

**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**

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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 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.*

EXECUTIVE SUMMARY

About this Report

This Report of the Comptroller and Auditor General of India is on the State Finances Audit Report for the year 2023-24. 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 a CAGR of 10.02 per cent from ₹30,023.65 crore in 2019-20 to ₹43,991.61 crore in 2023-24. During the period from 2019-20 to 2023-24, the growth rate of GSVA was higher in four years out of five years than that of GVA. During the year 2019-20, the growth rate of GSVA was significantly higher than that of GVA. Budget Outlay of the State grew at an average growth rate of 7.52 per cent from ₹23,487.10 crore in 2019-20 to ₹37,565.28 crore in 2023-24.

There was 11.01 per cent growth rate in GSDP during 2023-24, which was lower than 2022-23 (13.96 per cent). The revenue receipts grew at 15.36 per cent during 2023-24 over 2022-23 and the percentage of Revenue receipts to GSDP improved from 49.59 per cent in 2019-20 to 62.38 per cent in 2023-24. The Tax revenue (Share of Union taxes/ duties and Own tax revenue) increased by 19.64 per cent over 2022-23. The State's Own resources (Own tax revenue and Non tax revenue) increased by 13.62 per cent over the previous year. The Total expenditure (Revenue, expenditure, Capital expenditure and Loans and Advances) increased by 13.72 per cent from ₹25,528.40 crore in 2022-23 to ₹29,030.85 crore in 2023-24. Of this, Revenue expenditure increased by 18.07 per cent and Capital expenditure increased by 4.40 per cent over the previous year. Revenue surplus increased by ₹506.18 crore (7.95 per cent) over the previous year. Fiscal deficit decreased by ₹151.51 crore (8.73 per cent) over 2022-23.

Receipts and Expenditure

From 2019-20 to 2023-24, Revenue Receipts grew from ₹14,888.55 crore in 2019-20 to ₹27,441.00 crore in 2023-24 at an average growth rate of 11.66 per cent. Capital receipts also increased from ₹1,797.74 crore to ₹3,780.96 crore during this period. The share of GIA in Revenue receipts decreased from 27.01 per cent in 2019-20 to 14.20 per cent in 2023-24. State was heavily dependent on transfer from the GoI as State's own revenue contributed only 13.48 per cent of Revenue Receipts. During 2023-24, the State government received ₹3,370.58 crore for 32 Centrally Sponsored Schemes (CSS). As on 31 March 2024, an amount of ₹1,606.93 crore, including both Central and State shares, were parked in SNA bank accounts of 64 schemes.

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such it does not result in addition to the State's infrastructure and

service network. Between 2019-20 and 2023-24, Revenue expenditure increased from ₹12,218.73 crore (40.70 *per cent* of GSDP) to ₹20,564.35 crore (46.75 *per cent* of GSDP). It made up a significant portion (between 68 and 77 *per cent*) of Total expenditure during this period, growing at an average annual rate of 10.89 *per cent*.

Under the Revenue expenditure, the quantum of committed expenditure constitutes the largest share. The Committed expenditure has the first charge on the resources and consists of Interest payments, expenditures on Salaries and Wages and expenditure on Pensions. Committed expenditure hovered around 41 and 62 *per cent* of Revenue expenditure during 2019-20 and 2023-24. The Committed expenditure increased from ₹7,520.70 crore in 2019-20 to ₹8,330.78 crore in 2023-24.

In addition to Committed expenditure, inflexible expenditure decreased from ₹1,893.25 crore (12.72 *per cent* of Revenue expenditure) in 2019-20 to ₹1,120.46 crore (4.08 *per cent* of Revenue expenditure) in 2023-24, indicating declining trend. During 2023-24, the inflexible expenditure (₹1,120.46 crore) increased by ₹66.91 crore (6.35 *per cent*) over the previous year (₹1,053.55 crore).

Taken together the committed and Inflexible expenditure in 2023-24 was ₹9,451.24 crore; 45.96 *per cent* of Revenue expenditure.

The State Government Spent ₹8,466.50 crore only on Capital Account. This was 29.16 and 19.25 *per cent* of Total Expenditure and GSDP respectively. During 2023-24, the Capital Expenditure was 224.20 *per cent* of Public debt receipts. Thus, borrowed funds were being used for capital creation/ development activities.

Result of Expenditure

The gap between the Revenue receipts and Revenue expenditure results in Revenue surplus. The State had managed to achieve a surplus on Revenue account during the last five-years. The Revenue surplus of the State increased from ₹2,669.82 crore (8.89 *per cent* of GSDP) in 2019-20 to ₹6,876.65 crore (15.63 *per cent* of GSDP) in 2023-24. However, during the current year, there was an understatement of Revenue surplus of the State by ₹31.49 crore, considering that the overall Revenue Surplus depicted in the accounts was ₹6,876.65 crore, the State would have a Revenue Surplus of ₹6,908.14 crore.

The gap between the total expenditure and total non-debt receipt of the State results in Fiscal deficit. The fiscal deficit of the State increased from ₹1,032.22 crore (3.44 *per cent* of GSDP) in 2019-20 to ₹1,583.89 crore (3.60 *per cent* of GSDP) in 2023-24. However, during 2023-24, the Fiscal deficit was found overstated by ₹25.92 crore, considering that adjustments, the State would have Fiscal deficit of ₹1,557.97 crore instead of ₹1,583.89 crore.

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-authorized use of funds belonging to its employees, thereby creating uncertainty in respect of the benefits due to the employees and avoidable future liability to the Government, as total amount of ₹58.00 crore (Saving Account: ₹44.82 crore, Current

Account: ₹6.79 crore and Public Account: ₹6.39 crore) remained to be transferred to NSDL by State Government.

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 ₹365.29 crore were locked up during 2023-24 against 83 incomplete projects.

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 2023-24 was ₹1,613.15 crore (Debit).

Outstanding Public Liabilities

Public debt receipts consist of borrowings taken from Market, Financial Institutions and Loans and Advances from the GoI. The major sources of Public debt receipts for the State was Loans and Advances from GoI which constituted 62.61 *per cent* and Internal debt which constituted 37.39 *per cent*. The State Government has been opting for Market Borrowings (Market Loans and Loans from the financial Institutions) which was 99.13 *per cent* of Internal Debt during 2023-24.

Total Outstanding Public Liabilities of the State as on 31 March 2024, was ₹19,610.17 crore. Out of ₹19,610.17 crore, ₹9,392.43 crore was under Internal Debt, ₹5,636.29 crore under Public Accounts Liabilities and ₹4,581.44 crore under Loans and Advances 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 debt repayments to the public debt 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 2024 indicates that out of the outstanding Public Debt of ₹13,973.87 crore, 63.44 *per cent* (₹8,864.99 crore) is payable within the next ten years while the remaining 36.56 *per cent* (₹5,108.88 crore) is in the maturity bracket of more than ten years. With respect to present Debt liability, the repayment obligation (Principal and Interest) on the State Government will be maximum in 2029-30.

Fiscal Sustainability

The 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, interest payments and pensions payments *etc.* and other inflexible expenditure such as those arising out of commitment for centrally sponsored schemes, transfer to reserve funds and transfer to local bodies *etc.*

A low value of Debt to GSDP ratio indicates that the State's economy is vibrant to pay debt without incurring further debt and a high Debt to GSDP ratio signifies that the State's burden is substantial compared to its economic output and indicates financial vulnerability and reduced fiscal flexibility. The Debt to GSDP ratio of the State had been showing an increasing trend from 2020-21 to 2023-24. During the current year, it increased 5.10 points over the previous year (39.48 *per cent*). This indicates financial vulnerability and reduced the fiscal flexibility.

The Domar gap remained negative only during 2020-21 which shows that public debt as *percentage* of GSDP would increase indefinitely, without converging into a stable level. During 2023-24, the Domar gap was positive which indicates the public debt as *percentage* of GSDP would converge to a stable level.

Going by the analysis and results discussed above, the finances of the State of Arunachal Pradesh is marked by increasing trend of liabilities, which pose risk to the target of debt stabilisation and debt sustainability.

Reconciliation of Cash balances

Cash Balances of the State Government increased significantly by ₹2,562.68 crore (58.96 *per cent*) from ₹4,346.15 crore in 2022-23 to ₹6,908.83 crore in 2023-24. There was a net difference of ₹9.45 crore (Credit) at the end of accounting year 2023-24 between the General Cash Balance as worked out by the Accountant General ₹104.07 crore (Credit) and that reported by the RBI ₹94.62 crore (Debit).

Budget performance

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. In the Revenue section, deviation in outturn compared with BE was (-)9.49 *per cent*. This was due to deviation up to (±)25 in 44 Grants, between (±)25 and (±)50 in 18 Grants, between (±) 50 and (±) 100 in 14 Grants and equal to or more than (±)100 in 03 Grants. In the Capital section, deviation in outturn compared with BE was (+)42.12 *per cent*. This was due to deviation up to (±) 25 in 24 Grants, between (±) 25 and (±)50 in six Grants, between (±) 50 and (±) 100 in 07 Grants and equal to or more than (±)100 in 35 Grants.

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. In the Revenue section, deviation in outturn compared with RE was (-)19.61 *per cent*. This was due to deviation up to (±)25 in 46 Grants, between (±)25 and (±)50 in 22 Grants, between (±) 50 and (±) 100 in 11 Grants. In the Capital section, deviation in outturn compared with BE was (-)20.10 *per cent*. This was due to deviation up to (±)25 in 53 Grants, between (±)25 and (±)50 in 12 Grants, between (±)50 and (±)100 in 04 Grants and equal to or more than (±)100 in 03 Grants

During 2023-24, an expenditure of ₹261.49 crore was incurred on 10 Grants/ Appropriations without any provisions in the original estimates/ supplementary demands and without any re-appropriation orders.

Supplementary provision aggregating ₹657.38 crore (₹10.00 lakh or more in each case) obtained in 18 Grants during 2023-24 proved unnecessary as the original provision was not fully utilised, indicating that Supplementary Grants were provided in an *ad-hoc* manner. Further, Supplementary Provisions aggregating ₹7,478.31 crore under 65 cases proved excessive by ₹3,394.28 crore under 58 cases and inadequate by ₹619.20 crore under 07 cases.

In 125 cases, the re-appropriation was not made after a realistic assessment as the expenditure was less/ more than the final appropriated amount resulting in Excessive/ Unnecessary/Inadequate/Injudicious of the re-appropriation orders. The Re-appropriation proved excessive by ₹1,209.67 crore in 69 cases, as Total Expenditure was ₹5,563.77 crore against the Final Grant (Original *plus* Supplementary *plus* Re-appropriation) of ₹6,773.44 crore. Under 08 cases, the Re-appropriation was inadequate as Total Expenditure ₹807.72 crore exceeded the Final Grant (Original *plus* Supplementary *plus* Re-appropriation) by ₹155.55 crore. In 36 cases, re-appropriation was unnecessary by ₹747.19 crore as actual expenditure was less than the Total Grant. Similarly, re-appropriation was injudicious in 12 cases by ₹516.08 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 the persistent savings; nor their budget varied in accordance with their ability to absorb the allocations. During 2023-24, the savings (₹one crore and above in each cases) aggregating to ₹4,628.24 crore in 36 cases was under Revenue section and ₹2,503.76 crore in 13 cases was under Capital section. Out of these, there were savings of ₹100 crore and above under 20 Grants. Further, there were persistent savings in 35 Grants during the last five years, indicating lack of systematic and closer budget review by the Government.

During 2023-24, against the gross savings of ₹8,241.88 crore, 67 departments surrendered ₹5,962.34 crore (72.34 *per cent*), however, the entire amount was surrendered on the last day of the financial year. Further, in respect of eight grants, there was an injudicious surrender of ₹120.84 crore as the Departments surrendered in excess of savings within the grant.

Non-compliance with 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 86 cases, anticipated savings were not surrendered by the prescribed date.

During 2023-24, there was an excess expenditure over provisions in 11 Grants/ Appropriations by ₹816.97 crore. In addition, an excess expenditure amounting to ₹3,343.64 crore from 1986-87 to 2022-23 are pending for regularisation. 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 substantial variations of actuals with the revised estimates indicates 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 2022-23 (Allocated ₹364.91 crore against 14 departments) was required to be incorporated in the Gender Budget of 2023-24 to ascertain the effectiveness of the schemes targeted to benefit women. It was however, noticed that no such report was incorporated in Gender Budget of 2022-23 due to which actual achievement of schemes for the benefit of women could not be analysed.

Quality of Accounts and Financial Reporting

Non-discharge of interest liability

Interest on non-discharged liability in the current year increases the burden on the Government's Revenue Receipts at a future date as during 2023-24, the State Government did not discharge interest liability of ₹59.05 crore in respect of balances lying as on 01 April 2023 in the interest-bearing Reserve Funds and Deposits.

Funds transferred directly to the State Implementing Agencies

The Government of India has been transferring funds directly to the Implementing Agencies in the State for implementing various CSS schemes/ programme in Social and Economic Sectors. During 2023-24, the Government of India transferred ₹1,243.52 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.

Delay in submission of Utilisation Certificate

As of 31 March 2024, 561 UCs in respect of the grants amounting to ₹2,785.36 crore have not been submitted by the various departments of the State Government to the office of Principal Accountant General, Arunachal Pradesh, Itanagar. Non-submission of Utilisation Certificates by Departments for funds drawn for specific developmental programmes/ projects and was violative of prescribed financial rules and directives. Also, huge pendency in submission of UCs is fraught with the risk of fraud and misappropriation of funds.

Delay in rendering of Monthly 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.

Submission of Annual Accounts by Autonomous Bodies and SPSEs

The Annual Accounts of four Autonomous Bodies (12 Accounts) were not submitted to audit as of September 2024. Further, 09 Accounts pertaining to State Compensatory Afforestation Fund Management and Planning Authority (State CAMPA) were pending from 2015-16

onwards. The State Forest Department which has the responsibility to oversee the activities of State CAMPA, did not take effective actions to clear the huge arrears in submission of accounts.

As on 30 September 2024, all six working SPSEs had total arrear of 39 Accounts ranging from 02 to 17 Accounts. The highest pendency of accounts pertained to Arunachal Pradesh Mineral Development and Trading Corporation Limited (17 Accounts) and Arunachal Pradesh Forest Corporation Limited (11 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.

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.

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.

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 should 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.

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 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 2023-24 could not be ascertained and their contribution to State exchequer could not be reported to the State Legislature.



**CHAPTER I
OVERVIEW OF THE
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 and approach to the Report. The underlying data provides an overview of the structure of Government Accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position, including the deficits/ surplus.

1.2 Profile of the State

Arunachal Pradesh is a North-Eastern and Himalayan (NE&H) State¹. 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 2023-24 stood at 15,76,000². Arunachal Pradesh has a lower density of population (18 per sq. km.), population below poverty line (34.67 *per cent*), infant mortality rate (21 per 1000 live births). The decadal growth of the population of the State (during 2014-2024) was 10.29 *per cent* which was higher than that of Himachal Pradesh (6.59 *per cent*), Meghalaya (10.28 *per cent*), Nagaland (10.28 *per cent*), Tripura (10.28 *per cent*) and Sikkim (10.14 *per cent*) and lower than that of other NE&H States (ranging between 10.31 and 12.09 *per cent*) and all India (11.26 *per cent*) as well. Literacy rate of the State was 65.40 *per cent* as compared to the All-India Average figure of 73.00 *per cent*. Details of General information of the State are highlighted in *Appendix 1.1 (Part C)*

1.2.1 Gross State Domestic Product and Gross State Value Added of the State

Gross State Domestic Product (GSDP): GSDP is market value of all the goods and services produced within the boundaries of the State in a given period of time.

Gross State Value Added (GSVA): GSVA is the value of output produced without including net on taxes on products against subsidies on products.

Growth of GSDP and GSVA is the most important indicator for measuring the economic growth of a State.

¹ NE&H States: Arunachal Pradesh, Assam, Himachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand

² Male: 8,10,000 and Female: 7,66,000

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, as 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.

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 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|----------------|----------------|----------------|----------------------|---------------------|
| GDP at the current price (₹ in crore) | 2,01,03,593 | 1,98,54,096 | 2,35,97,399 | 2,69,49,646 (FRE) | 2,95,35,667 (PE) |
| GVA at the basic price (₹ in crore) | 1,83,81,117 | 1,82,10,997 | 2,16,35,584 | 2,46,59,041 | 2,67,62,147 |
| The growth rate of GDP over the previous year (in per cent) | 6.37 | (-) 1.24 | 18.85 | 14.21 | 9.60 |
| Growth rate of GVA over the previous year (in per cent) | 7.02 | (-) 0.93 | 18.81 | 13.97 | 8.53 |
| Per Capita GDP at current price (in ₹) | 1,49,915 | 1,46,480 | 1,72,422 | 1,94,879 | 2,11,725 |
| GSDP at the current price (₹ in crore) | 30,024 (RE) | 30,525 (RE) | 34,775 (PE) | 39,630 (QE) | 43,992 (AE) |
| GSVA at basic price (₹ in crore) | 28,330 | 28,563 | 32,705 | 37,904 | 41,736 |
| Growth rate of GSDP over the previous year (in per cent) | 18.51 | 1.67 | 13.92 | 13.96 | 11.01 |
| Growth rate of GSVA over the previous year (in per cent) | 18.16 | 0.82 | 14.50 | 15.90 | 10.11 |
| Per Capita GSDP (in ₹) | 1,98,701 | 2,00,035 | 2,25,810 | 2,54,855 | 2,80,380 |

Sources: GDP/GVA- A brief on the Finances of the States issued by Economic Division of Comptroller and Auditor General of India and Directorate of Economics and Statistics, Government of Arunachal Pradesh (GoAP)(as on 31 March 2024)

RE - Revised Estimates; PE - Provisional Estimates; AE - Advanced Estimates; QE - Quick Estimates and FRE – First Revised Estimates

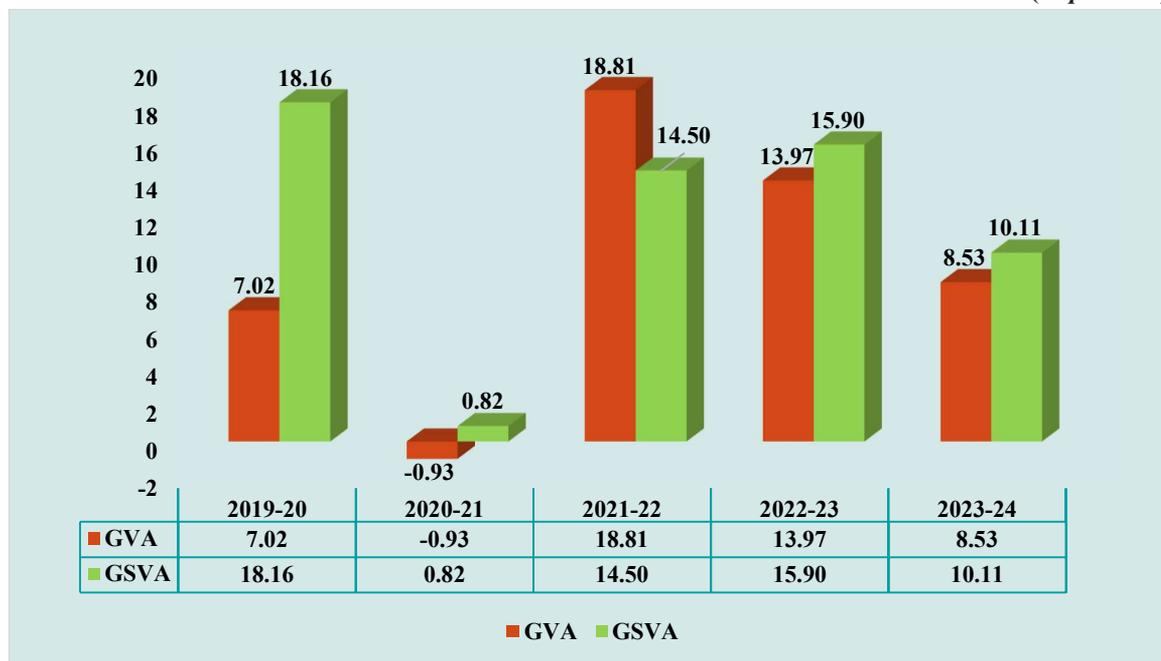
It can be seen from **Table 1.1** above, that Gross State Domestic Product (GSDP) (at current prices) grew at a CAGR of 10.02 *per cent* from ₹30,023.65 crore in 2019-20 to ₹43,991.61 crore in 2023-24. During 2023-24, GSDP increased by ₹4,361.66 crore (11.01 *per cent*) from ₹39,629.95 crore in 2022-23 to ₹43,991.61 crore in 2023-24. The growth rate of GSDP (at current price) and (GSVA at basic prices) during the period 2019-20 to 2023-24 have been showing inconsistent trends during the five-year periods. The deceleration in growth rate of GSDP and GSVA during the period 2020-21 over the previous year was due to the Covid pandemic. The growth rate of GSDP (at current prices) during 2023-24 was 11.01 *per cent* which was lower than the previous year's growth rate of 13.96 *per cent*. The decrease in GSDP during 2023-24 over the previous year can be attributed to the decrease in all the sectors of GSDP {Industry (26.28 *per cent*), Agriculture (9.60 *per cent*) and Tertiary sectors (16.17 *per cent*)}. During 2023-24, The growth rate of GSDP (11.01 *per cent*) was higher than that of the GDP (9.60 *per cent*). Moreover, the Compound Annual Growth Rate (CAGR) of per capita GSDP (8.99 *per cent*) during the period 2019-20 to 2023-24 was negligible less than the CAGR of per capita GDP (9.01 *per cent*) during the same period.

During 2023-24, the annual growth rate of GSDP was 1.01 *per cent* points higher than the XV FC projected annual growth rate of GSDP (12.00 *per cent*). The State Government in its Medium-Term Fiscal Plan (MTFP), for the year 2023-24, projected GSDP (at current prices) as ₹37,870.00 crore, while the actual GSDP was ₹43,991.61 crore.

Trends of GVA and GSVA for the period from 2019-20 to 2023-24 is indicated in the **Chart 1.1**.

Chart 1.1: Trends of GVA and GSVA for the period from 2019-20 to 2023-24

(In per cent)



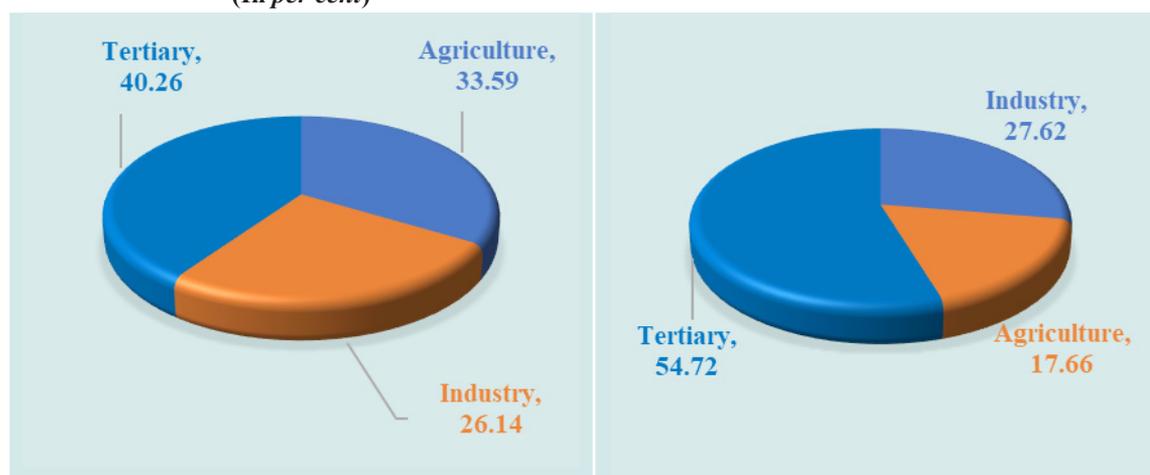
Source: GDP/GVA- GoI's Ministry of Statistics and Programme Implementation (as of 31 August 2024) and Directorate of Economics and Statistics, GoAP as on 31 March 2024

As can be seen from the above chart, the growth rate of the GSVA follows a fluctuating trend for the five-year period (2019-20 to 2023-24). During the period from 2019-20 to 2023-24, the growth rate of GSVA was higher in four years out of five years than that of GVA. During the year 2019-20, the growth rate of GSVA was significantly higher than that of GVA.

The sectoral contribution to the GSVA and GVA during 2023-24 is given in **Charts 1.2** and **1.3** respectively for comparison.

Chart 1.2: Sector-wise GSVA for the year 2023-24 (In per cent)

Chart 1.3: Sector-wise GVA for 2023-24 (In per cent)

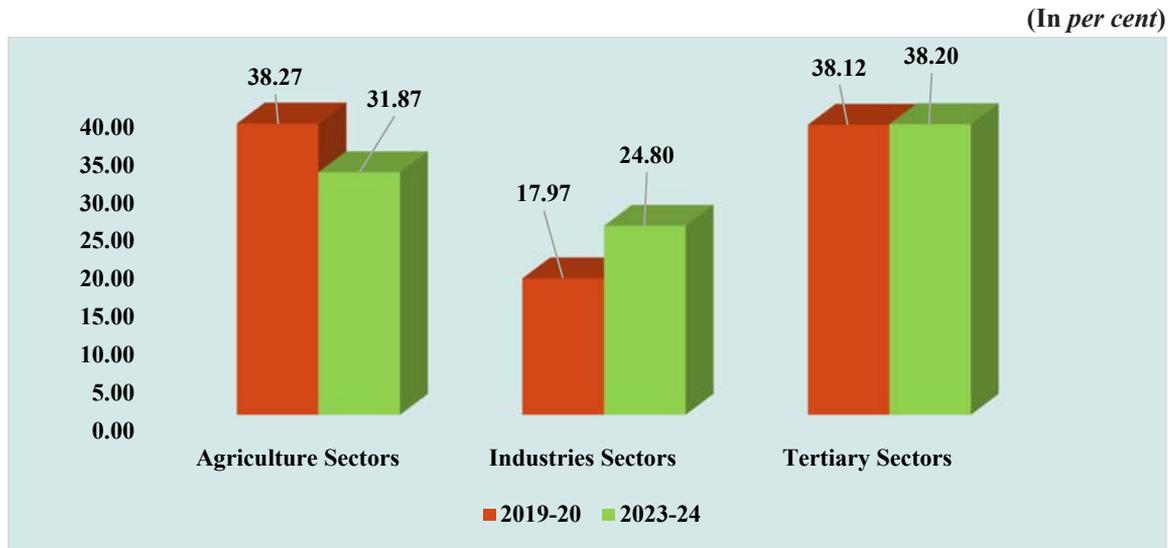


Source: GDP/GVA- GoI's ministry of Statistics and Programme Implementation (as on 31 August 2024) and Directorate of Economics and Statistics, Government of Arunachal Pradesh (GoAP) as on 31 March 2024

It can be seen from the above **Charts 1.2 and 1.3** that contribution of the services sector was higher in GSVA and GVA. Percentage contribution of the agriculture sector to GSVA was higher than the percentage contribution of the agriculture sector to GVA. Consequently, the percentage contributions of the industries and services sectors to the GSVA were less.

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 and taxes on products adjusted for subsidies. It is one of the most important measures of growth of a State's economy. 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). Analysis of changes in sectoral contribution to GSDP is also important to understand the changing structure of the economy of the State. The economic activity of the State is generally divided into Primary, Secondary and Tertiary Sector, which corresponds to the Agriculture, Industry and Service sectors. The changes in sectoral contribution to GSDP for the period 2019-20 to 2023-24 is shown in **Chart 1.4**.

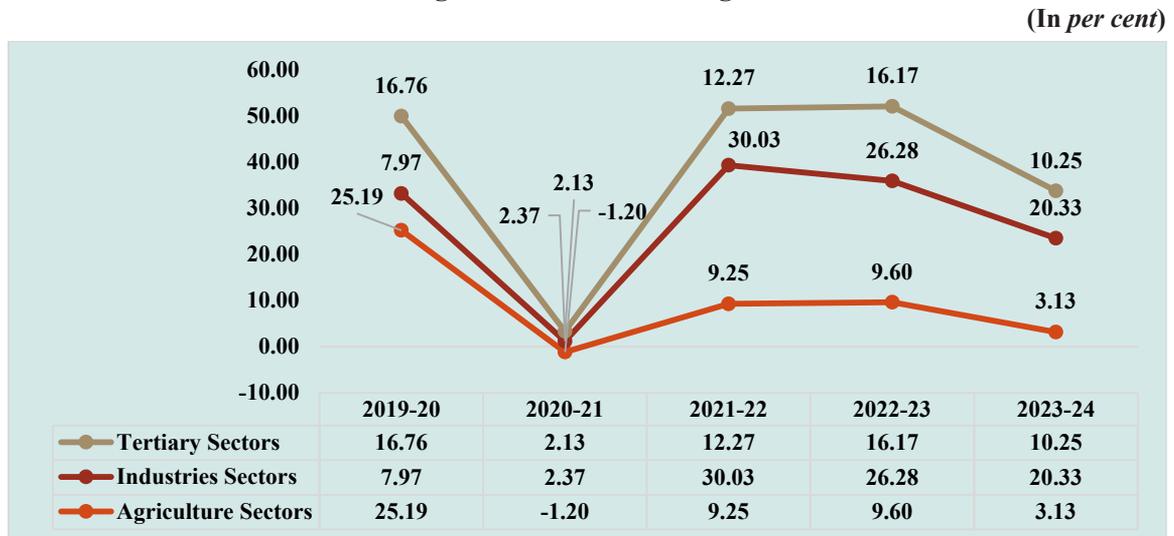
Chart 1.4: Change in the sectoral contribution of GSDP



Source: Directorate of Economics and Statistics, GoAP as on 31 March 2024

There was a decrease in the relative share of ‘Agriculture to GSDP’ during the period from 2019-20 to 2023-24. It reduced from 38.27 per cent in 2019-20 to 31.87 per cent in 2023-24. Consequently, there was an increase in the relative share of Industry and Tertiary sector to the GSDP as Industry Sector increased significantly from 17.97 per cent in 2019-20 to 24.80 per cent in 2023-24. The share of Tertiary sector increased marginally from 38.12 per cent in 2019-20 to 38.20 per cent in 2023-24. During 2023-24, the Service and Agriculture sectors continued to be the pivotal role 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 1.5**.

Chart 1.5: Sectoral growth of GSDP during 2019-20 to 2023-24.



Source: Directorate of Economics and Statistics, GoAP as on 31 March 2024

It can be seen from the above **Chart** that the growth rate of all the sectors showed a fluctuating trend during the five-years’ period from 2019-20 to 2023-24 and reached at lowest growth rate in 2020-21 due to Covid pandemic. There was significant increase in growth rate of all the sectors of GSDP in 2021-22 which was attributed to recovery of

economic activities post Covid-19 pandemic. There was a steep decline in growth rate of all the sectors of GSDP during 2023-24 over the previous year. While in absolute term, all the sectors showed an increasing trend in comparison to previous year as indicated in **Table 1.2**.

Table 1.2: Sector-wise details of contribution in GSDP during 2019-20 to 2023-24

(₹ in crore)

| Sectors Name | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--------------|-----------|-----------|-----------|-----------|-----------|
| Agriculture | 11,491.25 | 11,353.80 | 12,404.04 | 13,594.8 | 14,020.76 |
| Industries | 5,394.67 | 5,522.47 | 7,180.66 | 9,067.52 | 10,910.95 |
| Tertiary | 11,443.71 | 11,686.91 | 13,120.61 | 15,241.93 | 16,804.29 |

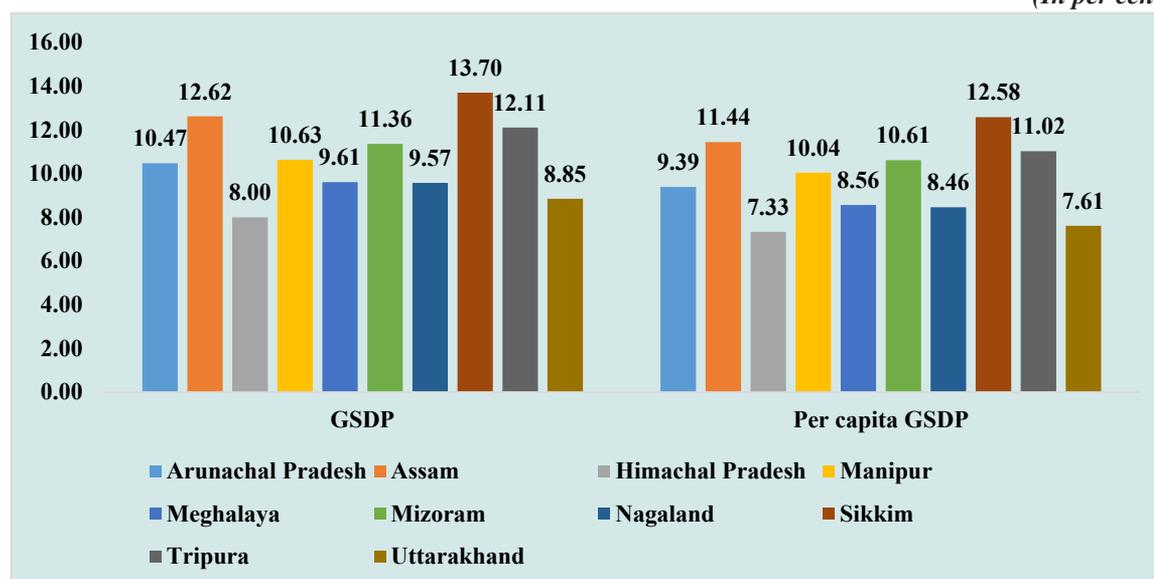
Source: information furnished by the Directorate of Economics and Statistics, GoAP as on 31 March 2024

It can be seen from **Table 1.2** that contribution of the services sector was higher in the last five years' period from 2019-2024.

As compared to the Average Compound Annual Growth Rate (CAGR) of the NE&H State during 2014-15 to 2023-24 were 10.06 and 8.89 *per cent* respectively registered for GDP and per capita GDP, the State witnessed the CAGR of 10.47 and 9.39 *per cent* respectively for GSDP and per capita GSDP. The decadal CAGR of the State *vis-a-vis* NE&H States is shown in **Chart 1.6**.

Chart 1.6: details of decadal CAGR of the NE&H States

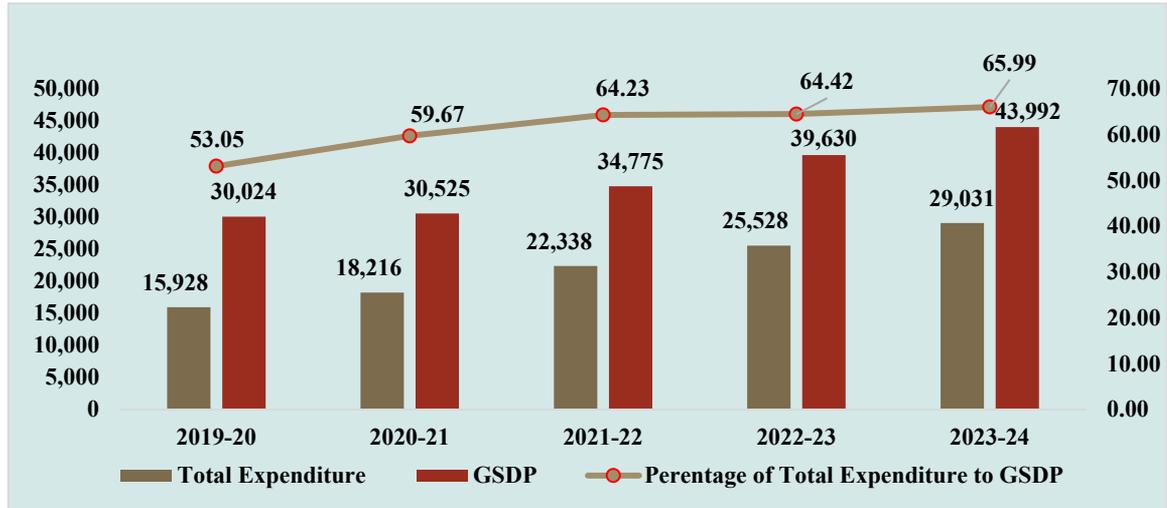
(In per cent)



Source: A brief on the finances of the States issued by Economic Division of Comptroller and Auditor General of India

The percentage of total State Government expenditure to GSDP shows an increasing trend during the period from 2019-20 to 2023-24. It steadily increased from 53.05 *per cent* in 2019-20 to 65.99 *per cent* in 2023-24. The trend of the percentage of Government Expenditure to GSDP for the period 2019-20 to 2023-24 is shown in **Chart 1.7**.

Chart 1.7: Trends of Government Expenditure to GSDP for the period 2019-20 to 2023-24
(₹ in crore)



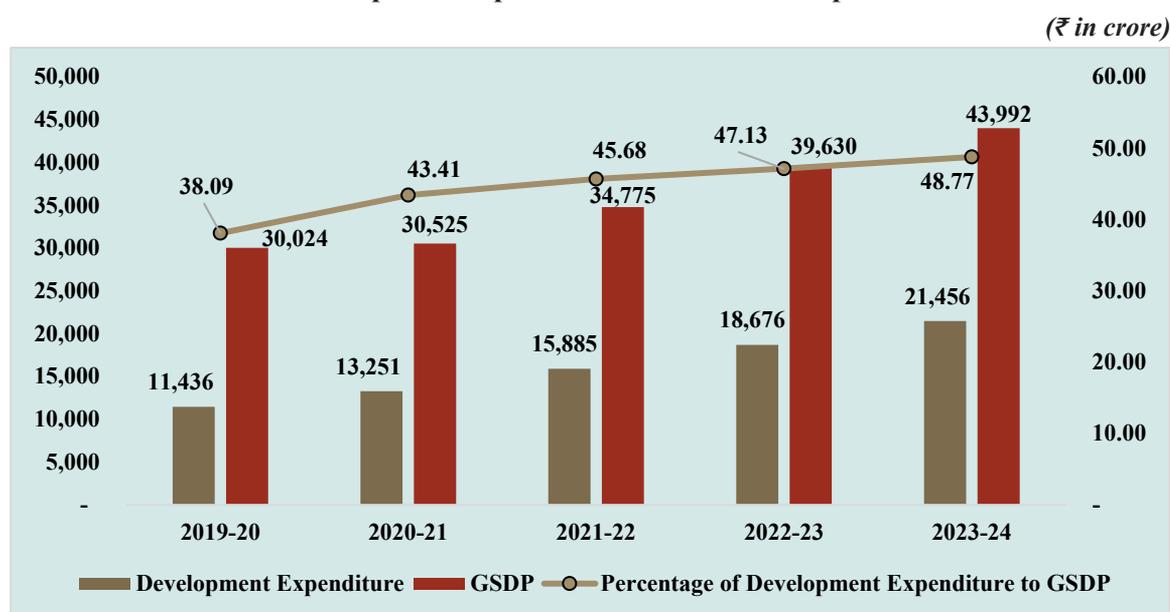
Source: Directorate of Economics and Statistics, Government of Arunachal Pradesh (GoAP) as on 31 March 2024 and Finance Accounts of the respective year.

The high *percentage* share of Government expenditure in GSDP indicates that the State is still heavily dependent on Government spending. 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.

Government Expenditure is generally divided into Revenue and Capital Expenditure. Further, these two (Revenue and Capital) are classified into Developmental and Non-developmental Expenditures. Developmental Expenditures are expenditure on Economic services (Agriculture, Industry, Energy, Transport, Communication and Science and Technology) and Social services (Education, Health, Employment, Housing, Nutrition and Others) Non-Developmental Expenditures are expenditure on Administrative and Fiscal expenditures (Pension, Interest payments and Others).

Increase in Developmental Expenditures leads to multiplier effect on economic growth of the State. Contribution of Development Expenditure in GSDP for the period from 2019-20 to 2023-24 is shown in **Chart 1.8**.

Chart 1.8: Trends of Development Expenditure to GSDP for the period 2019-20 to 2023-24



Source: Directorate of Economics and Statistics, Government of Arunachal Pradesh (GoAP) as on 31 March 2024 and Finance Accounts of the respective year.

It could be seen from the above **chart** that relative share of Development Expenditure to GSDP for the State is showing an increasing trend from 2019-20 to 2023-24. This is healthy sign for economy and social development, as it could contribute to infrastructure development, employment growth and revenue generation for the State in future.

1.3 Basis and Approach to State Finances Audit Report

In terms of Article 151(2) of the Constitution of India, the reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the legislature of the State. The State Finances Audit Report (SFAR) is prepared and submitted under the Article *ibid* of the constitution of India.

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 (GoAP) 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.

1.3.1 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 the Principal Accountant General, 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.

The audit analysis/findings of Chapters I to IV of the Report were discussed in an exit meeting held on 03 April 2025 with the Commissioner, Department of Finance, Government of Arunachal Pradesh. Replies furnished in the meeting and those received from the State Government in April 2025 have been suitably incorporated in the Report.

1.3.2 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 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.

1.4 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 ³ by CGA ⁴ | 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 apprises 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, 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.

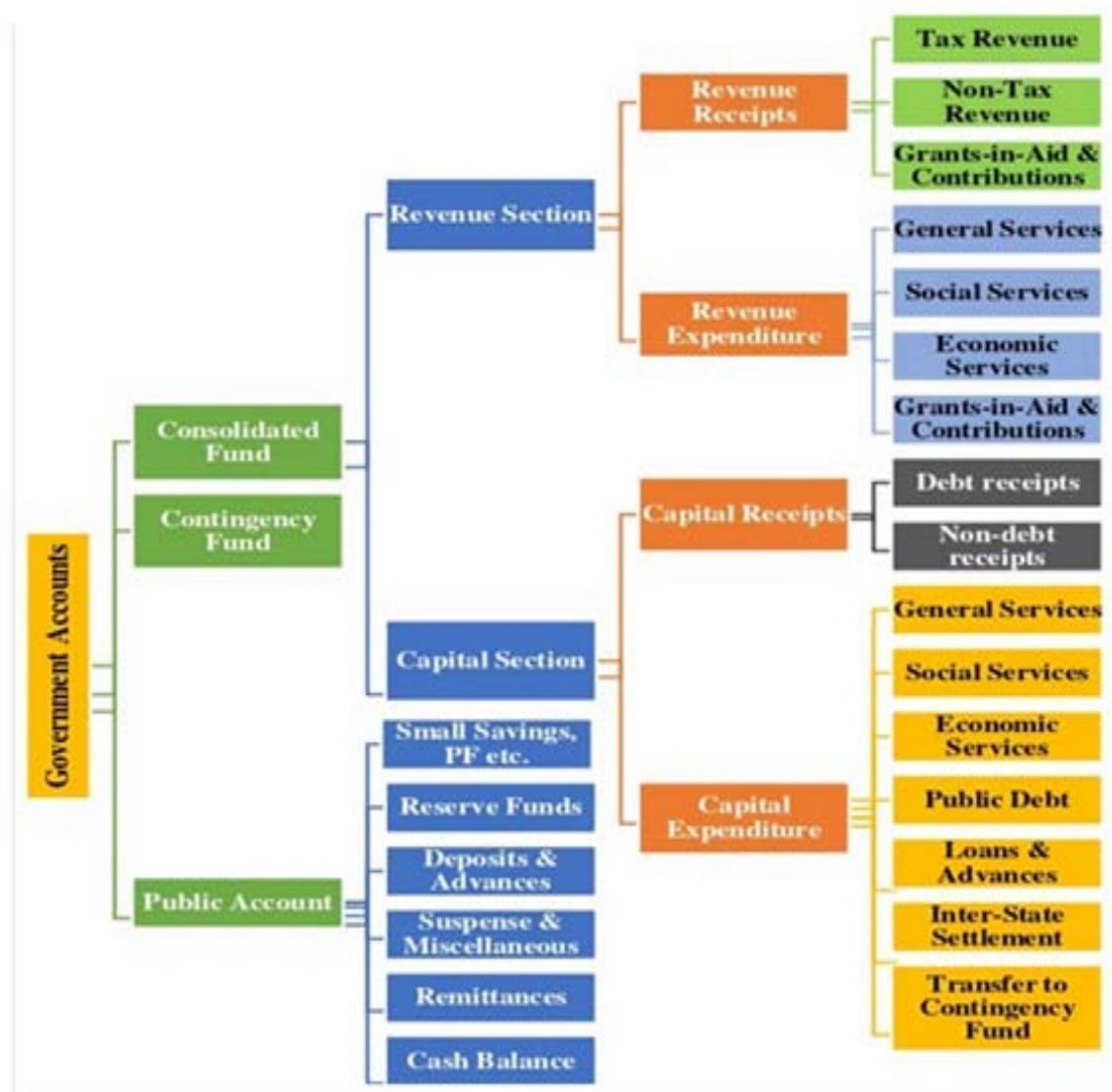
Further, the transactions relating to ‘Small Savings, Provident Fund, *etc.*’, ‘Reserve Funds’ and ‘Deposit and Advances’ under Public Accounts are such that the Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid. The transactions relating to ‘Remittances’ 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.

³ List of Major and Minor Heads

⁴ Controller General of Accounts

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.

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 2023-24 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 2023-24 *vis-à-vis* Budget Estimates (BEs) for the same year and *vis-à-vis* actuals for the previous year, *i.e.*, 2022-23 are shown in **Table 1.3**. Time series data of the Finances of GoAP for the years 2019-20 to 2023-24 is given in **Appendix 2.2**.

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

(₹ in crore)

| Sl. No. | Components | Actuals 2022-23 | Budget Estimate 2023-24 | Actuals 2023-24 | Percentage of Actuals 2023-24 to GSDP |
|---------|--|-----------------|-------------------------|-----------------|---------------------------------------|
| 1 | Tax Revenue (i+ ii) | 18,926.52 | 20,511.88 | 22,642.83 | 51.47 |
| i | Own Tax Revenue | 2,237.35 | 1,128.63 | 2,797.61 | 6.36 |
| ii | Share of Union taxes/ duties | 16,689.17 | 19,383.25 | 19,845.22 | 45.11 |
| 2 | Non-Tax Revenue | 1,017.87 | 847.77 | 900.92 | 2.05 |
| 3 | Grants-in-Aid and contributions | 3,843.75 | 4,798.00 | 3,897.25 | 8.86 |
| 4 | Revenue Receipts (1+2+3) | 23,788.14 | 26,157.65 | 27,441.00 | 62.38 |
| 5 | Recoveries of Loans and Advances | 4.86 | 10.00 | 5.96 | 0.01 |
| 6 | Other Receipts | 0.00 | 0.00 | 0.00 | 0.00 |
| 7 | Borrowings and Other Liabilities (a) | 1,735.40 | - | 1,583.39 | 3.60 |
| 8 | Capital Receipts (5+6+7) | 1,740.26 | 10.00 | 1,589.35 | 3.61 |
| 9 | Total Receipts (4+8) | 25,528.40 | 26,167.65 | 29,030.35 | 65.99 |
| 10 | Revenue Expenditure | 17,417.67 | 23,094.80 | 20,564.35 | 46.75 |
| 11 | Interest Payments | 834.64 | 891.86 | 858.03 | 1.95 |
| 12 | Capital Expenditure | 8,107.36 | 5,583.91 | 8,463.83 | 19.24 |
| 13 | Loans and Advances | 3.37 | 4.19 | 2.67 | 0.01 |
| 14 | Total Expenditure (10+12+13) | 25,528.40 | 28,682.90 | 29,030.85 | 65.99 |
| 15 | Revenue Surplus ((4-10) | 6,370.47 | 3,062.85 | 6,876.65 | 15.63 |
| 16 | Fiscal Deficit (14-4-5-6) (-)/ Surplus (+) | 1,735.40 | - | 1,583.89 | 3.60 |
| 17 | Primary Deficit (16-11) (-)/ Surplus(+) | 900.76 | - | 725.86 | 1.65 |

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

(a) 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 2023-24, BE of the Tax Revenue was ₹20,511.88 crore while the actual receipts were ₹22,642.83 crore which was ₹2,130.95 crore (10.39 per cent) higher than the BE. The Own Tax Revenue (OTR) was ₹2,797.61 crore while the Budget Estimates was ₹1,128.63 crore. The actual receipts under Grants-in-Aid (GIA) contribution during 2023-24 was ₹3,897.31 crore against the Budget estimate of ₹4,798.00 crore resulting in less receipt GIA by ₹900.69 crore which was due to short/ non release of grants as per recommendation of XV FC by GoI as depicted in **Table 2.13**. The actual Revenue Surplus was ₹6,876.65 crore against the Budget Estimates of Revenue Surplus of ₹3,062.85 crore. A detailed analysis on the finances of the State Government is made in the Chapter II of this 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 | | |
|--------------------------------------|------------------|------------------|---|------------------|------------------|
| | 2022-23 | 2023-24 | | 2022-23 | 2023-24 |
| (i). Consolidated Fund | | | | | |
| Internal Debt | 8,520.84 | 9,392.43 | Gross Capital Outlay | 52,518.20 | 60,982.01 |
| Loans and Advances from GoI | 2,243.43 | 4,581.44 | Loans and Advances | 90.07 | 86.78 |
| Contingency Fund | 0.05 | 0.05 | | | |
| Total (i) | 10,764.32 | 13,973.92 | Total (A) | 52,608.27 | 61,068.79 |
| (ii) Public Account | | | | | |
| Small Savings, Provident Funds, etc. | 3,117.55 | 3,273.34 | Advances | 502.38 | 506.54 |
| Deposits | 161.58 | 75.03 | Remittance | 293.96 | 367.35 |
| Reserve Funds | 3,867.58 | 4,788.57 | Cash balance (including investment in Earmarked Fund) | 4,346.15 | 6,908.83 |
| Suspense and Miscellaneous | (-),280.03 | (-),255.74 | | | |
| Total (ii) | 5,866.68 | 6,881.20 | Total Public Account | 5,142.49 | 7,782.72 |
| (iii) Surplus in Revenue Account | 41,119.76 | 47,996.39 | - | - | - |
| Total (i to iii) | 57,750.76 | 68,851.51 | Total | 57,750.76 | 68,851.51 |

Source: Finance Accounts of respective year

1.8 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 twice *i.e.* in April 2022 and in February 2024.

1.8.1 APFRBM targets on key fiscal parameters and achievement

Targets relating to the key fiscal parameters envisaged in the amended APFRBM Act for the period 2019-20 to 2023-24 respectively are shown in **Table 1.5**.

Table 1.5: Compliance with provisions of APFRBM Act

| Fiscal Parameters | Fiscal targets set in FRBM and Actual for the year 2019-20 to 2023-24 | ₹ in crore) | | | | |
|---|---|-------------|----------|----------|----------|----------|
| | | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Revenue Deficit (-)/ Surplus (+) (₹ in crore) | Revenue Surplus | 2,669.82 | 4,036.01 | 5,385.00 | 6,370.47 | 6,876.65 |
| | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Fiscal Deficit as percentage of GSDP | Targets | 3.00 | 3.00 | 4.00 | 3.50 | 3.00 |
| | Actual | 3.44 | 3.56 | 3.36 | 4.94 | 3.60 |
| | Status of Achievement | ✗ | ✗ | ✓ | ✗ | ✗ |
| Ratio of total outstanding debt to GSDP (in per cent) | Targets | 25.00 | 25.00 | 43.94 | 43.52 | 33.10 |
| | Actual | 40.41 | 44.87 | 39.50 | 39.48 | 44.58 |
| | Status of Achievement | ✗ | ✗ | ✓ | ✓ | ✗ |

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

The State of Arunachal Pradesh was successful in maintaining Revenue Surplus as target set in APFRBM Act. However, the State failed to manage the Fiscal Deficit throughout the period (except in 2021-22) as the Fiscal Deficit as a percentage of GSDP exceeded the

limit prescribed in the APFRBM Act. Further, the State failed to succeed in anchoring the ratio of total outstanding debt to GSDP during 2019-20, 2020-21, and 2023-24 within the levels prescribed in APFRBM.

1.8.2 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 1.6 indicates the variation between the projections made for 2023-24 in MTFP presented to the State Legislature with the Annual Budget for 2023-24 and Actuals for the year.

Table 1.6: Actuals vis-à-vis projection in MTFP for 2023-24

(₹ in crore)

| Components | Projections as per MTFP | Actuals | Variation |
|---|-------------------------|------------|-------------|
| 1 | 2 | 3 | 4 (3-2) |
| Own Tax Revenue | 2,565.04 | 2,797.61 | 232.57 |
| Non-Tax Revenue | 847.77 | 900.92 | 53.15 |
| Share of Union Taxes/ Duties | 17,946.84 | 19,845.22 | 1,898.38 |
| Grants-in-Aid from GoI | 4,798.00 | 3,897.25 | (-)900.75 |
| Revenue Receipts | 26,157.65 | 27,441.00 | 1,283.35 |
| Revenue Expenditure | 23,094.84 | 20,564.35 | (-)2,530.49 |
| Capital Expenditure | 5,583.91 | 8,463.83 | 2,879.92 |
| Revenue Surplus/ Deficit | 3,062.85 | 6,876.65 | 3,813.80 |
| Fiscal Surplus (+)/ Deficit (-) | (-)758.25 | (-)1583.89 | (-)825.64 |
| Outstanding Debt Liabilities | 20,084.12 | 19,610.17 | (-)473.95 |
| GSDP at current prices | 37,870.00 | 43,991.61 | 6,121.61 |
| Debt-GSDP ratio (<i>per cent</i>) | 53.03 | 44.58 | (-)8.45 |
| GSDP Growth Rate at Current Prices (<i>in per cent</i>) | - | 25.31 | 25.31 |

Source: MTFP Statement of FRBM and Finance Accounts 2023-24

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 ₹285.72 crore (8.37 *per cent*). The State succeeded in controlling the Revenue Expenditure within the projection of MTFP as actual Revenue expenditure was ₹20,564.35 crore against the projected Revenue expenditure of ₹23,094.84 crore in MTFP. The State was able to achieve Revenue Surplus projected in the MTFP. Actual Revenue Surplus was ₹6,876.65 crore which increased by ₹3,813.80 crore (124.52 *per cent*) over the Revenue Surplus projected in MTFP (₹3,062.85 crore). Further, the Revenue Surplus impacted the Capital expenditure of the Government which was meant for the improvement of infrastructure in the State. The actual Capital Expenditure during the current year was ₹8,463.83 crore which exceeded the projection made by State Government by ₹2,879.92 crore (51.58 *per cent*).

Arunachal Pradesh was not able to control Fiscal Deficit as actual Fiscal Deficit of the State during the current year was ₹1,583.89 crore while ₹758.25 crore was projected in MTFP for 2023-24. This was due to the significant increase in the actual Capital Expenditure than projected Capital Expenditure in MTFP.

Audit concludes that the State exhibited prudent revenue expenditure management, resulting in a higher-than-projected Revenue Surplus. Lower fiscal deficit suggests improved fiscal sustainability; however, the increase in the Debt-to-GSDP ratio is a concern for long-term fiscal health. Underperformance in tax and non-tax revenues indicates a need for better revenue mobilization efforts. GSDP growth rate being lower than expected signals economic slowdown, impacting overall fiscal planning.

1.9 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 2023-24.

1.9.1 What are Deficit and Surplus?

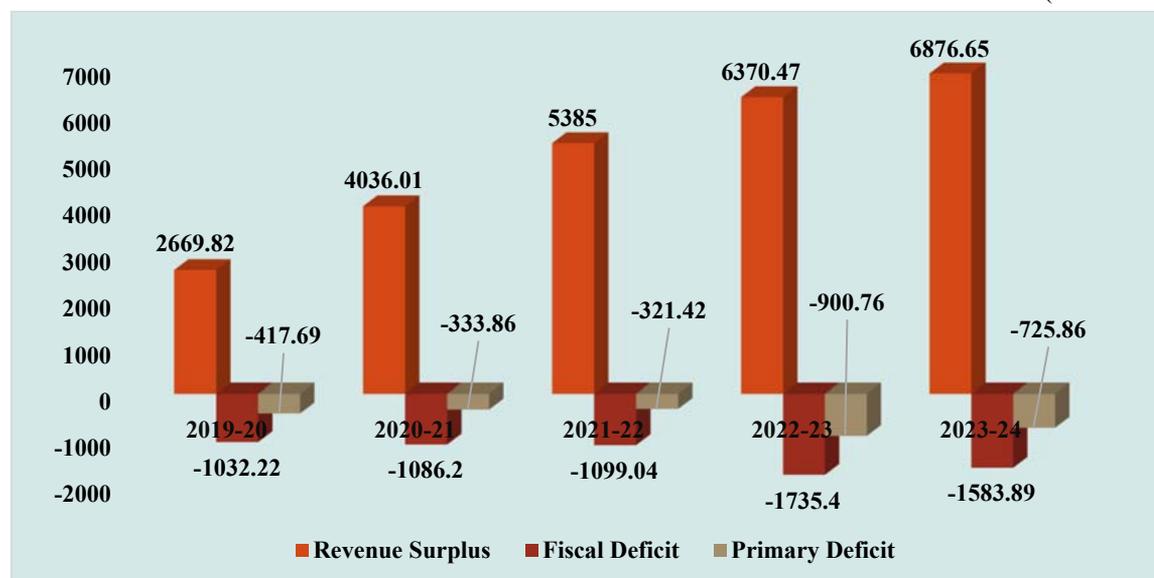
| | |
|-------------------------------------|--|
| Revenue Deficit/ Surplus | <i>Refers to the gap between Revenue Expenditure and Revenue Receipts</i> |
| Fiscal Deficit/ Surplus | <i>This is the difference between the Revenue Receipts plus Non-debt Capital Receipts (NDCR) and the Total Expenditure. 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> |

1.9.2 Trends of Surplus/ Deficit

The trend of the Surplus/ Deficit indicators in the past five years are given in **Chart 1.9**.

Chart 1.9: Trends in Surplus/ Deficit indicators

(₹ in crore)



Source: Finance Accounts of respective year

Chart 1.9 reveals that the State consistently maintained Revenue Surplus during the last five years' period during 2019-2024. During the last five years' period, there was a significant surplus in revenue account which could attributed to high increase in revenue receipts compared to the increase in revenue expenditure. The Revenue Surplus was showed an increasing trend during 2019-20 to 2023-24. The Revenue Surplus increased by ₹4,206.83 crore (157.57 per cent) from ₹2,669.82 crore in 2019-20 to ₹6,876.65 crore in 2023-24. During 2023-24, Revenue Surplus increased by ₹506.18 crore (7.95 per cent) over the previous year (₹6,370.47 crore).

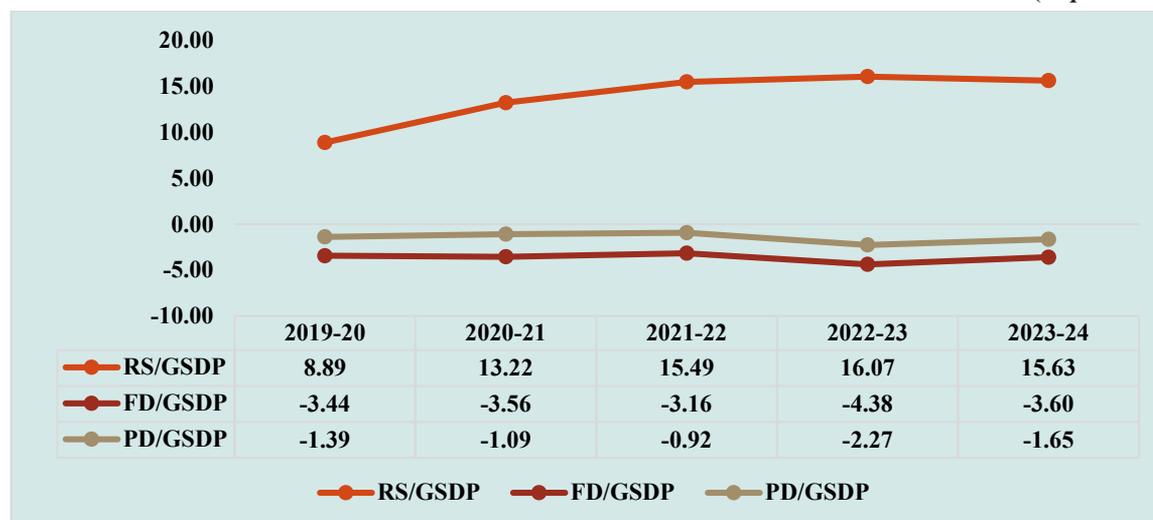
The Fiscal Deficit increased by ₹551.67 crore (53.44 per cent) from ₹1,032.22 crore in 2019-20 to ₹1,583.89 crore in 2023-24. During the current year, the Fiscal Deficit decreased by ₹151.51 crore (8.73 per cent) over the previous year (₹1,735.40 crore) which was due to an increase in the Total Expenditure over the previous year. Further, the actual Fiscal Deficit ₹1,583.89 crore during the current year was ₹825.64 crore higher than the projected Fiscal Deficit of ₹758.25 crore in the Budget Estimates.

As against the Budget Estimates of ₹133.61 crore for 2023-24, the Primary Deficit of the State was ₹725.86 crore which was higher by ₹592.25 crore (443.27 per cent). However, the PD declined by ₹174.90 crore (19.42 per cent) over the last financial year 2022-23. This reduction witnessed in Primary Deficit over the last financial year can primarily be attributed to improvement observed in fiscal balance of the State in 2023-24 compared to 2022-23.

The trend of these Surplus and Deficits as a percentage of GSDP over the five-year period from 2019-20 to 2023-24 is depicted in **Chart 1.10**.

Chart 1.10: Trends in Deficit/ Surplus relative to GSDP

(In per cent)



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 and allowing more funds for Capital investment rather than funding recurring expenses through borrowing. It can be seen from **Chart 1.10** that the Revenue Surplus in absolute terms shows an increasing trend during 2019-20 to 2023-24. Similarly, the ratio of Revenue Surplus to GSDP shown an increasing trend during the period 2019-20 to 2022-23 while the ratio was decreased to 15.63 *per cent* in 2023-24 from 16.07 *per cent* in 2022-23 due to significant increase of GSDP in 2023-24 over the previous year.

Revenue Surplus growth is a positive sign, allowing more funds for capital investment rather than funding recurring expenses through borrowing.

Fiscal Deficit remains significant but has declined as a percentage of GSDP, indicating that borrowing is being managed relative to economic growth.

The rise in Primary Deficit suggests an increasing reliance on borrowed funds to meet non-interest expenditures, requiring a reassessment of expenditure priorities.

Prudent fiscal management is needed to ensure that debt-financed spending is focused on asset creation rather than recurring expenditures. A long-term fiscal consolidation roadmap should aim at sustaining Revenue Surplus while reducing Primary and Fiscal Deficits through enhanced revenue mobilization and expenditure efficiency

The targets set by XV Finance Commission and those projected in the State budget *vis-à-vis* achievements in respect of major fiscal aggregates with reference to GSDP during 2023-24 are given in the **Table 1.7**.

Table 1.7: Targets vis-à-vis achievements in respect of major fiscal aggregates for the year 2023-24

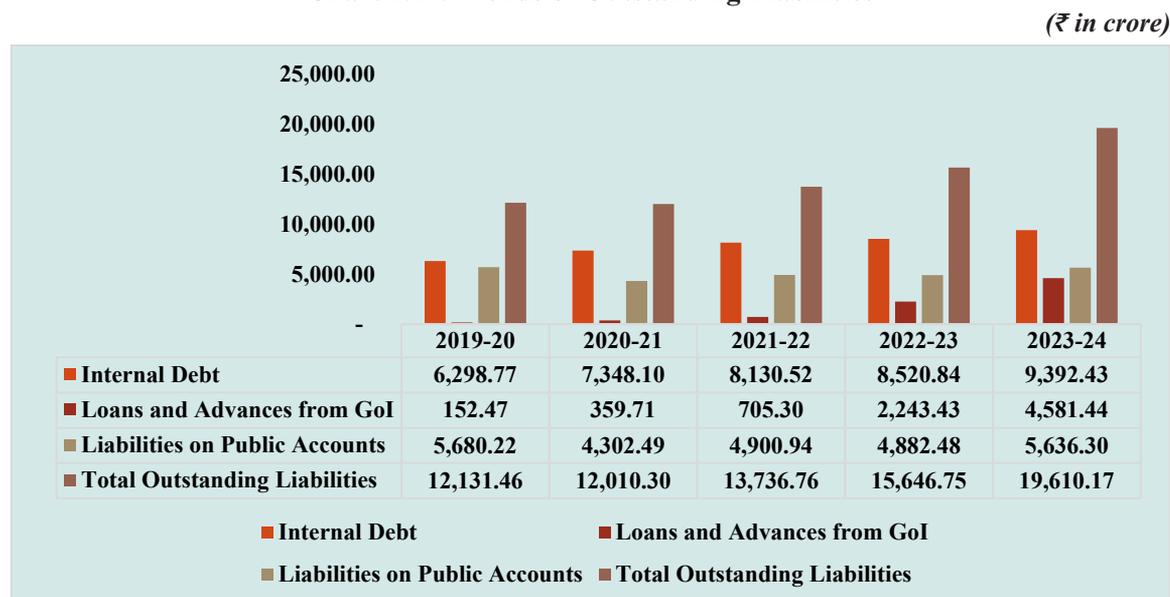
| Fiscal Indicators | Targets set by XV FC | Targets projected in the Budget | Actuals (Status of achievement) | Percentage variation of actual over | |
|---|----------------------|---------------------------------|---------------------------------|-------------------------------------|---------------------------------|
| | | | | Targets set by XV FC | Targets projected in the Budget |
| Revenue Surplus/ GSDP (in per cent) | 12.30 | 8.09 | (+) 15.63 ✓ | 3.33 | 7.54 |
| Fiscal Deficit/ GSDP (in per cent) | (-) 3.00 | (-) 2.00 | (-) 3.60 ✗ | 0.60 | 1.60 |
| Total Outstanding Liabilities to GSDP (in per cent) | 36.90 | 53.03 | 44.58 ✗ | 7.68 | (-) 8.45 |

Source: XV FC, MTFP for the year 2023-24 and Finance Accounts, 2023-24

During 2023-24, the State surpassed the target of Revenue Surplus set by XV FC and MTFP. However, it has breached the indicative ceiling of Fiscal Deficit and outstanding liabilities given by the XV FC. The State has been able to keep the outstanding liabilities as proportion of GSDP within the target set in the MTFP.

Trend of Fiscal Liabilities during the period 2019-20 to 2023-24 is shown in **Chart 1.11**.

Chart 1.11: Trends of Outstanding Liabilities



Source: Finance Accounts of the respective year

Total Outstanding Liabilities of the State increased by ₹7,478.71 crore (61.65 per cent) from ₹12,131.46 crore in 2019-20 to ₹19,610.17 crore in 2023-24. During the current year, Total Outstanding Liabilities increased by ₹3,963.42 crore (25.33 per cent) over the previous year (₹15,646.75 crore) and this was mainly due to an increase in the internal Debt by ₹871.59 crore (10.23 per cent), Loans from GoI by ₹2,338.01 crore (104.22 per cent) and Liabilities on Public Accounts ₹753.00 crore (15.44 per cent).

1.9.3 Performance of the State Government with respect to borrowings according to limits fixed by Government of India

Article 293 (3) of the Constitution of India, *inter alia*, provides that a State may not rise any loan without consent of Government of India, if any part of a loan which has been made to the State by GoI, is still outstanding.

As per Statement 6 of State Finance Accounts *viz.* statement of borrowings and other liabilities, State borrowed ₹3,775.00 crore during the financial year 2023-24. Net Borrowing ceiling of State was ₹1,319.75 crore (three percent of GSDP of ₹43,991.61 crore), while the actual net borrowing of the State was ₹3,209.60 crore which was higher than the recommended ceiling.

1.9.4 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 1.8** 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 1.8: Actual Revenue Surplus and Fiscal Deficit

(₹ in crore)

| Particulars | Impact on Revenue Surplus | Impact on Fiscal Deficit |
|--|---------------------------------|---------------------------------|
| | Understated (-)/ overstated (+) | Understated (+)/ overstated (-) |
| Transfer of labour Cess to Arunachal Pradesh Building and Other Construction Workers Welfare Board | (-) 84.97 | (-) 84.97 |
| Non-discharge of Interest liabilities | (+) 59.05 | (+) 59.05 |
| Capital Expenditure booked under Revenue Expenditure | (-) 33.00 | -- |
| Revenue Expenditure booked under Capital Expenditure | (+) 27.43 | -- |
| Total | (-) 31.49 | (-) 25.92 |

Source: Finance Accounts, 2023-24, volume-I

As can be seen from **Table 1.8** above, there was an understatement of Revenue Surplus of the State by ₹31.49 crore during the year. Considering that the overall Revenue Surplus depicted in the accounts was ₹6,876.65 crore, the State would have a Revenue Surplus of ₹6,908.14 crore during 2023-24 if adjustments in **Table 1.8** are made.

Similarly, the Fiscal Deficit during 2023-24 was found overstated by ₹25.92 crore if adjustments depicted in **Table 1.6** are affected. Considering **Table 1.6**, the State would have Fiscal Deficit of ₹1,557.97 crore during 2023-24 instead of Fiscal Deficit of ₹1,583.89 crore.

1.10 Conclusion

Gross State Domestic Product (GSDP) (at current prices) grew at a CAGR of 10.02 *per cent* from ₹30,023.65 crore in 2019-20 to ₹43,991.61 crore in 2023-24. During 2023-24, GSDP increased by ₹4,361.66 crore (11.01 *per cent*) from ₹39,629.95 crore in 2022-23 to ₹43,991.61 crore in 2023-24.

The FRBM Act/ Rules prescribes maintaining of revenue surplus, fiscal deficit, debt as a percentage of the GSDP. The State Government was successful in maintaining the Revenue Surplus throughout the five years' period during 2019-2024. The State could achieve in maintaining the Fiscal Deficit as per the prescribed *per cent* of GSDP in one out of five years during the period from 2019-20 to 2023-24. The State also succeeded in maintaining the ratio of total outstanding debt to GSDP during 2021-22 and 2022-23.

The gap between the Revenue Receipts and Revenue Expenditure results in Revenue Surplus. The gap between the total expenditure and total non-debt receipt of the State results in Fiscal Deficit. The State had a Revenue surplus of ₹6,876.65 crore which was 15.63 *per cent* of GSDP. Fiscal deficit was ₹1,583.89 crore during 2023-24 which was 3.60 *per cent* of GSDP and primary deficit was ₹725.86 crore, 1.65 *per cent* of GSDP.

Revenue Surplus increased from ₹6,370.47 crore in 2022-23 to ₹6,876.65 crore in 2023-24, mainly due to a significant increase in Revenue Receipts (15.36 *per cent*). Fiscal Deficit (₹1,583.89 crore) decreased by ₹151.51 crore (8.73 *per cent*) as compared to the previous year (₹1,735.40 crore). Based on the result of examination of misclassification during post audit, the Revenue Surplus will increase from ₹6,876.65 crore to ₹6,908.14 crore and Fiscal Deficit will decrease from ₹1,583.89 crore to ₹1,557.97 crore.

1.11 Recommendations

- State Government needs to make continued efforts to achieve in the coming years, the projections on deficit and debt parameters made in the Arunachal Pradesh FRBM Act.
- 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 the accounting norms.
- The State Government should consider the actual transactions/ misclassification *etc.* while determining the Revenue Surplus/ Fiscal Deficit.



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 2019-20 to 2023-24 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* 2023-24

A bird's eye view of the major changes in key fiscal aggregates of the State during 2023-24, compared to the previous year is given in **Table 2.1**.

Table 2.1: Changes in key fiscal aggregates in 2023-24 compared to 2022-23

| | |
|---------------------|---|
| Revenue Receipts | <ul style="list-style-type: none">✓ Revenue Receipts of the State increased by 15.36 per cent✓ Own Tax Revenue of the State increased by 25.04 per cent✓ Own Non-Tax Revenue decreased by 11.50 per cent✓ State's Share of Union Taxes/ Duties increased by 18.91 per cent✓ Grants-in-Aid (GIA) from Government of India increased by 1.39 per cent |
| Revenue Expenditure | <ul style="list-style-type: none">✓ Revenue Expenditure increased by 18.07 per cent✓ Revenue Expenditure on General Services increased by 11.22 per cent✓ Revenue Expenditure on Social Services increased by 12.98 per cent✓ Revenue Expenditure on Economic Services increased by 28.33 per cent✓ Expenditure on GIA increased by 3.37 per cent |
| Capital Receipts | <ul style="list-style-type: none">✓ Debt Capital Receipts increased by 52.24 per cent✓ Non-debt Capital Receipts decreased by 22.63 per cent |
| Capital Expenditure | <ul style="list-style-type: none">✓ Capital Expenditure increased by 4.40 per cent✓ Capital Expenditure on General Services increased by 8.51 per cent✓ Capital Expenditure on Social Services increased by 39.11 per cent✓ Capital Expenditure on Economic Services decreased by 6.71 per cent |
| Loans and Advances | <ul style="list-style-type: none">✓ Disbursement of Loans and Advances decreased by 20.77 per cent✓ Recoveries of Loans and Advances increased by 22.63 per cent |
| Public Debt | <ul style="list-style-type: none">✓ Public Debt Receipts increased by 52.24 per cent✓ Repayment of Public Debt increased by 2.59 per cent |
| Public Account | <ul style="list-style-type: none">✓ Public Account Receipts increased by 42.33 per cent✓ Disbursement of Public Account increased by 28.70 per cent |
| Cash Balance | <ul style="list-style-type: none">✓ Overall Cash balance of the State increased by ₹2,562.68 crore (58.96 per cent) |

Source: Finance Accounts of 2022-23 and 2023-24

Each of the above indicators are analysed in the succeeding paragraphs.

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 2023-24 and 2022-23

(₹ in crore)

| Particulars | | 2022-23 | 2023-24 | Increase (+)/ Decrease (-) | Increase (+)/ Decrease (-) (in per cent) |
|--------------------|------------------------------------|------------------|------------------|-------------------------------|--|
| Sources | Opening Cash Balance with RBI | 4,356.35 | 4,346.15 | (-) 10.20 | (-) 0.23 |
| | Revenue Receipts | 23,788.14 | 27,441.00 | (+) 3,652.86 | (+) 15.36 |
| | Recoveries of Loans and Advances | 4.86 | 5.96 | (+)1.10 | (+) 22.63 |
| | Public Debt Receipts (Net) | 1,928.45 | 3,209.61 | (+)1,281.16 | (+) 66.43 |
| | Public Account Receipts (Net) | (-) 203.25 | 936.96 | (+) 1,140.21 | (+) 560.99 |
| | Total | 29,874.55 | 35,939.68 | (+) 6,065.13 | (+) 20.30 |
| Application | Revenue Expenditure | 17,417.67 | 20,564.35 | (+) 3,146.68 | (+) 18.07 |
| | Capital Expenditure | 8,107.36 | 8,463.83 | (+) 356.47 | (+) 4.40 |
| | Disbursement of Loans and Advances | 3.37 | 2.67 | (-) 0.70 | (-) 20.77 |
| | Closing Cash Balance with RBI | 4,346.15 | 6,908.83 | (+) 2,562.68 | (+) 58.96 |
| | Total | 29,874.55 | 35,939.68 | (+) 6,065.13 | (+) 20.30 |

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 2023-24 are given in **Chart 2.1 and 2.2**.

Chart 2.1: Composition of Resources

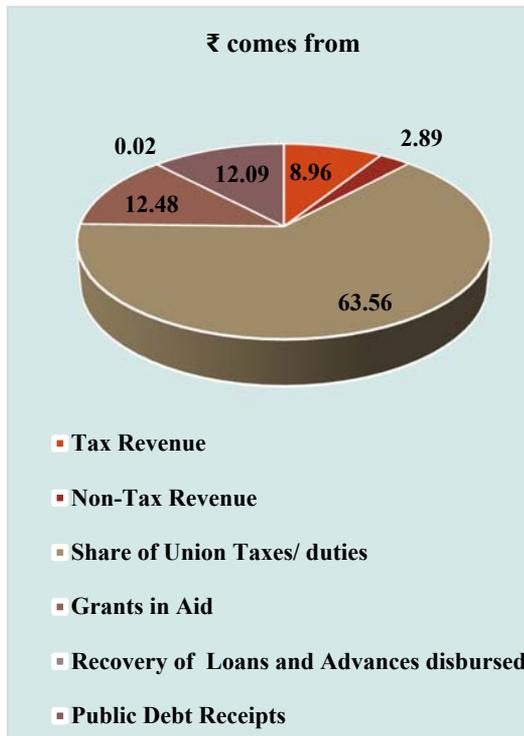
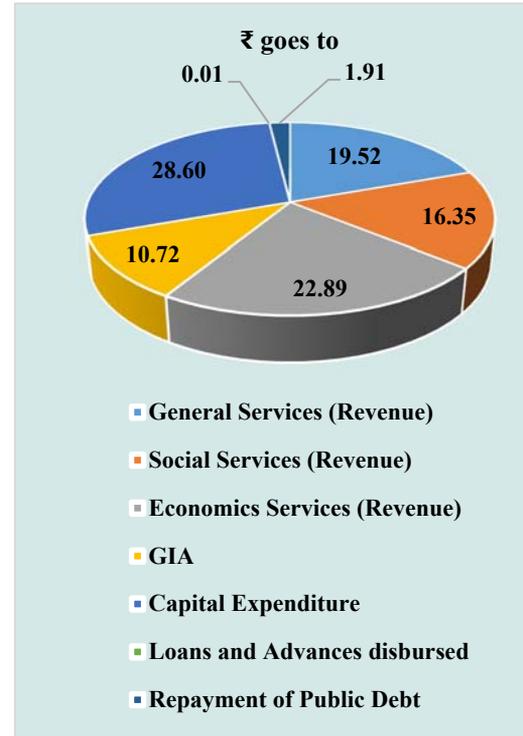


Chart 2.2: Application of Resources



Source: Finance Accounts, 2023-24

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

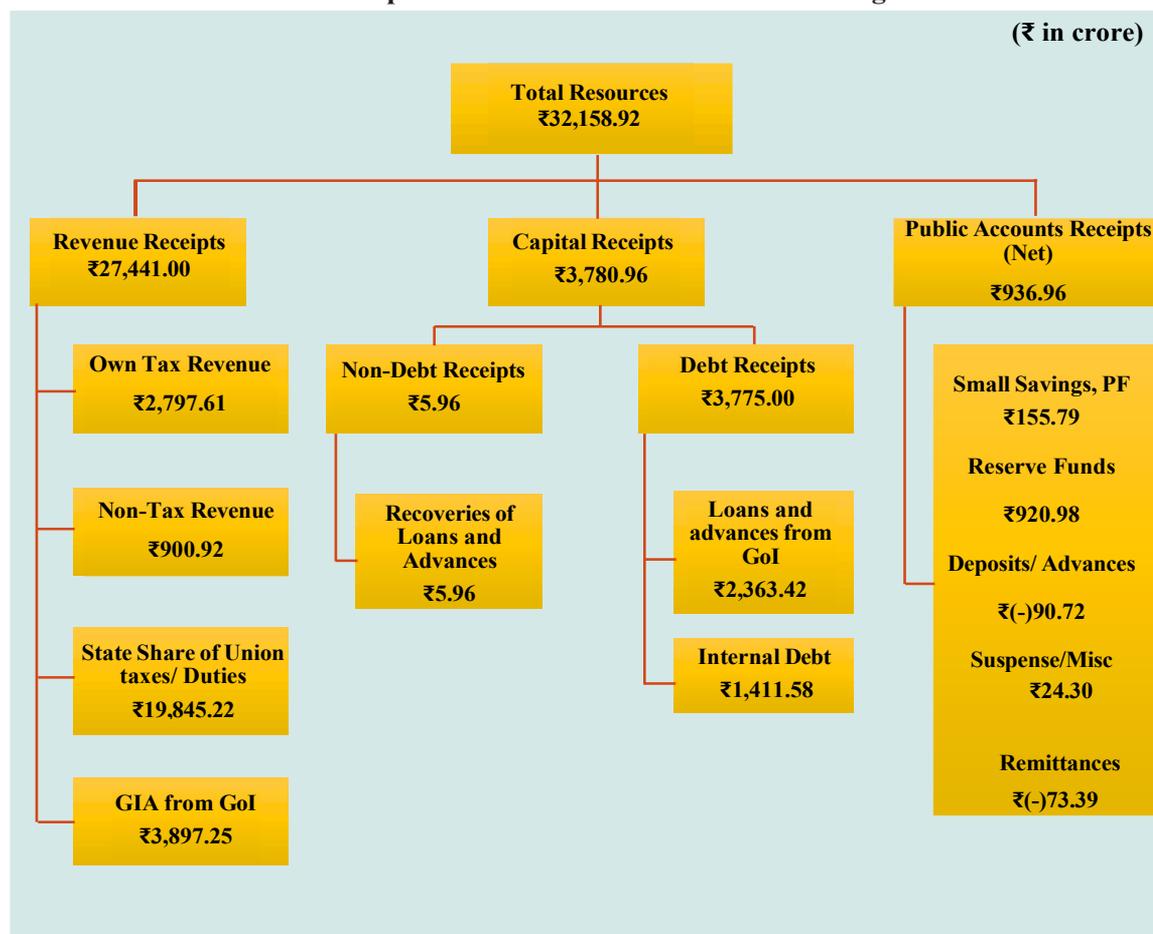
2.4 Resources of the State

The resources of the State are described below:

- 1. Revenue Receipts** consists 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 debt receipts from internal sources (market loans, borrowings from financial institutions/ commercial banks), Loans and Advances from GoI and miscellaneous Capital Receipts such as proceeds from disinvestments, recoveries of Loans and Advances. 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 2023-24



Source: Finance Accounts, 2023-24

2.4.1 State's Revenue Receipts

Statement-14 of the Finance Accounts depicts the Revenue Receipts of the Government. Revenue Receipts comprised of (i) Own Tax Revenue (ii) Own non-tax Revenue (iii) Share of Union taxes/duties and (iv) Grants-in-Aid (GIA).

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.

2.4.1.1 Trends and growth of Revenue Receipts

Trends and composition of Revenue Receipts over the period 2019-20 to 2023-24 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 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|------------------|------------------|------------------|------------------|------------------|
| Revenue Receipts (RR) (₹ in crore) | 14,888.55 | 17,123.51 | 21,231.64 | 23,788.14 | 27,441.00 |
| Rate of growth of RR (<i>per cent</i>) | (-) 8.07 | 15.01 | 23.99 | 12.04 | 15.36 |
| Tax Revenue (i+ii) | 10,216.30 | 11,903.68 | 16,283.69 | 18,926.52 | 22,642.83 |
| (i) <i>Own Tax Revenue</i> | 1,228.73 | 1,431.10 | 1,639.79 | 2,237.35 | 2,797.61 |
| (ii) <i>State Share in Union taxes/ duties</i> | 8,987.57 | 10,472.58 | 14,643.90 | 16,689.17 | 19,845.22 |
| Non-Tax Revenue | 651.38 | 836.53 | 774.67 | 1,017.87 | 900.92 |
| Grants-in-Aid from GoI (GIA) | 4,020.87 | 4,383.30 | 4,173.28 | 3,843.75 | 3,897.25 |
| Rate of Growth of GIA from GoI | (-) 1.52 | 9.01 | (-) 4.79 | (-) 7.90 | 1.39 |
| Own Revenue (Tax and Non-tax) | 1,880.11 | 2,267.63 | 2,414.46 | 3,255.22 | 3,698.53 |
| Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (<i>per cent</i>) | 12.12 | 20.61 | 6.48 | 34.82 | 13.62 |
| GSDP (₹ in crore) (2011-12 Series) | 30,023.65 | 30,525.36 | 34,774.78 | 39,629.95 | 43,991.61 |
| Rate of growth of GSDP (<i>per cent</i>) | 18.51 | 1.67 | 13.92 | 13.96 | 11.01 |

Source: Finance Accounts of respective years

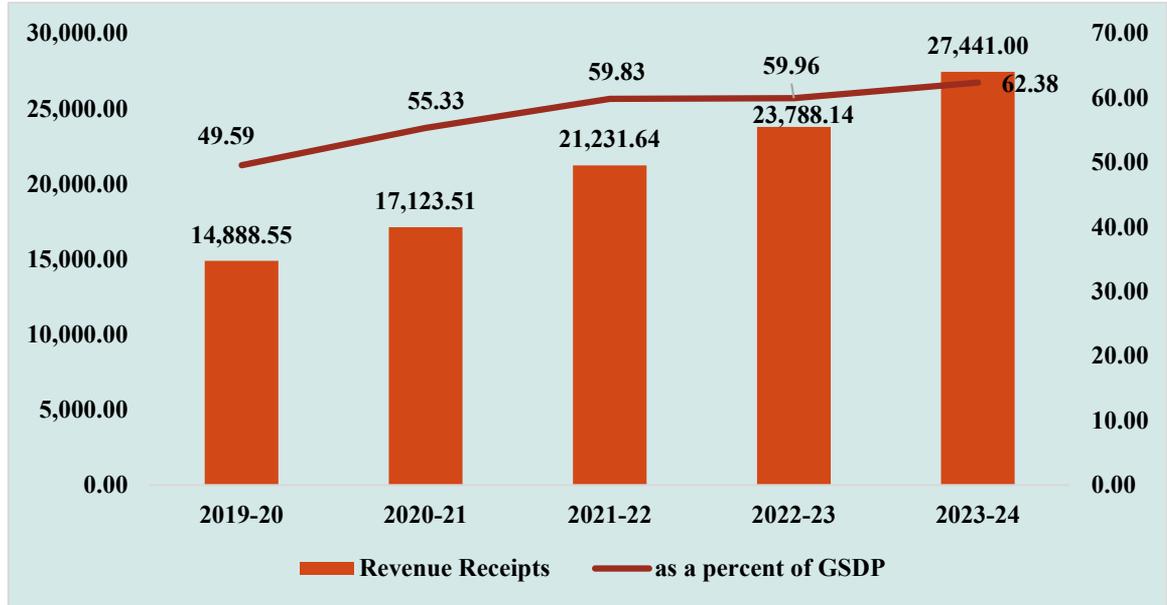
It can be seen from the **Table** above that the Revenue Receipts of the State increased by ₹12,552.45 crore (84.31 *per cent*) from ₹14,888.55 crore in 2019-20 to ₹27,441.00 crore in 2023-24 at an average growth rate of 11.66 *per cent*.

During 2023-24, the Revenue Receipts increased by ₹3,652.86 crore (15.36 *per cent*) over the previous year (₹23,788.14 crore). This was due to an increase in the Own Tax Revenue by ₹560.26 crore (25.04 *per cent*), Share of the Union taxes/ duties by ₹3,156.05 crore (18.91 *per cent*) and GIA by ₹53.50 crore (1.39 *per cent*) which was partially offset by decrease in Non-Tax Revenue by ₹116.95 crore (11.49 *per cent*). The growth rate of RR (15.36 *per cent*) was higher than that of growth of GSDP (11.01 *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 2023-24, State's Own Revenue (Own Tax Revenue *plus* Non-Tax Revenue) increased by ₹443.31 crore (13.62 *per cent*) over the previous year. This was due to an increase in Own Tax Revenue. During 2023-24, the growth rate of GSDP (11.01 *per cent*) was less than that of State's Own Revenue (13.62 *per cent*).

The growth rate of the GIA from GoI was inconsistent over the last five-years' period (2019-20 to 2023-24). The GIA decreased by ₹123.62 crore (3.07 *per cent*) in last five years' period during 2023-24 to 2019-20. During 2023-24, GIA increased by ₹53.50 crore (1.39 *per cent*) in comparison to previous year. The share of GIA in Revenue receipts was decreased from 27.01 *per cent* in 2019-20 to 14.20 *per cent* in 2023-24.

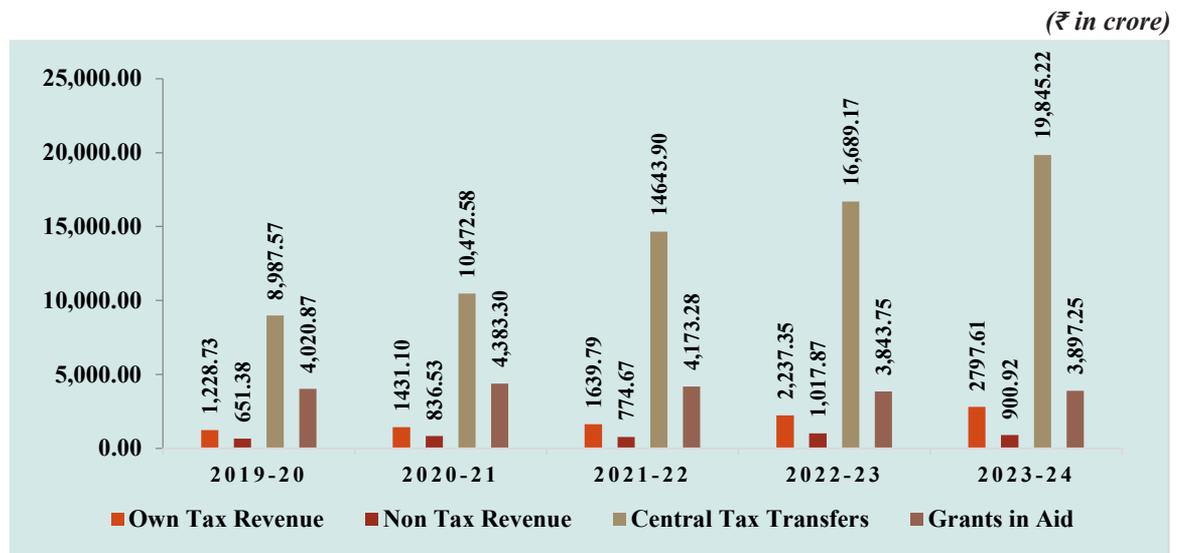
Chart. 2.4 Trends of Revenue Receipts relative to percentage of Revenue Receipts to GSDP
(₹ in crore)



Source: Finance Accounts of the respective year

As evident from the **Chart 2.4**, the Revenue Receipts as a *percentage* of GSDP were inconsistent and hovering around 49.59 and 62.38 *per cent* during the five-year period (2019-20 to 2023-24). The trend of the composition of Revenue Receipts for the period from 2019-20 to 2023-24 are given in **Chart 2.5**.

Chart 2.5: Composition of Revenue Receipts



Source: Finance Accounts of the respective year

As can be seen from **Chart 2.5** above that the Central Tax Transfers (Share of Union taxes/ duties) were the major contributor of the Revenue Receipts during the last five-years' period from 2019-20 to 2023-24.

2.4.2 State's Own Resources

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 2023-24 *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 | 1,794.00 | 1,128.62 | 2,797.61 | 147.88 | 55.94 |
| Non-Tax revenue | 525.00 | 847.77 | 900.92 | 6.27a | 71.60 |
| Total | 2,319.00 | 1,976.39 | 3,698.53 | 87.14 | 59.49 |

Source: Recommendations of XV FC Report, Annual Financial Statement, 2023-24 and Finance Accounts, 2023-24

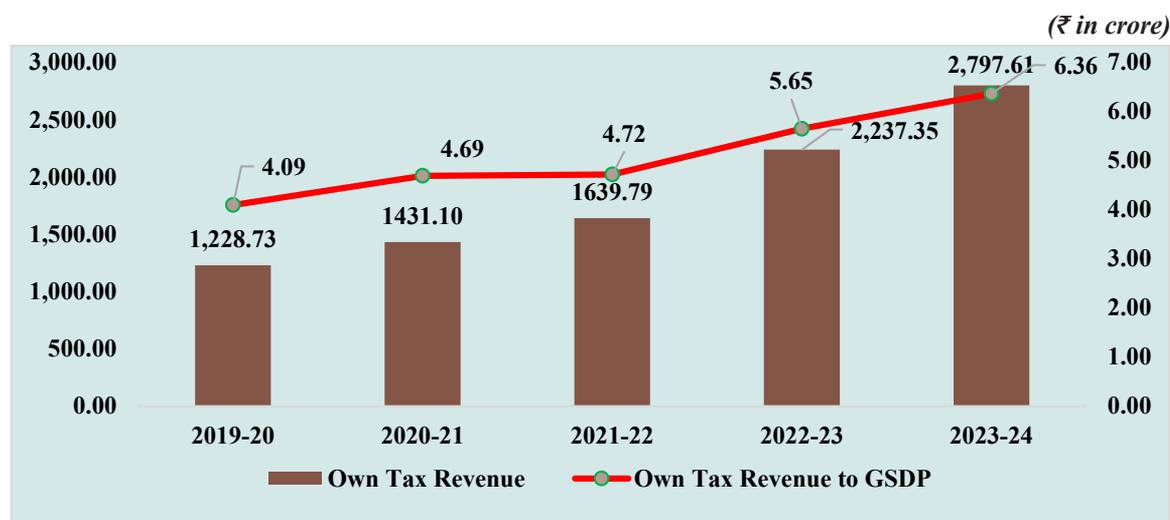
XV FC projected the State's own revenue resources during 2023-24 as ₹2,319.00 crore. However, the actual collections during 2023-24 were ₹3,698.53 crore which was 59.49 *per cent* higher than the projections made by XV FC. Similarly, Actual collections from the State's Own Revenue during the current year was 87.14 *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 increase in all tax components except in the component of State Excise, as shown in **Table 2.5**. Non-Tax Revenue during 2023-24 was higher than the assessments made in BE as well as projections made by XV FC.

2.4.2.1 Own Tax Revenue

Own Tax Revenue of the State consist of State Goods and Services Tax (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 2019-24 are presented in **Chart 2.6**.

Chart 2.6: Trend of Own Tax Revenue during 2019-24



Source: Finance Accounts of the respective year

The Own Tax Revenue increased by ₹1,568.88 crore (127.68 per cent) i.e., from ₹1,228.73 crore in 2019-20 to ₹2,797.61 crore in 2023-24, during the five-years' period. During the current year, it increased by 25.04 per cent (₹560.26 crore) in comparison to the previous year. Thus, the State had managed to maintain Own tax revenue in the band of 25 per cent and above during 2023-24 amongst the all- India States. The increase over the previous year was due to a significant increase by ₹316.34 crore (19.68 per cent) under State GST, by ₹294.02 crore (132.55 per cent) under Taxes on Sales, Trade, etc. which was offset by decrease of ₹69.56 crore (24.77 per cent) under State Excise. During 2023-24, State GST alone contributed around 68.75 per cent of Own Tax Revenue.

During 2023-24, as percentage of GSDP, State's Own tax increased to 6.36 per cent in 2023-24 from the previous year figure of 5.65 per cent. During 2023-24, XV FC projected the ratio of Own tax to GSDP as 4.70 per cent while the actual was 6.36 per cent. During the current year, the State did not achieve its own target of 6.77 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 2019-20 to 2023-24 stood at 22.84 per cent. CAGR of Own Tax Revenue of the State with respect to the previous year was 25.04 per cent.

Component-wise details of State's Own Tax Revenue collected during 2019-20 to 2023-24 are given in **Table 2.5**.

Table 2.5: Components of State's Own Tax Revenue

(*₹ in crore*)

| Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | B. E for 2023-24 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Goods and Service Tax | 801.55 | 859.29 | 1,131.00 | 1,607.05 | 1,923.39 | 522.73 |
| Taxes on Sales, Trade, etc. | 219.82 | 283.09 | 324.61 | 221.82 | 515.84 | 287.52 |
| State Excise | 144.97 | 238.02 | 115.92 | 280.87 | 211.31 | 242.17 |
| Taxes on vehicles | 38.12 | 32.71 | 48.94 | 62.11 | 77.35 | 40.00 |
| Stamps and Registration Fees | 8.14 | 10.47 | 12.48 | 17.82 | 23.46 | 14.00 |
| Land Revenue | 15.97 | 7.52 | 6.83 | 47.67 | 46.26 | 22.20 |
| Taxes on Goods and Passengers | 0.16 | 0.00 | 0.01 | 0.01 | 0.00 | 0.00 |
| Total | 1,228.73 | 1,431.10 | 1,639.79 | 2,237.35 | 2,797.61 | 1,128.62 |

Source: Finance Accounts of the respective year

- During 2023-24, the actual collection of State GST was ₹1,923.39 crore against the Budget estimate of ₹522.73 crore. State GST increased by ₹316.34 crore (19.68 per cent) over the previous year which was mainly due to an increase in Tax by ₹131.71 crore (27.07 per cent), Apportionment of IGST-transfer-in of tax component to State GST by ₹58.09 crore (17.53 per cent) and Input Tax credit cross utilisation of State GST and IGST by ₹135.14 crore (17.53 per cent).
- During 2023-24, the collections from Sales, Trades, etc. increased by ₹294.02 crore (132.55 per cent) over the previous year which was due to higher collections against Value Added Tax (VAT). The collection from Sales, Trades, etc. was ₹515.84 crore against the Budget Estimate of ₹287.52 crore.
- During the current year, collection from Taxes on Vehicles increased by ₹15.24 crore (24.54 per cent) over the previous year which was due to increase in Receipts under the State Motor Vehicles Taxation Acts by ₹20.95 crore (37.15 per cent). The actual collection from the Taxes on Vehicles during the current year was ₹77.35 crore while the Budget Estimate was ₹40.00 crore.
- The collections from Taxes on Goods and Passengers was Nil during 2023-24 as it got subsumed in GST from July 2017.
- During 2023-24, the collections under Stamps and Registration increased by ₹5.64 crore (31.65 per cent) over the previous year. This was due to more collections under Judicial and Non-Judicial Stamps. The Actual collection from Stamps and Registration during 2023-24 was ₹23.46 crore against the Budget Estimate of ₹14.00 crore.

- The collections from State Excise decreased by ₹69.56 crore (24.77 per cent) over the previous year which was due to significant decrease in collection from minor head Liquor by ₹69.49 crore (24.75 per cent). The actual collection from the State excise during the current year was ₹211.31 crore while the Budget Estimate was ₹242.17 crore.

State Goods and Services Tax

During 2023-24, no difference was noticed in amount of State GST between the books of RBI and Finance Accounts. During the current year, the State did not receive back-to-back loans in lieu of State GST compensation shortfall as the collection under State GST was higher than the projected SGST.

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 2.6** shows the trends and composition of Non-Tax Revenue during the period 2019-20 to 2023-24.

Table 2.6: Components of State's own Non-Tax Revenue

(₹ in crore)

| Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|---------------|---------------|---------------|-----------------|---------------|
| Interest Receipts | 62.49 | 34.12 | 47.21 | 93.13 | 172.98 |
| Dividends and Profits | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Non-tax receipts (a to f) | 588.88 | 802.41 | 727.46 | 924.74 | 727.94 |
| (a) Education, Sports, Art and Culture | 6.48 | 6.55 | 6.49 | 14.26 | 15.89 |
| (b) Urban Development | 3.96 | 4.24 | 6.73 | 10.66 | 7.09 |
| (c) Minor Irrigation | 0.33 | 0.37 | 1.09 | 0.19 | 0.49 |
| (d) Non-Ferrous Mining and Metallurgical industries | 72.04 | 83.00 | 95.95 | 131.45 | 137.31 |
| (e) Road Transport | 18.51 | 10.01 | 18.54 | 25.79 | 28.49 |
| (f) other or miscellaneous | 487.56 | 698.24 | 598.66 | 742.39 | 538.67 |
| Total | 651.37 | 836.53 | 774.67 | 1,017.87 | 900.92 |

Source: Finance Accounts of the respective year

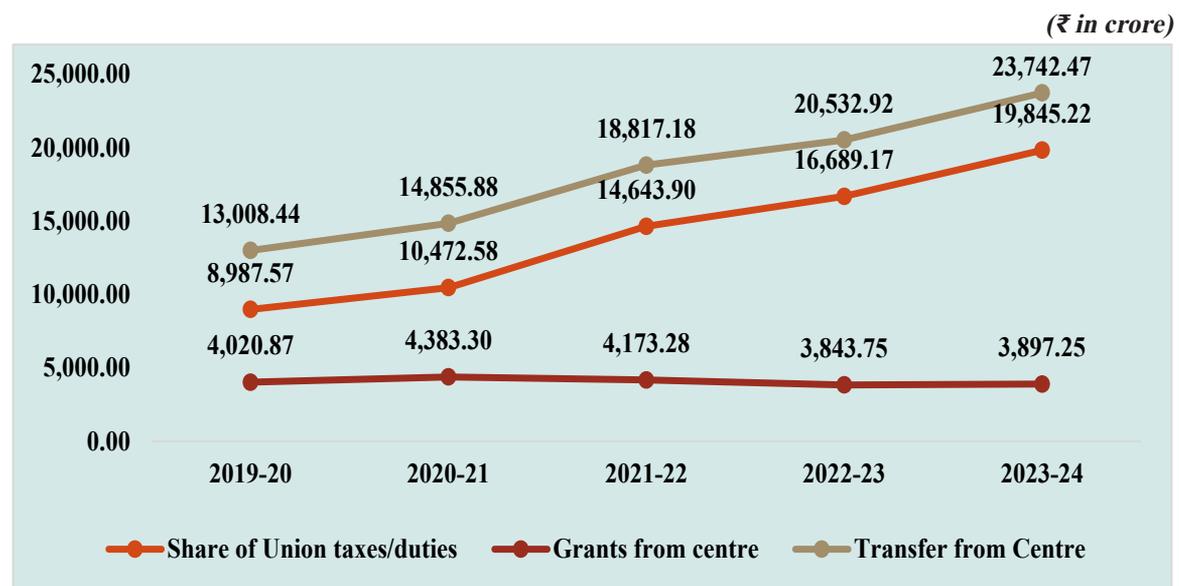
Non-Tax Revenue of State increased by ₹249.55 crore (38.31 per cent) from ₹651.37 crore in 2019-20 to ₹900.92 crore in 2023-24. During 2023-24, the Non-Tax Revenue decreased by ₹116.95 crore (11.49 per cent) over the previous year and it was due to a decrease in others and miscellaneous by ₹203.72 crore (27.44 per cent). CAGR of Non-Tax Revenue of the State for the five-year period (2019-20 to 2023-24) was 8.45 per cent.

During 2023-24, the Economic Services contributed ₹635.52 crore (70.54 per cent) whereas General and Social Services contributed only ₹137.69 crore (15.28 per cent) and ₹(-) 45.27 crore ((-) 5.02 per cent) respectively. Adverse balances under Social Services was due to release of labor cess collected by the State Government to the Arunachal Pradesh Building and Other Construction Workers Welfare Board (APBOCWFB). During 2023-24, Power Department was the major contributor under Economic Services which contributed ₹425.00 crore (82.60 per cent), it decreased by ₹107.84 crore (20.24 per cent) over the previous year (₹532.84 crore). Similarly, Public Works was the major contributor in General Services which contributed ₹37.71 crore (27.39 per cent) during 2023-24.

2.4.3 Transfers from the Centre

The Central Finance Commissions had recommended 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 2.7**.

Chart 2.7: Central transfers during 2019-20 to 2023-24



Source: Finance Accounts of the respective year

Share of Union taxes/ duties had been showing an increasing trend, while GIA showed an inconsistent trend during the period from 2019-20 to 2023-24. During 2023-24, Transfer from the Centre increased by ₹3,209.55 crore (15.63 per cent). The increase in the receipts from the GoI had impacted on the Capital Expenditure, which is meant for creation of infrastructure, as the State was heavily dependent on transfer from the GoI.

Apart from this, GIAs was being released by the GoI, directly to the implementing agencies instead of routing it through the Consolidated Fund of State Government as discussed under **Paragraph 4.4**.

2.4.3.1 Share of Union taxes/ duties

Vertical devolution of net proceeds of the Central Taxes was adjusted about one *per cent* by the XV FC due to the factor of reorganisation of Jammu and Kashmir. Hence, XV FC recommended to decrease the vertical share of net proceeds of the Central Taxes to all the States combined from 42 to 41 *per cent*. This level of vertical transfers will allow appropriate fiscal space for the Union to meet its demands as well as maintain an adequate level of unconditional resources for the States.

Further, inter se shares of States (horizontal devolution) of net proceeds of the Central Taxes was increased due to taking into account of various other factors like population, area, forest and ecology, income distance criteria, demographic performance and tax efforts of the State. The inter se share of net proceeds of the taxes (Divisible pool) for the State was increased from 1.382 *per cent*⁵ (XIV FC) in 2019-20 to 1.757 *per cent* (XV FC) in 2021-24.

Actual devolution of State's share of Union taxes/ duties *vis-à-vis* projections made by the XIV and XV FC during the period 2019-20 to 2023-24 are given in **Table 2.7**.

Table 2.7: State's share in Union taxes/ duties: Actual devolution *vis-à-vis* FC projections

(₹ in crore)

| Year | FC Recommendation | Projections by FC | Actual tax devolution | Variations Excess (+)/ Short (-) |
|---------|---|-------------------|-----------------------|----------------------------------|
| 2019-20 | 1.382 <i>per cent</i> of net proceeds of all shareable taxes including service tax and 1.431 <i>per cent</i> of net proceeds of shareable service tax recommended by XIV FC | 14,308.00 | 8,987.57 | (-)5,320.43 |
| 2020-21 | 1.760 <i>per cent</i> of net proceeds of all shareable taxes recommended by XV FC. | 15,051.10 | 10,472.58 | (-)4,578.52 |
| 2021-22 | 1.757 <i>per cent</i> of net proceeds of all shareable taxes recommended by XV FC. | 11,571.43 | 14,643.90 | 3,072.47 |
| 2022-23 | | 12,872.27 | 16,689.17 | 3,816.90 |
| 2023-24 | | 14,484.44 | 19,845.22 | 5,360.78 |

Source: Approved Recommendation of XIV and XV FC Reports and Finance Accounts of the respective year.

During 2019-20 (XIV FC) and 2020-21 (XV FC) the actual devolution of State's share in Union taxes/ duties was less than the projections, while actual devolution of State's share in

⁵ Derived based on the total tax devolution projected for the States by the XIV FC for the award period (2015-20).

Union taxes/ duties was more than the XV FC projections from 2021-22 to 2023-24. During 2023-24, the actual devolution of State's share in Union taxes/ duties was ₹19,845.22 crore which was ₹5,360.78 crore (37.01 *per cent*) more than the projections made by the XV FC (₹14,484.44 crore).

Details of the composition of share of Union taxes/ duties during the five-years' period (2019-20 to 2023-24) are given in **Table 2.8**.

Table 2.8: Details Composition of share of Union taxes/ duties for the period 2019-20 to 2023-24

| (₹ in crore) | | | | | |
|--|-----------------|------------------|------------------|------------------|------------------|
| Head | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Central Goods and Services Tax (CGST) | 2,550.31 | 3,152.15 | 4,466.42 | 4,714.67 | 6,022.77 |
| Integrated Goods and Services Tax (IGST) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Corporation Tax | 3,064.45 | 3,130.39 | 4,429.74 | 5,598.20 | 5,956.67 |
| Taxes on Income other than Corporation Tax | 2,401.21 | 3,205.59 | 4,462.28 | 5,461.06 | 6,879.14 |
| Customs | 569.70 | 582.90 | 875.24 | 655.93 | 695.45 |
| Union Excise Duties | 396.08 | 355.91 | 350.06 | 205.76 | 263.17 |
| Service Tax | 0.00 | 39.53 | 45.09 | 26.09 | 3.71 |
| Other Taxes | 5.82 | 6.11 | 14.80 | 27.46 | 24.31 |
| Share of Union taxes/ duties | 8,987.57 | 10,472.58 | 14,643.90 | 16,689.17 | 19,845.22 |
| The growth rate over previous year | (-) 13.88 | 16.52 | 39.83 | 13.97 | 18.91 |
| Percentage of share of Union taxes/ duties to Revenue Receipts | 60.37 | 61.16 | 68.97 | 70.16 | 72.32 |

Source: Finance Accounts of the respective year

The share of Union taxes/ duties increased by ₹10,857.65 crore (120.81 *per cent*) from ₹8,987.57 crore in 2019-20 to ₹19,845.22 crore in 2023-24. During 2023-24, the share of Union taxes/ duties increased by ₹3,156.05 crore (18.91 *per cent*) over the previous year. This was due to a significant increase under Taxes on income other than Corporation Tax by ₹1,418.08 crore (25.97 *per cent*), Central Goods and Services Tax (CGST) by ₹1,308.10 crore (27.75 *per cent*), Union Excise Duties by ₹57.41 crore (27.90 *per cent*), Corporation Tax by ₹358.47 crore (6.40 *per cent*) and Customs by ₹39.52 crore (6.03 *per cent*) which was offset by decrease under Service tax ₹22.38 crore (85.78 *per cent*) and other taxes by ₹3.15 crore (11.47 *per cent*).

The growth rate of share of Union taxes/ duties during XV FC period (2020-21 to 2023-24) had been inconsistent, while share of Union taxes/ duties as a percentage of Revenue Receipts was in increasing trend.

2.4.3.2 Grants-in-Aid from GoI

Details of Grants-in-Aid (GIA) from GoI for period from 2019-20 to 2023-24 is given in **Table 2.9**.

Table 2.9: GIA from the GoI during 2019-24

| Particulars | (₹ in crore) | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Centrally Sponsored Schemes | 3,193.17 | 2,877.45 | 3,220.05 | 2,848.20 | 3,370.58 |
| FC Grants | 380.98 | 782.05 | 439.69 | 210.40 | 220.80 |
| Other Transfer/ Other Grants to States | 446.72 | 723.80 | 513.54 | 785.15 | 305.87 |
| Total | 4,020.87 | 4,383.30 | 4,173.28 | 3,843.75 | 3,897.25 |
| Percentage of Increase/ Decrease over previous year | (-) 1.52 | 9.01 | (-) 4.79 | (-) 7.90 | 1.39 |
| Total Grants as a percentage of Revenue Receipts | 27.01 | 25.60 | 19.66 | 16.16 | 14.20 |

Source: Finance Accounts of the respective year

GIA from GoI decreased by ₹123.62 crore (3.22 per cent) from ₹4,020.87 crore in 2019-20 to ₹3,897.25 crore in 2023-24. During 2023-24, The GIA from GoI increased by ₹53.50 crore (1.39 per cent) over the previous year. This was due to significant increase of grant by ₹522.38 crore (18.34 per cent) under Centrally Sponsored Schemes and by ₹10.40 crore (4.94 per cent) under FC Grants which was partially offset by decrease in Other Grants to States by ₹479.28 crore (61.04 per cent). During the current year, the major contributor of GIA was Centrally Sponsored Scheme which contributed 86.49 per cent.

The Government estimated the GIA from GoI at ₹4,798.00 crore in the budget estimates while the GoI released ₹3,897.25 crore during the current year. During the current year GIA contributed 14.20 and 8.86 per cent of Revenue Receipts and GSDP. 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 **Table 2.10**.

Table 2.10: Details of fund flow from Government of India

| 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 | 13,129.88 | 66.16 | 6,715.34 | 33.84 | 19,845.22 |
| GIA from GoI | 1,954.91 | 50.16 | 1,942.34 | 49.84 | 3,897.25 |
| Total | 15,084.79 | - | 8,657.68 | - | 23,742.47 |

Source: Monthly Civil Accounts, 2023-24

The flow of funds in respect of the State's share in Union taxes/ duties and GIA in FY 2023-24 was not evenly spread, as around 34 and 50 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 Government to utilise the funds which resulted in substantial savings as discussed in **Paragraph 3.3**.

Out of the GIA of ₹3,370.58 crore for 32 Centrally Sponsored Schemes (CSS) during 2023-24, the major amounts (₹1,278.82 crore, 37.94 per cent) were given to four CSS, as shown under:

- **Pradhan Mantri Gram Sadak Yojana (PMGSY):** During the current year PMGSY receipts were ₹339.90 crore as Grants which were lower than the previous year (₹1,018.74 crore) by ₹678.84 crore (66.64 per cent).
- **National Health Mission:** State Government received ₹339.52 crore as Grants for National Health Mission with an increase of ₹131.14 crore (62.93 per cent) over the previous year (₹208.38 crore).
- **Mission for 100 Smart Cities:** State Government received ₹490.00 crore as grants for 100 Smart Cities with an increase of ₹392.00 crore (400 per cent) over the previous year (₹98.00 crore).
- **Border Area Development Programme (BADP):** During the current year, ₹109.40 crore was received, which was higher than the previous year (₹9.11 crore) by ₹100.29 crore (1,100.88 per cent).

Single Nodal Agency

The Department of Expenditure, Ministry of Finance, GoI vide Office Memorandum⁶ (December 2021) provided that every State Government is required to designate a Single Nodal Agency (SNA) for implementing each Centrally Sponsored Scheme (CSS). SNA 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 SNA.

As per the SNA 01 report from the PFMS, the State Government received ₹3,297.64 crore being Central share during the year in its Treasury account. As on 31 March 2024, the Government transferred Central share of ₹3,650.39 crore, State share of ₹577.10 crore and ₹343.06 crore as Top Up to the SNAs. Out of total transfer of ₹4,570.55 crore, ₹2,190.84 crore was transferred through GIA bills and ₹2,379.71 crore was transferred through Fully Vouched Contingent Bills. Detailed vouchers and supporting documents of actual expenditure were not received by Accountant General Office from the SNAs.

Details of funds released from GoI to State and State to SNA is given in **Table 2.11**.

Table 2.11: Details of released of fund to Single Nodal Agency

| <i>(₹ in crore)</i> | | | | | |
|---------------------------------|---|---|-----------------------------------|-------------------|------------------------------------|
| 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 |
| 3,297.64 | 3,650.39 | 577.10 | 4,570.54 | 5,557.55 | 1,606.93 |

Source: Public Financial Management System, 2023-24

⁶ No.1(13)/PFMS/FCD/2020 dated 08 December 2021

As on 31 March 2024, an amount of ₹1,606.93 crore, including both Central and State shares, were parked in SNA bank accounts of 64 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 **Table 2.12**.

Table 2.12: Details of Schemes ₹15.00 crore and above parked in SNA bank accounts

| <i>(₹ in crore)</i> | |
|--|--------|
| Particulars | Amount |
| Pradhan Mantri Gram Sadak Yojna | 448.69 |
| Samagra Shiksha | 126.02 |
| Mission for Development of 100 Smart Cities | 115.20 |
| Border Area Development Programme (BADP) | 111.50 |
| Har Khet Ko Pani | 111.37 |
| Pradhan Mantri Awas Yojna (PMAY)- Rural | 73.78 |
| Saksham Anganwadi and Poshan 2.0(Umbrella ICDS-Anganwadi Services Poshan Abhiyan Scheme for Adolescent Girls National Creche Scheme) | 72.07 |
| Jal Jeevan Mission (JJM)/National Rural Drinking Water Mission | 61.39 |
| Pradhan Mantri Krishi Sinchayi Yojna-Watershed Development Component | 49.63 |
| Urban Rejuvenation Mission-500 Cities | 37.90 |
| National Rural Livelihood Mission | 30.19 |
| Swachh Bharat Mission (SBM) – Urban | 29.31 |
| Post Matric Scholarship-Tribal | 26.96 |
| Mahatma Gandhi National Rural Guarantee Program | 26.61 |
| Strengthening of Infrastructure for Institutional Training | 26.30 |
| Mission Vatsalya (Child Protection Services and Child Welfare Services) | 25.85 |
| Infrastructure Facilities for Judiciary | 24.33 |

Source: Public financial Management System, 2023-24

As could be seen from the above table, major amount parked in SNA Bank Account were - Samagra Shiksha (₹126.02 crore), Pradhan Mantri Gram Sadak Yojana (₹448.69 crore), Har Khet ko Pani (₹111.37 crore), Border Area Development Programme (BADP) (₹111.50 crore) and Mission for Development of 100 SMART Cities (₹115.20 crore) due to receive of around 50 per cent of fund during last quarter of 2023-24, as shown in **Table 2.10**.

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 as shown in the **Table 2.13**.

Table 2.13: 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 | | | |
|--|-------------------------|---------------|---------------|-----------------|-----------------------|---------------|---------------|----------------|-----------------------------|---------------|---------------|---------------|
| | 2021-22 | 2022-23 | 2023-24 | Total | 2021-22 | 2022-23 | 2023-24 | Total | 2021-22 | 2022-23 | 2023-24 | Total |
| (i) Grants to PRIs | 170.00 | 177.00 | 179.00 | 526.00 | 142.75 | 0.00 | 0.00 | 142.75 | 200.50* | 0.00 | 0.00 | 200.50 |
| <i>(a) Tied Grants#</i> | 102.00 | 106.20 | 107.40 | 315.60 | 108.75 | 0.00 | 0.00 | 108.75 | 108.75 | 0.00 | 0.00 | 108.75 |
| <i>(b) Untied Grants</i> | 68.00 | 70.80 | 71.60 | 210.40 | 34.00 | 0.00 | 0.00 | 34.00 | 91.75* | 0.00 | 0.00 | 91.75 |
| (ii) Grants to ULBs | 84.00 | 87.00 | 92.00 | 263.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>(a) Tied Grants# {Non-Million Plus Cities (NMPC)}</i> | 50.40 | 52.20 | 55.20 | 157.80 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| <i>(b) Untied Grants (NMPC)</i> | 33.60 | 34.80 | 36.80 | 105.20 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SDRF (Central Share) | 200.00 | 210.40 | 220.80 | 631.20 | 200.00 | 210.40 | 220.80 | 631.20 | 100.00 | 100.00 | 122.80 | 322.80 |
| SDMF (Central Share) | 50.00 | 52.60 | 55.20 | 157.80 | 50.00 | 0.00 | 0.00 | 50.00 | 0.00 | 50.00 | 0.00 | 50.00 |
| Health Grants | 49.00 | 49.00 | 51.00 | 149.00 | 46.94 | 0.00 | 0.00 | 46.94 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 723.00 | 753.00 | 777.00 | 2,253.00 | 582.44 | 210.40 | 220.80 | 1013.64 | 501.00 | 150.00 | 122.83 | 773.80 |

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

For drinking water, rain water harvesting, SWS and sanitation

* including previous year's balance

It can be seen from **Table 2.13** above, during the period from 2021-2024, XV FC recommended for ₹2,253.00 crore to the State. Against the recommendation, GoI released ₹1,013.00 crore during 2021-2024, in turn the State Government released an amount of ₹773.80 crore (including previous year's balance) to the Implementing Departments.

- An amount of ₹526.00 crore (Tied Grants: ₹315.60 crore + Untied Grants: ₹210.40 crore) recommended by the XV FC in respect of Panchayati Raj Institutions (PRIs) for the period 2021-22 to 2023-24. Out of the recommendation, GoI released only ₹142.75 crore during 2021-22, in turn the State Government released ₹200.50 crore (including previous year) to the implementing department.
- During the period 2021-22 to 2023-24, XV FC recommended an amount of ₹263.00 crore (Tied Grants: ₹157.80 crore + Untied Grants: ₹105.20 crore) for

Urban Local Bodies (ULBs), however, GoI did not release any amount to the State Government due to non-fulfillment of the criteria sets by the XV FC for the tied as well as untied grants for ULBs. Consequently, the release by the State Government to the implementing department was Nil.

- During 2021-22 to 2023-24, as per recommendation made by XV FC, GoI released the entire amount of ₹631.20 crore for State Disaster Response Fund (SDRF) was by. 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 to the Disaster Management Department. Grants released by GoI during 2022-23 were not released by the State Government to the Department. Out of ₹220.80 crore released by GoI during 2023-24, ₹122.80 crore was released to the Department by the State Government during 2023-24.
- During 2021-22, GoI released ₹50.00 crore towards State Disaster Mitigation Fund (SDMF). 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 and 2023-24 against the recommendation of XV FC of ₹52.60 crore and ₹55.20 crore respectively.
- With respect to Health Grants, XV Finance Commission recommended ₹49.00 crore during 2021-22, ₹49.00 crore during 2022-23 and ₹51.00 crore during 2023-24. An amount of ₹46.94 crore was released by GoI during the period 2021-22 as against the recommendations of ₹49.00 crore. While, GoI did not release any amount during the period 2022-23 and 2023-24. However, the State Government did not release the fund of ₹46.94 crore to the implementing department.

The non-release and delayed release of crucial grants highlight gaps in fiscal management, fund utilisation, and compliance. Immediate structural reforms and enhanced fiscal discipline are required to ensure optimal utilisation of Finance Commission funds for economic development and service delivery in Arunachal Pradesh

2.4.4 Capital Receipts

Details of Capital Receipts during 2019-20 to 2023-24 are given in **Table 2.14**.

Table 2.14: Trends in growth and composition of Capital Receipts

| Sources of Receipts | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Capital Receipts | 1,797.74 | 1,522.00 | 1,489.56 | 2,484.42 | 3,780.96 |
| <i>Rate of growth of Capital Receipts (in per cent)</i> | 48.57 | (-) 15.34 | (-) 2.13 | 66.79 | 52.19 |
| Recovery of Loans and Advances | 7.03 | 5.94 | 6.85 | 4.86 | 5.96 |
| <i>Rate of growth of non-debt capital receipts (in per cent)</i> | 38.39 | (-) 15.50 | 15.32 | (-) 29.05 | 22.63 |
| Public Debt Receipts | 1,790.71 | 1,516.06 | 1,482.71 | 2,479.56 | 3,775.00 |
| <i>Rate of growth of debt Capital Receipts (in per cent)</i> | 48.61 | (-) 15.34 | (-) 2.20 | 67.23 | 52.24 |

| Sources of Receipts | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|-----------|-----------|-----------|-----------|-----------|
| Internal Debt | 1,790.71 | 1,283.09 | 1,111.52 | 915.45 | 1,411.58 |
| <i>Growth rate (in per cent)</i> | 48.61 | (-) 28.35 | (-) 13.38 | (-) 17.64 | 54.20 |
| Loans and advances from GoI | 0.00 | 232.97 | 371.19 | 1,564.11 | 2,363.42 |
| <i>Growth rate (in per cent)</i> | 0.00 | 232.97 | 59.32 | 321.38 | 51.10 |
| GSDP | 30,023.65 | 30,525.36 | 34,774.78 | 39,629.96 | 43,991.61 |
| <i>Rate of growth of GSDP (in per cent)</i> | 18.51 | 1.67 | 13.92 | 13.96 | 11.01 |

Source: Finance Accounts of the respective year

During 2023-24, Capital Receipts increased by 52.19 *per cent* over the previous year. During the five-year period, Capital Receipts increased more than two times from ₹1,797.74 crore in 2019-20 to ₹3,780.96 crore in 2023-24.

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 2.14** above, the sources of public debt receipts for the State was Loans and advances from GoI, which constituted 62.61 *per cent* and Internal Debt which constitutes 37.39 *per cent*. The State Government projected total outstanding liabilities for 2023-24 was ₹20,084.12 crore under rolling targets of MTFP, the actual outstanding liabilities was ₹19,610.17 crore.

Market Borrowing attracts higher interest rates, 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 nature in tied funds. It was observed that the State Government opted for the Market Borrowings year after year. The share of Market Borrowings (Market loans and Loans from financial institutions) to Internal Debt during 2023-24 was 99.13 *per cent*.

Internal Debt consisted of Market Loans (₹899.33 crore during 2023-24 against ₹559.00 crore during 2022-23), Loans from Financial Institutions (₹500.00 crore during 2023-24 against ₹348.70 crore during 2022-23) and other loans (₹12.25 crore during 2023-24 against ₹7.75 crore during 2022-23). State Government received ₹2,363.42 crore loans from GoI during 2023-24 as against ₹1,564.11 crore in 2022-23 which is ₹799.31 crore (51.10 *per cent*) more than the previous year.

Arunachal Pradesh's financial position in 2023-24 reflects rising debt dependency, inefficient fund utilization, and fiscal risks which could affect long-term sustainability. While fiscal deficit as a percentage of GSDP has improved, the State's increasing reliance on borrowed funds for revenue and capital expenditure poses significant fiscal risks. Strengthening revenue mobilisation, improving debt management, and ensuring timely fund utilisation are critical to enhancing Arunachal Pradesh's financial health and reducing its reliance on borrowings.

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 Economic and Social sector.

Prudent fiscal management should aim at creating savings by raising Revenue Receipts in excess of Revenue Expenditure. Use of borrowed funds for either directly revenue yielding activities or indirectly productive uses create returns by way of State Own Tax or Non-Tax Revenues that can be used for debt servicing and repayment of loans.

Analysis of allocation of expenditure in the State is given in succeeding paragraphs.

2.5.1 Growth and composition of expenditure

Total Expenditure (TE) comprises of Revenue expenditure, Capital expenditure and Loans and Advances. **Table 2.15** and **Chart 2.8** presents trend in Total Expenditure and its composition over five-year period (2019-20 to 2023-24).

Table 2.15: Total expenditure and its composition during the period 2019-20 to 2023-24

| (₹ in crore) | | | | | |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| Parameters | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Total Expenditure (TE) | 15,927.80 | 18,215.65 | 22,337.53 | 25,528.40 | 29,030.85 |
| Revenue Expenditure (RE) | 12,218.73 | 13,087.50 | 15,846.64 | 17,417.67 | 20,564.35 |
| Capital Expenditure (CE) | 3,693.05 | 5,123.35 | 6,488.33 | 8,107.36 | 8,463.83 |
| Loans and Advances | 16.02 | 4.80 | 2.56 | 3.37 | 2.67 |
| GSDP | 30,023.65 | 30,525.36 | 34,774.78 | 39,629.96 | 43,991.61 |
| As a percentage of GSDP | | | | | |
| TE/ GSDP | 53.05 | 59.67 | 64.23 | 64.42 | 65.99 |
| RE/ GSDP | 40.70 | 42.87 | 45.57 | 43.95 | 46.75 |
| CE/ GSDP | 12.30 | 16.78 | 18.66 | 20.46 | 19.24 |
| Loans and Advances / GSDP | 0.05 | 0.02 | 0.01 | 0.01 | 0.01 |

Source: Finance Accounts of the respective year and for GSDP Directorate of Economics and Statistics, Government of Arunachal Pradesh (GoAP) (as on 31 March 2024)

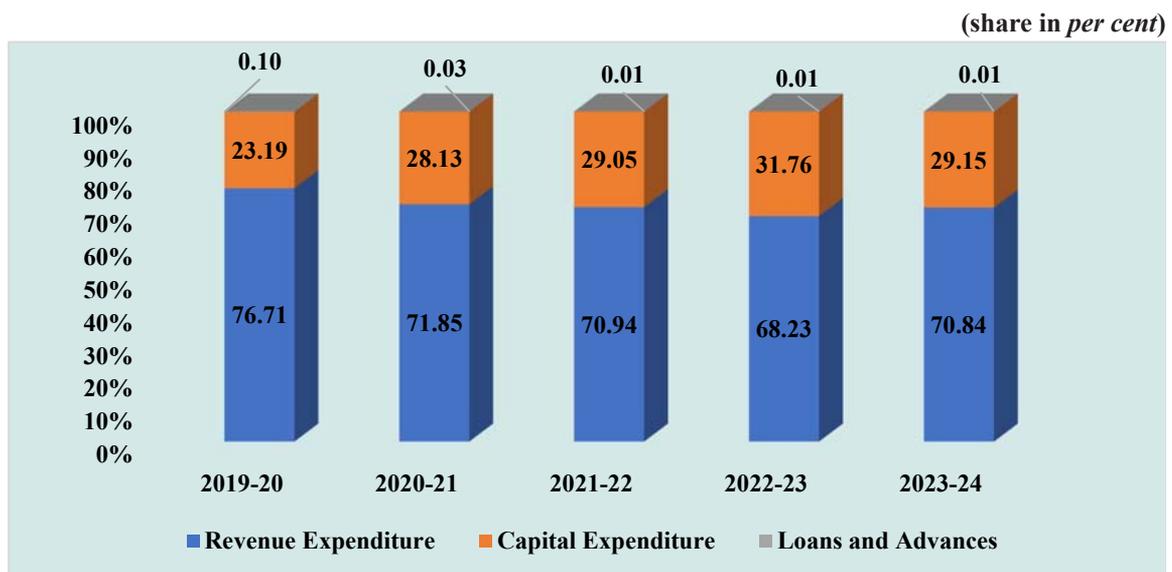
In absolute terms, the Total Expenditure (TE) showed an increasing trend during 2019-20 to 2023-24. TE increased by ₹13,103.05 crore (82.27 per cent) from ₹15,927.80 crore in 2019-20 to ₹29,030.85 crore in 2023-24. This was due to increase in Revenue Expenditure by ₹8,345.62 crore (from ₹12,218.73 crore in 2019-20 to ₹20,564.35 crore in 2023-24) and in the Capital Expenditure by ₹4,770.78 crore (from ₹3,693.05 crore in 2019-20 to ₹8,463.83 crore in 2023-24). During 2023-24, the TE increased by ₹3,502.45 crore (13.72 per cent) over the previous year (₹25,528.40 crore) which was due to increase in

Revenue Expenditure by ₹3,146.68 crore (18.07 per cent) and Capital Expenditure by ₹356.47 crore (4.40 per cent).

Further, as a percentage of GSDP, TE showed increasing trends during the last five-years' period. During the current year, the ratio of TE to GSDP increased over the previous year due to increase in RE to GSDP.

The share of Revenue Expenditure, Capital Expenditure and Loans and Advances are shown in **Chart 2.8**.

Chart 2.8: 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 favourable 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 was significantly high in 2019-20, thereafter showed a decreasing trend up to 2022-23 and increased to 70.84 per cent in 2023-24. Increasing trend in Revenue Expenditure is not healthier sign for economy as it does not create 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 thereafter decreased at 29.15 per cent during the current year 2023-24.

The increase in Revenue Expenditure was 68.30 per cent over 2019-20 to 2023-24 whereas the increase in the Capital Expenditure was 129.18 per cent during the same period 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 2.6.2**.

The relative share of various sectors of expenditure to TE is depicted in **Table 2.16** and **Chart 2.9**.

Table 2.16: Relative share of various sectors of expenditure

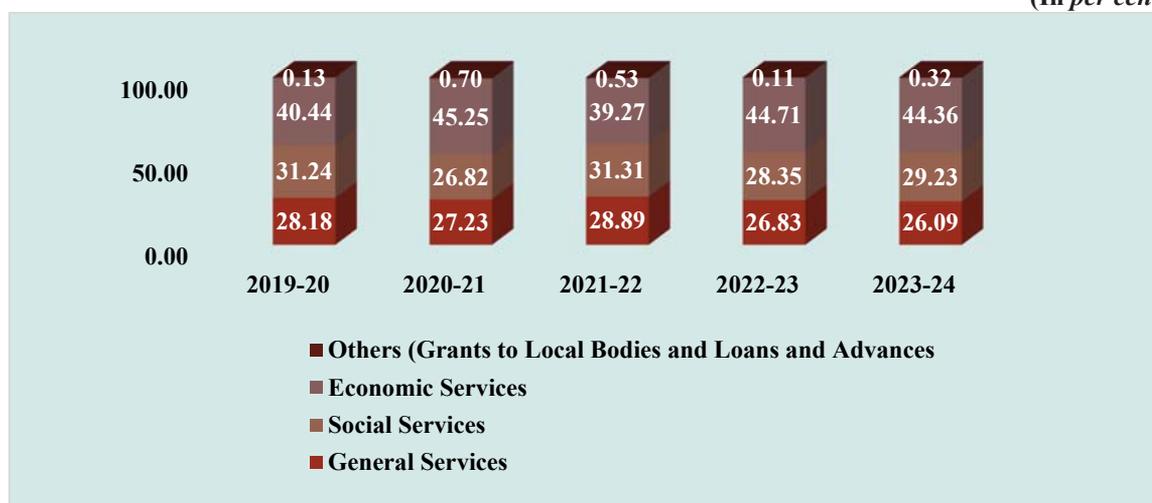
(₹ in crore)

| Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|------------------|------------------|------------------|------------------|------------------|
| General Services | 4,488.96 | 4,960.55 | 6,452.35 | 6,849.74 | 7,573.62 |
| Social Services | 4,975.82 | 4,885.09 | 6,994.97 | 7,237.26 | 8,485.88 |
| Economic Services | 6,441.63 | 8,243.42 | 8,772.31 | 11,412.51 | 12,878.34 |
| Others (Grants to Local Bodies and Loans and advances) | 21.39 | 126.59 | 117.90 | 28.89 | 93.01 |
| Total | 15,927.80 | 18,215.65 | 22,337.53 | 25,528.40 | 29,030.85 |

Source: Finance Accounts of the respective year

Chart 2.9: Total expenditure - Expenditure by activities

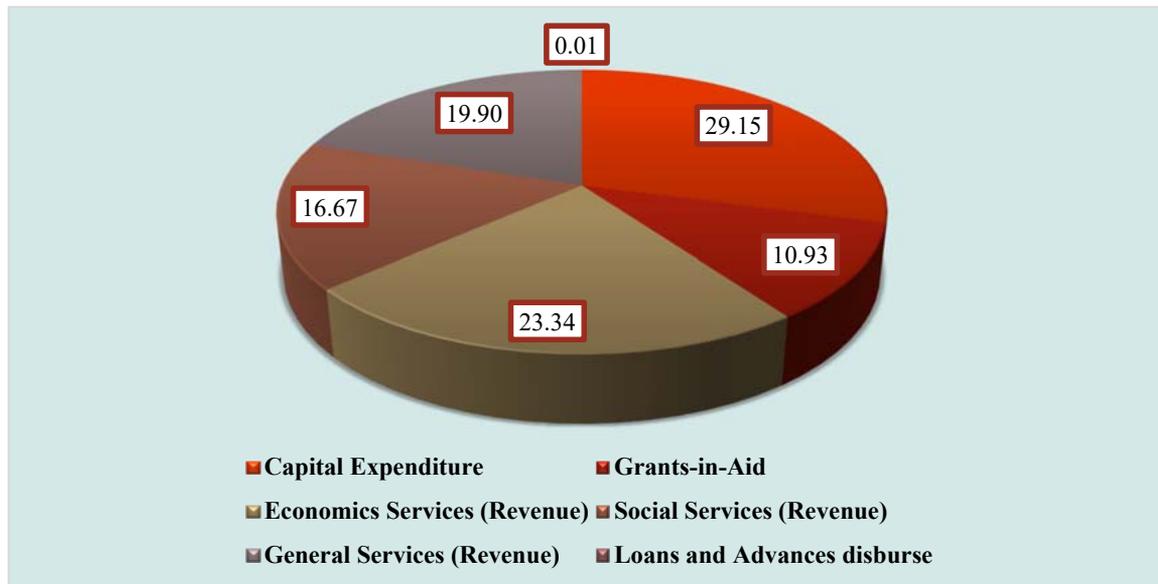
(In per cent)



Source: Finance Accounts of the respective year

Increase in relative share of the Economic Services is a healthy sign for economy as it contributes to the infrastructure development, employment growth and Revenue generation for the State in future. Increase in the relative share of Social Services 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 2023-24, relative share of the Social Services increased over the previous year while General Services and Economic Services experienced a decrease during the same period. **Chart 2.10** shows composition of expenditure by function.

Chart 2.10: Composition of expenditure by function during 2023-24



Source: Finance Accounts, 2023-24

Arunachal Pradesh's fiscal trajectory in 2023-24 reflects a shift towards higher capital expenditure and economic services investments, which is a positive step for long-term growth. However, the persistence of high revenue expenditure, rising debt obligations, and declining allocations to critical social sectors pose serious fiscal risks. The state needs improved expenditure efficiency, better resource mobilization, and stricter debt management to maintain fiscal sustainability while ensuring inclusive economic development.

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 2019-20 to 2023-24 are shown in **Table 2.17** and **Chart 2.11** respectively.

Table 2.17: Revenue Expenditure – Basic Parameters

| Parameters | ₹ in crore | | | | |
|--|------------|-----------|-----------|-----------|-----------|
| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Total Expenditure (TE) | 15,927.80 | 18,215.65 | 22,337.53 | 25,528.40 | 29,030.85 |
| GSDP | 30,023.65 | 30,525.36 | 34,774.78 | 39,629.96 | 43,991.61 |
| Revenue Expenditure (RE) | 12,218.73 | 13,087.50 | 15,846.64 | 17,417.67 | 20,564.35 |
| Revenue Receipts (RR) | 14,888.55 | 17,123.51 | 21,231.64 | 23,788.14 | 27,441.00 |
| Rate of Growth of RR (<i>per cent</i>) | (-) 8.07 | 15.01 | 23.99 | 12.04 | 15.36 |
| Rate of Growth of RE (<i>per cent</i>) | (-) 1.70 | 7.11 | 21.08 | 9.91 | 18.07 |
| Rate of Growth of GSDP | 18.51 | 1.67 | 13.92 | 13.96 | 11.01 |

| Parameters | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|---------|---------|---------|---------|---------|
| Revenue Expenditure as <i>percentage</i> of TE | 76.71 | 71.85 | 70.94 | 68.23 | 70.84 |
| RE/ GSDP (<i>per cent</i>) | 40.70 | 42.87 | 45.57 | 43.95 | 46.75 |
| RE as <i>percentage</i> of RR | 82.07 | 76.43 | 74.64 | 73.22 | 74.94 |

Source: Finance Accounts of the respective year and for GSDP- Directorate of Economics and Statistics, Government of Arunachal Pradesh (GoAP) (as on 31 March 2024)

Revenue Expenditure had an increasing trend during the period from 2019-20 to 2023-24 with a CAGR of 13.90 *per cent*. It made up a significant portion (between 68 and 77 *per cent*) of Total expenditure during this period, growing at an average annual rate of 10.89 *per cent*.

Revenue Expenditure increased by ₹8,345.62 crore (68.30 *per cent*) from ₹12,218.73 crore in 2019-20 to ₹20,564.35 crore in 2023-24. This was due to an increase in expenditure in the Economic Services by ₹4,041.54 crore (97.82 *per cent*), General Services by ₹1,957.34 crore (51.09 *per cent*) and Social Services by ₹2,346.74 crore (55.14 *per cent*).

During 2023-24, the Revenue Expenditure increased by ₹3,146.68 crore. In percentage term, increased in revenue expenditure of the State (18.07 *per cent*) during the current year is second highest in India after Chhattisgarh (34.50 *per cent*). over the previous year which was due to increase in expenditure under Economic Services (₹1,804.12 crore), General Services (₹583.84 crore) and Social Services (₹758.72 crore).

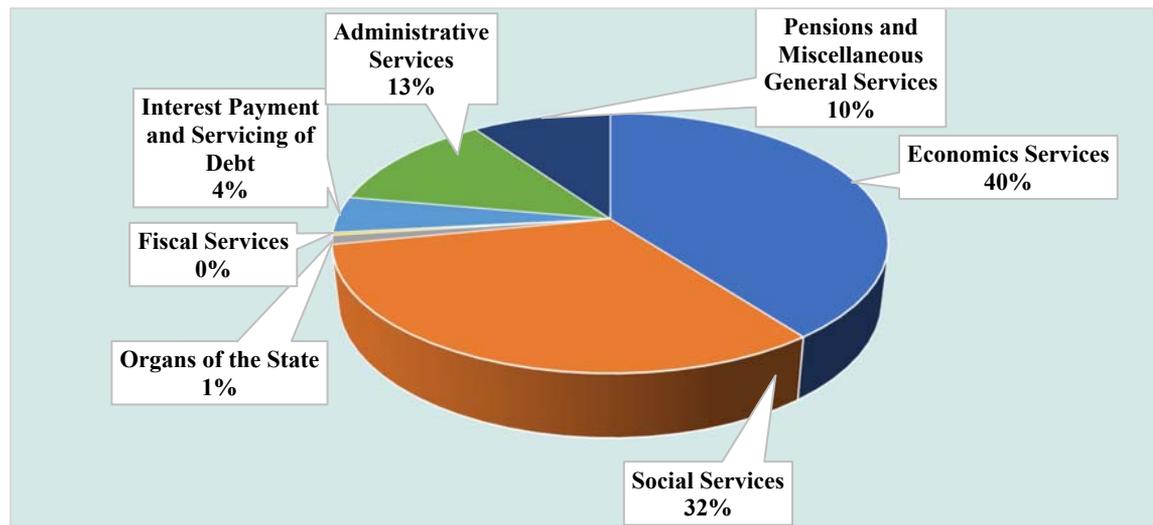
During 2023-24, there was a significant increase in RE under the Economic Services over the previous year by ₹1,804.12 crore (28.33 *per cent*) which was attributable to a significant increase in the expenditure on Crop Husbandry (₹189.47 crore), Rural Employment (₹178.68 crore), Flood Control and Drainage (₹107.83 crore), Power (₹259.66 crore), and Roads and Bridges (₹1,253.09 crore). The increase in expenditure by ₹583.84 crore (11.22 *per cent*) under General Services was due to the increase of expenditure in Public Works Department (₹205.29 crore) and Pensions and Other Retirement Benefits (₹31.07 crore). During the current year, the increase in Revenue expenditure by ₹758.72 crore (12.98 *per cent*) under Social Services was mainly attributable to increase under Medical and Public Health (₹104.08 crore), Water Supply and Sanitations (₹282.12 crore), Social Security and Welfare (₹120.92 crore) and Relief on Account of Natural Calamities (₹316.76 crore). This had mainly partially offset under General Education (₹158.10 crore).

During the current year, the State Government projected total Revenue Expenditure of ₹23,094.80 crore in BE, whereas the FC assessed it only ₹12,150.00 crore while actual Revenue Expenditure was ₹20,564.35 crore. The actual Revenue Expenditure was higher by ₹8,414.35 crore (69.25 *per cent*) than the projection made by the XV FC and lower by ₹2,530.49 crore (10.96 *per cent*) than the projection made by the State. The lower

Revenue Expenditure than the projection helped to achieve the Revenue Surplus during 2023-24. Also, CAGR of the Revenue Expenditure for the five-year period (2019-20 to 2023-24) was 13.90 per cent while the CAGR of the Revenue Receipts for the same period was 16.52 per cent. This implies that Revenue Receipts is growing faster than Revenue Expenditure. This helped the State to maintain Revenue Surplus.

Sectoral distribution of Revenue Expenditure pertaining to 2023-24 is given in Chart 2.11.

Chart 2.11: Sector-wise Distribution of Revenue Expenditure during 2023-24



Source: Finance Accounts, 2023-24

Major portion of Revenue Expenditure was on Economic Services (40 per cent) followed by Expenditure on Social (32 per cent) and General Services (28 per cent). The major contributors under General services were Administrative Services (13 per cent), Pensions and Miscellaneous (10 per cent) and Interest payment (04 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 2.18.

Table 2.18: Head-wise variations in the Revenue Expenditure over the previous year

(₹ in crore)

| Major Changes in Revenue Expenditure | | | |
|---|----------|----------|-----------|
| Major Heads of accounts | 2022-23 | 2023-24 | Variation |
| Increase | | | |
| General Sector | | | |
| 2059-Public Works Department | 370.99 | 576.18 | 205.19 |
| 2071-Pensions and Other Retirement Benefits | 1,665.22 | 1,975.29 | 310.07 |
| Social Sector | | | |
| 2210-Medical and Public Health | 1,452.95 | 1,557.03 | 104.08 |
| 2215-Water Supply and Sanitations | 633.97 | 916.09 | 282.12 |

| Major Changes in Revenue Expenditure | | | |
|--|----------|----------|------------|
| Major Heads of accounts | 2022-23 | 2023-24 | Variation |
| Increase | | | |
| General Sector | | | |
| 2235-Social Security and Welfare | 348.53 | 469.45 | 120.92 |
| 2245-Relief on Account of Natural Calamities | 178.45 | 495.21 | 316.76 |
| Economic Services | | | |
| 2401-Crop Husbandry | 593.82 | 783.29 | 189.47 |
| 2505-Rural Employment | 369.56 | 548.24 | 178.68 |
| 2711-Flood Control and Drainage | 34.01 | 141.84 | 107.83 |
| 2801-Power | 1,374.71 | 1,634.37 | 259.66 |
| 3054-Roads and Bridges | 888.38 | 2,141.47 | 1,253.09 |
| Decrease | | | |
| Social Sector | | | |
| 2202-General Education | 2,533.28 | 2,375.18 | (-)158.10 |
| Economic Sector | | | |
| 2406-Forestry and Wild Life | 313.13 | 154.71 | (-) 158.42 |
| 2408-Food, Storage and Warehousing | 345.62 | 59.21 | (-) 286.41 |

Source: Finance Accounts of respective year

The sector-wise changes in Revenue Expenditure during 2023-24 over the previous year revealed the following:

(A) General Services:

- Revenue Expenditure (RE) increased by ₹205.19 crore under Public Works Departments due to the increase under Direction and Administration (₹177.21 crore) and Construction (₹22.51 crore).
- Major contributor for increasing expenditure under General sector was Pension and Other Retirement Benefits, which increased by ₹310.07 crore (18.62 per cent) over the previous year. This was mainly due to the increase in the expenditure on Gratuities (₹10.08 crore), and Government contribution for Defined Contribution Pension Scheme (₹104.51 crore) and was partially offset by decrease in Superannuation and Retirement Allowances (₹69.22 crore).

(B) Social Services:

- There was a significant decrease in the Revenue Expenditure under Social Services under General Education by ₹158.10 crore (6.24 per cent). This was due to a significant decrease in the expenditure under Sarva Shiksha Abhiyan by ₹441.15 crore (100 per cent), National Programme of Mid Day Meals in Schools by ₹19.20 crore (100 per cent), Scholarships by ₹58.87 crore (100 per cent) and Institutes of Higher Learning ₹22.76 crore (100 per cent).

- Revenue Expenditure under Medical and Public Health increased by ₹104.08 crore (7.16 per cent) over the previous year (₹1,452.95 crore). This was due to significant increase in expenditure under Health Sub-centers by (₹238.20 crore), Tribal Area Sub-Plan ₹183.98 crore (100 per cent), and Other Expenditure by ₹3.28 crore (100 per cent) which was partially offset by decrease under Hospital and Dispensaries by ₹227.12 crore, Special Component Plan for Scheduled Castes by ₹9.00 crore and Other Systems by ₹15.27 crore.
- There was a significant increase in Revenue Expenditure under Water Supply and Sanitations by ₹282.12 crore (44.50 per cent) over the previous year. This was due to the increase in expenditure under Urban Water Supply Programmes by ₹82.71 crore (100 per cent), Rural Water supply Programmes (₹196.90 crore) and Tribal Area Sub-Plan by ₹12.81 crore (100 per cent) which was partially offset by decrease under Sanitation Services by ₹10.30 crore.
- Revenue Expenditure under Social Security and Welfare increased by ₹120.92 crore (34.69 per cent) over the previous year. This was due to the significant increase under Child Welfare (₹10.20 crore), Other Programmes (₹146.62 crore), Women's Welfare (₹19.53 crore) and Direction and Administration (₹1.96 crore) which was partially offset by decrease under Tribal Area Sub-Plan by ₹8.79 crore (100 per cent).
- Relief on Account of Natural Calamities was major contributor under Social Services for changes in RE over the previous year. It increased by ₹316.76 crore (177.51 per cent) due to significant increase of expenditure under Gratuitous Relief (₹25.61 crore), Veterinary Care (₹32.47 crore), Assistance to Farmers for purchase of Agriculture inputs (₹85.38 crore), Repairs and restoration of damaged irrigation and flood control works (₹56.60 crore) and Transfer to Reserve Funds and Deposit Accounts-State Disaster Response Fund (₹78.93 crore).

(C) Economic Services:

- Revenue Expenditure under Crop Husbandry increased by ₹189.47 crore (31.91 per cent) over the previous year (₹593.82 crore). This was due to significant increase of RE under Agricultural Farms by ₹24.11 crore, Development of Oil Seeds by ₹38.30 crore, Horticulture and Vegetable Crops by ₹50.60 crore, Tribal Area Sub-Plan by ₹41.31 crore and Schemes for Small/Marginal Farmers and Agricultural Labour by ₹27.03 crore which was partially offset by decrease under agricultural Engineering by ₹8.51 crore (100 per cent).

- Revenue Expenditure under Rural Employment increased by ₹178.68 crore (48.35 per cent) over the previous year (₹369.56 crore). This was due to significant increase of RE under National Rural Employment Guarantee Scheme by ₹231.03 crore which was partially offset by decrease under Tribal Area Sub-Plan by ₹52.35 crore.
- Revenue Expenditure under Flood Control and Drainage increased by ₹107.83 crore (317.05 per cent) over the previous year. This was due to significant increase of RE under Other Expenditure by ₹108.98 crore (332 per cent) which was partially offset by decrease under Civil works by ₹52.35 crore (100 per cent).
- During 2023-24, Revenue Expenditure under Power increased by ₹259.66 crore (18.89 per cent). This was due to an increase of RE under Purchase of Power by ₹49.12 crore, Machinery and Equipment by ₹125.00 crore and Direction and Administration by ₹37.02 crore.
- The major contributor for increase under Economic sector was Roads and Bridges, which increased by ₹1,253.09 crore (141.05 per cent) over the previous year. This was mainly due to significant increase in Revenue Expenditure under Road Works by ₹614.98 crore, Transfers to/from Reserve Fund/Deposit Account by ₹238.00 crore (100 per cent) and Maintenance and Repairs by ₹383.91 crore which was partially offset by decrease in Revenue Expenditure under Other Expenditure by ₹19.25 crore.
- Revenue expenditure under Forestry and Wild Life decreased over the previous year by ₹158.42 crore (50.59 per cent). This was due to significant decrease in expenditure under State Compensatory Afforestation (SCA) by ₹179.50 crore (95 per cent)
- Revenue expenditure under Food, Storage and Warehousing decreased over the previous year by ₹286.41 crore (82.87 per cent). This was due to significant decrease in expenditure under Food Subsidies by ₹46.03 crore (100 per cent), assistance to Public Sector and Other undertakings by ₹286.57 crore (98 per cent) and Other Expenditure by ₹6.36 crore (100 per cent).

Table 2.19: Trend of Major share of expenditure under Revenue in Social Sector

(₹ in crore)

| Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|-----------------------------|----------|----------|----------|----------|----------|
| General Education | 1,708.14 | 1,485.92 | 2,162.29 | 2,533.28 | 2,375.18 |
| Medical and Public Health | 926.15 | 914.12 | 1,315.27 | 1,452.95 | 1,557.03 |
| Social Security and Welfare | 352.69 | 216.37 | 333.33 | 348.53 | 469.45 |
| Water Supply and Sanitation | 752.31 | 885.35 | 960.26 | 633.97 | 916.09 |
| Urban Development | 96.78 | 222.65 | 380.85 | 213.71 | 241.58 |

Source: Finance Accounts of respective year

For the last five years (2019-20 to 2023-24), General Education and Medical and Public Health are the prominent contributors in Revenue Expenditure under Social Services which contributed 35.97 and 23.58 *per cent* of Revenue Expenditure of Social Services in 2023-24 respectively.

Composition of Major contributor under Revenue Expenditure on Economic Sector are given in **Table 2.20**.

Table 2.20: Trend of Major contributors under Revenue Expenditure on Economic Sector

(₹ in crore)

| Head of Accounts | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|-----------------------------------|---------|----------|----------|----------|----------|
| Crop Husbandry | 298.33 | 288.90 | 447.09 | 593.82 | 783.29 |
| Animal Husbandry | 179.76 | 147.28 | 188.46 | 151.35 | 164.17 |
| Forestry and Wild life | 211.02 | 242.93 | 300.53 | 313.13 | 318.47 |
| Food, Storage and Warehousing | 246.24 | 4.90 | 120.34 | 345.62 | 59.21 |
| Rural Employment | 184.02 | 224.50 | 175.78 | 369.56 | 548.24 |
| Other Rural Development Programme | 211.68 | 748.53 | 441.96 | 534.82 | 570.31 |
| Minor Irrigation | 189.28 | 337.44 | 358.38 | 329.14 | 257.42 |
| Power | 893.96 | 1,044.17 | 1,380.18 | 1,425.31 | 1,678.20 |
| Village and Small Industries | 84.22 | 69.88 | 88.03 | 101.29 | 112.32 |
| Roads and Bridges | 890.38 | 652.33 | 875.78 | 888.38 | 2,141.47 |
| Road Transport | 110.31 | 115.29 | 154.08 | 209.74 | 164.11 |

Source: Finance Accounts of the 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 (2019-20 to 2023-24).

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. Hence, a priority for government to meet the committed expenditure from 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 is consist 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 on committed expenditure leaves the Government with lesser flexibility in prioritising expenditure and increasing capital investments to meet growing needs of social and economic infrastructure. Trend analysis of committed and inflexible expenditure and its components is depicted in **Table 2.21** and share of committed expenditure in total Revenue Expenditure during 2019-20 to 2023-24 are shown in **Chart 2.12**.

Table 2.21: Components of Committed and Inflexible Expenditure

(₹ in crore)

| Components of Committed Expenditure | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|------------------|------------------|------------------|------------------|------------------|
| Salaries and Wages* | 6,023.86 | 6,125.12 | 6,770.84 | 7,576.05 | 5,497.83 |
| <i>Salaries (Normal)</i> | <i>4,917.24</i> | <i>5,058.48</i> | <i>5,568.44</i> | <i>6,233.10</i> | <i>4,111.65</i> |
| <i>Salaries(GIA)</i> | <i>598.51</i> | <i>548.82</i> | <i>670.97</i> | <i>785.93</i> | <i>733.77</i> |
| <i>Wages</i> | <i>508.11</i> | <i>517.82</i> | <i>531.43</i> | <i>557.02</i> | <i>652.41</i> |
| Expenditure on Pensions | 882.31 | 1,085.32 | 1,362.29 | 1,664.98 | 1,974.92 |
| Interest Payments | 614.53 | 752.34 | 777.62 | 834.64 | 858.03 |
| Total | 7,520.70 | 7,962.78 | 8,910.75 | 10,075.67 | 8,330.78 |
| Components of Inflexible Expenditure | | | | | |
| Statutory devolution to Local Bodies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Contribution to Reserve Fund | 246.95 | 268.50 | 211.61 | 87.74 | 95.88 |
| <i>Sinking Fund</i> | <i>240.00</i> | <i>240.00</i> | <i>200.00</i> | <i>70.00</i> | <i>70.00</i> |
| <i>Guarantee Redemption Funds</i> | <i>0.50</i> | <i>0.50</i> | <i>0.50</i> | <i>1.08</i> | <i>1.08</i> |
| <i>State share to SDRF/SDRMF</i> | <i>6.45</i> | <i>28.00</i> | <i>11.11</i> | <i>16.66</i> | <i>24.80</i> |
| Recoupment of Contingency Fund | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Transfer of cess to reserve fund/ other body | 0.00 | 0.00 | 0.00 | 19.30 | 84.97 |
| Share contribution of CSS against the Central Fund Received | 1,646.30 | 432.03 | 1,079.05 | 946.51 | 939.61 |
| 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 | 1,893.25 | 700.53 | 1,290.66 | 1,053.55 | 1,120.46 |
| As a percentage of Revenue Receipts | | | | | |
| Revenue Receipts | 14,888.55 | 17,123.51 | 21,231.64 | 23,788.14 | 27,441.00 |
| Salaries and Wages | 40.46 | 35.77 | 31.89 | 31.85 | 20.04 |
| Expenditure on Pensions | 5.93 | 6.34 | 6.42 | 7.00 | 7.20 |
| Interest Payments | 4.13 | 4.39 | 3.66 | 3.51 | 3.13 |
| Total | 50.51 | 46.50 | 41.97 | 42.36 | 30.36 |

| Components of Committed Expenditure | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|------------------|------------------|------------------|------------------|------------------|
| Inflexible Expenditure | | | | | |
| Total | 12.72 | 4.09 | 6.08 | 4.43 | 4.08 |
| As a percentage of Revenue Expenditure | | | | | |
| Revenue Expenditure | 12,218.73 | 13,087.50 | 15,846.64 | 17,417.67 | 20,564.35 |
| Salaries and Wages | 49.30 | 46.80 | 42.73 | 43.50 | 26.73 |
| Expenditure on Pensions | 7.22 | 8.29 | 8.60 | 9.56 | 9.60 |
| Interest Payments | 5.03 | 5.75 | 4.91 | 4.79 | 4.17 |
| Total | 61.55 | 60.84 | 56.23 | 57.85 | 40.51 |
| Inflexible Expenditure | | | | | |
| Total | 15.49 | 5.35 | 8.14 | 6.05 | 5.45 |
| Total Expenditure | 15,927.80 | 18,215.65 | 22,337.53 | 25,528.40 | 29,030.85 |
| Non-Committed RE | 4698.03 | 5124.72 | 6935.89 | 7342.00 | 12233.57 |
| Non-Committed RE as a <i>percentage</i> of RE | 38.45 | 39.16 | 43.77 | 42.15 | 59.49 |
| Non-Committed RE as a <i>percentage</i> of TE | 29.50 | 28.13 | 31.05 | 28.76 | 42.14 |
| Subsidies | 0.40 | 17.85 | 0.00 | 0.00 | 0.00 |
| Subsidies as a <i>percentage</i> of Non-Committed expenditure | 0.01 | 0.35 | 0.00 | 0.00 | 0.00 |

Source: Finance Accounts of the respective year

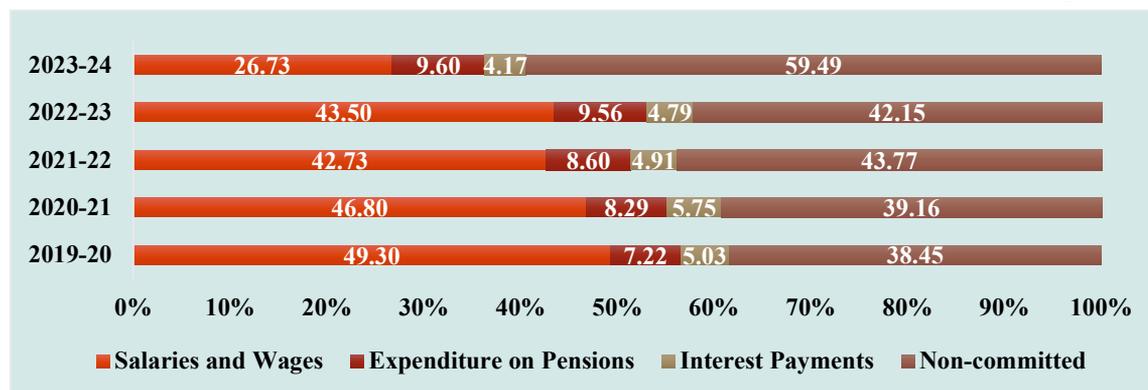
* Salaries and Wages includes allowances and LTC during 20219-20 to 2022-23 as there were no separate object heads, from the year 2023-24 all components have separate object heads

State Government had completely curbed the subsidies from 2021-22 and made no expenditure under this head in 2022-23 and 2023-24.

Committed expenditure increased by ₹810.08 crore (10.77 *per cent*) from ₹7,520.70 crore in 2019-20 to ₹8,330.78 crore in 2023-24. During the current year, Committed Expenditure decreased by ₹1,744.89 crore (17.32 *per cent*) over the previous year (₹10,075.67 crore.). This was due to decrease in the Expenditure on Salaries and Wages by ₹2,078.22 crore (27.43 *per cent*) which was offset by increased on Pensions by ₹309.94 crore (18.62 *per cent*) and on Interest payments by ₹23.39 crore (2.80 *per cent*). The relative share of Committed Expenditure in Revenue Receipts showed a decreasing trend (except for the year 2022-23) during the five-year period (2019-20 to 2023-24). During 2023-24, Committed Expenditure constituted about 30.36 *per cent* of the Revenue Receipts. The share of committed expenditure in Total Revenue Expenditure during the last five years are depicted in **Chart 2.12**.

Chart 2.12: Share of Committed expenditure in Revenue Expenditure

(In per cent)



Source: Finance Accounts of the respective year

The high share of the committed expenditure in the total RE is not favourable as Government could incur less amount for economic development, social welfare schemes, and maintenance of assets.

Under the Revenue expenditure, the quantum of committed expenditure constitutes the largest share. The Committed expenditure has the first charge on the resources and consists of Interest payments, expenditures on Salaries and Wages and expenditure on Pensions. Committed expenditure hovered around 40.51 and 61.55 per cent of Revenue expenditure during 2019-20 and 2023-24.

As evident from the **Table 2.21** the relative share of committed expenditure to the Revenue expenditure had decreased to 40.51 per cent in 2023-24 from 61.55 per cent in 2019-20. Decrease in expenditure on Salaries and Wages has primarily helped the State to bring down its committed expenditure by 17.34 percentage points in 2023-24 over the previous year. Greater reliance on market borrowings by Government in recent years led to increase committed liabilities on Interest Payments.

The components of inflexible expenditure which includes among others Statutory devolution to local bodies and contributions to the Reserve Funds, showed an inconsistent trend during the period 2019-20 to 2023-24. As a percentage of the Revenue Expenditure, it decreased from 15.49 per cent in 2019-20 to 5.45 per cent in 2023-24. During 2023-24, the inflexible expenditure (₹1,120.46 crore), increased by ₹66.91 crore (6.35 per cent) over the previous year (₹1,053.55 crore) due to increase in Contribution to Reserve Fund (₹87.74 crore in 2022-23 to ₹95.88 crore in 2023-24) and Transfer of cess to reserve fund/ other body (₹19.30 crore in 2022-23 to ₹84.97 crore in 2023-24).

Taken together the committed and Inflexible expenditure in 2023-24 was ₹9,451.24 crore; 45.96 per cent of Revenue expenditure.

Component-wise analysis is given in the succeeding paragraphs.

2.5.3.1 Salaries and Wages

Salaries and Wages decreased by ₹526.03 crore (8.73 per cent) from ₹6,023.86 crore in 2019-20 to ₹5,497.83 crore in 2023-24. During 2023-24, the Salaries and Wages has been the prominent contributor in the Committed Expenditure as it alone accounted for 20.04 per cent of the Revenue Receipts and 26.73 per cent of the Revenue Expenditure.

As percentage of Revenue Receipts, it has been showing a decreasing trend while as percentage of Revenue Expenditure, it has a fluctuating trend for the past five-years (2019-20 to 2023-24). During the current year, the State Government succeeded to anchor the Salaries and Wages within the projection of ₹8,935.04 crore made in MTFP as the actual Salaries and Wages was ₹5,497.83 crore.

2.5.3.2 Interest Payments

Interest Payments comprise interest on Internal Debt, Small Savings, Provident Funds, Loans and Advances from GoI. Interest payments increased by ₹243.50 crore (39.62 per cent) from ₹614.53 crore in 2019-20 to ₹858.03 crore in 2023-24. The increase over the previous year was ₹23.39 crore (2.80 per cent). The position of the interest payments vis-à-vis XV FC recommendations and MTFP projections during the current year are given in the **Table 2.22**.

Table 2.22: Interest Payments in the year 2023-24

| Year | XV FC assessment | Assessment of State Government in Budget (MTFP) | |
|---------|------------------|---|--------|
| | | Assessment | Actual |
| 2023-24 | 920.00 | 891.86 | 858.03 |

Source: XV FC Report, Budget Documents and Finance Account, 2023-24

2.5.3.3 Pension Payments

The Pension Payments (including other Retirement Benefits) increased by ₹1,092.61 crore (123.84 per cent) from ₹882.31 crore in 2019-20 to ₹1,974.92 crore in 2023-24. During 2023-24, the pensions payments increased by ₹309.94 crore (18.62 per cent) over the previous year (₹1,664.98 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 2.23**.

Table 2.23: Pension Payments in the year 2023-24

| Year | XV FC assessment | Assessment of State Government in Budget (MTFP) | |
|---------|------------------|---|----------|
| | | Assessment | Actual |
| 2023-24 | 1,347.00 | 2,540.00 | 1,974.92 |

Source: XV FC Report, Budget Documents and Finance Account, 2023-24

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 (July 2022), the Government and employee has to contribute 10 *per cent* of his/ her monthly pay and the State Government has to make a contribution at the rate of 14 *per cent.* 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 did not contribute 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 was 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 29,045 employees who were covered under NPS as on 31 August 2024 and out of them, the Permanent Retirement Account Number (PRAN) were issued to 28,404 employees. Total number of employees whose PRAN was not generated were 641. The PRAN of such subscribers were not generated due to non-receipt of Common Subscriber Registration Form (CSRFF) which is mandatory for opening of PRAN Account.

During the year 2023-24, total contribution to the NPS was ₹440.10 crore (Employees' contribution ₹169.37 crore, Government's contribution ₹270.22 crore and Interest ₹0.51 crore). The detailed information on government contribution is available in Statement No. 15 of the Finance Accounts under Major Head 2071-117. The contribution to the NPS is to be transferred to the Major Head 8342- other Deposits- 117- Defined Contribution Pension Scheme for Government Employees' and henceforth to be transferred to the NSDL/ Trustee Bank from this Major Head. This procedure has not been followed by the

State Government. The entire contribution of ₹439.64 crore was credited to the Saving and Current Bank Accounts opened in the name of ‘Director of Accounts and Treasuries’, Government of Arunachal Pradesh.

During the year 2023-24, ₹464.89 crore (Employees’ contribution ₹204.10 crore, Government’s contribution ₹259.95 crore, Interest ₹0.46 crore and Service Charges ₹0.38 crore) was transferred to the NSDL. As on 31 March 2024, total amount of ₹58.00 crore (Saving Account: ₹44.82 crore, Current Account: ₹6.79 crore and Public Account: ₹6.39 crore) remained to be transferred to NSDL. This had resulted in overstatement of cash balance of the Government by ₹6.39 crore.

While accepting the facts, the Director, Accounts & Treasuries, GoAP assured (03 April 2025) that the amount would be transferred to NSDL/ Trustee Bank at earliest. However, the reply is silent about the correctness of the accounting procedure.

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 2019-20 to 2023-24 are presented in **Table 2.24**.

Table 2.24: Financial Assistance to Local Bodies and Other Institutions etc.

(₹ in crore)

| Financial Assistance to Institutions | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|---------------|---------------|---------------|---------------|--------------|
| (A) Local Bodies | | | | | |
| Municipal Corporations and Municipalities | 5.37 | 5.56 | 5.83 | 6.00 | 6.88 |
| Panchayati Raj Institutions | 0.00 | 116.23 | 109.51 | 19.52 | 83.47 |
| Total (A) | 5.37 | 121.79 | 115.34 | 25.52 | 90.35 |
| (B) Others | | | | | |
| Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.) | 0.00 | 0.00 | 1.22 | 1.30 | 0.95 |
| 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 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Food, Storage and Warehousing | 208.60 | 0.00 | 62.78 | 292.30 | 5.00 |
| Co-operation | 0.92 | 1.47 | 16.96 | 0.50 | 0.60 |
| Other Institutions ⁷ | 23.36 | 16.26 | 23.58 | 21.84 | 22.47 |
| Total (B) | 232.88 | 17.73 | 104.54 | 315.94 | 29.02 |
| (C) GIA | | | | | |
| GIA on Salary | 598.51 | 548.82 | 670.97 | 785.93 | 733.77 |
| GIA for creation of Capital Assets | 112.47 | 39.83 | 375.64 | 547.44 | 541.01 |

⁷ Arunachal Pradesh Council of Science and Technology and Centres for Earth Sciences and Himalayan Studies

| Financial Assistance to Institutions | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| GIA for non-salary | 621.06 | 1,594.71 | 1,515.81 | 1,736.89 | 1,898.81 |
| GIA given in kind | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total (C) | 1,332.04 | 2,183.36 | 2,562.42 | 3,070.26 | 3,173.59 |
| Total (A+B+C) | 1,570.29 | 2,322.88 | 2,782.30 | 3,411.72 | 3,292.96 |
| Revenue Expenditure | 12,218.73 | 13,087.50 | 15,846.64 | 17,417.67 | 20,564.35 |
| Assistance as <i>percentage</i> of Revenue Expenditure | 12.85 | 17.75 | 17.56 | 19.59 | 16.01 |

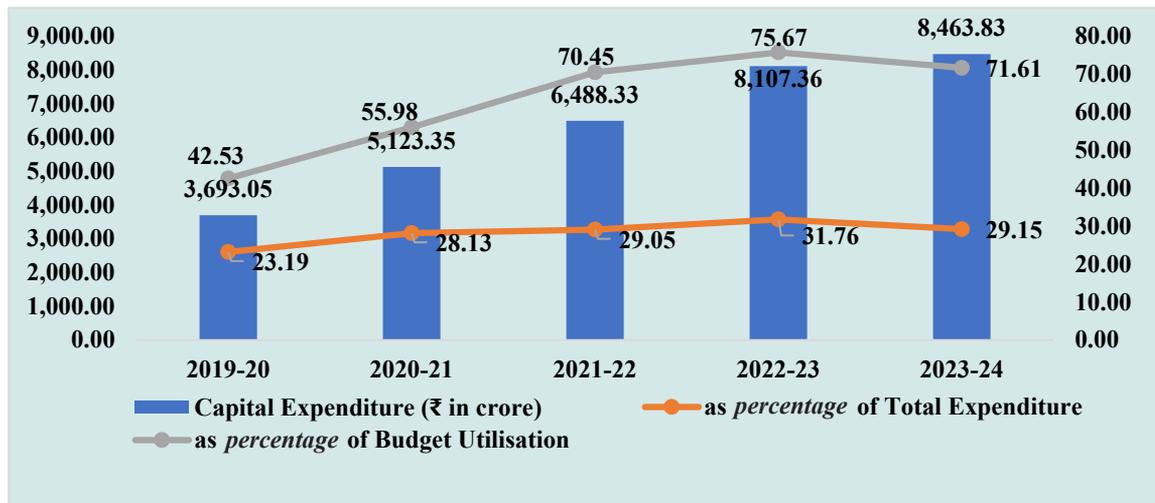
Source: Finance Accounts of the respective year

- The share of Financial Assistance in Revenue Expenditure increased from 12.85 *per cent* in 2019-20 to 16.01 *per cent* during 2023-24. No financial assistance was extended to rural local bodies from the State funds during the last five -years period.
- During the five years period from 2019-24, Financial assistance increased by ₹84.98 crore (1,582.49 *per cent*) was due to significant increased by ₹83.47 crore under ULB. Financial assistance extended to the Local Bodies in 2023-24 increased significantly by ₹64.83 crore (254.04 *per cent*) over the previous year (₹25.52 crore). This was due to the significant increase in assistance by ₹63.95 crore (327.61 *per cent*) to the Panchayati Raj Institutions (PRIs).
- The assistance to Other Institutions decreased by ₹0.89 crore during the five-years' period from 2019-20 to 2023-24. During 2023-24, the assistance to Other Institutions decreased by ₹286.92 crore (90.81 *per cent*) over the previous year (₹315.94 crore). This was due to a significant decrease in the financial assistance towards Food, Storage and Warehousing by ₹287.30 crore (98.29 *per cent*) from ₹292.30 crore in 2022-23 to ₹5.00 crore in 2023-24.
- The financial assistance as GIA increased by ₹1,841.55 crore (138.25 *per cent*) from ₹1,332.04 crore in 2019-20 to ₹3,173.59 crore in 2023-24. During 2023-24, GIA increased by ₹103.33 crore (3.37 *per cent*) over the previous year which was due to increase in GIA for non-salary by ₹161.92 crore (9.32 *per cent*).

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. Capital Expenditure increases the production capacity of the economy and is a key contributor to economic growth. Trends of Capital Expenditure in the State over the last five-years' period from 2019-20 to 2023-24 are given in **Chart 2.13**.

Chart 2.13: Trends of Capital Expenditure in the State



Source: Finance Accounts of the respective year

Chart 2.13 shows that the Capital Expenditure increased by ₹4,770.78 crore (129.18 per cent) from ₹3,693.05 crore in 2019-20 to ₹8,463.83 crore in 2023-24 with a CAGR of 23.40 per cent which was higher than the CAGR of Revenue Expenditure (13.90 per cent). This was due to the significant increase in Capital Expenditure under Economic Services by ₹2,395.16 crore (103.68 per cent), Social Services by ₹1,248 crore (172.19 per cent) and General Services by ₹1,127.30 crore (171.35 per cent). During 2023-24, Capital Expenditure increased by ₹356.47 crore (4.40 per cent) over the previous year (₹8,107.36 crore) which was due to a significant increase experienced in Social Services by ₹554.75 crore (39.11 per cent) and General Services by ₹140.02 crore (8.51 per cent) over the previous year which was partially offset by decrease in the Economic Services by ₹338.30 crore (6.71 per cent).

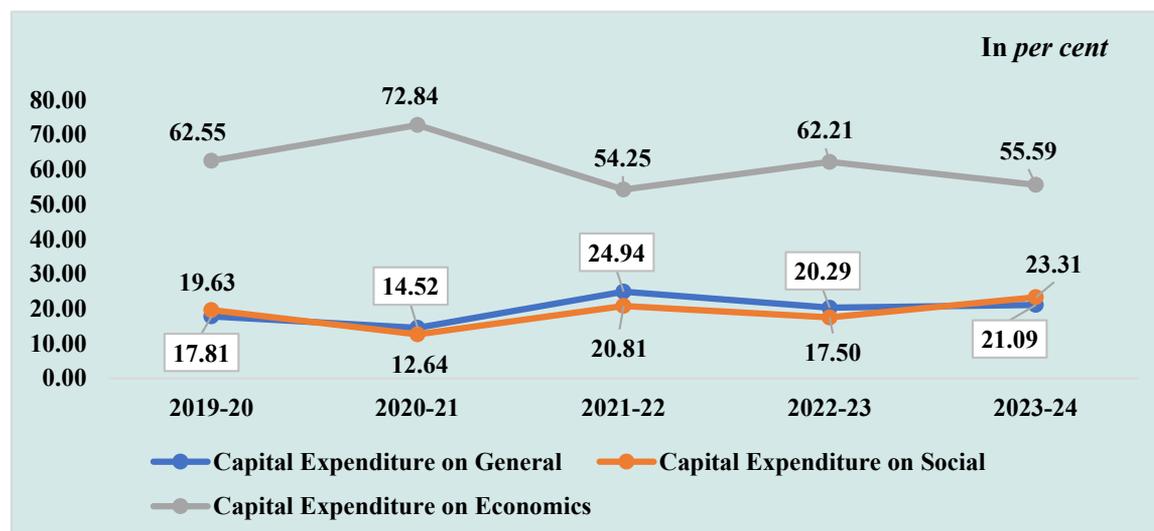
- Under Economic Services, the decreased in Capital Expenditure was due to decrease in Capital Expenditure under Roads and Bridges by ₹813.05 crore, Transport by ₹806.47 crore and Science, Technology and Environment by ₹85.77 crore. which was partially offset by increased of Capital Expenditure under Flood Control Projects by ₹246.57 crore and Minor Irrigation by ₹237.77 crore.
- Capital Expenditure was increased by ₹554.75 crore during 2023-24 under Social Services due to increase under General Education by ₹222.97 crore and Urban Development by ₹253.05 crore which was partially offset by decrease of ₹46.15 crore under Water Supply and Sanitation.

During the period from 2019-20 to 2022-23, *percentage* of the Capital Expenditure to Total Expenditure showed an increasing trend while Capital Expenditure decreased to 29.15 per cent during 2023-24. Similarly, utilisation of budget for Capital expenditure showed an increasing trend during 2019-20 to 2022-23 and decreased to 71.61 per cent during 2023-24. The State Government Spent ₹8,466.50 crore only on Capital Account. This was 29.16 and 19.25 per cent of Total Expenditure and GSDP respectively. During

2023-24, the Capital Expenditure was 224.20 per cent of Public debt receipts. Thus, borrowed funds were being used for capital creation/ development activities.

The Services wise percentage share in Capital Expenditure is given in **Chart 2.14**.

Chart 2.14: Services wise percentage share in Capital Expenditure for the period 2019-24



Source: Finance Accounts of respective year

The major contributor in Capital Expenditure during the last five-year period was economic services. There was an inter-year variance from 2019-20 to 2023-24. During 2023-24 it reduced to 55.59 per cent from 62.21 per cent in 2022-23 with a significant decrease in Capital Expenditure. The share of Social and General Services 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.

While Arunachal Pradesh has significantly increased its Capital Expenditure, the quality of investments, declining social sector spending, and lack of financial transparency pose fiscal risks. The state must ensure efficient fund allocation, prevent wasteful investments, and improve monitoring mechanisms in order to maximise the long-term impact of its infrastructure-driven growth strategy.

2.5.5.1 Major Changes in Capital Outlay

As there was increase of ₹356.47 crore in Capital Outlay during the current year over the previous year, **Table 2.25** highlights the cases of significant increase of over 25 per cent in various Heads of Account in Capital Outlay during 2023-24 vis-à-vis the previous year.

Table 2.25: Capital Outlay during 2023-24 compared to 2022-23

(₹ in crore)

| Major Heads of Accounts | 2022-23 | 2023-24 | Variation |
|---|---------|---------|------------|
| 4055-Capital Outlay on Police | 154.44 | 192.38 | 37.94 |
| 4059-Capital Outlay on Public Works Department | 532.92 | 882.95 | 350.03 |
| 4070-Capital Outlay on Other Administrative Services | 957.39 | 695.18 | (-) 262.21 |
| 4202-Capital Outlay on Education, Sports, Art and Culture | 285.80 | 587.05 | 301.25 |
| 4216-Capital Outlay on Housing | 53.62 | 94.75 | 41.13 |
| 4217-Capital Outlay on Urban Development | 379.12 | 632.17 | 253.05 |
| 4552-Capital Outlay on North Eastern Areas | 26.80 | 1.22 | (-) 25.58 |
| 4575-Capital Outlay on other Special Areas Programmes | 44.17 | 76.42 | 32.25 |
| 4702-Capital Outlay on Minor Irrigation | 22.39 | 260.16 | 237.77 |
| 4851-Capital Outlay on Village and Small Industries | 26.35 | 132.99 | 106.64 |

Source: Finance Accounts of the respective year

Analysis of the reasons for changes in Capital Outlay amounting to ₹25.00 crore and above during 2023-24 over previous year:

- Capital Outlay under North Eastern Areas was decreased by ₹25.58 crore (95.46 per cent). This was due to decrease in Capital Outlay on General by ₹0.88 crore, Sports Stadium by ₹2.10 crore, Tourist Centre by ₹11.76 crore and Road Works by ₹5.40 crore which was partially offset by increased under Community Health Centres by ₹1.14 crore.
- Capital Outlay increased by ₹350.03 crore (65.58 per cent) over the previous year under Public Works Department. This was due to increase in Capital Outlay under Construction by ₹315.83 crore which was partially offset by decreased under Schemes of NLCPR by ₹1.76 crore.
- Education, Sports, Art and Culture had an increase in Capital Outlay by ₹301.25 crore (105.40 per cent) over the previous year due to a significant increase under Secondary Education by ₹216.33 crore, University and Higher Education by ₹44.00 crore and Sports Stadium by ₹27.88 crore which was offset by a decrease in Capital Outlay under Elementary Education by ₹36.49 crore and Tribal Area Sub-Plan by ₹2.75 crore.
- There was an increase in Capital Outlay under Housing by ₹41.13 crore (76.71 per cent) over the previous year due to increase under General Pool Accommodation by ₹40.59 crore (76 per cent) and Direction and Administration by ₹0.55 crore (100 per cent).
- During 2023-24, Capital Outlay on Urban Development increased by ₹253.05 crore (66.75 per cent) from ₹379.12 crore in 2022-23 to ₹632.17 crore in 2023-24 which was due to an increase in expenditure under 4217-01-800-03-051-Construction by ₹239.37 crore and 4217-01-800-60-051-Construction by ₹13.37 crore.

- There was an increase in Capital Outlay under Other Special Areas Programmes by ₹32.25 crore (73.00 per cent) from ₹44.17 crore in 2022-23 to ₹76.42 crore in 2023-24. This was due to an increase in Capital Outlay under Tribal Area Sub-Plan by ₹30.87 crore (68 per cent).
- Capital Outlay on Minor Irrigation significant increased by ₹237.77 crore (1,061.81 per cent) from ₹22.39 crore in 2022-23 to ₹260.16 crore in 2023-24. This was due to an increase in Capital Outlay under Surface Water by ₹102.40 crore (457.27 per cent) and Tribal Area Sub-Plan by ₹135.08 crore (100 per cent).
- Capital Outlay on Village and Small Industries increased by ₹106.64 crore (404.66 per cent) over the previous year. This was mainly due to an increase in Capital Outlay on Small Scale Industries by ₹86.31 crore (366 per cent) and Handicraft Industries by ₹20.34 crore (741 per cent).

Analysis of data pertaining to 2019-24 revealed that Major Capital Outlays occurred on the following components under Social and Economic Services as depicted in **Table 2.26**.

Table 2.26: Major Contributors of Capital Expenditure under Social and Economic Services during 2019-24

| (₹ in crore) | | | | | |
|------------------------------------|----------|----------|----------|----------|----------|
| Head of Accounts | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Social Services | | | | | |
| Education, Sports, Art and Culture | 59.36 | 51.23 | 281.09 | 285.8 | 587.05 |
| Medical and Public Health | 59.08 | 10.61 | 24.83 | 97.46 | 91.56 |
| Water Supply and Sanitation | 253.08 | 224.55 | 330.45 | 430.35 | 384.2 |
| Urban Development | 128.93 | 104.94 | 359.97 | 379.12 | 632.17 |
| Social Security and Welfare | 158.43 | 219.29 | 315.26 | 152.82 | 160.08 |
| Economic Services | | | | | |
| Irrigation and Flood Control | 133.72 | 171.34 | 147.76 | 334.62 | 581.19 |
| Energy | 173.36 | 172.7 | 430.69 | 543.94 | 664.49 |
| Transport | 1,848.16 | 3,166.97 | 2,677.89 | 3,817.01 | 3,010.55 |

Source: Finance Account of the respective year

As can be seen from **Table 2.26** Capital outlay of Urban Development and Education, Sports, Arts and Culture were the major contributors during 2023-24 and Medical and Public Health was the least contributor under Social Services. Similarly, Capital Account of Transport was the major contributor during 2023-24 and Capital Account of Irrigation and Flood Control was the least contributor under Economic Services.

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 2022-23 were not included in the outcome budget for 2023-24. This resulted in unrealistic preparation of Outcome Budget for the year 2023-24.

2.6.1 State Public Sector Enterprises (SPSEs)

The State Government needs to initiate measures to earn adequate return on its investments rather than bearing the same in the form of subsidy at the cost of borrowed funds and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other Capital expenditure undertaken by the Government during the period 2019-20 to 2023-24.

Investments in SPSES

The State's investment in SPSEs was by way of share capital/loans and special financial support by way of grants/subsidies as and when required.

During the last five years from 2019-20 to 2023-24, the investment of the State Government in the form of Equity capital in six SPSEs remained constant whereas one SPSEs namely Arunachal Pradesh Mineral Development and Trading Corporation Limited (APMDTCL) received ₹2.52 crore towards Equity Capital during the year 2023-24. The total investment of State Government in its SPSEs as on 31 March 2024 was ₹30.24 crore⁸ as per details given in **Table 2.27**.

Table 2.27: Comparative figures of State's investment in SPSEs during 2019-20 and 2023-24

| (₹ in crore) | | |
|--------------------|--------------|--------------|
| Form of investment | 2019-20 | 2023-24 |
| Equity Capital | 19.49 | 22.01 |
| Long term Loans | 8.38 | 8.23 |
| Total | 27.87 | 30.24 |

Source: Investment figures as provided by the SPSEs

Return on Investment

The Rate of Real Return (RORR) measures the profitability and efficiency of an entity with which equity and similar non-interest-bearing capital have been deployed, after adjusting them for their time value. To determine the RORR, the investment of State Government in the form of equity, interest free loans and revenue grants/subsidies in the SPSEs for operational and management expenses less disinvestments (if any), has been considered and indexed to their Present Value (PV) and summated. The RORR is then calculated

⁸ Investment figures are provisional and as per the information provided by the SPSEs as none of the seven SPSEs had finalised their accounts for 2023-24 as of 30 September 2024

by dividing the ‘Profit After Tax’ (PAT) earned by SPSEs by the sum of the PV of the investment.

During 2023-24, out of six working SPSEs, two SPSEs earned profit (₹4.04 crore), while the remaining four SPSEs incurred loss (₹2.57 crore) as per their latest finalised accounts. Based on the historical value of investment, the Return for 2023-24 on State Government investment worked out to (+) 1.38 *per cent* as against the RORR of (+) 0.56 *per cent* on the investment at present value. The difference in the percentage of return was on account of the adjustment made in the investment amount for the time value of money.

Investment in loss making SPSEs

The paid-up capital and accumulated profit/ loss of six working SPSEs as per their latest finalised accounts as on 30 September 2024 were ₹24.65 crore and (-)₹3.31 crore respectively.

The Return on Equity⁹ (RoE) in respect of two out of six working SPSEs was 11.07 *per cent* and 14.71 *per cent* while two SPSEs had negative RoE and RoE remaining two SPSEs was not workable as per their latest finalised accounts. The accumulated losses (₹36.57 crore) of three working SPSEs had completely eroded their capital (₹7.68 crore) as per their latest finalised accounts. The details of erosion of paid-up capital of the said three SPSEs are shown in **Table 2.28**.

Table 2.28: SPSEs with primary erosion of paid-up capital as on 30 September 2024

(₹ in crore)

| Name of SPSE | Latest finalised accounts | Paid-up capital | Accumulated losses |
|--|---------------------------|-----------------|--------------------|
| Arunachal Pradesh Industrial Development and Financial Corporation Limited | 2021-22 | 4.20 | 28.23 |
| Arunachal Pradesh Donyi Polo Hotel Corporation Limited | 2020-21 | 1.00 | 4.56 |
| Arunachal Pradesh Mineral Development & Trading Corporation Limited | 2006-07 | 2.48 | 3.78 |
| Total | | 7.68 | 36.57 |

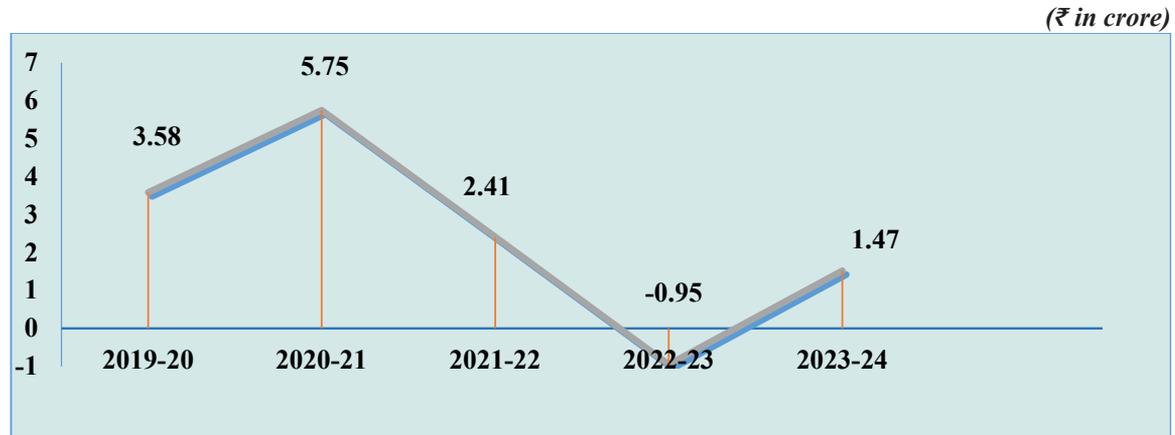
Source: Latest finalised accounts of the SPSE

The audit analysis of State’s investments in Public Sector Undertakings (PSUs) and other bodies for 2023-24 highlights serious concerns regarding the sustainability and financial viability of these investments. The erosion of net worth, low returns on investment, and continued losses in state-owned enterprises indicate inefficient capital allocation and potential fiscal risks. The State Government’s continued investment in loss-making PSUs with negative net worth represents a significant fiscal risk.

⁹ ROE = (Net Profit after taxes *minus* preference dividend) ÷ Shareholders’ Fund; where, Shareholders’ Fund = Paid up Share Capital *plus* Free Reserves and Surplus *minus* Accumulated Loss *minus* Deferred Revenue Expenditure

The overall position of the net profits/losses earned by working SPSEs during 2019-20 to 2023-24 as per their latest finalised accounts is depicted in **Chart 2.15**.

Chart 2.15: Profit of working SPSEs



Source: Compiled based on latest finalised accounts of SPSEs

During 2023-24, overall profit of SPSEs was ₹1.47 crore as compared to the losses in the previous year of ₹ (-)0.95 crore (2022-23). The major contribution of profit was from two SPSEs which earned profit of ₹4.04 crore, while the remaining four SPSEs incurred an overall loss of ₹2.57 crore. The details of major contributors to profits and losses of working SPSEs are shown in **Table 2.29**.

Table 2.29: Major contributors to profits and losses of working SPSEs

(₹ in crore)

| Name of SPSE | Latest finalised accounts | Profit (+)/ loss (-) |
|--|---------------------------|----------------------|
| Arunachal Police Housing and Welfare Corporation Limited | 2021-22 | (+) 3.45 |
| Arunachal Pradesh Donyi Polo Hotel Corporation Limited | 2020-21 | (-) 1.14 |

Source: Latest finalised Accounts of working SPSEs

The State Government has not formulated any dividend policy to make it mandatory for SPSEs to pay a minimum return on the paid-up equity share capital contributed by the State Government. The SPSE (Arunachal Police Housing and Welfare Corporation Limited), which earned profit (₹3.45 crore) during 2023-24, had not declared any dividend.

2.6.2 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 2023-24, there were 83 incomplete/ ongoing projects in two Departments as on 31 March 2024. Age profile of incomplete projects based on the year of sanction/ year of start of these projects as on

31 March 2024 are shown in Tables 2.30 and 2.31.

Table 2.30: Age profile of incomplete projects as on 31 March 2024
(₹ in crore)

| Year | Number | Estimated cost | Expenditure |
|--------------|-----------|-----------------|---------------|
| 2008-09 | 1 | 166.16 | 0.00 |
| 2011-12 | 1 | 18.23 | 0.00 |
| 2013-14 | 1 | 10.00 | 10.00 |
| 2014-15 | 1 | 18.40 | 0.24 |
| 2016-17 | 3 | 198.63 | 17.43 |
| 2017-18 | 2 | 31.60 | 2.02 |
| 2018-19 | 5 | 114.77 | 30.65 |
| 2019-20 | 18 | 386.33 | 101.36 |
| 2020-21 | 9 | 157.48 | 27.38 |
| 2021-22 | 16 | 285.53 | 71.08 |
| 2022-23 | 22 | 347.57 | 98.22 |
| 2023-24 | 4 | 52.00 | 6.90 |
| Total | 83 | 1,786.70 | 365.29 |

Source: Finance Accounts, 2023-24

Table 2.31: Department-wise profile of incomplete projects as on 31 March 2024
(₹ in crore)

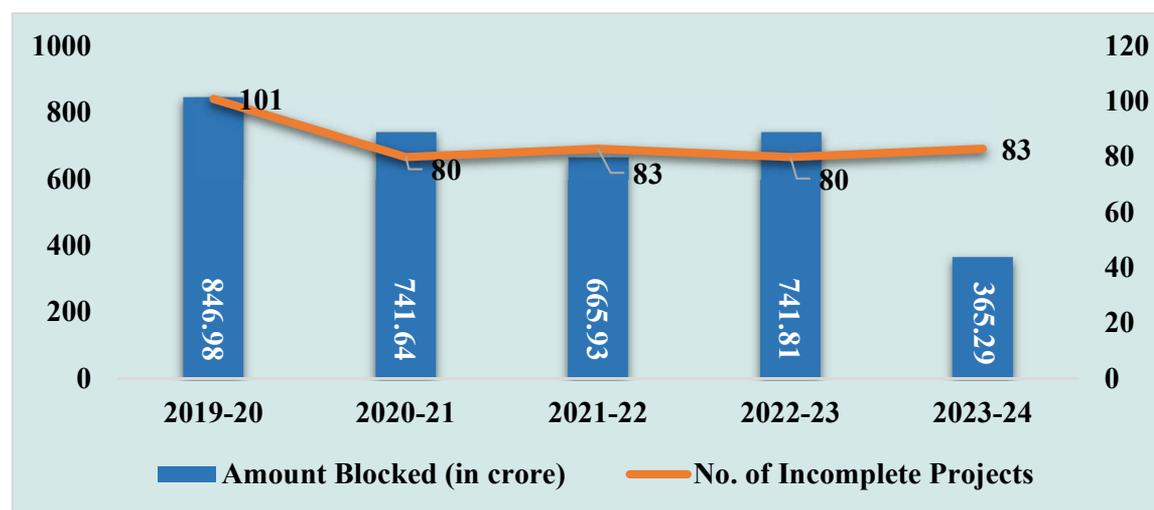
| Department | No of incomplete projects | Estimated cost | Expenditure |
|--------------|---------------------------|-----------------|---------------|
| PWD | 79 | 1,729.94 | 349.29 |
| UD and H | 4 | 56.76 | 16.00 |
| Total | 83 | 1,786.70 | 365.29 |

Source: Finance Accounts, 2023-24

The expenditure of ₹365.29 crore incurred on 83 incomplete projects was yet to yield the intended benefits. Out of 83 incomplete projects, 14 projects on which expenditure of ₹60.34 crore (Estimated cost: ₹557.79 crore) had been incurred pertained to the period prior to the year 2019-20.

The State 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 for from the implementing departments. Based on the information furnished (April to July 2024) by the implementing agencies it was seen that 83 projects on which an expenditure of ₹365.29 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

It can be seen from the Chart above, the incomplete projects were almost at par during the five years' period. Thus, the initiative of the State Government was not prudent to complete these projects. While the Government took up execution of new works during the current year. Thus, available resources were thinly spread over an extended number of works. Time over run of the infrastructure projects also have the inherent risk of cost over runs.

A details analysis of a randomly selected incomplete project, “**Construction of District Secretariat at Boleng, Siang District**”.

- Sanctioned on 26 August 2021
- Target date of completion: March 2024.
- Estimated cost: ₹12.50 crore (Sh: One Block of 3200 Ph-I)’ under BE 2021-22.
- Status as of March 2024 (as per Finance Accounts): Physical progress (50 per cent); financial progress (50 per cent, ₹6.20 crore).

The work was awarded (25 February 2022) to a firm “M/s Agam Construction” at a cost of ₹12.37 crore within stipulated to complete the work on 27 February 2024.

A Joint Physical Verification conducted by Audit and Engineer (JE) of the Department on 04 March 2023 and found that the foundation; erection of columns was completed and erection of beams and stairs were under-construction as depicted in the Photographs as shown below.



Source: Inspection Report on Urban Development and Housing, Boleng

The Commissioner, Finance Department, GoAP in its reply (03 April 2025) stated that the matter would be looked into.

2.6.3 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 2.32 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 2023-24, taking 2019-20 as the base year.

Table 2.32: 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 2019-20 | 26.21 | 64.22 | 35.50 | 28.72 | 14.94 | 17.08 | 6.37 |
| Arunachal Pradesh 2019-20 | 53.05 | 71.80 | 31.27 | 40.54 | 23.19 | 11.21 | 10.29 |
| NE&H States 2023-24 | 25.19 | 63.05 | 37.02 | 25.52 | 17.61 | 15.93 | 6.43 |
| Arunachal Pradesh 2023-24 | 65.99 | 73.91 | 29.54 | 44.36 | 29.15 | 10.29 | 5.80 |

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.

- Development expenditure consists of Expenditure on Social Services and Economic Services which contributes to development of State socially and economically. During the current year, the relative share of Development expenditure to TE increased over the base year (2019-20). On comparing with NE&H States, the relative share of Development expenditure to TE of the State in 2023-24 was higher by 10.86 percentage points.
- The Expenditure on Human Capital Formation is measured by expenditure on Education and Health. During the current year, the relative share of expenditure on Education and Health to the TE of the State has declined against the base year (2019-20). In this direction, State should focus on increasing the expenditure on Education and Health in proportion to Total Expenditure to reap the fruits of the demographic dividend.

The audit analysis of Arunachal Pradesh's fiscal priorities in Education, Health, and compared to the North Eastern & Himalayan (NE&H) States' average for 2019-20 and 2023-24 highlights inadequate social sector funding, improved capital expenditure

allocation, and the need for greater investment in human capital formation. Arunachal Pradesh has improved its Capital Expenditure but continues to underfund critical social sectors, particularly Education and Health. The declining share of health spending and below-average education expenditure highlight a misalignment in fiscal priorities.

2.6.4 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 2.33**.

Table 2.33: Object Head wise expenditure

| Object Head | (In per cent) | | |
|---------------------------|---------------|---------|---------|
| | 2021-22 | 2022-23 | 2023-24 |
| Salary and Wages* | 26.88 | 26.04 | 24.54 |
| Pension/ Gratuity | 6.00 | 6.38 | 6.67 |
| Medical Treatment | 0.03 | 0.05 | 0.03 |
| Office Expenses | 1.51 | 1.25 | 1.38 |
| Materials and Supplies | 0.56 | 0.38 | 0.26 |
| Minor Works | 7.31 | 5.34 | 10.01 |
| GIA | 9.64 | 9.67 | 8.89 |
| GIA (Creation of Assets) | 1.66 | 2.10 | 1.83 |
| Scholarship and Stipends | 0.98 | 0.89 | 0.57 |
| Interest | 3.43 | 3.20 | 2.90 |
| Other Charges | 10.73 | 9.84 | 10.50 |
| Motor Vehicles | 0.65 | 0.15 | 0.17 |
| Major Works | | | 0.00 |
| Other Capital Expenditure | | | 1.45 |
| Building and Structure | 28.00 | 31.00 | 9.57 |
| Infrastructural Assets | | | 17.92 |
| Other Fix Assets | | | 0.52 |
| Repayment of Borrowings | - | - | 1.91 |
| Others | 2.81 | 4.45 | 2.72 |

Source: Finance Account of the respective year * Salaries and wages includes LTC and allowances

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 2023-24, the expenditure on Other Charges constituted 10.50 *per cent* of the total expenditure which needs to be properly classified.
- The ratio of Infrastructural Assets during 2023-24 to the Total expenditure was 28.94 *per cent*. This had indicated that the State Government focused towards infrastructure development of the State.

2.6.5 Loans and Advances disbursed 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 2.34** presents the position outstanding loans and advances as on 31 March 2024 along with the interest receipts *vis-à-vis* interest payments during the five-year period from 2019-20 to 2023-24.

Table 2.34: Quantum of loans disbursed and recovered during five-years.

| (₹ in crore) | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| Loans disbursed and recovered | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Opening Balance of loans outstanding | 88.00 | 96.99 | 95.85 | 91.56 | 90.07 |
| Amount advanced during the year | 16.02 | 4.80 | 2.56 | 3.37 | 2.67 |
| Amount recovered during the year | 7.03 | 5.94 | 6.85 | 4.86 | 5.97 |
| Closing Balance of the loans outstanding | 96.99 | 95.85 | 91.56 | 90.07 | 86.78 |
| Net addition | 8.99 | (-) 1.14 | (-) 4.29 | (-)1.49 | (-) 3.29 |

Source: Finance Accounts of the respective year

During 2023-24, amount of ₹2.67 crore was advanced as loans against ₹3.37 crore during the previous year. Out of ₹2.67 crore, ₹1.10 crore was advanced to Co-operation and ₹1.57 crore was advanced to Government servants. During the current year, an amount of ₹5.97 crore was recovered which was ₹1.11 crore more than the previous year (₹4.86 crore). Out of total ₹5.97 crore, ₹3.31 crore was recovered from Government Servants and ₹2.66 crore from Co-operation.

The Total loans advanced by the State Government decreased by ₹10.21 crore from ₹96.99 crore in 2019-20 to ₹86.78 crore in 2023-24. Out of ₹86.78 crore, ₹57.40 crore was extended to the Co-operation, ₹10.00 crore to the Power projects, ₹6.10 crore to Loans for Other Industries and Mineral, ₹10.12 crore to Government Servants and ₹3.16 crore to others¹⁰.

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

Finance Accounts of Arunachal Pradesh for the year 2023-24 showed that the outstanding balance of loans and advances to be recovered by the State Government from the Department was ₹76.66 crore (₹1.01 crore under Social Services and ₹75.65 crore under Economic services) as on 31 March 2024, out of ₹76.66 crore, there was a pendency in recovery of ₹39.26 crore under nine Major heads for a prolonged period. Details of pendency of recoveries are given in **Table 2.35**.

¹⁰ Urban Development, Village and Small Industries etc.

Table 2.35: Details of pendency of recovers of Loans and advances

| Classification | Year from which recoveries are not affected | Balance as of 31 March 2024 |
|---|---|-----------------------------|
| (A) SOCIAL SERVICES | | |
| Loans for Education, Sports, Art and Culture | 2009-10 | 0.01 |
| Loans for Urban Development | 2017-18 | 1.00 |
| Total (A) | | 1.01 |
| (B) ECONOMIC SERVICES | | |
| 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 (B) | | 38.25 |
| Grand Total (A + B) | | 39.26 |

Source: Finance Accounts of the respective year

It can be seen from the Table above, out of ₹39.26 crore, ₹26.37 crore pertains to 2009-10 i.e. more than 14 years whose recoveries were not reflected in the accounts.

The State Government needs to take appropriate steps to recover the pending loans and advances from the concerned Government Departments.

The Commissioner, Finance Department, GoAP in its reply (03 April 2025) stated that the matter would be looked into.

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 2023-24 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 31 March 2024 are in **Table 2.36**.

Table 2.36: Component-wise net balances in Public Accounts as of 31 March 2024

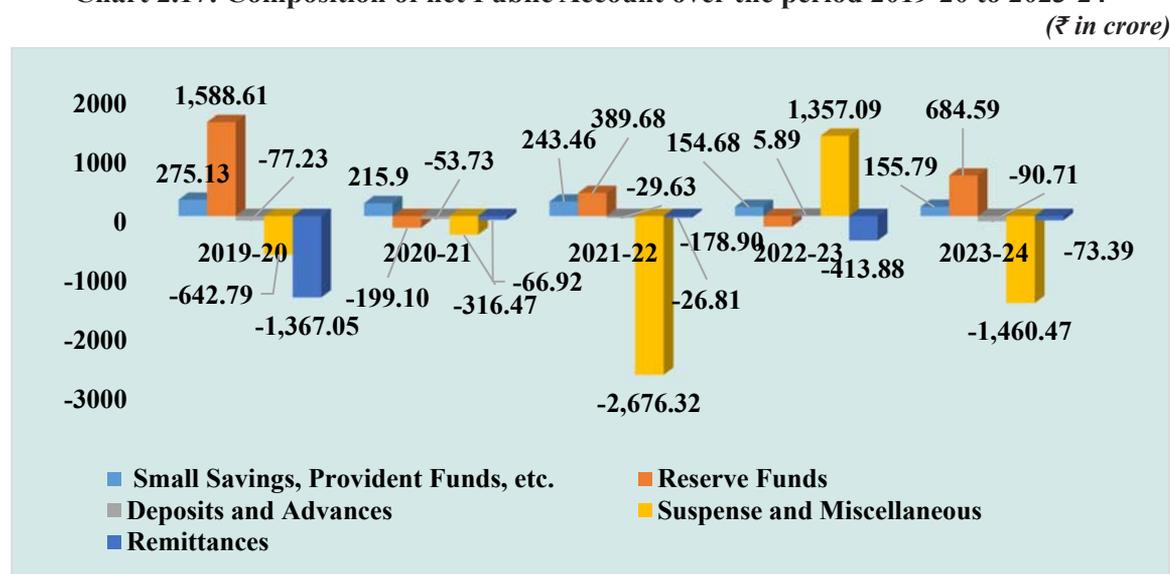
| | | (₹ in crore) | | | | |
|---|--|------------------|------------------|--------------------|---------------|------------------|
| Sector | Sub Sector | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| I. Small Savings, Provident Funds, etc. | Small Savings, Provident Funds, etc. | 275.13 | 215.90 | 243.46 | 154.68 | 155.79 |
| J. Reserve Funds | (a) Reserve Funds bearing Interest | 1,588.61 | (-)199.10 | 389.68 | (-)178.90 | 684.59 |
| | (b) Reserve Funds not bearing Interest | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| K. Deposits and Advances | (a) Deposits bearing Interest | (-)13.95 | (-)7.15 | 1.57 | 5.37 | 4.43 |
| | (b) Deposits not bearing Interest | (-)61.31 | (-)41.64 | (-)36.27 | 0.39 | (-)90.98 |
| | (c) Advances | (-)1.97 | (-)4.94 | 5.07 | 0.13 | (-)4.16 |
| L. Suspense and Miscellaneous | (a) Suspense | (-)2,678.97 | (-)31.58 | 17.90 | (-)5.65 | 24.29 |
| | (b) Other Accounts | 2,036.18 | (-)284.89 | (-)2,694.22 | 1,362.74 | (-)1,484.76 |
| M. Remittances | (a) Money Orders, and other Remittances | (-)1,367.06 | (-)66.87 | (-)26.81 | (-)413.89 | (-)73.36 |
| | (b) Inter- Governmental Adjustment Account | 0.01 | (-)0.05 | 0.00 | 0.01 | (-)0.03 |
| Total | | (-)223.33 | (-)420.32 | (-)2,099.62 | 924.88 | (-)784.19 |

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. The Outstanding net balances under Suspense and Remittance during 2022-23 and 2023-24 were ₹1,574.06 crore (Debit) and ₹1,613.15 crore (Debit) respectively.

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 2019-20 to 2023-24 are given in **Chart 2.17**.

Chart 2.17: Composition of net Public Account over the period 2019-20 to 2023-24



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 2024 was ₹19,610.17 crore. This includes the balance of Reserve Funds of ₹2,287.93 crore. Out of this, ₹2,287.80 crore was under Reserve Funds bearing interest and ₹0.13 crore under Reserve funds not bearing interest. With regards to Reserve funds bearing interest, ₹2,162.40 crore was under State Compensatory Afforestation Fund (SCAF) and ₹125.40 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 01 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 on Constitution and Administration of SDRF (September 2010), the SDRF Fund would be constituted in the Public Account under Reserve Fund bearing interest, under MH 8121 in the accounts of the State Government. The State Government shall take the amount as receipts in its budget and account it under MH 1601-01-109. In order to enable transfer of the total amount of the contribution to the fund, including the State share, the State Government would make suitable budget provision on the expenditure side of the budget under MH 2245-05-101 (Relief on account of natural calamities). Immediately upon receipt of GoI share, the State would transfer the amount, along with its share to the Public Account head (MH 8121-122). The actual expenditure on relief works will be booked only under respective Minor Head under MH 2245 and the expenditure to be charged to the SDRF will be shown as a negative entry under 2245-05-901. Direct expenditure should not be made from the Public Account.

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 2023-24, State Government received ₹220.80 crore as Central Government's share. The State Government transferred ₹245.60 crore (Central share ₹220.80 crore and State share ₹24.80 crore) to Fund under Public Accounts.

During 2023-24, Department incurred ₹332.33 crore on Natural Calamities (Floods, Cyclones, etc.). Out of these amount, State Government incurred an expenditure of ₹122.80 crore through public Accounts. The remaining amount of ₹209.53 crore was expended directly without transferring the fund to Public Accounts in contradiction of the guidelines on Constitution and Administration of SDRF. As on 31 March 2024, closing balance was ₹125.41 crore. Further, the State had not received any fund from the Central Government towards National Disaster Response Funds (NDRF).

Details of expenditure charged to SDRF during 2023-24 are given in **Table 2.37**.

Table 2.37: Details of expenditure charged to SDRF during 2023-24

| (₹ in crore) | |
|---|---------------|
| Head of the Accounts and Name | Amount |
| 101-Gratuitous Relief | 37.21 |
| 102-Drinking Water Supply | 0.14 |
| 105-Veterinary Care | 32.47 |
| 106-Repairs and Restoration of Roads and Bridges | 47.00 |
| 109-Repairs and Restoration of damaged Water Supply, drainage and Sewerage works | 22.00 |
| 110-Assistance for repairs and restoration of damaged Water Supply, drainage and Sewerage works | 23.00 |
| 111-Ex-gratia payments to bereaved families | 0.15 |
| 112-Evacuation of population | 2.20 |
| 113-Assistance for repairs/reconstruction of Houses | 12.51 |
| 114-Assistance to Farmers to for purchase of Agricultural Inputs | 85.38 |
| 115-Assistance to farmers to clear sand/silt/salinity from lands | 4.15 |
| 118-Assistance for repairs/replacement of damaged boats and equipment for fishing | 0.31 |
| 119-Assistance to Artisans for repairs/replacement of damaged tools and equipment | 5.46 |
| 122-Repairs and Restoration of damaged irrigation and flood control works | 56.60 |
| 193-Assistance to Local bodies and other non-Government Bodies/Institutions | 0.73 |
| 282-Public Health | 2.80 |
| 800-Other Expenditure | 0.22 |
| Total | 332.33 |
| Expenditure charged to SDRF in violation of SDRF guidelines | 295.12 |

Source: Finance Account, 2023-24

As per the SDRF guidelines, only the amount booked under 2245-02-101 is admissible expenditure to be met from SDRF. Hence, expenditure of ₹295.12 crore, out of ₹332.33 crore, met from SDRF was in contravention of the guidelines.

The Commissioner, Finance Department, GoAP in its reply (03 April 2025) stated that the matter would be taken up with the concerned department.

2.8.2 State Compensatory Afforestation Fund

In compliance with the instructions issued by the Ministry of Environment, Forests and Climate Change, Government of India, the state governments are required to establish the State Compensatory Afforestation Fund (SCAF) under interest bearing section in Public Account of the State for amounts received from user agencies for undertaking Compensatory Afforestation.

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

During the year 2023-24, the State Government received no amount from the user agencies and no transfer was made to the National Fund. However, the State Government received ₹509.97 crore (Nil amount in previous year) directly from the National Compensatory Afforestation Deposit as 90 *per cent* of total deposits received from the user agencies between 01 April 2020 to 31 March 2022, which was in contravention of procedure prescribed in the Act. Further, an amount of ₹235.13 crore was also received in the Fund as deposits by the State Government being unspent amount from the State CAMPA Accounts maintained in Banks.

Budget provision of ₹11.27 crore was kept under '2406 Forestry and Wildlife-04 Afforestation and Ecology Development-103 State Compensatory Afforestation (SCA)' and Budget provision of ₹179.83 crore was made under Capital section of Accounts under 4406-01-101 Forest Conservation, Development and Regeneration. An expenditure of ₹183.31 crore (₹9.77 crore under 2406 and 173.54 crore under 4406) was incurred during the year 2023-24 and no amount was invested during the year. The balance in the State Compensatory Afforestation Fund as on 31 March 2024 was ₹2,162.40 crore.

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 2023-24

(₹ 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 |
|------------------|-----------------------|-----------------------------------|-------------------------|---------------------------|--|-----------------|
| 2,260.09 | 78.23 ¹¹ | 234.99 | -- | 2,495.08 | 234.99 | 2,495.08 |

Source: Finance Accounts 2023-24

It can be seen from the above **Table 2.38**, the contribution due from the State Government during the year was ₹78.23 crore. Against this, the State Government contributed ₹234.99 crore (including interest of ₹164.99 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 2024, an amount of ₹2,495.08 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.

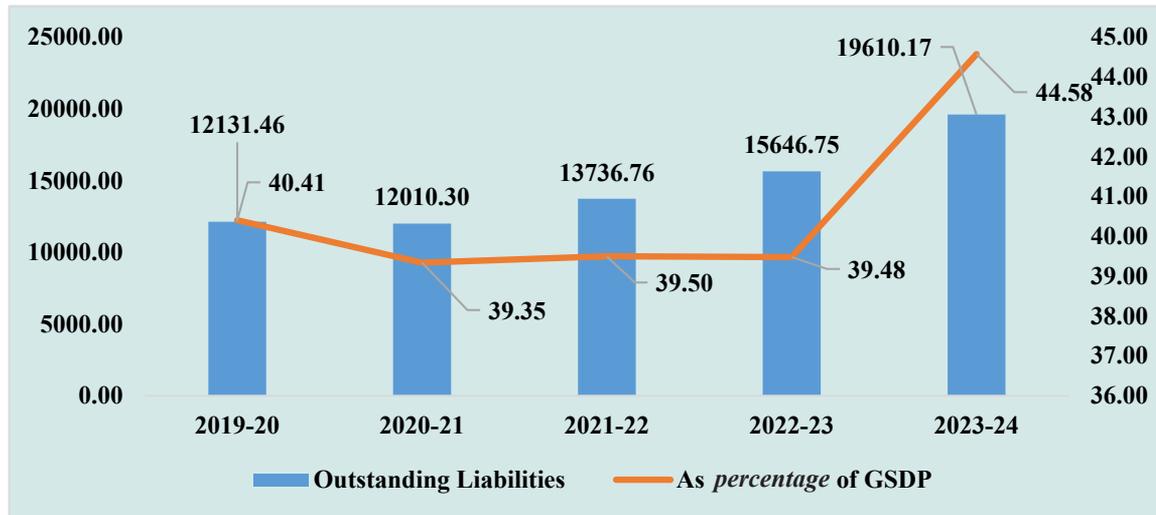
During 2023-24, the State Government contributed ₹1.08 crore against ₹0.06 crore required to be contributed to the Fund. In addition, the Government contributed ₹0.32 crore as no guarantee was invoked during the year. The entire amount (₹1.40 crore) has been invested by the Reserve Bank of India in GoI Securities. As on 31 March 2024, the total amount lying in the Fund was ₹5.55 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.

The Outstanding Total Liabilities of the State along with its *percentage* to GSDP for the year 2019-20 to 2023-24 are in given in **Chart 2.18**.

¹¹ 0.50 *per cent* of the total Outstanding Liabilities of ₹15,646.75 crore of State Government as on 31 March 2022

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 throughout the period (2019-20 to 2023-24) except for the year 2020-21. The *percentage* of Outstanding Liabilities to GSDP ranged between 39.35 and 44.58 *per cent* during the five-year period from 2019-20 to 2023-24.

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 2019-20 to 2023-24 are given in **Table 2.39**.

Table 2.39: Trend of the outstanding Debt

| Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|-----------|-----------|-----------|-----------|-----------|
| Outstanding Total Liabilities | 12,131.46 | 12,010.30 | 13,736.76 | 15,646.75 | 19,610.17 |
| Public Debt | 6,451.24 | 7,707.81 | 8,835.82 | 10,764.27 | 13,973.87 |
| <i>Internal Debt</i> | 6,298.77 | 7,348.10 | 8,130.52 | 8,520.84 | 9,392.43 |
| <i>Loans from GoI</i> | 152.47 | 359.71 | 705.30 | 2,243.43 | 4,581.44 |
| Public Account Liabilities | 5,680.22 | 4,302.49 | 4,900.94 | 4,882.48 | 5,636.30 |
| <i>Small Savings, provident Funds, etc.</i> | 2,503.51 | 2,719.41 | 2,962.87 | 3,117.55 | 3,273.34 |
| <i>Reserve Funds bearing interest</i> | 1,591.54 | 1,392.43 | 1,782.11 | 1,603.21 | 2,287.80 |

| Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|-----------|-----------|-----------|-----------|-----------|
| Reserve Funds not bearing interest | 1,345.85 | 0.12 | 0.13 | 0.13 | 0.13 |
| Deposits bearing interest | 38.80 | 31.65 | 33.22 | 38.60 | 43.02 |
| Deposits not bearing interest | 200.52 | 158.88 | 122.61 | 122.99 | 32.01 |
| Rate of growth of outstanding total Liabilities over the previous year (percentage) | 41.25 | (-)1.00 | 14.37 | 13.90 | 25.33 |
| Gross State Domestic Product (GSDP) | 30,023.65 | 30,525.36 | 34,774.78 | 39,629.95 | 43,991.61 |
| Rate of Growth of GSDP (in per cent) | 18.51 | 1.67 | 13.92 | 13.96 | 11.01 |
| Liability/ GSDP (in per cent) | 40.40 | 39.35 | 39.50 | 39.48 | 44.58 |
| Borrowings and Other Liabilities as per Statement 6 of Finance Accounts | | | | | |
| Total Liabilities Receipts | 4,595.82 | 2,898.15 | 3,568.92 | 4,048.80 | 6,594.31 |
| Total Liabilities Repayments | 1,052.78 | 1,333.00 | 1,842.46 | 2,138.81 | 2,621.10 |
| Total Liabilities Receipts Available | 3,543.04 | 1,565.15 | 1,726.46 | 1,909.99 | 3,973.21 |
| Liabilities Repayments/ Liabilities Receipts (percentage) | 22.91 | 45.99 | 51.63 | 52.83 | 39.75 |

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 for the year 2020-21) as it increased by ₹7,478.71 crore (61.65 per cent) from ₹12,131.46 crore in 2019-20 to ₹19,610.17 crore in 2023-24 due to a significant increase in Loans and Advances from GoI by ₹4,428.97 crore (2,904.81 per cent), Internal Debt by ₹3,093.66 crore (49.12 per cent), which was partially offset by decrease in Public Accounts liabilities by ₹43.92 crore (0.77 per cent).

During 2023-24, the Outstanding Liabilities increased by ₹3,963.42 crore (25.33 per cent) over 2022-23 (₹15,646.75 crore). This was due to increase in the Loans and Advances from GoI by ₹2,338.01 crore (104.22 per cent), Internal Debt by ₹871.59 crore (10.23 per cent), and Public Accounts Liabilities by ₹753.82 crore (15.44 per cent) over the previous year.

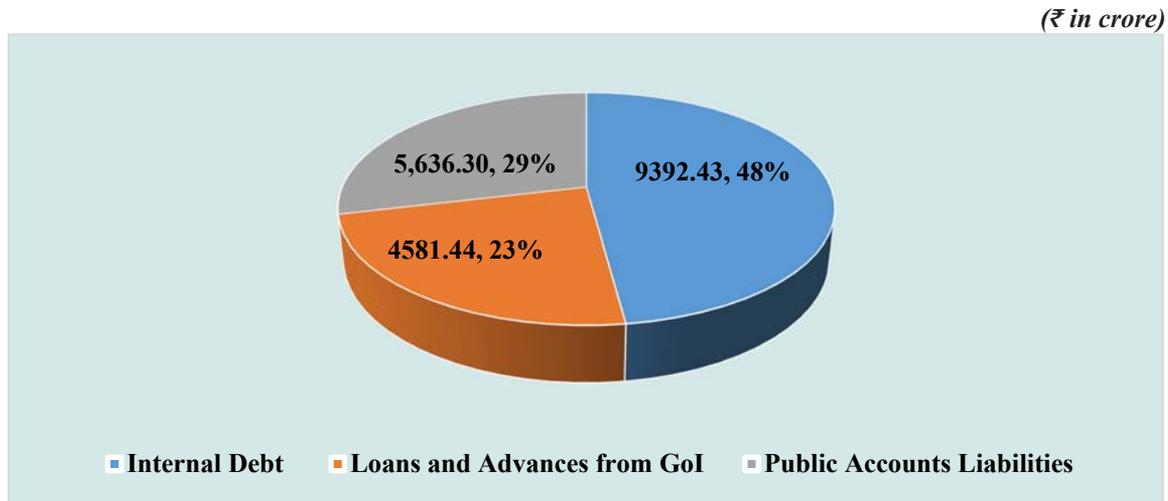
During 2023-24, Public debt increased by ₹3,209.60 crore (29.82 per cent). This was due to increase in internal debt increased by ₹871.59 crore (10.23 per cent) and Loans from GoI by ₹2,338.01 crore (104.22 per cent). During the current year, the public accounts liabilities increase by ₹753.82 crore (15.44 per cent) over the previous year (₹4,882.48 crore). This was due to significant increase in Reserve funds bearing interest by ₹684.59 crore (42.70 per cent), Small Savings, Provident Funds, etc. by ₹155.79 crore (five per cent) which was partially offset by decrease in Deposits not bearing interest by ₹90.98 crore (73.97 per cent).

As can be seen from **Table 2.39**, State utilises a substantial portion 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 2022-23) 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 2019-20 to 2023-24 and stood at 44.58 per cent during 2023-24. The ratio of Debt repayments to Debt receipts had an increasing trend from 2019-20 to 2022-23. The ratio of

Debt repayments to Debt receipts decreases drastically from 52.83 per cent in 2022-23 to 39.75 per cent in 2023-24 which caused future burden on State Government’s resources.

Component-wise break-up of outstanding total liabilities at the end of 2023-24 is shown in **Chart 2.19**.

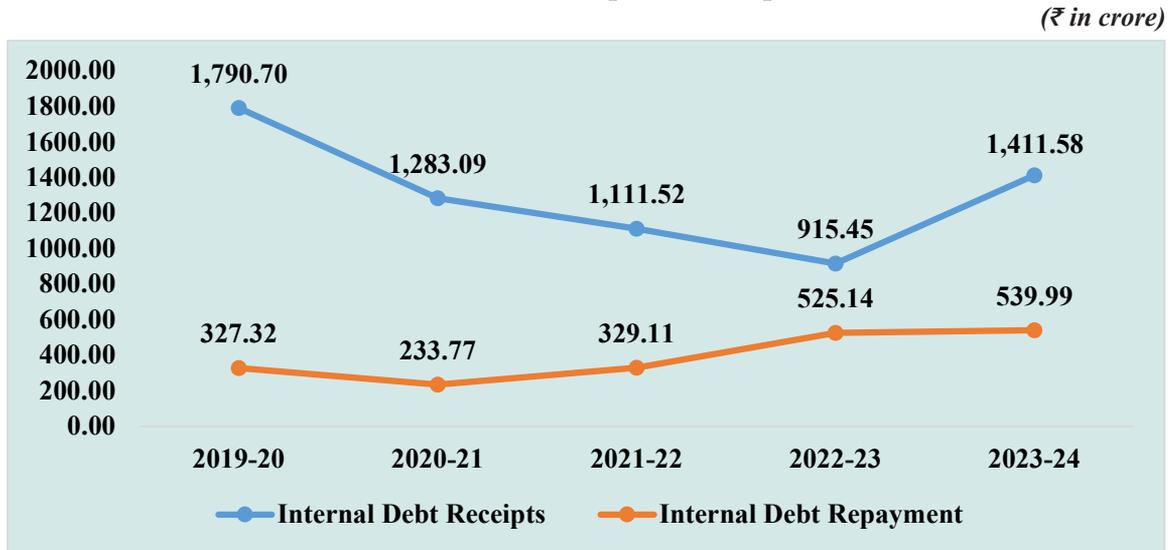
Chart 2.19: Break-up of outstanding Liabilities as on 31 March 2024



Source: Finance Accounts 2023-24

Internal debt, which is primarily Market Borrowings through issue of State Government Securities, accounts for 48 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 2019-20 to 2023-24



Source: Finance Account of the 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 and it increased drastically in 2023-24. Internal Debt repayment had also been increasing during the five years period (except for the year 2020-21). The gap between Internal Debt taken and repaid has increased in 2023-24. This was due to drastic increase in Internal Debt Receipts than that of Internal Debt Repayment.

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 2019-20 to 2023-24.

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

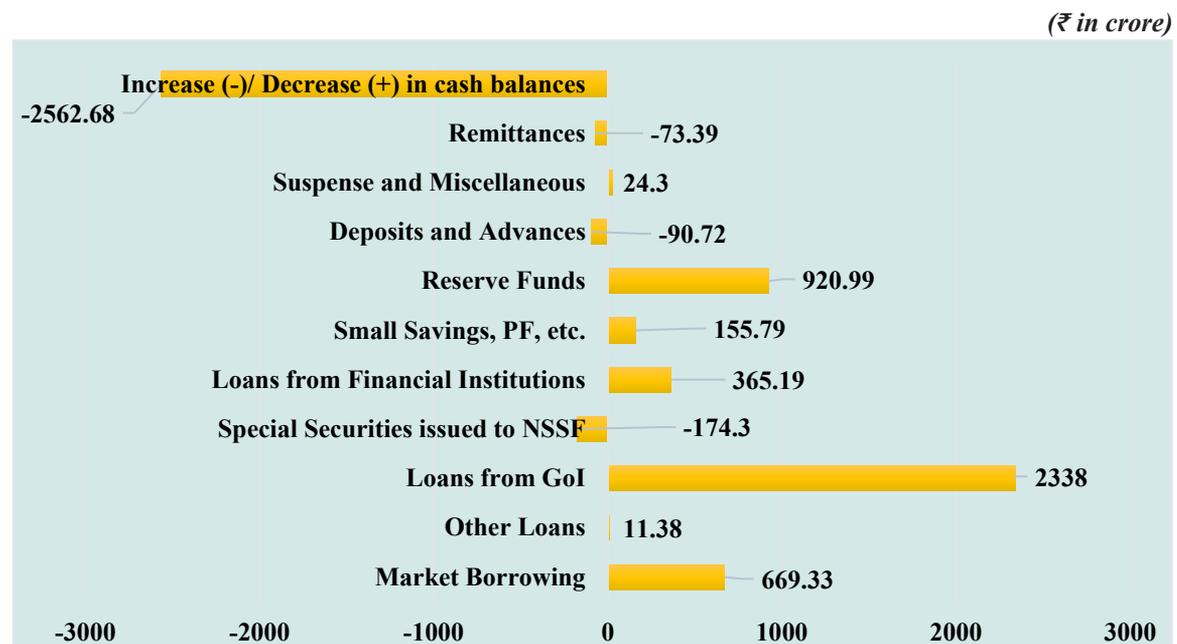
(₹ in crore)

| Sl. No. | Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Decomposition of Fiscal Deficit | | | | | | |
| Fiscal Deficit (-)/ Surplus (+) | | (-1,032.22) | (-1,086.20) | (-1,099.04) | (-1,735.40) | (-1,583.89) |
| 1 | Revenue Surplus | 2,669.82 | 4,036.01 | 5,385.00 | 6,370.47 | 6,876.65 |
| 2 | Net Capital Expenditure | (-) 3,693.05 | (-) 5,123.35 | (-) 6,488.33 | (-) 8,107.36 | (-) 8,463.83 |
| 3 | Net Loans and Advances | -8.99 | 1.14 | 4.29 | 1.49 | 3.29 |
| Financing pattern of Fiscal Deficit | | | | | | |
| 1 | Market Borrowings | 762.96 | 1,288.08 | 767.81 | 389 | 669.33 |
| 2 | Other Loans | 4.16 | (-)3.73 | (-)3.73 | 6.87 | 11.38 |
| 3 | Loans from GoI | (-) 26.36 | (-)26.28 | 207.25 | 1,538.14 | 2338 |
| 4 | Special Securities issued to NSSF | 50.45 | 77.36 | 146.91 | (-)192.27 | (-)174.3 |
| 5 | Loans from Financial Institutions | 189.64 | 101.67 | 138.33 | 186.71 | 365.19 |
| 6 | Small Savings, PF, etc. | 225.89 | 275.14 | 215.9 | 154.68 | 155.79 |
| 7 | Reserve Funds | 307.32 | 1,906.08 | 141.47 | 55.71 | 920.99 |
| 8 | Deposits and Advances | (-)75.93 | (-)77.23 | (-)53.73 | 5.88 | (-)90.72 |
| 9 | Suspense and Miscellaneous | (-)176.63 | (-)2,678.97 | (-)31.58 | (-)5.65 | 24.30 |
| 10 | Remittances | 1,134.66 | (-)1,367.05 | (-)66.92 | (-)413.87 | (-)73.39 |
| 11 | Increase (-)/ Decrease (+) in cash balances | (-) 364.49 | 1,537.15 | (-)375.51 | 10.20 | (-) 2,562.68 |
| 12 | Increase/ Decrease in WMAs, Overdraft | -55.64 | 0.00 | 0.00 | 0.00 | 0.00 |
| Overall Deficit (1 to 11) (-) | | (-) 1,032.22 | (-) 1,086.20 | (-) 1,099.04 | (-) 1,735.40 | (-) 1,583.89 |
| Revenue Surplus to Capital Expenditure (per cent) | | 72.29 | 78.78 | 83.00 | 78.58 | 81.25 |

Source: Finance Accounts of the 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 during the throughout the period (2019-24), the surplus on revenue account were utilised to finance Capital Expenditure. During 2019-20 to 2023-24, Revenue Surplus could finance 72.29 to 83.00 *per cent* of Capital expenditure. The components of financing of fiscal deficit during 2023-24 is expressed through water flow chart as shown in **Chart 2.21**.

Chart 2.21: Components of financing of fiscal deficit during 2023-24



Source: Finance Accounts, 2023-24

The components of receipts and disbursements financing the fiscal deficit during 2023-24 are depicted in **Table 2.41**.

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

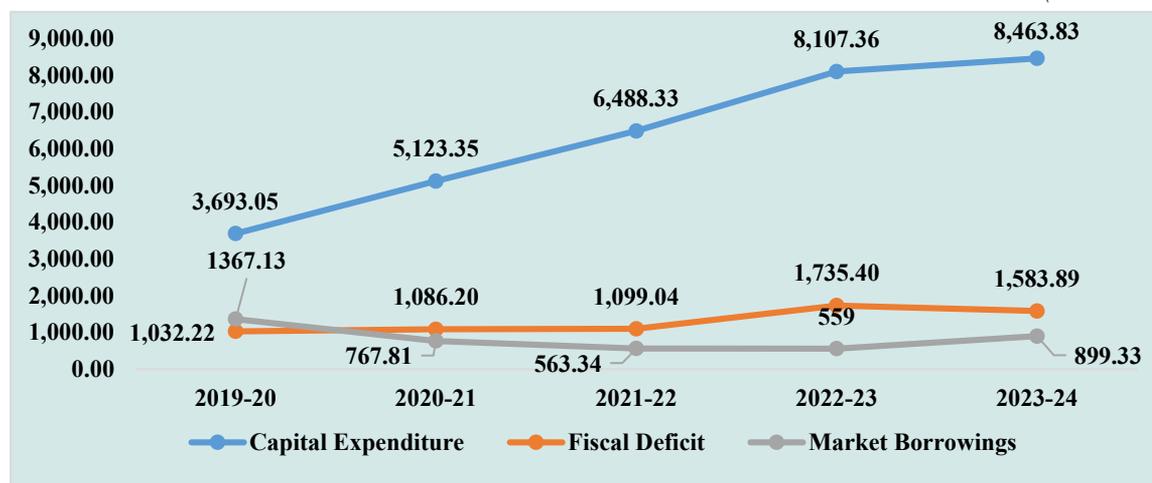
(₹ in crore)

| Particulars | Receipts | Disbursement | Net |
|---|----------|--------------|-----------------|
| Market Borrowings | 899.33 | 230.00 | 669.33 |
| Loans from GoI | 2,363.41 | 25.41 | 2338 |
| Special securities issued to NSSF | 0.00 | 174.30 | (-) 174.30 |
| Loans from Financial Institutions | 500.00 | 134.81 | 365.19 |
| Other Loans | 12.25 | 0.87 | 11.38 |
| Small Savings, PF, etc. | 642.01 | 486.22 | 155.79 |
| Reserve Fund | 1227.09 | 306.11 | 920.99 |
| Deposit and Advances | 1185.56 | 1276.28 | (-)90.72 |
| Suspense and Miscellaneous | (-) 0.18 | (-) 24.48 | 24.30 |
| Remittances | 9,464.82 | 9,538.21 | (-) 73.39 |
| Overall Deficit | | | 4,146.57 |
| Increase (-)/ Decrease (+) in Cash balances | | | (-)2,562.68 |
| Gross Fiscal Deficit | | | 1,583.89 |

Source: Finance Accounts, 2023-24

As it could be seen from the **Table 2.41**, that 23.05 and 42.26 per cent of the fiscal deficit was financed from Loans from GoI and Market Borrowings. Comparative trend of Capital Expenditure, Fiscal Deficit and Market Borrowings for the period 2019-20 to 2023-24 are given in **Chart 2.22**.

Chart 2.22: Trend of Capital Expenditure, Fiscal Deficit, and Market Borrowings
(₹ in crore)



Source: Finance Account of the respective year

Ideally, the market borrowings should be utilised for creation of Assets through Capital Expenditure. As can be seen from the above Chart, market borrowings were less than the Capital Expenditure for the past five years indicating that market borrowings were not utilised fully for creation of Assets through Capital Expenditure. During 2023-24, Capital Expenditure was 224.21 per cent of Public debt receipts.

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:

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.
- 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 2019-20 to 2023-24 are given in **Table 2.42** and **Chart 2.23**.

Table 2.42: Debt Sustainability: Indicators and Trends

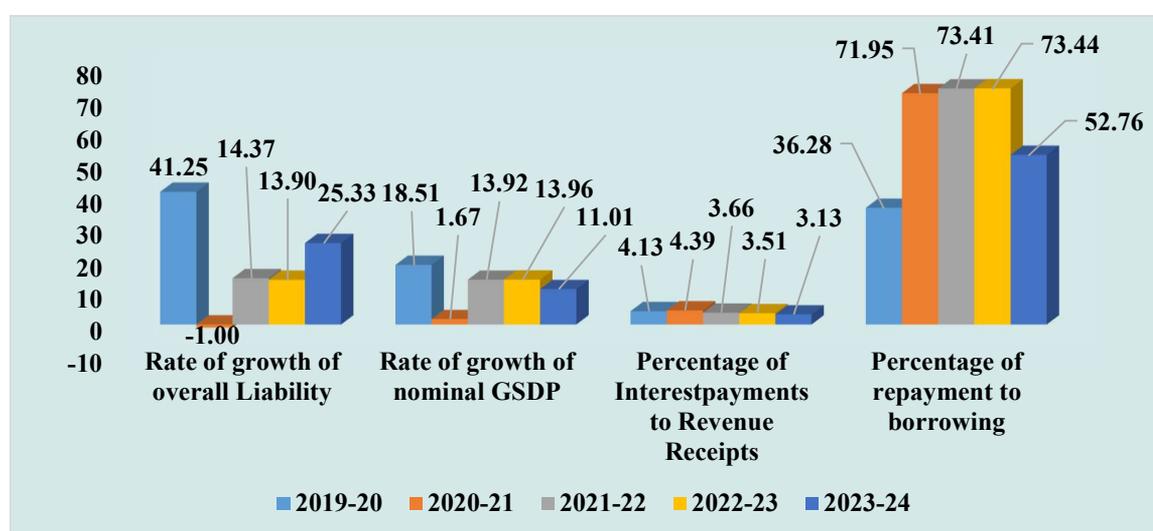
| Debt Sustainability Indicators | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|-----------|-----------|-----------|-----------|-----------|
| Overall Liabilities or Overall Debt | 12,131.46 | 12,010.30 | 13,736.76 | 15,646.75 | 19,610.17 |
| Rate of growth of overall liability (in per cent) | 41.25 | -1.00 | 14.37 | 13.90 | 25.33 |
| GSDP (Nominal terms) | 30,023.65 | 30,525.36 | 34,774.78 | 39,629.95 | 43,991.61 |
| Nominal GSDP growth rate (per cent) | 18.51 | 1.67 | 13.92 | 13.96 | 11.01 |
| Overall Liabilities or Overall Debt/GSDP | 40.41 | 39.35 | 39.50 | 39.48 | 44.58 |
| Maturity profile of all kinds of borrowings (including liabilities under Public Accounts, if any) in per cent | | | | | |
| 0-2 years | 14.22 | 13.62 | 17.48 | 14.52 | 8.92 |
| 2-5 years | 18.19 | 19.73 | 24.33 | 25.74 | 20.48 |
| 5-10 years | 57.56 | 55.04 | 45.57 | 53.69 | 34.04 |
| Over 10 years | 10.04 | 11.61 | 12.63 | 6.04 | 36.56 |
| Repayments to Gross Borrowings (per cent) | 36.28 | 71.95 | 73.41 | 73.44 | 52.76 |
| Net borrowings available as a percentage of Gross Borrowings | 63.72 | 28.05 | 26.59 | 26.56 | 47.24 |
| Interest payments on Overall Debt | 614.53 | 752.34 | 777.62 | 834.64 | 858.03 |
| Effective rate of interest on Overall Debt (per cent) | 6.87 | 6.78 | 6.26 | 6.14 | 5.50 |
| Interest payments to Revenue Receipts (per cent) | 4.13 | 4.39 | 3.66 | 3.51 | 3.13 |
| Revenue Surplus | 2,669.82 | 4,036.01 | 5,385.00 | 6,370.47 | 6,876.65 |
| Primary Revenue Balance | 3,284.35 | 4,788.35 | 6,162.62 | 7,205.11 | 7,734.68 |
| Primary Balance | (-)418.69 | (-)333.86 | (-)321.42 | (-)900.76 | (-)725.86 |
| PB/GSDP | (-) 1.39 | (-) 1.09 | (-) 0.92 | (-) 2.27 | (-) 1.65 |
| Difference between RoI and effective rate of interest on overall liability | (-) 6.87 | (-) 6.78 | (-) 6.26 | (-) 6.14 | (-) 5.50 |
| Liquidity Management (use of financial accommodation instruments available with RBI) (in number of occasions) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

| Debt Sustainability Indicators | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|-----------|-----------|-----------|-----------|-----------|
| Debt Stabilisation (Quantum spread + Primary balance) | 812.84 | (-)927.06 | 693.61 | 191.59 | 221.15 |
| Domar Model | | | | | |
| GSDP (in constant terms) | 19,140.30 | 18,434.54 | 19,707.40 | 21,084.65 | 23,080.53 |
| Real Growth (in constant terms) | 14.83 | (-) 3.69 | 6.90 | 6.99 | 9.47 |
| Inflation based on CPI (<i>per cent</i>) | 0.52 | 2.57 | 6.07 | 6.24 | 3.22 |
| Effective Rate of interest on Overall Debt | 6.87 | 6.78 | 6.26 | 6.14 | 5.50 |
| Real effective rate of interest (Effective rate of interest-Inflation) | 6.35 | 4.21 | 0.19 | (-) 0.10 | 2.28 |
| Growth Interest Differential (Real Growth-Real effective rate of interest) | 8.48 | (-)7.89 | 6.72 | 7.09 | 7.18 |

Source: Finance Accounts of the respective year; GSDP-Director of Economics and Statistics, GoAP and CPI-Economic Division of Comptroller and Auditor General of India.

RoI= Interest Receipts/ Average of Outstanding Loans and Advances Disbursed of previous and current year*100

Chart 2.23: Trends of Debt Sustainability Indicators



Source: Finance Accounts of the respective year

- Nominal growth during 2019-2024 was largely driven by real growth. The Debt Sustainability Indicator (DSI) showed a fluctuating trend during 2019-2024. This could be due to the volatility observed in nominal growth and primary balance. However, stable nominal growth post-COVID and contraction in overall liabilities in 2020-21 allowed the debt-GSDP ratio to remain stable at average of 39.50 *per cent* during 2020-23.
- Decomposition of primary balance and debt relative to GSDP shows that the improvement in the growth-interest gap was not sufficient to absorb the impact of the primary deficit and the increase in non-interest-bearing liabilities, which led to an increase in the debt-GSDP ratio in 2019-20. In contrast, the contraction in non-interest-bearing liabilities supported by the reduction in primary deficit resulted in the debt-GSDP ratio declining by more than one percentage point from 40.41 *per cent*

in 2019-20 to 39.35 per cent in 2020-21, which remained almost stable till 2022-23. However, the Growth Interest Differential (GID) which remained favorable was not enough absorb the impact of primary deficit and rise in non-interest liabilities. This resulted in an increase in the debt burden by over five percentage points in 2023-24 over the previous year.

- (c) The Domar criterion shows that except in 2020-21, real interest remained below the real growth. This suggests that economic growth in the last five years was sufficient to cover the cost of borrowing. However, given the fluctuating trend in primary deficit, debt-GSDP ratio was unable to converge the 2019-20 level. Moreover, the debt-GSDP ratio in four out of five years remained above the indicative debt path¹² given by the FC during 2019-2024.

Thus, given the cost disabilities in the form of remoteness, high transportation cost of goods, large proportion of forest area and difficult terrain and limited revenue mobilisation capacity, the State should prioritise its expenditure needs to stabilise the debt-GSDP ratio and set targets for debt reduction to align with the debt indicative path given by the Finance Commission.

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 2.43**.

Table 2.43: Maturity Profile of Public Debt

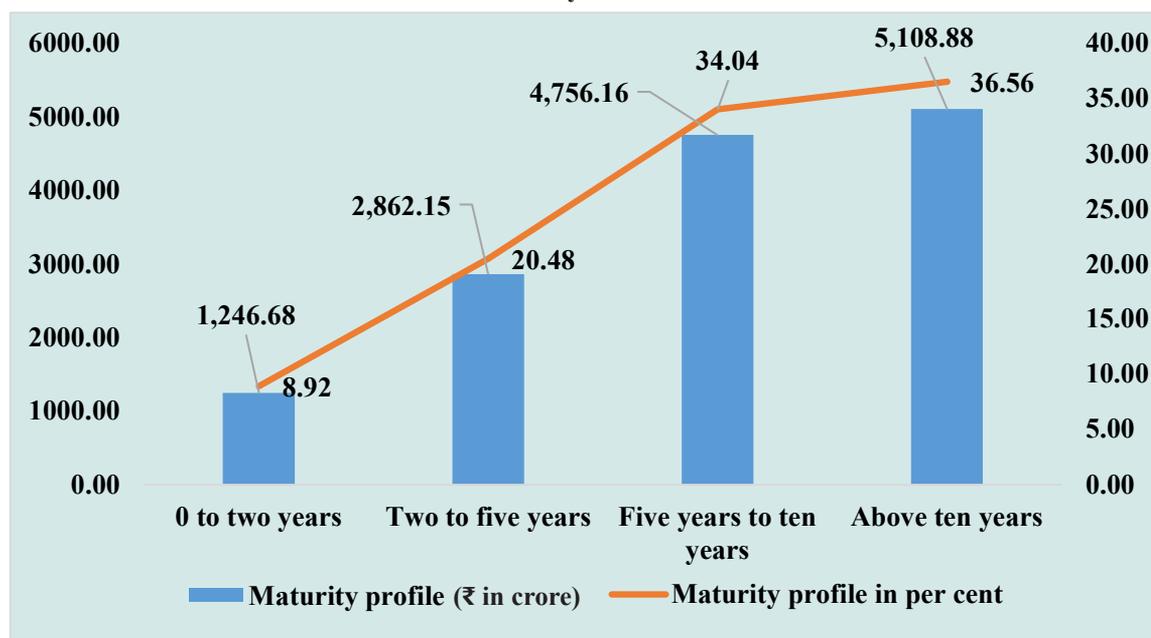
(₹ in crore)

| Year of Maturity | Maturity profile | Internal Debt | Loans and Advances from GoI | Total |
|--------------------|------------------------------|-----------------|-----------------------------|------------------|
| 2024-25 to 2025-26 | 0 to two years | 1,225.89 | 20.79 | 1,246.68 |
| 2026-27 to 2028-29 | Over two years to five years | 2861.93 | 0.22 | 2,862.15 |
| 2029-30 to 2033-34 | Over five years to ten years | 4,756.13 | 0.03 | 4,756.16 |
| 2034-35 onwards | Above ten years | 548.48 | 4,560.40 | 5,108.88 |
| Total | | 9,392.43 | 4,581.44 | 13,973.87 |

Source: Finance Accounts, 2023-24

¹² There are two conditions required for DSA; Debt Sustainability Indicator (a combination of GID and Primary Balance) and to estimate the Sustainability of the debt is diversion of the actual Debt/GSDP ratio from target threshold. As there is no theory to indicate what is a sustainable debt threshold, so choice of the target value of the debt is arbitrary. Therefore, indicative debt path of the State as projected as given by the FC is considered as threshold of Debt/GSDP ratio.

Chart 2.24: Maturity Profile of Public Debt



Source: Finance Accounts, 2023-24

The maturity profile of outstanding stock of Public Debt as on 31 March 2024 indicates that out of the outstanding Public Debt of ₹13,973.87 crore, 63.44 per cent (₹8,864.99 crore) is payable within the next ten years while the remaining 36.56 per cent (₹5,108.88 crore) is in the maturity bracket of more than ten 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 67.21 per cent (₹9,392.43 crore). Details of repayment of principal and Interest on Outstanding debt stock in next 10 years on the present public debt is given in Table 2.44.

Table 2.44: Details of repayment of public debt and Interest

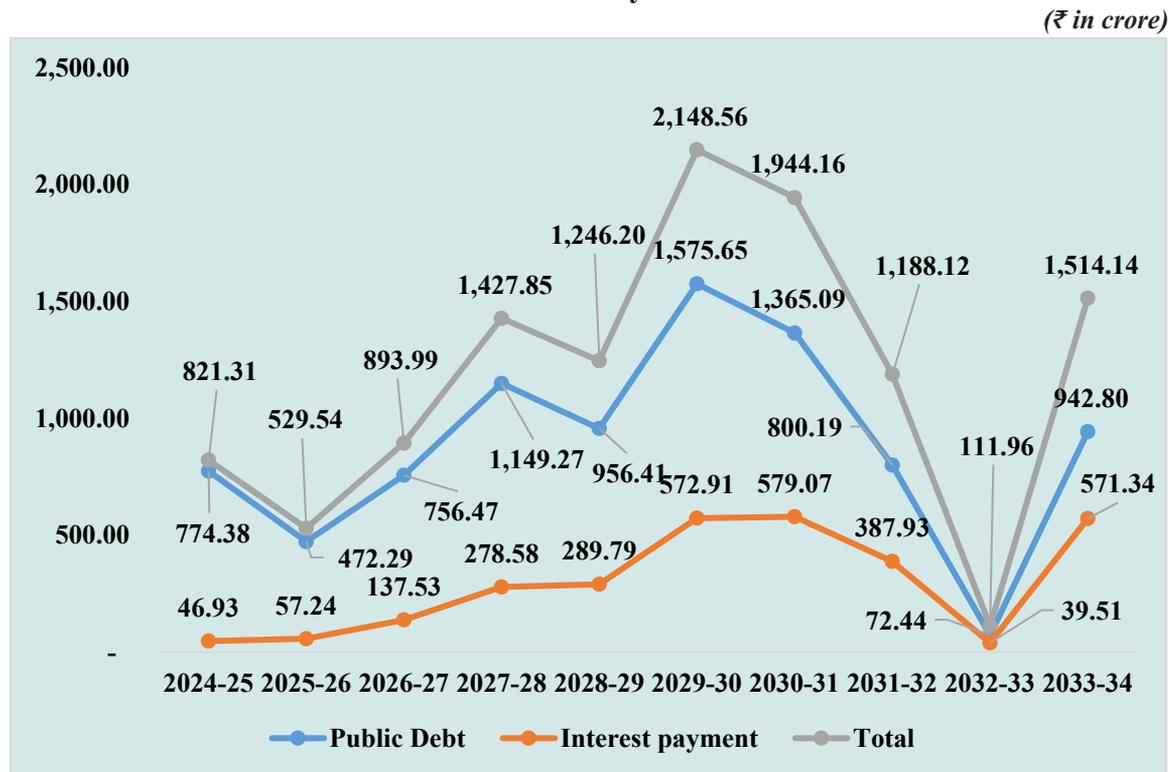
(₹ in crore)

| Year | Principal | | Interest payment on | | Total |
|---------|---------------|-----------------------------|---------------------|-----------------------------|----------|
| | Internal Debt | Loans and Advances from GoI | Internal Debt | Loans and Advances from GoI | |
| 2024-25 | 753.92 | 20.46 | 45.69 | 1.24 | 821.31 |
| 2025-26 | 471.96 | 0.33 | 57.20 | 0.04 | 529.54 |
| 2026-27 | 756.36 | 0.11 | 137.51 | 0.02 | 893.99 |
| 2027-28 | 1,149.18 | 0.09 | 278.56 | 0.02 | 1,427.85 |
| 2028-29 | 956.39 | 0.02 | 289.79 | 0.00 | 1,246.20 |
| 2029-30 | 1,575.63 | 0.02 | 572.90 | 0.01 | 2,148.56 |
| 2030-31 | 1,365.08 | 0.01 | 579.07 | 0.00 | 1,944.16 |
| 2031-32 | 800.19 | 0.00 | 387.93 | 0.00 | 1,188.12 |
| 2032-33 | 72.44 | 0.00 | 39.51 | 0.00 | 111.96 |
| 2033-34 | 942.80 | 0.00 | 571.34 | 0.00 | 1,514.14 |

Source: Finance Accounts, 2023-24

Expenditure on Debt repayment (Principal component) as well as Interest thereon is a committed liability of the State Government. As on 31 March 2024, the State accumulated debt of ₹13,973.87 crore. The State will repay ₹8,865.00 crore (63.44 per cent) of this accumulated debt before 31 March 2034. Trends of repayment of Public Debt and interest payments on available present Public debt of the State for the next ten years are given in Chart 2.25.

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



Source: Finance Accounts, 2023-24

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 2024 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 2.45** presents the trend of utilisation of borrowed funds for repayment of earlier borrowings, Capital Expenditure and Revenue Expenditure.

Table 2.45: Details of utilisation of borrowed funds

(₹ in crore)

| Year | Total Borrowings | Repayment of earlier borrowings (Principal) | 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) |
| 2019-20 | 1,790.70 | 353.60 | 3,693.05 | (-)8.99 | NA |
| 2020-21 | 1,516.06 | 259.49 | 5,123.35 | 1.14 | NA |
| 2021-22 | 1,482.71 | 354.71 | 6,488.33 | 4.29 | NA |
| 2022-23 | 2,479.56 | 551.11 | 8,107.36 | 1.49 | NA |
| 2023-24 | 3775.00 | 565.39 | 8,463.83 | 3.29 | NA |

Source: Finance Accounts of the respective year

It can be seen from the above **Table 2.45** that the State Government utilised total borrowings for repayment of earlier principal and Capital Expenditure during the period from 2019-20 to 2023-24 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 required to maintain a minimum balance of ₹0.26 crore with RBI. State Government was able to maintain a minimum cash balance with RBI during 2023-24.

The Cash Balances and Investments made by the State Government out of Cash Balances during 2023-24 are shown in **Table 2.46**.

Table 2.46: Cash Balances and Investment of Cash Balances*(₹ in crore)*

| Particulars | Open balance on 01 April 2023 | Closing balance on 31 March 2024 |
|--|----------------------------------|-------------------------------------|
| A. General Cash Balance | | |
| Cash in treasuries | 0.00 | 0.00 |
| Deposits with Reserve Bank | (-) 945.59 | (-) 104.07 |
| Deposits with other Banks | 0.00 | 0.00 |
| Remittances in transit – Local | 0.00 | 0.00 |
| Total (A) | (-)945.59 | (-) 104.07 |
| B. Investments held in Cash Balance investment account | 3,045.88 | 4,530.13 |
| (a) Total (A+B) | 2,100.29 | 4,426.06 |
| (b) Other Cash Balances and Investments | | |
| Cash with departmental officers | (-)18.39 | (-) 17.88 |
| Permanent advances for contingent expenditure with department officers | 0.01 | 0.01 |
| Investment of earmarked funds | 2,264.24 | 2,500.64 |
| Total (b) | 2,245.86 | 2,482.77 |
| Total (a) + (b) | 4,346.15 | 6,908.83 |
| Interest realized | 90.39 | 169.41 |

Source: Finance Accounts, 2023-24

Cash with treasuries/ departments, Deposit with RBI and Remittance in transit form cash and cash equivalent. In addition to Treasury bills, cash balance is also invested in Earmarked funds viz., Consolidated Sinking Fund and Guarantee Redemption Fund. Out of the investment of ₹2,500.64 crore, ₹2,495.08 crore was invested in Consolidated Sinking Fund and ₹5.56 crore in Guarantee Redemption Fund.

Cash Balances of the State Government increased significantly by ₹2,562.68 crore (58.96 per cent) from ₹4,346.15 crore in 2022-23 to ₹6,908.83 crore in 2023-24.

There was a net difference of ₹9.45crore (Credit) at the end of accounting year 2023-24 between the General Cash Balance as worked out by the Accountant General ₹104.07 crore (Credit) and that reported by the RBI ₹94.62 crore (Debit). This difference was mainly due to misclassification of transactions by bank/ treasuries.

As of 31 March 2024, the State Government invested ₹3,045.88 crore in Short Term Investments in GoI Treasury Bills. The profits derived from such investments are credited as receipts under the head '0049- Interest Receipts'. During 2023-24, the State Government had earned an interest of ₹169.41 crore.

Table 2.47 shows the year-wise Cash Balance Investment with interest earned during the last five years (2019-20 to 2023-24).

Table 2.47: Details of Cash Balance Investment with interest earned during the last five-year
(₹ in crore)

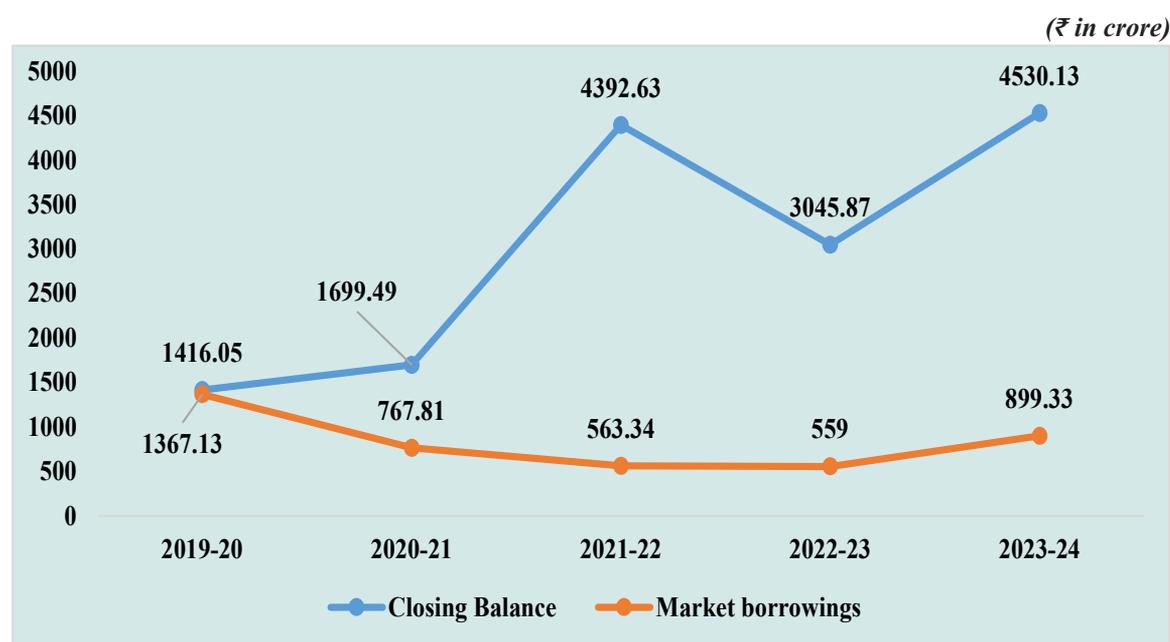
| Year | Opening Balance | Closing Balance | Increase (+)/ decrease (-) | Interest earned |
|---------|-----------------|-----------------|-------------------------------|-----------------|
| 2019-20 | 3,442.42 | 1,416.05 | (-)2,026.37 | 59.22 |
| 2020-21 | 1,416.05 | 1,699.49 | (+) 283.44 | 32.37 |
| 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 |
| 2023-24 | 3,045.87 | 4,530.13 | (+) 1,484.26 | 169.41 |

Source: Finance Accounts of the respective year

Cash Balance Investment of the State Government during 2019-20 to 2023-24 showed inter-year variance. During the current year, Cash Balance Investment of the State Government increased by ₹1,484.26 crore (48.73 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 2019-20 to 2023-24.

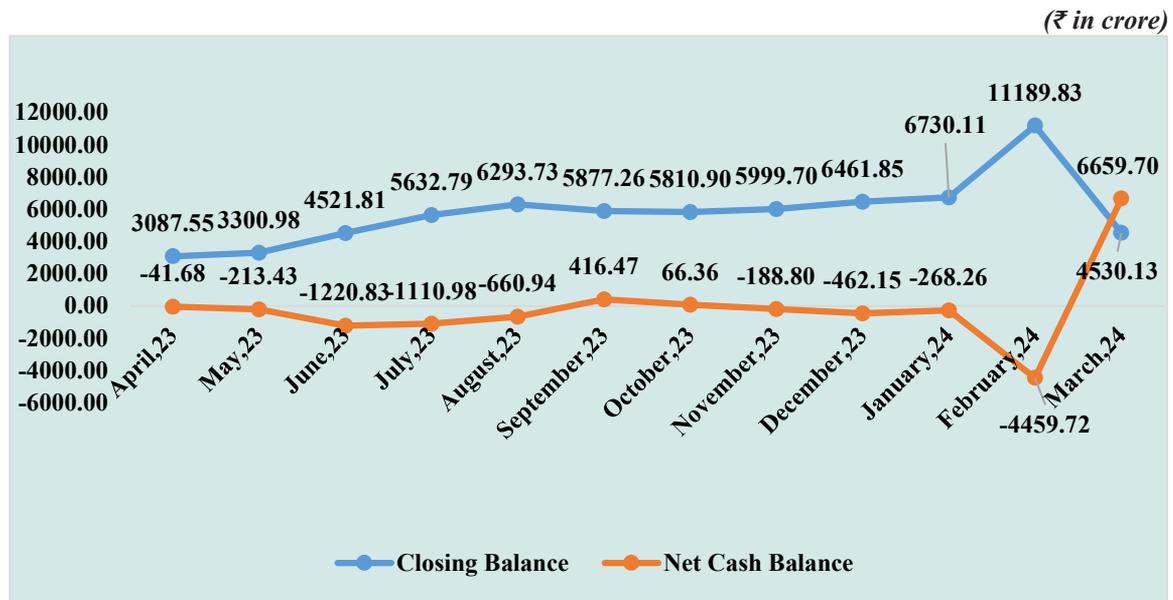
Chart 2.26: Market Loans vis-à-vis Cash Balance Investment



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 Cash Balances and net Cash Balance Investments during the year.

Chart 2.27: Month-wise movement Cash Balances and Investments



Source: Monthly Civil Accounts 2023-24

2.11 Conclusion

The continuous mismatch between receipts and expenditure indicates rising fiscal stress. The State has different sources of receipts such as State Own Tax Revenue, Non-tax Revenue, Devolution of State's share in taxes, Grants-in-Aid and transfers from the Union Government and non-debt capital receipts. The State Government's expenditure includes expenditure on revenue account as well as Capital Expenditure (assets creation, loans and advances, investments *etc.*).

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

From 2019-20 to 2023-24, Revenue Receipts grew from ₹14,888.55 crore in 2019-20 to ₹27,441.00 crore in 2023-24 at an average growth rate of 11.66 *per cent*. Capital receipts also increased from ₹1,797.74 crore to ₹3,780.96 crore during this period. The share of GIA in Revenue receipts fell down from 27.01 *per cent* in 2019-20 to 14.20 *per cent* in 2023-24. In 2023-24, the buoyancy of revenue receipts was higher and State's own revenue was lower over the previous year. State was heavily dependent on transfer from the GoI as State's own revenue contributed only 13.48 *per cent* of Revenue Receipts. During 2023-24, the State Government received ₹3,370.58 crore for 32 Centrally Sponsored Schemes (CSS). As on 31 March 2024, an amount of ₹1,606.91 crore, including both Central and State shares, were parked in SNA bank accounts of 64 schemes.

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such it does not result in addition to the State's infrastructure and service network. Between 2019-20 and 2023-24, Revenue expenditure increased from ₹12,218.73 crore (40.70 *per cent* of GSDP) to ₹20,564.35 crore (46.75 *per cent* of GSDP). It made up a significant portion (between 68 and 77 *per cent*) of Total expenditure during this period, growing at an average annual rate of 10.89 *per cent*.

Under the Revenue expenditure, the quantum of committed expenditure constitutes the largest share. The Committed expenditure has the first charge on the resources and consists of Interest payments, expenditures on Salaries and Wages and expenditure on Pensions. Committed expenditure hovered around 40.51 and 61.55 *per cent* of Revenue expenditure during 2019-20 and 2023-24. The Committed expenditure increased from ₹7,520.70 crore in 2019-20 to ₹10,829.50 crore in 2023-24.

In addition to Committed expenditure, inflexible expenditure decreased from ₹1,893.25 crore (12.72 *per cent* of Revenue expenditure) in 2019-20 to ₹1,114.31 crore (4.06 *per cent* of Revenue expenditure) in 2023-24, indicating declining trend. During 2023-24, the inflexible expenditure (₹1,114.31 crore) increased by ₹60.76 crore (5.77 *per cent*) over the previous year (₹1,053.55 crore).

Taken together the committed and Inflexible expenditure in 2023-24 was ₹11,943.81 crore; 58.08 *per cent* of Revenue expenditure. Decreasing trend on Committed and Inflexible expenditure leaves the Government with flexibility for other priority sectors and capital creation.

The State Government Spent ₹8,466.50 crore only on Capital Account. This was 29.16 and 19.25 *per cent* of Total Expenditure and GSDP respectively. During 2023-24, the Capital Expenditure was 224.20 *per cent* of Public debt receipts. Thus, borrowed funds were being used for capital creation/development activities.

Result of Expenditure

The gap between the Revenue receipts and Revenue expenditure results in Revenue surplus. The State had managed to achieve a surplus on Revenue account during the last five-years. The Revenue surplus of the State increased from ₹2,669.82 crore (8.89 *per cent* of GSDP) in 2019-20 to ₹6,876.65 crore (15.63 *per cent* of GSDP) in 2023-24. However, during the current year, there was an understatement of Revenue surplus of the State by ₹31.49 crore, considering that the overall Revenue Surplus depicted in the accounts was ₹6,876.65 crore, the State would have a Revenue Surplus of ₹6,908.14 crore.

The gap between the total expenditure and total non-debt receipt of the State results in Fiscal deficit. The fiscal deficit of the State increased from ₹1,032.22 crore (3.44 *per cent* of GSDP) in 2019-20 to ₹1,583.89 crore (3.60 *per cent* of GSDP) in 2023-24. However, during 2023-24, the Fiscal deficit was found overstated by ₹61.66 crore, considering that adjustments, the State would have Fiscal deficit of ₹1,522.23 crore instead of ₹1,583.89 crore.

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 as total amount of ₹58.00 crore (Saving Account: ₹44.82 crore, Current Account: ₹6.79 crore and Public Account: ₹6.39 crore) remained to be transferred to NSDL by State Government.

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 ₹365.29 crore were locked up during 2023-24 against 83 incomplete projects.

The Outstanding balances of Loans and Advances as on 31 March 2024 was ₹86.78 crore. Out of ₹86.78 crore, ₹57.40 crore was extended to the Co-operation, ₹10.00 crore to the Power projects, ₹6.10 crore to Loans for Other industries and mineral and ₹10.12 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 2023-24 was ₹1,613.15 crore (Debit).

Outstanding Public Liabilities

Public debt receipts consist of borrowings taken from Market, Financial Institutions and Loans and Advances from the GoI. The major sources of Public debt receipts for the State were Loans and Advances from GoI which constituted 62.61 *per cent* and Internal debt which constituted 37.39 *per cent*. The State Government has been opting for Market Borrowings (Market Loans and Loans from the financial Institutions was 99.13 *per cent* of Internal Debt during 2023-24.

Total Outstanding Public Liabilities of the State as on 31 March 2024, was ₹19,610.17 crore. Out of ₹19,610.17 crore, ₹9,392.43 crore was under Internal Debt, ₹5,636.29 crore under Public Accounts Liabilities and ₹4,581.44 crore under Loans and Advances 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 debt repayments to the public debt 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 2024 indicates that out of the outstanding Public Debt of ₹13,973.87 crore, 63.44 *per cent* (₹8,864.99 crore)

is payable within the next ten years while the remaining 36.56 *per cent* (₹5,108.88 crore) is in the maturity bracket of more than ten years. With respect to present Debt liability, the repayment obligation (Principal and Interest) on the State Government will be maximum in 2029-30.

Fiscal Sustainability

The 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, interest payments and pensions payments *etc.*; and other inflexible expenditure such as those arising out of commitment for centrally sponsored schemes, transfer to reserve funds and transfer to local bodies *etc.*

A low value of Debt to GSDP ratio indicates that the State's economy is vibrant to pay debt without incurring further debt and a high Debt to GSDP ratio signifies that the State's burden is substantial compared to its economic output and indicates financial vulnerability and reduced fiscal flexibility. The Debt to GSDP ratio of the State had been showing an increasing trend from 2020-21 to 2023-24. During the current year, it increased 5.10 points over the previous year (39.48 *per cent*). This indicates financial vulnerability and reduced the fiscal flexibility.

The Domar gap remained negative only during 2020-21 which shows that public debt as *percentage* of GSDP would increase indefinitely, without converging into a stable level. During 2023-24, the Domar gap was positive which indicates the public debt as *percentage* of GSDP would converge to a stable level.

Going by the analysis and results discussed above, the finances of the State of Arunachal Pradesh is marked by increasing trend of liabilities, which pose risk to the target of debt stabilisation and debt sustainability.

Reconciliation of Cash balances

Cash Balances of the State Government increased significantly by ₹2,562.68 crore (58.96 *per cent*) from ₹4,346.15 crore in 2022-23 to ₹6,908.83 crore in 2023-24. There was a net difference of ₹9.45 crore (Credit) at the end of accounting year 2023-24 between the General Cash Balance as worked out by the Accountant General ₹104.07 crore (Credit) and that reported by the RBI ₹94.62 crore (Debit).

State Public Sector Enterprises Sectors

Accumulation of huge losses of these SPSEs had eroded public wealth, which is a cause of serious concern.

2.12 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.

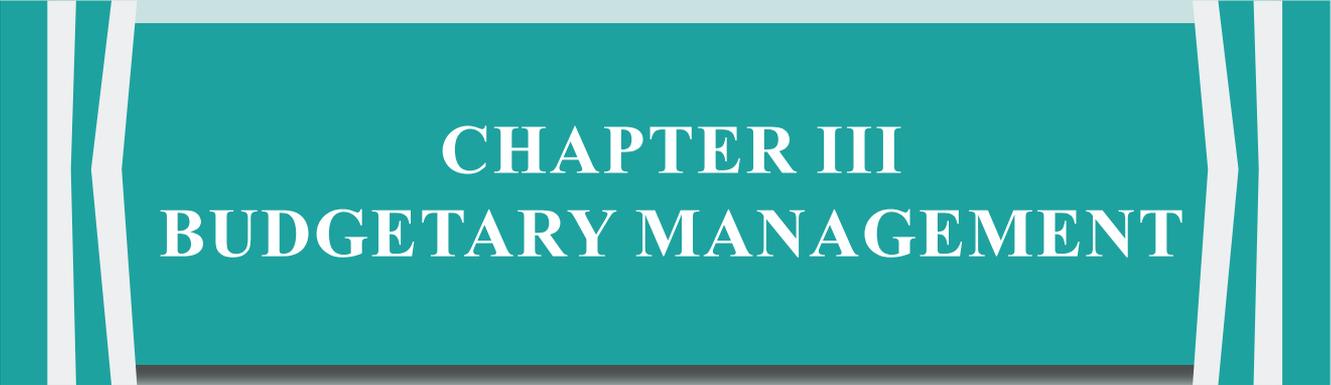
Adhere to the prescribed procedure for accounting of the NPS transactions scrupulously. It should ensure that Government contribution relating to NPS is fully matched with that of the employees' contribution and that the entire amount is transferred to NSDL in a timely manner to avoid future liability 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.

The State Government needs to review the working of the loss making SPSEs, whose paid-up capital is completely eroded, to either improve their profitability or close their operations.



CHAPTER III
BUDGETARY MANAGEMENT

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

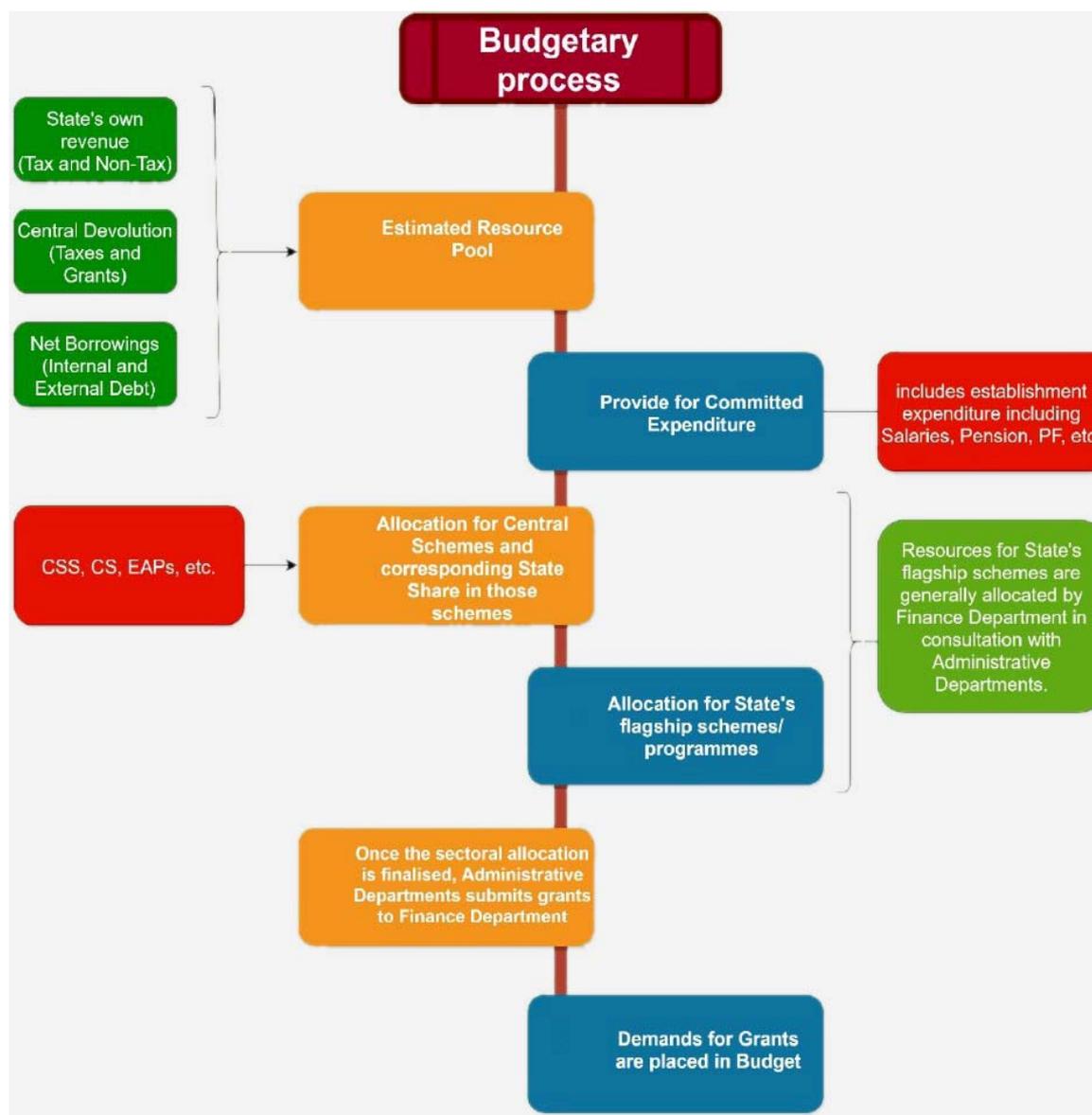
The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. The budget process commences with the issue of Budget Circular providing guidance to the Departments in framing their estimates for the next financial year.

Budget Manual details 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. However, the Government of Arunachal Pradesh (GoAP) has not yet prepared a Budget Manual.

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, GoAP 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 2023-24

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

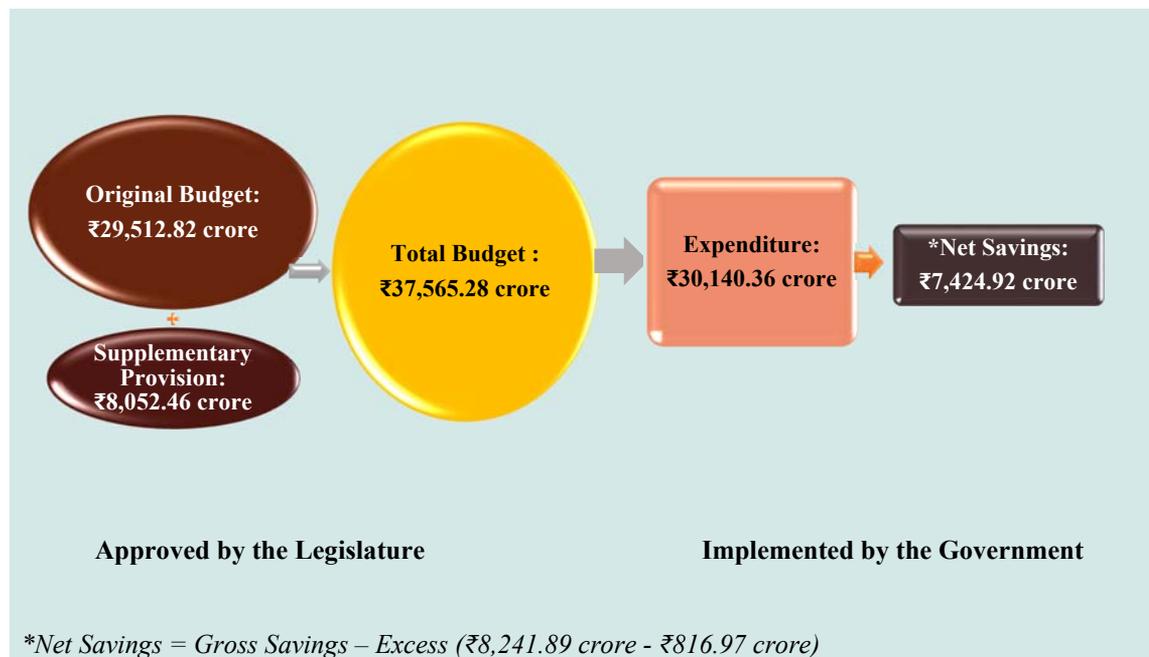
In compliance with Article 202 of Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year called “Annual Financial Statement” is to be laid before the House or Houses of the Legislature

of the State. The estimates of the expenditure show ‘charged’ and ‘voted’ items¹³ 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 original budgeted amount.

The total amount approved by the State Legislature including the original and supplementary budgets, expenditures, and savings during 2023-24 is given in **Chart 3.2**.

Chart 3.2 Summary of Budget and Expenditure of Arunachal Pradesh for 2023-24



Source: Appropriation Accounts, 2023-24

The budget provision (₹37,565.28 crore) for the year 2023-24 was more than the budget provision approved by the Legislature in the previous year (₹32,965.08 crore) by ₹4,600.20 crore (13.95 per cent). During 2023-24, the net savings amounted to 92.21 per cent of the aggregate Supplementary Provisions (₹8,052.46 crore). Further, under 11 grants (three under revenue and eight under capital), there was an excess expenditure of ₹816.97¹⁴ crore. The actual expenditure fell short of the amount approved by the Legislature (original budget plus supplementary) by ₹7,424.92 crore, constituting about 19.77 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

¹³ **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

¹⁴ Excess expenditure was ₹450.03 crore under Revenue Voted Section and ₹366.94 crore under Capital Voted Section

(₹30,140.36 crore) during 2023-24 was more than the actual expenditure (₹26,268.78 crore) of the previous year by ₹3,871.58¹⁵ crore.

According to the monthly civil accounts, the total expenditure of the Government till January 2024 was only ₹17,252.26 crore (58.46 per cent of Original Budget), leaving it with ₹12,260.56 crore (41.54 per cent of Original Budget) for the Month of February and March 2024 (60 days) from the original budget allocation. However, the Government took a Supplementary Grant of ₹8,052.46 crore on 08 February 2024 for the remaining 52 days. With the Supplementary Grant, total funds available with the State Government for February and March 2024 were ₹20,313.02 crore, which was equal to 117.74 per cent of the expenditure incurred during the first 10 months of the financial year. Hence, the expenditure was not evenly spread throughout the year as discussed under **Paragraph 2.4.3.2**. This is indicative of slipshod 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 2023-24 is given in **Table 3.1**.

Table 3.1: Budget provision, actual disbursement, and savings/ excess during 2023-24
(₹ in crore)

| Budget Provision | | Disbursement | | Savings | | Excess | |
|------------------|----------|--------------|----------|----------|---------|--------|---------|
| Voted | Charged | Voted | Charged | Voted | Charged | Voted | Charged |
| 35,623.69 | 1,941.59 | 28,611.16 | 1,529.20 | 7,829.50 | 412.39 | 816.97 | 0.00 |

Source: Appropriation Accounts, 2023-24

There was an overall savings of ₹8,241.89 crore offset by excess of ₹816.97 crore during 2023-24 resulting in net savings of ₹7,424.92 crore which was 19.77 per cent of the total Grants/ Appropriations and 24.63 per cent of the total actual expenditure.

These savings may be seen in the context of budget provisions on the expenditure side being ₹37,565.28 crore during 2023-24 against the estimated Receipts under the Consolidated fund of ₹26,157.65 crore. This implied that the actual savings (₹7,424.92 crore) were notional, as the funds were not actually available for expenditure, thus, reflecting inadequate budget formulation exercise of the State Government resulting in unrealistic budget formulation.

3.3.2 Charged and Voted Disbursement

Break-up of the total disbursement into charged and voted during 2023-24 along with the trend analysis during the last five years is given in **Table 3.2**.

¹⁵ ₹3,089.99 crore under Revenue Section (₹3,071.51 crore in voted section + ₹18.48 crore in charged section) and ₹781.59 crore under Capital Section (₹766.53 crore in voted section + ₹15.07 crore in charged section)

Table 3.2: Year-wise details of disbursement*(₹ in crore)*

| Year | Disbursement | | Savings (-) | |
|---------|--------------|----------|-------------|---------|
| | Voted | Charged | Voted | Charged |
| 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 |
| 2023-24 | 28,611.16 | 1,529.20 | 7,829.50 | 412.38 |

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 was due to transfer of the share from GoI (36 per cent) 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 ₹8,241.89 crore during 2023-24, savings to the tune of ₹7,072.29¹⁶ crore (85.81 per cent of gross savings) occurred in 19 Grants/ Appropriations as shown in **Table 3.11** where savings in each grant was ₹100.00 crore and above. Out of these 19 Grants/ Appropriations, there was persistent savings under 16 Grants/ Appropriations, as shown in **Table 3.12**. This indicates serious weakness in the budget formulation in these Grants/ Appropriations.

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 |
|--------------|-------------------------------|------------------|-------------------|
| 1 | 2 | 3 | 4 (2-3) |
| Revenue | 22,868.05 | 20,696.93 | (-) 2,171.12 |
| Capital | 6,644.77 | 9,443.43 | (+) 2,798.66 |
| Total | 29,512.82 | 30,140.36 | (+) 627.54 |

Source: Annual Financial Statement, 2023-24 and Appropriation Accounts, 2023-24

Deviation in outturn compared with BE was (-)9.49 per cent in Revenue Section and (+)42.12 per cent in Capital Section. This was due to the deviation as shown in **Table 3.4**.

¹⁶ ₹4,716.19 crore under Revenue Voted Section (18 Grants) and ₹2,356.10 crore under Capital Voted Section (01 Grant)

Table 3.4: Details of deviation in outturn compared with BE

| Sl. No. | Deviation (in per cent) | Revenue | Capital |
|--------------|---------------------------------|-----------|-----------|
| 1. | 0 and ± 25 | 44 | 24 |
| 2. | between ± 25 to ± 50 | 18 | 6 |
| 3. | between ± 50 to ± 100 | 14 | 7 |
| 4. | equal to or more than ± 100 | 3 | 35 |
| Total | | 79 | 72 |

Source: Annual Financial Statement, 2023-24 and Appropriation Accounts, 2023-24

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 | 22,868.05 | 25,746.58 | 20,696.93 | 2,878.53 | (-) 5,049.65 |
| Capital | 6,644.77 | 11,818.70 | 9,443.43 | 5,173.93 | (-) 2,375.27 |
| Total | 29,512.82 | 37,565.28 | 30,140.36 | 8,052.46 | (-) 7,424.92 |

Source: Annual Financial Statements, 2024-25 and Appropriation Accounts, 2023-24

* 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 (-)19.61 per cent in Revenue Section and (-)20.10 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 | 46 | 53 |
| 2. | between ± 25 to ± 50 | 22 | 12 |
| 3. | between ± 50 to ± 100 | 11 | 4 |
| 4. | equal to or more than ± 100 | 0 | 3 |
| Total | | 79 | 72 |

Source: Annual Financial Statements, 2024-25 and Appropriation Accounts, 2023-24

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 ₹261.49 crore was incurred on 10 Grants/Appropriations without any provisions in the original estimates/ supplementary demands and without any re-appropriation orders as shown in **Table 3.7**.

Table 3.7: Expenditure incurred without budget provision during 2023-24
(₹ in crore)

| Sl. No. | Number and Name of Grant | Head of Account | Expenditure | Name of Schemes/ Sub Heads |
|--------------|---|-------------------|---------------|---|
| 1 | 8-Home Department | 4055-216-02 | 1.66 | Creation of Assets under BA/ SDS |
| 2 | 8-Home Department | 03-4055-207-14 | 0.01 | Schemes under Tirap, Changlang and Longding Action Plan |
| 3 | 11-Women and Child Development | 03-2235-02-102-01 | 38.22 | Integrated Child Protection Schemes |
| 4 | 11-Women and Child Development | 03-2235-02-102-09 | 4.13 | Non-Institutional Care-Sponsored/ Foster care/ After Care |
| 5 | 11-Women and Child Development | 03-4235-02-102-02 | 9.20 | Swachhata Action Plan (SAP) |
| 6 | 14-Secondary Education | 03-2204-104-15 | 0.05 | Schemes under BA/ SDS |
| 7 | 22-Food and Civil Supplies | 4408-04-02-800-03 | 0.35 | Creation of Assets under BA/ SDS |
| 8 | 24-Agriculture | 4401-104-01 | 0.60 | Creation of Assets under BA/ SDS |
| 9 | 33-North Eastern Council | 2552-09-800-33 | 183.13 | Integrated Fishery Development Programme |
| 10 | 73-Information Technology & Communication | 3425-60-200-01 | 9.19 | Arunachal Pradesh State Council of Science and Technology |
| 11 | 75-Higher and Technical Education | 4202-08-02-796-01 | 2.50 | Setting up of New Polytechnics (PMKVY) |
| 12 | 76-Elementary Education | 4202-04-01-201-04 | 12.33 | Chief Minister Samast Sikhsha Yojana |
| 13 | 97-Public Debt | 2049-04-104-01 | 0.12 | Payment and Interest on Non-Plan Schemes |
| Total | | | 261.49 | |

Source: Detailed Appropriation Accounts, 2023-24

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. During 2023-24 expenditure without budget provision increased as compared to the previous year (₹119.50 crore¹⁷). The Government needs to

¹⁷ ₹119.50 crore under Revenue Voted Section

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.

The Commissioner, Finance Department, GoAP, in its reply (03 April 2025) stated that the matter would be looked into.

3.5.2 Error in classification of Expenditures

Rule 84 of the 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 required to maintain the assets in 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 of Government of Arunachal Pradesh for the year 2023-24, it was revealed that the State Government had erroneously classified the budget provision and expenditure under Revenue Section which were actually capital in nature as details shown in the **Table 3.8**.

Table 3.8: Details of Misclassification

(₹ in crore)

| Sl. No. | No. and Name of Grant | Classification | Scheme name | Expenditure | Correct specific classification to be used | Where booked | Where to be booked |
|--------------|----------------------------|-------------------|--|--------------|--|--------------|--------------------|
| 1. | 25. Disaster Management | 2245-80-101-02 | Procurement of essential equipment for response to disaster | 21.28 | 4235-80-101-02 | Revenue | Capital |
| 2. | 26. Rural Works | 2402-800-01 | Power Driven Agricultural Machineries | 1.17 | 4402-800-01 | Revenue | Capital |
| 3 | 49. Science and Technology | 04-3425-60-004-02 | Construction of Infrastructure Development of Science and Technology Research and Innovation from Loan | 10.55 | 04-5425-800 | Revenue | Capital |
| Total | | | | 33.00 | - | - | - |

Source: Detailed Appropriation Accounts, 2023-24

Thus, due to incorrect classification, the Revenue Expenditure was overstated by ₹33.00 crore while the Revenue surplus was understated to the same extent.

The State Government while issuing sanctions to the Departments for implementation of the schemes did not strictly adhere to Government Accounting Rules, 1990 with regard to the classification of expenditure and *vice-versa*. Even the Treasury officers while passing the bills did not take up the matter with appropriate authority and rectify the misclassification. Thus, The State Government failed to control over the Budget mechanism with prudent manner.

3.5.3 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 Legislature approved supplementary provision of ₹8,052.46 crore in 76 Grants/ Appropriations for the year 2023-24 on 08 February 2024, leaving least working days with the departments to utilise the fund. Audit analysis of the utilisation of supplementary allocations showed that a provision of only ₹7,119.25 crore was required in 69 Grants/ Appropriations where the final expenditure exceeded the original budget provisions. Details of actual expenditures incurred against the budget provision (original and supplementary) are shown 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 ₹933.21 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 succeeding sub paragraphs.

3.5.3.1 Unnecessary or Excessive Supplementary Provision

Supplementary provision aggregating ₹657.38¹⁸ crore (₹10.00 lakh or more in each case) obtained in 18 Grants during 2023-24 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 3.9** where the total supplementary provision of more than ₹10.00 crore was obtained and was later found unnecessary.

Table 3.9: Unnecessary Supplementary Provision

(₹ in crore)

| Sl. No. | No. and Name of the Grant | Original | Supplementary | Actual Expenditure | Savings |
|----------------------|----------------------------|----------|---------------|--------------------|---------|
| 1 | 2 | 3 | 4 | 5 | 6 (3-5) |
| Revenue-Voted | | | | | |
| 1 | 22-Food and Civil Supplies | 203.61 | 65.26 | 144.77 | 58.84 |
| 2 | 26-Rural Works Department | 425.92 | 175.00 | 414.24 | 11.68 |

¹⁸ ₹572.45 crore under Revenue Section and ₹84.93 crore under Capital Section

| Sl. No. | No. and Name of the Grant | Original | Supplementary | Actual Expenditure | Savings |
|------------------------|---|-----------------|---------------|--------------------|-----------------|
| 1 | 2 | 3 | 4 | 5 | 6 (3-5) |
| Revenue-Voted | | | | | |
| 3 | 34-Power (Electrical) | 1,529.57 | 47.06 | 1,257.20 | 272.38 |
| 4 | 38-Water Resource Department | 469.04 | 142.68 | 399.26 | 69.78 |
| 5 | 45-Civil Aviation | 102.13 | 11.99 | 78.30 | 23.83 |
| 6 | 50-Planning and Investment | 327.61 | 45.32 | 184.65 | 142.96 |
| 7 | 59-Public Health Engineering | 1,071.50 | 26.70 | 916.09 | 155.41 |
| 8 | 60-Textile and Handicraft | 79.26 | 22.88 | 75.48 | 3.78 |
| 9 | 79-Department of Skill Development and Entrepreneur | 54.49 | 13.69 | 38.86 | 15.63 |
| Revenue-Charged | | | | | |
| 10 | 97-Public Debt | 962.94 | 20.18 | 928.61 | 34.33 |
| Capital-Charged | | | | | |
| 11 | 97-Public Debt | 829.92 | 78.69 | 565.40 | 264.52 |
| Total | | 6,055.98 | 649.44 | 5,002.84 | 1,053.14 |

Source: Appropriation Accounts, 2023-24

In Grant No. 34-Power (Electrical), the original provision was ₹1,529.57 crore. According to Monthly civil accounts, the total expenditure till January 2024 was ₹1,106.43 crore leaving it with ₹423.14 crore for February and March (52 days) from the original budget. Government allocated supplementary grant of ₹47.06 crore on 8 February 2024 for the remaining 52 days. With the supplementary grant, total funds available with the department for March was ₹470.20 crore which was 42.50 per cent of expenditure incurred during the first 10 months of the financial year. This indicative of lax 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.

3.5.3.2 Excessive or Inadequate Supplementary Provision

During 2023-24, excessive or inadequate Supplementary Provisions (of ₹One crore and above) were made in 65 cases. Details of these 65 cases, where deviations from the actual requirements ranged between one to more than 100 per cent of the Supplementary Provisions, are shown in **Appendix 3.3**. A range-wise summarised position of excessive or inadequate Supplementary Provisions is given in **Table 3.10**.

Table 3.10: Range of excessive or inadequate Supplementary provisions
(₹ in crore)

| Range of Supplementary Provisions (excess/ less) | Total | Details of Supplementary Provisions | | | |
|--|-----------------|-------------------------------------|-----------------|---------------|-----------------|
| | | Excess (+) | Number of Cases | Less (-) | Number of Cases |
| 0-20 per cent | 6,160.22 | 883.56 | 34 | 366.57 | 4 |
| 21-40 per cent | 900.42 | 1,602.25 | 14 | 1.79 | 1 |
| 41-60 per cent | 184.76 | 757.06 | 9 | - | - |
| 61-80 per cent | 229.76 | 151.41 | 1 | 246.36 | 1 |
| More than 81 per cent | 3.15 | - | 0 | 4.48 | 1 |
| Total | 7,478.31 | 3,394.28 | 58 | 619.20 | 7 |

Source: Appropriation Accounts, 2023-24

Further, Supplementary Provisions aggregating ₹7,478.31 crore under 65 cases proved excessive by ₹3,394.28 crore under 58 cases and inadequate by ₹619.20 crore under seven cases.

3.5.4 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 125 cases (*Appendix 3.4*), the re-appropriation was not made after a realistic assessment as the expenditure was less/ more than the final appropriated amount resulted in Excessive/Unnecessary/Inadequate/Injudicious of the re-appropriation orders.

- In respect of 69 cases, the Re-appropriation proved excessive by ₹1,209.67 crore as Total Expenditure was ₹5,563.77 crore against the Final Grant (Original plus Supplementary plus Re-appropriation) of ₹6,773.44 crore as shown in *Appendix 3.4 (Part A)*.
- Under Eight cases, the Re-appropriation was inadequate as Total Expenditure ₹807.72 crore exceeded the Final Grant (Original plus Supplementary) by ₹155.55 crore as shown in *Appendix 3.4 (Part B)*.
- In 36 cases, re-appropriation was unnecessary by ₹747.19 crore as actual expenditure was less than the Total Grant (Original plus Supplementary) as shown in *Appendix 3.4 (Part C)*.
- Under 12 cases, the Actual Expenditure was more than the Final Grant (Original plus Supplementary minus Re-appropriation) by ₹516.08 crore proved injudicious re-appropriation as shown in *Appendix 3.4 (Part D)*.

3.5.5 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 basis¹⁹. 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 Comptroller & Auditor General of India 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 ₹4,628.24 crore in 36 cases under Revenue and ₹2,503.76 crore in 13 cases under Capital section and together amounting to more than 20 *per cent* of the total provisions, details of which are given in **Appendix 3.5**. Such huge savings indicate that the budget estimates are not prepared realistically. In 12 such cases, reasons for appropriation have not been appropriately explained in the Appropriation Accounts.

In the net savings of ₹7,424.92 crore, savings of ₹7,072.29 crore (95.25 *per cent*), exceeding ₹100.00 crore in each case, occurred in 20 Grants/ Appropriations as shown in **Table 3.11**.

¹⁹ As recovery has not been adjusted in Appropriation Accounts, which has been adjusted in Finance Accounts.

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

(₹ in crore)

| Sl. No. | Grant No. and Name | Total Grant | Actual Expenditure | Details of Savings | | Reason for Savings |
|----------------------|--------------------------------------|-------------|--------------------|--------------------|------------|---|
| | | | | Saving | Percentage | |
| Revenue-Voted | | | | | | |
| 1 | 4-Election | 225.65 | 74.24 | 151.41 | 67.10 | <ul style="list-style-type: none"> ➤ Due to non-granting of MACP, ACP, non-drawal of leave encashment, non-receipt of Home Town LTC bills, non-payment of various Contingency bills and also non-filling up of vacant posts for which budget provision was kept. ➤ Due to non-utilisation of fund fully by some District Election Officer owing to non-drawal of Wages against Contingency Staffs, non-receipt of various Contingency bill from various dealer/firms in time. |
| 2 | 6-District Administration Department | 606.74 | 414.22 | 192.51 | 31.73 | <ul style="list-style-type: none"> ➤ Due to residual savings of 26 numbers of DDO's. ➤ Due to residual savings of 43 number of ADC's. |
| 3 | 13-Audit and Pension | 2,251.60 | 1,714.62 | 536.98 | 23.85 | <ul style="list-style-type: none"> ➤ Due to non-finalisation of MACP owing to clearance from Departmental Promotion Committee and Submission of less number of TA bills. ➤ Due to incurring of expenditure under Salaries, Wages, Allowances, Office expenses, Fuel and Lubricants, Repair and Maintenance and other Revenue Expenditure as per actual requirement and submission of less number of bills under Domestic Travel Expenses and LTC. |
| 4 | 14-Secondary Education | 767.49 | 546.43 | 221.06 | 28.80 | <ul style="list-style-type: none"> ➤ Due to non-drawal of MACP arrears of the teaching and non-teaching staffs and also incurring of expenditure as per actual requirements. |
| 5 | 15-Health Services | 1,503.87 | 1,402.03 | 101.84 | 6.77 | <ul style="list-style-type: none"> ➤ Due to non-receipt of expenditure authorisation from the Finance Department, GoAP. ➤ Due to incurring of expenditure as per requirements under object heads Salaries and Allowances. |
| 6 | 22-Food and Civil Supplies | 268.87 | 144.77 | 124.10 | 46.16 | <ul style="list-style-type: none"> ➤ Due to residual savings of directorate office and 26 other DDO's of the districts and also due to non-grant of MACP and MACP Arrears. |
| 7 | 23-Environment and Forests | 1,001.47 | 333.27 | 668.20 | 66.72 | <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 and non-submission of LTC bills from divisional staffs. |

| Sl. No. | Grant No. and Name | Total Grant | Actual Expenditure | Details of Savings | | Reason for Savings |
|----------------------|------------------------------|-------------|--------------------|--------------------|------------|---|
| | | | | Saving | Percentage | |
| Revenue-Voted | | | | | | |
| | 23-Environment and Forests | 1,001.47 | 333.27 | 668.20 | 66.72 | ➤ Due to engagement of less numbers of staffs under Wages procurement of stationary as per actual requirement and also non-release of third party monitoring payment for non-submission of final reports. |
| 8 | 26-Rural Works Department | 600.92 | 414.24 | 186.68 | 31.07 | ➤ Due to non-finalisation of MACP arrear and non-sanction of regular and contingency posts. |
| 9 | 27-Panchayati Raj | 640.17 | 268.99 | 371.18 | 57.98 | ➤ Reason for saving has not been intimated. |
| 10 | 34-Power (Electrical) | 1,576.63 | 1,257.20 | 319.43 | 20.26 | ➤ Due to incurring of expenditure as per LOC authorisation received from the Finance Department (Budget), GoAP. |
| 11 | 38-Water Resource Department | 611.72 | 399.26 | 212.46 | 34.73 | ➤ Reason for savings was not intimated. |
| 12 | 50-Planning and Investment | 372.93 | 184.65 | 188.28 | 50.49 | ➤ Due to non-release of fund by the Finance Department, GoAP. |
| | | | | | | ➤ Due to non-completion of pay fixation of Officers/ Officials of District Planning Units, GoAP from the Directorate of Audit and Pension. |
| 13 | 57-Urban Development | 226.78 | 125.04 | 101.75 | 44.86 | ➤ Due to non-release of fund by the Finance Department, GoAP. |
| | | | | | | ➤ Due to rounding up of the bills by the various divisions. |
| 14 | 59-Public Health Engineering | 1,098.19 | 916.09 | 182.11 | 16.58 | ➤ Due to non-receipt of finance consumers from the Finance Department, GoAP and non-completion of some scheme. |
| | | | | | | ➤ Due to non-drawal of MACP arrears and leave encashment of some of the regular and work-charged staffs owing to late sanction. |
| 15 | 66-Hydro Power Development | 564.00 | 421.00 | 143.01 | 25.36 | ➤ Due to non-payment of leave encashment, MACP arrear etc. and late receipt of bills. |
| | | | | | | ➤ Due to non-receipt of expenditure authorisation from the Finance Department, GoAP. |
| 16 | 68-Town Planning Department | 760.75 | 116.54 | 644.21 | 84.68 | ➤ Due to non-sanction of the schemes by the Finance, Planning & Investment Department, GoAP |
| | | | | | | ➤ Due to non-availing of LTC and non-performance of tours by the officers and officials. |

| Sl. No. | Grant No. and Name | Total Grant | Actual Expenditure | Details of Savings | | Reason for Savings |
|------------------------|-----------------------------------|------------------|--------------------|--------------------|------------|---|
| | | | | Saving | Percentage | |
| Revenue-Voted | | | | | | |
| 17 | 75-Higher and Technical Education | 384.57 | 263.79 | 120.79 | 31.41 | <ul style="list-style-type: none"> ➤ Due to non-filling up of vacant posts of UDC, LDC and Driver and also non-payment of MACP due to non-completion of required formalities. ➤ Due to non-filling up of 31 vacant posts of teaching and non-teaching staffs, provision made for arrear payment to the eligible employees under MACP scheme remained unutilised due to non-completion of formalities. |
| 18 | 76-Elementary Education | 1,868.72 | 1,618.53 | 250.18 | 13.39 | <ul style="list-style-type: none"> ➤ Due to non-release of 2nd phase of 4th installment by the GoAP. ➤ Due to enrollment of less numbers of Students in RIMC/ Cambridge/ Sainik School and also due to receipt of fewer requirements from the districts under Girls Students Health and Hygiene and Vidhya Scheme. |
| Sub-Total | | 15,331.07 | 10,614.88 | 4,716.19 | | - |
| Capital-Voted | | | | | | |
| 19 | 50-Planning and Investment | 2,567.38 | 554.49 | 2,012.89 | 78.40 | ➤ Reason for savings was not intimated. |
| Sub-Total | | 2,567.38 | 554.49 | 2,012.89 | | - |
| Capital-Charged | | | | | | |
| 20 | 97-Public Debt | 908.61 | 565.40 | 343.21 | 37.77 | ➤ Reason for savings was not intimated. |
| Sub-Total | | 908.61 | 565.40 | 343.21 | | - |
| Grand Total | | 18,807.06 | 11,734.77 | 7,072.29 | | - |

Source: Appropriation Accounts, 2023-24

Details analysis of two grants are discussed below:

(i) Grant No.-76-Elementary Education:

- There was savings of ₹250.18 crore under Revenue Section. Out of ₹250.18 crore, ₹0.90 crore was surrendered on 31 March 2024. Thus, net savings was ₹249.28 crore.
- Out of total savings of ₹249.28 crore under 'Major head 2202', savings of ₹196.05 crore under sub-head '03-2202-01-101-06-Samagra Shiksha – Elementary Education', ₹24.35 crore under sub-head '03-2202-01-101-03-National Programme for Mid Day Meals in Schools', ₹24.07 crore under sub-head '2202-01-001-01-District Establishment' and ₹8.05 crore under sub-head '03-2202-01-101-03 - Elementary Education'. The Department in its reply (August 2024) stated that the savings was due to non-drawal of MACP Arrear of teaching/ non-reaching staffs and incurring of expenditure as per actual requirements. Further, the Department also added that savings were due to enrolment of less numbers of students in RIMC/ Cambridge/

Sainik School and also due to receipt of fewer requirements from the districts under Girls Students Health and Hygiene and Vidhya Scheme.

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

- There were savings of ₹188.28 crore under Grant No. 50- Planning and Investment in Revenue Section. Out of total savings of ₹188.28 crore, savings of ₹5.00 crore was surrendered on 31 March 2024. Thus, net savings under this grant (Revenue Section) was ₹183.28 crore.
- Out of ₹183.28 crore, there were savings of ₹52.50 crore under ‘Major head - 2575’ and ₹130.78 crore under ‘Major head – 3451’.
- Savings of ₹52.50 crore under ‘Major head – 2575’ occurred under sub-head ‘03-2575-03-796-03-Development of Model Villages schemes under PMKSY-AIBP, National/ Special Projects’. The Department in its reply (August 2024) stated that budget provision was wrongly reflected under this head.
- Out of ₹130.78 crore under ‘Major head – 3451’ savings of ₹128.49 crore occurred under sub head ‘04-3451-102-08 – schemes under Budget Announcements (BA)/ State Development Schemes (SDS)’, ₹1.21 crore under sub-head – ‘3451-102-01-Establishment Expenses of District Planning’ and ₹1.08 crore under sub head – ‘3451-090-01-Esatablishment Expenses’. The Department in its reply (August 2024) stated that savings occurred due to non-release of fund by the Finance Department, GoAP.
- There was huge savings of ₹2,012.89 crore under Capital Section of the Grants ‘50 - Planning and Investment’. Out of total savings of ₹2,012.89 crore, ₹1,774.88 crore was surrendered on 31 March 2024. Thus, the net savings was ₹238.01 crore.
- Out of total net savings ₹238.01 crore, savings of ₹210.36 crore occurred under ‘Major head-4070’, ₹26.25 crore under ‘Major head-4575’ and ₹1.40 crore under ‘Major head-5475’.
- Out of ₹210.36 crore under Major head-4070, the savings of ₹124.74 crore was under sub head ‘04-4070-800-19 – Schemes under MLA LAD/ Untied Fund’, ₹41.00 crore under sub head ‘03-4070-800-18 Schemes (Border Area Development Programme)’, ₹28.99 crore was under sub head – ‘04-4070-800-24 - Creation of Assets under Budget Announcement/ State Development Schemes’ and ₹15.62 crore under sub head – ‘04-4070-800-16 – Schemes under RIDF’. The Department in its reply stated that the savings occurred due to non-receipt of LOC authorisation for some of the schemes by the executing agencies and non-release of fund by Government of Arunachal Pradesh.
- Savings of ₹26.25 crore under ‘Major head-4575’ occurred under sub head – ‘03-4575-03-796-02 – Vibrant Villages Programme’ and savings of ₹1.40 crore was under sub head – ‘5475-001-01 – Purchase of Vehicle, Machinery & equipment,

furniture and Fixtures, Computer Items and Information Communication Technology (ICT) equipment *etc.*'. The Department in its reply stated that the savings occurred due to non-receipt of LOC authorisation for some of the schemes by the executing agencies.

Thus, the DDO of the Department did not exercise the requirement of the funds and take steps to surrender the amount in time so that the needy department may utilise the fund as per their requirement.

3.5.6 Persistent Savings

Persistent savings of more than ₹One crore in each case existed and the savings exceeded the total provision by 10 *per cent* or more, observed during 2019-20 to 2023-24.

Table 3.12: List of Grants where persistent savings occurred during 2019-20 to 2023-24

(₹ in crore)

| Sl. No. | Number and Name of Grant | Amount of Savings | | | | |
|----------------------|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| Revenue-voted | | | | | | |
| 1 | 1-Legislative Assembly | 9.89 (8.91) | 8.99 (7.31) | 11.91 (11.41) | 25.09 (26.02) | 24.16 (24.42) |
| 2 | 6-District Administration Department | 156.27 (32.87) | 76.78 (19.27) | 16.20 (3.95) | 53.16 (11.32) | 192.51 (31.73) |
| 3 | 7-Accounts and Treasuries | 4.83 (5.13) | 10.94 (7.46) | 2.25 (1.56) | 85.23 (29.73) | 28.85 (8.57) |
| 4 | 8-Home Department | 21.21 (2.32) | 17.57 (1.83) | 47.31 (3.97) | 39.47 (3.20) | 74.91 (5.79) |
| 5 | 9-Secretariat Transport | 1.80 (9.87) | 2.68 (11.51) | 3.42 (8.61) | 27.20 (74.52) | 31.36 (82.53) |
| 6 | 11-Women and Child Development | 4.05 (1.58) | 4.06 (1.68) | 2.08 (0.75) | 148.47 (33.63) | 7.74 (2.35) |
| 7 | 13-Audit and Pension | 48.74 (5.51) | 225.60 (18.65) | 247.47 (16.40) | 282.07 (15.74) | 536.98 (23.85) |
| 8 | 14-Secondary Education | 83.02 (17.73) | 143.85 (28.98) | 35.91 (7.47) | 12.72 (2.20) | 221.06 (28.80) |
| 9 | 15-Health Services | 227.52 (19.83) | 66.09 (6.78) | 28.44 (2.33) | 58.08 (4.33) | 101.84 (6.77) |
| 10 | 19-Industries | 18.81 (42.25) | 2.23 (7.36) | 9.37 (19.13) | 2.22 (4.93) | 13.02 (22.45) |
| 11 | 23-Environment and Forests | 35.87 (14.37) | 240.95 (35.20) | 205.15 (27.30) | 291.85 (36.56) | 668.20 (66.72) |
| 12 | 24-Agriculture | 103.30 (31.34) | 12.33 (5.16) | 1.90 (0.61) | 4.88 (1.36) | 79.59 (14.78) |
| 13 | 26-Rural Works Department | 11.41 (6.02) | 94.92 (36.25) | 29.67 (9.81) | 172.62 (33.20) | 186.68 (31.07) |
| 14 | 27-Panchayati Raj | 117.06 (57.45) | 7.93 (1.20) | 70.83 (21.41) | 146.68 (30.27) | 371.18 (57.98) |
| 15 | 28-Animal Husbandry, Veterinary and Dairy Development | 22.08 (10.55) | 24.26 (13.29) | 12.15 (5.75) | 15.49 (7.61) | 27.68 (11.94) |
| 16 | 30-State Transport Services | 2.68 (2.47) | 22.20 (16.67) | 6.90 (4.45) | 8.49 (4.07) | 6.46 (3.91) |

| Sl. No. | Number and Name of Grant | Amount of Savings | | | | |
|----------------------|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| | | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 17 | 31-Public Works Department | 29.44 (9.01) | 67.50 (19.53) | 126.02 (28.71) | 377.00 (26.30) | 2.33 (0.09) |
| 18 | 34-Power (Electrical) | 72.32 (8.90) | 84.51 (8.50) | 175.52 (12.94) | 219.29 (16.12) | 319.43 (20.26) |
| 19 | 38-Water Resource Department | 50.37 (19.20) | 5.04 (1.35) | 70.85 (15.04) | 257.02 (41.44) | 212.46 (34.73) |
| 20 | 41-Land Management | 34.56 (33.32) | 7.29 (9.78) | 36.39 (46.18) | 28.21 (47.64) | 12.66 (32.94) |
| 21 | 45-Civil Aviation | 11.86 (23.12) | 21.55 (21.55) | 3.42 (3.42) | 3.45 (3.54) | 35.82 (31.39) |
| 22 | 50-Planning and Investment | 8.42 (15.48) | 341.76 (85.23) | 2.32 (2.11) | 439.64 (77.70) | 188.28 (50.49) |
| 23 | 56-Tourism | 18.99 (31.03) | 23.22 (56.43) | 14.80 (30.26) | 4.89 (9.46) | 2.78 (6.02) |
| 24 | 57-Urban Development | 81.14 (53.36) | 21.15 (15.63) | 29.44 (14.38) | 17.50 (12.08) | 101.75 (44.86) |
| 25 | 59-Public Health Engineering | 16.20 (2.11) | 50.91 (5.44) | 161.98 (14.43) | 236.63 (27.18) | 182.11 (16.58) |
| 26 | 66-Hydro Power Development | 21.49 (10.82) | 27.69 (14.98) | 24.08 (10.78) | 186.75 (39.66) | 143.01 (25.36) |
| 27 | 68-Town Planning Department | 29.67 (53.44) | 169.85 (61.02) | 24.38 (10.61) | 35.73 (29.28) | 644.21 (84.68) |
| 28 | 74-Social Justice, Empowerment and Tribal Affairs | 71.81 (35.59) | 168.39 (93.62) | 29.89 (23.07) | 4.93 (6.11) | 1.57 (0.94) |
| 29 | 76-Elementary Education | 103.64 (7.88) | 67.72 (6.37) | 28.99 (1.93) | 401.55 (19.40) | 250.18 (13.39) |
| 30 | 79-Department of Skill Development and Entrepreneur | 10.24 (24.63) | 15.03 (44.35) | 3.87 (7.67) | 9.61 (16.77) | 29.31 (43.00) |
| Capital-Voted | | | | | | |
| 31 | 15-Health Services | 114.23 (69.98) | 38.70 (80.78) | 5.54 (21.13) | 6.92 (7.71) | 3.50 (4.15) |
| 32 | 21-Directorate of Sports | 24.33 (63.17) | 45.50 (90.99) | 1.07 (1.18) | 13.85 (28.34) | 18.95 (23.15) |
| 33 | 24-Agriculture | 6.26 (65.64) | 104.70 (95.61) | 8.13 (31.55) | 114.94 (96.67) | 19.89 (38.75) |
| 34 | 26-Rural Works Department | 228.15 (18.46) | 179.62 (7.45) | 36.04 (2.12) | 51.15 (2.51) | 86.20 (6.54) |
| 35 | 38-Water Resource Department | 9.53 (6.65) | 44.64 (20.67) | 12.34 (7.71) | 9.92 (2.88) | 11.97 (2.02) |
| 36 | 45-Civil Aviation | 43.98 (84.58) | 19.13 (31.01) | 8.71 (11.87) | 3.26 (7.80) | 2.89 (6.01) |
| 37 | 50-Planning and Investment | 3,025.42 (88.01) | 2,389.91 (84.53) | 1,767.33 (65.71) | 1,918.88 (68.82) | 2,012.90 (78.40) |
| 38 | 56-Tourism | 14.33 (91.55) | 29.47 (84.11) | 4.90 (10.74) | 9.94 (43.56) | 11.60 (28.97) |
| 39 | 57-Urban Development | 28.06 (19.59) | 39.59 (59.12) | 14.93 (7.89) | 1.48 (0.80) | 26.78 (11.94) |
| 40 | 59-Public Health Engineering | 196.66 (43.73) | 94.12 (29.54) | 98.34 (22.93) | 33.52 (7.23) | 2.43 (0.63) |
| 41 | 66-Hydro Power Development | 18.33 (30.55) | 24.01 (54.83) | 6.76 (6.48) | 6.88 (3.61) | 14.99 (5.97) |

| Sl. No. | Number and Name of Grant | Amount of Savings | | | | |
|------------------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| 42 | 74-Social Justice, Empowerment and Tribal Affairs | 22.66 (12.72) | 7.59 (3.35) | 11.57 (3.59) | 15.23 (8.71) | 46.06 (22.68) |
| 43 | 76-Elementary Education | 30.47 (68.21) | 74.49 (86.28) | 15.55 (19.79) | 9.63 (7.27) | 12.80 (13.00) |
| 44 | 82-Department of Indigenous Affairs | 9.68 (48.40) | 19.04 (88.57) | 4.70 (24.74) | 2.37 (11.78) | 9.68 (26.78) |
| Revenue-Charged | | | | | | |
| 45 | 2-Governor | 1.65 (18.55) | 2.59 (26.81) | 2.03 (19.74) | 3.60 (29.51) | 5.32 (37.56) |
| 46 | 46-Arunachal Pradesh Public Service Commission and Staff Selection Board | 1.21 (9.15) | 3.71 (30.18) | 1.43 (9.42) | 3.29 (23.43) | 8.77 (60.81) |
| Capital-Charged | | | | | | |
| 47 | 97-Public Debt | 233.57 (39.78) | 317.06 (54.99) | 282.55 (44.34) | 249.90 (31.20) | 343.21 (37.77) |

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 2023-24 showed that:

- There was savings of ₹221.06 crore under 14-Secondary Education in Revenue Section. Out of ₹221.06 crore, savings of ₹40.58 crore occurred under District Establishment and ₹7.78 crore under BA/ SDS. The Department in reply (August 2024) state that the saving was due to non-drawal of MACP arrears of the teaching and non-teaching staffs and also incurring of expenditure as per actual requirements.
- Under Grant 50-Planning and Investment, the savings of ₹188.28 crore occurred under Revenue Section. Out of ₹188.28 crore, savings of ₹128.49 crore occurred under BA/ SDS, ₹52.50 crore under Vibrant Villages Programme. The Department in its reply (August 2024) stated that savings was due to non-completion of pay fixation of officers/ officials of Planning and Investment Department, GoAP from the Directorate of Audit and Pension during financial year and non-release of fund by the Finance Department, GoAP.
- There was a huge savings of ₹2,012.90 crore under Grant 50-Planning and Investment in Capital Section. Out of ₹2,012.90 crore, savings of ₹124.74 crore was under MLA LAD/ Untied fund, ₹41.00 crore under BADP, ₹28.99 crore under Creation of Assets under BA/ SDS and ₹15.63 crore under RIDF. Department in its reply (August 2024) stated that savings were reportedly due to non-receipt of LOC authorisation for some of the schemes by the executing agencies.
- There was saving of ₹371.18 crore under 'Grant no.-27 Panchayati Raj'. Out of ₹371.18 crore, savings of ₹75.52 crore (100 per cent) was under sub-head 'Panchayat Local Bodies (Tied)' and ₹64.86 crore (100 per cent) was under sub-head Panchayat Local Bodies (Untied). Out of ₹371.18 crore, ₹186.78 crore was surrendered on 31 March 2024.

- Under 68-Town Planning Department, the savings of ₹644.21 crore occurred under Revenue Section during the year 2023-24. Out of ₹644.21 crore, savings of ₹87.84 crore was under sub-head ‘Scheme for Urban Local Bodies (ULB)’ and ₹1.96 crore was under ‘Pradhan Mantri Awas Yojana (PMAY)’. The Department in its reply stated that savings was due to non-sanction of the schemes by the Finance, Planning & Investment Department, GoAP and due to non-availing of LTC and non-performance of tours by the officers and officials.

Thus, the trend of persistent savings proved the absence of control mechanism in the departments. The trend of persistent savings was 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.

3.5.7 Substantial Surrenders

Substantial surrenders²⁰ (₹One crore and above) were made in respect of the 111 sub-heads under 48 Grants/ Appropriations, as detailed in **Appendix 3.6 (Part-B)**. Out of the Original provision amounting to ₹7,998.74 crore in these 48 Grants/ Appropriations, ₹7,116.89 crore was surrendered which included 100 per cent and above surrender in 64 sub-heads (₹1,180.07 crore) as detailed in **Appendix 3.6 (Part A)**. Further, it was noticed that in 13 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 | 1-Legislative Assembly | 2011-02-101-0001 | 28.40 | 0.00 | 4.13 | 14.54 |
| 2 | 4-Election | 2015-102-01 | 21.21 | 28.00 | 28.78 | 135.69 |
| | | 2015-103-01 | 9.30 | 58.40 | 55.65 | 598.39 |
| | | 2015-104-01 | 5.20 | 69.02 | 33.57 | 645.58 |
| | | 2015-106-01 | 1.00 | 14.50 | 15.50 | 1,550.00 |
| | | 2015-108-01 | 5.12 | 13.90 | 16.50 | 322.27 |
| 3 | 9-Secretariat Transport | 4075-001-01 | 0.00 | 2.25 | 0.42 | 42.00 |
| 4 | 22-Food and Civil Supplies | 03-2408-01-001-01 | 0.00 | 0.19 | 0.17 | 17.00 |
| 5 | 23-Environment and Forests | 4406-01-101-03 | 0.30 | 6.51 | 3.20 | 1,066.67 |
| | | 4406-01-101-04 | 0.60 | 199.40 | 20.62 | 3,436.67 |
| 6 | 38-Water Resource Department | 03-4702-796-01 | 0.00 | 200.73 | 65.65 | 6,565.00 |
| 7 | 43-Fisheries | 03-2405-101-10 | 11.00 | 44.56 | 55.56 | 505.09 |
| 8 | 60-Textile and Handicraft | 2851-200-01 | 0.10 | 0.27 | 0.17 | 170.00 |

Source: Detailed Appropriation Accounts 2023-24

²⁰ Cases where 50 per cent and more of original provisions was surrendered

This indicative of failure of Budgeting process and monitoring of the funds by the Controlling Officers/ DDO of the departments.

3.5.8 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 2023-24, out of the total savings of ₹8,142.53 crore under 63 Grants, Savings (₹One crore and above in each case) of ₹2,400.83 crore (29.49 per cent) under 86 cases, remained to be surrendered, as detailed in *Appendix 3.7*. Further, out of the above, there were saving (₹10.00 crore and above in each case) of ₹748.81 crore (15.38 per cent of Total Grant) under 16 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 | 19-Industries | 57.99 | 44.97 | 13.02 |
| 2 | 24-Agriculture | 538.68 | 459.09 | 79.59 |
| 3 | 28-Animal Husbandry, veterinary and Dairy Development | 231.89 | 204.20 | 27.68 |
| 4 | 43-Fisheries | 104.46 | 68.03 | 36.43 |
| 5 | 60-Textile and Handicraft | 102.15 | 75.48 | 26.67 |
| 6 | 79-Department of Skill Development and Entrepreneur | 68.17 | 38.86 | 29.31 |
| Revenue-Charged | | | | |
| 7 | 97-Public Debt | 983.12 | 928.61 | 54.51 |
| Capital-Voted | | | | |
| 8 | 11-Women and Child Development | 35.76 | 17.34 | 18.43 |
| 9 | 21-Directorate of Sports | 81.85 | 62.90 | 18.95 |
| 10 | 38-Water Resource Department | 593.16 | 581.19 | 11.97 |
| 11 | 56-Tourism | 40.04 | 28.44 | 11.60 |
| 12 | 57-Urban Development | 224.32 | 197.54 | 26.78 |
| 13 | 66-Hydro Power Development | 251.31 | 236.32 | 14.99 |
| 14 | 68-Town Planning Department | 446.00 | 434.63 | 11.36 |
| 15 | 75-Higher and Technical Education | 103.64 | 92.13 | 11.50 |
| 16 | 76-Elementary Education | 98.41 | 85.61 | 12.80 |
| Capital-Charged | | | | |
| 17 | 97-Public Debt | 908.61 | 565.40 | 343.21 |
| Total | | 4,869.55 | 4,120.73 | 748.81 |

Source: Appropriation Accounts, 2023-24

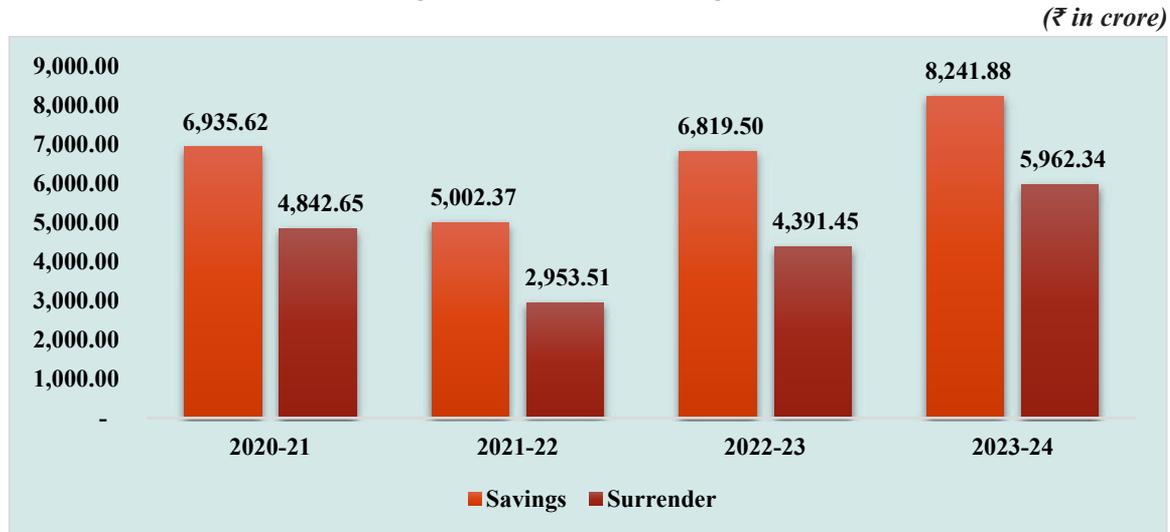
The non-surrender of the savings by the Controlling Officers was partly attributed to the non-release of funds by the Finance Department.

3.5.9 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 2023-24 was 06 February 2024 and 22 March 2024 for other object heads.

However, during 2023-24, against the gross savings of ₹8,241.88 crore, 67 departments surrendered ₹5,962.34²¹ crore (72.34 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 2020-21 to 2023-24.

Chart 3.3: Savings and Surrender during 2020-21 to 2023-24



Source: Appropriation Accounts of the respective year

In 86 cases (details in **Appendix 3.7**), the anticipated savings of ₹One crore and above were not surrendered by the prescribed dates.

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.

3.5.10 Injudicious surrender

In eight grants, there was an injudicious surrender of ₹120.84 crore as the Departments surrendered in excess of savings within the grant, as depicted in **Table 3.15**.

²¹ ₹3,952.96 crore surrendered under Revenue Section (54 Departments) and ₹2,009.38 crore under Capital Section (13 Departments)

Table 3.15: Surrender in excess of savings

(₹ in crore)

| Sl. No. | Number and name of Grant | Total Grant | Actual Expenditure | Savings | Surrender | Excess Surrender |
|----------------------|--|-----------------|--------------------|--------------|---------------|------------------|
| Revenue-Voted | | | | | | |
| 1 | 18-Research | 28.13 | 16.91 | 11.22 | 11.32 | 0.10 |
| 2 | 31-Public Works Department | 2,488.67 | 2,486.34 | 2.33 | 22.60 | 20.27 |
| 3 | 56-Tourism | 46.15 | 43.37 | 2.78 | 3.67 | 0.89 |
| 4 | 64-Trade and Commerce | 13.11 | 6.14 | 6.97 | 7.18 | 0.21 |
| 5 | 65-Department for Development of Tirap, Changlang and Longding Districts | 2.33 | 1.64 | 0.69 | 0.85 | 0.16 |
| Total | | 2,578.39 | 2,554.41 | 23.98 | 45.62 | 21.64 |
| Capital-Voted | | | | | | |
| 6 | 24-Agriculture | 51.32 | 31.43 | 19.89 | 48.34 | 28.45 |
| 7 | 35-Information and Public Relations | 2.71 | 1.66 | 1.04 | 1.75 | 0.71 |
| 8 | 74-Social Justice, Empowerment and Tribal Affairs | 203.07 | 157.01 | 46.06 | 116.10 | 70.04 |
| Total | | 257.09 | 190.10 | 66.99 | 166.19 | 99.20 |
| Grand Total | | 2,835.48 | 2,744.51 | 90.97 | 211.81 | 120.84 |

Source: Appropriation Accounts, 2023-24

However, the Government did not explain the reason for the difference between savings and surrender amounts.

3.5.11 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).

3.5.11.1 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 ₹3,343.64 crore from 1986-87 to 2022-23 (*Appendix 3.8*) was yet to be regularised. During 2023-24, in 11 Grants, the expenditure of ₹4,557.76 crore exceeded the approved provisions of ₹3,740.79 crore by ₹816.97 crore. At the Sub-Head level,

an expenditure of ₹3,246.01 crore exceeded the approved provisions of ₹1,862.85 crore by ₹1,383.16 crore (*Appendix 3.9*). 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 Commissioner, Finance Department, GoAP stated in its reply (03 April 2025) that the process of regularise the excess expenditure pertaining to the year 2009-10 is under process. However, the reply is silent about the process of regularisation of excess expenditure upto the year 2023-24.

3.5.12 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

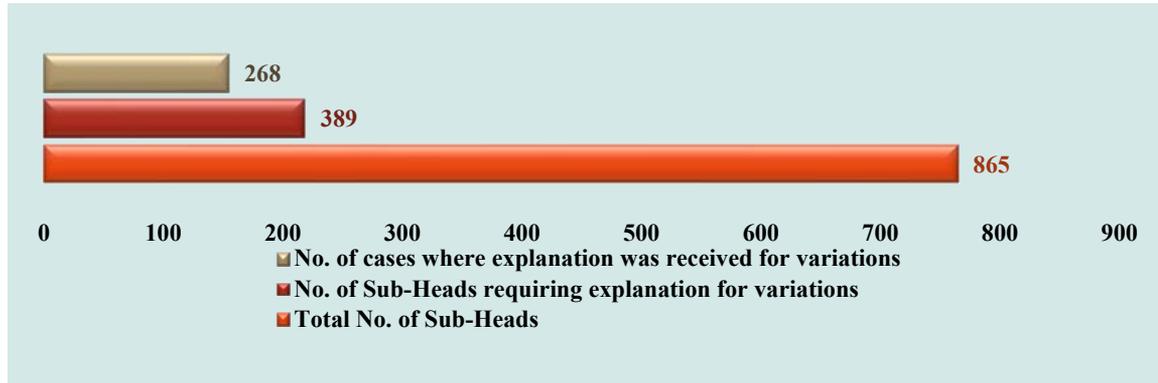
The Accounts Wing of the office of the Principal Accountant General provides the draft Appropriation Accounts to the Controlling Officers of the Departments and seeks the reasons/ explanation for the variations in expenditure with reference to approved budgetary allocation.

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 2023-24 and an analysis of the underlying accounting data revealed that out of the 79 Grants/ Appropriations, reasons for variation were required in respect of 73 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, 2023-24

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 ₹3,460.07 crore for Creation of Assets under Budget Announcements/ State Development Schemes under 57 grants in Capital Section and ₹2,038.48 crore for Schemes under Budget Announcements/ State Development Schemes under 59 Grants in Revenue Section as detailed in *Appendix 3.10 (Part A and B)*.

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 2023-24 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 ²² | Savings (-) | Excess (+) | Details of Surrender ²³ | |
|-----------------------|---------------------------------------|---------------------------------|-----------------|------------------|----------------------------------|-----------------|---------------|------------------------------------|--------------|
| | | Original | Supplementary | | | | | Amount | Per cent |
| Voted | I – Revenue | 21,857.39 | 2,857.10 | 24,714.49 | 19,733.91 | 5,430.62 | 450.04 | 3,952.96 | 15.99 |
| | II – Capital | 5,814.85 | 5,094.35 | 10,909.20 | 8,877.25 | 2,398.89 | 366.93 | 2,007.88 | 18.41 |
| Total Voted | | 27,672.24 | 7,951.45 | 35,623.69 | 28,611.16 | 7,829.51 | 816.97 | 5,960.84 | 16.73 |
| Charged | III–Revenue | 47.72 | 1.24 | 48.96 | 34.41 | 14.55 | 0 | 10.88 | 22.22 |
| | IV-Capital | 0.00 | 0.00 | 0.00 | 0.00 | 0.11 | 0.00 | 0.00 | 0.00 |
| | V- Public Debt- Repayment (Revenue) | 962.94 | 20.18 | 983.12 | 928.61 | 54.51 | 0.00 | 0.00 | 0.00 |
| | VI - Public Debt- Repayment (Capital) | 829.92 | 79.58 | 909.5 | 566.18 | 343.21 | 0.00 | 0.00 | 0.00 |
| | Total Charged | 1,840.58 | 101.00 | 1,941.58 | 1,529.20 | 412.38 | 0.00 | 10.88 | 0.56 |
| Grand Total | | 29,512.82 | 8,052.45 | 37,565.28 | 30,140.36 | 8,241.89 | 816.97 | 5,971.72 | 15.90 |

Source: Appropriation Accounts, 2023-24

As can be seen from **Table 3.16**, the overall savings from total grants and appropriations was ₹8,241.89 crore which was equal to 102.35 per cent of the supplementary budget of ₹8,052.46 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 2023-24, was more than the previous year's budget by ₹3,803.46 crore, the increase in the Revenue Section was ₹4,666.50 crore and the decrease in the Capital Section was ₹863.04 crore. Substantial savings of ₹2,811.26 crore in Capital Section of the budget constituting over 42.31 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 ₹30,140.36 crore during 2023-24 was ₹627.54 crore more than the Original Budget (₹29,512.82 crore) indicating that by proper planning, need for Supplementary Budget of ₹8,052.46 crore could have been reduced by ₹7,424.92 crore.

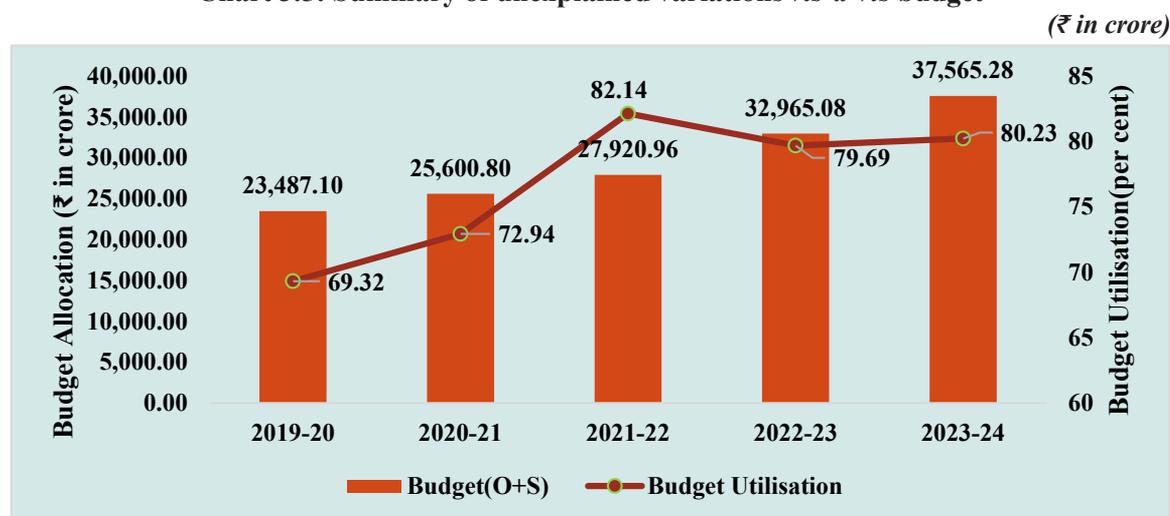
²² These are gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under Revenue Expenditure (₹132.57 crore) and Capital Outlay (₹411.53 crore).

²³ Entire amount was surrendered on 31 March 2024.

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

Budget Outlay of the State grew at an average growth rate of 7.52 per cent from ₹23,487.10 crore in 2019-20 to ₹37,565.28 crore in 2023-24.

Trends in the original budget, revised estimate, and actual expenditure for the period 2019-20 to 2023-24 are given in **Table 3.17**.

Table 3.17: Original Budget, Revised Estimate, and Actual Expenditure during 2019-20 to 2023-24

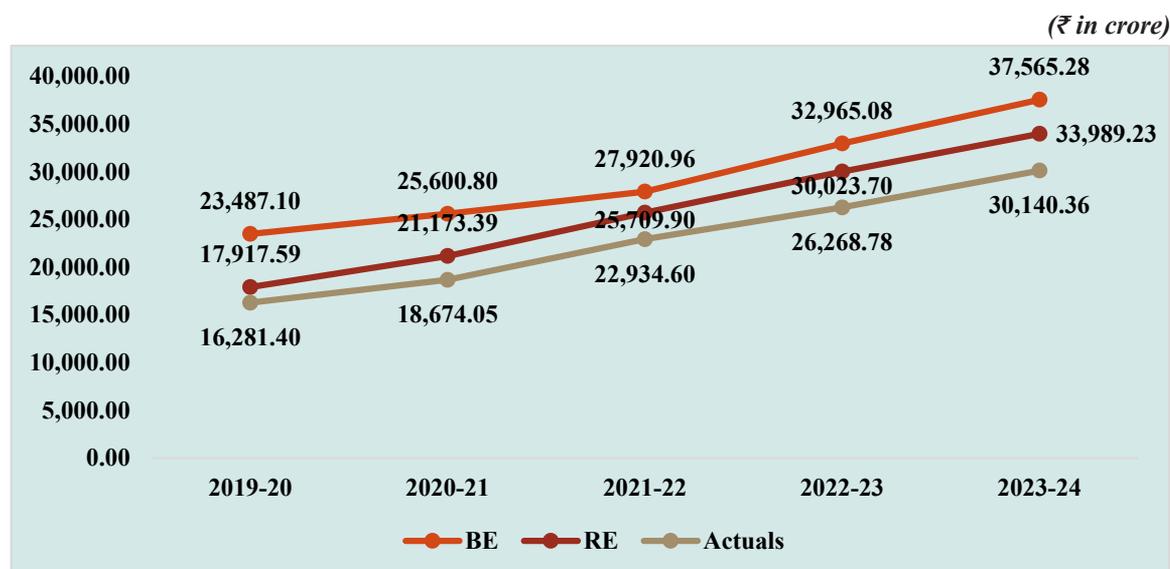
(₹ in crore)

| Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|------------------|------------------|------------------|------------------|------------------|
| Original Budget | 22,008.97 | 21,880.37 | 22,313.00 | 25,709.36 | 29,512.82 |
| Supplementary Budget | 1,478.13 | 3,720.43 | 5,607.96 | 7,255.72 | 8,052.46 |
| Total Budget (TB) | 23,487.10 | 25,600.80 | 27,920.96 | 32,965.08 | 37,565.28 |
| Revised Estimate (RE) | 17,917.59 | 21,173.39 | 25,709.90 | 30,023.70 | 33,989.23 |
| Actual Expenditure (AE) | 16,281.40 | 18,674.05 | 22,934.60 | 26,268.78 | 30,140.36 |
| Gross Savings | 7,205.70 | 6,926.75 | 5,002.37 | 6,819.50 | 8,241.89 |
| Percentage of supplementary to the original provision | 6.72 | 17.00 | 25.13 | 28.22 | 27.28 |
| Percentage of overall savings/ excess to the overall provision | 30.68 | 27.06 | 17.92 | 20.69 | 21.94 |
| TB-RE | 5,569.51 | 4,427.41 | 2,211.06 | 2,941.37 | 3,576.05 |
| RE-AE | 1,636.19 | 2,499.34 | 2,775.30 | 3,754.92 | 3,848.87 |
| (TB-RE) as percentage of TB | 23.71 | 17.29 | 7.92 | 8.92 | 9.52 |
| (RE-AE) as percentage of TB | 6.97 | 9.76 | 9.94 | 11.39 | 10.25 |

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

Table 3.16 shows that supplementary provision of ₹8,052.46 crore during 2023-24 constituted 27.28 per cent of the original provision as against 28.22 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 2019-20 to 2023-24, 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 year was more than 20 per cent. While the difference in RE and TB in second year was 17.29 per cent, the difference in the last three years come down under 10 per cent which is a positive indication for budget estimation.

The percentage of Actual Expenditure (AE) during 2019-20 to 2023-24 was lower than the RE throughout and it ranged between 6.97 per cent to 10.25 per cent. As such, the supplementary provisions during 2019-2021 proved unnecessary since the expenditure did not come up even to the level of original budget provisions. Further, the provision of supplementary grant during 2023-24 was ₹8,052.46 crore, which was 13 times higher than the required amount i.e., ₹627.54 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 2023-24, a provision of ₹776.02 crore (Original, Supplementary plus Re-appropriation) for maintenance work, Centrally Sponsored Schemes (CSS), Schemes under Budget Announcement, etc., under 23 grants for 54 schemes as detailed in **Appendix 3.11** 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 2023-24

(₹ in crore)

| Sl. No. | Number and Name of Grant | Head of Account | Original | Supplementary | Re-Appropriation | Total | Savings |
|---------|---|--|----------|---------------|------------------|-------|---------|
| 1 | 6-District Administration Department | 4070-001-04 "Purchase of Vehicle, Machinery and equipment, Furniture and fixtures, Computer Items and Information Communication Technology (ICT) equipment etc." | 2.25 | 0.75 | 0.00 | 3.00 | 3.00 |
| 2 | 8-Home Department | 4055-05-800-04 "Police Housing" | 0.00 | 17.50 | 0.00 | 17.50 | 17.50 |
| 3 | 11-Women and Child Development | 03-2235-02-796-17 "Child care institution (Juvenile Justice Board and Child Welfare Committee)" | 0.00 | 0.19 | 1.18 | 1.37 | 1.37 |
| | | 03-4235-02-102-03 "Mission Vatsalya" | 0.00 | 27.62 | 0.00 | 27.62 | 27.62 |
| 4 | 24-Agriculture | 03-2401-114-04 "National Mission on Oil Seeds" | 0.55 | 0.00 | 0.96 | 1.51 | 1.51 |
| | | 03-2401-115-10 "National e-Governance Plan in Agriculture (NeGPA)" | 0.55 | 0.00 | 4.40 | 4.95 | 4.95 |
| | | 03-2401-796-03 "National Mission on Oil Palm" | 0.17 | 23.68 | 0.00 | 23.85 | 23.85 |
| | | 03-2401-796-04 "Sub-Mission on Agriculture Mechanisation (SMAM)" | 3.30 | 0.00 | 4.37 | 7.67 | 7.67 |
| | | 03-2401-796-05 "Pradhan Mantri Krishi Sinchai Yojana (PMKSY-PMDC)" | 4.95 | 0.17 | 4.99 | 10.11 | 10.11 |
| | | 03-2401-796-08 "Rainfed Area Development (RAD)" | 0.00 | 8.11 | 0.00 | 8.11 | 8.11 |
| | | 03-2401-796-09 "National Food and Nutritional Security (NF&NS)" | 0.55 | 0.00 | 2.92 | 3.47 | 3.47 |
| 5 | 27-Panchayati Raj | 2515-05-001-07 "Panchayat Local Bodies (Tied)" | 75.52 | 0.00 | 0.00 | 75.52 | 75.52 |
| | | 2515-05-001-08 "Panchayat Local Bodies (Untied)" | 64.85 | 0.00 | 0.00 | 64.85 | 64.85 |
| | | 2515-05-102-06 "Health Sector Grant" | 38.63 | 0.00 | 0.00 | 38.63 | 38.63 |
| 6 | 28-Animal Husbandry, Veterinary and Dairy Development | 03-2403-101-24 "National Livestock Mission-Livestock Insurance (50:50)" | 0.00 | 1.24 | 0.00 | 1.24 | 1.24 |
| | | 03-2403-796-14 "National Livestock Health and Disease Control Programme" | 0.00 | 2.27 | 0.01 | 2.28 | 2.28 |
| | | 2403-08-101-22 "National Livestock Mission-Training Assistance" | 0.00 | 1.70 | 0.00 | 1.70 | 1.70 |

| Sl. No. | Number and Name of Grant | Head of Account | Original | Supplementary | Re-Appropriation | Total | Savings |
|---------|---|--|----------|---------------|------------------|--------|---------|
| 7 | 31-Public Works | 5054-04-337-11 "Schemes under NLCPR/NESIDS" | 0.00 | 1.39 | 0.00 | 1.39 | 1.39 |
| 8 | 48-Horticulture | 4401-04-119-03 "Schemes under Rural Infrastructure Development Fund (RIDF)" | 0.00 | 1.96 | 0.00 | 1.96 | 1.96 |
| 9 | 50-Planning & Investment | 03-2575-03-796-04 "Vibrant Villages Programme (VVP)" | 0.00 | 29.27 | 23.23 | 52.50 | 52.50 |
| | | 03-4070-800-18 "Schemes under BADP" | 905.00 | 0.00 | (-)864.00 | 41.00 | 41.00 |
| | | 5475-001-01 "Purchase of Vehicle, Machinery and equipment, Furniture and fixtures, Computer Items and Information Communication Technology (ICT) equipment etc." | 0.00 | 0.00 | 1.40 | 1.40 | 1.40 |
| 10 | 73-Information Technology & Communication | 3425-60-200-03 "Arunachal Pradesh State Council of Information Technology" | 14.07 | 0.00 | (-)4.88 | 9.19 | 9.19 |
| 11 | 75-Higher and Technical Education | 03-2202-03-101-01 "Rashtriya Uchhatar Shiksha Abhiyan (RUSA)" | 15.46 | 0.00 | (-)1.08 | 14.38 | 14.38 |
| | | 2203-08-105-01 "Polytechnic Establishment" | 0.00 | 0.00 | 1.50 | 1.50 | 1.50 |
| | | 4202-08-02-104-03 "C/o 7 New Polytechnics" | 0.00 | 8.50 | 0.00 | 8.50 | 8.50 |
| 12 | 79-Department of Skill development and Entrepreneur | 03-2230-03-101-03 "Skill Strengthening for Industrial value Enhancement (STRIVE) Project" | 0.88 | 0.00 | 0.99 | 1.87 | 1.87 |
| | | 03-2230-03-101-08 "Skill Development Mission (SANKALP)" | 0.05 | 3.25 | 0.00 | 3.30 | 3.30 |
| 13 | 97-Public Debt | 6003-110-01 "Repayment of Advances Taken for RBI Under Ways and Means " | 285.00 | 0.00 | 0.00 | 285.00 | 285.00 |

Source: Detailed Appropriation Accounts, 2023-24

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 2023-24 under expenditure heads of accounts are given in *Appendix 3.12*.

Wide variations ranging from 1.65 to 3,249.87 *per cent* and in monetary term from ₹7.90 crore to ₹129.02 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 3.12*. 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 | 2408-Food Storage and Warehousing | 106.28 | 131.76 | 59.21 | 72.55 | 55.06 |
| 2 | 2435-Other Agricultural Programmes | 41.51 | 86.51 | 3.63 | 72.55 | 95.80 |
| 3 | 4851-Capital Outlay on Village and small Industries | 15.31 | 3.97 | 132.99 | (-) 129.02 | (-) 3,249.87 |

Source: Annual Financial Statement 2023-24 and 2024-25 and Finance Accounts 2023-24

As can be seen from **Table 3.19**, there are variation of more than 50 *per cent* between the revised estimates and the actuals during 2023-24 under expenditure heads of accounts. This is indicating of absence 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 13 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 (2023-24) 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 2023-24 was 38, of which 26 schemes were under Category A and 12 schemes were under Category B. Schemes plan for benefit of women should have been incorporated in the General Budget:

Test-check of Gender Budget for the year 2023-24 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 42-Rural Development, provision of ₹210.00 crore for PMAY (Emphasis on Household headed by Women) against the Head of account- 2505-01-702-04-00-29 was shown in Gender Budget for benefit of 3200 women but no provision was made against the aforesaid Head of account in the General Budget.
- Similarly, in Demand No. 74-Social, Justice, Empowerment and Tribal Affairs the provision of ₹10.15 crore and 14.50 crore were made in Gender Budget for construction of Girls Hostel under Article 275(1) and under PMJVK against the Head of account 4235-02-800-01-00-53 and 4235-02-800-05-00-53 respectively for benefit 1650 women but no such provision was made in the General Budget of the State. 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 year wise allocations in the gender budget document are detailed in **Table 3.20**.

Table 3.20: Gender budgetary allocations during 2019-20 to 2023-24

(₹ in crore)

| Year | Outlay | | | Demands Covered | No. of targeted beneficiaries |
|---------|----------------------------|----------------------------|----------|-----------------|-------------------------------|
| | Category 'A' ²⁴ | Category 'B' ²⁵ | Total | | |
| 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 |
| 2023-24 | 328.88 | 123.42 | 452.30 | 14 | 1,31,292 |

Source: Gender Budgets of the respective year

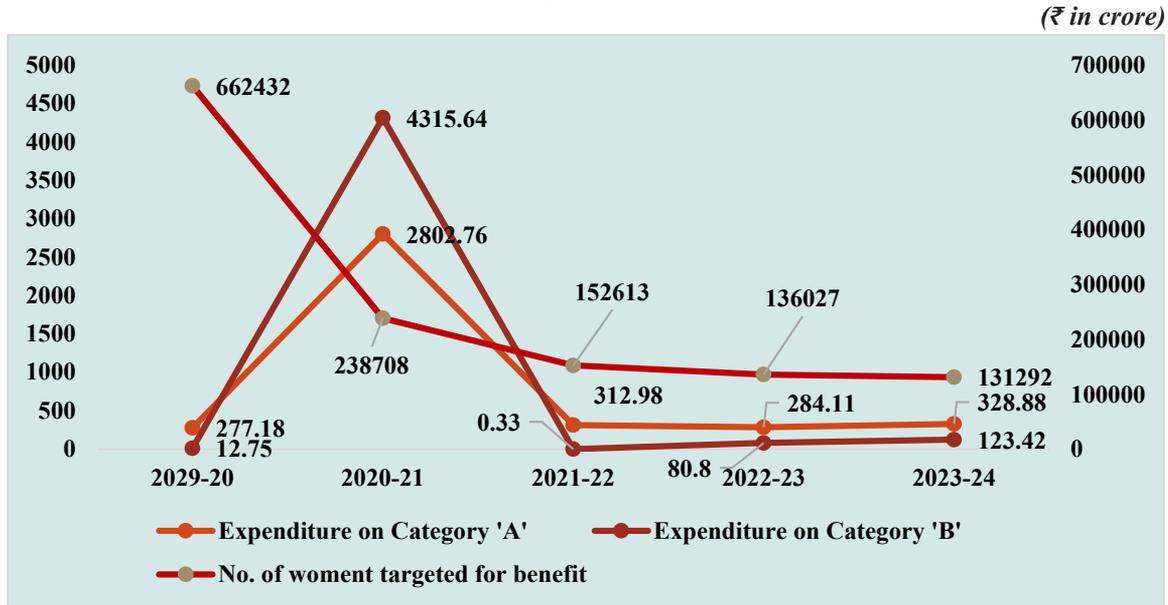
The Gender Budget was prepared in 14 departments involving ₹452.30 crore with a target to benefit 1,31,292 women. The Gender Budget constituted 1.20 per cent of the total budget for the year 2023-24.

The trend of Gender Budgetary allocations under Category 'A' and Category 'B' and number of women targeted for benefit during 2019-20 to 2023-24 are shown in **Chart 3.7**.

²⁴ Budgetary allocation to schemes designed covering 100 per cent women beneficiaries.

²⁵ Budgetary allocation to scheme designed for covering at least 30 per cent women beneficiaries.

Chart 3.7: Gender Budgetary allocations under Category ‘A’ and Category ‘B’ and No. of women targeted for benefits



Source: Gender Budgets of the respective year

As seen from **Chart 3.7**, it was observed that during 2023-24, there was an increase in budgetary allocation under Category ‘A’ and Category ‘B’ over the previous year. Further, Gender Budget targeted to benefit the women had been showing decreasing trend during the five-year period and it decreased from 6,62,432 in 2019-20 to 1,31,292 in 2023-24.

Further analysis revealed that a performance report for the year 2022-23 (Allocated ₹364.91 crore against 14 departments) was required to be incorporated in the Gender Budget of 2023-24 to ascertain the effectiveness of the schemes targeted to benefit women however, actual achievement of schemes for the benefit of women was not incorporated.

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 the Department | Name of the Scheme announced in Budget Speech | Amount (₹ in crore) | Objective of the Scheme |
|------------------------|---|---------------------|---|
| Home | C/o 10 new Police Stations | 30.00 | Strengthening of police presence in the State aimed at keeping the peace and tackling crimes against women. |
| Panchayati Raj | Devolve functional and financial powers to PRIs | 143.11 | Devolving functional and financial power to PRIs and enabled consultative, grass root development from village level upwards. |

| Name of the Department | Name of the Scheme announced in Budget Speech | Amount (₹ in crore) | Objective of the Scheme |
|------------------------|--|---------------------|---|
| Power | Strengthening of power distribution infrastructure in Itanagar Capital Complex | 20.00 | Strengthening of power distribution infrastructure in Itanagar Capital Complex |
| PHE and WS | Extension of Water Supply to 600 schools, 700 Anganwadi and 100 PHCs | 30.00 | Extension of Water Supply to 600 schools, 700 Anganwadi and 100 PHCs |
| Indigenous Affairs | Establishment of Prayer Centers across the State. | 10.00 | For the preservation of our indigenous belief and prayer systems of different indigenous faiths |

➤ **Home Department**

- ❖ Scrutiny of Detailed Demands for Grants (DDG) of Home Department, revealed that Lumpsum budget provision of ₹14.65 crore was made in Budget Estimate under sub-head ‘Creation of assets under Budget Announcement’ and ₹118.12 crore was allocated under the same head sub-head ‘Creation of Assets in Budget Announcements’ in Revised Estimates without details of the schemes. Further, scrutiny of the Budget Estimate of the Department revealed that State Government made provision of ₹15.00 crore towards construction of “10 New Police Station” in Original Budget instead of ₹30.00 crore. Department incurred ₹128.08 crore against the allocation of ₹118.12 crore under sub head “Creation of assets under Budget Announcement”.

➤ **Panchayati Raj**

- ❖ In the Budget speech, the State Government announced the proposal for commitment to devolve functional and financial power with 10 *per cent* of State’s Own Tax Revenues being transferred to PRIs and enabled consultative, grass root development from village level upwards. For continuing this initiative State Government announced the sum of ₹143.11 crore to the PRIs. However, the State Government did not allocate any amount against the proposed announcement. Thus, this had defeated the benefits accrued from the implementation and also, this was indicative of unrealistic Budget preparation without the input from the ground level and ascertaining of actual feasibility of the programme announced in the Budget speech.

Thus, due to 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. Besides when lumpsum provision was made in the budget and later on allocation were made to the appropriate heads of accounts it invariably led to delayed starting of implementation of the schemes.

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 2023-24 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 14-Secondary Education was conducted wherein the magnitude of variations in original grants, supplementary demands, and actual expenditure was analysed.

(i) Introduction

Grant 14 – Secondary Education includes Major Heads 2202 and 2204 General Education and Sports and Youth Services respectively, 4202-Capital Outlay on Education, Sports, Art and Culture.

(ii) Budget and Expenditure

The overall position of budget provisions, actual disbursement, and savings under the grant for the last three years (2021-22 to 2023-24) is shown in **Table 3.21**.

Table 3.21: Budget and Expenditure during 2021-22 to 2023-24

(₹ in crore)

| Year | Section | Budget Provision | Total | Expenditure | Saving (-)/ Excess (+) and Percentage |
|---------|----------------------|------------------|--------|-------------|---------------------------------------|
| 2021-22 | Revenue-Original (V) | 468.49 | 480.92 | 445.01 | (-)35.91 (7.47) |
| | Supplementary | 12.43 | | | |
| | Capital-Original (V) | 62.10 | 85.47 | 46.12 | (-)39.35 (46.04) |
| | Supplementary | 23.37 | | | |
| 2022-23 | Revenue-Original (V) | 542.24 | 578.33 | 565.61 | (-)12.72 (2.20) |
| | Supplementary | 36.09 | | | |
| | Capital-Original (V) | 82.53 | 82.53 | 36.17 | (-)46.36 (56.17) |
| | Supplementary | 0.00 | | | |
| 2023-24 | Revenue-Original (V) | 767.48 | 767.49 | 546.43 | (-)221.06 (28.80) |
| | Supplementary | 0.01 | | | |
| | Capital-Original (V) | 40.00 | 252.50 | 252.50 | 0.00 |
| | Supplementary | 212.50 | | | |

Source: Appropriation Accounts of the respective year

Table 3.21 shows that un-utilised budget provisions under Capital (Voted) to the tune of 46.04 per cent in 2021-22 and 46.36 per cent in 2022-23. There was no un-utilised budget provision under Capital (Voted) during 2023-24. The unutilised budget provisions under Revenue (Voted) ranged between two per cent to 29 per cent during 2021-24.

(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 position of savings and surrenders during 2021-22 to 2023-24 has been depicted in **Table 3.22**.

Table 3.22: Details of Saving and Surrender during 2021-22 to 2023-24

(₹ in crore)

| Year | Savings | | Amount surrendered (percentage) | |
|---------|-------------|-------------|---------------------------------|------------------|
| | Revenue (V) | Capital (V) | Revenue (V) | Capital (V) |
| 2021-22 | 35.91 | 39.35 | 0.00 | 0.00 |
| 2022-23 | 12.72 | 46.36 | 0.00 | 34.01 (73.36) |
| 2023-24 | 221.06 | 0.00 | 164.40 (74.36) | 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 2021-22 to 2023-24 as given in **Table 3.23**.

Table 3.23: Budget and Expenditure during 2021-22 to 2023-24

(₹ in crore)

| Particulars | Year-wise Savings (-)/ Excess (+) | | |
|-------------|-----------------------------------|-----------|------------|
| | 2021-22 | 2022-23 | 2023-24 |
| Revenue | (-) 35.91 | (-) 12.71 | (-) 221.06 |
| Capital | (-) 39.35 | (-) 46.36 | 0.00 |

Source: Appropriation Accounts of the respective year

(v) Entire Provision remained unutilised

It was observed that the entire budget allocation remained un-utilised under one scheme during 2023-24, 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 | 2202-02-108-01-Reimbursement of Examination/ Tuition Fees of AISSCE Examination | 0.10 | 0.00 | 0.10 |
| 2 | 2202-02-108-02-Conduct of Examination | 0.10 | 0.00 | 0.10 |

Source: Detailed Appropriation Accounts, 2023-24

The Department stated in its reply (September 2024) that un-utilised provision was due to non-receipt of financial concurrence and communication from the State Finance Department.

(vi) Expenditure without Budget Provision

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 ₹0.05 crore was incurred without having any budget provision under 2204-104-15-Scheme under BA/ SDS during 2023-24.

(vii) 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 2023-24, it was observed that the reduction of provision and augmentation of the provision was not correctly anticipated as a result of savings/ excess occurred as given below in **Table 3.25**.

Table 3.25: Statement showing unnecessary re-appropriation of funds

(₹ in crore)

| Unnecessary Re-appropriation | | | | | |
|---|---------------|------------------|---------------|--------------------|--------------|
| Head of Accounts | Total Grants | Re-Appropriation | Final Grant | Actual Expenditure | Saving |
| 2202-04-01-01-Districts Establishment | 16.03 | (+) 4.1 | 20.13 | 12.94 | 7.19 |
| 2202-02-109-07-District Establishment | 461.45 | (-)7.56 | 453.89 | 413.31 | 40.58 |
| 03-2202-02-101-01-New literacy programme | 0.88 | -0.11 | 0.77 | 0.5 | 0.27 |
| 04-2202-02-109-02-Scheme under BA/ SDS | 256.77 | (-)167.76 | 89.01 | 81.24 | 7.77 |
| 08-2202-02-796-02-Pre-Matric scholarship for Scheduled Tribe Students | 3.19 | (-)1.02 | 2.17 | 1.96 | 0.21 |
| 2204-101-01-NCC/ Scout & Guides Activities in School | 20.06 | (-)0.26 | 19.8 | 18.79 | 1.01 |
| 2202-80-01-01-Establishment Expenses | 8.91 | (+)1.65 | 10.56 | 7.94 | 2.62 |
| Total | 767.29 | (-)170.96 | 596.33 | 536.68 | 59.65 |
| Inadequate Re-Appropriation | | | | | |
| 04-2204-104-15-Schemes under BA/ SDS | 0.01 | 6.53 | 6.54 | 9.48 | 2.94 |

Source: Detailed Appropriation Accounts, 2023-24

3.9 Conclusion

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. In the Revenue section, deviation in outturn compared with BE was

(-)9.49 *per cent*. This was due to deviation up to (±)25 in 44 Grants, between (±) 25 and (±)50 in 18 Grants, between (±) 50 and (±) 100 in 14 Grants and equal to or more than (±) 100 in 03 Grants. In the Capital section, deviation in outturn compared with BE was (+) 42.12 *per cent*. This was due to deviation up to (±)25 in 24 Grants, between (±) 25 and (±)50 in 06 Grants, between (±)50 and (±)100 in 07 Grants and equal to or more than (±) 100 in 35 Grants

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. In the Revenue section, deviation in outturn compared with RE was (-)19.61 *per cent*. This was due to deviation up to (±)25 in 46 Grants, between (±)25 and (±)50 in 22 Grants, between (±)50 and (±)100 in 11 Grants. In the Capital section, deviation in outturn compared with BE was (-)20.10 *per cent*. This was due to deviation up to (±)25 in 53 Grants, between (±)25 and (±)50 in 12 Grants, between (±)50 and (±)100 in 04 Grants and equal to or more than (±)100 in three Grants

Budget Outlay of the State grew at an average growth rate of 7.52 *per cent* from ₹23,487.10 crore in 2019-20 to ₹37,565.28 crore in 2023-24

During 2023-24, an expenditure of ₹261.49 crore was incurred on 10 Grants/ Appropriations without any provisions in the original estimates/ supplementary demands and without any re-appropriation orders.

Supplementary provision aggregating ₹657.38 crore (₹10.00 lakh or more in each case) obtained in 18 Grants during 2023-24 proved unnecessary as the original provision was not fully utilised, indicating that Supplementary Grants were not provided in an *ad-hoc* manner. Further, Supplementary Provisions aggregating ₹7,478.31 crore under 65 cases proved excessive by ₹3,394.28 crore under 58 cases and inadequate by ₹619.20 crore under 07 cases.

In 125 cases, the re-appropriation was not made after a realistic assessment as the expenditure was less/ more than the final appropriated amount resulting in Excessive/ Unnecessary/ Inadequate/ Injudicious of the re-appropriation orders. The Re-appropriation proved excessive by ₹1,209.67 crore in 69 cases, as Total Expenditure was ₹5,563.77 crore against the Final Grant (Original *plus* Supplementary *plus* Re-appropriation) of ₹6,773.44 crore. Under Eight cases, the Re-appropriation was inadequate as Total Expenditure ₹807.72 crore exceeded the Final Grant (Original *plus* Supplementary *plus* Re-appropriation) by ₹155.55 crore. In 36 cases, re-appropriation was unnecessary by ₹747.19 crore as actual expenditure was less than the Total Grant. Similarly, re-appropriation was injudicious in 12 cases by ₹516.08 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 the persistent savings; nor their budget varied in accordance with their ability to absorb the

allocations. During 2023-24, the savings (₹one crore and above in each cases) aggregating to ₹4,628.24 crore in 36 cases was under Revenue section and ₹2,503.76 crore in 13 cases was under Capital section. Out of these, there were savings of ₹100 crore and above under 20 Grants. Further, there were persistent savings in 35 Grants during the last five years, indicating lack of systematic and closer budget review by the Government.

During 2023-24, against the gross savings of ₹8,241.88 crore, 67 departments surrendered ₹5,962.34 crore (72.34 per cent), however, the entire amount was surrendered on the last day of the financial year. Further, in respect of nine grants, there was an injudicious surrender of ₹120.84 crore as the Departments surrendered in excess of savings within the grant.

Non-compliance with 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 86 cases, anticipated savings were not surrendered by the prescribed date.

During 2023-24, there was an excess expenditure over provisions in 11 Grants/Appropriations by ₹816.97 crore. In addition, an excess expenditure amounting to ₹3,343.64 crore from 1986-87 to 2022-23 are pending for regularisation. 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 substantial variations of actuals with the revised estimates indicates 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 2022-23 (Allocated ₹364.91 crore against 14 departments) was required to be incorporated in the Gender Budget of 2023-24 to ascertain the effectiveness of the schemes targeted to benefit women. It was however, noticed that no such report was incorporated in Gender Budget of 2022-23 due to which actual achievement of schemes for the benefit of women could not be analysed.

3.10 Recommendations

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/

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 2023-24.

4.2 Funds transferred to DDO Bank Accounts

As per Rule 290 of Central Treasury Rule, no money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants. Treasuries of the Government of Arunachal Pradesh transferred funds of ₹648.44 crore to Bank Accounts maintained by 16 Drawing and Disbursing Officers (DDOs). As per information received from the State Government, as on 31 March 2024, an amount of ₹104.38 crore was still lying unspent in the Bank Accounts of these Drawing and Disbursing Officers (DDOs). Further, scrutiny of challans revealed that Bank Accounts have been opened for 13 DDOs for State CAMPA, but the details of amount transferred and unspent amount lying in the Bank Accounts of these 13 DDOs were awaited from the State Government.

The Commissioner, Finance Department, GoAP in its reply (03 April 2025) stated that the matter would be examined so as to resist the parking of fund through opening of bank account by the DDOs.

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., (i) interest bearing and (ii) non-interest bearing. State Government is required to pay interest on un-invested balances lying under Reserve Funds and Deposits bearing interest. During 2023-24, the State Government did not discharge interest liability of ₹59.05 crore in respect of balances lying as on 01 April 2023 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 01 April 2023 | 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 (7.10 per cent) | 0.60 | Nil | 0.60 |
| State Compensatory Afforestation Fund | 1,600.60 | Interest calculated as per the circulars issued by the Ministry of Environment, Forest and Climate Change, which is 3.35 per cent for 2023-24. | 56.61 | Nil | 56.61 |
| State Disaster Response Fund (SDRF) | 2.61 | Interest as per the rate notified by the SDRF guidelines. At present, this is taken 2.00 per cent above the average WMAs which is 8.50 per cent. | 1.09 | Nil | 1.09 |
| Civil Deposit bearing interest (excluding MH- 8342) | 28.75 | Interest calculated at the rate of 6.50 per cent, taking average Ways and Means interest rate for the year 2023-24 | 0.75 | Nil | 0.75 |
| Total | | | 59.05 | Nil | 59.05 |

Source: Finance Accounts 2023-24

Thus, the undischarged liability of interest in the current year was not only understated the Revenue expenditure of 2023-24 but also increased 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 implementing Agencies. Contrary to this decision, the GoI transferred an amount of ₹5,565.54 crore directly to the State Implementing Agencies in the State during 2019-20 to 2023-24. Details of direct transfer of funds to the implementing agencies during the period from 2019-20 to 2023-24 is given in **Chart 4.1**.

Chart 4.1: Funds transferred directly to implement agencies during 2019-20 to 2023-24
(₹ in crore)



Source: Finance Accounts of respective year

The Government of India was transferred the funds directly to the Implementing Agencies in the State for implementing various CSS/ programmes in Social and Economic Sectors. During 2023-24, an amount of ₹1,243.52 crore was directly transferred by GoI, which was ₹939.89 crore more than in 2019-20 (₹303.63 crore). Details of all such direct transfers are available in **Appendix-VI** of the Finance Accounts (Vol-II). Some of the major CSS/ programmes 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 CSS/ programmes transfers directly made to Implementing Agencies in the State during 2023-24

| Name of the CSS/ Programme | Amount (₹ in crore) |
|---|---------------------|
| Rashtriya Gokul Mission | 19.65 |
| Jal Jeevan Mission (JJM)/ National Rural Drinking Water Mission | 771.21 |
| Mahatma Gandhi National Rural Guarantee Program | 288.26 |
| Krishionnati Yojana | 25.75 |
| Khelo India-National Programme for development of Sports (An Umbrella Scheme) | 20.85 |
| National AIDS Control Programme III | 23.79 |
| Border Infrastructure and Management | 15.54 |

Source: Finance Accounts, 2023-24

Direct releases of funds were more prominent in respect of the Mahatma Gandhi National Rural Guarantee Program (₹288.26 crore) and Jal Jeevan Mission/ National Rural Drinking Water Mission (₹771.21 crore) which constitute 23.18 and 62.02 *per cent* respectively of the total directly transferred amount during 2023-24. As these funds were not routed through the Consolidated fund of the State Government, hence, the Annual Accounts did 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 did not present the complete picture to that extent.

4.5 Delay in submission of Utilisation Certificate

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 2024, 561²⁶ UCs in respect of the grants amounting to ₹2,785.36²⁷ 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

(₹ in crore)

| 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 | 394 | 2,201.17 | 124 | 852.16 | 743 | 3,735.15 |
| 2023-24 | 743 | 3,735.15 | - | - | 182 | 949.79 | 561 | 2,785.36 |

Source: Finance Accounts, 2023-24

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

Non-submission of 561 UCs means that the grantees have not yet explained whether and how the funds amounting to ₹2,785.36 crore were spent. This involves public funds provided to them for implementation of the specific programme/ 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 2023-24.

²⁶ Opening balance: 743 minus Clearance during the year: 182

²⁷ Opening balance: ₹3,735.15 crore minus Clearance during the year: ₹949.79 crore.

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 | 105 | 548.02 |
| Home (Police) | 6 | 5.42 |
| Information and Public Relation | 45 | 75.61 |
| Social Welfare, Women and Child Development | 45 | 38.47 |
| Tourism | 11 | 17.35 |
| Civil Supplies and Consumer Affairs | 17 | 1.33 |
| Cultural Affairs | 5 | 1.90 |
| Planning Programme Implementation Economics and Statistics | 9 | 28.42 |
| Relief and Rehabilitation | 22 | 367.66 |
| District Administration | 10 | 1.01 |
| Health and Family Welfare | 53 | 425.25 |
| Rural Development and Panchayati Raj | 54 | 850.42 |
| Science and Technology | 71 | 65.70 |
| General Administration | 5 | 2.90 |
| Sports and Youth Affairs | 40 | 44.12 |
| Industries | 14 | 1.59 |
| Urban Development, Municipal Administration and Government Estates | 43 | 286.41 |
| Power | 3 | 8.28 |
| Textile and Handicrafts | 2 | 0.11 |
| Personnel Administrative Reforms, Administration and Training | 1 | 15.39 |
| Total | 561 | 2,785.36 |

Source: Information furnished by Office of the Principal Accountant General (Accounts Wing), Arunachal Pradesh

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

- There were 105 UCs amounting to ₹548.02 crore which were not submitted as on 31 March 2024. These pertained to only being 2nd, 3rd and final installment of central and state share released, GIA to Centre for Buddhist Studies, (RGU) Doimukh, for upgradation of Infrastructure of RKM, Aalo, GIA to Sainik School, Niglok, East Siang District, GIA to RKM Narottam Nagar and Dirang, GIAs to the State Council for Technical Education, Rajeev Gandhi University, Samagra Shiksha Abhiyan, schools, etc.
- There were 54 UCs amounting to ₹850.42 crore for the years 2020-21 to 2022-23 due for submission by the Department of Rural Development and Panchayati Raj as on 31 March 2024. These pertained to Central Share of PMAY-Gramin, central share of Watershed development component of Pradhan Mantri Krishi Sinchai Yojana, National Rural Livelihood Mission, Pradhan Mantri Awas Yojana.
- There were 43 UCs amounting to ₹286.41 crore for the years 2021-22 and 2022-23 due for submission by the Department of Urban Development as on 31 March 2024. These pertained to Swachh Bharat Mission (U) and Implementation of Project 15 Finance Commission.

- There were 53 UCs amounting to ₹425.25 crore due for submission by the Department of Health and Family Welfare as on 31 March 2024 which pertained to Gap fund for c/o Block-II building for increase bed strength from 300 to 500-700 bedded hospital, Mukhya Mantri Rogi Kalyan Kosh.
- There were 22 UCs amounting to ₹367.66 crore due for submission by the Department of Relief and Rehabilitation as on 31 March 2024 and these pertained to Central and State Share of SDRF, Minister Relief fund for financial assistance to medical patient/ex-gratia.

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. The State would also lose out on central funds for want of UCs in due time and/or there would be delay in release of next instalment by GoI. 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.

The Commissioner, Finance Department, GoAP, in its reply (03 April 2025) stated that the matter would be taken up with the concerned departments.

4.6 Opaqueness in Accounts

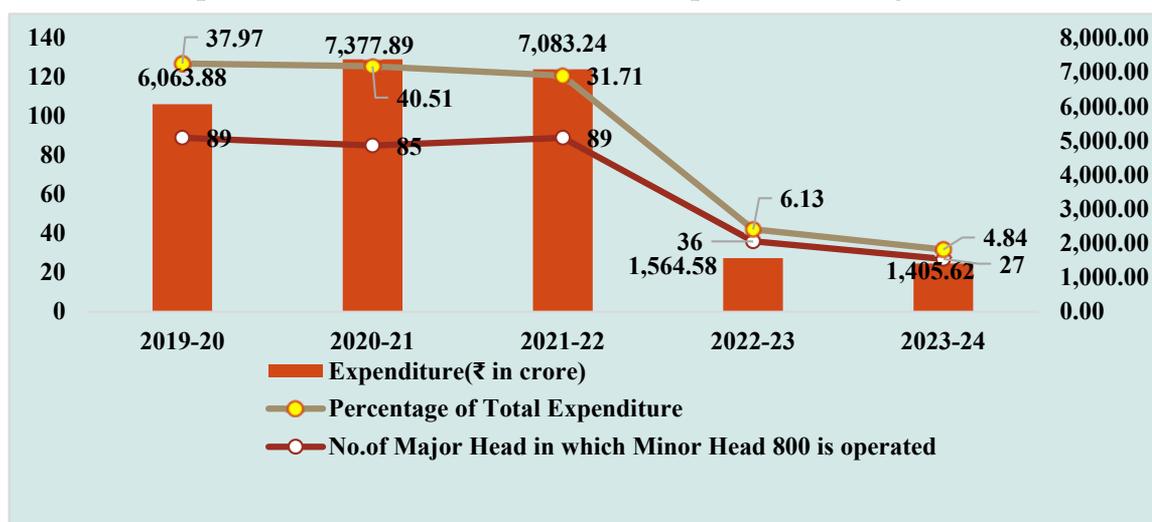
Government Accounting Rules stipulate that the classification of transactions in Government accounts, shall have closer reference to the function, programme and activity of the Government and to the object of Revenue (Receipt) or Expenditure. The omnibus Minor Head: 800 relating to Other Receipts/ Other 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.

4.6.1 Use of Minor Head: 800-Other Expenditure

Government of Arunachal Pradesh has operated this Minor Head extensively during the last five-year period from 2019-20 to 2023-24. The quantum of expenditure booked under this Minor Head, as a *percentage* of total expenditure, had a decreasing trend from 2020-21 to 2023-24 as can be seen from the **Chart 4.2**. This *percentage* declined from 40.51 *per cent* of total expenditure in 2020-21 to 4.84 *per cent* in 2023-24. The

use of Minor Head 800, when seen in absolute terms, has decreased significantly by ₹4,658.26 crore (76.82 per cent) in the five-year period from ₹6,063.88 crore in 2019-20 to ₹1,405.62 crore in 2023-24. During 2023-24, the classification of Expenditure under Minor Head-800-Other Expenditure decreased by ₹158.96 crore (10.16 per cent) over the previous year (₹1,564.58 crore). During 2023-24, the State Government booked an expenditure of ₹1,405.62 crore under Minor Head: 800 against 27 Major Heads, constituting 4.84 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 2019-23 is given **Chart 4.2**.

Chart: 4.2: Operation of Minor Head 800 - Other Expenditure during 2019-20 to 2023-24

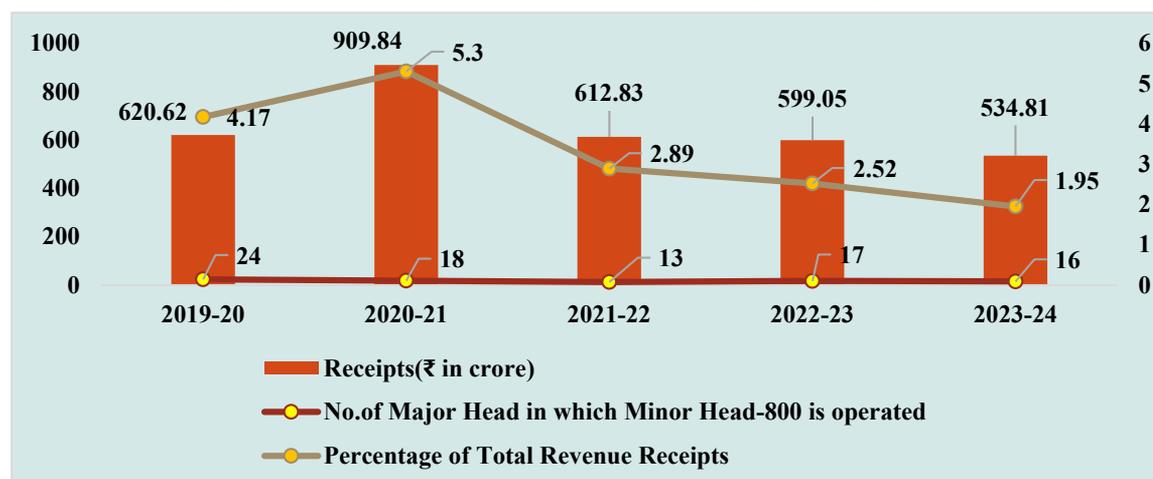


Source: Finance Accounts of the respective year

4.6.2 Use of Minor Head 800-Other Receipts

Government of Arunachal Pradesh has operated this Minor Head extensively during the five-year period of 2019-20 to 2023-24. In monetary term, the Receipts classified under the Minor Head peaked at ₹909.84 crore in 2020-21 during the period from 2019-20 to 2023-24 and stood at ₹534.81 crore in 2023-24 as can be seen from the **Chart 4.3**. During 2023-24, the Revenue Receipts classified as 800-Other Receipts decreased by ₹64.24 crore over the previous year. During 2023-24, the State Government classified an amount of ₹534.81 crore under Minor Head-800 against 15 Major Heads, constituting 1.95 per cent of the total Receipts. The extent of operation of Minor Head 800 Other Receipts, as a percentage of Total Revenue Receipts during 2019-24 is given **Chart 4.3**.

Chart: 4.3: Operation of Minor Head 800 - Other Receipts during 2019-20 to 2023-24



Source: Finance Accounts of respective year

4.7 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 4.5**.

Table 4.5: Balances under Suspense and Remittance Heads

(₹ in crore)

| Minor Head | 2021-22 | | 2022-23 | | 2023-24 | |
|---|---------------------|---------|---------------------|---------|---------------------|---------|
| | Dr. | Cr. | Dr. | Cr. | Dr. | Cr. |
| Major Head 8658 – Suspense | | | | | | |
| 101 – PAO suspense | 52.53 | 0.05 | 28.18 | 0.05 | 35.84 | 0.05 |
| Net | Dr. 52.48 | | Dr. 28.13 | | Dr. 35.79 | |
| 102 – Suspense Account-Civil | 29.33 | 1.46 | 24.57 | 1.46 | 22.01 | 1.46 |
| Net | Dr. 27.87 | | Dr. 23.11 | | Dr. 20.55 | |
| 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 | (-)16.49 | (-)5.19 | (-)10.42 | (-)4.40 | (-)10.42 | (-)4.40 |
| Net | Dr. (-)11.30 | | Dr. (-)6.02 | | Dr. (-)6.02 | |
| 110 – Reserve Bank Suspense – CAO | 1,947.04 | 772.71 | 1,975.31 | 771.89 | 1,945.72 | 771.72 |
| Net | Dr. 1,174.33 | | Dr. 1,203.42 | | Dr. 1,174.00 | |
| 112 – Tax Deducted at Source (TDS) Suspense | -- | 7.9 | 0 | 7.5 | 0 | 7.48 |
| Net | Cr. 7.90 | | Cr. 7.5 | | Cr. 7.48 | |

| Minor Head | 2021-22 | | 2022-23 | | 2023-24 | |
|--|-------------------|-------|-------------------|--------|---------------------|--------|
| | Dr. | Cr. | Dr. | Cr. | Dr. | Cr. |
| Major Head 8658 – Suspense | | | | | | |
| 113 – Provident Fund Suspense | 0.25 | - | 0.25 | 0 | 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 | 0.0067 | 0.08 | 0.0067 | 0.08 |
| Net | Cr. 0.01 | | Dr. 0.0733 | | Dr. 0.0733 | |
| 123 – A.I.S Officers’ Group Insurance Scheme | 0.02 | 0.01 | 0.02 | 0.017 | 0.02 | 0.02 |
| Net | Dr. 0.01 | | Dr. 0.003 | | Dr. 0.00 | |
| 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 | 401.35 | 600.8 | 391.91 | 188.01 | 399.75 | 115.19 |
| Net | Cr. 199.45 | | Dr. 203.90 | | Dr. 284.56 | |
| 103 – Forest Remittances | 15.9 | 25.89 | 16.7 | 16.14 | 17.31 | 24.05 |
| Net | Dr. 9.99 | | Dr. 0.56 | | Dr. (-) 6.74 | |
| 105- Reserve Bank of India Remittances | 592.89 | 504.2 | 592.89 | 504.19 | 592.89 | 514.2 |
| Net | Dr. 88.69 | | Dr. 88.70 | | Dr. 78.69 | |

Source: Finance Accounts of respective year

4.7.1 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 2023 was ₹28.13 crore (debit) which was mainly in respect of Ministry of Surface Transport, Regional Office, Guwahati (₹13.73 crore), Central Pensions Accounting Office, New Delhi (₹11.88 crore). and Pay and Accounts Office VI, New Delhi (₹2.22 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 2023-24, the Outstanding Balance under this head increased by Dr. ₹7.66 crore over the previous year.

4.7.2 Suspense Account (Civil)

(Debit) from ₹28.13 crore (Debit) in 2022-23 to ₹35.79 crore (Debit) in 2023-24 due to a significant clearance of PAO suspense balance in respect of the Ministry of Surface Transport, Regional Office, Guwahati. 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 01 April 2023 was ₹23.11 crore (Debit) which was mainly due to net balances of Treasury Suspense (₹19.80 crore Debit) and Objection Book Suspense (₹3.78 crore Debit). The Outstanding Balance under this head as on 31 March 2024, was ₹20.55 crore (Debit) which had reduced by ₹2.56 crore over the previous year (₹23.11 crore on 31 March 2023). 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 ₹20.55 crore.

4.7.3 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 net outstanding balances under this head as on 31 March 2024 was ₹1,174.00 crore with ₹1,945.72 crore (Debit) and ₹771.72 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.

4.7.4 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 ₹284.56 crore (Debit) were lying unadjusted as on 31 March 2024. 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. | 349.88 | Prior to 2001-02 | Non-adjustment of transactions by Public Works Division | On clearance increase in cash balances. |
| Public Works Cheques | Cr. | 67.36 | 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. | 284.56 | | - | |

Source: Finance Accounts, 2023-24

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.

4.8 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 4.6**.

Table 4.6: Status of Reconciliation of expenditure figures

| Years | Total No. of Controlling Officer | Fully Reconciled | Partially Reconciled | Not Reconciled | Percentage of amount reconciled |
|--------------------|----------------------------------|------------------|----------------------|----------------|---------------------------------|
| Expenditure | | | | | |
| 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 |
| 2023-24 | 79 | 76 | 03 | 00 | 96.87 |

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.

4.9 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 4.7**.

Table 4.7: Details of year-wise Cash Balance

(₹ in crore)

| Year | Cash Balance as per RBI | Cash Balance as per Accountant General | Net Difference | Reasons for differences |
|--------------|-------------------------|--|--------------------|-----------------------------------|
| | | (Accounts) | | |
| 2019-20 | Cr.231.55 | Dr.256.96 | Dr.25.41 | |
| 2020-21 | Dr.20.00 | Dr.7.01 | Dr.27.01 | Misclassification by/ Treasury |
| 2021-22 | Dr.731.98 | Cr.2,063.52 | Cr.1,331.54 | |
| 2022-23 | Dr.728.30 | Cr.945.59 | Cr. 217.29 | |
| 2023-24 | Dr.94.62 | Cr.104.07 | Cr. 9.45 | |
| Total | Dr. 1,343.35 | Cr. 2,849.21 | Cr.1,505.86 | |

Source: Finance Accounts of respective year

As on 31 March 2024, there was a difference of ₹9.45 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 ₹94.62 crore (Debit) and Accountant General's figure is ₹104.07 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 difference of ₹9.45 crore (Credit in Annual Accounts) and the penalty leviable on the Agency banks for not adhering to the timelines for settlement may be ascertained.

4.10 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 2023, the State Government was yet to transfer Cess amounting to ₹128.73 crore to the Board. Further, during 2023-24, another ₹23.41 crore was collected as Labour Cess by the State Government. However, the State Government transferred only ₹108.38 crore to the Board till 2023-24, leaving a balance of ₹43.76 crore as on 31 March 2024.

As at end of March 2024, a total of 45,976 workers were registered with the Board. Details of amount collected, and actual expenditure incurred during the period from 2019-20 to 2023-24 are shown in **Table 4.8**.

Table 4.8: Statement of Cess Collection and Expenditure incurred (2019-20 to 2023-24)*(₹ in crore)*

| Year | Opening Balance | Addition during the year | | Total Fund Available | Actual Expenditure | Closing Balance |
|---------|-----------------|--------------------------------|---------------|----------------------|--------------------|-----------------|
| | | Cess Collected during the year | Other income* | | | |
| 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 |
| 2023-24 | 14.25 | 198.41 | 20.45 | 233.11 | 174.12 | 58.99 |

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 4.8**, out of the total available fund of ₹233.11 crore in 2023-24, the APBOCWB expended ₹174.12 crore, leaving a balance of ₹58.99 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 2023-24 revealed that out of the total expenditure of ₹174.12 crore, hence, the limit of administrative expenditure would be ₹8.71 crore. But the Board incurred an expenditure of ₹9.50 crore (5.45 *per cent* of the total expenditure) in contravention of the rules *ibid*.

The remaining expenditure of ₹164.62 crore was mainly incurred by the Board on Educational Benefits (₹1.91 crore) to 695 children of the beneficiaries *i.e.* building and other construction workers, Normal Death Benefits (₹0.52 crore) to 102 beneficiaries, Accidental Death Benefits (₹0.11 crore) to 11 beneficiaries, Funeral Assistance (₹0.01 crore) to 112 beneficiaries and Marriage Benefits (₹0.03 crore) to 39 Beneficiaries *etc.*

4.11 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 4.9**.

Table 4.9: 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. |

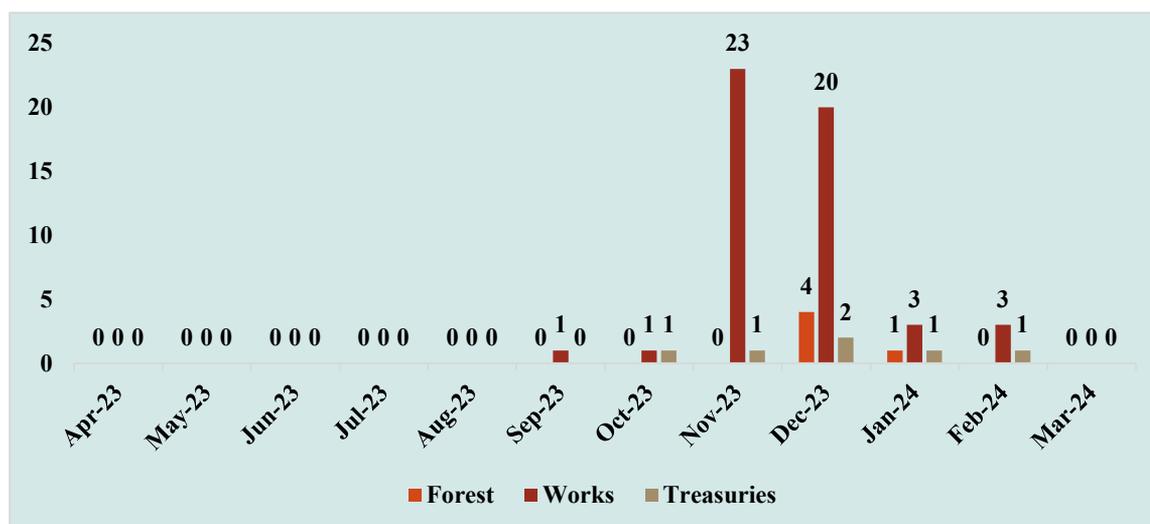
Not fully complying with IGAS would affect the objective of financial statements to present a true and fair view of the financial position.

4.12 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 38-District Treasuries/ Sub-treasuries, 54-Public Works Divisions, 37-Public Health Engineer, 35-Power Divisions, 20-Hydro Power Divisions, 28-Urban Divisions, 31-Rural Works Divisions, 29-Water Works Divisions and 48-Forest Divisions, apart from the RBI advices. During 2023-24, 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 4.4**.

Chart 4.4: 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 4.4** above, during 2023-24, 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 2023-24, except for March 2024. 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 2024. 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.

4.13 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 2024. Details of arrears in accounts submission by ABs is given in **Table 4.10**.

Table 4.10: Details of Arrears of Accounts

| Sl. No. | Name of the State Autonomous Bodes/ Authorities | Accounts pending since | No. of Accounts pending as of September 2024 |
|--------------|---|------------------------|--|
| 1. | Arunachal Pradesh State Legal Services Authority | 2023-24 | 01 |
| 2. | Arunachal Pradesh State Electricity Regulatory commission | 2023-24 | 01 |
| 3. | Arunachal Pradesh State Compensatory Afforestation Fund Management and Planning Authority | 2015-16 | 09 |
| 4. | Arunachal Pradesh Building & Other Construction Worker's Welfare Board | 2023-24 | 01 |
| 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 2024. Further, 09 Accounts of CAMPA were pending from 2015-16 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.

4.14 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 2024, as discussed below.

4.15 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 4.11**.

Table 4.11: - Position relating to finalisation of accounts of working SPSEs

| Sl. No. | Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---------|--|---------|---------|---------|---------|---------|
| 1. | Number of Working SPSEs/ other companies | 6 | 6 | 6 | 6 | 6 |
| 2. | Number of accounts finalised during the year | 2 | 3 | 5 | 16 | 7 |
| 3. | Number of accounts in arrears | 46 | 49 | 50 | 40 | 39 |
| 4. | Number of working SPSEs with arrears in accounts | 6 | 6 | 6 | 6 | 6 |
| 5. | Extent of arrears (numbers in years) | 1 to 20 | 1 to 21 | 1 to 22 | 2 to 16 | 2 to 17 |

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 2019-20 to 2021-22 but decreased in 2023-24 due to finalization of 07 accounts by SPSEs in 2023-24. Out of the total 39 accounts in arrears as on 30 September 2024, 28 Accounts pertained to two SPSEs *viz.*, Arunachal Pradesh Mineral Development and Trading Corporation Limited (17 Accounts) and Arunachal Pradesh Forest Corporation Limited (11 Accounts). The earliest Accounts in arrears was since 2006-07, 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 2023-24 could not be ascertained and their contribution to State exchequer could not be reported to the State Legislature.

4.16 *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.

4.17 Discussion of SFAR by the PAC

Public Accounts Committee was held on 27 August 2024 and 22 and 23 October 2024 however, no Audit Findings incorporated as Paragraphs in the State Finances Audit Report (SFAR), was discussed.

4.18 Conclusion

- Non-submission of Utilisation Certificates by Departments for funds drawn for specific developmental programmes/ projects and was violative of prescribed financial rules and directives. Also, huge pendency in submission of UCs is fraught with the risk of fraud and misappropriation of funds.
- non-submission of accounts by Autonomous, Development Bodies and Authorities was violative of prescribed financial rules and directives. This points to inadequate internal controls and deficient monitoring mechanism of the State Government.
- 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

4.19 Recommendations

The Government may-

- ensure timely submission of Utilisation Certificates by the departments in respect of the grants released for specific purposes. Also, 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.

- 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.

Itanagar
The 06 May 2025


(VANLAL CHHUANGA)
Principal Accountant General (Audit)

Countersigned

New Delhi
The 09 May 2025


(K. SANJAY MURTHY)
Comptroller and Auditor General of India

APPENDICES

APPENDIX 1.1

Part – A

Layout of Finance Accounts

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 Product²⁸ (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 & 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:

List of terms used in Chapter - I & 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 | $\text{Interest Received} [(\text{Opening Balance} + \text{Closing Balance of Loans \& Advances})/ 2]*100$ |
| Revenue Deficit/ Surplus | Revenue Receipts – Revenue Expenditure |
| Fiscal Deficit/ Surplus | Revenue Expenditure + Capital Expenditure + Net Loans & 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 <i>nth</i> root of the total <i>percentage</i> growth rate, where <i>n</i> is the number of years in the period being considered. $\text{CAGR} = ((\text{Ending Value}/ \text{Beginning Value})^{(1/\text{period})}) - 1$ |

²⁸ 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.

| Terms | Basis of Calculation |
|-----------------------------------|--|
| 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 & 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-1.2, Page -1)

| A. General Data | | |
|-----------------|---|------------------------|
| Sl. No. | Particulars | Figures |
| 1. | Area | 83,743 sq. km. |
| 2. | Population (Ministry of Health and Social Welfare) | |
| | Male | 8,10,000 |
| | Female | 7,66,000 |
| | Total | 15,76,000 |
| 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 <i>per cent</i>) | 34.67 <i>per cent</i> |
| 5. | Population Growth (2014 to 2024) (All India average = 11.26 <i>per cent</i>) | 10.29 <i>per cent</i> |
| 6. | Literacy (as per 2011 Census) (All India Average = 73 <i>per cent</i>) | 65.40 <i>per cent</i> |
| 7. | Infant Mortality (per 1000 live births) (All India Average = 28 per 1000 live births) | 21 |
| 8. | Gross State Domestic Product (GSDP) | 43,991.61 crore |
| 9. | GSDP ²⁹ CAGR (2014-15 to 2023-24) | 10.47 <i>per cent</i> |

²⁹ Based on the data furnished by the Directorate of Economics and Statistics, Government of Arunachal Pradesh

| B. Financial Data | | | | | | | | |
|---------------------------------|--------------------|-------------------|--------------------|-------------------|---------------------|-------------------|----------------------|-------------------|
| Growth rate | | | | | | | | |
| Particulars | CAGR | | | | Year over Year | | | |
| | 2014-15 to 2017-18 | | 2018-19 to 2021-22 | | 2022-23 over 201-22 | | 2023-24 over 2022-23 | |
| | NE &H | Arunachal Pradesh | NE &H | Arunachal Pradesh | NE &H | Arunachal Pradesh | NE &H | Arunachal Pradesh |
| RR | 12.61 | 14.67 | 7.12 | 9.44 | 13.41 | 12.04 | 8.19 | 15.36 |
| OTR | 7.17 | 20.84 | 19.80 | 15.36 | 10.58 | 36.44 | 10.58 | 25.04 |
| NTR | 6.52 | (-)7.16 | 5.44 | 8.36 | 12.94 | 31.39 | 14.62 | (-)11.49 |
| State's share of Union taxes | 24.87 | 102.66 | 5.52 | 11.95 | 7.22 | 13.97 | 19.11 | 18.91 |
| GIA from GoI | 7.83 | (-)22.14 | 10.87 | 0.73 | 5.47 | (-)7.90 | (-) 21.89 | 1.39 |
| TR | 13.09 | 13.25 | 10.04 | 9.29 | 10.83 | 15.63 | 13.92 | 18.84 |
| RE | 12.06 | 15.06 | 8.07 | 8.43 | 11.45 | 9.91 | 8.90 | 18.07 |
| CE | 12.02 | 28.98 | 4.80 | 4.14 | 18.92 | 24.96 | 19.85 | 4.39 |
| CO | 12.53 | 29.06 | 5.61 | 4.25 | 14.18 | 24.95 | 26.16 | 4.40 |
| Disb. of Loans and Advances | 7.11 | 0.94 | (-)3.28 | (-)49.74 | 75.21 | 31.64 | (-) 28.93 | (-)20.77 |
| TE | 12.05 | 17.69 | 7.57 | 7.11 | 12.53 | 14.28 | 10.56 | 13.72 |
| RE on Education | 9.33 | 18.43 | 7.34 | 8.50 | 13.21 | 17.26 | 5.11 | (-) 6.16 |
| RE on Health and Family Welfare | 14.09 | 17.83 | 14.96 | 8.30 | 0.88 | 9.88 | 10.34 | 7.48 |
| RE on Salaries and Wages | 9.86 | 15.83 | 8.19 | 11.74 | 9.71 | 11.32 | 7.52 | 6.96 |
| RE on Pension | 14.24 | 24.33 | 9.58 | 15.06 | 11.38 | 22.22 | 6.27 | 18.62 |
| RE on Subsidies | 15.92 | (-) 51.12 | 8.64 | (-) 100 | 15.25 | 0.00 | 8.61 | 0.00 |

Source: For NE & H: A brief on the Finances of the States issued by Economic Division of Comptroller and Auditor General of India and for State: Finances Accounts of the respective years.

APPENDIX 1.2

Summarised financial position of the Government of Arunachal Pradesh as on 31 March 2024

(Reference: Paragraph-1.7, Page -14)

(₹ in crore)

| As on 31 March 2023 | Liabilities | | As on 31 March 2024 |
|---------------------|---|--|---------------------|
| | Internal Debt | | |
| | - | Market Loans not bearing interest | - |
| | 5,983.17 | Market Loans bearing interest | 6,652.50 |
| | 0.22 | Loans from LIC | 0.13 |
| | 1,210.08 | Loans from NABARD | 1,577.13 |
| 8,520.84 | 111.42 | Loans from other Institutions | 121.03 |
| | - | Ways and Means and Advances | - |
| | 1,215.95 | Special Securities issued to National Small Savings Fund of the Central Government | 1,041.64 |
| | - | Overdraft from Reserve Bank of India | - |
| | - | Other Loans | - |
| | Loans and Advances from Central Government | | |
| | 34.80 | Non-Plan Loans | 34.55 |
| | 1.40 | Loans from State Plan Schemes | (-) 22.73 |
| 2,243.43 | (-)7.59 | Loans for Central Plan Schemes | (-) 8.18 |
| | 11.53 | Loans for Centrally Sponsored Plan Schemes | 11.53 |
| | 35.03 | Loans for Special Schemes | 34.59 |
| | 2,168.26 | Other Loans for States | 4,531.68 |
| 0.05 | Contingency Fund | | |
| 3,117.55 | Small Savings, Provident Funds, etc. | | |
| 161.58 | Deposits | | |
| (-) 1,280.03 | Suspense and Miscellaneous Balances | | |
| 3,867.58 | Reserve Funds | | |
| | Surplus on Government Account | | |
| 41,119.76 | 34,749.29 | (i) Revenue Surplus as on 31 March 2023 | 41,119.74 |
| | 6,370.47 | (ii) Revenue Surplus during the year | 6,876.65 |
| 57,750.76 | Total | | |
| | 68,851.51 | | |
| | Assets | | |
| | Gross Capital Expenditure on Fixed Assets | | |
| 52,518.20 | 251.13 | Investments in Shares of Companies, Corporations, Co-operatives, etc. | 251.18 |
| | 52,267.07 | Other Capital Expenditure | 60,730.83 |
| | 60,982.01 | | |

| As on 31 March 2023 | Liabilities | | As on 31 March 2024 |
|--|-----------------------------|--|---------------------|
| | Loans & Advances | | |
| | 10.00 | Loans for Power Projects | 10.00 |
| 90.07 | 68.22 | Other Development Loans | 66.66 |
| | 11.85 | Loans to Government Servants and Miscellaneous Loans | 10.12 |
| 502.38 | Civil Advances | | 506.54 |
| 293.96 | Remittance Balances | | 367.35 |
| Suspense and Miscellaneous Balances | | | |
| | Cash | | |
| | - | Cash in Treasuries and Local Remittances | - |
| | -945.59 | Deposits with Reserve Bank and other Banks | (-) 104.07 |
| 4,346.15 | -18.39 | Departmental Cash Balance | (-) 17.88 |
| | 0.01 | Permanent Advances | 0.01 |
| | 3,045.88 | Cash Balance Investments | 4,530.13 |
| | 2,264.24 | Investments of Earmarked Funds | 2,500.64 |
| 57,750.76 | Total | | 68,851.51 |

Source: Finance Accounts of respective year

APPENDIX 2.1

Abstract of Receipts and Disbursements for 2023-24 (Reference: Paragraph-2.3, Page -24)

(₹ in crore)

| Receipts | | | Disbursements | | |
|------------------|--|------------------|------------------|---|------------------|
| Section - A | | | | | |
| 2022-23 | Name of components | 2023-24 | 2022-23 | Name of components | 2023-24 |
| 2,237.35 | Own Tax Revenue | 2,797.61 | 5,204.55 | General Services | 5,788.40 |
| 1,017.87 | Non-tax Revenue | 900.92 | 5,844.24 | Social Services | 6,602.95 |
| 16,689.17 | State Share of Union Taxes | 19,845.22 | 2,748.48 | Education, Sports, Arts & Culture | 2,609.97 |
| 2,848.20 | Grants for Centrally Sponsored Schemes | 3,370.58 | 1,480.63 | Health & Family Welfare | 1,591.32 |
| 210.40 | Finance Commission Grants | 220.80 | 889.25 | Water Supply, Sanitation, Housing & Urban Development | 1,255.72 |
| 785.15 | Other Grants to State with Legislature | 305.87 | 54.65 | Information & Broadcasting | 53.03 |
| | | | 58.69 | Labour & Welfare | 48.95 |
| | | | 566.97 | Social Welfare & Nutrition | 1,004.66 |
| | | | 45.57 | Others | 39.30 |
| | | | 6,368.88 | Economics Services | 8,173.00 |
| | | | 1,633.69 | Agriculture & Allied Activities | 1,557.41 |
| | | | 1,099.95 | Rural Development | 1,398.04 |
| | | | 113.94 | Special Areas Programme | 200.93 |
| | | | 363.15 | Irrigation & Flood Control | 399.26 |
| | | | 1,425.31 | Energy | 1,678.20 |
| | | | 149.92 | Industries & Minerals | 145.67 |
| | | | 1,105.74 | Transport | 2,312.39 |
| | | | 51.72 | Communications | 48.25 |
| | | | 124.05 | Science, Technology and Environment | 86.37 |
| | | | 301.41 | General Economic Services | 346.48 |
| 21,231.64 | Total Revenue Receipts | 27,441.00 | 15,846.64 | Total Disbursements | 20,564.35 |
| | | | 5,385.00 | Revenue Surplus | 6,876.65 |
| Section - B | | | | | |
| Receipts | | | Disbursements | | |
| 4,356.35 | Opening Cash Balance, including Permanent Advances and Cash Balance Investment | 4,346.15 | - | Opening Overdraft from RBI | - |

| Receipts | | | Disbursements | | |
|-----------|---|-----------|-----------------|--|-----------------|
| | | | 1,645.19 | General Services | 1,785.22 |
| | | | 1,418.54 | Social Services | 1,973.28 |
| | | | 285.80 | Education, Sports, Arts & Culture | 587.05 |
| | | | 97.46 | Health & Family Welfare | 91.56 |
| | | | 863.09 | Water Supply, Sanitation, Housing & Urban Development | 1,111.12 |
| | | | 152.82 | Social Welfare & Nutrition | 160.08 |
| | | | 4.25 | Information & Broadcasting | 1.66 |
| | | | 15.12 | Others | 21.81 |
| | | | 5,043.63 | Economics Services | 4,705.33 |
| | | | 65.85 | Agriculture and Allied Activities | 127.73 |
| | | | 79.15 | Rural Development Programme | 65.87 |
| | | | 70.97 | Special Areas Programme | 77.64 |
| | | | 334.62 | Irrigation & Flood Control | 581.18 |
| | | | 543.94 | Energy | 664.49 |
| | | | 29.10 | Industry & Minerals | 139.10 |
| | | | 3,817.01 | Transport | 3,010.55 |
| | | | 85.77 | Science, Technology and Environment | - |
| | | | 17.22 | General Economic Services | 38.77 |
| | Miscellaneous Capital Receipts | - | 8,107.36 | Capital Outlay | 8,463.83 |
| 4.86 | Recoveries of Loans & Advances | 5.96 | 3.37 | Loans & Advances Disbursed | 2.67 |
| 6,370.47 | Revenue Surplus brought down | 6,876.65 | | | |
| 10,731.68 | Sub Total | 11,228.76 | | | |
| 2,479.56 | Public Debt Receipts | 3,775.00 | 551.11 | Repayment of Public Debt | 565.39 |
| 915.45 | Internal Debt other than Ways & Means Advances and Overdraft | 1,411.58 | 525.14 | Internal Debt other than Ways & Means Advances and Overdraft | 539.99 |
| - | Net transactions under Ways & Means Advances, incl. Overdraft | - | - | Net transactions under Ways & Means Advances incl. Overdraft | - |
| 1,564.11 | Loans and Advances from Central Govt. | 2,363.42 | 25.97 | Repayment of Loans & Advances to Central Govt. | 25.40 |
| 8,796.08 | Public Accounts Receipts | 12,519.30 | 8,999.33 | Repayment of Public Accounts | 11,582.34 |
| 639.91 | Small Savings & Provident Funds | 642.01 | 485.23 | Small Savings & Provident Funds | 486.22 |
| 244.98 | Reserve funds | 1,227.09 | 189.27 | Reserve Funds | 306.11 |

| Receipts | | | Disbursements | | |
|------------------|--------------------------|------------------|------------------|---|------------------|
| (-) 0.42 | Suspense & Miscellaneous | (-) 0.18 | 5.22 | Suspense & Miscellaneous | (-) 24.48 |
| 6,990.66 | Remittances | 9,464.82 | 7,404.54 | Remittances | 9,538.21 |
| 920.95 | Deposits & Advances | 1,185.56 | 915.07 | Deposits & Advances | 1,276.28 |
| - | Earmarked Funds | - | 4,346.15 | Closing Cash Balances | 6,908.83 |
| | | | - | Cash in Treasuries and Local Remittances | - |
| | | | (-) 945.59 | Deposits with Reserve Bank and other Banks | (-) 104.07 |
| | | | (-) 18.39 | Departmental Cash Balance incl. Permanent Advances | (-) 17.88 |
| | | | 5,310.13 | Cash Balance Investment and Investment of Earmarked Funds | 7,030.78 |
| 22,007.32 | Grand Total | 27,523.06 | 22,007.32 | Grand Total | 27,523.06 |

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- 1.6 and 2.4.1.1, Page -13 and 26)

(₹ in crore)

| Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|------------------|------------------|------------------|------------------|------------------|
| PART A (RECEIPTS) | | | | | |
| 1. Revenue Receipts | 14,888.55 | 17,123.51 | 21,231.64 | 23,788.14 | 27,441.00 |
| (a) Own Tax Revenue | 1,228.73 | 1,431.10 | 1,639.79 | 2,237.35 | 2,797.61 |
| Goods and Service Tax | 801.55 | 859.29 | 1,131.00 | 1,607.05 | 1,923.39 |
| Taxes on Sales, Trade, etc. | 219.82 | 283.09 | 324.61 | 221.82 | 515.84 |
| State Excise | 144.97 | 238.02 | 115.92 | 280.87 | 211.31 |
| Taxes on Vehicles | 38.12 | 32.71 | 48.94 | 62.11 | 77.35 |
| Stamp and Registration Fees | 8.14 | 10.47 | 12.48 | 17.82 | 23.46 |
| Land Revenue | 15.97 | 7.52 | 6.83 | 47.67 | 46.26 |
| Taxes on Goods and Passengers | 0.16 | 00.0 | 0.01 | 0.01 | 0.00 |
| (b) Non-Tax Revenue | 651.38 | 836.53 | 774.67 | 1,017.87 | 900.86 |
| (c) State Share in Union Taxes and Duties | 8,987.57 | 10,472.58 | 14,643.90 | 16,689.17 | 19,845.22 |
| (d) Grants-in-Aid from GoI | 4,020.87 | 4,383.30 | 4173.28 | 3,843.75 | 3897.31 |
| 2. Miscellaneous Capital Receipts | 00.0 | 00.0 | 00.0 | 0.00 | 0.00 |
| 3. Recoveries of Loans and Advances | 7.03 | 5.94 | 6.85 | 4.86 | 5.96 |
| 4. Total Revenue and Non-Debt Capital Receipts (1+2+3) | 14,895.58 | 17,129.45 | 21,238.49 | 23,793.00 | 27446.96 |
| 5. Public Debt Receipts | 1,790.70 | 1,516.06 | 1,482.71 | 2,479.56 | 3,775.00 |
| Internal Debt (excluding Ways and Means Advances and Overdrafts) | 1,790.70 | 1,283.09 | 1,111.52 | 915.45 | 1,411.58 |
| Net Transactions under Ways and Means Advances and Overdrafts | 00.0 | 00.0 | 00.0 | 0.00 | 0.00 |
| Loans & Advances from GoI | 00.0 | 232.97 | 371.19 | 1,564.11 | 2,363.42 |
| 6. Total receipts in the Consolidated Fund (4+5) | 16,686.28 | 18,645.51 | 22,721.20 | 26,272.56 | 31,221.96 |
| 7. Contingency Fund Receipts | 00.0 | 00.0 | 00.0 | 0.00 | 0.00 |
| 8. Public Accounts Receipts | 3,434.93 | 4,523.68 | 7,413.34 | 8,796.08 | 12,519.30 |
| 9. Total Receipts of Government (6+7+8) | 20,121.21 | 23,169.19 | 30,134.54 | 35,068.64 | 43,741.26 |
| PART B (EXPENDITURE/ DISBURSEMENTS) | | | | | |
| 10. Revenue Expenditure | 12,218.73 | 13,087.50 | 15,846.64 | 17,417.67 | 20,564.35 |
| General Services (including Interest Payments) | 3,831.05 | 4,216.56 | 4,833.96 | 5,204.55 | 5,788.39 |
| Social Services | 4,256.22 | 4,359.45 | 5,760.02 | 5,844.24 | 6,602.96 |
| Economic Services | 4,131.46 | 4,511.49 | 5,252.66 | 6,368.88 | 8,173.00 |
| 11. Capital Expenditure | 3,693.05 | 5,123.35 | 6,488.33 | 8,107.36 | 8,463.83 |
| General Services | 657.91 | 743.99 | 1,618.39 | 1,645.19 | 1,785.22 |
| Social Services | 724.97 | 647.43 | 1,350.29 | 1,418.54 | 1,973.28 |

| Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| Economic Services | 2,310.17 | 3,731.93 | 3,519.65 | 5,043.63 | 4,705.33 |
| 12. Disbursement of Loans and Advances | 16.02 | 4.80 | 2.56 | 3.37 | 2.67 |
| 13. Total of Revenue Expenditure, Capital Outlay and Disbursement of Loans and Advances (10+11+12) | 15,927.80 | 18,215.65 | 22,337.53 | 25,528.40 | 29,030.85 |
| 14. Repayments of Public Debt | 353.6 | 259.49 | 354.71 | 551.11 | 565.40 |
| Internal Debt (including Ways and Means Advances and Overdrafts) | 327.32 | 233.77 | 329.11 | 525.14 | 539.99 |
| Loans and Advances from GoI | 26.28 | 25.72 | 25.60 | 25.97 | 25.41 |
| 15. Appropriation to Contingency Fund | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 16. Total Disbursement out of Consolidated Fund (13+14+15) | 16,281.40 | 18,475.14 | 22,692.24 | 26,079.51 | 29,596.25 |
| 17. Contingency Fund Disbursements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 18. Public Account Disbursements | 5,376.96 | 4,318.54 | 6,475.28 | 8,999.33 | 11,582.34 |
| 19. Total Disbursements by the State (16+17+18) | 21,658.36 | 22,793.68 | 29,167.52 | 35,078.84 | 41,178.59 |
| PART C (DEFICIT/SURPLUS) | | | | | |
| 20. Revenue Deficit (-)/ Surplus (+) {1-10} | 2,669.82 | 4,036.01 | 5,385.00 | 6,370.47 | 6,876.65 |
| 21. Fiscal Deficit (-)/ Surplus (+) {4-13} | (-1,032.22) | (-1,086.20) | (-1,099.04) | (-1,735.40) | (-1,583.89) |
| 22. Primary Deficit (-)/ Surplus (+) {21+23} | (-417.69) | (-333.86) | (-321.42) | (-900.76) | (-725.86) |
| PART D (OTHER DATA) | | | | | |
| 23. Interest Payments (included in Revenue Expenditure) | 614.53 | 752.34 | 777.62 | 834.64 | 858.03 |
| 24. Financial Assistance to Local Bodies and Other Institutions | 1,570.29 | 2,322.28 | 2,782.3 | 3,411.72 | 3,292.96 |
| 25. Ways and Means Advances/ Overdraft availed (days) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 26. Interest on Ways and Means Advances/ Overdraft | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 27. Gross State Domestic Product (GSDP) | 30,023.65 | 30,525.36 | 34,774.78 | 39,629.96 | 43,991.61 |
| 28. Outstanding Fiscal liabilities (year-end) | 12,131.46 | 12,010.30 | 13,736.76 | 15,646.75 | 19,610.17 |
| 29. Outstanding guarantees (year-end) | 0.97 | 0.97 | 5.97 | 8.72 | 20.59 |
| 30. Maximum Amount Guaranteed (year-end) | 2.00 | 2.00 | 7.00 | 7.00 | 22.00 |
| 31. Number of incomplete projects | 101.00 | 80.00 | 83.00 | 80.00 | 83.00 |
| 32. Capital blocked in incomplete projects | 846.98 | 741.64 | 661.31 | 741.81 | 365.29 |
| PART E (FISCAL HEALTH INDICATORS) {per cent} | | | | | |
| I-Resource Mobilisation | | | | | |
| 33. Own Tax Revenue/ GSDP | 4.09 | 4.69 | 4.72 | 5.65 | 6.36 |
| 34. Own Non-Tax Revenue/ GSDP | 2.17 | 2.74 | 2.23 | 2.57 | 2.05 |
| 35. Central Transfers/ GSDP | 43.33 | 48.67 | 54.11 | 51.81 | 53.97 |
| II-Expenditure Management | | | | | |
| 36. Total Expenditure/ GSDP | 53.05 | 59.67 | 64.23 | 64.42 | 65.99 |

| Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|------------------|------------------|------------------|------------------|------------------|
| 37. Total Expenditure/ Revenue Receipts | 106.98 | 106.38 | 105.21 | 107.32 | 105.79 |
| 38. Revenue Expenditure/ Total Expenditure | 76.71 | 71.85 | 70.94 | 68.23 | 70.84 |
| 39. Expenditure on Social Services/ Total Expenditure | 31.27 | 27.49 | 31.83 | 25.02 | 29.54 |
| 40. Expenditure on Economic Services/ Total Expenditure | 40.54 | 45.26 | 39.34 | 39.32 | 44.36 |
| 41. Capital Outlay/ Total Expenditure | 23.19 | 28.13 | 29.05 | 27.93 | 29.15 |
| 42. Capital Outlay on Social and Economic Services/ Total Expenditure | 19.06 | 24.04 | 21.80 | 22.26 | 23.01 |
| III-Management of Fiscal Imbalances | | | | | |
| 43. Revenue Surplus/ GSDP | 8.89 | 13.22 | 15.49 | 16.07 | 15.63 |
| 44. Fiscal Deficit (-) or Surplus (+)/ GSDP | (-) 3.44 | (-) 3.56 | (-) 3.16 | (-) 4.38 | (-) 3.60 |
| 45. Primary Deficit (-) or Surplus (+)/ GSDP | (-) 1.39 | (-) 1.09 | (-) 0.92 | (-) 2.27 | (-) 1.65 |
| 46. Revenue Surplus/ Fiscal Surplus | (-) 258.65 | (-) 371.57 | (-) 489.97 | (-) 367.09 | (-) 434.16 |
| IV-Management of Fiscal Liabilities | | | | | |
| 47. Overall Liabilities or Overall Debt, of which | 12,131.46 | 12,010.30 | 13,736.76 | 15,646.75 | 19,610.17 |
| Non-Interest-Bearing Debt (Reserve funds and deposits) | 1546.37 | 159.00 | 122.74 | 123.12 | 32.14 |
| Overall Liability or Overall Debt (excluding Non-Interest Bearing Debt) | 10,585.09 | 11,851.30 | 13,614.02 | 15,523.63 | 19,578.03 |
| 48. Rate of Growth of Overall Debt (per cent) | 41.25 | (-) 1.00 | 14.37 | 13.90 | 25.33 |
| 49. GSDP (in nominal terms) | 30,023.65 | 30,525.36 | 34,774.78 | 39,629.95 | 43,991.61 |
| 50. Nominal GSDP growth (per cent) | 18.51 | 1.67 | 13.92 | 13.96 | 11.01 |
| 51. Overall Debt/ GSDP (per cent) | 40.41 | 39.35 | 39.50 | 39.48 | 44.58 |
| 52. Maturity profile of all kinds of borrowings (including liabilities under Public Accounts, if any) | 6,451.24 | 7,707.81 | 8,835.82 | 10,764.28 | 13,973.87 |
| 0-2 years | 917.15 | 1,050.12 | 1,544.25 | 1,562.64 | 1,246.68 |
| 2-5 years | 1,173.35 | 1,520.81 | 2,149.35 | 2,771.15 | 2,862.15 |
| 5-10 years | 3,713.04 | 4,242.33 | 4,026.64 | 5,779.82 | 4,756.16 |
| Over 10 years | 647.70 | 894.55 | 1,115.58 | 650.67 | 5,108.88 |
| 53. Gross Borrowings (corresponding to the items accounted for Overall Debt as at Sl. No. 47) | 4,595.82 | 2,898.15 | 3,568.92 | 4,048.80 | 6,594.31 |
| 54. Repayments of borrowings (corresponding to the items accounted for Overall Debt including Principal and Interest Payments) | 1,667.31 | 2,085.34 | 2,620.08 | 2,973.45 | 3,479.13 |
| 55. Repayments to Gross Borrowings (per cent) (54/53*100) | 36.28 | 71.95 | 73.41 | 73.44 | 52.76 |
| 56. Net borrowings available as a percentage of Gross Borrowings | 63.72 | 28.05 | 26.59 | 26.56 | 47.24 |
| 57. Interest payments on Overall Debt | 614.53 | 752.34 | 777.62 | 834.64 | 858.03 |

| Particulars | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| 58. Effective rate of interest on Overall Debt (per cent) | 6.87 | 6.71 | 6.11 | 5.73 | 4.89 |
| 59. Revenue Receipts (RR) | 14,888.55 | 17,123.51 | 21,231.64 | 23,788.14 | 27,441.00 |
| 60. Revenue Expenditure (RE) | 12,218.73 | 13,087.50 | 15,846.64 | 17,417.67 | 20,564.35 |
| 61. Interest payment to Revenue Receipts (per cent) | 4.13 | 4.39 | 3.66 | 3.51 | 3.13 |
| 62. Primary Revenue Balance (PRB) (59-60+57) | 3,284.35 | 4,788.35 | 6,162.62 | 7,205.11 | 7,734.68 |
| 63. Fiscal Balance | (-1,033.22) | (-1,086.20) | (-1,099.04) | (-1,735.40) | (-1,583.89) |
| 64. Primary Balance (PB) (63+57) | (-) 418.69 | (-) 333.86 | (-) 321.42 | (-) 900.76 | (-) 725.86 |
| 65. PB/ GSDP (per cent) | (-) 1.39 | (-) 1.09 | (-) 0.92 | (-) 2.27 | (-) 1.65 |
| 66. Outstanding Loan & Advances Disbursed | 96.99 | 95.85 | 91.56 | 90.07 | 86.78 |
| 67. Interest Receipts on Outstanding Loan & Advances Disbursed | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 68. Return on Investment (RoI) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 69. Difference between RoI and effective rate of interest on overall liability | (-) 6.87 | (-) 6.71 | (-) 6.11 | (-) 5.73 | (-) 4.89 |
| 70. Liquidity Management (use of financial accommodation instruments available with RBI) (in number of occasions) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 71. Interest/ Rate Spread | 11.63 | (-) 5.04 | 7.81 | 8.23 | 6.12 |
| 72. Quantum Spread | 1,411.45 | (-) 604.76 | 1,073.34 | 1,288.17 | 1,199.58 |
| 73. Debt Stabilisation (Quantum spread + Primary balance) | 992.76 | (-) 938.62 | 751.92 | 387.41 | 473.72 |
| DOMAR MODEL | | | | | |
| 74. GSDP (in constant terms) (₹ in crore) | 19,140.30 | 18,434.54 | 19,707.40 | 21,084.65 | 23,080.53 |
| 75. Real Growth (in constant terms) | 14.83 | (-) 3.69 | 6.90 | 6.99 | 9.47 |
| 76. Inflation based on CPI (per cent) | 0.52 | 2.57 | 6.07 | 6.24 | 3.22 |
| 77. Effective Rate of interest on Overall Debt as in Sl. No. 58) | 6.87 | 6.71 | 6.11 | 5.73 | 4.89 |
| 78. Real effective rate of interest (Effective rate of interest-Inflation) (77-76) | 6.35 | 4.14 | 0.04 | (-) 0.51 | 1.67 |
| 79. Growth Interest Differential (Real growth - Real effective rate of interest) (75-78) | 8.48 | (-) 7.82 | 6.87 | 7.50 | 7.80 |
| V-Other Fiscal Health Indicators | | | | | |
| 80. Balance from Current Revenue (₹ in crore) | - | - | - | - | - |
| 81. Financial Assets/ Liabilities (ratio) | 1.08 | 1.11 | 1.12 | 1.12 | 1.11 |

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 2024

(Reference: Paragraphs-2.4.3.2, Page -38)

(₹ in crore)

| CSS Scheme Name | Amount Released by GOI Total | GOI Release to State Treasury | Center Share Released from Treasury to SNA | State Share Released from Treasury to SNA | Top Up | Total Amount Released by Treasury to SNA | Total Expenditure | Balance in the Bank Account of SNA |
|---|------------------------------|-------------------------------|--|---|--------|--|-------------------|------------------------------------|
| 4138 - Krishionnati Yojana | 129.82 | 104.07 | 107.49 | 12.64 | 0.00 | 120.13 | 85.56 | 39.81 |
| 9145 - Rashtriya Krishi Vikas Yojna | 82.41 | 82.41 | 83.15 | 9.23 | 0.00 | 92.38 | 95.13 | 0.70 |
| 4048 - Assistance To State Agencies for Intra-State Movement of Foodgrains and FPS Dealers' Margin Under NFSA | 8.39 | 8.39 | 16.78 | 29.87 | 0.00 | 46.65 | 87.60 | 5.80 |
| 4221 - Scheme For Modernization and Reforms Through Technology in Public Distribution System (Smart-Pds) | 0.23 | 0.23 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 0257 - Forest Fire Prevention and Management Scheme | 1.98 | 1.98 | 1.98 | 0.22 | 0.00 | 2.20 | 3.55 | 0.00 |
| 3094 - Biodiversity Conservation | 0.67 | 0.67 | 0.90 | 0.10 | 0.00 | 0.99 | 0.91 | 0.19 |
| 3095 - Conservation Of Aquatic Eco Systems | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4151 - Project Tiger And Elephant | 11.20 | 11.20 | 11.51 | 4.07 | 0.00 | 15.58 | 15.95 | 2.84 |
| 9153 - Green India Mission- National Afforestation Programme | 0.00 | 0.00 | 21.28 | 2.36 | 0.00 | 23.64 | 19.26 | 10.75 |
| 9186 - Integrated Development of Wildlife Habitats | 6.72 | 6.72 | 6.72 | 0.75 | 0.00 | 7.47 | 7.47 | 0.06 |

| CSS Scheme Name | Amount Released by GOI Total | GOI Release to State Treasury | Center Share Released from Treasury to SNA | State Share Released from Treasury to SNA | Top Up | Total Amount Released by Treasury to SNA | Total Expenditure | Balance in the Bank Account of SNA |
|---|------------------------------|-------------------------------|--|---|--------|--|-------------------|------------------------------------|
| 3887 - Pm Formalization of Micro Food Processing Enterprises Pm-Fme | 11.09 | 11.09 | 6.59 | 0.81 | 0.00 | 7.40 | 9.06 | 0.00 |
| 2035 - Tertiary Care Programs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.23 | 6.80 |
| 3663 - Strengthening of State Drug Regulatory Systems | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4.11 |
| 3991 - Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (Pm-Abhim) | 8.83 | 8.83 | 8.83 | 0.98 | 0.00 | 9.81 | 2.25 | 8.29 |
| 4063 - Flexible Pool for RCH & Health System Strengthening, National Health Programme and national urban health Mission | 374.14 | 361.93 | 354.23 | 39.36 | 18.70 | 412.29 | 366.74 | 14.42 |
| 9157 - Human Resources for Health and Medical Education | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.42 |
| 9158 - National AYUSH Mission (NAM) | 11.86 | 11.86 | 11.63 | 1.29 | 0.00 | 12.92 | 12.51 | 5.45 |
| 9170 - Pradhan mantri Uchhatar Shiksha Abhiyan (PM-USHA) | 14.38 | 14.38 | 0.00 | 0.00 | 0.00 | 0.00 | 8.64 | 3.81 |
| 3194 - Modernisation Of Police Forces | 18.07 | 0.00 | 0.66 | 0.00 | 0.00 | 0.66 | 7.89 | 12.16 |
| 9161 - Border Area Development Program | 85.79 | 85.79 | 95.87 | 10.65 | 0.00 | 106.53 | 22.14 | 111.50 |
| 9174 - Infrastructure Facilities for Judiciary | 0.00 | 0.00 | 32.37 | 3.60 | 0.00 | 35.96 | 15.14 | 24.33 |
| 4008 - Digitalization Of Primary Agriculture Cooperative Societies | 0.12 | 0.12 | 0.18 | 0.01 | 0.00 | 0.19 | 0.24 | 0.06 |

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| CSS Scheme Name | Amount Released by GOI Total | GOI Release to State Treasury | Center Share Released from Treasury to SNA | State Share Released from Treasury to SNA | Top Up | Total Amount Released by Treasury to SNA | Total Expenditure | Balance in the Bank Account of SNA |
|--|------------------------------|-------------------------------|--|---|--------|--|-------------------|------------------------------------|
| 9150 - Jal Jeevan Mission (Jjm)/ National Rural Drinking Water Mission | 771.21 | 0.00 | 0.00 | 114.25 | 0.00 | 114.25 | 1,221.80 | 61.39 |
| 9151 - Sbm-Rural (Dws) | 15.81 | 15.81 | 23.17 | 2.57 | 2.71 | 28.45 | 38.50 | 8.13 |
| 3890 - Pradhan Mantri Matsya Sampada Yojana (PMMSY) | 35.66 | 35.66 | 30.64 | 3.40 | 0.00 | 34.04 | 37.40 | 0.30 |
| 4123 - Livestock Health and Disease Control Programme Css | 1.48 | 1.48 | 1.48 | 0.16 | 0.00 | 1.64 | 1.64 | 0.00 |
| 9008 - National Livestock Mission | 5.24 | 5.24 | 2.62 | 0.29 | 0.00 | 2.91 | 3.35 | 0.00 |
| 9978 - Livestock Census and Integrated Sample Survey | 1.86 | 1.86 | 2.33 | 0.25 | 0.00 | 2.58 | 4.21 | 0.02 |
| 1989 - Other Items of State/Ut Component-Pmay Urban | 21.96 | 21.96 | 18.49 | 2.13 | 0.26 | 20.88 | 25.25 | 11.29 |
| 2000 - National Urban Livelihood Mission -State Component | 5.47 | 5.47 | 2.00 | 0.22 | 0.00 | 2.22 | 6.21 | 0.28 |
| 9478 - Mission For Development Of 100 Smart Cities | 490.00 | 490.00 | 428.75 | 0.00 | 0.00 | 428.75 | 408.73 | 115.20 |
| 9556 - Urban Rejuvenation Mission-500 Cities | 31.58 | 31.58 | 31.58 | 3.28 | 0.00 | 34.86 | 13.75 | 37.90 |
| 9757 - Swachh Bharat Mission (SBM) - Urban | 22.58 | 22.58 | 22.58 | 2.62 | 0.00 | 25.19 | 14.97 | 29.31 |
| 3674 - Pradhan Mantri Jan Vikas Karyakaram | 0.00 | 0.00 | 0.45 | 14.32 | 0.00 | 14.77 | 10.35 | 13.93 |
| 3640 - Strengthening Of Infrastructure for Institutional Training | 4.00 | 4.00 | 4.00 | 1.53 | 0.00 | 5.53 | 13.26 | 26.30 |

| CSS Scheme Name | Amount Released by GOI Total | GOI Release to State Treasury | Center Share Released from Treasury to SNA | State Share Released from Treasury to SNA | Top Up | Total Amount Released by Treasury to SNA | Total Expenditure | Balance in the Bank Account of SNA |
|---|------------------------------|-------------------------------|--|---|--------|--|-------------------|------------------------------------|
| 3821 - Skill Acquisition and Knowledge Awareness for Livelihood Promotion | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.74 | 0.00 |
| 3822 - Skill Strengthening for Industrial Value Enhancements | 1.00 | 1.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.43 | 0.41 |
| 3617 - Rashtriya Gram Swaraj Abhiyan (RGSA) | 72.20 | 72.09 | 72.09 | 8.01 | 0.00 | 80.10 | 89.97 | 0.19 |
| 3163 - Indira Gandhi National Old Age Pension Scheme (Iignoaps) | 8.34 | 8.34 | 0.00 | 0.00 | 0.00 | 0.00 | 19.81 | 12.02 |
| 3166 - National Family Benefit Scheme | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.26 |
| 3167 - Indira Gandhi National Widow Pension Scheme (Ignwpps) | 0.51 | 0.51 | 0.00 | 0.00 | 0.00 | 0.00 | 3.67 | 1.15 |
| 3169 - Indira Gandhi National Disability Pension Scheme (Igcdps) | 0.20 | 0.20 | 0.00 | 0.00 | 0.00 | 0.00 | 1.99 | 0.40 |
| 9179 - Pradhan Mantri Gram Sadak Yojna | 339.90 | 339.90 | 567.74 | 96.57 | 80.00 | 744.31 | 689.95 | 448.69 |
| 9180 - Pradhan Mantri Awas Yojna (Pmay)- Rural | 200.61 | 200.61 | 269.85 | 29.98 | 46.96 | 346.80 | 278.75 | 73.78 |
| 9181 - National Rural Livelihood Mission | 130.86 | 130.86 | 201.21 | 14.65 | 0.00 | 215.86 | 206.66 | 30.19 |
| 9183 - Pradhan Mantri Krishi Sinchayi Yojna-Watershed Development Component | 119.00 | 119.00 | 119.00 | 13.22 | 0.00 | 132.22 | 140.67 | 49.63 |
| 9219 - Mahatma Gandhi National Rural Gurantee Program | 431.68 | 143.42 | 185.32 | 54.68 | 0.00 | 240.00 | 213.77 | 26.61 |
| 3667 - Samagra Shiksha | 475.03 | 475.03 | 440.84 | 51.08 | 152.42 | 644.34 | 805.60 | 126.02 |

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| CSS Scheme Name | Amount Released by GOI Total | GOI Release to State Treasury | Center Share Released from Treasury to SNA | State Share Released from Treasury to SNA | Top Up | Total Amount Released by Treasury to SNA | Total Expenditure | Balance in the Bank Account of SNA |
|--|------------------------------|-------------------------------|--|---|--------|--|-------------------|------------------------------------|
| 4122 - New India Literacy Programme (NiIp) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.64 | 0.11 |
| 4145 - Pm Schools for Rising India (Pm Shri) | 4.21 | 4.21 | 4.21 | 0.47 | 0.00 | 4.68 | 4.72 | 0.07 |
| 9165 - Pradhan Mantri Poshan Shakti Nirman (Erstwhile National Programme of Mid-Day Meal in Schools) | 25.73 | 25.73 | 18.39 | 1.83 | 5.75 | 25.97 | 26.62 | 3.24 |
| 3968 - Atal Vayo Abhyuday Yojana (AVYAY) | 0.08 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3373 - Post Matric Scholarship-Tribal | 80.00 | 80.00 | 80.00 | 8.89 | 0.00 | 88.89 | 124.75 | 26.96 |
| 3380 - Pradhan Mantri Adi Adarsh Gram Yojana | 0.00 | 0.00 | 2.19 | 0.00 | 0.00 | 2.19 | 9.98 | 11.08 |
| 3548 - Support To Tribal Research Institutes | 0.49 | 0.49 | 0.00 | 0.00 | 0.00 | 0.00 | 3.87 | 0.09 |
| 4188 - Administrative Cost to States/UTs | 0.31 | 0.31 | 0.31 | 0.00 | 0.00 | 0.31 | 0.00 | 0.31 |
| 9272 - Pre-Matric Scholarship-Tribal | 0.00 | 0.00 | 1.76 | 0.20 | 0.00 | 1.96 | 1.96 | 2.92 |
| 2027 - Irrigation Census | 0.23 | 0.23 | 0.23 | 0.00 | 0.00 | 0.23 | 0.07 | 0.29 |
| 2052 - Har Khet Ko Pani | 138.70 | 138.70 | 180.66 | 20.07 | 0.00 | 200.73 | 127.12 | 111.37 |
| 3993 - Pmksy-Accelerated Irrigation Benefit Programme and National/Special Projects | 16.05 | 16.05 | 16.05 | 0.00 | 0.00 | 16.05 | 0.77 | 15.34 |

| CSS Scheme Name | Amount Released by GOI Total | GOI Release to State Treasury | Center Share Released from Treasury to SNA | State Share Released from Treasury to SNA | Top Up | Total Amount Released by Treasury to SNA | Total Expenditure | Balance in the Bank Account of SNA |
|---|------------------------------|-------------------------------|--|---|---------------|--|-------------------|------------------------------------|
| 3975 - Saksham Anganwadi and Poshan2.0(Umbrella Icds- Anganwadi Services Poshan Abhiyan Scheme for Adolescent Girls National Creche Scheme) | 162.06 | 162.06 | 113.91 | 12.64 | 25.54 | 152.09 | 195.07 | 72.07 |
| 3976 - Mission Vatsalya (Child Protection Services and Child Welfare Services) | 24.35 | 24.35 | 29.31 | 3.37 | 10.71 | 43.39 | 35.14 | 25.85 |
| 3979 - SAMBAL (Beti Bachao Beti Padhao One Stop Centre Mahila Police Volunteer Women helpline Nari Adalat etc) | 9.23 | 9.23 | 15.19 | 0.00 | 0.00 | 15.19 | 9.30 | 6.43 |
| 3980 - SAMARTHYA (Shakti Sadan (Swadhar Ujjawala Widow Home) Shakhi Niwas Palna PMMY Naional Hub for Women Empowerment Gender Budgeting Research Skilling Training Media etc) | 0.00 | 0.00 | 3.88 | 0.48 | 0.00 | 4.36 | 3.88 | 5.89 |
| Grand Total | 4,413.33 | 3,297.64 | 3,650.39 | 577.10 | 343.06 | 4,570.54 | 5,557.55 | 1,606.93 |

APPENDIX 3.1

Cases where Supplementary Provision was required
(Reference: Paragraph-3.5.3, Page -105)

(₹ in crore)

| Sl. No. | Number and Name of Grant | Section | Original | Actual Expenditure | Supplementary Required |
|---------|---|-----------------|----------|--------------------|------------------------|
| 1 | 1-Legislative Assembly | Charged-Revenue | 1.71 | 1.79 | 0.08 |
| 2 | 1-Legislative Assembly | Capital-Voted | 3.94 | 12.31 | 8.37 |
| 3 | 2-Governor | Charged-Capital | 0.00 | 0.78 | 0.78 |
| 4 | 3-General Administration Department | Capital-Voted | 0.00 | 1.21 | 1.21 |
| 5 | 4-Election | Revenue-Voted | 41.83 | 74.24 | 32.40 |
| 6 | 4-Election | Capital-Voted | 0.00 | 8.99 | 8.99 |
| 7 | 5-Secretariat Administration | Capital-Voted | 10.00 | 12.50 | 2.50 |
| 8 | 8-Home Department | Capital-Voted | 15.65 | 151.14 | 135.50 |
| 9 | 9-Secretariat Transport | Capital-Voted | 0.00 | 3.20 | 3.20 |
| 10 | 11-Women and Child Development | Revenue-Voted | 300.78 | 321.04 | 20.26 |
| 11 | 11-Women and Child Development | Capital-Voted | 2.77 | 17.34 | 14.57 |
| 12 | 12-Social Security and Welfare | Charged-Revenue | 6.00 | 6.50 | 0.50 |
| 13 | 13-Audit and Pension | Capital-Voted | 0.00 | 1.96 | 1.96 |
| 14 | 14-Secondary Education | Capital-Voted | 40.00 | 252.49 | 212.49 |
| 15 | 15-Health Services | Revenue-Voted | 1,380.77 | 1,402.03 | 21.26 |
| 16 | 15-Health Services | Capital-Voted | 29.61 | 80.70 | 51.10 |
| 17 | 16-Art and Cultural Affairs | Revenue-Voted | 18.75 | 18.88 | 0.13 |
| 18 | 16-Art and Cultural Affairs | Capital-Voted | 1.71 | 21.62 | 19.90 |
| 19 | 18-Research | Capital-Voted | 1.06 | 5.78 | 4.72 |
| 20 | 19-Industries | Revenue-Voted | 43.35 | 44.97 | 1.62 |
| 21 | 19-Industries | Capital-Voted | 6.00 | 109.92 | 103.92 |
| 22 | 21-Directorate of Sports | Revenue-Voted | 55.32 | 58.02 | 2.69 |
| 23 | 21-Directorate of Sports | Capital-Voted | 33.40 | 62.90 | 29.50 |
| 24 | 22-Food and Civil Supplies | Capital-Voted | 1.14 | 7.98 | 6.83 |
| 25 | 23-Environment and Forests | Capital-Voted | 4.70 | 218.44 | 213.74 |
| 26 | 24-Agriculture | Revenue-Voted | 305.69 | 459.09 | 153.40 |
| 27 | 25-Disaster Management | Revenue-Voted | 338.97 | 631.27 | 292.30 |
| 28 | 25-Disaster Management | Capital-Voted | 0.00 | 0.50 | 0.50 |
| 29 | 27-Panchayati Raj | Capital-Voted | 0.00 | 1.19 | 1.19 |
| 30 | 28-Animal Husbandry, veterinary and Dairy Development | Revenue-Voted | 170.69 | 204.20 | 33.51 |

| Sl. No. | Number and Name of Grant | Section | Original | Actual Expenditure | Supplementary Required |
|---------|---|---------------|----------|--------------------|------------------------|
| 31 | 28-Animal Husbandry, Veterinary and Dairy Development | Capital-Voted | 0.98 | 3.83 | 2.84 |
| 32 | 29-Co-operation Department | Capital-Voted | 0.19 | 1.15 | 0.96 |
| 33 | 30-State Transport Services | Capital-Voted | 0.81 | 13.11 | 12.31 |
| 34 | 31-Public Works Department | Revenue-Voted | 2,439.98 | 2,486.34 | 46.36 |
| 35 | 31-Public Works Department | Capital-Voted | 429.14 | 2,916.11 | 2,486.97 |
| 36 | 33-North Eastern Areas | Revenue-Voted | 0.00 | 183.13 | 183.13 |
| 37 | 33-North Eastern Areas | Capital-Voted | 0.00 | 1.22 | 1.22 |
| 38 | 34-Power (Electrical) | Capital-Voted | 213.74 | 428.17 | 214.43 |
| 39 | 35-Information and Public Relations | Revenue-Voted | 44.86 | 53.03 | 8.17 |
| 40 | 36-Statistics | Capital-Voted | 0.21 | 0.62 | 0.41 |
| 41 | 37-Legal Metrology and Consumer Affairs | Capital-Voted | 0.10 | 1.91 | 1.81 |
| 42 | 38-Water Resource Department | Capital-Voted | 161.63 | 581.19 | 419.56 |
| 43 | 41-Land Management | Capital-Voted | 1.50 | 1.79 | 0.29 |
| 44 | 42-Rural Development | Revenue-Voted | 712.44 | 1,132.79 | 420.35 |
| 45 | 42-Rural Development | Capital-Voted | 18.67 | 64.87 | 46.21 |
| 46 | 43-Fisheries | Revenue-Voted | 58.11 | 68.03 | 9.92 |
| 47 | 43-Fisheries | Capital-Voted | 13.76 | 27.84 | 14.08 |
| 48 | 44-Attached Offices of the Secretariat Administration | Revenue-Voted | 11.05 | 12.27 | 1.22 |
| 49 | 44-Attached Offices of the Secretariat Administration | Capital-Voted | 0.00 | 1.85 | 1.85 |
| 50 | 45-Civil Aviation | Capital-Voted | 6.04 | 45.10 | 39.06 |
| 51 | 47-Law, Legislative and Justice | Capital-Voted | 20.62 | 102.90 | 82.28 |
| 52 | 48-Horticulture | Revenue-Voted | 253.02 | 331.23 | 78.22 |
| 53 | 48-Horticulture | Capital-Voted | 1.00 | 3.83 | 2.83 |
| 54 | 49-Science and Technology | Revenue-Voted | 43.62 | 54.22 | 10.61 |
| 55 | 51-Library | Capital-Voted | 0.00 | 7.63 | 7.63 |
| 56 | 52-Youth Affairs | Revenue-Voted | 18.29 | 34.03 | 15.75 |
| 57 | 53-Fire Protection and Control | Capital-Voted | 24.07 | 41.24 | 17.17 |
| 58 | 54-Tax, Excise and Narcotics | Revenue-Voted | 36.12 | 39.36 | 3.23 |
| 59 | 54-Tax, Excise and Narcotics | Capital-Voted | 0.30 | 0.50 | 0.20 |
| 60 | 55-Lotteries | Capital-Voted | 0.00 | 0.11 | 0.11 |
| 61 | 56-Tourism | Capital-Voted | 15.70 | 28.44 | 12.74 |

| Sl. No. | Number and Name of Grant | Section | Original | Actual Expenditure | Supplementary Required |
|---------|--|-----------------|----------|--------------------|------------------------|
| 62 | 57-Urban Development | Capital-Voted | 71.41 | 197.54 | 126.14 |
| 63 | 58-Printing | Capital-Voted | 0.05 | 0.85 | 0.80 |
| 64 | 59-Public Health Engineering | Capital-Voted | 142.62 | 384.20 | 241.59 |
| 65 | 60-Textile and Handicraft | Capital-Voted | 9.31 | 23.08 | 13.77 |
| 66 | 61-Geology and Mining | Capital-Voted | 0.82 | 3.96 | 3.14 |
| 67 | 62-Transport | Capital-Voted | 0.23 | 0.42 | 0.19 |
| 68 | 63-Protocol Department | Revenue-Voted | 3.17 | 7.59 | 4.42 |
| 69 | 63-Protocol Department | Capital-Voted | 0.00 | 0.95 | 0.95 |
| 70 | 64-Trade and Commerce | Capital-Voted | 0.00 | 2.15 | 2.15 |
| 71 | 65-Department for Development of Tirap, Changlang and Longding Districts | Capital-Voted | 48.92 | 50.18 | 1.26 |
| 72 | 66-Hydro Power Development | Revenue-Voted | 334.95 | 421.00 | 86.05 |
| 73 | 66-Hydro Power Development | Capital-Voted | 80.17 | 236.32 | 156.14 |
| 74 | 67-Arunachal Pradesh Information Commission | Revenue-Voted | 4.76 | 5.22 | 0.46 |
| 75 | 68-Town Planning Department | Capital-Voted | 127.25 | 434.63 | 307.38 |
| 76 | 69-Parliamentary Affairs Department | Capital-Voted | 0.00 | 0.50 | 0.50 |
| 77 | 70-Administrative Training Institute | Capital-Voted | 5.45 | 17.85 | 12.40 |
| 78 | 71-Department of Tawang and West Kameng | Revenue-Voted | 1.77 | 11.61 | 9.84 |
| 79 | 71-Department of Tawang and West Kameng | Capital-Voted | 16.50 | 30.24 | 13.74 |
| 80 | 72-Prison | Capital-Voted | 12.58 | 41.23 | 28.65 |
| 81 | 74-Social Justice, Empowerment and Tribal Affairs | Revenue-Voted | 96.47 | 165.20 | 68.73 |
| 82 | 75-Higher and Technical Education | Capital-Voted | 34.20 | 92.13 | 57.93 |
| 83 | 76-Elementary Education | Revenue-Voted | 1,366.00 | 1,618.53 | 252.53 |
| 84 | 76-Elementary Education | Capital-Voted | 14.71 | 85.61 | 70.91 |
| 85 | 77-Gauhati Court Itanagar, Permanent Bench | Charged-Revenue | 11.43 | 11.63 | 0.20 |
| 86 | 77-Gauhati Court Itanagar, Permanent Bench | Capital-Voted | 0.00 | 0.03 | 0.03 |

| Sl. No. | Number and Name of Grant | Section | Original | Actual Expenditure | Supplementary Required |
|--------------|---|---------------|-----------------|--------------------|------------------------|
| 87 | 79-Department of Skill Development and Entrepreneur | Capital-Voted | 4.60 | 6.52 | 1.92 |
| 88 | 80-Medical Education, Training and Research | Revenue-Voted | 43.50 | 155.00 | 111.50 |
| 89 | 81-Family Welfare | Revenue-Voted | 25.75 | 34.29 | 8.54 |
| 90 | 82-Department of Indigenous Affairs | Revenue-Voted | 19.47 | 21.21 | 1.74 |
| 91 | 82-Department of Indigenous Affairs | Capital-Voted | 11.84 | 26.46 | 14.62 |
| Total | | | 9,827.70 | 16,946.95 | 7,119.25 |

Source: Appropriation Accounts, 2023-24

APPENDIX 3.2

Cases of Unnecessary or Excessive Supplementary Provision
(₹10 lakh or more in each case)
(Reference: Paragraph-3.5.3.1, Page -105)

(₹ in crore)

| Sl. No. | Number and Name of Grant | Original | Supplementary | Actual Expenditure | Savings out of Provisions |
|------------------------|---|-----------------|---------------|--------------------|---------------------------|
| Revenue-Voted | | | | | |
| 1 | 14-Secondary Education | 767.48 | 0.01 | 546.43 | 221.06 |
| 2 | 22-Food and Civil Supplies | 203.61 | 65.26 | 144.77 | 58.84 |
| 3 | 26-Rural Works Department | 425.92 | 175.00 | 414.24 | 11.68 |
| 4 | 27-Panchayati Raj | 640.16 | 0.01 | 268.99 | 371.17 |
| 5 | 34-Power (Electrical) | 1,529.57 | 47.06 | 1,257.20 | 272.38 |
| 6 | 36-Statistics | 30.30 | 1.01 | 28.46 | 1.84 |
| 7 | 37-Legal Metrology and Consumer Affairs | 13.66 | 0.66 | 13.09 | 0.57 |
| 8 | 38-Water Resource Department | 469.04 | 142.68 | 399.26 | 69.78 |
| 9 | 45-Civil Aviation | 102.13 | 11.99 | 78.30 | 23.83 |
| 10 | 50-Planning and Investment | 327.61 | 45.32 | 184.65 | 142.96 |
| 11 | 59-Public Health Engineering | 1,071.50 | 26.70 | 916.09 | 155.41 |
| 12 | 60-Textile and Handicraft | 79.26 | 22.88 | 75.48 | 3.78 |
| 13 | 68-Town Planning Department | 760.74 | 0.02 | 116.54 | 644.19 |
| 14 | 79-Department of Skill Development and Entrepreneur | 54.49 | 13.69 | 38.86 | 15.63 |
| Sub Total | | 6,475.46 | 552.27 | 4,482.34 | 1,993.12 |
| Revenue-Charged | | | | | |
| 15 | 97-Public Debt | 962.94 | 20.18 | 928.61 | 34.33 |
| Sub Total | | 962.94 | 20.18 | 928.61 | 34.33 |
| Capital-Voted | | | | | |
| 16 | 6-District Administration Department | 6.70 | 4.68 | 6.37 | 0.33 |
| 17 | 7-Accounts and Treasuries | 4.00 | 1.56 | 3.10 | 0.90 |
| Sub Total | | 10.70 | 6.24 | 9.47 | 1.22 |
| Capital-Charged | | | | | |
| 18 | 97-Public Debt | 829.92 | 78.69 | 565.40 | 264.52 |
| Sub Total | | 829.92 | 78.69 | 565.40 | 264.52 |
| Grand Total | | 8,279.02 | 657.38 | 5,985.82 | 2,293.20 |

Source: Appropriation Accounts, 2023-24

APPENDIX 3.3

Details of Excessive/ Inadequate Supplementary Provision (₹One crore and above) (Reference: Paragraph-3.5.3.2, Page -106)

(₹ in crore)

| SL. No. | Number and Name of Grant | Details of Budget provision | | | Expenditure | Supplementary |
|----------------------|--|-----------------------------|---------------|-------------|-------------|-------------------------|
| | | Original | Supplementary | Total Grant | | Excess (+)/ Less (-) |
| Revenue-Voted | | | | | | |
| 1 | 4-Election | 41.83 | 183.82 | 225.65 | 74.24 | 151.41 |
| 2 | 11-Women and Child Development | 300.78 | 28.00 | 328.78 | 321.04 | 7.74 |
| 3 | 14-Secondary Education | 767.48 | 0.01 | 767.49 | 546.43 | 221.06 |
| 4 | 15-Health Services | 1,380.77 | 123.10 | 1,503.87 | 1,402.03 | 101.84 |
| 5 | 16-art and Cultural Affairs | 18.75 | 13.01 | 31.76 | 18.88 | 12.88 |
| 6 | 19-Industries | 43.35 | 14.64 | 57.99 | 44.97 | 13.02 |
| 7 | 21-Directorate of Sports | 55.32 | 6.46 | 61.78 | 58.02 | 3.76 |
| 8 | 22-Food and Civil Supplies | 203.61 | 65.26 | 268.87 | 144.77 | 124.10 |
| 9 | 24-Agriculture | 305.69 | 232.99 | 538.68 | 459.09 | 79.59 |
| 10 | 25-Disaster Management | 338.97 | 45.94 | 384.91 | 631.27 | (-) 246.36 |
| 11 | 26-Rural Works Department | 425.92 | 175.00 | 600.92 | 414.24 | 186.68 |
| 12 | 27-Panchayati Raj | 640.16 | 0.01 | 640.17 | 268.99 | 371.18 |
| 13 | 28-Animal Husbandary, veterinary and Dairy Development | 170.69 | 61.19 | 231.89 | 204.20 | 27.68 |
| 14 | 31-Public Works Department | 2,439.98 | 48.69 | 2,488.67 | 2,486.34 | 2.33 |
| 15 | 34-Power (Electrical) | 1,529.57 | 47.06 | 1,576.63 | 1,257.20 | 319.43 |
| 16 | 35-Information and Public Relations | 44.86 | 11.30 | 56.17 | 53.03 | 3.13 |
| 17 | 36-Statistics | 30.30 | 1.01 | 31.31 | 28.46 | 2.85 |
| 18 | 37-Legal Metrology and Consumer Affairs | 13.66 | 0.66 | 14.32 | 13.09 | 1.23 |
| 19 | 38-Water Resource Department | 469.04 | 142.68 | 611.72 | 399.26 | 212.46 |
| 20 | 42-Rural Development | 712.44 | 427.52 | 1,139.96 | 1,132.79 | 7.17 |
| 21 | 43-Fisheries | 58.11 | 46.36 | 104.46 | 68.03 | 36.43 |
| 22 | 44-Attached Offices of the Secretariat Administration | 11.05 | 2.33 | 13.38 | 12.27 | 1.11 |

| SL. No. | Number and Name of Grant | Details of Budget provision | | | Expenditure | Supplementary |
|------------------------|---|-----------------------------|-----------------|------------------|------------------|-------------------------|
| | | Original | Supplementary | Total Grant | | Excess (+)/ Less (-) |
| 23 | 45-Civil Aviation | 102.13 | 11.99 | 114.11 | 78.30 | 35.82 |
| 24 | 48-Horticulture | 253.02 | 57.68 | 310.69 | 331.23 | (-) 20.54 |
| 25 | 49-Science and Technology | 43.62 | 34.84 | 78.46 | 54.22 | 24.24 |
| 26 | 50-Planning and Investment | 327.61 | 45.32 | 372.93 | 184.65 | 188.28 |
| 27 | 54-Tax, Excise and Narcotics | 36.12 | 7.47 | 43.60 | 39.36 | 4.24 |
| 28 | 59-Public Health Engineering | 1,071.50 | 26.70 | 1,098.19 | 916.09 | 182.11 |
| 29 | 60-Textile and Handicraft | 79.26 | 22.88 | 102.15 | 75.48 | 26.67 |
| 30 | 66-Hydro Power Development | 334.95 | 229.06 | 564.00 | 421.00 | 143.01 |
| 31 | 67-Arunachal Pradesh Information Commission | 4.76 | 1.54 | 6.30 | 5.22 | 1.08 |
| 32 | 71-Department of Tawang and West Kameng | 1.77 | 11.53 | 13.30 | 11.61 | 1.69 |
| 33 | 74-Social Justice, Empowerment and Tribal Affairs | 96.47 | 70.30 | 166.77 | 165.20 | 1.57 |
| 34 | 76-Elementary Education | 1,366.00 | 502.72 | 1,868.72 | 1,618.53 | 250.18 |
| 35 | 79-Department of Skill Development and Entrepreneur | 54.49 | 13.69 | 68.17 | 38.86 | 29.31 |
| 36 | 80-Medical Education, Training and Research | 43.50 | 112.51 | 156.00 | 155.00 | 1.01 |
| 37 | 82-Department of Indigenous Affairs | 19.47 | 3.13 | 22.59 | 21.21 | 1.39 |
| Total | | 13,836.99 | 2,828.37 | 16,665.36 | 14,154.57 | 2,510.79 |
| Revenue-Charged | | | | | | |
| 38 | 97-Public Debt | 962.94 | 20.18 | 983.12 | 928.61 | 54.51 |
| Total | | 962.94 | 20.18 | 983.12 | 928.61 | 54.51 |
| Capital-Voted | | | | | | |
| 39 | 6-District Administration Department | 6.70 | 4.68 | 11.38 | 6.37 | 5.01 |
| 40 | 7-Accounts and Treasuries | 4.00 | 1.56 | 5.56 | 3.10 | 2.46 |
| 41 | 8-Home Department | 15.65 | 142.45 | 158.09 | 151.14 | 6.95 |
| 42 | 11-Women and Child Development | 2.77 | 33.00 | 35.76 | 17.34 | 18.43 |

| SL. No. | Number and Name of Grant | Details of Budget provision | | | Expenditure | Supplementary |
|------------------------|--|-----------------------------|-----------------|-----------------|-----------------|-------------------------|
| | | Original | Supplementary | Total Grant | | Excess (+)/ Less (-) |
| 43 | 15-Health Services | 29.61 | 54.59 | 84.20 | 80.70 | 3.50 |
| 44 | 16-Art and Cultural Affairs | 1.71 | 21.76 | 23.47 | 21.62 | 1.85 |
| 45 | 21-Directorate of Sports | 33.40 | 48.45 | 81.85 | 62.90 | 18.95 |
| 46 | 23-Environment and Forests | 4.70 | 247.93 | 252.63 | 218.44 | 34.19 |
| 47 | 31-Public Works Department | 429.14 | 2,193.45 | 2,622.60 | 2,916.11 | (-) 293.52 |
| 48 | 34-Power (Electrical) | 213.74 | 163.06 | 376.81 | 428.17 | (-) 51.36 |
| 49 | 38-Water Resource Department | 161.63 | 431.53 | 593.16 | 581.19 | 11.97 |
| 50 | 42-Rural Development | 18.67 | 50.76 | 69.43 | 64.87 | 4.56 |
| 51 | 43-Fisheries | 13.76 | 12.94 | 26.70 | 27.84 | (-) 1.14 |
| 52 | 45-Civil Aviation | 6.04 | 41.95 | 47.98 | 45.10 | 2.89 |
| 53 | 48-Horticulture | 1.00 | 8.24 | 9.24 | 3.83 | 5.41 |
| 54 | 51-Library | - | 3.15 | 3.15 | 7.63 | (-) 4.48 |
| 55 | 56-Tourism | 15.70 | 24.35 | 40.04 | 28.44 | 11.60 |
| 56 | 57-Urban Development | 71.41 | 152.91 | 224.32 | 197.54 | 26.78 |
| 57 | 59-Public Health Engineering | 142.62 | 244.02 | 386.64 | 384.20 | 2.43 |
| 58 | 65-Department for development of Tirap, Changlang and Longding Districts | 48.92 | 2.83 | 51.75 | 50.18 | 1.57 |
| 59 | 66-Hydro Power Development | 80.17 | 171.14 | 251.31 | 236.32 | 14.99 |
| 60 | 68-Town Planning Department | 127.25 | 318.75 | 446.00 | 434.63 | 11.36 |
| 61 | 75-Higher and Technical Education | 34.20 | 69.43 | 103.64 | 92.13 | 11.50 |
| 62 | 76-Elementary Education | 14.71 | 83.71 | 98.41 | 85.61 | 12.80 |
| 63 | 79-Department of Skill Development and Entrepreneur | 4.60 | 0.13 | 4.73 | 6.52 | (-) 1.79 |
| 64 | 82-Department of Indigenous Affairs | 11.84 | 24.30 | 36.14 | 26.46 | 9.68 |
| Total | | 1,493.91 | 4,551.06 | 6,044.97 | 6,178.40 | (-) 133.43 |
| Capital-Charged | | | | | | |
| 65 | 97-Public Debt | 829.92 | 78.69 | 908.61 | 565.40 | 343.21 |
| Total | | 829.92 | 78.69 | 908.61 | 565.40 | 343.21 |

Source: Appropriation Accounts, 2023-24

APPENDIX 3.4

Injudicious Re-appropriation resulted in Savings/ Excess over ₹One crore
(Reference: Paragraph-3.5.4, Page -107)

(₹ in crore)

| Sl. No. | Number and Name of Grant | Head of Account | Total Grant (O+S) | Re Appropriation (+) | Final Grant | Actual Expenditure | Savings |
|---|--------------------------------|-------------------|-------------------|----------------------|-------------|--------------------|---------|
| Part A: Excessive Re-appropriation | | | | | | | |
| 1 | 1-Legislative Assembly | 2011-02-101-0002 | 12.12 | 8.28 | 20.40 | 18.51 | 1.89 |
| 2 | 7-Accounts and Treasuries | 2071-01-117-01 | 227.76 | 66.49 | 294.25 | 270.35 | 23.90 |
| 3 | 8-Home Department | 2055-109-01 | 453.90 | 83.46 | 537.36 | 508.81 | 28.55 |
| 4 | | 2055-114-01 | 60.67 | 9.48 | 70.15 | 64.60 | 5.55 |
| 5 | | 2055-117-01 | 1.77 | 4.04 | 5.81 | 1.28 | 4.53 |
| 6 | 11-Women and Child Development | 03-2235-02-102-11 | 1.50 | 14.43 | 15.93 | 0.06 | 15.87 |
| 7 | | 03-2235-02-102-13 | 3.00 | 128.86 | 131.86 | 128.73 | 3.13 |
| 8 | | 03-2235-02-796-17 | 0.19 | 1.18 | 1.37 | 0.00 | 1.37 |
| 9 | | 2235-04-200-09 | 13.31 | 8.86 | 22.17 | 9.41 | 12.76 |
| 10 | 14-Secondary Education | 2202-04-001-01 | 16.03 | 4.10 | 20.13 | 12.94 | 7.19 |
| 11 | | 2202-80-001-01 | 8.90 | 1.65 | 10.56 | 7.94 | 2.62 |
| 12 | 15-Health Services | 03-2210-01-110-02 | 1.10 | 3.35 | 4.45 | 1.24 | 3.21 |
| 13 | | 03-2210-02-101-04 | 5.50 | 14.12 | 19.62 | 9.81 | 9.81 |
| 14 | | 03-2210-03-796-01 | 58.67 | 170.65 | 229.32 | 183.98 | 45.34 |
| 15 | | 2210-05-800-02 | 51.00 | 12.86 | 63.86 | 3.28 | 60.58 |
| 16 | | 4210-04-200-02 | 64.30 | 4.40 | 68.70 | 65.20 | 3.50 |
| 17 | 19-Industries | 03-2408-01-103-07 | 8.31 | 0.59 | 8.90 | 7.40 | 1.50 |
| 18 | 22-Food and Civil Supplies | 03-2408-01-789-02 | 26.39 | 25.21 | 51.60 | 46.70 | 4.90 |
| 19 | 23-Environment and Forests | 03-2406-01-101-07 | 2.09 | 2.31 | 4.40 | 2.20 | 2.20 |
| 20 | | 03-2406-01-101-12 | 4.40 | 8.31 | 12.71 | 7.47 | 5.24 |
| 21 | 24-Agriculture | 03-2401-114-04 | 0.55 | 0.96 | 1.51 | 0.00 | 1.51 |
| 22 | | 03-2401-115-07 | 3.30 | 2.69 | 5.99 | 4.71 | 1.28 |
| 23 | | 03-2401-115-10 | 0.55 | 4.40 | 4.95 | 0.00 | 4.95 |
| 24 | | 03-2401-796-04 | 3.30 | 4.37 | 7.67 | 0.00 | 7.67 |
| 25 | | 03-2401-796-05 | 5.12 | 4.99 | 10.11 | 0.00 | 10.11 |
| 26 | | 03-2401-796-09 | 0.55 | 2.92 | 3.47 | 0.00 | 3.47 |
| 27 | 25-Disaster Management | 2245-04-05-101-01 | 307.00 | 49.40 | 356.40 | 245.60 | 110.80 |
| 28 | 26-Rural Works Department | 5054-04-337-10 | 377.86 | 190.94 | 568.80 | 542.77 | 26.03 |
| 29 | | 5054-04-0016 | 59.54 | 62.67 | 122.21 | 117.79 | 4.42 |
| 30 | | 5054-04-0017 | 0.00 | 78.30 | 78.30 | 44.57 | 33.73 |

| Sl. No. | Number and Name of Grant | Head of Account | Total Grant (O+S) | Re Appropriation (+) | Final Grant | Actual Expenditure | Savings |
|---|---|-------------------|-------------------|----------------------|-------------|--------------------|---------|
| Part A: Excessive Re-appropriation | | | | | | | |
| 31 | 27-Panchayati Raj | 2515-001-0001 | 35.10 | 7.23 | 42.33 | 41.24 | 1.09 |
| 32 | | 03-2515-796-01 | 0.00 | 39.40 | 39.40 | 26.58 | 12.82 |
| 33 | | 2515-04-101-02 | 0.00 | 147.91 | 147.91 | 143.11 | 4.80 |
| 34 | 28-Animal Husbandry, Veterinary and Dairy Development | 2403-101-01 | 62.76 | 0.21 | 62.97 | 59.28 | 3.69 |
| 35 | | 2403-102-01 | 31.62 | 0.11 | 31.73 | 27.03 | 4.70 |
| 36 | | 03-2403-101-18 | 4.28 | 0.23 | 4.51 | 1.64 | 2.87 |
| 37 | | 03-2403-796-14 | 2.27 | 0.01 | 2.28 | 0.00 | 2.28 |
| 38 | | 2403-04-101-16 | 9.67 | 0.33 | 10.00 | 4.04 | 5.96 |
| 39 | 31-Public Works Department | 03-3054-80-797-01 | 0.00 | 250.00 | 250.00 | 238.00 | 12.00 |
| 40 | 36-Statistics | 03-3454-02-201-01 | 5.51 | 1.31 | 6.82 | 4.53 | 2.29 |
| 41 | 37-Legal Metrology and Consumer Affairs | 3475-106-01 | 11.55 | 0.65 | 12.20 | 11.18 | 1.02 |
| 42 | 42-Rural Development | 03-2501-06-101-05 | 44.49 | 99.93 | 144.42 | 143.21 | 1.21 |
| 43 | | 2515-001-01 | 193.73 | 0.13 | 193.86 | 188.90 | 4.96 |
| 44 | 43-Fisheries | 2405-001-01 | 30.21 | 1.96 | 32.17 | 31.13 | 1.04 |
| 45 | | 03-2405-796-01 | 11.00 | 56.29 | 67.29 | 34.04 | 33.25 |
| 46 | 48-Horticulture | 4415-04-80-277-01 | 6.28 | 0.22 | 6.50 | 3.30 | 3.20 |
| 47 | 49-Science and Technology | 3425-04-60-600-10 | 37.04 | 0.58 | 37.62 | 15.44 | 22.18 |
| 48 | 50-Planning & Investment | 03-2575-03-796-04 | 29.27 | 23.23 | 52.50 | 0.00 | 52.50 |
| 49 | | 3451-102-01 | 9.14 | 7.52 | 16.66 | 15.44 | 1.22 |
| 50 | | 4070-04-800-19 | 0.00 | 495.00 | 495.00 | 370.26 | 124.74 |
| 51 | | 03-4575-03-796-02 | 0.00 | 52.50 | 52.50 | 26.25 | 26.25 |
| 52 | | 5475-001-01 | 0.00 | 1.40 | 1.40 | 0.00 | 1.40 |
| 53 | 59-Public Health Engineering | 2215-04-01-101-01 | 79.30 | 27.46 | 106.76 | 82.71 | 24.05 |
| 54 | | 2215-04-01-102-09 | 157.13 | 1.64 | 158.77 | 130.33 | 28.44 |
| 55 | 60-Textile and Handicraft | 2851-001-01 | 43.81 | 0.16 | 43.97 | 41.77 | 2.20 |
| 56 | 68-Town Planning Department | 03-2217-80-191-06 | 0.00 | 22.84 | 22.84 | 20.88 | 1.96 |
| 57 | 73-Information Technology & Communication | 03-3425-60-796-02 | 0.00 | 5.19 | 5.19 | 0.74 | 4.45 |
| 58 | 75-Higher and Technical Education | 2203-08-105-01 | 0.00 | 1.50 | 1.50 | 0.00 | 1.50 |
| 59 | | 4202-01-203-05 | 83.13 | 7.27 | 90.40 | 84.90 | 5.50 |

| Sl. No. | Number and Name of Grant | Head of Account | Total Grant (O+S) | Re Appropriation (+) | Final Grant | Actual Expenditure | Savings |
|---|---|-------------------|-------------------|----------------------|-----------------|--------------------|-----------------|
| Part A: Excessive Re-appropriation | | | | | | | |
| 60 | 76-Elementary Education | 03-2202-01-101-03 | 23.19 | 11.95 | 35.14 | 10.79 | 24.35 |
| 61 | | 03-2202-01-101-06 | 719.79 | 100.08 | 819.87 | 623.82 | 196.05 |
| 62 | | 4202-04-01-201-03 | 91.54 | 5.50 | 97.04 | 71.97 | 25.07 |
| 63 | 79-Department of Skill Development and Entrepreneur | 03-2230-03-101-03 | 0.88 | 0.99 | 1.87 | 0.00 | 1.87 |
| 64 | | 03-2230-03-101-04 | 12.25 | 7.01 | 19.26 | 1.53 | 17.73 |
| 65 | 80-Medical Education, Training and Research | 2210-04-05-200-02 | 142.56 | 6.75 | 149.31 | 148.30 | 1.02 |
| 66 | 97-Public Debt | 2049-01-101-01 | 493.29 | 8.30 | 501.59 | 461.06 | 40.53 |
| 67 | | 2049-01-200-03 | 52.67 | 10.53 | 63.20 | 60.30 | 2.90 |
| 68 | | 6003-105-01 | 185.09 | 2.57 | 187.66 | 132.95 | 54.71 |
| 69 | | 6003-108-03 | 5.59 | 0.44 | 6.03 | 1.77 | 4.26 |
| Total | | 69 | 4,392.83 | 2,380.60 | 6,773.44 | 5,563.77 | 1,209.67 |

Source: Detailed Appropriation Accounts, 2023-24

| 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 | 14-Secondary Education | 2204-04-104-15 | 0.00 | 6.53 | 6.53 | 9.48 | 2.95 |
| 2 | 15-Health Services | 03-2210-03-101-01 | 51.25 | 150.50 | 201.75 | 238.20 | 36.45 |
| 3 | 24-Agriculture | 03-2401-102-01 | 0.44 | 1.19 | 1.63 | 3.40 | 1.77 |
| 4 | 26-Rural Works | 4402-102-02 | 0.00 | 13.90 | 13.90 | 15.30 | 1.40 |
| 5 | 27-Panchayati Raj | 03-2515-789-01 | 0.00 | 19.54 | 19.54 | 32.88 | 13.34 |
| 6 | 42-Rural Development | 03-2505-02-101-08 | 98.20 | 113.77 | 211.97 | 237.02 | 25.05 |
| 7 | 74-Social Justice, Empowerment and Tribal Affairs | 4235-08-02-800-01 | 13.20 | 59.45 | 72.65 | 142.24 | 69.59 |
| 8 | 76-Elementary Education | 2202-01-102-04 | 110.42 | 13.78 | 124.20 | 129.20 | 5.00 |
| Total | | 8 | 273.51 | 378.66 | 652.17 | 807.72 | 155.55 |

| Sl. No. | Number and Name of Grant | Head of Account | Total Grant (O+S) | Re Appropriation (+) | Final Grant | Actual Expenditure | Savings |
|---|---|-------------------|-------------------|----------------------|-------------|--------------------|---------|
| Part C: Unnecessary Re-Appropriation | | | | | | | |
| 1 | 8-Home Department | 2055-117-01 | 1.77 | 4.04 | 5.81 | 1.28 | 4.53 |
| 2 | 11-Women and Child Development | 03-2235-02-102-11 | 1.50 | 14.43 | 15.93 | 0.06 | 15.87 |
| 3 | | 03-2235-02-796-17 | 0.19 | 1.18 | 1.37 | 0.00 | 1.37 |
| 4 | | 2235-04-200-09 | 13.31 | 8.86 | 22.17 | 9.41 | 12.76 |
| 5 | 14-Secondary Education | 2202-04-001-01 | 16.03 | 4.10 | 20.13 | 12.94 | 7.19 |
| 6 | | 2202-80-001-01 | 8.90 | 1.65 | 10.56 | 7.94 | 2.62 |
| 7 | 15-Health Services | 2210-05-800-02 | 51.00 | 12.86 | 63.86 | 3.28 | 60.58 |
| 8 | 19-Industries | 03-2408-01-103-07 | 8.31 | 0.59 | 8.90 | 7.40 | 1.50 |
| 9 | 24-Agriculture | 03-2401-114-04 | 0.55 | 0.96 | 1.51 | 0.00 | 1.51 |
| 10 | | 03-2401-115-10 | 0.55 | 4.40 | 4.95 | 0.00 | 4.95 |
| 11 | | 03-2401-796-04 | 3.30 | 4.37 | 7.67 | 0.00 | 7.67 |
| 12 | | 03-2401-796-05 | 5.12 | 4.99 | 10.11 | 0.00 | 10.11 |
| 13 | | 03-2401-796-09 | 0.55 | 2.92 | 3.47 | 0.00 | 3.47 |
| 14 | 25-Disaster Management | 2245-04-05-101-01 | 307.00 | 49.40 | 356.40 | 245.60 | 110.80 |
| 15 | 28-Animal Husbandry, Veterinary and Dairy Development | 2403-101-01 | 62.76 | 0.21 | 62.97 | 59.28 | 3.69 |
| 16 | | 2403-102-01 | 31.62 | 0.11 | 31.73 | 27.03 | 4.70 |
| 17 | | 03-2403-101-18 | 4.28 | 0.23 | 4.51 | 1.64 | 2.87 |
| 18 | | 03-2403-796-14 | 2.27 | 0.01 | 2.28 | 0.00 | 2.28 |
| 19 | | 2403-04-101-16 | 9.67 | 0.33 | 10.00 | 4.04 | 5.96 |
| 20 | 36-Statistics | 03-3454-02-201-01 | 5.51 | 1.31 | 6.82 | 4.53 | 2.29 |
| 21 | 37-Legal Metrology and Consumer Affairs | 3475-106-01 | 11.55 | 0.65 | 12.20 | 11.18 | 1.02 |
| 22 | 42-Rural Development | 2515-001-01 | 193.73 | 0.13 | 193.86 | 188.90 | 4.96 |
| 23 | 48-Horticulture | 4415-04-80-277-01 | 6.28 | 0.22 | 6.50 | 3.30 | 3.20 |
| 24 | 49-Science and Technology | 3425-04-60-600-10 | 37.04 | 0.58 | 37.62 | 15.44 | 22.18 |
| 25 | 50-Planning & Investment | 03-2575-03-796-04 | 29.27 | 23.23 | 52.50 | 0.00 | 52.50 |
| 26 | | 5475-001-01 | 0.00 | 1.40 | 1.40 | 0.00 | 1.40 |
| 27 | 59-Public Health Engineering | 2215-04-01-102-09 | 157.13 | 1.64 | 158.77 | 130.33 | 28.44 |
| 28 | 60-Textile and Handicraft | 2851-001-01 | 43.81 | 0.16 | 43.97 | 41.77 | 2.20 |
| 29 | 76-Elementary Education | 03-2202-01-101-03 | 23.19 | 11.95 | 35.14 | 10.79 | 24.35 |
| 30 | | 03-2202-01-101-06 | 719.79 | 100.08 | 819.87 | 623.82 | 196.05 |
| 31 | | 4202-04-01-201-03 | 91.54 | 5.50 | 97.04 | 71.97 | 25.07 |

| Sl. No. | Number and Name of Grant | Head of Account | Total Grant (O+S) | Re Appropriation (+) | Final Grant | Actual Expenditure | Savings |
|---|---|-------------------|-------------------|----------------------|-----------------|--------------------|---------------|
| Part C: Unnecessary Re-Appropriation | | | | | | | |
| 32 | 79-Department of Skill development and Entrepreneur | 03-2230-03-101-03 | 0.88 | 0.99 | 1.87 | 0.00 | 1.87 |
| 33 | | 03-2230-03-101-04 | 12.25 | 7.01 | 19.26 | 1.53 | 17.73 |
| 34 | 97-Public Debt | 2049-01-101-01 | 493.29 | 8.30 | 501.59 | 461.06 | 40.53 |
| 35 | | 6003-105-01 | 185.09 | 2.57 | 187.66 | 132.95 | 54.71 |
| 36 | | 6003-108-03 | 5.59 | 0.44 | 6.03 | 1.77 | 4.26 |
| Total | | 36 | 2,544.62 | 281.80 | 2,826.43 | 2,079.24 | 747.19 |

| 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 | 8-Home Department | 4055-04-216-02 | 118.15 | 0.03 | 118.12 | 128.08 | 9.96 |
| 2 | 11-Women and Child Development | 03-2235-02-102-01 | 15.40 | 15.40 | 0.00 | 38.22 | 38.22 |
| 3 | 24-Agriculture | 03-2401-115-08 | 11.00 | 4.62 | 6.38 | 12.36 | 5.98 |
| 4 | | 4415-80-277-01 | 25.65 | 24.83 | 0.82 | 3.43 | 2.60 |
| 5 | | 4435-01-800-04 | 25.66 | 23.66 | 2.00 | 27.25 | 25.25 |
| 6 | 25-Disaster Management | 2245-04-05-109-01 | 0.00 | 356.40 | 356.40 | 0.00 | 356.40 |
| 7 | 31-Public Works | 2059-04-80-051-02 | 400.00 | 399.64 | 0.36 | 36.65 | 36.29 |
| 8 | 48-Horticulture | 03-2401-119-49 | 11.00 | 1.73 | 9.27 | 14.69 | 5.42 |
| 9 | 56-Tourism Department | 3452-01-101-03 | 31.07 | 3.84 | 27.23 | 28.77 | 1.54 |
| 10 | 60-Textile and Handicraft | 4851-104-01 | 9.31 | 6.97 | 2.34 | 21.93 | 19.59 |
| 11 | 75-Higher and Technical Education | 4202-08-02-796-01 | 6.50 | 6.50 | 0.00 | 2.50 | 2.50 |
| 12 | 76-Elementary Education | 4202-04-01-201-04 | 5.31 | 5.31 | 0.00 | 12.33 | 12.33 |
| Total | | 12 | 659.05 | 848.93 | 522.92 | 326.21 | 516.08 |

Source: Detailed Appropriation Accounts, 2023-24

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
(Reference: Paragraph-3.5.5, Page -108)**

(₹ in crore)

| Sl. No. | Number and Name of Grant | Total Grant | Actual Expenditure | Savings | Percentage |
|----------------------|--|-------------|--------------------|---------|------------|
| Revenue-Voted | | | | | |
| 1 | 1-Legislative Assembly | 98.94 | 74.78 | 24.16 | 24.42 |
| 2 | 4-Election | 225.65 | 74.24 | 151.41 | 67.10 |
| 3 | 5-Secretariat Administration | 325.54 | 237.71 | 87.83 | 26.98 |
| 4 | 6-District Administration Department | 606.74 | 414.22 | 192.51 | 31.73 |
| 5 | 9-Secretariat Transport | 38.00 | 6.64 | 31.36 | 82.53 |
| 6 | 13-Audit and Pension | 2,251.60 | 1,714.62 | 536.98 | 23.85 |
| 7 | 14-Secondary Education | 767.49 | 546.43 | 221.06 | 28.80 |
| 8 | 16-Art and Cultural Affairs | 31.76 | 18.88 | 12.88 | 40.56 |
| 9 | 18-Research | 28.13 | 16.91 | 11.22 | 39.88 |
| 10 | 19-Industries | 57.99 | 44.97 | 13.02 | 22.45 |
| 11 | 20-Labour and Employment | 14.15 | 9.57 | 4.58 | 32.39 |
| 12 | 22-Food and Civil Supplies | 268.87 | 144.77 | 124.10 | 46.16 |
| 13 | 23-Environment and Forests | 1,001.47 | 333.27 | 668.20 | 66.72 |
| 14 | 26-Rural Works Department | 600.92 | 414.24 | 186.68 | 31.07 |
| 15 | 27-Panchayati Raj | 640.17 | 268.99 | 371.18 | 57.98 |
| 16 | 34-Power (Electrical) | 1,576.63 | 1,257.20 | 319.43 | 20.26 |
| 17 | 38-Water Resource Department | 611.72 | 399.26 | 212.46 | 34.73 |
| 18 | 41-Land Management | 38.44 | 25.78 | 12.66 | 32.94 |
| 19 | 43-Fisheries | 104.46 | 68.03 | 36.43 | 34.88 |
| 20 | 45-Civil Aviation | 114.11 | 78.30 | 35.82 | 31.39 |
| 21 | 46-Arunachal Pradesh Public Service Commission and Staff Selection Board | 19.00 | 6.56 | 12.44 | 65.46 |
| 22 | 47-Law, Legislative and Justice | 63.61 | 34.34 | 29.27 | 46.02 |
| 23 | 49-Science and Technology | 78.46 | 54.22 | 24.24 | 30.89 |
| 24 | 50-Planning and Investment | 372.93 | 184.65 | 188.28 | 50.49 |
| 25 | 57-Urban Development | 226.78 | 125.04 | 101.75 | 44.86 |
| 26 | 60-Textile and Handicraft | 102.15 | 75.48 | 26.67 | 26.11 |
| 27 | 62-Transport | 11.62 | 5.54 | 6.08 | 52.29 |
| 28 | 64-Trade and Commerce | 13.11 | 6.14 | 6.97 | 53.15 |
| 29 | 66-Hydro Power Development | 564.00 | 421.00 | 143.01 | 25.36 |
| 30 | 68-Town Planning Department | 760.75 | 116.54 | 644.21 | 84.68 |
| 31 | 70-Administrative Training Institute | 14.11 | 5.19 | 8.92 | 63.22 |
| 32 | 72-Prison | 43.39 | 25.14 | 18.24 | 42.05 |
| 33 | 75-Higher and Technical Education | 384.57 | 263.79 | 120.79 | 31.41 |

| Sl. No. | Number and Name of Grant | Total Grant | Actual Expenditure | Savings | Percentage |
|------------------------|--|------------------|--------------------|-----------------|-----------------|
| 34 | 79-Department of Skill Development and Entrepreneur | 68.17 | 38.86 | 29.31 | 43.00 |
| Total | | 12,125.43 | 7,511.28 | 4,614.16 | 1,435.79 |
| Revenue-Charged | | | | | |
| 35 | 2-Governor | 14.15 | 8.83 | 5.32 | 37.56 |
| 36 | 46-Arunachal Pradesh Public Service Commission and Staff Selection Board | 14.43 | 5.65 | 8.77 | 60.81 |
| Total | | 28.58 | 14.49 | 14.09 | 98.37 |
| Capital-Voted | | | | | |
| 37 | 6-District Administration Department | 11.38 | 6.37 | 5.01 | 44.01 |
| 38 | 7-Accounts and Treasuries | 5.56 | 3.10 | 2.46 | 44.19 |
| 39 | 11-Women and Child Development | 35.76 | 17.34 | 18.43 | 51.53 |
| 40 | 21-Directorate of Sports | 81.85 | 62.90 | 18.95 | 23.15 |
| 41 | 24-Agriculture | 51.32 | 31.43 | 19.89 | 38.75 |
| 42 | 35-Information and Public Relations | 2.71 | 1.66 | 1.04 | 38.58 |
| 43 | 48-Horticulture | 9.24 | 3.83 | 5.41 | 58.55 |
| 44 | 50-Planning and Investment | 2,567.39 | 554.49 | 2,012.90 | 78.40 |
| 45 | 56-Tourism | 40.04 | 28.44 | 11.60 | 28.97 |
| 46 | 74-Social Justice, Empowerment and Tribal Affairs | 203.07 | 157.01 | 46.06 | 22.68 |
| 47 | 80-Medical Education, Training and Research | 20.00 | 10.86 | 9.14 | 45.71 |
| 48 | 82-Department of Indigenous Affairs | 36.14 | 26.46 | 9.68 | 26.78 |
| Total | | 3,064.45 | 903.90 | 2,160.55 | 501.30 |
| Capital-Charged | | | | | |
| 49 | 97-Public Debt | 908.61 | 565.40 | 343.21 | 37.77 |
| Total | | 908.61 | 565.40 | 343.21 | 37.77 |

Source: Appropriation Accounts, 2023-24

APPENDIX 3.6 (A)

**Cases of Substantial Surrenders
(100 per cent and above of Total Provisions) made during 2023-24
(Reference: Paragraph-3.5.7, Page -116)**

(₹ in crore)

| Sl. No. | Number and Name of Grant | Head of Accounts | Original | Details of Surrender Amount | Per cent |
|---|---|-------------------|----------|-----------------------------|----------|
| Part A: Surrendered 100 per cent and above | | | | | |
| 1 | 4-Election | 2015-102-01 | 21.21 | 28.78 | 135.69 |
| | | 2015-103-01 | 9.30 | 55.65 | 598.39 |
| | | 2015-104-01 | 5.20 | 33.57 | 645.58 |
| | | 2015-106-01 | 1.00 | 15.50 | 1,550.00 |
| | | 2015-108-01 | 5.12 | 16.50 | 322.27 |
| 2 | 8-Home Department | 2055-104-03 | 17.36 | 17.36 | 100.00 |
| | | 03-2055-117-02 | 5.50 | 5.50 | 100.00 |
| 3 | 11-Women and Child Development | 03-2235-02-102-01 | 15.40 | 15.40 | 100.00 |
| 4 | 15-Health Services | 03-2210-03-110-02 | 17.00 | 17.00 | 100.00 |
| | | 03-2210-06-101-09 | 30.50 | 30.50 | 100.00 |
| | | 03-2210-06-200-01 | 44.00 | 44.00 | 100.00 |
| | | 03-4210-04-200-01 | 4.40 | 4.40 | 100.00 |
| 5 | 20-Labour and Employment | 2230-08-02-101-10 | 2.97 | 2.97 | 100.00 |
| 6 | 22-Food and Civil Supplies | 2408-02-190-01 | 10.00 | 10.00 | 100.00 |
| | | 03-2408-01-102-03 | 49.50 | 49.50 | 100.00 |
| | | 4408-04-02-800-03 | 1.04 | 1.04 | 100.00 |
| 7 | 23-Environment and Forests | 4406-01-101-03 | 0.30 | 3.20 | 1,066.67 |
| | | 4406-01-101-04 | 0.60 | 20.62 | 3,436.67 |
| | | 5425-208-01 | 3.70 | 3.70 | 100.00 |
| 8 | 24-Agriculture | 03-2401-103-05 | 1.32 | 1.32 | 100.00 |
| | | 03-2401-115-09 | 4.40 | 4.40 | 100.00 |
| | | 03-2401-789-02 | 1.10 | 1.10 | 100.00 |
| | | 03-2401-789-04 | 3.30 | 3.30 | 100.00 |
| | | 03-2401-789-05 | 4.95 | 4.95 | 100.00 |
| | | 03-2401-789-06 | 4.40 | 4.40 | 100.00 |
| 11 | 28-Animal Husbandry, Veterinary and Dairy Development | 03-2403-113-01 | 3.08 | 3.08 | 100.00 |
| 12 | 31-Public Works Department | 2216-05-053-01 | 1.06 | 1.06 | 100.00 |

| Sl. No. | Number and Name of Grant | Head of Accounts | Original | Details of Surrender Amount | Per cent |
|---|--|-------------------|----------|-----------------------------|----------|
| Part A: Surrendered 100 per cent and above | | | | | |
| 13 | 38-Water Resource Department | 03-2702-01-796-01 | 88.00 | 88.00 | 100.00 |
| | | 03-2702-02-796-01 | 22.00 | 22.00 | 100.00 |
| | | 2702-03-102-03 | 10.00 | 10.00 | 100.00 |
| 14 | 41-Land Management | 2029-103-03 | 10.00 | 10.00 | 100.00 |
| 15 | 42-Rural Development | 03-2501-06-101-09 | 14.89 | 14.89 | 100.00 |
| | | 03-2501-06-796-01 | 42.01 | 42.01 | 100.00 |
| | | 03-2501-06-05 | 42.95 | 42.95 | 100.00 |
| 16 | 43-Fisheries | 03-2405-101-10 | 11.00 | 55.56 | 505.09 |
| 17 | 47-Law, Legislative and Justice | 2014-105-04 | 31.32 | 31.32 | 100.00 |
| 18 | 50-Planning & Investment | 4070-08-796-01 | 70.00 | 70.00 | 100.00 |
| 19 | 57-Urban Development | 03-2217-80-191-06 | 16.50 | 16.50 | 100.00 |
| 20 | 59-Public Health Engineering | 03-2215-01-102-10 | 42.50 | 42.50 | 100.00 |
| | | 03-2215-01-796-01 | 27.50 | 27.50 | 100.00 |
| | | 03-4215-01-796-01 | 15.00 | 15.00 | 100.00 |
| 21 | 62-Transport | 03-3055-004-01 | 5.67 | 5.67 | 100.00 |
| 22 | 65-Department for Development of Tirap, Changlang and Longding Districts | 2575-04-796-02 | 1.08 | 1.08 | 100.00 |
| 23 | 66-Hydro Power Development | 2801-04-01-052-01 | 12.00 | 12.00 | 100.00 |
| 24 | 68-Town Planning Department | 03-2217-80-191-05 | 2.90 | 2.90 | 100.00 |
| 25 | 70-Administrative Training Institute | 2052-092-01 | 14.11 | 14.11 | 100.00 |
| 26 | 72-Prison | 03-2056-101-02 | 4.40 | 4.40 | 100.00 |
| 27 | 73-Information Technology & Communication | 03-3425-60-102-01 | 1.10 | 1.10 | 100.00 |
| 28 | 74-Social Justice, Empowerment and Tribal Affairs | 03-2235-02-200-05 | 1.10 | 1.10 | 100.00 |
| | | 03-2235-03-102-01 | 1.10 | 1.10 | 100.00 |
| | | 03-2235-03-796-02 | 5.50 | 5.50 | 100.00 |
| | | 03-2235-60-796-03 | 5.50 | 5.50 | 100.00 |
| | | 03-2235-60-796-04 | 5.50 | 5.50 | 100.00 |
| | | 2235-08-02-104-03 | 5.50 | 5.50 | 100.00 |
| | | 2235-08-02-104-04 | 5.50 | 5.50 | 100.00 |
| | | 4235-04-02-103-01 | 56.77 | 56.77 | 100.00 |
| | | 4235-08-60-796-01 | 121.00 | 121.00 | 100.00 |
| | | 4235-08-60-796-02 | 12.10 | 12.10 | 100.00 |

| Sl. No. | Number and Name of Grant | Head of Accounts | Original | Details of Surrender Amount | Per cent |
|---|---|-------------------|-----------------|-----------------------------|----------|
| Part A: Surrendered 100 per cent and above | | | | | |
| 29 | 75-Higher and Technical Education | 03-2202-03-789-01 | 4.72 | 4.72 | 100.00 |
| | | 03-2022-0002 | 2.92 | 2.92 | 100.00 |
| | | 4202-08-02-104-07 | 2.80 | 2.80 | 100.00 |
| | | 4202-08-02-796-01 | 6.50 | 6.50 | 100.00 |
| 30 | 76-Elementary Education | 4202-04-01-201-04 | 5.31 | 5.31 | 100.00 |
| 31 | 79-Department of Skill Development and Entrepreneur | 03-2230-03-003-02 | 9.96 | 9.96 | 100.00 |
| Total | | 64 | 1,004.42 | 1,180.07 | |

Source: Detailed Appropriation Accounts, 2023-24

| Sl. No. | Number and Name of Grant | Head of Accounts | Original | Details of Surrender Amount | Per cent |
|--|--------------------------------------|-------------------|----------|-----------------------------|----------|
| Part B: Substantial Surrendered 50 per cent and above | | | | | |
| 1 | 1-Legislative Assembly | 2011-02-800-0002 | 2.00 | 1.75 | 87.50 |
| 2 | 3-General Administration Department | 2013-104-01 | 4.60 | 3.40 | 73.91 |
| 3 | 5-Secretariat Administration | 2052-090-18 | 20.10 | 11.94 | 59.40 |
| 4 | 6-District Administration Department | 2053-101-01 | 5.50 | 2.84 | 51.64 |
| | | 4070-001-02 | 1.40 | 1.15 | 82.14 |
| | | 4070-001-03 | 2.15 | 2.12 | 98.60 |
| 5 | 7-Accounts and Treasuries | 2049-03-117-01 | 20.45 | 19.85 | 97.07 |
| | | 2071-119-01 | 51.03 | 50.63 | 99.22 |
| 6 | 8-Home Department | 2055-104-03 | 17.36 | 17.36 | 100.00 |
| | | 03-2055-117-02 | 5.50 | 5.50 | 100.00 |
| | | 2055-04-108-01 | 106.92 | 84.52 | 79.05 |
| 7 | 9-Secretariat Transport | 2013-106-05 | 31.50 | 28.10 | 89.21 |
| 8 | 11-Women and Child Development | 03-2235-02-102-01 | 15.40 | 15.40 | 100.00 |
| | | 2235-02-102-03 | 158.18 | 130.94 | 82.78 |
| 9 | 12-Social Security and Welfare | 2235-6-200-12 | 2.00 | 1.45 | 72.50 |
| 10 | 14-Secondary Education | 2202-04-02-109-02 | 256.77 | 167.75 | 65.33 |
| 11 | 15-Health Services | 03-2210-03-110-02 | 17.00 | 17.00 | 100.00 |
| | | 03-2210-06-101-09 | 30.50 | 30.50 | 100.00 |
| | | 03-2210-06-200-01 | 44.00 | 44.00 | 100.00 |
| | | 2210-04-200-01 | 383.36 | 234.75 | 61.23 |
| | | 03-4210-04-200-01 | 4.40 | 4.40 | 100.00 |

| Sl. No. | Number and Name of Grant | Head of Accounts | Original | Details of Surrender Amount | Per cent |
|--|---|-------------------|----------|-----------------------------|----------|
| Part B: Substantial Surrendered 50 per cent and above | | | | | |
| 12 | 18-Research | 2205-102-07 | 12.57 | 11.76 | 93.56 |
| 13 | 20-Labour and Employment | 2230-08-02-101-10 | 2.97 | 2.97 | 100.00 |
| 14 | 22-Food and Civil Supplies | 2408-02-190-01 | 10.00 | 10.00 | 100.00 |
| | | 2408-02-190-02 | 45.68 | 40.68 | 89.05 |
| | | 03-2408-01-102-03 | 49.50 | 49.50 | 100.00 |
| | | 3456-102-02 | 2.95 | 2.07 | 70.17 |
| | | 4408-04-02-800-03 | 1.04 | 1.04 | 100.00 |
| 15 | 23-Environment and Forests | 2406-01-101-01 | 6.28 | 4.05 | 64.49 |
| | | 2406-01-102-01 | 24.97 | 18.50 | 74.09 |
| | | 2406-02-112-01 | 8.29 | 5.25 | 63.33 |
| | | 03-2406-01-101-09 | 5.28 | 3.98 | 75.38 |
| | | 2406-04-01-101-06 | 53.51 | 28.43 | 53.13 |
| | | 08-2406-04-103-01 | 499.40 | 488.12 | 97.74 |
| | | 5425-208-01 | 3.70 | 3.70 | 100.00 |
| 16 | 24-Agriculture | 03-2401-103-05 | 1.32 | 1.32 | 100.00 |
| | | 03-2401-115-09 | 4.40 | 4.40 | 100.00 |
| | | 03-2401-789-02 | 1.10 | 1.10 | 100.00 |
| | | 03-2401-789-04 | 3.30 | 3.30 | 100.00 |
| | | 03-2401-789-05 | 4.95 | 4.95 | 100.00 |
| | | 03-2401-789-06 | 4.40 | 4.40 | 100.00 |
| | | 03-2401-789-13 | 5.51 | 5.50 | 99.82 |
| | | 4415-80-277-01 | 25.65 | 24.83 | 96.80 |
| | | 4435-01-800-04 | 25.66 | 23.66 | 92.19 |
| 17 | 26-Rural Works | 2402-001-01 | 144.50 | 73.05 | 50.55 |
| | | 2402-109-01 | 3.09 | 1.85 | 59.87 |
| | | 2402-102-03 | 16.50 | 12.90 | 78.18 |
| 18 | 27-Panchayati Raj | 2015-109-0001 | 422.81 | 422.13 | 99.84 |
| 19 | 28-Animal Husbandry, Veterinary and Dairy Development | 03-2403-113-01 | 3.08 | 3.08 | 100.00 |
| 20 | 29-Co-operation Department | 03-2425-101-02 | 2.20 | 2.01 | 91.36 |
| 21 | 31-Public Works Department | 2059-04-80-051-02 | 400.00 | 399.64 | 99.91 |
| | | 2216-05-053-01 | 1.06 | 1.06 | 100.00 |
| | | 2216-05-053-02 | 300.00 | 232.30 | 77.43 |
| | | 3054-04-337-07 | 351.03 | 319.36 | 90.98 |
| 22 | 35-Information and Public Relations | 4220-60-101-02 | 2.71 | 2.19 | 80.81 |

| Sl. No. | Number and Name of Grant | Head of Accounts | Original | Details of Surrender Amount | Per cent |
|--|--|-------------------|----------|-----------------------------|----------|
| Part B: Substantial Surrendered 50 per cent and above | | | | | |
| 23 | 38-Water Resource Department | 2702-80-800-09 | 25.00 | 22.48 | 89.92 |
| | | 03-2702-01-796-01 | 88.00 | 88.00 | 100.00 |
| | | 03-2702-02-796-01 | 22.00 | 22.00 | 100.00 |
| | | 2702-03-102-03 | 10.00 | 10.00 | 100.00 |
| 24 | 41-Land Management | 2029-103-03 | 10.00 | 10.00 | 100.00 |
| 25 | 42-Rural Development | 03-2501-06-101-09 | 14.89 | 14.89 | 100.00 |
| | | 03-2501-06-796-01 | 42.01 | 42.01 | 100.00 |
| | | 03-2501-06-05 | 42.95 | 42.95 | 100.00 |
| | | 03-2505-02-796-02 | 212.16 | 209.70 | 98.84 |
| 26 | 45-Civil Aviation | 2070-114-01 | 15.00 | 10.50 | 70.00 |
| | | 3053-04-60-101-01 | 12.82 | 9.93 | 77.46 |
| 27 | 46-Arunachal Pradesh Public Service Commission and Staff Selection Board | 2051-102-01 | 14.43 | 8.56 | 59.32 |
| | | 2051-103-01 | 19.00 | 12.44 | 65.47 |
| 28 | 47-Law, Legislative and Justice | 2014-105-04 | 31.32 | 31.32 | 100.00 |
| 29 | 48-Horticulture | 2415-04-01-277-02 | 19.00 | 14.97 | 78.79 |
| 30 | 50-Planning & Investment | 03-4070-800-18 | 905.00 | 864.00 | 95.47 |
| | | 4070-04-800-16 | 499.98 | 456.46 | 91.30 |
| | | 4070-04-800-24 | 1,092.40 | 933.32 | 85.44 |
| | | 4070-08-796-01 | 70.00 | 70.00 | 100.00 |
| 31 | 57-Urban Development | 03-2217-80-191-04 | 16.50 | 15.80 | 95.76 |
| | | 03-2217-80-191-06 | 16.50 | 16.50 | 100.00 |
| 32 | 59-Public Health Engineering | 03-2215-01-102-10 | 42.50 | 42.50 | 100.00 |
| | | 03-2215-01-796-01 | 27.50 | 27.50 | 100.00 |
| | | 03-4215-01-796-01 | 15.00 | 15.00 | 100.00 |
| 33 | 60-Textile and Handicraft | 4851-104-01 | 9.31 | 6.97 | 74.87 |
| 34 | 62-Transport | 03-3055-004-01 | 5.67 | 5.67 | 100.00 |
| 35 | 64-Trade and Commerce | 2874-04-60-800-11 | 7.30 | 6.59 | 90.27 |
| 36 | 65-Department for Development of Tirap, Changlang and Longding Districts | 2575-04-796-02 | 1.08 | 1.08 | 100.00 |
| 37 | 66-Hydro Power Development | 2801-04-01-052-01 | 12.00 | 12.00 | 100.00 |
| 38 | 68-Town Planning Department | 03-2217-80-191-05 | 2.90 | 2.90 | 100.00 |
| | | 2217-04-03-053-01 | 653.93 | 640.07 | 97.88 |
| 39 | 70-Administrative Training Institute | 2052-092-01 | 14.11 | 14.11 | 100.00 |

| Sl. No. | Number and Name of Grant | Head of Accounts | Original | Details of Surrender Amount | Per cent |
|--|---|-------------------|-----------------|-----------------------------|----------|
| Part B: Substantial Surrendered 50 per cent and above | | | | | |
| 40 | 72-Prison | 03-2056-101-02 | 4.40 | 4.40 | 100.00 |
| | | 2056-04-101-01 | 19.27 | 18.61 | 96.57 |
| 41 | 73-Information Technology & Communication | 03-3425-60-102-01 | 1.10 | 1.10 | 100.00 |
| 42 | 74-Social Justice, Empowerment and Tribal Affairs | 03-2235-02-200-05 | 1.10 | 1.10 | 100.00 |
| | | 03-2235-03-102-01 | 1.10 | 1.10 | 100.00 |
| | | 03-2235-03-796-02 | 5.50 | 5.50 | 100.00 |
| | | 03-2235-60-796-03 | 5.50 | 5.50 | 100.00 |
| | | 03-2235-60-796-04 | 5.50 | 5.50 | 100.00 |
| | | 2235-08-02-104-03 | 5.50 | 5.50 | 100.00 |
| | | 2235-08-02-104-04 | 5.50 | 5.50 | 100.00 |
| | | 4235-04-02-103-01 | 56.77 | 56.77 | 100.00 |
| | | 4235-08-60-796-01 | 121.00 | 121.00 | 100.00 |
| | | 4235-08-60-796-02 | 12.10 | 12.10 | 100.00 |
| 43 | 75-Higher and Technical Education | 03-2202-03-789-01 | 4.72 | 4.72 | 100.00 |
| | | 03-2022-0002 | 2.92 | 2.92 | 100.00 |
| | | 2202-04-03-103-03 | 83.74 | 46.80 | 55.89 |
| | | 2203-105-02 | 7.50 | 5.31 | 70.80 |
| | | 4202-08-02-104-07 | 2.80 | 2.80 | 100.00 |
| | | 4202-08-02-796-01 | 6.50 | 6.50 | 100.00 |
| 44 | 76-Elementary Education | 4202-04-01-201-04 | 5.31 | 5.31 | 100.00 |
| 45 | 79-Department of Skill Development and Entrepreneur | 03-2230-03-003-02 | 9.96 | 9.96 | 100.00 |
| 46 | 80-Medical Education, Training and Research | 2210-05-105-03 | 13.45 | 6.75 | 50.19 |
| 47 | 81-Family Welfare | 2211-08-101-05 | 15.15 | 10.94 | 72.21 |
| 48 | 97-Public Debt | 6003-800-01 | 2.56 | 2.55 | 99.61 |
| Total | | 111 | 7,998.74 | 7,116.89 | |

Source: Detailed Appropriation Accounts, 2023-24

APPENDIX 3.7

Details of Savings of ₹One crore and above not surrendered (Reference: Paragraph-3.5.8 and 3.5.9, Page -117 and 118)

(₹ in crore)

| Sl. No. | Number and Name of Grant | Section | Savings | Surrender | Savings to be Surrender |
|---------|---|-----------------|---------|-----------|-------------------------|
| 1 | 1-Legislative Assembly | Revenue-Voted | 24.16 | 20.38 | 3.78 |
| 2 | 2-Governor | Charged-Revenue | 5.32 | 2.32 | 2.99 |
| 3 | 4-Election | Revenue-Voted | 151.41 | 150.00 | 1.41 |
| 4 | 5-Secretariat Administration | Revenue-Voted | 87.83 | 86.79 | 1.04 |
| 5 | 6-District Administration Department | Revenue-Voted | 192.51 | 168.27 | 24.25 |
| 6 | 6-District Administration Department | Capital-Voted | 5.01 | 1.74 | 3.26 |
| 7 | 7-Accounts and Treasuries | Revenue-Voted | 28.85 | 4.23 | 24.62 |
| 8 | 7-Accounts and Treasuries | Capital-Voted | 2.46 | 1.50 | 0.96 |
| 9 | 8-Home Department | Revenue-Voted | 74.91 | 32.60 | 42.30 |
| 10 | 8-Home Department | Capital-Voted | 6.95 | 0.00 | 6.95 |
| 11 | 9-Secretariat Transport | Revenue-Voted | 31.36 | 31.34 | 0.02 |
| 12 | 11-Women and Child Development | Revenue-Voted | 7.74 | 0.00 | 7.74 |
| 13 | 11-Women and Child Development | Capital-Voted | 18.43 | 0.00 | 18.43 |
| 14 | 13-Audit and Pension | Revenue-Voted | 536.98 | 419.34 | 117.64 |
| 15 | 14-Secondary Education | Revenue-Voted | 221.06 | 164.40 | 56.66 |
| 16 | 15-Health Services | Revenue-Voted | 101.84 | 14.88 | 86.96 |
| 17 | 15-Health Services | Capital-Voted | 3.50 | 0.00 | 3.50 |
| 18 | 16-art and Cultural Affairs | Revenue-Voted | 12.88 | 1.22 | 11.66 |
| 19 | 16-art and Cultural Affairs | Capital-Voted | 1.85 | 0.00 | 1.85 |
| 20 | 19-Industries | Revenue-Voted | 13.02 | 0.00 | 13.02 |
| 21 | 20-Labour and Employment | Revenue-Voted | 4.58 | 3.21 | 1.37 |
| 22 | 21-Directorate of Sports | Revenue-Voted | 3.76 | 0.00 | 3.76 |
| 23 | 21-Directorate of Sports | Capital-Voted | 18.95 | 0.00 | 18.95 |
| 24 | 22-Food and Civil Supplies | Revenue-Voted | 124.10 | 115.40 | 8.70 |
| 25 | 23-Environment and Forests | Revenue-Voted | 668.20 | 645.42 | 22.79 |
| 26 | 23-Environment and Forests | Capital-Voted | 34.19 | 27.62 | 6.57 |
| 27 | 24-Agriculture | Revenue-Voted | 79.59 | 0.00 | 79.59 |
| 28 | 26-Rural Works Department | Revenue-Voted | 186.68 | 186.40 | 0.28 |
| 29 | 26-Rural Works Department | Capital-Voted | 86.20 | 23.41 | 62.79 |
| 30 | 27-Panchayati Raj | Revenue-Voted | 371.18 | 186.77 | 184.41 |
| 31 | 28-Animal Husbandry, veterinary and Dairy Development | Revenue-Voted | 27.68 | 0.00 | 27.68 |
| 32 | 29-Co-operation Department | Revenue-Voted | 3.71 | 3.23 | 0.48 |

| Sl. No. | Number and Name of Grant | Section | Savings | Surrender | Savings to be Surrender |
|---------|--|-----------------|----------|-----------|-------------------------|
| 33 | 30-State Transport Services | Revenue-Voted | 6.46 | 6.17 | 0.29 |
| 34 | 34-Power (Electrical) | Revenue-Voted | 319.43 | 301.10 | 18.33 |
| 35 | 35-Information and Public Relations | Revenue-Voted | 3.13 | 0.00 | 3.13 |
| 36 | 36-Statistics | Revenue-Voted | 2.85 | 0.00 | 2.85 |
| 37 | 37-Legal Metrology and Consumer Affairs | Revenue-Voted | 1.23 | 0.00 | 1.23 |
| 38 | 38-Water Resource Department | Revenue-Voted | 212.46 | 194.00 | 18.46 |
| 39 | 38-Water Resource Department | Capital-Voted | 11.97 | 0.00 | 11.97 |
| 40 | 41-Land Management | Revenue-Voted | 12.66 | 9.16 | 3.50 |
| 41 | 42-Rural Development | Revenue-Voted | 7.17 | 4.80 | 2.37 |
| 42 | 42-Rural Development | Capital-Voted | 4.56 | 0.00 | 4.56 |
| 43 | 43-Fisheries | Revenue-Voted | 36.43 | 0.00 | 36.43 |
| 44 | 44-Attached Offices of the Secretariat Administration | Revenue-Voted | 1.11 | 0.00 | 1.11 |
| 45 | 45-Civil Aviation | Revenue-Voted | 35.82 | 34.20 | 1.62 |
| 46 | 45-Civil Aviation | Capital-Voted | 2.89 | 0.00 | 2.89 |
| 47 | 46-Arunachal Pradesh Public Service Commission and Staff Selection Board | Revenue-Voted | 12.44 | 12.44 | 0.00 |
| 48 | 46-Arunachal Pradesh Public Service Commission and Staff Selection Board | Charged-Revenue | 8.77 | 8.56 | 0.21 |
| 49 | 47-Law, Legislative and Justice | Revenue-Voted | 29.27 | 27.67 | 1.61 |
| 50 | 48-Horticulture | Capital-Voted | 5.41 | 0.00 | 5.41 |
| 51 | 49-Science and Technology | Revenue-Voted | 24.24 | 2.00 | 22.24 |
| 52 | 50-Planning and Investment | Revenue-Voted | 188.28 | 5.00 | 183.28 |
| 53 | 50-Planning and Investment | Capital-Voted | 2,012.90 | 1,774.88 | 238.01 |
| 54 | 51-Library | Revenue-Voted | 1.50 | 1.40 | 0.11 |
| 55 | 53-Fire Protection and Control | Revenue-Voted | 3.84 | 1.19 | 2.65 |
| 56 | 54-Tax, Excise and Narcotics | Revenue-Voted | 4.24 | 3.55 | 0.69 |
| 57 | 56-Tourism | Capital-Voted | 11.60 | 0.00 | 11.60 |
| 58 | 57-Urban Development | Revenue-Voted | 101.75 | 101.02 | 0.73 |
| 59 | 57-Urban Development | Capital-Voted | 26.78 | 0.00 | 26.78 |
| 60 | 59-Public Health Engineering | Revenue-Voted | 182.11 | 123.30 | 58.81 |
| 61 | 59-Public Health Engineering | Capital-Voted | 2.43 | 0.00 | 2.43 |
| 62 | 60-Textile and Handicraft | Revenue-Voted | 26.67 | 0.00 | 26.67 |
| 63 | 61-Geology and Mining | Revenue-Voted | 2.29 | 0.38 | 1.91 |
| 64 | 62-Transport | Revenue-Voted | 6.08 | 5.75 | 0.33 |
| 65 | 65-Department for development of Tirap, Changlang and Longding Districts | Capital-Voted | 1.57 | 0.00 | 1.57 |

| Sl. No. | Number and Name of Grant | Section | Savings | Surrender | Savings to be Surrender |
|--------------|---|-----------------|-----------------|-----------------|-------------------------|
| 66 | 66-Hydro Power Development | Revenue-Voted | 143.01 | 142.78 | 0.23 |
| 67 | 66-Hydro Power Development | Capital-Voted | 14.99 | 0.00 | 14.99 |
| 68 | 67-Arunachal Pradesh Information Commission | Revenue-Voted | 1.08 | 0.00 | 1.08 |
| 69 | 68-Town Planning Department | Revenue-Voted | 644.21 | 553.87 | 90.34 |
| 70 | 68-Town Planning Department | Capital-Voted | 11.36 | 0.00 | 11.36 |
| 71 | 70-Administrative Training Institute | Revenue-Voted | 8.92 | 8.68 | 0.24 |
| 72 | 71-Department of Tawang and West Kameng | Revenue-Voted | 1.69 | 0.00 | 1.69 |
| 73 | 72-Prison | Revenue-Voted | 18.24 | 17.92 | 0.32 |
| 74 | 73-Information Technology and Communication | Revenue-Voted | 6.71 | 1.28 | 5.43 |
| 75 | 74-Social Justice, Empowerment and Tribal Affairs | Revenue-Voted | 1.57 | 0.00 | 1.57 |
| 76 | 75-Higher and Technical Education | Revenue-Voted | 120.79 | 101.46 | 19.32 |
| 77 | 75-Higher and Technical Education | Capital-Voted | 11.50 | 0.00 | 11.50 |
| 78 | 76-Elementary Education | Revenue-Voted | 250.18 | 0.90 | 249.28 |
| 79 | 76-Elementary Education | Capital-Voted | 12.80 | 0.00 | 12.80 |
| 80 | 79-Department of Skill Development and Entrepreneur | Revenue-Voted | 29.31 | 0.00 | 29.31 |
| 81 | 80-Medical Education, Training and Research | Revenue-Voted | 1.01 | 0.00 | 1.01 |
| 82 | 80-Medical Education, Training and Research | Capital-Voted | 9.14 | 7.75 | 1.39 |
| 83 | 82-Department of Indigenous Affairs | Revenue-Voted | 1.39 | 0.00 | 1.39 |
| 84 | 82-Department of Indigenous Affairs | Capital-Voted | 9.68 | 0.00 | 9.68 |
| 85 | 97-Public Debt | Charged-Revenue | 54.51 | 0.00 | 54.51 |
| 86 | 97-Public Debt | Charged-Capital | 343.21 | 0.00 | 343.21 |
| Total | | 86 | 8,142.53 | 5,741.69 | 2,400.83 |

Source: Appropriation Accounts, 2023-24

APPENDIX 3.8

Statement showing excess expenditure relating to previous years requiring regularisation

(Reference: Paragraph-3.5.11.1, Page -119)

(₹ 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 & 42 | 6.56 | Total three times the PAC was held during 2023-24, but no paragraph on SFAR up to March 2023 has been selected for the discussion. |
| 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 & 43 | 12.71 | |
| 1987-88 | 16 | 14,18,19,22,23,24,26,30,31,32,33,34,35,40,42 & Public Debt | 9.06 | |
| 1988-89 | 12 | 1,13,15,17,21,24,30,31,32,34,40 & Public Debt | 54.51 | |
| 1989-90 | 15 | 8,10,15,30,31,32,33,34,38,40,43,45,48, 49 & Public Debt | 17.49 | |
| 1990-91 | 16 | 5,8,13,15,19,23,24,26,30,31,32,34,40,44,48 & Public Debt | 28.61 | |
| 1991-92 | 17 | 4,8,10,14,15,18,19,23,25,28,30,31,34,37,42,43 & Public Debt | 63.12 | |
| 1992-93 | 11 | 14,15,18,28,30,31,34,40,43,21 & 38 | 27.91 | |
| 1993-94 | 12 | 8,15,19,25,28,30,31,32,34,38,40 & 45 | 30.66 | |
| 1994-95 | 18 | 6,8,11,15,21,22,23,26,28,29,31,32,34,38,40,4 2,43 & 45 | 64.45 | |
| 1995-96 | 24 | 8,9,11,13,14,15,16,18,20,21,23,24,28,29,31,32 ,34,40, 41,51,53,59,60 & Public Debt | 38.41 | |
| 1996-97 | 12 | 1,9,11,13,14,21,28,30,31,34,40 & 51 | 14.86 | |
| 1997-98 | 15 | 9,10,11,13,15,20,25,30,31,34,41,46,48, 59 & 60 | 25.34 | |
| 1998-99 | 15 | 1,7,13,15,19,20,31,34,36,41,50,53,54, 64 & Public Debt | 25.26 | |
| 1999-00 | 7 | 13,31,44,52,53,60 & Public Debt | 14.27 | |
| 2000-01 | 12 | 1,3,8,13,19,28,32,34,36,50,52 & 62 | 13.27 | |
| 2001-02 | 13 | 1,7,8,11,13,14,16,22,28,33,35,48 & 59 | 27.08 | |
| 2002-03 | 14 | 1,4,5,7,13,19,23,28,31,43,46,58,61 & 62 | 9.7 | |
| 2003-04 | 21 | 5,13,15,16,24,26,28,31,32,33,35,36,42,43,44,4 7,56,58, 59,61 & 62 | 20.15 | |
| 2004-05 | 17 | 8,14,15,18,19,26,28,31,32,33,40,43,48, 58,61,65,66 & Public Debt | 46.46 | |
| 2005-06 | 13 | 1,5,8,16,25,35,41,43,52,56,58,60,66 & Public Debt | 266.95 | |
| 2006-07 | 18 | 5,11,13,15,24,28,29,33,35,36,38,40,41,48,58,6 0, 61,62 & Public Debt | 173.74 | |

| Year | No. of Grants/ Appropriations | Grants/ Appropriations | Excess Amount | Stage of consideration by PAC |
|--------------|----------------------------------|--|------------------|---|
| 2007-08 | 19 | 1,8,13,17,24,29,30,35,36,37,43,48,51, 52, 58,62,63,64 & 65 | 31.77 | Total three times the PAC was held during 2023-24, but no paragraph on SFAR up to March 2023 has been selected for the discussion. |
| 2008-09 | 13 | 5,9,14,17,29,34,37,43,45,48,56,59 & 65 | 70.6 | |
| 2009-10 | 12 | 13,14,16,28,31,35,36,43,44,50,53 & 56 | 33.37 | |
| 2010-11 | 17 | 12, 13, 14, 16, 20, 28, 29, 30, 33, 36, 44, 48, 54, 56, 61, 72 & <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 | |
| 2022-23 | 9 | 19, 33, 35, 42, 43, 47, 64, 71, 75 | 123.20 | |
| TOTAL | | | 3,343.64 | |

Source: Appropriation Account, 2023-24

APPENDIX 3.9

Details of Excess expenditure at Sub-Head level made during 2023-24
(Reference: Paragraph-3.5.11.1, Page -120)

| Sl. No. | Number and Name of Grant | Head of Account | Original | Supplementary | Reappropriation | | Final Appropriation | Actual Expenditure | Excess | |
|---------|--------------------------------|-------------------|----------|---------------|-----------------|-------|---------------------|--------------------|--------|------|
| | | | | | Plus | Minus | | | | |
| 1 | 8-Home Department | 2055-04-108-01 | 106.92 | 0.00 | 0.00 | 84.52 | 22.40 | 23.22 | 0.82 | |
| | | 4055-216-02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.66 | 1.66 | |
| | | 03-4055-207-09 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.01 | 0.01 |
| | | 4055-04-216-02 | 14.64 | 103.51 | 0.00 | 0.03 | 118.12 | 128.08 | 9.96 | 9.96 |
| 2 | 11-Women and Child Development | 03-2235-02-102-01 | 15.40 | 0.00 | 0.00 | 15.40 | 0.00 | 38.22 | 38.22 | |
| | | 03-2235-02-102-09 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4.13 | 4.13 | |
| | | 03-2235-02-102-12 | 0.00 | 0.98 | 0.00 | 0.00 | 0.98 | 0.98 | 0.01 | 0.01 |
| | | 03-2235-02-103-05 | 0.00 | 7.22 | 0.00 | 0.00 | 7.22 | 8.64 | 1.42 | 1.42 |
| 3 | 14-Secondary Education | 03-2235-02-103-06 | 0.00 | 0.61 | 0.00 | 0.00 | 0.61 | 0.75 | 0.14 | |
| | | 03-4235-02-102-02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 9.20 | 9.20 | |
| | | 03-2204-104-15 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.05 | 0.05 | |
| | | 2204-04-104-15 | 0.00 | 0.00 | 6.53 | 0.00 | 6.53 | 9.48 | 2.95 | |
| 4 | 15-Health Services | 03-2210-03-101-01 | 0.00 | 51.25 | 150.50 | 0.00 | 201.75 | 238.20 | 36.45 | |
| 5 | 18-Research | 2205-102-07 | 12.57 | 0.00 | 0.00 | 11.76 | 0.81 | 0.91 | 0.10 | |
| 6 | 22-Food and Civil Supplies | 4408-04-02-800-03 | 1.04 | 0.00 | 0.00 | 1.04 | 0.00 | 0.35 | 0.35 | |

| Sl. No. | Number and Name of Grant | Head of Account | Original | Supplementary | Reappropriation | | Final Appropriation | Actual Expenditure | Excess |
|---------|--------------------------|-------------------|----------|---------------|-----------------|--------|---------------------|--------------------|--------|
| | | | | | Plus | Minus | | | |
| 7 | 24-Agriculture | 03-2401-102-01 | 0.44 | 0.00 | 1.19 | 0.00 | 1.63 | 3.40 | 1.77 |
| | | 03-2401-114-03 | 1.10 | 15.85 | 0.00 | 0.00 | 16.95 | 41.69 | 24.74 |
| | | 03-2401-115-08 | 11.00 | 0.00 | 0.00 | 4.62 | 6.38 | 12.36 | 5.98 |
| | | 03-2401-115-11 | 0.00 | 4.53 | 0.00 | 0.00 | 4.53 | 10.29 | 5.76 |
| | | 03-2401-115-12 | 5.50 | 25.30 | 0.00 | 0.00 | 30.80 | 64.61 | 33.81 |
| | | 03-2401-115-15 | 0.00 | 0.18 | 0.00 | 0.00 | 0.18 | 0.34 | 0.16 |
| | | 03-2401-796-02 | 1.10 | 0.00 | 1.29 | 0.00 | 2.39 | 2.96 | 0.57 |
| | | 03-2401-796-10 | 0.11 | 0.00 | 0.34 | 0.00 | 0.45 | 1.33 | 0.89 |
| | | 2401-04-104-03 | 38.28 | 44.85 | 0.00 | 0.00 | 83.13 | 133.94 | 50.81 |
| | | 4401-104-01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.60 | 0.60 |
| 8 | 25-Disaster Management | 4415-80-277-01 | 25.65 | 0.00 | 0.00 | 24.83 | 0.82 | 3.43 | 2.60 |
| | | 4435-01-800-04 | 25.66 | 0.00 | 0.00 | 23.66 | 2.00 | 27.25 | 25.25 |
| | | 2235-01-001-01 | 12.02 | 0.00 | 0.06 | 0.00 | 12.08 | 12.75 | 0.67 |
| | | 2245-02-101-02 | 18.00 | 0.00 | 0.00 | 3.00 | 15.00 | 15.20 | 0.20 |
| | | 2245-04-05-109-01 | 0.00 | 0.00 | 0.00 | 356.40 | (-) 356.40 | 0.00 | 356.40 |
| 9 | 26-Rural Works | 4402-102-02 | 0.00 | 0.00 | 13.90 | 0.00 | 13.90 | 1.40 | |
| 10 | 27-Panchayati Raj | 03-2515-789-01 | 0.00 | 0.00 | 19.54 | 0.00 | 19.54 | 32.88 | |
| 11 | 31-Public Works | 2059-04-80-051-02 | 400.00 | 0.00 | 0.00 | 399.64 | 0.36 | 36.65 | 36.29 |
| | | 4059-01-051-01 | 46.45 | 498.19 | 0.00 | 0.00 | 544.64 | 843.48 | 298.84 |
| 12 | 33-North Eastern Areas | 2552-09-800-33 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 183.13 | |
| 13 | 34-Power (Electrical) | 4801-01-052-02 | 213.74 | 162.74 | 0.00 | 0.00 | 376.48 | 427.85 | 51.37 |

State Finances Audit Report for the year ended 31 March 2024

| Sl. No. | Number and Name of Grant | Head of Account | Original | Supplementary | Reappropriation | | Final Appropriation | Actual Expenditure | Excess |
|---------|--|-------------------|----------|---------------|-----------------|-------|---------------------|--------------------|--------|
| | | | | | Plus | Minus | | | |
| 14 | 35-Information and Public Relations | 4220-60-101-02 | 2.71 | 0.00 | 0.00 | 2.19 | 0.52 | 1.22 | 0.70 |
| 15 | 37-Legal Metrology and Consumer Affairs | 5475-115-01 | 0.10 | 0.75 | 0.00 | 0.00 | 0.85 | 1.43 | 0.58 |
| 16 | 42-Rural Development | 03-2505-02-101-08 | 5.00 | 93.20 | 113.77 | 0.00 | 211.97 | 237.02 | 25.05 |
| 17 | 43-Fisheries | 4405-04-101-02 | 13.76 | 11.37 | 0.00 | 0.00 | 25.13 | 25.42 | 0.29 |
| | | 4405-04-800-03 | 0.00 | 1.52 | 0.00 | 0.00 | 1.52 | 2.42 | 0.90 |
| 18 | 48-Horticulture | 03-2401-119-49 | 11.00 | 0.00 | 0.00 | 1.73 | 9.27 | 14.69 | 5.42 |
| | | 03-2401-796-01 | 0.00 | 10.21 | 0.00 | 0.00 | 10.21 | 31.71 | 21.50 |
| 19 | 51-Library | 2401-04-119-24 | 146.88 | 42.39 | 21.22 | 0.00 | 210.49 | 210.62 | 0.13 |
| | | 2205-105-02 | 8.32 | 0.00 | 0.00 | 0.14 | 8.18 | 8.20 | 0.02 |
| 20 | 56-Tourism Department | 4202-04-105-02 | 0.00 | 3.00 | 0.00 | 0.00 | 3.00 | 7.49 | 4.49 |
| | | 3452-01-101-03 | 31.07 | 0.00 | 0.00 | 3.84 | 27.23 | 28.77 | 1.54 |
| 21 | 58-Printing | 4058-04-103-03 | 0.05 | 0.50 | 0.00 | 0.00 | 0.55 | 0.85 | 0.30 |
| 22 | 60-Textile and Handicraft | 4851-104-01 | 9.31 | 0.00 | 0.00 | 6.97 | 2.34 | 21.93 | 19.59 |
| 23 | 64-Trade and Commerce | 2874-04-60-800-11 | 7.30 | 0.00 | 0.00 | 6.59 | 0.71 | 1.10 | 0.39 |
| 24 | 65-Department for Development of Tirap, Changlang and Longding Districts | 2575-03-001-01 | 1.25 | 0.00 | 0.23 | 0.00 | 1.48 | 1.64 | 0.16 |
| | | 3425-60-200-01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 9.19 | 9.19 |

| Sl. No. | Number and Name of Grant | Head of Account | Original | Supplementary | Reappropriation | | Final Appropriation | Actual Expenditure | Excess |
|--------------|---|-------------------|-----------------|-----------------|-----------------|---------------|---------------------|--------------------|-----------------|
| | | | | | Plus | Minus | | | |
| 26 | 74-Social Justice, Empowerment and Tribal Affairs | 03-4225-04-102-01 | 0.00 | 0.00 | 14.32 | 0.00 | 14.32 | 14.77 | 0.45 |
| | | 4235-08-02-800-01 | 13.20 | | 59.45 | 0.00 | 72.65 | 142.24 | 69.59 |
| 27 | 75-Higher and Technical Education | 4202-08-02-796-01 | 6.50 | 0.00 | 0.00 | 6.50 | 0.00 | 2.50 | 2.50 |
| 28 | 76-Elementary Education | 2202-01-102-04 | 110.42 | 0.00 | 13.78 | 0.00 | 124.20 | 129.20 | 5.00 |
| | | 4202-04-01-201-04 | 5.31 | 0.00 | 0.00 | 5.31 | 0.00 | 12.33 | 12.33 |
| 29 | 79-Department of Skill development and Entrepreneur | 4250-04-203-02 | 4.60 | 0.13 | 0.00 | 0.00 | 4.73 | 6.52 | 1.79 |
| 30 | 97-Public Debt | 2049-04-104-01 | 0.15 | 0.00 | 0.00 | 0.15 | 0.00 | 0.12 | 0.12 |
| | | 6003-800-01 | 2.56 | 0.00 | 0.00 | 2.55 | 0.01 | 0.87 | 0.86 |
| | | 6004-05-101-01 | 0.68 | 0.00 | 0.00 | 0.47 | 0.21 | 0.44 | 0.23 |
| Total | | 61 | 1,329.79 | 1,078.28 | 416.12 | 961.34 | 1,862.85 | 3,246.01 | 1,383.16 |

Source: Appropriation Accounts, 2023-24

APPENDIX 3.10

**Details of Lump Sum Provision for Creation of Asset
(Reference: Paragraph-3.6.1, Page -121)**

(₹ 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 |
|-----------------|--------------------------------------|-------------------|---------------------------------|----------|---------------|------------------|-------|------------------------------|--------------------|
| | | | | | | Plus | Minus | | |
| Part - A | | | | | | | | | |
| 1 | 5-Secretariat Administration | 4070-800-24 | Creation of Assets under BA/SDS | 0.00 | 0.00 | 1.00 | 0.00 | 1.00 | 1.00 |
| 2 | 6-District Administration Department | 4070-800-024 | Creation of Assets under BA/SDS | 0.75 | 0.35 | 0.00 | 0.00 | 1.10 | 1.10 |
| 3 | 8-Home Department | 4055-216-02 | Creation of Assets under BA/SDS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1.66 |
| | | 4055-04-216-02 | Creation of Assets under BA/SDS | 14.64 | 103.51 | 0.00 | 0.03 | 118.12 | 128.08 |
| 4 | 11-Women and Child Development | 4235-04-02-103-01 | Creation of Assets under BA/SDS | 2.77 | 5.37 | 0.00 | 0.00 | 8.14 | 8.14 |
| 5 | 14-Secondary Education | 4202-01-202-03 | Creation of Assets under BA/SDS | 39.70 | 212.26 | 0.00 | 0.00 | 251.96 | 251.96 |
| 6 | 15-Health Services | 4210-04-200-02 | Creation of Assets under BA/SDS | 25.21 | 39.09 | 4.40 | 0.00 | 68.70 | 65.20 |
| 7 | 16-Art and Cultural Affairs | 4202-04-101-01 | Creation of Assets under BA/SDS | 1.71 | 21.48 | 0.00 | 0.00 | 23.19 | 21.34 |
| 8 | 18-Research | 4202-04-04-101-01 | Creation of Assets under BA/SDS | 1.06 | 5.03 | 0.00 | 0.00 | 6.09 | 5.78 |
| 9 | 19-Industries | 4851-102-01 | Creation of Assets under BA/SDS | 6.00 | 104.05 | 0.00 | 0.00 | 110.05 | 109.79 |
| 10 | 20-Labour and Employment | 4250-201-02 | Creation of Assets under BA/SDS | 0.70 | 0.00 | 0.00 | 0.09 | 0.61 | 0.51 |

| Sl. No. | Number and Name of Grant | Head of Account | Details of the Scheme | Original | Supplementary | Re-appropriation | | Final Grant or Appropriation | Actual Expenditure |
|-----------------|---|-------------------|---------------------------------|----------|---------------|------------------|-------|------------------------------|--------------------|
| | | | | | | Plus | Minus | | |
| Part - A | | | | | | | | | |
| 11 | 21-Directorate of Sports | 4202-03-102-01 | Creation of Assets under BA/SDS | 33.40 | 48.45 | 0.00 | 0.00 | 81.85 | 62.90 |
| 12 | 22-Food and Civil Supplies | 4408-04-02-800-03 | Creation of Assets under BA/SDS | 1.04 | 0.00 | 0.00 | 1.04 | 0.00 | 0.35 |
| 13 | 23-Environment and Forests | 5475-102-03 | Creation of Assets under BA/SDS | 0.00 | 6.87 | 0.95 | 0.00 | 7.82 | 7.33 |
| | | 4406-01-101-02 | Creation of Assets under BA/SDS | 0.00 | 42.02 | 0.00 | 0.00 | 42.02 | 41.30 |
| | | 5425-208-01 | Creation of Assets under BA/SDS | 3.70 | 0.00 | 0.00 | 3.70 | 0.00 | 0.00 |
| 14 | 24-Agriculture | 4401-104-01 | Creation of Assets under BA/SDS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.60 |
| | | 04-4415-80-277-01 | Creation of Assets under BA/SDS | 25.65 | 0.00 | 0.00 | 24.83 | 0.82 | 3.43 |
| | | 04-4435-01-800-04 | Creation of Assets under BA/SDS | 25.66 | 0.00 | 0.00 | 23.66 | 2.00 | 27.25 |
| 15 | 25-Disaster Management | 4235-01-201-01 | Creation of Assets under BA/SDS | 0.00 | 0.50 | 0.00 | 0.00 | 0.50 | 0.50 |
| 16 | 26-Rural Works | 4402-102-01 | Creation of Assets under BA/SDS | 0.00 | 0.00 | 13.90 | 0.00 | 13.90 | 15.30 |
| | | 5054-04-337-10 | Creation of Assets under BA/SDS | 377.86 | 0.00 | 190.94 | 0.00 | 568.80 | 542.77 |
| 17 | 27-Panchayati Raj | 4515-101-02 | Creation of Assets under BA/SDS | 0.00 | 1.00 | 0.00 | 0.00 | 1.00 | 0.99 |
| 18 | 28-Animal Husbandry, Veterinary and Dairy Development | 4403-101-02 | Creation of Assets under BA/SDS | 0.98 | 2.85 | 0.00 | 0.00 | 3.83 | 3.82 |

State Finances Audit Report for the year ended 31 March 2024

| Sl. No. | Number and Name of Grant | Head of Account | Details of the Scheme | Original | Supplementary | Re-appropriation | | Final Grant or Appropriation | Actual Expenditure |
|-----------------|---|-------------------|---------------------------------|----------|---------------|------------------|-------|------------------------------|--------------------|
| | | | | | | Plus | Minus | | |
| Part - A | | | | | | | | | |
| 19 | 30-State Transport Services | 5055-800-03 | Creation of Assets under BA/SDS | 0.81 | 12.49 | 0.00 | 0.00 | 13.30 | 13.11 |
| 20 | 34-Power (Electrical) | 4801-01-052-02 | Creation of Assets under BA/SDS | 213.74 | 162.74 | 0.00 | 0.00 | 376.48 | 427.85 |
| 21 | 35-Information and Public Relations | 4220-60-101-02 | Creation of Assets under BA/SDS | 2.71 | 0.00 | 0.00 | 2.19 | 0.52 | 1.22 |
| 22 | 36-Statistics | 5475-112-02 | Creation of Assets under BA/SDS | 0.21 | 0.36 | 0.00 | 0.00 | 0.57 | 0.57 |
| 23 | 37-Legal Metrology and Consumer Affairs | 5475-115-01 | Creation of Assets under BA/SDS | 0.10 | 0.75 | 0.00 | 0.00 | 0.85 | 1.43 |
| 24 | 38-Water Resource Department | 4702-04-101-01 | Creation of Assets under BA/SDS | 14.98 | 51.07 | 0.00 | 0.00 | 66.05 | 59.14 |
| | | 4702-04-800-04 | Creation of Assets under BA/SDS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | 4711-01-103-02 | Creation of Assets under BA/SDS | 146.65 | 154.69 | 0.00 | 0.00 | 301.34 | 296.37 |
| 25 | 41-Land Management | 4070-800-24 | Creation of Assets under BA/SDS | 1.50 | 0.20 | 0.00 | 0.00 | 1.70 | 1.70 |
| 26 | 42-Rural Development | 4515-103-03 | Creation of Assets under BA/SDS | 18.67 | 50.61 | 0.00 | 0.00 | 69.28 | 64.72 |
| 27 | 43-Fisheries | 4405-04-101-02 | Creation of Assets under BA/SDS | 13.76 | 11.37 | 0.00 | 0.00 | 25.13 | 25.42 |
| 28 | 45-Civil Aviation | 5053-04-60-101-01 | Creation of Assets under BA/SDS | 6.03 | 41.95 | 0.00 | 0.00 | 47.98 | 45.10 |
| 29 | 47-Law, Legislative and Justice | 04-4070-800-24 | Creation of Assets under BA/SDS | 5.62 | 60.33 | 0.00 | 0.00 | 65.95 | 65.39 |

| Sl. No. | Number and Name of Grant | Head of Account | Details of the Scheme | Original | Supplementary | Re-appropriation | | Final Grant or Appropriation | Actual Expenditure |
|-----------------|--------------------------------|-------------------|---------------------------------|----------|---------------|------------------|--------|------------------------------|--------------------|
| | | | | | | Plus | Minus | | |
| Part - A | | | | | | | | | |
| 30 | 48-Horticulture | 4401-04-119-02 | Creation of Assets under BA/SDS | 1.00 | 0.00 | 0.00 | 0.23 | 0.77 | 0.52 |
| | | 4415-04-80-277-01 | Creation of Assets under BA/SDS | 0.00 | 6.28 | 0.22 | 0.00 | 6.50 | 3.30 |
| 31 | 50-Planning & Investment | 4070-04-800-24 | Creation of Assets under BA/SDS | 1,092.40 | 0.00 | 0.00 | 933.32 | 159.08 | 130.09 |
| 32 | 51-Library | 4202-04-105-02 | Creation of Assets under BA/SDS | 0.00 | 3.00 | 0.00 | 0.00 | 3.00 | 7.49 |
| 33 | 52-Sports and Youth Services | 4202-03-101-01 | Creation of Assets under BA/SDS | 2.50 | 0.00 | 0.00 | 0.32 | 2.18 | 2.18 |
| 34 | 53-Fire Protection and Control | 4070-04-800-24 | Creation of Assets under BA/SDS | 24.07 | 17.41 | 0.00 | 0.00 | 41.48 | 41.24 |
| 35 | 54-Tax & Excise and Narcotics | 4070-800-24 | Creation of Assets under BA/SDS | 0.30 | 0.00 | 0.00 | 0.15 | 0.15 | 0.15 |
| 36 | 56-Tourism Department | 5452-04-01-101-54 | Creation of Assets under BA/SDS | 15.70 | 24.35 | 0.00 | 0.00 | 40.05 | 28.44 |
| 37 | 57-Urban Development | 4217-60-51-18 | Creation of Assets under BA/SDS | 71.41 | 152.60 | 0.00 | 0.10 | 223.91 | 197.13 |
| 38 | 58-Printing | 4058-04-103-03 | Creation of Assets under BA/SDS | 0.05 | 0.50 | 0.00 | 0.00 | 0.55 | 0.85 |
| 39 | 59-Public Health Engineering | 4215-04-01-101-03 | Creation of Assets under BA/SDS | 31.48 | 75.28 | 0.00 | 0.00 | 106.76 | 104.59 |
| | | 4215-04-01-102-02 | Creation of Assets under BA/SDS | 73.46 | 64.00 | 22.67 | 0.00 | 160.13 | 160.11 |
| 40 | 60-Textile and Handicraft | 4851-104-01 | Creation of Assets under BA/SDS | 9.31 | 0.00 | 0.00 | 6.97 | 2.34 | 21.93 |
| 41 | 61-Geology and Mining | 4853-60-004-01 | Creation of Assets under BA/SDS | 0.82 | 2.20 | 0.00 | 0.00 | 3.02 | 3.02 |

State Finances Audit Report for the year ended 31 March 2024

| Sl. No. | Number and Name of Grant | Head of Account | Details of the Scheme | Original | Supplementary | Re-appropriation | | Final Grant or Appropriation | Actual Expenditure |
|-----------------|--|-------------------|---------------------------------|----------|---------------|------------------|-------|------------------------------|--------------------|
| | | | | | | Plus | Minus | | |
| Part - A | | | | | | | | | |
| 42 | 62-Transport | 03-5055-800-03 | Creation of Assets under BA/SDS | 0.00 | 0.17 | 0.23 | 0.00 | 0.40 | 0.25 |
| 43 | 62-Transport | 04-5475-800-04 | Creation of Assets under BA/SDS | 0.00 | 0.25 | 0.00 | 0.00 | 0.25 | 0.00 |
| 44 | 64-Trade and Commerce | 4875-04-60-004-01 | Creation of Assets under BA/SDS | 0.00 | 1.15 | 0.00 | 0.00 | 1.15 | 0.68 |
| 45 | 65-Department for Development of Tirap, Changlang and Longding Districts | 4575-04-03-796-01 | Creation of Assets under BA/SDS | 48.92 | 2.83 | 0.00 | 0.00 | 51.75 | 50.18 |
| 46 | 66-Hydro Power Development | 4801-04-01-052-02 | Creation of Assets under BA/SDS | 80.17 | 119.84 | 0.00 | 0.00 | 200.01 | 187.49 |
| 47 | 68-Town Planning Department | 4217-04-03-051-04 | Creation of Assets under BA/SDS | 1.00 | 15.00 | 0.00 | 0.00 | 16.00 | 7.88 |
| 48 | 70-Administrative Training Institute | 4070-04-003-01 | Creation of Assets under BA/SDS | 5.45 | 12.40 | 0.00 | 0.00 | 17.85 | 17.85 |
| 49 | 71-Department of Tawang and West Kameng | 4202-04-04-101-01 | Creation of Assets under BA/SDS | 16.50 | 13.73 | 0.00 | 0.00 | 30.23 | 30.07 |
| 50 | 72-Prison | 4055-216-02 | Creation of Assets under BA/SDS | 12.48 | 28.66 | 0.00 | 0.00 | 41.14 | 41.14 |
| 51 | 74-Social Justice, Empowerment and Tribal Affairs | 4235-04-02-103-01 | Creation of Assets under BA/SDS | 56.77 | 0.00 | 0.00 | 56.77 | 0.00 | 0.00 |
| 52 | 75-Higher and Technical Education | 4202-01-104-06 | Creation of Assets under BA/SDS | 1.65 | 0.00 | 2.88 | 0.00 | 4.53 | 4.53 |
| 53 | 76-Elementary Education | 4202-04-01-201-03 | Creation of Assets under BA/SDS | 8.70 | 82.84 | 5.50 | 0.00 | 97.04 | 71.97 |

| Sl. No. | Number and Name of Grant | Head of Account | Details of the Scheme | Original | Supplementary | Re-appropriation | | Final Grant or Appropriation | Actual Expenditure |
|-----------------|---|-------------------|---------------------------------|-----------------|-----------------|------------------|-----------------|------------------------------|--------------------|
| | | | | | | Plus | Minus | | |
| Part - A | | | | | | | | | |
| 54 | 77-Gauhathi High Court, Itanagar | 4070-04-800-24 | Creation of Assets under BA/SDS | 0.00 | 0.03 | 0.00 | 0.00 | 0.03 | 0.03 |
| 55 | 79-Department of Skill Development and Entrepreneur | 4250-04-203-02 | Creation of Assets under BA/SDS | 4.60 | 0.13 | 0.00 | 0.00 | 4.73 | 6.52 |
| 56 | 80-Medical Education, Training and Research | 4210-04-03-200-01 | Creation of Assets under BA/SDS | 20.00 | 0.00 | 0.00 | 7.75 | 12.25 | 10.86 |
| 57 | 82-Department of Indigenous Affairs | 4202-04-04-101-01 | Creation of Assets under BA/SDS | 11.84 | 24.30 | 0.00 | 0.00 | 36.14 | 26.46 |
| Total | | | | 2,576.19 | 1,786.34 | 242.69 | 1,061.15 | 3,544.07 | 3,460.07 |

| Sl. No. | Number and Name of Grant | Head of Account | Details of the Scheme | Original | Supplementary | Reappropriation | | Final Grant or Appropriation | Actual Expenditure |
|-----------------|--------------------------------------|-------------------|-----------------------|----------|---------------|-----------------|-------|------------------------------|--------------------|
| | | | | | | Plus | Minus | | |
| Part - B | | | | | | | | | |
| 1 | 5-Secretariat Administration | 2052-090-035 | Schemes under BA/ SDS | 0.00 | 0.00 | 1.89 | 0.00 | 1.89 | 1.89 |
| 2 | 6-District Administration Department | 2053-093-11 | Schemes under BA/ SDS | 0.35 | 0.00 | 0.29 | 0.00 | 0.64 | 0.64 |
| 3 | 8-Home Department | 2055-04-108-01 | Schemes under BA/ SDS | 106.92 | 0.00 | 0.00 | 84.52 | 22.40 | 23.22 |
| | | 2235-04-60-200-10 | Schemes under BA/ SDS | 2.20 | 0.00 | 0.40 | 0.00 | 2.60 | 2.58 |
| 4 | 11-Women and Child Development | 2235-04-200-09 | Schemes under BA/ SDS | 13.31 | 0.00 | 8.86 | 0.00 | 22.17 | 9.41 |
| 5 | 13-Audit and Pension | 2047-103-02 | Schemes under BA/ SDS | 0.50 | 0.00 | 0.00 | 0.00 | 0.50 | 0.14 |

State Finances Audit Report for the year ended 31 March 2024

| Sl. No. | Number and Name of Grant | Head of Account | Details of the Scheme | Original | Supplementary | Reappropriation | | Final Grant or Appropriation | Actual Expenditure |
|-----------------|-----------------------------|---|---|------------------------|----------------------|----------------------|------------------------|------------------------------|-----------------------|
| | | | | | | Plus | Minus | | |
| Part - B | | | | | | | | | |
| 6 | 14-Secondary Education | 2202-04-02-109-02 03-2204-104-15 2204-04-104-15 | Schemes under BA/ SDS Schemes under BA/ SDS Schemes under BA/ SDS | 256.77 0.00 0.00 | 0.00 0.00 0.00 | 0.00 0.00 6.53 | 167.75 0.00 0.00 | 89.02 0.00 6.53 | 81.24 0.05 9.48 |
| 7 | 15-Health Services | 2210-04-200-01 | Schemes under BA/ SDS | 383.36 | 0.00 | 0.00 | 234.75 | 148.61 | 148.60 |
| 8 | 16-Art and Cultural Affairs | 2205-102-07 | Schemes under BA/ SDS | 7.70 | 11.36 | 0.00 | 0.00 | 19.06 | 7.63 |
| 9 | 18-Research | 2205-102-07 | Schemes under BA/ SDS | 12.57 | 0.00 | 0.00 | 11.76 | 0.81 | 0.91 |
| 10 | 19-Industries | 2851-102-08 | Schemes under BA/ SDS | 11.98 | 7.13 | 0.00 | 0.00 | 19.11 | 8.85 |
| 11 | 20-Labour and Employment | 2230-04-02-101-09 | Schemes under BA/ SDS | 0.30 | 0.00 | 0.26 | 0.00 | 0.56 | 0.32 |
| 12 | 21-Directorate of Sports | 2204-104-15 | Schemes under BA/ SDS | 41.70 | 3.85 | 0.00 | 0.00 | 45.55 | 42.08 |
| 13 | 22-Food and Civil Supplies | 3456-102-02 | Schemes under BA/ SDS | 2.95 | 0.00 | 0.00 | 2.07 | 0.88 | 0.17 |
| 14 | 23-Environment and Forests | 2406-04-01-101-06 3435-03-101-03 | Schemes under BA/ SDS Schemes under BA/ SDS | 53.51 1.00 | 0.00 0.00 | 0.00 0.00 | 28.43 0.00 | 25.08 1.00 | 25.05 1.00 |
| 15 | 24-Agriculture | 2401-04-104-03 2435-01-800-05 | Schemes under BA/ SDS Schemes under BA/ SDS | 38.28 38.28 | 44.85 44.86 | 0.00 0.00 | 0.00 0.00 | 83.13 83.14 | 133.94 0.25 |
| 16 | 25-Disaster Management | 2245-04-02-101-03 | Schemes under BA/ SDS | 1.10 | 0.00 | 0.00 | 0.50 | 0.60 | 0.60 |
| 17 | 26-Rural Works Department | 2402-102-03 3054-04-105-02 | Schemes under BA/ SDS Schemes under BA/ SDS | 16.50 3.65 | 0.00 2.95 | 0.00 0.00 | 12.90 0.00 | 3.60 6.60 | 3.60 6.60 |
| 18 | 27-Panchayati Raj | 2515-04-101-02 | Schemes under BA/ SDS | 0.00 | 0.00 | 147.91 | 0.00 | 147.91 | 143.11 |

| Sl. No. | Number and Name of Grant | Head of Account | Details of the Scheme | Original | Supplementary | Reappropriation | | Final Grant or Appropriation | Actual Expenditure |
|-----------------|---|-------------------|-----------------------|----------|---------------|-----------------|--------|------------------------------|--------------------|
| | | | | | | Plus | Minus | | |
| Part - B | | | | | | | | | |
| 19 | 28-Animal Husbandry, Veterinary and Dairy Development | 2403-04-101-16 | Schemes under BA/ SDS | 9.67 | 0.00 | 0.33 | 0.00 | 10.00 | 4.04 |
| | | 2404-102-11 | Schemes under BA/ SDS | 1.00 | 29.61 | 2.29 | 0.00 | 32.90 | 32.90 |
| 20 | 29-Co-operation Department | 2425-04-106-03 | Schemes under BA/ SDS | 1.51 | 0.00 | | 0.91 | 0.60 | 0.60 |
| 21 | 30-State Transport Services | 3055-800-09 | Schemes under BA/ SDS | 14.94 | 0.00 | 3.35 | 0.00 | 18.29 | 18.13 |
| 22 | 31-Public Works Department | 2216-05-053-02 | Schemes under BA/ SDS | 300.00 | 0.00 | 0.00 | 232.30 | 67.70 | 67.70 |
| 23 | 34-Power (Electrical) | 2801-05-052-01 | Schemes under BA/ SDS | 0.50 | 0.00 | 0.00 | 0.00 | 0.50 | 0.50 |
| | | 2810-102-01 | Schemes under BA/ SDS | 4.30 | 23.88 | 0.00 | 0.00 | 28.18 | 19.21 |
| 24 | 35-Information and Public Relations | 2220-60-101-02 | Schemes under BA/ SDS | 24.29 | 8.19 | 0.00 | 0.00 | 32.48 | 29.80 |
| 25 | 36-Statistics | 3454-04-02-112-01 | Schemes under BA/ SDS | 0.50 | 0.03 | 0.00 | 0.00 | 0.53 | 0.53 |
| 26 | 37-Legal Metrology and Consumer Affairs | 04-3475-106-02 | Schemes under BA/ SDS | 1.40 | 0.00 | 0.00 | 0.75 | 0.65 | 0.47 |
| 27 | 38-Water Resource Department | 2702-03-102-03 | Schemes under BA/ SDS | 10.00 | 0.00 | 0.00 | 10.00 | 0.00 | |
| 28 | 41-Land Management | 2506-800-08 | Schemes under BA/ SDS | 0.30 | 0.00 | 0.05 | 0.00 | 0.35 | 0.25 |
| 29 | 42-Rural Development | 04-2515-102-07 | Schemes under BA/ SDS | 36.31 | 0.00 | 80.65 | 0.00 | 116.96 | 116.96 |
| 30 | 43-Fisheries | 2405-04-101-12 | Schemes under BA/ SDS | 5.90 | 1.80 | 0.00 | 2.70 | 5.00 | 2.86 |
| 31 | 45-Civil Aviation | 3053-04-60-101-01 | Schemes under BA/ SDS | 12.82 | 0.00 | 0.00 | 9.93 | 2.89 | 1.55 |

State Finances Audit Report for the year ended 31 March 2024

| Sl. No. | Number and Name of Grant | Head of Account | Details of the Scheme | Original | Supplementary | Reappropriation | | Final Grant or Appropriation | Actual Expenditure |
|-----------------|---------------------------------|--|--|-----------------|---------------|-----------------|---------------|------------------------------|--------------------|
| | | | | | | Plus | Minus | | |
| Part - B | | | | | | | | | |
| 32 | 47-Law, Legislative and Justice | 2014-105-04 | Schemes under BA/ SDS | 31.32 | 0.00 | 0.00 | 31.32 | 0.00 | |
| 33 | 48-Horticulture | 2401-04-119-24 | Schemes under BA/ SDS | 146.88 | 42.39 | 21.22 | 0.00 | 210.49 | 210.62 |
| 34 | 49-Science and Technology | 3425-04-60-60-10 | Schemes under BA/ SDS | 12.83 | 24.21 | 0.58 | 0.00 | 37.62 | 15.44 |
| 35 | 50-Planning & Investment | 3451-102-08 | Schemes under BA/ SDS | 307.46 | 0.00 | 0.00 | 33.59 | 273.87 | 145.37 |
| 36 | 51-Library | 2205-105-03 | Schemes under BA/ SDS | 7.57 | 0.00 | 0.00 | 0.87 | 6.70 | 6.70 |
| 37 | 52-Sports and Youth Services | 2204-101-02 | Schemes under BA/ SDS | 11.93 | 11.66 | 0.00 | 0.00 | 23.59 | 23.59 |
| 38 | 54-Tax & Excise and Narcotics | 2039-104-01 | Schemes under BA/ SDS | 2.70 | 3.16 | 0.00 | 0.00 | 5.86 | 5.84 |
| 39 | 56-Tourism Department | 3452-01-101-03 | Schemes under BA/ SDS | 31.07 | 0.00 | 0.00 | 3.84 | 27.23 | 28.77 |
| 40 | 57-Urban Development | 2217-03-053-01 2217-04-05-053-01 | Schemes under BA/ SDS Schemes under BA/ SDS | 0.00 54.66 | 0.00 0.00 | 0.00 0.00 | 0.00 21.37 | 0.00 33.29 | 33.29 |
| 41 | 58-Printing | 2058-103-03 | Schemes under BA/ SDS | 1.75 | 0.00 | 0.00 | 0.20 | 1.55 | 1.40 |
| 42 | 59-Public Health Engineering | 2215-04-01-101-01 2215-04-01-102-09 | Schemes under BA/ SDS Schemes under BA/ SDS | 65.49 152.80 | 13.81 4.33 | 27.46 1.64 | 0.00 0.00 | 106.76 158.77 | 82.71 130.33 |
| 43 | 60-Textile and Handicraft | 2851-04-107-04 | Schemes under BA/ SDS | 1.00 | 10.05 | 0.00 | 0.00 | 11.05 | 8.04 |
| 44 | 61-Geology and Mining | 2853-02-102-02 | Schemes under BA/ SDS | 6.68 | 0.00 | 0.00 | 1.18 | 5.50 | 3.92 |
| 45 | 62-Transport | 3056-105-01 | Schemes under BA/ SDS | 0.25 | 0.00 | 0.00 | 0.25 | 0.00 | |

| Sl. No. | Number and Name of Grant | Head of Account | Details of the Scheme | Original | Supplementary | Reappropriation | | Final Grant or Appropriation | Actual Expenditure |
|-----------------|--|-------------------|-----------------------|----------|---------------|-----------------|--------|------------------------------|--------------------|
| | | | | | | Plus | Minus | | |
| Part - B | | | | | | | | | |
| 46 | 64-Trade and Commerce | 2874-04-60-800-11 | Schemes under BA/ SDS | 7.30 | 0.00 | 0.00 | 6.59 | 0.71 | 1.10 |
| 47 | 65-Department for Development of Tirap, Changlang and Longding Districts | 2575-04-796-02 | Schemes under BA/ SDS | 1.08 | 0.00 | 0.00 | 1.08 | 0.00 | 0.00 |
| 48 | 66-Hydro Power Development | 2801-04-01-052-01 | Schemes under BA/ SDS | 12.00 | 0.00 | 0.00 | 12.00 | 0.00 | |
| 49 | 68-Town Planning Department | 2217-04-03-053-01 | Schemes under BA/ SDS | 653.93 | 0.00 | 0.00 | 640.07 | 13.86 | 13.86 |
| 50 | 70-Administrative Training Institute | 2070-003-03 | Schemes under BA/ SDS | 0.00 | 0.00 | 2.94 | 0.00 | 2.94 | 2.75 |
| 51 | 71-Department of Tawang and West Kameng | 2205-102-07 | Schemes under BA/ SDS | 0.50 | 11.43 | 0.00 | 0.00 | 11.93 | 10.38 |
| 52 | 72-Prison | 2056-04-101-01 | Schemes under BA/ SDS | 19.27 | 0.00 | 0.00 | 18.61 | 0.66 | 0.66 |
| 53 | 73-Information Technology & Communication | 3425-04-60-600-10 | Schemes under BA/ SDS | 8.27 | 0.00 | 0.00 | 0.57 | 7.70 | 7.70 |
| 54 | 75-Higher and Technical Education | 2202-04-03-103-03 | Schemes under BA/ SDS | 83.74 | 0.00 | 0.00 | 46.80 | 36.94 | 36.17 |
| | | 2203-105-02 | Schemes under BA/ SDS | 7.50 | 0.00 | 0.00 | 5.31 | 2.19 | 2.15 |
| | | 4202-01-203-05 | Schemes under BA/ SDS | 22.20 | 60.93 | 7.27 | 0.00 | 90.40 | 84.90 |
| 55 | 76-Elementary Education | 2202-04-01-101-01 | Schemes under BA/ SDS | 45.82 | 0.00 | 2.68 | 0.00 | 48.50 | 47.51 |

State Finances Audit Report for the year ended 31 March 2024

| Sl. No. | Number and Name of Grant | Head of Account | Details of the Scheme | Original | Supplementary | Reappropriation | | Final Grant or Appropriation | Actual Expenditure |
|-----------------|---|-------------------|-----------------------|-----------------|---------------|-----------------|-----------------|------------------------------|--------------------|
| | | | | | | Plus | Minus | | |
| Part - B | | | | | | | | | |
| 56 | 79-Department of Skill Development and Entrepreneur | 2230-04-03-101-06 | Schemes under BA/ SDS | 15.79 | 3.75 | | 0.00 | 19.54 | 13.42 |
| 57 | 80-Medical Education, Training and Research | 2210-04-05-200-02 | Schemes under BA/ SDS | 30.05 | 112.51 | 6.75 | 0.00 | 149.31 | 148.30 |
| 58 | 81-Family Welfare | 2211-04-101-04 | Schemes under BA/ SDS | 4.50 | 0.00 | 1.67 | 0.00 | 6.17 | 6.17 |
| 59 | 82-Department of Indigenous Affairs | 2205-04-102-07 | Schemes under BA/ SDS | 19.00 | 2.91 | 0.00 | 0.00 | 21.91 | 20.53 |
| Total | | | | 3,181.71 | 479.65 | 325.02 | 1,622.92 | 2,363.47 | 2,038.48 |

Source: Appropriation Accounts, 2023-24

APPENDIX 3.11

Un-utilised Provision of Fund during 2023-24
(Reference: Paragraph- 3.7.2, Page -124)

(₹ in crore)

| Sl. No. | No. and Name of Grant | Head of Account | Original | Supplementary | Re-appropriation | Final Grant | Savings |
|---------|---|-------------------|----------|---------------|------------------|-------------|---------|
| 1 | 2-Governor Secretariat | 2012-03-103-02 | 0.01 | 0.00 | 0.08 | 0.09 | 0.09 |
| | | 2012-03-103-06 | 0.06 | 0.00 | 0.34 | 0.40 | 0.40 |
| | | 2012-03-103-09 | 0.02 | 0.00 | 0.09 | 0.11 | 0.11 |
| | | 2012-03-105-01 | 0.40 | 0.00 | (-) 0.2 | 0.20 | 0.20 |
| 2 | 3-General Administration Department | 2013-101-02 | 0.16 | 0.00 | (-) 0.11 | 0.05 | 0.05 |
| | | 2013-102-02 | 0.08 | 0.00 | (-) 0.05 | 0.03 | 0.03 |
| 3 | 6-District Administration Department | 4070-001-04 | 2.25 | 0.75 | 0.00 | 3.00 | 3.00 |
| 4 | 8-Home Department | 4055-05-800-04 | 0.00 | 17.50 | 0.00 | 17.50 | 17.50 |
| 5 | 11-Women and Child Development | 03-2235-02-796-17 | 0.00 | 0.19 | 1.18 | 1.37 | 1.37 |
| | | 03-4235-02-102-03 | 0.00 | 27.62 | 0.00 | 27.62 | 27.62 |
| 6 | 13-Audit and Pension | 4070-001-01 | 0.00 | 0.04 | 0.00 | 0.04 | 0.04 |
| 7 | 17-Gazetteer | 4070-001-04 | 0.00 | 0.11 | 0.00 | 0.11 | 0.11 |
| 8 | 24-Agriculture | 03-2401-109-05 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | 03-2401-114-04 | 0.55 | 0.00 | 0.96 | 1.51 | 1.51 |
| | | 03-2401-115-10 | 0.55 | 0.00 | 4.40 | 4.95 | 4.95 |
| | | 03-2401-115-16 | 0.00 | 0.69 | 0.00 | 0.69 | 0.69 |
| | | 03-2401-789-13 | 5.51 | 0.00 | (-) 5.50 | 0.01 | 0.01 |
| | | 03-2401-796-03 | 0.17 | 23.68 | 0.00 | 23.85 | 23.85 |
| | | 03-2401-796-04 | 3.30 | 0.00 | 4.37 | 7.67 | 7.67 |
| | | 03-2401-796-05 | 4.95 | 0.17 | 4.99 | 10.11 | 10.11 |
| | | 03-2401-796-08 | 0.00 | 8.11 | 0.00 | 8.11 | 8.11 |
| | | 03-2401-796-09 | 0.55 | 0.00 | 2.92 | 3.47 | 3.47 |
| | | 03-2401-796-13 | 5.61 | 49.75 | 0.00 | 55.36 | 55.36 |
| 9 | 27-Panchayati Raj | 2515-05-001-07 | 75.52 | 0.00 | 0.00 | 75.52 | 75.52 |
| | | 2515-05-001-08 | 64.85 | 0.00 | 0.00 | 64.85 | 64.85 |
| | | 2515-05-102-06 | 38.63 | 0.00 | 0.00 | 38.63 | 38.63 |
| 10 | 28-Animal Husbandry, Veterinary and Dairy Development | 03-2403-101-24 | 0.00 | 1.24 | 0.00 | 1.24 | 1.24 |
| | | 03-2403-796-14 | 0.00 | 2.27 | 0.01 | 2.28 | 2.28 |
| | | 2403-08-101-22 | 0.00 | 1.70 | 0.00 | 1.70 | 1.70 |
| | | 2403-789-05 | 0.00 | 0.08 | 0.00 | 0.08 | 0.08 |
| | | 4403-101-03 | 0.00 | 0.10 | 0.00 | 0.10 | 0.10 |

State Finances Audit Report for the year ended 31 March 2024

| Sl. No. | No. and Name of Grant | Head of Account | Original | Supplementary | Re-appropriation | Final Grant | Savings |
|--------------|---|-------------------|-----------------|---------------|-------------------|---------------|---------------|
| 11 | 30-State Transport Services | 5055-001-01 | 0.00 | 0.20 | 0.00 | 0.20 | 0.20 |
| 12 | 31-Public Works | 5054-04-337-11 | 0.00 | 1.39 | 0.00 | 1.39 | 1.39 |
| 13 | 36-Statistics | 3454-08-02-800-04 | 0.00 | 0.20 | 0.00 | 0.20 | 0.20 |
| 14 | 43-Fisheries | 5475-001-01 | 0.00 | 0.05 | 0.00 | 0.05 | 0.05 |
| 15 | 48Horticulture | 4401-04-119-03 | 0.00 | 1.96 | 0.00 | 1.96 | 1.96 |
| 16 | 50-Planning & Investment | 03-2575-03-796-04 | 0.00 | 29.27 | 23.23 | 52.50 | 52.50 |
| | | 03-4070-800-18 | 905.00 | 0.00 | (-) 864.00 | 41.00 | 41.00 |
| | | 5475-001-01 | 0.00 | 0.00 | 1.40 | 1.40 | 1.40 |
| 17 | 57-Urban Development | 03-2217-80-191-04 | 16.50 | 0.00 | (-) 15.8 | 0.70 | 0.70 |
| 18 | 62-Transport | 5475-04-800-04 | 0.00 | 0.25 | 0.00 | 0.25 | 0.25 |
| 19 | 73-Information Technology & Communication | 3425-60-200-03 | 14.07 | 0.00 | (-) 4.88 | 9.19 | 9.19 |
| 20 | 74-Social Justice, Empowerment and Tribal Affairs | 2235-08-03-102-01 | 0.00 | 0.00 | 0.10 | 0.10 | 0.10 |
| | | 2235-08-60-102-02 | 0.00 | 0.60 | 0.00 | 0.60 | 0.60 |
| | | 2235-08-60-102-03 | 0.00 | 0.03 | 0.00 | 0.03 | 0.03 |
| | | 2235-08-60-102-04 | 0.00 | 0.04 | 0.00 | 0.04 | 0.04 |
| 21 | 75-Higher and Technical Education | 03-2202-03-101-01 | 15.46 | 0.00 | (-) 1.08 | 14.38 | 14.38 |
| | | 2203-08-105-01 | 0.00 | 0.00 | 1.50 | 1.50 | 1.50 |
| | | 4202-08-02-104-03 | 0.00 | 8.50 | 0.00 | 8.50 | 8.50 |
| 22 | 79-Department of Skill Development and Entrepreneur | 03-2230-03-101-03 | 0.88 | 0.00 | 0.99 | 1.87 | 1.87 |
| | | 03-2230-03-101-08 | 0.05 | 3.25 | 0.00 | 3.30 | 3.30 |
| 23 | 97-Public Debt | 2049-04-106-01 | 0.90 | 0.00 | 0.00 | 0.90 | 0.90 |
| | | 6003-110-01 | 285.00 | 0.00 | 0.00 | 285.00 | 285.00 |
| Total | | 54 | 1,441.05 | 180.07 | (-) 845.03 | 776.02 | 776.02 |

Source: Detailed Appropriation Accounts, 2023-24

APPENDIX 3.12

Details of variation between Revised Estimate and Actual Expenditure

(Reference: Paragraph-3.7.3, Page -127)

| Sl. No. | Head of Account | Budget Estimates | Revised Estimates | Actual Expenditure | Variation/Shortfall (-)/ Excess (+) | Variation/Shortfall (-)/ Excess (+) (in per cent) |
|---------|--|------------------|-------------------|--------------------|-------------------------------------|---|
| 1 | 2011-Parliament/state/Union Territory | 100.64 | 99.83 | 76.57 | 23.26 | 23.30 |
| 2 | 2012-Governor | 14.15 | 11.83 | 8.83 | 3.00 | 25.36 |
| 3 | 2014-Administration of Justice | 75.03 | 47.77 | 45.97 | 1.80 | 3.77 |
| 4 | 2051-Public service Commission | 19.00 | 0.00 | 12.22 | 12.22 | 0.00 |
| 5 | 2053-District Administration | 606.73 | 604.39 | 414.22 | 190.17 | 31.46 |
| 6 | 2059-Public Works | 969.73 | 554.37 | 576.18 | (-) 21.81 | (-) 3.93 |
| 7 | 2071-Pension and other Retirement Benefits | 2,518.80 | 2,117.05 | 1,975.29 | 141.76 | 6.70 |
| 8 | 2202-General Education | 2,468.10 | 2,701.87 | 2,375.18 | 326.69 | 12.09 |
| 9 | 2215-Water Supply and Sanitation | 1,071.50 | 1,098.20 | 916.09 | 182.11 | 16.58 |
| 10 | 2216-Housing | 321.13 | 105.83 | 98.05 | 7.78 | 7.35 |
| 11 | 2217-Urban Development | 987.52 | 410.28 | 241.58 | 168.70 | 41.12 |
| 12 | 2235-Social Security and Welfare | 399.91 | 477.35 | 469.45 | 7.90 | 1.65 |
| 13 | 2245-Relief on Account of Natural Calamities | 326.43 | 372.3 | 495.21 | (-) 122.91 | (-) 33.01 |
| 14 | 2402-Soil and Water Conservation | 190.10 | 187.62 | 96.37 | 91.25 | 48.64 |
| 15 | 2406-Forestry and Wildlife | 995.82 | 562.8 | 318.47 | 244.33 | 43.41 |
| 16 | 2408-Food Storage and Warehousing | 106.28 | 131.76 | 59.21 | 72.55 | 55.06 |
| 17 | 2435-Other Agricultural Programmes | 41.51 | 86.51 | 3.63 | 82.88 | 95.80 |
| 18 | 2501-Special Programme for Rural Development (Area Development)) | 145.24 | 301.16 | 278.69 | 22.47 | 7.46 |

State Finances Audit Report for the year ended 31 March 2024

| Sl. No. | Head of Account | Budget Estimates | Revised Estimates | Actual Expenditure | Variation/Shortfall (-)/ Excess (+) | Variation/Shortfall (-)/ Excess (+) (in per cent) |
|---------|---|------------------|-------------------|--------------------|-------------------------------------|---|
| 19 | 2515-Other Rural Development Programme | 444.14 | 769.45 | 570.3 | 199.15 | 25.88 |
| 20 | 2552-North Eastern Areas | 0.00 | 0.00 | 183.13 | (-) 183.13 | 0.00 |
| 21 | 2702-Minor Irrigation | 449.04 | 506.72 | 257.42 | 249.3 | 49.20 |
| 22 | 2711-Flood Control | 20.00 | 105 | 141.84 | (-) 36.84 | (-) 35.09 |
| 23 | 2801-Power | 1,835.16 | 2,087.83 | 1,634.37 | 453.46 | 21.72 |
| 24 | 3053-Civil Aviation | 18.92 | 8.24 | 6.64 | 1.60 | 19.42 |
| 25 | 3054-Roads and Bridges | 1,627.82 | 2,244.35 | 2,141.47 | 102.88 | 4.58 |
| 26 | 3435-Ecology and Environment | 5.65 | 5.33 | 5.02 | 0.31 | 5.82 |
| 27 | 4070-Capital Out lay on Other Administrative Services | 2,396.01 | 951.71 | 695.18 | 256.53 | 26.95 |
| 28 | 4202-Capital Outlay on Education (Education) | 155.92 | 637.82 | 587.05 | 50.77 | 7.96 |
| 29 | 4210-Capital Outlay on Medical | 49.60 | 96.45 | 91.56 | 4.89 | 5.07 |
| 30 | 4216-Capital Outlay on Housing (PWD) | 54.55 | 94.75 | 94.75 | 0.00 | 0.00 |
| 31 | 4575-Capital Outlay on Other special Areas Programme | 48.91 | 51.75 | 76.42 | (-) 24.67 | (-) 47.67 |
| 32 | 4851-Capital Outlay on Village and Small Industries | 15.31 | 3.97 | 132.99 | (-) 129.02 | (-) 3,249.87 |
| 33 | 5452-Capital Outlay on Tourism | 15.70 | 40.04 | 28.44 | 11.60 | 28.97 |

Source: Monthly Civil Accounts 2023-24 and Annual Financial Statements-2024-25

APPENDIX 4.1 (A)

**Details of age-wise pendency of the Utilisation Certificate
(Reference: Paragraph-4.5, Page -140)**

(₹ in crore)

| Year | Opening as 01 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 | | | |
| 2019-20 | Up to 2017-18 | 65 | 437.29 | Up to 2017-18 | 0 | 0 | Up to 2017-18 | 49 | 343.49 | Up to 2017-18 | 16 | 93.80 |
| | 2018-19 | 209 | 1,198.05 | 2018-19 | 0 | 0 | 2018-19 | 92 | 404.57 | 2018-19 | 117 | 793.48 |
| | 2019-20 | 0 | 0 | 2019-20 | 195 | 773.23 | 2019-20 | 0 | 0 | 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 | 93.8 | Up to 2017-18 | 0 | 0 | Up to 2017-18 | 11 | 92.13 | Up to 2017-18 | 5 | 1.67 |
| | 2018-19 | 117 | 793.48 | 2018-19 | 0 | 0 | 2018-19 | 51 | 647.03 | 2018-19 | 66 | 146.45 |
| | 2019-20 | 195 | 773.23 | 2019-20 | 0 | 0 | 2019-20 | 7 | 7.73 | 2019-20 | 188 | 765.5 |
| | 2020-21* | 0 | 0 | 2020-21 | 185 | 1,358.48 | 2020-21 | 0 | 0 | 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 | Up to 2017-18 | 3 | 1.38 | Up to 2017-18 | 2 | 0.29 |
| | 2018-19 | 66 | 146.44 | 2018-19 | 0 | 0 | 2018-19 | 41 | 113.51 | 2018-19 | 25 | 32.93 |
| | 2019-20 | 188 | 765.5 | 2019-20 | 0 | 0 | 2019-20 | 130 | 714.35 | 2019-20 | 58 | 51.15 |
| | 2020-21 | 185 | 1,358.48 | 2020-21 | 0 | 0 | 2020-21 | 95 | 892.39 | 2020-21 | 90 | 466.09 |
| | 2021-22 | 0 | 0 | 2021-22 | 298 | 1,835.68 | 2021-22 | 0 | 0 | 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 |

State Finances Audit Report for the year ended 31 March 2024

| Year | Opening as 01 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 |
| 2022-23 | Up to 2017-18 | 2 | 0.29 | Up to 2017-18 | 0 | 0 | Up to 2017-18 | 0 | 0 |
| | 2018-19 | 25 | 32.93 | 2018-19 | 0 | 0 | 2018-19 | 23 | 32.57 |
| | 2019-20 | 58 | 51.15 | 2019-20 | 0 | 0 | 2019-20 | 41 | 32.34 |
| | 2020-21 | 90 | 466.09 | 2020-21 | 0 | 0 | 2020-21 | 75 | 322.99 |
| | 2021-22 | 298 | 1,835.68 | 2021-22 | 0 | 0 | 2021-22 | 210 | 1,146.08 |
| | 2022-23 | 0 | 0 | 2022-23 | 394 | 2,201.17 | 2022-23 | 394 | 2,201.17 |
| | Total | 473 | 2,386.14 | Total | 394* | 2,201.17* | Total | 743 | 3,735.15 |
| 2023-24 | 2018-19 | 23 | 32.57 | 2018-19 | 0 | 0 | 2018-19 | 16 | 28.35 |
| | 2019-20 | 41 | 32.34 | 2019-20 | 0 | 0 | 2019-20 | 23 | 26.51 |
| | 2020-21 | 75 | 322.99 | 2020-21 | 0 | 0 | 2020-21 | 29 | 21.48 |
| | 2021-22 | 210 | 1,146.08 | 2021-22 | 0 | 0 | 2021-22 | 139 | 722.37 |
| | 2022-23 | 394 | 2,201.17 | 2022-23 | 0 | 0 | 2022-23 | 354 | 1,986.65 |
| | 2023-24 | 0 | 0.00 | 2023-24 | 0 | 0 | 2023-24 | 0 | 0 |
| | Total | 743 | 3,735.15 | Total | 0.00 | 0.00 | Total | 561.00 | 2,785.36 |

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

* Due year for submission 2024-25

APPENDIX 4.1 (B)

Details of Department-wise pendency of the Utilisation Certificate (Reference: Paragraph-4.5, Page -140)

(₹ in crore)

| Name of the Departments | No. of UCs pending | Amount | Purpose |
|--|--------------------|--------|--|
| Education | 105 | 548.02 | Only being 2nd,3rd and final installment of central and state share released,GIA to Centre for Buddhist Studies,(RGU) Doimukh,for upgradation of Infrastructure of RKM,Aalo,GIA to Sainik School,Niglok,East Siang District,GIA to RKM Narottam Nagar and Dirang |
| Home (Police) | 6 | 5.42 | GIA for Implementation of Modernization of Police Forces, For Implementation of E-Prison Project under CSS Sector |
| Information and Public Relation | 45 | 75.61 | GIA to Arunachal Pradesh Literary Society APLS, Implementation of e-HRMS,e-Office, Design Development & Maintenance of Online RTI Dashboard under SIC |
| Social Welfare, Women and Child Development | 45 | 38.47 | GIA for Mahabodhi Society, For construction of two Juvenile Home at Aalo and Hawaii, 1st Installment for c/o 2 No. New Govt. Run VATSALYA |
| Tourism | 11 | 17.35 | Chief Minister Paryatan Shiksha Yojana,Arunachal Pradesh Tourism Society, District Tourism Promotion Council |
| Civil Supplies and Consumer Affairs | 17 | 1.33 | TA/DA and Office Stationery Items |
| Cultural Affairs | 5 | 1.90 | For creation of corpus fund,for organisation of 3 days folk song and dance competition by NACWS |
| Planning Programme Implementation Economics and Statistics | 9 | 28.42 | Arunachal Pradesh Skill Development |
| Relief and Rehabilitation | 22 | 367.66 | Central and State Share of SDRF,Minister Relief fund for financial assistance to medical patient/ex-gratia |
| District Administration | 10 | 1.01 | - |
| Health and Family Welfare | 53 | 425.25 | Grant of Expenditure Authorisation,Gap fund for c/o Block-II building for increase bed strength from 300 to 500-700 bed hospital,Mukhya Mantri Rogi Kalyan Kosh |
| Rural Development and Panchayati Raj | 54 | 850.42 | Central Share of PMAY-Gramin,central share of Watershed development component of Pradhan Mantri Krishi Sinchai Yojana,National Rural Livelihood Mission,Pradhan Mantri Awas Yojana |

| Name of the Departments | No. of UCs pending | Amount | Purpose |
|---|--------------------|-----------------|--|
| Science and Technology | 71 | 65.70 | Establishment of State of Art PRCHIDARIM at Namsai for Conversation,c/o centre for Excellence for Science and Technology,GIS based Real GIS Based Real Time Utility,Establishment of Digital Satellite Data Library using Advanced Artificial Intelligence |
| General Administration | 5 | 2.90 | To conduct 5 basin indegenous games and sports meet,Education expenses of Children of Mtr Hav Hangpan Dada |
| Sports and Youth Affairs | 40 | 44.12 | Conduct of Himalayan Rally 2023, Development of Golden Jubilee Multipurpose Sports facility,A.P. Eco Adventure Sports and Youth Development Society |
| Industries | 14 | 1.59 | APKVIBD,District level Awareness Campaigning in entire 23 District |
| Urban Development,Municipal Administration and Government Estates | 43 | 286.41 | Swachh Bharat Mission (Urban), for implementation of project 15th FC |
| Power | 3 | 8.28 | APEDA |
| Textile and Handicrafts | 2 | 0.11 | To Arunachal Pradesh Khadi and Village Industries Board |
| Personnel Administrative Reforms, Administration and Training | 1 | 15.39 | To conduct various Recruitment Examination and Related Expenditure |
| Total | 561 | 2,785.36 | |

Source: Finance Accounts, 2023-24 and information furnished by Office of the Principal Accountant General