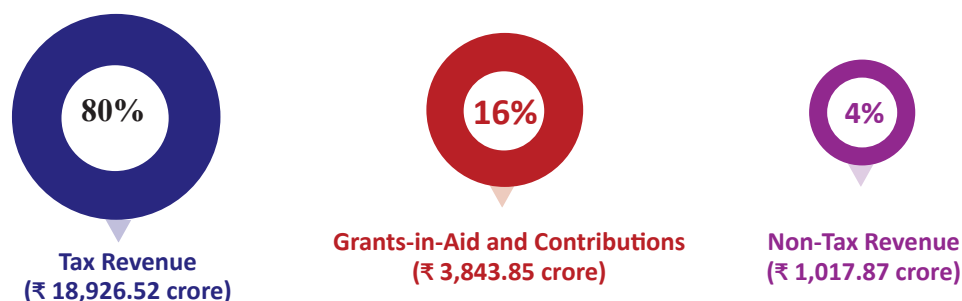
2.2 Revenue Receipts

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 (₹ 23,788.14 crore)



2.2.1 Revenue Receipts Components (2022-23)

Table 5: Revenue Receipts Components (2022-23)

(₹ in crore)

Components	Actuals (₹ in crore)	Percentage to Revenue Receipt
TAX REVENUE*	18,926.52	80
Goods and Services Tax	6,321.72	27
Taxes on Income and Expenditure	11,059.26	46
Taxes on Property, Capital and Other Transactions	65.49	1
Taxes on Commodities and Services	1,480.05	6
NON-TAX REVENUE	1,017.87	4
Interest Receipts, Dividends and Profits	93.13	--
General Services	110.98	1
Social Services	48.02	--
Economic Services	765.74	3
GRANTS-IN-AID AND CONTRIBUTIONS	3,843.75	16
TOTAL REVENUE RECEIPTS	23,788.14	100

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

2.3 Trend of Revenue Receipts

Table 6: Trend of Revenue Receipts

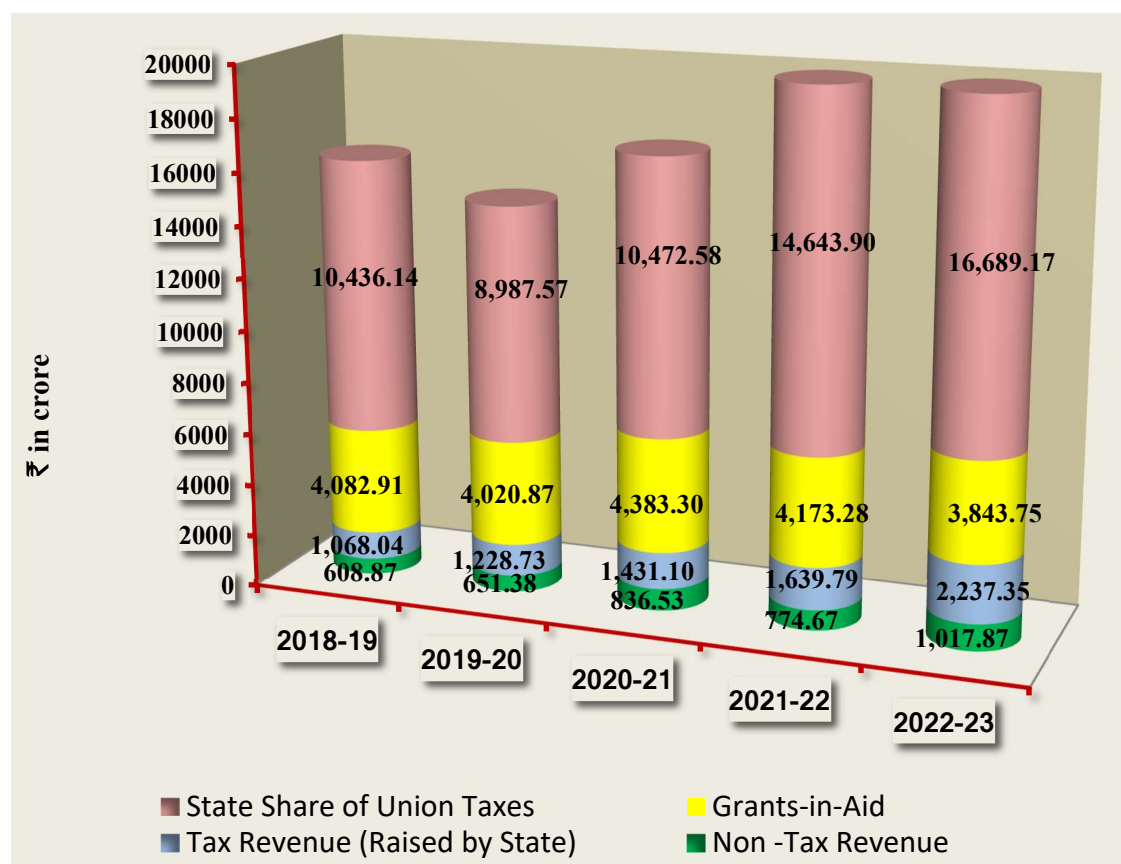
(₹ in crore)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Tax Revenue (raised by the State)	1,068.04	1,228.73	1,431.10	1,639.79	2,237.35
State Share of Union Taxes/ Duties	10,436.14	8,987.57	10,472.58	14,643.90	16,689.17
Non-Tax Revenue	608.87	651.38	836.53	774.67	1,017.87
Grants-in-Aid	4,082.91	4,020.87	4,383.30	4,173.28	3,843.75
TOTAL REVENUE RECEIPTS	16,195.96	14,888.55	17,123.51	21,231.64	23,788.14
GSDP	25,334.86	30,025.23	30,945.33	35,483.76	39,671.24

Note: GSDP (Gross State Domestic Product) Figures at current prices, as intimated by Department of Economics and Statistics, Government of Arunachal Pradesh (May 2023).

Though GSDP increased by 11.80 per cent in 2022-23, compared to the previous year, increase in Revenue Receipts was 12.04 per cent. Total Tax Revenue (including State share of Union Taxes) increased by 36.44 per cent, Non-Tax Revenue increased by 31.39 per cent and Grants-in-Aid decreased by 7.90 per cent, compared to the previous year.

Graph 5: Trend of Component of Revenue Receipts



2.3.1 Tax Revenue

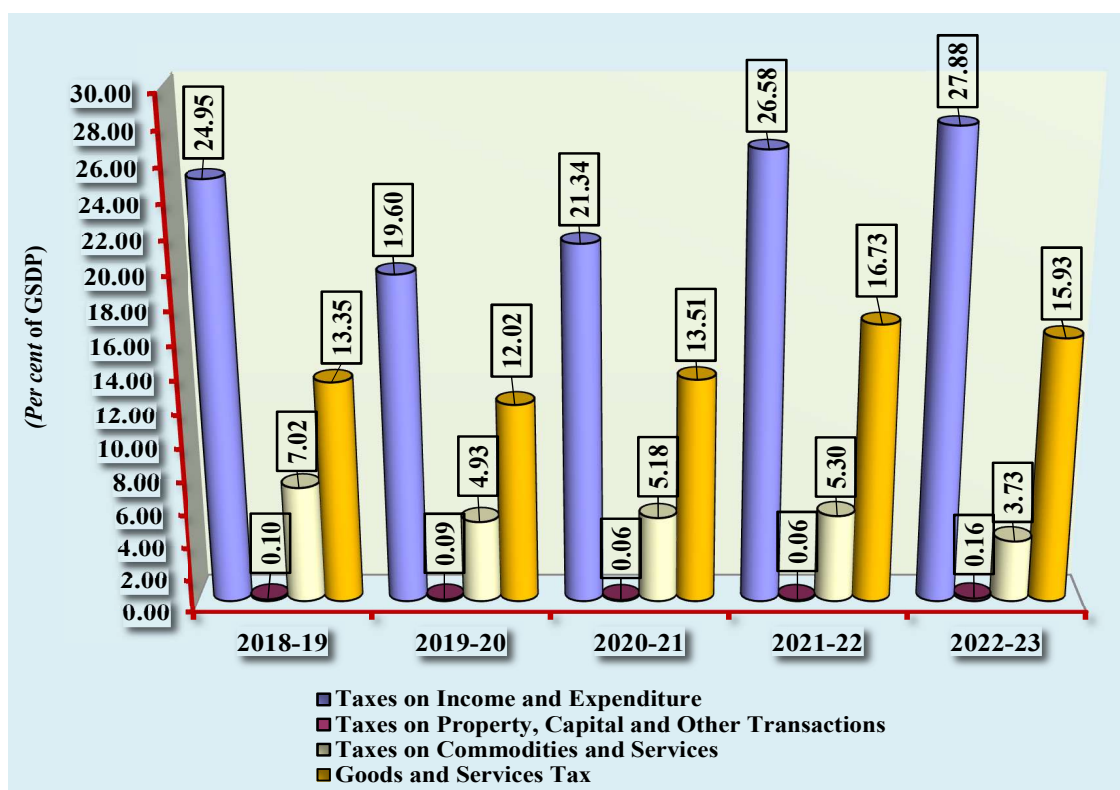
Table 7: Tax Revenue

(₹ in crore)

Sector-wise Tax Revenue					
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
a. Goods and Services Tax	3,381.62	3,351.86	4,011.44	5,597.42	6,321.72
b. Taxes on Income and Expenditure	6,319.33	5,465.66	6,335.98	8,892.05	11,059.26
c. Taxes on Property, Capital and Other Transactions	25.08	24.24	17.99	19.55	65.49
d. Taxes on Commodities and Services	1,778.15	1,374.54	1,538.27	1,774.67	1,480.05
TOTAL TAX REVENUE	11,504.18	10,216.30	11,903.68	16,283.69	18,926.52
GSDP	25,334.86	30,025.23	30,945.33	35,483.76	39,671.24

The increase in total Tax Revenue during 202-23 was mainly attributable to increase in allocation of State Share 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

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

(₹ in crore)

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 (5.64 per cent) was lower than the 5.90 per cent rolling target of Medium Term Fiscal Plan Statements (MTFP) 2023.

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

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

	(₹ in crore)				
Major Head Description	2018-19	2019-20	2020-21	2021-22	2022-23
Goods and Services Tax	2,780.62	2,550.31	3,152.15	4,466.42	4,714.67
Corporation Tax	3,628.32	3,064.45	3,130.39	4,429.74	5,598.20
Taxes on Income other than Corporation Tax	2,672.11	2,401.21	3,205.59	4,462.28	5,461.06
Other Taxes on Income and Expenditure	18.90	--	--	0.03	--
Taxes on Wealth	1.34	0.13	--	0.24	--
Customs	739.56	569.70	582.90	875.24	655.93
Union Excise Duties	491.48	396.08	355.91	350.06	205.76
Service Tax	98.42	--	39.53	45.09	26.09
Other Taxes and Duties on Commodities and Services	5.39	5.69	6.11	14.80	27.46
Total State Share of Union Taxes	10,436.14	8,987.57	10,472.58	14,643.90	16,689.17
Total Tax Revenue	11,504.18	10,216.30	11,903.68	16,283.69	18,926.52
Percentage of Union Taxes to Total Tax Revenue	90.72	87.97	87.98	89.93	88.18

2.6. Cost of Tax Collection

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

	(₹ in crore)				
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Collection	25.08	24.24	17.99	19.55	65.49
Expenditure on Collection	249.70	70.81	66.61	41.71	29.47
Cost of Tax Collection (in %)	995.61	292.12	370.26	213.35	45.00

Table 10: B. Taxes on Commodities and Services

	(₹ in crore)				
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Collection	1,778.15	1,374.54	1,538.27	1,774.67	1,480.05
Expenditure on Collection	31.85	23.32	26.24	30.83	36.62
Cost of Tax Collection (in %)	1.79	1.70	1.71	1.74	2.47

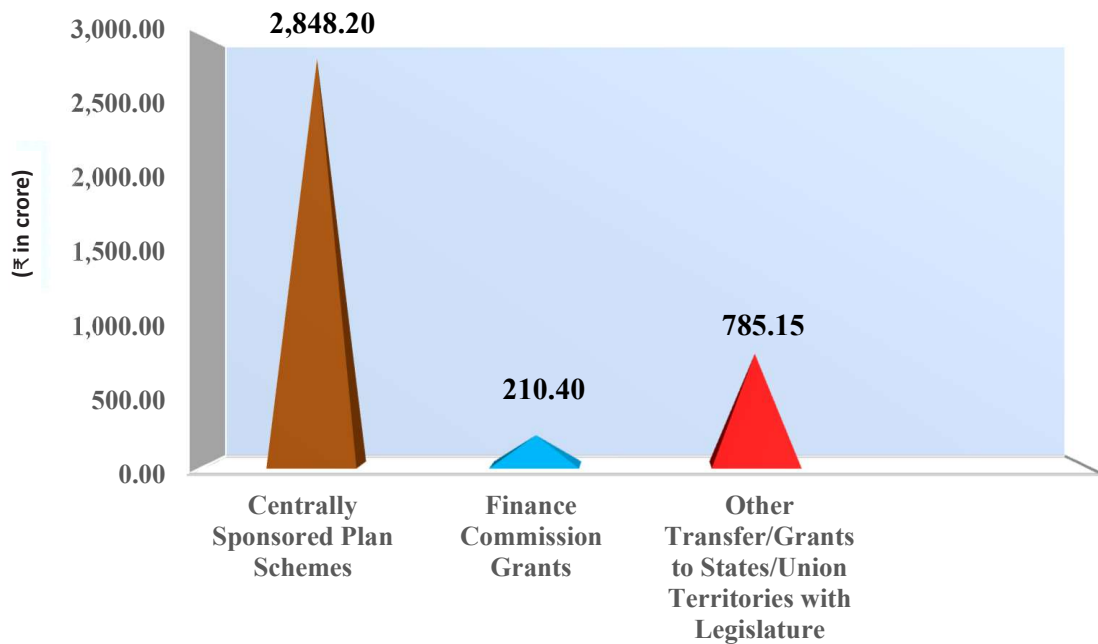
Taxes on Commodities and Services form a major portion of Tax Revenue. Tax collection efficiency of Taxes on Property, Capital and Other Transactions requires improvement.

2.7 Grants-in-Aid

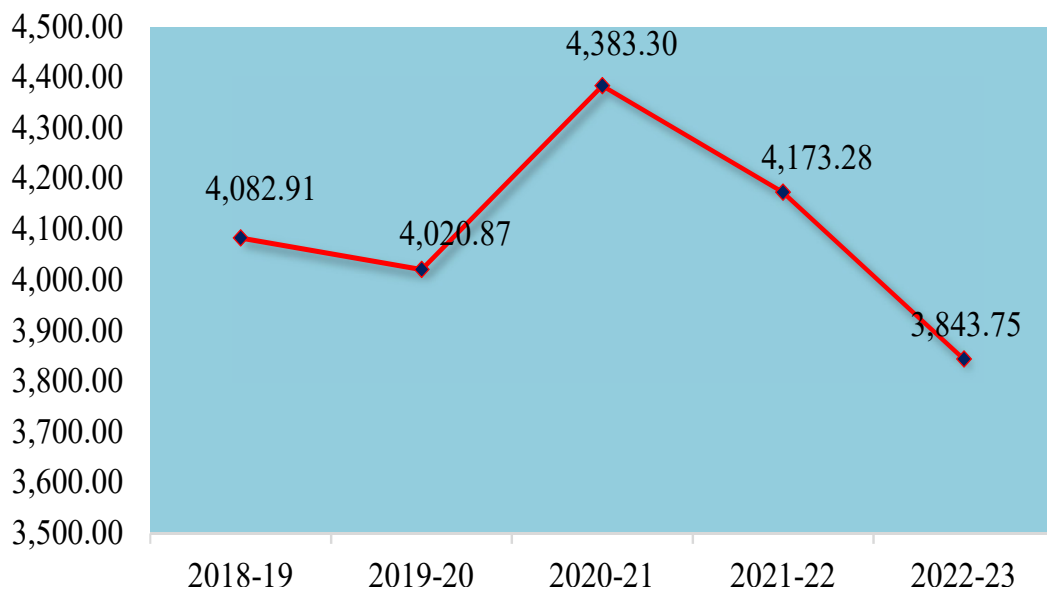
Grants-in-Aid represent assistance from the Government of India and comprise of Grants for Centrally Sponsored Schemes, Finance Commission Grants and Other Transfer/ Grants to States.

Total receipts during 2022-23 under Grants-in-Aid were ₹ 3,843.75 crore, as shown below:

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	2018-19	2019-20	2020-21	2021-22	2022-23
Internal Debt	1,204.97	1,790.71	1,283.09	1,111.52	915.45
Central Loans	-	-	232.97	371.19	1,564.11
Total Public Debt	1,204.97	1,790.71	1,516.06	1,482.71	2,479.56

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

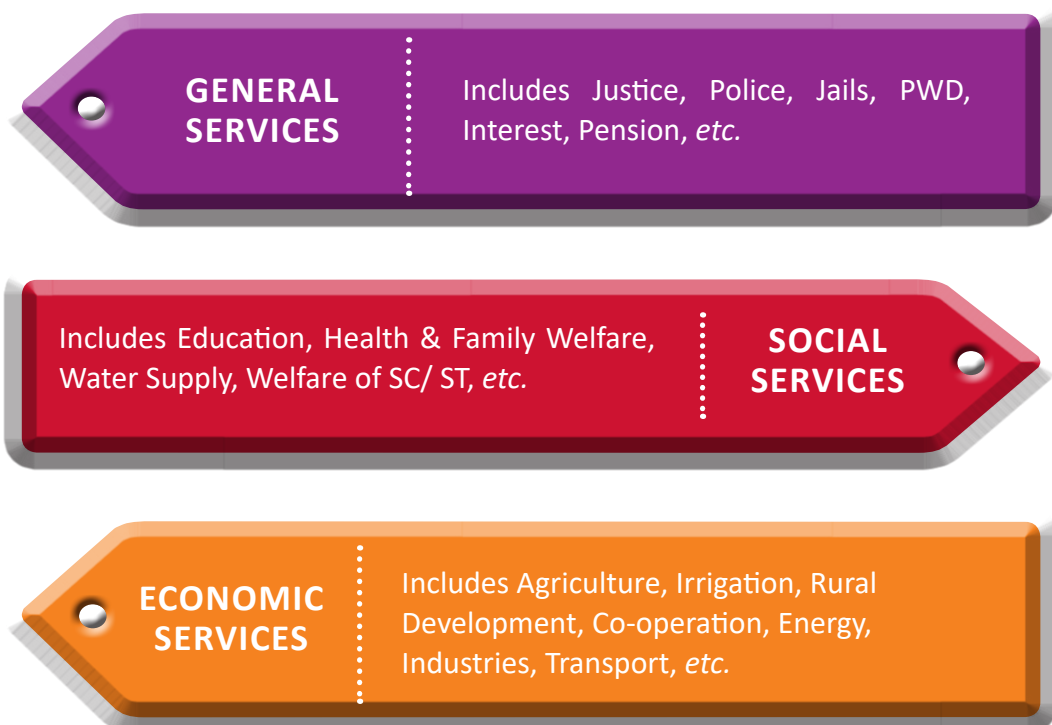
Expenditure

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/ Excess 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	2018-19	2019-20	2020-21	2021-22	2022-23
Budget Estimates	10,255.66	13,406.78	14,207.60	15,344.32	18,201.54
Actuals	12,429.48	12,218.73	13,087.50	15,846.64	17,417.67
Gap	(-)2,173.82	1,188.05	1,120.10	(-)502.32	783.87
Percentage of variation – Actual against BE	(-)21.20	8.86	7.88	(-)3.27	4.31

(Source: Appropriation Accounts of respective years).

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

During 2022-23, Revenue Receipt of ₹ 23,788.14 crore was 0.21 per cent less than the Budget Estimate of ₹ 23,838.54 crore. The State Government was able to generate Revenue Surplus of ₹ 6,370.47 crore (16.06 per cent of GSDP) which is above the target of 15.09 per cent of GSDP mentioned in the Medium Term Fiscal Plan (MTFP) 2023.

During the year, 53.74 per cent of total Revenue Expenditure (₹ 17,417.67 crore) was spent on Committed Expenditure (₹ 9,361.05 crore) like Salaries, Wages, Pensions and Interest Payment. Revenue Expenditure increased by 9.92 per cent from ₹ 15,846.64 crore in 2021-22 to ₹ 17,417.67 crore in 2022-23.

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

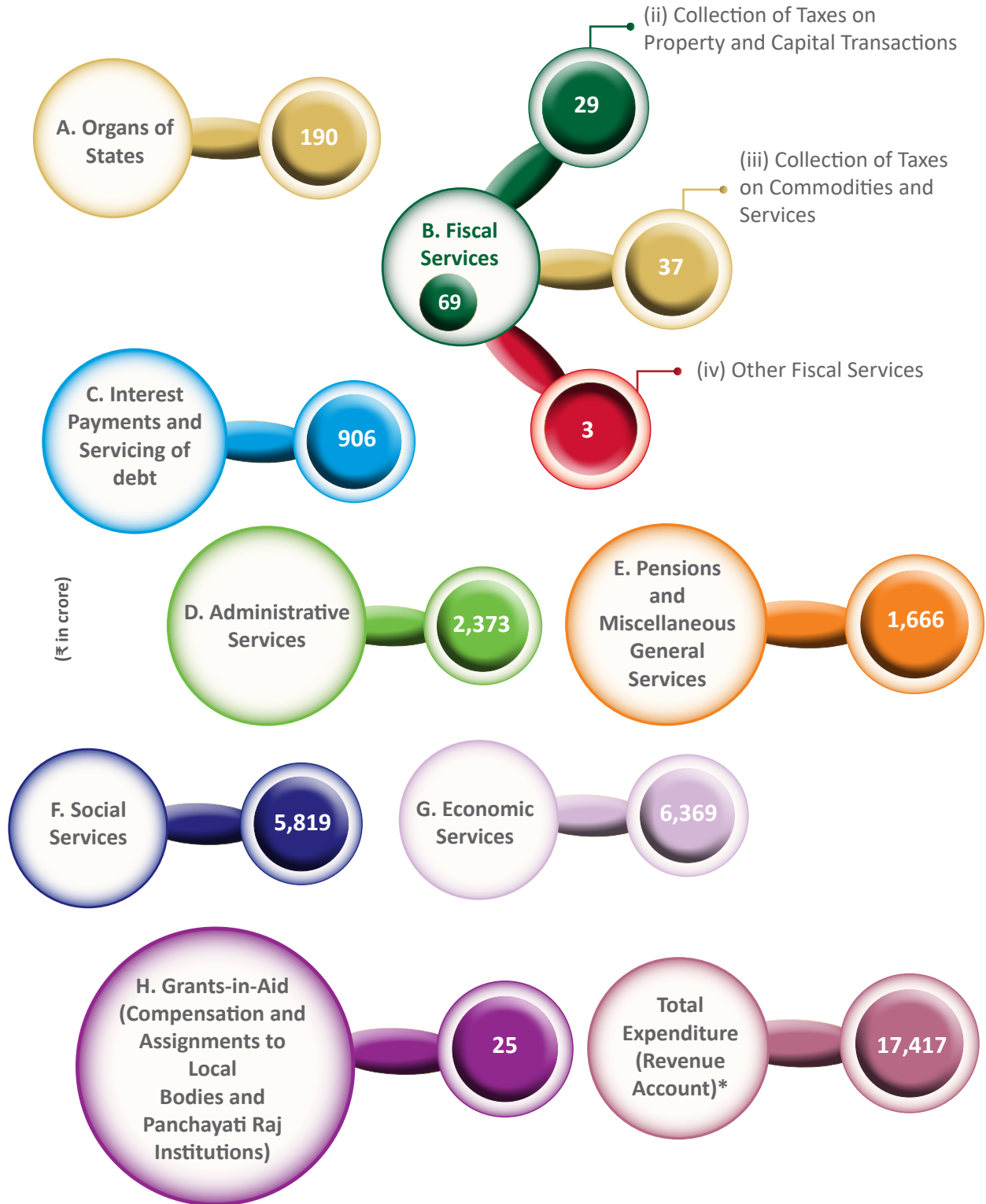
(₹ in crore)					
Component	2018-19	2019-20	2020-21	2021-22	2022-23
Total Revenue Expenditure	12,429.48	12,218.73	13,087.50	15,846.64	17,417.67
Committed Revenue Expenditure [#]	5,792.96	6,654.08	7,136.64	8,239.78	9,361.05
Percentage of committed Revenue Expenditure to total Revenue Expenditure	47	54	55	52	54
Uncommitted Revenue Expenditure	6,636.52	5,564.65	5,950.86	7,606.86	8,056.62
Percentage of Uncommitted Revenue Expenditure to total Revenue Expenditure	53	46	45	48	46

[#] 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 21.40 per cent from ₹ 6,636.52 crore in 2018-19 to ₹ 8,056.62 crore in 2022-23. Total Revenue Expenditure increased by 45.38 per cent from ₹ 12,429.48 crore in 2018-19 to ₹ 17,417.67 crore in 2022-23. Committed Revenue Expenditure increased by 61.59 per cent from ₹ 5,792.96 crore in 2018-19 to ₹ 9,361.05 crore during 2022-23.

3.2.1 Sectoral Distribution of Revenue Expenditure (2022-23)

Diagram 9: Sectoral Distribution of Revenue Expenditure



Excludes Compensation and Assignments to Local Bodies and Panchayati Raj Institutions

* (Net, after deducting recoveries)

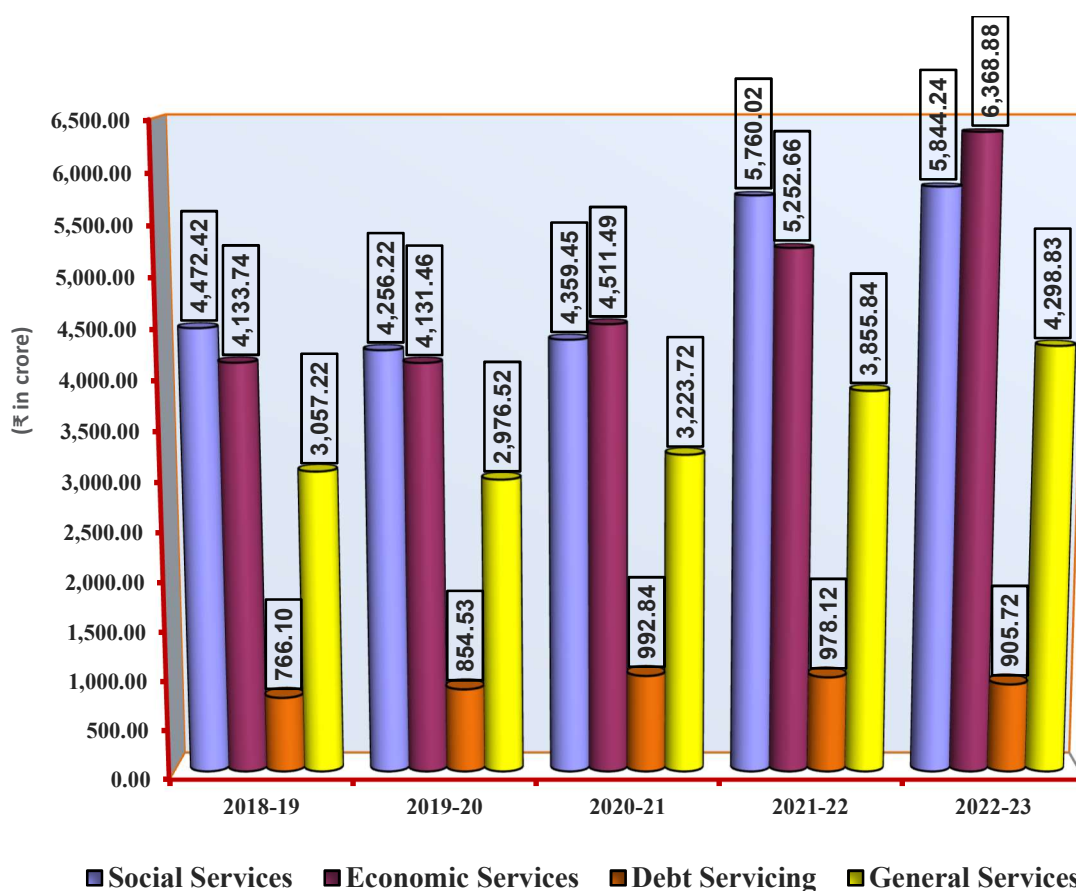
3.2.2 Major Components of Revenue Expenditure (2018-19 to 2022-23)

Table 14: Major Components of Revenue Expenditure

(₹ in crore)					
Components	2018-19	2019-20	2020-21	2021-22	2022-23
Social Services	4,472.42	4,256.22	4,359.45	5,760.02	5,844.24
Economic Services	4,133.74	4,131.46	4,511.49	5,252.66	6,368.88
Interest Payment and Servicing of Debt	766.10	854.53	992.84	978.12	905.72
General Services* (excluding Expenditure on Debt Servicing)	3,057.22	2,976.52	3,223.72	3,855.84	4,298.83

* 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 Expenditure is essential if the growth process is to be sustained. Capital disbursements for 2022-23 amounting to ₹ 8,107.36 crore (20.44 per cent of GSDP) were more than Budget Estimates (₹ 6,701.15 crore) by ₹ 1,406.21 crore. Growth in Capital Outlay has not kept pace with the steady growth of GSDP during 2018-19 and 2022-23. This can be seen in the Table 15.

Table 15: Capital Outlay

(₹ in crore)

Sl. No.	Components	2018-19	2019-20	2020-21	2021-22	2022-23
1.	Budget (B.E.)	7,877.86	8,006.72	7,119.74	6,328.05	6,701.15
2.	Actual Expenditure ^(#)	5,727.43	3,693.05	5,123.35	6,488.33	8,107.36
3.	Percentage of Actual Expenditure To Budget Estimate (B.E.)	72.70	46.12	71.96	102.53	120.98
4.	Yearly growth in Capital Expenditure (in %)	79.65	(-)-35.52	38.73	26.64	24.95
5.	GSDP	25,334.86	30,025.23	30,945.33	35,483.76	39,671.24
6.	Yearly growth in GSDP (in per cent)	12.71	18.51	3.06	14.67	11.80

(#) Does not include Expenditure on Loans and 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>	1,645.18	20
2.	Social Services: Education, Health and Family Welfare, Water Supply, Welfare of SC/ST, <i>etc.</i>	1,418.54	18
3.	Economic Services: Agriculture, Rural Development, Irrigation, Energy, Industries, Co-operation, Transport, <i>etc.</i>	5,043.64	62
	TOTAL	8,107.36	100

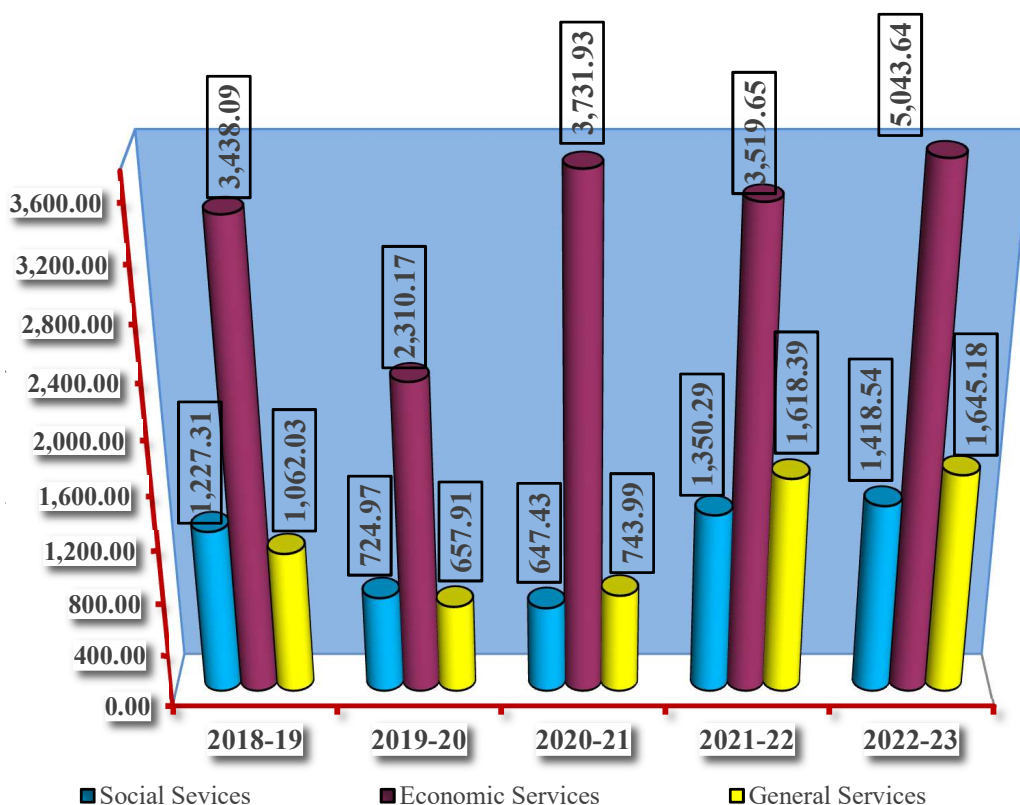
3.3.2 Sectoral Distribution of Capital Outlay over the past five years

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

(₹ in crore)

Sl. No.	Sector	2018-19	2019-20	2020-21	2021-22	2022-23
1.	General Services	1,062.03	657.91	743.99	1,618.39	1,645.18
2.	Social Services	1,227.31	724.97	647.43	1,350.29	1,418.54
3.	Economic Services	3,438.09	2,310.17	3,731.93	3,519.65	5,043.64
	TOTAL	5,727.43	3,693.05	5,123.35	6,488.33	8,107.36

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:

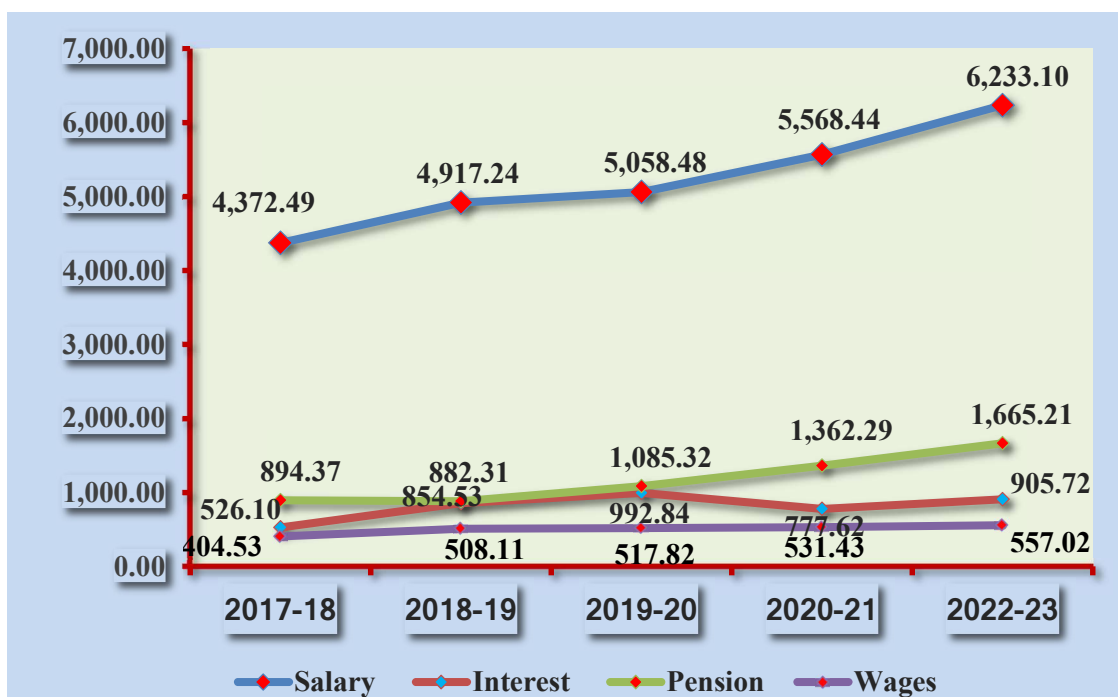
Table 18: Sectoral distribution of Capital Outlay and Revenue Expenditure

			(₹ in crore)				
Sl. No.	Sector		2018-19	2019-20	2020-21	2021-22	2022-23
(A)	General Services	Capital	1,062.03	657.91	743.99	1,618.39	1,645.18
		Revenue	3,823.32	3,831.05	4,216.56	4,833.96	5,204.55
(B)	Social Services	Capital	1,227.31	724.97	647.43	1,350.29	1,418.54
		Revenue	4,472.42	4,256.22	4,359.45	5,760.02	5,844.24
(C)	Economic Service	Capital	3,438.09	2,310.17	3,731.93	3,519.65	5,043.64
		Revenue	4,133.74	4,131.46	4,511.49	5,252.66	6,368.88
(D)	Grants-in-Aid and Contribution	Capital	Nil	Nil	Nil	Nil	Nil
		Revenue	1,869.45	1,332.05	2,183.36	2,562.42	3,070.27

3.4 Committed Expenditure

Expenditure on Salaries, Wages and Pensions payments showed increase while expenditure on Interest payment showed decrease in 2022-23 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	2018-19	2019-20	2020-21	2021-22	2022-23
Committed Expenditure	5,792.96	6,654.08	7,136.64	8,239.78	9,361.05
Revenue Expenditure	12,429.48	12,218.73	13,087.50	15,846.64	17,417.67
Revenue Receipts	16,195.96	14,888.55	17,123.51	21,231.64	23,788.14
Percentage of Committed Expenditure to Revenue Receipts	36	45	42	39	39
Percentage of Committed Expenditure to Revenue Expenditure	47	54	55	52	54

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 2022-23

Table 20: Summary of Appropriation Accounts

(₹ in crore)

Sl. No.	Nature of Expenditure	Original Grant	Supplementary Grant	Re - appropriation	TOTAL	Actual Expenditure	Savings (-) Excess (+)
1.	Revenue Voted	17,238.48	3,241.76	--	20,480.24	16,662.40	(-)3,817.84
	Charged	40.46	5.61	--	46.07	38.98	(-)7.09
2.	Capital Voted	6,702.15	4,006.63	--	10,708.78	8,108.36	(-)2,600.42
	Charged	--	--	--	--	--	--
3.	Public Debt Charged	1,723.62	1.72	--	1,725.34	1,456.67	(-)268.67
4.	Loans and Advances Voted	4.65	--	--	4.65	2.37	(-)2.28
	Charged	--	--	--	--	--	--
TOTAL		25,709.36	7,255.72	--	32,965.08	26,268.78	(-)6,696.30

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	2018-19	2019-20	2020-21	2021-22	2022-23
REVENUE						
6	District Administration	11.82	156.27	76.78	16.20	53.16
15	Health and Family Welfare	259.20	227.52	66.09	28.44	58.08
23	Forest	6.96	35.87	240.95	205.15	291.85
24	Agriculture	97.08	103.30	12.33	1.90	4.88
27	Panchayat	1.36	117.06	7.93	70.83	146.68
38	Water Resources Department	23.63	50.37	5.04	70.85	257.02
CAPITAL						
31	Public Works Department	774.79	185.07	351.85	384.18	193.21
34	Power	54.04	85.33	58.22	89.60	10.47
38	Water Resources	167.06	9.53	44.64	12.34	9.92
50	Secretariat Economic Services	2,996.47	3,025.42	2,389.91	1,767.33	1,918.88
56	Tourism	22.05	14.33	29.47	4.90	9.94
57	Urban Development	52.03	28.06	39.59	14.93	1.48

Persistent huge savings under Public Works Department, Forest, Secretariat Economic Services, Panchayat and Water Resources Department 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 2022-23, Supplementary Grants of ₹ 711.31 crore (12.61 per cent of Total Expenditure of ₹ 5,642.81 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
7	Accounts and Treasuries	Revenue	235.76	50.91	201.44
11	Women and Child Development	Revenue	441.48	0.17	293.03
13	Audit and Pension	Revenue	1,662.16	129.41	1,509.50
23	Environment and Forests	Revenue	798.34	0.01	506.50
25	Relief, Rehabilitation and Re-settlement	Revenue	286.30	29.11	189.67
26	Rural Works Department	Revenue	365.34	154.65	347.37
27	Panchayat Raj	Revenue	395.56	89.08	337.96
28	Animal Husbandry and Veterinary	Revenue	203.66	0.01	188.17
34	Power (Electrical)	Revenue	1,283.25	77.18	1,141.15
38	Water Resources Department	Revenue	472.35	147.83	363.15

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
19	Industries	Capital	6.55	16.95	23.61
33	North Eastern Council	Revenue	5.00	0.05	112.73
35	Information and Public Relation	Revenue	45.09	9.14	54.65
42	Rural Development	Revenue	595.78	156.26	765.778
43	Fisheries	Revenue	39.51	13.80	54.13
47	Law, Legislative and Justice	Revenue	28.94	2.91	31.86
64	Trade and Commerce	Revenue	8.04	3.47	11.56
71	Department of Tawang and West Kameng	Capital	13.45	6.02	19.71
75	Higher and Technical Education	Capital	43.47	5.40	48.99

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

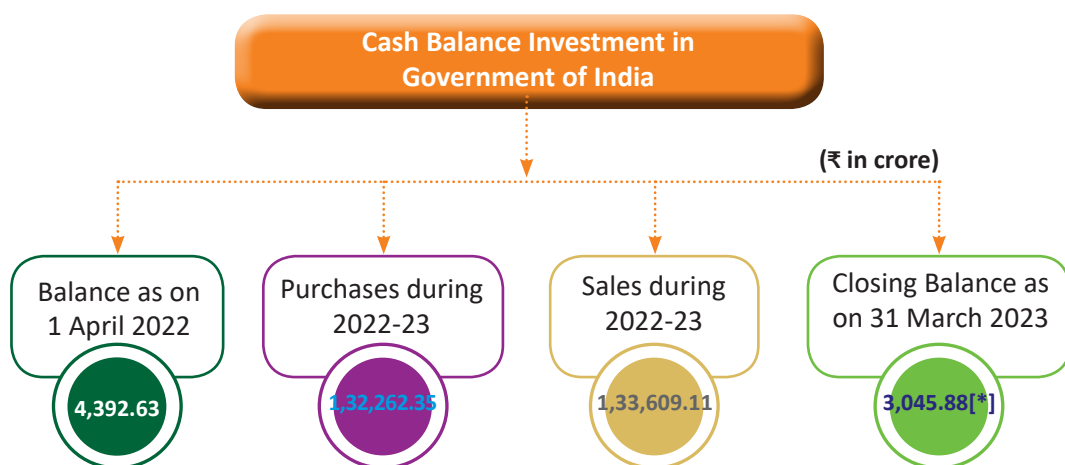
5.1 Assets

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 2022-23. No nominal dividend/ interest was received on Investment during 2022-23.

Cash Balance with RBI stood at ₹ (-)2,063.52 crore on 1 April 2022 and increased to ₹(-)945.59 crore at the end of March 2023. In addition, the Government invested ₹ 1,32,262.35 crore on 149 occasions (147 occasions in 14-day Treasury Bills and two occasions in 91 days Treasury Bills) and rediscounted 271 occasions (270 occasions in 14 days Treasury Bills and one occasion 91 days Treasury Bills) in worth ₹ 1,33,609.11 crore during 2022-23. The Investment position during 2022-23 is depicted in the Table below:

Table 25: Cash Balance Investment



[*] this includes ₹ 98.43 crore invested in 91 days Treasury Bill.

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	Percentage to GSDP	Public Account*	Percentage to GSDP	Total Liabilities	Percentage to GSDP
2018-19	5,014.14	19.79	3,574.28	14.11	8,588.42	33.90
2019-20	6,451.24	21.49	5,680.22	18.92	12,131.46	40.40
2020-21	7,707.81	24.91	4,302.49	13.90	12,010.30	38.81
2021-22	8,835.82	24.90	4,900.94	13.81	13,736.76	38.71
2022-23	10,764.27	27.13	4,882.48	12.31	15,646.75	39.44

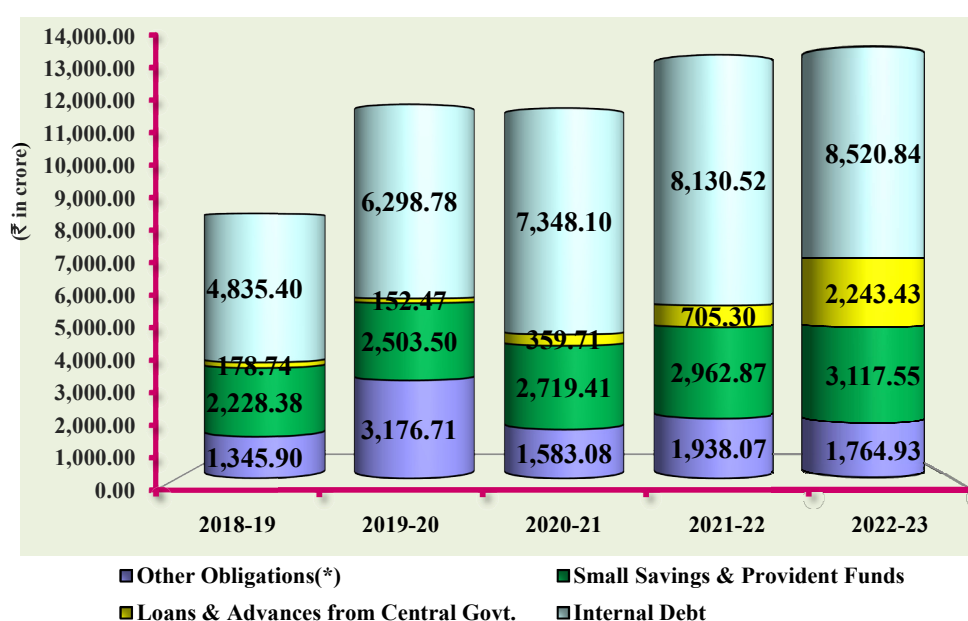
(*) Excludes Suspense & Remittances Balances.

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

During 2022-23 Public Debt and other Liabilities showed a net increase of ₹1,909.99 crore (13.90 per cent) over the previous year.

5.3 Guarantees

Graph 12: Trend in Government Liabilities



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

In addition to raising Loans directly, State Governments also give guarantees on 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 below:

Table 27: Guarantees

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding at the end of the year	
		Principal	Interest
		₹ in crore)	
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
2022-23	22.00	8.72	4.76

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 2023, there was no Adverse Balance in respect of Arunachal Pradesh.

6.2 Loans and Advances by the State Government

The total Loans and Advances made by the State Government during the year 2022-23 was ₹ 3.37 crore. ₹ 1.00 crore as Loans and Advances was disbursed to Government Corporations/ Companies, Non-Government Institutions and Local Bodies during the year. During 2022-23, ₹ 4.86 crore was received towards repayment of Loans and Advances, out of which ₹ 3.09 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 ₹ 1,869.15 crore in 2018-19 to ₹ 3,070.26 crore in 2022-23. Grants to Zilla Parishads (Panchayati Raj Institutions) and Municipalities/ Municipal Councils (₹ 61.28 crore) represent 2 per cent of total Grants given during the year.

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

Table 28: Financial Assistance to Local Bodies and Others

							(₹ in crore)
Sl. No.	Name of Institutions	2018-19	2019-20	2020-21	2021-22	2022-23	
1.	Zilla Parishads	133.47	0.01	116.39	200.50	-	
2.	Municipalities	16.24	7.97	83.51	105.14	61.28	
3.	Other Urban Local Bodies	-	-	-	-	-	
4.	Government Companies	-	-	5.18	5.84	7.12	
5.	Statutory Corporations	-	-	-	-	-	
6.	Universities	-	-	-	-	-	
7.	Development Authorities	29.38	19.07	27.78	28.46	22.98	
8.	Co-operative Institutions	-	-	-	-	-	
9.	Other Autonomous Bodies	-	-	-	37.58	36.61	
10.	Non-Government Organizations	-	-	-	-	-	
11.	Grants for which classification of Institution is not available	1,690.36	1,305.00	1,950.50	2,184.90	2,942.27	
TOTAL		1,869.15	1,332.05	2,183.36	2,562.42	3,070.26	

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	2018-19	2019-20	2020-21	2021-22	2022-23	
1.	Zilla Parishads	-	-	0.01	-	-	
2.	Municipalities	-	-	7.97	-	-	
3.	Other Urban Local Bodies	-	-	-	-	-	
4.	Government Companies	-	-	-	-	-	
5.	Statutory Corporations	-	-	-	-	-	
6.	Universities	-	-	-	-	-	
7.	Development Authorities	-	-	19.07	-	-	
8.	Other Autonomous Bodies	-	-	-	-	-	
9.	Non-Government Organizations	-	-	-	-	-	
10.	Grants for which classification of Institution is not available	300.58	112.47	1,305.00	375.64	547.44	
TOTAL		300.58	112.47	1,332.05	375.64	547.44	

6.4 Cash Balance and Investment of Cash Balance

Table 30: Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 st April 2022	As on 31 st March 2023	Net Increase (+)/ (-) Decrease
Cash Balances	(-) 2,063.52	(-) 945.59	(+) 1,117.93
Investments from Cash Balance (Govt Treasury Bills)	4,392.63	3,045.88	(-) 1,346.75
Investment from Earmarked Fund Balances	2,029.63	2,264.24	(+) 234.61
(a) Sinking Fund	2,026.75	2,260.09	(+) 233.34
(b) Guarantee Redemption Fund	2.88	4.15	(+) 1.27
(c) Other Funds	-	-	-

The State Government had a minus Closing Cash Balance as on 31 March 2023. Interest Receipts on investment of cash balance increased by 102.30 per cent from ₹ 44.68 crore in 2021-22 to ₹ 90.39 crore in 2022-23.

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. In 2022-23, Expenditure of ₹ 25,642.97 crore (98.33 per cent of Total Expenditure ₹ 26,079.51 crore) and Receipts of ₹ 25,769.87 crore (98.09 per cent of Total Receipts ₹ 26,272.56 crore) 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	79	98.33 %	-	1.67 %
Receipts	79	98.09 %	-	1.91 %

6.6 Submission of Accounts by Accounts Rendering Units

Finance Accounts, 2022-23 present transactions of the Government of Arunachal Pradesh from 1 April 2022 to 31 March, 2023. Accounts of Receipts and Expenditure of the Government of Arunachal Pradesh were compiled, based on initial Accounts rendered by 37 Treasuries, 226 Public Works Divisions, 48 Forest Divisions and advices of the Reserve Bank of India. Delay in rendition of Monthly Accounts by the 37 Treasuries to the office of the Principal Accountant General ranged from one day to 142 days.

6.7 Unadjusted Abstract Contingent (AC) Bills

Under Rule No. 308-312 of the Central Treasury Rules, Drawing and 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 48 AC bills amounting to ₹ 1.63 crore drawn during the year 2022-23, 11 AC bills amounting to ₹ ₹ 0.59 crore (36.20 per cent) were drawn in March 2023. DCC bills in respect of a total of 39 AC bills amounting to ₹ 0.93 crore as on 31 March 2023 were not received.

Details of AC bills outstanding as on 31 March 2023 are given below:

Table 32: Unadjusted AC Bills

(₹ in crore)		
Year	Number of pending DC Bills	Amount
2022-23	39	0.93
TOTAL	39	0.93

At the end of 31 March 2022 (previous year), DCC bills in respect of a total of 9 AC bills amounting to ₹ 0.29 crore 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	2020-21		2021-22		2022-23	
	Dr	Cr	Dr	Cr	Dr	Cr
101-Pay and Accounts Office Suspense	74.41	0.05	52.53	0.05	28.18	0.05
102-Suspense Accounts (Civil)	36.56	7.19	29.33	1.46	24.57	1.46
107-Cash Settlement Suspense Account	24.03	4.82	24.03	4.82	24.03	4.82
109-Reserve Bank Suspense - Headquarters	(-) 16.44	(-) 5.19	(-) 16.49	(-) 5.19	(-) 10.42	(-) 4.40
110-Reserve Bank Suspense - Central Accounts Office	1,948.35	779.51	1,947.04	772.71	1,975.30	771.89
112-Tax Deducted at Source (TDS) Suspense	--	7.95	--	7.90	--	7.50
113-Provident Fund Suspense	0.25	--	0.25	--	0.25	--
121-Additional Dearness Allowance Deposit Suspense Account (New)	0.01	0.08	0.01	0.08	0.01	0.08

(₹ in crore)

Minor Head	2020-21		2021-22		2022-23	
	Dr	Cr	Dr	Cr	Dr	Cr
123-AIS Group Insurance Scheme	0.02	0.01	0.02	0.01	0.02	0.02
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	2020-21		2021-22		2022-23	
	Dr	Cr	Dr	Cr	Dr	Cr
102 – Public Works Remittances	51,344.53	51,581.95	401.35	600.80	391.91	188.01
103 – Forest Remittances	1,843.35	1,842.62	15.90	25.89	16.70	16.13
105 – Reserve Bank of India Remittances	592.89	503.75	592.89	504.20	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 indicates 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 2023 are given below:

Table 35: Outstanding Utilization Certificates (UCs)

(₹ in crore)

Year*	Number of Utilisation Certificates awaited	Amount
Upto 2021-22	139	387.91
2022-23	210	1,146.08
TOTAL	349	1,533.99

* 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 ₹ 741.81 crore was incurred by the State Government up to 2022-23 on 80 incomplete Projects during the year, against original Estimated Cost of ₹ 1,412.88 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 below:

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 and Water Supply Works (11)	193.68	15.94	159.04	0.90	Not Available
2.	Building Works (37)	581.77	95.94	253.33	5.12	Not Available
3.	Road and Bridge Works ((32)	637.43	156.29	329.44	8.68	Not Available
	Total	1,412.88	268.17	741.81	14.70	

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 2022-23, total contribution to Defined Contribution Pension Scheme was ₹ 307.39 crore (Employees' contribution ₹ 141.61 crore and Government's contribution ₹ 165.78 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 ₹ 307.39 crore was credited in the Saving and 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 ₹ 17.66 crore, which resulted in overstatement of Revenue Surplus and understatement of Fiscal Deficit to that extent.

6.12 Personal Deposit Accounts

During the year 2022-23, the Government of Arunachal Pradesh incurred ₹101.77 crore (Nil in previous year) on relief measures relating to unforeseen/ extraordinary events (e.g., COVID-19 Pandemic) under Major Head 2210 Medical and Public Health. The entire amount of ₹101.77 crore was Revenue Expenditure.

The Government had not received any amount from the Central Government for this purpose, being Grants-In-Aid/ central assistance, etc., during the year 2022-23.

6.13 Contingency Fund

In exercise of the powers conferred by Section 2 of the Arunachal Pradesh Contingency Fund Act, 1990, the State Government made the Arunachal Pradesh Contingency Fund Rules for regulating all matters connected with or ancillary to the custody of, payment of monies into, and the withdrawal of monies from, the Contingency Fund of the State of Arunachal Pradesh. The Contingency Fund of the State of Arunachal Pradesh has a corpus of ₹0.05 crore. At the end of 2022-23, no amount remained un-recouped. As on 31 March 2023, Contingency Fund has a balance of ₹0.05 crore.

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, 2023 in these two (02) interest bearing Reserve Funds was ₹ 1,603.21 crore.

6.14.1 State Disaster Response Fund (SDRF)

In terms of guidelines on constitution and administration of the State Disaster Response Fund (under Major Head-'8121 General and 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 2022-23, the State Government received ₹ 210.40 crore as Central Government's share. The State Government's share during the year is ₹ 23.20 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), pertaining to the fund received in the year 2021-22, to the Savings bank account (SBI) of the Department of Disaster Management by debiting the expenditure from Major Head 2245-05-101 instead of transferring to the respective Fund Accounts under Public Account Head Major Head 8121-122 State Disaster Response Fund. The State had not received any fund from the Central Government toward NDRF.

6.14.2 State Compensatory Afforestation Fund (SDMF)

The State Disaster Mitigation Fund (SDMF) is to be constituted under section 48 (1) (c) of the Disaster Management Act, 2005. This Fund is exclusively for the purpose of

mitigation project of disaster covered under State Disaster Response Fund (SDRF)/ National Disaster Response Fund (NDRF) guidelines and the State specific local disaster notified by the State Government from time to time. The State Government has not created the SDMF as on 31 March 2023 under Major Head 8121-130 State Disaster Mitigation Fund.

During the year 2022-23, the State Government did not receive any fund from the Central Government. The State Government parked the amount of ₹ 55.55 crore (Central share ₹ 50.00 crore, State share ₹ 5.55 crore) pertaining to the year 2021-22 to the Saving bank account (SBI) of the Department of Disaster Management by debiting the expenditure from Major Head- 2245 Relief on account of Natural Calamities. There was no transfer to Public Account under MH 8121-130 State Disaster Mitigation Fund.

6.14.3 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 utilisation 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 2022-23, no amount was received by the State Government from the user agencies and no amount was remitted to the National Fund. The Government has not received any amount (₹ 612.95 crore in previous year) from National Compensatory Afforestation Deposit. The total balance in the State Compensatory Afforestation Fund as on 31 March 2023 was ₹ 1,660.60 crore.

(B) Non-Interest bearing Reserve Funds

There were two (02) 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, 2023 in these non-interest bearing Reserve Funds was ₹ 2,264.37 crore.

6.14.4 Guarantee Redemption 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 2022-23, Government contributed ₹ 70.00 crore as against ₹ 68.68 crore required to contribute to the fund. The total accumulation of the Fund was ₹ 2,260.09 crore as on 31 March 2023 (₹ 2,026.75 crore as on 31 March 2022).

6.14.5 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 one *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 three *per cent* in next five years. The Fund shall be gradually increased to a desirable level of five *per cent*. During the year Government contributed ₹ 1.08 crore as against ₹ 0.05 crore required to contribute to the Fund. The total accumulation of the Fund was ₹ 4.15 crore as on 31 March 2023 (₹ 2.89 crore as on 31 March 2022).

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

6.14.6 Central Road and Infrastructure Fund (CRIF)

The erstwhile Central Road Fund (CRF) has been renamed as the Central Road and Infrastructure Fund (CRIF) vide GoI's Gazette notification dated 31 March 2018. The CRIF will be used for development and maintenance of National Highways, Railway projects, improvement of safety in Railways, State and Rural roads and other infrastructure, etc.

In terms of the extant accounting Procedure, the grants received by the State from the Centre are to be initially booked as revenue receipts under Major Head 1601. Thereafter, the amount so received is to be transferred by the State Government to the Public Account under Major Head 8224-101 Central Road and Infrastructure Fund through functional Major Head.

During the year 2022-23, the State Government received grants of ₹ 183.63 crore towards CRIF. The State government did not transfer ₹ 183.63 crore towards CRIF. The

State Government did not transfer ₹ 183.63 crore to the Fund in the Public Account as on 31 March 2023. This has resulted in understatement of Revenue Expenditure to that extent.

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 and 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 2022-23, the Government collected ₹ 20.35 crore (2021-22: ₹ 18.27 crore) as Labour Cess under Major Head 0230-00-101 Receipts under Labour Laws and transferred ₹ 19.30 crore to the Building and Other Construction Workers Welfare Board. The short-transfer of ₹ 1.05 crore has resulted in overstatement of Revenue Receipt to that extent. The State Government has a total amount of ₹ 128.73 crore (including the short-transfer of ₹ 1.05 crore), collected as Labour Cess, which is not yet transferred to Building and Other Construction Workers Welfare Board as on 31 March 2023 (₹ 127.68 crore as on 31 March 2022).

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 2022-23, ₹1,564.58 crore under 36 Major Heads of accounts, constituting 6.13 *per cent* of the total Revenue and Capital expenditure (₹25,525.03 crore) was classified under the Minor Head 800- Other Expenditure in the accounts. During the previous 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, ₹599.05 crore under 17 Major Heads of Account, constituting 2.52 *per cent* of the total Revenue Receipts (₹23,788.14 crore) was classified under 800-Other Receipts in the accounts. During the previous year 2021-22, ₹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.

This has reference to Statements 14, 15 and 16 of the Finance 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 2022-23 are given below:

Table 41: Interest Adjustment

(₹ in crore)					
Funds/ Deposits	Balance On 1 April, 2022	Basis for calculation of interest	Interest due	Interest paid	Interest short paid
Defined Contribution Pension Scheme for Government Employees	10.72	Interest calculated as per the rate of interest notified by the Government/payable to General Provident Fund (7.1 per cent)	0.76	0.16*	0.60
State Compensatory Afforestation Fund	1,779.51	Interest calculated at the rate of 3.35 per cent,	59.61	Nil	59.61
State Disaster Response Fund (SDRF)	2.61	Interest calculated at the rate of 5.49 per cent, taking average Ways and Means interest rate for the year 2022-23	0.14	Nil	0.14
Civil Deposit bearing interest (excluding MH- 8342)	22.50	Interest calculated at the rate of 5.49 per cent, taking average Ways and Means interest rate for the year 2022-23	1.24	Nil	1.24
Total			61.75	0.16	61.59

*₹ 0.16 crore paid towards interest on Defined Contribution Pension Scheme under MH 2049-03-117. However, the same has not been transferred to 'MH 8342-117 Defined Contribution Pension Scheme for Government Employees'.

Non-payment of the interest amounting to ₹ 61.59 crore has resulted in overstatement of Revenue Surplus and understatement of Fiscal Deficit by ₹ 61.59 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 2022-23, the Government of Arunachal Pradesh incurred ₹ 4.09 crore against the budget allocation of ₹ 5.58 crore under Major Head 3435 - Ecology and Environment. The expenditure incurred during 2022-23 of ₹ 4.09 crore was 0.02 *per cent* of Revenue Expenditure.

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

Ministry of Finance, Government of India vide letter No. 1(13)PFMS/FCD/2020 dated 23 March 2021 has notified procedure for release of funds under Centrally Sponsored Scheme (CSS) and monitoring utilisation of the funds released through Single Nodal Agency (SNA). For each CSS, SNA is set up with own Bank Account in scheduled Commercial Bank authorised to conduct Government business by the State Government. As per the procedure, the State Government is to transfer the Central share received in its accounts to the concerned SNA's account along with corresponding State share.

The State Government received ₹2,830.38 crore, being Central share during the year, in its treasury accounts. As on 31 March 2023, the Government transferred ₹3,204.40 crore being Central share received in treasury accounts, State share of ₹991.47 crore and ₹46.13 crore as unclassified amount to the SNAs. Out of total transfer of ₹4,242.00 crore, ₹1,899.84 crore was transferred through GIA bills and ₹2,342.16 crore was transferred through Fully vouched Contingency Bills. Detailed vouchers and supporting documents of actual expenditure were not received by Accountant General Office from the SNAs. As informed by the State Government/ SNAs, ₹1,925.53 crore are lying unspent in the bank accounts of SNAs as on 31 March 2023.

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 2022-23, is ₹ 4,640.25 crore (Revenue Expenditure ₹ 2,854.27 crore and Capital Expenditure ₹ 1,785.98 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 01 April 2022 was ₹ 0.04 crore (Credit). During 2022-23, no cheques were issued, leaving a closing balance of ₹ 0.04 crore (Credit) as on 31 March 2023. 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 2023.

6.22 Cash Balance

The Cash balance as on 31 March 2023 as per the record of Accountant General was ₹ 945.59 crore (Credit) and that reported by RBI was ₹ 728.30 crore (Debit). There was a net difference of ₹ 217.29 crore (Credit), mainly due to incorrect reporting by the accredited banks of Reserve Bank of India. 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

(₹ in crore)

Para Number	Item	Revenue Receipt		Revenue Expenditure	
		Overstatement	Understatement	Overstatement	Understatement
2(vii)	Interest Adjustment	...	...	...	61.59
4(i)	Employers' short contribution under New Pension System	...	...	...	17.66
4(ii)(A)(a)	Short transfer under State Disaster Response Fund (SDRF)	...	...	...	122.49
4(ii)(B)(c)	Non-transfer under Central Road and Infrastructure Fund (CRIF)	...	...	...	183.63
4(v)	Building and Other Construction Workers Welfare Cess	1.05	...	...	...
Total		1.05	385.37
Total (Net) Impact		Overstatement ₹1.05 crore		Understatement ₹385.37 crore	



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