TABLE OF CONTENTS

Particulars	Paragraph	Page
Preface		v
Executive Summary		vii
CHAPTER I		
Overview of State Finances		
Profile of the State	1.1	1
Basis and Approach to State Finances Audit Report	1.2	4
Report Structure	1.3	4
Overview of Government Account Structure	1.4	5
Structure of Government Accounts	1.5	7
Budgetary Processes	1.6	7
Summarised Position of Finances	1.7	8
Snapshot of Assets and Liabilities of the Government	1.8	8
Trends in Key Fiscal Parameters	1.9	9
Fiscal Balance: Achievement of Deficit and Total Debt Targets	1.10	13
Conclusion	1.11	15
Recommendations	1.12	16
CHAPTER II		
Finances of the State		
Introduction	2.1	17
Major Changes in key Fiscal Aggregates vis-à-vis 2020-21	2.2	17
Sources and Application of Funds	2.3	18
Summary of Current Year Fiscal Transactions	2.4	18
Resources of the State	2.5	20
Application of Resources	2.6	33
Quality of Capital Expenditure	2.7	47
Public Account	2.8	50
Transactions under Reserve Funds	2.9	51
Debt Management and Sustainability	2.10	54
Management of Cash Balances	2.11	59
Conclusion	2.12	61
Recommendations	2.13	62

Particulars	Paragraph	Page		
CHAPTER III				
Financial Management and Budgetary Control				
Introduction	3.1	65		
Budget Preparation Process	3.2	65		
Annual Budget 2020-21	3.3	66		
Comments on Integrity of Budgetary and Accounting Process	3.4	69		
Comments on Transparency of Budgetary and Accounting Process	3.5	82		
Comments on Effectiveness of Budgetary and Accounting Process	3.6	83		
Outcome of Review of Selected Grant	3.7	88		
Conclusion	3.8	91		
Recommendations	3.9	93		
CHAPTER IV				
Quality of Accounts and Financial Reporting	Practices			
Introduction	4.1	95		
Parking of Funds Outside the Government Account	4.2	95		
Funds Transferred Directly to State Implementing Agencies	4.3	95		
Delay in Submission of Utilisation Certificates	4.4	96		
Abstract Contingent Bills	4.5	98		
Indiscriminate use of Minor Head 800	4.6	99		
Outstanding Balances under Major Suspense and DDR Heads	4.7	101		
Reconciliation of Cash Balances	4.8	103		
Accounts of Transactions Relating to Central Road Fund	4.9	104		
Audit of Accounts	4.10	104		
End use of Cess	4.11	105		
Compliance with Indian Government Accounting Standards	4.12	106		
Timeliness and Quality of Accounts	4.13	106		
Suo-motu Action Taken Notes	4.14	108		
Discussion of SFAR by the PAC	4.15	108		
Conclusion	4.16	108		
Recommendations	4.17	109		

Particulars	Paragraph	Page		
CHAPTER V				
Functioning of State Public Sector Enterprises				
Introduction	5.1	111		
Mandate	5.2	111		
Working and Non-working SPSEs	5.3	111		
Investment in SPSEs	5.4	112		
Budgetary Assistance to SPSEs	5.5	113		
Returns from Government Companies and Corporations	5.6	113		
Long Term Debt of SPSEs	5.7	114		
Operating Efficiency of SPSEs	5.8	114		
Return on Capital Employed	5.9	115		
Return on Equity (ROE)	5.10	115		
SPSEs Incurring Losses	5.11	116		
SPSEs having Complete Erosion of Capital	5.12	116		
Audit of State Public Sector Enterprises (SPSEs)	5.13	117		
Appointment of Statutory Auditors of SPSEs by CAG	5.14	117		
Submission of Accounts by SPSEs	5.15	117		
Timeliness in Preparation of Accounts by SPSEs	5.16	118		
Audit of Accounts of Government Companies by Statutory Auditors	5.17	119		
Supplementary Audit of Accounts of Government Companies	5.18	119		
Result of CAG's Oversight Role	5.19	120		
Conclusion	5.20	120		
Recommendations	5.21	120		

APPENDICES

Appendix No.	Particulars Particulars	Page
	Part - A: Layout of Finance Accounts	123
Appendix 1.1	Part - B : Methodology Adopted for Assessment of Fiscal Position	124
	Part - C : State Profile	125
Appendix 1.2	Summarised Financial Position of the Government of Arunachal Pradesh as on 31 March 2021	127
Appendix 1.3	Fiscal Responsibility and Budget Management Act, 2006	129
Appendix 2.1	Abstract of Receipts and Disbursements for 2020-21	131
Appendix 2.2	Time Series Data on State Government Finances	134
Appendix 3.1	Cases where Supplementary Provision was Required	138
Appendix 3.2	Cases of Unnecessary Supplementary Provision (₹10 lakh or more in each case)	140
Appendix 3.3	Details of Excessive/ Inadequate Supplementary Provision (₹One crore and above)	141
Appendix 3.4(A)	Details of Misclassification Noticed in Sanction Orders during 2020-21	144
Appendix 3.4(B)	Details of Sanctions where Head of Accounts was not Mentioned during 2020-21	150
Appendix 3.5	Injudicious Re-appropriation Resulted in Savings/ Excess of over ₹One crore	151
Appendix 3.6	Statement of Various Grants/ Appropriations where Savings were more than ₹One crore and more than 20 per cent of the Total Provision	154
Appendix 3.7	Cases of Substantial Surrenders (50 per cent and above of Total Provisions) made during the Year	157
Appendix 3.8	Details of Savings of ₹One crore and above not Surrendered	162
Appendix 3.9	Un-utilised Provision of Fund during 2020-21	164
Appendix 3.10	Excess Expenditure Relating to Previous Years Requiring Regularisation	167
Appendix 4.1(A)	Details of Pendency of the Utilisation Certificate	169
Appendix 4.1(B)	Details Department-wise Pendency of the Utilisation Certificate	170
Appendix 4.2	Details of Outstanding Abstract Contingent Bills during the Period 2016-17 to 2020-21	172
Appendix 4.3(A)	Details of Receipts Booked under 800- Other Receipts	173
Appendix 4.3(B)	Details of Expenditure Booked under 800- Other Expenditure	174
Appendix 5.1	Summarised Financial Results of SPSEs (all Government Companies) as per their latest Accounts Finalised as on 30 September 2021	177