

Chapter II: Finances of the State

Introduction

This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the five-year period from 2019-20 to 2023-24, debt sustainability of the State and key Public Account transactions, based on the Finance Accounts of the State and the information provided by the State Government.

2.1 Major changes in Key fiscal aggregates in 2023-24 vis-à-vis 2022-23

Table 2.1 presents the summary of the State Government's fiscal aggregates and Appendix 2.1 provides an abstract of receipts and disbursements during 2023-24 vis-à-vis 2022-23. Each of these indicators would be analysed in the succeeding paragraphs.

Table 2.1: Summary of Fiscal aggregates in 2023-24 compared to 2022-23

(₹ in crore)					
Receipts			Disbursements		
	2022-23	2023-24		2022-23	2023-24
Section-A: Revenue Account					
Own Tax Revenue	87,346.38	94,085.94	General Services	71,874.89	77,677.64
Non-Tax Revenue	20,564.43	18,679.58	Social Services	90,168.36	1,01,883.91
Share of Union Taxes/ Duties	57,230.79	68,063.21	Economic Services	64,436.00	62,669.28
Grants-in-aid from Government of India	29,846.33	22,447.55	Grants-in-aid and Contributions	0.04	0.05
Total Section-A Revenue Receipts	1,94,987.93	2,03,276.28	Total Section-A Revenue Expenditure	2,26,479.29	2,42,230.88
Section-B: Capital Account and others					
Miscellaneous Capital Receipts	16.20	14.24	Capital Outlay	19,798.28	26,645.72
			General Services	542.45	406.94
			Social Services	8,850.67	9,949.52
			Economic Services	10,405.16	16,289.26
Recoveries of Loans and Advances	419.61	404.74	Loans and Advances disbursed	174.78	398.21
Public Debt Receipts*	55,647.01	87,154.13	Repayment of Public Debt*	20,819.20	28,886.38
Contingency Fund	-	-	Contingency Fund	-	-
Public Account Receipts#	2,43,204.58	2,85,479.58	Public Account Disbursements#	2,34,001.34	2,75,294.50
Opening Cash Balance	14,669.09	7,671.53	Closing Cash Balance	7,671.53	10,544.81
Total Section-B Receipts	3,13,956.49	3,80,724.22	Total Section-B Disbursements	2,82,465.13	3,41,769.62
Grand Total (A +B)	5,08,944.42	5,84,000.50	Grand Total (A+B)	5,08,944.42	5,84,000.50

Source: Finance Accounts

* Excluding transactions under Ways and Means advances and Overdraft 2022-23: ₹ 1,04,918.40 crore and 2023-24: ₹ 1,35,112.20 crore.

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

Variation in key fiscal aggregates in 2023-24 as compared to 2022-23

Revenue Receipts	<ul style="list-style-type: none"> ➤ Revenue receipts of the State increased by 4.25 <i>per cent</i>. ➤ Own Tax receipts of the State increased by 7.72 <i>per cent</i>. ➤ Own Non-tax receipts decreased by 9.17 <i>per cent</i>. ➤ State's share of Union Taxes and Duties increased by 18.93 <i>per cent</i>. ➤ Grants-in-Aid from Government of India decreased by 24.79 <i>per cent</i>.
Capital Receipts	<ul style="list-style-type: none"> ➤ Debt Capital Receipts increased by 56.62 <i>per cent</i>. ➤ Non-debt Capital Receipts decreased by 3.86 <i>per cent</i>
Revenue Expenditure	<ul style="list-style-type: none"> ➤ Revenue expenditure increased by 6.96 <i>per cent</i>. ➤ Revenue expenditure on General Services increased by 8.07 <i>per cent</i>. ➤ Revenue expenditure on Social Services increased by 12.99 <i>per cent</i>. ➤ Revenue expenditure on Economic Services decreased by 2.74 <i>per cent</i>.
Capital Expenditure	<ul style="list-style-type: none"> ➤ Capital expenditure increased by 34.59 <i>per cent</i>. ➤ Capital expenditure on General Services decreased by 24.98 <i>per cent</i>. ➤ Capital expenditure on Social Services increased by 12.42 <i>per cent</i>. ➤ Capital expenditure on Economic Services increased by 56.55 <i>per cent</i>.
Loans and Advances	<ul style="list-style-type: none"> ➤ Disbursement of Loans and Advances increased by 127.83 <i>per cent</i>. ➤ Recoveries of Loans and Advances decreased by 3.54 <i>per cent</i>.
Public Debt	<ul style="list-style-type: none"> ➤ Public Debt Receipts increased by 56.62 <i>per cent</i>. ➤ Repayment of Public Debt increased by 38.75 <i>per cent</i>.
Public Account	<ul style="list-style-type: none"> ➤ Public Account Receipts increased by 17.38 <i>per cent</i>. ➤ Disbursement of Public Account increased by 17.65 <i>per cent</i>.
Cash Balance	<ul style="list-style-type: none"> ➤ Cash balance increased by ₹ 2,873.28 crore (37.45 <i>per cent</i>) during 2023-24 in comparison to previous year.

2.2 Sources and Application of Funds

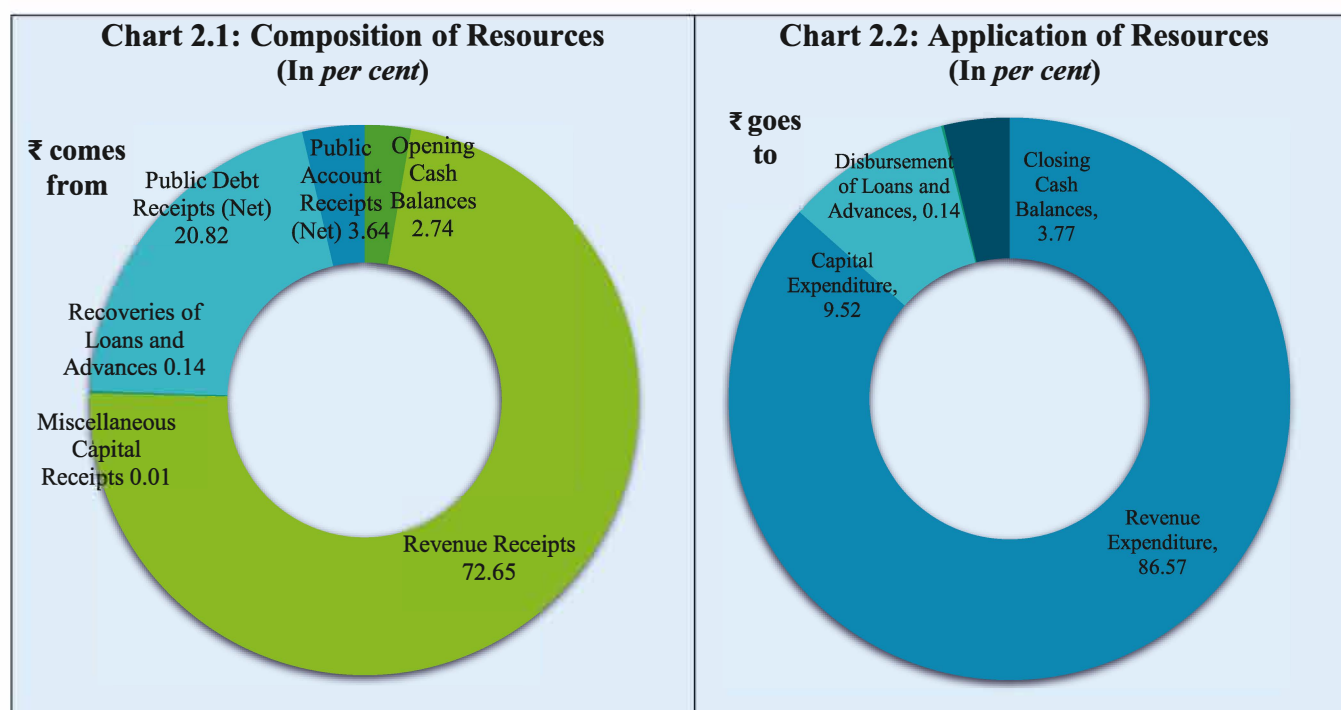
Table 2.2 compares the figures of sources and application of funds of the State during 2023-24 with 2022-23, while **Charts 2.1** and **2.2** give the details of receipts into and expenditure from the Consolidated Fund during 2023-24 in percentage.

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

(₹ in crore)				
	Particulars	2022-23	2023-24	Increase/ Decrease (-)
Sources	Opening Cash Balance with RBI	14,669.09	7,671.53	(-) 6,997.56
	Revenue Receipts	1,94,987.93	2,03,276.28	8,288.35
	Miscellaneous Capital Receipts	16.20	14.24	(-) 1.96
	Recoveries of Loans and Advances	419.61	404.74	(-) 14.87
	Public Debt Receipts (Net)	34,827.81	58,267.75	23,439.94
	Public Account Receipts (Net)	9,203.24	10185.08	981.84
	Total	2,54,123.88	2,79,819.62	25,695.74

	Particulars	2022-23	2023-24	Increase/ Decrease (-)
Application	Revenue Expenditure	2,26,479.29	2,42,230.88	15,751.59
	Capital Expenditure	19,798.28	26,645.72	6,847.44
	Disbursement of Loans and Advances	174.78	398.21	223.43
	Closing Cash Balance with RBI	7,671.53	10,544.81	2,873.28
	Total	2,54,123.88	2,79,819.62	25,695.74

Source: Finance Accounts



2.3 Resources of the State

The resources of the State are described below:

1. **Revenue Receipts** consist of tax revenue (Own Tax revenue plus share of Union Taxes/Duties), non-tax revenue and grants-in-aid from the GoI.
2. **Capital 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.

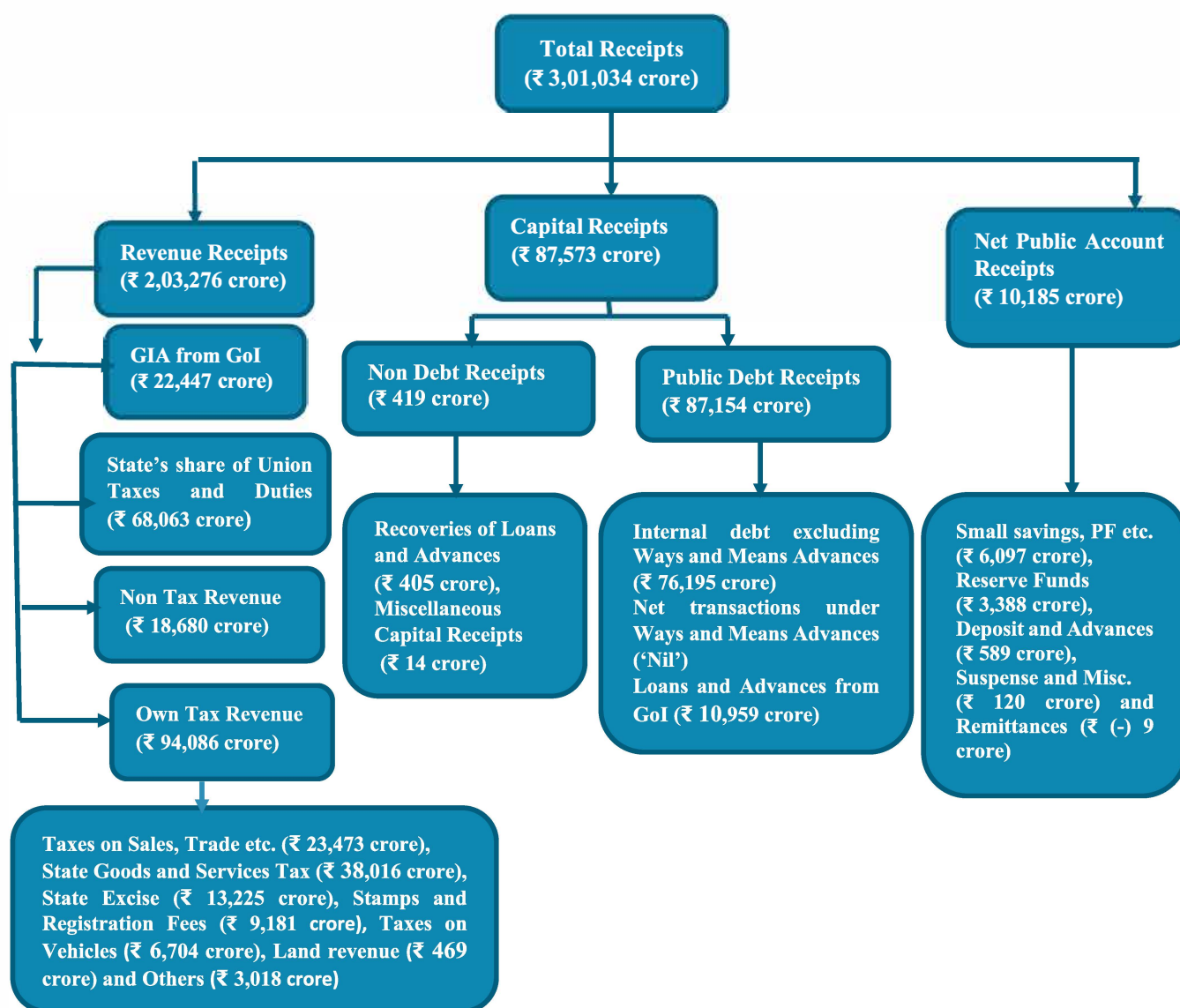
3. **Net Public Account Receipts:** These are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, etc. which do not form part of the Consolidated Fund. These are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. Here, the

Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

2.3.1 Receipts of the State

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

Chart 2.3: Components and sub-components of financial resources during 2023-24



Out of the total resources of ₹ 3,01,034 crore of the State Government during the year 2023-24, Revenue Receipts (₹ 2,03,276 crore) constituted 67.53 *per cent*. Capital Receipts (₹ 87,573 crore) and net Public Account Receipts (₹ 10,185 crore) constituted 29.09 *per cent* and 3.38 *per cent* of the total receipts respectively.

2.3.2 State's Revenue Receipts

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

2.3.2.1 Trends and growth of Revenue Receipts

Table 2.3 provides the trends and growth of Revenue Receipts as well as revenue buoyancy with respect to GSDP over the five-year period 2019-24. Further, trends in Revenue Receipts relative to GSDP and composition of Revenue Receipts are given in Charts 2.4 and 2.5 respectively as well as in *Appendix 2.2*.

Table 2.3: Trend in Revenue Receipts

₹ in crore)						
S.No.	Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
1.	Revenue Receipts (RR)	1,40,114	1,34,308	1,83,920	1,94,988	2,03,276
2.	Rate of growth of RR (<i>per cent</i>)	1.63	(-) 4.14	36.94	6.02	4.25
3.	Tax Revenue	95,294	95,859	1,28,839	1,44,577	1,62,149
4.	Own Tax Revenue	59,245	60,283	74,808	87,346	94,086
5.	State's share of union taxes and duties	36,049	35,576	54,031	57,231	68,063
6.	Non-Tax Revenue	15,714	13,653	18,755	20,565	18,680
7.	Grant-in-aid from GoI	29,106	24,796	36,326	29,846	22,447
8.	Own Revenue (Own tax and Non-tax Revenue)	74,959	73,936	93,563	1,07,911	1,12,766
9.	Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (<i>per cent</i>)	(-) 1.35	(-) 1.36	26.55	15.34	4.50
10.	Rate of growth of Grant-in-aid	45.26	(-) 14.81	46.50	(-) 17.84	(-) 24.79
11.	Gross State Domestic Product (₹ in crore) (2011-12 Series)	10,00,032	10,17,917	11,94,961 ^Σ	13,57,851 ^Ψ	15,28,385 [∞]
12.	Rate of growth of GSDP (<i>per cent</i>)	9.71	1.79	17.39	13.63	12.56
13.	RR/GSDP (<i>per cent</i>)	14.01	13.19	15.39	14.36	13.30
14.	Buoyancy Ratios¹					
15.	State's Own Revenue Buoyancy w.r.t GSDP	_*	_*	1.53	1.13	0.36

Source: Finance Accounts and Central Statistical Office (CSO), Ministry of Statistics & Programme Implementation, GoI.

* Buoyancy ratios cannot be calculated due to negative growth rate.

^Σ Revised Estimate-II

^Ψ Revised Estimate-I

[∞] Advance Estimates

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

Table 2.3 shows that the Revenue Receipts increased by 45.07 *per cent* from ₹ 1,40,114 crore in 2019-20 to ₹ 2,03,276 crore in 2023-24 during the last five years at Compound Annual Growth Rate (CAGR) of 9.75 *per cent*, however, Revenue Receipt as percentage of GSDP decreased from 14.01 *per cent* in 2019-20 to 13.30 *per cent* in 2023-24. During 2023-24, Revenue Receipts increased by ₹ 8,288 crore (4.25 *per cent*) over the previous year. The own tax receipts of the State and State's share of Union taxes and Duties increased by 7.72 *per cent* and 18.93 *per cent* respectively though the non-tax receipts declined by 9.17 *per cent* over the previous year.

During the current year, Revenue Expenditure increased by 6.96 *per cent* (₹ 15,752 crore) while Revenue Receipts increased by 4.25 *per cent* (₹ 8,288 crore) from the previous year.

Grant-in-aid from GoI decreased by 22.88 *per cent* during the period 2019-20 to 2023-24. It also, decreased by ₹ 7,399 crore (24.79 *per cent*) in 2023-24 as compared to the previous year. The decrease was mainly due to substantial decrease in Revenue Deficit grant and grants to Local Bodies. Nevertheless, during 2023-24, 55.47 *per cent* of the Revenue Receipts came from the State's own resources, while Central Tax Transfers and Grants-in-Aid together contributed 44.53 *per cent* indicating towards dependency of the Rajasthan's fiscal position on the tax transfers and Grants-in-Aid from GoI.

The State's own revenue buoyancy with reference to GSDP turned negative during 2019-20 and 2020-21. The State's own revenue buoyancy with reference to GSDP decreased significantly during 2023-24 in comparison to the previous year (1.13 *per cent*) and remained at 0.36 *per cent*. Trends of revenue receipts are shown in **Chart 2.4**.

Chart 2.4: Trend of Revenue Receipts

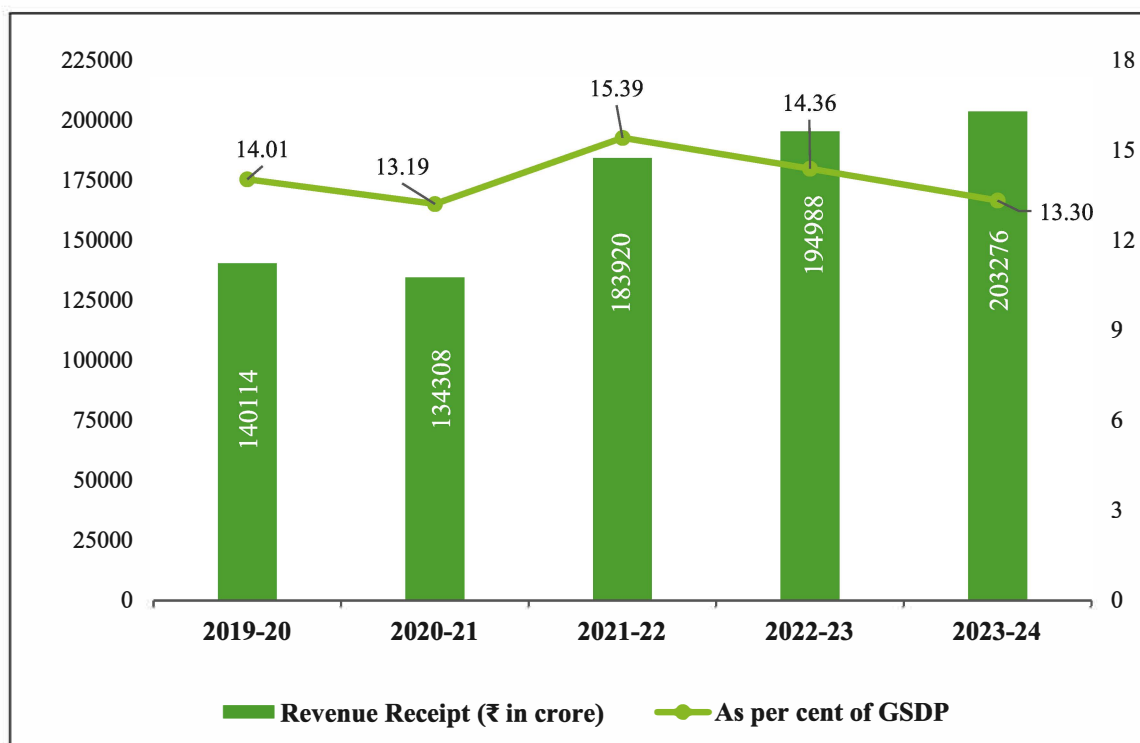
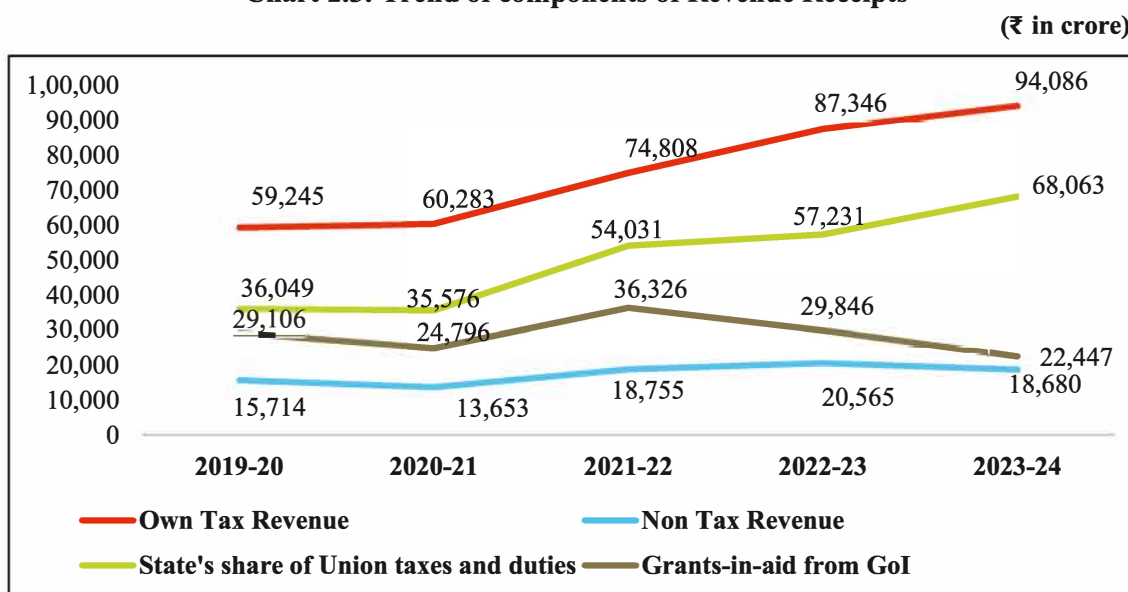


Chart 2.5: Trend of components of Revenue Receipts

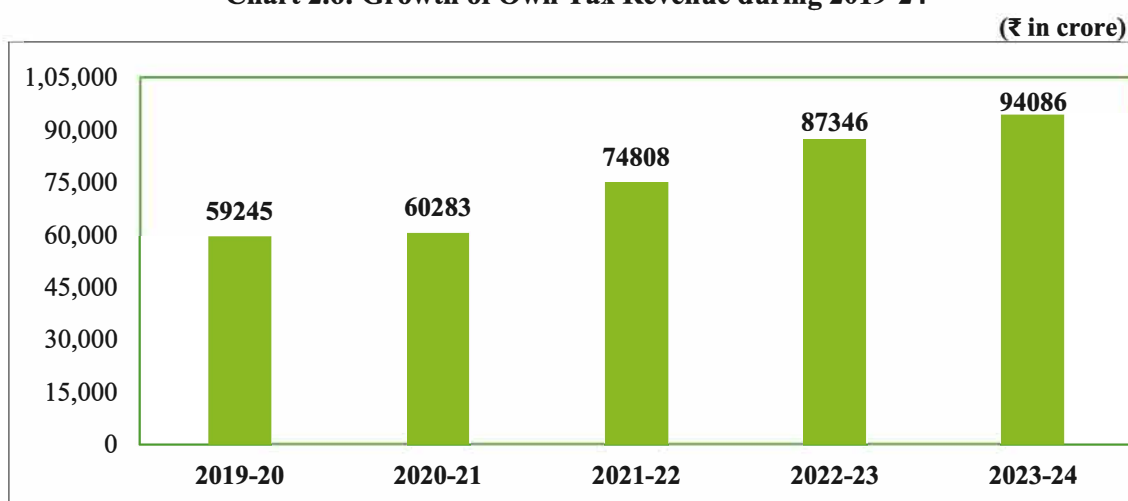
2.3.2.2 State's Own Resources

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

Own Tax Revenue

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

Trends of own tax revenue and analysis of its components during 2019-24 are shown in **Chart 2.6** and **Table 2.4**.

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

The component-wise details of Own Tax Revenue collected during the years 2019-24 were as follows.

Table 2.4: Components of State's Own Tax Revenue during 2019-24

S. No.	Revenue Head	2019-20	2020-21	2021-22	2022-23	2023-24	
						B.E.	Actual
1.	Taxes on Sales, Trade, etc.	15,843	17,479	20,605	22,727	27,300	23,473
2.	Taxes on Goods and Passengers	41	45	171	08	10	-*
3.	Entertainment Tax and Luxury Tax (under other taxes and duties on Commodities and services)	01	01	11	01	01	-#
4.	State Goods and Services Tax	21,954	20,755	27,502	33,790	48,946	38,016
	Total	37,839	38,280	48,289	56,526	76,257	61,489
5.	State Excise	9,592	9,853	11,807	13,326	17,000	13,225
6.	Taxes on Vehicles	4,951	4,368	4,759	6,128	7,700	6,704
7.	Stamps and Registration Fees	4,235	5,297	6,492	8,189	9,150	9,181
8.	Land Revenue	364	280	632	484	636	469
9.	Other Taxes ²	2,264	2,205	2,829	2,693	3,426	3,018
	Grand Total	59,245	60,283	74,808	87,346	1,14,169	94,086

Source: Finance Accounts

* only ₹ (-) 0.46 crore (minus figure is due to refund of revenue) # only ₹ 0.20 crore

Own Tax Revenue of the State increased by ₹ 34,841 crore from ₹ 59,245 crore in 2019-20 to ₹ 94,086 crore in 2023-24 at CAGR of 12.26 *per cent*. The growth rate of own tax revenue in the State during 2023-24 was 7.72 *per cent* over the previous year and was lower than the average of States other than NE and Himalayan States (10.58 *per cent*) (**Appendix 1.2**). During the year 2023-24, the actual own tax revenue was significantly lower (17.59 *per cent*) than the estimated own tax revenue. Major contributors of Own Tax Revenue were State Goods and Services Tax (40.41 *per cent*), Taxes on Sales, Trade, etc. (24.95 *per cent*) and State Excise (14.06 *per cent*) during the year. During 2023-24, the State Goods and Services Tax, Stamps and Registration Fees and Taxes on Vehicles increased over the previous year by 12.51 *per cent*, 12.11 *per cent* and 9.40 *per cent* respectively.

State Goods and Services Tax (SGST)

During the year 2023-24, against the BE of ₹ 48,946.45 crore, the State's GST (SGST) collection was ₹ 38,015.97 crore (including the advance apportionment of IGST amounting to ₹ (-) 468.00 crore, minus figure was due to adjustment carried out to make up shortfall in IGST) as compared to ₹ 33,790.48 crore in 2022-23. As per the books of RBI, the amount of SGST was ₹ 17,491.66 crore and as per the Finance

- Other Taxes include taxes on immovable property other than agricultural land, taxes and duties on electricity and other taxes and duties on Commodities and Services (excluding Entertainment Tax and Luxury Tax). It includes receipts under Taxes and Duties on Electricity ₹ 2,263 crore, ₹ 2,142 crore, ₹ 2,606 crore, ₹ 2,625 crore and ₹ 2,918 crore during 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 respectively.

Accounts also, the amount of SGST was ₹ 17,491.66 crore³. Hence, there was no difference between the books of RBI and the Finance Accounts with respect to SGST.

Audit of GST Receipts

The Government of India's decision to provide access to Pan-India data at GSTN (Goods and Services Tax Network) premises was conveyed on 20 June 2020. In case of Rajasthan, which is a Model-II State, user id-based access to GSTN was provided to officers engaged in GST (Goods and Services Tax) audit on 25 November 2020. Receipts of the state in accordance with the requirements of GST (Compensation to States) Act, 2017 have been audited till the year 2022-23.

Analysis of arrears of revenue

The arrear of revenue indicates delay in realization of revenue by the Government and the arrear of assessment indicates potential revenue which is blocked due to delayed assessment. Both deprive the Government of potential revenue receipts and ultimately impact the revenue deficit.

The arrears of revenue as on 31 March 2024 relating to certain principal heads of revenue amounted to ₹ 11,423.78 crore, out of which ₹ 3,856.77 crore was outstanding for more than five years as given in **Table 2.5**:

Table 2.5: Arrear of Revenue

(₹ in crore)

S. No.	Heads of revenue	Total amount outstanding as on 1 April 2023	Total amount outstanding as on 31 March 2024 and percentage of increase in comparison to previous year		Amount outstanding for more than five years as on 31 March 2024
1.	Commercial Taxes *	9,031.36	7,173.25	(-) 20.57	3,078.87
2.	Transport *	45.11	35.12	(-) 22.15	22.75
3.	Land Revenue *	202.82	193.55	(-) 4.57	97.91
4.	Major and Medium Irrigation *	3.15	3.30	4.76	1.92
5.	Mines and Geology	258.89	252.06	(-) 2.64	91.64
6.	Registration and Stamps *	1,030.73	692.65	(-)32.80	159.20
7.	Land Tax *	1,349.11	1,252.32	(-)7.17	208.20
8.	State Excise*	1,857.99	1,821.53	(-)1.96	196.28
Total		13,779.16	11,423.78	(-) 17.09	3,856.77

Source: Information provided by the concerned Departments

* Opening balances differ from the previous year closing balances due to furnishing of updated information by the departments.

3. This excludes ₹ 20,524.31 crore received under MH-0006 (i) Input Tax Credit cross utilisation of SGST and IGST: ₹ 14,977.64 crore; (ii) Apportionment of IGST – Transfer-in of Tax component of SGST: ₹ 6,002.56 crore; (iii) Apportionment of IGST – Transfer-in of interest component of SGST: ₹ 12.11 crore; (iv) Advance apportionment from IGST: ₹ (-) 468.00 crore.

Arrears of Assessment

The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed off during the year and number of cases pending for finalisation at the end of the year as furnished by the Departments of Commercial Taxes, Transport, Registration and Stamps, Mines and Geology are given in **Table 2.6:**

Table 2.6: Arrear in Assessment

Name of the Department	Opening balance	New cases due for assessment during 2023-24	Total assessments due	Cases disposed of during 2023-24	Balance at the end of the year	Percentage of disposal (col. 5 / 4)
1	2	3	4	5	6	7
Commercial Taxes *	0	4,611	4,611	4,611	0	100
Transport *	1,033	19,879	20,912	19,758	1,154	94.48
Registration and Stamps * #	5,155	5,502	10,657	6,011	4,646	56.40
Mines and Geology	10,582	7,516	18,098	6,654	11,444	36.77

Source: Information provided by the concerned Departments.

* Opening balances differ from the previous year closing balances due to furnishing of updated information by the departments.

Including Land Tax

It can be seen that the Commercial Taxes and Transport Departments performed well to achieve a high percentage of disposal.

The relevant information is awaited from State Excise Departments (February 2025).

Details of Evasion of Tax Detected by Departments

The cases of evasion of tax detected by the Departments and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government. According to the information furnished by the Commercial Tax Department, 651 cases of tax evasion were noticed during the year 2023-24. In 634 cases, assessment/investigation was completed, and 401 cases were pending for finalization as on 31st March 2024. Further, in Registration and Stamps Department, 1,158 cases of tax evasion were noticed during the year 2023-24. As on 31st March 2024, assessment/investigation was completed for all the cases and no case was pending for finalization. Details of pending cases is given in **Table 2.7:**

Table 2.7: Evasion of Tax Detected

Head of revenue	Cases pending as on 31 March 2023	Cases detected during 2023-24	Total	No. of cases in which assessment/investigation completed and additional demand with penalty etc. raised		No. of cases pending for finalisation as on 31 March 2024
				No. of cases	Amount of demand (₹ in crore)	
Commercial Tax	384	651	1,035	634	1,314.13	401
Registration and Stamps*	1,824	1,158	2,982	2,982	22.01	0

Source: Information provided by the concerned Departments.

* Opening balances differ from the previous year closing balances due to furnishing of updated information by the department.

It can be seen that in case of Commercial Tax Department, the pendency of cases increased during the year from 384 as on 31 March 2023 to 401 as on 31 March 2024. The Department may make concerted efforts for finalisation of pending cases.

The relevant information is awaited from Mines and Geology, Transport and State Excise Departments (February 2025).

Pendency of refund cases

Promptness in disposal of refund cases is also an important indicator of performance of the Department. The refund cases pending at the beginning of the year 2023-24, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2023-24 as reported by the Departments are given in **Table 2.8**:

Table 2.8: Pendency of refund cases

(₹ in crore)

S. No.	Particulars	Commercial Taxes		Transport		Registration and Stamps		Mines and Geology	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year	997	65.56	314	3.73	1693	15.41	03	0.22
2.	Claims received during the year	1681	172.30	481	6.91	2807	33.49	14	34.24
3.	Refunds made during the year	1236	109.82	490	3.43	2323	23.44	0	0
4.	Rejected during the year	633	65.05	23	0.15	325	3.54	0	0
5.	Balance outstanding at the end of year	809	62.99	282	7.06	1852	21.92	17	34.46

Source: Information provided by the concerned Departments

It can be seen that number of cases outstanding have increased in Registration and Stamps and Mines and Geology Department. The relevant information is awaited from State Excise Departments (February 2025).

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

Non-Tax Revenue

Non-Tax revenue consists of interest receipts, Revenue from petroleum, Dividends and Profits, etc. The trend of Non-Tax revenue during the five-year period from 2019-20 to 2023-24 is provided in **Table 2.9** below.

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

(₹ in crore)

S. No.	Revenue Head	2019-20	2020-21	2021-22	2022-23	2023-24	
						B E	Actual
1.	Interest Receipts	3,852	2,693	1,628	2,030	2,425	2,006
2.	Revenue from Petroleum ⁴	3,320	1,905	3,995	4,889	5,500	3,425
3.	Non-ferrous Mining and Metallurgical Industries	4,579	4,966	6,395	7,213	9,000	7,460
4.	Dividends and Profits	55	3	87	29	73	51

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

S. No.	Revenue Head	2019-20	2020-21	2021-22	2022-23	2023-24	
						B E	Actual
5.	Other Non-Tax Receipts	3,908	4,086	6,650	6,404	7,287	5,738
	Total	15,714	13,653	18,755	20,565	24,285	18,680

Source: Finance Accounts

Non-Tax Revenue ranged from 9.19 *per cent* to 11.22 *per cent* of Total Revenue Receipts of the State during the five-year period from 2019-20 to 2023-24. During 2023-24, the Non-Tax Revenue (₹ 18,680 crore) decreased by 9.17 *per cent* (₹ 1,885 crore), as compared to the previous year mainly due to substantial decrease in Revenue from Petroleum Receipts from royalties on crude oil by ₹ 1,464 crore (29.94 *per cent*). During 2023-24 the decrease in royalty on Petroleum was due to less production of crude oil and natural gas. Further, due to less deposit of unclaimed amount and less receipt of Guarantee Fees in comparison to previous years, the Other non-tax receipts also decreased from last year. Thus, the growth rate of non-tax revenue remained negative in the State during 2023-24 over the previous year while average growth rate of non-tax revenue of the States other than NE and Himalayan States stayed positive (14.62 *per cent*) (*Appendix 1.2*).

2.3.2.3 Transfers from the Centre

Transfers from Central Government are mainly dependent on the recommendations of the Finance Commission. XIV-FC recommended an increase in the share of the States in Central Taxes from 32 *per cent* (recommended by XIII-FC) to 42 *per cent*. However, XV-FC recommended decrease in the share of the States in Central Taxes from 42 *per cent* (recommended by XIV-FC) to 41 *per cent*. During 2023-24, Transfers from Centre comprised 44.53 *per cent* of the Revenue Receipt.

Trend of transfers from Centre is provided in the table below for a period of five years covering the periods of Fourteenth and Fifteenth Finance Commissions.

Table 2.10: Trends in transfers from Centre

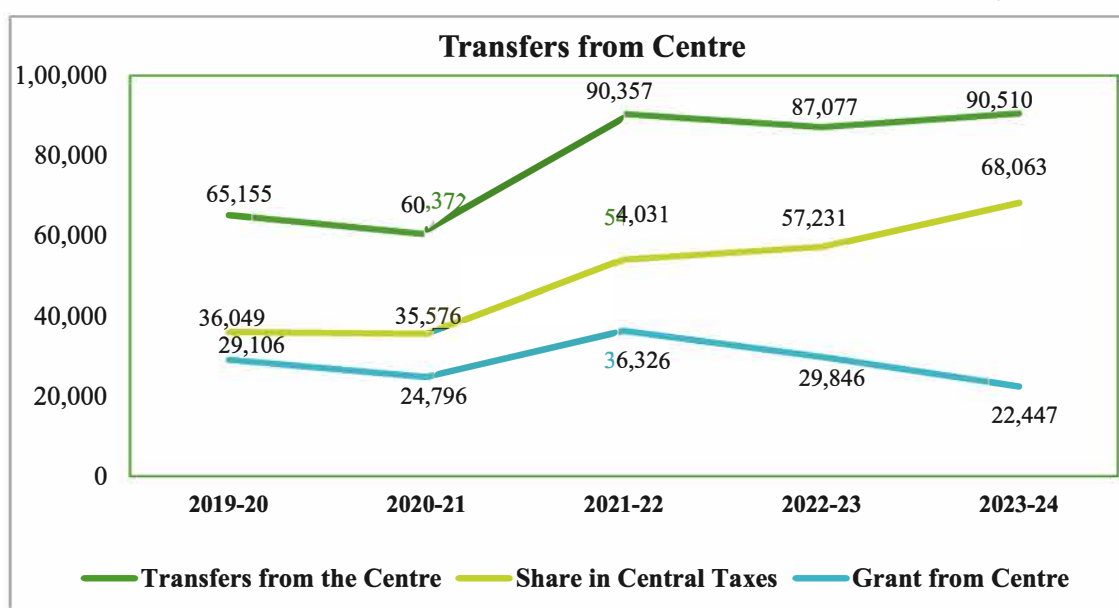
Particulars	(₹ in crore)				
	2019-20	2020-21	2021-22	2022-23	2023-24
Central Tax Transfers	36,049	35,576	54,031	57,231	68,063
Grant-in-Aid	29,106	24,796	36,326	29,846	22,447
Total	65,155	60,372	90,357	87,077	90,510
Percentage increase over previous year	5.28	(-)7.34	49.67	(-)3.63	3.94
Total transfers from Centre as percentage of Revenue Receipts	46.50	44.95	49.13	44.66	44.53

Source: Finance Accounts

Transfers from the Centre increased from ₹ 65,155 crore in 2019-20 to ₹ 90,510 crore in 2023-24, and it also increased by 3.94 *per cent* over the previous year (₹ 87,077 crore). As compared to previous year, Central Tax transfers increased in 2023-24, however, Grant-in-aid from the Centre decreased over the previous year.

Chart 2.7: Trends in transfers from Centre

(₹ in crore)



Central Tax Transfer

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

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

(₹ in crore)

S. No.	Components of the Central Tax Transfer	2019-20	2020-21	2021-22	2022-23	2023-24
1.	Customs	2,285	1,910	3,864	2,249	2,385
2.	Union Excise Duties	1,589	1,199	2,098	706	903
3.	Service Tax	-	150	701	89	13
4.	Central Goods and Services Tax (CGST)	10,229	10,603	15,261	16,170	20,656
5.	Integrated Goods and Services Tax (IGST)	-	-	-	-	-
6.	Corporation Tax	12,291	10,711	16,172	19,192	20,430
7.	Taxes on Income other than Corporation Tax	9,631	10,978	15,877	18,730	23,593
8.	Taxes on Wealth	1	-	4	-	-
9.	Other Taxes and Duties on Commodities and Services	23	25	54	95	83
10.	Others	-	-	- ⁵	-	-
11.	Total Central Tax Transfers (1 to 10)	36,049	35,576	54,031	57,231	68,063
12.	Percentage of increase/decrease (-) over previous year	(-)13.87	(-)1.31	51.87	5.92	18.93
13.	Percentage of Central tax transfer to Revenue Receipts	25.73	26.49	29.38	29.35	33.49

Source: Finance Accounts

During 2023-24, Central Tax Transfers constituted 33.49 *per cent* of the Revenue Receipts. Over the five-year period 2019-24, Central Tax Transfers increased by 88.81 *per cent* from ₹ 36,049 crore in 2019-20 to ₹ 68,063 crore in 2023-24 at CAGR of 17.22 *per cent*.

5. ₹ 0.11 crore.

During 2023-24, Central Tax Transfers increased by 18.93 *per cent* (₹ 10,832 crore) as compared to the previous year mainly due to significant increase in Taxes on Income other than Corporation Tax by ₹ 4,863 crore (25.96 *per cent*), CGST by ₹ 4,486 crore (27.74 *per cent*) and Corporation Tax by ₹ 1,238 crore (6.45 *per cent*).

Grants-in-aid from GoI

Grants-in-Aid (GIA) received by the State Government from GoI during 2019-24 are detailed in **Table 2.12**.

Table 2.12: Grants-in-Aid from GoI

		(₹ in crore)				
S. No.	Head	2019-20	2020-21	2021-22	2022-23	2023-24
1.	Centrally Sponsored Schemes (CSS)	14,966	12,595	14,965	14,554	14,263
2.	Finance Commission Grants	7,332	6,237	17,211	10,508	5,591
3.	Other transfer/Grants to State/ Union Territories with Legislature	6,808	5,964	4,150	4,784	2,593
	Total Grant-in-aid from GoI	29,106	24,796	36,326	29,846	22,447
4.	Percentage of increase/decrease (-) over the previous year	45.26	(-)14.81	46.50	(-)17.84	(-) 24.79
5.	Percentage of GIA to Revenue Receipts	20.77	18.46	19.75	15.31	11.04

Source: Finance Accounts

GIA from GoI decreased by ₹ 7,398 crore (24.79 *per cent*) during the year as compared to the previous year. GIA constituted 11.04 *per cent* of Revenue Receipts during the year 2023-24. Grants for Centrally Sponsored Schemes to the State (₹ 14,263 crore) constituted 63.54 *per cent* of the total grants during the year. 15th Finance Commission Grants mainly included Grants-in-aid for Local Bodies (₹ 3,801 crore) and State Disaster Response Fund (SDRF) including assistance for State Disaster Mitigation fund (₹ 1,790 crore). Further, other grants included compensation for loss of revenue arising out of implementation of GST (₹ 1,398 crore).

Transfer of funds to Single Nodal Agency (SNA)

Ministry of Finance, Government of India notified (March 2021) procedure for release of funds under Centrally Sponsored Scheme (CSS) and monitoring utilization of the funds released through SNA. For each CSS, SNA is set up with own Bank Account in scheduled Commercial Bank authorised to conduct Government business by the State Government. As per the procedure, the State Government is to transfer the Central share received in its accounts to the concerned SNA's account along with corresponding State share.

The State Government received ₹ 12,954.28 crore being Central share during 2023-24 in its Treasury Accounts. As on 31 March 2024, the Government transferred Central share of ₹ 12,712.31 crore (including previous balances) and State share of ₹ 11,388.55 crore to the SNAs. Out of the total transfer of ₹ 24,100.86 crore, ₹ 12,880.02 crore was transferred through Grant in Aid bills, ₹ 6,760.47 crore through Fully Vouched Contingent Bills, ₹ 3,944.52 crore through PD accounts and ₹ 515.85 crore through Works Accounting Module (WAM).

Detailed vouchers and supporting documents of actual expenditure were not received by AG (A&E) office from the SNAs. As per PFMS (Public Finance Management System) SNA-01 report ₹ 4,713.71 crore were lying unspent in the bank accounts of SNAs as on 31 March 2024 which is outside the purview of the government accounts.

Fifteenth Finance Commission Grants

The Fifteenth Finance Commission (XV-FC) submitted its report for the period 2021-26 in November 2020. The XV-FC recommended grants/ transfer of funds to States on account of post devolution Revenue Deficit Grant, Grant to local bodies for the purpose of improving ambient air quality in million plus cities/urban agglomerations and Disaster Management grants. XV-FC recommended total grant-in-aid of ₹ 59,374 crore to Rajasthan for the period 2021-26. The position of releases by GoI and onward transfers by the State during 2023-24 is given in **Table 2.13**:

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

S. No	Name of Grant	(₹ in crore)			
		Recommendation of XV- FC		Actual Release by GoI to GoR	Onward release by GoR to implementing agencies
		2021-26	2023-24	2023-24	2023-24
1.	Grants for Local Government	22,749.00	4,529.00	3,800.95	3,637.68
	(i) Grant to Rural Local Bodies (RLBs)	15,053.00	2,989.00	2,795.94	2,810.18
	a) Basic Grant (Untied)	6,021.20	1,195.60	1,118.38	1,118.38
	b) Tied Grant	9,031.80	1,793.40	1,677.56	1,691.80 [#]
	(ii) Grant to Urban Local Bodies (ULBs)	7,696.00	1,540.00	1,005.01	827.50
	A. Non-Million Plus Cities	5,369.00	1,074.00	374.50	508.00
	a) Basic Grant (Untied)	2,147.60	429.60	149.80	203.20 ^S
	b) Tied Grant	3,221.40	644.40	224.70	304.80 ^S
	B. Million Plus Cities (Jaipur, Jodhpur and Kota)	2,327.00	466.00	630.51	319.50
	a) Air Quality	774.00	155.00	25.50	25.50
	b) Solid Waste Management/ sanitation	1,553.00	311.00	605.01 ^{##}	294.00 ^{##}
2.	Health Infrastructure (Rural)	4,423.06	874.54	0	-
3.	Grant for Disaster Management (Central Government's Share 75%)	8,186.00	1,634.00	1,789.60	1,781.80*
	(a) State Disaster Response Fund (SDRF)			1,307.20	1,307.20
	(b) State Disaster Mitigation Fund (SDMF)			482.40	474.60
4.	Total (1+2+3)	35,358.06	7,037.54	5,590.55	5,419.48
5.	Revenue Deficit Grant	14,740.00	0	0	0
6.	Others**	9,276.00	0	0	0
	Grand Total (4+5+6)	59,374.06	7,037.54	5,590.55	5,419.48

Source: XV-FC Report, Finance Account and information provided by concerned department.

[#] This includes ₹ 887.10 crore (2nd instalment of tied grant) pertaining to the grant for 2022-23 transferred by GoI on 31.03.2023 and further released by GoR on 20-04-2023.

^S Amount pertains to previous years, released during the year. Amount released by GoI for the current year is not released further by the GoR during the current year.

This includes ₹ 294.00 crore pertaining to grant for 2022-23, transferred by GoI on 19.05.2023 and further released by GoR on 02.06.2023.

* This includes ₹ 311.20 crore pertaining to the grant for 2022-23 (1st and 2nd instalment of ₹ 155.60 crore each) for State Disaster Mitigation Fund transferred by GoI on 31.03.2023 and 16.05.2023 and further released by GoR on 01.05.2023 and 01.06.2023 respectively.

** Grants pertaining to Health, Maintenance of PMGSY Road, Statistics, Judiciary, Higher Education, Agriculture and State specific grants were not released by GoI.

As per the recommendations of XV-FC, for the year 2023-24, an amount of ₹ 7,037.54 crore was to be allocated to Rajasthan for health infrastructure, disaster management, improving air quality, solid waste management/sanitation etc. Against this, Audit noticed that ₹ 5,590.55 crore was released to GoR. Thus, there was short transfer of ₹ 1,446 crore for 2023-24. As intimated by the Directorate, Local Bodies, Rajasthan, the reasons for short release of grants were attributed to the non-fulfilment of the conditions prescribed by Government of India.

As depicted in the table above, GoR further released/transferred ₹ 5,419.48 crore to Local bodies and State disaster Risk Management Fund during 2023-24. The information regarding release of Health Infrastructure grant is awaited from Department of Medical Health and Family Welfare, GoR (August 2024).

XV-FC recommended that the State shall transfer grants in aid to the concerned Rural Local Bodies within 10 working days of receipt from the Central Government. Any delay beyond 10 working days will require the State Government to release the grant with interest as per the effective rate of average interest on market borrowing/State Development Loans for the previous year.

It was observed that Rural Development and Panchayati Raj Department transferred second instalments of un-tied and tied XV-FC grants pertaining to 2022-23 to Zila Parishads/Panchayat Samitis/Gram Panchayats with delays of three and eleven days respectively which resulted in interest payment of ₹ 9.22 crore during 2023-24 to the Rural Local Bodies by the State Government.

2.3.3 Capital Receipts

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

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

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

(₹ in crore)						
S. No.	Sources of State's Capital Receipts	2019-20	2020-21	2021-22	2022-23	2023-24
	Capital Receipts	41,831	49,328	47,640	35,264	58,687
1.	Miscellaneous Capital Receipts	20	14	31	16	14
2.	Recovery of Loans and Advances	15,670	373	2,374	420	405
3.	Net Public Debt Receipts	26,141	48,941	45,235	34,828	58,268
4.	<i>Internal Debt</i>	22,766	42,712	37,018	29,154	48,896
5.	Growth rate	19.39	87.61	(-)13.34	(-)21.24	67.72
6.	<i>Loans and Advances from GoI</i>	3,375	6,229	8,217	5,674	9,372

S. No.	Sources of State's Capital Receipts	2019-20	2020-21	2021-22	2022-23	2023-24
7.	Growth rate	81.07	84.56	31.92	(-)30.95	65.17
8.	Rate of growth of net public debt Receipts	24.89	87.22	(-) 7.57	(-)23.01	67.30
9.	Rate of growth of non-debt capital receipts	3.37	(-)97.53	521.45	(-)81.87	(-) 3.90
10.	Rate of growth of Capital Receipts (per cent)	15.84	17.92	(-)3.42	(-)25.98	66.42

Source: Finance Accounts and MoSPI, GoI.

Capital Receipts substantially increased by 66.42 *per cent* from ₹ 35,264 crore in 2022-23 to ₹ 58,687 crore in 2023-24. During 2023-24, 83.32 *per cent* Capital Receipts came from net Internal Debt and 15.97 *per cent* from net Loans and Advances from GoI. During 2023-24, internal debt increased by 67.72 *per cent* due to increase in Market Loans and Loans and Advances from GoI by 65.17 *per cent* as compared to previous year.

2.3.4 State's performance in mobilization of resources

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

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

Table 2.15: State's Own Tax and Non-Tax Revenue projections and Actual for 2023-24

(₹ in crore)				
S. No.	Particulars	Budget Estimates	Actual	Percentage variation of actual over Budget Estimates
1.	Own Tax Revenue	1,14,169	94,086	(-) 17.59
2.	Non-Tax Revenue	24,285	18,680	(-) 23.08

Source: Finance Accounts and budget document

The Receipts under Own Tax Revenue and Non-Tax Revenue was less than BE by 17.59 *per cent* (₹ 20,083 crore) and 23.08 *per cent* (₹ 5,605 crore) respectively, indicating shortfall in mobilisation of tax resources by the State.

2.4 Application of resources

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

2.4.1 Growth and composition of expenditure

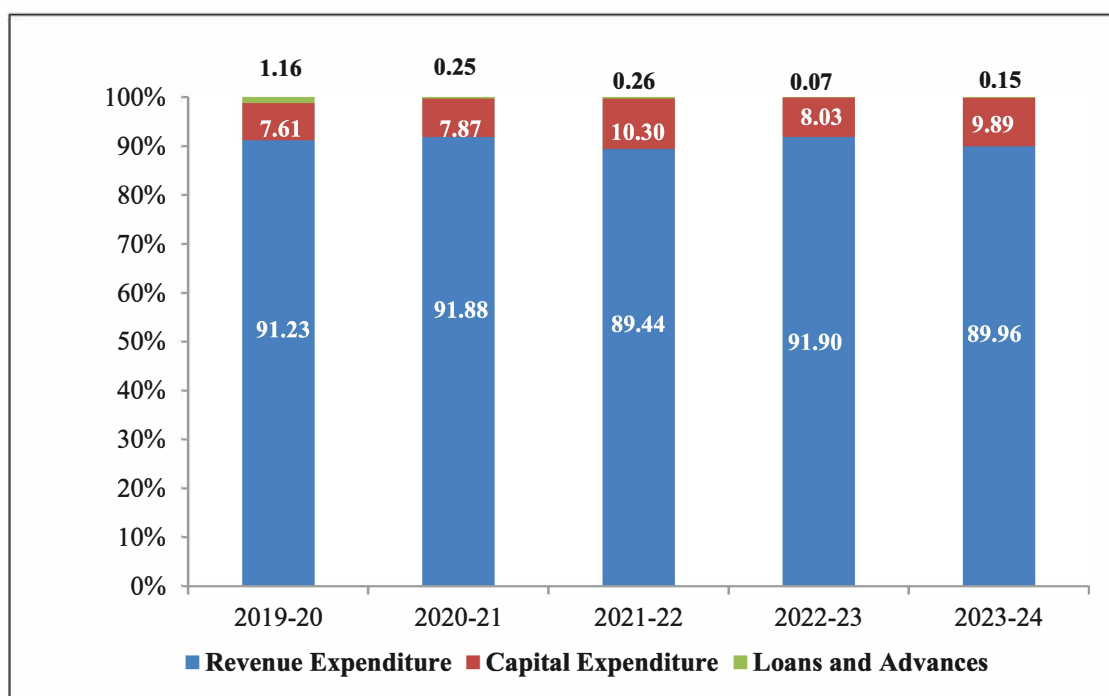
Table 2.16 presents the trends in total expenditure over a period of five years (2019-24) depicting its composition in terms of 'economic classification'.

Table 2.16: Total expenditure and its composition

(₹ in crore)						
S. No.	Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
1.	Total Expenditure (TE)	1,93,458	1,94,071	2,34,563	2,46,452	2,69,275
2.	Revenue Expenditure (RE)	1,76,485	1,78,309	2,09,790	2,26,479	2,42,231
3.	Capital Outlay (CO)	14,718	15,271	24,152	19,798	26,646
4.	Loans and Advances	2,255	491	621	175	398
As a percentage of GSDP						
5.	TE/GSDP	19.35	19.07	19.63	18.15	17.62
6.	RE/GSDP	17.65	17.52	17.56	16.68	15.85
7.	CO/GSDP	1.47	1.50	2.02	1.46	1.74
8.	Loans and Advances/GSDP	0.23	0.05	0.05	0.01	0.03

Source: Finance Accounts

The table shows that Total Expenditure of the State increased by 39.19 *per cent* from ₹ 1,93,458 crore in 2019-20 to ₹ 2,69,275 crore in 2023-24. During the year, it registered an increase of 9.26 *per cent* over the previous year due to increase in Revenue Expenditure, Capital Expenditure and Loans and Advances over the previous year. As a percentage of GSDP, the Total Expenditure remained in the range of 17.62 *per cent* to 19.63 *per cent* during the period 2019-24. The growth rate of Total Expenditure during 2023-24 (9.26 *per cent*) over the previous year was lower than the average growth rate of Total Expenditure of 10.56 *per cent* registered by States other than NE and Himalayan States (*Appendix 1.2*).

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

Source: Finance Accounts

It is evident from the **Chart 2.8** above that Revenue Expenditure ranged between 89.44 to 91.90 *per cent* of the Total Expenditure during 2019-24.

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

Table 2.17: Relative share of various sectors of expenditure

(In *per cent*)

S. No.	Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
1.	General Services	29.28	31.20	28.09	29.38	29.00
2.	Social Services	38.16	42.07	40.93	40.18	41.53
3.	Economic Services	31.40	26.48	30.72	30.37	29.32
4.	Others (Loans and Advances)	1.16	0.25	0.26	0.07	0.15

Source: Finance Accounts

Chart 2.9: Total expenditure - Expenditure by activities

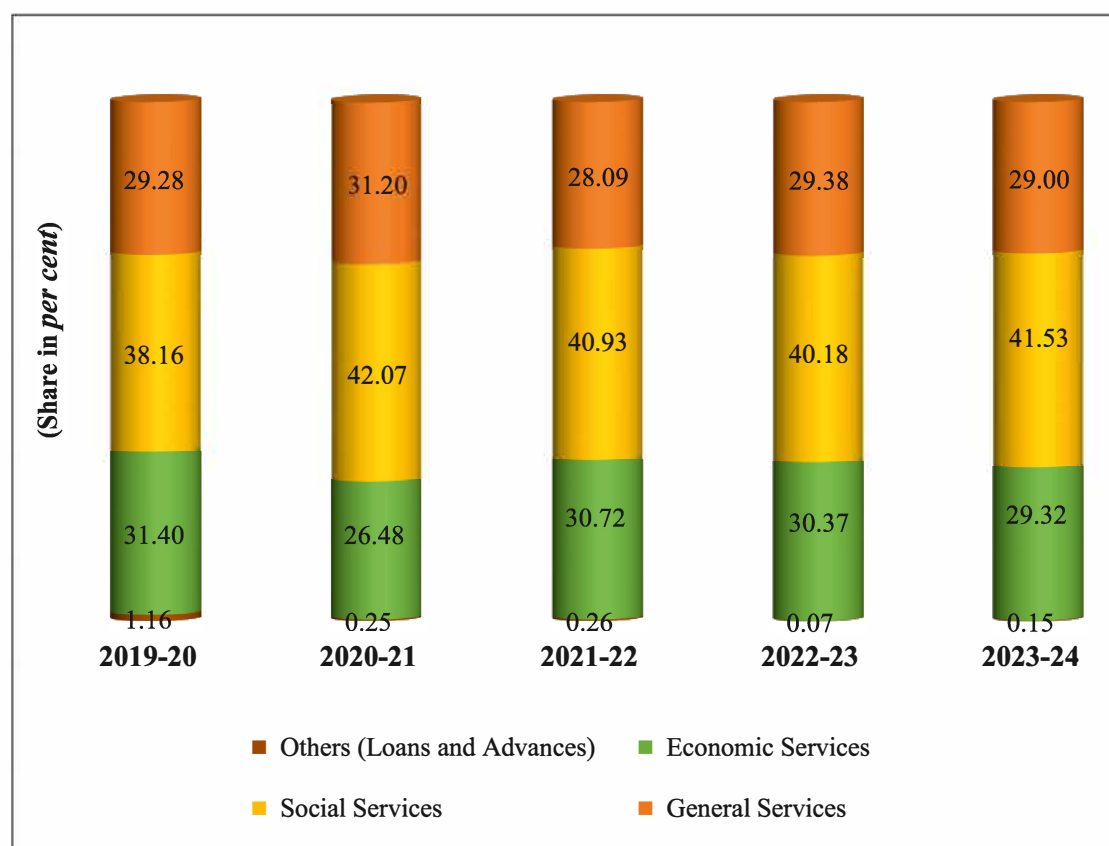
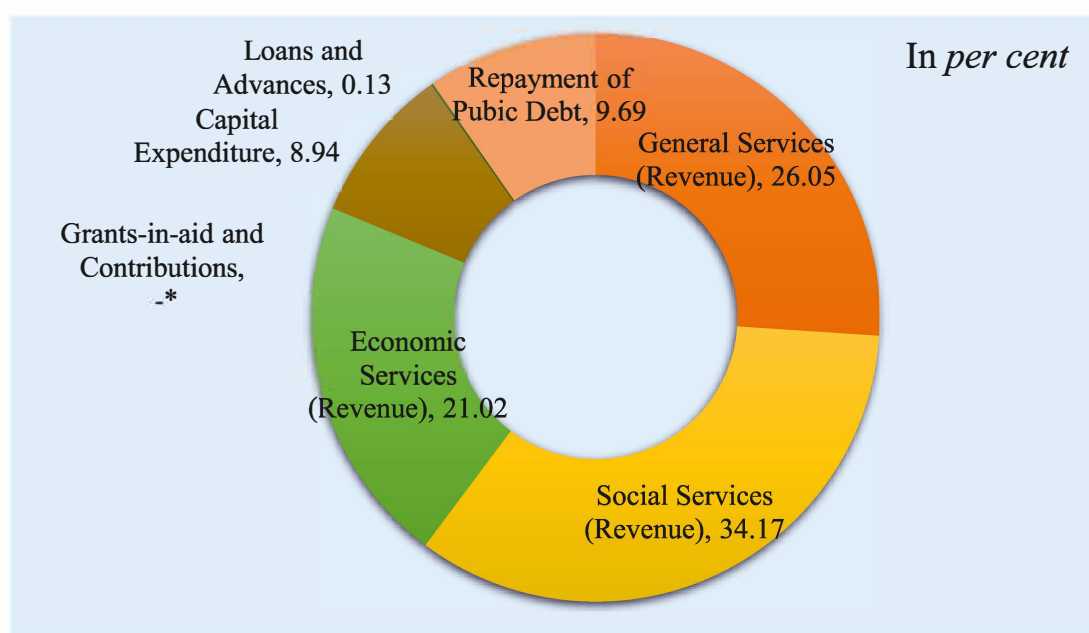


Chart 2.9 and **Table 2.17** shows that the relative share of Social Services and Loans and Advances in total expenditure increased marginally in 2023-24 as compared to 2022-23. The share of expenditure under General Services and Economic Services decreased over the previous year. **Chart 2.10** shows composition of Consolidated Fund Expenditure by function.

Chart 2.10: Composition of Consolidated Fund Expenditure by function during 2023-24

Source: Finance Accounts

* Only ₹ 0.05 crore

2.4.2 Revenue Expenditure

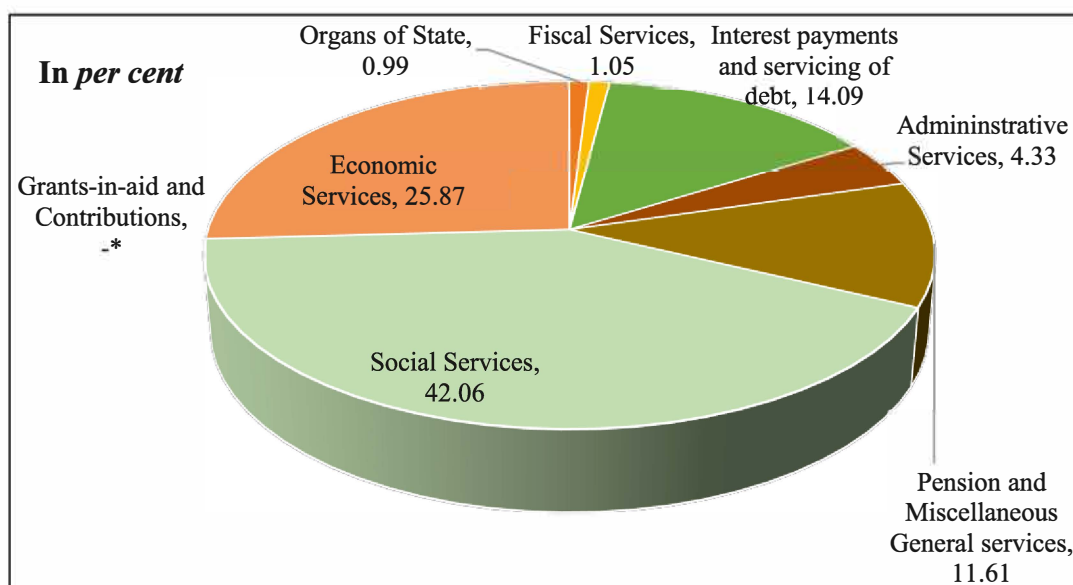
Revenue Expenditure is incurred to maintain the current level of services and payment for the past obligations. As such, it does not result in any addition to the State's infrastructure and services. The overall revenue expenditure, its rate of growth and ratio to GSDP for the last five years are indicated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

Table 2.18: Revenue Expenditure – Basic Parameters

(₹ in crore)						
S. No.	Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
1.	Total Expenditure (TE)	1,93,458	1,94,071	2,34,563	2,46,452	2,69,275
2.	Revenue Expenditure (RE)	1,76,485	1,78,309	2,09,790	2,26,479	2,42,231
3.	Rate of Growth of RE (<i>per cent</i>)	5.82	1.03	17.66	7.96	6.96
4.	Revenue Expenditure as percentage of TE	91.23	91.88	89.44	91.90	89.96
5.	RE/GSDP (<i>per cent</i>)	17.67	17.49	17.22	16.02	15.85
6.	RE as percentage of Revenue Receipts	125.96	132.76	114.07	116.15	119.16

Source: Finance Accounts

Revenue Expenditure constituted 89.96 *per cent* of total expenditure during 2023-24. It increased from ₹ 1,76,485 crore in 2019-20 to ₹ 2,42,231 crore in 2023-24. During 2023-24, the revenue expenditure increased by 6.96 *per cent* (₹ 15,752 crore) over the previous year. RE as a percentage of revenue receipts was more than 100 *per cent* in all the years during 2019-20 to 2023-24 indicating that the revenue receipts were not sufficient to meet the Revenue expenditure resulting in deficits.

Chart 2.11: Sector-wise distribution of revenue expenditure

Source: Finance Accounts

* Only ₹ 0.05 crore

2.4.2.1 Major changes in Revenue Expenditure

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

Table 2.19: Variation in Revenue Expenditure during 2023-24 as compared to 2022-23

₹ in crore)				
S. No.	Major Heads of Account	2022-23	2023-24	Increase / Decrease (-)
1.	2210- Medical and Public Health	10,144.84	14,931.41	4,786.57
2.	2202- General Education	43,705.47	48,435.25	4,729.78
3.	2049- Interest Payments	30,601.88	34,127.78	3,525.90
4.	2801-Power	24,515.15	27,037.97	2,522.82
5.	2071-Pensions and other Retirement Benefits	25,381.00	27,203.19	1,822.19
6.	3454-Census Surveys and Statistics	866.50	2,615.11	1,748.61
7.	2211-Family Welfare	2,999.87	4,338.61	1,338.74
8.	2505-Rural Employment	6,435.90	1,968.68	(-)4,467.22
9.	3451-Secretariat- Economic Services	4,023.10	57.14	(-)3,965.96

Source: Finance Accounts

The table indicates that Revenue Expenditure under 'Medical and Public Health', 'General Education', 'Interest Payments', 'Power', 'Pensions and other Retirement Benefits', 'Census Surveys and Statistics' and 'Family Welfare' increased significantly during the year.

2.4.2.2 Committed expenditure

The committed expenditure of the State Government on revenue account consists of interest payments, expenditure on salaries and wages and pensions. It is the first charge on Government resources.

Apart from 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 – State contributes statutory devolutions to local bodies (Central Finance Commission and State Finance Commission) for pay and allowances (devolution / transfer for capital expenditure).
- (ii) Statutory requirements of contribution to Reserve Funds - Guarantee Redemption Fund (GRF), State Disaster Mitigation / Response Fund (SDMF/SDRF), State Road and Bridges Fund 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 expenditure and Central share received in Consolidated fund of State to be transferred to SNAs / spent by the State.
- (vi) Payment of interest on the balances of the interest-bearing funds as if they could have been invested.

An upward trend on committed expenditure leaves the Government with lesser resources for development initiatives. Trend analysis of committed and inflexible expenditure and its components is depicted in **Table 2.20** and share of committed expenditure in revenue expenditure is shown in **Chart 2.12**.

Table 2.20: Components of Committed and Inflexible Expenditure

(₹ in crore)

S. No.	Components of Committed Expenditure	2019-20	2020-21	2021-22	2022-23	2023-24
1	Salaries & Wages	49,066	51,619	57,118	59,774	65,399
2	Expenditure on Pensions	20,761	22,440	23,391	25,381	27,203
3	Interest Payments	23,643	25,202	28,100	30,602	34,128
4	Total	93,470	99,261	1,08,609	1,15,757	1,26,730
5	Components of Inflexible Expenditure					
6	Statutory devolution to Local Bodies	7,207	8,959	10,873	9,277	7,024
	<i>A. Central Finance Commission</i>	6,327	4,755	5,195	4,069	3,638
	<i>B. State Finance Commission</i>	880	4,204	5,678	5,208	3,386
7	Contribution to Reserve Funds	4,608	4,377	4,884	6,229	7,105
8	Recoupment of Contingency Fund	-	-	-	-	-
9	Transfer of Cess/Surcharge to reserve fund/ other body	1,735	1,638	4,532	5,637	6,762
10	Share contribution of CSS against the Central Fund received	28,278	29,172	42,634	43,205	29,042
	<i>A. Central Share</i>	14,546	12,454	14,817	13,717	13,532
	<i>B. State Share</i>	13,732	16,718	27,817	29,488	15,510
11	Payment of interest on the balances of the interest bearing funds as if they could have been invested	42	144	328	177	337
12	Total	41,870	44,290	63,251	64,525	50,270

S. No.	Components of Committed Expenditure	2019-20	2020-21	2021-22	2022-23	2023-24
13	As a percentage of Revenue Receipts (RR)					
14	Committed Expenditure					
15	Salaries & Wages	35.02	38.43	31.05	30.66	32.17
16	Expenditure on Pensions	14.82	16.71	12.73	13.02	13.38
17	Interest Payments	16.87	18.76	15.28	15.69	16.79
18	Total	66.71	73.90	59.05	59.37	62.34
19	Inflexible expenditure					
20	Total	29.88	32.98	34.39	33.09	24.73
21	As a percentage of Revenue Expenditure (RE)					
22	Committed Expenditure					
23	Salaries & Wages	27.80	28.95	27.23	26.39	27.00
24	Expenditure on Pensions	11.76	12.58	11.15	11.21	11.23
25	Interest Payments	13.40	14.13	13.39	13.51	14.09
26	Total	52.96	55.66	51.77	51.11	52.32
27	Inflexible expenditure					
28	Total	23.72	24.84	30.15	28.49	20.75
29	Non-committed RE	83,015	79,048	1,01,181	1,10,722	1,15,501
30	<i>Percentage of RE</i>	47.04	44.34	48.23	48.89	47.68
31	<i>Percentage of TE</i>	42.91	40.73	43.14	44.93	42.89
32	Subsidies	18,990	14,828	23,364	26,166	28,402
33	Subsidies as percentage of non-committed expenditure	22.88	18.76	23.09	23.63	24.59

Source: Finance Accounts

Chart 2.12: Share of Committed expenditure in Revenue Expenditure

The share of committed expenditure to revenue expenditure slightly decreased from 52.96 *per cent* in 2019-20 to 52.32 *per cent* in 2023-24, however, it increased over the previous year (51.11 *per cent*). The ratio of committed expenditure to revenue receipts has decreased from 66.71 *per cent* in 2019-20 to 62.34 *per cent* in 2023-24 though it increased from the previous year (59.37 *per cent*).

During 2023-24, committed expenditure accounted for 62.34 *per cent* of revenue receipts, which indicates that a significant portion of revenue receipts is spent on committed expenditure.

Salaries and Wages

The expenditure on Salaries and Wages increased from ₹ 49,066 crore in 2019-20 to ₹ 65,399 crore in 2023-24. During 2023-24, the expenditure on Salaries and Wages increased by 9.41 *per cent* over the previous year, which was higher than the average (7.52 *per cent*) of States other than NE and Himalayan States (*Appendix 1.2*).

Pension payments

The expenditure on pension payments increased from ₹ 20,761 crore in 2019-20 to ₹ 27,203 crore⁶ in 2023-24. During 2023-24, the expenditure on pension payments increased by 7.18 *per cent* over the previous year. The increase in pension payments was higher than the average of States other than NE and Himalayan States (6.27 *per cent*) (*Appendix 1.2*). The expenditure on pension and other retirement benefits to the State Government employees was 11.23 *per cent* (11.21 *per cent* in 2022-23) of total revenue expenditure during 2023-24.

Interest payments

Interest payments increased from ₹ 23,643 crore in 2019-20 to ₹ 34,128 crore in 2023-24. Interest payments during 2023-24 increased by 11.52 *per cent* over the previous year (₹ 30,602 crore) mainly due to increase in market loans by ₹ 48,896 crore.

The ratio of Interest Payments to Revenue Receipts determines the debt sustainability of the State. The ratio of Interest Payments to Total Revenue Receipts of the State was 16.79 *per cent* for 2023-24, which was higher than the previous year (15.69 *per cent*).

Inflexible Expenditure

The components of Inflexible expenditure which include among others, State and Central share of CSS contribution against the Central Fund received, Statutory devolution to local bodies, contribution to Reserve Funds and Transfer of cess to reserve fund/ other body. The Inflexible expenditure showed a continued increase during the period 2019-20 to 2022-23, however, it declined over the previous year from ₹ 64,525 crore to ₹ 50,175 crore in 2023-24. As a percentage of revenue expenditure, the inflexible expenditure decreased from 28.49 *per cent* in 2022-23 to 20.75 *per cent* in 2023-24.

6. It includes a sum of ₹ 27,199.37 crore on account of expenditure on "pension and other retirement benefits" during the year to the State Government employees recruited on or before 31 December 2003 and Government contribution for Defined Contribution Pension Scheme of ₹ 3.82 crore.

2.4.2.3 Subsidies

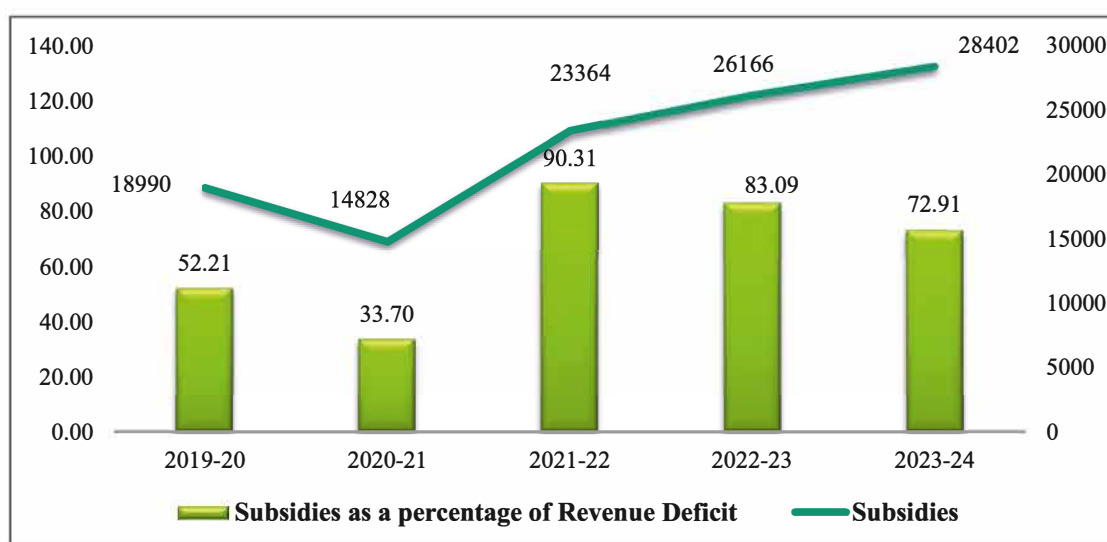
The details of subsidies during the five-year period 2019-24 are given in **Table 2.21** below:

Table 2.21: Expenditure on subsidies during 2019-24

		(₹ in crore)				
S. No.		2019-20	2020-21	2021-22	2022-23	2023-24
1.	Subsidies	18,990	14,828	23,364	26,166	28,402
2.	Subsidies as a percentage of RR	13.55 (1,40,114)	11.04 (1,34,308)	12.70 (1,83,920)	13.42 (1,94,988)	13.97 (2,03,276)
3.	Subsidies as a percentage of RE	10.76 (1,76,485)	8.32 (1,78,309)	11.14 (2,09,790)	11.55 (2,26,479)	11.72 (2,42,231)
4.	Subsidies as a percentage of Revenue Deficit	52.21 (36,371)	33.70 (44,001)	90.31 (25,870)	83.09 (31,491)	72.91 (38,955)
5.	Subsidy given to Power Sector by Government	18,644	14,264	22,644	25,405	27,038
6.	Power sector subsidy as a percentage of total subsidy	98.18	96.20	96.92	97.09	95.20

Source: Finance Accounts

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



Subsidy in absolute terms and as a percent of revenue receipts and revenue expenditure declined from 2019-20 to 2020-21 and thereafter, it increased continuously. During 2023-24, subsidy as percentage of revenue receipts and revenue expenditure was 13.97 and 11.72 respectively. Payment on subsidies during 2023-24 (₹ 28,402 crore) increased by 8.55 per cent over the previous year (₹ 26,166 crore).

The biggest component of the subsidy outgo of the GoR was the subsidy to the Power Sector which accounted for 95.20 per cent (₹ 27,038 crore) of the total subsidy during the year. The subsidy to Power Sector ranged from 95.20 per cent to 98.18 per cent of the total subsidy provided by GoR during 2019-20 to 2023-24. During 2023-24, subsidy was given to the Power Sector mainly on account of non-increase of Power Tariff (₹ 21,800 crore), Grant for acquisition of loss (₹ 3,234 crore) and grants (tariff grant) receivable from the State government to the electricity distribution corporations (₹ 1,857 crore).

Power Sector subsidy (₹ 27,038 crore) increased by 6.43 *per cent* (₹ 1,633 crore) over the previous year (₹ 25,405 crore) mainly due to increase of Grant for acquisition of loss (₹ 1,436 crore).

The other major components of Subsidies in 2023-24 were Crop Husbandry (₹ 672 crore) and subsidy under *Mukhyamantri Gas Cylinder Yojana* (₹ 615 crore).

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

Financial assistance to the tune of ₹ 48,328.54 crore was provided by the State Government to Local bodies and Other Institutions by way of grants in 2023-24. During 2023-24, the financial assistance to Local bodies and Other Institutions decreased by 2.26 *per cent* in comparison to previous year (₹ 49,443.69 crore). During the period 2019-24, the overall financial assistance to Local Bodies and Other Institutions ranged from 19.95 *per cent* to 23.42 *per cent* of the revenue expenditure.

The quantum of assistance provided through grants to Local Bodies and Other Institutions during 2019-24 is given in **Table 2.22**.

Table 2.22: Financial Assistance to Local Bodies and other institutions

(₹ in crore)						
S. No.	Financial Assistance to Institutions	2019-20	2020-21	2021-22	2022-23	2023-24
	(A) Local Bodies					
1.	Municipal Corporations and Municipalities	3,781.24	5,205.98	5,542.19	6,229.12	5,626.23
2.	Panchayati Raj Institutions	15,270.45	14,543.19	21,585.50	20,766.58	17,536.45
	Total (A)	19,051.69	19,749.17	27,127.69	26,995.70	23,162.68
	(B) Others					
3.	Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	1,487.70	1,267.73	1,393.81	1,892.14	2,213.56
4.	Development Authorities	12.41	12.87	28.48	39.02	44.33
5.	Hospitals and Other Charitable Institutions	898.43	430.43	1,539.23	1,859.75	2,343.24
6.	Other Institutions	19,574.59	18,284.48	19,037.44	18,657.08	20,564.73 ⁷
	Total (B)	21,973.13	19,995.51	21,998.96	22,447.99	25,165.86
	Total (A+B)	41,024.82	39,744.68	49,126.65	49,443.69	48,328.54
7.	GIA on Salary	5,132.98	4,683.66	6,639.46	7,468.09	9,008.84
8.	GIA for creation of Capital assets	5,197.63	989.72	578.69	267.35	550.94
9.	GIA for non-salary	30,686.40	34,041.57	41,905.84	41,708.25	38,768.76

7. It included mainly grants given for (i) General Education: ₹ 6,141.94 crore; (ii) Family Welfare: ₹ 2,872.05 crore; (iii) Crop Husbandry: ₹ 2,389.77 crore; (iv) Relief on account of Natural Calamities: ₹ 1,569.65 crore; (v) Animal Husbandry: ₹ 1,355.45 crore; (vi) Government Companies: ₹ 959.80 crore; (vii) Co-operative Institutions: ₹ 947.98 crore; (viii) Statutory Corporations: ₹ 746.62 crore; (ix) Labour, Employment and Skill Development: ₹ 633.42 crore and (x) Taxes on Sales, Trade etc.: ₹ 521.85 crore.

S. No.	Financial Assistance to Institutions	2019-20	2020-21	2021-22	2022-23	2023-24
10.	GIA given in kind	Information not provided by the State government				
11.	Revenue Expenditure	1,76,485	1,78,309	2,09,790	2,26,479	2,42,231
12.	Assistance (A+B) as percentage of Revenue Expenditure	23.25	22.29	23.42	21.83	19.95

Source: Finance Accounts

As can be seen from table above, financial assistance to local bodies and other institutions has increased from ₹ 41,024.82 crore in 2019-20 to ₹ 48,328.54 crore in 2023-24.

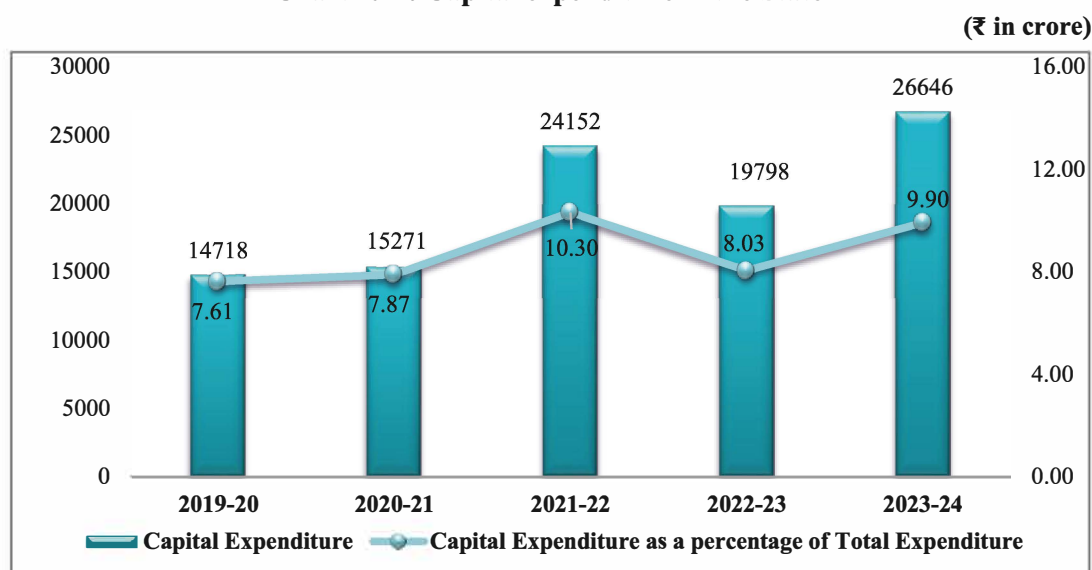
The share of financial assistance on salary, creation of capital assets, and for non-salary during 2023-24 was 18.64 *per cent*, 1.14 *per cent* and 80.22 *per cent* respectively, with respect to the total financial assistance to local bodies and other institutions.

During 2023-24, major recipients of financial assistance were:

- Grant for Primary Schools to Panchayat Samitis (₹ 4,338.90 crore),
- Grant under State Finance Commission recommendations to Gram Panchayat (₹ 2,093.63 crore),
- Mahatma Gandhi National Rural Employment Guarantee Scheme to Zila Parishads (₹ 1,826.33 crore),
- Octroi Reimbursement to Municipalities/Municipal Councils (₹ 1,497.38 crore),
- Octroi Reimbursement to Municipal Corporations (₹ 1,402.62 crore),
- General Basic Grant under Central Finance Commission recommendations to Gram Panchayat (₹ 1,285.52 crore),
- General Basic Grant (tied) under Central Finance Commission recommendations to Gram Panchayat (₹ 1,272.71 crore),
- Adhoc assistance for establishment to Panchayat Samitis (₹ 1,214.63 crore),
- Assistance for orphan children under Palanhar Yojana to Zila Parishads (₹ 949.46 crore),
- Pradhan Mantri Awas Yojana-Gramin to Zila Parishad (₹ 916.95 crore),
- Grant under State Finance Commission recommendations to Municipalities/Municipal Councils (₹ 679.78 crore),
- National Rural Livelihood Mission (₹ 574.11 crore).

2.4.3 Capital Expenditure

Capital Expenditure is primarily the expenditure on creation of fixed infrastructure assets such as roads, buildings etc. It also includes investment made by the State Government in Companies/Corporations. The overall capital expenditure and its percentage to total expenditure during 2019-24 is indicated in **Chart 2.14**.

Chart 2.14: Capital expenditure in the State

2.4.3.1 Major changes in Capital Expenditure

Table 2.23 highlights the cases of significant increase or decrease in various Heads of Accounts in Capital Expenditure during 2023-24 *vis-à-vis* the previous year.

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

(₹ in crore)

S. No.	Major Heads of Accounts	2022-23	2023-24	Increase/ Decrease (-)
1.	5054- Capital Outlay on Roads and Bridges	2,596.28	6,472.88	3,876.60
2.	4700- Capital Outlay on Major Irrigation	2,394.81	3,465.45	1,070.64
3.	4215- Capital Outlay on Water Supply and Sanitation	2,372.73	3,176.16	803.43
4.	5055- Capital Outlay on Road Transport	24.00	648.49	624.49
5.	4202- Capital Outlay on Education, Sports, Art and Culture	1,446.63	1,942.48	495.85
6.	4702- Capital Outlay on Minor Irrigation	586.57	986.91	400.34
7.	4210- Capital Outlay on Medical and Public Health	2,300.49	2,002.84	(-) 297.65
8.	4801-Capital Outlay on Power Projects	913.38	658.32	(-) 255.06

Source: Finance Accounts

During 2023-24, Capital expenditure increased by 34.59 *per cent* (₹ 6,848 crore) over the previous year. This increase was mainly under Capital Outlay on Roads and Bridges (₹ 3,877 crore), Capital Outlay on Major Irrigation (₹ 1,071 crore), Capital Outlay on Water Supply and Sanitation (₹ 803 crore) and Capital Outlay on Road Transport (₹ 624 crore).

2.4.3.2 Quality of capital expenditure

This section presents an analysis of return on investment and other capital expenditure undertaken by the Government during the current year.

(i) Return on Investment

Statement 19 of the Finance account gives the details of the investments of the State Government as on 31 March 2024. Trends of return on investment in companies, corporations and co-operative banks, Joint ventures and societies for the years 2019-20 to 2023-24 are depicted in **Table 2.24**.

Table 2.24: Returns on Investment

Investment/Returns/Cost of Borrowings	2019-20	2020-21	2021-22	2022-23	2023-24
Investment at the end of the year (₹ in crore)	52,208.91	52,784.40	56,475.10	59,291.41	61,778.42
Returns (₹ in crore)	54.47	2.89	87.48	28.71	50.71
Returns (<i>per cent</i>)	0.10	0.01	0.15	0.05	0.08
Average rate ⁸ of interest on Government borrowings (<i>per cent</i>)	7.12	6.60	6.44	6.32	6.34
Difference between interest rate and returns* (<i>per cent</i>)	7.02	6.59	6.29	6.27	6.26
Difference between interest on Government borrowings and return on investment [#] (₹ in crore)	3,665.07	3,478.49	3,552.28	3,717.57	3867.33

Source: Finance Accounts

Investment at the end of the year * Difference between interest rate and return

During 2023-24, the return on investment was ₹ 50.71 crore (0.08 *per cent*). The return varied between 0.01 *per cent* and 0.15 *per cent* during 2019-24 while the average rate of interest paid by the State Government on its borrowings was in the range of 6.32 *per cent* to 7.12 *per cent* during the same period. Over the past five years, the difference in cost of Government borrowings and return on investments in statutory corporations, government companies, Joint Venture/Joint Stock companies etc. was to the tune of ₹ 18,280.74 crore.

Return on investment in share capital invested in Public Sector Undertakings (PSUs) are important determinants of quality of capital expenditure.

(ii) Loans and Advances by the State Government

In addition to investments in Cooperative Societies, Corporations and Companies, the Government has also been providing loans and advances to many institutions/organisations. **Table 2.25** presents the outstanding loans and advances as on 31 March 2024 and interest receipts *vis-à-vis* interest payments during the last five years.

Table 2.25: Quantum of loans disbursed and recovered

		(₹ in crore)				
S. No.	Quantum of loans disbursed and recovered	2019-20	2020-21	2021-22	2022-23	2023-24
1.	Opening Balance of loans outstanding	23,263	9,848	9,966	8,213	7,968
2.	Amount advanced during the year	2,255	491	621	175	398
3.	Amount recovered during the year	15,670*	373	2,374	420	405

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

S. No.	Quantum of loans disbursed and recovered	2019-20	2020-21	2021-22	2022-23	2023-24
4.	Closing Balance of the loans outstanding	9,848	9,966	8,213	7,968	7,961
5.	Net addition during the year (disbursement-recovery)	(-) 13,415	118	(-) 1,753	(-) 245	(-) 7
6.	Interest received	2,568	1,253	55	238	59
7.	Interest rate on Loans and Advances given by the Government.	15.51	12.65	0.61	2.94	0.74
8.	Rate of Interest paid on the outstanding borrowings of the Government	7.12	6.60	6.44	6.32	6.34
9.	Difference between the rate of interest paid and interest received (<i>per cent</i>)	(+) 8.39	(+) 6.05	(-) 5.83	(-) 3.38	(-) 5.60

Source: Finance Accounts

* Including UDAY loans of ₹ 14,722 crore converted to equity, subsidy and Grant-in-aid.

Balances of loans and advances given by the government (₹ 7,961 crore) as on 31 March 2024 included balances of loans and advances of ₹ 4,297 crore (53.97 *per cent*) given to Power Projects. The amount of loans and advances disbursed increased from ₹ 175 crore in 2022-23 to ₹ 398 crore (pertains mainly to Economic Services: ₹ 374 crore) in 2023-24.

(iii) Capital locked in Incomplete projects

An assessment of trends in capital blocked in incomplete capital works indicate about the quality of capital expenditure. The department-wise information pertaining to incomplete projects (more than ₹10 crore each) as on 31 March 2024, is given in Table 2.26 and Table 2.27.

Table 2.26: Age profile of incomplete projects as on 31 March 2024 (₹ in crore)

Year (Commencement)	No of incomplete projects	Estimated cost (including revised cost)	Expenditure (as on 31 March 2024)
Upto 2014-15	34	17,477.37	13,916.20
2015-16	0	0	0
2016-17	9	1,372.76	1,067.18
2017-18	16	5,787.69	4,199.42
2018-19	10	2,038.87	1,490.97
2019-20	5	95.73	60.65
2020-21	8	264.42	158.16
2021-22	73	7,632.36	3,581.44
2022-23	121	14,857.17	4,330.76
2023-24	265	14,734.47	1,729.05
Total	541	64,260.84	30,533.83

Table 2.27: Department-wise profile of incomplete projects as on 31 March 2024 (₹ in crore)

Department	No. of incomplete projects	Estimated cost (including revised cost)	Expenditure (as on 31 March 2024)
Water Resources	110	19,026.27	12,753.87
Public Works	350	10,456.43	3,930.73
Public Health Engineering	81	34,778.14	13,849.23
Total	541	64,260.84	30,533.83

Source: Finance Accounts

As per the information furnished by the State Government, there were 541 incomplete projects (more than ₹ 10 crore each) as on 31 March 2024, on which an amount of ₹ 30,533.83 crore had been spent which was 10.58 *per cent* of the cumulative capital outlay (₹ 2,88,596.62 crore) of the State.

Blocking of funds on incomplete projects/works negatively impacts the quality of expenditure and deprives the people of State of the intended benefits. Further, the funds borrowed for implementation of these projects during the respective years led to the additional fiscal burden in terms of servicing of debt and interest liabilities. Effective steps need to be taken to expeditiously complete all these projects so that the benefits may reach the people and further cost overruns may be avoided.

2.4.3.3 Resource availability of the State under Public Private Partnership Projects

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

As per information furnished (May 2024) by the PPP Cell, 197 projects amounting to ₹ 17,790.59 crore were completed and 28 projects amounting to ₹ 4,010.60 crore were under progress as on 31 March 2024. Besides, 29 projects amounting to ₹ 11,508.90 crore relating to Urban Infrastructure, Power, Water, Social and Other Sectors are under various stages of planning. Sector-wise details of PPP projects completed, ongoing and to be taken up in future are shown in **Table 2.28**.

Table 2.28: Sector-wise details of PPP Projects

S. No.	Sector	Completed		Ongoing/ under implementation		Planned for future	
		No.	Estimated Cost	No.	Estimated Cost	No.	Estimated Cost
1.	Road	75	8,888.61	10	2,469.91	-	-
2.	Urban Infrastructure	28	561.37	9	516.97	17	7,056.45
3.	Power	15	7,449.37	5	1,005.45	4	1,631.92
4.	Water	1	46.00	-	-	1	365.00
5.	IT	1	54.01	-	-	-	-
6.	Social	61	624.87	4	18.27	5	747.53
7.	Other	16	166.36	-	-	2	1,708.00
	Total	197	17,790.59	28	4,010.60	29	11,508.90

Source: Information provided by Planning Department

Scrutiny of the budget documents 2023-24 revealed that the State Government did not provide the details of figures and information regarding investment made in PPP projects in the previous year. Further, the revenue generated against these projects of the State Government was not ascertainable (by the Private sector as well) from the budget document. For the current year also, the budget documents do not reveal distinctively and separately, the estimated investment to be made by the Private and Government sectors in connection with PPP projects involving the State Government.

2.4.4 Expenditure priorities

Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, etc. The higher the ratio of these components to total expenditure, the better is the quality of expenditure.

Table 2.29 analyses the fiscal priority of the State Government with regard to total expenditure, capital expenditure, expenditure on Education and expenditure on Health *vis-à-vis* the average of States other than North Eastern (NE) and Himalayan States during 2019-20 and 2023-24.

Table 2.29: Expenditure priority of the State with regards to Health, Education and Capital expenditure

(In per cent)

S. No.		Total Expenditure/ GSDP	Capital Expenditure including Loans and Advances /Total Expenditure	Education/ Total Expenditure	Health and Family Welfare/ Total Expenditure
1.	Average of States other than NE and Himalayan States 2019-20	15.88	14.02	15.79	5.25
2.	Rajasthan 2019-20	19.35	8.77	17.63	6.28
3.	Average of States other than NE and Himalayan States 2023-24	15.66	16.50	14.36	5.71
4.	Rajasthan 2023-24	17.62	10.04	18.86	7.90

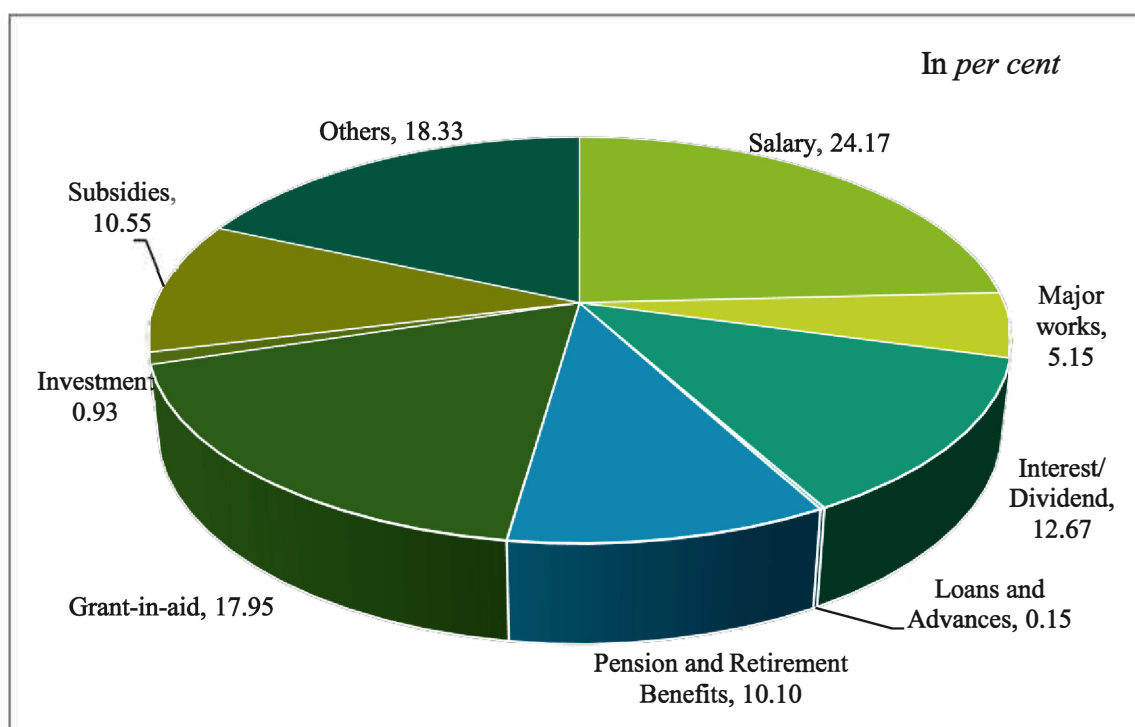
Source: Finance Accounts and Central Statistical Office (CSO), Ministry of Statistics and Programme Implementation, GoI and Directorate of Economics and Statistics, GoR.

It can be seen from the table that:

- Rajasthan's Capital Expenditure as a percentage of Total Expenditure was lower than the Average of States other than NE and Himalayan States in 2019-20 and the gap has widened in 2023-24.
- Rajasthan has devoted more resources as a percentage of Total Expenditure towards Education than the Average of States other than NE and Himalayan States, and it has increased in 2023-24 as compared to 2019-20.
- Rajasthan's Health & Family Welfare expenditure as a percentage of Total Expenditure) was higher than the Average of States other than NE and Himalayan States in 2019-20 and 2023-24.

2.4.5 Object head wise expenditure

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

Chart 2.15: Object Head wise Total Expenditure during 2023-24

Source: Finance Accounts

During 2023-24 expenditure on Salary, Pension and Interest/Dividend accounted for 46.94 *per cent* of the total expenditure.

2.5 Public Account

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

2.5.1 Net Public Account Balances

Component-wise net balances in Public Account during the last five years are given in Table 2.30.

Table 2.30: Component-wise net balances* in Public Account as of 31 March

₹ in crore)							
S. No.	Sector	Sub Sector	2019-20	2020-21	2021-22	2022-23	2023-24
1.	I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	3,991	4,857	2,461	5,337	6,097
2.	J. Reserve Funds	(a) Reserve Funds bearing Interest	3,094	697	188	628	1,046
		(b) Reserve Funds not bearing Interest	1,236	664	1,156	1,843	2,342
		Sub Total	4,330	1,361	1,344	2,471	3,388

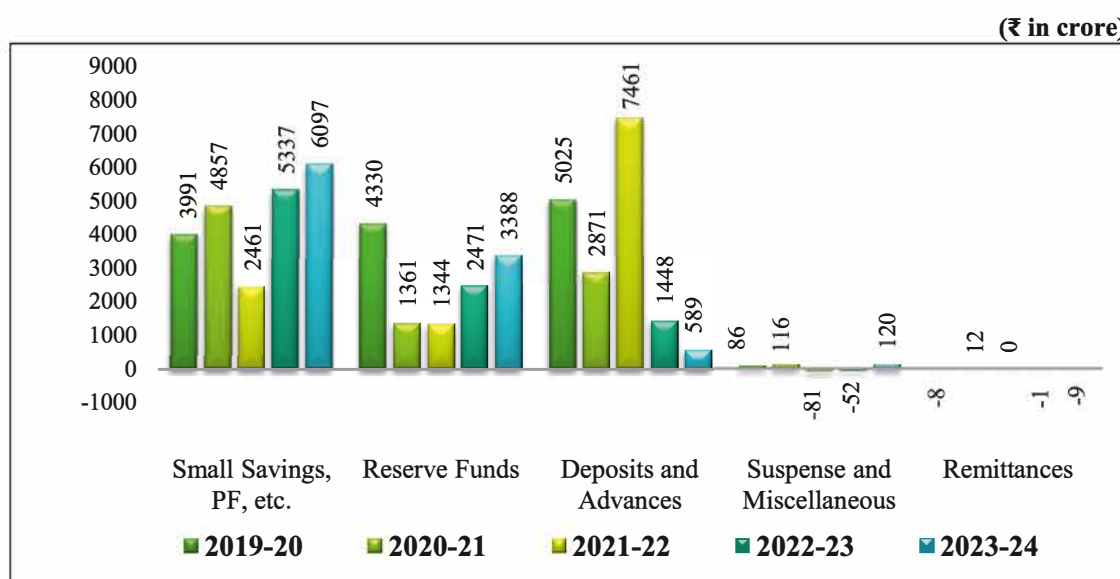
S. No.	Sector	Sub Sector	2019-20	2020-21	2021-22	2022-23	2023-24
3.	K. Deposits and Advances	(a) Deposits bearing Interest	2,150	3,604	2,181	4,853	1,466
		(b) Deposits not bearing Interest	2,875	(-) 733	5,280	(-) 3,405	(-) 877
		(c) Advances	-	-	-	-	-
		Sub Total	5,025	2,871	7,461	1,448	589
4.	L. Suspense and Miscellaneous	(a) Suspense	105	125	(-)72	(-) 41	126
		(b) Other Accounts	(-) 19	(-) 9	(-) 9	(-) 11	(-) 6
		(c) Accounts with Governments of Foreign Countries	-	-	-	-	-
		(d) Miscellaneous	-	-	-	-	-
		Sub Total	86	116	(-) 81	(-) 52	120
5.	M. Remittances	(a) Money Orders, and other Remittances	4	-	-	(-) 1	(-) 9
		(b) Inter- Governmental Adjustment Account	(-) 12	12	-	-	-
		Sub Total	(-) 8	12	-	(-) 1	(-)9
		Total	13,424	9,217	11,185	9,203	10,185

Source: Finance Accounts

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

The net Public Account Receipts of the State decreased from ₹ 13,424 crore in 2019-20 to ₹ 10,185 crore in 2023-24, however, it increased by 10.67 per cent over the previous year (₹ 9,203 crore) which led to increase in the liability of the government.

Chart 2.16: Yearly changes in composition of Public Account balances



Source: Finance Accounts

2.5.2 Reserve Funds

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

expenditure incurred during the year has to be reimbursed from the concerned Reserve Fund.

As on 31 March 2024, there was ₹ 18,446.21 crore in 24 Reserve Funds in Public Accounts including ₹ 6,391.14 crore in three interest bearing funds. The balances lying in the Reserve Funds are given in **Table 2.31** below:

Table 2.31: Details of Reserve Funds

(₹ in crore)		
S. No	Name of Reserve Fund	Balances as on 31 March 2024
A	Reserve Funds bearing Interest	6,391.14
1.	State Disaster Response Fund	3,493.98
2.	State Disaster Mitigation Fund	1,533.12
3.	State Compensatory Afforestation Fund	1,364.04
B	Reserve Funds not bearing Interest	12,055.07
1.	Guarantee Redemption Fund	8,968.62
2.	Rajasthan Transport Infrastructure Development Fund	1,475.05
3.	Water Conservation Cess Fund	541.08
4.	Dedicated Road Safety Fund	400.73
5.	Rajasthan Cow Protection and Promotion Fund	232.21
6.	Natural and Man-made Disaster Relief Fund	135.87
7.	State Road and Bridges Fund	7.92
8.	Other Reserve Funds	293.59
	Total (A+B)	18,446.21

Source: Finance Accounts

During 2023-24, a sum of ₹ 10,609.48 crore was credited to the Reserve Funds of the state which mainly included State Road and Bridges Fund (₹ 3,390 crore), State Disaster Response Fund (₹ 2,004.12 crore), Guarantee Redemption Fund (₹ 1,339.65 crore) Development funds for Animal Husbandry Purposes (₹ 1,226.60 crore) and State Disaster Mitigation Fund (₹ 716.13 crore).

As per Finance Accounts 2023-24, three⁹ non-interest bearing Reserve Funds (₹ 3.27 crore) were inactive for more than six years.

2.5.2.1 State Disaster Risk Management Fund

XV-FC recommended the creation of funds for disaster mitigation along with disaster response, together called State Disaster Risk Management Fund (SDRMF) with effect from 01 April 2020. The ratio of contribution to the fund is 75:25 for the Central and the State Governments respectively. Disaster Management, Relief and Civil Defence Department, GoR is the nodal department for the fund. The coverage of this fund recommended by the XV-FC goes beyond the disaster response funds that already exist

9. (i) Deposit of Special Fees (Peripheral) for the Development of Converted Residential Land: ₹ 324.59 lakh, (ii) Rajasthan Development and Poverty Mitigating Fund: ₹ 0.01 lakh (iii) Transfer from/to Capital Account- Amount received from KFW Germany for Water Supply Scheme PMC Churu: ₹ 2.22 lakh.

at national (National Disaster Response Fund) and State (State Disaster Response Fund-SDRF) levels constituted under the Disaster Management Act, 2005. SDRMF consists of two components viz. SDRF and State Disaster Mitigation Fund (SDMF) with the allocation in the proportion of 80 *per cent* and 20 *per cent* respectively.

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

As per guidelines for the administration of SDRMF, the accretions to the SDRMF together with the income earned on the investment of the SDRMF are to be invested in Central Government dated Securities, auctioned Treasury Bills, and other interest-earning deposits with Scheduled Commercial Banks. The State Government is required to pay interest on the amount not invested to the SDRMF at the rate applicable to overdrafts under the Overdraft Regulation Guidelines of the RBI. The interest is to be credited on a half-yearly basis.

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

- (i) As per the recommendation of the XV-FC, the GoR transferred ₹ 1,742.40 crore (Central share: ₹ 1,307.20 crore and State share: ₹ 435.20 crore) to the SDRF during 2023-24. It was found that out of the Central share of ₹ 1,307.20 crore, GoI had issued sanction for ₹ 653.60 crore towards the second instalment of SDRF on 11 January 2024 which was transferred on 31 January 2024 by the State Government along with its share (₹ 217.60 crore) i.e. after a delay of five days.
- (ii) On the recommendation of XV-FC, the State government constituted the SDMF on 03 May 2021 for funding the projects exclusively for the purpose of mitigation. The State Government received Central share of ₹ 482.40 crore for SDMF during 2023-24 and transferred ₹ 632.60 crore (Central share: ₹ 474.60 crore¹⁰ and State share: ₹ 158.00 crore) to the SDMF. The second instalment of ₹ 163.40 crore for 2023-24 received from GoI on 29.03.2024 was transferred by GoR on 09.04.2024 along with the State share (₹ 54.40 crore).
- (iii) Audit scrutiny revealed that the State government paid interest of ₹ 215.93 crore and ₹ 83.53 crore on uninvested amount of SDRF and SDMF respectively during 2023-24.

Non-investment of the unspent SDRMF balance in the instruments prescribed as per guidelines resulted in loss of revenue for the State Government.

During 2023-24, expenditure of ₹ 1,692.06 crore (excluding Administration expenses of ₹ 9.60 crore) was incurred on the budget head 'Relief on Account of Natural Calamities', which was met from SDRF. The details are given in **Table 2.32**.

10. This includes ₹ 311.20 crore pertaining to first and second instalment (₹ 155.60 crore each) of 2022-23 transferred by GoI on 31.03.2023 and 16.05.2023 and further released by GoR on 01.05.2023 and 01.06.2023 respectively.

Table 2.32: Details of expenditure charged to SDRF

(₹ in crore)			
S. No.	Major Head of Account	Minor Head of Account	Amount
1.	2245- Relief on Account of Natural Calamities 01- Drought	102- Drinking Water Supply	20.64
		104- Supply of Fodder	2.04
		800- Other Expenditure	91.57
		Sub Total	114.25
2.	2245- Relief on Account of Natural Calamities 02- Floods, Cyclones etc.	101-Gratuitous Relief	1.23
		106-Repairs and Restoration of Damaged Roads and Bridges	42.38
		107- Repairs and restoration of damaged Government Office Buildings	0.05
		109-Repairs and restoration of damaged Water supply	1.47
		111- Ex-gratia payment to bereaved families	1.60
		113- Assistance for repairs/reconstruction of Houses	5.84
		114- Assistance to farmers for purchase of Agriculture Inputs	1,535.81
		117- Assistance to farmers for purchase of livestock	1.02
		122-Repairs and Restoration of Damaged Irrigation and Flood Control Works	0.70
		282- Public Health	(-) 12.29
		Sub Total	1,577.81
		Total	
3.	2245- Relief on Account of Natural Calamities 80- General	800-Other Expenditure (Administration Expenses)	9.60
		Sub-Total	9.60
		Grand Total	1,701.66

Source: Finance Accounts.

2.5.2.2 Guarantee Redemption Fund

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

According to Finance Department (Ways & Means), GoR order (December 2007), accumulations in this fund including interest earned on invested funds are to be invested through RBI into Treasury Bills of 364 days of GoI.

The corpus of the Fund was to be gradually increased to the desired level of 5 *per cent* of outstanding guarantees in terms of the guidelines of the RBI which administers the Fund. The Guarantee Redemption Fund had a balance of ₹ 8,968.62 crore as on 31 March 2024 which was 8.09 *per cent* of outstanding guarantees (₹ 1,10,918.47 crore).

As of 1st April 2023, the opening balance in the Fund was ₹ 7,628.97 crore. During the year 2023-24, a sum of ₹ 906.03 crore¹¹ was transferred into the Fund and no guarantee was invoked. In addition to this, an amount of ₹ 433.62 crore was received by the Government as interest on investment made from the Fund during 2023-24. As of 31st March 2024, the closing balance in the Fund was ₹ 8,968.62 crore, out of which ₹ 8,368.12 crore was invested in the Treasury Bills of 364 days and remaining funds of ₹ 600.50 crore were lying un-invested.

11. ₹ 943.08 crore received under head '0075-108' against receivable guarantee fee of ₹ 943.08 crore.

2.5.2.3 Collection of Cess/Surcharge

Cess is levied by government for a specific purpose, and the proceeds are required to be kept in a separate fund, with distinct accounting to ensure that it is incurred on the specific purpose. The details of collection of various cess/surcharge and transfer to respective funds is given in the **Table 2.33** below:

Table 2.33: Position of collection of cess and transfer to the fund

(₹ in crore)

S. No.	Name of Cess	Opening Balance of un-transferred amount	Cess/Surcharge Collected during 2023-24	Total (3+4)	Amount transferred to the fund during 2023-24	Closing Balance of Un-transferred Amount (5-6)
1	2	3	4	5	6	7
1.	Petrol and Diesel Cess (Rajasthan State Road Development Fund Act, 2004)	1,970.01	1,534.35	3,504.36	3,390.12	114.24
2.	Surcharge for conservation and propagation of cow and its progeny (Rules, 2016)	1,611.17	1,227.47	2,838.64	1,226.60	1,612.04
3.	Water Conservation Cess (Rajasthan Electricity (Duty) Act, 1962)	1,047.42	319.98	1,367.40	309.62	1,057.78
4.	Building and Other Construction Workers' Welfare Cess (Rules 2009)	624.07	760.04	1,384.11	624.32	759.79
5.	Infrastructure Development Cess*	1,459.94	1,286.28	2,746.22	1,111.48	1,634.74
6.	Surcharge for relief from Natural and Man-made disasters	393.27	596.42	989.69	0	989.69
7.	Urban Cess	1,115.22	209.68	1,324.90	100	1,224.90
	Total	8,221.10	5,934.22	14,155.32	6,762.14	7,393.18

Source: Finance Accounts

* This year it also includes receipts under Green Tax on vehicles and surcharge on vehicles under heads 0041-102-08 along with receipts under head 0030-02-800.

As seen from the above table, the State Government short transferred ₹ 7393.18 crore in seven Reserve funds/Deposit funds upto 31 March 2024 which is a deferred liability of the State Government. Against the Cess collection in respect of seven cesses of ₹ 5,934.22 crore during 2023-24, the State Government transferred an amount of ₹ 6,762.14 crore resulting in overstatement of Revenue Deficit and Fiscal Deficit by ₹ 827.92 crore.

Further, during the current year, the State Government collected ₹ 4,399.87 crore in respect of six out of seven cesses viz., (i) Surcharge for conservation and propagation of cow and its progeny, (ii) Water conservation cess, (iii) Building and other construction workers' welfare cess, (iv) Surcharge for relief from Natural and Man-made disasters (v) Urban cess and (vi) Infrastructure Development Fund transferred only ₹ 3,372.02 crore. This resulted into short transfer of ₹ 1,027.85 crore which led to deferring the liability of the current year to future years.

2.6 Management of Public Liability

Debt management is the process of establishing and executing a strategy for managing the Government's liability 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 enactments or any other annual budget

announcements. Outstanding liability of the State along with its percentages to GSDP for the years 2019-20 to 2023-24 is depicted in **Chart 2.17**.

Chart 2.17: Position of outstanding liability during 2019-24



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

Arrived at after exclusion of GST compensation of ₹ 11,872 crore received as back-to-back loans under debt receipts from the total outstanding liabilities.

The total liability of the State Government increased from ₹ 3,52,702 crore in 2019-20 to ₹ 5,71,639 crore¹² in 2023-24. During 2023-24, it increased by 13.07 per cent over the previous year. These liabilities were more than twice the revenue receipts (₹ 2,03,276 crore) and more than five times the State's own resources (₹ 1,12,766 crore) during 2023-24.

2.6.1 Liability profile: Components

According to Rajasthan FRBM Act, 2005, total liability means the explicit liabilities under Consolidated Fund of the State and the Public Account of the State including General Provident Fund. Some of the important terms in this regard are explained in **Appendix 2.3**. **Table 2.34** presents the component-wise overall liability trends for the period 2019-24.

12. Effective outstanding liability would be ₹ 5,59,767 crore as the Department of Expenditure, GoI has decided that GST compensation of ₹ 11,872 crore given to the State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

Table 2.34: Component wise liability trends

(₹ in crore)						
S. No.		2019-20	2020-21	2021-22	2022-23	2023-24
1.	Outstanding Overall Liability* (2+3)	3,52,702	4,10,500	4,62,845	5,05,574	5,71,639
2.	Public Debt	2,59,380	3,08,321	3,53,556	3,88,384	4,46,652
(i)	Internal Debt	2,42,077	2,84,789	3,21,807	3,50,962	3,99,858
(ii)	Loan from GoI	17,303	23,532	31,749	37,422	46,794
3.	Liabilities on Public Account	93,322	1,02,179	1,09,289	1,17,190	1,24,987
(i)	<i>Small Savings, Provident Fund etc.</i>	51,468	56,326	58,786	64,123	70,220
(ii)	<i>Reserve funds Bearing Interest</i>	3,832	4,529	3,345	4,668	5,039
(iii)	<i>Reserve funds not Bearing Interest</i>	4,179	4,610	2,984	2,776	3,516
(iv)	<i>Deposits Bearing Interest</i>	7,667	11,270	13,451	18,304	19,770
(v)	<i>Deposits not Bearing Interest</i>	26,176	25,444	30,723	27,319	26,442
4.	Rate of growth of outstanding Overall liability (percentage)	13.27	16.39	12.75	9.23	13.07
5.	GSDP	10,00,032	10,17,917	11,94,961	13,57,851	15,28,385
6.	Overall Liability/GSDP (per cent)	35.27	39.88 ¹³	37.74 ¹⁴	36.36 ¹⁴	36.62 ¹⁴
7.	Total Liability Receipts during the year including public accounts receipts #	2,37,596	2,68,770	3,02,174	2,90,718	3,64,764
8.	Total Repayments during the year including Public Account disbursements #	1,96,268	2,10,972	2,49,829	2,47,990	2,98,699
9.	Net funds available	41,328	57,798	52,345	42,728	66,065
10.	Funds Available/Total Liability Receipts (percentage)	17.39	21.50	17.32	14.70	18.11

Source: Finance Accounts

* Including outstanding UDAY loans for 2019-20: ₹ 44,730 crore, 2020-21: ₹ 37,825 crore, 2021-22: ₹ 30,919 crore, 2022-23: ₹ 24,013 crore and 2023-24: ₹ 17,107 crore.

Excluding Ways and Means Advances.

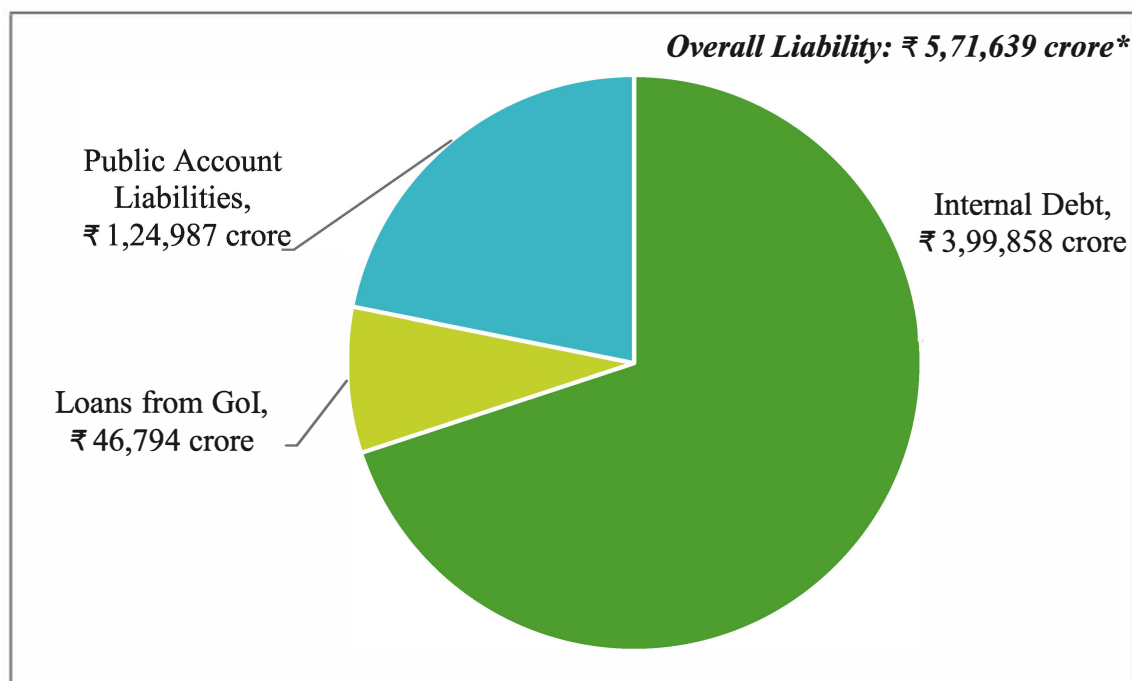
During 2023-24, the effective outstanding overall debt would be ₹ 5,59,767 crore as the Department of Expenditure, GoI has decided that GST compensation (₹ 11,872 crore) given to the State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

During 2023-24, the overall liability increased by ₹ 66,065 crore from previous year mainly due to increase in public debt by 15 per cent (₹ 58,268 crore).

The overall liability-GSDP ratio slightly increased from 36.36 per cent in 2022-23 to 36.62 per cent in 2023-24, however, the State is within the target limit (below 38.20 per cent) fixed under FRBM Act.

13. The effective liability to GSDP ratio has been arrived at after exclusion of GST compensation of ₹ 4,604 crore received as back to back loan under debt receipts from the outstanding overall liability.

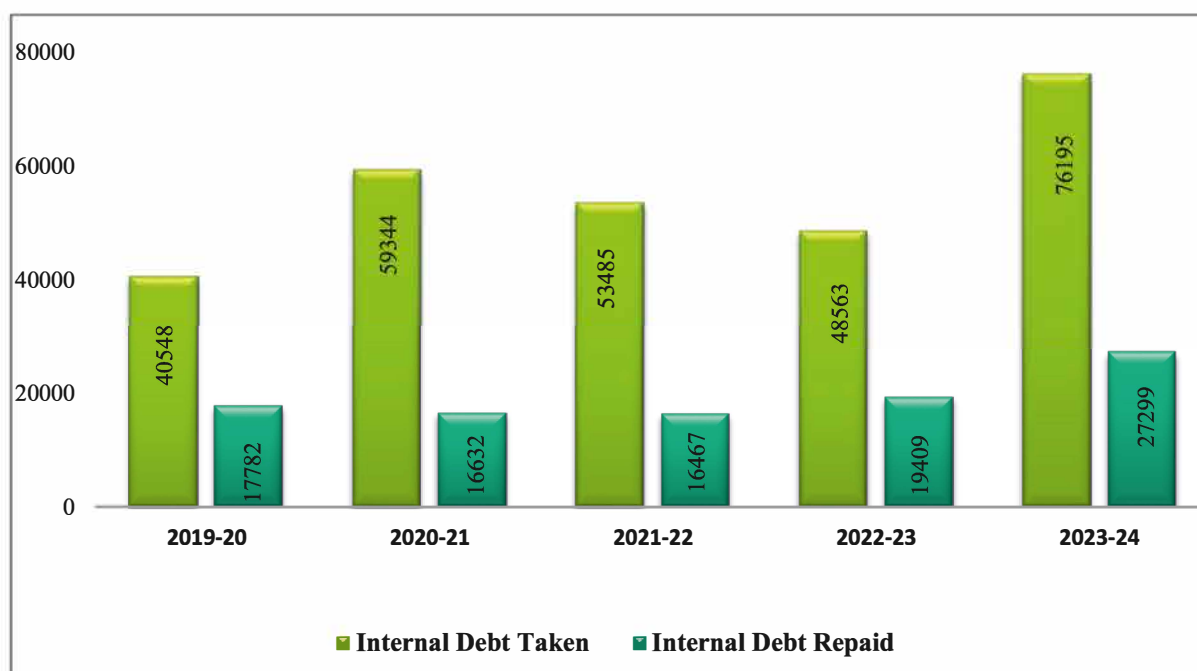
14. The effective liability to GSDP ratio has been arrived at after exclusion of GST compensation of ₹ 11,872 crore received as back to back loan under debt receipts from the outstanding overall liability.

Chart 2.18: Break up of Outstanding Overall Liability at the end of Financial Year

* Effective overall liability would be ₹ 5,59,767 crore as the Department of Expenditure, GoI has decided that GST compensation of ₹ 11,872 crore given to the State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

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

(₹ in crore)



The Internal debt taken has increased from ₹ 40,548 crore in 2019-20 to ₹ 76,195 crore in 2023-24 at CAGR of 17.08 per cent, however, the Internal debt repaid has increased at lower CAGR of 11.31 per cent from ₹ 17,782 crore in 2019-20 to ₹ 27,299 crore in 2023-24.

Components of fiscal deficit and its financing pattern

Table 2.35 presents item-wise net disbursement/outflow financing pattern of fiscal deficits of the State during 2019-20 to 2023-24.

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

		(₹ in crore)				
		2019-20	2020-21	2021-22	2022-23	2023-24
(a) Composition of Fiscal Deficit						
1	Revenue Deficit/ Surplus (-)	36,371	44,001	25,870	31,491	38,955
2	Net Capital Expenditure	14,698	15,257	24,121	19,782	26,632
3	Net Loans and Advances*	(-) 13,415	118	(-) 1,753	(-) 245	(-) 7
	Total (a)	37,654	59,376	48,238	51,028	65,580
(b) Financing Pattern of Fiscal Deficit						
1	Market Borrowings	31,592	51,179	45,149	37,016	56,624
2	Loans from GoI	3,375	6,229	8,217	5,673	9,372
3	Special Securities Issued to National Small Saving Funds	(-) 1,585	(-) 1,584	(-) 1,585	(-) 1,585	(-) 1,585
4	Ways and Means Advances	-	-	-	-	-
5	Loans from Financial Institutions	(-) 7,241	(-) 6,882	(-) 6,546	(-) 6,277	(-) 6,143
6	Small Savings, Provident Fund etc.	3,991	4,857	2,461	5,337	6,097
7	Deposits and Advances	5,025	2,871	7,461	1,448	589
8	Suspense and Miscellaneous	86	116	(-) 81	(-) 52	120
9	Remittances	(-) 8	12	0	(-) 1	(-) 9
10	Reserve Funds	4,330	1,361	1,344	2,471	3,388
	Total (b)	39,565	58,159	56,420	44,030	68,453
11	Increase (-)/ Decrease in Cash Balance (a-b)	(-) 1,911	1,217	(-) 8,182	6,998	(-) 2,873
12	Overall Fiscal Deficit (b+11)	37,654	59,376	48,238	51,028	65,580

Source: Finance Accounts

* *Net Loans and Advances means disbursements of Loans and Advances - recovery of Loans and Advances during the year.*

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

Market borrowings has been continuously a major share in financing fiscal deficit ranging from 72.54 *per cent* to 93.60 *per cent* during the period 2019-20 to 2023-24. During 2023-24, the fiscal deficit of ₹ 65,580 crore was mainly met from Market Borrowings, Small Savings, Provident Fund etc. and Loans from GoI.

2.6.2 Debt profile: Maturity and Repayment

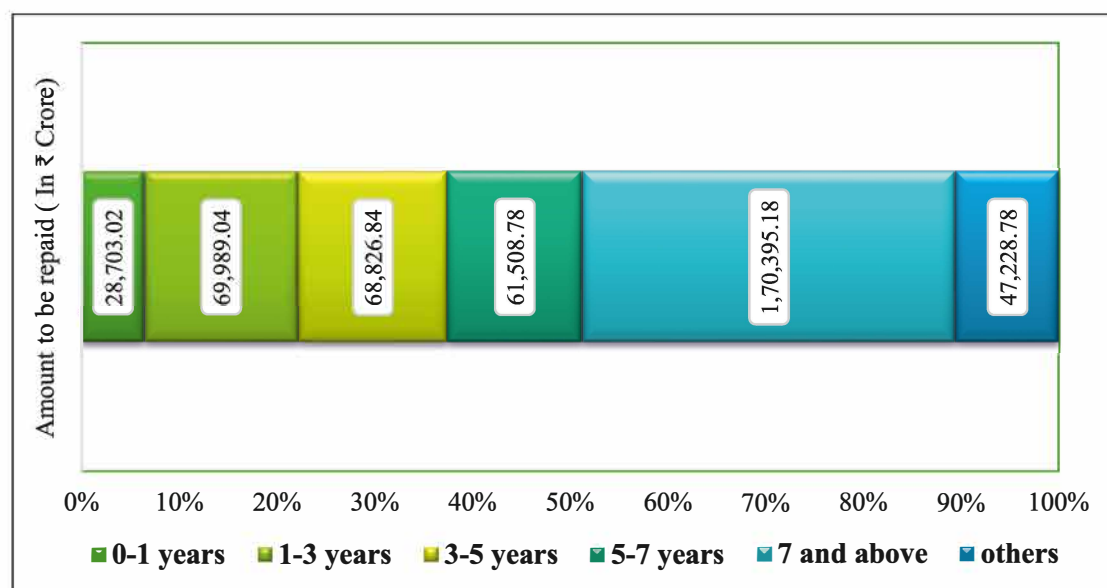
The Maturity Profile of the State Debt (amounts payable in respect of Internal debt and loans from GoI in different years) as on 31 March 2024 is depicted in **Table 2.36**.

Table 2.36: Maturity profile of repayment of Public debt of the State

S. No.	Period of repayment (Years)	Amount (₹ in crore)	Percentage (w.r.t. Public debt)
1.	0 – 1	28,703.02	6.43
2.	1 – 3	69,989.04	15.67
3.	3 – 5	68,826.84	15.41
4.	5 – 7	61,508.78	13.77
5.	7 and above	1,70,395.18	38.15
6.	Others ¹⁵	47,228.78	10.57
	Total	4,46,651.64	100.00

Source: Finance Accounts

Chart 2.20: Maturity Profile of Public Debt



The maturity profile of outstanding stock of public debt as on 31st March 2024 indicates that out of the outstanding public debt of ₹ 4,46,651.64 crore, 51.28 *per cent* (₹ 2,29,027.68 crore) is payable within the next seven years, 38.15 *per cent* (₹ 1,70,395.18 crore) is in the maturity bracket of more than seven years while the repayment schedule of the remaining amount (₹ 47,228.78 crore) is not available.

Repayment Schedule of market loans

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

15. Information awaited from the State Government.

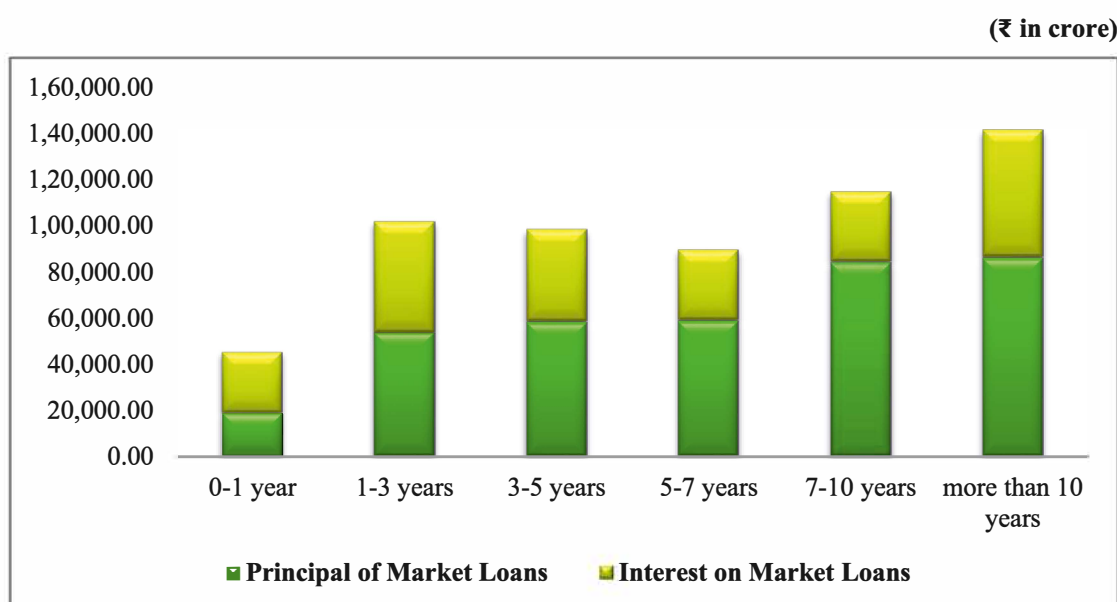
As per information provided by the Finance Department, GoR (September 2024) the repayment schedule of outstanding market loans and interest on these loans for the years 2024-25 to 2055-56 is depicted below in **Table 2.37**.

Table 2.37: Repayment schedule of Market Loans and Interest on Market Loans

S. No.	Period of repayment (Years)	Repayment of Market Loans (Principal) (₹ in crore)	Repayment of Market Loans (Interest) (₹ in crore)
1.	0 – 1	18,800.00	26,452.64
2.	1 – 3	53,452.78	48,013.43
3.	3 – 5	58,142.04	39,905.79
4.	5 – 7	58,651.00	30,620.42
5.	7 -10	83,975.00	30,438.59
6.	More than 10	85,806.00	55,301.19
	Total	3,58,826.82	2,30,732.06

Source: Information provided by the Finance Department.

Chart 2.21: Repayment schedule of Market Loans and Interest on Market Loans



As shown above, the State will have to repay ₹ 72,252.78 crore of market loans and pay interest of ₹ 74,466.07 crore in next three financial years i.e. up to 2026-27. In the following two years up to 2028-29, principal of ₹ 58,142.04 crore and interest of ₹ 39,905.79 crore will be payable. Average annual outgo of principal repayment and interest will be approximately ₹ 48,953.34 crore during next five years up to 2028-29.

In the period from 2029-30 to 2033-34, loans of ₹ 1,42,626.00 crore and interest of ₹ 61,059.01 crore will be payable. As such, the State will have to repay approximately ₹ 40,737.00 crore annually on an average during the period 2029-30 to 2033-34.

2.7 Debt Sustainability Analysis (DSA)

Debt sustainability analysis has been carried out on the basis of fiscal and debt parameters 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 refers to the ability of the State to service its debt obligation now and in future. Analysis of debt sustainability indicators for a period of five years beginning from 2019-20 is given in **Table 2.38**.

Table 2.38: Trends in debt Sustainability indicators

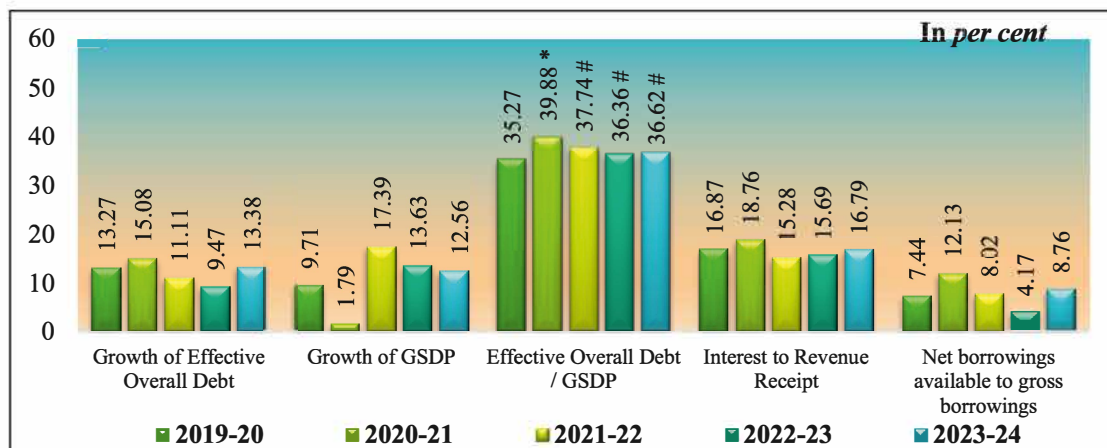
		(₹ in crore)				
S.No.	Debt Sustainability Indicators	2019-20	2020-21	2021-22	2022-23	2023-24
1	Overall Liability or Overall Debt	3,52,702	4,10,500	4,62,845	5,05,574	5,71,639
1(a)	Effective Overall Liability or Effective Overall Debt excluding back-to-back loan ^{##}	3,52,702	4,05,896	4,50,973	4,93,702	5,59,767
1(b)	Net Overall Liability or Net Overall Debt (excluding Non-Interest- Bearing Debt- Reserve funds and deposits, back-to-back loan, interest free loan for 50 years)	3,22,347	3,74,841	4,15,572	4,56,317	5,14,006
2	Rate of Growth of effective Overall Debt (<i>per cent</i>)	13.27	15.08	11.11	9.47	13.38
3	GSDP (in nominal terms)	10,00,032	10,17,917	11,94,961	13,57,851	15,28,385
4	Nominal GSDP growth (<i>per cent</i>)	9.71	1.79	17.39	13.63	12.56
5	Overall Debt/GSDP (<i>per cent</i>) ^{##}	35.27	40.33	38.73	37.23	37.40
6	Maturity profile of State Development Loans i.e. Market Loan Principal amount (<i>per cent</i>) [*]					
6(a)	0-2 years	12,180	15,041	26,041	35,800	44,600
6(b)	2-5 years	37,091	59,850	71,753	80,537	85,795
6(c)	5-10 years	1,13,088	1,29,647	1,47,893	1,39,060	1,42,626
6(d)	Over 10 years	6,500	15,500	19,500	46,806	85,806
7	Repayment of Borrowings to Gross Borrowings (<i>per cent</i>)	92.56	87.87	91.98	95.83	91.24
8	Net Borrowings available as a percentage of Gross Borrowings	7.44	12.13	8.02	4.17	8.76
9	Interest payments on Overall Debt	23,643	25,202	28,100	30,602	34,128
10	Effective rate of interest on Net Overall Debt (<i>per cent</i>)	7.76	7.23	7.11	7.02	7.03
11	Interest payments to Revenue Receipt (<i>per cent</i>)	16.87	18.76	15.28	15.69	16.79
12	Revenue Deficit/ surplus	(-) 36,371	(-) 44,001	(-) 25,870	(-) 31,491	(-) 38,955
13	Primary Revenue Balance (PRB) (12+9)	(-) 12,728	(-) 18,799	2,230	(-) 889	(-) 4,827
14	Primary Balance (PB)	(-) 14,011	(-) 34,174	(-) 20,138	(-) 20,426	(-) 31,452
15	PB/GSDP (<i>per cent</i>)	(-) 1.40	(-) 3.36	(-) 1.69	(-) 1.50	(-) 2.06
16	Difference between Return on Investment (rate of interest receipts to average of opening and closing balances of loans and advance) and effective rate of interest on Overall Debt	7.75	5.42	(-) 6.51	(-) 4.08	(-) 6.29
17	Liquidity Management (use of financial accommodation instruments available with RBI) (number of occasions)	3	50	71	133	170
18	Debt stabilisation (Quantum spread +Primary balance)	(-) 7,725	(-) 54,570	22,593	9,744	(-) 3,054
19	Domar Criteria					
a	GSDP (in constant terms)	6,78,316	6,65,963	7,25,586	7,82,287	8,45,115
b	Real Growth of GSDP (in constant terms)	5.45	(-) 1.82	8.95	7.81	8.03
c	Inflation based on Consumer Price Index (CPI) (<i>per cent</i>)	5.32	3.69	4.86	6.91	6.39
d	Effective rate of interest on overall debt (same as Sl. No. 10)	7.76	7.23	7.11	7.02	7.03
e	Real effective rate of interest on overall debt (Effective rate of interest-inflation) (19.d-19.c)	2.44	3.54	2.25	0.11	0.64
f	Growth Interest Differential (Real growth of GSDP-Real effective rate of interest on overall debt) (19.b-19.e)	3.01	(-) 5.36	6.70	7.70	7.39

Source: Finance Accounts and Central Statistical Office (CSO), Ministry of Statistics & Programme Implementation, GoI.

* Maturity profile of only Market loan is given due to non-availability of age-wise details of other loans.

Effective Overall Debt/GSDP ratios for the 2020-21, 2021-22, 2022-23, 2023-24 would be 39.88 per cent, 37.74 per cent, 36.36 per cent and 36.62 per cent respectively as the Department of Expenditure, GoI has decided that GST compensation (For 2020-21 ₹ 4,604 crore and for 2021-22 to 2023-2024 ₹ 11,872 crore) given to the State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

Chart 2.22: Trends of Debt Sustainability indicators



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

Arrived at after exclusion of GST compensation of ₹11,872 crore received as back-to-back loans under debt receipts from the total outstanding liabilities.

Analysis of various debt sustainability indicators as shown in **Table 2.38** and **Chart 2.22** revealed the following:

- **Debt as percentage of GSDP:** The Debt-GSDP ratio remained more than 35 per cent during the last five years. Fiscal deficit of the State also remained more than the targeted three per cent of GSDP during last five years. More than 87 per cent of borrowings were utilised for repayment of outstanding Debt (including interest) during last five years. *High Debt to GSDP Ratio signifies that the State's burden is substantial compared to its economic output and indicates financial vulnerability and reduced fiscal flexibility.*
- **Rate of nominal growth of GSDP and Rate of growth of debt:** Except for 2021-22 and 2022-23, the nominal GSDP rate was less than the rate of growth of overall debt. This implies that debt growth outpaced the nominal growth in 2019-20, 2020-21 and 2023-24 thereby worsening the debt burden of the state in these years.
- **Domar Modal-Rate of real growth of GSDP (at constant prices) and effective real rate of interest on Overall Debt:** During 2021-22 to 2023-24, the rate of real growth was more than real effective rate of interest. With revival of economy, the real growth of GSDP improved significantly from a contraction of -1.82 per cent in 2020-21 due to the COVID-19 pandemic to 8.95 per cent in 2021-22 and remained stable at 8 per cent in 2022-23 and 2023-24 to cover the cost of borrowings in these years.
- **Primary balances and primary revenue balances:** Primary balances and primary revenue balances remained negative in all the five years (except positive primary revenue balances in 2021-22). *Primary balances increased from ₹ 14,011 crore in 2019-20 to ₹ 31,452 crore in 2023-24 indicating that debt is on a unsustainable path.*
- **Interest payment as percent to revenue receipt and revenue expenditure:** The burden of interest payment on overall debt as percentage of revenue receipts

remained more than 15 *per cent* in all the five years. It increased from 15.28 *per cent* in 2021-22 to 16.79 *per cent* in 2023-24. As percentage of revenue expenditure, it remained more than 13 *per cent* during the last five years (**Table 2.20**) and showed an increasing trend during the last three years. *This indicates an unsustainable debt trajectory.*

- **Maturity profile and cost of borrowing:** Maturity profile of the state's market loan reveals that 63.66 *per cent* (₹ 2,28,432 crore) of total market loan as on 31 March 2024 is repayable after more than five years indicating a longer horizon of debt. This limits the roll-over risk over the forthcoming short & medium term.
- **Liquidity:** During 2023-24 the State Government availed ₹1,23,207.02 crore special ways and means advances and ₹11,905.18 crore normal ways and means advances. The number of occasions of taking Ways and Means advances from RBI has increased from three in 2019-20 to 170 times in 2023-2024 and amount of WMA is in increasing trend during the last five years. During 2023-24, an amount of ₹ 339.93 crore was paid as interest on ways and means advance by the State Government. *Consistent use of WMA in large amount indicates poor liquidity management, which indicates poor fiscal management and hinders short term sustainability.*
- **Fiscal imbalances (FB):** During 2023-24, ratio of Overall debt to GSDP increased over previous year. This indicates that the State has no scope for fiscal expansion through borrowings. Since primary balances of the state increased continuously during the last three years, it indicates that the debt is not sustainable.
- **Domar model and primary balances:** The Domar gap (Growth Interest Differential i.e. Real growth-Real effective rate of interest) remained positive during the last five years, except in 2020-21 due to economic slowdown on account of the COVID-19 pandemic, while the primary balances of the state remained negative during the last five years. However, the primary deficit showed an unstable trend. With growing interest liability of the State on borrowings, it is too early to conclude that debt is sustainable for the State.

(B) The Details of the achievements vis-à-vis targets set in the MTFP are shown in **Table 2.39:**

Table 2.39: Achievements vis-à-vis targets set in MTFP

Fiscal Parameters		Achievement vis-à-vis targets set in the MTFP/FRBM Act				
		2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Deficit (-)/ Surplus (+) to Revenue Receipt (in <i>per cent</i>)	T	(-) 16.47	(-) 7.12	(-) 12.88	(-) 10.93	(-) 10.64
	A	(-) 25.96	(-) 32.76	(-) 14.07	(-) 16.15	(-) 19.16
Fiscal Deficit (-)/ Surplus (+) to GSDP (in <i>per cent</i>)	T	(-) 3.19	(-) 2.99	(-) 3.98	(-) 4.36	(-) 3.98
	A	(-) 3.77	(-) 5.83	(-) 4.04	(-) 3.76	(-) 4.29
Ratio of total outstanding liability to GSDP (in <i>per cent</i>)	T	33.13	33.12	38.15	39.80	36.78
	A	35.27	39.88 ¹⁶	37.74 ¹⁷	36.36 ¹⁷	36.62 ¹⁷

Source: Finance Accounts and budget documents

It can be seen from the above table that the State Government was unable to achieve targets of Revenue Deficit to Revenue Receipt continuously for the last five years. Revenue Deficit as percentage of Revenue Receipt decreased from 25.96 *per cent* in

16. Arrived at after exclusion of GST compensation of ₹4,604 crore received as back to back loans in 2020-21 under debt receipts from the total outstanding liabilities.

17. Arrived at after exclusion of GST compensation of ₹11,872 crore received as back to back loans during 2020-21 and 2021-22 under debt receipts from the total outstanding liabilities.

2019-20 to 19.16 *per cent* in 2023-24, however, it increased over the previous year (16.15 *per cent*). The State Government could not achieve the MTFP targets of Fiscal Deficit as percentage of GSDP during 2019-20 to 2020-21 and 2023-24. The MTFP target of outstanding liability to GSDP was achieved during 2023-24.

2.7.1 Utilisation of borrowed funds and funds available under other Liabilities

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 and funds available for use under other liabilities is given in **Table 2.40**:

Table 2.40: Utilisation of borrowed funds and other liabilities

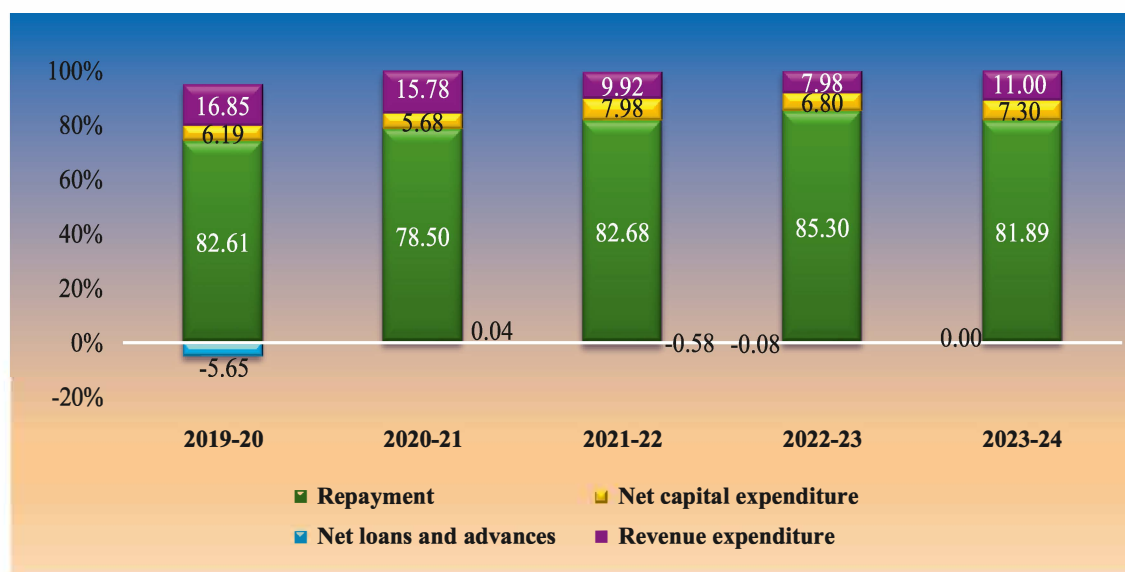
(₹ in crore)

S. No.	Year		2019-20	2020-21	2021-22	2022-23	2023-24
1.	Total Borrowings (Public Debt and other obligations) during the year #	1	2,37,596	2,68,770	3,02,174	2,90,718	3,64,764
2.	Repayment (earlier borrowings (Principal) and other obligations) (percentage)	2	1,96,268 (82.61)	2,10,972 (78.50)	2,49,829 (82.68)	2,47,990 (85.30)	2,98,699 (81.89)
3.	Net capital expenditure (percentage)	3	14,698 (6.19)	15,257 (5.68)	24,121 (7.98)	19,782 (6.80)	26,632 (7.30)
4.	Net loans and advances	4	(-) 13,415 (-5.65)	118 (0.04)	(-) 1,753 (-0.58)	(-) 245 (-0.08)	(-) 7 -
5.	Portion of Revenue expenditure met out of net available borrowings and other liabilities (percentage)	5= 1-2- 3-4	40,045 (16.85)	42,423 (15.78)	29,978 (9.92)	23,191 (7.98)	39,440 (11.00)

Source: Finance Accounts

Excluding Ways and Means advances during the year

Chart 2.23: Trends of Utilisation of borrowed funds



During 2023-24, borrowing of ₹ 39,440 crore was used for meeting the revenue expenditure resulting in deployment of Capital Receipts for meeting the revenue expenditure of the State Government. The percentage of repayment of borrowing to total borrowing marginally decreased from 82.61 *per cent* in 2019-20 to 81.89 *per cent* in 2023-24.

2.7.2 Status of Guarantees – Contingent Liabilities

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

The maximum amount for which guarantees were given by the State and outstanding guarantees for the last five years are given in **Table 2.41**.

Table 2.41: Guarantees given by the Government of Rajasthan

(₹ in crore)

S.No.	Guarantees	2019-20	2020-21	2021-22	2022-23	2023-24
1.	Maximum amount guaranteed including interest	1,44,676	1,56,822	1,72,684	2,01,008	2,21,973
2.	Outstanding amount of guarantees including interest	80,631	82,612	95,868	1,04,832	1,10,918
3.	Maximum amount guaranteed as a percentage of total Revenue Receipts	103.26	116.76	93.89	103.08	109.20
4.	Estimated receipts in the Consolidated Fund	2,24,905	2,19,467	2,46,909	3,38,075	3,82,674
5.	Outstanding guarantee w.r.t. estimated receipts (in <i>per cent</i>)	35.85	37.64	38.83	31.01	28.98

Source: Finance Accounts and budget documents

The outstanding guarantees increased by 5.81 *per cent* from ₹ 1,04,832 crore in 2022-23 to ₹ 1,10,918 crore in 2023-24 and were 54.57 *per cent* of the Revenue Receipts (₹ 2,03,276 crore) of the Government. The outstanding guarantees mainly pertained to five Power Companies (₹ 85,409 crore), Urban Development and Housing Sector (₹ 6,810 crore), one Road Transport Corporation (₹ 4,539 crore) and six Co-operatives (₹ 3,062 crore). The guarantees of Power Companies were given for repayment of loans/ overdraft, amount raised by issue of bonds/debentures and payment of interest at stipulated rates.

The outstanding guarantee to estimated receipts ratio (28.98 *per cent*) during 2023-24 was within the limit fixed under FRBM Act (60 *per cent*).

2.7.3 Management of Cash Balances

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

For arriving at the daily cash balance for the purpose of grant of Ways and Means advances/overdraft, the RBI evaluates the holdings of the 14 days Treasury Bills along with the transactions reported (at RBI counters, Inter-Government transactions and Treasury transactions reported by the agency banks) for the day. To the cash balance so arrived, the maturity of 14 days Treasury Bills if any, is added and excess balance, if any, after maintaining the minimum cash balance is reinvested in Treasury Bills. If the net cash balance arrived at is less than the minimum cash balance and if there are no 14 days Treasury Bills maturing on that day, RBI rediscounts the holdings of the 14 days Treasury Bills and makes good the shortfall. If there is no holding of 14 days Treasury Bills on that day, the State Government applies for Ways and Means Advances/Special Ways and Means Advances/Overdraft.

The limit for Normal Ways and Means Advances to the State Government was ₹ 2,608 crore with effect from 17 April 2020 and the same prevailed up to 31 March 2024. The RBI has also agreed to give Special Ways and Means Advances against the pledge of Government Securities. The limit of Special Ways and Means Advances is revised by the RBI from time to time. The limit of Special Ways and Means Advances was ₹ 7,197.37 crore on 1 April 2023 and ₹ 9,357.51 crore on 31 March 2024.

The extent to which the Government maintained the Minimum Cash Balance with the RBI during 2023-24 is given below:

(i) **Special Ways and Means Advances:** The balance under Special Ways and Means Advances as on 1 April 2023 was Nil. During 2023-24, the State Government obtained ₹ 1,23,207.02 crore by Special Ways and Means Advances on 142 occasions for 329 days from RBI and paid ₹ 335.97 crore as interest. The balance at the end of the year 2023-24 was Nil.

(ii) **Normal ways and means Advances:** The balance under Normal ways and means Advances as on 1 April 2023 was Nil. During 2023-24, the State Government obtained ₹ 11,905.18 crore by Normal ways and Means Advances on 28 occasions for 47 days from RBI and paid ₹ 3.96 crore as interest. In these 47 days the State Government also obtained Special Ways and Means Advances. The balance at the end of the year 2023-24 was Nil.

(iii) **Cash Balance:** The General Cash Balance of the State as on 31 March 2024, apart from 'Investment held in the Cash Balance Investment account' (₹ 627.51 crore), Investment of Earmarked Funds' (₹ 9,890.55 crore) and other cash balance (₹ 24.37 crore), was ₹ 2.39 crore which consisted of the following:

- a. Cash in Treasuries (MH 8999-101) = ₹ 0.06 crore
- b. Deposits with RBI (MH 8999-102) = ₹ 10.75 crore
- c. Remittance in transit- local (MH 8999-104) = ₹ (-) 8.42 crore

The 'Deposits with RBI' depict the monthly cash balance in respect of Reserve Bank Deposit (State) as on 31 March 2024 after closing of March 2024 accounts. There was a difference of ₹ 1.53 crore (Dr.) between the figures in the Finance accounts (₹ 10.75 crore (Dr.)) and that intimated by the RBI (₹ 12.28 crore (Cr.)). Out of this, amount of ₹ 1.49 crore (Dr.) has been reconciled and cleared. Difference of ₹ 0.04 crore (Dr.) was outstanding by the end of June 2024 and requires reconciliation.

Table 2.42: Cash Balances and their investment

(₹ in crore)			
S. No.		Opening balance on 1 April 2023	Closing balance on 31 March 2024
	A. General Cash Balance		
1.	Cash in treasuries	0.06	0.06
2.	Deposits with Reserve Bank of India	(-) 61.90	10.75
3.	Remittances in transit – Local	(-) 8.81	(-) 8.42
	Total	(-) 70.65	2.39
4.	Investments held in Cash Balance investment account	103.30	627.51
	Total (A)	32.65	629.90
	B. Other Cash Balances and Investments		
5.	Cash with departmental officers viz., Public Works, Forest Officers	0.73	0.51
6.	Permanent advances for contingent expenditure with department officers	23.74	23.86
7.	Investment in earmarked funds	7,614.42	9,890.55
	Total (B)	7,638.89	9,914.92
	Total (A + B)	7,671.54	10,544.82
	Interest realized	14.08	(-) 1.10[#]

Source: Finance Accounts

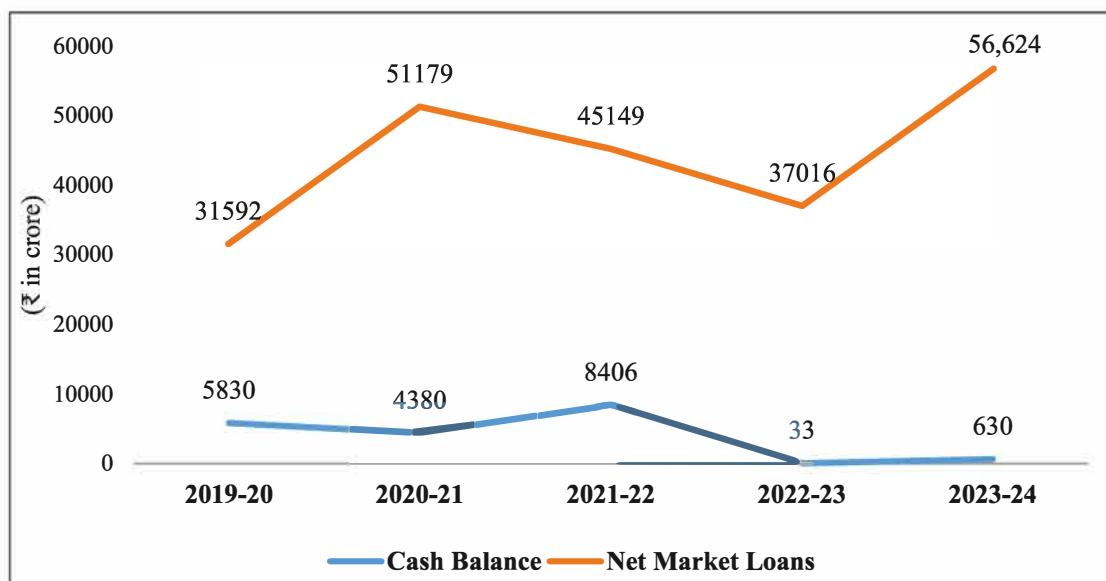
Minus figure is due to rediscounting of the investment before maturity.

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

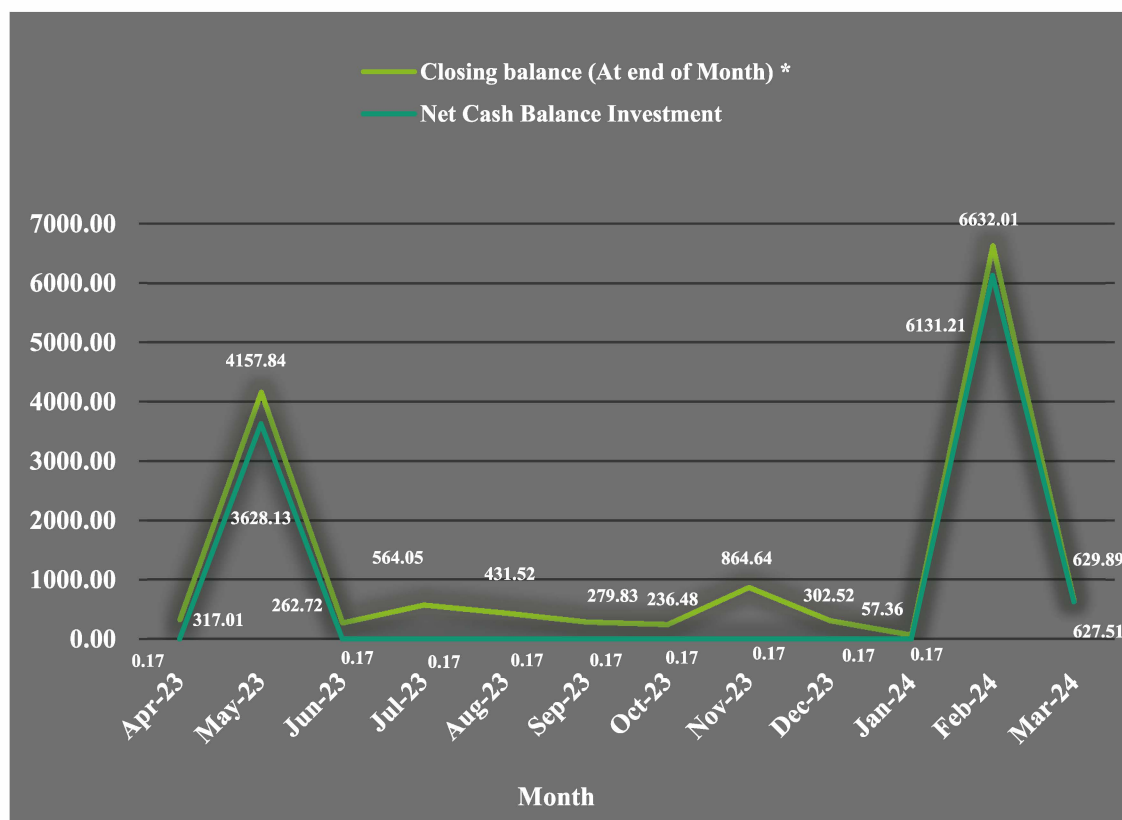
(₹ in crore)					
S. No.	Year	Opening Balance	Closing Balance	Increase/decrease (-)	Interest earned
1.	2019-20	2,154.46	5,807.73	3,653.27	77.12
2.	2020-21	5,807.73	4,440.13	(-) 1,367.60	23.38
3.	2021-22	4,440.13	8,218.92	3,778.79	43.69
4.	2022-23	8,218.92	103.30	(-) 8,115.62	14.08
5.	2023-24	103.30	627.51	524.21	(-) 1.10

Source: Finance Accounts

The surplus cash balances of the State Government are automatically invested in 14 day treasury bills with an average interest rate of five *per cent* per annum and partly in 91, 182 and 364 day auctioned treasury bills of RBI. At the end of 2023-24, a sum of ₹ 627.51 crore was invested in GoI Treasury Bills/Securities. Further, ₹ 9,890.55 crore was also invested in earmarked funds.

Chart 2.24: Net Market loans vis-a-vis General Cash Balance**Chart 2.25: Month-wise movement of Cash Balances and net cash balance investments during the year**

(₹ in crore)



* It includes Cash in treasuries, Deposits with Reserve Bank of India, Remittances in transit – Local and Investments held in Cash Balance investment account.

During 2023-24, the State Government availed Ways and Means for 329 days on 170 occasions and paid an interest of ₹ 340 crore. This indicates insufficient cash management by the State.

2.8 Conclusion

For the eleventh consecutive year, the State Government was unable to achieve its target of revenue deficit and fiscal deficit envisaged under the FRBM Act. During 2023-24, the revenue deficit increased to ₹ 38,955 crore from ₹ 31,491 crore in 2022-23 and fiscal deficit increased to ₹ 68,580 crore from ₹ 51,028 crore in 2022-23.

During 2023-24, Revenue Receipts increased by ₹8,288 crore (4.25 *per cent*) from previous year and transfer from centre comprise 44.53 *per cent* of the revenue receipt.

During 2023-24, Revenue Expenditure increased by ₹15,752 crore (6.96 *per cent*) from previous year. Share of committed expenditure was 52.32 *per cent* in 2023-24 and subsidy was 11.73 *per cent* to revenue expenditure.

Capital Expenditure as a percentage of total expenditure was 9.90 *per cent* during 2023-24.

The net debt available to the State was only ₹ 31,936.72 crore (8.76 *per cent*) of gross borrowing of ₹ 3,64,764.01 crore during 2023-24.

At the end of March 2024, the cash balance was ₹ 630 crore. Further, the State Government availed normal and special Ways and Means for 329 days and paid an interest of ₹ 340 crore.

2.9 Recommendations

State Government may explore mobilizing additional resources through tax and non-tax sources by ensuring better tax compliance for ensuring that the FRBM target of Revenue Surplus and fiscal deficit can be achieved.

Since the costs of salary, pension and interest are committed, the expenditure on subsidies, Grants-in-aid other than to local bodies, which are increasing steadily, requires utmost attention from the State Government.

The State Government needs to make medium term corrections on the expenditure side to moderate expenditure and simultaneously mobilize State revenues to bring down the debt level.

The State Government may put in place a more efficient cash management system to minimise availing Ways and Means advances.