

BUDGETARY MANAGEMENT

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:

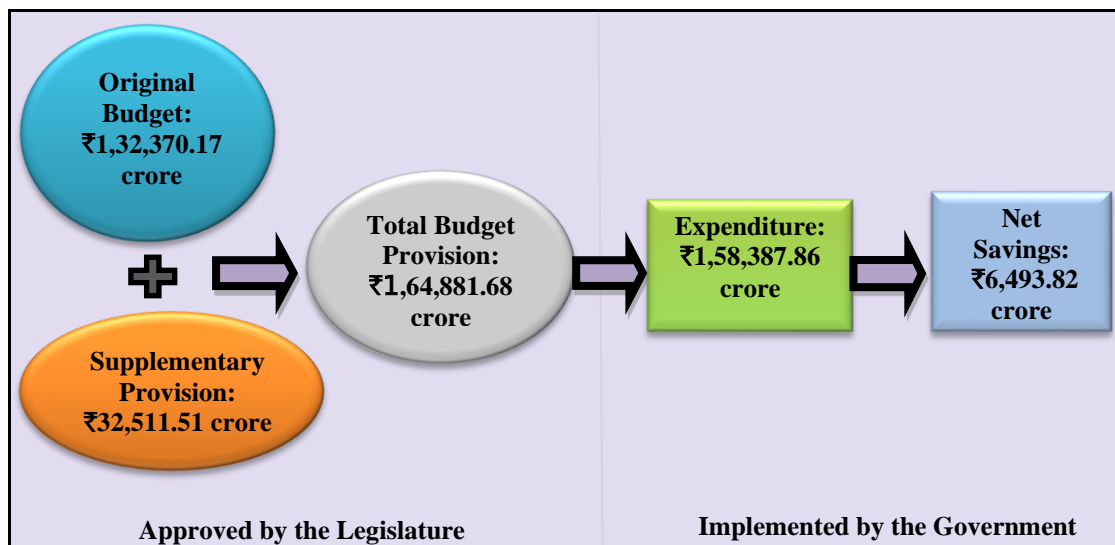
- ✧ At the beginning of the financial year, Finance Department undertakes a preliminary assessment of the financial resources that are likely to be available with the State in the ensuing financial year based on past trends with due consideration of policy announcements by the Union and State Governments 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 2023-24 are depicted in **Chart 3.1**.

Chart 3.1: Summary of Budget and Expenditure of Chhattisgarh for 2023-24



3.3 Financial Accountability and Budget Review

The analysis of the Chhattisgarh State budget for 2023-24 reveals a strong alignment with various key components of Union Budget such as the child budget, gender budget, outcome budget, and provisions for Scheduled Castes (SC) and Scheduled Tribes (ST). Chhattisgarh State also publishes separate budget documents namely Youth Budget and Agriculture Budget. However, there is no separate budget document namely SC/ST budget since provisions made in Grant No. 41 and Grant No. 64 cover Scheduled Tribes and Scheduled Castes respectively.

3.3.1 Outcome Budget

The State Government first adopted and published Outcome Budget along with Main Budget in 2007-2008 to enhance transparency and accountability in government spending. The Outcome Budget of Chhattisgarh, while aimed at improving financial management and accountability, has faced several shortcomings.

In the outcome budget format adopted by Chhattisgarh State, some of the departments had mentioned the nature of work rather than quantifiable deliverables and indicators which were necessary to assess the outcome of the allocated funds. For example, Forests and Climate Change Department had not mentioned quantifiable deliverables in 18 out of 42 schemes (42.86 *per cent*).

3.3.2 Gender Budget

Gender budget is a part of the overall budget and is prepared or analysed from a gender perspective to promote gender equality and women's development. 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 scheme in which at least

30 per cent of budget provision is related to women.

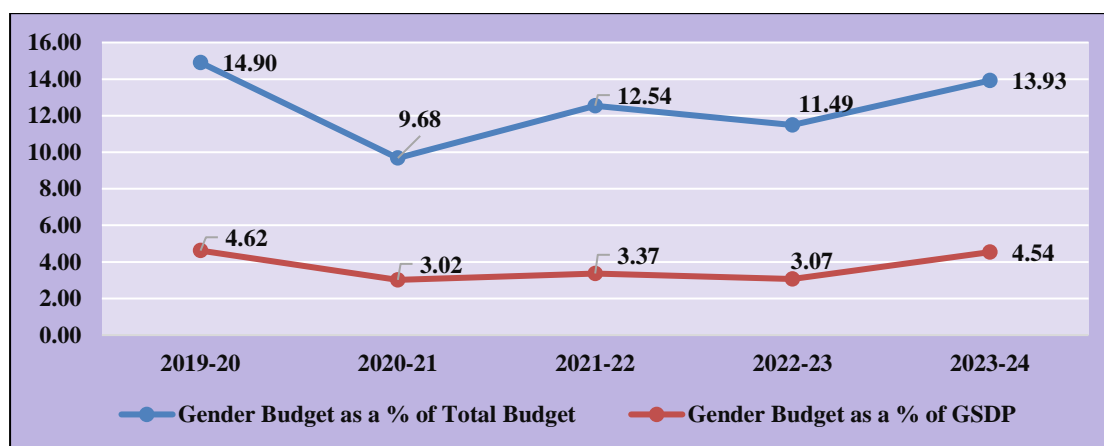
Table 3.1 shows the details of allocations made by the State Government under gender budget during last five years (2019-24) whereas, **Chart 3.2** highlights the percentage of gender budget to total budget and GSDP during the same period.

Table 3.1: Allocation under gender budget during 2019-24

	₹ in crore)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Gender Budget	15,926	10,646	13,828	14,249	22,968
Total Budget	1,06,913	1,09,950	1,10,299	1,24,049	1,64,882
GSDP	3,44,672	3,52,328	4,10,525	4,64,399	5,05,887

Source: Directorate of Economics and Statistics, Chhattisgarh, Appropriation Accounts and Gender Budget Books of respective years

Chart 3.2: Gender budget as percentage of total budget and GSDP



As can be seen, allocation under gender budget increased from ₹15,925.78 crore in 2019-20 to ₹22,968.29 crore in 2023-24. As a percentage of total budget, the share of gender budget decreased from 14.90 per cent in 2019-20 to 13.93 per cent in 2023-24. Further, its share in GSDP also decreased marginally from 4.62 per cent in 2019-20 to 4.54 per cent in 2023-24.

During 2023-24, the State Government allocated ₹3,426.58 crore (original budget of ₹1,652.55 crore and supplementary budget of ₹1,774.03 crore) for 37 schemes which are women-specific schemes. Out of the total budget of ₹3,426.58 crore, only ₹3,334.15 crore (97.30 per cent) was utilised and remaining ₹92.43 crore (2.70 per cent) was unutilised. In four schemes, there was no expenditure and in another four schemes the expenditure was more than the budgetary provisions. Details are shown in **Appendix 3.1**

The budget provision of ₹19,541.71 crore for 107 schemes in which a part of the budget (minimum 30 per cent) was to be spent on pro-women schemes during 2023-24 did not provide sufficient details to ascertain the actual amount spent on women.

3.3.3 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.

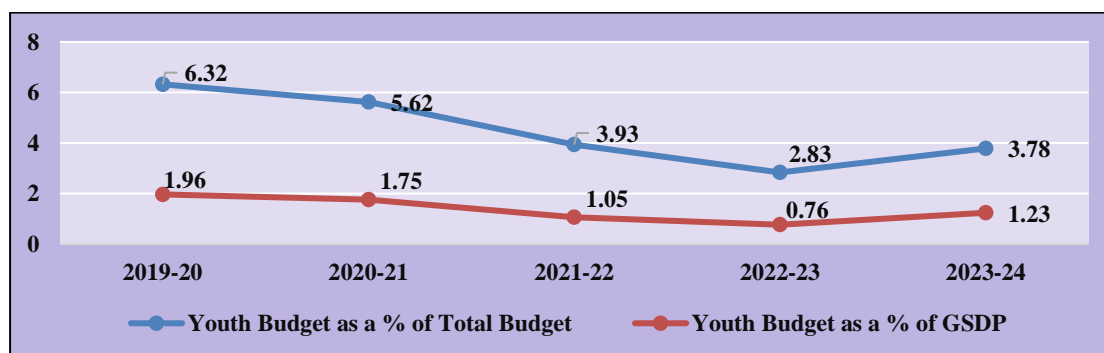
Table 3.2 shows the details of allocations made by the State Government under youth budget during last five years (2019-24) whereas, **Chart 3.3** highlights the percentage of youth budget to total budget and GSDP during the same period.

Table 3.2: Allocation under youth budget during 2019-24

	₹ in crore)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Youth Budget	6,757	6,179	4,331	3,515	6,237
Total Budget	1,06,913	1,09,950	1,10,299	1,24,049	1,64,882
GSDP	3,44,672	3,52,328	4,10,525	4,64,399	5,05,887

Source: Directorate of Economics and Statistics, Chhattisgarh, Appropriation Accounts and Youth Budget Books of respective years

Chart 3.3: Youth budget as percentage of total budget and GSDP



As can be seen, allocation under youth budget decreased from ₹6,757.32 crore in 2019-20 to ₹6,236.97 crore in 2023-24. As a percentage of total budget, the share of youth budget decreased from 6.32 *per cent* in 2019-20 to 3.78 *per cent* in 2023-24. Further, its share in GSDP also decreased marginally from 1.96 *per cent* in 2019-20 to 1.23 *per cent* in 2023-24.

During 2023-24, the State Government made a budget provision of ₹2,766.45 crore (original budget of ₹2,454.83 crore and supplementary budget of ₹311.62 crore) for 50 schemes which are 100 *per cent* youth centric. Out of the total budget of ₹2,766.45 crore, only an expenditure of ₹2,159.31 crore (78.05 *per cent*) was incurred and remaining ₹607.14 crore (21.95 *per cent*) was unutilised. Details are shown in **Appendix 3.2** of which in six cases there was no expenditure and in three cases the expenditure was more than the budgetary allotment.

The budget provision of ₹3,470.52 crore for 56 schemes in which a part of the budget (minimum 50 *per cent*) was to be spent on pro-youth schemes during 2023-24 did not provide sufficient detail to ascertain the actual amount spent on youth-centric schemes.

Further, a total of 11 schemes under youth budget overlaps with the gender budget amounting to ₹1,085.81 crore.

3.3.4 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.

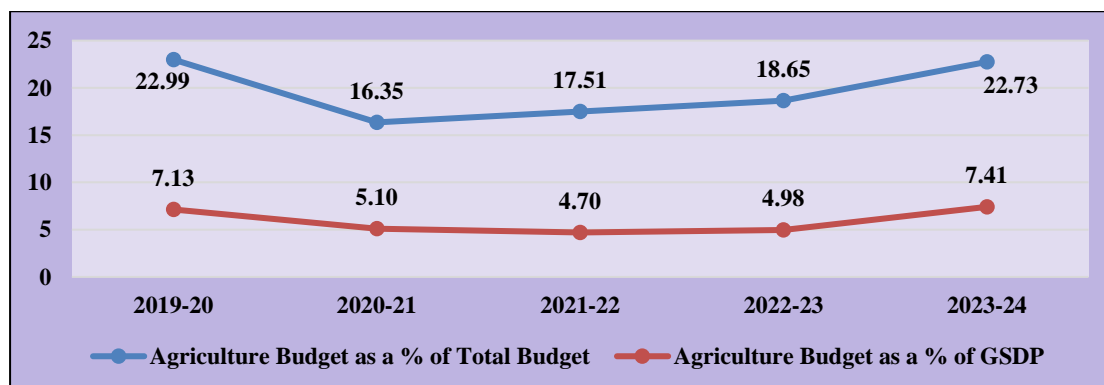
Table 3.3 shows the details of allocations made by the State Government under agriculture budget during last five years (2019-24) whereas, **Chart 3.4** highlights the percentage of agriculture budget to total budget and GSDP during the same period.

Table 3.3: Allocation under agriculture budget during 2019-24

	(₹ in crore)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Agriculture Budget	24,575	17,976	19,314	23,132	37,476
Total Budget	1,06,913	1,09,950	1,10,299	1,24,049	1,64,882
GSDP	3,44,672	3,52,328	4,10,525	4,64,399	5,05,887

Source: Directorate of Economics and Statistics, Chhattisgarh, Appropriation Accounts and Agriculture Budget Books of respective years

Chart 3.4: Agriculture budget as percentage of total budget and GSDP



As can be seen, allocation under agriculture budget increased from ₹24,574.78 crore in 2019-20 to ₹37,475.88 crore in 2023-24. As a percentage of total budget, the share of agriculture budget decreased from 22.99 per cent in 2019-20 to 22.73 per cent in 2023-24. Further, its share in GSDP increased from 7.13 per cent in 2019-20 to 7.41 per cent in 2023-24.

During 2023-24, the State Government provided ₹37,475.88 crore in the budget (original budget of ₹23,214.78 crore and supplementary budget of ₹14,261.10 crore) for 250 schemes for agriculture under 12 departments¹. Out of this budget, an expenditure of ₹33,467.77 crore (89.30 per cent) was incurred and remaining ₹4,008.11 crore (10.70 per cent) was unutilised.

¹Agriculture 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

3.3.5 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 2023-24, the State Government provided ₹13,303.50 crore in the budget for 61 schemes under eight departments². Out of this, a budget of ₹6,641.68 crore was allocated for 50 schemes which are 100 *per cent* child centric. An expenditure of ₹5,557.75 crore (83.68 *per cent*) was incurred and remaining ₹1,083.93 crore (16.32 *per cent*) was unutilised.

3.3.6 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.

Table 3.4: Aggregate Budget Outturn

(₹ in crore)			
Nature of Expenditure	Original Approved Budget (OB)	Actual Expenditure (AE) ³	Difference between OB and AE
Revenue Expenditure	1,04,856.49	1,17,567.38	(-)12,710.89
Capital Expenditure	27,513.68	40,820.48	(-)13,306.80
Total	1,32,370.17	1,58,387.86	(-)26,017.69

Source: Budget 2023-24 and Appropriation Accounts 2023-24

In Revenue expenditure section, deviation in outturn compared with OB was (-)12.12 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 39 grants/appropriation, between ± 25 *per cent* to ± 50 *per cent* in 20 grants, between ± 50 *per cent* to ± 100 *per cent* in five grants and equal to or more than 100 *per cent* in one grant.

In Capital expenditure section, deviation in outturn compared with OB was (+) 48.36 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 24 grants, between ± 25 *per cent* to ± 50 *per cent* in 20 grants, between ± 50 *per cent* to ± 100 *per cent* in 21 grants and equal to or more than 100 *per cent* in one appropriation.

Expenditure Composition Outturn

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

²Sports and Youth Welfare Department, Labour Department, Public Health & Family Welfare Department, School Education Department, Tribal Welfare Department, Social Welfare Department, Public Health Engineering Department and Women & Child Development Department

³ This excludes recoveries adjusted in reduction of expenditure.

Table 3.5: 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	1,04,856.49	1,29,247.80	1,17,567.38	24,391.31	(-)11,680.42
Capital Expenditure	27,513.68	30,365.82	40,820.48	2,852.14	10,454.66
Total Expenditure	1,32,370.17	1,59,613.62	1,58,387.86	27,243.45	(-)1,225.76

Source: Budget 2023-25 and Appropriation Accounts 2023-24

In Revenue expenditure section, deviation in outturn compared with RE was (-) 9.04 per cent. This was due to deviation between 0 and ± 25 per cent in 42 grants/appropriation, between ± 25 per cent to ± 50 per cent in 19 grants and between ± 50 per cent to ± 100 per cent in four 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 (+) 34.43 per cent. This was due to deviation between 0 and ± 25 per cent in 20 grants, between ± 25 per cent to ± 50 per cent in 24 grants, between ± 50 per cent to ± 100 per cent in 17 grants and equal to or more than ± 100 per cent in five grants/appropriation. 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.

3.3.7 New Schemes/sub-heads

While presenting its Budget for the year 2023-24, the State Government opened a total of 67 new sub-heads/schemes with an allocation of ₹14,564.69 crore, however, neither budget provision nor expenditure was made in three schemes (7029- Establishment of Centre of Excellence, 7032- *Mahtari Samman Yojana* and 7033- Exemption from Property Tax of Industrial Units located in Urban Bodies). Out of the total of 67 new sub-heads/schemes, a total budget of ₹717.75 crore was provided under 19 new sub-heads/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 aptly charged. It also ascertains whether the expenditure incurred is in conformity with the relevant prevalent laws, rules, regulations, and orders.

3.4.1 Summary of Appropriation Accounts

The summarized position of budget including supplementary budget, actual expenditure, and excess/savings during 2023-24 against 71 grants/ appropriations is

shown in Table 3.6.

Table 3.6: Summarised position of Expenditure *vis-à-vis* Budget Provision

(₹ in crore)

	Nature of Expenditure	Original Budget	Supplementary Provision	Total Budget	Expenditure	Savings (-)	Excess (+)	Surrender in March
Voted	Revenue	97,511.50	27,469.72	1,24,981.22	1,10,456.05	-16,180.63 (12.95)	1,655.45 (1.32)	14,723.97 (91.00)
	Capital	19,505.32	4,784.05	24,289.37	16,139.55	-8,149.82 (33.55)	0.00	7,308.59 (89.68)
	Loans and Advances	452.05	153.00	605.05	539.33	-65.72 (10.86)	0.00	64.60 (98.30)
	Total Voted	1,17,468.87	32,406.77	1,49,875.64	1,27,134.93	-24,396.17 (16.28)	1,655.45 (1.10)	22,097.16 (90.58)
Charged	Revenue	7,344.99	80.11	7,425.10	7,111.33	-315.48 (4.25)	1.72 (00.02)	454.52 (114.07)
	Capital	14.39	24.63	39.02	28.64	-10.37 (26.58)	0.00	18.12 (174.73)
	Public Debt	7,541.92	0.00	7,541.92	24,112.96	0.00	16,571.04 (219.72)	89.91
	Total Charged	14,901.30	104.74	15,006.04	31,252.93	-325.85 (2.17)	16,572.76 (110.44)	562.55 (172.64)
Grand Total		1,32,370.17	32,511.51	1,64,881.68	1,58,387.86	-24,722.02 (14.99)	18,228.21 (11.06)	22,659.71 (91.66)

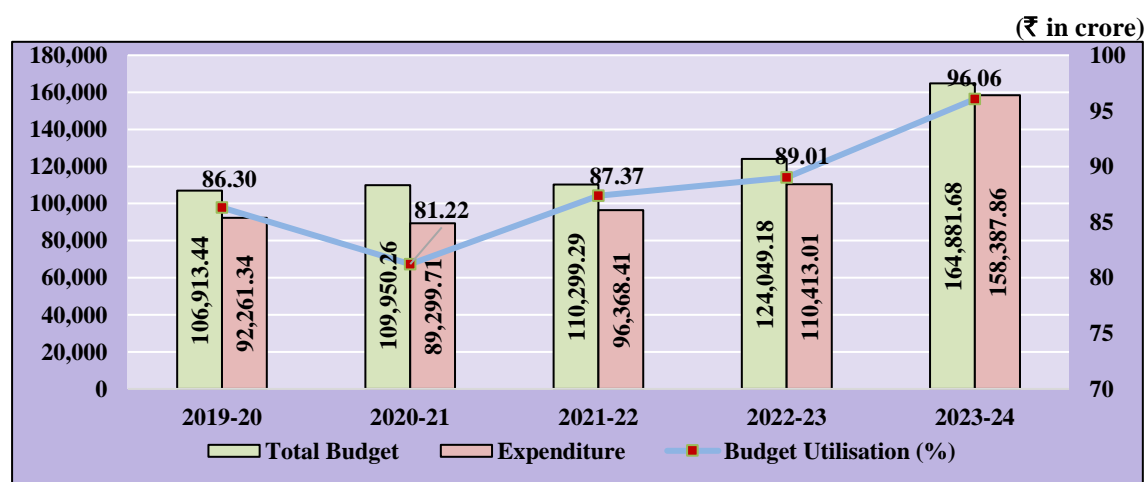
Source: Appropriation Accounts 2023-24

As can be seen from the above table, total savings amounted to ₹24,722.02 crore (14.99 *per cent* of total grants/ appropriation), out of which ₹22,659.71 crore were surrendered in the month of March 2024.

3.4.2 Utilisation of Budgeted Funds

The extent of utilisation of budget during the five-year period from 2019-20 to 2023-24 is shown in Chart 3.5.

Chart 3.5: Budget Utilisation during 2019-20 to 2023-24



Source: Appropriation Account of the respective years

The percentage of utilisation of budget increased from 86.30 *per cent* in 2019-20 to 96.06 *per cent* in 2023-24. Also, the utilisation of funds increased from 89.01 *per cent*

in 2022-23 to 96.06 *per cent* of the total budgetary provision in 2023-24 due to increase in expenditure in Public Debt, salary, subsidies etc.

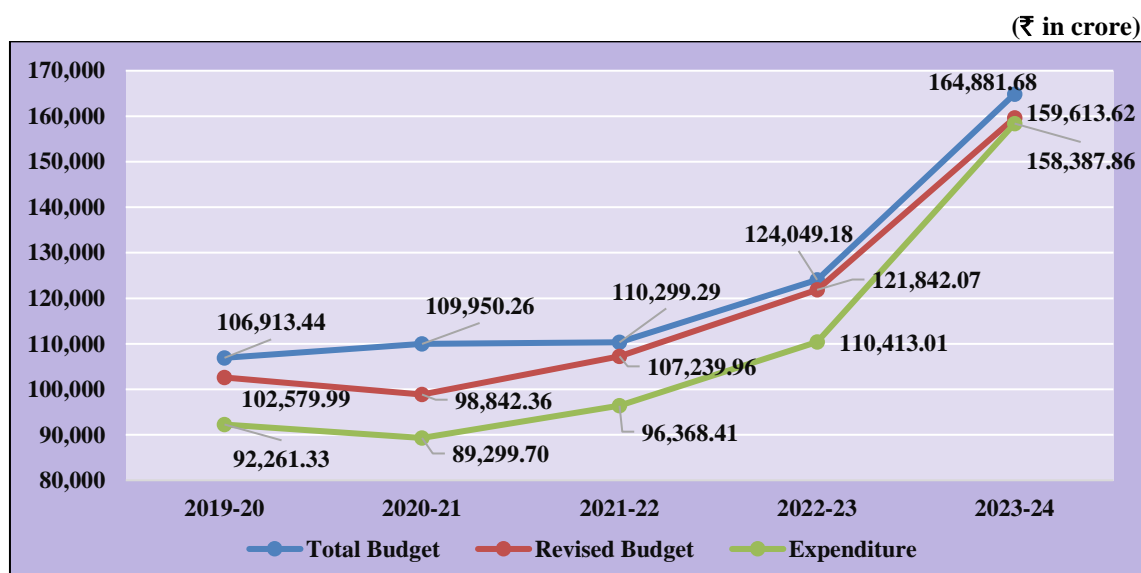
Table 3.7: Original Budget, Revised Estimate and Actual Expenditure during 2019-24

	₹ in crore)				
Details	2019-20	2020-21	2021-22	2022-23	2023-24
Original Budget	95,899.45	1,02,907.42	1,05,212.73	1,12,603.40	1,32,370.17
Supplementary Budget	11,013.99	7,042.84	5,086.56	11,445.78	32,511.51
Total Budget (TB)	1,06,913.44	1,09,950.26	1,10,299.29	1,24,049.18	1,64,881.68
Revised Estimate (RE)	1,02,579.99	98,842.36	1,07,239.96	1,21,842.07	1,59,613.62
Actual Expenditure (AE)	92,261.33	89,299.70	96,368.41	1,10,413.01	1,58,387.86
Net Savings (TB-AE)	14,652.11	20,650.56	13,930.88	13,636.17	6,493.82
Percentage of Supplementary to the Original Provision	11.48	6.84	4.83	10.16	24.56
Percentage of Overall Savings to the Overall Provision	13.70	18.78	12.63	10.99	3.94
TB-RE	4,333.45	11,107.90	3,059.33	2,207.11	5,268.06
RE-AE	10,318.66	9,542.66	10,871.55	11,429.06	1,225.76
(TB-RE) as % of TB	4.05	10.10	2.77	1.78	3.19
(RE-AE) as % of RE	10.06	9.65	10.14	9.38	0.77

Source: Appropriation Accounts 2023-24 and Budget Books 2020-25

The above table shows that supplementary provision of ₹32,511.51 crore during 2023-24 constituted 24.56 *per cent* of the original provision as against 10.16 *per cent* in the previous year and it was necessary to the extent of actual expenditure exceeded the original budget provisions.

Chart 3.6: Trend showing TB, RE and Actuals during 2019-20 to 2023-24



From the above Chart, it can be seen that over the years from 2019-20 to 2023-24, 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 ₹5,195.17 crore between Revised Estimate and Total Budget indicating estimation error.

In terms of percentage, the RE was 4.05 *per cent* lower than the TB in 2019-20 which decreased to 3.19 *per cent* in 2023-24. Further, Actual Expenditure (AE) during the five-year period was also lower than the RE throughout and the gap percentage between RE and AE reduced from 10.14 *per cent* to 0.77 *per cent* in 2023-24.

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 states the following 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.

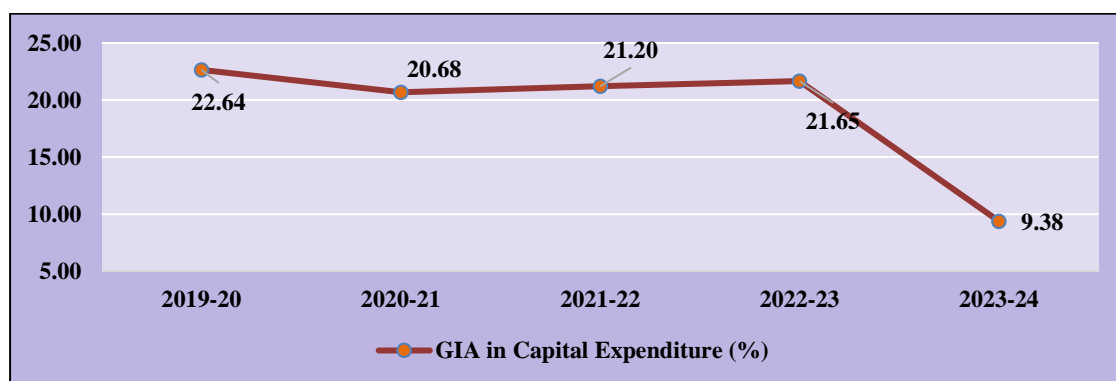
Audit observed that the Government of Chhattisgarh misclassified Grants-in-Aid (GIA) of ₹1,391.84 crore released as State Finance Commission Grants to local bodies under object head-45 for the creation of capital assets as expenditure under Capital Section. Besides, misclassification of GIA booked under object head 45, payment for professional services (₹5.40 crore), maintenance works (₹4.38 crore), grant given to local bodies (₹44.75 crore) for purchase of medical equipment under the object head 28-purchase of machinery and equipment and 14-Grant in Aid (₹10 crore) was also booked as capital expenditure. The GIA booked as capital expenditure during 2019-20 to 2023-24 is shown in **Table 3.8**.

Table 3.8: Extent of classification of GIA as Capital Expenditure

(₹ in crore)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
1	GIA booked as Capital Expenditure	1,939.61	1,865.85	2,227.04	2,883.76	1,446.59
2	Total Capital Expenditure	8,566.39	9,024.19	10,504.22	13,320.30	15,418.93
3	Share of GIA in Capital Expenditure (%)	22.64	20.68	21.20	21.65	9.38

Source: Finance Accounts of the respective years

Chart 3.7: Misclassification of Grants-in-aid as Capital Expenditure

Source: Finance Accounts of the respective years

3.5.2 Misclassification of capital expenditure as revenue expenditure

During the year 2023-24, Government of Chhattisgarh incorrectly booked expenditure ₹38.03 crore under Revenue Section instead of Capital Section, even though expenditure was incurred on purchase of Machinery & Equipment and Motor Vehicles.

An expenditure of ₹11.14 crore and ₹26.89 crore was incurred on procurement of ICU beds, ventilator and vehicles was booked as revenue expenditure under object head 28- Machinery & Equipment and 34- Motor Vehicle respectively. These expenses are of capital nature and should be booked in the capital heads.

3.5.3 Unnecessary or excessive supplementary grants

The State Legislature approved three supplementary allocations of ₹32,511.51 crore during 2023-24.

Audit analysis of utilisation of these supplementary allocations showed that in 45 cases pertaining to 34 grants/appropriations, supplementary provision of ₹ one crore or more in each case aggregating ₹4,095.72 crore obtained during the year proved entirely unnecessary as the actual expenditure was even less than the original provision. Grant wise details are shown in **Appendix 3.4**.

Out of the 34 grants/appropriations mentioned above, under 16 Grants and one appropriation, there was significant savings of ₹100 crore and above out of original budget provision, and yet supplementary provisions were obtained. Details are given below in **Table 3.9**.

Table 3.9: Case where supplementary provision was obtained even though savings were ₹100 crore and above out of the original budget provision

(₹ in crore)

Grant No.	Name of the Grant	Original Budget	Supple- mentary	Actual Expenditure	Saving out of Original Budget	
					Amount	%
Revenue (Voted)						
3	Police	6,152.11	172.95	5,384.31	-767.80	-12.48
10	Forest	2,670.90	33.12	2,243.40	-427.50	-16.01
11	Expenditure Pertaining to Commerce and Industry Department	439.91	70.60	293.50	-146.41	-33.28
19	Public Health and Family Welfare	3,103.19	596.63	2,924.12	-179.07	-5.77
20	Public Health Engineering	340.91	6.00	223.41	-117.50	-34.47
23	Water Resources Department	663.93	3.00	511.47	-152.46	-22.96
27	School Education	6,759.51	7.14	5,938.98	-820.53	-12.14
39	Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department	3,024.55	93.33	2,655.86	-368.69	-12.19
44	Higher Education	915.19	17.27	806.32	-108.87	-11.90
47	Technical Education and Manpower Planning Department	498.60	176.24	397.96	-100.64	-20.18
67	Public Works – Buildings	752.75	34.00	643.59	-109.17	-14.50
79	Expenditure pertaining to Medical Education Department	1,239.39	1.00	905.83	-333.56	-26.91
81	Financial Assistance to Urban Bodies	2,057.59	162.61	1,873.95	-183.64	-8.92
Total -Revenue Voted		28,618.52	1,373.89	24,802.70	-3,815.83	-13.33
Revenue (Charged)						
CH2	Interest Payments and Servicing of Debt	6,684.36	78.07	6,471.18	-213.18	-3.19
Capital (Voted)						
23	Water Resources Department	590.10	5.00	412.65	-177.44	-30.07
24	Public Works-Roads and Bridges	2,153.85	60.00	1,673.26	-480.59	-22.31
27	School Education	579.47	166.00	334.65	-244.82	-42.25
41	Tribal Area Sub-Plan	3,788.68	1,271.05	3,250.83	-537.85	-14.20
42	Public Works relating to Tribal Area Sub-Plan Roads and Bridges	1,247.70	33.00	858.39	-389.31	-31.20
81	Financial Assistance to Urban Bodies	1,053.68	250.00	918.82	-134.86	-12.80
Total - Capital Voted		9,413.48	1,785.05	7,448.60	-1,964.88	-20.87
Grand Total		44,716.36	3,237.01	38,722.48	-5,993.88	-13.40

Source: Appropriation Accounts 2023-24

Further, under 48 scheme heads, entire supplementary provision of ₹ one crore or more in each case amounting to ₹806.61 crore remained unutilised and was either surrendered or reappropriated as shown in **Appendix 3.5**. This indicates that supplementary provisions of ₹806.61 crore were made without realistic estimation of requirement of funds at scheme level.

3.5.4 Unnecessary Re-appropriation

Re-appropriation means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation. The Government is thus allowed to re-appropriate provisions from one unit of appropriation to another within the same Grant, thus altering the destination of an original provision for one purpose to another, subject to the limits and restrictions laid down.

During 2023-24, in four cases, despite savings against the original provisions, funds were augmented through re-appropriation whose details are shown in **Table 3.10**. It shows that re-appropriations were made without requirement of additional funds by the government.

Table 3.10: Excess /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	27- 2202- 2-109- 704- 7979- <i>Samgra Shiksha</i>	76.00	0.00	4.57	80.57	66.98	-13.59
2	41- 2202- 2- 796- 109- 705- 7979- <i>Samgra Shiksha</i>	57.76	0.00	3.48	61.24	50.90	-10.33
3	64- 2202- 2- 789- 109- 706- 7979- <i>Samgra Shiksha</i>	18.24	0.00	1.10	19.34	16.07	-3.26
4	67- 2059- 80-1- 101- 2418- Execution	402.23	18.00	0.30	420.53	346.06	-74.47
Total		554.23	18.00	9.45	581.68	480.01	-100.95

Source: Appropriation Accounts 2023-24

3.5.5 Entire budget provision not utilised under scheme heads

Significant cases of un-utilised budget provision of ₹100 crore and above, are detailed below in **Table 3.11**.

Table 3.11: Details where un-utilised budget provision was ₹100 crore and above

(₹ in crore)

Sl. No.	Scheme Name	Original	Supplementary	Total Budget	Expenditure	Amount Re-appropriated/ Surrendered
1	11- 2852- 80- 102- 101- 6475- Reimbursement Grant Under Chhattisgarh Industrial Planning	150.00	0.00	150.00	0.00	150.00
2	13- 2401- 800- 1201- 6353- <i>Chirag Yojana</i>	100.00	0.00	100.00	0.00	100.00
3	19- 2210- 6- 200- 801- 6613- Grant Under 15th Finance Commission	178.00	0.00	178.00	0.00	178.00
4	27- 4202- 1- 201- 1201- 6684- World Bank Project- Chalk	200.00	0.00	200.00	0.00	200.00
5	27- 4202- 1- 202- 1201- 6684- World Bank	195.00	0.00	195.00	0.00	195.00

	Project- Chalk					
6	41- 2210- 6- 796- 200- 802- 6613- Grant under 15th Finance Commission	135.28	0.00	135.28	0.00	135.28
7	41- 5054- 4- 796- 337- 702- 7064- PM Jan Man Construction of Roads	0.00	120.00	120.00	0.00	120.00
8	66- 2202- 2- 109- 701- 8050- Scholarships	220.34	0.00	220.34	0.00	220.34
9	66- 2202- 2- 109- 704- 8050- Scholarships	147.90	0.00	147.90	0.00	147.90
10	69- 2217- 80- 193- 701- 7706- AMRUT Mission	112.70	0.00	112.70	0.00	112.70
11	69- 4217- 60- 51- 701- 7706- AMRUT Mission	22.39	144.19	166.58	0.00	166.58
12	CH2- 2049- 1- 101- 2199- New Market Loan	275.00	0.00	275.00	0.00	275.00
Total		1,736.61	264.19	2,000.80	0.00	2,000.80

Source: Appropriation Accounts 2023-24

3.5.6 Large Net Savings

Against the total net savings of ₹6,493.82 crore, net savings of more than ₹10 crore occurred under eight grants/appropriations amounting to ₹465.12 crore which is 7.16 *per cent* of the overall net savings during the year as detailed in **Appendix 3.6**.

There were huge savings during 2023-24, with six out of 71 Grants/Appropriations showing utilisation of less than 50 *per cent* of the budget allocation. Utilisation of budgetary allocation in these six Grants for the five-year period from 2019-20 to 2023-24 is shown in **Table 3.12**.

Table 3.12: Grants/ Appropriations where utilisation of budget was less than 50 *per cent*

Sl. No.	Grant Name	2019-20	2020-21	2021-22	2022-23	2023-24	No. of Years*	Budget 2023-24	Total Budget (5 years)
		(Budget utilisation in <i>per cent</i>)						(₹ in crore)	
1	09- Expenditure pertaining to Revenue Department	58	24	37	30	35	4	29.25	115.79
2	46- Science and Technology	34	34	36	39	44	5	26.69	128.42
3	57- Externally Aided Projects pertaining to Water Resources Department	-	00	00	00	12	4	76.20	185.20
4	68- Public Works relating to Tribal Area Sub-Plan – Buildings	40	36	60	42	28	4	133.62	655.72
5	71- Information Technology and Biotechnology	77	37	63	33	36	3	156.65	1,150.46
6	75- NABARD aided projects pertaining to WRD	29	25	23	24	33	5	614.71	3,401.29

*Number of years with utilisation below 50 *per cent*

Source: Appropriation Accounts 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 and Grant 75 may be examined by the 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.

3.5.7 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).

Principal 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.

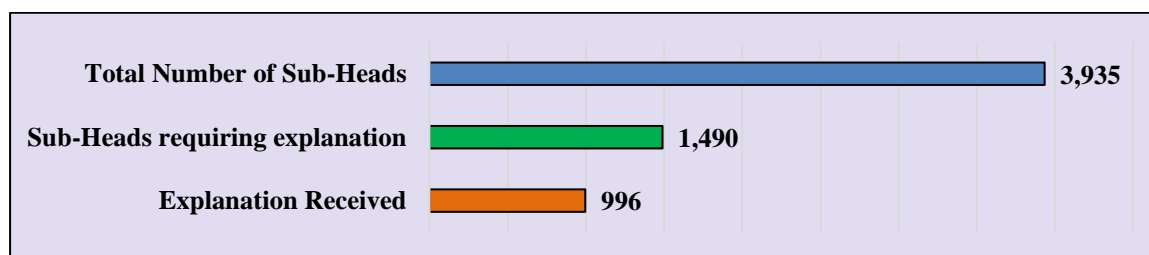
3. Comments are to be made on Excess (Voted):

- 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 2023-24 revealed that the Controlling Officers have not provided explanation for the variations in the expenditure *vis-à-vis* budgeted allocation in 33.15 *per cent* of the cases. Out of the total 3,935 Sub-Heads, reasons for variation were required in respect of 1,490 Sub-Heads as shown in **Appendix 3.7**. However, appropriate reasons for variations in 494 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 3.8**.

Chart 3.8: 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.

3.5.8 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 ₹18,228.21 crore over the authorisations made by the State Legislature under one Grant/ two Appropriations during the financial year 2023-24. This was mainly due to excess expenditure of ₹16,661.01 crore incurred under Scheme head CH1-6003-112-6471- Special Withdrawal facility 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 3.13**.

Table 3.13: Excess over provision requiring regularisation during 2023-24

(₹ in crore)

Sl. No.	Department Name	Grant No.	Grant Description	Total Grant/Appropriation	Total Expenditure	Excess Expenditure
Revenue Voted						
1	Finance Department	06	Expenditure pertaining to Finance Department	7,578.60	9,234.05	1,655.45
Revenue Charged						
2	Finance Department	06	Expenditure pertaining to Finance Department	2.20	3.92	1.72
Capital Charged						
3	-	CH1	Public Debt	7,541.92	24,112.96	16,571.04
Total				15,122.72	33,350.93	18,228.21

Source: Appropriation Accounts 2023-24

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 ₹ 21,066.99 crore over provision for the years 2000-01 to 2022-23 is yet to be regularised as detailed in **Appendix 3.8**. Persistent excess has also been observed in Grant No. 6 (Revenue Voted) since 2013-14 onwards. 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 2022-23 are given in the **Table 3.14**.

Table 3.14: Excess over provision requiring regularisation during 2000-01 to 2022-23

(₹ 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
23	2022-23	1	2	3,630.60
Total		144	62	21,066.99

Source: Appropriation Accounts of respective years

Major head-wise excess disbursement of ₹18,442.01 crore over the authorization in 13 Major Heads under 11 grants/appropriations during 2023-24 are detailed in **Appendix 3.9**.

3.6 Conclusion

Budgetary assumptions of the State Government have significantly improved over the years as the percentage of utilisation (96.06 per cent) of Budgeted funds increased during 2023-24 compared to the previous year (89.01 per cent).

Savings of ₹22,659.71 crore out of total savings of ₹24,722.02 crore were surrendered in the month of March only.

Excess expenditure of ₹18,228.21 crore pertaining to one Grant and two Appropriations during 2023-24 requires regularisation from the State Legislature. Further, a total of ₹21,066.99 crore is pending for regularisation from 2000-01 to 2022-23.

Explanations provided to the Accountant General (A&E) for variations in expenditure vis-à-vis allocations were inadequate and lacked substance. Also, the Departments were neither cautioned against persistent savings; nor were their budgets varied in accordance with their ability to absorb the allocations.

3.7 Recommendations

- i.** The government should surrender the expected savings within the stipulated timeframe so that the funds can be utilised for other purposes.
- ii.** 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 2023-24 needs to be regularized at the earliest.
- iii.** State Government should recognise grant-in-aid given to local bodies as revenue expenditure instead of capital expenditure in accordance with the Government Accounting Rules.
- iv.** Department should clearly articulate the reasons for any deviations from the allocations so that the explanations will become more substantive, transparent, and credible.