

FINANCES OF THE STATE

2.1 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 2019-20 to 2023-24, debt sustainability of the State and key Public Account transactions, based on the Finance Accounts of the State.

Major changes in Key Fiscal Aggregates during 2023-24 vis-à-vis 2022-23

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

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

Revenue Receipts	<ul style="list-style-type: none"> ➤ Revenue Receipts of the State increased by 10.26 per cent ↑ ➤ Own Tax Receipts of the State increased by 17.10 per cent ↑ ➤ Non-Tax Receipts decreased by 0.66 per cent ↓ ➤ State's Share of Union Taxes and Duties increased by 18.92 per cent ↑ ➤ Grants-in-Aid from Government of India decreased by 15.64 per cent ↓
Revenue Expenditure	<ul style="list-style-type: none"> ➤ Revenue Expenditure increased by 34.54 per cent ↑ ➤ Revenue Expenditure on General Services increased by 14.96 per cent ↑ ➤ Revenue Expenditure on Social Services increased by 23.87 per cent ↑ ➤ Revenue Expenditure on Economic Services increased by 62.01 per cent ↑ ➤ Expenditure on Grants-in-Aid and contributions increased by 13.57 per cent ↑
Capital Receipts	<ul style="list-style-type: none"> ➤ Capital Receipts decreased by 10.54 per cent ↓
Capital Expenditure	<ul style="list-style-type: none"> ➤ Capital Expenditure increased by 15.76 per cent ↑ ➤ Capital Expenditure on General Services increased by 17.17 per cent ↑ ➤ Capital Expenditure on Social Services increased by 41.80 per cent ↑ ➤ Capital Expenditure on Economic Services decreased by 1.54 per cent ↓
Loans and Advances	<ul style="list-style-type: none"> ➤ Disbursements of Loans and Advances increased by 262.38 per cent ↑ ➤ Recoveries of Loans and Advances decreased by 78.76 per cent ↓
Public Debt	<ul style="list-style-type: none"> ➤ Public Debt Receipts increased by 408.05 per cent ↑ ➤ Repayment of Public Debt increased by 151.16 per cent ↑
Public Account	<ul style="list-style-type: none"> ➤ Public Account Receipts increased by 27.47 per cent ↑ ➤ Public Account Disbursements increased by 26.97 per cent ↑
Cash Balance	<ul style="list-style-type: none"> ➤ Cash balance and investment of cash balances increased by 71.44 per cent ↑

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

2.2 Sources and Application of Funds

Table 2.2 compares the sources and application of funds of the State during 2023-24 with 2022-23 figures, while **Charts 2.1** and **2.2** give the details of receipts into and expenditure from the Consolidated Fund during 2023-24 in terms of percentages.

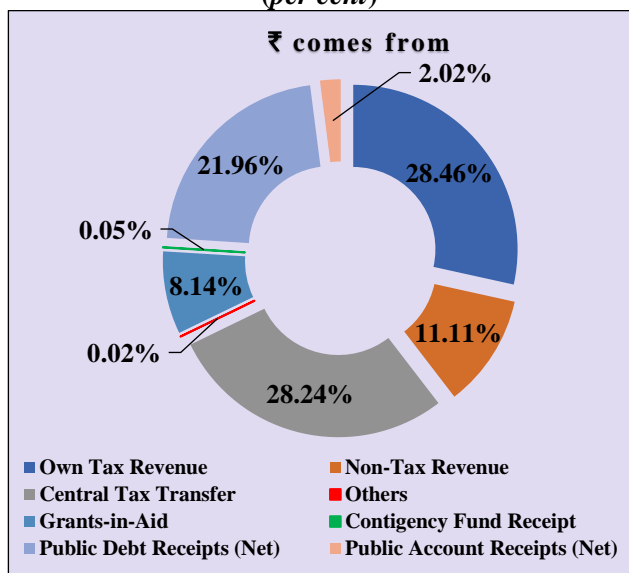
Table 2.2: Details of Sources and Application of funds during 2022-23 and 2023-24

(₹ in crore)

	Particulars	2022-23	2023-24	Increase (+)/ Decrease (-)
Source	Opening Cash Balance ¹	9,921.62	8,047.97	(-)1,873.65
	Revenue Receipts	93,877.14	103,508.20	9,631.06
	Misc. Capital Receipts	5.60	5.01	(-)0.59
	Recoveries of Loans and Advances	117.52	24.96	(-)92.56
	Inter-State Settlement	(-)0.28	0.65	0.93
	Public Debt Receipts (Net)	1,038.02	29,936.76	28,898.74
	Public Account Receipts (Net)	1,779.54	2,759.01	979.47
	Contingency Fund	0.00	63.49	63.49
	Total	1,06,739.16	144,346.05	37,606.89
Application	Revenue Expenditure	85,285.03	114,740.96	29,455.93
	Capital Expenditure	13,320.30	15,418.93	2,098.63
	Disbursement of Loans and Advances	85.96	311.50	225.54
	Inter-State Settlement	(-)0.10	0.46	0.56
	Contingency Fund	0.00	76.96	76.96
	Closing Cash Balance	8,047.97	13,797.24	5,749.27
	Total	1,06,739.16	144,346.05	37,606.89

Source: Finance Accounts 2022-23 and 2023-24

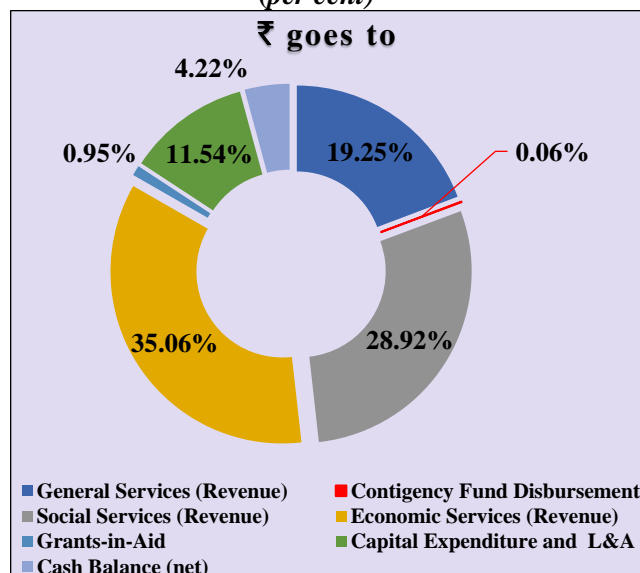
Chart 2.1: Sources of Resources
(per cent)



Source: Finance Accounts 2023-24

Note: Others include Recoveries of Loans & Advances, Capital Receipts, Interstate settlement (net)

Chart 2.2: Application of Resources
(per cent)



¹ Opening/closing cash balance includes cash balance, investments of cash balances & earmarked funds.

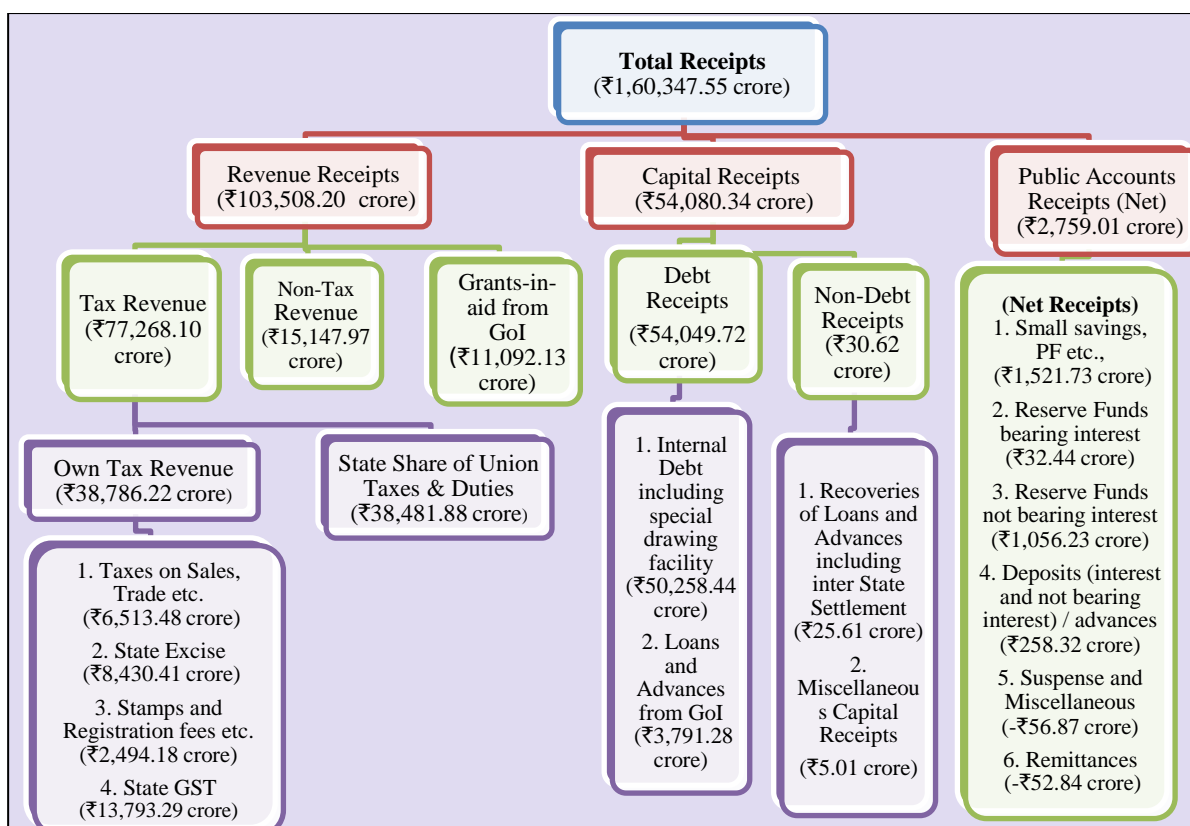
2.3 Resources of the State

- 1. Revenue Account 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).
- 2. Capital Account receipts** (debt and non-debt 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.
- 3. Net Public Accounts receipts:** There 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

Chart 2.3 presents the composition of the overall receipts. Besides, the Revenue and Capital receipts, funds available in the Public Account (net of disbursement made from it) are also utilised by the Government to finance its deficit.

Chart 2.3: Composition of receipts of the State during 2023-24



Source: Finance Accounts 2023-24

2.3.2 Revenue Receipts

Revenue receipts consist of the State's Own Tax and Non-Tax Revenue, Central Tax transfers and Grants-in-aid from GoI.

2.3.2.1 Trends and growth of Revenue Receipts

Trends and growth of Revenue receipts as well as revenue buoyancy with respect to GSDP over the five-year period 2019-24 are shown in **Table 2.3**.

Table 2.3: Trend in Revenue Receipts

(₹ in crore)						
Sl. No.	Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
1	Revenue Receipts (RR)	63,868.70	63,176.18	79,652.03	93,877.14	1,03,508.20
2	Rate of growth of RR (<i>per cent</i>)	(-)1.88	(-)1.08	26.08	17.86	10.26
3	Tax Revenue	42,323.69	43,226.74	55,654.52	65,480.57	77,268.10
4	<i>Own Tax Revenue</i>	22,117.85	22,889.20	27,083.73	33,122.31	38,786.22
5	<i>State's share in Union taxes and duties</i>	20,205.84	20,337.54	28,570.79	32,358.26	38,481.88
6	Non-Tax Revenue	7,933.77	7,136.95	13,851.21	15,248.24	15,147.97
7	Grants-in-aid from GoI	13,611.24	12,812.49	10,146.30	13,148.33	11,092.13
8	Rate of growth of Grants-in-aid (<i>per cent</i>)	8.84	(-)5.87	(-)20.81	29.59	(-)15.64
9	Rate of growth of Own Tax Revenue (<i>per cent</i>)	3.22	3.49	18.33	22.30	17.10
10	Own Revenue (Own Tax and Non-tax Revenue) (4) +(6)	30,051.62	30,026.15	40,934.94	48,370.55	53,934.19
11	Rate of growth of Own Revenue (<i>per cent</i>)	3.16	(-)0.08	36.33	18.16	11.50
12	Gross State Domestic Product	3,44,672	3,52,328	4,10,525	4,64,399	5,05,887
13	Rate of growth of GSDP (<i>per cent</i>)	5.37	2.22	16.52	13.12	8.93
14	RR/GSDP (<i>per cent</i>)	18.53	17.93	19.40	20.21	20.46
Buoyancy Ratios²						
15	Own Tax revenue Buoyancy w.r.t GSDP	0.60	1.57	1.11	1.70	1.91

Source: Finance Accounts of the respective years, GSDP figures: Directorate of Economics and Statistics of the Chhattisgarh State.

Table 2.3 shows that revenue receipts increased by ₹39,639.50 crore from ₹63,868.70 crore in 2019-20 to ₹103,508.20 crore during 2023-24. During 2023-24, Revenue receipts increased by ₹9,631.06 crore (10.26 *per cent*) over the previous year mainly due to increase in receipts of Own Tax Revenue by ₹5,663.91 crore (17.10 *per cent*) and State's share in Union taxes and duties by ₹6,123.62 crore (18.92 *per cent*).

During 2019-20, about 47 *per cent* of the revenue receipts came from State's own resources, while Central Tax Transfers and Grants-in-Aid together contributed 53 *per*

² Buoyancy indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable.

cent. In the year 2023-24, about 52 per cent of the revenue receipts came from the State's own resources, while Central Tax Transfers and Grants-in-Aid together contributed 48 per cent.

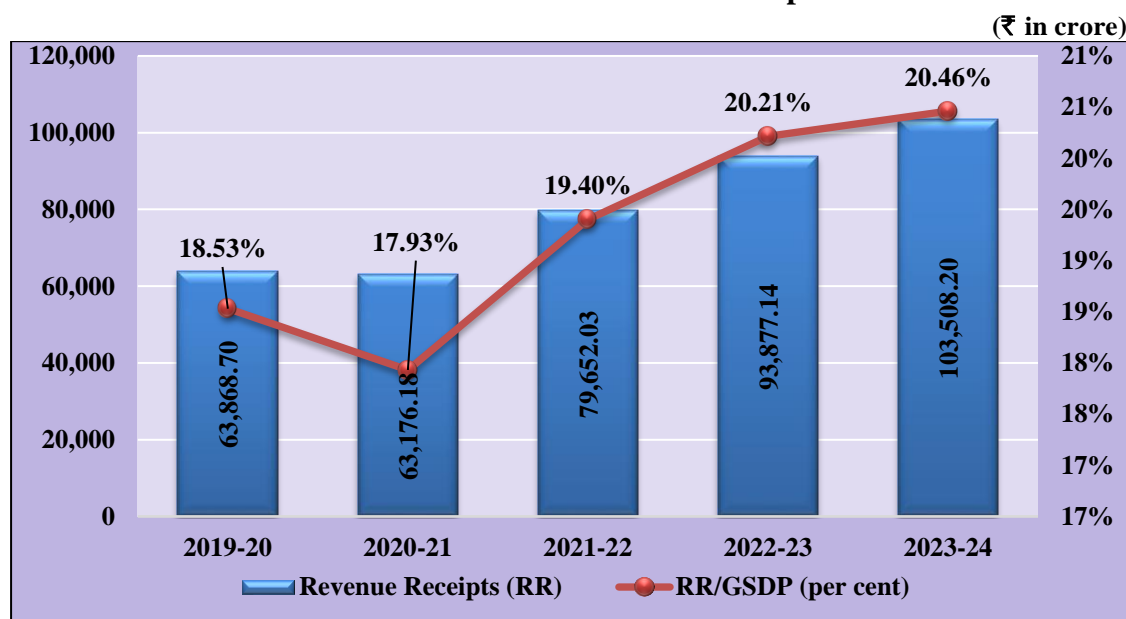
The Share of the Own Tax Revenue (OTR) in revenue receipts of the States, which was at 34.63 per cent in 2019-20, has picked up the pace and increased to 35.28 per cent in 2022-23 and 37.47 per cent in 2023-24 over the previous years.

The Grants-in-aid from GoI have fluctuated over the years. Grants-in-aid from GoI decreased by 18.51 per cent during the period 2019-20 to 2023-24. It decreased by ₹2,056.20 crore (15.64 per cent) in 2023-24 as compared to 2022-23.

Own tax Revenue Buoyancy measures the responsiveness of tax revenue to the growth of the economy (i.e. GSDP). As can be seen from **Table 2.3**, the own tax revenue buoyancy steadily increased from 0.60 in 2019-20 to 1.91 in 2023-24, which suggests that growth of collection of taxes in the State has improved relative to its economic growth.

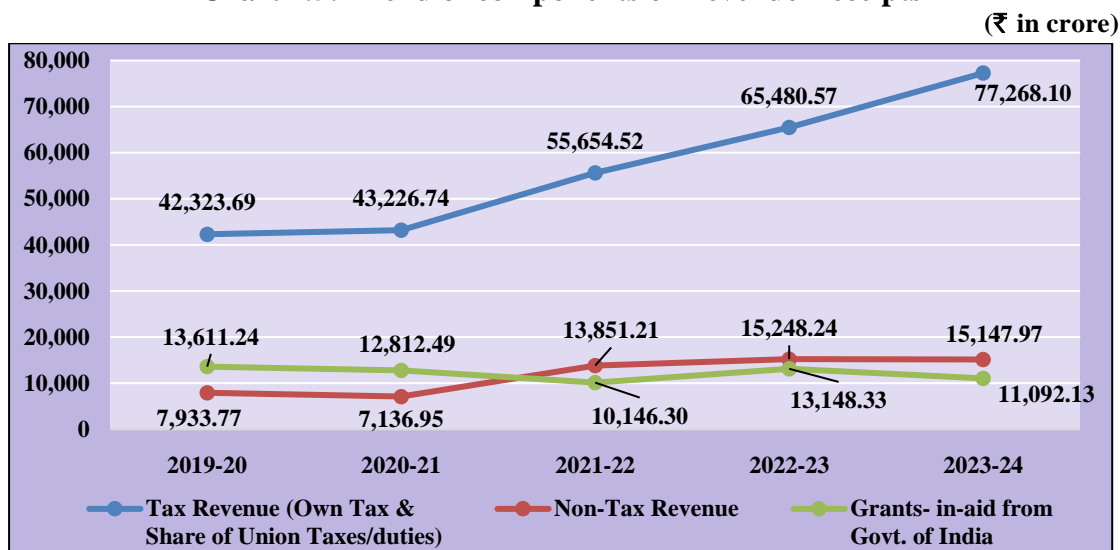
Trends in revenue receipts relative to GSDP and composition of Revenue Receipts are given in **Charts 2.4 and 2.5** respectively.

Chart 2.4: Trend of Revenue Receipts



Source: Finance Accounts of the respective years

Chart 2.5: Trend of components of Revenue Receipts



Source: Finance Accounts of the respective years

2.3.2.2 State's own resources

The state's share in central taxes is determined on the basis of recommendations of the Finance Commission. Grants-in-Aid are determined by the quantum of collection of Central tax receipts and anticipated Central assistance for schemes. The 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.

The Own Tax and Non-Tax Revenue receipts for the year 2019-20 to 2023-24 are given in Table 2.4.

Table 2.4: Growth of State's own Tax/Non-Tax revenue during 2019-24

(₹ in crore)

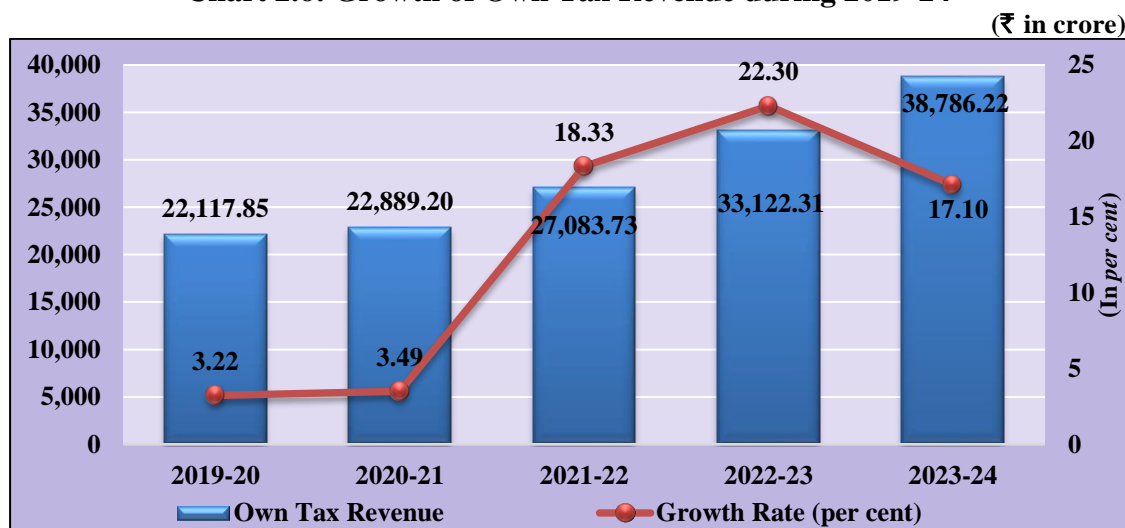
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
1	Own Tax Revenue	22,117.85	22,889.20	27,083.73	33,122.31	38,786.22
2	Rate of Growth (<i>per cent</i>)	3.22	3.49	18.33	22.30	17.10
3	Non-Tax Revenue	7,933.77	7,136.95	13,851.21	15,248.24	15,147.97
4	Rate of Growth (<i>per cent</i>)	3.00	(-)10.04	94.08	10.09	(-)0.66

Source: Finance Accounts of the respective years

- The Own Tax Revenue has consistently increased over the years, with a significant jump of 18.33 *per cent* from 2020-21 to 2021-22 and again from 2021-22 to 2022-23 (22.30 *per cent*). The growth rate has slowed down slightly from 2022-23 to 2023-24 (17.10 *per cent*) but still remains robust.
- The Non-Tax Revenue has fluctuating trend over the years, with a significant increase of 94.08 *per cent* from 2020-21 to 2021-22. The Non-Tax Revenue growth rate has slowed down significantly (10.09 *per cent*) from 2021-22 to 2022-23 and has even turned negative (-0.66 *per cent*) from 2022-23 to 2023-24.

(i) Own Tax Revenue

Own tax revenues of the State consist of State GST, State excise, taxes on vehicles, Stamp duty and Registration fees, Land revenue, taxes on goods and passengers, etc. Growth of Own Tax Revenue of the State Government during the five-year period 2019-24 is given in **Chart 2.6**:

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

Source: Finance Accounts of the respective years

The component-wise details of Own Tax Revenue collected during the five-year period 2019-24 are given in **Table 2.5**.

Table 2.5: Component-wise Own Tax Revenue during 2019-24

(₹ in crore)

Sl. No.	Heads	2019-20	2020-21	2021-22	2022-23	2023-24	% (+) / (-) in 2023-24 over 2022-23
1	Taxes on Sales, Trades, etc.	3,931.37	4,236.04	5,341.10	6,450.03	6,513.48	0.98
2	State Goods and Services Tax	7,894.82	7,925.01	9,483.48	11,298.14	13,793.29	22.08
3	State Excise	4,952.36	4,635.80	5,106.61	6,782.70	8,430.41	24.29
8	Taxes and duties on electricity	1,837.00	2,341.41	2,836.05	3,676.97	4,584.76	24.69
4	Taxes on Vehicles	1,274.85	1,148.07	1,372.51	1,756.62	2,048.20	16.60
5	Stamps and Registration Fees	1,634.63	1,584.94	1,945.36	2,228.64	2,494.18	11.91
6	Land Revenue	551.50	937.71	949.94	868.56	847.80	(-)2.39
7	Taxes on Goods and Passengers	40.51	79.83	47.90	59.60	73.28	22.95
9	Other Taxes ³	0.81	0.39	0.78	1.05	0.82	(-)21.90
Total		22,117.85	22,889.20	27,083.73	33,122.31	38,786.22	17.10

Source: Finance Accounts of respective years

³ Other taxes include Hotel Receipts Tax and Other Taxes on Income and Expenditure.

- Own Tax Revenue of the State increased by ₹16,668.37 crore (75.36 per cent) from ₹22,117.85 crore in 2019-20 to ₹38,786.22 crore in 2023-24. During the current year, the Own Tax Revenue increased by ₹5,663.91 crore (17.10 per cent) mainly due to an increase in receipts under State Goods and Services Tax (₹2,495.15 crore), State excise (₹1,647.71 crore) and Taxes and duties on electricity (₹907.79 crore).
- The increase in State Goods and Services Tax (SGST) was mainly due to increase in receipt under input tax credit cross utilisation of SGST and IGST (₹1,043.37 crore) and Apportionment of IGST–Transfer-in of Tax component to SGST (₹1,336.23 crore). The increase in State excise was due to control of sale of illegal liquor by the Excise Department, change in Structure of Liquor Shops and due to the efficient management of liquor shops by Chhattisgarh State Marketing Corporation Limited. Further, increase in Taxes and duties on electricity was mainly due to collection of recoveries which are pending from Industries and increase in electricity tariff in all categories.
- Out of the Total Own Tax Revenue of ₹38,786.22 crore in 2023-24, the State Goods and Services Tax contributed 36 per cent followed by State Excise 22 per cent and Taxes on Sales, Trades, etc. 17 per cent. During the year 2023-24, the estimated SGST was ₹14,027.63 crore against which actual collection was ₹13,793.29 crore which was 1.67 per cent below the estimation.

(ii) Non-Tax Revenue

Non-Tax revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts, etc. The component-wise details of Non-Tax Revenue collected during the years 2019-24 are as follows:

Table 2.6: Component wise Non-tax Revenue

							(₹ in crore)
Sl. No.	Revenue head	2019-20	2020-21	2021-22	2022-23	2023-24	% (+)/ (-) in 2023-24 over 2022-23
1	Interest receipts	232.41	89.77	137.96	200.75	175.16	(-)12.75
2	Dividend and Profits	2.39	2.29	3.64	6.20	3.84	(-)38.06
3	Other non-tax receipts	7,698.97	7,044.89	13,709.61	15,041.29	14,968.97	(-)0.48
i	Non-ferrous Mining and Metallurgical Industries	6,195.73	5,538.49	12,305.39	12,941.33	12,795.34	(-)1.13
ii	Forestry and Wildlife	249.37	277.09	346.90	856.04	811.28	(-)5.23
iii	Major Irrigation	437.04	445.91	418.17	412.88	448.80	8.70
iv	Minor Irrigation	287.54	232.72	140.60	311.86	342.10	9.70
v	Others	529.29	550.68	498.55	519.18	571.45	10.07
Total		7,933.77	7,136.95	13,851.21	15,248.24	15,147.97	(-)0.66

Source: Finance Accounts of the respective years

- The total non-tax Revenue receipts increased by ₹7,214.20 crore (90.93 per cent) from ₹7,933.77 crore in 2019-20 to ₹15,147.97 crore in 2023-24. The Non-Tax Revenue decreased by ₹100.27 crore (0.66 per cent) during 2023-24

over the previous year mainly due to decrease in receipts under Non-ferrous Mining and Metallurgical Industries by ₹145.99 crore.

- Decrease in Non-ferrous Mining and Metallurgical Industries was mainly due to fall in average market value of Iron ore and non-receipt of environment clearance on mines of minor mineral (Sand).

(iii) Analysis of Arrear of Revenue, evasion of tax detected by Department, refund cases, etc.

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 2024 on State Excise, taxes on vehicles, GST and Taxes on Sales, Trades, etc. amounted to ₹10,279.39 crore of which ₹2,727.65 crore was outstanding for more than five years, as detailed in the **Table 2.7**.

Table 2.7: Arrears of Revenue

(₹ in crore)

Sl. No.	Head of Revenue	Total outstanding as on 31 March 2024	outstanding for more than five years as on 31 March 2024	Remarks
1	State Excise	56.39	56.39	This includes amount of excise duty difference, entertainment tax arrears, license fee, <i>Khisra</i> and <i>papistra</i> (<i>Poppy seed</i>) license fee arrears. Recovery proceedings are under process.
2	Taxes on Vehicles	354.21	287.33	Vehicle tax has not been deposited on time by the vehicle owners. For recovery, action has been taken from time to time by the enforcement forces of check posts/flying squads. Due to unavailability of the vehicle owner at registered address and the vehicle not being driven on the route, the vehicle not being traced, and outstanding amount is not being recovered.
3	GST	6,196.37	18.78	Department stated that recovery proceedings are under process. In some cases, appeal is pending in the Revision Court. In some cases, dues are pending in the event of death of the proprietor. Further, some businessman's bank account has been seized, and the amount of some traders has been adjusted.
4	Taxes on Sales, Trades, etc.	3,672.42	2,365.15	Reason not furnished by the department.
Total		10,279.39	2,727.65	

Source: Information furnished by the Departments

Arrears of revenue in respect of Taxes and duties on electricity, Stamp duty and registration fees, Mineral Resource and Forest have not been provided by the concerned departments despite being requested by Audit in September 2024.

Evasion of tax cases detected by the Departments

The cases of evasion of tax detected by the Departments, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government.

The cases of evasion of tax detected by following departments, cases finalised and demands for additional tax raised, as reported by these Departments, are given in **Table 2.8**. Department of Excise has furnished nil cases of tax evasion.

Table 2.8: Cases of tax evasion

Sl. No.	Head of Revenue	Cases pending as on 1 st April 2023	Cases detected during 2023-24	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 st March 2024
					No. of Cases	Amount of demand (in crore)	
1	Taxes on Vehicles	877	152	1,029	1,029	7.30	0
2	GST	34	48	82	12	5.13	70
3	Taxes on Sales, Trades, etc.	3	0	3	3	320.19	0
Total		914	200	1,114	1,044	332.62	70

Source: Information furnished by the Departments

As can be seen, 6.28 *per cent* of total cases were pending for finalisation at the end of March 2024. Other Departments *viz.*, Energy, Commercial Tax (Registration), Mineral Resource, Forest *etc.* did not furnish the details regarding evasion of tax/ revenue, despite being requested by Audit in September 2024.

Pendency of Refund Cases

Promptness in disposal of refund cases is an important indicator of performance of the Departments. The number of refund cases pending at the beginning of the year, claims received during the year, refunds allowed during the year and the cases pending at the close of the year, as reported by the Departments are given in **Table 2.9**:

Table 2.9: Refund cases

Sl. No.	Particulars	(₹ in crore)							
		State Excise		Taxes on Vehicles		GST		Taxes on Sales, Trades, etc.	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year (1 st Apr 2023)	22	0.81	1	0.06	500	193.75	942	9.82
2.	Claims received during the year (2023-24)	5	0.33	15	0.64	1956	895.37	1349	47.41
3.	Refunds made during the year (2023-24)	12	0.71	0	0.00	1425	627.47	1256	46.24

4.	Refund rejected during the year (2023-24)	0	0.00	15	0.64	503	250.41	8	0.11
5.	Balance outstanding at the end of the year (31 st Mar 2024)	15	0.43	1	0.06	528	211.24	1027	10.88

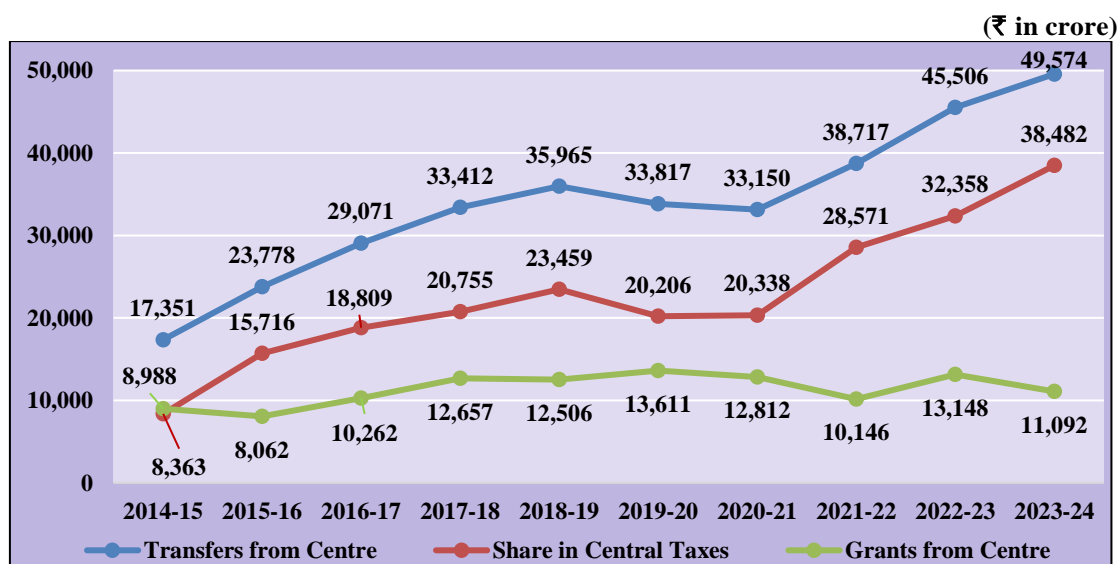
Source: Information furnished by the Departments

The Energy (Taxes and duties on electricity), Commercial Tax (Registration), Mineral Resource and Forest departments did not furnish the details of pendency of refund cases at the end of March 2024.

2.3.2.3 Transfers of funds from the Centre

Transfers of funds from Central Government are dependent on recommendations of Finance Commission. The State in addition to its share in Central Taxes and Grants-in-aid (GIA) recommended by Finance Commission, receives GIA under centrally sponsored schemes (CSS)/other grants. The trends in this regard during the ten-year period 2014-24 are given in **Chart 2.7**:

Chart 2.7: Trends in transfers from the Centre



Source: Finance Accounts of the respective years

Transfer of funds from the Centre has increased from 2015-16 onwards, as State's share of Central taxes increased to 42 *per cent* from 32 *per cent* as per XIV Finance Commission which was decreased to 41 *per cent* with effect from 2020-21 onwards as per the XV FC report. During the current year, Transfers from the Centre increased by ₹4,068 crore from ₹45,506 crore in 2022-23 to ₹49,574 crore in 2023-24.

(i) Central Tax Transfers

The details of Chhattisgarh State's share in Union Taxes and Duties during 2019-24 are given in **Table 2.10**.

Table 2.10: Central Tax Transfers

(₹ in crore)

Sl. No.	Head	2019-20	2020-21	2021-22	2022-23	2023-24
1	Central Goods and Services Tax	5,733.71	6,068.90	8,628.50	9,142.17	11,678.76
2	Integrated Goods and Services Tax	0.00	0.00	0.00	0.00	0.00
3	Corporation Tax	6,889.42	6,117.65	7,699.82	10,851.70	11,550.56
4	Taxes on Income other than Corporation Tax	5,398.34	6,269.51	8,887.95	10,589.64	13,339.34
5	Customs	1,280.78	1,097.20	2,017.68	1,271.87	1,348.55
6	Union Excise Duties	890.49	686.04	1,009.06	399.02	510.32
7	Service Tax	0.00	84.52	296.68	50.61	7.18
8	Other Taxes	13.10	13.72	31.10	53.25	47.17
9	Central Tax transfers	20,205.84	20,337.54	28,570.79	32,358.26	38,481.88
10	Percentage of increase over previous year	(-)13.87	0.65	40.48	13.26	18.92
11	Percentage of Central tax transfers to Revenue Receipts	31.64	32.19	35.87	34.47	37.18

Source: Finance Accounts of the respective years

Over the five-year period 2019-24, Central tax transfers increased by ₹18,276.04 crore (90.45 per cent) from ₹20,205.84 crore in 2019-20 to ₹38,481.88 crore in 2023-24. The growth rate of Central Tax Transfers showed fluctuating trends ranging from (-)13.87 per cent to 40.48 per cent during 2019-24. The increase of Central Tax transfers by ₹6,123.62 crore (18.92 per cent) in 2023-24 over the previous year was mainly due to an increase in net proceeds assigned to State under Central Goods and Services Tax (₹2,536.59 crore) and Taxes on Income other than Corporation Tax (₹2,749.70 crore).

(ii) Grants-in-Aid from Government of India

Details of Grants-in-Aid (GIA) received by the State Government from GoI during 2019-24 are given below in **Table 2.11**.

Table 2.11: Grants-in-Aid from GoI

(₹ in crore)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
1	Grants for Centrally Sponsored Schemes	7,808.24	6,975.55	6,170.60	8,712.52	8,217.62
2	Finance Commission Grants	2,044.75	2,289.50	2,379.80	1,772.80	1,770.90
3	Other Transfers/Grants to State	3,758.25	3,547.44	1,595.90	2,663.01	1,103.61
4	Total	13,611.24	12,812.49	10,146.30	13,148.33	11,092.13
5	Percentage of increase/decrease over the previous year	8.84	(-)5.87	(-)20.81	29.59	(-)15.64
6	Revenue Receipts	63,868.70	63,176.18	79,652.03	93,877.14	1,03,508.20
7	Total grants-in-aid as a percentage of Revenue Receipts of the State	21.31	20.28	12.74	14.01	10.72

Source: Finance Accounts of the respective years

GIA constituted 11 *per cent* of revenue receipts of the State Government during the year 2023-24. Further, the contribution of GIA towards revenue receipts decreased from 21 *per cent* in 2019-20 to 11 *per cent* in 2023-24. Grants for Centrally Sponsored Schemes (₹8,217.62 crore) to the State constituted 74 *per cent* of the total grants during the year. Finance Commission Grants (₹1,770.90 crore) to the State were provided for Local Bodies and State Disaster Response Mitigation Fund (SDRMF) and constituted 16 *per cent* of total grants during the year.

Grants-in-Aid from GoI decreased by ₹2,056.20 crore (15.64 *per cent*) during the year 2023-24 compared to the previous year primarily due to decrease in receipt of compensation for loss of Revenue arising out of implementation of Goods and Service Tax under Other Transfers/Grants to State.

Single Nodal Agency

Ministry of Finance, Government of India vide letter No. I (13) PFMS/FCD/2020 dated 23 March 2021 had notified procedure for release of funds under Centrally Sponsored Scheme (CSS) and monitoring utilization of the funds released through State Nodal Agency. For each CSS, SNA is to be set up with own Bank Account in scheduled Commercial Bank authorised to conduct Government business by the State Government.

As per MoF, GoI's letter dated 16 February 2023, the State Government shall transfer Central Share as well as commensurate State Share to the SNA account within 30 days of receipt of Central Share. Any delay beyond 30 days in transfer of Central Share to the SNA account, interest on the number of days at the rate of 7 *per cent* per annum has to be paid by the State Government with effect from 01.04.2023.

As on 31 March 2024, the State Government transferred Central share of ₹8,514.85 crore and State share of ₹8,609.09 crore to the SNAs. Detailed vouchers and supporting documents of actual expenditure were not received by the AG office from the SNAs. As per SNA report of PFMS Portal, ₹7,196.82 crore is lying unspent in the bank accounts of SNAs as on 31 March 2024.

As per Ministry of Finance, GoI OM dated 30.06.2021, the interest earned on unspent amount of Centre's Share of Centrally Sponsored Scheme should be deposited to Consolidated Fund of India. During the year 2023-24, an amount of ₹1.53 crore of interest earned on unspent balances of Centre's Share of Centrally Sponsored Scheme was credited to the Consolidated Fund of State instead of depositing the same into Consolidated Fund of India by the State Government / SNAs. This resulted in an overstatement of revenue surplus by ₹1.53 crore. Further, out of the amount of interest on Central Share of ₹22.80 crore deposited during 2022-23, only ₹5.45 crore was transferred in 2023-24 to Department of Drinking Water and Sanitation, Government of India. As a result, the Cash Balance of the State Government as on 31 March 2024 was overstated by ₹18.88 crore (₹17.35 crore of 2022-23 and ₹1.53 of 2023-24).

(a) Fifteenth Finance Commission Grants

Government of India provides grants under Fifteenth Finance Commission for local bodies and State Disaster Risk Management Fund (SDRMF) to the States. Details of grants provided by the GoI to the State in this regard during the year 2023-24 are given in **Table 2.12**:

Table 2.12: Grants-in-Aid released by GoI during 2023-24 as per recommendation of Fifteenth Finance Commission (XVFC)

(₹ in crore)

Sl. No.	Transfers	Recommendation of 15 th FC	Grant released in 2023-24 by GoI
Local Bodies			
1	Grants to PRIs	1125.00	1125.00
(a)	Basic/United Grants (40%)	450.00	450.00
(b)	Performance/Tied Grants (60%)	675.00	675.00
2	Grants to ULBs	580.00	373.50
(a)	Grants for Million Plus cities	178.00	107.50 [#]
(b)	Grants for non-Million Plus cities	402.00	266.00 [#]
3	Health Grant to Local Bodies	356.00	0.00
4	Total for Local Bodies	2,061.00	1,498.50
5	State Disaster Risk Management Fund (SDRMF)	476.00	272.40
(a)	SDRF (80%)	380.80	181.60 [#]
(b)	SDMF (20%)	95.20	90.80 [#]
6	Grand Total	2,537.00	1,770.90

Source: Finance Accounts of 2023-24 and XVFC report

[#] Grants pertaining to the year 2022-23 were released by GoI in the year 2023-24.

- As of March 2024, the State Government received entire Grants to PRIs (Basic grants ₹450.00 crore and Tied grants ₹675.00 crore) as against the recommendation of Fifteenth Finance Commission (XVFC) during 2023-24.
- No funds were received from the GoI as per the recommendation of XVFC for ULBs grant of ₹580.00 crore for the year 2023-24. Grant of ₹373.50 crore for the year 2022-23 was received during the year 2023-24. No funds were received from the GoI as per the recommendation of XVFC for health grant of ₹356 crore during 2023-24.
- No grants were received from the GoI as per the recommendation of XVFC for SDRMF grant of ₹476.00 crore during the current year 2023-24. The State Government received 2nd installment of SDRMF for the year 2022-23 of ₹181.60 crore from GoI during the year 2023-24. The State Government also received 1st & 2nd installment of SDRMF for the year 2022-23 of ₹90.80 crore from GoI during the year 2023-24.

2.3.3 Receipts under Capital Section

Receipts under capital section comprise miscellaneous capital receipts such as proceeds from disinvestment, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/ commercial banks) and loans and advances from GoI.

The following table shows the trends in growth and composition of receipts in capital section for the year 2019-20 to 2023-24.

Table 2.13: Trends in growth and composition of Receipts in Capital Section

(₹ in crore)						
Sl. No.	Sources of State's Receipts under capital section	2019-20	2020-21	2021-22	2022-23	2023-24
1	Miscellaneous Capital Receipts	4.70	4.85	4.89	5.60	5.01
2	Recovery of Loans and Advances	256.78	104.80	88.06	117.52	24.96
3	Inter-State Settlement	0.13	(-)0.67	(-)0.04	(-)0.28	0.65
4	Non-Debt Capital Receipts (A)	261.61	108.98	92.91	122.84	30.62
5	Internal Debt Receipts	19,308.36	17,961.37	9,321.77	6,938.61	50,258.44
6	Growth Rate (in <i>per cent</i>)	39.75	(-)6.98	(-)48.10	(-)25.57	624.33
7	Loans and advances from the Central Government	279.17	3,620.31	5,776.51	3,700.13	3,791.28
8	Growth Rate (in <i>per cent</i>)	(-)49.56	1,196.81	59.56	(-)35.95	2.46
9	Public Debt Receipts (B)	19,587.53	21,581.68	15,098.28	10,638.74	54,049.72
10	Receipts under capital section (A+B)	19,849.14	21,690.66	15,191.19	10,761.58	54,080.34
11	Rate of growth of non-debt Capital Receipts (<i>per cent</i>)	55.59	(-)58.34	(-)14.75	32.21	(-)75.07
12	Rate of growth of Public Debt receipts under capital section (<i>per cent</i>)	36.31	10.18	(-)30.04	(-)29.54	408.05
13	Rate of growth of GSDP at current price (<i>per cent</i>)	5.37	2.22	16.52	13.12	8.93
14	Rate of growth of receipts under capital section (<i>per cent</i>)	36.53	9.28	(-)29.96	(-)29.16	402.53

Source: Finance Accounts of the respective years

Borrowings continued to comprise the largest share in Capital section receipts in the last five year, followed by Recovery of Loans and Advances and Miscellaneous Capital Receipts which together made up less than one *per cent* in Capital Receipts of the States. Capital section receipts of the State increased by ₹34,231.20 crore (172.46 *per cent*) from ₹19,849.14 crore in 2019-20 to ₹54,080.34 crore in 2023-24. During 2023-24, the capital section receipts increased by ₹43,318.76 crore (402.53 *per cent*) over the previous year mainly due to sharp increase in internal debt by ₹43,319.83 crore (624.33 *per cent*). Loans and advances decreased by ₹92.56 crore (78.76 *per cent*) in 2023-24 over the previous year.

2.3.4 State's performance in mobilization of resources

The state's performance in mobilization of resources is assessed in terms of its own resources comprising own-tax and non-tax sources. The State's actual own tax and non-tax revenue for 2023-24 in comparison to the Fifteenth Finance Commission (XVFC) assessment and budget estimates are given in **Table 2.14**.

Table 2.14: Own Tax and non-tax receipts *vis-à-vis* projections

(₹ in crore)

Sl. No.	Particulars	XVFC projections	Budget Estimates	Actual	Percentage variation of actual over	
					XVFC projections	Budget Estimates
1	Own Tax revenue	29,195.00	38,000.00	38,786.22	32.85	2.07
2	Non-tax revenue	10,536.00	18,200.00	15,147.97	43.77	(-)16.77
Total		39,731.00	56,200.00	53,934.19	35.75	(-)4.03

Source: Finance Accounts, Budget Books and Finance commission report

The State Government exceeded the expectations of the XVFC and budget projections in mobilizing own tax revenue by 32.85 *per cent* and 2.07 *per cent* respectively. However, it could not meet the non-tax revenue target set in its own budget estimates and was short by 16.77 *per cent*. The increase in Own Tax revenue (₹786.22 crore) w.r.t budget estimate was mainly due to an increase in State Excise by ₹1,730.42 crore than projections made in the budget. Similarly, the decrease of ₹3,052.03 crore in non-tax revenue w.r.t. budget estimate was mainly due to less receipts under Non-ferrous Mining and Metallurgical Industries by ₹2,704.66 crore and Major Irrigation by ₹373.57 crore than projections made in the budget.

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 is not at the cost of expenditure directed towards development of capital infrastructure and social sector.

2.4.1 Growth and composition of expenditure

The total expenditure incurred, its composition, and relative share in GSDP during the years 2019-20 to 2023-24 is presented in **Table 2.15**.

Table 2.15: Total Expenditure and its composition

(₹ in crore)

Sl. No.	Parameters	2019-20	2020-21	2021-22	2022-23	2023-24 (Budget Estimate)	2023-24 (Actual)
1	Total Expenditure (TE)	82,099.86	79,107.54	85,838.04	98,691.19	1,21,500.25	1,30,471.85
2	Revenue Expenditure (RE)	73,477.31	70,032.84	75,010.01	85,285.03	1,02,500.70	1,14,740.96
3	Capital Expenditure	8,566.39	9,024.19	10,504.22	13,320.30	18,660.20	15,418.93
4	Loans and Advances ⁴	56.16	50.51	323.81	85.86	339.35	311.96
5	GSDP at current prices	3,44,672	3,52,328	4,10,525	4,64,399	5,09,043	5,05,887
6	As a percentage of GSDP						
7	TE/GSDP	23.82	22.45	20.91	21.25	23.87	25.79
8	RE/GSDP	21.32	19.88	18.27	18.36	20.14	22.68

⁴ Loans and advances including inter-State settlement.

9	CE/GSDP	2.49	2.56	2.56	2.87	3.67	3.05
10	Loans and advances/GSDP	0.02	0.01	0.08	0.02	0.07	0.06

Source: Finance Accounts of the respective years

Table 2.15 shows that total expenditure of the State increased by ₹48,371.99 crore (58.92 *per cent*) from ₹82,099.86 crore in 2019-20 to ₹130,471.85 crore in 2023-24. However, the total expenditure as a percentage of GSDP has fluctuating trend, with a decrease from 2019-20 to 2021-22 and an increase from 2022-23 to 2023-24.

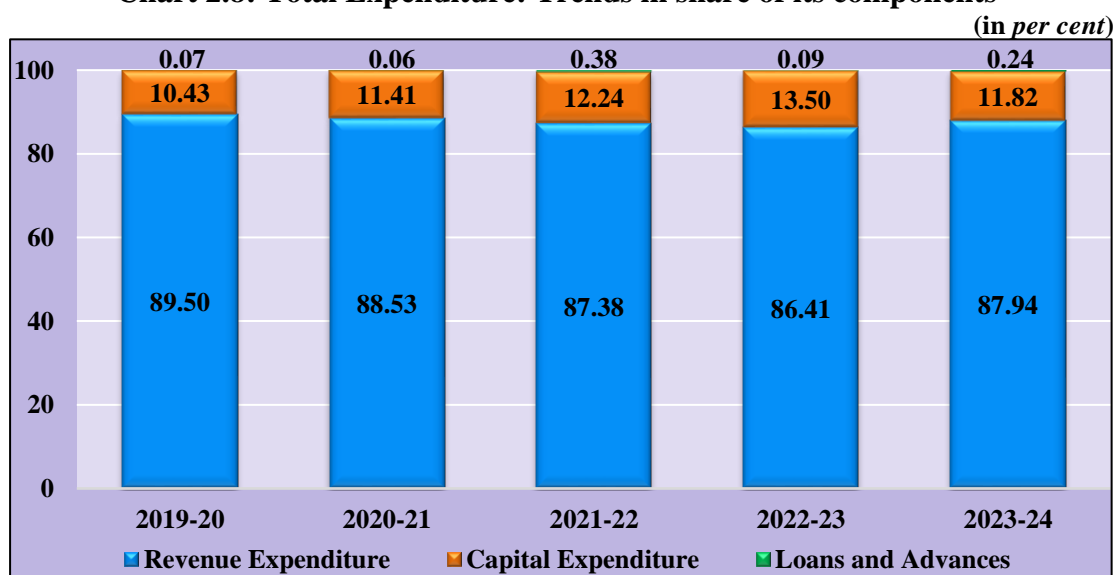
During the current year, total expenditure increased by ₹31,780.66 crore (32.20 *per cent*) over the previous year mainly due to an increase in revenue expenditure by ₹29,455.93 crore (34.54 *per cent*). Revenue expenditure exceeded the budgetary projections by 12 *per cent*.

During the year 2023-24, actual expenditure on capital and loans & advances was less than the budgeted estimates. Capital expenditure being lower than the budget estimate indicates investment as planned in capital projects was not done.

Further, the revenue expenditure as a percentage of GSDP has shown a decreasing trend from 2019-20 to 2021-22 and after that it increased from 2022-23 to 2023-24. Capital expenditure as a percentage of GSDP remained relatively stable, with a slight increase from 2022-23 (2.87 *per cent*) to 2023-24 (3.05 *per cent*).

Chart 2.8 depicts the trend of the share of the components in total expenditure.

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



Source: Finance Accounts of the respective years

Chart 2.8 shows that the revenue expenditure constituted the dominant portion (86.41 *per cent* to 89.50 *per cent*) of the total expenditure during 2019-24. The capital expenditure, on the other hand, constituted between 10.43 *per cent* and 13.50 *per cent* of the total expenditure.

In terms of activities, the total expenditure as shown in **Appendix 2.1** comprises expenditure on General Services including Interest Payments, Social Services, Economic Services and others. Relative expenditure on these components is shown in **Table 2.16**.

Table 2.16: Relative share of various sectors in expenditure

(₹ in crore)

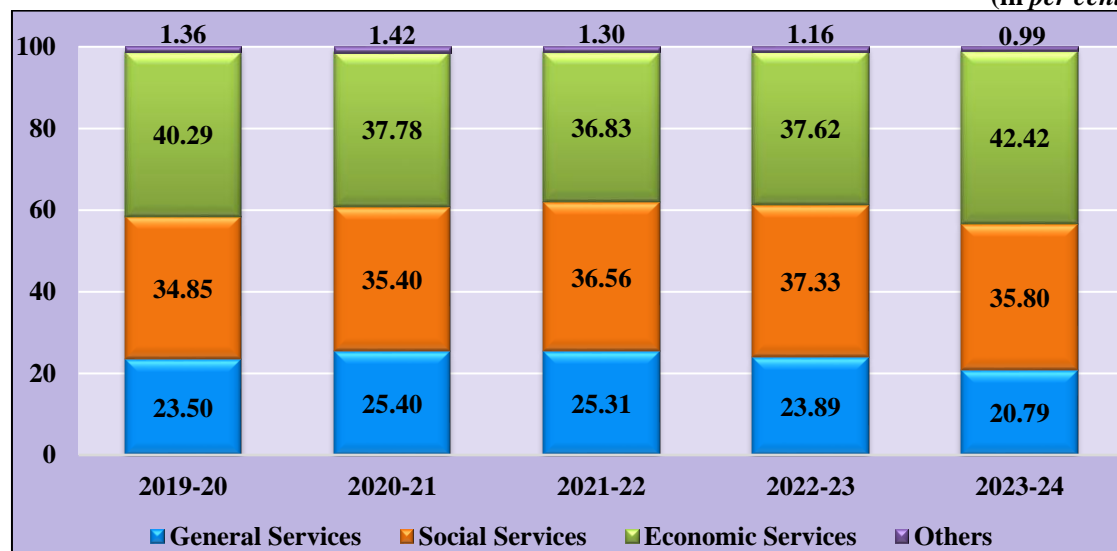
Sl. No.	Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
1	General Services	19,289.82	20,095.21	21,727.03	23,579.86	27,124.25
2	Social Services	28,610.12	28,001.32	31,382.55	36,842.83	46,702.08
3	Economic Services	33,079.55	29,885.69	31,615.95	37,126.03	55,347.49
4	Others (Grants to Local Bodies and Inter-State settlement)	1,120.37	1,125.32	1,112.51	1,142.47	1,298.03
Total Expenditure		82,099.86	79,107.54	85,838.04	98,691.19	1,30,471.85

Source: Finance Accounts of the respective years

- Expenditure on General services increased by ₹3,544.39 crore (15.03 *per cent*) from ₹23,579.86 crore in 2022-23 to ₹27,124.25 crore in 2023-24 mainly due to increase in expenditure on Pensions and Other Retirement Benefits by ₹1,450.36 crore, Police by ₹564.53 crore and Interest Payments by ₹416.26 crore.
- During the current year, expenditure in Social services increased by ₹9,859.25 crore (26.76 *per cent*) over the previous year mainly due to an increase in expenditure in General Education by ₹2,954.40 crore, Social Security and Welfare by ₹2,350.76 crore and Housing by ₹2,105.87 crore.
- Expenditure in Economic services increased by ₹18,221.46 crore (49.08 *per cent*) over the previous year mainly due to an increase in revenue expenditure on Crop Husbandry by ₹15,528.69 crore and Power by ₹1,228.18 crore.

Chart 2.9: Total Expenditure by activities

(in per cent)

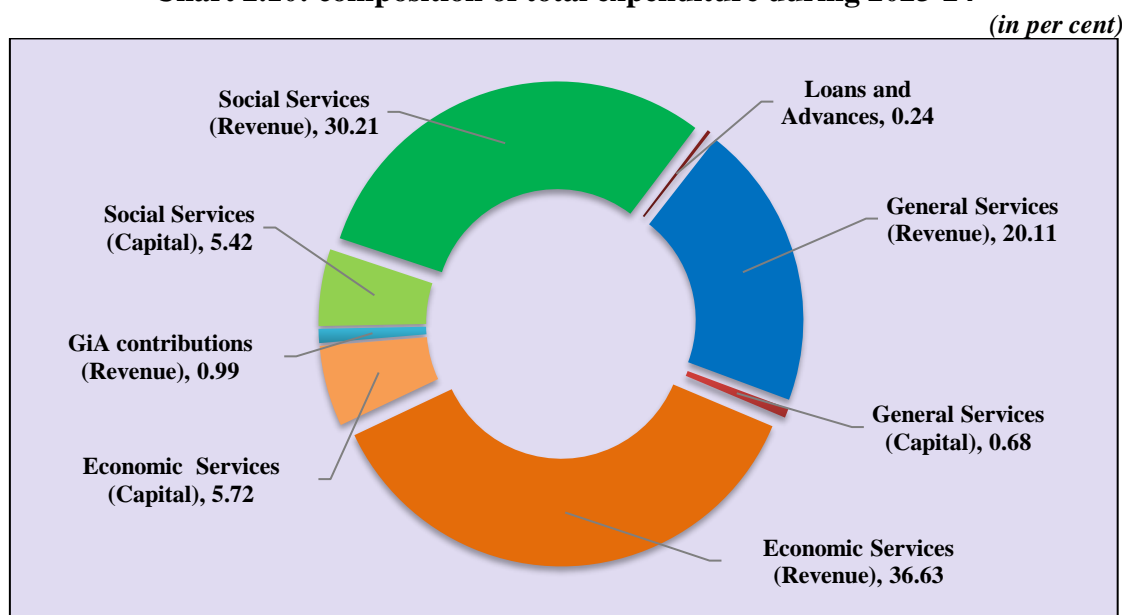


Source: Finance Accounts of the respective years

As can be seen from **Chart 2.9**, the share of Social services expenditure in total expenditure has shown an increasing trend i.e. from 34.85 *per cent* in 2019-20 to 37.33

per cent in 2022-23 but decreased slightly to 35.79 per cent in 2023-24. The share of General services in total expenditure shown a decreasing trend from 25.40 per cent in 2020-21 to 20.79 per cent in 2023-24. Further, Economic services share in total expenditure decreased during 2019-20 to 2021-22 and then increased in 2021-22 (36.83 per cent) to 2023-24 (42.42 per cent). Social and Economic services constituted 78.21 per cent of total expenditure during 2023-24. **Chart 2.10** depicts the composition of expenditure during 2023-24.

Chart 2.10: composition of total expenditure during 2023-24



Source: Finance Accounts 2023-24

Chart 2.10 presents that during the year 2023-24, the revenue expenditure under Economic services was highest at 36.63 per cent of total expenditure followed by Social services 30.21 per cent and General services 20.11 per cent. The capital expenditure on General services was 0.67 per cent, Social services 5.42 per cent, Economic services 5.72 per cent and loans and advances disbursed was 0.24 per cent of total 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 service network. The overall revenue expenditure, its rate of growth, and ratio to total expenditure are shown in **Table 2.17**.

Table 2.17: Revenue Expenditure—basic parameter

(₹ in crore)

Sl. No.	Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
1	Total Expenditure (TE)	82,099.86	79,107.54	85,838.04	98,691.19	1,30,471.85
2	Revenue Expenditure (RE)	73,477.31	70,032.84	75,010.01	85,285.03	1,14,740.96
3	Rate of Growth of RE (per cent)	14.08	(-)4.69	7.11	13.70	34.54
4	RE as percentage of TE	89.50	88.53	87.39	86.42	87.94
5	RE/GSDP (per cent)	21.32	19.88	18.27	18.36	22.68

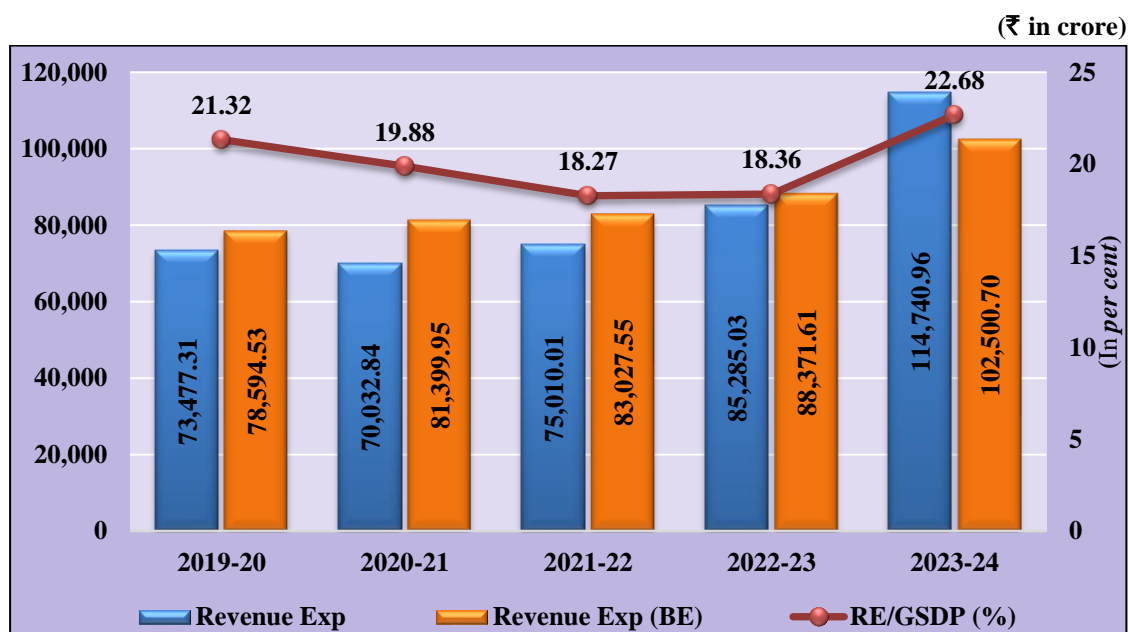
6	Revenue Receipts (RR)	63,868.70	63,176.18	79,652.03	93,877.14	1,03,508.20
7	Rate of Growth of RR (<i>per cent</i>)	(-)1.88	(-)1.08	26.08	17.86	10.26
8	RE as percentage of RR	115.04	110.85	94.17	90.85	110.85
9	Rate of Growth of GSDP	5.37	2.22	16.52	13.12	8.93

Source: Finance Accounts of respective years

The revenue expenditure increased by ₹29,455.93 crore (34.54 *per cent*) in 2023-24 over the previous year mainly due to an increase in expenditure under Crop Husbandry (by ₹15,551.65 crore), Social Security and Welfare (by ₹2,251.39 crore) and General Education (by ₹2,098.85 crore).

Trend of revenue expenditure w.r.t. Budget estimates and GSDP is shown in **Chart 2.11**.

Chart 2.11: Revenue Expenditure w.r.t. Budget estimates and GSDP

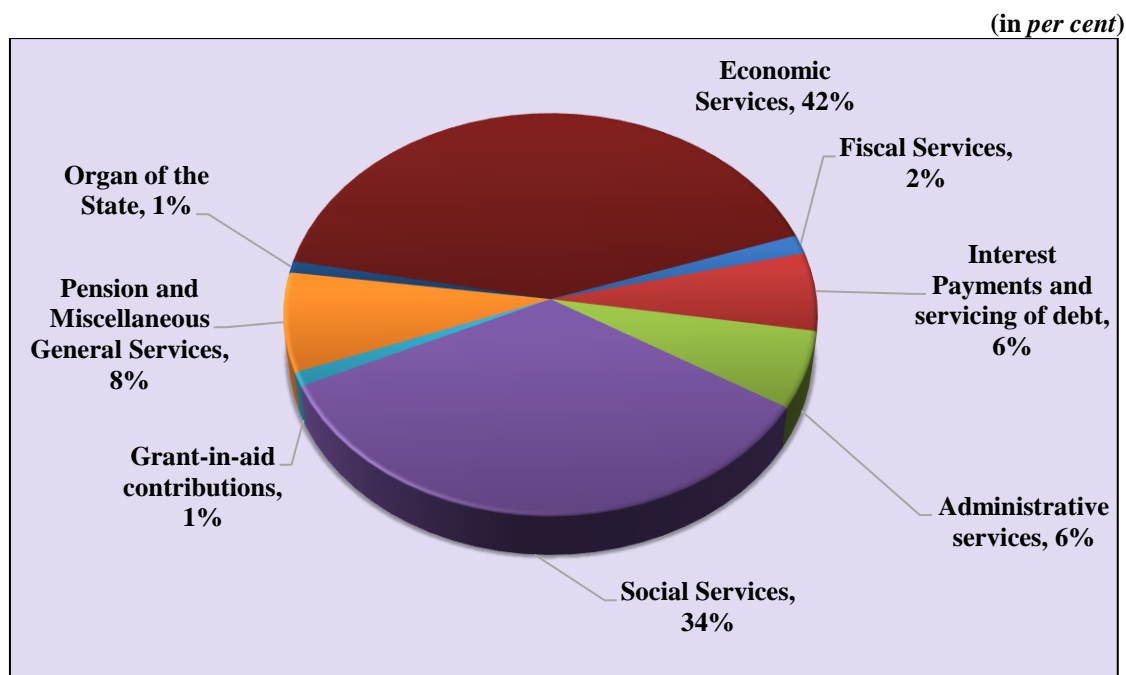


Source: Finance Accounts of respective years

As can be seen from the above Chart, the revenue expenditure was within the budgeted estimates from 2019-20 to 2022-23, but in 2023-24, Revenue expenditure as percentage of GSDP has increased from 18.27 *per cent* in 2021-22 to 22.68 *per cent* in 2023-24.

The sectoral distribution of revenue expenditure is given in **Chart 2.12**:

Chart 2.12: Sectoral distribution of Revenue Expenditure during 2023-24



Source: Finance Accounts 2023-24

2.4.2.1 Major Changes in Revenue Expenditure

The revenue expenditure increased substantially by ₹29,455.93 crore (34.54 *per cent*) from ₹85,285.03 crore in 2022-23 to ₹1,14,740.96 crore in 2023-24. **Table 2.18** details significant variations under various Heads of Account with regard to Revenue expenditure of the State during the current year over the previous year.

Table 2.18: Details of significant variation in Revenue Expenditure

Sl. No.	Major Heads of Accounts	₹ in crore)		
		2022-23	2023-24	Increase (+)/ Decrease (-)
1	2401-Crop Husbandry	8,985.04	24,536.69	15,551.65
2	2235-Social Security and Welfare	2,024.64	4,276.03	2,251.39
3	2202-General Education	17,369.52	19,468.37	2,098.85
4	2216-Housing	1,246.65	3,386.05	2,139.40
5	2071-Pension and Other Retirement Benefits	7,661.46	9,111.82	1,450.36
6	2801-Power	5,262.19	6,490.37	1,228.18
7	2217-Urban Development	2,639.98	2,011.80	(-)628.18
8	2408-Food Storage and Warehousing	5,911.58	5,621.76	(-)289.82

Source: Finance Accounts for the respective years

- The increase of ₹15,551.65 crore expenditure under 2401-Crop Husbandry was mainly due to expenditure ₹13,320.58 crore under the new scheme *Krishak Unnati Yojana* to increase crop area coverage, production and productivity, increase in the income of farmers and improvement in their socio-economic status by reducing the input cost of crops and restoring agriculture as a profitable business.

- Increase of ₹2,251.39 crore expenditure under 2235-Social Security and Welfare was mainly due to launch of new scheme *Mahatari Vandan Yojana* (₹1,310.93 crore) and increase in expenditure under *Mukhya Mantri Pension Yojana* by ₹166.98 crore, social security pension by ₹167.32 crore, *Sukhad Sahara Yojana* by ₹35.45 crore.
- Increase of ₹2,098.85 crore under Major Head 2202-General Education was primarily due to an increase in expenditure relating to Central and State schemes such as *Samagra Shiksha* (₹271.59 crore), *Excellent School Operation* (₹369.02 crore), *Higher Secondary school* (₹655.99 crore), *Grants to government primary schools for minimum services* (₹148.21 crore) and *PM SHRI (school for Rising India) Yojana* (₹32.90 crore).
- The increase of ₹2,139.40 crore expenditure under 2216-Housing was mainly due to an increase in expenditure under *Pradhan Mantri Awas Yojana - Rural* by ₹1,820.79 crore.
- Increase of ₹1,450.36 crore expenditure under 2071-Pension and Other Retirement Benefits was mainly due to increase in expenditure under *Superannuation and Retirement Allowances* (₹944.84 crore), *Gratuities* (₹116.32 crore) and *Family Pensions* (₹165.99 crore).
- Increase of ₹1,228.18 crore under 2801-Power was mainly on account of subsidy for free Supply of electricity to Agriculture Pumps up to five horsepower by ₹1,069.58 crore.
- The decrease of ₹628.18 crore under 2217-Urban Development was mainly due to a decrease in expenditure under schemes i.e. *AMRUT Mission* by ₹301.80 crore and *Raipur Smart City* by ₹147.00 crore.
- The decrease of ₹289.82 crore under 2408-Food Storage and Warehousing was mainly due to decrease of ₹313.37 crore in subsidy given under *Chief Ministers Food Assistance Scheme*.

2.4.2.2 Committed and Non-Committed Expenditure

Expenditure of the State Government on revenue account can be classified as committed and non-committed expenditure. Committed Expenditure of Government on revenue account consists mainly of expenditure on salaries and wages, interest payments and pensions. Expenditure other than committed expenditure can be classified into non-committed expenditure.

Apart from the above, there are certain items of inflexible expenditure which cannot be ordinarily altered or varied or are statutorily required on an annual basis. For example, the following items may be considered as inflexible expenditure:

- (i) Devolution to local bodies - statutory devolutions to local bodies for pay and allowances (devolution / transfer for capital expenditure).
- (ii) Statutory requirements of contribution to Reserve Funds - Contribution to Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF), State

Disaster Mitigation/Management Fund (SDMF/SDRMF), etc.

- (iii) Recoupment of Contingency Fund - Amount recouped within the year.
- (iv) Transfer of cess to reserve fund / other body, which are statutorily required.
- (v) Share contribution of CSS against the Central Fund received - Amount of State share to be transferred to SNAs.

The upward trend in committed expenditure leaves the Government with lesser flexibility for development sector. Trend analysis of committed and inflexible expenditure and its components is depicted in **Table 2.19**.

Table 2.19: Components of Committed and Inflexible Expenditure

(₹ in crore)						
Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
1	Components of Committed Expenditure					
i	Salaries & Wages	22,437.40	22,142.50	24,210.12	26,523.92	29,094.95
ii	Expenditure on Pensions	6,637.98	7,136.00	7,472.22	7,661.46	9,111.82
iii	Interest Payments	4,970.36	5,633.11	6,144.24	6,382.08	6,798.34
	Total	34,045.74	34,911.61	37,826.58	40,567.46	45,005.11
2	Components of Inflexible Expenditure					
i	Statutory devolution to local bodies	1,120.32	1,125.31	1,112.76	1,142.57	1,297.57
ii	Contribution to Reserve Funds	637.00	748.32	1,118.86	1,110.81	1,696.20
iii	Recoupment of Contingency Fund	13.87	13.39	2.00	106.06	63.49
iv	Transfer of cess to reserve fund /other body	478.95	308.80	345.70	370.80	733.79
v	Share contribution of CSS against the Central Fund received as per SNA report	-	-	-	6,431.54	8,609.09
	Total	2,250.14	2,195.82	2,579.32	9,161.78	12,400.14
3	Total (Committed + Inflexible)	36,295.88	37,107.43	40,405.90	49,729.24	57,405.25
4	Committed Expenditure as a percentage of Revenue Receipts (RR)					
i	Salaries & Wages	35.13	35.05	30.39	28.25	28.11
ii	Expenditure on Pensions	10.39	11.30	9.38	8.16	8.80
iii	Interest Payments	7.78	8.92	7.71	6.80	6.57
	Total	53.30	55.27	47.48	43.21	43.48
5	Inflexible Expenditure as a percentage of Revenue Receipts (RR)					
	Total	3.52	3.48	3.24	9.76	11.98
6	Committed Expenditure as a percentage of Revenue Expenditure (RE)					
i	Salaries & Wages	30.54	31.62	32.28	31.10	25.36
ii	Expenditure on Pensions	9.03	10.19	9.96	8.98	7.94
iii	Interest Payments	6.76	8.04	8.19	7.48	5.92
	Total	46.33	49.85	50.43	47.56	39.22
7	Inflexible Expenditure as a percentage of Revenue Expenditure (RE)					
	Total	3.06	3.14	3.44	10.74	10.81
8	Non-Committed Expenditure	39,431.57	35,121.23	37,183.43	44,717.57	69,735.85
9	Percentage of RE	53.67	50.15	49.57	52.43	60.78
10	Percentage of TE	48.03	44.40	43.32	45.31	53.45

Source: Finance Accounts of the respective years

The committed expenditure affects the State in prioritising expenditure and in meeting capital investments to meet growing needs of social and economic infrastructure. The high proportion of committed expenditure to revenue receipts and revenue expenditure

indicates that the State has limited flexibility in allocation of its resources for new schemes.

Table 2.19 shows that, Committed Expenditure has increasing trend and grown from ₹34,045.74 crore (46.33 *per cent* of RE) in 2019-20 to ₹45,005.11 crore (39.22 *per cent* of RE) in 2023-24. During the current year, committed expenditure increased by ₹4,437.65 crore over the previous year mainly on account of increase in expenditure towards Salaries & Wages by ₹2,571.03 crore and Pensions by ₹1,450.36 crore.

(a) Salaries & Wages

Expenditure on salaries and wages increased by 9.69 *per cent* during 2023-24 (₹29,094.95 crore) over the previous year (₹26,523.92 crore) and constituted 25.36 *per cent* of revenue expenditure.

(b) Interest Payments

Interest payments in 2023-24 (₹6,798.34 crore) increased by 36.78 *per cent* over 2019-20 (₹4,970.36 crore) due to rise in the public debt during 2019-24. As a percentage of the revenue receipts, expenditure on interest payments decreased from 7.78 *per cent* in 2019-20 to 6.57 *per cent* in 2023-24.

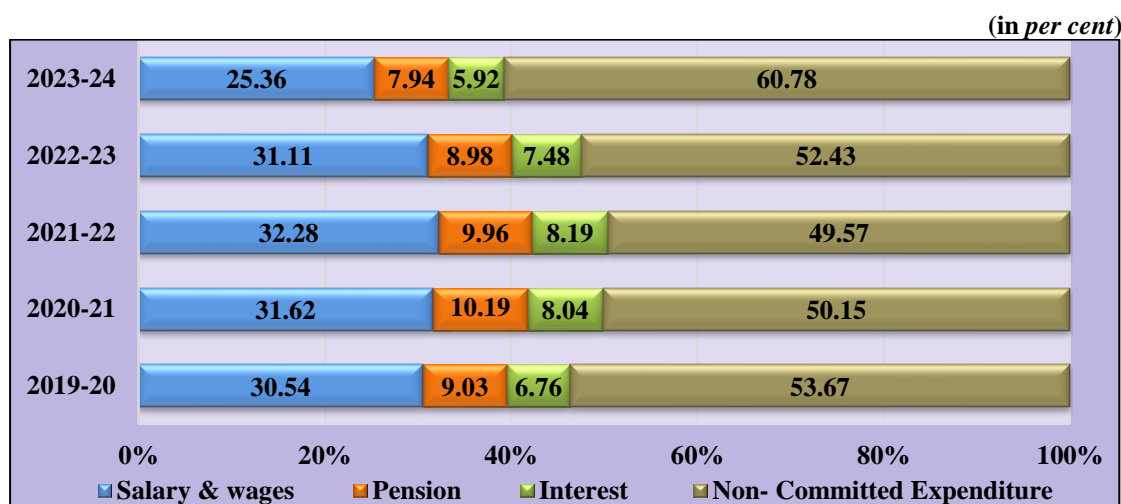
(c) Expenditure on Pensions

Expenditure on pension in 2023-24 (₹9,111.82 crore) increased by 18.93 *per cent* over the previous year (₹7,661.46 crore) mainly on account of payment of superannuation and retirement benefits along with family pensions and gratuities. Expenditure on pension in 2023-24 accounted for 8.80 *per cent* of the total revenue receipts and constituted 7.94 *per cent* of revenue expenditure of the State.

(d) Inflexible expenditure

The components of Inflexible expenditure which include among others Statutory devolution to local bodies and contribution to Reserve Funds showed significant increase from 2019-20 to 2023-24. The inflexible expenditure (₹12,400.14 crore) increased by 35.35 *per cent* during 2023-24 over the previous year (₹9,161.78 crore).

The percentage of committed and non-committed expenditure to revenue expenditure during 2019-24 is given in **Chart 2.13**:

Chart 2.13: Share of Committed and Non-Committed Expenditure

Source: Finance Accounts of the respective years

As can be seen from **Chart 2.13** above, share of committed expenditure in total revenue expenditure decreased from 46.33 *per cent* in 2019-20 to 39.22 *per cent* in 2023-24 and the share of non-committed expenditure increased from 53.67 *per cent* in 2019-20 to 60.78 *per cent* in 2023-24.

2.4.2.3 Un-discharged Liability under National Pension System

During 2023-24, expenditure on pension payments was ₹9,111.82 crore, out of which ₹52.29 crore was incurred towards National Pension System (NPS) applicable to employees recruited on or after 1 January 2005. The State Government of Chhattisgarh vide letter No. 282 dated 11.05.2022 has issued notification for reversion to Old Pension Scheme (OPS) w.e.f. 01.11.2004. Out of total employees covered under NPS, 2,90,598 employees have opted for the OPS and 10,349 have opted for New Pension Scheme (NPS).

National Pension System (NPS)

Under the National Pension System (NPS), which is a defined contributory pension scheme, the employee contributes 10 *per cent* of basic pay and dearness allowance, State Government contributes 14 *per cent* of basic pay and dearness allowance (w.e.f. from 01.04.2022), and the entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank.

The opening balance as on 1 April 2023 was ₹20.55 crore under the Public Accounts - Major Head 8342 Other Deposits – (117) Defined Contribution Pension Scheme. The receipts during 2023-24 under this head was ₹40.08 crore. Against the receipt of ₹40.08 crore (Employee contribution and Employee and Employer Contribution of Employees posted on deputation), ₹39.06 crore was transferred to the Trustee Bank. As on 31 March 2024, balance of ₹21.57 crore (₹20.55 crore up to 2022-23 and ₹1.02 of 2023-24) remained in the Public Account, pending transfer to Trustee Bank resulted in overstatement of cash balance. The pending transfer of balance fund to Trustee bank

resulted in interest liability of ₹1.89 crore to the State Government. Also, non-payment of the interest liability of ₹1.89⁵ crore has resulted in an understatement of revenue expenditure/ deficit.

During the year 2023-24, total contribution to the NPS which is a Defined Contribution Pension Scheme was ₹92.37 crore (Employee's contribution ₹38.29 crore, Government contribution ₹52.29 crore, Employee and Employer Contribution of Employees posted on deputation ₹1.79 crore). The Government Contribution of ₹52.29 crore was transferred to Trustee Bank directly from Major Head 2071 and was short by ₹1.32 crore⁶. The short transfer of ₹1.32 crore resulted in understatement of the revenue expenditure/deficit and overstatement of cash balance.

2.4.2.4 Subsidies

During 2023-24, the State Government paid ₹10,796.88 crore as subsidy. The details of subsidies provided by the State Government from 2019-20 to 2023-24 are given in **Table 2.20**.

Table 2.20: Expenditure on subsidies during 2019-24

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Subsidies (₹ in crore)	11,483.23	7,307.94	6,565.30	8,306.28	10,796.88
Subsidies as a percentage of Revenue Receipts	17.98	11.57	8.24	8.85	10.43
Subsidies as a percentage of Revenue Expenditure	15.63	10.44	8.75	9.74	9.41

Source: Finance Accounts of the respective years

The expenditure on subsidies increased by ₹2,490.60 crore (29.98 *per cent*) from ₹8,306.28 crore in 2022-23 to ₹10,796.88 crore in 2023-24 mainly due to increase in subsidies under Grant for free Supply of electricity to Agriculture Pumps up to five Horsepower. The departments with a major portion of subsidy during the year 2023-24 are shown in **Table 2.21**.

Table 2.21: Departments with major portion of subsidy during the year 2023-24

Sl. No.	Name of the Department	Subsidy (₹ in crore)	Percentage of total Subsidy	Particulars
1	Energy	6,033.02	55.88	Mainly Grant (₹4,323.00 crore) for free Supply of electricity to Agriculture Pumps up to five Horsepower and Relief in Electricity Bills (₹1,196.74 crore) to Domestic Electricity Consumers
2	Food and Civil Supplies	3,914.98	36.26	Mainly on Account of grant to State Cooperative Marketing Federation for meeting losses on procurement of Food Grain (₹500 crore) and Chief Ministers Food Assistance Scheme (₹3,086.62 crore)

Source: Finance Accounts 2023-24

⁵ Interest calculated as per the rate of interest notified by the Government / payable to General Provident Fund @ 7.1% on the balance of ₹20.55 crore as on 1st April 2023.

⁶ Required Government contribution = ((Employee's contribution of ₹38.29 /10% x 14%) = ₹53.61 crore

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

The quantum of financial assistance by way of grants-in-aid provided by the State Government to Local Bodies and institutions other than PSUs during the last five years are given in **Table 2.22**.

Table 2.22: Financial Assistance to Local Bodies and other Institutions

(₹ in crore)

Sl. No.	Financial Assistance to Institutions	2019-20	2020-21	2021-22	2022-23	2023-24
1	(A) Local Bodies					
2	Urban Local Bodies	3,138.94	3,554.17	3,904.13	4,296.67	4,412.18
3	Panchayati Raj Institutions	6,006.83	4,421.79	4,345.60	5,903.98	9,470.53
4	Total (A)	9,145.77	7,975.96	8,249.73	10,200.65	13,882.71
5	(B) Others					
6	Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	273.67	204.97	254.57	262.59	1,056.21
7	Development Authorities	235.06	229.93	393.08	661.14	517.28
8	Co-operative & Other Institutions and NGOs	10,499.70	12,555.37	13,241.09	15,994.08	36,125.15
9	Total (B)	11,008.43	12,990.27	13,888.74	16,917.81	37,698.64
10	Total (A+B)	20,154.20	20,966.23	22,138.47	27,118.46	51,581.35
11	GIA for Salary	673.48	140.35	192.34	253.37	226.95
12	GIA for creation of Capital assets	1,960.40	1,821.78	1,940.38	2,632.10	2,851.14
13	GIA for other	17,520.32	19,004.10	20,005.75	24,232.99	48,503.26
14	Revenue Expenditure	73,477.31	70,032.84	75,010.01	85,285.03	1,14,740.96
15	Assistance as percentage of Revenue Expenditure	27.43	29.94	29.51	31.80	44.95

Source: Finance accounts of respective years

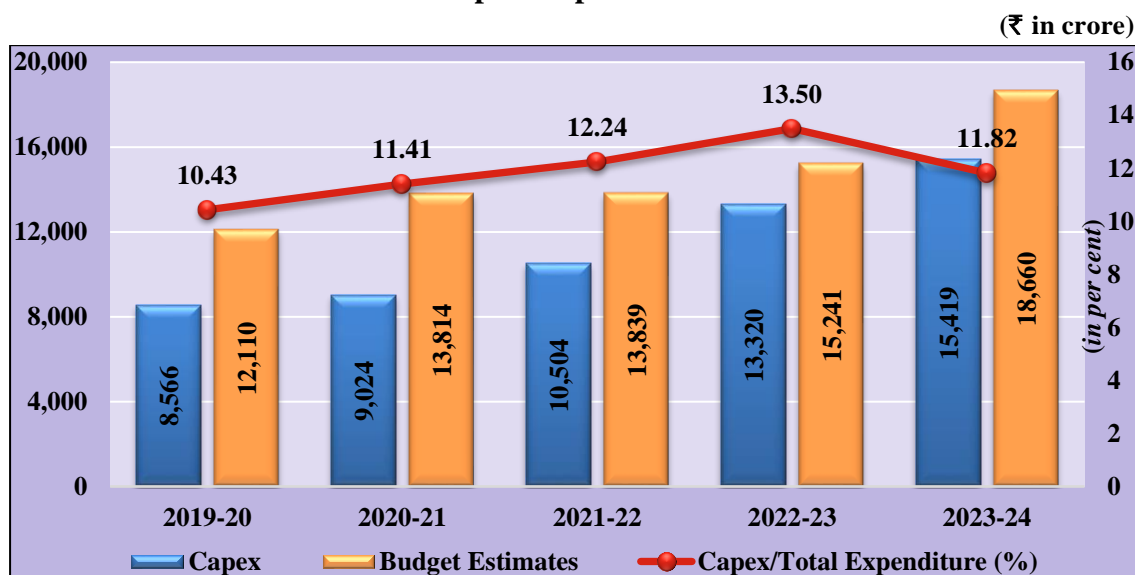
During 2023-24, Financial assistance to Local Bodies and other institutions increased by ₹24,462.89 crore over the previous year mainly due to increase of ₹3,566.55 crore in assistance provided to Panchayati Raj Institutions and of ₹20,131.07 crore to Co-operative & Other Institutions and NGOs. Financial assistance to Local Bodies and other Institutions by the State Government as percentage of Revenue Expenditure has increased from 27.43 *per cent* in 2019-20 to 44.95 *per cent* in 2023-24.

Financial assistance given for the creation of Capital assets and for other purposes during 2023-24 increased by 8.32 *per cent* and 100.15 *per cent* respectively over the previous year. Further, the share of financial assistance on salary, creation of capital assets and for other purpose was given at an average rate of 1.25 *per cent*, 8.48 *per cent* and 90.27 *per cent* respectively in the last five years.

2.4.3 Capital Expenditure

Capital expenditure includes primarily expenditure on creation of fixed infrastructure assets, such as buildings, roads, bridges, etc. Details of capital expenditure against the budget estimates during the five-year period 2019-24 are given in **Chart 2.14**.

Chart 2.14: Capital expenditure in the State



Source: Finance Accounts of the respective years

Capital expenditure increased by ₹6,852.54 (79.99 *per cent*) during the last five years from ₹8,566.39 crore in 2019-20 to ₹15,418.93 crore in 2023-24. However, the utilisation of the budget for capital expenditure ranged between 65 *per cent* and 87 *per cent* in the last five years.

The percentage share of capital expenditure to total expenditure has ranged between 10.43 *per cent* in 2019-20 to 13.50 *per cent* in 2022-23. However, it decreased to 11.82 *per cent* in 2023-24. During 2023-24, Capital expenditure increased by 15.76 *per cent* (₹2,098.63 crore) over the previous year mainly due to an increase in expenditure in Urban Development (by ₹876.69 crore), Education, Sports, Art and Culture (by ₹855.55 crore) and Water Supply & sanitation (by ₹585.82 crore).

During 2023-24, 22 *per cent* of total capital expenditure (₹15,418.93 crore) was incurred on Roads and Bridges (₹3,467.00 crore) followed by 20 *per cent* on water supply and sanitation (₹3,107.05 crore).

2.4.3.1 Major changes in Capital Expenditure

Table 2.23 highlights the cases of significant increase or decrease in various heads of account in capital expenditure during 2023-24 *vis-à-vis* the previous year.

Table 2.23: Capital Expenditure during 2023-24 compared to 2022-23

(₹ in crore)				
Sl. No.	Major Heads (MH) of Accounts	2022-23	2023-24	Increase (+)/ Decrease (-)
1	4217-Urban Development	593.76	1,470.45	876.69
2	4202- Education, Sports, Art and Culture	505.35	1,360.90	855.55
3	4215-Water Supply & sanitation	2,521.23	3,107.05	585.82
4	4801-Power	130.80	623.43	492.63
5	5054-Roads and Bridges	4,299.30	3,467.00	(-)832.30
6	4225-Welfare of SC, ST and OBC	491.78	331.69	(-)160.09

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

- The increase in expenditure under the MH 4217-Urban Development was mainly due to an increase in infrastructure development grants provided to Urban Bodies by ₹435.18 crore, increase in expenditure under Nava Raipur Atal Nagar Smart City Corporation by ₹269.50 crore and Naya Raipur Development Authority by ₹99.16 crore.
- The increase in expenditure under the MH 4202- Education, Sports, Art and Culture was mainly due to an increase in expenditure on Minor Works and Repair for maintenance of buildings by ₹921.15 crore under General Education.
- The increase in expenditure under the MH 4215-Water Supply & sanitation was mainly due to the increase in expenditure on *Jal Jeevan Mission* by ₹627.37 crore.
- The increase in expenditure under the MH 4801-Power was mainly due to an increase in expenditure on extension of electrical lines and installation of transformers to provide quality power supply for agricultural pumps by ₹484.61 crore and *Deen Dayal Upadhyay Gramjyoti Yojna* by ₹57.45 crore.
- The decrease in expenditure under the MH 5054-Roads and Bridges was mainly due to less expenditure on *Pradhan Mantri Gram Sadak Yojana* by ₹957.30 crore.
- The decrease in expenditure on 4225-Welfare of SC, ST and OBC was mainly due to less expenditure of ₹158.77 crore on Local Development Programme funded by Special Central Assistance.

2.4.3.2 Quality of Capital Expenditure

This section presents an analysis of investments and other capital expenditure undertaken by the Government as of 31 March 2024.

Quality of investment in Companies, Corporations, and other Bodies

Investments made and loans given to companies, corporations, and co-operatives which are loss making and those whose net worth is completely eroded, affect the quality of capital expenditure. Return on investment in share capital invested in PSUs and history of repayment of loans given to various bodies are important determinants of quality of capital expenditure.

(i) Investment and Returns

As per the Finance Accounts 2023-24, the Government of Chhattisgarh had invested ₹7,533.61 crore in 10 Statutory Corporations, 28 Government Companies, 21 Joint Stock Companies, two Rural Banks and 1460 Co-operative Institutions in the State as of 31 March 2024. The State Government earned a dividend of ₹3.84 crore on these investments during 2023-24. Year-wise details of investment by the Government of Chhattisgarh over the five-year period 2019-20 to 2023-24 are as follows:

Table 2.24: Details of Investment and Return on Investment

(₹ in crore)

Sl. No.	Investment/Return/Cost of borrowings at the end of the year	2019-20	2020-21	2021-22	2022-23	2023-24
1	Statutory Corporations (No. of entities)	87.88 (10)	88.34 (10)	89.69 (10)	89.89 (10)	90.29 (10)
2	Government Companies (No. of entities)	6,683.34 (28)	6,683.34 (28)	6,733.34 (28)	6,733.34 (28)	6,782.94 ⁷ (28)
3	Joint Stock Companies (No. of entities)	145.21 (22)	145.21 (22)	156.93 (22)	278.72 (21)	303.72 (21)
4	Rural Banks (No. of entities)	25.15 (02)	25.15 (02)	25.15 (02)	25.15 (02)	25.15 (02)
5	Co-operative Institutions (No. of entities)	324.21 (1460)	319.26 (1460)	315.08 (1460)	320.67 (1460)	331.51 (1460)
6	Total Investment	7,265.79	7,261.30	7,320.19	7,447.77	7,533.61
7	Investment at the end of the year	7,265.79	7,261.30	7,320.19	7,447.77	7,533.61
8	Return on investment	2.39	2.29	3.64	6.20	3.84
9	Return on investment (<i>per cent</i>)	0.03	0.03	0.05	0.08	0.05
10	Average rate of interest on Government borrowing ⁸ (<i>per cent</i>)	7.37	7.05	7.18	7.19	6.30
11	Difference between rate of return and interest rate (<i>per cent</i>)	(-)7.34	(-)7.02	(-)7.13	(-)7.11	(-)6.25
12	Difference between returns on investment made and cost of Government borrowing	(-)533.31	(-)509.74	(-)521.93	(-)529.54	(-)470.85

Figures in the bracket shows the number of entities

Source: Finance Accounts of respective years

During 2023-24, the return on investment made by the Government in PSUs & other concerns was ₹3.84 crore (0.05 *per cent*). However, the Government paid interest on its borrowing at an average rate of 6.30 *per cent* during the same period. Investments which do not have sufficient financial returns will lead to an unsustainable financial position.

(ii) Loans and Advances by the State Government

In addition to investments in Co-operative societies, Corporations and Companies, the State Government has also provided loans and advances to many institutions/ organisations. **Table 2.25** presents the outstanding loans and advances as on 31 March

⁷ Includes ₹1.60 crore of Share Certificate issued by Chhattisgarh State Industrial Development Corporation and adjusted as Share Capital Investment of the State Government.

⁸ Average Rate of Interest: {Interest Payments excluding IP on OBB / [Average Outstanding liability of Previous and Current Financial Year excluding Non-Interest-Bearing Liabilities, back-to-back loan from 2020-24 and Interest free loan released to the States]}

2024, along with interest receipts *vis-à-vis* interest payments during the five-year period 2019-20 to 2023-24.

Table 2.25: Loans and Advances disbursed and recovered during 2019-24

(₹ in crore)

Sl. No.	Loans and Advances disbursed and recovered	2019-20	2020-21	2021-22	2022-23	2023-24
1	Opening balance of loans outstanding	1,597.75	1,397.08	1,173.86 ⁹	1,409.86	1,378.31
2	Amount advanced during the year	56.11	50.50	324.06	85.96	311.49
3	Amount recovered during the year	256.78	104.8	88.06	117.51	24.96
4	Closing Balance of loans outstanding	1,397.08	1,342.78	1,409.86	1,378.31	1,664.84
5	Net addition	(-)200.67	(-)54.30	236.00	(-)31.55	286.53
6	Interest received	1.67	6.88	3.27	37.04	48.48
7	Rate of return on Loans and Advances given by the Government (<i>per cent</i>)	0.11	0.50	0.24	2.66	3.19
8	Average rate of Interest paid on the outstanding borrowings of the Government (<i>per cent</i>)	7.37	7.05	7.18	7.19	6.30
9	Difference between rate of interest paid and interest received (<i>per cent</i>)	(-)7.26	(-)6.55	(-)6.94	(-)4.53	(-)3.11

Source: Finance Accounts of Respective years

During 2023-24, an amount of ₹311.49 crore was disbursed as loans against ₹85.96 crore during previous year. Interest received by the State Government against loans given was ₹48.48 crore. At the end of March 2024, the Government had outstanding loans and advances of ₹1,664.84 crore, out of which ₹364.44 crore pertains to Urban Local Bodies, ₹163.01 crore pertains to Government companies and ₹440.27 crore pertains to co-operative societies/bodies.

The total outstanding loans and advances given by the State Government increased by ₹286.53 crore from ₹1,378.31 crore in 2022-23 to ₹1,664.84 crore in the year 2023-24. Recovery of loans decreased by ₹92.55 crore (78.76 *per cent*) and interest receipts increased by ₹11.44 crore (30.89 *per cent*) in 2023-24 as compared to 2022-23. The interest received was only 3.19 *per cent* of the outstanding loans and advances during 2023-24.

Disbursal of fresh loan to Cooperative Sugar Mills despite arrears in repayment of loan

Rule 03 (02) of "Financial Support to Cooperative Sugar Mills Rules 2014", stipulates that only those Sugar Mills were to be given loans which were having the capacity to

⁹ Reduced by ₹168.92 crore vide State Government letter No. 523/R-110/2020/13/2 dated 23.02.2022 due to reconciliation of Loan balance between the figures of Finance Account and Account of Power Company. ₹168.92 crore includes ₹136.78 crore of loan adjusted as Share Capital of the State Government in 2017-18 and ₹32.14 crore of excess payment of Interest by Chhattisgarh State Electricity Board during 2004-05 and 2005-06 adjusted as repayment of loan.

repay the Government money.

Audit noticed that despite the arrears in repayment of loans, fresh loans of ₹50 crore were given by the State Government to the following four Cooperative Sugar Mills as detailed in **Table 2.26**.

Table 2.26: Details of loans and advances to sugar mills during 2023-24

(₹ in crore)

Sl. No	Name	Year of previous Loans outstanding Since	Total accumulate -ed loss as of March 2024	Amount of principal outstanding as of 1 April 2023	Amount of loans disbursed during the year	Loan re-paid during the year	Total loans outstanding as on 31 March 2024	Interest arrears as on 31 March 2024
1	Loh Purush Sardar Vallabh Bhai Patel Sugar Mill Limited	2016-17	224.54	115.00	13.00	8.00	120.00	49.68
2	Bhoramdev Co-operative Sugar Mill Limited	2012-13	108.83	76.00	13.00	2.00	87.00	41.12
3	Mahamaya Co- operative Sugar Mill, Limited	2008-09	129.45	95.67	17.00	11.89	100.78	85.46
4	Danteshwari maiya Co-operative Sugar Mill, Limited	2005-06	103.23	87.73	7.00	2.15	92.58	44.57
Total			566.05	374.40	50.00	24.04	400.36	220.83

Source: Finance Accounts 2023-24

It is evident from the above table that all four Sugar Mills were continuously making losses which was ₹566.05 crore as on 31 March 2024. The total outstanding loans along with arrears of interest due to above Sugar Mills as on 31 March 2024 was ₹621.19 crore.

2.4.4 Expenditure priorities

Enhancing human development levels require 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 aggregate 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 quality of expenditure is considered to be better.

The fiscal priorities of the State Government with regard to development expenditure, social services expenditure and capital expenditure during 2019-20 and 2023-24 are shown in **Table 2.27** below:

Table 2.27: Expenditure priority of the State with regard to Health, Education and Capital expenditure

(in per cent)

Sl. No.		TE/GSDP	SSE/TE	ESE/TE	DE/TE	CE/TE	Education/ TE	Health/ TE
Average (Ratio) 2019-20 of								
1	General Category States*	15.88	37.04	29.54	66.58	12.72	15.79	5.25
2	Chhattisgarh State	23.82	34.85	40.29	75.14	10.43	19.73	5.69
Average (Ratio) 2023-24 of								

3	General Category States*	15.66	37.92	30.01	67.93	15.38	14.36	5.71
4	Chhattisgarh State	25.79	35.79	42.42	78.22	11.82	16.12	5.29

TE: Total Expenditure, SSE: Social sector Expenditure, ESE: Economic Sector Expenditure, DE: Development Expenditure, CE: Capital Expenditure, Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure, development Loan and Advances disbursed.
*States other than NE and Himalayan States

Source: Data provided by Economic Advisor

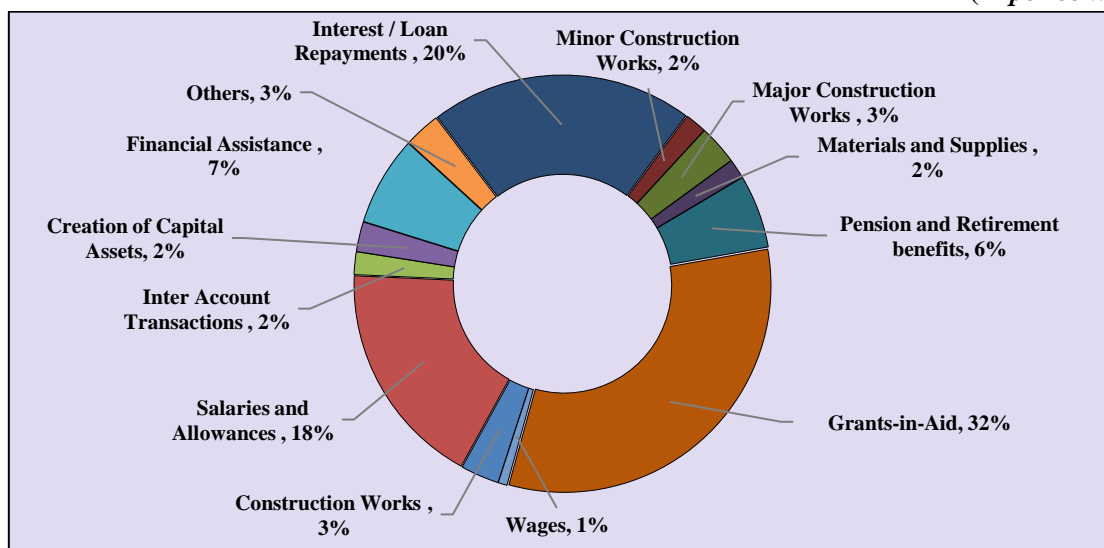
- The State Government's total expenditure as proportion of GSDP increased from 23.82 *per cent* in 2019-20 to 25.79 *per cent* in 2023-24.
- The proportion of expenditure on Development, especially on education, to the total expenditure of Chhattisgarh has been higher than the average of other General Category States. The expenditure on health has declined from 5.69 *per cent* in 2019-20 to 5.29 *per cent* in 2023-24 and is lower than the average of other General Category States in 2023-24.
- Allocative priority accorded to Social sector expenditure by the State Government was less than the average of general category states during the same period.
- The ratio of capital expenditure to total expenditure increased from 10.43 *per cent* in 2019-20 to 11.82 *per cent* in 2023-24. However, this ratio was less than the average of general category states during the same period.

2.4.5 Object head wise expenditure

Object head wise expenditure gives information about the object/ purpose of the expenditure. The per cent wise object head expenditure with respect to total expenditure for 2023-24 is shown in following **Chart 2.15** below:

Chart 2.15: Object head wise expenditure

(in per cent)



Source: Finance Accounts 2023-24

As can be seen from the above chart, the expenditure under object heads Salaries & Allowances, Grants-in-Aid and Interest / Loan Repayments constituted 70 *per cent* of

overall expenditure ₹1,54,584.81 crore¹⁰ of the State. Besides, Financial Assistance and Pension and Retirement benefits constituted seven *per cent* and six *per cent* of the expenditure respectively.

A drill down view of budgetary allocation and extent of expenditure (above ₹1,000 crore) incurred on the actual items at the Object Head level is given in **Table 2.28** below:

Table 2.28: Object head wise expenditure (where the expenditure is ₹1,000 crore and above) *vis-à-vis* budget authorisation

(₹ in crore)

Sl. No.	Head	Original Budget Estimate	Expenditure	Utilisation Percentage
1	14- Grants-in-Aid	35,238.10	49,566.05	140.66
2	35- Interest / Loan Repayments	15,039.60	31,643.69	210.40
3	01- Salaries and Allowances	30,071.15	27,324.90	90.87
4	13- Financial Assistance	9,936.90	10,796.88	108.65
5	12- Pension and Retirement benefits	7,112.98	8,839.95	124.28
6	97- Construction Works	7,256.11	4,874.84	67.18
7	26- Major Construction Works	5,066.11	4,768.58	94.13
8	45- Creation of Capital Assets	3,559.31	3,597.45	101.07
9	27- Minor Construction Works	3,124.96	2,630.25	84.17
10	25- Materials and Supplies	2,609.72	2,342.00	89.74
11	02- Wages	1,197.93	1,079.67	90.13
12	24- Maintenance Works	1,227.98	1,080.98	88.03
Total		1,21,440.85	1,48,545.24	122.32

Source: Finance Accounts and Budget Estimates 2023-24

As can be seen from the above table, out of a total budgetary allocation of ₹1,21,440.85 crore under 12 object heads, the actual expenditure during 2023-24 was ₹1,48,545.24 crore (122.32 *per cent*).

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 State Legislature. The Government acts as a banker in respect of these. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

2.5.1 Net Public Account Balances

The status of receipts and disbursement under Public Account are shown in Statement 21 of the Finance Accounts. Component-wise net balances in the Public Account of the State as of 31 March of respective years are shown in **Table 2.29** below:

¹⁰ Total expenditure (₹1,30,471.85 crore) + Repayment of Public Debt (₹24,112.96 crore)

Table 2.29: Component-wise net balances in Public Account as of 31 March of the year

(₹ in crore)							
Sl. No.	Sector	Sub Sector	2019-20	2020-21	2021-22	2022-23	2023-24
1	I. Small Savings, Provident Fund, etc.	National Small Savings Fund, State Provident Funds and Other Accounts	(-)7,617.67	(-)8,021.40	(-)8,020.50	(-)9,326.98	(-)10,848.71
2	J. Reserve Funds	(a) Reserve Funds bearing Interest	(-)1,101.77	(-)614.84	(-)769.36	(-)265.27	(-)697.48
		(b) Reserve Funds not bearing Interest	(-)1,363.00	(-)1,384.75	(-)1,683.77	(-)2,006.47	(-)2,340.27
3	K. Deposits and Advances	(a) Deposits bearing Interest	(-)37.29	(-)33.16	(-)28.27	(-)8.30	(-)1.16
		(b) Deposits not bearing Interest	(-)5,446.01	(-)5,951.96	(-)5,758.23	(-)6,138.62	(-)6,404.18
		(c) Advances	(+)1.84	(+)1.84	(+)7.35	(+)7.00	(+)7.10
4	L. Suspense and Miscellaneous	(a) Suspense	(-)29.66	(-)20.08	(-)84.64	(-)180.88	(-)124.65
		(b) Other Accounts-	(+)5,199.46	(+)3,344.86	(+)3,299.78	(+)440.13	(+)5,888.62
		(c) Accounts with Governments of Foreign Countries	0.00	0.00	0.00	0.00	0.00
		(d) Miscellaneous	0.00	0.00	0.00	0.00	0.00
5	M. Remittances	(a) Money Orders, and other Remittances	(+)204.48	(+)240.97	(+)245.09	(+)197.03	(+)261.15
		(b) Inter- Governmental Adjustment Account	(+)73.82	(+)88.41	(+)91.13	(+)101.63	(+)90.35
Total			(-)10,115.80	(-)12,350.11	(-)12,701.42	(-)17,180.73	(-)14,169.23

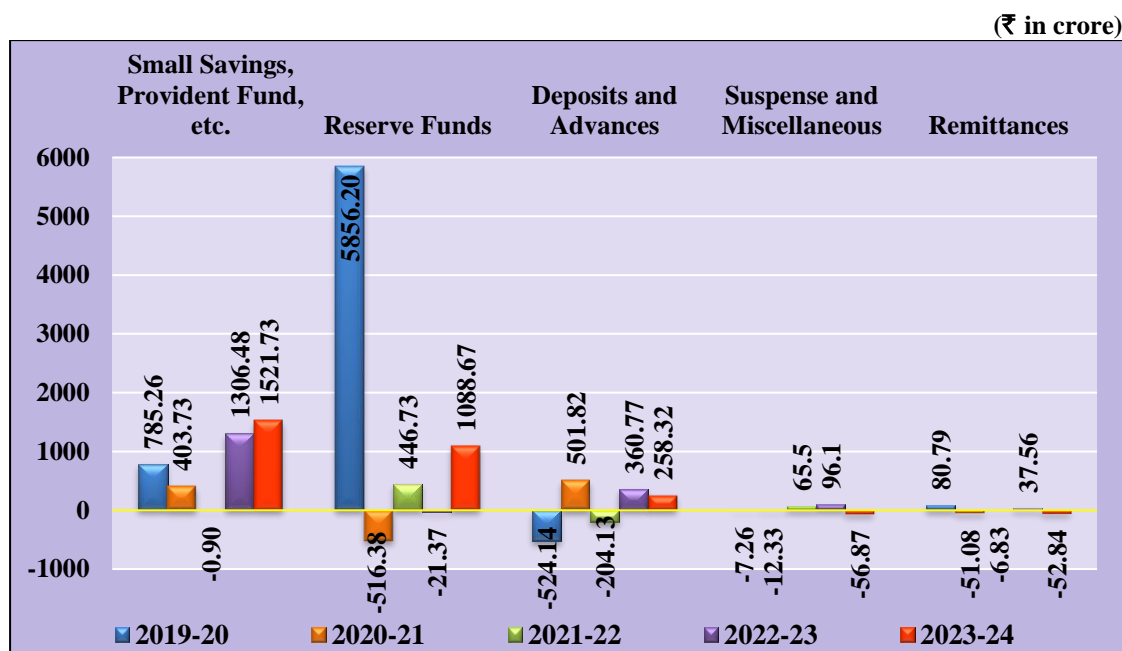
Source: Finance Accounts of respective years

Note: +ve denotes debit balance and -ve denotes credit balances

The net credit balances in Public Account decreased by ₹3,011.50 crore in 2023-24 over the previous year, mainly due to increase in debit balance of Suspense and Miscellaneous - Other Accounts by ₹5,448.49 crore which was counter balanced by increase in credit balance of National Small Savings Fund, State Provident Funds and Other Accounts by ₹1,521.73 crore, Reserve Funds bearing Interest by ₹432.21 crore and Reserve Funds not bearing Interest by ₹333.80 crore.

The yearly changes in composition of balances in Public Account over the last five year period 2019-24 are given in **Chart 2.16**:

Chart 2.16: Yearly changes in composition of Public Account balances



Source: Finance Accounts of respective years

Yearly changes depicted in the chart above excludes changes in Major Head-8671 Departmental Balances (-₹0.02 crore), 8673- Cash Balance Investment Account (₹5,447.88 crore) and Reserve Funds Investment Accounts (₹322.66 crore). During the year 2023-24, major yearly change was seen in Small Savings, Provident Fund, etc. (₹1,521.73 crore) and Reserve Funds (₹1,088.67 crore).

During 2019-20, high change in Reserve Fund was due to receipt of ₹5,791.70 crore under Compensatory Afforestation Funds (CAMPA) transferred by Government of India from National Compensatory Afforestation Deposit and interest of ₹81.25 crore on investment of CAMPA funds.

2.5.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund of the State.

There are 18 Reserve Funds (17 Reserve Funds earmarked for specific purposes in the State with effect from 2000-2001 since the formation of the State and one reserve fund i.e. Guarantee Redemption Fund was created during 2022-23). Out of 18, 14 funds were operative, and four funds¹¹ were in-operative as of 31 March 2024. The gross balance at the end of 31 March 2024 in these funds was ₹10,694.70 crore, out of which ₹7,656.95 crore (71.60 per cent) was invested in Government of India Securities and Treasury Bills (₹7,356.24 crore) and Share Capital of Joint Venture Companies (₹300.71 crore).

¹¹ Development Funds for Educational Purposes (MH 8229-101), Development Funds for Agricultural Purposes (MH 8229-103), Gramin Vikas Nidhi (MH 8229-200-0023) and Other Fund (MH 8235-200)

2.5.2.1 Consolidated Sinking Fund

Following the recommendations of the Twelfth Finance Commission, the State has created a Consolidated Sinking Fund (CSF) for amortisation of all loans including loans from banks, liabilities on account of National Small Savings Funds, *etc.* Further, as per the guideline (June 2006) issued by the State Government (Finance Department), a minimum annual contribution of 0.50 *per cent* of outstanding liabilities (Internal Debt and Public Account Liabilities) at the beginning of the year was required to be transferred to the fund. Further, the Government shall not fund its contribution to the fund out of borrowings from the Reserve Bank of India.

During 2023-24, GoCG transferred ₹415.00 crore to the Consolidated Sinking Fund against the minimum requirement of ₹432.50 crore representing 0.5 *per cent* of outstanding liabilities (Internal Debt and Public Account Liabilities) of ₹86,500.48 crore as on 31 March 2023. As on 31 March 2024, an amount of ₹3,701.94 crore was lying in the Fund, and the entire amount was invested in Government of India securities.

2.5.2.2 State Disaster Risk Management Fund

The Fifteenth Finance Commission has recommended the creation of a fund for disaster mitigation along with disaster response, which will be together called the State Disaster Risk Management Fund (SDRMF). Out of the total amount recommended for SDRMF, the share of SDRF shall be 80 *per cent* and the share of SDMF 20 *per cent*.

Details of expenditure charged to SDRMF are given below in **Table 2.30**:

Table 2.30: Details of expenditure charged to SDRMF

(₹ in crore)			
Sl. No.	Head	Minor Head of Account	Expenditure during 2023-24
1	2245- Relief on Account of Natural Calamities		
2	01-Drought		
3	101	Gratuitous Relief	0.07
4	282	Public Health	0
5	02-Floods, Cyclones, etc.		
6	101	Gratuitous Relief	0.37
7	110	Assistance for repair and restoration of damaged Water Supply, Drainage and Sewerage Works	0.27
8	111	Ex-gratia Payments to bereaved families	9.27
9	112	Evacuation of population	1.01
10	113	Assistance for repair and construction of Houses	7.97
11	114	Assistance to Farmers for purchase of Agriculture Input	6.31
12	116	Assistance to Farmers for repairs of damaged tube wells and Pump sets	0.00
13	117	Assistance to Farmers for purchase of livestock	5.28
14	122	Repair and Restoration of damaged Irrigation and Flood Control Works	0.00
15	80-General		
16	101	Centre for Training to Disaster Preparedness	0.16
17	102	Management of Natural Disasters, Contingency Plans in disaster prone areas	77.71

18	800	Other Expenditure	105.30
19	Total SDRF Expenditure		213.72
20	05-State Disaster Response Fund		
21	901	Deduct- Amount met from State Disaster Response Fund	(-)204.44

Source: Finance Accounts 2023-24

(a) State Disaster Response Fund (SDRF)

Government of India (GoI) replaced the erstwhile Calamity Relief Fund with the State Disaster Response Fund (SDRF) with effect from 1 April 2010. As per the SDRF guidelines, 2022, the Centre and States are required to contribute to the Fund in the proportion of 75:25. The contributions are to be transferred to the Public Account to Major Head-8121 by making budget provisions under the Major Head 2245. Expenditure incurred on relief work to be charged to SDRF would be shown as deduct entry under the Major Head-2245.

As per the Finance Accounts 2023-24, the SDRF had an opening balance of ₹208.34 crore as of 01 April 2023. During the year 2023-24, the State Government received ₹181.60 crore as 2nd installment of Central Government's share of 2022-23. However, the State Government transferred an amount ₹484.00 crore (Central share ₹363.20 crore and State share ₹120.80 crore for the year 2022-23 to the Fund in 2023-24. The State Government also transferred treasury deposit of ₹2.03 crore to the fund during the year 2023-24. Expenditure of ₹204.44 crore was made from SDRF during 2023-24. Thus, as on 31 March 2024, the closing balance in SDRF was ₹489.93 crore.

Delay in Contributions to the SDRF

As per Ministry of Home Affairs, GoI guidelines on SDRF (2015 & 2022), immediately upon receipt of GoI's share, the State Government would transfer the amount, along with their matching share, if not already transferred, to the Public Account Head within 15 days of its receipt. Any delay will require the State Government to release the amount, with interest, at the Bank rate of RBI, for the number of days of delay.

During the year 2023-24, the State Government transferred 1st installment of 2022-23 Central share (received on 31 March 2023) alongwith State's matching share to the Public Account head on 25 April 2023 with delay of nine days and 2nd installment of 2022-23 Central share (received on 10 July 2023) alongwith State's matching share to the Public Account head on 03 August 2023 with delay of eight days. The interest of ₹0.75 crore (1st installment - ₹0.39 crore and for 2nd installment - ₹0.36 crore) was payable by the State Government for the delay transfer during 2023-24 as per the guidelines.

Non-Investment from the SDRF

As per the guidelines (2022) issued by the GoI, the State Government shall invest SDRF in one or more of the instruments such as Central Government dated Securities; Auctioned Treasury Bills; and interest earning deposits and certificates of deposits with

Scheduled Commercial Banks. The State Government shall pay interest into the SDRF at the rate applicable to overdrafts under Overdraft Regulation Guidelines of the RBI. The interest will be credited on a half-yearly basis.

However, during 2023-24 Government of Chhattisgarh had neither invested the balances in SDRF in any of the instruments specified in the Guidelines, nor had it paid the half-yearly interest on the balance lying in the Fund in violation of SDRF guidelines. The entire balance of ₹489.93 crore was lying uninvested in SDRF as on 31 March 2024 resulted in interest liability.

The unpaid interest (₹46.14 crore¹²) liability led to understatement of Revenue expenditure/Revenue deficit to that extent during 2023-24.

(b) State Disaster Mitigation Fund (SDMF)

The State Disaster Mitigation Fund (SDMF) was constituted for the purpose of mitigation projects in respect of disasters covered under SDRF/NDRF guidelines and the State specific local disasters notified by the State Government. The GoI and the State Government are required to contribute to the fund in the proportion of 75:25 respectively.

As per the Finance Accounts 2023-24, the SDMF had an opening balance of ₹84.22 crore as of 01 April 2023. During the year 2023-24, the State Government received Central Government's share of ₹90.80 crore for the year 2022-23. However, the State Government transferred an amount ₹115.20 crore (Central share ₹86.40 crore and State share ₹28.80 crore) relating to the year 2021-22 to the Fund in 2023-24. Non transfer of Central Share of ₹90.80 crore received during 2023-24 along with corresponding state share of ₹30.27 crore resulted in understatement of the Revenue Expenditure/Revenue deficit to that extent. No expenditure was incurred from SDMF during 2023-24. Thus, as on 31 March 2024, the closing balance in SDMF was ₹199.42 crore.

As per the SDMF guidelines (2022), the State Government was required to release the contribution within 15 days of its receipts and in case of delay interest at the bank rate of RBI is payable for delay by the State Government. Details of funds received from GoI and transfer to SDMF¹³ along with State's matching share from 2021-23 are given in below **Table 2.31**.

¹² ₹ 45.39 crore for non-investment and ₹0.75 crore for delay in transfer of contribution.

¹³ As per XVFC, SDMF fund was created in 2020-21. However, pending finalization of new SDMF guideline for the period 2020-21, GoI (MoH) decided (April 2020) to extend the validity of existing guideline of SDRF dated 30th July 2015 for a period of one year or till such time new guideline/norms are framed.

Table 2.31: Details of contribution to the SDMF Fund

Year	Installment	Central Share		State Share		No. of days taken to transfer Central & State share into SDMF account	Grace Days	Delay in transfer (days)	Interest due (in crore)
		Amount (in crore)	Release Date from GoI	Amount (in crore)	Release of Centre & State share by State Government				
2021-22	1 st and 2 nd installment	86.40	29.03.2022	28.80	19.05.2023	416	15	401	7.49
2022-23	1 st and 2 nd installment	90.80	04.07.2023	30.26	Not transferred as on 31.03.2024	-	15	255*	5.72

Source: Finance Accounts

* Delay as on 31.03.2024

As can be seen from the above table, there was a delay of 401 days in transfer of Central share along with State share fund relating to the year 2021-22. Further, funds related to the year 2022-23 have yet to be transferred to the Public Account. The interest of ₹13.21 crore for delay was payable by the State Government as of March 2024.

Non-Investment from the SDMF

As per the guidelines (2022) issued by the GoI, the State Government shall invest SDMF in one or more of the instruments such as Central Government dated Securities; Auctioned Treasury Bills; and interest earning deposits and certificates of deposits with Scheduled Commercial Banks. The State Government shall pay interest into the SDMF at the rate applicable to overdrafts under Overdraft Regulation Guidelines of the RBI for the amount not invested from SDMF. The interest will be credited on a half-yearly basis.

However, during 2023-24 the Government of Chhattisgarh had neither invested the balances in SDMF in any of the instruments specified in the Guidelines, nor had it paid the half-yearly interest on the uninvested balance lying in the Fund in violation of SDMF guidelines. The entire balance of ₹199.42 crore was lying uninvested in SDMF as on 31 March 2024.

The unpaid interest (₹28.53 crore¹⁴) led to understatement of Revenue expenditure/Revenue deficit to that extent during 2023-24 and accumulation of interest liabilities for future.

2.5.2.3 Guarantee Redemption Fund

The GoCG has notified the scheme for constitution and administration of Guarantee Redemption Fund in July 2022 with an initial contribution of ₹5 crore. However, the GOCG notified revised scheme for GRF in March 2023.

As per para 5 of the notification, the fund shall be set up with an initial contribution of a minimum of one *per cent* of outstanding guarantees at the end of the previous year and

¹⁴ ₹15.32 crore for non-investment and ₹13.21 crore for delay in transfer of contribution.

thereafter minimum 0.5 *per cent* every year to achieve a minimum level of 3 *per cent* in next five years. The Fund shall be gradually increased to a desirable level of 5 *per cent*. If the guarantees have been invoked or are likely to be invoked, additional Funds (over and above 5 *per cent*) shall be maintained. Further, the Government shall not fund its contribution to the fund out of borrowings from the Reserve Bank of India.

During 2023-24, GoCG transferred ₹10.00 crore to the Guarantee Redemption Fund under the head 8235-117. As per the notification of GRF scheme, the State Government was required to contribute ₹221.00 crore (one *per cent* of total outstanding guarantees of ₹22,099.71 crore at the end of previous year) against which ₹15.00 crore was contributed till 31 March 2024.

2.5.2.4 Funds outside Public Account of the State

Article 266(1) of the Constitution of India subject to the provisions of Article 267, provides that all revenues received by the Government of a State, all loans raised by that Government by the issue of treasury bills, loans or ways and means advances and all moneys received by that Government in repayment of loans shall form one consolidated fund to be entitled "the Consolidated Fund of the State". Article 266(2) provides that all other public money received by or on behalf of the Government of a State shall be credited to the public account of the State, as the case may be.

Building and other Construction Workers Welfare Cess

GoCG constituted (September 2008) Building and other construction Workers Welfare Board (September 2008). The Board collects Building and other construction Workers Welfare (Labour cess) at the rate of one *per cent* of cost of construction from the employers and utilizes it for the implementation of its schemes as per BOCW Welfare Cess Act 1996.

Receipt and utilisation of Labour Cess

The opening balance as on 1 April 2023 available with the Board was ₹674.74 crore. As per the information provided by the Board, total ₹343.15 crore (Registration charges and Other Receipt – ₹2.03 crore, Labour cess – ₹306.77 crore and Interest– ₹34.35 crore) was received during the year 2023-24. Further, out of ₹306.77 crore received towards labour cess, ₹250.49 crore was received from various State & Central Government entities and ₹56.28 crore from private entities during the year. The Board incurred total expenditure of ₹370.43 crore during 2023-24, on welfare schemes & establishment. Thus, ₹647.46 crore was available with the Board as on 31 March 2024.

As per the information provided by the Board, funds were directly transferred to the Board by other entities and not routed through Public Accounts. And only in respect of four¹⁵ departments, the funds were being routed through Public Account.

¹⁵ PWD, PHE, WRD, RES/RD.

As per BOCW Cess Rules, 1998 the cess collected shall be transferred to the Board in the head of account of the Board under the accounting procedures of the State. In the absence of accounting of cess through Government Accounts, the actual amount of cess collected and transferred to the board could not be ascertained.

As per the Finance Accounts 2023-24, under the Major Head 8443-111/108 other Departmental/Public Works Deposit ₹59.99 crore of labour cess was deposited during the year. Out of which the State Government transferred only ₹58.01 crore against ₹63.19 crore (₹59.99 crore + un-transferred balance of ₹3.20 crore of previous year) payable to the Board. The balance of ₹5.18 crore remains un-transferred and has been kept under Public Account Major Head 8443.

2.5.2.5 Other dedicated Funds

(i) Infrastructure Development Fund

As per Chhattisgarh (*Adhosanrachna Vikas Evam Paryavaran*) *Upkar Adhiniyam* 2005, the Infrastructure Development Cess (ID Cess) shall be levied and collected on all lands on which land revenue or rent is levied. The ID Cess so collected should be transferred to the Infrastructure Development Fund (ID Fund). The Fund shall be utilized for implementation of such infrastructure development projects as may be prescribed. The Infrastructure Development Fund is maintained in Public Account (8229 Development and Welfare Fund-200-0026).

Audit scrutiny revealed that the State Government collected ID Cess of ₹210.58 crore during 2022-23 and ₹197.95 crore in 2023-24. An amount of ₹122.75 crore was transferred to the fund during the year 2023-24 against the amount of ₹210.58 crore collected during the previous year by the GoCG. The short transfer of ₹87.83 crore resulted in an understatement of the revenue expenditure/revenue deficit. Expenditure of ₹41.18 crore was made from the Infrastructure Development Fund during 2023-24. The closing balance as on 31 March 2024 in the Infrastructure Development Fund was ₹129.35 crore.

(ii) Environment Fund

As per provision made under Chhattisgarh (*Adhosanrachna Vikas Evam Paryavaran*) *Upkar Adhiniyam*, 2005, an Environment Fund shall be established in GoCG. Environmental cess so collected should be transferred to the Environment Fund for implementation of environment projects in the State. Environment Fund is maintained in Public Account (8229-200-0021).

Scrutiny of the relevant records revealed that ₹210.58 crore and ₹197.95 crore was collected as Environment cess in 2022-23 and 2023-24 respectively. An amount of ₹122.75 crore was transferred to the designated fund during the year 2023-24 by the GoCG against the ₹210.58 crore collected during the previous year. The short transfer of ₹87.83 crore resulted in an understatement of the revenue expenditure/revenue deficit. The balance in the Environment Fund as on 31 March 2024 was ₹289.88 crore.

(iii) Mineral Development Fund

As per section 3(2) of Chhattisgarh Mineral Development Fund Act, 2003, every year an amount equivalent to five *per cent* of mineral revenue collected during the preceding financial year shall be earmarked and contributed to the Mineral Development Fund. Mineral Development Fund is maintained in Public Account (8229 Development and welfare Fund-200-0089).

During 2023-24, the State Government was required to transfer ₹647.07 crore to Chhattisgarh State Mineral Development Fund (five *per cent* of Mineral Revenue of ₹12,941.33 crore collected during previous year i.e. 2022-23) against which the State Government transferred ₹400.00 crore only. Short contribution of ₹247.07 crore resulted in an understatement of the revenue expenditure/revenue deficit to that extent. The closing balance as on 31 March 2024 in the Mineral Development Fund was ₹1,048.89 crore.

(iv) Pension Fund

The State Government of Chhattisgarh vide notification dated 29th March 2003 had commenced administration of State Pension Fund. Rule 6 of the Chhattisgarh State Pension Fund Rules, 2003 states that the Government shall transfer to the fund an amount not less than five *per cent* of the total expenditure in the major head 2071 towards pensionary liabilities in the immediate preceding year provided that the State Government may keeping in view the available resources, transfers a larger amount into the fund.

The pension fund is created at sub-head level below MH-8229-200 Other Development Funds. The opening balance of the Fund as on 01.04.2024 was ₹456.05 crore. During the year 2023-24, an amount of ₹272.00 crore was transferred to the Fund against the required contribution of ₹383.07 crore (i.e. 5 *per cent* of ₹7,661.46 crore). Short contribution of ₹111.07 crore resulted in an understatement of the revenue expenditure/revenue deficit to that extent. The closing balance as on 31 March 2024 in the Pension Fund was ₹737.08 crore out of which ₹267.43 crore was invested in Government of India Securities and Treasury Bills.

(v) Central Road and Infrastructure Fund (CRIF)

The List of Major and Minor Heads of Accounts prescribes the accounting procedure relating to Central Road and Infrastructure Fund (CRIF). In terms of the extant accounting procedure, the grants are to be initially booked as revenue receipts under Major Head “1601 Grants-in-Aid from Central Government”. Out of these amounts, the allocations other than those from reserves, are credited to Major Head “8449- Other Deposits- 103 Subvention from Central Road and Investment Fund”, by contra debit to relevant programme minor head under the functional major head.

Details of the fund received from the Government of India and transferred by the State Government to “8449-Other Deposits-103 Subvention from Central Road and Infrastructure Fund” in the Public Account during 2019-24 are given in **Table 2.32**.

Table: 2.32: Details of Central Road and Infrastructure Fund during 2019-24

(₹ in crore)

Sl. No.	Year	Opening Balance (Amount yet to be transferred by GoCG)	Grant released from GoI	Grant transferred by GoCG to 8449-Other Deposit-103	Closing Balance (Amount pending for transfer by GoCG)
1	2019-20	14.02	371.61	198.55	187.08
2	2020-21	187.08	234.92	296.54	125.46
3	2021-22	125.46	230.29	125.47	230.28
4	2022-23	230.28	86.92	160.65	156.55
5	2023-24	156.55	353.60	300.00	210.16

Source: Data compiled by O/o the PAG (A&E), Chhattisgarh

The Government of India released ₹353.60 crore to State Government for Central Road and Infrastructure Fund during 2023-24. The State Government transferred ₹300.00 crore (₹69.64 crore, ₹86.92 crore and ₹143.44 crore relating to the period 2021-22, Central Road and Infrastructure Fund” in the Public Account. Thus, non-transfer of ₹210.16 crore to Fund in Public Account resulted in understatement of revenue expenditure/revenue deficit by ₹210.16 crore.

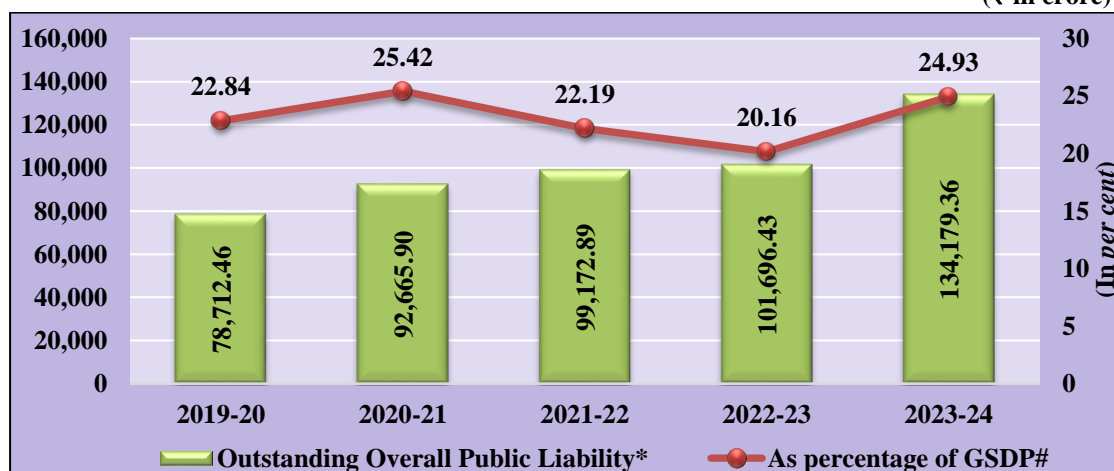
2.6 Public Liability Management

Management of public liability is the process of establishing and executing a strategy for managing the Government’s liability 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.

Outstanding overall liability of the State along with its percentage to GSDP for the years 2019-20 to 2023-24 is depicted in **Chart 2.17** below:

Chart 2.17: Outstanding overall Public Liability and its percentage to GSDP

(₹ in crore)



Source: Finance Accounts of respective years

* Outstanding overall public liability includes back-to-back loan of ₹8,074.15 crore (₹3,109.00 crore during 2020-21 and ₹4,965.15 crore in 2021-22) provided in lieu of shortfall in GST compensation as debt receipt to the State Government with no repayment liability for the State.

Outstanding overall public liability/GSDP ratio for the year 2020-24 has been calculated after excluding back-to-back loan.

2.6.1 Liability profile: Components

As per Chhattisgarh FRBM act, public liability comprises internal debt of the State Government and Loans and Advances from Central Government. Internal debt consists of Market Loans, Ways and Means advances from RBI, Compensation and other Bonds, Loans from Financial Institutions and Special Securities issued to National Small Savings Fund of Central Government.

The component-wise liability trend of the State during the five-year period 2019-24 are given in **Table 2.33**:

Table 2.33: Component wise liability trends

(₹ in crore)

Sl. No.	Particular	2019-20	2020-21	2021-22	2022-23	2023-24
1	Outstanding Overall Liability	78,712.46	92,665.90	99,172.89	1,01,696.43	1,34,179.36
2	Public Debt	63,146.72	76,659.79	82,912.77	83,950.79	1,13,887.55
a	Internal Debt	60,382.67	70,490.49	71,186.62	68,754.84	95,140.17
b	Loans from GoI	2,764.05	6,169.30	11,726.15	15,195.95	18,747.38
3	Liabilities on Public Account	15,565.74	16,006.11	16,260.12	17,745.64	20,291.81
4	Rate of growth of outstanding overall liability (per cent)	17.92	17.73	7.02	2.54	31.94
5	Gross State Domestic Product	3,44,672	3,52,328	4,10,525	4,64,399	5,05,887
6	Rate of growth of GSDP (per cent)	5.37	2.22	16.52	13.12	8.93
7	Liability /GSDP ¹⁶ (per cent)	22.84	25.42	22.19	20.16	24.93
8	Interest payments on Overall Liability	4,970.33	5,633.11	6,144.24	6,382.08	6,798.34
9	Interest payments on Off Budget Liability	129.79	212.20	229.10	462.02	742.15
Borrowings and Other Liabilities (As per Statement 6 of Finance Accounts)						
10	Total Receipts during the year	31,921.72	33,423.87	28,164.36	21,972.42	67,412.52
11	Total Repayments during the year	19,958.77	19,470.43	21,657.37	19,448.88	34,929.59
12	Net Funds Available during the year [#]	6,992.59	8,320.33	362.75	NIL	25,684.59
13	Repayments/ Receipts (per cent)	62.52	58.25	76.90	88.51	51.81

Source: Finance Accounts of respective years

Net fund available to the State Government is calculated as excess of total debt receipts over debt repayment and interest payment.

¹⁶ Liability to GSDP ratio for the year 2020-24 has been calculated on the Outstanding Overall Liability after excluding the amount of back-to-back loan ₹8,074.15 crore (₹3,109.00 crore during 2020-21 and ₹4,965.15 crore in 2021-22) provided in lieu of shortfall in GST compensation as debt receipt to the State Government with no repayment liability for the State.

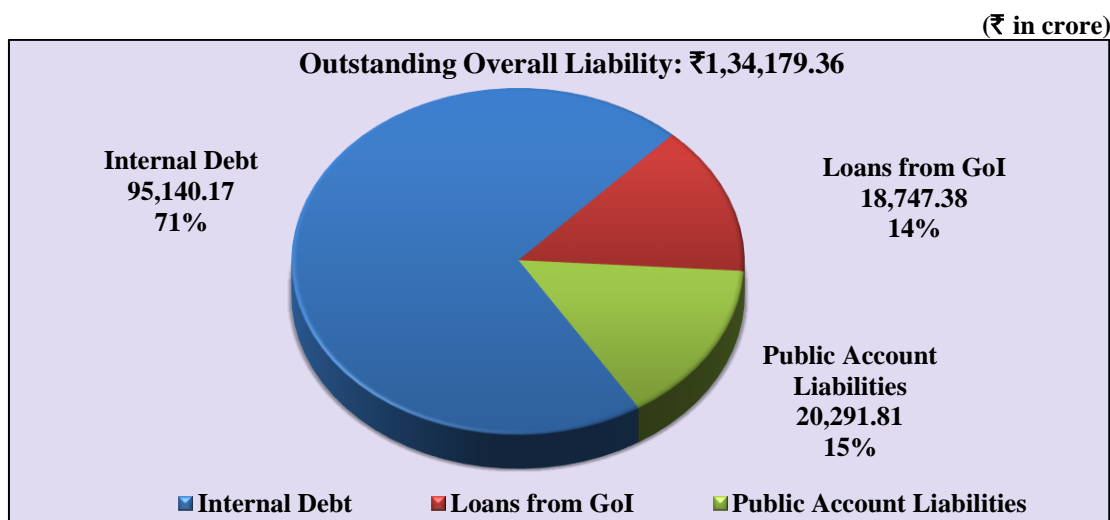
The effective outstanding overall liability after excluding the back-to-back loan would be ₹1,26,105.21 crore as of March 2024. The rate of growth of outstanding overall liability decreased from 17.92 *per cent* in 2019-20 to 2.54 *per cent* in 2022-23. However, it increased significantly to 31.94 *per cent* in 2023-24. During 2023-24, total liability receipts increased by ₹45,440.10 crore (206.81 *per cent*) and total liability repayment also increased by ₹15,480.71 crore (79.60 *per cent*) as compared to previous year. In 2019-20 and 2020-21, rate of growth liability was significantly higher than rate of growth of GSDP whereas GSDP growth exceeded the rate of growth of liability for 2021-22 & 2022-23. However, there was sharp increase in the rate of growth of liability than GSDP growth rate in 2023-24 which may pose potential fiscal challenges ahead.

Public debt increased by ₹50,740.83 crore (80.35 *per cent*) during the period 2019-24 wherein internal debt increased by ₹34,757.50 crore (57.56 *per cent*) and Loans from GoI increased by ₹15,983.33 crore (578.26 *per cent*). Public Account liabilities increased by ₹4,726.07 crore (30.36 *per cent*) during the period 2019-24.

The State Government has net outstanding off-budget liabilities/borrowings of ₹7,292.94 crore towards various Financial Institutions in addition to the budgeted liabilities of ₹1,34,179.36 crore as on 31 March 2024.

Component-wise break-up of overall liabilities is shown below in **Chart 2.18**:

Chart 2.18: Break up of Outstanding Overall Liability at the end of 2023-24

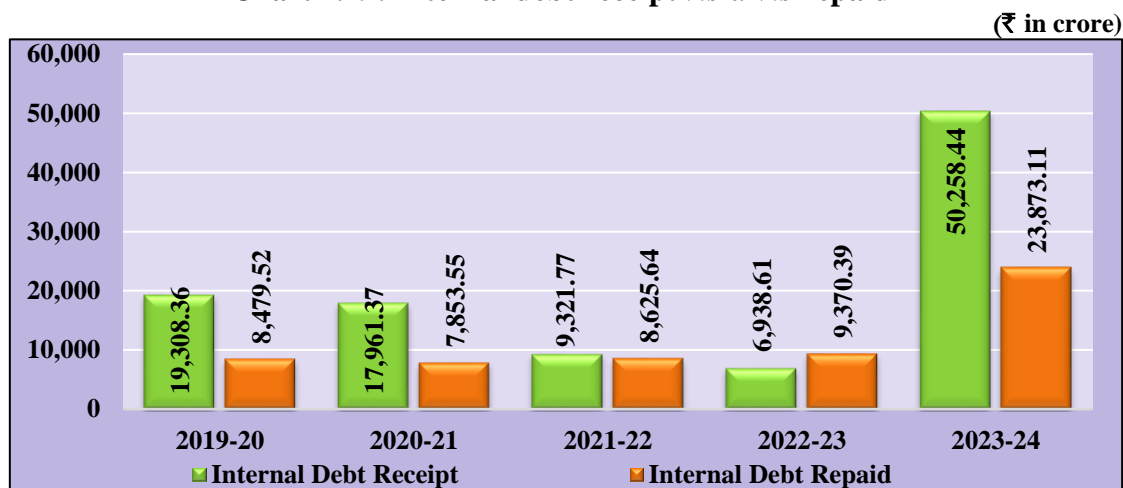


Source: Finance Accounts 2023-24

Internal debt (₹95,140.17 crore), which is primarily market borrowings through issue of State Development Loans (SDLs), accounts for 71 *per cent* of the total outstanding liability.

Chart 2.19 depicts Internal Debt receipt by the State Government and repayment for the same period.

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



Source: Finance Accounts of the respective years

Internal debt receipts shown decreasing trend from ₹19,308.36 crore in 2019-20 to ₹6,938.61 crore in 2022-23 and then increased sharply to ₹50,258.44 crore in 2023-24. Repayments (₹23,873.11 crore) under internal debt during the year 2023-24 was 48 per cent of internal debt receipts (₹50,258.44 crore).

2.6.2 Components of fiscal deficit and its financing pattern

Fiscal Deficit represents the total financing that the State requires (predominantly by drawing on its cash and investment balances with the RBI and by borrowing) to meet the excess of the Revenue and Capital Expenditure (including loans and advances) over Revenue and Non-debt Receipts. Financing pattern of fiscal deficit is reflected in Table 2.34.

Table 2.34: Components of fiscal deficit and its financing pattern

(₹ in crore)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Composition of Fiscal Deficit						
1	Revenue Deficit (-)/ Surplus (+)	(-)9,608.61	(-)6,856.66	(+)4,642.02	(+)8,592.11	(-)11,232.76
2	Net Capital Expenditure	(-)8,561.69	(-)9,019.34	(-)10,499.33	(-)13,314.70	(-)15,413.92
3	Net Loans and Advances ¹⁷	200.75	53.62	(-)235.79	31.38	(-)286.35
	Total	(-)17,969.55	(-)15,822.38	(-)6,093.10	(-)4,691.21	(-)26,933.03
Financing pattern of Fiscal Deficit (Net)						
1	Market borrowings	10,980.00	10,500.00	999.99	(-)2,200.00	26,300.00
2	Compensation and Other Bonds	0	0	(-)87.01	(-)87.01	(-)87.01
3	Loans from financial institutions	304.72	112.02	239.03	311.11	628.21
4	Special securities issued to NSSF	(-)455.88	(-)455.88	(-)455.88	(-)455.88	(-)455.87
5	Loans from GOI	63.66	3,405.25	5,556.85	3,469.80	3,551.43
6	Small Savings, PF etc.	785.26	403.73	(-)0.90	1,306.48	1,521.73

¹⁷ Net loans and advances including inter-State settlement.

7	Reserve Fund	814.16	(-)465.18	453.53	(-)181.39	766.01
8	Deposits and Advances	(-)524.14	501.82	(-)204.13	360.77	258.33
9	Suspense and Miscellaneous	4,505.27	1,845.02	109.64	2,955.88	(-)5,504.71
10	Remittances	80.79	(-)51.08	(-)6.83	37.56	(-)52.85
11	Contingency Fund	0.00	0.00	0.00	0.00	(-)13.47
12	Overall Deficit	16,553.84	15,795.70	6,604.29	5,517.32	26,911.80
13	(-) Increase/ (+) Decrease in cash balance	(+)1,415.71	(+)26.68	(-)511.19	(-)826.11	(+)21.23
14	Gross Fiscal Deficit	17,969.55	15,822.38	6,093.10	4,691.21	26,933.03

Source: Finance Accounts of respective years

During 2023-24, net Market borrowings (₹26,300.00 crore) raised by the State Government contributed to finance a major portion of fiscal deficit and its share in financing fiscal deficit was 98 *per cent*.

Receipts and Disbursements under different components financing the Fiscal Deficit are shown in **Table 2.35**:

Table 2.35: Receipts and Disbursements under components financing the fiscal deficit

(₹ in crore)

Sl. No.	Particulars	Receipt	Disbursement	Net
1	Market Borrowings	32,000.00	5,700.00	26,300.00
2	Compensation and Other Bonds	0.00	87.01	(-)87.01
3	Loans from Financial Institutions	1,587.43	959.22	628.21
4	Special Securities issued to NSSF	0.00	455.87	(-)455.87
5	Loans from GOI	3,791.28	239.85	3,551.43
6	Small Savings, PF, etc.	3,222.13	1,700.40	1,521.73
7	Deposits and Advances	3,560.30	3,301.97	258.33
8	Suspense and Miscellaneous	2,00,606.38	2,06,111.09	(-)5,504.71
9	Remittances	5,309.36	5,362.21	(-)52.85
10	Reserve Fund	7,292.47	6,526.46	766.01
11	Contingency fund	63.49	76.96	(-)13.47
12	Overall Deficit	2,57,432.84	2,30,521.04	26,911.80
13	Increase/Decrease in cash balance			21.23
14	Gross Fiscal Deficit	2,57,432.84	2,30,521.04	26,933.03

Source: Finance Accounts 2023-24

2.6.3 Debt Profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. **Table 2.36** below shows the debt maturity profile of the State.

Table 2.36: Maturity profile of repayment of public debt

(₹ in crore)

Sl. No.	Period of repayment (Years)	Internal Debt	Loans & Advances from Central Government	Total	Percentage (w.r.t. public debt)
1	0 to 1	9,045.96	425.64	9,471.60	8.32
2	1 to 3	21,784.48	535.64	22,320.12	19.60

3	3 to 5	22,556.86	532.36	23,089.22	20.28
4	5 to 7	20,101.37	465.71	20,567.08	18.05
5	7 and above	21,480.46	8,712.45	30,192.91	26.51
6	Others ¹⁸	171.04	8,075.58	8,246.62	7.24
Total		95,140.17	18,747.38	1,13,887.55	100.00

Source: Finance Accounts 2023-24

The maturity profile of the public debt as on 31 March 2024 indicates that the State has to pay 66.25 per cent of the debt within the next seven years.

2.7 Debt Sustainability Analysis (DSA)

Debt sustainability is defined as the ability of the State to service its debt now and in future. Apart from the magnitude of the debt of the Government, it is important to analyse the various parameters that determine the debt sustainability of the State and indicate the ability of the State to service its debt obligations. This section assesses the sustainability of the debt of the Government in terms of various sustainability indicators and Domar criteria. **Table 2.37** analyses the debt sustainability of the State according to debt sustainability indicators for the period of five years from 2019-20 to 2023-24.

Table 2.37: Trends in debt Sustainability indicators

(₹ in crore)						
Sl. No	Debt Sustainability Indicators	Y ₁ (2019-20)	Y ₂ (2020-21)	Y ₃ (2021-22)	Y ₄ (2022-23)	Y ₅ (2023-24)
1	Overall Liabilities or Overall Debt	78,712.46	92,665.90*	99,172.89*	1,01,696.43*	1,34,179.36*
2	Rate of Growth of Overall liability (<i>per cent</i>)	17.92	17.73	7.02	2.54	31.94
3	GSDP (in nominal terms)	3,44,672	3,52,328	4,10,525	4,64,399	5,05,887
4	Nominal GSDP growth (<i>per cent</i>)	5.37	2.22	16.52	13.12	8.93
5	Overall Liability/GSDP ^{&} (<i>per cent</i>)	22.84	25.42	22.19	20.16	24.93
6	Maturity profile of Public Debt (<i>per cent</i>)					
6a	0 to 2 years	13.97	14.56	18.09	22.32	19.67
6b	2 to 5 years	31.76	37.28	40.98	45.29	32.28
6c	5 to 10 years	51.81	46.37	38.28	25.74	39.27
6d	over 10 years	2.47	1.80	2.65	6.64	8.78
7	Repayment to Gross Borrowings (<i>per cent</i>)	62.52	58.25	76.90	88.51	51.81
8	Net borrowings available as a percentage of Gross Borrowings	37.48	41.75	23.10	11.49	48.19
9	Interest payments on overall liability ¹⁹	4,970.33	5,633.11	6,144.24	6,382.08	6,798.34
10	Effective rate of interest on overall liability (<i>per cent</i>)	7.37	7.05	7.18	7.19	6.30
11	Interest payment to Revenue Receipts (<i>per cent</i>)	7.78	8.92	7.71	6.80	6.57
12	Revenue Deficit/Surplus	-9,608.61	-6,856.66	4,642.02	8,592.11	-11,232.76
13	Primary Revenue Balance (PRB)	-4,638.28	-1,223.55	10,786.26	14,974.19	-4,434.42
14	Primary Balance (PB)	-12,999.19	-10,189.27	51.14	1,690.87	-20,134.69
15	PB/GSDP (<i>per cent</i>)	-3.77	-2.89	0.01	0.36	-3.98

¹⁸ Details of maturity year not available. Others include Back-to-Back loan provided during 2020-21 (₹3,109.00 crore) and 2021-22 (₹4,965.15 crore) in lieu of shortfall in GST compensation as debt receipt to the State Government with no repayment liability for the State.

¹⁹ Interest payments on overall liability includes Interest payments on off budget liabilities of ₹129.79 crore (2019-20), ₹212.20 crore (2020-21), ₹229.10 crore (2021-22), ₹462.02 crore (2022-23), ₹742.15 crore (2023-24).

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16	Difference between RoI ²⁰ and effective rate of interest on overall liability	-7.26	-6.55	-6.94	-4.53	-3.11
17	Liquidity Management (use of financial accommodation instruments available with RBI) (number of days)	36	30	38	15	99
18	Debt Stabilisation (Quantum spread + Primary balance)	-14,437.29	-14,146.69	7,798.46	6,543.16	-17,232.63
19	Domar Criteria					
a	GSDP (in constant terms)	2,51,549	2,51,192	2,80,609	3,02,119	3,21,945
b	Real Growth (in constant terms)	2.85	-0.14	11.71	7.67	6.56
c	Inflation based on CPI (per cent)	2.48	7.43	4.83	4.69	3.43
d	Effective Rate of interest	7.37	7.05	7.18	7.19	6.30
e	Real effective rate of interest (Effective rate of interest-Inflation)	4.89	-0.38	2.35	2.50	2.87
f	Growth Interest Differential (Real Growth-Real effective rate of interest)	-2.04	-0.24	9.36	5.17	3.69

Source: Finance Accounts of the respective years

* Outstanding overall liability Includes back-to-back loan of ₹8,074.15 crore provided during 2020-21 (₹3,109.00 crore) and 2021-22 (₹4,965.15 crore) in lieu of shortfall in GST compensation as debt receipt to the State Government with no repayment liability for the State.

& Overall Liabilities to GSDP ratio for the year 2020-21 to 2023-24 has been calculated on the Outstanding liabilities after excluding the amount of back-to-back loan of ₹8,074.15 crore (₹3,109.00 crore during 2020-21 and ₹4,965.15 crore in 2021-22).

PRB: Revenue Receipts-Revenue Expenditure (net of interest payments), where (-) PRB implies Primary Deficit and vice-versa.

PB: Total Receipts (net of borrowings) -Total Expenditure (net of interest payments), where (-) PB implies Primary Deficit and vice-versa.

Effective Rate of Interest: {Interest Payments excluding IP on OBB / [Average Outstanding liability of Previous and Current Financial Year excluding Non-Interest-Bearing Liabilities, back-to-back loan and Interest free loan released to the States]}

Liquidity Management: Amount availed against Special Drawing Facility, Ways and Means Advances & Overdraft.

Quantum Spread: (Interest Spread* overall liability) where Interest spread = (GSDP growth rate - Effective rate of interest on Overall liability). For computation of quantum spread, overall liability has been taken after excluding back-to-back loan, Non-Interest Bearing Liabilities and Interest free loan released to the States under the Scheme for Special Assistance to States for Capital Expenditure/Investment ; RoI : Return on Investment

A brief discussion about impact of the Debt Stabilisation (Quantum spread + Primary balance), growth interest differential (g-r) and the primary balance and overall liability to GSDP ratio of Chhattisgarh during 2019-20 to 2023-24 is summarised below.

- As can be seen from **Table 2.37**, except for the pandemic-affected year 2020-21, most of the indicators considered for State DSA displayed a fluctuating trend over the last five years, which may be sufficient to conclude that the debt-GSDP ratio of the State remained unstable. It is observed that except for the years 2021-22 and 2022-23, the growth in overall liabilities/debt remained higher than the nominal growth. This suggests that the state needs to take austerity measures to contain growth in debt to keep it in tandem with the nominal growth.
- On an average, over 50 per cent of the outstanding debt had a residual maturity of up to five years, indicating that roll-over risk remained elevated from 2020-21 to 2023-24. The residual maturity of outstanding debt of upto five years increased from

²⁰ RoI = Interest Receipts/Average of Outstanding Loans and Advances Disbursed of Previous and Current Financial Year*100.

45.73 *per cent* in 2019-20 to 67.61 *per cent* in 2022-23 and reduced to 51.95 *per cent* in 2023-24. With the increase in the proportion of outstanding debt with short- and medium-term maturity, roll-over risk intensified until 2022-23 and lessened in 2023-24. Therefore, the state needs to switch to long-term debt for future borrowing requirements to reduce the vulnerability of debt sustainability.

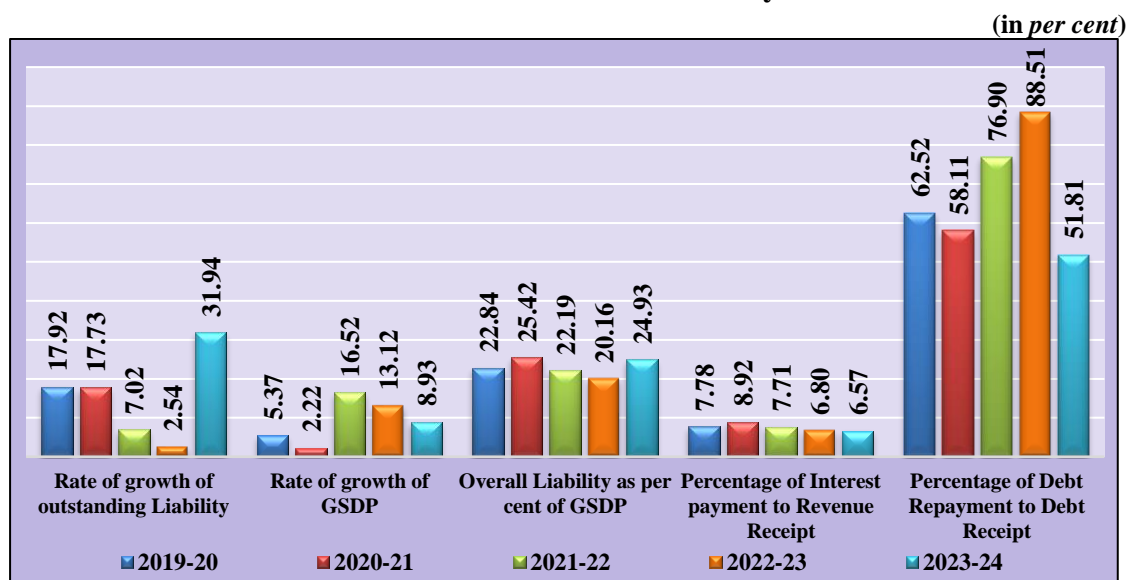
- Debt burden of the State as measured by debt-GSDP ratio, except the year 2019-20, although remained with the indicative debt path²¹ of the prescribed by the Finance Commission witnessed fluctuating trend.
- Repayment to Gross Borrowings in the above Table excludes interest payment and if taken into account it will increase to 62 *per cent* from 52 *per cent* and will reduce the government's flexibility in fiscal planning and may further need to cut spending on quality expenditure. Further, Net borrowing available for productive purposes and growth-boosting investment has neither consistently shown an upward trend nor remained stable enough to lead to a sustained improvement in the quality of expenditure.
- Further, utilisation of the financial facility available with RBI for liquidity management was the lowest at 15 days in 2022-23 and the highest at 99 days in 2023-24 in the last five years. This shows that the reliance on short-term borrowings for liquidity management has not reduced. The State utilised the financial facility available with RBI for liquidity management for an average of 1.5 months annually, which indicates that the State was grappling with liquidity issues.
- The State managed to keep its debt-GSDP ratio below the indicative limit set by the Finance Commission in four out of five years with the help of GID (Growth Interest Differential) which remained supportive in three out of five years and primary surplus in 2021-22 and 2022-23.
- Both GID and PB which remained in negative territory contributed to increase in debt-GSDP ratio in 2019-20 and 2020-21. The GID and the PB which turned positive in 2021-22 and improved further in the succeeding year led to improvement in debt-GSDP ratio in 2021-22 and 2022-23. However, the decline in GID and primary surplus as well as the increase in debt which outpaced nominal growth by a significant margin allowed to debt-GSDP ratio to register a hike of 4.8 percentage points from 20.16 *per cent* in 2022-23 to 24.93 *per cent* in 2023-24. The State, except for the year 2019-20, managed to keep its debt-GSDP ratio within the indicative debt path given by the Finance Commission over the last five year.

²¹ There are two conditions required for DSA; Debt Sustainability Indicator (a combination of Growth Interest Differential and Primary Balance) and to estimate the Sustainability of the debt in diversion of the actual Debt/GSDP ratio from target threshold. As there is no theory to indicate what is a sustainable debt threshold, so choice of the target value of the debt is arbitrary. Therefore, indicative debt path of the State as projected as given by the FC is considered as threshold of Debt/GSDP ratio.

- The Domar criterion suggests that nominal growth was driven primarily by real growth rather than inflation except in the pandemic-affected year (2020-21). While inflation measured by the CPI (combined) kept the real interest rates conducive to have positive GID except in 2019-20 and 2020-21. On average, the state has managed CPI inflation within the 2-6 *per cent* bandwidth prescribed by the RBI.

Chart 2.20 depicts the sustainability of debt of the State Government in terms of debt/GSDP ratio.

Chart 2.20: Trends of Debt Sustainability indicators



Source: Finance Accounts of the respective years

Note: Overall Liability to GSDP ratio for the year 2020-21 to 2023-24 has been calculated on the Outstanding overall liability after excluding the amount of back-to-back loan of ₹8,074.15 crore (₹3,109.00 crore during 2020-21 and ₹4,965.15 crore in 2021-22).

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. Details and trends of utilisation of borrowed funds during 2019-20 to 2023-24 are given in **Table 2.38**.

Table 2.38: Utilisation of borrowed funds

(₹ in crore)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
1	Total Borrowings ²²	31,921.72	33,423.87	28,164.36	21,972.42	67,412.52
2	Repayment of earlier borrowings (Principal)	19,958.77	19,470.43	21,657.37	19,448.88	34,929.59
3	Balance available after repayments	11,962.95	13,953.44	6,506.99	2,523.54	32,482.93
4	Net Capital expenditure	(-)8,561.69	(-)9,019.34	(-)10,499.33	(-)13,314.70	(-)15,413.92
5	Net Loans and Advances	200.75	53.62	(-)235.79	31.38	(-)286.35

²² Total Borrowing includes receipts under Public Debt and Other Public Account liabilities.

6	Portion of Revenue expenditure met out of net available borrowings	3,602.01	4,987.72	Nil	Nil	11,232.76
7	Surplus borrowing in Cash Balance	Nil	Nil	Nil	Nil	5,549.90

Source: Finance Accounts of the respective years

Total Borrowings has an increasing trend from ₹31,921.72 crore in 2019-20 to ₹67,412.52 crore in 2023-24, with a significant jump in 2023-24. During the year 2023-24, 52 *per cent* of borrowed funds (₹67,412.52 crore) were utilised towards the repayment of earlier borrowings (₹34,929.59 crore) leaving only 48 *per cent* of borrowed fund for development activities.

Out of ₹32,482.93 crore of balance available after borrowing repayments, expenditure of ₹15,413.92 crore was made on capital account, ₹286.35 crore on Loans & advances. Further from the remaining ₹16,782.66 crore of borrowings, ₹11,232.76 crore was used for funding portion of revenue expenditure and ₹5,549.90 crore was available in cash balance.

During 2023-24, total borrowings increased by ₹45,440.10 crore (206.81 *per cent*) from ₹21,972.42 crore in 2022-23 to ₹67,412.52 crore in 2023-24. Similarly, repayment of earlier borrowings increased by ₹15,480.71 crore (79.60 *per cent*) in 2023-24 over the previous year.

2.7.2 Guarantees – Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per the Chhattisgarh State Government Guarantee Rules, 2020 (Amended), the total Government guarantees given in a financial year shall not exceed 100 *per cent* of the State's own Revenue Receipts in the preceding year. The details of ceiling amount, outstanding guarantees and maximum amount guaranteed at the end of the financial year for the year 2019-20 to 2023-24 are given in **Table 2.39**.

Table 2.39: Guarantees given by the Government of Chhattisgarh

(₹ in crore)

Sl. No.	Guarantees	2019-20	2020-21	2021-22	2022-23	2023-24
1	Ceiling applicable to the amount of guarantees*	20,391.20	30,051.62	30,026.15	40,934.94	48,370.55
2	Outstanding amount of guarantees	18,459.36	19,836.13	19,499.89	22,099.71	21,890.52
3	Maximum amount guaranteed	27,994.79	26,694.79	29,947.50	30,022.50	31,662.88

Source: Finance Accounts of the respective years

* As per the Chhattisgarh State Government Guarantees Rules, 2003, the total Government guarantees given in a financial year shall not exceed seventy *per cent* of the State's own Revenue Receipts in the preceding year. However, the limit was increased (July 2020) to hundred *per cent* through Chhattisgarh State Government Guarantees Rules, 2020 (Amended).

The maximum amount of guarantees given by the Government of Chhattisgarh during the years 2020-21 to 2023-24 was within the applicable ceiling however it exceeded the limit during 2019-20. The maximum guaranteed of ₹31,662.88 crore as on 31 March 2024, work out to 65.46 *per cent* of the State's own Revenue Receipts of the year 2022-23 (₹48,370.55 crore) and is within the applicable limits. During the year 2023-24, No guarantee fees was received against the receivable guarantee fees of ₹76.08 crore.

2.7.3 Management of Cash Balances

The State Government invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The profits derived from such investments are credited as receipts under the head '0049-Interest Receipts'.

Table 2.40 depicts the cash balances, and the investments made out of these by the State Government during the year.

Table 2.40: Status of Cash Balances

(₹ in crore)

Sl. No.	Particulars	Opening balance as on 01 st April 2023	Closing balance as on 31 st March 2024
1	A. General Cash Balances		
2	Cash in treasuries	0	0
3	Deposits with Reserve Bank	215.63	194.40
4	Investment held in 'Cash Balance Investment Account'	485.61	5,933.48
5	Total A	701.24	6,127.88
6	B. Other Cash Balances and Investments		
7	Cash with the Departmental Officers viz. Forest, Public Works Departments, Military Secretary to the Governor	12.09	12.07
8	Permanent advances for contingent expenditure with Departmental Officers	0.34	0.34
9	Investment of Earmarked Funds	7,334.30	7,656.95
10	Total B	7,346.73	7,669.36
11	Total A and B	8,047.97	13,797.24
12	Interest realised	41.70	26.41

Source: Finance Accounts of 2023-24

General Cash Balances of the State Government at the end of the current year increased by ₹5,426.64 crore from ₹701.24 crore in 2022-23 to ₹6,127.88 crore in 2023-24.

Under an agreement with the Reserve Bank of India (RBI), the GoCG has to maintain the required minimum cash balance of ₹0.72 crore with the RBI. If the balance falls below the agreed minimum balance on any day, the shortfall is made good by taking Ordinary and Special Ways and Means Advance or Ordinary Ways and Means Advance. The State Government was able to maintain a minimum cash balance of ₹0.72 crore for 267 days and had to maintain the minimum balance by

taking Special Drawing Facility for 99 days. The State Government had to pay ₹22.11 crore as interest on SDF during the year 2023-24.

The cash balance investments of the State during the five-year period 2019-20 to 2023-24 are given below in **Table 2.41**.

Table 2.41: Cash Balance Investment Account (Major Head-8673)

Sl. No.	Year	Cash Balance Investment			
		Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
1	2019-20	9,759.02	5,246.81	(-)4,512.21	196.10
2	2020-21	5,246.81	3,389.68	(-)1,857.13	29.66
3	2021-22	3,389.68	3,345.39	(-)44.29	28.23
4	2022-23	3,345.39	485.61	(-)2,859.78	41.70
5	2023-24	485.61	5,933.48	5,447.87	26.41

Source: Finance Accounts of respective years

The position of closing balance of Cash Balance Investment of the State Government increased from ₹5,246.81 crore in 2019-20 to ₹5,933.48 crore in 2023-24 indicating surplus cash balance.

2.8 Conclusion

The State Government registered an increase of 10.26 per cent in its Revenue Receipts during 2023-24 compared to the previous year. The tax revenue increased by 18.00 per cent while non-tax revenue decreased by 0.66 per cent. Revenue Surplus of ₹8,592.11 crore in 2022-23 converted into Revenue Deficit of ₹11,232.76 crore during 2023-24.

The State Government exceeded the expectations of the XVFC and budget projections in mobilizing own tax revenue by 32.85 per cent and 2.07 per cent respectively. However, it could not meet the non-tax revenue target set in its own budget estimates and was short by 16.77 per cent.

Revenue expenditure, which constitutes 87.94 per cent of total expenditure, increased significantly by 34.54 per cent during 2023-24 compared to the previous year. Though the Capital Expenditure increased by 15.76 per cent over the previous year, its share in total expenditure was merely 11.82 per cent. While the revenue expenditure as per cent of GSDP was 22.68 per cent, the capital expenditure stood at 3.05 per cent of GSDP in 2023-24.

During the year 2023-24, actual expenditure on capital was less than the budgeted estimates. Capital expenditure being lower than the budget estimate indicates investment as planned in capital projects was not done.

Committed Expenditure to Revenue Expenditure decreased to 39.22 per cent in 2023-24 from 46.33 per cent in the year 2019-20.

The State Government earned a meagre 0.05 per cent return on its total investment (₹7,533.61 crore) in Statutory Corporations, Government Companies and Co-

operatives up to 31 March 2024.

The State Government delayed the transfer of the SDRF & SD MF fund to the public account. As a result, an interest of ₹0.75 crore for SDRF and ₹13.21 crore for SD MF was due for payment for timely fund transfers. Also, The State Government had not credited interest of ₹45.39 crore and ₹15.32 crore for the year 2023-24 on un-invested balances of the SDRF & SD MF in the manner specified in the guidelines.

The maturity profile of the public debt as on 31 March 2024 indicates that the State has to pay 66.25 per cent of the debt within the next seven years.

The rate of growth of overall outstanding liability decreased from 17.92 per cent in 2019-20 to 2.54 per cent in 2022-23. However, it increased significantly to 31.94 per cent in 2023-24.

The State Government also has net outstanding off-budget liabilities/borrowings of ₹7,292.94 crore towards various Financial Institutions in addition to the budgeted liabilities of ₹1,34,179.36 crore as on 31 March 2024.

As per Debt sustainability analysis, it is observed that except for the years 2021-22 and 2022-23, the growth in overall liabilities/debt remained higher than the nominal growth. The liability-GSDP ratio registered a hike of 4.8 percentage points from 20.16 per cent in 2022-23 to 24.93 per cent in 2023-24. As per Domar criterion, on average, the state has managed CPI inflation within the 2-6 per cent bandwidth prescribed by the RBI. Further, The State utilised the financial facility available with RBI for liquidity management for an average of 1.5 months annually, which indicates that the State was grappling with liquidity issues.

General Cash Balances of the State Government at the end of the current year increased by ₹5,426.64 crore from ₹701.24 crore in 2022-23 to ₹6,127.88 crore in 2023-24.

2.9 Recommendations

- i.** The State Government may review the reasons for shortfall in capital expenditure vis-à-vis budget estimates, so that more funds can be made available for infrastructure creation to provide stimulus for economic growth.
- ii.** The State Government should assess the reasons for the insufficient return on investment from statutory corporations, Government companies, Joint Stock Companies, Co-operative Institutions and to look for remedial measures.
- iii.** The State Government should ensure timely transfer of the Central share received from GoI along with the State share to the SDRF & SD MF and should invest balances lying under this fund as per the guidelines.