



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

# Report of the Comptroller and Auditor General of India on State Finances for the year 2023-24



Government of Arunachal Pradesh  
Report No. 1 of 2025  
(State Finances Audit Report)

© COMPTROLLER AND  
AUDITOR GENERAL OF INDIA

[www.cag.gov.in](http://www.cag.gov.in)

<https://cag.gov.in/ag/itanagar/en/audit-report>



**Report of the  
Comptroller and Auditor General of India  
on State Finances for the year 2023-24**

**Government of Arunachal Pradesh  
Report No. 1 of 2025**



## TABLE OF CONTENTS

<i>Particulars</i>	<i>Paragraph</i>	<i>Page</i>
Preface		v
Executive Summary		vii
<b>CHAPTER I: Overview of State Finances</b>		
Introduction	1.1	1
Profile of the State	1.2	1
Basis and Approach to State Finances Audit Report	1.3	8
Overview of Government Account Structure	1.4	9
Budgetary Processes	1.5	12
Snapshot of the Finances	1.6	13
Snapshot of Assets and Liabilities of the Government	1.7	14
Fiscal Balance: Achievement of deficit and total debt targets	1.8	14
Trends in Key Fiscal Parameters	1.9	17
Conclusion	1.10	22
Recommendations	1.11	22
<b>CHAPTER II – Finances of the State</b>		
Introduction	2.1	23
Major changes in key fiscal aggregates <i>vis-à-vis</i> 2023-24	2.2	23
Sources and Application of Funds	2.3	24
Resources of the State	2.4	25
Application of resources	2.5	42
Quality of Capital Expenditure	2.6	62
Public Account	2.7	71
Transaction under Reserve Funds	2.8	73
Public Liability Management	2.9	76
Management of Cash Balances	2.10	88
Conclusion	2.11	91
Recommendations	2.12	95
<b>CHAPTER III – Financial Management and Budgetary Control</b>		
Introduction	3.1	97
Budget Process	3.2	97
Annual Budget 2023-24	3.3	98
Budget Marksmanship	3.4	101
Comments on Integrity of Budgetary and Accounting Process	3.5	102
Comments on Transparency of Budgetary and Accounting Process	3.6	121
Comments on Effectiveness of Budgetary and Accounting Process	3.7	121
Outcome of Review of Selected Grant	3.8	131
Conclusion	3.9	133
Recommendations	3.10	135

<b>Particulars</b>	<b>Paragraph</b>	<b>Page</b>
<b>CHAPTER IV – Quality of Accounts and Financial Reporting Practices</b>		
<b>Introduction</b>	<b>4.1</b>	<b>137</b>
<b>Funds transferred to DDO Bank Accounts</b>	<b>4.2</b>	<b>137</b>
<b>Non-discharge of interest liability in respect of interest-bearing Reserve Funds and Deposits</b>	<b>4.3</b>	<b>137</b>
<b>Funds transferred directly to the State Implementing Agencies</b>	<b>4.4</b>	<b>138</b>
<b>Delay in submission of Utilisation Certificate</b>	<b>4.5</b>	<b>140</b>
<b>Opaqueness in Accounts</b>	<b>4.6</b>	<b>142</b>
<b>Outstanding balance under major Suspense and DDR heads</b>	<b>4.7</b>	<b>144</b>
<b>Reconciliation of Accounts</b>	<b>4.8</b>	<b>147</b>
<b>Reconciliation of Cash Balances</b>	<b>4.9</b>	<b>147</b>
<b>End use of Cess</b>	<b>4.10</b>	<b>148</b>
<b>Compliance with Indian Government Accounting Standards</b>	<b>4.11</b>	<b>149</b>
<b>Timeliness and Quality of Accounts</b>	<b>4.12</b>	<b>150</b>
<b>Submission of Annual Accounts by Autonomous Bodies</b>	<b>4.13</b>	<b>151</b>
<b>Submission of Accounts by SPSEs need for timely submission</b>	<b>4.14</b>	<b>152</b>
<b>Timeliness in preparation of Accounts by SPSEs</b>	<b>4.15</b>	<b>153</b>
<b>Suo-motu Action Taken Notes</b>	<b>4.16</b>	<b>153</b>
<b>Discussion of SFAR by the PAC</b>	<b>4.17</b>	<b>154</b>
<b>Conclusion</b>	<b>4.18</b>	<b>154</b>
<b>Recommendations</b>	<b>4.19</b>	<b>154</b>

<b>APPENDICES</b>		
<b>Appendix No.</b>	<b>Particulars</b>	<b>Page</b>
Appendix 1.1	Part-A Layout of Finance Accounts	157
	Part-B Methodology adopted for the Assessment of Fiscal Position	158
	Part-C State Profile	159
Appendix 1.2	Summarised financial position of the Government of Arunachal Pradesh as on 31 March 2024	161
Appendix 2.1	Abstract of Receipts and Disbursements for 2023-24	163
Appendix 2.2	Time Series Data on State Government Finances	166
Appendix 2.3	Details of funds parked in Single Nodal Accounts as on 31 March 2024	170
Appendix 3.1	Cases where Supplementary Provision was required	176
Appendix 3.2	Cases of Unnecessary or Excessive Supplementary Provision (₹10 lakh or more in each case)	180
Appendix 3.3	Details of Excessive/ Inadequate Supplementary Provision (₹One crore and above)	181
Appendix 3.4	Injudicious Re-appropriation resulted in Savings/ Excess over ₹One crore	184
Appendix 3.5	Statement of Various Grant/ Appropriation where Savings were more than ₹One crore and more than 20 per cent of the Total Provision	189
Appendix 3.6 (A)	Cases of Substantial Surrenders (100 per cent and above of Total Provisions) made during 2023-24	191
Appendix 3.6 (B)	Cases of Substantial Surrenders (50 per cent and above of Total Provisions) made during 2023-24	193
Appendix 3.7	Details of Savings of ₹One crore and above not surrendered	197
Appendix 3.8	Un-utilised Provision of Fund during 2023-24	200
Appendix 3.9	Statement showing excess expenditure relating to previous years requiring regularisation	202
Appendix 3.10	Details of Excess expenditure at Sub-Head level made during 2023-24	206
Appendix 3.11	Details of Lump Sum Provision for Creation of Asset	217
Appendix 3.12	Details of variation between Revised Estimate and Actual Expenditure	219
Appendix 4.1 (A)	Details of age-wise pendency of the Utilisation Certificate	221
Appendix 4.1 (B)	Details of Department-wise pendency of the Utilisation Certificate	223



# 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 2024.*
- 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 2023-24 with financial rules, procedures and directives.*
- 6. 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.*