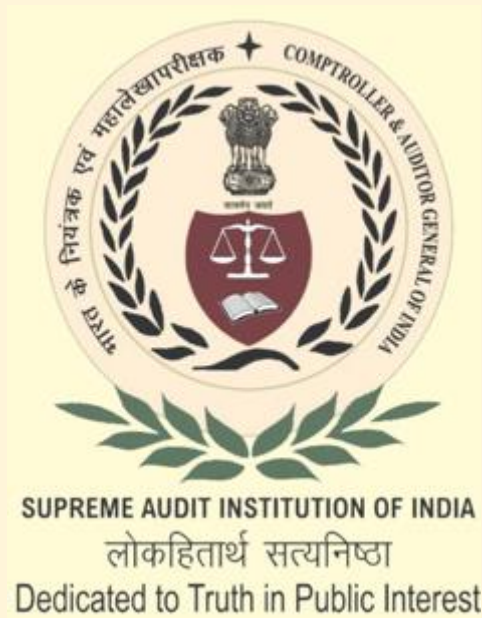




**State Finances Audit Report of the
Comptroller and Auditor General of India
for the year ended 31 March 2023**



Government of Chhattisgarh
Report No. 1 of the year 2024

**State Finances Audit Report of the
Comptroller and Auditor General of India**

for the year ended 31 March 2023

**Government of Chhattisgarh
*Report No. 1 of the year 2024***

TABLE OF CONTENTS

Particulars	Reference	
	Paragraph No.	Page No.
Preface	--	vii
Executive Summary	--	ix
Chapter I: Overview		
Profile of the State	1.1	1
Gross State Domestic Product & Gross State Value Added of the State	1.1.1	1
Basis and Approach to State Finances Audit Report	1.2	3
Overview of Government Accounts Structure	1.3	4
Budgetary Processes	1.4	7
Snapshot of Finances	1.4.1	7
Snapshot of Assets and liabilities of the Government	1.4.2	8
Fiscal Balance: Targets and achievement of deficit and total debt	1.5	9
Compliance with provisions of State FRBM Act	1.5.1	9
Disclosures made under CGFRBM Act during 2022-23	1.5.2	11
Deficit and Surplus	1.5.3	12
Trends of Deficit/Surplus	1.5.4	12
State Finance Commission	1.6	13
Deficits and Total Debt after examination in Audit	1.7	15
Post audit - Deficits/surplus	1.7.1	15
Post audit - Total Debt/ liabilities	1.7.2	16
Chapter II: Finances of the State		
Introduction	2.1	19
Sources and Application of Funds	2.2	20
Resources of the State	2.3	21
Receipts of the State	2.3.1	21
Revenue Receipts	2.3.2	22
Trends and growth of Revenue Receipts	2.3.2.1	22
State's Own Resources	2.3.2.2	24
Transfer of funds from the Centre	2.3.2.3	27
Receipts under Capital Section	2.3.3	31
State's performance in mobilization of resources	2.3.4	32
Application of Resources	2.4	32
Growth and composition of expenditure	2.4.1	32
Revenue Expenditure	2.4.2	36
Major Changes in Revenue Expenditure	2.4.2.1	38
Committed and Non-Committed Expenditure	2.4.2.2	39
Un-discharged Liability under National Pension System	2.4.2.3	42
Subsidies	2.4.2.4	43
Financial assistance by the State Government to Local Bodies and other Institutions	2.4.2.5	44

Particulars	Reference	
	Paragraph No.	Page No.
Capital Expenditure	2.4.3	45
Major changes in Capital Expenditure	2.4.3.1	46
Quality of Capital Expenditure	2.4.3.2	47
Capital blocked in incomplete works	2.4.3.3	49
Expenditure priorities	2.4.4	50
Object head wise expenditure	2.4.5	51
Public Account	2.5	52
Net Public Account Balances	2.5.1	52
Reserve Funds	2.5.2	54
Consolidated Sinking Fund	2.5.2.1	55
State Disaster Risk Management Fund	2.5.2.2	55
Guarantee Redemption Fund	2.5.2.3	59
Funds Outside Public Account of the State	2.5.2.4	59
Other dedicated Funds	2.5.2.5	60
Public Liability management	2.6	62
Liability profile: Components	2.6.1	62
Components of fiscal deficit and its financing pattern	2.6.2	65
Debt profile: Maturity and Repayment	2.6.3	66
Debt Sustainability Analysis (DSA)	2.7	67
Trend of Outstanding Public Debt for Repayment in upcoming Years	2.7.1	72
Utilisation of borrowed funds	2.7.2	74
Guarantees – Contingent Liabilities	2.7.3	75
Management of Cash Balances	2.7.4	75
Conclusion	2.8	77
Recommendations	2.9	78
Chapter III: Budgetary Management		
Introduction	3.1	79
Budget Process	3.2	79
Financial Accountability and Budget Review	3.3	80
Gender Budget	3.3.1	80
Youth Budget	3.3.2	80
Agriculture Budget	3.3.3	81
Child Budget	3.3.4	81
Budget Marksmanship	3.3.5	81
Major Policy Initiatives/New Schemes	3.3.6	83
Appropriation Accounts	3.4	83
Summary of Appropriation Accounts	3.4.1	83
Utilisation of Budgeted Funds	3.4.2	84
Comments on Integrity of Budgetary and accounting process	3.5	85
Misclassification of revenue expenditure as capital expenditure	3.5.1	85
Unnecessary or excessive supplementary grants	3.5.2	86
Unnecessary Re-appropriation	3.5.3	88

Particulars	Reference	
	Paragraph No.	Page No.
Entire budget provision not utilised under scheme heads	3.5.4	89
Large savings/surrenders	3.5.5	90
Missing/ Incomplete Explanation for Variation from Budget	3.5.6	91
Excess expenditure and its regularization	3.5.7	93
Rush of Expenditure	3.6	94
Review of selected Grants	3.7	95
Grant No. 19- Public Health and Family Welfare	3.7.1	95
Budget and Expenditure	3.7.1.1	95
Non-utilization of substantial amount under schemes	3.7.1.2	96
Excess expenditure over provisions made	3.7.1.3	96
Low-utilisation of funds	3.7.1.4	97
Grant No. 24- Public Works- Roads and Bridges	3.7.2	98
Budget and expenditure	3.7.2.1	98
Non-utilisation of budget provision	3.7.2.2	98
Unnecessary supplementary budget provisions	3.7.2.3	99
Low-utilisation of funds	3.7.2.4	100
Conclusion	3.8	101
Recommendations	3.9	101
Chapter IV: Quality of Accounts & Financial Reporting Practices		
Introduction	4.1	103
Submission of Utilisation Certificates	4.2	103
Pending DC Bills	4.3	104
Timeliness and Quality of Accounts	4.4	105
Outstanding balances under Suspense and DDR Heads	4.5	106
Personal Deposit (PD) Accounts	4.6	107
Funds relating to Land acquisition kept in PD Accounts	4.6.1	108
Inoperative PD Accounts	4.6.2	109
Accounting of Transactions Relating to Central Road and Infrastructure Fund	4.7	109
Booking under Minor Head 800	4.8	110
Booking of Revenue Receipts under Minor Head - 800 - other receipts	4.8.1	111
Non-Reconciliation of Departmental Figures	4.9	112
Reconciliation of Cash Balance	4.10	113
Compliance with Indian Government Accounting Standards	4.11	113
Submission of Accounts/Separate Audit Reports of Autonomous Bodies	4.12	114
Cases of losses and defalcation, etc.	4.13	115
Off Budget Borrowing	4.14	115
Funds transferred directly to State implementing agencies	4.15	117
Follow-up on Audit Reports	4.16	118
Conclusion	4.17	118
Recommendations	4.18	119

Particulars	Reference	
	Paragraph No.	Page No.
Chapter V: Financial Performance of State Public Sector Undertakings		
Introduction	5.1	121
Definition of Government Companies/Corporations	5.2	121
Mandate of audit	5.3	121
State Public Sector Undertakings and their contribution to the Gross State Domestic Product	5.4	122
Audit of Public Sector Undertakings including Government Companies and Corporations	5.5	123
Investment in Public Sector Undertakings and Budgetary support	5.6	124
Equity holding and loans	5.6.1	124
Adequacy of Assets	5.6.2	124
Information on Subsidy, Grants by State Government	5.6.3	125
Returns from Public Sector Undertakings	5.7	126
Profit earned by PSUs	5.7.1	126
Dividend paid by Public Sector Undertakings	5.7.2	126
Interest Coverage Ratio	5.8	127
Operating Efficiency of Government Companies	5.9	128
Profit earned (analysis of profit reporting from operating activities/other income)	5.9.1	128
Return on Capital Employed	5.9.2	128
Rate of Real Return on the basis of Historical Cost of Investment	5.9.3	129
Return on Investment on the basis of Present Value of Investment	5.9.4	129
Public Sector Undertakings incurring losses	5.10	131
Losses incurred	5.10.1	131
Investments in Loss making companies	5.10.2	132
Erosion of Capital in Public Sector Undertakings	5.10.3	132
Oversight role of Comptroller and Auditor General of India	5.11	134
Audit of Public Sector Undertakings	5.11.1	134
Appointment of Statutory Auditors of Public Sector Undertakings by Comptroller and Auditor General of India	5.11.2	135
Submission of accounts by Public Sector Undertakings	5.12	135
Need for timely submission	5.12.1	135
Timelines in preparation of accounts by Public Sector Undertakings	5.12.2	136
Comptroller and Auditor General of India's Oversight-Audit of accounts and supplementary audit	5.13	137
Financial reporting framework	5.13.1	137
Supplementary Audit of accounts of Public Sector Undertakings	5.13.2	137
Result of Comptroller and Auditor General of India's Oversight Role	5.14	138

Particulars	Reference	
	Paragraph No.	Page No.
Audit of accounts of Public Sector Undertakings under Section 143 of the Companies Act, 2013	5.14.1	138
Significant comments of the Comptroller and Auditor General of India issued as supplement to the Statutory Auditors' reports	5.14.2	138
Non-compliance with provisions of Accounting Standards/ Indian Accounting Standards	5.15	142
Management Letters	5.16	143
Conclusion	5.17	144
Recommendations	5.18	144

Table of Contents		
Appendices	Appendix No.	Page No.
State Profile	1.1	147
Time Series Data on State Government Finances	2.1	148
Details of Schemes which are 100 <i>per cent</i> women centric during 2022-23	3.1	151
Details of Schemes which are 100 <i>per cent</i> Youth centric during 2022-23	3.2	152
Details of Major Policy initiatives/New Schemes (₹1 crore or more in each case) where entire provision was not utilised	3.3	153
Details of cases where supplementary provision (₹50 lakh or more in each case) proved unnecessary	3.4	154
List of Sub Heads where entire Budget provision was not utilized (₹10 crore or above)	3.5	156
List of grants having large savings (savings above ₹100 crore) during the year 2022-23	3.6	160
List of grants having large savings (savings above ₹500 crore) during the year 2022-23	3.7	162
Details of surrender of funds in excess of (₹10 crore) at the end of March 2023	3.8	163
Sub-Heads requiring Explanation for Variation in Appropriation Accounts	3.9	166
Excess Expenditure over provision for the year 2000-01 to 2021-22	3.10	168
Details of Major Heads having excess expenditure in 2022-23	3.11	170
Grants where compliance to expenditure limits could not be ensured in 2022-23	3.12	171
Details of outstanding Detailed Contingent bills as of 31 March, 2023	4.1	174
Arrears of accounts of Autonomous Bodies/Authorities as on June 2023	4.2	175
Department/category wise details in respect of case of loss to Government due to theft, defalcation, loss of Government property/material	4.3	176
Year wise analysis of loss to Government (Cases where financial action was pending at the end of 31 March 2023)	4.4	178
Details of recovery in various departments	4.5	179
Statement showing the financial position and working results of PSUs whose accounts were in arrears for three or more years as on 30 September 2023	5.1	180
Statement showing arrears in finalization of accounts by PSUs as on 30 September 2023	5.1 (b)	181
Statement showing position of equity and outstanding loans relating to State PSUs as on 31 March 2023	5.2	183
Public Sector Undertakings information on profit from operating activities/other income	5.3	187

PREFACE

This Report has been prepared for submission to the Governor of Chhattisgarh under Article 151 of the Constitution of India for being laid before the State Legislature.

Chapter I of this Report contains the basis, approach and structure of the Report, structure of Government Accounts, budgetary processes, compliances with Chhattisgarh State Fiscal Responsibility and Budget Management (CGFRBM) Act targets, trends in key fiscal parameters like revenue surplus/deficit, fiscal surplus/deficit, *etc.* and fiscal correction path.

Chapters II and III of the Report contain audit findings on matters arising from an examination of the Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2023. Information has been obtained from the Government of Chhattisgarh, wherever necessary.

Chapter IV on ‘Quality of Accounts & Financial Reporting Practices’ provides an overview and status of the State Government’s compliance with various financial rules, procedures and directives during the current year.

Chapter V discusses the financial performance of Chhattisgarh State Public Sector Undertakings (PSUs) and results of oversight role of Comptroller and Auditor General of India (CAG) through monitoring the performance of statutory Auditors and supplementary audit of accounts of PSUs. Audit Reports in relation to the accounts of a Government Company or Corporation are submitted to the Government by the CAG for laying before the Legislature of Chhattisgarh under the provisions of Section 19A of the Comptroller and Auditor General’s (Duties, Powers and Conditions of Services) Act, 1971 (as amended).

The Reports containing the findings of Performance Audit and Compliance Audit in various Government departments, observations arising out of audit of Statutory Corporations, Boards and Government Companies and observations on Revenue Receipts are presented separately.

The audit has been conducted in conformity with Auditing Standards issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

About the Report

This Report of the CAG of India is on the State Finances for the year 2022-23. It provides an overview of the finances, budgetary management and quality of accounts, financial reporting practices and other matters relevant to State Finances.

This executive summary highlights the contents of this report and through snapshots of the important figures and aspects, provides insight into fiscal sustainability, performance against the budget intent, revenue and expenditure projection, the reasons for variations and its impact.

Gross State Domestic Product (GSDP) (at current prices) grew at an average growth rate of 10.28 per cent from ₹3,27,107 crore in 2018-19 to ₹4,57,608 crore in 2022-23.

There was 12.60 per cent growth in GSDP over 2021-22. The revenue receipts grew at 17.86 per cent and the percentage of revenue receipts over GSDP improved from 19.60 per cent in 2021-22 to 20.51 per cent in 2022-23. The tax revenue increased by 17.66 per cent during the period and the State's own tax revenue increased by 22.30 per cent. The total expenditure (revenue expenditure, capital expenditure and loans and advances) of the State of Chhattisgarh increased from ₹85,838.04 crore in 2021-22 to ₹98,691.19 increasing by 14.97 per cent. Of this, revenue expenditure showed 13.70 per cent increase from 2021-22. Revenue surplus increased from ₹4,642.02 crore to ₹8,592.11 crore registering 85.09 per cent increase over 2021-22, while fiscal deficit decreased from ₹6,093.10 crore in 2021-22 to ₹4,691.21 crore in 2022-23 decreasing by 23.01 per cent.

Receipt-Expenditure Mismatch

The continuous mismatch between receipts and expenditure indicates rising fiscal stress. The State has different sources of receipts such as State Own Tax Revenue, Non-tax Revenue, Devolution of States' share in taxes, Grants in aid and transfers from the Union Government and non-debt capital receipts. The State Government's expenditure includes expenditure on revenue accounts as well as capital expenditure (assets creation, loans and advances, investments, etc).

From 2018-19 to 2022-23, revenue receipts grew from ₹65,094.93 crore to ₹93,877.14 crore, with an average annual growth rate of 10.02 per cent. Capital receipts decreased from ₹14,538.24 crore to ₹10,761.58 crore during this period. The share of Grants-in-aid in revenue receipts declined from 19.21 per cent in 2018-19 to 14.01 per cent in 2022-23, indicating decreased reliance on support from the Government of India. The State Government received ₹8,712.52 crore as Central share for the Centrally Sponsored Schemes (CSSs) in the year.

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. Between 2018-19 and 2022-23, revenue expenditure increased from ₹64,411.17 crore (19.69 *per cent* of GSDP) to ₹85,285.03 crore (18.64 *per cent* of GSDP). It consistently made up a significant portion (86.41 *per cent* to 89.50 *per cent*) of the total expenditure during this period, growing at an average annual rate of 8.95 *per cent*.

Result of expenditure beyond means

The revenue surplus of the State increased to ₹8,592.11 (1.88 *per cent* of GSDP) in the current year from ₹683.76 crore (0.21 *per cent* of GSDP) in the year 2018-19.

The State Government spent ₹13,320.30 crore on capital account. This was 13.50 *per cent* of the total expenditure in the year 2022-23. During the year 2022-23, 89 *per cent* of borrowed funds (₹21,972.42 crore) were utilised towards the repayment of earlier borrowings (₹19,448.88 crore) leaving only 11 *per cent* of borrowed fund for development activities. During 2022-23, if the balance available after repayments of borrowing (₹2,523.54 crore) being used to make interest payments of ₹6,382.08 crore, then no borrowed fund will be available for capital expenditure.

The gap between the total expenditure and total non-debt receipt of the State results in fiscal deficit. The fiscal deficit of the State decreased to ₹4,691.21 crore (1.03 *per cent* of GSDP) in 2022-23 from ₹8,292.23 crore (2.54 *per cent* of GSDP) in 2018-19.

Under the revenue expenditure, the quantum of committed expenditure constitutes the largest share. Committed expenditure has the first charge on the resources and consists of interest payments, expenditure on salaries and wages and pensions. Committed expenditure on interest payments, salaries and pensions constituted 42-50 *per cent* of revenue expenditure during 2018-19 (42 *per cent*) and 2022-23 (47 *per cent*). The Committed expenditure increased at an average rate of 15.35 *per cent* i.e. from ₹26,888.65 crore in 2018-19 to ₹40,314.09 crore in 2022-23 {an increase of 7.12 *per cent* over 2021-22 (₹37,634.24 crore)}.

In addition to the committed expenditure, inflexible expenditure increased from ₹5,381.19 crore in 2021-22 to ₹7,096.68 crore in 2022-23 registering an increase of 31.88 *per cent*.

Taken together, the committed and inflexible expenditure in 2022-23 was ₹47,410.77 crore; 56 *per cent* of the revenue expenditure. Upward trend on committed and inflexible expenditure leaves the Government with lesser flexibility for other priority sectors and capital creation.

Subsidies under non-committed expenditure

Within the non-committed expenditure, the expenditure on subsidies increased from ₹6,565.30 crore (8.75 *per cent* of revenue expenditure) in 2021-22 to ₹8,306.28 crore (9.74 *per cent* of revenue expenditure) in 2022-23. During 2022-23, Energy (39.44 *per*

cent) and Food and Civil Supplies (52.64 *per cent*) constituted a major portion of the total subsidies.

Off-budget borrowings

The State Government, through Public Sector Undertaking and parastatals, raised ₹7,161.32 crore (7.04 *per cent* of total budgeted liabilities) as off-budget borrowings; which did not flow into the Consolidated Fund of the State but are required to be repaid and serviced through budget.

Contingent Liabilities on account of Guarantees

The maximum amount guaranteed during the year 2022-23 was ₹30,022.50 crore. Out of which ₹20,957.51 crore was outstanding as on 31st March 2023.

The State Government had also notified reversion to the Old Pension Scheme (OPS) vide Notification dated 11 May 2022. The imminent financial burden on account of implementation of OPS also needs to be considered.

Fiscal sustainability

Fiscal sustainability is examined in terms of macro-fiscal parameters such as deficits, level of debt and liabilities, commitments on account of off-budget borrowings, guarantees, subsidies, etc. So far as revenue and expenditure mismatch is concerned, one of the important constraints is committed and inflexible expenditure, which includes salaries and wages, pension payments, interests, etc. and also other inflexible expenditure such as those arising out of commitment for centrally sponsored schemes, transfer to reserve funds, transfer to local bodies, etc.

FRBM requirements and compliance with fiscal parameters

The FRBM Act / Rules/MTFPS prescribes certain limits within which, revenue deficit, fiscal deficit, debt as a percentage of the Gross State Domestic Product (GSDP) should be, and similarly for guarantees as a percentage of revenue receipts of the previous year. In 2022-23, revenue surplus was 1.88 *per cent*; fiscal deficit was 1.03 *per cent* as against the limit of 3.33 *per cent*; overall liability was 20.46 *per cent* as against limit of 26.41 *per cent*.

Further, if the quantum of the off-budget borrowings is included as part of debt, the overall liability (Includes Public Debt and Public Account Liabilities) of the Government was 22.02 *per cent* of the GSDP.

As per the debt stabilisation analysis, the public debt of the Government of Chhattisgarh has grown on an average at a rate of 17.11 *per cent* annually of the outstanding public debt during 2018-19 to 2022-23. The public debt-GSDP ratio of Chhattisgarh has increased from 15.97 *per cent* in 2018-19 to 21.15 *per cent* in 2020-21 and then declined to 16.58 *per cent* in 2022-23. The improvement in Public Debt to GSDP after the pandemic suggests that the debt situation is not deteriorating, but it has not yet reached a threshold.

During 2021-22 and 2022-23 the Domar gap turned positive along with increase in primary surplus satisfying the condition of debt sustainability ($g-r>0$). Domar gap ($g-r$) was negative during covid years (2019-20 and 2020-21). However, in post covid years, the Domar gap turned positive due to high growth in GSDP. Positive Domar gap due to high growth rate in post covid years may also be seen with reference to low base for comparison in previous year due to covid. The Domar gap should further be viewed with the other factors such as Public Account liabilities (₹17,745.64 crore), off-budget borrowings (₹7,161.32 crore) in assessing the debt sustainability/stability of the State. Moreover, there has been a consistent increase in the Public Debt Repayment to Public Debt Receipt ratio over the last two years, which suggests that economic growth is not robust enough to service the debt.

Going by the analysis and results as discussed above, the finances of the State of Chhattisgarh though marked by increasing trend of liabilities (debt, guarantees, off-budget borrowings, etc.,) however, fiscal parameters such as fiscal deficit, liability to GSDP ratio and guarantee are within the targets prescribed.

Budget performance

Aggregate expenditure outturn

Budget performance in terms of budgetary intent and budget implementation is examined to assess extent to which the aggregate expenditure outturn reflects the amount originally approved both in terms of excess and saving. In the Revenue section, deviation in outturn compared with Budget Estimates (BE) was (-)3.67 per cent. This was due to deviation up to ± 25 per cent in 39 grants, between ± 25 per cent and ± 50 per cent in 19 grants; and between ± 50 per cent and ± 100 per cent in six grants and equal to or more than 100 per cent in one grant. In the Capital section, deviation in outturn compared with BE was 5.00 per cent. This was due to deviation up to ± 25 per cent in 21 grants, between ± 25 per cent and ± 50 per cent in 18 grants; and between ± 50 per cent and ± 100 per cent in 23 grants. No provision was made in respect of one grant of the Capital section.

Expenditure composition outturn

Budget performance also looks at the extent to which the re-allocation between the main budget categories during the execution have contributed to variance in expenditure composition. This measure indicates the extent of variation between the final budget and the actual expenditure. In the Revenue section, deviation in outturn compared with Revised Estimates (RE) was (-)8.79 per cent. This was due to deviation up to ± 25 per cent in 37 grants, between ± 25 per cent and ± 50 per cent in 16 grants and between ± 50 per cent and ± 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 the Capital section, deviation in outturn compared with RE was (-)11.50 per cent. This was due to deviation up to ± 25 per cent in 23 grants, between ± 25 per cent and ± 50 per cent in 11 grants, between ± 50 per cent and ± 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.

It was noticed that supplementary provisions of ₹11,445.78 crore during the year 2022-23 proved unnecessary, as the expenditure did not come up even to the level of original provisions.

Overall Budget reliability assessment indicates that though the deviations between the actual expenditure and original budget as well as between the actual expenditure and the final budget were less than two per cent, there were deviations up to 25 per cent and even above in different grants. Moreover, it was also noticed that there were supplementary grants where expenditure was not even up to the original grant. A reliable budget practice should need to deal with such deviations.

Regularization of Excess over Grants/ Appropriations

The State Government has to get excesses over grants/appropriations regularised by the State Legislature as per Article 204 and 205 (1) (b) of the constitution. It was observed that in 2022-23 there was excess expenditure of ₹3,630.60 crore under one grant and two appropriations which required regularization. Further, excess disbursements of ₹17,436.39 crore over provision for the years 2000-01 to 2021-22 were yet to be regularized.

Quality of Accounts and Financial Reporting

Quality of accounts and financial reporting covers items, transactions and events which relate to gaps in compliance, regularity weaknesses and issues relating to delay in receipt of those accounting records or adjustment records which evidence the actual expenditure. It also highlights issues pertaining to the accounts and financial reporting such as non or short discharging of liabilities, misclassification of transactions and data gaps.

Submission of Utilisation Certificates

All the outstanding UCs, due as per extant provision were cleared by March 2023. Hence, the status of outstanding UCs as of 31 March 2023 is nil.

During the audit, it was noticed that the Energy Department released ₹496.73 crore to Chhattisgarh Renewable Energy Authority (CREDA) during 2021-22 and UCs for ₹496.73 crore were submitted to the Accountant General in August 2022 by Energy Department. However, it was noticed that funds of ₹24.37 crore were utilised in subsequent months (upto October 2022) by CREDA after submission of UCs.

DC bills against AC bills

Despite the requirement of submitting Detailed Contingency (DC) Bills against the advance money withdrawn through Abstract Contingency (AC) Bills, 471 AC bills of ₹306.67 crore were pending for submission of DC bills as on 31st March 2023, out of

which 202 AC Bills amounting to ₹108.71 crore pertained to the period upto 2021-22.

Reconciliation

As per rule, all Departments are required to reconcile their expenditure and receipts with the expenditure booked in the accounts in the Accountant General Office. The State Government did not reconcile 13.30 *per cent* of the total expenditure and 13.86 *per cent* of the receipts.

Booking under Minor Head 800

It was noticed that Receipts of ₹7,715.17 crore (8.22 *per cent* of the total revenue receipts) under 44 Major Heads, was classified under the Minor Head ‘800-Other Receipts’. Similarly, expenditure of ₹539.21 crore (0.55 *per cent* of total revenue and capital expenditure) recorded under 26 Major Heads, was classified under the Minor Head ‘800-Other Expenditure’ during 2022-23.

Compliance with IGAS

As against the requirements of the Indian Government Accounting Standards (IGAS), the State Government did not make full compliance with IGAS-1: Guarantees given by government–Disclosure requirements, IGAS-2: Accounting and Classification of Grants-in-Aid and IGAS-3: Loans and Advances made by the Government.

Operation of PD Accounts

As per CG Treasury Code, PD Accounts which are inoperative for three years continuously should be closed by the Treasury Officer by giving notice to the Administrator of the PD account. Despite the lapse of the authorised period, One PD Account was not closed, and balance of ₹0.35 crore was not transferred to the Consolidated Fund. Also, as of 31 March 2023, 131 PD accounts were in existence and the closing balance in these accounts was ₹1,364.20 crore.

Funds to Single Nodal Agency

The Government of India and the State Government have introduced system of Single Nodal Agency (SNA) for implementation and fund flow for each Centrally Sponsored Scheme (CSS). The share of the Government of India and the State Government is transferred to the Bank Account of the SNA lying outside the Government Account. As on 31 March 2023, the State Government transferred Central share of ₹7,302.41 crore and State share of ₹6,431.54 crore to the SNAs. As per Finance Account, an amount ₹8,709.39 crore being the Central share was received by State Government during the year. As on 31 March 2023, the Government transferred ₹7,820.21 crore of the Central share and the State share of ₹6,942.22 crore to the SNAs. As per SNA report of PFMS Portal, ₹7,244.42 crore was lying unspent in the bank accounts of SNAs as on 31 March 2023.

Compliance with prevailing rules and codal provisions are meant to ensure control and accountability in accounting and financial reporting. Non-compliance and deviations impact the quality of accounting and financial reporting adversely. Non- submission of DC bills against AC bills; non-compliance with IGAS; and non-supply of details of expenditure from SNAs have impacted the quality of accounts adversely.

Working of State Public Sector Undertakings

As on 31 March 2023, there were 28 State Public Sector Undertakings (PSUs) in Chhattisgarh, including one Statutory Corporations under the audit jurisdiction of the Comptroller and Auditor General of India (CAG). Audit noticed that the prescribed timelines regarding submission of Financial Statements were not adhered to by 25 PSUs whose 47 accounts were in arrears. Out of the total profit of ₹879.22 crore earned by 10 working SPSUs, 85.47 per cent was contributed by three PSUs only. Out of total loss of ₹1,143.10 crore incurred by seven working SPSUs, loss of ₹1,132.72 crore was incurred by one PSU i.e. CSPDCL only. 21 Financial Statements were received during October 2022 to September 2023, out of which 14 were reviewed and comments were issued in all 14 Financial Statements.

The State Government may impress upon the managements of SPSUs to ensure timely submission of their financial statements. In the absence of finalised accounts, Government investments in such SPSUs remain outside the oversight of the State Legislature. The State Government may also analyse the reasons of losses in loss making SPSUs and initiate steps to make their operations efficient and profitable.

CHAPTER I

OVERVIEW

OVERVIEW

1.1 Profile of the State

Chhattisgarh is located in the central part of India and is spread over an area of 1,35,192 sq. km (4.11 *per cent* of geographical area of India). The State was created in November 2000 by bifurcating the composite State of Madhya Pradesh. It has 33 districts¹ and is home to 3.02 crore population as per Population Projection for India and States 2011-2036 by National Commission on Population, Ministry of Health & Family Welfare. The State's projected population increased from 2.64 crore in 2013 to 3.02 crore in 2023, recording a decadal growth of 14.51 *per cent*. General and financial data relating to the State is given in **Appendix 1.1**.

1.1.1 Gross State Domestic Product & Gross State Value Added of the State

Gross State Domestic Product (GSDP) is the value of all the goods and services produced within the boundaries of the State in a given period of time. Growth of GSDP is an important indicator of the State's economy, as it denotes the extent of changes in the level of economic development of the State over a period of time.

Gross State Value Added (GSVA) is the value of output minus the value of its intermediary inputs.

Trends in annual growth of Chhattisgarh's GSDP (current prices) *vis-à-vis* GDP of the country are given in **Table 1.1**.

Table 1.1: Trends in GSDP compared to the GDP

(₹ in crore)					
Year	2018-19	2019-20	2020-21	2021-22	2022-23
INDIA					
GDP	1,88,99,668	2,01,03,593	1,98,29,927	2,34,71,012	2,72,40,712
GVA	1,71,75,128	1,83,81,117	1,81,88,780	2,14,38,883	2,47,42,871
Growth Rate of GDP over previous year (in <i>per cent</i>)	10.59	6.37	-1.36	18.36	16.06
Growth Rate of GVA over previous year (in <i>per cent</i>)	10.77	7.02	-1.05	17.87	15.41
Per Capita GDP (in ₹)	1,42,424	1,49,915	1,46,301	1,71,498	1,96,983
STATE					
GSDP	3,27,107	3,44,648	3,47,752 ^P	4,06,416 ^Q	4,57,608 ^A
GSVA	3,01,106	3,24,951	3,31,957 ^P	3,85,436 ^Q	4,34,216 ^A
Growth Rate of GSDP over previous year (in <i>per cent</i>)	15.69	5.36	0.90	16.87	12.60
Growth Rate of GSVA over previous year (in <i>per cent</i>)	15.93	7.92	2.16	16.11	12.66
Per Capita GSDP (in ₹)	1,13,413	1,19,058	1,18,553 ^P	1,36,873 ^Q	1,52,348 ^A

Source: MoSPI Press note dated 31 May 2023 and Directorate of Economics and Statistics, Chhattisgarh. A- Advanced Estimates; Q - Quick Estimates; P - Provisional Estimates

¹ As of 31 March 2023

The Gross State Domestic Product (GSDP) in 2022-23 at current prices was ₹4,57,608 crore and the GDP in 2022-23 at current prices was ₹2,72,40,712 crore. Further, the per capita GSDP of the State for the year 2022-23 was ₹1,52,348 while that of country was ₹1,96,983. The growth in Per Capita GSDP of the State (34.33 *per cent*) during the period 2018-19 to 2022-23 was lower than the growth in Per Capita GDP of the country (38.31 *per cent*) during the same period.

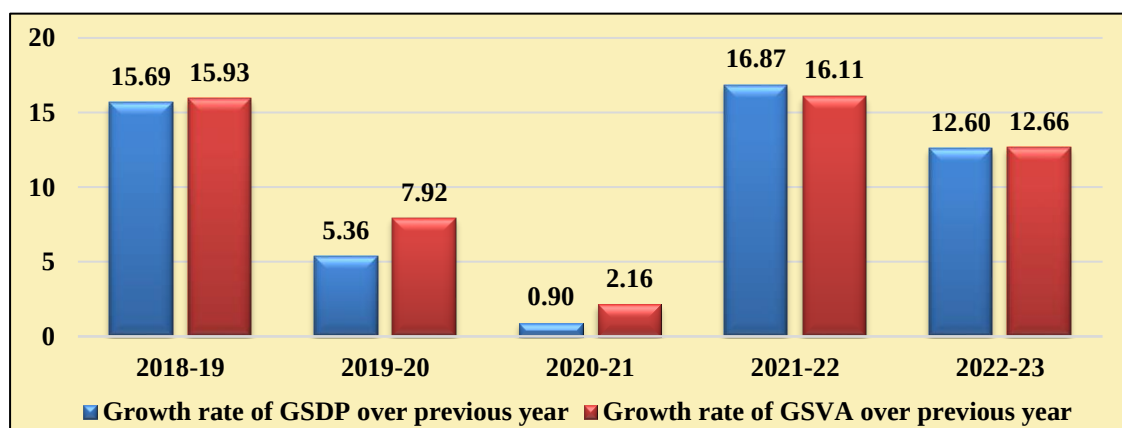
Gross Value Added (GVA) is being used for economic analysis by GoI and international organizations like IMF and World Bank as GVA is considered better indicator of economic growth compared to GDP, as it ignores the impact of taxes and subsidies. While GDP can be and is also computed as the sum total of the various expenditures incurred in the economy including private consumption spending, government consumption spending and gross fixed capital formation or investment spending, reflecting essentially on the demand condition in the economy. Both measures have difference in treatment of net taxes as a result of which the inclusion of taxes in GDP may differ from the real output situation. From a policymaker's perspective, it is therefore vital to have a comparison of the GVA and GSVA data for better analysis and making policy interventions.

Growth rate of GSVA was more than the growth rate of GVA during the period 2018-19 to 2020-21 but it was not able to keep pace with growth rate of GVA during the period 2021-22 to 2022-23.

The trends of GSDP and GSVA for the period from 2018-19 to 2022-23 is indicated in the chart below:

Chart 1.1: Growth rate of GSDP vs GSVA (2018-19 to 2022-23)

(in per cent)

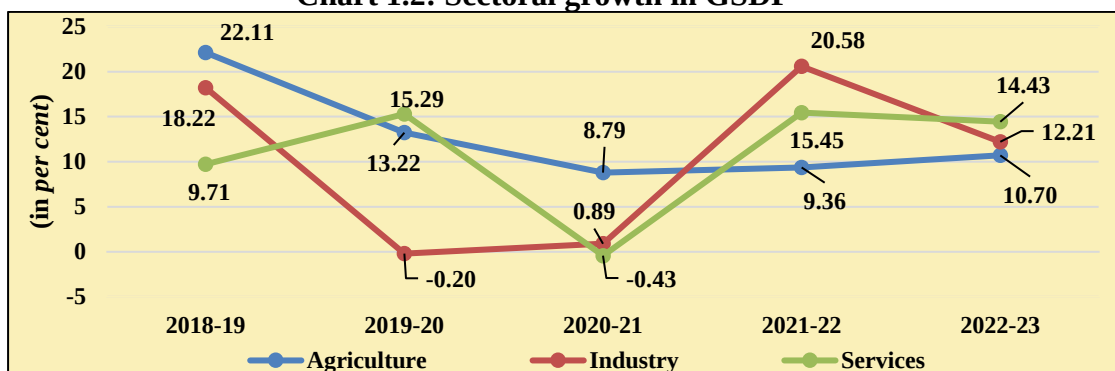


Source: Economic Survey (2022-23), Directorate of Economics and Statistics, Chhattisgarh.

Change in sectoral contribution of the GSDP is also important to understand the changing structure of economy. The economic activity is generally divided into Primary, Secondary and Tertiary sectors, which correspond to Agriculture, Industry, and Services Sectors.

The year-on-year change in contribution of various sectors to the GSDP of the State is given below in **Chart 1.2:**

Chart 1.2: Sectoral growth in GSDP



Source: Economic Survey (2022-23), Directorate of Economics and Statistics, Chhattisgarh.

Chart 1.2 shows the sectoral growth rate of GSDP which shows a fluctuating trend in growth rate of all three sectors in five years period of 2018-23. The growth rate of Industry and Services decreased whereas the Agriculture sector increased marginally in the year 2022-23 over the previous year.

1.2 Basis and Approach to State Finances Audit Report

In terms of Article 151(2) of the Constitution of India, the reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. The State Finances Audit Report (SFAR) of the State is prepared by the CAG for submission to the Governor of Chhattisgarh under Article 151 (2) of the Constitution of India.

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

Finance Accounts and Appropriation Accounts of the State constitute the core data for this report. Other sources include the following:

- Budget of the State forms an important source of data –both for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, and for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit carried out by the Office of the Principal Accountant General (Audit), Chhattisgarh;
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS);
- GSDP related statistics from the Directorate of Economic and Statistical Department of Chhattisgarh; and

- Various audit reports of the CAG of India.

The analysis has been carried out in the context of recommendations of the Fifteenth Finance Commission (XVFC), Chhattisgarh Fiscal Responsibility and Budget Management (CGFRBM) Act, Budget documents of the State and guidelines of the Government of India.

1.3 Overview of Government Accounts Structure

The Accounts of the Government are kept in three Parts:

1. Consolidated Fund of the State [Article 266(1) of the Constitution of India]

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from Financial Institutions, Special Securities issued to National Small Savings Fund, etc.), Ways and Means advances extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (*e.g.*, salaries of Constitutional authorities, loan repayments *etc.*), constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

2. Contingency Fund of the State [Article 267(2) of the Constitution of India]

This Fund is in the nature of an imprest which is established by the State Legislature by law and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the State.

3. Public Accounts of the State [Article 266(2) of the Constitution of India]

Apart from above, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

Budget Document

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

distinguish expenditure on the revenue account from other expenditures.

Revenue Account receipts consists of tax revenue (own tax revenue plus share of union taxes/duties), non-tax revenue, and grants from Government of India.

Revenue Account expenditure consists of all those expenditures of the government which do not result in creation of physical or financial assets. It relates to those expenses incurred for the normal functioning of the government departments and various services, interest payments on debt incurred by the government, and grants given to various institutions (even though some of the grants may be meant for creation of assets).

Capital Account receipts consist of:

Debt receipts: Market Loans, Bonds, Loans from financial institutions, Net transaction under Ways and Means Advances, Loans and Advances from Central Government, *etc.*;

Non-debt receipts: Proceeds from disinvestment, Recoveries of loans and advances;

Capital Account disbursement includes capital expenditure on the acquisition of land, building, machinery, equipment, investment in shares, and repayment of Public Debt and disbursement of loans and advances by the government to PSUs and other parties.

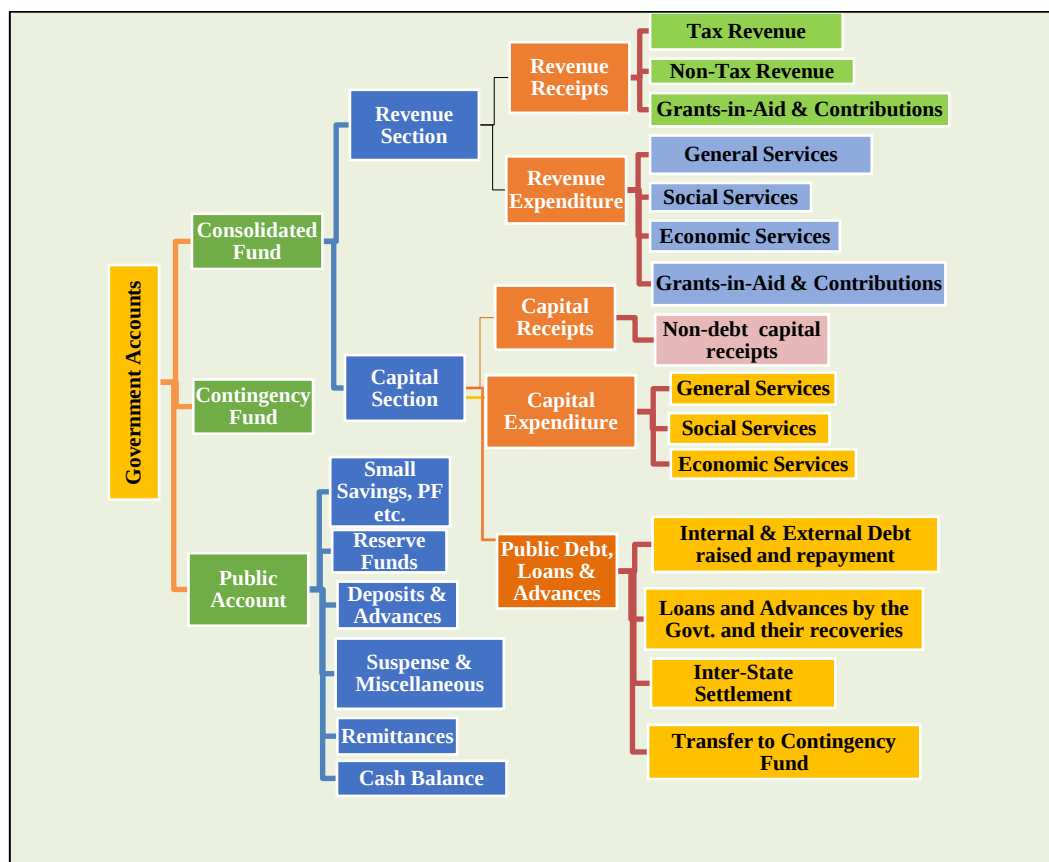
The Government accounting classification system is both functional and economic.

	Attributes of transactions	Classification
Standardised in List of Major and Minor Heads of Account by Controller General of Accounts	Function - Education, Health, <i>etc.</i> / Department	Major Head under Grants (4-digit)
	Sub-Function	Sub Major Head (2-digit)
	Programme	Minor Head (3-digit)
Flexibility left for States	Scheme	Sub-Head (2-digit)
	Sub scheme	Detailed Head (2-digit)
	Economic nature/Activity	Object Head-salary, minor works, <i>etc.</i> (2-digit)

Functional classification involves arranging the receipts and expenditure by economic categories, distinguishing the Government transactions into Sections like Revenue and Capital (including Public Debt, Loans and Advances), Sectors like Tax Revenue from other revenue and Grants-in-Aid, Sub-sectors like Taxes on Income and Expenditure, fiscal services, *etc.* On the expenditure side also, the transactions are classified into Sectors *viz.*, General Services, Economic Services, Social Services and Grants-in-Aid and contributions and sub-divided into Major Heads of account below these Sectors. Major Heads of account falling within the Consolidated Fund generally correspond to 'Functions' of Government, such as 'Education', while Minor Heads subordinate to them identify the 'Programme' undertaken to achieve the objectives of the function represented by the Major Head. A programme may consist of a number of schemes or activities and these generally, correspond to 'Sub-heads' below the Minor head. 'Detailed head' below the Sub-head, is primarily meant for itemised control over expenditure and indicates the object or nature of expenditure on a scheme or activity in terms of inputs such as 'Salaries', 'Office Expenses', 'Grants-in-Aid', *etc.*

A pictorial depiction of the structure of Government Accounts is given in **Chart 1.3**.

Chart 1.3: Pictorial depiction of the structure of Government Accounts



Source: Finance Accounts

Public Debt and Public Account Liability: In this Report, ‘Public Debt’ has been taken to comprise market borrowings, institutional loans, special securities issued to National Small Saving Fund (NSSF), loan given by central Government etc. For this purpose, the major heads 6003 and 6004 – Public Debt have been taken into consideration.

Further, the transactions relating to ‘Small Saving, Provident Fund, etc.’, ‘Reserve Funds’ and ‘Deposit and Advances’ under Public Account are such that the Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid. The transactions relating to ‘Remittances’ and ‘Suspense’ under Public Account, includes merely adjusting heads such as transactions as remittances of cash between treasuries and currency chests and transfer between different accounting circles.

In this report, ‘Public Account liability’ has been taken to include the transactions under ‘Small Saving, Provident Fund, etc.’, ‘Reserve Funds’ and ‘Deposit’ along with the transactions under major heads 6003 and 6004.

1.4 Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of the State caused to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State in the form of an **Annual Financial Statement**. In terms of Article 203, the above is submitted to the State Legislature in the form of Demands for Grants/ Appropriations and after approval of these, the Appropriation Bill is passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund. Finance Accounts and Appropriation Accounts encompass the core data for preparation of the SFAR. These Accounts are based on actual receipts and expenditure of the State during the year 2022-23 including various inter-governmental and other adjustments carried out by the Reserve Bank of India (RBI).

The Madhya Pradesh Budget Manual (as adopted by the Government of Chhattisgarh) details the formulation process and guides the State Government in preparing its budgetary estimates and monitoring its expenditure activities.

1.4.1 Snapshot of Finances

The following table provides the details of actual financial results *vis-a-vis* Budget Estimates (BE) for the year 2022-23, and actuals of 2021-22.

Table 1.2: Snapshot of Finances

Sl. No	Components	2021-22	2022-23	2022-23	Percentage of Actuals to BE	Percentage of Actuals to GSDP
		(Actuals)	(Budget Estimate)	(Actuals)		
1	Tax Revenue	55,654.52	56,823.25	65,480.57	115.24	14.31
(i)	Own Tax Revenue	27,083.73	29,000.00	33,122.31	114.21	7.24
(ii)	Share of Union Taxes and duties	28,570.79	27,823.25	32,358.26	116.30	7.07
2	Non-Tax Revenue	13,851.21	15,500.00	15,248.24	98.38	3.33
3	Grants-in-aid and contributions	10,146.30	16,750.00	13,148.33	78.50	2.87
4	Revenue Receipts (1+2+3)	79,652.03	89,073.25	93,877.14	105.39	20.51
5	Recovery of Loans and Advances including Inter State Settlement	88.02	327.00	117.24	35.85	0.03
6	Misc. Capital Receipts	4.89	0.00	5.60	0.00	0.00
7	Public Debt Receipts	15,098.28	16,511.90	10,638.74	64.43	2.32
8	Capital Receipts (5+6+7)	15,191.19	16,838.90	10,761.58	63.91	2.35
9	Total Receipts (4+8)	94,843.22	1,05,912.15	1,04,638.72	98.80	22.87
10	Revenue Expenditure	75,010.01	88,371.61	85,285.03	96.51	18.64
11	Interest Payments	6,144.24	7,222.05	6,382.08	88.37	1.39
12	Capital Expenditure	10,504.22	15,240.69	13,320.30	87.40	2.91
13	<i>Loans and Advances including Inter-state Settlement</i>	323.81	387.73	85.86	22.14	0.02
14	Total Expenditure (10+12+13)	85,838.04	1,04,000.03	98,691.19	94.90	21.57

15	Revenue Surplus (+) /Deficit (-) (4-10)	(+)4,642.02	(+)701.64	(+)8,592.11	1,224.58	1.88
16	Fiscal Deficit {(4+5+6)-14}	(-)6,093.10	(-)14,599.78	(-)4,691.21	32.13	1.03
17	Primary Surplus (+) /Deficit (-) (16-11)	(+)51.14	(-)7,377.73	(+)1,690.87	22.92	0.37

Source: Finance Accounts of respective year and Budget Book 2022-23

Revenue Surplus remained more than estimated due to mobilization of higher tax revenue receipts and less revenue expenditure vis-a-vis budget. Fiscal deficit remained less than that estimated due to more revenue surplus and less capital expenditure than projected in the budget.

1.4.2 Snapshot of Assets and liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from public accounts, and the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

Table 1.3: Summarised position of Assets and Liabilities

(₹ in crore)

Sl. No.	Liabilities				Assets			
	Particulars	2021-22	2022-23	Percentage Increase (+)/ Decrease (-)	Particulars	2021-22	2022-23	Percentage Increase (+)/ Decrease (-)
1	Internal Debt	71,186.62	68,754.84	(-)3.42	Gross Capital Outlay	1,12,412.50	1,25,727.20	(+)11.84
2	Loans and Advances from GoI	11,726.15	15,195.95 ²	(+)29.59	Loans and Advances	1,409.86	1,378.31	(-)2.24
3	Contingency Fund (corpus)	100.00	100.00	0.00	Contingency fund (un-recouped)	0.00	0.00	0.00
4	Small Savings, Provident Funds, etc.,	8,020.50	9,326.98	(+)16.29	Advances	7.34	7.00	(-)4.63
5	Deposits	5,786.49	6,146.92	(+)6.23	Remittance	336.22	298.66	(-)11.17
6	Reserve Funds	9,627.40	9,606.04	(-)0.22	Suspense and Miscellaneous	0.00	0.00	0.00
7	Suspense and Miscellaneous	142.70	238.80	(+)67.34	Cash Balance ³	9,921.62	8,047.97	(-)18.88
8	Remittances	0.00	0.00	0.00	Total (1 to 7)	1,24,087.54	1,35,459.14	(+)9.16
					Deficit on Government Account	17,497.68	26,089.61	(+)49.10
Total (1 to 8)		1,06,589.86	1,09,369.53	(+)2.61	Total (8-9)	1,06,589.86	1,09,369.53	(+)2.61

Source: Finance Accounts of respective years

² Includes back-to-back loan of ₹8,074.15 crore in lieu of GST compensation shortfall. The debt servicing of this loan would be done from the collection of cess in the GST compensation Fund.

³ Including investment in earmarked fund.

1.5 Fiscal Balance: Targets and achievement of deficit and total debt

Deficit is an indicator of prudent fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied, are important pointers to its fiscal health. This section presents trends, nature and magnitude of deficits and the manner of financing these deficits, and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under Chhattisgarh Fiscal Responsibility and Budget Management Act, 2005 (CGFRBM Act)/Rules/fiscal policy statements for the financial year 2022-23.

1.5.1 Compliance with provisions of State FRBM Act

In compliance with the recommendations of Twelfth Finance Commission (TFC), the State Government enacted the CGFRBM Act, 2005 (amended in September 2011, 2016 and March 2021) to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, reduction in fiscal deficit, prudent debt management consistent with fiscal sustainability and greater transparency in fiscal operations of the Government, and conduct of fiscal policy in a Medium Term Fiscal Framework (MTFF).

As per the CGFRBM Act 2005, the State Government was to eliminate revenue deficit and bring fiscal deficit down to 3 *per cent* of the GSDP by the end of 31 March 2009. During 2022-23, target for fiscal deficit was set to 3.33 *per cent* of the GSDP as per the Medium-Term Fiscal Policy Statement presented along with Budget 2022-23. Fiscal Deficit at 1.03 *per cent* of the GSDP was within the target prescribed in the FRBM Act/MTFPS during 2022-23.

Major fiscal variables, as set in CGFRBM Act/ disclosures made under the Act in fiscal policy statements, and their achievement during 2018-23 are given in **Table 1.4**.

Table 1.4: Major fiscal variables for 2018-23⁴

Fiscal Parameters	Fiscal Targets set in the Act/MTFPS	ACHIEVEMENT (₹ in crore)				
		2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Deficit (-)/ Surplus (+)	Revenue Surplus	(+)683.76	(-)9,608.61	(-)6,856.66	(+)4,642.02	(+)8,592.11
		Yes	No	No	Yes	Yes
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	3.50% of GSDP for 2018-19 and 5.00 % of GSDP for 2019-21 & 4.56% of GSDP for 2021-22 and 3.33% of GSDP for 2022-23	(-) 8,292.23 (2.54%)	(-)17,969.55 (5.21%)	(-)15,822.38 (4.55%)	(-)6,093.10 (1.50%)	(-)4,691.21 (1.03%)
		Yes	No	Yes	Yes	Yes

⁴ The percentages w.r.t GSDP indicated in earlier reports have been revised due revised figures of GSDP.

Ratio of Overall outstanding liabilities to GSDP (in per cent)	18.06% for 2018-19 21.23% for 2019-20 21.59% for 2020-21 28.34% for 2021-22 26.41% for 2022-23	20.41%	22.84%	25.75% ⁵	22.42% ⁶	20.46% ⁷
		No	No	No	Yes	Yes

Source: Finance Accounts of the respective years

The State was able to achieve the target of revenue surplus during 2022-23. During 2022-23, Revenue Surplus of the State was ₹8,592.11 crore as compared to ₹4,642.02 crore in 2021-22. The increase in Revenue Surplus was mainly due to increase in Revenue Receipts by ₹14,225.11 crore (17.86 per cent) as compared to 2021-22 despite increase in Revenue Expenditure by ₹10,275.02 crore (13.70 per cent). The receipts under GIA from the Government of India increased by 29.59 per cent over the previous year.

Fiscal Deficit of the State decreased during 2022-23 (₹4,691.21 crore) by ₹1,401.89 crore from ₹6,093.10 crore in 2021-22 as the Revenue Surplus of the State increased from ₹4,642.02 crore in 2021-22 to ₹8,592.11 crore in 2022-23. However, the actual Revenue surplus would have been ₹4,773.30 crore and the actual Fiscal Deficit would have been ₹5,615.80 crore after adjustment of non-contribution to reserve fund/misclassification etc. as detailed in **Para 1.7**. The ratio of Fiscal Deficit to GSDP was within the target prescribed under FRBM/MTFPS during the years 2018-19 to 2022-23, except in 2019-20. Fiscal Deficit at 5.21 per cent of the GSDP exceeded the target prescribed in the FRBM Act/MTFPS during 2019-20.

The percentage of Overall outstanding liabilities to GSDP during 2022-23 was (20.46 per cent) within the target prescribed in the MTFPS (26.41 per cent) by the State Government and the target recommended by the XV Finance Commission (30.2 per cent). The percentage of liabilities to GSDP has been calculated after excluding back-to-back loan of ₹8,074.15 crore (₹4,965.15 crore in 2021-22 and ₹3,109 crore in 2020-21) received by the State Government in lieu of shortfall in GST compensation.

Under section 5(3) of the CGFRBM Act, whenever the State Government undertakes to unconditionally and substantially repay the principal amount and/or pay the interest of any separate legal entity, it has to reflect such liability as borrowing of the State in such form as may be prescribed. The Chhattisgarh FRBM Rules prescribes that the State Government shall at the time of presenting the annual financial statement and demand for grant make disclosures as required under section 5 of the CGFRBM Act. However, the State Government did not disclose such off-budget borrowings

⁵ Debt to GSDP percentage has been calculated on the total debt of ₹89,556.90 crore after excluding the amount of back-to-back loan of ₹3,109 crore in lieu of GST compensation shortfall.

⁶ Debt to GSDP percentage has been calculated on the total debt of ₹91,098.74 crore after excluding the amount of back-to-back loan of ₹8,074.15 crore in lieu of GST compensation shortfall.

⁷ Debt to GSDP percentage has been calculated on the total debt of ₹93,622.28 crore after excluding the amount of back-to-back loan of ₹8,074.15 crore in lieu of GST compensation shortfall.

(₹7,161.32 crore)⁸ in the required Form D-2 “Overall outstanding liabilities of the State Government” alongwith the budget document. Liabilities to GSDP ratio has increased to 22.02 *per cent* after incorporating off budget borrowings into outstanding liabilities as detailed in **Para 1.7**.

1.5.2 Disclosures made under CGFRBM Act during 2022-23

As per the CGFRBM Act, the State Government shall in each financial year lay before the State Legislature, fiscal policy statements such as Macroeconomic Framework Statement (MFS), Medium Term Fiscal Policy Statement (MTFPS) and Fiscal Policy Strategy Statement alongwith the annual financial statement:

The statements shall contain an overview of the State economy, an analysis of growth and sectoral composition of GSDP, an assessment related to the State Government finances and future prospects, three year rolling targets for the prescribed fiscal indicators etc.,

Table 1.5 indicates the variation between the estimates made for 2022-23 in MFS/MTFPS presented to the State Legislature and actuals of the year.

Table 1.5: Actuals vis-à-vis estimates in MFS/MTFPS under FRBM Act for 2022-23

(₹ in crore)				
Sl. No.	Fiscal Variables	Projection as per disclosures under FRBM act	Actuals (₹ in crore)	% Increase (+)/ Decrease (-)
1	Own Tax Revenue	29,000.00	33,122.31	(+)14.21
2	Non-Tax Revenue	15,500.00	15,248.24	(-)1.62
3	Share of Central Taxes	27,823.25	32,358.26	(+)16.30
4	Grants-in aid from GoI	16,750.00	13,148.33	(-)21.50
5	Revenue Receipts (1+2+3+4)	89,073.25	93,877.14	(+)5.39
6	Revenue Expenditure	88,371.61	85,285.03	(-)3.49
7	Revenue Deficit (-)/Surplus (+) (5-6)	(+)701.64	(+)8,592.11	(+)1,124.58
8	Fiscal Deficit (-)/Surplus (+)	(-)14,599.78	(-)4,691.21	(+)67.87
9	Debt-GSDP ratio (<i>per cent</i>)	26.41	20.46 ⁹	(+)22.53
10	GSDP growth rate at current prices (<i>per cent</i>)	9.60	12.60	(+)31.25

Source: Finance Accounts and FRBM disclosures 2022-23

It is evident from the above table that the projections made in the MFS/MTFPS were met during 2022-23 except for Non-Tax Revenue and Grants-in aid from GoI. The decrease of ₹251.76 crore in non-tax revenue was mainly due to less receipts under Major Irrigation by ₹275.20 crore and interest receipts by ₹61.91 crore than projections made in the budget.

⁸ Amount of ₹7,161.32 crore net off budget borrowings has been worked out after subtracting Repayment of principal amount (₹922.92 crore) from Total Off Budget borrowings (₹8,084.24 crore).

⁹ Debt to GSDP percentage has been calculated on the total debt of ₹93,622.28 crore after excluding the amount of back-to-back loan of ₹8,074.15 crore in lieu of GST compensation shortfall.

1.5.3 Deficit and Surplus

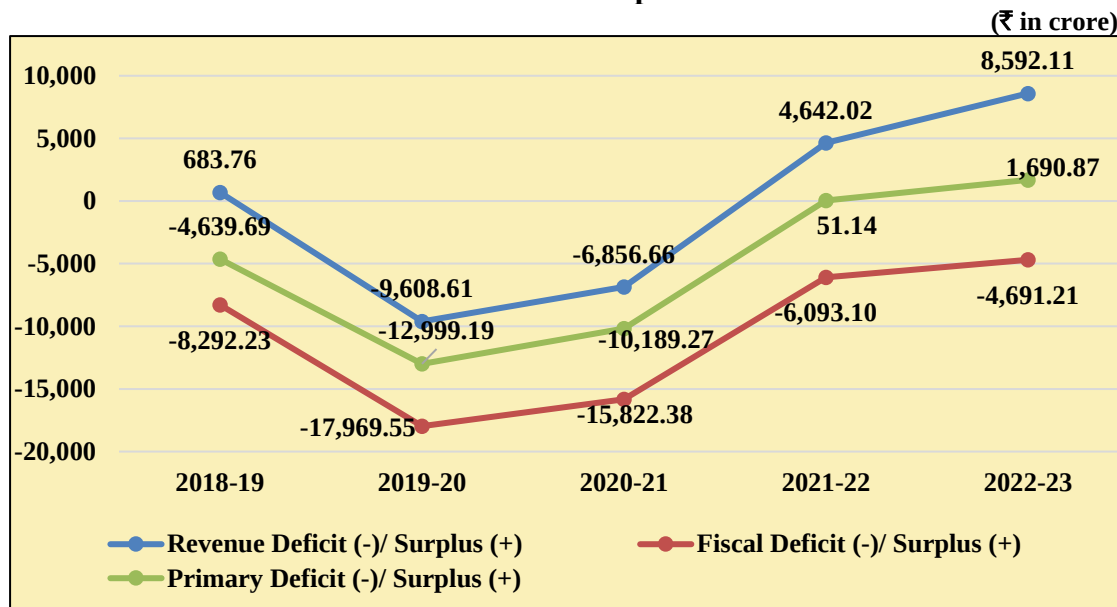
When a Government spends more than it collects by way of revenue, it incurs a deficit. There are various measures that capture Government deficit.

Revenue Deficit/ Surplus (Revenue Expenditure – Revenue Receipts)	<i>Refers to the difference between revenue expenditure and revenue receipts.</i> - When the government incurs a revenue deficit, it implies that the Government is dissaving and is using up the savings of the other sectors of the economy to finance a part of its consumption expenditure. - Existence of revenue deficit is a cause of concern as revenue receipts were not able to meet even revenue expenditure. Moreover, part of capital receipts was utilized to meet revenue expenditure, reducing availability of capital resources to that extent for creation of capital assets. - This situation means that the Government will have to borrow not only to finance its investment but also for its consumption requirements. This leads to a build-up of stock of debt and interest liabilities and forces the government, eventually, to cut expenditure. - If major part of revenue expenditure is committed expenditure (interest liabilities, salaries, pensions), the government reduces productive expenditure or welfare expenditure. This would mean lower growth and adverse welfare implications.
Fiscal Deficit/ Surplus (Total expenditure – (Revenue receipts + Non-debt creating capital receipts))	<i>It is the difference between the Revenue Receipts plus Non-debt Capital Receipts (NDCR) and the total expenditure. Fiscal Deficit is reflective of the total borrowing requirements of Government.</i> - Fiscal deficit is the difference between the government's total expenditure and its total receipts excluding borrowings. - Non-debt capital receipts are those receipts, which are not borrowings, and, therefore, do not give rise to debt. Examples are recovery of loans and the proceeds from the sale of PSUs. - The fiscal deficit will have to be financed through borrowing. Thus, it indicates the total borrowing requirements of the government from all sources. Governments usually run fiscal deficits and borrow funds for capital/ assets formation or for creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating an income stream. Thus, it is desirable to fully utilize borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest.

1.5.4 Trends of Deficit/Surplus

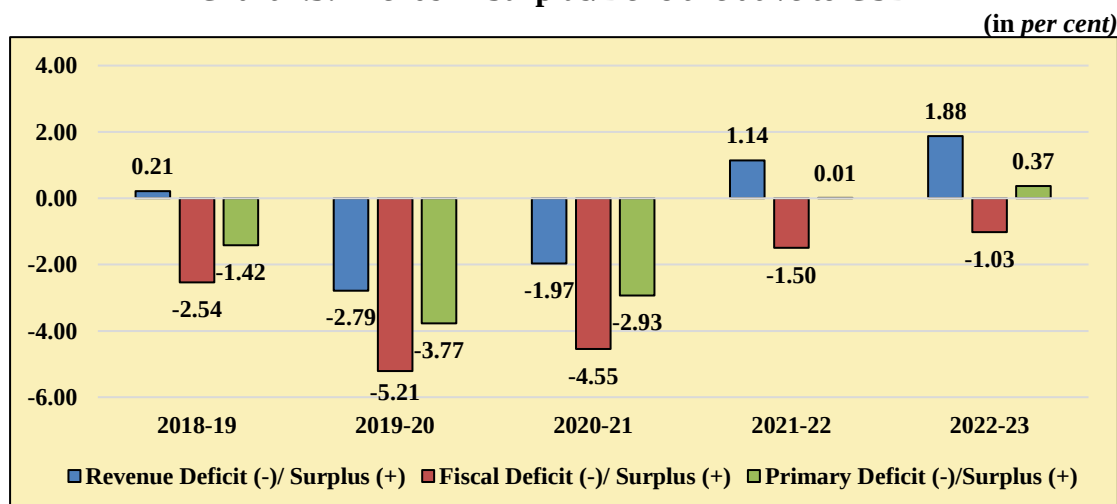
The State had a fiscal deficit of ₹4,691.21 crore during the year 2022-23, representing 1.03 *per cent* of the GSDP (₹4,57,608 crore) and constituting 4.75 *per cent* of Total Expenditure (₹98,691.19 crore). The Primary Surplus increased from ₹51.14 crore during 2021-22 to ₹1,690.87 crore during the current year. The Revenue Surplus increased from ₹4,642.02 crore during 2021-22 to ₹8,592.11 crore during the current year. The trend of surplus and deficit over the five-year period 2018-19 to 2022-23 is depicted in **Chart 1.4** and trend in surplus or deficit relative to GSDP is given in **Chart 1.5**.

Chart 1.4: Trends in Surplus/Deficit



Source: Finance Accounts of the respective years

Chart 1.5: Trends in Surplus/Deficit relative to GSDP



Source: Finance Accounts of the respective years

1.6 State Finance Commission

As per article 243(I) and 243(Y) of Constitution of India, the State Finance Commission (SFC) is to be appointed after every five years to recommend devolution of funds from the State Government to Local Bodies, and also suggest measures for augmenting their Own Resources.

The Government of Chhattisgarh has constituted four State Finance Commissions since the formation of State in 2000. Details of State Finance Commissions have been presented in **Table 1.6** below:

Table 1.6: Constitution of State Finance Commission

Sl. No.	State Finance Commission	To be constituted as per constitution	Actually Constituted	Date Submission of recommendation	Acceptance by the Government	Period Covered
1	First	2001-02	22.08.2003/ 14.07.2004	30.05.2007	July 2009	2007-12
2	Second	2006-07	23.07.2011	31.03.2013	July 2013	2012-20
3	Third	2011-12	20.01.2016	30.09.2018	October 2019	2020-25
4	Fourth	2016-17	29.07.2021	-	-	2025-30

Source: Finance Commission reports and Notification of acceptance

First State Finance Commission of Chhattisgarh has made a total of 81 recommendations out of which the State Government accepted 36 while 5 others were accepted with modification.

Second State Finance Commission of Chhattisgarh was constituted on 23 July 2011 to cover the period of 2011-16. However, the State Government had extended the award period of First SFC up to March 2012 and changed the award period of Second SFC from the year 2012 to 2017. However, recommendation of Second SFC were also made applicable for the period of 2017-20. The Second SFC had made a total of 133 recommendations out of which the State Government accepted 103.

Third State Finance Commission was constituted on 20 January 2016 to cover a period of five years, *i.e.*, 2017-22. The State Government had accepted the recommendation of Third SFC for the period of 2020-25 in place of 2017-22 to be in conjunction with time period of Fifteenth Finance Commission of India.

Fourth State Finance Commission was constituted on 29 July 2021 and the recommendation of the fourth SFC were to cover a period of five years, *i.e.*, 2025-30. The Commission shall make its report available on or before 31 July 2023.

There was delay in constitution of State Finance Commissions and implementation of the State Finance Commission's recommendations which resulted in further delay in devolution of funds to the Local Bodies.

Devolution of State Own Tax Resources (SOTR) as recommended by SFCs and modifications accepted by State government has been presented in **Table 1.7**.

Table 1.7: Devolution of SOTR accepted by the State government as per recommendation of State Finance Commissions

(in per cent)

Sl. No.	State Finance Commission	Award Period	Recommendation of Devolution of SOTR by SFC			Devolution accepted by the State Government		
			PRI	ULB	Total	PRI	ULB	Total
1	First	2007-12	6.62	1.66	8.28	4.79	1.21	6.00
2	Second	2012-20	6.15	1.85	8.00	6.15	1.85	8.00
3	Third	2020-25	6.91	2.09	9.00	6.91	2.09	9.00
4	Fourth	2025-30	-	-	-	-	-	-

Source: Finance Commission reports

The percentage of SOTR devolved to local bodies (6.00 *per cent*) was less than the recommended percentage (8.28 *per cent*) during First SFC.

The details of fund flow with regard to recommendation by SFC, devolution accepted and actual budget allocated and released by the State Government during 2018-19 and 2022-23 are shown in **Table 1.8**.

Table 1.8: SFC projections vis-à-vis Devolution accepted and Actual budget/expenditure by the State Government during 2018-23

(₹ in crore)

Sl. No.	Year	Devolution % recommended by SFC and accepted By State Government			Budget Allocated By State Government#			Actual Release By State Government		
		PRI	ULB	Total	PRI	ULB	Total	PRI	ULB	Total
1	2018-19	(6.15)	(1.85)	(8.00)	800	300	1100	839	300	1139
2	2019-20	(6.15)	(1.85)	(8.00)	756	321	1077	750	321	1071
3	2020-21	(6.91)	(2.09)	(9.00)	865	444	1309	606	442	1048
4	2021-22	(6.91)	(2.09)	(9.00)	858	451	1309	651	451	1102
5	2022-23	(6.91)	(2.09)	(9.00)	1644	423	2067	1209	423	1632

(# Assistance to Panchayats/Local Bodies/Municipalities -- Recommendation of SFC below MH 2217, 2515, 4217 and 4515)

Actual fund released to ULB was as per the budget allocation during 2018-23 except in 2020-21 where marginal decline was observed. But actual fund released to PRI was less than the budget allocated during last five years except in 2018-19. During 2022-23 against the budget allocation of ₹2,067 crore to PRIs and ULBs, the State Government has released only ₹1,632 crore.

1.7 Deficits and Total Debt after examination in Audit

Deficit and debt position are two crucial fiscal indicators in assessing the financial health of the State. In order to present a true and fair picture of State Finances, various issues that came to notice of audit which have an impact on the fiscal deficit and debt position of the State Government are detailed below.

1.7.1 Post audit - Deficits/surplus

As per the FRBM Act, the State Government must ensure compliance to the targets fixed for the fiscal indicators such as deficits, ceiling on debt and on guarantees, etc. The Revenue Deficit and the Fiscal deficit as worked out for the State get impacted due to various circumstances such as misclassification of revenue expenditure as capital expenditure and off-budget fiscal operations. Besides, certain issues such as non transfer of central share of grant, cess and interest liabilities on interest bearing Reserve Funds etc. to the respective fund, also impacts the revenue and fiscal deficit figures. In order to arrive at actual deficit figures, the effect of misclassification of revenue expenditure/capital outlay and/or any such misclassification needs to be included.

The impact of issues pointed out above resulted in understatement of revenue expenditure by ₹3,796.01 crore and overstatement of Revenue Receipt by ₹22.80 crore for the year 2022-23 which has been worked out in the **Table 1.9** and the assessment of

revenue deficit and fiscal deficit after taking into account the above audit impact is depicted in **Table 1.10**.

Table 1.9: Impact on Revenue Receipt and Expenditure, post examinations by Audit

(₹ in crore)

Sl. No.	Item	Paragraph Reference	Over statement of Revenue Receipt	Under statement of revenue expenditure
1	Misclassification between revenue and capital	3.5.1 & 4.11	--	2,894.22
2	Interest liabilities on National Pension Scheme	2.4.2.3	--	0.65
3	Interest liabilities on State Disaster Mitigation Fund	2.5.2.2 (b)	--	8.18
4	Interest earned on Central share of unspent balances of funds to Single Nodal Agency (SNA)	2.3.2.3 (ii)	22.80	0.00
5	Non transfer of Central Share of Grants-in-aid to State Disaster Response Fund	2.5.2.2 (a)	--	181.60
6	Non transfer of State Share of Grants-in-aid to State Disaster Response Fund	2.5.2.2 (a)	--	60.53
7	Short transfer to Mineral Development Fund	2.5.2.5 (iii)	--	184.92
8	Short contribution of Consolidated Sinking Fund	2.5.2.1	--	37.23
9	Non transfer of Grants-in-aid of Central Road and Infrastructure Fund	4.7	--	86.92
10	Non transfer of Infrastructure Development and Environment Cess to the designated Reserve Funds	2.5.2.5 (i) & 2.5.2.5 (ii)	--	341.76
Total			22.80	3,796.01

Source: Finance Accounts 2022-23

Table 1.10: Result of impact computed by Audit

(₹ in crore)

Sl. No.	Particular	As per Finance Accounts	Overstated (+)/ Understated (-) by	Actual/Post audit examination
1	Revenue Surplus	8,592.11	(+)3,818.81	4,773.30
2	Fiscal deficit	4,691.21	(-)924.59	5,615.80

Source: Finance Accounts 2022-23

1.7.2 Post audit – Total Debt/ liabilities

Total liabilities as defined under the CG FRBM Act, 2005 means the liabilities included under the Consolidated Fund and the Public Account of the State and include borrowings by the public sector undertakings, special purpose vehicles and other equivalent instruments including guarantees where the principal and interest are to be serviced out of the State budget.

Audit examination revealed that during the period 2017-23, the State Government has resorted to off-budget borrowings of ₹8,084.24 crore through five PSUs out of which

Government made repayment of principal of ₹922.92 crore besides servicing of interest on these off-budget borrowings through State budget. This issue has been discussed in detail in **Para 4.14** of the Report. For computing post audit liabilities, the off-budget borrowings have been added to the total liabilities.

The Government of India released back-to-back loans to the State amounting to ₹3,109 crore in 2020-21 and ₹4,965.15 crore in 2021-22 (total ₹8,074.15 crore). This back-to-back loan has been considered over and above the yearly net borrowing ceiling of the State fixed on the basis of Finance Commission recommendation. Further, the debt servicing of this loan is to be done from the collection of cess in GST Compensation Fund, and hence repayment obligation will not be met from other resources of the State. For computing post audit liabilities back-to-back loan received in lieu of GST compensation shortfall is also excluded.

Due to off-budget borrowings and back-to-back loan, the total debt/liabilities have increased/decreased as a percentage of GSDP as given in **Table 1.11**.

Table 1.11: Overall liabilities, post examination in Audit

Sl. No.	Particulars	Amount (₹ in crore)	Percentage of GSDP
1	Total liabilities/Overall debt as per Accounts as on 31.03.2023 (A)	1,01,696.43	22.22
2	Back-to-back loan in lieu of GST compensation shortfall (B)	8,074.15	1.76
3	Total liabilities excluding Back-to-back loan (C) = (A) - (B)	93,622.28	20.46
4	Net off-budget liabilities (₹8,084.24 - ₹922.92) as on 31.03.2023(D)	7,161.32	1.56
5	Total liabilities (C)+(D)	1,00,783.60	22.02

Source: Finance Accounts 2022-23

It can be seen from the above table that the liabilities to GSDP percentage decreased from 22.22 *per cent* to 22.02 *per cent* after adjusting the back-to-back loan and off-budget liabilities.

CHAPTER II

FINANCES OF THE STATE

FINANCES OF THE STATE

2.1 Introduction

This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the five-year period from 2018-19 to 2022-23, debt sustainability of the State and key Public Account transactions, based on the Finance Accounts of the State.

Major changes in Key Fiscal Aggregates during 2022-23 vis-à-vis 2021-22

Table 2.1 gives a bird's eye view of the major changes in key fiscal aggregates of the State during 2022-23, compared to the previous year.

Table 2.1: Changes in key fiscal aggregates in 2022-23 compared to 2021-22

Revenue Receipts	➤ Revenue Receipts of the State increased by 17.86 <i>per cent</i> ➤ Own Tax Receipts of the State increased by 22.30 <i>per cent</i> ➤ Non-Tax Receipts increased by 10.09 <i>per cent</i> ➤ State's Share of Union Taxes and Duties increased by 13.26 <i>per cent</i> ➤ Grants-in-Aid from Government of India increased by 29.59 <i>per cent</i>
Revenue Expenditure	➤ Revenue Expenditure increased by 13.70 <i>per cent</i> ➤ Revenue Expenditure on General Services increased by 6.78 <i>per cent</i> ➤ Revenue Expenditure on Social Services increased by 13.78 <i>per cent</i> ➤ Revenue Expenditure on Economic Services increased by 20.12 <i>per cent</i> ➤ Expenditure on Grants-in-Aid and contributions increased by 2.68 <i>per cent</i>
Capital Receipts	➤ Debt Capital Receipts decreased by 29.54 <i>per cent</i> ➤ Non-debt Capital Receipts increased by 32.21 <i>per cent</i> ➤ Capital Receipts increased by 14.52 <i>per cent</i>
Capital Expenditure	➤ Capital Expenditure increased by 26.81 <i>per cent</i> ➤ Capital Expenditure on General Services increased by 114.62 <i>per cent</i> ➤ Capital Expenditure on Social Services increased by 54.27 <i>per cent</i> ➤ Capital Expenditure on Economic Services increased by 9.51 <i>per cent</i>
Loans and Advances	➤ Disbursements of Loans and Advances decreased by 73.47 <i>per cent</i> ➤ Recoveries of Loans and Advances by increased 33.45 <i>per cent</i>
Public Debt	➤ Public Debt Receipts decreased by 29.54 <i>per cent</i> ➤ Repayment of Public Debt increased by 8.54 <i>per cent</i>
Public Account	➤ Public Account Receipts increased by 13.05 <i>per cent</i> ➤ Public Account Disbursements increased by 11.39 <i>per cent</i>
Cash Balance	➤ Cash balance and investment of cash balances decreased by 18.88 <i>per cent</i>

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

2.2 Sources and Application of Funds

Table 2.2 compares the sources and application of funds of the State during 2022-23 with 2021-22 figures, while **Charts 2.1** and **2.2** give the details of receipts into and expenditure from the Consolidated Fund during 2022-23 in terms of percentages.

Table 2.2: Details of Sources and Application of funds during 2021-22 and 2022-23

(₹ in crore)				
	Particulars	2021-22	2022-23	Increase (+)/ Decrease (-)
Source	Opening Cash Balance ¹	9,461.37	9,921.62	460.25
	Revenue Receipts	79,652.03	93,877.14	14,225.11
	Misc. Capital Receipts	4.89	5.60	0.71
	Recoveries of Loans and Advances	88.06	117.52	29.46
	Inter-State Settlement	(-)0.04	(-)0.28	(-)0.24
	Public Debt Receipts (Net)	6,252.98	1,038.02	(-)5,214.96
	Public Account Receipts (Net)	300.37	1,779.54	1,479.17
	Total	95,759.66	1,06,739.16	10,979.50
Application	Revenue Expenditure	75,010.01	85,285.03	10,275.02
	Capital Expenditure	10,504.22	13,320.30	2,816.08
	Disbursement of Loans and Advances	324.06	85.96	(-)238.10
	Inter-State Settlement	(-)0.25	(-)0.10	0.15
	Closing Cash Balance	9,921.62	8,047.97	(-)1,873.65
	Total	95,759.66	1,06,739.16	10,979.50

Source: Finance Accounts 2021-22 and 2022-23

Chart 2.1: Sources of Resources (per cent)

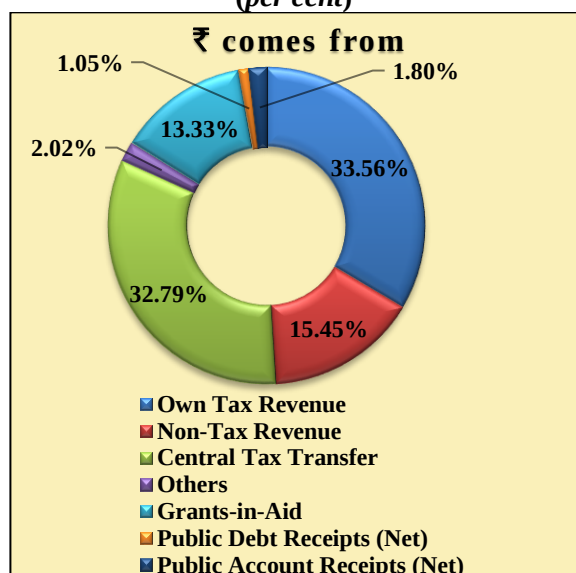
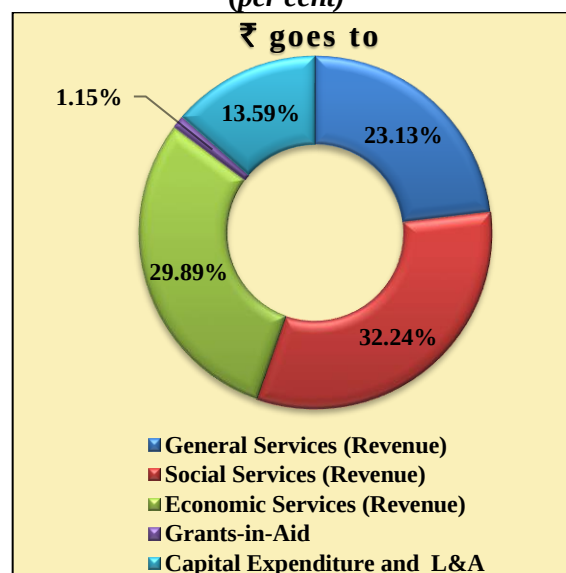


Chart 2.2: Application of Resources (per cent)



Source: Finance Accounts 2022-23

Note: Others include Recoveries of Loans & Advances, Capital Receipts, Interstate settlement and net Cash Balance

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

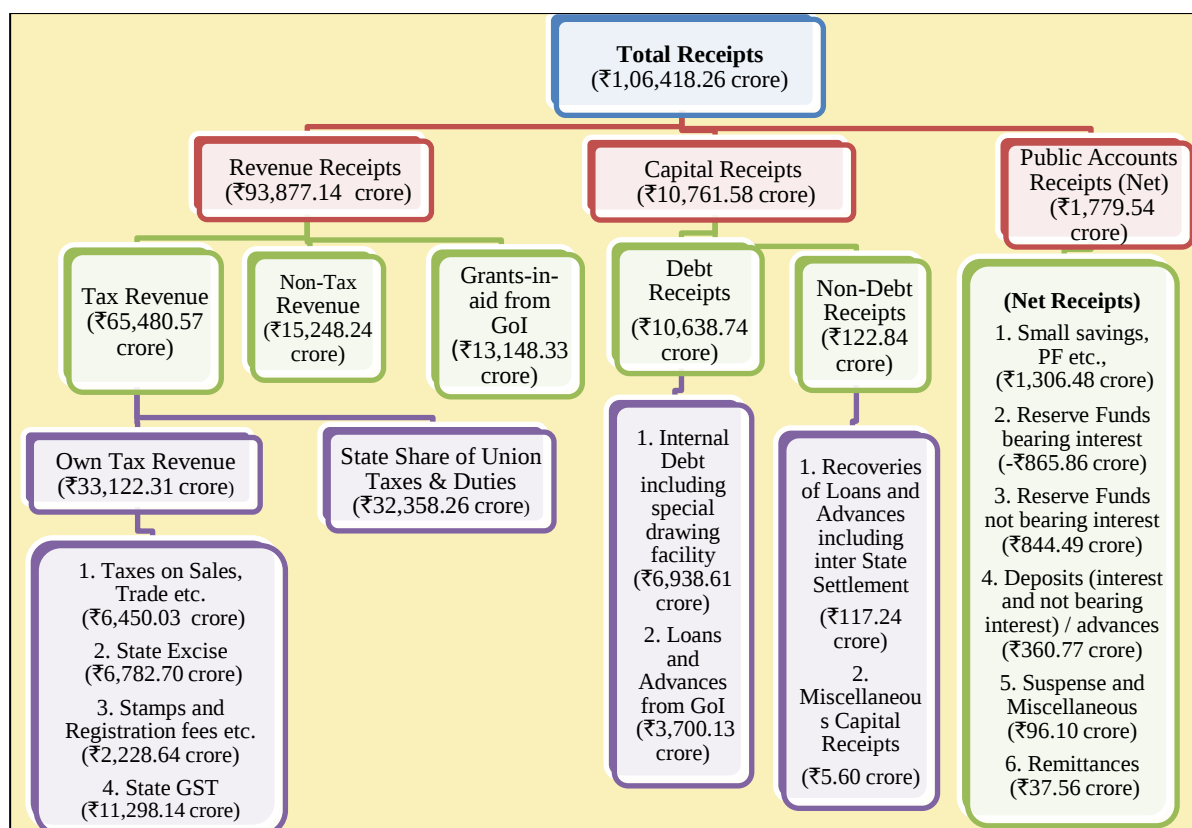
2.3 Resources of the State

- 1. Revenue Account receipts** consist of tax revenue, non-tax revenue, State's share of Union taxes and duties and grants-in-aid from the Government of India (GoI).
- 2. Capital Account receipts** (debt and non-debt capital receipts) comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI. Both revenue and capital receipts form part of the Consolidated Fund of the State.
- 3. Net Public Accounts receipts:** There are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, etc. which do not form part of the Consolidated Fund. These are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

2.3.1 Receipts of the State

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

Chart 2.3: Composition of receipts of the State during 2022-23



Source: Finance Accounts 2022-23

2.3.2 Revenue Receipts

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

2.3.2.1 Trends and growth of Revenue Receipts

Trends and growth of Revenue receipts as well as revenue buoyancy with respect to GSDP over the five-year period 2018-23 are shown in Table 2.3.

Table 2.3: Trend in Revenue Receipts

(₹ in crore)						
Sl. No.	Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
1	Revenue Receipts (RR)	65,094.93	63,868.70	63,176.18	79,652.03	93,877.14
2	Rate of growth of RR (<i>per cent</i>)	9.13	(-)1.88	(-)1.08	26.08	17.86
3	Tax Revenue	44,885.95	42,323.69	43,226.74	55,654.52	65,480.57
4	<i>Own Tax Revenue</i>	21,427.26	22,117.85	22,889.20	27,083.73	33,122.31
5	<i>State's share in Union taxes and duties</i>	23,458.69	20,205.84	20,337.54	28,570.79	32,358.26
6	Non-Tax Revenue	7,703.02	7,933.77	7,136.95	13,851.21	15,248.24
7	Grants-in-aid from GoI	12,505.95	13,611.24	12,812.49	10,146.30	13,148.33
8	Rate of growth of Grants-in-aid (<i>per cent</i>)	(-)1.19	8.84	(-)5.87	(-)20.81	29.59
9	Own Revenue (Own Tax and Non-tax Revenue) (4) +(6)	29,130.28	30,051.62	30,026.15	40,934.94	48,370.55
10	Rate of growth of Own Revenue (<i>per cent</i>)	11.04	3.16	(-)0.08	36.33	18.16
11	Gross State Domestic Product	3,27,107	3,44,648	3,47,752^P	4,06,416^Q	4,57,608^A
12	Rate of growth of GSDP (<i>per cent</i>)	15.69	5.36	0.90	16.87	12.60
13	RR/GSDP (<i>per cent</i>)	19.90	18.53	18.17	19.60	20.51
Buoyancy Ratios²						
14	Revenue Buoyancy w.r.t. GSDP	0.57	-*	-*	1.55	1.42
15	State's Own Revenue Buoyancy to GSDP	0.69	0.59	-*	2.15	1.44

Source: Finance Accounts of the respective years, GSDP figures: Directorate of Economics and Statistics of the Chhattisgarh State. P-Provisional Estimates; Q-Quick Estimates; A-Advance Estimate

* Due to negative growth rate, buoyancy ratio cannot be calculated

Table 2.3 shows that revenue receipts increased by ₹28,782.21 crore from ₹65,094.93 crore in 2018-19 to ₹93,877.14 crore during 2022-23. During 2022-23, Revenue receipts increased by ₹14,225.11 crore (17.86 *per cent*) over previous year mainly due to increase in receipts of Tax Revenue by ₹9,826.05 crore (17.66 *per cent*), Grants-in-aid from GoI by ₹3,002.03 crore (29.59 *per cent*) and Non-Tax Revenue by ₹1,397.03 crore (10.09 *per cent*).

During 2018-19, about 45 *per cent* of the revenue receipts came from State's own resources, while Central Tax Transfers and Grants-in-Aid together contributed 55 *per*

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

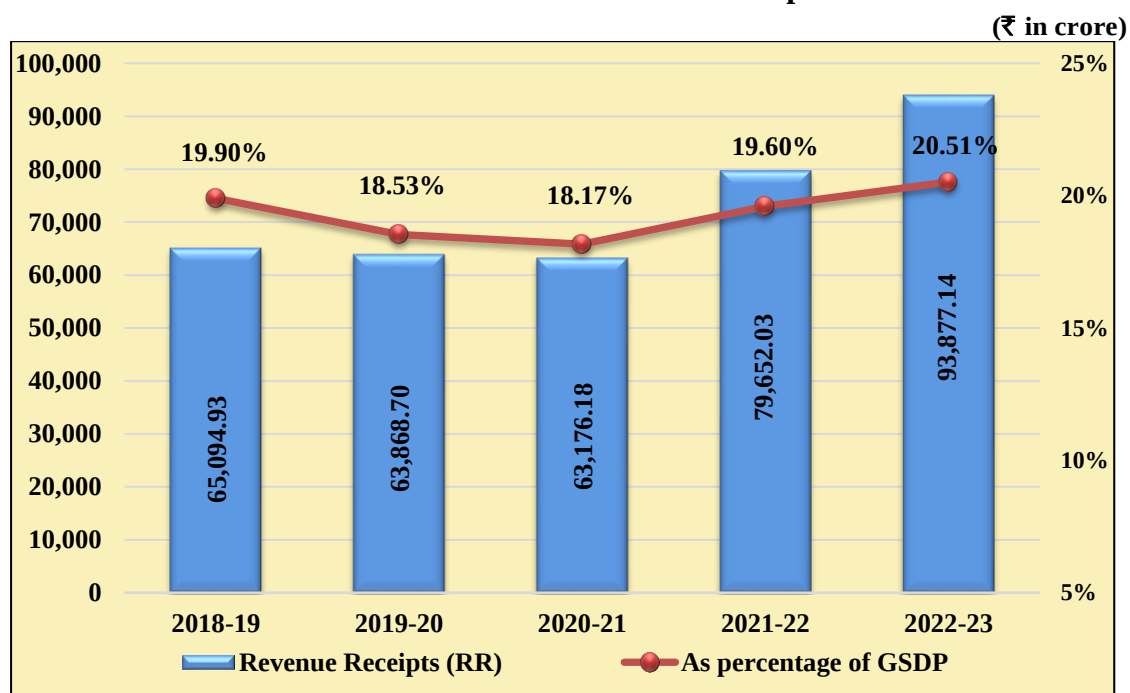
cent. In the year 2022-23 about 52 per cent of the revenue receipts came from the State's own resources, while Central Tax Transfers and Grants-in-Aid together contributed 48 per cent.

Grants-in-aid from GoI decreased by 19 per cent during the period 2018-19 to 2021-22. It, however increased by ₹3,002.03 crore (29.59 per cent) in 2022-23 as compared to 2021-22.

Revenue buoyancy measures the percentage change in the revenue receipts to the percentage change in GSDP. As can be seen from **Table 2.3**, The revenue buoyancy with reference to GSDP increased from 0.57 in 2018-19 to 1.42 in 2022-23. The State's own revenue buoyancy with reference to GSDP also increased considerably from 0.69 2018-19 to 1.44 in 2022-23.

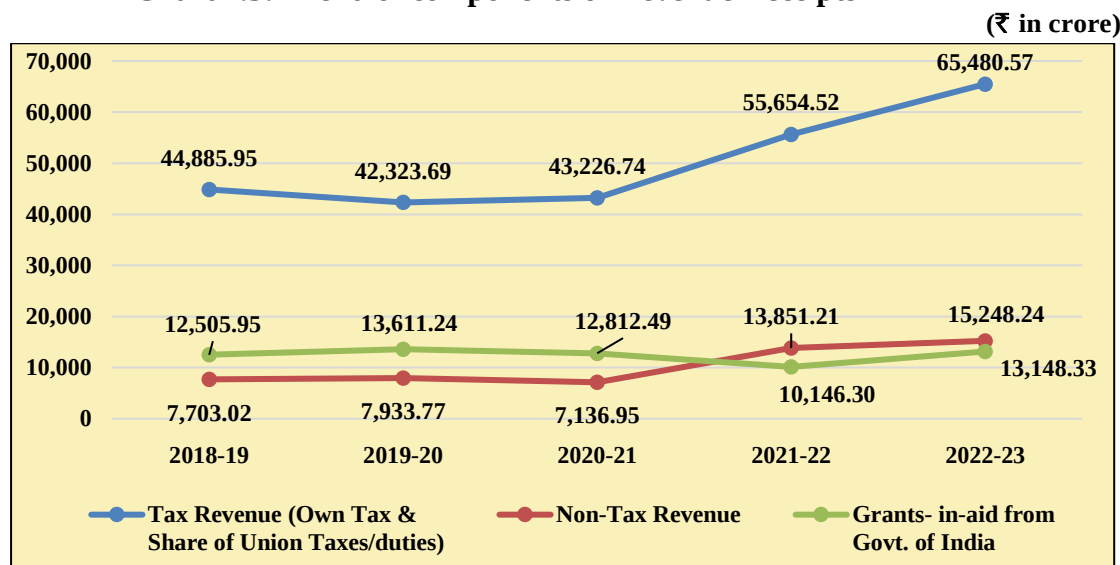
Trends in revenue receipts relative to GSDP and composition of Revenue Receipts are given in **Charts 2.4 and 2.5** respectively.

Chart 2.4: Trend of Revenue Receipts



Source: Finance Accounts of the respective years

Chart 2.5: Trend of components of Revenue Receipts



Source: Finance Accounts of the respective years

2.3.2.2 State's own resources

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

The Own Tax and Non-Tax Revenue receipts for the year 2018-19 to 2022-23 are given in **Table 2.4**.

Table 2.4: Growth of State's own Tax/Non-Tax revenue during 2018-23

(₹ in crore)

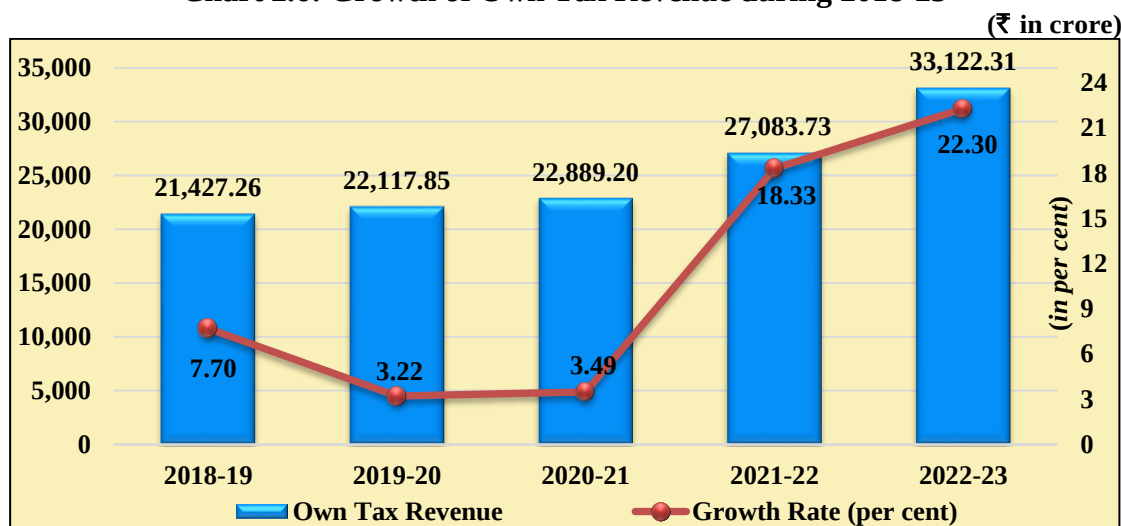
Sl. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
1	Own Tax Revenue	21,427.26	22,117.85	22,889.20	27,083.73	33,122.31
2	Rate of Growth (<i>per cent</i>)	7.70	3.22	3.49	18.33	22.30
3	Non-Tax Revenue	7,703.02	7,933.77	7,136.95	13,851.21	15,248.24
4	Rate of Growth (<i>per cent</i>)	21.49	3.00	(-)10.04	94.08	10.09

Source: Finance Accounts of the respective years

- The growth rate of Own Tax Revenue (OTR) showed upward trends ranging from 3.22 *per cent* to 22.30 *per cent* during 2019-23 and increased significantly by ₹6,038.58 crore (22.30 *per cent*) from ₹27,083.73 crore in 2021-22 to ₹33,122.31 crore in 2022-23.
- The growth rate of Non-Tax Revenue (NTR) showed fluctuating trends ranging from (-)10.04 *per cent* to 94.08 *per cent* during 2018-23. Non-Tax revenue increased significantly by 98 *per cent* from 2018-19 to 2022-23, however, it increased merely by ₹1,397.03 crore (10.09 *per cent*) from ₹13,851.21 crore in 2021-22 to ₹15,248.24 crore in 2022-23.

(i) Own Tax Revenue

Own tax revenues of the State consist of State GST, State excise, taxes on vehicles, Stamp duty and Registration fees, Land revenue, taxes on goods and passengers, etc. Growth of Own Tax Revenue of the State Government during the five-year period 2018-23 is given in **Chart 2.6**:

Chart 2.6: Growth of Own Tax Revenue during 2018-23

Source: Finance Accounts of the respective years

The component-wise details of Own Tax Revenue collected during the five-year period 2018-23 are given in **Table 2.5**.

Table 2.5: Component-wise Own Tax Revenue during 2018-23

(₹ in crore)							
Sl. No.	Heads	2018-19	2019-20	2020-21	2021-22	2022-23	% (+) / (-) in 2022-23 over 2021-22
1	Taxes on Sales, Trades, etc.	4,087.72	3,931.37	4,236.04	5,341.10	6,450.03	20.76
2	State Goods and Services Tax	8,203.41	7,894.82	7,925.01	9,483.48	11,298.14	19.13
3	State Excise	4,489.03	4,952.36	4,635.80	5,106.61	6,782.70	32.82
4	Taxes on Vehicles	1,204.85	1,274.85	1,148.07	1,372.51	1,756.62	27.99
5	Stamps and Registration Fees	1,108.46	1,634.63	1,584.94	1,945.36	2,228.64	14.56
6	Land Revenue	487.57	551.50	937.71	949.94	868.56	(-)8.57
7	Taxes on Goods and Passengers	54.51	40.51	79.83	47.90	59.60	24.43
8	Taxes and duties on electricity	1,790.27	1,837.00	2,341.41	2,836.05	3,676.97	29.65
9	Other Taxes ³	1.44	0.81	0.39	0.78	1.05	33.33
Total		21,427.26	22,117.85	22,889.20	27,083.73	33,122.31	22.30

Source: Finance Accounts of respective years

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

- Own Tax Revenue of the State increased by ₹11,695.05 crore (54.58 per cent) from ₹21,427.26 crore in 2018-19 to ₹33,122.31 crore in 2022-23. During the current year, the Own Tax Revenue increased by ₹6,038.58 crore (22.30 per cent) mainly due to increase in receipts under State Goods and Services Tax (₹1,814.66 crore), State excise (₹1,676.09 crore) and Taxes on Sales, Trades, etc. (₹1,108.93 crore).
- The increase in State Goods and Services Tax (SGST) was mainly due to increase in receipt under input tax credit cross utilisation of SGST and IGST (₹829.45 crore) and Apportionment of IGST–Transfer-in of Tax component to SGST (₹553.29 crore). Further, the increase in State excise was due to control of sale of illegal liquor by the Excise Department and due to the efficient management of liquor shops by Chhattisgarh State Marketing Corporation Limited. Increase in Taxes on Sales, Trades, etc. was attributed to consumption of more petroleum products.
- Out of the Total Own Tax Revenue of ₹33,122.30 crore in 2022-23, the State Goods and Services Tax contributed 34 per cent followed by State Excise 20 per cent and Taxes on Sales, Trades, etc. 19 per cent. During the year 2022-23, the estimated SGST was ₹11,064.45 crore against which actual collection was ₹11,298.14 crore which was 1.98 per cent above the estimation.

State Goods and Services Tax (SGST)

As per the books of RBI, the amount of SGST was ₹7,488.99 crore and as per the Finance Accounts 2022-23 the amount of SGST (MH-0006) was ₹11,298.14 crore. The difference of ₹3,809.15 crore is due to the figures of minor heads 105,106,107 &110 (₹3,928.65 crore) booked in Finance Accounts on the basis of sanctions received directly from GoI, SGST refund sanction of (-)₹119.23 crore received from GoI and adjustment entries for (-)₹0.28 crore of State GST (SGST) relating to the previous year 2021-22 booked in the year 2022-23.

(ii) Non-Tax Revenue

Non-Tax revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts, etc. The component-wise details of Non-Tax Revenue collected during the years 2018-23 are as follows:

Table 2.6: Component wise Non-tax Revenue

							(₹ in crore)
Sl. No.	Revenue head	2018-19	2019-20	2020-21	2021-22	2022-23	% (+)/ (-) in 2022-23 over 2021-22
1	Interest receipts	189.55	232.41	89.77	137.96	200.75	45.51
2	Dividend and Profits	1.49	2.39	2.29	3.64	6.20	71.43
3	Other non-tax receipts	7,511.98	7,698.97	7,044.89	13,709.61	15,041.29	9.71
i	Non-ferrous Mining and Metallurgical Industries	6,110.24	6,195.73	5,538.49	12,305.39	12,941.33	5.17

ii	Forestry and Wildlife	236.73	249.37	277.09	346.90	856.04	146.77
iii	Major Irrigation	521.81	437.04	445.91	418.17	412.88	(-)1.27
iv	Minor Irrigation	164.06	287.54	232.72	140.60	311.86	121.81
v	Others	479.14	529.29	550.68	498.55	519.18	4.13
Total		7,703.02	7,933.77	7,136.95	13,851.21	15,248.24	10.09

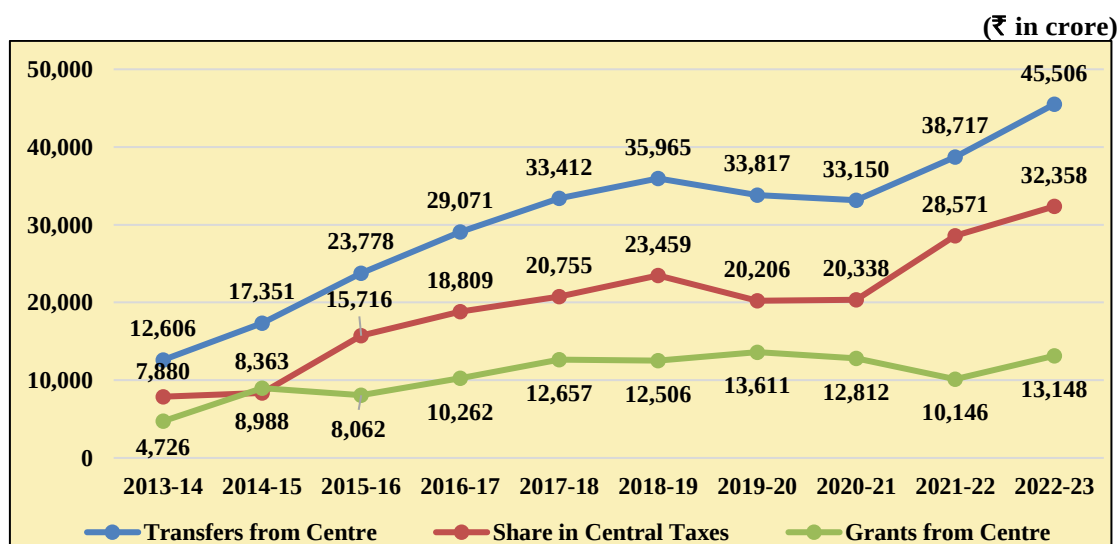
Source: Finance Accounts of the respective years

- The total non-tax Revenue receipts increased by ₹7,545.22 crore (97.95 per cent) from ₹7,703.02 crore in 2018-19 to ₹15,248.24 crore in 2022-23. The Non-Tax Revenue increased by ₹1,397.03 crore (10.09 per cent) during 2022-23 over the previous year mainly due to increase in receipts under Non-ferrous Mining and Metallurgical Industries by ₹635.94 crore and Forestry and Wildlife by ₹509.14 crore.
- Increase in Non-ferrous Mining and Metallurgical Industries was due to increase in production of Coal and Iron Ore minerals and due to receipt of 150 per cent additional royalty from Iron Ore and increased production of sand. Further, increase in Forestry and Wildlife was due to change of transport fees of Iron ore and minerals in forest regions from ₹15 to ₹57 and recovery towards pending transport permit.

2.3.2.3 Transfers of funds from the Centre

Transfer of funds from Central Government are dependent on recommendations of Finance Commission. The State in addition to its share in Central Taxes and Grants-in-aid (GIA) recommended by Finance Commission, receives GIA under centrally sponsored schemes (CSS)/other grants. The trends in this regard during the ten-year period 2013-23 are given in **Chart 2.7**:

Chart 2.7: Trends in transfers from the Centre



Source: Finance Accounts of the respective years

Transfer of funds from the Centre have increased from 2015-16 onwards, as State's share of Central taxes increased to 42 per cent from 32 per cent as per XIV Finance

Commission. Also, the GoI accepted the recommendations of XV FC to decrease the State's share in the divisible pool of taxes from 42 *per cent* to 41 *per cent* with effect from 2020-21 onwards.

Transfers from the Centre increased by ₹32,900 crore from ₹12,606 crore in 2013-14 to ₹45,506 crore in 2022-23. During the current year, Transfers from the Centre increased by ₹6,789 crore from ₹38,717 crore in 2021-22 to ₹45,506 crore in 2022-23.

(i) Central Tax Transfers

The details of Chhattisgarh State's share in Union Taxes and Duties during 2018-23 are given in **Table 2.7**.

Table 2.7: Central Tax Transfers

(₹ in crore)

Sl. No.	Head	2018-19	2019-20	2020-21	2021-22	2022-23
1	Central Goods and Services Tax	5,789.33	5,733.71	6,068.90	8,628.50	9,142.17
2	Integrated Goods and Services Tax	462.00	0.00	0.00	0.00	0.00
3	Corporation Tax	8,157.09	6,889.42	6,117.65	7,699.82	10,851.70
4	Taxes on Income other than Corporation Tax	6,007.35	5,398.34	6,269.51	8,887.95	10,589.64
5	Customs	1,662.66	1,280.78	1,097.20	2,017.68	1,271.87
6	Union Excise Duties	1,104.93	890.49	686.04	1,009.06	399.02
7	Service Tax	217.76	0.00	84.52	296.68	50.61
8	Other Taxes	57.57	13.10	13.72	31.10	53.25
9	Central Tax transfers	23,458.69	20,205.84	20,337.54	28,570.79	32,358.26
10	Percentage of increase over previous year	13.03	(-)13.87	0.65	40.48	13.26
11	Percentage of Central tax transfers to Revenue Receipts	36.04	31.64	32.19	35.87	34.47

Source: Finance Accounts of the respective years

Over the five-year period 2018-23, Central tax transfers increased by ₹8,899.57 crore (37.94 *per cent*) from ₹23,458.69 crore in 2018-19 to ₹32,358.26 crore in 2022-23. The growth rate of Central Tax Transfers showed fluctuating trends ranging from (-)13.87 *per cent* to 40.48 *per cent* during 2018-23. The increase of Central Tax transfers by ₹3,787.47 crore (13.26 *per cent*) in 2022-23 over the previous year was mainly due to increase in net proceeds assigned to State under Corporation Tax (₹3,151.88 crore) and Taxes on Income other than Corporation Tax (₹1,701.69 crore).

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

The State Government receives Grants-in-Aid and share of Union Taxes and Duties based on the recommendations of Finance Commission. Details of Grants-in-Aid (GIA) received by the State Government from GoI during 2018-23 are given below in **Table 2.8**:

Table 2.8: Grants-in-Aid from GoI

(₹ in crore)						
Sl. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
1	Grants for Centrally Sponsored Schemes	8,214.77	7,808.24	6,975.55	6,170.60	8,712.52
2	Finance Commission Grants	1,679.48	2,044.75	2,289.50	2,379.80	1,772.80
3	Other Transfers/Grants to State	2,611.70	3,758.25	3,547.44	1,595.90	2,663.01
4	Total	12,505.95	13,611.24	12,812.49	10,146.30	13,148.33
5	Percentage of increase over the previous year	(-)1.19	8.84	(-)5.87	(-)20.81	29.59
6	Revenue Receipts	65,094.93	63,868.70	63,176.18	79,652.03	93,877.14
7	Total grants-in-aid as a percentage of Revenue Receipts of the State	19.21	21.31	20.28	12.74	14.01

Source: Finance Accounts of the respective years

GIA constituted 14 *per cent* of revenue receipts of the State Government during the year 2022-23. Further, the contribution of GIA towards revenue receipts decreased from 19 *per cent* in 2018-19 to 14 *per cent* in 2022-23. Grants for Centrally Sponsored Schemes (₹8,712.52 crore) to the State constituted 66 *per cent* of the total grants during the year. Finance Commission Grants (₹1,772.80 crore) to the State were provided for Local Bodies and State Disaster Response Fund (SDRF) and constituted 13 *per cent* of total grants during the year. Other Grants to State from the GoI (₹2,663.01 crore) included GST compensation of ₹2,438.72 crore which constituted 92 *per cent* of other transfer/grant.

Grants-in-Aid from GoI increased by ₹3,002.03 crore (29.59 *per cent*) during the year 2022-23 compared to the previous year primarily due to increase in receipt of Grants for Centrally Sponsored Schemes by ₹2,541.92 crore and GST compensation by ₹1,221.86 crore under Other Transfers/Grants to State.

Single Nodal Agency:

Ministry of Finance, Government of India vide letter No. I(13)PFMS/FCD/2020 dated 23-03-2021 had notified procedure for release of funds under Centrally Sponsored Scheme (CSS) and monitoring utilization of the funds released through SNA. For each CSS, SNA was to be set up with bank account in scheduled Commercial Bank authorised to conduct Government business by the State Government. As per the procedure, the State Government was to transfer the Central Share received in its accounts to the concerned SNA's account along with corresponding State share.

The State Government received ₹8,243.27 crore being Central share during the year 2022-23 in its Treasury Accounts. The proportionate State Share was ₹6,842.27 crore. As on 31 March 2023, the State Government transferred Central share of ₹7,302.41 crore and State share of ₹6,431.54 crore to the SNAs. As per SNA report of PFMS Portal, ₹7,244.42 crore were lying unspent in the bank accounts of SNAs as on 31 March 2023.

As per Finance Account, an amount ₹8,709.39 crore being the Central share was received by State Government during the year. As on 31 March 2023, the Government transferred ₹7,820.21 crore of the Central share and the State share of ₹6,942.22 crore to the SNAs. Out of the total transfer of ₹14,762.43 crore, ₹2.93 crore was transferred through AC Bills, ₹9,239.73 crore through GIA bills, ₹3,363.57 crore through Fully Vouched Contingent Bills and ₹2,156.20 crore through others. The difference in figure of Finance Account and PFMS is under reconciliation.

As per OM dated 30.06.2021, the interest earned on unspent amount of Centre's Share of Centrally Sponsored Scheme should be deposited to Consolidated Fund of India. During the year 2022-23, an amount of ₹22.80 crore of interest earned on unspent balances of Centre's Share of Centrally Sponsored Scheme was credited to the Consolidated Fund of State instead of depositing the same into Consolidated Fund of India. As such credit of ₹22.80 crore to Consolidated Fund of State resulted in overstatement of the Revenue Receipt.

(a) Fifteenth Finance Commission Grants

Government of India provides grants under Fifteenth Finance Commission for local bodies and State Disaster Risk Management Fund (SDRMF) to the States. Details of grants provided by the GoI to the State in this regard during the year 2022-23 are given in **Table 2.9:**

Table 2.9: Grants-in-Aid released by GoI during 2022-23 as per recommendation of Fifteenth Finance Commission (XVFC)

(₹ in crore)			
Sl. No.	Transfers	Recommendation of 15 th FC	Grant released in 2022-23 by GoI
Local Bodies			
1	Grants to PRIs	1,114.00	1,114.00
(a)	Basic/United Grants	445.60	445.60
(b)	Performance/Tied Grants	668.40	668.40
2	Grants to ULBs	549.00	477.20
(a)	Grants for Million Plus cities	169.00	179.70 [#]
(b)	Grants for non-Million Plus cities	380.00	297.50 [*]
3	Health Grant to Local Bodies	339.00	0.00
4	Total for Local Bodies	2,002.00	1,591.20
5	State Disaster Risk Management Fund (SDRMF)	454.00	181.60
(a)	SDRF	363.20	181.60
(b)	SDMF	90.80	0.00
6	Grand Total	2,456.00	1,772.80

Source: Finance Accounts of 2022-23 and XVFC report

[#] includes ₹109 crore pertaining to the year 2021-22 released by GoI in the 2022-23 and ₹14.70 crore received as incentive in 2022-23.

^{*} includes ₹183.50 crore pertaining to the year 2021-22 released by GoI in the 2022-23.

- As of March 2023, the State Government received entire Grants to PRIs (Basic grants ₹445.60 crore and Tied grants ₹668.40 crore) as against the recommendation of Fifteenth Finance Commission (XVFC) during 2022-23.
- The State Government received ₹170.00 crore for ULBs against the XVFC recommendation of ₹549.00 crore for the year 2022-23. Grant of ₹292.50 crore for ULBs against the recommendation of XVFC for the year 2021-22 was received during the year 2022-23. The State Government also received grant of ₹14.70 crore as incentive for best performing cities/UAs from GoI in the year 2022-23. No funds were received from the GoI as per the recommendation of XVFC for health grant of ₹339 crore during 2022-23,
- The State Government received ₹181.60 crore as Union's share of State Disaster Response Fund against the SDRMF recommendation of XVFC (₹454.00 crore) during 2022-23.

2.3.3 Receipts under Capital Section

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

The following table shows the trends in growth and composition of receipts in capital section for the year 2018-19 to 2022-23.

Table 2.10: Trends in growth and composition of Receipts in Capital Section

(₹ in crore)						
Sl. No.	Sources of State's Receipts under capital section	2018-19	2019-20	2020-21	2021-22	2022-23
1	Miscellaneous Capital Receipts	5.26	4.70	4.85	4.89	5.60
2	Recovery of Loans and Advances	162.32	256.78	104.80	88.06	117.52
3	Inter-State Settlement	0.56	0.13	(-)0.67	(-)0.04	(-)0.28
4	Non-Debt Capital Receipts (A)	168.14	261.61	108.98	92.91	122.84
5	Internal Debt Receipts	13,816.66	19,308.36	17,961.37	9,321.77	6,938.61
6	Growth Rate (in <i>per cent</i>)	50.38	39.75	(-)6.98	(-)48.10	(-)25.57
7	Loans and advances Receipts from the Central Government	553.44	279.17	3,620.31	5,776.51	3,700.13
8	Growth Rate (in <i>per cent</i>)	19.13	(-)49.56	1,196.81	59.56	(-)35.95
9	Public Debt Receipts (B)	14,370.10	19,587.53	21,581.68	15,098.28	10,638.74
10	Receipts under capital section (A+B)	14,538.24	19,849.14	21,690.66	15,191.19	10,761.58
11	Rate of growth of non-debt Capital Receipts (<i>per cent</i>)	17.46	55.59	(-)58.34	(-)14.75	32.21
12	Rate of growth of Public Debt receipts under capital section (<i>per cent</i>)	48.88	36.31	10.18	(-)30.04	(-)29.54
13	Rate of growth of GSDP at current price (<i>per cent</i>)	15.69	5.36	0.90	16.87	12.60
14	Rate of growth of receipts under capital section (<i>per cent</i>)	48.42	36.53	9.28	(-)29.96	(-)29.16

Source: Finance Accounts of the respective years

Capital section receipts of the State decreased by ₹3,776.66 crore (25.98 *per cent*) from ₹14,538.24 crore in 2018-19 to ₹10,761.58 crore in 2022-23. During 2022-23, the capital section receipts decreased by ₹4,429.61 crore (29.16 *per cent*) over the previous year mainly due to decrease in Public Debt receipts i.e. internal debt by ₹2,383.16 crore (25.57 *per cent*) and loans and advances from GoI by ₹2,076.38 crore (35.95 *per cent*).

Non-Debt capital receipts, mainly in the form of recovery of loans and advances increased by ₹29.46 crore (33.45 *per cent*) in 2022-23 over the previous year.

2.3.4 State's performance in mobilization of resources

State's performance in mobilization of resources is assessed in terms of its own resources comprising own-tax and non-tax sources. The State's actual own tax and non-tax revenue for 2022-23 in comparison to the Fifteenth Finance Commission (XVFC) assessment and budget estimates are given in **Table 2.11**.

Table 2.11: Tax and non-tax receipts vis-à-vis projections

(₹ in crore)

Sl. No.	Particulars	XVFC projections	Budget Estimates	Actual	Percentage variation of actual over	
					XVFC projections	Budget Estimates
1	Own Tax revenue	26,410.00	29,000.00	33,122.31	25.42	14.21
2	Non-tax revenue	9,629.00	15,500.00	15,248.24	58.36	(-)1.62
	Total	36,039.00	44,500.00	48,370.55	34.22	8.70

Source: Finance Accounts, Budget Books and Finance commission report

The State Government exceeded the expectations of the XVFC and budget projections in mobilizing own tax revenue by 25.42 *per cent* and 14.21 *per cent* respectively. However, it could not meet the non-tax revenue target set in its own budget estimates and was short by 1.62 *per cent*. The increase in Own Tax revenue (₹4,122.31 crore) was mainly due to increase in Taxes on Sales, Trades, etc. by ₹1,520.71 crore and Taxes and duties on electricity by ₹826.97 crore than projections made in the budget. Similarly, the decrease of ₹251.76 crore in non-tax revenue was mainly due to less receipts under Major Irrigation by ₹275.20 crore and Interest receipts by ₹61.91 crore than projections made in the budget.

2.4 Application of Resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector.

2.4.1 Growth and composition of expenditure

The total expenditure incurred, its composition, and relative share in GSDP during the years 2018-19 to 2022-23 is presented in **Table 2.12**.

Table 2.12: Total Expenditure and its composition

(₹ in crore)

Sl. No.	Parameters	2018-19	2019-20	2020-21	2021-22	2022-23 (Budget Estimate)	2022-23 (Actual)
1	Total Expenditure (TE)	73,555.31	82,099.86	79,107.54	85,838.04	1,04,000.03	98,691.19
2	Revenue Expenditure (RE)	64,411.17	73,477.31	70,032.84	75,010.01	88,371.61	85,285.03
3	Capital Expenditure	8,903.45	8,566.39	9,024.19	10,504.22	15,240.69	13,320.30
4	Loans and Advances ⁴	240.69	56.16	50.51	323.81	387.73	85.86
5	GSDP at current prices	3,27,107	3,44,648	3,47,752	4,06,416	4,38,478	4,57,608
6	As a percentage of GSDP						
7	TE/GSDP	22.49	23.82	22.75	21.12	23.72	21.57
8	RE/GSDP	19.69	21.32	20.14	18.46	20.15	18.64
9	CE/GSDP	2.72	2.49	2.60	2.58	3.48	2.91
10	Loans and Advances/GSDP	0.07	0.02	0.01	0.08	0.09	0.02

Source: Finance Accounts of the respective years

Table 2.12 shows that total expenditure of the State increased by ₹25,135.88 crore (34.17 *per cent*) from ₹73,555.31 crore in 2018-19 to ₹98,691.19 crore in 2022-23. The total expenditure showed an increasing trend during 2018-23 except for the year 2020-21. However, the total expenditure as a percentage of GSDP decreased from 22.49 *per cent* to 21.57 *per cent* during the same period. During the current year, total expenditure increased by ₹12,853.15 crore (14.97 *per cent*) over the previous year due to an increase in revenue expenditure by ₹10,275.02 crore (13.70 *per cent*) and capital expenditure by ₹2,816.08 crore (26.81 *per cent*).

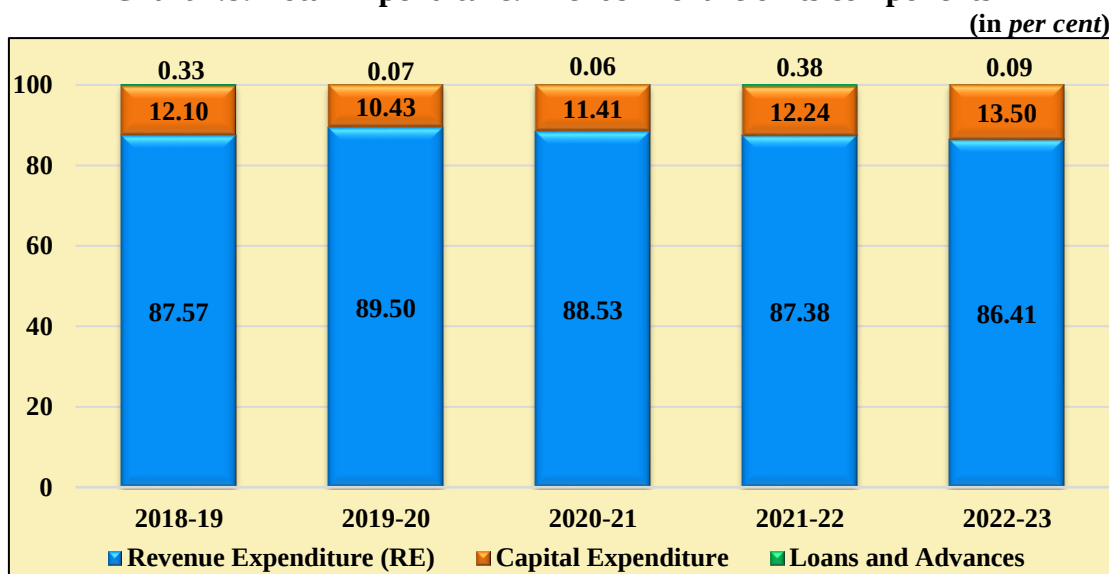
During the year 2022-23, actual expenditure on revenue, capital and loans and advances was less than the budgeted estimates. Deviations from the budget estimates are indicative of non-attainment of the desired fiscal objectives due to a variety of causes, both within and outside the control of the Government.

Further, the revenue expenditure as a percentage of GSDP has increased from 18.46 *per cent* to 18.64 *per cent*. Capital expenditure as a percentage of GSDP shown declining trend from 2018-19 (2.72 *per cent*) to 2021-22 (2.58 *per cent*), however it increased to 2.91 *per cent* in 2022-23.

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

⁴ Loans and advances including inter-State settlement.

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



Source: Finance Accounts of the respective years

Chart 2.8 shows that the revenue expenditure constituted dominant proportion (86.41 per cent to 89.50 per cent) of the total expenditure during 2018-23. The capital expenditure, on the other hand, constituted between 10.43 per cent and 13.50 per cent of the total expenditure.

In terms of activities, the total expenditure as shown in **Appendix 2.1** comprises of expenditure on General Services including Interest Payments, Social Services, Economic Services and others. Relative expenditure on these components is shown in **Table 2.13**.

Table 2.13: Relative share of various sectors in expenditure

(₹ in crore)

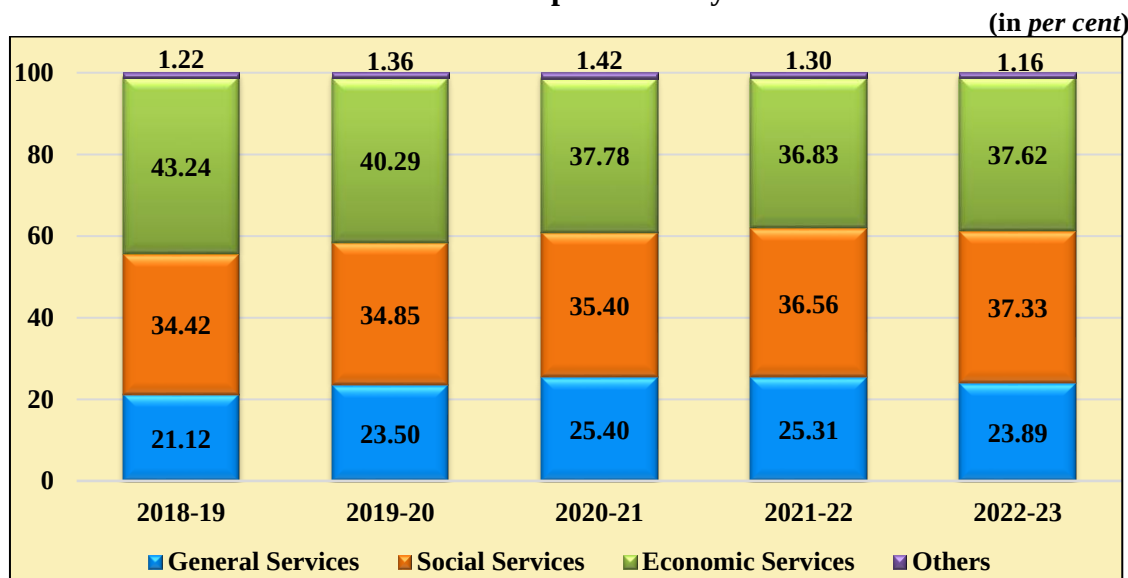
Sl. No.	Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
1	General Services	15,535.80	19,289.82	20,095.21	21,727.03	23,579.86
2	Social Services	25,319.17	28,610.12	28,001.32	31,382.55	36,842.83
3	Economic Services	31,804.93	33,079.55	29,885.69	31,615.95	37,126.03
4	Others (Grants to Local Bodies and Inter-State settlement)	895.41	1,120.37	1,125.32	1,112.51	1,142.47
Total Expenditure		73,555.31	82,099.86	79,107.54	85,838.04	98,691.19

Source: Finance Accounts of the respective years

- Expenditure on General services increased by ₹1,852.83 crore (8.53 per cent) from ₹21,727.03 crore in 2021-22 to ₹23,579.86 crore in 2022-23 mainly due to increase in expenditure on Police by ₹406.69 crore and Public Works by ₹262.43 crore.
- During the current year, expenditure in Social services increased by ₹5,460.28 crore (17.40 per cent) over the previous year mainly due to increase in expenditure in General Education by ₹2,133.79 crore, Water supply and Sanitation by ₹1,164.56 crore and Housing by ₹1,064.19 crore.

- Expenditure in Economic services increased by ₹5,510.08 crore (17.43 per cent) over the previous year mainly due to increase in expenditure on Crop Husbandry by ₹1,643.76 crore, Food Storage and Warehousing by ₹1,615.68 crore and Power by ₹1,265.04 crore.

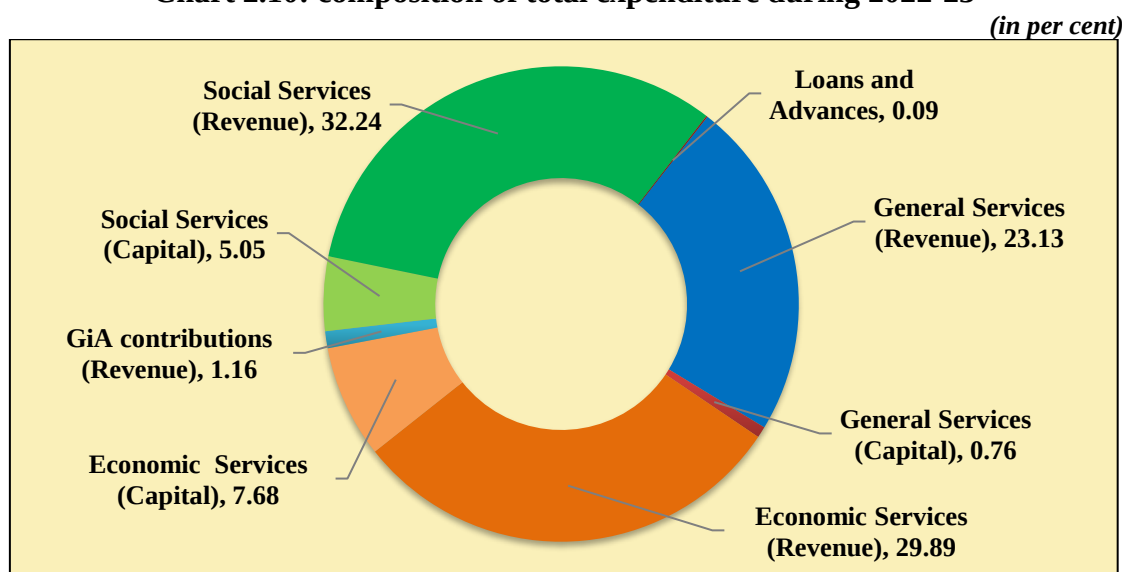
Chart 2.9: Total Expenditure by activities



Source: Finance Accounts of the respective years

As can be seen from **Chart 2.9**, the share of Social services expenditure in total expenditure has shown increasing trend i.e. from 34.42 per cent in 2018-19 to 37.33 per cent in 2022-23. The share of General services in total expenditure increased from 21.12 per cent in 2018-19 to 23.89 per cent in 2022-23, while that of Economic services decreased from 43.24 per cent to 37.62 per cent during the same period. Social and Economic services constituted 74.95 per cent of total expenditure during the 2022-23. **Chart 2.10** depicts the composition of expenditure during 2022-23.

Chart 2.10: composition of total expenditure during 2022-23



Source: Finance Accounts 2022-23

Chart 2.10 presents that during the year 2022-23, the revenue expenditure under Social services was highest at 32.24 *per cent* of total expenditure followed by Economic services 29.89 *per cent* and General services 23.13 *per cent*. The capital expenditure on General services was 0.76 *per cent*, Social services 5.05 *per cent*, Economic services 7.68 *per cent* and loans and advances disbursed was 0.09 *per cent* of total expenditure.

2.4.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligations. As such, it does not result in any addition to the State's infrastructure and service network. The overall revenue expenditure, its rate of growth, ratio to total expenditure and buoyancy *vis-à-vis* GSDP are shown in **Table 2.14**.

Table 2.14: Revenue Expenditure—basic parameter

(₹ in crore)						
Sl. No.	Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
1	Total Expenditure (TE)	73,555.31	82,099.86	79,107.54	85,838.04	98,691.19
2	Revenue Expenditure (RE)	64,411.17	73,477.31	70,032.84	75,010.01	85,285.03
3	Rate of Growth of RE (<i>per cent</i>)	14.55	14.08	(-)4.69	7.11	13.70
4	RE as percentage of TE	87.57	89.50	88.53	87.39	86.42
5	RE/GSDP (<i>per cent</i>)	19.69	21.32	20.14	18.46	18.64
6	Revenue Receipts (RR)	65,094.93	63,868.70	63,176.18	79,652.03	93,877.14
7	Rate of Growth of RR (<i>per cent</i>)	9.13	(-)1.88	(-)1.08	26.08	17.86
8	RE as percentage of RR	98.95	115.04	110.85	94.17	90.85
9	Rate of Growth of GSDP	15.69	5.36	0.90	16.87	12.60
Buoyancy of Revenue Expenditure with						
10	GSDP (ratio)	0.92	2.63	-*	0.42	1.09

Source: Finance Accounts of respective years

* Revenue expenditure growth in 2020-21 being negative, buoyancy ratio cannot be calculated

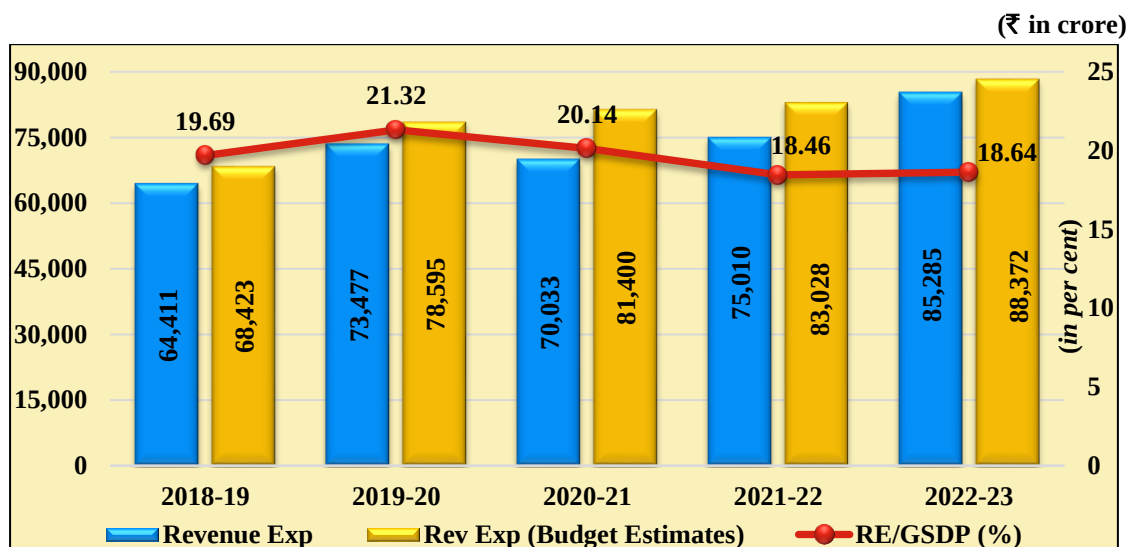
The revenue expenditure increased by ₹20,873.86 crore (32.41 *per cent*) from ₹64,411.17 crore in 2018-19 to ₹85,285.03 crore in 2022-23. However, it increased by ₹10,275.02 crore (13.70 *per cent*) in 2022-23 over the previous year mainly due to increase in expenditure under General Education (by ₹2,037.23 crore), Food Storage and Warehousing (by ₹1,704.48 crore) and Crop Husbandry (by ₹1,623.46 crore). Revenue expenditure as percentage of GSDP decreased from 19.69 *per cent* in 2018-19 to 18.64 *per cent* in 2022-23.

The revenue expenditure buoyancy with reference to GSDP, which was 0.42 in the year 2021-22 has increased to 1.09 in the year 2022-23.

The revenue expenditure depicted increasing trend in past ten years except during 2020-21 in which it registered negative growth rate of (-)4.69 *per cent*. The CAGR of Revenue Expenditure during the last ten-year period from 2013-14 to 2022-23 was 10.01 *per cent*.

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

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

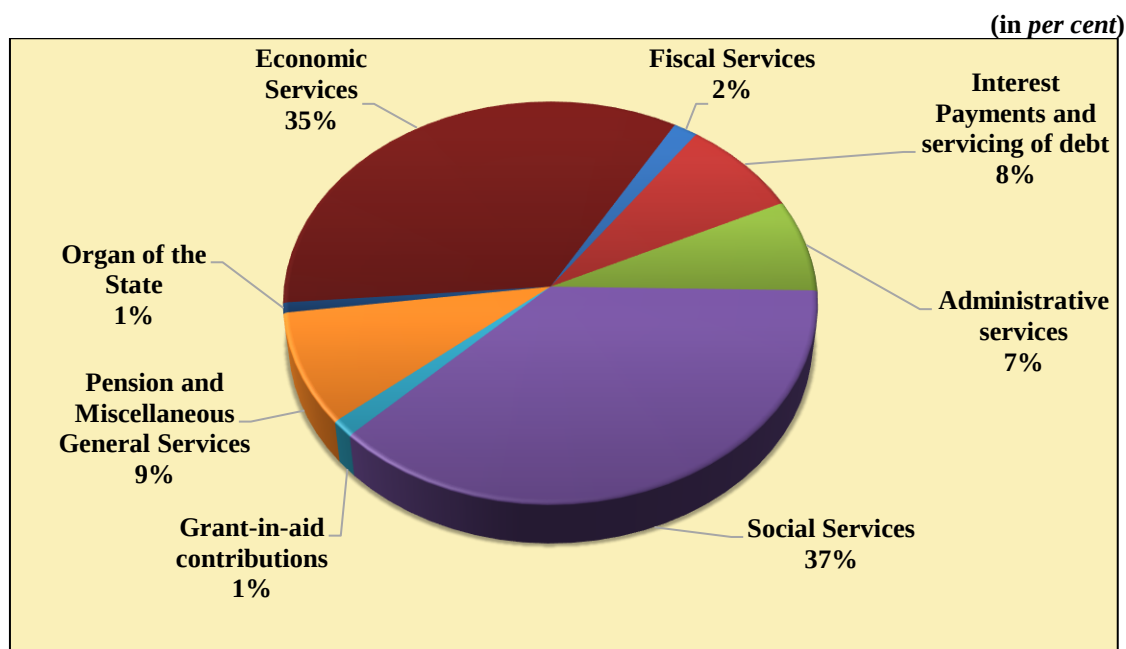


Source: Finance Accounts of respective years

As can be seen from the above Chart, the revenue expenditure was within the budgeted estimates in the last five years i.e., 2018-19 to 2022-23. Revenue expenditure as a percentage of GSDP increased during 2018-19 to 2019-20. However, it showed a declining trend during 2020-22 and decreased from 21.32 per cent in 2019-20 to 18.64 per cent in 2022-23.

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

Chart 2.12: Sectoral distribution of Revenue Expenditure during 2022-23



Source: Finance Accounts 2022-23

2.4.2.1 Major Changes in Revenue Expenditure

The revenue expenditure increased substantially by ₹10,275.02 crore (13.70 per cent) from ₹75,010.01 crore in 2021-22 to ₹85,285.03 crore in 2022-23. **Table 2.15** details significant variations under various Heads of Account with regard to Revenue expenditure of the State during the current year over the previous year.

Table 2.15: Details of significant variation in Revenue Expenditure

(₹ in crore)				
Sl. No.	Major Heads of Accounts	2021-22	2022-23	Increase (+)/ Decrease (-)
1	2202-General Education	15,332.29	17,369.52	2,037.23
2	2408-Food Storage and Warehousing	4,207.10	5,911.58	1,704.48
3	2401-Crop Husbandry	7,361.58	8,985.04	1,623.46
4	2801-Power	3,800.00	5,262.19	1,462.19
5	2216-Housing	230.50	1,246.65	1,016.15
6	2217-Urban Development	1,649.46	2,639.98	990.52
7	2210-Medical and Public Health	5,956.21	5,624.24	(-)331.97
8	2505-Rural Employment	1,601.31	1,332.20	(-)269.11
9	2501-Special Programmes for Rural Development	519.20	259.66	(-)259.54
10	2235-Social Security and Welfare	2,201.18	2,024.64	(-)176.54

Source: Finance Accounts for the respective years

- Increase of ₹2,037.23 crore under Major Head 2202-General Education was primarily due to increase in expenditure relating to Central and State schemes such as *Samagra Shiksha* (₹447.65 crore), Government Primary school for minimum services (₹234.86 crore), Middle school for minimum services (₹161.92 crore) Grants to non-government schools for minimum services (₹135.46 crore), Ashrams and Schools (₹20.66 crore) and Hostels (₹44.34 crore).
- Increase of ₹1,704.48 crore expenditure under 2408-Food Storage and Warehousing was mainly due to increase of ₹1,017 crore on account of subsidy given under Chief Ministers Food Assistance Scheme and ₹700.01 crore under the scheme Compensation of Loss in Procurement of Food Grains to State Co-operative Marketing Federation.
- Increase of ₹1,623.46 crore expenditure under 2401-Crop Husbandry was mainly due to increase in *Rajiv Gandhi Kissan Nyay Yojna* by ₹1,476.01 crore, *Pradhan Mantri Fasal Beema Yojana* by ₹95.38 crore, and subsidy to Agricultural equipment under Agricultural Engineering Mission by ₹33.51 crore.
- Increase of ₹1,462.19 crore under 2801-Power was mainly on account of subsidy for free Supply of electricity to Agriculture Pumps up to five horsepower by ₹753.42 crore, Relief in Electricity Bills to Domestic Electricity Consumers by ₹215.48 crore and Single Bulb Connection by ₹134.63 crore.

- Increase of ₹1,016.15 crore expenditure under 2216-Housing was mainly due to increase in *Pradhan Mantri Awas Yojana - Rural* by ₹1,007.10 crore.
- Increase of ₹990.52 crore expenditure under 2217-Urban Development was mainly due to increase in expenditure on new schemes such as Raipur Smart City by ₹196 crore, Bilaspur Smart City by ₹194 crore, and Nava Raipur Atal Nagar Smart City Mission by ₹205 crore.
- Decrease of ₹331.97 crore expenditure under 2210-Medical and Public Health was mainly due to decrease in expenditure under National Ayush Mission, Primary Health Centre (Basic Services), reduction of Covid -19 cases, District Hospital, Community Health Centre etc.
- The decrease of ₹269.11 crore expenditure under 2505-Rural Employment was mainly due to decrease in expenditure on Assistance to Zila Panchayat by ₹127.87 crore.
- The decrease of ₹259.55 crore expenditure under 2501-Special Programmes for Rural Development was mainly due to decrease in expenditure on National Rural Livelihood Mission by ₹146.06 crore.
- Decrease of ₹176.54 crore expenditure under 2235-Social Security and Welfare was mainly due to decrease in expenditure under Integrated Child Development Service scheme by ₹91.45 crore and other schemes (National Old age pension, “*Chhattisgarh Nishakthjan Vitt Evam Vikas Nigam*”, “Integrated Service Scheme”, establishment of State women’s centre under State Women Empowerment mission authority etc.).

2.4.2.2 Committed and Non-Committed Expenditure

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

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

- (i) Devolution to local bodies - statutory devolutions to local bodies for pay and allowances (devolution / transfer for capital expenditure).
- (ii) Statutory requirements of contribution to Reserve Funds - Contribution to Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF), State Disaster Mitigation/Response Fund (SDMF/SDRF), etc.
- (iii) Recoupment of Contingency Fund - Amount recouped within the year.
- (iv) Transfer of cess to reserve fund / other body, which are statutorily required.
- (v) Share contribution of CSS against the Central Fund received - Amount of

State share to be transferred to SNAs.

The upward trend on committed expenditure leaves the Government with lesser flexibility for development sector. Trend analysis of committed and inflexible expenditure and its components is depicted in **Table 2.16**.

Table 2.16: Components of Committed and Inflexible Expenditure

(₹ in crore)

Sl. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
1	Components of Committed Expenditure					
i	Salaries & Wages	17,807.60	21,763.92	22,002.14	24,017.78	26,270.55
ii	Expenditure on Pensions	5,428.50	6,637.98	7,136.00	7,472.22	7,661.46
iii	Interest Payments	3,652.55	4,970.36	5,633.11	6,144.24	6,382.08
	Total	26,888.65	33,372.26	34,771.25	37,634.24	40,314.09
2	Components of Inflexible Expenditure					
i	Statutory devolution to local bodies	895.16	1,120.32	1,125.31	1,112.76	1,142.57
ii	Contribution to Reserve Funds	571.49	6,447.59	748.32	1,326.36	1,110.81
iii	Recoupment of Contingency Fund	9.80	13.87	13.39	2.00	106.06
iv	Transfer of cess to reserve fund /other body	243.23	405.56	308.80	345.70	370.80
v	Share contribution of CSS against the Central Fund received	4,611.05	4,120.77	3,761.37	2,594.37	4,366.44
	Total	6,330.73	12,108.11	5,957.19	5,381.19	7,096.68
3	Committed Expenditure as a percentage of Revenue Receipts (RR)					
i	Salaries & Wages	27.36	34.08	34.83	30.15	27.98
ii	Expenditure on Pensions	8.34	10.39	11.30	9.38	8.16
iii	Interest Payments	5.61	7.78	8.92	7.71	6.80
	Total	41.31	52.25	55.05	47.24	42.94
4	Inflexible Expenditure as a percentage of Revenue Receipts (RR)					
	Total	9.73	18.96	9.43	6.76	7.56
5	Committed Expenditure as a percentage of Revenue Expenditure (RE)					
i	Salaries & Wages	27.65	29.62	31.42	32.02	30.80
ii	Expenditure on Pensions	8.43	9.03	10.19	9.96	8.99
iii	Interest Payments	5.67	6.76	8.04	8.19	7.48
	Total	41.75	45.41	49.65	50.17	47.27
6	Inflexible Expenditure as a percentage of Revenue Expenditure (RE)					
	Total	9.83	16.48	8.51	7.17	8.32
7	Non-Committed Expenditure	37,522.52	40,105.05	35,261.59	37,375.77	44,970.94
8	Percentage of RE	58.25	38.96	50.35	49.83	52.73
9	Percentage of TE	51.01	48.85	44.57	43.54	45.57

Source: Finance Accounts of the respective years

The committed expenditure affects the State in prioritising expenditure and in meeting capital investments to meet growing needs of social and economic infrastructure. The high proportion of committed expenditure to revenue receipts and revenue expenditure indicates that the State has limited flexibility in allocation of its resources for new schemes.

Table 2.16 shows that, Committed Expenditure has increasing trend and grown from ₹26,888.65 crore (41.75 per cent of RE) in 2018-19 to ₹40,314.09 crore (47.27 per cent of RE) in 2022-23. During the current year, committed expenditure increased by

₹2,679.85 crore mainly on account of increase in expenditure towards Salaries & Wages.

(a) Salaries & Wages

Expenditure on salaries and wages increased by 9.38 *per cent* during 2022-23 (₹26,270.55 crore) over the previous year (₹24,017.78 crore) and constituted 30.80 *per cent* of revenue expenditure.

(b) Interest Payments

Interest payments in 2022-23 (₹6,382.08 crore) increased by 74.73 *per cent* over 2018-19 (₹3,652.55 crore) due to continuous rise in the public debt during 2018-23. Ratio of Interest payment on market loans to total interest payment increased from 61.56 *per cent* in 2018-19 to 72.96 *per cent* in 2022-23. As a percentage of the revenue receipts, expenditure on interest payments increased from 5.61 *per cent* in 2018-19 to 6.80 *per cent* in 2022-23.

(c) Expenditure on Pensions

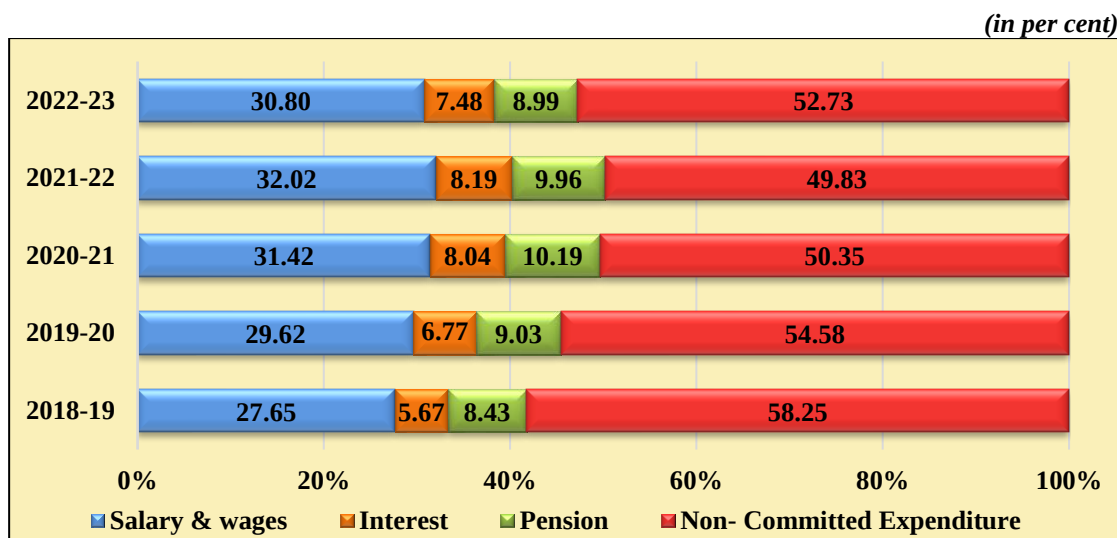
Expenditure on pension in 2022-23 (₹7,661.46 crore) increased by 2.53 *per cent* over the previous year (₹7,472.22 crore) mainly on account of payment of superannuation and retirement benefits along with family pensions and gratuities. Expenditure on pension in 2022-23 accounted for 8.16 *per cent* of the total revenue receipts and constituted 8.99 *per cent* of revenue expenditure of the State.

(d) Inflexible expenditure

The components of Inflexible expenditure which include among others Statutory devolution to local bodies and contribution to Reserve Funds showed significant increase in 2019-20 over the year 2018-19 then decreased during period 2020-22 and increased significantly in 2022-23. As a percentage of revenue expenditure, the inflexible expenditure decreased from 9.83 *per cent* in 2018-19 to 8.32 *per cent* in 2022-23. Further, the inflexible expenditure (₹7,096.68 crore) increased by 31.88 *per cent* during 2022-23 over the previous year (₹5,381.19 crore).

Percentage of committed and non-committed expenditure to revenue expenditure during 2018-23 is given in **Chart 2.13**:

Chart 2.13: Share of Committed and Non-Committed Expenditure



Source: Finance Accounts of the respective years

As can be seen from **Chart 2.13** above, share of committed expenditure in total revenue expenditure increased from 41.75 per cent in 2018-19 to 47.27 per cent in 2022-23 and the share of non-committed expenditure decreased from 58.25 per cent in 2018-19 to 52.73 per cent in 2022-23. Ratio of committed expenditure to revenue receipts increased to 42.94 per cent in 2022-23 from 41.31 per cent in 2018-19.

2.4.2.3 Un-discharged Liability under National Pension System

During 2022-23, expenditure on pension payments was ₹7,661.46 crore, out of which ₹144.83 crore was incurred towards National Pension System (NPS) applicable to employees recruited on or after 1 January 2005. The State Government of Chhattisgarh vide letter No. 282 dated 11.05.2022 has issued notification for reversion to Old Pension Scheme (OPS) w.e.f. 01.11.2004.

National Pension System (NPS)

The State Government employees recruited on or after 1 November 2004 are covered under the National Pension System (NPS), which is a defined contributory pension scheme. In terms of the scheme, the employee contributes 10 per cent of basic pay and dearness allowance, State Government contributes 14 per cent of basic pay and dearness allowance (w.e.f. from 01.04.2022), and the entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank.

The opening balance as on 1 April 2022 was ₹37.79 crore under the Public Accounts - Major Head 8342 Other Deposits – (117) Defined Contribution Pension Scheme. The receipts during 2022-23 under this head was ₹129.00 crore and ₹146.24 crore was transferred from Public Accounts to NSDL. As on 31 March 2023, balance of ₹20.55 crore remained in the Public Account, pending transfer to NSDL/Trustee Bank. The pending transfer of balance fund to NSDL resulted in interest liability of ₹0.65 crore to

the State Government and created uncertainty in respect of benefit due to the employees to that extent. Also, non-payment of the interest liability of ₹0.65⁵ crore has resulted in understatement of Revenue Expenditure.

During the year 2022-23, total contribution to the NPS which is a Defined Contribution Pension Scheme was ₹273.83 crore (Employee's contribution ₹124.59 crore, Government contribution ₹144.83 crore, Employee and Employer Contribution of Employees posted on deputation ₹4.41 crore and interest deposited by DDOs due to delay in deduction in monthly contribution of NPS ₹0.001 crore). The Government transferred ₹129.00 crore to the Public Account under Major Head 8342-117 Defined Contribution Pension scheme. The Government Contribution of ₹144.83 crore was transferred to NSDL directly from Major Head 2071.

As contribution to the new contributory pension scheme was abolished from 01.04.2022, the total contribution to the NPS which is a Defined Contribution Pension Scheme was decreased by ₹2,305.53 crore from ₹2,579.36 crore (Employee's contribution ₹1,296.61 crore + Employer's contribution ₹1,282.75 crore) in 2021-22 to ₹273.83 crore (Employee's contribution ₹129.00 crore + Employer's contribution ₹144.83 crore) in 2022-23.

2.4.2.4 Subsidies

During 2022-23, the State Government paid ₹8,306.28 crore as subsidy. The details of subsidies provided by the State Government from 2018-19 to 2022-23 are given in **Table 2.17**.

Table 2.17: Expenditure on subsidies during 2018-23

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Subsidies (₹ in crore)	8,323.01	11,483.23	7,307.94	6,565.30	8,306.28
Subsidies as a percentage of Revenue Receipts	12.79	17.98	11.57	8.24	8.85
Subsidies as a percentage of Revenue Expenditure	12.92	15.63	10.44	8.75	9.74

Source: Finance Accounts of the respective years

The expenditure on subsidies increased by ₹1,740.98 crore (26.52 *per cent*) from ₹6,565.30 crore in 2021-22 to ₹8,306.28 crore in 2022-23 mainly due to increase in subsidies under Chief Ministers food assistance scheme (by ₹1,017 crore) and Relief in Electricity Bills to Domestic Electricity Consumers (₹215.48 crore).

The departments with a major portion of subsidy during the year 2022-23 are shown in **Table 2.18**.

⁵ Interest calculated as per the rate of interest notified by the Government / payable to General Provident Fund @ 7.1% on the balance of ₹37.79 crore as on 1st April 2022.

Table 2.18: Departments with major portion of subsidy during the year 2022-23

Sl. No.	Name of the Department	Subsidy (₹ in crore)	Percentage of total Subsidy	Particulars
1	Energy	3,275.71	39.44	Included grant (₹1,715.44 crore) for free Supply of electricity to Agriculture Pumps up to five Horse Power and Relief in Electricity Bills (₹1,115.48 crore) to Domestic Electricity Consumers
2	Food and Civil Supplies	4,372.68	52.64	On Account of grant to State Cooperative Marketing Federation for meeting losses on food procurement (₹750 crore) and Chief Ministers Food Assistance Scheme (₹3,399.99 crore)

Source: Finance Accounts 2022-23

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

The quantum of financial assistance by way of grants and loans provided by the State Government to Local Bodies and institutions other than PSUs during the last five years are given in **Table 2.19**.

Table 2.19: Financial Assistance to Local Bodies and other Institutions

(₹ in crore)						
Sl. No.	Financial Assistance to Institutions	2018 -19	2019-20	2020-21	2021-22	2022-23
1	(A) Local Bodies					
2	Urban Local Bodies	2,778.73	3,138.94	3,554.17	3,904.13	4,296.67
3	Panchayati Raj Institutions	6,905.17	6,006.83	4,421.79	4,345.60	5,903.98
4	Total (A)	9,683.90	9,145.77	7,975.96	8,249.73	10,200.65
5	(B) Others					
6	Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	170.44	273.67	204.97	254.57	262.59
7	Development Authorities	271.41	235.06	229.93	393.08	661.14
8	Co-operative & Other Institutions and NGOs	13,255.70	10,499.70	12,555.37	13,241.09	15,994.08
9	Total (B)	13,697.55	11,008.43	12,990.27	13,888.74	16,917.81
10	Total (A+B)	23,381.45	20,154.20	20,966.23	22,138.47	27,118.46
11	GIA for Salary	1,592.75	673.48	140.35	192.34	253.37
12	GIA for creation of Capital assets	1,987.03	1,960.40	1,821.78	1,940.38	2,632.10
13	GIA for other	19,801.67	17,520.32	19,004.10	20,005.75	24,232.99
14	Revenue Expenditure	64,411.17	73,477.31	70,032.84	75,010.01	85,285.03
15	Assistance as percentage of Revenue Expenditure	36.30	27.43	29.94	29.51	31.80

Source: Finance accounts of respective years

Financial assistance to Local Bodies and other Institutions has increased from ₹23,381.45 crore in 2018-19 to ₹27,118.46 crore in 2022-23. During 2022-23, Financial assistance to Local Bodies increased by ₹1,950.92 crore over the previous year mainly due to increase of ₹1,558.38 crore in assistance provided to Panchayati Raj Institutions (Zilla Panchayats - ₹882.44 crore and Gram Panchayats - ₹623.49 crore). Financial assistance to Local Bodies and other Institutions by the State Government as percentage

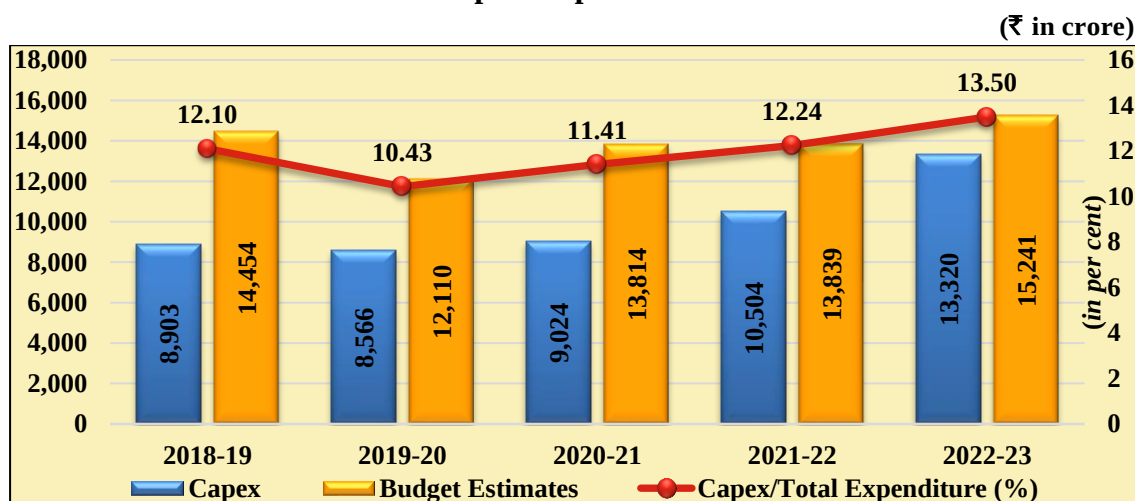
of Revenue Expenditure has decreased from 36.30 *per cent* in 2018-19 to 31.80 *per cent* in 2022-23.

Financial assistance given on Salary, for the creation of Capital assets and for other purpose during 2022-23 increased over the previous year. It was further noted that assistance on salary component had continuously showed a decreasing trend till 2018-21 and then increased marginally during 2021-23. Moreover, the share of financial assistance on Salary, creation of Capital assets and for other purpose was given at an average rate of 2.53 *per cent*, 9.08 *per cent* and 88.40 *per cent* respectively in the last five years.

2.4.3 Capital Expenditure

Capital expenditure includes primarily expenditure on creation of fixed infrastructure assets, such as buildings, roads, bridges, etc. Details of capital expenditure against the budget estimates during the five-year period 2018-23 are given in **Chart 2.14**.

Chart 2.14: Capital expenditure in the State



Source: Finance Accounts of the respective years

Capital expenditure increased by ₹4,416.85 crore (49.61 *per cent*) during the last five years from ₹8,903.45 crore in 2018-19 to ₹13,320.30 crore in 2022-23. Besides, the State could not meet the budget estimate on creation of assets from 2018-19 to 2022-23. Utilisation of budget for capital expenditure ranged between 62 *per cent* and 76 *per cent* during 2018-22, however it increased to 87 *per cent* in 2022-23.

The percentage share of capital expenditure to total expenditure increased from 12.24 *per cent* in 2021-22 to 13.50 *per cent* in 2022-23. During 2022-23, Capital expenditure increased by 26.81 *per cent* (₹2,816.08 crore) over the previous year mainly due to increase in expenditure in Water Supply & sanitation (by ₹1,096.76 crore) and Rural Development (by ₹690.49 crore).

During 2022-23, 32 *per cent* of total capital expenditure (₹13,320.30 crore) was incurred on Roads and Bridges (₹4,299.30 crore) followed by 19 *per cent* on water supply and sanitation (₹2,521.23 crore).

2.4.3.1 Major changes in Capital Expenditure

Table 2.20 highlights the cases of significant increase or decrease in various heads of account in capital expenditure during 2022-23 vis-à-vis the previous year.

Table 2.20: Capital Expenditure during 2022-23 compared to 2021-22

Sl. No.	Major Heads of Accounts	(₹ in crore)		
		2021-22	2022-23	Increase (+)/ Decrease (-)
1	4215-Water Supply & sanitation	1,424.47	2,521.23	1,096.76
2	4515- Other Rural Development Programmes	271.28	961.77	690.49
3	4210-Medical and Public Health	324.70	719.83	395.13
4	4059-Public works	247.43	528.71	281.28
5	4225- Welfare of SC, ST and OBC	381.40	491.78	110.38
6	4810-Capital outlay on New and Renewable Energy	497.23	604.89	107.66
7	4801-Power	327.95	130.80	(-)197.15
8	5054-Roads and Bridges	4,415.62	4,299.30	(-)116.32

Source: Finance Accounts of 2021-22 and 2022-23

- The increase in expenditure on 4215-Water Supply & sanitation was mainly due to increase in expenditure in *Jal Jeevan Mission* by ₹1,120.64 crore.
- The increase in expenditure on 4515- Other Rural Development Programmes was mainly due to increase in expenditure under Rural Industrial Parks by ₹296.94 crore, *Mukhyamantri Samagra Gram Vikas Yojna* by ₹191.26 crore and Legislative Constituency Development Scheme by ₹176.07 crore.
- The increase in expenditure on 4210-Medical and Public Health was mainly due to increase in progress of works of medical education colleges, expenditure on Cancer institute, Medical, Dental, Physiotherapy College.
- The increase in expenditure on 4059-Public works was mainly due to receipt of administrative approval for new works.
- The increase in expenditure on 4225- Welfare of SC, ST and OBC was mainly due to increase in expenditure under local development programme from Special central assistance etc., increase in sanctioned works under extension of facilities in Tribal Areas and “minorities multi regional development scheme”.
- The increase in expenditure on 4810-Capital outlay on New and Renewable Energy was mainly due to increase in expenditure under installation of solar pumps (₹124.42 crore), *Indira Gaon Ganga Yojna* (₹9.00 crore) etc.
- The decrease in expenditure on 4801-Power was mainly due to less investment in share capital of Power companies and less expenditure under the schemes such as energisation of agricultural pumps (₹21.14 crore), *Mukhyamantri* electric infrastructure development (₹25 crore), *Mukhyamantri* Urban electrification scheme (₹64.20 crore), *Mukhyamantri maazra tola* electrification scheme (₹57.95 crore).

- The decrease in expenditure on 5054-Roads and Bridges was mainly due to delay in receipt of administrative approval for works relating to Chhattisgarh State Road Development Project (Phase II), less expenditure under construction works of Chhattisgarh Road and Industrial Development Corporation, delay in Land acquisition cases.

2.4.3.2 Quality of Capital Expenditure

This section presents an analysis of investments and other capital expenditure undertaken by the Government as of 31 March 2023.

Quality of investment in Companies, Corporations, and other Bodies

Capital Expenditure in companies, corporations, and other bodies, which are loss making or where net worth is completely eroded, is not sustainable.

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

Investment and Returns

As per the Finance Accounts 2022-23, the Government of Chhattisgarh had invested ₹7,447.77 crore in 10 Statutory Corporations, 28 Government Companies, 21 Joint Stock Companies, two Rural Banks and 1460 Co-operative Institutions in the State as of 31 March 2023. The State Government earned a dividend of ₹6.20 crore on these investments during 2022-23. Year-wise details of investment by the Government of Chhattisgarh over the five-year period 2018-19 to 2022-23 are as follows:

Table 2.21: Details of Investment and Return on Investment

(₹ in crore)						
Sl. No.	Investment/Return/Cost of borrowings	2018-19	2019-20	2020-21	2021-22	2022-23
1	Statutory Corporations (No. of entities)	86.92 (10)	87.88 (10)	88.34 (10)	89.69 (10)	89.89 (10)
2	Government Companies (No. of entities)	6,683.34 (28)	6,683.34 (28)	6,683.34 (28)	6,733.34 (28)	6,733.34 (28)
3	Joint Stock Companies (No. of entities)	145.21 (22)	145.21 (22)	145.21 (22)	156.93 (22)	278.72 (21 ⁶)
4	Rural Banks (No. of entities)	25.15 (02)	25.15 (02)	25.15 (02)	25.15 (02)	25.15 (02)
5	Co-operative Institutions (No. of entities)	327.42 (1523)	324.21 (1460)	319.26 (1460)	315.08 (1460)	320.67 (1460)
6	Total Investment	7,268.05	7,265.79	7,261.30	7,320.19	7,447.77
7	Investment at the end of the year	7,268.05	7,265.79	7,261.30	7,320.19	7,447.77
8	Return on investment	1.49	2.39	2.29	3.64	6.20
9	Return on investment (<i>per cent</i>)	0.02	0.03	0.03	0.05	0.08

⁶ As per the information provided by Chhattisgarh State Industrial Development Corporation, amount of ₹142.20 crore given by the State Government during 2016-17 (₹55.00 crore) and 2017-18 (₹87.20 crore) has been invested in the Share Capital of three Joint Venture Companies. Hence the total number of Joint Venture Companies shown as 21.

State Finances Audit Report for the year ended 31 March 2023

10	Average rate of interest on Government borrowing ⁷ (<i>per cent</i>)	6.11	6.83	6.70	6.80	6.91
11	Difference between rate of return and interest rate (<i>per cent</i>)	(-)6.09	(-)6.80	(-)6.66	(-)6.75	(-)6.83
12	Difference between cost/average interest rate of Government borrowing and returns on its investment	442.62	494.07	483.60	494.11	508.68

Figures in the bracket shows the number of entities

Source: Finance Accounts of respective years

During 2022-23, the return on investment was ₹6.20 crore (0.08 *per cent*). However, the Government paid interest on its borrowing at an average rate of 6.91 *per cent* during the same period. Investment which do not have sufficient financial returns will lead to an unsustainable financial position.

Loans and Advances by the State Government

In addition to investments in Co-operative societies, Corporations and Companies, the State Government has also provided loans and advances to many institutions/organisations. **Table 2.22** presents the outstanding loans and advances as on 31 March 2023, along with interest receipts *vis-à-vis* interest payments during the five-year period 2018-19 to 2022-23.

Table 2.22: Loans disbursed and recovered during 2018-23

(₹ in crore)						
Sl. No.	Loans disbursed and recovered	2018-19	2019-20	2020-21	2021-22	2022-23
1	Opening balance of loans outstanding	1,519.63	1,597.75	1,397.08	1,173.86 ⁸	1,409.86
2	Amount advanced during the year	240.44	56.11	50.50	324.06	85.96
3	Amount recovered during the year	162.32	256.78	104.8	88.06	117.51
4	Closing Balance of loans outstanding	1,597.75	1,397.08	1,342.78	1,409.86	1,378.31
5	Net addition	78.12	(-)200.67	(-)54.30	236.00	(-)31.55
6	Interest received	28.32	1.67	6.88	3.27	37.04
7	Rate of return on Loans and Advances given by the Government (<i>per cent</i>)	2.04	0.11	0.50	0.24	2.66
8	Average rate of Interest paid on the outstanding borrowings of the Government (<i>per cent</i>)	6.11	6.83	6.70	6.80	6.91
9	Difference between rate of interest paid and interest received (<i>per cent</i>)	(-)4.07	(-)6.72	(-)6.19	(-)6.56	(-)4.25

Source: Finance Accounts of Respective years

During 2022-23, an amount of ₹85.96 crore was advanced as loans against ₹324.06 crore during previous year. Interest received by the State Government against loan given was ₹37.04 crore. At the end of March 2023, the Government had outstanding loans and advances of ₹1,378.31 crore, out of which ₹343.44 crore pertains to Urban Local Bodies,

⁷ Average rate of interest has been calculated after excluding Back-to-Back loan from total Government borrowing.

⁸ Reduced by ₹168.92 crore vide State Government letter No. 523/R-110/2020/13/2 dated 23.02.2022 due to reconciliation of Loan balance between the figures of Finance Account and Account of Power Company. ₹168.92 crore includes ₹136.78 crore of loan adjusted as Share Capital of the State Government in 2017-18 and ₹32.14 crore of excess payment of Interest by Chhattisgarh State Electricity Board during 2004-05 and 2005-06 adjusted as repayment of loan.

₹163.01 crore pertains to Government companies and ₹414.66 crore pertains to co-operative societies/bodies.

The total outstanding loans advanced by the State Government decreased by ₹31.55 crore from ₹1,409.86 crore in 2021-22 to ₹1,378.31 crore in the year 2022-23. Recovery of loans increased by ₹29.45 crore (33.44 *per cent*) and interest receipts increased by ₹33.77 crore (1,033 *per cent*) in 2022-23 as compared to 2021-22. The interest received was only 2.66 *per cent* of the outstanding loans and advances during 2022-23.

Further, the State Government made fresh loans and advances during the year to the following sugar mills against which the repayment of earlier loans and interest was in arrears.

Table 2.23: Details of loans and advances to sugar mills during 2022-23

(₹ in crore)

Sl. No	Name	Year of previous Loans outstanding Since	Amount of principal outstanding as of 1 st April 2022	Amount of loans during this year	Re-payment made during the year	Total loans outstanding as on 31 st March 2023	Interest arrears as on 31 st March 2023
1	Loh Purush Sardar Vallabh Bhai Patel Sugar Mill Limited	2016-17	106.00	13.00	4.00	115.00	38.06
2	Bhoramdev Co-operative Sugar Mill Limited	2012-13	88.00	13.00	25.00	76.00	30.52
3	Mahamaya Co- operative Sugar Mill, Limited	2008-09	110.67	17.00	32.00	95.67	73.14
4	Danteshwari maiya Co-operative Sugar Mill, Limited	2005-06	81.58	7.00	0.85	87.73	57.08

Source: Finance Accounts 2022-23

2.4.3.3 Capital blocked in incomplete works

An assessment of trends in capital blocked in incomplete capital works would also indicate the quality of capital expenditure. Blocking of funds on incomplete works impinges negatively on the quality of expenditure and deprives the State of the intended benefits for prolonged periods. Further, the funds borrowed for implementation of these works during the respective years leads to extra burden in terms of servicing of debt and interest liabilities.

Out of 372 works costing ₹10 crore and above sanctioned by the Works Department, 148 works were to be completed on or before 31 March 2023. Department wise details of incomplete works are shown in **Table 2.24**.

Table 2.24: Department-wise profile of incomplete works

(₹ in crore)

Sl. No.	Departments	Number of in-complete works	Estimated cost	48 Incomplete Works whose cost were revised				Cumulative expenditure of all 148 incomplete works as on 31 March 2023
				Initial estimated cost of 48 works		Revised cost of 48 works	Cost overrun in 48 works	
				No.	Amount			
1	Public Works	9	402.02	2	151.61	551.20	399.59	517.40
2	Water Resources	139	4,208.13	46	1,753.33	4,188.42	2,435.09	5,017.28
Total		148	4,610.15	48	1,904.94	4,739.62	2,834.68	5,534.68

Source: Finance Accounts 2022-23

Out of 148 incomplete works (costing more than ₹10 crore) with estimated cost of ₹4,610.15 crore, the State Government has revised the cost of 48 incomplete works with cost overrun of ₹2,834.68 crore. Since the State Government had not evaluated the cost of remaining incomplete works, the actual cost of these projects could not be ascertained.

2.4.4 Expenditure priorities

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

The fiscal priorities of the State Government with regard to development expenditure, social services expenditure and capital expenditure during 2018-19 and 2022-23 are shown in Table 2.25 below:

Table 2.25: Expenditure priority of the State with regard to Health, Education and Capital expenditure

(in per cent)

Sl. No.		TE/GSDP	SSE/TE	ESE/TE	DE/TE	CE/TE	Education/TE	Health/TE
Average (Ratio) 2018-19 of								
1	General Category States*	16.38	36.60	30.65	67.24	14.04	14.76	5.07
2	Chhattisgarh State	22.49	34.42	43.24	77.66	12.10	17.49	5.11
Average (Ratio) 2022-23 of								
3	General Category States*	15.79	38.11	29.17	67.28	13.48	14.85	5.68
4	Chhattisgarh State	21.57	37.33	37.62	74.95	13.50	18.29	6.70
TE: Total Expenditure, SSE: Social sector Expenditure, ESE: Economic Sector Expenditure, DE: Development Expenditure, CE: Capital Expenditure, Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure, development Loan and Advances disbursed. *States other than NE and Himalayan States								

Source: Data provided by Economic Advisor

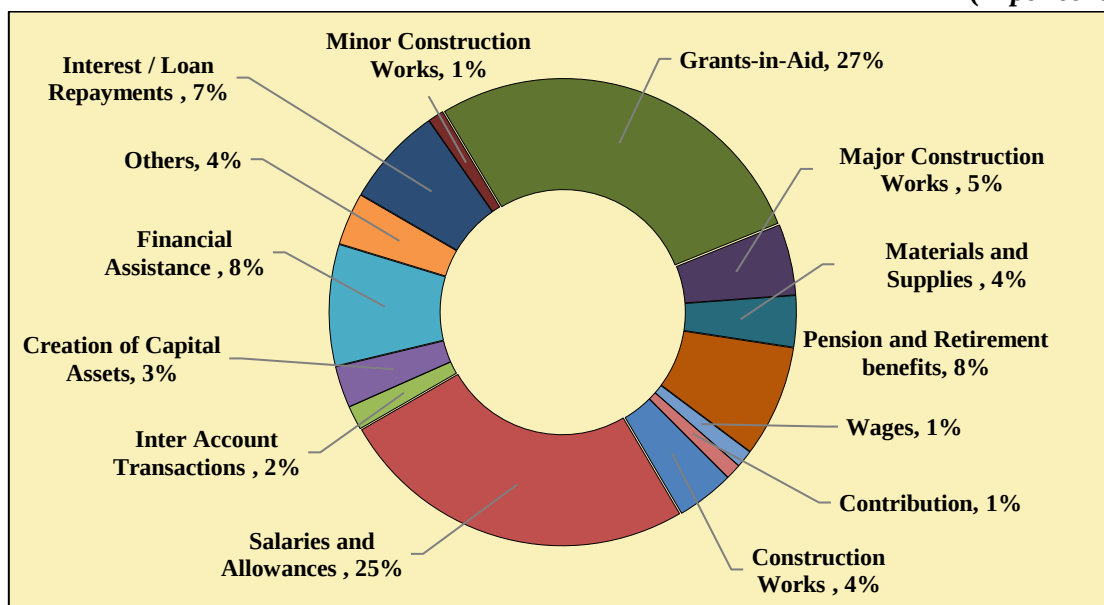
- The State Government's total expenditure as proportion of GSDP declined from 22.49 *per cent* in 2018-19 to 21.57 *per cent* in 2022-23.
- The proportion of expenditure on Development, especially on health and education, to the total expenditure of Chhattisgarh has been higher than the average of other General Category States. However, it has declined from 77.66 *per cent* in 2018-19 to 74.95 *per cent* in 2022-23.
- Allocative priority accorded to Social sector expenditure by the State Government increased from 34.42 *per cent* in 2018-19 to 37.33 *per cent* in 2022-23. However, it was less than the average of general category states during the same period.
- Capital expenditure facilitates asset creation which generates opportunities for higher growth. The ratio of capital expenditure to total expenditure increased from 12.10 *per cent* in 2018-19 to 13.50 *per cent* in 2022-23. This ratio for General Category States decreased from 14.04 *per cent* to 13.48 *per cent* during the same period.

2.4.5 Object head wise expenditure

Finance Accounts depict transactions only up to the Minor Head level. Object head wise expenditure gives information about the object/ purpose of the expenditure. The per cent wise object head expenditure with respect to total expenditure for 2022-23 is shown in following **Chart 2.15** below:

Chart 2.15: Object head wise expenditure

(in per cent)



Source: Finance Accounts 2022-23

As can be seen from the above chart, the expenditure under object heads Salaries & Allowances, Grants-in-Aid and Pension & Retirement Benefits constituted 61 *per cent*

of overall expenditure ₹98,605.33 crore⁹ of the State. Besides, Financial Assistance, Interest/Loan repayments and Major Construction Works constituted eight *per cent*, seven *per cent* and five *per cent* of the expenditure respectively.

A drill down view of budgetary allocation and extent of expenditure (above ₹1,000 crore) incurred on the actual items at the Object Head level is given in **Table 2.26** below:

Table 2.26: Object head wise expenditure (where the expenditure is ₹1,000 crore and above) vis-à-vis budget authorisation

(₹ in crore)

Sl. No.	Head	Original Budget Estimate	Expenditure	Utilisation Percentage
1	14- Grants-in-Aid	26,781.67	26,947.30	100.62
2	01- Salaries and Allowances	26,769.33	24,678.61	92.19
3	13- Financial Assistance	7,761.87	8,306.28	107.01
4	12- Pension and Retirement benefits	7,573.10	7,643.77	100.93
5	35- Interest / Loan Repayments	7,222.05	6,808.44	94.27
6	26- Major Construction Works	4,814.75	4,863.53	101.01
7	97- Construction Works	6,188.85	4,481.17	72.41
8	25- Materials and Supplies	3,446.57	3,501.54	101.59
9	45- Creation of Capital Assets	3,109.41	2,840.61	91.36
10	37- Inter Account Transactions	2,244.58	1,635.19	72.85
11	02- Wages	1,072.38	1,185.59	110.56
12	27- Minor Construction Works	1,386.09	1,076.39	77.66
13	30- Contribution	364.53	1,058.08	290.26
Total		98,735.18	95,026.50	96.24

Source: Finance Accounts, Budget book & DAA 2022-23

As can be seen from the above table, out of a total budgetary allocation of ₹98,735.18 crore under 13 object heads, the actual expenditure during 2022-23 was ₹95,026.50 crore (96.24 *per cent*).

2.5 Public Account

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. The Government acts as a banker in respect of these. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

2.5.1 Net Public Account Balances

The status of receipts and disbursement under Public Account are shown in Statement 21 of the Finance Accounts. Component-wise net balances in the Public Account of the State as of 31 March of respective years are shown in **Table 2.27** below:

⁹ Total expenditure (₹98,691.19 crore) – Loans & Advances including interstate settlement (₹86.06 crore)

Table 2.27: Component-wise net balances in Public Account as of 31 March of the year

(₹ in crore)							
Sl. No.	Sector	Sub Sector	2018-19	2019-20	2020-21	2021-22	2022-23
1	I. Small Savings, Provident Fund, etc.	National Small Savings Fund, State Provident Funds and Other Accounts	(-)6,832.41	(-)7,617.67	(-)8,021.40	(-)8,020.50	(-)9,326.98
2	J. Reserve Funds	(a) Reserve Funds bearing Interest	(-)400.70	(-)1,101.77	(-)614.84	(-)769.36	(-)265.27
		(b) Reserve Funds not bearing Interest	(-)1,254.83	(-)1,363.00	(-)1,384.75	(-)1,683.77	(-)2,006.47
3	K. Deposits and Advances	(a) Deposits bearing Interest	(-)42.90	(-)37.29	(-)33.16	(-)28.27	(-)8.30
		(b) Deposits not bearing Interest	(-)5,964.44	(-)5,446.01	(-)5,951.96	(-)5,758.23	(-)6,138.62
		(c) Advances	(+)1.75	(+)1.84	(+)1.84	(+)7.35	(+)7.00
4	L. Suspense and Miscellaneous	(a) Suspense	(-)35.96	(-)29.66	(-)20.08	(-)84.64	(-)180.88
		(b) Other Accounts	(+)9,711.03	(+)5,199.46	(+)3,344.86	(+)3,299.78	(+)440.13
		(c) Accounts with Governments of Foreign Countries	0.00	0.00	0.00	0.00	0.00
		(d) Miscellaneous	0.00	0.00	0.00	0.00	0.00
5	M. Remittances	(a) Money Orders, and other Remittances	(+)297.90	(+)204.48	(+)240.97	(+)245.09	(+)197.03
		(b) Inter- Governmental Adjustment Account	(-)61.19	(+)73.82	(+)88.41	(+)91.13	(+)101.63
Total			(-)4,581.75	(-)10,115.80	(-)12,350.11	(-)12,701.42	(-)17,180.73

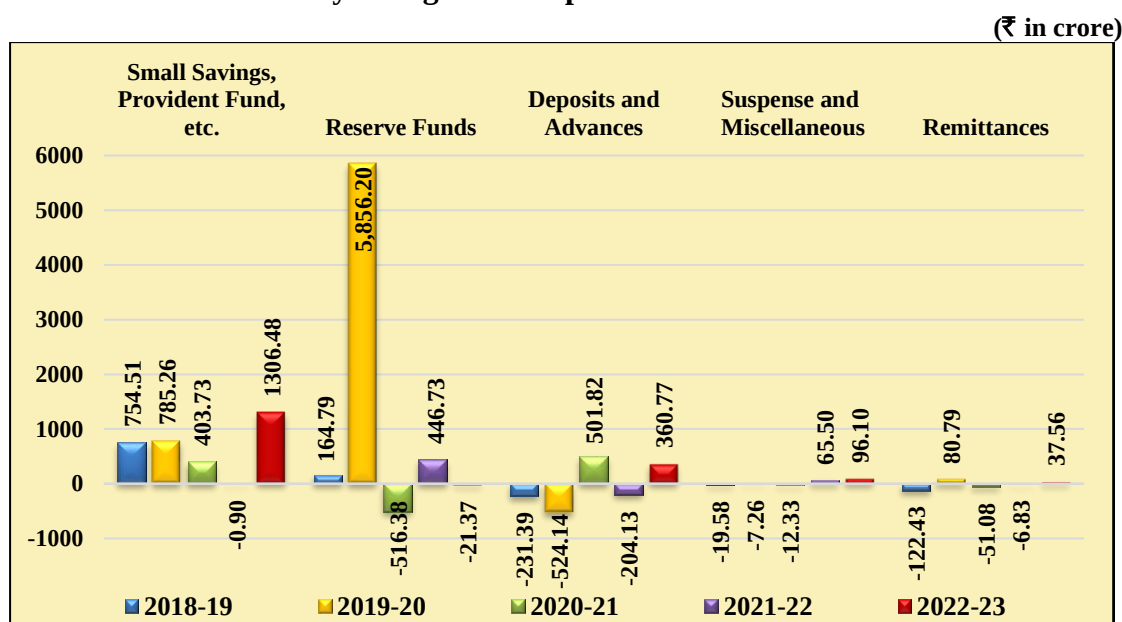
Source: Finance Accounts of respective years

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

The net balances in Public Account increased by ₹4,479.31 crore in 2022-23 over the previous year, mainly due to decrease in debit balance of Suspense and Miscellaneous - Other Accounts by ₹2,859.65 crore and increase in National Small Savings Fund, State Provident Funds and Other Accounts by ₹1,306.48 crore which was counter balanced by decrease in Reserve Funds bearing Interest by ₹504.09 crore.

The yearly changes in composition of balances in Public Account over the last five year period 2018-23 are given in **Chart 2.16**:

Chart 2.16: Yearly changes in composition of Public Account balances



Source: Finance Accounts of respective years

Yearly changes depicted in the chart above excludes changes in Major Head-8671 Departmental Balances, 8673- Cash Balance Investment Account and Reserve Funds Investment Accounts. During the year 2022-23, major yearly change was seen in Small Savings, Provident Fund, etc. (₹1,306.48 crore) and Deposits and Advances (₹360.77 crore).

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

2.5.2 Reserve Funds

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

There are 18 Reserve Funds (17 Reserve Funds earmarked for specific purposes in the State with effect from 2000-2001 since the formation of the State and one reserve fund i.e. Guarantee Redemption Fund was created during 2022-23). Out of 18, 15 funds were operative, and three funds were in-operative as of 31 March 2023. The gross balance at the end of 31 March 2023 in these funds was ₹9,606.04 crore, out of which ₹7,334.30 crore (76.35 per cent) was invested in Government of India Securities and Treasury Bills (₹7,058.58 crore) and Share Capital of Joint Venture Companies (₹275.71 crore).

2.5.2.1 Consolidated Sinking Fund

Following the recommendations of the Twelfth Finance Commission, the State has created a Consolidated Sinking Fund (CSF) for amortisation of all loans including loans from banks, liabilities on account of National Small Savings Funds, *etc.* Further, as per the guideline (June 2006) issued by the State Government (Finance Department), a minimum annual contribution of 0.50 *per cent* of outstanding liabilities (Internal Debt and Public Account Liabilities) at the beginning of the year was required to be transferred to the fund.

During 2022-23, GoCG transferred ₹400.00 crore to the Consolidated Sinking Fund against the minimum requirement of ₹437.23 crore representing 0.5 *per cent* of outstanding liabilities (Internal Debt and Public Account Liabilities) of ₹87,446.74 crore as on 31 March 2022. The short contribution of ₹37.23 crore to the Consolidated Sinking Fund resulted in overstatement of Revenue Surplus and understatement of Fiscal deficit to that extent. As on 31 March 2023, an amount of ₹3,286.94 crore was lying in the Fund, and the entire amount was invested in Government of India securities.

2.5.2.2 State Disaster Risk Management Fund

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

Details of expenditure charged to SDRMF are given below in **Table 2.28**:

Table 2.28: Details of expenditure charged to SDRMF

(₹ in crore)			
Sl. No.	Head	Minor Head of Account	Expenditure during 2022-23
1	2245-	Relief on Account of Natural Calamities	
2	01-	Drought	
3	101	Gratuitous Relief	0.18
4	282	Public Health	0.00
5	02-	Floods, Cyclones, etc.	
6	101	Gratuitous Relief	4.60
7	110	Assistance for repair and restoration of damaged Water Supply, Drainage and Sewerage Works	0.04
8	111	Ex-gratia Payments to bereaved families	13.47
9	112	Evacuation of population	6.45
10	113	Assistance for repair and construction of Houses	13.81
11	114	Assistance to Farmers for purchase of Agriculture Input	5.94
12	116	Assistance to Farmers for repairs of damaged tube wells and Pump sets	0.00
13	117	Assistance to Farmers for purchase of livestock	6.88
14	122	Repair and Restoration of damaged Irrigation and Flood Control Works	36.31
15	80-	General	
16	101	Centre for Training to Disaster Preparedness	0.04

17	102	Management of Natural Disasters, Contingency Plans in disaster prone areas	97.41
18	800	Other Expenditure	162.27
19	Total SDRMF Expenditure		347.40
20	05-State Disaster Response Management Fund		
21	901	Deduct- Amount met from State Disaster Response Management Fund	(-)282.08

Source: Finance Accounts 2022-23

(a) State Disaster Response Fund (SDRF)

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

As per the Finance Accounts 2022-23, the SDRF had an opening balance of ₹205.52 crore as of 01 April 2022. During the year 2022-23, the State Government received ₹181.60 crore on 31 March 2023 as 1st installment of Central Government's share. The State Government's share during the year was ₹60.53 crore. However, the State Government transferred an amount ₹230.40 crore (Central share ₹172.80 crore and State share ₹57.60 crore) for the year 2021-22 to the Fund in 2022-23. As on 31 March 2023, the closing balance in SDRF was ₹ 208.34 crore.

The State Government also transferred an interest of ₹11.13 crore for delay in transfer of GoI and State Government contribution and treasury deposit of ₹7.07 crore to the Fund during the year 2022-23. Expenditure of ₹245.77 crore was made from SDRF during 2022-23.

Audit test checked records in 11 districts in respect of expenditure incurred from SDRF and observed following:

- (i) In five districts¹⁰, it was noticed that tehsil office neither maintained beneficiary records in the prescribed format (Form 2/3 of RBC 6-4) issued by the State Government nor uploaded the data on Nation Disaster Management Information System (NDMIS) portal.
- (ii) In 14 tehsils of five districts¹¹, the compensation amount of ₹20.84 crore paid to 1,526 beneficiaries by issuing 1,035 cheques during 2018-19 to 2022-23 in violation of instructions (April 2017) of GoCG to make payment through DBT.

¹⁰ Jashpur, Raigarh, Korba, Mahasamunda, Rajnandgaon

¹¹ Dantewada (Geedam, Fantewada), Jashpur (Duldula, Manora, Farsababar, Jashpur, Kunkuri), Korba (Pali, Kartala), Narayanpur, Raigarh (Tamnar, Gharghoda, Raigarh, Dharmjaigarh)

(iii) In 10 tehsils of six districts¹², the compensation was provided to 156 victims/beneficiaries with delay ranging from 28 days to 563 days beyond the stipulated period of one month.

(iv) In four tehsils of three districts¹³, an amount of ₹161.02 lakh was drawn from SDRF fund but was not disbursed to the beneficiaries and was kept in the current bank account of DDO. In Raigarh and Dantewada, the fund was lying unutilised in the bank account of Tahsildar since 2020 and 2015 respectively.

Delay in Contributions to the SDRF

As per Ministry of Home Affairs guideline on SDRF (2015 & 2022), immediately upon receipt of GoI's share, the State Government would transfer the amount, along with their matching share, if not already transferred, to the Public Account Head within 15 days of its receipt. Any delay will require the State Government to release the amount, with interest, at the Bank rate of RBI, for the number of days of delay. Details of funds received from GoI and transfer to SDRF along with State's matching share from 2020-23 are given in below **Table 2.29**.

Table 2.29: Details of contribution to the SDRF Fund

Year	Installment	Central Share		State Share		No. of days taken to transfer Central & State share into SDRF account	Grace Days	Delay in transfer (days)	Interest to be paid for the delay (in crore)
		Amount (in crore)	Release Date from GoI	Amount (in crore)	Release Date of Centre & State share from State Fin Dept				
2020-21	1 st installment	172.80	03.04.2020	57.60	18.05.2020	45	15	30	0.88
	2 nd installment	172.80	25.02.2021	57.60	29.03.2022	397	15	382	10.25
2021-22	1 st installment	172.80	29.04.2021	57.60	29.03.2022	334	15	319	8.56
	2 nd installment	172.80	12.10.2021	57.60	07.09.2022	330	15	315	9.17
2022-23	1 st installment	181.60	31.03.2023	60.40	25.04.2023	25	15	10	0.45
	2 nd installment*	-							

Source: Data received from Chhattisgarh Revenue & Disaster Management department

* 2nd installment for the year 2022-23 is not received from GoI.

As can be seen from the above Table from 2020-23, there was delay in transfer of Central share, along with their matching share, by the State Government ranging from 10 days to 382 days. The State Government has paid interest of ₹11.13 crore in the year 2022-23 for the delay transfer of fund pertaining to the year 2020-21. However, the interest of ₹18.18 crore was also payable by the State Government for delay transfer of fund pertaining to the year 2021-22 & 2022-23.

¹² Raigarh (Kharsia, Gharghoda, Tamnar), Jashpur (Bagicha, Farsabhar, Kunkuri), Sarguja (Batauli), Rajnandgaon (Dongargarh), Mahasamund, Durg

¹³ Raigarh (Gharghoda ₹25.61 lakh), Jashpur (Farsabhar ₹38.93 lakh, Duldula ₹14.87 lakh), Dantewada (Dantewada ₹81.61 lakh)

(b) State Disaster Mitigation Fund (SDMF)

XVFC recommended creating the State Disaster Mitigation Fund (SDMF) for local level and community-based interventions which reduce the risks and promote environment-friendly settlements and livelihood practices. The GoI and the State Government are required to contribute to the fund in the proportion of 75:25 respectively.

Details of funds received from GoI and transfer to SDMF¹⁴ along with State's matching share from 2020-23 are given in below **Table 2.30**.

Table 2.30: Details of contribution to the SDMF Fund

Year	Installment	Central Share		State Share		No. of days taken to transfer Central & State share into SDMF account	Grace Days	Delay in transfer (days)	Interest to be paid for the delay (in crore)
		Amount (in crore)	Release Date from GoI	Amount (in crore)	Release of Centre & State share by State Government				
2020-21	1 st installment	43.20	03.04.2020	14.40	29.03.2022	725	15	710	4.78
	2 nd installment	43.20	25.02.2021	14.40	24.03.2021	27	15	12	0.08
2021-22	1 st installment	43.20	29.03.2022	14.40	19.05.2023	416	15	401	3.74
	2 nd installment	43.20	29.03.2022	14.40	19.05.2023	416	15	401	3.74
2022-23*	-	-							

Source: Data received from Chhattisgarh Revenue & Disaster Management department

* No fund related to SDMF was received for the year 2022-23 from GoI.

The SDMF had an opening balance of ₹115.66 crore as on 1 April 2022. During 2022-23, no amount was received from the Central Government towards SDMF. It can be seen from the above table that there was delay in transfer of Central share alongwith State share to the Fund ranging from 12 days to 710 days. As per the SDMF guidelines (2022), the State Government was required to release the contribution within 15 days of its receipts and in case of delay interest at the bank rate of RBI is payable for delay by the State Government. The State Government has paid interest of ₹4.86 crore (March 2023) in 2022-23 for delay in transfer of fund pertaining to the year 2020-21. However, the interest of ₹7.48 crore was also payable by the State Government for delay in transfer to the fund pertaining to the year 2021-22. Expenditure of ₹36.31 crore was incurred from SDMF during 2022-23. The SDMF had a closing balance of ₹84.21 crore as on 31 March 2023.

Non-Investment from the SDMF

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

¹⁴ As per XVFC, SDMF fund was created in 2020-21. However, pending finalization of new SDMF guideline for the period 2020-21, GoI (MoH) decided (April 2020) to extend the validity of existing guideline of SDRF dated 30th July 2015 for a period of one year or till such time new guideline/norms are framed.

Scheduled Commercial Banks. The State Government shall pay interest into the SDMF at the rate applicable to overdrafts under Overdraft Regulation Guidelines of the RBI for the amount not invested from SDMF. The interest will be credited on a half-yearly basis.

However, during 2022-23 Government of Chhattisgarh had neither invested the balances in SDMF in any of the instruments specified in the Guidelines, nor had it paid the half-yearly interest on the balance lying in the Fund in violation of SDMF guidelines. The entire balance of ₹84.21 crore was lying uninvested in SDMF as on 31 March 2023. The unpaid interest (₹8.18 crore¹⁵) led to overstatement of Revenue surplus to that extent during 2022-23 and accumulated liabilities for future.

2.5.2.3 Guarantee Redemption Fund

The Twelfth Finance Commission recommended setting up of a Guarantee Redemption Fund (GRF) to meet the contingent liabilities arising from the guarantees given by the Government. The GoCG has constituted Guarantee Redemption Fund vide notification dated 05 July 2022 with the objective of meeting the payment obligations arising out of the guarantees issued by the Government in respect of loans taken, bonds issued and other borrowings by the State Government undertakings or other bodies and invoked by the beneficiaries.

As per para 5 of the notification, the fund shall be set up with an initial contribution of ₹5.00 crore. The balance in the fund shall be increased with the contributions made annually or at lesser intervals, so as to reach the level deemed sufficient to meet the amount of anticipated guarantees devolving on the Government as result of the likely invocation of outstanding guarantees

Accordingly, during 2022-23, GoCG transferred ₹5.00 crore to the Guarantee Redemption Fund under the head 8235-117.

2.5.2.4 Funds outside Public Account of the State

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

Building and other Construction Workers Welfare Cess

GoCG constituted (September 2008) Building and other construction Workers Welfare Board (September 2008). The Board collects Building and other construction Workers

¹⁵ Interest calculated on balance as on 1st April 2022 (₹115.66 crore) at the rate applicable to overdraft 7.49%.

Welfare (Labour cess) at the rate of one *per cent* of cost of construction from the employers and utilizes it for the implementation of its schemes as per BOCW Welfare Cess Act 1996.

Year-wise receipt and utilisation of Labour Cess

The year-wise position of receipt and expenditure of cess for the period 2020-21 to 2022-23 is detailed in **Table 2.31**.

Table 2.31: Year-wise receipt and utilisation of Labour Cess

(₹ in crore)

Sl. No.	Year	Opening Balance	Receipts			Total fund available	Expenditure (including establishment charges)	Closing Balance
			Registration charges and Other Receipt	Labour cess received in Board accounts	Interest on deposits			
1	2020-21	380.80	0.73	172.34	31.39	585.26	108.10	477.16
2	2021-22	477.16	0.13	191.07	17.20	685.56	92.24	593.32
3	2022-23	593.32	0.24	223.36	23.62	840.54	204.06	636.48

Source: Information received from the CG Construction & Labour Welfare Board

Out of total expenditure of ₹204.06 crore during 2022-23, the Board incurred an expenditure of ₹200.33 crore (98.17 *per cent*) on welfare schemes & other programmes, and ₹3.73 crore (1.83 *per cent*) on establishment charges. As per the information provided by Board, ₹223.36 crore was received towards labour cess from various State & Central Government entities (₹114.08 crore) and private entities (₹109.28 crore) during the year 2022-23. As per the information provided by Board, funds were directly transferred to the Board by other entities and not routed through Public Accounts. And only in respect of four¹⁶ departments, the funds were being routed through Public Account.

As per the Finance Accounts 2022-23, under the Major Head 8443-111/108 other Departmental/Public Works Deposit ₹39.81 crore of labour cess was deposited during the year 2022-23. Out of which the State Government transferred only ₹42.60 crore against ₹45.53 crore (₹39.81 crore + un-transferred balance of ₹5.72 crore of previous year) to the Board. Balance of ₹2.93 crore remain un-transferred and has been kept under Public Account Major Head 8443.

2.5.2.5 Other dedicated Funds

(i) Infrastructure Development Fund

As per Chhattisgarh (*Adhosanrachna Vikas Evam Paryavaran*) *Upkar Adhiniyam* 2005, cess on land shall be levied for raising funds to implement infrastructure development projects. As per the Act, the Infrastructure Development Cess (ID Cess) shall be levied and collected on all lands on which land revenue or rent is levied. The IDC so collected should be transferred to the Infrastructure Development Fund (ID Fund), from which

¹⁶ Public Works Department, Public Health Engineering, Panchayat & Rural Development Department.

expenditure on infrastructure development projects is made. Infrastructure Development Fund is maintained in Public Account (8229-200-0026).

Audit scrutiny revealed that the State Government collected ID Cess of ₹170.88 crore in 2021-22 and the same was not transferred to ID Fund during 2022-23. The un-transferred balance of ₹170.88 crore contributes to undischarged liability of the State Government. Such un-transferred balances resulted in overstatement of the revenue surplus and understatement of fiscal deficit. Further, non-transfer of cess to Infrastructure Development Fund for implementation of developments projects also defeated the purpose of creation of fund. Closing balance as on 31st March 2023 in the Infrastructure Development Fund was ₹47.79 crore.

(ii) Environment Fund

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

Scrutiny of the relevant records revealed that ₹170.88 crore was collected as Environment cess in 2021-22 and the same was also not transferred to Environment Fund during 2022-23 by GoCG. Non transfer of the collected cess to Environment Fund, resulted in overstatement of the revenue surplus and understatement of fiscal deficit. Further, non-transfer of cess to Environment Fund for implementation of environment projects also defeated the purpose of creation of fund. Closing balance as on 31st March 2023 in the Environment Fund was ₹223.73 crore.

(iii) Mineral Development Fund

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

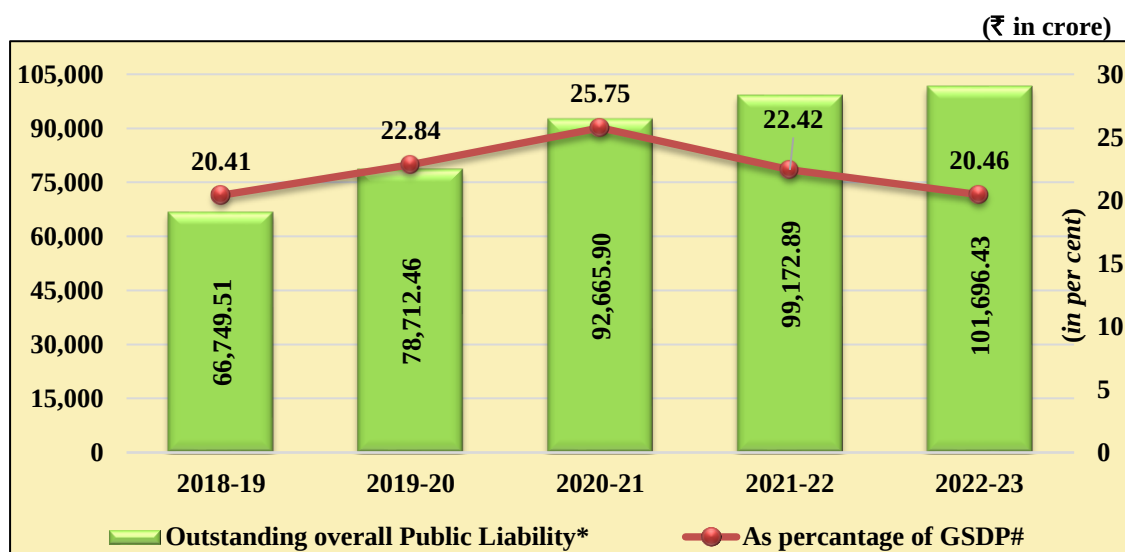
During 2022-23, the State Government was required to transfer ₹615.27 crore to Chhattisgarh State Mineral Development Fund (five *per cent* of Mineral Revenue of ₹12,305.39 crore collected during 2021-22) against which the State Government transferred ₹430.35 crore only. Short contribution of ₹184.92 crore resulted in overstatement of the revenue surplus and understatement of the fiscal deficit to that extent. Closing balance as on 31st March 2023 in the Mineral Development Fund was ₹883.19 crore.

2.6 Public Liability management

Management of public liability is the process of establishing and executing a strategy for managing the Government's liability in order to raise the required amount of funding, achieve its risk and cost objectives, and to meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements.

Outstanding overall liability of the State along with its percentage to GSDP for the years 2018-19 to 2022-23 is depicted in **Chart 2.17** below:

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



Source: Finance Accounts of respective years

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

Outstanding overall Liability/GSDP ratio for the year 2020-23 has been calculated after excluding back-to-back loan.

2.6.1 Liability profile: Components

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

The component-wise liability trend of the State during the five-year period 2018-23 are given in **Table 2.32**:

Table 2.32: Component wise liability trends

(₹ in crore)

Sl. No.	Particular	2018-19	2019-20	2020-21	2021-22	2022-23
1	Outstanding Overall Liability	66,749.51	78,712.46	92,665.90	99,172.89	1,01,696.43
2	Public Debt	52,254.22	63,146.72	76,659.79	82,912.77	83,950.79
a	Internal Debt	49,553.83	60,382.67	70,490.49	71,186.62	68,754.84
b	Loans from GoI	2,700.39	2,764.05	6,169.30	11,726.15	15,195.95
3	Liabilities on Public Account	14,495.29	15,565.74	16,006.11	16,260.12	17,745.64
4	Rate of growth of outstanding overall liability (<i>per cent</i>)	26.16	17.92	17.73	7.02	2.54
5	Gross State Domestic Product	3,27,107	3,44,648	3,47,752	4,06,416	4,57,608
6	Rate of growth of GSDP (<i>per cent</i>)	15.69	5.36	0.90	16.87	12.60
7	Liability /GSDP ¹⁷ (<i>per cent</i>)	20.41	22.84	25.75	22.42	20.46
Borrowings and Other Liabilities (As per Statement 6 of Finance Accounts)						
8	Total Receipts during the year	20,736.52	31,921.72	33,423.87	28,164.36	21,972.42
9	Total Repayments during the year	6,923.87	19,958.77	19,470.43	21,657.37	19,448.88
10	Net Funds Available during the year	13,812.65	11,962.95	13,953.44	6,506.99	2,523.54
11	Repayments/ Receipts (<i>per cent</i>)	33.39	62.52	58.25	76.90	88.51

Source: Finance Accounts of respective years

The amount of outstanding overall liability shown above included back-to-back loan of ₹8,074.15 crore (₹3,109.00 crore during 2020-21 and ₹4,965.15 crore in 2021-22) provided in lieu of shortfall in GST Compensation as debt receipt to the State Government with no repayment liability for the State.

The effective outstanding overall liability after excluding the back-to-back loan would be ₹93,622.28 crore as of March 2023. The rate of growth of outstanding overall liability decreased from 26.16 *per cent* in 2018-19 to 2.54 *per cent* in 2022-23. During 2022-23, total liability receipts decreased by ₹6,191.94 crore (21.99 *per cent*) and total liability repayment also decreased by ₹2,208.49 crore (10.20 *per cent*) as compared to previous year. The rate of growth of outstanding overall liability exceeded the rate of growth of GSDP during the year 2018-19 to 2020-21, whereas rate of growth of GSDP was more than rate of growth of outstanding overall liability for 2021-22 & 2022-23.

Public debt increased by ₹31,696.57 crore (60.66 *per cent*) during the period 2018-23 wherein internal debt increased by ₹19,201.01 crore (38.75 *per cent*) and Loans from GoI increased by ₹12,495.56 crore (462.73 *per cent*). Public Account liabilities increased by ₹3,250.35 crore (22.42 *per cent*) during the period 2018- 23.

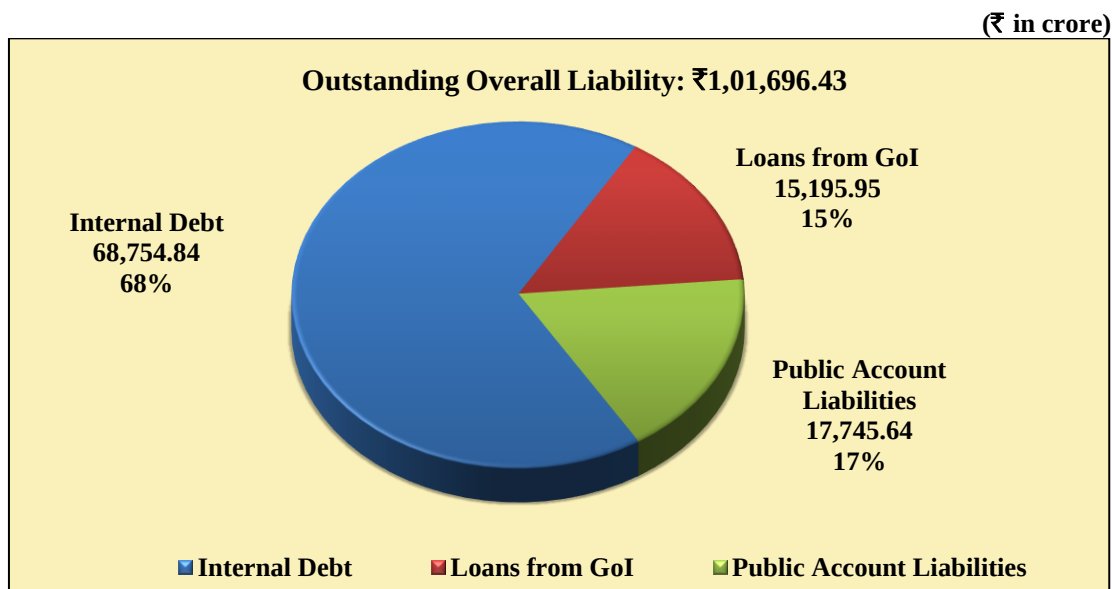
The State Government has net outstanding off-budget liabilities/borrowings of ₹7,161.32 crore towards various Financial Institutions in addition to the budgeted

¹⁷ Liability to GSDP ratio for the year 2020-23 has been calculated on the Outstanding Overall Liability after excluding the amount of back-to-back loan ₹8,074.15 crore (₹3,109.00 crore during 2020-21 and ₹4,965.15 crore in 2021-22) provided in lieu of shortfall in GST compensation as debt receipt to the State Government with no repayment liability for the State.

liabilities of ₹1,01,696.43 crore as on 31 March 2023. The State Government has not disclosed these liabilities in the budget documents as required under FRBM disclosures.

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

Chart 2.18: Break up of Outstanding Overall Liability at the end of 2022-23



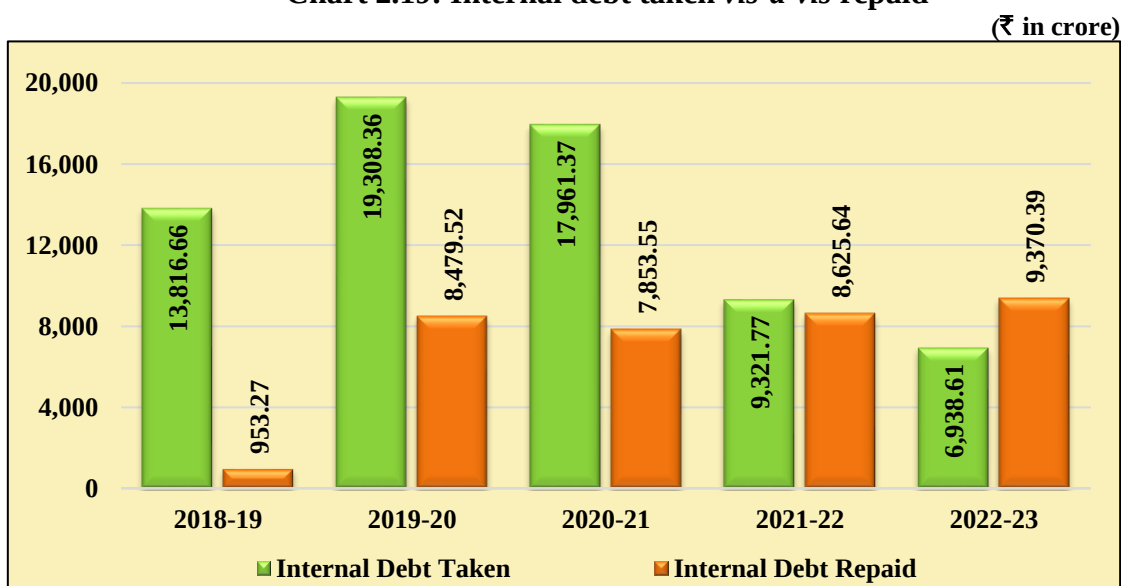
Source: Finance Accounts 2022-23

Note: Outstanding overall liability includes back-to-back loan of ₹8,074.15 crore received from GoI in lieu of GST compensation as debt receipt during 2020-22 with no repayment liability for the State.

Internal debt (₹68,754.84 crore), which is primarily market borrowings through issue of State Development Loans (SDLs), accounts for 68 per cent of the total outstanding liability.

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

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



Source: Finance Accounts of the respective years

During 2018-23, the internal debt receipts under the overall debt of the State Government decreased by ₹6,878.05 crore (49.78 *per cent*) from ₹13,816.66 crore in 2018-19 to ₹6,938.61 crore in 2022-23. Also, it decreased by ₹2,383.16 crore in the current year as compared to previous year. Repayments (₹9,370.39 crore) under internal debt during the year 2022-23 was 135 *per cent* of internal debt receipts (₹6,938.61 crore).

2.6.2 Components of fiscal deficit and its financing pattern

Fiscal Deficit represents the total financing that the State requires (predominantly by drawing on its cash and investment balances with the RBI and by borrowing) to meet the excess of the Revenue and Capital Expenditure (including loans and advances) over Revenue and Non-debt Receipts. Financing pattern of fiscal deficit is reflected in Table 2.33.

Table 2.33: Components of fiscal deficit and its financing pattern

(₹ in crore)

Sl. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Composition of Fiscal Deficit						
1	Revenue Deficit (-)/ Surplus (+)	(+)683.76	(-)9,608.61	(-)6,856.66	(+)4,642.02	(+)8,592.11
2	Net Capital Expenditure	(-)8,898.19	(-)8,561.69	(-)9,019.34	(-)10,499.33	(-)13,314.70
3	Net Loans and Advances ¹⁸	(-)77.80	200.75	53.62	(-)235.79	31.38
	Total	(-)8,292.23	(-)17,969.55	(-)15,822.38	(-)6,093.10	(-)4,691.21
Financing pattern of Fiscal Deficit (Net)						
1	Market borrowings	12,899.99	10,980.00	10,500.00	999.99	(-)2,200.00
2	Compensation and Other Bonds	0	0	0	(-)87.01	(-)87.01
3	Loans from financial institutions	407.14	304.72	112.02	239.03	311.11
4	Special securities issued to NSSF	(-)443.74	(-)455.88	(-)455.88	(-)455.88	(-)455.88
5	Loans from GOI	360.82	63.66	3,405.25	5,556.85	3,469.80
6	Small Savings, PF etc.	754.51	785.26	403.73	(-)0.90	1,306.48
7	Reserve Fund	60.4	814.16	(-)465.18	453.53	(-)181.39
8	Deposits and Advances	(-)231.39	(-)524.14	501.82	(-)204.13	360.77
9	Suspense and Miscellaneous	(-)5,709.95	4,505.27	1,845.02	109.64	2,955.88
10	Remittances	(-)122.43	80.79	(-)51.08	(-)6.83	37.56
11	Overall Deficit	7,975.35	16,553.84	15,795.70	6,604.29	5,517.32
12	(-) Increase/ (+) Decrease in cash balance	(+)316.88	(+)1,415.71	(+)26.68	(-)511.19	(-)826.11
13	Gross Fiscal Deficit	8,292.23	17,969.55	15,822.38	6,093.10	4,691.21

Source: Finance Accounts of respective years

During 2022-23, net Loans and Advances from the Central Government (₹3,469.80 crore) raised by the State Government contributed to finance a major portion of fiscal deficit and its share in financing fiscal deficit was 74 *per cent*.

¹⁸ Net loans and advances including inter-State settlement.

Receipts and Disbursements under different components financing the Fiscal Deficit are shown in **Table 2.34**:

Table 2.34: Receipts and Disbursements under components financing the fiscal deficit

(₹ in crore)

Sl. No.	Particulars	Receipt	Disbursement	Net
1	Market Borrowings	2,000.00	4,200.00	(-)2,200.00
2	Compensation and Other Bonds	0	87.01	(-)87.01
3	Loans from Financial Institutions	1,210.50	899.39	311.11
4	Special Securities issued to NSSF	0	455.88	(-)455.88
5	Loans from GOI	3,700.13	230.33	3,469.80
6	Small Savings, PF, etc.	2,965.00	1,658.52	1,306.48
7	Deposits and Advances	3,200.16	2,839.40	360.77
8	Suspense and Miscellaneous	1,87,127.10	1,84,171.22	2,955.88
9	Remittances	8,834.59	8,797.03	37.56
10	Reserve Fund	5,781.68	5,963.07	(-)181.39
11	Contingency fund	0	0	0
12	Overall Deficit	2,14,819.16	2,09,301.85	5,517.32
13	Increase/Decrease in cash balance	0	826.11	(-)826.11
14	Gross Fiscal Deficit	2,14,819.16	2,10,127.96	4,691.21

Source: Finance Accounts 2022-23

2.6.3 Debt Profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. **Table 2.35** below shows the debt maturity profile of the State.

Table 2.35: Maturity profile of repayment of public debt

(₹ in crore)

Sl. No.	Period of repayment (Years)	Internal Debt	Loans & Advances from Central Government	Total	Percentage (w.r.t. public debt)
1	0 to 1	7,204.78	418.64	7,623.42	9.08
2	1 to 3	20,088.52	469.09	20,557.61	24.49
3	3 to 5	22,534.84	473.15	23,007.99	27.41
4	5 to 7	16,021.39	445.85	16,467.24	19.61
5	7 and above	2,739.04	5,313.64	8,052.68	9.59
6	Others ¹⁹	166.27	8,075.58	8,241.85	9.82
Total		68,754.84	15,195.95	83,950.79	100.00

Source: Finance Accounts 2022-23

The maturity profile of the public debt as on 31 March 2023 indicates that the State has to pay 80.59 per cent of the debt within the next seven years.

¹⁹ Details of maturity year not available

2.7 Debt Sustainability Analysis (DSA)

Debt sustainability analysis has been carried out on the basis of fiscal and debt parameters, Domar approach, and compliance of macro-fiscal parameters to the respective FRBM targets. The results of the analysis are given in the following paragraphs:

(A) Debt sustainability is defined as the ability of the State to service its debt now and in future. Apart from the magnitude of the debt of the Government, it is important to analyse the various parameters that determine the debt sustainability of the State and indicate the ability of the State to service its debt obligations. This section assesses the sustainability of the debt of the Government in terms of rate of growth of outstanding debt; ratio of interest payments and revenue receipts, debt repayments and debt receipts; net debt available to the State.

Table 2.36 analyses the debt sustainability of the State according to these indicators for the period of five years from 2018-19 to 2022-23.

Table 2.36: Trends in debt Sustainability indicators

(₹ in crore)						
Sl. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
1	Outstanding Public Debt* (as on 31 st March of the year)	52,254.22	63,146.72	76,659.79	82,912.77	83,950.79
2	Rate of growth of outstanding Public Debt (<i>per cent</i>)	33.88	20.85	21.40	8.16	1.25
3	Gross State Domestic Product (GSDP)	3,27,107	3,44,648	3,47,752	4,06,416	4,57,608
4	Rate of growth of GSDP (<i>per cent</i>)	15.69	5.36	0.90	16.87	12.60
5	Public Debt/GSDP* (<i>per cent</i>)	15.97	18.32	21.15	18.41	16.58
6	Average interest Rate of Outstanding Public Debt (<i>per cent</i>)**	6.79	7.42	7.19	7.35	7.08
7	Rate Spread (4)-(6)	8.90	(-)2.06	(-)6.29	9.52	5.52
8	Interest Payment on Public Debt	3,098.02	4,282.24	4,915.43	5,453.80	5,336.45
9	Revenue deficit/ surplus without Interest payment on Public Debt	3,781.77	(-)5,326.37	(-)1,941.23	10,095.82	13,928.56
10	Percentage of Interest payment on Public Debt to Revenue Receipt	4.76	6.70	7.78	6.85	5.68
11	Percentage of Public debt Repayment to Public Debt Receipt	7.97	44.39	37.39	58.58	90.24
12	Net Public debt available to the State [#]	10,126.19	6,610.26	8,597.64	799.18	Nil
13	Net Public debt available as per cent to public debt Receipts	70.47	33.75	39.84	5.29	Nil
14	Primary Deficit (-) / Primary Surplus (+)	(-)4,639.69	(-)12,999.19	(-)10,189.27	(+)51.14	(+)1,690.87
15	Quantum spread@ ((1) *(7)/100)	4,650.63	(-)1,300.82	(-)4,626.34	7,124.64	4,188.39
16	Debt Stabilisation (14) +(15)	10.94	(-)14,300.01	(-)14,815.61	7,175.78	5,879.26

Source: Finance Accounts of the respective years

* Outstanding Public Debt is the sum of outstanding balances under the heads 6003-Internal Debt and 6004- Loans and Advances from the Central Government. It includes back-to-back loan of ₹8,074.15 crore (₹3,109.00 crore during 2020-21 and ₹4,965.15 crore in 2021-22) provided in lieu of shortfall in GST compensation as debt receipt to the State Government with no repayment liability for the State.

& Public debt to GSDP ratio has been calculated for the year 2020-23 on the Outstanding public debt after excluding the amount of back-to-back loan of ₹8,074.15 crore (₹3,109.00 crore during 2020-21 and ₹4,965.15 crore in 2021-22)

** Average interest Rate = (Interest paid/ (OB of Public Debt + CB of Public Debt)/ 2), where public debt taken after excluding back-to-back loan for 2020-23.

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

@ Quantum spread = (Public Debt * Rate spread) where Rate spread = (GSDP growth rate - average interest rate). For computation of quantum spread, the public debt taken excluding back-to-back loan for 2020-23.

A necessary condition for debt stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative.

Given the rate spread (GSDP growth rate – interest rate) of public debt and quantum spread (Public debt * rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, public debt-GSDP ratio would tend to be constant, or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, public debt-GSDP ratio would be rising and in case it is positive, public debt GSDP ratio would eventually be falling.

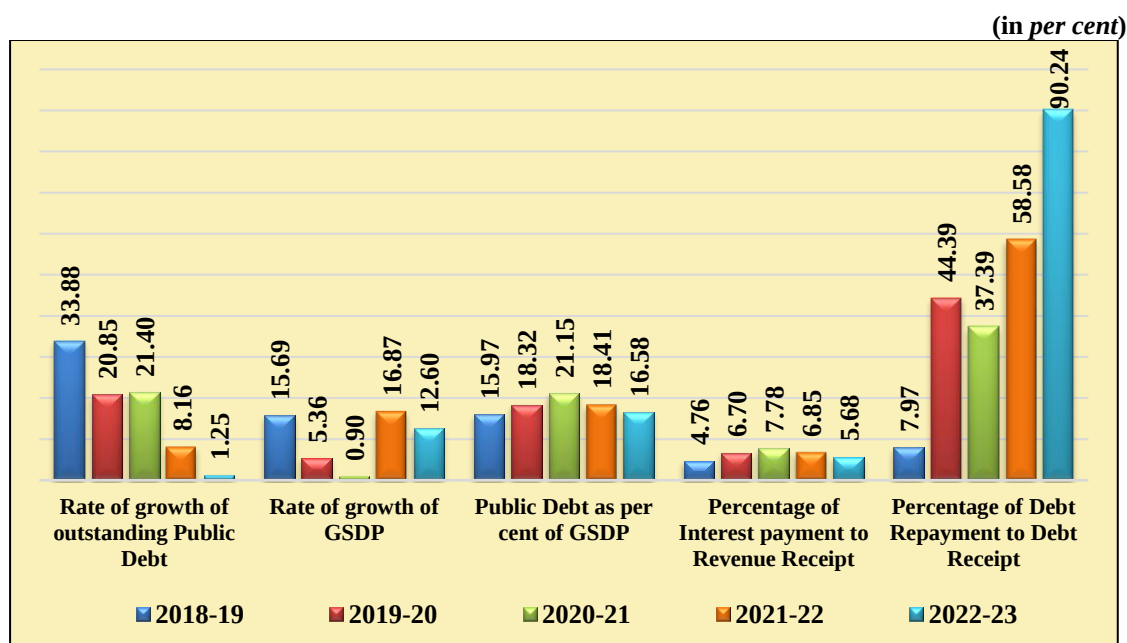
- The rate spread, which entered into a negative territory in 2019-20 made the quantum spread unfavorable for debt stabilisation. The primary balance also saw a significant deterioration. As a result, public debt to GSDP increased by over 2 percentage points to 18.32 *per cent* in 2019-20 from 15.97 *per cent* in 2018-19.
- In the pandemic affected year 2020-21, though the primary balance improved slightly, the rate spread deteriorated significantly. Thus, the improvement made in the primary balance was offset by the increase in rate spread that led to the increase in the public debt to GSDP ratio.
- Unlike the last two FY 2019-20 & 2020-21, public debt to GSDP has observed declining trend for two consecutive years and it reached to 18.41 *per cent* in 2021-22 and 16.58 *per cent* in 2022-23. The improvement in rate spread and positive primary balance resulted in the decline of the public debt to GSDP ratio in 2021-22. In contrary to deceleration observed in rate spread, which led to the decrease in quantum spread, a significant primary surplus contributed to the improvement in public debt to GSDP ratio in 2022-23.
- The debt stabilization indicator, after showing a deterioration during 2019-21 turned positive in 2021-22 and continued to remain positive in 2022-23 despite the deceleration in the rate spread.
- A higher percentage of interest payments leaves less funds for priority areas. The percentage of interest payments to revenue receipt measures the margin of safety a government has for paying interest on its debt during a given period. There

was an increasing trend in the percentage of interest payment on public debt to revenue receipt (4.76 *per cent* to 7.78 *per cent*) from 2018-19 to 2020-21. However, during 2021-22 & 2022-23 interest payment on public debt to revenue receipt decreased to 6.85 *per cent* and 5.68 *per cent* respectively.

- The net public debt available to the State after repayment of borrowings and interest was nil in 2022-23 as compared to five *per cent* in previous year, which indicates towards increased burden of servicing of debt and leaves the State with limited fund available for development activities.
- Further, as per the debt maturity profile (given in **Para 2.6.3**), the State has to repay 61 *per cent* of the public debt within five years and 81 *per cent* of the public debt within the next seven years. This indicates higher debt redemption pressure on the State's resource in future which may affect the State's debt stabilization, if growth rate of receipts do not keep the same pace.
- The average expenditure (Public debt repayment and interest payment on Public Debt) on debt servicing during the period 2018-23 was ₹11,888.30 crore, which accounted for 73 *per cent* of average public debt receipts (₹16,255.27 crore) during the same period, implying that a large percentage of debt was being used for debt servicing rather than productively.

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

Chart 2.20: Trends of Debt Sustainability indicators



Source: Finance Accounts of the respective years

Note: Public debt to GSDP ratio has been calculated for the year 2020-23 on the Outstanding public debt after excluding the amount of back-to-back loan of ₹8,074.15 crore (₹3,109.00 crore during 2020-21 and ₹4,965.15 crore in 2021-22).

(B) An analysis on debt sustainability was carried out based on a study by E.D Domar²⁰ [Domar, 1944]. The Domar model states that the necessary premise for ensuring stability of public indebtedness is that the interest rates for government loans should not exceed the growth rate of GDP.

The dynamics of public debt depending on the interest rate, growth rate of GSDP and the primary budget balance are as follows:

g-r (g= real economic growth rate; r=real interest growth rate)	s< 0 (primary deficit)	s>0 (primary surplus)
g-r>0 (strong economic growth)	Public debt as percentage of GSDP should converge to a stable level greater than zero.	Public debt as percentage of GSDP should converge to a stable level less than zero leading to public savings.
g-r<0 (slow economic growth)	Public debt as percentage of GSDP should increase indefinitely, without converging to a stable level.	Undefined situation

The results of applying the above parameters in the case of Chhattisgarh, are shown in **Table 2.37**.

Table 2.37: Debt sustainability analysis based on Domar Model

Year	Real Growth (g)	Real Interest (r)	g-r (Domar gap)	Primary Deficit (-) / Surplus (+) (in crore)	Remarks
2018-19	11.10	4.39	6.71	(-)4,639.69	g-r>0 and s<0; Public debt as percentage of GSDP should converge to a stable level greater than zero.
2019-20	2.76	4.94	(-)2.18	(-)12,999.19	g-r<0 and s<0; Public debt as percentage of GSDP should increase indefinitely, without converging to a stable level.
2020-21	(-)1.80	(-)0.24*	(-)1.56	(-)10,189.27	
2021-22	8.46	2.52*	5.94	(+)51.14	g-r>0 and s>0; Public debt as percentage of GSDP should converge to a stable level less than zero leading to public savings.
2022-23	8.00	2.39	5.61	(+)1,690.87	

Source: GSDP- Directorate of Economics and Statistics of the Chhattisgarh State; Inflation- CSO, MoSPI

*Note: Real Growth rate calculated for GSDP at constant prices; Real Interest rate calculated as average interest rate on total public debt minus inflation. *Average CPI Index for ten months has been taken due to unavailability of CPI data for the months of April and May 2020.*

- Domar gap (g-r), after showing a deterioration during 2019-21 turned positive in 2021-22 and continued to remain positive in 2022-23 despite the deceleration in real growth. Domar gap (g-r) was negative during covid years (2019-20 and 2020-21). However, in post covid years, the Domar gap turned positive due to high growth in GSDP. Positive Domar gap due to high growth rate in post covid years may also be seen with reference to low base for comparison in previous year due to covid.

²⁰ Domar model does not take into account maturity profile, composition, cost and risk characteristics of debt stock.

- The growth of rate of interest rate is lower than the rate of growth of the GSDP post-pandemic (2021-22) as per the Domar model analysis. Nevertheless, when examining the Domar gap, the real interest rate has surpassed the real economic growth rate in 2019-20 and 2020-21. However, during 2021-22 and 2022-23 the Domar gap again turned positive along with increase in primary surplus satisfying the condition of debt sustainability ($g-r>0$). The Domar gap should further be viewed with the other factors such as Public Account liabilities (₹17,745.64 crore), off-budget borrowings (₹7,161.32 crore) in assessing the debt sustainability/stability of the State. Therefore, the trends of strong economic growth (expressed as $g-r>0$) by only observing the Domar gap in 2021-22 and 2022-23 cannot be generalised.

(C) Details of the achievements *vis-a-vis* targets set in the Fiscal Consolidation Roadmap (FCR) are shown below:

Table 2.38: Achievement vis-a-vis target set in the FRBM/MTFPS

Fiscal Parameters		Achievement vis-a-vis target set in the FCR				
		2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Deficit (-)/ Surplus (+) to GSDP (<i>per cent</i>)	T	1.32	0.32	0.67	(-)0.96	0.16
	A	0.21	(-)2.79	(-)1.97	1.14	1.88
Fiscal Deficit (-)/ Surplus (+) to GSDP (<i>per cent</i>)	T	(-)3.50	(-)5.00	(-)5.00	(-)4.56	(-)3.33
	A	(-)2.54	(-)5.21	(-)4.55	(-)1.50	(-)1.03
Ratio of overall outstanding liability to GSDP (<i>per cent</i>)	T	18.06	21.23	21.59	28.34	26.41
	A	20.41	22.84	25.75	22.42	20.46

Source: Finance Accounts, FRBM & Medium-Term Fiscal Policy Statement

- The ratios of revenue surplus-GSDP increased from 0.21 to 1.88, fiscal deficit-GSDP decreased from (-)2.54 to (-)1.03 and outstanding overall liability-GSDP increased from 20.41 to 20.46. The State Government was unable to meet the targets of Revenue surplus/deficit-GSDP and outstanding overall liability-GSDP fixed in prescribed in the MTFPS from 2018-19 to 2020-21, while it was within the target in 2021-22 and 2022-23. The Fiscal deficit-GSDP ratio remained within the targets in 2018-23 except for the year 2019-20 where it exceeded the prescribed limit.

Moreover, there has been continuous increase in the committed expenditure as a percentage of the revenue receipts from 41.31 *per cent* in 2018-19 to 42.94 *per cent* in 2022-23. However, average committed expenditure as a percentage of the revenue receipts has been around 48 *per cent* in the last five years, thereby showing the limited availability of revenue resources for other purposes including debt servicing.

Fiscal sustainability risk:

- (i) It can be observed from **Table 2.36** that the debt stabilisation indicator is currently static rather than conclusively ascending. The debt stabilization indicator, consisting of quantum spread and primary deficit, declined in the

period (2019-21) and has since shown a gradual increase in the post-pandemic year. However, it has not yet reached a stable state for debt stabilization. Moreover, the improvement in Public Debt to GSDP after the pandemic suggests that the debt situation is not deteriorating, but it has not yet reached a threshold.

(ii) As per the Domar model analysis, the growth of rate of real interest is generally lower than the rate of growth of the GSDP. This indicates that the GSDP rate and the interest rate would not converge in the short to medium term.

(iii) As per the macro fiscal parameters, the State government was able to meet the targets for revenue deficit/surplus-GSDP and fiscal deficit-GSDP, outstanding liability-GSDP in 2022-23.

On the basis of the above, it is inferred that public Debt/GSDP ratio in the past five years remained fluctuating and thus it is too early to conclude that debt is on the path of stabilisation.

2.7.1 Trend of Outstanding Public Debt for Repayment in upcoming Years

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

As per Finance Accounts, the principal of outstanding debt stock for repayment in the next 10 years is depicted below in **Table 2.39**.

Table 2.39: Outstanding Public Debt (Principal) for Repayment in next 10 years

(₹ in crore)

Sl. No.	Year	Outstanding Public Debt (Principal) for Repayment as on March 2023		
		Internal Debt of the State Government	Loans and Advances from Central Government	Total
1	2022-23	9,370.39	230.33	9,600.72
2	2023-24	7,204.78	418.64	7,623.42
3	2024-25	9,045.96	229.60	9,275.56
4	2025-26	11,042.56	239.49	11,282.05
5	2026-27	10,422.30	235.39	10,657.69
6	2027-28	12,112.54	237.76	12,350.30
7	2028-29	7,798.03	231.36	8,029.39
8	2029-30	8,223.36	214.49	8,437.85
9	2030-31	2,256.48	194.27	2,450.75
10	2031-32	120.44	184.79	305.23
11	2032-33	82.18	183.92	266.10
Total		77,679.02	2,600.04	80,279.06

Source: Finance Accounts 2022-23

During 2022-23, the State Government made principal repayment of ₹9,370.39 crore against Internal Debt and ₹230.33 crore against Loans and Advances from Central Government. Further, the State Government will have to make principal repayment of

₹68,308.63 crore against Internal Debt and ₹2,369.71 crore against Loans and Advances from Central Government from 2023-24 to 2032-33. Outstanding principal and interest of market loans for repayment is shown in below **Table 2.40**.

Table 2.40: Outstanding principal and probable interest of Market Loans for repayment

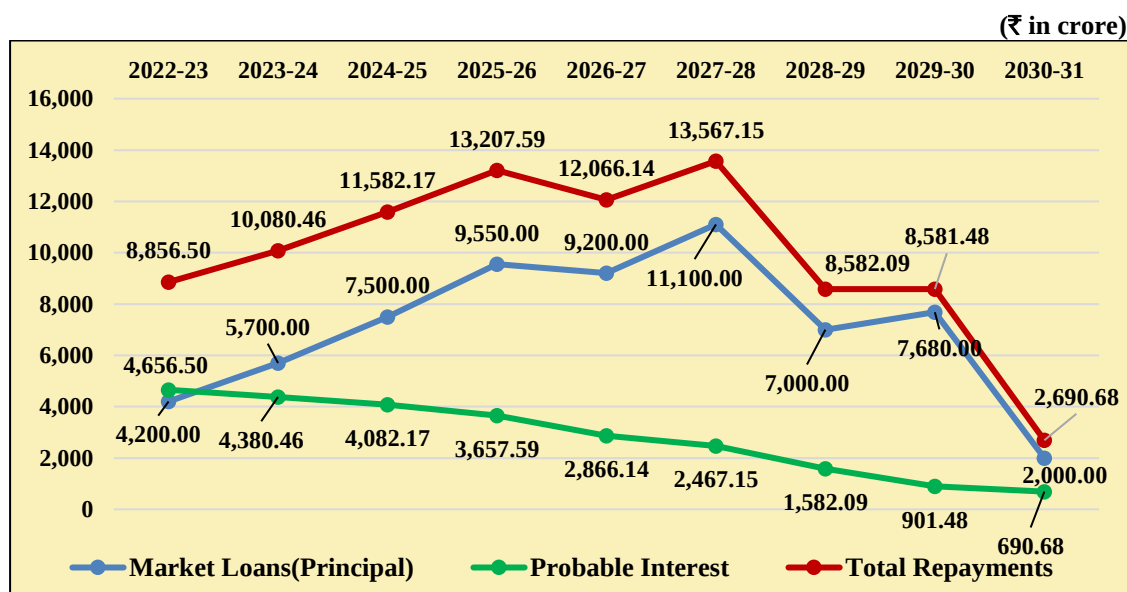
(₹ in crore)

Sl. No.	Year	Outstanding Market Loans for Repayment as on 31 March 2023		
		Principal	Probable Interest	Total
1	2022-23	4,200.00	4,656.50	8,856.50
2	2023-24	5,700.00	4,380.46	10,080.46
3	2024-25	7,500.00	4,082.17	11,582.17
4	2025-26	9,550.00	3,657.59	13,207.59
5	2026-27	9,200.00	2,866.14	12,066.14
6	2027-28	11,100.00	2,467.15	13,567.15
7	2028-29	7,000.00	1,582.09	8,582.09
8	2029-30	7,680.00	901.48	8,581.48
9	2030-31	2,000.00	690.68	2,690.68
Total		63,930.00	25,284.26	89,214.26

Source: Finance Accounts 2022-23

The State Government made principal repayment of ₹4,200.00 crore and interest repayment of ₹4,656.50 crore against market loans during 2022-23. Further, the State Government will have to make principal repayment of ₹59,730.00 crore and probable interest repayment of ₹20,627.76 crore against market borrowings from 2023-24 to 2030-31. Market loans of ₹59,730.00 crore forms a major part (85 per cent) of total public debt-principal component of ₹70,678.34 crore. Trend of repayment of outstanding market loans is shown in **Chart 2.21** below.

Chart 2.21: Trend of outstanding Market Loans for repayment



Source: Finance Accounts 2022-23

As can be seen from the above chart, the outstanding year wise market loans for repayment up to 2027-28 shows an increasing trend and will peak during 2027-28, the State Government needs to augment its resources to meet the increasing debt repayment burden over the coming years.

2.7.2 Utilisation of borrowed fund

Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not sustainable. Details and trends of utilisation of borrowed funds during 2018-19 to 2022-23 are given in **Table 2.41**.

Table 2.41: Utilisation of borrowed funds

(₹ in crore)						
Sl. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
1	Total Borrowings ²¹	20,736.52	31,921.72	33,423.87	28,164.36	21,972.42
2	Repayment of earlier borrowings (Principal)	6,923.87	19,958.77	19,470.43	21,657.37	19,448.88
3	Balance available after borrowing repayments	13,812.65	11,962.95	13,953.44	6,506.99	2,523.54
4	Net Capital expenditure	(-)8,898.19	(-)8,561.69	(-)9,019.34	(-)10,499.33	(-)13,314.70
5	Net Loans and Advances	(-)77.80	200.75	53.62	(-)235.79	31.38
6=1-2-4-5	Portion of Revenue expenditure met out of net available borrowings	Nil	3,602.01	4,987.72	Nil	Nil
7	Surplus borrowing in Cash Balance	4,836.66	Nil	Nil	Nil	Nil

Source: Finance Accounts of the respective years

During the year 2022-23, 89 *per cent* of borrowed funds (₹21,972.42 crore) were utilised towards the repayment of earlier borrowings (₹19,448.88 crore) leaving only 11 *per cent* of borrowed fund for development activities. During 2022-23, if the balance available after repayments of borrowing (₹2,523.54 crore) being used to make interest payments of ₹6,382.08 crore, then no borrowed fund will be available for capital expenditure. Further, utilization of borrowed funds for repayment of debt increased from 33 *per cent* in 2018-19 to 89 *per cent* in 2022-23, which indicates that borrowed funds primarily for discharging the debt servicing obligations rather than for capital assets creation.

During 2022-23, total borrowings decreased by ₹6,191.94 crore (21.99 *per cent*) from ₹28,164.36 crore in 2021-22 to ₹21,972.42 crore in 2022-23. Similarly, repayment of earlier borrowings decreased by ₹2,208.49 crore (10.20 *per cent*) in 2022-23 over the previous year.

²¹ Total Borrowing includes receipts under Public Debt and Other Public Account liabilities.

2.7.3 Guarantees – Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per Chhattisgarh State Government Guarantee Rules, 2020 (Amended), the total Government guarantees given in a financial year shall not exceed 100 *per cent* of the State's own Revenue Receipts in the preceding year. The details of ceiling amount, outstanding guarantees and maximum amount guaranteed at the end of the financial year for the year 2018-19 to 2022-23 are given in **Table 2.42**.

Table 2.42: Guarantees given by the Government of Chhattisgarh

(₹ in crore)

Sl. No.	Guarantees	2018-19	2019-20	2020-21	2021-22	2022-23
1	Ceiling applicable to the amount of guarantees*	18,364.57	20,391.20	30,051.62	30,026.15	40,934.94
2	Outstanding amount of guarantees	10,769.42	18,459.36	19,836.13	19,499.89	20,957.51
3	Maximum amount guaranteed	19,573.79	27,994.79	26,694.79	29,947.50	30,022.50

Source: Finance Accounts of the respective years

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

Maximum amount of guarantees given by the Government of Chhattisgarh during the year 2020-21 to 2022-23 was within the applicable ceiling however it exceeded the limit during 2018-19 to 2019-20. During the year 2022-23, guarantee fees of ₹76.99 crore was received against the receivable guarantee fees of ₹75.96 crore.

2.7.4 Management of Cash Balances

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

It is not desirable that the State Government takes recourse to market loans despite having large cash balances leading to further accretion to cash balances without putting it to productive use. **Table 2.43** depicts the cash balances and the investments made out of these by the State Government during the year.

Table 2.43: Status of Cash Balances

(₹ in crore)

Sl. No.	Particulars	Opening balance as on 01 st April 2022	Closing balance as on 31 st March 2023
1	A. General Cash Balances		
2	Cash in treasuries	0	0
3	Deposits with Reserve Bank	(-)610.48	215.63
4	Investment held in 'Cash Balance Investment Account'	3,345.39	485.61
5	Total A	2,734.91	701.24
6	B. Other Cash Balances and Investments		
7	Cash with the Departmental Officers viz. Forest, Public Works Departments, Military Secretary to the Governor	12.10	12.09
8	Permanent advances for contingent expenditure with Departmental Officers	0.34	0.34
9	Investment of Earmarked Funds	7,174.27	7,334.30
10	Total B	7,186.71	7,346.73
11	Total A and B	9,921.62	8,047.97
12	Interest realised	28.23	41.70

Source: Finance Accounts of 2022-23

General Cash Balances of the State Government at the end of the current year decreased by ₹2,033.67 crore from ₹2,734.91 crore in 2021-22 to ₹701.24 crore in 2022-23.

Under an agreement with the Reserve Bank of India (RBI), the GoCG has to maintain the required minimum cash balance of ₹0.72 crore with the RBI. If the balance falls below the agreed minimum balance on any day, the shortfall is made good by taking Ordinary and Special Ways and Means Advance or Ordinary Ways and Means Advance. The State Government was able to maintain a minimum cash balance of ₹0.72 crore for 350 days and had to maintain the minimum balance by taking Special Drawing Facility for 15 days. The State Government had to pay ₹0.11 crore as interest on SDF during the year 2022-23.

The cash balance investments of the State during the five-year period 2018-19 to 2022-23 are given below in Table 2.44.

Table 2.44: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

Sl. No.	Year	Cash Balance Investment			
		Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
1	2018-19	4,070.85	9,759.02	5,688.17	144.33
2	2019-20	9,759.02	5,246.81	(-)4,512.21	196.10
3	2020-21	5,246.81	3,389.68	(-)1,857.13	29.66
4	2021-22	3,389.68	3,345.39	(-)44.29	28.23
5	2022-23	3,345.39	485.61	(-)2,859.78	41.70

Source: Finance Accounts of respective years

The position of closing balance of Cash Balance Investment of the State Government decreased from ₹9,759.02 crore in 2018-19 to ₹485.61 crore in 2022-23.

2.8 Conclusion

The State Government registered a significant increase of 17.86 per cent in its Revenue Receipts during 2022-23 compared to the previous year. The tax revenue increased by 17.66 per cent and non-tax revenue increased by 10.09 per cent.

The State Government achieved the target of Revenue surplus (₹8,592.11 crore) and ratio of Fiscal Deficit to GSDP (1.03 per cent) was within the target of 3.33 per cent prescribed under MTFPS during the 2022-23.

Revenue expenditure which constitutes 86.41 per cent of total expenditure increased by 13.70 per cent during 2022-23 compared to the previous year. Though the Capital Expenditure increased by 26.81 per cent over the previous year, its share in total expenditure was merely 13.50 per cent. While the revenue expenditure as a percent of GSDP was 18.64 per cent, the capital expenditure stood at 2.91 per cent of GSDP in 2022-23.

Committed Expenditure to Revenue Expenditure in the year 2022-23 increased to 47.27 per cent in 2022-23 from 41.75 per cent in the year 2018-19.

The State Government earned a meagre 0.08 per cent return on its total investment (₹7,447.77 crore) in Statutory Corporations, Government Companies and Co-operatives up to 31 March 2023.

During the year 2022-23, the State Government transferred less contribution to the Consolidated Sinking Fund, which was 0.46 per cent of the outstanding liabilities (Internal Debt and Public Account Liabilities) as against its minimum required contribution of at least 0.50 per cent.

The Overall outstanding Liability-GSDP²² ratio of the State decreased from 22.42 per cent in the year 2021-22 to 20.46 per cent in the year 2022-23 and was within the target of 26.41 per cent under the MTFPS.

The percentage of Interest Payment on Public Debt to Revenue Receipts decreased to 5.68 per cent in the year 2022-23 from 6.85 per cent in the year 2021-22. Public Debt repayment to receipt increased from 7.97 per cent in 2018-19 to 90.24 per cent in 2022-23. Decline in net public debt availability of the State indicates towards increased burden of servicing of debt and leaves the State with limited fund available for development activities.

The debt stabilisation indicator is currently static rather than conclusively ascending. The debt stabilization indicator, consisting of quantum spread and primary deficit,

²² Excluding back-to-back loan of ₹8,074.15 crore received from GoI in lieu of GST compensation as debt receipt during 2020-22 with no repayment liability for the State.

declined in the period (2019-21) and has since shown a gradual increase in the post-pandemic year. However, it has not yet reached a stable state for debt stabilization. Moreover, the improvement in Public Debt to GSDP after the pandemic suggests that the debt situation is not deteriorating, but it has not yet reached a threshold.

The outstanding year wise market loans for repayment shows an increasing trend and will peak during 2027-28.

2.9 Recommendations

- i.** The State Government may review the reasons for shortfall in capital expenditure vis-à-vis budget estimates, so that more funds can be made available for infrastructure creation to provide stimulus for economic growth.
- ii.** The State Government should assess the reasons for the insufficient return on investment from statutory corporations, Government companies, Joint Stock Companies, Co-operative Institutions and to look for remedial measures.
- iii.** The State Government should review and analyse the reasons for delays in the completion of capital works and initiate expeditious measures to enable the departments involved to overcome the hurdles in this regard.

CHAPTER III

BUDGETARY MANAGEMENT

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:

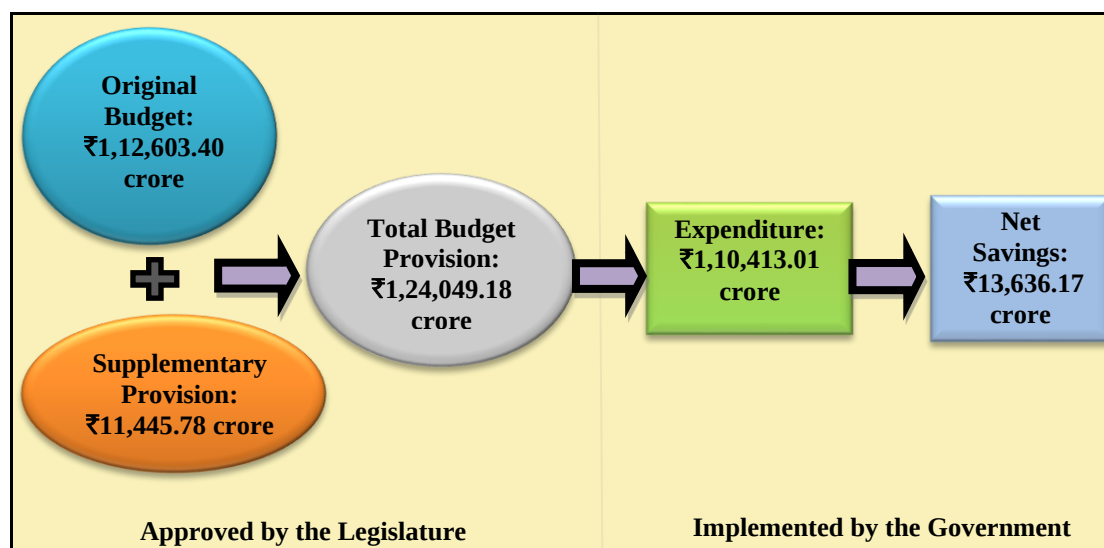
- ✦ At the beginning of the financial year, Finance Department undertakes a preliminary assessment of the financial resources that are likely to be available with the State in the ensuing financial year based on past trends with due consideration of policy announcements by the Union and State Governments 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 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 departments¹. 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 departments². 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.

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

²Labour 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) ³	Actual Expenditure (AE) ⁴	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
Total	1,12,603.40	1,10,413.01	2,190.39

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 ± 25 per cent in 39 grants, between ± 25 per cent to ± 50 per cent in 19 grants, between ± 50 per cent to ± 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 ± 25 per cent in 21 grants, between ± 25 per cent to ± 50 per cent in 18 grants, between ± 50 per cent to ± 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
Total Expenditure	1,12,603.40	1,21,842.07	1,10,413.01	9,238.67	(-) 11,429.06

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 ± 25 per cent in 37 grants/appropriation, between ± 25 per cent to ± 50 per cent in 16 grants, between ± 50 per cent to ± 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 ± 25 per cent in 23 grants, between ± 25 per cent to ± 50 per cent in 11 grants, between ± 50 per cent to ± 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.

³ This excludes recoveries adjusted in reduction of expenditure.

⁴ 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)
	Total Voted	99,045.91	11,371.52	1,10,417.43	93,914.12	-16,545.08 (14.98)	41.77 (0.05)	18,049.90 (109.10)
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
	Total Charged	13,557.49	74.26	13,631.75	16,498.89	-721.70 (5.29)	3,588.83 (26.33)	831.61 (115.23)
Grand Total		1,12,603.40	11,445.78	1,24,049.18	1,10,413.01	-17,266.78 (13.92)	3,630.60 (2.93)	18,881.51 (109.35)

Source: Appropriation Account 2022-23

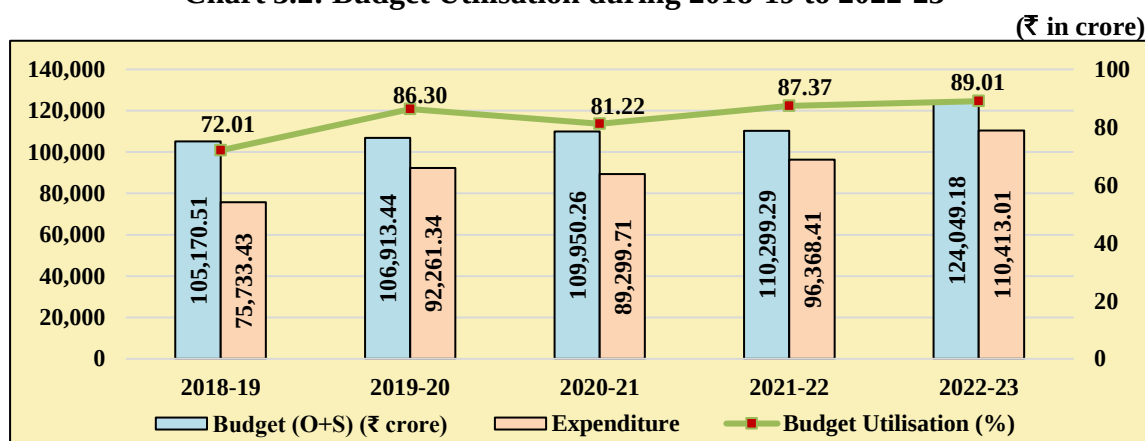
The total savings amounted to ₹17,266.78 crore (13.92 per cent of total grants/appropriation), and ₹18,959.11 crore was surrendered. Out of the total surrender

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

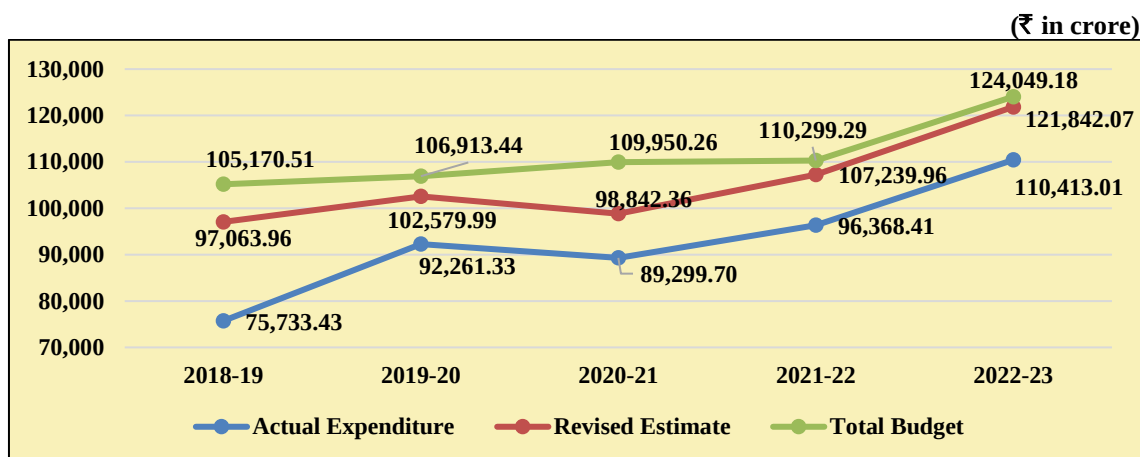
(₹ in crore)

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.

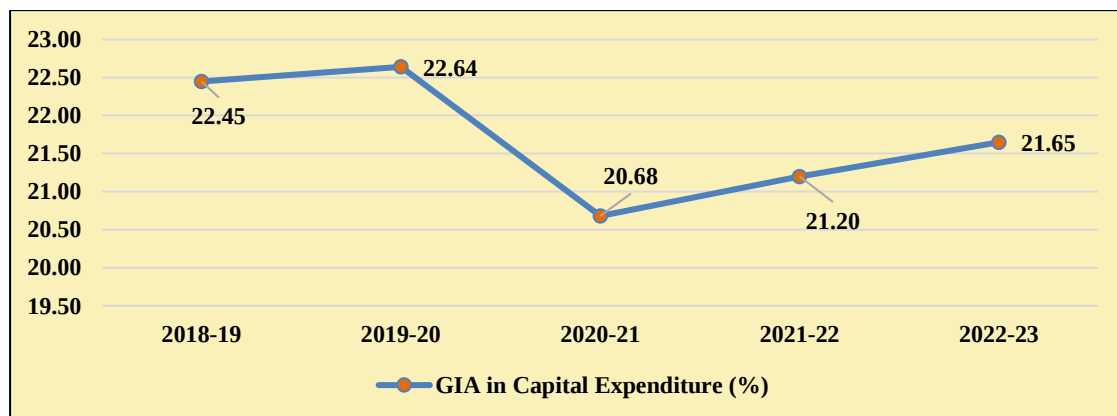
During 2022-23, the Government of Chhattisgarh made budget provisions and misclassified Grants-in-Aid (GIA) of ₹2,840.61 crore provided for the creation of capital assets under Capital Section. Besides, misclassification of GIA booked under object head 45, office expenses (₹6.87 crore), payment for professional 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	%
Revenue (Voted)							
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
Total-Revenue Voted			23,961.14	1,511.68	20,744.29	-3,216.84	13.43
Capital (Voted)							
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
Total-Capital Voted			2,467.83	103.96	1,833.70	-634.13	25.69
Grand Total			26,428.97	1,615.64	22,577.99	-3,850.97	14.57

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
Total		4.01	171.40	175.41

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
Total		400.22	0.00	20.38	420.60	389.36	-31.26

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
Total		1,746.15	0.00	1,746.15

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.

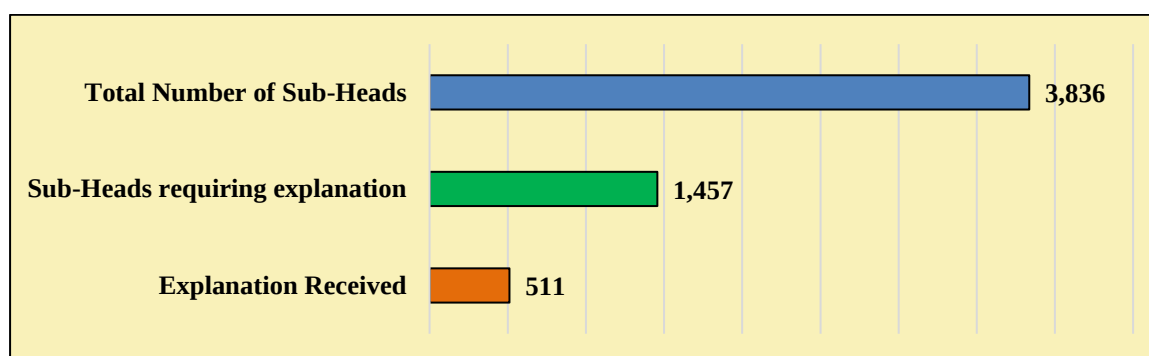
3. Comments are to be made on Excess (Voted):

- 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
Revenue Voted						
1	Finance Department	06	Expenditure pertaining to Finance Department	7,735.03	7,776.80	41.77
Revenue Charged						
2	Women and Child Welfare Department	55	Expenditure pertaining to Women and Child Welfare	0.00	0.01	0.01
Capital Charged						
3	-	CH1	Public Debt	6,011.90	9,600.72	3,588.82
Total				13,746.93	17,377.53	3,630.60

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
Total		143	60	17,436.39

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 (1st Half Year - 45 *per cent*; 2nd 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
Revenue Provision		2,621.89	3,269.93	3,118.95
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
Capital Provision		188.76	69.26	46.52
4	Expenditure	168.81	59.79	35.79
5	Savings	19.95	9.47	10.72
6	Savings (%)	10.57	13.67	23.04
Total Budget Provision		2,810.65	3,339.19	3,165.47
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 th 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- Mukhyamantri Vishesh Swasthya Sahayata Yojana	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
Revenue Provision		1,191.99	1,090.63	1,198.53
1	Expenditure	786.14	636.62	660.96
2	Savings	405.85	454.01	537.56
3	Savings (%)	34.05	41.63	44.85
Capital Provision		1,516.00	1,557.91	1,777.51
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
Total Budget Provision		2,707.99	2,648.54	2,976.04
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- Mukhyamantri Garsa Development Scheme	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

- i. 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.
- ii. 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.

CHAPTER IV
QUALITY OF ACCOUNTS
AND
FINANCIAL REPORTING
PRACTICES

QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

4.1 Introduction

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

4.2 Submission of Utilisation Certificates

Rule 182 of Chhattisgarh Financial Code stipulates that where Grants-in-Aid (GIA) is annual or a non-recurring grant, has been given for one year only, the departmental officer on whose signature or counter signature the grant-in-aid bill was drawn, shall on or before September 30, of the year following that to which the grant related, furnish Utilisation Certificates (UCs) to the Accountant General.

All the UCs (236), for the Grants-in-Aid given up to March 2022 and due as per extant provision were cleared by March 2023. Further, considering the above extant provisions, UCs for Grants-in-Aid withdrawn during the year 2022-23 were not due for this year. Hence, status of outstanding UCs as of 31 March 2023 is nil.

To ascertain the timely submission of UCs and its utilization, a test check of records of Energy department was done for which details are as below:

- Energy Department released ₹496.73 crore Grants-in-Aid to Chhattisgarh Renewable Energy Authority (CREDA) for implementation of two major schemes *Saur Sujala Yojna* and *Solar Pump Hetu Sahayak Anudan* in the year 2021-22. During scrutiny of records pertaining to above two schemes, it was noticed that UCs for full amount i.e. ₹496.73 crore were submitted to the Accountant General in August 2022 by Energy Department. However, funds of ₹24.37 crore were actually utilised in subsequent months (upto October 2022) by the CREDA.

This indicates that the UCs were issued without the actual utilization of funds and there was no proper monitoring in the department to ensure the actual utilization of funds against the grant.

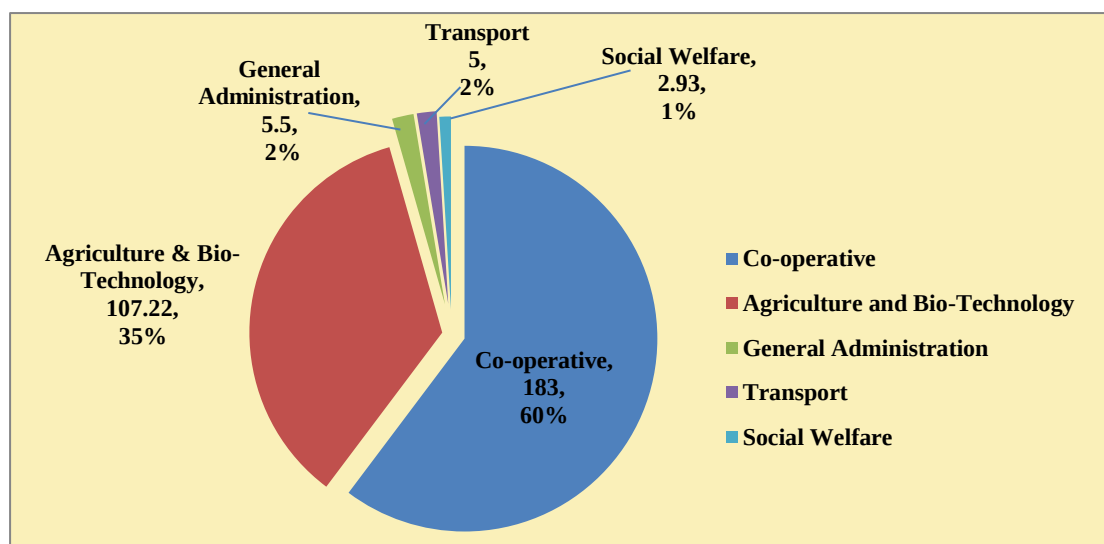
4.3 Pending DC Bills

As per Rule 327 of the Chhattisgarh Financial Rules, Drawing and Disbursing Officers (DDOs) are authorized to draw sums of money for limited purposes by preparing Abstract Contingent (AC) bills without vouchers. Subsequently, Detailed Countersigned Contingent (DC) bills (vouchers in support of final expenditure) are required to be furnished to the Accountant General (A&E) not later than 25th of the following month in which such amounts are drawn.

As of 31 March 2023, 12 Departments of the Government of Chhattisgarh had not submitted DC bills for ₹306.67 crore against 471 AC Bills. Department-wise pending DC bills for the years up to 2022-23 are detailed in **Appendix 4.1**. Status of pending DC bills in respect of five major departments is given in **Chart 4.1**.

Chart 4.1: Pending DC Bills in respect of five major Departments

(₹ in crore)



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

Further, out of the above five Departments, major pendency of DC bills (51 DC bills) amounting to ₹183 crore and ₹107.22 crore were pertaining to Co-operative and Agriculture and Bio-Technology Department respectively as shown in **Chart 4.1**. Further, out of DC bills, 309 DC bills amounting ₹122.29 were still pending as of November 2023.

Year-wise details of pendency of DC bills for the years up to 2022-23 are given in **Table 4.1**.

Table 4.1: Pendency in submission of DC bills against AC bills

(₹ in crore)

Sl. No.	Year	Opening Balance		Addition		Clearance		Closing Balance	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	Upto 2020-21	315	201.59	208	2,947.73	63	2,853.79	460	295.53
2	2021-22	460	295.53	265	2,556.55	369	2,665.23	356	186.85
3	2022-23	356	186.85	531	3,492.42	416	3,372.60	471	306.67

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

Out of 471 DC bills of ₹306.67 crore pending for submission as of 31 March 2023, 2 DC bills (₹0.02 crore), 35 DC bills (₹0.58 crore), 39 DC bills (₹0.38 crore), 126 DC bills (₹107.73 crore) and 269 DC bills (₹197.96 crore) pertained to the years 2017-18, 2019-20, 2020-21, 2021-22 and 2022-23 respectively.

A test check of records relating to submission of AC/DC bills of two departments were done for which details are as below:-

- **Department of Agriculture Development and Farmers Welfare and Bio-Technology** had drawn 48 AC bills during year 2021-22 and 2022-23. Out of 48 AC bills, **Directorate of Agriculture** had drawn 31 AC bills amounting to ₹ 106.82 crore during year 2021-22 for providing assistance to the farmers under the schemes i.e *Bhartiya Prakritk Krishi Paddhti Yojna* (BPKY), Agriculture Mechanization Sub-Mission, Rainfed Area Development, National Food Security Mission etc. However, DC bills against all 31 AC bills were not submitted as of October 2023 even after expiry of 17 to 19 months.

Department replied that amount drawn from AC bills was transferred to District offices through PFMS which was further transferred to subordinate offices/ institutions. Also, replied that Pendency was due to delay in receipt of vouchers from subordinate offices/ institutions and also stated that submission of DC bills to Accountant General is under process.

- **Technical Education Department** had drawn two AC bills amounting to ₹2.93 crore during year 2022-23 for implementation of *Mukhya Mantri Uchch Shiksha Rin Byaz Anudan Yojana* (MMUSRBAY). However, DC bill against one AC bill of ₹2 crore drawn in December 2022 was not submitted as of October 2023.

Department replied that pending DC bill will be submitted to Accountant General at the earliest.

Non-submission of DC bills within the prescribed time limit not only breaches financial discipline but also increases the possibility of wastage/misappropriation /malfeasance etc. and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills. Further, to the extent of non-receipt of DC bills, the expenditure shown in the Finance Accounts cannot be asserted as final.

4.4 Timeliness and Quality of Accounts

The accounts of the State Government are finally compiled by the Principal Accountant General (A&E) from the initially compiled accounts rendered by 29 District Treasuries, 53 Forest Divisions, 63 Rural Engineering Services and 157 Other Divisions¹.

¹ 58 Building and Road Works Divisions, 62 Irrigation Divisions (Water Resources Department), 37 Public Health Engineering Divisions.

During the financial year 2022-23, there were delays in rendition of monthly accounts ranging from one to 12 days by all District Treasuries, one to eight days by 29 Public Works Divisions, one to 11 days by 35 Water Resources Divisions, one to seven days by 25 Public Health Engineering Divisions, one to 10 days by 25 Rural Engineering Services Divisions and one to 13 days by 19 Forest Divisions.

The State Government needs to monitor closely, and ensure the rendition of accounts by all the account rendering authorities to the Accountant General (A&E) timely to manage its own budget more effectively.

4.5 Outstanding balances under Suspense and DDR Heads

Suspense heads are operated in Government accounts to reflect transactions that cannot be booked initially to their final Head of Account for some reason or the other. These are finally cleared by minus debit or minus credit when the amount is taken to its final Head of Account. If the amounts under suspense heads remain unadjusted, the balances under these heads get accumulated resulting in understatement of Government's receipts and payments.

Remittances embrace all transactions which are adjusting Heads of Account, and the debits or credits under these heads are eventually cleared by corresponding credit or debit within the same or in another circle of accounting.

Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/ Works and Forest Divisions, etc. The Minor Head-wise position of balances under major suspense and remittance heads for the last three years are given in **Table 4.2**.

Table 4.2: Balances under Suspense and Remittance Heads

(₹ in crore)

Major Head 8658- Suspense Minor Head	2020-21		2021-22		2022-23	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101-PAO suspense	75.32	15.59	68.32	14.46	67.19	36.13
Net	Dr. 59.73		Dr. 53.86		Dr. 31.06	
102-Suspense Account-Civil	29.62	0.17	0.64	0.17	0.00	5.93
Net	Dr. 29.45		Dr. 0.47		Cr. 5.93	
109-Reserve Bank Suspense - Headquarters	1.61	0.04	-1.02	-0.18	-1.13	-0.08
Net	Dr. 1.57		Cr. 0.84		Cr. 1.05	
110-Reserve Bank Suspense -CAO	13.62	0.01	8.35	0.01	4.44	0.00
Net	Dr. 13.61		Dr. 8.34		Dr. 4.44	
112-Tax Deducted at Source	0.00	63.14	0.00	84.53	0.00	140.14
Net	Dr. 63.14		Cr. 84.53		Cr. 140.14	
113-Provident Fund Suspense	20.62	0.00	20.03	0.00	12.86	0.00
Net	Dr. 20.62		Dr. 20.03		Dr. 12.86	

123-All Service Group Scheme	India Officer's Insurance	0.00	0.27	0.00	0.31	0.00	0.46
Net		Cr. 0.27		Cr. 0.31		Cr. 0.46	
129-Material Purchase Settlement Suspense Account		0.00	81.67	0.00	81.67	0.00	81.67
Net		Cr. 81.67		Cr. 81.67		Cr. 81.67	
Major Head 8782-Cash Remittances							
102-P.W. Remittances		74.33	9.13	86.37	15.88	53.75	14.83
Net		Dr. 65.20		Dr. 70.49		Dr. 38.92	
103-Forest Remittances		50.44	5.56	39.86	6.45	44.53	5.24
Net		Dr. 44.88		Dr. 33.41		Dr. 39.29	

Source: Finance Accounts of respective years

If the amounts under these suspense heads remain unadjusted, the balances under these heads get accumulated resulting in understatement of Government's receipts and payments. Further, non-clearance of outstanding balances under these heads affects the accuracy of receipt/expenditure figures and balances under different heads of Accounts (which are carried forward from year to year) of the State Government.

4.6 Personal Deposit (PD) Accounts

Under specific circumstances, the Government may authorise the opening of PD accounts for operation by designated Administrators. As per rule 543 of Chhattisgarh Treasury Code Vol. I, Personal Deposit Accounts which are created by debit to the Consolidated Fund, the same should be closed at the end of the financial year by minus debt of the balance to the relevant service heads in the Consolidated Fund.

Table 4.3 provides the status of funds lying in PD Accounts on the last day of the financial year during last five-year period.

Table 4.3: Parking of funds in Personal Deposit Accounts during 2018-23

(₹ in crore)

Sl. No.	Year	Opening Balance as on 1 April		Accounts opened during the year/ Amount received		Accounts Closed during the year/ Amount Disbursed		Closing Balance as on 31 March	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
1	2018-19	263	1,757.00	02	508.61	34	374.51	231	1,891.10
2	2019-20	231	1,891.10	Nil	272.05	08	577.89	223	1,585.26
3	2020-21	223	1,585.26	03	502.34	18	526.65	208	1,560.95
4	2021-22	208	1,560.95	02	287.56	71	444.13	139	1,404.38
5	2022-23	139	1,404.38	02	250.56	10	290.74	131	1,364.20

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

As can be seen from **Table 4.3**, during 2018-19 to 2022-23, a total of nine PD accounts were opened and 141 accounts were closed, As of 31 March 2023, 131 PD accounts were in existence and the closing balance in these accounts was ₹1,364.20 crore.

An amount of ₹12.91 crore was transferred to PD Account of Director General of Police, Chhattisgarh by debit Major Head 2055 on 31 March 2023 for purchase of transport equipments.

Non-transfer of unspent balances lying in PD Accounts to the Consolidated Fund of the State entails the risk of misuse of public fund, fraud and misappropriation.

4.6.1 Funds relating to Land Acquisition kept in PD Accounts

Out of the total 131 PD Accounts, 40 PD Accounts were related to land acquisition. The treasury wise details of funds pertaining to land acquisition lying in four PD accounts are given in **Table 4.4**.

Table 4.4: Details of funds pertaining to Land Acquisition kept in PD Accounts
(₹ in crore)

Sl No	Name of the Administrator	Year	Opening Balance as on 1 April	Receipts	Disbursement	Closing balance as on 31 March
1	Collector, Dhamtari	2018-19	8.23	4.33	0.15	12.41
		2019-20	12.41	0.49	8.09	4.81
		2020-21	4.81	2.82	0.00	7.63
		2021-22	7.63	1.26	4.04	4.85
		2022-23	4.85	0.70	1.16	4.39
2	Collector, Kanker	2018-19	12.43	0.00	0.15	12.28
		2019-20	12.28	0.00	1.38	10.90
		2020-21	10.90	1.87	3.68	9.09
		2021-22	9.09	1.58	6.92	3.75
		2022-23	3.75	0.00	0.56	3.19
3	Collector, Mahasamund	2018-19	49.37	7.80	9.43	47.73
		2019-20	43.73	7.14	25.66	29.21
		2020-21	29.21	3.49	7.67	25.03
		2021-22	25.03	14.37	10.47	28.93
		2022-23	28.93	14.86	21.83	21.96
4	Collector and Land Acquisition Officer, Ambikapur (Surguja)	2018-19	58.86	10.43	5.91	63.38
		2019-20	63.38	2.40	0.00	65.78
		2020-21	65.78	1.65	1.35	66.08
		2021-22	66.08	2.76	0.00	68.84
		2022-23	68.84	4.13	5.33	67.64

Source: Information provided by the office of respective Administrator of PD Account

Information collected from Land Acquisition Officer/ Collector of Dhamtari, Kanker, Mahasamund and Ambikapur (Surguja) revealed that the major reasons for funds lying in the PD account pertaining to land acquisition were due to delay in process of award in the court and non-claiming of amount by the concerned persons after passing of land award. Further, ₹21.84 crore were lying in PD accounts of Collector Ambikapur (Surguja) due to cancellation of power project of Chhattisgarh-Surguja Power Limited for which the advance for land acquisition was deposited.

4.6.2 Inoperative PD accounts

As per rule 543 of CG Treasury Code Vol. I, PD Accounts which are inoperative for three years continuously, should be closed by the Treasury Officer by giving notice to the Administrator of the PD account and action for transfer of balance amount as Revenue deposit should be initiated.

Audit noticed that out of a total number of 131 PD accounts, one PD account (Land Record, Ambikapur) having balance of ₹0.35 crore remained inoperative for more than three years as of 31 March 2023.

The State Government should review the PD accounts and take necessary action to close the inoperative PD accounts.

4.7 Accounting of Transactions Relating to Central Road and Infrastructure Fund

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

The Government of India released ₹86.92 crore to Central Road and Infrastructure Fund during 2022-23. The State Government transferred ₹160.65 crore relating to the period 2021-22 to “8449-Other Deposits-103 Subvention from Central Road and Infrastructure Fund” in the Public Account but no amount was transferred for 2022-23. Thus, non-transfer of grants amounting to ₹86.92 crore to the Public Account resulted in overstatement of revenue surplus and understatement of fiscal deficit to the tune of ₹86.92 crore.

Details of the fund received from the Government of India and transferred by the State Government to “8449-Other Deposits-103 Subvention from Central Road and Infrastructure Fund” in the Public Account during 2019-23 are given in **Table 4.5**.

Table: 4.5: Details of Central Road and Infrastructure Fund during 2019-23
(₹ in crore)

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

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

4.8 Booking under Minor Head 800

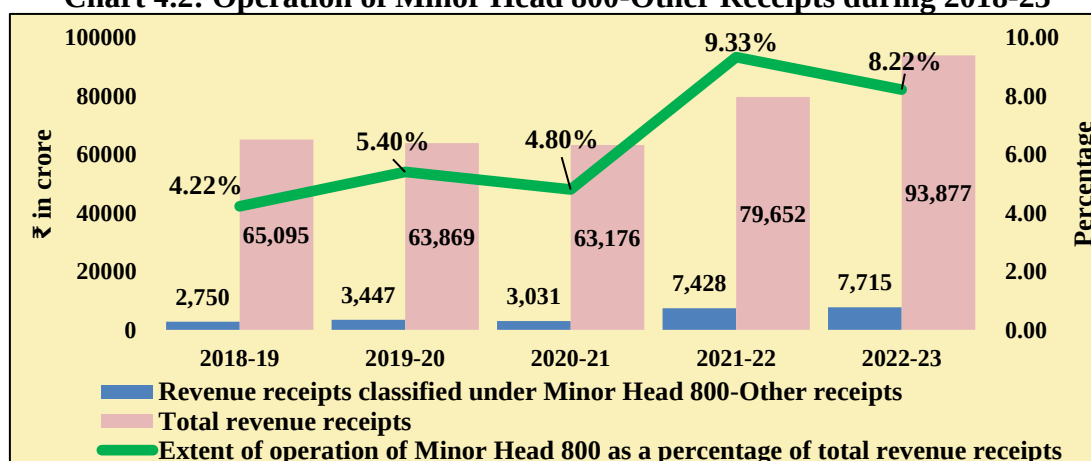
Minor Head-800 relating to Other Receipts and Other Expenditure is intended to be operated only when the appropriate Minor Head has not been provided in the accounts. Routine operation of Minor Head-800 is to be discouraged, since it renders the accounts opaque and it does not disclose the schemes/programmes, etc. to which it relates.

Receipts of ₹7,715.17 crore (constituting 8.22 *per cent* of the total revenue receipts of ₹93,877.14 crore of the State during 2022-23), recorded under 44 revenue receipts Major Heads, were classified under the Minor Head '800-Other Receipts'.

Similarly, an expenditure of ₹539.21 crore (constituting 0.55 *per cent* of total revenue and capital expenditure of ₹98,605.33 crore of the State during 2022-23), recorded under 26 Revenue and Capital expenditure Major Heads, was classified under the Minor Head '800-Other Expenditure'.

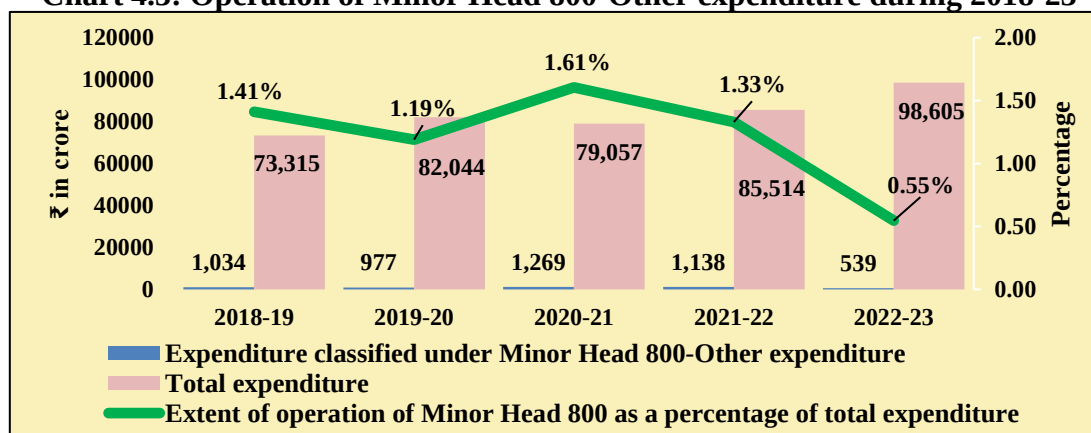
The extent of operation of Minor Head 800 for receipts and expenditure, as a percentage of Total Receipts and Expenditure during 2018-23, is given in **Charts 4.2 and 4.3**.

Chart 4.2: Operation of Minor Head 800-Other Receipts during 2018-23



Source: Finance Accounts of the respective years

Chart 4.3: Operation of Minor Head 800-Other expenditure during 2018-23



Source: Finance Accounts of the respective years

There has been a marginal decrease on receipts side from 9.33 *per cent* in 2021-22 to 8.22 *per cent* of total receipts during 2022-23. On the expenditure side, it decreased from 1.33 *per cent* in 2021-22 to 0.55 *per cent* of total expenditure during 2022-23. Booking of the receipts and expenditure under Minor Head 800 is a cause for serious concern, since it severely impacts transparency of accounts.

4.8.1 Booking of Revenue Receipts under Minor Head - 800 - other receipts

(i) Booking of Royalty and rent receipts under Minor Head 800

As per the List of Major and Minor Heads of Account of Union and States, the royalties realised from mines should be classified under Major Head 0853 Non-Ferrous Mining and Metallurgical Industries-Minor Head 102/107- Mineral Concession fees, rents and royalties.

During test check of challans in respect of Major and Minor Head 0853-800, it was noticed that as against total revenue receipts of ₹4,397.90 crore under Major Head 0853-800 during 2022-23, receipts of royalties and rents of ₹2.72 crore was booked under Minor Head- 800-other receipts instead of Minor Head 102/107-Mineral Concession fees, rents and royalties for major and minor minerals as prescribed in the List of Major and Minor Heads of Account. The details are shown in **Table 4.6**.

Table: 4.6: Details of revenue receipts booked erroneously under Minor Head 800

Sl. No.	Name of Treasury/Bank	No. of Cases	Description of items booked	To be booked in Minor Head	Total Receipts booked under 800 (₹ in lakhs)
1.	Gariyaband	09	Receipts of royalties and rents	102 for Major Minerals/ 107 for Minor Minerals	125.61
2.	Raipur	43			23.69
3.	Ambikapur	08			26.53
4.	Gaurrella-Pendra-Marwahi	07			32.27
5.	Janjgir-Champa	07			19.50
6.	Raigarh	13			18.39
7.	Korea	13			11.99
8.	Durg	03			5.29
9.	Manendragarh-Chirmiri-Bharatpur	24			6.99
10.	Kondagaon	01			0.36
11.	Rajnandgaon	01			0.56
12.	Balod	01			0.50
Total		130			271.68

Source: Based on data/information provided by O/o the PAG (A&E), Raipur

Rule 56(2) of Chhattisgarh Minor Minerals Rules, 1996 read with Chhattisgarh Minerals Resources Department's order (October 2012) states that 33 *per cent* of total royalty revenue shall be disbursed to the Panchayat and Rural Development Department and remaining 67 *per cent* of total royalty revenue shall be disbursed to the concerned individual *Panchayat* and *Janpad Panchayat*. Considering the above stated provisions, due to misclassifications of Minor Head 102/107 (Major/Minor

Mineral Concession fees rents and royalties) under Major Head 0853 (Non-Ferrous Mining and Metallurgical Industries) to 800 (Other receipts), revenue loss to the Gram Panchayat and Janpad Panchayat cannot be ruled out.

(ii) Non-use of dedicated Minor Head 600 for booking of other receipts

As per the List of Major and Minor Heads of Account of Union and States, the Major Head “600-Others” is prescribed under Major Head 0852- Industries- Sub Major Head 08- Consumer Industries. Also, there is no Minor Head 800 under Sub Major Head 08 of Major Head-0852 as per the List of Major and Minor Heads of Account.

As per Finance Accounts 2022-23, ₹13.53 crore were booked under Major Head 0852-08-800 during 2022-23 instead of Minor Head 600-Others. Audit test checked 279 challans amounting to ₹5.73 crore (42 percent of total booking) and noticed use of Minor Head 800 for booking of other receipts such as lease rent, land allotment fee, security deposit, land transfer fee etc instead of prescribed Minor Head 600 below Major and Sub-Major Head 0852-08.

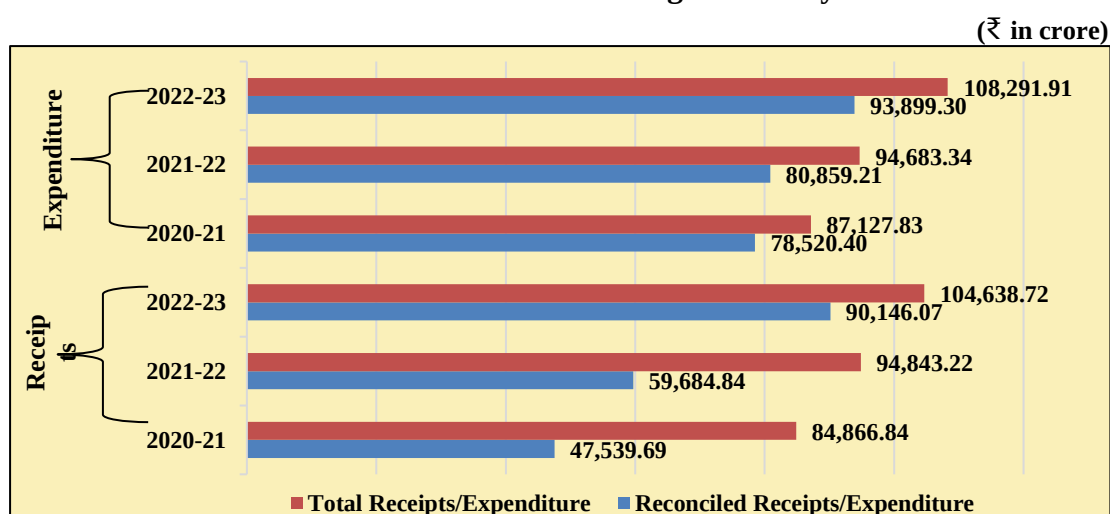
4.9 Non-Reconciliation of Departmental Figures

Rule 6.7.1 of MP Budget Manual Vol-I (as adopted by Chhattisgarh) stipulate that receipts and expenditure recorded in the books of accounts of Controlling Officers (COs) be reconciled by them every month during the financial year with those recorded in the books of the Accountant General (Accounts and Entitlements). This is to enable the COs to exercise effective control over expenditure and manage their budgetary allocation efficiently and ensure accuracy of their accounts.

While 62.93 per cent of the receipts and 85.40 per cent of the disbursements were reconciled during 2021-22, these figures were 86.14 per cent for receipts and 86.70 per cent in respect of disbursements for the year 2022-23.

The status of reconciliation of receipts and expenditure by the COs during the three-year period 2020-23 is shown in **Chart 4.4**.

Chart 4.4: Status of reconciliation during the three years 2020-23



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

The details relating to the number of COs and the extent of reconciliation during the last three years are given in **Table 4.7**.

Table 4.7: Status of Reconciliation of Receipts and Expenditure figures

(₹ in crore)

Year	Total No. of Controlling Officers	Fully Reconciled	Partially Reconciled	Not reconciled at all	Total Consolidated-Receipts/Expenditure	Reconciled Receipts/Expenditure	Percentage of Reconciliation
Receipts							
2020-21	40	00	24	16	84,866.84	47,539.69	56.02
2021-22	40	03	31	06	94,843.22	59,684.84	62.93
2022-23	54	52	00	02	104,638.72	90,146.07	86.14
Expenditure							
2020-21	94	43	27	24	87,127.83	78,520.40	90.12
2021-22	94	42	48	04	94,683.34	80,859.21	85.40
2022-23	94	87	00	07	108,291.91	93,899.30	86.70

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

Reconciliation and verification of figures is an important tool of financial management. Failure to exercise/ adhere to the codal provisions and executive instructions in this regard not only results in misclassification and incorrect booking of receipts and expenditure in the accounts, but also defeats the objective of budgetary process.

4.10 Reconciliation of Cash Balances

As of 31 March 2023, there was a difference of ₹0.32 crore (Net credit), between the Cash Balance of the State Government, as per the books of Accounts of the Accountant General (A&E), and the Cash Balance as reported by the Reserve Bank of India. This difference was reconciled and found that difference was due to erroneous reporting by the accredited Banks to the Central Accounts Section, Reserve Bank of India, Nagpur which is responsible for maintaining the cash balance of the State Government.

4.11 Compliance with Indian Government Accounting Standards

Government Accounting Standards Advisory Board (GASAB) set up by the Comptroller and Auditor General of India in the year 2002 has been formulating Standards for Government accounting and financial reporting, to enhance accountability mechanisms. As at end of March 2023, three Indian Government Accounting Standards (IGAS) have been notified. The details of these Standards and the extent of compliance with these by the Government of Chhattisgarh in its financial statements for the year 2022-23 are given in **Table 4.8**.

Table 4.8: Compliance with Indian Government Accounting Standards

Sl. No.	IGAS	Essence of IGAS	Status	Impact of non-compliance
1	IGAS 1- Guarantees given by government-Disclosure requirements	This standard requires the government to disclose the maximum amount of guarantees given during the year in its financial statements along with additions, deletions, invoked, discharged and outstanding at the end of the year.	11 institutions for which Government gave guarantee have not disclosed information in prescribed format of IGAS-1.	Due to non-compliance with IGAS-1, amount of guarantee given during the year along with additions during the year, discharged, invoked and outstanding as of March 2023, for the institutions could not be ascertained.
2	IGAS 2- Accounting and Classification of Grants-in-Aid	Grants-in-Aid are to be classified as revenue expenditure in the accounts of the grantor and as revenue receipts in the accounts of the grantee, irrespective of the end use.	The State Government has disbursed GIA amounting to ₹2,883.76 crore during year 2022-23 for creation of capital Assets and accounted as Capital Expenditure instead of Revenue Expenditure.	Non compliance to IGAS-2 resulted in overstatement of Revenue Surplus by ₹2,883.76 crore.
3	IGAS 3- Loans & Advances made by Government	This Standard relates to recognition, measurement, valuation and reporting in respect of loans and advances made by the Government in its financial statements to ensure complete, accurate and uniform accounting practices	38 Budget Controlling officers have not provided the information relating to loans and advances made by the Government in prescribed format of IGAS-3.	Non-compliance to IGAS-3 leads to opaqueness in accounting practices.

4.12 Submission of Accounts/Separate Audit Reports of Autonomous Bodies

The State Government has set up several Autonomous Bodies (ABs), out of which audit of 32 Autonomous Bodies has been entrusted to the Comptroller & Auditor General of India. The status of pending accounts of 28 Autonomous Bodies as of June 2023 is given in **Table 4.9** and detailed information shown in **Appendix 4.2**.

Table: 4.9: Arrears of accounts of Autonomous Bodies/Authorities

Sl. No.	Name of the Body/Authority	Number of accounts pending up to Financial Year 2022-23
1.	Chhattisgarh State Human Right Commission	22
2.	Chhattisgarh State and District Legal Services Authority	82 ²
3.	Chhattisgarh State Electricity Regulatory Authority	01
4.	State CAMPA, Chhattisgarh	01

² Accounts of 23 District Legal Services Authorities and Chhattisgarh High Court Legal Services Committee included.

4.13 Cases of losses and defalcation, etc.

Rules 22 and 23 of the CG Financial Code Vol.-I, provide that each and every case of loss, misappropriation and defalcation of public fund will have to be reported to the Accountant General. Further, Rule 24 of the Code provides that any serious loss of immovable property such as buildings, roads and bridges caused by fire, flood, storm, earthquake or any other natural calamity should be reported to the Accountant General. This is followed by detailed investigation by the departments and report thereof citing reasons for such losses and measures/action taken to prevent recurrence.

As of 31 March 2023, a total of 2,168 cases amounting to ₹124.92 crore pending in various departments of the State Government, were awaiting conclusive investigation and settlement. The department-wise and category-wise break-up of pending cases is given in **Appendix 4.3**. Year-wise analysis of cases is shown in **Appendix 4.4**. The age-profile of the pending cases and the number of cases pending in each category viz. theft and loss are summarised in **Table 4.10**.

Table 4.10: Profile of losses and defalcation, etc.

(₹ in crore)

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved	Nature of the case	Number of cases	Amount involved
0 – 5	270	2.14	Theft Loss of property/material Defalcation	123	0.54
5 – 10	242	50.90		1,982	119.10
10 – 15	446	53.03		63	5.28
15 – 20	281	7.73			
20 – 25	194	4.39	Total pending cases	2,168	124.92
25 & above	735	6.73			
Total	2,168	124.92			

Source: Cases reported by the departments of the State Government

Out of 2,168 cases, the Forest Department and School Education Department had 609 and 39 cases respectively which were pending for more than 25 years. First Information Reports were lodged in 297 cases out of 2,168 cases.

Further, it was also observed that in six cases, various departments had recovered ₹2.16 lakh during 2022-23 as detailed in **Appendix 4.5**.

4.14 Off Budget Borrowing

The State PSUs/Corporations/Other bodies may take loans to implement various schemes/programmes of the Government. The State Government may also takeover loans/liabilities of PSUs or other entities. The repayment of such loans may be the responsibility of the State Government from its budgetary resources. Such borrowings will impact the revenue deficit and fiscal deficit of the State Government. Creating such liabilities without disclosing them in the budget raises questions both on transparency and inter-generational equity. Such off-budget borrowings are not taken into the disclosure Statements in the budget documents, nor do these have Legislative approval. Such instances of off-budget borrowings have been discussed below:

- a) Government of Chhattisgarh issued guarantees to Chhattisgarh Housing Board (CHB) for availing loans of ₹ 800 crore from Canara Bank for construction of 6,424 residential buildings for Government Officials and ₹195.00 crore in 2017-18 from Allahabad Bank for purchasing 728 flats. Against the total guaranteed amount, CHB availed loan of ₹800 crore and ₹195 crore respectively up to 31 March 2023. The State Government has repaid interest and principal of ₹472.14 crore through budget on the above loans.
- b) Similarly, Government also issued guarantees to Chhattisgarh Police Housing Corporation Limited (CPHCL) for availing loans of ₹800 crore from two financial institutions i.e. Allahabad Bank (₹400 crore) and Canara Bank (₹400 crore) for construction of 10,000 residential houses for Police Officials in June/July 2017 (Valid up to 2027). CPHCL has availed total loan of ₹644.54 crore up to March 2023 against the maximum guaranteed amount of ₹800 crore. The State Government has repaid Principal and interest of ₹273.95 crore through budget on the above loans.
- c) Further, Government issued guarantee to State Urban Development Agency (SUDA) for availing loans of ₹3,357 crore from financial institutions for payment of State share in “*Pradhan Mantri Awaas Yojana*” (PMAY-Urban) in February 2018 (Valid up to December 2024). Out of which, SUDA availed loan of ₹1,525 crore up to 31 March 2023. The State Government has made repayment of ₹318.60 crore towards interest and principal of above loan from the Budget.
- d) Government of Chhattisgarh issued guarantee to avail loan of ₹5,225 crore (₹1,225 crore for construction of 12 roads and ₹4,000 crore for construction of 741 Roads and Bridges) from Banks or Financial institutions to Chhattisgarh Road and Infrastructure Development Corporation Limited (CGRIDCL) in December 2020. Out of which, CGRIDCL has availed loan of ₹1,500.87 crore³ during the year 2022-23. The State Government has repaid interest of ₹53.67 crore through budget on the above loans.
- e) Chhattisgarh Government issued guarantees of ₹3,427.28 crore (valid up to 2034-35) to Chhattisgarh Rural Housing Corporation (January 2018) for availing loans from the banks/financial institutions in order to implement *Pradhan Mantri Awaas Yojna-Grameen* in Chhattisgarh. Against the above Guarantee the Corporation has availed the total loans of ₹1,792.44 crore (₹1,000 crore from Canara Bank and ₹792.44 crore from NABARD). The State Government has repaid interest and principal of ₹567.27 crore up to 31 March 2023 through budget on the above loans.

³ Besides opening balance of ₹126.39 crore availed in previous year.

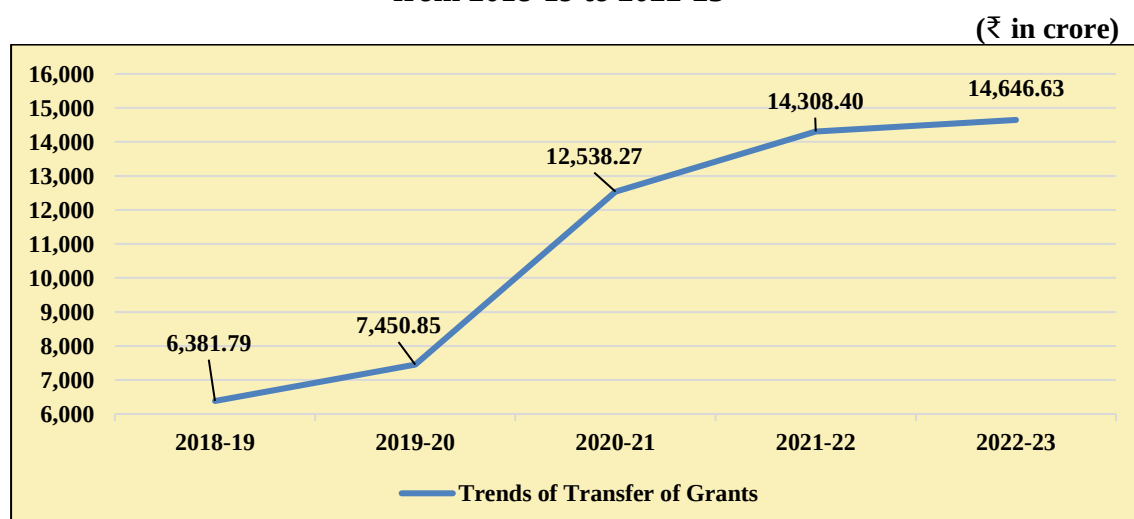
- f) Chhattisgarh Government has assured to repay the liabilities (Principal along with interest thereon) of Chhattisgarh Power Generation Company (CSPGCL) (₹1,000 crore) and Chhattisgarh Power Transmission Company (CSPTCL) (₹500 crore) as of 31 March 2022 in the succeeding years by making provision in the annual budget. Accordingly, the State Government has repaid interest and principal of ₹183.45 crore and ₹116.55 crore of CSPGCL and CSPTCL respectively up to 31 March 2023 through budget.

It is evident from the above instances that use of borrowed funds raised through other entities for financing the expenditure of the State Government not only led to understatement of revenue/capital expenditure and revenue/fiscal deficit but also ensured that borrowings remains outside the computation of debt in the accounts of the State Government. The burden of current expenditure would get shifted to future generations to the extent of service of debt through budgetary support in subsequent years. The State Government has a net off budget liability of ₹7,161.32 crore (7.04 *per cent* of total budgeted liabilities) in addition to the total budgeted liabilities of ₹1,01,696.43 crore outstanding as of 31 March 2023. Thus, the total liability of the State stood at ₹1,08,857.75 crore. Budget documents of the State Government for the year 2018-19 to 2022-23 did not disclose any off-budget borrowings.

4.15 Funds transferred directly to State implementing agencies

During the year 2022-23, an amount of ₹14,646.63 crore was transferred directly to the implementing agencies in Chhattisgarh as per Public Financial Management System Portal of Controller General of Accounts (CGA). The trends of transfer of such amount from 2018-19 to 2022-23 is shown in **Chart 4.5**.

Chart 4.5: Trends of transfer of Grants directly to state implementing agencies from 2018-19 to 2022-23



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

As compared to previous year the direct transfer of fund to the implementing agencies has increased during this year by ₹338.23 crore (2.36 *per cent*).

4.16 Follow-up on Audit Reports

State Finances Audit Report is being presented to the State Legislature from 2008-09 onwards. However, the Public Accounts Committee (PAC) of Chhattisgarh State Legislative Assembly is yet to take up these reports for discussion (November 2023).

4.17 Conclusion

As of 31 March 2023, 471 DC bills worth ₹306.67 crore were pending for submission. Non-submission of DC bills by Departments for funds drawn for specific developmental programmes/ projects and non-submission of accounts by public sector entities were violation of prescribed financial rules and directives. This points to inadequate internal controls and deficient monitoring mechanism of the State Government and increases the risk/possibility of wastage/misappropriation/malfeasance etc.

As of 31 March 2023, 131 PD Accounts were in existence with a closing balance of ₹1,364.20 crore. Out of the total PD Accounts, 40 PD accounts were relating to land acquisition. Non-transfer of unspent balances lying in PD Accounts to the Consolidated Fund of the State entails the risk of misuse of public fund, fraud and misappropriation.

Operation of omnibus Minor Head 800 – ‘Other Receipts’ (₹7,715.17 crore constituting 8.22 per cent of total revenue receipts of ₹93,877.14 crore) and ‘Other Expenditure’ (₹539.21 crore constituting 0.55 per cent of total revenue and capital expenditure of ₹98,605.33 crore) affected transparency in financial reporting and obscured proper analysis of allocative priorities and quality of expenditure.

Misclassification in booking under Minor Head 800 was observed, instead of booking of ₹2.72 crore and ₹5.73 crore under their classified Minor Head 102/107- Mineral Concession fees, rents and royalties for Major/Minor minerals and Minor Head 600- Others of respective Major Head 0853 and 0852 respectively. Misclassification renders the accounts opaque and does not disclose the schemes/programmes, etc. to which it relates.

For the financial year 2022-23, only 86.14 per cent for receipts and 86.70 per cent of expenditure were reconciled. Non-reconciliation of receipts and expenditure booked by the Controlling Officers of the State with the figures of the Principal Accountant General (A&E) reflects poorly on the internal control system within the Government and raises concerns relating to accuracy of accounts.

The State Government has a net off-budget liabilities of ₹7,161.32 crore in addition to total budgeted liabilities of ₹1,01,696.43 crore outstanding as of March 2023. Government of Chhattisgarh has not disclosed in its budget, its liabilities with regard to the loans obtained by various public sector entities at its behest for implementation of various socio-economic developmental programmes for which the State Government had given the guarantee to repay the principal and interest.

4.18 Recommendations

- i.** The State Government needs to institute a rigorous monitoring mechanism to ensure that the Departments comply with the prescribed rules and procedures with regard to submission of DC bills to the Principal Accountant General (A&E) within the stipulated timeframe.
- ii.** All the accounts rendering units need to be instructed to submit the complete accounts as per the prescribed time schedule and furnish the missing/incomplete details to enable clearance of suspense and remittances transactions in a time bound manner.
- iii.** The State Government should discourage the use of omnibus Minor Head 800 and chalk out a specific timeframe, in consultation with the Principal Accountant General (A&E), to identify appropriate Heads of Account to classify the transactions correctly in the books of accounts.
- iv.** The State Government should disclose all its liabilities, including off budget borrowings transparently while presenting its budget, to enable proper appreciation of its financial position.
- v.** Internal control mechanism needs to be strengthened and the Government needs to ensure that the Controlling Officers reconcile their figures of receipts and expenditure with those of the Principal Accountant General (A&E) at prescribed intervals, to provide transparency and accuracy in accounting of Government transactions.

CHAPTER V
FINANCIAL
PERFORMANCE OF STATE
PUBLIC SECTOR
UNDERTAKINGS

FINANCIAL PERFORMANCE OF STATE PUBLIC SECTOR UNDERTAKINGS

5.1 Introduction

This Chapter presents the summary of financial performance of State Public Sector Undertakings of the Government of Chhattisgarh for the year 2022-23. The term State Public Sector Undertakings (PSUs) encompasses the Government Companies set up under the Companies Act, 2013 and the Statutory Corporations set up under Statutes enacted by the Parliament/State Legislature.

This Chapter gives the summarised position of financial performance of the State Government Companies and Corporations as revealed from their accounts. Significant comments¹ issued as a result of supplementary audit/sole audit of the financial statements of the Government Companies/Corporations conducted by the Comptroller and Auditor General of India for the year 2022-23 (or of earlier years which were finalised during the current year) have been covered in this Report.

5.2 Definition of Government Companies/Corporations

A Government Company is defined in Section 2(45) of the Companies Act, 2013, as a Company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a Company which is a subsidiary of a Government Company.

A Statutory Corporation is set up under a statute enacted by Parliament/ State Legislature.

5.3 Mandate of audit

Audit of Government Companies is conducted by the Comptroller and Auditor General of India under the provisions of Section 143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of Comptroller and Auditor General of India's (Duties, Powers, and Conditions of Service) Act, 1971 and the Regulations made there under. Under the Companies Act, 2013, the Comptroller and Auditor General of India appoints the Chartered Accountants as Statutory Auditors for companies and gives directions on the manner in which the accounts are to be audited. In addition, the Comptroller and Auditor General of India have the right to conduct a supplementary audit.

The statutes governing Statutory Corporations require the Comptroller and Auditor General of India to conduct audit of their accounts either as a sole auditor or to

¹Based on the certificates finalized/issued from 1 October 2022 to 30 September 2023.

conduct supplementary audit after the audit is conducted by the Chartered Accountants appointed under the statutes.

5.4 State Public Sector Undertakings and their contribution to the Gross State Domestic Product

As on 31 March 2023, there were 28 PSUs in Chhattisgarh State (including 27 Government Companies and one² Statutory Corporation) under the audit jurisdiction of the Comptroller and Auditor General of India. None of the PSUs were listed on the stock exchange (s).

Out of the 28 PSUs, 26 were working PSUs (25 Companies and one Statutory Corporation) and two PSUs³ were inactive. Out of the 26 working PSUs, only 20 PSUs (19 Companies and one Statutory Corporation), whose accounts were in arrears for two or less years or not in arrears as on 30 September 2023 have been considered for detailed analysis of financial performances in this Report. Eight PSUs whose accounts were in arrears for three or more years (seven PSUs⁴) or first accounts were not submitted (one PSU⁵) have not been considered for detailed analysis in this Report (*Appendix 5.1*).

A ratio of turnover of the PSUs to the Gross State Domestic Product (GSDP) shows the extent of activities of the PSUs in the State economy. On the basis of nature of activities undertaken, these 20 PSUs have been categorised into five sectors. The turnover (₹42,172.73 crore) of these 20 PSUs for 2022-23 was 9.22 *per cent* of the GSDP of Chhattisgarh (₹4,57,608.26 crore) for the year. Power sector alone accounts for approximately 66.51 *per cent* of the total turnover of the PSUs during 2022-23 (*Table 5.1*).

Table 5.1: Sector wise turnover vis-a-vis share of turnover of Public Sector Undertakings in Gross State Domestic Product of Chhattisgarh during 2022-23

Sl. No.	Name of the Sector	Number of PSUs	Turnover for the year (₹ in crore)	Share of Turnover in GSDP (%)
1	Energy and Power	4	28,048.36	6.13
2	Infrastructure	4	10.40	0.002
3	Agriculture and Allied Industries	2	678.55	0.15
4	Services	8	13,294.65	2.91
5	Others	2	140.77	0.03
Total		20	42,172.73	9.22

Source: Information compiled on the latest financial statements of PSUs

² Chhattisgarh State Warehousing Corporation (CSWC).

³ Chhattisgarh Sondiha Coal Company Limited, CMDC ICPL Coal Limited

⁴ Chhattisgarh State Industrial Development Corporation Limited, Chhattisgarh State Marketing Corporation Limited, Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam, Raipur Smart City Limited, Chhattisgarh Rural Housing Corporation Limited, Chhattisgarh Sondiha Coal Company Limited, CMDC ICPL Coal Limited

⁵ Chhattisgarh State Information Infrastructure Corporation Limited

5.5 Audit of Public Sector Undertakings including Government Companies and Corporations

The Comptroller and Auditor General of India, as per its mandate, conducts supplementary audit of the annual accounts of all 28 Companies (27 Government Companies and one Statutory Corporation). The status of submission of financial statements by the PSUs as on 30 September 2023 is presented in **Table 5.2**.

Table 5.2: Status of submission of financial statements by PSUs

Type of PSUs	Total Number of PSUs	Status of finalisation of Accounts by PSUs as of 30 September 2023				Number of PSUs whose accounts were in arrears (No. of Accounts in arrears)
		Accounts for 2022-23	Accounts for 2021-22	Accounts for 2020-21 or previous years	Total	
Government Companies	25	2	14	9	25	23 (42)
Statutory Corporation	1	0	1	0	1	1 (1)
Total Working PSUs	26	2	15	9	26	24 (43)
Inactive PSUs	2	1	0	1	2	1 (4)
Total	28	3⁶	15	10	28	25 (47)

Source: Annual accounts submitted by PSUs

The details of PSUs whose financial statement are pending as on 30 September 2023 are shown in **Appendix 5.1 (b)**.

The summary of financial performance based on the latest finalized accounts of 20 PSUs covered in this report is detailed in **Table 5.3**.

Table 5.3: Summary of financial performance of PSUs (Government Companies and Statutory Corporation)

Summary of financial performance of PSUs	
Total Number of State PSUs	28
Number of PSUs covered in this Report	20
Paid up capital (20 PSUs)	₹6,915.97 crore
Long term loans (20 PSUs)	₹10,519.65 crore
Net profit (10 PSUs)	₹879.22 crore
Net loss (Seven PSUs)	₹1,143.10 crore
Zero Profit / loss (Three PSUs)	--
Dividend declared (One PSUs)	₹3.64 crore
Net worth (20 PSUs)	₹745.27 crore

Source: Compiled on the basis of latest finalized accounts of PSUs

⁶ Chhattisgarh Rajya Van Vikas Nigam Limited, Chhattisgarh State Power Distribution Company Limited and Chhattisgarh Sondiha Coal Company Limited

5.6 Investment in Public Sector Undertakings and Budgetary support

5.6.1 Equity holding and loans

The Government investments in the 28 PSUs as equity and loans for the last three years period ended 31 March 2023 is given in **Table 5.4**.

Table 5.4: Equity investment and loans in Public Sector Undertakings

(₹ in crore)

Sources of investment	As on 31 March 2021			As on 31 March 2022			As on 31 March 2023		
	Equity	Long Term Loans	Total	Equity	Long Term Loans	Total	Equity	Long Term Loans	Total
State Government	6,672.82	724.83	7,397.65	6,672.82	758.36	7,431.18	6,733.03	846.06	7,579.09
Central Government	25.42	292.78	318.20	25.42	158.89	184.31	35.22	130.97	166.19
Others	315.46	12,847.58	13,163.04	315.46	12,460.72	12,776.18	315.46	12,900.87	13,216.33
Total	7,013.70	13,865.19	20,878.89	7,013.70	13,377.97	20,391.67	7,083.71	13,877.90	20,961.61
Share of State Government in total investment (in %)	95.14	5.23	35.43	95.14	5.67	36.44	95.05	6.10	36.16

Source: Compiled from latest financial statements received as on 30 September 2023 and information provided by PSUs.

The total investment in these PSUs increased marginally by 0.40 *per cent* during 2020-21 to 2022-23. As on 31 March 2023, the total investment in 28 State PSUs comprised 33.79 *per cent* of equity capital and 66.21 *per cent* of long-term loans. The long-term loans for the year 2022-23 in 28 State PSUs consisted of ₹977.03 crore advanced by the Central and State Governments and ₹12,900.87 crore raised from other sources (**Appendix 5.2**).

5.6.2 Adequacy of Assets

In order to be considered solvent, the value of an entity's assets must be greater than the sum of its long-term loans/debts. The details of coverage of long-term loans with total assets as of 31 March 2023 is detailed in **Table 5.5**.

Table 5.5: Coverage of long-term loans with total assets

(₹ in crore)

Type of PSUs	Positive Coverage				Negative Coverage			
	Number of PSUs	Long Term Loans	Total Assets	Percentage of Assets to Loans	Number of PSUs	Long Term Loans	Total Assets	Percentage of Assets to Loans
Government Companies	8	10,430.66	46,852.04	449.18	--	--	--	--
Statutory Corporations	1	88.99	1,290.50	1,450.16	--	--	--	--

Source: Compiled on the basis of latest finalized accounts of PSUs

5.6.3 Information on Subsidy and Grants by State Government

The State Government provides financial support to PSUs in the form of loan, grants and subsidies through annual budget. In addition, the Government provides Guarantee for loans raised by PSUs for which it charges Guarantee commission upto the rate of half a *per cent*. Details are in Table 5.6.

Table 5.6: Details of budgetary support to Public Sector Undertakings

(₹ in crore)

Particulars ⁷	2020-21		2021-22		2022-23		Total
	No of PSUs	Amount	No of PSUs	Amount	No of PSUs	Amount	Amount
(i) Loans	1	62.00	2	101.51	2	128.60	292.11
(ii) Grants/Subsidy	9	8,445.74	10	7,226.58	10	9,740.33	25,412.65
Total Outgo (i+ii)	10	8,507.74	12	7,328.09	12	9,868.93	25,704.76
Guarantees Outstanding	2	3,426.34	3	3,314.65	3	4,911.43	11,652.42
Guarantee Commitment	3	6,682.28	3	11,907.28	3	9,084.44	27,674.00

Source: Information furnished by PSUs

As can be seen from the Table above, annual budgetary assistance received by the PSUs increased from ₹8,507.74 crore in 2020-21 to ₹9,868.93 crore during the period 2022-23. Budgetary assistance in the form of loan was given to Chhattisgarh Mineral Development Corporation Limited (₹85.67 crore) for mineral exploration work and ₹42.93 crore was given to Chhattisgarh State Power Distribution Company Limited. The major portion of subsidy/grants was given to Chhattisgarh State Power Distribution Company Limited (₹5,242.99 crore) for implementation of various schemes such as free supply of *Mukhyamantri Shahri Vidyutikaran Yojna*, *Mukhyamantri Majra-tola Vidyutikaran Yojana*, Half Bijli Bill Scheme, energisation of Agriculture pumps etc. and Chhattisgarh State Civil Supplies Corporation Limited (₹4,017.86 crore) to provide food grains at concessional rate to the public.

⁷Amount represents outgo from State Budget.

5.7 Returns from Public Sector Undertakings

5.7.1 Profit earned by PSUs

The profit earned by 10 PSUs (as per their latest finalised accounts) out of 20 PSUs (covered in this report) was ₹879.22 crore in 2022-23 as compared to nine PSUs which earned profit of ₹540.16 crore in 2020-21. The main reason for increase in profit was due to increase in profit of Chhattisgarh State Power Generation Company Limited from ₹196.63 crore (2020-21) to ₹570.38 crore (2021-22). Details of profit earning PSUs during 2020-21 to 2022-23 are summarised in **Table 5.7**.

Table 5.7: PSUs which earned profit during 2020-21 to 2022-23

Sl. No.	Name of PSUs	Profit for the year as per latest finalized accounts (₹ in crore)		
		2020-21	2021-22	2022-23
1	Chhattisgarh Rajya Van Vikas Nigam Limited	11.56	36.49	52.65
2	Chhattisgarh State Beverages Corporation Limited	5.38	8.35	8.35
3	Chhattisgarh State Civil Supplies Corporation Limited	--	20.64	20.64
4	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited	24.09	17.17	17.17
5	Chhattisgarh Medical Services Corporation Limited	4.08	4.08	4.08
6	Chhattisgarh State Warehousing Corporation	143.04	71.20	71.20
7	Chhattisgarh Mineral Development Corporation Limited	--	24.79	24.79
8	Kerwa Coal Limited	0.28	0.07	0.07
9	Chhattisgarh State Power Generation Company Limited	196.63	570.38	570.38
10	Chhattisgarh State Power Transmission Company Limited	153.90	109.89	109.89
11	Chhattisgarh State Power Holding Company Limited	1.20	1.68	*--
Total		540.16	864.74	879.22

Source: Compiled on the basis of latest finalized accounts of PSUs

* Chhattisgarh State Power Holding Company Limited was merged with Chhattisgarh State Power Transmission Company Limited in June 2022.

5.7.2 Dividend paid by Public Sector Undertakings

The State Government had not formulated any dividend policy under which all profit making PSUs are required to pay a minimum *percentage* of return of the profit as dividend after tax/paid up capital.

Dividend payout relating to 16 PSUs where equity was infused by the State Government during the period is shown in **Table 5.8**.

Table 5.8: Details of Dividend Payout of PSUs

Year	Total PSUs where equity infused by State Government		PSUs which earned profit during the year		PSUs which declared/paid dividend during the year		(₹ in crore) Dividend Payout Ratio (%)
	Number of PSUs	Equity infused by GoCG	Number of PSUs	Profit	Number of PSUs	Dividend declared/paid by PSUs	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8=7/5*100)
2020-21	18	6,665.97	8	539.88	2	3.84	0.71
2021-22	18	7,289.36	10	864.67	2	1.15	0.13
2022-23	16	6,726.18	9 ⁸	879.15	1	3.64	0.41

During the year 2022-23 out of 16 PSUs, nine PSUs earned an aggregate profit of ₹879.15 crore. Only one PSUs viz. *Chhattisgarh Rajya Van Vikas Nigam Limited* declared/paid dividend of ₹3.64 crore for the year 2021-22.

5.8 Interest Coverage Ratio

Interest coverage ratio (ICR) is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. A ratio below one indicates that the company was not generating sufficient revenues to meet its expenses on interest. The details of interest coverage ratio of PSUs which had outstanding loans during the period from 2020-21 to 2022-23 are given in Table 5.9.

Table 5.9: ICR of Public Sector Undertakings

Year	Interest (₹ in crore)	EBIT (₹ in crore)	No. of PSUs having interest burden	No. of PSUs Having ICR equal to/ more than one	No. of PSUs having ICR less than one
2020-21	1707.56	1863.90	8	5	3
2021-22	1502.90	1189.41	9	7	2
2022-23	1857.12	1224.14	9	7	2

Source: Compiled on the basis of latest finalized accounts of PSUs

It was observed that during 2022-23 out of nine PSUs having interest burden, two PSUs (*Chhattisgarh State Power Distribution Company Limited* and *Chhattisgarh Road and Infrastructure Development Corporation Limited*) had ICR of less than one throughout the period from 2020-21 to 2022-23. The number of PSUs having ICR of less than one during the year 2020-21 included *Chhattisgarh Railway Corporation Limited*.

⁸ Kerwa Coal Limited is excluded in profit earning PSUs as it does not have GoCG equity.

5.9 Operating Efficiency of Government Companies

5.9.1 Profit earned (analysis of profit reporting from operating activities/other income)

As on 31 March 2023, 10 profit earning PSUs earned total profit of ₹879.22 crore. Major profit making PSUs as per their latest finalized accounts were, Chhattisgarh State Power Generation Company Limited (₹570.38 crore), Chhattisgarh State Power Transmission Company Limited (₹109.89 crore), Chhattisgarh State Warehousing Corporation (₹71.20 crore), while Chhattisgarh State Power Distribution Company Limited reported substantial losses (₹1,132.72 crore).

Out of 10 profit earning State Public Sector Undertakings, nine State Public Sector Undertakings earned profit only from their operations⁹ and one State Public Sector Undertaking earned profit only from other/extraordinary income as detailed in *Appendix 5.3*.

5.9.2 Return on Capital Employed

Return on Capital Employed measures a company's profitability and the efficiency with which its capital is employed. It is calculated by dividing a company's earnings before interest and taxes by the capital employed¹⁰.

Table 5.10: Return on Capital Employed

Nature of PSUs	Year	No. of PSUs	EBIT (₹ in crore)	Capital Employed (₹ in crore)	Return on Capital Employed (in per cent)
	1	2	3	4	5 = 3/4*100
Profit Earning	2020-21	9	1,562.88	15,339.47	10.19
	2021-22	11	2,021.15	16,037.92	12.60
	2022-23	10	2,035.44	15,429.05	13.19
Loss incurring	2020-21	10	317.48	-2,220.04	-14.30
	2021-22	8	-798.54	-3,090.27	25.84
	2022-23	7	-360.45	-4,425.73	8.14
Nil Profit / Loss	2020-21	3	0	201.54	0.00
	2021-22	3	0	202.12	0.00
	2022-23	3	0	202.12	0.00
Total	2020-21	22	1,880.36	13,320.97	14.12
	2021-22	22	1,222.61	13,149.77	9.30
	2022-23	20	1,674.99	11,205.44	14.95

Source: Compiled on the basis of latest finalized accounts of PSUs

⁹ Profit from Operating activities = Turnover – Total expenditure.

¹⁰ Capital employed = Paid up share capital + long term loans + accumulated profit / – accumulated losses. Figures are as per the latest year for which accounts of the PSUs are finalised.

The table shows profitability levels are increasing as the Return on Capital Employed is showing upward trend from 14.12 *per cent* in 2020-21 to 14.95 *per cent* in 2022-23 (Table 5.10).

5.9.3 Rate of Real Return on the basis of Historical Cost of Investment

As on 31 March 2023, total investment of the State Government in 20 PSUs on the basis of historical cost stood at ₹18,831.86 crore. The sector-wise RoI on historical cost basis for the period 2020-21 to 2022-23 is given in Table 5.11.

Table 5.11: Return on the basis of historical cost of investment

(₹ in crore)

Year	Funds invested by State Government in Equity and Long term loans	Funds invested by Central Government in Equity and Long term loans	Funds invested by Others in Equity and Long term loans	Total investment in Equity and Long term loans	Total Earnings/ Losses for the year	RoRR (in <i>per cent</i>)
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii= vi*100/v)
Government Companies						
2020-21	7,325.70	318.20	12,825.07	20,468.97	-36.02	-0.18
2021-22	7,971.01	184.31	12,548.66	20,703.98	-433.43	-2.09
2022-23	7,292.23	166.19	11,280.41	18,738.83	-335.08	-1.79
Statutory Corporations						
2020-21	70.00	0.00	2.02	72.02	143.04	198.61
2021-22	91.01	0.00	2.02	93.03	71.20	76.53
2022-23	91.01	0.00	2.02	93.03	71.20	76.53
Grand Total						
2020-21	7,395.70	318.20	12,827.09	20,540.99	107.02	0.52
2021-22	8,062.02	184.31	12,550.68	20,797.01	-362.23	-1.74
2022-23	7,383.24	166.19	11,282.43	18,831.86	-263.88	-1.40

Source: Latest finalised accounts and information furnished by PSUs

During the years 2020-21 to 2022-23, the return of Government companies on the basis of historical cost of Investment ranged from -2.09 *per cent* to -0.18 *per cent*, while the return of Statutory Corporation on the basis of historical cost of Investment ranged from 76.53 *per cent* to 198.61 *per cent*.

5.9.4 Return on Investment on the basis of Present Value of Investment

Traditional calculation of return based only on the basis of historical cost of investment may not be a correct indicator of the adequacy of the return on the investment since such calculations ignore the present value of money. Therefore, real return on investment has also been calculated after considering the Present Value of money.

The Present Value (PV) of the investment in these PSUs was computed on the basis of following assumptions:

- The State Government's investment was computed where funds were infused in the form of equity, defaulted long term loans and operational/ management expenses as on 31 March 2023.
- Long term loans on which interest payments were defaulted by the PSUs were considered as investment of State Government. In case of repayment of loans by these PSUs, the PV was calculated on the reduced balances of loans over the period.
- The funds provided in the form of Grants/Subsidy have not been reckoned as investment except capital grant since they do not qualify to be considered as investment.
- The average rate of interest on Government borrowings for the concerned financial year¹¹ was adopted as discount rate for arriving at Present Value since they represent the cost incurred by the Government towards investment of funds for the year and therefore, considered as the minimum expected Rate of Return on investments made by the Government.

Further, consolidated position of Present Value of the State Government investment relating to these PSUs for the same period is indicated in **Table 5.12**.

Table 5.12: Year wise details of investment by the State Government and Present Value of Government investment

Financial year	Present value of total investment at the beginning of the year	Equity infused by the state government during the year	Net Interest Free Loan / Defaulted Loan	Interest free loans converted during the year	Capital Grant	Total investment during the year	Total investment at the end of the year	Average rate of interest on government borrowings (in %)	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings for the year	Percentage of Total earnings for the year
A	B	C	D	E	F	G = (C+D-E+F)	H = B + G	I	J = (H*1%) + H	K = (H*1%)	L	M = L*100/H
Upto 2016-17	4483.97	6649.27	268.64	20.11	2253.92	9151.72	13635.69	6.62	14538.38			
2017-18	14538.38	21.60	84.23	0	1353.68	1459.51	15997.89	6.38	17018.55	1020.66	1124.26	7.03
2018-19	17018.55	0	81.86	0	269.88	351.74	17370.29	6.10	18429.89	1059.58	928.65	5.35
2019-20	18429.89	0	-57.77	0	271.80	214.03	18643.92	6.83	19917.29	1273.38	-303.84	-1.63
2020-21	19917.29	0	0	0	331.89	331.89	20249.18	6.57	21579.56	1330.37	106.87	0.53
2021-22	21579.56	0	0	0	806.55	806.55	22386.09	6.40	23818.80	1432.71	-362.07	-1.62
2022-23	23818.80	11.72	0	0	757.78	769.50	24588.30	6.91	26287.35	1699.05	-263.72	-1.08
Total		6682.59	376.96	20.11	6045.50	13084.94						

Source: Compiled on the basis of latest finalized accounts of PSUs

The total investment of the State Government in 22 PSUs (including not covered PSUs in this report) at the end of the year 2022-23 was ₹13,084.94 crore consisting of

¹¹The average rate of interest on Government borrowings was adopted from the Reports of the C&AG of India on State Finances (Government of Chhattisgarh) for the concerned year wherein the calculation for the average rate for interest paid = Interest Payment/ [(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100.

equity (₹6,682.59 crore), defaulted long term loans (₹376.96 crore excluding ₹20.11 crore interest free loan converted into equity) and capital grants (₹6,045.50 crore). The PV of investments of the State Government as on 31 March 2023 worked out to ₹26,287.35 crore. The returns were negative during 2021-22 and 2022-23 as compared to positive returns during the year 2020-21.

5.10 Public Sector Undertakings incurring losses

5.10.1 Losses incurred

There were seven¹² PSUs that incurred losses as per their latest finalised accounts at the end of March 2023. The losses incurred by these PSUs increased to ₹1,143.10 crore as per their latest finalised accounts from ₹433.14 crore in 2020-21 as given below in Table 5.13.

Table 5.13: Number of Public Sector Undertakings that incurred losses during 2020-21 to 2022-23

(₹in crore)

Year	Particulars	No of Loss making PSUs	Net loss for the year	Net accumulated loss/profit	Net worth
2020-21	Power Sector PSUs	2	-422.12	-7,727.69	-5,443.37
	Services	5	-4.04	-176.36	-114.98
	Infrastructure	2	-0.03	3.99	13.09
	Other PSUs	1	-6.95	-7.83	-6.69
	Total	10	-433.14	-7,907.89	-5,551.95
2021-22	Power Sector PSUs	2	-1,216.59	-8,944.29	-6,036.58
	Services	4	-9.80	19.20*	75.20
	Infrastructure	2	-0.58	3.41	12.51
	Total	8	-1,226.97	-8,921.68	-5,948.87
2022-23	Power Sector PSUs	1	-1,132.72	-10,057.33	-7,149.62
	Services	4	-9.80	19.20*	75.20
	Infrastructure	2	-0.58	3.41	12.51
	Total	7	-1,143.10	-10,034.72	-7,061.91

Source: Compiled on the basis of latest finalized accounts of PSUs

* This does not include the financial result of Chhattisgarh State Civil Supplies Corporation Limited as the corporation earned profit during 2021-22, while it incurred loss during the year 2020-21 with accumulated loss of ₹205.35 crore.

In 2022-23, out of total loss of ₹1,143.10 crore incurred by 7 PSUs, loss of ₹1,132.72 crore was contributed by one power sector PSU namely Chhattisgarh State Power Distribution Company Limited.

¹² Chhattisgarh State Power Distribution Company Limited, Chhattisgarh Road and Infrastructure Development Corporation Limited, Chhattisgarh Police Housing Corporation Limited, Chhattisgarh Infrastructure Development Corporation Limited, Chhattisgarh Railway Corporation Limited, Chhattisgarh Katghora Dongargarh Railway Limited and Chhattisgarh Kharsia Naya Raipur Railway Limited

5.10.2 Investments in Loss making companies

The Governments and others investments in the seven loss making PSUs as equity and loans as on 31 March 2023 is given in **Table 5.14**.

Table 5.14: Equity investment and loans in loss making Public Sector Undertakings

(₹in crore)

SI No	Name of PSU	As on 31 March 2023						
		Equity			Long Term Loans			Total
		GoCG	GoI	Others	GoCG	GoI	Others	
1	Chhattisgarh State Power Distribution Company Limited	2,886.54	0.00	0.00	64.10	130.97	1,576.61	4,658.22
2	Chhattisgarh Road Infrastructure Development Corporation Limited	4.90	0.00	0.00	0.00	0.00	1,598.68	1,603.58
3	Chhattisgarh Police Housing Corporation Limited	2.00	0.00	0.00	0.00	0.00	558.27	560.27
4	Chhattisgarh Infrastructure Development Corporation Limited	4.20	0.00	0.00	0.00	0.00	0.00	4.20
5	Chhattisgarh Railway Corporation Limited	37.22	34.30	0.00	0.00	0.00	0.00	71.52
6	Chhattisgarh Katghora Dongargarh Railway Limited	0.00	0.00	2.00	0.00	0.00	0.00	2.00
7	Chhattisgarh Kharsia Naya Raipur Railway Limited	0.00	0.00	2.00	0.00	0.00	0.00	2.00
Total		2,934.86	34.30	4.00	64.10	130.97	3,733.56	6,901.79

As on 31 March 2023, the total investment in seven loss making PSUs was ₹6,901.79 crore which comprised 43.08 *per cent* of equity capital and 56.92 *per cent* of long-term loans. GoCG equity and long term loans were ₹2,934.86 crore (98.71 *per cent* of total equity) and ₹64.10 crore (1.63 *per cent* of total long term loans) respectively at the end of year 2022-23. The long-term loans as on 31 March 2023 in these PSUs consisted of ₹195.07 crore advanced by the Central and State Governments and ₹3,733.56 crore raised from other sources.

5.10.3 Erosion of Capital in Public Sector Undertakings

Net worth means the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure. Essentially it is a measure of what an entity is worth to the owners. A negative net worth indicates that the entire investment by the owners has been wiped out by accumulated losses and deferred revenue expenditure.

As against the equity (paid up capital *plus* defaulted loans) of ₹2,972.81 crore of seven loss making PSUs, overall net accumulated losses reported by these seven PSUs were ₹10,034.72 crore, resulting in depletion in net worth of seven PSUs to (-)₹7,061.91 crore¹³ as on 31 March 2023. One PSU viz., Chhattisgarh State Power Distribution Company Limited (CSPDCL) which incurred losses amounting to ₹1,132.72 crore during the year 2022-23, reported total accumulative loss of ₹10,057.33 crore as on 31 March 2023.

Table 5.15: Details of PSUs whose Net Worth has been eroded as per their latest finalised accounts

(₹in crore)

Sl. No.	Name of state PSU	Latest year of finalised accounts	Total paid up capital	Net profit (+)/loss(-) after interest, tax and dividend	Accumulated losses	Net worth	Period since Net Worth has remained negative	State Govt. Equity as on 31 March 2023	State Govt. loans as on 31 March 2023
1	Chhattisgarh State Civil Supplies Corporation Limited	2021-22	4.43	20.64	184.71	(-)179.33	2000-01	4.43	0.00
2	Chhattisgarh State Power Distribution Company Limited	2022-23	2,886.54	(-)1,132.72	10,057.33	(-)7,149.62	2009-10	2,886.54	64.10
3	Raipur Smart City Limited	2019-20	0.10	(-) 0.39	1.18	(-)1.08	2017-18	0.10	0.00
4	Chhattisgarh Rural Housing Corporation Limited	2019-20	0.10	(-) 6.71	6.72	(-)6.62	2019-20	0.10	0.00
5	Chhattisgarh State Industrial Development Corporation Limited	2018-19	1.60	(-)3.94	12.13	(-)9.88	2003-04	1.60	0.00

The net worth of above five PSUs out of 28 PSUs had been completely eroded by accumulated losses and their net worth was negative. The net worth of these five PSUs has remained negative for a period ranging from four years to twenty-three years. Further, four¹⁴ of the above five companies have not submitted the annual accounts within the due date i.e. 30 September 2023. The main source of receipt of these five PSUs were operational income, revenue grants¹⁵, interest income and other miscellaneous receipts. Out of these five PSUs, in two PSUs namely Chhattisgarh

¹³ Paid up capital plus defaulted loans ₹2,972.81 crore - accumulated losses ₹10,034.72 crore = (-)₹7,061.91crore

¹⁴ Sl. No. 1, 3, 4 and 5 of Table 5.14

¹⁵ Raipur Smart City Limited received revenue grant of ₹20 crore

State Power Distribution Company Limited (CSPDCL) and Chhattisgarh State Civil Supplies Corporation Limited (CSCSCL) erosion of net worth was significant. CSPDCL operates in a regulated environment i.e. it cannot pass on costs to its consumers as per free market mechanism and tariff is administered. An analysis of major parameters constituting both revenue and expense showed that Compound Annual Growth Rate¹⁶ (CAGR) of Revenue from Operations¹⁷ between 2019-20 and 2022-23 (taking 2019-20 as base year) stood at 9.00 *per cent*. Against this CAGR of Cost of Power Purchase¹⁸ was 8.63 *per cent*. Increase in Revenue from Operations is mostly nullified by increased cost of power leaving a thin margin to accommodate other expenses (like Employee Benefit Expenses (EBE), Finance cost, Depreciation having sizeable monetary base) whose CAGR itself was in double digit except EBE. This means gross thin margin achieved by Revenue from Operations was not enough to cover these growing expenses which was accounted on as it is basis. CSCSCL had accumulated losses pertaining to period 2002-03 to 2011-12 but has been earning profit since 2012-13 except 2020-21. In remaining three PSUs net worth erosion was miniscule as these companies' revenue stream was grant based and depending upon budgetary allocation or percentage of grants, a surplus or deficit resulted after deducting yearly expenses.

5.11 Oversight role of Comptroller and Auditor General of India

5.11.1 Audit of Public Sector Undertakings

The financial statements of the Government Companies (as defined in Section 2 (45) of the Companies Act, 2013) are audited by Statutory Auditors, who are appointed by the Comptroller and Auditor General of India as per the provisions of Section 139 (5) or (7) of the Companies Act, 2013. The Statutory Auditors submit a copy of the Audit Report to the Comptroller and Auditor General of India including, among other things, financial statements of the Company under Section 143 (5) of the Companies Act 2013. These financial statements are also subject to supplementary audit by the Comptroller and Auditor General of India within sixty days from the date of receipt of the audit report under the provisions of Section 143(6) of the Companies Act, 2013.

Audit of Statutory Corporations is governed by their respective legislations. In respect of Chhattisgarh State Warehousing Corporation, the audit is conducted by Chartered Accountants and supplementary audit is conducted by the Comptroller and Auditor General of India.

Further, as per sub-Section 7 of Section 143 of the Companies Act, 2013, Comptroller and Auditor General of India may, in case of any company covered under sub-Section (5) or sub-Section (7) of Section 139, if considered necessary, by an order, cause test audit to be conducted of the accounts of such Company and the provisions of Section

¹⁶ CAGR= (Final value/Beginning value)^{1/t}-1, where t is time duration in years

¹⁷ ₹15319 crore in 2019-20 and ₹19837.18 crore in 2022-23

¹⁸ ₹14019.80 crore in 2019-20 and ₹17973.37 crore in 2022-23

19A of the Comptroller and Auditor General of India's (Duties, Powers and Conditions of Service) Act, 1971 shall apply to the report of such test Audit. Thus, a Government Company or any other Company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by Central Government and partly by one or more State Governments, is subject to audit by the Comptroller and Auditor General of India.

5.11.2 Appointment of Statutory Auditors of Public Sector Undertakings by Comptroller and Auditor General of India

The Comptroller and Auditor General of India appoints the statutory auditors of a Government Company under Section 139(5) and (7) of the Companies Act, 2013. Section 139(5) of the Act, 2013 provides that the statutory auditors in case of a Government Company are to be appointed by the Comptroller and Auditor General of India within a period of 180 days from the commencement of the financial year. Section 139(7) of the Companies Act, 2013 provides that in case of a Government Company the first auditor is to be appointed by the Comptroller and Auditor General of India within sixty days from the date of registration of the company and in case Comptroller and Auditor General of India does not appoint such auditor within the said period, the Board of Directors of the Company or the members of the Company have to appoint such auditor.

The Statutory Auditors of all the PSUs (except Chhattisgarh State Information Infrastructure Corporation Limited and Chhattisgarh State Industrial Development Corporation) for the year 2022-23 were appointed by the Comptroller and Auditor General of India till September 2023.

5.12 Submission of accounts by Public Sector Undertakings

5.12.1 Need for timely submission

According to Section 395 of the Companies Act 2013, Annual Report on the working and affairs of a Government Company, is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation laid before the House or both Houses of the State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. Almost similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the Companies and Corporations from the Consolidated Fund of State.

5.12.2 Timelines in preparation of accounts by Public Sector Undertakings

Section 96 of the Companies Act, 2013 requires every company to hold Annual General Meeting of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next. The section further provides that in case of the first Annual General Meeting, it shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case, within a period of six months, from the date of closing of the financial year. Accordingly, the Companies were required to hold Annual General Meeting upto 30 September 2023 for the financial year 2022-23.

Further, Section 129 of the Companies Act 2013 stipulates that the audited Financial Statement for the financial year has to be placed in the said Annual General Meeting for their consideration. Section 129 (7) of the Companies Act 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the Company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

As of 31 March 2023, there were 27 Government Companies and one Statutory Corporation under the purview of Comptroller and Auditor General of India's audit. Of these, only three Government Companies submitted their account (2022-23) for audit by the Comptroller and Auditor General of India on or before 30 September 2023. Total 47 accounts by 25 PSUs were not submitted within the timeline prescribed which was in violation of Section 129 of Companies Act, 2013 and statutes governing Statutory Corporation.

The break-up of arrears in accounts of Government Companies and Statutory Corporation are detailed in **Table 5.16**.

Table 5.16: Break up of arrear in accounts

Particulars		State Public Sector Undertakings		
		Government companies (No. of PSUs)	Statutory corporation	Total (No. of PSUs)
Total number of PSUs under the purview of CAG's audit as on 31.03.2023		27	01	28
Number of PSUs which submitted accounts for the year 2022-23 for CAG audit by 30 September 2023		03	--	03
Number of accounts in arrears		46 (24)	01(01)	47 (25)
Extent of arrear		Up to 6 years	01 year	
Break-up of arrears	(i) Under Liquidation	-	-	-
	(ii) Inactive	4(01)	--	4 (01)
	(iii) First Accounts not submitted	6 (01)	--	6 (01)
	(iv) Others	36 (22)	01 (01)	37 (23)
Age-wise analysis of arrears against 'others' category	One year (2022-23)	14(14)	01(01)	15(15)
	Two years (2021-22 and 2022-23)	06(03)	--	06(03)
	Three years and more	16(05)	--	16(05)

Source: Compiled on the basis of latest finalised accounts of PSUs

5.13 Comptroller and Auditor General of India's Oversight-Audit of accounts and supplementary audit

5.13.1 Financial reporting framework

Companies are required to prepare their financial statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards. The Listed Companies and Companies having net worth of more than ₹250 crore are required to comply with the Indian Accounting Standards. Further parent, subsidiary, associate and joint venture of aforesaid companies are also required to comply with Indian Accounting Standards. The Companies not covered by the above shall continue to apply Accounting Standards. Out of the 27 Government Companies, 11 Companies follow the Indian Accounting Standards while the remaining Companies prepare their accounts as per Accounting Standards.

The Statutory Corporations are required to prepare their accounts in the format prescribed under the rules, framed in consultation with the Comptroller and Auditor General of India and any other specific provision relating to accounts in the Act governing such Corporations.

5.13.2 Supplementary Audit of accounts of Public Sector Undertakings

The prime responsibility for preparation of financial statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the management of an entity.

The statutory auditors appointed by the Comptroller and Auditor General of India are responsible for expressing an opinion on the financial statements under Section 143 of the Companies Act, 2013 based on independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India and directions given by the Comptroller and Auditor General of India. The statutory auditors are required to submit the Audit Report to the Comptroller and Auditor General of India under Section 143 of the Companies Act, 2013. The Statutory Auditors reported that five PSUs¹⁹ did not comply with mandatory Accounting Standards (AS) /Indian Accounting Standards (Ind AS).

The certified accounts of selected Government Companies along with the report of the statutory auditors are reviewed by Comptroller and Auditor General of India by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the Annual General Meeting.

¹⁹ Chhattisgarh State Power Distribution Company, Chhattisgarh Rajya Van Vikas Nigam Limited, Chhattisgarh Infrastructure Development Corporation Limited, Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited and Chhattisgarh State Warehousing Corporation.

5.14 Result of Comptroller and Auditor General of India's Oversight Role

5.14.1 Audit of accounts of Public Sector Undertakings under Section 143 of the Companies Act, 2013

During the period under review (October 2022 to September 2023), 21 financial statements were received for audit, of which 18 pertained to the previous years. The status of the financial statements received, reviewed and comments issued is given in Table 5.17.

Table 5.17: Status of Financial Statements of Public Sector Undertakings

Particulars of Financial Statement	Financial Year 2022-23			Previous Years		
	Government company	Statutory Corporation	Total	Government Company	Statutory Corporation	Total
Received	3	--	3	17	1	18
Not Reviewed	1	--	1	1	--	1
Reviewed	--	--	--	13	1	14
Audit in progress*	2	--	2	3	--	3
Nil comment issued	--	--	--	--	--	--
Comments issued	--	--	--	13	1	14

*As on 30 September 2023

Comments of the Comptroller and Auditor General of India on financial statements of 14 PSUs were issued during the period under review.

5.14.2 Significant comments of the Comptroller and Auditor General of India issued as supplement to the Statutory Auditors' reports

Subsequent to the audit of the financial statements by the Statutory Auditors, the Comptroller and Auditor General of India conducted supplementary audit of the financial statements of the PSUs. Some of the significant comments issued on the financial statements of the Government Companies are listed below:

Comments on Profitability

Sl. No.	Name of Company	Comment
1	Chhattisgarh State Civil Supplies Corporation Limited (2021-22)	Property, Plant and Equipment does not include an amount of ₹431.92 lakh towards Capital Work in Progress (CWIP), executed by Nava Raipur Atal Nagar Development Authority (NRANVP) on account of decoration of the Company's office and same was shown as Capital Advance instead of CWIP. This has resulted in understatement of CWIP by ₹431.92 lakh and overstatement of Capital Advance to the same extent.
2	Chhattisgarh Mineral Development Corporation Limited (2021-22)	1. Depreciation and Amortization does not include ₹62.60 lakh being the amount of depreciation on Company's corporate office building situated at Nava Raipur Atal Nagar for the years 2020-21 and 2021-22. The Company started working in the

		new office building from 14 December 2020 onwards; however, the same has not been capitalized resulting in understatement of Depreciation and overstatement of Profit by ₹62.60 lakh. This has also resulted in understatement of PPE and overstatement of Other Current Assets (under other advances) by ₹12.44 crore. 2. Other Expenses does not include ₹68.79 lakh being the payment made to Chhattisgarh State Power Distribution Company Limited (CSPDCL) towards installation of 1000 KVA transformer at Aridongari mines (₹49.60 lakh) and new service connection at Aridongari mines (₹19.20 lakh). Instead, this amount was recognised as advances (Other Current Assets) in the accounts for the year 2021-22. This has resulted in Overstatement of Other Current Assets as well as Profit and Understatement of Expenses by ₹68.79 lakh.
3	Chhattisgarh Rajya Van Vikas Nigam Limited (2021-22)	Depreciation and Amortization Expenses does not include ₹1.48 crore being the amount of depreciation of Company's corporate office building for the years 2018-19 to 2021-22. The building was handed over on 11 April 2018 to the Company. However, the same was not capitalized. This has resulted in understatement of depreciation and overstatement of Profit by ₹1.48 crore. This also resulted in Understatement of PPE and Overstatement of Other Non-current Assets (Advance to Nava Raipur Atal Nagar Development Authority (NRDA) by ₹8.24 crore.
4	Chhattisgarh State Power Transmission Company Limited (2021-22)	Other current liabilities do not include ₹0.59 crore towards operation and maintenance of substations, security services, annual maintenance services etc. and ₹35.40 crore towards invoices/bills relating to various Capital Work in Progress pertaining to the financial year 2021-22 was not provided for in the financial statement. This has resulted in understatement of Other Current Liabilities to the extent of ₹35.99 crore and understatement of Capital Work-in-Progress to the extent of ₹35.40 crore. This has also resulted in understatement of Expenses to the extent of ₹0.59 crore and consequent overstatement of profit to the same extent.
5	Chhattisgarh State Power Generation Company Limited (2021-22)	Other Expenses does not include an amount of ₹1179.88 crore that the Water Resource Department (WRD) had raised for water charges bill as per terms of agreement to the Company. The Company violated the payment terms of the ibid agreement and did not pay the water bill, rather showed it as contingent liability in its books of accounts. As the WRD had consistently billed and claimed the water charges as per the terms of agreement executed with the Company, a suitable provision for the same should have been made. Non-provision of the above resulted in understatement of Other Expenses as well as Current Liability by ₹1179.88 crore with corresponding overstatement of Profit by the same amount.

Comments on Financial Position

Sl. No.	Name of Company	Comment
1	Chhattisgarh Mineral Development Corporation Limited (2021-22)	Other Current Liabilities does not include ₹8.86 crore being the amount of first instalment of loan from Mineral Development Fund which was due during the year 2021-22 along with penal interest ₹62 lakh due to non-payment of interest against the loan of 2020-21. This has resulted in understatement of Current Liabilities by ₹8.86 crore as well as Other Expenses by ₹62 lakh and overstatement of Borrowings by ₹8.86 crore and Profit by ₹62 lakh.
2	Chhattisgarh State Power Holding Company Limited (2021-22)	Other current liabilities do not include an expenditure of ₹118.00 lakh payable to the EDCIL (India) Limited towards work of recruitments to various posts in Chhattisgarh State Power companies in the financial year 2021-22 and bill was received in the same year but paid in financial year 2022-23. This has resulted in understatement of other current liabilities and understatement of other current assets (receivable from its subsidiaries companies) to the extent of ₹118.00 lakh.
3	Chhattisgarh Medical Services Corporation Limited (2020-21)	Interest for DME (Equip. Procurement) does not include ₹39.71 lakh towards the accrued interest on the fixed deposit of ₹10.00 crore which was submitted (4 February 2019 and 16 June 2020) as a letter of credit to M/s Wipro GE Healthcare Pvt. Ltd. for the purchase of CT scan machine. This has resulted in understatement of Long-Term Liabilities (Fund from Govt.) as well as Other Current Assets (Interest Accrued on FD) by ₹39.71 lakh.
4	Chhattisgarh Medical Services Corporation Limited (2020-21)	Property, Plant & Equipment (Building) includes ₹3.50 crore towards the expenditure incurred on the installation of Air Conditioning system in the four Drug Warehouses situated at Raipur, Bilaspur, Ambikapur and Jagdalpur during the year 2020-21 which should have been classified under the head Electrical Installation and Equipment instead of Building. This has resulted in Understatement of Depreciation and Overstatement of Profit to the extent of ₹15.12 lakh due to misclassification. Apart from it, Overstatement of Building and Understatement of Electrical Installations and Equipment to the extent of ₹3.50 crore.
5	Chhattisgarh Police Housing Corporation Limited (2021-22)	Other Current Liabilities does not include ₹10.75 crore of Guarantee fees payable @ 0.5 per cent on guarantee given by Govt. of Chhattisgarh to the Chhattisgarh Police Housing Corporation Limited for loan taken from Indian Bank (₹400.00 crore) and Canara Bank (₹400.00 crore). As on March 2022, the company has neither paid Guarantee fees nor made any provision for the same. This has resulted in understatement of Other Current Liabilities by ₹10.75 crore and overstatement of Reserve and Surplus to the same extent.
6	Chhattisgarh Rajya Van Vikas Nigam Limited (2021-22)	Capital Work in Progress does not include ₹3.00 crore towards expenditure incurred on Construction and Development of Residential Apartment for the employees as per the utilization certificate submitted (15 March 2021) by the Chhattisgarh Housing Board Capital Project Division (project implementing

		agency) which was not adjusted from the advance of ₹5.00 crore. This has resulted in overstatement of Other Non-Current Assets (Note:5 under Capital advances) by ₹3.00 crore and understatement of Capital Work-in-Progress to the same extent.
--	--	--

Comments on Auditor's Report

Some of the significant comments issued on the Statutory Auditor's Report are listed below:

Sl. No.	Name of Company	Comment
1	Chhattisgarh State Civil Supplies Corporation Limited (2021-22)	A reference is invited to item no. g(i) of Report on other legal and regulatory requirements wherein it was stated that the Company has disclosed the impact of pending litigations on its financial position on its Financial Statements. However, the Company has not disclosed the impact of pending cases related to M/s Kavita Jain, Korba, M/s Mahaveer Jain, Korba and PEC Limited, New Delhi. Hence, qualification of the Independent Auditor in its Report is deficient to that extent. A reference is invited to item no. (vi) b of Annexure 'B' to the Independent Auditor's report wherein it was mentioned that the EPF Appellant Tribunal gave decision against the Company and the case is pending for appeal in higher forum. However, for the same case appeal has been already filed (April 2021) at High Court of Chhattisgarh by the Company. Therefore, qualification of the Independent Auditors' Report is deficient to that extent.
2	Chhattisgarh Mineral Development Corporation Limited (2021-22)	A reference is invited to the Statutory Auditor's qualification placed at serial no.(i) of the Emphasis of Matter paragraph of the Independent Auditor's Report; wherein it has been stated that a provision of ₹66.37 crore payable to a joint venture partner M/s Lumen Engineering Private Limited towards interest on acquisition cost of land was not made in the financial statements of the company for the year 2021-22. However, the actual amount of interest payable to the JV partner was ₹72.69 crore. The Independent Auditor's Report is factually incorrect to that extent.
3	Chhattisgarh State Power Trading Company Limited (2021-22)	A reference is invited to item no. (B)i of Report on Other Legal and Regulatory Requirements of Independent Auditors' Report wherein it has been reported that the Company does not have any pending litigations which would impact its financial position. However, the Company have 17 number of pending litigations as on 31 March 2022. Hence, Auditors' Report is deficient to that extent.
4	Chhattisgarh Medical Services Corporation Limited (2020-21)	In the Auditors' Report at item no. 1 of Report on Internal Financial Controls over Financial Reporting (Annexure-I), it has been reported that "the Company has not complied with the provisions of section 135 of the Companies Act, 2013 by not making expenditure of the Provisions ₹18,10,289 which is factually incorrect as the actual amount was ₹21,11,319. The Auditors' Report did not state that in contravention to section 135(5) of the Companies Act, 2013 the Company has failed to transfer the unspent amount into a fund specified in schedule VII of the Companies Act, 2013. Hence, Annexure-I of the

		Independent Auditors' Report is deficient to that extent.
5	Chhattisgarh Road and Infrastructure Development Corporation Limited (2021-22)	The auditor has not complied to all sub-directions as required under section 143 (5) of the Companies Act, 2013. Hence, the Auditors Report is deficient to that extent.
6	Chhattisgarh State Power Distribution Company Limited (2021-22)	The Annual General Meeting for the previous year (2020-21) was not held and the financial statements for the year 2021-22 were approved (22.09.2022) by the Company's BoD prior to adoption of previous year's financial statements by the shareholders. However, the fact was not reported by the statutory auditor resulting in non-compliance with the terms and conditions of appointment.

5.15 Non-compliance with provisions of Accounting Standards/ Indian Accounting Standards

In exercise of the powers conferred by Section 469 of the Act, 2013, read with Section 129 (1), Section 132 and Section 133 of the said Act, the Central Government prescribed Accounting Standards. Besides these, the Central Government notified 42 Indian Accounting Standards through Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Three Indian Accounting Standards namely Indian Accounting Standards 11, 17 & 18 have been withdrawn after the notification of Indian Accounting Standard 115 & 116.

During the course of supplementary audit carried out between October 2022 and September 2023, the Comptroller and Auditor General of India observed that the following companies had also not complied with the Accounting Standards/Indian Accounting Standards which were not reported by their statutory auditors:

Accounting Standards/ Indian Accounting Standards	Name of the Company	Deviation
Ind AS 16 - Property, Plant and Equipment	Chhattisgarh State Power Transmission Company Limited (2021-22)	As per para 73 of Ind AS – 16 (Property, Plant and Equipment) the financial statements are required to disclose the useful lives or the depreciation rates used for each class of property, plant and equipment with exception. However, the Company has not disclosed the useful life or depreciation rates used in the financial statements. Thus, the notes to financial statements are deficient to that extent.
IND AS 1 – Presentation of Financial Statements	Chhattisgarh State Power Distribution Company Limited (2021-22)	The Department of Energy, Government of Chhattisgarh (GoCG) vide its order dated 24 May 2022 consented to pay off the dues of CSPDCL payable to CSPGCL (₹1000 crore) and CSPTCL (₹500 crore). As per procedure in vogue, the amount/ instalment was to be remitted to CSPDCL by GoCG

		and subsequently transferred to CSPGCL and/or CSPTCL. Pursuant to the GoCG's order, the Company has netted off the amount receivable from GoCG with that payable to CSPGCL and CSPTCL which was not in line with provisions of IND AS-1. Besides, this fact should have been disclosed by way of notes to the financial statements.
AS 18- Related Party Disclosures	Chhattisgarh Infrastructure Development Corporation Limited (2019-2020 & 2020-21)	The Company did not disclose the related party transactions w.r.t key management personnel viz salary paid to Managing Director ₹5.24 lakh (2019-2020) ₹31.46 lakh (2020-2021) as required by Para 20 of AS 18 (Related Party Disclosures). Therefore, the presentation of Note no. 20 is deficient to that extent.
AS 29 - Provisions, Contingent Liabilities and Contingent Assets	Chhattisgarh Police Housing Corporation Limited (2021-22)	As on 31 March 2022, the Corporation has 13 number of litigation cases which are pending before court of law out of which, in 9 cases financial implication is involved. However, the Company has not disclosed any cases in its Financial Statements as required by AS 29. Hence, the Financial Statement is deficient to that extent.
AS 3- Cash Flow Statements	Chhattisgarh Police Housing Corporation Limited (2021-22)	As per the requirement of Accounting Standard 3 (Cash Flow Statements) the Company has not disclosed the method (Direct or Indirect) of the Cash Flow Statement. Hence, the Financial Statement is deficient to that extent.

5.16 Management Letters

One of the objectives of financial audit is to establish communication on audit matters arising from the audit of financial statements between the auditor and those charged with the responsibility of governance of the corporate entity.

The material observations on the financial statements of PSUs were reported as comments by the Comptroller and Auditor General of India under Section 143 (5) of the Companies Act, 2013. Besides these comments, irregularities or deficiencies observed by Comptroller and Auditor General of India in the financial reports or in the reporting process, were also communicated to the management through a 'Management Letter' for taking corrective action.

During the period October 2022 to September 2023 Management Letters were issued to eleven²⁰ PSUs. The deficiencies generally related to:

²⁰Chhattisgarh Rajya Van Vikas Nigam Limited, Chhattisgarh State Power Distribution Company Limited, Chhattisgarh State Warehousing Corporation, Chhattisgarh Medical Services Corporation Limited, Chhattisgarh State Police housing Corporation Limited, Chhattisgarh State Power Trading Company Limited, Chhattisgarh State Power Holding Company Limited (SA 2021-22), Chhattisgarh Road and Infrastructure Development Corporation Limited, Chhattisgarh Mineral Development Corporation Limited, Uttar Chhattisgarh Rajya Vidyut Utpadan Limited (SA & CFS 2021-22) and Chhattisgarh State Civil Supplies Corporation Limited .

- adjustments arising out of audit that could have a significant effect on the financial statements;
- lack of internal Control on the part of Management; and
- application and interpretation of accounting policies and practices.

5.17 Conclusion

As on 31 March 2023, there were 28 PSUs including one Statutory Corporation. Out of 28, there are two inactive PSUs. Out of 26 working PSUs, only 20 PSUs (19 Companies and one Statutory Corporation), whose accounts were in arrears for two or less years as on 30 September 2023 have been considered for detailed analysis of financial performances.

During 2022-23, these 20 PSUs registered turnover of ₹42,172.73 crore, which was equal to 9.22 per cent of the GSDP of Chhattisgarh. The contribution of Power sector PSUs alone accounts for over 66.51 per cent of the total turnover of PSUs during 2022-23.

The investment of the State Government in equity and long-term loans in 28 PSUs was ₹7579.09 crore at the end of 31 March 2023. The outstanding long-term loans of these PSUs increased from ₹13,865.19 crore to ₹13,877.90 crore during the year of 2020-21 to 2022-23.

The Profit earned by 10 PSUs out of 20 PSUs (covered in this Report) was ₹879.22 crore in 2022-23 as compared to nine PSUs which earned profit of ₹540.16 crore in 2020-21. Chhattisgarh State Power Generation Company Limited (₹570.38 crore), Chhattisgarh State Power Transmission Company Limited (₹109.89 crore) and Chhattisgarh State Warehousing Corporation (₹71.20 crore) contributed the major portion of the profit. Out of the total loss of ₹1,143.10 crore incurred by seven PSUs, major loss was incurred by Chhattisgarh State Power Distribution company Limited (₹1,132.72 crore).

Out of 28 PSUs, accounts of 25 PSUs were in arrears (24 Government Companies, one Statutory Corporation) for various reasons for the year 2022-23. PSUs were not adhering with the prescribed timeline regarding submission of their Financial Statements as per the Companies Act, 2013. As a result, 47 accounts of 25 PSUs were in arrears.

5.18 Recommendations

- (i) Government of Chhattisgarh may review the functioning of all loss making PSUs and take necessary steps to improve their financial performance.
- (ii) Government of Chhattisgarh may issue necessary instructions to Administrative Departments to set targets for individual PSUs to furnish the accounts in time and to strictly monitor the clearance of arrears and take steps expeditiously in order to liquidate the arrears in finalisation of accounts.

- (iii) Government of Chhattisgarh may review the inactive Government Companies and take appropriate decision on their revival/winding up.
- (iv) Out of ten profit making PSUs, as per their latest finalised accounts only one PSU has declared dividend. The State Government may formulate a dividend policy for the PSUs.
- (v) The State Government may analyse the reasons for losses in PSUs whose net worth has been eroded and initiate steps to make their operations efficient and profitable.

Raipur
The: 17 APR 2024


(YASHWANT KUMAR)
Principal Accountant General (Audit)
Chhattisgarh

Countersigned

New Delhi
The: 26 APR 2024


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

Appendix 1.1
(Reference: Paragraph 1.1)
State Profile
A-General Data

Sl. No.	Particulars		Figures (Chhattisgarh)
1	Area (as per the Forest survey 2021)		1,35,192 Sq.km
2.	Population (as per Population projection 2011-2036 by National Commission on Population)		3.02 crore
3	Density of population (all India density = 422 persons per sq. Km.)		223 person per Sq. km
4	Population Below Poverty Line (all India average = 21.92 <i>per cent</i>)		39.93 <i>per cent</i>
5	Literacy (as per 2011 Census) (all India average = 73.00 <i>per cent</i>)		70.30 <i>per cent</i>
6	Infant mortality rate (as per SRS bulletin 2020) (per 1000 live births) (all India average = 28 per 1000 live births)		38 per 1000 live births
7	Life expectancy at birth (All India average in years 2016-2020 = 70.00)		65.10
8	Population Growth (2013-2023)	All India	11.68
		Chhattisgarh	14.51
9	Gross State Domestic Product (GSDP) 2022-23 at current price		₹4,57,608 crore

(Note: General data is based on SFAR compilation provided by Office of the Economic Adviser)

B. Financial Data

Particulars					
CAGR		2013-14 to 2021-22		2021-22 to 2022-23	
		General Category States	Chhattisgarh	General Category States	Chhattisgarh
		(in per cent)			
a.	of Revenue Receipts	11.02	12.05	13.41	17.86
b.	of Tax Revenue	10.50	12.16	15.18	17.66
c.	of Non-Tax Revenue	8.15	13.30	12.94	10.09
d.	of Total Expenditure	11.32	10.45	12.53	14.97
e.	of Capital Expenditure	11.08	10.95	14.18	26.81
f.	of Revenue Expenditure on Education, Sports arts and culture	9.21	10.86	13.52	13.48
g.	of Revenue Expenditure on Health & Family welfare	15.83	20.20	0.88	-5.29
h.	of Salary and Wages	9.63	12.72	8.52	9.56
i.	of Pension	12.28	13.30	11.38	2.53

(Note: Financial data of Chhattisgarh is based on Finance Accounts of the States Government and that of General Category States is sourced from SFAR Compilation provided by Office of Economic Adviser)

Appendix 2.1
(Reference: Paragraphs 2.4.1)
Time Series Data on State Government Finances

(₹ in crore)

	2018-19	2019-20	2020-21	2021-22	2022-23
Part A- Receipts					
1. Revenue Receipts	65,095 (82)	63,869(76)	63,176(74)	79,652(84)	93,877(90)
(i) Own Tax Revenue	21,427(33)	22,118(35)	22,889(36)	27,083(34)	33,122(35)
VAT/Taxes on Sales, Trade, etc.	4,088(19)	3,931(18)	4,236(19)	5,341(20)	6,450(19)
State Excise	4,489(21)	4,952(22)	4,636(20)	5,107(19)	6,783(21)
Taxes on Vehicles	1,205(06)	1,275(06)	1,148(05)	1,373(05)	1,757(05)
Stamps and Registration Fees	1,108(05)	1,635(07)	1,585(07)	1,945(07)	2,229(07)
Land Revenue	488(02)	552(02)	938(04)	950(04)	869(03)
Taxes on Goods and Passengers	54(0)	41(0)	80(0)	48(0)	60(0)
State Goods and Service Tax	8,203(38)	7,895(36)	7,925(35)	9,483(35)	11,298(34)
Other Taxes	1,792(08)	1,838(09)	2,341(10)	2,836(10)	3,677(11)
(ii) Non-Tax Revenue	7,703(12)	7,934(12)	7,137(11)	13,851(17)	15,248(16)
(iii) State's share in Union taxes and duties	23,459(36)	20,206(32)	20,338(32)	28,571(36)	32,358(35)
(iv) Grants in aid from GOI	12,506(19)	13,611(21)	12,812(20)	10,146(13)	13,148(14)
2. Misc. Capital Receipts	05	04	05	05	06
3. Recoveries of Loans and Advances	162	257	105	88	118
3(a) Inter-State Settlement	02	00	00	00	00
4. Total Revenue and Non-Debt Capital Receipts (1+2+3)	65,262	64,130	63,286	79,745	94,001
5. Public Debt Receipts	14,370(18)	19,588(23)	21,581(25)	15,098(16)	10,639(10)
Internal Debt ¹ (Excluding Ways & Means Advances & overdrafts)	13,817	19,308	17,961	9,322	6,939
Loans and Advances from Government of India	553	279	3,620	5,776	3,700
6. Total Receipt in the consolidated fund (4+5)	79,634	83,718	84,867	94,843	1,04,640
7. Contingency Fund Receipts	00	05	00	00	00
8. Public Account Receipts	76,903	89,910	81,446	87,016	98,368
9. Total receipts of the State (6+7+8)	1,56,537	1,73,633	1,66,313	1,81,859	2,03,008

¹ including Special Drawing Facility

	2018-19	2019-20	2020-21	2021-22	2022-23
Part B: Expenditure/Disbursement					
10. Revenue Expenditure	64,411(88)	73,477(89)	70,033(89)	75,010(88)	85,285(86)
General Services (incl. interest payments)	15,280(24)	19,095(26)	19,586(28)	21,375(28)	22,825(27)
Social Services	23,455(37)	26,653(36)	25,066(35)	27,964(37)	31,818(37)
Economic Services	24,781(39)	26,609(36)	24,255(35)	24,558(33)	29,499(35)
Grants-in-aid and Contributions	895(01)	1,120(02)	1,125(02)	1,113(01)	1,143(01)
11. Capital Expenditure	8,903(12)	8,566 (10)	9,024(11)	10,504(12)	13,320(14)
General Services	255(03)	194(02)	508(06)	351(03)	754(06)
Social Services	1,774(20)	1,912(22)	2,935(33)	3,234(31)	4,989(37)
Economic Services	6,874(77)	6,460(76)	5,581(62)	6,919(66)	7,577(57)
12. Disbursement of Loans and Advances	240	56	51	324	86
12(a) Inter-State Settlement	0.25	0.05	0.01	(-)0.25	(-)0.10
13.Total (10+11+12+12[a])	73,554	82,100	79,108	85,838	98,691
14. Repayment of Public Debt	1,146	8,696	8,020	8,845	9,600
Internal Debt (excluding Ways & Means Advances and Overdrafts)	953(83)	8,480(98)	7,805(97)	8,626(98)	9,370(98)
Loans and Advances from Government of India	193(17)	216(02)	215(03)	220(02)	230(02)
15. Appropriation to Contingency Fund	00	00	00	00	00
16. Total disbursement out of Consolidated Fund (13+14+15)	74,700	90,796	87,128	94,683	1,08,292
17. Contingency Fund disbursements	05	00	00	00	00
18.Public Account disbursements	76,357	83,719	81,120	86,716	96,599
19.Total disbursement by the State (16+17+18)	1,51,062	1,74,515	1,68,248	1,81,399	2,04,891
Part C: Deficits					
20. Revenue Deficit (-) (1-10)/ surplus (+)	(+)684	(-)9,609	(-)6,857	(+)4,642	(+)8,592
21.Fiscal Deficit (-)/ Surplus (+) (4-13)	(-)8,292	(-)17,970	(-)15,822	(-)6,093	(-)4,691
22. Primary Deficit (-)/Surplus (+)	(-)4,640	(-)12,999	(-)10,189	(+)51	(+)1,691
Part D: Other Data					
23. Interest Payments	3,652	4,971	5,633	6,144	6,382
24. Ways and Means Advances/ Overdraft availed (days)	00	00	00	00	00
Ways and Means Advances availed (days)	00	00	00	00	00
Overdraft availed (days)	00	00	00	00	00
25. Interest on WMA/Overdraft	00	00	00	00	00

State Finances Audit Report for the Year ended 31 March 2023

	2018-19	2019-20	2020-21	2021-22	2022-23
26. Gross State Domestic Product	3,27,107	3,44,648	3,47,752	4,06,416	4,57,608
27. Outstanding Liability (year-end)	66,750	78,712	92,666²	99,173³	1,01,696⁴
28. Outstanding Guarantees (year-end)	10,769	18,459	19,836	19,500	20,958
29. Maximum Amount Guaranteed	19,574	27,995	26,695	29,948	30,023

² After excluding back-to-back loan (₹3,109 crore), the amount of outstanding liability would be ₹89,557 crore.

³ After excluding back-to-back loan (₹8,074 crore), the amount of outstanding liability would be ₹91,099 crore.

⁴ After excluding back-to-back loan (₹8,074 crore), the amount of outstanding liability would be ₹93,622 crore.

Appendix 3.1

(Reference: Paragraph 3.3.1)

Details of schemes which are 100% women-centric during 2022-23

(₹ in crore)

Sl. No.	Scheme Number and Name	Original Budget	Supplementary	Total Budget	Expenditure
1	761- Girls Education Campus	5.33	0.00	5.33	5.01
2	1206- Tour and exhibition direction for rural women	1.50	0.00	1.50	1.39
3	2216- Integration of Public Health through Basic Nursing Education Programme	46.97	0.00	46.97	32.81
4	3459- Women Sports Competition	2.00	0.00	2.00	0.73
5	4663- Grant for Spinning Mills	0.17	0.00	0.17	0.17
6	4691- Incentive schemes for teaching of Girls	5.80	0.00	5.80	4.02
7	5534- Grant for Health Mitanin Scheme	1.40	0.00	1.40	1.40
8	5551- Free cycle Distribution to High School Girls	94.44	0.00	94.44	64.64
9	5563- Regional Women Training Institute	2.58	0.00	2.58	2.20
10	5645- <i>Mukhyamantri Kanyadaan Yojna</i>	19.00	0.00	19.00	17.01
11	6388- Training Centre of Nurses	20.97	0.00	20.97	13.48
12	7330- Mitanin Welfare fund	111.00	25.00	136.00	136.00
13	7336- Indira Gandhi National Widow Pension	74.16	0.00	74.16	73.23
14	7361- <i>Sabala Yojana</i>	5.79	20.00	25.79	24.28
15	7435- Non-organised Labour, Security and Welfare	38.25	0.00	38.25	36.88
16	7490- National Rural Livelihood Mission	450.00	60.59	510.59	243.02
17	7588- Maternity Allowance under MGNREGA	0.50	0.00	0.50	0.00
18	7627- Professional Training Schemes	9.80	0.00	9.80	5.57
19	7747- <i>Mahtari Jatan Yojana</i>	33.83	0.00	33.83	12.26
20	7875- <i>Suchita Yojana</i>	11.00	0.00	11.00	10.39
21	7884- <i>Pradhan Mantri Matru Vandana</i>	55.91	8.40	64.31	33.34
22	8977- <i>Asangathith Safai Karmkar Kalyan Mandal</i>	8.00	0.00	8.00	2.29
23	8989- Contract Labour, Domestic Laborious and porter Welfare Assembly	15.00	0.00	15.00	14.90
24	9050- Minimum Needs Programme Special Nutrition Scheme	730.61	0.00	730.61	556.28
25	9131- Training to anganwadies workers under Integrated Child Development service schemes	7.00	0.00	7.00	0.00
26	9369- <i>Mahila Jagriti Shivar</i>	4.85	1.00	5.85	7.14
Total		1,755.86	114.99	1,870.85	1,298.44

Appendix 3.2

(Reference: Paragraph 3.3.2)

Details of schemes which are 100% youth-centric during 2022-23

(₹ in crore)

Sl. No.	Scheme Number and Name	Original Budget	Supplementary	Total Budget	Expenditure
1	436-Special Coaching Classes	0.12	0.00	0.12	0.04
2	1079-Training of Sportsmen	1.26	0.00	1.26	0.70
3	1190-Rural Sports Competition	1.50	0.00	1.50	2.45
4	1853-Supply of Drawing Material	1.25	0.00	1.25	0.59
5	2216-Integration of Public Health through Basic Nursing Education Programme	46.97	0.00	46.97	32.81
6	3459-Women Sports Competition	2.00	0.00	2.00	0.73
7	4699-Supply of Books etc. to scheduled caste students	1.10	0.00	1.10	1.04
8	5223-Incentives to Sportsmen	3.00	0.00	3.00	1.71
9	5260- Distribution of Bull for Breed Improvement	0.75	0.00	0.75	0.75
10	5428-Prizes for State Level Sports	1.00	0.00	1.00	1.00
11	5429-Youth Welfare Activities	2.00	0.00	2.00	1.72
12	5645-Mukhyamantri Kanyadaan Yojna	19.00	0.00	19.00	17.01
13	5671-B.P.L Book Bank Scheme	0.50	0.00	0.50	0.50
14	5672-B.P.L. Scholarship Schemes	6.15	0.00	6.15	6.11
15	6047-Grant to Local Bodies for Training	0.14	0.00	0.14	0.14
16	6386-Medical Dental Physiotherapy College	740.33	317.24	1,057.57	929.91
17	6388- Training Centre of Nurses	20.97	0.00	20.97	13.48
18	6407- State Youth Festival	5.00	3.00	8.00	5.80
19	6408- <i>Rajya Yuva Mitan Club</i>	75.00	0.00	75.00	19.35
20	6409- <i>Mukhyamantri Khiladi Protsahan Yojana</i>	1.00	0.00	1.00	0.02
21	6425-Chief Minister Polytechnic Quality Development Scheme	2.01	0.00	2.01	0.00
22	6435- Chief Minister Assistance to Special Higher Education	0.01	0.00	0.01	0.00
23	6436- Mukhyamantri Technology Incentive & Development Plan	0.75	0.00	0.75	0.00
24	6913-Kumbhkar Terakota craft scheme	2.00	0.00	2.00	1.50
25	7296- Sport Academy	4.24	0.00	4.24	1.50
26	7361- <i>Sabala Yojana</i>	5.79	20.00	25.79	24.28
27	7363-Youth Career Development Scheme	11.64	0.00	11.64	7.44
28	7366-Civil Services Examination incentive Schemes	0.28	0.00	0.28	0.01
29	7430-Design and Development Education for Craft	0.55	0.00	0.55	0.42
30	7435-Non-organised Labour, Security and Welfare Board	38.25	0.00	38.25	36.88
31	7490- National Rural Livehood Mission	450.00	60.59	510.59	243.02
32	7627-Professional Training Schemes	9.80	0.00	9.80	5.57

33	7632-Yuva Kshamta Vikas Yojana	4.60	0.00	4.60	0.03
34	7683-Mukhya mantri kaushal vikas yojna	85.25	0.00	85.25	0.00
35	7751-Swami Vivekanand Gyandeeep Scheme	7.19	0.00	7.19	4.94
36	7867-Pradhan Mantri Kaushal Vikas Yojana	22.14	0.00	22.14	0.00
37	7884-Pradhan Mantri Matra Vandana	55.91	8.40	64.31	33.34
38	7914-Kaushal Self - Employment Scheme	0.75	0.00	0.75	0.00
39	8076- Industrial and Technical Institution outside the State	0.07	0.00	0.07	0.03
40	8638- State Sponsered Micro Irrigation Scheme	4.00	0.00	4.00	3.62
41	8643- Mukhyamantri Ucch Shiksha Byaj Anudan Yojana	5.00	0.00	5.00	2.93
42	8899-Pashudhan Mitra Yojana	3.30	0.00	3.30	3.26
43	8918-Vivekanand Yuva Protsahan Yojana	7.00	0.00	7.00	7.00
44	8928-Mukhya Mantri Yuva Swarojgar Yojana	3.01	0.00	3.01	2.34
45	8935-Livelihood College	11.99	0.00	11.99	5.01
46	8977-Asangathith Safai Karmkar Kalyan Mandal	8.00	0.00	8.00	2.29
47	8979-Integrated Umbrella Scheme (Post Matric Scholarship Scheme)	125.00	85.08	210.08	124.74
48	8989-Contract Labour, Domestic Laborious and porter Welfare Assembly	15.00	0.00	15.00	14.90
49	9369- Mahila Jagriti Sivr	4.85	1.00	5.85	7.14
50	9381-Book Bank	0.10	0.00	0.10	0.03
51	9805-Free Distribution of Books and Stationery to Tribal Students	0.90	0.00	0.90	0.84
Total		1,818.42	495.31	2,313.73	1,568.91

Appendix 3.3

(Reference: Paragraph 3.3.6)

**Details of Major policy initiatives/new schemes (₹1 crore or more in each case)
where entire provision was not utilised**

(₹ in crore)

Sl. No.	Scheme Number and Name	Original Budget	Supplementary Budget	Total Budget	Expenditure
1	6616- Grants for General Purpose to Janpat Panchayats	6.13	0.00	6.13	0.00
2	6627- Chhattisgarh Employment Mission	2.00	0.00	2.00	0.00
3	6641- One Stop Centre (Sakhi)	0.00	12.60	12.60	0.00
4	6642- Beti Bachao-Beti Padao	0.00	3.30	3.30	0.00
5	6681- Chhattisgarh State G.I.S. Project	0.00	16.90	16.90	0.00
6	6686- Unified Digital Application Schemes (Uday S.D.G.)	0.00	2.00	2.00	0.00
Total		8.13	34.80	42.93	0.00

Appendix 3.4

(Reference: Paragraph 3.5.2)

Details of cases where supplementary provision (₹50 lakh or more in each case) proved unnecessary

(₹ in crore)					
Grant No.	Name of the Grant	Original Budget	Supplementary	Actual Expenditure	Saving out of Original Budget
Revenue (Voted)					
02	Other expenditure pertaining to General Administration Department	349.53	11.25	268.93	-80.60
03	Police	5,430.57	2.56	4,703.43	-727.14
04	Other expenditure pertaining to Home Department	80.39	17.37	46.74	-33.65
07	Expenditure Pertaining to Commercial Tax Department	291.71	3.00	245.48	-46.23
08	Land Revenue and District Administration	1,269.02	137.92	1,051.51	-217.50
11	Expenditure Pertaining to Commerce and Industry Department	254.65	13.00	186.08	-68.58
19	Public Health and Family Welfare	2,776.67	339.93	2,638.62	-138.05
24	Public Works-Roads and Bridges	938.26	260.27	660.96	-277.29
27	School Education	5,598.17	2.70	5,167.71	-430.46
28	State Legislature	68.44	4.50	52.77	-15.67
29	Administration of Justice and Elections	447.58	9.53	399.27	-48.31
30	Expenditure pertaining to Panchayat and Rural Development Department	2,875.80	539.81	2,521.37	-354.43
36	Transport	92.75	9.81	65.75	-27.00
43	Sports and Youth Welfare	68.71	13.45	44.54	-24.17
44	Higher Education	834.76	15.00	773.40	-61.36
47	Technical Education and Manpower Planning Department	363.78	14.00	249.29	-114.49
55	Expenditure pertaining to Women and Child Welfare	1,121.18	24.35	756.13	-365.05
56	Rural Industries	114.86	2.13	98.49	-16.37
66	Welfare of Backward Classes	235.55	151.04	50.83	-184.73
79	Expenditure pertaining to Medical Education Department	1,018.65	36.00	820.77	-197.88
81	Financial Assistance to Urban Bodies	1,869.47	3.00	1,764.03	-105.44
Total-Revenue Voted		26,100.50	1,610.62	22,566.09	-3,534.41
Capital (Voted)					
03	Police	235.21	0.50	216.95	-18.27
11	Expenditure Pertaining to Commerce and Industry Department	91.29	25.00	46.99	-44.30
21	Expenditure pertaining to Housing and Environment Department	314.68	3.00	215.42	-99.26
24	Public Works-Roads and Bridges	1,667.51	100.00	1,379.43	-288.08
29	Administration of Justice and Elections	12.38	3.57	3.80	-8.58

36	Transport	12.34	6.03	7.23	-5.11
37	Tourism	74.76	9.00	72.01	-2.75
55	Expenditure pertaining to Women and Child Welfare	15.16	5.29	9.37	-5.79
67	Public Works – Buildings	800.32	3.96	454.27	-346.05
71	Information Technology and Bio-Technology	69.40	86.68	54.40	-15.00
Total-Capital Voted		3,293.04	243.02	2,459.85	-833.19
Grant Total		29,393.54	1,853.65	25,025.94	-4,367.60

Appendix 3.5

(Reference: Paragraph 3.5.4)

List of subheads where Entire budget provision was not utilized (₹10 crore and above)

(₹ in crore)

Sl. No.	Scheme Name	Original Budget	Supplementary	Total Budget
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	41-4215-01-102-702-6383- Jal Jeevan Mission Yojana	181.50	0.00	181.50
6	41-2210-06-200-802-6613-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	41-4225-02-102-802-5024- 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
11	02-4070-00-800-101-6452- Chief Minister Infrastructure Maintenance & Upgradation Authority	80.00	0.00	80.00
12	42-5054-04-101-702-7842- R.R.P. PHASE - II	72.00	0.00	72.00
13	41-2401-00-800-1202-6353- Chirag Yojana	70.00	0.00	70.00
14	71-5275-00-101-101-7892- Implementation of Bharat Net Project	0.00	65.00	65.00
15	CH1-6003-00-110-0-637- Ways and Means Advances	60.00	0.00	60.00
16	66-2202-02-109-704-8050- Scholarships	0.00	60.00	60.00
17	67-4216-01-106-701-6222- Administration of Justice (Construction of Staff Quarters)	57.02	0.00	57.02
18	64-2210-06-200-803-6613- Grant Under 15th Finance Commission	54.48	0.00	54.48
19	41-2235-02-102-702-5354- Integrated Service Scheme (Under Externally Aided Project)	52.85	0.00	52.85
20	58-2245-80-103-0-4849- Transfer from National Disaster Contingency Fund to Disaster Relief Fund	50.00	0.00	50.00
21	75-4700-09-800-311-5516- Major Irrigation Project Construction Work (NABARD)	50.00	0.00	50.00
22	12-4810-00-101-311-6415- P.M. Kusum Yojana	50.00	0.00	50.00
23	81-2217-05-191-0-7675- Grant received under the recommendation of 14th Finance Commission	48.80	0.00	48.80
24	42-5054-04-101-705-7842- R.R.P. PHASE - II	48.00	0.00	48.00
25	55-2235-02-102-701-5354- Integrated Service Scheme (Under Externally Aided Project)	47.65	0.00	47.65
26	39-2408-01-102-101-7894- Financial Assistance to Co-operative Stores	42.50	0.00	42.50

27	47-2230-03-3-101-7683- <i>Mukhya mantri kaushal vikas yojna</i>	40.40	0.00	40.40
28	CH1-6003-00-110-0-779- Advance to meet Shortfall	40.00	0.00	40.00
29	08-5054-05-337-510-6477- Environment Cess Fund	40.00	0.00	40.00
30	67-4216-01-106-704-6222- Administration of Justice (Construction of Staff Quarters)	38.02	0.00	38.02
31	41-4810-00-101-312-6415- P.M. Kusum Yojana	38.00	0.00	38.00
32	19-2210-03-110-701-6611- Prime Minister Ayushman India Health Infrastructure Mission	37.84	0.00	37.84
33	58-2245-80-800-0-6457- Expenditure from State Disaster Renewal Fund	36.00	0.00	36.00
34	10-2406-01-203-0-5641- Forest Management Committee	35.94	0.00	35.94
35	23-4700-80-800-701-6354- Dam Rehabilitation and Improvement Project Phase-II	35.00	0.00	35.00
36	13-2401-00-108-701-7832- Targeted Rise Fellow Area	33.99	0.00	33.99
37	41-2230-03-101-102-7683- <i>Mukhya mantri kaushal vikas yojna</i>	33.85	0.00	33.85
38	41-2408-01-102-102-7894- Financial Assistance to Co-operative Stores	32.30	0.00	32.30
39	41-2406-01-105-802-5231- Grant to Small Forest Produce Federation for Small Forest Produce Work	30.00	0.00	30.00
40	64-2401-00-800-1203-6353- Chirag Yojana	30.00	0.00	30.00
41	42-5054-05-337-102-6596- C.G.R.I.D.C.L. Assistance for Construction Works	30.00	0.00	30.00
42	58-2245-01-101-0-7710- Assistance for destruction of harvest	30.00	0.00	30.00
43	13-2401-00-108-701-8942- Rashtriya Krishi Vikas Yojana (Green Revolution)	30.00	0.00	30.00
44	41-2210-03-110-702-6611- Prime Minister Ayushman India Health Infrastructure Mission	28.75	0.00	28.75
45	11-2852-80-102-701-6455- Pradhanmantri Sukshma Khadiya Udyog Yojana	28.40	0.00	28.40
46	66-2202-02-109-801-8050- Scholarships	26.00	0.00	26.00
47	24-5054-03-337-101-4557- Strengthening (Surface Hardening)	25.77	0.00	25.77
48	19-2210-03-110-704-6611- Prime Minister Ayushman India Health Infrastructure Mission	25.22	0.00	25.22
49	12-4801-02-190-101-7498- Capital Expenditure on Transmission / Production / Distribution Company	25.00	0.00	25.00
50	41-2401-00-108-702-8942- Rashtriya Krishi Vikas Yojana (Green Revolution)	22.80	0.00	22.80
51	13-2401-00-108-704-7832- Targeted Rise Fellow Area	22.66	0.00	22.66
52	39-6408-02-190-311-8545- NABARD Assistance Godown Construction	22.50	0.00	22.50
53	27-2202-02-109-101-8659- Recoupment of Tuition Fee in non-government schools	22.00	0.00	22.00
54	71-3275-00-800-1201-7919- Chhattisgarh Public Finance Management Project	20.50	0.00	20.50

State Finances Audit Report for the Year ended 31 March 2023

55	CH1-6004-09-101-0-3052- Blocks Loans	20.00	0.00	20.00
56	21-6217-01-193-101-5371- Nava Raipur Atal Nagar Development Authority	20.00	0.00	20.00
57	64-4225-01-102-703-7699- <i>Pradhanmantri Adarsh Gram Yojana</i>	20.00	0.00	20.00
58	13-2401-00-108-704-8942- Rashtriya Krishi Vikas Yojana (Green Revolution)	20.00	0.00	20.00
59	41-2401-00-108-702-7832- Targeted Rise Fellow Area	19.41	0.00	19.41
60	41-2210-03-110-705-6611- Prime Minister Ayushman India Health Infrastructure Mission	19.17	0.00	19.17
61	41-4801-02-190-102-7498- Capital Expenditure on Transmission / Production / Distribution Company	19.00	0.00	19.00
62	11-2852-80-102-704-6455- <i>Pradhanmantri Sukshma Khadiya Udyog Yojana</i>	18.94	0.00	18.94
63	64-2235-02-102-703-5354- Integrated Service Scheme (Under Externally Aided Project)	18.60	0.00	18.60
64	41-6408-02-190-312-8545- NABARD Assistance Godown Construction	17.10	0.00	17.10
65	71-5275-00-101-101-6681- Chhattisgarh State G.I.S. Project	0.00	16.90	16.90
66	81-2217-05-192-0-7675- Grant received under the recommendation of 14th Finance Commission	16.80	0.00	16.80
67	41-6215-01-101-102-2182- New Urban Water Supply Schemes	16.00	0.00	16.00
68	41-4415-01-277-102-9182- Indira Gandhi Agriculture University	15.93	0.00	15.93
69	41-2401-00-108-705-8942- Rashtriya Krishi Vikas Yojana (Green Revolution)	15.20	0.00	15.20
70	30-5054-04-101-101-4871- Construction of Bridges on P.M.G.S.Y. Roads	15.00	0.00	15.00
71	41-5054-04-101-102-4871- Construction of Bridges on P.M.G.S.Y. Roads	15.00	0.00	15.00
72	44-4202-01-203-311-5086- Construction of College Buildings	15.00	0.00	15.00
73	23-4700-80-800-704-6354- Dam Rehabilitation and Improvement Project Phase-II	15.00	0.00	15.00
74	64-2202-02-109-703-6614- Scholarships	15.00	0.00	15.00
75	71-5275-00-101-704-7892- Implementation of Bharat Net Project	15.00	0.00	15.00
76	69-2217-80-191-701-8996- National Urban Livelihood Mission	14.82	0.00	14.82
77	81-2217-05-193-0-7675- Grant received under the recommendation of 14th Finance Commission	14.40	0.00	14.40
78	41-4406-01-105-702-6373- Grant for Small Forest Produce Processing	13.76	0.00	13.76
79	41-2401-00-108-705-7832- Targeted Rise Fellow Area	12.94	0.00	12.94
80	41-2406-01-105-702-6373- Grant for Small Forest Produce Processing	12.50	0.00	12.50
81	64-4202-01-202-1203-1400- <i>Vivekanand Gurukul Unanyan Yojna</i>	12.38	0.00	12.38
82	64-4810-00-101-313-6415- P.M. Kusum Yojana	12.00	0.00	12.00
83	19-2210-01-110-701-6612- National Urban Health Mission	11.86	0.00	11.86

84	29-4059-01-51-101-2450- Administration of Justice	11.00	0.00	11.00
85	64-2230-03-3-103-7683- <i>Mukhya mantri kaushal vikas yojna</i>	11.00	0.00	11.00
86	41-4202-04-800-802-3728- Promotion, Research, Training and Development of Tribal Culture	10.35	0.00	10.35
87	64-2408-01-102-103-7894- Financial Assistance to Co-operative Stores	10.20	0.00	10.20
88	42-5054-03-101-102-4557- Strengthening (Surface Hardning)	10.10	0.00	10.10
89	64-5054-04-337-313-6590- Construction of Rural Road Under NABARD aided grant	10.04	0.00	10.04
90	58-2245-02-122-0-989- Re-establishment and repairs of damaged irrigation and flood control works	10.00	0.00	10.00
91	58-2245-02-106-0-1467- District and other roads	10.00	0.00	10.00
92	54-4415-03-277-101-7403- Kamdhenu Veterinary University	10.00	0.00	10.00
Total		3,933.89	141.90	4,075.79

Appendix 3.6

(Reference: Paragraph 3.5.5)

List of grants having large savings (savings above ₹100 crore) during the year 2022-23

(₹ in crore)

Gr. No.	Name of the grant	Original Budget	Supple- me- ntary Budget	Total Budget	Expendi- ture	Savings (-)	Surrender	Savings excluding surrender
Revenue Voted								
03	Police	5,430.57	2.56	5,433.13	4,703.43	-729.70	-664.26	-65.44
08	Land Revenue and District Administration	1,269.02	137.92	1,406.94	1,051.51	-355.42	-326.33	-29.09
10	Forest	1,798.35	516.96	2,315.31	2,058.30	-257.01	-258.80	1.79
13	Agriculture	5,272.71	550.23	5,822.94	5,380.94	-442.00	-442.07	0.07
14	Expenditure pertaining to Animal Husbandry Department	464.02	0.10	464.12	359.65	-104.47	-106.89	2.41
19	Public Health and Family Welfare	2,776.67	339.93	3,116.60	2,638.62	-477.98	-548.03	70.05
23	Water Resources Department	603.39	0.00	603.39	471.77	-131.62	-131.74	0.11
24	Public Works-Roads and Bridges	938.26	260.27	1,198.53	660.96	-537.56	-531.76	-5.81
27	School Education	5,598.17	2.70	5,600.87	5,167.71	-433.16	-351.07	-82.09
30	Expenditure pertaining to Panchayat and Rural Development Department	2,875.80	539.81	3,415.61	2,521.37	-894.24	-894.30	0.06
33	Tribal Welfare	5,219.11	305.13	5,524.25	5,283.66	-240.59	-238.95	-1.64
39	Expenditure pertaining to Food Civil Supplies and Consumer Protection Department	2,524.39	650.00	3,174.39	2,927.88	-246.51	-246.35	-0.16
41	Tribal Area Sub-Plan	16,126.14	2,399.32	18,525.46	16,197.17	-2,328.29	-2,477.66	149.37
47	Technical Education and Manpower Planning Department	363.78	14.00	377.78	249.29	-128.49	-128.77	0.28
55	Expenditure pertaining to Women and Child Welfare	1,121.18	24.35	1,145.54	756.13	-389.41	-407.42	18.02
58	Expenditure on Relief on account of Natural Calamities and Scarcity	1,110.55	0.00	1,110.55	594.93	-515.61	-767.33	251.72
64	Special Component Plan for Scheduled	5,287.40	864.07	6,151.47	5,415.85	-735.62	-724.85	-10.77

	Castes							
66	Welfare of Backward Classes	235.55	151.04	386.59	50.83	-335.76	-335.76	0.00
67	Public Works-Buildings	703.19	0.00	703.19	580.19	-123.00	-84.95	-38.05
69	Urban Administration and Development Department-Urban Welfare	868.97	582.70	1,451.67	1,299.73	-151.93	-151.93	0.00
79	Expenditure pertaining to Medical Education Department	1,018.65	36.00	1,054.65	820.77	-233.88	-218.32	-15.56
80	Financial Assistance to Three Tier Panchayati Raj Institutions	3,039.99	0.00	3,039.99	2,760.74	-279.25	-279.23	-0.03
81	Financial Assistance to Urban Bodies	1,869.47	3.00	1,872.47	1,764.03	-108.44	-108.46	0.01
Total		66,515.31	7,380.10	73,895.42	63,715.46	-10,179.96	-10,425.21	245.25
Revenue Charged								
CH2	Interest Payments and Servicing of Debt	7,002.70	0.00	7,002.70	6,320.06	-682.63	-682.63	0.00
Total		7,002.70	0.00	7,002.70	6,320.06	-682.63	-682.63	0.00
Capital Voted								
08	Land Revenue and District Administration	234.76	0.00	234.76	95.43	-139.33	-137.18	-2.15
21	Expenditure pertaining to Housing and Environment Department	314.68	3.00	317.68	215.42	-102.26	-102.26	0.00
23	Water Resources Department	579.21	0.00	579.21	274.15	-305.05	-305.13	0.07
24	Public Works-Roads and Bridges	1,667.51	100.00	1,767.51	1,379.43	-388.08	-397.49	9.41
41	Tribal Area Sub-Plan	3,106.75	919.74	4,026.49	3,256.69	-769.80	-764.84	-4.96
42	Public Works relating to Tribal Area Sub-Plan-Roads and Bridges	1,238.16	0.00	1,238.16	676.55	-561.61	-568.33	6.72
45	Minor Irrigation Works	679.51	0.00	679.51	405.38	-274.13	-274.01	-0.12
64	Special Component Plan for Scheduled Castes	959.28	257.85	1,217.13	974.39	-242.74	-243.47	0.73
67	Public Works-Buildings	800.32	3.96	804.28	454.27	-350.01	-350.56	0.55
71	Information Technology and Bio-Technology	69.40	86.68	156.08	54.40	-101.68	-101.68	0.00
75	NABARD Aided Projects pertaining	689.71	0.00	689.71	164.80	-524.91	-522.09	-2.82

State Finances Audit Report for the Year ended 31 March 2023

	to Water Resources Department							
76	Externally Aided Projects pertaining to Public Works Department	940.15	0.00	940.15	781.58	-158.57	-158.43	-0.14
80	Financial Assistance to Three Tier Panchayati Raj Institutions	433.00	0.00	433.00	281.46	-151.54	-151.54	0.00
82	Financial Assistance to Three Tier Panchayati Raj Institutions under Tribal Area Sub-Plan	333.00	0.00	333.00	217.82	-115.18	-115.18	0.00
Total		12,045.43	1,371.23	13,416.67	9,231.78	-4,184.89	-4,192.20	7.30
Grand Total		85,563.44	8,751.33	94,314.78	79,267.30	-15,047.48	-15,300.04	252.56

Appendix 3.7

(Reference: Paragraph 3.5.5)

List of grants having large savings (above ₹500 crore) during the year 2022-23

(₹ in crore)

Gr No.	Name of the grant	Original Budget	Supplementary Budget	Total Budget	Actual Expenditure	Savings (-)	Surrender	Savings excluding surrender
Revenue (Voted)								
03	Police	5,430.57	2.56	5,433.13	4,703.43	-729.70	-664.26	-65.44
24	Public Works- Roads and Bridges	938.26	260.27	1,198.53	660.96	-537.56	-531.76	-5.81
30	Expenditure pertaining to Panchayat and Rural Development Department	2,875.80	539.81	3,415.61	2,521.37	-894.24	-894.30	0.06
41	Tribal Area Sub-Plan	16,126.14	2,399.32	18,525.46	16,197.17	-2,328.29	-2,477.66	149.37
58	Expenditure on Relief on account of Natural Calamities and Scarcity	1,110.55	0.00	1,110.55	594.93	-515.61	-767.33	251.72
64	Special Component Plan for Scheduled Castes	5,287.40	864.07	6,151.47	5,415.85	-735.62	-724.85	-10.77
Total - Revenue Voted		31,768.71	4,066.03	35,834.75	30,093.72	-5,741.03	-6,060.16	319.13
Revenue (Charged)								
CH2	Interest Payments and Servicing of Debt	7,002.70	0.00	7,002.70	6,320.06	-682.63	-682.63	0.00
Total- Revenue Charged		7,002.70	0.00	7,002.70	6,320.06	-682.63	-682.63	0.00
Capital (Voted)								

41	Tribal Area Sub-Plan	3,106.75	919.74	4,026.49	3,256.69	-769.80	-764.84	-4.96
42	Public Works relating to Tribal Area Sub-Plan-Roads and Bridges	1,238.16	0.00	1,238.16	676.55	-561.61	-568.33	6.72
75	NABARD Aided Projects pertaining to Water Resources Department	689.71	0.00	689.71	164.80	-524.91	-522.09	-2.82
Total - Capital Voted		5,034.62	919.75	5,954.37	4,098.05	-1,856.32	-1,855.26	-1.05
Grand Total		43,806.03	4,985.78	48,791.81	40,511.83	-8,279.98	-8,598.06	318.08

Appendix 3.8

(Reference: Paragraph 3.5.5)

Details of surrender of funds more than ₹10 crore at the end of March 2023

(₹ in crore)

Grant Name	Original	Supplementary	Total Provisions	Actual	Saving (-)/ Excess (+)	Amount Surrendered
1-General administration	380.95	126.76	507.72	452.46	-55.26	-50.90
02-Other expenditure pertaining to General Administration Department	429.61	11.25	440.86	269.00	-171.85	-160.79
3-Police	5,667.04	3.06	5,670.10	4,921.57	-748.54	-682.32
4-Other expenditure pertaining to Home Department	85.68	17.37	103.05	46.88	-56.17	-25.27
5-Jail	197.50	0.00	197.50	169.47	-28.03	-28.12
6-Finance	7,736.18	3.64	7,739.82	7,778.29	38.48	-1,393.54
7-Commercial Tax Department	363.09	3.07	366.16	316.46	-49.70	-57.83
8-Land Revenue and District administration	1,504.12	137.92	1,642.04	1,146.94	-495.10	-463.86
9-Expenditure pertaining to revenue department	21.94	0.00	21.94	6.55	-15.39	-15.39
10-Forest	1,819.48	517.03	2,336.50	2,069.23	-267.27	-265.91
11-Expenditure pertaining to Commerce and Industry	346.07	38.00	384.07	233.06	-151.01	-150.80
13-Agriculture	5,306.77	550.23	5,857.00	5,408.72	-448.28	-448.36
14-Animal Husbandry	469.08	0.10	469.18	360.60	-108.58	-110.99
15-PRI under special component plan for SC	263.86	0.00	263.86	167.16	-96.70	-96.70
16-Fisheries	83.83	0.00	83.83	52.74	-31.08	-31.18
17-Co-operation	257.59	79.90	337.49	269.53	-67.96	-67.96
18-Labour	156.04	0.00	156.04	125.46	-30.58	-30.58
19-Public Health and Family Welfare	2,823.77	341.70	3,165.48	2,675.33	-490.14	-553.27

State Finances Audit Report for the Year ended 31 March 2023

20-Public Health Engineering	869.71	581.60	1,451.31	1,320.49	-130.81	-133.66
21-Housing and Environment Department	579.16	208.26	787.42	607.37	-180.04	-179.79
23-Water Resources Department	1,183.16	0.00	1,183.16	746.25	-436.91	-437.07
24-Public works-roads and bridges	2,615.87	360.27	2,976.14	2,048.03	-928.11	-931.71
25-Mineral Resources	751.75	0.00	751.75	685.50	-66.25	-66.35
26-Expenditure pertaining to Culture Department	52.46	15.50	67.96	56.01	-11.95	-11.98
27-School Education	5,632.81	2.70	5,635.51	5,201.88	-433.63	-351.54
29-Administration of Justice and elections	555.80	14.19	569.99	485.22	-84.77	-84.82
30-Panchayat and Rural Development	3,495.02	700.53	4,195.56	3,259.43	-936.13	-935.00
31-Planning, Economic and Statistics Department	54.07	0.02	54.09	33.48	-20.61	-20.67
32-Public relations department	319.87	88.03	407.90	390.12	-17.77	-17.77
33-Tribal Welfare	5,225.00	305.13	5,530.14	5,284.06	-246.07	-244.43
34-Social Welfare	115.65	0.00	115.65	88.62	-27.02	-27.04
36-Transport	105.29	16.84	122.13	72.98	-49.15	-45.81
37-Tourism	126.24	9.00	135.24	117.76	-17.49	-17.49
39-Food Civil Supplies and Consumer Production	2,548.47	650.00	3,198.47	2,928.08	-270.40	-270.24
41-Tribal Area Sub-Plan	19,291.11	3,325.67	22,616.78	19,484.46	-3,132.32	-3,276.73
42-Public Works relating to Tribal Area Sub-Plan-Roads and Bridges	1,240.16	0.00	1,240.16	676.73	-563.43	-570.15
43-Sports and Youth Welfare	70.29	13.45	83.74	45.85	-37.88	-37.88
44-Higher Education	857.99	15.00	872.99	775.10	-97.89	-100.34
45-Minor Irrigation Works	759.65	0.00	759.65	471.65	-288.00	-287.94
46-Science and Technology	25.35	0.00	25.35	9.79	-15.56	-15.56
47-Technical Education and man power planning	381.32	61.00	442.32	302.48	-139.83	-140.11
54-Expenditure pertaining to Agriculture Research and Education	272.00	0.00	272.00	224.65	-47.36	-47.36
55-Women and Child Welfare	1,136.34	29.64	1,165.98	765.51	-400.47	-418.50
56-Rural Industries	117.81	3.13	120.94	102.34	-18.60	-18.47
58-Relief on account of Natural Calamities and Scarcity	1,110.75	0.00	1,110.75	594.93	-515.81	-767.53
64-Special Component plan for SC	6,268.39	1,121.92	7,390.30	6,405.19	-985.12	-975.07
65-Aviation Department	61.49	78.00	139.49	124.01	-15.49	-15.02

66-Welfare of backward classes	253.71	151.04	404.75	62.01	-342.74	-342.73
67-Public Works-Buildings	1,504.97	3.96	1,508.93	1,035.64	-473.29	-435.78
68-Public Works relating to Tribal Area Sub-Plan-Buildings	128.76	0.45	129.21	53.88	-75.34	-75.16
69-Urban Administration and Development Department-Urban Welfare	868.97	582.70	1,451.67	1,299.73	-151.93	-151.93
71-Information technology and Biotechnology	192.33	86.68	279.01	92.22	-186.79	-178.42
75-NABARD aided projects pertaining to WRD	689.71	0.00	689.71	164.80	-524.91	-522.09
76-Externally Aided Projects pertaining to Public Works Department	940.15	0.00	940.15	781.58	-158.57	-158.43
79-Medical Education	1,108.97	266.69	1,375.66	1,122.96	-252.69	-237.00
80-Financial Assistance to three-tier PRI	3,472.99	0.00	3,472.99	3,042.20	-430.79	-430.76
81-Financial Assistance to urban bodies	2,681.83	83.00	2,764.83	2,456.28	-308.54	-308.56
82-Financial Assistance to Three Tier Panchayati Raj Institutions under Tribal area Sub-Plan	578.92	0.00	578.92	382.28	-196.64	-196.64
CH1-Public Debt.	6,011.90	0.00	6,011.90	9,600.72	3,588.82	-116.91
CH2-Interest Payments and Servicing of Debt	7,002.70	0.00	7,002.70	6,320.06	-682.63	-682.63
Total	1,09,171.50	10,604.43	1,19,775.93	1,06,191.82	-13,584.11	-18,916.87

Appendix 3.9

(Reference: Paragraph 3.5.6)

Sub-Heads requiring Explanation for Variation in Appropriation Accounts

Sl. No.	Grant Description	Sub-Heads	Sub-Heads requiring explanation	Explanation received
1	1- General administration	52	12	5
2	2-Other expenditure pertaining to General Administration Department	15	7	3
3	3- Police	57	31	9
4	4-Other expenditure pertaining to General Administration Department	26	9	9
5	5-Jail	7	3	0
6	6-Finance	43	19	11
7	7-Commercial Tax Department	37	11	5
8	8-Land Revenue and District administration	50	23	11
9	9-Expenditure pertaining to revenue department	7	3	0
10	10-Forest	88	36	14
11	11-Expenditure pertaining to Commerce and Industry	46	18	18
12	12-Energy	47	9	7
13	13-Agriculture	112	64	4
14	14-Animal Husbandry	59	20	4
15	15-PRI under special component plan for SC	21	8	4
16	16-Fisheries	20	8	3
17	17-Co-operation	24	9	0
18	18-Labour	19	12	3
19	19-Public Health and Family Welfare	81	32	24
20	20-Public Health Engineering	64	26	6
21	21-Housing and Environment Department	25	16	4
22	22-Urban administration and development department-urban bodies	5	2	1
23	23-Water Resources Department	132	36	7
24	24-Public works-roads and bridges	50	33	18
25	25-Mineral Resources	17	7	0
26	26-Expenditure pertaining to Culture Department	31	9	2
27	27-School Education	80	32	14
28	28-State legislature	8	6	4
29	29-Administration of Justice and elections	35	20	1
30	30-Panchayat and Rural Development	57	26	6
31	31-Planning, Economic and Statistics Department	14	6	2
32	32-Public relations department	55	8	0
33	33-Tribal Welfare	19	13	4
34	34-Social Welfare	48	9	4

35	35-Rehabilitation	3	2	0
36	36-Transport	21	12	6
37	37-Tourism	12	5	0
38	39-Food Civil Supplies and Consumer Production	40	11	1
39	41-Tribal Area Sub-Plan	630	264	97
40	42-Public works relating to tribal area sub-plan roads and bridges	27	18	8
41	43-Sports and Youth Welfare	24	6	0
42	44-Higher education	41	14	3
43	45-Minor Irrigation Works	18	9	1
44	46-Science and Technology	7	5	0
45	47-Technical Education and manpower planning	48	25	9
46	49-Scheduled Castes welfare	3	2	2
47	50-Expenditure pertaining to the Departments implementing 20-point programmes	1	1	0
48	51-Religious trusts and endowments	10	4	0
49	53-Financial assistance to urban bodies under special component plan for Scheduled Castes	18	3	1
50	54-Expenditure pertaining to Agriculture Research and Education	16	7	4
51	55-Women and Child Welfare	90	42	26
52	56-Rural Industries	39	4	4
53	57-Externally Aided Projects pertaining to Water Resources Department	8	3	0
54	58-Relief on account of Natural Calamities and Scarcity	63	31	19
55	60-Expenditure pertaining to district plan schemes	2	2	2
56	64-Special Component plan for SC	499	151	49
57	65-Aviation Department	4	2	1
58	66-Welfare of backward classes	33	11	7
59	67-Public Works building	206	58	14
60	68-Public works relating to Tribal area sub-plan buildings	36	12	2
61	69-Urban Administration and Development Department-Urban Welfare	71	32	0
62	71-Information technology and Biotechnology	28	19	8
63	75-NABARD aided projects pertaining to WRD	26	23	1
64	76-Externally aided projects pertaining to Public Works Department	9	6	4
65	79-Medical Education	49	24	14
66	80-Financial Assistance to three-tier PRI	58	20	1
67	81-Financial Assistance to urban bodies	91	11	0
68	82-Financial Assistance to Three Tier Panchayati Raj Institutions under Tribal area Sub-Plan	27	9	1
69	83-Financial assistance to urban bodies under Tribal	23	2	0

State Finances Audit Report for the Year ended 31 March 2023

	area sub-plan			
70	CH1-Public Debt	17	8	6
71	CH2-Interest Payments and Servicing of Debt	87	16	13
Total		3,836	1,457	511

Appendix 3.10

(Reference: Paragraph 3.5.7)

Excess Expenditure over provisions for the years 2000-01 to 2021-22

(₹ in crore)			
Year	No. of Grants/ Appropriations	Grant/ Appropriation numbers	Amount of excess
2000-01	11 Grants	2, 14, 23, 24, 33, 34, 60, 71, 80, 82 and 83	10.21
	2 Appropriations	6 and 24	
2001-02	14 Grants	6, 14, 15, 17, 23, 24, 30, 33, 45, 54, 60, 67, 71 and 83	115.90
	2 Appropriations	16 and 25	
2002-03	8 Grants	10, 15, 24, 33, 37, 45, 58 and 82	114.59
	2 Appropriations	20 and 67	
2003-04	4 Grants	12, 33, 40 and 67	591.12
	2 Appropriations	Interest Payments and 6	
2004-05	4 Grants	15, 24, 67 and 81	133.36
	5 Appropriations	Interest Payments, Public Debt, 6, 10 and 42	
2005-06	4 Grants	4, 15, 24 and 39	23.27
	2 Appropriations	6 and 23	
2006-07	4 Grants	4, 24, 67 and 82	5.13
	1 Appropriation	33	
2007-08	3 Grants	23, 33 and 60	15.99
	3 Appropriations	13, 24 and 36	
2008-09	9 Grants	6, 23, 24, 40, 67, 75, 76, 80 and 82	115.26
	1 Appropriation	23	
2009-10	10 Grants	3, 6, 22, 23, 24, 25, 49, 64, 76 and 80	216.77
	5 Appropriations	3, 12, 13, 43 and 67	
2010-11	22 Grants	1, 2, 6, 7, 8, 9, 12, 18, 23, 25, 29, 30, 39, 40, 45, 49, 56, 57, 58, 75 82 and Interest Payments	293.78
	6 Appropriations	Public Debt, 1, 20, 23, 29 and 36	
2011-12	24 Grants	1, 2, 6, 7, 15, 17, 18, 21, 22, 23, 27, 29, 34, 40, 43, 45, 47, 50, 53, 55, 66, 80, 81 and 83	498.09
	1 Appropriation	29	
2012-13	2 Grants	40 and 45	0.96
	2 Appropriations	6 and 55	
2013-14	3 Grants	06, 12 and 60	178.96
	3 Appropriations	06, 14 and 27	
2014-15	4 Grants	06, 19, 33 and 80	833.54

	2 Appropriations	06 and Public Debt	
2015-16	3 Grants	06, 12 and 50	98.24
	2 Appropriations	41 and Interest Payments	
2016-17	2 Grants	06 and 50	0.92
	3 Appropriations	06, 55 and Interest payments and servicing of debt	11.46
2017-18	3 Grants	06,49 and 50	2.24
	3 Appropriations	14,33 and 55	0.37
2018-19	2 Grants	06 and 50	1.19
	4 Appropriations	06, 14, 33 and 67	0.48
2019-20	3 Grants	06, 33 and 44	646.07
	3 Appropriations	55, Public Debt and Interest payments and servicing of debt	6,036.62
2020-21	2 Grants	06 and 83	252.24
	2 Appropriations	06 and Public Debt	3,179.87
2021-22	2 Grants	06 and 51	590.41
	3 Appropriations	06, 55 and Public Debt	3,469.35
Total			17,436.39

Appendix 3.11

(Reference: Paragraph 3.5.7)

Details of Major Heads having Excess expenditure in 2022-23

(₹ in crore)

Grant Number	Major Head	Major Head Description	Total Provision	Expenditure	Excess Expenditure
06	2071	Pensions and Other Retirement Benefits	7,594.60	7,657.31	62.71
06	2075	Miscellaneous General Services	0.00	5.00	5.00
06	2235	Social Security and Welfare	0.00	1.52	1.52
07	2030	Stamps and Registration	138.01	140.44	2.42
08	4059	Capital Outlay on Public Works	5.26	85.92	80.66
08	5054	Capital Outlay on Roads and Bridges	0.00	9.51	9.51
19	2071	Pensions and Other Retirement Benefits	2.30	4.15	1.85
23	2701	Medium Irrigation	272.60	380.55	107.95
32	2040	Taxes On Sales, Trade Etc.	0.02	0.04	0.02
32	2051	Public Service Commission	0.47	0.76	0.29
32	2056	Jails	0.10	0.17	0.07
32	2070	Other Administrative Services	0.30	0.45	0.15
32	2215	Water Supply and Sanitation	2.40	4.90	2.50
32	2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	0.50	0.64	0.14
32	2406	Forestry and Wildlife	1.40	1.55	0.15
32	3475	Other General Economic Services	0.01	0.14	0.13
CH1	6003	Internal Debt of The State Government	5,778.88	9,370.39	3,591.51
Total			13,796.85	17,663.43	3,866.58

Appendix 3.12

(Reference: Paragraph 3.6)

Grants where compliance to expenditure limits could not be ensured in 2022-23

(₹ in crore)

Grant No. & Description	Total Budget 2022-23 (TB)	Expenditure			Total Expenditure	Expenditure in 1st HY as percentage of TB (45% limit)	Expenditure in 2nd HY as percentage of TB (55% limit)	Expenditure in March 2023 as percentage of TB (20% limit)
		1 st HY 2022-23	2 nd HY 2022-23	March-23				
6 - Expenditure pertaining to Finance Department	7,739.82	3,725.15	4,053.14	97.74	7,778.29	48.13	52.37	1.26
27 -School Education	5,635.51	2,847.71	2,354.17	600.46	5,201.88	50.53	41.77	10.65
33 -Tribal Welfare	5,530.14	2,722.80	2,561.27	367.24	5,284.07	49.24	46.31	6.64
7 - Expenditure pertaining to Commercial Tax Department	366.16	109.82	206.64	14.27	316.46	29.99	56.43	3.90
10 -Forest	2,336.50	761.82	1,307.41	498.11	2,069.23	32.61	55.96	21.32
12 - Expenditure pertaining to Energy Department	3,738.74	1,101.11	2,633.48	1,067.28	3,734.59	29.45	70.44	28.55
13 - Agriculture	5,857.00	2,139.40	3,269.32	1,521.47	5,408.72	36.53	55.82	25.98
17 -Co-operation	337.49	40.17	229.36	113.42	269.53	11.90	67.96	33.61
20 -Public Health Engineering	1,451.31	383.31	937.19	461.66	1,320.50	26.41	64.58	31.81
25 - Expenditure pertaining to Mineral Resources Department	751.75	19.91	665.59	9.02	685.50	2.65	88.54	1.20
26 - Expenditure pertaining to Culture Department	67.96	12.83	43.17	11.46	56.00	18.88	63.53	16.86

State Finances Audit Report for the Year ended 31 March 2023

32 - Expenditure pertaining to Public Relations Department	407.90	93.98	296.14	143.10	390.12	23.04	72.60	35.08
39 - Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department	3,198.47	783.26	2,144.82	1,097.97	2,928.08	24.49	67.06	34.33
51 -Religious Trusts and Endowment	20.93	1.40	13.53	4.41	14.93	6.69	64.64	21.09
53 -Financial Assistance to Urban Bodies under Special Component Plan for Scheduled Castes	80.99	33.12	44.67	2.56	77.79	40.89	55.15	3.15
56 -Rural Industries	120.94	34.55	67.79	19.19	102.34	28.56	56.05	15.87
60 - Expenditure pertaining to District Plan Schemes	208.65	35.08	167.55	73.80	202.63	16.81	80.30	35.37
69 -Urban Administration and Development Department - Urban Welfare	1,451.67	310.69	989.05	313.66	1,299.74	21.40	68.13	21.61
83 -Financial Assistance to Urban Bodies under Tribal Area Sub-plan	122.21	49.27	70.23	6.49	119.50	40.31	57.47	5.31
CH1 -Public Debt	6,011.90	483.14	9,117.58	6,099.05	9,600.72	8.04	151.66	101.45
35 - Rehabilitation	1.94	0.70	0.95	0.40	1.65	36.09	48.83	20.71

41 -Tribal Area Sub- Plan	22,616.78	8,091.13	11,393.34	4,617.71	19,484.47	35.77	50.38	20.42
43 -Sports and Youth Welfare	83.74	6.87	38.99	18.28	45.86	8.20	46.56	21.82
58 - Expenditure on Relief on account of Natural Calamities and Scarcity	1,110.75	114.15	480.78	301.12	594.93	10.28	43.28	27.11
64 -Special Component Plan for Scheduled Castes	7,390.30	2,571.53	3,833.65	1,644.46	6,405.19	34.80	51.87	22.25

Appendix 4.1

(Reference: Paragraph 4.3)

Details of outstanding Detailed Contingent bills as of 31 March 2023

(₹ in crore)

Major Head	Name of the Department	Year	Pending DC bills	Amount
2029	Revenue and Disaster Management	2017-18	01	0.01
		2020-21	01	0.02
2041	Transport	2022-23	01	5.00
2070	General Administration	2022-23	01	5.50
2203	Technical Education	2022-23	01	2.00
2230	Labour	2022-23	06	@0.00
		2019-20	35	0.58
		2020-21	38	0.37
		2021-22	79	0.57
		2022-23	220	1.41
2401	Agriculture and Biotechnology	2021-22	47	107.17
		2022-23	01	0.05
2406	Forest	2022-23	01	0.01
2425	Co-operative	2022-23	03	183.00
2701	Water Resources	2017-18	01	*0.00
2851	Rural Industries	2022-23	28	0.83
2852	Commerce and Industries	2022-23	07	0.15
Total			471	306.67

*DC amounting ₹4,190.00, @DC amounting ₹20,500.00.

Appendix: 4.2
(Reference: Paragraph 4.12)

Arrears of accounts of Autonomous Bodies/Authorities as on June 2023

Sl. No.	Name of the Body/Authority	Account pending since	Number of accounts pending up to Financial Year 2022-23
1.	Chhattisgarh State Human Right Commission	2001-02 to 2022-23	22
2.	Chhattisgarh State Legal Services Authority	2021-22 to 2022-23	02
3.	Chhattisgarh High Court Legal Services Authority, Bilaspur	2021-22 to 2022-23	02
4.	District Legal Services Authority, Bastar (Jagdalpur)	2022-23	01
5.	District Legal Services Authority, Balod	2022-23	01
6.	District Legal Services Authority, Bilaspur	2019-20 to 2022-23	04
7.	District Legal Services Authority, Dantewada	2019-20 to 2022-23	04
8.	District Legal Services Authority, Dhamtari	2019-20 to 2022-23	04
9.	District Legal Services Authority, Janjgir-Champa	2022-23	01
10.	District Legal Services Authority, Jashpur	2020-21 to 2022-23	03
11.	District Legal Services Authority, Kabirdham	2022-23	04
12.	District Legal Services Authority, Korba	2021-22 to 2022-23	02
13.	District Legal Services Authority, Raigarh	2021-22 to 2022-23	02
14.	District Legal Services Authority, Raipur	2020-21 to 2022-23	03
15.	District Legal Services Authority, Sarguja (Ambikapur)	2020-21 to 2022-23	03
16.	District Legal Services Authority, Kanker	2019-20 to 2022-23	04
17.	District Legal Services Authority, Bemetara	2018-19 to 2022-23	05
18.	District Legal Services Authority, Durg	2021-22 to 2022-23	02
19.	District Legal Services Authority, Koriya (Baikunthpur)	2018-19 to 2022-23	05
20.	District Legal Services Authority, Rajnandgaon	2019-20 to 2022-23	04
21.	District Legal Services Authority, Mahasamund	2021-22 to 2022-23	02
22.	District Legal Services Authority, Baloda Bazar	2017-18 to 2022-23	06
23.	District Legal Services Authority, Kondagaon	2018-19 to 2022-23	05
24.	District Legal Services Authority, Mungeli	2022-23	01
25.	District Legal Services Authority, Balrampur	2013-14 to 2017-18 & 2019-20 to 2022-23	08
26.	District Legal Services Authority, Surajpur	2019-20 to 2022-23	04
27.	Chhattisgarh State Electricity Regulatory Authority	2022-23	01
28.	State Compensatory Afforestation Fund Management and Planning Authority (CAMPA)	2022-23	01

Appendix: 4.3

(Reference: Paragraph 4.13)

Department/category wise details in respect of case of loss to Government due to theft, defalcation, loss of Government property/material

(₹ in lakh)

Sl. No.	Name of Department	Theft Cases		Defalcation Cases		Loss of Government property/material		Total	
		No. of cases	Amount	No. of Cases	Amount	No. of Cases	Amount	No. of Cases	Amount
1	2	3	4	5	6	7	8	9	10
1.	Higher Education	12	10.42	3	0.62	2	2.51	17	13.55
2.	Art & Culture	1	0.81	0	0.00	1	0.00	2	0.81
3.	District Administration	1	0.67	4	0.79	0	0.00	5	1.46
4.	Treasury and Accounts Administration	3	0.19	0	0.00	3	11.81	6	12.00
5.	Rural Development	4	1.08	2	0.05	14	16.70	20	17.83
6.	Panchayat Raj and Social Welfare	0	0.00	0	0.00	2	1.00	2	1.00
7.	School Education	20	12.81	19	156.26	19	63.04	58	232.11
8.	Police	29	8.21	5	19.45	249	48.30	283	75.96
9.	Health and Family Welfare	3	0.15	1	0.10	7	0.85	11	1.10
10.	Land Revenue (Tehsil Dept.)	2	0.50	8	1.37	2	0.18	12	2.05
11.	Animal Veterinary Service	8	1.80	1	0.10	213	21.28	222	23.18
12.	Co-operation	0	0.00	1	96.26	0	0.00	1	96.26
13.	Woman and Child Welfare	1	3.50	0	0.00	2	0.32	3	3.82
14.	Dairy Development	1	0.20	1	0.02	0	0.00	2	0.22
15.	Village & Small-Scale Industries (Resham) Dept.	0	0.00	0	0.00	1	0.38	1	0.38
16.	Law and Legislative Dept.	4	0.21	1	7.79	0	0.00	5	7.99
17.	Labour and Employment	13	3.91	0	0.00	10	51.71	23	55.61
18.	Food Civil Supply and Consumer Protection	0	0.00	1	0.08	3	0.15	4	0.23
19.	Crop Husbandry	0	0.00	0	0.00	3	0.48	3	0.48
20.	Welfare of SC ST and other Backward Classes	3	1.14	5	20.61	7	1.10	15	22.85
21.	Health and Medical Services	4	0.77	9	34.84	5	10.29	18	45.90

22.	Forest	3	5.76	0	0.00	948	966.62	951	972.38
23.	PWD	2	0.24	0	0.00	470	10045.10	472	10045.34
24.	WRD	7	1.48	0	0.00	17	663.49	24	664.98
25.	Finance and Statistical Directorate	1	0.05	0	0.00	0	0.00	1	0.05
26.	Collectorate	0	0.00	1	0.08	1	0.30	2	0.38
27.	Mining and Metallurgical Industries Dept.	0	0.00	0	0.00	1	0.00	1	0.00
28.	Cleaning and Water Supply	0	0.00	1	189.90	0	0.00	1	189.90
29.	Rural Engineering Services	0	0.00	0	0.00	2	4.41	2	4.41
30.	State Excise	1	0.03	0	0.00	0	0.00	1	0.03
Total		123	53.93	63	528.32	1,982	11,910.02	2,168	12,492.26

Appendix: 4.4

(Reference: Paragraph 4.13)

Year wise analysis of loss to Government

(Cases where financial action was pending at the end of 31 March 2023)

(₹ in lakh)

Sl. No.	Name Of Department	Number of cases and amount						
		Up to 05 years	05 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	above 25 years	Total
1	2	3	4	5	6	7	8	9
1	Higher Education	-	6 (2.23)	4 (6.80)	3 (3.78)	1 (0.13)	3 (0.61)	17 (13.55)
2	Art & Culture	-	1 (0.00)	-	-	-	1 (0.81)	2 (0.81)
3	District Administration	-	-	-	2 (0.40)	2 (0.83)	1 (0.23)	5 (1.46)
4	Treasury and Accounts Administration	-	-	-	2 (0.07)	-	4 (11.93)	6 (12.00)
5	Rural Development	2 (0.21)	-	1 (0.50)	2 (0.71)	4 (2.28)	11 (14.13)	20 (17.83)
6	Panchayat And Social Welfare	-	1 (1.00)	1 (0.00)	-	-	-	2 (1.00)
7	School Education	-	8 (148.01)	3 (38.06)	5 (8.56)	3 (17.76)	39 (19.71)	58 (232.11)
8	Police	168 (29.5)	52 (7.83)	34 (7.91)	14 (1.04)	9 (13.34)	6 (16.33)	283 (75.96)
9	Health and Family Welfare	-	-	-	-	-	11 (1.10)	11 (1.10)
10	Land Revenue (Tehsil)	-	-	-	3 (0.98)	-	9 (1.07)	12 (2.05)
11	Animal Veterinary Service	67 (4.78)	44 (7.67)	63 (5.99)	43 (4.05)	-	5 (0.69)	222 (23.18)
12	Cooperation	-	-	-	-	-	1 (96.26)	1 (96.26)
13	Woman and Child Development	-	-	-	-	-	3 (3.82)	3 (3.82)
14	Dairy Development	-	-	-	-	1 (0.20)	1 (0.02)	2 (0.22)
15	Village & Small-Scale Industries (Resham) Dept.	-	1 (0.38)	-	-	-	-	1 (0.38)
16	Law and Legislative Dept.	1 (0.10)	-	2 (0.00)	1 (0.11)	1 (7.79)	-	5 (8.00)
17	Labour and Employment	3 (1.17)	2 (46.80)	10 (5.92)	2 (1.04)	1 (0.27)	5 (0.42)	23 (55.61)
18	Food Civil Supply and Consumer Protection Department	-	-	-	1 (0.10)	-	3 (0.13)	4 (0.23)
19	Crop Husbandry	-	-	2 (0.16)	1 (0.33)	-	-	3 (0.49)
20	Welfare of SC ST and other Backward Classes	1 (0.17)	-	1 (0.00)	1 (19.58)	-	12 (3.10)	15 (22.85)
21	Health and Medical	1	1	1	1	6	8	18

	Services	(0.38)	(0.00)	(9.85)	(0.06)	(33.02)	(2.59)	(45.90)
22	Forest	16 (16.12)	31 (65.55)	30 (46.08)	99 (170.84)	166 (363.78)	609 (310)	951 (972.38)
23	PWD	4 (43.42)	86 (4,443.63)	285 (5,000.80)	97 (557.50)	-	-	472 (10,045.35)
24	WRD	6 (117.50)	7 (362.72)	7 (181.01)	4 (3.75)	-	-	24 (664.98)
25	Economic and Statistical Directorate	-	-	1 (0.05)	-	-	-	1 (0.05)
26	Collectorate	-	-	-	-	-	2 (0.38)	2 (0.38)
27	Mining and Metallurgical Industries Dept.	-	1 (0.00)	-	-	-	-	1 (0.00)
28	Cleaning and Water Supply	-	-	-	-	-	1 (189.90)	1 (189.90)
29	Rural Engineering Services	-	1 (4.00)	1 (0.41)	-	-	-	2 (4.41)
30	State Excise	1 (0.03)	-	-	-	-	-	1 (0.03)
Total		270 (213.38)	242 (5,089.89)	446 (5,303.54)	281 (772.90)	194 (439.40)	735 (673.23)	2,168 (10,315.29)

Appendix: 4.5

(Reference: Paragraph 4.13)

Details of recovery in various departments

(Amount in ₹)

SL. No.	Recovery Case No.	Major Head	Department Name	Type Miss/Loss/Theft	Amount of Loss	Amount Recovered
1	2	3	4	5	7	8
1.	123	2055	Police	Loss	1,500.00	1,500.00
2.	114	2406	Forest	Loss	3,148.00	3,148.00
3.	115	2406		Loss	2,872.00	2,872.00
4.	116	2406		Loss	39,064.00	39,064.00
5.	117	2406		Loss	1,18,445.00	1,18,445.00
6.	124	2406		Loss	50,821.00	50,821.00
Total					2,15,850.00	2,15,850.00

Appendix 5.1

Statement showing the financial position and working results of PSUs whose accounts were in arrears for three or more years as on 30 September 2023

(Reference: Paragraph 5.4)

(₹ in crore)

Sl. No.	Sector, Type & Name of the PSU	Date of Incorporation	Period of accounts	Year in which finalized	Net Profit/ loss after interest and tax	Turnover	Paid up capital	Equity at close of the year 2022-23		
								Equity \$	Long term loans	Total
1	2		3	4	6	7	8	9	10	11
I. Functional PSUs with arrears of accounts for three or more years/first accounts not received										
A. Government Companies										
1	Chhattisgarh State Industrial Development Corporation Limited (CSIDC)	16.11.1981	2018-19	2022-23	-3.94	29.07	1.60	1.60	0.00	1.6
2	Chhattisgarh State Information Infrastructure Corporation Limited (CSIIC)	12.12.2017	First accounts not submitted	--	0.00	0.00	0.05	0.05	0.00	0.05
3	Chhattisgarh State Marketing Corporation Limited (CSMCL)	27.02.2017	2019-20	2022-23	11.76	5777.49	0.00	0.00	189.00	189.00
4	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam (CNJVAVN)	04.07.2004	2019-20	2020-21	0.34	2.77	5.00	5.00	0.18	5.18
5	Raipur Smart City Limited (RSCL)	16.09.2016	2019-20	2021-22	-0.39	2.13	0.10	0.10	0.00	0.1
6	Chhattisgarh Rural Housing Corporation Limited (CRHCL)	15.03.2018	2019-20	2022-23	-6.71	82.33	0.10	0.10	1597.47	1597.57
Total - I					1.06	5893.79	6.85	6.85	1786.65	1793.50
II. Non functional PSUs										
A. Government Companies										
7	Chhattisgarh Sondiha Coal Company Limited (CSCCL)	30.12.2008	2022-23	2023-24	-0.08	0.00	21.94	21.94	0.00	21.94
8	CMDC ICPL Coal Limited (CICL)	11.04.2008	2018-19	2020-21	0.00	0.00	82.60	82.60	231.71	314.31
Total - II					-0.08	0.00	104.54	104.54	231.71	336.25
Grand Total (I + II)					0.98	5893.79	111.39	111.39	2018.36	2129.75

*Includes share application money pending allotment.

Appendix 5.1 (b)
Statement showing arrears in finalization of accounts by PSUs as on 30 September 2023
(Reference: Paragraph 5.5)

Sl. No.	Name of PSUs	Year up to which accounts finalised	Position of Arrears	No. of accounts in arrears
1.	Chhattisgarh State Power Generation Company Limited	2021-22	2022-23	1
2.	Chhattisgarh State Power Transmission Company Limited	2021-22	2022-23	1
3.	Chhattisgarh State Beverages Corporation Limited	2021-22	2022-23	1
4.	Chhattisgarh State Industrial Development Corporation Limited	2018-19	2019-20 to 2022-23	4
5.	Chhattisgarh State Civil Supplies Corporation Limited	2021-22	2022-23	1
6.	Chhattisgarh Infrastructure Development Corporation Limited	2020-21	2021-22 to 2022-23	2
7.	Chhattisgarh Mineral Development Corporation Limited	2021-22	2022-23	1
8.	Kerwa Coal Limited	2021-22	2022-23	1
9.	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited	2021-22	2022-23	1
10.	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam	2019-20	2020-21 to 2022-23	3
11.	CMDC ICPL Coal Limited	2018-19	2019-20 to 2022-23	4
12.	Chhattisgarh Medical Services Corporation Limited	2020-21	2021-22 to 2022-23	2
13.	Chhattisgarh Police Housing Corporation Limited	2021-22	2022-23	1
14.	Chhattisgarh Road and Infrastructure Development Corporation Limited	2021-22	2022-23	1
15.	Chhattisgarh Railway Corporation Limited	2021-22	2022-23	1
16.	Chhattisgarh KatghoraDongargarh Railway Limited	2021-22	2022-23	1
17.	Chhattisgarh Kharsia Naya Raipur Railway Limited	2021-22	2022-23	1
18.	Raipur smart City Limited	2019-20	2020-21 to 2022-23	3
19.	Bilaspur smart City Limited	2020-21	2021-22 to 2022-23	2
20.	Nava Raipur Atal Nagar Smart City Limited	2021-22	2022-23	1
21.	Chhattisgarh State Information Infrastructure Corporation	--	2017-18 to 2022-23	6

State Finances Audit Report for the Year ended 31 March 2023

	Limited			
22.	Uttar Chhattisgarh Rajya Vidyut Utpadan Limited	2021-22	2022-23	1
23.	Chhattisgarh Rural Housing Corporation Limited	2019-20	2020-21 to 2022-23	3
24.	Chhattisgarh State Marketing Corporation Limited	2019-20	2020-21 to 2022-23	3
25.	Chhattisgarh State Warehousing Corporation	2021-22	2022-23	1
Total				47

Appendix 5.2

Statement showing position of equity and outstanding loans relating to State PSUs as on 31 March 2023
(Reference: Paragraph 5.6.1)

(₹ in crore)

Sl. No.	Sector & Name of the PSUs	Name of the Department	Month and year of incorporation	Equity ^s at close of the year				Long term loans outstanding at close of the year				Total GOCG Equity plus Loans	Total Equity plus Loans
				GoCG	GoI	Others [£]	Total	GoCG	GoI	Others [£]	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
Power													
1	Chhattisgarh State Power Generation Company Limited	Energy	19.05.2003	2814.30	0.00	0.00	2814.30	29.21	0.00	6018.66	6047.87	2843.51	8862.17
2	Chhattisgarh State Power Transmission Company Limited	Energy	19.05.2003	939.54	0.00	0.00	939.54	9.10	0.00	1297.26	1306.36	948.64	2245.90
3	Chhattisgarh State Power Distribution Company Limited	Energy	19.05.2003	2886.54	0.00	0.00	2886.54	64.10	130.97	1576.61	1771.68	2950.64	4658.22
4	Uttar Chhattisgarh Rajya Vidyut Utpadan Limited (UCRVUL)	Energy	13.03.2018	0.00	0.00	200	200.00	0.00	0.00	2.63	2.63	200.00	202.63
Agriculture & Allied													
5	Chhattisgarh Rajya Van Vikas Nigam Limited	Forest	22.05.2001	25.73	0.92	0.00	26.65	0.00	0.00	0.00	0.00	25.73	26.65
6	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited	Agriculture	08.10.2004	0.50	0.00	0.00	0.50	0.00	0.00	19.40	19.40	0.50	19.90
Services													

State Finances Audit Report for the Year ended 31 March 2023

Sl. No.	Sector & Name of the PSUs	Name of the Department	Month and year of incorporation	Equity ^s at close of the year				Long term loans outstanding at close of the year				Total GOCG Equity plus Loans	Total Equity plus Loans
				GoCG	GoI	Others [£]	Total	GoCG	GoI	Others [£]	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
7	Chhattisgarh State Beverages Corporation Limited	Commercial Tax	29.11.2001	0.15	0.00	0.00	0.15	0.00	0.00	0.00	0.00	0.15	0.15
8	Chhattisgarh State Civil Supplies Corporation Limited	Food Civil Supplies and Consumer Protection	13.03.2001	4.43	0.00	0.00	4.43	0.00	0.00	0.00	0.00	4.43	4.43
9	Chhattisgarh Medical Services Corporation Limited	Health	07.10.2010	3.45	0.00	0.00	3.45	0.00	0.00	0.00	0.00	3.45	3.45
10	Chhattisgarh Police Housing Corporation Limited	Home	14.12.2011	2.00	0.00	0.00	2.00	0.00	0.00	558.27	558.27	2.00	560.27
11	Chhattisgarh State Warehousing Corporation	Food Civil Supplies and Consumer Protection	02.05.2002	2.02	0.00	2.02	4.04	88.99	0.00	0.00	88.99	91.01	93.03
12	Chhattisgarh Railway Corporation Limited	Commerce and Industries	07.12.2016	37.22	34.3	0.00	71.52	0.00	0.00	0.00	0.00	37.22	71.52
13	Chhattisgarh KatghoraDongargarh Railway Limited	Commerce and Industries	29.05.2018	0.00	0.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00	2.00
14	Chhattisgarh Kharsia Naya Raipur Railway Limited	Commerce and Industries	29.05.2018	0.00	0.00	2.00	2.00	0.00	0.00	0.00	0.00	0.00	2.00
15	Chhattisgarh State Marketing Corporation Limited (CSMCL)	Commercial Tax	27.02.2017	0.0007	0.00	0.00	0.00	189.00	0.00	0.00	189.00	189.00	189.00

Sl. No.	Sector & Name of the PSUs	Name of the Department	Month and year of incorporation	Equity ^s at close of the year				Long term loans outstanding at close of the year				Total GOCG Equity plus Loans	Total Equity plus Loans
				GoCG	GoI	Others [£]	Total	GoCG	GoI	Others [£]	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
Infrastructure													
16	Chhattisgarh Road and Infrastructure Development Corporation Limited	PWD/Urban Administrative and Development Department	11.11.2014	4.90	0.00	0.00	4.90	0.00	0.00	1598.68	1598.68	4.90	1603.58
17	Nava Raipur Atal Nagar Smart City Corporation Limited	Urban Administrative and Development Department	16.10.2017	0.10	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.10	0.10
18	Bilaspur Smart City Limited	Urban Administrative and Development Department	19.09.2016	0.10	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.10	0.10
19	Chhattisgarh Infrastructure Development Corporation Limited	Commerce and Industries	26.02.2001	4.20	0.00	0.00	4.20	0.00	0.00	0.00	0.00	4.20	4.20
20	Chhattisgarh State Industrial Development Corporation Limited	Commerce and Industries	16.11.1981	1.60	0.00	0.00	1.60	0.00	0.00	0.00	0.00	1.60	1.60
21	Chhattisgarh State Information Infrastructure Corporation Limited	Electronic and Information Technology	12.12.2017	0.05	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.05	0.05

State Finances Audit Report for the Year ended 31 March 2023

Sl. No.	Sector & Name of the PSUs	Name of the Department	Month and year of incorporation	Equity ^{\$} at close of the year				Long term loans outstanding at close of the year				Total GOCG Equity plus Loans	Total Equity plus Loans
				GoCG	GoI	Others [£]	Total	GoCG	GoI	Others [£]	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
22	Chhattisgarh Rural Housing Corporation Limited (CRHCL)	Panchayat & Rural Development Department	15.03.2018	0.10	0.00	0.00	0.10	0.00	0.00	1597.47	1597.47	0.10	1597.57
23	Raipur Smart City Limited	Urban Administrative and Development Department	16.09.2016	0.10	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.10	0.10
Finance													
24	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam	Social Welfare	04.07.2004	5.00	0.00	0.00	5.00	0.00	0.00	0.18	0.18	5.00	5.18
Others													
25	Chhattisgarh Mineral Development Corporation Limited	Geology and Mining	07.06.2001	1.00	0.00	0.00	1.00	465.66	0.00	0.00	465.66	466.66	466.66
26	Kerwa Coal Limited	Geology and Mining	20.01.2015	0.00	0.00	4.90	4.90	0.00	0.00	0.00	0.00	0.00	4.90
27	CMDC ICPL Coal Limited	Geology and Mining	11.04.2008	0.00	0.00	82.60	82.60	0.00	0.00	231.71	231.71	0.00	314.31
28	Chhattisgarh Sondiha Coal Company Limited	Geology and Mining	30.12.2008	0.00	0.00	21.94	21.94	0.00	0.00	0.00	0.00	0.00	21.94
Total				6733.03	35.22	315.46	7083.71	846.06	130.97	12900.87	13877.90	7779.09	20961.61

\$ Includes share application money pending allotment.

£ includes financial institutions, Banks and PSEs etc.

Appendix 5.3

Public Sector Undertakings information on profit from operating activities/other income
(Reference: Paragraph 5.9.1)

Sl. No.	Name of State Public Sector Undertakings
PSUs which earned profit only from its operations	
1	Chhattisgarh State Power Generation Company Limited
2	Chhattisgarh State Power Transmission Company Limited
3	Chhattisgarh State Warehousing Corporation
4	<i>Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited</i>
5	Chhattisgarh State Civil Supplies Corporation Limited
6	<i>Chhattisgarh Rajya Van Vikas Nigam Limited</i>
7	Chhattisgarh State Beverages Corporation Limited
8	Chhattisgarh Medical Services Corporation Limited
9	Chhattisgarh Mineral Development Corporation Limited
PSUs which earned profit only from other/extraordinary income	
1	Kerwa Coal Limited

©
**COMPTROLLER AND
AUDITOR GENERAL OF INDIA**
www.cag.gov.in



Email: agauchhattisgarh@cag.gov.in