

Press Brief on State Finances Audit Report- 2022-23

In accordance with Article 151 of the Constitution of India, Comptroller and Auditor General of India (CAG) submits his Audit Reports to the Governor of the State for being laid in the Legislature. Accordingly, Report of the Comptroller and Auditor General of India for the year ended 31 March 2023 (State Finances)-Government of Rajasthan, has been laid in the Legislature on 24.07.2024. As per procedure, the Report of the CAG stands referred to the Public Accounts Committee of the State Legislature.

Achievements of the State Government

- The outstanding guarantee to estimated receipts ratio (31.01 *per cent*) during 2022-23 was within the limit fixed under FRBM Act (60.00 *per cent*).
- The State Government accomplished 100 *per cent* reconciliation of expenditure and receipts with office of the Accountant General (A&E) through controlling officers during the last five years.

Audit findings are highlighted below:

Fiscal Position

- The fiscal position of the State is viewed in terms of three key fiscal parameters - Revenue Deficit/Surplus, Fiscal Deficit/Surplus and the ratio of Outstanding Liability to GSDP.
- The State Government could not contain the fiscal deficit within the limit of three *per cent* of GSDP, as laid down in FRBM Act and at the end of 2022-23, the fiscal deficit was ₹ 51,028 crore (3.61 *per cent* of GSDP). However, it was within the overall fiscal space allowed by the Central Government
- As per FRBM Act, the State Government was to achieve Zero Revenue Deficit from the financial year 2011-12 and thereafter maintain it or attain revenue surplus. For the tenth consecutive year, the State Government was unable to achieve its target of attaining zero revenue deficit.
- The Outstanding Liability-GSDP ratio during 2022-23 was 34.92 *per cent* which was within the limit fixed by the FRBM Act (38.20 *per cent*)

Finances of the State

- Revenue Expenditure increased by 7.96 *per cent* (₹ 16,689 crore) while Revenue Receipts increased by 6.02 *per cent* (₹ 11,068 crore) from the previous year.
- Capital Expenditure decreased by 18.03 *per cent* (₹ 4,354 crore) over the previous year.

- At the end of March 2023, the cash balance was only ₹ 32.65 crore. Further, the State Government availed Ways and Means advances for 273 days and paid an interest of ₹ 113 crore

Budgetary Management

- Budgetary assumptions of the State Government were not realistic. During the year, saving of ₹ 44,021.20 crore in voted section and excess of ₹ 20,762.84 crore in charged section resulting in overall saving of ₹ 23,258.36 crore. Further, supplementary Provisions of ₹ 52,734.39 crore proved excessive.
- Excess over provision under two grants (Public Debt and 21-Roads & Bridges) amounting to ₹ 21,069.61 crore authorised from the Consolidated Fund of the State during 2022-23 and requires regularisation under Article 205 of the Constitution.
- Instances of persistent savings (savings of more than ₹ 100 crore) under 12 grants were noticed during the year despite PAC recommendations in this regard.

Quality of Accounts & Financial Reporting Practices

- Various departments did not submit 895 UCs aggregating to ₹1,107.25 crore pertaining to the period 2010-11 to 2021-22 to the office of the AG (A&E) as on 31 March 2023. Non-submission of Utilisation Certificates within the specified period not only weakens the financial accountability mechanism, but also indicates failure of the departmental officers to comply with the rules.
- Non-closure of 133 PD Accounts despite remaining inoperative for two years was in contravention of the provisions of GF&AR and Rajasthan Treasuries Rules, indicating lack of monitoring at the level of treasuries.
- State Government reported 732 cases of misappropriation, embezzlements and theft/losses of Government money across various departments amounting ₹ 126.01 crore upto 31 March 2023 on which final action is pending.

Financial Performance of State Public Sector Undertakings

- The contribution of PSUs to GSDP of Rajasthan declined from 8.53 *per cent* in 2020-21 to 7.32 *per cent* in 2022-23.
- Out of 47 PSUs, 27 PSUs earned profits (₹ 1,248.15 crore), while 17 PSUs incurred losses (₹18,813.91 crore). As on 31 March 2023, 24 PSUs had accumulated losses of ₹ 1,25,779.46 crore.
- The net worth of 19 out of 24 PSUs which had accumulated losses, had been completely eroded.
- Sixty two accounts of 30 PSUs including two Statutory Corporation were in arrears.

Principal Accountant General