Chapter I

Overview of Finances of the State

Chapter I: Overview of Finances of the State

This chapter provides a snapshot of Chhattisgarh's finances for 2024-25, covering demographics, economic indicators, and the State's fiscal structure. It analyses trends in revenue and expenditure, debt levels, and fiscal deficits, highlighting persistent imbalances and reliance on borrowings. The chapter flags issues like high committed expenditure, low returns on investments *etc*.

1.1 Profile of the State

Chhattisgarh, a predominantly agrarian State in central India, covers 1,35,192 sq. km. and comprises 33 districts and 20,363 villages. As per the Census 2011 and Report of the Technical Group on Population Projections on "**Population Projection for India and States 2011-2036**" submitted by National Commission on Population, Ministry of Health and Family Welfare, Government of India in July 2020, the population of the State is set to reach 3.09 crore in 2025 compared with the country's population of 141.33 crore with a density of 228 persons per square kilometer. This section provides an overview of the State's demography, GSDP, and per capita income of the State.

1.1.1 Demography of the State

The State's demographic details *vis-à-vis* national average are presented in Table **1.1** below.

Table 1.1: Demographic profile of the State

(in per cent)

Population	As per 2011 Census		As per Report of the Technical Group on Population (Figures for 2025)	
	State	National	State	National
Rural population	76.76	68.86	72.24	64.3
Urban population	23.24	31.14	27.76	35.7

	Chhattisgarh	National average
Population density **(*Population Projection for India and States 2011-36)***	228	430
Sex Ratio per 1,000 Males **(*Population Projection for India and States 2011-36)***	994	947
Infant Mortality Rate per 1,000 Live births **(*SRS Bulletin September 2025*)**	37	25
Maternal Mortality Rate per lakh women **(SRS Bulletin on *Maternal Mortality in India September 2025*)**	10	5
Total Fertility Rate **(*NFHS-5,2019-21*)**	1.82	1.99
Life Expectancy at Birth ***(SRS Based Abridged Life Tables 2019-23, September 2025)***	64.60	70.30
Population below Poverty Line (in *per cent*) **(*Multidimensional Poverty Index, 2023, NITI Aayog*)**	16.37	14.96
Literacy Rate (in *per cent*) **(Periodic Labour Force Survey 2023-24)**	78.50	80.90

1.1.2 Economy of the State

Gross State Domestic Product (GSDP) and per capita income are important indicators of the State's economy as discussed in succeeding paragraphs.

1.1.2.1 Gross State Domestic Product and Per capita GSDP

Gross Domestic Product (GDP) refers to the total value of goods and services produced within a country, while GSDP measures the same at the State level, and both reflect economic development and overall progress. Trends of GSDP and GDP is given in **Table 1.2.** Year on year growth of GSDP and GDP and GSDP contribution in GDP is given in **Chart 1.1** and Per capita GDP of the country and Per capita GSDP of the State is depicted in **Chart 1.2**.

Table 1.2: Trends in GSDP compared to GDP of India (at current prices)

Year	GDP of India (₹ in crore)	GSDP of Chhattisgarh (₹ in crore)	Per Capita GDP of India (in ₹)	Per Capita GSDP of Chhattisgarh (in ₹)
2015-16	1,37,71,874	2,25,163	1,07,341	81,907
2016-17	1,53,91,669	2,62,802	1,18,489	94,083
2017-18	1,70,90,042	2,82,737	1,30,061	99,612
2018-19	1,88,99,668	3,27,107	1,42,424	1,13,413
2019-20	2,01,03,593	3,44,672	1,49,915	1,19,066
2020-21	1,98,54,096	3,52,328	1,46,480	1,20,113
2021-22	2,35,97,399	4,11,613	1,72,422	1,38,623
2022-23	2,68,90,473	4,58,891	1,94,451	1,52,775
2023-24	3,01,22,956	5,12,107	2,15,935	1,68,567
2024-25	3,30,68,145	5,67,880	2,34,859	1,84,833

Source: NSO(MoSPI) & Directorate of Economic and Statistics, Chhattisgarh.

Chart 1.1: Y-o-Y growth of GDP & GSDP and GSDP share in GDP

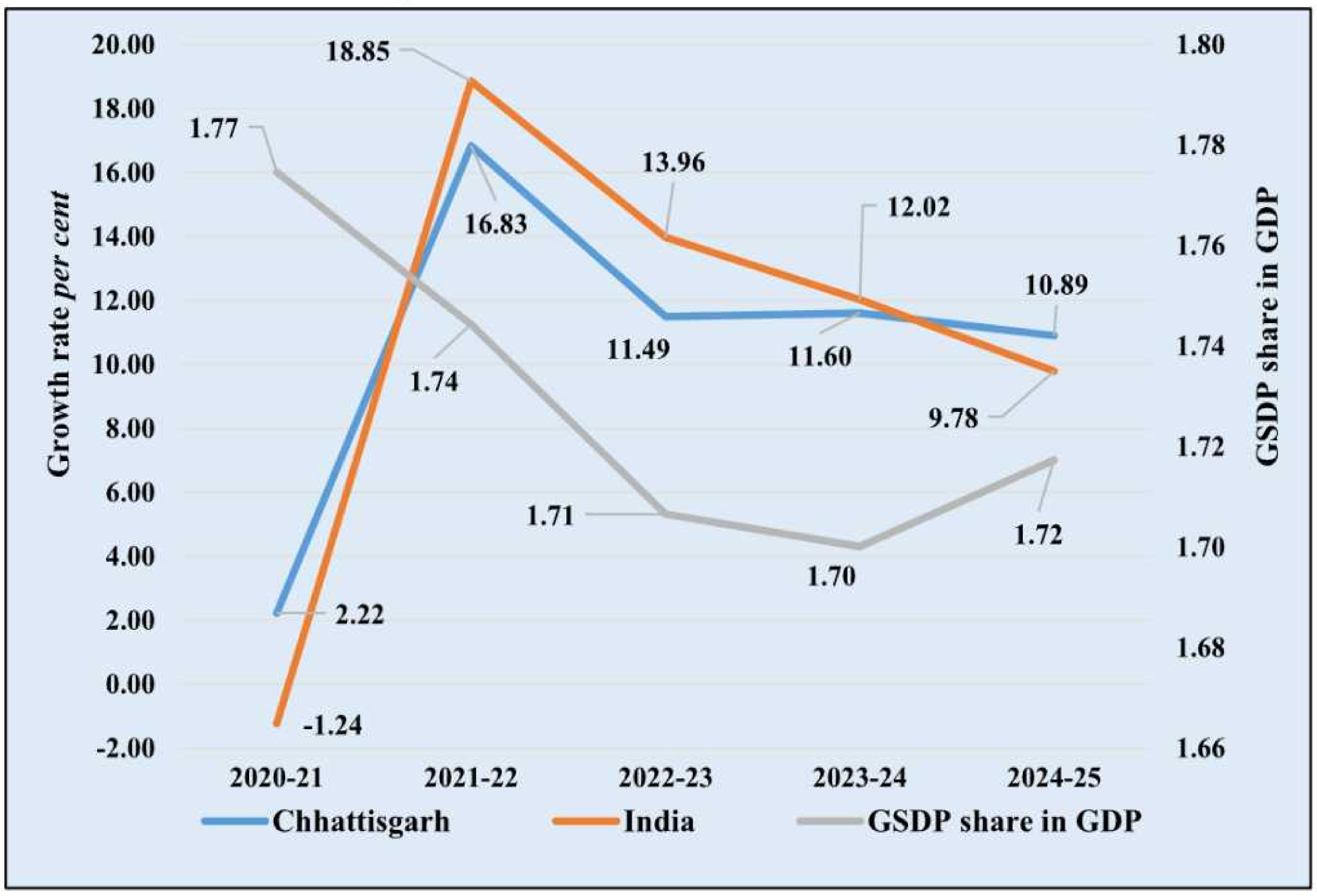
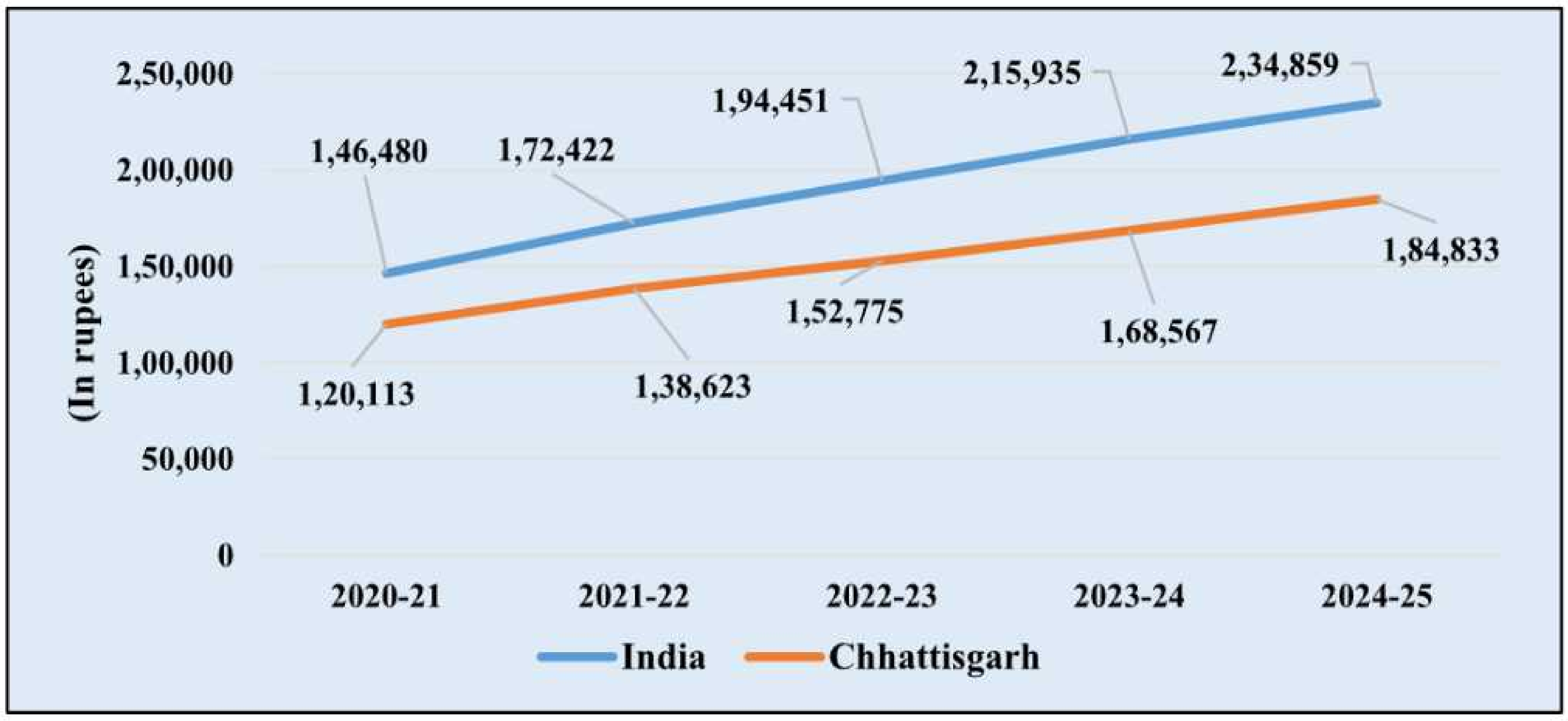


Chart 1.2: Per Capita GDP/GSDP of India and Chhattisgarh



During the year 2024-25, the growth rate of GSDP of Chhattisgarh (10.89 *per cent*) was higher than the growth rate of GDP of India (9.78 *per cent*) while in last three years 2021-24 period growth rate of Chhattisgarh remained lower than the growth rate of India. The share of the State in the national GDP saw a marginal decline over the last five years, falling from 1.77 *per cent* in 2020-21 to 1.72 *per cent* in 2024-25. This indicates that although the State's economy is growing in absolute terms, its growth pace has been slightly slower as compared to the overall national economy.

Out of 18 States other than NE&H (North-Eastern & Himalayan States), in absolute terms of GSDP, the State of Chhattisgarh stood at 16th place with lower GSDP than neighboring States of Odisha, Madhya Pradesh while having a higher GSDP than Jharkhand. In terms of per capita GSDP, the State of Chhattisgarh is at 13th place with higher per capita GSDP than the state of Madhya Pradesh and Jharkhand while lower per capita GSDP than Odisha.

1.1.2.2 Sectoral contribution to GSDP

The sectoral contribution by various sectors during 2024-25 and sectoral growth in GSDP during the last five years are depicted in **Chart 1.3** and **Chart 1.4** respectively.

Chart 1.3 Sectoral Contribution 2024-25

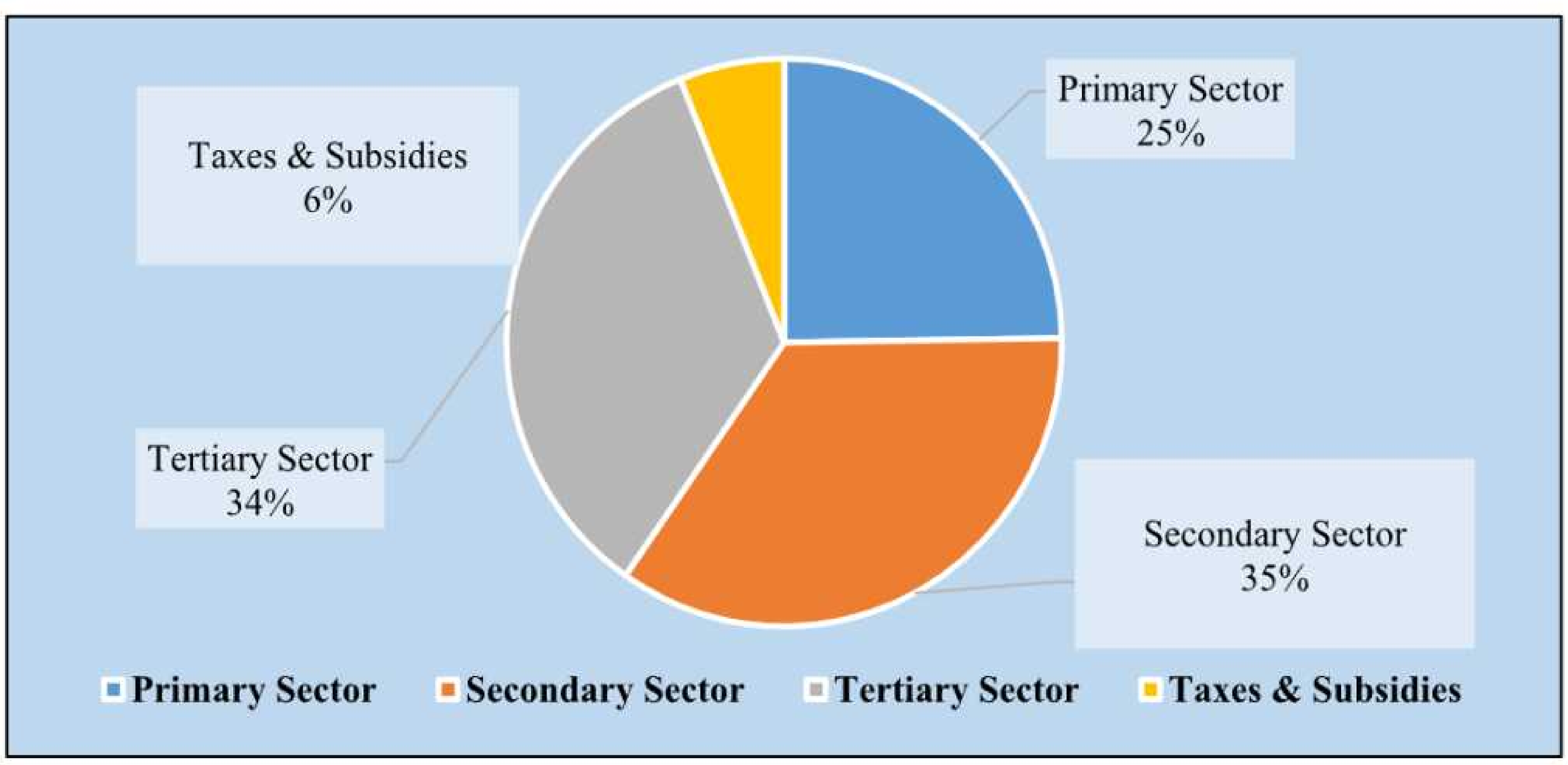


Chart 1.4 Sectoral growth in GSDP

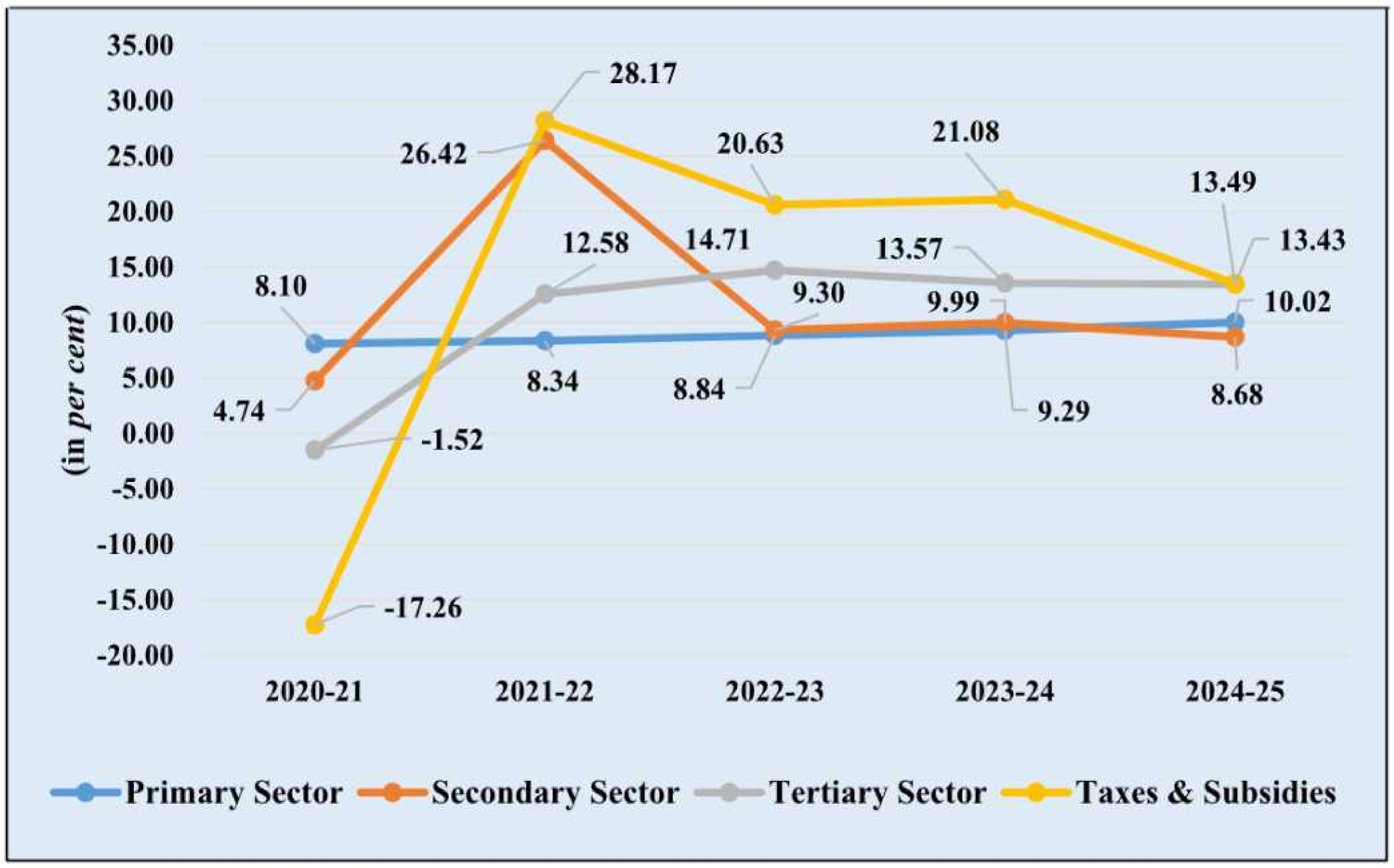
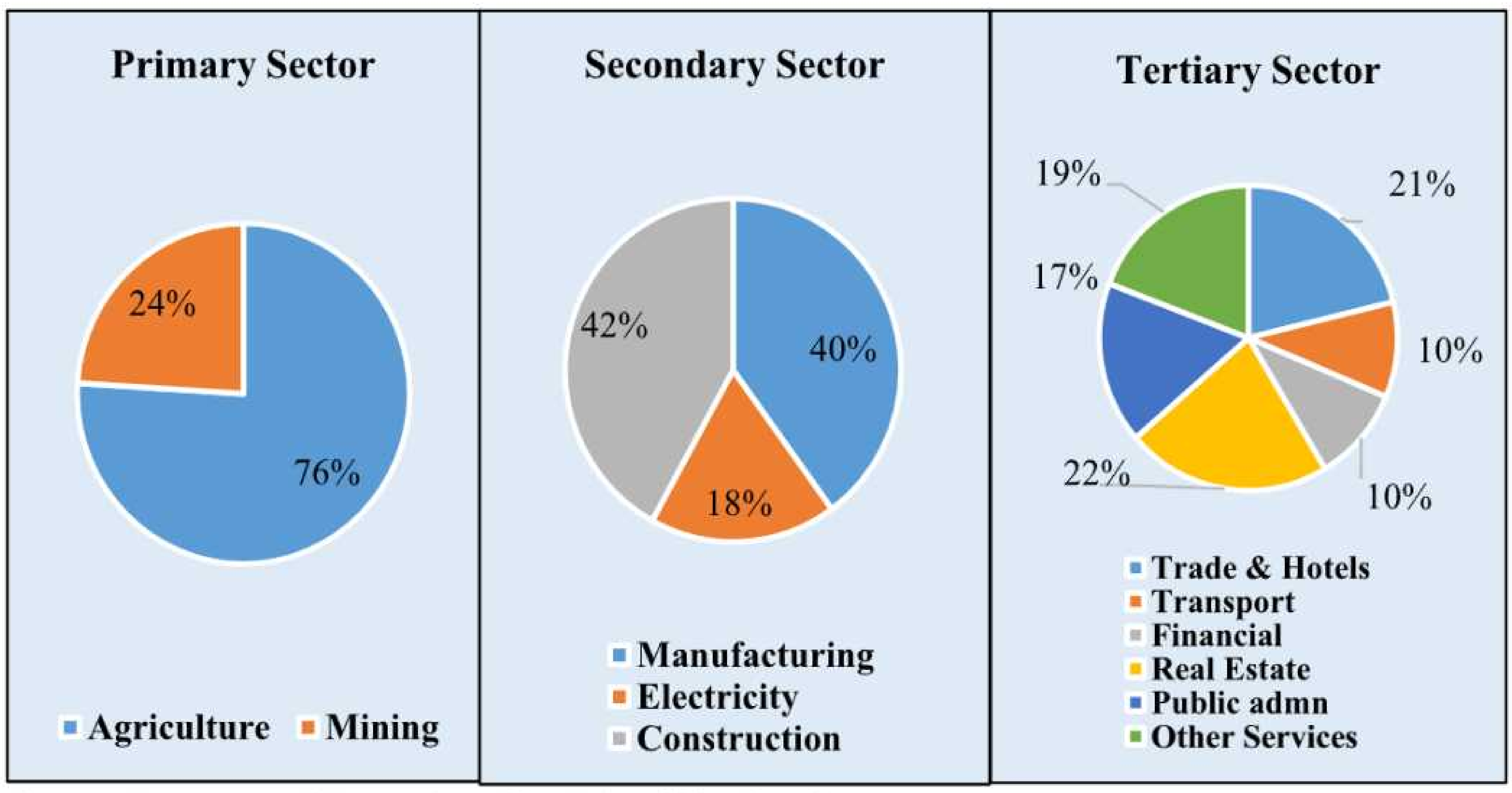


Chart 1.5 shows the composition of each sector during FY 2024-25, in terms of its major contributing segments.

Chart 1.5: Sector-wise distribution, FY 2024-25



Source: Directorate of Economic and Statistics, Chhattisgarh.

The secondary sector remained the largest contributor throughout, while the tertiary sector recorded highest growth rate and the primary sector maintained a relatively stable share with steady increase in growth rate.

1.1.3 Snapshot of Finances

Table 1.3 shows the details of actual financial results of State Government of Chhattisgarh for the years 2023-24 and 2024-25 *vis-a-vis* Budget Estimates (BE), Revised Estimates (RE) and GSDP for the year 2024-25.

Table 1.3: Snapshot of Finances

(₹ in crore)

Sl. No	Components	2023-24 (Actuals)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)	Percentage of Actuals to BE	Percentage of Actuals to GSDP
1	Tax Revenue	77,268.10	93,700.00	90,200.00	88,609.16	94.57	15.60
(i)	Own Tax Revenue	38,786.22	49,700.00	46,200.00	44,764.99	90.07	7.88
(ii)	Share of Union Taxes and duties	38,481.88	44,000.00	44,000.00	43,844.17	99.65	7.72
2	Non-Tax Revenue	15,147.97	18,700.00	17,500.00	17,420.52	93.16	3.07
3	Grants-in-aid and contributions	11,092.13	13,500.00	13,500.00	14,260.67	105.63	2.51
4	**Revenue Receipts (1+2+3)**	**1,03,508.20**	**1,25,900.00**	**1,21,200.00**	**1,20,290.35**	**95.54**	**21.18**
5	Recovery of Loans and Advances	25.61	150.00	150.00	23.42	15.61	0.00
6	Other Receipts	5.01	0.00	0.00	4.81	-	0.00
7	Borrowings and other liabilities*	26,933.04	19,695.63	29,350.00	25,447.40	129.20	4.48
8	**Capital Receipts (5+6+7)**	**26,963.66**	**19,845.63**	**29,500.00**	**25,475.63**	**128.37**	**4.49**
9	**Total Receipts (4+8)**	**1,30,471.86**	**1,45,745.63**	**1,50,700.00**	**1,45,765.98**	**100.01**	**25.67**
10	**Revenue Expenditure**	**1,14,740.96**	**1,24,840.01**	1,28,406.00	**1,25,389.82**	**100.44**	**22.08**
11	Interest Payments	6,798.34	7,851.01	9,015.24	8,952.35	114.03	1.58
12	Capital Expenditure	15,418.93	22,300.02	22,994.00	20,054.62	89.93	3.53
13	Loans and Advances	311.96	305.60	300.00	321.55	105.22	0.06
14	**Total Expenditure (10+12+13)**	**1,30,471.85**	**1,47,445.63**	**1,51,700.00**	**1,45,765.99**	**98.86**	**25.67**
15	**Revenue Surplus (+) /Deficit (-) (4-10)**	**-11,232.76**	**1,059.99**	**-7,206.00**	**-5,099.47**[1]	**-481.09**	**-0.90**
16	**Fiscal Surplus (+) / Deficit (-) {(4+5+6)-14}**	**-26,933.03**	**-19,695.63**	**-29,350.00**	**-25,447.41**	**129.20**	**-4.48**
17	**Primary Surplus (+) /Deficit (-) (16-11)**	**-20,134.69**	**-11,844.62**	**-20,334.76**	**-16,495.06**	**139.26**	**-2.90**

Source: Finance Accounts

**Borrowings and other Liabilities: Net (Receipts – Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts – Disbursements) of Public Account + Net of Opening and Closing Cash Balance.*

[1] Post Audit adjusted Revenue Deficit is ₹10,245.83 crore.

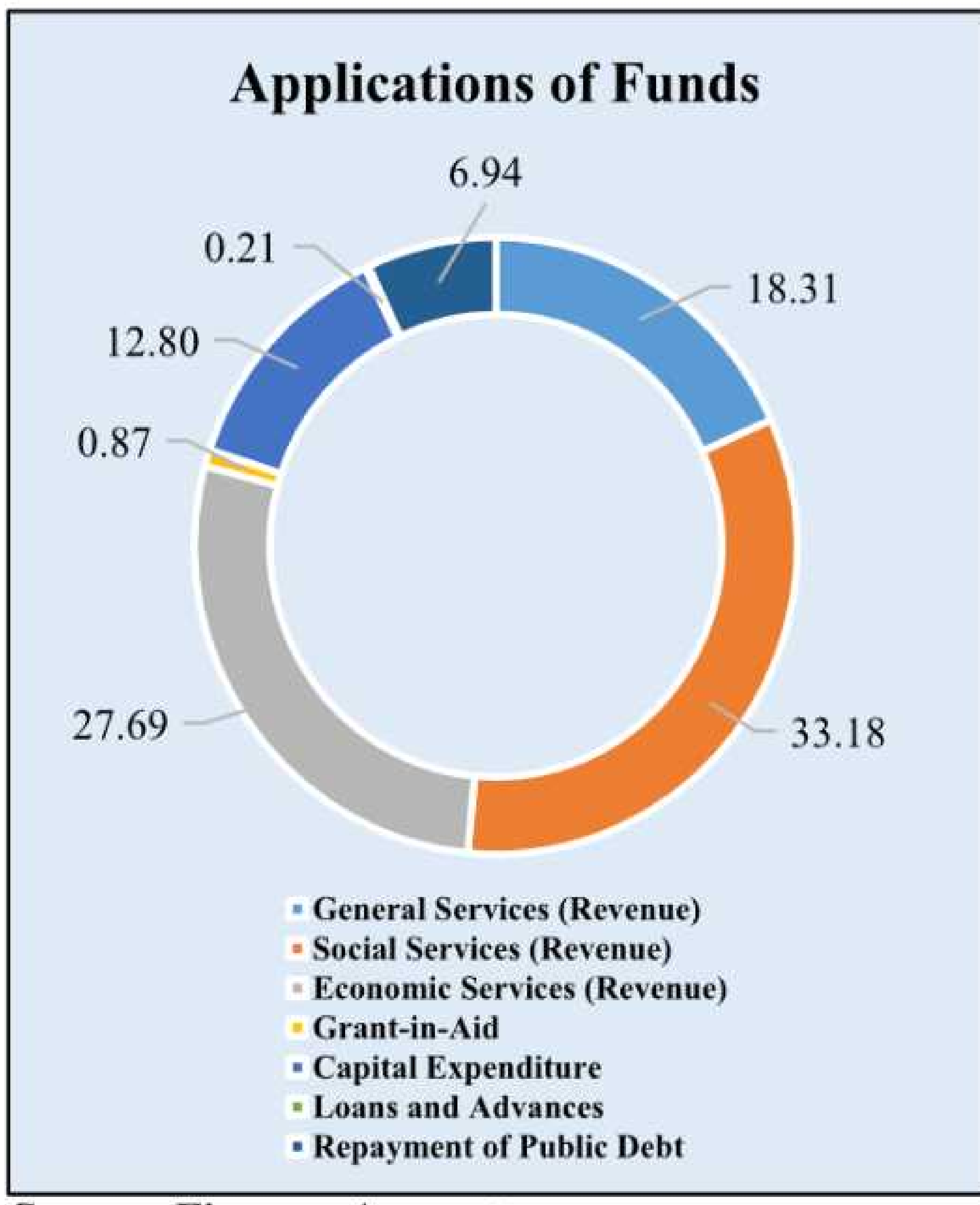
The details of State Government Finances for the FY 2020-21 to 2024-25 is given in ***Appendix 1.1.***

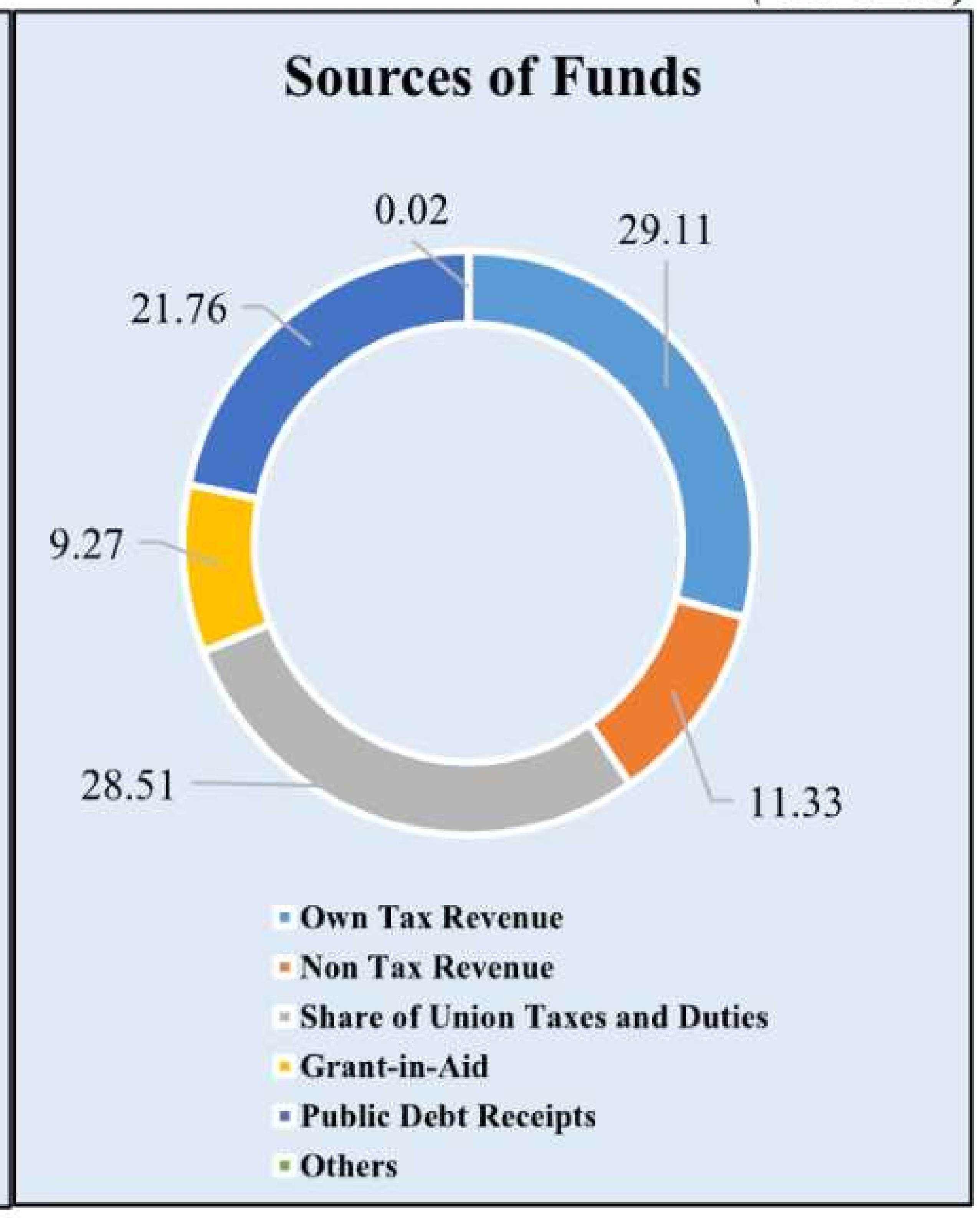
1.1.4 Sources and Application of Funds

Comparison of components of the sources and application of funds of the State during the current year is given in **Chart 1.6.**

Chart 1.6: Details of receipts and disbursement under Consolidated fund during 2024-25

(₹ in crore)





Source: Finance Accounts

Appendix 1.2 provides details of receipts and disbursements and the overall fiscal position of the State during current year as well as previous year.

1.1.5 Snapshot of Assets and liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. ***Appendix 1.3*** gives an abstract of such liabilities and assets, as on 31 March 2025, compared with the corresponding position of the previous year. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from the Public Account and Reserve Funds. Assets comprise mainly of the Capital Expenditure, and loans and advances, given by the State Government and cash balances. A summarised position of assets and liabilities, for the financial years 2023-24 and 2024-25, is given in **Table 1.4.**

Table 1.4: Summarised position of assets and liabilities

(₹ in crore)

Liabilities					Assets				
		2023-24	**2024-25**	***Per cent* increase/ Decrease**			**2023-24**	**2024-25**	***Per cent* increase/ decrease**
Consolidated Fund									
A	Internal Debt	95,140.18	1,11,559.54	17.26	A	Gross Capi-tal Expen diture	1,41,142.72	1,61,364.52	14.33
B	Loans and Advances from GoI	18,747.37	18,953.85	1.10	B	Loans and Ad-vances	1,664.85	1,949.08	17.07
Contingency Fund		**100.00**	**100.00**	**0.00**			**13.47**	**37.42**	**177.80**
Public Account									
A	Small Savings, provident Funds, etc.	10,848.71	12,529.16	15.49	A	Ad-vances with Depart mental officers	7.10	7.10	0.00
B	Deposits	6,405.35	6,752.32	5.42	B	Remi-ttances	351.50	2,138.69	508.45
C	Reserve Funds	10,694.70	12,818.53	19.86	C	Suspense and Miscella-neous	0.00	0.00	-
D	Remittances	0.00	0.00	-	**Cash Balance (including investment in Earmarked Funds)**		**13,797.24**	**13,368.36**	**-3.11**
E	Suspense and Mis-cellaneous	181.93	268.21	47.42	**Total**		**1,56,976.88**	**1,78,865.17**	**13.94**
					Difference on account of rounding-off		**0.00**	**0.01**	**-**
					Deficit in Revenue Account		**-14,858.64**	**-15,883.57**	**6.90**
	Total	**1,42,118.24**	**1,62,981.61**	**14.68**			**1,42,118.24**	**1,62,981.61**	**14.68**

Source: Finance Accounts of respective years

1.2 Consolidated Fund of the State

All revenues received by the State Government, all loans raised by the State Government, ways and means advances extended by the Reserve Bank of India and all money received by the State Government in repayment of loans forms part of the Consolidated fund of the State.

1.2.1 Revenue Receipts

Trends and growth of revenue receipts with respect to Gross State Domestic Product (GSDP) over the ten-year period (2015-25) are shown in **Table 1.5**.

Table 1.5: Trends in Revenue Receipts

(₹ in crore)

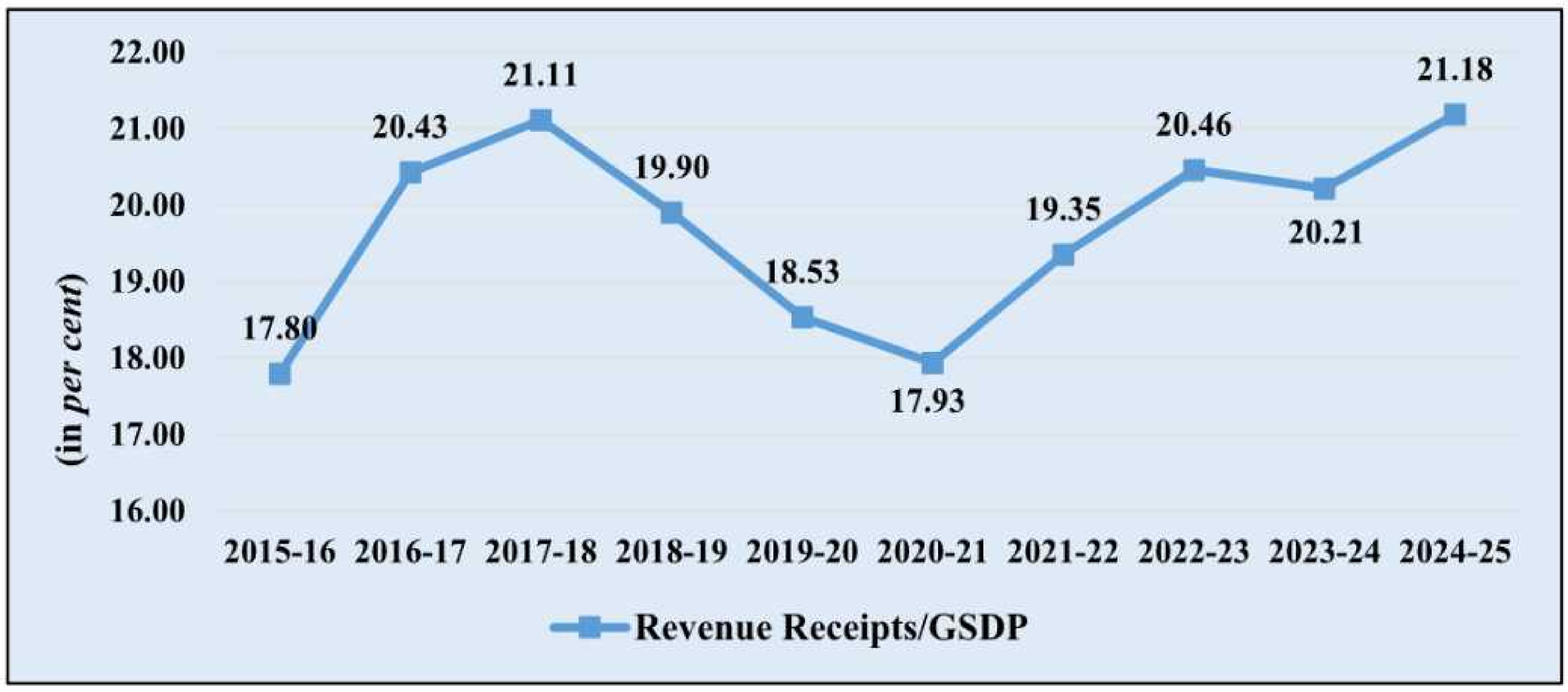
Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
Revenue Receipts	**46,068**	**53,685**	**59,647**	**65,095**	**63,869**
Tax Revenue	**32,791**	**37,754**	**40,649**	**44,886**	**42,324**
Own Tax Revenue	*17,075*	*18,945*	*19,895*	*21,427*	*22,118*
State's share in Union taxes and duties	*15,716*	*18,809*	*20,755*	*23,459*	*20,206*
Non-Tax Revenue	**5,215**	**5,669**	**6,340**	**7,703**	**7,934**
Grants-in aid from GoI	**8,062**	**10,262**	**12,657**	**12,506**	**13,611**
State's Own Revenue (Own Tax and Non-tax Revenue)	22,290	24,614	26,235	29,130	30,052
GSDP (2011-12 series)	2,25,163	2,62,802	2,82,737	3,27,107	3,44,672
Year-on-Year growth rates (in *per cent*)					
Revenue Receipts	21.27	16.54	11.11	9.13	-1.88
State's Own Revenue	8.01	10.43	6.58	11.04	3.16
GSDP	1.83	16.72	7.59	15.69	5.37
Buoyancy Ratios					
State's Own Revenue Buoyancy w.r.t GSDP	4.38	0.62	0.87	0.70	0.59
Parameters	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Revenue Receipts	**63,176**	**79,652**	**93,877**	**1,03,508**	**1,20,290**
Tax Revenue	**43,227**	**55,655**	**65,481**	**77,268**	**88,609**
Own Tax Revenue	*22,889*	*27,084*	*33,122*	*38,786*	*44,765*
State's share in Union taxes and duties	*20,338*	*28,571*	*32,358*	*38,482*	*43,844*
Non-Tax Revenue	**7,137**	**13,851**	**15,248**	**15,148**	**17,421**
Grants-in aid from GoI	**12,812**	**10,146**	**13,148**	**11,092**	**14,261**
State's Own Revenue (Own Tax and Non-tax Revenue)	30,026	40,935	48,371	53,934	62,186
GSDP (2011-12 series)	3,52,328	4,11,613	4,58,891	5,12,107	5,67,880
Year-on-Year growth rates (in per cent)					
Revenue Receipts	-1.08	26.08	17.86	10.26	16.21
State's Own Revenue	-0.08	36.33	18.16	11.50	15.30
GSDP	2.22	16.83	11.49	11.60	10.89
Buoyancy Ratios					
State's Own Revenue Buoyancy w.r.t GSDP	--*	2.16	1.58	0.99	1.40

Source:** **Finance Accounts for Revenue Receipts and Directorate of Economic and Statistics, Chhattisgarh for GSDP figures. P-Provisional Estimates, Q-Quick Estimates and A-Advance Estimates.

**Due to negative growth rate, Buoyancy ratio cannot be calculated.*

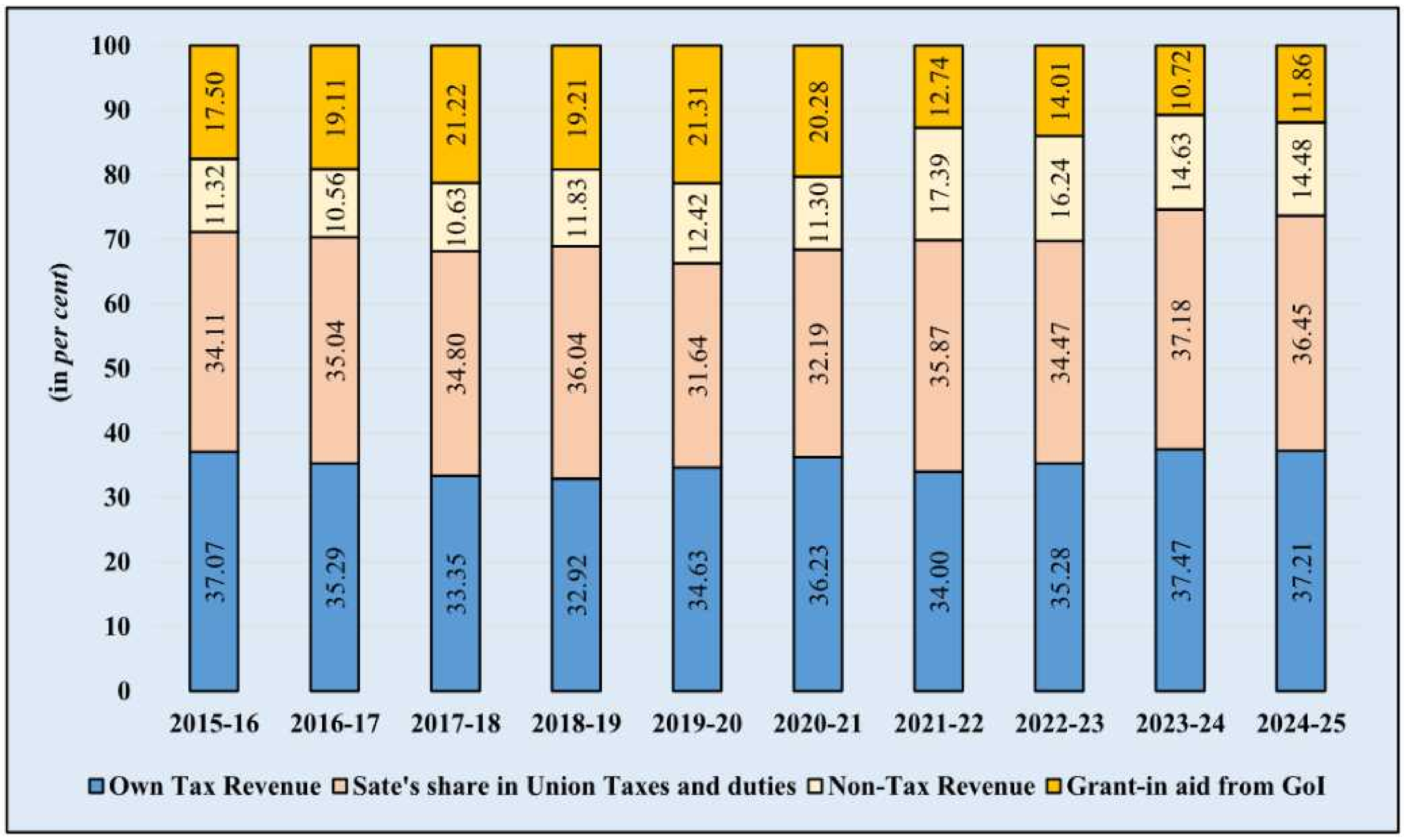
Revenue Receipts as percentage of GSDP and contribution from various sources in revenue receipts is given in **Chart 1.7** and **Chart 1.8**.

Chart 1.7: Revenue Receipts as percentage of GSDP



Source: Finance Accounts for Revenue Receipts and data published by MoSPI for GSDP

Chart 1.8: Contribution in Revenue Receipts



Source: Finance Accounts for Revenue Receipts and data published by MoSPI for GSDP

The year-on-year growth rate of Revenue Receipts exceeded that of GSDP in the last five years, except for FY 2020-21 and 2023-24, highlighting the state's fiscal resilience. Increase in Revenue Receipts during last ten years can be mainly attributed to increasing share of State's Non-Tax Revenue and State's share in Union taxes and duties rather than increased reliance on Grant in aid from GoI which highlights the State's decreasing reliance on GIA and its consequent impact on fiscal autonomy and stability. Positive own revenue buoyancy greater than one in three out of last five years indicates that state's own revenue receipts are growing at a higher pace than the growth rate of GSDP.

A. State's Own Resources

Chart 1.9: Details of State's Own Revenue

(i) Own Tax Revenue

Own Tax Revenue is the revenue collected by the State Government through taxes it is empowered to levy under the Constitution. Actuals for FY 2023-24, Budget Estimate (BE), Revised Estimate (RE), and Actuals of Own Tax Revenue for the FY 2024-25 is given in **Table 1.6**.

Table 1.6: Own Tax Revenue: 2023-24 (Actuals) and 2024-25 (BE, RE, and Actuals)

(₹ in crore)

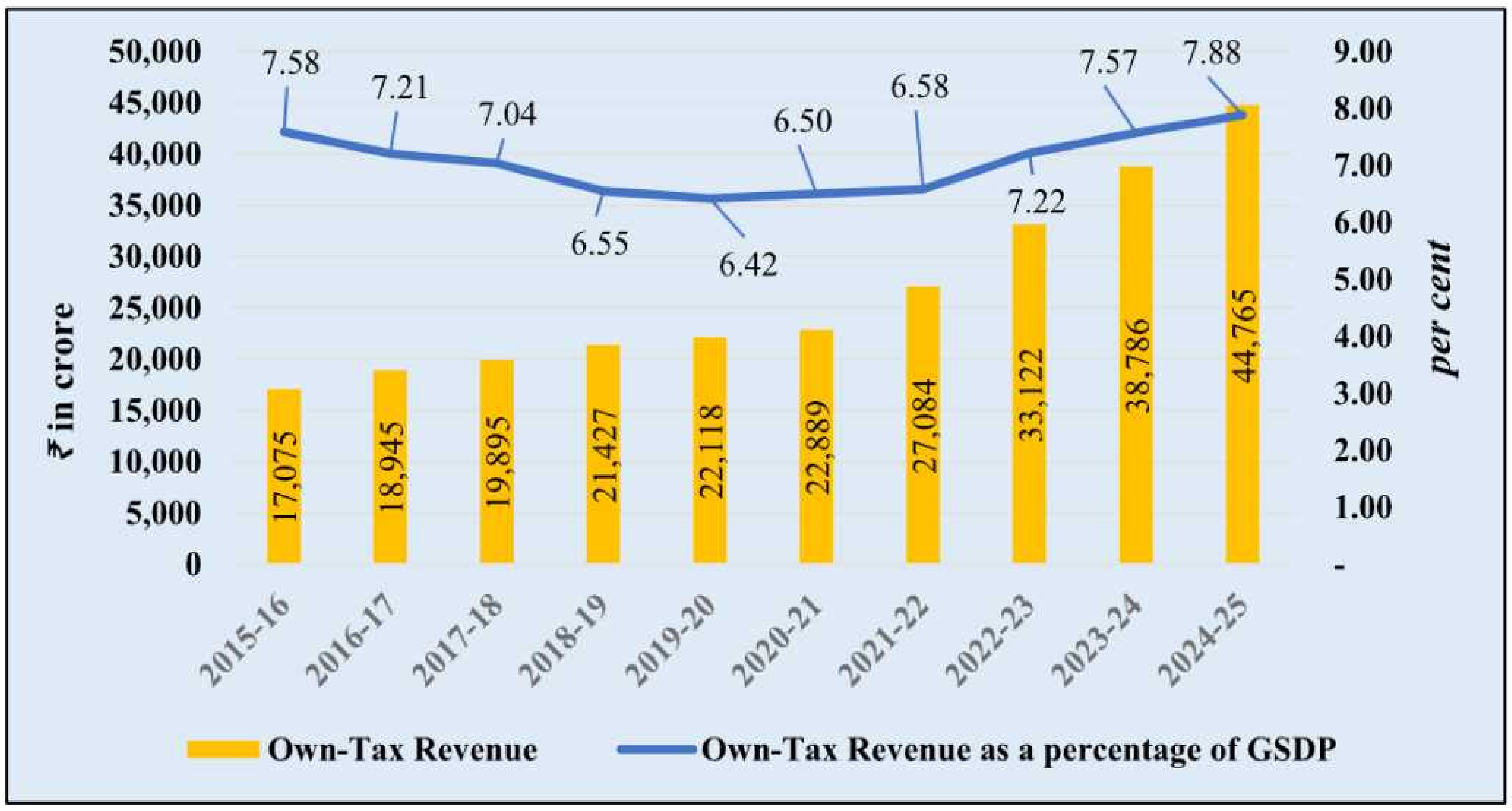
Tax Revenue	2023-24 (Actual)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)
State Goods and Services Tax (SGST)	13,793.29	17,446.36	16,919.41	16,298.59
State Excise	8,430.41	11,000.00	10,500.00	10,141.84
Land Revenue	847.80	1,200.00	1,000.00	819.04
Stamp Duty and Registration Fees	2,494.18	2,800.00	3,200.00	2,968.94
Vehicle Tax	2,048.20	2,200.00	2,500.00	2,317.99
Taxes on Sales, Trades, etc.	6,513.48	9,960.00	6,489.70	6,880.33
Taxes and Duties on Electricity	4,584.76	5,000.00	5,500.00	5,063.24
Others[2]	74.10	93.64	90.89	275.02
Total	**38,786.22**	**49,700.00**	**46,200.00**	**44,764.99**

Source: Finance Accounts and Budget documents of the State

Trends of own tax revenue and its components are shown in **Chart 1.10** and **Chart 1.11** respectively.

[2] It includes Taxes on Goods and Passengers, Hotel Receipts Tax and Other Taxes on Income and Expenditure.

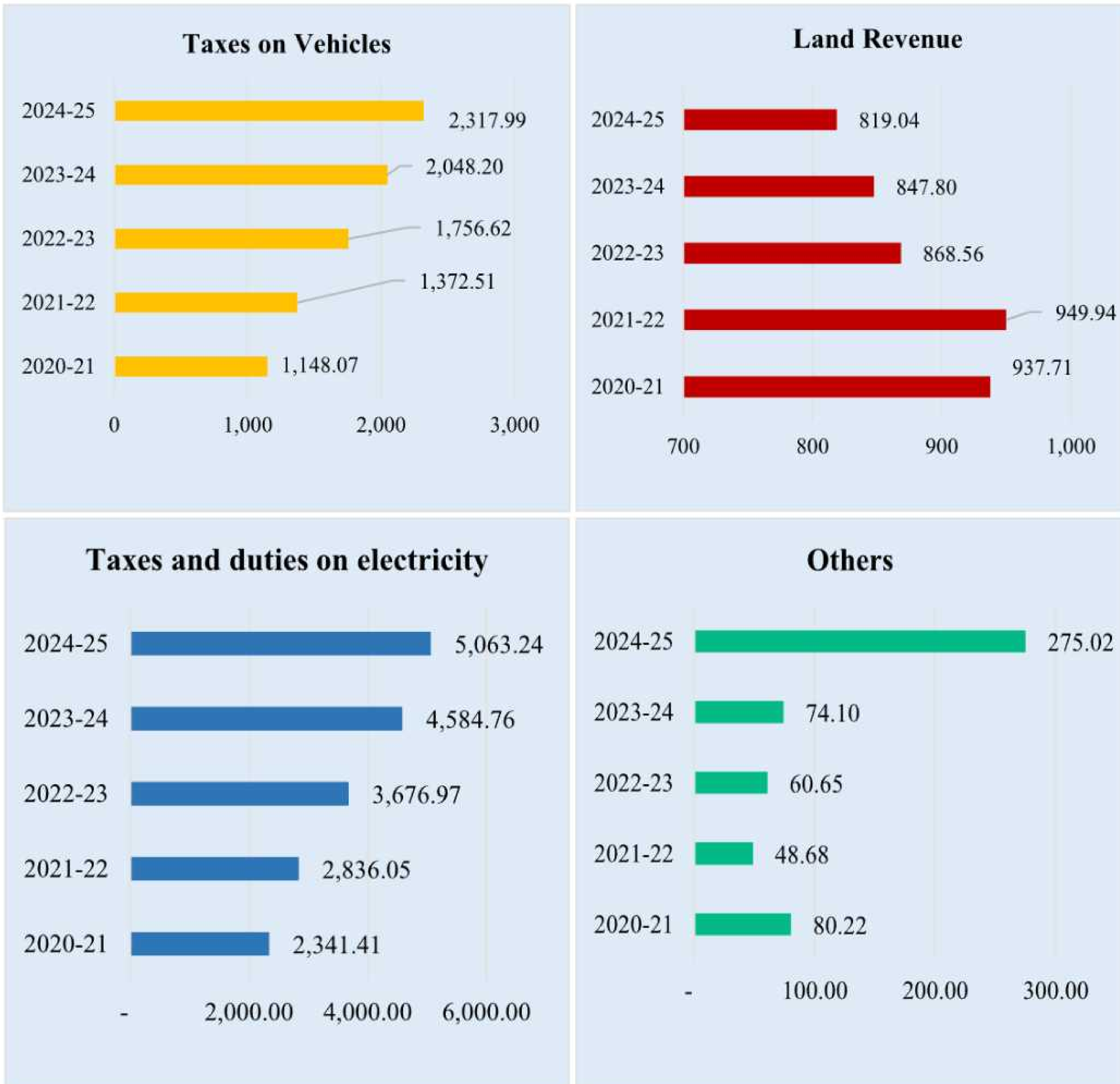
Chart 1.10: Trends of Own Tax Revenue during FY 2015-16 to FY 2024-25



Source: Finance Accounts

Chart 1.11: Major components of State's Own Tax Revenue

(₹ in crore)



Source: Finance Accounts of respective years

- The State's Own Tax Revenue rose significantly by ₹ 21,875.79 crore (95.57%) from ₹ 22,889.20 crore in 2020–21 to ₹ 44,764.99 crore in 2024–25. In the current year, revenue increased by ₹ 5,978.77 crore (15.41%) compared to the previous year, driven primarily by higher receipts from State Goods and Services Tax (SGST)**:** ₹ 2,505.30 crore, State Excise: ₹ 1,711.43 crore and Taxes and Duties on Electricity**:** ₹ 478.48 crore
- The increase in State Goods and Services Tax (SGST) was mainly due to increase in receipt under Apportionment of IGST–Transfer-in of Tax component to SGST (0006-106).
- The increase in State Excise was due to increase under receipt of Country Spirit (0039-101).
- Out of the total own tax revenue of ₹ 44,764.99 crore in 2024-25, the State Goods and Services Tax accounted for the largest share at 36 *per cent* followed by State Excise at 23 *per cent* and Taxes on Sales, Trades, etc. 15 *per cent.*

(ii) Non- Tax Revenue

Non-Tax Revenue of a State refers to the rent, fees, royalties and other receipts of the State Government from sources other than taxes.

Actuals for FY 2023-24, Budget Estimate (BE), Revised Estimate (RE), and Actuals of Non-Tax Revenue for the FY 2024-25 is given in **Table 1.7**.

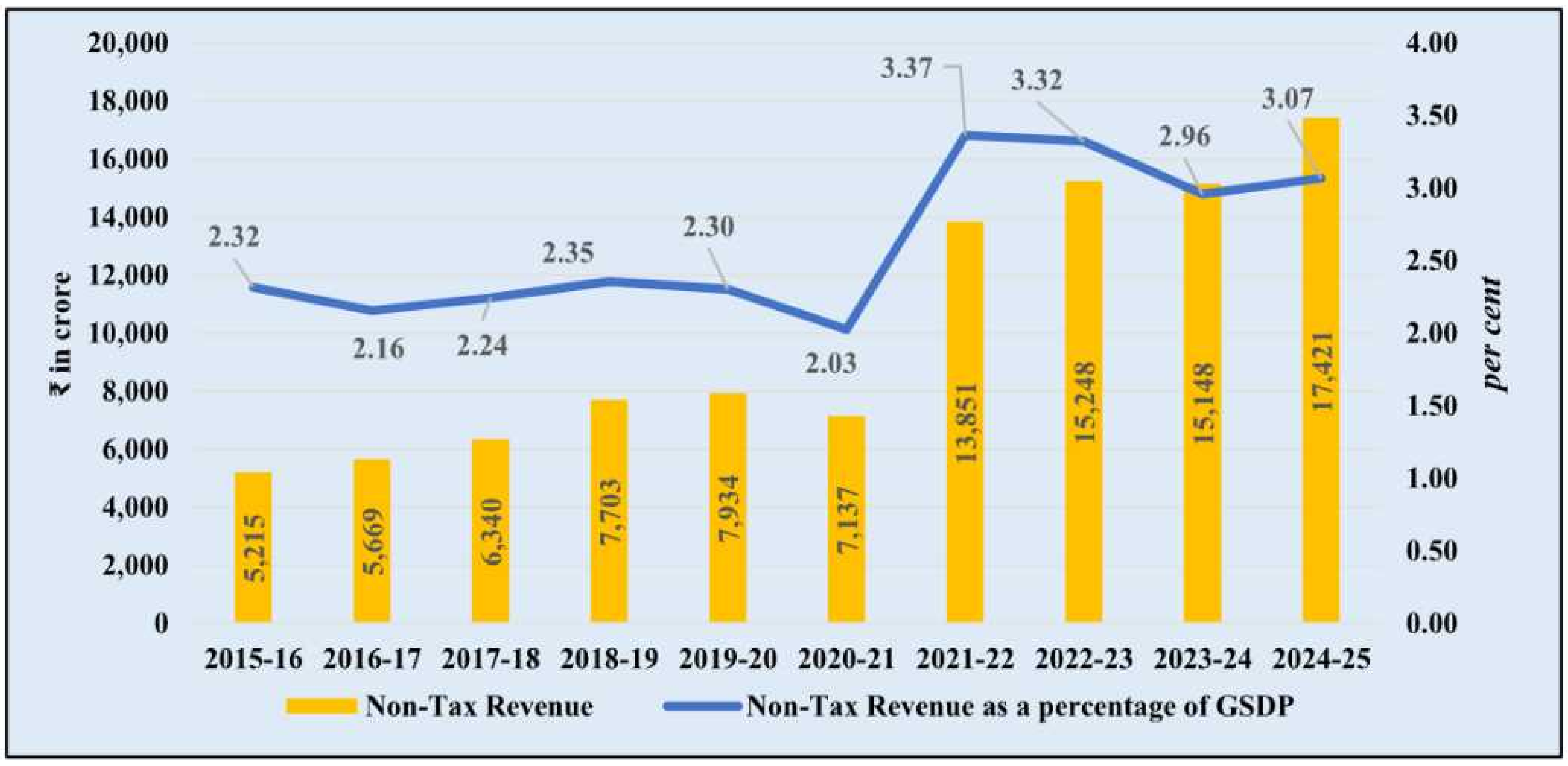
Table 1.7: Major Non-Tax Revenue: 2023-24 (Actuals) and 2024-25 (BE, RE, and Actuals)

(₹ in crore)

Non-Tax Revenue	2023-24 (Actual)	2024-25 (BE)	2023-24 (RE)	2024-25 (Actuals)
Interest Receipts	175.16	263.15	352.06	348.08
Dividends and Profits	3.84	8.13	7.71	1.49
User charges	523.55	1106.71	871.23	691.58
Others	14,445.42	17,322.01	16,269.00	16,379.37
Total	**15,147.97**	**18,700.00**	**17,500.00**	**17,420.52**

Trends of non-tax revenue and its components during the period 2015-16 to 2024-25 are shown in **Chart 1.12** and **Chart 1.13** respectively.

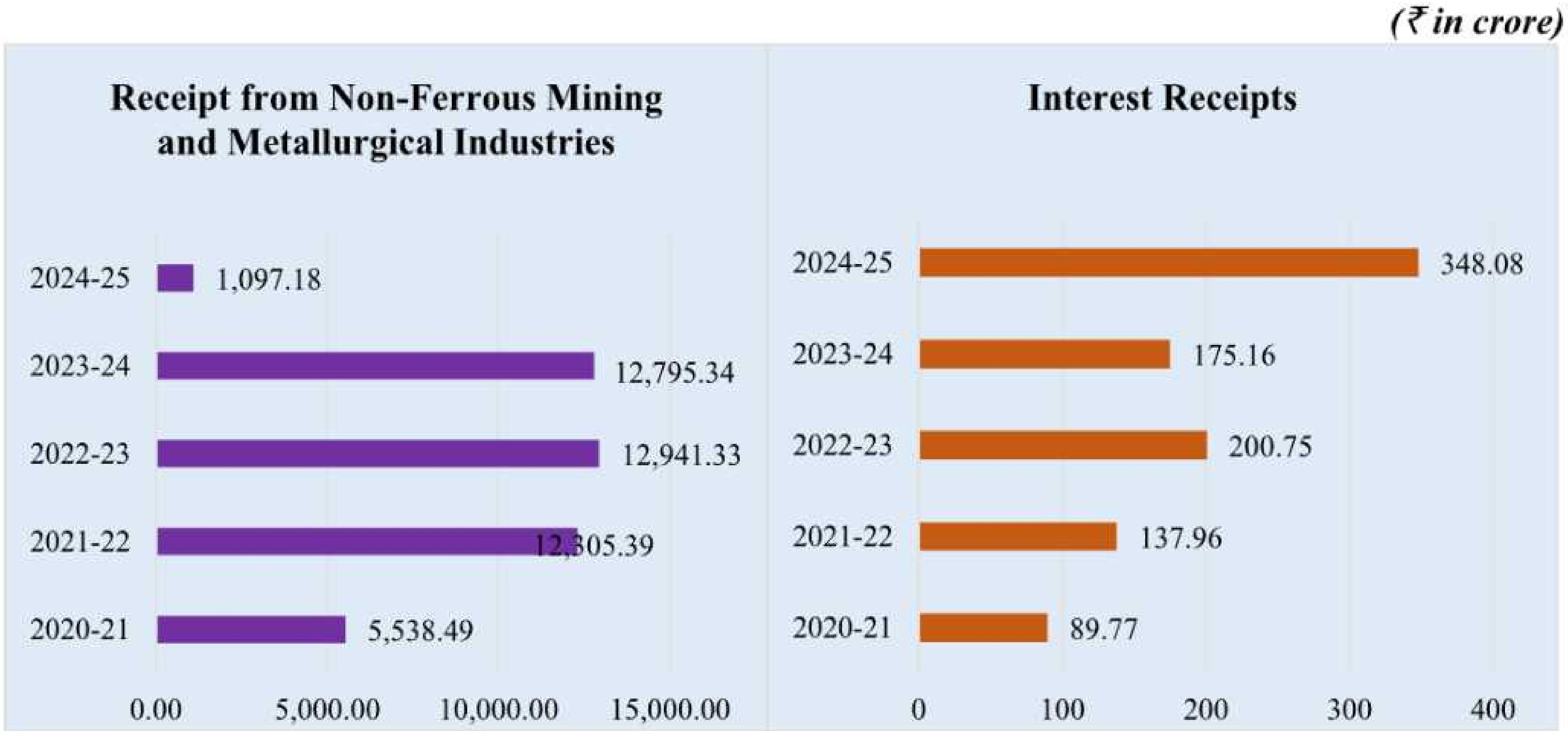
Chart 1.12: Trends in Non-Tax Revenue

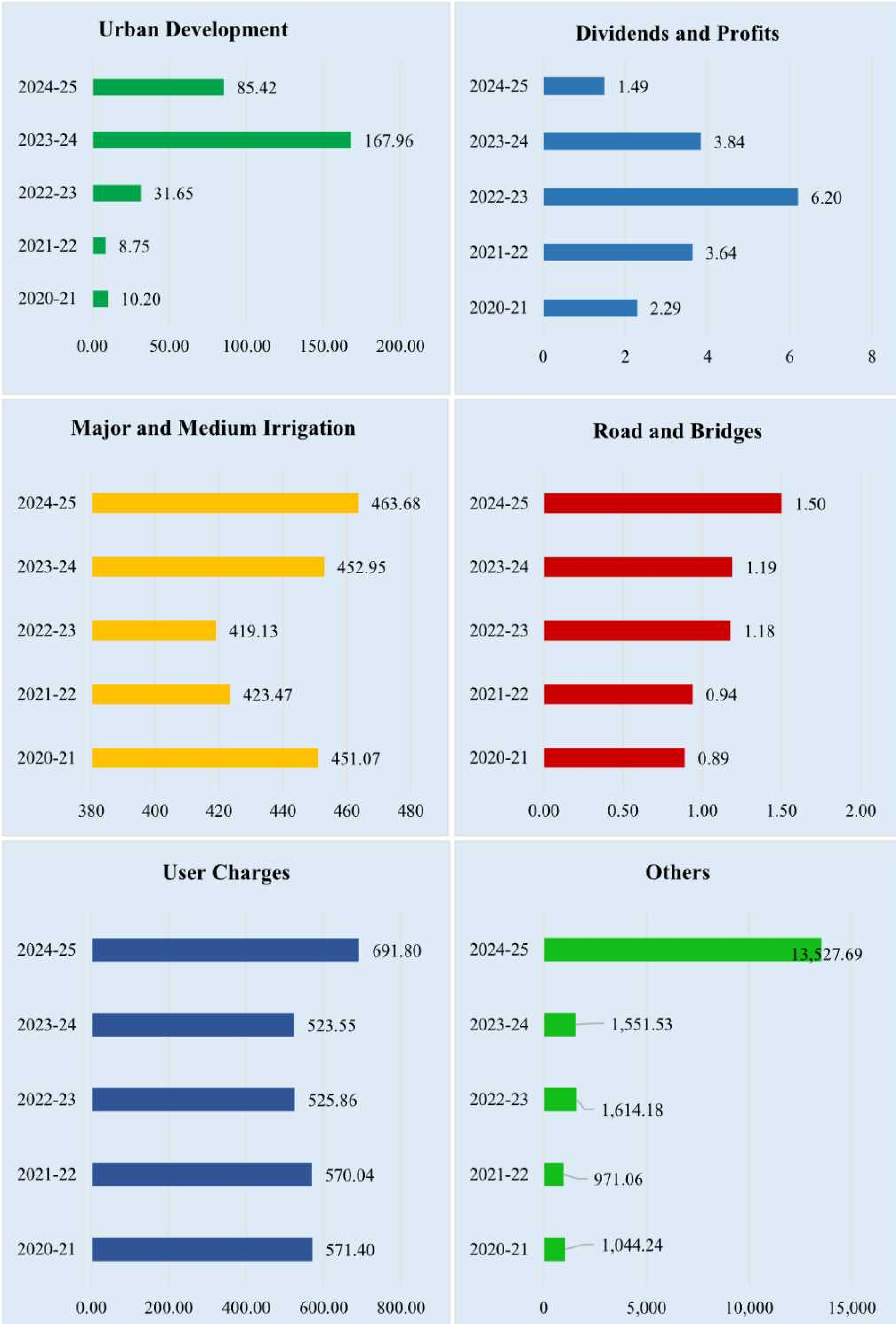


Source: Finance Accounts of respective years

Chart 1.13: Major components of State's Non- Tax Revenue

(₹ in crore)





Source: Finance Accounts of respective years

During the year 2024-25, there was increase of ₹ 2,272.55 crore (15 *per cent*) in total non-tax revenue over the previous year which was mainly due to increase of ₹ 172.92 crore in interest receipts and ₹ 933.95 crore in other non-tax receipts. The increase in other non-tax receipts was mainly under Industries (₹ 8,357.25 crore) and Coal and Lignite (₹ 5,143.96 crore).

The sharp decrease in receipt on account of Non-Ferrous Mining and Metallurgical Industries from ₹ 12,795.34 crore in 2023-24 to ₹ 1,097.18 crore in 2024-25 and sharp increase in Industries and Coal and Lignite in 2024-25 over previous year was due to booking of ₹ 8,357.25 crore under new head Mining (0852-Industry) and ₹ 5,143.96 crore under new head Coal concession fees & royalties and other receipts (0803-Coal and Lignite) in 2024-25 which was previously booked in Non-Ferrous Mining and Metallurgical Industries (0853).

The decrease in receipt under Urban Development (0217) from ₹ 167.96 crore in 2023-24 to ₹ 85.42 crore in 2024-25 was mainly due to decrease of ₹ 126.44 crore under Other Receipts under Sub Major Head Other Urban Development Schemes (60-800).

The Non-Tax Revenue increased significantly by ₹ 6,750.04 crore (94.08 *per cent*) during 2021-22 over the previous year mainly due to increase in receipts from auction of coal blocks and other minerals under Non-ferrous Mining and Metallurgical Industries by ₹ 6,766.90 crore.

User Charge is an important component of non-tax revenues (SNTR). An important consideration for collecting user charge is recovery of current cost of providing services with reasonable return on capital investment. User charges are collected by the State against supply or use of different services, goods and products and facilities such as tuition, public library, sports facilities, State employee insurance, public health laboratories, water supply, irrigation, transport, tourism, etc. User charges increased from ₹ 523.55 crore in 2023-24 to ₹ 691.80 crore in 2024-25 which shows that State is maintaining efficiency in collecting User charges in recent years.

B. State's share in Union Taxes and Duties

Trends in the components of State's share in Union taxes and duties are shown in **Table 1.8.**

Table 1.8: State's share in Union Taxes and Duties

(₹ in crore)

Components	Central Goods and Services Tax (CGST)	Integrated Goods and Services Tax (IGST)	Corporation Tax	Taxes on Income other than Corporation Tax	Customs	Union Excise Duties	Service Tax	Other Taxes[3]	Total
2015-16	0	0	4,950	3,455	2,504	2,070	2,727	10	**15,716**
2016-17	0	0	6,020	4,184	2,589	2,957	3,046	14	**18,809**
2017-18	291	2,094	6,353	5,365	2,094	2,189	2,369	0	**20,755**
2018-19	5,789	462	8,157	6,007	1,663	1,105	218	58	**23,459**
2019-20	5,734	0	6,889	5,398	1,281	890	0	13	**20,206**
2020-21	6,069	0	6,118	6,270	1,097	686	85	14	**20,338**
2021-22	8,629	0	7,700	8,888	2,018	1,009	297	31	**28,571**
2022-23	9,142	0	10,852	10,590	1,272	399	51	53	**32,358**

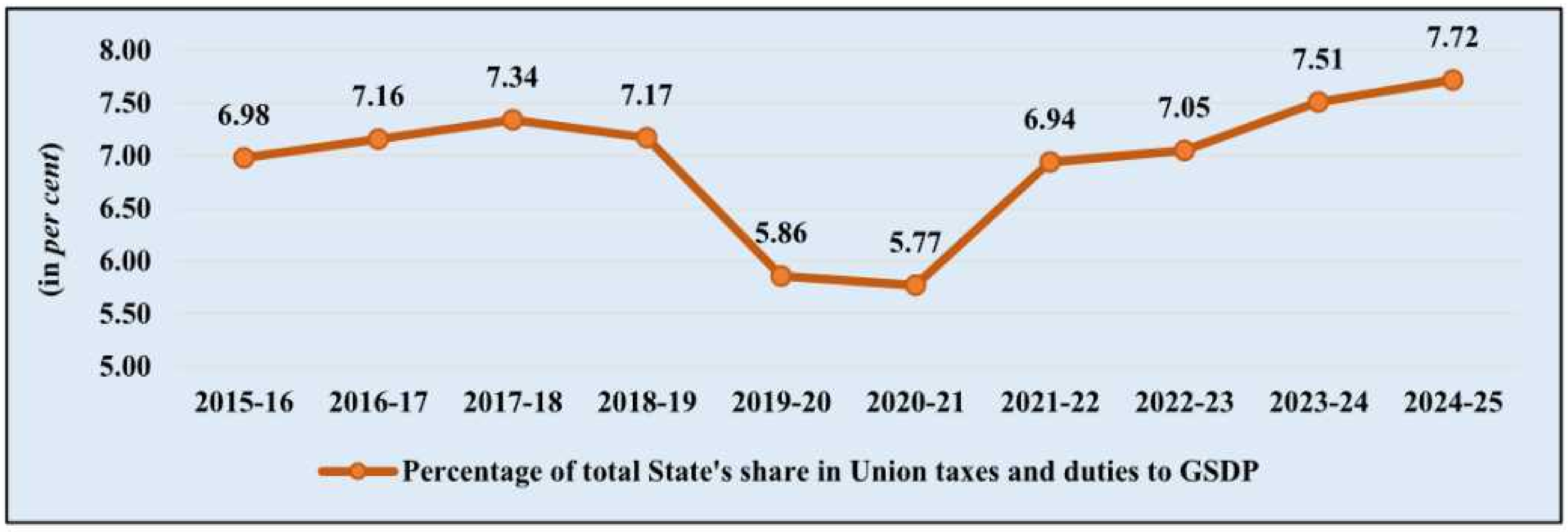
[3] It includes Taxes on Wealth and Other Taxes & Duties on Commodities and Services.

2023-24	11,679	0	11,551	13,339	1,349	510	7	47	**38,482**
2024-25	12,805	0	12,441	15,866	2,231	429	1	71	**43,844**

Source: Finance Accounts

Percentage of total State's share in Union taxes and duties to GSDP is given in **Chart 1.14**

Chart 1.14: Percentage of total State's share in Union taxes and duties to GSDP



Source: Finance Accounts

The State's share of Union taxes and duties accounted for 36.45 *per cent* of its Revenue Receipts during the fiscal year 2024-25. Additionally, the proportion of the State's share in Union taxes and duties relative to the Gross State Domestic Product (GSDP) increased from 5.77 *per cent* in 2020-21 to 7.72 *per cent* in 2024-25.

C. Grants-in-aid from Government of India

Trend of Grants-in-aid (GIA) from GoI and its components are shown in **Table 1.9**.

Table 1.9: Grants-in-aid from Government of India

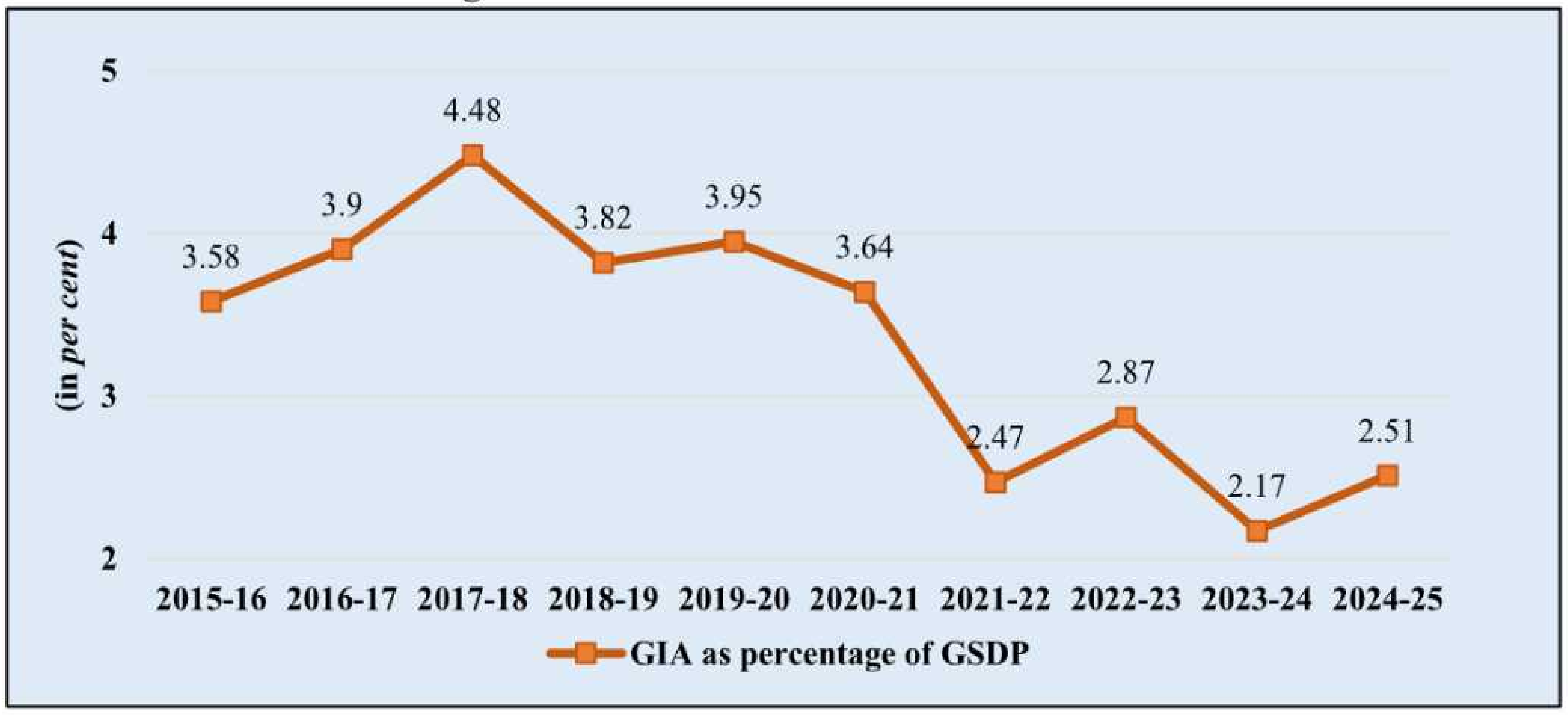
(₹ in crore)

Components	Grants for Centrally Sponsored Plan Schemes	Grants for Centrally Sponsored Schemes	Finance Commission Grants	Other Transfers/ Grants to States	Total
2015-16	4,867	866	-	2,329	**8,062**
2016-17	7,850	399	-	2,013	**10,262**
2017-18	-	9,276	1,460	1,921	**12,657**
2018-19	-	8,215	1,679	2,612	**12,506**
2019-20	-	7,808	2,045	3,758	**13,611**
2020-21	-	6,976	2,290	3,547	**12,812**
2021-22	-	6,171	2,380	1,596	**10,146**
2022-23	-	8,713	1,773	2,663	**13,148**
2023-24	-	8,218	1,771	1,104	**11,092**
2024-25	-	11,811	1,950	500	**14,261**

Source: Finance Accounts

Percentage of Grant-in-aid from Government of India to GSDP is given in **Chart 1.15**

Chart 1.15: Percentage of Grant-in-aid from Government of India to GSDP



The **Chart 1.15** depicts a falling trend in the percentage of Grant-in-Aid from GOI to GSDP due to largely stagnant Grant-in-Aid (₹ 13,611 crore in 2019-20 to ₹ 11,092 crore in 2023-24 and ₹ 14,261 crore in 2024-25 with fluctuatuion in intermediate years) with respect to significant increase in GSDP (from ₹ 3,44,672 crore in 2019-20 to ₹ 5,67,880 crore in 2024-25).

(i) Grants for Centrally Sponsored schemes

Out of the Grants of ₹11,811.16 crore for Centrally Sponsored Schemes during 2024-25, major allocations were made to the schemes shown in **Table 1.10**.

Table 1.10: Major Schemes receiving grants

Name of the Scheme	2024-25 Amount (in crore)	2023-24 Amount (in crore)	Percentage change over previous year
Pradhan Mantri Awas Yojana (Gramin)	5,167.22	1,681.72	207.26
Mahatma Gandhi National Rural Employment Programme	790.62	804.47	-1.72
Flexible Pool for RCH & Health System Strengthening, National Health Programme and Urban Health Mission	673.6	530.44	26.99
***Samagra Shiksha* (Elementary Education)**	509.95	406.72	25.38
Aganwadi Services Scheme	345.06	214.27	61.04
Pradhan Mantri Gram Sadak Yojana	325.24	401.77	-19.05
Supplementary Nutrition Programme for continued implementation of Anganwadi Services	316.4	285.43	10.85
National Rural Livelihood Mission (NRLM) - Aajeevika	313.39	306.04	2.40
Pradhan Mantri Poshan Shakti Nirman (PM-POSHAN)	303.31	238.99	26.91
National Social Assistance Programme-National Old Age Pension	242.21	190.63	27.06

Source: Finance Accounts

(ii) Fifteenth Finance Commission Grants

The Fifteenth Finance Commission (15th FC) grants were provided to the States for local bodies and State Disaster Response Fund (SDRF), State Disaster Mitigation Fund (SDMF) and health sector grants. Details of grants provided by GoI are given in **Table 1.11.**

Table 1.11: Recommended amount, actual release and transfers of Grant-in-aid

(₹ in crore)

Transfers		Recommendation of 15th FC for 2024-25	Actual release by GoI during 2024-25	Release by State Government (Total percentage of the amount released by GoI)
(i) Grants to PRIs		**1,192.00**	**1,185.25**	**1,185.29(100)**
(a)Performance/Tied Grants		715.20	710.97	-
(b) Untied Grants		476.80	474.28	-
(ii) Grants to ULBS		**614.00**	**303.29**	**119.85(39.52)**
(a) Million plus cities (Performance/Tied Grant)		189.00	183.44*	-
(b) Non-million plus cities		425.00	119.85	-
Non-million plus cities (Performance/Tied Grant)		255.00	71.91	-
Non-million plus cities (Untied grant)		170.00	47.94	-
(iii) Grant for Health Sector		**373.00**	**80.25**	**97.67(100)**
Total for Local Bodies (i+ii+iii)		**2,179.00**	**1,568.79**	**1,402.81**
State Disaster Response Fund (SDRF)	Central Share	400.00	380.80	380.80(100)
State Disaster Mitigation Fund (SDMF)	Central Share	100.05	0.00	90.80#
Total for SDRMF		**500.05**	**380.80**	**471.60**

Source: *15th FC Report and Detailed Appropriation Accounts 2024-25.*

***PRIs** - Panchayati Raj Institutions and ULBs - Urban Local Bodies.*

** Includes grant of ₹ 10.19 crore released for Urban PHCs (Support to Diagnostic Infrastructure)*

 # This amount pertains to the year 2022-23

The funds received from the Central Government for the PRIs were fully released by the State Government. However, against the ₹ 303.29 crore received from the Centre for ULBs, the State Government released only ₹ 119.85 crore (39.52 *per cent*). The State Government also released in full the Central share received under SDRF of ₹ 380.80 crore along with matching State share of ₹ 127.20 crore for the year 2024-25 and further released ₹ 121.05 crore under SDMF (comprising both Central share of ₹ 90.80 crore and State shares of ₹ 30.25 crore) relating to the previous year 2022-23. During the current year, no Central share was released by the Government of India for SDMF.

1.2.2 Capital Receipts

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.

Trends of capital receipts and its components during 2015-16 to 2024-25 are shown in **Table 1.12.**

Table 1.12: Trends in growth and composition of capital receipts

(₹in crore)

Sources of State's Receipts	2015-16	2016-17	2017-18	2018-19	2019-20
Capital Receipts	**7,551**	**5,656**	**9,796**	**14,538**	**19,849**
Miscellaneous Capital Receipts	3	2	3	5	5
Recovery of Loans and Advances	297	173	140	163	257
Public Debt Receipts	7,251	5,480	9,652	14,370	19,588
Internal Debt	*7,106*	*5,098*	*9,188*	*13,817*	*19,308*
Loans and advances from GoI	*145*	*382*	*465*	*553*	*279*
Year-on-Year growth rates (in per cent)					
GSDP	1.83	16.72	7.59	15.69	5.37
Capital Receipts	13.74	-25.10	73.20	48.42	36.53
Debt Capital Receipts	12.60	-24.43	76.14	48.88	36.31
Internal Debt	*10.49*	*-28.25*	*80.21*	*50.38*	*39.75*
Loans and advances from GoI	*1,571.81*	*162.62*	*21.76*	*19.13*	*-49.56*
Sources of State's Receipts	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Capital Receipts	**21,691**	**15,191**	**10,762**	**54,080**	**33,491**
Miscellaneous Capital Receipts	5	5	6	5	5
Recovery of Loans and Advances	104	88	117	26	23
Public Debt Receipts	21,582	15,098	10,639	54,050	33,463
Internal Debt	*17,961*	*9,322*	*6,939*	*50,258*	*27,046*
Loans and advances from GoI	*3,620*	*5,777*	*3,700*	*3,791*	*6,417*
Year-on-Year growth rates (in per cent)					
GSDP	2.22	16.83	11.49	11.60	10.89
Capital Receipts	9.28	-29.96	-29.16	402.53	-38.07
Debt Capital Receipts	10.18	-30.04	-29.54	408.05	-38.09
Internal Debt	*-6.98*	*-48.10*	*-25.57*	*624.33*	*-46.19*
Loans and advances from GoI	*1,196.81*	*59.56*	*-35.95*	*2.46*	*69.26*

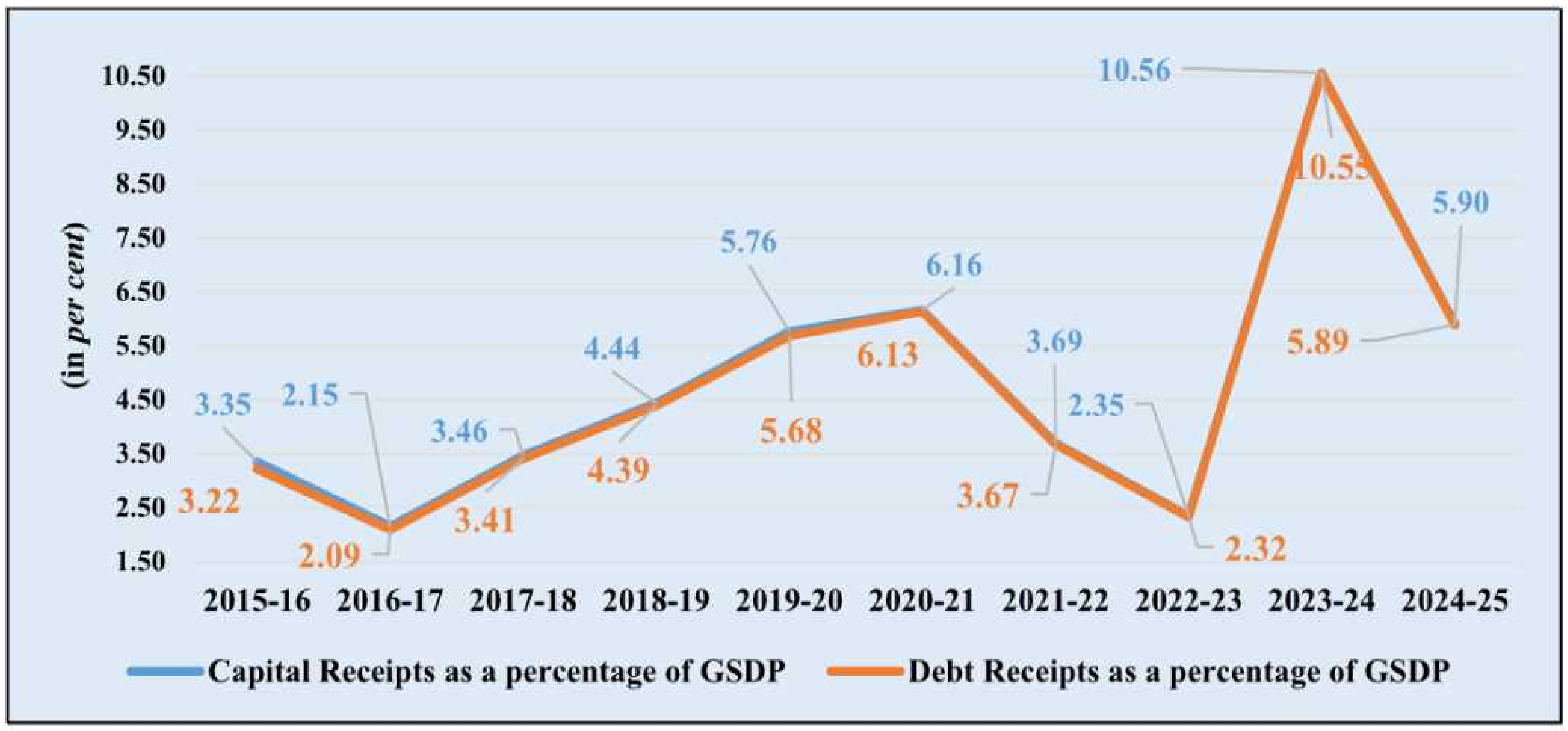
Source: Finance Accounts

** Including net figure under Ways and Means Advances/Overdraft/Special Drawing Facility*

Over the past five years, Capital Receipts, particularly Debt Capital Receipts, have shown a fluctuating trend in growth relative to GSDP, with negative growth recorded in all years except FY 2020-21 and FY 2023-24. In FY 2023-24, Capital Receipts experienced a remarkable increase of 402.53 *per cent* over the previous year, while GSDP grew by a modest 11.60 *per cent*. This sudden spike can be attributed to increase of 624.33 *per cent* in Internal Debt receipts over previous year.

Capital Receipts as percentage of GSDP is depicted in **Chart 1.16**

Chart 1.16: Capital Receipts and Debt Receipts as percentage of GSDP



1.2.3 Finance Commission Projections and Actuals

The projected revenue, deficits and GSDP by the 15th Finance Commission and actuals for the FY 2020-21 to FY 2024-25 are given in the **Table 1.13**.

Table 1.13: 15th FC Projection *vis-à-vis* actuals

(₹ in crore)

	2020-21		2021-22		2022-23		2023-24		2024-25	
	Proj.	Act.	Proj.	Act.	Proj.	Act.	Proj.	Act.	Proj.	Act.
GSDP (2011-12 Series Current Prices)	3,84,853	3,52,328	3,62,467	4,11,613	3,90,623	4,58,891	4,24,095	5,12,107	4,62,155	5,67,880
Own Revenue Receipts	40,262	30,026	32,976	40,935	36,039	48,371	39,731	53,934	43,996	62,186
State's Own Tax Revenue	31,784	22,889	24,105	27,084	26,410	33,122	29,195	38,786	32,420	44,765
State's Own Non-Tax Revenue	8,477	7,137	8,871	13,851	9,629	15,248	10,536	15,148	11,576	17,421
State's share in Union Taxes/ Duties	29,230	20,338	22,438	28,571	24,961	32,358	28,087	38,482	31,909	43,844
Revenue Deficit (-) /Surplus (+) as percentage of GSDP	4.98	-2.7	0.89	0.51	1.46	1.04	1.97	-2.65	2.59	-1.33
Fiscal Deficit (-) as percentage of GSDP	-4.5	-4.72	-4	-1.56	-3.5	-1.22	-3	-5.44	-3	-4.69

Source: *Finance Accounts of respective years and 15th FC Reports*

Proj. - Projection, Act. - Actuals

Negative values indicate Deficit, and positive values indicate Surplus.

**** Post Audit figures for Revenue and Fiscal deficit have been taken.***

1.2.4 Expenditure

Government expenditure is classified into revenue expenditure, capital expenditure, and loans and advances. Revenue expenditure includes costs for maintenance, repairs, and day-to-day functioning of departments, including administrative and establishment expenses. Capital expenditure relates to the initial construction of projects and sanctioned improvements or additions to assets. Loans and advances comprise funds provided by the government to Public Sector Undertakings and other entities, which are recoverable over time. Details of expenditure, total expenditure as percentage of GSDP and share of its components is given in **Table 1.14, Chart 1.17** and **Chart 1.18** respectively.

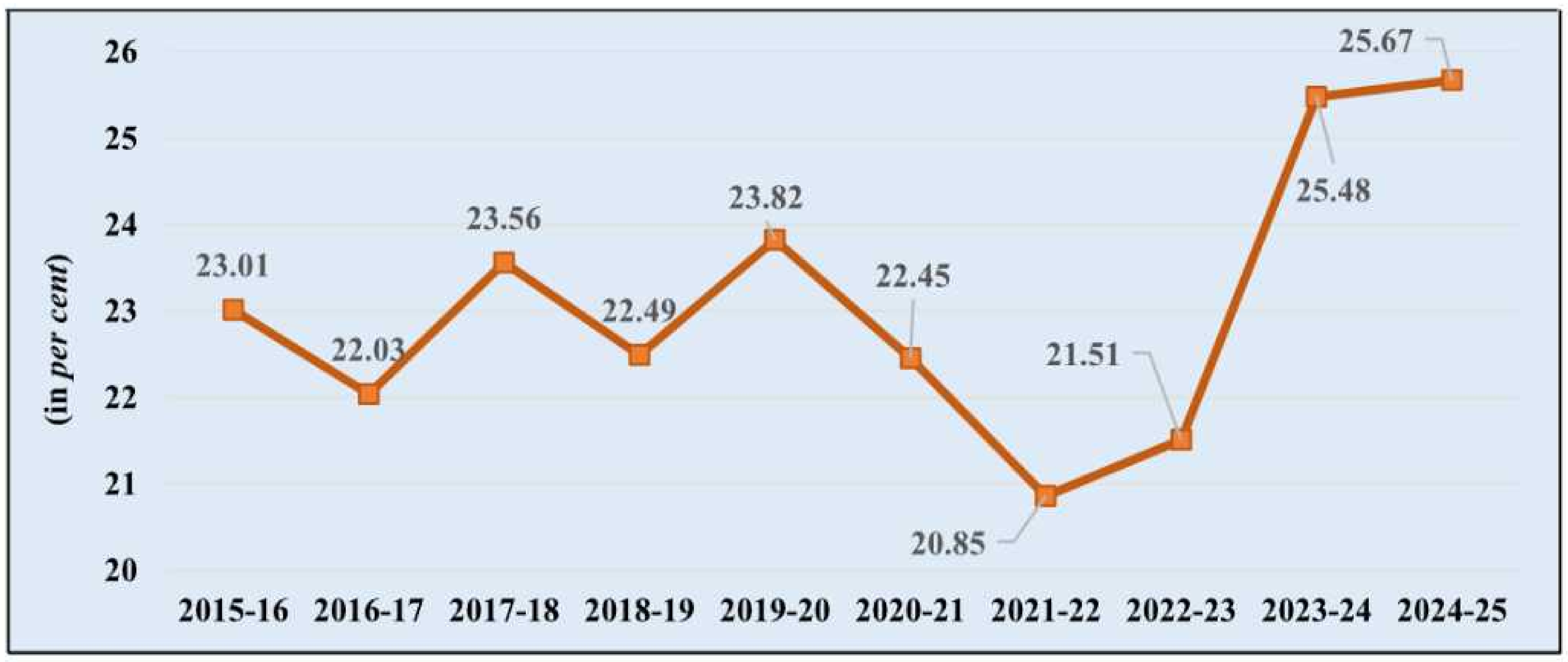
Table 1.14: Total expenditure and its composition

(₹ in crore)

Parameters	Total Expenditure (TE)	Revenue Expenditure (RE)	Capital Expenditure (CE)	Loans and advance[4]	Appropriation to contingency fund
2015-16	51,811	43,701	7,945	165	--
2016-17	57,908	48,165	9,471	273	--
2017-18	66,601	56,230	10,001	370	--
2018-19	73,555	64,411	8,903	241	--
2019-20	82,100	73,477	8,566	56	--
2020-21	79,108	70,033	9,024	51	--
2021-22	85,838	75,010	10,504	324	--
2022-23	98,691	85,285	13,320	86	--
2023-24	1,30,472	1,14,741	15,419	312	--
2024-25	1,45,766	1,25,390	20,055	322	--

Source: Finance Accounts

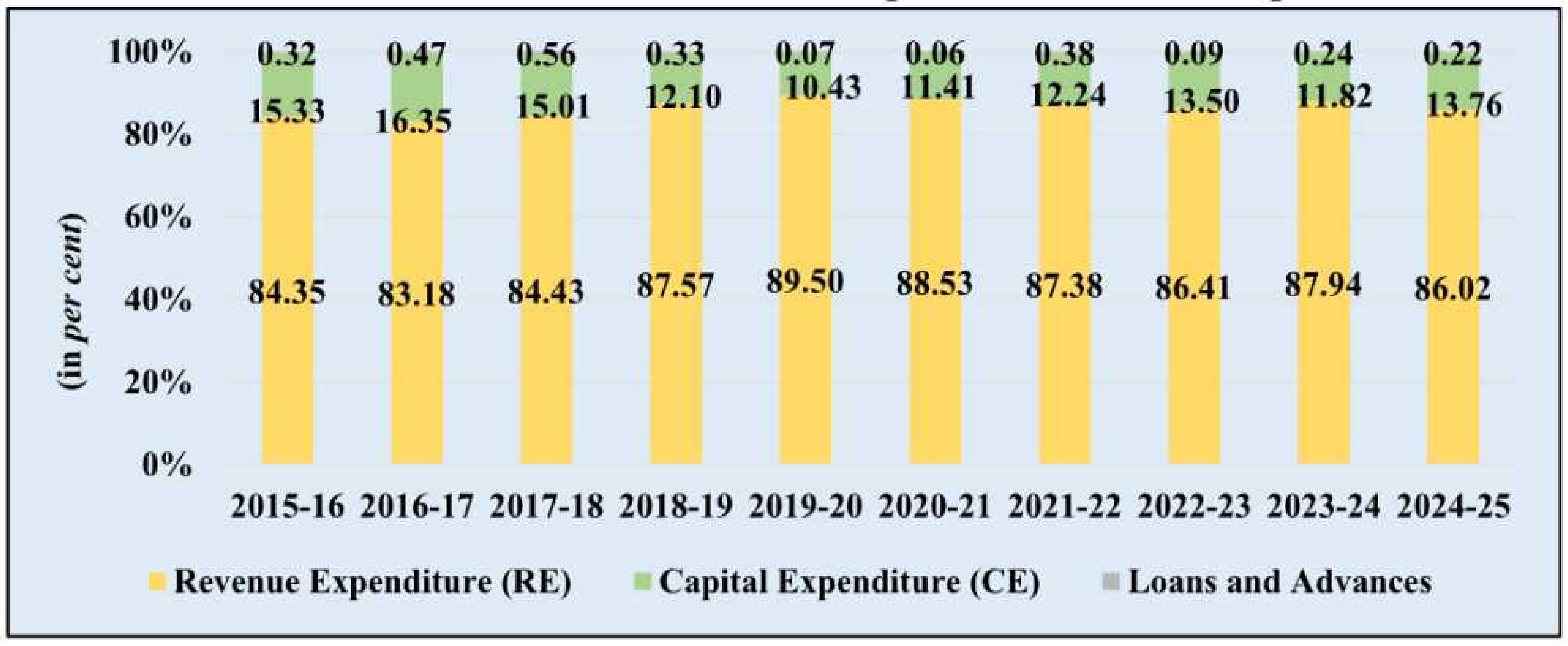
Chart 1.17: Total Expenditure as percentage of GSDP



Source: Finance Accounts

[4] Loans and advances include inter-state settlement

Chart 1.18: Share of components in Total Expenditure



Source: Finance Accounts

Out of the total expenditure of ₹ 1,45,765.99 crore incurred by the State during the financial year 2024-25, a portion of ₹ 12,074.63 crore pertained to pass-through transactions such as transfer of Central Finance Commission Grants to urban and rural local bodies, transfer of two *per cent* of the royalty to the National Mineral Exploration Trust, labour cess collected and kept in Government Account and transferred to the Building and other Construction Workers' Welfare Board, transfer of Central Share received by the State on Centrally Sponsored Schemes, Central Sector Schemes to Single Nodal Agency, transfer of NPS contribution from the designated major head in Public Account to designated fund manager *etc.*

Chart 1.18 shows that the revenue expenditure constituted the dominant portion (86.02 *per cent* to 88.53 *per cent*) of the total expenditure during 2020-25. The capital expenditure, on the other hand, constituted between 11.41 *per cent* and 13.76 *per cent* of total expenditure which reflects that State is allocating a major portion of its expenditure on routine and administrative expenses leaving small portion for investment in asset formation and infrastructure development. State's expenditure pattern is titled towards consumption side rather than productive investment which can hamper its long-term fiscal sustainability and growth objectives.

Sector-wise Total Expenditure

Sector-wise composition of expenditure is given in **Table 1.15** and relative share of various sectors in total expenditure is depicted in **Chart 1.19**.

Table 1.15: Sector-wise total expenditure

(₹ in crore)

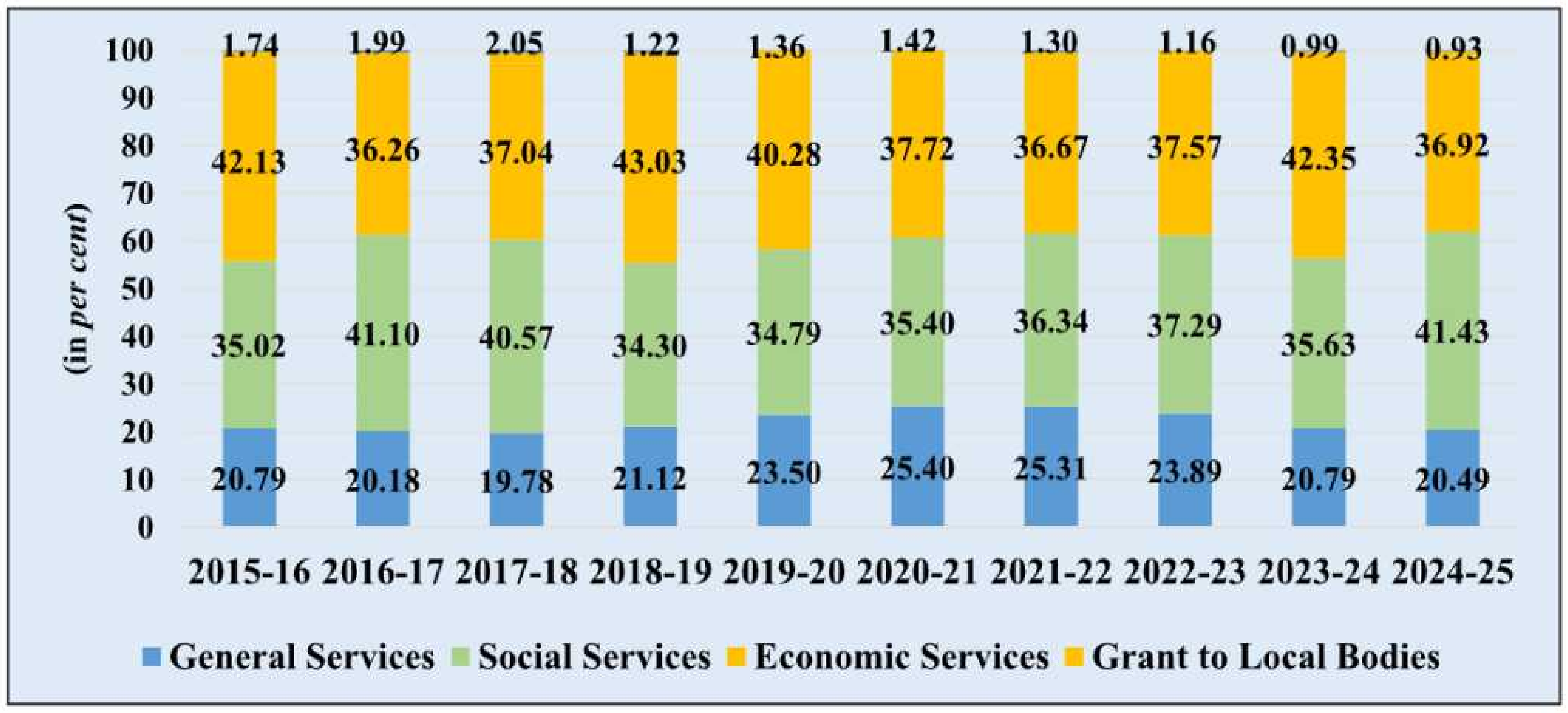
Parameters	General Services	Social Services	Economic Services	Grants to Local Bodies	Loans and Advances[5]
2015-16	10,771	18,146	21,828	900	165
2016-17	11,684	23,802	20,999	1,151	273
2017-18	13,174	27,023	24,669	1,365	370
2018-19	15,536	25,229	31,655	895	241
2019-20	19,290	28,565	33,069	1,120	56

[5] Includes Inter-State settlement.

2020-21	20,095	28,001	29,836	1,125	51
2021-22	21,727	31,197	31,477	1,113	324
2022-23	23,580	36,807	37,076	1,143	86
2023-24	27,124	46,486	55,252	1,298	312
2024-25	29,872	60,393	53,824	1,357	322

Source: Finance Accounts

Chart 1.19: Relative share of various sectors in Total Expenditure



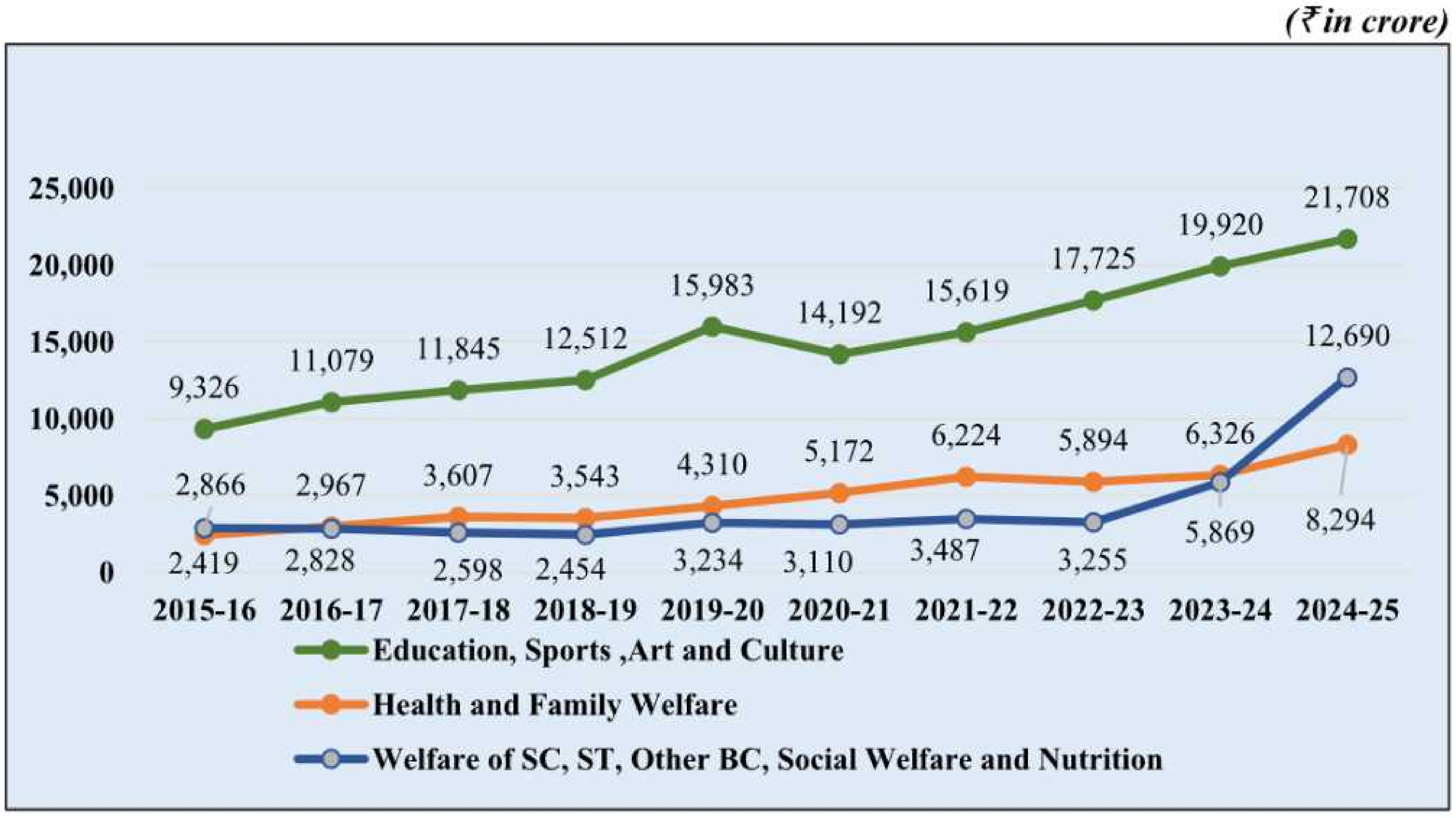
Source: Finance Accounts
Note: The share of Loans and Advances in total expenditure is negligible

As can be seen from **Chart 1.19**, the share of social services expenditure in total expenditure has shown an increasing trend i.e. from 35.40 *per cent* in 2020-21 to 41.43 *per cent* in 2024-25 which reflects welfare orientation of State. The share of General services in total expenditure showed a decreasing trend from 25.40 *per cent* in 2020-21 to 20.49 *per cent* in 2024-25 reflecting state's focus on rationalising administrative expenses.

The major areas under Social Services Sector where substantial allocations and expenditure were observed are shown in **Chart 1.19(A):**

Chart 1.19(A): Major areas of Expenditure under Social Service Sector

(₹ in crore)



The major welfare schemes of the State Government during the year 2024-25 are as detailed below

(₹in crore)

Scheme/Programme	Total Budget	Expenditure	Percentage of Total Expenditure	Percentage of Revenue Expenditure	Percentage of Revenue Receipts
Mahtari Vandan Yojana	7,900.00	7,849.70	5.39	6.26	6.53
Higher Secondary School	3,952.77	3,471.06	2.38	2.77	2.89
Government Primary Schools (for basic Minimum Services)	3,241.13	2,803.83	1.92	2.24	2.33

The above three schemes constitute 9.69 *per cent* and 11.27 *per cent* of Total and Revenue Expenditure respectively and is consuming 11.75 *per cent* of Revenue Receipts.

1.2.4.1 Revenue expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network. Growth of revenue expenditure, its ratio to total expenditure, GSDP and revenue receipts are shown in **Table 1.16**.

Table 1.16: Revenue Expenditure – Basic Parameters

(₹in crore)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
Total Expenditure (TE)	51,811	57,908	66,601	73,555	82,100
Revenue Expenditure (RE)	43,701	48,165	56,230	64,411	73,477
RE as percentage of Revenue Receipts	*94.86*	*89.72*	*94.27*	*98.95*	*115.04*
RE as percentage of TE	*84.35*	*83.17*	*84.43*	*87.57*	*89.50*
RE/GSDP (*per cent*)	*19.41*	*18.33*	*19.89*	*19.69*	*21.32*
Year-on-Year growth (in *per cent*)					
Revenue Expenditure	*10.46*	*10.21*	*16.74*	*14.55*	*14.08*
GSDP Growth	*1.83*	*16.72*	*7.59*	*15.69*	*5.37*
Parameters	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Total Expenditure (TE)	79,108	85,838	98,691	1,30,472	1,45,766
Revenue Expenditure (RE)	70,033	75,010	85,285	1,14,741	1,25,390
RE as percentage of Revenue Receipts	*110.85*	*94.17*	*90.85*	*110.85*	*104.24*
RE as percentage of TE	*88.53*	*87.39*	*86.42*	*87.94*	*86.02*
RE/GSDP (*per cent*)	*19.88*	*18.22*	*18.59*	*22.41*	*22.08*
Year-on-Year growth (in *per cent*)					
Revenue Expenditure	*-4.69*	*7.11*	*13.7*	*34.54*	*9.28*
GSDP Growth	*2.22*	*16.83*	*11.49*	*11.6*	*10.89*

Source: Finance Accounts

Revenue Expenditure as a percentage of Revenue Receipts showed a fluctuating trend in last five years ranging from 90.85 *per cent* to 110.85 *per cent* and it reached 104.24

per cent in 2024-25 indicates possible future fiscal stress on State Finances. During 2024-25, the growth rate of GSDP outpaced the growth in revenue expenditure, indicating sustainability of the State's revenue expenditure profile.

A. Sector-wise Revenue Expenditure

Sector-wise composition of Revenue expenditure is given in **Table 1.17** and Relative share of various sectors in Revenue expenditure is depicted in **Chart 1.20**. Detailed Sector-wise expenditure is given in **Appendix 1.2**.

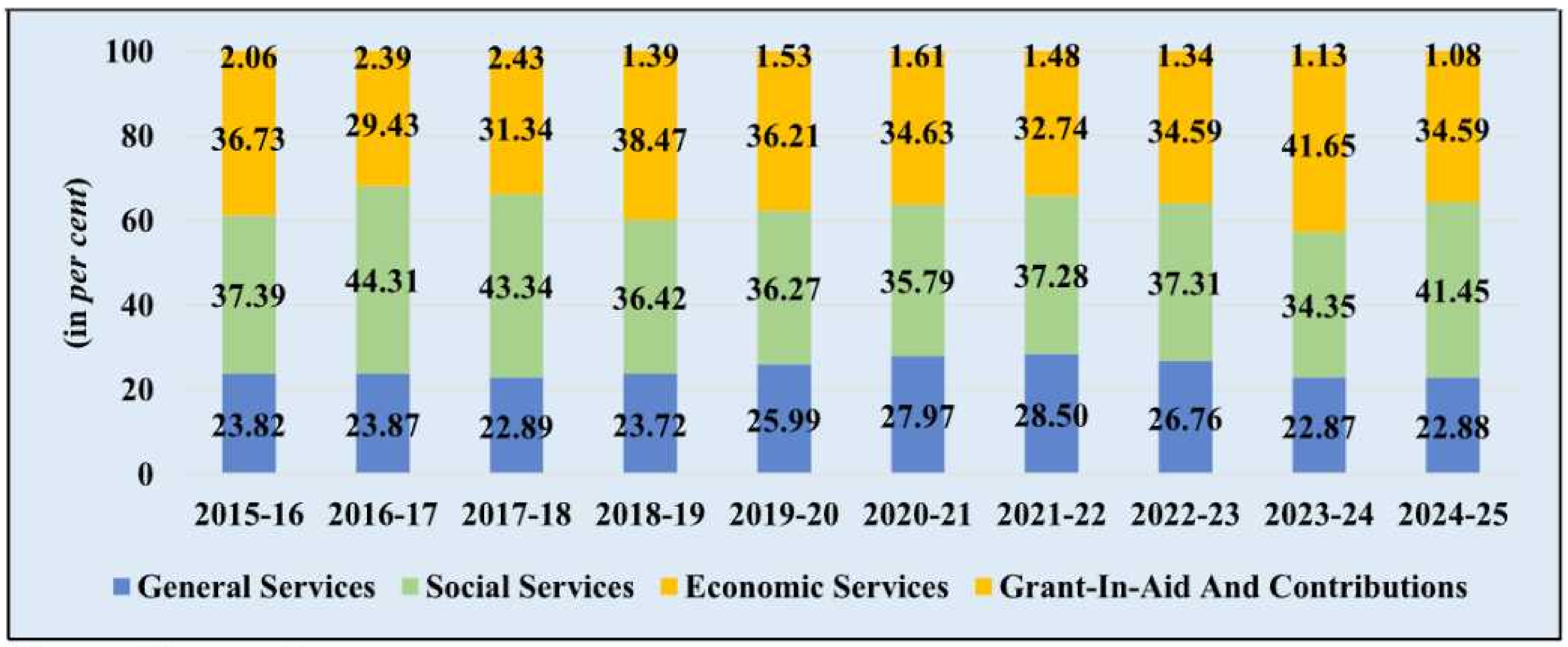
Table 1.17: Sector-wise Revenue expenditure

(₹ in crore)

Parameters	General Services	Social Services	Economic Services	Grants-In-Aid And Contributions
2015-16	10,409	16,339	16,053	900
2016-17	11,496	21,342	14,176	1,151
2017-18	12,870	24,372	17,623	1,365
2018-19	15,280	23,455	24,780	895
2019-20	19,095	26,653	26,609	1,120
2020-21	19,586	25,066	24,255	1,125
2021-22	21,375	27,964	24,558	1,113
2022-23	22,825	31,818	29,499	1,143
2023-24	26,240	39,412	47,791	1,298
2024-25	28,687	51,971	43,374	1,357

Source: Finance Accounts

Chart 1.20: Relative share of various sectors in Revenue Expenditure



Source: Finance Accounts

As can be seen from **Chart 1.20**, the share of General services in revenue expenditure showed a decreasing trend from 27.97 *per cent* in 2020-21 to 22.88 *per cent* in 2024-25 reflecting state's focus on rationalising administrative expenses. The share of social services expenditure in revenue expenditure has shown an increasing trend i.e. from 35.79 *per cent* in 2020-21 to 41.45 *per cent* in 2024-25, which reflects state's focus on containing routine expenses and prioritisation of welfare-oriented spending.

B. Committed expenditure

The committed expenditure of the State Government on revenue account consists of interest payments; expenditure on salaries and wages; and pensions. It has first charge on Government resources. The components of committed expenditure are given in **Table 1.18** and committed expenditure as a percentage of revenue receipts and remaining fiscal space for other expenditure is given in **Chart 1.21.**

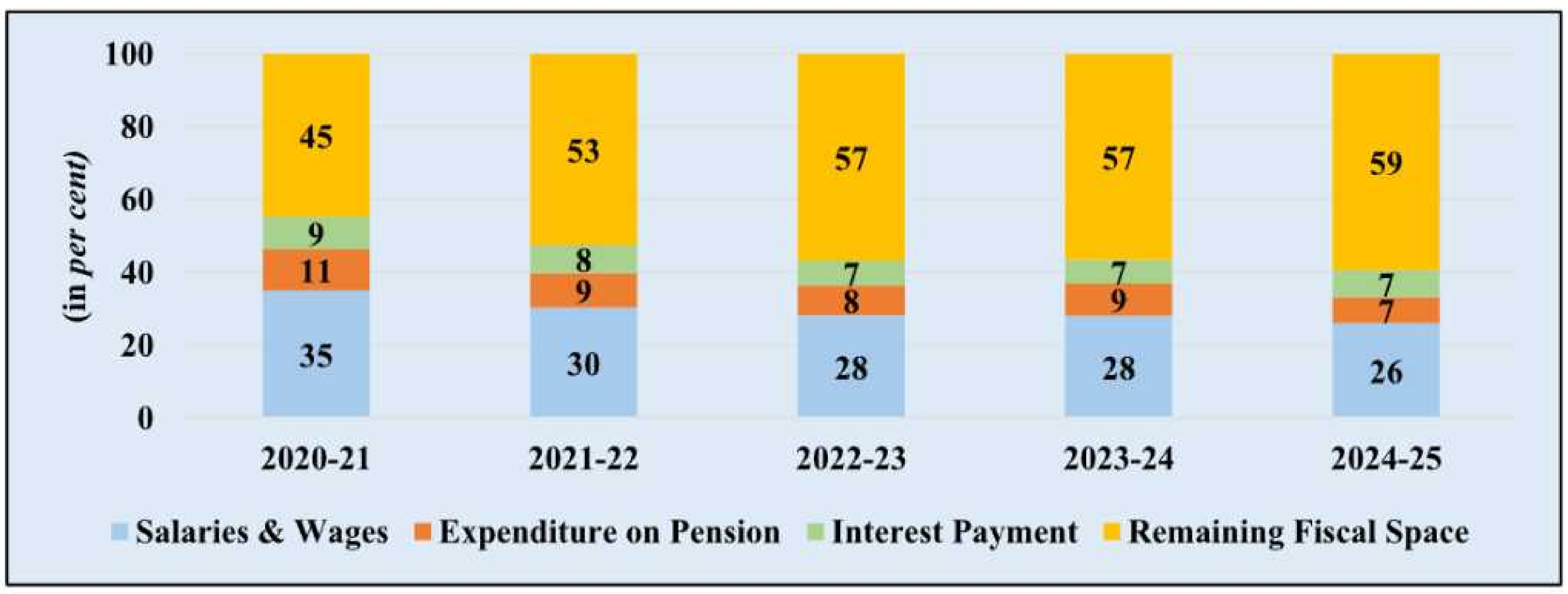
Table 1.18: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	Salaries & Wages	Expenditure on Pensions	Interest Payments	Total	Committed Expenditure as a percentage of Revenue Expenditure
2015-16	13,483	3,519	2,149	**19,151**	**43.82**
2016-17	14,629	3,486	2,687	**20,803**	**43.19**
2017-18	17,006	3,924	3,098	**24,028**	**42.73**
2018-19	19,400	5,429	3,653	**28,481**	**44.22**
2019-20	22,437	6,638	4,970	**34,046**	**46.33**
2020-21	22,143	7,136	5,633	**34,912**	**49.85**
2021-22	24,210	7,472	6,144	**37,827**	**50.43**
2022-23	26,524	7,661	6,382	**40,567**	**47.57**
2023-24	29,095	9,112	6,798	**45,005**	**39.22**
2024-25	31,420	8,511	8,952	**48,883**	**38.98**

Source: Finance Accounts

Chart 1.21: Committed Expenditure as a percentage of Revenue receipts and remaining fiscal space



Source: Finance Accounts

The share of committed expenditure as a percentage of revenue expenditure decreased from 49.85 *per cent* in 2020-21 to 38.98 *per cent* in 2024-25 and its share as a percentage of revenue receipts decreased from 55 *per cent* in 2020-21 to 41 *per cent* in 2024-25 shows increasing fiscal flexibility of State leaving increasing space for potential capital or welfare expenditure.

The committed expenditure of the State was 8.61 per cent of GSDP and 33.53 per cent of total expenditure of the State and this was higher than the neighbouring states like Jharkhand (6.26 per cent and 29.51 per cent), Odisha (6.62 per cent and 28.09 per *cent) and Madhya Pradesh (6.74 per cent and 31.90 per cent). This higher committed expenditure was mainly on account of salaries and wages.*

C. Subsidies

The subsidies during the current year increased by ₹ 5,742.32 crore (53.18 *per cent*) from the previous year. The increase was mainly due to increase in subsidy at ₹ 3,405.40 crore, ₹ 1,815.89 crore and ₹ 381.59 crore on account of Food and Civil Supplies, Energy and Commerce and Industries respectively.

Department-wise major subsidies for FYs 2020-21 to 2024-25, are shown in **Table 1.19.**

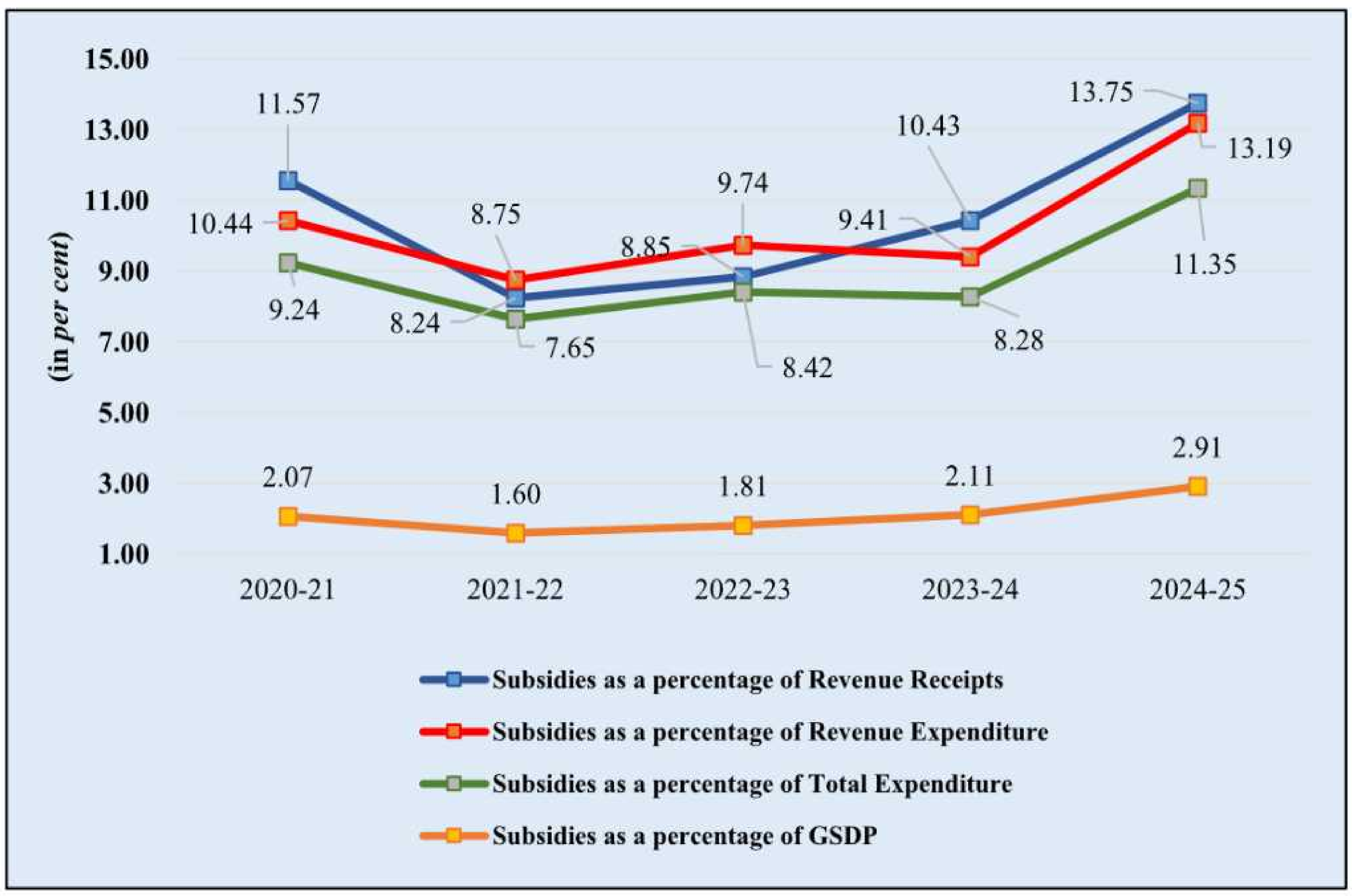
Table 1.19: Department-wise Subsidies during FYs 2020-21 to 2024-25

(₹ in crore)

Sl. No	Departments	2020-21	2021-22	2022-23	2023-24	2024-25
1	Energy	2,844.84	2,243.00	3,275.71	6,033.02	7,848.91
2	Food and Civil Supplies	3,860.06	3,675.95	4,372.68	3,914.98	7,320.38
3	Agriculture	338.67	263.16	262.85	276.13	342.87
4	Co-operative	100.00	215.19	183.00	249.53	195.44
5	Commerce and Industries	139.55	141.65	165.55	273.37	654.96
6	Other Departments	24.82	26.35	46.49	49.85	176.64
	Total Subsidy	**7,307.94**	**6,565.30**	**8,306.28**	**10,796.88**	**16,539.20**

Source: Finance Accounts

Chart 1.22: Trend analysis of Subsidies



The Sharp increase of 53.18 *per cent* during 2024-25 over 2023-24 can be mainly attributed to increased allocation on Schemes like Chief Minister Food Assistance Scheme (₹ 2,177.38 crore), Grant for Free Supply of Electricity to agricultural Pumps of Five H.P. (₹ 1,377.00 crore). Subsidies as a percentage of Revenue Expenditure increased from 10.44 *per cent* in 2020-21 to 13.19 *per cent* in 2024-25, posing a strain on resources needed for Developmental Expenditure. Increase in amount of Subsidy in last three years is showing possible negative impact on Fiscal Sustainability. On this being pointed out, the State Government in its reply (February 2026) stated that the increase is primarily driven by payment of the pending subsidy liabilities of previous years. This move aims to clear arrears and maintain comfortable financial positions of the entities like NAN, MARKFED, DISCOM. A major portion of these subsidies is directed toward the Food, Agriculture and Power sectors, ensuring higher price support for farmers and free electricity to farmers, which are vital for the state's socio-economic stability. Despite the fiscal pressure, the state has maintained its commitment to social safety nets, viewing these expenditures as essential investments in rural economy and consumer purchasing power.

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

Assistance provided by way of grants to the local bodies and other institutions during the period 2020-21 to 2024-25 is presented in **Table 1.20.**

Table 1.20: Financial assistance to Local Bodies and other institutions

(₹ in crore)

Institutions	2020-21	2021-22	2022-23	2023-24	2024-25
(A) Local Bodies					
Municipal Corporations and Municipalities	3,554.17	3,904.13	4,296.67	4,412.18	2,807.85
GIA for creation of Capital assets to Municipal Corporations and Municipalities	676.42	765.92	691.80	1,051.25	0.00
Zilla parishads and other Panchayati Raj Institutions	4,421.79	4,345.60	5,903.98	9,470.53	11,082.90
GIA for creation of Capital assets to PRIs	103.61	76.79	576.91	508.84	0.00
Total (A)	**7,975.96**	**8,249.73**	**10,200.65**	**13,882.71**	**13,890.75**
(B) Others					
Educational Institutions (Aided Schools, Colleges, Universities, etc.)	204.97	254.57	262.59	1,056.21	991.24
Development Authorities	229.93	393.08	661.14	517.28	156.82
Other Institutions	14,402.06	15,493.55	18,663.53	37,707.30	34,237.19
Total (B)	**14,836.96**	**16,141.20**	**19,587.26**	**39,280.79**	**35,385.25**
Total (A+B)	**22,812.92**	**24,390.93**	**29,787.91**	**53,163.50**	**49,276.00**
GIA for creation of Capital assets	**2,021.82**	**2,410.07**	**2,929.40**	**3,660.05**	**215.98**
Revenue Expenditure	70,032.84	75,010.01	85,285.03	1,14,740.96	1,25,389.82
Assistance as percentage of Revenue Expenditure	*32.57*	*32.52*	*34.93*	*46.33*	*39.30*

Source: Finance Accounts

During the current year, financial assistance to the local bodies and other institutions decreased by ₹ 3,887.50 crore (7.31 *per cent*) over the previous year. The decrease was mainly due to decrease in assistance to Municipal Corporations and Municipalities (₹ 1,604.33 crore: 36.36 *per cent*) and Development Authorities (₹ 360.46 crore: 69.68 *per cent*). The overall quantum of financial assistance to the local bodies and other institutions as percentage to revenue expenditure decreased to 39.30 *per cent* during the current year from 46.33 *per cent* of the previous year.

State Finance Commission

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

The Government of Chhattisgarh has constituted four State Finance Commissions since the formation of State in 2000.

Third State Finance Commission was constituted on 20 January 2016 to cover a period of five years, i.e., 2017-22. The State Government had accepted the recommendation of Third SFC for the period of 2020-26 in place of 2017-22 to be in conjunction with time period of 15th Finance Commission of India. The Third SFC had made a total of 58 recommendations out of which the State Government accepted 34 recommendations while 3 others were accepted with modification.

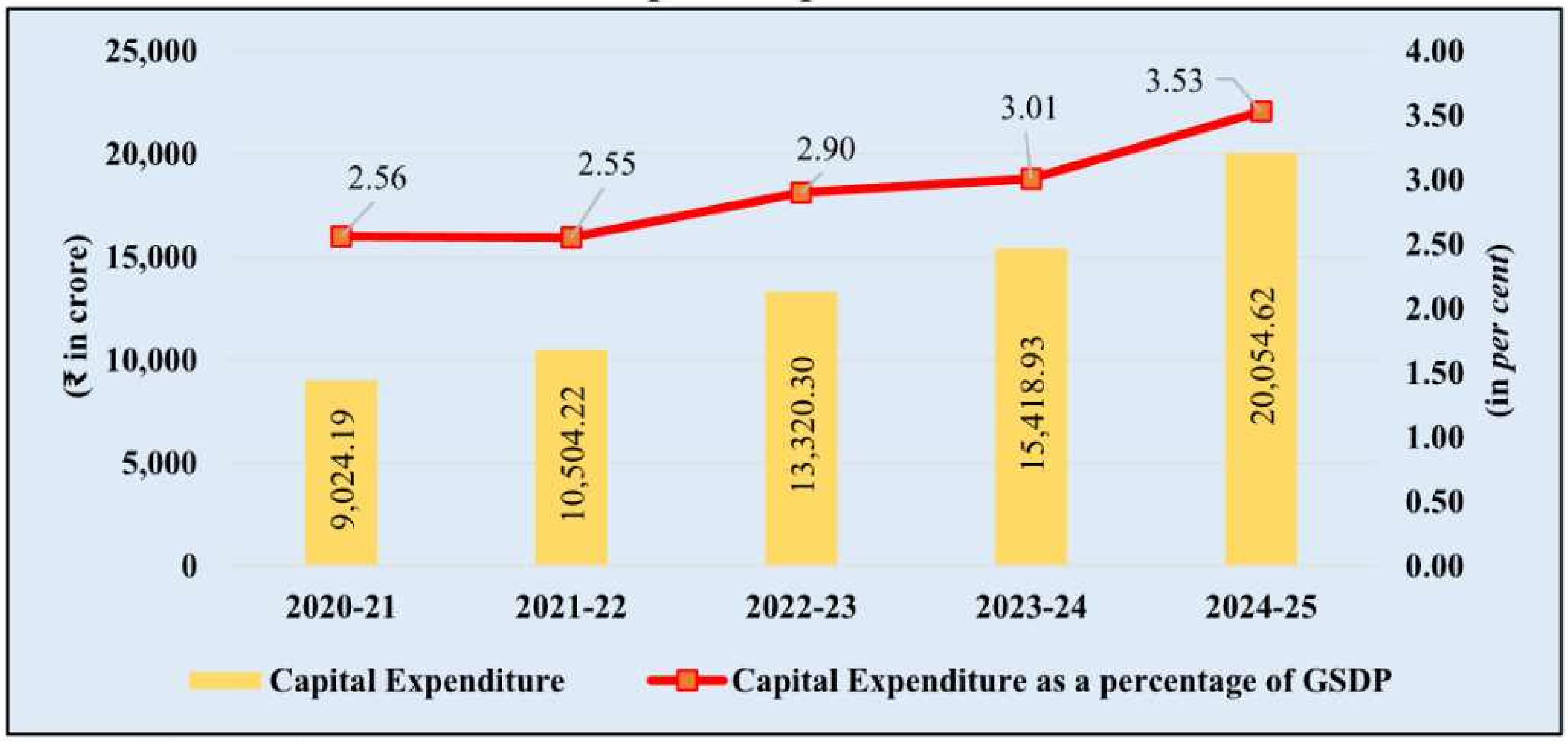
Fourth State Finance Commission was constituted on 29 July 2021 to cover a period of five years, i.e., 2025-30. The State Government had accepted the recommendation of Fourth SFC for the period of 2026-31 in place of 2025-30 to be in conjunction with time period of 16th Finance Commission of India. The Fourth SFC had made a total of 51 recommendations out of which the State Government accepted 33 recommendations while 5 others were accepted with modification.

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

1.2.4.2 Capital Expenditure

Capital expenditure is primarily expenditure on creation of fixed infrastructure assets, such as roads, buildings, *etc.* Capital expenditure, in both the Centre and the State, is being met with budgetary support and extra budgetary resources/ off-budget borrowings. It also includes investments made by the State Government in Companies/Corporations. Trend of capital expenditure in the State over the last five years, *i.e.* 2020-25 is given in **Chart 1.23**.

Chart 1.23: Capital Expenditure in the State



Source: Finance Accounts

Apart from Capital expenditure of ₹ 20,054.62 crore[6], State government also transferred ₹ 215.98 crore as Grant-in-Aid for creation of capital assets to the other institutions. Further, percentage of Capital Expenditure as compared to Debt receipts was 59.93 *per cent*, which indicates that the borrowings were not proportionately converted to infrastructural development.

Capital Expenditure has shown consistent growth during the five-year period 2020-25. Year on Year (Y-o-Y) growth of Capital Expenditure has outperformed the Y-o-Y growth of GSDP in four out of Five years while it lagged marginally in FY 2021-22. The percentage Share of Capital Expenditure to Total Expenditure has ranged between 11.41 *per cent* in 2020-21 to 13.76 *per cent* in 2024-25. Share of Capital Expenditure in total Expenditure increased from 11.82 *per cent* in 2023-24 to 13.76 *per cent* in 2024-25. This shows that State is prioritising long term asset creation.

A. Sector-wise Capital Expenditure

Sector-wise composition of Capital expenditure is given in **Table 1.21**. Detailed Sector-wise expenditure is given in **Appendix 1.2.**

Table 1.21: Sector-wise Capital expenditure

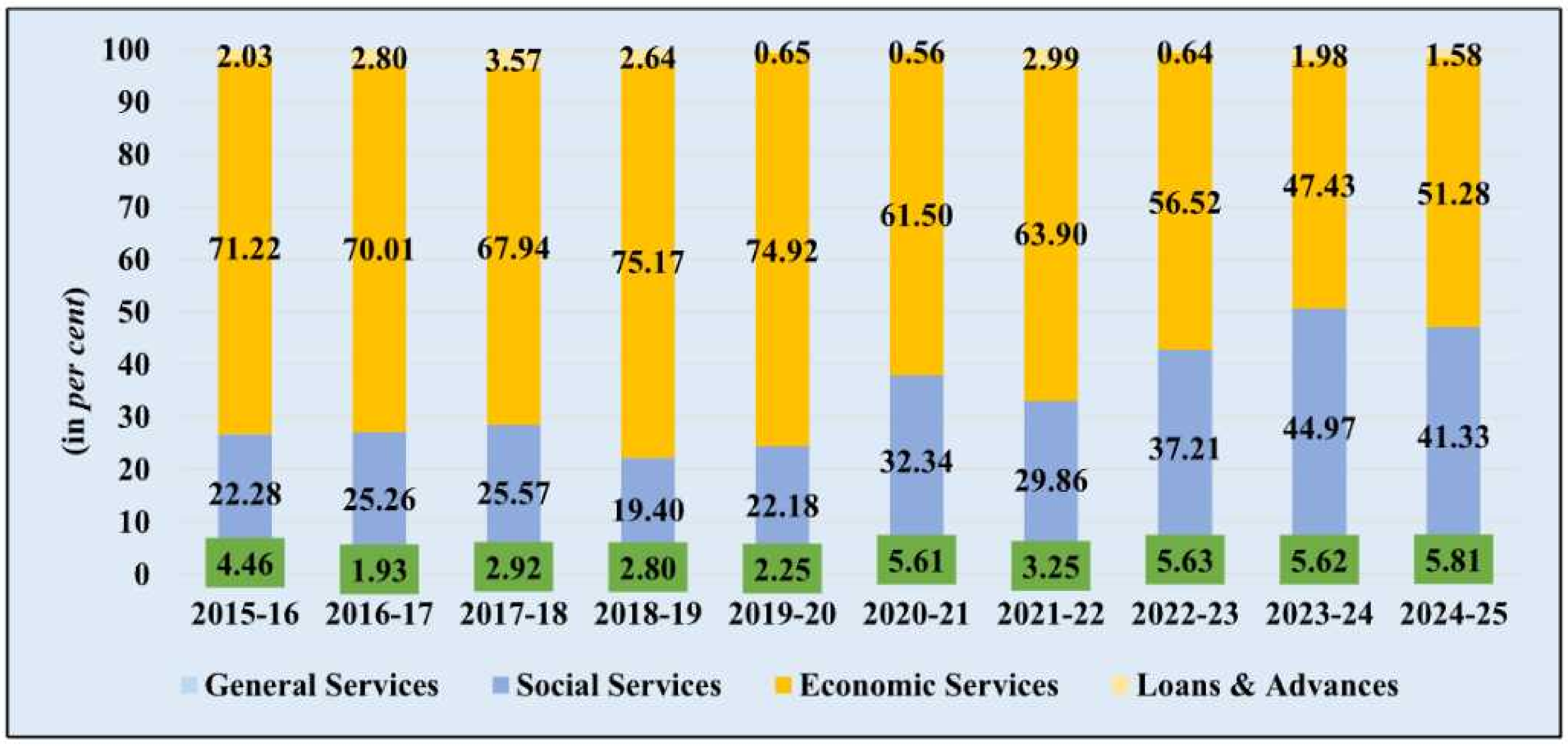
(₹in crore)

Parameters	2015-16	2016-17	2017-18	2018-19	2019-20
General Services	362	188	303	256	194
Social Services	1,807	2,461	2,652	1,774	1,912
Economic Services	5,776	6,822	7,046	6,874	6,460
Loans & Advances	165	273	370	241	56
Parameters	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
General Services	509	352	755	884	1,184
Social Services	2,935	3,234	4,989	7,074	8,422
Economic Services	5,581	6,919	7,577	7,460	10,449
Loans & Advances	51	324	86	312	322

Source: Finance Accounts

[6] Excludes Loans and Advances.

Chart 1.24: Relative share of various sectors in Capital expenditure



Source: Finance Accounts

As can be seen from **Chart 1.24**, Economic services have priority in Capital expenditure with 47.43 *per cent* to 75.17 *per cent* share followed by social services (19.40 *per cent* to 44.97 *per cent*) and General Services had least priority with less than six *per cent* of total Capital Expenditure.

Capital Expenditure as a percentage of total expenditure was lowest when compared to all the neighboring states of Jharkhand, Odisha and Madhya Pradesh as shown below.

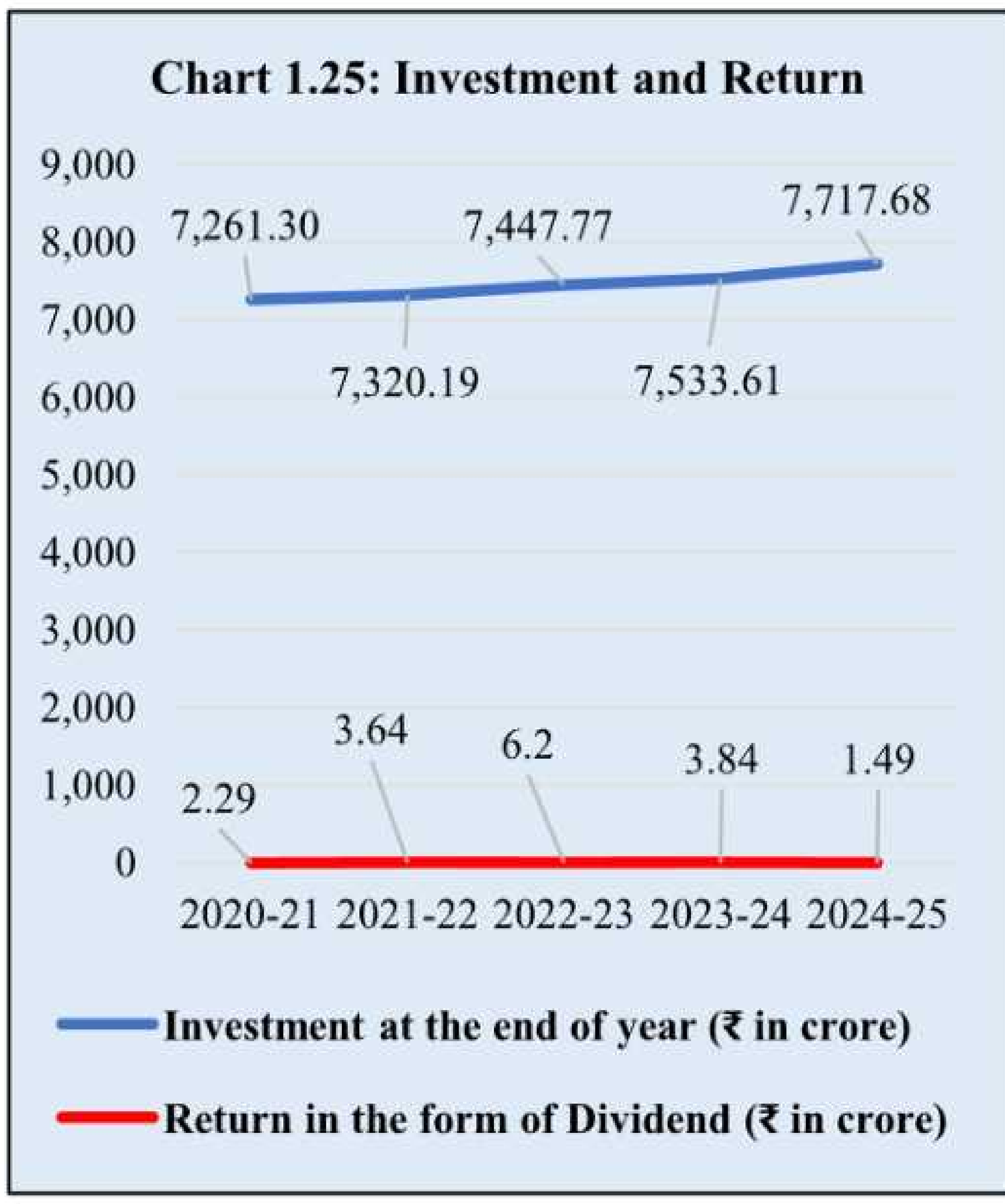
Capital Expenditure as a percentage of Total Expenditure					
State	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Chhattisgarh	11.47	12.61	13.58	12.06	13.98
Jharkhand	16.66	14.72	21.47	24.48	20.74
Odisha	17.02	18.22	21.32	23.63	23.06
Madhya Pradesh	16.09	19.54	18.97	20.56	22.19

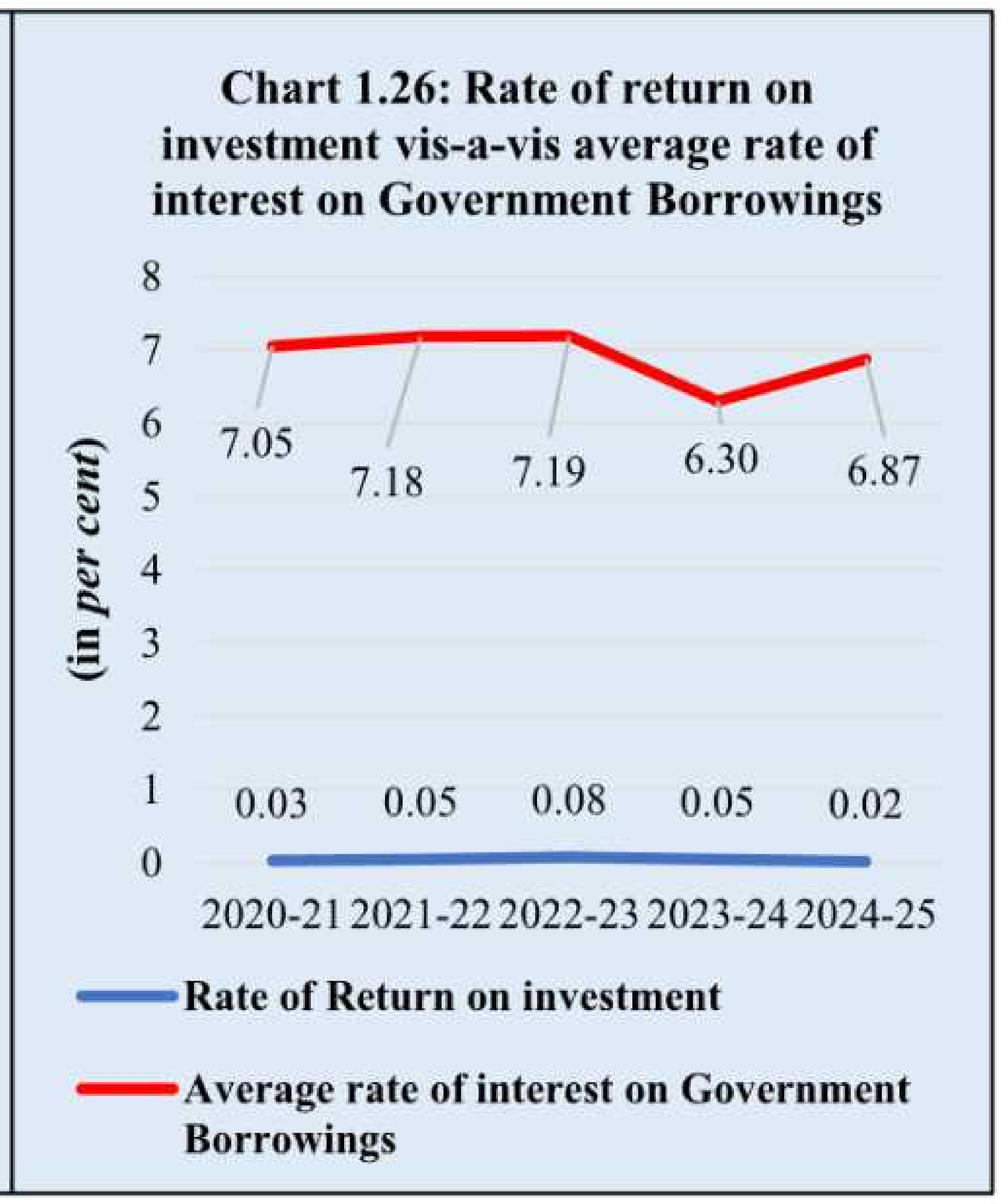
It is evident from the above that the Capital Expenditure was on lowest priority in the State of Chhattisgarh when compared to other states.

B. Quality of investment in the companies, corporations and other bodies

As of 31 March 2025, the State Government's investment in companies, corporations and other bodies stood at ₹ 7,717.68 crore, comprising Government Companies (₹ 6,782.94 crore), Co-operative Banks and Societies (₹ 340.58 crore), Statutory Corporations (₹ 90.29 crore), Other Joint Stock Companies (₹ 478.72 crore) and Rural Banks (₹ 25.15 crore).

Trends of investment at the end of the year in companies, corporations, and co-operative banks and societies, and return on these investments is depicted in **Chart 1.25**. Rate of return on investment made *vis-à-vis* average rate of interest on government borrowing is depicted in **Chart 1.26.**





During 2024-25, the return on investment was ₹ 1.49 crore[7] (0.02 *per cent*) (based on historical cost and not on net present value basis). The return was only between 0.02 *per cent* and 0.05 *per cent* during 2020-25 while the average rate of interest paid by the State Government on its borrowings was between 6.30 *per cent* and 7.19 *per cent* during the same period.

The persistently low returns from government investments, which consistently fall short of the cost of government borrowings, indicate inefficient use of public funds and add to fiscal stress. This gap highlights that most government companies and corporations are either making minimal profits or operating at a loss, with only a handful regularly paying dividends.

Lack of Dividend Policy and Its Impact

A well-defined dividend policy mandating a minimum return from profitmaking enterprises, enables the State Government to optimise its returns from investments in SPSEs and enhances monitoring of the SPSEs financial performance. It was observed that the state Government has formulated a dividend policy in December 2025 according to which all profit making SPSEs shall ensure payment of minimum 30 *per cent* of net profit i.e. profit after tax as annual dividend. This has resulted in persistently low returns (0.21 *per cent* of investment) on the government's substantial equity investments, undermining the potential for non-tax revenue generation.

Forgone Revenue from Non-realisation of Dividends

During the previous financial year (2023-24), 14 State PSUs registered profit of ₹ 1,435.95 crore however only one SPSE (Chhattisgarh Rajya Van Vikas Nigam Limited) gave dividend of ₹ 2.35 crore. The State Government did not ensure the timely and full collection of dividends from these entities.

[7] Statutory Corporations (₹ 1.01 crore); and Cooperative Banks and Societies (₹ 0.48 crore).

Loans and Advances by the State Government

In addition to the investments in co-operative societies, corporations and companies, the State Government has also been providing loans and advances to many institutions/organisations. **Table 1.22** presents the position of outstanding loans and advances as on 31 March 2025 and interest receipts vis-à-vis interest payments by the State Government on its borrowings during the last five years.

Table 1.22: Quantum of loans disbursed and recovered during 2015-25

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Opening Balance of loans outstanding	1,395	1,274	942	1,520	1,598
Amount advanced during the year	165	273	369	240	56
Amount recovered during the year	296	173	138	162	257
Closing Balance of the loans outstanding	1,264	1,374	1,172	1,598	1,397
Net addition	-129	100	230	78	-201
Interest received	47	30	28	28	2
Interest rate on Loans and Advances given by the Government (*per cent*)	*3.54*	*2.28*	*2.61*	*1.82*	*0.11*
Average rate of interest on Government Borrowings (*per cent*)	*7.85*	*7.99*	*7.55*	*6.92*	7.37
Difference between the rate of interest received and interest paid (*per cent*)	*-4.31*	*-5.71*	*-4.94*	*-5.10*	*-7.26*
Particulars	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Opening Balance of loans outstanding	1,397	1,174	1,410	1,378	1,651
Amount advanced during the year	51	324	86	311	322
Amount recovered during the year	105	88	118	25	24
Closing Balance of the loans outstanding	1,343	1,410	1,378	1,665	1,949
Net addition	-54	236	-32	287	298
Interest received	7	3	37	48	58
Interest rate on Loans and Advances given by the Government (*per cent*)	*0.50*	*0.24*	*2.66*	*3.19*	*3.24*
Average rate of interest on Government Borrowings (*per cent*)	*7.05*	*7.18*	*7.19*	*6.30*	*6.87*
Difference between the rate of interest received and interest paid (*per cent*)	*-6.55*	*-6.94*	*-4.53*	*-3.11*	*-3.63*

Source: Finance Accounts

During 2024-25, an amount of ₹ 321.66 crore was disbursed as loans against ₹ 311.49 crore during previous year. Interest received by the State Government against loans given was ₹ 58.49 crore. At the end of March 2025, the Government had outstanding loans and advances of ₹ 1,949.08 crore, out of which ₹ 507.65 crore pertains to Urban Development Authorities, ₹ 322.51 crore pertains to Government companies and ₹ 482.28 crore pertains to co-operative societies/bodies.

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

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

Audit noticed that despite the arrears in repayment of loans, fresh loans of ₹ 48 crore was given by the State Government to the four Cooperative Sugar Mills namely - *Loh Purush Sardar Vallabh Bhai Patel* Sugar Mill Limited (₹ 13 crore), *Bhoramdev* Co-operative Sugar Mill Limited (₹ 13 crore), *Mahamaya* Co-operative Sugar Mill Limited (₹ 16 crore), *Danteshwari maiya* Co-operative Sugar Mill Limited (₹ 6 crore).

1.3 Contingency Fund

The Contingency Fund of the Government of Chhattisgarh is intended to provide advances for meeting unforeseen expenditure, pending its authorisation by the State Legislature. The fund is recouped once the Legislature approves the additional expenditure. The corpus of the Fund is ₹ 100 crore.

During 2024-25, ₹ 136.84 crore had been withdrawn from the fund under various budgetary heads (2055- Police: ₹ 37.41 crore, 2202-General Education: ₹ 17.43 crore, 2235- Social Security and Welfare: ₹ 38.59 crore) However, the total amount of ₹ 37.41 crore had not been replenished by the end of the FY 2024-25. As on 31 March 2025, Contingency Fund had a balance of ₹ 62.59 crore only.

Details of expenditure made out of the Contingency Fund are discussed in paragraph no. 2.6 of Chapter-II.

1.4 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 balance after disbursements during the year is the fund available with the Government for use for various purposes.

1.4.1 Net Public Account balances

The component-wise net balances in Public Account of the State is given in **Table 1.23**.

Table 1.23: Component-wise net balances in Public Account

(₹ in crore)

Sector	Sub-Sector	2020-21	2021-22	2022-23	2023-24	2024-25
Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	(-)8,021.40	(-)8,020.50	(-)9,326.98	(-)10,848.71	(-)12,529.15
Reserve Funds	(a) Reserve Funds bearing Interest	(-)614.84	(-)769.36	(-)265.27	(-)697.48	(-)1,422.80
	(b) Reserve Funds not bearing Interest	(-)1,384.75	(-)1,683.77	(-)2,006.47	(-)2,340.27	(-)1,994.12
Deposits and Advances	(a) Deposits bearing Interest	(-)33.16	(-)28.27	(-)8.30	(-)1.16	(+)4.98
	(b) Deposits not bearing Interest	(-)5,951.96	(-)5,758.23	(-)6,138.62	(-)6,404.18	(-)6,757.29
	(c) Advances	(+)1.84	(+)7.35	(+)7.00	(+)7.10	(+)7.10
Suspense and Miscellaneous	(a) Suspense	(-)20.08	(-)84.64	(-)180.88	(-)124.65	(-)211.03
	(b)Other Accounts	(+)3,344.86	(+)3,299.78	(+)440.13	(+)5,888.62	(+)3,686.37
	(c) Accounts with Governments of Foreign Countries	0.00	0.00	0.00	0.00	0.00
	(d) Miscellaneous	0.00	0.00	0.00	0.00	0.00
Remittances	(a) Money Orders, and other Remittances	(+)240.97	(+)245.09	(+)197.03	(+)261.15	(+)355.71
	(b) Inter-Governmental Adjustment Account	(+)88.41	(+)91.13	(+)101.63	(+)90.35	(+)1,782.99
Total		**(-)12,350.11**	**(-)12,701.42**	**(-)17,180.73**	**(-)14,169.23**	**(-)17,077.24**

Source: Finance Accounts

Note: +ve figures denote debit balance and –ve figures denote credit balances.

1.4.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund or from outside agencies. It comprises interest bearing reserve funds and reserve funds not bearing interest.

There were three interest bearing funds and nine Reserve Funds not bearing interest as on 31 March 2025. The fund balances lying in these Reserve Funds as on 31 March 2025 are given in **Table 1.24**.

Table 1.24: Detail of Major Reserve Funds

(₹ in crore)

Sl. No.	Name of Reserve Fund	Opening Balance	Receipts during the year	Interest receipts	Repayments during the year	Balance as on 31 March 2025
A	**Reserve Funds bearing Interest**	**4,073.18**	**1,832.84**	**245.89**	**812.08**	**5,093.95**
1	State Disaster Response Fund	489.93	572.40	16.12	312.08	750.26
2	State Compensatory Afforestation Fund	3,383.83	1,130.78	221.16	500.00	4,014.61
3	State Disaster Mitigation Fund	199.42	129.66	8.61	0.00	329.08
B	**Reserve Funds not bearing Interest**	**6,621.52**	**1,767.78**	**0.00**	**664.72**	**7,724.58**
1	Sinking Funds	3,701.94	480.00		0.00	4,181.94
2	Famine Relief Funds	4.16	0.02		0.00	4.18
3	Revenue Reserve Funds	4.62	0.00		0.00	4.62
4	Development Fund for Educational Purpose	0.03	0.00		0.00	0.03
5	Development Fund for Agricultural Purpose	0.06	0.00		0.00	0.06
6	Electricity Development Funds	112.39	340.00		234.82	217.57
7	Other Development and Welfare Fund	2,783.31	462.76		429.90	2,816.17
a	Environment Fund[8]	295.06	19.30		29.73	284.63
b	Village Development Fund	375.38	0.00		0.00	375.38
c	Forest Development Fund	15.53	0.00		0.00	15.53
d	Panchayat Land Revenue Cess and Stamp Duty Fund	182.01	70.00		70.00	182.01
e	Infrastructure Development Fund	129.35	0.00		76.12	53.24
f	Chhattisgarh State Pension Fund	737.09	373.46		0.00	1,110.54
g	Chhattisgarh State Mineral Development Fund	1,048.89	0.00		254.05	794.84
8	Guarantee Redemption Fund	15.00	485.00		0.00	500.00
9	Other Funds	0.01	0.00		0.00	0.01
	Grand Total	**10,689.51**	**3,581.31**	**245.89**	**1,476.78**	**12,794.04**

Source: Finance Accounts

The Reserve Funds shown above are gross balance including reserve fund investment of ₹ 9,401.62 crore. Out of the above funds, following funds are inoperative- Revenue Reserve Fund, Development Fund for Educational Purpose (Inoperative since 2011-12), Development Fund for Agricultural Purpose (Inoperative since 2000-01),

[8] It also includes Dividend on Government Contribution.

Village Development Fund (Inoperative Inactive since 2007-08), Other Funds (Inoperative Inactive since 2000-01).

1.4.3 Cash Balances

As per the agreement with Reserve Bank of India (RBI), State Governments must maintain a minimum daily cash balance with the Bank. If the balance falls below this minimum, the shortfall is met through instruments like Ways and Means Advances (WMA)/Special Ways and Means Advances (SWMA)/ Special Drawing Facility (SDF)/ Overdrafts (OD), with the WMA limit revised periodically by RBI.

The State Government invests surplus cash balances, including those from earmarked reserve funds in GoI securities and Treasury Bills. Earnings from these investments are credited under '0049-Interest Receipts'.

It is undesirable for the State Government to raise market loans while holding large unutilised cash balances, as it leads to idle funds rather than productive use. Cash balance and investment details for 2023-24 and 2024-25 are provided in **Table 1.25.**

Table 1.25: Cash Balances and their investment

(₹in crore)

	Opening balance as on 1 April 2024	Closing balance as on 31 March 2025
A. General Cash Balances		
Deposits with Reserve Bank of India	194.40	223.19
Investment held in Cash Balance Investment Account	5,933.48	3,730.77
Total (A)	**6,127.88**	**3,953.96**
B. Other Cash Balances and Investments		
Cash with departmental officers *viz.* Forest and Public Works	12.07	12.43
Permanent advances with departmental officers for contingent expenditure	0.34	0.34
Investment of earmarked funds	7,656.95	9,401.62
Total (B)	**7,669.36**	**9,414.39**
Total (A+B)	**13,797.24**	**13,368.35**
Interest realised	**26.41**	**290.47**

Source: Finance Accounts

Details of Cash Balance Investment Account during the last ten years is given in **Table 1.26**.

Table 1.26: Cash Balance Investment Account (Major Head-8673)

(₹in crore)

Year	Opening Balance	Closing Balance	Increase (+)/ Decrease (-)	Interest earned
2015-16	-1.26	1,856.17	1,857.43	50.35
2016-17	1,856.17	2,512.00	655.83	126.78
2017-18	2,512.00	4,070.85	1,558.85	140.20
2018-19	4,070.85	9,759.02	5,688.16	144.33

2019-20	9,759.02	5,246.81	(-)4,512.21	196.10
2020-21	5,246.81	3,389.68	(-)1,857.13	29.66
2021-22	3,389.68	3,345.39	(-)44.29	28.23
2022-23	3,345.39	485.61	(-)2,859.78	41.70
2023-24	485.61	5,933.48	5,447.87	26.41
2024-25	5,933.48	3,730.78	(-)2,202.71	290.47

Source: Finance Accounts

Under an agreement with the Reserve Bank of India (RBI), the GoCG has to maintain the required minimum cash balance of ₹ 0.72 crore with the RBI. If the balance falls below the agreed minimum balance on any day, the shortfall is made good by taking Ordinary and Special Ways and Means Advance or Ordinary Ways and Means Advance. The State Government was able to maintain a minimum cash balance of ₹ 0.72 crore for 356 days and had to maintain the minimum balance by taking Special Drawing Facility for nine days. The State Government had to pay ₹ 0.88 crore as interest on SDF during the year 2024-25.

1.5 Fiscal Sustainability

Fiscal Sustainability is the ability of a government to manage its revenue and expenditure in a manner that ensures it can meet its current and future obligations such as public services, infrastructure, and debt repayments without excessive borrowing or accumulating unsustainable debt. It implies maintaining a stable balance between revenue generation and expenditure over the long term. **Chart 1.27** and **Chart 1.28** shows receipts and expenditure of the State as a percentage of GSDP, during FY 2020-25 respectively.

Chart 1.27: Receipts of the State

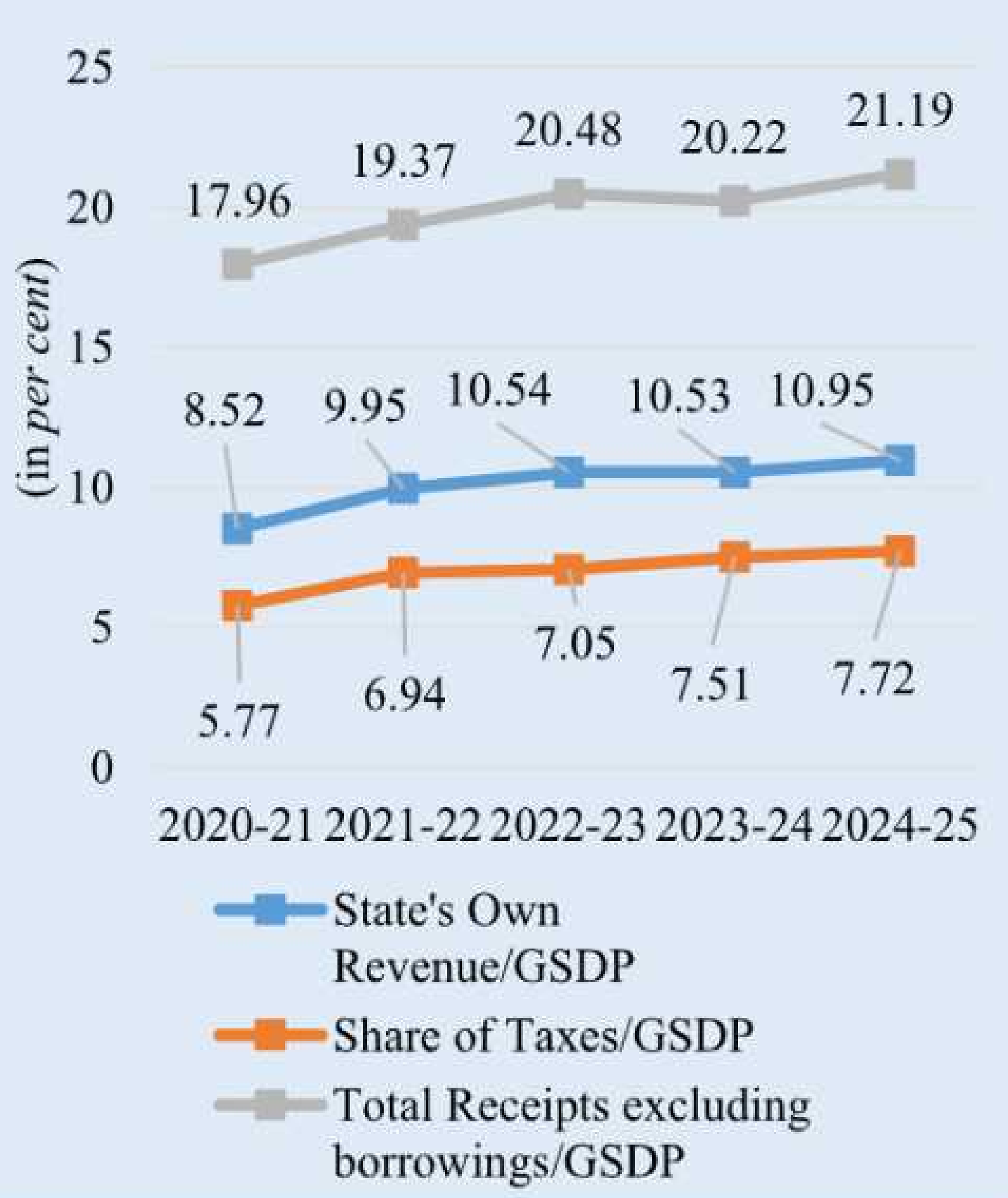
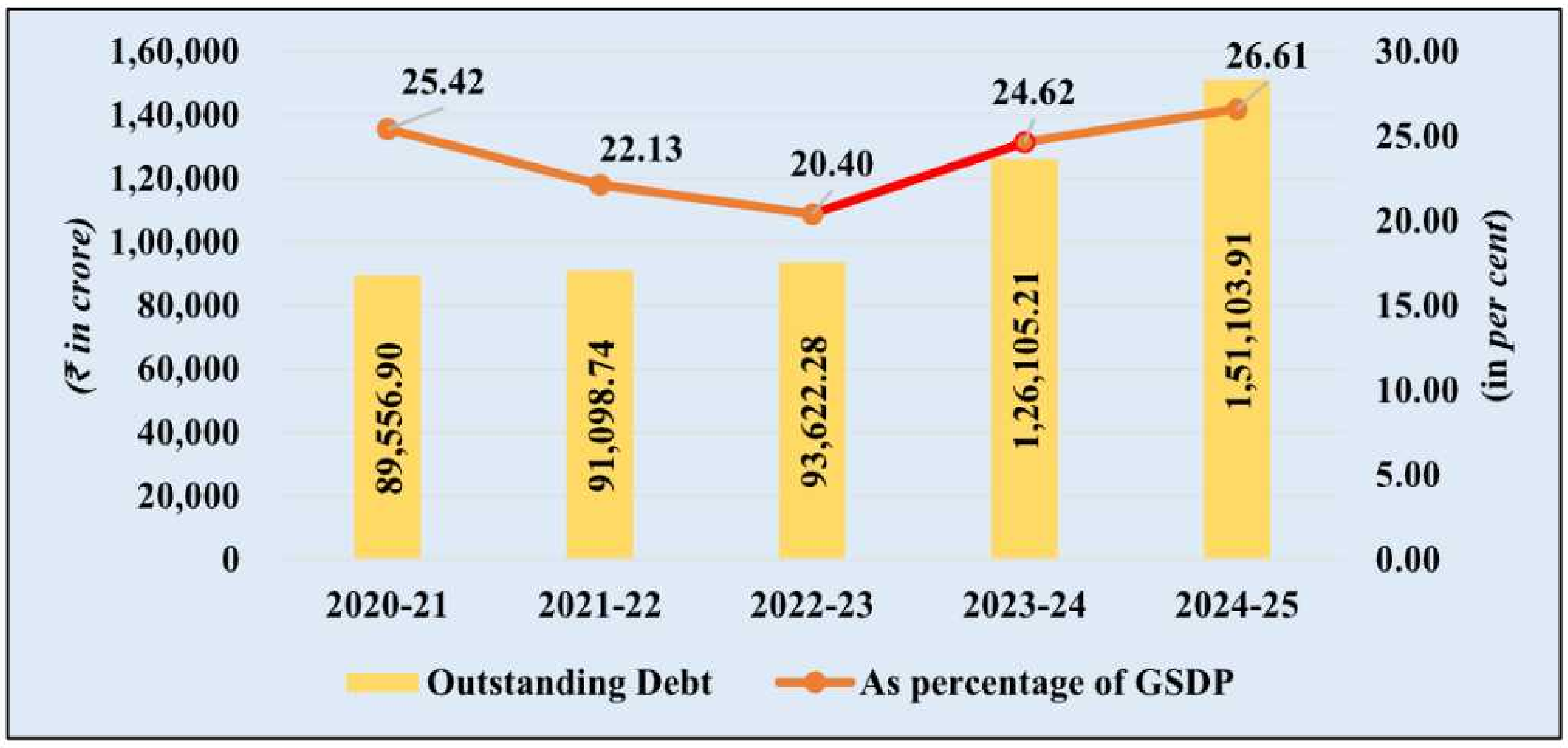


Chart 1.28: Expenditure of the State

1.5.1 Public Liability Management

Outstanding liability of the State along with its percentage to GSDP for the years 2020-21 to 2024-25 is depicted in **Chart 1.29.**

Chart 1.29: Outstanding Liability and its percentage to GSDP



Source: Finance Accounts

**** Outstanding Debt excludes back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its source.***

1.5.1.1 Liability profile: Components

Total liabilities of the State Government typically constitutes Internal Debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, *etc.*), loans and advances from the Central Government, and Public Account Liabilities. The component-wise liability trends of the State for the period of ten years beginning from 2015-16 are presented in **Table 1.27.**

Table 1.27: Component-wise liability trends

(₹ in crore)

Components of fiscal liability	2015-16	2016-17	2017-18	2018-19	2019-20
Outstanding Total Liability*	**37,741**	**44,258**	**52,937**	**66,750**	**78,712**
Public Debt	26,050	30,377	39,030	52,254	63,147
Internal Debt	*24,215*	*28,330*	*36,690*	*49,554*	*60,383*
Loands from GoI	*1,836*	*2,047*	*2,340*	*2,700*	*2,764*
Public Account liabilities	11,691	13,881	13,907	14,495	15,566
Small Savings, provident Funds. Etc.	*4,166*	*5,435*	*6,078*	*6,832*	*7,618*
Reserve Funds bearing Interest	*370*	*693*	*203*	*401*	*1,102*
Reserve Funds not bearing Interest	*1,588*	*1,635*	*1,387*	*1,255*	*1,363*
Deposits bearing Interest	*72*	*71*	*50*	*43*	*37*
Deposits not bearing Interest	*5,495*	*6,047*	*6,189*	*5,964*	*5,446*
Rate of growth of outstanding total liability *(per cent)*	*21.82*	*17.27*	*19.61*	*26.09*	*17.92*
Gross State Domestic Product (GSDP)	2,25,163	2,62,802	2,82,737	3,27,107	3,44,672
Outstanding Total Liability/GSDP (*per cent*)	*16.76*	*16.84*	*18.72*	*20.41*	*22.84*

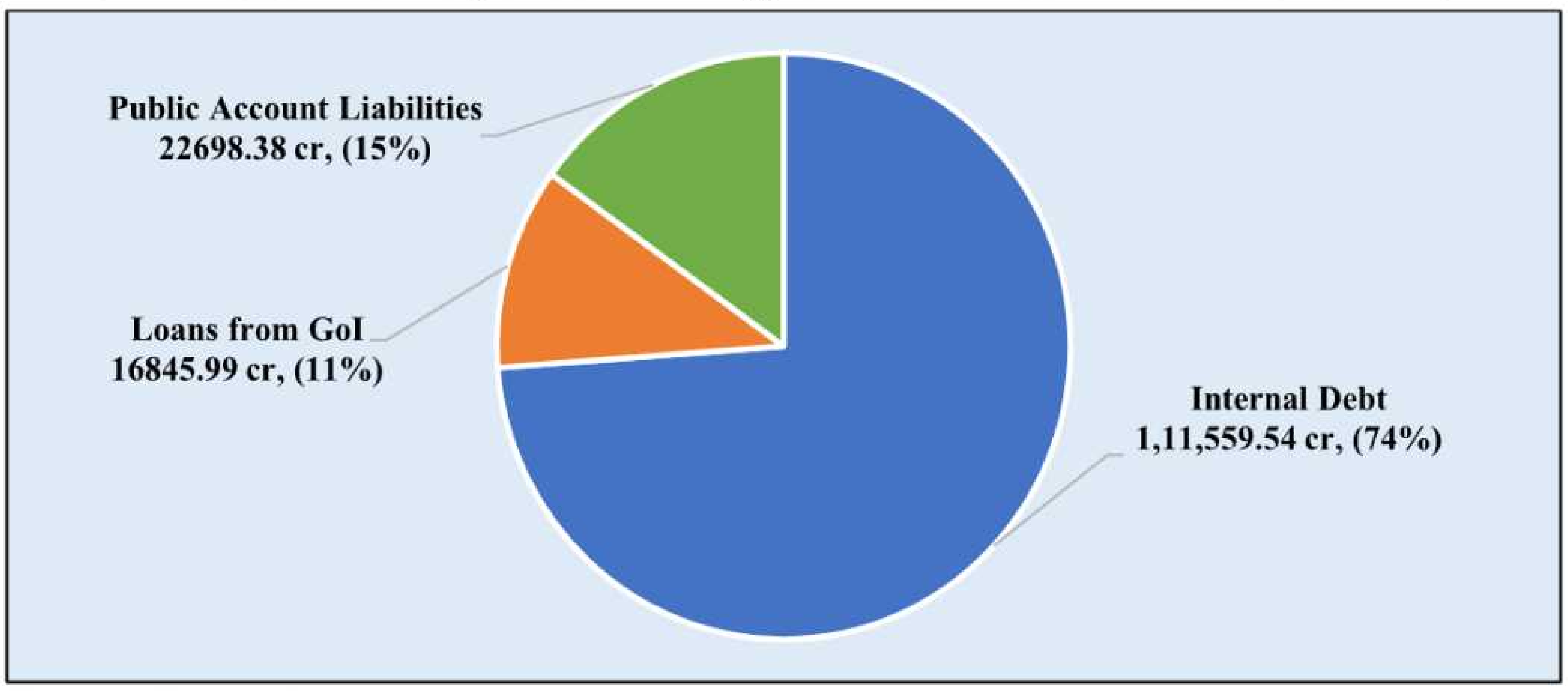
Borrowings and Other Liabilities					
Total Receipts	*12,902*	*11,804*	*15,851*	*20,737*	*31,922*
Total Repayments	*6,067*	*6,114*	*7,203*	*6,924*	*19,959*
Net funds available	*6,836*	*5,690*	*8,649*	*13,813*	*11,963*
Repayments/ Receipts (per cent)	*47.02*	*51.80*	*45.44*	*33.39*	*62.52*
Components of fiscal liability	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Outstanding Total Liability*	**89,557**	**91,099**	**93,622**	**1,26,105**	**1,51,104**
Public Debt	73,551	74,839	75,877	1,05,813	1,28,406
Internal Debt	*70,490*	*71,187*	*68,755*	*95,140*	*1,11,560*
Loands from GoI	*3,060*	*3,652*	*7,122*	*10,673*	*16,846*
Public Account liabilities	16,006	16,260	17,746	20,292	22,698
Small Savings, provident Funds. Etc.	*8,021*	*8,021*	*9,327*	*10,849*	*12,529*
Reserve Funds bearing Interest	*615*	*769*	*265*	*697*	*1,423*
Reserve Funds not bearing Interest	*1,385*	*1,684*	*2,006*	*2,340*	*1,994*
Deposits bearing Interest	*33*	*28*	*8*	*1*	*-5*
Deposits not bearing Interest	*5,952*	*5,758*	*6,139*	*6,404*	*6,757*
Rate of growth of outstanding total liability *(per cent)*	*13.78*	*1.72*	*2.77*	*34.7*	*19.82*
Gross State Domestic Product (GSDP)	3,52,328	4,11,613	4,58,891	5,12,107	5,67,880
Outstanding Total Liability/GSDP (per cent)	*25.42*	*22.13*	*20.40*	*24.62*	*26.61*
Borrowings and Other Liabilities					
Total Receipts	*33,424*	*28,164*	*21,972*	*67,413*	*47,315*
Total Repayments	*19,470*	*21,657*	*19,449*	*34,930*	*22,317*
Net funds available	*13,953*	*6,507*	*2,524*	*32,483*	*24,999*
Repayments/ Receipts (per cent)	*58.25*	*76.90*	*88.51*	*51.81*	*47.17*

Source: Finance Accounts

****Excludes back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its source.***

Break-up of outstanding total liabilities at the end of 2024-25 is shown in **Chart 1.30**.

Chart 1.30: Break-up of outstanding total liabilities at the end of 2024-25



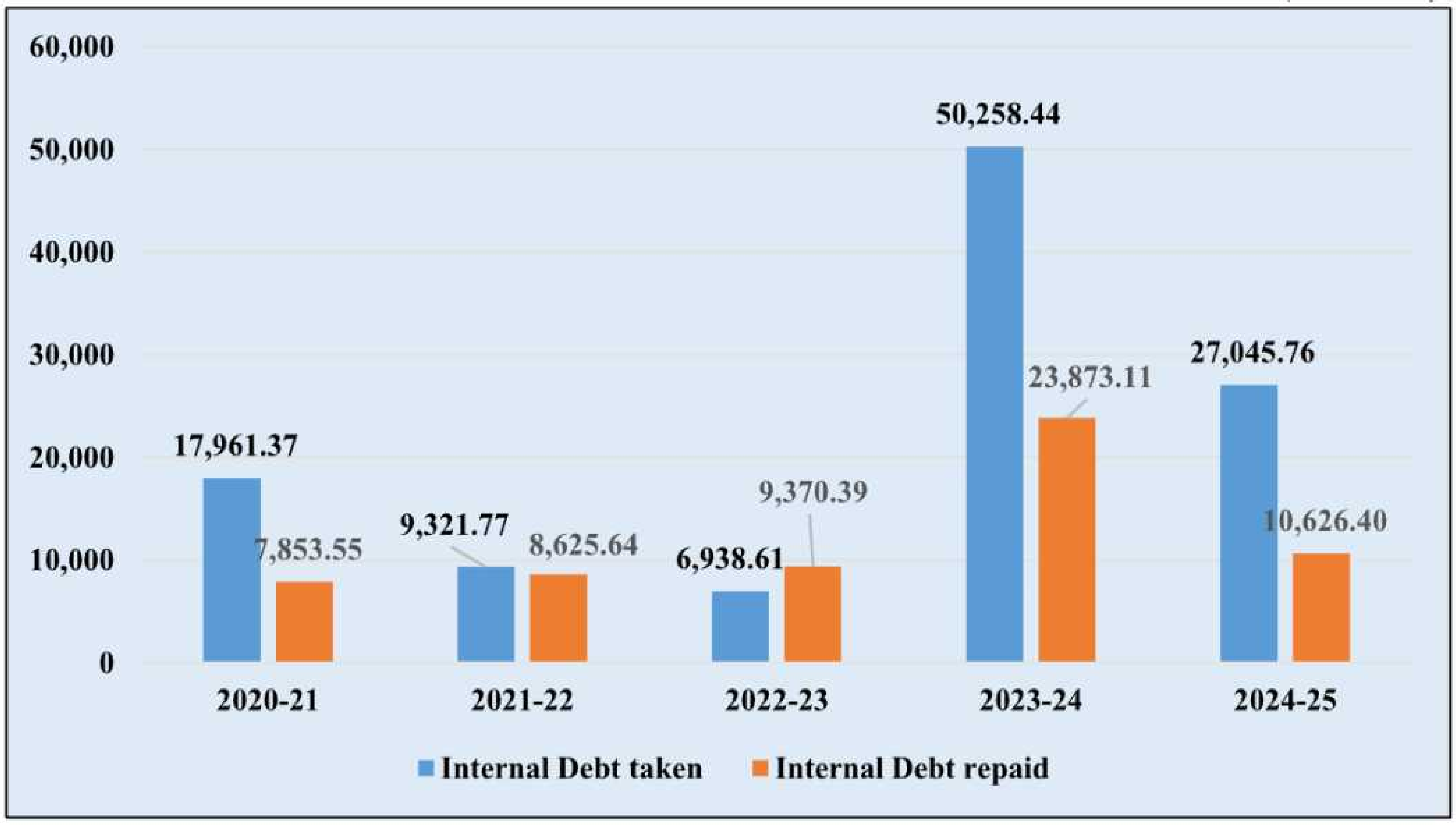
Source: Finance Accounts

**** Loans from GoI exclude back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its source.***

Chart 1.31 depicts the quantum of internal debt taken vis-à-vis repaid during the period of five years i.e. 2020-25.

Chart 1.31: Internal debt taken vis-à-vis repaid

(₹ in crore)



Source: Finance Accounts

Internal debt of the State Government increased by ₹ 41,069.05 crore (58.26 *per cent*) from ₹ 70,490.49 crore in 2020-21 to ₹ 1,11,559.54 crore in 2024-25. An amount of ₹ 7,114.65 crore was paid towards interest on internal debt during 2024-25. Internal Debt receipts increased sharply by ₹ 43,319.83 crore (624.33 *per cent)* from ₹ 6,938.61 crore in 2022-23 to ₹ 50,258.44 crore in 2023-24.

Total outstanding debt-GSDP ratio remained within the levels fixed by 15th Finance Commission but breached the limit projected in budget estimates. On this being pointed out the State government in reply (February 2026) stated that the Outstanding Liabilities of ₹ 1,51,104 crore which include public debt of ₹ 1,28,406 crore and Public Account Liabilities of ₹ 22,698 crore. Here, Public Debt includes 50-year interest free Special Assistance to States for Capital Investment loan (SASCI) of ₹ 13,120 crore but does not include GST back-to-back loans. Hence, net public debt will actually be ₹ 1,15,286 crore (₹ 1,28,406 crore minus ₹ 13,120 crore) and outstanding liabilities at ₹ 1,37,984 crore, which is 24.29 *per cent* of GSDP. This is lower than the projections in budget document (**Table 1.27**). It is notable that Debt to GSDP ratio does not include public Account Liabilities, so net Debt to GSDP ratio will further reduce to 20.30 *per cent*.

The reply is not acceptable as back-to-back loan was against GST compensation and not to be repaid from the State government resources therefore not considered in overall liability while as per SASCI guidelines, the financial assistance was provided in the form of 50-year interest free loan to State government, hence, it should be included while calculating Outstanding Debt to GSDP ratio.

1.5.1.2 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not a healthy trend. **Table 1.28 and Chart 1.32** depict the utilisation and trends of borrowed funds during 2015-25 respectively.

Table 1.28: Utilisation of borrowed funds

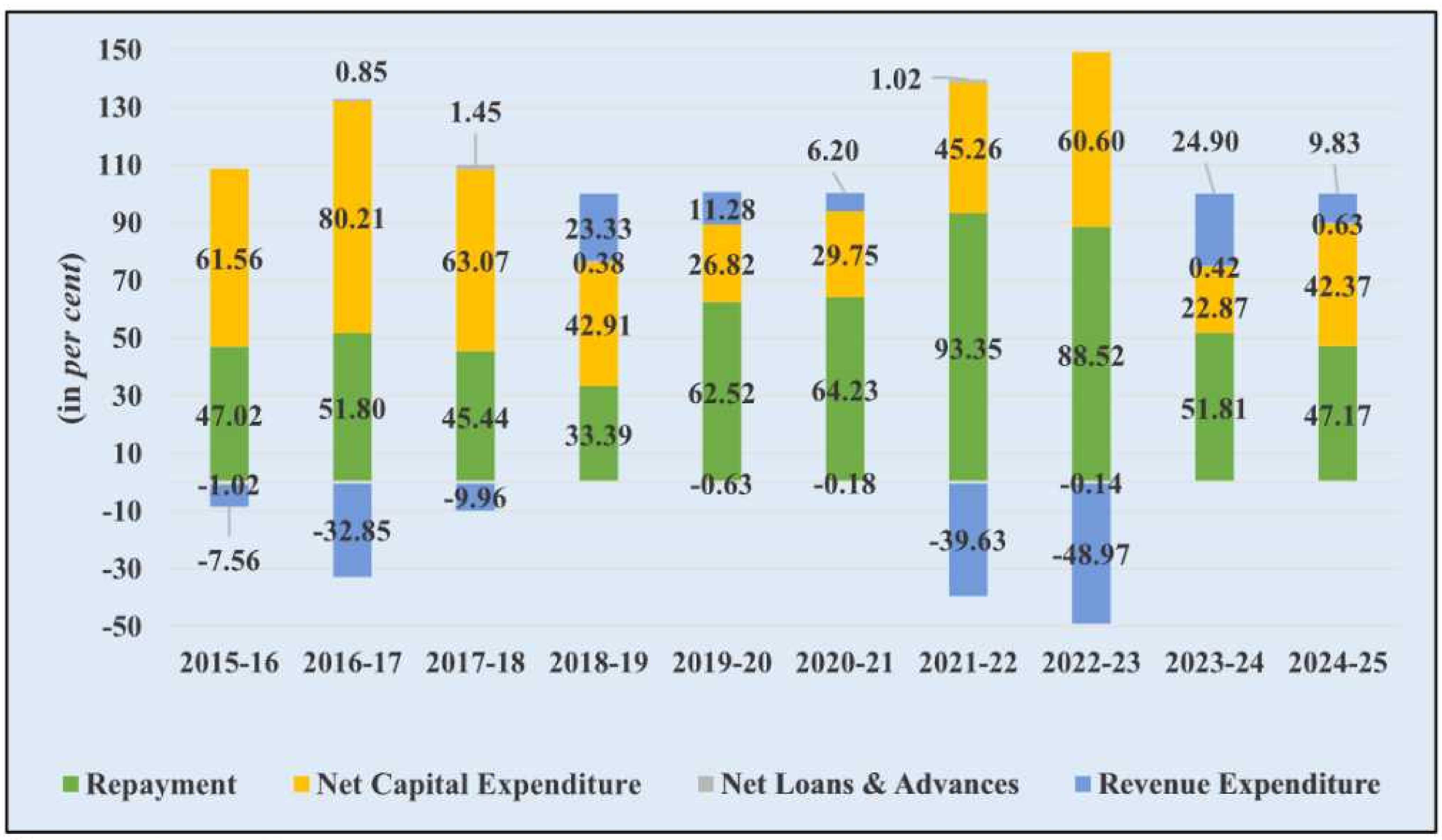
(₹ in crore)

Particulars	Total borrowings*	Repayment of earlier borrowings (Principal)	Net capital expenditure	Net Loans and advances	Portion of Revenue expenditure met out of net available borrowings
2015-16	12,902	6,067	7,942	-132	-975
2016-17	11,804	6,114	9,468	100	-3,878
2017-18	15,851	7,203	9,998	230	-1,579
2018-19	20,737	6,924	8,898	78	4,837
2019-20	31,922	19,959	8,562	-201	3,602
2020-21	30,315	19,470	9,019	-54	1,879
2021-22	23,199	21,657	10,499	236	-9,193
2022-23	21,972	19,449	13,315	-31	-10,760
2023-24	67,413	34,930	15,414	286	16,783
2024-25	47,316	22,317	20,050	298	4,651

Source: Finance Accounts

****Excludes back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its source.***

Chart 1.32: Trends of Utilisation of borrowed funds



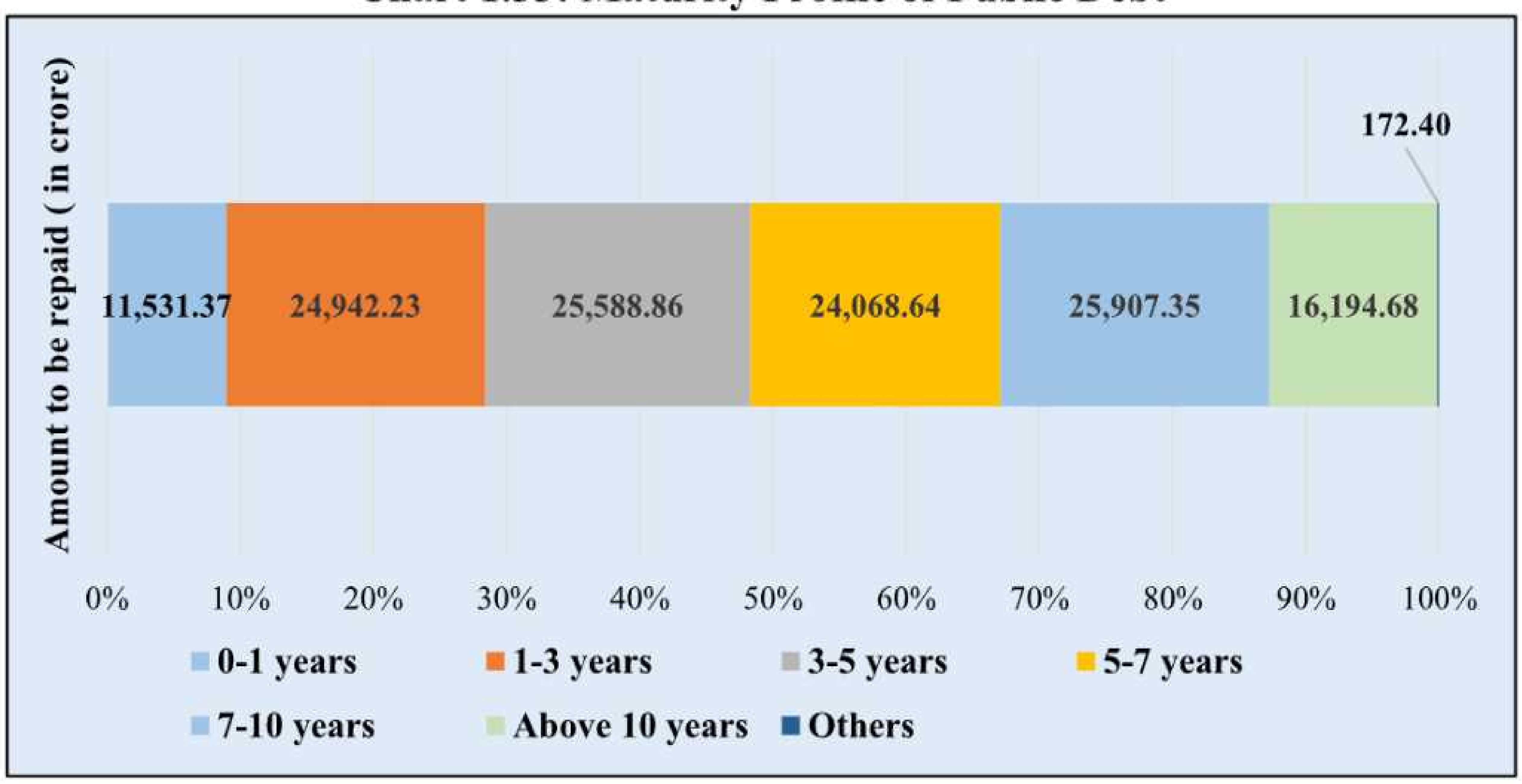
Source: Finance Accounts

During the year 2024-25, 47 *per cent* of borrowed funds (₹ 47,315.42 crore) were utilised towards the repayment of earlier borrowings (₹ 22,316.72 crore) leaving only 53 *per cent* of borrowed funds for development activities. Such instances of large share of borrowings going toward debt repayment limits fiscal space and increases dependence on debt for routine needs as seen in last two years as 25 *per cent* and 10 *per cent* of total borrowings were utilised towards Revenue Expenditure in 2023-24 and 2024-25 respectively. This weakens long-term fiscal sustainability and hampers investment in infrastructure. The State must adopt a disciplined borrowing strategy focused on asset creation.

1.5.1.3 Debt Profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. Debt maturity profile of the State is depicted in **Chart 1.33**.

Chart 1.33: Maturity Profile of Public Debt



Source: Finance Accounts

*** Excludes back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its source.***

The maturity profile of the public debt as on 31 March 2025 indicates that the State has to pay 67.07 *per cent* of the debt within the next seven years. Such high concentration of liabilities maturing within the short to medium term (0-7 years) indicates issue of potential debt bunching which may result in increased refinancing and liquidity pressure on the State Finances. On this being pointed out the State Government in reply (February 2026) stated that despite the requirement to repay 67.07 *per cent* of debt within seven years, the current Interest Payment to Revenue Receipt ratio (7.44 *per cent*) remains well within the sustainable level of 10.00 *per cent* prescribed by the 15th Finance Commission. Out of the total borrowing maximum amount was utilised for capital expenditure, resulting in creation of assets for the state. It will ensure that the borrowed funds generate long term economic value to support future repayment capacity. It is also to be noted that MoF, GoI fixes the net borrowing ceiling, but allows repayment also in addition. Thus, the net borrowing ceiling is only an additional sustainable borrowing limit (3.00 *per cent* of GSDP) to finance fiscal deficit as per

FRBM Act. The state has a robust reserve (approx.₹ 8,900 crore) in Consolidated Sinking Fund (CSF) and more than ₹ 1,000 crores in Guarantee Redemption Fund (GRF) also. This provides a safety net against any imminent repayment due to shortage of cash balance, if it happens so. The repayment in a year is not more than ₹ 13,000 crores, which is less than 10.00 *per cent* of revenue receipt in a year.

1.5.1.4 Financing pattern of fiscal deficit

Table 1.29 depicts financing pattern of the fiscal deficit during 2020-25.

Table 1.29: Components of fiscal deficit and its financing pattern

(₹ in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Fiscal Deficit	**5,444**	**4,047**	**6,810**	**8,292**	**17,970**
Revenue Deficit/Surplus	-2,367	-5,521	-3,417	-684	9,609
Net Capital expenditure	7,942	9,468	9,998	8,898	8,562
Net Loans and Advances	-132	100	230	78	-201
Financing Pattern of Fiscal Deficit					
Market Borrowings	4,667	3,898	8,100	12,900	10,980
Loans from GoI	-19	212	292	361	64
Special Securities issued to NSSF	5	-421	-431	-444	-456
Loans from Financial Institutions	526	639	691	407	305
Small Savings, PF, etc.	514	427	641	755	785
Reserve Funds	390	385	-765	60	814
Deposits and Advances	-70	551	121	-231	-524
Suspense and Miscellaneous	-1,824	-774	-1,611	-5,710	4,505
Remittances	-12	49	71	-122	81
Compensation and Other Bonds	822	0	0	0	0
Contingency Fund	0	0	0	0	0
Overall Deficit	**5,000**	**4,964**	**7,109**	**7,975**	**16,554**
Increase (+)/ Decrease (-) in cash balance	444	-917	-298	317	1,416
Gross Fiscal Deficit	**5,444**	**4,047**	**6,810**	**8,292**	**17,970**
Particulars	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Fiscal Deficit	**15,822**	**6,093**	**4,691**	**26,933**	**25,447**
Revenue Deficit/Surplus	6,857	-4,642	-8,592	11,233	5,099
Net Capital expenditure	9,019	10,499	13,315	15,414	20,050
Net Loans and Advances	-54	236	-31	286	298
Financing Pattern of Fiscal Deficit					
Market Borrowings	10,500	1,000	-2,200	26,300	17,000
Loans from GoI	3,405	5,557	3,470	3,551	6,173
Special Securities issued to NSSF	-456	-456	-456	-456	-456
Loans from Financial Institutions	112	239	311	628	-38
Small Savings, PF, etc.	404	-1	1,306	1,522	1,680
Reserve Funds	-465	454	-181	766	379
Deposits and Advances	502	-204	361	258	347

Suspense and Miscellaneous	1,845	110	2,956	-5,505	2,289
Remittances	-51	-7	38	-53	-1,787
Compensation and Other Bonds	0	-87	-87	-87	-87
Contingency Fund	0	0	0	-13	-24
Overall Deficit	**15,796**	**6,604**	**5,517**	**26,912**	**25,476**
Increase (+)/ Decrease (-) in cash balance	27	-511	-826	21	-29
Gross Fiscal Deficit	**15,822**	**6,093**	**4,691**	**26,933**	**25,447**

Source: Finance Accounts

1.5.2 Post Audit Deficit Indicators

As per Finance Accounts of the State for the FY 2024-25 the Revenue Deficit (RD) of the State was ₹ 5,099.47 crore (0.90 *per cent* of GSDP), Fiscal deficit (FD) was ₹ 25,447.41 crore (4.48 *per cent* of GSDP) whereas Primary deficit (PD) was ₹ 16,495.06 crore (2.90 *per cent* of GSDP). However, Audit found that, during 2024-25, the State Government misclassified ₹ 1,234.79 crore of Revenue nature as capital expenditure, ₹ 0.75 crore of Capital nature as revenue expenditure and ₹ 3,912.32 crore of Off Budget Borrowing repayment as capital expenditure instead of revenue expenditure (details discussed in paragraph no 2.5.4 of Chapter-II). This resulted in understatement of Revenue deficit to that extent and the revenue deficit worked out to be ₹ 10,245.83 crore (1.80 *per cent* of the GSDP) after Audit.

1.5.3 Fiscal Balance: Achievement of deficit and total debt targets

As per the FRBM Act of 2005 and its amendments aligned with the 15th Finance Commission, State aims to:

- Eliminate revenue deficit and maintain the fiscal deficit within the ceiling of 3 *per cent* of GSDP, with an additional 0.5 *per cent* permitted on fulfilling reform milestones.

- Chhattisgarh also follows a Medium-Term Fiscal Plan (MTFP) and is required to disclose contingent liabilities and off-budget borrowings.

Achievements, *vis-à-vis* the fiscal targets, prescribed in the State FRBM Act for the FYs 2015-16 to 2024-25, post Audit are detailed in **Table 1.30.**

Table 1.30: Compliance with provisions of State FRBM Act post Audit

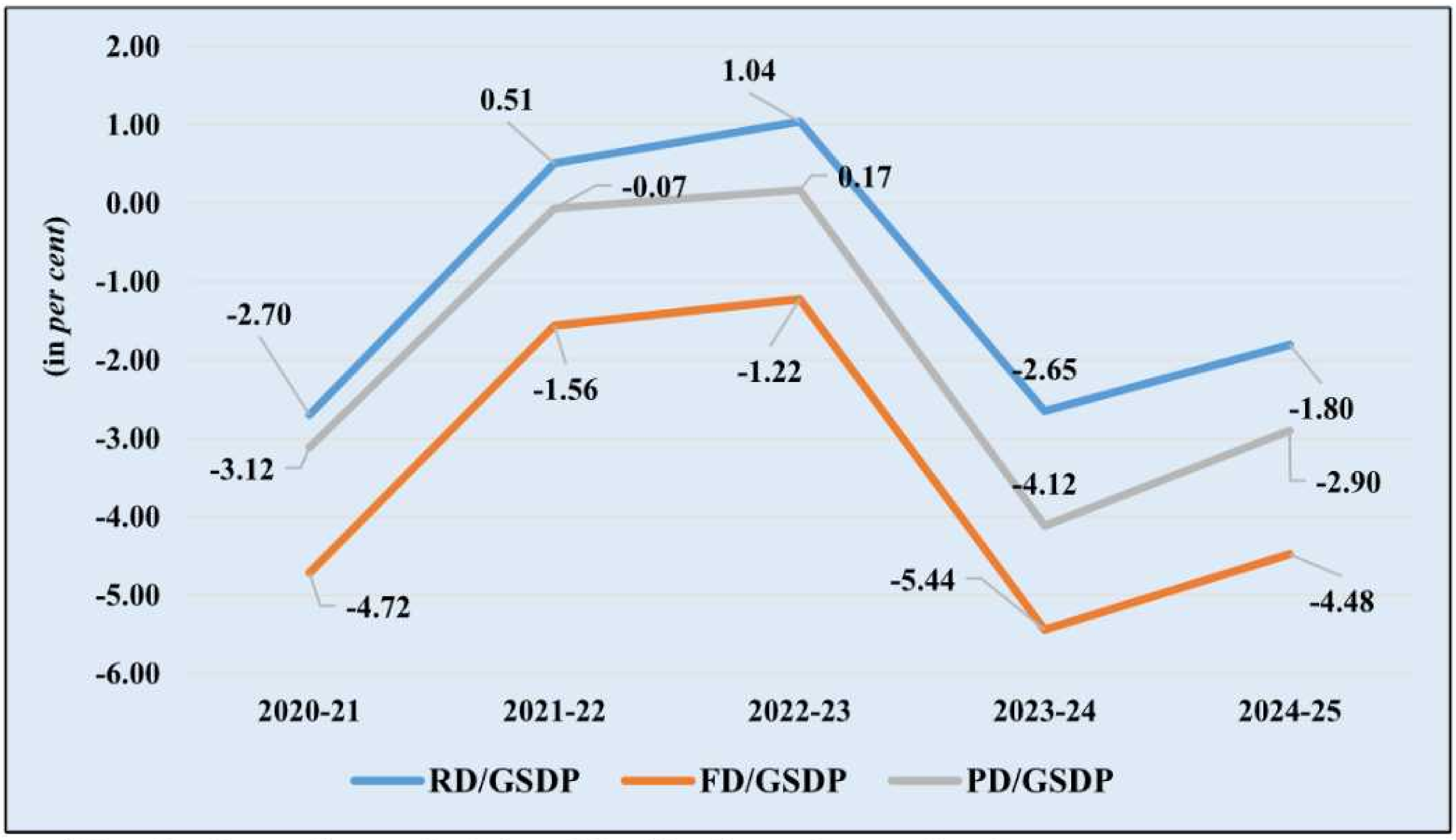
Fiscal Parameters		**Achievement vis-à-vis targets set in the FCR**				
		2015-16	**2016-17**	**2017-18**	**2018-19**	**2019-20**
Revenue deficit (-)/ Surplus (+) (as percentage of GSDP) #	T	1.85	1.79	1.73	1.32	0.32
	A	0.94	2.10	1.21	0.21	-2.79
Fiscal Deficit (-) / Surplus (+) (as percentage of GSDP) #	T	-3.50	-3.50	-3.50	-3.50	-5.00
	A	-2.42	-1.54	-2.41	-2.54	-5.21
Ratio of total outstanding liability to GSDP (in *per cent*)	T	16.09	15.45	18.47	18.06	21.23
	A	16.76	16.84	18.95	20.65	23.04
Interest payment as percentage of Revenue Receipts	T	3.59	4.19	4.57	5.14	5.63
	A	4.66	5.00	5.19	5.61	7.78

Fiscal Parameters		2020-21	2021-22	2022-23	2023-24	2024-25*
Revenue Deficit (-)/ Surplus (+) (as percentage of GSDP)	T	0.67	-0.96	0.16	0.69	0.20
	A	-2.70	0.51	1.04	-2.65	-1.80
Fiscal Deficit (-) / Surplus (+) (as percentage of GSDP)	T	-5.00	-4.56	-3.33	-2.99	-2.90
	A	-4.72	-1.56	-1.22	-5.44	-4.48
Ratio of total outstanding liability to GSDP (in *per cent*)	T	21.59	28.34	26.41	23.81	25.43
	A	26.07	23.07	21.96	26.05	27.45
Interest payment as percentage of Revenue Receipts	T	6.97	8.16	8.11	6.53	6.24
	A	8.92	7.71	6.80	6.57	7.44

***** ***Figures for 2024-25 only include impact of misclassification of revenue and capital expenditure so they are not comparable with figures for 2020-21 to 2023-24.***

 # Figures of Revenue and Fiscal Deficit for 2015-16 to 2019-20 are pre audit figures.

Chart 1.34: Trend analysis of deficits post audit



****Negative figure denotes Deficit and Positive figure denotes Surplus.***

The targets set by 15th Finance Commission and those projected in the State budget *vis-à-vis* achievements in respect of major fiscal aggregates with reference to GSDP during 2024-25 are given in **Chart 1.35**, **Chart 1.36** and **Chart 1.37**.

Chart 1.35: Revenue Deficit as a percentage of GSDP

Chart 1.36: Fiscal Deficit as a percentage of GSDP

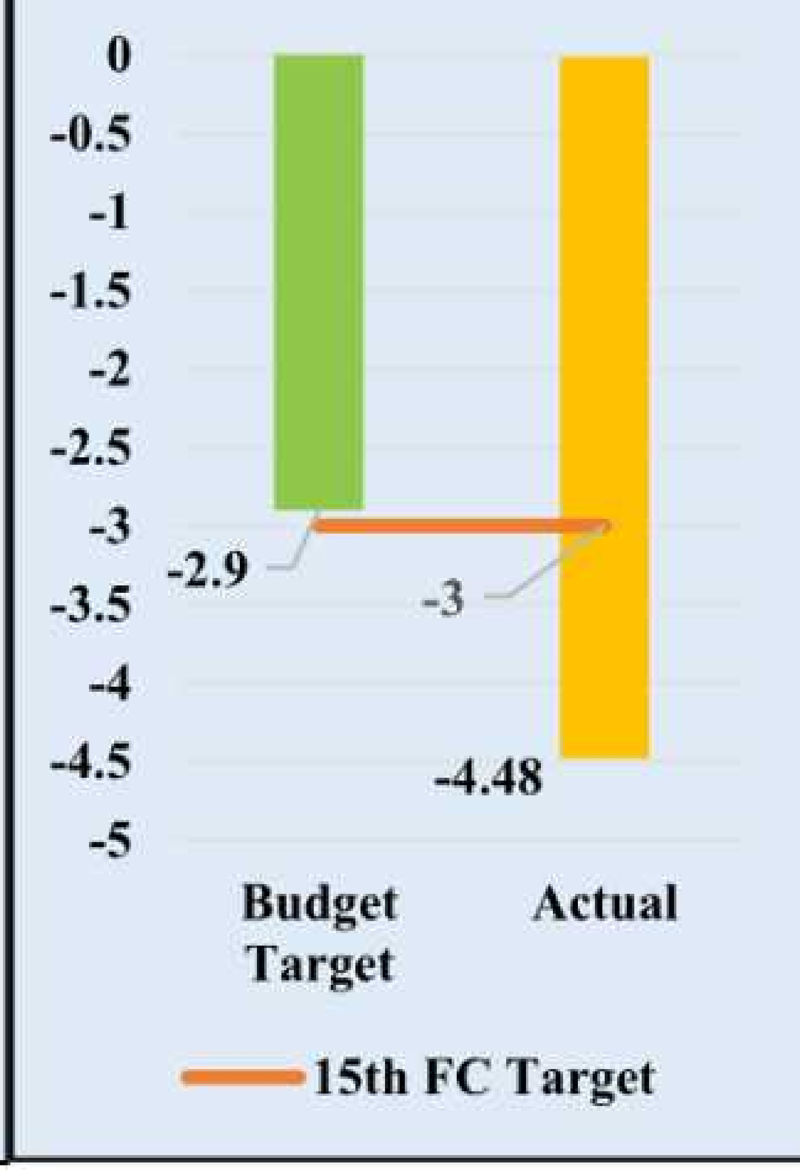
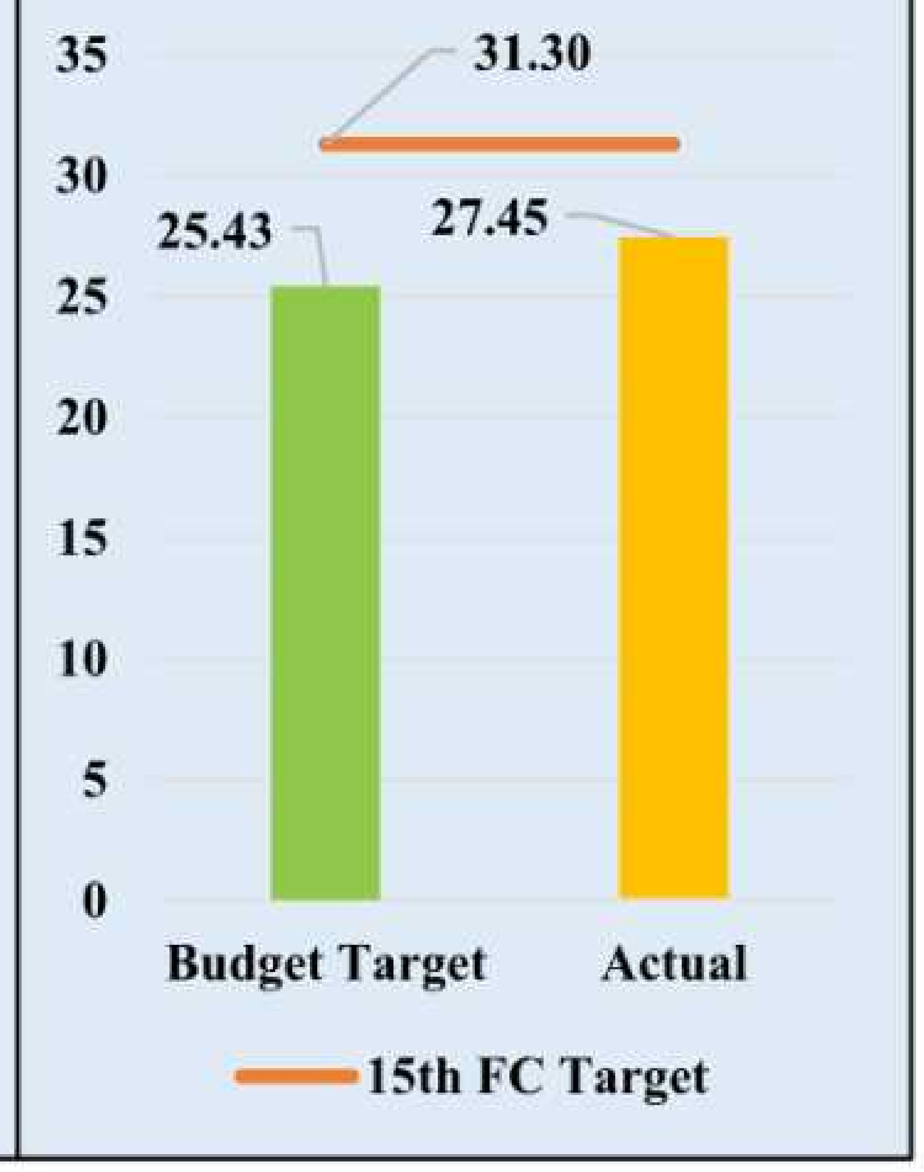


Chart 1.37: Outstanding Liability as a percentage of GSDP



Source: Finance Accounts and budget documents

During the year 2024-25, the revenue deficit-GSDP and fiscal deficit-GSDP ratios were not within the levels fixed by 15th FC and those projected in the budget estimates. In budget 2024-25, although the target of fiscal deficit was fixed as 2.90 *per cent* of GSDP, it was also mentioned that fiscal deficit would increase to 3.51 *per cent* after taking into account special assistance of ₹ 3,400 crore for capital expenditure by GoI. On this being pointed out the State Government in reply (February 2026) stated that Government of Chhattisgarh has received ₹ 6,104 crore in FY 2024-25 and ₹ 3,365 crore in FY 2023-24 under Special Assistance to States for Capital Investment (SASCI) scheme as 50-years interest free loan from the Government of India. As per scheme guidelines issued by MoF, this loan amount has to be excluded from the calculation of fiscal deficit, therefore net public debt (₹ 16,435 crore) will be 2.89 *per cent* in FY 2024-25. The fiscal deficit figure is currently inflated due to SASCI and net Public Account receipts.

1.5.4 Debt Sustainability Analysis

Debt sustainability refers to the ability of the State to service its debt obligation now and in future. Analysis of variations in debt sustainability indicators is given in **Table 1.31.**

Table 1.31: Trends in Debt Sustainability Indicators

(₹ in crore)

Debt Sustainability Indicators	2015-16	2016-17	2017-18	2018-19	2019-20
Overall Liabilities or Overall Debt*	37,741	44,258	52,937	66,750	78,712
Rate of Growth of overall liability (*per cent*)	21.82	17.27	19.61	26.09	17.92
GSDP (in nominal terms)	2,25,163	2,62,802	2,82,737	3,27,107	3,44,672
Nominal GSDP growth (*per cent*)	1.83	16.72	7.59	15.69	5.37
Overall Liability / GSDP (*per cent*)	16.76	16.84	18.72	20.41	22.84
Repayment to Gross Borrowings (*per cent*)	47.02	51.80	45.44	33.39	62.52

Net borrowings available as a percentage of Gross Borrowings	52.98	48.20	54.56	66.61	37.48
Interest payments on Overall Debt	2,149	2,687	3,098	3,653	4,970
Effective rate of interest on Overall Debt (*per cent*)	**7.85**	**7.99**	**7.55**	**6.92**	**7.37**
Interest payment to Revenue Receipts (*per cent*)	6.28	5.00	5.19	5.61	7.78
Revenue Deficit/Surplus	-9,493	5,521	3,417	684	-9,609
Primary Revenue Balance (PRB)	**-7,344**	**8,207**	**6,516**	**4,336**	**-4,638**
Primary Balance (PB)	**-3,295**	**-1,360**	**-3,712**	**-4,640**	**-12,999**
PB/GSDP (*per cent*)	**-1.46**	**-0.52**	**-1.31**	**-1.42**	**-3.77**
Difference between RoI and effective rate of interest on overall liability	-4.33	-5.27	-5.31	-5.10	-7.26
Liquidity Management	0	0	0	0	36
Debt Stabilisation	**-5,141**	**1,831**	**-3,694**	**581**	**-14,437**
Domar Criteria					
GSDP (in constant terms)	1,90,584	2,13,705	2,20,136	2,44,579	2,51,549
Real Growth (in constant terms)	2.57	12.13	3.01	11.10	2.85
Inflation based on CPI (*per cent*)	6.75	3.48	2.69	2.40	2.48
Effective Rate of interest	7.85	7.99	7.55	6.92	7.37
Real effective rate of interest	1.10	4.51	4.86	4.52	4.89
Growth Interest Differential	**1.47**	**7.62**	**-1.85**	**6.58**	**-2.04**
Debt Sustainability Indicators	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**
Overall Liabilities or Overall Debt*	89,557	91,095	93,622	1,26,105	1,51,103
Rate of Growth of overall liability (*per cent*)	13.78	1.72	2.77	34.70	19.82
GSDP (in nominal terms)	3,52,328	4,11,613	4,58,891	5,12,107	5,67,880
Nominal GSDP growth (*per cent*)	2.22	16.83	11.49	11.60	10.89
Overall Liability / GSDP (*per cent*)	25.42	22.13	20.40	24.62	26.61
Repayment to Gross Borrowings (*per cent*)	58.25	76.90	88.51	51.81	47.17
Net borrowings available as a percentage of Gross Borrowings	41.75	23.10	11.49	48.19	52.83
Interest payments on Overall Debt	5,633	6,144	6,382	6,798	8,952
Effective rate of interest on Overall Debt (*per cent*)	**7.05**	**7.18**	**7.19**	**6.30**	**6.87**
Interest payment to Revenue Receipts (*per cent*)	8.92	7.71	6.80	6.57	7.44
Revenue Deficit/Surplus	-6,857	4,642	8,592	-11,233	-5,099
Primary Revenue Balance (PRB)	**-1,224**	**10,786**	**14,974**	**-4,434**	**3,853**
Primary Balance (PB)	**-10,189**	**51**	**1,691**	**-20,134**	**-16,495**
PB/GSDP (*per cent*)	**-2.89**	**0.01**	**0.37**	**-3.93**	**-2.90**
Difference between RoI and effective rate of interest on overall liability	-6.55	-6.94	-4.53	-3.11	-3.63
Liquidity Management	30	38	15	99	9
Debt Stabilisation	**-14,147**	**8,056**	**5,209**	**-14,286**	**-11,300**
Domar Criteria					
GSDP (in constant terms)	2,51,192	2,67,033	2,85,817	3,06,712	3,29,752
Real Growth (in constant terms)	-0.14	6.31	7.03	7.31	7.51
Inflation based on CPI (*per cent*)	7.43	4.83	4.69	3.43	5.78

Effective Rate of interest	7.05	7.18	7.19	6.30	6.87
Real effective rate of interest	-0.38	2.35	2.50	2.87	1.09
Growth Interest Differential	**0.24**	**3.96**	**4.53**	**4.44**	**6.42**

Source: Finance Accounts
**** Excludes back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its source.***
PRB: Revenue Receipts-Revenue Expenditure (net of interest payments), where (-) PB implies Primary Deficit and vice-versa.
PB: Total Receipts (net of borrowings) -Total Expenditure (net of interest payments), where (-) PB implies Primary Deficit and vice-versa.
Effective Rate of Interest: {Interest Payments excluding IP on OBB / [Average Outstanding liability of Previous and Current Financial Year excluding Non-Interest-Bearing Liabilities, back-to-back loan and Interest free loan released to the States]}
Liquidity Management (use of financial accomodation instruments available with RBI) (number of days): Amount availed against SDF, WMA & OD
Quantum Spread: (Interest Spread* overall liability) where Interest spread = (GSDP growth rate - Effective rate of interest on Overall liability). For computation of quantum spread, overall liability has been taken after excluding back-to-back loan, Non-Interest Bearing Liabilities and Interest free loan released to the States under the Scheme for Special Assistance to States for Capital Expenditure/Investment; RoI : Return on Investment
Debt Stabilisation=Quantum spread + Primary balance
Real effective rate of interest =Effective rate of interest-Inflation
Growth Interest Differential=Real Growth-Real effective rate of interest

The growth in overall debt/liabilities remained higher than the growth in nominal GDP except for the years 2021-22 and 2022-23. Rising growth rate of overall debt/liabilities in last two years suggests that the state needs to take austerity measures to contain growth in debt to keep it in tandem with the nominal GDP growth.

The debt-to-GSDP ratio fluctuates but shows an overall rising trend from 25.42 *per cent* in 2020-21 to 26.61 *per cent* in 2024-25, with a dip in intermediate years. This means the debt burden relative to the economy is generally increasing, especially after 2022-23. The debt-to-GSDP ratio at 26.61 *per cent* in 2024-25 exceeded the target prescribed in the MTFPS (25.43 *per cent*) by the State Government but within the indicative debt path of State Government projected by the 15th Finance Commission (31.30 *per cent*).

Repayment to Gross Borrowing has shown a fluctuating trend ranging from 47.27 *per cent* to 88.51 *per cent* during 2020-25. Higher Repayment to Gross Borrowing will reduce the government's flexibility in fiscal planning and may further need to cut spending on quality expenditure. Further, Net borrowing available for productive purposes and growth-boosting investment has neither consistently shown an upward trend nor remained stable enough to lead to a sustained improvement in the quality of expenditure.

The Interest payment to revenue receipts ratio increased from 6.57 *per cent* in 2023-24 to 7.44 *per cent* in 2024-25 which also exceeded the target prescribed in the Macroeconomic Framework Statement (6.24 *per cent*) presented along with State Budget 2024-25. Rising interest payment to revenue receipts ratio reflects possible concern associated with the debt servicing by the State Government. On this being pointed out the Department stated that the interest payment ratio increased from 6.57 *per cent* in 2023-24 to 7.44 *per cent* in 2024-25, which is under sustainable limit of 10 *per cent* prescribed by 15th Finance Commission.

Both Primary balance and Debt-Stabilisation metric (quantum spread plus primary balance) remained negative in three out of last five years, but both indicators improved during 2024-25 when compared to 2023-24 which shows that state needs to take adequate measures to move toward a sustainable fiscal path. Growth Interest differential (GID) remained positive in all five years, and it improved from 0.24 in 2020-21 to 6.42 in 2024-25. Positive GID indicates that State is moving towards sustainable fiscal path.

Further, utilisation of the financial facility available with RBI for liquidity management was the lowest at 09 days in 2024-25 and the highest at 99 days in 2023-24 in the last five years. This shows that the reliance on short-term borrowings for liquidity management has reduced drastically compared to last year. Improvement in this indicator suggests that State is taking appropriate measures to improve liquidity management.

The Domar criterion suggests that nominal growth was driven primarily by real growth rather than inflation except in the pandemic-affected year (2020-21).

1.5.5 Status of Guarantees - Contingent Liabilities

Guarantees are contingent liabilities on the Consolidated Fund in case of borrower defaults. The State extends guarantees for loans raised by entities like statutory corporations, boards, local bodies, and co-operative institutions. As per the Chhattisgarh State Government Guarantee Rules, 2020 (Amended), the total Government guarantees given in a financial year shall not exceed 100 *per cent* of the State's own Revenue Receipts in the preceding year. Details of the guarantees and status of outstanding guarantees to total receipts for the last ten years is given in **Table 1.32**.

Table 1.32: Guarantees given by the State Government

(₹ in crore)

Guarantees	Ceiling applicable to the outstanding amount of guarantees	Outstanding amount of guarantees at the beginning of the year	Outstanding guarantees at the end of the year
2015-16	14,446	2,362	1,988
2016-17	15,603	1,988	3,983
2017-18	17,230	3,982	3,882
2018-19	18,365	3,882	10,769
2019-20	20,391	11,559	18,459
2020-21	30,052	18,469	19,836
2021-22	30,026	19,836	19,500
2022-23	40,935	19,500	22,100
2023-24	48,371	22,100	21,891
2024-25	53,934	21,890	20,763

Source: Finance Accounts and Annual Financial Statements

* *As per the Chhattisgarh State Government Guarantees Rules, 2003, the total Government guarantees given in a financial year shall not exceed seventy per cent of the State's own Revenue Receipts in the*

preceding year. However, the limit was increased (July 2020) to hundred per cent through Chhattisgarh State Government Guarantees Rules, 2020 (Amended).

The outstanding guarantees for ₹ 20,763.08 crore as on 31 March 2025 was in respect of Power (₹ 2,591.50 crore); Co-operatives (₹ 15,009.54 crore); State Finance Companies/Corporations (₹ 67.91 crore); Urban Development and Housing (₹ 2,781.78 crore); and Others (₹ 312.35 crore).

The Government gave guarantees within the limits prescribed in Chhattisgarh State Government Guarantee Rules, 2020 (Amended) during 2020-25. Comparison of Outstanding amount of guarantees at the beginning and end of the year clearly implicate that except for the FY 2023-24 and 2024-25, contingent liabilities were being carried forward and there was no effort by State Government to reduce its exposure but during 2023-24 and 2024-25 State Government reduced its exposure in contingent liabilities.

State Government has established Guarantee Redemption Fund in FY 2022-23 to absorb the risk associated with contingent liabilities.

1.5.6 Pathways to Fiscal Stability

Deficits can be improved by enhancing revenues and rationalising expenditures. This includes strengthening tax compliance, widening the tax base, revising user charges, and monetising idle government assets. On the spending side, better targeting of subsidies, controlling salary and pension growth, and ensuring proper classification of expenditure are key factors. Prioritising productive capital investment and improving debt management through transparent and efficient borrowing can further ease fiscal pressure. These measures collectively create fiscal space and help reduce revenue, fiscal, and primary deficits in a sustainable manner. These have been discussed in succeeding paragraphs.

1.5.6.1 Improving Revenues of the State

Untapped revenue potential, if harnessed effectively, could significantly enhance fiscal space and reduce dependence on debt. Inefficiencies in assessment, undervaluation, and limited enforcement mechanisms of key tax streams such as State GST, Stamp Duty, and Excise will lead to subdued revenue growth. Under-realised non-tax revenues, with low user charges, poor cost recovery, and suboptimal returns on public assets and investments also impede the fiscal space. Timely realisation of pending arrears is (tax and nontax) another step towards enhancing the fiscal space.

A. Arrears of revenue

As on 31 March 2025, the arrears of revenue in respect of principal heads of revenue were ₹ 5,991.74 crore, of which ₹ 2,458.32 crore were outstanding for more than five years, as depicted in **Table 1.33**.

Table 1.33: Arrears of revenue

(₹ in crore)

Sl. No.	Head of revenue	Amount outstanding as on 31 March 2025	Amount outstanding for more than five years as on 31 March 2025
1	Taxes and duties on electricity	5,929.71	2,396.60
2	Forests and Wildlife	5.60	5.32
3	State Excise	56.43	56.40
	Total	**5,991.74**	**2,458.32**

Source: Departmental Information

B. Arrears in assessment

The information on number 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 Forest and Wildlife, Energy department, is depicted in **Table 1.34**.

Table 1.34: Arrears of assessment

(₹ in crore)

Sl. No.	Head of Revenue	Opening Balance	New Cases due for assessment during 2024-25	Total assessment due	Cases disposed of during 2024-25	Balance at the end of the year	Percentage of disposal
1	Forests and Wildlife	4.91	0	4.91	0	4.91	0
2	Taxes and duties on electricity	4,615.23	6	79	0	79	0

Source: Departmental information

Department of Excise has furnished nil cases of Arrears of Assessment.

C. Details of evasion of tax detected by the Department, refund cases, etc.

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

The details of cases of evasion of tax detected by Forests and Wildlife, cases finalised and the demand for additional tax raised; during the year 2024-25, as reported by the departments concerned, are depicted in **Table 1.35**. Department of Excise and Energy (Taxes and duties on electricity) has furnished nil cases of tax evasion.

Table 1.35: Evasion of tax detected

Sl. No.	Head of revenue	Cases pending as on 31 March 2024	Cases detected during 2024-25	Total	No. of cases in which assessment/investigation completed and additional demand with penalty, etc. raised		No. cases pending for finalisation as on 31 March 2025
					No. of Cases	Amount of demand (in crore)	
1	Forests and Wildlife	15	0	15	0	0	15
Total		**15**	**0**	**15**	**0**	**0**	**15**

Source: Departmental information

Other Departments *viz.,* Commercial Tax (Registration), Mineral Resource *etc.* did not furnish the details regarding evasion of tax/ revenue, despite being requested by Audit in September 2025.

Promptness in disposal of refund cases is an important indicator of performance of the Departments. The number of refund cases pending at the beginning of the year, claims received during the year, refunds allowed during the year and the cases pending at the close of the year, as reported by the Departments are given in **Table 1.36**:

Table 1.36: Refund Cases

(₹ in crore)

Sl. No.	Particulars	Forestry and Wildlife		State Excise	
		No. of cases	Amount	No. of cases	Amount
1	Claims outstanding at the beginning of the year (1 April 2024)	15	1.00	26	0.85
2	Claims received during the year (2024-25)	0	0	62	5.98
3	Refunds made during the year (2024-25)	0	0	70	5.06
4	Refund rejected during the year (2024-25)	0	0	0	0
5	Balance outstanding at the end of the year (31 March 2025)	15	1.00	18	1.77

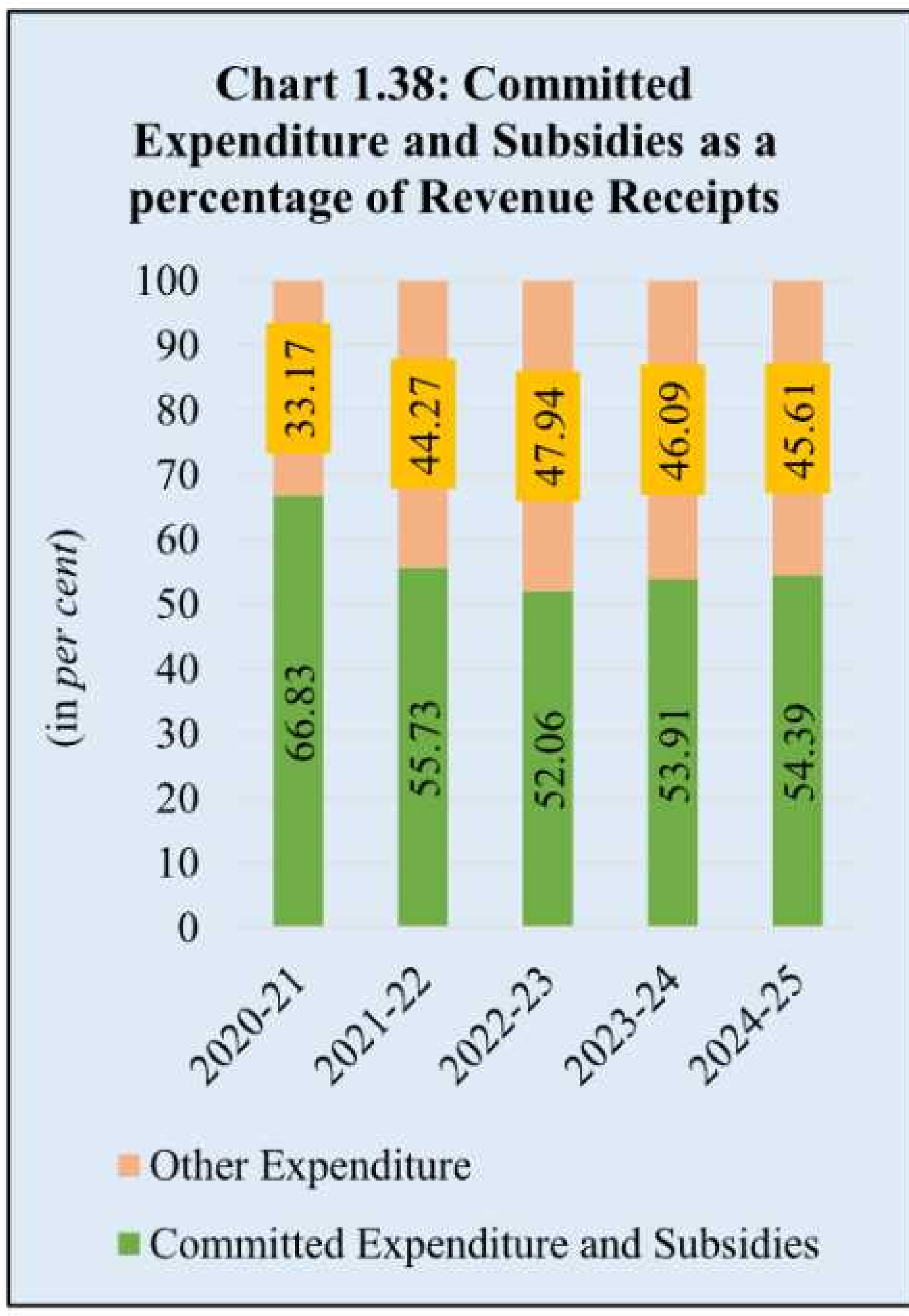
Source: Departmental information

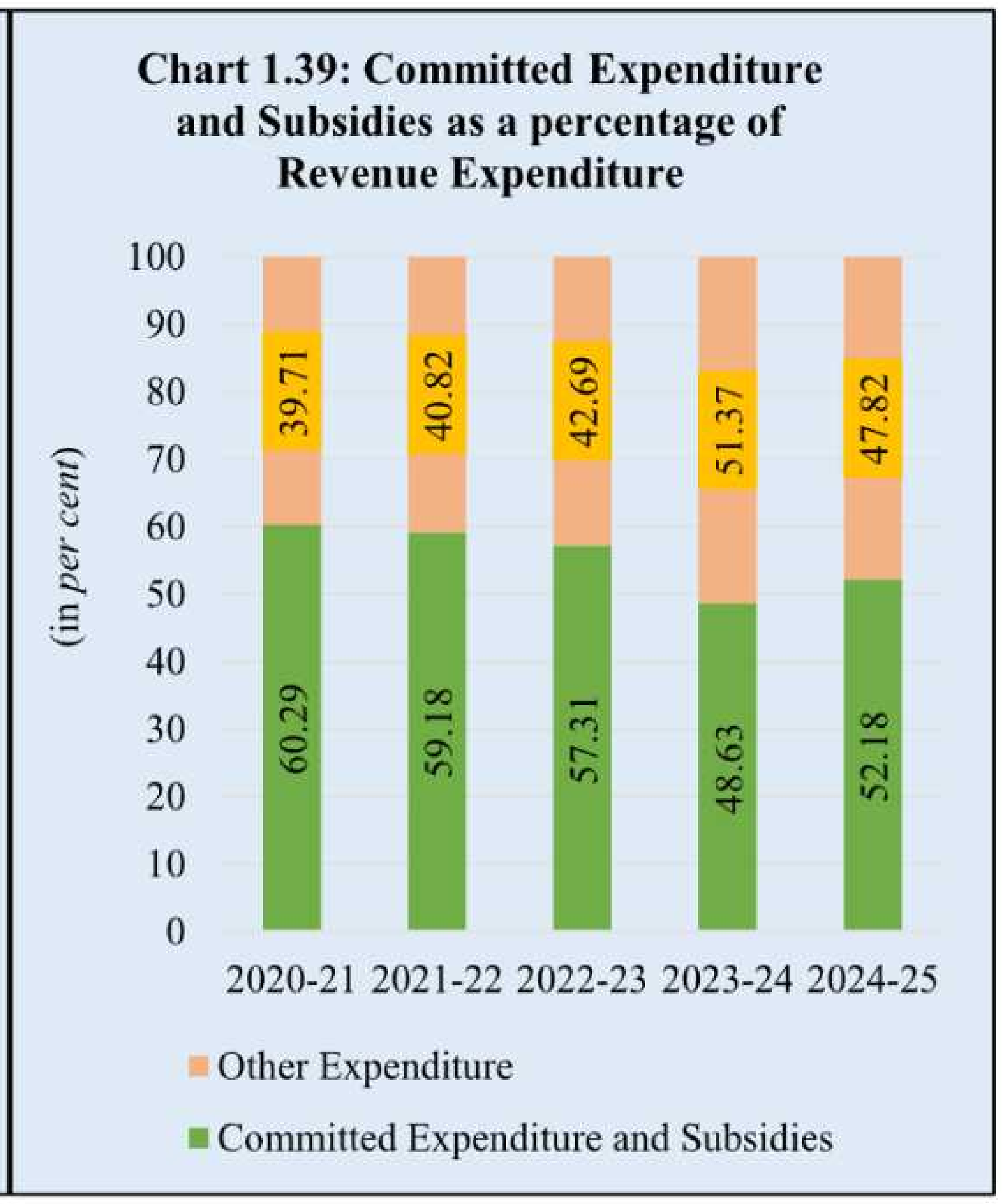
The Energy (Taxes and duties on electricity) department reported nil cases of pendency of refund, while Commercial Tax (Registration), Mineral Resource departments did not furnish the details of pendency of refund cases at the end of March 2025.

1.5.6.2 Issues on expenditure side

A. Fiscal stress from committed expenditure and subsidies

Chart 1.38 and **Chart 1.39** depicts Committed expenditure and subsidies together as a percentage of Revenue Receipts and Revenue Expenditure during the FY 2020-25 respectively.





In 2024-25, the State's committed expenditure of ₹ 48,882.96 crore comprising salaries and wages (₹ 31,419.87 crore), pensions (₹ 8,510.74 crore), and interest payments (₹ 8,952.35 crore), accounted for approximately 40.64 *per cent* of the Revenue Receipts. In addition, subsidies amounted to ₹ 16,539.20 crore, bringing the total rigid expenditure to ₹ 65,422.16 crore, which was nearly 54.39 *per cent* of the State's revenue receipts. The high and inflexible nature of such expenditure significantly compresses fiscal space, limiting the State's ability to allocate resources towards capital investment and developmental priorities. This structural imbalance increases the risk of persistent revenue and primary deficits, constrains long-term fiscal sustainability, and reduces the government's capacity to respond to emergent socio-economic challenges.

There is an urgent need for expenditure reform through rationalisation of subsidies, improved targeting, and prudent management of salary and pension commitments, to enhance fiscal flexibility and ensure a sustainable fiscal path.

B. Capital blocked in incomplete projects

An assessment of capital blocked in incomplete capital projects would also indicate the quality of Capital Expenditure. Blocking of funds in incomplete projects/ works impinges negatively on the quality of expenditure and deprives the State of the intended benefits of the projects for prolonged periods. Further, funds borrowed for implementation of these projects, during the respective years would lead to an extra burden, in terms of servicing of debt and interest liabilities. Details of the incomplete projects (based on information provided by the State Government for Appendix-IX of the Finance Accounts for the year 2024-25) are shown in **Table 1.37**.

Table 1.37: Capital blocked in incomplete projects

(₹ in crore)

Age profile of incomplete projects as on				Department-wise profile of incomplete projects as on		
31 March 25				31 March 2025		
Year	**No. of incomplete projects**	**Estimated cost**	**Expenditure incurred**	**Department**	**No. of incomplete projects**	**Estimated cost (Expenditure incurred)**
Prior to 1995	2	55.35	100.96	Irrigation	78	2,925.34 (3,160.60)
1995-2000	0	0.00	0.00	Buildings	10	1,243.48 (1,086.50)
2001-2005	2	214.16	149.21	Roads	61	3,058.26 (1,488.53)
2006-2010	17	611.47	1,051.31	Bridges	14	317.60 (156.15)
2011-2015	34	1,516.66	1,679.49	Other	0	0(0)
2016-2020	43	3,199.76	1,835.42			
2021-2025	65	1,947.28	1,075.39			
Total	**163**	**7,544.68**	**5,891.78**	**Total**	**163**	**7,544.68 (5,891.78)**

Source: Finance Accounts

Out of the estimated cost of ₹ 7,544.68 crore on these 163 ongoing projects, ₹ 5,891.78 crore was spent till 2024-25. Therefore, due to noncompletion of these 163 projects, Capital Expenditure of ₹ 5,891.78 crore remained blocked.

Due to incomplete information in *Appendix-IX* (Commitments of the Government-List of Incomplete Capital Works) of the Finance Accounts for the year 2024-25 (provided by the State Government), Audit could not ascertain the actual progressive expenditure, physical progress of work, position of pending payment (future liability) and revised cost, if any, as on 31 March 2025.

C. Un-discharged liabilities on Fiscal Space

Undischarged/deferred liabilities, if not addressed timely, will reduce the available fiscal space for future developmental and infrastructure spending. Besides creating lack of transparency and credibility, this impairs the state's ability to raise resources in a sustainable manner, thereby impacting overall fiscal health and long-term sustainability.

Audit observed that the State Government had accumulated several undischarged liabilities over the years, which have significant implications for fiscal sustainability. These include:

- Non-transfer of statutory funds/cess such as Mineral Development Fund, Central Road and Infrastructure Fund, Infrastructure Development cess and Environment cess amounting to ₹ 1,217.51 crore.

- Un-discharged interest liabilities totaling ₹ 58.83 crore.
- Off-budget borrowings and other liabilities not captured in the debt stock amounting to ₹ 4,776.57 crore.
- Short/non-transfer of State Government's contribution to the National Pension System (NPS)/Chhattisgarh State Pension Fund amounting to ₹ 138.86 crore.
- Pending refund cases amounting to ₹ 2.77 crore.

The cumulative value of these un-discharged liabilities amounted to ₹ 6,194.54 crore, which is equivalent to 1.09 *per cent* of the GSDP and 24.34 *per cent* of the Fiscal Deficit for the year 2024-25.

Audit recommends that the State Government disclose and address all undischarged liabilities transparently and make provisions for timely discharge of these obligations to avoid future fiscal stress.

1.6 Conclusions

Positive own revenue buoyancy of more than one in three out of the last five years signifies that the State was able to mobilise own revenue at a pace faster than the growth in its GSDP.

Subsidies as a proportion of revenue expenditure increased from 10.44 per cent in 2020-21 to 13.19 per cent in 2024-25, exerting pressure on resources available for developmental expenditure. The rising trend in subsidy outgo over the last three years also indicates a potential risk to fiscal sustainability.

Interest payments as a proportion of revenue receipts increased from 6.57 per cent in 2023-24 to 7.44 per cent in 2024-25, indicating a rising interest burden on the State's finances.

The State Government earned a meagre 0.02 per cent return on its total investment (₹ 7,717.68 crore) in Statutory Corporations, Government Companies and Co-operatives up to 31 March 2025.

An analysis of the maturity profile of public debt as on 31 March 2025 shows that 67.07 per cent of the debt is repayable within the ensuing seven years. The predominance of debt maturing in the short to medium term suggests the presence of debt bunching, with possible implications for refinancing and liquidity pressures on State finances.

The State accumulated Un-discharged liabilities amounted to ₹ 6,194.54 crore, which is equivalent to 1.09 per cent of the GSDP and 24.34 per cent of the Fiscal Deficit for the year 2024-25.

The fiscal deficit as a percentage of GSDP (post-audit) declined from 5.44 per cent in 2023-24 to 4.48 per cent in 2024-25; however, it remained in excess of the limits prescribed by the 15th Finance Commission as well as those projected in the Budget Estimates.

Outstanding liabilities, measured as a percentage of GSDP (post-audit), at 27.45 per cent in 2024-25 remained within the ceiling prescribed by the 15th Finance Commission, but it exceeded the level projected in the Budget Estimates.

In 2024-25, the State's committed expenditure of ₹ 48,882.96 crore accounted for approximately 40.64 per cent of the Revenue Receipts. In addition, subsidies amounted to ₹ 16,539.20 crore, bringing the total rigid expenditure to ₹ 65,422.16 crore, which was nearly 54.39 per cent of the State's revenue receipts. The high and inflexible nature of such expenditure significantly compresses fiscal space, limiting the State's ability to allocate resources towards capital investment and developmental priorities.

1.7 Good Practices

- Revenue Receipts as a percentage of GSDP of the State increased from 17.93 *per cent* in 2020-21 to 21.18 *per cent* in 2024-25 highlighting the state's fiscal resilience.
- Capital Expenditure as a percentage of GSDP of the State increased from 2.56 *per cent* in 2020-21 to 3.53 *per cent* in 2024-25 which shows that state is prioritising long term asset creation.

1.8 Recommendations

The Government may

- strengthen revenue mobilisation by improving tax compliance, updating property valuation systems, and enforcing a clear non-tax revenue policy, especially for dividends, mining, and interest receipts, and revising user charges and fees periodically.
- rationalise revenue expenditure and committed liabilities, and control interest payments to create fiscal space for developmental spending.
- enhance quality and prioritise capital expenditure by increasing allocations to infrastructure sectors, avoiding misclassification of expenditures, and ensuring capital outlay keeps pace with economic growth.
- improve return on public investments by enforcing a dividend policy for profit-making PSUs, disinvesting from non-performing entities, and enhancing monitoring of loans and advances to ensure financial discipline and accountability.
- review its investments and Loans and Advances to entities from which there are consistent low returns to ensure realisation of optimal returns.
- ensure fiscal transparency by strictly adhering to FRBM targets with disclosure of off-budget liabilities.