



**State Finances Audit Report of the
Comptroller and Auditor General of India
for the year ended 31 March 2021**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

**Government of Rajasthan
Report No. 3 of the year 2022**

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PREFACE

1. This Report has been prepared for submission to the Governor of Rajasthan under Article 151 of the Constitution.
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 processes, trends in key fiscal parameters like revenue surplus/deficit, fiscal surplus/deficit, *etc.*
3. Chapters II & III of the Report contain audit findings on matters arising from examination of the Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2021. Information has been obtained from Government of Rajasthan, wherever necessary.
4. Chapter IV on 'Quality of Accounts & Financial Reporting Practices' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during 2020-21.
5. The Reports containing the findings of Performance Audit and Audit of transactions in various Government departments, observations arising out of audit of Statutory Corporations, Boards and Government Companies and observations on Revenue Receipts are presented separately.

Executive Summary

Background

This report provides an analytical review of the finances of the Government of Rajasthan based on the audited accounts for the year ended 31 March 2021. The financial performance of the State has been assessed based on the Fiscal Responsibility and Budgetary Management Act, Budget Documents, Economic Review 2020-21, Fifteenth Finance Commission Report and other financial data obtained from various Government Departments and organisations.

Report

The Report is structured in four Chapters:

Chapter 1-Overview: This Chapter describes the basis and approach to the Report and the underlying data, provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficits/surplus.

Chapter 2-Finances of the State: This chapter provides 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 mainly on the Finance Accounts of the State.

Chapter 3-Budgetary Management: This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.

Chapter 4-Quality of Accounts & Financial Reporting Practices: This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.

Achievements of the State Government

The outstanding guarantee to estimated receipts ratio (37.64 *per cent*) during 2020-21 was within the limit fixed under FRBM Act (60.00 *per cent*).

(Paragraph 2.7.2)

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.

(Paragraph 4.9)

Audit findings

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 Debt to GSDP.

Fiscal Deficit as a percentage of GSDP increased from 3.77 *per cent* in 2019-20 to 6.20 *per cent* in 2020-21, which was higher than the target of three *per cent* as prescribed under FRBM Act, 2005.

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. However, the Revenue Deficit of the State Government was ₹44,001 crore during the year 2020-21.

During 2020-21, the fiscal liability (total outstanding debt) to GSDP ratio (42.37 *per cent*) was higher than the FRBM target (38.20 *per cent*).

(Paragraph 1.5)

Finances of the State

Revenue Receipts decreased by ₹5,805.93 crore (4.14 *per cent*) over the previous year, however Revenue Expenditure increased by ₹1,824.31 crore (1.03 *per cent*) over the previous year leading to an increase in the Revenue Deficit.

(Paragraph 2.3.2.1 and 2.4.2)

Capital Outlay increased by ₹552.44 crore (3.75 *per cent*) over the previous year.

(Paragraph 2.4.3.1)

Budgetary Management

Budgetary assumptions of the State Government were not realistic during 2020-21 and despite carrying out an elaborate pre-budget exercise to bring out efficiency and transparency in budget formulation and execution, budgetary estimates were off the mark to a considerable extent, and control over the execution and monitoring of budget was inadequate.

Budgetary savings of ₹ 27,052 crore (10.08 *per cent*) occurred during the year and Supplementary Grants of ₹ 36,253.96 crore proved excessive. Further, during the period 2016-17 to 2019-20 the supplementary provisions continuously proved unnecessary. Despite flagging these issues every year over the last several years, the State Government has failed to take corrective measures in this regard.

Explanations were not provided to the Accountant General (A&E) for variations in expenditure vis-à-vis allocations. Instances of persistent savings under grants were noticed during the year despite PAC recommendations in this regard.

(Paragraph 3.5.1)

Quality of Accounts & Financial Reporting Practices

Un-transferred amount of cess/surcharge to the reserve fund/deposit fund indicates that revenue/fiscal deficit of the State Government is understated to the extent of non-transferred amount and represents the outstanding liability of the State Government.

(Paragraph 4.1)

Non-submission of Utilisation Certificates and Detailed Contingent bills by departments for funds drawn for specific developmental programmes/projects and non-submission of accounts by State PSUs was in contravention of prescribed financial rules and directives pointing to inadequate internal controls and monitoring mechanism of the State Government.

(Paragraphs 4.4, 4.5 and 4.13)

MAIN REPORT

Chapter I: Overview

1.1 Profile of the State

Rajasthan with a geographical area of 3.42 lakh square kilometers is the largest state in the country. It is situated in the north-western part of the country and is surrounded by the states of Punjab, Haryana and Uttar Pradesh in the north and north-east, Madhya Pradesh in the south-east and Gujarat in the south-west. It also has a long international frontier with Pakistan. The state has varied climatic conditions ranging from semi-arid to arid. Administratively, it is divided into 7 divisions and 33 districts.

The key indicators of the State are given in **Table 1.1** and **Appendix 1.1**.

Table 1.1: Key indicators of the State

S. No.	Indicators	Year	Unit	Rajasthan	India
1.	Geographical Area*	2011	Lakh Sq. Km.	3.42	32.87
2.	Population [^]	2011	Crore	6.92	122.02
3.	Decadal Growth Rate [^]	2011-2021	Percentage	15.28	12.30
4.	Population Density ^{^^}	2011	Population per Sq. Km.	200	382
5.	Urban Population to total population*	2011	Percentage	24.9	31.1
6.	Sex Ratio*	2011	Females per 1,000 Males	928	943
7.	Literacy Rate ^{&}	2011	Percentage	66.10	73.00
8.	Per Capita Income	2020-21	in ₹	1,09,386*	1,28,829 ^{\$}
9.	Per Capita GSDP/GDP ^{\$}	2020-21	in ₹	1,21,468	1,45,680
10.	Infant Mortality Rate ^{&&}		Per 1,000 live births	35.00	30.00
11.	Life Expectancy at birth ^{&&&}	2014-2018	Years	68.70	69.40
12.	Population Below Poverty Line (BPL) ^{\$}		Percentage	14.71	21.92

* *Economic Review 2020-21, Government of Rajasthan (GoR)*

[^] *Report of the Technical Group on Population Projections for India and States (2011-2036), Office of the Registrar General and Census Commissioner.*

^{^^} *Office of the Registrar General and Census Commissioner.*

[&] *Census 2011*

^{\$} *Ministry of Statistics and Program Implementation, GoI*

^{&&} *SRS Bulletin, October 2021*

^{&&&} *SRS Abridged Life Table 2014-18 (September 2020)*

It is evident from the above table that the percentage of population below the poverty line was 14.71 *per cent* which was less than the All India average of 21.92 *per cent*. The literacy rate was 6.90 percentage points below the All India average of 73 *per cent*. During 2020-21, per capita income of the State stood at ₹1,09,386, lower than the All India per capita income of ₹1,28,829.

1.1.1 Gross State Domestic Product of Rajasthan

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

is an important indicator of the State's economy, as it denotes the extent of changes in the level of economic development of the State over a period of time.

The trends in the annual growth rate of the GSDP as compared to Gross Domestic Product (GDP) at current prices are indicated in **Table 1.2**.

Table 1.2: Trends in GSDP compared to the GDP at current prices

(₹ in crore)						
S. No.	Year	2016-17	2017-18	2018-19	2019-20	2020-21
1.	GDP* (2011-12 Series)	1,53,91,669	1,70,90,042	1,88,86,957	2,03,51,012	1,97,45,670 [@]
2.	Growth rate of GDP over previous year (in per cent)	11.76	11.03	10.51	7.75	(-) 2.97
3.	GSDP** (2011-12 Series)	7,60,587	8,28,661	9,21,789 ^Σ	9,98,999 [£]	9,57,912 ^{##}
4.	Growth rate of GSDP over previous year (in per cent)	11.61	8.95	11.24	8.38	(-) 4.11

* Central Statistical Office (CSO), Ministry of Statistics & Programme Implementation.

** Economic Review (2020-21) by Directorate of Economics and Statistics, GoR.

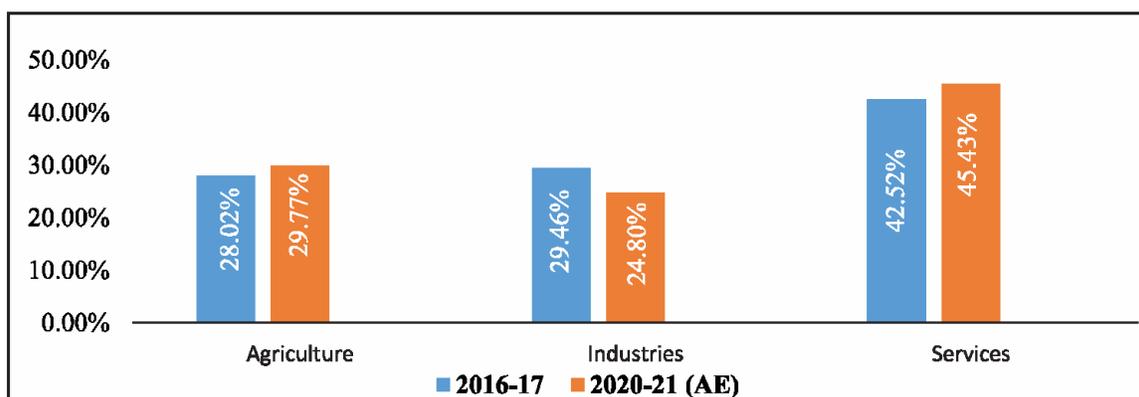
Advance Estimates, Σ Revised Estimate-II, £ Revised Estimate-I, @ Provisional Estimate

As can be seen from the table above, during 2018-19 and 2019-20, the GSDP of Rajasthan grew at a higher rate in comparison to the GDP growth rate. During 2020-21, GSDP registered negative growth rate due to lockdown imposed in the state because of COVID-19 pandemic. The decline in GSDP was greater than the decline in GDP.

Change in sectoral contribution to GSVa at current prices (2016-17 to 2020-21)

Chart 1.1 reveals that during the five-year period from 2016-17 to 2020-21, there has been a significant decrease in the relative share of Industries in Gross State Value Added (GSVA), reducing from 29.46 per cent in 2016-17 to 24.80 per cent in 2020-21. However, increase in the relative share of Services and Agriculture sectors was witnessed during current year in comparison to 2016-17.

Chart 1.1: Change in sectoral contribution to GSVa at current prices (2016-17 and 2020-21)



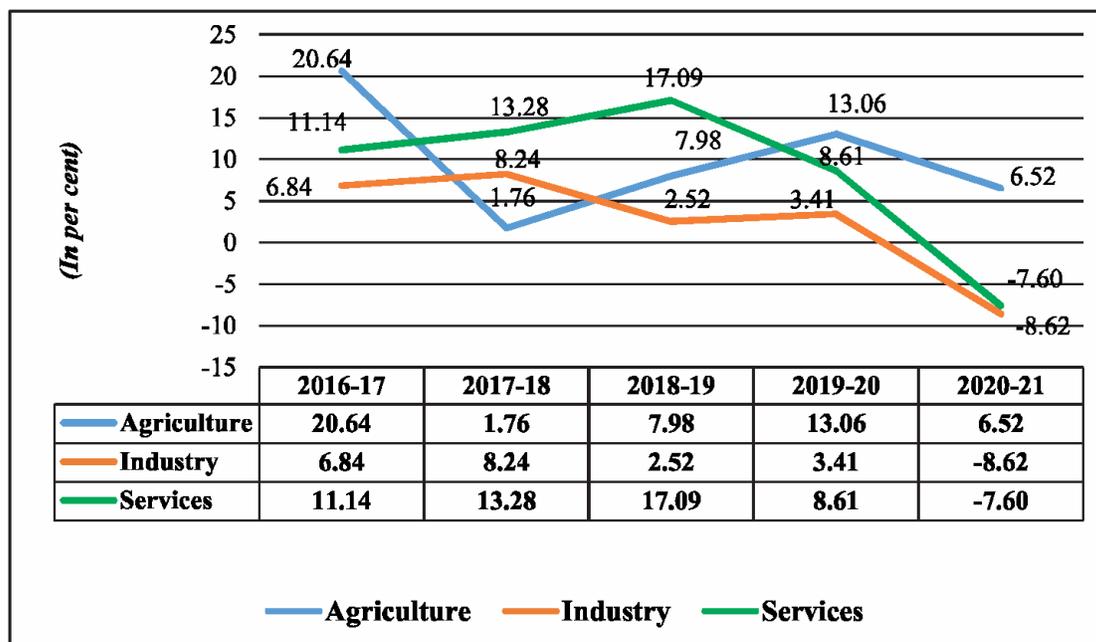
Source: Economic Review (2020-21), GoR

Sectoral growth in GSVa at current prices

During 2020-21, there was a decline in the growth rate of Agriculture, Industry and Service sectors in comparison with the previous year, as can be seen from **Chart 1.2**.

The rate of growth in Agriculture nearly halved compared to the previous year, while Industry and Services sectors registered negative growth.

Chart 1.2: Sectoral growth in GSVA at current prices (2016-17 to 2020-21)



1.2 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.

Accountant General (Accounts & Entitlement) prepares the Finance Accounts and Appropriation Accounts of the State annually, from the vouchers, challans and initial and subsidiary accounts rendered by the treasuries, offices and departments responsible for keeping of such accounts functioning under the control of the State Government and the statements received from the Reserve Bank of India. These accounts are audited independently by the Accountant General (Audit-I) and certified by the CAG.

Finance Accounts and Appropriation Accounts of the State for the year 2020-21 constitute the core data for this State Finances Audit Report (SFAR). Other sources include the following:

- Budget of the State for the year 2020-21– both for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating

the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;

- Results of audit carried out by the Office of the Accountant General (Audit-I), Rajasthan at the State Government as well as at the field level during the year;
- Other data with Departmental Authorities and Treasuries (accounting as well as IFMS);
- GSDP data and other State related statistics from the Directorate of Economics and Statistics, GoR and
- Various audit reports of the CAG of India prepared during the period 2015-21.

The analysis is also carried out in the context of recommendations of the XV Finance Commission (FC), State Financial Responsibility and Budget Management (FRBM) Act, best practices and guidelines of the Government of India.

1.3 Report Structure

The SFAR is structured into the following four Chapters:

Chapter - 1	Overview This Chapter describes the basis and approach of the Report, provides an overview of the structure of government accounts, budgetary processes, macro analysis of key indices for the State's fiscal position including the deficit/surplus.
Chapter - II	Finances of the State This chapter provides 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 period from 2016-17 to 2020-21, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
Chapter - III	Budgetary Management This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.
Chapter - IV	Quality of Accounts & Financial Reporting Practices This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.

1.4 Overview of Government Accounts Structure and Budgetary Processes

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 extended by the Reserve Bank of India and all moneys received by the State Government as repayment of loans. No moneys can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (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 expenditure (Voted expenditure) is voted by the 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 advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure 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 Account of the State (Article 266(2) of the Constitution of India)

Apart from above, all other public moneys 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 repayables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and 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 Legislature.

There is a constitutional requirement (Article 202) to present before the House or Houses of the Legislature of the State, a statement of estimated receipts and expenditures of the government in respect of every financial year. This 'Annual Financial Statement' constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

Revenue receipts consist of tax revenue, non-tax revenue, share of Union Taxes/Duties, 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 which are 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.;
- **Non-debt receipts:** Proceeds from disinvestment, Recoveries of loans and advances;

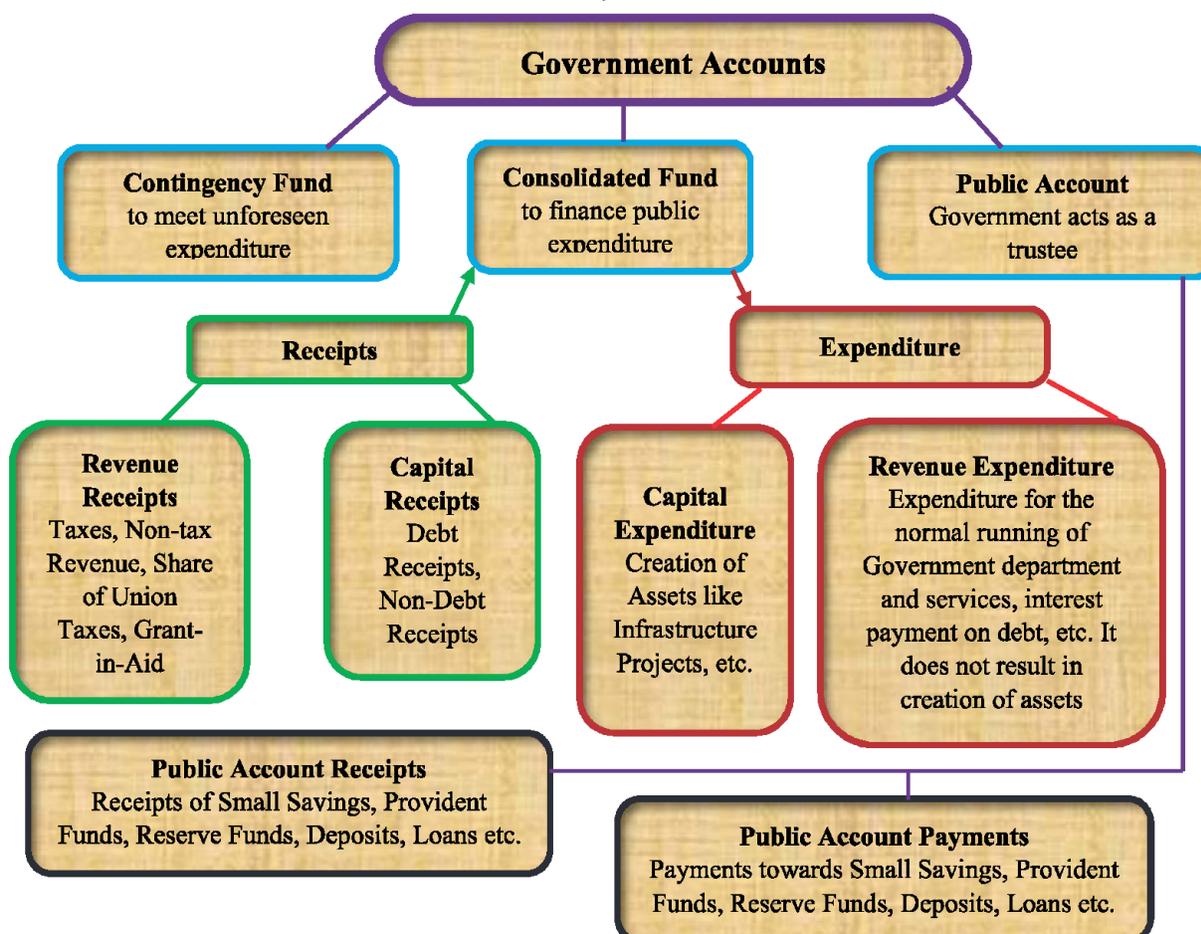
Capital Expenditure includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares, and loans and advances by the government to PSUs and other parties.

At present, we have an accounting classification system in government that is both functional and economic.

	Attribute of transaction	Classification
Standardized in LMMH by CGA	Function- Education, Health, etc./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, etc. (2-digit)

The functional classification lets us know the department, function, scheme or programme and object of the expenditure. Economic classification helps organize 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 for revenue receipts, 2 and 3 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.

Chart 1.3: Structure of Government Accounts



Fund based accounting coupled with functional and economic classification of transactions facilitates in-depth analysis of Government activities/transactions and enables Legislative oversight over public finances.

Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of Rajasthan caused to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year 2020-21, in the form of an Annual Financial Statement (referred to as Budget) with estimates of expenditure

- charged upon the Consolidated Fund of the State;
- the sums required to meet other expenditure proposed to be made from the Consolidated Fund of the State and expenditure on Revenue Account distinguished from other expenditure.

In terms of Article 203, the above was submitted to the State Legislature in the form of 55 Demands for Grants/Appropriations and after approval of these, the Appropriation Bill was passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

As mentioned in **Paragraph 1.2**, Finance Accounts and Appropriation Accounts encompass the core data for preparation of the SFAR. These Accounts are based on actual receipts and expenditure of the State during the year 2020-21 including various inter-governmental and other adjustments carried out by the Reserve Bank of India (RBI). Considering that these receipts and expenditure are estimated in the budget and the expenditure has been approved by the State Legislature, it is important to study the budget of the State for 2020-21 closely and analyse the actual receipts and expenditure during the year with reference to the projections made in the budget.

The State Budget Manual details the budget formulation process and guides the State Government in preparing its budgetary estimates and monitoring its expenditure activities. Results of audit scrutiny of budget and implementation of other budgetary initiatives of the State Government are detailed in **Chapter 3** of this Report.

1.4.1 Snapshot of Finances

The following table provides the details of actual financial results vis-a-vis Budget Estimates for the year 2020-21 vis-a-vis actuals of 2019-20.

Table 1.3: Budget Estimates for the year 2020-21 vis a vis actuals of 2019-20 and 2020-21

(₹ in crore)						
S. No.	Components	2019-20 Actual	2020-21 BE	2020-21 Actual	Percentage of Actuals to BE	Percentage of Actuals to GSDP
1	2	3	4	5	6	7
1	Own Tax Revenue	59,245	77,029	60,283	78.26	6.29
2	Non-Tax Revenue	15,714	19,596	13,653	69.67	1.43
3	Share of Union Taxes/ duties (a)	36,049	46,886	35,576	75.88	3.71
4	Grants-in-aid and Contributions	29,106	29,893	24,796	82.95	2.59
5	Revenue Receipts (1+2+3+4)	1,40,114	1,73,404	1,34,308	77.45	14.02
6	Recovery of Loans and Advances	15,670	752	373	49.60	0.04

S. No.	Components	2019-20 Actual	2020-21 BE	2020-21 Actual	Percentage of Actuals to BE	Percentage of Actuals to GSDP
1	2	3	4	5	6	7
7	Miscellaneous Capital Receipts	20	30	14	46.67	0.00
8	Borrowings and other Liabilities (b)	37,654	33,923	59,376	175.03	5.72 ¹
9	Capital Receipts (6+7+8)	53,344	34,705	59,763	172.20	6.24
10	Total Receipts (5+9)	1,93,458	2,08,109	1,94,071	93.25	20.26
11	Revenue Expenditure of which	1,76,485	1,85,750	1,78,309	95.99	18.61
12	Interest payments	23,643	25,494	25,202	98.85	2.63
13	Grant in Aid for creation of capital assets	5,198	-	990	-	0.54
14	Capital Expenditure of which (c)	16,973	22,359	15,762	70.50	1.65
15	Capital Outlay	14,718	21,619	15,271	70.64	1.59
16	Loan and Advances	2,255	740	491	66.35	0.05
17	Total Expenditure (11+14)	1,93,458	2,08,109	1,94,071	93.25	20.26
18	Revenue Deficit (5-11)	36,371	12,346	44,001	356.40	4.59
19	Effective Revenue Deficit (18-13)	31,173	-	43,011	-	3.25
20	Fiscal Deficit {17-(5+6+7)}	37,654	33,923	59,376	175.03	6.20
21	Primary Deficit (20-12)	14,011	8,429	34,174	405.43	3.57

Source: Finance Account and budget document.

- (a) Includes State's share of Union Taxes.
- (b) Borrowings and Other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance. Effective Borrowings and Other Liabilities would be ₹54,772 crore as the Department of Expenditure, GOI had decided that GST compensation of ₹4,604 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.
- (c) Expenditure on Capital Account includes Capital Expenditure and Loans and Advances disbursed.

GST Compensation is the revenue of the State Government under GST (Compensation to States) Act, 2017. However, in addition to receiving the GST compensation of ₹ 2,957.37 crore as revenue receipts, due to inadequate balance in GST compensation fund during the year 2020-21 Rajasthan also received back-to-back loan of ₹ 4,604 crore under debt receipts of the State Government, with no repayment liability for the State. Due to this arrangement, the revenue deficit of ₹ 44,001 crore and fiscal deficit of ₹59,376 crore during the year 2020-21 may be read in conjunction with debt receipt of ₹ 4,604 crore in lieu of GST compensation.

1. Arrived at after exclusion of GST compensation of ₹ 4,604 crore received as back to back loans under debt receipts from the total outstanding liabilities.

1.4.2 Snapshot of Assets and Liabilities of the Government

Government accounts 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 and the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances. Table 1.4 and Appendix 1.2 give an abstract of such liabilities and assets as on 31 March 2021.

Table 1.4: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities				Assets					
	2019-20	2020-21	Per cent increase/decrease (-)		2019-20	2020-21	Per cent increase/decrease (-)		
Consolidated Fund									
A	Internal Debt	2,42,077.41	2,84,788.78	17.64	a	Gross Capital Outlay	2,02,806.46	2,18,062.87	7.52
B	Loans and Advances from GoI	17,302.50	23,532.15	36.00	b	Loans and Advances	9,847.92	9,965.41	1.19
Contingency Fund									
	Contingency Fund	500.00	500.00	-					
Public Account									
A	Small Savings, Provident Funds, etc.	51,468.62	56,325.69	9.44	a	Advances	3.21	3.17	(-) 1.25
B	Deposits	33,842.46	36,713.81	8.48	b	Remittance	10.37	-	(-) 100.00
C	Reserve Funds	9,881.68	11,242.77	13.77	c	Suspense and Miscellaneous	120.15	4.06	(-) 96.62
D	Remittances	-	1.50			Cash balance (including investment in Earmarked Fund)	7,704.41	6,487.51	(-) 15.79
						Total	2,20,492.52	2,34,523.02	6.36
						Deficit in Revenue Account	1,34,580.15	1,78,581.68	32.70
	Total	3,55,072.67	4,13,104.70	16.34		Total	3,55,072.67	4,13,104.70	16.34

Source: Finance Accounts

It can be seen from the above table that during 2020-21, assets increased by 6.36 per cent, while liabilities increased by 16.34 per cent over the previous year.

1.5 Fiscal Balance: Achievement of deficit and total debt targets

Nature of deficit is an indicator of the prudence of the fiscal management of the Government. Further, the ways in which the deficits are financed and the application of the resources raised are important pointers to the fiscal health of the state. This Section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis targets set under Rajasthan FRBM Act/Rules for the financial year 2020-21.

In pursuance of recommendations of the Twelfth Finance Commission, the State Government had enacted its 'Fiscal Responsibility and Budgetary Management Act 2005', with a view to ensure prudence in fiscal management and to maintain fiscal stability in the State. It was amended in the years 2011, 2016 and 2021. The Fourteenth Finance Commission (XIV-FC) had also suggested fiscal consolidation roadmap for the state. Further, the Fifteenth Finance Commission (XV-FC) stated that the State Governments should comply with the recommended path of debt consolidation and in doing so, they must abide by the definition of both debt and fiscal deficit as contained in the FRBM Act, which recognises issues connected with off-budget borrowings, contingent liabilities and guarantees.

Review of fiscal situation of the state revealed the following:

(i) As per provisions contained in Section 6(a) of 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. However, the State Government could maintain the revenue surplus only during the years 2011-12 and 2012-13 and thereafter there has been revenue deficit during last eight consecutive years upto 2020-21.

The Budget Estimates (BE), Revised Estimates (RE) and Actual figures in respect of Revenue Deficit/Surplus during the last six years are summarised below:

Table 1.5: Position of Revenue deficits/surplus in the context of BE/RE and Actual

(₹ in crore)

S.No.	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1.	Budget Estimates	(+) 557	(-) 8,802	(-)13,528	(-)17,455	(-) 27,015	(-) 12,346
2.	Revised Estimates	(-) 5232	(-)17,838	(-)20,166	(-)24,825	(-) 28,041	(-) 41,722
3.	Actual	(-) 5,954	(-)18,114	(-)18,535	(-)28,900	(-)36,371	(-) 44,001

Source: Finance Accounts and budget document.

Note: Deficit/surplus have been shown including the impact of UDAY² during the years 2016-17 to 2019-20.

It is seen from the above table that the revenue deficit stood at ₹44,001 crore which was more than three times the projection made in BE (₹ 12,346 crore) and higher than RE (₹ 41,722 crore). The above table also indicates that the formulation of BE for this was deficient as there was regular and significant fall in RE and actual in comparison to BE during these years.

State Government was unable to contain revenue deficit to budgeted estimates during 2020-21 as the actual revenue receipt declined to ₹ 1,34,308 crore (including ₹ 5,633 crore received from Government of India on account of compensation for loss of revenue arising out of implementation of GST) against ₹ 1,73,404 crore in BE i.e. 22.55 per cent (₹ 39,096 crore) whereas the actual revenue expenditure decreased to ₹ 1,78,309 crore against ₹ 1,85,750 crore in BE i.e 4.01 per cent only (₹ 7,441 crore).

Thus greater fall in revenue receipt than budgeted and relatively less control over expenditure led to increase in revenue deficit.

2. Ujwal DISCOM Assurance Yojana (UDAY) is the financial turnaround and revival package for electricity distribution companies (DISCOMs) initiated by the Government of India with the intent to find a permanent solution to the financial mismanagement.

(ii) Section 6 (b) of the FRBM Act (as amended in 2011), envisaged achieving fiscal deficit of 3 per cent of GSDP by the financial year 2011-12 and thereafter to maintain the said ratio or reduce it.

The following table shows the trend of fiscal deficit-GSDP ratio during the last three years:

Table 1.6: Position of Fiscal deficit in the context of BE/RE and Actual

(In per cent)

S. No.	Years	Budget Estimates	Revised Estimates	Actual
1.	2018-19	2.98	3.39	3.74
2.	2019-20	3.19	3.16	3.77
3.	2020-21	2.99	6.12	6.20

Source: BE and RE from Budget documents

Thus, it is observed that fiscal deficit as percentage of GSDP during 2020-21 was much higher than the target of 3 per cent prescribed under the FRBM Act. The fiscal deficit stood at ₹59,376 crore which was higher than the projections in BE (₹ 33,923 crore) and RE (₹ 58,608 crore).

Further, considering the unprecedented COVID-19 pandemic, Government of India, in order to strengthen the resources in the hands of State Governments, decided (May 2020) to provide additional Borrowing Limit of upto 2 per cent of GSDP for the year 2020-21.

Though the FRBM Act was amended (March 2021) to increase the target of debt-GSDP ratio, the target for Fiscal Deficit remained unchanged.

(iii) The State Government amended (March 2021) the provisions of Section 6(c) of the FRBM Act and prescribed the limit of total outstanding debt up to 38.20 per cent of GSDP within a period of six years beginning from 1 April 2020 and thereafter to maintain the said ratio or reduce it. However, the Debt-GSDP ratio during 2020-21 was 42.37 per cent³.

Table 1.7: Compliance with provisions of FRBM Act

(₹ in crore)

S. No.	Fiscal Parameters	Fiscal targets set in the Act	Achievement				
			2016-17	2017-18	2018-19	2019-20	2020-21
1.	Revenue Deficit (-) / Surplus (+)	Revenue Surplus	(-)18,114	(-)18,535	(-)28,900	(-)36,371	(-)44,001
			×	×	×	×	×
2.	Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	Three per cent	(-)46,318 (6.09)	(-)25,342 (3.06)	(-)34,473 (3.74)	(-)37,654 (3.77)	(-)59,376 (6.20)
			×	×	×	×	×
3.	Ratio of total outstanding debt to GSDP (in per cent)	Target	36.50	35.50	35.00	34.00	38.20
		Achievement	33.53	33.93	33.78	35.31	42.37 ³
			✓	✓	✓	×	×

3. Arrived at after exclusion of GST compensation of ₹ 4,604 crore received as back to back loans under debt receipts from the total outstanding liabilities.

The ratio of total outstanding debt to GSDP as per the Finance Accounts is 42.85 *per cent*. However, the effective debt to GSDP ratio (42.37 *per cent*) has been arrived at after excluding GST compensation of ₹ 4,604 crore received as back to back loan under debt receipts from the total outstanding liabilities as the Department of Expenditure, GoI has decided that it will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

Comparison of targets for fiscal parameters projected in Medium Term Fiscal Plan (MTFP) presented to the State Legislature with actuals for the current year is provided in the table below:

Table 1.8: Actuals vis-à-vis projection in MTFP for 2020-21

(₹ in crore)				
S. No.	Fiscal Variables	Projection as per MTFP	Actuals (2020-21)	Variation (in <i>per cent</i>)
1	Own Tax Revenue	77,029	60,283	(-)21.74
2	Non-Tax Revenue	19,596	13,653	(-)30.33
3	Share of Central Taxes	46,886	35,576	(-)24.12
4	Grants -in-aid from GoI	29,893	24,796	(-) 17.05
5	Revenue Receipts (1+2+3+4)	1,73,404	1,34,308	(-) 22.55
6	Revenue Expenditure	1,85,750	1,78,309	(-) 4.01
7	Revenue Deficit (-)/Surplus (+) (5-6)	(-) 12,346	(-) 44,001	256.40
8	Fiscal Deficit (-)/ Surplus (+)	(-) 33,923	(-)59,376	75.03
9	Debt-GSDP ratio (<i>per cent</i>)	33.12	42.37 ⁴	27.92
10	GSDP growth rate at current prices (<i>per cent</i>)	11.00	(-) 4.11	(-)137.36

Source: Finance Accounts and budget document.

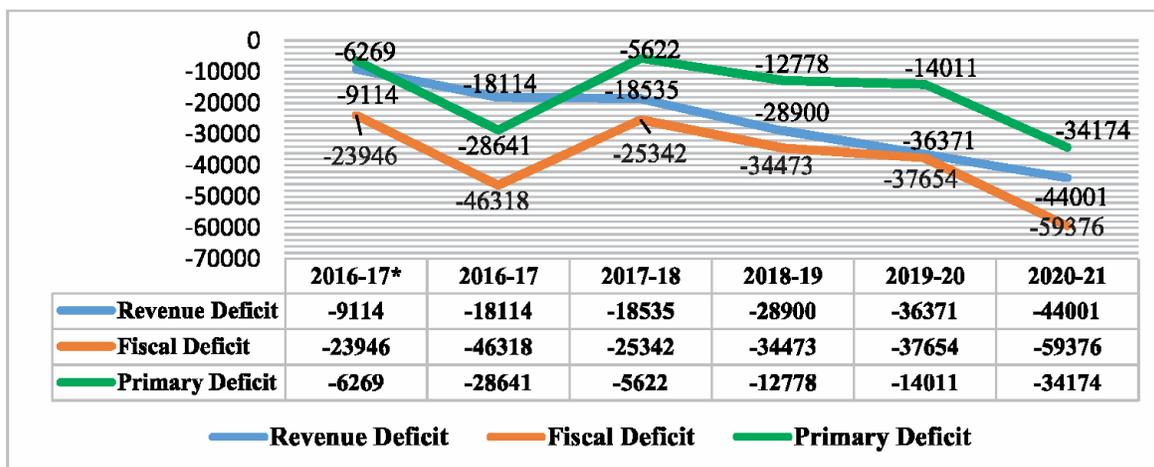
As can be seen from the table, the actuals in relation to two key fiscal parameters i.e., Revenue Deficit and Fiscal Deficit exceeded the projections of MTFP and projections relating to Debt-GSDP ratio and growth rate of GSDP were also not met, with the year ending with a higher Debt to GSDP ratio and lower growth in GSDP than was projected in the MTFP.

Charts 1.4 and 1.5 present the trends in deficit indicators over the period 2016-21.

4. Arrived at after exclusion of GST compensation of ₹ 4,604 crore received as back to back loan under debt receipts from the total outstanding liabilities.

Chart 1.4: Trends in deficit parameters

₹ in crore)



* Without UDAY.

Chart 1.5: Trends in Deficit Indicators (with UDAY) Relative to GDP

(In per cent to GDP)

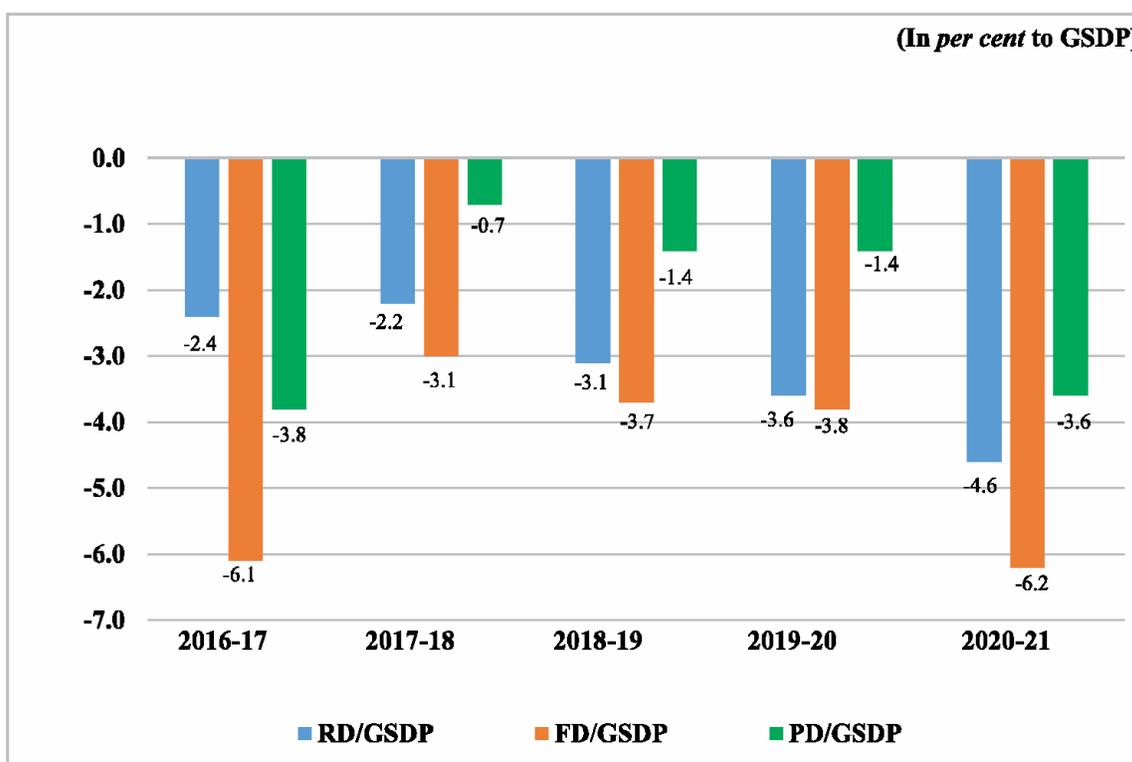
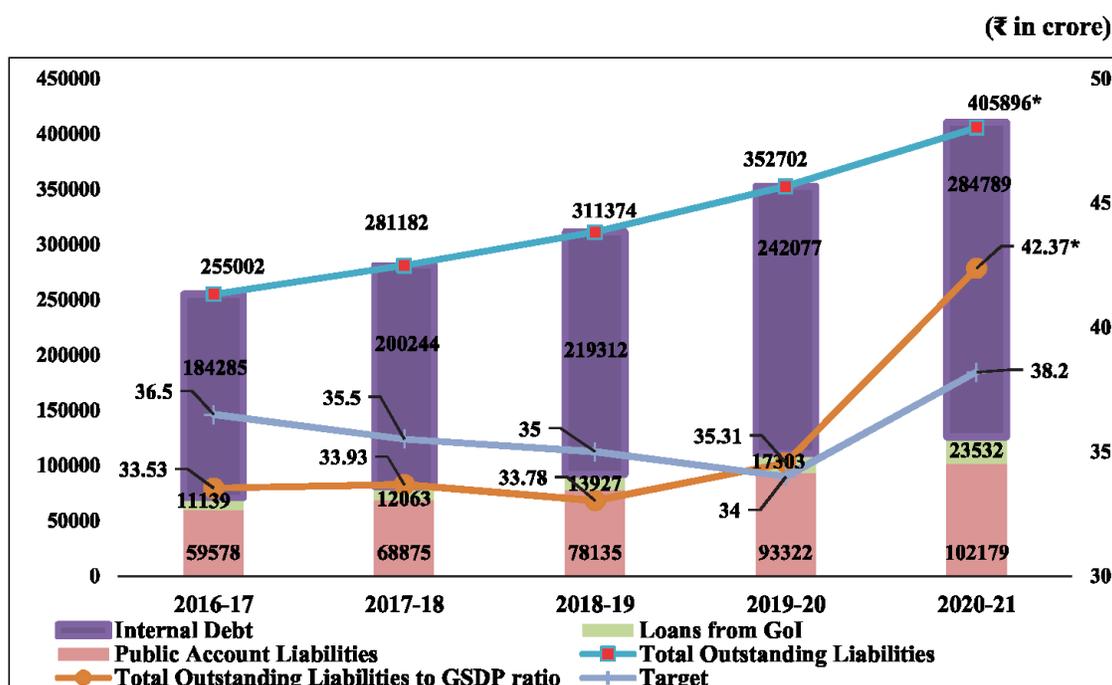


Chart 1.6: Trends in Fiscal Liabilities and GSDP



* Arrived at after exclusion of GST compensation of ₹ 4,604 crore received as back to back loan under debt receipts from the total outstanding liabilities.

During 2020-21, fiscal liabilities increased by 16.39 per cent (₹57,798 crore) over the previous year due to increase in Internal Debt by 17.64 per cent (₹42,712 crore), Public Account Liabilities by 9.49 per cent (₹ 8,857 crore) and Loans and Advances from GoI by 36.00 per cent (₹ 6,229 crore). Increase in Loans and Advances from GoI from ₹ 17,303 crore in 2019-20 to ₹ 23,532 crore in 2020-21 was due to receipt of ₹ 4,604 crore under “back to back loan to states in lieu of GST compensation shortfall”.

The fiscal liabilities of ₹ 4,05,896 crore⁵ existing on 31 March 2021, included outstanding borrowings of ₹ 37,825 crore under UDAY, on account of the issue of Non-Statutory Liquidity Ratio (SLR) Bonds and forfeited Bonds which constituted Internal Debt of the State Government.

During 2020-21, the fiscal liability (total outstanding debt) to GSDP ratio (42.37 per cent⁶) was higher than the FRBM target (38.2 per cent), as well as the MTFP target (33.12 per cent) of the State Government.

1.6 Deficits and Total Debt after examination in audit

In order to present a better picture of State Finances, there is a tendency to classify revenue expenditure as capital expenditure and to conduct off-budget fiscal operations.

5. After excluding GST compensation of ₹ 4,604 crore received as back to back loans under debt receipts.
6. Arrived at after exclusion of GST compensation of ₹ 4,604 crore received as back to back loan under debt receipts from the total outstanding liabilities.

1.6.1 Post audit - Deficits

Misclassification of revenue expenditure as capital and off budget fiscal operations impact deficit figures. Besides, deferment of clear-cut liabilities, not depositing cess/royalty to Consolidated Fund, short contribution to New Contributory Pension Scheme (NPS), sinking and redemption funds, etc. also impact the revenue and fiscal deficits. In order to arrive at actual deficit figures, the impact of such irregularities need to be reversed.

Table 1.9: Revenue and Fiscal Deficit, post examination by Audit

(₹ in crore)

S. No.	Particulars	Impact on Revenue Deficit		Impact on Fiscal Deficit	
		Overstated	Understated	Overstated	Understated
1.	Non-credit of interest on interest bearing Reserve Funds and Deposits	-	8.61	-	8.61
2.	Short transfer of employees and Government contribution to NSDL under Defined Contribution Pension Scheme	-	40.29	-	40.29
3.	Non-transfer of Central Road Fund	-	141.81	-	141.81
4.	Short transfer of Cess on Petrol and Diesel	-	165.16	-	165.16
5.	Transfer of Water Conservation Cess	72.47	-	72.47	-
6.	Excess transfer of Labour Cess	45.27	-	45.27	-
7.	Short transfer of surcharge to Rajasthan Cow Protection and Promotion Fund	-	480.18	-	480.18
8.	Non-transfer of grant to Urban Local Bodies (ULBs)	-	281.00	-	281.00
9.	Off budget operations: Additional guarantee given to Zila Parishads	-	-	-	50.41
	Total (net) understatement		999.31		1,049.72

Source: Finance Accounts and audit analysis

It is evident that the State Government short transferred ₹ 999.31 crore during the year 2020-21 and also resorted to off-budget fiscal operations by adding guarantee of ₹ 50.41 crore to the outstanding balances of guarantees given to Zila Parishads, thus, understating the revenue deficit by ₹ 999.31 crore and fiscal deficit by ₹ 1,049.72 crore.

1.6.2 Post Audit - Total Public Debt

According to Rajasthan FRBM Act, 2005, the total liability means the explicit liabilities under Consolidated Fund of the State and the Public Account of the State including General Provident Fund.

Table 1.10: Overall debt, post examination by Audit

1.		Overall Debt (₹ 4,05,895.46 crore ⁷)	as a percentage of GSDP (42.37 per cent ⁸)
2.	Impact on overall Debt (Understated) due to: (₹ in crore)		
a.	Off budget fiscal operations such as borrowings by 'Various <i>Zila Parishads</i> on behalf of the State Government where the principal and/ or interest are to be serviced out of the State budgets.	1,804.41	0.19
	Total of 2	1,804.41	0.19
	Total of (1 + 2)	4,07,699.87	42.56⁸

Thus, taking into account the off-budget borrowings of the State, the total outstanding debt at the end of March 2021 worked out to ₹ 4,07,699.87 crore against ₹ 4,05,895.46 crore⁷. Consequently, the overall debt as a percentage of GSDP at the end of the year was understated by 0.19 per cent.

7. After excluding GST compensation of ₹ 4,604 crore received as back to back loans under debt receipts.

8. Arrived at after exclusion of GST compensation of ₹ 4,604 crore received as back to back loan under debt receipts from the total outstanding liabilities.

Chapter II: Finances of the State

Introduction

This chapter provides 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 five-year period from 2016-17 to 2020-21, debt sustainability of the State and key Public Account transactions, based on the Finance Accounts of the State and the information provided by the State Government.

2.1 Major changes in Key fiscal aggregates vis-à-vis 2019-20

Table 2.1 presents the summary of the State Government's fiscal aggregates and Appendix 2.1 provides an abstract of receipts and disbursements during 2020-21 vis-à-vis 2019-20. Each of these indicators would be analysed in the succeeding paragraphs.

Table 2.1: Summary of Fiscal aggregates in 2020-21 compared to 2019-20

(₹ in crore)					
Receipts			Disbursements		
	2019-20	2020-21		2019-20	2020-21
Section-A: Revenue Account					
Tax Revenue	59,244.98	60,283.44	General Services	56,186.29	60,143.84
Non-Tax Revenue	15,714.16	13,653.02	Social Services	68,313.23	74,009.59
Share of Union Taxes/ Duties	36,049.14	35,575.77	Economic Services	51,985.51	44,155.91
Grants-in-aid from Government of India	29,105.53	24,795.65	Grants-in-aid and Contributions	0.07	0.07
Total Section-A Revenue Receipts	1,40,113.81	1,34,307.88	Total Section-A Revenue Expenditure	1,76,485.10	1,78,309.41
Section-B: Capital Account and others					
Miscellaneous Capital Receipts	20.42	14.08	Capital Outlay	14,718.05	15,270.49
			General Services	463.42	398.17
			Social Services	5,489.68	7,641.58
			Economic Services	8,764.95	7,230.74
Recoveries of Loans and Advances	15,669.75	373.52	Loans and Advances disbursed	2,255.18	491.01
Public Debt Receipts*	46,173.72	89,964.01	Repayment of Public Debt*	20,032.69	41,022.99
Contingency Fund	-	-	Contingency Fund	-	-
Public Account Receipts#	1,93,165.05	2,08,446.75	Public Account Disbursements#	1,79,741.07	1,99,229.24
Opening Cash Balance	5,793.75	7,704.41	Closing Cash Balance	7,704.41	6,487.51
Total Section-B Receipts	2,60,822.69	3,06,538.69	Total Section-B Disbursements	2,24,451.40	2,62,501.24
Grand Total (A +B)	4,00,936.50	4,40,810.65	Grand Total (A+B)	4,00,936.50	4,40,810.65

Source: Finance Accounts of the respective years

* Including net transaction under Ways and Means advances and overdraft. Effective Public Debt receipts would be ₹85,360.01 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹4,604 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

Figures of Public Account Receipts/Disbursements are shown on gross basis.

Variation in key fiscal aggregates in 2020-21 as compared to 2019-20

Revenue Receipts	<ul style="list-style-type: none"> ➤ Revenue receipts of the State decreased by 4.14 <i>per cent</i>. ➤ Own Tax receipts of the State increased by 1.75 <i>per cent</i>. ➤ Own Non-tax receipts decreased by 13.12 <i>per cent</i>. ➤ State's share of Union Taxes and Duties decreased by 1.31 <i>per cent</i>. ➤ Grants-in-Aid from Government of India decreased by 14.81 <i>per cent</i>.
Revenue Expenditure	<ul style="list-style-type: none"> ➤ Revenue expenditure increased by 1.03 <i>per cent</i>. ➤ Revenue expenditure on General Services increased by 7.04 <i>per cent</i>. ➤ Revenue expenditure on Social Services increased by 8.34 <i>per cent</i>. ➤ Revenue expenditure on Economic Services decreased by 15.06 <i>per cent</i>.
Capital Expenditure	<ul style="list-style-type: none"> ➤ Capital expenditure increased by 3.75 <i>per cent</i>. ➤ Capital expenditure on General Services decreased by 14.08 <i>per cent</i>. ➤ Capital expenditure on Social Services increased by 39.20 <i>per cent</i>. ➤ Capital expenditure on Economic Services decreased by 17.50 <i>per cent</i>.
Loans and Advances	<ul style="list-style-type: none"> ➤ Disbursement of Loans and Advances decreased by 78.23 <i>per cent</i>. ➤ Recoveries of Loans and Advances decreased by 97.62 <i>per cent</i>.
Public Debt	<ul style="list-style-type: none"> ➤ Public Debt Receipts increased by 94.84* <i>per cent</i>. ➤ Repayment of Public Debt increased by 104.78 <i>per cent</i>.
Public Account	<ul style="list-style-type: none"> ➤ Public Account Receipts increased by 7.91 <i>per cent</i>. ➤ Disbursement of Public Account increased by 10.84 <i>per cent</i>.
Cash Balance	<ul style="list-style-type: none"> ➤ Cash balance decreased by ₹ 1,216.90 crore (15.79 <i>per cent</i>) during 2020-21 in comparison to previous year.

* Effective increase in Public debt receipts would be 84.87 per cent after excluding ₹ 4,604 crore received as back to back loan in lieu of GST compensation from GoI.

2.2 Sources and Application of Funds

Table 2.2 compares the figures of sources and application of funds of the State during 2020-21 with 2019-20, while Charts 2.1 and 2.2 give the details of receipts into and expenditure from the Consolidated Fund during 2020-21 in percentage.

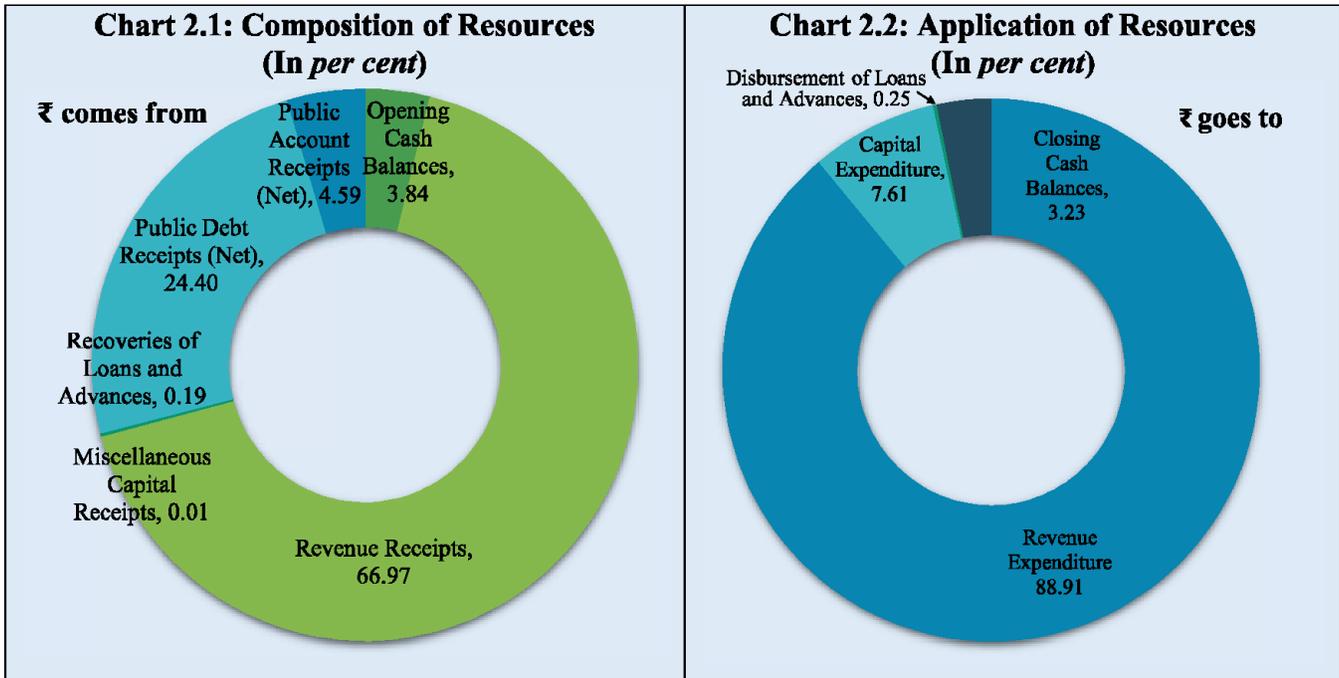
Table 2.2: Details of Sources and Application of funds during 2019-20 and 2020-21

(₹ in crore)				
	Particulars	2019-20	2020-21	Increase/Decrease
Sources	Opening Cash Balance with RBI	5,793.75	7,704.41	1,910.66
	Revenue Receipts	1,40,113.81	1,34,307.88	(-) 5,805.93
	Miscellaneous Capital Receipts	20.42	14.08	(-) 6.34
	Recoveries of Loans and Advances	15,669.75	373.52	(-) 15,296.23
	Public Debt Receipts (Net)	26,141.04	48,941.02*	22,799.98
	Public Account Receipts (Net)	13,423.98	9,217.51	(-) 4,206.47
	Total	2,01,162.75	2,00,558.42	(-) 604.33
Application	Revenue Expenditure	1,76,485.10	1,78,309.41	1,824.31
	Capital Expenditure	14,718.05	15,270.49	552.44

	Particulars	2019-20	2020-21	Increase/ Decrease
	Disbursement of Loans and Advances	2,255.19	491.01	(-) 1,764.18
	Closing Cash Balance with RBI	7,704.41	6,487.51	(-) 1,216.90
	Total	2,01,162.75	2,00,558.42	(-) 604.33

Source: Finance Accounts

* Effective Public Debt receipts (Net) would be ₹44,337.02 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹4,604 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. Accordingly, the increase would be ₹18,195.98 crore.



2.3 Resources of the State

The resources of the State are described below:

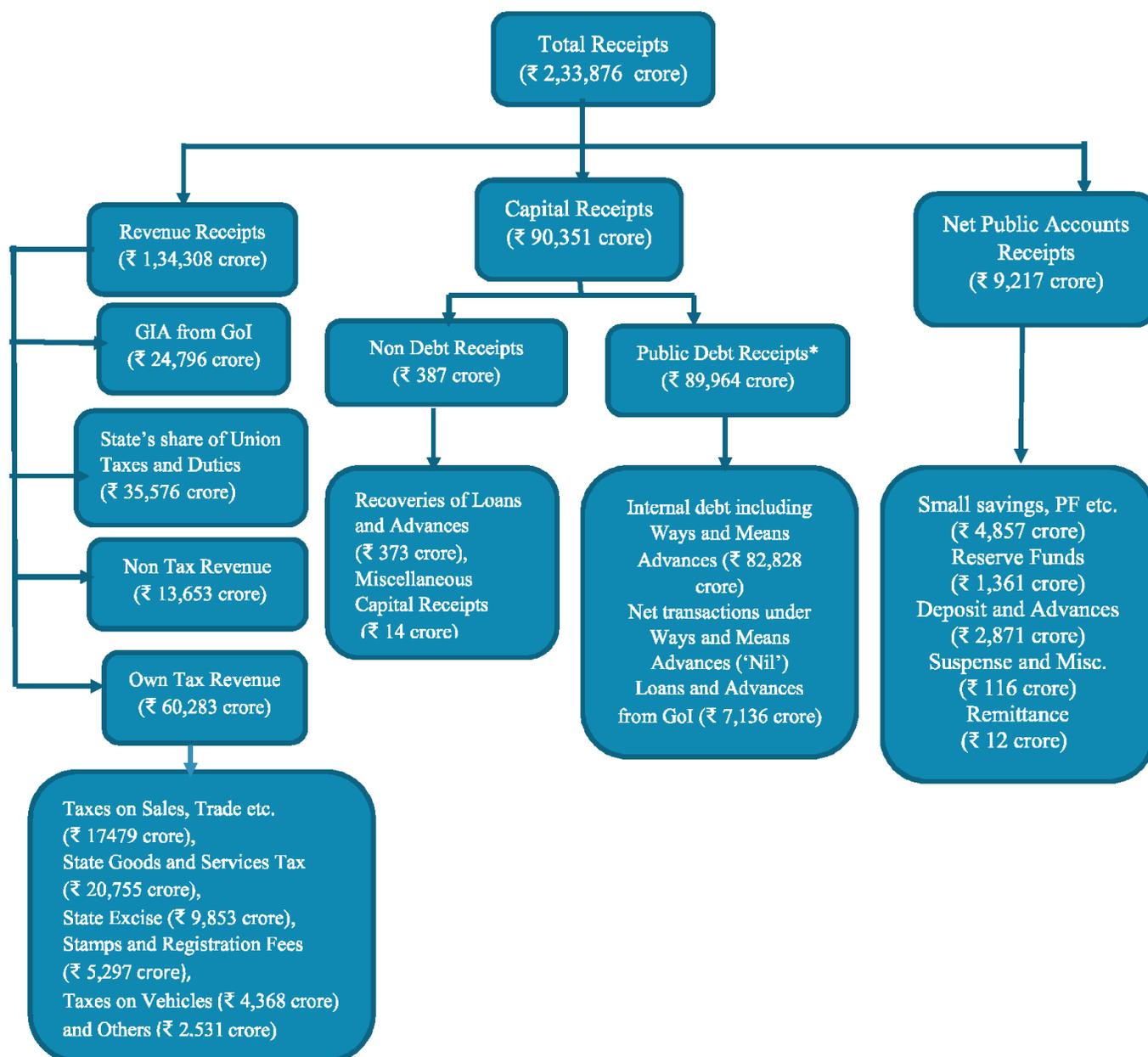
- Revenue Receipts** consist of tax revenue, non-tax revenue, State's share of Union taxes and duties and grants-in-aid from the Government of India (GoI).
- Capital Receipts** comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/ commercial banks) and loans and advances from GoI.
Both Revenue and Capital Receipts form part of the Consolidated Fund of the State.
- 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.

2.3.1 Receipts of the State

Revenue Receipts and Capital Receipts are the two streams of receipts that constitute the resources of the State Government. Besides, the funds available in the Public Account after disbursements, are also utilised by the Government to finance its deficit.

Chart 2.3: Components and sub-components of financial resources during 2020-21



**Effective Public Debt receipts would be ₹85,360 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹4,604 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.*

2.3.2 States Revenue Receipts

This paragraph gives the trends in total revenue receipts and its components. It is followed by trends in the receipts bifurcated into receipts from the Government of India and State's own receipts.

2.3.2.1 Trends and growth of Revenue Receipts

Table 2.3 provides the trends and growth of Revenue Receipts as well as revenue buoyancy with respect to GSDP over the five-year period 2016-21. Further, trends in Revenue Receipts relative to GSDP and composition of Revenue Receipts are given in Charts 2.4 and 2.5 respectively as well as in Appendix 2.2.

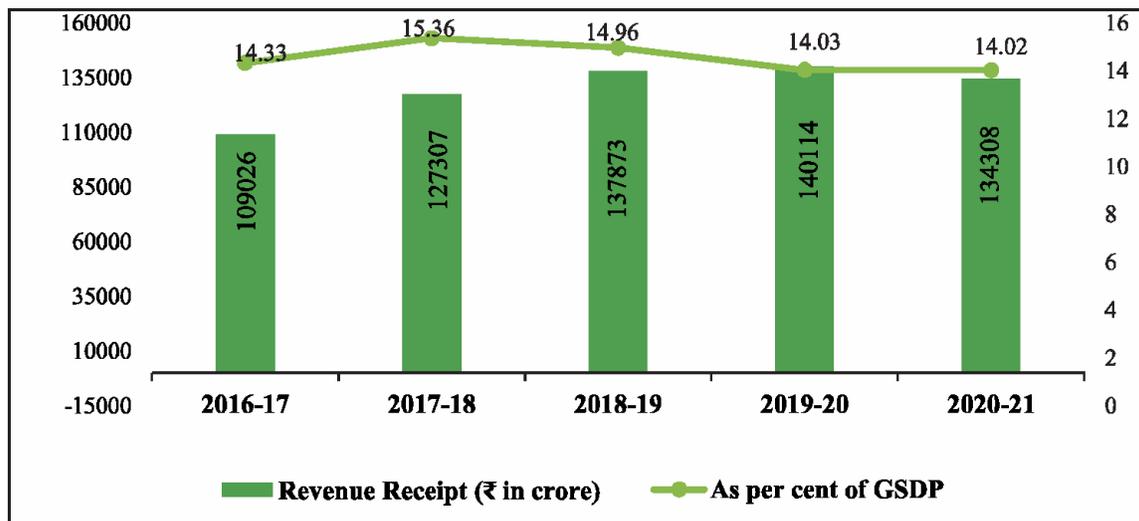
Table 2.3: Trend in Revenue Receipts

S.No.	Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
1.	Revenue Receipts (RR) (₹ in crore)	1,09,026	1,27,307	1,37,873	1,40,114	1,34,308
2.	Rate of growth of RR (per cent)	8.72	16.77	8.30	1.63	(-) 4.14
3.	Own Tax Revenue	44,372	50,605	57,380	59,245	60,283
4.	Non-Tax Revenue	11,615	15,734	18,603	15,714	13,653
5.	Own Revenue Receipts	55,987	66,339	75,983	74,959	73,936
6.	Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (per cent)	4.37	18.49	14.54	(-) 1.35	(-) 1.36
7.	Gross State Domestic Product (₹ in crore) (2011-12 Series)	7,60,587	8,28,661	9,21,789 ^Σ	9,98,999 [£]	9,57,912 [#]
8.	Rate of growth of GSDP (per cent)	11.61	8.95	11.24	8.38	(-) 4.11
9.	RR/GSDP (per cent)	14.33	15.36	14.96	14.03	14.02
10.	Buoyancy Ratios¹					
11.	Revenue Buoyancy w.r.t GSDP	0.75	1.87	0.74	0.19	-*
12.	State's Own Revenue Buoyancy w.r.t GSDP	0.38	2.07	1.29	(-) 0.16	-*

Source of GSDP figures: Economic Review (2020-21), Department of Economics and Statistics, GoR

* Buoyancy ratios cannot be calculated due to negative growth of GSDP and Revenue receipts (including own revenue receipts) in 2020-21.

Chart 2.4: Trend of Revenue Receipts

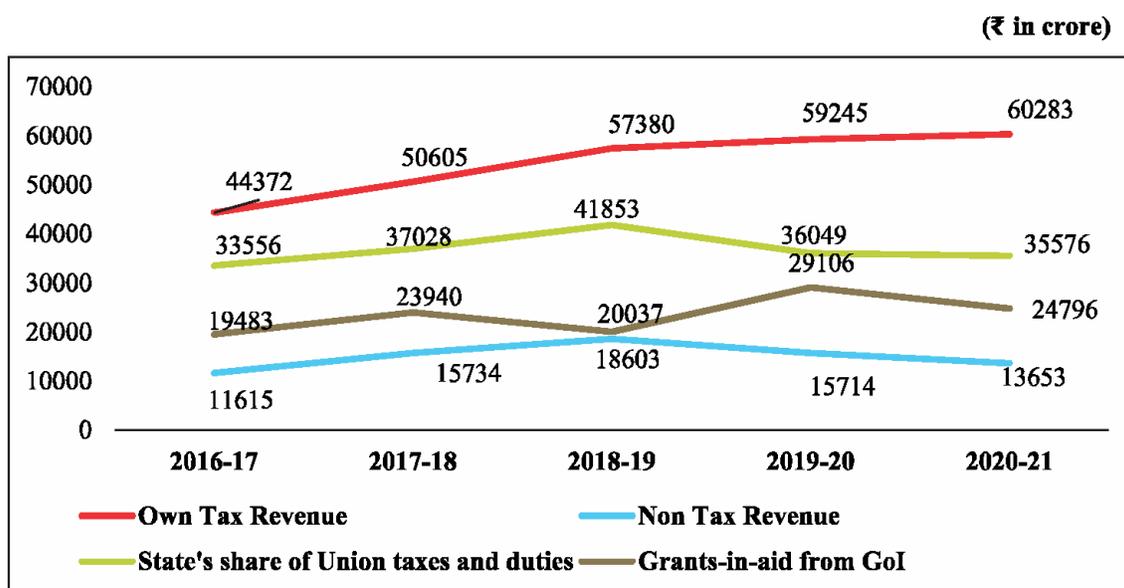


Σ Revised Estimate-II

£ Revised Estimate-I

Advance Estimates

1. Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 1.7 implies that Revenue Receipts tend to increase by 1.7 percentage points, if the GSDP increases by one per cent.

Chart 2.5: Trend of components of Revenue Receipts**General trends of Revenue Receipts of the State are as follows:**

- Revenue Receipts increased by 23.19 *per cent* from ₹1,09,026 crore in 2016-17 to ₹ 1,34,308 crore in 2020-21 at compound annual growth rate (CAGR) of 5.35 *per cent*. During 2020-21, Revenue Receipts decreased by ₹5,806 crore (4.14 *per cent*) over the previous year. While the own tax receipts of the State increased by 1.75 *per cent*, the non-tax receipts, State's share of Union taxes and Duties and Grant-in-Aid from GoI decreased by 13.12 *per cent*, 1.31 *per cent* and 14.81 *per cent* respectively over the previous year.
- The combined Revenue Receipts for the months of July 2020 (₹14,848 crore) and March 2021 (₹24,624 crore) were 29.4 *per cent* of the Revenue Receipts of the entire year.
- 55.05 *per cent* of the Revenue Receipts during 2020-21 came from the State's own resources, while Central Tax Transfers and Grants-in-Aid together contributed 44.95 *per cent* indicating the large influence of tax transfers and Grants-in-Aid from GoI on Rajasthan's fiscal position.
- During the current year, Revenue Expenditure increased by 1.03 *per cent* (₹ 1,824 crore) while Revenue Receipts decreased by 4.14 *per cent* (₹ 5,806 crore), leading to an increase in Revenue Deficit from the previous year.
- Ratio of Revenue Receipts to GSDP decreased from 14.03 *per cent* in 2019-20 to 14.02 *per cent* in 2020-21.

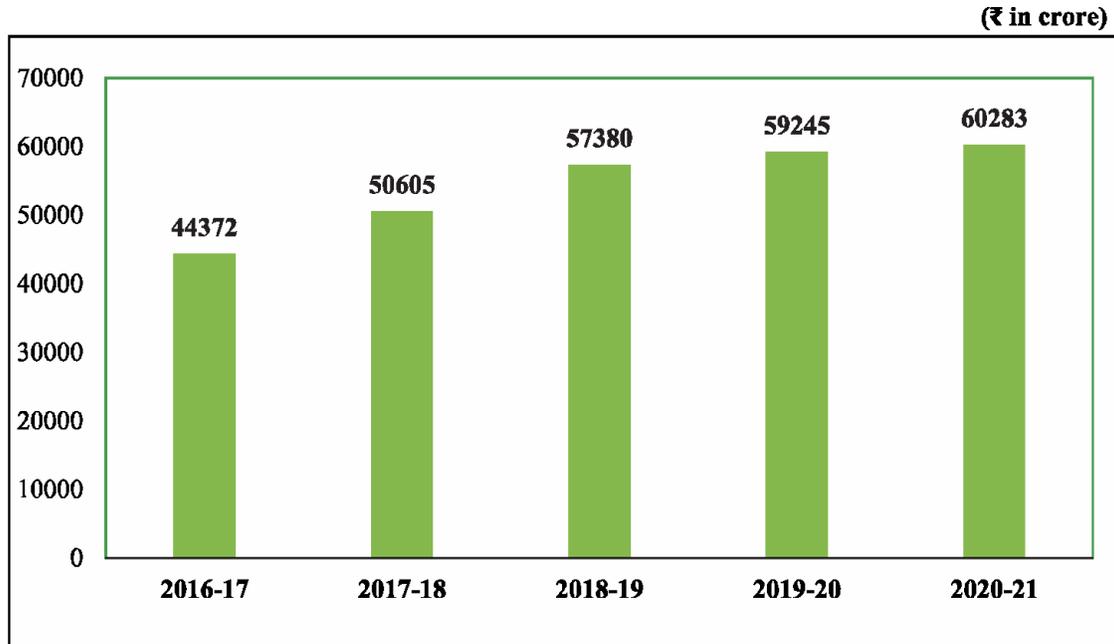
2.3.2.2 States Own Resources

State's share in Central taxes is determined on the basis of recommendations of the Finance Commission. Grants-in-aid from Central government are determined by the quantum of collection of Central tax receipts and anticipated Central assistance for schemes. State's performance in mobilization of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources.

Own Tax Revenue

The Own tax revenue of the State consist of taxes such as State GST, Sales Tax, State Excise, Taxes on Vehicles, Stamp Duty and Registration Fees, Land Revenue, Taxes on Goods and Passengers, etc.

Chart 2.6: Growth of Own Tax Revenue during 2016-21



The component-wise details of Own Tax Revenue collected during the years 2016-21 were as follows.

Table 2.4: Components of State's Own Tax Revenue

(₹ in crore)

S. No.	Revenue Head	2016-17	2017-18	2018-19	2019-20	2020-21	Sparkline
1.	Taxes on Sales, Trade, etc.	28,558	19,008	14,791	15,843	17,479	
2.	Taxes on Goods and Passengers	803	341	51	41	45	
3.	Entertainment Tax and Luxury Tax (under other taxes and duties on Commodities and services)	220	64	5	01	01	
4.	State Goods and Services Tax	-	12,137	22,938	21,954	20,755*	
	Total	29,581	31,550	37,785	37,839	38,280	
5.	State Excise	7,054	7,276	8,694	9,592	9,853	
6.	Taxes on Vehicles	3,623	4,363	4,576	4,951	4,368	
7.	Stamps and Registration Fees	3,053	3,675	3,886	4,235	5,297	
8.	Land Revenue	315	364	290	364	280	

S. No.	Revenue Head	2016-17	2017-18	2018-19	2019-20	2020-21	Sparkline
9.	Other Taxes ²	746	3,377	2,149	2,264	2,205	
	Grand Total	44,372	50,605	57,380	59,245	60,283	

*Unaudited figures

Source: Finance Accounts

Own Tax Revenue of the State increased by ₹ 15,911 crore from ₹ 44,372 crore in 2016-17 to ₹ 60,283 crore in 2020-21 at CAGR of 7.96 *per cent*. The growth rate of tax revenue in the State during 2020-21 was 1.75 *per cent* over the previous year and was higher than the average of States other than NE and Himalayan States (-4.43 *per cent*) (**Appendix 1.1**). During the year 2020-21, major contributors of Tax Revenue were State Goods and Services Tax (34.43 *per cent*), Taxes on Sales, Trade, etc. (28.99 *per cent*), and State Excise (16.34 *per cent*). During 2020-21, the Taxes on Sales, Trade, etc. and Stamps and Registration Fees increased over the previous year by 10.33 *per cent* and 25.08 *per cent* respectively.

State Goods and Services Tax (SGST)

Goods and Services Tax (GST) was implemented w.e.f. 1 July 2017. GST is levied on *intra-State* supply of goods or services (except alcohol and five specified petroleum products) and its components are shared by the Centre (CGST) and the State (SGST). Further, integrated GST (IGST) is levied and collected by the Central Government on *inter-State* supply of goods and services. The IGST so collected is apportioned between the Centre and the concerned State where the goods and services are consumed.

The GoI enacted the GST (Compensation to the States) Act 2017 to compensate the States for the shortfall in revenue arising on account of implementation of GST, considering an annual growth of 14 *per cent* from the base year for a period of five years. Accordingly, the projected revenue for Rajasthan was ₹ 33,037.46 crore for the year 2020-21 by applying the projected growth rate of 14 *per cent* per annum over the base year (2015-16) revenue of ₹ 17,158.62 crore.

During the year 2020-21, against the projected revenue of ₹ 33,037.46 crore, the State's GST (SGST) collection was ₹ 20,754.87 crore (including the advance apportionment of IGST amounting to ₹ 1,628.07 crore) as compared to ₹ 21,954.17 crore in 2019-20. Therefore, SGST collection registered a decrease of ₹ 1,199.30 crore (5.46 *per cent*) over previous year. The total receipts of the State under GST during 2020-21 were ₹ 31,357.49 crore which included SGST collection and net proceeds of CGST assigned to states³ while the State did not receive its share of the net proceeds of IGST assigned to the States for the year 2020-21.

2. Other Taxes include taxes on immovable property other than agricultural land, taxes and duties on electricity and other taxes and duties on Commodities and Services (excluding Entertainment Tax and Luxury Tax). It includes receipts under Taxes and Duties on Electricity ₹ 738 crore, ₹ 3,376 crore, ₹ 2,148 crore, ₹ 2,263 crore and ₹ 2,142 crore during 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 respectively.
3. ₹ 10,602.62 crore

As per Section 7 of the GST (Compensation to the States) Act 2017, actual GST revenue collected by the State is to be audited/certified by Comptroller and Auditor General of India for receiving compensation from the Central Government on account of loss of revenue arising out of implementation of GST. The State received compensation of ₹ 2,957.37 crore (excluding ₹ 2,675.47 crore pertaining to previous year) during 2020-21.

To bridge the GST revenue shortfall compensation, the GoI has implemented the scheme of “back-to-back loan to States in lieu of GST Compensation shortfall”. During 2020-21, ₹ 4,604 crore was received by Rajasthan. The debt servicing of this loan is to be done from the collection of the cess in GST Compensation Fund, and hence the repayment obligation will not be met from any other resources of the State.

Access to GST database was provided to Audit in December 2020 and the Accountant General (Audit-I), Rajasthan certified the compensation figures for the year 2017-18 during 2020-21 and for the years 2018-19 and 2019-20 during 2021-22. The compensation figures for 2020-21 are awaited from the Commercial Taxes Department, GoR (December 2021) for certification.

Analysis of arrears of revenue

The arrears of revenue indicate delayed realization of revenue due to the Government.

The arrears of revenue as on 31 March 2021 relating to certain principal heads of revenue amounted to ₹ 20,577.89 crore, out of which ₹ 4,125.75 crore was outstanding for more than five years as given in **Table 2.5**.

Table 2.5: Arrear of Revenue

(₹ in crore)

S. No.	Heads of revenue	Total amount outstanding as on 1 April 2020	Total amount outstanding as on 31 March 2021 and percentage of increase in comparison to previous year	Amount outstanding for more than five years as on 31 March 2021
1.	Commercial Taxes	21,874.45	18,225.98 (-) 16.68	3,358.61
2.	Transport	64.14	59.39 (-) 7.41	35.28
3.	Land Revenue	200.65	186.16 (-) 7.22	89.82
4.	Major and Medium Irrigation	2.79	2.73 (-) 2.15	1.54
5.	Registration and Stamps	1,339.42	1,318.38 (-) 1.57	135.62
6.	Land Tax	238.08	300.66 (+) 26.29	232.93
7.	State Excise	201.58	208.07 (+) 3.22	194.45
8.	Mines, Geology and Petroleum	321.45	276.52 (-) 13.98	77.50
Total		24,242.56	20,577.89 (-) 15.12	4,125.75

Source: Information provided by the concerned Departments.

The information regarding stages at which arrears were pending for collection was not provided though called for (December 2021).

Arrears of Assessment

The arrears of assessment indicate potential revenue which is blocked due to delayed assessment. This deprives the Government of potential revenue receipts and ultimately impacts the revenue deficit. The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and number of cases pending for finalisation at the end of the year as furnished by the Departments of

Commercial Taxes, Registration and Stamps, Mines & Geology, Petroleum and Transport are given in Table 2.6.

Table 2.6: Arrear in Assessment

S. No.	Name of the Department	Opening balance	New cases due for assessment during 2020-21	Total assessments due	Cases disposed of during 2020-21	Balance at the end of the year	Percentage of disposal (col. 5 to 4)
	1	2	3	4	5	6	7
1.	Commercial Taxes	18	4,626	4,644	4,643	1	99.98
2.	Registration and Stamps*	7,383	10,464	17,847	8,826	9,021	49.45
3.	Mines, Geology and Petroleum	8,799	10,609	19,408	9,107	10,301	46.92
4.	Transport	1,537	19,963	21,500	20,264	1,236	94.25

Source: Information provided by the concerned Departments.

*including Land Tax

It can be seen that the Commercial Taxes Department and Transport Department performed well to achieve a high percentage of disposal. However, disposal of cases was much lower in Departments of Registration and Stamps and Mines, Geology and Petroleum. These Departments may take necessary action for speedy disposal of the cases.

Details of Evasion of Tax Detected by Departments

The cases of evasion of tax detected by the Departments and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government. According to the information furnished by the Commercial Taxes Department, 3059 cases⁴ of tax evasion were noticed during the year 2020-21. In 2,870 cases, assessment/investigation was completed and 855 cases were pending for finalisation as on 31st March 2021. In Registration and Stamps Department, 432 cases of tax evasion were noticed during the year 2020-21, all of which were assessed/investigated by the Department. Out of this, recoveries were effected in 75 cases while 357 cases were pending finalization as on 31 March 2021.

Land Revenue, State Excise and Transport Departments informed that no cases of Tax Evasion were detected. This shows that these departments lacked a proper mechanism to check leakage of revenue by acting on inputs such as vehicles plying without permits; illegal mining; non-conversion of agricultural land for residential or commercial purpose; and illegal transportation of liquor and other drugs etc., as revealed during audit scrutiny of records in these departments. Details of pending cases is given in Table 2.7.

Table 2.7: Evasion of Tax Detected

S. No.	Head of revenue	Cases pending as on 31 March 2020	Cases detected during 2020-21	Total	No. of cases in which assessment/investigation completed and additional demand with penalty etc. raised		No. of cases pending for finalization as on 31 March 2021
					No. of cases	Amount of demand (₹ in crore)	
1.	Commercial Tax	666	3059	3725	2870	21,473.37	855
2.	Mines, Geology and Petroleum	Nil	15	15	15	0.18	Nil
3.	Registration and Stamps	Nil	432	432	432	8.36	357

Source: Information provided by the concerned Departments.

4. There is more than a 10 fold increase in the number of such cases compared to last year (285 cases) due to inclusion of information pertaining to 17 anti-evasion circles of the 13 zones of the state.

Pendency of refund cases

Promptness in disposal of refund cases is also an important indicator of performance of the Department. The refund cases pending at the beginning of the year 2020-21, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2020-21 as reported by the Departments are given in **Table 2.8**.

Table 2.8: Pendency of refund cases

(₹ in crore)

S. No.	Particulars	Commercial Taxes		Transport		Registration and Stamps	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year	1290	130.52	554	2.57	987	9.94
2.	Claims received during the year	4600	1,006.15	629	3.29	1698	8.90
3.	Refunds made during the year	3513	184.99	413	3.10	1436	7.59
4.	Rejected during the year	1614	839.56	28	0.19	23	0.30
5.	Balance outstanding at the end of year	763	112.12	742	2.57	1226	10.95

Source: Information provided by the concerned Departments.

It can be seen that the number of pending refund cases has increased in the Transport Department while the number as well as the pending amount have increased in Registration and Stamps Department. Further, *nil* information was provided by Petroleum, Mines & Geology and State Excise Departments in this regard. Audit could not ascertain whether the closing balance of 23 cases as on 31 March 2020 shown by the Petroleum, Mines & Geology Department was cleared during the year.

The concerned Departments may consider suitable measures for speedy settlement of refund cases as it would not only benefit the claimants but would also save the Government from payment of interest on the delayed payment of refunds.

Non-Tax Revenue

Non-Tax revenue consists of interest receipts, Revenue from petroleum, Dividends and Profits, etc. The trend of Non-Tax revenue during the five-year period from 2016-17 to 2020-21 is provided in **Table 2.9**.

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

(₹ in crore)

S.No.	Revenue Head	2016-17	2017-18	2018-19	2019-20	2020-21	Sparkline
1.	Interest Receipts	1,933	4,859	5,791	3,852	2,693	
2.	Revenue from Petroleum ⁵	2,332	2,579	3,883	3,320	1,905	

5. Revenue from royalties on crude oil produced in Barmer-Sanchor basin.

S.No.	Revenue Head	2016-17	2017-18	2018-19	2019-20	2020-21	Sparkline
3.	Non-ferrous Mining and Metallurgical Industries	4,234	4,522	5,302	4,579	4,966	
4.	Dividends and Profits	68	67	56	55	3	
5.	Other Non-Tax Receipts	3,048	3,707	3,571	3,908	4,086	
	Total	11,615	15,734	18,603	15,714	13,653	

Source: Finance Accounts

Non-Tax Revenue ranged from 10 *per cent* to 13 *per cent* of Total Revenue Receipts of the State during the five-year period from 2016-17 to 2020-21. During 2020-21, the Non-Tax Revenue (₹ 13,653 crore) decreased by 13.12 *per cent* (₹ 2,061 crore), as compared to the previous year mainly due to significant decrease in Revenue from Interest Receipts from Public Sector and Other Undertakings by ₹ 1,159 crore (30.09 *per cent*) and Petroleum Receipts from royalties on crude oil by ₹ 1,415 crore (42.62 *per cent*). The growth rate of non-tax revenue in the State was negative (-13.12 *per cent*) during 2020-21 as compared to previous year while the average growth rate in States other than NE and Himalayan States was (-)35.60 *per cent* (**Appendix 1.1**).

2.3.2.3 Transfers from the Centre

Transfers from Central Government are mainly dependent on the recommendations of the Finance Commission. XIV-FC recommended an increase in the share of the States in Central Taxes from 32 *per cent* (recommended by XIII-FC) to 42 *per cent*. Trend in transfers from Centre is provided in the table below for a period of 10 years covering the periods of Thirteenth as well as Fourteenth Finance Commissions.

Table 2.10: Trends in transfers from Centre

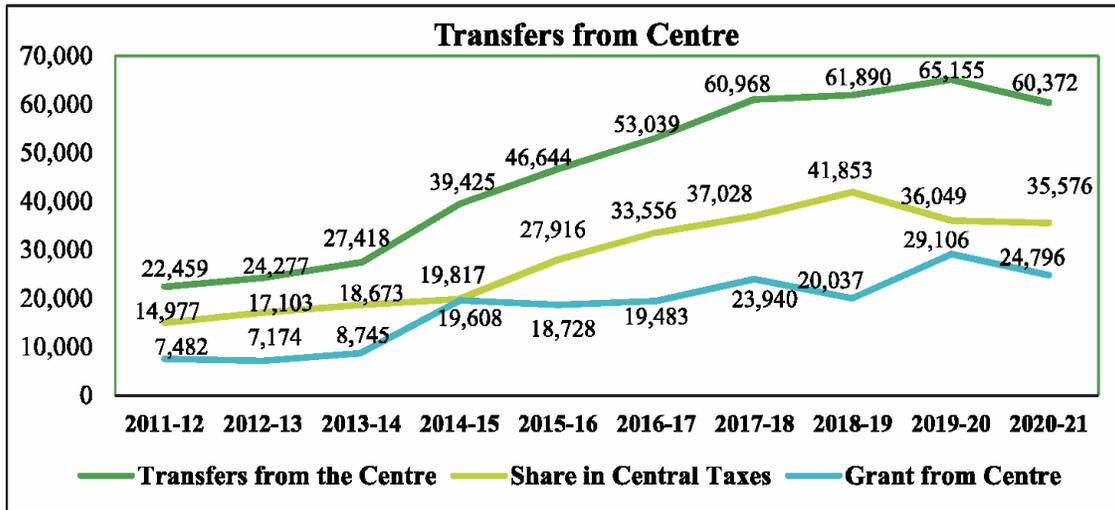
(₹ in crore)				
S. No.	Year	Share in Central Taxes	Grant from Centre	Transfer from the Centre
	1	2	3	4 = (2+3)
1.	2011-12	14,977	7,482	22,459
2.	2012-13	17,103	7,174	24,277
3.	2013-14	18,673	8,745	27,418
4.	2014-15	19,817	19,608	39,425
5.	2015-16	27,916	18,728	46,644
6.	2016-17	33,556	19,483	53,039
7.	2017-18	37,028	23,940	60,968
8.	2018-19	41,853	20,037	61,890
9.	2019-20	36,049	29,106	65,155
10.	2020-21	35,576	24,796	60,372

Source: Finance Accounts

Transfers from the Centre increased from ₹ 22,459 crore in 2011-12 to ₹ 60,372 crore in 2020-21. As compared to previous year, the State's share in both Central Taxes and Grants from the Centre declined in 2020-21.

Chart 2.7: Trends in transfers from Centre

(₹ in crore)



Central Tax Transfer

XV-FC recommended decrease in the share of the States in Central Taxes from 42 per cent (recommended by XIV-FC) to 41 per cent.

Components of the State's share of Union taxes are given in Table 2.11.

Table 2.11: Transfer of different components of the State's share of Union taxes

(₹ in crore)

S. No.	Components of the Central Tax Transfers	2016-17	2017-18	2018-19	2019-20	2020-21
1.	Customs	4,620	3,735	2,966	2,285	1,910
2.	Union Excise Duties	5,275	3,905	1,971	1,589	1,199
3.	Service Tax	5,433	4,227	389	-	150
4.	Central Goods and Services Tax (CGST)	-	520	10,329	10,229	10,603
5.	Integrated Goods and Services Tax (IGST)	-	3,736	824	-	-
6.	Corporation Tax	10,739	11,334	14,553	12,291	10,711
7.	Taxes on Income other than Corporation Tax	7,464	9,571	10,718	9,631	10,978
8.	Taxes on Wealth	25	- ⁶	5	1	-
9.	Other Taxes and Duties on Commodities and Services	- ⁷	- ⁸	22	23	25
10.	Others	-	-	76	-	-
11.	Central Tax Transfers	33,556	37,028	41,853	36,049	35,576
12.	Percentage of increase/decrease (-) over previous year	20.20	10.35	13.03	(-)13.87	(-) 1.31
13.	Percentage of Central tax transfers to Revenue Receipts	30.78	29.09	30.36	25.73	26.49

Source: Finance Accounts

6. ₹(-) 0.34 crore.

7. ₹0.09 crore.

8. ₹(-) 0.01 crore.

During 2020-21, Central Tax Transfers constituted 26.49 *per cent* of the Revenue Receipts. Over the five-year period 2016-21, Central Tax Transfers increased by 6.02 *per cent* from ₹ 33,556 crore in 2016-17 to ₹ 35,576 crore in 2020-21.

During 2020-21, Central Tax Transfers (₹ 35,576 crore) decreased by 1.31 *per cent* (₹ 473 crore) as compared to the previous year mainly due to significant decrease in Corporation Tax by ₹ 1,580 crore (12.85 *per cent*) and Union Excise Duties by ₹ 390 crore (24.54 *per cent*) which was counterbalanced to some extent by increase of ₹ 1,347 crore (13.99 *per cent*) under Taxes on Income other than Corporation Tax.

Grants-in-aid from GoI

Grants-in-Aid (GIA) received by the State Government from GoI during 2016-21 are detailed in Table 2.12.

Table 2.12: Grants-in-Aid from GoI

		(₹ in crore)				
S. No.	Head	2016-17	2017-18	2018-19	2019-20	2020-21
1.	Non-Plan Grants*	5,928	-	-	-	-
2.	Grants for State Plan Schemes*	13,462	-	-	-	-
3.	Grants for Central Plan Schemes (including Centrally Sponsored Schemes) *	93	-	-	-	-
4.	Centrally Sponsored Schemes (CSS)	-	16,104	13,317	14,966	12,595
5.	Finance Commission Grants	-	4,262	3,121	7,332	6,237
6.	Other transfer/Grants to State/Union Territories with Legislature	-	3,574	3,599	6,808	5,964
	Total	19,483	23,940	20,037	29,106	24,796
7.	Percentage of increase/decrease (-) over the previous year	4.03	22.88	(-) 16.30	45.26	(-) 14.81
8.	Percentage of GIA to Revenue Receipts	17.87	18.80	14.53	20.77	18.46

Source: Finance Accounts

*There are no figures after 2016-17 since the nomenclature of plan and non-plan grants was removed from the year 2017-18 and was replaced by Grants for CSS, Finance Commission Grants and Other Grants to States.

GIA from GoI decreased by ₹ 4,310 crore (14.81 *per cent*) during the year compared to the previous year mainly due to significant decrease in assistance for Rural Local Bodies by ₹ 2,146 crore (42.6 *per cent*), Pradhan Mantri Awas Yojana- Gramin by ₹ 917 crore (70 *per cent*), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) by ₹ 1,217 crore (61.1 *per cent*), Integrated Education by ₹ 686 crore (23.6 *per cent*) and Human Resource in Health and Medical Education by ₹ 189 crore (22 *per cent*). GIA constituted 18 *per cent* of Revenue Receipts during the year 2020-21. Grants for Centrally Sponsored Schemes to the State (₹ 12,595 crore) constituted 51 *per cent* of the total grants during the year. Finance Commission Grants included Grants for Local Bodies (₹ 4,756 crore) and Grant-in-aid for State Disaster Response Fund (SDRF) (₹ 1,481 crore). Further, Other grants included compensation for loss of revenue arising out of implementation of GST (₹ 5,633 crore).

Fifteenth Finance Commission Grants

The XV-Finance Commission (XV-FC) submitted its first report in December 2019 for the financial year 2020-21. The State Government had constituted (September 2020) a

High Level Monitoring Committee (HLMC) headed by the Chief Secretary to ensure proper utilization of Grant-in-aid. HLMC conducted a meeting in January 2021.

The position of grant-in-aid recommended by XV-FC, released by GoI and transferred by State Government during the year 2020-21 is given in Table 2.13.

Table 2.13: Recommended amount, actual release and transfers of Grant-in-aid

(₹ in crore)				
S.No	Transfers	Recommendation of the XV-FC for 2020-21	Actual Release by GoI	Released by GoR
1	Local Bodies			
	(i) Grant to Rural Local Bodies (RLBs)	3,862.00	2,896.50	2,896.50
	a) Basic Grant(Untied)	1,931.00	1,931.00	1,931.00
	b) Tied Grant	1,931.00	965.50	965.50
	(ii) Grant to Urban Local Bodies (ULBs)	1,859.00	1,859.00	1,859.00
	A. Non-Million Plus Cities	1,297.00	1,297.00	1,297.00
	a) Basic Grant(Untied)	648.50	648.50	648.50
	b) Tied Grant	648.50	648.50	648.50
	B. Million Plus Cities (Jaipur, Jodhpur and Kota)	562.00	562.00	562.00
	a) For Air Quality Improvement Measures, including Institution Building	281.00	281.00	281.00 [#]
	b) For improving Water and Solid Waste Management and Achieving of Star rating by the Urban Local Bodies.	281.00	281.00	281.00 ^{##}
Total (1)	5,721.00	4,755.50	4,755.50	
2	State Disaster Response Fund*	1,975.00	1,975.00	1,975.00
	Grand Total (1+2)	7,696.00	6,730.50	6,730.50

Source: XV- FC Report and Finance Accounts of the State.

* Including State share of 25 per cent of total grant.

Including ₹ 140.50 crore transfer to ULBs on 12.04.2021.

Including ₹ 140.50 crore transfer to ULBs on 06.04.2021.

Transfer to local bodies (Rural and Urban)

The XV-FC recommended grants for Rural Local Bodies (RLBs) as basic grant (un-tied) for local specific needs and tied grant for basic services of sanitation and maintenance of Open Defecation Free (ODF) status, supply of drinking water, rain water harvesting and water recycling. Para 5.3(vii) of XV-FC report for 2020-21 envisaged that the State should also make allotment of grants for areas falling within the State based on population and area in the ratio of 90:10. Accordingly, for Urban Local Bodies (ULBs) the grants have been divided for Million Plus agglomeration/cities and Non-Million Plus cities and Cantonment Boards. For Million Plus cities, grants have been given for ambient air quality improvement measures and improving water and solid waste management. For Non-Million Plus cities the grants have been given as basic (un-tied) and tied grant. No pre-conditions have been prescribed for getting grants both for RLBs and ULBs for the year 2020-21.

It was observed that XV-FC allotted ₹ 3,862 crore (Basic Grant ₹ 1,931 crore and tied grant ₹ 1,931 crore) for the year 2020-21 and released ₹ 2,896.50 crore for RLBs in 2020-21 and ₹ 1,859 crore (Million Plus cities ₹ 562 crore and Non-Million Plus cities ₹ 1,297 crore) for ULBs. GoI did not release the 2nd installment of tied grant (₹ 965.50

crore) to RLBs during the year 2020-21 and the same has been released in the year 2021-22 (May 2021). Regarding delay in release of 2nd instalment of 2020-21 for RLBs, Finance department stated (October 2021) that the delay in release was at the level of GoI.

Similarly, XV-FC also recommended sectoral grants (Health, Police Training and Housing, Judiciary, Statistics) and performance based incentives grants (Agriculture reforms, Power sector, Education and Domestic and International tourism) from 2021-22 onwards. For these grants government had to undertake some preparatory work in 2020-21 to become eligible for the grant from 2021-22 onwards. Brief status of the preparatory work in respect of some of the grants is given below:

Sectoral Grants

Health:-The XV-FC recommended that State Government should undertake preparatory work related to the establishment of medical colleges in district hospitals with 100 beds. Work on developing district hospitals as training sites should be initiated for availing grants. Information in this regard was sought for from the Medical and Health Department (June 2021), their reply is awaited (December 2021).

Police Training and Housing: The XV-FC recommended that to consider providing grants for police training and housing, the State Government should identify the land and premises for creation of additional facilities and undertake preparatory work for police training programmes in the year 2020-21. Information in this regard was sought for from the Police Department (June 2021), their reply is awaited (December 2021).

Judiciary: For availing this sectoral grant, the Department of Justice and the State Government should take preparatory action for starting more fast track courts to bring down the huge backlog of pending cases. Information in this regard was sought for from the Justice Department (June 2021), their reply is awaited (December 2021).

Performance Based Incentives

Power Sector Reforms: The XV-FC recommended that for availing the incentives, the Ministry of Power, in consultation with the State Government shall develop a monitorable performance index in 2020-21 with State-wise targets and clear roadmap. Information in this regard was sought for from the Energy Department (June 2021), their reply is awaited (December 2021).

Incentives for Education: The XV-FC introduced financial incentives for best performing states in terms of incremental change in a few indicators which form the performance grading index of the Ministry of Human Resources Development. To avail this financial incentive from the year 2021-22 onwards, the Ministry and the State Government should prepare state-wise targets based on these indicators during the year 2020-21. Information in this regard was sought from the School Education Department (June 2021), their reply is awaited (December 2021).

Promotion of Domestic and International Tourism: The XV-FC recommended that during 2020-21, the Ministry of Tourism, in consultation with NITI Aayog and the state government should develop a State-wise roadmap and action plan to become eligible for grant from 2021-22 onwards. Tourism Department stated (August 2021) that neither the department received a roadmap from Government of India nor Ministry of Tourism issued any guidelines in this regard.

2.3.3 Capital Receipts

Capital Receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, net debt receipts from internal sources and loans and advances from GoI. The net public debt receipts after discharging public debt *plus* other capital receipts is the net Capital Receipts.

The following table shows the trends in growth and composition of net Capital Receipts.

Table 2.14: Trends in growth and composition of net Capital Receipts

(₹ in crore)						
S. No.	Sources of State's Capital Receipts	2016-17	2017-18	2018-19	2019-20	2020-21
	Capital Receipts	40,615	32,033	36,110	41,831	49,328
1.	Miscellaneous Capital Receipts	28	16	20	20	14
2.	Recovery of Loans and Advances	1,713	15,134	15,158	15,670	373
3.	Net Public Debt Receipts	38,874	16,883	20,932	26,141	48,941
4.	<i>Internal Debt</i>	35,993	15,959	19,068	22,766	42,712
5.	<i>Growth rate</i>	(-)34.34	(-)55.66	19.48	19.39	87.61
6.	<i>Loans and Advances from GoI</i>	2,881	924	1,864	3,375	6,229
7.	<i>Growth rate</i>	135.38	(-)67.93	101.73	81.07	84.56
8.	Rate of growth of debt Capital Receipts	(-)30.63	(-)56.57	23.98	24.89	87.22
9.	Rate of growth of non-debt capital receipts	18.27	770.19	0.18	3.37	(-) 97.53
10.	Rate of growth of GSDP	11.63	9.78	12.86	8.32	(-) 4.11
11.	Rate of growth of Capital Receipts (<i>per cent</i>)	(-)29.38	(-)21.13	12.73	15.84	17.92

Source: Finance Accounts and Economic Review by Directorate of Economics and Statistics, GoR.

Capital Receipts increased by 17.92 *per cent* from ₹ 41,831 crore in 2019-20 to ₹ 49,328 crore in 2020-21. During 2020-21, 86.59 *per cent* Capital Receipts came from net Internal Debt and 12.63 *per cent* from net Loans and Advances from GoI. During 2020-21, internal debt increased by 87.61 *per cent* and Loans and Advances from GoI increased by 84.56 *per cent* over the previous year due to receipt of ₹ 4,604 crore under the scheme of “back-to-back loan to States in lieu of GST Compensation shortfall”.

Effective Net Public Debt receipts would be ₹44,337 crore as the Department of Expenditure, GoI had decided that GST compensation of ₹4,604 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission. As a result, the effective Net Capital Receipts would stand at ₹44,724 crore.

2.3.4 States performance in mobilization of resources

As the State's share in Central Taxes and Grants-in-aid is determined on the basis of recommendations of the Finance Commission, the State's performance in mobilisation of resources was assessed in terms of its own resources comprising Tax and Non-Tax sources.

The State's actual Own Tax and Non-Tax Revenue *vis-a-vis* Budget Estimates are given in **Table 2.15**.

Table 2.15: State's Own Tax and Non-Tax Revenue projections and Actual for 2020-21
(₹ in crore)

S. No.		Budget Estimates	Actual	Percentage variation of actual over Budget Estimates
1.	Own Tax Revenue	77,029	60,283	(-) 21.74
2.	Non-Tax Revenue	19,596	13,653	(-) 30.33

Source: Finance Accounts and budget document.

The Receipts under Own Tax Revenue and Non-Tax Revenue were less than BE by 21.74 *per cent* (₹ 16,746 crore) and 30.33 *per cent* (₹ 5,943 crore) respectively indicating substantial shortfall in mobilisation of resources by the State.

2.4 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 are not at the cost of expenditure directed towards development of capital infrastructure and social sector. This paragraph along with sub-paragraphs give the analysis of expenditure in the State.

2.4.1 Growth and composition of expenditure

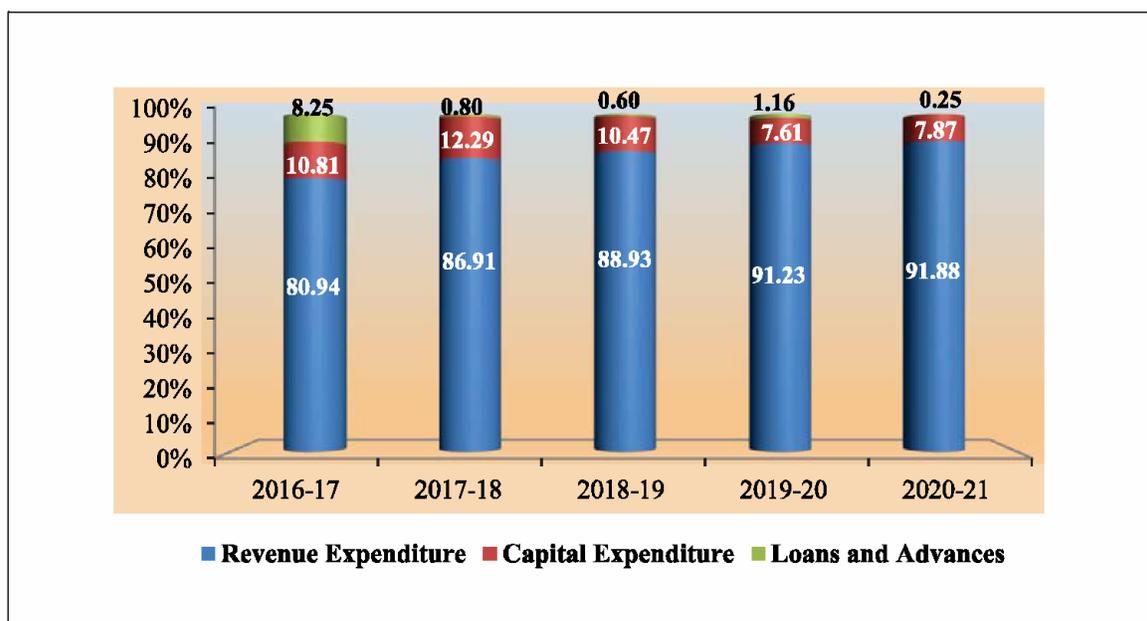
Table 2.16 presents the trends in total expenditure over a period of five years (2016-21) depicting its composition in terms of 'economic classification'.

Table 2.16: Total expenditure and its composition

		(₹ in crore)				
S. No.	Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
1.	Total Expenditure (TE)	1,57,085	1,67,799	1,87,524	1,93,458	1,94,071
2.	Revenue Expenditure (RE)	1,27,140	1,45,842	1,66,773	1,76,485	1,78,309
3.	Capital Expenditure (CE)	16,980	20,623	19,638	14,718	15,271
4.	Loans and Advances	12,965	1,334	1,113	2,255	491
As a percentage of GSDP						
5.	TE/GSDP	20.65	20.25	20.34	19.37	20.26
6.	RE/GSDP	16.72	17.60	18.09	17.67	18.61
7.	CE/GSDP	2.23	2.49	2.13	1.47	1.59
8.	Loans and Advances/GSDP	1.70	0.16	0.12	0.23	0.06

Source: Finance Accounts

The table shows that Total Expenditure of the State increased by 23.55 *per cent* from ₹ 1,57,085 crore in 2016-17 to ₹ 1,94,071 crore in 2020-21. During the year, it registered a marginal increase of 0.32 *per cent* over the previous year due to marginal increase in Revenue Expenditure and Capital Expenditure, offset by decrease in Loans and Advances. As a percentage of GSDP, the Total Expenditure remained in the range of 19.37 *per cent* to 20.65 *per cent* during the period 2016-21. The growth rate of Total Expenditure in the State (0.32 *per cent*) during 2020-21 over the previous year, was significantly lower than the average growth rate of 4.54 *per cent* registered by States other than NE and Himalayan States (*Appendix 1.1*).

Chart 2.8: Total Expenditure: Trends in share of its components

Source: Finance Accounts

As evident from the above chart and **Table 2.17**, Capital Expenditure has shown a significant decrease in the last few years, with its share as a percentage of GSDP decreasing from 2.23 *per cent* in 2016-17 (₹ 16,980 crore) to 1.59 *per cent* in 2020-21 (₹ 15,271 crore). The rate of growth of Capital expenditure during 2020-21 was lower (-7.13 *per cent*) than the average growth rate (-2.36 *per cent*) of States other than NE and Himalayan States.

In term of activities, total expenditure could be considered as being composed of expenditure on general services including interest payments, social and economic services, grants-in-aid and loans and advances.

Table 2.17: Relative share of various sectors of expenditure**(In per cent)**

S. No.	Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
1.	General Services	25.23	26.21	29.30	29.28	31.20
2.	Social Services	35.39	35.92	38.71	38.16	42.07
3.	Economic Services	31.13	37.07	31.39	31.40	26.48
4.	Others (Loans and Advances)	8.25	0.80	0.60	1.16	0.25

Source: Finance Accounts

The above table reveals that during 2020-21, relative share of Economic Services in total expenditure decreased as compared to 2019-20 mainly due to decline in expenditure under Power, Crop Husbandry, Roads and Bridges and Other Rural Development Programmes.

Chart 2.9: Total expenditure - Expenditure by activities

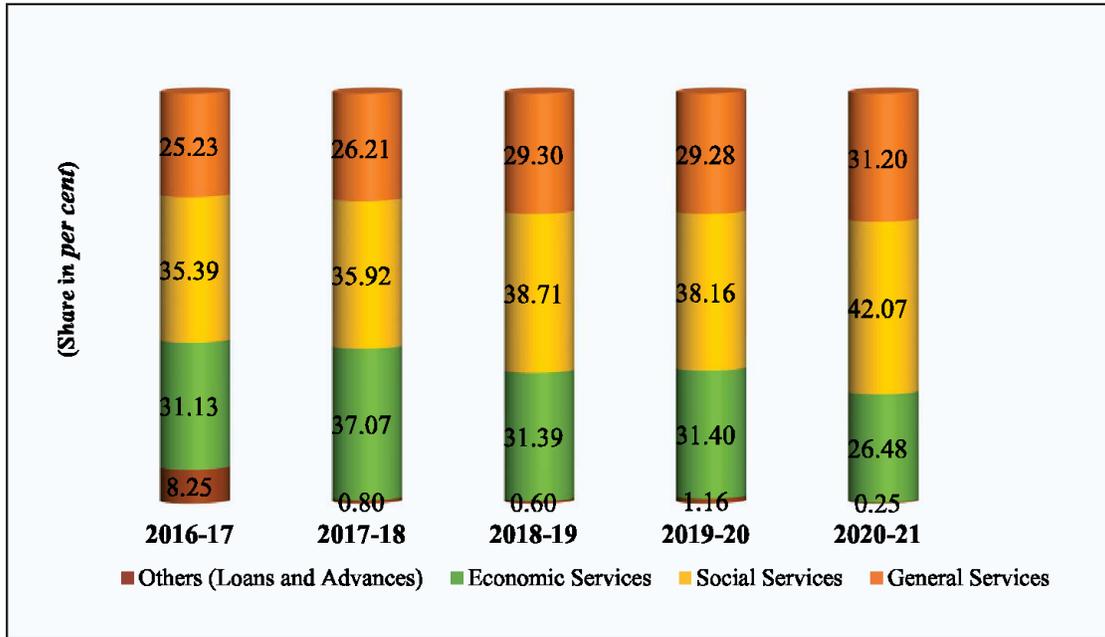
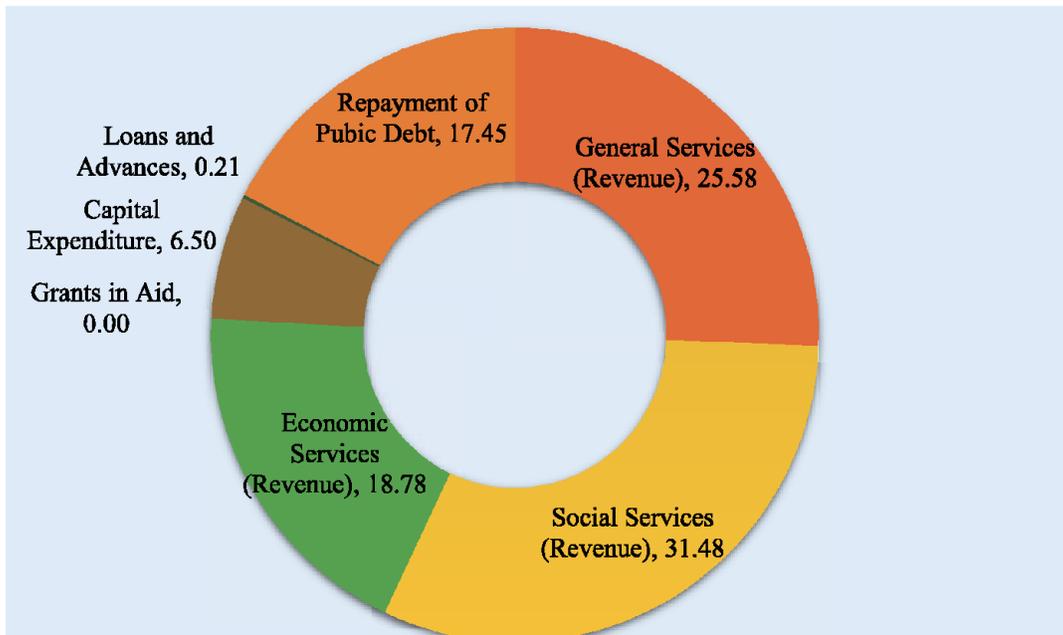


Chart 2.10: Composition of the expenditure



2.4.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligations. As such, it does not result in any addition to the State’s infrastructure and services. The overall revenue expenditure, its rate of growth and ratio to GSDP for the last five years are indicated in **Table 2.18**. Sector wise distribution of revenue expenditure is presented in **Chart 2.11**.

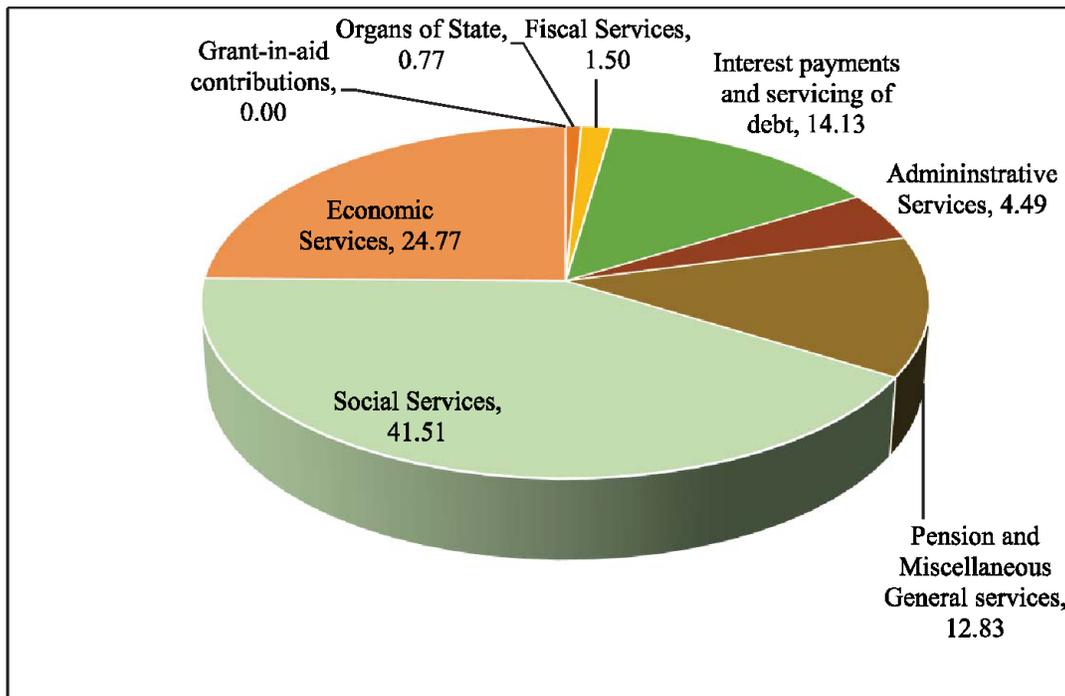
Table 2.18: Revenue Expenditure – Basic Parameters

(₹ in crore)						
S. No.	Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
1.	Total Expenditure (TE)	1,57,085	1,67,799	1,87,524	1,93,458	1,94,071
2.	Revenue Expenditure (RE)	1,27,140	1,45,842	1,66,773	1,76,485	1,78,309
3.	Rate of Growth of RE (<i>per cent</i>)	19.67	14.71	14.35	5.82	1.03
4.	Revenue Expenditure as percentage of TE	80.94	86.91	88.93	91.23	91.88
5.	RE/GSDP (<i>per cent</i>)	16.72	17.60	18.09	17.67	18.61
6.	RE as percentage of Revenue Receipts	116.61	114.56	120.96	125.96	132.76
Buoyancy of Revenue Expenditure with						
7.	GSDP (ratio)	1.69	1.64	1.28	0.69	-*
8.	Revenue Receipts (ratio)	2.26	0.88	1.73	3.57	-*

Source: Finance Accounts of respective years.

*Due to negative growth of GSDP and revenue receipts in 2020-21, buoyancy ratios cannot be calculated.

Revenue Expenditure constituted 91.88 *per cent* of total expenditure during 2020-21. It increased at CAGR of 8.82 *per cent* from ₹ 1,27,140 crore in 2016-17 to ₹ 1,78,309 crore in 2020-21. During 2020-21, the revenue expenditure increased by 1.03 *per cent* (₹ 1,824 crore) over the previous year.

Chart 2.11: Sector-wise distribution of revenue expenditure

2.4.2.1 Major changes in Revenue Expenditure

Table 2.19 details significant variations under various Heads of Account with regard to Revenue Expenditure of the State during the current year and the previous year.

Table 2.19: Variation in Revenue Expenditure during 2020-21 as compared to 2019-20

(₹ in crore)

S. No.	Major Heads of Account	2019-20	2020-21	Increase/ Decrease (-)
1.	2217- Urban Development	4,274.80	5,982.22	1,707.42
2.	2071- Pension and Other Retirement Benefits	20,761.31	22,439.62	1,678.31
3.	2401- Crop Husbandry	2,467.00	4,049.76	1,582.76
4.	2049- Interest Payments	23,643.27	25,201.81	1,558.54
5.	2235- Social Security and Welfare	8,195.48	9,647.75	1,452.27
6.	2202- General Education	33,145.84	34,506.82	1,360.98
7.	2040- Taxes on Sales, Trade etc.	741.23	1,375.45	634.22
8.	3456- Civil Supplies	658.10	1,277.33	619.23
9.	2801- Power	22,734.43	14,264.26	(-) 8,470.17
10.	2515- Other Rural Development Programmes	7,807.53	6,216.41	(-) 1,591.12
11.	3054- Roads and Bridges	2,102.55	1,464.00	(-) 638.55

Source: Finance Accounts.

The table indicates that Revenue Expenditure under 'Power' and 'Other Rural Development Programmes' declined significantly during the year, primarily due to less assistance to Power Companies and Zila Parishads/District level Panchayats/ Gram Panchayats.

2.4.2.2 Committed expenditure

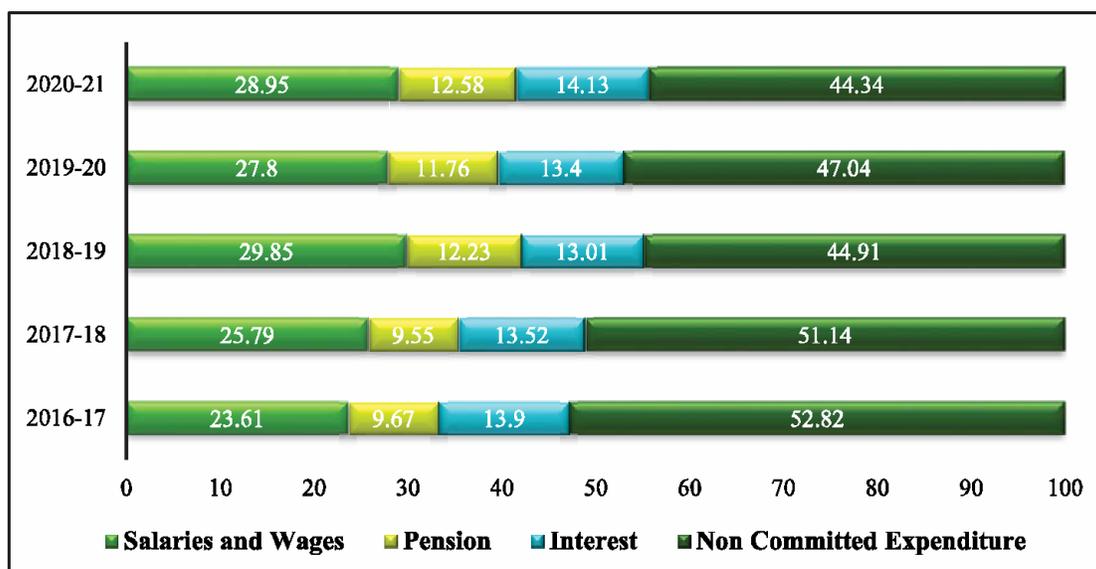
The committed expenditure of the State Government on revenue account consists of interest payments, expenditure on salaries and wages and pensions. It is the first charge on the Government resources. An upward trend in committed expenditure leaves the Government with lesser resources for development initiatives. Table 2.20 presents the trends in the expenditure on these components during 2016-21.

Table 2.20: Components of Committed Expenditure

(₹ in crore)

S.No.	Components of Committed Expenditure	2016-17	2017-18	2018-19	2019-20	2020-21
1.	Salaries & Wages	30,016	37,611	49,790	49,066	51,619
2.	Expenditure on Pensions	12,296	13,925	20,396	20,761	22,440
3.	Interest Payments	17,677	19,720	21,695	23,643	25,202
	Total	59,989	71,256	91,881	93,470	99,261
As a percentage of Revenue Receipts (RR)						
4.	Salaries & Wages	27.53	29.54	36.11	35.02	38.43
5.	Expenditure on Pensions	11.28	10.94	14.80	14.82	16.71
6.	Interest Payments	16.21	15.49	15.74	16.87	18.76
	Total	55.02	55.97	66.65	66.71	73.90
As a percentage of Revenue Expenditure (RE)						
7.	Salaries & Wages	23.61	25.79	29.85	27.80	28.95
8.	Expenditure on Pensions	9.67	9.55	12.23	11.76	12.58
9.	Interest Payments	13.90	13.52	13.01	13.40	14.13
	Total	47.18	48.86	55.09	52.96	55.66

Source: Finance Accounts.

Chart 2.12: Share of Committed expenditure in total Revenue Expenditure

The share of committed expenditure to revenue expenditure increased from 47.18 per cent in 2016-17 to 55.09 per cent in 2018-19 and 52.96 per cent in 2019-20 to 55.66 per cent in 2020-21, but during 2019-20 it decreased to 52.96 per cent. The ratio of committed expenditure to revenue receipts has increased every year during 2016-17 to 2020-21. Committed expenditure accounts for 73.90 per cent of revenue receipts, which indicates that only a small portion of revenue receipts is available for meeting uncommitted expenditure.

Salaries and Wages

The expenditure on Salaries and Wages increased at CAGR of 14.52 per cent from ₹ 30,016 crore in 2016-17 to ₹ 51,619 crore in 2020-21. During 2020-21, the expenditure on Salaries and Wages increased by 5.20 per cent over the previous year, which was higher than the average of States other than NE and Himalayan States (2.27 per cent). It was lower than the assessment made by the State Government (₹ 55,938 crore) in Medium Term Fiscal Policy Statement (MTFPS) by ₹ 4,319 crore.

Pension payments

The expenditure on pension payments increased at CAGR of 16.23 per cent from ₹ 12,296 crore in 2016-17 to ₹ 22,440 crore⁹ in 2020-21. During 2020-21, the expenditure on pension payments increased by 8.09 per cent over the previous year, which was higher than the average of States other than NE and Himalayan States (6.02 per cent), mainly due to increase in total number of pensioners¹⁰ by 9,392 (2.2 per cent). The expenditure on pension and other retirement benefits to the State Government employees was 12.6 per cent (11.8 per cent in 2019-20) of total revenue expenditure during 2020-21.

9. It includes a sum of ₹ 20,260.71 crore on account of expenditure on "pension and other retirement benefits" during the year to the State Government employees recruited on or before 31 December 2003 and Government contribution for Defined Contribution Pension Scheme of ₹ 2,178.91 crore.

10. Number of pensioners in 2019-20: 4,30,931 and in 2020-21: 4,40,323.

Expenditure on pension payments in comparison to the projections of the State Government in its MTFPS/Budget is given in **Table 2.21**.

Table 2.21: Pension Payments vis-à-vis State's Projections in MTFPS/Budget

		(₹ in crore)
Year	Assessment made by the State Government in MTFPS/Budget	Actual
2020-21	23,404	22,440

Source: Finance Accounts and budget documents.

The table indicates that the expenditure on pension payments by State Government was within its own projections made in MTFPS/Budget for 2020-21.

Interest payments

Interest payments increased at CAGR of 9.27 *per cent* from ₹ 17,677 crore in 2016-17 to ₹ 25,202 crore in 2020-21. Interest payments (₹ 25,202 crore) during 2020-21 increased by 6.59 *per cent* over the previous year (₹ 23,643 crore) mainly due to increase in market loans by ₹ 51,179 crore.

The ratio of Interest Payments to Revenue Receipts determines the debt sustainability of the State. The ratio of Interest Payments to Total Revenue Receipts of the State was 18.8 *per cent* for 2020-21, which was higher than the previous year (16.9 *per cent*).

Interest Payments with reference to the projections of the State Government in its MTFPS/Budget are given in **Table 2.22**.

Table 2.22: Interest Payments vis-à-vis State's Projections in MTFPS/Budget

		(₹ in crore)
Year	Assessment made by the State Government in MTFPS/Budget	Actuals
2020-21	25,494	25,202

Source: Finance Accounts and budget documents.

The table indicates that the Interest payments by State Government was within its own projections made in MTFPS/Budget for 2020-21.

2.4.2.3 Undischarged liabilities in National Pension System

Defined Contribution Pension Scheme widely known as New Contributory Pension Scheme (NPS) has been implemented for all Government Servants appointed on or after 01.01.2004 in Rajasthan. As per the guidelines, it is mandatory for every employee to contribute 10 *per cent* of basic pay and dearness allowance and matching contribution is to be made by the Government. The State Government has the responsibility to deposit contribution of employees along with matching contribution of employer with the designated pension fund appointed by the National Pension System (NPS) Trust, through National Securities Depository Limited (NSDL)/ Trustee Bank.

Government of Rajasthan has adopted the NPS architecture in toto as designed by the Pension Fund Regulatory Development Authority (PFRDA) and entered into agreements with NSDL on 09 November 2010 and NPS Trust on 02 December 2010. The contribution details and corresponding amounts are being transferred to the NSDL and Trustee Bank since November 2011. Prior to November 2011, the employee contribution to the pension account and matching contribution from the Government

(from respective salary head of account up to 2011-12) were being deposited in the interest bearing Personal Deposit (PD) Account maintained by concerned Treasury Officers in the budget head 8011-106-103-01, also referred as legacy amount.

As per information made available by the Directorate, State Insurance and Provident Fund (SIPF) Department, the details of legacy amount transferred to the NSDL are given in table below:

Table 2.23: Details of legacy amount transferred to NSDL

(₹ in crore)

S. No.	Year	Opening Balance of Legacy Amount	Total Amount transferred during the year	Un-transferred Legacy Amount	Interest on balance Legacy Amount	Balance Legacy Amount to be transferred
1.	Upto 31/10/2011	1,393.92	0.00	1,393.92	0.00	1,393.92
2.	01/11/2011 to 31/03/2012	1,393.92	0.00	1,393.92	97.41	1,491.33
3.	2012-13	1,491.33	613.58	877.75	56.20	933.95
4.	2013-14	933.95	363.97	569.98	60.00	629.98
5.	2014-15	629.98	297.31	332.67	37.09	369.76
6.	2015-16	369.76	131.66	238.10	34.97	273.07
7.	2016-17	273.07	161.70	111.37	9.46	120.83
8.	2017-18	120.83	65.04	55.79	7.34	63.13
9.	2018-19	63.13	20.72	42.41	4.02	46.43
10.	2019-20	46.43	10.14	36.29	7.65	43.94
11.	2020-21	43.94	7.85	36.09	1.24	37.33

Source: Information provided by SIPF Department.

From the table above, it is evident that as on 31st March 2021, balance amount of ₹ 37.33 crore on account of legacy amount is pending transfer. State Insurance and Provident Fund Department intimated (December 2021) that as on 31.10.2021 only ₹ 32.88 crore of legacy amount was pending transfer due to reconciliation issues like mismatch of PRAN numbers, non-availability of deduction statements, etc.

Since November 2011, Government of Rajasthan operates Major Head 8342-117 for contribution pertaining to All India Services (AIS) officers and Major Head 8011-106 for all other state government employees. Employees' contribution is to be transferred in these heads and government contribution is to be drawn by SIPF department from Major Head 2071-01-117-01-89 for further transfer to NSDL and NPS Trust with effect from 01.04.2012.

According to the information provided by the State Government, as on 31st March 2021, an amount of ₹ 160.83 crore (₹ 37.33 crore as legacy amount and ₹ 123.01 crore un-transferred employees' contribution of State Government employees and ₹ 0.49 crore un-transferred contribution of AIS Officers) was pending for transfer to NSDL, resulting in interest liability on State Government. Further, the corresponding matching employer's contribution is also pending for transfer to NSDL, which is the liability of the State Government.

2.4.2.4 Subsidies

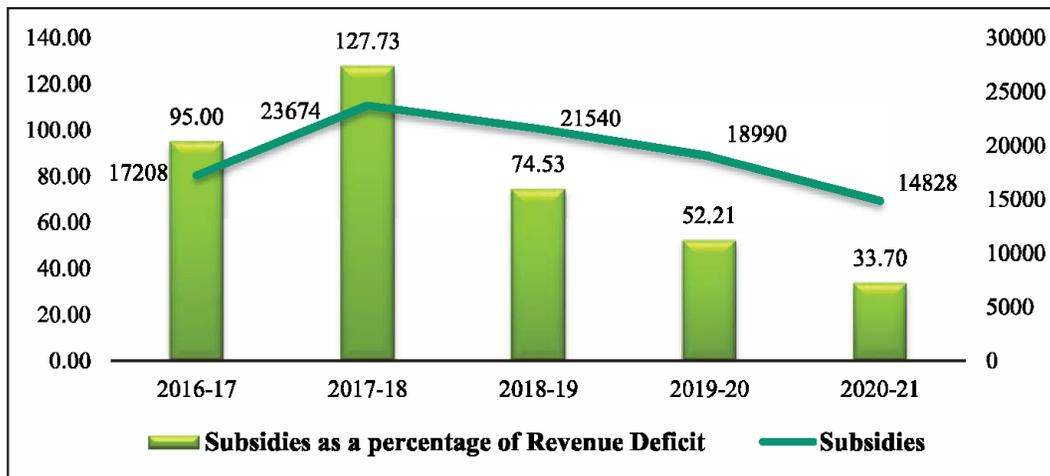
In a welfare state, subsidies are provided to the disadvantaged sections of the society. The subsidies and subsidies as a percentage of Revenue Receipts (RR) and Revenue Expenditure (RE) for the last five years are as under:

Table 2.24: Expenditure on subsidies during 2016-21

		(₹ in crore)				
S. No.		2016-17	2017-18	2018-19	2019-20	2020-21
1.	Subsidies	17,208	23,674	21,540	18,990	14,828
2.	Subsidies as a percentage of RR	15.78 (1,09,026)	18.60 (1,27,307)	15.62 (1,37,873)	13.55 (1,40,114)	11.04 (1,34,308)
3.	Subsidies as a percentage of RE	13.53 (1,27,140)	16.23 (1,45,842)	12.92 (1,66,773)	10.76 (1,76,485)	8.32 (1,78,309)
4.	Subsidies as a percentage of Revenue Deficit	95.00 (18,114)	127.73 (18,535)	74.53 (28,900)	52.21 (36,371)	33.70 (44,001)
5.	Subsidy given to Power Sector by Government	16,842	23,391	21,204	18,644	14,264
6.	Power sector subsidy as a percentage of total subsidy	97.87	98.80	98.44	98.18	96.20

Source: Finance Accounts.

Chart 2.13: Subsidies and subsidies as a percentage of Revenue Deficit



Subsidy in absolute terms and as a percent of revenue receipts and revenue expenditure has been declining steadily since 2017-18. Payment on subsidies during 2020-21 (₹ 14,828 crore) decreased by 21.92 per cent from the previous year (₹ 18,990 crore). Subsidy as a percentage of Revenue Deficit indicates how much is the contribution of subsidies in the Revenue Deficit. A percentage more than 100 indicates that it is only because of the subsidies given during the year, the revenue surplus has turned into revenue deficit. Subsidies which were 95.00 per cent of the Revenue Deficit (RD) in 2016-17, constituted 33.70 per cent of RD in 2020-21 and 52.21 per cent in 2019-20.

The biggest component of the subsidy outgo of the GoR was the subsidy to the Power Sector which accounted for 96.20 per cent (₹ 14,264 crore) of the total subsidy. During 2020-21, subsidy was given to the Power Sector mainly on account of grant for non-increasing of Power Tariff (₹ 12,754.09 crore) and grant for Electric Fees (₹ 1,414.37

crore). Further, subsidy to Power Sector ranged from 96.20 per cent to 98.80 per cent of the total subsidy provided by GoR during 2016-17 to 2020-21.

Power Sector subsidy (₹ 14,264.25 crore) decreased by 23.49 per cent (₹ 4,379.77 crore) over the previous year (₹ 18,644.02 crore) mainly due to decrease of ₹ 9,726.06 crore in assistance to Distribution Companies under UDAY component.

The second biggest component of Subsidies in 2020-21 was Crop Husbandry (₹ 292.50 crore) which increased by 36.27 per cent from ₹ 214.64 crore in 2019-20. In addition, subsidy under the National Food Security Scheme increased by 103 per cent from ₹ 103.82 crore in 2019-20 to ₹ 210.90 crore in 2020-21.

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

Financial assistance to the tune of ₹ 39,744.68 crore was provided by the State Government to Local bodies and Other Institutions by way of grants and loans in 2020-21. During 2020-21, the financial assistance to Local bodies and Other Institutions decreased by 3.12 per cent in comparison to previous year (₹ 41,024.82 crore) mainly due to decrease in assistance to Government Companies under Other Institutions. Further, during the period 2016-21, the overall financial assistance to Local Bodies and Other Institutions constituted 20.90 per cent to 25.87 per cent of the revenue expenditure.

The quantum of assistance provided through grants and loans to Local Bodies and Other Institutions during 2016-21 is given in Table 2.25.

Table 2.25: Financial Assistance to Local Bodies etc.

(₹ in crore)

S. No.	Financial Assistance to Institutions	2016-17	2017-18	2018-19	2019-20	2020-21
	(A) Local Bodies					
1.	Municipal Corporations and Municipalities	3,839.93	3,695.48	3,811.13	3,781.24	5,205.98
2.	Panchayati Raj Institutions	14,472.66	18,550.27	14,834.25	15,270.45	14,543.19
	Total (A)	18,312.59	22,245.75	18,645.38	19,051.69	19,749.17
	(B) Others					
3.	Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	1,671.13	1,283.29	1,452.88	1,487.70	1,267.73
4.	Development Authorities	7.61	11.68	13.65	12.41	12.87
5.	Hospitals and Other Charitable Institutions	77.41	918.96	1,241.07	898.43	430.43
6.	Other Institutions	12,823.46	10,525.42	13,509.23	19,574.59	18,284.48 ¹¹
	Total (B)	14,579.61	12,739.35	16,216.83	21,973.13	19,995.51
	Total (A+B)	32,892.20	34,985.10	34,862.21	41,024.82	39,744.68
7.	Revenue Expenditure	1,27,140	1,45,842	1,66,773	1,76,485	1,78,309
8.	Assistance as percentage of Revenue Expenditure	25.87	23.99	20.90	23.25	22.29

Source: Finance Accounts

11. It included mainly grants given for (i) Co-operative Institutions: ₹5,248.63 crore; (ii) Crop Husbandry ₹2,748.10 crore; (iii) Family Welfare: ₹2,637.67 crore; (iv) Education: ₹2,254.28 crore; (v) Relief on account of Natural Calamities: ₹673.57 crore and (vi) Government Companies: ₹541.01 crore.

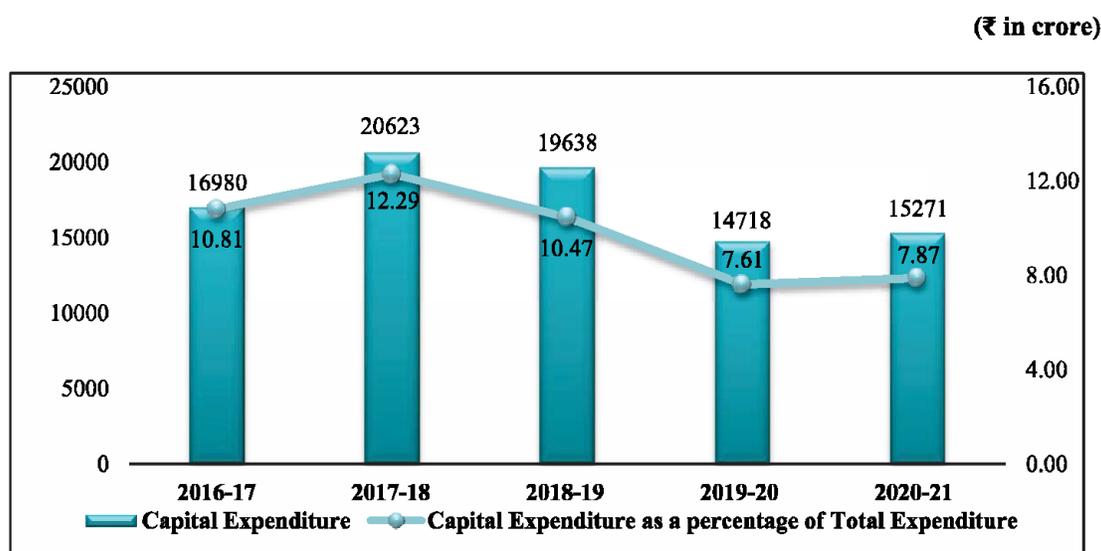
During 2020-21, financial assistance was given mainly to

- Agriculture loan waiver scheme (₹ 4,517.28 crore),
- Grant under Pradhan Mantri Awas Yojana to Zila Parishads (₹ 2,630.37 crore),
- National Rural Health Mission (₹ 2,474.20 crore),
- Crop Insurance Scheme (₹ 2,337.83 crore),
- Grant under State Finance Commission recommendations to Gram Panchayat (₹ 2,178.33 crore),
- Octroi reimbursement to Municipal Corporations/Municipalities/Municipal Councils (₹ 2,084.00 crore),
- National Rural Employment Guarantee Scheme (₹ 1,929.23 crore),
- Grant for Primary Schools to Panchayat Samitis (₹1,593.59 crore),
- General Basic grant under recommendations of Central Finance Commission to Gram Panchayat (₹ 1,448.25 crore),
- Grant under State Finance Commission recommendations to Municipalities/ Municipal Councils (₹1,190.90 crore) and
- National Mid-Day Meal Programme in Schools (₹ 873.58 crore).

2.4.3 Capital Expenditure

Capital Expenditure is primarily the expenditure on creation of fixed infrastructure assets such as roads, buildings etc. The overall capital expenditure and its percentage to total expenditure during 2016-21 is indicated in **Chart 2.14**.

Chart 2.14: Capital expenditure in the State



The percentage share of capital expenditure in the total expenditure increased from 7.61 per cent in 2019-20 to 7.87 per cent during 2020-21. It decreased at CAGR of 2.62 per cent from ₹ 16,980 crore in 2016-17 to ₹ 15,271 crore in 2020-21.

2.4.3.1 Major changes in Capital Expenditure

Table 2.26 highlights the cases of significant increase or decrease in various Heads of Accounts in Capital Expenditure during 2020-21 *vis-à-vis* the previous year.

Table 2.26: Capital Expenditure during 2020-21 compared to 2019-20

(₹ in crore)				
S. No.	Major Heads of Accounts	2019-20	2020-21	Increase/ Decrease (-)
1.	4217- Capital Outlay on Urban Development	694.92	1,483.67	788.75
2.	4215- Capital Outlay on Water Supply and Sanitation	3,184.44	3,832.74	648.30
3.	4202- Capital Outlay on Education, Sports, Art and Culture	766.07	1,280.49	514.42
4.	4700- Capital Outlay on Major Irrigation	1,584.83	1,878.99	294.16
5.	4210- Capital Outlay on Medical and Public Health	483.82	631.85	148.03
6.	4801- Capital Outlay on Power Projects	2,130.00	403.49	(-)1,726.51
7.	5054- Capital Outlay on Roads and Bridges	3,200.80	3,004.93	(-)195.87
8.	4515- Capital Outlay on Other Rural Development Programme	375.04	239.15	(-)135.89

Source: Finance Accounts

During 2020-21, Capital expenditure increased by 3.75 per cent (₹ 552.44 crore) over the previous year. This increase was mainly under Capital Outlay on Urban Development (₹ 788.75 crore), Water Supply and Sanitation (₹ 648.30 crore), Education, Sports, Art and Culture (₹ 514.42 crore) and was counterbalanced to a certain extent by decrease of ₹ 1,726.51 crore under Power Projects.

Table 2.27: Returns on Investment

S.No.	Investment>Returns/Cost of Borrowings	2016-17	2017-18	2018-19	2019-20	2020-21
1.	Investment at the end of the year (₹ in crore)	41,733.94	45,780.60	49,861.39	52,208.91	52,784.40
2.	Returns (₹ in crore)	67.80	66.76	55.80	54.47	2.89
3.	Returns (per cent)	0.16	0.15	0.11	0.10	0.01
4.	Average rate ¹² of interest on Government borrowings (per cent)	7.61	7.36	7.32	7.12	6.60
5.	Difference between interest rate and returns (per cent)	7.45	7.21	7.21	7.02	6.59
6.	Difference between interest on Government borrowings and return on investment (₹ in crore) [#]	3,109.18	3,300.78	3,595.01	3,665.07	3478.49

Source: Finance Accounts

Investment at the end of the year multiplied by difference between interest rate and return

Statement 19 of Finance Accounts of the State Government contains the details of investments of the Government. As per the statement, as on 31 March 2021, the total Government investment was ₹ 52,784.40 crore in 44 Government Companies (₹ 50,253.97 crore), seven Statutory Corporations (₹ 764.34 crore), two Rural Banks (₹ 73.69 crore), 11 Joint Venture Companies (₹ 1,102.58 crore), 22 Joint Stock Companies (₹ 2.16 crore), one partnership concern¹³ and Cooperative Banks and

12. Average rate of interest on Government borrowings = Interest payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100.

13. Only ₹ 20,833

Societies (₹ 587.66 crore). The investment of State Government in five power sector companies was ₹ 47,798.55 crore which was 90.55 per cent of the total investment of the State Government. The average return on this investment varied from 0.01 to 0.16 per cent during 2016-21, while the Government paid an average interest of 6.60 to 7.61 per cent on its borrowings (Table 2.27) indicating that the return on investment of the State Government is very low.

Table 2.28: Investments in companies whose net worth is completely eroded

(₹ in crore)					
S. No.	Company/ Corporation	Period of accounts received (upto 30 September 2021)	Net worth as on 31 st March 2021	Investment made during 2020-21	Cumulative investment as on 31 st March 2021
1.	Jaipur Vidyut Vitran Nigam Limited	2020-21	(-)17,424.91	114.92	11,447.43
2.	Jodhpur Vidyut Vitran Nigam Limited	2020-21	(-)21,008.01	148.97	10,636.96
3.	Ajmer Vidyut Vitran Nigam Limited	2020-21	(-)17,601.80	106.32	10,571.89
	Total		(-)56,034.72	370.21	32,656.28

As per the latest finalized accounts for the year 2020-21, during the year, out of the total capital expenditure of ₹ 15,270.49 crore, State Government made investment of ₹370.21 crore in companies whose net worth was completely eroded. No investment in loss making companies was made during the year by the State Government.

Loans and Advances by the State Government

In addition to investments in Cooperative Societies, Corporations and Companies, the Government has also been providing loans and advances to many institutions/ organisations. Table 2.29 presents the outstanding loans and advances as on 31 March 2021 and interest receipts *vis-à-vis* interest payments during the last five years.

Table 2.29: Quantum of loans disbursed and recovered during five years

(₹ in crore)						
S. No.	Quantum of loans disbursed and recovered	2016-17	2017-18	2018-19	2019-20	2020-21
1.	Opening Balance of loans outstanding	39,856	51,108	37,308	23,263	9,848
2.	Amount advanced during the year	12,965	1,334	1,113	2,255	491
3.	Amount recovered during the year	1,713	15,134*	15,158*	15,670*	373
4.	Closing Balance of the loans outstanding	51,108	37,308	23,263	9,848	9,966
5.	Net addition during the year (disbursement-repayment)	11,252	(-) 13,800	(-) 14,045	(-) 13,415	118
6.	Interest received	172	3,020	4,390	2,568	1,253
7.	Interest rate on Loans and Advances given by the Government.	0.38	6.83	14.50	15.51	12.65
8.	Rate of Interest paid on the outstanding borrowings of the Government	7.61	7.36	7.32	7.12	6.60
9.	Difference between the rate of interest paid and interest received (per cent)	(-) 7.23	(-) 0.53	(+) 7.18	(+) 8.39	(+) 6.05

Source: Finance Accounts

* Including the UDAY loans converted to equity, subsidy and Grant-in-aid: 2017-18 = ₹ 15,000 crore, 2018-19 = ₹ 15,000 crore and 2019-20 = ₹ 14,722 crore.

Total loans and advances (₹ 9,966 crore) included loans and advances of ₹ 5,516 crore (55.35 per cent) given to Power Projects. The amount of loans and advances disbursed decreased from ₹ 2,255 crore in 2019-20 to ₹ 491 crore (Social Services: ₹ 281 crore and Economic Services: ₹ 210 crore) in 2020-21.

During the year, the major portion of loans was advanced to Rajasthan Pensioners Medical Fund (₹ 150 crore), Jaipur Metro Rail Corporation Limited (Phase 1-B) (₹ 127 crore), Swami Keshwanand Rajasthan Agriculture University, Bikaner (₹ 58 crore) and Rajasthan State Road Transport Corporation Limited (₹ 50 crore).

2.4.3.2 Resource availability of the State under Public Private Partnership Projects

Public Private Partnership (PPP) is an arrangement between the government or statutory entity and a private sector entity, to provide a framework that enables them to work together to meet the rising demand of the public for adequate and quantitative infrastructure development activities. The PPP cell was established (July 2007) by the State Government under administrative control of the Planning Department. It acts as the nodal agency to coordinate and monitor all efforts of the State Government for PPP and serves as the repository of all information relating to PPP projects in the State.

As per information furnished (June 2021) by the PPP Cell, 185 projects amounting to ₹ 16,564.42 crore were completed and 30 projects amounting to ₹ 2,611.36 crore were under progress as on 31 March 2021. Besides, 38 projects amounting to ₹ 16,855.78 crore relating to Roads, Urban Infrastructure, Power, Water, Social and Other Sectors are under various stages of planning. Sector-wise details of PPP projects completed, ongoing and to be taken up in future are shown in Table 2.30.

Table 2.30: Sector-wise details of PPP Projects

S. No.	Sector	Completed		Ongoing		Planned for future	
		No.	Estimated Cost	No.	Estimated Cost	No.	Estimated Cost
1.	Road	70	8,142.29	05	597.87	10	1,565.04
2.	Urban Infrastructure	26	456.74	09	609.97	17	13,071.20
3.	Power	11	7,097.90	09	1,356.92	03	1,636.11
4.	Water	1	46.00	-	-	01	365.00
5.	IT	1	54.01	-	-	-	-
6.	Social	61	607.12	06	40.60	06	217.43
7.	Other	15	160.36	01	06.00	01	01.00
	Total	185	16,564.42	30	2,611.36	38	16,855.78

Source: Information provided by Planning Department.

Scrutiny of the budget documents of 2020-21 revealed that the State Government did not provide the details of figures and information regarding investment made in PPP projects in the previous year. Further, the revenue generated against these projects of the State Government was not ascertainable (by the Private sector as well) in the budget document. For the current year also, the budget documents do not reveal distinctively

and separately, the estimated investment to be made by the Private and Government sectors in connection with PPP projects involving the State Government.

2.4.4 Expenditure priorities

Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, etc. Low fiscal priority (ratio of expenditure under a category to total expenditure) is attached to a particular sector, if the allocation is below the respective national average. The higher the ratio of these components to total expenditure, the better is the quality of expenditure.

Table 2.31, analyses the fiscal priority of the State Government with regard to total expenditure, capital expenditure, expenditure on Education and expenditure on Health *vis-à-vis* the average of States other than North Eastern (NE) and Himalayan States during 2016-17 and 2020-21.

Table 2.31: Expenditure priority of the State with regards to Health, Education and Capital expenditure

(In per cent)

S. No.		Total Expenditure /GSDP	Capital Expenditure including Loans and Advances /Total Expenditure	Education/ Total Expenditure	Health and Family Welfare/ Total Expenditure
1.	Average of States other than NE and Himalayan States 2016-17	17.12	19.77	14.93	5.49
2.	Rajasthan 2016-17	20.65	19.06	15.54	5.25
3.	Average of States other than NE and Himalayan States 2020-21	16.18	13.03	15.00	6.74
4.	Rajasthan 2020-21	20.26	8.12	18.55	6.50

Source: For GSDP of Rajasthan, the information was collected from the Directorate of Economics and Statistics, GoR and Finance Accounts.

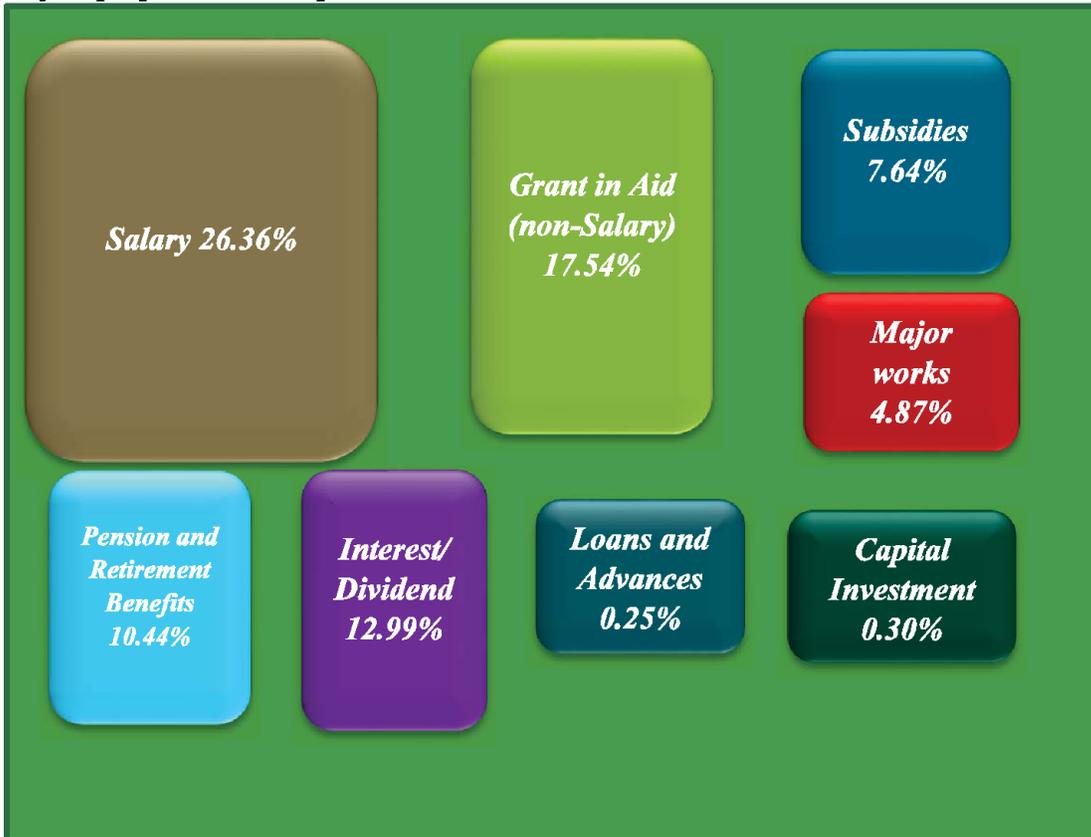
Table 2.31 indicates the following:

- The ratio of Total Expenditure (TE) to GSDP in the State was higher (20.26 *per cent*) as compared to the average of States other than NE and Himalayan States (16.18 *per cent*) during 2020-21.
- The ratio of Capital Expenditure including Loans and Advances to Total Expenditure in the State was lower (8.12 *per cent*) as compared to the average of States other than NE and Himalayan States (13.03 *per cent*) during 2020-21. Interestingly, Rajasthan enjoyed a ratio (19.06) which was only marginally lower than the average of States other than NE and Himalayan States (19.77) in 2016-17.
- The ratio of Education Expenditure to Total Expenditure in the State was higher than the average of States other than NE and Himalayan States during 2020-21.

- The ratio of Expenditure on Health and Family Welfare to Total Expenditure in the State was lower than the average of States other than NE and Himalayan States during 2020-21.

2.4.5 Object head wise expenditure

Object head wise expenditure gives the information regarding the specific object/purpose of the expenditure.



During 2020-21, 74.97 per cent of total expenditure was spent on Salary, Pension, Grant-in-Aid (non-Salary), Interest/Dividend payment and Subsidies while the remaining 25.03 per cent was spent on other purposes.

2.5 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 and are not subject to vote by the State Legislature. The Government acts as a banker in respect of these transactions. The balance after disbursements during the year is the fund available with the Government for use in various purposes.

2.5.1 Net Public Account Balances

Component-wise net balances in Public Account during the last five years are given in Table 2.32.

Table 2.32: Component-wise net balances* in Public Account as of 31 March**(₹ in crore)**

S. No.	Sector	Sub Sector	2016-17	2017-18	2018-19	2019-20	2020-21
1.	I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	3,380	3,201	5,383	3,991	4,857
2.	J. Reserve Funds	(a) Reserve Funds bearing Interest	93	(-) 243	587	3,094	697
		(b) Reserve Funds not bearing Interest	566	1,079	(-) 20	1,236	664
		Sub Total	659	836	567	4,330	1,361
3.	K. Deposits and Advances	(a) Deposits bearing Interest	425	393	436	2,150	3,604
		(b) Deposits not bearing Interest	2,815	5,309	3,620	2,875	(-) 733
		(c) Advances	2	1	-	-	-
		Sub Total	3,242	5,703	4,056	5,025	2,871
4.	L. Suspense and Miscellaneous	(a) Suspense	(-) 89	(-) 7	(-) 30	105	125
		(b) Other Accounts	(-) 30	(-) 20	(-) 27	(-) 19	(-) 9
		(c) Accounts with Governments of Foreign Countries	-	-	-	-	-
		(d) Miscellaneous	-	-	-	-	-
		Sub Total	(-) 119	(-) 27	(-) 57	86	116
5.	M. Remittances	(a) Money Orders, and other Remittances	(-) 3	11	8	4	-
		(b) Inter- Governmental Adjustment Account	-	(-) 1	1	(-) 12	12
		Sub Total	(-) 3	10	9	(-) 8	12
Total			7,159	9,723	9,958	13,424	9,217

Source: Finance Accounts

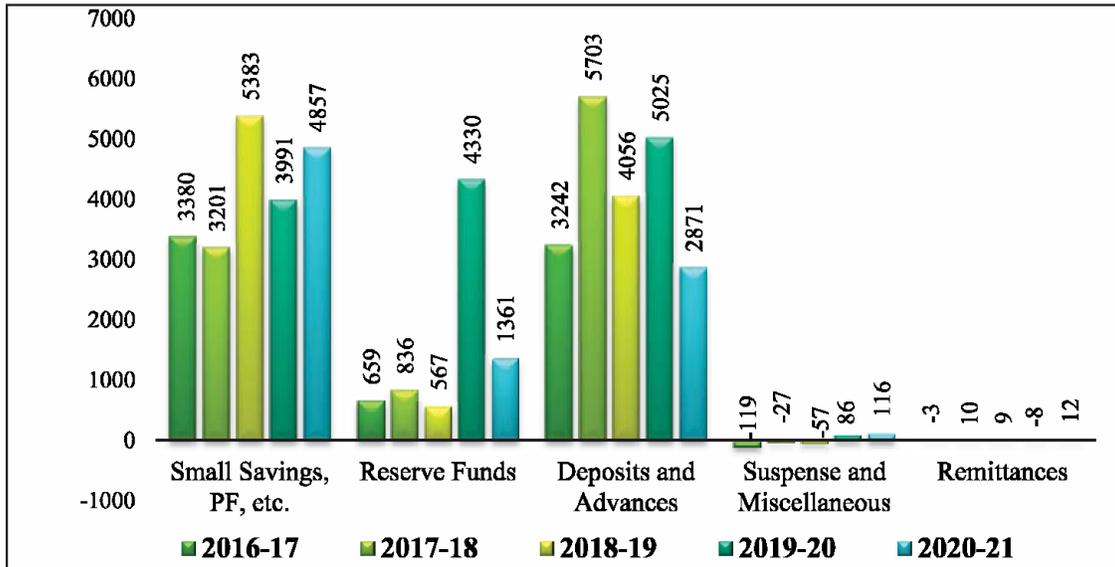
* Net balance means difference between receipts and disbursements under the respective components during the year.

The net Public Account Receipts of the State increased at CAGR of 6.52 per cent during 2016-21 and increased from ₹ 7,159 crore in 2016-17 to ₹ 9,217 crore in 2020-21. However, during 2020-21, net Public Account Receipts decreased by 31.34 per cent over the previous year.

The yearly changes in composition of balances in Public Account over the five-year period 2016-21 are given in **Chart 2.15**.

Chart 2.15: Yearly changes in composition of Public Account balances

₹ in crore)



Source: Finance Accounts of respective years

2.5.2 Reserve Funds

According to Paragraph 4.5 of the State Budget Manual, Reserves and Reserve Funds are created for specific and well-defined purposes in the accounts of the State Government (Public Account). These funds are created by contributions or grants from the Consolidated Fund of State or from outside agencies. The funds are further divided into two parts (i) Reserve Funds bearing interest and (ii) Reserve Funds not bearing interest. The funds are created by the sums transferred by debiting the concerned expenditure head of the Consolidated Fund of the State. Thereafter, the total expenditure incurred during the year has to be reimbursed from the concerned Reserve Fund.

As on 31 March 2021, there was an amount of ₹ 11,242.76 crore¹⁴ in 28 Reserve Funds in Public Accounts including ₹ 4,528.43 crore in three operative interest bearing funds.

- **Operative Reserve Funds**

During 2020-21, a sum of ₹ 6,227.67 crore was credited to 24 operative Reserve Funds of the state which mainly included State Disaster Response Fund (₹ 2,971.92 crore¹⁵), State Road and Bridges Fund (₹ 1,011.46 crore), Guarantee Redemption Fund (₹ 537.02 crore) and Development Funds for Animal Husbandry Purposes (₹ 599.12 crore).

14. It included mainly (a) Interest bearing (i) State Disaster Response Fund: ₹ 2,979.44 crore; (ii) State Compensatory Afforestation Fund: ₹ 1,481.72 crore (iii) Water Works under Depreciation Reserve Fund: ₹ 67.27 crore and (b) Non-interest bearing: (iv) Guarantee Redemption Fund: ₹ 5,454.31 crore; (v) Water Conservation Cess Fund ₹ 234.47 crore (vi) Rajasthan Transport Infrastructure Development Fund: ₹ 310.14 crore (vii) Dedicated Road Safety Fund: ₹ 298.68 crore (viii) Resource Development Fund: ₹ 180.88 crore; and (ix) Environment Reform and Health Fund in Mining Areas: ₹ 79.25 crore.

15. It included ₹853.25 crore of NDRF.

• ***Inoperative Reserve Funds***

As per Finance Account 2020-21, four Reserve Funds (₹ 4.23 crore) were inactive for more than five years. Of these, one fund¹⁶ (₹ 0.20 crore) was interest bearing, two funds¹⁷ (₹ 4.03 crore) were non-interest bearing and one fund¹⁸ was without balance.

The State Government was required to credit interest of ₹ 2.70 crore¹⁹ on ₹ 67.47 crore lying in two interest bearing funds (one operative: ₹ 67.27 crore and one inoperative: ₹ 0.20 crore) as on 31st March 2020. It was, however, observed that the interest was not credited. Finance Department intimated (December 2021) that the four inoperative reserve funds have been closed.

2.5.2.1 State Disaster Response Fund

Government of India replaced the erstwhile Calamity Relief Fund with the State Disaster Response Fund (SDRF) with effect from April 2010. The coverage of the funds recommended by the Finance Commission goes beyond the disaster response funds that already exist at national (NDRF) and state (SDRF) levels. Hence, the XV- Finance Commission recommended creation of funds for disaster mitigation along with disaster response, called State Disaster Risk Management Fund (SDRMF) with effect from 1 April 2020.

On receipt of Central's share, the contributions are to be transferred to the Public Account²⁰ within 15 days of its receipts, otherwise, interest (at bank rate prescribed by Reserve Bank of India) for the period of the delay is to be transferred to the fund.

The State Government is 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. As per guidelines (July 2015) for administration of SDRF, the accretions to the SDRF together with the income earned on the investment of the SDRF are to be invested in Central Government dated Securities, auctioned Treasury Bills and other interest earning deposits with Scheduled Commercial Banks.

Scrutiny of information received from the Disaster Management, Relief and Civil Defence Department revealed that:

- (i) As per recommendation of the XV-FC, the GoR transferred ₹ 1,975 crore (Central share: ₹ 1,481 crore and State share: ₹ 494 crore) to the SDRF during 2020-21. It was observed that GoI issued (07 January 2021) sanction for ₹ 740.50 crore towards second instalment of SDRMF which was transferred by the State Government along with its share (₹ 247 crore) after a delay of 13 days.
- (ii) There was a net balance of ₹2,979.44 crore in SDRF (including balance in NDRF) after incurring an expenditure of ₹ 2,088.71 crore on disaster relief operations as on 31 March 2021. During 2020-21, the GoR did not invest the unspent SDRF balance in any of the prescribed instruments. The GoR paid ₹ 55.46 crore as interest on the amount which remained un-invested during 2019-20 and ₹ 88.21

16. Departmental Management Scheme of *Jhamar Kotra* Rock Phosphate: ₹ 20.45 lakh.

17. (i) Fund for intensive egg and hen production and marketing centres with the assistance of World Food Programme: ₹ 0.95 lakh and (ii) State Road Development Fund: ₹ 402.08 lakh.

18. Farmer Reform Fund.

19. Conservatively estimated at 4.00 *per cent*, representing the average interest rate on Ways and Means Advances.

20. Major Head-8121, Reserve Fund Bearing Interest.

crore as half-yearly (April- September 2020) interest on the amount remaining un-invested during 2020-21.

Department stated (July 2021) that the unspent balance could not be invested in any of the instruments as meeting of the investment committee could not be held during 2020-21 due to Covid-19.

Failure to invest the unspent SDRF balance in the instruments prescribed as per guidelines resulted in loss of revenue for the State Government.

Table 2.33: Details of expenditure charged to SDRF

(₹ in crore)			
S. No.	Major Head of Account	Minor Head of Account	Expenditure during 2020-21
1.	2245- Relief on Account of Natural Calamities 01-Drought	102- Drinking Water Supply	9.37
		104- Supply of Fodder	12.01
		800- Other Expenditure	360.67
		Sub Total	382.05
2.	2245- Relief on Account of Natural Calamities 02- Floods, Cyclones etc.	101-Gratuitous Relief	0.07
		106-Repairs and Restoration of Damaged Roads and Bridges	117.58
		107- Repairs and restoration of damaged Government Office Buildings	0.13
		111- Ex-gratia payment to bereaved families	1.60
		113- Assistance for repairs/reconstruction of Houses	2.45
		114- Assistance to farmers for purchase of Agriculture Inputs	471.90
		117- Assistance to farmers for purchase of livestock	0.23
		122-Repairs and Restoration of Damaged Irrigation and Flood Control Works	7.39
		282- Public Health	1,126.41
		Sub Total	1,727.76
Grand Total			2,109.81
3.	2245- Relief on Account of Natural Calamities 80- General	800-Other Expenditure (Administration Expenses)	7.96
		Sub-Total	7.96
		Total	2,117.77
4.	05-State Disaster Response Fund	101- Transfers to Reserve Funds and Deposit Accounts State Disaster Response Fund (including NDRF share)	2,828.25
		901- Deduct - Amount met from State Disaster Response Fund	(-) 2,109.81*

Source: Finance Accounts.

*includes ₹ 21.10 crore pertaining to previous year deposited by various Treasuries and Sub-treasuries.

During 2020-21, expenditure of ₹ 2,117.77 crore was incurred on the budget head 'Relief on Account of Natural Calamities' out of which the Government met ₹ 2,109.81 crore from SDRF (excluding Administration expenses).

2.5.2.2 Guarantee Redemption Fund

The State Government had set up the 'Guarantee Redemption Fund (Fund)' in 1999-2000 for meeting the payment obligations arising out of the guarantees issued by the Government in respect of bonds issued and other borrowings by the State Public Sector Undertakings or other Bodies and invoked by the beneficiaries.

The accumulations in the Fund are to be utilised only towards payment of the guarantees issued by the Government and not paid by the institutions on whose behalf guarantees were issued. This order was effective from 01st April 2003.

According to Finance Department (Ways & Means), GoR office order dated 15.12.2007, accumulated fund into the Fund including interest earned on invested funds were to be invested through RBI into Treasury Bills of 364 days of GoI.

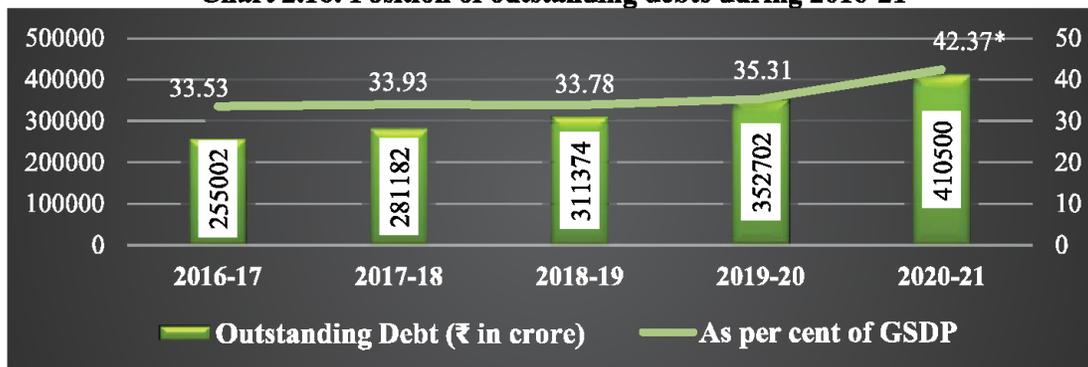
The corpus of the Fund is to be gradually increased to the desired level of 5 per cent of outstanding guarantees in terms of the guidelines of the RBI which administers the Fund. The Guarantee Redemption Fund has a balance of ₹ 5,454.32 crore as on 31st March 2021 which was 6.60 per cent of outstanding guarantees (₹ 82,612.45 crore).

As per Finance Accounts as of 1st April 2020, the opening balance in the Fund was ₹ 4,917.30 crore. During the year 2020-21, a sum of ₹ 437.34 crore (₹ 0.07 crore belonging to the period 2019-20 and ₹ 437.27 crore²¹ of 2020-21) was transferred into the Fund and no guarantee was invoked in such period. In addition to this, an amount of ₹ 99.68 crore was received by the Government as interest on investment made from Fund during 2019-20. As of 31st March 2021, the closing balance in the Fund was ₹ 5,454.32 crore, out of which only ₹ 1,933.19 crore was invested in the Treasury Bills of 364 days and remaining funds of ₹ 3,521.13 crore were lying non-invested as of 31st March 2021 in contravention of the Finance Department order dated 15.12.2007.

2.6 Debt Management

Debt management is the process of establishing and executing a strategy for managing the Government's debt in order 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.

Chart 2.16: Position of outstanding debts during 2016-21



* Arrived at after exclusion of GST compensation of ₹ 4,604 crore received as back to back loans under debt receipts from the total outstanding liabilities.

The total debt of the State Government increased at CAGR of 12.64 per cent from ₹ 2,55,002 crore in 2016-17 to ₹ 4,10,500 crore²² in 2020-21. During 2020-21, it increased by 16.39 per cent over the previous year. These liabilities were nearly thrice the revenue receipts (₹ 1,34,308 crore) and more than five times the State's own resources (₹ 73,936) during 2020-21.

2.6.1 Debt profile: Components

According to Rajasthan FRBM Act, 2005, total liability means the explicit liabilities under Consolidated Fund of the State and the Public Account of the State including General Provident Fund. Some of the important terms in this regard are explained in Appendix 2.3.

Table 2.34 presents the component-wise overall debt trends for the period 2016-21.

21. ₹439.64 crore received against receivable guarantee fee of ₹740.81 crore under head '0075-108'.

22. Effective outstanding debt would be ₹ 4,05,896 crore as the Department of Expenditure, GoI has decided that GST compensation of ₹ 4,604 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

Table 2.34: Component wise debt trends

		(₹ in crore)				
S. No.		2016-17	2017-18	2018-19	2019-20	2020-21
1.	Outstanding Overall Debt	2,55,002*	2,81,182*	3,11,374*	3,52,702*	4,10,500*
2.	Public Debt	1,84,285	2,00,244	2,19,312	2,42,077	2,84,789
3.	Internal Debt	11,139	12,063	13,927	17,303	23,532
4.	Liabilities on Public Account	59,578	68,875	78,135	93,322	1,02,179
5.	Rate of growth of outstanding Overall debt (percentage)	21.79	10.27	10.74	13.27	16.39
6.	Gross State Domestic Product (GSDP)	7,60,587	8,28,661	9,21,789	9,98,999	9,57,912
7.	Overall Debt/GSDP (per cent)	33.53	33.93	33.78	35.31	42.37²³
8.	Total Debt Receipts during the year including public accounts receipts	2,01,683	1,86,325	2,08,734	2,39,012	2,92,254
9.	Total Debt Repayments during the year including Public Account disbursements	1,56,067	1,60,145	1,78,542	1,97,684	2,34,456
10.	Total Debt Available	45,616	26,180	30,192	41,328	57,798
11.	Debt Available/Debt Receipts (percentage)	22.62	14.05	14.46	17.29	19.78

Source: Finance Accounts of the respective years

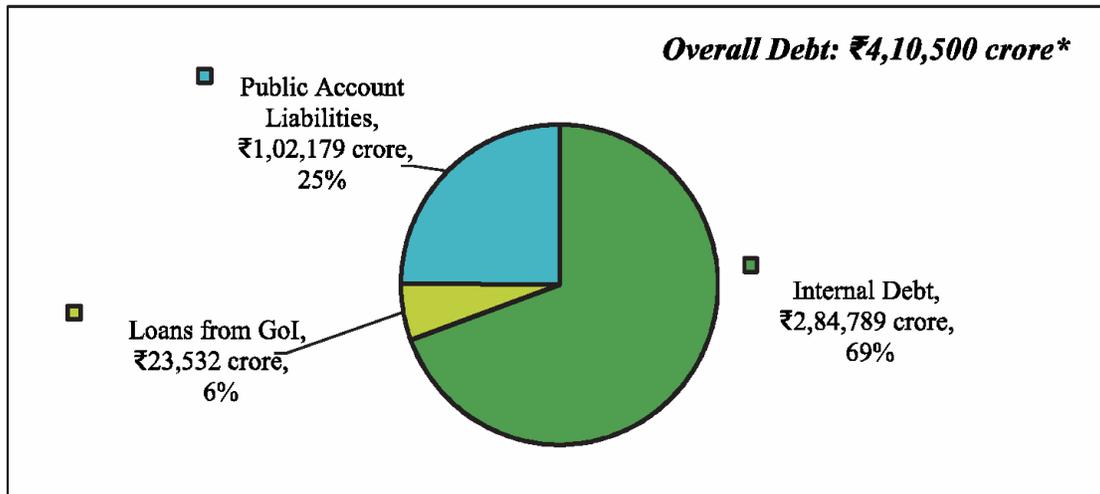
*Including outstanding UDAY loans: 2016-17= ₹62,422 crore, 2017-18 = ₹ 58,272 crore, 2018-19= ₹ 51,636 crore, 2019-20= ₹ 44,730 crore, 2020-21= ₹ 37,825 crore.

The effective outstanding overall debt would be ₹ 4,05,896 crore as the Department of Expenditure, GoI has decided that GST compensation of ₹ 4,604 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

During 2020-21, the overall debt increased by ₹ 57,798 crore as compared to previous year mainly due to increase in public debt (₹ 48,941 crore) and public account liabilities (₹ 8,857 crore).

The overall debt-GSDP ratio increased from 35.31 *per cent* in 2019-20 to 42.37 *per cent*²³ in 2020-21. The State could not achieve the target of 38.20 *per cent* fixed under FRBM Act.

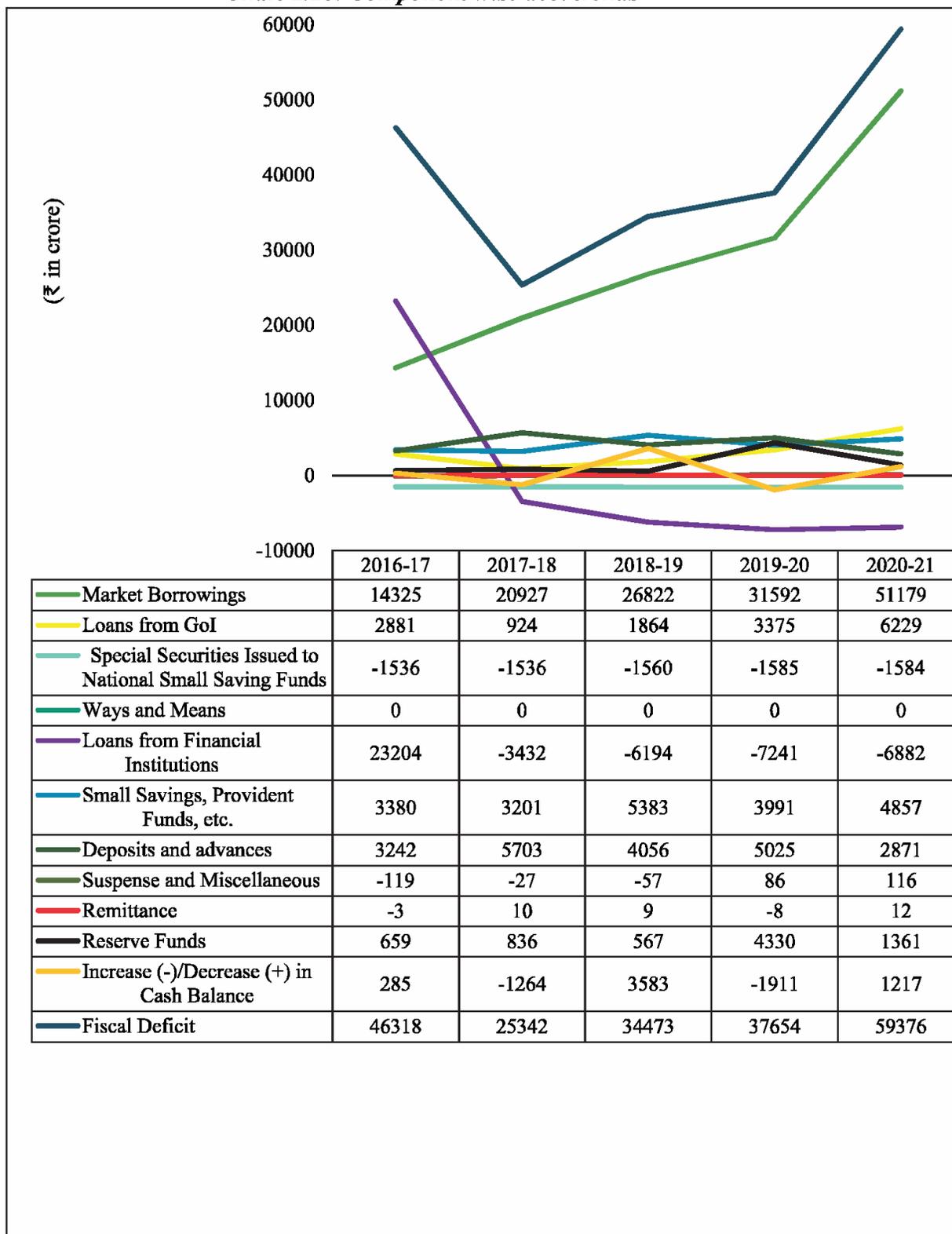
Chart 2.17: Break up of Outstanding Overall Debt at the end of Financial Year



* Effective overall debt would be ₹ 4,05,896 crore as the Department of Expenditure, GoI has decided that GST compensation of ₹ 4,604 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission

23. The Debt to GSDP ratio as per the Finance Accounts is 42.85 *per cent*. However, the effective debt to GSDP ratio has been arrived at after exclusion of GST compensation of ₹ 4,604 crore received as back to back loan under debt receipts from the outstanding overall debt.

Chart 2.18: Component wise debt trends*



*net figures i.e. the difference between receipts and disbursements under the respective components during the year.

Chart 2.19: Internal debt taken vis-a-vis repaid

(₹ in crore)

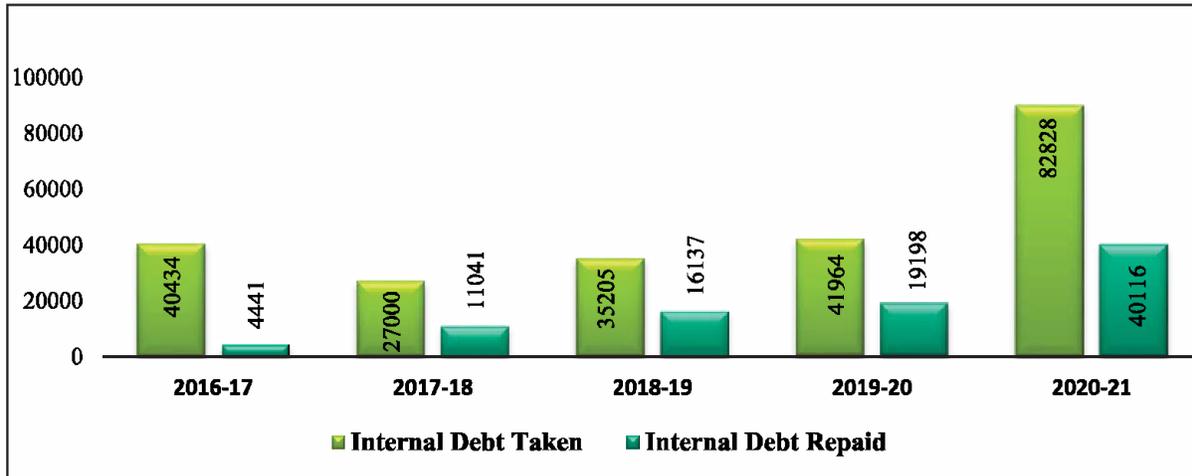
**Components of fiscal deficit and its financing pattern**

Table 2.35 presents item-wise net disbursement/outflow financing pattern of fiscal deficits of the State during 2016-17 to 2020-21.

Table 2.35: Components of fiscal deficit and its item-wise financing pattern

(₹ in crore)

	2016-17 [#]	2017-18	2018-19	2019-20	2020-21	
(a) Composition of Fiscal Deficit						
1	Revenue Deficit/ Surplus (-)	18,114	18,535	28,900	36,371	44,001
2	Net Capital Expenditure	16,952	20,607	19,618	14,698	15,257
3	Net Loans and Advances*	11,252 [@]	(-) 13,800	(-) 14,045	(-) 13,415	118
	Total (a)	46,318	25,342	34,473	37,654	59,376
(b) Financing Pattern of Fiscal Deficit						
1	Market Borrowings	14,325	20,927	26,822	31,592	51,179
2	Loans from GoI	2,881	924	1,864	3,375	6,229
3	Special Securities Issued to National Small Saving Funds	(-) 1,536	(-) 1,536	(-) 1,560	(-) 1,585	(-) 1,584
4	Ways and Means	-	-	-	-	-
5	Loans from Financial Institutions	23,204	(-) 3,432	(-) 6,194	(-) 7,241	(-) 6,882
6	Small Savings, Provident Fund etc.	3,380	3,201	5,383	3,991	4,857
7	Deposits and Advances	3,242	5,703	4,056	5,025	2,871
8	Suspense and Miscellaneous	(-) 119	(-) 27	(-) 57	86	116
9	Remittances	(-) 3	10	09	(-) 8	12
10	Reserve Funds	659	836	567	4,330	1,361
	Total (b)	46,033	26,606	30,890	39,565	58,159
11	Increase (-)/ Decrease in Cash Balance (a-b)	285	(-) 1,264	3,583	(-) 1,911	1,217
12	Overall Fiscal Deficit (b+11)	46,318	25,342	34,473	37,654	59,376

Source: Finance Accounts

[#] The position includes the impact of UDAY.[@] Including UDAY loans given in 2016-17 (₹ 22,372 crore).^{*} Net Loans and Advances means disbursements of Loans and Advances - recovery of Loans and Advances during the year.

Fiscal deficit is the total borrowing requirement of the State and is the excess of Revenue and Capital Expenditure including loans and advances over revenue and non-debt receipts. Composition of fiscal deficit reveals the extent of various borrowings resorted to by the State to meet its requirement of funds over and above Revenue and non-debt Receipts.

Market borrowings continued to finance a major portion of fiscal deficit. Its share in financing fiscal deficit increased from 84 *per cent* in 2019-20 to 86 *per cent* in 2020-21. During 2020-21, the fiscal deficit of ₹ 59,376 crore was mainly met from Market Borrowings (₹ 51,179 crore).

Chart 2.20: Financing of fiscal deficit expressed through a water flow chart

(₹ in crore)

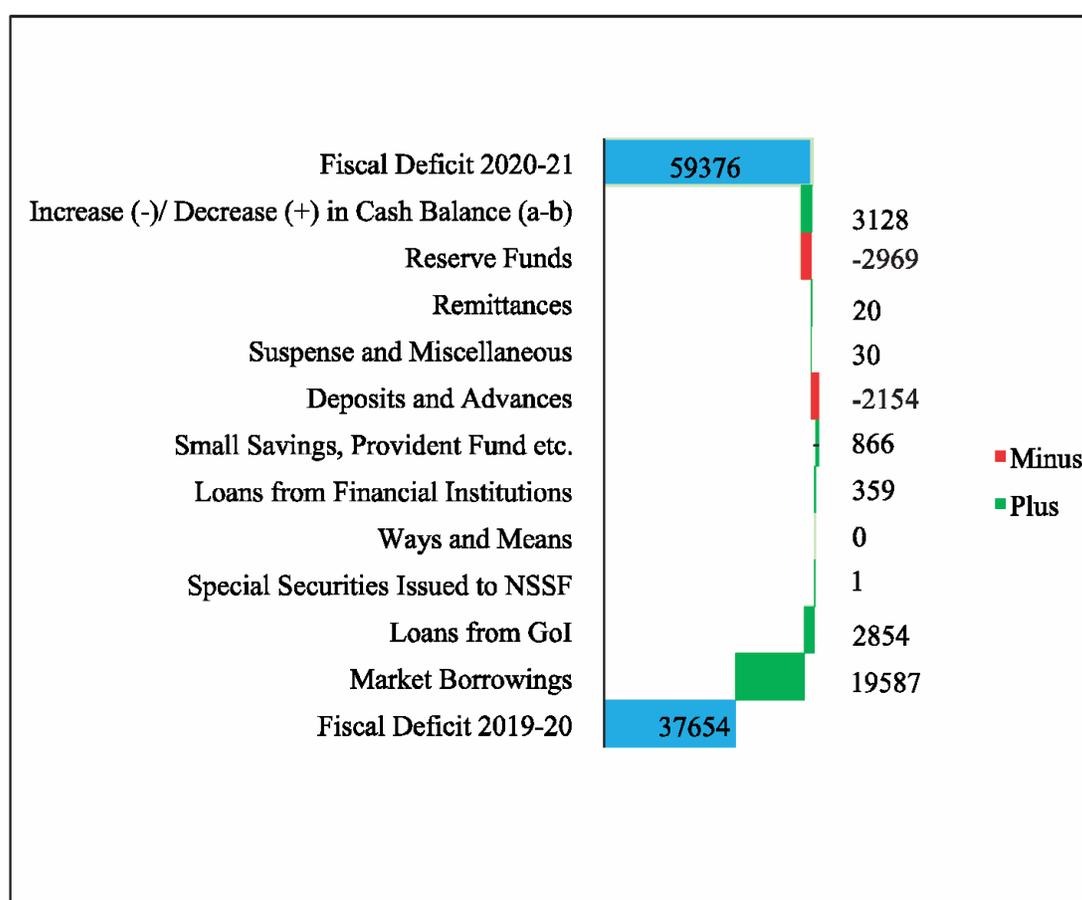


Table 2.36: Receipts and Disbursements under components financing fiscal deficit

(₹ in crore)

Particulars	Receipt	Disbursement	Net
1 Market Borrowings	57,359	6,180	51,179
2 Loans from GOI	7,136	907	6,229
3 Special Securities issued to NSSF	-	1,584	(-) 1,584
4 Ways and Means Advance from Reserve Bank of India	23,484	23,484	-
5 Loans from Financial Institutions	1,986	8,868	(-) 6,882

Particulars		Receipt	Disbursement	Net
6	Small Savings, PF, etc.	13,705	8,848	4,857
7	Deposits and Advances	1,80,656	1,77,785	2,871
8	Suspense and Miscellaneous	107	(-) 9	116
9	Remittances	7,750	7,738	12
10	Reserve Fund	6,227	4,866	1,361
11	Overall Deficit	2,98,410	2,40,251	58,159
12	Increase (-)/Decrease in Cash Balance	-	-	1,217
13	Gross Fiscal Deficit	-	-	59,376

2.6.2 Debt profile: Maturity and Repayment

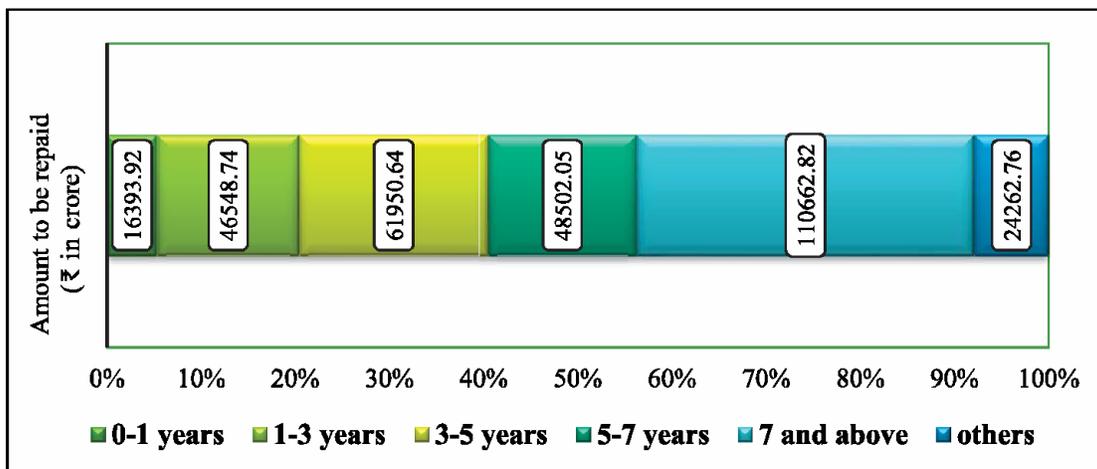
The Maturity Profile of the State Debt (amounts payable in respect of Internal debt and loans from GoI in different years) as on 31 March 2021 is depicted in **Table 2.37** and **Chart 2.21**:

Table 2.37: Debt Maturity profile of repayment of State debt

S. No.	Period of repayment (Years)	Amount (₹ in crore)	Percentage (w.r.t. Public debt)
1.	0 – 1	16,393.92	5.32
2.	1 – 3	46,548.74	15.10
3.	3 – 5	61,950.64	20.09
4.	5 – 7	48,502.05	15.73
5.	7 and above	1,10,662.82	35.89
6.	Others ²⁴	24,262.76	7.87
	Total	3,08,320.93	100.00

Source: Finance Accounts

Chart 2.21: Debt Maturity Profile



24. Payment schedule of this amount is not being maintained by office of the Accountant General (A&E).

The maturity profile of outstanding stock of public debt as on 31st March 2021 indicates that out of the outstanding public debt of ₹ 3,08,320.93 crore, 56.24 per cent (₹1,73,395.35 crore) is payable within the next seven years, 35.89 per cent (₹ 1,10,662.82 crore) is in the maturity bracket of more than seven years while the repayment schedule of the remaining amount (₹ 24,262.76 crore) is not available.

Repayment Schedule of market loans

The borrowings of State Government are governed by Article 293 of the Constitution of India. The State Government takes loans/borrows from market for implementation of various State Plan programmes and fulfilment of fiscal liabilities.

As per information provided by the Finance Department GoR, (July 2021) the repayment schedule of outstanding market loans and interest on these loans for the years 2020-21 to 2055-56 is depicted below in **Table 2.38** and **Chart 2.22**.

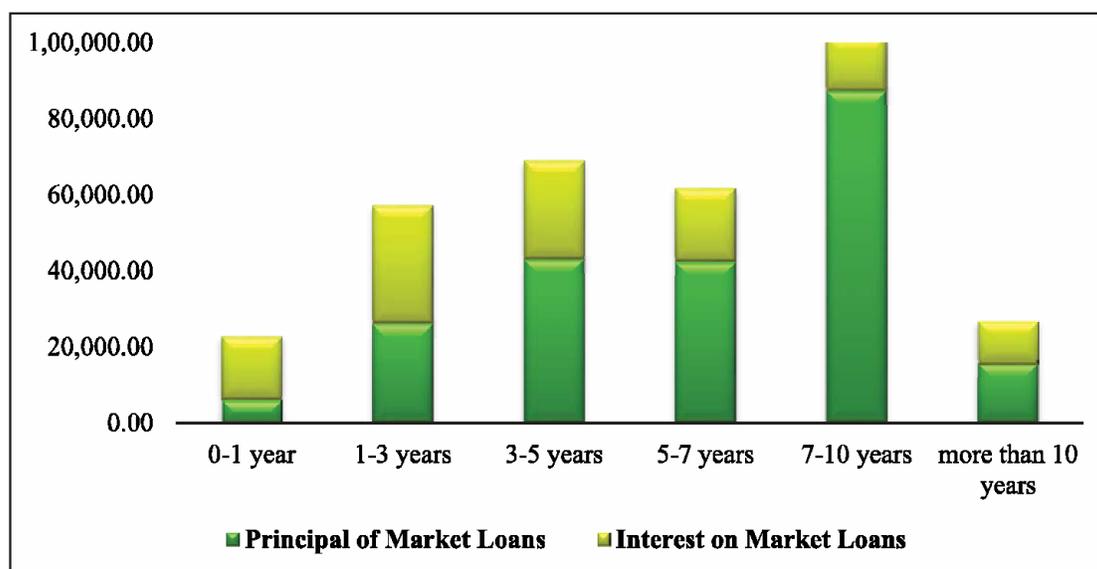
Table 2.38: Repayment schedule of Market Loans and Interest on Market Loans

S. No.	Period of Repayment (Years)	Repayment of Market Loans (Principal) (₹ in crore)	Repayment of Market Loans (Interest) (₹ in crore)
1.	0 – 1	6,000.00	16,665.90
2.	1 – 3	26,041.10	31,126.90
3.	3 – 5	42,850.00	26,126.33
4.	5 – 7	42,317.78	19,454.43
5.	7 -10	87,329.04	14,297.26
6.	More than 10	15,500.00	11,220.62
	Total	2,20,037.92	1,18,891.44

Source: Information provided by the Finance Department.

Chart 2.22: Repayment schedule of Market Loans and Interest on Market Loans

(₹ in crore)



The State will have to repay ₹ 32,041.10 crore of market loans and pay interest of ₹ 47,792.80 crore in next three financial years i.e. up to 2023-24. In the following two years up to 2025-26, principal of ₹ 42,850.00 crore and interest of ₹ 26,126.33 crore

will be payable. Annual outgo of principal repayment and interest will be approximately ₹ 29,762 crore during next five years up to 2025-26.

In the period 2026-27 to 2030-31, loans of ₹ 1,29,646.82 crore and interest of ₹ 33,751.69 crore will be payable. As such the State will have to repay approximately ₹ 32,680 crore annually on an average during the period 2026-27 to 2030-31.

Rising debt-GSDP ratio, mounting committed expenditure and continuous revenue deficit over the last five years are compelling grounds for the State Government to work out a well-thought out debt repayment strategy to avoid falling into a debt trap.

2.7 Debt Sustainability Analysis (DSA)

Debt Sustainability

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 creditworthiness and the liquidity position of the borrowers by examining their ability to service the debt and repaying debt out of current and regular sources of revenue.

This section assesses the sustainability of debt of the State Government in terms of debt-GSDP ratio, burden of interest payments (measured by ratio of interest payments to revenue receipts) and maturity profile of the State Government debts.

Table 2.39 analyses the debt sustainability of the State according to relevant indicators for a period of five years beginning from 2016-17.

Table 2.39: Trends in debt Sustainability indicators

S.No.	Debt Sustainability Indicators	2016-17	2017-18	2018-19	2019-20	2020-21
1.	Overall debt (₹ in crore)	2,55,002	2,81,182	3,11,374	3,52,702	4,10,500 ⁵
2.	Outstanding Public Debt* (₹ in crore)	1,95,424	2,12,307	2,33,239	2,59,380	3,08,321 ⁵
3.	Rate of Growth of Outstanding Public Debt (<i>per cent</i>)	24.83	8.64	9.86	11.21	18.87
4.	GSDP (₹ in crore)	7,60,587	8,28,661	9,21,789 ²⁵	9,98,999 ²⁶	9,57,912 ²⁷
5.	Rate of Growth of GSDP (<i>per cent</i>)	11.61	8.95	11.24	8.38	(-) 4.11
6.	Public Debt/GSDP	0.26	0.26	0.25	0.26	0.32 ²⁸
7.	Overall Debt/GSDP (<i>per cent</i>)	33.53	33.93	33.78	35.31	42.37 ²⁸
8.	Public Debt Maturity profile of repayment of State debt – including default history, if any (₹ in crore)	4,386	11,000	16,096	17,702	16,556
9.	Public Debt Receipts (₹ in crore)	43,889	28,557	37,847	46,173	89,964
10.	Public Debt Repayment (₹ in crore)	5,015	11,674	16,915	20,032	41,023
11.	Interest paid on Outstanding Public Debt (₹ in crore)	14,439	16,214	17,804	19,236	20,720
12.	Average interest rate of Outstanding Public Debt (<i>per cent</i>)	8.20	7.95	7.99	7.81	7.30
13.	Percentage of Interest payment to Revenue Receipt	13.24	12.74	12.91	13.73	15.43

25. Revised estimate-II

26. Revised estimate-I

27. Advance Estimate

28. Arrived at after exclusion of GST compensation of ₹ 4,604 crore received as back to back loans under debt receipts from the total outstanding liabilities.

S.No.	Debt Sustainability Indicators	2016-17	2017-18	2018-19	2019-20	2020-21
14.	Percentage of Public Debt Repayment to Public Debt Receipt	11.43	40.88	44.69	43.38	45.60
15.	Net Public Debt available to the State [#] (₹ in crore)	24,435	669	3,128	6,905	28,221
16.	Net Public Debt available as <i>per cent</i> to Public Debt Receipts	55.67	2.34	8.26	14.95	31.37

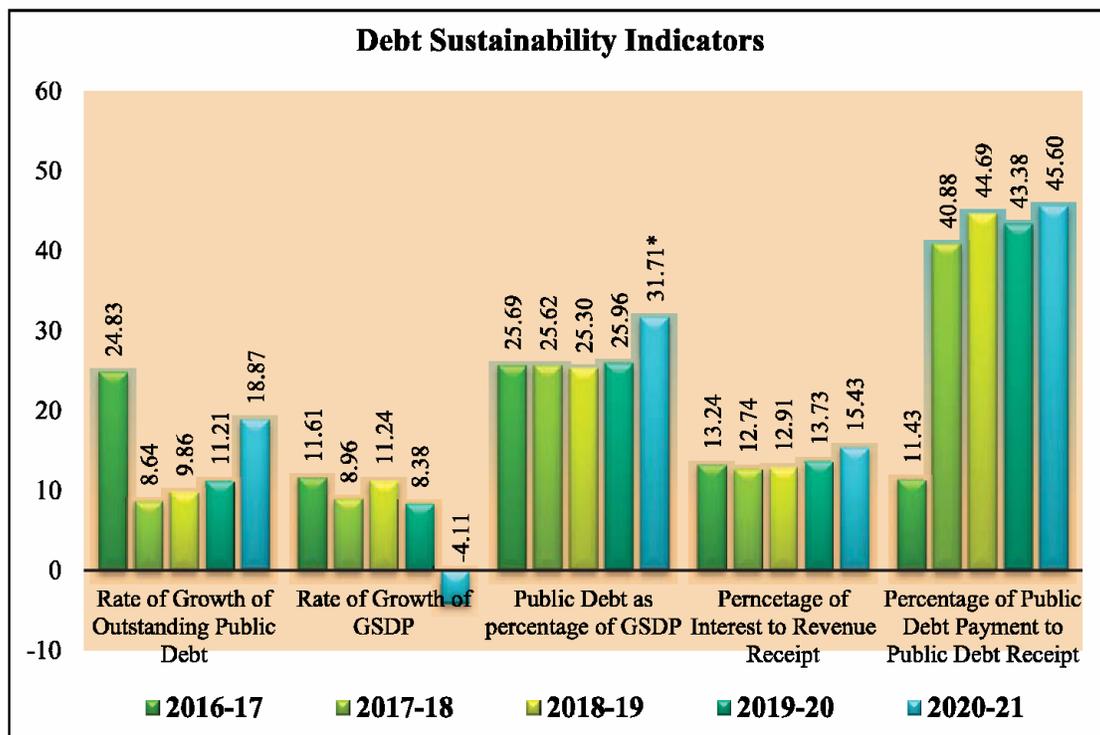
Source: Finance Accounts

^s The effective debt would be ₹ 4,05,896 crore as GST compensation of ₹ 4,604 crore given to the States as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

* Outstanding Public Debt is the sum of outstanding balances under the heads 6003-Internal Debt and 6004- Loans and Advances from the Central Government.

Net debt available to the State Government is calculated as excess of Public debt receipts over Public debt repayment and interest payment on Public Debt.

Chart 2.23: Trends of Debt Sustainability indicators



* Arrived at after exclusion of GST compensation of ₹ 4,604 crore received as back to back loans under debt receipts from the total outstanding liabilities.

Analysis of various debt sustainability indicators as shown in **Table 2.39** revealed the following:

- The debt-GSDP ratio increased from 35.31 *per cent* in 2019-20 to 42.37 *per cent*²⁹ in 2020-21.
- The burden of interest payment on public debt as percentage of revenue receipts increased from 13.73 *per cent* in 2019-20 to 15.43 *per cent* in 2020-21.
- The percentage of public debt repayment to public debt receipts during 2020-21 increased to 45.60 *per cent* as against 43.38 *per cent* in 2019-20.

29. The Debt to GSDP ratio as per the Finance Accounts is 42.85 *per cent*. However, the effective debt to GSDP ratio has been arrived at after exclusion of GST compensation of ₹ 4,604 crore received as back to back loan under debt receipts from the outstanding overall debt.

Net availability of borrowed funds

Net availability of borrowed funds is defined as the ratio of the public debt redemption (Principal + Interest payments) to public debt receipts and indicates the extent to which the debt receipts are used for redemption of old public debt.

The net fund available from borrowing for current operations after providing for interest and principal repayment increased from ₹24,435 crore in 2016-17 to ₹28,221 crore in 2020-21. However, the net public debt available as a percentage of Public debt receipts declined from 55.67 per cent in 2016-17 to 31.37 per cent in 2020-21 indicating a greater share of debt receipts are being utilised towards redemption of old public debt resulting in a deteriorating debt situation.

2.7.1 Utilisation of borrowed funds

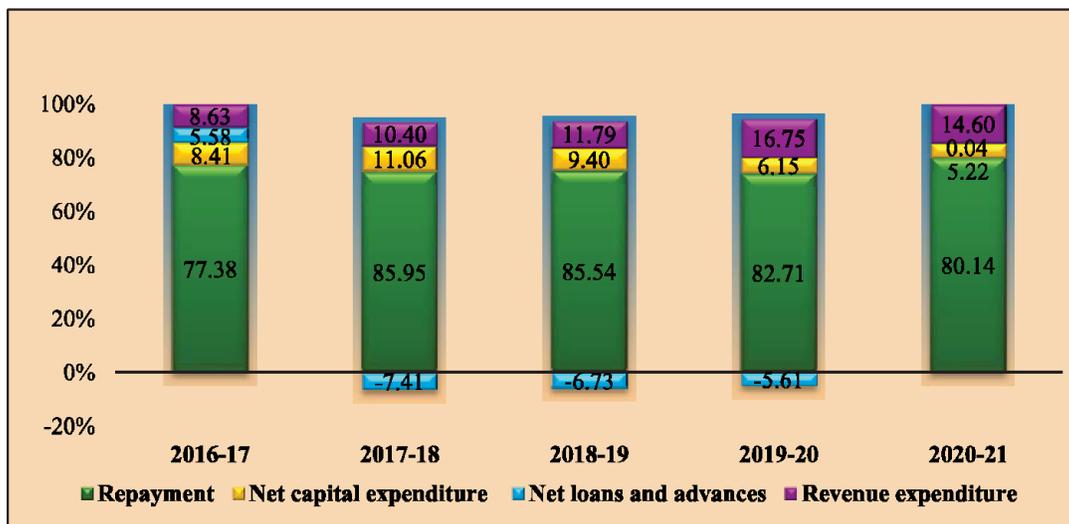
Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not sustainable.

Table 2.40: Utilisation of borrowed funds

		(₹ in crore)					
S. No.	Year		2016-17	2017-18	2018-19	2019-20	2020-21
1.	Total Borrowings received during the year	1	2,01,683	1,86,325	2,08,734	2,39,012	2,92,554
2.	Repayment of earlier borrowings (Principal) (percentage)	2	1,56,067 (77.38)	1,60,144 (85.95)	1,78,542 (85.54)	1,97,684 (82.71)	2,34,456 (80.14)
3.	Net capital expenditure (percentage)	3	16,952 (8.41)	20,607 (11.06)	19,618 (9.40)	14,698 (6.15)	15,257 (5.22)
4.	Net loans and advances	4	11,252	(-)13,800	(-) 14,045	(-) 13,415	118
5.	Portion of Revenue expenditure met out of net available borrowings (percentage)	5= 1-2- 3-4	17,412 (8.63)	19,374 (10.40)	24,619 (11.79)	40,045 (16.75)	42,723 (14.60)

Source: Finance Accounts

Chart 2.24: Trends of Utilisation of borrowed funds



During 2020-21, borrowing of ₹ 42,723 crore was used for meeting the revenue expenditure. Percentage of repayment of borrowing to total borrowing increased from

77.4 per cent in 2016-17 to 80.1 per cent in 2020-21. However, it decreased by 2.6 percentage points in 2020-21 over the previous year.

2.7.2 Status of Guarantees Contingent Liabilities

Guarantees are contingent liabilities on the Consolidated Fund of the State which can be invoked in case of default by the borrower for whom the guarantee was extended. As per FRBM Act, 2005 (amended in April 2016) total outstanding Government guarantee on 31st March 2017 shall not exceed 70 per cent of estimated receipts in the Consolidated Fund of the State in financial year 2016-17 and thereafter total outstanding government guarantee at the end of each financial year shall not exceed 60 per cent of estimated receipts in the Consolidated Fund of the State in that financial year.

As per Statement 9 of the Finance Accounts 2020-21, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last five years are given in Table 2.41.

Table 2.41: Guarantees given by the Government of Rajasthan

(₹ in crore)

S.No.	Guarantees	2016-17	2017-18	2018-19	2019-20	2020-21
1.	Maximum amount guaranteed including interest	1,18,161	1,12,057	1,31,026	1,44,676	1,56,822
2.	Outstanding amount of guarantees including interest	51,119	61,761	70,430	80,631	82,612
3.	Maximum amount guaranteed as a percentage of total Revenue Receipts	108.38	88.02	95.03	103.26	116.76
4.	Estimated receipts in the Consolidated Fund	1,67,405	1,77,390	2,08,306	2,24,905	2,19,467
5.	Outstanding guarantee w.r.t. estimated receipts (in per cent)	30.54	34.82	33.81	35.85	37.64

Source: Finance Accounts and budget documents

The outstanding guarantees increased by 2.46 per cent from ₹ 80,631 crore in 2019-20 to ₹ 82,612 crore in 2020-21 and were 61.51 per cent of the Revenue Receipts (₹ 1,34,308 crore) of the Government. The outstanding guarantees mainly pertained to five Power Companies (₹ 69,556 crore), Urban Development and Housing Sector (₹ 4,408 crore), one Road Transport Corporation (₹ 2,945 crore) and six Co-operatives (₹ 2,791 crore). The guarantees of Power Companies were given for repayment of loans/overdraft, amount raised by issue of bonds/debentures and payment of interest at stipulated rates.

The outstanding guarantee to estimated receipts ratio (37.64 per cent) during 2020-21 was within the limit fixed under FRBM Act (60.00 per cent).

2.7.3 Management of Cash Balances

As per an agreement with the RBI, the State Government has to maintain a minimum cash balance of ₹ 2.34 crore on all the days w.e.f. 01-03-1999. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary and special Ways and Means advances/overdrafts from time to time.

For arriving at the daily cash balance for the purpose of grant of Ways and Means advances/overdraft, the RBI evaluates the holdings of the 14 days Treasury Bills along with the transactions reported (at RBI counters, Inter-Government transactions and

Treasury transactions reported by the agency banks) for the day. To the cash balance so arrived, the maturity of 14 days Treasury Bills if any, is added and excess balance, if any, after maintaining the minimum cash balance is reinvested in Treasury Bills. If the net cash balance arrived at is less than the minimum cash balance or a credit balance and if there are no 14 days Treasury Bills maturing on that day, RBI rediscounts the holdings of the 14 days Treasury Bills and makes good the shortfall. If there is no holding of 14 days Treasury Bills on that day, the State Government applies for Ways and Means Advances/Special Ways and Means Advances/Overdraft.

The limit for Normal Ways and Means Advances to the State Government was ₹ 2,119 crore w.e.f. 01.04.2020. It was raised to ₹ 2,608 crore w.e.f 17.04.2020 and the same prevailed upto 31 March 2021. The RBI has also agreed to give Special Ways and Means Advances against the pledge of Government Securities. The limit of Special Ways and Means Advances is revised by the RBI from time to time. The limit of Special Ways and Means Advances was ₹ 1,752.87 crore on 1 April 2020 and ₹ 1,977.34 crore on 31 March 2021.

The extent to which the Government maintained the Minimum Cash Balance with the RBI during 2020-21 is given below:

(i) **Special Ways and Means Advances:** The balance under Special Ways and Means Advances as on 1 April 2020 was Nil. During 2020-21, the State Government obtained ₹ 16,071.08 crore by Special Ways and Means Advances on 31 occasions for 99 days from RBI and paid ₹ 11.03 crore as interest. The balance at the end of the year 2020-21 was Nil.

(ii) **Normal ways and means Advances:** The balance under Normal ways and means Advances as on 1 April 2020 was Nil. During 2020-21, the state Government obtained ₹ 7,412.49 crore by Normal ways and Means Advances on 19 occasions for 34 days from RBI and paid ₹ 2.82 crore as interest. On these 34 days the State Government also obtained Special Ways and Means Advances. The balance at the end of the year 2020-21 was Nil.

(iii) **Cash Balance:** The General Cash Balance of the State as on 31 March 2021, apart from 'Investment held in the Cash Balance Investment account' (₹4,440.13 crore), 'Investment of Earmarked Funds' (₹2,103.74 crore) and Other cash balance (₹ 3.61 crore), was ₹(-) 59.97 crore which consisted of the following:

- a. **Cash in Treasuries (MH 8999-101) = ₹ 0.05 crore**
- b. **Deposits with RBI (MH 8999-102) = ₹ 20.99 crore**
- c. **Remittance in transit- local (MH 8999-104) = ₹ (-) 81.01 crore**

The 'Deposits with R.B.I' depicts the monthly cash balance in respect of Reserve Bank Deposit (State) as on 31 March 2021 after closing of March 2021 accounts. There was a difference of ₹ 2.07 crore (Cr.) between the figures in the Finance accounts (₹ 20.99 crore (Dr.)) and that intimated by the RBI (₹ 18.92 crore (Cr.)). Out of this, amount of ₹ 1.96 crore (Cr.) has been reconciled and cleared. Difference of ₹ 0.11 crore (Cr.) is still outstanding and requires reconciliation.

Table 2.42: Cash Balances and their investment

(₹ in crore)

S. No.		Opening balance on 1 April 2020	Closing balance on 31 March 2021
	A. General Cash Balance		
1.	Cash in treasuries	0.05	0.05
2.	Deposits with Reserve Bank of India	49.03	20.99
3.	Remittances in transit – Local	(-) 26.96	(-) 81.01
	Total	22.12	(-) 59.97
4.	Investments held in Cash Balance investment account	5,807.73	4,440.13
	Total (A)	5,829.85	4,380.16
	B. Other Cash Balances and Investments		
5.	Cash with departmental officers viz., Public Works, Forest Officers	0.85	0.77
6.	Permanent advances for contingent expenditure with department officers	2.84	2.84
7.	Investment in earmarked funds	1,870.87	2,103.74
	Total (B)	1,874.56	2,107.35
	Total (A + B)	7,704.41	6,487.51
	Interest realized	77.12	23.38

Source: Finance Accounts

Table 2.43: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

S.No.	Year	Opening Balance	Closing Balance	Increase / decrease (-)	Interest earned
1.	2016-17	5,915.95	5,585.10	(-) 330.85	460.86
2.	2017-18	5,585.10	6,401.72	816.62	365.84
3.	2018-19	6,401.72	2,154.46	(-) 4,247.26	281.20
4.	2019-20	2,154.46	5,807.73	3,653.27	77.12
5.	2020-21	5,807.73	4,440.13	(-) 1,367.60	23.38

Source: Finance Accounts

The surplus cash balances of the State Government are automatically invested in 14 day treasury bills with an average interest rate of 5 per cent per annum and partly in 91, 181 and 364 day auctioned treasury bills of RBI. At the end of 2020-21, a sum of ₹ 4,440.13 crore was invested in GoI Treasury Bills/Securities, which earned an interest of ₹ 23.38 crore. Further, ₹ 2,103.74 crore was also invested in earmarked funds.

Chart 2.25: Market loans vis-a-vis Cash Balance

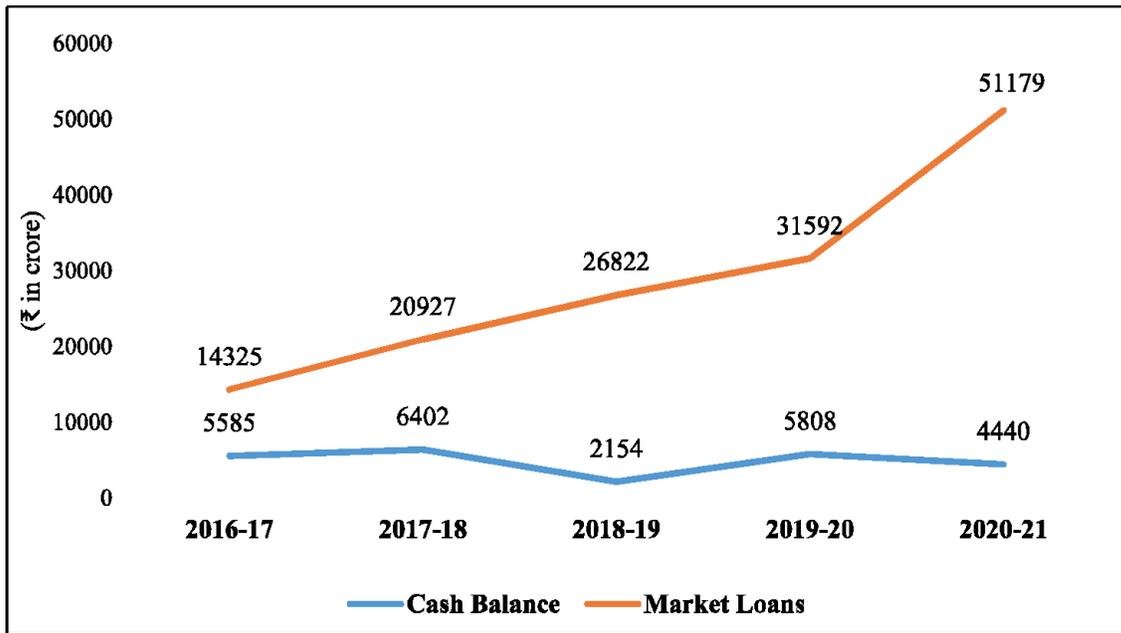
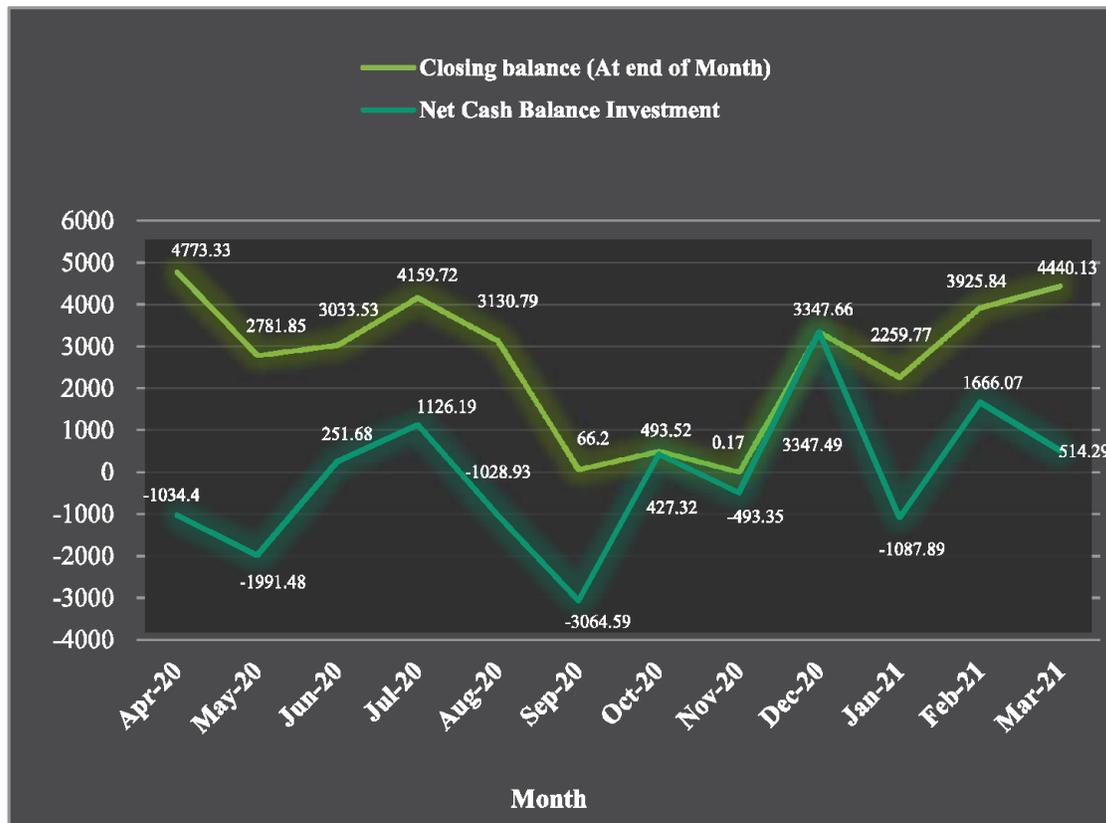


Chart 2.26: Month-wise movement of Cash Balances and net cash balance investments during the year

(₹ in crore)



2.8 Conclusion and recommendations

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government.

Key parameters

Positive Indicators	Parameters requiring close watch
Decreasing subsidy expenditure.	Increasing Overall debt to GSDP ratio.
	Increasing Revenue/ Fiscal/ Primary Deficits.
	Increasing committed expenditure.
	Investment in companies whose net worth is completely eroded.

Improvement in the fiscal position of the state would require efforts by the State Government towards parameters requiring close watch as indicated above.

Chapter III: Budgetary Management

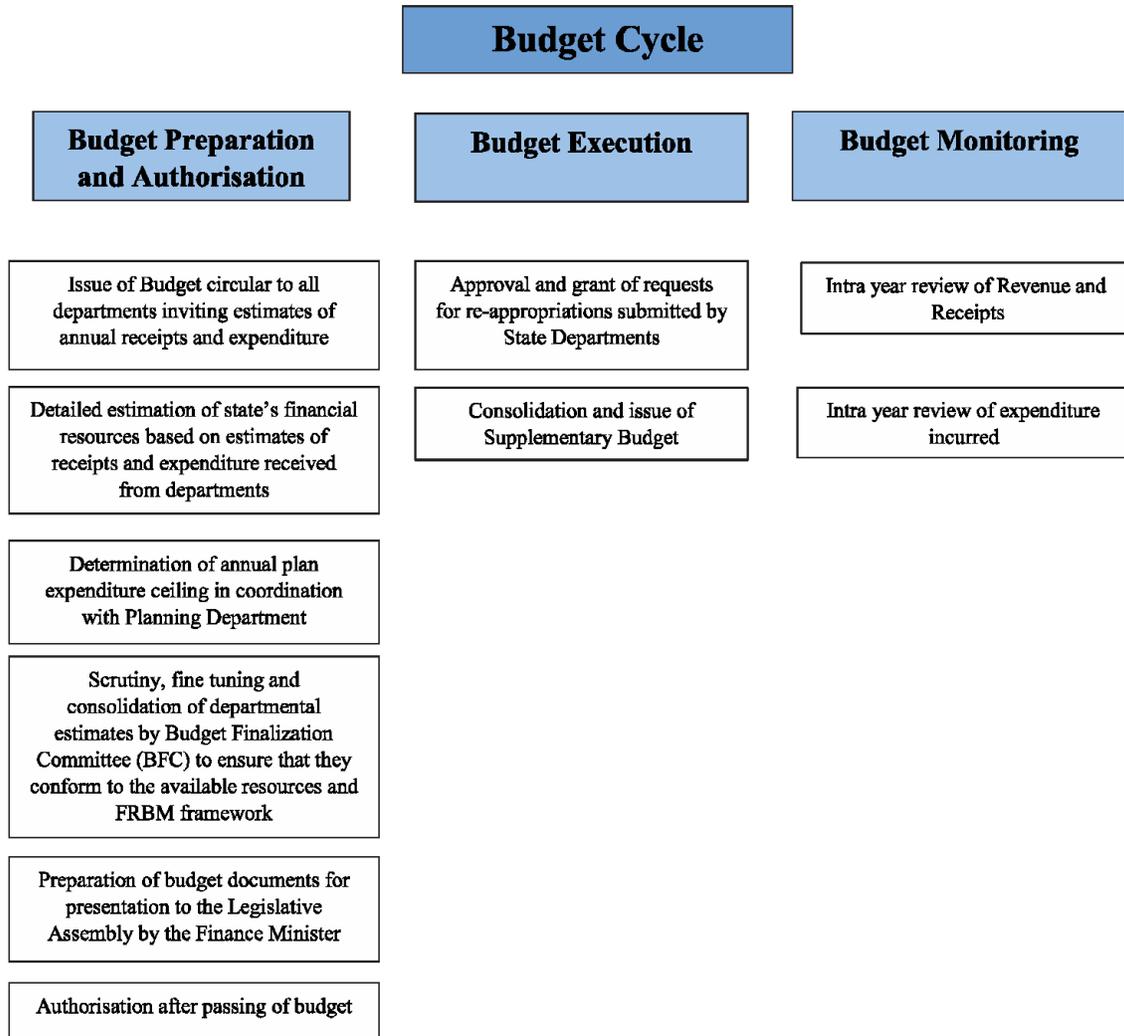
Introduction

The chapter reviews the allocative priorities of State Government and comments on transparency of Budget formulation and effectiveness of its implementation. Effective financial management ensures that decisions taken at the policy level are implemented successfully at the administrative level without wastage or diversion of funds.

3.1 Budget Process

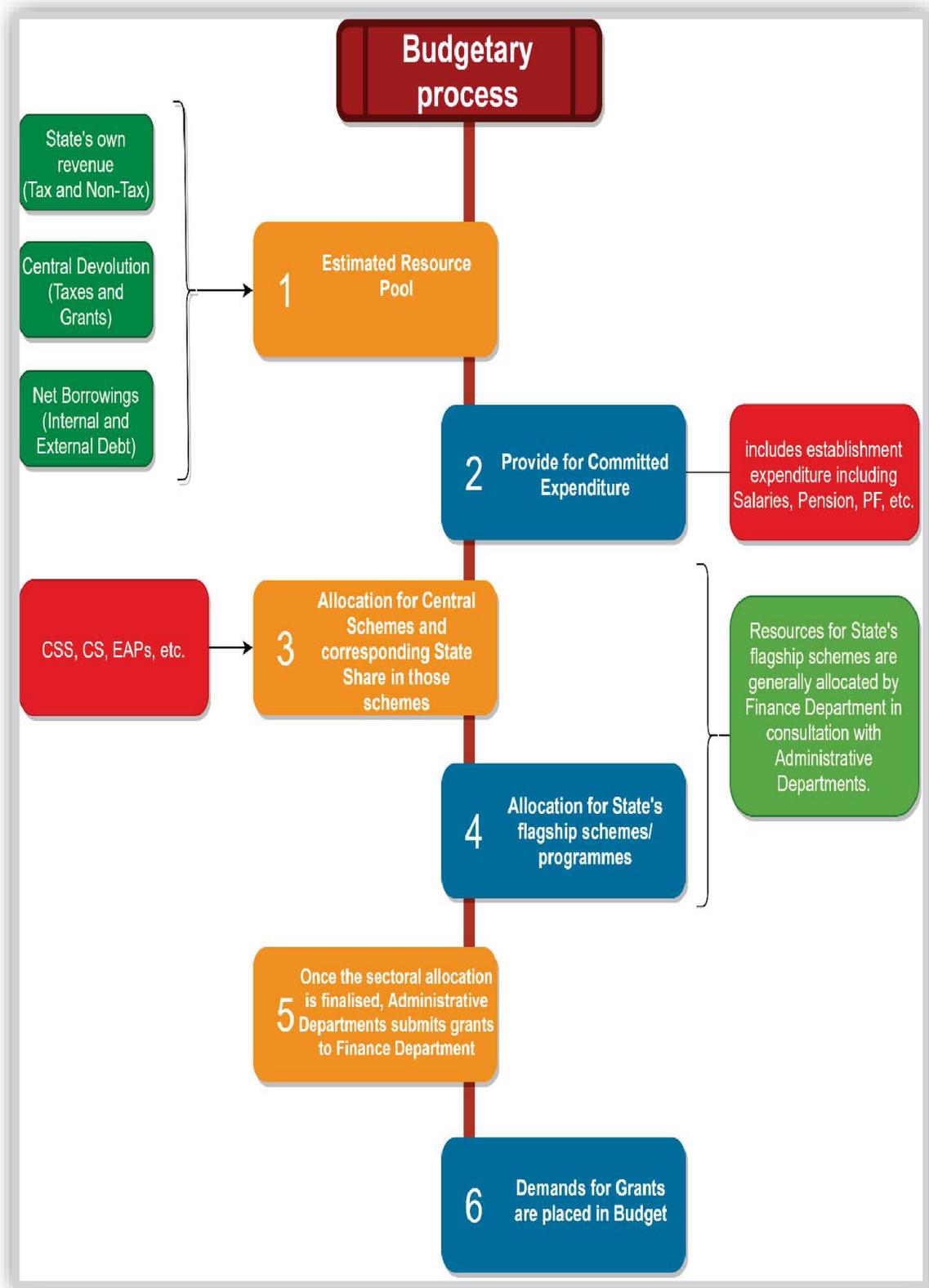
The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. Budget glossary is given in *Appendix 3.1*. In each financial year, the Finance Department is required to prepare a statement of all receipts and expenditure expected to be realized or incurred during the year. This statement is referred to as the Annual Financial Statement (popularly known as the Budget) as specified in Article 202 of the Constitution. Activities to be undertaken by Finance Department in the Budget Process:

Chart 3.1: Budget process



The Budget process commences with the issue of the Budget Circular, normally in August each year, which guides the Departments in framing their estimates, for the next financial year. A typical budget preparation process in a State is given in the figure below:

Chart 3.2: Budget preparation process

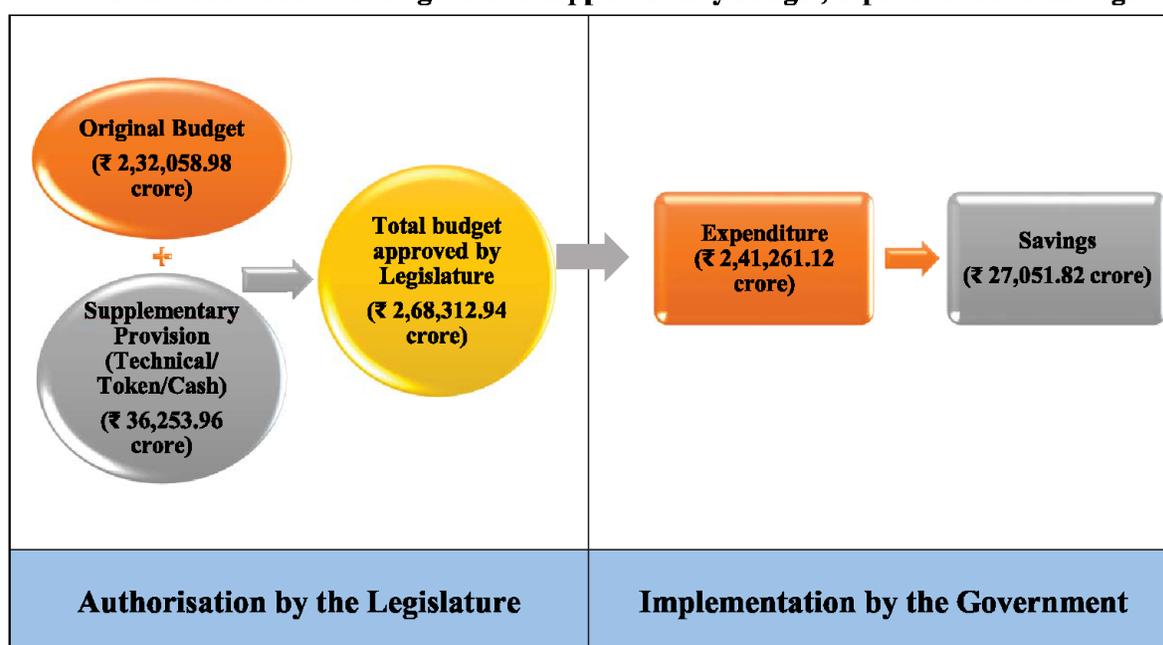


CSS: Centrally Sponsored Schemes; CS: Central Schemes.

As soon as the detailed estimates and grants are finally passed by the Legislative Assembly in accordance with the procedure laid down in Articles 202-204 of the Constitution, Finance Department communicates to all Heads of Departments and other Budget Controlling Officers in written form, the allotments placed at their disposal during the budget year. Copies of letters communicating the grants are forwarded to the concerned Administrative Departments and to the Accountant General. Finance Department also sends copies of the budget document to the Accountant General. All such information and budgetary data is uploaded on the Integrated Financial Management System by the Finance Department and access to the same is available with the concerned authorities.

Finance Department also reviews requests made for supplementary grants and re-appropriations by departments during the course of the year. Apart from supplementary grant, re-appropriation can also be used to re-allocate funds within a Grant. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the Grant or Charged Appropriation. The total amounts approved by the State Legislature including the original and supplementary budget, expenditure and savings during the year 2020-21 are depicted below:

Chart 3.3: Position of original and supplementary budget, expenditure and savings



The State Budget Manual (SBM) stipulates that the estimates of expenditure should be as accurate as possible. An avoidable excess in an estimate is as much a financial irregularity as an excess in the actual expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and it should neither be more nor less.

The budget process/documents are subjected to an external audit conducted by Comptroller and Auditor General. The audit process ensures that (i) every effort is made for revenue realisation and propriety of expenditure (ii) delivery of services by the

government has been carried out with honesty and integrity and (iii) the due process is followed during the entire budget cycle.

3.1.1 Summary of total provisions, actual disbursements and savings/excess during financial year

Summarised position of total budget provisions, disbursements and saving/excess during 2020-21 is given in Table 3.1.

Table 3.1: Budget provisions, disbursements and savings/excess during 2020-21

(₹ in crore)					
Total Budget provision		Disbursements		Saving	
Voted	Charged	Voted	Charged	Voted	Charged
2,01,513.47	66,799.47	1,74,822.52	66,438.60	26,690.95	360.87

Source: Appropriation Accounts

It can be seen from the table that the savings relate mainly to the voted part of Budget Provision.

3.1.2 Charged and Voted disbursements

As per Article 112(2) of the Constitution, a distinction is made between Charged and Voted expenditure. Charged expenditure is an expenditure charged on the revenues of the State not subject to the vote of Legislative Assembly under the Constitution. Voted expenditure is subject to the vote of Legislative Assembly. Article 202 (3) of the Constitution specifies categories of expenditure that can be charged on the Consolidated Fund of the state.

Trend analysis during the last five years (2016-21) of classification of total disbursements into Charged and Voted is given below:

Table 3.2: Voted and Charged disbursements and savings/excess during 2016-21

(₹ in crore)					
S. No.	Year	Disbursements		Saving	
		Voted	Charged	Voted	Charged
1.	2016-17	1,43,262.70	22,913.17	17,297.87	90.45
2.	2017-18	1,52,446.45	31,640.86	15,882.96	107.23
3.	2018-19	1,70,938.53	38,837.74	19,224.26	77.79
4.	2019-20	1,74,658.95	43,879.83	24,176.34	181.67
5.	2020-21	1,74,822.52	66,438.60	26,690.95	360.87

Source: Appropriation Accounts of the respective years

The charged disbursements increased by 190 per cent from ₹ 22,913.17 crore in 2016-17 to ₹ 66,438.60 crore in 2020-21. Voted disbursements increased by 22.03 per cent from ₹ 1,43,262.70 crore in 2016-17 to ₹ 1,74,822.52 crore in 2020-21 and savings exceeded ₹15,000 crore under voted section in every year during 2016-17 to 2020-21.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged

for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 and 205 of the Constitution of India. Appropriation Accounts are on Gross basis. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services vis-à-vis those authorised by the Appropriation Act in respect of both Charged and Voted items of budget. Appropriation Accounts thus facilitate understanding of utilisation of funds, the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

The CAG of India conducts the audit of appropriations to ascertain whether the expenditure actually incurred under various grants underlying in the budget, is within the authorisations given under the Appropriation Act for the year and whether charged appropriations are as required to be charged under the provisions of the Constitution. It also seeks to ascertain whether the expenditure so incurred conforms with the law, relevant rules, regulations and instructions.

3.3 Comments on integrity of budgetary and accounting process

3.3.1 Unnecessary or excessive supplementary grants

Para 24.2 of the SBM stipulates that during the course of a financial year, if the amount provided for the purpose is found to be inadequate or a need arises for an expenditure during the course of the year on some object or service for which no provision has been made, a supplementary grant can be sanctioned by the Legislature.

The State Legislature approved supplementary provision (February 2021) of ₹ 36,253.96 crore in 38 Grants/Appropriations for the year 2020-21. Cases of supplementary provisions of ₹ 2.5 crore or more in each case, aggregating to ₹ 2,672.85 crore, obtained in 10 cases are given in **Table 3.3** below.

Table 3.3: Cases where supplementary provisions proved unnecessary during 2020-21

(₹ in crore)					
S. No.	Name of the Grant	Original	Supplementary	Actual	Saving out of original Provisions
Unnecessary Supplementary					
Revenue (Voted)					
1.	7-Elections	279.72	37.96	275.65	4.07
2.	17-Jails	199.35	2.69	193.37	5.98
3.	29-Urban Plan and Regional Development	5,336.72	1,088.69	5,047.40	289.32
4.	30-Tribal Area Development	13,948.89	442.05	13,173.56	775.33
5.	38-Minor Irrigation and Soil Conservation	130.28	2.63	129.50	0.78
6.	41-Community Development	5,656.08	946.63	4,432.20	1,223.88
	Total	25,551.04	2,520.65	23,251.68	2,299.36
Capital (Voted)					
7	16-Police	138.76	21.41	120.38	18.38
8	23-Labour and Employment	15.81	10.19	6.28	9.53
9	24-Education, Art and Culture	1,001.94	112.27	916.28	85.66
10	37-Agriculture	197.06	8.33	181.55	15.51

S. No.	Name of the Grant	Original	Supplementary	Actual	Saving out of original Provisions
	Total	1,353.57	1,52.20	1,224.49	129.08
	Grand Total		2,672.85		

Source: Appropriation Accounts

In all the above cases, it was seen that provisions for supplementary grants proved unnecessary as the actual expenditure was even less than the original budget estimates. This indicates that supplementary grants were obtained without proper assessment of adequacy of original provision in contravention of provision of SBM.

From the above facts, it is clear that the budget controlling officers failed to exercise their responsibilities envisaged under chapter 24 of SBM. Demands for supplementary provisions without assessing the actual requirements indicated lack of budgetary control and inadequate assessment. The Departments need to strengthen the estimation of requirement of funds and review the basis of supplementary provisions to avoid such instances in future.

3.3.2 Unnecessary or excessive re-appropriation

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. As per para 23.3 of SBM, re-appropriations are permissible only when it is known or anticipated that appropriation for the unit from which funds are diverted will not be utilized in full or that savings can definitely be affected in it. During the year 2020-21, re-appropriation orders of ₹ 11,701.85 crore were issued till 31 March 2021.

In several cases, re-appropriation proved insufficient/excessive or unnecessary and resulted in huge savings. The final savings/excess after re-appropriation was more than ₹ one crore in 19 heads of accounts (*Appendix 3.2*). There was insufficient re-appropriation in 13 heads of accounts, unnecessary re-appropriation in one head of accounts and excessive re-appropriation in 5 heads of accounts.

Injudicious re-appropriation of funds resulted in excess expenditure of ₹ 382.23 crore in 130 sub-heads and final savings of ₹ 290.53 crore in 412 sub-heads. The State government did not furnish any reasons for these re-appropriations (March 2021).

The above instances are indicative of the fact that the budget controlling officers failed to adequately assess the requirements and did not have updated information regarding expenditure before re-appropriations.

Para 23.15.6 of SBM envisages that the reasons for anticipating excesses or savings should be clearly explained by the Department. Scrutiny of re-appropriation orders issued (31 March 2021) by the Finance Department, revealed that out of 1,734 re-appropriation orders, reasons were clearly explained only in 802 cases (46.3 per cent). Explanations in the remaining 932 cases, were of vague and non-specific nature like 'actual requirement', 'based on latest assessment' and 'restriction of expenditure'.

3.3.3 Unspent amount and surrendered appropriations and/or Large Savings/Surrenders

Paragraph 13.7 of the SBM prescribes that actual expenditure incurred during the last three years and the revised estimates for the current financial year, should be taken into consideration for preparing estimates for the ensuing financial year. Past figures should be used to identify any noticeable tendency for expenditure to rise or decline, any abnormal feature during past years, any recognizable regularity in movement of expenditure and any special event likely to arise with the potential to impact expenditure significantly.

During the year 2020-21, cases of substantial savings from budget allocation were noticed, raising questions about the credibility of the budgeting process and budget monitoring. The outcome of Appropriation audit revealed that out of total savings of ₹ 27,051.82 crore (10.08 *per cent*) during the year 2020-21 there were 28 grants in which the savings exceeded ₹ 100 crore in each case and these grants had combined savings of ₹ 25,855.69 crore (95.58 *per cent* of total savings), as given in *Appendix 3.3*. There were eight grants in which saving exceeded ₹ 100 crore in both revenue and capital sections.

The main reasons for substantial savings as furnished by the departments was non/less release of share/funds by GoI/GoR and non/less execution of work. Other reasons were

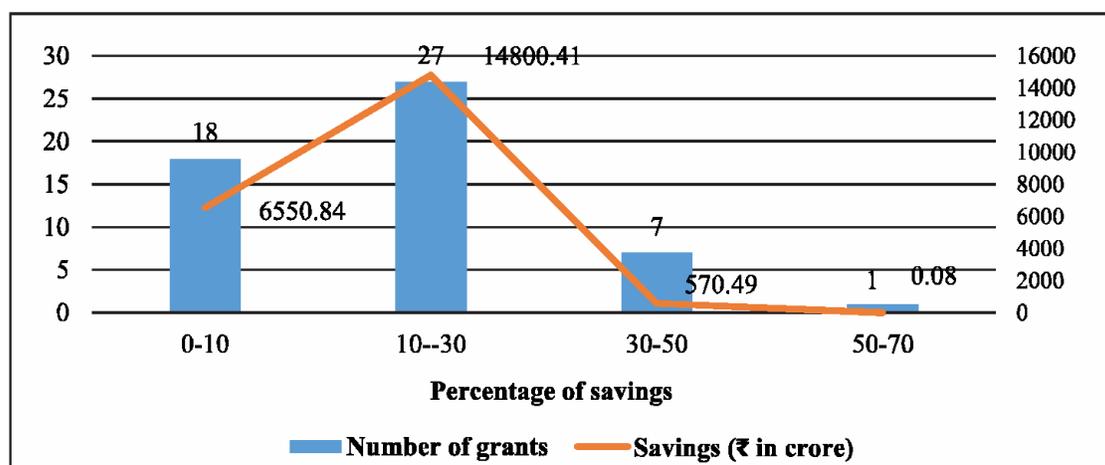
- slow progress of work,
- non-receipt of sanctions from GoI,
- posts remaining vacant,
- less expenditure on pay and allowances,
- non- receipt of approval of scheme from GoI,
- non-receipt of UCs from some ZPs,
- non-payment of dearness allowance at increased rate,
- postponement of some schemes,
- non-release of grants for creation of assets,
- non-implementation of schemes,
- less expenditure incurred on relief works,
- less release of subsidy,
- reduction of tariff subsidy by the State Government,
- reduction in budget ceiling, etc.

It is also pertinent to note that during the year, the actual receipts (₹ 2,24,659.49 crore) were more by ₹ 5,192.01 crore as compared to the budgeted estimates (₹ 2,19,467.48 crore) and less by ₹ 14,993.38 crore as compared to the revised estimates (₹ 2,39,652.87 crore).

This indicates that the provisions of Chapter 13 of the SBM related to estimates of expenditure were not followed during preparation of budget estimates of expenditure by the Departments and budget controlling officers of these grants, which resulted in huge savings of ₹ 27,051.82 crore.

The distribution of the number of grants/appropriations grouped by the percentage of savings along with total savings in ₹ crore in each group is shown in the **Chart 3.4** below.

Chart 3.4: Number of grants/appropriations with total Savings



Of the eight grants in Capital-voted section and one grant in Revenue-voted section with budget utilization of less than 50 per cent during 2020-21, five grants had shown similar low utilization for the last four to five years with two grants having low utilization in all the five years, which is indicative of systemic issues that warrants a close review by the Government to enable initiation of corrective measures. Utilisation of budgetary allocation in 13 grants having utilization below 50 per cent during the five year period 2016-17 to 2020-21 is shown in the **Table 3.4**.

Table 3.4: Grants/Appropriations with Budget utilisation less than 50 per cent

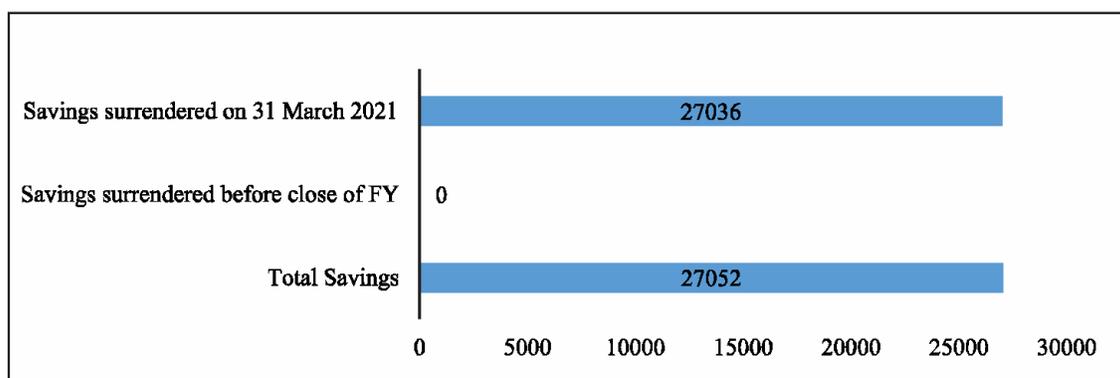
		(₹ in crore)					No. of years*	Budget 2020-21	Total Budget (5 years)
S.No.	Grant	2016-17	2017-18	2018-19	2019-20	2020-21			
Capital voted									
1.	11-Miscellaneous social services	25%	36%	41%	35%	25%	5	4.15	118.73
2.	12-Other taxes	33%	7%	90%	54%	16%	3	31.00	762.24
3.	19-Public works	44%	59%	55%	52%	45%	2	1,033.73	6099.78
4.	23-Labour and employment	50%	47%	60%	1%	24%	4	26.00	186.14
5.	26-Medical and public health and sanitation	49%	58%	71%	69%	70%	1	217.79	1483.22
6.	32-Civil Supplies	7%	23%	15%	1%	20%	5	4.25	20.42
7.	37-Agriculture	39%	82%	44%	48%	88%	3	205.39	1813.49
8.	38-Minor irrigation and soil conservation	18%	91%	35%	99%	23%	3	1.75	5.97
9.	41-Community Development	85%	63%	32%	16%	100%	2	2.40	87.46
10.	42-Industries	67%	17%	5%	20%	48%	4	54.87	625.19
11.	43-Minerals	6%	18%	58%	92%	35%	3	206.53	1105.78
12.	47-Tourism	43%	40%	61%	18%	79%	3	31.18	239.19
Revenue voted									
13.	49-Compensation and assignments to local bodies and Panchayati raj institutions	19%	56%	40%	32%	46%	4	0.15	1.5

* Number of years with utilisation below 50 per cent.

Less utilization in these sectors and instances of repeated underutilization indicate less emphasis on these sectors as well as deficient budgeting process. The reasons of repeated low utilization in these grants may be examined and necessary corrective action taken by the government.

Chart 3.5: Savings and surrenders before close of financial year 2020-21

(₹ in crore)



As can be seen from the chart, against the total savings of ₹ 27,052 crore during the year, ₹ 27,036 crore (99.94 *per cent*) was surrendered on the last day i.e. 31 March 2021 and ₹ 16.25 crore remained un-surrendered.

Anticipated savings not surrendered

According to para 23.16 of SBM, grants that cannot be properly utilised should be surrendered. Accordingly, it is the duty of the budget controlling officers to ensure that all anticipated savings are surrendered as soon as they are estimated, without waiting till the end of the year, unless they are definitely required to meet excesses under some other units of the same grant. No savings can be held in reserve by them for meeting possible future excesses.

During the scrutiny of Appropriation Account, it was noticed that the amount actually not surrendered was ₹ 371.29 crore under various grants/appropriations. As it was offset by the excess surrender of ₹355.04 crore, the amount not surrendered at the end of the year was only ₹ 16.25 crore.

The detail of major amount of savings not surrendered (₹ 364.99 crore) in 18 cases under 16 grants/appropriations (where savings were ₹ one crore and above) with aggregate savings of ₹ 11,524.26 crore, is given in **Appendix 3.4**. Early surrender could have ensured more productive use of resources in other areas having shortfall.

This indicates that the Departments did not make realistic assessment of requirements and failed to exercise necessary budgetary controls over the flow of expenditure through the monthly expenditure statements.

Details of surrender of funds in excess at the end of March

Major cases of excess surrender pertaining to six grants, where ₹ 354.97 crore was excess surrendered against the savings of ₹6,653.43 crore is given in **Table 3.5**.

Table 3.5: Cases where fund is surrendered in excess

(₹ in crore)								
S. No.	Number and Name of Grant	Original Budget	Supple-mentary	Total	Expen-diture	Saving	Amount surrendered	Excess surrender
1.	12-Other Taxes (Revenue-Voted)	860.58	0.00	860.58	708.39	152.19	159.35	7.16
2.	19-Public Works (Revenue Voted)	563.99	₹1,000	563.99	437.09	126.90	127.05	0.15
3.	21 – Roads and Bridges (Revenue-Voted)	2,745.23	0.00	2,745.23	1,557.09	1,188.14	1,285.38	97.24
4.	21 – Roads and Bridges (Capital-Voted)	4,238.48	0.00	4,238.48	2,943.41	1,295.07	1,320.41	25.34
5.	27-Drinking Water Scheme (Capital-Voted)	3,312.49	₹4,000	3,312.49	2,674.07	638.42	825.32	186.90
6.	30-Tribal Area Development (Capital-Voted)	3,438.37	₹6,000	3,438.37	2,159.08	1,279.29	1,302.18	22.89
7.	51-Special Component Plan for Welfare of Scheduled Castes (Capital-Voted)	4,654.93	₹7,000	4,654.93	2,681.51	1,973.42	1,988.71	15.29
Total		19,814.07	₹18,000.00	19,814.07	13,160.64	6,653.43	7,008.40	354.97

Source: Appropriation Accounts

The Departments did not furnish any reasons regarding surrender in excess of actual savings (December 2021).

Surrender in excess of actual savings indicates inadequate budgetary control in these six grants.

Persistent savings

The Public Accounts Committee (PAC) in its 86th (March 2016) and 153rd (March 2017) Reports had recommended to take effective measure to avoid cases of persistent savings in future and ensure due diligence while preparing budget estimates. Despite these recommendations, the incidences of persistent savings continued during 2020-21.

In eight cases involving eight grants, there were persistent savings of more than ₹ 100 crore ranging from 10.12 *per cent* to 47.58 *per cent* of the total provision during the last three years as per the details given in Table 3.6.

Table 3.6: Persistent saving under various grants

(₹ in crore)							
S. No.	No. and Name of Grant	Year	Total Provision	Actual expenditure	Savings	Percentage of savings	
Revenue-Voted							
1.	21-Roads and Bridges	2018-19	1,668.65	1,362.34	306.31	18.36	
		2019-20	2,592.21	2,217.59	374.62	14.45	
		2020-21	2,745.23	1,557.09	1,188.14	43.28	
2.	29-Urban Plan and Regional Development	2018-19	5,099.28	4,015.09	1,084.19	21.26	
		2019-20	4,916.82	4,016.24	900.58	18.32	
		2020-21	6,425.41	5,047.40	1,378.01	21.44	

S. No.	No. and Name of Grant	Year	Total Provision	Actual expenditure	Savings	Percentage of savings
3.	37-Agriculture	2018-19	2,507.20	2,013.91	493.29	19.67
		2019-20	2,502.34	2,168.48	333.86	13.34
		2020-21	3,514.53	3,158.83	355.70	10.12
Capital Voted						
4.	19- Public Works	2018-19	1,024.80	560.35	464.45	45.32
		2019-20	805.24	422.12	383.12	47.58
		2020-21	1,033.73	468.56	565.17	54.67
5.	27-Drinking Water Scheme	2018-19	3,744.05	2,700.23	1,043.82	27.88
		2019-20	3,244.50	2,221.98	1,022.52	31.52
		2020-21	3,312.49	2,674.07	638.42	19.27
6.	30-Tribal Area Development	2018-19	3,682.02	2,903.21	778.81	21.15
		2019-20	3,190.76	2,552.84	637.92	19.99
		2020-21	3,438.37	2,159.08	1,279.29	37.21
7.	46-Irrigation	2018-19	1,653.77	1,414.63	239.14	14.46
		2019-20	1,896.87	1,635.34	261.53	13.80
		2020-21	2,345.12	1,859.85	485.27	20.69
8.	51-Special Component Plan for Welfare of Scheduled Castes	2018-19	5,293.39	3,959.49	1,333.90	25.20
		2019-20	4,178.83	3,194.20	984.63	23.56
		2020-21	4,654.93	2,681.51	1,973.42	42.39

Source: Appropriation Accounts

As per the reasons furnished by the concerned Departments, persistent savings were mainly due to less/non-release of share/funds by GoI/GoR. Other reasons were less transfer of funds, less release of sanction/ subsidy, reduction in investment ceiling, slow progress of work, non/less execution of work, etc.

Persistent savings indicate unrealistic estimates of the anticipated expenditure during the period, poor control over expenditure and deficient financial monitoring.

3.4 Comments on transparency of budgetary and Accounting process

3.4.1 Lump Sum budgetary provisions

Lump sum budgetary provision refers to a general, non-specific approach to budgeting which leaves a great deal of discretion to the owner of the grant. Para 13.16 of SBM stipulates that as a rule, lump sum provisions should not be made in the estimates. Barring the cases where expenditure from lump sum allotments is regulated by standing sanctions, instructions or rules, detailed explanations justifying proposed provision shall be given in the budget note accompanying the lump sum estimates.

According to Rule 287 of Public Works Financial and Accounts Rules (PWF&AR), financial sanction means the specific concurrence of the Government in the Finance

Department to the expenditure proposed for all Major Works referred to in Rule 284¹ and breakup against lump sum provision.

During 2020-21, in 58 cases under 11 grants (where surrendered provision was more than ₹ 5 crore), lump sum provisions of ₹ 4,874.70 crore were made in the estimates. Out of this, a sum of ₹ 2,779.56 crore (57.02 per cent) remained unutilized and was surrendered/re-appropriated towards the end of the year (*Appendix 3.5*). Reasons for making lump sum budget provisions in these cases were not furnished (December 2021) by the Government.

Less expenditure in capital projects indicates lack of proper monitoring of works and flow of expenditure at the level of the Department and proposals being made without proper planning by the Department. Further, escalation of cost cannot be ruled out on delayed works.

3.5 Comments on effectiveness of budgetary and accounting process

3.5.1 Budget projection and gap between expectation and actual

The summarised position of actual expenditure during 2020-21 against 55 grants/appropriations is given in Table 3.7.

Table 3.7: Actual Expenditure vis-à-vis Original/Supplementary Provisions

(₹ in crore)

	Nature of expenditure	Original Grant/App.	Supplementary Grant/App.	Total	Actual expenditure*	Net of Savings	Surrender during March	
							Amount	Per cent
Voted	I. Revenue	1,64,161.32	12,195.62	1,76,356.94	1,57,875.53	18,481.41	18,299.70	99.02
	II. Capital	23,809.57	557.75	24,367.32	16,455.98	7,911.34	8,091.00	102.27
	III. Loans & Advances	739.78	49.43	789.21	491.01	298.20	294.48	98.75
	Total	1,88,710.67	12,802.80	2,01,513.47	1,74,822.52	26,690.95	26,685.18	99.98
Charged	V. Revenue	25,725.57	10.65	25,736.22	25,415.49	320.73	310.25	96.73
	VII. Capital	₹ 9000	0.12	0.12	0.12	0.00	0.00	0.00
	VIII. Public Debt- Repayment	17,622.74	23,440.39	41,063.13	41,022.99	40.14	40.14	100.00
Total	43,348.31	23,451.16	66,799.47	66,438.60	360.87	350.39	97.10	
Appropriation to Contingency Fund (if any)	-	0.00	0.00	0.00	0.00		0.00	0.00
Grand Total		2,32,058.98	36,253.96	2,68,312.94	2,41,261.12	27,051.82	27,035.57	99.94

Source: Appropriation Accounts

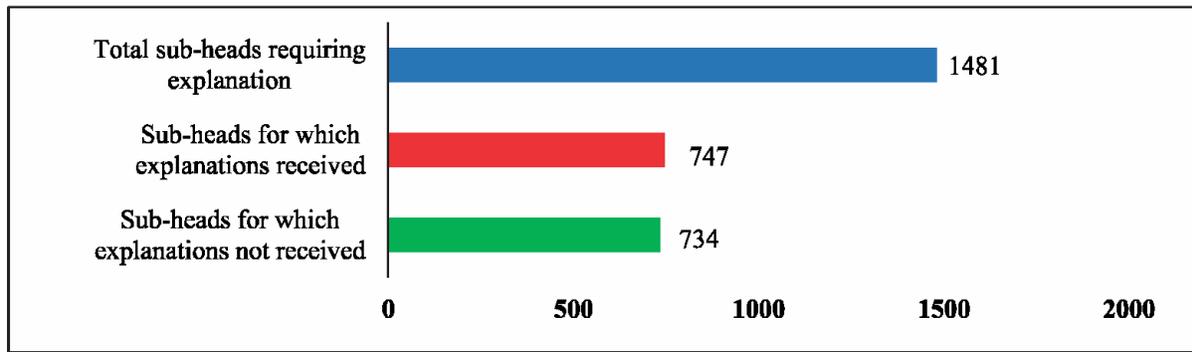
*The figures of actual expenditure include recoveries adjusted as reduction of expenditure (Recoveries under revenue section: ₹ 4,981.61 crore and Recoveries under capital section: ₹ 1,185.61 crore, Total: ₹ 6,167.22 crore).

1. Works are divided into three classes- (i) Petty works i.e. those costing not more than ₹ 4.00 lakh; (ii) Minor works i.e. those costing more than ₹ 4 lakh but not more than ₹ 5.00 crore and (iii) Major Works i.e. those costing more than ₹ 5.00 crore.

The overall saving of ₹ 27,051.82 crore was the result of savings in 48 grants and 43 appropriations under Revenue Section and 32 grants and 4 appropriations under Capital Section. Supplementary provision of ₹ 36,253.96 crore was obtained during the year which constituted 15.62 *per cent* of the original provision. There were large savings of ₹ 27,051.82 crore (10.08 *per cent*) against total budget provision of ₹ 2,68,312.94 crore with the overall savings under all the grants and appropriations being 75 *per cent* of the supplementary budget obtained during the year. This indicates that supplementary provisions were made without proper scrutiny of requirements as covered in **para 3.3.1**.

The Departments did not furnish replies regarding obtaining supplementary provisions despite availability of funds under original provision. The Principal Accountant General (A&E), Rajasthan sought explanation from the budget controlling officers on the variations in expenditure i.e. savings/excesses in 1481 sub-heads. However, explanations in respect of 734 sub-heads (saving: 582 and excess: 152) were not received (December 2021).

Chart 3.6: Summary of Explanation for Variation in Appropriation Accounts



Absence of explanations for variations between the budgeted allocations and their utilization limits legislative controls over budget as a means of ensuring financial accountability of the Government.

The overall position of Original budget, Actual expenditure and Saving/Excess during 2016-2021 is detailed in **Table 3.8**:

Table 3.8: Original Budget, Actual Expenditure and Saving/ Excess during 2016-21

		(₹ in crore)				
S.No.		2016-17	2017-18	2018-19	2019-20	2020-21
1.	Original Budget	1,74,840.75	1,86,654.01	2,17,433.13	2,39,959.67	2,32,058.98
2.	Supplementary Budget	8,723.44	13,423.49	11,645.19	2,937.12	36,253.96
3.	Percentage of supplementary to Original budget	4.99	7.19	5.36	1.22	15.62
4.	Total	1,83,564.19	2,00,077.50	2,29,078.32	2,42,896.79	2,68,312.94
5.	Actual Expenditure	1,66,175.87	1,84,087.31	2,09,776.27	2,18,538.79	2,41,261.12
6.	Saving/excess	17,388.32	15,990.19	19,302.05	24,358.00	27,051.82
7.	Percentage of Saving	9.47	7.99	8.43	10.03	10.08
8.	Budget utilisation	90.53	92.01	91.57	89.97	89.92

The supplementary provisions ranged from 1.22 *per cent* to 15.62 *per cent* against the original provisions during the period 2016-2021. The supplementary provision against original provision showed a decreasing trend from 2017-18 to 2019-20, but it increased sharply from 1.22 *per cent* in 2019-20 to 15.62 *per cent* in 2020-21.

It is evident from the above table that during the period 2016-17 to 2019-20, the supplementary provision continuously proved unnecessary as the savings were in excess of supplementary provisions in all these years, while in 2020-21 the supplementary provision was excessive. In this period, against the total provision, the unutilized provision/savings under budget ranged from 7.99 *per cent* to 10.08 *per cent*. Finance Department intimated (December 2021) that directions have been issued to all controlling officers for compliance of SBM provisions.

3.5.2 Supplementary budget and opportunity cost

Scrutiny of Appropriation Accounts of the relevant years indicates that during the period 2016-17 to 2019-20 the supplementary provisions continuously proved unnecessary. Further, against the total provision, the unutilised provision/savings under budget ranged from 7.99 *per cent* (₹ 15,990.19 crore) to 10.03 *per cent* (₹ 24,358 crore) during the period 2016-17 to 2019-20. During 2020-21 the supplementary provision was excessive as compared to actual expenditure and it was 15.62 *per cent* of original budget.

During 2020-21, balances of un-utilised funds against supplementary/original provision obtained in 27 cases under capital voted section are given in **Table 3.9** below.

Table 3.9: Unutilised funds against supplementary/original provision

(₹ in crore)

S. No.	Name of Grant	Original allocation	Supplementary	Total	Actual Expenditure	Unutilised funds
Capital (Voted)						
1	009-Forest	72.41	30.07	102.48	82.92	19.56
2	011-Miscellaneous Social Services	4.16	0	4.16	1.06	3.10
3	012-Other taxes	31	0	31.00	4.87	26.13
4	016-Police	138.76	21.41	160.17	120.38	39.79
5	019-Public works	1,033.73	0	1,033.73	468.56	565.17
6	020-Housing	79.5	0	79.5	32.43	47.07
7	021-Roads and Bridges	4,238.48	0	4,238.48	2,943.41	1,295.07
8	022-Area Development	204.56	0	204.56	124.51	80.05
9	023-Labour and Employment	15.81	10.19	26	6.28	19.72
10	024-Education, Art and Culture	1,001.94	112.27	1,114.21	916.28	197.93
11	026-Medical and public health and sanitation	217.79	0	217.79	153.51	64.28
12	027-Drinking Water scheme	3,312.49	0	3,312.49	2,674.07	638.42
13	028-Special programmes for rural development	306	0	306.00	149.94	156.06
14	029-Urban plan and regional development	1,182.83	296.43	1,479.26	1,418.71	60.55
15	030-Tribal area development	3,438.37	0	3,438.37	2,159.08	1,279.29
16	032-Civil supplies	4.25	0	4.25	0.84	3.4
17	033-Social security and welfare	233.2	49.43	282.63	259.19	23.44
18	036-Co-operation	5.03	0	5.03	2.86	2.17
19	037-Agriculture	197.06	8.33	205.39	181.55	23.84
20	038-Minor irrigation and soil conservation	1.75	0	1.75	0.41	1.34
21	039-Animal husbandry and medical	21.94	46.8	68.74	67.58	1.16

S. No.	Name of Grant	Original allocation	Supplementary	Total	Actual Expenditure	Unutilised funds
22	042-Industries	54.87	0	54.87	26.3	28.57
23	043-Minerals	206.53	0	206.53	72.6	133.93
24	046-Irrigation	2,345.12	0	2,345.12	1,859.85	485.27
25	047-Tourism	31.18	0	31.18	24.6	6.58
26	048-Power	1,333.44	0	1,333.44	300.05	1,033.39
27	051-Special component plan for welfare of scheduled castes	4,654.93	0	4,654.93	2,681.51	1,973.42
	Total	24,367.13	574.93	24,942.06	16,733.35	8,208.71

This indicates deficiencies in estimation of requirement of funds for the remaining period of the financial year and failure to monitor the flow of expenditure by these departments. Thus, unnecessary supplementary/original provisions were made without assessing the actual requirements of funds under these sub-heads.

Department did not utilize the budgeted funds consistently in respect of various development works/ programme/schemes. It also indicates unrealistic estimates of the anticipated expenditure during the period, poor control over expenditure and financial monitoring.

3.5.3 Major Policy pronouncements in budget and their actual funding for ensuring implementation

During the scrutiny of Appropriation Accounts, it was observed that budget provisions were made under various schemes which remained entirely unutilized. During 2020-21, the entire provisions (of ₹ one crore or more in each case) made under 178 schemes/heads aggregating to ₹ 3,278.60 crore were not utilized. The details are given in *Appendix 3.6*.

During scrutiny of the budget provisions (₹ one crore or more in each case) not utilized during 2020-21, it was noticed that State Government withdrew budget provisions in 56 schemes in revised estimates and token budget provisions were made in 25 schemes in the revised estimates. This indicates that provisions for these schemes/heads were made without a proper assessment of the financial requirements and necessity of the Departments.

Various reasons given by the Departments in this regard included non-approval of scheme, non-release of sanction by the State Government, non-execution of work, non-receipt of fund from GoI, non-release of grant for creation of assets, non-starting of scheme, non-incurring expenditure on information, technology and computerization etc.

Further, it was also noticed that there were instances of unnecessary provisions being made continuously for the last three years without being deleted from the Demands for Grants of the concerned Department as mandated by SBM and the entire provisions being surrendered at the end of financial year. Such instances have been listed in *Appendix 3.7*.

While presenting the budget in February 2020 for the year 2020-21, the State Government had announced several schemes/policies. The concerned Departments had intimated (September 2021) the current progress on some of these major policy initiatives. Audit observed that in respect of following project/policy initiatives, limited or no progress has been made:

Table 3.10: Major Project/policy during 2020-21

S. No.	Name of Department	Para No. Of Budget Speech	Brief of announcements made in Budget Speech	Status of follow up action taken by the Department
1.	Medical and Health	13	A lab will be set up in each district to check adulterated substances, in which the sample report will be given online. Also separate Fast Track Courts will be set up for taking speedy legal action against the adulterers.	Department intimated (September 2021) that matter is under consideration in the Law Department for the establishment of Fast Track Courts. The status of setting up of lab in each district was not furnished by the department though asked for (October 2021).
2.	Medical Education	28	Construction and Operation of four new wards of 30-30 beds and one new neuro intervention lab in MDM Hospital, Jodhpur.	Department intimated (June 2021) that construction work has not been started as the approval is awaited from the Directorate, Medical Education.
3.	Ayurved	29	Establishment of Government Homeopathic College in Ajmer and Jodhpur	Department intimated (July 2021) that construction work has not been started due to delay in consent (22.3.2021) for implementation of the budget announcement and late transfer of funds by the State Government (31.3.2021).
4.	Ayurved	31	Construction/expansion of new PG women's hostel and existing graduate hostel in Rajasthan Ayurvedic University.	Department intimated (July 2021) that construction work has not been started due to delay in consent (22.3.2021) for implementation of the budget announcement and late transfer of funds by the State Government (31.3.2021).
5.	Minority affairs and Waqf	60	Construction of Minority Boys-Girls residential schools at Masuda (Ajmer) and Kaman (Bharatpur) and 3 Minority Girls hostel building at Nagaur, Sawai Madhopur and Ladnu (Nagaur).	Department intimated (July 2021) that construction of Minority Boys-Girls residential school at Masuda and Minority Girls hostel building Nagaur and Sawai Madhopur is under progress. Construction work of Minority Boys-Girls residential school at Kaman and Minority Girls hostel building Ladnu (Nagaur) has not been started due to land dispute. Further, the work related to Kaman, Bharatpur has not been started due to stay by Revenue Board, Ajmer.
6.	Minority affairs and Waqf	61	Construction of 100 bedded Minority Boys hostel building at District Headquarters Jaipur.	Department intimated (July 2021) that work has not started and no expenditure was incurred in 2020-21.
7.	School Education	98	Additional classroom, hostel, badminton court, swimming pool and auditorium facilities in College of Physical Education College, Jodhpur.	Department intimated (August 2021) that Construction work has not been started due to pending NOC from the Air Force.
8.	Public Works	126	The most damaged roads have been identified in the state, out of which in the first phase the work of renovation and restoration of 19 various damaged roads will be done in the 2020-21, on which about ₹ 400.00 crore will be spent.	Department intimated (July 2021) that approval of these works are awaited from the Mineral Department in DMFT scheme and no expenditure was incurred in 2020-21. Work order have been issued in 2021-22 after the permission of Finance Department.

S. No.	Name of Department	Para No. Of Budget Speech	Brief of announcements made in Budget Speech	Status of follow up action taken by the Department
9.	Revenue and Military Welfare	196	In order to develop facilities for visiting ex-service men and their families in 24 Zila Sainik Offices of the state, it is proposed to modernise Zila Sainik Offices @ ₹ 5.00 Lakh per district.	Department intimated (July and September 2021) that budget was not allotted in 2020-21 for these works. Budget for 10 offices was sanctioned in the year 2021-22 and Administrative and Financial sanction have been issued, but work has not started.

- ***Lack of implementation of announcements in budget speech of previous financial years.***

In reviewing the progress received from the concerned departments regarding the budget announcements made by the State Government in the previous financial years, it was found that the following budget announcements had not been implemented even after the lapse of substantial periods of time:

Table 3.11: Major Project/policy for previous years

S. No.	Name of Department	Year of Budget Speech	Para No. of Budget Speech	Brief of announcements made in Budget Speech	Reasons of non-implementation of budget speech intimated by the Department
1.	Medical Education	2018-19	87	In view of the increasing patient load in Medical College, Bikaner, the establishment of a new cath lab at an expenditure of ₹ 6 crore.	Sardar Patel Medical College and associated group of hospitals, Bikaner intimated (August 2021) that the process of purchasing the machine has been completed by spending an amount of ₹ 3.53 crore, but setting up of cath lab is pending due to non-receipt of administrative approval for the required turnkey work.
2.	Medical Education	2018-19	92	To provide Dual Imaging System, Blood Component Separation Unit, C-arm Machine in Medical College, Kota, on which ₹ 3.72 crore will be spent.	Medical College and attached hospitals, Kota intimated (July 2021) that Dual Imaging System was not purchased as the HOD of the indenting Department (Department of Gastroenterology) informed that the machine is not required. It was also informed that the Blood component separation unit was purchased. In addition, C-arm machine was tendered two or three times but the tender was cancelled due to receiving exorbitant rates.
3.	Local Self Government	2018-19	163	To reduce the increasing pollution in Jaipur City introduction of 40 new electric buses by JCTSL at a cost of ₹ 72 crore.	Jaipur City Transport Services Limited (JCTSL), Jaipur intimated (July 2021) that under the FAME India Scheme-I, 40 e-buses were allotted to JCTSL by the approval of Ministry of Heavy Industries (DHI) dated 27.12.2017. The work order of 40 e-buses was issued on 28.2.2018 by JCTSL. The sanction issued to JCTSL has been withdrawn by the Ministry of Heavy Industries (DHI) on 4.4.2019 due to expiry of the said scheme on 31.3.2019. As a result the bid from JCTSL was cancelled on 16.10.2019.

Lack of follow up action on major announcement of Budget Speech is indicative of lack of monitoring and pursuance of initiatives announced during the budget speech.

3.5.4 Flow of expenditure

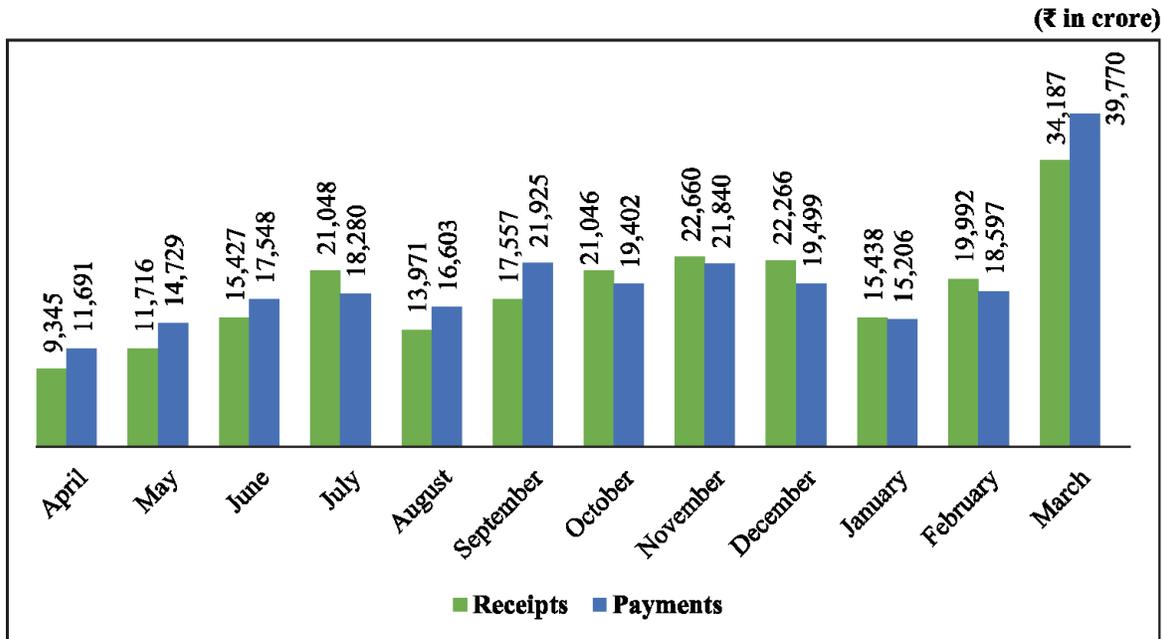
Maintaining a uniform pace of expenditure is a crucial component of sound public financial management. As per SBM, to assist Finance Department in the preparation of forecasts for the likely cash balance position of the State, all budget controlling officers are required to furnish a statement every month, as per dates specified by Finance Department, showing the anticipated flow of revenue and expenditure. Any rush of expenditure in the closing month of the financial year should be avoided.

During 2020-21, 31.30 per cent (₹ 73,573.99 crore) of the total expenditure (₹ 2,35,093.90 crore) was incurred during last quarter of the financial year indicating that a uniform pace of expenditure could not be maintained during the year. It was also observed that 30.99 per cent (₹ 69,618.83 crore) of the total receipts (₹ 2,24,659.49 crore) were received during last quarter only. Further, the expenditure incurred in the last quarter of the financial year 2020-21 has decreased by 4.30 per cent (₹ 3,038 crore) when compared to previous year 2019-20.

During 2020-21, in respect of 65 sub-heads under 19 grants, total expenditure of ₹ 5,848.84 crore was incurred in the last quarter of the financial year which was 71.23 per cent of total expenditure (₹ 8,210.72 crore) and ₹ 5,547.33 crore (67.56 per cent) was spent in March 2021 alone as detailed in **Appendix 3.8**.

The monthly flow of receipts into the state exchequer and disbursement during 2020-21 are given in the following **Chart 3.7**.

Chart 3.7: Monthly flow of receipts and disbursement during 2020-21



The chart shows that receipt and expenditure were distributed almost evenly across all the months up to February 2021. However, receipt and expenditure increased substantially in the month of March 2021 in comparison to the remaining months of the year. Further, scrutiny of the pattern of expenditure during 2020-21 revealed that the

State Government incurred an expenditure of ₹ 39,770 crore constituting about 16.92 per cent of the total expenditure of ₹ 2,35,093.90 crore in the month of March alone.

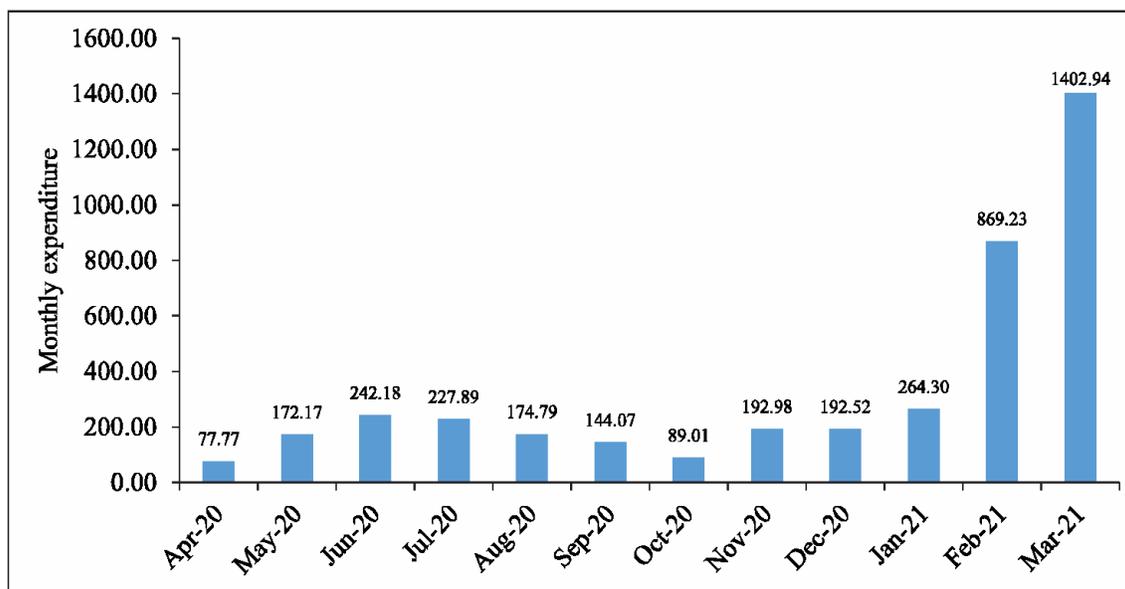
Incidentally, out of ₹ 37,714.42 crore transferred/deposited in Personal Deposit Accounts during the year, ₹ 5,913.31 crore (22.15 per cent) was transferred in March 2021 alone.

Details of 14 Major Heads, where expenditure incurred during the month of March was more than 50 per cent of total expenditure, are provided in the **Table 3.12** below:

Table 3.12: Grants with more than 50 per cent expenditure in March during 2020-21

(₹ in crore)										
S. No.	Head of Account	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	Expenditure in March	% of 4 th quarter w.r.t. total expenditure	% of March w.r.t. total expenditure
1.	2075	Miscellaneous General Services	8.47	6.02	11.04	4,379.68	4,405.20	4,377.32	99.42	99.37
2.	2404	Dairy Development	0.00	500.00	2.96	1,000.00	1,502.96	1,000.00	66.54	66.54
3.	4047	Capital Outlay on Other Fiscal Services	0.00	0.09	0.00	0.84	0.92	0.84	90.68	90.68
4.	4236	Capital Outlay on Nutrition	0.00	0.00	1.86	46.81	48.67	46.52	96.18	95.58
5.	4403	Capital Outlay on Animal Husbandry	0.00	7.50	125.00	1,023.91	1,156.41	1,023.91	88.54	88.54
6.	4405	Capital Outlay on Fisheries	0.00	0.00	0.00	9.40	9.40	9.40	100.00	100.00
7.	4406	Capital Outlay on Forestry and Wild Life	9.57	188.32	147.24	918.70	1,263.83	740.59	72.69	58.60
8.	4425	Capital Outlay on Co-operation	0.00	0.00	0.00	0.27	0.27	0.27	100.00	100.00
9.	4801	Capital Outlay on Power Projects	0.00	0.00	0.00	4,034.90	4,034.90	2,357.00	100.00	58.42
10.	4851	Capital Outlay on Village and Small Industries	0.00	0.00	0.00	3.00	3.00	3.00	100.00	100.00
11.	5425	Capital Outlay on Other Scientific and Environmental Research	0.00	0.00	0.00	2.81	2.81	2.56	100.00	91.15
12.	6202	Loans for Education, Sports, Art and Culture	0.00	0.00	0.00	36.00	36.00	36.00	100.00	100.00
13.	7055	Loans for Road Transport	2.50	0.00	0.00	500.00	502.50	500.00	99.50	99.50
14.	7075	Loans for Other Transport Services	0.00	0.00	0.00	210.61	210.61	210.61	100.00	100.00
Total:			20.54	701.93	288.09	12,166.92	13,177.48	10,308.01	92.33	78.22

Month-wise expenditure of Major Head 2401 of Agriculture Department having high percentage of expenditure in March is given below in **Chart 3.8**.

Chart 3.8: Major head 2401-Agriculture month-wise expenditure(**₹ in crore**)

Huge expenditure incurred in the last month of the year indicates weak internal control over expenditure/receipts and lack of budgetary control/management. The Department may regularly monitor the progress of expenditure throughout the year and maintain uniform flow of expenditure.

3.5.5 Review of selected grants

With a view to conduct a detailed analysis of a particular grant, *Grant No. 37-Agriculture and Grant no. 42 Industries* were selected on the basis of expenditure against budgeted estimate for last three years. This analysis encompasses comments on Budget and Expenditure, Receipts with respect to Revised Estimates, Excess expenditure after re-appropriation, surrender, unnecessary/excessive supplementary provision, non-utilisation of provisions, persistent savings and status of schemes in the previous Budget Speech under these grants.

Grant No. 37-Agriculture

The main function of the department of Agriculture is to achieve self-sufficiency in food production, increase agricultural production and income of farmers/ farm labours. For the achievement of these objectives, the department endeavours:

- To promote sustainable use of natural resources such as land and water with soil health management, integrated nutrient management, crop diversification.
- To reduce the cost of cultivation.
- To provide crop insurance to protect farmers against natural disasters and monsoon failure.
- To initiate programmes for increasing per capita incomes of farmers in backward areas as well as for SC/ST.
- To organize trainings on various aspects of agro-techniques for their mass dissemination.

Grant No. 37 is under the administrative control of Principal Secretary, Agriculture Department, Government of Rajasthan (GoR). The overall position of budget, expenditure and savings during 2018-21 are detailed below in the **Table 3.13**:

Table 3.13: Budgetary Provision

	2018-19				2019-20				2020-21			
	Total (O+S)	Expenditure	Saving	Surrender	Total (O+S)	Expenditure	Saving	Surrender	Total (O+S)	Expenditure	Saving	Surrender
Revenue	2,507.20	2,013.91	493.29 (19.67%)	493.27	2,502.34	2,168.48	333.86 (13.34%)	333.73	3,514.52	3,158.83	355.69 (11.26%)	352.71
Capital	417.70	183.53	234.17 (56.06%)	234.17	246.80	118.39	128.41 (52.03%)	112.37	205.39	181.55	23.84 (11.61%)	23.84
Total	2,924.9	2,197.44	727.46	727.44	2,749.14	2,286.87	462.27	446.1	3,719.91	3,340.38	379.53	376.55

Detailed audit of budget and expenditure under this grant revealed that:

- The unutilised budget provisions/saving under revenue section of the grant ranged from 11.26 per cent to 19.67 per cent during the period 2018-19 to 2020-21.
- The unutilised budget provisions/savings under capital section of the grant ranged from 11.61 per cent to 56.06 per cent during the period 2018-19 to 2020-21.
- During 2020-21, out of final saving of ₹ 355.69 crore (11.26 per cent) under revenue section, an amount of ₹ 2.98 crore was not surrendered.

Substantial Savings

During 2020-21, there were 38 schemes/programmes where provisions were made in excess and the savings were ₹ one crore and more. In these schemes, there were substantial total savings of ₹ 451.90 crore as detailed in **Appendix 3.9**.

Substantial savings against the budget allocation indicate that the provisions of SBM regarding budget formulation/preparation of demands for grants and monitoring were not adhered to.

Persistent savings

Audit of the grant revealed that there were schemes (with provisions greater than ₹ one crore) having persistent savings from 2018-19 to 2020-21 as detailed in the **Table 3.14** below:

Table 3.14: Persistent Savings noticed under various Programmes/Schemes

S. No.	Name of Head	Year	(₹ in crore)			
			Total (O+S)	Expenditure	Saving	Percentage of saving
1.	2401-109-13 Innovative Programme/ Minikit Distribution	2018-19	6.36	2.47	3.89	61.22
		2019-20	3.50	1.88	1.61	46.13
		2020-21	3.50	1.94	1.56	44.69
2.	2401-119-25 National Horticulture Mission	2018-19	56.25	49.69	6.56	11.66
		2019-20	48.60	46.49	2.11	4.33
		2020-21	61.20	41.31	19.89	32.50
3.	2401-119-36 Additional grant on Solar Pump Set	2018-19	124.78	103.07	21.71	17.40
		2019-20	78.06	20.71	57.35	73.47
		2020-21	183.40	60.20	123.20	67.18

S. No.	Name of Head	Year	Total (O+S)	Expenditure	Saving	Percentage of saving
4.	2401-196-06-35 Sustainable Agriculture Mission- Agriculture Forestry	2018-19	2.46	1.44	1.02	41.71
		2019-20	2.27	0.82	1.45	63.67
		2020-21	2.40	0.72	1.68	69.85
5.	2401-196-06-36 Seed development	2018-19	5.95	3.01	2.94	49.44
		2019-20	3.50	2.20	1.30	37.19
		2020-21	3.50	0.90	2.60	74.34
6.	2401-196-09-01 Establishment Expenditure- Committed	2018-19	54.97	52.98	1.99	3.62
		2019-20	58.04	50.67	7.37	12.70
		2020-21	59.27	55.16	4.11	6.93
7.	2401-197-02 Establishment expenditure at Panchayat Samiti Level	2018-19	62.61	62.41	0.20	0.31
		2019-20	74.46	53.22	21.23	28.52
		2020-21	62.03	55.49	6.54	10.55
8.	2401-197-04 01 Establishment Expenditure-Committed	2018-19	236.26	229.05	7.21	3.05
		2019-20	251.36	195.83	55.53	22.09
		2020-21	243.36	198.57	44.79	18.40
9.	2401-800-27-02 Through the Horticulture Department	2018-19	37.39	22.46	14.93	39.93
		2019-20	32.65	19.40	13.25	40.58
		2020-21	35.84	9.98	25.86	72.16
10.	2401-800-27-03 Through the Animal Husbandry Department	2018-19	11.71	5.51	6.2	52.25
		2019-20	9.45	5.96	3.49	36.94
		2020-21	6.67	1.64	5.03	75.34
11.	2401-800-31-01 Through the Agriculture Department	2018-19	54.39	34.70	19.69	36.21
		2019-20	53.48	39.50	13.97	26.13
		2020-21	76.77	20.36	56.41	73.48
12.	2401-800-35-02 Soil Health Management	2018-19	6.24	3.83	2.41	38.67
		2019-20	6.12	0.78	5.34	87.18
		2020-21	8.80	1.91	6.89	78.29
13.	2401-800-37-01 Through the Agriculture Department	2018-19	130.53	100.54	29.99	22.97
		2019-20	100.42	45.94	54.48	54.25
		2020-21	134.23	101.86	32.37	24.11
14.	4401-800-03-03 Through Animal Husbandry Department	2018-19	22.00	5.58	16.42	74.64
		2019-20	8.23	2.53	5.70	69.20
		2020-21	6.00	4.48	1.52	25.36
15.	6408-02-190-01-01 Loans to Rajasthan State Warehousing Corporation	2018-19	80.00	27.00	53.00	66.25
		2019-20	50.00	0	50.00	100.00
		2020-21	50.00	0	50.00	100.00

Budget controlling officer attributed the savings mainly to reasons such as (i) less supply of seeds minikits, (ii) delay in tendering process, (iii) late issue of sanction of projects by GoI, (iv) slow progress of construction of warehouses and (v) lockdown due to covid-19 pandemic. The other reasons included posts remaining vacant, less amount sanctioned by GoI for projects, negative impact on gypsum supply due to Covid -19 pandemic, etc.

The persistent savings indicate that the budget estimates were not realistic and the budgetary controls in the Department were not effective.

Non-utilisation of entire provisions

As per SBM, the estimates of expenditure should be as accurate as possible. Cases under this grant, where there was 100 *per cent* savings during 2020-21, are given below:

Table 3.15: Non-utilisation of provisions under various Programme/Schemes
(₹ in crore)

S. No.	Name of Head	Total (O+S)	Expenditure	Saving	Percentage Saving
1.	2401-102-01-01 National Food Security Mission-Wheat	0.25	0	0.25	100.00
2.	2401-102-01-06 National Food Security Mission-Forestry Oil Seed	0.34	0	0.34	100.00
3.	2401-111-03 For timely intimation regarding production of crop and estimated area	4.00	0	4.00	100.00
4.	2401-111-04 Improvement of crop statistics	1.56	0	1.56	100.00
5.	2401-800-27-04 Through the Dairy Department	17.50	0	17.50	100.00
6.	2401-800-35-05 Sustainable Agriculture Forestry (through the Horticulture Department)	0.48	0	0.48	100.00
7.	2401-800-36-01 Through the Agriculture Department	0.30	0	0.30	100.00
8.	2435-60-800-01-01 Rajasthan State Agriculture Marketing Board, Jaipur	80.00	0	80.00	100.00
Total		104.43	0	104.43	

Department stated (September and October 2021) that savings were due to non-release of funds except for aspirational districts of the state by GoI, impact on gypsum supply due to Covid-19 pandemic, non-submission of utilization certificate, etc.

This indicates that the budget provision was prepared on an *ad hoc* basis without assessing the actual requirement.

Excess Expenditure

As per para 8.5(5) of SBM, Budget Controlling Officer will ensure that expenditure does not exceed the budget allocation. Para 24.1 of SBM also provided that expenditure shall neither be incurred in excess of the sanctioned allotment nor on the items for which no provision has been made in the budget. As per SBM, it is essential that the statement should be prepared with utmost care, as inaccurate statements of excesses and savings not merely cause inconvenience to the Finance Department but may also lead to excess expenditure, for which concerned Budget Controlling Officer will be held responsible.

During test check of appropriation account, it was observed that under some heads of this grant there was expenditure in excess of provision. Some of the heads where excess expenditure was noticed are given in the **Table 3.16** below:

Table 3.16: Excess expenditure in Heads under the Grant

(Amount in ₹)							
S. No.	Head of Account	State Plan (P), Central Fund (C)	Total Provision	Surrender/Re-appropriation	Availability of fund	Actual Expenditure	Excess (+)/ Savings (-)
1.	2401-109-16-01 National Mission on Agriculture Extension	P	6,33,00,000	27,87,000	6,60,87,000	6,60,49,885	(-)37,115
		C	9,45,00,000	46,27,000	9,91,27,000	9,91,61,482	(+)34,482
2.	2401-109-16-05 E-Governance Scheme in Agriculture	P	1,00,72,000	-65,83,000	34,89,000	34,86,269	(-) 2,731
		C	1,51,08,000	-98,75,000	52,33,000	52,36,050	(+) 3,050

S. No.	Head of Account	State Plan (P), Central Fund (C)	Total Provision	Surrender/Re-appropriation	Availability of fund	Actual Expenditure	Excess (+)/ Savings (-)
3.	2401-119-26 For conversion from flow irrigation to drip irrigation (Pradhan Mantri Krishi Yojana Macro Irrigation)	P C	25,17,90,000 37,76,87,000	25,18,73,000 37,78,09,000	50,36,63,000 75,54,96,000	50,45,68,655 75,44,46,222	(+) 9,05,655 (-) 10,49,778
4.	2401-196-06-20 National Food Security Mission- Pulses	P C	45,26,83,000 67,90,25,000	19,70,23,000 29,55,34,000	64,97,06,000 97,45,59,000	64,70,27,041 97,72,35,855	(-)26,78,959 (+) 26,76,855
5.	2401-196-06-25 National Mission on Agriculture Extension and Technology- Agriculture Extension	P C	12,12,35,000 15,27,65,000	2,01,80,000 1,67,72,000	14,14,15,000 16,95,37,000	13,97,95,728 17,11,56,194	(-)16,19,272 (+) 16,19,194
6.	2401-196-06-26 National Mission on Agriculture Extension and Technology- Agriculture Extension	P C	5,35,69,000 8,03,53,000	3,52,43,000 5,28,65,000	8,88,12,000 13,32,18,000	8,84,85,747 13,35,45,075	(-) 3,26,253 (+) 3,27,075
7.	2401-196-06-28 Sustainable Agriculture Mission- Rain fed Area Development	P C	1,11,66,000 1,67,49,000	63,81,000 95,71,000	1,75,47,000 2,63,20,000	17,53,908 2,63,13,570	(+)6,908 (-) 6,430
8..	2401-196-06-29 Sustainable Agriculture Mission- Soil Health Management	P C	6,46,62,000 9,69,93,000	2,26,44,000 3,39,67,000	4,20,18,000 6,30,26,000	4,20,30,934 6,29,64,873	(+) 12,934 (-) 61,127
9.	2401-196-06-38 National Food Security Mission Nutrition Grain	P C	9,95,82,000 14,93,72,000	-1,60,000 -2,39,000	9,94,22,000 14,91,33,000	9,98,17,985 14,89,87,183	(+) 3,95,985 (-)1,45,817
10.	2401-800-27-01 Through agriculture department	P C	25,06,84,000 37,60,25,000	7,51,72,000 11,27,61,000	32,58,56,000 48,87,86,000	33,26,16,682 48,20,26,815	(+)67,60,682 (-) 67,59,185
11.	2401-800-27-03 Through the Animal Husbandry department	P C	2,66,67,000 4,00,00,000	-2,00,90,000 -3,01,34,000	65,77,000 98,66,000	64,88,923 99,53,979	(-) 88,077 (+) 87,979
12.	2401-800-37-01 Through the Agriculture department	P C	53,69,22,000 80,53,83,000	20,70,09,000 -53,06,69,000	74,39,31,000 27,47,14,000	87,99,30,996 13,87,14,135	(+)13,59,99,996 (-)13,59,99,865

This shows that expenditure was incurred by the department without availability of fund for these heads under State plan or Central plan indicating deficient budgetary and expenditure controls.

Flow of expenditure

Maintaining a uniform pace of expenditure is a crucial component of sound public financial management. Any rush of expenditure in the closing month of the financial year should be avoided.

During 2020-21, in respect of 11 sub-heads (where more than 30 per cent was incurred either during the last quarter or during the last month of the financial year) under this grant, total expenditure of ₹ 1,391.95 crore was incurred in the last quarter of the financial year which was 74.60 per cent of the total expenditure (₹ 1,865.80 crore). Of this, ₹ 899.07 crore (48.19 per cent) was spent in March 2021 alone as detailed below:

Table 3.17: Grant with more than 50 per cent expenditure in last quarter

S. No.	Head of Account (up to Sub Head)	Expenditure incurred during January-March 2021	Expenditure during March 2021	Total expenditure incurred during the year	Percentage of total Expenditure incurred during	
					January-March 2021	March 21
1	2401-103-15 Crop Husbandry Seeds Seed Development Scheme (Production and Distribution)	0.37	0.26	0.68	55.01	37.63
2	2401-107-07 Crop Husbandry Plant Protection Laboratories	0.08	0.06	0.14	59.31	39.37
3	2401-110-02 Crop Husbandry Crop Insurance	1,125.33	659.17	1,470.08	76.55	44.84
4	2401-119-26 Crop Husbandry Horticulture Mission For conversion from flow irrigation to drip irrigation (Pradhan Mantri Krishi Sinchai Yojana Macro Irrigation)	65.82	64.71	125.91	52.28	51.39
5	2401-119-31 Crop Husbandry Horticulture and Vegetable Crops Assistance for Plant Protection Works	0.03	0.02	0.05	70.74	40.07
6	2401-800-02-01 Other expenditure Grants-in-aid for Water Planning	37.76	19.84	64.10	58.91	30.95
7	2401-800-37-01 Other Expenditure Pradhan Mantri Krishi Sinchai Yojana	78.87	78.83	101.86	77.42	77.39
8	2401-800-40-01 Other expenditure Zero cost based Agriculture	1.04	1.04	1.49	69.84	69.57
9	4401-800-02-01 Other expenditure through the agency of Agriculture Department Building	6.24	6.3	8.28	75.42	76.05
10	4401-800-03-01 Other expenditure Rashtriya Krishi Vikas Pariyojana (S.C.A)	61.41	53.84	78.21	78.53	68.85
11	6401-800-10-01 Other expenditure Loan to Krishi Upaj Mandi (NABARD)	15.00	15.00	15.00	100	100
	Total	1,391.95	899.07	1,865.80		

Huge expenditure incurred by the department during the last quarter/month of the year is indicative of less control on progressive expenditure.

In this regard, a circular was issued (July 2021) by Commissioner, Agriculture on the basis of recommendations made in SFAR 2018-19, through which DDOs/Budget Controlling officers were given instruction to keep the provisions of SBM in mind while making provisions for salary, allowances and scheme implementation. It was also instructed that in future sanctioned budget should be utilised on monthly basis and 60 per cent of budget should be utilised by December in the absence of which the controlling officer/DDOs will be held liable

Status of scheme announcements in the previous Budget speech

Details of Budget Speech announcements and their current status are given in the **Table 3.18:**

Table 3.18: Major scheme announcements in the previous years' Budget speech

S. No.	Brief of announcements made in Budget Speech	Status of follow up action taken by the Department
1.	(Budget Announcement 83) During Budget Speech 2016-17, the State Government proposed ₹ 5.90 crore for providing furniture etc. to Kisan Seva Kendra.	Department intimated (October 2021) that out of 1170 Kisan Seva Kendras, 678 Kisan Seva Kendra were transferred to Agriculture Department with all basic facilities by incurring an expenditure of ₹ 2.89 crore against the financial sanction of ₹ 4.90 crore.
2.	(Budget Announcement 89) During Budget Speech 2016-17, the state govt. announced that at least 10 progressive farmers will be added in each district in the coming financial year as honorary extension worker in various fields of agriculture and ₹1000 per day would be given to such progressive farmers as lecture honorarium.	Department intimated (October 2021) that process of selecting the Honorary Extension Workers has been completed and guidelines have been issued for payment of honorarium to them. However, no budget provisions were made for payment.
3.	(Budget Announcement 104) During Budget Speech 2017-18, the State Government proposed ₹ 5.40 crore for providing electricity, water and furniture to 1180 Kisan Seva Kendra cum Village Knowledge Centre.	Department intimated (October 2021) that out of 1180 Kisan Seva Kendras, only 763 Kisan Seva Kendra were constructed and transferred to Agriculture department with all basic facilities by incurring an expenditure of ₹ 2.37 crore against the financial sanction of ₹ 2.90 crore.
4.	(Budget Announcement 20) During Budget Speech 2019-20, the State Government proposed ₹ 2 crore for organizing seminars and exhibitions, multiple usage of farmer's fairs at the agriculture block level under 'Krishi Dhara Programme'	Department intimated (October 2021) that Finance Department did not provide budget provision to implement the budget announcement, as such the department conducted only one farmer's fair at Jaipur city instead of all blocks.
5.	(Budget Announcement 33) During Budget Speech 2020-21, the State Government proposed ₹ 150 crore for construction of 12,500 farm ponds for increasing irrigated area and ground water level for agriculture in the State.	Department intimated (October 2021) that out of 12,500 farm ponds department constructed only 4,173 farm ponds after incurring an expenditure of ₹ 31.05 crore.

Details provided in the above table indicate slow pace of follow up action and unsatisfactory progress of the budget speech announcements.

Non/less utilization of funds on these schemes/programmes not only increases the fiscal burden in the succeeding years but also leads to delays and deprival of benefits to the beneficiaries.

Receipts

The revenue receipts head “0401- Agriculture” of Agriculture Department comprises of the receipts under various schemes of Agriculture Department, from sale of fruits & vegetables, auction, service fees and other miscellaneous receipts. The position of Budget Estimates, Revised Estimates and Actual Receipts under the heads during the period 2018-21 summarised below:

Table 3.19: Statement of Receipt during 2018-21

(₹ in lakh)							
S. No.	Name of Head	Year	Budget Estimate	Revised Estimate	Actual Receipt	Excess(+) / Shortfall (-) to Revised Estimate	Percent variation to Revised Estimate
1.	0401-103-01 Crop Husbandry Seeds Receipts from schemes of strengthening of Rhizobium Culture	2018-19	0.01	17.5	1.29	(-)16.21	92.63
		2019-20	1.50	1.80	1.63	(-)0.17	9.44
		2020-21	2.00	2.75	2.27	(-)0.48	17.45
2.	0401-107-01 Crop Husbandry Receipts from Plants of Protection Services Receipts from Insecticides drugs Services	2018-19	20.00	4.50	3.51	(-)0.99	22.00
		2019-20	4.00	3.00	0.86	(-)2.14	71.33
		2020-21	3.50	0.10	0.00	(-)0.10	100
3.	0401-800-02-01 Other Miscellaneous Receipts	2018-19	438.79	450.00	820.39	(+)370.39	82.31
		2019-20	450.00	850.00	514.33	(-)335.67	39.49
		2020-21	900.00	850.00	794.34	(-)55.66	6.54
4.	0401-800-02-04- Other Receipt, Receipts from Horticulture Department	2018-19	20.20	250.00	249.40	(-)0.60	0.24
		2019-20	150.00	80.00	37.20	(-)42.80	53.50
		2020-21	100.00	80.00	145.94	(+)65.94	82.40
5.	0401-800-50-01 Receipts from unserviceable Goods/Disposal of Vehicles	2018-19	1.00	1.00	0.62	(-)0.38	38.00
		2019-20	1.00	1.00	0.00	(-)1.00	100
		2020-21	1.00	1.20	1.04	(-)0.16	13.33
6.	0401-800-50-02 Receipt from Disposal of Other unserviceable goods	2018-19	1.00	3.00	2.49	(+)0.51	17.00
		2019-20	3.00	1.25	1.74	(+)0.49	39.20
		2020-21	1.50	2.50	5.12	(+)2.62	104.80

It was observed that in all above cases there was significant variation of actual receipts with respect to revised estimates during the period 2018-21 indicating deficiency in estimation.

The Department intimated (July 2021) that depending upon the receipts from the start of the financial year to the month of December, the revised estimates for the year as well as estimates for the following financial year are prepared and sent to Finance Department. However, it is evident, from the wide variations in the actual receipts in comparison to revised estimates that the department did not take into consideration the past year receipts in preparation of estimates as required by SBM.

Grant no. 42- Industries

The main functions of the Department are promotion of Micro, Small and Medium Enterprises (MSMEs), to assist in the marketing of their products, development of salt areas, handicrafts artisan development, development of handloom etc. The department also provides various concessions, facilities and assistance for setting up the industrial enterprises in the State.

Grant No. 42 is under the administrative control of Principal Secretary, Industry Department, Government of Rajasthan (GoR). The overall position of budget, expenditure and savings during year 2018-21 are detailed below in the **Table 3.20**:

Table 3.20: Budgetary Provisions

	2018-19				2019-20				2020-21			
	Total (O+S)	Expenditure	Saving	Surrender	Total (O+S)	Expenditure	Saving	Surrender	Total (O+S)	Expenditure	Saving	Surrender
Revenue	251.31	214.90	36.41 (14.48%)	36.19	428.63	327.44	101.19 (23.61%)	101.03	309.56	256.18	53.38 (17.24%)	53.38
Capital	433.41	21.94	411.47 (94.94%)	411.43	95.06	18.71	76.35 (80.32%)	76.34	54.87	26.30	28.57 (52.07%)	28.44
Total	684.72	236.84	447.88	447.62	523.69	346.15	177.54	177.37	364.43	282.48	81.95	81.82

Detailed audit of budget and expenditure under this grant revealed that:

- The unutilised budget provisions/saving under revenue section of the grant ranged from 14.48 per cent to 23.61 per cent whereas under capital section, it ranged from 52.07 per cent to 94.94 per cent during the period 2018-19 to 2020-21.
- Amounts of ₹ 447.62 crore, ₹ 177.37 crore and ₹ 81.82 crore were surrendered on the last day of financial year 2018-19, 2019-20 and 2020-21 respectively.
- As per SBM, grants that cannot be properly utilised should be surrendered. During 2018-19 and 2019-20 out of final savings, a sum of ₹ 21.26 lakh and ₹ 16.85 lakh remained un-surrendered under Revenue section respectively. During 2018-19, 2019-20 and 2020-21 out of final savings, a sum of ₹ 4.76 lakh, ₹ 1.00 lakh and ₹ 13.50 lakh remained un-surrendered under Capital section respectively.

This shows that the provision in SBM pertaining to budgetary controls were not adhered to by the Department.

It was also observed that a substantial portion of the budget allocation remained unutilised every year under various heads of accounts during the period 2018-19 to 2020-21, indicating non-achievement of the projected financial outlays in the respective years. This indicates that the budget allocations were made without considering the previous years' expenditure as required under rule 13.7 of the SBM, which resulted in persistent savings, mainly under capital head of accounts.

Programme implementation

Test check of schemes/programmes under the grant showed the following:

- ***Rajasthan Khadi and Village Industry Board***

Main objectives and functions of the board are to plan the development of Khadi and Village Industries, organizing and implementing programs, to provide employment opportunities to the low income groups.

During the year 2020-21, budget provision of ₹ 32.50 crore was made under the head “Grant to Rajasthan Khadi and Village Industry Board”. The department could utilise only ₹ 24.13 crore and surrendered the remaining amount of ₹ 8.37 crore (25.75 per cent). Department stated (June 2021) that savings occurred due to release of less grant because of reduction in expenditure ceiling and excess expenditure was met from the previous years’ unspent balances.

- ***Mukhya Mantri Laghu Udhog Protsahan Yojana***

This scheme has been started with the objective of providing interest subsidised loan through banks for easy establishment of enterprises in the state and to provide new employment opportunities to all sections of the people of the state.

During 2020-21, budget provision of ₹ 6.50 crore was made for this scheme. The department could utilise only ₹ 3.60 crore and surrendered the remaining amount of ₹ 2.90 crore (44.61 per cent). Reasons for less utilisation of amount have not been intimated by the Department (December 2021).

- ***Assistance for Youth Industrialisation Incentive Scheme (Yuva Udyamita Protsahan Yojana)***

The Yuva Udyamita Protsahan Yojana was started by the Rajasthan Government in the year 2013-14² to encourage young entrepreneurs to set up new industries in the state and reduce unemployment in the state.

During 2020-21, budget provision of ₹ 9.00 crore was made for this scheme. The department could utilise only ₹ 6.75 crore and surrendered the remaining amount of ₹ 2.25 crore (25 per cent). Department stated (June 2021) that savings occurred due to due to less sanction of loans under the scheme on account of COVID-19 pandemic and the consequent less distribution of funds.

- ***Cluster Development Diagnostic Study***

The development of micro and small enterprises and artisans of the state is being done by the State Government through cluster development approach. For this, the State Cluster Development Program was started in the year 2005-06. Under the ‘Cluster Development Diagnostic Study’ program, the implementation of cluster development activities in the selected clusters on the basis of base line survey is done through voluntary organisations in addition to skill development and skill up-gradation training,

2. Revised in the year 2015

design development training, technical up-gradation, market assistance, capacity building etc.

During the years 2018-19, 2019-20 and 2020-21, budget provisions of ₹ 1.07 crore, ₹ 1.30 crore and ₹ 1.20 crore were made for this program. The department could utilise only ₹ 0.56 crore, ₹ 1.16 crore and ₹ 0.67 crore and surrendered ₹ 0.51 crore (47.66 per cent), ₹ 0.14 crore (10.77 per cent) and ₹ 0.53 crore (44.17 per cent), respectively. Reasons for under-utilisation of provisions have not been intimated by the department (December 2021).

- ***Integrated Processing Development Scheme***

Integrated Processing Development Scheme (IPDS) had been started by the Ministry of Textiles Government of India, to control the pollution caused by textile units. Under the scheme, 50 per cent of the project cost (maximum ₹ 75 crore) is to be contributed by the Central Government, 25 per cent by the State Government and 25 per cent from the own funds/ debt from banks by the Special Purpose Vehicle (SPV). Four projects had been sanctioned under IPDS in the State. According to the progress report of the department, all the four projects are under progress.

During the year 2020-21, budget provision of ₹ 11.50 crore was made for this scheme. The department could utilise ₹ 8.00 crore and surrendered ₹ 3.50 crore (30.43 per cent). Department stated (August 2021) that three projects are under implementation/ operation and one project is not operational. However, specific reasons for under-utilisation of provisions have not been intimated by the department (December 2021).

- ***Upgradation of Industrial effluent Management System of RIICO Industrial area Bhiwadi***

Rajasthan State Industrial Development and Investment Corporation Ltd. (RIICO) spearheads industrialisation of the State of Rajasthan by setting up industrial areas. RIICO has set up 28 Regional offices all over Rajasthan to administer the development and management of the industrial areas. Physical infrastructure developed by RIICO includes roads, power, street light, water supply, drainage etc. along with provisions for basic social infrastructure.

During the years 2019-20 and 2020-21, budget provisions of ₹ 96.00 crore and ₹ 75.00 crore respectively were made for upgradation of Industrial Effluent Management System of RIICO Industrial area Bhiwadi. During 2019-20, only ₹ 1.00 crore was utilised and in 2020-21, no amount was utilised for this purpose. The department attributed (July 2021) the reason for under-utilisation to not receiving the Environmental sanction from Ministry of Environment, Forest and Climate change, GoI for the project.

- ***Central Institute of Plastic Engineering and Technology***

Central Institute of Plastic Engineering and Technology (CIPET), Jaipur was established in the year 2006 by GoI and GoR on 50:50 expenditure sharing basis. Jaipur centre is engaged in production of plastic items, mould design through CAD/CAM/ CAE.

During the year 2019-20, provision of ₹ 3.66 crore was made for establishment of High Learning Centre in the Institute. However, the entire amount remained unutilised and was surrendered. The Department stated (July 2021) that the provision could not be spent as sanction could not be issued due to COVID 19 lockdown. During the year 2020-21, token provision of ₹ 1,000 was made for the project. However, it was not augmented, due to which the project could not be started and the token provision was surrendered. Department intimated (November 2021) that a new proposal has been sent to Finance Department because sanction was not issued during 2020-21 due to provision not being made in the revised estimate.

- ***Delhi - Mumbai Industrial Corridor***

Delhi-Mumbai Industrial Corridor Project (DMIC) is an industrial development project between Delhi and Mumbai. It is planned as a high-tech industrial zone spread across six Indian States as well as National Capital Territory of Delhi. The investment was to be spread across the 1500 km long Western Dedicated Freight corridor which would serve as the industrial corridor's transportation backbone.

During 2018-19, 2019-20 and 2020-21, budget provisions of ₹ 418.64 crore, ₹ 85.00 crore and ₹ 43.00 crore respectively were made under the capital head for DMIC. However, the department could utilise only ₹ 7.54 crore, ₹ 17.76 crore and ₹ 24.76 crore respectively and surrendered the amounts of ₹411.10 crore (98.2 per cent), ₹67.24 crore (79.1 per cent) and ₹ 18.11 crore (42.12 per cent) respectively. Department stated (July 2021) that expenditure could not be incurred as the compensation for land acquisition could not be paid due to problems such as vacant posts of patwari and tehsildar etc. and lockdown during last week of March 2020 due to Covid 19.

- ***Building Construction for District Industries Centres***

During the year 2018-19, 2019-20 and 2020-21, budget provisions of ₹ 0.77 crore, ₹ 1.15 crore and ₹ 0.62 crore were made towards Building Construction for District Industries Centres. However, the department could utilise only ₹ 0.15 crore, ₹ 0.70 crore and ₹ 0.39 crore and surrendered the amount of ₹ 0.57 crore (74.02 per cent), ₹ 0.45 crore (39.13 per cent) and ₹ 0.23 crore (37.10 per cent) during 2018-19, 2019-20 and 2020-21 respectively. The department stated (July 2021) that less expenditure was incurred as some construction works could not be started and due to reduction in budget provision by the Finance Department.

Para 13.6 of SBM states that budget should be prepared with the aim to achieve as close approximation to the actual as possible. The above observations and the replies of the department show that the budget allotments were not accurate leading to surrender of huge amounts.

Token provision in grant

It was observed that in the year 2020-21, out of the total of 60 heads under this grant, there were 15 heads in which token provisions were made which remained as token provisions and at the end of the financial year token provisions were either surrendered or made zero in Revised Estimates during Budget Finalisation Committee (BFC)

meeting. Rajasthan Financial Corporation stated that token provision are made on the expectation of financial assistance from the State Government.

Status of scheme announcements in the previous Budget speech

Details of Budget Speech announcements and their current status are given in the Table 3.21:

Table 3.21: Major scheme announcements in the previous Budget speech

S. No.	Year (Budget Speech No.)	Brief of announcements made in Budget Speech	Status of follow up action taken by the Department
1.	2016-17 (77)	In Budget Speech 2016-17, establishment of National Institute of Design near Jaipur was announced for setting up a design innovation hub, for which 50 acres of land was to be provided.	Department intimated (September 2021) that Jaipur Development Authority has allotted 1,20,062.57 sqm of land free of cost for establishment of National Institute of Design (N.I.D). Possession of land and execution of lease deed are pending because ₹30.02 lakh payment from Ministry of Commerce and Industry, GoI is awaited.
2.	2016-17 (78)	In Budget Speech 2016-17, it was announced that Professional services will be hired to provide high level training to 60 thousand artisans through Rural Non Firm Development Agency (RUDA) in the next 5 years. For this a provision of ₹2 crore was proposed to be made in the ensuing year.	Department intimated (September 2021) that RUDA invited tenders twice for hired Professional services but the tendering process was not successful. The Department also stated that hiring professional services would not be in conformity with the rules due to which it would be appropriate to drop this announcement.
3.	2016-17 (78)	In Budget Speech 2016-17, a grant of ₹ 2.50 crore was proposed to bring khadi into the mainstream of fashion and to open new showrooms of Rajasthan Khadi board.	The Status of implementation was not provided to audit though called for (October 2021).
4.	2017-18 (87)	In Budget Speech 2017-18, in order to promote import-export in the field of textile and agro-food processing, two new centers were proposed to be set up by the state government with the participation of Government of India.	Department intimated (September 2021) that the budget announcement could not be implemented due to financial constraints.
5.	2018-19 (149)	In Budget Speech 2018-19, broadening the scope of RO plant of capacity 6 Million Litres Daily for treatment and re-use of polluted water in Bhiwadi Industrial Area, works of up-gradation of Common Effluent Treatment Plant (CETP) with underground pipeline were proposed under the integrated action plan of ₹146 crore.	Department intimated (September 2021) that tender for execution of integrated work plan has been issued and further action is under process.
6.	2018-19 (150)	In Budget Speech 2018-19, a provision of ₹ 400 crore was proposed as compensation towards land acquired for the new industrial township in Khushkheda-Bhiwadi-Neemrana investment area under Delhi-Mumbai Industrial Corridor Project.	Department intimated (September 2021) that ₹ 82.46 crore has been incurred for compensation against land acquisition and decision was taken for payment of balance amount through RIICO limited, Jaipur which is still pending.

Details provided in the above table indicate slow pace of follow up action and unsatisfactory progress of the budget speech announcements.

Non/less utilization of funds on these schemes/programmes not only increases the fiscal burden in the succeeding years but also leads to delays and deprives the benefits to the beneficiaries.

Significant difference between revised estimates and actual receipts

The revenue receipts Heads “0851 – Village and Small Industries” and “0852– Industries” of Industries department comprise the receipts from registration of Power Loom, temporary allotment of land for *sajji*, income from allotment of salt area, receipt of Papad Khar, receipts under Petroleum Act, etc.

The position of Budget Estimates, Revised Estimate and Actual Receipts under these heads during the period from 2018-19 to 2020-21 is summarised in the **Table 3.22** below.

Table 3.22: Statement of Receipt during the year 2018-21

(₹ in lakh)							
S. No.	Head of Account	Year	Budget Estimates	Revised Estimate	Actual Receipts	Excess(+)/ Shortfall(-)	Percent variation to Revise Estimate
1	0851 – Village and Small Industries 800 - Other Receipts 01 - Other various Receipts	2018-19	1,325.00	700.00	491.62	(-) 208.38	29.77
		2019-20	750.00	750.00	141.43	(-) 608.57	81.14
		2020-21	750.00	300.00	355.27	(+) 55.27	18.42
2	0852 – Industries 05 - Chemical Industry 800 - Other Receipts 01 and 04 Receipts by sale of salt and sodium sulphate	2018-19	7.00	7.00	7.57	(+)0.57	8.14
		2019-20	6.01	3.22	0.90	(-) 2.32	72.05
		2020-21	3.50	4.65	3.12	(-) 1.53	32.90
3	0852 – Industries 80- General 800 - Other Receipts 04 - Other receipts	2018-19	40.00	400.00	390.17	(-) 9.83	2.46
		2019-20	50.00	169.06	169.63	(+)0.57	0.34
		2020-21	50.00	90.00	69.17	(-) 20.83	23.14

Thus, there were variations ranging between 0.34 *per cent* and 81.14 *per cent* in respect of actual receipts and revised estimates which indicates deficiency in estimation. During scrutiny of this grant, it was observed that various receipt heads in Budget Document under Major Head- 0851 and Major Head- 0852 show significant difference between actual receipts and revised estimates during the period 2018-21. Reply in this regard is awaited from the concerned budget controlling officer (December 2021).

3.6 Good Practices

The aspects of budgetary management in which the State Government made improvements are given below:

- No instance of excess expenditure over budgetary provision in any grant during the last four years.
- Submission of all the Re-appropriation orders and Surrender orders before closing of the financial year.
- Surrender of most of the savings before the end of the year.

3.7 Recommendations

- i. The Controlling/Disbursing officers may keep a close and constant watch over the progress of expenditure against the sanctioned allotment in order to avoid savings especially in departments where persistent savings have been noticed. They may also specifically strengthen monthly expenditure control and monitoring mechanism through optimum utilization of IFMS.
- ii. Efforts should be made by all departments to submit realistic budget estimates keeping in view the trends of expenditure in order to avoid large scale savings/excesses, re-appropriation and surrenders at the end of the year, so that they can be effectively utilized in other areas/schemes. Excessive/unnecessary/inadequate re-appropriations of funds may also be avoided.
- iii. The expenditure should be spread evenly over the year so as to avoid the quality related pitfalls associated with rush of expenditure at the end of the year.
- iv. Budget Controlling Officers need to be made aware of their responsibility to provide clear explanation of the variations in expenditure from the allocation to facilitate proper analysis of budget and accurate preparation of subsequent Appropriation Accounts.

Chapter IV: Quality of Accounts and Financial Reporting Practices

Introduction

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is, thus, one of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the Government in meeting its basic stewardship responsibilities, including strategic planning and decision making.

This chapter provides an overview and status of compliance of various significant financial rules, procedures and directives with regard to financial reporting of the State Government and its various subordinate offices during the current year.

4.1 Collection of Cess/Surcharge

Cess is levied by government for a specific purpose, and the proceeds, are required to be kept in a separate fund, with distinct accounting to ensure that the collection is incurred for the specific purpose.

4.1.1 Short transfer of Cess to Rajasthan State Road Development Fund

The GoR constituted Rajasthan State Road Development Fund (Fund) by enacting Rajasthan State Road Development Fund Act (Act) in 2004 for the development of State Roads and other projects of State Road Development. The Act provides for levying and collection of cess on sales of motor spirit (commonly known as petrol and high speed diesel oil). During 2020-21, the cess was levied at the rate of ₹ 1.50 and ₹ 1.75 per litre on petrol and high speed diesel respectively. Section 4 of the Act prescribed that the cess levied would be credited to the Consolidated Fund of the State¹ (CFS) and subsequently credited to the fund through appropriation. The fund was constituted as a non-interest bearing Reserve Fund in the Public Account and classified under the Head “8225-02-101 State Roads and Bridges Fund” in the accounts of the State Government.

Year-wise position of collection of cess and transfer to Fund for the last five years is given in table below:

Table 4.1: Position of collection of cess and transfer to the fund

(₹ in crore)

S. No.	Year	Opening Balance of un-transferred amount	Cess Collected during the year	Total (3+4)	Amount transferred to the fund	Closing Balance of Un-transferred Amount (5-6)
1	2	3	4	5	6	7
1	2016-17	714.33	1,311.78	2,026.11	0	2,026.11
2	2017-18	2,026.11	1,394.37	3,420.48	425.00	2,995.48
3	2018-19	2,995.48	1,409.62	4,405.10	260.34	4,144.76
4	2019-20	4,144.76	1,422.51	5,567.27	1,170.00	4,397.27
5	2020-21	4,397.27	1,176.62	5,573.89	1,011.46	4,562.43

1. Budget Head 0040-800 (Taxes on Sales, Trade etc.-Other Receipts)

It can be observed that an amount of ₹ 4,562.43 crore was pending transfer from CFS to the Fund as on 31st March 2021.

Further, during the year 2020-21, the Government collected ₹ 1,176.62 crore as Petrol and Diesel cess and transferred ₹ 1,011.46 crore to the Fund. Thus, the State Government short transferred ₹ 165.16 crore to the Fund during the financial year 2020-21 in violation of rules and deferred its liability to future years. This also resulted in understatement of the Revenue Deficit and Fiscal Deficit to that extent.

Reasons for short transfer of collected cess to the Fund and whether the expenditure from the fund was being incurred for the purposes as intended in the Act were not intimated by the Department to audit though called for (October 2021).

4.1.2 Short transfer of Cess to the Water Conservation Cess Fund

Pursuant to the budget speech (Revised) 2009-10, provisions were made in Rajasthan Finance Act, 2009 for levy of Water Conservation Cess (Cess) on the energy consumed at the rate of ten paise per unit for the purpose of Water Conservation in the state. The cess was intended to provide financial resources for construction of water harvesting structures for collecting the run-off, ground water recharge and educating and sensitizing people to inculcate the habit of conserving water in day to day life.

Accordingly, a provision was made in Rajasthan Electricity (Duty) Act, 1962 to collect cess with effect from 8 July 2009. The cess is collected in the Consolidated Fund of the State² (CFS). The Water Conservation Cess Fund (Fund) was constituted as a non-interest bearing Reserve Fund³ in the Public Account. The collected cess is transferred from the CFS to the Fund by debiting the Major Head 2040-797 (Taxes on Sales, Trade etc.).

Year-wise position of collection of cess and transfer to the Fund for the last five years is given in table below.

Table 4.2: Position of collection of cess and transfer to the fund

(₹ in crore)

S. No.	Year	Opening Balance of un-transferred amount	Cess collected during the year	Total	Amount transferred to the fund	Closing Balance of Un-transferred Amount
1	2016-17	908.42	289.56	1,197.98	170.92	1,027.06
2	2017-18	1,027.06	217.51	1,244.57	289.56	955.01
3	2018-19	955.01	182.67	1,137.68	217.51	920.17
4	2019-20	920.47	268.84	1,189.31	182.67	1,006.64
5	2020-21	1,006.64	196.37	1,203.01	268.84	934.17

It can be observed that an amount of ₹ 934.17 crore was pending transfer from CFS to the Fund as on 31st March 2021.

Further, an expenditure of ₹ 270.68 crore was incurred from the Fund during 2020-21 leaving unspent balance of ₹ 234.47 crore as on 31st March 2021.

The Department did not furnish reply regarding whether the expenditure from the fund was being incurred for the purposes as intended in the Act, though asked for (October 2021).

2. Budget Head 0043-800-04 (Taxes and Duties on Electricity-Other Receipts)

3. Classified under the Head '8229-200-11' in the accounts of the State Government

4.1.3 Short transfer of surcharge to Rajasthan Cow Protection and Promotion Fund

The State Government had proposed surcharge for conservation and propagation of cow and its progeny (Surcharge) w.e.f. 08.03.2016 under section 3(B) of Rajasthan Stamp Act, 1998. Further, Gopalan Department, Government of Rajasthan (GoR) had constituted 'Rajasthan Cow Protection and Promotion Fund' (fund) in November 2016 and issued 'Rajasthan Cow Protection and Promotion Fund' Rules, 2016 (Rules) for administration of this fund.

In addition, the State Government introduced surcharge on Value Added Tax levied under the Rajasthan Value Added Tax (Amendment) Act, 2018, proceeds of which were also to be utilized for the purpose of conservation and propagation of cow and its progeny.

As per the Rules, the surcharge levied and collected under the Rajasthan Stamp Act⁴ and Rajasthan Value Added Tax Act⁵ is required to be transferred to the fund⁶ by debiting the Major Head of Animal Husbandry⁷. The main objective of this fund was the protection and development of cows and to create permanent infrastructure for cow shelter, homes and *kanji houses* and one *per cent* of the fund was to be incurred for administrative expenses by Gopalan Department.

Year-wise position of collection and transfer of surcharge to the fund for the last five years is given in the table below.

Table 4.3: Position of collection of surcharge and transfer to fund

(₹ in crore)

S. No.	Year	Opening Balance of Un-transferred Amount	Receipts of surcharge	Total (3+4)	Amount transferred to Fund	Closing Balance of Un-transferred Amount (5-6)
1	2	3	4	5	6	7
1	2016-17	13.16	138.45	151.61	103.84	47.77
2	2017-18	47.77	257.98	305.75	173.68	132.07
3	2018-19*	132.07	536.25	668.32	261.00	407.32
4	2019-20*	407.32	718.02	1,125.34	490.50	634.84
5	2020-21*	634.84	1,079.30	1,714.14	599.12	1,115.02

Source: Finance Accounts of the respective years.

* Receipt inclusive of surcharge on VAT also.

It can be observed that an amount of ₹ 1,115.02 crore was pending transfer from CFS to the fund as on 31st March 2021. Further, the un-transferred amount at the end of the year has been steadily increasing every year since 2016-17.

During the year 2020-21, the Government collected ₹ 1,079.30 crore as surcharge and transferred ₹ 599.12 crore to the fund. Thus, the State Government short transferred ₹ 480.18 crore to the fund during the financial year 2020-21 in violation of rules and deferred its liability to future years. This also resulted in understatement of the Revenue Deficit and Fiscal Deficit to that extent.

Position of the amount transferred to the fund from CFS and disbursement from the fund for the last five years is given in table below.

4. Under the head 0030-02-800 (Stamps and Registration Fee-Stamps non judicial-Other Receipts).
5. Under the head 0040-800 (Taxes on Sales, Trade etc.-Other Receipts).
6. Under the head 8229-104-02 and 8229-104-03.
7. Under the head 2403-797 (Animal Husbandry- Transfer to reserve funds).

Table 4.4: Position of collection of surcharge and transfer to fund

(₹ in crore)

S. No.	Year	Opening Balance of Fund	Receipts in Fund	Total amount of Fund (3+4)	Disbursed amount from the fund	Closing Balance of fund (5-6)
1	2	3	4	5	6	7
1	2016-17	-	103.84	103.84	92.22	11.62
2	2017-18	11.62	173.68	185.30	173.55	11.75
3	2018-19	11.75	261.00	272.75	240.57	32.18
4	2019-20	32.18	490.50	522.68	462.45	60.23
5	2020-21	60.23	599.12	659.35	574.01	85.34

Source: Information provided by the Department.

It is evident from the above table that during the year an amount of ₹ 574.01 crore was disbursed from the fund leaving an unspent balance of ₹ 85.34 crore as on 31st March 2021.

Further, it was observed that as per Finance Accounts 2020-21, unspent balance of the fund was ₹ 72.45 crore whereas as per the information provided by the Department, the unspent balance in the fund was ₹85.34 crore reflecting a variation of ₹ 12.88 crore with the Finance Accounts.

The Department did not furnish reply regarding whether the expenditure from the fund was being incurred for the purposes as intended in the Rules, though asked for (October 2021).

4.1.4 Short transfer of Cess amount to Rajasthan Building and Other Construction Workers Welfare Fund

In addition to above mentioned Reserve Funds, GoR has also created the Rajasthan Building and Other Construction Workers Welfare Fund which is being operated as Personal Deposit (PD) Account.

The Government of India (GoI) enacted legislations like Building and Other Construction Workers (Regulation of Employment and conditions of Services) Act, 1996 and the Building and Other Construction Workers' Welfare Cess Act, 1996 (Act) for formulating and implementing various welfare schemes for the construction workers. For augmenting resources of the Building and Other Construction Workers' Welfare Boards constituted by the state governments, Section 3 of the Act provided for levy of cess (Labour cess) at the rate not exceeding two *per cent* but not less than one *per cent* of the cost of construction incurred by employers such as Central/State government departments, semi-government organizations, private organizations carrying the building or other construction work.

To implement the provisions of the Act, GoR framed Rajasthan Building and Other Construction Workers (Regulation of employment and conditions of service) Rules 2009 and constituted Rajasthan Building and Other Construction Workers Welfare Board (Board). The cess is collected in the CFS⁸. The Board operates the Rajasthan Building and Other Construction Workers' Welfare Fund (Fund). According to section 5(3) of the Building and Other Construction Workers' Welfare Cess Rules 1998 (Rules), the amount of cess collected is required to be transferred to the Fund within 30 days of its collection.

8. Under the Major Head 'Labour and Employment' (0230-800-06).

Year-wise position of collection of cess and its transfer to the Board for the last five years is given in below table:

Table 4.5: Position of collection of cess and amount transferred to Board
(₹ in crore)

S.No	Year	Opening balance of un-transferred amount	Cess collected during the year	Total (3+4)	Amount transferred to the Board	Closing Balance of un-transferred amount (5-6)
1	2	3	4	5	6	7
1	2016-17	322.45	342.69	665.14	322.70	342.44
2	2017-18	342.44	338.60	681.04	342.69	338.35
3	2018-19	338.35	382.59	720.94	338.60	382.34
4	2019-20	382.34	412.82	795.16	382.59	412.57
5	2020-21	412.57	367.55	780.12	412.82*	367.30

* Includes amount of ₹55.26 crore spent directly by the department without transferring to PD Account

It can be seen from the table that an amount of ₹367.30 crore was pending transfer from the CFS to the Fund as on 31st March 2021.

In this regard, the Public Accounts Committee (PAC) vide para 2.5 of the 85th report of 2015-16 on Audit Report 2011-12 also recommended that full compliance with the provisions of the rules may be ensured and amount collected may be timely transferred to the board. To ensure compliance of the PAC recommendations, the Secretary directed (August 2016) that with the approval of the Finance Department, cess collected may be reconciled monthly with the Accountant General Office and the collected cess may be deposited monthly in the PD accounts of the board. However, the department stated (September 2021) that the collected amount was being transferred annually to the board.

Further, scrutiny of the information provided by the department revealed that the above rule provisions and recommendation of the PAC were not being followed and the collected cess amount was being transferred to the board with abnormal delays. During the years 2019-20 to 2020-21, ₹ 412.82 crore and ₹ 367.55 crore respectively were transferred to the board with delays of three to 20 months from the date of receipt. Details of month wise receipt of cess collection for the last two years are given in the table below:

Table 4.6: Month wise receipt of cess collection for the last two years
(Amount in ₹)

Period	Amount received in Receipt Head	Due month for transfer to board (30 days after receipt)	Month of actual transfer	Delay (in Months)
Apr-19	43,65,03,575.5	May-19	Feb-21	20
May-19	37,64,30,489.2	Jun-19	Feb-21	19
Jun-19	30,26,84,994.1	Jul-19	Feb-21	18
Jul-19	28,96,42,317.9	Aug-19	Feb-21	17
Aug-19	41,61,12,896.3	Sep-19	Feb-21	16
Sep-19	34,42,12,757.9	Oct-19	Feb-21	15
Oct-19	40,18,24,419.0	Nov-19	Feb-21	14
Nov-19	35,14,39,788.7	Dec-19	Feb-21	13
Dec-19	19,97,25,160.6	Jan-20	Feb-21	12
Jan-20	29,27,85,545.4	Feb-20	Feb-21	11
Feb-20	31,62,81,830.5	Mar-20	Feb-21	10
Mar-20	39,98,84,566.4	Apr-20	Feb-21	9
Transfer Entry	6,57,574.0			

Period	Amount received in Receipt Head	Due month for transfer to board (30 days after receipt)	Month of actual transfer	Delay (in Months)
Total (2019-20)	4,12,81,85,915.5			
Apr-20	9,51,10,561	May-20	Aug-21	14
May-20	9,81,24,208	Jun-20	Aug-21	13
Jun-20	27,06,82,993	Jul-20	Aug-21	12
Jul-20	33,37,81,766	Aug-20	Aug-21	11
Aug-20	33,13,18,003	Sep-20	Aug-21	10
Sep-20	30,04,67,560	Oct-20	Aug-21	9
Oct-20	26,76,97,111	Nov-20	Aug-21	8
Nov-20	28,27,19,500	Dec-20	Aug-21	7
Dec-20	34,10,43,899	Jan-21	Aug-21	6
Jan-21	41,64,44,350	Feb-21	Aug-21	5
Feb-21	32,45,70,360	Mar-21	Aug-21	4
Mar-21	61,02,16,989	Apr-21	Aug-21	3
Transfer Entry	33,35,103			
Total (2020-21)	3,67,55,12,403			

Thus, the department failed to adhere to the rule provisions and the directions of the PAC, resulting in delayed transfer and utilisation of the fund by the Board for welfare of the construction workers.

Un-transferred amount of cess/surcharge to the reserve fund/deposit fund indicates that revenue/fiscal deficit of the State Government is understated to the extent of non-transferred amount and represents the outstanding liability of the State Government.

4.2 Loans of State Government not being credited to the Consolidated Fund

4.2.1 Off Budget Borrowings of State Government and increasing contingent liabilities

The State Governments can borrow money within the territory of India, upon security of the Consolidated Fund of the State and the limits on such borrowings are regulated under Article 293 (3) of the Constitution of India. In addition to such borrowings, the State Government also guarantees loans availed by Zila Parishads/ Companies/ Corporations from the market/financial institutions for implementation of various State Plan programmes, which are reflected outside the State Budget. The funds raised for these programmes were to be met out from the resources mobilized by these Companies/Corporations/Zila Parishads. However, in reality borrowings by these concerns are repaid by the Government and ultimately turn out to be the liabilities of the State Government. Accordingly, these may be termed as *off budget borrowings* as these borrowings are not included in the budget and remain outside legislative control. One such instance noticed in Rajasthan is discussed below:

The Finance Department, GoR informed (August 2021) that since 2011-12, the State Government had given guarantees with respect to loans of ₹ 3,948.66 crore obtained by Zila Parishads (ZPs) from Housing and Urban Development Corporation (HUDCO) for construction of dwelling units for Economically Weaker Section (EWS) families in rural areas under Chief Minister Below Poverty Line (CMBPL) Awas Yojana, out of

which the Zila Parishads had availed total guarantees of ₹ 3,624.48 crore⁹ till 2020-21. The State Government has been repaying the principal and interest against these loans. Audit scrutiny revealed that during 2020-21, ₹ 282.01 crore (₹ 147.54 crore on account of principal and ₹ 134.47 crore as interest) was transferred by GoR in PD accounts of 31 ZPs, for payment of principal and interest on loans raised by them from HUDCO for CMBPL Awas Yojana.

During 2020-21, GoR added guarantees of ₹ 50.41 crore to the opening outstanding balances of ₹ 1,901.54 crore and cleared guarantees of ₹ 147.54 crore leaving a balance of ₹ 1,804.41 crore outstanding at the end of 2020-21. Finance Department intimated (December 2021) that the State Government gives grants for repayment of the principal and interest of these loans in view of the poor financial situation of the Zila Parishads.

This indicates that State Government is resorting to off budget borrowings for meeting out its plan expenditure.

Table 4.7: Trend of off budget borrowings

(₹ in crore)				
S. No.	Year	Amount	GSDP	per cent of GSDP
1.	2018-19	2,137.42	9,21,789	0.23
2.	2019-20	2,901.54	9,98,999	0.29
3.	2020-21	1,804.41	9,57,912	0.19

As can be seen from the table, the outstanding off budget borrowings are 0.19 per cent of GSDP (₹ 9,57,912 crore) at the end of March 2021, lower than 0.29 per cent of GSDP (₹ 9,98,999 crore) at the end of March 2020. The off budget borrowing of ₹ 50.41 crore during the year, when taken into account, increases the fiscal deficit from ₹ 59,376 crore to ₹ 59,426 crore as depicted in Table 1.9.

Besides this amount, any other off budget borrowings which would impact Fiscal Deficit could not be ascertained as the State Government did not disclose the repayment liability. It is also pertinent to mention that GoR has not put in place a mechanism to identify all the off budget borrowings.

4.3 Deposit of Local Funds

Section 64 of the Rajasthan Panchayati Raj Act, 1994 provides that Zila Parishad (ZP), Panchayat Samiti (PS) and Gram Panchayat (GP) would maintain ZP fund, PS fund and GP fund respectively (under Major Head 8448-Deposits of Local Funds-109-Panchayat Bodies Funds) which would include all money realised or realisable under the Act and all money otherwise received by the Panchayati Raj Institutions (PRIs), such as grants received from Central Finance Commission and State Government as part of the State Finance Commission award and their own revenue, which includes tax and non-tax receipts of the panchayats. Similarly, Section 79 of Rajasthan Municipal Act 2009 envisages that the Municipal Fund is to be held by the Municipality. All money realised or realisable under this act and all money otherwise received by the Municipality are kept in the Municipal Fund under the Major Head 8448- Deposits of Local Funds-102-Municipal Funds.

9. 2011-12: ₹ 945.37 crore, 2012-13: ₹ 840.19 crore, 2013-14: ₹ 958.51 crore, 2014-15: ₹ 600.64 crore, 2015-16: ₹ 160.52 crore, 2016-17: ₹ 61.34 crore, 2017-18: ₹ 6.34 crore, 2018-19: ₹ 1.16 crore, 2019-20: 'Nil' and 2020-21: ₹ 50.41 crore.

The position of Deposits of local funds in PRIs and Municipal fund as on 31st March 2021 for the last five years is given in the following Table 4.8.

Table 4.8: Deposits of Local Funds

(₹ in crore)

S. No.	Year	Zila Parishad Fund (8448-109-03)				Panchayat Samiti Fund (8448-109-02)				Total Closing Balance end of the year	Municipal Fund (8448-102)			
		Opening Balance	Receipt	Expenditure	Closing Balance	Opening Balance	Receipt	Expenditure	Closing Balance		Opening Balance	Receipt	Expenditure	Closing Balance
1.	2015-16	1,436.20	4,412.58	3,879.91	1,968.87	893.1	1,091.19	967.73	1,016.56	2,985.43	616.93	2,217.67	1,903.89	930.71
2.	2016-17	1,968.87	3,044.50	3,330.05	1,683.32	1,016.56	1,546.68	1,283.19	1,280.05	2,963.37	930.71	2,647.54	2,160.13	1,418.12
3.	2017-18	1,683.32	2,220.82	2,032.13	1,872.01	1,280.05	1,599.99	1,430.26	1,449.78	3,321.79	1,418.12	2,351.12	2,117.23	1,652.01
4.	2018-19	1,872.01	1,781.83	2,144.98	1,508.86	1,449.78	1,776.44	1,762.27	1,463.95	2,972.81	1,652.01	2,527.25	2,775.08	1,404.17
5.	2019-20	1,508.86	1,198.28	1,407.07	1,300.07	1,463.95	3,205.03	3,496.43	1,172.55	2,472.62	1,404.17	2,874.08	2,835.52	1,442.73
6.	2020-21	1,300.07	1,318.54	1,128.13	1,490.48	1,172.55	1,797.45	1,545.79	1,424.21	2,914.69	1,442.73	4,591.66	3,614.48	2,419.91

It was observed that during 2015-21, significant balances were lying in ZP fund, PS funds and Municipal Fund. The closing balance in these funds during 2020-21 were ₹ 1,490.48 crore, ₹ 1,424.21 crore and ₹ 2,419.91 crore respectively.

GPs also maintain accounts in nearest branch of scheduled bank. The status of un-utilised funds lying in these accounts of GPs could not be ascertained as these details were neither compiled at the level of PS or ZP nor provided in the Treasury Accounts.

Rural Development and Panchayati Raj Department intimated (February 2021) that in compliance of audit observations, directions are being issued again for compilation of details of un-utilised funds in GP accounts at the level of PS or ZP. Further, the Finance Department gave directions through budget circular (September 2020) to provide information of all PD Accounts in Pay Manager module of IFMS to be further checked/verified by the controlling officer and to close the inoperative or dormant Bank accounts. However, status of compliance of these orders has not been provided by the Department though asked for (October 2021).

4.4 Delay in submission of Utilisation Certificates

Rule 284 & 286 of General Financial and Accounts Rules (GF&ARs), 2012 prescribe that Utilisation Certificates (UCs) of grants provided for a specific purpose should be obtained by the departmental officers from the grantees and after verification should be forwarded to the Accountant General (Accounts and Entitlement) within one year from the date of their sanction unless specified otherwise. Similarly, UCs are required to be furnished by the State Government to Government of India with regards to the funds provided by the latter for implementation of various socio-economic development programmes where grants for specific purpose are provided.

During the year 2019-20, GoR released grants-in-aid of ₹ 41,024.82 crore¹⁰, of which ₹ 30,686.40 crore were released under object head 12 (Grant-in-aid non-salary) and ₹ 5,197.63 crore under the object head 93-Grant-in-aid for creation of Capital Assets.

Various departments did not submit 837 UCs aggregating ₹2,113.45 crore pertaining to the period 2010-11 to 2019-20 to the office of the A.G (A&E) as on June 2021 as mentioned in Table 4.9. Out of total outstanding UCs, 559 UCs

10. Except grant released for general purpose i.e. pay & establishment and expenses for the Scheme under State Fund or Central Assistance (₹ 5,132.98 crore), UCs are not required as per Rule 285 (4) of GF&AR. Further, an amount of ₹ 7.81 crore classified under Minor Head-191 (₹ 2.36 crore), Minor Head-192 (₹ 5.35 crore) and Minor Head-196 (₹ 0.10 crore).

amounting to ₹1,300.07 crore pertained to 'Grant-in-aid for creation of Capital Assets'. The age-wise pendency of total outstanding UCs is summarised in the Table below:

Table 4.9: Age-wise outstanding UCs

(₹ in crore)

S. No.	Year	Opening Balance		Addition during the year		Clearance during the year		Due for submission	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
1.	2017-18	62	2.34	308	51.32	175	47.69	195	5.98
2.	2018-19	195	5.98	808	970.43	233	35.80	770	940.61
3.	2019-20	770	940.61	1,364	2,392.01	1297	1219.17	837	2113.45

Source: Information compiled by office of the AG (A&E)

Table 4.10: Year-wise break up of outstanding UCs

(₹ in crore)

S. No.	Year	Number of UCs	Amount
1.	2010-11	5	0.03
2.	2011-12	5	0.04
3.	2012-13	7	0.11
4.	2013-14	8	0.06
5.	2014-15	3	0.01
6.	2017-18	111	2.90
7.	2018-19	87	331.62
8.	2019-20	611	1,778.68
	Total	837	2,113.45

Source: Information compiled by office of the AG (A&E)

As per the information provided by the office of the A.G (A&E), out of the pending 837 UCs till June 2021, 282 UCs have been received by August 2021 from various departments.

Almost 94.59 per cent of the amount of outstanding UCs pertained mainly to Family Welfare Department (98 UCs: ₹ 1,250.06 crore), Education Department (34 UCs: ₹ 172.43 crore), Medical Education Department (19 UCs: ₹ 156.62 crore), Local Bodies Department (47 UCs: ₹ 118.47 crore) and Panchayati Raj Department (140 UCs: ₹ 72.98 crore). The Department-wise break up of outstanding UCs is summarized below in Table 4.11 and represented in the Chart 4.1.

Table 4.11: Department-wise position of outstanding UCs

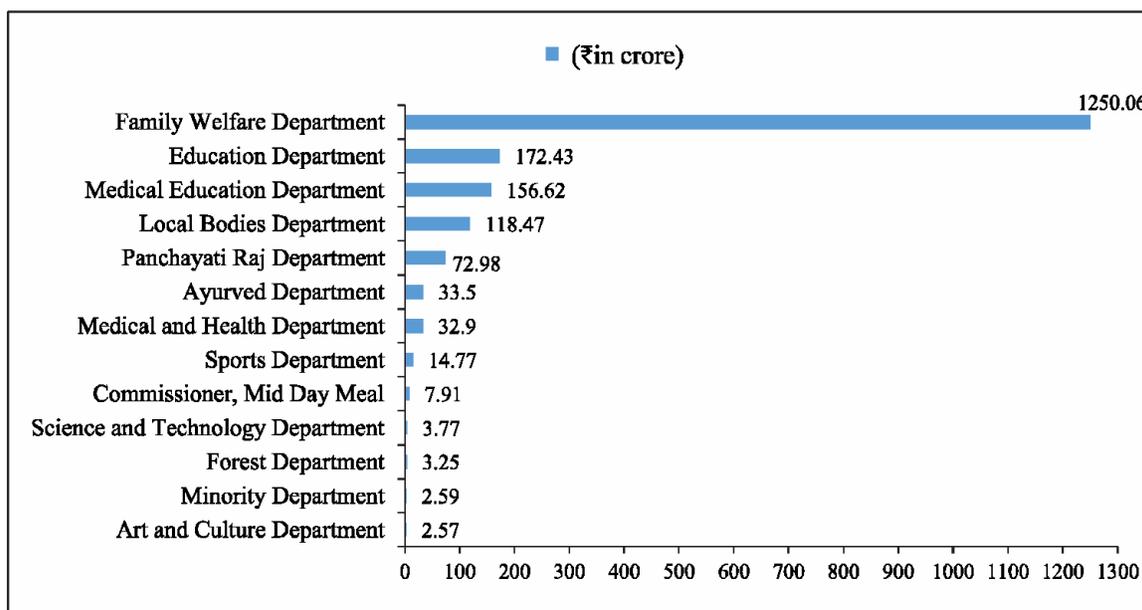
(₹ in crore)

S. No.	Name of the Department	No. of UCs	Amount
1.	Family Welfare	98	1,250.06
2.	Education	34	172.43
3.	Medical Education	19	156.62
4.	Local Bodies	47	118.47
5.	Panchayati Raj	140	72.98
6.	Ayurved	6	33.50
7.	Medical and Health	3	32.90
8.	Sports	7	14.77
9.	Commissioner, Mid Day Meal	4	7.91
10.	Science and Technology	156	3.77
11.	Forest	9	3.25
12.	Minority	2	2.59

S. No.	Name of the Department	No. of UCs	Amount
13.	Art and Culture	29	2.57
14.	Directorate of Specially Abled Person	1	0.01
	Total	555	1,871.83

Source: Information compiled by office of the AG (A&E)

Chart 4.1: Outstanding UCs



The College Education Department and Science & Technology Departments intimated (July 2021) that efforts are being made to obtain UCs of outstanding amount from subordinate offices.

The Forest Department intimated (July 2021) that due to delay in release of state share, the grant given (₹ 3.25 crore) for 2018-19 could not be spent. In the year 2019-20, an amount of ₹1.38 crore was spent and UC was sent to GoI. The Department further intimated that the remaining UCs would be sent after utilisation of the remaining amount.

The Directorate of Ayurved intimated (July 2021) that the sanctioned amount of ₹33.50 crore (₹ 33.13 crore in 2019-20 and ₹ 0.37 crore in 2018-19) was deposited in PD Account of department on 31.3.2020. It was then transferred to the executive agencies in the year 2020-21. The transferred funds are being spent by the executive agencies and the UCs would be sent accordingly.

According to the information provided by the Departments, in addition to above mentioned outstanding UCs, following departments/autonomous bodies received grants-in-aid amounting to ₹ 950.99 crore during the period 2011-12 to 2019-20 out of which ₹ 602.44 crore (63.35 per cent) was spent. However, UCs of ₹ 550.75 crore only were provided to the concerned administrative departments. The department/autonomous body-wise status of outstanding UCs is summarized below in Table 4.12.

Table 4.12: Details of outstanding UCs of Department/autonomous bodies

(₹ in crore)

S. No.	Name of the Department/Autonomous bodies	Year of Grant-in-Aid released	Grant-in-Aid released	Expenditure	UCs sent by the Department	Outstanding UCs (5-6)	Unutilised Grant in Aid (4-5)	Total outstanding UCs (7+8)
1	2	3	4	5	6	7	8	9
1.	Tribal Area Development	2014-15 to 2019-20	707.17	399.79	399.79	0	307.38	307.38
2.	Rajasthan University of Health Sciences	2019-20	47.66	35.03	0	35.03	12.63	47.66
3.	Rajasthan SCST Finance and Development Cooperative Co. Ltd.	2014-15 to 2019-20	192.78	165.16	150.07	15.09	27.62	42.71
4.	Rajasthan Board of Muslim Waqf	2011-12 to 2017-18	3.38	2.46	0.89	1.57	0.92	2.49
	Total		950.99	602.44	550.75	51.69	348.55	400.24

As can be seen from the table above, out of ₹ 950.99 crore Grant-in-aid released to these autonomous bodies/ departments during 2011-12 to 2019-20, ₹ 348.55 crore (36.65 per cent) was yet to be spent. Further, in addition to the outstanding UCs for ₹ 1,871.83 crore, UCs for ₹ 400.24 crore (unutilised fund of ₹ 348.55 crore and outstanding UCs of ₹ 51.69 crore) were also outstanding.

This information was not available with the office of the AG (A&E) as the departments did not provide the required information regarding sanctions and UCs to AG (A&E), in contravention of provision of GF&ARs *ibid*. The pendency also reflects inadequate financial reporting as huge amount of grants provided for implementation of the programmes have been parked with department/autonomous bodies.

UCs outstanding beyond the specified period not only weaken the financial accountability mechanism but also indicate failure of the departmental officers to comply with the rules and procedures to ensure timely utilisation of grant for the intended purpose. Finance Department intimated (December 2021) that directions have been issued to all concerned departments by Director, Inspection Department to expeditiously furnish UCs.

4.4.1 Recording of Grantee Institution as Others

Grants-in-aid (GIA) are payments in nature of assistance, donations or contributions made by one government body/institution/individual to another government body/institution/individual. In Rajasthan, the GIA by the State Government is divided in three object heads (i) 12- Grant-in-Aid (non-salary); (ii) 92-Grant-in-Aid (salary) and (iii) 93-Grant-in-Aid for creation of Capital Assets.

Regulation 88 of the Regulations on Audit and Accounts 2020 provides that Governments and Heads of the Departments which sanction grants and/or loans to the bodies or authorities shall furnish to the concerned Accountant General (Audit) office

by end of July every year, a statement of such bodies and authorities to which grants and/or loans aggregating ₹10 lakh or more were paid during the preceding year indicating (a) the amount of assistance; (b) the purpose for which the assistance was sanctioned; and (c) the total expenditure of the body or authority.

As per Finance Accounts 2020-21 of GoR, GIA constituted 20.5 *per cent* of the total expenditure of the state. During the year 2020-21, out of the total GIA of ₹ 39,744.98 crore, an amount of ₹ 12,431.88 crore (31.28 *per cent*) was disbursed to grantee institutions of type 'Others', where 'Others' means various Government Departments, as given in Table 4.13 below:

Table 4.13: Financial Assistance to Institutions

(₹ in crore)

S. No.	Financial Assistance to Institutions	2016-17	2017-18	2018-19	2019-20	2020-21
1.	PRIs, ULBs, Public Sector Undertakings, Non-Government Originations, Autonomous Bodies, Cooperative Society and Institution and Statutory Bodies and Development Authorities	21,142.87	25,223.22	24,837.17	30,802.52	27,312.80
2.	Others	11,749.33	9,761.88	10,025.04	10,222.30	12,431.88
	Total grant	32,892.20	34,985.10	34,862.21	41,024.82	39,744.68
	Percentage of 'Others' to Total grant	35.72	27.90	28.76	24.92	31.28
3.	Total Expenditure of State	1,57,085	1,67,799	1,87,524	1,93,458	1,94,071
4.	Percentage of total grant to total expenditure of State	20.94	20.85	18.59	21.21	20.48

Source: Finance Accounts.

The above table indicates that the percentage of total grants to total expenditure ranged from 18.59 *per cent* to 21.21 *per cent* during the period 2016-17 to 2020-21 and grant given to 'Others' ranged between 24.92 *per cent* to 35.72 *per cent* of the total GIA during the period 2016-17 to 2020-21.

Therefore, GIA to Institutions of the type 'Others' constitutes a significant portion of the total grants and total expenditure of the State. Absence of proper recording of the grantee institute has a negative impact on the transparency of financial reporting/accounts.

4.5 Abstract Contingent bills

Irregularities in submission of Detailed Contingent Bills against Abstract Contingent Bills

Under rule 219 of GF&AR, the Controlling and Disbursing Officers are authorised to draw sum of money by preparing Abstract Contingent (AC) bills by debiting service heads. They are required to present Detailed Contingent (DC) bills (vouchers in support of final expenditure) to the Accountant General (A&E) through treasury. Rule 220(1) further provides for submission of DC bills not later than a period of three months¹¹ from the drawal of AC bills.

11. Except in case of purchase of machinery/equipments and other articles from abroad by opening of letter of credit, where the DC bills may be rendered to the competent authority within six months of the drawal of AC bills.

Audit observed that the State Government did not furnish DC bills in respect of 117 bills amounting to ₹ 31.37 crore, as on 30 June 2021 Year-wise details of outstanding DC bills are given in the following **Table 4.14**:

Table 4.14: Pending submission of DC bills

(₹ in crore)

S. No.	Year	Outstanding DC bills	Amount of DC bills
1.	Upto 2018-19	17	16.13
2.	2019-20	7	0.29
3.	2020-21	93	14.95
	Total	117	31.37

Source: Finance Accounts and information compiled by office of the AG (A&E).

As per the information provided by the office of the A.G (A&E), out of the pending 117 DC bills till June 2021, 69 DC bills have been received by August 2021 from various departments. Age-wise details of the balance 48 outstanding DC bills are given in the following **Table 4.15**:

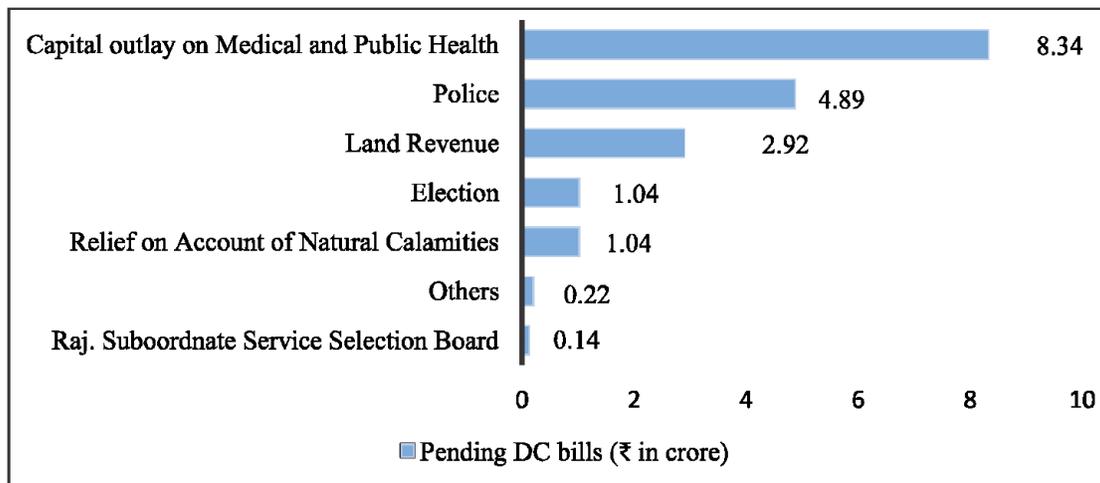
Table 4.15: Age-wise position of pending DC bills

(₹ in crore)

S. No.	Age	No. of pending DC bills	Amount
1.	Between 20 years to 30 years	5	0.01
2.	Between 11 years to 15 years	1	2.92
3.	Between 5 years to 10 years	1	1.04
4.	Between 1 years to 5 years	10	5.12
5.	Between 0 to 1 year	31	9.51
	Total	48	18.60

As is evident from the table, six bills amounting to ₹ 2.93 crore were pending for 11 to 30 years and 11 bills amounting to ₹ 6.16 crore were pending for one to 10 years.

Major Head wise details of pending AC bills as well as amount outstanding for the period upto August 2021 are presented in the following **Chart 4.2** and detailed in **Appendix 4.1**.

Chart 4.2: Department wise position of pending DC Bills**(i) Non-submission of DC bills**

The details of 12 AC bills drawn up to March 2020 which remained unadjusted despite lapse of period ranging from 1 to 30 years are given in the following **Table 4.16**.

Table 4.16: Non submission of DC bills**(₹ in crore)**

S. No.	Name of Office	Major Head	AC Bill No. & Date	Amount	Reasons for delay provided by Department
1.	Director, State Forensic Science Laboratory, Jaipur	2055	421/28.3.2018	66.50	Most of the instruments have been purchased. Remaining DC bills could not be produced due to reasons such as receipt of higher rates for some equipments, non-qualification of technical bid etc.
			285/13.3.2019	261.40	
			286/13.3.2019	161.97	
2.	Director, NCC, Jaipur	2204	77/21.12.2018	2.64	DC Bill has been submitted to Treasury.
			70/10.12.2019	10.00	No reasons were furnished by the department (December 2021).
			80/28.11.2019	0.29	
			59/25.5.2019	0.08	
3.	Secretary, Rajasthan Subordinate Service Selection Board, Durgapura, Jaipur	2051	299/6.10.2016	2.00	Direction has been given to fix the responsibility of the officers/ personnel responsible for not depositing the obsolete currency notes in the bank on time by Department of Personnel.
4.	Revenue Board, Ajmer	2029	183/5.03.2008	292.18	No reasons were furnished by the department (December 2021).
5.	Secretary, GAD (Gr.4) Secretariat Govt. of Raj., Jaipur	2052	473/24.01.2020	1.50	No reasons were furnished by the department (December 2021).
6.	Commissioner Relief and Disaster Management, Jaipur	2245	813/19.03.2013	103.50	Action for recovery is pending at the level of the Sub Divisional Officer, Rajgarh under PDR Act.
7.	CEO and Secretary State Election Commission, Rajasthan, Jaipur	2217	22/11.11.2019	6.00	Efforts are being made by the concerned CEO to get the outstanding DC bills.

Further, five remaining bills pending from 1 to 30 years related to Primary Education (Jalore and Bikaner), Adult Education, Rajsamand and Zila Parishad, Barmer are still pending due to non-availability of records of these bills in the department. State Government/Controlling officer/ Disbursing officer may coordinate with O/o AG (A&E) for taking remedial action in this regard.

Comparison with pendency of DC bills of previous years reveals that there has been improvement in this regard. However, certain bills related to embezzlement; demonetization; recovery of amount; and adjustment procedure in purchase of equipment are pending even after being pointed out in the Audit reports of previous years. Greater efforts are required on the part of the State Government for clearance of pendency.

The drawl of funds on AC bill is accounted against the functional Major Head in the consolidated fund of the state. Unless the accounts are settled within the time allotted through DC bills, the expenditure stands inflated to that extent. Non-submission of DC bills indicates lack of monitoring on the part of Departments as well as treasuries.

(ii) Delay in submission of DC Bills

Rule 8(2) of GF&AR, 2012 prescribes that funds shall be withdrawn only if required for immediate payment and the expenditure or payment is authorised by the competent authority.

During audit scrutiny, significant delays in furnishing DC bills during 2020-21 were noticed. Details are given in Table 4.17.

Table 4.17: Quantum of delay in submission of DC bills

(₹ in lakh)				
S. No.	Name of office	No. of DC bills submitted with delay (with AC bill no.)	Period of delay (in months)	Amount deposited through challan
1	Principal and Additional Principal SP Medical College, Bikaner	1 (1487)	33	0
2	Science and Technology	1 (1076)	20	0
3	NCC Directorate, Jaipur	3 (40,46, 20)	10 to 18	1.06
4	Rajasthan Subordinate Service Selection Board, Jaipur	8 (507, 122, 514, 510, 195, 215, 259, 452)	10 to 20	0.48
5	Revenue Board Ajmer	2 (991, 512)	12 and 13	22.98
6	Commissioner, Devsthan Vibhag, Udaipur	1 (346)	15	0.62
7	Ravindra Nath Tagore Medical College, Udaipur	1 (87)	8	0
8	Principal Chief Conservator of Forest, Jaipur	1 (205)	10	0
9	Commissioner, Industry Department, Jaipur	2 (46, 82)	7 and 9	0
10	State Election Commission Department, Jaipur	5 (112, 120, 201, 46, 18)	7 to 11	0.13
11	Public Works Department, (Building & Road),	1 (23)	7	0
13	Director General of Police, Jaipur	3(283, 353, 395)	11 to 76	1.73
14	Director, Elementary Education, Bikaner	2 (584, 490)	7 and 9	0
15	Director, State Forensic Science Laboratory, Jaipur	3 (368,347,348)	39 to 50	0
16	Principal Chief Conservator of Forest, Jaipur	1 (38)	15	0
17	Commissioner, Relief Department, Jaipur	1(2029)	14	0
	Total	36		27.00

As can be seen from the table above, there were delays ranging from 7 months to 76 months in submission of DC bills which indicates that funds aggregating ₹ 27 lakh were drawn without requirement for immediate payment.

(iii) During audit scrutiny, it was found that against ₹ 60.79 crore drawn through AC bills, 517 DC bills amounting to ₹ 59.44 crore were received during the year. In addition, an amount of ₹ 1.25 crore was deposited back to government through challan in 309 cases indicating that these funds were drawn through AC bills without requirement.

Further, it was noticed in numerous cases that significant amount was deposited back by challan while submitting DC bills. Details are given in the following Table 4.18.

Table 4.18: Details of AC bills with more than 25 per cent amount deposited back

(Amount in ₹)								
S. No.	AC Bill No/ Date	Voucher No	AC Amount	Head	DC Bill No/ Date	Amount Deposit	DC Amount	Percentage of amount deposited w.r.t AC bill amount
1.	33045/02-12-19	53879	40,000	3451-090-07-05	5/11-03-20	22,350	17,650	55.88
2.	20/25-06-19	19553	1,24,700	2204-102-01-02-29	1/25-03-21	60,065	64,635	48.17
3.	512/14-10-19	77528	52,00,000	2029-103-07-62	29/01-03-21	18,27,314	33,72,686	35.14
4.	151/29-11-19	40614	4,00,000	2515-800-01-02-57	1/14-05-20	1,50,605	2,49,395	37.65
5.	282/13-03-20	84709	60,000	2515-800-01-02-57	16/22-06-20	26,400	33,600	44.00
6.	222/29-11-19	86911	39,000	3425-01-800-05-57	65/03-07-20	28,372	10,628	72.75
7.	34/05-11-19	80133	3,10,635	2204-102-01-03-29	54/05-03-20	93,725	2,16,910	30.17
8.	106/24-10-19	61930	32,500	3425-01-800-05-57	24/23-05-20	14,133	18,367	43.49
9.	108/24-10-19	61931	22,400	3425-01-800-05-57	22/23-05-20	6,650	15,750	29.69
10.	132/04-03-20	120967	1,45,000	2851-102-06-30	3/09-11-20	1,13,824	31,176	78.50
11.	138/08-01-20	88045	1,77,257	2204-102-01-03-29	42/20-08-20	51,558	1,25,699	29.09
12.	73/03-01-20	131434	2,22,856	2204-102-01-02-29	55/23-09-20	1,04,459	1,18,397	46.87
13.	55/16-01-20	56354	13,349	2204-102-01-03-29	74/12-03-20	6,208	7,141	46.51
14.	209/09-09-20	34114	1,15,810	2051-103-01-08	397/29-12-20	39,460	76,350	34.07
15.	104/18-11-20	84980	33,048	2204-102-01-03-29	121/05-01-21	10,807	22,241	32.70
16.	107/27-01-21	106393	13,330	2204-102-01-02-29	110/10-02-21	3,617	9,713	27.13
17.	297/19-11-20	49471	95,710	2051-103-01-08	464/15-02-21	25,628	70,082	26.78
18.	121/19-11-20	56019	7,00,000	2515-800-01-02-57	190/08-02-21	3,92,300	3,07,700	56.04
19.	110/11-12-20	79505	1,27,282	2204-102-01-02-29	145/25-02-21	79,387	47,895	62.37
20.	68/22-02-21	119552	29,007	2204-102-01-02-29	80/25-03-21	15,248	13,759	52.57
21.	83/02-03-21	109850	4,90,000	2403-001-02-02-59	96/30-03-21	1,92,268	2,97,732	39.24
22.	105/22-02-21	70729	18,186	2204-102-01-02-29	119/18-03-21	9,709	8,477	53.39
23.	57/28-10-20	57575	61,899	2217-80-191-09-57	159/04-03-21	43,853	18,046	70.85
24.	58/30-10-20	57761	99,840	2217-80-191-09-57	160/04-03-21	78,672	21,168	78.80
25.	149/17-03-21	121626	1,49,268	2851-102-06-29	1/23-04-21	76,460	72,808	51.22

S. No.	AC Bill No/ Date	Voucher No	AC Amount	Head	DC Bill No/ Date	Amount Deposit	DC Amount	Percentage of amount deposited w.r.t AC bill amount
26.	189/04-02-21	66949	1,25,000	2014-105-21-01-29	13/09-04-21	81,965	43,035	65.57
27.	194/08-02-21	66640	75,000	2014-105-21-01-29	12/09-04-21	46,650	28,350	62.20
28.	33012/14-08-20	26250	30,000	2052-090-01-01-05	1/14-10-20	10,800	19,200	36.00
29.	77/12-10-20	32808	10,00,000	2515-800-01-02-57	103/26-10-20	7,03,532	2,96,468	70.35

Significant amount being deposited through challan indicates that funds were drawn through AC bills without proper assessment of actual requirement.

The irregular retention of funds through AC bills may enable the Departments to avoid lapse of budget provision and to bypass budgetary compulsion to spend the amount before the close of financial year. Therefore, the State Government may put a mechanism in place to regularly monitor the pendency of the DC bills against previously drawn AC bills.

4.6 Personal Deposit Accounts

Personal Deposit account is opened with the concerned Treasury under the Deposits head of the Public Account. Such accounts are maintained as a bank account in treasury.

Rule 260(1) of GF&AR provides that no money shall be received for deposits in the Government accounts unless they are such as by virtue of any statutory provisions or of any general or special orders of the government and are required or authorized to be held in the custody of the Government. There is no provision in Rajasthan Treasury rules for obtaining prior concurrence of AG (A&E) to open a PD account.

During 2020-21, an amount of ₹ 37,714.41 crore was transferred/credited to PD Accounts under the Major Head 8443-Civil Deposits – 106- Personal Deposits, out of which ₹ 26,691.69 crore was transferred by debiting the Consolidated Fund of State which comprised 13.75 *per cent* of total expenditure (₹ 1,94,071 crore). Out of ₹ 26,691.69 crore, a sum of ₹ 5,913.31 crore (22.15 *per cent*) was transferred in PD Account only in March 2021. As per State Budget Manual (SBM), the practice of withdrawing funds with a view to avoid lapse of budget grants and placing such moneys in deposits in the Public Account or the bank is forbidden. Therefore, transfer of significant amount to PD accounts during the month of March is in contravention of SBM provision.

The status of the (operative & inoperative) PD Accounts of the State Government as on 31st March 2021 is given in the **Table 4.19** below:

Table 4.19: Status of Operative and Inoperative PD Accounts

(₹ in crore)

S.No.	Particulars	No. of Accounts (as on 01 st April 2020)		Addition during the year		Closed during the year		No. of PD Accounts (as on 31 st March 2021)	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
1.	Operative PD Accounts	1,845	16,283.61	82*	37,714.62*	32**	39,616.92**	1,895	14,381.31
2.	Inoperative ¹² PD Accounts	55	5.46	32**	1.64**	54*	5.46*	33	1.64
	Total	1,900	16,289.07	114	37,716.26	86	39,622.38	1,928	14,382.95

* Includes 5 inoperative PD Accounts (₹ 0.21 crore) which were made operational during the year.

** Includes 32 PD accounts (₹ 1.64 crore) which became inoperative during the year and ₹39,615.28 crore disbursed from PD accounts during the year.

The unspent balances of ₹ 14,382.95 crore in 1,928 PD accounts include 22 PD Accounts¹³ (each having balances of ₹ 100 crore and above), in which sum of ₹ 8,610.34 crore i.e. 59.87 per cent of total unspent balance is lying. There was no transaction in 244 PD accounts during the year. Age-wise details of PD accounts and their balances are given in the Table 4.20 below:

Table 4.20: Age-wise details of PD accounts as on 31st March 2021

(₹ in crore)

S. No.	Age bracket	Number of PD accounts	Amount as on 31 st March 2021
1.	0-1 Year	77	51.73
2.	1-3 Year	269	1,151.83
3.	3-5 Year	216	4,120.5
4.	5-10 Year	487	2,653.64
5.	More than 10 Year	679	4,992.41
6.	Details not available	200	1,412.84
	Total	1,928	14,382.95

During detailed analysis of PD accounts, following irregularities were noticed:

4.6.1 District Mineral Foundation Trust (DMFT)

The State Government established DMFT (June 2016) to utilize the contribution in Pradhan Mantri Khanij Kshetra Kalyan Yojana and other welfare schemes of the State

12. Not operated for more than five years.

13. Rajasthan State Health Society, Jaipur (Sectt.) (₹1,191.58 crore); Indira Awas Yojana, Jaipur (Sectt.); (₹ 1,092.88 crore); MD Rajasthan Medical Service Corporation Ltd. (₹ 718.55 crore); Rajasthan Urban Infrastructure Finance Development Corporation (₹ 591.33 crore); Director Urban Poverty Eradication Programme (₹ 531.36 crore); State Level Nodal Agency (Rural Development Department) Jaipur (Sectt.) (₹522.47 crore); Director, Sarva Shiksha Abhiyan, Jaipur (Sectt.) (₹427.52 crore); Secretary Rajasthan Rural Road Development Agency Jaipur City (₹ 381.26 crore); Rajasthan Bhawan Nirman Karmkar Kalyan Mandal, Jaipur City (₹ 365.17 crore); Dy. Manager, Rajasthan Rajya Corporation Bank Jaipur City (₹ 352.08 crore); Rajasthan Medical Education Society Jaipur (₹ 324.22 crore); Commissioner, TAD, Udaipur (₹ 282.24 crore); MD, Rajasthan Secondary Education Council, Jaipur (Sectt.) (₹ 261.26 crore); Rajcomp Info services Ltd. Jaipur (Sectt.) (₹ 235.37 crore); DMFT, Chittorgarh (₹ 242.17 crore); DMFT, Udaipur (Rural) (₹ 234.52 crore); Jaipur smart city Ltd. Jaipur (₹ 148.40 crore); Krishak Kalyan Kosh (k-3)Jaipur (city) (₹ 170.00 crore); DMFT, Rajsamand (₹ 157.35 crore); Rajasthan Akshay Urja Vikas Nidhi, Jaipur (₹ 132.41 crore); Chairman, DMFT Fund, Ajmer (₹ 131.47 crore) and Kota Smart City Ltd. Kota (₹ 116.73 crore).

and Central Government towards implementing various developmental and welfare projects/programs in mining affected areas. The total balance in the DMFT fund was ₹ 1,405.13 crore, which was lying in 38 PD accounts of DMFT in Rajasthan as on 31st March 2021.

The Union Finance Minister announced (26 March 2020) ₹ 1.70 lakh crore relief package under *Pradhan Mantri Garib Kalyan Yojana* (PMKGY) to ameliorate the hardships faced by the poor due to economic disruptions caused by the spread of Covid 19 in the country. Under this package, the State Governments were given one-time relaxation to utilise the funds available under DMFT for supplementing and augmenting the facilities of medical testing, screening and other requirements in connection with preventing the spread of the pandemic as well as for testing the patients affected by Covid-19 subject to various instructions issued in this regard by Ministry of Home Affairs and Ministry of Health and Family Welfare. It was further directed (31 March 2020) by the State Government that expenditure related to Covid-19 shall not exceed thirty *per cent* of the balance funds available with DMFT. Information regarding utilization of funds for Covid-19 by the districts from the DMFT Fund is given in the **Table 4.21** below:

Table 4.21: District wise position of utilisation of DMFT funds for Covid-19*

(₹ in crore)					
S. No.	Name of District	Balances as on 31 st March 2020	30 <i>per cent</i> of balance as on March 2020	Expenditure	Percentage of expenditure
1.	Udaipur	238.73	71.62	-	0.0
2.	Jhunjhnu	22.04	6.61	0.84	12.7
3.	Bansawara	15.27	4.58	0.14	3.1
4.	Bundi	14.84	4.45	0.43	9.7
5.	Chittorgarh	220.09	66.03	0.25	0.4
6.	Bikaner	28.93	8.68	2.37	27.3
7.	Alwar	15.84	4.75	0.72	15.2
8.	Jaisalmer	37.04	11.11	-	0.0
9.	Jodhpur (Rural)	2.76	0.83	0.70	84.3
10.	Hanumangarh [#]	5.07	1.52	-	0.0
11.	Pali	157.07	47.12	2.48	5.25
12.	Bhilwara	876.08	262.82	3.41	1.30

* Upto August 2021

Administrative and Financial Sanction of ₹ 1.08 crore had been issued in the Month of April 2021 and June 2021.

It is evident from the table that the State Government could not take advantage of the one-time relaxation given by GoI to utilise the DMFT funds towards Covid-19 measures as, except for Jodhpur (Rural), expenditure ranged between zero to 27.3 *per cent*. Information regarding the remaining districts is awaited (December 2021).

4.6.2 Rajasthan State Road Development and Construction Ltd. (RSRDC)

An amount of ₹ 215.36 lakh was sanctioned¹⁴ in 2013 by the State Government for construction of new mortuary in SMS Medical College. This work was to be completed in one year. Out of the sanctioned amount, an amount of ₹ 100 lakh had been transferred¹⁵ to the PD account¹⁶ of RSRDC which was the executing agency for this work in September 2013.

14. Vide order No F-18(16)/MB/Gr.I/2012 dated 21.06.2013

15. Through budget head 4210-03-105-01-90-17

16. PD Account number 3798

According to the information provided by Medical Education Department (July 2021), neither the work has been completed nor the amount has been deposited back by RSRDC in the Government account even after lapse of nine years. As per Department's reply (July 2021), the work for construction of new mortuary has been given to Jaipur Development Authority.

Reply of RSRDC in this regard is awaited (December 2021). This indicates lapses in monitoring at the level of State Government leading to blocking of government funds.

4.6.3 Reconciliation of Personal Deposit Account

Under the Rule 264 (5) of GF&AR, administrators of PD accounts are required to reconcile the balances of these accounts with the treasury officers (where detailed accounts are maintained by treasuries). Rule 99 of Rajasthan Treasury Rules, 2012 states that the treasury/sub-treasury officers shall obtain a certificate from the administrator of every PD account regarding the balance at the end of each financial year.

During test check it was noticed that certificates had not been obtained by 8 treasuries¹⁷ regarding confirmation of PD Account balances at the end of March 2021. It was also noticed that there were differences in balance figures of treasuries and administrators in case of 5 PD accounts of 5 treasuries¹⁸ indicating lack of reconciliation as per rules. Non-reconciliation of balances in PD account periodically entails the risk of misuse of public funds, fraud and misappropriation. A system for reconciliation of balances of PD accounts by administrators of PD accounts or Treasury Officers with the O/o A.G. (A&E) may also be developed. Further, the information regarding scheme-wise balances in the PD accounts is not maintained by the State Government. The state may maintain scheme-wise ledger for all the PD accounts.

Finance Department stated (February 2021) that directions have been issued to all treasuries regarding reconciliation of balances with administrators of PD accounts and obtaining the certificates from them at the end of every financial year. Finance Department issued directions (December 2021) that PD account balances be reconciled with the O/o A.G. (A&E) by PD account administrators every year.

4.6.4 Adverse Balances in PD accounts

During scrutiny of balance of PD accounts it was noticed that three PD accounts had negative balances. Details are given in the **Table 4.22** below:

Table 4.22: Adverse Balances in PD Account

(Amount in ₹)				
S. No.	Name of Treasury	PD Account No.	Description of PD Account	Balance as on 31 st March 2021
1.	Dausa	3059	District Small Saving Officer, Dausa	(-) 8,06,673
2.	Dausa	3064	Sr. Dy. DEO Cum BEEO Sikray, Dausa	(-)1,01,64,509
3.	Jodhpur(City)	4144	XEN, PHED, District, Division-II, Jodhpur(City)	(-)23,35,858

Negative balances indicate payment in excess of the available balances/fund which reflects lack of reconciliation and adequate checks at the level of treasuries.

17. Alwar, Dausa, Jaipur (City), Jaipur (Rural), Jaipur (Sectt.), Sikar, Jhunjhunu and Sawai Madhopur.

18. Dausa (1), Jaipur (City) (1), Jaipur (Sectt) (1), Alwar (1) and Sikar (1).

Finance (Economic Affairs) Department intimated (March 2021) that direction has been issued (February 2021) to all treasuries for reconciliation of PD account with the Office of the Accountant General on quarterly basis and also to obtain a certificate in this regard.

4.6.5 Inoperative PD Accounts

Rule 98 of Rajasthan Treasury Rules 2012 provides that in the month of April every year the Treasury Officer would review the PD Accounts in operation and prepare a list of accounts which have remained inoperative continuously for preceding five financial years for sending it to the Finance (Ways & Means) Department.

Review of PD Accounts of various departments revealed that as of 31 March 2021, total 33 PD Accounts having balance of ₹ 1.64 crore remained inoperative for the last five years (2016-21). Out of this, 12 inoperative PD accounts have had *nil* balance for the last five years. Details of current status of these PD Accounts are mentioned in **Appendix 4.2**. According to the information provided (July 2021) by the concerned treasuries, four inoperative PD accounts have been closed.

Non-closure of PD Accounts despite remaining inoperative for five years is in contravention of the provisions of Rule 264(2) of GF&AR and Rule 98 of Rajasthan Treasuries Rules 2012 and indicates lack of monitoring at the level of treasuries.

4.7 Indiscriminate use of Minor Head-800

Booking of receipts or expenditure under the Minor Head-800-Other Receipts and 800-Other expenditure is considered opaque classification of receipts and expenditure, as these heads do not disclose the specific schemes/programmes etc. to which the amounts relate.

Appendix 'A' of SBM prescribes the estimating officers to take sufficient care to ensure that expenditure is classified under proper object Head and booking under the category of Other expenditure should be avoided as far as possible.

During 2020-21, the heads of accounts in which the amount booked under Minor Head 800 constituted 50 *per cent* or more of the total receipt/expenditure are given in **Table 4.23** below:

Table 4.23: Booking under Minor head 800-Other receipts/expenditure

S. No.	Particulars	Receipt		Expenditure	
		Amount (₹ in crore)	Head of Account		
1.	100%	128.33	0035, 0056, 0211, 0217, 0220, 0801, 0851, 0852, 1452, 0235	4.55	2047, 5425
2.	Between 75% and 99%	511.86	0230, 0401, 0425, 0435, 0515	25.36	3425, 4235
3.	Between 50% and 74%	885.18	0029, 0058, 0700, 0406, 1475	2,943.15	2040, 2700, 2701, 2702, 3055, 4401, 4575, 4885, 5475
	Total	1,525.37		2,973.06	

Audit scrutiny revealed that the State Government has operated this minor head extensively during the five-year period 2016-2021. Instances where substantial portion (50 per cent or more) of expenditure and receipts were classified under Minor Head 800 are indicated in *Appendix 4.3*.

The extent of operation of Minor Head 800-Other expenditure and 800- Other receipts, as a percentage of total expenditure of the respective heads during 2016-21 is given in **Chart 4.3** and **Chart 4.4** respectively.

Chart 4.3: Operation of Minor Head 800-Other expenditure during 2016-21

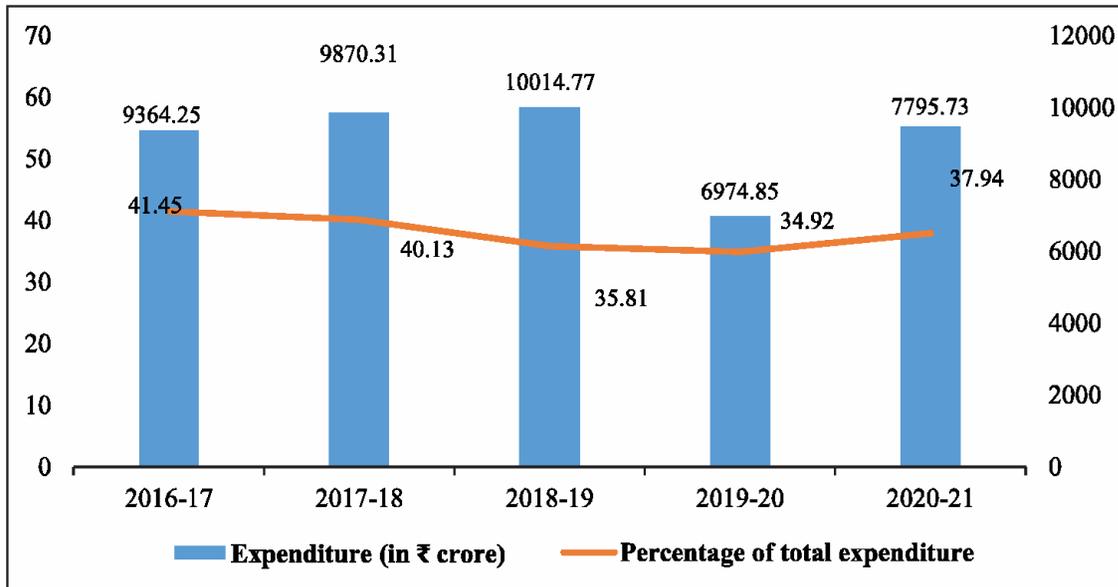
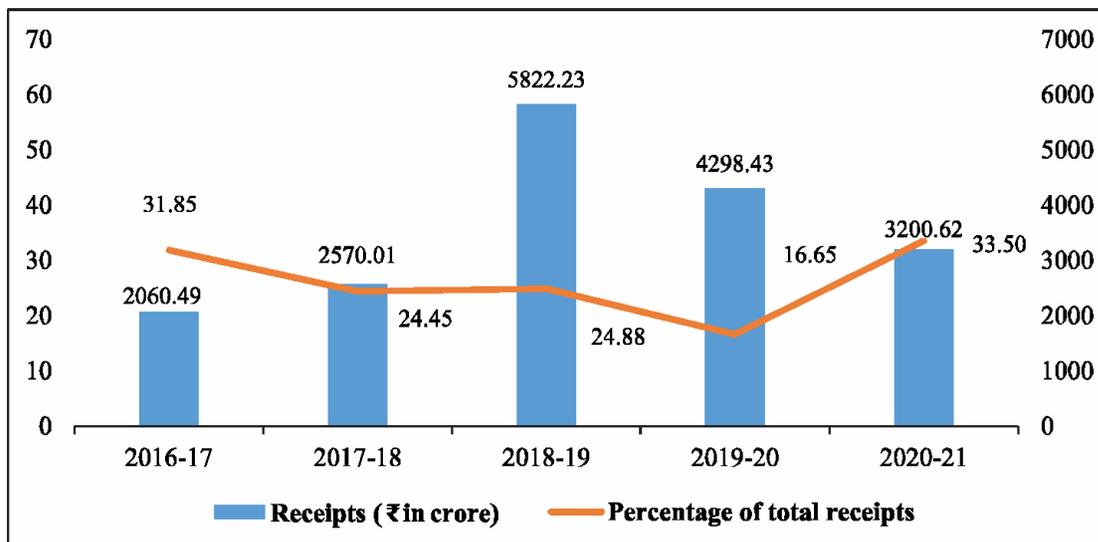


Chart 4.4: Operation of Minor Head 800-Other receipts during 2016-21



Booking of substantial amounts under omnibus Minor Head-800 under respective heads negatively impacts the transparency in financial reporting.

4.8 Outstanding balances under major Suspense and DDR heads

Suspense head is intended for temporary accommodation of transactions affecting the balances of the State, pending final adjustments on receipt of debits and credits. Transactions on behalf of Central Government are also accounted for under suspense heads.

Remittances embrace all adjusting heads, under which appear remittances of cash between treasuries and transfers between different accounting circles. The initial debits or credits to the heads in these divisions are cleared eventually by corresponding receipts or payments either within the same circle of account or in another account circle. The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The Outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/Works and Forest Divisions, etc. The ledger of suspense balances is required to be maintained sub/detailed head-wise by Pay and Accounts Officers (PAOs). Transactions and net balances in Minor Head 101- PAO Suspense, 102-Suspense Account (Civil) and 112- Tax Deducted at Source suspense under Major Head 8658-Suspense Account are detailed in Table 4.24 below.

Table 4.24: Balances under Suspense and Remittance Heads

		(₹ in crore)					
S. No.	Minor Head	2018-19		2019-20		2020-21	
	Major Head 8658 - Suspense						
		Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
1.	101 - PAO suspense	157.98	35.15	168.25	48.83	143.76	8.04
	Net	Dr. 122.83		Dr. 119.42		Dr. 135.72	
2.	102 - Suspense Account-Civil	0.83	3.15	0.38	76.18	6.69	111.49
	Net	Cr. 2.32		Cr. 75.80		Cr 104.80	
3.	106 - Telecommunication Accounts Office Suspense	-*	-	-*	-	-*	
	Net	Dr.-*		Dr.-*		Dr.-*	
4.	109 - Reserve Bank Suspense - Headquarters	-	-	_#	_@	-#	
	Net			Dr. _S		Dr -#	
5.	112 - Tax Deducted at Source (TDS) Suspense	-	48.14	-	42.98	-	136.75
	Net	Cr. 48.14		Cr. 42.98		Cr. 136.75	
6.	123 - A.I.S Officers' Group Insurance Scheme	-	0.16	-	0.17	-	0.17
	Net	Cr. 0.16		Cr. 0.17		Cr. 0.17	
7.	129- Material Purchase Settlement Suspense Account	-	(-)3.20	-	(-)3.27	-	(-) 3.50
	Net	Cr. (-) 3.20		Cr. (-) 3.27		Cr. (-) 3.50	
8.	139- GST-Tax Deducted at Source Suspense	-	-	-	33.62	-	52.70
	Net	-		Cr. 33.62		Cr. 52.70	
	Net Total	Dr. 75.41		Cr. 29.88		Cr. 155.20	
	Major Head 8782-Cash Remittances						
9.	102 - P.W. Remittances	32.95	33.28	27.98	30.57	26.47	28.78

S. No.	Minor Head	2018-19		2019-20		2020-21	
		Cr. 0.33		Cr. 2.59		Cr. 2.31	
10.	103 - Forest Remittances	1.75	0.14	0.05	0.13	0.05	0.13
	Net	Dr. 1.61		Dr. 0.08		Cr. 0.08	
11.	108 - Other Departmental Remittances	0.03	-	0.03	-	0.03	-
	Net	Dr. 0.03		Dr.0.03		Dr. 0.03	
12.	129 -Transfer within Indira Gandhi Nahar Project	77.41	76.67	77.41	76.67	77.41	76.67
	Net	Dr.0.74		Dr.0.74		Dr. 0.74	
	Net Total	Dr. 2.05		Cr. 1.79		Cr. 1.62	

* ₹588 only, # ₹4213 only @ ₹240 only \$ ₹3973 only

The position of gross figures under major suspense and remittance heads for the last three years shows that the aggregate net balance under the Major Head '8658-Suspense Accounts' in the Finance Accounts registered credit balance increase by ₹ 125.32 crore from 2019-20 to 2020-21.

- **Pay and Account Officer (PAO)-Suspense (MiH 101)**

This Minor Head is intended for the initial record of Inter-Governmental transactions arising in the books of a Central PAO, Separate Accounts Officers of Union Territories and Accountants General where the other party involved is a PAO. Separate sub-heads are opened under this minor head for each Accounts officer with whom transactions are to be settled. Outstanding debit balances under this head indicate payments which have been made by the PAO on behalf of others and are yet to be recovered and credit balances represent the amount yet to be paid.

The outstanding debit balance in this account at the end of March 2021 was ₹ 143.76 crore and the credit balance was ₹8.04 crore. The outstanding debit balance relates mainly to PAO, Central Pension Accounting Officer, Ministry of Finance, New Delhi (₹135.25 crore) and PAO (NH), Ministry of Road Transport and Highway Jaipur (₹ 7.95 crore) whereas the credit balance is mainly in respect of PAO (NH), Ministry of Mining (₹ 6.78 crore).

- **Suspense Account-Civil (MiH 102)**

This Minor head is operated by the Accountant General to provisionally accommodate the differences noticed in the transactions which cannot be taken to the final head of expenditure/receipt accounts for want of certain information/documents viz. challans, vouchers, etc. Receipts are credited and expenditure is debited to this account and cleared on receipt of required information by minus credit and minus debit respectively.

Major credit balances outstanding at the end of March 2021 under this head were in respect of unsuccessful e-payments (₹ 105.07 crore), RISL fees (Civil deposit: ₹ 2.09 crore and Works deposit: ₹4.23 crore), CDA¹⁹ (Pension), Allahabad (₹ 0.02 crore) and CDA (SC²⁰), Pune (₹ 0.34 crore).

19. Controller of Defence Accounts.

20. Southern Command.

- **Tax Deducted at Source (TDS) suspense- (MiH 112)**

This minor head is intended to accommodate receipts on account of Income tax deducted at source. Receipts on account of TDS are credited to Major Head 8658-Suspense accounts under Minor Head 112-TDS suspense. These credits are to be cleared by the end of each financial year and credited to the Income Tax Department.

However, there was outstanding credit balance of ₹136.75 crore under this head as on 31st March 2021 which was yet to be credited to IT Department.

- **Adverse balance under DDR Heads**

Adverse balances are negative balances appearing under those heads of account where there should not be negative balances and vice versa.

As of 31 March 2021, there were 66 cases²¹ of adverse balances under Debt, Deposit and Remittances (DDR) heads under 12 Major Heads amounting to ₹ 2,294.60 crore. The adverse balances were mainly under Pension Funds of employees of Municipal Councils/Municipalities (₹ 2,288.87 crore). Adverse balances under these DDR heads need to be reconciled and adjusted on priority.

4.9 Reconciliation of departmental figures

Reconciliation and verification of figures is an important tool of Financial Management which prevents misclassification and incorrect booking of receipts and expenditure in the accounts. As per Rule 11 (3) of GF&AR, all Budget Controlling Officers are required to reconcile the receipt and expenditure figures of the State Government with the figures accounted by the Accountant General (A&E), Rajasthan.

During 2020-21, 100 *per cent* reconciliation of (i) total expenditure of ₹ 2,35,093.90 crore (net) by 434 Controlling Officers and (ii) total receipts of ₹ 2,24,659.49 crore (net) (including Miscellaneous Capital Receipts) by 182 Controlling Officers, was accomplished. In fact, throughout the last five years, the State Government has been able to accomplish 100 *per cent* reconciliation of expenditure and receipts.

4.10 Reconciliation of cash balances

The balance against 'Deposit with Reserve Bank' represents the balance according to the Government Account, which includes Inter-Government monetary settlements advised to the Reserve Bank of India upto 15 April 2021. There was a net difference of ₹2.07 crore (Cr.) between the figures as reflected in the State Government accounts [₹20.99 crore (Dr.)] and that intimated by the Reserve Bank of India [₹ 18.92 crore (Cr.)]. Out of this, ₹ 1.96 crore (Cr.) has been reconciled and cleared while ₹ 0.11 crore (Cr.) is pending reconciliation (June 2021).

21. Loan for Housing (One case: only ₹ 21,420); Loans for Crop Husbandry (One case: only ₹ 200); Loans for Co-operation (One case: ₹ 0.03 crore); Loans for other General Economic Services (One case: only ₹ 5,000); Loans to Government Servants (45 cases: ₹ 2.82 crore); State Provident Funds (one case: ₹ 0.01 crore); Insurance and Pension Funds (one case: ₹ 2,288.87 crore); Civil Deposits (one case: only ₹ 10); Deposits for Local Funds (three cases: ₹ 0.01 crore); Cash Remittance and adjustments between officers rendering accounts to the same officers (Three cases: ₹ 2.74 crore) and Inter State Suspense Account (Seven cases: ₹ 0.10 crore).

4.11 Compliance with 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 the form of accounts of the Union and of the States. The Comptroller and Auditor General of India set up a Government Accounting Standards Advisory Board (GASAB) in 2002, for formulating standards for government accounting and financial reporting, to enhance accountability mechanisms. On the advice of the Comptroller and Auditor General of India, the President of India has so far notified three Indian Government Accounting Standards (IGAS). The following Table 4.25 provides the position of compliance with these three Accounting Standards.

Table 4.25: Compliance with Accounting Standards

S. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Impact of deficiency
1.	IGAS-1: <i>Guarantees given by the Government – Disclosure requirements</i>	This standard requires the government to disclose the maximum amount of guarantees (class and sector-wise) given during the year in its financial statements along with additions, deletions, invoked, discharged and outstanding at the beginning and end of the year, grantor commission and other material details.	Complied.	-
2.	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. Grant in aid given in kind is required to be disclosed.	Partly complied as detailed information in respect of Grant-in-aid given in kind has not been furnished by the State Government.	Lack of disclosure of Grant-in-aid given in kind as required by the Accounting Standard.
3.	IGAS-3: <i>Loans and Advances made by Government</i>	It is related to recognition, measurement and valuation and reporting in respect of loans and advances made by the Government in its Financial Statements to ensure complete, accurate and uniform accounting practices and to ensure adequate disclosure on Loans and Advances are made by the Government.	Partly complied. Information regarding write-off of irrecoverable loans and advances, entity-wise details of interest credited on loans and advances given by the State Government, reasons for disbursements of fresh loans and advances during the year and details of overdue principal & interest where detailed accounts are maintained by the State were not provided by the State Government.	Disclosure requirements of Loans and Advances not met by the State Government.

4.12 Submission of Accounts/Separate Audit Reports of Autonomous Bodies

The audit of accounts of 43 autonomous bodies/authorities²² in the state has been entrusted to the CAG under Section 19 (2) and 20 (1) of the CAG's (DPC) Act, 1971. As of September 2021, accounts of all the 43 autonomous bodies/authorities have been received up to 2019-20 except accounts of CAMPA for the years 2013-14 to 2019-20, District Legal Services Authority (DLSA), Pratapgarh for the year 2018-19 and 2019-20 and Building and Other Construction Workers Welfare Board (BOCW) for the year 2019-20.

4.13 Departmental Commercial Undertakings/Corporations/Companies

Section 96 of the Companies Act, 2013, requires every company to hold Annual General Meeting (AGM) of the shareholders once in every calendar year. Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year have to be placed in the AGM for their consideration. According to Section 394 and 395 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its AGM. After such preparation, the Annual Report should be laid before the Houses or both the Houses of State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG.

In the absence of timely finalization of accounts, results of the investment of the Government remain outside the purview of State Legislature and escape scrutiny by audit. Consequently, corrective measures, if any, required for ensuring accountability and improving efficiency cannot be taken in time. Risk of fraud and mis-utilisation of public money cannot be ruled out.

As per latest finalised accounts of the State PSUs, the total paid up capital of 45 State PSUs was ₹ 52,112.06 crore which included State Government investment of ₹ 51,265.97 crore. The aggregated accumulated losses of State PSUs was ₹ 96,905.95 crore (*Appendix-4.4*). A higher quantum of accumulated losses than the capital investment shows that the overall capital of the State PSUs has entirely been eroded and culminated into negative net worth of ₹ 44,793.89 crore. Further, analysis of investment and accumulated losses (₹ 96,905.95 crore) disclosed that this erosion (₹ 61,810.93 crore) occurred in 13 out of 45 PSUs. PSUs of power sector were the main contributors to the erosion of investment.

The age wise analysis of arrear of accounts of State PSUs are given below in **Table 4.26**:

Table 4.26: Age wise arrear of Accounts

(₹ in crore)			
S. No	Accounts pending since	No. of PSUs	Government investment
1	2015-16	01	6.01
2	2016-17	00	0.00
3	2017-18	02	52.16

22. Rajasthan Khadi and Village Industries Board; Rajasthan State Human Rights Commission; Rajasthan Building and other Construction Workers Welfare Board (BOCW), Jaipur; Rajasthan Electricity Regulatory Commission; Rajasthan Real Estate Regulatory Authority (RERA); State Compensatory Afforestation Management and Planning Authority (CAMPA); Rajasthan State Legal Services Authority and 36 District Legal Services Authorities.

S. No	Accounts pending since	No. of PSUs	Government investment
4	2018-19	01	21.95
5	2019-20	02	86.50
	Total	06	160.62

It can be seen from the table that out of 45 State PSUs, accounts of six PSUs are pending from 2015-16 to 2019-20 as of 30 September 2021, in which Government has invested an aggregate sum of ₹ 160.62 crore.

4.14 Misappropriations, Losses, thefts, etc.

Rule 20 of GF&AR Part-I provides that any loss of public money, departmental revenue, receipts, stamps, stores or other property held by or on behalf of Government caused by misappropriation, fraudulent drawal/payment, loss, etc. or otherwise which is discovered in a treasury or any other office or department shall be reported immediately by the officer concerned to the next higher authority as well as to the Accountant General.

State Government reported 763 cases of misappropriation (302) and theft/loss (461) of the Government money across various departments amounting to ₹ 118.30 crore up to 31 March 2021 on which final action is pending till the end of June 2021. Details are given in the Table 4.27 below.

Table 4.27: Pending cases of misappropriation, losses, theft etc.

(₹ in crore)

S. No.	Department	Cases of misappropriation/ losses/theft of Government material		Reason for delay in final disposal of pending cases of misappropriation, losses, theft, etc.					
				Awaiting departmental and criminal investigation		Departmental action initiated but not finalised (awaiting order for Recovery and Write off)		Criminal Proceedings finalised but recovery of the amount pending (Pending due to Judicial proceedings)	
				Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
1.	Works Department	262	9.77	64	4.57	181	3.47	17	1.72
2.	Education Department	153	50.20	45	39.50	83	9.51	25	1.20
3.	Rural Development and Panchayati Raj Department	119	25.36	98	22.46	18	1.34	3	1.55
4.	Medical Department	69	7.22	39	4.81	8	0.98	22	1.44
5.	Revenue Department	55	12.62	37	4.69	11	7.62	7	0.30
6.	Department of Local Self Government Rajasthan	8	0.45	1	0.03	7	0.43	0	0.00
7.	Other Departments	97	12.68	31	2.13	54	9.36	12	1.19
	Total	763	118.30	315	78.19	362	32.71	86	7.40

The Department-wise break up of pending cases is given in *Appendix 4.5*. The profile of pending cases and the number of cases pending in each category of theft/loss and misappropriation are summarized in the **Table 4.28** below:

Table 4.28: Profile of Misappropriations, losses, defalcations etc.

S. No.	Nature of the pending cases		
	Nature of the cases	Number of cases	Amount involved (₹ in crore)
1.	Theft/Loss	461	20.21
2.	Embezzlement	302	98.09
	Total pending cases	763	118.30

Further analysis indicates the reasons due to which the cases were outstanding and could be classified in the various categories listed in the following Table 4.29.

Table 4.29: Reasons for outstanding cases of misappropriations, losses, defalcations etc.

S. No	Reasons for the delay/outstanding cases	Number of cases	Amount (₹ in crore)
1.	Awaiting departmental action	315	78.19
2.	Awaiting orders for recovery	326	32.04
3.	Awaiting orders for write-off	36	0.67
4.	Pending due to judicial proceedings	86	7.40
	Total	763	118.30

Analysis of the pending embezzlement cases reveals that the cases were related mainly to forgery in cash book, bungling in stocks kept in stores, payment/drawal by forged bills/cheques, government money not deposited in the bank etc. Theft/loss cases were related to theft of cash, stores/stock, vehicles and parts of vehicles, machinery and equipment, etc. Out of 763 cases, 362 cases²³ amounting to ₹ 32.71 crore were pending for want of orders for recovery/write-off and rest of the cases were pending for the want of departmental action and judicial proceeding.

4.15 Excess/short payment of pension

Failure of the treasury to exercise prescribed checks led to short/excess/irregular payment of pension/family pension

Appendix VI (Sl. No. 9) of Rajasthan Civil Services (Pension) Rules, 1996 stipulates that Treasury Officer (TO) will check the correctness of the payments made by the Banks with reference to the records maintained by him and thereafter incorporate the transaction in his accounts.

Test check (April 2020 to March 2021) of records of 11 Banks, Directorate of Pension & Pensioners' Welfare and 57 Treasuries/Sub-Treasuries in 09 Districts revealed that irregularities and excess payments of pension/ family pension were made in 146 cases amounting to ₹ 94.49 lakh in 09 Banks and 23 Treasuries/Sub-Treasuries as detailed in

23. 326 awaiting orders for recovery + 36 awaiting orders for write off.

Appendix 4.6. Further, it was also noticed that 10 banks made short payments of ₹ 28.59 lakh to 31 pensioners.

Cases of excess/short payment of pension/family pension to pensioners have also been mentioned in the earlier Audit Reports (Civil/G&SS/State Finance) during the years 2010-11 to 2019-20. The instruction/ direction (April 2014/ February 2017) of the department and recommendation of the Public Account committee (PAC) (February 2018) with regards to avoiding recurrence of such irregularities in payment of pension in future were not followed scrupulously, which resulted in recurrence of instances of excess/ short payment of pensions.

4.16 Follow up action on State Finances Audit Reports

SFAR 2018-19 was presented in State Legislature in August 2020. PAC has discussed and made recommendations on the SFAR up to the year 2016-17. PAC discussions on four paras related to eight departments (Rural development and Panchayati Raj, Mines, Secondary education, Forest, Higher education, Medical education, PHED and Women and child development) for the reports of the year 2016-17 and 2017-18 were conducted during the period April 2020 to March 2021. Seven paras related to the Reports for the years 2017-18 and 2018-19 are pending for discussion/Report writing. These paras pertain to Major project/policy initiatives and the status of action taken on Budget Speech 2018-19, Persistent savings, Delay in furnishing Utilisation Certificates, Personal Deposit Accounts, Gender Responsive Budgeting and Reserve Funds.

A review of the outstanding ATNs on paras revealed that nine ATNs on paras pertaining to SFAR 2018-19 are pending from the 13 departments as on 30th September 2021.

4.17 Conclusions

Positive Indicators	Negative Indicators
Decreasing number of AC bills.	Increasing number of outstanding UCs.
100 <i>per cent</i> reconciliation of expenditure and receipts.	Arrears in respect of annual accounts of Autonomous Bodies and Public Sector Undertakings.
	Booking of substantial amounts under omnibus Minor Head-800.
	Non-compilation of details regarding GP bank account balances at the PS or ZP level.
	Scheme-wise balances in PD accounts not maintained.

4.18 Recommendations

- i. Loans for which the repayment liability lies with the State Government should be disclosed as Government's liability in the annual accounts of the State Government.
- ii. The Government may ensure timely submission of Utilisation Certificates by the Departments in respect of the grants released for specific purposes.
- iii. The Finance Department may review all PD accounts to ensure that all amounts unnecessarily lying in these PD accounts are immediately remitted to the Consolidated Fund. Further, scheme-wise ledger should be maintained for all the PD accounts.
- iv. The Government may consider preparing a time bound framework for taking prompt action in cases of misappropriation, loss, theft, etc. and strengthening the internal control system to prevent recurrence of such cases.
- v. The Government may consider carrying out adjustment of Abstract Contingent bills within stipulated period and regularly monitor the pending Detailed Contingent Bills.

JAIPUR,
The 22 March, 2022



(ANADI MISRA)
Accountant General (Audit-I),
Rajasthan

Countersigned



NEW DELHI,
The 23 March, 2022

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

Appendix-1.1

(Refer paragraph 1.1; page 1)

Financial Data^s of the State

Financial Data

CAGR and Annual Growth w.r.t	CAGR 2011-12 to 2014-15		CAGR 2015-16 to 2018-19		Annual Growth 2018-19 to 2019-20		Annual Growth 2019-20 to 2020-21	
	States other than NE and Himalayan States	Rajasthan	States other than NE and Himalayan States	Rajasthan	States other than NE and Himalayan States	Rajasthan	States other than NE and Himalayan States	Rajasthan
	(In per cent)							
a. Revenue Receipts	13.49	17.01	11.85	11.19	2.08	1.63	(-) 4.56	(-) 4.14
b. Own Tax Revenue	11.86	15.07	11.04	10.34	2.12	3.25	(-) 4.43	1.75
c. Non Tax Revenue	14.75	12.98	10.88	19.40	23.38	(-) 15.53	(-) 35.60	(-) 13.12
d. Total Expenditure	14.99	21.63	10.54	4.39	4.16	3.16	4.54	0.32
e. Capital Expenditure including Loans and Advances	13.26	26.87	3.45	(-)29.25	(-)5.55	(-) 18.21	(-) 2.36	(-)7.13
f. Revenue expenditure on Education	13.28	18.75	8.89	18.06	11.97	(-)2.98	(-) 1.32	4.16
g. Revenue expenditure on Health and Family Welfare	19.11	22.23	14.74	16.52	8.27	2.64	14.65	2.80
h. Salary and Wages	10.09	14.03	10.33	24.39	9.07	(-) 1.45	2.27	5.20
i. Pension	12.99	17.60	15.32	23.36	10.46	1.79	6.02	8.09

^s Financial data are based on Finance Accounts of the State Government.

Appendix-1.2

(Refer paragraph 1.4.2; page 9)

Summarised financial position of Government of Rajasthan as on 31 March 2021

(₹ in crore)		
Liabilities	As on 31.03.2020	As on 31.03.2021
Internal Debt -	2,42,077.41	2,84,788.78
Market Loans bearing interest	1,68,858.92	2,20,037.92
Market Loans not bearing interest	0.08	0.05
Loans from Life Insurance Corporation of India	15.36	12.53
Special Securities issued to National Small Savings Fund of the Central Government	13,823.56	12,238.80
Loans from Other Institutions	59,379.49	52,499.48
Ways and Means Advances	-	-
Overdraft from Reserve Bank of India	-	-
Loans and Advances from Central Government -	17,302.50	23,532.15
Pre 1984-85 Loans	5.40	5.41
Non-Plan Loans	19.46	15.55
Loans for State Plan Schemes	2,751.70	2,245.17
Loans for Central Plan Schemes	0.05	-
Loans for Centrally Sponsored Plan Schemes	11.31	3.05
Other Loans for State/Union Territory with Legislature Schemes	14,514.58	21,262.97
Contingency Fund	500.00	500.00
Small Savings, Provident Funds, etc.	51,468.62	56,325.69
Deposits	33,842.46	36,713.81
Reserve Funds	9,881.68	11,242.77
Remittance Balances	-	1.50
Total	3,55,072.67	4,13,104.70
Assets	As on 31.03.2020	As on 31.03.2021
Gross Capital Outlay on Fixed Assets -	2,02,806.46	2,18,062.87¹
Investments in shares of Companies, Corporations, etc.	52,208.91	52,784.40
Other Capital Outlay	1,50,597.55	1,65,278.47
Loans and Advances -	9,847.92	9,965.41
Loans for Power Projects	5,641.14	5,516.08
Other Development Loans	4,208.56	4,451.19
Loans to Government servants and Miscellaneous loans	(-)1.78	(-)1.86 ²
Reserve Fund Investments	1,870.87	2,103.74
Advances	3.21	3.17
Remittance Balances	10.37	-
Suspense and Miscellaneous Balances	120.15	4.06
Cash -	5,833.54	4,383.77
Cash in Treasuries and Local Remittances	(-) 26.91	(-) 80.96
Deposits with Reserve Bank	49.03	20.99
Departmental Cash Balance	0.85	0.77
Permanent Advances	2.84	2.84
Cash Balance Investments	5,807.73	4,440.13
Deficit on Government Account -	1,34,580.15	1,78,581.68
(i) Revenue Deficit of the Current Year	36,371.29	44,001.53
(ii) Appropriation to the Contingency Fund	-	-
(iii) Accumulated Deficit at the beginning of the year	98,208.86	1,34,580.15
Less: Revenue Surplus of the current year	-	-
Less: Miscellaneous Deficit	-	-
Total	3,55,072.67	4,13,104.70

- Capital Receipts of current year has been shown as "Nil" due to *pro forma* reduction of ₹ 14.08 crore (Capital disinvestments) from Gross Capital Expenditure upto end of the year.
- Minus balance is under investigation.

Explanatory Notes for Appendices 1.2 and 2.1

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in *Appendix 1.2*, 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. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc. There was a difference of ₹2.07 crore (Credit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under “Deposit with Reserve Bank”. Further, a difference of ₹ 0.11 crore (Credit) is still outstanding and under reconciliation.

Appendix-2.1

(Refer paragraphs 2.1; page 17)

Abstract of Receipts and Disbursements in 2020-21

(₹ in crore)

Receipts	2019-20	2020-21	Disbursements	2019-20	2020-21		
					State Fund	Central Assistance	Total
I. Revenues Receipts	1,40,113.81	1,34,307.88	I. Revenue Expenditure	1,76,485.10	1,61,561.21	16,748.20	1,78,309.41
Tax Revenue	59,244.98	60,283.44	General Services	56,186.29	60,107.40	36.44	60,143.84
			Social Services	68,313.23	63,185.91	10,823.68	74,009.59
Non-tax Revenue	15,714.16	13,653.02	Education, Sports, Art and Culture	33,525.28	32,091.51	2,818.68	34,910.19
			Health and Family Welfare	11,661.63	9,373.81	2,614.33	11,988.14
State's share of Union Taxes and Duties	36,049.14	35,575.77	Water Supply, Sanitation, Housing and Urban Development	7,743.32	8,389.86	1,147.02	9,536.88
			Information and Broadcasting	90.15	147.26	-	147.26
Non-Plan grants	-	-	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	1,755.18	964.34	587.18	1,551.52
Grants for State Plan Schemes	-	-	Labour and Labour Welfare	932.44	1,113.26	24.89	1,138.15
			Social Welfare and Nutrition	12,544.64	11,046.52	3,631.58	14,678.10
			Others	60.59	59.35	-	59.35
Grants for Central and Centrally Sponsored Plan Schemes	-	-	Economic Services	51,985.51	38,267.83	5,888.08	44,155.91
			Agriculture and Allied Activities	10,315.88	11,499.48	550.99	12,050.47
			Rural Development	12,604.64	7,118.48	4,628.05	11,746.53
Centrally Sponsored Schemes	14,966.05	12,595.43	Special Area Programmes	1.55	0.74	0.03	0.77
			Irrigation and Flood Control	1,795.35	1,994.74	2.10	1,996.84
Finance Commission Grants	7,331.55	6,236.50	Energy	22,749.71	14,266.71	-	14,266.71
			Industry and Minerals	402.04	268.47	-	268.47
Other transfer/Grants to State/Union Territories with Legislature	6,807.93	5,963.72	Transport	2,583.00	1,761.89	100.37	1,862.26
			Science, Technology and Environment	15.46	14.37	1.82	16.19
			General Economic Services	1,517.88	1,342.95	604.72	1,947.67
			Grants-in-aid and Contributions	0.07	0.07	-	0.07
Total	1,40,113.81	1,34,307.88	Total	1,76,485.10	1,61,561.21	16,748.20	1,78,309.41
II. Revenue deficit carried over to Section-B	36,371.29	44,001.53	II. Revenue Surplus Carried over to Section-B	-	-	-	-
Total	1,76,485.10	1,78,309.41	Total	1,76,485.10	1,61,561.21	16,748.20	1,78,309.41

(₹ in crore)

Receipts	2019-20	2020-21	Disbursements	2019-20	2020-21		
					State Fund	Central Assistance	Total
III. Opening Cash balance including Permanent Advances and Cash Balance Investment	5,793.75	7,704.41	III. Opening Overdraft from Reserve Bank of India	-	-	-	-
IV. Miscellaneous Capital Receipts	20.42	14.08	IV. Capital Outlay	14,718.05	12,482.71	2,787.78	15,270.49
			General Services	463.42	321.15	77.02	398.17
			Social Services	5,489.68	5,470.81	2,170.77	7,641.58
			Education, Sports, Art and Culture	766.07	851.24	429.25	1,280.49
			Health and Family Welfare	482.23	454.75	177.10	631.85
			Water Supply, Sanitation, Housing and Urban Development	3,907.01	3,984.90	1,366.62	5,351.52
			Information and Broadcasting	2.11	1.06	-	1.06
			Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	222.63	72.93	180.31	253.24
			Social Welfare and Nutrition	42.19	8.24	11.21	19.45
			Others	67.44	97.69	6.28	103.97
			Economic Services	8,764.95	6,690.75	539.99	7,230.74
			Agriculture and Allied Activities	206.59	330.56	73.87	404.43
			Rural Development	375.04	239.15	-	239.15
			Special Area Programmes	103.22	45.13	21.60	66.73
			Irrigation and Flood Control	2,289.66	2,509.48	76.69	2,586.17
			Energy	2,362.48	589.71	-	589.71
			Industry and Minerals	28.08	49.75	-	49.75
			Transport	3,200.80	2,638.10	366.83	3,004.93
			Science, Technology and Environment	0.78	0.28	-	0.28
			General Economic Services	198.30	288.59	1.00	289.59
			Total	14,718.05	12,482.71	2,787.78	15,270.49
V. Recoveries of Loans and Advances	15,669.75	373.52	V. Loans and Advances disbursed	2,255.18	-	-	491.01
From Power Projects	14,879.91	171.74	For Power Projects	1,844.38	-	-	46.68
From Government Servants	0.76	0.08	To Government Servants	-	-	-	-
From Others	789.08	201.70	To Others	410.80	-	-	444.33

(₹ in crore)

Receipts	2019-20	2020-21	Disbursements	2019-20	2020-21		
					State Fund	Central Assistance	Total
VI. Revenue surplus brought down	-	-	VI. Revenue deficit brought down	36,371.29			44,001.53
VII. Public Debt Receipts	46,173.72	89,964.01	VII. Repayment of Public Debt	20,032.69	-	-	41,022.99
External debt	-	-	External debt	-	-	-	-
Internal debt including Ways and Means Advances and Overdraft	41,964.36	82,827.84	Internal debt including Ways and Means Advances and Overdraft	19,198.43	-	-	40,116.47
Net transaction under Ways and Means Advances	-	-	Net transaction under Ways and Means Advances	-	-	-	-
Net transactions under Overdraft	-	-	Net transactions under Overdraft	-	-	-	-
Loans and Advances from GoI	4,209.36	7,136.17	Repayment of Loans and Advances to GoI	834.26			906.52
VIII. Appropriation to Contingency Fund	-	-	VIII. Appropriation to Contingency Fund	-	-	-	-
IX. Amount Transferred to Contingency Fund	-	-	IX. Expenditure from Contingency Fund	-	-	-	-
X. Public Account Receipts	1,93,165.05	2,08,446.75	X. Public Account Disbursements	1,79,741.07	-	-	1,99,229.24
Small Savings, Provident Funds etc.	12,203.83	13,705.60	Small Savings, Provident Funds, etc.	8,213.29	-	-	8,848.53
Reserve Funds	7,692.20	6,227.67	Reserve Funds	3,361.89	-	-	4,866.58
Suspense and Miscellaneous	115.23	107.40	Suspense and Miscellaneous	28.73	-	-	(-) 8.69
Remittances	3,753.05	7,750.02	Remittances	3,761.37	-	-	7,738.15
Deposits and Advances	1,69,400.74	1,80,656.06	Deposits and Advances	1,64,375.79	-	-	1,77,784.67
XI. Closing Overdraft from Reserve Bank of India	-	-	XI. Cash Balance at end	7,704.41	-	-	6,487.51
			Cash in Treasuries and Local Remittances	(-) 26.91	-	-	(-) 80.96
			Deposits with Reserve Bank	49.03	-	-	20.99
			Departmental Cash Balance including Permanent Advances	3.69	-	-	3.61
			Cash Balance Investment	5,807.73	-	-	4,440.13
			Earmarked Investment Funds	1,870.87	-	-	2,103.74
Total	2,60,822.69	4,40,810.65	Total	2,60,822.69			4,40,810.65

Source: Finance Accounts

Appendix-2.2

(Refer paragraph 2.3.2.1; page 21)

Time series data on the State Government Finances

	(₹ in crore)				
	2016-17	2017-18	2018-19	2019-20	2020-21
Part A. Receipts					
1. Revenue Receipts	1,09,026	1,27,307	1,37,873	1,40,114	1,34,308
(i) Tax Revenue	44,372(41)	50,605(40)	57,380(42)	59,245(42)	60,283 (45)
Taxes on Agricultural Income	- ³				
State Goods and Service Tax	-	12,137(24)	22,938(40)	21,954(37)	20,755(34)
Taxes on Sales, Trade, etc	28,558(64)	19,008(38)	14,791(26)	15,843(27)	17,479(29)
State Excise	7,054(16)	7,276(14)	8,694(15)	9,592(16)	9,853(16)
Taxes on Vehicles	3,623(8)	4,363(9)	4,576(8)	4,951(8)	4,368(7)
Stamps and Registration Fees	3,053(7)	3,675(7)	3,886(7)	4,235(7)	5,297(9)
Land Revenue	315(1)	364(1)	290(1)	364(1)	280(1)
Taxes on Goods and Passengers	803(2)	341(1)	51(-)	41(-)	45(-)
Other Taxes	966(2)	3,441(7)	2,154(3)	2,265(4)	2,206(4)
(ii) Non Tax Revenue	11,615(10)	15,734(12)	18,603(13)	15,714(11)	13,653(10)
(iii) State's share of Union taxes and duties	33,556(31)	37,028(29)	41,853(30)	36,049(26)	35,576(27)
(iv) Grants-in-aid from Government of India	19,483(18)	23,940(19)	20,037(15)	29,106(21)	24,796(18)
2. Miscellaneous Capital Receipts	28	16	20	20	14
3. Recoveries of Loans and Advances	1,713	15,134	15,158	15,670	373
4. Total Revenue and Non debt Capital Receipts (1+2+3)	1,10,767	1,42,457	1,53,051	1,55,804	1,34,695
5. Public Debt Receipts	43,889	28,557	37,847	46,173	89,964
Internal Debt (excluding Ways and Means Advances and Overdrafts)	40,434(92)	27,000(95)	35,205(93)	41,964(91)	82,828(92)
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	-
Loans and Advances from Government of India	3,455(8)	1,557(5)	2,642(7)	4,209(9)	7,136(8)
6. Total Receipts in the Consolidated Fund (4+5)	1,54,656	1,71,014	1,90,898	2,01,977	2,24,659
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Account Receipts	1,56,045	1,56,811	1,70,528	1,93,165	2,08,447
9. Total Receipts of the State (6+7+8)	3,10,701	3,27,825	3,61,426	3,95,142	4,33,106
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	1,27,140	1,45,842	1,66,773	1,76,485	1,78,309
General Services (including interest payments)	39,203(31)	43,451(30)	54,364(33)	56,186(32)	60,144(34)
Social Services	49,372(39)	53,064(36)	65,687(39)	68,313(39)	74,009(41)
Economic Services	38,565(30)	49,327(34)	46,722(28)	51,986(29)	44,156(25)
Grants-in-aid and contributions	- ⁴				
11. Capital Expenditure	16,980	20,623	19,638	14,718	15,271
General Services	437(2)	527(3)	588(3)	463(3)	398(3)
Social Services	6,214(37)	7,221(35)	6,913(35)	5,490(37)	7,642(50)
Economic Services	10,329(61)	12,875(62)	12,137(62)	8,765(60)	7,231(47)
12. Disbursement of Loans and Advances	12,965	1,334	1,113	2,255	491
13. Total Expenditure (10+11+12)	1,57,085	1,67,799	1,87,524	1,93,458	1,94,071
14. Repayments of Public Debt	5,015	11,674	16,915	20,032	41,023
Internal Debt (excluding Ways and Means Advances and Overdraft)	4,441(89)	11,041(95)	16,137(95)	19,198(96)	40,116(98)
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances to Government of India	574(11)	633(5)	778(5)	834(4)	907(2)
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	1,62,100	1,79,473	2,04,439	2,13,490	2,35,094
17. Contingency Fund disbursements	-	-	-	-	-
18. Public Account disbursements	1,48,886	1,47,088	1,60,570	1,79,741	1,99,229
19. Total disbursement by the State (16+17+18)	3,10,986	3,26,561	3,65,009	3,93,231	4,34,323

3. 2016-17: only ₹202, 2017-18: ₹0.02 lakh, 2018-19: ₹0.23 lakh, 2019-20: 'NIL' and 2020-21: ₹ 0.04 lakh.

4. 2016-17: ₹0.06 crore, 2017-18: ₹ 0.11 crore, 2018-19: ₹0.09 crore, 2019-20: ₹ 0.07 crore and 2020-21: ₹0.07 crore.

	(₹ in crore)				
	2016-17	2017-18	2018-19	2019-20	2020-21
Part C. Deficits					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	(-) 18,114	(-) 18,535	(-) 28,900	(-) 36,371	(-) 44,001
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-) 46,318	(-) 25,342	(-) 34,473	(-) 37,654	(-) 59,376
22. Primary Deficit (21+23)	(-) 28,641	(-) 5,622	(-) 12,778	(-) 14,011	(-) 34,174
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	17,677	19,720	21,695	23,643	25,202
24. Financial Assistance to local bodies etc.,	32,892	34,985	34,862	41,025	39,745
25. Ways and Means Advances/Overdraft availed (days)	-	-	-	04	99
Ways and Means Advances availed (days)	-	-	-	04	99
Overdraft availed (days)	-	-	-	-	-
26. Interest on Ways and Means Advances/Overdraft	-	-	-	0.29	13.85
27 Gross State Domestic Product (GSDP) [@]	7,60,587	8,28,661	9,21,789 [£]	9,98,999 [£]	9,57,912 ^{##}
28 Outstanding Fiscal liabilities (year-end)	2,55,002	2,81,182	3,11,374	3,52,702	4,10,500 [§]
29. Outstanding Guarantees (year-end) (including interest)	51,159	61,761	70,430	80,631	82,612
30. Maximum amount guaranteed (year-end)	1,18,161	1,12,057	1,31,026	1,44,676	1,56,822
31. Number of incomplete projects	197	247	279	329	-*
32. Capital blocked in incomplete projects	17,668	20,176	26,409	31,374	-*
Part E: Fiscal Health Indicators (In percentage)					
I Resource Mobilisation					
Own Tax revenue/GSDP	5.8	6.1	6.2	5.9	6.3
Own Non-Tax Revenue/GSDP	1.5	1.9	2.0	1.6	1.4
Central Transfers/GSDP	7.0	7.4	6.7	6.5	6.3
II Expenditure Management (In percentage)					
Total Expenditure/GSDP	20.7	20.2	20.3	19.4	20.3
Total Expenditure/Revenue Receipts	144.1	131.8	136.0	138.1	144.5
Revenue Expenditure/Total Expenditure	80.9	86.9	88.9	91.2	91.9
Revenue Expenditure on Social Services/Total Expenditure	31.4	31.6	35.0	35.3	38.1
Revenue Expenditure on Economic Services/Total Expenditure	24.6	29.4	24.9	26.9	22.8
Capital Expenditure/Total Expenditure	10.8	12.3	10.5	7.6	7.9
Capital Expenditure on Social and Economic Services/Total Expenditure.	10.5	12.0	10.2	7.4	7.7
III Management of Fiscal Imbalances					
Revenue Deficit (surplus +)/GSDP	(-) 2.4	(-) 2.2	(-) 3.1	(-) 3.6	(-) 4.6
Fiscal Deficit/GSDP	(-) 6.1	(-) 3.1	(-) 3.7	(-) 3.8	(-) 6.2
Primary Deficit (surplus +) /GSDP	(-) 3.8	(-) 0.7	(-) 1.4	(-) 1.4	(-) 3.6
Revenue Deficit/Fiscal Deficit	39.1	73.1	83.8	96.6	74.1
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	33.53	33.93	33.78	35.31	42.37 [§]
Fiscal Liabilities/RR	233.9	220.9	225.8	251.7	305.6
Debt Redemption (Principal +Interest)/Debt Receipts	86.1	96.5	95.9	92.6	88.8
V Other Fiscal Health Indicators					
Returns on Investment	0.2	0.1	0.1	0.1	0.01
Financial Assets/Liabilities	0.80	0.76	0.69	0.62	0.57

Source: Finance Accounts

Note: Figures in brackets represent percentages (rounded) to total of each sub-heading.

@ Source: Directorate of Economics and Statistics, Government of Rajasthan.

£ Revised Estimate-II, £ Revised Estimate-I and ## Advance Estimates

* Information not provided by State Government.

§ The effective outstanding fiscal liabilities would be ₹ 4,05,896 crore as GST compensation of ₹ 4,604 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

5. Arrived at after exclusion of GST compensation of ₹ 4,604 crore received as back to back loans under debt receipts from the total outstanding liabilities.

Appendix-2.3

(Refer paragraph 2.6.1; page 55)

Glossary of Debt

Item	What it means
Ways and Means Advance (WMA)	It is a facility for both the Centre and states to borrow from the RBI to help them tide over temporary mismatches in cash flows of their receipts and expenditures. Such advances should be repaid not later than three months from the date of the taking the advance. RBI announced 60 per cent extra in WMA limit recently to fight Covid -19 (till 31 March 2021).
Overdrafts	The governments are allowed to draw amounts in excess of their WMA limits. No state can run an overdraft with the RBI for more than a certain period. A state can be in overdraft from 14 to 21 consecutive working days, and from 36 to 50 working days during a quarter.
Government securities	A Government Security (G-Sec) is a tradable instrument issued by the Central Government or the State Governments. Such securities are short term (usually called treasury bills, with original maturities of less than one year) or long term (usually called Government bonds or dated securities with original maturity of one year or more). In India, the Central Government issues both, treasury bills and bonds or dated securities while the State Governments issue only bonds or dated securities, which are called the State Development Loans (SDLs).
T-bills	Treasury bills are short-term securities issued by the Central government. Their maturity periods range up to one year. These securities are sold at a discount rate and will be paid at face value, which is how the investors make their money. At present, the active T-Bills are 91-days T-Bills, 182-day T-Bills and 364-days T-Bills.
T-Notes	Treasury notes are government securities with maturity periods longer than treasury bills. Their maturity periods can be two, three, four, five, seven, and ten years. Interest is paid every six months.
T-Bonds	Treasury bonds are long-term investments with a maturity period of 30 years. Interest is paid every six months.

Appendix-3.1

(Refer paragraph 3.1; page 69)

Glossary of important Budget related terms

1. **Accounts or actuals of a year** – are the amounts of receipts and disbursements for the financial year beginning on *April 1st* and ending on *March 31st* following, as finally recorded in the Accounting authority's books (as audited by C&AG). Provisional Accounts refer to the unaudited accounts.
2. **Administrative approval of a scheme, proposal or work** – is the formal acceptance thereof by the competent authority for the purpose of incurring expenditure. Taken with the provision of funds in the budget, it operates as a financial sanction to the work during that particular year in which the Administrative Approval is issued.
3. **Annual financial statement** – Also referred to as Budget, means the statement of estimated receipts and expenditure of the Central/State Government for each financial year, laid before the Parliament /State Legislature.
4. **Appropriation** – means the amount authorized by the Parliament/State Legislature for expenditure under different primary units of appropriation or part thereof placed at the disposal of a disbursing officer.
5. **Charged Expenditure** – means such expenditure as is not to be submitted to the vote of the Legislature under the provisions of the Constitution.
6. **Consolidated Fund of India/ State** – All revenues of the Union/State Government, loans raised by it and all moneys received in repayment of loans form the Consolidated Fund of India/ State. No moneys out of this Fund can be appropriated except in accordance with the law and for the purposes and in the manner provided in the Constitution.
7. **Contingency Fund** – is in the nature of an imprest. The Contingency Fund is intended to provide advances to the executive /Government to meet unforeseen expenditure arising in the course of a year pending its authorization by the Parliament/State Legislature. The amounts drawn from the Contingency Fund are recouped after the Parliament/State Legislature approves it through the Supplementary Demands.
8. **'Controlling Officer (budget)** – means an officer entrusted by a Department with the responsibility of controlling the incurring of expenditure and/or the collection of revenue. The term includes the Heads of Department and also the Administrators.
9. **Drawing and Disbursing Officer (DDO)** – means a Head of Office and also any other Officer so designated by the Finance Department of the State Government, to draw bills and make payments on behalf of the State Government. The term shall also include a Head of Department where he himself discharges such function.
10. **'Excess Grant** – Excess grant means the amount of expenditure over and above the provision allowed through the original/supplementary grant, that requires regularization by the Parliament /State Legislature under Article 115/205 of the Constitution.

- 11. *New Service*** – As appearing in Article 115(1)(a)/205(1)(a) of the Constitution, New Service means expenditure arising out of a new policy decision, not brought to the notice of Parliament/State Legislature earlier, including a new activity or a new form of investment.
- 12. *New Instrument of Service*** - means relatively large expenditure arising out of important expansion of an existing activity.
- 13. *Public Account*** - means the Public Account referred to in Article 266(2) of the Constitution. The receipts and disbursements such as deposits, reserve funds, remittances, etc. which do not form part of the Consolidated Fund are included in the Public Account. Disbursements from the Public Account are not subject to vote by the Parliament/State Legislature, as they are not moneys issued out of the Consolidated Fund of India/State.
- 14. *Reappropriation*** – means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation.
- 15. *Revised Estimate*** – is an estimate of the probable receipts or expenditure for a financial year, framed in the course of that year, with reference to the transactions already recorded and anticipation for the remainder of the year in the light of the orders already issued.
- 16. *Supplementary Demands for Grants*** - means the statement of supplementary demands laid before the legislature, showing the estimated amount of further expenditure necessary in respect of a financial year over and above the expenditure authorized in the Annual Financial Statement for that year. The demand for supplementary may be token, technical or substantive/cash.
- a) **Cash Supplementary** is over and above the original budget provisions and results in enhancement of the allocation for the Demand/Grant. It should be obtained as a last resort and after proper due diligence. Presently, this method is followed by the State.
 - b) There are four Sections in each Demand i.e., Revenue Voted, Revenue Charged, Capital Voted and Capital Charged. **Technical Supplementary**, after obtaining the approval of the State Legislature, allows to utilize the savings of one of the Sections for any other Section.
 - c) **Token Supplementary** allows to utilize the savings within the same section of the grant.
- 17. *Major Head*** – means a Major Head of account for the purpose of recording and classifying the receipts and disbursements of the State. A Major Head, particularly the one falling within the Consolidated Fund, generally corresponds to a ‘function’ of Government such as Agriculture, Education, Health, etc.
- 18. *Sub-Major Head*** – means an intermediate head of account introduced between a Major Head and the Minor Heads under it, when the Minor Heads are numerous and can conveniently be grouped together under such intermediate Head.
- 19. *Minor Head*** – means a head subordinate to a Major Head or a Sub-Major Head. A Minor Head subordinate to a Major Head identifies a “programme” undertaken to achieve the objectives of the function represented by the Major Head.

- 20. Sub-Head** – means a unit of account next subordinate to a Minor Head which normally denotes the scheme or organisation under that Minor Head or programme.
- 21. Major Work** – means an original work, the estimated cost of which exclusive of departmental charges exceeds the amount as notified by the Government from time to time.
- 22. Minor Work** – means an original work, the estimated cost of which exclusive of departmental charges does not exceed the amount as notified by the Government from time to time.
- 23. Modified Grant or Appropriation** – means the sum allotted to any Sub-Head of Appropriation as it stands after Re-Appropriation or the sanction of an Additional or Supplementary Grant by competent authority.
- 24. Supplementary or Addition al Grant or Appropriation** – means a provision included in an Appropriation Act, during the course of a financial year, to meet expenditure in excess of the amount previously included in an Appropriation Act for that year.
- 25. Schedule of New Expenditure** – means a statement of items of new expenditure proposed for inclusion in the Budget for the ensuing year.
- 26. Token demand** – means a demand made to the Assembly for a nominal or token sum when, for example, it is proposed to meet the entire expenditure on a new service from savings out of the sanctioned budget grant.
- 27. Average rate of interest on Government borrowings** = Interest payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100

Appendix-3.2

(Refer paragraph 3.3.2; page 74)

Excess / Unnecessary / Insufficient re - appropriation of funds (where re-appropriation and final excess/savings were more than ₹ one crore)

(₹ in crore)

S. No.	Grant no. and name	Head of accounts	Provisions				Actual expenditure	Final Excess (+) / Saving (-)
			Original	Supplementary	Re-appropriation	Total		
Insufficient re-appropriation of Funds								
1	9-Forest	2406-01-001-02 Subordinate and efficient staff-committed	511.20	0	(-) 38.62	472.58	471.21	(-) 1.37
2	21-Roads and Bridges	5054-03-337-11 Rajasthan Highways Development Project-I(A.D.B)	295.85	0	(+) 90.09	385.94	392.25	(+) 6.31
3	34-Relief from Natural Calamities	2245-02-114-09-01 Flood	40.00	210.00	(-) 7.04	242.96	216.40	(-) 26.56
4		2245-02-114-09-02 Hailstorm	60.00	177.50	(-) 140.26	97.24	95.57	(-) 1.67
5	39-Animal Husbandry and Medical	4403-101-15-01 Construction work	₹ 1000	16.80	(-) 10.80	6.00	-	(-) 6.00
6		4403-101-16-01 Construction work	₹ 1000	0	(+)14.00	14.00	20.00	(+) 6.00
7	46-Irrigation	2700-39-800-01 Other expenditure-committed	12.56	0	(+) 1.21	13.77	12.11	(-) 1.66
8		4700-80-001-01-01 Rajasthan Water sector Re-structuring Project for Desert Area	263.33	0	(-)137.84	125.49	124.41	(-)1.08
9		4700-32-001-01-01 Construction work	557.57	0	(+) 109.13	666.70	646.50	(-) 20.20
10		4700-39-001-01-01 Construction work	119.00	0	(+) 35.85	154.85	111.64	(-) 43.21
11		4702-101-02-02 Construction work	86.67	0	(+) 3.59	90.26	85.73	(-) 4.53
12	51-Special Component Plan for Welfare of Scheduled Castes	2202-02-107-05-02 Pre-matric scholarships	85.80	0	(-)10.55	75.25	73.62	(-) 1.63
13		4700-32-789-01 Construction work	160.88	0	(-) 29.60	131.28	129.31	(-) 1.97
Unnecessary re-appropriation of funds								
14	29-Urban Plan and Regional Development	4217-60-050-03 Rajasthan Urban Sector Development Investment Programme (RUSDIP) RUIDP Second stage (EAP) Construction works	₹ 1,000	0	(+) 2.58	2.58	(-) 2.74	(-) 5.32
Excessive re-appropriation of funds								
15	16-Police	2055-109-10-04 Traffic Police-committed	124.36	0	(+) 17.02	141.38	128.80	(-) 12.58
16	24-Education, Art and Culture	2202-02-107-07 Pre-matric scholarships to students of Other Backward Classed	35.00	0	(+) 29.20	64.20	63.16	(-) 1.04
17	27-Drinking Water Scheme	4215-01-102-03-01 Other Rural Water Supply schemes	375.42	0	(+) 80.25	455.66	454.57	(-) 1.09
18	30-Tribal Area Development	2202-02-107-06-02 Pre-matric Scholarships	71.89	0	(+) 9.69	81.58	79.53	(-) 2.05
19	34-Relief from Natural Calamities	2245-02-106-08-01 Repairs and Restoration of Roads	50.00	150.00	(-) 79.92	120.08	114.16	(-) 5.92

Source: Appropriation Accounts

Appendix-3.3

(Refer paragraph 3.3.3; page 75)

Statement of various grants/appropriations where savings were more than ₹ 100 crore out of the total provision

(₹ in crore)

S. No.	Number and name of the grant	Original	Supplementary	Total	Actual	Saving/ Excess	Surrender	Savings excluding surrender
Revenue Charged								
1.	2049-Interest Payment	25,494.20	₹ 52,000	25,494.20	25,201.81	292.39	284.81	(-) 7.58
Revenue Voted								
2.	6-Administration of Justice	1,123.56	0	1,123.56	1,020.19	103.37	102.99	(-) 0.38
3.	8-Revenue	884.87	0	884.87	741.74	143.13	142.97	(-) 0.16
4.	9-Forest	785.27	156.88	942.15	799.25	142.89	141.24	(-) 1.65
5.	10-Miscellaneous General Services	556.13	0	556.13	440.52	115.61	115.61	0
6.	12-Other Taxes	860.58	0	860.58	708.39	152.19	159.35	(+) 7.16
7.	15-Pension and Other Retirement Benefits	23,391.70	0	23,391.70	22,432.42	959.28	882.85	(-) 76.43
8.	16-Police	6,908.12	₹ 9,000	6,908.12	6,385.06	523.06	489.75	(-) 33.31
9.	19-Public works	563.99	₹ 1,000	563.99	437.10	126.90	127.05	(+) 0.15
10.	21-Roads and Bridges	2,745.23	0	2,745.23	1,557.09	1,188.14	1,285.38	(+) 97.24
11.	23-Labour and Employment	1,212.29	0	1,212.29	1,039.94	172.35	172.29	(-) 0.06
12.	24-Education, Art and Culture	32,096.19	₹ 6,000	32,096.19	29,712.30	2,383.89	2,380.30	(-) 3.59
13.	26-Medical and Public Health and Sanitation	10,711.31	₹ 13,000	10,711.31	9,782.31	929.00	926.66	(-) 2.34
14.	27-Drinking Water Scheme	4,137.89	₹ 2,000	4,137.89	3,735.14	402.75	394.19	(-) 8.56
15.	29-Urban Plan and Regional Development	5,336.72	1,088.69	6,425.41	5,047.40	1,378.01	1,377.48	(-) 0.53
16.	30-Tribal Area Development	13,948.89	442.05	14,390.94	13,173.56	1,217.38	1,206.38	(-) 11.0
17.	33-Social Security and Welfare	7,303.53	1,685.35	8,988.88	8,697.86	291.02	243.12	(-) 47.9
18.	34-Relief from Natural Calamities	2,690.97	3,210.29	5,901.26	4,946.02	955.24	899.15	(-)56.09
19.	35-Miscellaneous Community and Economic Services	522.23	0	522.23	382.97	139.26	139.25	(-)0.01
20.	36-Co-operation	3,418.20	508.05	3,926.25	3,642.18	284.07	284.05	(-)0.02
21.	37-Agriculture	2,699.16	815.37	3,514.53	3,158.83	355.70	352.71	(-)2.99
22.	41-Community Development	5,656.08	946.63	6,602.71	4,432.20	2,170.52	2,170.17	(-)0.35
23.	46-Irrigation	2,260.29	₹ 5,000	2,260.29	2,062.90	197.39	166.57	(-)30.82
24.	48-Power	10,427.42	₹ 6,000	10,427.42	8,815.73	1,611.69	1,611.69	0
25.	50-Rural Employment	2,289.01	₹ 1000	2,289.01	2,142.97	146.05	146.05	0
26.	51-Special Component Plan for Welfare of Scheduled Castes	15,196.04	2,007.78	17,203.82	15,487.34	1,716.47	1,712.23	(-)4.24
Capital Voted								
27.	19-Public Works	1,033.73	₹ 3,000	1,033.73	468.56	565.17	563.53	(-)1.64
28.	21-Roads and Bridges	4,238.48	0	4,238.48	2,943.41	1,295.06	1,320.41	(+)25.35
29.	24-Education, Art and Culture	1,001.94	112.27	1,114.21	916.28	197.93	197.32	(-)0.61
30.	27-Drinking Water Scheme	3,312.49	₹ 4,000	3,312.49	2,674.07	638.42	825.33	(+)186.91
31.	28-Special Programmes for Rural Development	306.00	0	306.00	149.94	156.06	156.06	0
32.	30-Tribal Area Development	3,438.37	₹ 6,000	3,438.37	2,159.08	1,279.29	1,302.18	(+)22.89
33.	43-Minerals	206.53	0	206.53	72.60	133.93	133.93	0
34.	46-Irrigation	2,345.12	0	2,345.12	1,859.85	485.27	421.56	(-)63.71
35.	48-Power	1,333.44	0	1,333.44	300.05	1,033.39	1,033.39	0
36.	51-Special Component Plan for Welfare of Scheduled Castes	4,654.93	₹ 7,000	4,654.93	2,681.51	1,973.42	1,988.71	(+)15.29
Total		2,05,090.90	10,973.36	2,16,064.26	1,90,208.57	25,855.69	25,856.71	(+) 1.02

Source: Appropriation Accounts

Appendix-3.4

(Refer paragraph 3.3.3; page 77)

Details of savings of ₹ one crore and above not surrendered

(₹ in crore)

S. No.	Name of Grant	Savings	Amount Surrendered	Amount not surrendered
Revenue Charged				
1	2049-Interest Payments	292.39	284.81	7.58
2	015-Pension and other retirement benefits	4.79	2.00	2.79
Revenue Voted				
3	007-Elections	42.02	39.64	2.38
4	009-Forest	142.89	141.24	1.65
5	015-Pension and other retirement benefits	959.28	882.85	76.43
6	016-Police	523.06	489.75	33.31
7	24-Education Art and Culture	2,383.89	2,380.80	3.09
8	026-Medical and public health and sanitation	929.00	926.65	2.35
9	027-Drinking water scheme	402.75	394.19	8.56
10	030-Tribal area development	1,217.38	1,206.38	11.00
11	033-Social security and welfare	291.02	243.12	47.90
12	034-Relief from natural calamities	955.24	899.15	56.09
13	037-Agriculture	355.69	352.71	2.98
14	046-Irrigation	197.39	166.57	30.82
15	051-Special component plan for welfare of scheduled castes	1,716.47	1,712.23	4.24
Capital Voted				
16	019-Public works	565.17	563.53	1.64
17	029-Urban plan and regional development	60.56	52.09	8.47
18	046-Irrigation	485.27	421.56	63.71
	Total	11,524.26	11,159.27	364.99

Source: Appropriation Accounts

Appendix-3.5

(Refer paragraph 3.4.1; page 80)

Details of Lump sum provisions (where surrender was more than ₹ 5 crore)

(₹ in crore)				
S. No.	No. and Name of Grant	Head of Account	Provision	Expenditure
1.	19-Public Works	4059-80-051-03-01 New High Court Building, Jodhpur (through the R.S.R.D.C.C.)	34.00	19.71
2.		4059-80-051-03-02 Rajasthan Judicial Academy Building, Jodhpur (through the R.S.R.D.C.C.)	5.00	0.00
3.		4059-80-051-03-03 Other Judicial Building	125.40	56.89
4.		4059-80-051-04-01 Through the Chief Engineer, Public Works Department	11.44	3.83
5.		4059-80-051-05-01 Through the Chief Engineer, Public Works Department	56.87	28.86
6.		4059-80-051-27 General Building (Construction of Legislative Assembly building)	9.59	3.14
7.		4070-003-01-90 Construction Works	10.62	4.95
8.		4210-03-001-01-90 Construction Works	4.20	0.00
9.		4210-03-105-04-90 Construction Works	12.54	4.37
10.		4210-03-105-11-90 Construction Works	479.35	117.61
11.	20-Housing	4216-01-700-01-90 Construction Works (through the Chief Engineer, Public Works Department)	53.10	12.28
12.	21- Roads and Bridges	5054-03-337-16-01 Construction of Roads in National Capital Region	88.61	70.75
13.		5054-04-800-02-01 Rural Roads	738.57	316.90
14.		5054-04-800-14-90 Construction Works	468.06	305.59
15.		5054-04-800-23-90 Construction Works	182.36	60.13
16.	24-Education, Art & Culture	4202-01-202-17-01 Construction work under Secondary schools	30.00	15.00
17.		4202-01-202-18-01 Const. Work in Govt. Secondary Schools	63.00	51.80
18.		4202-01-202-20-01 Construction works for Samagra Shiksha under Secondary Education	420.00	264.57
19.		4202-01-203-07-01 Rashtriya Uchchatar Shiksha Abhiyan - Construction Work	44.58	8.10
20.	26-Medical and public health and sanitation	4210-01-110-07-01 Construction Works	20.13	8.30
21.	27-Drinking Water Scheme	4215-01-101-01-86 Construction work of Isarda Dam (through the Water Resources Department)	104.73	6.73
22.		4215-01-102-01-51 Construction of Dam at Battisha Naala, Drinking Water Scheme for Sirohi District (Rural)	10.30	0.00
23.		4215-01-102-79 Construction of Isarda Dam (through the Water Resources Department)	215.00	60.16
24.		30-Tribal Area Development	4055-796-02-90 Construction Works	9.32
25.		4202-01-796-16-01 Rashtriya Uchchatar Shiksha Abhiyan - Construction Work	8.49	1.54
26.		4210-03-796-09-90 Construction work	110.65	30.00
27.		4215-01-796-02-45 Construction Work of Isarda Dam (through the Water Resources Department)	19.98	1.35
28.		4225-02-796-11-03 Renovation and construction of Eklavya Model Residential Schools	25.00	16.00

S. No.	No. and Name of Grant	Head of Account	Provision	Expenditure
29.	30-Tribal Area Development	4225-02-796-11-11 Renovation and construction of Sports hostels	10.00	0.00
30.		4225-02-796-11-14 Construction of additional rooms in Government Educational Institutions	8.00	0.00
31.		4225-02-796-24-02 Construction, expansion and renovation of TAD buildings	8.53	0.00
32.		4700-32-796-01 Construction works	116.24	81.16
33.		4700-34-796-01 Construction works	39.62	7.00
34.		4701-73-796-01-01 Construction Works	5.61	0.52
35.		4702-796-01-02 Construction Works	62.73	53.95
36.		5054-04-796-18-90 Construction Works	35.79	11.83
37.	33-Social Security and Welfare	4235-02-800-10-01 Construction of Ramp and Lift etc.	15.00	8.61
38.	39-Animal Husbandry and Medical	4403-101-15-01 Construction Works	16.80	0.00
39.	46-Irrigation	4700-34-001-01-01 Construction Works	221.00	33.50
40.		4701-62-001-01 Construction Works	21.98	10.85
41.		4701-63-001-01-01 Construction Works (Pay and Allowance of Work Charged employces)	24.49	18.30
42.		4701-72-001-01-01 Construction Works	30.60	8.71
43.		4701-80-800-03-01 Construction Works	34.50	0.00
44.		4702-101-07-01 Construction Works (through the Water Resources Department)	30.34	16.38
45.		4711-01-103-03-03 Other Districts	16.53	10.59
46.		51-Special component plan for welfare of scheduled castes	4055-789-02-90 Construction Works	12.17
47.	4202-01-789-11-01 Rashtriya Uchcharat Shiksha Abhiyan - Construction Work		10.61	1.93
48.	4210-01-789-01-90 Construction Works		56.22	35.00
49.	4210-02-789-01-90 Construction Works		6.22	1.17
50.	4210-03-789-09-90 Construction works		147.50	40.00
51.	4215-01-789-01-56 Construction of Isarda Dam (through Water Resources Department)		107.95	29.92
52.	4215-01-789-02-45 Construction work of Isarda Dam (through the Water Resources Department)		27.28	1.78
53.	4700-05-789-01-01 Expenditure on construction at Indira Gandhi Feeder in Punjab (through the Chief Engineer, Irrigation, Punjab)		45.00	18.00
54.	4700-32-789-01 Construction works		160.88	129.31
55.	4700-34-789-01 Construction works		64.38	8.87
56.	4701-80-789-01-01 Construction Works		9.00	0.00
57.	5054-04-789-06-90 Construction Works		121.50	79.33
58.	5054-04-789-15-90 Construction Works	47.34	15.54	
		Total	4,874.70	2,095.14

Source: Appropriation Accounts

Appendix-3.6

(Refer paragraph 3.5.3; page 83)

Details of schemes in which entire provision of ₹ 1 crore or more remained unutilized

(₹ in crore)					
S. No.	Number and name of Grant	Scheme Name	Approved outlay	Revised outlay	Actual expenditure
1.	9-Forest	2406-01-102-26-01 State Forest Development Agency	1.59	0.00	0.00
2.		2406-04-103-02-01 Expenditure under Catchment Area Plan	2.00	0.00	0.00
3.		2406-04-103-05-01 Administrative and Establishment Expenditure	1.00	0.20	0.00
4.	16-Police	2070-107-03-02 Amount for Border Civil Defence under police modernisation scheme	1.51	0.73	0.00
5.	19-Public Works	4059-80-051-03-02 Rajasthan Judicial Academy Building, Jodhpur (through the R.S.R.D.C.C.)	5.00	₹ 1000	0.00
6.		4059-80-051-07-02 Through the Registrar, Co-operative Department	1.58	0.00	0.00
7.		4059-80-051-47 General Building (building for Rajasthan Public Service Commission)	1.15	0.44	0.00
8.		4210-03-001-01-90 Construction Works	4.20	₹ 2000	0.00
9.	21- Roads and Bridges	3054-80-797-03 Transfer to Central Road Fund (100% Central)	650.00	250.00	0.00
10.		3054-02-337-01-02 Maintenance and Restoration	173.49	₹ 1000	0.00
11.		5054-03-337-17-01 Road Safety Management	2.78	2.78	0.00
12.		5054-02-337-03 Through the Border Road Development Board	42.00	₹ 1000	0.00
13.	22-Area Development	4575-01-101-01-01 For Zila Parishads (Rural Development Cell)	3.69	0.00	0.00
14.	23-Labour and Employment	2230-03-101-04-01 Skill Enhancement	1.00	0.00	0.00
15.		3475-108-02-02 I. E. C. Activities	2.00	0.20	0.00
16.		4250-203-04-01 Plants and Equipment	5.81	5.00	0.00
17.		4250-203-10-01 Plants and Equipment	1.00	1.00	0.00
18.	24-Education Art and Culture	2202-02-109-23 Distribution of Laptop	33.12	₹ 1000	0.00
19.		2202-02-113-02-04 Teachers Training College (CTE)	7.40	3.40	0.00
20.		2202-03-102-05 Grants to Maharishi Dayanand Saraswati University, Ajmer-Committed	5.95	5.95	0.00
21.		2202-03-102-11 Grants to Brij University, Bharatpur	4.00	₹ 3000	0.00
22.		2202-03-104-02 Grants to College	1.00	₹ 2000	0.00
23.		2203-104-20-01 Grants to Engineering College, Barmer	1.00	0.00	0.00
24.		2204-102-07-01	10.00	₹ 1000	0.00

S. No.	Number and name of Grant	Scheme Name	Approved outlay	Revised outlay	Actual expenditure	
25.	24-Education Art and Culture	Grant to Maharao Shekhaji Armed Force Training Academy, Sikar 4202-04-106-05 For Establishment of International Museum in S.M.S Town Hall and Jaleb Chowk	1.00	0.05	0.00	
26.		26-Medical and Health and Sanitation	2210-05-105-03-01 Rajasthan Health Science University, Jaipur	42.60	8.20	0.00
27.	2210-05-105-08-01 Jhalawar Hospital and Medical College Society		16.48	₹ 6000	0.00	
28.	2211-200-01 Conventional Contraceptives		14.00	14.00	0.00	
29.	4210-01-110-03 Through the Ayurved Department		2.00	₹ 1000	0.00	
30.	27-Drinking Water Scheme		4215-01-101-01-45 Pokaran - Phalsund [Phalodi] Water Supply Scheme	6.86	0.00	0.00
31.		4215-01-101-01-81 Chambal-Bhilwara Water Supply Scheme - Cluster	10.30	0.00	0.00	
32.		4215-01-101-11-05 Dungarpur, Aaspur and Dovda Drinking Water Project	13.56	0.00	0.00	
33.		4215-01-101-10-01 Renovation of Water Supply Schemes against Depreciation Reserve Fund	67.11	67.11	0.00	
34.		4215-01-101-01-87 Chambal - Dholpur - Bharatpur Project Phase-I, Part-II (Urban)	13.55	₹1000	0.00	
35.		4215-01-101-01-88 Jawai - Pali Pipeline Project Phase-II Part-B (Urban)	8.71	₹ 1000	0.00	
36.		4215-01-101-01-95 Atru - Shergarh Drinking Water Project, Distt. Baran (Urban)	2.59	₹ 1000	0.00	
37.		4215-01-102-01-51 Construction of Dam at Battisha Naala, Drinking Water Scheme for Sirohi District (Rural)	10.30	0.00	0.00	
38.		4215-01-102-01-54 Drinking Water Project of Villages of District Pratapgarh from Jakham Dam (Rural)	5.30	0.00	0.00	
39.		4215-01-102-01-60 Jhali Ji Ka Barana Drinking Water Project	3.45	0.00	0.00	
40.		4215-01-102-01-67 Haripura Manjhi Drinking Water Project, District Kota	3.24	0.00	0.00	
41.		4215-01-102-02-03 Percentage charges (Prorata) transferred from M.H.2215-Water Supply and Sanitation 02-001(09)	107.01	106.41	0.00	
42.		4215-01-102-03-05 Maintenance Percentage charges (O&M) for Rural Schemes transferred from M.H. 2215-Water Supply and Sanitation - 01-102	91.47	91.47	0.00	
43.		29-Urban Plan and Regional Development	2217-05-190-02-03 Ajmer City Transport Services Limited	2.75	0.00	0.00
44.			2217-05-800-01-04 Kota Smart City	100.00	98.00	0.00
45.	2217-80-191-36-01 Swachh Bharat Mission		20.47	15.35	0.00	
46.	2217-80-192-39-01 Swachh Bharat Mission		48.22	36.16	0.00	
47.	2217-80-192-49-01 General		20.61	6.87	0.00	

S. No.	Number and name of Grant	Scheme Name	Approved outlay	Revised outlay	Actual expenditure
48.	29-Urban Plan and Regional Development	4217-03-800-01-05 Repairing works in Water Supply Schemes of various Urban Bodies	4.80	4.80	0.00
49.	30-Tribal Area Development	2202-02-113-02-06 Teacher's Training College(CTE) for Scheduled Tribes	1.63	0.70	0.00
50.		2202-02-796-04 Gargi/Incentive award to girls students of Scheduled Tribes area	6.50	₹ 1000	0.00
51.		2202-02-796-18 Distribution of Laptop	6.48	₹ 1000	0.00
52.		2210-05-796-02-01 Jhalawar Hospital and Medical College Society	5.35	₹ 2000	0.00
53.		2217-80-191-36-03 Swachh Bharat Mission (for Scheduled Tribes)	4.02	3.01	0.00
54.		2217-80-192-39-03 Swachh Bharat Mission (for Scheduled Tribes)	9.46	7.09	0.00
55.		2217-80-192-49-03 Tribal Ares Sub-Plan	4.04	1.35	0.00
56.		2225-02-796-02-44 Grants for Scheduled Tribes persons for plantation (S.C.A)	3.00	0.00	0.00
57.		2225-02-796-02-56 Grants for drip/sprinkler set, P.V.C. pipeline, electrification of wells and distribution of electric/diesel pump set	10.00	0.00	0.00
58.		2225-02-796-04-11 Dairy development programme in bikhari area under Special Central Assistance	1.50	0.00	0.00
59.		2235-02-796-15-01 Assistance to women for establishment of vocation	3.50	0.55	0.00
60.		2401-796-64-12 Through the Dairy Department	3.17	0.00	0.00
61.		2401-796-64-13 Assistance to RajFed (Through the Co-operative Department)	4.17	0.00	0.00
62.		2425-796-31 Assistance for Samagra Sahakari Vikas	1.99	0.00	0.00
63.	3454-02-796-02-24 Vikas Kendra	2.14	0.50	0.00	
64.	4202-02-796-01 Through the Director, Technical Education	3.71	2.71	0.00	
65.	4210-03-796-04-01 Medical College, Bikaner	1.27	0.47	0.00	
66.	4210-03-796-05-03 Medical College, Ajmer	15.00	6.00	0.00	
67.	4210-03-796-08-02 Medical College, Bikaner	5.00	1.80	0.00	
68.	4215-01-796-01-02 Maintenance percentage charges (O&M) for rural schemes transferred form MH 2215-Water supply	24.15	24.15	0.00	
69.	4215-01-796-01-73 Construction of Dam on Battisha Nala, Drinking Water Scheme for Sirohi District (Rural)	2.03	0.00	0.00	
70.	4215-01-796-01-75 Drinking Water Project (Rural) of Villages of District Pratapgarh from Jakhm Dam	1.01	0.00	0.00	
71.	4215-01-796-02-40	2.03	0.00	0.00	

S. No.	Number and name of Grant	Scheme Name	Approved outlay	Revised outlay	Actual expenditure	
	30-Tribal Area Development	Chambal-Bhilwara Water Supply Scheme-Cluster				
72.		4215-01-796-02-29 Pokaran-Phalsund water supply project (urban)	1.36	0.00	0.00	
73.		4215-01-796-02-43 Water Supply Project for 256 villages of Bhinmal Town and Bhinmal Tehsil	3.67	0.27	0.00	
74.		4215-01-796-02-46 Chambal-Dholpur-Bharatpur Project, Phase-I, Part-II (Urban)	1.89	₹ 1000	0.00	
75.		4215-01-796-02-47 Jawai, Pali Pipeline Project, Phase-II, Part-B (Urban)	1.70	₹ 1000	0.00	
76.		4215-01-796-02-56 Dungarpur, Aaspur and Dovda Drinking Water Project	4.93	0.00	0.00	
77.		4225-02-796-11-05 Drinking Water Schemes including establishment of hand-pump	8.00	0.00	0.00	
78.		4225-02-796-11-07 Construction of Community Buildings	2.00	0.00	0.00	
79.		4225-02-796-11-11 Renovation and construction of Sports hostels	10.00	0.00	0.00	
80.		4225-02-796-11-14 Construction of additional rooms in Government Educational Institutions	8.00	0.00	0.00	
81.		4225-02-796-11-16 Construction and repairs of boundary wall	3.00	0.00	0.00	
82.		4225-02-796-11-17 Additional construction work in Government Educational Institutions	4.00	0.00	0.00	
83.		4225-02-796-24-02 Construction, expansion and renovation of T.A.D. Buildings	8.53	0.00	0.00	
84.		4250-796-01-01 Plants and Equipment	3.50	3.50	0.00	
85.		4401-796-07-06 Through the Agriculture Marketing Board	2.88	0.00	0.00	
86.		4425-195-05-03 Assistance for Development of Integrated Co-operatives	3.33	0.00	0.00	
87.		4575-01-796-01-01 Development of Dang Area	1.05	0.00	0.00	
88.		4701-24-796-01-01 Construction Works	9.37	0.00	0.00	
89.		4701-80-796-01-01 Construction Works	6.50	2.60	0.00	
90.		4801-80-796-03 Investments in Rajasthan Rajya Vidyut Prasaran Nigam Limited	41.25	14.32	0.00	
91.		4853-01-796-04-02 Through the Medical and Health Department, Medical facilities in mining areas	1.96	0.00	0.00	
92.		6801-796-04-01 Renewable Energy Transmission Investment Programme (A.D.B.)	34.11	-	0.00	
93.		32-Civil Supplies	5475-102-09 Modernisation of State Commission and District Forums of Consumer Protection	4.19	2.68	0.00
94.		33-Social Security and Welfare	2225-01-793-01 Scheduled Castes sub project	36.00	₹ 5000	0.00
95.			2225-04-102-01-01	2.00	0.80	0.00

S. No.	Number and name of Grant	Scheme Name	Approved outlay	Revised outlay	Actual expenditure
	33-Social Security and Welfare	Self-employment, Employment generated scheme for boys-girls students of Minority Community			
96.		2225-04-800-01-01 Grants to Rajasthan Waqf Board	2.85	1.00	0.00
97.	34-Relief from Natural Calamities	2245-01-101-14-02 Relief for aged, disabled and orphan children	6.00	1.00	0.00
98.		2245-01-102-11-01 Emergency Supply of drinking water in rural areas	14.00	14.00	0.00
99.		2245-01-102-11-02 Emergency Supply of drinking water in Urban areas	1.20	1.20	0.00
100.		2245-01-102-11-03 Water Supply in Cattle Camps	1.00	1.00	0.00
101.		2245-01-104-09-02 Cattle Feeding Centre	10.00	10.00	0.00
102.		2245-01-105-04-01 Additional cost on Drugs and vaccine medicine	2.00	2.00	0.00
103.		2245-01-800-03-01 Other Special Relief	2.00	2.00	0.00
104.		2245-01-800-04-02 Training of related parties/workers	1.00	1.00	0.00
105.		2245-01-800-04-03 Assistance to Calamity Management Centres of Training Institution of State	1.00	1.00	0.00
106.		2245-01-800-04-05 Strengthening of Calamity Management Authorities	2.00	2.00	0.00
107.		2245-02-101-16-01 Other items	2.00	2.00	0.00
108.		2245-02-101-16-02 Gratuitous relief on being Handicapped or Blind	1.00	1.00	0.00
109.		2245-02-101-16-04 Relief for Aged disabled and orphan children	1.00	1.00	0.00
110.		2245-02-101-16-07 Boat fare for life safety	2.00	2.00	0.00
111.		2245-02-101-16-08 Supply of necessary commodities by Air	1.00	1.00	0.00
112.		2245-02-102-04-01 Water Supply for Human	2.00	1.00	0.00
113.		2245-02-102-04-02 Water supply for animals	2.00	2.00	0.00
114.		2245-02-104-02-01 Supply of Fodder to Calamity affected	2.00	2.00	0.00
115.		2245-02-105-05-01 Additional cost on Drugs and Vaccine Medicines	1.00	1.00	0.00
116.		2245-02-109-02-01 Repairs of Water supply, Water drainage etc. damaged by Flood	6.00	10.00	0.00
117.	2245-02-113-09-03 Fully damaged hut	10.00	10.00	0.00	
118.	2245-02-115-02-01 Assistance for remove sand /silt /salinity etc. from land	1.00	1.00	0.00	
119.	2245-02-191-02-01 Assistance to Municipal Corporations for flood affected work	1.00	1.00	0.00	
120.	2245-02-192-02-01 Assistance to Municipal Corporation/Municipal Councils for flood affected work	2.00	2.00	0.00	

S. No.	Number and name of Grant	Scheme Name	Approved outlay	Revised outlay	Actual expenditure
121.	34-Relief from Natural Calamities	2245-02-193-02-01 Assistance to Panchayats and Notified area Committee affected by flood	2.00	6.00	0.00
122.		2245-02-282-07-02 Disposal of dead bodies and carcasses	1.00	1.00	0.00
123.	35-Miscellaneous Community and Economic Services	3454-02-203-01-26 Vikas Kendra	10.39	1.00	0.00
124.	36-Co-operation	2425-107-25 Core Banking	22.28	0.00	0.00
125.		2425-800-02 Interest grant to good Loanee borrowers of Co-operative Societies	210.00	210.00	0.00
126.		2425-001-01 Direction	5.00	0.00	0.00
127.	37-Agriculture	2401-800-27-04 Through the Dairy Department	17.50	0.00	0.00
128.		2435-60-800-01-01 Rajasthan State Agriculture Marketing Board, Jaipur	80.00	40.00	0.00
129.		6408-02-190-01-01 Loans to Rajasthan State Warehousing Corporation	50.00	-	0.00
130.	38-Minor irrigation and soil conservation	4702-102-01-01 Purchase of Machinery etc.	1.30	0.00	0.00
131.	39-Animal husbandry and medical	2403-108-01-01 Cattle Insurance	2.00	2.00	0.00
132.	42-Industries	2852-80-190-04-01 Assistance to RIICO	75.00	0.00	0.00
133.		6885-60-800-03-01 Delhi-Mumbai Industrial Corridor (DMIC)	10.00	-	0.00
134.	43-Minerals	4853-01-004-07-02 Through the Medical and Health Department, Medical facilities in mining areas	5.00	0.00	0.00
135.	46-Irrigation	2700-02-800-01-01 Other expenditure - Committed	1.85	0.00	0.00
136.		2700-22-800-02 Other expenditure - Committed	10.64	0.00	0.00
137.		2701-02-800-01 Other expenditure - Committed	3.53	3.42	0.00
138.		2701-24-800-01 Other expenditure - Committed	16.72	16.37	0.00
139.		4701-02-001-02-01 Construction Works	3.00	0.00	0.00
140.		4701-80-800-03-01 Construction Works	34.50	13.77	0.00
141.		48-Power	4801-80-190-03 Investment in Rajasthan Rajya Vidyut Prasaran Nigam Limited	151.25	69.60
142.	6801-190-02-01 Rajasthan Renewable Energy Transmission Investment Programme (A.D.B)		136.45	-	0.00
143.	51-Special Component Plan for Welfare of Scheduled Castes	2202-02-113-02-05 Teacher Training College (CTE) for Scheduled Castes	1.97	0.90	0.00
144.		2202-02-789-01-03 Gargi/ Incentive Award to girls students of scheduled castes area	8.50	₹ 1000	0.00
145.		2202-02-789-14 Distribution of Lap-top	8.40	₹ 1000	0.00
146.		2202-03-789-07-01 Scooty Distribution to Meritorious Girls Student	1.50	1.80	0.00
147.		2205-789-04-01 Through the Archaeological Department	3.99	4.01	0.00

S. No.	Number and name of Grant	Scheme Name	Approved outlay	Revised outlay	Actual expenditure
148.	51-Special Component Plan for Welfare of Scheduled Castes	2210-05-789-02-01 Jhalawar Hospital and Medical College Society	2.68	2000	0.00
149.		2217-80-191-36-02 Swachh Bharat Mission (for Scheduled Castes)	5.31	3.99	0.00
150.		2217-80-192-39-02 Swachh Bharat Mission (for Scheduled Castes)	12.52	9.38	0.00
151.		2217-80-192-49-02 Sub-Plan for Scheduled Castes	5.35	1.78	0.00
152.		2225-01-196-12 Assistance for Development of Sambal Villages	2.00	₹ 1000	0.00
153.		2235-02-789-03-01 Assistance to Women for establishment of vocation	4.50	0.74	0.00
154.		2401-789-03-04 Grants release through the Dairy Department	10.00	5.15	0.00
155.		2401-789-03-08 Assistance to RajFed (through the Co-operative Department)	5.00	0.00	0.00
156.		2515-198-34-03 Functional / Activities	142.82	142.82	0.00
157.		2701-80-789-01-01 Construction Works	5.97	0.00	0.00
158.		3454-02-789-01-24 Vikas Kendra	2.75	0.50	0.00
159.		4202-02-789-02 Building	4.15	0.00	0.00
160.		4202-03-789-01 Zila Sankul through the Sports Department	3.59	0.75	0.00
161.		4210-03-789-04-01 Medical College, Bikaner	1.71	0.66	0.00
162.		4215-01-789-01-78 Construction of Dam on Battisha Naala for Drinking Water Scheme for Sirohi Distt (Rural)	2.67	0.00	0.00
163.		4215-01-789-02-29 Pokran-Phalsund Water Supply Project (Urban)	1.78	0.00	0.00
164.		4215-01-789-02-40 Chambal-Bhilwara Water Supply Scheme-Cluster	2.67	0.00	0.00
165.		4215-01-789-02-43 Water Supply Project for 256 villages of Bhinmal Town and Bhinmal Tehsil	5.08	0.36	0.00
166.		4215-01-789-02-46 Chambal, Dholpur, Bharatpur Project, Phase-I, Part-II (Urban)	3.53	₹ 1000	0.00
167.		4215-01-789-02-47 Jawai, Pali Pipeline Project, Phase-II, Part-B (Urban)	2.26	₹ 1000	0.00
168.	4215-01-789-02-56 Dungarpur, Aaspur and Dovda Drinking Water Project	6.10	0.00	0.00	
169.	4701-80-789-01-01 Construction Works	9.00	3.60	0.00	
170.	4801-80-789-03 Investment in Rajasthan Rajya Vidyut Prasaran Nigam Limited	82.50	18.42	0.00	
171.	4853-01-789-02-02 Through the Medical and Health Department, Medical facilities in mining areas	2.95	0.00	0.00	
172.	6801-789-04-01 Rajasthan Renewal Energy Transmission Investment Programme (A.D.B.)	73.10	-	0.00	

S. No.	Number and name of Grant	Scheme Name	Approved outlay	Revised outlay	Actual expenditure	
173.	51-Special Component Plan for Welfare of Scheduled Castes	4215-01-789-01-65 Percentage Charges on Operation and Maintenance for National Rural Drinking Water Programme	17.87	17.87	0.00	
174.		4575-01-789-01-01 Development of Dang Area	1.30	0.40	0.00	
175.		4217-03-789-08-01 Renovation works in Water Supply Schemes of various Urban Bodies	1.25	1.25	0.00	
176.		4215-01-789-02-29 Pokaran Phalsund water supply project (urban)	1.78	0.00	0.00	
177.		2401-789-06-02 National Agriculture Extension Mission-Seed and Plantation Material	1.07	0.00	0.00	
178.		2202-03-789-07-01 Scooty Distribution to Meritorious Girls Student	1.50	1.80	0.00	
			Total	3,278.60		0.00

Source: Appropriation Accounts

Appendix-3.7

(Refer paragraph 3.5.3; page 83)

Cases in which the entire provision remained unutilized during last three years

(₹ in crore)					
S. No.	Grant	Heads	2018-19	2019-20	2020-21
1.	022-Area Development	2575-02-102-01-01 Headquarter	0.60	0.60	0.59
2.	027-Drinking Water Scheme	4215-01-101-11-05 Dungarpur, Aaspur and Dovda Drinking Water Project	6.20	13.25	13.56
3.		4215-01-102-01-54 Drinking Water Project of Villages of District Pratapgarh from Jakham Dam(Rural)	25.81	3.45	5.30
4.		4215-01-102-01-60 Jhali Ji ka Barana Drinking Water Project	12.40	3.45	3.45
5.	029-Urban Plan and Regional Development	2217-05-800-01-04 Kota Smart City	141.40	15.00	100.00
6.		4217-03-800-01-05 Repairing works in Water Supply Schemes of various Urban Bodies	3.96	4.35	4.80
7.	030-Tribal Area Development	4210-03-796-05-03 Medical College, Ajmer	14.17	15.00	15.00
8.		4215-01-796-01-75 Drinking Water Project (Rural) of Villages of District Pratapgarh from Jakham Dam	5.07	0.65	1.01
9.		4215-01-796-02-56 Dungarpur, Aaspur and Dovda Drinking Water Project	1.30	5.25	4.93
10.		4853-01-796-04-02 Through the Medical and Health Department, Medical facilities in mining areas	1.96	1.96	1.96
11.	34-Relief from Natural Calamities	2245-01-101-14-02 Relief for aged, disabled and orphan children	5.00	5.00	6.00
12.		2245-01-102-11-02 Emergency Supply of drinking water in Urban areas	1.00	1.00	1.20
13.		2245-01-102-11-03 Water Supply in Cattle Camps	0.40	0.40	1.00
14.		2245-01-105-04-01 Additional cost on Drugs and vaccine medicine	2.50	2.50	2.00
15.		2245-01-800-03-01 Other Special Relief	1.00	1.00	2.00
16.		2245-01-800-04-02 Training of related parties/workers	1.00	1.00	1.00
17.		2245-01-800-04-03 Assistance to Calamity Management Centres of Training Institution of State	1.00	1.00	1.00
18.		2245-01-800-04-05 Strengthening of Calamity Management Authorities	1.00	1.00	2.00
19.		2245-02-101-16-02 Gratuitous relief on being Handicapped or Blind	0.05	0.10	1.00
20.		2245-02-101-16-04 Relief for Aged disabled and orphan children	0.20	0.20	1.00
21.		2245-02-101-16-07 Boat fare for life safety	0.10	0.20	2.00
22.		2245-02-102-04-01 Water Supply for Human	0.05	0.20	2.00
23.		2245-02-102-04-02 Water supply for animals	0.05	0.20	2.00
24.		2245-02-105-05-01 Additional cost on Drugs and Vaccine Medicines	0.10	0.10	1.00
25.		2245-02-109-02-01 Repairs of Water supply, Water drainage etc. damaged by Flood	2.50	2.50	6.00
26.		2245-02-115-02-01 Assistance for remove sand/silt/salinity etc. from land	1.00	1.00	1.00
27.	2245-02-191-02-01		1.00	1.00	1.00

S. No.	Grant	Heads	2018-19	2019-20	2020-21
	34-Relief from Natural Calamities	Assistance to Municipal Corporations works for affected by flood			
28.		2245-02-192-02-01 Assistance to Municipal Corporation/Municipal Councils works for affected by flood	2.00	2.00	2.00
29.		2245-02-193-02-01 Assistance to Panchayats and Notified area Committee affected by flood	1.00	1.00	2.00
30.		2245-02-282-07-02 Disposal of dead bodies and carcasses	0.10	0.10	1.00
31.	36-Co-operation	2425-107-25 Core Banking	22.28	22.28	22.28
32.	43-Minerals	4853-01-004-07-02 Through the Medical and Health Department, Medical facilities in mining areas	5.00	5.00	5.00
33.	51-Special Component Plan for Welfare of Scheduled Castes	2515-198-34-03 Functional/ Activities	61.84	40.11	142.82
34.		4215-01-789-02-56 Dungarpur, Aaspur and Dovda Drinking Water Project	2.50	6.50	6.10
35.		4853-01-789-02-02 Through the Medical and Health Department, Medical facilities in mining areas	2.95	2.95	2.95
36.		4217-03-789-08-01 Renovation works in Water Supply Schemes of various Urban Bodies	1.03	1.13	1.25
		Total	329.52	162.43	369.20

Source: Appropriation Accounts

Appendix-3.8

(Refer paragraph 3.5.4; page 86)

Flow of expenditure (where expenditure during last quarter was more than ₹ 10 crore in each case and also by more than 50 per cent of the total expenditure)

(₹ in crore)

S. No.	Grant No.	Head of Account (up to Sub-Head)	Expenditure incurred during January-March 2021	Expenditure during March 2021	Total Expenditure during 2020-21	Percentage of total Expenditure incurred during	
						January-March 2021	March-2021
1.	9-Forest	2406-02-110-01 Tiger Project Ranthambhore	7.48	6.88	11.40	65.59	60.34
2.		4406-01-101-11 Change of climate and prevention of desert expansion	7.70	6.27	12.71	60.61	49.36
3.		4406-01-102-14 Forestry works with the assistance of NABARD	20.93	17.79	22.84	91.67	77.89
4.	12-Other Taxes	2030-02-101-01 Stamp Printing	41.03	41.03	61.03	67.23	67.23
5.		3055-800-08 Dedicated Road Safety Fund	11.94	11.19	21.74	54.92	51.46
6.	14-Sales Tax	2040-800-02 Rajasthan Investment Promotion Policy	425.93	415.06	786.42	54.16	52.78
7.	19-Public Works	4210-03-105-11 New Medical College	112.41	64.41	117.61	95.58	54.76
8.	21-Roads and Bridges	5054-04-800-22 Road financed from Pradhan Mantri Gram Sadak Yojana	300.17	300.17	405.17	74.08	74.08
9.	23-Labour and Employment	2230-01-103-07 Building and Other Construction Labour Welfare Board, Rajasthan-Committed	412.82	412.82	412.82	100.00	100.00
10.	24-Education, Art and Culture	2202-01-112-02 Rajasthan Milk Nutrition Programme (Mid-day Meal)	32.50	32.50	32.50	100.00	100.00
11.		2202-01-800-05 Madarsa Schools	34.83	34.83	64.80	53.75	53.75
12.		2202-04-200-05 Reading and Writing Campaign	6.68	6.68	6.68	100.00	100.00
13.	27-Drinking Water Scheme	2215-01-101-15 Water Cess	12.07	12.07	12.07	100.00	100.00
14.		4215-01-101-11 Accelerated Urban Water Supply Scheme	20.93	16.58	24.13	86.77	68.72
15.		4215-01-102-39 Pokaran-Phalsund Water Supply Scheme	16.50	16.50	16.89	97.66	97.66
16.		4215-01-102-50 Barmer Lift Canal Water Supply Project Phase II	10.62	10.63	15.69	67.70	67.77
17.		4215-01-102-96 Share Amount for Drinking Water to Water Resources Department in Narmada Canal	20.67	20.67	20.67	100.00	100.00
18.	28-Special Programmes of Rural Development	2501-05-196-08 Expenditure from Water Conservation Cess Fund	227.99	217.32	261.77	87.09	83.02
19.		2501-05-196-10 Rajiv Gandhi Jal Sanchay Yojana	31.51	31.51	31.76	99.22	99.22

S. No.	Grant No.	Head of Account (up to Sub-Head)	Expenditure incurred during January-March 2021	Expenditure during March 2021	Total Expenditure during 2020-21	Percentage of total Expenditure incurred during		
						January-March 2021	March-2021	
20.	28-Special Programmes of Rural Development	2501-06-196-10 Deen Dayal Upadhyay Gramen Kaushal Yojana (DDU - GKY)	10.94	0	10.94	100.00	0	
21.	29-Urban Plan and Regional Development	2217-80-191-14 Grants under the recommendations of State Finance Commission	183.90	183.90	334.99	54.90	54.90	
22.		2217-80-191-29 Public Light	48.91	48.91	53.85	90.83	90.83	
23.		2217-80-191-41 Annapurna Yojana	11.11	11.11	11.11	100.00	100.00	
24.		2217-80-192-14 Grants under the recommendations of State Finance Commission	465.88	464.06	846.90	55.01	54.80	
25.		2217-80-192-33 Public Light	82.57	82.57	82.57	100.00	100.00	
26.		2217-80-192-36 Operation and maintenance of Water Supply Schemes of various Urban Bodies	84.43	84.43	84.43	100.00	100.00	
27.		2217-80-192-40 Solid Waste Management	21.23	21.23	21.23	100.00	100.00	
28.		2217-80-192-44 Annapurna Yojana	25.73	25.73	25.73	100.00	100.00	
29.		2217-80-192-50 Cleaning of Sewerage Line	21.23	21.23	21.23	100.00	100.00	
30.		4217-03-800-02 Urban Roads and Drains etc. (ROB)	15.80	15.80	23.47	67.31	67.31	
31.		4217-60-50-07 Rajasthan Urban Sector Development Investment Programme (RUSDIP)	93.89	75.08	140.74	66.72	53.35	
32.		30-Tribal Area Development	2202-01-796-12 Mid-day Meal	84.51	73.08	129.69	65.16	56.34
33.			2217-80-191-14 Grants under the recommendations of State Finance Commission	36.09	36.09	65.74	54.90	54.90
34.			2217-80-191-38 Solid Waste Management	1.77	1.77	1.77	100.00	100.00
35.	2217-80-191-41 Annapurna Yojana		2.18	2.18	2.18	100.00	100.00	
36.	2217-80-192-14 Grants under the recommendations of State Finance Commission		91.84	91.16	166.20	55.26	54.85	
37.	2404-796-01-01 Mukhya Mantri Dugdh Utpadak Sambal Yojana		32.50	32.50	48.75	66.67	66.67	
38.	2515-196-25 Rural B.P.L. Awas		26.32	19.04	38.00	69.28	50.12	
39.	2515-197-05 Grants for Panchayat Samitis under the recommendations of State Finance Commission (12% of total provision)		38.92	38.92	38.98	99.84	99.84	
40.	2515-198-03 Grants for Gram Panchayats under the recommendations of State Finance Commission		247.58	233.65	294.07	84.19	79.45	
41.	4210-03-796-01 Hospital and Dispensaries- Medical Education		27.39	25.25	42.97	63.73	58.77	

Appendix

S. No.	Grant No.	Head of Account (up to Sub-Head)	Expenditure incurred during January-March 2021	Expenditure during March 2021	Total Expenditure during 2020-21	Percentage of total Expenditure incurred during	
						January-March 2021	March-2021
42.	30-Tribal Area Development	4225-02-796-24 Capital works for development of tribal sub-plan area (S.C.A.)	7.42	7.42	11.75	63.15	63.15
43.		4403-796-01 Construction of Veterinary Hospital and Veterinary Hospitals Sub-Centres - NABARD R.I.D.F. T-XXIV	14.50	14.50	17.00	85.29	85.29
44.		5054-04-796-16 Roads financed from Pradhan Mantri Gram Sadak Yojana	57.28	57.28	76.78	74.60	74.60
45.		5054-04-796-17 Construction and expansion of Air Strips	1.58	0	2.33	67.94	0
46.	34-Relief from Natural Calamities	2245-01-104-09 Supply of Fodder under Drought	9.12	9.03	12.01	75.89	75.18
47.		2245-02-282-07 Public Health in Flood area	785.07	751.82	1,126.41	69.70	66.74
48.	35-Miscellaneous Community and Economic Services	5475-800-08 Information Technology and Communication Department	127.60	114.36	198.84	64.17	57.51
49.	36-Co-operation	2425-107-20 Assistance to Co-operative Institutions for Interest payment	283.51	240.50	388	73.07	61.98
50.	37-Agriculture	2401-119-26 For conversion from flow irrigation to drip irrigation (Pradhanmantri Krishi Sinchai Yojana-Macro Irrigation)	65.82	64.71	125.91	52.28	51.39
51.		2401-800-37 Pradhanmantri Krishi Sinchai Yojana	78.87	78.83	101.86	77.42	77.39
52.		4401-800-03 Rashtriya Krishi Vikas Pariyojana (S.C.A)	61.41	53.84	78.20	78.53	68.85
53.	39-Animal Husbandry and Medical	2404-195-04 Mukhya Mantri Dugdh Utpadak Sambal Yojana	35.00	35.00	52.50	66.67	66.67
54.		4403-101-14 Construction of Veterinary Dispensaries and Veterinary Dispensaries Sub-centres - NABARD R.I.D.F. T-XXIV	35.00	35.00	40.00	87.50	87.50
55.		4403-101-16 Construction of State level, District Polyclinics, Veterinary Hospitals and Sub-Centres/Dispensaries - NABARD (RIDF-XXVI)	14.00	14.00	20.00	70.00	70.00
56.	41-Community Development	2515-196-25 Rural B.P.L. Aawas	132.48	95.55	192.78	68.72	49.57
57.		2515-197-05 Grants for Panchayat Samitis under the recommendations of State Finance Commission (12% of total provision)	197.45	197.45	197.80	99.82	99.82
58.		2515-198-33 General Basic Grant for Gram Panchayats under the recommendations of 14th Finance Commission	12.98	12.98	15.21	85.38	85.38

S. No.	Grant No.	Head of Account (up to Sub-Head)	Expenditure incurred during January-March 2021	Expenditure during March 2021	Total Expenditure during 2020-21	Percentage of total Expenditure incurred during	
						January-March 2021	March-2021
59.	46-Irrigation	2702-01-800-09 Rajasthan Water Sector Livelihood Improvement Project (RWSLIP)	20.38	19.50	25.12	81.12	77.62
60.	51-Special Component Plan for Welfare of Scheduled Castes	2202-01-789-05 Mid Day Meal	113.23	97.14	163.45	69.28	59.43
61.		2202-01-789-06 Rajasthan Milk Nutrition Programme (Mid Day Meal)	10.00	10.00	10.00	100.00	100.00
62.		2217-80-191-14 Grants under the recommendations of State Finance Commission	47.74	47.74	86.95	54.90	54.90
63.		2217-80-192-14 Grants under the recommendations of State Finance Commission	121.47	120.58	219.83	55.26	54.85
64.		2403-797-02 Transfer to Rajasthan Cow Protection and Promotion Fund	175.00	175.00	175.00	100.00	100.00
65.		2404-789-01 Mukhyamantri Dugdh Utpadak Sambal Yojana	32.50	32.50	48.75	66.67	66.67
		Total	5,848.84	5,547.33	8,210.72	71.23	67.56

Source: Appropriation Accounts

Appendix-3.9

(Refer paragraph 3.5.5; page 89)

Substantial Savings noticed under various Programme/Schemes

(₹ in crore)

S. No.	Name of Head	Total (O+S)	Expenditure	Saving	Reasons for Savings provided by Department
1.	2401-001-01 Operation	6.01	4.92	1.09	Department could not organise competition due to Covid 19 pandemic.
2.	2401-001-06-01 Establishment Expenditure	14.29	13.17	1.12	The budget provision has been reduced due to DA freeze and as per instructions issued for economy in expenditure by Finance Department.
3.	2401-105-11 Manures and Fertilisers Schemes	7.04	2.55	4.49	The budget provision has been reduced as per instructions issued for economy by Finance Department.
4.	2401-105-13 Establishment Expenditure	11.47	10.17	1.30	Due to DA freeze on account of Covid 19 pandemic
5.	2401-102-01-02 National Food Security Mission-Pulses	2.09	0.39	1.70	Less supply of gypsum in districts due to Covid-19 pandemic.
6.	2401-109-13 Innovative Programme/ Minikit Distribution	3.50	1.94	1.56	As per instructions of the Finance Department, only the former liability for seed Mini-kit was paid and provision for micronutrient programme was reduced.
7.	2401-196-06-09 Agriculture expansion Services	2.02	0.23	1.79	As per instructions of the Finance department, only the former liability of women training was paid and budget provision was reduced.
8.	2401-196-06-11 Agriculture Demonstration/ Minikits	2.52	0.18	2.34	As per the instructions of the Finance department, only the former liability was paid and budget provision was reduced
9.	2401-196-06-31 Paramparagat Krishi Vikas Yojana	29.29	5.81	23.48	Due to non-release of central assistance by GOI.
10.	2401-196-06-35 Sustainable Agriculture Mission-Agriculture Forestry	2.40	0.72	1.68	Amount for agriculture forestry under National Mission on Sustainable Agriculture was not released by GoI.
11.	2401-196-06-36 Seed Development	3.50	0.90	2.60	As per the circular of the Finance Department, the budget provision has been reduced.
12.	2401-196-09-01 Establishment Expenditure- Committed	59.27	55.16	4.11	Due to DA freeze on account of Covid 19 pandemic
13.	2401-197-02 Establishment expenditure at Panchayat Samiti Level	62.03	55.49	6.54	Due to DA freeze, transfer of personnel and posts remained vacant after retirement of personnel.
14.	2401-197-04 01 Establishment Expenditure- Committed	243.36	198.57	44.79	Due to delay in appointment of Agriculture Supervisor, DA freeze and as per instructions issued for economy by Finance Department.
15.	2401-800-27-02 Through the Horticulture Department	35.84	9.98	25.86	Non-compliance of tender process and less receipt of application for horticulture development project and

S. No.	Name of Head	Total (O+S)	Expenditure	Saving	Reasons for Savings provided by Department
					protected cultivation in Non-NHM districts.
16.	2401-800-27-03 Through the Animal Husbandry Department	6.67	1.64	5.03	Less purchase of drugs and vaccine under animal health sub-scheme of Animal health management Programme.
17.	2401-800-27-17 Through the Gopalan Department	3.50	1.83	1.67	Due to sanction of only low cost projects of Gopalan department by State Level Sanctioning Committee. In addition, non/less sanction of loan to beneficiaries by the banks
18.	2401-800-27-18 Through the Sri Karn Narendra Agriculture University, Jobner	3.66	1.18	2.48	Less amount sanctioned for projects of Shree Karan Narendra Agriculture University Jobner by State Level Sanction Committee.
19.	2401-800-31-01 Through the Agriculture Department	76.77	20.36	56.41	Due to non-issue of sanction of RAPAD (Phase-2) by the Finance Department and the Government of India and the World Bank refused to extend the project beyond 30 June 2020.
20.	2401-800-35-02 Soil Heath Management	8.80	1.91	6.89	In view of Circular for maintaining economy, new expenditure on purchase of machinery and supply of materials could not be done.
21.	2401-800-37-01 Through the Agriculture Department	134.23	101.86	32.37	Due to short release of Central assistance under Pardhan Mantri Krishi Sinchai Yojana by the GOI.
22.	4401-800-03-03 Through Animal Husbandry Department	6.00	4.48	1.52	Due to less demand of budget for construction works by the Rajasthan State Agriculture Marketing Board.
23.	2401-109-16-05 E- Governance Scheme in Agriculture	2.52	0.87	1.65	Due to non-release of additional grant by GoI.
24.	2401-119-25 National Horticulture Mission	61.20	41.31	19.89	Budget Controlling Officer attributed the saving to lack of ECS bills by the treasury offices and lockdown on account of Covid-19 pandemic.
25.	2401-119-32 Additional Grant on Green House	10.99	4.48	6.51	Budget Controlling Officer attributed saving to Covid-19 Pandemic and lack of ECS bills by the treasury offices.
26.	2401-119-36 Additional grant on Solar Pump Set	183.40	60.20	123.20	Budget controlling officer informed that due to covid-19, the amount has not been utilised for solar power installation.
27.	2401-800-27-16 Through the Rajasthan Animal Medical and Animal Science University, Bikaner	2.88	0.75	2.13	Due to approval of lesser cost for projects of Rajasthan Veterinary and Animal science University, Bikaner by the State Level sanctioning Committee.
28.	2401-800-27-20 Through the Agriculture University Jodhpur	4.30	2.00	2.30	Due to approval of lesser cost for projects of Agriculture University Jodhpur by the state Level Sanctioning Committee.
29.	2401-800-40-01 Through the Agriculture Department	3.40	1.49	1.91	Reasons have not been intimated by the Department though called for (October 2021).

S. No.	Name of Head	Total (O+S)	Expenditure	Saving	Reasons for Savings provided by Department
30.	2415-01-004-01 Grant-in aid to Swami Keshwanand Rajasthan Agriculture University, Bikaner	6.50	3.98	2.52	Reasons have not been intimated by the Department to audit though called for (October 2021).
31.	2415-01-277-01-01 Grant-in aid to Swami Keshwanand Rajasthan Agriculture University, Bikaner	5.85	1.92	3.93	Reasons have not been intimated by the Department to audit though called for (October 2021).
32.	2415-01-277-01-03 Grant-in aid to Sri Karn Narendra Agriculture University, Jobner	33.62	15.83	17.79	Due to less execution of construction work.
33.	2415-01-277-01-05 Grant-in aid to Agriculture University, Jodhpur	25.83	23.48	2.35	Reasons have not been intimated by the Department though called for (October 2021).
34.	2415-01-277-01-07 Maharana Pratap Agriculture University, Udaipur-Committed	74.00	64.00	10.00	Due to non-enhancement of dearness allowance.
35.	2415-01-277-01-08 Sri Karn Narendra Agriculture University, Jobner -Committed	48.50	42.00	6.50	Non filling of vacant posts due to directions of economy issued by Finance Department.
36.	2415-01-277-01-09 Agriculture University, Kota -Committed	16.00	9.00	7.00	Reasons have not been intimated by the Department though called for (October 2021).
37.	4401-800-02-01 Building	4.00	1.10	2.90	Budget provision has been reduced due to Covid 19.
38.	6401-800-10-01 Loan to Krishi Upaj Mandi Samiti (Grain), Udaipur	25.50	15.00	10.50	Due to partial dismantling of some construction works and hampering of construction works due to Covid-19.
Total		1,232.75	780.85	451.90	

Appendix 4.1

(Refer paragraph 4.5; page 115)

Position of Outstanding Abstract Contingent Bills up to 2020-21

(₹ in lakh)

S. No	Name of controlling officer	Major head/No. of AC bill	Year	DDO name	Amount	
1	District Education Officer, Bikaner	2202	1989-90	Principal DIET, Bikaner	0.30	
2	Principal District Education & Training, Jalore	(3)	1990-91	Assistant Director, DIET, Jalore	0.30	
3			1996-97	District Adult Education Officer, Rajsamand	0.08	
4	Zila Parishad, Banswara	4202	1990-91	Zila Parishad, Banswara	0.30	
		(2)	1992-93		0.24	
5	Secretary to the Government. General Administration (Gr. 4) department, Jaipur	2052	2019-20	DDO Collectrate, Jaipur	1.50	
6	Registrar, Revenue board, Ajmer	2029	2007-08	Ajm089002	292.18	
7	Director State Forensic Laboratory, Jaipur	2055	2017-18	DY.DIR.(Acct)	66.50	
		(3)	2018-19	F.S.L. Police Raj Jaipur	423.37	
8	Chief Engineer Public Works Department, (Building and Roads), Rajasthan Jaipur	2059	2020-21	X.EN. Public Works Department (Survey & Quality Control) Udaipur.	0.20	
9	Director, N.C.C Directorate, Jaipur	2204	2018-19	Adm. Off. NCC Hq, Jaipur	2.64	
			(7)	2019-20	Adm. Off. NCC Hq Jaipur	10.00
				2020-21	Office Commandant 1 ST Raj. Armed Sq. NCC Jaipur	0.62
					Commandant 1 Raj Batalian NCC Bikaner	0.26
					Administrative Officer NCC Head Quarter Jaipur	5.27
					Commandant Officer 3 RD Raj. Nevel Unit NCC Jaipur	0.37
10	Principal, Sawai Man Singh Medical College, Jaipur	4210	2020-21	DDO. Sawai Man Singh Medical Collage Jaipur	834.00	
11	District Election Officer and Secretary, State Election Commission, Jaipur	2217	2019-20	District Election Officer, Bikaner	6.00	
			(21)	2020-21	District Election Officer, Karauli	9.87
				2020-21	District Election Officer, Sri Ganganagar	1.00
				2020-21	District Election Officer, Bundi	54.76
				2020-21	District Election Officer, Dungarpur	9.11
				2020-21	District Election Officer, Churu	14.00
				2020-21	District Election Officer, Rajsamand	1.25
				2020-21	DDO Collectorate, (Election), Jaipur	0.50
			2020-21	District Election Officer, Sirohi	0.78	
			2020-21	District Election Officer, Bundi	7.08	
12	Commissioner, Relief Department Jaipur	2245	2012-13	District Magistrate & Collector, Alwar	103.50	
13	Secretary, Rajasthan Subordinate Service Selection Board Rajya Krishi Prbandh Sansthan Durgapura, Jaipur	2051	2016-17	Secretary, Rajasthan Sub-ordinate & Ministerial Service Selector Board, Jaipur	2.00	
			(2)	2020-21	Secretary, Rajasthan Sub-ordinate & Ministerial Service Selector Board, Jaipur	12.10
	Total	48			1,860.08	

Appendix-4.2

(Refer paragraph 4.6.5; page 123)

Statement showing the details of non-operation of Personal Deposit Accounts during 2016-2021

(₹ in lakh)

S. No	Name Of The Drawing And Disbursing Officer	Balance During 2016-21	Reason Given By Drawing And Disbursing Officer
1	SP, Ajmer	3.87	Not Intimated by the Department.
2	Principal, ITI, Raini, Alwar	1.64	Not Intimated by the Department.
3	Dy. Director, ICDS & Project Director District (Bal Vikas), Alwar	22.33	Not Intimated by the Department.
4	Krishi Adhikari Udyan, Baran	2.91	Not Intimated by the Department.
5	New MCA OBC, Baran	0.03	Not Intimated by the Department.
6	Superintendence ITI, Bharatpur	7.80	Not Intimated by the Department.
7	District Women Development Officer, Churu	1.66	Not Intimated by the Department.
8	Dy. Director Agriculture Extension, Dholpur	0.00	Not Intimated by the Department.
9	HBA, SBBJ, Dungarpur	1.22	Not Intimated by the Department.
10	LIC of India, Jaipur (City)	0.00	Not Intimated by the Department.
11	Principal, ITI, Central Jail, Jaipur (City)	2.60	Not Intimated by the Department.
12	Repayment Of Housing Loan for SBBJ upto 31.03.2004, Jaipur (City)	0.00	Not Intimated by the Department.
13	Repayment Of HBA for HDFC, Jaipur (City)	0.00	Not Intimated by the Department.
14	Repayment Of HBA for SBBJ, Jaipur (City)	0.00	Not Intimated by the Department.
15	ITI, Samber Lake, Jaipur (Rural)	1.82	Not Intimated by the Department.
16	Director Indian Institute of Health Management Research, Jaipur (Secretariat)	0.00	PD Account has been closed.
17	Rajasthan Ex-Service, Jaipur (Secretariat)	0.00	Not Intimated by the Department..
18	Rajasthan Institute of Agro Processing Centre Bharatpur, Jaipur (Secretariat)	29.45	PD Account has been closed.
19	Rajasthan Saha, Jaipur (Secretariat)	6.24	Not Intimated by the Department.
20	Rajasthan State AIDS Control Society, Jaipur (Secretariat)	0.00	PD Account has been closed.
21	Asst. Director Animal Fertility Centre Dug, Jhalawar	0.00	Not Intimated by the Department.
22	Dy. Director Project Director, ICDS, Jhunjhunu	0.00	PD Account has been closed.
23	Principal Agriculture, Soil Conservation, Jodhpur (City)	5.59	Not Intimated by the Department.
24	Superintendence, District Rural ITI, Kota	0.19	Not Intimated by the Department.
25	Regl-Sel Add Group Training & Cor., Kota	0.09	Not Intimated by the Department.
26	Treasury Officer , Recovery of MCA Loan from SBBJ, Nagaur	0.60	Not Intimated by the Department.
27	Assistant Director Cattle Breeding Centre, Nagaur	0.00	Not Intimated by the Department.
28	XEN, Irrigation/Water Resources, Pali	23.55	Not Intimated by the Department.
29	Dy. Director (ICDS) District Women Development Agency, Pali	0.00	Not Intimated by the Department.
30	Secretary Urban Improvement Trust, Pali	0.40	Not Intimated by the Department.
31	Madhav University Pindwara, Sirohi	0.05	Not Intimated by the Department.
32	XEN Irrigation Division Salumber, Udaipur (Rural)	51.98	Not Intimated by the Department.
33	HBA, SBBJ, Jodhpur (Rural)	0.03	Not Intimated by the Department.
	Total	164.05	

Appendix-4.3

(Refer paragraph 4.7; page 124)

Minor Head 800- Other Expenditure

(₹ in crore)

S. No.	Major Head	Expenditure under Minor Head 800	Total Expenditure	Percentage
1	2040 Taxes on Sales, Trade etc.	912.38	1375.45	66.33
2	2047 Other Fiscal Services	4.27	4.27	100.00
3	2700 Major Irrigation	1,172.44	1,615.05	72.59
4	2701 Medium Irrigation	127.44	209.02	60.97
5	2702 Minor Irrigation	78.82	152.94	51.54
6	3055 Road Transport	273.10	393.26	69.45
7	3425 Other Transport Services	12.94	13.01	99.46
8	4235 Capital Outlay on Social Security and Welfare	12.42	14.58	85.19
9	4236 Capital Outlay on Nutrition	3.56	4.87	73.10
10	4401 Capital Outlay on Crop Husbandry	107.94	161.44	66.86
11	4575 Capital Outlay on Other Special Area Programmes	42.06	66.73	63.03
12	4885 Other Capital Outlay on Industries and Minerals	25.14	49.69	50.59
13	5425 Capital Outlay on Other Scientific and Environmental Research	0.28	0.28	100.00
14	5475 Capital Outlay on Other General Economic Services	200.27	270.12	74.14
	Total	2,973.06	4,330.71	

Minor Head 800- Other Receipts

(₹ in crore)

S. No.	Major head	Receipts under Minor Head 800	Total Receipts	Percentage
1	0029 Land Revenue	169.19	279.32	60.57
2	0035 Taxes on Immovable Property other than Agricultural Land	62.71	62.96	99.60
3	0056 Jails	0.59	0.59	100.00
4	0058 Stationery and Printing	3.87	6.10	63.44
5	0211 Family Welfare	0.13	0.13	100.00
6	0217 Urban Development	3.93	3.93	100.00
7	0220 Information and Publicity	0.21	0.21	100.00
8	0230 Labour and Employment	374.98	392.96	95.42
9	0235 Social Security and Welfare	25.11	25.13	99.92
10	0401 Crop Husbandry	10.40	10.47	99.33
11	0406 Forestry and Wild Life	41.04	73.67	55.71
12	0425 Co-operation	91.37	95.75	95.43
13	0435 Other Agricultural Programmes	11.01	11.24	97.95
14	0515 Other Rural Development Programmes	24.10	25.04	96.25
15	0700 Major Irrigation	157.36	215.62	72.98
16	0801 Power	30.71	30.71	100.00
17	0851 Village and Small Industries	3.55	3.55	100.00
18	0852 Industries	0.75	0.75	100.00
19	1452 Tourism	0.64	0.64	100.00
20	1475 Other General Economic Services	513.72	805.34	63.79
	Total	1,525.37	2,044.11	

Appendix-4.4

(Refer paragraph 4.13; page 129)

Statement showing the details of erosion of capital investment in Public Sector Undertakings

(₹ in crore)						
S. No.	Name of the PSU	Period of accounts	Total Paid up Capital	Accumulated Profit/ Loss (-)	Erosion of Capital Investment in PSUs	Government Investment (as per Finance Account 2020-21)
1	Rajasthan State Mines and Minerals Limited (Government Company since December 1974)	2019-20	77.55	2,182.76	0	77.55
2	Rajasthan State Industrial Development and Investment Corporation Limited	2019-20	210.19	1,932.92	0	193.69
3	Rajasthan State Road Development and Construction Corporation Limited	2020-21	100.00	142.98	0	100.00
4	Rajasthan State Ganganagar Sugar Mills Limited	2019-20	180.39	211.62	0	180.59
5	Rajasthan Tourism Development Corporation Limited	2017-18	21.95	(141.56)	0	21.95
6	Rajasthan State Hotels Corporation Limited	2016-17	2.16	(9.74)	0	2.16
7	Rajasthan State Handloom Development Corporation Limited	2018-19	46.06	(-) 50.53	(-) 4.47	45.51
8	Rajasthan Small Industries Corporation Limited	2019-20	6.96	(-) 25.12	(-) 18.16	6.64
9	Rajasthan State Beverages Corporation Limited	2019-20	2.00	72.48	0	2.00
10	Barnar Lignite Mining Company Limited (Subsidiary Joint Company of Rajasthan State Mines and Minerals Limited)	2019-20	20.00	1.68	0	0
11	Rajasthan State Petroleum Corporation Limited (Subsidiary of Rajasthan State Mines and Minerals Limited)	2019-20	67.08	(-) 1.67	0	0
12	Rajasthan Rajya Vidyut Prasaran Nigam Limited	2019-20	4,656.57	(-) 1,231.88	0	4,691.04
13	Rajasthan Rajya Vidyut Utpadan Nigam Limited	2020-21	10,444.30	(-) 5,507.05	0	10,451.23
14	Jaipur Vidyut Vitran Nigam Limited	2020-21	11,447.43	(-) 28,872.34	(-) 17,424.91	11,447.43
15	Ajmer Vidyut Vitran Nigam Limited	2020-21	10,452.96	(-) 28,054.76	(-) 17,601.80	10,571.89
16	Jodhpur Vidyut Vitran Nigam Limited	2020-21	10,487.99	(-) 31,496.60	(-) 21,008.01	10,636.96
17	Rajasthan Renewable Energy Corporation Limited	2019-20	12.94	225.24	0	12.94
18	Dholpur Gas Power Limited (Subsidiary of Rajasthan Rajya Vidyut Utpadan Nigam Limited)	2020-21	0.05	(-) 0.05	0	0
19	Giral Lignite Power Limited (Subsidiary of Rajasthan	2020-21	370.05	(-) 1,542.82	(-) 1,172.77	0

S. No.	Name of the PSU	Period of accounts	Total Paid up Capital	Accumulated Profit/ Loss (-)	Erosion of Capital Investment in PSUs	Government Investment (as per Finance Account 2020-21)
	Rajya Vidyut Utpadan Nigam Limited)					
20	Chhabra Power Limited (Subsidiary of Rajasthan Rajya Vidyut Utpadan Nigam Limited)	2020-21	0.05	(-) 0.04	0	0
21	Rajasthan Solar Park Development Company Limited (Subsidiary of Rajasthan Renewable Energy Corporation Limited)	2019-20	0.05	29.64	0	0
22	Banswara Thermal Power Company Limited (Subsidiary of Rajasthan Rajya Vidyut Prasaran Nigam Limited)	2020-21	0.05	(-) 9.92	(-) 9.87	0
23	Barmer Thermal Power Company Limited (Subsidiary of Rajasthan Rajya Vidyut Prasaran Nigam Limited)	2020-21	0.05	(-) 18.91	(-) 18.86	0
24	Rajcomp Info Services Limited	2019-20	5.00	91.15	0	5.00
25	Rajasthan Jal Vikas Nigam Limited	2020-21	1.27	(-) 1.43	(-) 0.16	1.27
26	Rajasthan State Power Finance and Financial Services Corporation Limited	2020-21	90.00	18.65	0	90.00
27	Rajasthan State Gas Limited (Subsidiary of Rajasthan State Petroleum Corporation Ltd.)	2019-20	129.87	8.33	0	0
28	Rajasthan Urja Vikas Nigam Limited	2020-21	50.00	0.00	0	50.00
29	Rajasthan Financial Corporation	2019-20	160.43	(-) 114.69	0	128.31
30	Rajasthan State Road Transport Corporation	2019-20	638.96	(-) 5,127.40	(-) 4,488.44	612.13
31	Rajasthan Urban Drinking Water Sewerage and Infrastructure Corporation Limited	2018-19	48.67	25.37	0	33.51
32	Jaipur Metro Rail Corporation Limited	2019-20	1,694.04	(-) 328.19	0	1,494.04
33	Rajasthan Ex-Servicemen Corporation Limited	2020-21	5.00	26.25	0	5.00
34	Rajasthan Medical Service Corporation Limited	2019-20	5.00	51.73	0	5.00
35	Rajasthan Skill and Livelihoods Development Corporation	2020-21	0.05	(-) 13.05	(-) 13.00	0.05
36	Rajasthan State Food and Civil Supplies Corporation Limited	2016-17	50.00	36.73	0	50.00
37	Rajasthan State Seeds Corporation Limited	2020-21	7.59	140.42	0	6.33
38	Rajasthan State Agro Industries Corporation Limited	2014-15	6.01	(-) 54.67	(-) 48.66	4.13
39	Rajasthan State Warehousing Corporation	2019-20	7.85	337.27	0	3.93

S. No.	Name of the PSU	Period of accounts	Total Paid up Capital	Accumulated Profit/ Loss (-)	Erosion of Capital Investment in PSUs	Government Investment (as per Finance Account 2020-21)
40	Rajasthan Police Housing and Construction Corporation Limited	2019-20	1.00	3.70	0	1.00
41	Rajasthan Civil Aviation Corporation Limited	2019-20	4.49	(-) 6.31	(-) 1.82	4.49
42	Udaipur Smart City Limited	2019-20	200.00	(-) 0.12	0	100.00
43	Kota Smart City Limited	2019-20	200.00	8.23	0	65.40
44	Ajmer Smart City Limited	2019-20	0	0	0	64.80
45	Jaipur Smart City Limited	2019-20	200.00	4.45	0	100.00
	Total		52,112.06	(-)96,905.95	(-) 61,810.93	51,265.97

Appendix-4.5

(Refer paragraph 4.14; page 130)

Category-wise details of cases of theft/loss and misappropriation in various departments

(₹ in lakh)

S. No.	Name of Department	Theft/loss cases		Misappropriation/loss of Government material		Total	
		Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
1.	Revenue	26	128.87	29	1132.87	55	1261.74
2.	Education	87	141.00	66	4,879.52	153	5,020.52
3.	Medical	23	251.56	46	470.26	69	721.82
4.	Public Works	03	1.41	16	462.33	19	463.74
5.	Water resources	02	0.62	02	33.95	04	34.57
6.	Ground water	05	6.18	02	3.40	07	9.58
7.	CAD, IGNP	01	3.42	00	00	01	3.42
8.	IGNP	06	12.56	05	69.73	11	82.29
9.	Forest	03	26.43	02	77.32	05	103.75
10	PHED	199	198.94	16	80.42	215	279.36
11	Justice	04	1.67	10	118.92	14	120.59
12	Police	14	16.27	06	27.85	20	44.12
13	Women & Child Development	00	00	03	6.04	03	6.04
14	Department of Local Self Government Rajasthan	02	4.61	06	40.67	08	45.28
15	Rural Development & Panchayati Raj Department	63	1,109.30	56	1,426.50	119	2,535.80
16	Miscellaneous	23	118.69	37	979.19	60	1097.88
	Total	461	2,021.53	302	9,808.97	763	11,830.50

Appendix 4.6

(Refer paragraph 4.15; page 131)

Detail of excess/short payment of pension

(₹ in lakh)

S. No.	Particulars	Excess payment made during 2020-21	
		Number of cases	Amount
1	Family pension not reduced after expiry of the prescribed period (Rule 62 of Rajasthan Civil Services (Pension) Rules 1996).	04	2.16
2	Pension not reduced after its commutation (Rule 28).	67	13.75
3	Pension paid after death of pensioners.	07	6.44
4	Pension and Dearness Relief paid at higher rate than admissible.	6	21.02
5	Non-recovery of dues from gratuity payments.	32	24.09
6	Miscellaneous (Additional Pension, lack of lump-sum recovery etc.).	30	27.03
	Total	146	94.49

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