



सत्यमेव जयते

**State Finances Audit Report
of the
Comptroller and Auditor General of India
for the year ended 31 March 2023**



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



Government of Arunachal Pradesh
(Report No. 1 of 2024)

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of the
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**Government of Arunachal Pradesh
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PREFACE

- 1. The State Finances Audit Report has been prepared for submission to the Governor of Arunachal Pradesh under Article 151(2) of the Constitution of India for being laid before the Legislative Assembly of the State of Arunachal Pradesh.*
- 2. Chapter I of this Report contains the basis and approach to State Finances Audit Report, structure of the Report, structure of Government Accounts, budgetary process, snapshot of finances, assets and liabilities, and trends in key fiscal parameters like revenue surplus/ deficit, fiscal surplus/ deficit, etc.*
- 3. Chapter II contains a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the last five years, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.*
- 4. Chapter III of this Report contains audit observations on matters arising from the examination of Appropriation accounts of the State Government for the year ended 31 March 2023.*
- 5. Chapter IV on 'Quality of Accounts and Financial Reporting Practices' provides an overview and status of the State Government's compliance during the year 2022-23 with financial rules, procedures and directives.*
- 6. Chapter V on 'State Public Sector Enterprises' provides the analysis of Audit of State Public Sector Enterprises regarding investment, disinvestments, returns, debt servicing, performance and losses incurred, also the CAG's oversight on Audit of accounts of State Public Sector Enterprises.*
- 7. The Report containing findings of performance audit, compliance audit of transactions in various departments and audit findings arising out of the audit of Statutory Corporations, Boards and Government Companies and Revenue Sector are presented separately.*

EXECUTIVE SUMMARY

Executive Summary

About this Report

This Report of the Comptroller and Auditor General of India is on the State Finances for the year 2022-23. It provides an overview of the finances, budgetary management and quality of accounts, financial reporting practices and other matters relevant to State Finances.

This executive summary highlights the contents of this report and through snapshots of the important figures and aspects, provides insight into fiscal sustainability, performance against the budget intent, revenue and expenditure projections, the reasons for variations and its impact.

Gross State Domestic Product (GSDP) at current prices grew at an average growth rate of 12.15 *per cent* from ₹25,334.86 crore in 2018-19 to ₹39,671.24 crore in 2022-23. The growth rate of Gross State Value Added (GSVA) was higher than that of Gross Value Added (GVA) during 2018-19 to 2020-21. While the growth rate of GSVA during 2021-22 to 2022-23 was lower than the growth rate of the GVA. Budget outlay of the State grew at an average growth rate of 11.38 *per cent* from ₹26,835.17 crore in 2018-19 to ₹32,965.08 crore in 2022-23.

There was 11.80 *per cent* growth rate in GSDP over 2021-22. The revenue receipts grew at 12.04 *per cent* and the *percentage* of revenue receipts over GSDP improved from 59.83 *per cent* in 2021-22 to 59.96 *per cent* in 2022-23. The tax revenue (Own tax and Share of Union taxes/ duties) increased by 16.23 *per cent* over 2021-22. State's own resources (Own tax and Non tax) increased by 34.82 *per cent*. The total expenditure (Revenue expenditure, Capital expenditure and Loans and Advances) increased by 14.28 *per cent* from ₹22,337.53 crore in 2021-22 to ₹25,528.40 crore in 2022-23. Of this, revenue expenditure increased by 9.91 *per cent* and capital expenditure increased by 24.95 *per cent* over the previous year. Revenue surplus (₹6,370.47 crore) during 2022-23 increased by ₹985.47 crore (18.30 *per cent*) over the previous year (₹5,385.00 crore). Similarly, the Fiscal Deficit (₹1,735.40 crore) increased by ₹636.36 crore over the previous year (₹1,099.04 crore).

FRBM requirements and compliance

The Government of Arunachal Pradesh amended its Fiscal Responsibility and Budget Management (FRBM) in April 2022, and is deemed to have come into force with effect from 01 April 2022. It has been noticed from the amended FRBM Act, that the Act is not consistent with the fiscal sustainability framework as per the recommendation of the XV FC as the Government of Arunachal Pradesh amended the targets for Fiscal Deficit only.

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Revenue Receipts and Expenditure

The State has different sources of receipts such as Own tax revenue, Non-tax revenue, share of Union taxes/ duties, Grants-in-Aid transfers from Union Government and non-debt Capital receipts. The State Government's expenditure includes expenditure on revenue as well as capital expenditure (creation of assets, loans and advances, investments, etc.).

From 2018-19 to 2022-23, revenue receipts grew from ₹16,195.96 crore to ₹23,788.14 crore, with an average annual growth rate of 12.11 *per cent*. Capital receipts also increased from ₹1,210.05 crore to ₹2,484.42 crore during this period. The share of Grants-in-Aid in revenue receipts fell down from 25.21 *per cent* in 2018-19 to 16.16 *per cent* in 2022-23. In 2022-23, the buoyancy of revenue receipts was lower and the State's own revenue was higher over the previous year. The State Government received ₹3,016.24 crore as Central share for the Centrally Sponsored Schemes (CSSs) in the year. As on 31 March 2023, an amount of ₹1,925.53 crore (including both Central and State shares) were parked in Single Nodal Agency's (SNA) bank accounts of 68 schemes. Out of ₹1,925.53 crore, the major amount (52.59 *per cent*) was parked in SNA bank accounts under Jal Jeevan Mission (₹538.35 crore) and Pradhan Mantri Gram Sadak Yojana (₹474.36 crore).

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network. Between 2018-19 and 2022-23, revenue expenditure increased from ₹12,429.48 crore (49.06 *per cent* of GSDP) to ₹17,417.67 crore (43.91 *per cent* of GSDP). It consistently made up a significant portion (between 68 and 77 *per cent*) of the total expenditure during this period, growing at an average annual rate of 10.09 *per cent*.

Result of expenditure

The gap between the revenue receipt and revenue expenditure results in revenue surplus. The State had managed to achieve to a surplus on Revenue account during the last five-years. The revenue surplus of the State increased to ₹6,370.47 crore (16.06 *per cent* of GSDP) in the current year from ₹3,766.48 crore (14.87 *per cent* of GSDP) in the year 2018-19. However, during 2022-23, there was an overstatement of Revenue Surplus of the State by ₹382.28 crore, considering that the overall Revenue Surplus depicted in the accounts was ₹6,370.47 crore, the State would have a Revenue Surplus of ₹5,988.19 crore.

The State Government spent ₹8,110.73 crore only on Capital account. This was 31.77 *per cent* of the total expenditure in the year 2022-23. Capital expenditure was 326.97 *per cent* of the total borrowings. Thus, the borrowed funds were being used for capital creation/ development activities.

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The gap between the total expenditure and total non-debt receipt of the State results in fiscal deficit. The fiscal deficit of the State decreased to ₹1,735.40 crore (4.37 per cent of GSDP) in 2022-23 from ₹1,976.03 crore (7.80 per cent of GSDP) in 2018-19. However, during 2022-23, the Fiscal Deficit was found understated by ₹386.42 crore, considering that adjustments, the State would have Fiscal Deficit of ₹2,121.82 crore instead of ₹1,735.40 crore.

Under the revenue expenditure, the quantum of committed expenditure constitutes the largest share. Committed expenditure has the first charge on the resources and consists of interest payments, expenditure on salaries and wages and pensions. Committed expenditure on interest payments, salaries and pensions hovered around 54.49 and 61.55 per cent of revenue expenditure during 2018-19 (54.49 per cent) and 2022-23 (57.85 per cent). The Committed expenditure increased at an average rate of 8.59 per cent i.e. from ₹6,772.42 crore in 2018-19 to ₹10,075.67 crore in 2022-23 {an increase of 13.07 per cent over 2021-22 (₹8,910.75 crore)}.

In addition to the committed expenditure, inflexible expenditure decreased from 16.36 per cent to 6.05 per cent of revenue expenditure during 2018-19 to 2022-23, indicating a declining trend. The inflexible expenditure decreased from ₹1,290.66 crore in 2021-22 to ₹1,053.55 crore in 2022-23 registering a decrease of 18.37 per cent. The average growth of inflexible expenditure during the period from 2018-19 (₹2,034.02 crore) to 2022-23 (₹1,053.55 crore) was (-)3.40 per cent.

Taken together, the committed and inflexible expenditure in 2022-23 was ₹11,129.22 crore; 64 per cent of the revenue expenditure. Decreasing trend on committed and inflexible expenditure leaves the Government with flexibility for other priority sectors and capital creation.

National Pension System (NPS)

The State has not complied with the rules governing National Pension System (NPS). Non-observance of the rules governing NPS by the State Government is fraught with the risk of un-authorised use of funds belonging to its employees, thereby creating uncertainty in respect of the benefits due to the employees, avoidable future liability to the Government, and possible failure of the NPS itself in the State. There was a short contribution of ₹17.66 crore by the State Government in the current year under NPS as the State Government had to contribute the employer's share of ₹183.45 crore (10 per cent from April to June 2022 and 14 per cent from July 2022 to March 2023) and the Government contributed only ₹165.79 crore.

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Comprehensive database of its investment in capital projects

The State did not have a comprehensive database of its investment in capital projects in the past having relevant information such as approved cost, the status of projects, details of completion time of the projects, and liabilities arising out of inordinate delays in completion of these projects as funds aggregating ₹741.81 crore were locked up during 2022-23 against 80 incomplete projects.

The Outstanding balances of Loans and Advances as on 31 March 2023 was ₹90.07 crore. Out of ₹90.07 crore, ₹58.96 crore was extended to the Co-operation, ₹10.00 crore to the Power projects, ₹9.26 crore to Loans for Other industries and mineral and ₹11.85 crore to Government Servants.

Non-clearance of outstanding balances under Suspense and Remittance heads

Non-clearance of outstanding balances under Suspense and Remittance heads affects the accuracy of Receipt/ Expenditure figures and balances under different heads of Accounts as the Outstanding net balances under Suspense and Remittance heads during 2022-23 was ₹1,574.06 crore (Debit).

Outstanding Public Liabilities

Public Debt Receipts consist of borrowings taken from the Market, Financial Institutions and Loans and Advances from the GoI. The major sources of Public debt receipts for the State are Loans and advances from GoI which constitutes 63.08 *per cent* and Internal Debt which constitutes 36.92 *per cent*. The Government has been opting for the Market Borrowings year after year as the share of Market Borrowings (Market loans and Loans from financial institutions) during 2022-23 in Internal Debt was 67.73 *per cent*.

Total Outstanding Public Liabilities of the State as on 31 March 2023, was ₹15,646.75 crore. Out of ₹15,646.75 crore, ₹8,520.83 crore was under Internal Debt, ₹4,882.48 crore under Public Accounts Liabilities and ₹2,243.44 crore under Loans from GoI. Significant portion of the borrowed funds are used for repayment of earlier borrowings leaving less space to use productively as the ratio of public liabilities repayments to the public liabilities receipts ranged between 22.91 to 52.83 *per cent* during the five-years period.

The maturity profile of outstanding stock of Public Debt as on 31 March 2023 indicates that out of the outstanding Public Debt of ₹10,764.27 crore, 53.99 *per cent* (₹5,811.00 crore) is payable within the next seven years while the remaining 46.01 *per cent* (₹4,953.27 crore) is in the maturity bracket of more than seven years. With respect to present Debt liability, the repayment obligation (Principal and Interest) on the State Government will be maximum in 2029-30.

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Fiscal sustainability

Fiscal sustainability is examined in terms of macro-fiscal parameters such as deficits, level of debt and liabilities, commitments on account of off-budget borrowings, guarantees, subsidies, *etc.* So far as revenue and expenditure mismatch is concerned, one of the important constraints is committed and inflexible expenditure which includes salaries and wages, pension payments and interest payments *etc.* and also other inflexible expenditure such as those arising out of commitment for centrally sponsored schemes, transfer to reserve funds and transfer to local bodies *etc.*

The overall liabilities to GSDP (includes Public Debt and Public Account Liabilities) of the Government were 39.44 *per cent.* Going by the fiscal trends, the State finances are heavily stressed.

The Domar gap remained positive during 2018-19 to 2019-20 which shows that public debt as *percentage* of GSDP would converge into a stable level. While, it turned into negative during 2020-21 which shows that public debt as *percentage* of GSDP would increase indefinitely, without converging into a stable level. During 2021-22 to 2022-23, the Domar gap was positive which shows that public debt as *percentage* of GSDP would converge into a stable level.

Reconciliation of Cash balances

Cash Balances of the State Government decreased by ₹10.20 crore from ₹4,356.35 crore in 2021-22 to ₹4,346.15 crore in 2022-23. There was a net difference of ₹217.29 crore (Credit) at the end of accounting year 2022-23 between the General Cash Balance as worked out by the Accountant General ₹945.59 crore (Credit) and that reported by the RBI ₹728.30 crore (Debit).

Budget performance

Aggregate expenditure outturn

Aggregate Budget Outturn measures the extent to which the aggregate actual expenditure compares with the amount originally approved both in terms of excess and saving. In the revenue section, deviation in outturn compared with Budget Estimates (BE) was (-)3.27 *per cent.* This was due to deviation up to ± 25 in 51 grants, between (-)25 to (-)50 in 18 grants, between (-)50 to (-)100 in six grants and equal and more than (-)100 in four grants. In the Capital section, deviation in outturn compared with BE was (+)15.37 *per cent.* This was due to deviation up to 25 in 20 grants, between 25 to 50 in 10 grants, between 50 to 100 in 10 grants and equal to or more than 100 in 17 grants.

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Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocation between the main budget categories during the execution have contributed to variance in the expenditure composition. In the revenue section, deviation in outturn compared with Budget Estimates (BE) was (-)17.92 per cent. This was due to deviation up to ± 25 in 58 grants, between (-)25 to (-)50 in 17 grants, between (-)50 to (-)100 in three grants and equal and more than (-)100 in one grant. In the Capital section, deviation in outturn compared with BE was (+)24.77 per cent. This was due to deviation up to 25 in 43 grants, between 25 to 50 in four grants, between 50 to 100 in eight grants and equal to or more than 100 in two grants.

During 2022-23, an expenditure of ₹119.50 crore was incurred on four schemes under two Grants/ Appropriations without any budget provision, Supplementary Demands or re-appropriation orders, which is in violation of financial regulations and without the authority of the Legislature.

During 2022-23, Supplementary grants of ₹713.32 crore (₹10.00 lakh and more in each case) provided in 14 Grants proved unnecessary as the expenditure did not come up to the level of original provision, indicating that Supplementary Grants were provided in an ad-hoc manner. Further, in respect of 41 cases, Supplementary provisions aggregating ₹6,573.61 crore proved excessive by ₹2,807.98 crore under 40 cases and inadequate by ₹13.74 crore in one case.

There was misclassification of ₹19.32 crore towards Revenue Expenditure as Capital Expenditure and *vice-versa*. Further, during 2022-23, 99 no. of sanction orders issued by the government involving ₹22.05 crore did not indicate the provision in the grant or appropriation from which the expenditure was to be met or the head of the account under which the expenditure was to be classified.

In 181 cases, the re-appropriation was not made after realistic assessment as the expenditure was less/ more than the final appropriated amount pointing to excessive/ Unnecessary/inadequate/Injudicious of the re-appropriation ordered. The re-appropriation proved inadequate as the expenditure finally was more than the total grant available in 15 cases by ₹49.97 crore. Similarly, re-appropriation was injudicious in 10 cases by ₹6.09 crore as the expenditure was more than the final grant. In respect of 121 cases, the re-appropriation proved excessive by ₹922.64 crore as total expenditure was ₹7,750.55 crore against the final grant ₹8,673.19 crore.

Savings during the year accounted for about one-fifth of the budget. The Controlling Officers did not surrender the funds on time. However, Departments were not cautioned against persistent savings; nor were their budgets varied in accordance with their ability

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to absorb the allocations. In 23 cases, savings (₹one crore or above in each case) during 2022-23 was ₹3,660.69 crore in the Revenue section and ₹2,474.67 crore in 13 cases under the Capital section. Out of these, there were savings of ₹100 crore and above under 16 Grants. Further, there were persistent savings in 21 Grants during the last five years, indicating lack of systemic and closer budget review by the Government.

Non-compliance with the rules stated not only deprives other needy Departments of resources, but also defeats the very objective of achieving efficiency in budget management, which may be an impediment to the speedy development of State as in respect of 57 cases, anticipated savings were not surrendered by the prescribed date.

During 2022-23, there was excess over provisions in nine Grants/ Appropriations amounting to ₹123.20 crore. In addition, excess expenditure amounting to ₹3,220.44 crore pertaining to the years from 1986-87 to 2021-22, are pending for regularisation. Such excess expenditure over budgetary allocation is a matter of concern and dilutes legislative oversight over public funds.

The substantial variations of actuals with the revised estimates indicated absence of proper care in estimating the revised estimates by the controlling officers concerned as envisaged in the General Financial Rules, 2017 and failure of the Finance Department (Budget).

Performance report for the year 2021-22 (Allocated ₹313.31 crore against 14 departments) was required to be incorporated in the Gender Budget of 2022-23 to ascertain the effectiveness of the schemes targeted to benefit women. It was, however, noticed that no such report was incorporated in the Gender Budget of 2022-23 due to which the actual achievement of schemes for benefit of women could not be analysed.

Quality of Accounts and Financial Reporting

Non-compliance with accounting guidelines

The State Government was not following the accounting guidelines of State Disaster Response Fund, State Disaster Mitigation Fund and Central Road and Infrastructure Fund.

Undischarged liability of interest

The undischarged liability of interest in the current year increases the burden on the Government's Revenue Expenditure at a future date as during 2022-23, the State Government did not discharge interest liability of ₹61.59 crore in respect of balances lying as on 01 April 2022 in the interest-bearing Reserve Funds and Deposits.

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Transferring of funds directly to the Implementing Agencies

The Government of India (GoI) has been transferring funds directly to the Implementing Agencies in the State for implementing various CSS schemes/ programme in Social and Economic Sectors. During 2022-23, the GoI transferred ₹1,620.25 crore directly to the Implementing Agencies as these funds are not routed through the Consolidated fund of Arunachal Pradesh, the Annual Accounts do not capture the flow, utilisation and parking of such funds. Thus, the State's receipts and expenditure as well as other fiscal variables and parameters derived from the State Accounts do not present the complete picture to that extent.

Non-submission of Utilisation Certificates

Non-submission of UCs by Departments for funds drawn for specific developmental programme/ projects and non-submission of accounts by Autonomous, Development Bodies and Authorities was violated of prescribed financial rules and directives. These point to inadequate internal controls and deficient monitoring mechanism of the State Government.

Detailed Countersigned Contingent Bills against Abstract Contingent Bills

Non-adjustment of Abstract Contingent Bills is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective Drawing and Disbursing Officers for ensuring submission of Detailed Countersigned Contingent (DCC) bills. Further, there is no assurance that the expenditure of the State Government reflected in the Finance Accounts is correct or final due to non-receipt of DCC bills to that extent.

Delay in rendering of Monthly Civil Accounts

Delayed rendering of accounts by the account rendering units/ authorities distorted the accurate depiction of monthly transactions of the State and impacted effective budgetary management. Exclusion of accounts not only distorts the budgetary position of the Government but also impacts its monitoring of fund flow to the last mile of implementation, its planned pacing of expenditure on developmental programme.

Delays in the submission of accounts to audit reflects weak internal controls and inadequate monitoring by the State Government in addition to the lack of accountability from these Autonomous/ Authorities for the funds released by the State Government. It may also make the system vulnerable to fraud and leakage of public money.

Working of State Public Sector Enterprises (SPSEs)

As on 31 March 2023, the State of Arunachal Pradesh had total seven SPSEs (all Government companies), which included one non-working SPSE. As on 31 March 2023,

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there were differences in the figures of State's investment in Equity (₹10.49 crore) and Loan (₹28.02 crore) of SPSEs as per State Finance Accounts *vis-à-vis* records of SPSEs.

During 2022-23 the State Government has provided budgetary support of ₹23.52 crore to six SPSEs in the form of Grants/ subsidy. The major recipients of the budgetary assistance during 2022-23 were Arunachal Pradesh Industrial Development and Financial Corporation Limited (₹8.29 crore), Arunachal Pradesh Donyi Polo Hotel Corporation Limited (₹4.64 crore) and Arunachal Pradesh Forest Corporation Limited (₹4.07 crore).

During 2022-23, out of six working SPSEs, one SPSE earned profit (₹3.75 crore) as per their latest finalised account. Further, the accumulated losses (₹29.95 crore) of two working SPSEs had completely eroded their paid-up capital (₹5.20 crore).

As on 30 September 2023, all six working SPSEs had total arrears of 40 Accounts ranging from 02 to 16 Accounts. The highest pendency of accounts pertained to Arunachal Pradesh Mineral Development and Trading Corporation Limited (16 Accounts) and Arunachal Pradesh Forest Corporation Limited (10 Accounts).

Recommendations

The State Government may take measures to keep the Fiscal Deficit-GSDP ratio under the ceiling prescribed in the Arunachal Pradesh FRBM Act through prudent financial management. The State Government needs to amend the Arunachal Pradesh FRBM in line with the recommendations of the Central Finance Commission. Shore up its resources and explore ways of harnessing the potential within the State by appropriate measures to reduce dependency on GoI.

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

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

Identify potential wasteful expenditure and adopt economic measures across departments on the increasing trends of share of Committed Expenditure to the Revenue Expenditure.

Executive Summary

Plan in advance for reducing other Committed expenditure and enhancing the revenue collection capacity to meet this obligation so as to mobilise debt resources adequately for incurring Capital expenditure for the creation of assets.

State may ensure that the Budget Estimates should be formulated after taking the inputs from the respective Drawing and Disbursing Officers of the Departments for better management of budgeted funds. The Finance Department may provide supplementary grants only after proper scrutiny and realistic assessment of requirements of the concerned Departments, to avoid under or over spending by them.

Review the expenditure incurred without budget provision seriously and take appropriate corrective measures to strengthen the mechanism for strict compliance with the rules and Treasury Officer strictly adheres to the provisions regarding existence of the budget while passing of bills.

Identify the Departments, which had incurred excess expenditure persistently and closely monitor their progressive expenditure, so that they seek supplementary grants/re-appropriations in time. Further, the State Government also view the excess expenditure over the budgetary provision seriously as the cases are serious lapse against legislative control and take appropriate corrective measures for regularisation of expenditure in excess of budgetary provision.

Ensure timely submission of utilisation certificates by the departments in respect of the grants released for specific purposes.

Expedite the process to clear the old Abstract Contingent (AC) Bills and ensure timely submission of all Detailed Countersigned Contingent Bills to adjust the outstanding AC Bills within the prescribed timeline as required under the rules.

Monitor closely and ensure the rendition of accounts by all the account rendering authorities to the Principal Accountant General on timely basis to manage its own budget more effectively.

Evolve a system to expedite the process of compilation and submission of annual accounts by autonomous bodies and departmentally run undertakings in order to assess their financial position.

The State Government and the State Public Sector Enterprises (SPSEs) concerned should take concrete steps to reconcile the differences in the investment figures (Equity and Long Term Loans) of the State Government as appearing in the State Finance Accounts *vis-à-vis* SPSE records in a time-bound manner.

Executive Summary

Accumulation of huge losses by two out of six working SPSEs had eroded public wealth, which is a cause of concern and the State Government needs to review the working of these SPSEs to either improve their profitability or close their operations.

The Administrative Departments, which have the responsibility to oversee the activities of the SPSEs, have to ensure that the SPSEs finalise and adopt their accounts within the stipulated period. In view of the position of arrears of accounts indicated above, the actual contribution of SPSEs to the GSDP for the year 2022-23 could not be ascertained and their contribution to State exchequer could not be reported to the State Legislature.

CHAPTER-I

Overview of State Finances

Chapter I: Overview of State Finances

1.1 Profile of the State

This chapter provides a brief economic profile of the State and describes the basis of and approach to the Report. An overview of the structure of Government Accounts and the budgetary processes followed is provided in addition to an analysis of the key macro-economic indices and the State's fiscal position, including the deficits/surpluses.

• Social Indicators

Arunachal Pradesh is a North-Eastern and Himalayan (NE&H) State. Area-wise, it is the largest State in the North-Eastern Region (NER) with a geographical area of 83,743 square kilometres (sq. km.). It has an international border with Bhutan in the West (160 kms), China in the North and North-East (1,080 kms) and Myanmar in the East (440 kms). It also shares common boundaries with the States of Assam and Nagaland. According to the National Commission on Population, Ministry of Health and Family Welfare, population of the State for the year 2022-23 stood at 15,62,000¹ which is 0.11 *per cent* of the entire population of the country. During 2022-23, the State had the lowest population density in the country at 18 persons per sq. km. as against the national average of 422 persons per sq. km. The State's decadal growth rate (from 2012-13 to 2022-23) of population was 10.47 *per cent*, which is lower than the growth rates of NE&H States *viz.* Assam (11.63 *per cent*), Uttarakhand (12.39 *per cent*) as well as average growth rate of all India (11.68 *per cent*) and higher than the Other NE&H States such as Himachal Pradesh (6.96 *per cent*) Manipur (10.45 *per cent*), Meghalaya (10.46 *per cent*), Mizoram (10.44 *per cent*), Nagaland (10.44 *per cent*), Sikkim (10.42 *per cent*) and Jammu and Kashmir and UT Ladakh (8.63 *per cent*). According to the Census 2011, the literacy rate of Arunachal Pradesh was 65.40 *per cent* which was less than the all-India literacy rate (73 *per cent*) as well as the literacy rate in NE&H States. The general and financial data relating to Arunachal Pradesh *vis-à-vis* NE&H States are given in **Appendix 1.1 (Part C)**.

1.1.1 Gross State Domestic Product of the State

The Gross State Domestic Product (GSDP) is the value of all the goods and services produced within the boundaries of the State in a given period of time. The GSDP is the most important indicator for measuring the economic growth of a State. Gross State Value Added (GSVA) is the value of output produced without including net taxes. GVA is being used for economic analysis by GoI and International organisations like IMF and World Bank *etc.*

¹ Male:8,03,000 and Female:7,59,000

This GSDP estimate, when analysed over a period, reveals the direction, extent, and speed of change in the level of economic development in a State. Trends in annual growth of the State of Arunachal Pradesh's GSDP and Gross State Value Added (GSVA) *vis-à-vis* Gross Domestic Product (GDP) and Gross Value Added (GVA) of the country are given in **Table 1.1**.

Table 1.1: Trends in the growth rate of GSDP *vis-a-vis* GDP

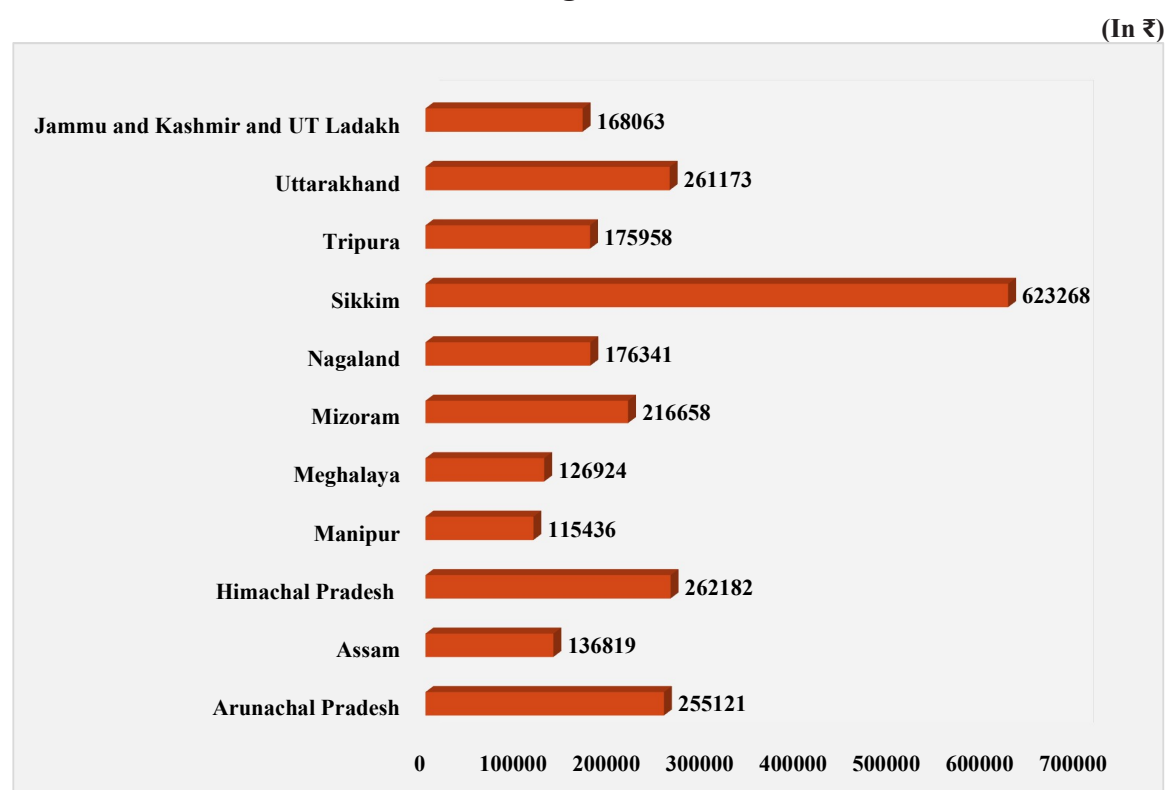
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
GDP at the current price (₹ in crore)	1,88,99,668.44	2,01,03,592.86 (Third RE)	1,98,29,927.05 (Second RE)	2,34,71,011.74 (First RE)	2,72,40,712.17 (PE)
GVA at the current price (₹ in crore)	1,71,75,128.30	1,83,81,117.32	1,81,88,780.28	2,14,38,883.26	2,47,42,870.77
The growth rate of GDP over the previous year (in per cent)	10.59	6.37	(-)1.36	18.36	16.06
Growth rate of GVA over the previous year (in per cent)	10.77	7.02	(-)1.05	17.87	15.41
Per Capita GDP (in ₹)	1,42,424.00	1,49,915.00	1,46,301.00	1,71,498.00	1,96,983.00
GSDP at the current price (₹ in crore)	25,334.86 (RE)	30,025.23 (RE)	30,945.33 (PE)	35,483.76 (QE)	39,671.24 (AE)
GSVA at current price (₹ in crore)	23,976.52	28,331.21	29,565.22	33,621.67	37,556.67
Growth rate of GSDP over the previous year (in per cent)	12.73	18.51	3.06	14.67	11.80
Growth rate of GSVA over the previous year (in per cent)	11.12	18.16	4.36	13.72	11.70
Per Capita GSDP (in ₹)	1,69,351.00	1,98,711.00	2,02,787.00	2,30,414.00	2,55,121.00

Sources: GDP/GVA- GoI's Ministry of Statistics and Programme and Implementation (as on 31 August 2023) and Directorate of Economics and Statistics, Government of Arunachal Pradesh (GoAP) (as on 31 March 2023)
RE - Revised Estimates; PE - Provisional Estimates; AE-Advanced Estimates and QE-Quick Estimates

It can be seen from the **Table 1.1** above, that the growth rate of GSDP at current price during the period 2018-19 to 2022-23 lacked a well- defined upward trend, with the highest growth rate of 18.51 per cent in 2019-2020 and the lowest growth rate of 3.06 per cent in 2020-21. The growth rate of GSDP at the current price during 2022-23 was 11.80 per cent which is 2.87 points lower than the previous year's growth rate of 14.67 per cent. The decrease in GSDP during 2022-23 over the previous year can be attributed to the decrease in Industry and Agriculture sectors.

It is also seen that the GDP growth rate (at current prices) in 2022-23 was 16.06 per cent while the growth rate of the GSDP during the same period was 11.80 per cent. The annual growth rate of GSDP during 2022-23 was 11.80 per cent while the XV FC projected it to be 11.50 per cent. In the Medium-Term Fiscal Plan (MTFP) for the year 2022-23, the Gross State Domestic Product (GSDP) was projected to be ₹29,372.00 crore when the actual GSDP for that year was ₹39,671.24 crore. Per Capita GSDP of Arunachal Pradesh and Other NE&H States is shown in Chart 1.1.

Chart 1.1: Details of per capita GSDP of Arunachal Pradesh and NE&H States during 2022-23



Source: Compilation of SFAR, 2022-23, issued by Economics division of O/o the CAG of India

During the current year, per capita GSDP of Arunachal Pradesh (₹2,55,121.00) was higher than the per capita GDP (₹1,96,983.00). Decadal Compound Annual Growth Rate (CAGR) of GSDP and per capita GSDP of Arunachal Pradesh and Other NE&H States is given in Table 1.2.

Table 1.2: Details of Decadal CAGR of GSDP and per capita GSDP of Arunachal Pradesh and Other NE&H States

Sl. No.	Name of NE&H States	CAGR of GSDP in per cent (2022-23 over 2013-14)	CAGR of per capita GSDP in per cent (2022-23 over 2013-14)
1.	Arunachal Pradesh	11.76	10.65
2.	Assam	12.01	10.63
3.	Himachal Pradesh	8.37	7.66
4.	Manipur	9.64	8.91

Sl. No.	Name of NE&H States	CAGR of GSDP in per cent (2022-23 over 2013-14)	CAGR of per capita GSDP in per cent (2022-23 over 2013-14)
5.	Meghalaya	7.15	6.31
6.	Mizoram	11.18	10.41
7.	Nagaland	10.01	8.93
8.	Sikkim	13.33	12.21
9.	Tripura	12.29	11.18
10.	Uttarakhand	8.18	6.93
11.	Jammu and Kashmir and UT Ladakh	10.13	9.50

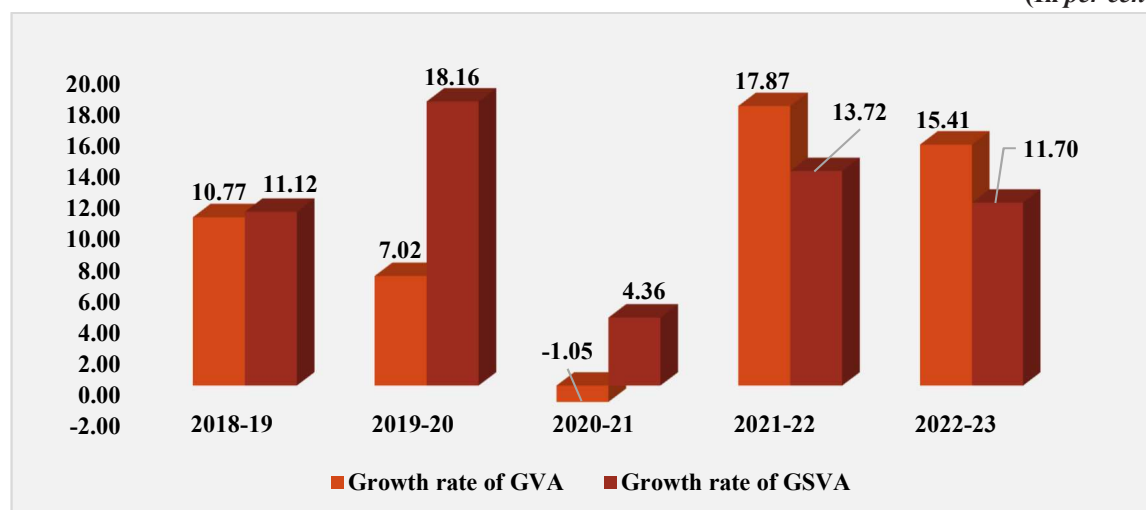
Source: Compilation of SFAR, 2022-23, issued by Economics division of CAG

Gross Value Added (GVA) is being used for economic analysis by GoI and international organisations like IMF and World Bank as GVA is considered a better indicator of economic growth compared to GDP because it ignores the impact of taxes and subsidies. While GDP is computed as the sum of total of the various expenditures incurred in the economy including private consumption spending, government consumption spending and gross fixed capital formation or investment spending, it reflects essentially on the demand conditions in the economy. Both measures have difference in treatment of net taxes, and because of the inclusion of taxes in GDP it may differ from the real output situation.

From a policymaker's perspective it is vital to have a comparison of the GVA and GSVA data for better analysis and for making better policy interventions. Trends of GVA and GSVA for the period from 2018-19 to 2022-23 is indicated in the **Chart 1.2**.

Chart 1.2: Trends of GVA and GSVA for the period from 2018-19 to 2022-23

(In per cent)



Source: GDP/ GVA- GoI's Ministry of Statistics and Programme Implementation (as of 31 August 2023) and Directorate of Economics and Statistics, Government of Arunachal Pradesh (GoAP) (as on 31 March 2023)

As can be seen from the above chart, the growth rate of the GSVA follows a fluctuating trend for the five-year period (2018-23). During the period from 2018-19 to 2020-21, the growth rate of GSVA was higher than that of GVA while the growth rate during the period 2021-22 to 2022-23 was lower than the growth rate of the GVA.

The GSDP is mainly classified under three broad sectors, *viz.* Primary, Secondary, and Tertiary. It is compiled activity-wise as per the methodology prescribed by the Central Statistics Office (CSO), Government of India (GoI), and furnished by the Ministry of Statistics and Programme Implementation (MoSPI). Moreover, GSDP is the sum of value added (calculated without duplication) by different economic sectors (Agriculture, Industry, and Services- which form the three broad sectors) within the boundaries of the State during a year. It is one of the most important measures of growth of a State’s economy. The sectoral contribution to the GSVA and GVA during 2022-23 is given in **Charts 1.3** and **1.4** respectively for comparison.

Chart 1.3: Sector-wise GSVA for the year 2022-23 (In per cent)

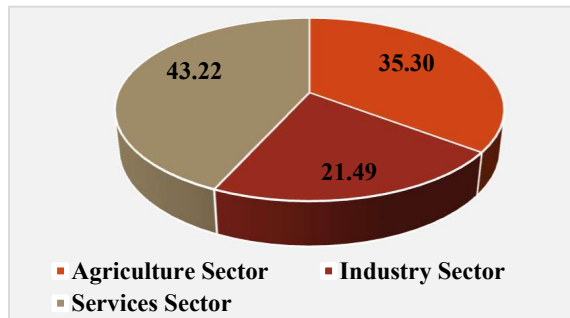
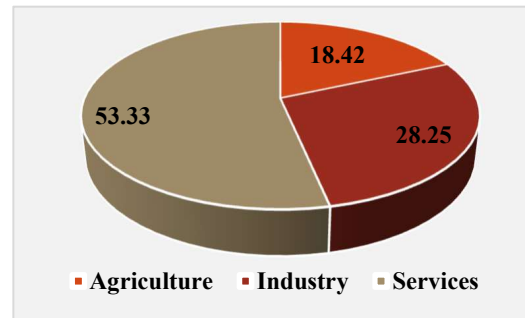


Chart 1.4: Sector-wise GVA for 2022-23 (In per cent)



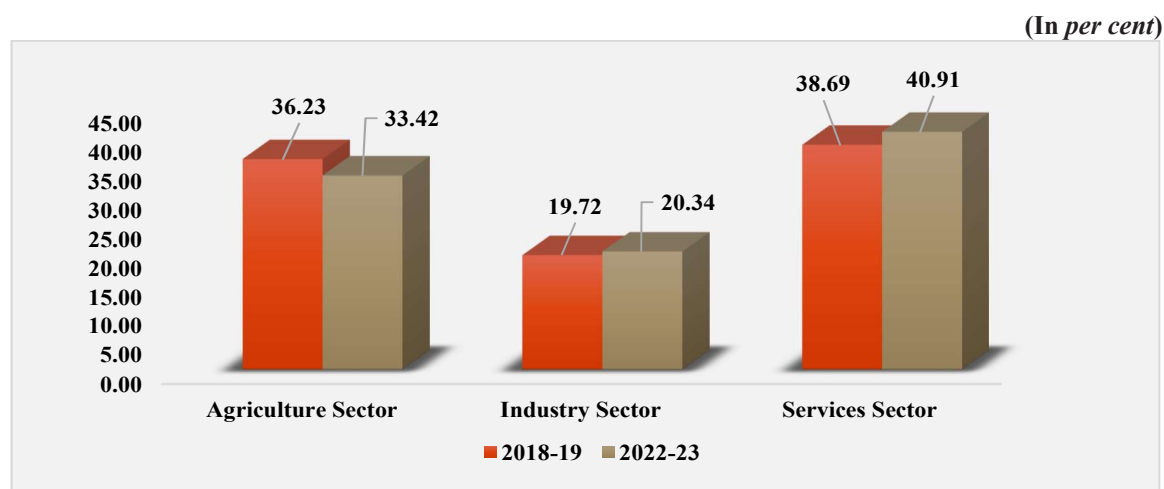
Source: GDP/ GVA- GoI’s ministry of Statistics and Programme Implementation (as on 31 August 2023) and Directorate of Economics and Statistics, Government of Arunachal Pradesh (GoAP) as on 31 March 2023

It can be seen from the above **Charts 1.3 and 1.4** that the *percentage* contribution of the agriculture sector to the GSVA is higher than the *percentage* contribution of the agriculture sector to the GVA. Consequently, the *percentage* contributions of the Industries and Services sectors to the GSVA are less.

During 2022-23, under the Agriculture sector, the major contribution was from ‘Crops (Agriculture and Horticulture)’ and ‘Forestry and Logging’ which contributed 06 and 12 *per cent* of GSDP respectively. Under the Industry sector, the major share was from ‘Construction’, and ‘Electricity, gas, water supply and Other utility services’ which contributed 07 and 11 *per cent* of GSDP respectively. Under the Service sector, the major share was from ‘Public Administration’ and ‘Other services’ which formed 17 and 15 *per cent* of GSDP respectively.

Analysis of changes in sectoral contribution to GSDP is also important to understand the changing structure of the economy of the State. The changes in sectoral contribution to GSDP for the period 2018-19 to 2022-23 is shown in **Chart 1.5**.

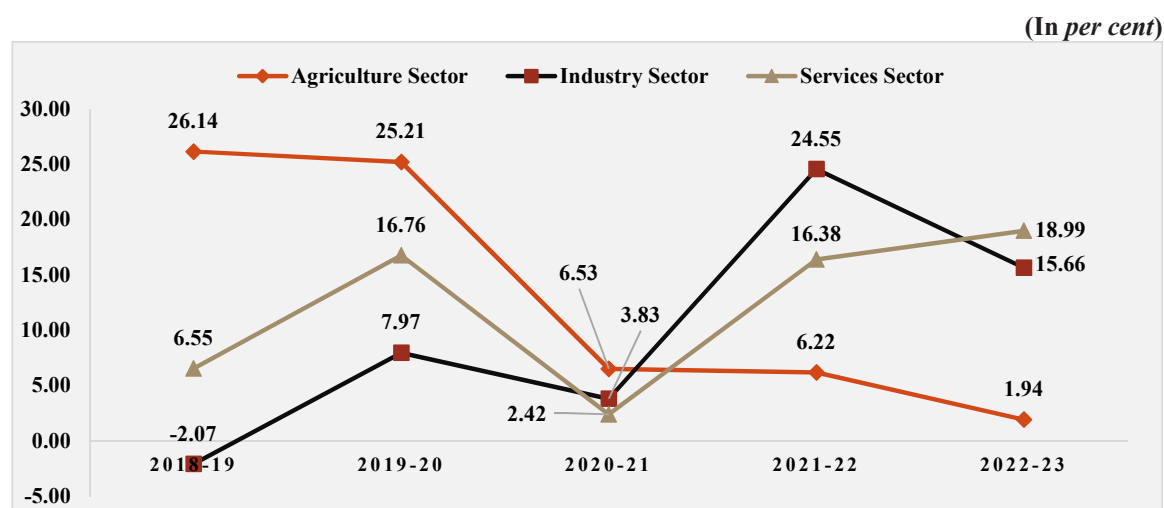
Chart 1.5: Change in the sectoral contribution of GSDP



Source: Directorate of Economics and Statistics, Government of Arunachal Pradesh (GoAP)

There was a decrease in the relative share of ‘Agriculture to GSDP’ during the period from 2018-19 to 2022-23. It reduced from 36.23 per cent in 2018-19 to 33.42 per cent in 2022-23. Consequently, there was an increase in the relative share of Industry and Services sector to the GSDP as it increased slightly from 19.72 per cent in 2018-19 to 20.34 per cent in 2022-23. The share of Services sectors also increased by 2.22 points from 38.69 per cent in 2018-19 to 40.91 per cent in 2022-23. During 2022-23, the Service and Agriculture sectors continued to be the most important for the socio-economic progress of Arunachal Pradesh as they contributed significantly to the growth of GSDP. The Individual Sectoral growths in GSDP are shown in **Chart 1.6**.

Chart 1.6: Sectoral growth of GSDP during 2018-19 to 2022-23.



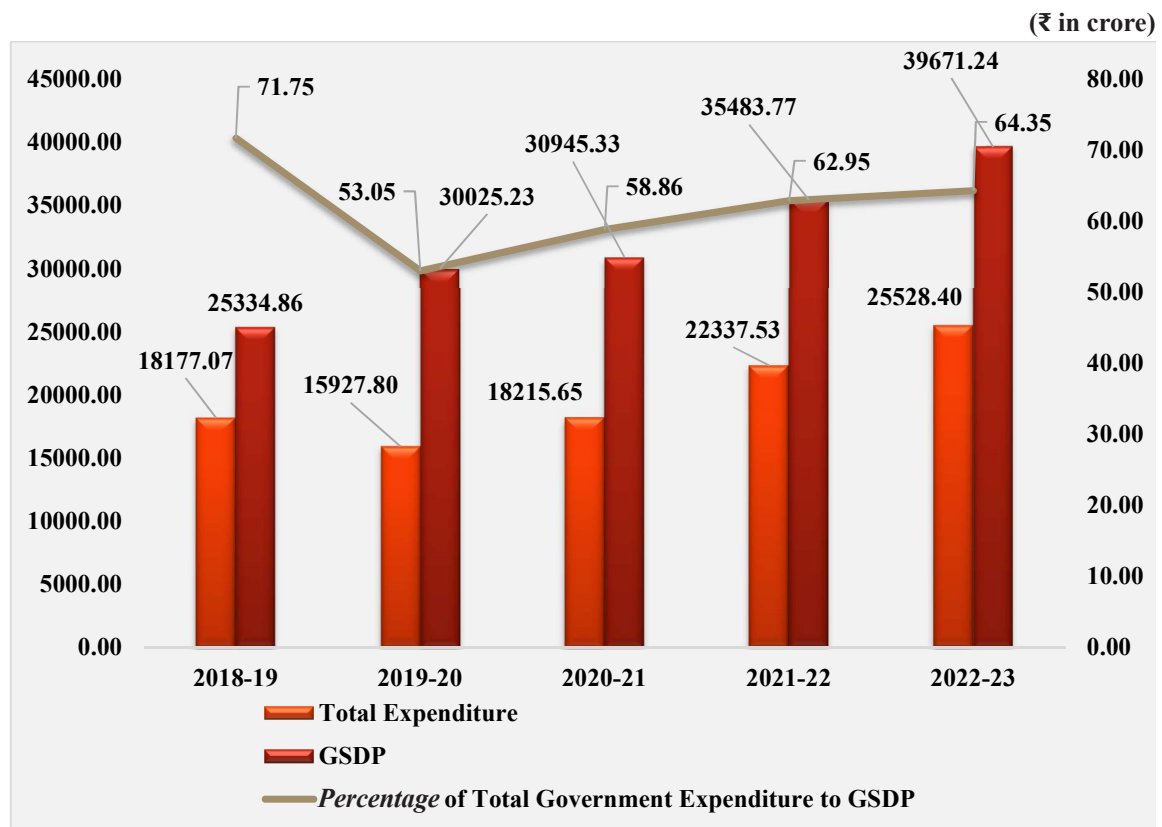
Source: Directorate of Economics and Statistics, Government of Arunachal Pradesh (GoAP)

It can be seen from the above Chart that the growth rate of the Agriculture sector had a decreasing trend from 26.14 per cent in 2018-19 to 1.94 per cent in 2022-23. During 2022-23, there was a significant decrease in growth rate over the previous year due to decrease in growth rate of all sub-components of the sector. The growth rate of the Industry sector showed an increasing trend from (-)2.07 per cent in 2018-19 to

15.66 per cent in 2022-23. During 2022-23, there was a significant decrease in growth rate of Industry sector over the previous year due to decrease in growth of Electricity, Gas, Water Supply and Other Utility Services and Construction. Similarly, Services sector showed an increasing trend from 6.55 per cent in 2018-19 to 18.99 per cent in 2020-21. During 2022-23, Services sector registered a growth of 18.99 per cent in 2022-23 from 16.38 per cent in 2021-22 due to significant increase in year over year changes in Public Administration.

The percentage of total State Government expenditure to GSDP shows an increasing trend during the period from 2019-20 to 2022-23 after a sharp decline in 2018-19 to 2019-20. It steadily increased from 53.05 per cent in 2019-20 to 64.35 per cent in 2022-23. The trend of the percentage of Government Expenditure to GSDP for the period 2018-19 to 2022-23 is shown in Chart 1.7.

Chart 1.7: Trends of Government Expenditure to GSDP for the period 2018-19 to 2022-23



Source: Directorate of Economics and Statistics, Government of Arunachal Pradesh (GoAP) and Finance Accounts of the respective year.

The high percentage share of Government expenditure in GSDP indicates that the State is still heavily dependent on Government spending. It indicates that there is unrealised potential for growth in the State by means other than Government spending. The high dependence of the State on Government expenditure for its growth exposes it to vulnerabilities and hence this dependence must be reduced by necessary policy initiatives.

1.2 Basis and Approach to State Finances Audit Report

1.2.1 Preparation of Accounts of the State Government

Annual Accounts (Finance and Appropriation Accounts) are prepared by the Accounts Wing of the Office of Principal Accountant General, Arunachal Pradesh from the vouchers, challans and initial and subsidiary accounts rendered by the Treasuries, by the Offices and Departments responsible for keeping of such accounts functioning under the control of the State Government in addition to the advices received from the Reserve Bank of India. The Treasuries, Offices and/ or Departments functioning under the control of Government of Arunachal Pradesh are primarily responsible for the preparation and correctness of the initial and subsidiary accounts as well as ensuring the regularity of transactions in accordance with the applicable laws, standards, rules and regulations relating to such accounts and transactions.

1.2.2 Audit of Accounts and preparation of State Finances Audit Report

Audit of the Annual Accounts of Arunachal Pradesh is conducted independently by the Audit Wing of the Office of the Principal Accountant General, Arunachal Pradesh in accordance with the requirements of Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, for expression of an opinion on these Accounts based on the results of such audit. An audit includes examination, on test basis, of evidence relevant to the amounts and disclosures in financial statements. The reports of the Comptroller and Auditor General of India relating to the Accounts of the State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State under Article 151(2) of the Constitution of India.

1.2.3 Sources of the preparation of State Finances Audit Report

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

- Budget of the State: for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of money spend and its compliance with the relevant rules and prescribed procedures.
- GSDP data and other State related statistics.
- Arunachal Pradesh State Financial Responsibility and Budget Management (APFRBM) Act.
- Recommendations of the Fifteenth Finance Commission (XV FC).
- Results of audit carried out by the Audit Wing of Office of Principal Accountant General of Arunachal Pradesh.
- Other data (accounting as well as MIS) with Departmental Authorities and Treasuries.
- Best practices and Guidelines of the Government of India (GoI), and

- Various audit reports of the CAG of India.

A meeting was held with State Finance Department on 05 October 2023 wherein the issues pointed out in SFAR were discussed. Replies of the Government, wherever relevant, have been incorporated in this Report at appropriate places.

The revised/ updated State Finances Audit Report for the year ended March 2023 was issued again to the Finance Department on 28 December 2023 for their comments. The replies were received from the Principal Secretary, Finance (GoAP) on 10 January 2024. The replies have been incorporated in the appropriate places of this Report.

1.3 Overview of Government Account Structure

The Accounts of the State Government are kept in three parts:

1. Consolidated Fund of the State [Article 266 (1) of the Constitution of India]

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from Financial Institutions, Special Securities issued to National Small Savings Fund, *etc.*), Ways and Means Advances (W and MA) extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund except in accordance with the law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditures (*e.g.*, salaries of Constitutional authorities, loan repayments *etc.*) constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditures (Voted expenditure) are voted by the State Legislature.

2. Contingency Fund of the State [Article 267 (2) of the Constitution of India]

This Fund is in the nature of an imprest which is established by the State Legislature by law and is placed at the disposal of the Governor to enable advance disbursements to be made for meeting unforeseen expenditures pending authorization of such expenditures by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the State.

3. Public Accounts of the State [Article 266 (2) of the Constitution]

Apart from above, all other public money received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayable like Small Savings and Provident Funds, Deposits (bearing interest or not bearing interest), Advances, Reserve Funds (bearing interest or not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the State Legislature.

Budget Document

In terms of Article 202 of the Constitution of India, a statement of the estimated receipts and expenditures of the State for the year in the form of an Annual Financial Statement is presented to the State Legislature. This 'Annual Financial Statement' constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

Revenue Receipts consists of Tax Revenue (Own tax revenue *plus* share of Union Taxes/ Duties), non-tax revenue and grants from Government of India.

Revenue Expenditure consists of all those expenditures of the government which do not result in creation of physical or financial assets. It relates to those expenses incurred for the normal functioning of the government departments and various services, interest payments on debt incurred by the government, and grants given to various institutions (even though some of the grants may be meant for creation of assets).

The **Capital Receipts** consist of:

- **Debt Receipts:** Market Loans, Bonds, Loans from financial institutions, Net transaction under Ways and Means Advances, Loans and Advances from Central Government, *etc.*; and
- **Non-Debt Receipts:** Proceeds from disinvestment, Recoveries of loans and advances *etc.*

Capital Expenditure includes expenditure on the acquisition of land, building, machinery, equipment, expenditure on investment in shares and expenditure on loans and advances by the government to PSUs and other parties. At present, we have an accounting classification system in the Government that is both functional and economic.

	Attribute of transaction	Classification
Standardised in LMMH ² by CGA ³	Function- Education, Health, <i>etc.</i> / Department	Major Head under Grants (4-digit)
	Sub-Function	Sub Major head (2-digit)
	Programme	Minor Head (3-digit)
Flexibility left for States	Scheme	Sub-Head (2-digit)
	Sub-scheme	Detailed Head (2-digit)
	Economic nature/ Activity	Object Head-salary, minor works, <i>etc.</i> (2-digit)

The functional classification appraises us about the department, function, scheme or programme and object of the expenditure. Economic classification helps organise these payments as revenue, capital, debt, *etc.* Economic classification is achieved by the numbering logic embedded in the first digit of 4-digit Major Heads. For instance, 0 and 1 are for revenue receipts; 2 and 3 are for revenue expenditure, *etc.* Economic classification is also achieved by an inherent definition and distribution of some object heads. For instance,

² List of Major and Minor Heads

³ Controller General of Accounts

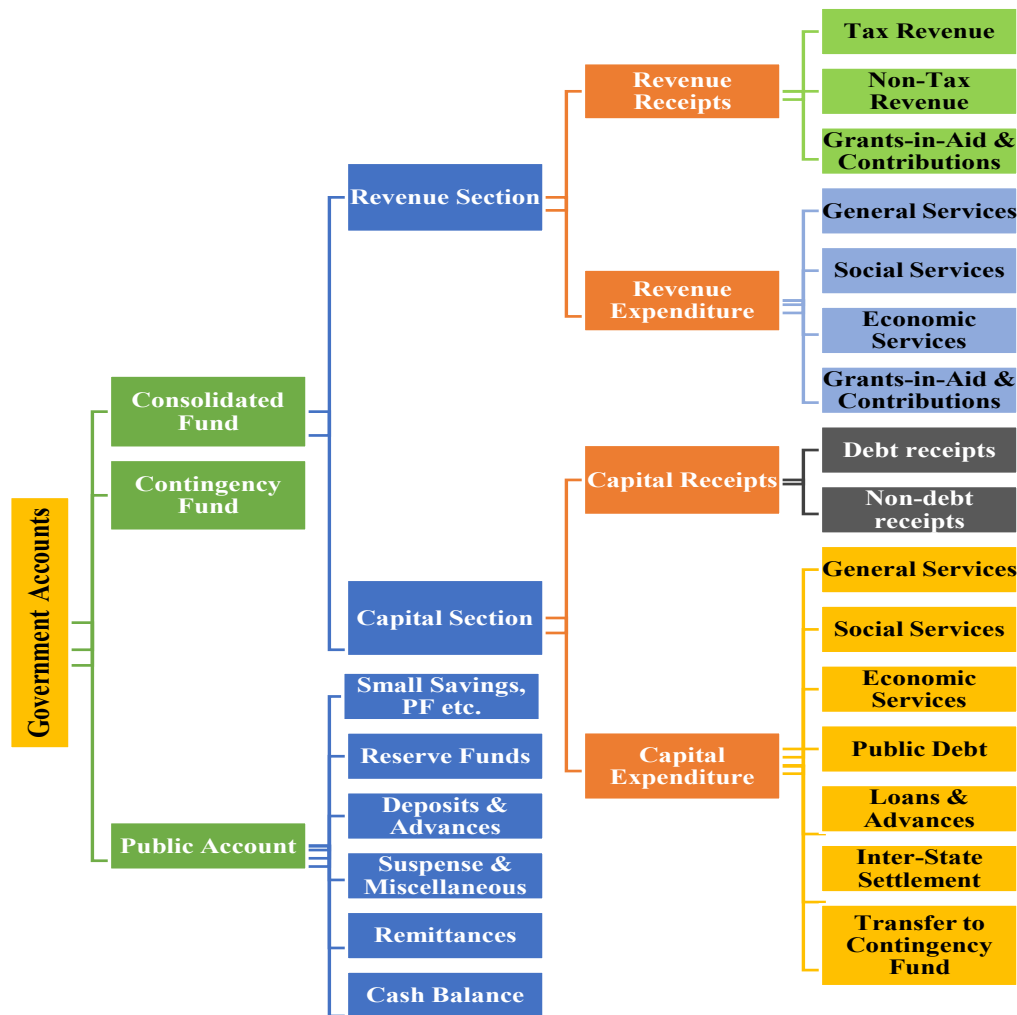
generally “salary” object head is revenue expenditure, “construction” object head is capital expenditure. Object head is the primary unit of appropriation in the budget documents.

Public Debt and Public Liability: In this Report, ‘Public Debt’ has been taken to comprise market borrowings, institutional loans, special securities issued to National Small Savings Fund (NSSF), loan given by Central Government *etc.* for this purpose, the major heads 6003 and 6004- Public Debt have been taken into consideration.

Further, the transactions relating to ‘Small Savings, Provident Fund, *etc.*’, ‘Reserve Funds’ and ‘Deposit and Advances’ under Public Accounts are such that the Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid. The transactions relating to ‘Remittances’ and ‘Suspense’ under Public Account, including merely adjusting heads such as transactions are remittances of cash between treasuries and currency chests and transfer between different accounting circles.

In this report, ‘Public Liability’ has been taken to include the transactions under major heads 8001 to 8554 relating to ‘Small Savings, Provident Fund, *etc.*’ ‘Reserve Funds’ and Deposit and Advances’ along with the transactions under major heads 6003 and 6004.

1.4 Structure of Government Accounts



1.5 Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of State causes to be laid before the Arunachal Pradesh Legislature a statement of the estimated receipts and expenditures of the State for the year in the form of an Annual Financial Statement. In terms of Article 203, the statement is submitted to the State Legislature in the form of 79 Demands for Grants/ Appropriations. After approval of these grants, the Appropriation Bill is passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund. The State has more than one consolidated Budgets which are in the nature of sub-budgets like Gender Budget and Outcome budget.

Arunachal Pradesh Government did not have a Budget Manual to guide the State Government functionaries in preparing their budgetary estimates and to monitor the expenditure activities. In the absence of any Budget Manual, the Budget preparation exercise is done based on the General Financial Rules and the Budget circulars issued by the State government from time to time. Results of audit scrutiny of budget 2022-23 and implementation of other budgetary initiatives of the State Government are detailed in **Chapter III** of this Report.

1.6 Snapshot of the Finances

Details of actual financial results for 2022-23 *vis-à-vis* Budget Estimates (BEs) for the same year and *vis-à-vis* actuals for the previous year, *i.e.*, 2021-22 are shown in **Table 1.3**. Time series data of the Finances of Government of Arunachal Pradesh for the year 2018-19 to 2022-23 are given in **Appendix 2.2**.

Table 1.3: Financial results *vis-à-vis* BEs

(₹ in crore)

Sl. No.	Components	Actuals 2021-22	Budgets Estimate 2022-23	Actuals 2022-23	Percentage of Actuals of 2022-23 to GSDP
1.	Tax Revenue (i+ii) (a)	16,283.69	16,438.54	18,926.52	47.71
	<i>i Own Tax Revenue</i>	1,639.79	1,267.53	2,237.35	5.64
	<i>ii Share of Union taxes/Duties</i>	14,643.90	15,171.01	16,689.17	42.07
2.	Non-Tax Revenue	774.67	935	1,017.87	2.57
3.	Grants- in -Aid and contributions	4,173.28	6,865.00	3,843.75	9.69
4.	Revenue Receipts (1+2+3)	21,231.64	24,238.54	23,788.14	59.96
5.	Recoveries of Loans and Advances	6.85	10.00	4.86	0.01
6.	Other Receipts	0.00	0.00	0.00	0.00
7.	Borrowings and Other Liabilities (b)	1,099.04	644.81	1,735.40	4.37
8.	Capital Receipts (5+6+7)	1,105.89	654.81	1,740.26	4.39
9.	Total Receipts (4+8)	22,337.53	24,893.35	25,528.40	64.35

Sl. No.	Components	Actuals 2021-22	Budgets Estimate 2022-23	Actuals 2022-23	Percentage of Actuals of 2022-23 to GSDP
10.	Revenue Expenditure	15,846.64	18,201.55	17,417.67	43.91
11.	Interest Payments	777.62	851.53	834.64	2.10
12.	Capital Expenditure	6,488.33	6,701.15	8,107.36	20.44
13.	Loans and Advances	2.56	5.65	3.37	0.01
14.	Total Expenditure (10+12+13)	22,337.53	24,908.35	25,528.40	64.35
15.	Revenue Surplus (4-10)	5,385.00	6,036.99	6,370.47	16.06
16.	Fiscal Deficit (14-4-5-6)(-)/ Surplus (+)	(-1,099.04)	(-659.81)	(-1,735.40)	4.37
17.	Primary Deficit (16-11)(-)/ Surplus(+)	(-321.42)	(-1,511.34)	(-900.76)	2.27

Source: Finance Accounts of respective years and Annual Financial Statement of GoAP of the respective year

(a) Includes State's share of Union Taxes.

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

During 2022-23, BE of the Tax Revenue was ₹16,438.54 crore while the actual receipts were ₹18,926.52 crore, thus, exceeding BE by ₹2,487.98 crore. The actual receipts under Grants in Aid contribution during 2022-23 were ₹3,021.25 crore less than the Budget estimate. The actual Fiscal Deficit was ₹1,735.40 crore and it was higher than the Budget Estimates by 163.02 per cent. A detailed analysis on the finances of the State Government is made in the subsequent Chapter of the report.

1.7 Snapshot of Assets and Liabilities of the Government

Government accounts also capture the financial liabilities of the Government and the assets created out of the expenditure incurred. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from public account and reserve funds while the assets comprise mainly of the capital expenditure, the loans and advances given by the State Government and the cash balances as detailed in *Appendix 1.2*.

Table 1.4: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities			Assets		
	2021-22	2022-23		2021-22	2022-23
Consolidated Fund					
Internal Debt	8,130.52	8,520.84	Gross Capital Outlay	44,410.84	52,518.20
Loans and Advances from GoI	705.30	2,243.43	Loans and Advances	91.56	90.07
Contingency Fund	0.05	0.05			

Liabilities			Assets		
	2021-22	2022-23		2021-22	2022-23
Public Account					
Small Savings, Provident Funds, etc.	2,962.88	3,117.55	Advances	502.51	502.38
Deposits	155.83	161.58	Remittance	(-)119.91	293.96
Reserve Funds	3,811.87	3,867.58	Cash balance (including investment in Earmarked Fund)	4,356.35	4,346.15
Suspense and Miscellaneous	(-)1,274.43	(-)1,280.03			
Surplus in Revenue Account	34,749.33	41,119.76			
Total	49,241.35	57,750.76	Total	49,241.35	57,750.76

Source: Finance Accounts of respective year

1.8 Trends in Key Fiscal Parameters

Deficit financing done judiciously may be viewed as a prudent fiscal management by the Government. Two important pointers to the fiscal health to be seen are, how the deficit is financed and how the resources raised are applied. This Section presents trend, nature, magnitude and manner of financing these deficits and also the assessment of the actual level of revenue and fiscal deficits *vis-à-vis* targets set under APFRBM Act/ Rules for the year 2022-23.

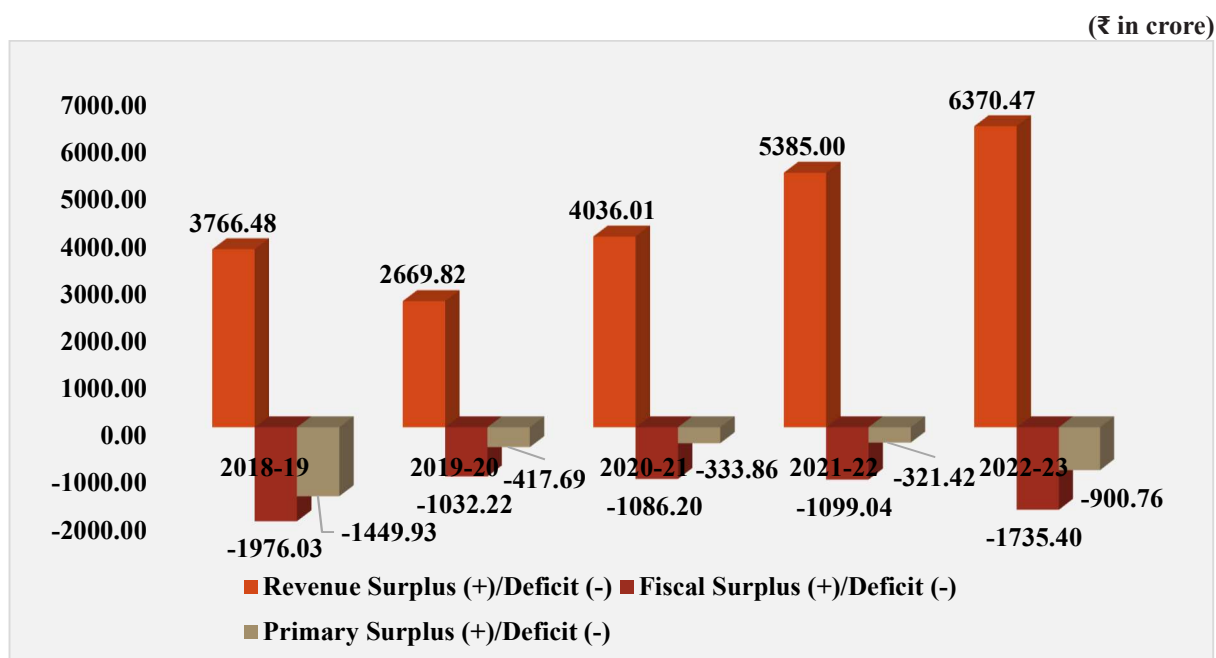
1.8.1 What are Deficit and Surplus?

Revenue Deficit/ Surplus	<i>Refers to the gap between Revenue Expenditure and Revenue Receipts</i>
Fiscal Deficit/ Surplus	<i>This is the difference between the Revenue Receipts plus Non-debt Capital Receipts (NDCR) and the Total Expenditure. FD is reflective of the total borrowing requirements of Government</i>
Primary Deficit/ Surplus	<i>Primary Deficit is measured as Fiscal Deficit less interest payments</i>

1.8.2 Trends of Deficit/ Surplus

The trend of the surplus deficit indicators in the past five years are given in **Chart 1.8**.

Chart 1.8: Trends in Surplus/ Deficit indicators



Source: Finance Accounts of respective year

Chart 1.8 reveals that the State consistently maintained Revenue Surplus during the period from 2018-19 to 2022-23. There was a significant surplus in revenue account in 2022-23 which can be attributed to a high increase in revenue receipts compared to the increase in revenue expenditure. The Revenue Surplus has shown an increasing trend from ₹2,669.82 crore in 2019-20 and reached up to ₹6,370.47 crore in 2022-23. The Revenue Surplus increased by ₹2,603.99 crore from ₹3,766.48 crore in 2018-19 to ₹6,370.47 crore in 2022-23. Revenue Surplus in 2022-23 increased by ₹985.47 crore (18.30 per cent) over the previous year (₹5,385.00 crore). The actual Revenue Surplus ₹6,370.47 crore during the current year was ₹333.48 crore higher than the projected Revenue Surplus of ₹6,036.99 crore during the budget of 2022-23.

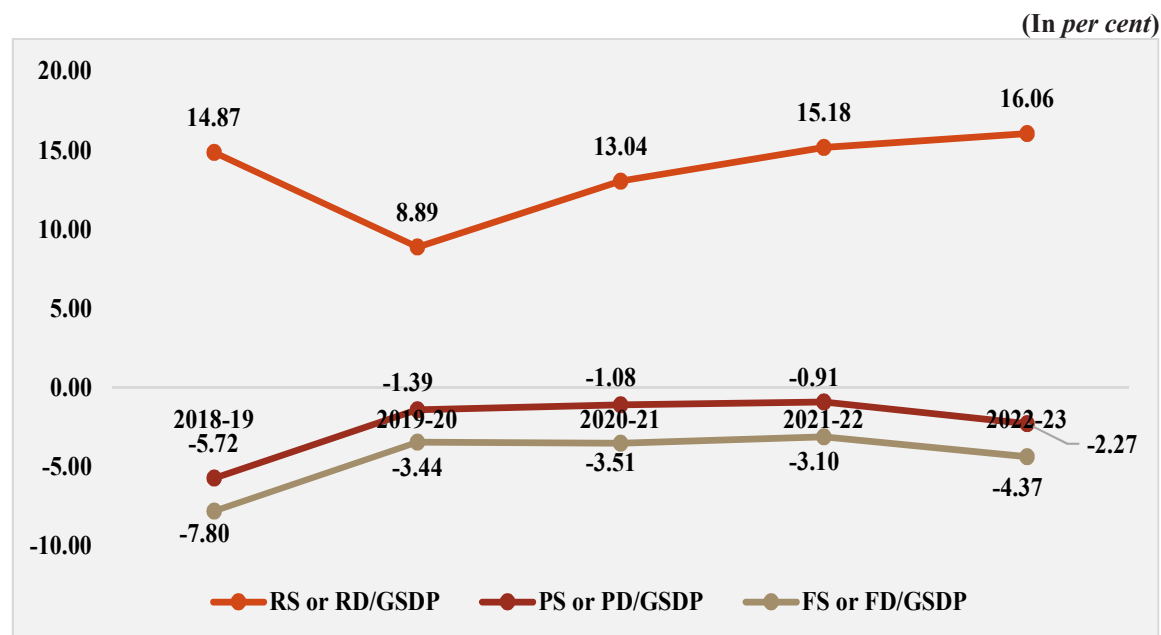
Fiscal Surplus/ Deficit represents difference between non-debt creating revenues and borrowings. State did not achieve Fiscal Surplus during the period 2018-19 to 2022-23. Fiscal Deficit decreased by ₹241.63 crore from ₹1,976.03 crore in 2018-19 to ₹1,735.40 crore in 2022-23. Fiscal deficit reached its peak in 2018-19 at ₹1,976.03 crore. During 2022-23, the Fiscal Deficit increased by ₹636.36 crore over the previous year (₹1,099.04 crore) which was due to an increase in the Total Expenditure over the previous year. Further, the actual Fiscal Deficit ₹1,735.40 crore during the current year was ₹1,090.59 crore higher than the projected Fiscal Deficit of ₹644.81 crore in the Budget Estimates, which is attributed to an increase in the actual Total Expenditure over the projected Total Expenditure in Budget Estimates.

The Primary Deficit which was highest in 2018-19, showed a decreasing trend from ₹1,449.93 crore in 2018-19 to ₹900.86 crore in 2022-23. During 2022-23, the Primary Deficit increased by ₹579.34 crore over the previous year. Primary deficit from 2018-19 to

2022-23 indicates that the interest payments of the State were met from the net borrowings of the State.

The trend of these Surplus and Deficits as a *percentage* of GSDP over the five-year period from 2018-19 to 2022-23 is depicted in **Chart 1.9**.

Chart 1.9: Trends in Deficit/ Surplus relative to GSDP

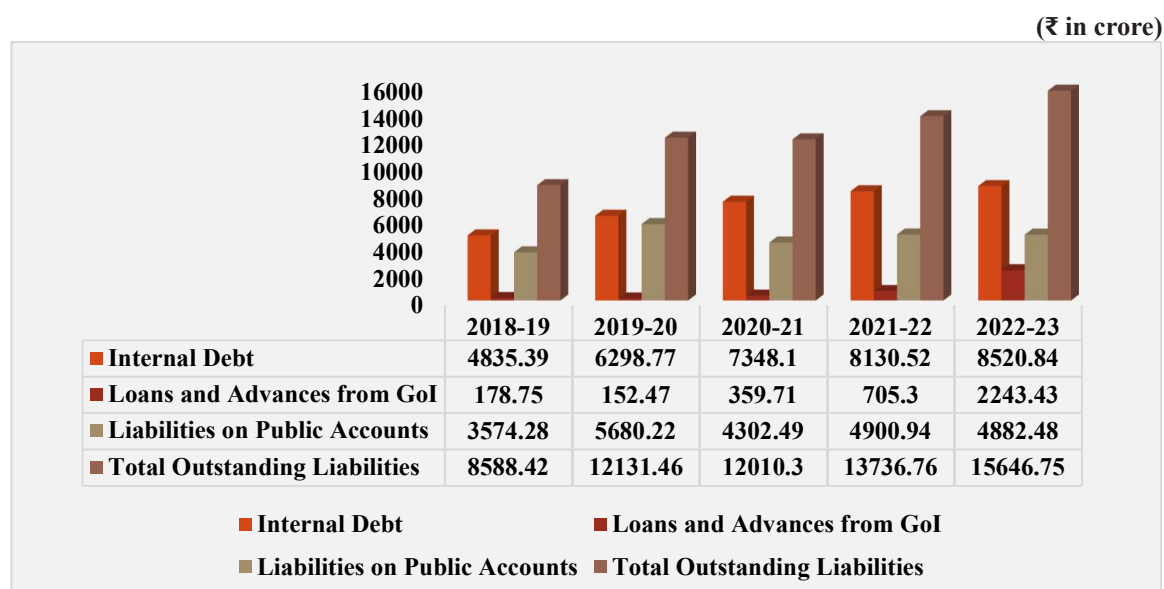


Source: Finance Accounts of respective year

The steady increase in Revenue Surplus as a *percentage* of GSDP shows improvement in the fiscal performance of the State. The ratio of Revenue Surplus to GSDP has shown an increasing trend during the period 2019-20 to 2022-23, while the ratio of Fiscal Deficit to GSDP has shown a fluctuating trend in alternate year. The ratio of Primary Deficit to GSDP showed a decreasing trend from 2018-19 to 2021-22, but it showed a significant increase in 2022-23. During 2022-23, there was an increase in Fiscal Deficit and Primary Deficit despite the increase in the Revenue Surplus. This was due to an increase in the Capital Expenditure and Interest Payments on previous borrowings by the State.

Trend of Fiscal Liabilities during the period 2018-19 to 2022-23 is shown in **Chart 1.10**.

Chart.1.10: Trends of Outstanding Liabilities



Source: Finance Accounts of the respective year

Total Outstanding Liabilities of the State increased by ₹7,058.33 crore (82.18 per cent) from ₹8,588.42 crore in 2018-19 to ₹15,646.75 crore in 2022-23. During the current year, Fiscal Liabilities increased by ₹1,909.99 crore (13.90 per cent) over the previous year (₹13,736.76 crore) and this was mainly due to an increase in the internal Debt by ₹390.32 crore and Loans from GoI by ₹1,538.14 crore which was partially offset by a decrease in the Liabilities on Public Accounts² by ₹18.46 crore.

1.8.3 Post Audit Revenue Surplus and Fiscal Deficit

Excessive focus on the short-term objective of overcoming Fiscal Deficit encourages creative accounting and recourse to one-off deficit-reducing measures. **Table 1.5** assesses effective Surplus/ Deficit after taking into account the short-contribution/ non-contribution to funds and incorrect classifications/ booking by the State Government during 2022-23.

Table 1.5: Actual Revenue Surplus and Fiscal Deficit

(₹ in crore)

Particulars	Impact on Revenue Surplus	Impact on Fiscal Deficit
	Understated (-)/ overstated (+)	Understated (+)/ overstated (-)
Non transfer of labour Cess to Arunachal Pradesh Building and Other Construction Workers Welfare Board	(+)1.05	(+)1.05
Non-discharge of Interest liabilities	(+)61.59	(+)61.59
Short Contribution of Government matching share towards NPS	(+)17.66	(+)17.66
Capital Expenditure booked in Revenue Expenditure	(-)11.73	-

⁴ Components of Liabilities on Public Accounts - Small Savings, Provident Funds *etc.*, Reserve Funds bearing Interest, Reserve Funds not bearing Interest, Deposits bearing Interest, and Deposits not bearing Interest.

Particulars	Impact on Revenue Surplus	Impact on Fiscal Deficit
	Understated (-)/ overstated (+)	Understated (+)/ overstated (-)
Revenue Expenditure booked in Capital Expenditure	(+)7.59	-
Short transfer under SDRF	(+)122.49	(+)122.49
Non-transfer under Central Road and Infrastructure Fund	(+)183.63	(+)183.63
Total	(+)382.28	(+)386.42

Source: Finance Accounts and Appropriation Accounts, 2022-23

As can be seen from **Table 1.5** above, there was an overstatement of Revenue Surplus of the State by ₹382.28 crore during the year. Considering that the overall Revenue Surplus depicted in the accounts was ₹6,370.47 crore, the State would have a Revenue Surplus of ₹5,988.19 crore during 2022-23 if adjustments in **Table 1.5** are made.

Similarly, the Fiscal Deficit during 2022-23 was found understated by ₹386.42 crore if adjustments depicted in **Table 1.5** are affected. Considering **Table 1.5**, the State would have Fiscal Deficit ₹2,121.82 crore during 2022-23.

The Effective Revenue Surplus to GSDP of the State was to be 15.09 *per cent* which was less than the target projected in MTFP (22.60 *per cent*) and the Effective Fiscal Deficit of the State during 2022-23, was 5.35 *per cent* of GSDP which was higher than the target projected in MTFP (2.20 *per cent*) and the target prescribed in APFRBM (3.50 *per cent*).

Recommendation: The State Government should adhere to the proper accounting norms and steps may be taken to transfer the amount to the appropriate head of accounts as per accounting norms.

1.9 Fiscal Balance: Achievement of deficit and total debt targets

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of a government. Prudent financial management involves generation of an annual Revenue Surplus (Revenue Receipts exceeding Revenue Expenditure). The Twelfth Finance Commission recommended States to enact their own Fiscal Responsibility and Budget Management (FRBM) Acts to ensure prudence in the fiscal management and fiscal stability by progressive elimination of Revenue Deficit, reduction in Fiscal Deficit and prudent debt management. Accordingly, the State Government enacted the Arunachal Pradesh Fiscal Responsibility and Budget Management Act (APFRBM), 2006 with an objective of ensuring prudence in the fiscal management by eliminating revenue deficit, reducing fiscal deficit and overall/ outstanding debt to acceptable level, establishing improved debt management and improving transparency in a medium-term framework. In this context, the Act provides quantitative targets to be adhered by the State with regard to the deficit measures and debt level.

The XV Finance Commission recommended that the States should amend their FRBM Act so as to ensure that their Legislations are consistent with the fiscal sustainability framework put in place. Thus, the Government of Arunachal Pradesh amended its FRBM in April 2022, as detailed in *Appendix 1.3*. It is deemed to have come into force with effect from 01 April 2022. Further, it has been noticed from the amended FRBM Act, that the Act is not consistent with the fiscal sustainability framework as recommended by Finance Commission as Government of Arunachal Pradesh amended the targets for Fiscal Deficit only for XV FC award period.

1.9.1 APFRBM targets on key fiscal parameters and achievement

Targets relating to the key fiscal parameters envisaged in the amended APFRBM Act for the period 2018-19 to 2022-23 respectively are given in **Table 1.6**.

Table 1.6: Compliance with provisions of APFRBM Act/ Rolling targets indicators-MTFP

Fiscal Parameters	Fiscal targets set in FRBM for the year 2018-19 to 2022-23	Achievement (₹ in crore)				
		2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Deficit (-)/ Surplus (+) (₹ in crore)	Revenue Surplus*	3,766.48	2,669.82	4,036.01	5,385.00	6,370.47
		✓	✓	✓	✓	✓
Fiscal Deficit as percentage of GSDP	Three per cent for 2018-19 to 2020-21	7.80	3.44	3.51	3.10	4.37
	4.00 per cent for 2021-22 and 3.50 per cent for 2022-23	✗	✗	✗	✓	✗
Ratio of total outstanding debt to GSDP (in per cent)	25 per cent For 2018-19 to 2020-21	33.90	40.40	38.81	38.71	39.44
	43.94* per cent for 2021-22 and 43.52 per cent for 2022-23	✗	✗	✗	✓	✓

Source: Finance Accounts of the respective year, MTFP and APFRBM

* APFRBM amended by the Government of Arunachal Pradesh in April 2022 did not include target of revenue surplus and the ratio of total outstanding debt to GSDP for the XV FC award period. These figures are taken from the Fiscal Indicators-Rolling targets MTFP Statement.

The State of Arunachal Pradesh was successful in maintaining Revenue Surplus as targeted in Rolling Fiscal Indicators-Rolling targets in MTFP. However, the State failed to manage the Fiscal Deficit throughout the period (except 2021-22) as the Fiscal Deficit as a percentage of GSDP exceeded the limit prescribed in the APFRBM Act. The State succeeded in anchoring the ratio of total outstanding debt to GSDP during 2021-22 and 2022-23 with in the levels prescribed in Fiscal Indicators-Rolling targets MTFP Statement, as it was 38.71 per cent and 39.44 per cent of GSDP respectively.

The State Government in its reply (October 2023) stated that APFRBM would be amended in line with the XV FC recommendations.

1.9.2 Achievement of projections made in Medium Term Fiscal Policy Statement

In compliance with the APFRBM Act, the State Government is required to lay before the House of Legislature (1) Macro Economic Framework Statement, (2) Medium Term Fiscal Plan Statement and (3) Fiscal Plan Strategy Statement, along with the Annual Financial Statement and the Demands for Grants. The Medium-Term Fiscal Plan (MTFP) is to set forth a three-year rolling target for the prescribed fiscal indicators.

Further, the Medium-Term Fiscal Policy Statement shall include a policy overview and outlook for the ensuing year on taxation, expenditure and borrowing. The aim of Medium-Term Fiscal Plan is to control revenue expenditure by cutting administrative costs by bringing austerity measures on the one hand and mobilizing additional resources by improving tax on other hand, so as to enhance investment in productive capital assets and social sectors in order to attain sustainable and equitable economic growth.

Table 1.7 indicates the variation between the projections made for 2022-23 in MTFP presented to the State Legislature with the Annual Budget for 2022-23 and Actuals for the year.

Table 1.7: Actuals vis-à-vis projection in MTFP for 2022-23

(₹ in crore)

Components	Projections as per MTFP	Actuals	Variation
1	2	3	4(3-2)
Own Tax Revenue	2,090.00	2,237.35	147.35
Non-Tax Revenue	935.00	1,017.87	82.87
Share of Union Taxes/ Duties	14,348.54	16,689.17	2,340.63
Grants-in-Aid from GoI	6,880.00	3,843.75	(-)3,036.25
Revenue Receipts	24,253.54	23,788.14	(-)465.4
Revenue Expenditure	18,201.55	17,417.67	(-)783.88
Capital Expenditure	6,701.15	8,107.36	1,406.21
Revenue Surplus/ Deficit	6,051.99	6,370.47	318.48
Fiscal Surplus(+)/ Deficit(-)	(-)644.81	(-)1,735.40	(-)2,380.21
Outstanding Debt Liabilities	12,783.90	15,646.75	2,862.85
GSDP at current prices	29,372.00	39,671.24	10,299.24
Debt-GSDP ratio (<i>per cent</i>)	43.52	39.44	(-)4.08
GSDP Growth Rate at Current Prices (<i>per cent</i>)	11.41	11.80	0.39

Source: MTFP Statement of FRBM and Finance Accounts 2022-23

Arunachal Pradesh was not able to control the outstanding liabilities and Fiscal Surplus/ Deficit within the projection made in MTFP. Actual Outstanding debt liabilities during the current year increased by ₹2,862.85 crore (22.39 *per cent*) over the projection

made in the MTFP (₹12,783.90 crore). During 2022-23, the State succeeded in controlling its Debt to GSDP ratio within the limit prescribed in MTFP as Actual Debt to GSDP ratio was 39.44 *per cent* against the 43.52 *per cent* projected in MTFP, this was due to the projected GSDP at current price in MTFP being lower than the actual GSDP. The State projected a Fiscal Deficit of ₹644.81 crore in MTFP for 2022-23 whereas the State actually had a Fiscal Deficit of ₹1,735.40 crore. This was due to the increase in the Capital Expenditure and decrease in the Revenue receipts against the projected Capital Expenditure and Revenue receipts in MTFP.

The State was able to mobilise its own resources (Own Tax Revenue *plus* Non-Tax Revenue) as envisaged in its MTFP as the actual receipts were higher than the projections by ₹230.22 crore (7.61 *per cent*). The State succeeded in controlling the Revenue Expenditure within the projection of MTFP as actual Revenue expenditure was ₹17,417.67 crore against the projected Revenue expenditure in MTFP was ₹18,201.55 crore. The State was able to achieve Revenue Surplus projected in the MTFP. Further, the Revenue Surplus impacted the Capital expenditure of the Government which was meant for the improvement of infrastructure in the State. Actual Revenue Surplus increased by ₹318.48 crore (5.26 *per cent*). The actual Capital Expenditure during the current year was ₹8,107.36 crore which exceeded the projection by ₹1,406.21 crore (20.98 *per cent*). Further, it was observed that there was inconsistency in projection made in Budget estimates and MTFP.

The State Government in reply (October 2023) stated that it would be monitored closely in the next financial year.

1.10 Conclusion

- The growth rate of GSVA was higher than that of GVA during the period from 2018-19 to 2020-21. While the growth rate during the period 2021-22 to 2022-23 was lower than the growth rate of the GVA. During 2022-23, the Service and Agriculture sectors continued to be the most important for the socio-economic progress of Arunachal Pradesh as they contributed significantly to the growth of GSDP.
- The State had managed to achieve a surplus on Revenue Account during the last five years and the Revenue surplus (₹6,370.47 crore) during the year increased by ₹985.47 crore (18.30 *per cent*) over the previous year (₹5,385.00 crore).
- During 2022-23, the Fiscal Deficit (₹1,735.40 crore) increased by ₹636.36 crore over the previous year (₹1,099.04 crore). Further, the actual Fiscal Deficit ₹1,735.40 crore during the current year was ₹1,090.59 crore higher than the projected Fiscal Deficit of ₹644.81 crore in the MTFP.
- The Government of Arunachal Pradesh amended its FRBM in April 2022, and is deemed to have come into force with effect from 01 April 2022. It has been noticed from the amended FRBM Act, that the Act is not consistent with the

fiscal sustainability framework as per the recommendation of the XV FC as the Government of Arunachal Pradesh amended the targets for Fiscal Deficit only.

- The State failed to manage the Fiscal Deficit throughout the period (except 2021-22) as the Fiscal Deficit as a *percentage* of GSDP exceeded the limit prescribed in the APFRBM Act. The State succeeded in anchoring the ratio of total outstanding debt to GSDP during 2021-22 and 2022-23 within the levels prescribed in Fiscal Indicators-Rolling targets MTFP Statement, as it was 38.71 and 39.44 *per cent* of GSDP respectively.

1.11 Recommendations

- The State Government may take measures to keep the Fiscal Deficit-GSDP ratio under the ceiling prescribed in the Arunachal Pradesh FRBM Act through prudent financial management. The State Government needs to amend the Arunachal Pradesh FRBM in line with the recommendations of the Central Finance Commission.

CHAPTER-II
Finances of the State

Chapter II: Finances of the State

2.1 Introduction

This Chapter provides a broad overview of the finances of the State of Arunachal Pradesh and analyses critical changes in the major fiscal aggregates relative to the preceding years, overall trends during the last five years 2018-19 to 2022-23 and Debt Sustainability of the State in addition to the key Public Account transactions. The analysis has been made based on the State Finance Accounts and information obtained from the State Government.

2.2 Major changes in key fiscal aggregates *vis-à-vis* 2022-23

A bird's eye view of the major changes in key fiscal aggregates of the State during 2022-23, compared to the previous year is given in **Table 2.1**.

Table 2.1: Changes in key fiscal aggregates in 2022-23 compared to 2021-22

Revenue Receipts	<ul style="list-style-type: none"> ✓ Revenue Receipts of the State increased by 12.04 <i>per cent</i> ✓ Own Tax Revenue of the State increased by 36.44 <i>per cent</i> ✓ Own Non-Tax Revenue increased by 31.39 <i>per cent</i> ✓ State's Share of Union Taxes/ Duties increased by 13.97 <i>per cent</i> ✓ Grants-in-Aid (GIA) from Government of India decreased by 7.90 <i>per cent</i>
Revenue Expenditure	<ul style="list-style-type: none"> ✓ Revenue Expenditure increased by 9.91 <i>per cent</i> ✓ Revenue Expenditure on General Services increased by 7.67 <i>per cent</i> ✓ Revenue Expenditure on Social Services increased by 1.46 <i>per cent</i> ✓ Revenue Expenditure on Economic Services increased by 21.25 <i>per cent</i> ✓ Expenditure on GIA increased by 19.82 <i>per cent</i>
Capital Receipts	<ul style="list-style-type: none"> ✓ Debt Capital Receipts increased by 67.23 <i>per cent</i> ✓ Non-debt Capital Receipts decreased by 29.05 <i>per cent</i>
Capital Expenditure	<ul style="list-style-type: none"> ✓ Capital Expenditure increased by 24.95 <i>per cent</i> ✓ Capital Expenditure on General Services increased by 1.66 <i>per cent</i> ✓ Capital Expenditure on Social Services increased by 5.05 <i>per cent</i> ✓ Capital Expenditure on Economic Services increased by 43.30 <i>per cent</i>
Loans and Advances	<ul style="list-style-type: none"> ✓ Disbursement of Loans and Advances increased by 31.64 <i>per cent</i> ✓ Recoveries of Loans and Advances decreased by 29.05 <i>per cent</i>
Public Debt	<ul style="list-style-type: none"> ✓ Public Debt Receipts increased by 67.23 <i>per cent</i> ✓ Repayment of Public Debt increased by 55.37 <i>per cent</i>
Public Account	<ul style="list-style-type: none"> ✓ Public Account Receipts increased by 18.65 <i>per cent</i> ✓ Disbursement of Public Account increased by 38.98 <i>per cent</i>
Cash Balance	<ul style="list-style-type: none"> ✓ Overall Cash balance of the State decreased by ₹10.20 crore (0.23 <i>per cent</i>) during 2022-23 compared to previous year

Source: Finance Accounts of the respective year

As can be seen from the above Table, the Capital Expenditure has increased more in the Development Head than in the Non-Development Head during 2022-23 over the previous year.

2.3 Sources and Application of Funds

A comparison of components of the sources and application of funds of the State during the current year with those of the previous year is given in **Table 2.2**.

Table 2.2: Details of Sources and Application of funds during 2022-23 and 2021-22

(₹ in crore)

Particulars		2021-22	2022-23	Increase/ Decrease	Increase/ Decrease per cent
Sources	Opening Cash Balance with RBI	3,389.33	4,356.35	967.02	28.53
	Revenue Receipts	21,231.64	23,788.14	2,556.50	12.04
	Recoveries of Loans and Advances	6.85	4.86	(-1.99)	(-)29.05
	Public Debt Receipts (Net)	1,128.01	1,928.45	800.44	70.96
	Public Account Receipts (Net)	938.05	(-)203.25	(-)1,141.30	(-)121.67
	Total	26,693.88	29,874.55	3,180.67	11.92
Application	Revenue Expenditure	15,846.64	17,417.67	1,571.03	9.91
	Capital Expenditure	6,488.33	8,107.36	1,619.03	24.95
	Disbursement of Loans and Advances	2.56	3.37	0.81	31.64
	Closing Cash Balance with RBI	4,356.35	4,346.15	(-)10.20	(-)0.23
	Total	26,693.88	29,874.55	3,180.67	11.92

Source: Finance Accounts of the respective year

Appendix 2.1 provides details of receipts and disbursements and the overall fiscal position of the State during the current year as well as the previous year. The composition and application of resources in the Consolidated Fund of the State during 2022-23 is given in **Chart 2.1 and 2.2**.

Chart 2.1: Composition of Resources

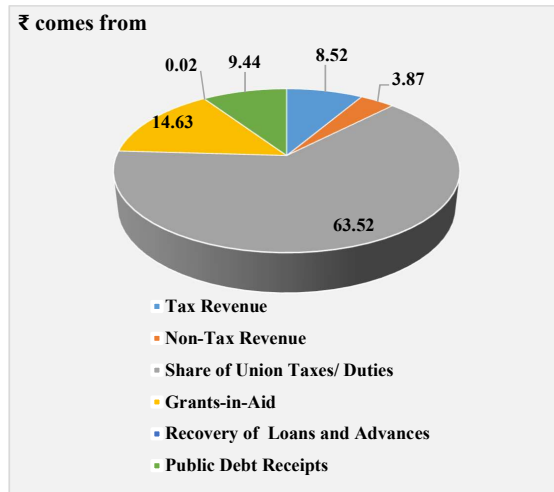
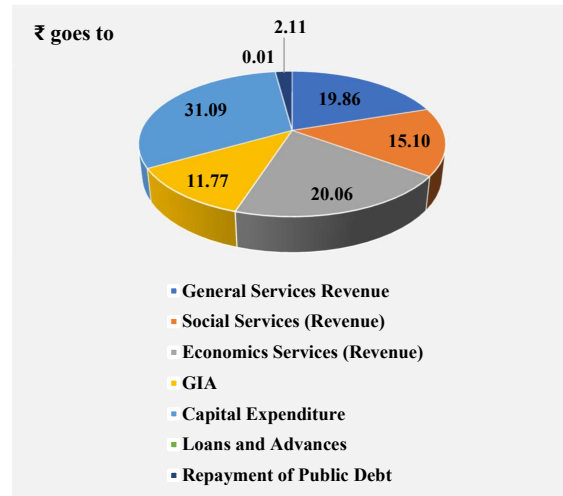


Chart 2.2: Application of Resources



Source: Finance Accounts, 2022-23

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

2.4 Resources of the State

The resources of the State are described below:

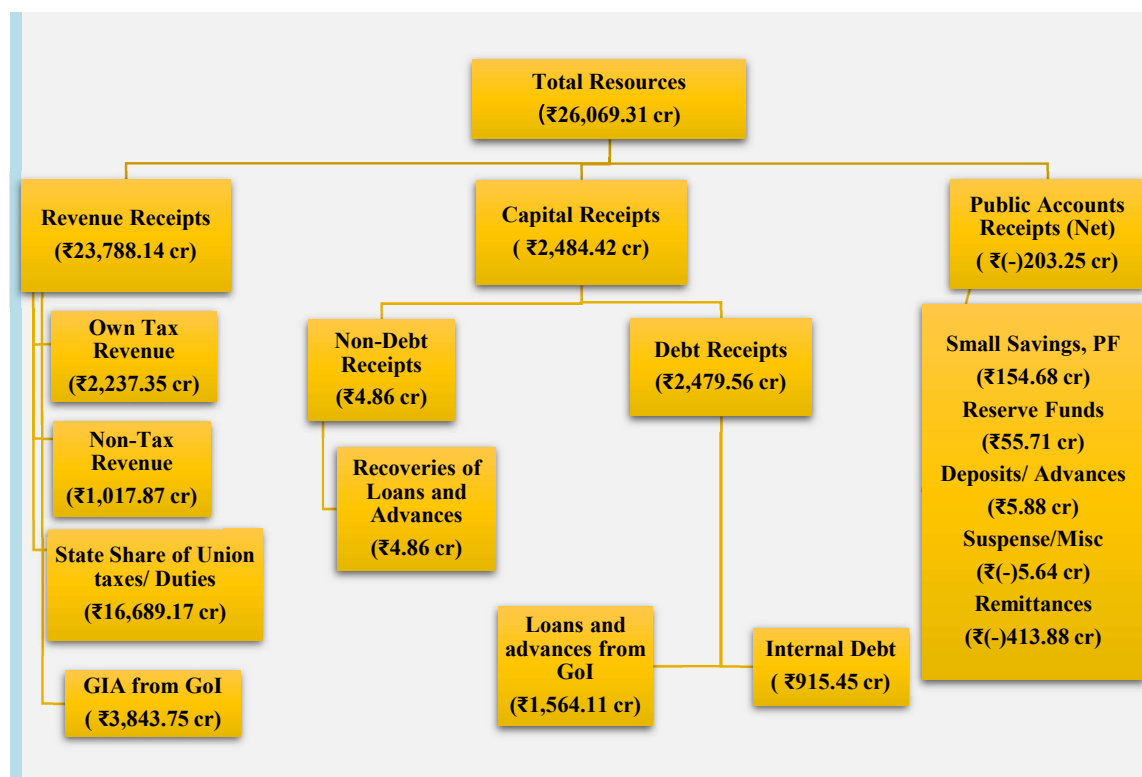
- 1. Revenue Receipts** consist of Tax Revenue (Own tax revenue *plus* Share of Union Taxes/ duties), non-Tax Revenue and Grants from the Government of India (GoI).
- 2. Capital Receipts** (debt and non-debt capital receipts) comprise miscellaneous Capital Receipts such as proceeds from disinvestments, recoveries of Loans and Advances, debt receipts from internal sources (market loans, borrowings from financial institutions/ commercial banks) and Loans and Advances from GoI.

Both Revenue and Capital Receipts form part of the Consolidated Fund of State.

- 3. Net Public Accounts Receipts:** These are receipts and disbursements in respect of certain transactions such as Small Savings, Provident Fund, Reserve Funds, Deposits, Suspense, Remittances, *etc.* which do not form part of the Consolidated Fund.

These are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

Chart 2.3: Composition of resources of the State during 2022-23



Source: Finance Accounts, 2022-23

2.4.1 State's Revenue Receipts

2.4.1.1 Trends and growth of Revenue Receipts

Statement-14 of the Finance Accounts depicts the Revenue Receipts of the Government. Trends and composition of Revenue Receipts over the period 2018-19 to 2022-23 are presented in *Appendix 2.2* and depicted in **Table 2.3** and **Chart 2.4** respectively.

Table 2.3: Trends in Revenue Receipts

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Receipts (RR) (₹ in crore)	16,195.96	14,888.55	17,123.51	21,231.64	23,788.14
Rate of growth of RR (<i>per cent</i>)	17.58	(-8.07)	15.01	23.99	12.04
Tax Revenue	11,504.18	10,216.30	11,903.68	16,283.69	18,926.52
<i>Own Tax Revenue</i>	<i>1,068.04</i>	<i>1,228.73</i>	<i>1,431.1</i>	<i>1,639.79</i>	<i>2,237.35</i>
<i>State Share in Union taxes/ duties</i>	<i>10,436.14</i>	<i>8,987.57</i>	<i>10,472.58</i>	<i>14,643.90</i>	<i>16,689.17</i>
Non-Tax Revenue	608.87	651.38	836.53	774.67	1,017.87
Grant in Aid from GoI (GIA)	4,082.91	4,020.87	4,383.30	4,173.28	3,843.75
Rate of Growth of GIA from GoI	21.73	(-1.52)	9.01	(-4.79)	(-7.90)
Own Revenue (Tax and Non-tax)	1,676.91	1,880.11	2,267.63	2,414.46	3,255.22
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (<i>per cent</i>)	41.90	12.12	20.61	6.48	34.82
GSDP (₹ in crore) (2011-12 Series)	25,334.86	30,025.23	30,945.33	35,483.76	39,671.24

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Rate of growth of GSDP (<i>per cent</i>)	12.73	18.51	3.06	14.67	11.80
Buoyancy Ratios with respect to GSDP					
Revenue Receipts	1.38	--	4.90	1.64	1.02
State's Own Revenue	3.29	0.65	6.73	0.44	2.95

Source: Finance Accounts of respective years

It is seen that the Revenue Receipts of the State increased by ₹7,592.18 crore (46.88 *per cent*) from ₹16,195.96 crore in 2018-19 to ₹23,788.14 crore in 2022-23 at an average growth rate of 12.11 *per cent*.

During 2022-23, the Revenue Receipts increased by ₹2,556.50 crore (12.04 *per cent*) over the previous year. This was due to an increase in the non-tax revenue by ₹243.20 crore (31.39 *per cent*), own tax revenue by ₹597.56 crore (36.44 *per cent*) and share of the Union taxes/ duties by ₹2,045.27 crore (13.97 *per cent*) which was partially offset by a decrease in GIA by ₹329.53 crore (7.90 *per cent*). The growth rate of RR (12.04 *per cent*) was higher than that of growth of GSDP (11.80 *per cent*) during the current year. A higher growth rate in Revenue Receipts enables a State to spend more on improving the priority areas like infrastructure, Health, Education, *etc.*

During 2022-23, the growth rate of State's Own Revenue (34.82 *per cent*) was significantly higher than that of the previous year. This was due to an increase in both Tax Revenue and Non-Tax Revenue. During 2022-23, the growth rate of GSDP (11.80 *per cent*) was less than that of State's Own Revenue (34.82 *per cent*).

The growth rate of the GIA from GoI has also been inconsistent over the last five-year period (2018-19 to 2022-23). The GIA decreased by ₹62.04 crore (1.52 *per cent*) during 2019-20 as compared to 2018-19 and increased during 2020-21 (9.01 *per cent*) in comparison to 2019-20. However, it again decreased (4.79 *per cent*) during 2021-22 as compared to 2020-21. During 2022-23, it decreased (7.90 *per cent*) as compared to 2021-22.

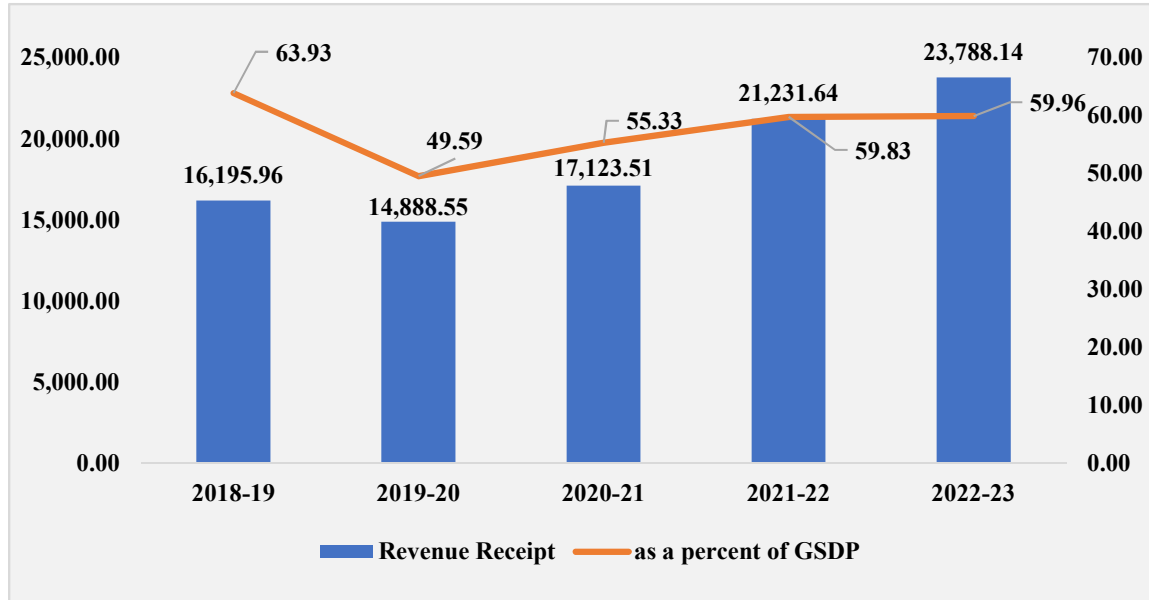
The Buoyancy Ratio¹ of Revenue Receipts with reference to GSDP was more than 'one' in four years in the last five-year period (except 2019-20). This implied that Revenue Receipts have been growing faster than GSDP. During 2022-23, the Buoyancy Ratio of Revenue Receipts decreased over the previous year.

Tax buoyancy indicates the measure of efficiency or responsiveness in tax collection in response to the growth in GSDP. Tax revenues are considered buoyant when they increase more than proportionately in response to the increase in GSDP even when the rates of taxes remain unchanged. Buoyancy Ratio of the State's own Revenue was inconsistent during the five-year period (2018-19 to 2022-23). During 2022-23, the Buoyancy Ratio of State's Own Revenue increased over the previous year.

¹ Buoyancy indicate the degree of responsiveness of a fiscal variable with respect to a given change in the base variable. To cite an example, the Buoyancy ratio of Revenue Receipts with GSDP of more than one indicates that the growth rate of Revenue Receipts would be much higher than the growth rate of the GSDP

During the current year, the Buoyancy Ratio of State's Own Revenue was nearly 'three' which indicates that growth rate of GSDP is slower than growth rate of State's Own Revenue.

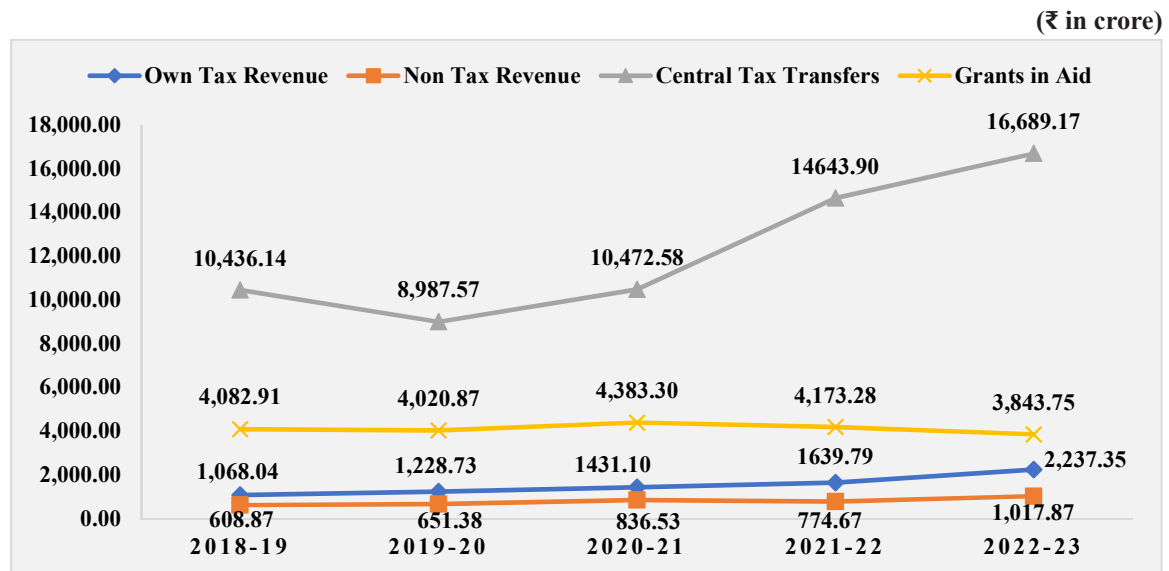
Chart. 2.4 Trends of Revenue Receipts relative to *percentage* of Revenue Receipts to GSDP



Source: Finance Accounts of the respective year

As evident from the **Chart 2.4**, the Revenue Receipts as a *percentage* of GSDP were hovering around 50 to 64 *per cent* during the five-year period (2018-19 to 2022-23). The trend of the composition of Revenue Receipts for the period from 2018-19 to 2022-23 are given in **Chart 2.5**.

Chart 2.5: Composition of Revenue Receipts



Source: Finance Accounts of the respective year

2.4.2 State's Own Resources

The State share in Central taxes is determined on the basis of recommendations of Finance Commission (FC). GIA from the Central Government is determined by the quantum of collection of Central Tax receipts and anticipated Central Assistance for Schemes. State's performance in mobilisation of additional resources was assessed in terms of its own resources comprising revenue from Own Tax and Own Non-Tax.

The State's Tax and Non-Tax Revenue for 2022-23 *vis-à-vis* assessment made by XV FC and BEs are given in **Table 2.4**.

Table 2.4: Tax and Non-Tax Receipts

(₹ in crore)

Particulars	XV FC projections	Budget Estimates	Actual	Percentage variation of actual over	
				Budget estimates	XV FC projections
Own Tax revenue	1,548.00	1,267.53	2,237.35	76.51	44.53
Non-tax revenue	454.00	935.00	1,017.87	8.86	124.20
Total	2,002.00	2,202.53	3,255.22	-	-

Source: Recommendations of XV FC Report, Annual Financial Statement, 2022-23 and Finance Accounts, 2022-23

XV FC projected that the State's own revenue resources during 2022-23 would be ₹2,002.00 crore. However, the actual collections during 2022-23 were ₹3,255.22 crore which was 62.60 *per cent* higher than the projections made by XV FC and 47.79 *per cent* higher than the assessment made in BE.

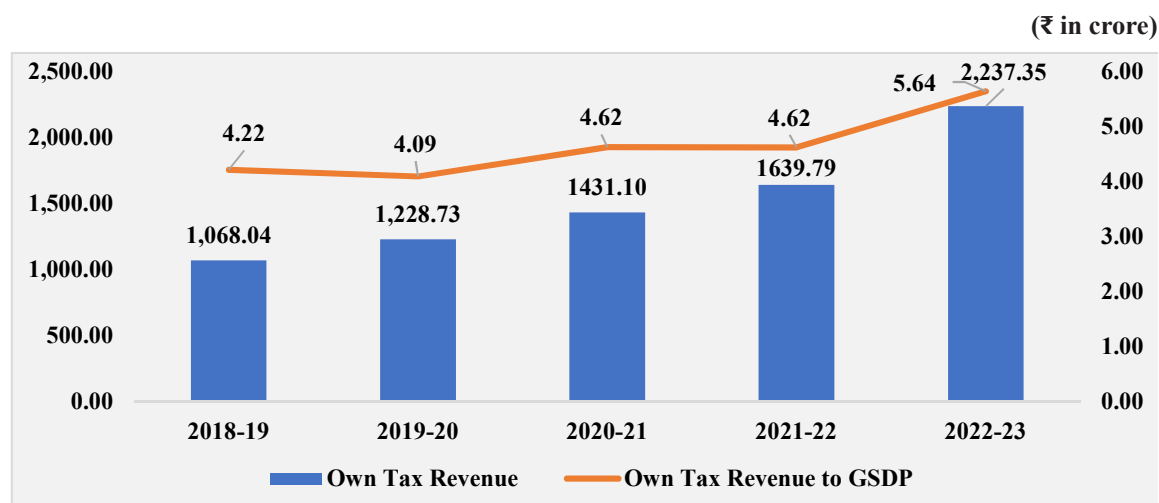
The State collected higher Own Tax Revenue compared to the budgeted amount, with a broad-based increases in all tax components except in the component of Taxes on Sales, Trades, *etc.*

Similarly, collection of Non-Tax Revenue during 2022-23 was higher than the assessments made in BE due to significant increases in Interest receipts, Education, Food Storage and Warehousing and Power.

2.4.2.1 Own Tax Revenue

Own Tax Revenues of the State consist of State GST, State Excise, Taxes on Vehicles, Stamp Duty and Registration Fees, Land Revenue and Taxes on Goods and Passengers, *etc.* Trends of State's Own Tax Revenue and ratio of Own Tax Revenue to GSDP over the period 2018-23 are presented in **Chart 2.6**.

Chart 2.6: Trend of Own Tax Revenue during 2018-23



Source: Finance Accounts of the respective year

The Own Tax Revenue increased by ₹1,169.31 crore (109.48 per cent) i.e., from ₹1,068.04 crore in 2018-19 to ₹2,237.35 crore in 2022-23, during the five-year period.

During the current year it increased by 36.44 per cent (₹597.56 crore) in comparison to the previous year. The increase over the previous year was due to a significant increase by ₹476.05 crore (42.09 per cent) under SGST, by ₹164.95 crore (142.30 per cent) under State Excise which was offset by decrease by ₹102.79 crore (31.67 per cent) under Taxes on Sales, Trade, etc. During 2022-23, SGST alone contributed around 71.82 per cent of Own Tax Revenue.

During 2022-23, as percentage of GSDP, State's Own tax increased to 5.64 per cent in 2022-23 from the previous year figure of 4.62 per cent. During 2022-23, XV FC projected the ratio of Own tax to GSDP as 4.60 per cent while the actual was 5.64 per cent. During the current year, the State did not achieve its own target of 10.30 per cent for Own Tax to GSDP ratio projected in Fiscal indicators-rolling targets in Medium Term Fiscal Plan (MTFP).

The CAGR of the Own Tax Revenue of the State for the period from 2018-19 to 2022-23 stood at 20.31 per cent and decadal CAGR of the State's Own Tax Revenue was 19.97 per cent which was higher than decadal CAGR of GSDP (11.76 per cent) and Revenue Receipts (16.93 per cent). Component-wise details of State's Own Tax Revenue collected during 2018-19 to 2022-23 are given in **Table 2.5**.

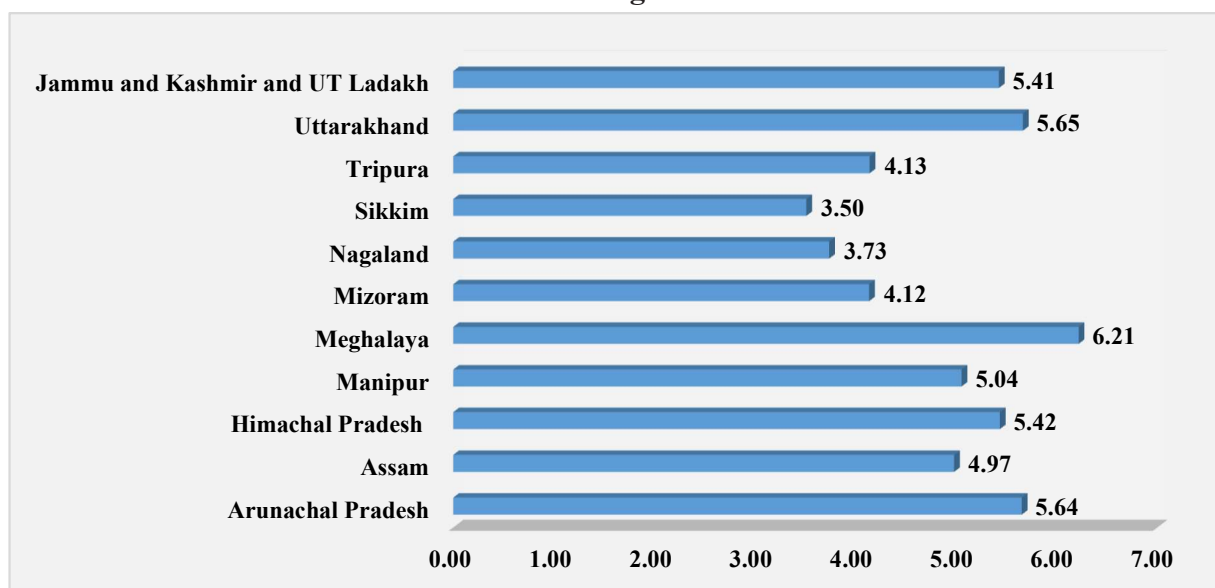
Table 2.5: Components of State's Own Tax Revenue

Particulars	(₹ in crore)					Spark line
	2018-19	2019-20	2020-21	2021-22	2022-23	
Goods and Service Tax	601.00	801.55	859.29	1,131.00	1,607.05	
Taxes on Sales, Trade, etc.	268.74	219.82	283.09	324.61	221.82	
State Excise	136.73	144.97	238.02	115.92	280.87	
Taxes on vehicles	32.43	38.12	32.71	48.94	62.11	
Stamps and Registration Fees	9.16	8.14	10.47	12.48	17.82	
Land Revenue	14.58	15.97	7.52	6.83	47.67	
Taxes on Goods and Passengers	5.40	0.16	0.00	0.01	0.01	
Total	1,068.04	1,228.73	1,431.10	1,639.79	2,237.35	

Source: Finance Accounts of the respective year

- During 2022-23, the actual collection of SGST was ₹1,607.05 crore against the Budget estimate of ₹521.71 crore. SGST increased by ₹476.05 crore (42.09 per cent) which was mainly due to an increase in Tax by ₹154.89 crore (46.69 per cent), Apportionment of IGST-transfer-in of tax component to SGST by ₹144.61 crore (77.40 per cent) and Input Tax credit cross utilisation of SGST and IGST by ₹162.96 crore (26.82 per cent).
- During 2022-23, the collections from Sales, Trades, etc. decreased by ₹102.79 crore (31.67 per cent) due to the less collections against Value Added Tax (VAT). The reduction in collections in Taxes on Sales and Trade was due to introduction of GST as VAT on other products except liquor and petroleum products got subsumed in GST.
- During the current year, collection from Taxes on Vehicles increased by ₹13.17 crore (26.91 per cent) due to increase in Receipts under the Indian Motor Vehicles Taxation Acts by ₹5.24 crore (1,122.81 per cent) and Receipts under the State Motor Vehicles Taxation Acts by ₹7.93 crore (16.36 per cent).
- The collections from Taxes on Goods and Passengers were approximately Nil during 2022-23 as it got subsumed in GST from July 2017.
- During 2022-23, the collections under Stamps and Registration increased by ₹5.34 crore due to more collections under Registration fees and Non-Judicial Stamps.
- The collections from State Excise increased by ₹164.95 crore (142.30 per cent). This was due to significant increase in collection from minor head Liquor by ₹280.80 crore (100.00 per cent).

Chart 2.7: Percentage of Own Tax Revenue to GSDP of NE&H States during 2022-23



Source: Compilation of SFAR, 2022-23, issued by Economics division of CAG

State Goods and Services Tax

During 2022-23, no difference was noticed in amount of SGST between the books of RBI and Finance Accounts. During the current year, the State did not receive back to back loans in lieu of GST compensation shortfall as the State collected higher SGST against the projected SGST.

Audit of GST Receipts

The Government of India's decision to provide access to Pan-India data at GSTN premises was conveyed on 22 June 2020. In case of Arunachal Pradesh which is a Model-II State, role-based access to back-end application was provided to office of the Principal Accountant General (Audit) in December 2020. However, the access was limited to their premises only and the matter of providing remote access was under consideration. The accounts for the year 2021-22 have, therefore, been certified on the basis of the test audit as was being done when records were being maintained manually, pending full implementation of the GoI's decision to provide audit access to GSTN data.

Analysis of Arrears of Revenue and Arrears of assessment

The arrears of revenue indicate delayed realisation of revenue due to the government. Similarly, arrears of assessment indicate potential revenue which is blocked due to a delayed assessment. Both deprive the State of potential receipts and ultimately affect the revenue surplus of the State. Arrears of revenue and Arrears of assessment as on 31 March 2023 is given in **Table 2.6**.

Table 2.6: Details of Arrears of Revenue and Arrears of Assessment

Arrears of Revenue (₹ in crore)						
Particulars	Amount Outstanding for more than					Amount Outstanding as on 31 March 2023
	Five years	Four years	Three Years	Two Years	One year	
Taxes on Sales, Trade etc.	10.93	7.37	7.36	7.36	7.36	40.38
State Excise	0.56	0.10	0.10	0.10	1.06	1.92
GST	0.00	0.00	0.00	0.00	0.23	0.23
VAT	1,362.00	1,884.00	302.30	15.20	31.70	3,595.20
Total	1,373.49	1,891.47	309.76	22.66	40.35	3,637.73
Arrears of Assessment						
No. of cases pending as on 31 March 2022						446*
Cases detected for assessment during 2022-23						36#
Cases disposed of during 2022-23						28
No. of cases pending as on 31 March 2023						454

Source: Information furnished by the Taxes and Excise and Narcotics Department, GoAP

* Information received from 25 Superintendents out of 28

Information received from 23 Superintendents out of 28

- Information received from 23 Superintendents, Taxes and Excise and Narcotics stated that arrears amounted to ₹3,637.73 crore was outstanding as on March 2023. An amount of ₹1,373.49 crore was found outstanding for more than five-years, ₹1,891.46 crore outstanding for more than four years, ₹309.76 crore outstanding for more than three years, ₹22.66 crore outstanding for more than two years and ₹40.35 crore outstanding for more than one year. Clearance of such magnitude of amounts requires focused efforts by all departments concerned and a push for coordination with other departments in the process of recovery before expiry of the statutory time limit for such recovery.
- There were 446 cases pending for assessment as on 1 April 2022 which increased to 454 cases as on 31 March 2023.
- Delay in assessment affects the revenue deficit of the State.

Recommendation *The Department may take necessary steps to expedite the assessment to avoid permanent losses of revenue due to time-barred assessment.*

Evasion of Tax detected

The cases of Evasion of Tax detected by the Taxes and Excise and Narcotics Department, cases finalised and demands for additional tax raised are important indicator of revenue collection efforts of the State Government. Promptness in disposal of refund cases is an important indicator of the performance of the Department. High pendency of refund cases may indicate red tape, vested interest, etc. Details of evasion of tax detected is given in Table 2.7.

Table 2.7: Evasion of Tax detected

Sl. No.	Head of Revenue	Cases pending as on 31 March 2022	Cases detected during 2022-23	Total	Assessment/ investigation completed and additional demand etc. raised		No. of cases pending for finalisation as on 31 March 2023
					No. of cases	Amount of demand (₹ in crore)	
1.	0039-State Excise	1	3	4	0	0.00	4
2.	0040-Taxes on Sales, Trade etc.	105	0	105	0	0.00	105
3.	0042-106 Taxes on Goods and Passenger	59	5	64	5	0.02	59

Source: Information furnished by the Taxes and Excise and Narcotics Department, GoAP

It could be seen from **Table 2.7**, there were 168 cases pending as on 31 March 2023. Out of 168 cases, 105 and 59 cases were pending under Taxes on Sales, Trade etc. and Taxes Goods and Passenger. Details of refund cases was given in **Table 2.8**.

Table 2.8: Details of Refund Cases

Sl. No.	Particulars	SGST		VAT	
		No. of cases	Amount (₹ in crore)	No. of cases	Amount (₹ in crore)
1.	Claims outstanding at the beginning of the year	135	16.35	1	0.23
2.	Claims received during the year	8	1.65	1	1.56
3.	Refunds made/ rejected during the year	5	0.20	0	0.00
4.	Balance outstanding at the end of the year	138	17.80	2	1.79

Source: Information furnished by the Taxes and Excise and Narcotics Department, GoAP

2.4.2.2 Non-Tax Revenue

Non -Tax Revenue refers to income of the State Government generated from sources other than Taxation, such as receipts from medical, police, interest receipts, dividends and profits, mining receipts and departmental receipts, etc. **Table 2.9** shows the trends and composition of Non-Tax Revenue during the period 2018-19 to 2022-23.

Table 2.9: Components of State's own Non-Tax Revenue

(₹in crore)					
Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23
Interest Receipts	88.01	62.49	34.12	47.21	93.13
Dividends and Profits	0.00	0.00	0.00	0.00	0.00
Other non-tax receipts (i to vi)	520.86	588.88	802.41	727.46	924.74
(i) Minor Irrigation	0.19	0.33	0.37	1.09	0.19
(ii) Road Transport	17.60	18.51	10.01	18.54	25.79
(iii) Urban Development	3.84	3.96	4.24	6.73	10.66
(iv) Education	3.58	6.48	6.55	6.49	14.26
(v) Non-Ferrous mining	56.30	72.04	83.00	95.95	131.45
(vi) other or miscellaneous	439.35	487.56	698.24	598.66	742.39
Total	608.87	651.37	836.53	774.67	1,017.87

Source: Finance Accounts of the respective year

Non-Tax Revenue of State increased by ₹409.00 crore (67.17 per cent) from ₹608.87 crore in 2018-19 to ₹1,017.87 crore in 2022-23. During 2022-23, the Non-Tax Revenue increased by ₹243.20 crore (31.39 per cent) over the previous year and it was due to an increase in other non-tax receipts by ₹197.28 crore (27.12 per cent) and Interest receipts by ₹45.92 crore (97.26 per cent).

During 2022-23, the Economic Sector contributed ₹765.74 crore (75.23 per cent) whereas General and Social Sector contributed only ₹110.98 crore (10.90 per cent) and ₹48.01 crore (4.72 per cent) respectively.

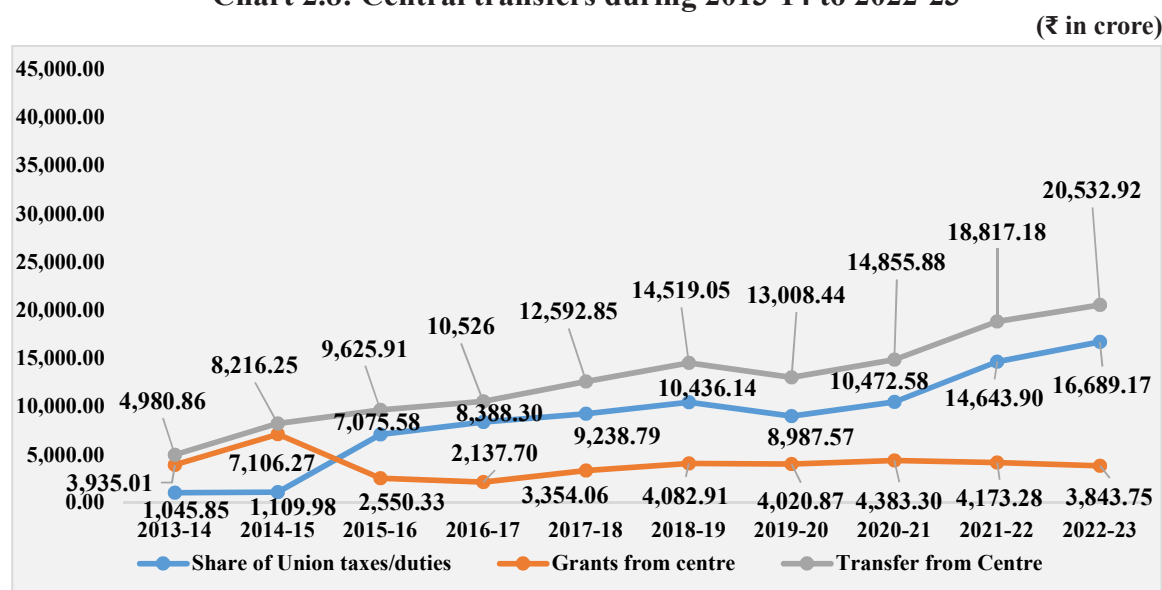
During 2022-23, Power was the prominent contributor under Economic Services which contributed ₹532.84 crore (69.58 per cent). Similarly, Public Works was the major contributor in General Services which contributed ₹64.47 crore (58.09 per cent).

CAGR of Non-Tax Revenue of the State for the five-year period (2018-19 to 2022-23) was 13.71 per cent and decadal CAGR of Non-Tax Revenue was 10.78 per cent. During the period 2021-22 to 2022-23, the CAGR of the State was 31.39 per cent. During 2022-23, Non-Tax Revenue was 4.28 per cent and 2.57 per cent of Total Revenue Receipts and GSDP of the State.

2.4.3 Transfers from the Centre

The Central Finance Commissions have been recommending transfers under two important heads, namely tax devolutions and GIA, for corresponding five-year periods. First, they recommend tax devolutions which are general purpose transfer without being earmarked for expenditure in any specific area and these devolutions are specified as a percentage of sharable tax revenue. Second, the FCs state the principles governing GIA and recommend the amount of specific purpose grants. The transfer from the Centre viz. share of Union Taxes/ Duties and GIA for the last ten years is depicted in **Chart 2.8**.

Chart 2.8: Central transfers during 2013-14 to 2022-23



Source: Finance Accounts of the respective year

Share of Union taxes/ duties had been showing an increasing trend from 2019-20, while GIA showed an inconsistent trend. During 2022-23, Transfer from the Centre increased by ₹1,715.74 crore (9.12 per cent) as increase in the receipts from the GoI had impacted on the Capital Expenditure of the State, which is meant for creation of infrastructure in the State as it was heavily dependent on transfer from the GoI.

Apart from this, more GIAs are being released by the GoI, directly to the implementing agencies instead of routing it through the Consolidated Fund of State Government (**Details in Paragraph 4.4**).

2.4.3.1 Share of Union taxes/ duties

The XV FC recommended that the vertical share of net proceeds of the Central Taxes to all the States combined be decreased from 42 to 41 per cent. It also took into account the various other factors like population, area, forest and ecology, income distance criteria, demographic performance and tax efforts of the State. Further, there was a change in the *inter se* share of taxes to States in the net proceeds of the taxes (Divisible pool) from 1.370 per cent (XIV FC) to 1.757 per cent (XV FC) due to the change in criteria. Thus, the State Government is now receiving more untied funds compared to the period of XIV FC.

In contrast to GIA, the share of Union taxes/ duties are an untied fund; hence their enhancement has provided financial freedom to the state government to prioritise its expenditure as per its policy and requirement. Actual devolution of State's share of Union taxes/ duties *vis-à-vis* XIV and XV FC projections for the period 2018-19 to 2022-23 are given in the **Table 2.10**.

Table 2.10: State's share in Union taxes/ duties: Actual devolution vis-à-vis FC projections

(₹ in crore)

Year	FC recommendation	Projections by CFC	Actual tax devolution	Variations Excess (+)/ Short (-)
2018-19	1.370 per cent of net proceeds of all shareable taxes including service tax and 1.431 per cent of net proceeds of shareable service tax recommended by XIV FC	12,240.00	10,436.14	(-)1,803.86
2019-20		14,176.00	8,987.57	(-)5,188.43
2020-21	1.760 per cent of net proceeds of all shareable taxes recommended by XV FC for the year 2020-21	15,051.10	10,472.58	(-)4,578.52
2021-22	1.757 per cent of net proceeds of all shareable taxes recommended by XV FC for the year 2021-22 to 2022-23	11,571.43	14,643.90	3,072.47
2022-23		12,872.27	16,689.17	3,816.90

Source: XIV and XV FC report and Finance Accounts of the respective year.

During the period of XIV FC, the actual devolution of State's share in Union taxes/ duties was 14.73 and 36.60 per cent less in 2018-19 and 2019-20 respectively from the projections. During 2022-23, the actual devolution of State's share in Union taxes/ duties was ₹16,689.17 crore which was ₹3,816.90 crore (29.65 per cent) more than the projections made by the XV FC. Details of the composition of share of Union taxes/ duties during the five-year period (2018-19 to 2022-23) is given in Table 2.11.

Table 2.11: Details Composition of share of Union taxes/ duties for the period 2018-19 to 2022-23

(₹ in crore)

Head	2018-19	2019-20	2020-21	2021-22	2022-23
Central Goods and Services Tax (CGST)	2,575.12	2,550.31	3,152.15	4,466.42	4,714.67
Integrated Goods and Services Tax (IGST)	205.50	0.00	0.00	0.00	0.00
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
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	0.00	39.53	45.09	26.09
Other Taxes	25.63	5.82	6.11	14.80	27.46
Share of Union taxes/ duties	10,436.14	8,987.57	10,472.58	14,643.90	16,689.17
The growth rate over previous year	12.96	(-)13.88	16.52	39.83	13.97
Percentage of share of Union taxes/ duties to Revenue Receipts	64.44	60.37	61.16	68.97	70.16
Percentage of share of Union taxes/ duties to GSDP	41.19	29.93	33.84	41.27	42.07

Source: Finance Accounts of the respective year

The share of Union taxes/ duties increased by ₹6,253.03 crore (59.92 per cent) from ₹10,436.14 crore in 2018-19 to ₹16,689.17 crore in 2022-23. During 2022-23, the share of Union taxes/ duties increased by ₹2,045.27 crore (13.97 per cent). This was due to a significant increase under the Corporation tax by ₹1,168.46 crore (26.38 per cent), Taxes on income other than corporation tax by ₹998.78 crore (22.38 per cent) and Central Goods and Services Tax by ₹248.25 crore (5.56 per cent) which was offset by decrease under Customs by ₹219.31 crore (25.06 per cent), Union excise duties by ₹144.30 crore (41.22 per cent) and Service tax ₹19.00 crore (42.14 per cent).

The growth rate of share of Union taxes/ duties for the last five-year period (2018-19 to 2022-23) has been inconsistent. During 2022-23, share of Union taxes/ duties as a percentage of Revenue Receipts and GSDP was 70.16 and 42.07 per cent respectively.

2.4.3.2 Grants-in-Aid from GoI

Details of GIA from GoI for period from 2018-19 to 2022-23 is given in **Table 2.12**.

Table 2.12: GIA from the GoI during 2018-23

Particulars	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Centrally Sponsored Schemes	3,056.16	3,193.17	2,877.45	3,220.05	2,848.20
FC Grants	124.57	380.98	782.05	439.69	210.40
Other Transfer/ Other Grants to States	902.18	446.72	723.80	513.54	785.15
Total	4,082.91	4,020.87	4,383.3	4,173.28	3,843.75
Percentage of Increase/ Decrease over previous year	21.73	(-1.52)	9.01	(-4.79)	(-7.90)
Total Grants as a percentage of Revenue Receipts	25.21	27.01	25.60	19.66	16.16
Total Grants as a percentage of GSDP	16.12	13.39	14.16	11.76	9.69

Source: Finance Accounts of the respective year

GIA from GoI decreased by ₹239.16 crore (5.86 per cent) from ₹4,082.91 crore in 2018-19 to ₹3,843.75 crore in 2022-23. During 2022-23, The GIA from GoI decreased by ₹329.53 crore (7.90 per cent) over the previous year. This was due to significant decrease by ₹371.85 crore (11.55 per cent) under Centrally Sponsored Schemes and by ₹229.29 crore (52.15 per cent) under FC Grants which was partially offset by increase in Other Grants to States by ₹271.61 crore (52.89 per cent). During the current year, the major contributor of GIA was Centrally Sponsored Scheme which contributed 74.10 per cent.

The Government estimated the GIA from GoI at ₹6,865.00 crore in the budget estimates while the GoI released ₹3,843.75 crore during the current year. During the current year GIA contributed 16.16 and 9.69 per cent of Revenue Receipts and GSDP. The quarter-wise flow of funds from GoI which has a bearing on the cash management of the state and smooth implementation of various schemes is shown in the **Table 2.13**.

Table 2.13: Details of fund flow from GoI

(₹ in crore)

Particulars	Fund received during April-December	Percentage of Fund received during April-December	Fund received during January-March	Percentage of Fund received during January-March	Total Fund Received
State's share in Union taxes/ duties	10,707.84	64.16	5,981.33	35.84	16,689.17
GIA from GoI	2,058.77	53.56	1,784.98	46.44	3,843.75
Total	12,766.61	-	7,766.31	-	20,532.92

Source: Monthly Civil Accounts, 2022-23

The flow of funds in respect of the State's share in Union taxes/ duties and GIA in FY 2022-23 was not evenly spread, as around 36 and 46 *per cent* of State's share in Union taxes/ duties and GIA were released in the last quarter of the financial year, thus sufficient time was not left with the State Government to utilise the funds which resulted in substantial savings as discussed in **Paragraph 3.3**.

Out of the Grants of ₹2,848.20 crore for Centrally Sponsored Schemes during 2022-23, the major recipients of the Grants were:

- **Pradhan Mantri Gram Sadak Yojana (PMGSY):** During the current year PMGSY receipts were ₹996.00 crore as Grants which were lower than the previous year (₹1,090.60 crore) by ₹94.60 crore (8.67 *per cent*).
- **National Health Mission:** State Government received ₹208.38 crore as Grants for National Health Mission with a decrease of ₹123.47 crore (37.21 *per cent*) over the previous year (331.85 crore).
- **National Education Mission:** National Education Mission received ₹280.67 crore as a Grants from the GoI which was lower than the previous year (₹289.53 crore) by ₹8.86 crore (3.06 *per cent*).
- **Mahatma Gandhi National Rural Employment Guarantee Programme (MGNREGP):** During the current year, it received ₹225.43 crore which was higher than the previous year (₹130.19 crore) by ₹95.24 crore (73.15 *per cent*).

Single Nodal Agency

The Department of Expenditure, Ministry of Finance, GoI vide Office Memorandum No. 1 (13)/PFMS/FCD/2020 dated 8 December 2021 provided that every State Government is required to designate a Single Nodal Agency (SNA) for implementing each Centrally Sponsored Scheme (CSS). The Single Nodal Agency will open single Nodal Account for each CSS at the State level in Scheduled Commercial Bank authorised to conduct business by the State Government. Further, as per the new procedure, it is the responsibility of the state government concerned to ensure that entire unspent amount is returned by all the Implementing Agencies to the Account of the Single Nodal Agency.

State Government transferred ₹4,242.00 crore in 2022-23. Out of total transfer, ₹2,342.16 crore was transferred through the fully vouched contingency bills and ₹1,899.84 crore was transferred through GIA bills. Detailed vouchers and supporting documents of actual expenditure were not received by the Principal Accountant General Office from the SNAs. Details of funds released from GoI to State and State to SNA is given in **Table 2.14**.

Table 2.14: Details of released of fund to Single Nodal Agency

(₹ in crore)

Amount released by GoI to State	Central Share released from treasury to SNA	State share released from Treasury to SNA	Total released by Treasury to SNA	Total Expenditure	Balance in the Bank Account of SNA
2,830.38	3,204.40	991.47	4,242.00*	5,989.69	1,925.53

Source: Public Financial Management System, 2022-23

*it includes unclassified amount of ₹46.13 crore

As on 31 March 2023, an amount of ₹1,925.53 crore, including both Central and State shares, were parked in SNA bank accounts of 68 schemes as detailed in **Appendix 2.3**. Details of schemes where ₹15.00 crore and above were lying unspent in SNA bank accounts are given below in the **Table 2.15**.

Table 2.15: Details of Schemes ₹15.00 crore and above parked in SNA bank accounts.

(₹ in crore)

Particulars	Amount
Revision of norms for Central Assistance Released to States/ UTs for meeting expenditure on intra-state movement handling of foodgrains and FPS dealers' margin under NFSA	46.22
Flexible Pool for RCH and Health System Strengthening, National Health Programme and national urban health Mission	19.19
Modernisation of Police Forces	19.91
Border Area Development Program	28.41
Jal Jeevan Mission (JJM)/ National Rural Drinking Water Mission	538.35
SBM-Rural (DWS)	19.61
Mission For Development of 100 Smart Cities	84.61
Urban Rejuvenation Mission-500 Cities	16.05
Swachh Bharat Mission (SBM) - Urban	19.09
Pradhan Mantri Jan Vikas Karyakaram	18.41
Indira Gandhi National Old Age Pension Scheme (IGNOAPS)	36.9
Pradhan Mantri Gram Sadak Yojna	474.36
National Rural Livelihood Mission	24.71
Pradhan Mantri Krishi Sinchayi Yojna-Watershed Development Component	43.96
Samagra Shiksha	195.65
Post Matric Scholarship-Tribal	63.19

Particulars	Amount
Pradhan Mantri Adi Adarsh Gram Yojana	21.68
Har Khet Ko Pani	17.69
Saksham Anganwadi and Poshan2.0 (Umbrella ICDS-Anganwadi Services Poshan Abhiyan Scheme for Adolescent Girls National Creche Scheme)	71.37
Mission Vatsalya (Child Protection Services and Child Welfare Services)	18.28

Source: Public financial Management System, 2022-23

As could be seen from the above table, the huge amount was parked in respect of Jal Jeevan Mission (₹538.35 crore), Pradhan Mantri Gram Sadak Yojana (₹474.36 crore).

Fifteenth Finance Commission Grants

The Fifteenth Finance Commission (XV FC) grants were provided to the States for Local Bodies and the State Disaster Response Fund (SDRF), Post devolution revenue deficit and State Disaster Response and Mitigation Fund (SDRMF). Details of grants provided by GoI are given in the **Table 2.16** below:

Table 2.16: Details of XV FC grants provided by GoI to the State

(₹ in crore)

Classification	Recommendation of XV FC			Actual release by GoI			Release by State Government		
	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
(i) Grants to PRIs	231.00	170.00	177.00	173.25	142.75	0.00	115.75	200.50	0.00
(a) Tied Grant	115.50	102.00	106.20	57.75	108.75	0.00	57.75	108.75	0.00
(b) Untied Grants	115.50	68.00	70.80	115.50	34.00	0.00	57.75	91.75	0.00
(ii) Grants to ULBs	111.00	84.00	87.00	55.50	0.00	0.00	5.46	0.00	0.00
SDRF	200.00	200.00	210.40	250.00*	200.00	210.40	278.35@	100.00	100.00
SDMF	50.00	50.00	52.60		50.00	0.00		0.00	50.00

Source: XV FC report, Finance Accounts of the respective year, and Information furnished by the respective Department.

* In light of the outbreak of COVID-19, MHA/NDMA extended the validity of the guidelines of XIV FC in operation up to 31 March 2021.

@ It includes ₹28.35 crore as central share pertaining to 2019-20.

- As against the amount of ₹578.00 crore recommended by the XV FC in respect of Panchayati Raj Institutions, GoI released only ₹316.00 crore.
- XV FC recommended ₹111.00 crore to ULBs while GoI released ₹55.50 crore during 2020-21. There was no release by GoI during the years 2021-22 and 2022-23. Further, it was noticed that the State Government released only ₹5.46 crore against the receipt of ₹55.50 crore from GoI to Urban Local Bodies.
- With respect to SDRF for the period 2020-21 to 2022-23, the entire amount as recommended by XV FC was released by GoI. Out of ₹200.00 crore received during 2021-22, the State Government released ₹100.00 crore in 2021-22 and the remaining

₹100.00 crore in 2022-23. Grants released by GoI during 2022-23 were not released by the State Government to the Department.

- GoI released ₹50.00 crore against SDRMF during 2021-22. The State Government transferred the same amount to the Department during 2022-23. The State Government had not received any amount from the GoI during 2022-23.

2.4.4 Capital Receipts

Details of Capital Receipts during 2018-19 to 2022-23 are given in **Table 2.17**.

Table 2.17: Trends in growth and composition of Capital Receipts

(₹ in crore)					
Sources of Receipts	2018-19	2019-20	2020-21	2021-22	2022-23
Capital Receipts	1,210.05	1,797.74	1,522.00	1,489.56	2,484.42
<i>Recovery of Loans and Advances</i>	<i>5.08</i>	<i>7.03</i>	<i>5.94</i>	<i>6.85</i>	<i>4.86</i>
Public Debt Receipts	1,204.97	1,790.71	1,516.06	1,482.71	2,479.56
Internal Debt	1,204.97	1,790.71	1,283.09	1,111.52	915.45
<i>Growth rate</i>	<i>(-)3.63</i>	<i>48.61</i>	<i>(-)28.35</i>	<i>(-)13.38</i>	<i>(-)17.64</i>
Loans and advances from GoI	0.00	0.00	232.97	371.19	1,564.11
<i>Growth rate</i>	<i>0.00</i>	<i>0.00</i>	<i>232.97</i>	<i>59.32</i>	<i>321.38</i>
<i>Rate of growth of debt Capital Receipts</i>	<i>(-)31.82</i>	<i>48.61</i>	<i>(-)15.34</i>	<i>(-)2.20</i>	<i>67.23</i>
<i>Rate of growth of non-debt capital receipts</i>	<i>(-)10.56</i>	<i>38.39</i>	<i>(-)15.50</i>	<i>15.32</i>	<i>(-)29.05</i>
<i>Rate of growth of GSDP</i>	<i>12.73</i>	<i>18.51</i>	<i>3.06</i>	<i>1,414.67</i>	<i>11.80</i>
<i>Rate of growth of Capital Receipts (per cent)</i>	<i>(-)31.75</i>	<i>48.57</i>	<i>(-)15.34</i>	<i>(-) 2.13</i>	<i>66.79</i>

Source: Finance Accounts of the respective year

During 2022-23, Capital Receipts increased by 66.79 per cent over the previous year. During the five-year period, Capital Receipts increased two times from ₹1,210.05 crore in 2018-19 to ₹2,484.42 crore in 2022-23.

Public Debt Receipts consist of borrowings taken from the Market, Financial Institutions and Loans and Advances from the GoI. As can be seen from the **Table 2.17** above, the major sources of Public debt receipts for the State are Loans and advances from GoI which constitutes 63.08 per cent and Internal Debt which constitutes 36.92 per cent.

The State Government failed to achieve its target projected in MTFP. The State Government projected total outstanding liabilities would be ₹12,783.90 crore under rolling targets of MTFP while the actual outstanding liabilities was ₹15,646.75 crore, for 2022-23.

It was observed that the Government has been opting for the Market Borrowings year after year as the share of Market Borrowings (Market loans and Loans from financial institutions) during 2022-23 in Internal Debt was 67.73 per cent. This is because the Market Borrowings are in the nature of untied funds giving freedom to the State Government to spend the

money as per their priorities, while the negotiated loans from institutions like NABARD *etc.* are to be spent on identified schemes in specified sectors. Internal Debt consisted of Market Loans (₹559.00 crore during 2022-23 against ₹563.34 crore during 2021-22), Loans from Financial Institutions (₹348.70 crore during 2022-23 against ₹295.14 crore during 2021-22) and other loans (₹7.75 crore during 2022-23). State Government received ₹1,564.11 crore loans from GoI during 2022-23 as against ₹371.19 crore in 2021-22 which is ₹1,192.92 crore more than that in the previous year.

2.5 Application of resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector. Analysis of allocation of expenditure in the State is given in succeeding paragraphs.

2.5.1 Growth and composition of expenditure

The composition of expenditure (Total) comprises of Revenue expenditure, Capital expenditure and Loans and Advances.

Table 2.18 and **Chart 2.9** presents trend in Total Expenditure and its composition over five-year period (2018-19 to 2022-23).

Table 2.18: Total expenditure and its composition

	(₹ in crore)				
Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Total Expenditure (TE)	18,177.07	15,927.80	18,215.65	22,337.53	25,528.40
Revenue Expenditure (RE)	12,429.48	12,218.73	13,087.50	15,846.64	17,417.67
Capital Expenditure (CE)	5,727.43	3,693.05	5,123.35	6,488.33	8,107.36
Loans and Advances	20.16	16.02	4.80	2.56	3.37
GSDP	25,334.86	30,025.23	30,945.33	35,483.76	39,671.24
As a percentage of GSDP					
TE/ GSDP	71.75	53.05	58.86	62.95	64.35
RE/ GSDP	49.06	40.69	42.29	44.66	43.91
CE/ GSDP	22.61	12.30	16.56	18.29	20.44
Loans and Advances / GSDP	0.08	0.05	0.02	0.01	0.01

Source: Finance Accounts of the respective year

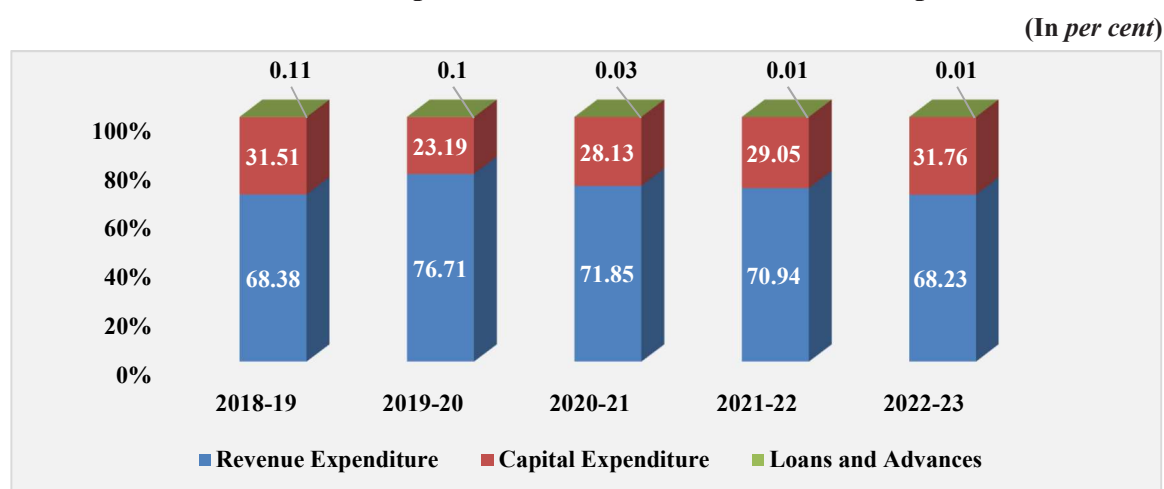
In absolute terms, the Total Expenditure (TE) showed an increasing trend during 2019-20 to 2022-23. TE increased by ₹7,351.33 crore (40.44 *per cent*) from ₹18,177.07 crore in 2018-19 to ₹25,528.40 crore in 2022-23. This was due to an increase in the Revenue Expenditure by ₹4,988.19 crore (from ₹12,429.48 crore in 2018-19 to ₹17,417.67 crore in 2022-23) and in the Capital Expenditure by ₹2,379.93 crore (from ₹5,727.43 crore in 2018-19 to ₹8,107.36 crore in 2022-23).

During 2022-23, the TE increased by ₹3,190.87 crore (14.28 per cent) over the previous year (₹22,337.53 crore) which was due to a significant increase in the Capital Expenditure by ₹1,619.03 crore (24.95 per cent) and Revenue Expenditure by ₹1,571.03 crore (9.91 per cent).

Further, as a percentage of GSDP, the TE showed inter-year variation during the five-year period. During the current year, the ratio of TE to GSDP increased by 1.40 per cent over the previous year due to an increase in ratio of CE to GSDP which was partially offset by a decrease in ratio of RE to GSDP.

During five-year period (2018-19 to 2022-23), the CAGR of TE was 8.86 per cent while the CAGR of Revenue receipts was 10.09 per cent. During 2022-23, the growth rate over the previous year of TE (14.28 per cent) was higher than the growth rate of the Revenue Receipts of the State (12.04 per cent), indicating that the increase of the Total expenditure was faster than that of Revenue Receipts. This partly contributed to non-achievement of the Fiscal target in the amended FRBM of the State. The decadal CAGR of the State was 14.70 per cent. **Chart 2.9** depicts the trend of the share of components in TE.

Chart 2.9: Total Expenditure: Trends in share of its components



Source: Finance Accounts of the respective year

Higher proportion of Revenue Expenditure to the Total Expenditure is not anticipated in economy for growth of the State as this trend leads to more borrowings which create burden on State exchequers. The share of Revenue Expenditure in TE experienced a significant increase in 2019-20, thereafter showed a decreasing trend and stood at 68.23 per cent in 2022-23. Decreasing trend in Revenue Expenditure is healthier sign for economy as it creates scope for servicing of debt as well as infrastructure development in the State.

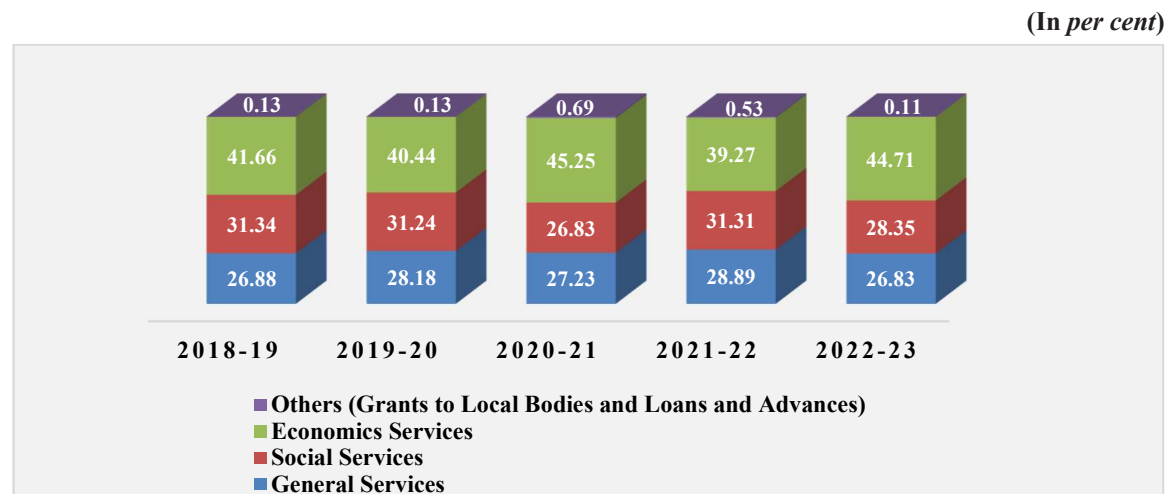
Higher proportion of Capital Expenditure to TE is anticipated as it would lead to the overall development of the economy. The share of Capital Expenditure in TE showed an increasing trend from 2019-20 to 2022-23. The relative share of Capital Expenditure during the current year (31.76 per cent) increased by 2.71 per cent over the previous year (29.05 per cent).

The *percentage* increase in Capital Expenditure was slightly more than the *percentage* increase in the Revenue Expenditure. The increase in Revenue Expenditure was 40.13 *per cent* over 2018-19 to 2022-23 whereas the increase in the Capital Expenditure was 41.55 *per cent* during the same period. During 2022-23, the Capital Expenditure increased by 24.95 *per cent* over the previous year, while the Revenue Expenditure increased by the 9.91 *per cent* indicating that the Government has been focussing on improving the infrastructure in the State. However, the investment in Capital expenditure remains unfruitful due to large number of incomplete projects as discussed in **Paragraph 2.6.1**. The relative share of various sectors of expenditure to TE is depicted in **Table 2.19** and **Chart 2.10**.

Table 2.19: Relative share of various sectors of expenditure

Particulars	₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
General Services	4,885.35	4,488.96	4,960.55	6,452.35	6,849.74
Social Services	5,695.99	4,975.82	4,885.09	6,994.97	7,237.26
Economic Services	7,571.83	6,441.63	8,243.42	8,772.31	11,412.51
Others (Grants to Local Bodies and Loans and advances)	23.90	21.39	126.59	117.90	28.89

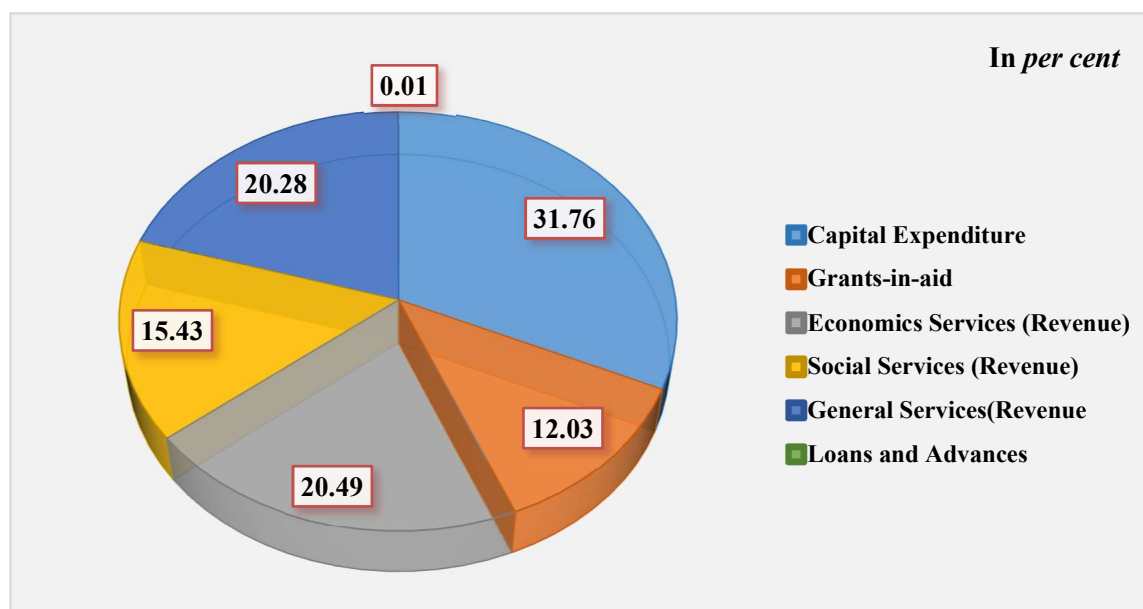
Source: Finance Accounts of respective year

Chart 2.10: Total expenditure - Expenditure by activities

Source: Finance Accounts of the respective year

Increase in relative share of the Economic Sector is a healthy sign for economy as it contributes to the infrastructure development, employment growth and Revenue generation for the State in future. Similarly, increase in the relative share of Social Sector is a positive indicator for social development of the State. Relative share of all the activities showed inconsistent trends for the last five-year period. During 2022-23, relative share of the Economic Sector increased over the previous year while General Sector and Social Sector experienced a decrease during the same period. **Chart 2.11** shows composition of expenditure by function.

Chart 2.11: Composition of expenditure by function during 2022-23



Source: Finance Accounts, 2022-23

2.5.2 Revenue Expenditure

Charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order as also all other expenses incurred for the day-to-day running of the organisation, including establishment and administrative expenses shall be classified as Revenue Expenditure.

The Revenue Expenditure, its rate of growth and its sector-wise distribution for the period from 2018-19 to 2022-23 are shown in **Table 2.20** and **Chart 2.12** respectively.

Table 2.20: Revenue Expenditure – Basic Parameters

Parameters	₹ in crore				
	2018-19	2019-20	2020-21	2021-22	2022-23
Total Expenditure (TE)	18,177.07	15,927.80	18,215.65	22,337.53	25,528.40
GSDP	25,334.86	30,025.23	30,945.33	35,483.76	39,671.24
Revenue Expenditure (RE)	12,429.48	12,218.73	13,087.50	15,846.64	17,417.67
Revenue Receipts (RR)	16,195.96	14,888.55	17,123.51	21,231.64	23,788.14
Rate of Growth of RR (<i>per cent</i>)	17.58	(-)8.07	15.01	23.99	12.04
Rate of Growth of RE (<i>per cent</i>)	14.03	(-)1.70	7.11	21.08	9.91
Rate of Growth of GSDP	12.73	18.51	3.06	14.67	11.80
Revenue Expenditure as <i>percentage</i> of TE	68.38	76.71	71.85	70.94	68.23
RE/ GSDP (<i>per cent</i>)	49.06	40.69	42.29	44.66	43.91
RE as <i>percentage</i> of RR	76.74	82.07	76.43	74.64	73.22
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	1.10	(-)0.09	2.32	1.44	0.84
Revenue Receipts (ratio)	0.80	0.21	0.47	0.88	0.82

Source: Finance Accounts of the respective year

Revenue Expenditure had an increasing trend during the period from 2019-20 to 2022-23. Revenue Expenditure increased by ₹4,988.19 crore (40.13 *per cent*) from ₹12,429.48 crore in 2018-19 to ₹17,417.67 crore in 2022-23. This was due to an increase in expenditure in the Economic Sector by ₹2,235.14 crore (54.07 *per cent*), General Sector by ₹1,381.23 crore (36.13 *per cent*) and Social Sector by ₹1,371.82 crore (30.67 *per cent*).

During 2022-23, the Revenue Expenditure increased by ₹1,571.03 crore at a CAGR 9.91 *per cent* over the previous year was due to increase in expenditure under Economic Sector (₹1,116.22 crore), General Sector (₹370.59 crore) and Social Sector (₹84.22 crore).

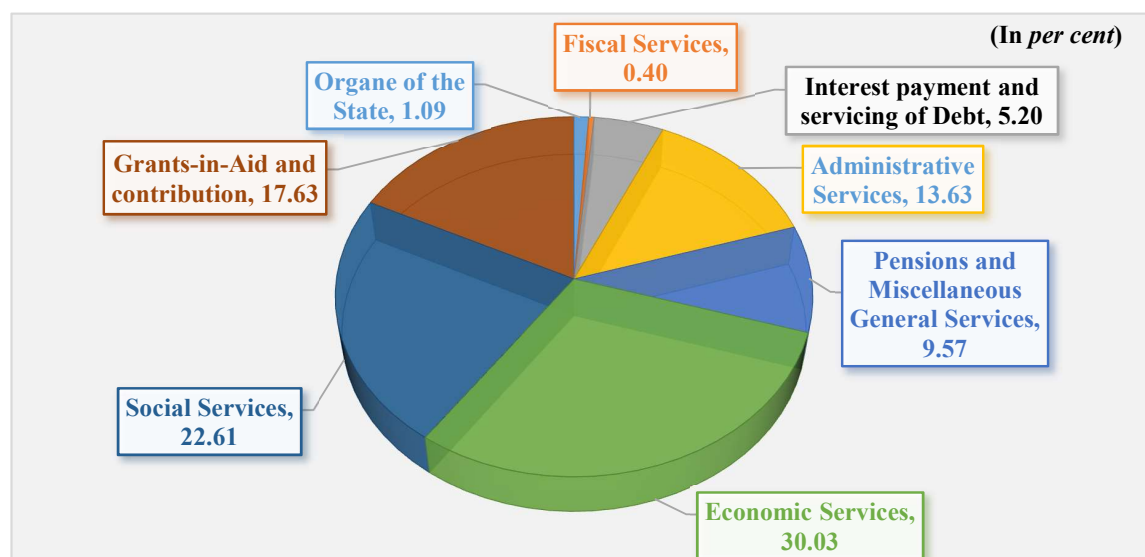
During 2022-23, there was a significant increase under the Economic Sector over the previous year by ₹1,116.22 crore (21.25 *per cent*) attributable to a significant increase in the expenditure on Crop Husbandry (₹146.76 crore), Rural Employment (₹220.78 crore), and Food, Storage and Warehousing (₹225.28 crore). The increase in expenditure under General Sector was due to the increase of expenditure in Pensions and other Retirement Benefits (₹302.93 crore), Interest payments (₹57.02 crore) and Public Works Department (₹53.91 crore). During the current year, marginal increase in Revenue expenditure under Social Sector, was attributable to increase of expenditure in General Education (₹370.99 crore), Medical and Public Health (₹137.68 crore) and Sports and Youth Services (₹38.56 crore) which was partially offset by decrease of expenditure in Water Supply and Sanitation (₹326.28 crore) and Urban Development (₹167.14 crore).

During the current year, the State Government projected total Revenue Expenditure of ₹18,201.55 crore in BE, whereas the FC assessed it only ₹11,363.00 crore while actual Revenue Expenditure was ₹17,417.67 crore. The actual Revenue Expenditure was higher than the projection made by the XV FC by ₹6,054.67 crore (53.28 *per cent*) and lower than the projection made by the State by ₹783.88 crore (4.31 *per cent*). This helped to achieve the Revenue Surplus projected in the MTFP during 2022-23.

The CAGR of the Revenue Expenditure for the five-year period (2018-19 to 2022-23) was 8.80 *per cent* while the CAGR of the Revenue Receipts for the same period was 10.09 *per cent*. This implies that Revenue Receipts is growing faster than Revenue Expenditure. This helped the State to maintain Revenue Surplus.

Buoyancy of Revenue Expenditure to Revenue Receipts was less than 'one' for the last five-years from 2018-19 to 2022-23. Buoyancy of Revenue Expenditure to GSDP had showed a decreasing trend from 2020-21 and stood at 0.84 *per cent* in 2022-23 which was less than one. This indicates that Revenue Expenditure was growing at a slower pace than that of the Revenue Receipts and GSDP. Thus, the higher growth of Revenue Receipts as compared to the Revenue Expenditure could finance more for Capital expenditure as discussed in **Paragraph 2.9.1.1** Sectoral distribution of Revenue Expenditure pertaining to 2022-23 is given in **Chart 2.12**.

Chart 2.12: Sector-wise Distribution of Revenue Expenditure during 2022-23



Source: Finance Accounts, 2022-23

Major portion of Revenue Expenditure was on Economic Sector (36.57 per cent) followed by Expenditure on Social Sector (33.55 per cent). The General Sector share was nearly 30 per cent, the major contributors were Administrative Services (13.63 per cent), Pensions and Miscellaneous (9.57 per cent) and Interest payment (5.20 per cent).

2.5.2.1 Major changes in Revenue Expenditure

Variations under significant Heads of Account with regard to the Revenue Expenditure of the State during the current year *vis-à-vis* the previous year, are shown in Table 2.21.

Table 2.21: Head-wise variations in the Revenue Expenditure over the previous year
(₹ in crore)

Major Changes in Revenue Expenditure			
Major Heads of accounts	2021-22	2022-23	Variation
Increase			
General Sector			
2055-Police	1,143.09	1,191.29	48.20
2059-Public Works Department	317.07	370.98	53.91
2071-Pensions and Other Retirement Benefits	1,362.29	1,665.22	302.93
Social Sector			
2202-General Education	2,162.29	2,533.28	370.99
2210-Medical and Public Health	1,315.27	1,452.95	137.68
Economic Services			
2401-Crop Husbandry	447.09	593.82	146.73
2408-Food, Storage and Warehousing	120.34	345.62	225.28
2501-Special Programmes for Rural Development	55.34	194.04	138.70

Major Changes in Revenue Expenditure			
Major Heads of accounts	2021-22	2022-23	Variation
2505-Rural Employments	175.78	369.56	193.78
Decrease			
Social Sector			
2215-Water Supply and Sanitation	960.26	633.97	(-)326.29
2217-Urban Development	380.85	213.71	(-)167.14

Source: Finance Accounts of respective year

The sector-wise changes in Revenue Expenditure during 2022-23 over the previous year revealed the following:

- The major contributor for increase under General sector was Pension and Other Retirement Benefits, which increased by ₹302.93 crore (22.24 per cent) over the previous year. This was mainly due to the increase in the expenditure on Gratuities (₹225.92 crore), Commuted value of Pensions (₹104.37 crore) and Government contribution for Defined Contribution Pension Scheme (₹56.94 crore) and was partially offset by decrease in Superannuation and Retirement Allowances (₹82.22 crore).
- Revenue Expenditure increased by ₹53.91 crore under Public Works Departments due to the increase under Direction and Administration (₹52.72 crore) and Construction (₹14.14 crore) which was partially offset by decrease in Other Expenditure (₹14.75 crore).
- There was increase in Revenue Expenditure of ₹48.20 crore under 'Police'. This was due to the increase under District Police (₹36.02 crore), State Headquarters Police (₹8.30 crore) and Internal Security (₹7.85 crore).
- General Education was major contributor under Social Sector for changes in Revenue Expenditure over the previous year. It increased by ₹370.99 crore (17 per cent) due to significant increase of expenditure under Government Primary Schools by ₹436.29 crore and Secondary Education by ₹177.13 crore which was partially offset by decrease in expenditure under Other Expenditure (Elementary Education) by ₹480.13 crore.
- There was a significant increase in Revenue Expenditure under Food, Storage and Warehousing by ₹225.28 crore (18.72 per cent) over the previous year. This was due to the increase under Assistance to Public Sector and Other Undertakings by ₹228.79 crore (364 per cent) and Food subsidies by ₹46.03 crore (100 per cent) which was partially offset by decrease under Other Expenditure by ₹45.07 crore.
- Revenue Expenditure under Rural Employment increased by ₹193.78 crore (110 per cent) over the previous year. This was due to the significant increase under Tribal Area Plan by ₹363.56 crore which was partially offset by decrease under National Rural Employment Programme by ₹172.78 crore.

- Revenue Expenditure under Crop Husbandry increased by ₹146.73 crore (33 per cent) over the previous year (₹447.09 crore). This was due to significant increase under Horticulture and Vegetables Crops by ₹161.65 crore (368 per cent), Agricultural Farms by ₹109.57 crore (2,050 per cent) and Tribal Area Sub-Plan by ₹14.88 crore (100 per cent) which was partially offset by decrease under Other Expenditure by ₹148.33 crore and Development of Oil seeds by ₹11.39 crore.
- Revenue Expenditure under Special Programme for Rural Development by ₹138.70 crore (251 per cent). This was due to a significant increase in Revenue Expenditure under Tribal Area Plan by ₹118.99 crore (100 per cent) and Swarnajayanti Gram Swarozgar Yojana by ₹33.61 crore (81 per cent) which was partially offset by decrease in Revenue Expenditure under Other Expenditure by ₹13.92 crore.
- During 2022-23, Revenue Expenditure under Medical and Public Health increased by ₹137.68 crore (10 per cent). This was due to an increase under Hospital and Dispensaries by ₹169.99 crore (28 per cent), Other systems by ₹149.95 crore (100 per cent) and Prevention and Control of Diseases by ₹118.48 crore (83 per cent) which was partially offset by decrease under Other Expenditure (Urban Health Services-Allopathy) by ₹11.07 crore and Other Expenditure (Public Health) by ₹246.54 crore.
- There was a significant decrease in the Revenue Expenditure under Water Supply and Sanitation by ₹326.29 crore (34 per cent). This was due to a significant decrease in the expenditure under Rural Water Supply Programme by ₹292.08 crore (32 per cent) and Other Expenditure (Water Supply) by ₹29.99 crore (100 per cent).
- Revenue expenditure under Urban Development decreased over the previous year by ₹167.14 crore (44 per cent). This was due to significant decrease in expenditure under Other Expenditure (Integrated Development of Small and Medium Towns) by ₹75.25 crore (58 per cent) and Assistance to Municipalities/ Municipal Council by ₹68.74 crore (93 per cent).

Table 2.22: Trend of Major share of expenditure under Revenue in Social Sector

Particulars	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
General Education	1,695.82	1,708.14	1,485.92	2,162.29	2,533.28
Medical and Public Health	1,035.30	926.15	914.12	1,315.27	1,452.95
Social Security and Welfare	272.28	352.69	216.37	333.33	348.53
Water Supply and Sanitation	732.58	752.31	885.35	960.26	633.97
Urban Development	223.9	96.78	222.65	380.85	213.71

Source: Finance Accounts of respective year

For the last five years (2018-19 to 2022-23), General Education and Medical and Public Health are the prominent contributors in Revenue Expenditure under Social Sector which contributed 43.35 and 24.88 *per cent* of Revenue Expenditure of Social Sector in 2022-23 respectively.

Composition of Major contributor under Revenue Expenditure on Economic Sector are given in **Table 2.23**.

Table 2.23: Trend of Major contributors under Revenue Expenditure on Economic Sector

Head of Accounts	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Crop Husbandry	275.77	298.33	288.9	447.09	593.82
Animal Husbandry	120.26	179.76	147.28	188.46	151.35
Forestry and Wild life	270.36	211.02	242.93	300.53	313.13
Food, Storage and Warehousing	7.67	246.24	4.9	120.34	345.62
Rural Employment	193.32	184.02	224.5	175.78	369.56
Other Rural Development Programme	355.54	211.68	748.53	441.96	534.82
Minor Irrigation	196.09	189.28	337.44	358.38	329.14
Energy	939.71	893.96	1,044.17	1,380.18	1,425.31
Village and Small Industries	78.29	84.22	69.88	88.03	101.29
Roads and Bridges	1,036.66	890.38	652.33	875.78	888.38
Road Transport	107.1	110.31	115.29	154.08	209.74

Source: Finance Accounts of respective year

In respect of Economic Sector, the Energy (Power), Roads and Bridges, Crop Husbandry and Other Rural Development were the major contributors for the past five-years (2018-19 to 2022-23).

2.5.3 Committed and Inflexible Expenditure

Committed Expenditure of the State Government on Revenue Account consists of Interest Payments, expenditure on Salaries and expenditure on Pensions. It has first charge on Government resources. Increasing share of committed expenditure restricts Government's ability to incur developmental expenditure.

Apart from Committed Expenditure, there are certain items of inflexible expenditure which cannot be ordinarily altered or varied or are statutorily required on an annual basis, unlike for variable transactions such as capital expenditure *etc.* The inflexible expenditure consists of: (i) Devolution to local bodies, (ii) Statutory requirements of contribution to Reserve Funds, (iii) Recoupment of Contingency Fund, (iv) Transfer of cess to reserve fund/ other body, which are statutorily required, (v) Share contribution of CSS against the Central Fund received and (vi) Payment of interest on the balances of the interest-bearing funds as if they could have been invested and payment of interest on public debt as charged expenditure – 'Interest Payment'.

Upward trend in committed expenditure leaves the Government with lesser flexibility for development sector. Trend analysis of committed and inflexible expenditure and its components is depicted in **Table 2.24** and share of committed expenditure in total Revenue Expenditure during 2018-19 to 2022-23 is shown in **Chart 2.13**.

Table 2.24: Components of Committed and Inflexible Expenditure

(₹ in crore)

Components of Committed Expenditure	2018-19	2019-20	2020-21	2021-22	2022-23
Salaries and Wages	5,351.95	6,023.86	6,125.12	6,770.84	7,576.05
<i>Salaries (Normal)</i>	4,372.49	4,917.24	5,058.48	5,568.44	6,233.10
<i>Salaries (GIA)</i>	574.93	598.51	548.82	670.97	785.93
<i>Wages</i>	404.53	508.11	517.82	531.43	557.02
Expenditure on Pensions	894.37	882.31	1,085.32	1,362.29	1,664.98
Interest Payments	526.10	614.53	752.34	777.62	834.64
Total	6,772.42	7,520.70	7,962.78	8,910.75	10,075.67
Components of Inflexible Expenditure					
Statutory devolution to Local Bodies	0.00	0.00	0.00	0.00	0.00
Contribution to Reserve Fund	240.50	246.95	268.50	211.61	87.74
<i>Sinking Fund</i>	240.00	240.00	240.00	200.00	70.00
<i>Guarantee Redemption Funds</i>	0.50	0.50	0.50	0.50	1.08
<i>State share to SDRF/SDRMF</i>	0.00	6.45	28.00	11.11	16.66
Recoupment of Contingency Fund	0.00	0.00	0.00	0.00	0.00
Transfer of cess to reserve fund/ other body	26.27	0.00	0.00	0.00	19.30
Share contribution of CSS against the Central Fund Received	1,767.25	1,646.3	432.03	1,079.05	946.51
Payment of interest on the Balances of the interest-bearing funds as if they could have been invested and payment of interest on public debt as charged expenditure-Interest payment	0.00	0.00	0.00	0.00	0.00
Total	2,034.02	1,893.25	700.53	1,290.66	1,053.55
As a percentage of Revenue Receipts					
Revenue Receipts	16,195.96	14,888.55	17,123.51	21,231.64	23,788.14
Salaries and Wages	33.04	40.46	35.77	31.89	31.85

Components of Committed Expenditure	2018-19	2019-20	2020-21	2021-22	2022-23
Expenditure on Pensions	5.52	5.93	6.34	6.42	7.00
Interest Payments	3.25	4.13	4.39	3.66	3.51
Total	41.81	50.52	46.50	41.97	42.36
Inflexible Expenditure					
Total	12.56	12.72	4.09	6.08	4.43
As a percentage of Revenue Expenditure					
Revenue Expenditure	12,429.48	12,218.73	13,087.50	15,846.64	17,417.67
Salaries and Wages	43.06	49.30	46.80	42.73	43.50
Expenditure on Pensions	7.20	7.22	8.29	8.60	9.56
Interest Payments	4.23	5.03	5.75	4.91	4.79
Total	54.49	61.55	60.84	56.24	57.85
Inflexible Expenditure					
Total	16.36	15.49	5.35	8.14	6.05
Non-Committed RE	5,657.06	4,698.03	5,124.72	6,935.89	7,342.00
Non-Committed RE as a percentage of RE	45.51	38.45	39.16	43.77	42.15
Non-Committed RE as a percentage of TE	31.12	29.50	28.13	31.05	28.76
Subsidies	8.22	0.40	17.85	0.00	0.00
Subsidies as a percentage of Non-Committed expenditure	0.15	0.01	0.35	0.00	0.00

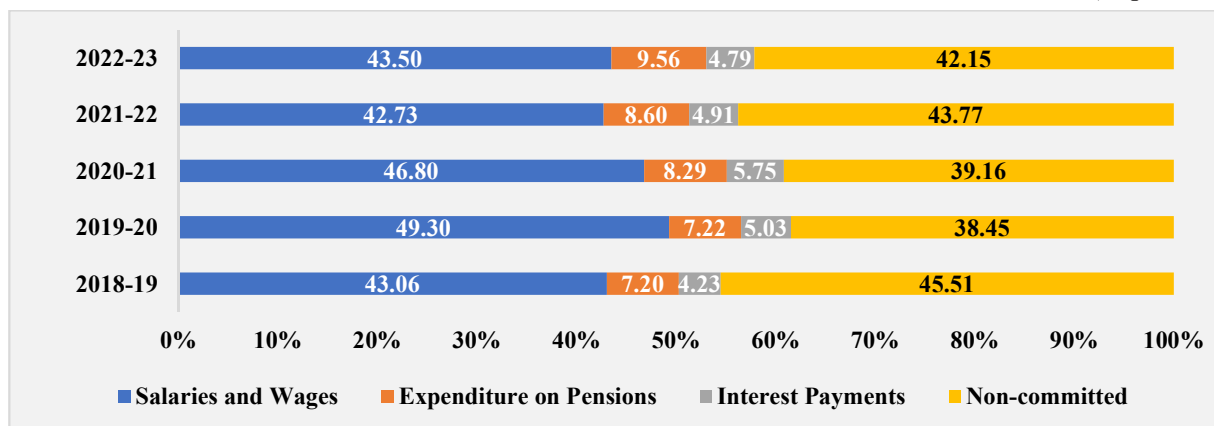
Source: Finance Accounts of respective year

Arunachal Pradesh had completely curbed the subsidies in 2021-22 and made no expenditure under this head in 2022-23.

Committed expenditure increased by ₹3,303.25 crore (48.78 per cent) from ₹6,772.42 crore in 2018-19 to ₹10,075.67 crore in 2022-23. During the current year, Committed Expenditure increased by ₹1,164.92 crore (13.08 per cent) over the previous year (₹8,910.75 crore.). This was due to an increase in the Expenditure on Salaries and Wages by ₹805.21 crore (11.89 per cent), on Pensions by ₹302.69 crore (22.22 per cent) and on Interest payments by ₹57.02 crore (7.33 per cent). The relative share of Committed Expenditure in Revenue Receipts showed a fluctuating trend during the five-year period (2018-19 to 2022-23). During 2022-23, Committed expenditure constituted about 42.36 per cent of the Revenue Receipts. The share of committed expenditure in Total Revenue Expenditure during the last five years is depicted in **Chart 2.13**.

Chart 2.13: Share of Committed expenditure in Revenue Expenditure

(In per cent)



Source: Finance Accounts of the respective year

As evident from the **Table 2.24**, the committed expenditure hovered around 54.49 to 61.55 *per cent* of Revenue Expenditure over the past five-years which is quite high. The high share of the committed expenditure in the total Revenue Expenditure indicates that Government incurred less amount for economic development, social welfare schemes, and maintenance of assets. Greater reliance on market borrowings by Government in recent years has led to increased committed liabilities on Interest Payments.

The components of inflexible expenditure which includes Statutory devolution to Local Bodies, contributions to the Reserve Funds, recoupment of Contingency Fund, transfer to cess to reserve funds/ other body and share contribution of CSS against the Central Fund *etc.*, showed an inconsistent trend during the period 2018-19 to 2022-23. As a *percentage* of the Revenue Expenditure, it decreased from 16.36 *per cent* to 6.05 *per cent*. The inflexible expenditure (₹1,053.55 crore), during 2022-23, decreased by ₹237.11 crore (18.36 *per cent*) over the previous year (₹1,290.66 crore) due to decrease in Contribution to Reserve Fund (₹211.61 crore in 2021-22 to ₹87.74 crore in 2022-23) and Share contribution of CSS against the Central Fund Received (₹1,079.05 crore in 2021-22 to ₹946.51 crore in 2022-23).

Component-wise analysis is given in the succeeding paragraphs.

2.5.3.1 Salaries and Wages

Salaries and Wages increased by ₹2,224.10 crore (41.56 *per cent*) from ₹5,351.95 crore in 2018-19 to ₹7,576.05 crore in 2022-23. During 2022-23, the Salaries and Wages has been the prominent contributor in the Committed Expenditure as it alone accounted for 31.85 *per cent* of the Revenue Receipts and 43.50 *per cent* of the Revenue Expenditure.

As *percentage* of Revenue Receipts and Revenue Expenditure, it has a fluctuating trend for the past five years (2018-19 to 2022-23). During 2022-23, Salaries and Wages increased by 11.89 *per cent* over the previous year while the Revenue Receipts and Revenue Expenditures increased by 12.04 and 9.91 *per cent* over the same period respectively.

During the current year, the State Government projected Salaries and Wages of ₹8,414.02 crore in MTFP while the actual Salaries and Wages was ₹7,576.05 crore.

2.5.3.2 Interest Payments

Interest Payments comprise of interest on Internal Debt, Small Savings, Provident Funds, Loans and Advances from GoI. Interest payments increased by ₹308.54 crore (58.65 per cent) from ₹526.10 crore in 2018-19 to ₹834.64 crore in 2022-23. The increase over the previous year was ₹57.02 crore (7.33 per cent). The position of the interest payments *vis-à-vis* XV FC recommendations and MTFP projections during the current year is given in the **Table 2.25**.

Table 2.25: Interest Payments in the year 2022-23

(₹ in crore)			
Year	XV FC assessment	Assessment of State Government in Budget (MTFP)	Actual
2022-23	844.00	852.53	834.64

Source: XV FC Report, Budget Documents and Finance Account, 2022-23

2.5.3.3 Pension Payments

There were 34,907 pensioners (34,731 government pensioners and 176 political pensioners) as on 31 August 2023 in Arunachal Pradesh.

The Pension Payments (including other Retirement Benefits) increased by ₹770.61 crore (86.61 per cent) from ₹894.37 crore in 2018-19 to ₹1,664.98 crore in 2022-23. During 2022-23, the pensions payments increased by ₹302.69 crore (22.22 per cent) over the previous year (₹1,362.29 crore). This was mainly due to the revision of pensions consequent to the implementation of Pay Revision Commission Report which recommended enhancement of pensions.

The position of the Pension Payments *vis-à-vis* XV FC recommendations and MTFP projections during the current year is given in the **Table 2.26**.

Table 2.26: Pension Payments in the year 2022-23

(₹ in crore)			
Year	XV FC assessment	Assessment of State Government in Budget (MTFP)	Actual
2022-23	1,277	1,849.00	1,664.98

Source: XV FC Report, Budget Documents and Finance Account, 2022-23

2.5.3.4 Undischarged liabilities in National Pension System

The GoI introduced a defined, contribution based National Pension System (NPS) to cover all new entrants to the Government service on 01 April 2004. The interim Pension Fund Regulatory and Development Authority (PFRDA) was established (October 2003) by GoI. The PFRDA, being regulator for NPS, had been authorised by the GoI to appoint/ establish various intermediaries in the system, such as Central Record Keeping Agency (CRA), Pension Funds Trust for NPS, Custodian Banks, *etc.* PFRDA appointed National Securities

Depository Limited (NSDL) as the CRA for a period of 10 years from 01 December 2007 for performing the functions of record keeping, accounting, administration and customer services for subscribers to the schemes of pension funds approved by PFRDA. The system of CRA is being continued even after the stipulated initial period of 10 years and it would continue till it is surrendered by the State Government or suspended by the Authority. Further, three pension Fund Managers, a Custodian and a Trustee Bank have also been appointed.

Under NPS, the option to join new system was available to the State Governments. According to terms of the scheme, both the Government and employees were to contribute 10 *per cent* each of basic pay and dearness allowance and the entire amount was to be transferred to the designated fund manager through NSDL/ Trustee Bank.

The Government of Arunachal Pradesh opted for NPS for its employees recruited on or after 01 January 2008. It was observed that the Government has not been contributing its share regularly. The contributions received from both the Government and employees were to be initially credited to the Major Head 8342-117 under Deposit and Advances and thereafter to be transferred to NSDL/ Trustee Bank by debiting the same Major Head of Account. However, the State Government is not following the above accounting procedure (*i.e.*, passing the amounts through Public Account). Instead, the State Government adopted a method of routing the amounts through a current and a savings account (at SBI, Naharlagun and SBI, Itanagar respectively) outside the Government accounts.

There were 27,906 employees who were covered under NPS as on 31 August 2023 and out of them, the Permanent Retirement Account Number (PRAN) were issued to 27,412 employees. Total number of employees whose PRAN was not generated were 494. The PRAN of such subscribers were not generated due to non-receipt of Common Subscriber Registration Form (CSRF) which is mandatory for opening of PRAN Account.

Public Account (Major Head-8342) had opening balance of ₹10.71 crore which was mostly a legacy balance. The State Government transferred ₹0.57 crore (₹0.287 crore as employees' contribution *plus* ₹0.287 crore as Government contribution) from this Public Account to the Savings Account (at SBI, Itanagar) and ₹0.30 crore (₹0.15 crore as employees' contribution *plus* ₹0.15 crore as Government contribution) to NSDL/ Trustee bank. No fresh amount was credited to this Public Account (*i.e.*, 8342 Major Head) during 2022-23. Thus, the Public Account had a balance of ₹9.84 crore as on 31 March 2023 which should be transferred to NSDL/ Trustee bank.

The current account (at SBI, Naharlagun) had an opening balance of ₹2.57 crore as Employee's contribution without any component of Employer's contribution. During 2022-23, the State Government credited an amount of ₹2.13 crore (Employees' contribution) to this current account. Thus, the current account had a balance of ₹4.70 crore as on 31 March 2023 which should be transferred to NSDL/ Trustee bank.

The saving account (at SBI, Itanagar) had a balance of ₹81.29 crore (comprising Employee's contribution of ₹67.12 crore plus Government's contribution of ₹5.78 crore and accrued Interest of ₹8.39 crore). During 2022-23, the State Government transferred ₹309.28 crore (₹140.11 crore as employees' contribution plus ₹166.46 crore as Government contribution and accrued interest of ₹2.71 crore) to this saving account. Thereafter, out of the available amount of ₹390.57 crore in the saving account (at SBI, Itanagar), State Government transferred ₹305.93 crore to NSDL, and withdrew ₹1.75 crore from saving account due to wrong booking of the amount. Thus, Saving Account had a closing balance of ₹82.89 crore as on 31 March 2023. This balance of ₹82.89 crore should be transferred to NSDL/ Trustee bank.

Out of total ₹97.43 crore, ₹9.84 crore was lying in Public Account (Major Head 8342), ₹4.70 crore was lying in the current account (at SBI, Naharlagun) and ₹82.89 crore was lying in the Saving Account (at SBI, Itanagar) which was yet to be transferred to NSDL as on 31 March 2023. Non-transfer of this amount to NSDL for investment in the authorised securities has implications on the social security of the employees covered under the NPS. The summary of transactions of NPS during the last five years is given **Table 2.27**.

Table 2.27: The summary of the transactions under NPS

(₹ in crore)

Year	Opening Balance	Details of Contribution			Short contribution by Employer	Transfer to NSDL	Closing Balance (2+6-7)	Interest liability {(2+5)*Rate}
		Employee	Employer	Total (3+4)				
1	2	3	4	5	6	7	8	9
2018-19	95.87	74.40	66.45	140.85	7.95	125.19	111.53	8.31
2019-20	111.53	87.05	64.56	151.61	22.49	127.06	136.08	10.72
2020-21	136.08	98.73	112.27	211	-	248.88	98.2	9.66
2021-22	98.20	111.56	108.85	223.55	2.71	227.16	94.59	0.96
2022-23	94.59	141.61	165.79	310.10*	17.66	307.26#	97.43	5.26**

Source: Finance Accounts of the respective year

* It includes ₹2.71 crore credit of interest from Saving Accounts

**Total interest liabilities was ₹5.26 crore (₹7.97 crore-₹2.71 crore)

Total ₹1.75 crore was withdrawn due to wrong transfer

The State Government had to contribute the employer's share of ₹183.45 crore (10 per cent from April to June 2022 and 14 per cent from July 2022 to March 2023) and the Government contributed only 165.79 crore. Thus, there was a short contribution of ₹17.66 crore by the State Government in the current year under NPS.

The State Government (Secretary, Finance) in its reply stated that a dedicated team has already been formed with a target to settle the issue by 31 December 2023. The State Government also claimed that all contributions collected had been passed on to NSDL and the supporting documents would be furnished at earliest. However, no supporting documents had been received from the State Government as of October 2023.

2.5.4 Financial assistance by the State Government to Local Bodies and Other Institutions

The quantum of assistance provided by way of Grants and Loans to Local Bodies and others from 2018-19 to 2022-23 is presented in **Table 2.28**.

Table 2.28: Financial Assistance to Local Bodies and Other Institutions etc.

(₹ in crore)					
Financial Assistance to Institutions	2018-19	2019-20	2020-21	2021-22	2022-23
(A) Local Bodies					
Municipal Corporations and Municipalities	3.74	5.37	5.56	5.83	6.00
Panchayati Raj Institutions	0	0	116.23	109.51	19.52
Total (A)	3.74	5.37	121.79	115.34	25.52
(B) Others					
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	5.43	0.00	0.00	1.22	1.30
Cultural Institutions/ Voluntary Organisations for promotion of Arts and Culture	0.00	0.00	0.00	0.00	0.00
State Institute of Rural Development	0.00	0.00	0.00	0.00	0.00
Social Welfare	0.54	0.00	0.00	0.00	0.00
Food, Storage and Warehousing	7.67	208.6	0	62.78	292.30
Co-operation	1.15	0.92	1.47	16.96	0.50
Other Institutions ²	36.1	23.36	16.26	23.58	21.84
Total (B)	50.89	232.88	17.73	104.54	315.94
(C) GIA					
GIA on Salary	574.93	598.51	548.82	670.97	785.93
GIA for creation of Capital Assets	300.58	112.47	39.83	375.64	547.44
GIA for non-salary	993.94	621.06	1,594.71	1,515.81	1,736.89
GIA given in kind	0.00	0.00	0.00	0.00	0.00
Total (C)	1,869.45	1,332.04	2,183.36	2,562.42	3,070.26
Total (A+B+C)	1,924.08	1,570.29	2,322.88	2,782.30	3,411.73
Revenue Expenditure	12,429.48	12,218.73	13,087.50	15,846.64	17,417.67
Assistance as <i>percentage</i> of Revenue Expenditure	15.48	12.85	17.75	17.56	19.59

Source: Finance Accounts of the respective year

- The share of Financial Assistance in Revenue Expenditure increased from 15.48 *per cent* in 2018-19 to 19.59 *per cent* during 2022-23. No financial assistance was extended to rural local bodies from the State funds during the last five -years period.
- Financial assistance extended to the Local Bodies decreased significantly by ₹89.82 crore (77.87 *per cent*) over the previous year (₹115.34 crore). This was

² Arunachal Pradesh Council of Science and Technology (₹19.92 crore) and Centres for Earth Sciences and Himalayan Studies (₹1.92 crore)

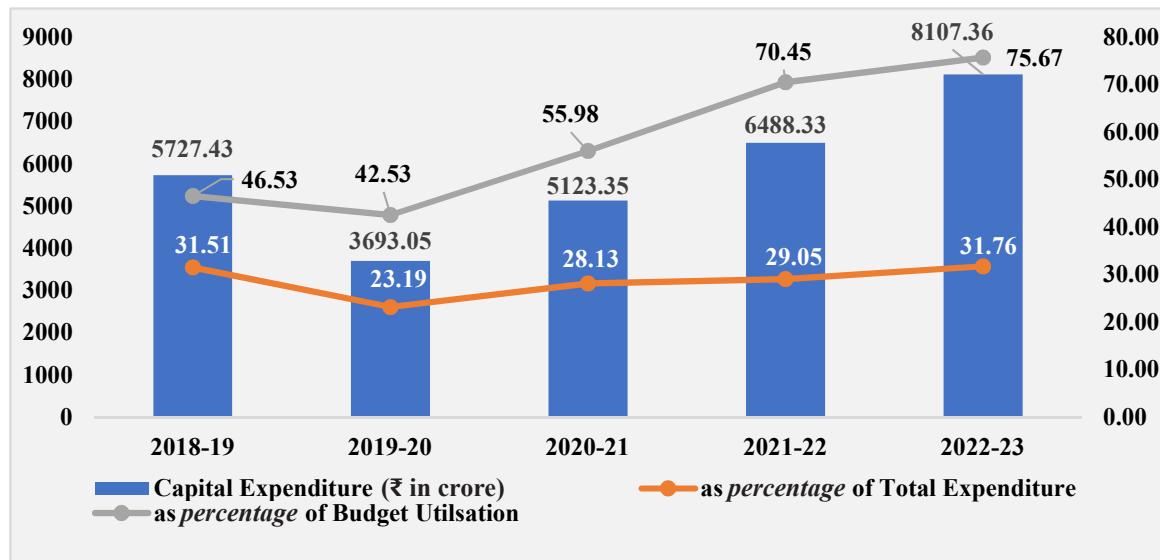
due to the significant decrease in assistance by ₹89.99 crore (82.18 per cent) to the Panchayati Raj Institutions (PRIs).

- During 2022-23, the assistance to Other Institutions increased by ₹211.41 crore (202.23 per cent) over the previous year (₹104.54 crore). This was due to a significant increase in the financial assistance towards Food, Storage and Warehousing by ₹229.53 crore over the previous year (₹62.78 crore).
- The financial assistance as GIA increased by ₹1,487.65 crore (77.32 per cent) from ₹1,924.08 crore in 2018-19 to ₹3,411.73 crore in 2022-23. During 2022-23, GIA increased by ₹629.43 crore (22.62 per cent) over the previous year which was due to increase in GIA for non-salary by ₹221.08 crore, GIA for creation of Capital assets by ₹171.80 crore and GIA on salary by ₹114.96 crore.

2.5.5 Capital Expenditure

All charges for the first construction of a project as well as charges for intermediate maintenance of the work while not opened for service and also charges for such further additions and improvements as may be sanctioned under the rules made by competent authority shall be classified as capital expenditure. Capital expenditure in both Centre and State, is being met from budgetary support and extra budgetary resources/ off budget. It also includes investments made in Companies/ Corporations. The trends of Capital Expenditure and its *percentage* of Total Expenditure over the period 2018-23 is given in Chart 2.14.

Chart 2.14: Capital Expenditure in the State



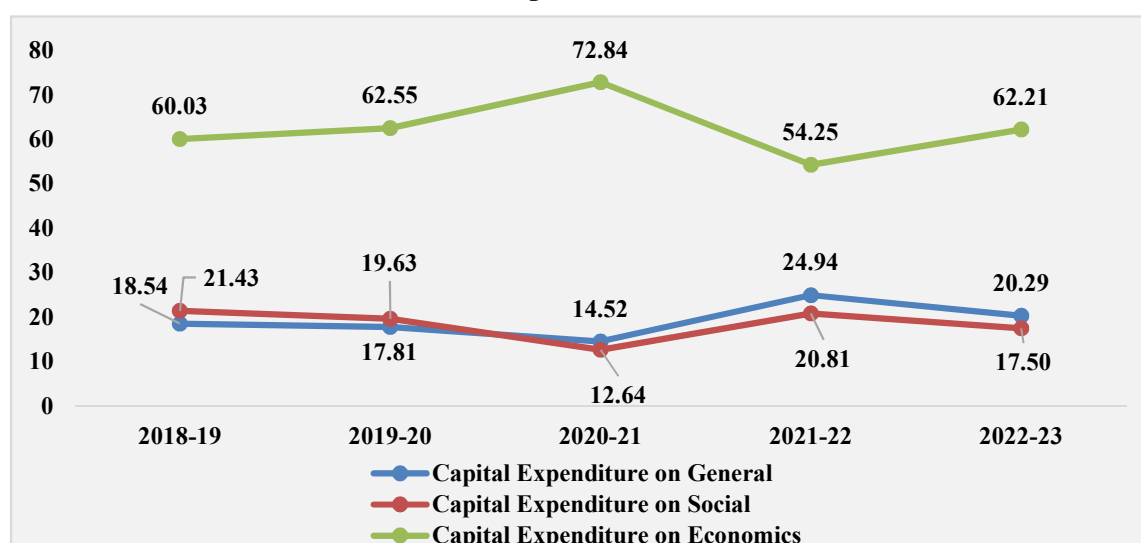
Source: Finance Accounts of the respective year

Capital Expenditure increased by ₹2,379.93 crore (41.55 per cent) from ₹5,727.43 crore in 2018-19 to ₹8,107.36 crore in 2022-23. This was due to the significant increase in Capital Expenditure under Economic Sector by ₹1,605.54 crore (46.70 per cent), Social Sector by ₹583.16 crore (54.91 per cent) and General Sector by ₹197.23 crore (16.15 per cent).

During 2022-23, Capital Expenditure increased by ₹1,619.03 crore (24.95 per cent) over the previous year (₹6,488.33 crore) which was due to a significant increase in the Economic Sectors by ₹1,523.98 crore and marginal increase experienced in Social Sector (₹68.25 crore) and General Sector (₹26.80 crore) over the previous year. Under Economic Sector, the Capital Expenditure increased in Roads and Bridges by ₹1,170.45 crore and Power Projects by ₹113.25 crore which was partially offset by decrease under Other Agricultural Programmes by ₹13.67 crore, Civil Aviation by ₹26.10 crore and North Eastern Areas by ₹30.86 crore.

There has been increasing trend in *percentage* of the Capital Expenditure to Total Expenditure during the period from 2019-20 to 2022-23 as it reached at 34.08 per cent in 2022-23 from 23.19 per cent in 2019-20. Similarly, utilisation of budget for Capital expenditure showed an increasing trend from 2019-20 to 2022-23 and stood at 75.67 per cent in 2022-23. The Sector-wise *percentage* share in Capital Expenditure is given in **Chart 2.15**.

Chart 2.15: Sector-wise *percentage* share in Capital Expenditure for the period 2018-23



Source: Finance Accounts of respective year

The major contributor in Capital Expenditure during the last five-year period was economic sector. The share of Economic Sector in Capital Outlays had been increasing and it peaked in 2020-21. Thereafter it reduced to 54.25 per cent in 2021-22 and stood at 62.21 per cent in 2022-23 with a significant increase in Capital Expenditure over the previous year. The share of Social and General Sectors in Capital Expenditure showed fluctuating trends during the past five- year periods. High share of Economic and Social Sectors in Capital Outlays boosted the Economy growth of the State and improved the quality of Social Services. The expenditure on Economic Sector was increased from 6.40 per cent in 2021-22 to 30.10 per cent in 2022-23, which indicative of giving emphasis on creation of assets by the State Government.

The CAGR of Capital Expenditure for the past five years (2018-23) was 9.08 *per cent* which was higher than that of Revenue Expenditure (8.80 *per cent*). The decadal growth of CAGR was 19.11 *per cent*. During 2021-22 to 2022-23, the CAGR of the State was 24.95 *per cent* whereas CAGR of Revenue Expenditure was 9.91 *per cent*.

2.5.5.1 Major Changes in Capital Outlay

As there was increase of ₹1,430.30 crore in Capital Outlay during the current year over the previous year, **Table 2.29** highlights the cases of significant increase of over 25 *per cent* in various Heads of Account in Capital Outlay during 2022-23 *vis-à-vis* the previous year.

Table 2.29: Capital Outlay during 2022-23 compared to 2021-22

(₹ in crore)			
Major Heads of Accounts	2021-22	2022-23	Variation
4055-Capital Outlay on Police	204.68	154.44	(-)50.24
4235-Capital Outlay on Social Security	315.26	152.82	(-)162.44
4210-Capital Outlay on Medical and Public Health	24.82	97.46	72.64
4059-Capital Outlay on Public Works	435.7	532.92	97.22
4215-Capital Outlay on Water Supply and Sanitation	330.45	430.35	99.90
4801-Capital Outlay on Power projects	430.69	543.94	113.25
4711-Capital Outlay on Flood Control Projects	132.36	312.22	179.86
5054-Capital Outlay on Roads and Bridges	2,594.68	3,765.13	1,170.45

Source: Finance Accounts of the respective year

Analysis of the reasons for changes in Capital Outlay during 2022-23 over previous year:

- Capital Outlay under ‘Police’ decreased by ₹50.24 crore (24.55 *per cent*) due to a decrease in Capital Outlay under State Police by ₹33.02 crore, Police Housing by ₹72.60 crore and Other Expenditure by ₹96.11 crore which was offset by the increase in Capital Outlay by ₹153.29 crore under Other Police Organisations.
- Capital Outlay decreased by ₹162.44 crore (51.53 *per cent*) over the previous year under Social Security. This was due to a decrease in Capital Outlay under Tribal Area Plan by ₹70.22 crore and Other Expenditure (Social Welfare) by ₹110.75 crore which was partially offset by increased under ‘Welfare of Handicapped’ by ₹14.48 crore.
- There was an increase in Capital Outlay on Medical and Public Health by ₹72.64 crore. This was due to an increase in Capital Outlay under Prevention and Control of Diseases by ₹28.40 crore and Other Programmes (Public Health) by ₹54.48 crore which partially offset by decreased under ‘Other expenditure’ ₹20.67 crore
- Public Works Departments had an increase in Capital Outlay by ₹97.22 crore over the previous year due to a significant increase under ‘Construction (Office Buildings), by ₹527.65 crore for which was offset by a decrease in Capital Outlay under Creation of Assets under Budget Announcements/ State Development Schemes by ₹385.37 crore.

- During 2022-23, Capital Outlay on Water Supply and Sanitation increased by ₹99.90 crore (30.23 per cent) from ₹330.45 crore in 2021-22 to ₹430.35 crore in 2022-23 which was due to an increase in expenditure under Urban Water Supply by ₹135.32 crore and by ₹287.44 crore under Rural Water Supply which was offset by decrease in expenditure under Maintenance of works by ₹42.15 crore and by ₹280.71 crore under Creation of Assets under Budget Announcement/ State Development Schemes.
- There was an increase in Capital Outlay under Power Projects by ₹113.25 crore (26.30 per cent) from ₹430.69 crore in 2021-22 to ₹543.94 crore in 2022-23. This was due to an increase in Capital Outlay under Creation of Infrastructure under RIDF by ₹44.34 crore and by ₹468.81 crore in Machinery and Equipment which was partially offset by decrease in Capital Outlay under Creation Assets under Budget Announcement/ State Development Schemes by ₹324.81 crore by ₹67.49 crore under Research and Development.
- Capital Outlay on Flood Control Projects increased by ₹179.86 crore (135.89 per cent) from ₹132.36 crore in 2021-22 to ₹312.22 crore in 2022-23. This was due to an increase in Capital Outlay under Civil Work by ₹312.22 crore which was offset by decrease in Capital Outlay under Other expenditure by ₹132.36 crore.
- Capital Outlay on Roads and Bridges increased by ₹1,170.45 crore (45.11 per cent) over the previous year. This was mainly due to an increase in Capital Outlay on Roads Work by ₹1,716.99 crore and by ₹621.31 crore under Bridges (District and Other Roads) which was partially offset by a decrease in Capital Outlay on Other Expenditure (General) by ₹657.07 crore and by decrease of ₹507.98 crore under Other Expenditure (District and Other Roads).

Analysis of data pertaining to 2018-23 revealed that Major Capital Outlays occurred on the following components under Social and Economic Sector as depicted in **Table 2.30**.

Table 2.30: Major Contribution of Capital Expenditure in Social and Economic Sector during 2018-23

Head of Accounts	2018-19	2019-20	2020-21	2021-22	2022-23
(₹ in crore)					
Social Sector					
Education	205.05	59.36	51.23	281.09	285.80
Medical and Public Health	56.76	59.08	10.61	24.83	97.46
Water Supply and Sanitation	416.43	253.08	224.55	330.45	430.35
Urban Development	367.17	128.93	104.94	359.97	379.12
Social Security and Welfare	147.62	158.43	219.29	315.26	152.82
Economic Sector					
Irrigation and Flood Control	164.73	133.72	171.34	147.76	334.62
Energy	340.36	173.36	172.70	430.69	543.94
Transport	2,629.70	1,848.16	3,166.97	2,677.89	3,817.01

Source: Finance Account of respective year

As can be seen from **Table 2.30**, the State Government has been providing less funds towards the Health Sector during the last five years under Social Sector. In respective Economic Sector, major portion of the Capital Expenditure was incurred by Transport.

2.6 Quality of Capital Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of expenditure which basically involves three aspects - adequacy (adequate provisions for providing public services); efficiency of expenditure and effectiveness (assessment of outlay-outcome relationships for select services). While assessment of the outlay and establishment of outcome relationships for many of the services is being done at the budget stage, the actual expenditure during the year fell short of the allocations made in the budget. The State Government had prepared the Outcome budget based on the expected outcomes identified in 26 departments. However, the actual achievement of the scheme objectives of 2021-22, were not included in the outcome budget for 2022-23. This resulted in unrealistic preparation of Outcome Budget for the year 2022-23.

2.6.1 Capital locked in incomplete projects

An assessment of trends in capital blocked in incomplete capital works also indicates quality of capital expenditure. Blocking of funds on incomplete projects/ works impinges negatively on the quality of Capital Outlay and deprives the State of the intended benefits for prolonged periods. Further, the funds borrowed for implementation of these projects during the respective years proved futile and the State had to share the extra burden in terms of servicing debt and interest liabilities.

As per Appendix IX of Finance Accounts of the State for the year 2022-23, there were 80 incomplete/ ongoing projects in four Departments as on 31 March 2023. Age profile of incomplete projects based on the year of sanction/ year of start of these projects as on 31 March 2023 are shown in **Tables 2.31 and 2.32**.

Table 2.31: Age profile of incomplete projects as on 31 March 2023
(₹ in crore)

Year	Number	Estimated cost	Expenditure
2010-11	9	152.88	149.82
2013-14	1	10.00	1.00
2014-15	2	95.00	70.00
2018-19	5	138.14	65.81
2019-20	21	342.94	146.42
2020-21	8	144.73	111.42
2021-22	15	311.70	133.84
2022-23	19	234.29	63.50
Total	80	1,429.68	741.81

Source: Finance Accounts, 2022-23

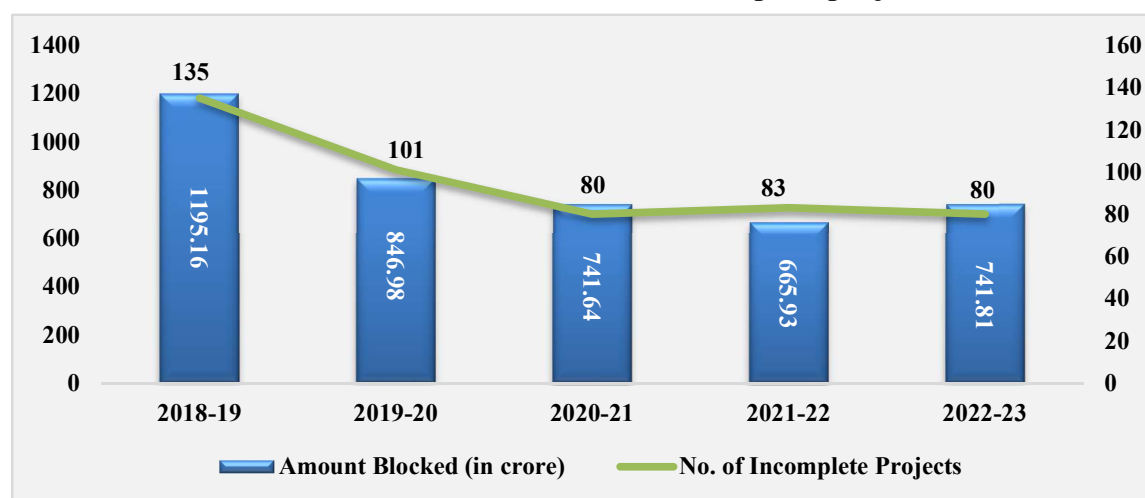
Table 2.32: Department-wise profile of incomplete projects as on 31 March 2023
(₹ in crore)

Department	No of incomplete projects	Estimated cost	Expenditure
PWD	60	1,118.01	512.75
UD and H	10	131.18	66.74
Power	1	27.61	12.50
WRD	9	152.88	149.82
Total	80	1,429.68	741.81

Source: Finance Accounts, 2022-23

The Government does not have a comprehensive list of capital projects taken up in the past having relevant information such as status of these projects, details of time and cost over run in the execution of these projects and approved cost and revised cost of completing these projects. In the absence of a comprehensive database of incomplete projects, information was sought from the implementing departments. Based on the information furnished by implementing agencies it was seen that 80 projects on which an expenditure of ₹741.81 crore was incurred, remained incomplete and the resources required for completing these works were not made available. The year-wise detail of incomplete projects is shown in the **Chart 2.16**.

Chart 2.16: Year-wise details of incomplete projects



Source: Finance Accounts of the respective year

While there are large number of works that remained incomplete over the years, the Government also took up execution of new works during the current year. The Government has been taking up large number of works without ensuring availability of the resources required for their completion within the stipulated timeframe. Thus, available resources are thinly spread over an extended number of works. Time over run of the infrastructure projects also has the inherent risk of cost over runs. A detailed analysis of a randomly selected project, “Construction of Dorjee Khandu Badminton Academy at Itanagar” revealed the following.

The main Vision of the Government is to make Arunachal Pradesh a vibrant leading State in the sports arena through target-oriented action plans and promote the State Sports Association and the State Olympic Association for diverse activities including coaching, training, counseling, and participation in various levels of the tournament and championship. In accordance of the Vision, the Government of Arunachal Pradesh accorded administrative approval and expenditure sanction (14 February 2019) with an amount of ₹35.61 crore for “Construction of Dorjee Khandu Badminton³ Academy at Itanagar” under State Annual Development Agenda (SADA).

³ Badminton is one of the most popular sports in the State.

Chief Engineer, Urban Development and Housing accorded the technical sanction on 06 March 2019 for an amount of ₹35.27 crore including one *per cent* labour cess and 1.50 *per cent* contingencies. The work was put to e-tender for ₹29.36 crore on 07 March 2019 and the work was awarded to M/S Buru Enterprise at a tender cost of ₹27.90 crore on 26 September 2019. The target date of completion of the project was September 2021. The work commenced on 01 October 2019 and is still in progress. The physical achievement of the work was 60 *per cent* as on 31 March 2023 after incurring ₹25.00 crore.

The status of the work as of April 2023 was depicted in photographs:



Source: *Inspection Report of Urban Development and Housing, Itanagar for the period from April 2021 to March 2023*

The project remains incomplete even after a lapse of one and a half years from the due date of completion.

Thus, the purpose of the project which was to make improve sports in Arunachal Pradesh by conducting activities including coaching, training, counseling, and participation in various levels of tournament and championship remained unfulfilled, apart from time and cost overrun.

Recommendations: *The State Government may do a cost analysis of the incomplete projects to determine the revised cost of these projects after taking into account cost escalation.*

2.6.2 Expenditure priorities

It is important for the State Government to take appropriate expenditure rationalisation by focusing more on Development Expenditure which is expenditure on Social and Economic Services. Apart from improving the allocation towards development expenditure, the efficiency of expenditure use is also reflected by the ratio of Capital Outlay to Total Expenditure and the proportion of Revenue Expenditure being spent on Education and Health Sectors. The higher the ratio of these components to the Total Expenditure, better the quality of expenditure.

Table 2.33 compares the fiscal priority of the State Government with that of NE&H States with regard to Total Expenditure (TE), Capital Expenditure (CE) on Education and Health during 2022-23, taking 2018-19 as the base year.

Table 2.33: Fiscal Priority of the State Government

Fiscal Priority of the State	TE/GSDP	DE/TE	SSE/TE	ESE/TE	CE/TE	Education/TE	Health and FW/TE
NE&H States 2018-19	27.30	64.84	35.72	29.11	16.11	17.70	6.48
Arunachal Pradesh 2018-19	71.75	73.10	31.36	41.74	31.51	10.52	6.15
NE&H States 2022-23	27.24	63.57	38.68	24.89	15.52	15.77	6.95
Arunachal Pradesh 2022-23	64.35	73.16	28.45	44.71	31.76	11.14	6.18

Source: Finance Accounts of the respective year

TE: Total Expenditure; DE: Development Expenditure; SSE: Social Sector Expenditure; ESE: Economic Sector Expenditure; CE: Capital Expenditure.

Development expenditure includes Development Revenue Expenditure, Development Capital expenditure and Development Loans and Advances Disbursed.

- The ratio of Total Expenditure to GSDP during 2022-23 decreased when compared with 2018-19 and was significant higher than that of average of NE&H States.
- During 2022-23, the ratio of Development Expenditure to the Total Expenditure in the State increased over the year 2018-19, and much higher than the NE&H States.
- The ratio of SSE to Total Expenditure of the State decreased from 31.36 *per cent* in 2018-19 to 28.45 *per cent* in 2022-23, while the ratio of SSE to TE of the NE&H States during 2022-23 was increased over the base year (2018-19).
- The ratio of expenditure on Education and Health to the Total Expenditure increased with reference to the base year, however, it was lower than that of average of NE&H States indicating that the priority given to these sectors is not commensurate with the average of NE&H states. The Capital expenditure during the year which is meant for creating infrastructure constituted 31.76 *per cent* of the Total expenditure while the average of NE&H States was 15.52 *per cent*.

2.6.3 Object head-wise expenditure

Finance Accounts of a State depict transactions only up to the Minor Head level. The Government Accounting Rules provide for recording of the expenditure up to the object head level. Therefore, an attempt has been made to ascertain the extent of expenditure incurred on the actual items at the Object Head Level from the accounts data maintained in the Accounts wing of the office of Principal Accountant General, Arunachal Pradesh. The details of items with significant *percentage* of expenditure are given in **Table 2.34**.

Table 2.34: Object Head-wise expenditure

(In per cent)

Object Head	2020-21	2021-22	2022-23
Salary and Wages	30.18	26.88	26.04
Pension/ Gratuity	5.87	6.00	6.38
Medical Treatment	0.04	0.03	0.05
Office Expenses	1.30	1.51	1.25
Materials and Supplies	0.42	0.56	0.38
Minor Works	6.44	7.31	5.34
GIA	11.6	9.64	9.67
GIA (Creation of Assets)	0.22	1.66	2.10
Scholarship and Stipends	0.45	0.98	0.89
Interest	4.07	3.43	3.20
Other Charges	9.15	10.73	9.84
Motor Vehicles	0.13	0.65	0.15
Major Works	27.66	28.00	31.00
Investment	1.30	0.88	0.00
Others	2.23	2.81	4.45

Source: Finance Account of respective year

The analysis of the above Table reveals the following:

- With respect to the expenditure under Other Charges, the details of the items on which the expenditure was incurred are not recorded in accounts. This has serious implications for the decision making and affects the transparency in accounting. In 2022-23, the expenditure on Other Charges constituted 9.84 *per cent* of the total expenditure which should be properly classified.
- The ratio of salaries and wages showed a decreasing trend during the period 2020-21 to 2022-23. During 2022-23, the ratio of salaries and wages was 26.04 *per cent* of the Total expenditure. This indicates that the emphasised was given to create capital assets of the State. Moreover, the ratio of CE to GSDP for the current year also increased which impacted on positive economic growth of the State.

- The ratio of Major works to the Total expenditure showed an increasing trend during the period 2020-21 to 2022-23. During 2022-23, the ratio of Major Works to the Total expenditure was 31.00 *per cent*. This indicates that the State government has been focusing towards infrastructure development of the State.

2.6.4 Loans and Advances by State Government

In addition to the investments in co-operative societies, corporations and companies (PSU), the State Government has also been providing loans and advances to many of the institutions/ Organisations in the State. **Table 2.35** presents the position outstanding loans and advances as on 31 March 2023 along with the interest receipts *vis-à-vis* interest payments during the five-year period from 2018-19 to 2022-23.

Table 2.35: Quantum of loans disbursed and recovered during five-years.

(₹ in crore)					
Loans disbursed and recovered	2018-19	2019-20	2020-21	2021-22	2022-23
Opening Balance of loans outstanding	72.92	88.00	96.99	95.85	91.56
Amount advanced during the year	20.16	16.02	4.80	2.56	3.37
Amount recovered during the year	5.08	7.03	5.94	6.85	4.86
Closing Balance of the loans outstanding	88.00	96.99	95.85	91.56	90.07
Net addition	15.08	8.99	(-) 1.14	(-) 4.29	(-)1.63

Source: Finance Accounts of the respective year

During 2022-23, amount of ₹3.37 crore was advanced as loans against ₹2.56 crore during the previous year. Out of ₹3.37 crore, ₹one crore was advanced to Co-operation and ₹2.37 crore was advanced to Government servants. During the current year, amount of ₹4.86 crore was recovered which was ₹1.99 crore less than the previous year (₹6.85 crore). Out of total ₹4.86 crore, ₹3.09 crore recovered from Government Servants and ₹1.77 crore from Co-operation.

The Total loans advanced by the State government increased by ₹2.07 crore from ₹88.00 crore in 2018-19 to ₹90.07 crore in 2022-23. Out of ₹90.07 crore, ₹58.96 crore was extended to the Co-operation, ₹10.00 crore to the Power projects, ₹9.26 crore to Loans for Other industries and mineral and ₹11.85 crore to Government Servants.

Pendency in the recovery of Loans and Advances by the State Government

Finance Accounts of Arunachal Pradesh for the year 2022-23 showed that the outstanding balance of loans and advances to be recovered by the State Government from the Department was ₹78.22 crore (₹1.01 crore under Social services and ₹77.21 crore under Economic services) as on 31 March 2023, out of ₹78.22 crore, there was a pendency in recovery of ₹39.26 crore under nine departments for a prolonged period. Details in this regard are shown in **Table 2.36**.

Table 2.36: Details of pendency of recovers of Loans and advances

Classification	Year from which recoveries are not affected	Balance as of 31 March 2023
Loans for Education, Sports, Art and Culture	2009-10	0.01
Loans for Urban Development	2017-18	1.00
Loans for Crop Husbandry	2009-10	0.10
Loans for Soil and Water Conservation	2009-10	0.01
Loans to Public Sector and Other Undertakings	2009-10	20.00
Loans to Power Projects	2010-11	10.00
Loans to Village and Small Industries	2013-14	1.89
Loans to Non-ferrous Mining and Metallurgical	2009-10	0.15
Loans for other Industries and Minerals	2009-10	6.10
Total		39.26

Source: Finance Accounts of the respective year

2.7 Public Account

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances, *etc.*, which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution. These are not subject to vote by the State Legislature. The Government acts as a banker in respect of the Public Account. The balance after disbursements during 2022-23 is the fund available with the Government for use for various purposes.

2.7.1 Net Public Account Balances

Component-wise net balances in Public Account of the State as of end of March 2023 are given in **Table 2.37**.

Table 2.37: Component-wise net balances in Public Accounts as of 31 March 2023

		(₹ in crore)				
Sector	Sub Sector	2018-2019	2019-20	2020-21	2021-22	2022-23
I. Small Savings, Provident Funds, <i>etc.</i>	Small Savings, Provident Funds, <i>etc.</i>	225.89	275.13	215.9	243.46	154.68
J. Reserve Funds	(a) Reserve Funds bearing Interest	(-)0.54	1,588.61	(-)199.1	389.68	(-)178.90
	(b) Reserve Funds not bearing Interest	(-)8.85	0.00	0.00	0.00	0.00
K. Deposits and Advances	(a) Deposits bearing Interest	(-)5.48	(-)13.95	(-)7.15	1.57	5.37
	(b) Deposits not bearing Interest	(-)73.02	(-)61.31	(-)41.64	(-)36.27	0.39
	(c) Advances	2.57	(-)1.97	(-)4.94	5.07	0.13

Sector	Sub Sector	2018-2019	2019-20	2020-21	2021-22	2022-23
L. Suspense and Miscellaneous	(a) Suspense	(-)176.63	(-)2,678.97	(-)31.58	17.90	(-)5.65
	(b) Other Accounts	(-)356.93	2,036.18	(-)284.89	(-)2,694.22	1,362.74
M. Remittances	(a) Money Orders, and other Remittances	1,134.72	(-)1,367.06	(-)66.87	(-)26.81	(-)413.89
	(b) Inter-Governmental Adjustment Account	(-)0.07	0.01	(-)0.05	0.00	0.01
Total		741.66	(-)223.33	(-)420.32	(-)2,099.62	924.88

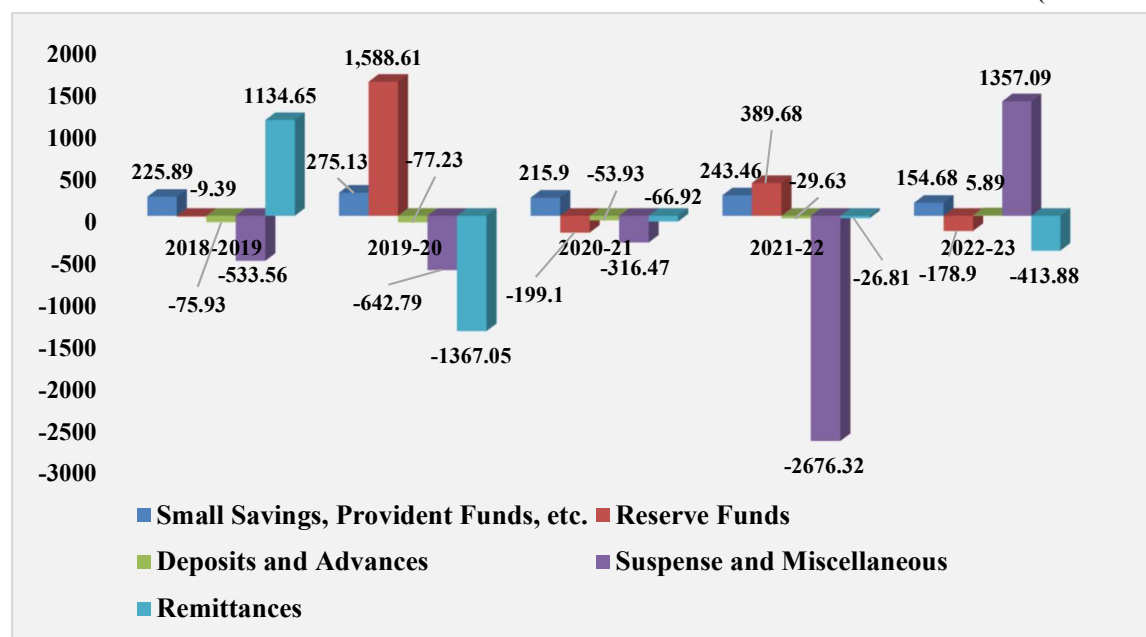
Source: Finance Accounts of the respective year

Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balance under these heads, is worked out by aggregating the outstanding debit and credit balances separately under the various heads. During 2022-23, the Outstanding net balances under Suspense and Remittance was ₹1,574.06 crore (Debit).

Non-clearance of outstanding balances under these heads affects the accuracy of Receipt/ Expenditure figures and balances under different heads of Accounts. The yearly changes in composition of balances in Public Account over the five-year period 2018-19 to 2022-23 are given in **Chart 2.17**.

Chart 2.17: Composition of net Public Account over the period 2018-19 to 2022-23

(₹ in crore)



Source: Finance Accounts of respective year

2.8 Transaction under Reserve Funds

Reserve funds are created for specific and defined purposes under Public account of the State Government. These funds are met from contributions or grants from the Consolidated Fund or from outside agencies. It comprises interest bearing reserve funds and reserve funds not bearing interest.

Details of Reserve Funds available in Statements 21 and 22. The total Outstanding Public Liabilities as on 31 March 2023 was ₹15,646.75 crore. This includes the balance of Reserve Funds of ₹1,603.34 crore. Out of this ₹1,603.21 crore was under Reserve Funds bearing interest and ₹0.13 crore under Reserve funds not bearing interest. With regards to Reserve funds bearing interest, ₹1,600.60 crore was under State Compensatory Afforestation Fund (SCAF) and ₹2.61 crore under State Disaster Response Fund (SDRF). The status of Reserve Funds viz., State Disaster Response Fund (SDRF), State Compensatory Afforestation Fund (SCAF), Consolidated Sinking Fund and Guarantee Redemption Fund are discussed in subsequent paragraphs.

2.8.1 State Disaster Response Fund

The GoI replaced the erstwhile Calamity Relief Fund with the State Disaster Response Fund (SDRF) with effect from 1 April 2010.

State Disaster Response Fund (SDRF) was set up by the Government in 2010-11 with prescribed contribution of funds from GoI and the State Government in the ratio of 90:10. As per the guidelines of SDRF fund, the contributions received are to be transferred to the Public Account (Major Head-8121). Any expenditure incurred during the year on natural calamities should be adjusted by debiting the Public Account with contra deduct debit to the Expenditure Major Head-2245.

The State Governments are required to pay interest to the SDRF at the rate applicable to overdrafts under Overdraft Regulation Guidelines of the RBI. The interest is to be credited on a half yearly basis. The accretions to the SDRF together with the income earned in the investment of SDRF is to be invested in Central Government dated Securities, auctioned Treasury Bills and other interest earning deposits with Scheduled Commercial Banks.

The SDRF is to be used only for meeting the expenditure for providing immediate relief to the victims of a disaster and the provision for disaster preparedness, restoration, reconstruction and mitigation should not be a part of SDRF. Such expenditure has to be built into the normal Budgetary Heads/ State Plan Funds, etc.

During 2022-23, State Government received ₹210.40 crore from the Centre towards SDRF. The amount received towards SDRF was neither transferred to MH 8121-General and Other Reserve Funds nor expended from the Consolidated Fund. This has resulted in overstatement of Revenue Surplus and understatement of Fiscal Deficit to that extent. Further, State Government parked ₹111.11 crore in Saving Bank Account instead transferring to the Public Account.

The contributions to the State Disaster Response Fund, and the balance therein was ₹2.61 crore as on 31 March 2023.

2.8.2 State Compensatory Afforestation Fund

The government of Arunachal Pradesh has adopted (September 2018) the Compensatory Afforestation Fund Rules. As per Fund Rules, the money received by the State Government from the User Agencies needs to be credited in ‘8336 Civil deposits- 00- 103 State Compensatory Afforestation Deposits’ under interest bearing section in Public Accounts of the State. Out of this 90 *per cent* shall be transferred to the Major Head ‘8121 General and Other Reserve Funds- 00- 129 State Compensatory Afforestation Fund (SCAF)’ and 10 *per cent* credited into the National Fund on yearly basis as per sub-section (4) of Section 3 of the Act; provided that, the credit of 10 *per cent* 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- 00-103 State Compensatory Afforestation Deposits’ and ‘8121 General and Other Reserve Funds-00-129 SCAF shall be as per the rate declared by the State Government on year-to-year basis.

After due appropriation of funds, the expenditure on schemes to be financed from SCAF shall be incurred from the head of account ‘2406 Forestry and Wildlife- 04 Afforestation and Ecology Development- 103 State Compensatory Afforestation (SCA)’ and is to be reimbursed by deduct refund under the Minor Head ‘904 Recoveries” from Public Account Head ‘8121 General and Other Reserve Funds-00-129 SCAF’.

During 2022-23, the State Government did not receive any amount from National Compensatory Afforestation Deposits to SCA Fund. No amount was collected by the State Government under the Head of Account ‘8336 Civil Deposits - 00 - 103 State Compensatory Afforestation Deposits’ from user agencies during the year. Budget provision of ₹195.29 crore was kept under ‘2406 Forestry and Wildlife- 04 Afforestation and Ecology Development - 103 State Compensatory Afforestation (SCA)’ and an expenditure of ₹189.27 crore was incurred during the year. As on 31 March 2023, an amount of ₹1,600.60 crore has remained as balance under SCAF.

2.8.3 Consolidated Sinking Fund

The State Government has set up a ‘Consolidated Sinking Fund’ (CSF) in 2007 in line with recommendations of the XII Finance Commission with the objective to redeem its outstanding liabilities. According to the guidelines of RBI, which is responsible for management of the Fund, State Government is required to contribute a minimum of 0.50 *per cent* of the Outstanding Liabilities (Public Debt *plus* Other Liabilities) of the previous year. Contribution to this Fund out of borrowings from the Reserve Bank is not permissible. Transactions under CSF during the year is given in the **Table 2.38**.

Table 2.38: Details of transaction under CSF during 2022-23

(₹ in crore)

Opening balances	Required contribution	Contribution (including interest)	Payment out of the fund	Total balance in the Fund	Amount invested by RBI during the year	Closing balance
2,026.74	68.68 ⁴	233.35	--	2,260.09	233.35	2,260.09

Source: Finance Accounts 2022-23

It can be seen from the above **Table 2.38**, the contribution due from the State Government during the year was ₹68.68 crore. Against this, the State Government contributed ₹233.35 crore (including interest of ₹163.35 crore earned on investment) to the Fund and entire amount has been invested by the Reserve Bank of India in GoI Securities. As on 31 March 2023, an amount of ₹2,260.09 crore was invested.

2.8.4 Guarantee Redemption Fund

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

In terms of recommendations of the XII FC, the State Government had constituted (February 2018) Guarantee Redemption Fund (GRF) with the objective of meeting its obligation arising out of the guarantees issued on behalf of the State Bodies. According to the Act of the fund, the Government should contribute a minimum of one *per cent* of the outstanding guarantees at the end of the previous year and thereafter minimum 0.50 *per cent* every year to achieve a minimum level of three *per cent* in next five years.

During 2022-23, the State Government contributed ₹1.26 crore (it includes ₹0.18 crore interest earned on investment from the Funds) against ₹0.05 crore required to contribute to the Fund. No guarantee was invoked during the year. The entire amount (₹1.26 crore) has been invested by the Reserve Bank of India in GoI Securities. As on 31 March 2023, the total amount lying in the Fund was ₹4.15 crore.

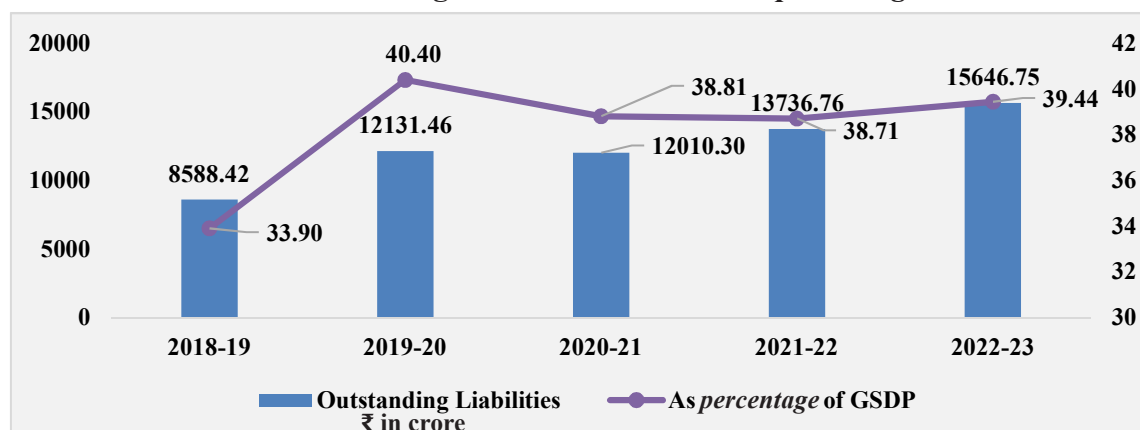
2.9 Public Liability Management

Management of Public Liability is the process of establishing and executing a strategy for managing the Government's Liabilities to raise the required amount of funding, achieve its risk and cost objectives, and to meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements.

⁴ 0.50 *per cent* of the total Outstanding Liabilities of ₹13,736.76 crore of State Government as on 31 March 2022

The Outstanding Total Liabilities of the State along with its *percentage* to GSDP for the year 2018-19 to 2022-23 is in given in **Chart 2.18**.

Chart 2.18: Outstanding Total Liabilities and its *percentage* to GSDP



Source: Finance Accounts of the respective year; GSDP-Director of Economics and Statistics, GoAP

In monetary terms, the Total Outstanding Liabilities has shown an increasing trend from 2020-21 to 2022-23. The *percentage* of Outstanding Liabilities to GSDP ranged between 33.90 and 40.40 *per cent* during the five-year period from 2018-19 to 2022-23.

2.9.1 Liability profile: Component

Components of Total Liabilities of the State Government typically constitute of internal debt of the State (market loans, ways and means advances from RBI, special securities issued to the National Small Savings Fund and loans from financial institutions, *etc.*), loans and advances from the Central Government, and Public Account Liabilities. The State FRBM Act, 2006 of the State has defined the total liabilities as “The total liabilities mean the liabilities under the Consolidated Fund and the Public Account of the State and shall also include borrowings by the Public Sector undertakings and the Special Purpose Vehicles and other equivalent instruments including guarantees where principal and/ or interest are to be serviced out of the State budget”. Outstanding debt constituting outstanding internal debt, outstanding loans and advances from GoI and outstanding balance of Public Account liabilities.

The component-wise liability trends of the State for the five-year period from 2018-19 to 2022-23 are given in **Table 2.39**.

Table 2.39: Trend of the outstanding Debt

Particulars	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Outstanding Total Liabilities	8,588.42	12,131.46	12,010.30	13,736.76	15,646.75
Public Debt	5,014.14	6,451.24	7,707.81	8,835.82	10,764.27
<i>Internal Debt</i>	4,835.39	6,298.77	7,348.10	8,130.52	8,520.84
<i>Loans from GoI</i>	178.75	152.47	359.71	705.3	2,243.43
Public Account Liabilities	3,574.28	5,680.22	4,302.49	4,900.94	4,882.48
<i>Small Savings, provident Funds, etc.</i>	2,228.38	2,503.51	2,719.41	2,962.87	3,117.55

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Reserve Funds bearing interest	2.92	1,591.54	1,392.43	1,782.11	1,603.21
Reserve Funds not bearing interest	1,028.39	1,345.85	0.12	0.13	0.13
Deposits bearing interest	52.75	38.80	31.65	33.22	38.60
Deposits not bearing interest	261.84	200.52	158.88	122.61	122.99
Rate of growth of outstanding total Liabilities over the previous year (percentage)	19.14	41.25	(-1.00)	14.37	13.90
Gross State Domestic Product (GSDP)	25,334.86	30,025.23	30,945.33	35,483.76	39,671.24
Rate of Growth of GSDP (in per cent)	12.73	18.51	3.06	14.67	11.80
Liability/ GSDP (per cent)	33.90	40.40	38.81	38.71	39.44
Borrowings and Other Liabilities as per Statement 6 of Finance Accounts					
Total Liabilities Receipts	2,528.62	4,595.82	2,898.15	3,568.92	4,048.80
Total Liabilities Repayments	1,148.70	1,052.78	1,333.00	1,842.46	2,138.81
Total Liabilities Receipts Available	1,379.92	3,543.04	1,565.15	1,726.46	1,909.99
Liabilities Repayments/ Liabilities Receipts (percentage)	45.43	22.91	45.99	51.63	52.83

Source: Finance Accounts of the respective year; GSDP-Director of Economics and Statistics, GoAP

Total Outstanding liabilities of the State Government had been on rise (except 2020-21) as it increased by ₹7,058.33 crore (82.18 per cent) from ₹8,588.42 crore in 2018-19 to ₹15,646.75 crore in 2022-23 due to a significant increase in the Internal Debt by 76.22 per cent, Loans and Advances from GoI by 1,155.07 per cent and Public Accounts liabilities by 36.60 per cent. During 2022-23, the State experienced an increase in the Outstanding Liabilities ₹1,909.99 crore (13.90 per cent) over 2021-22 (₹13,736.76 crore). This was due to increase in the Internal Debt by ₹390.31 crore (4.80 per cent) and Loans and Advances from GoI by ₹1,538.14 crore (218.08 per cent) which was partially offset by the decrease in Public Accounts Liabilities by ₹18.46 crore (0.36 per cent) over the previous year.

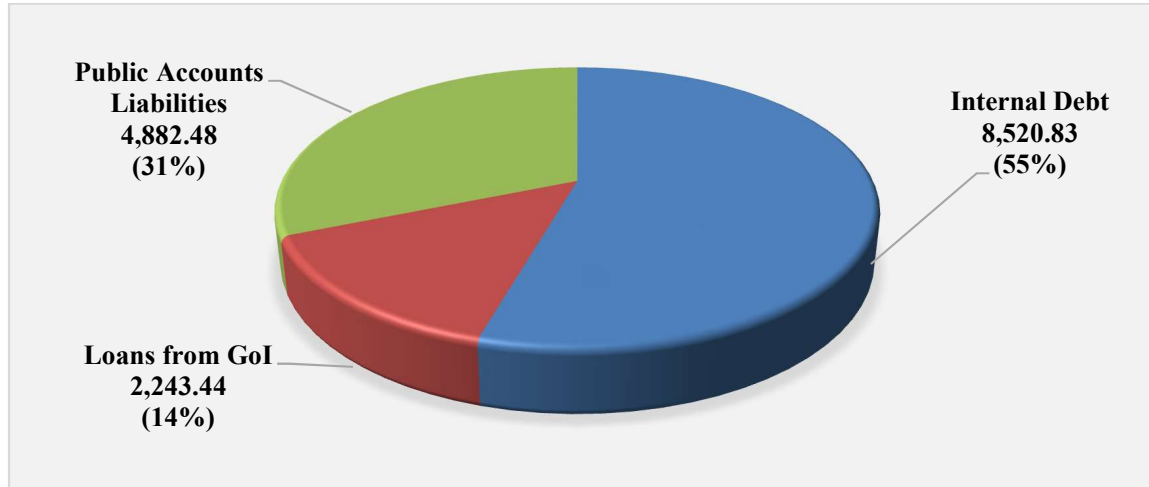
During the five-year period (2018-19 to 2022-23), Public debt increased by ₹5,750.13 crore (114.68 per cent) wherein internal debt increased by ₹3,685.44 crore (76.22 per cent) and Loans from GoI increased by ₹2,064.69 crore (1,155.07 per cent). During the current year, the public accounts liabilities decreased by ₹18.46 crore (0.37 per cent) over the previous year (₹4,900.94 crore). This was due to significant decrease in Reserve funds bearing interest by ₹178.90 crore (10 per cent) which was partially offset by the increase in Small Savings, Provident Funds etc. by ₹154.68 crore (five per cent) and Deposits bearing interest by ₹5.38 crore (16 per cent).

As can be seen from **Table 2.39**, State utilises a higher proportion of the borrowings towards Debt repayment, yet a significant Total Debt is still to be paid. Outstanding Debt is increasing faster (except 2020-21 and 2021-22) than the growth of GSDP. There had been a fluctuating trend with alternate year in the Debt to GSDP ratio during the five-year period from 2018-19 to 2022-23 and stood at 39.44 per cent during 2022-23. During 2019-20, Outstanding Debt registered highest rate of growth. The ratio of Debt repayments to Debt receipts had an increasing trend from 2019-20 to 2022-23 and stood at 52.83 per cent.

Component-wise break-up of outstanding total liabilities at the end of 2022-23 is shown in Chart 2.19.

Chart 2.19: Break-up of outstanding Liabilities as on 31 March 2023

(₹ in crore)

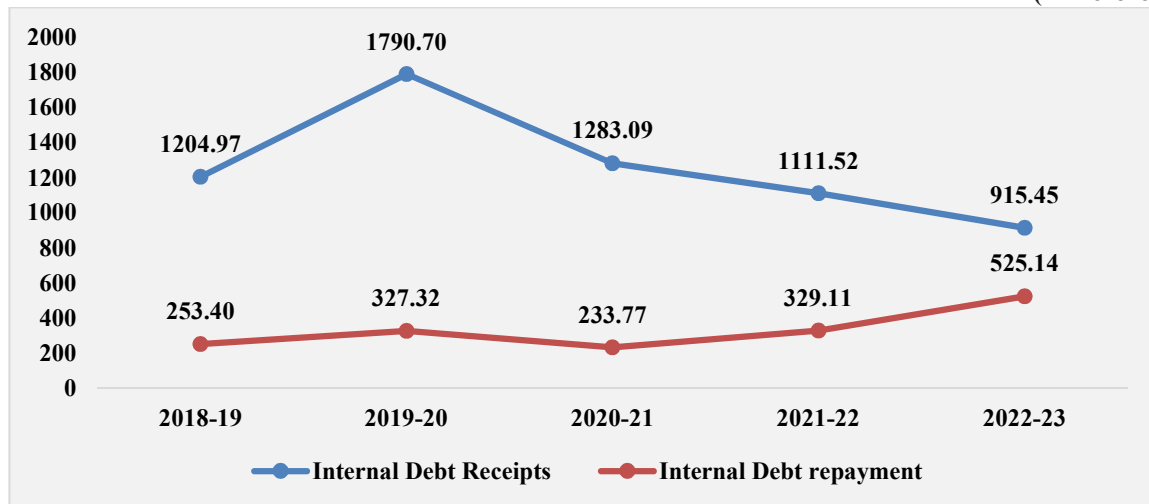


Source: Finance Accounts 2022-23

Internal debt, which is primarily Market Borrowings through issue of State Development Loans (SDLs), accounts for 55 per cent of the outstanding total liabilities. The comparative trend of internal debt and repaid is given in Chart 2.20.

Chart 2.20: Trend of Internal Debt and repaid for the period 2018-19 to 2022-23

(₹ in crore)



Source: Finance Account of respective year

It could be seen from the above Chart, there had been a decreasing trend in the Internal Debt receipts from 2019-20 to 2022-23. During 2022-23, the Internal Debt receipts was less than the previous year by ₹196.07 crore (17.64 per cent) whereas repayment of Internal Debt was more than the previous year by ₹196.03 crore (59.56 per cent) due to which, the gap between Internal Debt taken and repaid has been reduced in 2022-23.

2.9.1.1 Components of Fiscal Deficit and its financing pattern

The share of Revenue Deficit in Fiscal Deficit indicates the extent to which borrowed funds were used for current consumption. The persistently high ratio of Revenue Deficit to Fiscal Deficit also indicates that the asset base of the State is continuously being eroded and a part of borrowings (Fiscal Liabilities) does not have any asset backup. However, in case of Arunachal Pradesh, there was a Revenue Surplus for five-year period from 2018-19 to 2022-23.

The financing pattern of fiscal deficit has undergone a compositional shift as reflected below in **Table 2.40**.

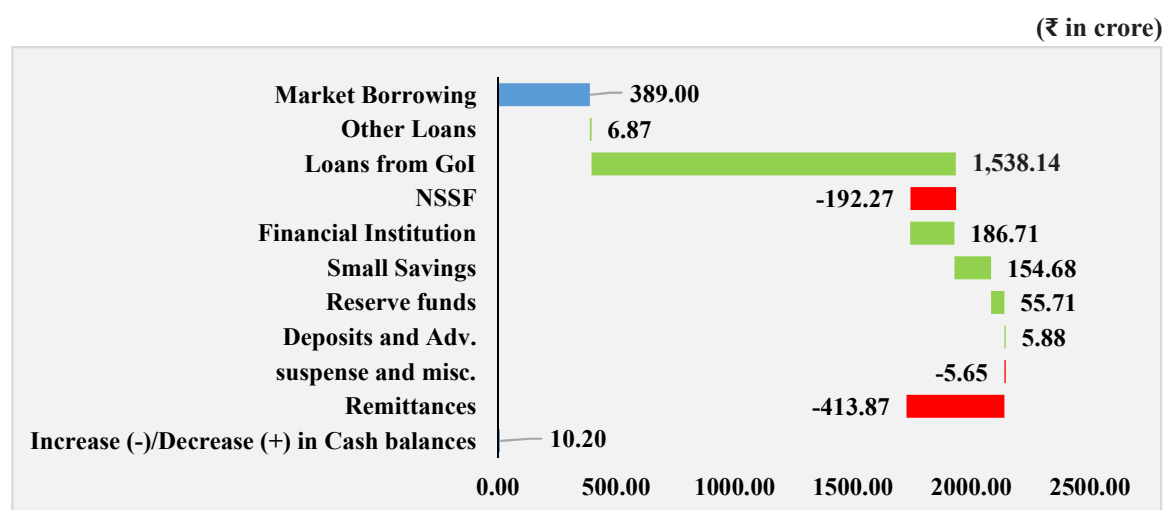
Table 2.40: Components of Fiscal Deficit and its financing pattern

		(₹ in crore)				
Sl. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Decomposition of Fiscal Deficit						
Fiscal Deficit (-)/ Surplus (+)		(-1,976.03)	(-1,032.22)	(-1,086.20)	(-1,099.04)	(-1,735.40)
1.	Revenue Surplus	3,766.48	2,669.82	4,036.01	5,385.00	6,370.47
2.	Net Capital Expenditure	(-5,727.43)	(-3,693.05)	(-5,123.35)	(-6,488.33)	(-8,107.36)
3.	Net Loans and Advances	(-15.08)	(-8.99)	1.14	4.29	1.49
Financing pattern of Fiscal Deficit						
1.	Market Borrowings	703.1	762.96	1,288.08	767.81	389.00
2.	Other Loans	(-6.85)	4.16	(-3.73)	(-3.73)	6.87
3.	Loans from GoI	(-26.43)	(-26.36)	(-26.28)	207.25	1,538.14
4.	Special Securities issued to NSSF	93.42	50.45	77.36	146.91	(-192.27)
5.	Loans from Financial Institutions	115.97	189.64	101.67	138.33	186.71
6.	Small Savings, PF, etc.	241.13	225.89	275.14	215.9	154.68
7.	Reserve Funds	137.87	307.32	1,906.08	141.47	55.71
8.	Deposits and Advances	(-134.19)	(-75.93)	(-77.23)	(-53.73)	5.88
9.	Suspense and Miscellaneous	(-404.85)	(-176.63)	(-2,678.97)	(-31.58)	(-5.65)
10.	Remittances	34.09	1,134.66	(-1,367.05)	(-66.92)	(-413.87)
11.	Increase (-)/ Decrease (+) in cash balances	(-895.72)	(-364.49)	1,537.15	(-375.51)	10.20
12.	Increase/ Decrease in WMAs, Overdraft	455.82	(-55.64)	0.00	0.00	0.00
Overall Deficit (1 to 11) (-)		1,976.03	1,032.22	1,086.20	1,099.04	1,735.40

Source: Finance Accounts of respective year

The components of fiscal deficit consisted of Revenue Surplus, Net Loans and Advances and Net Capital Expenditure. Since the State is Revenue Surplus from 2018-19 itself, the surplus on revenue account were utilised to finance Capital Expenditure. During 2018-19 to 2022-23, Revenue Surplus could finance only 65.67 to 83 per cent of Capital expenditure. The components of financing of fiscal deficit during 2022-23 is expressed through water flow chart as shown in **Chart 2.21**.

Chart 2.21: Components of financing of fiscal deficit during 2022-23



Source: Finance Accounts, 2022-23

The components of receipts and disbursements financing the fiscal deficit during 2022-23 are depicted in Table 2.41.

Table 2.41: Receipts and Disbursements under Components Financing the Fiscal Deficit

(₹ in crore)

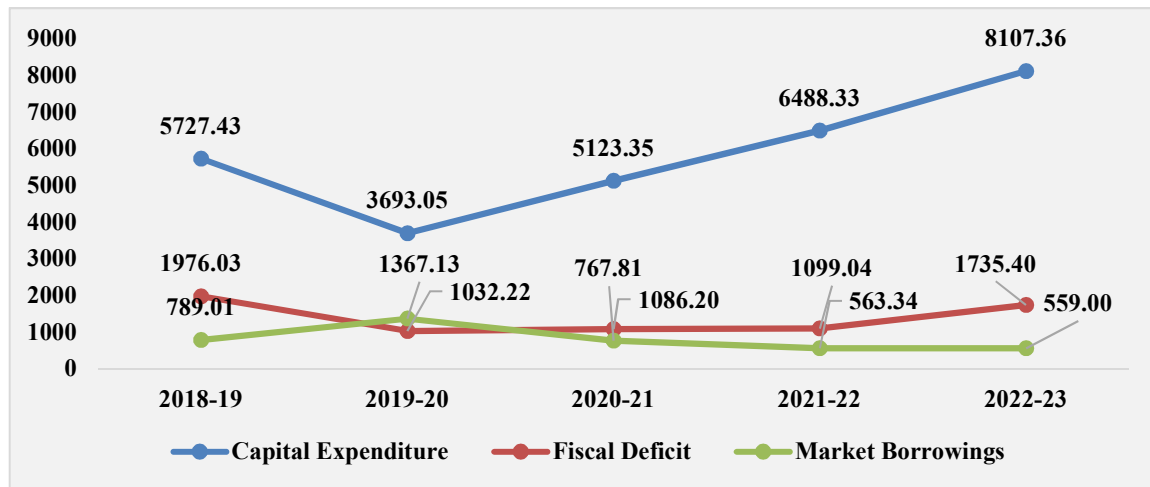
Particulars	Receipts	Disbursement	Net
Market Borrowings	559.00	170.00	389.00
Loans from GoI	1,564.11	25.97	1,538.14
Special securities issued to NSSF	0.00	192.27	(-)192.27
Loans from Financial Institutions	348.70	161.99	186.71
Other Loans	7.75	0.88	6.87
Small Savings, PF, etc.	639.91	485.23	154.68
Reserve Fund	244.98	189.27	55.71
Deposit and Advances	920.94	915.06	5.88
Suspense and Miscellaneous	(-)0.42	5.23	(-)5.65
Remittances	6,990.67	7,404.54	(-)413.87
Overall Deficit			1,725.20
Increase/ Decrease in Cash balances			10.20
Gross Fiscal Deficit			1,735.40

Source: Finance Accounts 2022-23

As it could be seen from the Table 2.41, there was increase in market borrowings by ₹389.00 crore, Loans from GoI by ₹1,538.14 crore, Small Savings, Provident Fund etc. by ₹154.68 crore, Reserve fund by ₹55.71 crore and Loans from Financial Institutions by ₹186.71 crore which was partly offset by decrease in Special Securities issued to National Small Savings Fund by ₹192.27 crore and Remittances by ₹413.87 crore. Further, it was noticed that 22.43 and 88.63 per cent of the fiscal deficit was financed from Market Borrowings Loans from GoI. Comparative trend of Capital Expenditure, Fiscal Deficit and Market Borrowings for the period 2018-19 to 2022-23 is given in Chart 2.22.

Chart 2.22: Trend of Capital Expenditure, Fiscal Deficit, and Market Borrowings

₹ in crore)



Source: Finance Account of respective year

2.9.2 Debt Sustainability Analysis (DSA)

Debt sustainability analysis has been carried out based on the fiscal and debt parameters, *i.e.*, Domar approach and compliance of macro-fiscal parameters to the respective targets. The results of analysis are given in the succeeding paragraphs:

(A) Debt sustainability is defined as the ability of the State to service its debt obligation now and in future. However, the higher the level of public debt, the more likely it is that fiscal policy and public debt are unsustainable, as a higher debt requires a higher primary surplus to sustain it. A high level of debt raises a number of challenges:

- Large primary fiscal surpluses are needed to service a high level of debt; such surpluses may be difficult to sustain, both economically and politically.
- A high level of debt heightens an economy's vulnerability to interest rate and growth shocks.
- A high debt level is generally associated with higher borrowing requirements, and therefore a higher risk of a rollover crisis (*i.e.*, being unable to fulfill borrowing requirements from private sources or being able to do so only at very high interest rates).
- High levels of debt may be detrimental to economic growth; while lower growth is a concern in itself, it also has a direct impact on debt dynamics and debt sustainability in the long term.
- Debt vulnerability is also associated with its profile. A high share of short-term debt at original maturity, increases vulnerability to rollover (re-financing risk) and interest rate risks. Sustainability of Public debt ensures that it does not explode and governments are not forced to increase taxes, or decrease spending.

- Debt is considered sustainable if the borrower, in this case the State, is in a position to service its debt now, and in future. Debt sustainability indicators accordingly seek to assess the credit worthiness and the liquidity position of the borrower by examining their ability to service the debt through timely interest payments and repay debt out of current and regular sources of revenue.

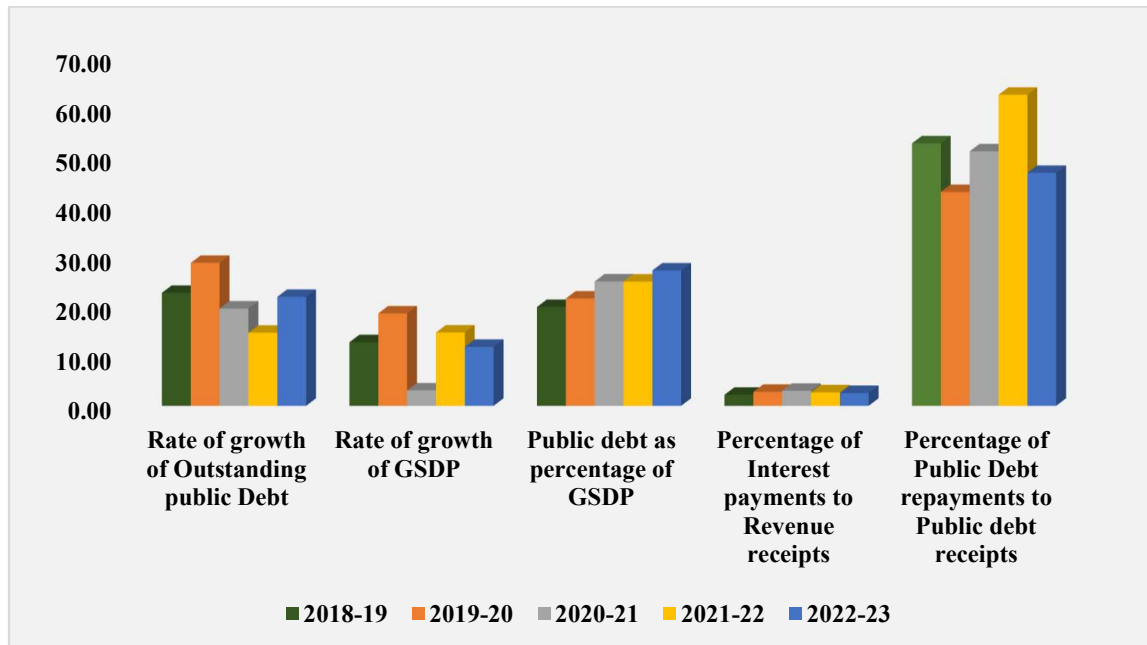
The sustainability of debt of the State Government is analysed in terms of Debt/ GSDP ratio, Fiscal Deficit/ GSDP and burden of Interest Payments (measured by ratio of Interest Payments to Revenue Receipts). Analysis of variations in debt sustainability indicators for the five-year period from 2018-19 to 2022-23 is given in **Table 2.42** and **Chart 2.23**.

Table 2.42: Debt Sustainability: Indicators and Trends

Indicators of Debt sustainability	2018-19	2019-20	2020-21	2021-22	2022-23
Outstanding Public Debt (₹ in crore)	5,014.14	6,451.24	7,707.81	8,835.82	10,764.27
Rate of Growth of Outstanding Public Debt (in per cent)	22.63	28.66	19.48	14.63	21.83
GSDP (₹ in crore)	25,334.86	30,025.23	30,945.33	35,483.76	39,671.24
Rate of Growth of GSDP (in per cent)	12.73	18.51	3.06	14.67	11.80
Debt/ GSDP (in per cent)	19.79	21.49	24.91	24.90	27.13
Debt Maturity profile of repayment of State-debt-including default history, if any (₹ in crore)	1.50	213.94	190.75	159.48	474.37
Average Interest rate of Outstanding Debt (in per cent)	7.81	7.25	7.28	6.92	6.22
Percentage of Interest payment to Revenue Receipts	2.20	2.79	3.01	2.69	2.56
Percentage of Debt Repayment to Debt Receipt	52.73	42.95	51.13	62.51	46.79
Net Debt available to the State (₹ in crore)	569.53	1,021.60	740.96	555.83	1,319.26
Net Debt available as percentage to Debt Receipts	47.27	57.05	48.87	37.49	53.21
Primary Deficit (₹ in crore)	1,449.93	417.69	333.86	321.42	900.76
Debt Stabilisation (Quantum Spread + Primary Deficit)	(-)1,248.75	146.90	(-)606.10	275.94	(-)407.72
Revenue Surplus without Interest Payment (₹ in crore)	4,292.58	3,284.35	4,788.35	6,162.61	7,205.12

Source: Finance Accounts of the respective year

Chart 2.23: Trends of Debt Sustainability Indicators



Source: Finance Accounts of respective year

- The Debt to GSDP ratio reliably indicates the ability of the State to pay back its debt. A falling Debt/ GSDP ratio can be considered as leading towards stability. The Debt-GSDP ratio rose from 19.79 *per cent* in 2018-19 to 27.13 *per cent* in 2022-23. This indicates that public debt cannot be considered as leading towards stability.
- Higher *percentage* of interest payments leaves less funds for priority areas. The ratio of interest payments to Revenue Receipts hovered around 2.20 *per cent* to 3.01 *per cent* which was substantially high.
- Higher the *percentage* of public debt repayments to the public debt receipts, the greater is the portion of debt utilised for debt servicing rather than productively. The ratio of public debt repayments to the public debt receipts ranged between 42.95 to 62.51 *per cent* during the five-year period which implied that significant portion of the borrowed funds are used for repayment of earlier borrowings leaving less space to use productively.
- Debt sustainability condition states that if quantum spread together with Primary Deficit is zero, Debt-GSDP ratio would tend to be constant or would stabilise eventually. On the other hand, if quantum spread together with Primary Deficit turns out to be negative, debt-GSDP ratio would be rising and in case, it is positive, debt-GSDP ratio would eventually be falling. During the current year, quantum spread along with primary deficit turned to be negative, Debt-GSDP ratio had been on rise.

(B) Domar approach: An analysis on debt sustainability was carried out based on a study by E.D. Domar. The Domar model states that necessary premise for ensuring stability of public indebtedness is that interest rates for government loans should not exceed the growth rate of GDP.

The dynamics of public debt depending on the interest rate, growth rate of GSDP and the primary budget balance are as follows:

g-r (-real economic growth rate; r-real interest rate)	S<0 (primary Deficit)	S>0 (primary surplus)
g-r>0 (Strong economic growth)	Public debt as <i>percentage</i> of GSDP should converge to a stable level greater than zero	Public debt as <i>percentage</i> of GSDP should converge to a stable level less than zero leading to public savings
g-r<0 (slow economic growth)	Public debt as <i>percentage</i> of GSDP should increase indefinitely, without converging to a stable level.	Undefined situation.

The results of applying the above parameters in the case of Arunachal Pradesh, are shown in **Table 2.43**.

Table 2.43: Debt sustainability analysis based on Domar Model

Year	Real growth rate (g)	Real interest (r)	Domar gap (g-r)	Primary Deficit (-)/ Surplus (+) (s)	Remarks
2018-19	7.00	(-)1.09	8.09	(-)1,449.93	g-r>0 and s<0: Public debt as <i>percentage</i> of GSDP should converge to a stable level greater than zero.
2019-20	14.68	6.75	7.93	(-)417.69	g-r>0 and s<0: Public debt as <i>percentage</i> of GSDP should converge to a stable level greater than zero.
2020-21	(-)4.50	4.68	(-)9.18	(-)333.86	g-r<0 and s<0: Public debt as <i>percentage</i> of GSDP should increase indefinitely without converging to a stable level.
2021-22	8.85	0.82	8.03	(-)321.42	g-r>0 and s<0: Public debt as <i>percentage</i> of GSDP should converge to a stable level greater than zero.
2022-23	10.88	0.02	10.86	(-)900.76	g-r>0 and s<0: Public debt as <i>percentage</i> of GSDP should converge to a stable level greater than zero.

Note: Real Growth rate calculated for GSDP at constant price

Real interest rate calculated for average interest adjusted for inflation

Since the CPI for State is not available, CPI (Rural) of India is used for calculation of real interest rate

The Domar gap remained positive during 2018-19 to 2019-20 which shows that public debt as *percentage* of GSDP would converge to a stable level. While, it turned into negative during 2020-21 which shows that public debt as *percentage* of GSDP would increase indefinitely, without converging into a stable level. During 2021-22 to 2022-23, the Domar gap was positive which shows that public debt as *percentage* of GSDP would converge to a stable level.

The real growth rate was showing an increasing trend during 2019-20. The real growth rate was on a declining trajectory in the year 2020-21, the economy of the State was affected badly due to the Covid-induced lockdown leading to a contraction of 4.50 *per cent* in real terms. Further, real interest rate was lower than the Domar gap (g-r) in last five-years

(except 2020-21). The primary balances were negative during the five-years period and showing decreasing trends till 2022-23. While during 2022-23 primary deficit increased to ₹900.76 crore. Increase in Primary deficit makes it difficult to sustain economic growth.

2.9.3 Debt Profile: Maturity and Repayment

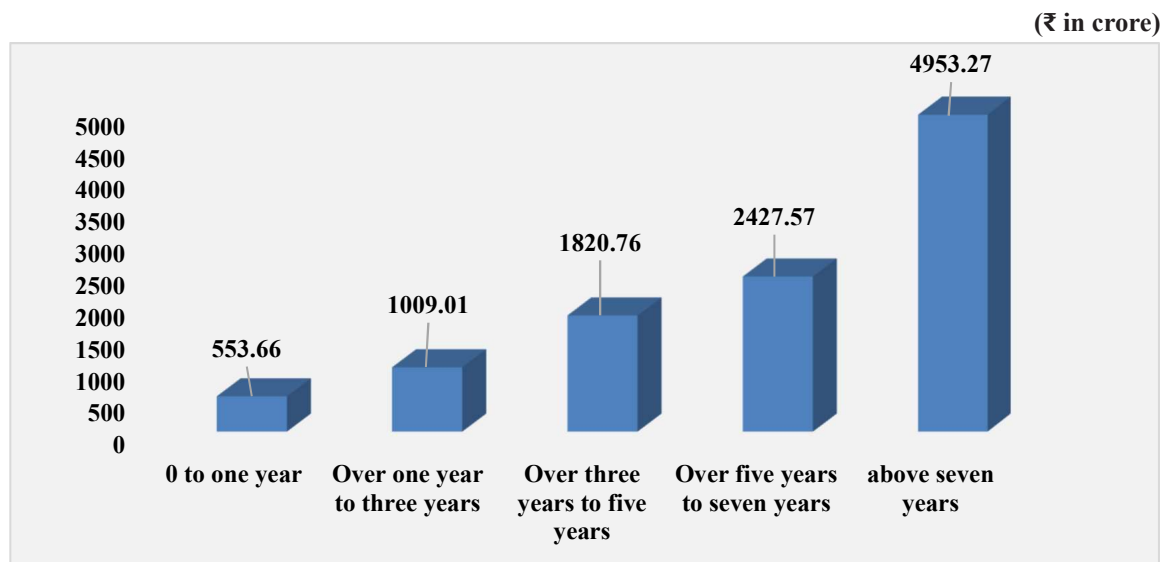
Debt Maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. Debt maturity profile of the State is depicted in **Table 2.44**.

Table 2.44: Maturity Profile of Public Debt

(₹ in crore)				
Year of Maturity	Maturity profile	Internal Debt	Loans and Advances from GoI	Total
2023-24	0 to one year	528.68	24.98	553.66
2024-25 to 2025-26	Over one year to three years	984.21	24.8	1,009.01
2026-27 to 2027-28	Over three years to five years	1,820.39	0.37	1,820.76
2028-29 to 2029-30	Over five years to seven years	2,427.56	0.01	2,427.57
2029-30 onwards	above seven years	2760	2,193.27	4,953.27
Total		8,520.84	2,243.43	10,764.27

Source: Finance Accounts 2022-23

Chart 2.24: Maturity Profile of Public Debt



Source: Finance Accounts, 2022-23

The maturity profile of outstanding stock of Public Debt as on 31 March 2023 indicates that out of the outstanding Public Debt of ₹10,764.27 crore, 53.99 per cent (₹5,811.00 crore) is payable within the next seven years while the remaining 46.01 per cent (₹4,953.27 crore) is in the maturity bracket of more than seven years. Of the total outstanding Public Debt, the Internal Debt consisting of Market Borrowings, Loans from NABARD and Special Securities issued to NSSF of Central Government constituted 79.16 per cent (₹8,520.84 crore). Details of repayment of principal and Interest on Outstanding debt stock in next 10 years on the present public debt liabilities is given in **Table 2.45**.

Table 2.45: Details of repayment of public debt and Interest

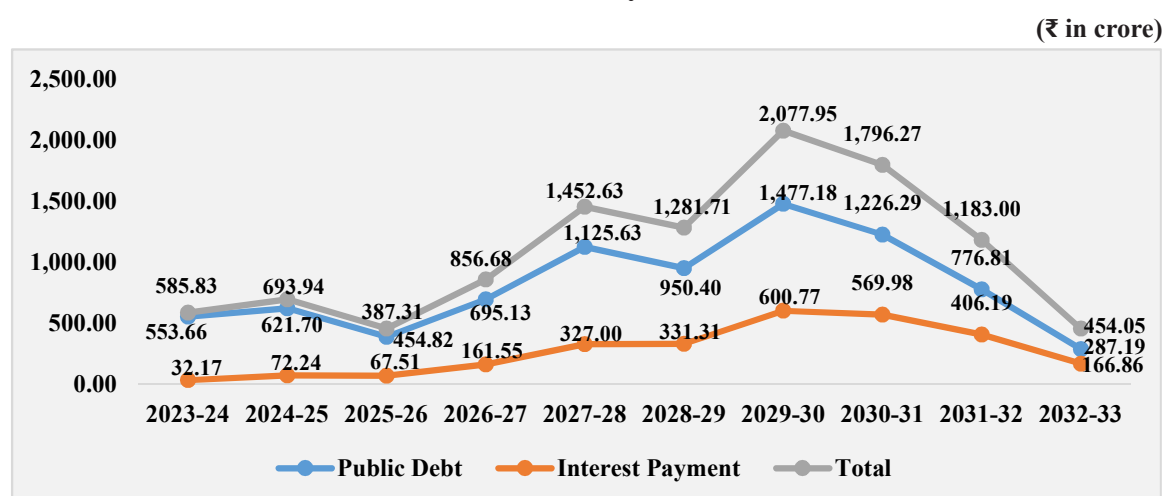
(₹ in crore)

Year	Public Debt		Interest payment on		Total
	Internal Debt	Loans from GoI	Internal Debt	Loans from GoI	
2023-24	528.68	24.98	30.72	1.45	585.83
2024-25	597.64	24.06	69.45	2.80	693.94
2025-26	386.57	0.74	67.38	0.13	454.82
2026-27	694.92	0.21	161.50	0.05	856.68
2027-28	1,125.47	0.16	326.95	0.05	1,452.63
2028-29	950.39	0.01	331.31	0.00	1,281.71
2029-30	1,477.17	0.01	600.76	0.00	2,077.94
2030-31	1,226.28	0.01	569.98	0.00	1,796.27
2031-32	776.81	0	406.19	0.00	1,183.00
2032-33	54.22	232.97	31.50	135.36	454.05

Source: Finance Account, 2022-23

Expenditure on Debt repayment (Principal component) as well as Interest thereon is a committed liability of the State government. As on 31 March 2023, the State accumulated debt of ₹10,764.27 crore. The State will repay ₹8,101.30 crore (75.26 per cent) of this accumulated debt before 31 March 2033. Trends of repayment of Public Debt and interest payments on available present Public Liabilities of the State for the next ten years is given in Chart 2.25.

Chart 2.25: Trends of repayment of public debt and Interest payment for next 10 years



Source: Finance Account, 2022-23

Interest due on the present debt liability will increase from 2025-26 and reach its peak in 2029-30 thereafter decrease uniformly over the next three years. Outstanding debt as on 31 March 2023 will mature and create a Debt repayment liability. This liability will increase and reach a peak in 2029-30 and will drop sharply in 2032-33. With respect to the present Debt liability, the repayment obligation (Principal plus Interest) on State government will be maximum in 2029-30. The State should plan in advance for reducing other committed expenditure and enhancing the revenue collection capacity to meet this obligation.

2.9.4 Utilisation of borrowed funds

Productive utilisation of public debt can lead to Capital formation, increase in GSDP and hence increased employment generation and overall growth of the economy. But if the funds are not utilised properly, then the increasing amount of public debt and the corresponding increase in interest payment is a serious issue to worry because the increase of burden of interest payment will reduce the available resources for other necessary expenditure such as expenditure on Economic and Social sector which play important roles in development of the State. **Table 2.46** presents the trend of utilisation of borrowed funds for repayment of earlier borrowings, Capital Expenditure and Revenue Expenditure.

Table 2.46: Details of utilisation of borrowed funds

(₹ in crore)

Year	Total Borrowings	Principal Repayment of earlier borrowings (in per cent)	Borrowings available for capital expenditure etc.	Net Capital Expenditure	Net Loans and Advances	Portion of Revenue expenditure met out of net available borrowings
1	2	3		4	5	6(2-3-4-5)
2018-19	1,204.97	279.76 (23.22)	925.21	5,727.43	(-)15.08	0.00
2019-20	1,790.70	353.60 (19.75)	1,437.10	3,693.05	(-)8.99	0.00
2020-21	1,516.06	259.49 (17.12)	1,256.57	5,123.35	1.14	0.00
2021-22	1,482.71	354.71 (23.92)	1,128.00	6,488.33	4.29	0.00
2022-23	2,479.56	551.11 (22.23)	1,928.45	8,107.36	1.49	0.00

Source: Finance Accounts of the respective year

It can be seen from the above **Table 2.46** that the State Government utilised total borrowings mostly on Capital Expenditure during the period from 2018-19 to 2022-23 indicating sustainable financial position of the State.

2.10 Management of Cash Balances

As per agreement with the Reserve Bank of India, State Governments have to maintain a minimum daily cash balance with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/ Special Ways and Means Advances (SWMA)/ Special Drawing Facility(SDF)/ Overdrafts (OD) from time to time. The limit for ordinary WMA to the State Government is revised by the RBI from time to time.

State Government invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The cash balances in the earmarked reserve funds such as State Disaster Reserve Fund, Consolidated Sinking Fund, Guarantee Redemption Fund, etc. are also invested in these instruments. The profits derived from such investments are credited as receipts under the head '0049-Interest Receipts'.

Under an agreement with the RBI, the State Government has to maintain a minimum balance of ₹0.26 crore with RBI. State Government was able to maintain a minimum cash balance with RBI during 2022-23.

The Cash Balances and Investments made by the State Government out of Cash Balances during 2022-23 are shown in **Table 2.47**.

Table 2.47: Cash Balances and Investment of Cash Balances

(₹ in crore)

Particulars	Open balance on 01 April 2022	Closing balance on 31 March 2023
A. General Cash Balance		
Cash in treasuries	0.00	0.00
Deposits with Reserve Bank	(-),063.52	(-),945.59
Deposits with other Banks	0.00	0.00
Remittances in transit – Local	0.00	0.00
Total (A)	(-),063.52	(-),945.59
B. Investments held in Cash Balance investment account	4,392.63	3,045.88
(a) Total (A+B)	2,329.11	2,100.29
(b) Other Cash Balances and Investments		
Cash with departmental officers	(-),2.40	(-),18.39
Permanent advances for contingent expenditure with department officers	0.01	0.01
Investment of earmarked funds	2,029.63	2,264.24
Total (b)	2,027.24	2,245.86
Total (a) + (b)	4,356.35	4,346.15
Interest realised	44.68	90.39

Source: Finance Accounts, 2022-23

Cash Balances of the State Government decreased by ₹10.20 crore from ₹4,356.35 crore in 2021-22 to ₹4,346.15 crore in 2022-23. There was a net difference of ₹217.29 crore (Credit) at the end of accounting year 2022-23 between the General Cash Balance as worked out by the Accountant General ₹945.59 crore (Credit) and that reported by the RBI ₹728.30 crore (Debit). This difference was mainly due to misclassification of transactions by bank/ treasuries.

As of 31 March 2023, the State Government invested ₹4,392.63 crore in GoI Treasury Bills. The profits derived from such investments are credited as receipts under the head '0049- Interest Receipts'. During 2022-23, Interest of ₹90.39 crore was earned on investment of Cash Balances.

Table 2.48 shows the year-wise Cash Balance Investment with interest earned during the last five years.

Table 2.48: Details of Cash Balance Investment with interest earned during the last five-years

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+)/ decrease (-)	Interest earned
2018-19	3,082.39	3,442.42	360.03	78.01
2019-20	3,442.42	1,416.05	(-)2,026.37	59.22
2020-21	1,416.05	1,699.49	(-)283.44	32.37
2021-22	1,699.49	4,392.63	2,693.14	44.68
2022-23	4,392.63	3,045.87	(-)1,346.76	90.39

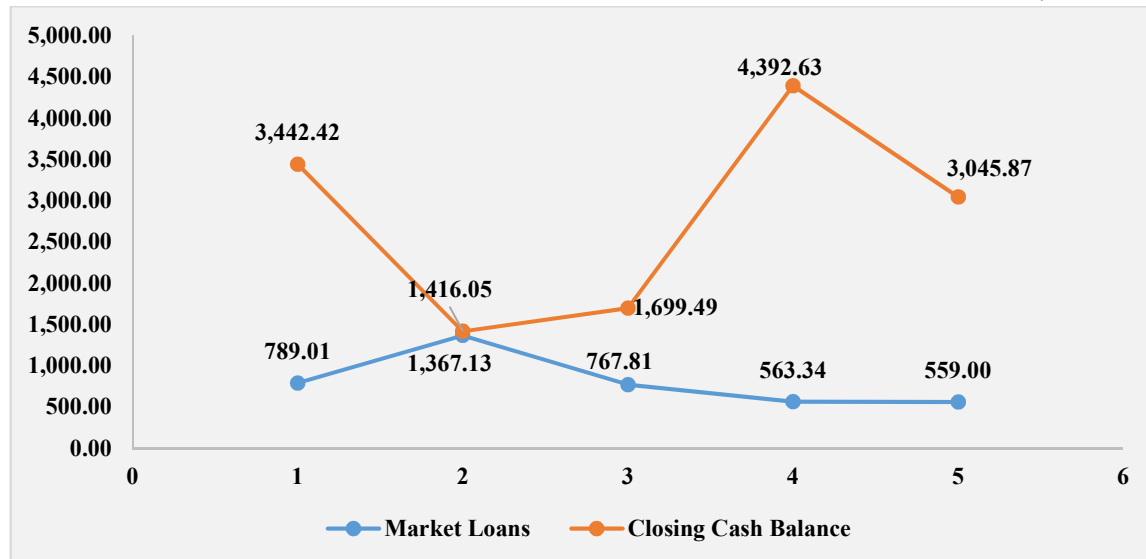
Source: Finance Accounts of the respective year

Cash Balance Investment of the State Government during 2018-19 to 2022-23 showed inter-year variance. During the current year, Cash Balance Investment of the State Government decreased by ₹1,346.76 crore (30.66 per cent) over the previous year.

Chart 2.26 compares the balances available in the Cash Balance Investment Account and the Market Loans taken by the State during the period 2018-19 to 2022-23.

Chart 2.26: Market Loans vis-à-vis Cash Balance Investment

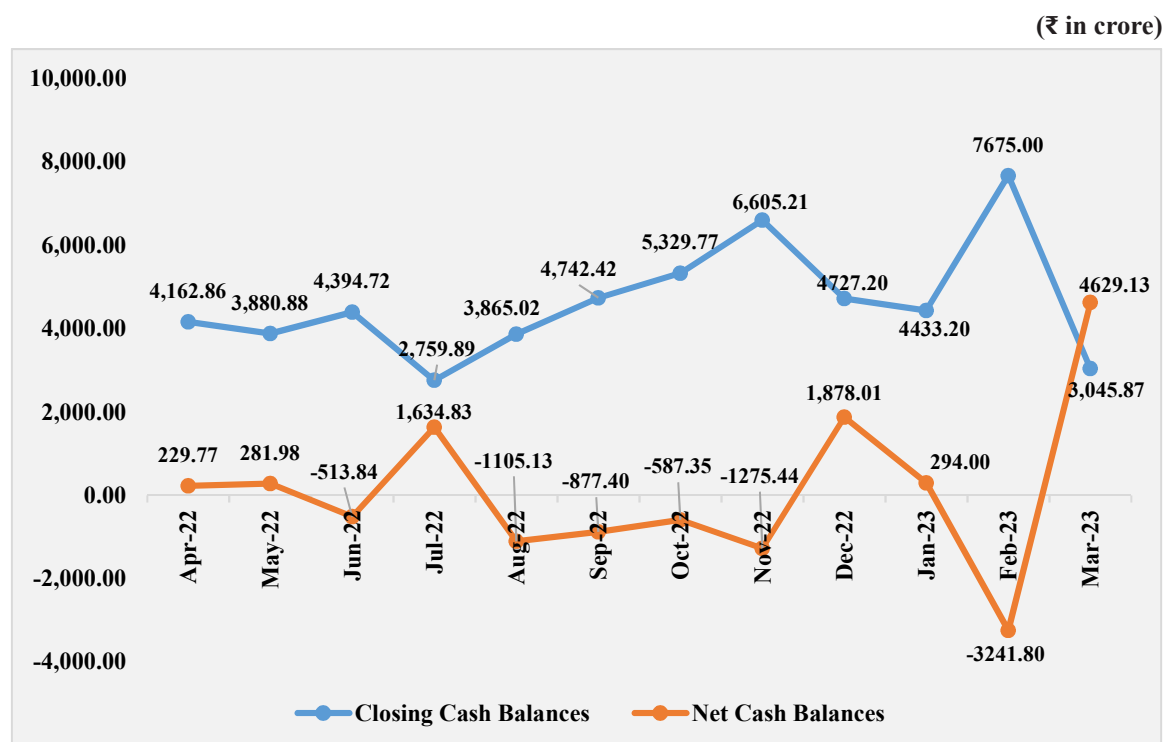
(₹ in crore)



Source: Finance Accounts of the respective year

As can be seen from **Chart 2.26**, it is not desirable that State Government take recourse to market loans despite having large cash balances leading to further accretion to cash balances without putting it to productive use. **Chart 2.27** compares the month-wise movement closing Cash Balances and net Cash Balance Investments during the year.

Chart 2.27: Month-wise movement of Cash Balances Investment Account



Source: Monthly Civil Accounts 2022-23

2.11 Conclusion

- The State had Revenue Surplus consistently during the period 2018-19 to 2022-23 and the revenue receipts increased during the current year. The State has done well to augment its own resources by expanding its tax base. However, the State's own resources constituted only around 14 per cent of the total revenue receipts during 2022-23, indicating heavy dependence of the State on funds from the Government of India, which contributed ₹20,532.92 crore (86 per cent) of the total revenue receipts of ₹23,788.14 crore in 2022-23.
- Both Revenue and Capital Expenditure increased by ₹1,571.03 crore (9.91 per cent) and ₹1,619.03 crore (24.95 per cent) respectively over the previous year. Revenue expenditure, which was in the nature of current consumption, accounted for around 68 per cent of the State's Total Expenditure during 2022-23, leaving only 32 per cent for infrastructure and asset creation.
- The State has not complied with the rules governing NPS. Non-observance of the rules governing NPS by the State Government is fraught with the risk of un-authorized use of funds belonging to its employees, thereby creating uncertainty in respect of the benefits due to the employees, avoidable future liability to the Government, and possible failure of the NPS itself in the State.
- The committed expenditure was about 54 to 62 per cent of Revenue Expenditure over the past five-years. The high share of the committed expenditure in the total

Revenue Expenditure indicates that the amounts available for implementing other welfare schemes, and maintenance of assets are getting reduced.

- The Capital Expenditure during the year which is meant for creating infrastructure constituted 31.76 *per cent* of the Total expenditure. Funds aggregating ₹741.81 crore were locked up during 2022-23 against 80 incomplete projects.
- The State did not have a comprehensive database of its investment in capital projects in the past having relevant information such as approved cost, the status of projects, details of completion time of the projects, and liabilities arising out of inordinate delays in completion of these projects.
- The maturity profile of outstanding stock of Public Debt as on 31 March 2023 indicates that out of the outstanding Public Debt of ₹10,764.27 crore, 53.99 *per cent* (₹5,811.00 crore) is payable within the next seven years while the remaining 46.01 *per cent* (₹4,953.27 crore) is in the maturity bracket of more than seven years. With respect to present Debt liability, the repayment obligation (Principal and Interest) on the State Government will be maximum in 2029-30.
- There was a net difference of ₹217.29 crore (Credit) at the end of accounting year 2022-23 between the General Cash Balance as worked out by the Accountant General ₹945.59 crore (Credit) and that reported by the RBI ₹728.30 crore (Debit).

2.12 Recommendations

The State Government may-

- Shore up its resources and explore ways of harnessing the potential within the State by appropriate measures to reduce dependency on GoI grants.
- Adhere to the prescribed procedure for accounting of the NPS transactions scrupulously. It should ensure that Government contribution relating to NPS is fully matched with that of the employees' contribution and that the entire amount is transferred to NSDL in a timely manner to avoid future liability on the State exchequer as well as to provide an assurance to the employees about the returns on their investment.
- Maintain an accurate database with regard to the capital invested in projects which are at various stages of completion for several years and review its commitment to these and liabilities arising out of inordinate delays in their completion.
- Identify potential wasteful expenditure and adopt economic measures across departments on the increasing trends of share of Committed Expenditure to the Revenue Expenditure.
- Plan in advance for reducing other Committed expenditure and enhancing the revenue collection capacity to meet this obligation so as to mobilise debt resources adequately for incurring Capital expenditure for the creation of assets.

CHAPTER-III
Financial Management
and Budgetary Control

Chapter III : Financial Management and Budgetary Control

3.1 Introduction

This chapter reviews the integrity, transparency and effectiveness of the budgetary process and allocative priorities, including supplementary grants, and concomitant financial management, assessing whether decisions taken at the policy level are implemented at the administrative level without diversions of funds.

3.2 Budget Process

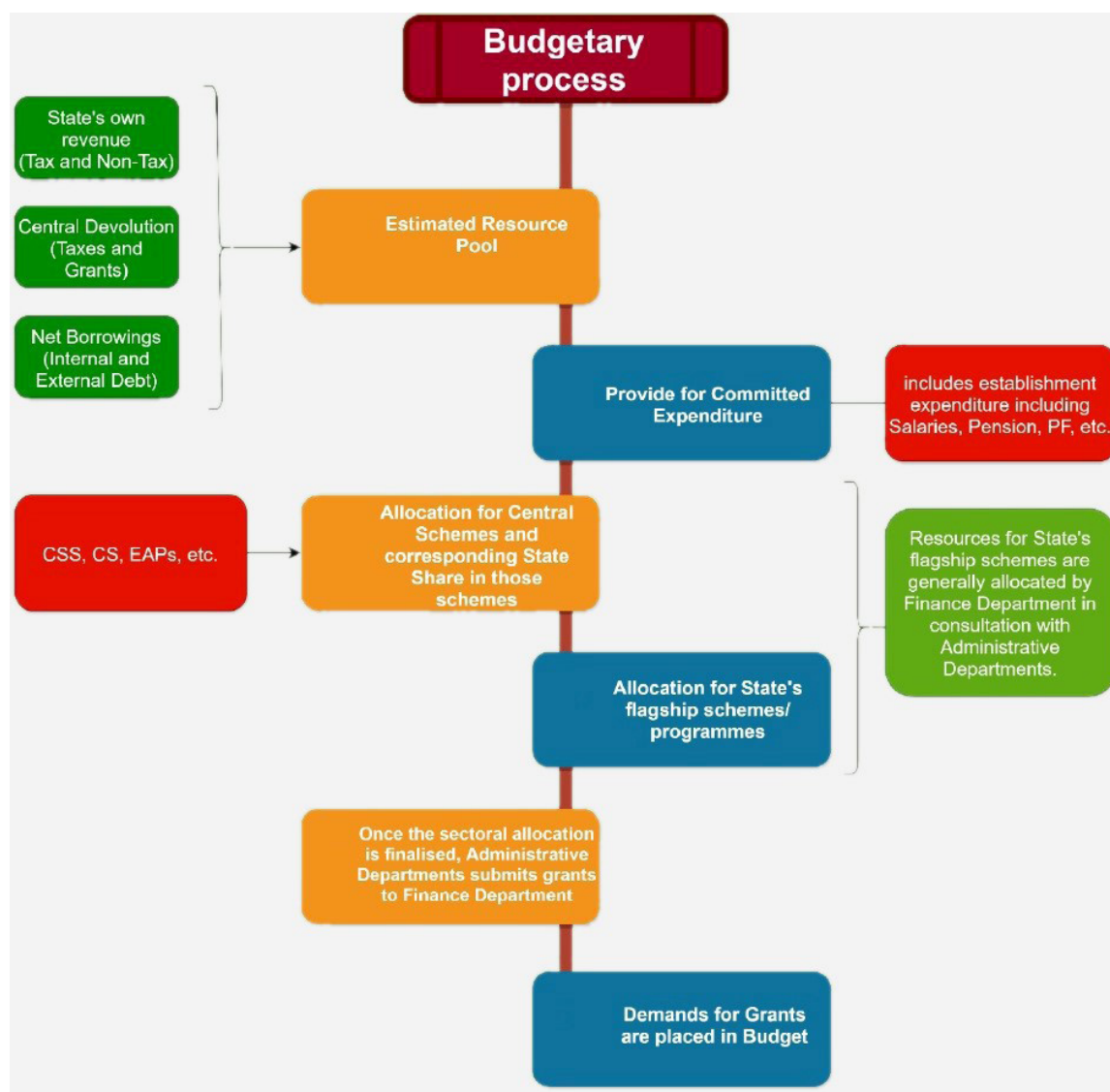
The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. The budget process commences with the issue of Budget Circular providing guidance to the Departments in framing their estimates for the next financial year.

Government of Arunachal Pradesh (GoAP) has not yet prepared a Budget Manual, which would normally detail the process involved in the exercise of budget formulation, the roles and responsibilities of the people entrusted with the preparation and implementation of budget, the timelines for preparation and submission of budgetary estimates and requirements for supplementary budgets, the process for seeking re-appropriations within Grants, assessment of savings and surrenders *etc.* in addition to the monitoring mechanisms and controls to be exercised by the Controlling Officers at all stages of budget preparation and implementation.

In the absence of any Budget Manual, the State Government has been following the General Financial Rules, various provisions of the Constitution of India, guidelines issued by the Central Governments, and Circulars issued by the State Government. The Finance Department is responsible for preparation of the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the detailed estimates called 'Demand for Grants'. The State budget comprises following documents as given in **Chart 3.1**.

Normally, every Department has one Demand for a Grant to ensure that corresponding to each Demand for a Grant a Head of the Department takes responsibility for implementing the policy decisions and expending public funds for the intended purposes. The State Government secures legislative approval for expenditure out of the Consolidated Fund of the State by presenting its Annual Budget and 79 Demands for Grants.

Chart 3.1 Budgetary Process followed by the State Government



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

3.3 Annual Budget 2022-23

Finance bill, Annual Financial Statement (Budget), and Demands for Grants are mandated by Article 199, 202 and 203 of the Constitution of India respectively.

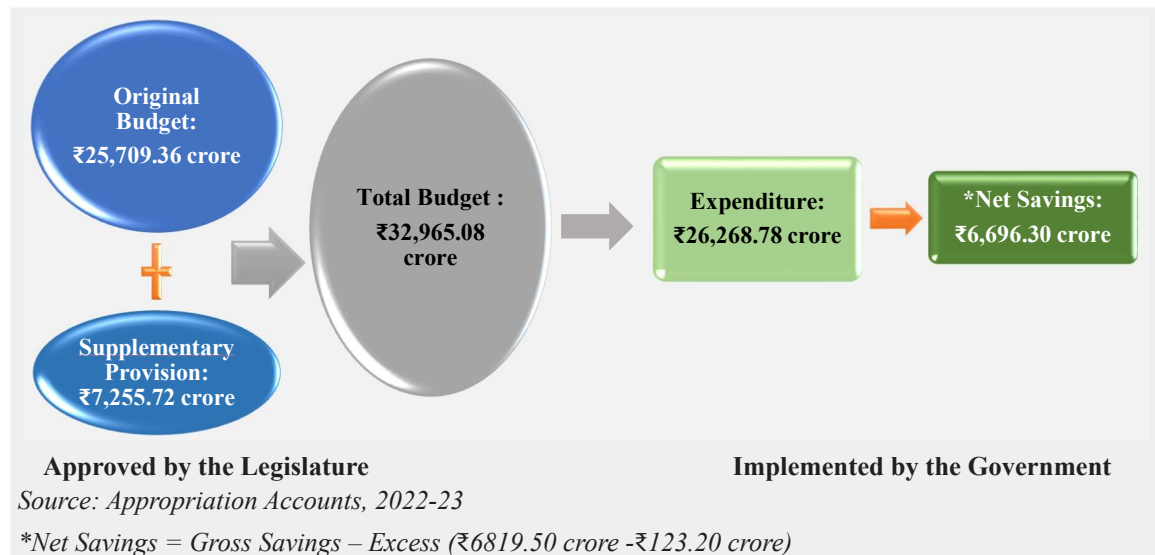
In compliance with Article 202 of Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year called

“Annual Financial Statement” is to be laid before the House or Houses of the Legislature of the State. The estimates of the expenditure show ‘charged’ and ‘voted’ items¹ of expenditure separately. It shall also distinguish expenditure on revenue account from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the State Government.

Further, Supplementary or Additional Grant or Appropriation is provided during the course of financial year, in accordance with Article 205 of the Constitution. It is the provision for meeting expenditure in excess of the budgeted.

The total amount approved by the State Legislature including the original and supplementary budgets, expenditures, and savings during 2022-23 is given in **Chart 3.2**.

Chart 3.2 Summary of Budget and Expenditure of Arunachal Pradesh for 2022-23



The budget provision (₹32,965.08 crore) for the year 2022-23 was more than the budget provision approved by the Legislature in the previous year (₹27,920.96 crore) by ₹5,044.12 crore. During 2022-23, the net savings amounted to 92.29 per cent of the aggregate Supplementary Provisions (₹7,255.72 crore). Further, due to the insufficient budget provisions (Original plus Supplementary) under nine grants (six under revenue and three under capital), there was an excess expenditure of ₹123.20² crore. The actual expenditure fell short of the amount approved by the Legislature (original budget plus supplementary) by ₹6,696.30 crore, constituting about 20.31 per cent of the total budget provisions approved. This raises questions about the basic assumptions that led to the unrealistic formulation of the budget. The actual expenditure (₹26,268.78 crore) during

¹ **Charged Expenditure:** Certain categories of expenditure (e.g. salaries of constitutional authorities, loan repayment etc.), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature. **Voted Expenditure:** all other expenditure is voted by the Legislature

² Excess expenditure was ₹122.74 crore under Revenue Section and ₹0.46 crore under Capital Section

2022-23 was more than the actual expenditure (₹22,934.60 crore) of the previous year by ₹3,334.18³ crore.

According to the monthly civil accounts, the total expenditure of the Government till February 2023 was only ₹16,032.64 crore, leaving it with ₹9,676.72 crore for the Month of March 2023 from the original budget allocation. However, the Government took a Supplementary Grant of ₹7,255.72 crore on 07 March 2023 for the remaining 25 days. With the Supplementary Grant, total funds available with the State Government for March 2023 were ₹16,932.44 crore, which was equal to 105.61 *per cent* of the expenditure incurred during the first 11 months of the financial year. This is indicative of poor financial management.

3.3.1 Summary of total Provision, actual disbursement, and savings/ excess during the financial year

A summarised position of the total budget provision, actual disbursement, and savings/ excess with their further bifurcation into Voted/ Charged for the year 2022-23 is given in **Table 3.1**.

Table 3.1: Budget provision, actual disbursement, and savings/ excess during 2022-23
(₹ in crore)

Budget Provision		Disbursement		Savings		Excess	
Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
31,193.68	1,771.40	24,773.13	1,495.65	6,543.75	275.75	123.20	0.00

Source: Appropriation Accounts, 2022-23

There was an overall savings of ₹6,819.50 crore offset by excess of ₹123.20 crore during 2022-23 resulting in net savings of ₹6,696.30 crore which was 20.31 *per cent* of the total Grants/ Appropriations and 25.49 *per cent* of the total actual expenditure.

These savings may be seen in the context of budget provisions on the expenditure side being ₹32,965.08 crore during 2022-23 against the estimated Receipts under the Consolidated fund of ₹26,111.63 crore. This implied that the actual savings (₹6,696.30 crore) were notional, as the funds were not actually available for expenditure, thus, reflecting poorly on the budget formulation exercise of the State Government.

3.3.2 Charged and Voted Disbursement

Break-up of the total disbursement into charged and voted during 2022-23 along with the trend analysis during the last five years is given in **Table 3.2**.

³ ₹1,518.01 crore under Revenue Section and ₹1,816.17 crore under Capital Section

Table 3.2: Year-wise details of disbursement

(₹ in crore)

Year	Disbursement		Savings (-)	
	Voted	Charged	Voted	Charged
2018-19	17,386.20	1,070.97	7,847.07	503.93
2019-20	15,046.85	1,234.55	6,938.94	266.76
2020-21	17,395.43	1,278.62	6,571.49	355.26
2021-22	21,568.13	1,366.46	4,634.38	367.99
2022-23	24,773.13	1,495.65	6,543.75	275.75

Source: Appropriation Accounts of the respective year

As can be seen from **Table 3.2**, there were substantial savings in all five years in the voted and charged sections. This happened because most of the share from GoI being released in the last quarter of the financial year leaving little time for their utilisation, late provision supplementary grants, Lump-sum provision of budget and overestimation of the expenditure side, indicating that the expenditure was estimated without assessment of the availability of the resources to meet the expenditure.

As against the total savings of ₹6,819.50 crore during 2022-23, savings of ₹5,918.50⁴ crore (86.79 per cent of gross savings), where savings of ₹100.00 crore occurred in 16 Grants/ Appropriations as shown in **Table 3.11**, indicating serious weakness in the budget formulation in these Grants/ Appropriations. During 2022-23, 27 schemes encompassing 13 departments (detail in **Appendix 3.9**) could not be implemented, resulting in unutilised provisions of fund of ₹494.84 crore constituting 7.27 per cent of gross savings. However, compared to the last year (₹736.32 crore) such un-utilised provisions have decreased by 32.80 per cent.

3.4 Budget Marksmanship

3.4.1 Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate actual expenditure compares with the amount originally approved, both in terms of less than approved or in excess of approved.

Table 3.3: Aggregate Budget Outturn

(₹ in crore)

Description	Original Approved Budget (BE)	Actual Outturn	Difference between Actual and BE*
1	2	3	4
Revenue	18,201.55	17,606.94	(-)594.61
Capital	7,507.81	8,661.84	(+)1,154.03
Total	25,709.36	26,268.78	(+)559.42

Source: Financial Statement 2022-23 and Appropriation Accounts, 2022-23

* Excess of actuals over original provision is denoted as (+) figure and shortage of actuals over original provision as (-) figure

Deviation in outturn compared with BE was (-)3.27 per cent in Revenue Section and (+)15.37 per cent in Capital Section. This was due to the deviation as shown in **Table 3.4**.

⁴ ₹3,441.57 crore under Revenue Section (14 Grants) and ₹2,476.93 crore under Capital Section (four Grants)

Table 3.4: Details of deviation in outturn compared with BE

Sl. No.	Deviation (in per cent)	Revenue	Capital
1.	0 and ± 25	51	20
2.	between ± 25 to ± 50	18	10
3.	between ± 50 to ± 100	6	10
4.	equal to or more than ± 100	4	17
Total		79	57

Source: Financial Statement 2022-23 and Appropriation Accounts, 2022-23

3.4.2 Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during the execution have contributed to variance in the expenditure composition.

Table 3.5: Expenditure Composition Outturn

(₹ in crore)

Description	Original Approved Budget (BE)	Revised (RE)	Actual Outturn	Difference between BE and RE	Difference between Actual and RE*
1	2	3	4	5	6
Revenue	18,201.55	21,450.64	17,606.94	3,249.09	(-)3,843.70
Capital	7,507.81	11,514.44	8,661.84	4,006.63	(-)2,852.60
Total	25,709.36	32,965.08	26,268.78	7,255.72	(-)6,696.30

Source: Annual Financial Statements, 2023-24 and Appropriation Accounts, 2022-23

* Excess of actuals over original provision is denoted as (+) and shortage of actuals over original provision is denoted as (-)

Deviation in outturn compared with RE was (-)17.92 per cent in Revenue Section and (+)24.77 per cent in Capital Section. This was due to deviation as shown in Table 3.6.

Table 3.6: Details of deviation in outturn with RE

Sl. No.	Deviation (in per cent)	Revenue	Capital
1.	0 and ± 25	58	43
2.	between ± 25 to ± 50	17	4
3.	between ± 50 to ± 100	3	8
4.	equal to or more than ± 100	1	2
Total		79	57

Source: Annual Financial Statements, 2023-24 and Appropriation Accounts, 2022-23

3.5 Comments on Integrity of Budgetary and Accounting Process

3.5.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of Article 204 of the Constitution. Expenditure should not be incurred on a scheme/ service without the provision of funds except after obtaining additional funds by re-appropriation, supplementary grant or appropriation, or an advance from the Contingency Fund.

It was noticed that an expenditure of ₹119.50 crore was incurred on four Centrally Sponsored Schemes under the four Grants/ Appropriations without any provisions in

the original estimates/ supplementary demands and without any re-appropriation orders as shown in **Table 3.7** which were not qualified as emergent/ unforeseen in nature and therefore could have waited for Supplementary Demands during 2022-23 or Original Budget next year. Further, it was observed that ₹107.68 crore was incurred on Integrated Fishery Development Programme (CSS) under North Eastern Council for construction of Fisheries Ponds. Out of ₹107.68 crore, ₹21.80 crore was incurred in April 2022, and ₹85.88 crore in March 2023, which could have been regularised by Supplementary Grants as Supplementary Grants was taken on 07 March 2023.

Table 3.7: Expenditure incurred without budget provision during 2022-23

(₹ in crore)

Sl. No.	Number and Name of Grant	Head of Account	Expenditure	Name of Schemes/ Sub Heads
1.	24-Agriculture	03-2401-113-05	0.68	National Agriculture Technology Infrastructure
2.	24-Agriculture	2401-115-03	4.62	National Mission on Substantial Agriculture (NMSA)
3.	24-Agriculture	2401-796-04	6.52	Sub Mission on Agriculture Mechanization (SMAM)
4.	33-North Eastern Council	09-2552-800-33	107.68	Integrated Fishery Development Programme
Total			119.50	-

Source: Detailed Appropriation Accounts, 2022-23

Drawal of money in the above grants was in violation of the provisions of the Constitution. It was the responsibility of the sanctioning authority to ensure that the required funds were available by way of provision in the budget before issuing sanction orders. The authorities while issuing sanctions for incurring expenditure from the Government account against the schemes mentioned in **Table 3.7** did not ensure the existence of a budget before issuing such sanction orders. Instead of ensuring the existence of budget provisions before admitting bills, the Treasury officers passed bills pertaining to these schemes based on sanction orders. This shows that bills were passed in treasuries without proper verification of the existence of provisions in the Budget and compliance with the prescribed rules was not ensured. Though, a substantial decrease in comparison to the last year's expenditure without budget provision (₹279.92 crore⁵) has been noticed, the Government still needs to strengthen the mechanisms for strict compliance with the rules; and the Treasury Officers must strictly adhere to the provisions regarding the existence of budget provision before passing of the bills.

3.5.2 Supplementary Provision

The General Financial Rules permit obtaining a Supplementary Grant/ Appropriation if the budgetary provision falls short and a commitment for expenditure has already been made under the orders of competent authority or expenditure is required to be made against the sub-heads for which no budget provision was made. The State

⁵ ₹18.51 crore under Capital and ₹261.41 crore under Revenue

Legislature approved one supplementary provision of ₹7,255.72 crore in 69 Grants/ Appropriations for the year 2022-23 on 07 March 2023, leaving few working days with the departments to utilise the fund. Audit analysis of the utilisation of supplementary allocations showed that a provision of only ₹5,208.20 crore was required in 59 Grants/ Appropriations where the final expenditure exceeded the original budget provisions. Details relating to the actual expenditures incurred against the original budget allocations and supplementary provisions are given in **Appendix 3.1**. Since the supplementary provision was Cash Supplementary which is over and above the original budget provision and resulted in enhancement of the total allocation for the Demand/ Grant, obtaining such approval without properly assessing the requirements resulted in large savings at the end of the year proving that ₹2,047.52 crore of the Supplementary provision was either unnecessary or could have been restricted to token amounts. The details of such grants where the Supplementary provision was unnecessary are discussed in the following subparagraphs.

3.5.2.1 Unnecessary or Excessive Supplementary Provision

Supplementary provision aggregating ₹713.32⁶ crore (₹10.00 lakh or more in each case) obtained in 14 Grants during 2022-23 proved unnecessary (details given in **Appendix 3.2**) as even the original provision was not fully utilised. Clearly, the Controlling Officers could not realistically assess/ estimate the actual requirement of funds for the remaining period of the financial year. The position of the grants is given in **Table 3.8** where the total supplementary provision of more than ₹10.00 crore was obtained and was later found unnecessary.

Table 3.8: Unnecessary Supplementary Provision

(₹ in crore)

Sl. No.	Grant No. and Name	Original	Supplementary	Actual Expenditure	Savings out of Original Provisions
Revenue-Voted					
1.	7- Accounts and Treasury	235.76	50.91	201.44	34.32
3.	13-Audit and Pension	1,662.16	129.41	1,509.50	152.66
4.	25-Disaster Management	286.30	29.11	189.67	96.62
5.	26-Rural Works Department	365.34	154.65	347.37	17.97
6.	27-Panchayati Raj	395.56	89.08	337.96	57.60
7.	34-Power (Electrical)	1,283.25	77.18	1,141.15	142.10
8.	38-Water Resource Department	472.35	147.83	363.15	109.19
Capital-Voted					
9.	80-Medical Education Training and Research	24.85	18.70	14.57	10.28
Total		4,725.57	696.87	4,104.81	620.74

Source: Appropriation Accounts, 2022-23

⁶ ₹684.14 crore under Revenue Section and ₹29.18 crore under Capital Section

In Grant No. 80-Medical Education Training and Research, against one sub-head (4210-03-200- 'Creation of Assets under Budget Announcement/ State Development Scheme'), the original provision was ₹24.85 crore. According to Monthly civil accounts, the total expenditure till February 2023 was ₹5.46 crore leaving it with ₹19.39 crore for March from the original budget. Government allocated supplementary grant of ₹18.70 crore on 7 March 2023 for the remaining 25 days. With the supplementary grant, total funds available with the department for March was ₹38.09 crore which was 697.62 per cent of expenditure incurred during the first 11 months of the financial year. This indicative of poor financial management.

These types of unrealistic budgets should be scrutinised by the Finance Department (Budget), Government of Arunachal Pradesh before approval of the supplementary grants to the concerned departments. However, the occurrence of such cases under grant 26-Rural Works Department during consecutive year implies that Budget Division is not paying enough attention to avoid unrealistic budget formulation.

3.5.2.2 Excessive or Inadequate Supplementary Provision

During 2022-23, excessive or inadequate Supplementary Provisions (of ₹one crore and above) were made in 41 cases. Details of these 41 cases, where deviations from the actual requirements ranged between one to more than 100 per cent of the Supplementary Provisions, are in *Appendix 3.3*. A range-wise summarised position of excessive or inadequate Supplementary Provisions is given in **Table 3.9**.

Table 3.9: Range of excessive or inadequate Supplementary provisions

(₹ in crore)

Range of Supplementary Provisions (excess/ less)	Details of Supplementary Provisions				
	Total	Excess (+)	Number of Cases	Less (-)	Number of Cases
0-20 per cent	3,810.45	334.76	12	13.74	1
21-40 per cent	722.19	234.31	5	-	-
41-60 per cent	792.22	422.52	4	-	-
61-80 per cent	249.91	192.00	2	-	-
More than 81 per cent	998.84	1,624.39	17	-	-
Total	6,573.61	2,807.98	40	13.74	1

Source: Appropriation Accounts, 2022-23

Further, Supplementary Provisions aggregating ₹6,573.61 crore under 41 cases proved excessive by ₹2,807.98 crore under 40 cases and inadequate by ₹13.74 crore under one case.

The State Government (Secretary, Finance) in its reply (October 2023) stated that all possible efforts would be made to avoid such cases in future.

3.5.3 Error in Classification of Expenditures

Rule 84 of General Financial Rules, 2017 stipulates that significant expenditure incurred with the object of acquiring tangible assets of a permanent nature (for use in the organisation and not for sale in the ordinary course of business) or enhancing the utility of existing assets,

shall broadly be defined as Capital Expenditure. Subsequent charges on maintenance, repair, upkeep, and working expenses, which are required to maintain the assets in a running order as also all other expenses incurred for the day-to-day running of the organisation, including establishment and administrative expenses shall be classified as Revenue Expenditure. Capital and Revenue Expenditure shall be shown separately in the Accounts.

- During the audit of Appropriation Accounts for the year 2022-23, it was noticed that the State Government, however, incorrectly made budget provision of ₹7.75 crore for construction of Infrastructure Development for Science and Technology Research and Information and ₹1.15 crore for Anti Erosion Work along Mechang river of Yuibu under Revenue Section instead of booking the same under Capital Section, which had the impact of overstating the Revenue expenditure and understating the Revenue Surplus.
- Further the State Government incorrectly made budget provision of ₹7.59 crore for the Maintenance of Works under Capital Section instead of booking the same under Revenue Section, which had the impact of understating the Revenue expenditure and overstating the Revenue Surplus as details given in **Table 3.10**.

Table 3.10: Misclassification of Expenditure

(₹ in crore)

Sl. No.	Grant No. and Name	Classification	Scheme Name	Expenditure Amount	Correct specific classification to be used	Where booked	Where to be booked
1	38-Water Resource Department	03-2711-01-103-01	Anti-Erosion Work along Mechang river of Yuibu	1.15	5054-01-103-01	Revenue	Capital
2	49-Science and Technology	04-3425-60-004-02	C/o Infrastructure Development for Science and Technology Research and Innovation	7.75	3425-60-004-02	Revenue	Capital
3	75-Higher and Technical Education	08-2203-105-03	Setting up of new polytechnics (PMKVY)	2.83	4202-02-104-07	Revenue	Capital
4	59-Public Health Engineering	04-4215-01-800-02	Maintenance of Works	7.59	2215-01-800-02	Capital	Revenue

Source: Detailed Appropriation Accounts, 2022-23

The Government while issuing sanctions for implementation of the schemes did not strictly adhere to the Government Accounting Rules, 1990 with regard to the classification of expenditure, which resulted in misclassification of Revenue expenditure as Capital Expenditure and *vice-versa*. Even the Treasury officers while passing the bills did not take up the matter with the appropriate authority and rectify the misclassification. Further, it was noticed that the same irregularities existed in the previous year's report under two grants (38-Water Resource Department and 59-Public Health Engineering), which shows that the State Government has not taken any corrective measures to control the reoccurrence of the misclassifications.

The State Government (Secretary, Finance) in its reply stated that necessary direction would be issued to the departments to avoid such occurrence in future.

Recommendation *Finance Department should comply with the above rule while preparing Detailed Demand for Grants to avoid misclassification.*

3.5.4 Non-Classification of Expenditure

As per para 25(1) of the GFR 2017, all sanctions shall indicate the details of provision in the relevant grant or appropriation from which the expenditure has to be met. A test-check of the sanctions issued by the Government indicated that 99 sanction orders issued by the Government, involving ₹22.05 crore (details given in *Appendix 3.4*) did not indicate the provision in the grant or appropriation from which the expenditure was to be met or the head of the account under which the expenditure was to be classified. Non-observance of instructions has resulted in the booking of expenditures without budget provision by the Drawing and Disbursing Officers (DDOs).

The State Government (Secretary, Finance) in its reply (October 2023) stated that the corrective measures to avoid such cases would be taken up after discussing with the concerned Head of the Departments.

Recommendation *Finance Department should monitor that all the Head of the Department follow the instructions while issuing order to avoid such types of instances.*

3.5.5 Excessive/ Unnecessary/ inadequate/ Injudicious re-appropriation of funds

Re-appropriation is the transfer of funds within a Grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. The authority issuing the re-appropriation order should assess the requirement of funds, expenditure incurred as on the date of issue of re-appropriation of funds, potential savings/ excess, *etc.* along with reasons for such re-appropriation, before issuing such order. It was noticed that such an exercise was not done diligently in many cases proving that either the re-appropriation itself was unnecessary or could have been issued for a different amount to avoid savings/ excess at the end of the financial year. However, during scrutiny of budget documents it was noticed that as many as 181 cases (*Appendix 3.5*), the re-appropriation was not made after a realistic assessment as the expenditure was less/ more than the final appropriated amount.

- In respect of 121 cases, the Re-appropriation proved excessive by ₹922.64 crore as Total Expenditure was ₹7,750.55 crore against the Final Grant (Original plus Supplementary plus Re-appropriation) of ₹8,673.19 crore as shown in *Appendix 3.5 (Part A)*.
- Under 15 cases, the Re-appropriation was inadequate as Total Expenditure exceeded the Final Grant (Original plus Supplementary plus Re-appropriation) by ₹49.97 crore as shown in *Appendix 3.5 (part B)*.

- In 35 cases, re-appropriation was unnecessary by ₹379.74 crore as actual expenditure was less than the Total Grant (Original *plus* Supplementary) as shown in **Appendix 3.5 (Part C)**.
- Under 10 cases, the Actual Expenditure was more than the Final Grant (Original *plus* Supplementary *minus* Re-appropriation) by ₹6.09 crore proved injudicious re-appropriation as shown in **Appendix 3.5 (Part D)**.

Recommendation *The Finance Department should monitor that all the Heads of the Departments follow the instructions issued by them in order to avoid unnecessary/ excessive Re appropriation of funds.*

3.5.6 Appropriation *vis-à-vis* Allocative Priorities

Appropriations Accounts are accounts of the expenditure of the Government for each financial year, compared with amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passes under the Article 204 of the Constitution of India. Appropriation Accounts are prepared on Gross basis. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both Charged and Voted items of budget. Appropriation Accounts, thus facilitate understanding of utilisation funds, the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Audit of Appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with authorisation given under the Appropriation Act and that the expenditure required to be charged under the provision of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

The outcome of the appropriation audit showed cases of significant savings (exceeded ₹one crore in each case) aggregating to ₹3,660.69 crore in 23 cases (Revenue) and ₹2,474.67 crore in 13 cases (Capital) and together amounting to more than 20 *per cent* of the total provisions, details of which are given in **Appendix 3.6**. Such huge savings indicate that the budget estimates are not prepared realistically. In 10 such cases, reasons for appropriation have not been appropriately explained in the Appropriation Accounts.

In the net savings of ₹6,696.30 crore, savings of ₹5,918.50 crore (88.38 *per cent*), exceeding ₹100.00 crore in each case, occurred in 16 Grants/ Appropriations as shown in **Table 3.11**.

Table 3.11: List of Grants with Savings of ₹100.00 crore and more

(₹ in crore)

Sl. No.	Number and Name of Grant	Total Grant	Actual Expenditure	Details of Savings		Reasons for Savings
				Savings	Percentage	
Revenue-Voted						
1	11- Women and Child Development	441.49	293.03	148.47	33.63	<ul style="list-style-type: none"> ➤ Due to non-utilisation of fund provided by the Planning and Investment Division under salary head. ➤ Due to non-receipt of proposals from the districts under All India Tour of Rural Woman Scheme
2	13- Audit and Pension	1,791.57	1,509.50	282.07	15.74	<ul style="list-style-type: none"> ➤ Reason for saving has not been intimated.
3	22- Food and Civil Supplies	583.60	427.34	156.26	26.78	<ul style="list-style-type: none"> ➤ Due to non drawal of Leave Encashment, MACP arrear. ➤ Due to release of Central Share of 16.00 lakh for computerization of PDS Operation at the end of financial year.
4	23- Environment and Forests	798.35	506.50	291.85	36.56	<ul style="list-style-type: none"> ➤ Due to Non-drawal of arrear pay and leave encashment of retired/ death persons as pension papers are under process. ➤ Due to non-receipt of LOC authorization from the Finance Department of GoAP.
5	25- Disaster Management	315.40	189.67	125.73	39.86	<ul style="list-style-type: none"> ➤ Reason for saving has not been intimated.
6	26- Rural Works Department	519.99	347.37	172.62	33.2	<ul style="list-style-type: none"> ➤ Due to non-finalisation of MACP arrear, LTC and Domestic Travel Expenses, under various DDOs. ➤ Due to non-sanction of contingency posts.
7	27- Panchayati Raj	484.65	337.96	146.68	30.27	<ul style="list-style-type: none"> ➤ Due to non-release of fund by GoI.
8	31- Public Works Department	1,433.63	1,056.63	377.00	26.30	<ul style="list-style-type: none"> ➤ Due to non-completion of physical works as fund was provided at the end of financial year. ➤ Due to non-filling up of vacant posts, non-payment of arrear, HRA, DA on time as fund was provided near the end of financial year.
9	34- Power (Electrical)	1,360.43	1,141.15	219.29	16.12	<ul style="list-style-type: none"> ➤ Due to non-payment of MACP arrear and leave encashment in march and making payment of Professional Services as per bill claimed.

Sl. No.	Number and Name of Grant	Total Grant	Actual Expenditure	Details of Savings		Reasons for Savings
				Savings	Percentage	
10	38- Water Resource Department	620.18	363.15	257.02	41.44	➤ Due to non-completion of tender process in respect of some of the schemes.
11	50- Planning and Investment	565.83	126.19	439.64	77.70	➤ Due to non-implementation of some of the schemes owing to late release of fund by the GoI.
12	59- Public Health Engineering and Water Supply	870.60	633.97	236.63	27.18	➤ Due to non-completion of some of the schemes owing to late receipt of expenditure authorisation from the Finance Dept. GoAP.
13	66- Hydro Power Development	470.91	284.16	186.75	39.66	➤ Due to non-payment of Leave Encashment, MACP arrear etc. and late receipt of bills
14	76- Elementary Education	2,070.03	1,668.47	401.55	19.40	➤ Due to non-receipt of expenditure authorisation
Total		12,326.66	8,885.09	3,441.57		
Capital-Voted						
15	24- Agriculture	118.90	3.96	114.94	96.67	➤ Reason for saving has not been intimated.
16	50- Planning and Investment	2,788.11	869.23	1,918.88	68.82	➤ Due to non-implementation of some of the schemes owing to late release of fund by the Government of India.
17	31- Public Works Department	2,556.18	2,362.97	193.21	7.56	➤ Due to non-completion of some of the schemes owing to late receipt of expenditure authorisation from the Finance Dept. GoAP.
Total		5,463.19	3,236.16	2,227.03		
Capital-Charged						
18	Public Debt	801.01	551.11	249.90	31.20	➤ Reason for saving has not been intimated.
Total		801.01	551.11	249.90		

Source: Appropriation Accounts, 2022-23

Details analysis of some grants as discussed below:

(i) Grant No.-31-Public Works Department:

- There was savings of ₹377.00 crore under Revenue Section. Out of ₹377.00 crore, ₹187.78 crore was surrendered on 31 March 2023. Thus, net savings was ₹189.22 crore.
- Out of remaining savings of ₹189.22 crore, there were savings of ₹139.36 crore under 'Major head 2059', ₹49.54 crore under 'Major head 3054' and ₹0.32 crore under Major head 2216.

- Out of total savings of ₹139.36 under 'Major head 2059', savings of ₹96.75 crore under 'sub-head 2059-80-001-01-Establishment Expenses', ₹30.76 crore under 'sub-head 2059-80-001-02-Execution', ₹11.82 crore under sub-head '2059-80-001-03-Structrural planning 'and ₹0.03 crore under sub-head '2059-80-051-02 Budget announcement' respectively, however, no part of the savings was anticipated for surrender during the year. Further, the Department in reply (July 2023) stated that the savings was due to non-filling up of vacant posts and non-payment of arrear, HRA and DA on time and physical works.
- Out of total savings of ₹49.54 crore under 'Major head 3054-Road and Bridges', ₹14.64 crore under sub-head '3054-04-001-01 Establishment expenses', ₹33.79 crore under sub-head '3054-04-105-01- Other maintenance expenditure' was occurred respectively. Department in its reply (June 2023) stated that savings was occurred due to non-filling of vacant post and non-payment of Arrear/ HRA/ DA and completion of physical works as fund was provided on fag end of financial year.
- There was savings of ₹193.21 crore under grant 31-Public Works Department in Capital Section, however, no part of savings was anticipated for surrender during the year.
- Out of total savings of ₹193.21 crore, there were savings of ₹185.05 crore under Major head '5054-Capital outlay on Road and Bridges' and savings of ₹8.14 crore under Major head '4216-Capital Outlay on housing' and savings of ₹0.02 crore under Major head,4059-Capital outlay on Public works'.
- Out of total savings of ₹185.05 crore under Major head '5054-Capital outlay on Road and Bridges', the savings of ₹182.88 crore under sub-head '5054-04-337-07-creation of assets under Budget Announcements/ State Development Scheme' and ₹2.17 crore was occurred under sub-head '07-5054-04-337-11-Schemes under NLCPR'. Further Department in its reply (June 2023) stated the savings were due to non-completion of physical works and tender process.

(ii) Grant No.-50-Planning and Investment:

- There were savings of ₹439.64 crore under Grant No. 50- Planning and Investment in Revenue Section. Out of total savings of ₹439.64 crore, savings of ₹428.68 crore was surrendered on 31 March 2023. Thus, net savings under this grants (Revenue Section) was ₹10.96 crore. Out of ₹10.96 crore, savings of ₹10.70 crore occurred under sub-head '04-3451-102-08-Scheme under Budget Announcement/ State Development Schemes'. Further, Department in its reply (June 2023) stated that the savings occurred due to non-implementation of scheme due to non-release of fund by the Government.
- There was huge savings of ₹1,918.88 crore under Capital Section of the Grants '50- Planning and Investment. Out of total savings of ₹1,918.88 crore, ₹1,636.92 crore was surrendered on 31 March 2023. Thus, the net savings was ₹281.96 crore.

- Out of total net savings of ₹281.96 crore, the savings of ₹267.38 crore and ₹13.44 crore were mainly under sub-heads '04-4070-800-24- Budget Announcement/ State Development Schemes' and '04-4070-800-16-Scheme under RIDF' respectively. Department in its reply (June 2023) stated that the savings occurred due to non-release of fund by the Government in time for which some of schemes could not be implemented.

3.5.7 Persistent Savings

During the last five years, 21 Grants as shown in **Table 3.12** can be observed where persistent savings of more than ₹one crore in each case existed and the savings exceeded the total provision by 10 per cent or more.

Table 3.12: List of Grants where persistent savings occurred during 2018-19 to 2022-23

(₹ in crore)

Sl. No.	Number and name of Grant	Amount of Savings				
		2018-19	2019-20	2020-21	2021-22	2022-23
Revenue-voted						
1.	44- Attached offices of Secretariat Administration	3.18 (24.70)	8.27 (45.90)	1.77 (14.37)	2.95 (23.18)	0.26 (2.09)
2.	56-Tourism Department	10.44 (19.52)	18.99 (31.03)	23.22 (56.43)	14.80 (30.26)	4.89 (9.46)
3.	57- Urban Development	6.03 (3.10)	81.14 (53.36)	21.15 (15.63)	29.44 (14.38)	17.50 (12.08)
4.	68-Town Planning Department	4.62 (11.47)	29.67 (53.44)	169.85 (61.02)	24.38 (10.61)	35.73 (29.28)
5.	71- Department of Karmik and Adhyatmik(Chos-Rig) Affairs	6.10 (71.82)	3.78 (54.63)	18.74 (247.76)	2.59 (41.84)	0.43 (6.80)
6.	74- Social Justice, Empowerment, and Tribal Affairs	37.16 (35.80)	71.81 (35.59)	168.39 (93.62)	29.89 (23.07)	4.93 (6.11)
7.	82- Department of Indigenous Affairs	2.77 (23.85)	2.62 (12.63)	3.02 (51.92)	9.74 (29.74)	0.13 (0.39)
Revenue-charged						
8.	2- Governor Secretariat	1.28 (15.73)	1.65 (18.55)	2.59 (26.81)	2.03 (19.74)	3.60 (29.51)
Capital-voted						
9.	14- Secondary Education	131.49 (90.44)	52.85 (92.71)	54.99 (68.77)	39.35 (46.04)	46.36 (56.18)
10.	15- Health Services	377.09 (87.64)	114.23 (68.98)	38.70 (80.78)	5.54 (21.13)	6.92 (7.71)
11.	16- Art and Cultural Affairs	6.10 (45.22)	2.38 (41.10)	1.69 (84.70)	1.86 (21.34)	0.26 (8.08)
12.	22- Food and Civil Supplies	13.62 (49.54)	1.72 (49.53)	2.07 (69.00)	1.60 (37.59)	0.49 (15.23)
13.	24- Agriculture	221.05 (96.12)	6.26 (65.64)	104.70 (95.61)	8.13 (31.55)	114.94 (96.67)
14.	34- Power (Electrical)	56.04 (16.73)	85.33 (39.32)	58.22 (27.57)	89.60 (21.19)	10.47 (2.82)

Sl. No.	Number and name of Grant	Amount of Savings				
		2018-19	2019-20	2020-21	2021-22	2022-23
15.	45- Civil Aviation	20.32 (52.79)	43.98 (84.58)	19.13 (31.01)	8.71 (11.87)	3.26 (7.80)
16.	47- Law, Legislative and Justice	5.18 (34.08)	8.34 (53.92)	18.71 (76.66)	27.64 (44.15)	0.75 (1.17)
17.	48- Horticulture	61.50 (100.00)	17.77 (88.85)	15.88 (77.08)	80.00 (100.00)	0.31 (100.00)
18.	50- Planning and Investment	2,996.47 (82.55)	3,025.42 (88.01)	2,389.91 (84.53)	1,767.33 (65.71)	1,918.88 (68.82)
19.	56- Tourism Department	22.02 (17.90)	14.33 (91.55)	29.47 (84.11)	4.90 (10.74)	9.94 (43.56)
20.	72- Prison	46.00 (97.66)	26.70 (89.60)	10.17 (90.82)	8.05 (44.45)	0.04 (0.31)
21.	76- Elementary Education	64.72 (47.59)	30.47 (68.21)	74.49 (86.28)	15.55 (19.79)	9.63 (7.27)
22.	82- Department of Indigenous Affairs	28.66 (64.41)	9.68 (48.40)	19.04 (88.57)	4.70 (24.74)	2.37 (11.78)
Capital-charged						
23.	Public Debt	235.62 (45.72)	233.57 (39.78)	317.06 (54.99)	282.55 (44.34)	249.90 (31.20)

Source: Appropriation Accounts of the respective year

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

Analysis of the reasons for the savings during 2022-23 showed that:

- There was savings of ₹4.89 crore under Tourism. Out of ₹4.89 crore, savings of ₹4.18 crore under BA/ SDS and ₹0.71 crore under Establishment expenses. Further, Department in reply (July 2023) state that the saving was due to the late receipt of concurrence from the Finance Department and non-finalisation of MACP and DA in time.
- Under the Town Planning Department, the savings of ₹35.73 crore occurred during 2022-23. Department in reply (July 2023) stated that savings was due to non-receipt of ₹31.72 crore from the GoI against 'Integrated Development of Small and Medium Towns'.
- There was saving of ₹46.36 crore under 'Grant no.-14 Secondary Education'. Out of ₹46.36 crore, ₹34.01 crore surrendered on 31 March 2023. Further, the department in reply (July 2023) stated that the remaining savings of ₹12.35 crore under '4202-01-202-03 creation of assets under BA/ SDS' had occurred due to non-receipt of expenditure authorisation of the schemes within the financial year.

The trend of persistent savings has been highlighted in the Comptroller and Auditor General of India's State Finances Audit Report every year, but adequate corrective measures have not been taken by the departments concerned to correct this situation.

The State Government (Secretary, Finance) in its reply stated that the corrective measures would be taken up after discussion with the concerned Secretaries.

3.5.8 Substantial Surrenders

Substantial surrenders⁷ were made in respect of the 158 sub-heads under 44 Grants/ Appropriations, as detailed in **Appendix 3.7**. Out of the Original provision amounting to ₹7,368.40 crore in these 44 Grants/ Appropriations, ₹6,165.34 crore was surrendered which included 100 *per cent* and above surrender in 98 sub-heads (₹2,402.70 crore). Further, it was noticed that in six sub-heads, the surrender was more than the original provision as shown in **Table 3.13**, due to unnecessary supplementary provision.

Table 3.13: List of schemes where surrender was more than the original

(₹ in crore)

Sl. No.	Number and name of Grant	Head of Account	Original	Supplementary	Details of Surrender Amount	Per cent
1.	22-Food and Civil Supplies	2408-02-190-02	47.50	322.25	142.69	300.40
		2402-103-01	8.00	35.27	32.27	403.37
2.	26-Rural Works Department	3054-04-337-01	1.05	49.95	18.00	1,714.29
		3054-80-800-01	13.00	40.68	19.13	147.15
3.	38-Water Resource Department	2702-80-052-01	10.00	30.00	30.00	300.00
4.	66-Hydro Power Development	2801-04-052-01	20.00	237.37	132.37	661.87

Source: Detailed Appropriation Accounts 2022-23

3.5.9 Savings not surrendered

As per extant Financial Rules, the spending departments are required to surrender the Grants/ Appropriations or portion thereof to the Finance Department as and when savings are anticipated. At the close of 2022-23, out of the total savings of ₹6,252.62 crore under 44 Grants, Savings (₹One crore and above in each case) of ₹2,410.88 crore (38.56 *per cent*) under 57 cases, remained to be surrendered, as detailed in **Appendix 3.8**. Further, out of the above, there were saving (₹10.00 crore and above in each case) of ₹889.95 crore (9.46 *per cent* of Total Grant) under 10 Grants but no part of the savings was surrendered by the concerned departments as shown in **Table 3.14**.

Table 3.14: Details of Grants/ Appropriations in which no part of the savings was surrendered (₹10.00 crore and above)

(₹ in crore)

Sl. No.	Number and name of Grant	Total Grant	Actual Expenditure	Savings
Revenue-voted				
1.	14-Secondary Education	578.33	565.61	12.72
2.	25-Disaster Management	315.40	189.67	125.73
3.	76-Elementary Education	2,070.03	1,668.47	401.55
Revenue-charged				
4.	Public Debt	924.32	905.56	18.76

⁷ Cases where 50 *per cent* and more of original provisions was surrendered

Sl. No.	Number and name of Grant	Total Grant	Actual Expenditure	Savings
Capital-voted				
5.	21-Sports	48.88	35.03	13.85
6.	26-Rural Works Department	2,036.34	1,985.19	51.15
7.	31-Public Works Department	2,556.18	2,362.97	193.21
8.	34-Power (Electrical)	370.70	360.23	10.47
9.	59-Public Health Engineering and Water Supply	463.87	430.35	33.52
10.	80-Medical Education Training and Research	43.55	14.57	28.98
Total		9,407.60	8,517.65	889.95

Source: Appropriation Accounts, 2022-23

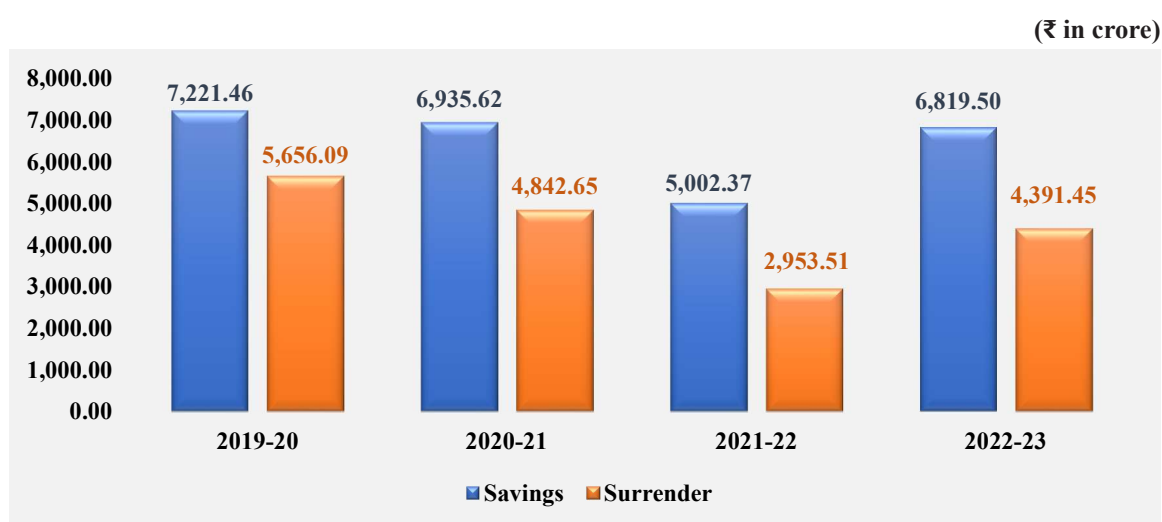
The non-surrender of the savings by the Controlling Officers was partly attributed to the non-release of funds by the Finance Department.

3.5.10 Impact of non-surrender of savings

Rule 61 (1) of General Financial Rules, 2017 prescribes that all the anticipated savings shall be surrendered to the Finance Department by the dates prescribed by that Department. The Finance Department shall communicate acceptance of such surrenders before the close of the financial year. The prescribed date for the surrender of anticipated savings for salary and wages in 2022-23 was 06 February 2023 and 24 March 2023 for other object heads.

However, during 2022-23, against the gross savings of ₹6,819.50 crore, 48 departments surrendered ₹4,391.45⁸ crore (64.40 per cent), however, the entire amount was surrendered on the last day of the financial year. **Chart 3.3** depicts the trends of surrenders against the savings for the period from 2019-20 to 2022-23.

Chart 3.3: Savings and Surrender during 2019-20 to 2022-23



Source: Appropriation Accounts of the respective year

⁸ ₹2,557.75 crore surrendered under Revenue Section (42 Departments) and ₹1,833.70 crore under Capital Section (13 Departments)

In 57 cases (details in *Appendix 3.8*), the anticipated savings of ₹one crore and above were not surrendered by the prescribed dates⁹.

Non-compliance with the rules stated above not only deprives other needy Departments of resources, but also defeats the very objective of achieving efficiency in budget management, which may be an impediment to the speedy development of State.

3.5.11 Injudicious surrender

In two grants, there was an injudicious surrender of ₹0.34 crore as the Departments surrendered in excess of savings within the grant. However, the Government did not explain the reason for the difference between savings and surrender amounts as depicted in **Table 3.15**.

Table 3.15: Surrender in excess of savings

(₹ in crore)							
Sl. No.	Number and name of Grant	Section	Total Grant	Actual Expenditure	Savings	Surrender	Excess Surrender
1	22-Food and Civil Supplies	Capital-voted	3.23	2.74	0.49	0.78	0.29
2	24-Agriculture	Capital-voted	118.90	3.96	114.94	114.99	0.05
Total			122.13	6.70	115.43	115.77	0.34

Source: Appropriation Accounts, 2022-23

3.5.12 Excess expenditure and its regularisation

Article 205(1) (b) of the Constitution provides that if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, the Governor shall cause to be presented to the Legislative Assembly of the State, demand for such excess. This implies that it is mandatory for a State Government to get excesses over Grants/ Appropriations regularised by the State Legislature for the Financial Year.

Although no time limit for the regularisation of excess expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of the discussion of the Appropriation Accounts by the Public Accounts Committee (PAC).

3.5.12.1 Excess over provisions relating to previous and current years requiring regularisation

Administrative Departments concerned are required to submit Explanatory Notes for excess expenditure to the Public Accounts Committee through the Finance Department. However, excess expenditure of ₹3,220.44 crore from 1986-87 to 2021-22 (*Appendix 3.10*) was yet to be regularised. During 2022-23, in nine Grants, the expenditure of ₹1,123.03 crore exceeded the approved provisions of ₹999.83 crore by ₹123.20 crore.

⁹ The prescribed date for the surrender of anticipated savings for salary and wages in 2022-23 was 06 February 2023 and for other object heads was 24 March 2023.

At the Sub-Head level, an expenditure of ₹1,073.12 crore exceeded the approved provisions of ₹819.78 crore by ₹253.34 crore (*Appendix 3.11*). Such excess expenditure over budgetary allocation is a matter of concern, as it is indicative of poor budgetary management and dilutes legislative oversight over public funds. The government needs to view this seriously and take appropriate corrective measures. Moreover, the excess expenditure over the Grant/ Appropriation required regularisation as per Article 205 of the Constitution of India.

The excess amounts remained un-regularised from as long back as from 1986 onwards. Failure to regularise excess expenditure is in contravention of constitutional provisions and defeats the objective of ensuring accountability over utilisation of public money.

The Secretary, Finance Department during exit conference stated that the process was going on for regularisation of ₹1,488.00 crore.

3.5.13 Missing/ Incomplete Explanation for Variation from Budget

Apart from showing the expenditure against the approved budget, Appropriation Accounts also provide an explanation for cases where the expenditure varies significantly from the budgeted provision (Original *plus* Supplementary). The limit beyond which, such variation at the Sub-Head/ Sub-Sub-Head level (Unit of Appropriation) is to be explained in the Appropriation Accounts is set by the Public Accounts Committee (PAC). However, PAC of the Arunachal Pradesh has not prescribed any norms pertaining to monetary limits/ *percentage* in respect of Savings/ Excess. Norms practice by Meghalaya (previous Station of this office) have been adopted for comments on Appropriation Accounts

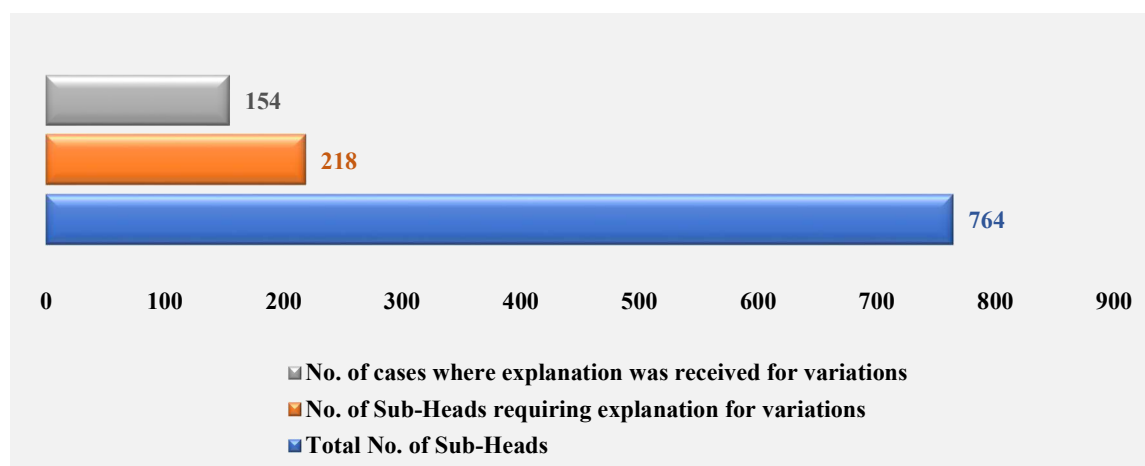
The Accounts Wing of the office of the Principal Accountant General provides the draft Appropriation Accounts to the Controlling Officers of the Departments and seeks the reasons/ explanation for the variations in expenditure with reference to approved budgetary allocation.

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

Savings	<ul style="list-style-type: none"> • Comments are made if (savings including non-utilisation) overall savings is over five <i>per cent</i> of the total provision. • Individual comments under Sub-Heads of Grants/ Appropriations are made if the expenditure is over ₹five lakh and total provision (original <i>plus</i> supplementary) to which the concerned sub-head relates is ₹20.00 crore or less.
Excess	<ul style="list-style-type: none"> • General comments are made for regularisation of excess over the provision in all cases where there is an overall excess (irrespective of the amount). • Comments are made if variations (excesses) under Sub-Heads of Grants/ Appropriations are ₹five lakh and total provision (original <i>plus</i> supplementary) to which the concerned sub-head relates is ₹20.00 crore or less. • Comments are made if variations (excesses) under Sub-Heads of Grants/ Appropriations are ₹10.00 lakh and total provision (original <i>plus</i> supplementary) to which the concerned sub-head relates is more than ₹20.00 crore

Audit of Appropriation Accounts of 2022-23 and an analysis of the underlying accounting data revealed that out of the 79 Grants/ Appropriations, reasons for variation were required in respect of 59 Grants/ Appropriations. In terms of Sub-Heads involved, the total number of Sub-Heads in the accounts, those requiring an explanation for variation, and the Sub-Heads where explanations were received for variations, are given in Chart 3.4.

Chart 3.4: Summary of unexplained variations vis-à-vis budget



Source: Detailed Appropriation Accounts, 2022-23

3.6 Comments on Transparency of Budgetary and Accounting Process

3.6.1 Huge lump sum provision

Rule 50(3) and Appendix 3 of General Financial Rules, 2017 provides that the detailed estimates of the expenditure shall be prepared by the estimating authorities up to the final unit of appropriation *i.e.*, Object Head under the prescribed major and minor heads for both Revenue and Capital Expenditure. It also provides that no lumpsum provision shall be made in the budget except where urgent measures are to be provided for meeting emergent situations or for meeting preliminary expenses on a project that has been accepted in principle for being taken up in the financial year. Contrary to this, the State Government made lumpsum provision of ₹5,169.81 crore for Creation of Assets under Budget Announcements/ State Development Schemes under 48 grants in Capital Section and ₹1,897.57 crore for Schemes under Budget Announcements/ State Development Schemes under 56 Grants in Revenue Section as detailed in *Appendix 3.12 (Part A and B)*.

The State Government (Secretary, Finance) in its reply (October 2023) stated that this is due to practical issues. However, the matter will be looked into and would take corrective measures in future.

3.7 Comments on Effectiveness of Budgetary and Accounting Process

3.7.1 Budget Projection and Gap between Expectation and Actual

Efficient management of tax administration/ other receipts and public expenditure holds the balance of achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals; poor expenditure monitoring mechanisms, weak scheme implementation capacities/ and weak internal control led to sub-optimal allocation among various development needs. Excessive savings in some departments deprive other departments of the funds which they could have utilised.

The summarised position of budget including supplementary budget, actual expenditure, and excess/ savings during 2022-23 against 79 Grants/ Appropriations (75 Grants and 04 Appropriations) is given in **Table 3.16**.

Table 3.16: Summarised position of Expenditure vis-à-vis Budget provision

(₹ in crore)

Nature of Expenditure	Details of Grant/ Appropriation		Total	Actual Expenditure ¹⁰	Savings (-)	Excess (+)	Details of Surrender ¹¹		
	Original	Supplementary					Amount	Per cent	
Voted	I – Revenue	17,238.48	3,241.76	20,480.24	16,662.40	3,940.58	122.73	2,453.81	11.98
	II – Capital	6,706.80	4,006.63	10,713.43	8,110.73	2,603.16	0.47	1,903.40	17.77
Total Voted		23,945.28	7,248.39	31,193.68	24,773.13	6,543.74	123.20	4,357.21	13.97
Charged	IV–Revenue	40.46	5.61	46.07	38.98	7.08	0.00	3.94	8.55
	VI - Public Debt- Repayment (Revenue)	922.61	1.71	924.32	905.56	18.76	0.00	0.00	-
	VI - Public Debt- Repayment (Capital)	801.01	0.00	801.01	551.11	249.90	0.00	30.31	3.78
Total Charged		1,764.08	7.33	1,771.40	1,495.65	275.75	0.00	34.25	2.17
Grand Total		25,709.36	7,255.72	32,965.08	26,268.78	6,819.50	123.20	4,391.46	13.32

Source: Appropriation Accounts, 2022-23

As can be seen from **Table 3.16**, the overall savings from total grants and appropriations was ₹6,819.50 crore which was equal to 93.99 *per cent* of the supplementary budget of ₹7,255.72 crore obtained during the year. This indicates that a proper analysis was not done before budget formulation, especially supplementary budget formulation.

The original budget of the State during 2022-23, was more than the previous year's budget by ₹3,396.36 crore, the increase in the Revenue Section was ₹1,934.62 crore

¹⁰ These are gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under Revenue Expenditure (₹18,927.31 lakh) and Capital Outlay (₹0.36 lakh).

¹¹ Entire amount was surrendered on 31 March 2023.

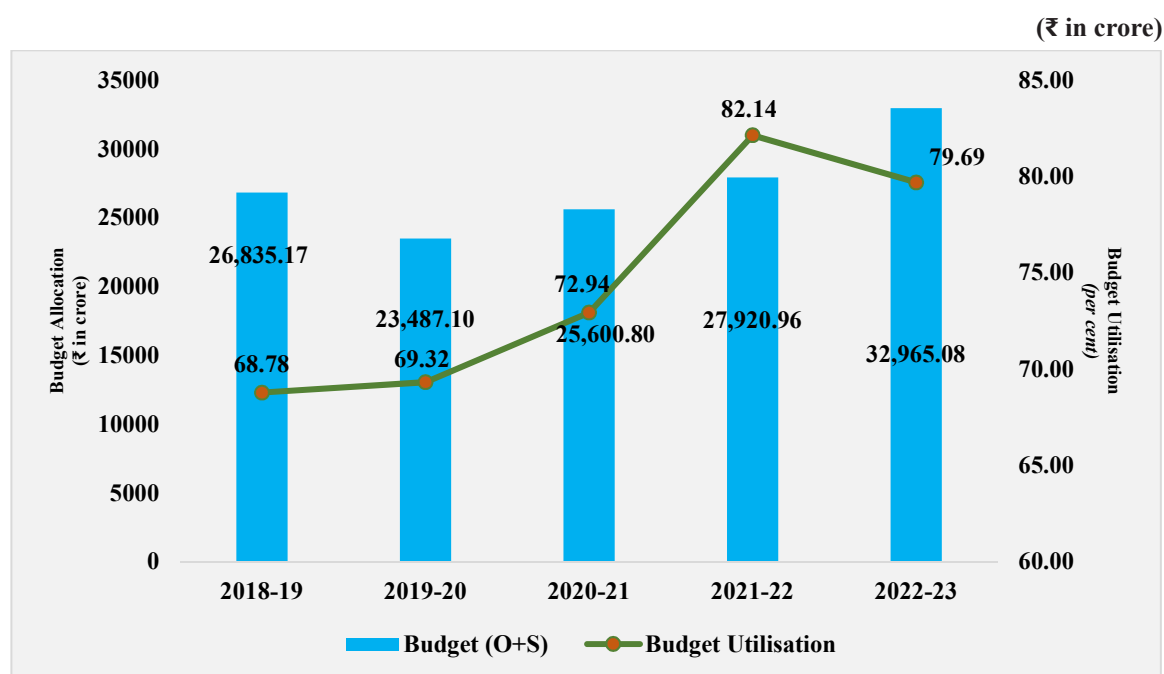
and the increase in the Capital Section was ₹1,461.74 crore. Substantial savings of ₹2,878.91 crore in Capital Section of the budget constituting over 34.15 per cent of the original budget of Capital Section indicates that the funds meant for the infrastructure in the State could not be spent.

The Actual Expenditure of ₹26,268.78 crore during 2022-23 was ₹559.42 crore more than the Original Budget (₹25,709.36 crore) indicating that by proper planning, need for Supplementary Budget of ₹7,255.72 crore could have been reduced by ₹6,696.30 crore.

3.7.2 Position of budget utilisation

The position of budget utilisation during the previous five years is given in **Chart 3.5**.

Chart 3.5: Summary of unexplained variations vis-à-vis budget



Source: Appropriation Accounts of the respective years

Trends in the original budget, revised estimate, and actual expenditure for the period 2018-19 to 2022-23 are given in **Table 3.17**.

Table 3.17: Original Budget, Revised Estimate, and Actual Expenditure during 2022-23

(₹ in crore)

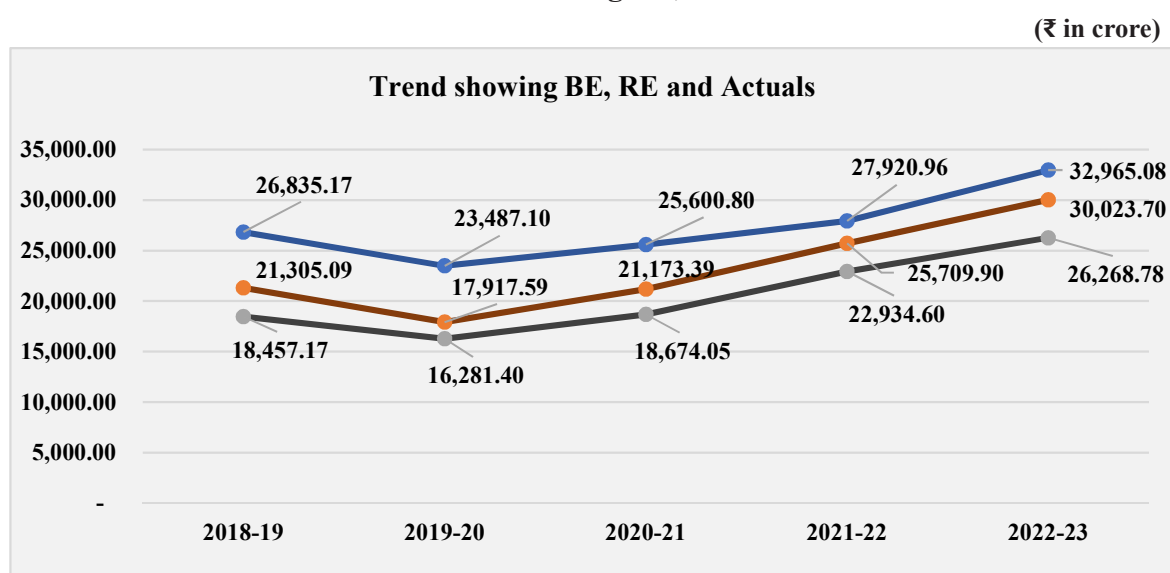
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Original Budget	18,652.50	22,008.97	21,880.37	22,313.00	25,709.36
Supplementary Budget	8,182.67	1,478.13	3,720.43	5,607.96	7,255.72
Total Budget (TB)	26,835.17	23,487.10	25,600.80	27,920.96	32,965.08
Revised Estimate (RE)	21,305.09	17,917.59	21,173.39	25,709.90	30,023.70
Actual Expenditure (AE)	18,457.17	16,281.40	18,674.05	22,934.60	26,268.78
Gross Savings	8,378.00	7,205.70	6,926.75	5,002.37	6,819.50

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Percentage of supplementary to the original provision	43.87	6.72	17.00	25.13	28.22
Percentage of overall savings/excess to the overall provision	31.22	30.68	27.06	17.92	20.69
TB-RE	5,530.08	5,569.51	4,427.41	2,211.06	2,941.37
RE-AE	2,847.92	1,636.19	2,499.34	2,775.30	3,754.92
(TB-RE) as percentage of TB	20.61	23.71	17.29	7.92	8.92
(RE-AE) as percentage of TB	10.61	6.97	9.76	9.94	11.39

Source: Appropriation Accounts and Annual Financial Statement of the respective year

Table 3.16 shows that supplementary provision of ₹7,255.72 crore during 2022-23 constituted 28.22 per cent of the original provision as against 25.13 per cent in the previous year.

Chart 3.6: Trend showing BE, RE and Actuals



Source: Appropriation Accounts and Annual Financial Statement of the respective years

From the above Chart, it may be seen that over the years from 2018-19 to 2022-23, the Revised Estimate (RE) was always lower than the Total Budget (TB) of the state. The gap between the RE and the TB during the first two years was more than 20 per cent. However, during the last three years, the difference between the Revised Estimate (RE) and the Total Budget (TB) has been decreasing. Additionally, in the last two years, it has been below 10 per cent, which is a positive indication for budget estimation.

The percentage of Actual Expenditure (AE) during 2018-19 to 2022-23 was lower than the RE throughout and it ranged between 6.97 per cent to 11.39 per cent. As such, the supplementary provisions during 2018-19 to 2021-22 proved unnecessary since the expenditure did not come up even to the level of original budget provisions. Further, the provision of supplementary grant during 2022-23 was ₹7,255.72 crore, which was 12 times higher than the required amount i.e., ₹559.42 crore (Actual Expenditure minus Original Budget). This reflects that budgetary allocations were based on unrealistic proposals as the

Budget Estimate of the State was always inflated and the gap between actual expenditure and the budgetary provisions was very high.

During 2022-23, a provision of ₹494.84 crore (Original, Supplementary *plus* Re-appropriation) for maintenance work, Centrally Sponsored Schemes (CSS), Schemes under Budget Announcement, *etc.*, under 13 grants for 27 schemes as detailed in **Appendix 3.9** was approved. The concerned Departments, however, could not implement the schemes for which budget provision was obtained, resulting in savings of the entire provision. The details of such cases where the entire budget provision exceeding ₹one crore in each case was not utilised are indicated in **Table 3.18**.

Table 3.18: Details of entire budget provision was not utilised during 2022-23

(₹ in crore)

Sl. No.	Number and Name of Grant	Head of Account	Original	Supplementary	Re-Appropriation	Total	Savings
1.	1-Legislative Assembly	04-4070-003-01 "Creation of Assets under BA/ SDS"	0.00	6.39	0.00	6.39	6.39
2.	15-Health Services	05-2210-01-800-02 "Maintenance of Assets"	11.08	37.92	0.00	49.00	49.00
3.	23-Environment and Forests	03-2406-02-110-02 "Project Tiger"	11.11	0.00	(-)5.11	6.00	6.00
		03-2406-02-110-37 "Integrated of Wild Life Habitats"	3.22	0.00	(-)0.53	2.69	2.69
4.	24-Agriculture	2401-796-02 "National Mission on Oil Palm"	0.00	1.05	0.00	1.05	1.05
5.	27-Panchayati Raj	05-2515-001-07 "Panchayat Local Bodies (Tied)"	85.25	0.00	(-)9.73	75.52	75.52
		05-2515-001-08 "Panchayat Local Bodies (Untied)"	91.75	0.00	(-)28.89	62.86	62.86
6.	31-Public Works Department	07-4059-80-800-15 "Establishment of VKV girls resdl school at Chayangtajo East Kameng District"	0.00	1.76	0.00	1.76	1.76
7.	Public Debt	6003-110-01 "Repayment of Advances Taken for Reserve Bank of India Under Ways and Means"	312.00	0.00	(-)27.00	285.00	285.00

Source: Detailed Appropriation Accounts, 2022-23

3.7.3 Inaccuracy in the Preparation of Revised Estimates

According to the Appendix below Rule 52(3) of General Financial Rules 2017 in preparing the Revised Estimates, while the previous year's actuals and current year's trends will be material factors to review the original Budget Estimates, special attention should be devoted to make it as realistic an estimate as possible of receipts which are likely to materialise during the rest of the financial year. Further, as per Appendix 3 below Rule 52, the Revised

Estimates for expenditure should be framed with great care to include only those items which are likely to materialise for payment during the current year, in the light of (i) actuals so far recorded during the current year, compared with the actuals for the corresponding period of the last and previous years, (ii) seasonal character or otherwise of the nature of expenditure, (iii) sanctions for expenditure and orders of appropriation or re-appropriation already issued or contemplated and (iv) any other relevant factor, decision or development. The revised estimate of receipts should be the best forecast that the estimating officer can make and the revised estimates for expenditure should not merely be a repetition of the budget figures of the year, but a genuine re-estimation of receipts and requirements. Some significant cases of variation between the revised estimates and the actuals during 2022-23 under expenditure heads of accounts are given in *Appendix 3.13*.

Wide variations ranging from 0.30 to 2,132.28 *per cent* and in monetary term from ₹0.13 crore to ₹435.87 crore under Expenditure heads between the budget provisions and actuals, particularly with reference to revised estimates are indicative of aberrations in estimation as detailed in *Appendix 3.13*. Further, the details of some cases of variation more than 50 *per cent* between revised estimate and actual are given in **Table 3.19**.

Table 3.19: Variation between revised estimate and actual

(₹ in crore)

Sl. No.	Head of Account	Budget Estimate	Revised Estimate	Actual Expenditure	Variation Shortfall(-)/ Excess (+)	Variation Shortfall (-)/ Excess (+) (In per cent)
1.	2051-Public Service Commission	14.20	17.20	27.16	(+)9.95	(+)57.85
2.	2406-Forestry and Wildlife.	787.63	749.00	313.13	(-)435.87	(-)58.19
3.	2552-North Eastern Areas.	5.00	5.05	112.73	(+)107.68	(+)2,132.28

Source: Annual Financial Statement 2022-23 and 2023-24 and Finance Accounts 2022-23

As can be seen from **Table 3.19**, there are three such heads of account in which variation between the revised estimates and the actuals during 2022-23 under expenditure heads of accounts is more than 50 *per cent*, indicating the absence of proper care in estimating the revised estimates by the controlling officers concerned as envisaged in the General Financial Rules, 2017 and failure of the Finance (Budget) Department in exercising adequate checks over the preliminary revised estimates.

3.7.4 Gender Budgeting

The Gender Budget of State discloses the expenditure proposed to be incurred within the overall budget on schemes, which are designed to benefit women fully or partly. Gender Budgeting was introduced in Arunachal Pradesh in 2010-11. Even after the lapse of more than 12 years of introducing the Gender Budget, State Policy for Gender Budgeting has not been formulated. The Gender Budget cell and Gender Data Bank have not been created. No nodal department has been identified for Gender Budgeting.

The Gender Budget of the State (2022-23) discloses the expenditure proposed to be incurred within the overall budget on schemes designed to benefit women under Category 'A' and Category 'B'. Schemes specifically designed to benefit only women are grouped under Category A and the schemes where at least 30 *per cent* of the expenditure would benefit women are grouped under Category B. The total number of schemes under Category A and B in 2022-23 was 36, of which 28 schemes were under Category A and eight schemes were under Category B.

Test-check of records revealed that-

- the amounts mentioned to have been in the Gender Budget did not contain the said provisions in the regular budget. For example, in Demand No 76, provision of ₹34.04 crore for Academic block *plus* 100 bedded Girls Hostel including boundary wall (KGVV Type-II) and ₹21.62 crore for 100 bedded Girls Hostel including boundary wall (KGVV Type-II), against the Major Head 2202-01-111(03)-01-01-35 was shown in the Gender Budget but no provision existed against the said head in the regular budget.
- Similarly, in Demand No. 75, against the head of the account 4202-01-800-(04)-32-00- 53 for C/o Women College at Poma, ₹0.50 crore was shown in the Gender Budget but no corresponding provision was made in the regular budget.

Further, in Demand No. 42, against the head of the account 2501-06-800-16-00-29-GIA General (Non-Salary) for Mahila Kishan Sashaktikaran Pariyojana (New Scheme), an amount of ₹9.57 crore was shown in the Gender Budget but in the regular budget only ₹0.08 crore has been provided through supplementary provision. This indicates that proper matching of the gender budget with the regular budget was not done. Since the funds flow and expenditure authorisation is made with reference to the regular budget, such matching was essential.

The Gender Budget was prepared in 14 departments involving ₹364.91 crore with a target to benefit 1.36 lakh women. The Gender Budget constituted 1.11 *per cent* of the total budget for the year 2022-23. The year-wise allocations in the gender budget document are detailed in **Table 3.20**.

Table 3.20: Gender budgetary allocations during 2018-19 to 2022-23

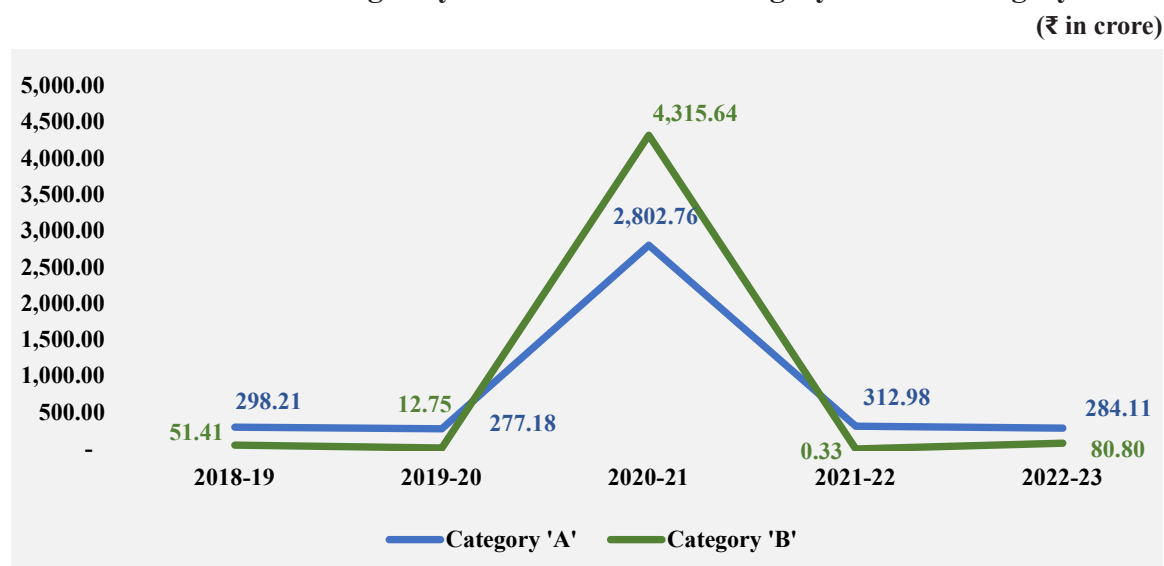
Year	Outlay			Demands Covered	No. of targeted beneficiaries
	Category 'A' ¹²	Category 'B' ¹³	Total		
2018-19	298.21	51.41	349.62	14	2,91,377
2019-20	277.18	12.75	289.93	14	6,62,432
2020-21	2,802.76	4,315.64	7,118.40	13	2,38,708*
2021-22	312.98	0.33	313.31	14	1,52,613
2022-23	284.11	80.80	364.91	14	1,36,027

Source: Gender Budgets of the respective year

* No. of beneficiaries was decreased from 3,86,200 in 2019-20 to 3,000 in 2020-21 under Demand No. 15 (2210-80-800-02-00-31)

The trend of Gender Budgetary allocations under Category 'A' and Category 'B' during 2018-19 to 2022-23 is shown in Chart 3.7.

Chart 3.7: Gender Budgetary allocations under Category 'A' and Category 'B'



Source: Gender Budgets of the respective year

As seen from Chart 3.7, it was observed that there was a decrease in budgetary allocation under Category 'A' from ₹312.98 crore in 2021-22 to ₹284.11 crore in 2022-23 and an increase under Category 'B' from ₹0.33 crore in 2021-22 to ₹80.80 crore in 2022-23.

Further analysis revealed that a performance report for the year 2021-22 (Allocated ₹313.31 crore against 14 departments) was required to be incorporated in the Gender Budget of 2022-23 to ascertain the effectiveness of the schemes targeted to benefit women however, actual achievement of schemes for the benefit of women was not incorporated.

¹² Budgetary allocation to schemes designed covering 100 per cent women beneficiaries.

¹³ Budgetary allocation to scheme designed for covering at least 30 per cent women beneficiaries.

3.7.5 Implementation of Major Policy Initiatives in the Budget Speech

The budget speech of the finance minister specified allocations for different schemes both existing as well as new. However, provisions were not made in the Detailed Demand for Grants (DDG) for many of these schemes announced in the Budget speech. Instead, only lumpsum provisions were made for these Schemes under the subhead “Budget Announcement/ State Development schemes”, against the financial rules.

Detailed analysis on implementation of the budget announcements (₹10.00 crore and above) are discussed in the succeeding paragraphs.

Name of Department	Name of the Schemes announced in Budget Speech		Objective of the Schemes
	Scheme's Name	Amount proposed (₹ in crore)	
Health Services	Golden Jubilee PHCs and CHCs	30.00	Under this announcements, 60 identified Primary Health Centres or Community Health Centres will be upgraded, one in each constituency into model units.
	Upgradation of Bakin Pertin General Hospital at Pashighat	20.00	Upgradation work
	Operation and maintenance of 45 ICUs, 29 PICUs, 40 HDUs and 100 oxygen supported beds	10.00	Upgradation work
	C/o 40 bed District Hospitals at Doimukh	10.00	40 Bed hospitals with a Maternal and Child wing
Education	Golden Jubilee Model School Programme	500.00	Upgradation of infrastructure in 50 identified Government Schools
Horticulture	Atma Nirbhar Plantation Scheme	60.00	Plantation of crops like Tea, Rubber, and Areca-Nut.
Animal husbandry	Atma Nirbhar Pashu Palan Yojana	30.00	Dairy development

➤ Health Services Department

- ❖ Scrutiny of Detailed Demands for Grants (DDG) of Health and Family Welfare, revealed that lumpsum budget provision of ₹84.08 crore was made in Budget Estimate under sub-head 'Creation of assets under Budget Announcement. ₹57.40 crore was allocated under the sub-head 'Creation of Assets in Budget Announcements' in Revised Estimates. Against the allocation of ₹57.40 crore, the Department incurred 50.48 crore. Some of the instances are discussed below:

- State Government announced “Golden Jubilee PHCs and CHCs” for upgradation of 60 identified Primary Health Centres and Community Health Centres in each Constituency with the Budget proposal. of ₹30.00 crore.

- Construction of 40 Beds Hospital at Doimukh with the proposal of ₹10.00 crore and same was shown in proposal of Budget Estimates submitted by the Department. Further, it was observed ₹six crore was withdrawn in re-appropriation and only ₹four crore was shown in Revised Estimate.
 - Budget announcement of ₹10.00 crore towards ‘Operation and Maintenance of 45 ICUs, 29 PICUs, 40 HDUs and 100 Oxygen supported beds was made’. The provision ₹10.00 crore was made in Budget Estimates. However, it was noticed that only ₹1.50 crore was allocated in Revised Estimates.
 - During the Budget speech, the Government announced ‘upgradation of Bakin Pertin General Hospital at Pasighat to 300 Bedded Hospitals’ with a proposed expenditure of ₹20.00 crore. Further, scrutiny of Detailed Demand for Grants revealed that ₹20.00 crore was allocated in the Original budget, however, the whole amount was withdrawn through re-appropriation.
- **Education Department**
- ❖ In the Budget speech, the State Government announced the proposal for “Golden Jubilee Model School Programme” with an estimated amount of ₹500.00 crore to upgrade infrastructure in 50 identified Government Schools. However, the State Government did not allocate any amount against the proposed announcement. Thus, this had defeated the benefits accrued from the implementation of the (Golden Jubilee Model School Programme). Also, this had indicative of unrealistic Budget preparation without the input from the ground level and ascertaining of actual feasibility of the programme.
- **Horticulture Department**
- ❖ The State Government announced new scheme ‘Atmanirbhar Plantation Scheme’ with proposal of ₹60.00 crore. The objective of the scheme was the plantation of crops like Tea, Rubber and areca nut. It was observed that ₹60.00 crore was allocated in Budget estimate separately, however expenditure of ₹167.95 crore was booked under sub-head “Schemes under Budget Announcement/ State Development Schemes”. Due to lumpsum provision at sub-head at DDG and Detailed Appropriation Accounts, actual expenditure incurred against the scheme could not be ascertained.

Thus, non-provision of Budget and expenditure at ‘Detailed Head level’ in DDG and Detailed Appropriation Accounts, actual accrued benefit of the aforesaid schemes could not be ascertained.

3.7.6 Unexplained Re-appropriations

According to Rule 65(4) of General Financial Rules 2017, the re-appropriation of funds shall ordinarily be supported by a statement showing how the excess is proposed to be met. In all orders, sanctioning re-appropriation, the reasons for savings and excess of ₹one lakh or over, and the primary units (secondary units, wherever necessary), affected shall be invariably stated. Scrutiny of Appropriation Accounts revealed that the reasons for re-appropriations made during 2022-23 under various heads of accounts were not explained in detail. Even in cases where the reasons were given for additional provision/ withdrawal of provision in re-appropriation orders, they were of general nature like “less requirement of funds”, “less expenditure than anticipated”, “non-receipt of sanction”, “non-approval of Scheme”, “discontinuation of Scheme”, “less claim”, “revised budget outlay” and “reduction of provision” etc.

3.8 Outcome of Review of Selected Grant

The financial rules prescribe detailed and specific procedures to be followed in preparation of the budget estimates. The Government also issues every year instructions for the submission of budget estimates to the controlling officers. To verify compliance with prescribed procedures in the budget preparation and also to evaluate the effectiveness of the budget formulation process.

A review of the budgetary procedure and control over expenditure in respect of the two selected grants *i.e.*, 15-Health Services and 24-Agriculture was conducted wherein the magnitude of variations in original grants, supplementary demands, and actual expenditure was analysed.

3.8.1 Grant No. 15-Health Services

(i) Introduction

Grant 15 - Health Services includes Major Heads 2210-Medical and Public Health, 4210-Capital Outlay on Medical and Public Health.

(ii) Budget and Expenditure

The overall position of budget provisions, actual disbursement, and savings under the grant for the last three years (2020-21 to 2022-23) is given in **Table 3.21**.

Table 3.21: Budget and Expenditure during 2020-21 to 2022-23

(₹ in crore)					
Year	Section	Budget Provision	Total	Expenditure	Saving (-)/ Excess (+) and Percentage
2020-21	Revenue-Original (V)	933.00	974.47	908.38	(-)66.09
	Supplementary	41.47			(6.78)
	Capital-Original (V)	47.90	47.90	9.21	(-)38.70
	Supplementary	0.00			(80.79)
2021-22	Revenue-Original (V)	1,025.43	1,221.56	1,193.11	(-)28.44
	Supplementary	196.13			(2.33)

Year	Section	Budget Provision	Total	Expenditure	Saving (-)/ Excess (+) and Percentage
2021-22	Capital-Original (V)	12.16	26.21	20.67	(-)5.54
	Supplementary	14.06			(21.14)
2022-23	Revenue-Original (V)	1,106.42	1,340.31	1,282.23	(-)58.08
	Supplementary	233.89			(4.33)
	Capital-Original (V)	84.08	89.81	82.89	(-)6.92
	Supplementary	5.72			(7.71)

Source: Appropriation Accounts of the respective year

Table 3.21 shows that un-utilised budget provisions under Capital (Voted) ranged between eight per cent and 81 per cent and similarly, unutilised budget provisions under Revenue (Voted) ranged between two per cent to seven per cent.

(iii) Non-surrender of savings

Rule 61 (1) of General Financial Rules, 2017 prescribes that all the anticipated savings shall be surrendered to the Finance Department by the dates prescribed by that Department. The Finance Department shall communicate acceptance of such surrenders before the close of the financial year. The prescribed date for the surrender of anticipated savings for salary and wages in 2022-23 was 06 February 2023 and 24 March 2023 for other object heads.

The position of savings and surrenders under Grant-15-Health Services during 2020-21 to 2022-23 has been depicted in **Table 3.22**.

Table 3.22: Budget and Expenditure during 2020-21 to 2022-23

(₹ in crore)

Year	Savings		Amount surrendered (percentage)	
	Revenue (V)	Capital (V)	Revenue (V)	Capital (V)
2020-21	66.09	38.70	0.00 (0.00)	35.23 (91.03)
2021-22	28.44	5.54	0.00 (0.00)	0.00 (0.00)
2022-23	58.08	6.92	1.00 (1.72)	0.00 (0.00)

Source: Appropriation Accounts of the respective year

(iv) Persistent savings

It was observed during scrutiny of Budget Documents that persistent savings have occurred under the Revenue Section and Capital Section from 2020-21 to 2022-23 as given in **Table 3.23**.

Table 3.23: Budget and Expenditure during 2020-21 to 2022-23

(₹ in crore)

Particulars	Year-wise Savings (-)/ Excess (+) with percentage		
	2020-21	2021-22	2022-23
Revenue	(-)66.09 (6.78)	(-)28.44 (2.33)	(-)58.08 (4.33)
Capital	(-)38.70 (80.79)	(-)5.54 (21.14)	(-)6.92 (7.71)

Source: Appropriation Accounts of the respective year

Recommendation: The Department should design and implement an effective monitoring system to ensure timely utilisation of funds to avoid persistent savings.

(v) Entire Provision remained unutilised

It was observed that the entire budget allocation remained unutilised under one scheme during 2022-23, indicating non-implementation of the scheme as shown in **Table 3.24**.

Table 3.24: Entire provision remained un-utilised

(₹ in crore)				
Sl. No.	Head of Account	Original Budget	Re-appropriation/ Supplementary	Savings
1.	05-2210-01-800-02-Maintenance of Assets	11.08	37.92	49.00

Source: Detailed Appropriation Accounts, 2022-23

The Department stated in its reply (June 2023) that unutilised provision was due to non-receipt of financial concurrence and communication from the State Finance Department.

(vi) Unnecessary re-appropriation of funds

Re-appropriation is the transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. During 2022-23, it was observed that the reduction of provision and augmentation of the provision was not correctly anticipated as a result of this savings occurred in two schemes as given below in **Table 3.25**.

Table 3.25: Statement showing unnecessary re-appropriation of funds.

(₹ in crore)						
Head of Account	Original	Supplementary	Re-appropriation	Final Grant	Actual Expenditure	Savings
03-2210-06-200-01-National Mission on Ayush Mission on Medicinal Plants	10.00	0.00	(+)0.26	10.26	7.15	3.11
04-4210-04-200-02-Creation of Assets under BA/ SDS	84.08	0.00	(-)26.68	57.40	50.48	6.92

Source: Detailed Appropriation Accounts

3.8.2 Grant No. 24 - Agriculture

(i) Introduction

Grant No. 24 - Agriculture includes Major Heads 2401 - Crop Husbandry, 2408 - Food, Storage and Warehousing, 2435 - Other Agricultural Programmes, 4401 - Capital Outlay on Crop Husbandry, 4416 - Investments in Agricultural Financial Institutions, and 4416 - Investments in Agricultural Financial Institutions.

(ii) Budget and Expenditure

The overall position of budget provisions, actual disbursement, and savings under the grant for the last three years (2020-21 to 2022-23) is given in **Table 3.26**.

Table 3.26: Budget and Expenditure during 2020-21 to 2022-23

(₹ in crore)

Year	Section	Budget Provision	Total	Expenditure	Saving (-)/ Excess (+) and Percentage
2020-21	Revenue-Original (V)	191.97	239.15	226.82	12.33
	Supplementary	47.18			(5.16)
	Capital-Original (V)	109.50	109.50	4.80	104.70
	Supplementary	0.00			(95.62)
2021-22	Revenue-Original (V)	308.62	313.64	311.74	1.90
	Supplementary	5.03			(0.61)
	Capital-Original (V)	3.65	25.76	17.63	8.13
	Supplementary	22.11			(31.56)
2022-23	Revenue-Original (V)	337.99	359.18	354.30	4.88
	Supplementary	21.19			(1.36)
	Capital-Original (V)	118.90	118.90	3.96	114.94
	Supplementary	0.00			(96.67)

Source: Appropriation Accounts of the respective year

Table 3.26 shows that un-utilised budget provision under Capital (Voted) ranged between 32 and 97 per cent, which reflected complete non-performance on the part of the State Government.

(iii) Non-surrender of savings

Rule 61 (1) of General Financial Rules, 2017 prescribes that all the anticipated savings shall be surrendered to the Finance Department by the dates prescribed by that Department. The Finance Department shall communicate acceptance of such surrenders before the close of the financial year. The prescribed date for the surrender of anticipated savings for salary and wages in 2022-23 was 06 February 2023 and 24 March 2023 for other object heads.

The position of savings and surrenders under Grant-24-Agriculture during 2020-21 to 2022-23 has been depicted in **Table 3.27**.

Table 3.27: Budget and Expenditure during 2020-21 to 2022-23

(₹ in crore)

Year	Savings		Amount surrendered (percentage)	
	Revenue (V)	Capital (V)	Revenue (V)	Capital (V)
2020-21	12.33	104.70	0.00 (0.00)	108.55 (103.68)
2021-22	1.90	8.13	0.00 (0.00)	0.00 (0.00)
2022-23	4.88	114.94	0.00 (0.00)	114.99 (100.04)

Source: Appropriation Accounts of the respective year

As can be seen from the above Table, the Department has not surrendered the savings under Revenue Section during the financial years 2020-21 to 2022-23. Further, Department surrendered more than the savings under Capital section during 2020-21 and 2022-23.

(iv) Persistent savings

It was observed during the scrutiny of Budget Documents that persistent savings has been occurred under the Revenue Section and Capital Section during 2020-21 to 2022-23 as given in the **Table 3.28**.

Table 3.28: Budget and Expenditure during 2020-21 to 2022-23

(₹ in crore)

Particulars	Year-wise Savings (-)/ Excess (+) with percentage		
	2020-21	2021-22	2022-23
Revenue	(-)12.33 (5.16)	(-)1.90 (0.61)	(-)4.88 (1.36)
Capital	(-)104.70 (95.62)	(-)8.13 (31.56)	(-)114.94 (96.67)

Source: Appropriation Accounts of the respective year

(v) Entire Provision withdrawn

It was observed that the entire was withdrawn under 10 schemes during 2022-23, indicating non-implementation of schemes as shown in **Table 3.29**.

Table 3.29: Entire provision withdrawn

(₹ in crore)

Sl. No.	Head of Account	Total Provision
1.	2401-103-04-Sub Mission on Seed and Planting Material (SMSP)	0.56
2.	2401-104-02-Rainfed Area Development and Climate Change	2.22
3.	2401-105-02-National Project on Soil Health and Fertility (NMSHF)	2.22
4.	2401-113-05-National Agriculture Technology Infrastructure	0.56
5.	2401-114-01-National Mission on Oil Seeds and Oil Palm (NMOSOP)	7.78
6.	2401-115-02-Rastriya Krishi Vikas Yojana (RKVY)	22.22
7.	2401-115-04-Sub Mission on Agricultural Mission (SMAM)	10.00
8.	2401-115-05-Pradhan Mantri Krishi Sinchai Yojana (PMKSY)	22.22
9.	2401-115-06-Paramparagat Krishi Vikas Yojna	0.56
10.	03-2408-01-800-01-National Food Security Mission (NFSM)	7.78

Source: Detailed Appropriation Accounts, 2022-23

(vi) Unnecessary/ inadequate re-appropriation of funds

Re-appropriation is the transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. During 2022-23, it was observed that under six schemes, there were savings as well as excess occurring after the re-appropriation of funds, indicating a lack of proper assessment with respect to reduction and augmentation of provision.

Table 3.30: Statement showing unnecessary re-appropriation of funds

(₹ in crore)

Sl. No.	Head of Account	Original	Supplementary	Re-appropriation	Final Grant	Actual Expenditure	Savings(-)/ Excess(+)
Unnecessary Re-Appropriation							
1.	2401-113-04-National Mission on Agricultural Extension and Technology (NMAET)	100.00	0.00	(-)88.07	11.93	7.84	(-)4.09
2.	2401-796-06-Sub-Mission on Agriculture Extension (SMAE)	0.00	0.70	(+)4.38	5.08	2.56	(-)2.52
3.	04-2401-104-03-Schemes under BA/SDS	6.85	3.60	(+)117.13	127.58	110.20	(-)7.38
Total		106.85	4.30	209.58	144.59	120.60	13.99
Inadequate Re-Appropriation							
4.	2401-115-09-Sub-Mission on Agriculture Extension (SMAE)	0.00	0.30	(+)2.06	2.36	6.83	(+)4.47
5.	2401-115-12-Rashtriya Krishi Vikas Yojana (RKVYRAFTAAR)	0.00	2.32	(+)0.90	3.22	6.44	(+)3.22
6.	2401-796-13-Rashtriya Krishi Vikas Yojana (RKVYRAFTAAR)	0.00	0.70	(+)1.00	1.70	3.40	(+)1.70
Total		0.00	3.32	3.96	7.28	16.67	9.39

Source: Detailed Appropriation Accounts, 2022-23

(vii) Injudicious Surrender

Complete accuracy of estimates may not always be possible but where the omission or inaccuracy is the result of lack of forethought, neglect of the obvious, or unrealistic estimating, it is a matter of concern. Hence, all Estimating Officers should strive to provide in the budget for everything that can be foreseen and to provide only as much as is necessary. The Administrative and Finance Departments should consider this while exercising final checks on preparation of estimates.

Budgetary allocations based on unrealistic proposals, overstretching the potential of resource mobilisation, poor expenditure monitoring mechanisms, and weak scheme implementation capacities/ weak internal controls promote the release of funds towards the end of the financial year. Excessive savings in some heads also deprive other Departments of the funds which they could have utilised.

During 2022-23, total provision of ₹118.90 crore (Capital-voted) was made under Grant-24-Agriculture against which only ₹3.96 crore was incurred resulted in huge savings of ₹114.94 crore. Against the savings of ₹114.94 crore, the Department had surrendered ₹114.99 crore, which was more than savings.

(viii) Expenditure without budget provisions

Article 205 (1) (b) of the Constitution of India provides that if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, the Governor shall cause to be presented to the Legislative Assembly of the State, a demand for such excess.

Scrutiny of budget documents revealed that an expenditure of ₹11.14 crore was incurred without having any budget provision under two schemes during 2022-23 as detailed in **Table 3.31**.

Table 3.31: Expenditure without budget provisions

(₹ in crore)		
Sl. No.	Head of Account	Expenditure
1.	2401-115-03-National Mission on Substantial Agriculture (NMSA)	4.62
2.	2401-796-04-Sub Mission on Agriculture Mechanization (SMAM)	6.52

Source: Detailed Appropriation Accounts, 2022-23

3.9 Conclusion

- Against the total budget provision of ₹32,965.08 crore, the Departments incurred an expenditure of ₹26,268.78 crore during 2022-23, resulting in net savings of ₹6,696.30 crore, which stood at 20.31 *per cent* of total grants and appropriations. This shows poor financial management by the State.
- The total expenditure of the Government till February 2023 was only ₹16,032.64 crore, leaving it with ₹9,676.72 crore for the Month of March 2023 from the original budget allocation. However, the government took a Supplementary Grant of ₹7,255.72 crore on 07 March 2023 for the remaining 25 days. With the Supplementary Grant, total funds available with the State Government for March 2023 were ₹16,932.44 crore, which was equal to 105.61 *per cent* of the expenditure incurred during the first 11 months of the financial year. This is indicative of poor financial management.
- During 2022-23, an expenditure of ₹119.50 crore was incurred on four schemes under two Grants/ Appropriations without any budget provision, Supplementary Demands or re-appropriation orders, which is in violation of financial regulations and without the authority of the Legislature.
- During 2022-23, Supplementary grants of ₹713.32 crore (₹10.00 lakh and more in each case) provided in 14 Grants proved unnecessary as the expenditure did not come up to the level of original provision, indicating that Supplementary Grants were provided in an ad-hoc manner. Further, in respect of 41 cases, Supplementary provisions aggregating ₹6,573.61 crore proved excessive by ₹2,807.98 crore under 40 cases and inadequate by ₹13.74 crore in one case.

- There was misclassification of ₹19.32 crore towards Revenue Expenditure as Capital Expenditure and *vice-versa*.
- During 2022-23, 99 no. of sanction orders issued by the government involving ₹22.05 crore did not indicate the provision in the grant or appropriation from which the expenditure was to be met or the head of the account under which the expenditure was to be classified.
- In 181 cases, the re-appropriation was not made after realistic assessment as the expenditure was less/ more than the final appropriated amount pointing to excessive/Unnecessary/inadequate/Injudicious of the re-appropriation ordered. The re-appropriation proved inadequate as the expenditure finally was more than the total grant available in 15 cases by ₹49.97 crore. Similarly, re-appropriation was injudicious in 10 cases by ₹6.09 crore as the expenditure was more than the final grant. In respect of 121 cases, the re-appropriation proved excessive by ₹922.64 crore as total expenditure was ₹7,750.55 crore against the final grant ₹8,673.19 crore.
- In 23 cases, savings (₹one crore or above in each case) during 2022-23 was ₹3,660.69 crore in the Revenue section and ₹2,474.67 crore in 13 cases under the Capital section. Out of these, there were savings of ₹100 crore and above under 16 Grants. Further, there were persistent savings in 21 Grants during the last five years 2018-23, indicating lack of systemic and closer budget review by the Government.
- Savings during the year accounted for about one-fifth of the budget. The Controlling Officers did not surrender the funds on time. However, Departments were not cautioned against persistent savings; nor were their budgets varied in accordance with their ability to absorb the allocations.
- Non-compliance with the rules stated not only deprives other needy Departments of resources, but also defeats the very objective of achieving efficiency in budget management, which may be an impediment to the speedy development of State as in respect of 57 cases, anticipated savings were not surrendered by the prescribed date.
- During 2022-23, there was excess over provisions in nine Grants/ Appropriations amounting to ₹123.20 crore. In addition, excess expenditure amounting to ₹3,220.44 crore pertaining to the years from 1986-87 to 2021-22, are pending for regularisation. Such excess expenditure over budgetary allocation is a matter of concern and dilutes legislative oversight over public funds.
- The substantial variations of actuals with the revised estimates indicated absence of proper care in estimating the revised estimates by the controlling officers concerned as envisaged in the General Financial Rules, 2017 and failure of the Finance Department (Budget).

- Performance report for the year 2021-22 (Allocated ₹313.31 crore against 14 departments) was required to be incorporated in the Gender Budget of 2022-23 to ascertain the effectiveness of the schemes targeted to benefit women. It was, however, noticed that no such report was incorporated in the Gender Budget of 2022-23 due to which the actual achievement of schemes for benefit of women could not be analysed.

3.10 Recommendations

The State Government may-

- ensure that the Budget Estimates should be formulated after taking the inputs from the respective Drawing and Disbursing Officers of the Departments.
- review the expenditure incurred without budget provision seriously and take appropriate corrective measures to strengthen the mechanism for strict compliance with the rules and Treasury Officer strictly adheres to the provisions regarding existence of the budget while passing of bills.
- identify the Departments, which had incurred excess expenditure persistently and closely monitor their progressive expenditure, so that they seek supplementary grants/ re-appropriations in time. Further, the State Government also view the excess expenditure over the budgetary provision seriously as the cases are serious lapse against legislative control and take appropriate corrective measures for regularisation of expenditure in excess of budgetary provision.
- ensure better management of budgeted funds. The Finance Department may provide supplementary grants only after proper scrutiny and realistic assessment of requirements of the concerned Departments, to avoid under or over spending by them.

CHAPTER-IV
Quality of Accounts and
Financial Reporting Practices

Chapter IV: Quality of Accounts and Financial Reporting Practices

4.1 Introduction

A sound internal financial reporting system and compliance with rules and procedures contribute positively to the promotion of good governance. These also ensure that the relevant, reliable and timely financial reporting and thereby assist the State Government in meeting its responsibilities and accountability including strategic planning and appropriate decision-making. This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during 2022-23.

4.2 Non-transfer of funds to Public Accounts

(a) State Disaster Response Fund (SDRF)

In terms of guidelines on the constitution and administration of the State Disaster Response Fund, the fund should be kept under Major Head- '8121: General and Other Reserve Funds' which is an interest-bearing section. Further, the Central and State Governments are required to contribute to this fund in proportion of 90:10 respectively. During 2022-23, the State Government received ₹210.40 crore as Central Government's share. Contrary to the SDRF guidelines, the State Government parked ₹111.11 crore (Central share ₹100.00 crore and State share ₹11.11 crore) in a Savings bank account (SBI) of the Department of Disaster Management by debiting expenditure from Major Head '2245: Relief on account of Natural Calamities'. There was no transfer to Public Account under Major Head 8121-122 which is in violation of SDRF guidelines. Further, the State did not receive any contribution from GoI towards the National Disaster Response Fund (NDRF) during 2022-23. Similar observation was made in the previous year report.

(b) State Disaster Mitigation 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 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 Savings bank account (SBI) of the Department of Disaster Management by debiting the expenditure from MH- 2245. There was no transfer to Public Account under MH 8121-130 SDMF.

The State Government (Secretary, Finance) in its reply stated that remedial process for SDRF and SDMF had been originated from the accounting year 2023-24.

Audit recommends the Government to stop the practice of parking of government funds in Savings/ Current Bank accounts of DDOs and to follow the Receipts and Payments Rules for drawal of funds and from Government Accounts and guidelines on SDRF for the parking of SDRF money.

(c) 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 was to be used for development and maintenance of National Highways, Railway projects, improvement of safety in Railways, State and Rural roads and other infrastructures, 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 2022-23, the State Government received grants of ₹183.63 crore towards CRIF, but 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.

4.3 Non-discharge of interest liability in respect of interest-bearing Reserve Funds and Deposits

Funds in Public Account under Reserve and Deposits sections are of two categories viz., interest bearing and non-interest bearing. State Government is required to pay interest on un-invested balances lying under Reserve Funds and Deposits bearing interest. During 2022-23, the State Government did not discharge interest liability of ₹61.59 crore in respect of balances lying as on 1 April 2022 in the interest-bearing Reserve Funds and Deposits, as shown in **Table 4.1**.

Table 4.1: Details of interest-bearing Reserve Funds and Deposits

(₹ 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

Funds/ Deposits	Balance On 1 April 2022	Basis for calculation of interest	Interest due	Interest paid	Interest short paid
Civil Deposit bearing interest (excluding MH-8342)	22.50	Interest calculated at the rate of 4.00 per cent, taking average Ways and Means interest rate for the year 2021-22	1.24	Nil	1.24
Total			61.75	0.16	61.59

Source: Finance Accounts 2022-23

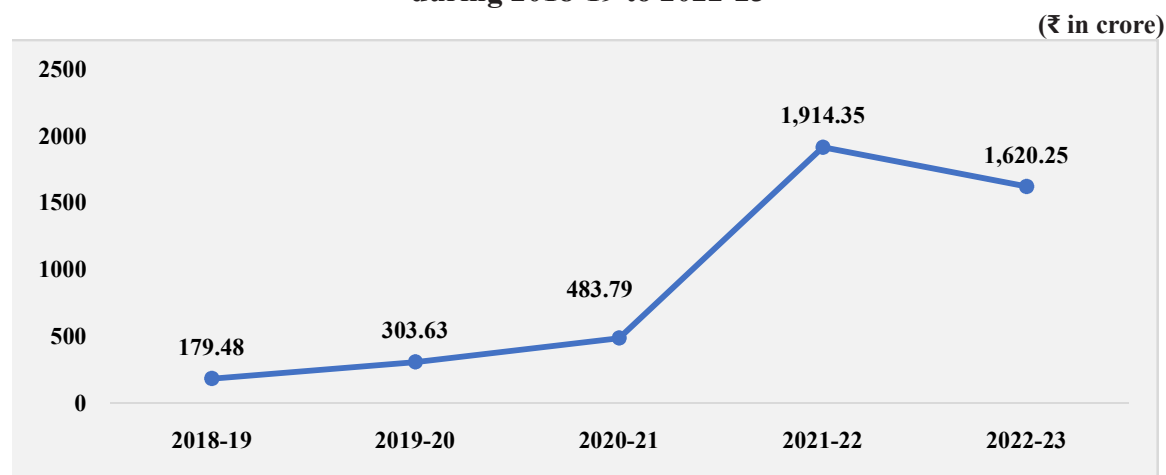
Thus, the undischarged liability of interest in the current year increases the burden on the Government's Revenue Expenditure at a future date.

4.4 Funds transferred directly to the State Implementing Agencies

From 2015-16 onwards, it has been decided by the Government of India (GoI) to release all assistance related to the Centrally Sponsored Schemes (CSS)/ Additional Central Assistance (ACA) to the State Government and not directly to the implementing Agencies. Contrary to this decision, the Government of India transferred an amount of ₹4,501.50 crore directly to State Implementing Agencies in the State during 2018-19 to 2022-23.

Details of direct transfer of funds to the implementing agencies during the period from 2018-19 to 2022-23 is given in **Chart 4.1**.

Chart 4.1: Funds transferred directly to implement agencies during 2018-19 to 2022-23



Source: Finance Accounts of respective year

The Government of India has been transferring funds directly to the Implementing Agencies in the State for implementing various CSS schemes/ programmes in Social and Economic Sectors. During 2022-23, the Government of India transferred ₹1,620.25 crore directly which was ₹1,440.77 crore more than in 2018-19 (₹179.48 crore). Details of all such direct transfers are available in **Appendix-VI** of the Finance Accounts. Some of the

major transfers (₹15.00 crore and above in each case) directly to the State implementing agencies are shown in **Table 4.2**.

Table 4.2 Major transfers directly made to Implementing Agencies in the State

	(₹ in crore)
Organic value chain development of NE Region	16.42
Jal Jeevan Mission (JJM)/ National Rural Drinking Water Mission	1,116.35
Mahatma Gandhi National Rural Guarantee Program	357.52
Pradhan Mantri Kishan Samman Nidhi (PM-Kisan)	53.14

Source: Finance Accounts, 2022-23

Direct releases of funds were more prominent in respect of the Mahatma Gandhi National Rural Guarantee Program (₹357.52 crore) and Jal Jeevan Mission/ National Rural Drinking Water Mission (₹1,116.35 crore) which constitute 22.07 per cent and 68.90 per cent respectively of the total directly transferred amount during 2022-23.

As these funds are not routed through the Consolidated fund of Arunachal Pradesh, the Annual Accounts do not capture the flow, utilisation and parking of such funds. Thus, the State's receipts and expenditure as well as other fiscal variables and parameters derived from the State Accounts do not present the complete picture to that extent.

4.5 Delay in submission of Utilisation Certificates

In terms of Rules 238 of General Financial Rules and Rule 16.9 of Manual of Standing Orders (A&E) Vol-I, Utilisation Certificates (UCs) in respect of Grants-in-Aid received should be furnished by the grantee to the authority that sanctioned it, within 12 months from the closure of the financial year or before applying for a further grant on the same object, whichever is earlier. To the extent of non-submission of UCs, there is a risk that the amount shown in Finance Accounts may not have reached the beneficiaries.

As of 31 March 2023, 349¹ UCs in respect of the grants aggregating ₹1,533.98² crore have not been submitted to the office of Principal Accountant General, Arunachal Pradesh, Itanagar. The year-wise details of pending UCs and amounts involved are given in **Appendix 4.1 (Part A and B)** and **Table 4.3**.

Table 4.3: Year-wise breakup of pending UCs

Year	Opening		Accumulation during the year		Clearance during the year		Closing	
	No. of UCs	Amount	No. of UCs	Amount	No. of UCs	Amount	No. of UCs	Amount
2018-19	233	1,256.47	209	1,198.05	168	819.18	274	1,635.34
2019-20	274	1,635.34	195	773.23	141	748.89	328	1,660.50
2020-21	328	1,660.50	185	1,358.48	69	746.89	444	2,272.10
2021-22	444	2,272.10	298	1,835.68	269	1,721.63	473	2,386.14
2022-23	473	2,386.14	393*	2,284.33*	124	852.15	742	3,818.31

Source: Finance Accounts, 2022-23

* addition during the year, due for submission to next financial year.

¹ Opening balance: 473 minus Clearance during the year: 124.

² Opening balance: ₹2,386.14 crore minus Clearance during the year: ₹852.15 crore.

Non-submission of 349 UCs means that the grantees have not yet explained whether and how the funds amounting to ₹1,533.98 crore were spent. This involves public funds provided to them for implementation of the specific programmes/ schemes, and there is no assurance that the intended objectives of providing these funds have been achieved. In the absence of accountability for expenditure relating to the funds provided as far back as 2018-19, the possibility of misappropriation of these funds cannot be ruled out.

Table 4.4 below provides the department-wise breakup of outstanding UCs for grants paid and due for submission up to the year 2022-23.

Table 4.4: The Department-wise break up of Outstanding UCs, due for submission of UCs

(₹ in crore)		
Name of the Departments	Number of UCs pending	Amount
Education	54	373.93
Home (Police)	4	3.37
Information and Public Relation	35	53.18
Social Welfare, Women and Child Development	67	17.47
Sports and Youth Affairs	28	7.73
Tourism	8	13.35
Civil Supplies and Consumer Affairs	2	0.62
Cultural Affairs	1	1.00
Finance	1	2.35
Planning, Programme Implementation Economic and Statistics	9	35.96
Relief and Rehabilitation	24	192.37
District Administration	8	1.44
Health and Family Welfare	21	111.32
Rural Development and Panchayati Raj	12	451.84
Science and Technology	35	15.75
Secretariat Administration	2	3.10
General Administration	4	4.23
Industries	9	0.15
Personnel Administrative Reforms, Administration and Training	1	4.00
Urban Development, Municipal Administration and Government Estates	24	240.82
Total	349	1,533.98

Source: Information furnished by Office of the Principal Accountant General (Accounts)

Department-wise analyses of the above table revealed as following:

- There were 54 No. of UCs amounting to ₹373.93 crore which were not submitted as on 31 March 2023. These pertained to GIAs to the State Council for Technical Education, Rajeev Gandhi University, Samagra Shiksha Abhiyan, schools, etc.
- There were 12 No. of UCs amounting to ₹451.84 crore for the years 2019-20 to 2021-22 due for submission by the Department of Rural Development and Panchayati Raj as on 31 March 2023. These pertained to GIAs for Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), MGNREGA, National Rural Livelihood Mission, Pradhan Mantri Awas Yojana (PMAY) and Shyama Prasad Mukherjee Urban Mission.

- There were 24 No. of UCs amounting to ₹240.82 crore for the years 2020-21 and 2021-22 due for submission by the Department of Urban Development as on 31 March 2023. These pertained to Swachh Bharat Mission (U) and Pradhan Mantri Awas Yojana (U).
- There were 21 No. of UCs amounting to ₹111.32 crore due for submission by the Department of Health and Family Welfare as on 31 March 2023 which pertained to Mukhya Mantri Rogi Kalyan Kosh, for Implementation of NRHM in Arunachal Pradesh and Covid-19 emergency response.
- There were 35 No. of UCs amounting to ₹53.18 crore due for submission by the Department of Information and Public Relation as on 31 March 2023 and these pertained to the implementation of e-HRMS and e-Office and in house development of Web Application in the State.

In the absence of UCs, it could not be ascertained whether the recipients had utilised the grants and if utilised, it was for the intended purpose. Huge pendency in submission of UCs is fraught with the risk of fraud and misappropriation of funds. It is imperative that the State Government strengthens the relevant internal controls and monitors this closely and hold the concerned persons accountable for submission of UCs in a timely manner.

4.6 Abstract Contingent Bills

In terms of the Rule 312 of Central Treasury Rules, DDOs are required to present Detailed Countersigned Contingent (DCC) bills containing vouchers in support of the final expenditure within a month from the date of completion of the purpose for which the advance was drawn. Further, Rule 309 envisages that a certificate is to be attached to every AC bill to the effect that DCC bills have been submitted to the controlling officer in respect of AC bills drawn more than a month before the date of that bill, without which no AC bill is to be encashed.

In contravention of the above mentioned provisions, as on 31 March 2023, 39 DCC Bills amounting of ₹0.93 crore were outstanding as shown in **Table 4.5**.

Table 4.5: Year-wise progress in submission of DCC bills against AC bills

(₹ in crore)

Year	Opening Balance		Addition		Clearance		Closing Balance	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
2018-19	60	3.34	139	5.93	146	5.13	53	4.14
2019-20	53	4.14	84	2.61	120	6.46	17	0.29
2020-21	17	0.29	6	0.03	0	0	23	0.32
2021-22	23	0.32	45	1.35	59	1.38	09	0.29
2022-23	09	0.29	48	1.63	18	0.99	39	0.93

Source: Finance Accounts of respective year

Major Department-wise defaulters in this regard are given in **Table 4.6**.

Table 4.6: Department wise pending of DCC bills

		(₹ in crore)
Name of the Department	Submission of DCC bills against AC bills	Amount
Parliamentary Affairs	13	0.18
Political and Cabinet Affairs	2	0.03
Arunachal Pradesh Civil Secretariat	24	0.72
Total	39	0.93

Source: Information furnished by Office of the Principal Accountant General (Accounts)

Moreover, above details clearly indicated that Drawing and Disbursing Officer (DDO) and Treasury Officers concerned failed to ensure compliance with the extent Central Treasury Rules and that AC bills were drawn without adjustment of previously drawn AC bills. Thus, there was an environment of financial indiscipline, which calls for action against the officers responsible for the lapse in this regard.

Non-submission of DCC bills leading to the non-adjustment of advances is fraught with the risk of fraud and misappropriation of funds. Further, to the extent of non-receipt of DCC bills, the expenditure shown in the Finance Accounts cannot be asserted as correct or final. Therefore, the State Government needs to strengthen the relevant internal controls and monitor the submission of DCC bills in a timely manner.

4.7 Opaqueness in Accounts

Government Accounting Rules stipulate that the classification of transactions in Government accounts, shall have closer reference to the function, programme and activity of the Government and to the object of Revenue (Receipt) or Expenditure. The omnibus Minor Head: 800 relating to Other Receipts/ Other Expenditure is to be operated only in cases where the appropriate Minor Head is not provided under a Major Head in the accounts. If such instances occur on a regular basis, it is the responsibility of the State Government to discuss with the Accountant General (Accounts) and obtain approval to open appropriate Minor Heads. Indiscriminate booking of receipts and expenditure under Minor Head: 800 affects the transparency of accounts and makes them opaque as the users are not able to see and understand the nature of transactions booked under Minor Head: 800.

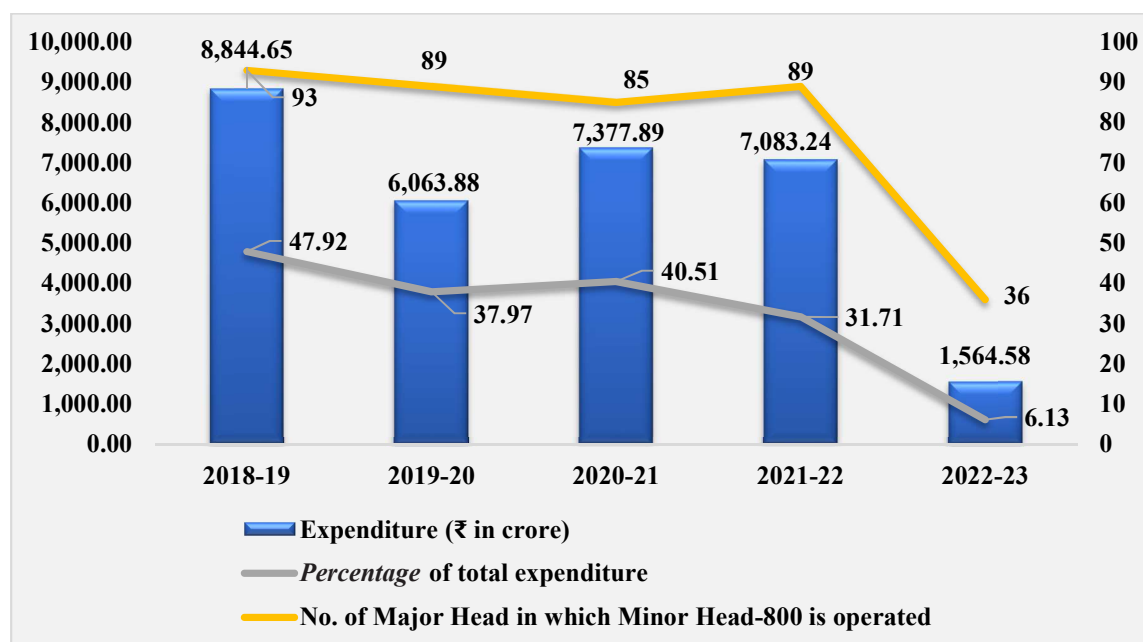
4.7.1 Use of Minor Head: 800-Other Expenditure

Government of Arunachal Pradesh has operated this Minor Head extensively during the last five-year period from 2018-19 to 2022-23. The quantum of expenditure booked under this Minor Head, as a *percentage* of total expenditure, had a decreasing trend from 2020-21 to 2022-23 as can be seen from the **Chart 4.2**. This *percentage* declined from 40.51 *per cent* of total expenditure in 2020-21 to 6.13 *per cent* in 2022-23. The use of Minor Head 800, when seen in absolute terms, has decreased significantly by ₹7,280.07 crore (82.31 *per cent*) in the five-year period from ₹8,844.65 crore in 2018-19 to ₹1,564.58 crore in 2022-23. During 2022-23, the classification of Expenditure under Minor Head-800-Other Expenditure decreased by ₹5,518.66 crore (77.91 *per cent*) over the previous year (₹7,083.24 crore).

During 2022-23, the State Government booked an expenditure of ₹1,564.58 crore under Minor Head: 800 against 36 Major Heads, constituting 6.13 per cent of the Total Expenditure (Revenue and Capital Expenditure).

The extent of operation of Minor Head: 800 Other Expenditure, as a percentage of Total Expenditure during 2018-23 is given Chart 4.2.

Chart: 4.2: Operation of Minor Head 800 - Other Expenditure during 2018-19 to 2022-23



Source: Finance Accounts of the respective year

- During the current year, in respect of Seven Major head amounting to ₹1,279.79 crore as shown in **Appendix 4.2**, substantial proportion *i.e.*, 50 per cent and more was classified under Minor Head 800-Other Expenditure. Details of such Major Heads where the expenditure was more than ₹50.00 crore and more than 50 per cent of expenditure was classified under Minor Head 800-Other Expenditure are shown in **Table 4.7**. This was due to non-availability of dedicated minor heads.

Table 4.7: Major Heads where the expenditure was more than ₹50.00 crore classified under Minor Head 800-Other Expenditure

(₹ in crore)

Major Head	Details of Major Head	TE	Booked Under MH-800	Percentage
2552	North-eastern Areas	112.73	107.68	95.52
3275	Other Communication Services	51.72	51.72	100.00
4070	Capital outlay on Other Administrative Services	957.39	949.69	99.20
4235	Capital Outlay on Social Security and Welfare	152.82	126.96	83.08

Source: Finance Account, 2022-23

- Similarly, in respect of five transactions with an aggregate expenditure of ₹681.58 crore, the entire provision was booked under Minor Head 800-Other Expenditure for the last three continuous financial years, details of which are given in **Table 4.8**.

Table 4.8: Details of Total Expenditure booked under 800-Other expenditure during 2020-23

Major Head	Details of Major Head	2020-21	2021-22	2022-23	2020-23
Revenue Expenditure booked					
2506	Land Reforms	0.72	0.73	0.25	1.70
2810	New and Renewable Energy	22.69	39.05	22.98	84.72
3435	Ecology and Environment	1.66	3.49	1.48	6.63
Sub-Total					93.05
Capital Expenditure booked					
4215	Capital Outlay on Water Supply and Sanitation	224.55	330.45	7.59	562.59
4435	Capital Outlay on Other Agricultural Programmes	4.75	17.43	3.76	25.94
Sub Total					588.53
Grand Total					681.58

Source: Finance Account, 2022-23

Large proportion of classification of expenditure under Minor Head 800-Other Expenditure for the last three continuous financial years was also observed under Capital Outlay on Water Supply and Sanitation (₹562.59 crore) and Revenue Expenditure on New and Renewable Energy (₹84.72 crore) due to non-availability of dedicated minor heads.

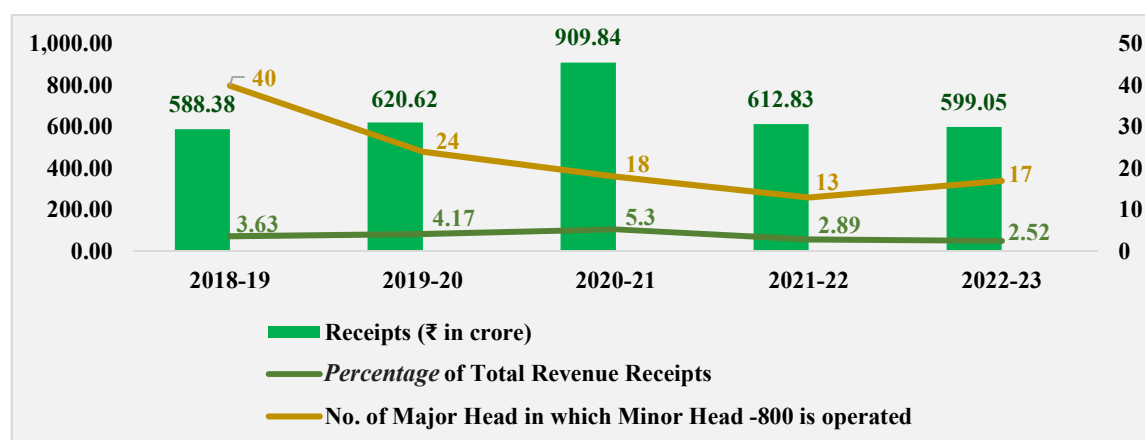
4.7.2 Use of Minor Head 800-Other Receipts

Government of Arunachal Pradesh has operated this Minor Head extensively during the five-year period of 2018-19 to 2022-23. In monetary term, the Receipts classified under the Minor Head peaked at ₹909.84 crore in 2020-21 during the period from 2018-19 to 2022-23 and stood at ₹599.05 crore in 2022-23 as can be seen from the **Chart 4.3**. During 2022-23, the Revenue Receipts classified as 800-Other Receipts decreased by ₹13.78 crore over the previous year.

During 2022-23, the State Government classified an amount of ₹599.05 crore under Minor Head-800 against 17 Major Heads, constituting 2.52 *per cent* of the total Receipts.

The extent of operation of Minor Head 800 Other Receipts, as a *percentage* of Total Revenue Receipts during 2018-23 is given **Chart 4.3**.

Chart: 4.3: Operation of Minor Head 800 - Other Receipts during 2018-19 to 2022-23



Source: Finance Accounts of respective year

In respect of 11 transactions, amounting to ₹2,083.08 crore, which were booked under Minor Head 800-Other Receipts for the last three continuous financial years, details are given in **Table 4.9**. Major proportion of classification of Receipt under Minor Head 800-Other Expenditure for last three continuous financial years was done in Public Works (₹96.87 crore), State Excise (₹354.01 crore), Other Administrative Services (₹390.85 crore) and Power (₹1,160.47 crore)

Table 4.9: Classification under Minor Head 800-Other Receipts during the last three years

(₹ in crore)

Major Head Description	2020-21		2021-22		2022-23		2020-23	
	Total Receipts	800-Other Receipt	Total Receipts	800-Other Receipt	Total Receipts	800-Other Receipt	Total Receipt	800-Other Receipt
39 State Excise	238.02	238.02	115.92	115.92	280.87	0.07	634.81	354.01
49 Interest Receipts	34.12	1.75	47.21	2.53	93.13	2.73	174.46	7.01
59 Public Works	17.33	14.79	83.66	82.08	0	0	100.99	96.87
70 Other Administrative Services	367.29	366.66	18.56	0.2	25.42	23.99	411.27	390.85
235 Social Security and Welfare	0.15	0.15	0.22	0.22	0.05	0.05	0.42	0.42
702 Minor Irrigation	0.37	0.37	1.09	1.09	0.19	0.19	1.65	1.65
801 Power	243.28	243.28	384.35	384.35	532.84	532.84	1,160.47	1,160.47
1054 Roads and Bridges	0.09	0.09	0.36	0.36	1.84	1.21	2.29	1.66
1055 Road Transport	10.01	10.01	18.54	18.54	25.79	25.79	54.34	54.34
1275 Other Communication Services	2.74	2.74	4.48	4.48	4.86	4.86	12.08	12.08
1456 Civil Supplies	0.58	0.58	2.81	2.81	0.33	0.33	3.72	3.72
Total	913.98	878.44	677.2	612.58	965.32	592.06	2,556.5	2,083.08

Source: Finance Accounts of respective year

- In respect of Eight Major head amounting to ₹564.09 crore, the entire provision was classified under Minor Head 800-Other Receipt during 2022-23 as shown in **Table 4.10**. The Power Sector alone classified ₹532.84 crore under Minor Head 800.

Table 4.10: The entire provision was classified under Minor Head 800-Other Receipt
(₹ in crore)

Major Head	Description	Total Receipts under the Major Head	800- Other Receipt	Percentage to Total Receipt under the Major Head
211	Family Welfare	0.03	0.03	100
235	Social Security and Welfare	0.05	0.05	100
702	Minor Irrigation	0.19	0.19	100
801	Power	532.84	532.84	100
875	Other Industries	0.0024	0.0024	100
1055	Road Transport	25.79	25.79	100
1275	Other Communication Services	4.86	4.86	100
1456	Civil Supplies	0.33	0.33	100
Total		564.09	564.09	100

Source: Finance Account, 2022-23

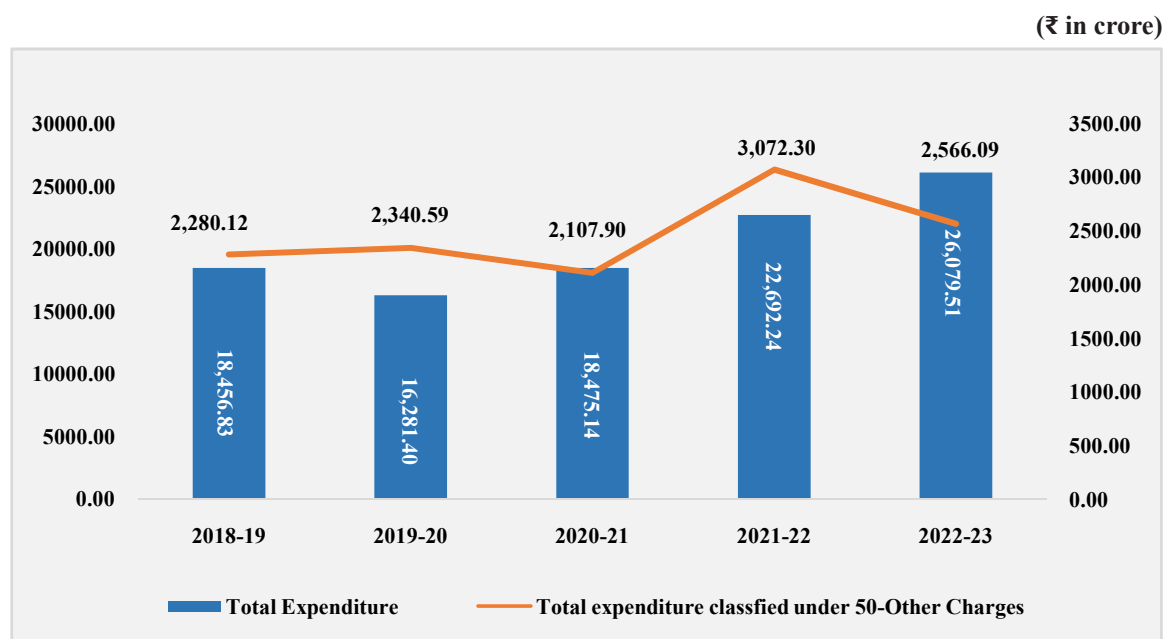
Classification of large amounts under the omnibus Minor Head 800-Other Expenditure/ Receipts last four years significantly higher than the current year. The State government had made efforts to identify the nature of transactions which was previously booked under 800-Other receipts/ expenditure to be booked under respective minor heads. However, classification of amounts under 800-Other receipts/ expenditure discourage the transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure and receipts. Users are not able to see and understand the nature of such transactions booked under Minor Head 800.

Recommendation: *The State Government should make more efforts to strengthen the relevant internal controls and monitors the booking of transactions under the omnibus Minor Head 800-Other Expenditure/ Receipts.*

4.7.3 Classification of huge amount as Other Charges under Object Head-50

Even at Object head level, expenditure was classified as Other Charges making it difficult to identify the nature/ form/ object of the expenditure. Details of expenditure classified as Other Charges during 2018-19 to 2022-23 is shown in **Chart 4.4**.

Chart 4.4: Expenditure details classified as Other Charges during 2018-19 to 2022-23



Source: Finance Accounts of the respective year

Further, test-checked of vouchers pertaining to the month of March 2023, as per details in **Appendix 4.3** ₹41.85 crore was incurred against purchase of stationery items booked under 50-Other charges instead of 13-Office expenses and 31-Grants-in-Aid.

4.8 Outstanding balance under major Suspense and DDR heads

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

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

The position of gross figures under major suspense and remittance heads for the last three years is given in **Table 4.11**.

Table 4.11: Balances under Suspense and Remittance Heads

(₹ in crore)

Minor Head	2020-21		2021-22		2022-23	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Major Head 8658 – Suspense						
101 – PAO suspense	74.41	0.05	52.53	0.05	28.18	0.05
Net	Dr. 74.36		Dr. 52.48		Dr. 28.13	
102 – Suspense Account-Civil	36.56	7.19	29.33	1.46	24.57	1.46
Net	Dr. 29.27		Dr. 27.87		Dr. 23.11	
107 – Cash Settlement Suspense Account	24.03	4.82	24.03	4.82	24.03	4.82
Net	Dr. 19.21		Dr. 19.21		Dr. 19.21	
109 – Reserve Bank Suspense –Headquarters	(-)16.44	(-)5.19	(-)16.49	(-)5.19	(-)10.42	(-)4.40
Net	Dr. (-)11.25		Dr. (-)11.30		Dr. (-)6.02	
110 – Reserve Bank Suspense – CAO	1,948.35	779.51	1,947.04	772.71	1,975.31	771.89
Net	Dr. 1,168.84		Dr. 1,174.33		Dr. 1,203.42	
112 – Tax Deducted at Source (TDS) Suspense	-	7.95	--	7.9	0	7.50
Net	Cr. 7.95		Cr. 7.90		Cr. 7.5	
113 – Provident Fund Suspense	0.25	-	0.25	-	0.25	0
Net	Dr. 0.25		Dr. 0.25		Dr. 0.25	
121 – Additional Dearness Allowance Deposit suspense account (New)	0.07	0.08	0.07	0.08	0.0067	0.08
Net	Cr. 0.01		Cr. 0.01		Dr. 0.0733	
123 – A.I.S Officers’ Group Insurance Scheme	0.02	0.01	0.02	0.01	0.02	0.017
Net	Dr. 0.01		Dr. 0.01		Dr. 0.003	
129- Material Purchase Settlement Suspense Account	19.58	0.02	19.58	0.02	19.58	0.02
Net	Dr. 19.56		Dr. 19.56		Dr. 19.56	
Major Head 8782-Remittances						
102 – P.W. Remittances	51,344.53	51,581.95	401.35	600.8	391.91	188.01
Net	Cr. 237.42		Cr. 199.45		Dr. 203.90	
103 – Forest Remittances	1,843.35	1,842.62	15.9	25.89	16.70	16.14
Net	Dr. 0.73		Dr. 9.99		Dr. 0.56	
105- Reserve Bank of India Remittances	592.89	503.75	592.89	504.2	592.89	504.19
Net	Dr. 89.14		Dr. 88.69		Dr. 88.70	

Source: Finance Accounts of respective year

4.8.1 Pay and Accounts Office (PAO) Suspense

This minor head is operated for the settlement of inter-departmental and inter-governmental transactions arising in the books of PAOs of the Union Government, Union Territories and the Accountants General. The transactions under this minor head represent either recoveries effected, or payments made by an Accounts Officer on behalf of another Accounts Officer against whom the minor head PAO Suspense has been operated. The outstanding balance under this suspense head as on 01 April 2022 was ₹52.48 crore (debit) which was mainly in respect of Ministry of Surface Transport, Regional Office, Guwahati (₹40.29 crore), Central Pensions Accounting Office, New Delhi (₹10.64 crore)

and Pay and Accounts Office VI, New Delhi (₹1.23 crore). These balances are the amounts which the State Government must receive from the respective authorities of GoI and pertain mostly to old years.

During 2022-23, the Outstanding Balance under this head reduced by ₹24.35 crore (Debit) from ₹52.48 crore (Debit) in 2021-22 to ₹28.13 crore (Debit) in 2022-23 due to a significant clearance of PAO suspense balance in respect of the Ministry of Surface Transport, Regional Office, Guwahati.

4.8.2 Suspense Account (Civil)

The transactions which cannot be taken to their Final Expenditure/ Receipt head of account for want of certain information/ documents (challans, vouchers *etc.*) are at the first instance booked under this suspense head. Ideally, the treasury officers should subsequently obtain the required details and clear the balance under this suspense head before closing of the financial year so that the final receipts and expenditure figures depicted in the accounts reflect the correct figures. The Outstanding Net Balances under this head as on 1 April 2022 was ₹27.87 crore (Debit) which was mainly due to net balances of Treasury Suspense (₹23.44 crore Debit) and Objection Book Suspense (₹4.27 crore Debit).

The Outstanding Balance under this head as on 31 March 2023, was ₹23.11 crore (Debit) which had reduced by ₹4.76 crore over the previous year (₹27.87 crore on 31 March 2022). This was due to the clearance of balances under Treasury Suspense by ₹3.65 crore. Figures depicted in the Annual accounts, did not reflect the correct amounts due to non-clearance of the balances under this suspense head and this balance also had the impact of understating of the Revenue Expenditure and overstating the Revenue Surplus by ₹23.11 crore.

4.8.3 Reserve Bank Suspense, Central Accounts Office

When transfer of balances between Central and State Governments take place on account of sanction of loans, grants-in-Aid *etc.*, the Minor Head 110-Reserve Bank Suspense Central Accounts Office under Major Head-8658 is operated to record such transactions before taking them to their final heads of account. The balances under this head of accounts have been increasing for the last three years. The net outstanding balances under this head as on 31 March 2023 was ₹1,203.42 crore with ₹1,975.31 crore (Debit) and ₹771.89 crore (Credit). This was due to the non-adjustment of advices received from the Reserve Bank of India, for want of complete classification details. Most of these balances are legacy balances pertaining to long periods.

4.8.4 Public Works Remittances

Remittances embrace all transactions which are adjusting heads of account and the debits or credits under these heads are eventually cleared by corresponding credits or debits either within the same or in another circle of accounting. Public Works Remittances of ₹203.90 crore (Debit) were lying unadjusted as on 31 March 2023. Details of unadjusted remittances are shown as under:

Head of Account	Net Balance		Pending from	Reasons for pending	Impact of clearance of Outstanding Balances on Cash Balance
Remittances into Treasuries	Dr.	342.04	Prior to 2001-02	Non-adjustment of transactions by Public Works Division	On clearance increase in cash balances.
Public Works Chques	Cr.	140.18	Prior to 2001-02	Outstanding credits due to non-receipt of debits through treasury accounts against cheques issued by Division	On clearance decrease in cash balances.
Other Remittances	Dr.	2.04	2006-07	Due to non-adjustment of transaction by PWD	On clearance increase in cash balances
-	Dr.	203.90		-	

Source: Finance Accounts, 2022-23

It can be seen from the table above, that there was non-adjustment of Debits and Credits heads of account under remittances by corresponding Credits or Debits either within the same or in another circle of accounting. Thus, the Finance Accounts did not depict the correct and complete cash balances.

4.9 Reconciliation of Accounts

It is necessary to carry out periodic reconciliation of accounts to ensure accuracy and completeness of financial accounts. Reconciliation and verification of figures enables the Chief Controlling Officers (CCOs) to exercise effective control over the budget provided and the expenditures booked there against in addition to ensuring the accuracy of accounts. Financial Rules stipulate that the receipts and expenditures recorded in the books of CCOs of Departments are to be reconciled with the books of the Principal Accountant General, every month/ quarter. The status of reconciliation of expenditure figures is shown in **Table 4.12**.

Table 4.12: Status of Reconciliation of expenditure figures

Years	Total No. of Controlling Officer	Fully Reconciled	Partially Reconciled	Not Reconciled	Percentage of amount reconciled
Expenditure					
2018-19	83	82	01	00	98.80
2019-20	84	75	09	00	89.30
2020-21	84	82	02	00	97.60
2021-22	83	81	02	00	99.65
2022-23	79	75	04	00	98.38

Source: Finance Accounts of respective year

Non-reconciliation of Accounts impacts the assurance that all transactions have been taken into the final Heads of Accounts properly. Failure to exercise this check, resulted in expenditure without budget provision, misclassification of expenditure and excess expenditure against budget provision, **(details are discussed in Paragraphs 3.5.1, 3.5.3**

and 3.5.12.1) and raises concerns over accuracy of Account. It is also a reflection of a weak internal control mechanism within the Government.

4.10 Reconciliation of Cash Balances

There should be no difference between the Cash Balances of the State as per the books of Accounts of the Accountant General (Accounts) and Cash Balance as reported by Reserve Bank of India. Details of Cash Balances as per RBI and books of Accounts of the Accountant General (Accounts) and their differences are given in **Table 4.13**.

Table 4.13: Details of year-wise Cash Balance

(₹ in crore)

Year	Cash Balance as per RBI	Cash Balance as per Accountant General (Accounts)	Net Difference	Reasons for differences
2018-19	Dr.329.83	Cr.316.60	Dr.13.23	Misclassification by/ Treasury
2019-20	Cr.231.55	Dr.256.96	Dr.25.41	
2020-21	Dr.20.00	Dr.7.01	Dr.27.01	
2021-22	Dr.731.98	Cr.2,063.52	Cr.1,331.54	
2022-23	Dr.728.30	Cr.945.59	Cr. 217.29	
Total	Dr. 1,578.56	Cr. 3,061.74	Cr.1,483.18	

Source: Finance Accounts of respective year

As on 31 March 2023, there was a difference of ₹217.29 crore (Credit) in Annual Accounts, between the Cash Balance of the State Government, as per the books of Accounts of the Accountant General (Accounts), and the Cash Balance reported by RBI. The net RBD at the end of year reported by RBI is ₹728.30 crore (Debit) and Accountant General's figure is ₹945.59 crore (Credit). This difference is mainly due to the misclassifications and incorrect reporting by Banks/ Treasuries which need to be reconciled and rectified. It is the responsibility of the State Government to reconcile the balance with Agency Banks on a continuous basis to ensure that the amounts reported are correct and to ensure that there are no delays in reporting of transactions by the Agency Banks. However, such reconciliation was not being done, due to which there was a huge difference of ₹217.29 crore (Credit in Annual Accounts) and the penalty leviable on the Agency banks for not adhering to the timelines for settlement may be ascertained.

4.11 End use of Cess

Rule 5 of Building and Other Construction Workers Welfare Cess Rules 1998, provides that the proceeds of the Cess collected shall be transferred by such Government Office/ Establishment, as the case may be, to the Arunachal Pradesh Building and Other Construction Workers Welfare Board (APBOCWB). Further, as per Rule 5(3) of the Building and Other Construction Workers Welfare Cess Rules 1998, the amount collected has to be transferred to the Board within thirty days of its collection.

As on 01 April 2022, the State Government was yet to transfer Cess amounting to ₹127.68 crore to the Board. Further, during 2022-23, another ₹20.35 crore was collected as Labour Cess by the State Government. However, the State Government transferred

only ₹19.30 crore to the Board during 2022-23, leaving a balance of ₹128.73 crore as on 31 March 2023.

As at end of 2022-23, a total of 65,752 workers were registered with the Board. Details of amount collected, and actual expenditure incurred during the period from 2018-19 to 2022-23 are shown in **Table 4.14**.

Table 4.14: Statement of Cess Collection and Expenditure incurred (2018-19 to 2022-23)

(₹ in crore)

Year	Opening Balance	Addition during the year		Total Fund Available	Actual Expenditure	Closing Balance
		Cess Collected during the year	Other income*			
2018-19	19.37	70.62	7.35	97.34	84.21	13.13
2019-20	13.13	42.68	0.76	56.57	48.24	8.33
2020-21	8.33	53.24	0.69	62.26	54.72	7.54
2021-22	7.54	80.16	0.93	88.63	81.79	6.84
2022-23	6.84	135.03	0.72	142.59	128.34	14.25

Source: Information furnished by the Board

* Other income includes registration fees, interest accrued from bank account, fixed deposits etc.

As can be seen from **Table 4.14**, out of the total available fund of ₹142.59 crore in 2022-23, the APBOCWB expended ₹128.34 crore, leaving a balance of ₹14.25 crore at end of the year.

Section 24(3) of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 states that no Board shall, in any financial year, incur expenses towards salaries, allowances and other remuneration to its members, officers and other employees and for meeting the other administrative expenses exceeding five *per cent* of its total expenses during the financial year. Scrutiny of the details of expenditure of APBOCWB for 2022-23 revealed that out of the total expenditure of ₹142.59 crore, an expenditure of ₹7.52 crore (5.85 *per cent* of the total expenditure) was incurred towards administrative expenses by the Board in contravention of the rules *ibid*.

The remaining expenditure of ₹135.07 crore was incurred by the Board on Educational Benefits (₹2.22 crore) to 836 children of the beneficiaries *i.e.* building and other construction workers, Normal Death Benefits (₹0.86 crore) to 163 beneficiaries, Medical Benefits (₹0.007 crore) to 22 beneficiaries and Marriage Benefits (₹0.03 crore) to 32 Beneficiaries *etc.*

4.12 Compliance with Indian Government Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India, prescribe form of accounts of the Union and of the States. In accordance with this provision, three Indian Government Accounting Standards (IGAS) have been notified to enhance the accountability mechanisms. Compliance to these Accounting Standards by Government of Arunachal Pradesh for the year 2022-23 and deficiencies therein are detailed in **Table 4.15**.

Table 4.15: Compliance with IGAS

IGAS	Essence of IGAS	Compliance by the State Government	Deficiencies notified in Compliance
IGAS 1 <i>Guarantees given by Government Disclosure required</i>	This standard requires the government to disclose maximum amount of guarantees given during the year in its financial statements along with the additions, deletions, invoked discharged and outstanding at the end of the year.	Partially Complied	The Government does not follow commitment accounting and the commitments are neither recorded nor the liability against commitment recognised in accounts.
IGAS 2 <i>Accounting and Classification of Grants-in-Aid</i>	Grants-in-Aid are to be classified as revenue expenditure in the accounts of the grantor and as revenue receipts in the accounts of the grantee, irrespective of the end use	Fully Complied	--
IGAS 3 <i>Loans and Advances made by the Government</i>	This standard relates to recognition, measurement, valuation and reporting in respect of loans and advances made by the Government in its Financial statement to ensure complete, accurate and uniform accounting practices	Partially Complied	Statement as per requirements of IGAS was partially complied with. Disclosure regarding write off of irrecoverable loans and advances, entity-wise details of interest credited on loans and advances given by the state government and details of overdue principal and interest where detailed accounts are maintained by the State were not reported.

Not fully complying with IGAS would affect the objective of financial statements to present a true and fair view of the financial position.

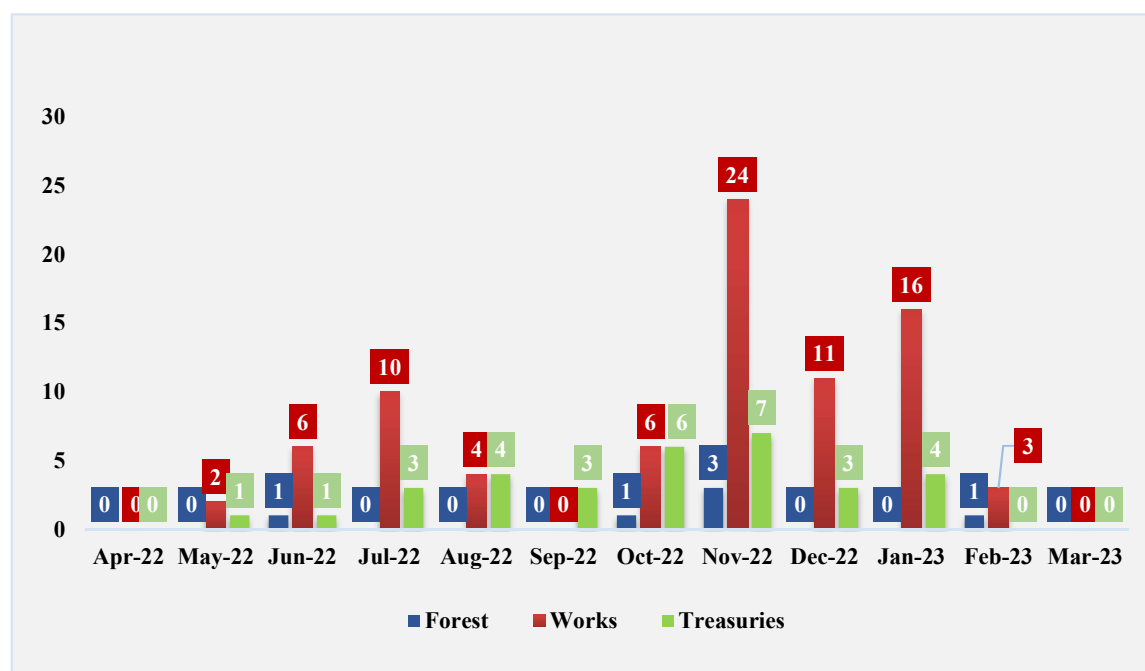
4.13 Timeliness and Quality of Accounts

The accounts of the State Government are compiled by the Principal Accountant General (Accounts) from the initial accounts rendered by the district treasuries, sub-treasuries, Resident Commissioners, public works divisions and forest divisions, apart from the RBI advices. There are often delays in rendition of monthly accounts. Due to the failure of the account rendering units to furnish accounts on time, some accounts are excluded from the monthly Civil Accounts by the Principal Accountant General office.

In Arunachal Pradesh, the Principal Accountant General is required to compile the accounts of the State Government, from the initial accounts rendered by the 37 District Treasuries/ Sub-treasuries, 51 Public Works Divisions, 37 Public Health Engineer, 35 Power Divisions, 20 Hydro Power Divisions, 24 Urban Divisions, 31 Rural Works Divisions, 28 Water Works Divisions and 48 Forest Divisions, apart from the RBI advices.

During 2022-23, there were delays in rendition of monthly accounts that resulted in few accounts being excluded from the monthly civil accounts. Details of accounts of works divisions excluded from the monthly Civil Accounts are given **Chart 4.5**.

Chart 4.5: Month-wise exclusion of Accounts from the monthly Civil Accounts



Source: Information furnished by Office of the Principal Accountant General, AP

As can be seen from the **Chart 4.5** above, during 2022-23, the Public Works Divisions were the major units that delayed the rendition of monthly accounts. Consequently, receipts and expenditure relating to these divisions/ units could not be incorporated in the Civil Accounts in the month of occurrence of the transaction. Due to the failure of the accounts rendering units to furnish accounts on time, these accounts were excluded from the corresponding Monthly Civil Accounts by the Principal Accountant General, Arunachal Pradesh in 11 months of 2022-23, except for March 2023. Therefore, the monthly accounts indicating the receipts and disbursements of the State during these months, rendered by the Principal Accountant General to the State Government were incomplete in all the months, except for the month of March 2023. However, no accounts have been excluded at the end of the year.

Exclusion of accounts not only distorts the budgetary position of the Government, but also impacts government functions like monitoring of fund flow to the last mile of implementation, planning the pacing of expenditure on developmental programmes, providing intended benefits to the targeted beneficiaries, monitoring the functioning of departments *etc.* during the year.

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

4.14 Submission of Annual Accounts by Autonomous Bodies

Audit of Accounts of Autonomous Bodies (ABs) set up by the State Government is conducted under Section 19 or 20 of “Comptroller and Auditor General of India (Duties, Powers and Conditions of Service Act) 1971”.

There were four Autonomous Bodies coming under the audit purview of the Principal Accountant General, Arunachal Pradesh as per Section 19 or 20 of the CAG’s DPC Act, which were required to submit their Annual Accounts to CAG before 30 June every year. However, there were delays in submission of Annual Accounts by such ABs to Audit ranging from one to nine years as of September 2023. Details of arrears in accounts submission by ABs is given in **Table 4.16**.

Table 4.16: Details of Arrears of Accounts

Sl. No.	Name of the State Autonomous Bodes/ Authorities	Accounts pending since	No. of Accounts pending as of September 2023
1.	Arunachal Pradesh State Legal Services Authority	2022-23	01
2.	Arunachal Pradesh State Electricity Regulatory commission	2022-23	01
3.	Arunachal Pradesh State Compensatory Afforestation Fund Management and Planning Authority	2013-14	10
Total			12

Source: Information furnished by the Commercial wing of the Office of the Pr. Accountant General, AP

As can be seen from the above table, the Annual Accounts of four ABs (12 Accounts) were not submitted to audit as of September 2023. Further, 10 Accounts of CAMPA were pending from 2013-14 onwards. The State Forest Department which has the responsibility to oversee the activities of CAMPA, did not take effective actions to clear the huge arrears in submission of accounts.

Delays in the submission of accounts to audit reflects weak internal controls and inadequate monitoring by the State Government in addition to the lack of accountability from these Autonomous/ Authorities for the funds released by the State Government. It may also make the system vulnerable to fraud and leakage of public money.

4.15 *Suo-motu* Action Taken Notes

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

three months from the date of presentation of the Audit Reports to the State Legislature. *Suo motu* explanatory notes on the observations (348 paragraphs) made in the Audit Reports have not been provided by any of the concerned departments, indicating that none of the concerned departments complied with the instructions laid by the Finance Department.

4.16 Discussion of SFAR by the PAC

Public Accounts Committee was held on 17 August 2023 however, no Audit Findings incorporated as Paragraphs in the State Finances Audit Report (SFAR), was discussed.

4.17 Conclusion

- Non-submission of Utilisation Certificates by Departments for funds drawn for specific developmental programmes/ projects and non-submission of accounts by Autonomous, Development Bodies and Authorities was violative of prescribed financial rules and directives. These point to inadequate internal controls and deficient monitoring mechanism of the State Government.
- Non-adjustment of Abstract Contingent is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective Drawing and Disbursing Officers for ensuring submission of Detailed Countersigned Contingent (DCC) bills. Further, there is no assurance that the expenditure of the State Government reflected in the Finance Accounts is correct or final due to non-receipt of DCC bills to that extent.
- Exclusion of accounts not only distorts the budgetary position of the Government but also impacts its monitoring of fund flow to the last mile of implementation, its planned pacing of expenditure on developmental programmes.
- Delayed rendering of accounts by the account rendering units/ authorities distorted the accurate depiction of monthly transactions of the State and impacted effective budgetary management.
- Delays in the submission of accounts to audit reflects weak internal controls and inadequate monitoring by the State Government in addition to the lack of accountability from these Autonomous/ Authorities for the funds released by the State Government. It may also make the system vulnerable to fraud and leakage of public money

4.18 Recommendations

The Government may-

- ensure timely submission of Utilisation Certificates by the departments in respect of the grants released for specific purposes.
- expedite the process to clear the old Abstract Contingent (AC) bills and ensure timely submission of all Detailed Countersigned Contingent bills to adjust the outstanding AC bills within the prescribed timeline as required under the rules.

- monitor closely and ensure the rendition of accounts by all the account rendering authorities to the Principal Accountant General on timely basis to manage its own budget more effectively.
- evolve a system to expedite the process of compilation and submission of annual accounts by autonomous bodies and departmentally run undertakings in order to assess their financial position.

CHAPTER-V
State Public Sector
Enterprises

Chapter V: State Public Sector Enterprises

5.1 Introduction

This Chapter presents the financial performance of the ‘Government Companies’ and ‘Government Controlled Other Companies’. The term State Public Sector Enterprises (SPSEs) encompasses the State Government owned companies set up under the Companies Act, 2013 and Statutory Corporations setup under the statutes enacted by the Parliament and State legislature. The State of Arunachal Pradesh, however, has no Statutory Corporation in existence as on 31 March 2023.

A Government Company is defined in Section 2(45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary of a Government Company.

Besides, any other company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments is referred to in this Report as ‘Government Controlled Other Company’.

5.2 Mandate

Audit of ‘Government Companies’ and ‘Government Controlled Other Companies’ is conducted by the Comptroller and Auditor General of India (CAG) under the provisions of Section 143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of the CAG’s (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made there under. Under the Companies Act, 2013, the CAG appoints the Chartered Accountants as Statutory Auditors for the financial audit of companies and gives them directions on the manner in which the accounts are to be audited. In addition, the CAG has right to conduct a supplementary audit. The statutes governing some Statutory Corporations require their accounts to be audited only by the CAG. As however mentioned above, the State of Arunachal Pradesh has no Statutory Corporation in existence as on 31 March 2023.

5.3 Working and non-working SPSEs

As on 31 March 2023, there were total seven SPSEs (all Government companies including one¹ non-working) under the audit jurisdiction of the Comptroller and Auditor General of India in Arunachal Pradesh as detailed in **Table 5.1**.

¹ Parasuram Cement Limited

Table 5.1: Details of working and non-working SPSEs

Type of SPSEs	Working SPSEs	Non-working SPSEs ²	Total
Government Companies	6	1	7

Table 5.2 provides the comparative details of working SPSEs-turnover and State GSDP for a period of four years ending 2022-23.

Table 5.2: Contribution of SPSEs-turnover to GSDP

Particulars	(₹ in crore)			
	2019-20	2020-21	2021-22	2022-23
SPSEs-Turnover ³	11.82	11.67	10.42	12.52
GSDP	30,025.23	30,945.33	35,483.76	39,671.24
Percentage of Turnover to GSDP	0.04	0.04	0.03	0.03

Source: As per latest finalised accounts of SPSEs, GSDP-Directorate of Economics and Statistics, GoAP

As could be noticed from the Table above, the contribution of SPSEs to the GSDP of the State was negligible and remained static at 0.04 *per cent* during 2019-20 to 2020-21. The contribution of SPSEs-turnover to GSDP further decreased to 0.03 *per cent* during 2021-22 and 2022-23. The major contributors to SPSEs-turnover during 2022-23 were Arunachal Pradesh Industrial Development and Financial Corporation Limited (₹6.30 crore) and Arunachal Pradesh Police Housing and Welfare Corporation Limited (₹3.97 crore). (*Appendix 5.1*).

5.4 Investment in SPSEs

State Government's investment in SPSEs

The State's investment in SPSEs was by way of Equity Share Capital and Long-Term Loans. The figures in respect of Equity Capital and Loans provided by the State Government as per the records of SPSEs should agree with the corresponding figures appearing in the Finance Accounts of the State. In case of differences in the figures, the SPSEs concerned and the Finance Department should carry out reconciliation to sort out the differences. The position in this regard for last three years is given in **Table 5.3**.

Table 5.3: Equity and Loans outstanding⁴ as per the State Finance Accounts *vis-à-vis* records of SPSEs for last three years

Year	Amount as per Finance Accounts			Amount as per records of SPSEs			Difference		
	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23	2020-21	2021-22	2022-23
Equity	9.00	9.00	9.00	19.49	19.49	19.49	10.49	10.49	10.49
Loans⁵	36.25	36.25	36.25	8.38	8.38	8.23	27.87	27.87	28.02

Source: As per Finance Accounts of the respective years and as per the information provided by the SPSEs

² Non-working SPSEs are those which have ceased to carry on their operations.

³ As per the latest finalised accounts of working SPSEs as on 30 September of respective year.

⁴ Figures as per SPSEs' records are provisional and as provided by the SPSEs.

⁵ Represent Loans provided to 'public sector and other undertakings' in four sectors namely, Agriculture and Allied (₹20.00 crore); Power (₹10.00 crore); Non-ferrous Mining (₹0.15 crore) and Industrial Financing (₹6.10 crore). SPSE-wise details of Loans not available in the State Finance Accounts.

It can be noticed from the Table above that, there were constant differences in the figures of Equity Investment (₹10.49 crore) and Loan given by GoAP (₹27.87 crore to ₹28.02 crore) as per the two sets of records during all the three years from 2020-21 to 2022-23. These differences were pending reconciliation for more than 10 years. Though the Principal Secretary, Finance Department, GoAP as well as the Management of the SPSEs concerned were appraised about the differences with a request for early reconciliation, no significant progress has been noticed in this regard.

The Principal Secretary, Finance Department, GoAP, in its reply (10 January 2024) stated that directions were given to the SPSEs as well as their Administrative Departments to reconcile the difference in the investment figures with the Finance Department and Principal Accountant General, Arunachal Pradesh.

State Government and the SPSEs concerned should take concrete steps to reconcile the differences in a time-bound manner. The Government should correct the system for prompt updation of the Finance Accounts while providing finances to the SPSEs.

5.5 Budgetary Assistance to SPSEs

The State Government provides financial support to SPSEs in various forms through the annual budgetary allocations. The summarised details of budgetary support towards Equity, Loans and Grants/ subsidies in respect of SPSEs during the past three-years are given in Table 5.4.

Table 5.4: Details regarding annual budgetary support to SPSEs

Particulars	(₹ in crore)					
	2020-21		2021-22		2022-23	
	No. of SPSEs	Amount	No. of SPSEs	Amount	No. of SPSEs	Amount
Equity capital to end of the year	-	Nil	-	Nil	-	Nil
Loans given to end of the year	-	Nil	-	Nil	-	Nil
Grants/ subsidy from budget	3	7.45	6	16.96	6	23.52
Total Outgo	3	7.45	6	16.96	6	23.52

Source: As per the latest information provided by the SPSEs

It can be noticed from the Table above that the State Government had not provided any equity capital or loans from the State budget to the SPSEs during the last three years (2020-21 to 2022-23). However, the budgetary support⁶ provided by the State Government to SPSEs in the form of grants/ subsidy showed an increasing trend during last three years and was highest during 2022-23 at ₹23.52 crore (six SPSEs) as against ₹7.45 crore (3 SPSEs) during 2020-21. Three SPSEs⁷ had received grants continuously during all the three years under reference.

⁶ Budgetary support also given on liabilities/ establishment expenditure to those SPSEs whose net worth was eroded

⁷ Arunachal Pradesh Forest Corporation Limited (2020-21: ₹2.66 crore; 2021-22: ₹2.78 crore and 2022-23: ₹4.07 crore); Arunachal Police Housing and Welfare Corporation Limited (2020-21: ₹2.06 crore; 2021-22: ₹2.31 crore and 2022-23: ₹2.45 crore) and Hydro Power Development Corporation of Arunachal Pradesh Limited (2020-21: ₹2.73 crore; 2021-22: ₹6.48 crore and 2022-23: ₹3.03 crore).

The major recipients of the budgetary assistance during 2022-23 were Arunachal Pradesh Industrial Development and Financial Corporation Limited (₹8.29 crore), Arunachal Pradesh Donyi Polo Hotel Corporation Limited (₹4.64 crore) and Arunachal Pradesh Forest Corporation Limited (₹4.07 crore).

While accepting the facts on budgetary assistance, the Principal Secretary, Finance Department, GoAP, added (10 January 2024) that the budgetary assistances were provided after reviewing their profitability. The Principal Secretary also added that the State Government had decided to close the operations of the Arunachal Pradesh Industrial Development and Financial Corporation Limited and Arunachal Pradesh Donyi Polo Hotel Corporation Limited in a phased manner.

5.6 Returns from Government Companies and Corporations

Profit earned and Dividend paid by SPSEs

The position of aggregate profit earned and dividend paid by the profit earning SPSEs during the past three years as per the latest finalised accounts as on 30 September of respective year is given in **Table 5.5**.

Table 5.5: Details of profits earned and dividend paid by working SPSEs

Year	2020-21	2021-22	2022-23
Number of profit earning working SPSEs	3	3	1
Aggregate profit earned (₹ in crore)	7.68	5.83	3.75
Dividend paid	-	-	-

Source: As per latest finalised accounts of SPSEs

As can be noticed from the Table above, during the last three years, one to three working SPSEs earned profits ranging from ₹3.75 crore (2022-23) to ₹7.68 crore (2020-21). However, none of these SPSEs had declared any dividend during the last three years. There was no recorded information about the existence of any specific policy of the State Government regarding the payment of minimum dividend by the SPSEs.

5.7 Long Term Debt of SPSEs

The position of outstanding Long-Term Debts of the SPSEs (working and non-working) during the last three years as per their latest finalised accounts is given in **Table 5.6**.

Table 5.6: Position of Outstanding loans of the SPSEs

Particulars	(₹ in crore)		
	2020-21	2021-22	2022-23
Total Loans outstanding (State Government and Others)	31.68	32.02	27.22
Turnover	11.67	10.42	12.52
Interest on Total Loans ⁸	0.98	0.98	0.22

Source: As per latest finalised accounts of SPSEs and Finances Accounts of respective years

⁸ Interest figures as available in the latest finalized accounts of respective SPSEs.

It can be noticed from the Table above that the total outstanding loans of SPSEs have recorded a decrease of ₹4.80 crore in 2022-23 from ₹32.02 crore (2021-22) to ₹27.22 crore (2022-23). Analysis revealed that 94.60 per cent (₹25.75 crore) of SPSE-borrowings (₹27.22 crore) as on 31 March 2023 pertained to one SPSE (Arunachal Pradesh Industrial Development and Financial Corporation Limited), significant portion (₹25.17 crore) of which was payable against the Loans availed by this SPSE from the State Government. However, four⁹ out of the six SPSEs (all working) did not have any outstanding long term loans as on 31 March 2023.

5.8 Operating Efficiency of SPSEs

Key parameters

Some of the key parameters of the operational efficiency of working SPSEs for the last three years as per their latest finalised accounts as on 30 September of the respective year are shown in **Table 5.7**.

Table 5.7: Key parameters of operational efficiency of working SPSEs

(₹ in crore)					
Year	No. of working SPSEs	Paid up capital ¹⁰	Overall accumulated profits (+)/ losses(-)	Overall net profits/ losses(-)	EBIT
2020-21	6	24.54	(-)0.37	5.75	6.73
2021-22	6	24.54	(-)3.42	2.41	3.39
2022-23	6	24.65	(+)20.36	(-)0.95	(-)0.73

Source: Latest finalised accounts of working SPSEs as on 30 September of the respective year

From the Table above, it can be seen that the working SPSEs have accounted accumulated profits of ₹20.36 crore during 2022-23 as against the accumulated losses (₹0.37 crore and ₹3.42 crore) recorded during previous two years. This improvement was mainly on account of accumulated profit of four SPSEs¹¹ during 2022-23.

Further, the overall net profits and positive EBIT of the SPSEs recorded during 2020 21 and 2021-22 turned into losses (₹0.95 crore)/ negative EBIT (₹0.73 crore) during 2022-23 mainly due to the losses ₹4.70 crore incurred by five SPSEs¹² during 2022-23 as against the profits ₹0.14 crore earned during 2021-22. This indicated an overall deterioration in the operational efficiency of the working SPSEs.

5.9 Return on Capital Employed (ROCE)

Return on Capital Employed (ROCE) is a profitability metric that measures the long term profitability and efficiency of the total capital employed by an entity. Companies create value when they generate returns on the capital employed in excess of the cost of the

⁹ Serial no. 3, 4, 5 and 6 of *Appendix 5.1*

¹⁰ Including the 'share application money pending allotment' (₹7.45 crore) pertaining to SPSE at serial no. A5 of *Appendix 5.1*

¹¹ Serial no. 2, 3, 4 and 5 of *Appendix 5.1*

¹² Serial no. 1, 2, 3, 5 and 6 of *Appendix 5.1*

capital employed. ROCE is an important metric for long term lenders and it is calculated by dividing a company's EBIT by the Capital Employed.

During 2022-23, the overall capital employed in respect of the six working SPSEs as per their latest finalised accounts was ₹70.77 crore. Further, only one¹³ SPSEs, out of six working SPSEs, had positive ROCE (*Appendix 5.1*).

In comparison, however, the overall capital employed in respect of working SPSEs during the previous two years was ₹46.70 crore (2020-21) and ₹51.44 crore (2021-22) respectively.

5.10 Return on Equity (ROE)

Return on Equity¹⁴ (ROE) is a measure of financial performance of companies calculated by dividing the 'net income earned' (Returns) by the Equity (net worth). During 2022-23, only one out of six working SPSEs earned profit (₹3.75 crore) while remaining five SPSEs incurred losses (₹4.70 crore) as per their latest finalised accounts as on 30 September 2023 as detailed in *Appendix 5.1*. Out of six SPSEs, ROE of one SPSE was 10.67 per cent while the ROE of three SPSEs was negative. ROE in respect of remaining two SPSEs¹⁵ was not workable due to a negative net worth. The details of ROE in respect of the working SPSEs as per their latest finalised accounts as on 30 September 2023 are shown in **Table 5.8**.

Table 5.8: Details of ROE of working SPSEs during 2022-23

(₹ in crore)				
SPSE	Year of Accounts	Net worth	Returns	ROE (In per cent)
Positive ROE				
Arunachal Police Housing and Welfare Corporation Limited	2020-21	35.16	3.75	10.67
Overall		35.16	3.75	10.67
Negative ROE				
Arunachal Pradesh Mineral Development and Trading Corporation Limited	2006-07	3.61	(-)0.23	(-)6.37
Arunachal Pradesh Forest Corporation Limited	2012-13	17.43	(-)0.92	(-)5.28
Hydro Power Development Corporation of Arunachal Pradesh Limited	2014-15	13.56 ¹⁶	(-)0.41	(-)3.02

Source: As per latest finalised accounts of SPSEs

¹³ Serial no. A4 of *Appendix 5.1*

¹⁴ **Return on Equity** = (Net Profit after Tax and preference Dividend/Equity) x 100; where **Equity** = Paid up Capital plus Free Reserve and Accumulated profits minus Accumulated Losses and Deferred Revenue Expenditure.

¹⁵ SPSEs at Sl. No. A1 and A6 of *Appendix 5.1*.

¹⁶ Including the 'share application money pending allotment' (₹7.45 crore).

5.11 SPSEs incurring Losses

The position of aggregate losses incurred by the loss making working SPSEs during the past three years as per their latest finalised accounts is given in **Table 5.9**.

Table 5.9: Details of losses of working SPSEs

Year	2020-21	2021-22	2022-23
Total No. of working SPSEs	6	6	6
Number of loss making working SPSEs	3	3	5
Aggregate losses (₹ in crore)	(-)1.93	(-)3.42	(-)4.70

The details of the working SPSEs, which incurred losses during 2022-23 are given in **Table 5.10**.

Table 5.10: Details of loss making working SPSEs during 2022-23

(₹ in crore)

Sl. No.	Name of the Company	Latest finalised accounts	Net Loss
1.	Arunachal Pradesh Industrial Development and Financial Corporation Limited	2020-21	2.05
2.	Arunachal Pradesh Mineral Development and Trading Corporation Limited	2006-07	0.23
3.	Arunachal Pradesh Forest Corporation Limited	2012-13	0.92
4.	Hydro Power Development Corporation of Arunachal Pradesh Limited	2014-15	0.41
5.	Arunachal Pradesh Donyi Polo Hotel Corporation Limited	2020-21	1.09
Total			4.70

Source: As per latest finalised accounts of SPSEs

5.12 SPSEs having complete erosion of capital

The aggregate paid-up capital and overall accumulated profit of six working SPSEs as per their latest finalised accounts as on 30 September 2023 were ₹24.65 crore and ₹20.36 crore respectively. Analysis of accumulated profit of these SPSEs revealed that the accumulated losses (₹29.95 crore) of two working SPSEs had completely eroded their paid up capital (₹5.20 crore) and their net worth has remained negative for a period ranging from 5 to 16 years as detailed in **Table 5.11**.

Table 5.11: Erosion of Capital of working SPSEs

(₹ in crore)

Name of SPSE	Latest year of finalised Account	Total paid-up capital	Net profit (+)/Loss (-) after interest, tax and dividend	Accumulated losses	Net worth	Period since when Net worth has remained negative	State Government Equity as on 31 March 2023	State Government loans as on 31 March 2023
Arunachal Pradesh Industrial Development and Financial Corporation Limited	2020-21	4.20	(-2.05)	25.39	(-21.19)	2007-08 (16 years)	2.15	8.23
Arunachal Pradesh Donyi Polo Hotel Corporation Limited	2020-21	1.00	(-1.09)	4.56	(-3.56)	2018-19 (5 years)	0.10	-
Total		5.20	(-3.14)	29.95	(-24.75)		2.25	8.23

Source: As per latest finalised accounts and information provided by the SPSEs

Accumulation of huge losses by these SPSEs had eroded public wealth, which is a cause of serious concern and the State Government needs to review the working of these SPSEs to either improve their profitability or close their operations.

OVERSIGHT ROLE OF COMPTROLLER AND AUDITOR GENERAL OF INDIA

5.13 Audit of State Public Sector Enterprises (SPSEs)

Comptroller and Auditor General of India (CAG) appoints the statutory auditors of a Government Company and Government Controlled Other Company under Section 139 (5) and (7) of the Companies Act, 2013. Further, the CAG also has a right to conduct supplementary audit and supplement or comment upon the Audit Report of the statutory auditor.

5.14 Appointment of Statutory Auditors of SPSEs by CAG

Sections 139 (5) of the Companies Act, 2013 provides that the statutory auditors in case of a Government Company or Government Controlled Other Company are to be appointed by the CAG within a period of 180 days from the commencement of the financial year. The statutory auditors of these SPSEs are appointed by the CAG.

5.15 Submission of Accounts by SPSEs

Need for timely submission

Section 96 (1) of the Companies Act, 2013 provides that the financial statement of the companies is to be finalised within six months after the end of the financial year *i.e.* by 30 September of the next financial year.

Further, under Section 394 of the Act, Annual Report on the working and affairs of a Government Company, is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation laid before the State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. This mechanism provides the necessary Legislative control over the utilisation of public funds invested in the companies from the State budget.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year have to be placed in the said AGM for their consideration.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

Despite above provisions, there was pendency in submitting the annual accounts by the SPSEs as on 30 September 2023, as discussed below.

5.16 Timeliness in preparation of Accounts by SPSEs

The details relating to finalisation of accounts by six working SPSEs during the last five years as of 30 September of respective year are given in **Table 5.12**.

Table 5.12: - Position relating to finalisation of accounts of working SPSEs

Sl. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
1.	Number of Working SPSEs/ other companies	6	6	6	6	6
2.	Number of accounts finalised during the year	2	2	3	5	16
3.	Number of accounts in arrears	42	46	49	50	40
4.	Number of working SPSEs with arrears in accounts	6	6	6	6	6
5.	Extent of arrears (numbers in years)	1 to 19	1 to 20	1 to 21	1 to 22	2 to 16

Source: As per latest finalised accounts of SPSEs

As can be observed from the above Table, the number of accounts in arrears has shown an increasing trend during the period from 2018-19 to 2021-22 but decreased in 2022-23 due to finalization of 16 accounts by SPSEs in 2022-23. Out of the total 40 accounts in arrears as on 30 September 2023, 26 Accounts pertained to two SPSEs viz., Arunachal Pradesh Mineral Development and Trading Corporation Limited (16 Accounts) and

Arunachal Pradesh Forest Corporation Limited (10 Accounts). The earliest Accounts in arrears was since 2007-08, which related to Arunachal Pradesh Mineral Development and Trading Corporation Limited.

The Administrative Departments, which have the responsibility to oversee the activities of the SPSEs, have to ensure that the SPSEs finalise and adopt their accounts within the stipulated period. In view of the position of arrears of accounts indicated above, the actual contribution of SPSEs to the GSDP for the year 2022-23 could not be ascertained and their contribution to State exchequer could not be reported to the State Legislature.

The Principal Accountant General, Arunachal Pradesh has been regularly pursuing the issue of the pendency of SPSE-accounts with the Chief Secretary, GoAP and the Administrative Departments concerned to end the arrears in accounts of SPSEs.

To expedite the finalisation of the annual accounts in arrears, the Hon'ble Chairman, Committee on Public Undertakings (CoPU) on the request of Principal Accountant General, Arunachal Pradesh convened a meeting on 15 March 2023 with the heads of SPSEs and Finance Department. All the six working SPSEs assured that they would make efforts to clear the arrears in accounts. In pursuance of the above commitment, the Principal Accountant General had written letter to Chief Secretary, Government of Arunachal Pradesh, Principal Secretary (Finance), Government of Arunachal Pradesh and all Managing Directors of SPSEs on 15 May 2023 for follow-up action.

As an outcome of the above efforts, four working SPSEs submitted total 16 Accounts to the Principal Accountant General, Arunachal Pradesh during 2022-23 (October 2022 to September 2023), which included Arunachal Pradesh Mineral Development and Trading Corporation Limited (07 Accounts), Arunachal Pradesh Forest Corporation Limited (07 Accounts), Arunachal Police Housing and Welfare Corporation Limited (01 Accounts) and Hydro Power Development Corporation of Arunachal Pradesh Limited (01 Accounts).

The Principal Secretary, Finance Department, GoAP, in its reply (10 January 2024) stated that directions were given to the SPSEs as well as their Administrative Department to finalise and adopt their accounts within the stipulated timeframe along with the arrears.

5.17 CAG's oversight-Audit of Accounts and Supplementary Audit

Financial reporting framework

Companies are required to prepare the financial statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards. The Statutory Corporations are required to prepare

their accounts in the format prescribed under the rules, framed in consultation with the CAG and any other specific provision relating to accounts in the Act governing such corporations.

5.18 Audit of Accounts of Government Companies by Statutory Auditors

The statutory auditors appointed by the CAG under Section 139 of the Companies Act 2013, conduct audit of the accounts of the Government Companies and submit their reports thereon in accordance with the Section 143 of the Companies Act 2013.

The CAG plays an oversight role by monitoring the performance of statutory auditors in audit of the public sector enterprises with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively.

This function is discharged by exercising the power:

- to issue directions to the statutory auditors under Section 143 (5) of the Companies Act 2013 and
- to supplement or comment upon the statutory auditor's report under Section 143 (6) of the Companies Act 2013.

5.19 Supplementary Audit of Accounts of Government Companies

The prime responsibility for preparation of financial statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the Management of an entity.

The statutory auditors appointed by the CAG under Section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the financial statements under section 143 of the Companies Act, 2013 based on an independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India (ICAI) and directions given by the CAG. The statutory auditors are required to submit the Audit Report to the CAG under Section 143 of the Companies Act 2013.

The certified accounts of selected Government Companies along with the report of the statutory auditors are reviewed by the CAG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act 2013 to be placed before the AGM.

5.20 Result of CAGs oversight role

During the year 2022-23, four working companies had forwarded 16 no. of audited accounts to the Principal Accountant General, Arunachal Pradesh. Two of the said accounts were selected for supplementary audit during the year and Non-Review Certificates (NRC) were issued against rest of the accounts.

5.21 Conclusion


- As on 31 March 2023, the State of Arunachal Pradesh had total seven SPSEs (all Government companies), which included one non-working SPSE. As on 31 March 2023, there were differences in the figures of State's investment in Equity (₹10.49 crore) and Loan (₹28.02 crore) of SPSEs as per State Finance Accounts *vis-à-vis* records of SPSEs.
- During 2022-23 the State Government has provided budgetary support of ₹23.52 crore to six SPSEs in the form of Grants/ subsidy. The major recipients of the budgetary assistance during 2022-23 were Arunachal Pradesh Industrial Development and Financial Corporation Limited (₹8.29 crore), Arunachal Pradesh Donyi Polo Hotel Corporation Limited (₹4.64 crore) and Arunachal Pradesh Forest Corporation Limited (₹4.07 crore).
- During 2022-23, out of six working SPSEs, one SPSE earned profit (₹3.75 crore) as per their latest finalised account. Further, the accumulated losses (₹29.95 crore) of two working SPSEs had completely eroded their paid-up capital (₹5.20 crore).
- As on 30 September 2023, all six working SPSEs had total arrears of 40 Accounts ranging from 2 to 16 Accounts. The highest pendency of accounts pertained to Arunachal Pradesh Mineral Development and Trading Corporation Limited (16 Accounts) and Arunachal Pradesh Forest Corporation Limited (10 Accounts).

5.22 Recommendations

- The State Government and the SPSEs concerned should take concrete steps to reconcile the differences in the investment figures (Equity and Long Term Loans) of the State Government as appearing in the State Finance Accounts *vis-à-vis* SPSE records in a time-bound manner.
- Accumulation of huge losses by two out of six working SPSEs had eroded public wealth, which is a cause of concern and the State Government needs to review the working of these SPSEs to either improve their profitability or close their operations.

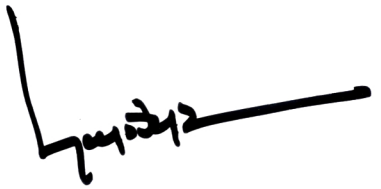
- The Administrative Departments, which have the responsibility to oversee the activities of the SPSEs, have to ensure that the SPSEs finalise and adopt their accounts within the stipulated period. In view of the position of arrears of accounts indicated above, the actual contribution of SPSEs to the GSDP for the year 2022-23 could not be ascertained and their contribution to State exchequer could not be reported to the State Legislature.

Place: Itanagar
The 28 March 2024


(CHERRING ANGRUP BODH)
Principal Accountant General (Audit)

Countersigned

New Delhi
The 09 April 2024


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

Appendices

APPENDIX 1.1

Part – A

Layout of Finance Accounts

(Reference: Paragraph-1.1; Page 1)

The Finance Accounts (Revised format introduced from 2015-16) have been divided into two Volumes-I and II. Volume I represent financial statements of the Government in summarised form, while Volume II represents detailed financial statements along with the Appendices. The layout of the Finance Accounts is chalked out in the following manner:

VOLUME – I	
Statement No. 1	Statement of Financial Position
Statement No. 2	Statement of Receipts and Disbursements
Statement No. 3	Statement of Receipts (Consolidated Fund)
Statement No. 4	Statement of Expenditure (Consolidated Fund)
Statement No. 5	Statement of Progressive Capital Expenditure
Statement No. 6	Statement of Borrowings and other Liabilities
Statement No. 7	Statement of Loans and Advances given by the Government
Statement No. 8	Statement of Investments of the Government
Statement No. 9	Statement of Guarantees given by the Government
Statement No. 10	Statement of Grants-in-Aid given by the Government
Statement No. 11	Statement of Voted and Charged Expenditure
Statement No. 12	Statement of Sources and Application of Funds for expenditure other than revenue account
Statement No. 13	Summary of Balances under Consolidated Fund, Contingency Fund and Public Account
Notes to Accounts	
VOLUME - II (Part- I Detailed Statements)	
Statement No. 14	Detailed Statement of Revenue and Capital Receipts by Minor Head
Statement No. 15	Detailed Statement of Revenue Expenditure by Minor Heads
Statement No. 16	Detailed Statement of Capital Expenditure by Minor Heads and Sub-Heads
Statement No. 17	Detailed Statement of Borrowings and Other Liabilities
Statement No. 18	Detailed Statement of Loans and Advances given by the Government
Statement No. 19	Detailed Statement of Investments of the Government
Statement No. 20	Detailed Statement of Guarantees given by the Government
Statement No. 21	Detailed Statement on Contingency Fund and other Public Account Transactions
Statement No. 22	Detailed Statement on Investments of Earmarked Funds

VOLUME-II (Part- II Appendices)	
I	Comparative Expenditure on Salary
II	Comparative Expenditure on Subsidy
III	Grants-in-Aid/ Assistance given by the State Government (Institution-wise and Scheme-wise)
IV	Detailed of Externally Aided Projects
V	Plan Scheme Expenditure A. Central Schemes (Centrally Sponsored Schemes and Central Plan Schemes) B. State Plan Schemes
VI	Direct Transfer of Central Scheme funds to Implementing Agencies in the State (Fund routed outside State Budgets) (Unaudited Figures)
VII	Acceptance and Reconciliation of Balances (as depicted in Statement 18 and 21)
VIII	Financial results of Irrigation Schemes
IX	Commitments of the Government-List of Incomplete Capital Works
X	Maintenance Expenditure with segregation of Salary and Non-salary portion
XI	Major policy Decisions of the Government during the year or New schemes proposed in the Budget
XII	Committed Liabilities of the Government
XIII	Re-organisation of the States-items for which allocation of balances between/among the States has not been finalised.

Part – B

Methodology adopted for the Assessment of Fiscal Position

Norms/ ceilings prescribed by the 12th Finance Commission for selected fiscal variables along with its projections for a set of fiscal aggregates and commitments/ projections made by State Governments in their Fiscal Responsibility Acts and other statements required to be laid in the Legislature under the Act are used to make a qualitative assessment of trends and patterns of major fiscal aggregates. Assuming that Gross State Domestic Product¹ (GSDP) is a good indicator of the performance of a State's economy, major fiscal aggregates like Tax and Non-Tax Revenue, Revenue and Capital Expenditure, Internal Debt and Revenue and Fiscal Deficits have been presented as *percentages* to the GSDP at current market prices. The buoyancy co-efficient for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether mobilisation of resources, pattern of expenditure, *etc.* are keeping pace with changes in the base or if these fiscal aggregates are also affected by factors other than GSDP. The New GSDP series at current prices (Base Year 2011-12) as furnished by the Directorate of Economics and Statistics of the State Government, have been used in estimating these *percentages* and buoyancy ratios.

Definitions of some selected terms used in assessing trends and patterns of fiscal aggregates are given below:

¹ GSDP is defined as the total income of the State or the Market Value of goods and services produced using labour and all other factors of production.

List of terms used in Chapter - I and II and basis for their calculation

Terms	Basis of Calculation
Buoyancy of a Parameter (X) with respect to another Parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount}/ \text{Previous year Amount})-1]* 100$
Development Expenditure	Social Services + Economic Services
Average Interest paid by the State	$\text{Interest Payment}/ [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities})/ 2]*100$
Interest Spread	GSDP Growth – Average Interest Rate
Quantum Spread	Debt Stock *Interest Spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} [(\text{Opening Balance} + \text{Closing Balance of Loans and Advances})/ 2]*100$
Revenue Deficit/ Surplus	Revenue Receipts – Revenue Expenditure
Fiscal Deficit/ Surplus	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest Payments
Compound Annual Growth Rate (CAGR)	Compound Annual Growth Rate (CAGR) is calculated by taking the n^{th} root of the total <i>percentage</i> growth rate, where n is the number of years in the period being considered. $\text{CAGR} = ((\text{Ending Value}/ \text{Beginning Value})^{1/\text{period}}) - 1$
Core Public Goods and Merit Goods	<p>Core Public Goods are goods which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtraction from any other individual's consumption of that good, <i>e.g.</i> enforcement of law and order, security and protection of rights; pollution free air and other environmental goods, road infrastructure, <i>etc.</i></p> <p>Merit Goods are commodities that the Public Sector provides free or at subsidised rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the Government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidised food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water, sanitation, <i>etc.</i></p>

Part – C
State Profile
(Reference: Paragraph-1.1; Page-1)

A. General Data		
Sl. No.	Particulars	Figures
1.	Area	83,743 sq. km.
2.	Population (Ministry of Health and Social Welfare)	
	Male	8,03,000
	Female	7,59,000
	Total	15,62,000
3.	Density of Population (as per 2011 Census) (All India Average = 422 persons per sq. km.)	18 persons per sq. km.
4.	Population Below Poverty Line (All India Average = 21.92 per cent)	34.67 per cent
5.	Population Growth (2013 to 2023) (All India average = 11.68 per cent)	10.47 per cent
6.	Literacy (as per 2011 Census) (All India Average = 74 per cent)	65.40 per cent
7.	Infant Mortality (per 1000 live births) (All India Average = 28 per 1000 live births)	21
8.	Gross State Domestic Product (GSDP)	39,671.24 crore
9.	GSDP ¹ CAGR (2012-13 to 2022-23)	11.76 per cent

B. Financial Data								
Particulars	CAGR 2013-14 to 2016-17		CAGR 2017-18 to 2020-21		CAGR 2020-21 to 2021-22		CAGR 2022-23	
	NE&H States	Arunachal Pradesh	NE&H States	Arunachal Pradesh	NE&H States	Arunachal Pradesh	NE&H States	Arunachal Pradesh
RR	14.75	26.49	5.93	7.52	18.08	23.99	10.93	12.04
OTR	10.92	17.71	6.36	20.62	19.62	14.58	17.39	36.44
NTR	9.18	10.39	2.52	31.70	2.89	(-)7.39	32.79	31.39
State's share of Union taxes	31.82	100.17	(-)6.96	4.27	46.49	39.83	9.44	13.97
GIA from GoI	7.67	(-)18.40	15.55	9.33	6.08	(-)4.79	6.2	(-)7.90
TR	18.01	27.48	10.68	6.24	14.07	21.86	8.59	15.63
RE	14.34	17.91	7.61	6.28	14	21.08	15.14	9.91
CE	15.97	(-)2.77	6.83	17.13	28.31	26.64	0.65	24.95
Disb. Of Loans and Advances	30.34	(-)17.70	(-)13.71	(-)1.81	70.92	(-)46.67	(-)27.81	31.64
TE	14.6	13.80	7.48	8.93	16.26	22.63	13.1	14.28
RE on Education	11.57	21.96	6.49	-2.10	8.28	45.41	11.59	17.26

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

Particulars	CAGR 2013-14 to 2016-17		CAGR 2017-18 to 2020-21		CAGR 2020-21 to 2021-22		CAGR 2022-23	
	NE&H States	Arunachal Pradesh	NE&H States	Arunachal Pradesh	NE&H States	Arunachal Pradesh	NE&H States	Arunachal Pradesh
RE on Health and Family welfare	17.29	30.44	12.67	1.30	18.04	45.06	9.15	9.88
RE on Salaries and Wages	8.77	11.85	6.27	4.48	7.51	20.59	9.81	11.32
RE on Pension	16.5	17.15	11.27	5.51	25.75	25.52	10.74	22.22
RE on Subsidies	49.24	(-)5.22	49.24	179.22	0.22	(-)100.00	15.5	0.00

Source: State Finances Audit Report 2022-23 issued by the Office of the Comptroller and Auditor General of India (Economic Division)

APPENDIX 1.2

Summarised financial position of the Government of Arunachal Pradesh as on 31 March 2023

(Reference: Paragraph-1.7; Page-13)

(₹ in crore)

As on 31 March 2022	Liabilities		As on 31 March 2023
	Internal Debt		
	-	Market Loans not bearing interest	-
	5,594.17	Market Loans bearing interest	5,983.17
	0.31	Loans from LIC	0.22
	1,021.48	Loans from NABARD	1,210.08
8,130.52	106.34	Loans from other Institutions	111.42
	-	Ways and Means and Advances	-
	1,408.22	Special Securities issued to National Small Savings Fund of the Central Government	1,215.95
	-	Overdraft from Reserve Bank of India	-
	-	Other Loans	-
	Loans and Advances from Central Government		
	35.07	Non-Plan Loans	34.80
	25.53	Loans from State Plan Schemes	1.40
	(-6.70)	Loans for Central Plan Schemes	(-7.59)
	11.53	Loans for Centrally Sponsored Plan Schemes	11.53
	35.71	Loans for Special Schemes	35.03
	604.16	Other Loans for States	2,168.26
705.30			2,243.43
0.05	Contingency Fund		0.05
2,962.88	Small Savings, Provident Funds, etc.		3,117.55
155.83	Deposits		161.58
(-1,274.43)	Suspense and Miscellaneous Balances		(-1,280.03)
3,811.87	Reserve Funds		3,867.58
	Surplus on Government Account		
34,749.33	29,364.33	(i) Revenue Surplus as on 31 March 2022	34,749.29
	5,385.00	(ii) Revenue Surplus during the year	6,370.47
49,241.35	Total		57,750.76
	Assets		
	Gross Capital Expenditure on Fixed Assets		
44,410.84	251.13	Investments in Shares of Companies, Corporations, Co-operatives, etc.	251.13
	44,159.71	Other Capital Expenditure	52,267.07
	Loans and Advances		
	10.00	Loans for Power Projects	10.00
	68.99	Other Development Loans	68.22
91.56	12.57	Loans to Government Servants and Miscellaneous Loans	11.85

As on 31 March 2022	Liabilities		As on 31 March 2023	
502.51	Civil Advances		502.38	
(-119.91)	Remittance Balances		293.96	
Suspense and Miscellaneous Balances				
4,356.35	Cash		4,346.15	
	-	Cash in Treasuries and Local Remittances		-
	(-)2,063.52	Deposits with Reserve Bank and other Banks		(-)945.59
	(-)2.40	Departmental Cash Balance		(-)18.39
	0.01	Permanent Advances		0.01
	4,392.63	Cash Balance Investments		3,045.88
	2,029.63	Investments of Earmarked Funds		2,264.24
49,241.35	Total		57,750.76	

Source: Finance Accounts of respective year

APPENDIX 1.3

Fiscal Responsibility and Budget Management Act, 2006

(Reference: Paragraph-1.9; Page-18)

Fiscal Responsibility and Budget Management Act

The State Government enacted the Arunachal Pradesh Fiscal Responsibility and Budget Management (APFRBM) Act, 2006 to

- (i) ensure fiscal prudence, stability and efficiency,
- (ii) achieve fiscal consolidation for facilitating the generation of Revenue Surplus for enhancing the scope for improvement of investment in the Social and Economic Sectors/ Infrastructure,
- (iii) ensure Fiscal and Debt Sustainability through progressive reduction of Fiscal Deficit and proper Debt Management System and
- (iv) provide a more transparent and accountable system of budgeting that would ensure an efficient and effective system of governance.

The APFRBM Act, 2006, came into effect on 30 March 2006, and the Fiscal Responsibility and Budget Management (FRBM) Rules, 2007, came into force with effect from 12 February 2007. The Rules set the following fiscal targets for the State Government;

- Maintain at least the level of Revenue Surplus in the Base Year (average of 2001-02 to 2003-04) in subsequent years, beginning with Financial Year 2005-06 and ending with 2008-09, and adhere to it thereafter;
- Reduce every year the fiscal deficit by a minimum of 0.03 *per cent* of the GSDP by the end of each financial year, beginning with Financial Year 2005-06, so as to reduce the same to three *per cent* or below by 2009-10 and adhere to it thereafter.

During 2021-22, Government of Arunachal Pradesh had amended FRBM Act with the following revised target:

- The normal limit of net borrowing of State Government for the financial 2021-22 to 2025-26 to be fixed and maintained at four *per cent* of GSDP in 2021-22, 3.5 *per cent* in 2022-23 and three *per cent* of GSDP from 2023-24 to 2025-26.
- Government of Arunachal Pradesh did not include target of Revenue surplus and ratio of Outstanding Debt to GSDP in ammended FRBM.

❖ Fiscal Policy Statements

As prescribed in the Act, the State incorporated the following statements in the Budget for the year 2022-23.

- Macro-Economic Framework Statement, giving an overview of the State economy;
- Medium Term Fiscal Plan (MTFP) Statement, prescribing fiscal targets and assumptions for achieving them. As per the MTFP Statement of March 2023, the rolling targets for fiscal indicators for 2022-23 were as under:

Revenue Surplus as <i>percentage</i> of GSDP	20.60
Fiscal Deficit as <i>percentage</i> of GSDP	2.20
Gross Own Tax Revenue as <i>percentage</i> of GSDP	10.30
Total outstanding liabilities at the end of the year (<i>in crore</i>)	12,783.90
Liabilities as <i>percentage</i> of GSDP for the year 2022-23	43.52

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

APPENDIX 2.1

Abstract of Receipts and Disbursements for 2022-23

(Reference: Paragraph-2.3; Page-24)

(₹ in crore)

Section - A					
Receipts			Disbursements		
2021-22	Name of components	2022-23	2021-22	Name of components	2022-23
1,639.79	Own Tax Revenue	2,237.35	4,833.96	General Services	5,204.55
774.67	Non-tax Revenue	1,017.87	5,760.02	Social Services	5,844.24
14,643.90	State Share of Union Taxes	16,689.17	2,315.07	Education, Sports, Art and Culture	2,748.48
3,220.05	Grants for Centrally Sponsored Schemes	2,848.20	1,347.52	Health and Family Welfare	1,480.63
439.69	Finance Commission Grants	210.40	1,384.72	Water Supply, Sanitation, Housing and Urban Development	889.25
513.54	Other Grants To State With Legislature	785.15	42.96	Information and Broadcasting	54.65
			57.67	Labour and Welfare	58.69
			569.53	Social Welfare and Nutrition	566.97
			42.55	Others	45.57
			5,252.66	Economics Services	6,368.88
			1,238.96	Agriculture and Allied Activities	1,633.69
			673.81	Rural Development	1,099.95
			3.30	Special Areas Programme	113.94
			400.14	Irrigation and Flood Control	363.15
			1,380.18	Energy	1,425.31
			124.04	Industries and Minerals	149.92
			1,037.29	Transport	1,105.74
			48.08	Communications	51.72
			82.49	Science, Technology and Environment	124.05
			264.37	General Economic Services	301.41
21,231.64	Total Revenue Receipts	23,788.14	15,846.64	Total Disbursements	17,417.67
			5,385.00	Revenue Surplus	6,370.47
Receipts				Disbursements	
Section - B					
3,389.33	Opening Cash Balance, including Permanent Advances and Cash Balance Investment	4,356.35	-	Opening Overdraft from RBI	-
			1,618.39	General Services	1,645.19
			1,350.29	Social Services	1,418.54

Section - A					
Receipts			Disbursements		
2021-22	Name of components	2022-23	2021-22	Name of components	2022-23
			281.09	Education, Sports, Arts and Culture	285.80
			24.82	Health and Family Welfare	97.46
			715.30	Water Supply, Sanitation, Housing and Urban Development	863.09
			315.26	Social Welfare and Nutrition	152.82
			7.39	Information and Broadcasting	4.25
			6.43	Others	15.12
			3,519.65	Economics Services	5,043.63
			44.79	Agriculture and Allied Activities	65.85
			37.00	Rural Development Programme	79.15
			110.11	Special Areas Programme	70.97
			147.76	Irrigation and Flood Control	334.62
			430.69	Energy	543.94
			26.35	Industry and Minerals	29.10
			2,677.90	Transport	3,817.01
			-	Science, Technology and Environment	85.77
			45.05	General Economic Services	17.22
	- Miscellaneous Capital Receipts	-	6,488.33	Capital Expenditure	8,107.36
6.85	Recoveries of Loans and Advances	4.86	2.56	Loans and Advances Disbursed	3.37
5,385.00	Revenue Surplus brought down	6,370.47			
8,781.18	Sub Total	10,731.68			
1,482.71	Public Debt Receipts	2,479.56	354.71	Repayment of Public Debt	551.11
1,111.52	Internal Debt other than Ways and Means Advances and Overdraft	915.45	329.11	Internal Debt other than Ways and Means Advances and Overdraft	525.14
	- Net transactions under Ways and Means Advances, incl. Overdraft	-	-	- Net transactions under Ways and Means Advances incl. Overdraft	-

Section - A					
Receipts			Disbursements		
2021-22	Name of components	2022-23	2021-22	Name of components	2022-23
371.19	Loans and Advances from Central Govt.	1,564.11	25.60	Repayment of Loans and Advances to Central Govt.	25.97
7,413.34	Public Accounts Receipts	8,796.08	6,475.28	Repayment of Public Accounts	8,999.33
666.99	Small Savings and Provident Funds	639.91	423.53	Small Savings and Provident Funds	485.23
975.31	Reserve funds	244.98	242.29	Reserve Funds	189.27
(-)12.57	Suspense and Miscellaneous	(-)0.42	(-)30.48	Suspense and Miscellaneous	5.22
5,101.80	Remittances	6,990.66	5,128.50	Remittances	7,404.54
681.81	Deposits and Advances	920.95	711.44	Deposits and Advances	915.07
-	Earmarked Funds	-	4,356.35	Closing Cash Balances	4,346.15
			-	Cash in Treasuries and Local Remittances	-
			(-)2,063.52	Deposits with Reserve Bank and other Banks	(-)945.59
			(-)2.40	Departmental Cash Balance incl. Permanent Advances	(-)18.39
			6,422.27	Cash Balance Investment and Investment of Earmarked Funds	5,310.13
17,677.23	Grand Total	22,007.32	17,677.23	Grand Total	22,007.32

Source: Finance Accounts of respective year

Explanatory Notes

1. The abridged accounts in the foregoing Statements have to be read with comments and explanations in the Finance Accounts.
2. Government Accounts, being mainly on cash basis, the surplus/ deficit on Government Account, indicates the position on cash basis, as opposed to accrual basis in Commercial Accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, *etc.*, do not figure in the accounts.
3. Suspense and Miscellaneous Balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, *etc.*

APPENDIX 2.2

Time Series Data on State Government Finances

(Reference: Paragraph-2.4.1.1; Page-26)

(₹ in crore)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
PART A (RECEIPTS)					
1. Revenue Receipts	16,195.96	14,888.55	17,123.51	21,231.64	23,788.14
(a) Own Tax Revenue	1,068.04 (7)	1,228.73 (8)	1,431.10 (8)	1,639.79 (8)	2,237.35 (9)
Goods and Service Tax	601 (56)	801.55 (65)	859.29 (60)	1,131.00 (69)	1,607.05 (72)
Taxes on Sales, Trade, etc.	268.74 (25)	219.82 (18)	283.09 (20)	324.61 (20)	221.82 (10)
State Excise	136.73 (13)	144.97 (12)	238.02 (17)	115.92 (7)	280.87 (13)
Taxes on Vehicles	32.43 (3)	38.12 (3)	32.71 (2)	48.94 (3)	62.11 (3)
Stamp and Registration Fees	9.16 (1)	8.14 (1)	10.47 (1)	12.48 (1)	17.82 (1)
Land Revenue	14.58 (1)	15.97 (1)	7.52 (1)	6.83 (0)	47.67 (2)
Taxes on Goods and passengers	5.40 (10)	0.16 (0)	0 (0)	0.01 (0)	0.01 (0)
(b) Non-Tax Revenue	608.87 (4)	651.38 (4)	836.53 (5)	774.67 (4)	1,017.87 (4)
(c) State Share in Union Taxes/ Duties	10,436.14 (64)	8,987.57 (60)	10,472.58 (61)	14,643.90 (69)	16,689.17 (70)
(d) Grants-in-Aid from GoI	4,082.91 (25)	4,020.87 (27)	4,383.30 (26)	4,173.28 (20)	3,843.75 (16)
2. Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	0.00
3. Recoveries of Loans and Advances	5.08	7.03	5.94	6.85	4.86
4. Total Revenue and Non-Debt Capital Receipts (1+2+3)	16,201.04	14,895.58	17,129.45	21,238.49	23,793.00
5. Public Debt Receipts	1,204.97	1,790.70	1,516.06	1,482.71	2,479.56
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1,204.97	1,790.70	1,283.09	1,111.52	915.45
Net Transactions under Ways and Mean Advances and Overdrafts	0.00	0.00	0.00	0.00	0.00
Loans and Advances from GoI	0	0	232.97	371.19	1,564.11
6. Total Receipts in the Consolidated Fund (4+5)	17,406.01	16,686.28	18,645.51	22,721.20	26,272.56
7. Contingency Fund Receipts	0.00	0.00	0.00	0.00	0.00
8. Public Accounts Receipts	7,411.96	3,434.93	4,523.68	7,413.34	8,796.08
9. Total Receipts of Government (6+7+8)	24,817.97	20,121.21	23,169.19	30,134.54	35,068.64
PART B (EXPENDITURE/ DISBURSEMENTS)					
10. Revenue Expenditure	12,429.48	12,218.73	13,087.50	15,846.64	17,417.67

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
General Services (including Interest Payments)	3,823.32	3,831.05	4,216.56	4,833.96	5,204.55
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
11. Capital Expenditure	5,727.43	3,693.05	5,123.35	6,488.33	8,107.36
General Services	1,062.03	657.91	743.99	1,618.39	1,645.19
Social Services	1,227.31	724.97	647.43	1,350.29	1,418.54
Economic Services	3,438.09	2,310.17	3,731.93	3,519.65	5,043.63
12. Disbursement of Loans and Advances	20.16	16.02	4.8	2.56	3.37
13. Total of Revenue Expenditure, Capital Outlay and Disbursement of Loans and Advances (10+11+12)	18,177.07	15,927.80	18,215.65	22,337.53	25,528.40
14. Repayment of Public Debt	279.76	353.6	259.49	354.71	551.11
Internal Debt (including Ways and Means Advances and Overdrafts)	253.4	327.32	233.77	329.11	525.14
Loans and Advances from GoI	26.36	26.28	25.72	25.6	25.97
15. Appropriation to Contingency Fund	0	0	0	0	0
16. Total Disbursement out of Consolidated Fund (13+14+15)	18,456.83	16,281.40	18,475.14	22,692.24	26,079.51
17. Contingency Fund Disbursements	0.00	0.00	0.00	0.00	0.00
18. Public Account Disbursements	5,996.65	5,376.96	4,318.54	6,475.28	8,999.33
19. Total Disbursements by the State (16+17+18)	24,453.48	21,658.36	22,793.68	29,167.52	35,078.84
PART C (DEFICIT/SURPLUS)					
20. Revenue Deficit (-)/ Surplus (+) {1-10}	3,766.48	2,669.82	4,036.01	5,385.00	6,370.47
21. Fiscal Deficit (-)/ Surplus (+) {4-13}	(-1,976.03)	(-1,032.22)	(-1,086.20)	(-1,099.04)	(-1,735.40)
22. Primary Deficit (-)/ Surplus (+) {21+23}	(-1,449.93)	(-417.69)	(-333.86)	(-321.42)	(-900.76)
PART D (OTHER DATA)					
23. Interest Payments (included in Revenue Expenditure)	526.1	614.53	752.34	777.62	834.64
24. Financial Assistance to Local Bodies, etc.	54.63	238.25	139.52	219.88	3,411.73
25. Ways and Means Advances/ Overdraft availed (days)	-	-	-	-	-

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
26. Interest on Ways and Means Advances/ Overdraft	-	-	-	-	-
27. Gross State Domestic Product (GSDP)	25,334.86	30,025.23	30,945.33	35,483.76	39,671.24
28. Outstanding Fiscal Liabilities (year-end)	8,588.42	12,131.46	12,010.30	13,736.76	15,646.75
29. Outstanding Guarantees (year-end)	0.97	0.97	0.97	5.97	8.72
30. Maximum Amount Guaranteed (year-end)	2.00	2.00	2.00	7.00	7.00
31. Number of incomplete projects	135	101	80	83	80
32. Capital blocked in incomplete projects	1,195.16	846.98	741.64	661.31	741.81
PART - E (FISCAL HEALTH INDICATORS) {per cent}					
I Resource Mobilisation					
33. Own Tax Revenue/ GSDP	4.22	4.09	4.62	4.62	5.64
34. Own Non-Tax Revenue/ GSDP	2.40	2.17	2.70	2.18	2.57
35. Central Tax Transfer/ GSDP	57.31	43.33	48.01	53.03	51.76
II Expenditure Management					
36. Total Expenditure/ GSDP	71.75	53.05	58.86	62.95	64.35
37. Total Expenditure/ Revenue Receipts	112.23	106.98	106.38	105.21	107.32
38. Revenue Expenditure/ Total Expenditure	68.38	76.71	71.85	70.94	68.23
39. Expenditure on Social Services/ Total Expenditure	24.60	26.72	23.93	25.79	22.89
40. Expenditure on Economics Services/ Total Expenditure	22.74	25.94	24.77	23.51	24.95
41. Capital Expenditure/ Total Expenditure	31.51	23.19	28.13	29.05	31.76
42. Capital Expenditure on social and Economics Services/ Total Expenditure	25.67	19.06	24.04	21.80	25.31
III Management of Fiscal Imbalances					
43. Revenue Surplus/ GSDP	14.87	8.89	13.04	15.18	16.06
44. Fiscal Deficit (-) or Surplus (+)/ GSDP	(-7.80)	(-3.44)	(-3.51)	(-3.10)	(-4.37)

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Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
45. Primary Deficit (-) or Surplus (+)/ GSDP	(-)5.72	(-)1.39	(-)1.08	(-)0.91	(-)2.27
46. Revenue Surplus/ Fiscal Surplus	(-)190.61	(-)258.65	(-)371.57	(-)489.97	(-)367.09
IV Management of Fiscal Liabilities					
47. Fiscal Liabilities/ GSDP	33.90	40.40	38.81	38.71	39.44
48. Fiscal Liabilities/ RR	53.03	81.48	70.14	64.70	65.78
49. Primary Deficit <i>vis-à-vis</i> Quantum Spread	(-)1,248.75	146.90	(-)606.10	275.94	(-)407.72
50. Debt Redemption (Principal + Interest)/ Total Debt Receipts	52.73	42.95	51.13	62.51	67.87
V Other Fiscal Health Indicators					
51. Balance from Current Revenue (₹ in crore)	-	-	-	-	-
52. Financial Assets/ Liabilities (ratio)	1.13	1.08	1.11	1.12	1.12

Source: Finance Accounts of respective year

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

APPENDIX 2.3

Details of funds parked in Single Nodal Accounts as on 31 March 2023

(Reference: Paragraphs-2.4.3.2; Pages- 38)

CSS Scheme Name	Amount Released by GOI Total	Center Share Released from Treasury to SNA	State Share Released from Treasury to SNA	Top up (unclassified) Released from Treasury to SNA	Total Amount Released by Treasury to SNA	Total Expenditure	Balance in the Bank Account of SNA
Seed and Planting Material	0.77	0.00	0.00	0.00	0.00	0.65	0.90
Edible Oil - oil Palm (Krishionnati Yojna)	9.47	0.00	1.05	0.00	1.05	10.29	1.28
Edible Oil -Oilseeds (Krishionnati Yojna)	0.26	0.00	0.00	0.00	0.00	0.00	0.01
Integrated Development of Horticulture	10.25	10.15	1.13	0.00	11.28	11.53	2.28
Food and Nutrition Security (Krishionnati Yojana)	1.38	1.38	0.15	0.00	1.54	5.99	0.04
Agriculture Extension	9.75	12.65	2.14	0.00	14.79	17.14	.90
Rashtriya Krishi Vikas Yojna	33.21	32.46	3.61	0.00	36.07	84.22	7.80
Digital Agriculture	0.00	0.68	0.08	0.00	0.75	1.03	0.12
Revision of norms for Central Assistance Released to States/UTs for meeting expenditure on intra-state movement handing of foodgrains and FPS dealers' margin under NFSA	8.39	25.82	20.21	0.00	46.03	11.44	46.22
Forest Fire Prevention and Management Scheme	1.98	1.98	0.22	0.00	2.20	1.88	1.76
Project Elephant	0.27	0.27	0.03	0.00	0.30	2.44	0.25
Biodiversity Conservation	0.22	0.00	0.00	0.00	0.00	0.63	0.00
Green India Mission-National Afforestation Programme	21.28	0.00	0.15	0.00	0.15	11.90	3.18

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CSS Scheme Name	Amount Released by GOI Total	Center Share Released from Treasury to SNA	State Share Released from Treasury to SNA	Top up (unclassified) Released from Treasury to SNA	Total Amount Released by Treasury to SNA	Total Expenditure	Balance in the Bank Account of SNA
Project Tiger	7.87	5.65	0.63	0.00	6.27	10.09	1.58
Integrated Development of Wildlife Habitats	2.76	2.99	0.33	0.00	3.33	5.93	0.07
Pm Formalization of Micro Food Processing Enterprise	0.00	0.00	0.78	0.00	0.78	6.55	1.78
Tertiary Care Programs	0.00	6.53	0.00	0.00	6.53	0.00	6.65
Strengthening of State Drug Regulatory Systems	0.00	4.00	0.00	0.00	4.00	0.00	4.11
Pradhan Mantri Ayushman Bharat Health Infrastructure Mission	0.10	0.56	0.06	0.00	0.62	0.00	0.64
Flexible Pool for RCH and Health System Strengthening, National Health Programme and national urban health Mission	204.36	264.50	36.01	0.00	300.51	405.13	19.19
Human Resources for Health and Medical Education	0.00	0.00	0.00	0.00	0.00	17.93	0.65
National AYUSH Misson (NAM)	4.02	6.37	0.78	0.00	7.15	8.84	6.10
Rashtriya Uchhatar Shiksha Abhiyan (RUSA)	27.73	27.73	6.28	0.00	34.00	26.08	13.02
Modernisation of Police Forces	100.91	4.05	0.00	5.00	9.05	12.37	19.91
Border Area Development Program	9.12	49.21	7.24	0.00	56.45	92.59	28.41
National Career Service	1.32	1.32	0.00	0.00	1.32	0.21	1.32
Infrastructure Facilities for Judiciary	32.38	3.16	0.35	0.00	3.51	4.28	2.12
Digitalization of Primary Agriculture Cooperative Societies	0.15	0.09	0.02	0.00	0.11	0.00	0.11
Jal Jeevan Mission (JJM)/ National Rural Drinking Water Mission	1,116.35	0.00	184.26	0.00	184.26	1,465.19	538.35

CSS Scheme Name	Amount Released by GOI Total	Center Share Released from Treasury to SNA	State Share Released from Treasury to SNA	Top up (unclassified) Released from Treasury to SNA	Total Amount Released by Treasury to SNA	Total Expenditure	Balance in the Bank Account of SNA
SBM-Rural (DWS)	14.72	7.36	12.72	0.00	20.08	27.08	19.61
Pradhan Mantri Matsya Sampada Yojana (PMMSY)	31.78	13.52	2.06	0.00	15.58	26.17	7.44
Livestock Health and Disease Control Programme CSS	0.00	0.00	0.00	0.00	0.00	0.68	0.67
National Livestock Mission	2.62	2.62	0.29	0.00	2.91	18.32	1.89
Livestock Census and Integrated Sample Survey	1.25	1.99	1.30	0.18	3.47	4.09	2.27
Other Items of State/ UT Component-PMAY Urban	1.47	7.40	0.76	0.00	8.15	40.86	14.56
National Urban Livelihood Mission -State Component	0.00	0.00	0.00	0.00	0.00	7.87	4.27
Mission For Development of 100 Smart Cities	98.00	188.00	3.94	0.00	191.94	328.53	84.61
Urban Rejuvenation Mission-500 Cities	0.15	3.05	0.00	0.00	3.05	50.08	16.05
Swachh Bharat Mission (SBM) - Urban	0.00	6.71	0.00	0.00	6.71	5.33	19.09
Pradhan Mantri Jan Vikas Karyakaram	0.00	10.88	0.00	0.00	10.88	143.26	18.41
Development of Skills	10.81	7.46	0.00	0.00	7.46	9.98	0.01
Strengthening of Infrastructure for Institutional Training	9.83	15.46	.15	0.00	15.61	21.95	12.12
Skill Acquisition and Knowledge Awareness for Livelihood Promotion	0.00	0.00	.00	0.00	0.00	0.05	0.00
Skill Strengthening for Industrial Value Enhancements	0.51	1.35	0.00	0.00	1.35	0.49	1.84

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CSS Scheme Name	Amount Released by GOI Total	Center Share Released from Treasury to SNA	State Share Released from Treasury to SNA	Top up (unclassified) Released from Treasury to SNA	Total Amount Released by Treasury to SNA	Total Expenditure	Balance in the Bank Account of SNA
Rashtriya Gram Swaraj Abhiyan(RGSA)	108.69	126.10	14.01	0.00	140.11	132.45	12.07
Shyama Prasad Mukherjee Rurban Mission	0.00	0.00	0.00	0.00	0.00	3.19	0.86
Indira Gandhi National Old Age Pension Scheme	0.00	0.00	46.27	0.00	46.27	29.50	36.90
National Family Benefit Scheme	0.00	0.00	0.00	0.00	0.00	0.00	.25
Indira Gandhi National Widow Pension Scheme	0.00	0.00	8.79	0.00	8.79	5.56	5.82
Indira Gandhi National Disability Pension Scheme	0.00	0.00	4.81	0.00	4.81	2.91	2.58
Pradhan Mantri Gram Sadak Yojna	1,018.74	1,046.00	196.34	0.00	1,242.34	1,128.11	474.36
Pradhan Mantri Awas Yojna (PMAY)-Rural	69.25	105.20	26.69	0.00	131.88	138.60	6.31
National Rural Livelihood Mission	101.10	85.83	9.54	32.33	127.70	159.80	24.71
Pradhan Mantri Krishi Sinchayi Yojna-Watershed Development Component	70.08	93.06	10.34	0.00	103.40	60.09	43.96
Mahatma Gandhi National Rural Gurantee Program	582.96	183.53	54.15	0.00	237.68	236.97	1.86
Teachers Training and Adult Education	0.00	0.00	0.00	0.00	0.00	0.20	0.15
Samagra Shiksha	252.29	477.29	252.00	0.00	729.30	601.45	195.65
New India Literacy Programme	0.65	0.00	0.00	00.00	0.00	0.00	0.00
Pradhan Mantri Poshan Shakti Nirman (Erstwhile National Programme of Mid Day Meal in Schools)	17.07	29.06	8.90	0.00	37.95	55.80	6.46

CSS Scheme Name	Amount Released by GOI Total	Center Share Released from Treasury to SNA	State Share Released from Treasury to SNA	Top up (unclassified) Released from Treasury to SNA	Total Amount Released by Treasury to SNA	Total Expenditure	Balance in the Bank Account of SNA
Atal Vayo Abhyuday Yojana (AVYAY)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Post Matric Scholarship-Tribal	96.16	108.34	12.04	0.00	120.38	115.95	63.19
Pradhan Mantri Adi Adarsh Gram Yojana	0.00	0.00	0.00	7.34	7.34	30.78	21.68
Support To Tribal Research Institutes	0.00	0.00	0.00	1.29	1.29	10.47	1.28
Pre Matric Scholarship-Tribal	2.67	3.46	0.49	0.00	3.95	2.53	2.88
Irrigation Census	0.00	0.52	.00	0.00	0.52	0.60	0.18
Har Khet Ko Pani	41.95	65.31	7.26	0.00	72.56	144.04	17.69
Saksham Anganwadi and Poshan 2.0 (Umbrella ICDS-Anganwadi Services Poshan Abhiyan Scheme for Adolescent Girls National Creche Scheme)	137.78	141.79	45.26	0.00	187.05	209.94	71.37
Mission Vatsalya (Child Protection Services and Child Welfare Services)	29.36	10.93	7.71	0.00	18.64	16.57	18.28
SAMBAL (Beti Bachao Beti Padhao One Stop Centre Mahila Police Volunteer Women helpline Nari Adalat etc.)	6.48	0.00	0.00	0.00	0.00	0.00	0.00
SAMARTHYA (Shakti Sadan (Swadhar Ujjawala Widow Home) Shakhi Niwas Palna PMMVY National Hub for Women Empowerment Gender Budgeting Research Skilling Training Media etc.)	4.50	0.63	0.16	0.00	0.80	5.11	5.45
Total	4,315.18	3,204.40	991.47	46.14	4,242.00	5,989.69	1,925.53

APPENDIX 3.1

Cases where Supplementary Provision was required
(Reference: Paragraph-3.5.2; Page-97)

(₹ in crore)

Sl. No.	Grant No and Name	Section	Original	Actual Expenditure	Supplementary required
1	1-Legislative Assembly	Revenue-charged	0.87	2.64	1.77
2	1-Legislative Assembly	Capital-voted	0.00	5.57	5.57
3	3-General Administration Department	Revenue-voted	17.76	26.45	8.69
4	4-Election	Revenue-voted	27.90	29.06	1.16
5	12-Social Security and Welfare	Revenue-charged	3.50	5.06	1.56
6	14-Secondary Education	Revenue-voted	542.24	565.61	23.37
7	15-Health Services	Revenue-voted	1,106.42	1,282.23	175.81
8	16-Art and Cultural Affairs	Revenue-voted	12.80	13.89	1.10
9	16-Art and Cultural Affairs	Capital-voted	2.85	2.94	0.09
10	18-Research	Revenue-voted	18.28	19.61	1.33
11	18-Research	Capital-voted	1.54	1.78	0.24
12	19-Industries	Revenue-voted	39.86	42.76	2.90
13	19-Industries	Capital-voted	6.55	23.61	17.06
14	20-Labour and Employment	Capital-voted	0.00	0.30	0.30
15	21-Sports	Revenue-voted	32.03	47.23	15.20
16	21-Sports	Capital-voted	25.65	35.03	9.38
17	22-Food and Civil Supplies	Revenue-voted	162.23	427.34	265.11
18	23-Environment and Forests	Capital-voted	2.75	27.64	24.89
19	24-Agriculture	Revenue-voted	337.99	354.30	16.31
20	26-Rural Works Department	Capital-voted	1,545.77	1,985.19	439.43
21	29-Co-operation Department	Capital-voted	1.00	1.00	0.00
22	30-State Transport Services	Revenue-voted	162.07	200.25	38.17
23	30-State Transport Services	Capital-voted	8.74	13.09	4.35
24	31-Public Works Department	Capital-voted	581.27	2,362.97	1,781.71
25	33-North Eastern Council	Revenue-voted	5.00	112.73	107.73
26	34-Power (Electrical)	Capital-voted	147.65	360.23	212.58
27	35-Information and Public Relations	Revenue-voted	45.09	54.65	9.56
28	36-Economic and Statistics	Revenue-voted	28.48	29.29	0.81
29	36-Economic and Statistics	Capital-voted	1.00	1.00	0.00

Sl. No.	Grant No and Name	Section	Original	Actual Expenditure	Supplementary required
30	37-Legal Metrology and Consumer Affairs	Revenue-voted	14.45	15.75	1.30
31	37-Legal Metrology and Consumer Affairs	Capital-voted	0.54	0.61	0.07
32	38-Water Resource Department	Capital-voted	20.72	334.62	313.89
33	42-Rural Development	Revenue-voted	595.78	765.78	170.00
34	42-Rural Development	Capital-voted	21.44	79.15	57.71
35	43-Fisheries	Revenue-voted	39.51	54.13	14.63
36	44-Attached Offices of the Secretariat Administration	Revenue-voted	9.98	12.15	2.18
37	45-Civil Aviation	Revenue-voted	51.05	94.05	43.01
38	45-Civil Aviation	Capital-voted	24.04	38.57	14.53
39	46-Arunachal Pradesh Public Service Commission and Staff Selection Board	Revenue-voted	14.20	16.39	2.19
40	47-Law, Legislative and Justice	Revenue-voted	28.94	31.86	2.92
41	47-Law, Legislative and Justice	Capital-voted	19.06	63.56	44.51
42	49-Science and Technology	Revenue-voted	36.77	67.04	30.27
43	51-Library	Capital-voted	0.00	0.35	0.35
44	52-Youth Affairs	Revenue-voted	12.64	33.24	20.60
45	53-Fire and Emergency Services	Revenue-voted	32.08	32.35	0.27
46	53-Fire and Emergency Services	Capital-voted	11.75	12.25	0.50
47	54-Tax, Excise and Narcotics	Revenue-voted	32.30	36.62	4.32
48	54-Tax, Excise and Narcotics	Capital-voted	0.44	0.44	0.00
49	56-Tourism Department	Revenue-voted	40.51	46.82	6.30
50	57-Urban Development	Revenue-voted	124.90	127.42	2.52
51	57-Urban Development	Capital-voted	101.73	183.86	82.13
52	58-Printing	Capital-voted	0.43	0.43	0.00
53	59-Public Health Engineering and Water Supply	Revenue-voted	612.83	633.97	21.14
54	59-Public Health Engineering and Water Supply	Capital-voted	297.49	430.35	132.86
55	60-Textile and Handicrafts	Capital-voted	0.70	2.74	2.04
56	61-Geology and Mining	Revenue-voted	24.00	27.97	3.97
57	62-Transport	Revenue-voted	5.65	5.86	0.21
58	63-Protocol Department	Revenue-voted	3.14	3.47	0.33

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Sl. No.	Grant No and Name	Section	Original	Actual Expenditure	Supplementary required
59	64-Trade and Commerce	Revenue-voted	8.04	11.56	3.52
60	65-Department for Development of Tirap, Changlang and Longding Districts	Revenue-voted	1.11	1.11	0.01
61	66-Hydro Power Development	Revenue-voted	228.28	284.16	55.87
62	66-Hydro Power Development	Capital-voted	63.55	183.70	120.15
63	67-Arunachal Pradesh Information Commission	Revenue-voted	4.78	6.44	1.66
64	68-Town Planning Department	Capital-voted	23.73	195.26	171.53
65	70-Administrative Training Institute	Capital-voted	5.50	7.71	2.21
66	71-Department of Karmik and Adhyatmik (Chos-rig) Affairs	Revenue-voted	3.75	5.85	2.10
67	71-Department of Karmik and Adhyatmik (Chos-rig) Affairs	Capital-voted	13.45	19.71	6.26
68	72-Prison	Revenue-voted	20.78	25.28	4.50
69	72-Prison	Capital-voted	10.96	12.67	1.71
70	73-Information Technology and Communication	Capital-voted	0.00	85.77	85.77
71	75-Higher and Technical Education	Revenue-voted	320.00	347.45	27.45
72	75-Higher and Technical Education	Capital-voted	43.47	48.99	5.51
73	76-Elementary Education	Revenue-voted	1,317.35	1,668.47	351.12
74	76-Elementary Education	Capital-voted	39.72	122.97	83.25
75	77-Gauhati High Court Itanagar Permanent Bench	Revenue-charged	9.83	11.91	2.08
76	79-Skill Development and Entrepreneurship	Capital-voted	2.10	3.94	1.84
77	80-Medical Education, Training and Research	Revenue-voted	57.55	170.72	113.17
78	81-Family Welfare	Revenue-voted	14.25	27.68	13.43
79	82-Department of Indigenous Affairs	Revenue-voted	25.57	32.40	6.83
80	82-Department of Indigenous Affairs	Capital-voted	10.50	17.78	7.28
Total			9,268.58	14,476.78	5,208.20

Source: Appropriation Accounts, 2022-23

APPENDIX 3.2

Cases of Unnecessary or Excessive Supplementary Provision
(₹10 lakh or more in each case)
(Reference: Paragraph-3.5.2.1; Page-98)

(₹ in crore)

Sl. No.	Grant No. and Name	Original	Supplementary	Actual Expenditure	Savings out of Provisions
Revenue-Voted					
1	7-Accounts and Treasuries	235.76	50.91	201.44	34.32
2	11-Women and Child Development	441.48	0.02	293.03	148.45
3	13-Audit and Pension	1,662.16	129.41	1,509.50	152.66
4	25-Disaster Management	286.30	29.11	189.67	96.62
5	26-Rural Works Department	365.34	154.65	347.37	17.97
6	27-Panchayati Raj	395.56	89.08	337.96	57.60
7	34-Power (Electrical)	1,283.25	77.18	1,141.15	142.10
8	38-Water Resource Department	472.35	147.83	363.15	109.19
9	73-Information Technology and Communication	54.77	4.24	52.91	1.85
Sub Total		5,196.96	682.42	4,436.19	760.77
Revenue-Charged					
10	Public Debt	922.61	1.72	905.56	17.04
Sub Total		922.61	1.72	905.56	17.04
Capital-Voted					
11	15-Health Services	84.08	5.72	82.89	1.20
12	27-Panchayati Raj	0.00	0.50	0.00	0.00
13	43-Fisheries	33.41	1.90	32.15	1.26
14	56-Tourism Department	20.47	2.35	12.88	7.59
15	80-Medical Education, Training and Research	24.85	18.70	14.57	10.28
Sub Total		162.81	29.18	142.49	20.33
Grand Total		6,282.38	713.32	5,484.23	798.14

Source: Appropriation Accounts, 2022-23

APPENDIX 3.3

**Details of Excessive/ Inadequate Supplementary Provision (₹One crore and above)
(Reference: Paragraph-3.5.2.2; Page-99)**

(₹ in crore)

Sl. No.	Grant No. and Name	Details of budget provision			Expenditure	Supplementary
		Original	Supplementary	Total Grant		Excess (+)/ Less (-)
Revenue-Voted						
1	7-Accounts and Treasuries	235.76	50.91	286.67	201.44	85.23
2	13-Audit and Pension	1,662.16	129.41	1,791.57	1,509.50	282.07
3	14-Secondary Education	542.24	36.09	578.33	565.61	12.72
4	15-Health Services	1,106.42	233.89	1,340.31	1,282.23	58.08
5	19-Industries	39.86	5.12	44.98	42.76	2.22
6	22-Food and Civil Supplies	162.23	421.37	583.60	427.34	156.26
7	24-Agriculture	337.99	21.19	359.18	354.30	4.88
8	25-Disaster Management	286.30	29.11	315.40	189.67	125.73
9	26-Rural Works Department	365.34	154.65	519.99	347.37	172.62
10	27-Panchayati Raj	395.56	89.08	484.65	337.96	146.68
11	30-State Transport Services	162.07	46.66	208.74	200.25	8.49
12	34-Power (Electrical)	1,283.25	77.18	1,360.43	1,141.15	219.29
13	38-Water Resource Department	472.35	147.83	620.18	363.15	257.02
14	42-Rural Development	595.78	156.26	752.04	765.78	(-) 13.74
15	45-Civil Aviation	51.05	46.46	97.50	94.05	3.45
16	53-Fire and Emergency Services	32.08	2.09	34.17	32.35	1.82
17	56-Tourism Department	40.51	11.20	51.71	46.82	4.89
18	57-Urban Development	124.90	20.03	144.92	127.42	17.50
19	59-Public Health Engineering and Water Supply	612.83	257.77	870.60	633.97	236.63
20	62-Transport	5.65	6.16	11.81	5.86	5.95
21	66-Hydro Power Development	228.28	242.62	470.91	284.16	186.75
22	73-Information Technology and Communication	54.77	4.24	59.00	52.91	6.09
23	76-Elementary Education	1,317.35	752.67	2,070.03	1,668.47	401.55
Total		10,114.72	2,941.98	13,056.70	10,674.52	2,395.92

Sl. No.	Grant No. and Name	Details of budget provision			Expenditure	Supplementary
		Original	Supplementary	Total Grant		Excess (+)/ Less (-)
Revenue-Charged						
24	Public Debt	922.61	1.72	924.32	905.56	18.76
Total		922.61	1.72	924.32	905.56	18.76
Capital-Voted						
25	15-Health Services	84.08	5.72	89.81	82.89	6.92
26	21-Sports	25.65	23.23	48.88	35.03	13.85
27	26-Rural Works Department	1,545.77	490.57	2,036.34	1,985.19	51.15
28	31-Public Works Department	581.27	1,974.91	2,556.18	2,362.97	193.21
29	34-Power (Electrical)	147.65	223.04	370.70	360.23	10.47
30	38-Water Resource Department	20.72	323.81	344.54	334.62	9.92
31	42-Rural Development	21.44	61.01	82.45	79.15	3.30
32	43-Fisheries	33.41	1.90	35.31	32.15	3.16
33	45-Civil Aviation	24.04	17.79	41.83	38.57	3.26
34	56-Tourism Department	20.47	2.35	22.82	12.88	9.94
35	57-Urban Development	101.73	83.61	185.34	183.86	1.48
36	59-Public Health Engineering and Water Supply	297.49	166.38	463.87	430.35	33.52
37	60-Textile and Handicrafts	0.70	7.29	7.99	2.74	5.25
38	66-Hydro Power Development	63.55	127.04	190.59	183.70	6.88
39	76-Elementary Education	39.72	92.88	132.60	122.97	9.63
40	80-Medical Education, Training and Research	24.85	18.70	43.55	14.57	28.98
41	82-Department of Indigenous Affairs	10.50	9.65	20.15	17.78	2.37
Total		3,043.04	3,629.91	6,672.95	6,279.65	393.30

Source: Appropriation Accounts, 2022-23

APPENDIX 3.4

**Details of Sanctions where Head of Accounts was not Mentioned during 2022-23
(Reference: Paragraph-3.5.4; Page-101)**

Sl. No.	Name of Schemes	Amount (₹ in Lakh)	Sanctioning Authority
1	C/o Protection wall at Kodok Jobe Nacho	20	Secretary WRD, Govt of AP
2	C/o MIP at Tachering village in Payeng Circle	30	Secretary WRD, Govt of AP
3	C/o Protection wall at Taniam Potung Daporijo	15	Secretary WRD, Govt of AP
4	C/o Flood Control at Eru Village Upper subansiri	25	Secretary WRD, Govt of AP
5	C/o CC Lining of MIP from Kayeng Nala to Jakering WRC fields at Ragmi village Nacho Circle	25	Secretary WRD, Govt of AP
6	C/o Retaining wall at Gyasing village Jaring circle	25	Secretary WRD, Govt of AP
7	C/o flood protection work at Gomsil Nallah at Rani village Pasighat	6.32	Secretary WRD, Govt of AP
8	C/o Land protection wall at Lower Chinhan village under Lazu Circle in Tirap	19.75	Secretary WRD, Govt of AP
9	C/o Land development work at New Bunting village in Tirap under Deomali Division	24.69	Secretary WRD, Govt of AP
10	C/o Land protection wall at Sabua Nallah Deomali under Deomali Division	19.75	Secretary WRD, Govt of AP
11	C/o Land protection with Drainage system near DDI office Khonsa in Tirap	19.75	Secretary WRD, Govt of AP
12	C/o MIC at Sigglasow nallah attrang Singhi, Seppa Division	1.73	Secretary WRD, Govt of AP
13	C/o MIC at Debe Nallah Nere under Seppa wr Division	6.2	Secretary WRD, Govt of AP
14	C/o MIC at Karasow Sapawa under Seppa Division	6.28	Secretary WRD, Govt of AP
15	C/o Goyeng MIC at Mirku, pasighat under Pasighat Div	0.87	Secretary WRD, Govt of AP
16	C/o Community MIP at Paimori under Likabali Division	1.19	Secretary WRD, Govt of AP
17	C/o compound wall at divisional store under Pasighat WRD Division	1.39	Secretary WRD, Govt of AP
18	C/o development of Tourist Circuit in changlang District WW-II cemetery at Jairampur and Amphitheatre and Tourist Amenities under Bordumsa Division	100	Secretary WRD, Govt of AP
19	C/o MIC at Nigcho under Seppa Division	2.38	Secretary WRD, Govt of AP
20	C/o MIC at Kamrungbung under Seppa WR Division	2.12	Secretary WRD, Govt of AP
21	C/o MIP at Richik Village under Pipsorang Circle Kra Daadi	10	Secretary WRD, Govt of AP
22	C/o large size Dug Masonry wells OD2 OM, ID-1, 76 M depth-15 M Depth including energisation at Old Deka Agril Field 2 Nos. Likabali	0.93	Secretary WRD, Govt of AP
23	C/o community MIP at sibe under Likabali WR Division	1.14	Secretary WRD, Govt of AP
24	C/o Retaining Wall at Old Radio Station, Tezu	12	Secretary WRD, Govt of AP
25	C/o Community MIP at ringi under Basar Division in Lower subansiri	0.87	Secretary WRD, Govt of AP
26	C/o MIP at Tarik Zara village under Pipsorang Circle	7.5	Secretary WRD, Govt of AP

Sl. No.	Name of Schemes	Amount (₹ in Lakh)	Sanctioning Authority
27	C/o Flood Protection work on ropi River at Jori WRC field in west siang under Aalo Division	79	Secretary WRD, Govt of AP
28	C/o approach road at Moya area at Kamba in west siang Distt under aalo Wr Division	49	Secretary WRD, Govt of AP
29	C/o water cum soil Conservation project at Glago in East Kameng	25.02	Secretary WRD, Govt of AP
30	C/o flood Protection work at downstream of Lohit River bridge to protect Alubari village	58.9	Secretary WRD, Govt of AP
31	C/o Infrastructure at Palin in KraDadi under WR Division	10.63	Secretary WRD, Govt of AP
32	C/o Water conservation at Ningcho Village under Seppa	30	Secretary WRD, Govt of AP
33	C/o Anti erosion work to protect Upper Salma Tang at Mechuka (Phase-II)	24	Secretary WRD, Govt of AP
34	C/o Anti erosion work to protect Upper Salma Tang at Mechuka (Phase-III)	24	Secretary WRD, Govt of AP
35	C/o Flood control work at Hime village in lower siang	25	Secretary WRD, Govt of AP
36	C/o flood protection work at Diilo Siigang Lower subansiri	24	Secretary WRD, Govt of AP
37	C/o drainage and protection wall at Hailyang Siigang Quarry Line Hapoli Lower Subansiri	44.17	Secretary WRD, Govt of AP
38	Water conservation at Rote Rome at Seppa in east kameng	30	Secretary WRD, Govt of AP
39	C/o Anti Erosion Protection work near Kameng River at Rajabapak Colony Seppa	42.21	Secretary WRD, Govt of AP
40	Anti Erosion work on Sille River to protect Ering WRC field area at Leku are under Pasighat Division	50.76	Secretary WRD, Govt of AP
41	C/o RRM work at Kirdo Taipodia land at Likabali village under Lower Siang	24	Secretary WRD, Govt of AP
42	C/o Community Command area Development work at Pugi Rijo in Lower Siang	25	Secretary WRD, Govt of AP
43	C/o Anti-Erosion work to protect Upper Salma Tang at Mechuka Phase I in Shi Yomi	24	Secretary WRD, Govt of AP
44	C/o Cluster MIPs under Gensi block Lower Siang	226	Secretary WRD, Govt of AP
45	C/o Estimation for Celebration of Brahmputra Utsav under Azadi ka Amrit Mahotsav	1.5	Secretary WRD, Govt of AP
46	C/o flood embankment work on Denning River to protect Government residential area, Telluliang	30	Secretary WRD, Govt of AP
47	C/o Flood Protection work at TR Camp, Tezu	24	Secretary WRD, Govt of AP
48	C/o Multipurpose Fish Farming at Ruru Hapa under Banderdewa under WRD div	20.57	Secretary WRD, Govt of AP
49	C/o Improvement of various Irrigation headwork ar Leparada	24	Secretary WRD, Govt of AP
50	C/o Retaining Wall at Uppar Nyobom village Basar, Leparada	24	Secretary WRD, Govt of AP
51	C/o Land Protection work at Uppar colony near resident of Boto Basar in Leparada	24	Secretary WRD, Govt of AP
52	C/o Parking Lot near PW DIB Aalo	19.85	Secretary WRD, Govt of AP
53	C/o Community Dere at Beye Village in Aalo	21	Secretary WRD, Govt of AP

Sl. No.	Name of Schemes	Amount (₹ in Lakh)	Sanctioning Authority
54	C/o Land Development at Moya, Lame Hipe at Kombo, Aalo	3.03	Secretary WRD, Govt of AP
55	C/o approach road at Moya area at Kamba in west siang Distt under aalo Wr Division	49	Secretary WRD, Govt of AP
56	C/o Retaining Wall at Guni Village Nirjuli 2 A	16.46	Secretary WRD, Govt of AP
57	C/o River training work at Jairampur in Changlang distt	25	Secretary WRD, Govt of AP
58	C/o Flood protection at Beh Nallah at Angrim Valley in dibang valley	25	Secretary WRD, Govt of AP
59	C/o soil erosion protection work at Lirung Ginder Garden on Jia River Purbuk sub Division	5.25	Secretary WRD, Govt of AP
60	C/o Innovative cum Mutipurpose water conservation project at Tamak korong at Bizari, under Roing Division	70	Secretary WRD, Govt of AP
61	C/o flood protection work behind Darlong Village at Seijosa	25	Secretary WRD, Govt of AP
62	C/o Flood protection work A/3 Village near Dibru river under WRD Seijosa	30	Secretary WRD, Govt of AP
63	C/o Protection work from dipik to upper Dikalmukh in Pakke Kessang	25	Secretary WRD, Govt of AP
64	C/o Renovation and Maintenance of MIP/MIC of Gangte and Chambang circle in Kra Daadi	25	Secretary WRD, Govt of AP
65	c/o Approach Road from PMGSY road to Bangchi forest beat office Palin Circle in Kra Daadi	25	Secretary WRD, Govt of AP
66	C/o protection wall at Pakke Kessang Lower Bazar line	24	Secretary WRD, Govt of AP
67	C/o Flood Protection Work at Monai-II Rubber Garden area in Pakke Kessang	20	Secretary WRD, Govt of AP
68	C/o Flood Protection Work at pakke kessang opposite bank old ALC line	24	Secretary WRD, Govt of AP
69	C/o Flood protection at Monai-I Rubber Garden area in pakke kessang	20	Secretary WRD, Govt of AP
70	MIC at Deedarso	7.08	Secretary WRD, Govt of AP
71	C/o Infrastructure at Likabali Division	11.87	Secretary WRD, Govt of AP
72	C/o Land Protection work at Garak WRD at Koyu village Lower siang	12	Secretary WRD, Govt of AP
73	C/o Renovation and Extension of completed MIP under Nari Koyu Circle	2.59	Secretary WRD, Govt of AP
74	C/o CRM Wall around general ground Gensi	25	Secretary WRD, Govt of AP
75	C/o Cluster MIPs under sibe Circle in Lower siang	25	Secretary WRD, Govt of AP
76	Flood Control work at Medical Nallah Seijosa in Pakke	25	Secretary WRD, Govt of AP
77	Flood Protection work near Existing Embankment work at Pakke River	25	Secretary WRD, Govt of AP
78	C/o Gabion Revetment at Pakke river	20	Secretary WRD, Govt of AP
79	C/o Protection work at Jully Lanka in Pakke Kessang	25	Secretary WRD, Govt of AP
80	C/o Protection work at Mybung Nallah in Pakke Kessang	25	Secretary WRD, Govt of AP

Sl. No.	Name of Schemes	Amount (₹ in Lakh)	Sanctioning Authority
81	C/o Protection Work near Forest Nursery in seijosa in Pakke	25	Secretary WRD, Govt of AP
82	C/o Earthen Embankment At Pakke Kessang	20	Secretary WRD, Govt of AP
83	C/o MIC at Lankasow Strem unfer Seppa	1.2	Secretary WRD, Govt of AP
84	Improvement of Minor Irrigation Project under WRD, Seppa	1.78	Secretary WRD, Govt of AP
85	C/o Infrastructure of AE- sub div at Chayangtajo under Seppa Division	6.1	Secretary WRD, Govt of AP
86	C/o Maye Karong MIP at Yagrung Pasighat	0.5	Secretary WRD, Govt of AP
87	Cluster of MIP at Ruksing East siang	2.07	Secretary WRD, Govt of AP
88	C/o ering MIP at gobo area Yagrung East siang, Pasighat	1.89	Secretary WRD, Govt of AP
89	C/o Keyi MIP at Tapat Patang sille Village under Pasighat	2.71	Secretary WRD, Govt of AP
90	C/o sikel MIC at balek, East siang Pasighat	0.58	Secretary WRD, Govt of AP
91	C/o Type-II, 2 unit for Sille sub- Division East siang, Pasighat	1.11	Secretary WRD, Govt of AP
92	C/o Emergent flood and Erosion protection work on no.3 at Komlight Siang river	20	Secretary WRD, Govt of AP
93	C/o Rotkeng MIC Yagrung under Pasighat Division	0.55	Secretary WRD, Govt of AP
94	C/o Tabi MIC at Pasighat	1.88	Secretary WRD, Govt of AP
95	C/o RCC Protection Wall at Macha Nallah near PWD bridge	34.44	Secretary WRD, Govt of AP
96	C/o River training and Land management work at Gandhi Gram under Bordumsa Division	24	Secretary WRD, Govt of AP
97	C/o Protection Wall at Hydrel Colony Seppa	10	Secretary WRD, Govt of AP
98	C/o flood protection work at Pyiiith Kley under Supyu L/subansiri Namsai Division	24	Secretary WRD, Govt of AP
99	C/o Security fencing and improvement of forbay tank and penstock pipe at Tissue MHS	22.5	Secretary DHPD, Govt of AP
Total		2,205.06	

Source: Sanction order received from State Government

APPENDIX 3.5

**Injudicious Re-appropriation resulted in Savings/ Excess over ₹One crore
(Reference: Paragraph-3.5.5; Page-101)**

(₹ in crore)

Sl. No.	Number and Name of Grant	Head of Account	Total Grant (O+S)	Re appropriation (+)	Final Grant	Actual Expenditure	Saving
Part A: Excessive Re-appropriation							
1	1-Legislative Assembly	04-2011-02-800-02	2.00	2.00	4.00	3.20	0.79
2	2-Governor Secretariat	2012-03-103-02	0.01	0.07	0.08	0.00	0.08
		2012-03-103-04	0.05	0.27	0.32	0.00	0.32
		2012-03-103-05	0.04	0.01	0.05	0.04	0.01
		2012-03-103-06	0.07	0.27	0.34	0.00	0.34
		2012-03-103-07	0.01	0.02	0.03	0.00	0.03
		2012-03-103-09	0.02	0.08	0.09	0.00	0.09
		2012-03-800-01	0.00	0.02	0.03	0.00	0.02
3	4-Election	2015-106-01	0.52	1.98	2.50	2.27	0.23
		2015-108-01	4.36	0.55	4.91	4.88	0.03
		2052-090-07	11.33	8.94	20.27	20.26	0.01
		2052-090-19	0.94	0.04	0.99	0.94	0.04
		2052-090-21	0.97	0.10	1.07	1.06	0.01
		2251-090-02	11.54	4.61	16.15	16.13	0.02
4	6-District Administration Department	2053-093-04	4.79	3.23	8.02	5.52	2.50
		2053-093-10	9.92	0.78	10.71	10.25	0.46
		2053-094-04	2.12	2.38	4.50	4.10	0.40
		2053-094-07	1.08	1.10	2.18	2.08	0.09
		2053-101-02	0.09	0.06	0.15	0.14	0.01
5	7-Accounts and Treasuries	2049-03-117-01	33.57	0.71	34.28	0.16	34.12
		2054-097-01	22.73	0.48	23.21	23.10	0.11
		2071-01-119-01	18.09	17.12	35.20	0.23	34.97
6	8-Home Department	2055-001-01	54.55	6.34	60.89	59.09	1.80
		2055-104-01	167.64	0.31	167.95	167.69	0.26
		2055-109-01	503.99	4.20	508.19	485.06	23.13
		03-2055-115-03	0.00	5.04	5.04	5.00	0.04
		03-2055-117-04	0.00	0.32	0.32	0.04	0.29
		04-2055-108-01	0.73	12.82	13.55	8.30	5.25
7	11-Women and Child Development	03-2235-02-102-01	6.67	19.11	25.78	11.52	14.26
		03-2235-02-103-10	0.00	0.45	0.45	0.23	0.22
		03-2235-02-103-11	0.00	0.98	0.99	0.46	0.52
		03-2235-02-103-12	0.00	0.60	0.60	0.00	0.60
		04-2235-02-200-09	5.73	7.94	13.66	13.55	0.11
8	13-Audit and Pension	2071-01-104-01	462.15	213.15	675.29	573.26	102.03
9	14-Secondary Education	2202-02-109-07	408.31	33.39	441.70	436.31	5.39
		2204-101-01	20.13	0.36	20.49	18.51	1.98
10	15-Health Services	2210-04-101-01	4.83	0.69	5.52	5.48	0.04
		2210-06-001-01	5.67	1.75	7.42	7.41	0.01
		2210-06-101-01	113.92	8.14	122.06	121.87	0.20
		2210-06-101-03	6.79	0.70	7.49	7.46	0.03
		2210-06-101-04	6.00	0.53	6.53	6.51	0.02
		2210-06-101-05	4.39	0.58	4.97	4.91	0.07
		03-2210-06-200-01	10.00	0.26	10.26	7.15	3.11

Sl. No.	Number and Name of Grant	Head of Account	Total Grant (O+S)	Re appropriation (+)	Final Grant	Actual Expenditure	Saving
Part A: Excessive Re-appropriation							
11	19-Industries	2851-001-01	26.46	2.66	29.12	27.68	1.44
		2851-105-01	0.77	0.99	1.76	1.15	0.61
		2852-80-800-08	1.25	6.02	7.27	7.12	0.15
12	21-Sports	2204-001-02	3.67	0.06	3.73	3.63	0.10
		2204-001-04	3.51	1.42	4.93	4.88	0.05
13	22-Food and Civil Supplies	03-3456-001-08	5.31	1.64	6.95	6.30	0.65
		03-3456-001-09	2.41	0.04	2.45	2.13	0.32
14	23-Environment and Forests	2406-01-005-01	5.21	3.07	8.28	7.80	0.48
		03-2406-01-101-09	0.00	4.56	4.56	0.43	4.13
		03-2406-01-101-11	0.00	0.43	0.43	0.00	0.43
		3435-60-800-01	2.77	0.35	3.13	1.48	1.65
15	24-Agriculture	2401-001-01	79.36	4.92	84.28	84.22	0.06
		2401-796-06	0.70	4.38	5.08	2.56	2.52
		04-2401-104-03	10.45	117.13	127.58	110.20	17.38
16	25-Disaster Management	2235-01-001-01	9.84	1.28	11.12	10.79	0.33
		2235-60-200-02	0.28	0.01	0.29	0.28	0.01
		05-2245-05-101-01	291.78	0.22	292.00	166.67	125.33
17	26-Rural Works Department	04-5054-04-337-10	353.22	170.00	523.22	489.06	34.16
		04-5054-04-337-16	230.61	53.43	284.05	272.57	11.48
18	27-Panchayati Raj	2015-107-01	0.52	1.22	1.74	1.63	0.11
		2515-001-01	33.50	0.38	33.88	32.87	1.01
		05-2515-102-06	37.92	0.70	38.63	32.03	6.59
19	28-Animal Husbandry, Veterinary and Dairy Development	2404-102-01	3.61	0.09	3.70	3.33	0.37
20	30-State Transport Services	3055-001-04	166.59	2.23	168.82	168.15	0.66
21	31-Public Works Department	2059-80-001-01	73.26	159.93	233.19	136.44	96.75
		2059-80-001-02	151.17	64.13	215.30	184.54	30.76
		2059-80-001-03	27.14	8.77	35.91	24.09	11.82
		3054-04-105-01	100.00	104.48	204.48	170.69	33.79
		04-5054-04-337-07	1736.63	37.36	1773.99	1591.11	182.88
		07-5054-04-337-11	28.36	3.14	31.50	29.33	2.17
22	34-Power (Electrical)	04-2810-102-01	27.88	0.02	27.90	27.62	0.27
23	35-Information and Public Relations	2220-60-101-02	31.94	2.29	34.22	34.14	0.08
24	36-Economics and Statistics	3454-01-001-01	15.67	2.92	18.59	18.16	0.43
25	37-Legal Metrology and Consumer Affairs	3475-103-01	1.51	0.25	1.76	1.41	0.35
		3475-106-01	11.24	0.86	12.10	11.78	0.33

Sl. No.	Number and Name of Grant	Head of Account	Total Grant (O+S)	Re appropriation (+)	Final Grant	Actual Expenditure	Saving
Part A: Excessive Re-appropriation							
26	38-Water Resource Department	2702-80-800-09	15.00	7.76	22.76	19.05	3.70
		03-2702-80-005-03	72.62	2.80	75.42	72.56	2.86
27	41-Land Management	2029-103-01	25.83	0.01	25.84	25.42	0.42
		2030-02-101-01	0.22	2.26	2.48	1.55	0.93
		2506-001-01	0.69	1.11	1.80	1.28	0.52
28	42-Rural Development	03-2501-06-796-01	4.00	44.31	48.31	45.59	2.71
		03-2505-02-796-02	104.15	127.78	231.93	231.68	0.25
		2515-001-01	162.67	20.25	182.92	180.18	2.74
		04-2515-102-07	22.00	15.00	37.00	22.00	15.00
29	44-Attached Offices of the Secretariat Administration	2052-091-02	10.15	0.02	10.17	9.92	0.26
30	45-Civil Aviation	3053-80-001-01	7.19	0.94	8.13	6.00	2.13
31	47-Law, Legislative and Justice	2014-119-01	1.43	0.19	1.62	1.31	0.31
		04-4070-800-24	58.76	2.05	60.80	60.05	0.75
32	48-Horticulture	04-2401-119-24	160.50	7.45	167.95	166.02	1.93
33	49-Science and Technology	3425-60-600-04	5.98	1.13	7.10	7.05	0.05
34	50-Planning and Investment	3451-102-01	8.87	6.83	15.70	15.45	0.25
		03-4070-800-18	33.33	41.67	75.00	73.87	1.13
35	51-Library	2205-001-01	2.69	0.37	3.06	3.03	0.03
36	52- Youth Affairs	2204-001-01	7.79	0.33	8.13	8.03	0.10
37	53-Fire and Emergency Services	04-2070-108-02	0.88	0.16	1.03	1.00	0.03
38	54-Tax and Excise and Narcotics	2039-001-02	21.17	0.05	21.22	21.16	0.06
39	55-State Lotteries	2075-103-01	1.12	0.13	1.25	1.20	0.05
40	57-Urban Development	03-2217-80-191-06	5.56	5.00	10.56	10.47	0.09
		04-2217-05-053-01	20.03	7.56	27.58	27.45	0.13
41	60-Textile and Handicrafts	2851-001-01	36.46	3.09	39.55	38.75	0.80
		04-2851-104-01	14.80	0.10	14.90	14.60	0.30
		04-4851-104-01	7.79	0.20	7.99	2.74	5.25
42	62-Transport	3055-001-01	5.16	0.01	5.17	5.17	0.01
43	70-Administrative Training Institute	2070-003-01	3.21	0.05	3.26	3.16	0.10
44	72-Prison	2056-001-01	20.88	0.06	20.93	20.89	0.04
45	73-Information Technology and Communication	04-3425-60-600-10	36.24	2.41	38.65	34.41	4.24
46	74-Social Justice, Empowerment and Tribal Affairs	03-2235-60-796-03	0.00	46.40	46.40	46.27	0.13
		04-2235-02-200-04	11.77	0.35	12.12	11.99	0.13

Sl. No.	Number and Name of Grant	Head of Account	Total Grant (O+S)	Re appropriation (+)	Final Grant	Actual Expenditure	Saving
Part A: Excessive Re-appropriation							
47	75-Higher and Technical Education	2203-105-01	20.09	0.29	20.38	19.77	0.61
		2203-105-02	1.36	0.51	1.87	1.73	0.15
		04-4202-01-203-05	30.51	11.91	42.42	41.04	1.39
48	76-Elementary Education	2202-01-001-01	707.37	108.07	815.44	748.55	66.89
		2202-01-107-03	0.27	0.27	0.55	0.52	0.03
		2202-80-001-01	8.52	0.71	9.24	8.68	0.55
49	78-Political Department	2251-090-04	1.00	0.15	1.15	1.14	0.01
50	79-Skill Development and Entrepreneurship	2230-03-101-01	16.65	0.80	17.45	17.24	0.21
		03-2230-03-101-05	0.00	9.70	9.70	8.13	1.57
		04-2230-03-101-06	12.90	1.22	14.12	14.04	0.08
Total		121	7,067.87	1,605.32	8,673.19	7,750.55	922.64

Source: Detailed Appropriation Accounts, 2022-23

Sl. No.	Number and Name of Grant	Head of Account	Total Grant (O+S)	Re appropriation (+)	Final Grant	Actual Expenditure	Excess
Part B: Inadequate Re-Appropriation							
1	13-Audit and Pension	2047-103-01	2.24	0.33	2.57	2.74	0.17
2	23-Environment and Forests	03-2406-01-101-10	0.00	6.21	6.21	6.27	0.07
		03-2406-01-101-12	0.01	1.85	1.86	3.33	1.47
		3435-03-103-02	0.14	0.17	0.31	0.59	0.29
3	24-Agriculture	2401-115-09	0.30	2.06	2.36	6.83	4.47
		2401-115-12	2.32	0.90	3.22	6.44	3.22
		2401-796-13	0.70	1.00	1.70	3.40	1.70
4	42-Rural Development	03-2501-06-101-09	3.79	14.14	17.93	25.55	7.62
		03-2501-06-796-05	6.65	39.88	46.53	73.40	26.87
5	43-Fisheries	04-2405-101-12	0.53	0.33	0.86	1.68	0.82
		04-4405-101-02	24.20	1.92	26.12	27.33	1.21
6	47-Law, Legislative and Justice	2014-105-01	1.00	0.10	1.10	1.20	0.11
		2014-105-02	1.02	0.10	1.12	1.22	0.10
		2014-105-05	5.96	0.01	5.97	6.67	0.70
7	75-Higher and Technical Education	04-2202-03-103-03	41.90	19.47	61.37	62.54	1.17
Total		15	90.77	88.46	179.23	229.20	49.97

Sl. No.	Number and Name of Grant	Head of Account	Total Grant (O+S)	Re appropriation (+)	Final Grant	Actual Expenditure	Saving
Part C: Unnecessary Re-Appropriation							
1	2-Governor Secretariat	2012-03-103-02	0.01	0.07	0.08	0.00	0.01
		2012-03-103-04	0.05	0.27	0.32	0.00	0.05
		2012-03-103-06	0.07	0.27	0.34	0.00	0.07
		2012-03-103-07	0.01	0.02	0.03	0.00	0.01
		2012-03-103-09	0.02	0.08	0.09	0.00	0.02
2	7-Accounts and Treasuries	2049-03-117-01	33.57	0.71	34.28	0.16	33.41
		2071-01-119-01	18.09	17.12	35.20	0.23	17.86
3	8-Home Department	2055-109-01	503.99	4.20	508.19	485.06	18.92
4	14-Secondary Education	2204-101-01	20.13	0.36	20.49	18.51	1.62
5	15-Health Services	03-2210-06-200-01	10.00	0.26	10.26	7.15	2.85
6	16-Art and Cultural Affairs	2205-102-07	13.53	0.09	13.62	3.61	9.92
7	21-Sports	2204-001-02	3.67	0.06	3.73	3.63	0.05
8	22-Food and Civil Supplies	03-3456-001-09	2.41	0.04	2.45	2.13	0.28
9	23-Environment and Forests	3435-60-800-01	2.77	0.35	3.13	1.48	1.30
10	25-Disaster Management	2235-60-200-02	0.28	0.01	0.29	0.28	0.01
		05-2245-05-101-01	291.78	0.22	292.00	166.67	125.12
11	27-Panchayati Raj	2515-001-01	33.50	0.38	33.88	32.87	0.63
		05-2515-102-06	37.92	0.70	38.63	32.03	5.89
12	28-Animal Husbandry, Veterinary and Dairy Development	2404-102-01	3.61	0.09	3.70	3.33	0.28
13	31-Public Works Department	2059-80-001-03	27.14	8.77	35.91	24.09	3.05
		04-5054-04-337-07	1736.63	37.36	1773.99	1591.11	145.52
14	34-Power (Electrical)	04-2810-102-01	27.88	0.02	27.90	27.62	0.26
15	37-Legal Metrology and Consumer Affairs	3475-103-01	1.51	0.25	1.76	1.41	0.10
16	38-Water Resource Department	03-2702-80-005-03	72.62	2.80	75.42	72.56	0.06
17	41-Land Management	2029-103-01	25.83	0.01	25.84	25.42	0.41
18	44-Attached Offices of the Secretariat Administration	2052-091-02	10.15	0.02	10.17	9.92	0.23

Sl. No.	Number and Name of Grant	Head of Account	Total Grant (O+S)	Re appropriation (+)	Final Grant	Actual Expenditure	Saving
Part C: Unnecessary Re-Appropriation							
19	45-Civil Aviation	3053-80-001-01	7.19	0.94	8.13	6.00	1.19
20	47-Law, Legislative and Justice	2014-119-01	1.43	0.19	1.62	1.31	0.12
21	48-Horticulture	2401-001-01	41.20	3.08	44.28	38.13	3.08
22	54-Tax, Excise and Narcotics	2039-001-02	21.17	0.05	21.22	21.16	0.01
23	60-Textile and Handicrafts	04-2851-104-01	14.80	0.10	14.90	14.60	0.20
		04-4851-104-01	7.79	0.20	7.99	2.74	5.05
24	70-Administrative Training Institute	2070-003-01	3.21	0.05	3.26	3.16	0.05
25	73-Information Technology and Communication	04-3425-60-600-10	36.24	2.41	38.65	34.41	1.83
26	75-Higher and Technical Education	2203-105-01	20.09	0.29	20.38	19.77	0.32
Total		35	3030.29	81.84	3112.12	2650.55	379.74

Sl. No.	Number and Name of Grant	Head of Account	Total Grant (O+S)	Re appropriation (-)	Final Grant	Actual Expenditure	Excess
Part D: Injudicious Re-Appropriation							
1	6-District Administration Department	2053-093-01	268.42	22.85	245.58	246.71	1.13
2	22-Food and Civil Supplies	04-5475-102-03	3.23	0.78	2.45	2.74	0.29
3	24-Agriculture	2401-113-05	0.56	0.56	0.00	0.68	0.68
4	24-Agriculture	04-4435-01-800-04	44.90	41.24	3.66	3.76	0.10
5	35-Information and Public Relations	2220-60-001-01	22.29	2.29	20.00	20.51	0.51
6	47-Law, Legislative and Justice	2014-105-03	17.15	0.07	17.08	17.28	0.19
7	48-Horticulture	04-2415-01-277-02	7.70	2.84	4.86	6.37	1.51
8	51-Library	2205-105-01	3.07	0.37	2.71	2.73	0.03
9	73-Information Technology and Communication	3425-60-001-01	9.35	0.33	9.02	9.17	0.15
10	75-Higher and Technical Education	04-4202-02-104-06	2.60	0.80	1.80	3.30	1.50
Total		10	379.27	72.11	307.16	313.25	6.09

Source: Detailed Appropriation Accounts, 2022-23

APPENDIX 3.6

**Statement of Various Grant/ Appropriation where Savings were more than ₹One crore and more than 20 per cent of the Total Provision
(Reference: Paragraph-3.5.6; Page-102)**

(₹ in crore)

Sl. No.	Grant No and Name	Total Grant	Actual Expenditure	Saving	Percentage
Revenue-Voted					
1	1-Legislative Assembly	96.42	71.33	25.09	26.02
2	7-Accounts and Treasuries	286.67	201.44	85.23	29.73
3	9-Secretariat Transport	36.50	9.30	27.20	74.52
4	11-Women and Child Development	441.49	293.03	148.47	33.63
5	13-Audit and Pension	1791.57	1509.50	282.07	15.74
6	22-Food and Civil Supplies	583.60	427.34	156.26	26.78
7	23-Environment and Forests	798.35	506.50	291.85	36.56
8	25-Disaster Management	315.40	189.67	125.73	39.86
9	26-Rural Works Department	519.99	347.37	172.62	33.20
10	27-Panchayati Raj	484.65	337.96	146.68	30.27
11	31-Public Works Department	1,433.63	1,056.63	377	26.30
12	34-Power (Electrical)	1360.43	1141.15	219.29	16.12
13	38-Water Resource Department	620.18	363.15	257.02	41.44
14	41-Land Management	59.21	31.01	28.21	47.64
15	50-Planning and Investment	565.83	126.19	439.64	77.70
16	59-Public Health Engineering and Water Supply	870.60	633.97	236.63	27.18
17	62-Transport	11.81	5.86	5.95	50.36
18	66-Hydro Power Development	470.91	284.16	186.75	39.66
19	68-Town Planning Department	122.01	86.28	35.73	29.28
20	70-Administrative Training Institute	10.71	5.88	4.83	45.14
21	76-Elementary Education	2070.03	1668.47	401.55	19.40
Total		12,949.99	9,296.19	3,653.80	
Revenue-Charged					
19	2-Governor Secretariat	12.20	8.60	3.60	29.51
20	46-Arunachal Pradesh Public Service Commission and Staff Selection Board	14.06	10.76	3.29	23.43
Total		26.26	19.36	6.89	
Capital-Voted					
21	7-Accounts and Treasuries	4.65	2.37	2.28	48.98
22	11-Women and Child Development	5.23	4.05	1.19	22.68
23	14-Secondary Education	82.53	36.17	46.36	56.18
24	21-Sports	48.88	35.03	13.85	28.34
25	24-Agriculture	118.9	3.96	114.94	96.67
26	28-Animal Husbandry, Veterinary and Dairy Development	12.00	2.10	9.90	82.50

Sl. No.	Grant No and Name	Total Grant	Actual Expenditure	Saving	Percentage
27	33-North Eastern Council	95.00	26.80	68.21	71.79
28	50-Planning and Investment	2,788.11	869.23	1,918.88	68.82
29	52-Youth Affairs	5.10	0.10	5.00	98.04
30	56-Tourism Department	22.82	12.88	9.94	43.56
31	60-Textile and Handicrafts	7.99	2.74	5.25	65.67
32	80-Medical Education, Training and Research	43.55	14.57	28.98	66.54
Total		3,234.76	1,010.00	2,224.78	
Capital-Charged					
33	<i>Public Debt</i>	801.01	551.11	249.90	31.20
Total		801.01	551.11	249.90	

Source: Appropriation Accounts, 2022-23

APPENDIX 3.7 (A)

Cases of Substantial Surrenders (100 per cent and above of Total Provisions) made during 2022-23

(Reference: Paragraph-3.5.8; Page-108)

(₹ in crore)

Sl. No.	Number and Name of Grant	Head of Account	Original	Details of Surrender Amount	Per cent
Part A: Surrendered 100 per cent and above					
1	4-Election	2015-105-03	0.03	0.03	100
2	8-Home Department	03-2055-101-03	2.22	2.22	100
		03-2055-104-005	1.11	1.11	100
		03-2055-109-02	1.00	1.00	100
		03-2055-115-04	2.22	2.22	100
		03-2055-117-02	1.11	1.11	100
		03-2055-117-03	1.11	1.11	100
		03-4055-211-01	10.71	10.71	100
3	9-Secretariat Transport	2070-800-01	16.05	16.05	100
		2070-800-09	8.75	8.75	100
4	11-Women and Child Development	03-2235-02-103-02	9.11	9.11	100
		03-2235-02-104-05	0.28	0.28	100
		04-2235-02-102-04	0.04	0.04	100
5	12-Social Security Welfare	2235-60-200-11	0.02	0.02	100
6	14-Secondary Education	03-2202-04-200-01	1.44	1.44	100
7	20-Labour and Employment	04-2230-01-103-01	0.30	0.30	100
8	22-Food and Civil Supplies	2408-02-190-02	47.50	142.69	300.40
9	23-Environment and Forests	03-2406-01-101-05	16.67	16.67	100
		03-2406-01-102-04	5.56	5.56	100
		03-2406-02-110-26	2.06	2.06	100
		03-2406-02-110-40	1.11	1.11	100
		03-2406-02-110-42	0.67	0.67	100
10	24-Agriculture	2401-103-04	0.56	0.56	100
		2401-104-02	2.22	2.22	100
		2401-105-02	2.22	2.22	100
		2401-113-05	0.56	0.56	100
		2401-114-01	7.78	7.78	100
		2401-115-02	22.22	22.22	100
		2401-115-04	10.00	10.00	100
		2401-115-05	22.22	22.22	100
		2401-115-06	0.56	0.56	100
03-2408-01-800-01	7.78	7.78	100		
11	26-Rural Works Department	2402-103-01	8.00	32.27	403.37
		2402-103-02	0.30	0.30	100
		2402-800-02	0.05	0.05	100
		3054-04-337-01	1.05	18.00	1,714.29
		3054-80-800-01	13.00	19.13	147.15
		04-5054-04-800-02	53.43	53.43	100

Sl. No.	Number and Name of Grant	Head of Account	Original	Details of Surrender Amount	Per cent
Part A: Surrendered 100 per cent and above					
12	28-Animal Husbandry, Veterinary and Dairy Development	03-2403-101-12	5.56	5.56	100
		03-2403-101-13	1.67	1.67	100
		03-2403-101-15	11.11	11.11	100
		08-2403-106-06	5.56	5.56	100
13	31-Public Works Department	2216-05-053-01	1.00	1.00	100
14	33-North Eastern Council	09-2552-01-101-08	1.00	1.00	100
		09-2552-01-101-11	1.00	1.00	100
		09-2552-20-101-02	1.00	1.00	100
		09-4552-03-106-02	5.00	5.00	100
		09-4552-06-600-73	5.00	5.00	100
		09-4552-07-102-12	5.00	5.00	100
		09-4552-12-052-08	1.00	1.00	100
		09-4552-12-052-09	5.00	5.00	100
		09-4552-16-337-01	20.00	20.00	100
		09-4552-16-337-03	5.00	5.00	100
		09-4552-16-337-04	5.00	5.00	100
		09-4552-16-337-16	10.00	10.00	100
		09-4552-19-103-04	5.00	5.00	100
		09-4552-19-103-06	1.00	1.00	100
09-4552-29-800-01	2.00	2.00	100		
15	34-Power (Electrical)	04-2801-05-052-01	19.03	19.03	100
16	36-Economics and Statistics	08-3454-01-800-01	1.22	1.22	100
		08-3454-02-202-01	0.22	0.22	100
17	37-Legal Metrology and Consumer Affairs	08-3456-800-05	1.11	1.11	100
18	38-Water Resource Department	2702-80-052-01	10.00	30.00	300
		03-2702-80-005-02	166.67	166.67	100
19	41-Land Management	03-2506-103-01	2.22	2.22	100
20	42-Rural Development	03-2501-06-102-13	7.78	7.78	100
		03-2501-06-800-04	55.56	55.56	100
		03-2505-01-702-02	11.11	11.11	100
		03-2505-60-701-08	111.11	111.11	100
		03-2505-60-703-01	3.33	3.33	100
21	43-Fisheries	03-4405-101-01	11.11	11.11	100
22	48-Horticulture	04-4401-119-02	0.31	0.31	100
23	50-Planning and Investment	03-3451-800-03	432.22	432.22	100
		04-4070-800-10	200.00	200.00	100
		04-4070-800-14	138.89	138.89	100
		07-4070-800-15	211.11	211.11	100
		08-4070-796-01	115.00	115.00	100
24	55-State Lotteries	2075-103-02	0.40	0.40	100
25	57-Urban Development	03-2217-80-191-03	5.56	5.56	100

Sl. No.	Number and Name of Grant	Head of Account	Original	Details of Surrender Amount	Per cent
Part A: Surrendered 100 per cent and above					
26	59-Public Health Engineering and Water Supply	03-2215-01-102-08	50.00	50.00	100
		03-2215-02-105-02	5.56	5.56	100
		04-2215-01-101-01	20.76	20.76	100
27	60-Textile and Handicrafts	04-4851-107-01	0.20	0.20	100
28	66-Hydro Power Development	2801-04-052-01	20.00	132.37	661.87
29	73-Information Technology and Communication	08-3425-60-600-02	0.12	0.12	100
30	74-Social Justice, Empowerment and Tribal Affairs	03-2235-02-200-05	1.11	1.11	100
		03-2235-03-102-01	61.11	61.11	100
		03-2235-60-102-02	2.22	2.22	100
		08-2235-02-104-04	0.56	0.56	100
		08-2235-60-102-03	1.11	1.11	100
		04-4235-02-103-01	0.44	0.44	100
		08-4235-02-800-05	40.00	40.00	100
31	75-Higher and Technical Education	03-2202-03-103-02	16.67	16.67	100
		03-4202-01-203-04	11.11	11.11	100
32	76-Elementary Education	04-2202-01-102-02	0.50	0.50	100
33	79-Skill Development and Entrepreneurship	03-2230-03-101-02	11.11	11.11	100
		03-2230-03-101-03	1.11	1.11	100
		03-2230-03-102-02	2.22	2.22	100
Total		98	2,127.79	2,402.70	

Source: Detailed Appropriation Accounts, 2022-23

Sl. No.	Number and Name of Grant	Head of Account	Original	Details of Surrender Amount	Per cent
Part B: Substantial Surrendered 50 per cent and above					
1	2-Governor Secretariat	2012-03-105-01	0.40	0.30	75.00
2	3-General Administration Department	2013-106-01	1.10	0.78	70.91
		2013-106-03	2.80	2.35	83.93
3	4-Election	2015-105-03	0.03	0.03	100.00
4	5-Secretariat Administration	2052-090-11	1.50	0.80	53.22
		2059-01-053-12	16.40	10.40	63.41
5	6-District Administration Department	2053-094-08	0.30	0.25	83.33
		2053-800-01	0.01	0.01	88.00
6	8-Home Department	2055-104-03	18.12	12.07	66.62
		2055-117-01	41.17	26.84	65.20
		03-2055-101-03	2.22	2.22	100.00
		03-2055-104-005	1.11	1.11	100.00
		03-2055-109-02	1.00	1.00	100.00
		03-2055-115-04	2.22	2.22	100.00
		03-2055-115-06	0.44	0.44	99.98
		03-2055-116-01	1.11	1.11	99.99
		03-2055-117-02	1.11	1.11	100.00
		03-2055-117-03	1.11	1.11	100.00
		2235-60-200-08	0.99	0.68	69.15
		03-4055-211-01	10.71	10.71	100.00
7	9-Secretariat Transport	2013-106-05	6.20	4.01	64.61
		2070-800-01	16.05	16.05	100.00
		2070-800-09	8.75	8.75	100.00
8	11-Women and Child Development	2235-02-200-01	204.44	180.38	88.23
		03-2235-02-103-02	9.11	9.11	100.00
		03-2235-02-103-03	50.00	49.70	99.40
		03-2235-02-104-05	0.28	0.28	100.00
		04-2235-02-102-04	0.04	0.04	100.00
9	12-Social Security and Welfare	2235-60-200-11	0.02	0.02	100.00
10	13-Audit and Pension	2071-01-105-01	83.19	53.71	64.56
		2071-01-111-01	64.17	51.29	79.93
11	14-Secondary Education	03-2202-04-200-01	1.44	1.44	100.00
		08-2202-02-107-02	2.22	1.13	50.91
12	19-Industries	03-2408-01-103-07	8.89	7.35	82.66
		2851-102-08	3.18	2.38	74.80
13	20-Labour and Employment	04-2230-01-103-01	0.30	0.30	100.00
14	22-Food and Civil Supplies	2408-02-190-02	47.50	142.69	300.40
		03-3456-102-01	11.11	10.91	98.20

Sl. No.	Number and Name of Grant	Head of Account	Original	Details of Surrender Amount	Per cent
Part B: Substantial Surrendered 50 per cent and above					
15	23-Environment and Forests	2406-01-101-01	10.21	6.49	63.55
		2406-01-102-01	18.67	11.24	60.19
		2406-02-112-01	8.79	4.96	56.47
		03-2406-01-101-04	1.11	1.11	99.84
		03-2406-01-101-05	16.67	16.67	100.00
		03-2406-01-102-04	5.56	5.56	100.00
		03-2406-02-110-26	2.06	2.06	100.00
		03-2406-02-110-40	1.11	1.11	100.00
		03-2406-02-110-42	0.67	0.67	100.00
		08-2406-04-103-01	400.00	204.71	51.18
		3435-03-101-02	0.23	0.14	58.70
		3435-03-101-02	0.23	0.14	58.70
		3435-03-101-03	6.25	5.25	84.00
16	24-Agriculture	2401-105-01	8.96	5.97	66.60
		2401-103-04	0.56	0.56	100.00
		2401-104-02	2.22	2.22	100.00
		2401-105-02	2.22	2.22	100.00
		2401-113-04	100.00	88.07	88.07
		2401-113-05	0.56	0.56	100.00
		2401-114-01	7.78	7.78	100.00
		2401-115-02	22.22	22.22	100.00
		2401-115-04	10.00	10.00	100.00
		2401-115-05	22.22	22.22	100.00
		2401-115-06	0.56	0.56	100.00
		03-2408-01-800-01	7.78	7.78	100.00
		04-4401-104-01	74.00	73.75	99.66
		04-4435-01-800-04	44.90	41.24	91.84
17	26-Rural Works Department	2402-101-01	5.81	4.35	74.95
		2402-102-04	1.07	0.70	65.42
		2402-103-01	8.00	35.27	440.85
		2402-103-02	0.30	0.30	100.00
		2402-109-01	6.91	5.25	76.03
		2402-800-02	0.05	0.05	100.00
		3054-04-337-01	1.05	18.00	1,714.29
		3054-80-800-01	13.00	19.13	147.15
		03-5054-04-337-09	1,333.33	791.31	59.35
		04-5054-04-800-02	53.43	53.43	100.00

Sl. No.	Number and Name of Grant	Head of Account	Original	Details of Surrender Amount	Per cent
Part B: Substantial Surrendered 50 per cent and above					
18	28-Animal Husbandry, Veterinary and Dairy Development	03-2403-101-12	5.56	5.56	100.00
		03-2403-101-13	1.67	1.67	100.00
		03-2403-101-15	11.11	11.11	100.00
		04-2403-101-16	25.31	18.00	71.12
		08-2403-106-06	5.56	5.56	100.00
		4403-101-02	12.00	9.05	75.42
19	31-Public Works Department	2059-80-051-02	179.30	165.13	92.10
		2216-05-053-01	1.00	1.00	100.00
		04-3054-04-337-07	149.63	115.67	77.30
20	33-North Eastern Council	09-2552-01-101-08	1.00	1.00	100.00
		09-2552-01-101-11	1.00	1.00	100.00
		09-2552-01-101-14	1.00	0.99	99.44
		09-2552-20-101-02	1.00	1.00	100.00
		09-4552-03-106-02	5.00	5.00	100.00
		09-4552-06-600-73	5.00	5.00	100.00
		09-4552-07-102-12	5.00	5.00	100.00
		09-4552-07-102-16	5.00	3.00	60.00
		09-4552-12-052-08	1.00	1.00	100.00
		09-4552-12-052-09	5.00	5.00	100.00
		09-4552-16-337-01	20.00	20.00	100.00
		09-4552-16-337-02	20.00	14.60	73.00
		09-4552-16-337-03	5.00	5.00	100.00
		09-4552-16-337-04	5.00	5.00	100.00
		09-4552-16-337-16	10.00	10.00	100.00
		09-4552-19-103-04	5.00	5.00	100.00
		09-4552-19-103-06	1.00	1.00	100.00
09-4552-29-800-01	2.00	2.00	100.00		
21	34-Power (Electrical)	2801-05-052-02	55.00	44.47	80.85
		04-2801-05-052-01	19.03	19.03	100.00
22	36-Economics and Statistics	08-3454-01-800-01	1.22	1.22	100.00
		08-3454-02-202-01	0.22	0.22	100.00
23	37-Legal Metrology and Consumer Affairs	08-3456-800-05	1.11	1.11	100.00
24	38-Water Resource Department	2702-80-052-01	10.00	30.00	300.00
		03-2702-80-005-02	166.67	166.67	100.00
25	41-Land Management	2029-103-03	30.00	27.49	91.63
		03-2506-103-01	2.22	2.22	100.00

Sl. No.	Number and Name of Grant	Head of Account	Original	Details of Surrender Amount	Per cent
Part B: Substantial Surrendered 50 per cent and above					
26	42-Rural Development	03-2501-06-101-05	222.22	173.61	78.12
		03-2501-06-102-13	7.78	7.78	100.00
		03-2501-06-800-04	55.56	55.56	100.00
		03-2505-01-702-02	11.11	11.11	100.00
		03-2505-60-701-08	111.11	111.11	100.00
		03-2505-60-703-01	3.33	3.33	100.00
27	43-Fisheries	03-2405-101-10	11.11	5.56	50.07
		03-4405-101-01	11.11	11.11	100.00
28	48-Horticulture	03-2401-108-04	0.44	0.43	96.40
		04-4401-119-02	0.31	0.31	100.00
29	50-Planning and Investment	03-3451-800-03	432.22	432.22	100.00
		04-4070-800-10	200.00	200.00	100.00
		04-4070-800-14	138.89	138.89	100.00
		04-4070-800-16	300.00	274.06	91.35
		04-4070-800-24	1,394.78	1,046.93	75.06
		07-4070-800-15	211.11	211.11	100.00
		08-4070-796-01	115.00	115.00	100.00
30	51-Library	04-2205-105-03	4.60	3.25	70.65
31	52-Youth Affairs	04-4202-03-101-01	5.10	5.00	98.04
32	53-Fire and Emergency Services	2070-800-06	0.21	0.16	75.73
33	55-State Lotteries	2075-103-02	0.40	0.40	100.00
34	57-Urban Development	03-2217-80-191-03	5.56	5.56	100.00
35	59-Public Health Engineering and Water Supply	03-2215-01-102-08	50.00	50.00	100.00
		03-2215-02-105-02	5.56	5.56	100.00
		04-2215-01-101-01	20.76	20.76	100.00
36	60-Textile and Handicrafts	2851-104-01	0.50	0.35	70.00
		04-4851-107-01	0.20	0.20	100.00
37	66-Hydro Power Development	2801-04-052-01	20.00	132.37	661.87
38	68-Town Planning Department	03-2217-80-191-05	11.11	8.21	73.90
39	73-Information Technology and Communication	08-3425-60-600-02	0.12	0.12	100.00
40	74-Social Justice, Empowerment and Tribal Affairs	03-2235-02-200-05	1.11	1.11	100.00
		03-2235-03-102-01	61.11	61.11	100.00
		03-2235-60-102-02	2.22	2.22	100.00
		08-2235-02-104-04	0.56	0.56	100.00
		08-2235-60-102-03	1.11	1.11	100.00
		04-4235-02-103-01	0.44	0.44	100.00
		08-4235-02-800-05	40.00	40.00	100.00
		08-4235-60-796-01	66.67	59.33	88.99

Sl. No.	Number and Name of Grant	Head of Account	Original	Details of Surrender Amount	Per cent
Part B: Substantial Surrendered 50 per cent and above					
41	75-Higher and Technical Education	03-2202-03-103-02	16.67	16.67	100.00
		03-2202-03-107-04	133.33	74.46	55.85
		03-4202-01-203-04	11.11	11.11	100.00
42	76-Elementary Education	03-2202-01-112-01	61.56	42.35	68.80
		04-2202-01-102-02	0.50	0.50	100.00
43	79-Skill Development and Entrepreneurship	03-2230-03-101-02	11.11	11.11	100.00
		03-2230-03-101-03	1.11	1.11	100.00
		03-2230-03-102-02	2.22	2.22	100.00
44	81-Family Welfare	04-2211-101-04	13.50	9.00	66.67
Total		158	7,368.35	6,165.34	

Source: Detailed Appropriation Accounts, 2022-23

APPENDIX 3.8

Details of Savings of ₹One crore and above not surrendered

(Reference: Paragraph-3.5.9 and 3.5.10; Page-108 and 109)

(₹ in crore)

Sl. No.	Grant No and Name	Section	Saving	Surrender	Saving to be Surrender
1	1-Legislative Assembly	Revenue-voted	25.09	22.68	2.41
2	2-Governor Secretariat	Revenue-charged	3.60	1.77	1.83
3	6-District Administration Department	Revenue-voted	53.16	46.12	7.05
4	7-Accounts and Treasuries	Revenue-voted	85.23	15.38	69.85
5	8-Home Department	Revenue-voted	39.47	3.48	35.99
6	11-Women and Child Development	Revenue-voted	148.47	132.42	16.04
7	13-Audit and Pension	Revenue-voted	282.07	0.63	281.44
8	14-Secondary Education	Revenue-voted	12.72	0.00	12.72
9	14-Secondary Education	Capital-voted	46.36	34.01	12.36
10	15-Health Services	Revenue-voted	58.08	1.00	57.08
11	15-Health Services	Capital-voted	6.92	0.00	6.92
12	19-Industries	Revenue-voted	2.22	0.00	2.22
13	21-Sports	Capital-voted	13.85	0.00	13.85
14	22-Food and Civil Supplies	Revenue-voted	156.26	151.75	4.51
15	23-Environment and Forests	Revenue-voted	291.85	267.09	24.76
16	24-Agriculture	Revenue-voted	4.88	0.00	4.88
17	25-Disaster Management	Revenue-voted	125.73	0.00	125.73
18	26-Rural Works Department	Revenue-voted	172.62	168.60	4.02
19	26-Rural Works Department	Capital-voted	51.15	0.00	51.15
20	27-Panchayati Raj	Revenue-voted	146.68	0.59	146.09
21	28-Animal Husbandry, Veterinary and Dairy Development	Revenue-voted	15.49	10.60	4.90
22	30-State Transport Services	Revenue-voted	8.49	7.19	1.30
23	31-Public Works Department	Revenue-voted	377.00	187.78	189.22
24	31-Public Works Department	Capital-voted	193.21	0.00	193.21
25	34-Power (Electrical)	Revenue-voted	219.29	215.87	3.41
26	34-Power (Electrical)	Capital-voted	10.47	0.00	10.47
27	38-Water Resource Department	Revenue-voted	257.02	250.45	6.57
28	38-Water Resource Department	Capital-voted	9.92	0.00	9.92
29	41-Land Management	Revenue-voted	28.21	26.33	1.88
30	42-Rural Development	Capital-voted	3.30	0.00	3.30
31	43-Fisheries	Capital-voted	3.16	0.00	3.16
32	45-Civil Aviation	Revenue-voted	3.45	0.00	3.45
33	45-Civil Aviation	Capital-voted	3.26	0.00	3.26
34	46-Arunachal Pradesh Public Service Commission and Staff Selection Board	Revenue-charged	3.29	2.16	1.13
35	50-Planning and Investment	Revenue-voted	439.64	428.68	10.95

Sl. No.	Grant No and Name	Section	Saving	Surrender	Saving to be Surrender
36	50-Planning and Investment	Capital-voted	1,918.88	1,636.92	281.96
37	53-Fire and Emergency Services	Revenue-voted	1.82	0.00	1.82
38	56-Tourism Department	Revenue-voted	4.89	0.00	4.89
39	56-Tourism Department	Capital-voted	9.94	0.00	9.94
40	57-Urban Development	Capital-voted	1.48	0.00	1.48
41	59-Public Health Engineering	Capital-voted	33.52	0.00	33.52
42	60-Textile and Handicrafts	Revenue-voted	2.37	0.62	1.74
43	60-Textile and Handicrafts	Capital-voted	5.25	0.00	5.25
44	62-Transport	Revenue-voted	5.95	0.00	5.95
45	65-Department for Development of Tirap, Changlang and Longding Districts	Capital-voted	5.83	0.00	5.83
46	66-Hydro Power Development	Revenue-voted	186.75	184.25	2.50
47	66-Hydro Power Development	Capital-voted	6.88	0.00	6.88
48	68-Town Planning Department	Revenue-voted	35.73	3.13	32.59
49	70-Administrative Training Institute	Revenue-voted	4.83	2.16	2.68
50	73-Information Technology and Communication	Revenue-voted	6.09	2.00	4.09
51	76-Elementary Education	Revenue-voted	401.55	0.00	401.55
52	76-Elementary Education	Capital-voted	9.63	0.00	9.63
53	79-Skill Development and Entrepreneurship	Revenue-voted	9.61	7.76	1.85
54	80-Medical Education, Training and Research	Capital-voted	28.98	0.00	28.98
55	82-Department of Indigenous Affairs	Capital-voted	2.37	0.00	2.37
56	Public Debt	Revenue-charged	18.76	0.00	18.76
57	Public Debt	Capital-charged	249.90	30.31	219.59
	Total	57	6,252.62	3,841.73	2,410.88

Source: Appropriation Accounts, 2022-23

APPENDIX 3.9

Un-utilised Provision of Fund during 2022-23
(Reference: Paragraph- 3.3.2 and 3.7.2; Page-94 and 114)

(₹ in crore)

Sl. No.	Number and Name of Grant	Head of Account	Original	Supplementary	Reappropriation	Total	Saving
1	1-Legislative Assembly	04-4070-003-01	0.00	6.39	0.00	6.39	6.39
2	2-Governor Secretariat	2012-03-103-02	0.01	0.00	0.07	0.08	0.08
		2012-03-103-04	0.05	0.00	0.27	0.32	0.32
		2012-03-103-06	0.07	0.00	0.27	0.34	0.34
		2012-03-103-07	0.01	0.00	0.02	0.03	0.03
		2012-03-103-09	0.02	0.00	0.08	0.09	0.09
		2012-03-800-01	0.00	0.00	0.02	0.03	0.02
3	3-General Administration Department	2013-101-02	0.15	0.01	0.00	0.16	0.16
		2013-102-02	0.08	0.00	0.00	0.08	0.08
4	11-Women and Child Development	03-2235-02-103-03	50.00	0.00	(-)49.70	0.30	0.30
		03-2235-02-103-12	0.00	0.00	0.60	0.60	0.60
5	14-Secondary Education	2202-02-108-01	0.05	0.00	0.00	0.05	0.05
		03-2202-02-101-01	0.00	0.10	0.00	0.10	0.10
6	15-Health Services	05-2210-01-800-02	11.08	37.92	0.00	49.00	49.00
7	22-Food and Civil Supplies	03-3456-102-01	11.11	0.00	(-)10.91	0.20	0.20
8	23-Environment and Forests	03-2406-01-101-11	0.00	0.00	0.43	0.43	0.43
		03-2406-02-110-02	11.11	0.00	(-)5.11	6.00	6.00
		03-2406-02-110-37	3.22	0.00	(-)0.53	2.69	2.69
9	24-Agriculture	2401-789-08	0.00	0.06	0.00	0.06	0.06
		2401-796-02	0.00	1.05	0.00	1.05	1.05
10	27-Panchayati Raj	05-2515-001-07	85.25	0.00	(-)9.73	75.52	75.52
		05-2515-001-08	91.75	0.00	(-)28.89	62.86	62.86
		04-4515-101-02	0.00	0.50	0.00	0.50	0.50
11	31-Public Works Department	07-4059-80-800-15	0.00	1.76	0.00	1.76	1.76
12	75-Higher and Technical Education	03-4202-02-789-01	0.00	0.30	0.00	0.30	0.30
13	Public Debt	2049-04-106-01	0.90	0.00	0.00	0.90	0.90
		6003-110-01	312.00	0.00	(-)27.00	285.00	285.00
Total		27	576.86	48.09	133.65	494.85	494.84

Source: Detailed Appropriation Accounts, 2022-23

APPENDIX 3.10

Statement showing excess expenditure relating to previous years requiring regularisation (Reference: Paragraph-3.5.12.1; Page-110)

(₹ in crore)

Year	No. of Grants/ Appropriations	Grants/ Appropriations	Excess Amount	Stage of consideration by PAC
1986-87 (UT Period)	13	1,7,11,12,13,15,17,30,32,34,39,40 and 42	6.56	Total four times the PAC was held during 2022-23, but no paragraph on SFAR up to March 2022 has been selected for the discussion, despite many efforts of PAG office.
1986-87 (State Period)	28	1,2,3,6,7,8,10,11,13,14,16,18,19,20,22, 24,27,28, 29,31,32,33,34,38,39,40,42 and 43	12.71	
1987-88	16	14,18,19,22,23,24,26,30,31,32,33,34,35,40,4 2 and <i>Public Debt</i>	9.06	
1988-89	12	1,13,15,17,21,24,30,31,32,34,40 and <i>Public Debt</i>	54.51	
1989-90	15	8,10,15,30,31,32,33,34,38,40,43,45,48, 49 and <i>Public Debt</i>	17.49	
1990-91	16	5,8,13,15,19,23,24,26,30,31,32,34,40,44,48 and <i>Public Debt</i>	28.61	
1991-92	17	4,8,10,14,15,18,19,23,25,28,30,31,34,37,42,4 3 and <i>Public Debt</i>	63.12	
1992-93	11	14,15,18,28,30,31,34,40,43,21 and 38	27.91	
1993-94	12	8,15,19,25,28,30,31,32,34,38,40 and 45	30.66	
1994-95	18	6,8,11,15,21,22,23,26,28,29,31,32,34,38,40, 42,43 and 45	64.45	
1995-96	24	8,9,11,13,14,15,16,18,20,21,23,24,28,29,31,3 2,34,40, 41,51,53,59,60 and <i>Public Debt</i>	38.41	
1996-97	12	1,9,11,13,14,21,28,30,31,34,40 and 51	14.86	
1997-98	15	9,10,11,13,15,20,25,30,31,34,41,46,48, 59 and 60	25.34	
1998-99	15	1,7,13,15,19,20,31,34,36,41,50,53,54, 64 and <i>Public Debt</i>	25.26	
1999-00	7	13,31,44,52,53,60 and <i>Public Debt</i>	14.27	
2000-01	12	1,3,8,13,19,28,32,34,36,50,52 and 62	13.27	
2001-02	13	1,7,8,11,13,14,16,22,28,33,35,48 and 59	27.08	
2002-03	14	1,4,5,7,13,19,23,28,31,43,46,58,61 and 62	9.7	
2003-04	21	5,13,15,16,24,26,28,31,32,33,35,36,42,43,44, 47,56,58, 59,61 and 62	20.15	
2004-05	17	8,14,15,18,19,26,28,31,32,33,40,43,48, 58,61,65,66 and <i>Public Debt</i>	46.46	
2005-06	13	1,5,8,16,25,35,41,43,52,56,58,60,66 and <i>Public Debt</i>	266.95	
2006-07	18	5,11,13,15,24,28,29,33,35,36,38,40,41,48,58, 60, 61,62 and <i>Public Debt</i>	173.74	
2007-08	19	1,8,13,17,24,29,30,35,36,37,43,48,51, 52, 58,62,63,64 and 65	31.77	
2008-09	13	5,9,14,17,29,34,37,43,45,48,56,59 and 65	70.6	

Year	No. of Grants/ Appropriations	Grants/ Appropriations	Excess Amount	Stage of consideration by PAC
2009-10	12	13,14,16,28,31,35,36,43,44,50,53 and 56	33.37	
2010-11	17	12, 13, 14, 16, 20, 28, 29, 30, 33, 36, 44, 48, 54, 56, 61, 72 and <i>Public Debt</i>	157.64	
2011-12	16	8,16,17,19,29,34,37,39,43,45,47,48,51,62,65,66	43.75	
2012-13	5	5,13,23,43,62	63.06	
2013-14	16	7,13,17,18,25,29,30,35,43,47,48,51,54,60,62,	65.87	
2014-15	12	1,7,13,16,19,21,43,52,70,72,76,97	705.09	
2015-16	15	5, 7, 13, 14, 16, 26, 43, 48, 51, 53, 65, 67, 71, 76, 97	474.5	
2016-17	15	6, 8, 13, 17, 26, 33, 43, 48, 55, 59, 62, 63, 65, 71, 76	344.92	
2017-18	9	12, 13, 30, 33, 41, 50, 72, 74, 76	176.99	
2018-19	7	1,7,13,43,48,81,71	21.67	
2019-20	5	19,25,40,71,73	15.76	
2020-21	1	25	8.87	
2021-22	8	6,8,11,37,41,48,65,70	16.01	
TOTAL			3,220.44	

Source: Appropriation Account, 2022-23

APPENDIX 3.11

Details of Excess expenditure at Sub-Head level made during 2022-23

(Reference: Paragraph-3.5.12.1; Page-110)

(₹ in crore)

Sl. No.	Number and Name of Grant	Head of Account	Original	Supplementary	Re-appropriation		Final Appropriation	Actual Expenditure	Excess
					Minus	Plus			
1	6-District Administration Department	2053-093-01	268.42	0.00	22.85	0.00	245.58	246.71	1.13
2	8-Home Department	04-4055-800-09	0.00	0.00	0.00	0.00	0.00	5.46	5.46
3	13-Audit and Pension	2047-103-01	2.24	0.00	0.00	0.33	2.57	2.74	0.17
4	14-Secondary Education	04-2204-104-15	1.93	3.02	0.00	0.00	4.95	5.00	0.05
5	19-Industries	04-4851-102-01	6.55	16.95	0.00	0.00	23.50	23.61	0.11
6	22-Food and Civil Supplies	04-5475-102-03	3.23	0.00	0.78	0.00	2.45	2.74	0.29
7	23-Environment and Forests	03-2406-01-101-10	0.00	0.00	0.00	6.21	6.21	6.27	0.07
		03-2406-01-101-12	0.00	0.01	0.00	1.85	1.85	3.33	1.47
		3435-03-103-02	0.14	0.00	0.00	0.17	0.31	0.59	0.29
8	24-Agriculture	2401-113-05	0.56	0.00	0.56	0.00	0.00	0.68	0.68
		2401-115-03	0.00	0.00	0.00	0.00	0.00	4.62	4.62
		2401-115-09	0.00	0.30	0.00	2.06	2.36	6.83	4.47
		2401-115-12	0.00	2.32	0.00	0.90	3.22	6.44	3.22
		2401-789-13	0.00	0.27	0.00	0.00	0.27	0.53	0.27
		2401-796-04	0.00	0.00	0.00	0.00	0.00	6.52	6.52
		2401-796-08	0.00	0.51	0.00	0.00	0.51	0.57	0.06
		2401-796-13	0.00	0.70	0.00	1.00	1.70	3.40	1.70
9	33-North Eastern Council	09-2552-800-33	0.00	0.00	0.00	0.00	0.00	107.68	107.68
10	35-Information and Public Relations	2220-60-001-01	22.14	0.15	2.29	0.00	20.00	20.51	0.51

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Sl. No.	Number and Name of Grant	Head of Account	Original	Supplementary	Re-appropriation		Final Appropriation	Actual Expenditure	Excess
					Minus	Plus			
11	42-Rural Development	03-2501-06-101-09	0.00	3.79	0.00	14.14	17.93	25.55	7.62
		03-2501-06-796-05	0.00	6.65	0.00	39.88	46.53	73.40	26.87
12	43-Fisheries	04-2405-101-12	0.53	0.00	0.00	0.33	0.86	1.68	0.82
		04-4405-101-02	22.30	1.90	0.00	1.92	26.12	27.33	1.21
13	47-Law, Legislative and Justice	2014-105-01	1.00	0.00	0.00	0.10	1.10	1.20	0.11
		2014-105-02	1.02	0.00	0.00	0.10	1.12	1.22	0.10
		2014-105-03	16.64	0.51	0.07	0.00	17.08	17.28	0.19
		2014-105-05	4.66	1.30	0.00	0.01	5.97	6.67	0.70
14	48-Horticulture	04-2415-01-277-02	7.70	0.00	2.84	0.00	4.86	6.37	1.51
15	51-Library	2205-105-01	3.07	0.00	0.37	0.00	2.71	2.73	0.03
16	64-Trade and Commerce	04-60-800-11	1.65	0.79	0.00	0.00	2.44	2.70	0.26
17	71-Department of Karmik and Adhyatmik (Chos-Rig) Affairs	04-4202-04-101-01	13.45	6.02	0.00	0.00	19.47	19.71	0.24
18	73-Information Technology and Communication	3425-60-001-01	9.35	0.00	0.33	0.00	9.02	9.17	0.15
19	75-Higher and Technical Education	04-2202-03-103-03	36.78	5.13	0.00	19.47	61.37	62.54	1.17
		04-4202-02-104-06	2.60	0.00	0.80	0.00	1.80	3.30	1.50
		08-4202-02-104-07	0.00	1.45	0.00	0.00	1.45	1.90	0.45
20	Public Debt	6003-105-01	147.71	0.00	0.00	0.00	147.71	160.10	12.39
		6003-111-06	133.10	0.00	0.00	0.00	133.10	192.26	59.16
Total		38	751.65	51.79	72.11	88.46	819.78	1,073.12	253.34

Source: Appropriation Accounts, 2022-23

APPENDIX 3.12

Details of Lump Sum Provision for Creation of Asset

(Reference: Paragraph-3.6.1; Page-112)

(₹ in crore)

Sl. No.	Number and Name of Grant	Head of Account	Details of the Scheme	Original	Supplementary	Re-appropriation		Final Grant or Appropriation	Actual Expenditure
						(-)	(+)		
Part - A									
1	8-Home Department	04-4055-216-02	Creation of Assets under BA/SDS	146.92	0.00	5.40	0.00	141.52	135.69
2	11-Women and Child Development	04-4235-02-103-01	Creation of Assets under BA/SDS	5.23	0.00	0.99	0.00	4.25	4.05
3	15-Health Services	04-4210-04-200-02	Creation of Assets under BA/SDS	84.08	0.00	26.68	0.00	57.40	50.48
4	16-Art and Cultural Affairs	4202-04-101-01	Creation of Assets under BA/SDS	2.85	0.35	0.00	0.00	3.20	2.94
5	18-Research	04-4202-04-101-001	Creation of Assets under BA/SDS	1.54	0.49	0.00	0.00	2.03	1.78
6	19-Industries	04-4851-102-01	Creation of Assets under BA/SDS	6.55	16.95	0.00	0.00	23.50	23.61
7	20-Labour and Employment	04-4250-201-02	Creation of Assets under BA/SDS	0.00	0.30	0.00	0.00	0.30	0.30
8	21-Sports	04-4202-03-102-01	Creation of Assets under BA/SDS	25.65	21.82	0.00	0.00	47.47	33.62
9	22-Food and Civil Supplies	04-5456-102-03	Creation of Assets under BA/SDS	3.23	0.00	0.78	0.00	2.45	2.74
10	23-Environment and Forests	04-4406-01-101-02	Creation of Assets under BA/SDS	2.75	24.89	0.00	0.00	27.64	27.64
11	24-Agriculture	04-4401-104-01	Creation of Assets under BA/SDS	74.00	0.00	73.75	0.00	0.25	0.20
12	26-Rural Works Department	04-5054-04-337-10	Creation of Assets under BA/SDS	159.00	194.22	0.00	170.00	523.22	489.06

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Sl. No.	Number and Name of Grant	Head of Account	Details of the Scheme	Original	Supplementary	Re-appropriation		Final Grant or Appropriation	Actual Expenditure
						(-)	(+)		
Part - A									
13	28-Animal Husbandry, Veterinary and Dairy Development	4403-101-02	Creation of Assets under BA/SDS	12.00	0.00	9.05	0.00	2.95	2.10
14	30-State Transport Services	04-5055-800-03	Creation of Assets under BA/SDS	8.74	4.96	0.00	0.00	13.70	13.09
15	31-Public Works Department	04-4059-01-051-01	Creation of Assets under BA/SDS	61.44	466.23	0.00	0.00	527.67	527.65
16	31-Public Works Department	04-4216-01-106-03	Creation of Assets under BA/SDS	10.00	51.76	0.00	0.00	61.76	53.62
17	31-Public Works Department	03-5054-04-337-20	Creation of Assets under BA/SDS	200.00	0.00	40.50	0.00	159.50	159.50
18	31-Public Works Department	04-5054-04-337-07	Creation of Assets under BA/SDS	309.83	1,426.80	0.00	37.36	1,773.99	1,591.11
19	34-Power (Electrical)	04-4801-01-052-02	Creation of Assets under BA/SDS	147.65	215.61	0.00	0.00	363.26	352.79
20	35-Information and Public Relations	04-4220-60-101-02	Creation of Assets under BA/SDS	5.02	0.00	0.78	0.00	4.25	4.25
21	36-Economics and Statistics	04-5475-112-02	Creation of Assets under BA/SDS	1.00	0.00	0.00	0.00	1.00	1.00
22	37-Legal Metrology and Consumer Affairs	04-5475-115-01	Creation of Assets under BA/SDS	0.54	0.20	0.00	0.00	0.74	0.61
23	38-Water Resource Department	04-4711-01-103-02	Creation of Assets under BA/SDS	20.72	273.99	0.00	0.00	294.71	290.00
24	41-Land Management	04-4070-800-24	Creation of Assets under BA/SDS	1.40	0.00	0.00	0.00	1.40	1.40
25	42-Rural Development	04-4515-103-03	Creation of Assets under BA/SDS	21.44	61.01	0.00	0.00	82.45	79.15
26	43-Fisheries	04-4405-101-02	Creation of Assets under BA/SDS	22.30	1.90	0.00	1.92	26.12	27.33

Sl. No.	Number and Name of Grant	Head of Account	Details of the Scheme	Original	Supplementary	Re-appropriation		Final Grant or Appropriation	Actual Expenditure
						(-)	(+)		
Part - A									
27	45-Civil Aviation	04-5053-60-101-01	Creation of Assets under BA/SDS	24.04	17.79	0.00	0.00	41.83	29.28
28	45-Civil Aviation	04-5053-80-800-04	Creation of Assets under BA/SDS	0.00	0.00	0.00	0.00	0.00	9.29
29	47-Law, Legislative and Justice	04-4070-800-24	Creation of Assets under BA/SDS	13.50	45.26	0.00	2.05	60.80	60.05
30	50-Planning and Investment	04-4070-800-24	Creation of Assets under BA/SDS	1,394.78	0.00	1,046.93	0.00	347.85	80.47
31	51-Library	04-4202-04-105-02	Creation of Assets under BA/SDS	0.00	0.35	0.00	0.00	0.35	0.35
32	52-Youth Affairs	04-4202-03-101-01	Creation of Assets under BA/SDS	5.10	0.00	5.00	0.00	0.10	0.10
33	53-Fire and Emergency Services	04-4070-800-24	Creation of Assets under BA/SDS	11.75	0.50	0.00	0.00	12.25	12.25
34	54-Tax, Excise and Narcotics	04-4070-800-24	Creation of Assets under BA/SDS	0.44	0.00	0.00	0.00	0.44	0.44
35	56-Tourism Department	04-5452-01-101-54	Creation of Assets under BA/SDS	20.47	2.35	0.00	0.00	22.82	12.88
36	57-Urban Development	04-4217-60-051-18	Creation of Assets under BA/SDS	101.73	66.81	0.00	0.00	168.55	167.06
37	59-Public Health Engineering and Water Supply	04-4215-01-101-03	Creation of Assets under BA/SDS	119.00	16.48	0.00	0.00	135.48	135.32
38	59-Public Health Engineering and Water Supply	04-4215-01-102-02	Creation of Assets under BA/SDS	178.49	142.31	0.00	0.00	320.81	287.45
39	60-Textile and Handicrafts	04-4851-104-01	Creation of Assets under BA/SDS	0.50	7.29	0.00	0.20	7.99	2.74
40	61-Geology and Mining	04-4853-60-004-01	Creation of Assets under BA/SDS	2.95	0.00	0.00	0.00	2.95	2.75

State Finances Audit Report for the year ended 31 March 2023

Sl. No.	Number and Name of Grant	Head of Account	Details of the Scheme	Original	Supplementary	Re-appropriation		Final Grant or Appropriation	Actual Expenditure
						(-)	(+)		
Part - A									
41	62-Transport	04-5056-101-01	Creation of Assets under BA/SDS	0.22	0.00	0.00	0.00	0.22	0.22
42	65-Department for Development of Tirap, Changlang and Longding Districts	04-4575-03-796-01	Creation of Assets under BA/SDS	50.00	0.00	0.00	0.00	50.00	45.55
43	66-Hydro Power Development	04-4801-01-052-02	Creation of Assets under BA/SDS	59.10	63.79	0.00	0.00	122.89	116.02
44	68-Town Planning Department	04-4217-03-051-04	Creation of Assets under BA/SDS	1.51	2.42	0.00	0.00	3.92	3.32
45	70-Administrative Training Institute	04-4070-003-01	Creation of Assets under BA/SDS	5.50	2.21	0.00	0.00	7.71	7.71
46	71-Department of Karmik and Adhyatmik (Chos-Rig) Affairs	04-4202-04-101-01	Creation of Assets under BA/SDS	13.45	6.02	0.00	0.00	19.47	19.71
47	72-Prison	04-4055-216-02	Creation of Assets under BA/SDS	10.96	1.75	0.00	0.00	12.71	12.67
48	73-Information Technology and Communication	04-5425-600-02	Creation of Assets under BA/SDS	0.00	85.77	0.00	0.00	85.77	85.77
49	75-Higher and Technical Education	04-4202-01-203-05	Creation of Assets under BA/SDS	29.76	0.75	0.00	11.91	42.42	41.04
50	75-Higher and Technical Education	04-4202-02-104-06	Creation of Assets under BA/SDS	2.60	0.00	0.80	0.00	1.80	3.30
51	76-Elementary Education	04-4202-01-201-03	Creation of Assets under BA/SDS	39.72	92.02	0.00	0.00	131.74	122.10

Sl. No.	Number and Name of Grant	Head of Account	Details of the Scheme	Original	Supplementary	Re-appropriation		Final Grant or Appropriation	Actual Expenditure
						(-)	(+)		
Part - A									
52	79-Skill Development and Entrepreneurship	04-4250-203-02	Creation of Assets under BA/SDS	2.10	0.23	0.00	0.00	4.40	3.94
53	80-Medical Education, Training and Research	04-4210-03-200-01	Creation of Assets under BA/SDS	24.85	18.70	0.00	0.00	43.55	14.57
54	82-Department of Indigenous Affairs	04-4202-04-101-01	Creation of Assets under BA/SDS	10.50	9.65	0.00	0.00	20.15	17.78
Total				3,456.89	3,343.95	1,210.66	223.44	5,815.68	5,169.81

State Finances Audit Report for the year ended 31 March 2023

Sl. No.	Number and Name of Grant	Head of Account	Details of the Scheme	Original	Supplementary	Reappropriation		Final Grant or Appropriation	Actual Expenditure
						(-)	(+)		
Part - B									
1	6-District Administration Department	2053-093-11	Schemes under BA/ SDS	0.25	0.00	0.00	0.10	0.35	10.25
2	8-Home Department	04-2055-108-01	Schemes under BA/ SDS	0.73	0.00	0.00	12.82	13.55	8.30
3	8-Home Department	04-2235-60-200-10	Schemes under BA/ SDS	2.00	0.00	0.00	0.60	2.60	2.60
4	9-Secretariat Transport	3055-003-01	Schemes under BA/ SDS	0.00	0.00	0.00	3.00	3.00	3.00
5	11-Women and Child Development	04-2235-02-200-09	Schemes under BA/ SDS	5.73	0.00	0.00	7.94	13.66	13.55
6	13-Audit and Pension	2047-103-02	Schemes under BA/ SDS	0.50	0.00	0.00	0.00	0.50	0.19
7	14-Secondary Education	04-2202-02-109-02	Schemes under BA/ SDS	114.48	0.00	29.84	0.00	84.64	83.18
8	14-Secondary Education	04-2204-104-15	Schemes under BA/ SDS	1.93	3.02	0.00	0.00	4.95	5.00
9	15-Health Services	04-2210-04-200-01	Schemes under BA/ SDS	96.82	54.62	0.00	0.00	151.44	149.94
10	16-Art and Cultural Affairs	2205-102-07	Schemes under BA/ SDS	11.66	1.87	0.00	0.09	3.62	3.61
11	18-Research	2205-102-07	Schemes under BA/ SDS	3.56	0.85	0.00	0.00	4.41	4.35
12	19-Industries	2851-102-08	Schemes under BA/ SDS	3.18	0.00	2.38	0.00	0.80	0.80
13	19-Industries	2852-80-102-01	Schemes under BA/ SDS	0.00	2.00	0.00	0.00	2.00	1.98
14	21-Sports	2204-104-15	Schemes under BA/ SDS	17.43	15.49	0.00	0.00	32.92	32.50
15	22-Food and Civil Supplies	04-3456-102-02	Schemes under BA/ SDS	0.00	2.28	0.00	0.00	2.28	1.69

Sl. No.	Number and Name of Grant	Head of Account	Details of the Scheme	Original	Supplementary	Reappropriation		Final Grant or Appropriation	Actual Expenditure
						(-)	(+)		
Part - B									
16	23-Environment and Forests	04-2406-01-101-06	Schemes under BA/ SDS	19.96	0.00	0.00	35.24	55.20	55.20
17	23-Environment and Forests	3435-03-101-03	Schemes under BA/ SDS	6.25	0.00	5.25	0.00	1.00	1.00
18	24-Agriculture	04-2401-104-03	Schemes under BA/ SDS	6.85	3.60	0.00	117.13	127.58	110.20
19	25-Disaster Management	04-2245-02-101-03	Schemes under BA/ SDS	1.00	0.10	0.00	0.00	1.10	1.10
20	26-Rural Works Department	2402-102-03	Schemes under BA/ SDS	15.50	7.25	0.00	0.00	22.75	22.75
21	26-Rural Works Department	04-3054-04-105-02	Schemes under BA/ SDS	60.00	21.50	19.00	0.00	62.50	62.50
22	27-Panchayati Raj	04-2515-101-02	Schemes under BA/ SDS	127.00	0.63	0.00	0.00	127.63	127.63
23	28-Animal Husbandry, Veterinary and Dairy Development	04-2403-101-16	Schemes under BA/ SDS	25.31	0.00	18.00	0.00	7.31	7.31
24	29-Co-operation Department	04-2425-106-03	Schemes under BA/ SDS	0.50	0.00	0.00	0.00	0.50	0.50
25	31-Public Works Department	2059-80-051-02	Schemes under BA/ SDS	179.30	0.00	165.13	0.00	14.17	14.14
26	31-Public Works Department	04-2216-05-053-02	Schemes under BA/ SDS	19.10	0.00	0.00	0.00	19.10	19.10
27	31-Public Works Department	04-3054-04-337-07	Schemes under BA/ SDS	149.63	0.00	115.67	0.00	33.96	33.79
28	34-Power (Electrical)	04-2810-102-01	Schemes under BA/ SDS	3.63	24.25	0.00	0.02	27.90	27.62
29	35-Information and Public Relations	2220-60-101-02	Schemes under BA/ SDS	22.95	8.99	0.00	2.29	34.22	34.14
30	37-Legal Metrology and Consumer Affairs	04-3475-106-02	Schemes under BA/ SDS	0.77	1.80	0.00	0.00	2.57	2.57

State Finances Audit Report for the year ended 31 March 2023

Sl. No.	Number and Name of Grant	Head of Account	Details of the Scheme	Original	Supplementary	Reappropriation		Final Grant or Appropriation	Actual Expenditure
						(-)	(+)		
Part - B									
31	38-Water Resource Department	04-2702-03-102-03	Schemes under BA/ SDS	40.55	16.60	0.00	0.00	57.15	57.14
32	41-Land Management	04-2506-800-08	Schemes under BA/ SDS	0.25	0.00	0.00	0.00	0.25	0.25
33	42-Rural Development	04-2515-102-07	Schemes under BA/ SDS	22.00	0.00	0.00	15.00	37.00	22.00
34	43-Fisheries	04-2405-101-12	Schemes under BA/ SDS	0.53	0.00	0.00	0.33	0.86	1.68
35	45-Civil Aviation	04-3053-60-101-01	Schemes under BA/ SDS	2.40	0.00	0.94	0.00	1.46	1.44
36	47-Law, Legislative and Justice	2014-105-04	Schemes under BA/ SDS	0.00	0.69	0.00	0.00	0.69	0.34
37	48-Horticulture	04-2401-119-24	Schemes under BA/ SDS	160.50	0.00	0.00	7.45	167.95	166.02
38	48-Horticulture	04-2415-01-277-02	Schemes under BA/ SDS	7.70	0.00	2.84	0.00	4.86	6.37
39	49-Science and Technology	04-3425-60-600-10	Schemes under BA/ SDS	12.00	21.89	0.00	0.00	33.89	33.89
40	50-Planning and Investment	04-3451-102-08	Schemes under BA/ SDS	116.04	0.00	2.57	0.00	113.47	102.77
41	51-Library	04-2205-105-03	Schemes under BA/ SDS	4.60	0.00	3.25	0.00	1.35	1.35
42	52-Youth Affairs	04-2204-101-02	Schemes under BA/ SDS	6.30	17.17	0.00	0.00	23.47	23.39
43	53-Fire Emergency Services	04-2070-108-02	Schemes under BA/ SDS	0.00	0.88	0.00	0.16	1.03	1.00
44	54-Tax, Excise and Narcotics	2039-104-01	Schemes under BA/ SDS	1.76	0.48	0.00	0.00	2.24	2.24
45	56-Tourism Department	04-3452-01-101-03	Schemes under BA/ SDS	27.03	7.45	0.00	0.00	34.48	30.30

Sl. No.	Number and Name of Grant	Head of Account	Details of the Scheme	Original	Supplementary	Reappropriation		Final Grant or Appropriation	Actual Expenditure
						(-)	(+)		
Part - B									
46	57-Urban Development	2217-03-053-01	Schemes under BA/ SDS	24.40	0.00	0.40	0.00	24.00	24.00
47	57-Urban Development	04-2217-05-053-01	Schemes under BA/ SDS	0.00	20.03	0.00	7.56	27.58	27.45
48	58-Printing	2058-103-03	Schemes under BA/ SDS	1.22	0.00	0.00	0.00	1.22	1.20
49	59-Public Health Engineering and Water Supply	04-2215-01-102-09	Schemes under BA/ SDS	31.14	0.00	8.86	0.00	40.00	39.95
50	60-Textile and Handicrafts	04-2851-104-01	Schemes under BA/ SDS	14.80	0.00	0.00	0.10	14.90	14.60
51	61-Geology and Mining	04-2853-02-102-02	Schemes under BA/ SDS	4.55	0.00	0.00	0.00	4.55	4.55
52	62-Transport	04-3055-800-09	Schemes under BA/ SDS	0.33	0.00	0.00	0.00	0.33	0.33
53	64-Trade and Commerce	04-2875-60-800-11	Schemes under BA/ SDS	1.65	0.79	0.00	0.00	2.44	2.70
54	66-Hydro Power Development	04-2801-01-052-01	Schemes under BA/ SDS	7.00	5.25	0.00	0.00	12.25	12.25
55	68-Town Planning Department	04-2217-03-053-01	Schemes under BA/ SDS	11.99	0.00	0.00	4.25	16.25	16.24
56	70-Administrative Training Institute	04-2070-003-03	Schemes under BA/ SDS	7.50	0.00	2.21	0.00	5.30	2.71
57	71-Department of Karmik and Adhyatmik (Chos-Rig) Affairs	04-2205-102-07	Schemes under BA/ SDS	2.55	2.39	0.00	0.00	4.94	4.63
58	72-Prison	04-2056-101-01	Schemes under BA/ SDS	0.69	0.00	0.00	0.00	0.69	0.69
59	73-Information Technology and Communication	04-3425-60-600-10	Schemes under BA/ SDS	32.00	4.24	0.00	2.41	38.65	34.41

State Finances Audit Report for the year ended 31 March 2023

Sl. No.	Number and Name of Grant	Head of Account	Details of the Scheme	Original	Supplementary	Reappropriation		Final Grant or Appropriation	Actual Expenditure
						(-)	(+)		
Part - B									
60	75-Higher and Technical Education	04-2202-03-103-03	Schemes under BA/ SDS	36.78	5.13	0.00	19.47	61.37	62.54
61	75-Higher and Technical Education	2203-105-02	Schemes under BA/ SDS	1.36	0.00	0.00	0.51	1.87	1.73
62	76-Elementary Education	04-2202-01-101-01	Schemes under BA/ SDS	94.69	70.29	0.00	0.00	164.98	143.47
63	79-Skill Development and Entrepreneurship	04-2230-03-101-06	Schemes under BA/ SDS	12.90	0.00	0.00	1.22	0.00	14.04
64	80-Medical Education, Training and Research	04-2210-05-200-02	Schemes under BA/ SDS	44.50	113.18	0.00	5.88	163.56	163.56
65	81-Family Welfare	04-2211-101-04	Schemes under BA/ SDS	13.50	0.00	9.00	0.00	4.50	4.23
66	82-Department of Indigenous Affairs	04-2205-102-07	Schemes under BA/ SDS	25.10	6.66	0.00	0.00	31.76	31.63
Total				1,666.31	441.34	385.34	243.55	1,959.46	1,897.57

Source: Appropriation Accounts, 2022-23

APPENDIX 3.13

Details of variation between Revised Estimate and Actual Expenditure

(Reference: Paragraph-3.7.3; Page-116)

(₹ in crore)

Sl. No.	Head of Account	Budget Estimate	Revised Estimate	Actual Expenditure	Variation Shortfall (-)/ Excess (+)	Variation Shortfall (-)/ Excess (+) (In per cent)
1	2011-Parliament/state/Union Territory	97.29	86.44	73.97	12.47	14.42
2	2012-Governor	12.20	10.43	8.60	1.83	17.53
3	2014-Administration of Justice	38.78	43.90	43.77	0.13	0.30
4	2051-Public service Commission	14.20	17.20	27.16	(+)9.95	57.86
5	2053-District Administration	469.67	467.72	416.51	51.21	10.95
6	2059-Public Works	454.98	511.76	370.99	140.78	27.51
7	2071-Pension and other Retirement Benefits	1,849.00	1,996.89	1,665.22	331.67	16.61
8	2202-General Education	2,135.87	2,947.63	2,533.28	414.34	14.06
9	2215-Water Supply and Sanitation	612.83	870.60	633.97	236.63	27.18
10	2216-Housing	48.65	59.99	41.57	18.42	30.70
11	2217-Urban Development	246.91	263.80	213.71	50.10	18.99
12	2235-Social Security and Welfare	539.72	367.83	348.53	19.30	5.25
13	2245-Relief on Account of Natural Calamities	276.00	303.82	178.45	125.38	41.27
14	2402-Soil and Water Conservation	153.08	195.60	109.05	86.54	44.25
15	2406-Forestry and Wildlife	787.63	749.00	313.13	435.87	58.19
16	2408-Food Storage and Warehousing	75.28	498.05	345.62	152.44	30.61
17	2435-Other Agricultural Programmes	5.03	5.45	4.22	1.23	22.64
18	2501-Special Programme for Rural Development (Area Development)	285.56	162.31	194.04	(+)31.73	19.55
19	2515-Other Rural Development Programme	576.76	698.54	534.82	163.72	23.44
20	2552-North Eastern Areas	5.00	5.05	112.73	(+)107.68	2,132.28

State Finances Audit Report for the year ended 31 March 2023

Sl. No.	Head of Account	Budget Estimate	Revised Estimate	Actual Expenditure	Variation Shortfall (-)/ Excess (+)	Variation Shortfall (-)/ Excess (+) (In per cent)
21	2702-Minor Irrigation	467.35	556.56	329.14	227.42	40.86
22	2711-Flood Control	5.00	63.61	34.01	29.60	46.53
23	2801-Power	1,486.25	1,780.47	1,374.71	405.76	22.79
24	3053-Civil Aviation	7.51	9.59	7.44	2.15	22.40
25	3054-Roads and Bridges	1,158.65	1,065.02	888.38	176.64	16.59
26	3435-Ecology and Environment	10.71	5.58	4.09	1.49	26.69
27	4070-Capital Out lay on Other Administrative Services	2,821.45	1,240.92	957.39	283.53	22.85
28	4202-Capital Outlay on Education (Education)	224.81	323.82	285.80	38.02	11.74
29	4210-Capital Outlay on Medical	108.93	133.36	97.46	35.90	26.92
30	4216-Capital Outlay on Housing (PWD)	10.00	61.76	53.62	8.14	13.18
31	4575-Capital Outlay on Other special Areas Programme	50.00	50.00	44.17	5.83	11.66
32	4851-Capital Outlay on Village and Small Industries	7.25	31.49	26.35	5.14	16.32
33	5452-Capital Outlay on Tourism	20.47	22.82	12.88	9.94	43.56

Source: Monthly Civil Accounts 2022-23 and Annual Financial Statements-2023-24

APPENDIX 4.1(A)

Details of age-wise pendency of the Utilisation Certificate

(Reference: Paragraph-4.5; Page-134)

(₹ in crore)

Year	Opening as 1 April			Accumulation during the year			Clearance during the year			Closing as on 31 March (₹ in crore)		
	Year	No.	Amount	Year	No.	Amount	Year	No.	Amount	Year	No.	Amount
2018-19	Up to 2017-18	233	1,256.47	Up to 2018-19	0	0.00	Up to 2018-19	168	819.18	Up to 2017-18	65	437.29
	2018-19	0	0.00	2018-19	209	1,198.05	2018-19	0	0	2018-19	209	1,198.05
	Total	233	1,256.47	Total	209	1198.05	Total	168	819.18	Total	274	1,635.34
2019-20	Up to 2017-18	65	437.29	Up to 2017-18	0	0.00	Up to 2017-18	49	343.49	Up to 2017-18	16	93.80
	2018-19	209	1,198.05	2018-19	0	0.00	2018-19	92	404.57	2018-19	117	793.48
	2019-20	0	0.00	2019-20	195	773.23	2019-20	0	0.00	2019-20	195	773.23
	Total	274	1,635.34	Total	195	773.23	Total	141	748.06	Total	328	1,660.50
2020-21	Up to 2017-18	16	93.80	Up to 2017-18	0	0.00	Up to 2017-18	11	92.13	Up to 2017-18	5	1.67
	2018-19	117	793.48	2018-19	0	0.00	2018-19	51	647.03	2018-19	66	146.45
	2019-20	195	773.23	2019-20	0	0.00	2019-20	7	7.73	2019-20	188	765.50
	2020-21*	0	0.00	2020-21	185	1,358.48	2020-21	0	0.00	2020-21	185	1,358.48
	Total	328	1,660.50	Total	185	1,358.48	Total	69	746.89	Total	444	2,272.10
2021-22	Up to 2017-18	5	1.67	Up to 2017-18	0	0.00	Up to 2017-18	03	1.38	Up to 2017-18	02	0.29
	2018-19	66	146.44	2018-19	0	0.00	2018-19	41	113.51	2018-19	25	32.93
	2019-20	188	765.50	2019-20	0	0.00	2019-20	130	714.35	2019-20	58	51.15
	2020-21	185	1,358.48	2020-21	0	0.00	2020-21	95	892.39	2020-21	90	466.09
	2021-22	0	0.00	2021-22	298	1,835.68	2021-22	0	0.00	2021-22	298	1,835.68
	Total	444	2,272.10	Total	298	1,835.68	Total	269	1,721.63	Total	473	2,386.14

Year	Opening as 1 April			Accumulation during the year			Clearance during the year			Closing as on 31 March (₹ in crore)		
	Year	No.	Amount	Year	No.	Amount	Year	No.	Amount	Year	No.	Amount
2022-23	Up to 2017-18	02	0.29	Up to 2017-18	0	0.00	Up to 2017-18	2	0.29	Up to 2017-18	0	0
	2018-19	25	32.93	2018-19	0	0.00	2018-19	2	0.35	2018-19	23	32.58
	2019-20	58	51.15	2019-20	0	0.00	2019-20	17	18.81	2019-20	41	32.34
	2020-21	90	466.09	2020-21	0	0.00	2020-21	15	143.10	2020-21	75	322.99
	2021-22	298	1,835.68	2021-22	0	0.00	2021-22	88	689.60	2021-22	210	1,146.08
	2022-23	0	0.00	2022-23	393	2,284.33	2022-23	0	0.00	2022-23	393	2,284.33
	Total	473	2,386.14	Total	393*	2,284.33*	Total	124	852.15	Total	742	3,818.31

Source: Information furnished by the Office of the Principal Accountant General (Accounts), Arunachal Pradesh

* Due year for submission 2023-24

APPENDIX 4.1(B)

Details of Department-wise pendency of the Utilisation Certificate

(Reference: Paragraph-4.5; Page-134)

(₹ in crore)

Name of the Departments	No. of UCs pending	Amount	Purpose
Education	54	373.93	State council for Technical Education, GIA to RGU, Compensation to TAMLA large size Society, GIA to various schools, C/o Boys Hostel at RKM Deomali, SAMAGRA Shiksha
Home (Police)	4	3.37	Implementation of National Emergency Response Support System, Payment of POL, E-Prison Project under CSS Sector
Information and Public Relation	35	53.18	Grants to Literary Society, Implementation of e-HRMS and e-Office, Maintenance of RIT Dashboard under SIC, In house development of web Application.
Social Welfare, Women and Child Development	67	17.47	Expenses on Salary/ Non-Salary Component, Expenditure for SCPS, SARA, DCPUs, JJBs, CWCs, SAA and Child Care Institutions
Sports and Youth Affairs	28	7.73	Youth Eco Adventure Cum Awareness Camp, Maintenance of Vehicles, Payment of Meetings, Project Scheme Induction of Student at State Sports School MIAO
Tourism	8	13.35	District tourism Promotion council, Arunachal Tourism Society
Civil Supplies and Consumer Affairs	2	0.62	Honorarium and Perks and Facilities in respect of the Chairman, Building Rent and Stationary, Furniture
Cultural Affairs	1	1.00	For Mega Cultural Meet, Creation of Corpus Fund, GIA for Promotion of Art and Culture
Finance	1	2.35	Project for E-District.
Planning Programme Implementation Economics and Statistics.	9	35.96	GIA for State Level Relief Committee
Relief and Rehabilitation	24	192.37	Central Share of SDRF, GIA for State Disaster Mitigation Restriction, Minister Relief Fund for financial assistance to medical patient
District Administration	8	1.44	Job Mela against District Industries, Corpus Fund for Sanskar Bharati, for running of Office

Name of the Departments	No. of UCs pending	Amount	Purpose
Health and Family Welfare	21	111.32	Mukhya Mantri Rogi Kalyan Kosh, for Implementation of NRHM in Arunachal Pradesh, Covid-19 emergency response and RCC building for N. seva Bharti, Installation of 800 KVA transformer at 181 Military Hospital Bomdila, Installation of New DG Set at RKM, Grant for AYUSH, NRHM, ABPMJAY
Rural Development and Panchayati Raj	12	451.84	GIA for Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), PMAY, RGSA and MGNREGA GIA for National Rural Livelihood Mission (NRLM), Phase 1 of Shyam Prasad Mukherji Urban Mission, Health Sector Grant for conversion of rural PHCs and SCs into Health Centre, Basic Grant for Zilla Parishad and Gram Panchayat, DPR Expenditure Sanction
Science and Technology	35	15.75	High Resolution Satellite Data Procurement for science Fairs, India International Science Fair, ES in Innovation Hub and Digital Space Education Centre, National Mathematics day, Improvement of Valu addition of Large Cardamom
Secretariat Administration	2	3.10	GIA for Arunachal Pradesh State Legal Service Authority as Salary/ Wages
General Administration	4	4.23	Annual Skill Mela cum Skill Development, SCPs SARA DCPU CWC specialised Adoption Agency and Child Care Institutes, Implementation of e-Office
Industries	9	0.15	Chief Minister Yuva Kaushal Yojana, Honorarium and other perks to the Chairman,
Personnel Administrative Reforms, Administration and Training	1	4.00	Conduct of various recruitment Examinations and Related Expenditure
Urban Development Municipal Administration and Govt. Estates	24	240.82	Towards Swachh Bharat Mission (Urban) and Pradhan Mantri Awas Yojana-Urban, Grants for Urban Local Bodies etc.
Total	349	1,533.98	

Source: Finance Accounts, 2022-23 and information furnished by Office of the Principal Accountant General

APPENDIX 4.2

Details of Major Head where more than 50 per cent of Expenditure was booked under Minor Head-800 Other Expenditure during 2022-23

(Reference: Paragraph-4.7.1; Page-137)

(₹ in crore)

Major Head	Details of Major Head	Total Expenditure	Booked under Minor Head-800	Percentage to TE
Revenue Expenditure Booked under MH 800-Other Expenditure				
2552	North Eastern Areas	112.73	107.68	95.52
2711	Flood Control and Drainage	34.01	32.86	96.62
2852	Industries	9.10	7.12	78.24
3275	Other Communication Services	51.72	51.72	100.00
Sub-Total		207.56	199.38	96.06
Capital Expenditure Booked under MH800-Other Expenditure				
4070	Capital outlay on Other Administrative Services	957.39	949.69	99.20
4235	Capital Outlay on social security and Welfare	152.82	126.96	83.08
4435	Capital Outlay on Other Agricultural Programmes	3.76	3.76	100.00
Sub-Total		1,113.97	1,080.41	96.99
Grand Total		1,321.53	1,279.79	96.84

Source: Finance Accounts, 2022-23

APPENDIX 4.3

**Details of Expenditure booked under 50-Other charges for the period 2020-23
(Reference: Paragraph-4.7.3; Page-141)**

(₹ in crore)

Sl. No.	Name of DDO/ Department	Bill No.	Date	Item	Name of Supplier	Amount Booked Under	Amount to be Booked	Amount
1	Deputy Director, Fisheries, Itanagar	60 and 61	31-03-2023	Creation of Assets	-	50-OC	31-GIA-General	22.50
2	DPO, Boleng	64	22-03-2023	Stationery	M/s D O Enterprise	50-OC	13-OE	0.03
		61	23-03-2023	Stationery	M/s D O Enterprise	50-OC	13-OE	0.42
		59	23-03-2023	Stationery		50-OC	13-OE	0.33
		60	23-03-2023	Stationery		50-OC	13-OE	0.25
3	DDSE, Longding	231		Stationery	M/s Winto Enterprises	50-OC	13-OE	0.03
		226		Stationery	M/s N and K Enterprises	50-OC	13-OE	0.03
		225		Stationery		50-OC	13-OE	0.03
		229		Stationery		50-OC	13-OE	0.03
		238		Stationery		50-OC	13-OE	0.01
		228		Stationery	50-OC	13-OE	0.02	
		242		Stationery	M/s KLC Enterprise	50-OC	13-OE	0.04
4	DC, Shi Yomi, Tato	145		Stationery	M/s K and M Enterprises	50-OC	13-OE	0.03
		144		Stationery		50-OC	13-OE	0.02
		143		Stationery		50-OC	13-OE	0.04
		142		Stationery		50-OC	13-OE	0.03
		141		Stationery		50-OC	13-OE	0.03
		147		Stationery		50-OC	13-OE	0.03
		146		Stationery		50-OC	13-OE	0.03
5	ADC, Shi Yomi, Monigong	92	17-03-2023	Stationery	M/s G and M Associates	50-OC	13-OE	0.11
		93	17-03-2023	Stationery		50-OC	13-OE	0.07
		95	17-03-2023	Stationery		50-OC	13-OE	0.06
		94	17-03-2023	Stationery		50-OC	13-OE	0.08
6	SP, West Siang District, Aalo	447	20-03-2023	Stationery	M/s Pragati Enterprises and others	50-OC	13-OE	0.08
		448		Stationery	M/s TG Enterprises	50-OC	13-OE	0.04
		437		Stationery	M/s BK Lobom Enterprises	50-OC	13-OE	0.03
		440		Stationery	M/s U Like Offset	50-OC	13-OE	0.08

Sl. No.	Name of DDO/ Department	Bill No.	Date	Item	Name of Supplier	Amount Booked Under	Amount to be Booked	Amount
7	Asst. Commandant, 2nd AAP, Aalo	410	17-03-2023	Stationery	M/s G and M Associates	50-OC	13-OE	0.07
		411		Stationery	M/s Lisum Cyber Café	50-OC	13-OE	0.09
8	Directorate, Food and Civil Supplies, Naharlagun	312	13-03-2023	Stationery		50-OC	13-OE	0.40
		313	13-03-2023	Stationery		50-OC	13-OE	0.40
		314	13-03-2023	Stationery		50-OC	13-OE	0.40
		315	13-03-2023	Stationery		50-OC	13-OE	0.40
		311	13-03-2023	Stationery		50-OC	13-OE	0.20
		341	15-03-2023	Stationery	TK Enterprise	50-OC	13-OE	0.44
		346	15-03-2023	Stationery		50-OC	13-OE	0.44
		345	15-03-2023	Stationery		50-OC	13-OE	0.44
		343	15-03-2023	Stationery		50-OC	13-OE	0.44
		342	15-03-2023	Stationery		50-OC	13-OE	0.44
		344	15-03-2023	Stationery		50-OC	13-OE	0.44
347	15-03-2023	Stationery		50-OC	13-OE	0.38		
9	DC, Raga	265	21-03-2023	Stationery	M/s Nitin Enterprise and others	50-OC	13-OE	0.06
		290		Stationery		50-OC	13-OE	0.07
		261	20-03-2023	Stationery	M/s Nigom Enterprises	50-OC	13-OE	0.05
		262	20-03-2023	Stationery		50-OC	13-OE	0.03
10	Asst. Director of Industries, DIC, Bomdila	106	21-03-2023	Stationery	M/s T W Enterprise	50-OC	13-OE	0.07
		102	21-03-2023	Stationery	M/s Tsering Tashi Sharmu	50-OC	13-OE	0.06
		104	21-03-2023	Stationery	M/s Seijal Enterprises	50-OC	13-OE	0.01
11	SP (SB), PHQ, Itanagar	74	24-03-2023	Stationery		50-OC	13-OE	0.02
		78	25-03-2023	Stationery	M/s Swastik Systems	50-OC	13-OE	0.02
		71	25-03-2023	Stationery		50-OC	13-OE	0.02
		75	24-03-2023	Stationery	M/s Soft Mart	50-OC	13-OE	0.02
		70	25-03-2023	Stationery	Solution	50-OC	13-OE	0.02
12	ADC, Kanubari	174		Stationery	M/s W.T. Enterprises	50-OC	13-OE	0.08
13	ADC, Upper Siang District, Mariyang	98	23-03-2023	Stationery		50-OC	13-OE	0.08
		99	23-03-2023	Stationery	M/s Aarya Enterprises	50-OC	13-OE	0.06
14	DMO, Boleng	277		Stationery	M/s Kiyum Shopping Centre	50-OC	13-OE	0.12
15	FAO, Deptt. of Trade and Commerce, Itanagar	120	18-03-2023	Stationery		50-OC	13-OE	0.17
		132	20-03-2023	Stationery		50-OC	13-OE	0.20
		131	20-03-2023	Stationery		50-OC	13-OE	0.18
		130	20-03-2023	Stationery	M/s Rumin Enterprises	50-OC	13-OE	0.19
		133	21-03-2023	Stationery		50-OC	13-OE	0.26
		117	17-03-2023	Stationery		50-OC	13-OE	0.18

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Sl. No.	Name of DDO/ Department	Bill No.	Date	Item	Name of Supplier	Amount Booked Under	Amount to be Booked	Amount
16	FAO, Planning and Investment	526	24-03-2023	Stationery	M/s NE Computers	50-OC	13-OE	0.31
		457	15-03-2023	Stationery	M/s Interior Décor	50-OC	13-OE	0.99
		458	15-03-2023	Stationery	M/s NE Computers	50-OC	13-OE	1.84
		461	16-03-2023	Stationery	M/s ND	50-OC	13-OE	0.66
		445	13-03-2023	Stationery	Enterprises	50-OC	13-OE	1.04
		447	13-03-2023	Stationery		50-OC	13-OE	1.08
		485	20-03-2023	Stationery	M/s Interior Décor	50-OC	13-OE	2.73
		522	23-03-2023	Stationery		50-OC	13-OE	1.02
17	DC, Namsai	831		Stationery	M/s Namsai Store	50-OC	13-OE	0.05
		830	15-03-2023	HSD	Arunachal Trade and Agencies	50-OC	13-OE	0.01
		814	06-03-2023	Misc Items	M/s Ganesh Sweets	50-OC	13-OE	0.03
		809	02-03-2023	Misc Items	Golden Pagoda Eco Resort	50-OC	13-OE	0.11
		810		Bus Hire Charge	M/s Chowpoo Enterprises	50-OC	13--OE	0.24
		813	06-03-2023	Misc Items	Arunachal Trade and Agencies	50-OC	13-OE	0.19
		811	-	Misc Items	Chowpoo Tour and Travels	50-OC	13-OE	0.04
		827	-	Misc Items	Alka Hotel and Restaurant	50-OC	13-OE	0.02
18	SP (Telecom) Chimpu	306	24-03-2023	Misc Items	M/s Geshela Enterprises	50-OC	13-OE	0.04
19	Commandant, 1 st AAP Bn, Chimpu	808	21-03-2023	Sports Kit	Arunachal Sports	50-OC	13-OE	0.02
Total								41.85

Source: Voucher of March 2023

APPENDIX 5.1

Summarised financial results of SPSEs (all Government companies) as per their latest accounts finalised as on 30 September 2023

(Reference: Paragraphs-5.3, 5.8, 5.9 and 5.10; Pages-153, 157 and 158)

(Figures in Columns 5 (a) to (12) and (14) are ₹ in crore)

Sl. No.	Sector and Name of Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comments	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed ^{29t}	Net Worth	Earning before Interest & Tax (EBIT) ^{30v}	Percentage return on capital employed	Long Term Borrowings
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss									
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
A. Working Government Companies																
<i>FINANCING</i>																
1.	Arunachal Pradesh Industrial Development and Financial Corporation Limited	2020-21	2022-23	(-) 1.64	0.22	0.19	(-) 2.05	6.30	-	4.20	(-) 25.39	4.56	(-) 21.19	(-) 1.83	(-) 40.13	25.75
Total of the Sector				(-) 1.64	0.22	0.19	(-) 2.05	6.30	-	4.20	(-) 25.39	4.56	(-) 21.19	(-) 1.83	(-) 40.13	25.75
<i>MINING</i>																
2.	Arunachal Pradesh Mineral Development and Trading Corporation Limited	2006-07	2022-23	(-) 0.22	-	0.01	(-) 0.23	-	-	2.48	1.13	3.62	3.61	(-) 0.23	(-) 6.35	0.01
Total of the Sector				(-) 0.22	-	0.01	(-) 0.23	-	-	2.48	1.13	3.62	3.61	(-) 0.23	(-) 6.35	0.01
<i>FOREST</i>																
3.	Arunachal Pradesh Forest Corporation Limited	2012-13	2022-23	(-) 0.63	-	0.29	(-) 0.92**	1.34	-	4.50	12.93	17.43	17.43	(-) 0.92	(-) 5.28	Nil
Total of the Sector				(-) 0.63	-	0.29	(-) 0.92	1.34	-	4.50	12.93	17.43	17.43	(-) 0.92	(-) 5.28	Nil
<i>POLICE</i>																

Sl. No.	Sector and Name of Company	Period of Accounts	Year in which finalised	Net Profit (+)/ Loss (-)				Turnover	Impact of Accounts Comments	Paid up Capital	Accumulated Profit (+)/ Loss (-)	Capital employed ²⁹ⁱ	Net Worth	Earning before Interest & Tax (EBIT) ^{30v}	Percentage return on capital employed	Long Term Borrowings
				Net Profit/ Loss before Interest & Depreciation	Interest	Depreciation	Net Profit/ Loss									
(1)	(2)	(3)	(4)	5 (a)	5 (b)	5 (c)	5 (d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
4.	Arunachal Police Housing and Welfare Corporation Limited	2020-21	2022-23	4.10	-	0.35	3.75	3.97	-	0.02	35.14	35.16	35.16	3.75	10.67	Nil
Total of the Sector				4.10	-	0.35	3.75	3.97	-	0.02	35.14	35.16	35.16	3.75	10.67	Nil
POWER																
5	Hydro Power Development Corporation of Arunachal Pradesh Limited	2014-15	2022-23	(-) 0.22	-	0.19	(-) 0.41	Nil*	-	12.45**	1.11	13.56	13.56	(-) 0.41	(-) 3.02	Nil
Total of the Sector				(-) 0.22	-	0.19	(-) 0.41	Nil	-	12.45	1.11	13.56	13.56	(-) 0.41	(-) 3.02	Nil
SERVICE																
6	Arunachal Pradesh Donyi Polo Hotel Corporation Limited	2020-21	2022-23	(-) 1.05	-	0.04	(-) 1.09	0.91	-	1.00	(-) 4.56	(-) 3.56	(-) 3.56	(-) 1.09	Not workable	Nil
Total of the Sector				(-) 1.05	-	0.04	(-) 1.09	0.91	-	1.00	(-) 4.56	(-) 3.56	(-) 3.56	(-) 1.09	Not workable	Nil
Total of A				0.34	0.22	1.07	(-) 0.95	12.52	-	24.65	20.36	70.77	45.01	(-) 0.73	(-) 1.03	25.76
B. Non-Working Government Companies																
CEMENT																
7.	Parasuram Cement Limited	2008-09	2013-14	-	-	-	-	-	-	0.24	(-) 2.66	(-) 0.96	(-) 2.42	-	-	1.46
Total of the Sector				-	-	-	-	-	-	0.24	(-) 2.66	(-) 0.96	(-) 2.42	-	-	1.46
Total of B				-	-	-	-	-	-	0.24	(-) 2.66	(-) 0.96	(-) 2.42	-	-	1.46
GRAND TOTAL (A+B)				0.34	0.22	1.07	(-) 0.95	12.52	-	24.89	17.70	69.81	42.59	(-) 0.73	(-) 1.05	27.22

* The Company at serial no. A5 above had no turnover during the year and its Revenue (net profit) comprised only 'Other Income' (viz. Interest Income on TDRs: ₹ 1.01 crore).

** Paid up capital of Company at serial no. A5 includes 'Share application money pending allotment' amounting to ₹ 7.45 crore.

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