

## BUDGETARY MANAGEMENT

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### 3.1 Introduction

This chapter reviews the integrity, transparency and effectiveness of the budgetary process and allocative priorities, including supplementary grants, and the concomitant financial management and assessing whether decisions taken at the policy level are implemented at the administrative level without diversion of funds.

### 3.2 Budget Process

The annual exercise of budgeting is a tool for detailing the roadmap for efficient use of public resources. Government of Chhattisgarh follows a top-down approach for budget preparation. The process followed by the State for budget preparation is broadly as follows:

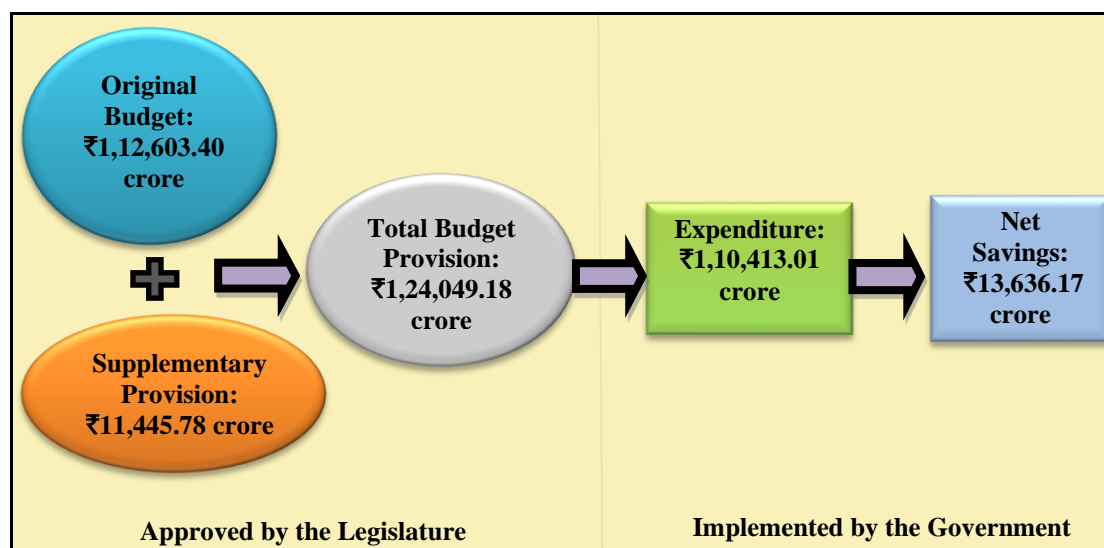
- ↳ At the beginning of the financial year, Finance Department undertakes a preliminary assessment of the financial resources that are likely to be available with the State in the ensuing financial year based on past trends with due consideration of policy announcements by the Union and State Governments and any recent developments that may significantly impact resource availability.
- ↳ Based on the quantum of resources estimated, Finance Department determines the affordable level of Government expenditure for the financial year.
- ↳ The Budget Circular includes the calendar of dates for submission and review of estimates to be prepared by departments. It is also accompanied by procedural details for the preparation of the Gender, Child, Youth, Agriculture and Outcome Budgets.
- ↳ Thereafter, Finance Department carries out the evaluation of the State's financial resources based on guidelines issued by the Niti Ayog. Various inputs from revenue-earning departments are also incorporated in these estimates. An estimation of the resources of local bodies and State PSUs is also made. On receiving budget estimates of expenditure from departments, Finance Department scrutinizes and finalizes these estimates for which it holds discussions with department officials.

The estimates are compiled by Finance Department in prescribed formats in which they are to be presented to the Legislative Assembly for vote and approval for expenditure out of the Consolidated Fund of the State by presenting its Annual Budget and Demands for Grants/Appropriations. Supplementary or Additional Grant/Appropriation is provided during the financial year for meeting expenditure in excess of the originally budgeted amount. Further, the State Government also re-appropriates/re-allocates funds from various units of Appropriations where savings are anticipated to units where additional expenditure is envisaged (within the Grant/Appropriation) during the year.

The total budget approved by the State Legislature including the original and

supplementary budgets, expenditure, and savings during the year 2022-23 are depicted in **Chart 3.1**.

**Chart 3.1: Summary of Budget and Expenditure of Chhattisgarh for 2022-23**



### 3.3 Financial Accountability and Budget Review

#### 3.3.1 Gender Budget

Gender budget is a part of the overall budget and is designed to aid the development of women. Schemes related to women are divided into two categories- (1) Women-specific schemes in which 100 *per cent* budget provision is related to women and (2) Pro-women schemes in which at least 30 *per cent* of budget provision is related to women.

During 2022-23, the State Government allocated ₹1,870.85 crore (original budget of ₹1,755.86 crore and supplementary budget of ₹114.99 crore) for 26 schemes which are 100 *per cent* women centric. Out of the total budget of ₹1,870.85 crore, only ₹1,298.44 crore (69.40 *per cent*) was utilised and remaining ₹572.41 crore (30.60 *per cent*) was unutilised. Details are shown in *Appendix 3.1* of which in two cases there was no expenditure and in one case the expenditure was more than the budgetary allotment.

The budget provision of ₹12,377.73 crore for 105 schemes in which a part of the budget (minimum 30 *per cent*) was to be spent on pro-women schemes during 2022-23 did not provide sufficient details to ascertain the actual amount spent on women-centric schemes.

#### 3.3.2 Youth Budget

Youth budget is a part of the overall budget and the schemes related to youth were divided into two categories- (1) Youth-specific schemes in which 100 *per cent* budget provision is related to youth, and (2) Pro-youth schemes in which at least 50 *per cent* of budget provision is related to youth.

During 2022-23, State Government made a budget provision of ₹2,313.73 crore (original budget of ₹1,818.42 crore and supplementary budget of ₹495.31 crore) for 51 schemes which are 100 *per cent* youth centric. Out of the total budget of ₹2,313.73 crore, only an expenditure of ₹1,568.91 crore (67.79 *per cent*) was incurred and remaining ₹745.35 crore (32.21 *per cent*) was unutilised. Details are shown in **Appendix 3.2** of which in five cases there was no expenditure and in two cases the expenditure was more than the budgetary allotment.

The budget provision of ₹1,200.79 crore for 50 schemes in which a part of the budget (minimum 50 *per cent*) was to be spent on pro-youth schemes during 2022-23 did not provide sufficient detail to ascertain the actual amount spent on youth-centric schemes.

### **3.3.3 Agriculture Budget**

This budget includes the development of agriculture sector and the interests of farmers' activities as well as information on expenditure on these activities.

During 2022-23, the State Government provided ₹23,131.75 crore in the budget (original budget of ₹20,404.57 crore and supplementary budget of ₹2,727.18 crore) for 244 schemes for agriculture under 12 departments<sup>1</sup>. Out of this budget, an expenditure of ₹19,281.13 crore (83.35 *per cent*) was incurred and remaining ₹3,902.52 crore (16.65 *per cent*) was unutilised.

### **3.3.4 Child Budget**

This budget aims at social development, protection, knowledge management, health and nutrition of children in the age group of 0-18 years and keeping in mind their all-round development.

During 2022-23, the State Government provided ₹10,087.32 crore in the budget for 62 schemes under six departments<sup>2</sup>. Out of this, a budget of ₹5,972.19 crore was allocated for 49 schemes which are 100 *per cent* child centric. An expenditure of ₹4,687.44 crore (78.49 *per cent*) was incurred and remaining ₹1,284.74 crore (21.51 *per cent*) was unutilised.

### **3.3.5 Budget Marksmanship**

#### **Aggregate Budget Outturn**

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/ actual expenditure reflects the amount originally approved, both in terms of less than approved and more than approved.

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<sup>1</sup>Agriculture Department, Animal Husbandry Department, Fisheries Department, Co-operative Department, Water Resource Department, Revenue Department, Panchayat and Rural Development Department, Forest Department, Energy Department, Finance Department, Food and Civil Supply Department, and Rural Industry Department

<sup>2</sup>Labour Department, Public Health & Family Welfare Department, School Education Department, Tribal Welfare Department, Social Welfare Department, and Women & Child Development Department

**Table 3.1: Aggregate Budget Outturn**

(₹ in crore)

Nature of Expenditure	Original Budget (OB) <sup>3</sup>	Actual Expenditure (AE) <sup>4</sup>	Difference between OB and AE
Revenue Expenditure	90,188.75	86,876.55	3,312.20
Capital Expenditure	22,414.65	23,536.46	(-)1,121.81
<b>Total</b>	<b>1,12,603.40</b>	<b>1,10,413.01</b>	<b>2,190.39</b>

Source: Appropriation Act 2022-23 and Appropriation Accounts 2022-23

In Revenue expenditure section, deviation in outturn compared with OB was (-)3.67 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 39 grants, between  $\pm 25$  per cent to  $\pm 50$  per cent in 19 grants, between  $\pm 50$  per cent to  $\pm 100$  per cent in six grants and equal to or more than 100 per cent in one grant.

In Capital expenditure section, deviation in outturn compared with OB was 5.00 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 21 grants, between  $\pm 25$  per cent to  $\pm 50$  per cent in 18 grants, between  $\pm 50$  per cent to  $\pm 100$  per cent in 23 grants and equal to or more than 100 per cent in three grants. No original budget provision was, however, made in respect of one grant of the Capital section.

### Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition.

**Table 3.2: Expenditure Composition Outturn**

(₹ in crore)

Nature of Expenditure	Original Approved Budget (OB)	Revised Estimate (RE)	Actual Expenditure (Outturn)	Difference between RE & OB	Difference between Actual and RE
Revenue Expenditure	90,188.75	95,247.10	86,876.55	5,058.35	(-) 8,370.55
Capital Expenditure	22,414.65	26,594.97	23,536.46	4,180.32	(-) 3,058.51
<b>Total Expenditure</b>	<b>1,12,603.40</b>	<b>1,21,842.07</b>	<b>1,10,413.01</b>	<b>9,238.67</b>	<b>(-) 11,429.06</b>

Source: Appropriation Account 2022-23 and Budget Books 2023-24

In Revenue expenditure section, deviation in outturn compared with RE was (-)8.79 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 37 grants/appropriation, between  $\pm 25$  per cent to  $\pm 50$  per cent in 16 grants, between  $\pm 50$  per cent to  $\pm 100$  per cent in 12 grants. No provisions were made in six grants (Grant nos. 42, 57, 68, 75, 76 and one appropriation-Public debt) of the Revenue Section.

In Capital expenditure section, deviation in outturn compared with RE was (-)11.50 per cent. This was due to deviation between 0 and  $\pm 25$  per cent in 23 grants, between  $\pm 25$  per cent to  $\pm 50$  per cent in 11 grants, between  $\pm 50$  per cent to  $\pm 100$  per cent in 32 grants. No capital provision was, however, made in respect of five grants (Grant nos. 22, 35, 49, 50 and one appropriation-Interest payment) of the Capital section.

<sup>3</sup> This excludes recoveries adjusted in reduction of expenditure.

<sup>4</sup> This excludes recoveries adjusted in reduction of expenditure.

### 3.3.6 Major Policy Initiatives/New Schemes

While presenting its Budget for the year 2022-23, the State Government announced a total of 42 major policy initiatives/new schemes with an allocation of ₹1,294.52 crore, however, neither budget provision nor expenditure was made in seven schemes. Out of the total of 42 major policy initiatives/new schemes, a total budget of ₹42.93 crore was provided under six major policy initiatives/new schemes (one crore and above) spanning across various departments in which no expenditure was incurred during the year as shown in *Appendix 3.3*.

## 3.4 Appropriation Accounts

Audit of Appropriation Accounts by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorization made under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the relevant laws, rules, regulations, and instructions.

### 3.4.1 Summary of Appropriation Accounts

The summarized position of budget including supplementary budget, actual expenditure, and excess/savings during 2022-23 against 71 grants/ appropriations is given below:

**Table 3.3: Summarised position of Expenditure vis-à-vis Budget Provision**

(₹ in crore)								
	Nature of Expenditure	Original Budget	Supplementary Provision	Total Budget	Expenditure	Savings (-)	Excess (+)	Surrender during March
Voted	Revenue	82,656.54	8,723.70	91,380.24	79,993.17	-11,428.84 (12.51)	41.77 (0.05)	12,950.96 (113.32)
	Capital	15,888.95	2,647.56	18,536.50	13,749.42	-4,787.08 (25.83)	0.00	4,775.16 (99.75)
	Loans and Advances	500.43	0.26	500.69	171.53	-329.16 (65.74)	0.00	323.78 (98.37)
	<b>Total Voted</b>	<b>99,045.91</b>	<b>11,371.52</b>	<b>1,10,417.43</b>	<b>93,914.12</b>	<b>-16,545.08 (14.98)</b>	<b>41.77 (0.05)</b>	<b>18,049.90 (109.10)</b>
Charged	Revenue	7,532.21	67.86	7,600.07	6,883.38	-716.71 (9.43)	0.01	709.73 (99.03)
	Capital	13.38	6.40	19.78	14.79	-4.99 (25.21)	0.00	4.97 (99.68)
	Public Debt	6,011.90	0.00	6,011.90	9,600.72	0.00	3,588.82 (59.70)	116.91
	<b>Total Charged</b>	<b>13,557.49</b>	<b>74.26</b>	<b>13,631.75</b>	<b>16,498.89</b>	<b>-721.70 (5.29)</b>	<b>3,588.83 (26.33)</b>	<b>831.61 (115.23)</b>
<b>Grand Total</b>	<b>1,12,603.40</b>	<b>11,445.78</b>	<b>1,24,049.18</b>	<b>1,10,413.01</b>	<b>-17,266.78 (13.92)</b>	<b>3,630.60 (2.93)</b>	<b>18,881.51 (109.35)</b>	

Source: Appropriation Account 2022-23

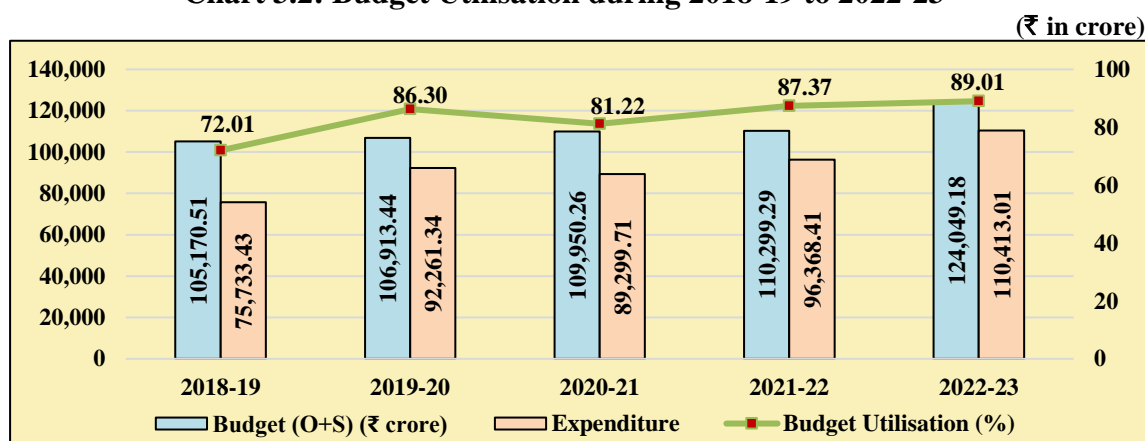
The total savings amounted to ₹17,266.78 crore (13.92 per cent of total grants/appropriation), and ₹18,959.11 crore was surrendered. Out of the total surrender

of ₹18,959.11 crore, amount of ₹18,881.51 crore (99.59 per cent) was surrendered in the month of March, hence leaving no scope for utilisation of these funds for other developmental purposes. Also, since the Government could not fully utilise the original provision, the supplementary provision of ₹11,445.78 crore proved unnecessary.

### 3.4.2 Utilisation of Budgeted Funds

The extent of utilisation of budget during the five-year period from 2018-19 to 2022-23 is shown in **Chart 3.2**.

**Chart 3.2: Budget Utilisation during 2018-19 to 2022-23**



Source: Appropriation Account of the respective years

The percentage of utilisation of budget increased from 72.01 per cent in 2018-19 to 89.01 per cent during 2022-23. Also, the utilisation of funds increased from 87.37 per cent in 2021-22 to 89.01 per cent of the total budgetary provision in 2022-23. There was an increase in revenue expenditure this year over the previous year mainly in Salary, Subsidies, and Grant-in-aids components.

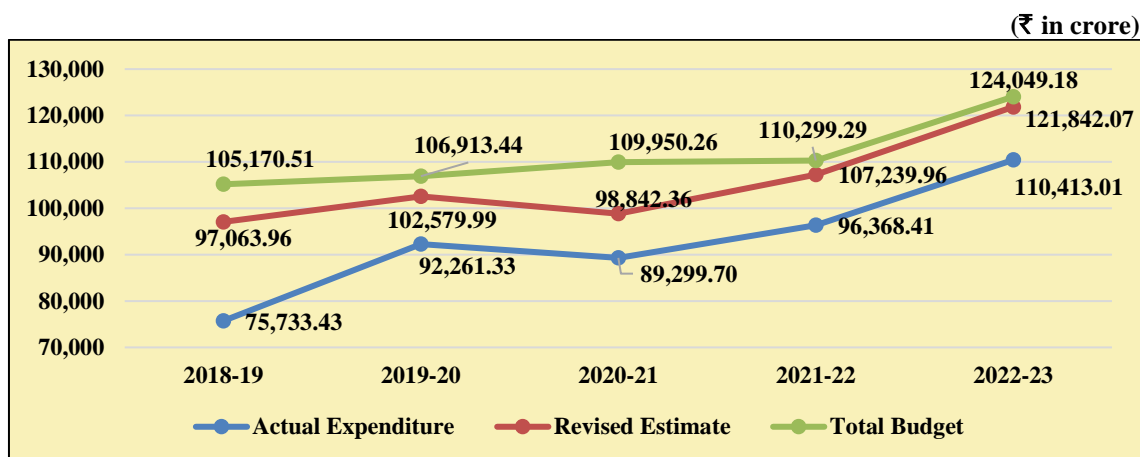
**Table 3.4: Original Budget, Revised Estimate and Actual Expenditure during 2018-23**

(₹ in crore)					
Details	2018-19	2019-20	2020-21	2021-22	2022-23
Original Budget	87,463.61	95,899.45	1,02,907.42	1,05,212.73	1,12,603.40
Supplementary Budget	17,706.90	11,013.99	7,042.84	5,086.56	11,445.78
Total Budget (TB)	1,05,170.51	1,06,913.44	1,09,950.26	1,10,299.29	1,24,049.18
Revised Estimate (RE)	97,063.96	1,02,579.99	98,842.36	1,07,239.96	1,21,842.07
Actual Expenditure (AE)	75,733.43	92,261.33	89,299.70	96,368.41	1,10,413.01
Net Savings (TB-AE)	29,437.08	14,652.11	20,650.56	13,930.88	13,636.17
Percentage of Supplementary to the Original Provision	20.24	11.48	6.84	4.83	10.16
Percentage of Overall Savings/Excess to the Overall Provision	27.99	13.70	18.78	12.63	10.99
TB-RE	8,106.55	4,333.45	11,107.90	3,059.33	2,207.11
RE-AE	21,330.53	10,318.66	9,542.66	10,871.55	11,429.06
(TB-RE) as % of TB	7.71	4.05	10.10	2.77	1.78
(RE-AE) as % of RE	21.98	10.06	9.65	10.14	9.38

Source: Appropriation Account 2022-23 and Budget Books 2019-24

The previous table shows that supplementary provision of 11,445.78 crore during 2022-23 constituted 10.16 *per cent* of the original provision as against 4.83 *per cent* in the previous year. Also, supplementary provisions during the years 2018-19 to 2022-23 proved unnecessary since the expenditure did not come up even to the level of original budget provisions.

**Chart 3.3: Trend showing TB, RE and Actuals during 2018-19 to 2022-23**



From the above Chart, it can be seen that over the years from 2018-19 to 2022-23, the Revised Estimate (RE) and Actual expenditure were always lower than the Total Budget (TB) of the State and there was an average gap of ₹5,762.87 crore between Revised Estimate and Total Budget indicating estimation error.

In terms of percentage, the RE was 7.71 *per cent* lower than the TB in 2018-19 which decreased to 1.78 *per cent* in 2022-23. Further, Actual Expenditure (AE) during the five-year period was also lower than the RE throughout and the gap percentage between RE and AE ranged from 9.38 *per cent* and 21.98 *per cent*.

This reflects that budgetary allocations were based on unrealistic proposals as Budget Estimates of the State were always inflated and the Actual Expenditure was less than the budgetary provisions.

### 3.5 Comments on Integrity of Budgetary and accounting process

#### 3.5.1 Misclassification of revenue expenditure as capital expenditure

The Indian Government Accounting Standard (IGAS)-2 regarding Accounting and Classification of Grants-in-Aid prescribes that the Grants-in-Aid disbursed by a grantor shall be classified and accounted for as revenue expenditure in the Financial Statements of the grantor irrespective of the purpose for which the funds were disbursed. Only in cases, specifically authorised by the President of India on the advice of the Comptroller and Auditor General of India, can these be debited to Capital head of account in the Financial Statements of the Government.

Further, Rule 30 of Government Accounting Rule 1990 and Para 324 of Madhya Pradesh Financial Code-Volume-I (adopted by the State of Chhattisgarh) state the

criteria for determining whether expenditure should be classified under heads of Capital Section or Revenue Section of the Consolidated Fund.

Expenditure of a capital nature to be classified in the Capital Section shall broadly be defined as expenditure incurred with the objective of increasing concrete assets of a material and permanent character. Expenditure on a temporary asset or expenditure on Grants-in-Aid to local bodies or institutions for the purposes of creating assets which will belong to these local bodies or institutions cannot ordinarily be classified as capital expenditure, except in cases specifically authorised by the President on the advice of the Comptroller and Auditor General be debited to Capital head of account.

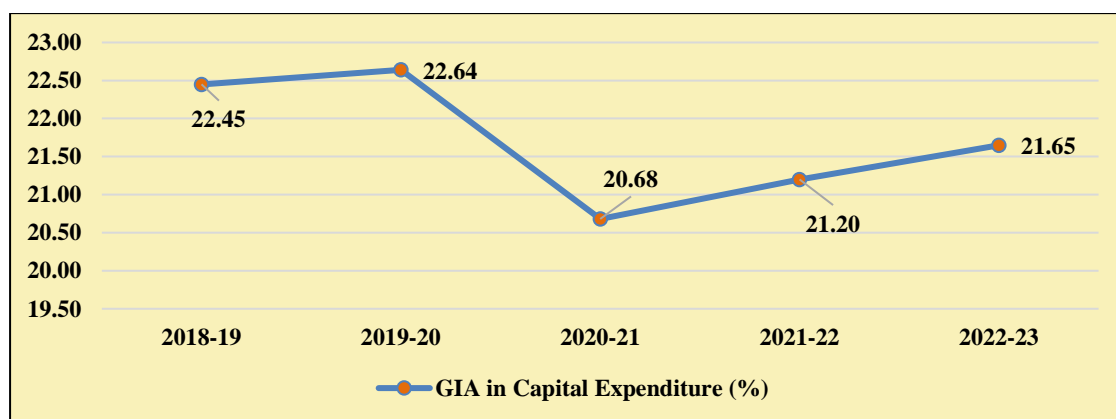
During 2022-23, the Government of Chhattisgarh made budget provisions and misclassified Grants-in-Aid (GIA) of ₹2,840.61 crore provided for the creation of capital assets under Capital Section. Besides, misclassification of GIA booked under object head 45, office expenses (₹6.87 crore), payment for professional services (₹3.59 crore) and other GIA (₹43.15 crore) was also booked as capital expenditure. The GIA booked as capital expenditure during 2018-19 to 2022-23 is shown in **Table 3.5**.

**Table 3.5: Extent of classification of GIA as Capital Expenditure**

(₹ in crore)						
Sl. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
1	GIA booked as a Capital Expenditure	1,998.74	1,939.61	1,865.85	2,227.04	2,883.76
2	Total Capital Expenditure	8,903.45	8,566.39	9,024.19	10,504.22	13,320.30
3	Share of GIA in Capital Expenditure (%)	22.45	22.64	20.68	21.20	21.65

Source: Finance Account of the respective years

**Chart 3.4: Misclassification of Grants-in-aid as Capital Expenditure**



Source: Finance Account of the respective years

On average, government has wrongly classified Grant-in-aid under capital expenditure which constitute 21.72 per cent of the total capital expenditure over the past five years.

### 3.5.2 Unnecessary or excessive supplementary grants

The State Legislature approved three supplementary allocations of ₹11,445.78 crore during 2022-23. Audit analysis of utilisation of these supplementary allocations showed that in 31 cases pertaining to 25 grants, supplementary provision of ₹50 lakh or more in



each case aggregating ₹1,853.65 crore obtained during the year proved entirely unnecessary as the actual expenditure was even less than the original provision. Details are shown in **Appendix 3.4**.

Under 13 Grants, there was significant savings of ₹100 crore and above out of original budget provision, and yet supplementary provision was obtained. Details are given below in **Table 3.6**.

**Table 3.6: Cases where supplementary provision were obtained even though savings were ₹100 crore and above out of the original budget provision**

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant	Original Budget	Supplem-entary	Actual Expendit-ure	Saving out of Original Budget	
						Amount	%
<b>Revenue (Voted)</b>							
1	03	Police	5,430.57	2.56	4,703.43	-727.14	13.39
2	08	Land Revenue and District administration	1,269.02	137.92	1,051.51	-217.50	17.14
3	14	Expenditure pertaining to Animal Husbandry Department	464.02	0.10	359.65	-104.37	22.49
4	19	Public Health and Family Welfare	2,776.67	339.93	2,638.62	-138.05	4.97
5	24	Public Works-Roads and Bridges	938.26	260.27	660.96	-277.29	29.55
6	27	School Education	5,598.17	2.70	5,167.71	-430.46	7.69
7	30	Expenditure pertaining to Panchayat and Rural Development Department	2,875.80	539.81	2,521.37	-354.43	12.32
8	47	Technical Education and Manpower Planning Department	363.78	14.00	249.29	-114.49	31.47
9	55	Expenditure pertaining to Women and Child Welfare	1,121.18	24.35	756.13	-365.05	32.56
10	66	Welfare of Backward Classes	235.55	151.04	50.83	-184.73	78.42
11	79	Expenditure pertaining to Medical Education Department	1,018.65	36.00	820.77	-197.88	19.43
12	81	Financial Assistance to Urban Bodies	1,869.47	3.00	1,764.03	-105.44	5.64
<b>Total-Revenue Voted</b>			<b>23,961.14</b>	<b>1,511.68</b>	<b>20,744.29</b>	<b>-3,216.84</b>	<b>13.43</b>
<b>Capital (Voted)</b>							
13	24	Public Works-Roads and Bridges	1,667.51	100.00	1,379.43	-288.08	17.28
14	67	Public Works- Buildings	800.32	3.96	454.27	-346.05	43.24
<b>Total-Capital Voted</b>			<b>2,467.83</b>	<b>103.96</b>	<b>1,833.70</b>	<b>-634.13</b>	<b>25.69</b>
<b>Grand Total</b>			<b>26,428.97</b>	<b>1,615.64</b>	<b>22,577.99</b>	<b>-3,850.97</b>	<b>14.57</b>

Source: Appropriation Accounts 2022-23

Audit analysis also showed that in 27 grants out of 71 grants, final expenditure was less than original provisions. Hence, Supplementary provision taken indicates bad budgetary management.

Further, under 18 sub-heads, entire supplementary provision of ₹ one crore or more in each case amounting to ₹171.40 crore remained unutilised as shown in **Table 3.7**. This indicates that supplementary provisions were made without realistic estimation of requirement of funds and reflects poor budget management.

**Table 3.7: Details where entire supplementary provision (₹1 crore and above) remained unutilised**

(₹ in crore)				
Sl. No.	Scheme Name	Original Budget	Supplementary Budget	Total Budget
1	36-2041-00-101-0-4280 – Collection Charges	0.01	1.00	1.01
2	71-5275-00-101-101-7892- Implementation for Bharat Net Project	0.00	65.00	65.00
3	66-2202-02-109-704-8050- Scholarships	0.00	60.00	60.00
4	71-5275-00-101-101-6681- Chhattisgarh State-G.I.S. Project	0.00	16.90	16.90
5	55-2235-02-103-701-6641- One Stop Centre (Sakhi)	0.00	4.80	4.80
6	41-2235-02-103-702-6641- One Stop Centre (Sakhi)	0.00	3.70	3.70
7	64-4700-10-800-703-5516- Major Irrigation Project- Construction Work	0.00	2.50	2.50
8	64-4700-10-800-706-5516- Major Irrigation Project- Construction Work	0.00	2.50	2.50
9	64-4700-11-800-703-5516- Major Irrigation Project- Construction Work	0.00	2.50	2.50
10	64-4700-11-800-706-5516- Major Irrigation Project- Construction Work	0.00	2.50	2.50
11	55-2235-02-103-101-6686- Unified Digital Application Scheme (Uday S.D.G.)	0.00	1.90	1.90
12	55-2235-02-103-701-6642- <i>Beti Bachao Beti Padhao</i>	0.00	1.60	1.60
13	41-2235-02-103-702-6642- <i>Beti Bachao Beti Padhao</i>	0.00	1.40	1.40
14	64-2235-02-103-703-6641- One Stop Centre (Sakhi)	0.00	1.10	1.10
15	64-4225-01-102-103-5616- Integrated Development of <i>Girodpuri</i> and <i>Bhandarpuri</i>	4.00	1.00	5.00
16	41-4235-02-103-702-6641- One Stop Centre (Sakhi)	0.00	1.00	1.00
17	55-4235-02-103-701-6641- One Stop Centre (Sakhi)	0.00	1.00	1.00
18	64-4235-02-103-703-6641- One Stop Centre (Sakhi)	0.00	1.00	1.00
<b>Total</b>		<b>4.01</b>	<b>171.40</b>	<b>175.41</b>

Source: Appropriation Account of 2022-23

### 3.5.3 Unnecessary Re-appropriation

Reappropriation is the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section

(Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the grant or charged appropriation.

During 2022-23, in 14 cases pertaining to eight grants, there were savings after re-appropriation as detailed in **Table 3.8**. It shows that re-appropriations were made without adequate assessment and reflects poor financial management.

**Table 3.8: Unnecessary Re-appropriation**

(₹ in crore)

Sl. No.	Grant No. and Head of Accounts	Original Budget	Supplementary Budget	Re-appropriation	Total	Actual Expenditure	Final Excess (+)/ Savings (-)
1	08-2053-00-93-1510- District Establishment	334.36	0.00	6.88	341.24	323.41	-17.84
2	23-4700-11-800-704-5516- Major Irrigation Project Construction Work (NABARD)	0.00	0.00	7.00	7.00	0.00	-7.00
3	67-2059-80-1-101-3566- Headquarter Establishment	31.22	0.00	0.23	31.45	28.57	-2.88
4	19-2210-01-200-101-8631- Corpse Vessel Scheme	11.00	0.00	0.59	11.59	10.93	-0.67
5	67-2059-01-53-2449- Administration of Justice (Maintenance of court buildings)	13.00	0.00	0.62	13.62	12.97	-0.65
6	67-2059-60-53-7425- Maintenance of New international stadium	1.50	0.00	0.46	1.96	1.46	-0.50
7	55-2235-02-103-704-6647- Shakti Sadan	0.00	0.00	0.48	0.48	0.00	-0.48
8	01-2013-00-101-3282- Salary of Ministers	1.40	0.00	0.26	1.66	1.20	-0.46
9	55-2235-02-103-701-6647- Shakti Sadan	0.00	0.00	0.24	0.24	0.00	-0.24
10	08-2029-00-103-3150- Land Survey	2.85	0.00	0.21	3.06	2.82	-0.24
11	55-2235-02-103-704-6649- Shakhi Niwas	0.00	0.00	0.12	0.12	0.00	-0.12
12	64-5054-03-101-103-7976- Jawahar Setu Yojana	4.40	0.00	3.22	7.62	7.52	-0.10
13	64-2210-06-101-703-6441- Treatment and Prevention of Covid-19 infection	0.01	0.00	0.04	0.05	0.00	-0.05
14	23-2701-19-101-2250- Canals and Tanks	0.48	0.00	0.03	0.51	0.48	-0.03
<b>Total</b>		<b>400.22</b>	<b>0.00</b>	<b>20.38</b>	<b>420.60</b>	<b>389.36</b>	<b>-31.26</b>

Source: Appropriation Account of 2022-23

### 3.5.4 Entire budget provision not utilised under scheme heads

In 92 cases under 29 grants and two appropriations, the entire provision (₹10 crore and above) made under various scheme heads aggregating ₹4,075.79 crore remained unutilised as shown in **Appendix 3.5**. Significant cases of un-utilised budget provision of ₹100 crore and above, are detailed below in **Table 3.9**.

**Table 3.9: Details where un-utilised budget provision was ₹100 crore and above**

(₹ in crore)

Sl. No.	Scheme Name	Total Budget	Expenditure	Amount Re-appropriated
1	CH2-2049-01-101-0-2199- New Market Loan	275.00	0.00	275.00
2	20-4215-01-102-701-6383- Jal Jeevan Mission Yojana	234.63	0.00	234.63
3	19-2210-06-200-801-6613- Grant Under 15th Finance Commission	227.00	0.00	227.00
4	81-6215-01-101-101-7845- Water Augmentation Scheme of Urban Bodies	200.00	0.00	200.00
5	41-4215-01-796-102-702-6383- Jal Jeevan Mission Yojana	181.50	0.00	181.50
6	41-2210-06-796-200-802-6613-Grant Under 15th Finance Commission	172.52	0.00	172.52
7	08-2029-00-797-0-6753- Transfer of Environment Fund	122.75	0.00	122.75
8	08-2029-00-797-0-6754- Transfer to Infrastructure Development Funds	122.75	0.00	122.75
9	41-4225-02-796-102-802-5024- Tribal special backward classes	110.00	0.00	110.00
10	13-2401-00-800-1201-6353- Chirag Yojana	100.00	0.00	100.00
<b>Total</b>		<b>1,746.15</b>	<b>0.00</b>	<b>1,746.15</b>

**Source: Appropriation Account of 2022-23**

During scrutiny of the above cases, it was observed that budget provisions under 6383- Jal Jeevan Mission Yojana, funds were released by GOI directly into the Jal Jeevan Mission Escrow account and due non- availability of fund the entire provision of Central and State share was re-appropriated leading to nil expenditure.

Further, persistent nil expenditure was observed in 6753-Transfer of Environment Fund and 6754-Transfer to Infrastructure Development Funds during 2018-19 to 2022-23. Reasons for non-utilisation of entire provision were not intimated by the department.

### 3.5.5 Large Savings/Surrenders

Against the total savings of ₹17,266.78 crore, savings of more than ₹100 crore occurred under 31 grants/appropriations amounting to ₹15,047.48 crore which is 87.15 per cent of the overall savings during the year as detailed in **Appendix 3.6**. Out of these 31 grants/appropriations, savings of more than ₹500 crore was observed in *nine* grants amounting to ₹8,279.98 crore as detailed in **Appendix 3.7**. Further, surrender of more than ₹10 crore was made in 60 grants/appropriations amounting to ₹18,916.87 crore as detailed in **Appendix 3.8**.

There were huge savings during 2022-23, with eight out of 71 Grants/Appropriations showing utilisation of less than 50 per cent of the budget allocation. Utilisation of budgetary allocation in these eight Grants/Appropriations for the five-year period from 2018-19 to 2022-23 is shown in **Table 3.10**.

**Table 3.10: Grants/ Appropriations where utilisation of budget was less than 50 per cent**

Sl. No.	Grant Name	2018-19	2019-20	2020-21	2021-22	2022-23	No. of Years*	Budget 2022-23	Total Budget (5 years)
		(Budget utilisation in per cent)						(₹ in crore)	
1	04- Other expenditure pertaining to Home Department	59	57	34	56	45	2	103.05	507.32
2	68- Public Works relating to Tribal Area Sub-Plan – Buildings	48	40	36	60	42	4	129.21	705.14
3	46- Science and Technology	35	34	34	36	39	5	25.35	123.58
4	71- Information Technology and Biotechnology	22	77	37	63	33	3	279.01	1,698.29
5	09- Expenditure pertaining to Revenue Department	37	58	24	37	30	4	21.94	107.40
6	75- NABARD aided projects pertaining to WRD	66	29	25	23	24	4	689.71	3,486.58
7	66- Welfare of Backward Classes	56	58	59	71	15	1	404.75	1,469.73
8	57- Externally Aided Projects pertaining to Water Resources Department	-	-	00	00	00	3	2.00	109.00

\*Number of years with utilisation below 50 per cent

Source: Appropriation Account of the respective years

Low Budget utilisation is an indicative of inflated budgetary provisions. Inflated budgets impact resource allocation, project planning, and financial management. This warrants a close review by the Government to enable initiation of expeditious corrective measures. Reasons for persistent low utilisation in Grant 46– Science and Technology may be examined by Government and corrective action be taken.

Inability to utilise the budgeted provision deprives allocation of resources to other priority sectors and leads to poor legislative control over public finances.

### 3.5.6 Missing/ Incomplete Explanation for Variation from Budget

Apart from showing the expenditure against the approved budget, Appropriation Accounts also provide explanation for cases where the expenditure varies significantly from the budgeted provision (Original and Supplementary). The limit beyond which, such variation at the Sub-Head/Sub-Sub-Head level (Unit of Appropriation) are to be explained in the Appropriation Accounts is set by the Public Accounts Committee (PAC).

Accountant General (A&E) provides the draft Appropriation Accounts to the Controlling Officers of the Departments and seeks the reasons/ explanation for the variations in expenditure with reference to approved budgetary allocation in keeping with the limits set by the PAC.

The following criteria have been prescribed by the PAC for the selection of sub-heads (excess/savings) for comments to be included in the Appropriation Accounts:

**1. Comments are to be made on Savings (Voted):**

- Overall saving exceeding two *per cent* of the total provision (Original *plus* Supplementary).
- Individual sub-heads for saving exceeding ₹ five lakh in case of Grants less than ₹10 crore.
- Individual sub-heads for saving exceeding ₹10 lakh in case of Grants between ₹10 crore and ₹30 crore.
- Individual sub-heads for saving exceeding ₹20 lakh in case of Grants exceeding ₹30 crore.

**2. Comments are to be made on Savings (Charged) for all sub-heads where the variation is more than ₹ five lakh.**

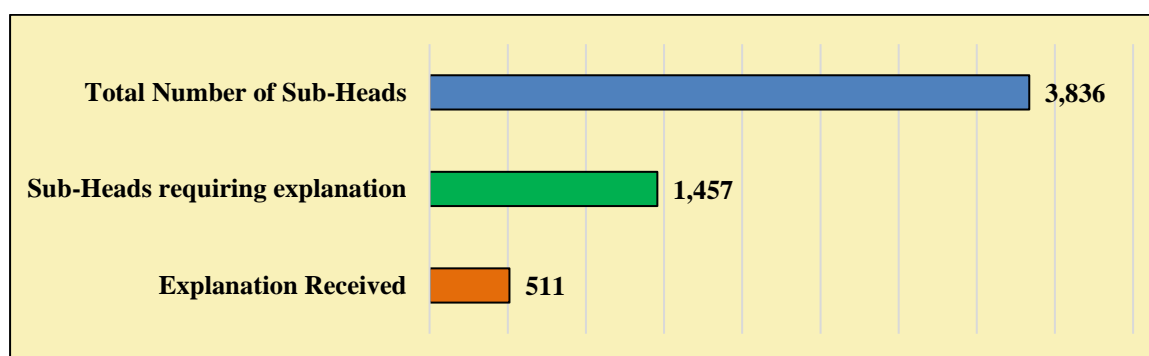
**3. Comments are to be made on Excess (Voted):**

- Individual sub-heads for excess exceeding ₹ five lakh in case of Grants less than ₹10 crore.
- Individual sub-heads for excess exceeding ₹10 lakh in case of Grants between ₹10 crore and ₹30 crore.
- Individual sub-heads for excess exceeding ₹20 lakh in case of Grants exceeding ₹30 crore.
- General comments for regularisation of excess over the provision in all cases where there is overall excess (any amount) in grant.

**4. Comments are to be made on Excess (Charged) in respect of all sub-heads where the variation is more than ₹ five lakh.**

Audit of Appropriation Accounts of 2022-23 revealed that the Controlling Officers have not provided explanation for the variations in the expenditure *vis-à-vis* budgeted allocation in 36.04 *per cent* of the cases. Out of the total 3,836 Sub-Heads, reasons for variation were required in respect of 1,457 Sub-Heads as shown in **Appendix 3.9**. However, appropriate reasons for variations in 946 Sub-Heads were not provided by the Controlling Officers of Government Departments. The total number of Sub-Heads in the accounts, Sub-heads requiring explanation and the Sub-Heads where explanations were received for variations from allocations, are shown in **Chart 3.5**.

**Chart 3.5: Summary of Explanation for Variation in Appropriation Accounts**



Absence of explanation for variation between the budgeted allocation and its utilisation, limits legislative control over budget as a means of ensuring financial accountability of the Government.

### 3.5.7 Excess expenditure and its regularisation

Under Article 205 (1)(b) of the Constitution of India, if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, the Governor shall cause to be laid before the House of the Legislature of the State another statement showing the estimated amount of that expenditure or cause to be presented to the Legislative Assembly of the State a demand for such excess. Therefore, it is mandatory for the State Government to get the excess over a grant/ appropriation regularised by the State Legislature.

There was an excess expenditure of ₹3,630.60 crore over the authorisations made by the State Legislature under one Grant and two Appropriations during the financial year 2022-23. This was mainly due to excess expenditure of ₹3,705.73 crore under the MH 6003-112-6471- Special Withdrawal facility incurred by the State Government in excess of budget provision, to recoup the temporary loan granted to the State Government by the Reserve Bank of India as collateral advance against investment in Treasury bills under Special Drawing Facility. Details are given below in **Table 3.11**.

**Table 3.11: Excess over provision requiring regularisation during 2022-23**

(₹ in crore)						
Sl. No.	Department Name	Grant No.	Grant Description	Total Grant/Appropriation	Total Expenditure	Excess Expenditure
<b>Revenue Voted</b>						
1	Finance Department	06	Expenditure pertaining to Finance Department	7,735.03	7,776.80	41.77
<b>Revenue Charged</b>						
2	Women and Child Welfare Department	55	Expenditure pertaining to Women and Child Welfare	0.00	0.01	0.01
<b>Capital Charged</b>						
3	-	CH1	Public Debt	6,011.90	9,600.72	3,588.82
<b>Total</b>				<b>13,746.93</b>	<b>17,377.53</b>	<b>3,630.60</b>

**Source: Appropriation Account 2022-23**

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring Legislative Sanction but is also an indicative of bad planning, which could have been avoided by keeping a track of expenditure progression with the budget made for the purpose.

Excess expenditure of ₹17,436.39 crore over provision for the years 2000-01 to 2021-22 is yet to be regularised as detailed in **Appendix 3.10**. This is in violation of Article 204 (3) and Article 205 of the Indian Constitution which provides that no money shall be withdrawn from the Consolidated Fund of the State except under

appropriation made by law by the State Legislature. This vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources. Details of excess expenditure over legislative authorisation during period 2000-01 to 2021-22 are given in the **Table 3.12**.

**Table 3.12: Excess over provision requiring regularisation during 2000-01 to 2021-22**

(₹ in crore)				
Sl. No.	Year	No. of Grants	No. of Appropriations	Amount of excess
1	2000-01	11	2	10.21
2	2001-02	14	2	115.90
3	2002-03	8	2	114.59
4	2003-04	4	2	591.12
5	2004-05	4	5	133.36
6	2005-06	4	2	23.27
7	2006-07	4	1	5.13
8	2007-08	3	3	15.99
9	2008-09	9	1	115.26
10	2009-10	10	5	216.77
11	2010-11	22	6	293.78
12	2011-12	24	1	498.09
13	2012-13	2	2	0.96
14	2013-14	3	3	178.96
15	2014-15	4	2	833.54
16	2015-16	3	2	98.24
17	2016-17	2	3	12.38
18	2017-18	3	3	2.61
19	2018-19	2	4	1.67
20	2019-20	3	4	6,682.69
21	2020-21	2	2	3,432.11
22	2021-22	2	3	4,059.76
<b>Total</b>		<b>143</b>	<b>60</b>	<b>17,436.39</b>

Source: Appropriation Accounts of respective years

Major head-wise excess disbursement of ₹3,866.58 crore over the authorization in 17 Major Heads under seven grants/appropriations during 2022-23 are detailed in **Appendix 3.11**.

### **3.6 Rush of Expenditure**

As per Paragraph 92 of the Madhya Pradesh Budget Manual (as followed by Government of Chhattisgarh), rush of expenditure, particularly in the closing months of the financial year, should be avoided. The rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety.

The State Government has prescribed ceilings (1<sup>st</sup> Half Year - 45 per cent; 2<sup>nd</sup> Half Year – 55 per cent and 20 per cent in the month of March) for incurring expenditure during the year, with the aim of regulating the expenditure in a phased manner. The details of 25 grants where the compliance to expenditure limits could not be ensured during the year are shown in **Appendix 3.12**.



Funds which cannot be "profitably utilised" should be returned to the exchequer without waiting for the fiscal year to end. This will help avoid rush of expenditure, particularly in the closing months of the financial year.

### **3.7 Review of Selected Grants**

For the year 2022-23, Grant No.19- Public Health and Family Welfare and Grant No. 24- Public Works- Roads and Bridges were selected for detailed audit to review compliance with prescribed budgetary procedures, monitoring of funds, control mechanisms and implementation of schemes within the grant. Findings of the grant review are discussed in the succeeding paragraphs.

#### **3.7.1 Grant No. 19- Public Health and Family Welfare**

Department of health & family welfare and medical education envisage to provide dedicated preventive, promotive and curative health care service to the people of Chhattisgarh. Ensure adequate, qualitative, preventive & curative health care to people of the State.

Further, *four* Major Heads viz. 2071- Pensions and Other Retirement Benefits, 2210- Medical and Public Health, 2211- Family Welfare and 4210- Capital Outlay on Medical and Public Health are operated under this grant.

##### **3.7.1.1 Budget and expenditure**

The overall position of budget provision, actual expenditure and savings/ excess under this grant during the three-year period 2020-23 is given below:

**Table 3.13: Budget and Expenditure**

(₹ in crore)				
Sl. No.	Item	2020-21	2021-22	2022-23
<b>Revenue Provision</b>		<b>2,621.89</b>	<b>3,269.93</b>	<b>3,118.95</b>
1	Expenditure	2,412.72	3,005.77	2,639.53
2	Savings	209.17	264.16	479.42
3	Savings (%)	7.98	8.08	15.37
<b>Capital Provision</b>		<b>188.76</b>	<b>69.26</b>	<b>46.52</b>
4	Expenditure	168.81	59.79	35.79
5	Savings	19.95	9.47	10.72
6	Savings (%)	10.57	13.67	23.04
<b>Total Budget Provision</b>		<b>2,810.65</b>	<b>3,339.19</b>	<b>3,165.47</b>
7	Total Expenditure	2,581.53	3,065.56	2,675.32
8	Total Savings	229.12	273.63	490.14
9	Savings (%)	8.15	8.19	15.48

Source: Appropriation Account 2020-23

As can be seen from the above table, savings as a percentage of total budget provision ranged from 8.15 to 15.48 *per cent* during the period 2020-23. Persistent savings is an indicative of incorrect assessment of actual needs, and it requires a review of budget preparation exercise of the Department. Further, there was a consistent decrease in capital budget provision as well as in capital expenditure over the three years which

indicates non allocation of priority to capital works for creation of medical infrastructure.

### 3.7.1.2 Non-utilisation of substantial amount under schemes

Non-utilisation of the entire budget provision in the following schemes during 2022-23 shows that the budgeting process and assessment of the scheme requirements was unrealistic. Details of savings of entire budget provision are shown in **Table 3.14**.

**Table 3.14: Non-utilisation of substantial amount**

(₹ in crore)

Sl. No.	Scheme Head & Name	Original Budget	Actual Expenditure	Re-appropriated / Surrendered
1	4210 -02-101-101-620- Sub Health Centers	4.00	nil	4.00
2	2210 -03-110-701-6611- PM Ayushman India Health Infrastructure Mission	37.84	nil	37.84
3	2210 -03-110-704-6611- PM Ayushman India Health Infrastructure Mission	25.22	nil	25.22
4	2210 -01-110-701-6612- National Urban Health Mission	11.86	nil	11.86
5	2210 -01-110-704-6612- National Urban Health Mission	7.91	nil	7.91
6	2210 -06-200-801-6613- Grant under 15 <sup>th</sup> Finance Commission	227.00	nil	227.00

Source: Appropriation Account 2022-23

On this being pointed out, the reasons for nil expenditure were still pending (December 2023) from the department.

### 3.7.1.3 Excess expenditure over provisions made

According to the M.P. Budget Manual (as adopted by Chhattisgarh State), the controlling officer is responsible for monitoring the progress of expenditure made and keeping the expenditure within the sanctioned allotment. During the audit check of Grant 19, it was observed that under the following heads as shown in **Table 3.15**, expenditure was more than the budgetary provision.

**Table 3.15: Excess expenditure over provisions made**

(₹ in crore)

Sl. No.	Schemes	Original Budget	Supplementary Budget	Expenditure	Excess Expenditure
1	19- 2210- 03- 197- 101- 5998- Community Health Centre	152.18	0.00	197.94	45.76
2	19- 2210- 03- 198- 101- 620- Sub Health Centre	87.81	0.00	116.66	28.85
3	19- 2210- 03- 198- 101- 2777- Primary Health Centre	330.69	0.00	334.48	3.79

Source: Appropriation Account 2022-23

On this being pointed out, Director Health Services stated (October 2023) that under the scheme head 5998- Community Health Centre, 0620- Sub Health Centre and 2777-

Primary Health Centre, excess expenditure was due to increase in basic salary and dearness allowance of the staff employed in various health centres.

### 3.7.1.4 Low-utilisation of funds

During the audit, it was noticed that under the following heads as shown in **Table 3.16**, percentage of funds utilized was less than 50 *per cent* of the total budget provision. This is an indication of poor budgetary estimation or a shortfall in performance or both.

**Table 3.16: Low-utilisation of funds**

(₹ in crore)					
Sl. No.	Heads	Total Budget Provision	Expenditure	Utilisation (%)	Savings (%)
1	19-2210-03-197-101-748- Dispensaries	3.76	1.69	45.03	54.97
2	19-2210-06-102-0-1070- Prevention of Food Adulteration (including Food Laboratories)	16.91	7.88	46.59	53.41
3	19-2211-00-1-704-1508- District Level Staff	1.21	0.22	18.15	81.85
4	19-4210-02-103-101-2777- Primary Health Centre	3.56	1.49	41.76	58.24
5	19-2210-06-200-101-6363- <i>Mukhyamantri Vishesh Swasthya Sahayata Yojana</i>	25.00	5.00	20.00	80.00

**Source: Appropriation Account 2022-23**

On this being pointed out, Director Health Services stated (October 2023) the following reasons under different scheme heads:

- 0748- Dispensaries – Low utilisation of funds was mainly due to lesser salary expenditure since posts were vacant and funds were utilised generally keeping in mind the austerity in other expenditure heads.
- 1508- District Level Staff –Due to the undergoing process of mapping of this scheme in the PFMS portal and due to the provision of the State share amount in the budget for the first time, the State share amount could not be spent by the subordinate institutions. Department assured that in the next financial year, the amount will be spent as per the norms.
- 2777- Primary Health Centre - Payment could not be made due to non-submission of the final bill by the contractor for three works completed during the period. Due to this, expenditure was shown less than the budgetary provision.
- 6363- *Mukhyamantri Vishesh Swasthya Sahayata Yojana* - Under the Chief Minister Special Health Assistance Scheme, an assistance of ₹20 lakh was provided for the treatment of rare diseases. For availing this facility, after the beneficiary submits the application, the recommendation of the special committee is mandatory, hence the release and withdrawal of the amount under this scheme was as per the requirement raised. Department also stressed that it

was necessary to keep adequate provision under this item and it was not possible to make an accurate forecast of the expenditure under this item.

### **3.7.2 Grant No. 24- Public Works- Roads and Bridges**

Public Works Department, in short PWD, is a department, professional advisor and agency for the construction of Roads, Bridges and Government Buildings in the State for Government of Chhattisgarh. Engineer-in-Chief is the budget-controlling officer (BCO) and head of the department responsible to the government for utilization of fund, planning, and policymaking and obtains its approval from the government.

Further, *five* Major Heads viz. 2049- Interest Payments, 3053- Civil Aviation, 3054- Roads and Bridges, 5053- Capital Outlay on Civil Aviation and 5054- Capital Outlay on Roads and Bridges are operated under this grant.

#### **3.7.2.1 Budget and Expenditure**

The overall position of budget provision, actual expenditure and savings/ excess under this grant during the three-year period 2020-23 is given below:

**Table 3.17: Budget and Expenditure**

(₹ in crore)				
Sl. No.	Item	2020-21	2021-22	2022-23
<b>Revenue Provision</b>		<b>1,191.99</b>	<b>1,090.63</b>	<b>1,198.53</b>
1	Expenditure	786.14	636.62	660.96
2	Savings	405.85	454.01	537.56
3	Savings (%)	34.05	41.63	44.85
<b>Capital Provision</b>		<b>1,516.00</b>	<b>1,557.91</b>	<b>1,777.51</b>
4	Expenditure	1059.32	1,415.34	1,386.43
5	Savings	456.68	142.57	390.55
6	Savings (%)	30.12	9.15	21.97
<b>Total Budget Provision</b>		<b>2,707.99</b>	<b>2,648.54</b>	<b>2,976.04</b>
7	Total Expenditure	1,845.46	2,051.96	2,047.39
8	Total Savings	862.53	596.58	928.11
9	Savings (%)	31.85	22.52	31.19

Source: Appropriation Account 2020-23

As can be seen from the above table, savings as a percentage of total budget provision ranged from 22.52 to 31.85 *per cent* during the period 2020-23. This persistently large savings is an indicative of incorrect assessment of actual needs or shortfall in performance or both. This also shows that budget allocations were made without considering previous years' trends in expenditure which resulted in persistent savings.

#### **3.7.2.2 Non-utilisation of budget provision**

Non-utilisation of the entire budget provision in the following schemes during 2022-23 shows the budgeting process and assessment of the scheme requirements was unrealistic. Details of savings of entire budget provision are shown in **Table 3.18**.

**Table 3.18: Non-utilisation of budget provision**

(₹ in crore)

Sl. No.	Scheme Head & Name	Original Budget	Actual Expenditure	Re-appropriated/ Surrendered
1	24-5054-03-337-101-4557- Strengthening (Surface Hardening)	25.77	nil	25.77
2	24-3053-60-102-7755- Visit of VVIPs	1.00	nil	1.00
3	24-3054-04-337-7985- Strengthening of Rural Roads	6.00	nil	6.00
4	24-3054-04-337-7986- Asphalt of rural roads	2.00	nil	2.00
5	24-5053-02-102-101-4727- Construction and extension of Air strips	0.40	nil	0.40
6	24-5054-03-337-101-8716- Central Road Fund	1.50	nil	1.50
7	24-5054-04-337-101-6484- <i>Mukhyamantri Garsa Development Scheme</i>	2.00	nil	2.00

Source: Appropriation Account 2022-23

On this being pointed out, the Department stated (August 2023) the following:

- 4557-Strengthening (Surface Hardening) - Due to delay in administrative approval, funds could not be utilised.
- 7755- Visit of VVIPs- Due to non-receipt of proposal from the related department, funds could not be utilised.
- 7985- Strengthening of Rural Roads & 7986- Asphalt of rural roads- Due to non-acceptance of the proposal, funds could not be utilised.
- 4727- Construction and extension of Air strips- Due to non-receipt of proposal from the related department, funds could not be utilised.
- 8716- Central Road Fund- Due to non- receipt of land acquisition proposals, cases of compensation did not arise, hence funds could not be utilised.
- 6484- *Mukhyamantri Garsa Development Scheme*- Due to non-receipt of guidelines for implementation of the scheme, funds could not be utilised.

### 3.7.2.3 Unnecessary supplementary budget provisions obtained

During the detailed audit of Grant 24, it was observed that under the following heads as shown in **Table 3.19**, the department obtained supplementary provision despite incurring less final expenditure than the original budget.

**Table 3.19: Unnecessary supplementary budget provisions under Scheme Heads**

(₹ in crore)

Sl. No.	Scheme Head	Original Budget	Supplementary Budget	Final Expenditure
1	24- 3054-04-337-7987- Renewal of Rural Roads	40.00	97.47	12.80
2	24-3054-04-337-2227- Renewal	103.00	71.91	77.91
3	24-3054-03-337-2227- Renewal	35.00	14.04	6.23

Source: Appropriation Account 2022-23

On this being pointed out, the Department stated (September 2023) that above budgetary provisions were made in the second supplementary budget and since these provisions

were made in the last month of the financial year and subsequent delay in administrative approval led to lesser final expenditure. The reply is not acceptable because the final expenditure was even less than the original budget, hence supplementary provisions were not needed at all.

### 3.7.2.4 Low-utilisation of funds

During grant audit it was noticed that under the following heads as shown in **Table 3.20**, percentage of funds utilized was less than 50 per cent of the total budget provision. This is an indication of poor budgetary estimation or a shortfall in performance or both.

**Table 3.20: Low-utilisation of funds (less than 50%)**

(₹ in crore)

Sl. No.	Heads	Total Budget Provision	Expenditure	Utilisation (%)
1	24-5054-04-337-101-5041-Survey of Major Roads	1.60	0.13	8.19
2	24-5054-04-101-311-7976-Jawahar Setu Yojana	59.00	13.13	22.25
3	24-2049-60-701-6464-Interest Payment for Loan taken by C.G.R.I.D.C.L. for Construction Works	180.00	53.67	29.82
4	24-5054-03-101-101-4151-Construction of Major Bridges	75.00	24.45	32.60
5	24-5054-03-101-101-3775-Construction of Railway overbridge	90.85	32.76	36.06
6	24-5054-04-337-311-6590- Construction of Rural Road Under NABARD aided grant	77.00	36.07	46.84
7	24-5054-04-337-101-4557- Strengthening (Surface Hardening)	23.50	11.20	47.66

**Source: Appropriation Account 2022-23**

On this being pointed out, the Department stated (September 2023) the following-

- 5041-Survey of Major Roads- Low utilisation is due to the delay in administrative approval for survey of major roads.
- 7976-Jawahar Setu Yojana- Low expenditure was due to delay in sanctioning loan by NABARD and administrative approval for works sanctioned.
- 6464-Interest Payment for Loan taken by Chhattisgarh Road and Infrastructure Development Corporation Limited (C.G.R.I.D.C.L) for Construction Works- Since lower credit (loans) were availed by the C.G.R.I.D.C.L., actual payment of interest was less than the budgeted provisions.
- 4151-Construction of Major Bridges- Due to delay in administrative approval.
- 3775-Construction of Railway overbridge - Due to delay in administrative approval.

- 6590- Construction of Rural Road Under NABARD aided grant- Low expenditure was due to delay in sanctioning loan by NABARD and administrative approval to works sanctioned.
- 4557- Strengthening (Surface Hardening) - Due to delay in administrative approval.

### **3.8 Conclusion**

*Budgetary assumptions of the State Government have improved over the years. The percentage of utilisation (89.01 per cent) of Budgeted funds increased during 2022-23 compared to the previous year (87.37 per cent).*

*Budgetary control mechanism for execution and monitoring of budget to ensure that savings are curtailed, large savings within the Grants/Appropriations are controlled by proper re-appropriations, and anticipated savings are identified and surrendered within the specified timeframe so that the funds can be utilised for developmental purposes, was inadequate. As such, total savings of ₹18,881.51 crore were surrendered in the month of March only.*

*Excess expenditure of ₹3,630.60 crore pertaining to one Grant and two Appropriations during 2022-23 requires regularisation from the State Legislature. Further, a total of ₹17,436.39 crore is pending for regularisation from 2000-01 to 2021-22.*

*Supplementary Grants/ Appropriations were obtained without adequate justification. The savings were neither surrendered on time nor explanations provided to the Accountant General (A&E) for variations in expenditure vis-à-vis allocations. The Departments were neither cautioned against persistent savings; nor were their budgets varied in accordance with their ability to absorb the allocations.*

*Further, administrative delays were a major cause of lower expenditure in Grant 24- Public Works-Road and Bridges. Also, there was a consistent decrease in capital budget provision as well as in capital expenditure over the last three years which indicates non allocation of priority to capital works for creation of medical infrastructure in Grant 19- Public Health & Family Welfare.*

### **3.9 Recommendations**

- The State Government needs to formulate a realistic budget based on reliable assumptions of the needs of the Departments and their capacity to utilise the allocated resources.*
- An appropriate budget control mechanism needs to be instituted by the Government to enforce proper implementation and monitoring of the budget to ensure that savings are curtailed, large savings within the Grants/Appropriations are controlled, and anticipated savings are identified and surrendered within the specified timeframe so that the funds can be utilised for developmental purposes.*

- iii.** Excess expenditure incurred over grants approved by the Legislature is in violation of the will of the Legislature. Therefore, excess expenditure over grants/appropriations during the period 2000-01 to 2022-23 needs to be regularized at the earliest.
- iv.** Controlling Officers need to be made aware of their responsibility to explain the variation in expenditure from the allocation to facilitate proper analysis of the budget and preparation of meaningful Appropriation Accounts.