Chapter II

Budgetary Management

Chapter II: Budgetary Management

This chapter reviews Chhattisgarh State's budgetary process, revealing significant gaps between budget estimates and actual expenditure, with issues like excess spending and persistent savings. It highlights weaknesses in financial planning, control, and compliance, stressing the need for realistic budgeting and timely fund utilisation.

2.1 Budget Process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called "the Annual Financial Statement (Budget)" is to be laid before the State Legislature. The estimates of the expenditure show 'charged' and 'voted' items[1] of expenditure separately and distinguish expenditure on revenue accounts from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the State Government.

As per the Chhattisgarh State Budget Manual, the Finance Department is responsible for preparing the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called 'Demand for Grants'. The State budget majorly comprises the following documents:

- Annual Financial Statement
- Medium Term Fiscal Plan
- Demand for Grants
- Fiscal Risk Statement
- FRBM Statements
- Others

The Annual budget of State of Chhattisgarh is prepared in 71 Demand for grants which are further divided into grants/appropriations.

2.2 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for optimum utilisation of resources, strengthen scheme implementation and monitoring capacity and achievement of fiscal targets. Persistent savings/excesses

[1]**Charged expenditure:** Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments, etc.), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature.
Voted expenditure: All other expenditure is voted by the Legislature.

indicate need for improvement in the underlying budgetary utilisation processes.

Details of total appropriation obtained from state legislature, actual expenditure and savings are summarised in **Table 2.1.**

Table 2.1: Actual expenditure vis-à-vis budget provision during the financial year 2024-25

(₹ in crore)

	Nature of Expenditure	Original Grant/ App.	Supplementary Grant/ App.	Total Budget	Actual expenditure	Excess (+)/ Savings (-)	Surrender	
							Amount	Percent vis-à-vis Total Budget
Voted	I. Revenue	1,18,900.59	20,420.33	1,39,320.92	1,17,857.73	-21,463.19	20,208.76	14.51
	II. Capital	23,585.41	6,249.89	29,835.30	21,245.07	-8,590.23	8,397.52	28.15
	III. Loans & Advances	490.80	0.00	490.80	321.56	-169.24	163.59	33.33
Total		**1,42,976.80**	**26,670.22**	**1,69,647.02**	**1,39,424.36**	**-30,222.66**	**28,769.87**	**16.96**
Charged	IV. Revenue	8,215.07	1,215.93	9,431.00	9,397.68	-33.33*	63.07	0.67
	V. Capital	15.76	11.05	26.81	12.62	-14.19	14.19	52.93
	VI. Public Debt-Repayment	9,360.44	0.00	9,360.44	10,870.67	1,510.23	33.47	0.36
Total		**17,591.27**	**1,226.98**	**18,818.25**	**20,280.97**	**1,462.72**	**110.73**	**0.59**
Appropriation to Contingency Fund		Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total		**1,60,568.06**	**27,897.20**	**1,88,465.26**	**1,59,705.33**	**-28,759.93**	**28,880.60**	**15.32**

Source: Appropriation Accounts

**** Net figure after adjusting savings (₹61.75 crore) and excess (₹28.42 crore)***

Note: The expenditure shown above are gross figures without taking into account the recoveries adjusted in the accounts as reduction of expenditure under Revenue Heads (₹1,865.59 crore) and Capital Heads (₹1,203.07 crore).

It can be seen from **Table 2.1** that for the year 2024-25, the total budget of the State Government was ₹1,88,465.26 crore and the actual expenditure was ₹1,59,705.33 crore leaving an overall net savings of ₹28,759.93 crore across all grants which was 15.26 *per cent* of the allocation under those heads.

Trends in the original budget, revised estimate, and actual expenditure for the period 2020-21 to 2024-25 are given in **Table 2.2**.

Table 2.2: Original Budget, Revised Estimate and Actual Expenditure during FYs 2020-21 to 2024-25

(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
Original Budget	1,02,907.42	1,05,212.73	1,12,603.40	1,32,370.17	1,60,568.06
Supplementary budget	7,042.84	5,086.56	11,445.78	32,511.51	27,897.20
Total budget (TB)	1,09,950.26	1,10,299.29	1,24,049.18	1,64,881.68	1,88,465.26
Revised Estimate (RE)	98,842.36	1,07,239.96	1,21,842.07	1,59,613.62	1,64,339.28
Actual Expenditure (AE)	89,299.70	96,368.41	1,10,413.01	1,58,387.86	1,59,705.33
Net Savings	20,650.56	13,930.88	13,636.17	6,493.82	28,759.93
Percentage of supplementary to the original provision	6.84	4.83	10.16	24.56	17.37

Percentage of overall saving/excess to the overall provision	18.78	12.63	10.99	3.94	15.26
TB-RE	11,107.90	3,059.33	2,207.11	5,268.06	24,125.98
RE-AE	9,542.66	10,871.55	11,429.06	1,225.76	4,633.95
(TB-RE) as % of TB	10.10	2.77	1.78	3.19	12.80
(RE-AE) as % of TB	8.68	9.86	9.21	0.74	2.46

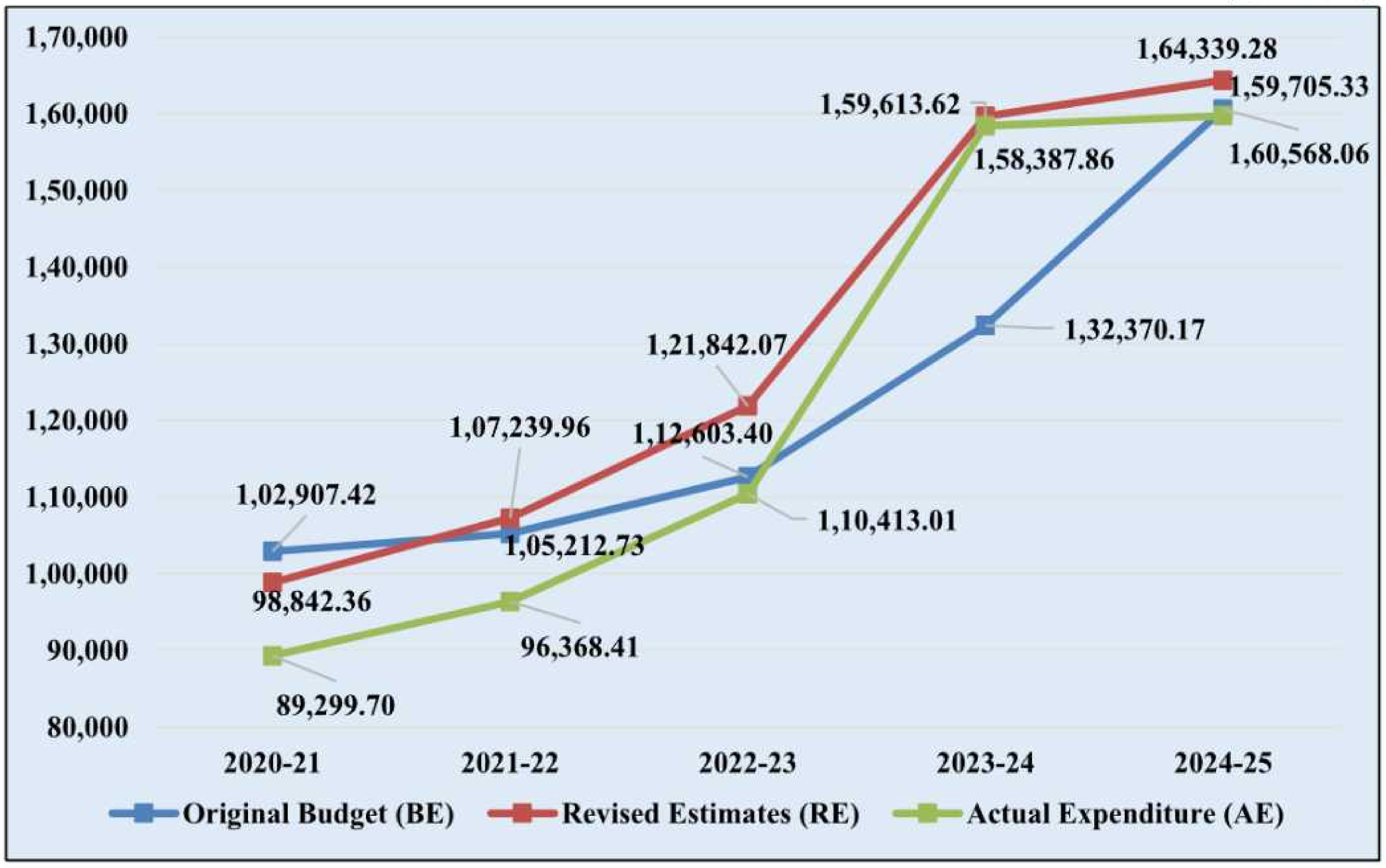
Source: Annual Financial Statement and Appropriation Accounts

Table 2.2 shows that supplementary provision of ₹ 27,897.20 crore during 2024-25 constituted 17.37 *per cent* of the original provision as against 24.56 *per cent* in the previous year.

As the final expenditure (₹ 1,59,705.33 crore) was contained within the original budget, the supplementary provisions were not necessary/excessive as discussed in subsequent para no. 2.5.2.

Chart 2.1 Trend showing BE, RE and Actuals

(₹in crore)



From the **Chart 2.1**, it is seen that divergence has decreased over time. The government has progressively improved its budget estimation and spending alignment, with Actual Expenditure closely tracking Revised Estimates in later years.

On being pointed out the State Government in reply (February 2026) stated that the net savings of ₹ 28,759.93 crore (15.26 *per cent* of the total budget) is a measure of fiscal prudence to manage the expenditure within available resources. While final expenditure was within original limits, the supplementary provision of ₹ 27,897.20 crore was primarily due to opening of new relevant budget heads and reappropriation of funds from one demand/ Major Head to another, which is otherwise not possible due to restrictions e.g. one demand number to other and capex to revenue heads.

As per the principles General Financial Rules (GFR) and Budget Manual, budgetary provisions are required to be framed on a realistic assessment of requirements, and funds voted by the Legislature are expected to be utilised optimally for the intended purposes.

2.2.1 Component/Services wise analysis of budgetary provisions and expenditure

Component wise analysis of the Budget and Expenditure for the FY 2024-25, is summarised in **Table 2.3**. The summary of explanations received in case of variations in Appropriation Accounts is depicted in **Chart 2.2**.

Table 2.3: Component Wise Budget and Expenditure for the year 2024-25

(₹ in crore)

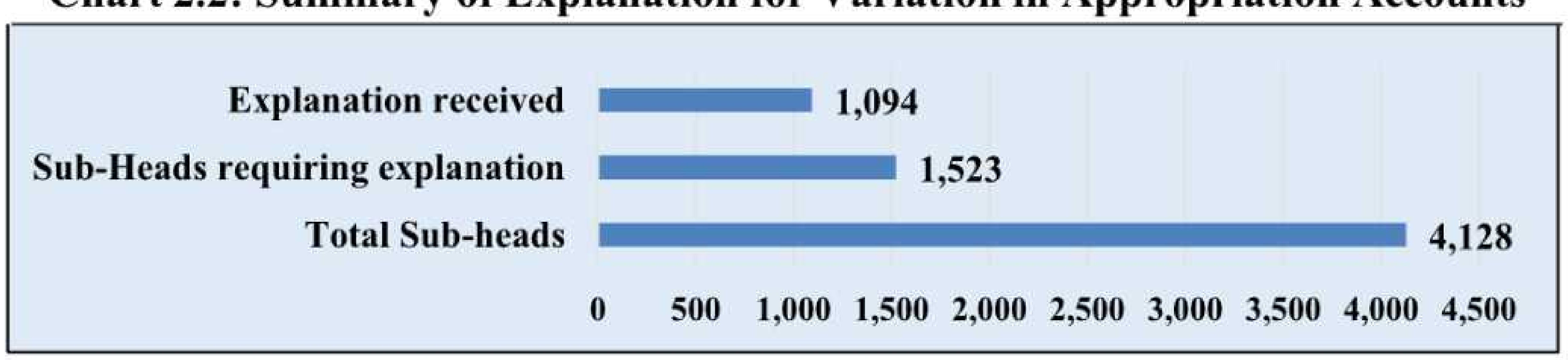
Component	Budget (O+S)	Expenditure	Percentage of Total Budget	Percentage of Total Expenditure	Percentage of expenditure against the Budget
(1)	(2)	(3)	(4)	(5)	(6=3/2*100)
Committed Expenditure	55,775.46	48,882.96	29.59	30.61	87.64
State Schemes	87,527.61	78,488.28	46.44	49.15	89.67
Central Share for Centrally Sponsored Scheme	16,166.06	10,046.11	8.57	6.29	62.14
State Share for CSS	14,503.43	9,886.26	7.69	6.19	68.16
EAP - Externally Aided Projects	876.49	388.00	0.47	0.24	44.27

As from the above table, it can be seen that there is significant variation in utilisation of budgetary allocations ranging from 44.27 *per cent* to 89.67 *per cent* across components. This indicates uneven budget execution and weak financial planning across departments.

EAPs recorded the lowest expenditure (44.27 *per cent* of budget), pointing to delays in project implementation, inadequate release of funds, and weak monitoring mechanisms. This not only hampers project outcomes but may also result in reduced external assistance or cost overruns.

Under-utilisation in several components suggests over-estimation of budgetary requirements. This weakens the credibility of the budget and limits its effectiveness in achieving planned development results.

Chart 2.2: Summary of Explanation for Variation in Appropriation Accounts



Source: Appropriation Accounts

From **Chart 2.2**, it is seen that the State Government did not furnish explanation for the variations in 429 Sub-Heads out of 1,523 sub-heads requiring explanation in 2024-25. Non-furnishing of explanation for variations between the budgeted allocations and its utilisation, limits legislative control over Budget and financial accountability of the Government.

2.2.2 Gender Budget

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

During 2024-25, the State Government allocated ₹ 10,567.28 crore for 31 schemes which are 100 *per cent* women centric. Out of the total budget of ₹ 10,567.28 crore, ₹ 10,071.14 crore (95.30 *per cent*) was utilised.

Further, budget provision of ₹ 24,902.10 crore was made for 104 schemes in which a part (at least 30 *per cent*) of the budget was to be spent on women beneficiaries. A total of ₹ 19,874.28 crore (79.81 *per cent*) was found to be expended under these schemes.

Out of all schemes under the Gender Budget, the '*Mahtari Vandan Yojana*' had the highest allocation of ₹ 7,900 crore, making it the largest Direct Benefit Transfer (DBT) scheme benefitting women in the State.

2.2.3 Child Budget

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

During 2024-25, the State Government provided ₹ 9,843.69 crore in the budget for 54 schemes. Major allocations in this category were made to departments such as Sports & Youth Welfare Department, Labour Department, Public Health & Family Welfare Department, School Education Department, Tribal Welfare Department, Social Welfare Department, and Women & Child Development Department

Out of this, a budget of ₹ 8,123.80 crore was allocated for 48 schemes which are 100 *per cent* child centric. An expenditure of ₹ 6,603.20 crore (81.28 *per cent*) was incurred and remaining ₹ 1,520.60 crore (18.72 *per cent*) was unutilised.

Among all schemes under the Child Budget, *Rashtriya Swastha Mission* Scheme received the highest allocation of ₹ 1,873.93 crore, followed by *Samgra Shiksha* (₹ 1,502 crore) and Integrated Child Development Service Scheme (₹ 724.37 crore) demonstrating the Government's commitment to education, health and nutrition of children in Chhattisgarh.

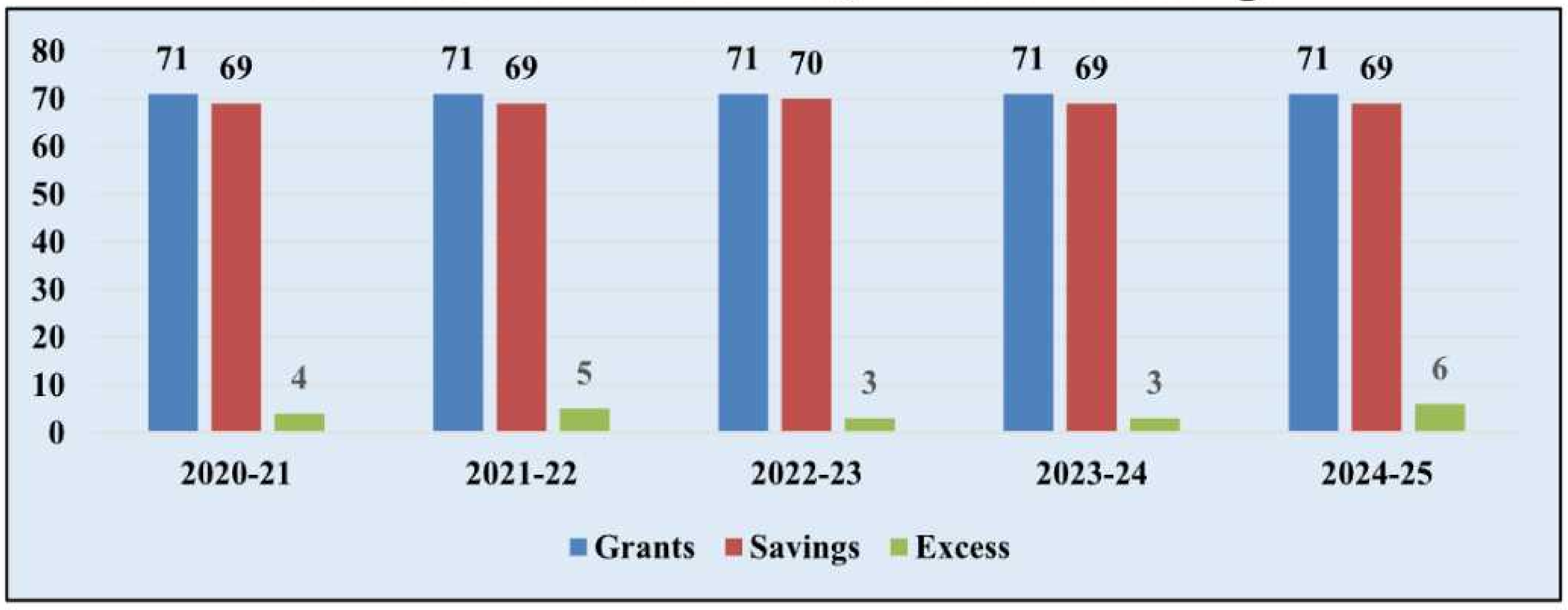
2.3 Budget Marksmanship

Expenditure Composition Outturn

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

A year-wise analysis of grants, excesses and savings provides valuable insights into the efficiency of budget execution and financial management by the state. It has been depicted in **Chart 2.3**.

Chart 2.3: Year-wise Grants, Excesses and Savings



Audit analysis of grant-wise expenditure revealed that, excess expenditure continued to persist in six grants/appropriations during 2024-25. Conversely, the number of grants exhibiting savings remained persistently high indicating widespread under-utilisation of budgetary provisions, persistent weakness in budget estimation and expenditure control.

The expenditure composition outturn in respect of Revised Estimates for the FY 2024-25 is given in **Table 2.4**.

Table 2.4: Expenditure composition overall deviation FY 2024-25

Section	Overall Deviation (*per cent*)	Range of Deviation (*per cent*)	Number of Grants
Revenue (Voted)	(-) 2.65	0 to ± 25	44
		± 25 to ± 50	15
		± 50 to ± 100	5
Capital (Voted)	(-)14.93	0 to ± 25	33
		± 25 to ± 50	8
		± 50 to ± 100	24
		≥ ±100	1
Revenue (Charged)	(-) 0.58	0 to ± 25	13
		± 25 to ± 50	1
		± 50 to ± 100	26
		≥ 100	1
Capital (Charged)	(-) 15.49	0 to ± 25	4
		± 25 to ± 50	0
		± 50 to ± 100	2
		≥ ±100	3

The high deviations under Capital (Voted and Charged) sections highlight deficiencies in capital expenditure management. The deviations point to issues such as delays in project execution and weak monitoring of capital schemes.

The large number of grants with deviations beyond ±25 *per cent* reflect inadequate budgetary control. Such variances dilute the credibility of the budgeting process and indicate the need for strengthening the Outcome Budget framework, ensuring that budget formulation is linked with realistic assessment of departmental capacity and execution timelines.

2.4 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 and Article 205 of the Constitution of India. These Accounts depict actual expenditure as against the original budget provision, supplementary grants, surrenders and re- appropriations distinctly in gross basis.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

2.5 Budgetary and Accounting Process

2.5.1 Excess Expenditure and its Regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over grants/appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee.

A. Excess Expenditure during Current Year

There was an excess disbursement of ₹ 1,538.65 crore over the authorisation made by the State Legislature under six Appropriations during the financial year 2024-25 as indicated in **Table 2.5**.

Table 2.5: Excess expenditure during 2024-25 requiring regularisation

(₹ in crore)

Sl. No.	Appropriations	Appropriation details	Amount of excess expenditure required to be regularised
1.	03	Police (Revenue - Charged)	0.07
2.	06	Finance department (Revenue - Charged))	1.21
3.	20	Public Health Engineering (Revenue - Charged)	0.02
4.	55	Women and Child Welfare (Revenue - Charged)	0.05
5.	CH 1	Public Debt	1,510.23
6.	CH 2	Interest Payments and Servicing of Debt	27.07
Total			**1,538.65**

Source: Appropriation Accounts

B. Regularisation of Excess Expenditure of Previous Financial Years

An excess expenditure of ₹ 39,295.20 crore pertaining to the period from the year 2000-01 to 2023-24 is pending regularisation from the State Legislature as shown in **Table 2.6** below.

Table 2.6: Excess expenditure relating to previous years requiring regularisation

(₹ in crore)

Year	No. of Grants/ Appropriations	Grant/ Appropriation numbers	Amount of excess
2000-01	11 Grants	2, 14, 23, 24, 33, 34, 60, 71, 80, 82 and 83	10.21
	2 Appropriations	6 and 24	
2001-02	14 Grants	6, 14, 15, 17, 23, 24, 30, 33, 45, 54, 60, 67, 71 and 83	115.90
	2 Appropriations	16 and 25	
2002-03	8 Grants	10, 15, 24, 33, 37, 45, 58 and 82	114.59
	2 Appropriations	20 and 67	
2003-04	4 Grants	12, 33, 40 and 67	591.12
	2 Appropriations	Interest Payments and 6	
2004-05	4 Grants	15, 24, 67 and 81	133.36
	5 Appropriations	Interest Payments, Public Debt, 6, 10 and 42	
2005-06	4 Grants	4, 15, 24 and 39	23.27
	2 Appropriations	6 and 23	
2006-07	4 Grants	4, 24, 67 and 82	5.13
	1 Appropriation	33	
2007-08	3 Grants	23, 33 and 60	15.99
	3 Appropriations	13, 24 and 36	
2008-09	9 Grants	6, 23, 24, 40, 67, 75, 76, 80 and 82	115.26
	1 Appropriation	23	
2009-10	10 Grants	3, 6, 22, 23, 24, 25, 49, 64, 76 and 80	216.77
	5 Appropriations	3, 12, 13, 43 and 67	

2010-11	22 Grants	1, 2, 6, 7, 8, 9, 12, 18, 23, 25, 29, 30, 39, 40, 45, 49, 56, 57, 58, 75 82 and Interest Payments	293.78
	6 Appropriations	Public Debt, 1, 20, 23, 29 and 36	
2011-12	24 Grants	1, 2, 6, 7, 15, 17, 18, 21, 22, 23, 27, 29, 34, 40, 43, 45, 47, 50, 53, 55, 66, 80, 81 and 83	498.09
	1 Appropriation	29	
2012-13	2 Grants	40 and 45	0.96
	2 Appropriations	6 and 55	
2013-14	3 Grants	06, 12 and 60	178.96
	3 Appropriations	06, 14 and 27	
2014-15	4 Grants	06, 19, 33 and 80	833.54
	2 Appropriations	06 and Public Debt	
2015-16	3 Grants	06, 12 and 50	98.24
	2 Appropriations	41 and Interest Payments	
2016-17	2 Grants	06 and 50	0.92
	3 Appropriations	06, 55 and Interest payments and servicing of debt	11.46
2017-18	3 Grants	06,49 and 50	2.24
	3 Appropriations	14,33 and 55	0.37
2018-19	2 Grants	06 and 50	1.19
	4 Appropriations	06, 14, 33 and 67	0.48
2019-20	3 Grants	06, 33 and 44	646.07
	3 Appropriations	55, Public Debt and Interest payments and servicing of debt	6,036.62
2020-21	2 Grants	06 and 83	252.24
	2 Appropriations	06 and Public Debt	3,179.87
2021-22	2 Grants	06 and 51	590.41
	3 Appropriations	06, 55 and Public Debt	3,469.35
2022-23	1 Grant	06	41.77
	2 Appropriations	55 and Public Debt	3,588.83
2023-24	6 Appropriations	03, 06. 20. 55, Public Debt and Interest payments and servicing of debt	18,228.21
Total			**39,295.20**

Source: Appropriation Accounts

To strengthen the legislative oversight over the expenditure from Consolidated Fund of State, these excess expenditures need to be regularised at the earliest and measures to contain recurrence of such excess may be taken by the State Government.

On being pointed out the State Government in reply (February 2026) stated that the regularisation of above excess expenditure is under progress.

2.5.1.1 Persistent Excesses Expenditure in Certain Grants

Audit scrutiny revealed that in two scheme heads below major head 2071-Pension and other retirement benefit under one grant, there was persistent excess expenditure of more than ₹ one crore in each case during the last five years as detailed in **Table 2.7**.

Table 2.7: Persistent excess expenditure during FYs 2020-21 to 2024-25

(₹in crore)

Sl. No.	Description of Grant/Appropriation	2020-21	2021-22	2022-23	2023-24	2024-25
1.	Grant No.- 06-Expenditure Pertaining to Finance Department 2071- Pension and Other Retirement Benefits 102-3080 Payment of Commuted Value of Pensions in India					
	Total Provision	30.00	33.00	41.50	64.00	97.24
	Expenditure	192.19	40.18	68.87	88.33	104.70
	Excess	162.19	7.18	27.37	24.33	7.46
2.	Grant No.- 06- Expenditure Pertaining to Finance Department 2071- Pension and Other Retirement Benefits 104 - 4590-Service and Death-cum- Retirement Gratuity					
	Total provision	630.00	670.00	670.00	765.00	1,108.75
	Expenditure	634.69	688.72	997.98	1,140.30	1,247.04
	Excess	4.69	18.72	327.98	349.30	138.29

Source: Appropriation Accounts

2.5.2 Supplementary Grants Rendered Non-Essential

Article 205 of the Constitution prescribes the requirement of a Supplementary or Additional Grant or Appropriation to cater to the requirements in excess of the original provisions.

It was noticed that in 43 cases pertaining to 38 grants ***(Appendix 2.1)*** even though the supplementary provisions of ₹ 2,458.29 crore were made, the expenditure did not come up to original provisions during the year 2024-25. Similarly, supplementary provisions of ₹ 26,456.88 crore in 67 Cases pertaining to 50 grants (more than ₹ two crores in each case) proved excessive ***(Appendix 2.2)*** as entire of supplementary provisions could not be utilised.

Grant No. 30: Panchayat and Rural Development

Audit of Grant No. 30 - Panchayat and Rural Development revealed non-utilisation of the original budgetary provision and where supplementary provision proved unnecessary in various schemes during 2024–25, is detailed in **Table 2.8**.

Table 2.8 : Cases where supplementary provision (₹ two crore or more in each case) proved unnecessary

(₹in crore)

Sl. No.	Scheme	Original Provision	Supplementary Provision	Actual Expenditure	Savings out of Original Provision
1.	Rural Engineering Service	83.71	5.00	79.08	-4.63
2.	*Mukhya Mantri Gram Sadak Evam Vikas*	69.28	5.00	30.77	-38.52

Source: Appropriation Accounts

Grant No. 30: Panchayat and Rural Development

Further, instance where non-utilisation of entire budgetary provision and where supplementary provision proved excessive, as entire supplementary provision could not be utilised during 2024-25 is observed in one scheme i.e. National Rural Livehood Mission as shown in **Table 2.9**.

Table 2.9: Cases where Supplementary Provision (₹ two crore or more in each case) proved excessive

(₹in crore)

Sl. No.	Scheme	Original Provision	Supplementary Provision	Total Provision	Actual Expenditure	Excessive Supplementary provision (savings)
1.	National Rural Livehood Mission	314.85	124.55	439.40	363.69	-75.71

Source: Appropriation Accounts

2.5.3 Unspent amount and surrendered appropriation and/or Large Savings/Surrenders

Budget proposals should strive to strike to optimise all foreseeable expenditure to appropriate spending levels to balance the quality of expenditure and reduce underutilisation of budgeted funds. Timely surrenders by the spending units are an important mechanism for optimal reallocation with in the approved budget.

The analysis of grants and appropriations showed that in 44 cases (under 32 grants) during the year 2024-25, the savings (excluding surrenders) exceeded ₹ 100 crore in each case ***(Appendix 2.3).*** Further, it was also observed that in 29 cases under 23 grants, there was persistent saving exceeding ₹ 100 crore in each case ***(Appendix 2.4)*** during 2022-23 to 2024-25.

Grant No. 30: Panchayat and Rural Development

Audit of Grant No. 30 - Panchayat and Rural Development revealed that in two cases during the year 2024-25, the savings (excluding surrenders) exceeded ₹100 crore in each case as shown in **Table 2.10**.

Table 2.10: Schemes having large savings, after surrender

(₹ in crore)

Sl. No.	Scheme	Total Budget Provision	Actual Expenditure	Savings	Surrendered	Savings (after surrender)
1.	6728- National Rural Employment Guarantee	1,433.90	596.46	-837.44	-787.29	-50.15
2.	7105- *Pradhan Mantri Gram Sadak Yojana*	350.00	140.00	-210.00	0.00	-210.00

Source: Appropriation Accounts

Grant No. 30: Panchayat and Rural Development

Several flagship schemes showing 100 *per cent* non-utilisation of allocated funds during 2024-25 viz., *Swachchh Bharat Abhiyan* (₹200.00 crore), Construction of Bridges under P.M.G.S.Y. Roads (₹15.00 crore), Mukhya Mantri Chhattisgarh Festival Respect Fund (₹5.00 crore), Rural Industrial Park (₹1.09 crore), Suraji Village Scheme (₹0.52 crore).

On this being pointed out, the Government stated that:

1. Swachchh Bharat Abhiyan: - The central share was not received as the scheme could not be on boarded on SNA-SPARSH therefore state share of ₹200.00 crore provisioned in the budget was not spent.

2. Construction of Bridges on P.M.G.S.Y. Roads: - ₹15.00 crore surrendered vide letter no. 3276/28.04.2025 but reasons for savings and surrender letter were not provided by the department.

3. Mukhya Mantri Chhattisgarh Festival Respect Fund: - Budget not drawn/spent due to non-receipt of demand from the units.

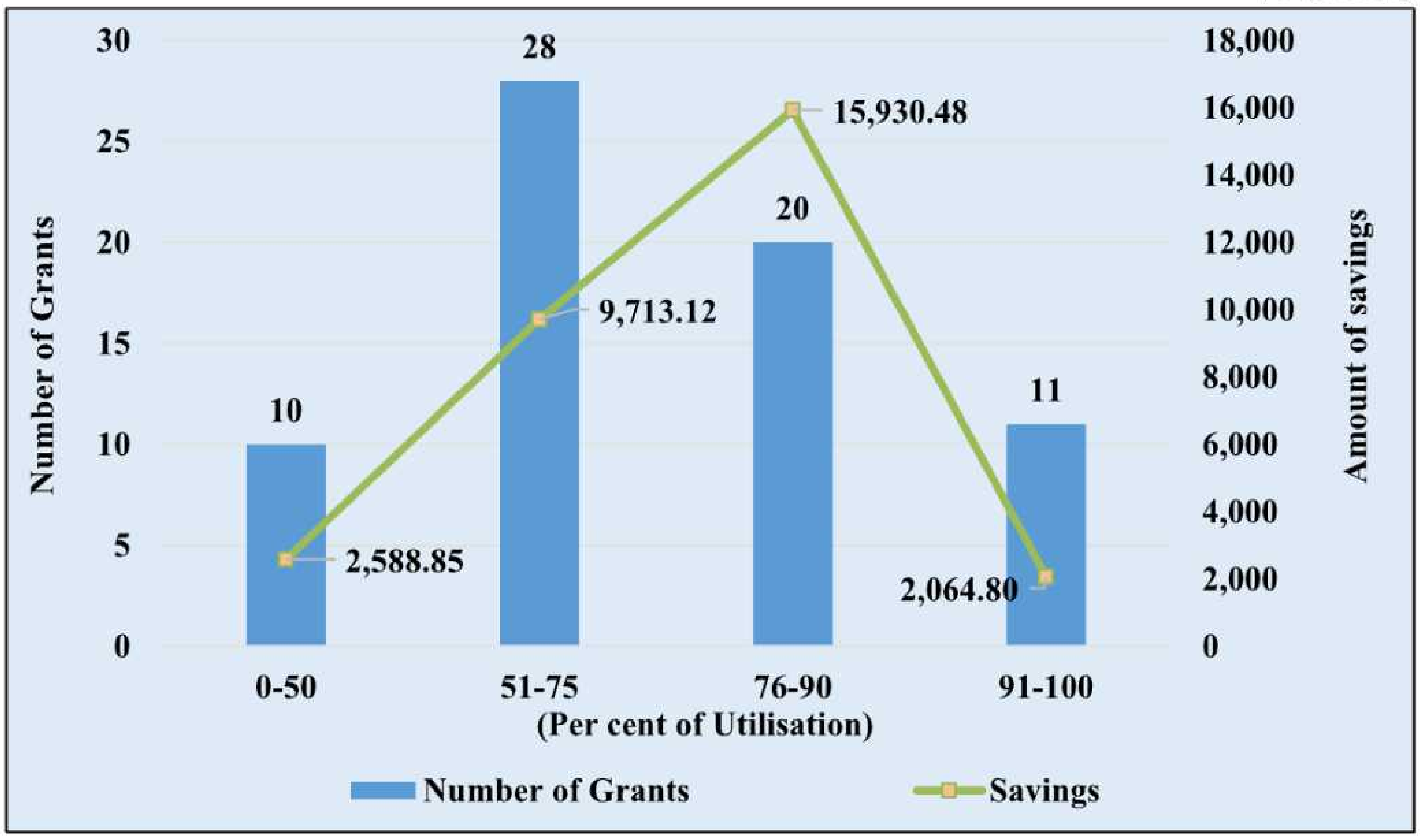
4. Suraji Village Scheme: - Budget not drawn/spent due to non-receipt of demand from the units.

> ***Grant No. 69: Urban Administration and Development***
>
> Several flagship schemes showing 100 *per cent* non-utilisation of allocated funds during 2024-25 viz., Solid Waste Management under Swachcha Bharat Mission (₹115.01 crore), Construction of Central Library cum Reading Zone in Urban Bodies (₹54.00 crore), Establishment of Water A.T.M. (₹4.00 crore).
>
> Reply from the department is awaited.

Detail of grants grouped by the percentage of utilisation along with total savings during 2024-25 has been shown in ***Appendix 2.5*** and **Chart 2.4**.

Chart 2.4: The distribution of the number of Grants/Appropriations grouped by the percentage of Utilisation along with total savings

(₹ in crore)

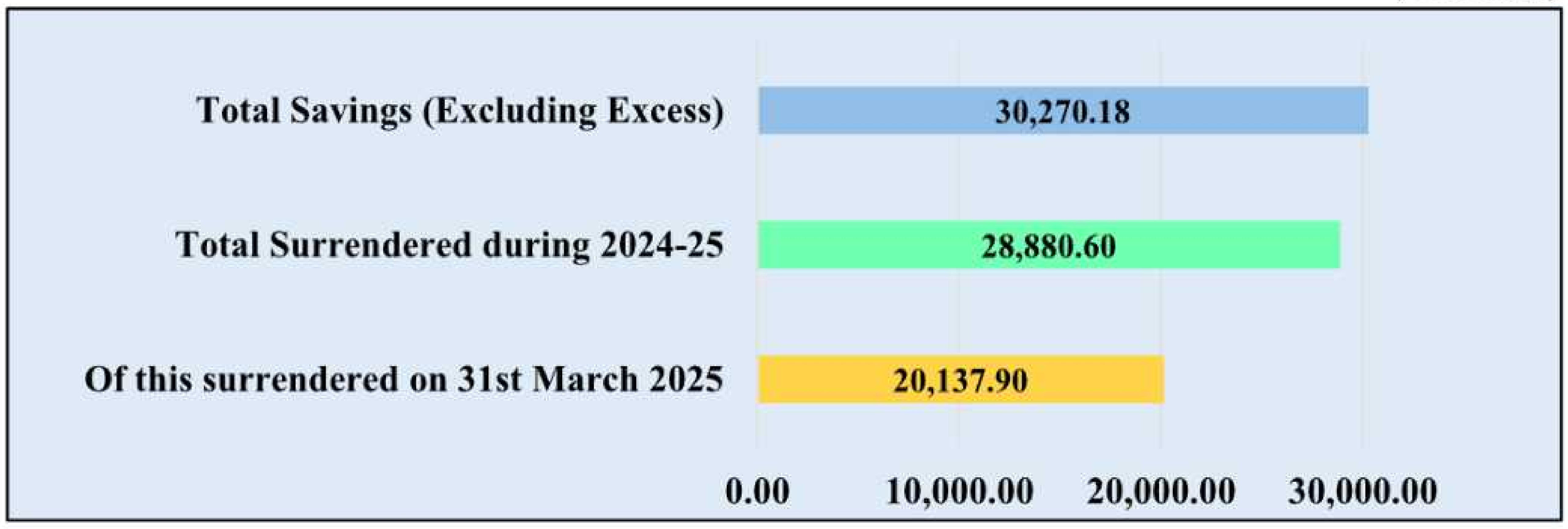


Source: Appropriation Accounts

The utilisation pattern of Grants/Appropriations during 2024-25, grouped by percentage of utilisation, revealed significant savings across all utilisation bands. As depicted in **Chart 2.4**, 10 Grants with utilisation below 50 *per cent* recorded savings of ₹ 2,588.85 crore, indicating shortfall in the implementation of programmes and schemes under these grants. Of these 10 grants, highest saving was observed in Grant 69 of ₹ 1,182.12 crore. Further, 28 Grants fell within the 51 to 75 *per cent* utilisation band, contributing to savings of ₹ 9,713.12 crore. Of these 28 grants, highest saving was observed in Grant 30 of ₹ 2,170.91 crore. Notably, the highest savings of ₹ 15,930.48 crore were observed in 20 Grants where utilisation ranged between 76 to 90 *per cent*. Of these 20 grants, highest saving was observed in Grant 41 of ₹ 7,123.45 crore. Even in the 91 to 100 *per cent* band, 11 Grants reported savings of ₹ 2,064.80 crore, reflecting inability to fully absorb allocated funds before the close of the financial year. Of these 11 grants, highest saving was observed in Grant 13 of ₹ 616.35 crore.

Chart 2.5: Savings and surrenders for the year 2024-25

(₹ in crore)



Source: Appropriation Accounts

Analysis of **Chart 2.5** revealed that 95.41 *per cent* of the savings were surrendered and of that 69.73 *per cent* was surrendered on 31 March 2025. Persistent large savings and last-day surrenders indicates weak budgetary control and constrained the effective use of resources.

On being pointed out, the State Government in reply (February 2026) stated that instructions are being issued to all the Departments to surrender savings as and when they find that the complete expenditure will not be possible by the end of financial year.

2.5.4 Misclassification between Revenue Expenditure and Capital Expenditure

As per LMMHA issued by Ministry of Finance, Department of Expenditure, expenditure incurred under minor heads 191 to 193, 196 to 198 are to be booked under revenue heads.

Audit found that an expenditure of ₹ 1,214.23 crore was booked under the above-mentioned minor heads as Capital Expenditure. Further, examination of vouchers revealed that expenditure of ₹ 3,912.32 crore was booked under Capital Heads (4055, 4216, and 5054) towards repayment of principal on account of off-budget borrowings to seven PSUs/Corporations/Boards. It is inconsistent with the principles of accounting prescribed in the Government Accounting Rules, 1990. Principal repayment of debt does not result in creations of new assets; rather, it is an expenditure towards servicing obligations and should be recorded as Revenue Expenditure (specifically as Grants-in-Aid).

Also, scrutiny of the vouchers revealed that the Directorate of Public Instructions, School Education Department, Government of Chhattisgarh issued sanction of ₹ 21.72 crores for undertaking urgent repair works in various Primary, Pre-middle, and Higher secondary schools of Chhattisgarh and an expenditure of ₹ 20.56 crore against the above sanction was booked under Capital Section. As the above nature of work does not create any additional capital assets, expenditure against the above sanction should have been booked under Revenue Section.

Further, an expenditure of ₹ 0.75 crore pertaining to Object Head-28 (Machinery and

Equipment) was booked under revenue heads instead of capital heads.

This resulted in overstatement of Capital expenditure and understatement of Revenue expenditure by ₹ 5,147.11 crore and overstatement of Revenue expenditure by ₹ 0.75 crore.

On being pointed out, the State Government (February 2026) stated that to prevent the misclassification of revenue expenditure as capital expenditure, the state is issuing instructions to all departments to ensure strict adherence to accounting rules. The errata for correction of minor heads (191 to 193 and 196 to 198) under capital heads, being budget provisions of capex in nature, will also be issued.

In this respect, it is pertinent to mention that the State Government contradicted (February 2026) its previous reply (November 2025) regarding making provision in the Revenue head for the repayments of the principal amount pertaining to off-budget borrowing treating it as revenue expenditure. The expenditure of ₹ 3,912.32 crore provided to seven PSUs/Corporations for off-budget borrowing repayment was classified as capital expenditure, on the ground that the ownership of the tangible assets (like road, bridges, residential house for government employees etc. by CGRIDCL, CGHB, CGPHC, NRDA) created out of this expenditure will soley rests with the state government.

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 of revenue expenditure as capital expenditure.

2.5.5 Major policy pronouncements in budget and their actual funding for ensuring implementation

Several policy initiatives taken up by the Government are wholly or partially not executed due to non-approval of scheme guidelines/modalities, non- commencement of works for want of administrative sanction, non-release of budget, etc. It was observed that under 25 schemes, budget provision of ₹ 261.41 crore was made during the year 2024-25 but no expenditure was incurred resulting in non-implementation of schemes as shown in ***Appendix 2.6***.

2.5.6 Non-adherence to the Quarterly Expenditure Limit

As per Standing Directives issued by Department of Finance, Government of Chhattisgarh vide No.1480/b-4/finance/2025 dated 16 April 2025, the Finance Department has set quarterly expenditure limits, according to which 25 *per cent* of the total budget is allocated for the first quarter, 15 *per cent* for the second quarter, 25 *per cent* for the third quarter and 35 *per cent* for the final quarter (up to 15 *per cent* for the month of March). Accordingly, the rush of expenditure particularly in the closing month of the financial year as shown is **Table 2.11** is regarded as a breach of financial propriety and should be avoided.

Table 2.11: Rush of Expenditure during FY 2024-25

(₹ in crore)

	Amount	Percentage of ceiling prescribed for expenditure	Percentage of Total Expenditure in the year
Last Quarter of the year (Jan to Mar-2025)	69,575.66	35	43.57
Last month of the year (Mar-25)	34,312.48	15	21.48

Source: Information compiled from VLC Server

Trend of total Monthly receipts (Revenue Receipts, Capital Receipts and cash balance) and expenditure during financial year 2024-25 are shown in **Chart 2.6** and **Chart 2.7**.

Chart 2.6: Trend analysis of receipts (Month wise)

(₹ in crore)

Source: Information compiled from VLC Server

The monthly receipt trend indicates a pronounced skewness towards the last quarter of the financial year, particularly in March.

Chart 2.7: Trend analysis of expenditure (Month wise)

(₹ in crore)

Source: Information compiled from VLC Server

Note: Month-wise expenditure without adjustments of March Supplementary Account

The monthly expenditure trend indicates a pronounced skewness towards the last quarter of the financial year, particularly in March.

Further, under 11 sub-heads amount equivalent to entire budget provisions of ₹ 2,745.82 crore was spent in the month of March 2025 ***(Appendix 2.7).*** The quarterly details of expenditures incurred across all major heads are shown in the ***Appendix 2.8***.

2.6 Implementation of the CSS schemes in the State

2.6.1 Single Nodal Agency

Ministry of Finance, Government of India, mandated (March 2021) release of funds under each Centrally Sponsored Scheme (CSS) through a Single Nodal Agency (SNA) for each CSS, and monitoring their utilisation. Each SNA must have a dedicated bank account in an authorised Scheduled Commercial Bank. The State Government is required to transfer the Central Share received, to the concerned SNA's account, along with the corresponding State share.

Audit analysed the VLC data and SNA PFMS report and found that there was discrepancy in data of Central and State share transfer to SNA accounts, as shown in **Table 2.12**.

Table 2.12: Discrepancies in Central and State share transfer

(₹ in crore)

Source of Data	Central share received	Central share transferred	State share transferred
VLC	11,799.98	10,419.33	9,886.24
SNA PFMS Report	10,602.91	9,032.00	9,446.09
Difference Amount	1,197.07	1,387.33	440.15

Source: *Notes to Finance Accounts*

2.6.2 Single Nodal Agency - SPARSH

To enhance oversight of the availability and utilization of funds released under Centrally Sponsored Schemes (CSS), the Department of Expenditure introduced revised guidelines for fund flow procedures. These guidelines aim to implement the principles of "just-in-time releases" for payments, ensuring more efficient cash management at both the Central and State levels. As part of this effort, an alternative fund flow mechanism, SNA-SPARSH—a real-time system for the integrated and swift transfer of CSS funds—was introduced. This system operates through a seamless framework integrating the Public Financial Management System (PFMS), State Integrated Financial Management Information System (IFMIS), and e-Kuber of the Reserve Bank of India (RBI), facilitating efficient and transparent fund disbursement.

As per the revised procedure notified by the Ministry of Finance, State Governments are required to transfer both the Central and State share of funds to the Single Nodal Agency (SNA) Account under the SNA-SPARSH model.

Under the SNA-SPARSH model, each State must designate an SNA for implementing every State-Linked Scheme corresponding to a Centrally Sponsored Scheme (CSS), and all releases are to be routed exclusively through the Public Financial Management System (PFMS). Upon onboarding, existing SNA accounts must be closed, and unspent balances remitted—Central share to the Consolidated Fund of India and the State share to the respective State Consolidated Fund. Further, all SNAs and Implementing Agencies must be registered in the State Integrated Financial Management Information System (IFMIS), and funds are to be released on a just-in-time basis directly to beneficiaries or vendors, without routing through Personal Deposit (PD) accounts or other intermediary accounts, thereby promoting improved cash management and transparency.

However, as of January 2026, out of total 161 CSS Schemes, 136 schemes have been mapped and remaining 25 schemes have not been mapped in the PFMS.

2.7 Contingency Fund

The Contingency Fund of Government of Chhattisgarh was established under the Chhattisgarh Contingency Fund Act, 2001 read with Chhattisgarh Contingency Fund (Amendment) Act, 2015 and the State Government may make rules for regulating all matters connected with or ancillary to the custody of payment of monies into and the withdrawal of monies from the Contingency Fund of the State of Chhattisgarh for meeting unforeseen expenditure. The fund is recouped when the State Legislature authorises the additional expenditure. The corpus of the Fund is ₹ 100 crore.

2.7.1 Advance from Contingency Fund

Advances from the Contingency Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable.

During 2024-25, a total amount of ₹ 136.84 crore was withdrawn as an advance from the Contingency Fund. An amount of ₹ 37.41 crore withdrawn as an advance by one Department (Police Department) in respect of one scheme was not recouped till the end of the FY 2024-25.

Major Head wise details of the expenditure incurred, are given in **Table 2.13**.

Table 2.13: Major Head-wise Expenditure

(₹ in crore)

Sl. No.	Major Heads	Amount
1.	2052 - Secretariat-General Services	8.79
2.	2055 – Police	37.41
3.	2202 - General Education	17.43
4.	2203 - Technical Education	9.73
5.	2204 - Sports and Youth Services	7.6
6.	2205 - Art and Culture	0.34
7.	2210 - Medical and Public Health	0.65
8.	2215 - Water Supply and Sanitation	0.17
9.	2235 - Social Security and Welfare	38.59
10.	2406 - Forestry and Wildlife	0.76
11.	2515 - Other Rural Development Programmes	0.2
12.	3451 - Secretariat-Economic Services	7.92
13.	5054 - Capital Outlay on Roads and Bridges	7.25
Total		**136.84**

Source: Office of the Principal Accountant General (A&E), Chhattisgarh

2.8 Conclusions

Budgetary assumptions of the State Government have significantly declined to 84.74 per cent as the percentage of utilisation for the year 2024-25 as compared to the utilisation percentage of the last three years (2021-22 – 87.37 per cent, 2022-23 – 89.01 per cent, 2023-24 – 96.06 per cent).

The State Government did not furnish explanation for the variations in 429 Sub-Heads out of 1,523. Non-furnishing of explanation for variations limits legislative control over Budget and financial accountability of the Government.

Net Savings of ₹28,759.93 crore in 69 grants indicates widespread under-utilisation of budgetary provisions. Further, large number of grants have savings which remained persistently high for the last five years.

Excess expenditure of ₹ 1,538.65 crore pertaining to six Appropriations during 2024-25 requires regularisation from the State Legislature. Further, a total of ₹39,295.20 crore is pending for regularisation from 2000-01 to 2023-24.

Supplementary provisions of ₹26,456.88 crore in 67 Cases pertaining to 50 grants (more than ₹ two crores in each case) proved excessive as entire of supplementary provisions could not be utilised, reflecting deficiencies in budget estimation.

Despite budgetary provisions of ₹261.41 crore under 25 new schemes during 2024-25, no expenditure was incurred resulting in non-implementation of the schemes.

State government did not follow the quarterly expenditure limits resulting in rush of expenditure particularly in the closing month of the financial year.

2.9 Recommendations

The Government may

- surrender the expected savings within the stipulated timeframe so that the funds can be utilised for other purposes.
- regularise excess expenditure incurred over grants approved by the Legislature during the period 2000-01 to 2024-25 at the earliest.
- clearly articulate the reasons for any deviations from the allocations so that the explanations will become more substantive, transparent, and credible.
- strengthen the estimation process by adopting realistic projections, closely monitoring the progress of capital works, and improving the linkage between financial outlays and measurable deliverables through a robust outcome budgeting mechanism.