

Preface

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters I and II of this Report respectively contain audit observations on matters arising from examination of the Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2009.
3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

Executive Summary

Background

In response to the Twelfth Finance Commission's recommendations, the Chhattisgarh Government enacted its Fiscal Responsibilities and Budget Management (FRBM) Act, entitled the Chhattisgarh Fiscal Responsibility Act, 2005, with a view to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term fiscal framework. As per the Act, the revenue deficit was to be eliminated by the end of March 2009 and fiscal deficit was to be brought down to less than three *per cent* of the Gross State Domestic Product by the end of March 2009. The State Government had achieved these targets by the end of March 2005.

The Comptroller and Auditor General's Audit Reports have been commenting upon the Government's finances for over three years since the Fiscal Responsibility Act legislation. Since these comments formed part of the Civil Audit Report, it was felt that the audit findings on State finances remained camouflaged in the large body of audit findings on compliance and performance aspects. The obvious fallout of this all-inclusive reporting was that the audit findings on financial management portion did not receive proper attention. In recognition of the need to bring State finances to centre stage, a stand-alone report on State Government finances is considered an appropriate audit response to this challenge. Accordingly, from the report year 2009 onwards, the Comptroller and Auditor General of India decided to bring out a separate volume titled 'Report on State Finances.'

The report

Based on the audited accounts of the Government of Chhattisgarh for the year ending March 2009, this report provides an analytical review of the Annual Accounts of the State Government. The report is structured in three Chapters.

Chapter I is based on the audit of Finance Accounts and makes an assessment of the Government's fiscal position as at 31 March 2009. It provides an insight into trends in committed expenditure and borrowing patterns, besides giving a brief account of Central funds transferred directly to the State implementing agencies through the off-budget route.

Chapter II is based on audit of Appropriation Accounts and gives a grant-wise description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter III is an inventory of the Government's compliance with various reporting requirements and financial rules. The report also has additional data collated from several sources in support of the findings.

Audit findings and recommendations

Fiscal discipline: The Government was able to achieve revenue surplus and fiscal deficit targets during 2004-05. In the current year, revenue surplus was Rs 1869 crore as compared to Rs 3039 crore in 2007-08. This was mainly due to the increase in revenue expenditure by *27.25 per cent* as against the increase in revenue receipts by *12.86 per cent* during the current year.

Non-Plan expenditure: Revenue expenditure was *80.08 per cent* of the total expenditure, of which *61 per cent* was the Non-Plan component. Non-Plan expenditure increased by *15.25 per cent* against the projected rate of *10 per cent* in the Medium Term Fiscal Policy Statement.

Priority to capital expenditure: Capital expenditure decreased during the year by *six per cent* over the previous year. Therefore, the State may consider enhancing capital expenditure as a proportion of total expenditure.

Review of Government investments: The average return on the Government's investments in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives was *0.02 per cent* during the last three years while the Government paid a minimum of *7.36 per cent* as interest on its borrowings during 2008-09. This was obviously an unsustainable proposition.

Financial management and budgetary control: During 2008-09, there were overall savings of Rs.4017.52 crore, which were a result of the total savings of Rs.4132.78 crore being offset by the excess of Rs.115.26 crore. This excess requires regularization under Article 205 of the Constitution of India. In seven cases, the amounts surrendered were in excess of the actual savings, indicating inadequate budgetary control. As against savings of Rs.1754.39 crore in 19 grants involving Rs one crore or more in each grant, the amount surrendered was only Rs.604.10 crore, resulting in savings of Rs.1150.29 crore. There were instances of inadequate provisions of funds, unnecessary/excessive re-appropriations and rush of expenditure at the end of the financial year 2008-09. Further, detailed countersigned contingent bills were not submitted for large amounts of advances drawn on abstract contingent bills. Budgetary controls should be strengthened to avoid such deficiencies in financial management. Last minute fund releases and issuance of re-appropriation/ surrender orders should be avoided.

Financial reporting: There were delays in furnishing of utilization certificates against grants received from various grantee institutions. There were instances of losses/theft and misappropriations. Departmental enquiries in respect of all misappropriation cases should be expedited and the internal controls in all the organizations should be strengthened to prevent such cases in future.

This chapter provides a broad perspective of the finances of the Government of Chhattisgarh during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year, keeping in view the overall trends during the last five years. The structure of Government Accounts and the layout of the Finance Accounts are shown in **Appendix 1.1**. The methodology adopted for the assessment of the fiscal position of the State is given in **Appendix 1.2**.

➤ 1.1 Summary of Current Year's Fiscal Transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2008-09) vis-à-vis the previous year while **Appendix 1.4** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

Table: 1.1 Summary of Current Year's Fiscal Operations

(Rupees in crore)

2007-08	Receipts	2008-09	2007-08	Disbursements	2008-09		
Section-A: Revenue					Non-Plan	Plan	Total
13,878.65	Revenue receipts	15,662.76	10,839.85	Revenue expenditure	8372.75	5420.95	13,793.70
5,618.08	Tax revenue	6,593.72	3,039.59	General Services	3577.37	21.38	3,598.75
2,020.45	Non-tax revenue	2,202.21	4,117.35	Social Services	2132.99	4019.76	6,152.75
4,035.00	Share of Union Taxes/ Duties	4,257.91	3,140.19	Economic Services	2163.94	1359.30	3,523.24
2,205.12	Grants from GOI	2,608.92	542.72	Grants-in-aid and Contributions	498.45	20.51	518.96
Section-B: Capital							
26.96	Misc. Capital Receipts	1.78	3,130.69	Capital Outlay	1.46	2938.70	2,940.16
437.52	Recoveries of Loans and Advances	533.42	500.28	Loans and Advances disbursed	#	#	490.75
1.83	Inter-State Settlement	1.46	2.07	Inter-State Settlement	#	#	1.47
261.93	Public Debt receipts*	386.34	558.39	Repayment of Public Debt*	#	#	489.36
2.83	Contingency Fund	0.00	0.00	Contingency Fund	#	#	0.50
17,706.49	Public Account receipts	20,043.95	16,854.17	Public Account disbursements	#	#	19,585.29
2,300.43	Opening Cash Balance	2,731.19	2,731.19	Closing Cash Balance	#	#	2,059.67
34,616.64	Total	39,360.90	34,616.64	Total			39,360.90

(Source: Finance Accounts of the State Government 2008-09)

#Figures for Plan and Non-Plan not available in the Finance Accounts.

*Excluding net transactions under Ways and Means advances and overdraft.

Following are the significant changes during 2008-09 over the previous year:

- Revenue receipts increased by 12.86 *per cent* (Rs 1,784.11 crore) mainly due to increase in tax revenue (Rs 975.64 crore), non-tax revenue (Rs 181.76 crore), State's share of Union taxes and duties (Rs 222.91 crore) and grants-in-aid from the Government of India (GOI) (Rs 403.80 crore).
- Revenue expenditure increased by Rs 2,953.85 crore (27.25 *per cent*) mainly due to increase in Plan expenditure by Rs 1746 crore under the Social Service sector.
- Capital expenditure decreased by Rs 190.53 crore (6.09 *per cent*) mainly due to decrease in expenditure under Urban Development, Village and Small Industries and Roads and Bridges departments.
- Public Account receipts and disbursements increased by Rs 2,337.46 crore and Rs 2,731.12 crore respectively over the previous year. Thus, the decrease in net receipts during the year was Rs 393.66 crore.
- The cash balance of the State during 2008-09 decreased by Rs 671.52 crore.

There was a revenue surplus of Rs 1,869.06 crore in 2008-09, exhibiting a decline of Rs 1,169.73 crore from Rs 3,038.79 crore in 2007-08, due to a 27.25 *per cent* increase in revenue expenditure (Rs 2,953.85 crore) relative to a lower increase of 12.86 *per cent* in revenue receipts (Rs 1,784.11 crore) during 2008-09. The fiscal deficit increased to Rs 1,026.66 crore from Rs 128 crore in the previous year. The primary surplus decreased from Rs 1,012.23 crore during 2007-08 to Rs 50.87 crore in 2008-09 due to decrease in the revenue surplus and increase in the fiscal deficit.

In comparison to the normative assessment made by the Twelfth Finance Commission (TFC) for the State of Chhattisgarh, the State's own tax revenue receipts, non-tax revenue receipts and Non-Plan expenditure were more by Rs 1,595.33 crore (31.93 *per cent*), Rs 611 crore (38.40 *per cent*) and Rs 1,402 crore (20.11 *per cent*) respectively and the interest payments were less by Rs 280 crore (20.60 *per cent*).

Chart 1.1 presents the budget estimates and actuals for some important fiscal parameters.

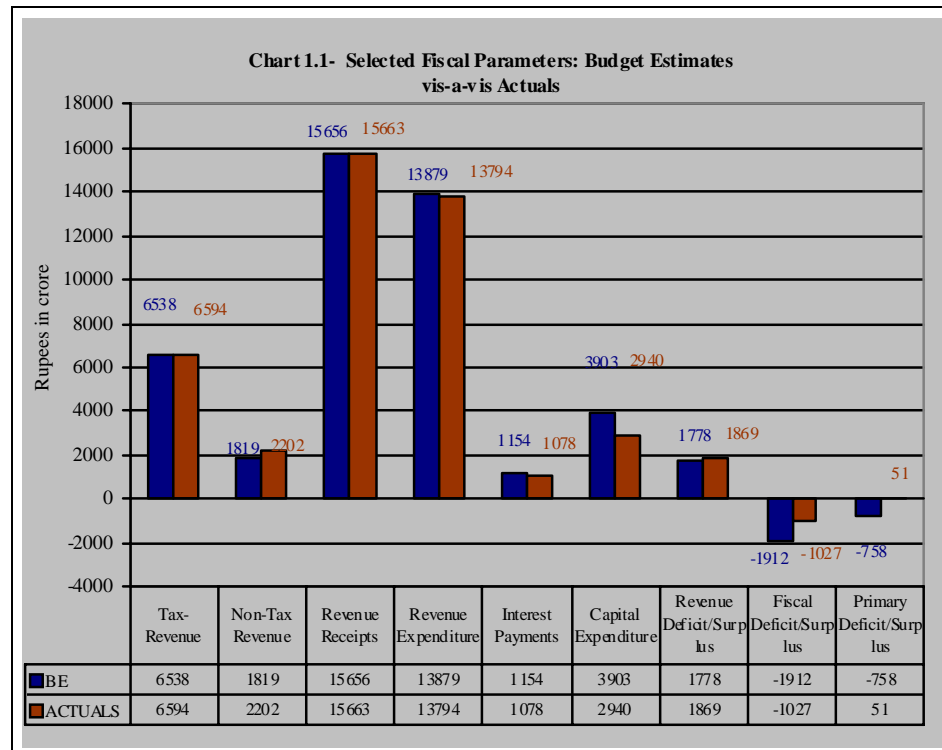
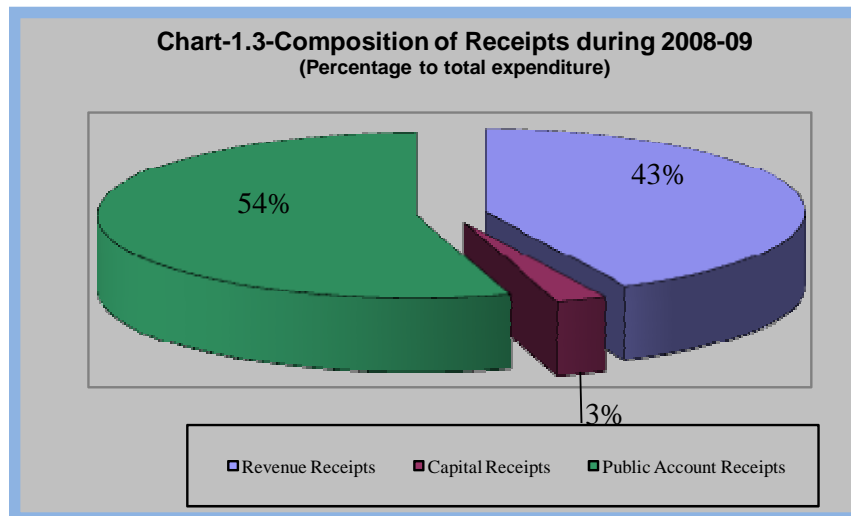
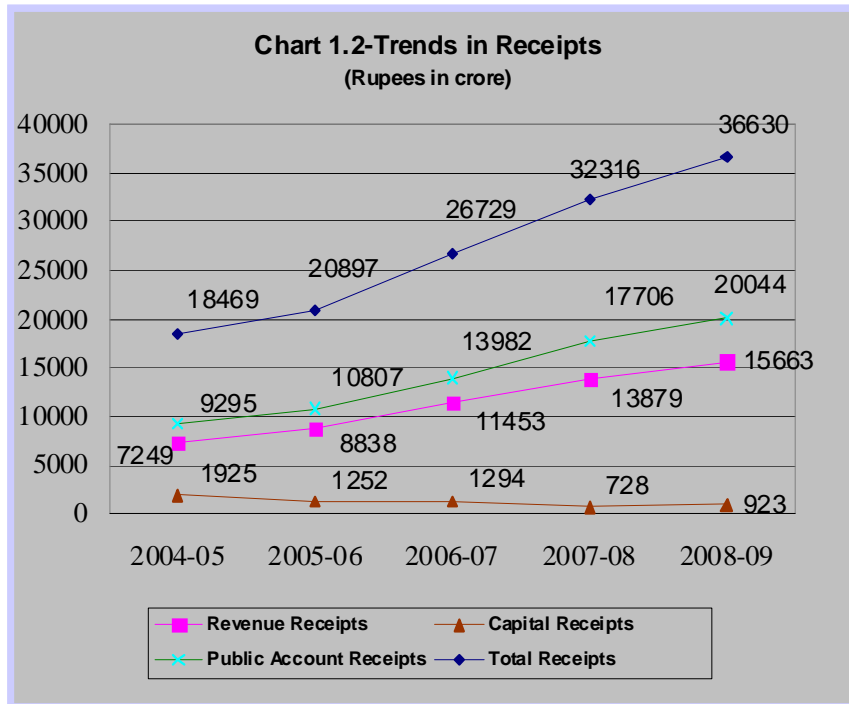


Chart 1.1 shows that compared to the budget estimates, the actuals were nearly equal in respect of revenue receipts and revenue expenditure. However, the actual fiscal deficit was considerably lower (Rs 1,027 crore) than the budget estimates, mainly due to less expenditure on capital outlay, reduction in interest payments and excess receipt of non-tax revenue. Further, the actual primary surplus was Rs 51 crore against the estimated deficit of Rs 758 crore.

➤ 1.2 Resources of the State

1.2.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of Union taxes and duties and grants-in-aid from GOI. Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestment, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks etc), loans and advances from GOI as well as accruals from the Public Account. **Table-1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.2** depicts the trends in various components of the receipts of the State during 2004-09. **Chart 1.3** depicts the composition of resources of the State during the current year.



The total receipts of the State Government for the year 2008-09 were Rs 36,630 crore. The revenue receipts constituted 43 *per cent*, the capital receipts constituted three *per cent* and the Public Accounts receipts constituted 54 *per cent* of the total receipts.

1.2.2 Funds Transferred to State Implementing Agencies outside the State Budgets

The Central Government has been transferring a sizeable quantum of funds directly to State implementing agencies¹ for the implementation of various schemes/programmes in social and economic sectors, recognized as critical. As these funds are not routed through the State Budget/State Treasury System, the Annual Finance Accounts do not capture the flow of these funds and to that extent, the State's receipts and expenditure as well as other fiscal variables/ parameters derived from them are underestimated. To present a holistic picture on availability of aggregate resources, instances of funds directly transferred to the State implementing agencies are presented in **Table 1.2**

Table-1.2: Funds transferred directly to the State Implementing Agencies (Rs in crore)

Sl. No.	Name of the Programme	Name of the implementing agency in the State	Total funds released by the GOI
1	Sarva Shiksha Abhiyan	Government of Chhattisgarh and Rajiv Gandhi Shiksha Mission	509.31
2	Externally aided project for reforms and investment in vocational training services rendered by Central and State Government	Director- Employment and Training	3.66
3	National Rural Health Mission	State Health Society	58.20
4	Mid-Day-Meal-National Programme of Nutritional Support to Primary Education	Education Department and Food Corporation	40.92
5	Member of Parliament Local Area Development Scheme	District Collectors	38.00
6	National Afforestation Programme	Forest Development Agency	26.06
7	Micro Irrigation	Rajya Beej evam Krishi Vikas Nigam	9.55
8	Swarna Jayanti Shahari Rojgar Yojana	Government of Chhattisgarh	6.37
9	Production of infrastructure development for destinations and circuits	Government of Chhattisgarh	5.67
	Total		697.74

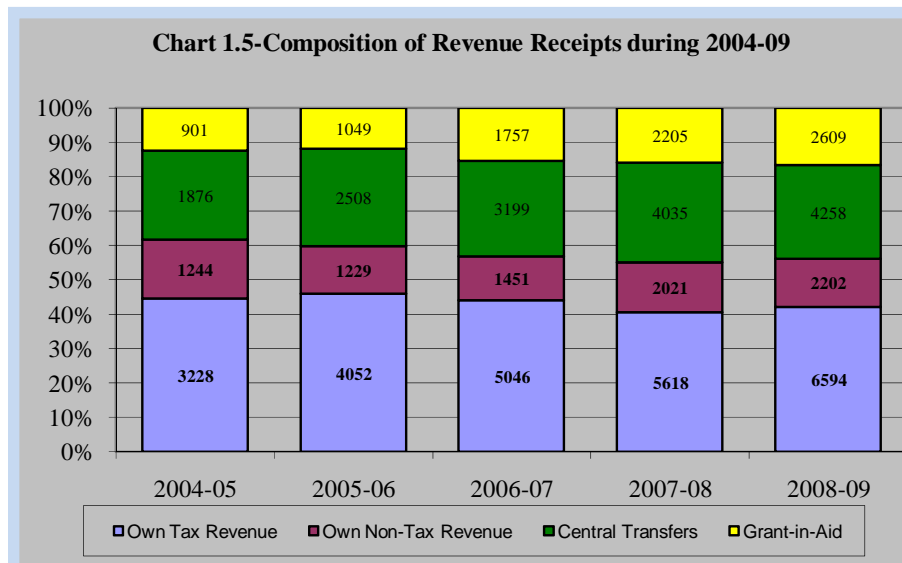
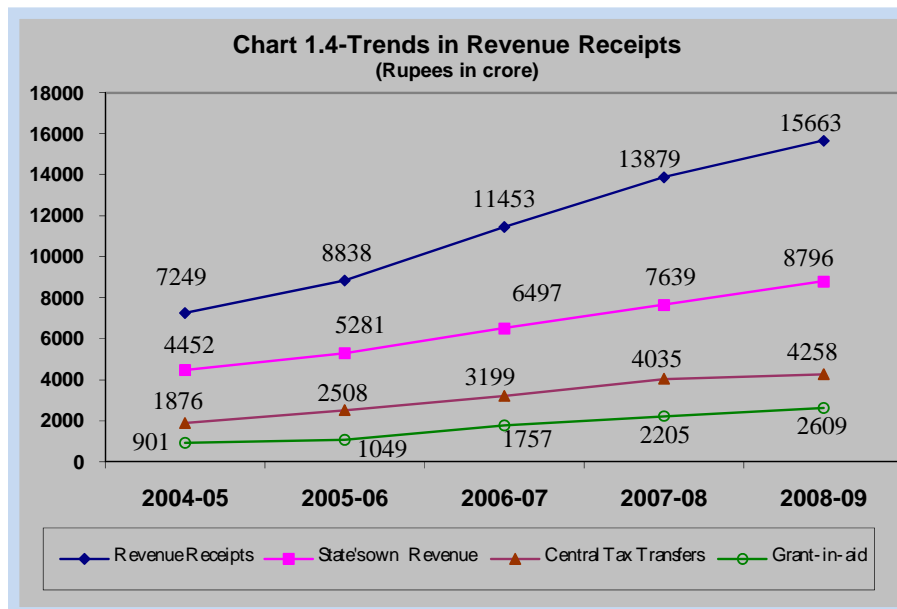
(Source: e- lekha portal of Controller General of Accounts' website)

GOI directly transferred Rs 697.74 crore to the State implementing agencies during 2008-09. Direct transfers of funds from GOI to State implementing agencies ran the risk of improper utilisation of funds by these agencies. Unless uniform accounting practices are followed by all these agencies, with proper documentation and timely reporting of expenditure, it would be difficult to monitor the end use of these direct transfers.

¹ State implementing agencies include any organization/institution including a non-Governmental organization which is authorized by the State Government to receive funds from GOI for implementing specific programmes in the State, e.g. State Implementation Society for *Sarva Shikha Abhiyan*, State Health Mission for National Rural Health Mission etc.

➤ 1.3 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of the State's own tax and non-tax revenues, Central tax transfers and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2004-09 are presented in **Appendix 1.3** and also depicted in **Charts 1.4** and **1.5** respectively.



Revenue receipts increased during 2004-09 with only marginal changes in their composition. These receipts increased from Rs 7,249 crore in 2004-05 to Rs 15,663 crore in 2008-09 and increased by 12.86 *per cent* during 2008-09. While 56.15 *per cent* of the revenue receipts during 2008-09 came from the State's own resources comprising tax and non-tax revenue, Central tax transfers and grants-in-aid together contributed 43.84 *per cent* of the total revenue. An increase of Rs 1,784 crore in the revenue receipts in 2008-09 was

primarily due to a 17.37 per cent (Rs 975.64 crore) increase in tax revenue, an 8.99 per cent (Rs 181.76 crore) increase in non-tax revenue, a 5.52 per cent (Rs 222.91 crore) increase in the State's share of Union taxes and duties from GOI and an 18.31 per cent (Rs 403.80 crore) increase in grants-in-aid from GOI.

Central tax transfers

The increase in Central tax transfers by Rs 222.91 crore (5.52 per cent) from Rs 4,035 crore in 2007-08 to Rs 4,257.91 crore in 2008-09, was primarily due to an increase in collection of corporation tax Rs 115.64 crore (9.03 per cent), customs Rs 51.23 crore (6.72 per cent) and service tax Rs 56.91 crore (14.12 per cent).

Grants-in-aid

The Grants-in-aid increased by Rs 403.80 crore (18.31 per cent) from Rs 2,205.12 crore in 2007-08 to Rs 2,608.92 crore in 2008-09 mainly due to increase of Rs 113.74 crore (21.96 per cent) in Non-Plan grants, Rs 68.84 crore (6.90 per cent) in grants for State Plan schemes and Rs 264.61 crore (47.88 per cent) in grants for Centrally sponsored Plan schemes.

Trends of revenue receipts relative to Gross State Domestic Product (GSDP) are presented in **Table 1.3** below:

Table 1.3: Trends of Revenue Receipts relative to GSDP

	2004-05	2005-06	2006-07	2007-08	2008-09
Revenue receipts (RR) (Rupees in crore)	7,249	8,838	11,453	13,879	15,663
Rate of growth of RR (<i>per cent</i>)	21.6	21.9	29.6	21.2	12.86
R R/GSDP (<i>per cent</i>)	15.76	17.02	19.82	20.57	19.41
Buoyancy Ratios²					
Revenue Buoyancy w.r.t GSDP	1.13	1.70	2.62	1.27	0.66
State's own tax Buoyancy w.r.t GSDP	1.29	1.98	2.17	0.68	0.88
Revenue Buoyancy with reference to State's own taxes	0.88	0.86	1.20	1.87	0.74

Revenue buoyancy with respect to growth of GSDP increased from 1.13 in 2004-05 to 2.62 in 2006-07 due to rise in the growth rate of revenue receipts and then decreased to 0.66 during 2008-09 due to the rise in rate of growth of GSDP and a fall in the rate of growth of revenue receipts. The State's own tax buoyancy with reference to GSDP increased from 0.68 in 2007-08 to 0.88 in 2008-09 whereas the revenue buoyancy with reference to the State's own taxes decreased from 1.87 in 2007-08 to 0.74 during 2008-09.

1.3.1 State's Own Resources

The State's share in Central taxes and grants-in-aid are determined on the basis of recommendations of the Finance Commission, collection of Central

² Buoyancy ratios indicate the elasticity or degree of responsiveness of fiscal variables with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one per cent.

tax receipts, Central assistance for Plan schemes etc. The State's performance in mobilization of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The gross collection in respect of major taxes and duties as well as the expenditure incurred on their collection and the percentage of such expenditure to the gross collection during the years from 2006-07 to 2007-08 along with the respective all-India averages are presented in **Appendix-1.5**.

Tax Revenue

Tax revenue increased by 17.37 per cent (Rs 975.64 crore) during the current year (Rs 6,593.72 crore) over the previous year (Rs 5,618.08 crore). The revenue from taxes on sales, trade etc. increased by Rs 587.24 crore over the previous year due to increased realisation under sales tax and Central tax. An increase of Rs 121 crore in State excise was noticed. Land revenue recorded an increase of Rs 271.38 crore over the previous year. The total estimate of tax revenue of Rs 6,537.82 crore made by the State Government in its Macro Economic Framework statement was nearly equal to the actual tax revenue receipt of Rs 6,593.72 crore and was more by Rs 1,595.33 crore (31.92 per cent) than the normative assessment made by TFC.

Non-Tax Revenue

Non-tax revenue increased by nine per cent during 2008-09 over the previous year mainly due to increase in non-tax revenue from non-ferrous mining and metallurgical industries (20.52 per cent), forestry and wild life (24.87 per cent) and major irrigation (35.76 per cent).

The actual receipts under the State's tax and non-tax revenue vis-a-vis the assessments made by TFC and the State Government in its budget estimates are given below:

(Rupees in crore)

	Assessment made by TFC	Budget estimates	Actuals
State's tax revenue	4,998.39	6,537.82	6,593.72
State's own non-tax revenue	1,591.40	1,819.38	2,202.21

(Source: Finance and Appropriation Accounts of the State Government)

Tax revenue as well as non-tax revenue receipts in 2008-09 exceeded the normative assessments made by TFC by 31.92 per cent and 38.38 per cent respectively. Similarly, tax as well as non-tax revenue receipts of the State during 2008-09 were also more by Rs 55.90 crore and Rs 382.83 crore respectively than the assessments made by the State Government in its budget estimates. The reason for higher revenue receipts in respect of non-tax was due to increase in interest receipts (Rs 98.99 crore), miscellaneous general services (Rs 95.33 crore) non-ferrous mining and metallurgical industries (Rs 72.78 crore), forestry and wild life (Rs 46.73 crore) and crop husbandry (Rs 29.70 crore) over the budget estimates.

1.3.2 Loss of revenue due to evasion of taxes

There were 30 cases of evasion of taxes pending finalization in respect of commercial tax and 15 cases in respect of State excise as on 31 March 2009. Similarly, 498 cases under Commercial Tax Department and three cases in State excise Department were pending for refunds involving Rs 7.77 crore.

1.3.3 Revenue Arrears

The arrears of revenue as on 31 March 2009 in respect of some principal heads of revenue amounted to Rs 470.30 crore, of which Rs 235.85 crore (50.15 per cent) was outstanding for more than five years.

The arrears were mainly in respect of revenue from irrigation (Rs 106.08 crore), commercial tax (Rs 98.61 crore), State excise duty (Rs 23.27 crore), taxes and duties on electricity (Rs 2.38 crore), and taxes on vehicles (Rs 3.24 crore).

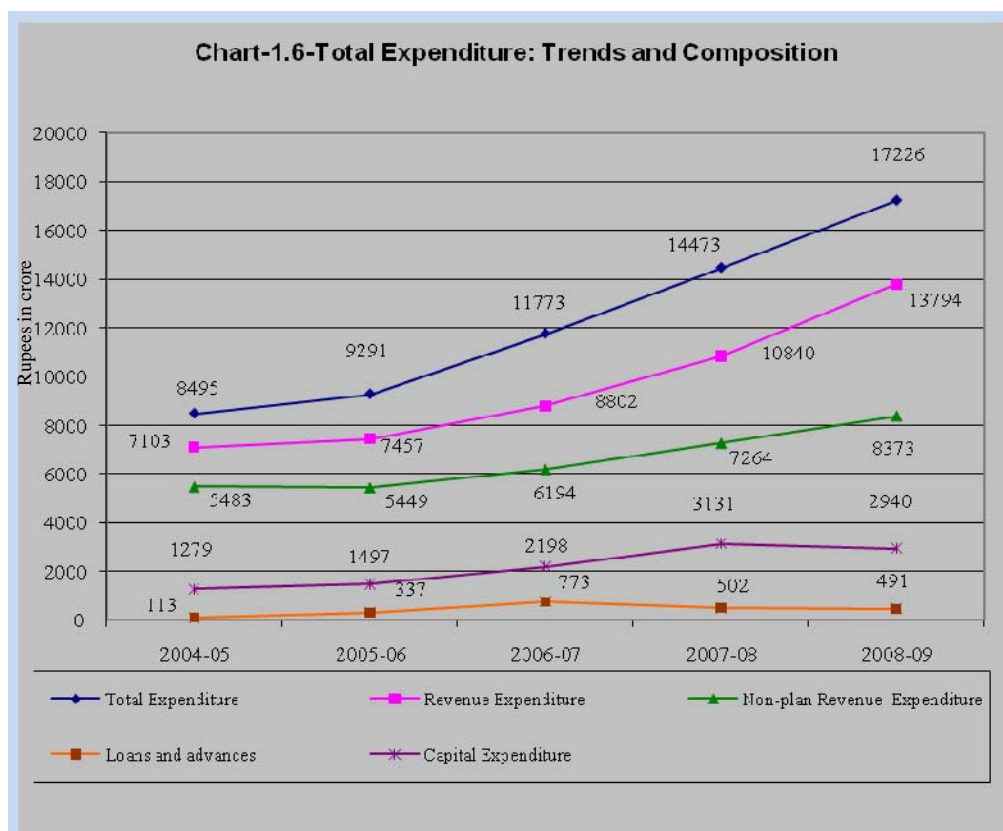
➤ 1.4 Application of resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process³ at the State level is not at the cost of expenditure, especially expenditure directed towards development and social sectors.

1.4.1 Growth and Composition of Expenditure

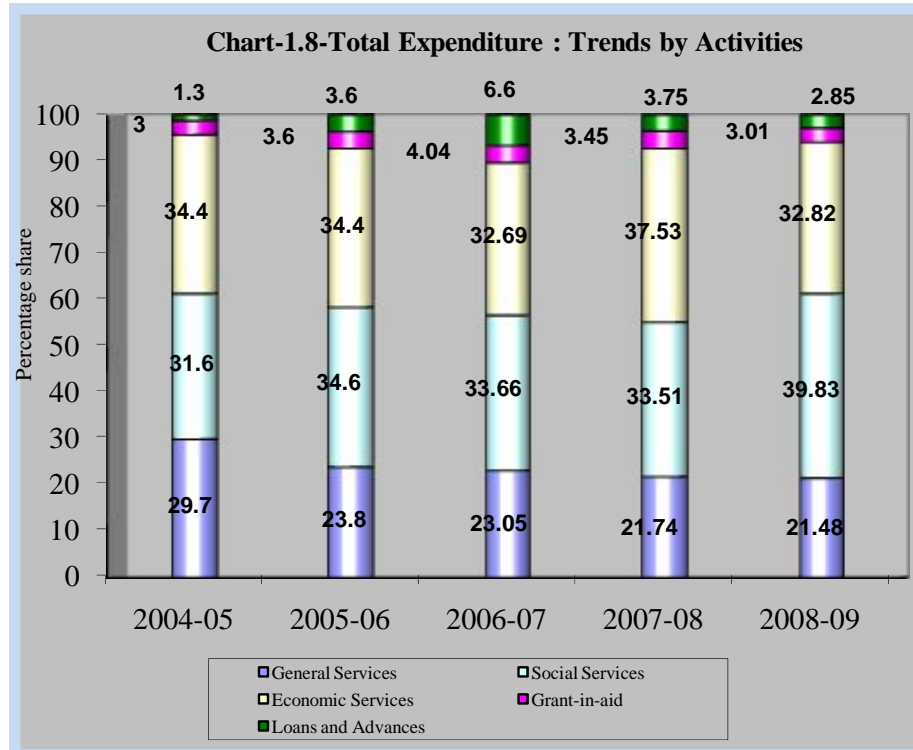
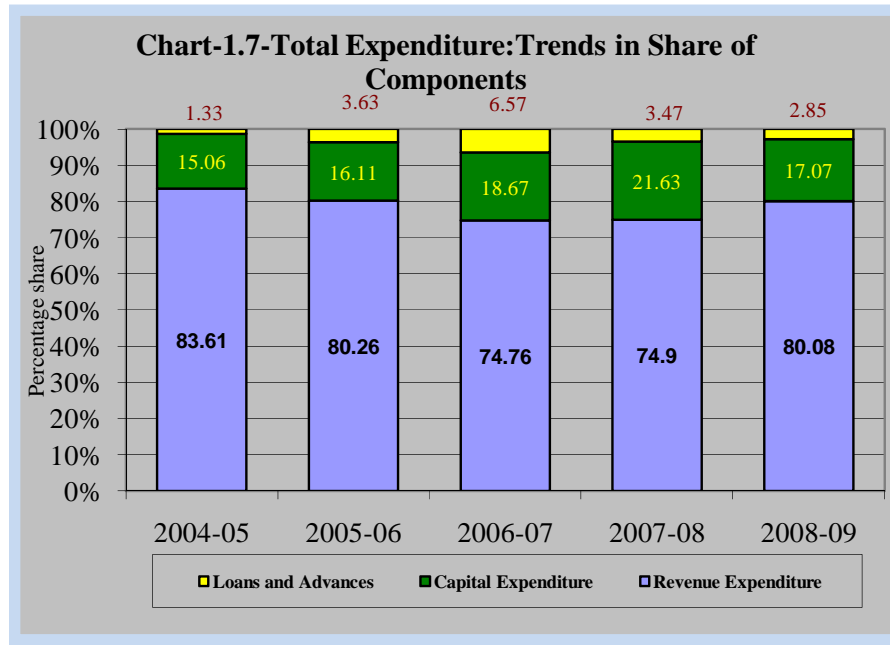
Chart 1.6 presents the trends in total expenditure over a period of five years (2004-09) and its composition, both in terms of 'economic classification' and 'expenditure by activities,' is depicted respectively in **Charts 1.7 and 1.8**.

³ The TFC had recommended that all States should restructure their finances through fiscal consolidation (reduction of deficit and debt) and adopt a fiscal correction path by setting clear targets through fiscal reform legislation.



The total expenditure comprising revenue expenditure, capital expenditure and the loans and advances increased from Rs 14,472.89 crore in 2007-08 to Rs 17,226.08 crore in 2008-09, of which revenue expenditure showed an increase of Rs 2,953.84 crore (Rs 1,845.35 crore under Plan and Rs 1,108.49 crore under Non-Plan) while capital expenditure and disbursement of loans and advances decreased by Rs 190.53 crore and Rs 10.13 crore respectively. The growth rate of total expenditure was high (26.7 per cent) in 2006-07 but came down to 19.02 per cent during 2008-09.

During the five year period 2004-09, nearly 75 to 84 per cent of the total expenditure constituted revenue expenditure whereas capital expenditure ranged between 15 to 22 per cent. During the current year, 90.92 per cent (Rs 15,662.76 crore) of the total expenditure was met from revenue receipts and three per cent (Rs 536.66 crore) from non-debt capital receipts. The State was left with Rs 1,026.66 crore to be financed out of borrowed funds. The buoyancy of total expenditure to GSDP stood at 0.97 in 2008-09 while it was 0.73 in 2005-06.



Revenue expenditure of the State has increased by 94 per cent from Rs 7,103 crore in 2004-05 to Rs 13,794 crore in 2008-09, of which Non-Plan revenue expenditure (NPRE) increased by 15 per cent and Plan expenditure increased by 52 per cent during 2008-09.

The share of Plan revenue expenditure which normally covers the maintenance expenditure incurred on services increased by Rs 3,801 crore during 2004-05 to 2008-09 keeping its share in total revenue expenditure between 23 to 39 per

cent. The share of Plan revenue expenditure also increased by 1,845.25 crore (51.61 per cent) relative to 2007-08 mainly due to increase of Plan expenditure under education, sports and culture (Rs 451 crore), social security and welfare (Rs 1,064 crore), agriculture and allied activities (Rs 47 crore) and water supply and sanitation (Rs 144 crore).

The share of NPRE in total revenue expenditure declined from 77 per cent in 2004-05 to 61 per cent in 2008-09. An increase of Rs 1,108.49 crore in NPRE in 2008-09 (15.25 per cent) was mainly on account of increase in the expenditure by Rs 565.99 crore (18.80 per cent) in General Services, Rs 289.98 crore (15.73 per cent) in Social Services, Rs 275.80 crore (14.61 per cent) in Economic Services over the level of 2007-08. The actual NPRE during 2008-09 exceeded the normative assessment made by TFC for the year by Rs 1,403 crore (20.13 per cent).

The share of expenditure on grants-in-aid and loans and advances in 2007-08 was 7.21 per cent but declined to 5.87 per cent of the total expenditure during the year.

1.4.2 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.4** and **Chart 1.9** present the trends of expenditure on these components during 2004-09.

Table-1.4: Components of Committed Expenditure

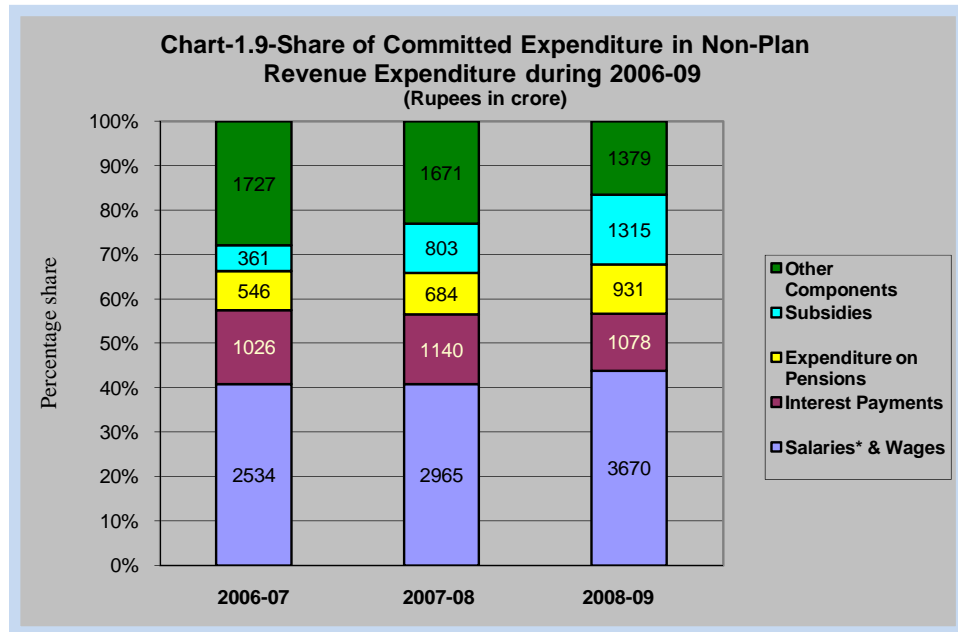
Components of Committed Expenditure	2004-05	2005-06	2006-07	2007-08	2008-09	
					BE	Actuals
Salaries & Wages , of which	2118.56 (29.23)	2339.01 (26.47)	2534.16 (22.13)	2965.01 (21.36)	4112.63 (26.07)	3670.34 (23.43)
Non-Plan Head	1782.26	1888.50	2030.83	2307.68	NA	2772.46
Plan Head*	336.30	450.51	503.33	657.33	NA	897.88
Interest Payments	1152 (15.89)	962 (10.88)	1026 (8.96)	1140 (8.21)	1153.81 (7.37)	1077.53 (6.88)
Expenditure on Pensions	539.73 (7.45)	540.18 (6.11)	546.08 (4.77)	684.58 (4.93)	836.73 (5.34)	930.77 (5.94)
Subsidies	NA	502.32 (5.68)	361.07 (3.15)	802.55 (5.78)	1078.16 (6.89)	1314.68 (8.39)
Other Components	2008 (27.70)	1556.51 (17.61)	2230.33 (19.47)	2328.33 (16.78)	932.56	2277.31 (14.53)
Non-Plan Revenue Expenditure	5482.29	5449.51	6194.31	7263.14	8113.89	8372.75

Figures in the brackets indicate percentage to Revenue Receipts

* The Plan head also includes the salaries and wages paid under Centrally Sponsored Schemes

NA: Not available, Figures in parentheses indicate percentage of revenue receipts

(Source: Finance Accounts of the State Government)



The expenditure on salaries and wages increased by Rs 705.33 crore from Rs 2,965.01 crore in 2007-08 to Rs 3,670.34 crore in 2008-09. Salary and wages expenditure as a percentage of GSDP increased from 4.39 to 4.55 with reference to the previous year. With respect to revenue receipts, it increased from 21.36 to 23.43 *per cent* over the same period. However, the expenditure on salaries and wages in 2008-09 was less by 10.75 *per cent* (Rs 442.29 crore) than the assessments made by the State Government in its budget estimates for the year 2008-09. The expenditure on salaries and wages stood at 28.86 *per cent* of the revenue expenditure (net of interest payment) which was within the limit of 35 *per cent* as recommended by TFC.

Pension payments increased by 35.96 *per cent* (Rs 246.19 crore) from Rs 684.58 crore in 2007-08 to Rs 930.77 crore in 2008-09. Pension payments consumed 5.94 *per cent* of the revenue receipts and were 11.12 *per cent* of the Non-Plan revenue expenditure. Pension payments exceeded the projection made by the State Government (Rs 836.73 crore) in its Medium Term Fiscal Policy Statement (MTFPS) for 2008-09 and was 6.75 *per cent* of revenue expenditure, which was within the limit of 10 *per cent* of revenue expenditure as prescribed in MTFPS. The State Government has constituted a Pension Fund to reduce the pensionary liabilities in future.

Interest payments comprising interest charges on internal debts, loans raised from GOI and other obligations, decreased from Rs 1,140.18 crore in 2007-08 to Rs 1,077.53 crore during 2008-09. The TFC recommended that States should endeavour to keep interest payments as a ratio of revenue receipts to 15 *per cent* by 2009-10. It was observed that the interest payments as a percentage of revenue receipts ranged between 7 and 16 *per cent* during 2004-09 and showed a decreasing trend.

The expenditure on subsidies increased by Rs 512 crore (64 *per cent*) from Rs 803 crore in 2007-08 to Rs 1,314.68 crore in 2008-09. It constituted 8.39 *per cent* of the revenue receipts and 9.53 *per cent* of revenue expenditure.

The major amounts of given subsidies were for social welfare and nutrition (Rs 946.21 crore), agriculture and allied activities Rs 201.23 crore and energy (Rs 128.04 crore)

1.4.3 Financial Assistance by State Government to Local Bodies and other institutions

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in **Table 1.5**

Table 1.5: Financial Assistance to Local Bodies etc

(Rupees in crore)

Financial Assistance to Institutions	2004-05	2005-06	2006-07	2007-08	2008-09
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	145.87	143.00	75.91	98.86	83.82
Power/energy	146.72	165.67	572.13	135.13	118.00
Agriculture	15.13	22.67	25.31	16.81	19.78
Urban Bodies	315.16	411.35	544.84	618.15	737.26
Panchayat Raj Institutions	465.16	585.57	763.82	955.14	1299.47
Other Institutions	27.27	484.24	219.79	183.17	304.72
Total	1115.31	1812.50	2201.80	2007.26	2563.05
Assistance as per percentage of revenue expenditure	15.70	24.31	25.01	18.52	18.58

(Source: Finance and Appropriation Accounts)

Financial assistance to local bodies and other institutions increased from Rs 1,115.31 crore in 2004-05 to Rs 2,563.05 crore in 2008-09 recording a growth rate of 27.69 *per cent* over the previous year. During 2008-09, financial assistance was given by the Government mainly to urban local bodies⁴ (28.76 *per cent*), Panchayat Raj institutions⁵ (50.70 *per cent*) and other institutions (11.89 *per cent*).

➤ 1.5 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. Improvement in the quality of expenditure basically involves three aspects, viz., adequacy of the expenditure (i.e. adequate provisions for providing public services); efficiency of expenditure use and effectiveness (assessment of outlay-outcome relationships for select services).

⁴ Includes General Education: Rs 13.14 crore, and Urban Development: Rs 210.16 crore.

⁵ Includes General Education: Rs 499.88 crore, Social Security and Welfare: Rs 306.94 crore and Rural Development: Rs 292.76 crore.

1.5.1 Adequacy of Public Expenditure

Expenditure responsibilities relating to the social sector and economic infrastructure are largely assigned to the State Governments. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health etc. The low level of spending on any sector by a particular State may either due to low fiscal priority attached by the State Government or on account of the low fiscal capacity of the State Government or due to both working together. Low fiscal priority (ratio of expenditure category to aggregate expenditure) is attached to a particular sector if it is below the respective all States average while low fiscal capacity would be reflected if the State's per capita expenditure is below the respective all States average even after having a fiscal priority that is more than or equal to the all States average. **Table 1.6** analyses the fiscal priority and fiscal capacity of the State Government with regard to development expenditure, social sector expenditure and capital expenditure during the current year.

Table 1.6: Fiscal Priority and Fiscal Capacity of the State during 2008-09

Fiscal Priority by the State	AE/GSDP	DE/AE	SSE/AE	CE/AE
All States average* (Ratio)2005-06	19.50	61.44	30.41	14.13
Chhattisgarh State's Average (Ratio) 2005-06	21.06	72.59	34.60	16.11
All States average* (Ratio) 2008-09	19.16	67.68	33.90	16.87
Chhattisgarh State's Average (Ratio) 2008-09	21.35	75.44	39.83	17.07
Fiscal Capacity of the State	DE[#]	SSE	CE	
All States' Average per capita expenditure 2005-06 (Amount in rupees)	3010	1490	692	
Chhattisgarh State's per capita expenditure 2005-06 (Amount in rupees)	3011	1435	668	
Adjusted Per Capita** Expenditure (Amount in rupees) 2005-06	NR	NR	NR	
All States' Average per capita expenditure 2008-09 (Amount in rupees)	5,030	2,520	1,254	
Chhattisgarh State's per capita expenditure 2008-09 (Amount in rupees)	5,553	2,932	1,256	
Adjusted Per Capita** Expenditure (Amount in rupees) 2008-09	NR	NR	NR	

*As per cent to GDP

**Calculated as per the methodology explained in the Appendix

AE: Aggregate Expenditure DE: Development Expenditure SSE: Social Sector Expenditure
CE: Capital Expenditure

Population of Chhattisgarh: 2.24 crore in 2005-06 and 2.34 crore in 2008-09

Development expenditure includes Development revenue expenditure, Development capital expenditure and loans and advances disbursed

Source:

(1) For GSDP, the information was collected from the State's Directorate of Economics and Statistics

(2) Population figures were taken from projection 2001-2006 of the Registrar General and Census Commissioner, India (website: www.censusindia.gov.in), Population = Average of projected population of 2005-06

NR: No adjustment required since the State is giving adequate fiscal priority

Data for Arunachal Pradesh has not been included in the all States Average

In **Table 1.6**, we are comparing the fiscal priorities given to various categories of expenditure and the fiscal capacity of the State in 2005-06 (the first year of the Award Period of TFC) and the current year, i.e. 2008-09. The State

Government's aggregate expenditure was more than the all States average (AE/GSDP ratio for Chhattisgarh is higher than the average of all the States for 2008-09). The Government gave adequate fiscal priority to Development Expenditure (DE), Social Sector Expenditure (SSE) and Capital Expenditure (CE) since DE/AE, SSE/AE and CE/AE in the case of Chhattisgarh was higher than the all States average.

In 2008-09, the per capita expenditure of DE and SSE was higher than the all States average but CE was at par with the all States average. The AE/GSDP ratio was also higher than the all States average. This means that the absorptive capacity⁶ of the State was high during 2008-09. In 2005-06, the per capita DE in Chhattisgarh was almost equal to the all States average but in 2008-09, it rose to 10.40 *per cent* above the all States average. The SSE was 3.69 *per cent* lower than the all States average in 2005-06 and rose to 16.35 *per cent* above the all States average in 2008-09. Capital expenditure remained almost at par with the all States average during 2005-06 as well as 2008-09.

1.5.2 Efficiency of Expenditure use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods⁷. Apart from improving the allocation towards development expenditure⁸, particularly in view of the fiscal space being created on account of the decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure being spent on operation and maintenance of the existing Social and Economic Services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the

⁶ Absorptive capacity in this case refers to the ability of a State to implement a developmental scheme in such a way that with given resources, there is maximum benefit to the people. This is usually achieved when the designs of schemes are well planned with a careful risk mitigation strategy in place; administrative costs are low; operation, maintenance, monitoring and control mechanisms are in place etc so that the State is able to achieve effectively targeted outcomes.

⁷ Core public goods are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

⁸ The analysis of expenditure data is disaggregated into development and non- development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into Social Services, Economic Services and General Services. Broadly, the Social and Economic Services constitute development expenditure, while expenditure on General Services is treated as non-development expenditure.

quality of expenditure. While **Table 1.7** presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year and development expenditure relative to the aggregate expenditure in previous years, **Table 1.8** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected Social and Economic Services.

Table-1.7: Development Expenditure

Components of Development Expenditure	2004-05	2005-06	2006-07	2007-08	2008-09	
					BE	Actuals
Development Expenditure (a to c)	5,700 (67)	6,724 (72)	8,578 (73)	10,773 (74)	13,934	12,995 (75)
a. Development Revenue Expenditure	4,357 (51)	4,938 (53)	5,687 (48)	7,257 (50)	9,628	9,676 (56)
b. Development Capital Expenditure	1,250 (15)	1,469 (16)	2,123 (18)	3,024 (21)	3,813	2,838 (16)
c. Development Loans and Advances	93 (01)	317 (03)	768 (07)	492 (03)	493	481 (03)

Figures in brackets indicate percentage of aggregate expenditure
(Source: Finance Accounts and Annual Financial Statement of the State Government for the year 2008-09)

Development revenue expenditure increased by 33.33 *per cent* (Rs 2419 crore) from Rs 7257 crore in 2007-08 to Rs 9676 crore in 2008-09. The increase was mainly due to expenditure under the heads Social Security and Welfare (Rs 1,060.27 crore), General Education (Rs 498.57 crore), Medical and Public Health (Rs 111.51 crore), Crop Husbandry (Rs 110.64 crore), Forestry and Wild Life (Rs 98.01 crore) and Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes (Rs 75.62 crore).

Development capital expenditure decreased by 6.15 *per cent* (Rs 186 crore) from Rs 3,024 crore in 2007-08 to Rs 2,838 crore in 2008-09. The decrease was mainly due to decrease in expenditure under the accounts heads Village and Small Industries (Rs 86.66 crore), Roads and Bridges (Rs 73.24 crore) and Urban Development (Rs 70.07 crore).

Table 1.8: Efficiency of Expenditure Use in Selected Social and Economic Services

(per cent)

Social/Economic Infrastructure	2007-08			2008-09		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S &W	O&M		S &W	O &M
Social Services (SS)						
Total Social Services of which	5.07	40.63	2.54	4.11	32.70	2.39
General Education	1.47	46.97	0.55	0.88	43.17	0.21
Public Health and Family Welfare	0.57	64.55	0.55	0.66	63.66	0.61
Water Supply, Sanitation and Housing and Urban Development	1.57	7.39	5.69	0.85	7.57	4.66
Economic Services (ES)						
Total Economic Services of which	15.83	20.34	10.63	12.36	21.48	11.70
Agriculture and Allied Activities	0.59	27.73	1.61	0.45	29.54	1.42
Irrigation and Flood Control	5.24	58.56	34.03	5.01	61.98	31.71
Power and Energy	0.00	0.00	0.00	0.00	0.00	0.00
Transport	7.65	7.71	74.42	5.85	0.00	94.45
Total (SS+ES)	20.90	60.97	13.17	16.47	54.18	14.09

TE: Total expenditure in the concerned sector; CE: Capital expenditure in the concerned sector; RE: Revenue expenditure in the concerned sector; S&W: Salaries and wages; O&M: Operations & maintenance in the concerned sector.

(Source: Compiled from VLC data by A&E office)

The percentage of capital expenditure to the total expenditure for Social and Economic Services decreased from 20.90 in 2007-08 to 16.47 in 2008-09.

During the current year, the ratio of capital expenditure to total expenditure under Social Services decreased from 5.07 to 4.11 *per cent* over the previous year

Lower priority to capital expenditure was accorded mainly to general education, water supply, sanitation and housing and urban development where capital expenditure as a percentage of the total expenditure reduced from 1.47 *per cent* and 1.57 *per cent* to 0.88 *per cent* and 0.85 *per cent* respectively.

The share of salaries in revenue expenditure under Social Services decreased from 40.63 *per cent* in 2007-08 to 32.70 *per cent* in 2008-09 mainly on account of decrease in the share of salaries under general education and health and family welfare from 46.97 *per cent* and 64.55 *per cent* to 43.17 *per cent* and 63.66 *per cent* respectively.

Capital expenditure on Economic Services decreased from Rs 2,291.03 crore in 2007-08 to Rs 2,129.81 crore in 2008-09, registering a decrease of 7.04 *per cent*. The percentage of capital expenditure under Economic Service decreased from 15.83 to 12.36.

The share of salaries under revenue expenditure in Economic Services increased from 20.34 *per cent* to 21.48 *per cent*, mainly on account of increase

in the share of salaries under agriculture and allied activities from 27.73 *per cent* to 29.54 *per cent* and irrigation and flood control from 58.56 *per cent* to 61.98 *per cent*.

➤ 1.6 Analysis of Government Expenditure and Investments

In the present framework, the State is expected to keep its fiscal deficit at low levels and to meet its capital expenditure/investment (including loans and advances) requirements. The State Government needs to initiate measures to earn adequate returns on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidies and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year vis-à-vis the previous years.

1.6.1 *Incomplete projects*

At the end of March 2009, there were 223 incomplete projects each costing Rs one crore or more, involving Rs 1,531.20 crore as given in **Table 1.9**.

Table 1.9: Status of Incomplete Projects in the State

(Rs in crore)

Department	No. of incomplete projects	Initial budgeted cost	Revised total cost of projects	Cost over runs	Cumulative actual expenditure as on 31.3.2009
Public Works Department	98	426.20	449.01	1.15	219.40
Water Resources Department	125	761.76	1082.19	9.19	707.59
Total	223	1187.96	1531.20	10.34	926.99

(Source: Finance Account 2008-09)

The reasons for non-completion of projects in scheduled time were not intimated by the department except in case of a few which were stated to have been delayed due to Naxalite problems.

1.6.2 *Investment and returns*

As of 31 March 2009, Government had invested Rs 430.01 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (**Table 1.10**). The average return on the investments was 0.02 *per cent* while the Government paid an average interest rate of 7.36 *per cent* on its borrowings during 2008-09.

Table-1.10: Return on Investments

Investment/Return/ Cost of Borrowings	2004-05	2005-06	2006-07	2007-08	2008-09	
					BE	Actual
Investment at the end of the year (Rs in crore)	87.96	103.24	159.64	400.95	358.52	430.01
Return (Rs in crore)	0.00	0.00	0.00	0.10	1.36	0.10
Return (per cent)	0.00	0.00	0.00	0.02	0.38	0.02
Average rate of interest on Govt. borrowings (per cent)	9.85	7.54	7.49	7.97	NA	7.36
Difference between interest rate and return (per cent)	9.85	7.54	7.49	7.95	NA	7.34

(Source: Finance Accounts of the State Government)

Out of Rs 430.01 crore invested upto 2008-09, Rs 77.33 crore were invested in 11 Statutory Corporations, Rs 204.63 crore in three Government Companies/departments, Rs 2.63 crore in Joint Stock Companies and Rs 145.42 crore in Co-operatives.

1.6.3 Loans and advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the Government has also been providing loans and advances to many institutions/ organizations. Table 1.11 presents the outstanding loans and advances as on 31 March 2009, and interest receipts vis-à-vis interest payments during the last three years.

Table 1.11: Average interest received on loans advanced by the State Government

Quantum of Loans/Interest Receipts/ Cost of Borrowings	(Rupees in crore)		
	2006-07	2007-08	2008-09
Opening Balance	1188.43	1604.61	1667.38
Amount advanced during the year	771.13	500.28	490.75
Amount repaid during the year	354.95	437.52	533.42
Closing Balance	1604.61	1667.38	1624.71
<i>of which</i> Outstanding balance for which terms and conditions have been settled	NA	NA	NA
Net addition	416.18	62.76	(-)42.67
Interest Receipts	85.50	69.11	121.89
Interest receipts as a percentage of outstanding Loans and advances	6.12	4.22	7.40
Interest payments as percentage of outstanding fiscal liabilities of the State Government.	7.49	7.97	7.36
Difference between interest payments and interest receipts (per cent)	(-)1.15	(-)3.64	(+)0.04

(Source: Finance Accounts of the State Government)

At the end of March 2009, the Government had outstanding loans and advances of Rs 1,624.71 crore, of which loans for pension and miscellaneous General Services was Rs 116.11 crore, loans for Social Services Rs 661.18 crore and Economic Services Rs 857.74 crore.

The interest received against these loans and advances was 7.40 *per cent* during 2008-09 as against 4.22 *per cent* in the previous year.

There was an increase of Rs 95.90 crore in respect of repayment of loans and advances over the previous year, leading to a net reduction in outstanding of loans and advances during the year.

1.6.4 Cash Balances and Investment of Cash Balances

Table 1.12 depicts the cash balances and investments made by the State Government out of the cash balances during the year.

Table 1.12: Cash Balances and Investment of Cash balances

Particulars	<i>(Rs in crore)</i>		
	As on 1 st April 2008	As on 31 st March 2009	Increase/ Decrease(-)
Cash Balances	(-) 694.36	(-) 348.68	345.68
Investments from Cash Balances (a to d)	2849.48	1727.62	(-) 1121.86
a. GOI Treasury Bills	405.63	(-)1121.86	(-)1524.49
b. GOI Securities	2443.85	2849.48	405.63
c. Other Securities	Nil	Nil	Nil
d. Other Investments	Nil	Nil	Nil
Fund-wise Break-up of Investments from Earmarked balances (a to c)	549.47	648.91	99.44
a. Sinking Fund	546.94	646.94	100.00
b. Famine Relief Fund	1.51	0.95	(-) 0.56
c. Revenue Reserve Fund	0.97	0.97	0.00
d. Development and Welfare Fund	0.05	0.05	0.00
Interest realized	135.34	115.51	(-) 19.83

The interest received against investment on the cash balances was 6.68 *per cent* during 2008-09 while Government paid interest at 7.36 *per cent* on its borrowings during the year.

➤ 1.7 Assets and Liabilities

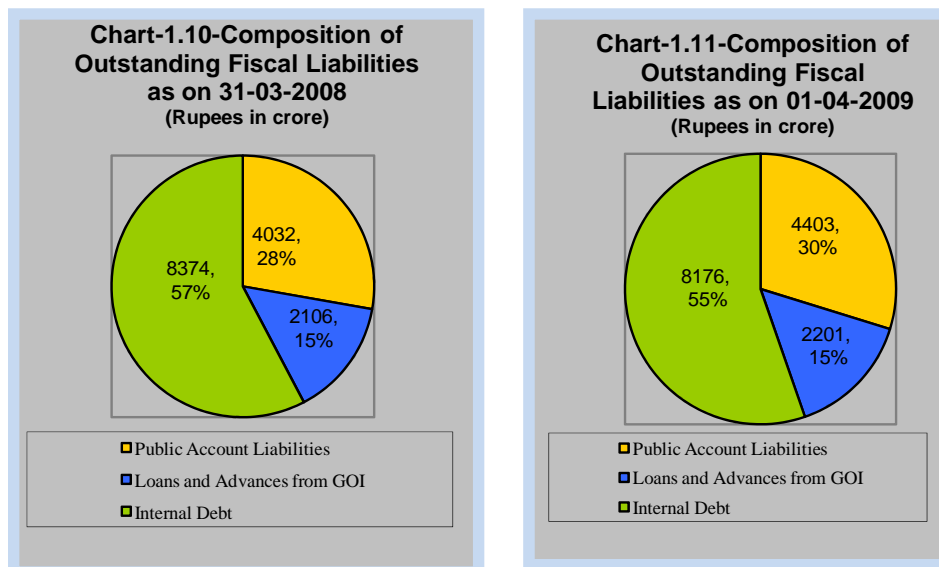
1.7.1 *Growth and composition of Assets and Liabilities*

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.4** gives an abstract of such liabilities and the assets as on 31 March 2009, compared with the corresponding position on 31 March 2008. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from GOI, receipts from the Public Account and Reserve Funds, the assets mainly comprise the capital outlay and loans and advances given by the State Government and its cash balances.

During 2008-09, the liabilities increased by 1.80 *per cent* and the assets grew by 12.72 *per cent*.

1.7.2 Fiscal Liabilities

The trends of outstanding fiscal liabilities of the State are presented in **Appendix 1.4**. The composition of fiscal liabilities during the current year vis-à-vis the previous year is presented in **Charts 1.10** and **1.11**.



The overall fiscal liabilities of the State increased from Rs 12,240 crore in 2004 to Rs 14,780.03 crore in 2008-09. Fiscal liabilities of the State comprised Consolidated Fund liabilities and Public Account liabilities. As at the end of March 2009, the Consolidated Fund liabilities (Rs 10,376.75 crore) comprised market loans (Rs 2,297.90 crore), loans from GOI (Rs 2,200.68 crore) and other loans (Rs 5,878.17 crore). The Public Account liabilities (Rs 4,403.28 crore) comprised of Small Savings, Provident Fund etc., (Rs 1,702.84 crore), interest-bearing obligations (Rs 125.04 crore) and non-interest bearing obligations like deposits and other earmarked funds (Rs 257.40 crore).

The growth rate of liabilities was 1.85 *per cent* during 2008-09 over the previous year. The GSDP grew by 19.63 *per cent* as a result of which, the ratio of fiscal liabilities to GSDP decreased from 21.51 in 2007-08 to 18.32 in 2008-09 and was within the budget estimate of 32.72 *per cent*. The fiscal liabilities ratio in respect to revenue receipts decreased from 1.05 in 2007-08 to 0.94 in 2008-09. In respect of the State's own resources, it decreased from 1.89 in 2007-08 to 1.68 in 2008-09.

1.7.3 Status of Guarantees – Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in cases of default by borrowers for whom the guarantees have been extended.

As per Statement 6 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is given in **Table 1.13**.

Table 1.13: Guarantees given by the Government of Chhattisgarh

(Rupees in crore)

Guarantees	2006-07	2007-08	2008-09	
			BE	Actual
Maximum amount guaranteed	2,483	2,495	6918.83	3,649.53
Outstanding amount of guarantees	486	481	NA	895.16
Percentage of maximum amount guaranteed to total revenue receipts	21.68	17.98	NA	23.30

No law under Article 293 of the Constitution has been passed by the State Legislature laying down the limits within which Government may give guarantees on the security of the Consolidated Fund of the State. However, the State Government guaranteed loans raised by various Corporations and others, which stood at Rs 895.16 crore at the end of 2008-09. The outstanding amounts of guarantees in the nature of contingent liabilities were about 5.72 *per cent* of the total revenue receipts of the State.

The State Government had not yet set up a Guarantee Redemption Fund in compliance of the recommendations of TFC.

1.7.4 Off-Budget Borrowings

Government Companies/Corporations borrow funds from the market/ financial institutions for implementation of various State Plan programmes projected outside the State budget. The borrowings of many of these concerns may sometimes turn out to be the liabilities of the State Government termed as 'off-budget borrowings'. During 2006-09 the State Government did not undertake any off-budget borrowings.

➤ 1.8 Debt Sustainability

Apart from the magnitude of debt of the State Government, it is important to analyze various indicators that determine the debt sustainability⁹ of the State. This section assesses the sustainability of debt of the State Government in

⁹ Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between costs of additional borrowings with returns from such borrowings. It means that the rise in fiscal deficits should match the increase in the capacity to service the debts.

terms of debt stabilization¹⁰; sufficiency of non-debt receipts¹¹; net availability of borrowed funds¹²; burden of interest payments (measured by interest payments to revenue receipts ratio) and the maturity profile of State Government securities. **Table 1.14** analyzes the debt sustainability of the State according to these indicators for the period of three years beginning from 2006-07.

Table 1.14: Debt Sustainability: Indicators and Trends

Indicators of Debt Sustainability	2006-07	2007-08	2008-09
Debt Stabilization (Quantum Spread + Primary Deficit)	1,567	2,250	1,864
Sufficiency of Non-debt Receipts (Resource Gap)	472	(-)167	(-) 898
Net Availability of Borrowed Funds	(-) 298.15	(-)1,385.13	(-) 1,106.81
Burden of Interest Payments (IP/RR Ratio)	8.96	8.21	6.88
Maturity Profile of the State Debt (In Years)			
0 – 1	NA	396.32	554.52
1 – 3	NA	1,341.20	1,534.50
3 – 5	NA	1,760.39	1,639.27
5 – 7	NA	1,451.38	1,519.81
7 and above		5,530.48	5,128.65

(Source: Finance Accounts of the State Government)

The trends in **Table 1.15** reveal that the quantum spread, together with the primary deficit, was positive during the period 2006-09, leading to a constant decline in the fiscal liabilities to GSDP ratio, which came down to 18.32 in 2008-09 from 21.51 in 2007-08. The quantum spread and primary deficit, though positive during 2008-09, decreased over the previous year. The sufficiency of non-debt receipts (resource gap) was positive during 2006-07 and negative during 2007-08 and 2008-09. These trends along with the behaviour of fiscal deficit-GSDP during the period indicate a tendency towards stabilisation and improvement in the capacity of the State to sustain its debt in the ensuing years. As regards repayment of debts, large amounts of repayments to the extent of 40 *per cent* of the State debt would be taking place in the next five years. The Government planned to repay 5.34 *per cent* of its

¹⁰ A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or the cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt x rate spread), the debt sustainability condition states that if the quantum spread together with the primary deficit is zero, the debt-GSDP ratio would be constant or the debt would stabilize eventually. On the other hand, if the primary deficit together with the quantum spread turns out to be negative, the debt-GSDP ratio would be rising. In case it is positive, the debt-GSDP ratio would eventually be falling.

¹¹ Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

¹² Defined as the ratio of debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which debt receipts are used in debt redemption indicating the net availability of borrowed funds.

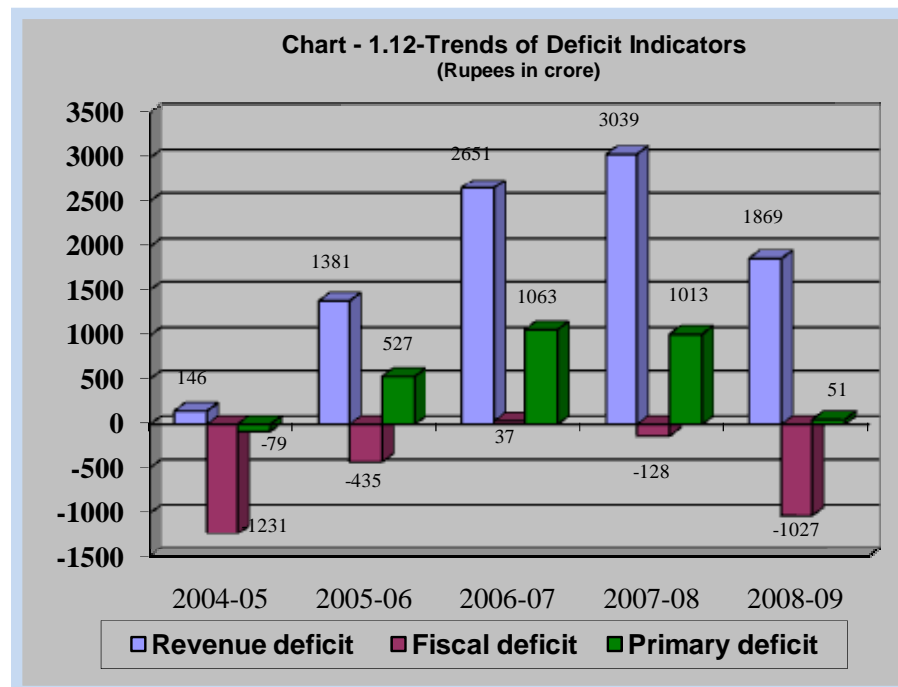
debt in the first year, 14.79 *per cent* in the second year and 15.80 *per cent* in the next three to five years, thus avoiding the bulk of repayment at once.

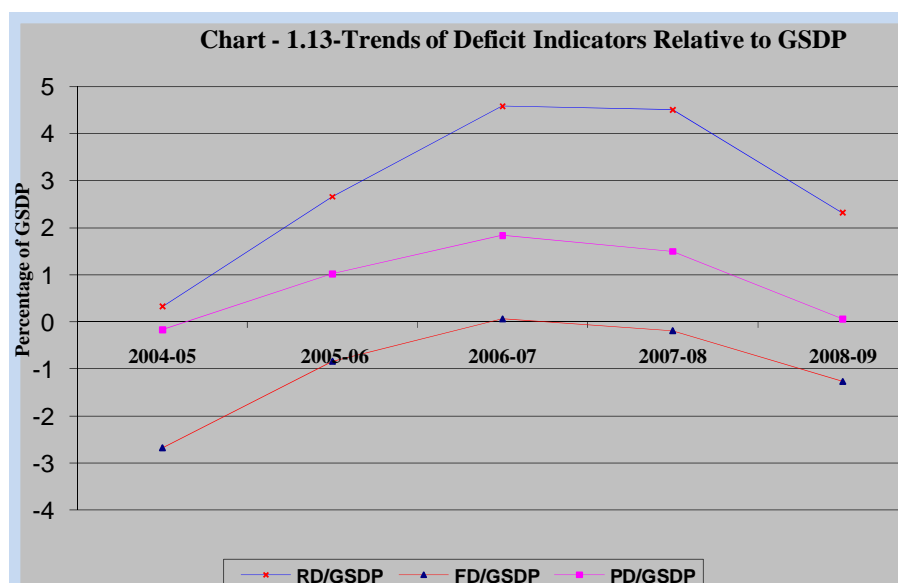
➤ 1.9 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. Deficits in the Government accounts represent gaps between receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which deficits are financed and resources raised are applied are important pointers to its fiscal health. This section presents the trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis the targets set under the FRBM Act/Rules for the financial year 2008-09.

1.9.1 Trends of deficits

Charts 1.12 and **1.13** present the trends of deficit indicators over the period 2004-09.





(RD Revenue deficits, FD: Fiscal deficit, PD: Primary deficit GSDP: Gross State Domestic Product)

Table 1.15: Trends in Deficit

(Rupees in crore)

	2004-05	2005-06	2006-07	2007-08	2008-09
Revenue deficit (-) / surplus (+)	(+)146 (0.32)	(+)1,381 (2.66)	(+) 2,651 (4.59)	(+) 3,039 (4.51)	(+)1869 (2.32)
Fiscal deficit (-) / surplus (+)	(-)1,231 (-2.68)	(-) 435 (-0.84)	(+)37 (0.06)	(-) 128 (-0.19)	(-)1027 (-1.27)
Primary deficit (-)/ surplus (+)	(-)79 (-0.17)	(+) 527 (1.02)	(+)1,063 (1.84)	(+)1,012 (1.50)	(+) 51 (0.06)

(Source: Finance Accounts of the State Government)

The revenue deficit of the State, which indicates the excess of its revenue expenditure over revenue receipts turned into revenue surplus of Rs 146 crore in 2004-05. After increasing from Rs 146 crore in 2004-05 to Rs 3,038.79 crore in 2007-08, it declined sharply by 38.49 per cent to Rs 1,869.06 crore in 2008-09 mainly due to lower increase of 12.86 per cent (Rs 1,784.11 crore) in revenue receipts in comparison to an increase of 27.25 per cent (Rs 2,953.85 crore) in revenue expenditure during 2008-09.

The fiscal deficit, which represents the total borrowings of the Government and its total resource gap, decreased from Rs 1,231 crore in 2004-05 to a fiscal surplus of Rs 37 crore in 2006-07 but it again turned into a fiscal deficit of Rs 128 crore in 2007-08 and Rs 1,026.66 crore during 2008-09. The primary deficit of Rs 79 crore in 2004-5 turned into a primary surplus in 2005-06 and reached the highest level of Rs 1,063 crore in 2006-07 but sharply declined to Rs 50.87 crore in 2008-09 due to increase in primary expenditure of 21.11 per cent against the increase of 12.92 per cent in non-debt receipts (**Table 1.17**).

1.9.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1.16**.

Table 1.16: Components of Fiscal Deficit and its Financing Pattern

(Rupees in crore)

	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Decomposition of Fiscal Deficit						
1	Revenue Deficit(-)/Surplus(+)	145.82 (0.32)	1381.35 (2.66)	2650.80 (4.59)	3038.79 (4.50)	1869.06 (2.32)
2	Net Capital Expenditure	(-) 1279.13 (2.78)	(-)1496.91 (2.88)	(-)2198.10 (3.80)	(-)3103.73 (4.60)	(-) 2938.38 (3.64)
3	Net Loans and Advances	(-)98.24 (0.21)	(-)319.56 (0.62)	(-)416.18 (0.72)	(-)62.77 (0.09)	42.67 (0.05)
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	321.19 (0.70)	(-)85.39 (0.16)	(-)95.24 (0.16)	(-)157.08 (0.23)	(-) 153.44 (0.19)
2	Loans from GOI	(-)598.67 (1.30)	(-)108.43 (0.21)	42.04 (0.07)	(-)167.06 (0.25)	94.93 (0.12)
3	Special Securities Issued to National Small Savings Fund	882.30 (1.92)	980.64 (1.89)	736.23 (1.27)	37.75 0.06	(-) 2.78 (0.00)
4	Loans from Financial Institutions	153.35 (0.33)	3.98 (0.01)	34.68 (0.06)	(-)10.06 (0.01)	(-) 41.73 (0.05)
5	Small Savings, PF etc	58.07 (0.13)	(-)19.27 (0.04)	9.65 (0.02)	51.50 (0.08)	73.74 (0.09)
6	Deposits and Advances	214.44 (0.47)	115.22 (0.22)	312.77 (0.54)	441.77 (0.65)	30.20 (0.04)
7	Suspense and Miscellaneous	199.11 (0.43)	(-)1067.68 (2.06)	(-)1026.83 (1.78)	(-)257.12 (0.38)	1024.80 (1.27)
8	Remittances	(-)39.35 (0.09)	(-)15.42 (0.03)	26.82 (0.05)	(-)78.72 (0.12)	80.65 (0.10)
9	Others*	51.60 (0.11)	138.59 (0.27)	(-)203.09 (0.35)	184.00 (0.27)	265.96 (0.33)
10	Overall Surplus/Deficit	10.49 (0.02)	(-)492.88 (0.95)	(-)126.45 (0.22)	(-)82.73 (0.12)	345.68 (0.43)

Figures in brackets indicate the percentage of GSDP.

*All these figures are net of disbursements/outflows during the year

(Source: Finance Accounts of the State Government)

During 2004-05 to 2007-08, special securities issued to the National Small Savings Fund (NSSF) financed a major part of the fiscal deficit. However, during 2006-07 to 2008-09, the special securities issued to NSSF showed a declining trend and the fiscal deficit was financed mainly by loans from GOI, Small Scale Savings and Provident Funds.

1.9.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit¹³ and capital expenditure (including loans

* It includes Inter-State Settlement, Contingency Fund and Reserve Fund.

¹³ Primary revenue deficit is defined as the gap between non-interest revenue expenditure of the State and its non-debt receipts to the extent to which the non-debt receipts of the State are able to meet the primary expenditure incurred under the revenue account.

and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratios of revenue deficit to fiscal deficit also indicate that the asset base of the State was continuously shrinking and a part of the borrowings (fiscal liabilities) did not have any asset backup.

The ratio of revenue deficit to fiscal deficit exhibits an oscillating trend in the State. The bifurcation of the primary deficit (**Table 1.17**) indicates the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table 1.17: Primary Deficit/Surplus – Bifurcation of factors (Rupees in crore)

Year	Non-debt receipts	Primary revenue expenditure	Capital expenditure	Loans and advances	Primary expenditure ¹⁴	Primary revenue deficit (-) /surplus (+)	Primary deficit (-) / surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2004-05	7264	5951	1279	113	7343	1313	-79
2005-06	8856	6495	1497	337	8329	2361	(+) 527
2006-07	11810	7776	2198	773	10747	4034	(+) 1063
2007-08	14345	9700	3131	502	13333	4645	(+) 1012
2008-09	16199	12716	2940	492	16148	3481	(+) 51

(Source: Finance Accounts of the State Government)

The bifurcation of the factors resulting in the primary surplus during the period (2004-09) reveals that the non-debt receipts of the State were enough to meet the primary expenditure requirements in the revenue account. The surplus receipts were available to meet expenditure under the capital account resulting in a primary surplus since 2005-06. This indicates that there is adequate scope of enhancing the capital expenditure which may be desirable to improve the productive capacity of the State's economy. Further, the percentage of capital expenditure with respect to the primary expenditure increased from 17.41 per cent in 2004-05 to 23.48 per cent in 2007-08 but again decreased to 18.20 per cent in 2008-09.

1.9.4 State's Own Revenue and Deficit Correction

The extent to which deficit correction is achieved by a State on account of improvements in its own resources, is an indicator of the durability of the corrections in its deficit indicators. **Table 1.18** presents the changes in the revenue receipts of the State and the correction of deficits during the last three years.

¹⁴ Primary expenditure of the State is defined as the total expenditure net of the interest payments which indicates the expenditure incurred on the transactions undertaken during the year.

Table-1.18: Changes in Revenue receipts and Correction of Deficits (Per cent of GSDP)

Parameters	2006-07	2007-08	2008-09	
			BE	Actual
Revenue Receipts (a to d)	19.82	20.58	19.40	19.41
a. State's Own Tax Revenue	8.73	8.33	8.10	8.17
b. State's Own Non-Tax Revenue	2.51	3.00	2.25	2.73
c. State's Share in Central Taxes and Duties	5.54	5.98	5.42	5.28
d. Grants-in-Aid	3.04	3.27	3.62	3.23
Revenue Expenditure	15.23	16.07	17.20	17.09
Revenue Deficit/Surplus	4.59	4.51	2.20	2.32
Fiscal Deficit/Surplus	0.06	(-)0.19	2.90	(-)1.27

(Source: Finance Accounts and Annual Financial Statement of the State Government)

Table 1.18 shows that the percentage of revenue receipts relative to GSDP had decreased from 20.58 *per cent* to 19.41 *per cent* during 2008-09 and was approximately the same as that estimated in the BE of the State Government. The percentage of revenue expenditure relative to GSDP increased from 16.07 *per cent* in 2007-08 to 17.09 *per cent* in 2008-09. As a result, revenue surplus as a percentage of GSDP decreased from 4.51 to 2.32 over the previous year. Fiscal deficit as a percentage of GSDP also increased from 0.19 in 2007-08 to 1.27 during the current year.

The FRBM Act 2005 envisaged elimination of revenue deficit and reduction of the fiscal deficit to less than three *per cent* of GSDP. The State Government had already achieved the above targets.

➤ 1.10 Conclusion

During 2008-09, the overall fiscal position of the State of Chhattisgarh as reflected in terms of key parameters viz revenue, fiscal and primary deficit, indicates a mixed trend as revenue surplus and primary surplus have decreased while the fiscal deficit position has increased over the previous year. The revenue surplus of the State decreased by Rs 1,169.73 crore over the previous year as the growth of revenue receipts was 13 *per cent* against the growth of 27 *per cent* in revenue expenditure. Revenue expenditure shared a dominant portion of the total expenditure which ranged from 75 to 84 *per cent* during 2004-09 and increased from 75 to 80 *per cent* over the previous year. Expenditure on pensions increased from Rs 540 crore in 2004-05 to Rs 931 crore in 2008-09. Notwithstanding these facts, the State achieved the targets laid down in the FRBM Act to reduce revenue deficit to zero and maintain fiscal deficit below three *per cent* of GSDP.

The State's own tax revenue and non-tax revenue were higher by Rs 1,595.33 crore and Rs 611 crore respectively than the normative assessment made by the Twelfth Finance Commission (TFC). The capital expenditure decreased by six *per cent* over the previous year. The arrears of revenue as on 31 March 2009 in respect of some principal heads of revenue amounted to Rs 470.30

crore, of which Rs 235.85 crore (50.15 *per cent*) was outstanding for more than five years.

The average return on the Government's investments was 0.02 *per cent* while it paid an average interest rate of 7.36 *per cent* on its borrowings during 2008-09. The outstanding fiscal liability showed a steady increase over the years from Rs 12,240 crore at the end of 2004-05 to Rs 14,780 crore at the end of 2008-09. The ratio of fiscal liabilities to GSDP was 18.32 *per cent* during 2008-09, which was less than the norm of 28 *per cent* recommended by TFC.

Government of India directly transferred Rs 697.74 crore to State implementing agencies during the year. Direct transfer of funds to these agencies ran the risk of improper utilization of funds by them.

➤ 1.11 Recommendations

- Although the State has already achieved the target laid down in the FRBM Act to reduce revenue deficit to zero and generate revenue surplus, it has to make concerted efforts to maintain its fiscal deficit within the FRBM target.
- Non-Plan expenditure, which increased by 15.25 *per cent* against the projected rate of 10 *per cent* envisaged in the MTFPS, has to be brought down to the prescribed limit.
- The Government should seek better value for money in its investments. Otherwise, funds borrowed at high costs and invested in various Corporations and Companies with low financial returns, will continue to strain the economy.
- The performance of public sector undertakings needs to be monitored regularly to improve the average rate of returns on the capital invested.
- There is a need to put in place suitable measures for improving revenue collection and curtailing unproductive expenditure.
- Systems have to be built to monitor funds received directly by State implementing agencies from the Government of India.

Financial Management and Budgetary Control

➤ 2.1 Introduction

2.1.1 Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year, compared with the amounts of voted grants and appropriations charged for different purposes, as specified in the schedules appended to the Appropriation Acts. These Accounts show the original budget estimates, supplementary grants, surrenders and re-appropriations and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorized by the Appropriation Act in respect of both charged and voted items of the budget. Appropriation Accounts thus, facilitate management of finances and monitoring of budgetary provisions and are, therefore, complementary to Finance Accounts.

2.1.2 Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure incurred under various grants is within the authorizations given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure incurred is in conformity with the law, relevant rules, regulations and instructions.

➤ 2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2008-09 against 75 grants/ appropriations is given in **Table 2.1**:

Table 2.1: Summarized Position of Actual Expenditure vis-à-vis Original/Supplementary Provisions
(Rupees in crore)

	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ Appropriation	Total	Actual expenditure*	Saving (-) / Excess (+)
Voted	I Revenue	12,788.55	2,275.71	15,064.26	12,614.97	(-)2,449.29
	II Capital	3,954.07	189.19	4,143.26	2,941.77	(-)1,201.49
	III Loans and Advances	503.72	67.69	571.41	490.75	(-)80.66
Total Voted		17,246.34	2,532.59	19,778.93	16,047.49	(-)3,731.44
Charged	IV Revenue	1,462.42	2.28	1,464.70	1,372.44	(-)92.26
	V Capital	0.56	0.00	0.56	0.48	(-)0.08
	VI Public Debt-Repayment	683.10	0.00	683.10	489.36	(-)193.74
Total Charged		2,146.08	2.28	2,148.36	1,862.28	(-)286.08
Appropriation to Contingency Fund (if any)		0.00	0.00	0.00	0.00	0.00
Grand Total		19,392.42	2,534.87	21,927.29	17,909.77	(-)4,017.52

(Source: Appropriation Accounts 2008-09)

* Actual expenditure includes the amount incurred under the Suspense head (Rs 22.02 crore) and transferred to 8443-Civil Deposits (Rs 93.83 crore).

The overall savings of Rs 4,017.52 crore were the result of savings of Rs 4,132.78 crore in 63 grants and 23 appropriations under the Revenue Section, 44 grants and three appropriations under the Capital Section and one appropriation (Public Debt) under the Loan Section, offset by excess of Rs 115.26 crore in four grants under the Revenue Section and five grants under the Capital Section.

The savings/excesses in all grants/appropriations were intimated (28 November 2008) to the Finance Department requesting them to explain the significant variations. The Accountant General (Accounts and Entitlement) again requested (23 January 2009) the Secretary, Finance to furnish reasons for excesses/savings. All the Controlling Officers were also requested to furnish the reasons (7 July 2009). Out of 994 sub-heads, explanations for variations were not received (July 2009) in respect of 958 sub-heads (Savings: 775 sub-heads and Excess: 183 sub-heads).

➤ 2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of appropriation audit reveals that in 21 cases, savings exceeded Rs 10 crore in each case and also by more than 20 per cent of the total provisions (**Appendix-2.1**). Against the total savings of Rs 4,132.78 crore, savings of Rs 1298.95 crore (31.43 per cent) occurred in just 11 cases relating to 10 grants as indicated in **Table 2.2**.

Table 2.2: List of grants with savings of Rs 50 crore and above

(Rupees in crore)

Sl. No.	Grant no.	Name of grant	Original	Supplementary/ Surrender (-)	Total	Expenditure	Savings (excluding surrender)
1	2	3	4	5	6	7	8
Revenue-Voted							
1	19	Public Health and Family Welfare	365.07	33.55	398.62	292.51	106.11
2	38	Grant-in-aid received on recommendation of the Twelfth Finance Commission	134.00	64.87/(-) 0.89	197.98	105.88	92.10
Revenue voted							
3	69	Urban Administration and Development Department-Urban Welfare	350.56	0.00	350.56	11.34	339.22
4	79	Expenditure pertaining to Medical Education Department	170.80	2.00	172.80	90.73	82.07
Capital-Voted							
5	11	Expenditure pertaining to Commerce and Industry Department	75.30	0.00	75.30	16.52	58.78

1	2	3	4	5	6	7	8
6	24	Public Works-Roads and Bridges	500.19	12.00/(-) 50.00	462.19	326.77	135.42
7	38	Grant-in-aid received on recommendation of the Twelfth Finance Commission	71.88	44.73/(-)0.01	116.60	22.84	93.76
8	42	Public Works relating to Tribal Areas Sub-Plan-Roads and Bridges	400.14	0.00	400.14	260.23	139.91
9	64	Special Component Plan for Scheduled Castes	407.66	0.00/(-) 19.97	387.69	264.87	122.82
10	67	Public Works-Buildings	250.40	10.67/(-) 8.00	253.07	199.75	53.32
11	68	Public Works relating to Tribal Area Sub-Plan-Buildings	102.08	35.48/(-)7.00	130.56	55.12	75.44
		Total	2828.08	203.30/(-)85.87	2945.51	1646.56	1298.95

(Source: Appropriation Accounts 2008-09)

Reasons for savings called for (July 2009) from the State Government were awaited (December 2009).

2.3.2 Persistent Savings

In eight cases during the last five years, there were persistent savings of more than Rs 10 crore in each case and were five *per cent* or more of the total grants (Table 2.3).

Table 2.3: List of grants having persistent savings during 2004-09

(Rupees in crore)

Sl. No.	No. and name of the grant	Amount of savings				
		2004-05	2005-06	2006-07	2007-08	2008-09
1	2	3	4	5	6	7
Revenue Voted						
1	06 - Expenditure pertaining to Finance Department	131.12	307.07	251.49	393.06	142.68
2	14 - Expenditure pertaining to Animal Husbandry Department	10.47	15.12	12.24	21.71	30.33
3	19 - Public Health & Family Welfare	27.96	46.77	86.12	99.97	106.10
4	20 - Public Health Engineering	31.81	26.55	17.78	20.29	21.92
5	27 - School Education	57.75	82.51	52.88	82.57	197.58
6	41-Tribal Areas Sub-Plan	137.79	94.58	124.79	238.89	258.32
7	64-Special Component Plan for Scheduled Castes	14.66	25.09	36.52	116.76	80.44
Capital Voted						
8	41 - Tribal Areas Sub – Plan	46.53	59.40	90.57	69.34	116.26

(Source: Appropriation Accounts 2008-09)

Reasons for persistent savings had not been intimated (July 2009).

2.3.3 Expenditure without provision

According to paragraph 126 (Chapter XI) of the Chhattisgarh Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of Rs 2.63 crore was incurred in three cases as detailed in **Table 2.4** without any provision in the original estimates/supplementary demands and without any re-appropriation orders to this effect.

Table 2.4: Expenditure incurred without provision during 2008-09

(Rupees in crore)

Number and name of		Amount of expenditure without provision	Reasons/ Remarks
Grants	Scheme		
08-Land Revenue and District Administration	2216-03-102-0101-State Plan Schemes (Normal)-7298-Housing schemes for families affected by Naxals	0.50	Reasons have not been intimated
41-Tribal Sub-plan	2202-03-796-102-0102-Tribal Area Sub-Plan 7289-Surguja University	0.80	
41-Tribal Sub-plan	2202-03-796-102-0102-Tribal Area Sub-Plan 7290-Bastar University	1.33	
Total		2.63	

(Source: Appropriation Accounts 2008-09)

Reasons for expenditure without provision called (July 2009) for from the State Government were awaited (December 2009).

2.3.4 Excess over provisions relating to previous years requiring regularization

As per Article 205 of the Constitution of India, it is mandatory for the State Government to get excesses over grants/appropriations regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Article, the regularization of excess expenditure is to be done after the completion of discussion of the Appropriation Accounts and the connected Audit Reports by the Public Accounts Committee (PAC). However, excess expenditure amounting to Rs 1,009.57 crore for the years 2000-08 were still to be regularized as detailed in **Appendix-2.2**.

2.3.5 Excess over provisions during 2008-09 requiring regularization

Table 2.5 contains a summary of total excess over provision of funds in nine grants amounting to Rs 115.26 crore during 2008-09, requiring regularization under Article 205 of the Constitution.

Table 2.5: Excess over provisions requiring regularization during 2008-09

(Rupees in crore)

Sl. No	Number and name of grant/appropriation		Total grant/appropriation	Expenditure	Excess
Revenue Voted					
1	24	Public Works-Roads and Bridges	278.64	315.38	36.74
2	40	Expenditure pertaining to Ayacut Department	3.30	3.53	0.23
3	67	Public Works-Buildings	184.42	187.31	2.89
4	80	Financial Assistance to three tier Panchayati Raj Institutions	741.89	805.51	63.62
Capital Voted					
5	6	Expenditure pertaining to Finance Department	1.41	2.49	1.08
6	23	Water Resources Department	283.74	287.36	3.62
7	75	NABARD aided projects pertaining to Water Resources Department	54.50	55.00	0.50
8	76	Externally aided projects pertaining to Public Works Department	300.00	306.34	6.34
9	82	Financial Assistance to three tier Panchayati Raj Institutions under Tribal Area Sub-Plan	41.27	41.31	0.04
Capital Charged					
10	23	Water Resources Department	0.20	0.40	0.20
Total			1,889.37	2,004.63	115.26

(Source: Appropriation Accounts 2008-09)

Reasons for excess over provisions called (July 2009) for from the State Government were awaited (December 2009).

2.3.6 Unnecessary/Inadequate supplementary provisions

Supplementary provisions aggregating Rs 860.59 crore obtained in 41 cases (Rs 50 lakh or more in each case) during the year 2008-09, proved unnecessary as the expenditure did not even come up to the level of original provisions as detailed in **Appendix-2.3**.

In four cases, supplementary provisions of Rs 110.81 crore proved insufficient by more than Rs one crore in each case, leaving an aggregate uncovered excess expenditure of Rs 106.87 crore (**Appendix-2.4**).

2.3.7 Excessive/unnecessary re-appropriation of funds

A re-appropriation is a transfer of funds within a grant from one unit of appropriation, where savings are anticipated to another unit where additional funds are needed. Excessive re-appropriation in 125 sub-heads resulted in savings of Rs 334.50 crore while insufficient re-appropriation in 54 sub-heads led to excess expenditure of Rs 259.02 crore. The excesses/savings were more than Rs one crore in 86 sub-heads as detailed in **Appendix-2.5**.

In Grant No. 3, under general expenditure, re-appropriation of Rs 2.98 crore proved unnecessary as the final expenditure exceeded the total grant by Rs 38.54 crore.

In Grant No. 23, under dam and appurtenant work, re-appropriation of Rs 1.90 crore proved unnecessary as the final expenditure exceeded the total grant by Rs 61.18 crore.

In Grant No. 24, under construction of rural roads under basic minimum services, re-appropriation of Rs 40.00 crore proved unnecessary as the final expenditure exceeded the total grant by Rs 27.74 crore.

In Grant No. 27, under higher secondary schools, re-appropriation of Rs 3.81 crore proved insufficient as the final savings were Rs 25.30 crore.

2.3.8 Substantial surrenders

Substantial surrenders (more than 50 *per cent* of the total provisions) were made in respect of 21 schemes on account of non-implementation or slow implementation. Out of the total provision amounting to Rs 427.31 crore for these schemes, Rs 311.37 crore (73 *per cent*) was surrendered which included cent *per cent* surrender in two schemes (Rs 45.37 crore) **Appendix-2.6**.

2.3.9 Surrender in excess of actual savings

In seven cases, the amounts surrendered (Rs 50 lakh or more in each case) were in excess of the actual savings, indicating lack of or inadequate budgetary control. As against savings of Rs 441.23 crore, the amount surrendered was Rs 650.04 crore, resulting in excess surrender of Rs 208.81 crore. Details are given in **Appendix-2.7**. The concerned departments did not furnish reasons/explanations regarding surrender in excess of the actual savings.

2.3.10 Anticipated savings not surrendered

According to paragraph 131 of the Chhattisgarh Budget Manual, a statement of anticipated savings should be submitted by all controlling officers so as to reach the Finance Department not later than 15 January each year. At the close of the year 2008-09, there were, however, 25 grants and three appropriations in which savings occurred but no part of them had been surrendered by the concerned departments. The total amount involved in these cases was Rs 1,557.55 crore (38 *per cent* of the total savings) (**Appendix-2.8**).

Similarly, out of the savings of Rs 1754.39 crore under 19 other grants (savings of Rs one crore and above in each grant), amounts aggregating Rs 1,150.29 crore (66 *per cent* of total savings) were not surrendered. Details are given in **Appendix 2.9**.

Besides, in 21 cases (surrender of funds in excess of Rs 10 crore in each case), Rs 1,523.43 crore was (**Appendix-2.10**) surrendered on the last day of March 2009, indicating weak financial control. As a result, these funds could not be utilized for other developmental purposes. The departments did not furnish reasons/explanations regarding surrender of savings on the last day of the financial year.

2.3.11 Rush of expenditure

According to Rule 69 of the General Financial Rule, rush of expenditure particularly in the closing month of the financial year should be avoided. Contrary to this, in 15 Major Heads expenditure exceeded Rs 10 crore and in six cases even more than 50 *per cent* of the total expenditure during the last month of the financial year as detailed in **Appendix-2.11**.

➤ 2.4 Non-reconciliation of Departmental figures

2.4.1 *Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills*

As per the rules, every drawing officer has to certify in each Abstract Contingent (AC) bill that Detailed Countersigned Contingent (DCC) bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective controlling officers for countersignature and transmission to the Accountant General. DCC bills for only Rs 6.39 crore were received during the period 2004-2009 against AC bills for Rs 19.80 crore, leading to an outstanding balance of DCC bills for Rs 13.41 crore as on 31 March 2009. Year-wise details are given in **Table 2.6**.

Table 2.6: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

(Rupees in crore)

Year	Opening balance	Amount of AC bills received during year	Amount of DCC bills during the year	Outstanding AC bills
2004-05	0	2.94	0	2.94
2005-06	2.94	0.91	0	3.85
2006-07	3.85	5.82	0.35	9.32
2007-08	9.32	1.43	3.50	7.25
2008-09	7.25	8.70	2.54	13.41
Total		19.80	6.39	

Major Head-wise pending DCC bills for the years up to 2008-09 are detailed in **Appendix-2.12**.

2.4.2 *Unreconciled Expenditure*

To enable controlling officers of the departments to exercise effective control over expenditure, to keep it within the budget grants and to ensure accuracy of their accounts, paragraphs 108 and 109 of the State Budget Manual stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General (A&E). Even though non-reconciliation of departmental figures is being pointed out regularly in the Audit Reports, lapses on the part of controlling officers in this regard continued to persist during 2008-09. Thus 77 out of 124 controlling officers did not reconcile expenditure figures amounting to Rs 11,539.44 crore as of March 2009.

➤ 2.5 Advances from Contingency Fund

The Contingency Fund of the State has been established in pursuance of clause (1) of Articles 267 and 283 (2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorization by the Legislature, would be undesirable. The Fund is in the nature of an imprest and its corpus is Rs 40 crore. The following instances were observed in audit where expenditure was incurred from the Contingency Fund though the expenditure was foreseeable in nature:-

- 1) An amount of Rs 3.08 crore was sanctioned (6 May 2008) as advance for purchase of vehicles (three bullet proof Ambassadors and four bullet proof Safaris) for security of VVIPs.
- 2) An amount of Rs 18.50 lakh was sanctioned (15 May 2008) as advance for purchase of equipments for establishment of a State Dairy Laboratory.
- 3) An amount of Rs 1.77 crore was sanctioned (22 May 2008) as advance for purchase of vehicles (one bullet proof Safari, one bullet proof Ambassador car and 15 Ambassador cars) for security of VVIPs.
- 4) An amount of Rs 10.50 lakh was sanctioned (13 October 2008) as advance for purchase of furniture/equipment for the staff of the State Election Commission.
- 5) An amount of Rs five crore was sanctioned (23 November 2008) as advance to the Maharashtra and Andhra Pradesh State Road Transportation Corporations for providing vehicles for transporting security staff during the State election in 2008.
- 6) An amount of Rs 52 lakh was sanctioned (23 March 2009) as advance for purchase of vehicles (four Toyota Corollas), for Judges of the High Court.

➤ **2.6 Personal Deposit Accounts**

Personal Deposit (PD) Accounts are created for parking funds by debit to the Consolidated Fund of the State and should be closed at the end of the financial year by minus debit to the relevant service heads. There were 459 PD Accounts in 18 district treasuries and 44 sub-treasuries in operation. These PD Accounts were not closed as of March 2009 and the balance amount of Rs 29.27 crore was not transferred back to their respective Service Heads. During test check of the records of treasuries, 64 PD Accounts involving Rs 15.35 crore were not operated for more than five years. Of these, one PD Account having a balance of Rs 15.01 crore, was inoperative since April 2001.

➤ **2.7 Conclusion**

During 2008-09, expenditure of Rs 17,909.77 crore was incurred against total grants and appropriations of Rs 21,927.29 crore, resulting in savings of Rs 4,017.52 crore. The overall savings were the net result of savings of Rs 4,132.78 crore, offset by excess of Rs 115.26 crore. The excess required regularization under Article 205 of the Constitution of India. In 21 cases, surrender of funds amounting to Rs 1523.43 crore were made on the last working day of the financial year, while in 25 grants and three appropriations, savings amounting to Rs 1557.55 crore were not surrendered. In seven cases, a total amount of Rs 208.81 crore was surrendered in excess of the actual savings. Similarly, out of total savings of Rs 1754.39 crore (savings of Rs one crore and above) under 19 other grants, only Rs 604.10 crore was surrendered.

➤ **2.8** **Recommendation**

Budgetary control should be strengthened in all the Government departments. Issuance of re-appropriation/surrender orders at the end of the financial year should be avoided.

CHAPTER

3

Financial Reporting

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is one of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the State Government in meeting its basic responsibilities, including strategic planning and decision making. This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

➤ **3.1 Delay in furnishing Utilization Certificates**

General Financial Rule 212 (1) provides that for the grants provided for specific purposes, utilisation certificates (UCs) should be obtained by the departmental officers from the grantees and after verification, should be forwarded to the Accountant General (A&E) within 12 months. However, of the 1,247 UCs due in respect of grants aggregating Rs 457.19 crore paid during 2000-08, UCs in respect of 438 grants (35 per cent) for an aggregate amount of Rs 347.54 crore were in arrears. The department-wise break-up of outstanding UCs is given in **Appendix-3.1**. The age-wise position of delays in submission of UCs is summarized in Table 3.1.

Table3.1: Age-wise arrears of Utilisation Certificates

(Rupees in crore)

Sl. No.	Range of delay in number of years	Utilization certificates outstanding	
		Number	Amount
1	1 – 3	183	240.82
2	3 – 5	126	82.62
3	5 – 7	119	22.58
4	7 – 9	10	1.52
Total		438	347.54

Out of 438 grants amounting to Rs 347.54 crore for which UCs were due as on March 2009, UCs in respect of 309 grants (70.55 per cent) involving Rs 323.44 crore were pending for periods ranging from one to five years and UCs in respect of 129 grants involving Rs 24.10 crore were pending for more than five years. Pendency of UCs pertained to grants to the Tribal Department (94 UCs: Rs 16.60 crore), Health and Family Welfare Department (five UCs: Rs 4.90 crore) and Animal Husbandry Department (four UCs: Rs 2.32 crore) (**Appendix-3.2**).

In the absence of the UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which these were given.

➤ 3.2 Misappropriations, losses, defalcations, etc.

Rules 22 and 23 of the Financial Code provide that each and every case of loss, misappropriation and defalcation should be intimated to the Accountant General. The State Government reported 1,779 cases of misappropriation/loss/theft amounting Rs 21.77 crore (**Appendix-3.3**). The department-wise break up of pending cases and age-wise analysis is given in **Appendix-3.4**. The age-profile of the pending cases and the number of cases pending in each category viz. theft and misappropriation/loss are summarized in Table 3.2.

Table 3.2: Profile of Misappropriations, losses, defalcations, etc.

(Rupees in crore)

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved	Nature of the case	Number of cases	Amount involved
0 – 5	514	10.79	Theft	140	0.57
5 – 10	261	3.09			
10 – 15	304	5.53	Misappropriation/ Loss of material	1639	21.20
15 – 20	238	1.34			
20 – 25	191	0.50			
25 & above	271	0.52	Total pending cases	1779	21.77
Total	1779	21.77			

(Sources: Cases reported by the departments of the State Government)

Further analysis indicates that the reasons for which the cases were outstanding could be classified under the five categories listed in the following table.

Table 3.3: Reasons for outstanding cases of misappropriation, loss, defalcation, etc.

(Rupees in crore)

Sl. No.	Reasons for the delay/outstanding pending cases	Number of cases	Amount
1	Awaiting departmental and criminal investigation	224	1.91
2	Departmental action initiated but not finalized	184	1.13
3	Criminal proceedings finalised but execution of certificate cases for the recovery of the amount pending	22	0.12
4	Awaiting orders for recovery or write off	1300	17.64
5	Pending in the courts of law	49	0.97
	Total	1779	21.77

(Sources : Information received from the departments of the State Government)

➤ **3.3 Conclusion**

As on March 2009, 309 Utilisation Certificates (UCs) involving Rs 323.44 crore were pending for periods ranging from one to five years and 129 UCs involving Rs 24.10 crore were pending for more than five years. In the absence of the UCs, it could not be ascertained as to whether the recipients had utilized the grants for the purposes for which these were given. Out of 1779 cases of misappropriation, loss, defalcation etc., 224 cases involving Rs 1.91 crore were pending for want of departmental investigations.

➤ **3.4 Recommendations**

Utilisation certificates should be obtained in time by the departmental officers from the grantee institutions to ensure proper utilisation of grants. Departmental enquiries in cases involving misappropriation, loss, defalcation etc. should be expedited. Internal controls in all the organizations should be strengthened to prevent such cases.

**Raipur
The**

**(PURNA CHANDRA MAJHI)
Accountant General (Audit), Chhattisgarh**

Countersigned

**New Delhi,
The**

**(VINOD RAI)
Comptroller and Auditor General of India**

Appendix 1.1

PART-A-Structure and Form of Government Accounts

(Reference : Page 1)

Structure of Government Accounts: The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund : All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.

Part II: Contingency Fund : Contingency Fund of the State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund

Part III: 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.

PART B: Layout of Finance Accounts

Statement No.1	Presents the summary of transactions of the State Government – receipts and expenditure, revenue and capital, public debt receipts and disbursements etc in the Consolidated Fund, Contingency Fund and Public Account of the State.
Statement No.2	Contains the summarized statement of capital outlay showing progressive expenditure to the end of 2008-09
Statement No.3	Gives financial results of irrigation works, their revenue receipts, working expenses and maintenance charges, capital outlay, net profit or loss, etc.
Statement No.4	Indicates the summary of debt position of the State which includes borrowing from intern debt, Government of India, other obligations and servicing of debt.
Statement No. 5	Gives the summary of loans and advances given by the State Government during the year repayments made, recoveries in arrears etc
Statement No.6	Gives the summary of guarantees given by the Government for repayment of loans etc. raised by the statutory corporations, local bodies and other institutions.
Statement No.7	Gives the summary of cash balances and investments made out of such balances.
Statement No.8	Depicts the summary of balances under Consolidated Fund, Contingency Fund and Public Account as on 31 March 2009
Statement No.9	Shows the revenue and expenditure under different heads for the year 2008-09 expressed as a percentage of total revenue expenditure
Statement No.10	Indicates the distribution between the charged and voted expenditure incurred during the year
Statement No.11	Indicates the detailed account of revenue receipts and capital receipts by minor heads
Statement No.12	Provides accounts of revenue expenditure by minor heads under non-plan and plan separately and capital expenditure by major head wise
Statement No.13	depicts the detailed capital expenditure incurred during and to the end of 2008-09
Statement No.14	Shows the details of investment of the State Government in statutory corporations, Government companies, other joint stock companies, co-operative banks and societies etc up to the end of 2008-09
Statement No.15	Depicts the capital and other expenditure to the end of 2008-09 and the principal sources from which the funds were provided for that expenditure
Statement No.16	Gives the detailed account of receipts disbursements and balances under heads of account relating to Debt, Contingency Fund and Public Account
Statement No.17	Presents detailed account of debt and other interest bearing obligations of the Government of Chhattisgarh.
Statement No.18	Provides the detailed account of loans and advances given by the Government of Chhattisgarh, the amount of loan repaid during the year, the balance as on 31 March 2009
Statement No.19	Gives the details of earmarked balances of reserve funds

Appendix 1.2

Methodology Adopted for the Assessment of Fiscal Position (Reference: page 1)

Part A

The norms/Ceilings prescribed by the TFC for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other Statements required to be laid in the legislature under the Act (**Part B of Appendix 1.2**) are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that GSDP is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the Gross State Domestic Product (GSDP) at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc, are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

The trends in GSDP for the last five years are indicated below:

Trends in Gross State Domestic Product (GSDP)

	2004-05	2005-06	2006-07	2005-06	2007-08
Gross State Domestic Product (Rs in crore)	45,999	51,921	57,782	67,455	80,698
Growth rate of GSDP	19.14	12.87	11.29	16.74	19.63

(Source: Economic and Statistical Department, Government of Chhattisgarh)

Methodology for Estimating the Fiscal Capacity

For working out the fiscal capacity of the State Governments, the following methodology given in Twelfth Finance Commission report has been adopted.

Step 1: Calculate the national average of AE-GSDP and CO/DE/ SSE-AE.

Step 2: Based on the national average of AE-GSDP ratio, derive the aggregate expenditure so that no State is having a ratio AEGSDP less than the national average, *i.e.*, if

$$AE/GSDP = x$$

$$AE = x * GSDP \dots\dots\dots(1)$$

Where x is the all States average of AE-GSDP ratio.

Wherever the States are having AE-GSDP ratio higher than national average, no adjustments were made. Wherever this ratio was less than average, it was made equal to the national average.

Step 3: Based on the national average of DE-AE, SSE-AE and COAE, derive the respective DE, SSE and CO, so that no State is having these ratios less than national average, *i.e.*, if

$$DE/AE = y$$

$$DE = y * AE \dots\dots\dots(2)$$

Where y is the national average of DE-AE ratio

Substituting (1) in (2), we get

$$DE = y * x * GSDP \dots\dots\dots(3)$$

Wherever the States are having DE-AE, SSE-AE and CO-AE ratio higher than all States average, no adjustments have been made. Wherever these ratios were less than average, it was made equal to the national average.

Step 4: Based on the derived DE, SSE and CO as per equation (3), respective per capita expenditure was calculated, *i.e.*

$$PCDE = DE/P \dots\dots\dots(4)$$

Where PCDE is the per capita development expenditure and P is the population.

Substituting (3) in (4), we get

$$PDE = (y * x * GSDP)/P \dots\dots\dots (5)$$

Equation (5) provides the adjusted per capita expenditure. If the adjusted per capita expenditure is less than the national average of per capita expenditure, then the States' low level of spending is due to the low fiscal capacity. This gives a picture of actual level of expenditure when all the State Governments are attaching fiscal priority to these sectors equivalent to the national average.

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	[(Current year Amount /Previous year Amount)-1]* 100
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	Interest payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100
Interest spread	GSDP growth – Average Interest Rate
Quantum spread	Debt stock *Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	Interest Received [(Opening balance + Closing balance of Loans and Advances)/2]*100
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts minus all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt

Appendix 1.2

Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005 (Reference: page 1)

Part B

To ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, reduction in fiscal deficit, prudent debt management consistent to the fiscal sustainability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework and for matters connected therewith or incidental thereto, the Chhattisgarh Fiscal Responsibility and Budget Management (FRBM) Act, 2005 was enacted. To give effect to the fiscal management principles as laid down in the Act, and/or the rules framed (February 2006) there under, the following fiscal targets were prescribed for the State Government:

- ☞ By the 31st day of March 2009, the State Government shall take appropriate measures to eliminate the revenue deficit. The State shall make every endeavor to maintain nominal revenue surplus in each financial year beginning with 2005-06 but however, under no circumstance, the State should exceed revenue deficit as below:-

Year	Amount (Rupees in crore)
2005-06	253.20
2006-07	168.80
2007-08	84.40
2008-09 and after	Zero revenue deficit;

- ☞ the State Government shall reduce fiscal deficit every year beginning with financial year 2005-06 by an amount at least equivalent to one fourth of what actual fiscal deficit as a percentage of GSDP exceeds three *per cent* in the financial year 2004-05, so that fiscal deficit is brought down to not more than three *per cent* of GSDP at the end of March 2009;
- ☞ the State Government shall not give new guarantees, in any financial year beginning with the financial year 2005-06, in excess of 1.5 *per cent* of GSDP in nominal terms or 0.5 *per cent* on risk weighted basis, whichever is lower; and
- ☞ the State Government shall not assume additional total liabilities in excess of five *per cent* of GSDP for any financial year beginning with 2005-06.

Appendix 1.3

A time series data analysis of the State Government finances (Reference: Paragraph 1.3; page 6)

(Rupees in crore)

	2004-05	2005-06	2006-07	2007-08	2008-09
Part A- Receipts					
1. Revenue Receipts	7,249(79)	8,838(88)	11,453(90)	13,879(95)	15,663(95)
<i>(i) Tax Revenue</i>	3,228(45)	4,052 (46)	5,046(44)	5,618(40)	6,594(42)
Taxes on Agricultural Income	0	0	0	0	0
Taxes on Sales, Trade, etc.	1,674(52)	2,089(52)	2,843(56)	3,024(54)	3,611(55)
State Excise	458(14)	635(15)	707(14)	843(15)	964(15)
Taxes on Vehicles	192(6)	206(5)	253(5)	277(5)	314(5)
Stamps and Registration Fees	248(8)	313(8)	390(8)	463(8)	496(8)
Land Revenue	29(1)	27(1)	61(1)	88(2)	359(5)
Taxes on Goods and Passengers	287(9)	395(10)	302(6)	511(9)	421(6)
Other Taxes	340(11)	387(10)	490(10)	412(7)	429(7)
<i>(ii) Non Tax Revenue</i>	1,244(17)	1,229(14)	1,451(13)	2,021(15)	2,202(14)
<i>(iii) State's share in Union taxes and duties</i>	1,876(26)	2,508(28)	3,199(28)	4,035(29)	4,258(27)
<i>(iv) Grants in aid from GOI</i>	901(32)	1,049(12)	1,757(15)	2,205(16)	2,609(17)
2. Misc. Capital Receipts	--	--	--	27	02
3. Recoveries of Loans and Advances	15	18	355	437	533
3(a). Inter State Settlement	--	--	02	02	01
4. Total revenue and Non Debt capital receipts (1+2+3)	7,264	8,856	11,810	14,345	16,199
5. Public Debt Receipts	1,910(21)	1,234(12)	937(7)	262	386
Internal Debt (Excluding Ways & Means Advances & overdrafts)	1,481(78)	1,178(95)	882(94)	142(54)	181(47)
Net transactions under ways and means advances and overdraft	--	--	--		..
Loans and Advances from Government of India	429(22)	56(5)	55(6)	120(46)	206(53)
6. Total receipt in the Consolidated fund (4+5)	9,174	10,090	12,747	14,607	16,585
7. Contingency Fund Receipts	--	--	--	3	..
8. Public Account Receipts	9,295	10,807	13,982	17,706	20,044
9. Total receipts of the State (6+7+8)	18,469	20,897	26,729	32,316	36,629
PART B. Expenditure/Disbursement					
10. Revenue Expenditure	7,103(84)	7,457(80)	8,802(75)	10,840(75)	13,794(80)
Plan	1,620(23)	2,008(27)	2,608(30)	3,576(33)	5,421(39)
Non Plan	5,483(77)	5,449(73)	6,194(70)	7,264(67)	8,373(61)
General Services (incl. interest payments)	2,494(35)	2,186(29)	2,639(30)	3,040(28)	3,599(26)
Social Services	2,431(34)	2,848(38)	3,459(39)	4,117(38)	6,153(45)
Economic Services	1,926(27)	2,090(28)	2,228(25)	3,140(29)	3,524(25)
Grants-in-aid and Contributions	252(4)	333(5)	476(6)	543(5)	519(4)
11. Capital Expenditure	1,279(15)	1,497(16)	2,198(19)	3,131(22)	2,940(17)
Plan	1,276(99.8)	1,493(99.7)	2,169(98.7)	3,101(99)	2,939(100)
Non Plan	3(0.2)	4(0.3)	29(1.3)	30(1)	01
General Services	29(2)	28(2)	75(3)	107(3)	102(3)
Social Services	256(20)	367(24)	503(23)	733(23)	708(24)
Economic Services	994(78)	1,102(74)	1,620(74)	2,291(73)	2,130(72)

	2004-05	2005-06	2006-07	2007-08	2008-09
12. Disbursement of Loans and Advances	113(1)	337(4)	771(6)	500(3)	491(3)
12(a) Inter State Settlement	--	--	02	02	01
13.Total (10+11+12+12[a])	8,495	9,291	11,773	14,473	17,226
14. Repayment of Public Debt	1152	444	219	558	489
Internal Debt (excluding Ways & Means Advances and Overdrafts)	124(11)	279(63)	206(94)	272	379
Net transactions under Ways and Means Advances and Overdraft	--	--	--		..
Loans and Advances from Government of India	1028(89)	165(37)	13(6)	286	110
15. Appropriation to Contingency Fund	--	--	--		..
16. Total disbursement out of Consolidated Fund (13+14+15)	9,647	9,735	11,992	15,031	17,715
17. Contingency Fund disbursements	--	--	3		01
18.Public Account disbursements	8,536	10,551	13,744	16,854	19,585
19.Total disbursement by the State (16+17+18)	18,183	20,286	25,739	31,885	37,301
PART-C-Deficits					
20. Revenue deficit (-) (1-10)/ surplus (+)	(+)146	(+)1,381	(+)2,651	(+) 3,039	(+)1,869
21.Fiscal deficit(-)/ surplus (+) (4-13)	(-)1,231	(-)435	(+)37	(-) 128	(-)1,027
22. Primary deficit (-) / Primary surplus (+) (21+23)	(-)79	(+)527	(+)1,063	(+)1,012	(+) 51
PART-D-Other Data					
23. Interest payments (included in revenue exp.)	1,152	962	1,026	1,140	1,078
24. Financial assistance to local bodies etc¹.	1,115.31	1,812.50	2201.80	2,007.26	2563.05
25. Ways and Means Advances/ Overdraft availed (days)	--	--	--		
Ways and Means Advances availed (days)	-	-	-	-	-
Overdraft availed (days)	-	-	-	-	-
26. Interest on WMA/Overdraft	--	--	--	-	-
27. Gross State Domestic Product (GSDP)	45,999 [#]	51,921 [#]	57,782 [#]	67,455 [#]	80,698 [#]
28. Outstanding debt (year-end)	12,240	13,273	14,113	14,512	14,780
29. Outstanding guarantees* (year-end)	620	855	486	481	895
30. Maximum amount guaranteed (year-end)	1,343	1,782	2,483	2,495	3,650
31. Number of incomplete projects	71	80	63	#	223
32. Capital blocked in incomplete projects	3,042	3,580	2,968	#	1,531

¹ Source: Finance and Appropriation Account.

[#] GSDP figure (Advance) for the year 2008-09 provided by the State Government.

PART-E-Fiscal Health Indicators					
	2004-05	2005-06	2006-07	2007-08	2008-09
I-Resource Mobilization					
Own Tax Revenue/GSDP (Ratio)	0.07	0.08	0.09	0.08	0.08
Own Non-Tax Revenue/GSDP (Ratio)	0.03	0.02	0.03	0.03	0.03
Central Transfers/GSDP (Ratio)	0.06	0.07	0.09	0.09	0.09
II-Expenditure Management					
Total Expenditure/GSDP (Ratio)	0.18	0.18	0.20	0.21	0.21
Total Expenditure/Revenue Receipts (Ratio)	1.17	1.05	1.03	1.04	1.09
Revenue Expenditure/Total Expenditure (Ratio)	0.84	0.80	0.75	0.75	0.80
Capital Expenditure/Total Expenditure (ratio)	0.15	0.16	0.19	0.22	0.17
Capital Expenditure on Social and Economic Services/Total Expenditure (ratio)	0.03	0.04	0.05	0.06	0.04
III-Management of Fiscal Imbalances					
Revenue deficit(Surplus)/GSDP (ratio)	0.00	0.03	0.05	0.05	0.02
Fiscal Deficit/GSDP (Ratio)	(-)0.03	(-)0.01	0.00	0.00	(-)0.01
Primary Deficit(Surplus)/GSDP (Ratio)	0.00	0.01	0.02	0.02	0.00
Revenue Deficit (surplus)/Fiscal Deficit (Ratio)	(-)0.12	(-)3.17	71.65	(-)23.74	(-)1.82
Primary Revenue Balance/GSDP (Ratio)	(-)0.02	0.01	0.03	0.03	0.01
IV- Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP (Ratio)	0.27	0.26	0.24	0.22	0.18
Fiscal Liabilities/RR(Ratio)	1.69	1.50	1.23	1.05	0.94
Primary deficit vis-à-vis quantum spread (Ratio)	0.08	1.00	1.00	1.00	0.03
Debt Redemption (Principal+Interest)/Total Debt Receipts	1.23	1.12	1.22	2.91	2.27
V- Other Fiscal Indicators					
Return on Investment	NA	NA	NA	NA	NA
Balance from Current Revenue (Rs In Crore)	1,255	2,615	3,902	5,028	5,413
Financial Assets/Liabilities (Ratio)	0.57	0.70	0.90	1.10	1.24

Appendix

1.4

(Continued)

Summarized financial position of the Government of Chhattisgarh as on 31 March 2009

(Reference: Paragraphs 1.1, 1.7.1 & 1.7.2; Page 1, 21&22)

(Rupees in crore)

Part B			
Summarized financial position of the Government of Chhattisgarh as on 31 March 2009			
As on 31.03.2008	Liabilities		As on 31.03.2009
8,374.00	Internal Debt -		8,176.07
2295.53	Market Loans bearing interest	2295.53	
155.80	Market Loans not bearing interest	2.37	
20.29	Loans from Life Insurance Corporation of India	20.29	
5902.38	Loans from other Institutions	5857.88	
0.00	Ways and Means Advances	0.00	
0.00	Overdrafts from Reserve Bank of India	0.00	
2,105.74	Loans and Advances from Central Government -		2,200.68
0.68	Pre 1984-85 Loans	0.68	
4.05	Non-Plan Loans	3.07	
2070.10	Loans for State Plan Schemes	2167.09	
0.18	Loans for Central Plan Schemes	0.19	
30.73	Loans for Centrally Sponsored Plan Schemes	29.65	
40.00	Contingency Fund		39.50
1,628.46	Small Savings, Provident Funds, etc.		1,702.84
1,881.53	Deposits		1,912.11
1,071.33	Reserve Funds		1,437.23
201.67	Suspense and Miscellaneous Balances		109.83
15,302.73			15,578.26
Assets			
12,109.03	Gross Capital Outlay on Fixed Assets -		15,047.41
400.95	Investments in shares of Companies, Corporations, etc.	430.01	
11,708.08	Other Capital Outlay	14617.40	
1,667.37	Loans and Advances -		1,624.71
674.99	Loans for Power Projects	580.20	
895.64	Other Development Loans	938.72	
96.74	Loans to Government servants and Miscellaneous loans	105.79	
549.47	Reserve Fund Investments		648.91
2.33	Advances		2.72
274.65	Remittance Balances		193.99
26.64	Inter-State Settlement		26.65
40.00	Contingency Fund		40.00
2,181.72	Cash -		1,410.76
0.00	Cash in Treasuries and Local Remittances	0.00	
(-)694.36	Deposits with Reserve Bank	(-) 348.68	
26.36	Departmental Cash Balance including	31.54	
0.23	Permanent Advances	0.28	
2,849.48	Cash Balance Investments	1727.62	
(-) 1,548.47	Deficit on Government Account -		(-) 3,416.89
(-) 3,038.79	(i) Less Revenue Surplus of the current year	(-)1869.06	
(-) 13.75	(ii) Miscellaneous Deficit	0.64	
1504.07	Accumulated deficit at the beginning of the year	(-)1548.47	
15,302.73			15,578.26

Appendix

1.5

Details of collection of taxes and duties and expenditure incurred on their collection

(Reference: Paragraph 1.3.1; page 8)

(Rupees in crore)

Sl. no.	Heads of revenue	Year	Budget Estimate	Collection	Expenditure on collection of revenue	Percentage of expenditure on collection	All India average percentage of previous years
1	Taxes on sales, trade etc.	2006-07	2,903.00	2,843.04	12.46	0.44	0.91
		2007-08	3,200.00	3,023.70	14.24	0.47	0.82
		2008-09	3,470.00	3,610.94	16.38	0.45	0.83
2	Taxes on vehicles	2006-07	250.00	253.05	4.09	1.62	2.67
		2007-08	297.00	276.94	5.30	1.91	2.47
		2008-09	315.50	313.78	13.12	4.18	2.58
3	State Excise	2006-07	704.44	706.81	17.94	2.54	3.40
		2007-08	840.00	843.10	19.75	2.34	3.30
		2008-09	950.00	964.10	26.30	2.73	3.27
4	Stamp duty and registration fee	2006-07	379.90	389.51	10.86	2.79	2.87
		2007-08	471.47	462.72	10.83	2.34	2.33
		2008-09	520.00	495.59	11.69	2.36	2.09

(Source: Revenue Audit Report)

Appendix 2.1

Savings in excess of Rs 10 crore each and more than 20 per cent of the total provision

(Reference : Paragraph 2.3.1; Page 32)

(Rupees in crore)

Sl. No.	Grant No	Name of the grant/appropriation	Total grant/ appropriation	Savings	Percentage
1	2	3	4	5	6
	A	Revenue Voted			
1	14	Expenditure pertaining to Animal Husbandry Department	129.22	30.33	23.47
2	19	Public Health and Family Welfare	398.62	106.11	26.62
3	38	Grant-in-aid received from the recommendation of Twelfth Finance Commission	198.87	92.10	46.31
4	44	Higher Education	157.18	38.12	24.25
5	47	Technical Education and Man-Power Planning Department	91.17	34.98	38.37
6	53	Financial Assistance to urban bodies under special component plan for scheduled castes	16.51	10.42	63.11
7	69	Urban Administration and Development Department-Urban Welfare	350.56	339.22	96.77
8	79	Expenditure pertaining to Medical Education Department	172.80	82.07	47.49
9	83	Financial Assistance to urban bodies under Tribal Area Sub-Plan	21.49	10.19	47.42
		Total –A	1536.42	743.54	
	B	Capital Voted			
10	11	Expenditure pertaining to Commerce and Industry Department	75.30	58.78	78.06
11	17	Co-operation	40.70	16.69	41.01
12	24	Public Works-Roads and Bridges	512.19	135.42	26.64
13	37	Tourism	19.16	13.23	69.05
14	38	Grant-in-aid received from the recommendation of Twelfth Finance Commission	116.61	93.76	80.40
15	42	Public Works relating to Tribal Areas Sub-Plan-Roads and Bridges	400.14	139.91	34.97
16	47	Technical Education and Man-Power Planning Department	36.97	20.72	56.05
17	55	Expenditure pertaining to Women and Child Welfare	27.75	18.64	67.17
18	57	Externally Aided Projects pertaining to Water Resources Department	55.95	11.38	20.34
19	64	Special Component Plan for Scheduled Castes	407.66	122.82	30.13
20	67	Public Works-Buildings	261.07	53.32	20.42
21	68	Public Works relating to Tribal Area Sub-Plan-Buildings	137.56	75.44	54.84
		Total –B	2091.06	760.11	
		Grand Total (A+B)	3627.48	1503.65	

Appendix 2.2

Excess over provision of previous years requiring regularization (Reference : Paragraph 2.3.4; Page 34)

(Rupees in crore)

Year	Number of grants/ appropriations	Grant/ appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2000-01	11 Grants	2, 14, 23, 24, 33, 34, 60, 71, 80, 82 and 83	10.21	Explanatory notes are awaited.
	2 Appropriations	6 and 24		
2001-02	14 Grants	6, 14, 15,17, 23, 24, 30, 33, 45, 54, 60, 67, 71 and 83	115.9	
	2 Appropriation	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		
		Total	1,009.57	

Appendix 2.3

Cases where supplementary provision (Rs 50 lakh or more in each case) proved unnecessary

(Reference : Paragraph 2.3.6; Page 35)

(Rupees in lakh)

Sl. No.	Grant No.	Name of grant	Original provision	Actual expenditure	Savings out of original provision	Supplemen-tary provision
1	2	3	4	5	6	7
		Revenue (Voted)				
1	1	General Administration	5,587.43	5,323.75	263.68	1,232.85
2	6	Expenditure pertaining to Finance Department	1,07,845.05	94,681.02	13,164.03	1,103.74
3	8	Land Revenue and District Administration	27,563.03	15,894.61	11,668.42	1,491.73
4	10	Forest	40,760.89	39,369.96	1,390.93	3,019.67
5	11	Expenditure pertaining to Commerce and Industry Department	3,059.25	2,720.67	338.58	495.82
6	14	Expenditure pertaining to Animal Husbandry Department	11,188.64	9,888.54	1,300.10	1,732.89
7	15	Financial assistance to three tier Panchayati Raj Institutions under Special Component Plan for Scheduled Castes	3,480.24	3,468.66	11.58	527.00
8	17	Co-operation	6,099.55	5,608.45	491.10	549.19
9	19	Public Health and Family Welfare	36,507.15	29,251.46	7,255.69	3,354.74
10	20	Public Health Engineering	25,055.71	24,756.26	299.45	1,892.50
11	22	Urban Administration and Development -Urban Bodies	153.41	128.58	24.83	54.65
12	26	Expenditure pertaining to Culture Department	1,514.48	1,302.10	212.38	55.00
13	28	State Legislature	1,684.90	1,238.00	446.90	61.40
14	29	Administration of Justice and Elections	9,555.55	7,343.23	2,212.32	312.32
15	30	Expenditure pertaining to Panchayat and Rural Development Department	35,260.54	33,150.97	2,109.57	2,705.25
16	31	Expenditure pertaining to Planning, Economics and Statistics Department	787.86	654.97	132.89	161.70
17	34	Social Welfare	2,475.27	2,392.35	82.92	129.87
18	36	Transport	1,873.20	1,842.60	30.60	505.00
19	38	Grant-in-aid received from the recommendation of Twelfth Finance Commission	13,400.21	10,588.49	2,811.72	6,486.94
20	41	Tribal Areas Sub-Plan	1,77,615.87	1,69,537.79	8,078.08	27,738.18
21	44	Higher Education	15,608.30	11,905.86	3,702.44	110.00

1	2	3	4	5	6	7
22	46	Science and Technology	813.00	734.46	78.54	100.00
23	47	Technical Education and Man-Power Planning Department	8,920.45	5,354.85	3,565.60	196.41
24	55	Expenditure pertaining to Women and Child Welfare	24,825.02	24,660.63	164.39	2,817.35
25	56	Rural Industries	2,995.80	2,763.99	231.81	611.50
26	64	Special Component Plan for Scheduled Castes	56,542.52	50,115.80	6,426.72	5,855.38
27	66	Welfare of Backward Classes	3,896.70	3,666.58	230.12	693.00
28	71	Information Technology and Bio-Technology	2,762.00	1,394.00	1,368.00	1,285.30
29	79	Expenditure pertaining to Medical Education Department	17,080.15	9,073.11	8,007.04	200.00
		Total for Revenue (Voted)	359,451.25	399,273.95	76,100.43	65,479.38
		Revenue (Charged)				
30	10	Forest	1,830.00	1,469.99	360.01	170.00
		Total for Revenue (Charged)	1,830.00	1,469.99	360.01	170.00
		Capital (Voted)				
31	17	Co-operation	3,616.92	2,410.42	1,206.50	453.49
32	21	Expenditure pertaining to Housing and Environment Department	22,428.20	9,462.78	12,965.42	75.61
33	24	Public Works-Roads and Bridges	50,019.08	32,676.75	17,342.33	1,200.00
34	27	School Education	5,940.10	5,288.19	651.91	60.00
35	38	Grant-in-aid received from the recommendation of Twelfth Finance Commission	7,187.80	2,283.94	4,903.86	4,473.14
36	41	Tribal Areas Sub-Plan	79,134.88	68,670.94	10,463.94	7,082.95
37	47	Technical Education and Man-Power Planning Department	2,997.00	1,624.88	1,372.12	700.00
38	55	Expenditure pertaining to Women and Child Welfare	1,275.00	911.25	363.75	1,500.00
39	67	Public Works-Buildings	25,040.15	19,975.28	5,064.87	1,066.80
40	68	Public Works relating to Tribal Area Sub-Plan Buildings	10,208.31	5,511.59	4,696.72	3,547.88
41	79	Expenditure pertaining to Medical Education Department	2,750.00	2,153.58	596.42	250.00
		Total for Capital (Voted)	210,597.44	150,969.60	59,627.84	20,409.87
		Grand Total	571,878.69	551,713.54	136,088.28	86,059.25

Appendix 2.4

Statement of various grants/ appropriation where supplementary provision proved insufficient by more than Rs one crore each

(Reference : Paragraph 2.3.6; Page 35)

(Rupees in crore)

Sl. No.	Grant No.	Name of the grants	Original provision	Supplemen- tary provision	Total	Expenditure	Excess
Revenue (Voted)							
1	24	Public Works- Roads and Bridges	268.43	10.21	278.64	315.38	36.74
2	67	Public Works- Buildings	161.42	23.00	184.42	187.31	2.89
3	80	Financial assistance to three tier Panchayati Raj Institutions	671.74	70.15	741.89	805.51	63.62
Total for Revenue (Voted)			1,101.59	103.36	1,204.95	1,308.20	103.25
Capital (Voted)							
4	23	Water Resources Department	276.29	7.45	283.74	287.36	3.62
Total for Capital (Voted)			276.29	7.45	283.74	287.36	3.62
Grand Total			1,377.88	110.81	1,488.69	1,595.56	106.87

Appendix 2.5

Excess/Unnecessary/Insufficient re-appropriation of funds

(Reference : Paragraph 2.3.7; Page 35)

(Rupees in lakh)

Sl. No.	Grant no. and description	Head of account	Re-appropriation	Final excess(+)/savings (-)
1	2	3	4	5
1	01- General Administration	(4) 2052-090-4327-Secretariat	-163.97	-133.43
2	03 -Police	(2) 2055-104-4492-Normal expenditure (Special Police)	-1,785.00	-593.62
3		(5) 2055-109-6717-Compensation against Security Expenditure	1,300.00	-1,407.76
4		(11) 2070-107-2710-Office of the Commandant General and other subordinate offices	4.00	-264.93
5		(12) 2070-107-492-Expenditure on call outs	-4.00	-345.69
6		(1) 2055-001-3680-State Headquarters	732.00	-151.81
7		(2) 2055-003-195-Other Police Training School	76.00	+157.52
8		(3) 2055-109-4491-General expenditure (District establishment)	-298.00	+3,854.02
9		07 - Expenditure pertaining to Commercial Tax Department	(2) 2039-104-4173-Purchase of Spirit	-123.88
10	(2) 2039-001-1470-District Executive Establishment		19.10	+371.25
11	08- Land Revenue and District Administration	(5) 2029-103-1472-District expenditure	-2,251.27	+120.83
12		(9) 2053-093-1510-District Establishment	205.03	-344.00
13	10-Forest	(2) 2406-01-101-3836-Production- Forest Division -State Trading of Nationalised Timber, Khair and Bamboos	485.00	-558.22
14		(10) 2406-01-800-252-other expenditure compassionate grant	-485.00	-506.30
15	13-Agriculture	(1) 2401-001-119-Subordinate and expert staff (District and Subordinate Level)	1.11	-103.99
16		(4) 2401-105-0801-Central Sector Schemes Normal-5630-National Project for Bio Project	-29.00	-205.15
17	14- Expenditure pertaining to Animal Husbandry Department	(9) 2403-113-0701-Centrally Sponsored Schemes Normal-5620-Veterinary disease control	-9.52	-707.20
18	20- Public Health Engineering	(7) 2215-01-102-0701-Centrally sponsored Schemes Normal-6813-Redressal of grievances relating water quality	-200.00	-118.80
19	23- Water Resources Department	(1) 2700-02-101-2894-Barrage and Canals	20.00	-132.99
20		(7) 2701-80-001-0101-State Plan Schemes (Normal)-3264-Circle Establishment	-0.75	-305.98

1	2	3	4	5
21	23- Water Resources Department	(8) 2701-80-001-0101-State Plan Schemes (Normal)-3556-Headquarter Establishment Unit I	0.75	-520.67
22		(2) 4700-01-800-0101-State Plan Schemes (Normal)-2898-Dam and Appurtenant Work	-190.00	+6,117.75
23		(3) 4700-02-800-0101-State Plan Schemes (Normal)-2898-Dam and Appurtenant Work	-390.00	+581.48
24	24- Public Works-Roads and Bridges	(3) 5054-03-101-0101-State Plan Schemes (Normal)-3775-Construction of Railway Over bridge	-3,041.00	-273.78
25	24- Public Works-Roads and Bridges	(6) 5054-04-800-0101-State Plan Schemes (Normal)-1222-Construction of rural roads under Basic Minimum Services	-4,000.00	+2,773.83
26		(2) 5054-03-337-0101-State Plan Schemes (Normal)-4336-Construction of State highway Roads in State	1,200.00	-161.45
27		27-School Education	(17) 2202-02-109-0101-State Plan Schemes (Normal)- 578-Higher Secondary School	-380.50
28	27-School Education	(7)2202-01-112-0701-Centrally Sponsored Schemes Normal-5169-Mid Day Meals Programme in Schools	-171.74	+1,240.35
29		(10) 2202-02-109-0101-State Plan Schemes (Normal)-5551-Free Cycle Distribution to High School girls	552.24	+173.27
30		30- Expenditure pertaining to Panchayat and Rural Development Department	(1) 2235-60-101-0101-State Plan Schemes Normal-Elections to State Legislature-7291-Common Men Insurance Schemes	-100.00
31	30- Expenditure pertaining to Panchayat and Rural Development Department	(7) 2515-800-0101-State Plan Schemes (Normal)-1208-Rural Engineering Services	5.96	-233.41
32		(4) 2515-101-2474-Charges in connection with the Panchayat Raj Institutions	-231.54	+823.84
33		33-Tribal Welfare	(2) 2225-02-277-2772-Primary Schools	-463.50
34	33-Tribal Welfare	(4) 2235-02-277-583-Higher Secondary Schools	-818.20	-644.39
35		(1) 2225-02-277-1395-Hostels	-59.54	+288.61
36		(2) 2225-02-277-3492-Middle Schools	-130.13	+212.73
37		41- Tribal Areas Sub-Plan	(1) 2202-01-796-001-0102-Tribal Area Sub Plan.-2721-Strengthening of Administration at Block Level	-15.51
38	41- Tribal Areas Sub-Plan	(3) 2202-01-796-101-0102- Tribal area sub-plan-2773-Primary Schools	-63.18	-472.30
39		(9) 2202-02-796-109-0102- Tribal Area Sub-Plan-5216-High School	-289.53	-1,118.55
40		(30) 2215-01-796-102-0702-Centrally Sponsored Schemes T.S.P.-6813-Eradication of Water impurity problem	-940.00	-146.31

1	2	3	4	5
41	41- Tribal Areas Sub-Plan	(40) 2216-03-796-102-0702-Centrally Sponsored Schemes T.S.P.-6549- Indira Awas Yojana	359.16	-1,499.74
42		(70) 2425-796-107-0102- Tribal Area Sub-Plan-6930-Economic assistance as per recommendation of Vaidhyathan Committee	-1,255.51	-1,217.83
43		(72) 2505-60-796-101-0702- Centrally Sponsored Schemes TSP-6728-Rashtriya Gramin Rozgar Guarantee Yojna	-5,146.42	-118.41
44		(73) 2515-796-101-0102- Tribal Area Sub-Plan-5495-Salaries of Chief Executive Officers	-23.47	-308.46
45		(74) 2515-796-102-1002- Additional Central Aid (Scheduled Tribe)-7019-Backward area grant fund	-77.74	-2,043.00
46		(3) 2202-01-796-101-0102-Tribal Area Sub-Plan 494-Ashram	-24.67	+269.53
47		(5) 2202-02-796-109-0102- Tribal Area Sub-Plan 1385-Student Rental Housing Scheme	-0.21	+157.44
48	41- Tribal Areas Sub-Plan	(17) 2425-796-107-0102- Tribal Area Sub-Plan-5628-Grant for Farmer Loan Interest Rationalisation	1,280.51	-264.00
49		(1) 4202-01-796-202-0702-Centrally Sponsored Scheme T.S.P.-1400-Ashram and Hostel Building	-2,432.57	-500.00
50		(18) 4701-33-796-800-0102- Tribal Area Sub-Plan-3366- Medium Projects Works	-400.00	-197.71
51		(19) 4702-796-800-0312-Nabard Sponsored Schemes (T.S.P.)-5189-Construction of Minor Irrigation Schemes (NABARD)	-890.00	-2,037.32
52		(20) 4702-796-800-0102- Tribal Area Sub-Plan-3828-Minor Irrigation Scheme	-110.00	-1,750.90
53	45- Minor Irrigation Works	(1) 4702-101-0101-State Plan Schemes (Normal)-3803-Minor and Micro Minor Irrigation Schemes	-25.00	+2,182.27
54	57- Externally Aided Projects Pertaining to Water Resources Department	(3) 4702-101-1202- Externally Aided Projects (TSP)-5678-Chhattisgarh Irrigation Development Project	-100.00	-676.99
55		(4) 4702-101-1201- Externally Aided Projects (Normal)-5678-Chhattisgarh Irrigation Development Project	-60.00	-290.66
56	58- Expenditure on Relief on account of Natural Calamities and Scarcity	(14) 3054-04-337-1467-District and Other Roads	-2,825.43	+217.17

1	2	3	4	5	
57	64- Special Component Plan for Scheduled Castes	(15) 2215-01-789-102-0703-Centrally Sponsored Schemes S.C.P.-6813-Eradication of Water Impurity Problem	-430.00	-108.61	
58		(35) 2425-789-107-0103- Special Component Plan for Scheduled Castes 6930-Economic assistance as per recommendation of Vidhyanathan Committee	-146.63	-307.48	
59		(37) 2505-60-789-101-0703- Centrally Sponsored Schemes S.C.P.-6728-Rashtriya Gramin Rozgar Guarantee Yojana	-1,182.29	+106.19	
60		(4) 2215-01-789-102-0703-Centrally Sponsored Schemes S.C.P.-1095-Accelerated Rural Water Supply Scheme	430.00	-270.82	
61		(10) 4225-01-789-800-0103-Special Component Plan for Scheduled Castes- 5631-Development Authority for S.T.	-1.46	-122.05	
62		(15) 4700-08-789-800-0103-Special Component Plan for Scheduled Castes- 2884-Canal and Appurtenant Works	-352.00	-283.41	
63		(17) 4702-789-102-0103-Special Component Plan for Scheduled Castes- 5059-Construction of stop dam/Anicade	-514.00	-214.51	
64		(1) 4225-01-789-800-0103- Special Component Plan for Scheduled Castes- 5507-construction of Jaitkhambha at Girodpuri	814.00	+491.19	
65		66 – Welfare of Backward Classes	(1) 2202-02-109-0101-State Plan Schemes (Normal)-5551-Free Cycle Distribution to High School Girls	-217.93	-276.65
66		67- Public Works-Buildings	(6) 4059-01-051-0101-State Plan Schemes (Normal)-5049-State legislature	-500.00	+338.22
67	(9) 4059-01-051-0101-State Plan Schemes (Normal)-8040-Construction of Jail Building		-300.00	-339.20	
68	(15) 4202-03-800-0101-State Plan Schemes (Normal)-5908-Construction of Sport Training Building		90.00	-186.34	
69	(17) 4210-02-103-0101-State Plan Schemes (Normal)-4143-Construction of Primary Health		-400.00	-181.35	
70	(21) 4210-03-105-0101-State Plan Schemes (Normal)-4220-Education Medical College		-1,700.00	-1,092.82	
71	(1) 4059-01-051-0701- Centrally Sponsored Schemes Normal-2450-Administration of Justice		700.00	-171.61	
72	68- Public Works relating to Tribal Area Sub-Plan-Buildings	(1) 4055-796-211-1002-Additional Central Aid (Scheduled Tribe)-2629-Police	-700.00	-522.50	

1	2	3	4	5
73	76- Externally Aided Projects pertaining to Public Works Department	5054-03-337-1201-Externally Aided Projects(Normal)-5626-Chhattisgarh State Road Development Sector Project	9,846.00	+673.71
74		(1) 5054-03-337-1203-Externally aided Projects (SCP)-5626-Chhattisgarh State Road Development Sector Project	-9,846.00	+420.53
75	79- Expenditure pertaining to Medical Education Department	(2) 2210-01-110-1353-Hospital attached to Medical College	100.00	-311.13
76	80- Financial Assistance to Three Tier Panchayati Raj Institutions	(1) 2202-01-103-0101-State Plan Schemes (Normal)-8403-Grant for pay to Shiksha Karmies for Basic Minimum services	-30.45	+324.52
77		(6) 2515-101-8210-Training to Panchayat Officers	-8.20	+1,899.09
78		(4) 2202-02-191-0101-State Plan Schemes (Normal)-8403-Grant for pay to Shiksha Karmies (For Basic Minimum services)	-157.32	-435.69
79		(5) 2210-04-101-460-Ayurvedic Hospital and Dispensaries	-5.00	-155.19
80	82- Financial Assistance to Three Tier Panchayati Raj Institutions under Tribal Area Sub-Plan	(3) 2202-01-796-101-0102- Tribal Area Sub-Plan-2773-Primary Schools	-305.85	-499.11
81		(6) 2202-01-796-101-0102- Tribal Area Sub-Plan-5216-High School	15.48	-148.33
82		(8) 2202-01-796-101-0102- Tribal Area Sub-Plan-581-Higher Secondary School	-117.79	-223.63
83		(9) 2202-01-796-112-0802- Central Sector Schemes T.S.P -5169-Mid-day Meals Programme in Schools	-2,063.05	-332.76
84		(10) 2202-01-796-112-0702- Centrally Sponsored 5169-Mid-day Meals Programme in Schools-Schemes T.S.P.	-14.32.66	-305.42
85		(1) 2202-01-796-101-0102- Tribal Area Sub-Plan- 494-Ashram	-35.16	+312.32
86		(3) 2202-01-796-112-0702- Centrally Sponsored 6933-Mid-day meals programme at Middle Schools-Schemes T.S.P.	-14.46	+579.20

Appendix 2.6 Results of review of substantial surrenders made during the year

(Reference : Paragraph 2.3.8; Page 36)

(Rupees in lakh)

Sl. No.	Number and title of grant	Name of the scheme (head of account)	Total provisions	Amount of surrender	Percentage of surrender
1	2	3	4	5	6
1	8-Land Revenue and District Administration	2216-03-102-0101-State Plan Schemes (Normal)-6764-Deendayal Rural Housing Schemes	515.00	447.57	86.91
2	8-Land Revenue and District Administration	2029-103-0701-Centrally Sponsored Schemes Normal-6337-Update of Land Records	4,417.00	4417.00	100.00
3	9-Expenditure pertaining to Revenue Department	2058-102-5659-Government Press, Raipur	218.95	123.36	56.34
4	20-Public Health Engineering	2215-01-102-0701-Centrally Sponsored Schemes Normal-6813-Redressal of grievances relating water quality	400.00	200.00	50.00
5	23-Water Resources Department	4700-08-800-0101-State Plan Schemes (Normal)-2884-Canal and Appurtenant work	520.00	295.00	56.73
6	23-Water Resources Department	4700-06-800-0101-State Plan Schemes (Normal)-2884-Canal and Appurtenant Work	600.00	500.00	83.33
7	24-Public Works-Roads and Bridges	5054-03-101-0101-State Plan Schemes (Normal)-3775-Construction of Railway Over bridge	5,200.00	3,041.00	58.48
8	43-Sports and Youth Welfare	2204-800-0101-State Plan Schemes (Normal)-7296-Sports Academy	50.00	35.00	70.00
9	58-Expenditure on relief on account of Natural Calamities and Scarcity	3054-04-337-1467-District and Other Roads	5,503.00	2,825.43	51.34
10	58-Expenditure on relief on account of Natural Calamities and Scarcity	2402-102-3142-Soil Conservation Scheme-Contour Bounding	3,000.00	1,658.60	55.29
11	58-Expenditure on relief on account of Natural Calamities and Scarcity	2245-01-101-96-Relief to out break of fire	300.00	197.62	65.87
12	58-Expenditure on relief on account of Natural Calamities and Scarcity	2245-02-101-2018-Cash Doles	4,000.00	2,832.05	70.80
13	58-Expenditure on relief on account of Natural Calamities and Scarcity	2215-01-102-4377-Water Supply in Scarcity Areas	200.00	143.00	71.50

1	2	3	4	5	6
14	58-Expenditure on relief on account of Natural Calamities and Scarcity	2245-02-122-989-Re-establishment and repairs of damaged Irrigation and Flood Control Works	700.00	611.81	87.40
15	64-Special Component Plan for Scheduled Castes	2215-01-789-102-0703-Centrally Sponsored Schemes S.C.P.-6813-Eradication of Water Impurity Problem	860.00	430.00	50.00
16	64-Special Component Plan for Scheduled Castes	4702-789-102-0103-Special Component Plan for Scheduled Castes- 5059-Construction of stop Dam/Anicant	977.00	514.00	52.61
17	64-Special Component Plan for Scheduled Castes	2225-01-789-800-0703-Centrally Sponsored Schemes S.C.P.-5191-Assistance/Rehabilitation assistance under Atrocity Prevention Act for S.C./S.T.	120.00	120.00	100.00
18	67-Public Works-Buildings	4059-01-051-0101-State Plan Schemes (Normal)-5049-State Legislature	924.00	500.00	54.11
19	67-Public Works-Buildings	4210-03-105-0101-State Plan Schemes (Normal)-4220-Education Medical College	3,003.60	1,700.00	56.60
20	68-Public Works relating to Tribal Area Sub-Plan-Buildings	4055-796-211-1002-Additional Central aid (Scheduled Tribe)-2629-Police	1,222.50	700.00	57.26
21	76-Externally aided projects pertaining to Public Works Department	5054-03-337-1203-Externally aided projects (SCP)-5626-Chhattisgarh State Road Development Sector Project	10,000.00	9,846.00	98.46
		Total	42,731.05	31,137.44	72.87

Appendix

2.7

Surrenders in excess of actual savings
(Rs 50 lakh or more)

(Reference : Paragraph 2.3.9; Page 36)

(Rupees in crore)

Sl. No.	Number and name of the grant /appropriation	Total grant	Savings	Amount surrendered	Amount surrendered In excess
A-Revenue Voted					
1	7-Expenditure pertaining to Commercial Tax Department	95.38	8.21	10.91	2.70
2	15-Financial assistance to three tier Panchayati Raj Institutions under Special Component Plan for Scheduled Castes	40.07	5.39	6.85	1.46
3	58-Expenditure on relief on account of Natural Calamities and Scarcity	353.20	157.38	160.82	3.44
4	80-Financial assistance to three tier Panchayati Raj Institutions	741.89	0.00	5.62	5.62
Total-A		1,230.54	170.98	184.20	13.22
B-Revenue Charged					
5	Interest payments and servicing of debt	1,253.82	76.29	251.29	175.00
Total-B		1,253.82	76.29	251.29	175.00
C-Capital Voted					
6	60-Expenditure pertaining to District Plan schemes	28.09	0.22	0.95	0.73
Total-C		28.09	0.22	0.95	0.73
D-Capital Charged					
7	Public debt	683.10	193.74	213.60	19.86
Total-D		683.10	193.74	213.60	19.86
Grand Total-(A+B+C+D)		3,195.55	441.23	650.04	208.81

Appendix 2.8

Statement of various grants/ appropriations in which savings occurred but no part of which had been surrendered

(Reference : Paragraph 2.3.10; Page 36)

(Rupees in crore)

Sl. No.	Grant no.	Name of Grant/ Appropriation	Savings
1	2	3	4
(A) Revenue (Voted)			
1	3	Police	45.36
2	4	Other expenditure pertaining to Home Department	4.87
3	6	Expenditure pertaining to Finance Department	142.68
4	10	Forest	44.11
5	11	Expenditure pertaining to Commerce and Industry Department	8.34
6	14	Expenditure pertaining to Animal Husbandry Department	30.33
7	17	Co-operation	10.40
8	19	Public Health and Family Welfare	106.10
9	20	Public Health Engineering	21.92
10	27	School Education	197.58
11	32	Expenditure pertaining to Public Relations Department	1.15
12	36	Transport	5.36
13	39	Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department	8.98
14	44	Higher Education	38.12
15	51	Religious Trusts and Endowments	2.07
16	53	Financial assistance to urban bodies under Special Component Plan for Scheduled Castes	10.42
17	55	Expenditure pertaining to Women and Child Welfare	29.82
18	69	Urban Administration and Development Department-Urban Welfare	339.21
19	79	Expenditure pertaining to Medical Education Department	82.07
20	81	Financial assistance to urban bodies	68.64
21	83	Financial assistance to urban bodies under Tribal Area Sub-Plan	10.19
Total-A			1,207.72
(B) Revenue (Charged)			
22	10	Forest	5.30
23	24	Public Works-Roads and Bridges	1.19
24	29	Administration of Justice and Elections	6.98
Total-B			13.47

1	2	3	4
	(C) Capital (Voted)		
25	3	Police	1.50
26	10	Forest	6.49
27	11	Expenditure pertaining to Commerce and Industry Department	58.78
28	12	Expenditure pertaining to Energy Department	5.03
29	17	Co-operation	16.69
30	19	Public Health and Family Welfare	2.64
31	20	Public Health Engineering	6.42
32	27	School Education	7.12
33	29	Administration of Justice and Elections	3.00
34	37	Tourism	13.23
35	39	Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department	11.75
36	42	Public Works relating to Tribal Areas Sub-Plan-Roads and Bridges	139.91
37	47	Technical Education and Man-Power Planning Department	20.72
38	53	Financial assistance to urban bodies under Special Component Plan for Scheduled Castes	8.27
39	55	Expenditure pertaining to Women and Child Welfare	18.64
40	79	Expenditure pertaining to Medical Education Department	8.46
41	81	Financial assistance to urban bodies	7.71
	Total-C		336.36
	Grand Total-(A+B+C)		1,557.55

Appendix 2.9

Details of savings of Rs one crore and above not surrendered

(Reference : Paragraph 2.3.10; Page 36)

(Rupees in crore)

Sl. No.	Grant no.	Number and name of grants/appropriation	Savings	Surrender	Savings which remained to be surrendered
1	2	3	4	5	6
	A	Revenue Voted			
1	1	General Administration	14.97	13.58	1.39
2	8	Land Revenue and District Administration	131.60	127.21	4.39
3	13	Agriculture	46.61	32.41	14.2
4	18	Labour	12.47	7.82	4.65
5	28	State Legislature	5.08	0.06	5.02
6	29	Administration of Justice and Elections	25.25	8.93	16.32
7	30	Expenditure pertaining to Panchayat and Rural Development Department	48.15	46.56	1.59
8	33	Tribal Welfare	26.06	17.93	8.13
9	38	Grant-in-aid received on recommendation of the Twelfth Finance Commission	92.99	0.89	92.1
10	41	Tribal Areas Sub-Plan	358.16	99.84	258.32
11	47	Technical Education and Man-Power Planning Department	37.62	2.64	34.98
12	64	Special Component Plan for Scheduled Castes	122.82	42.38	80.44
13	66	Welfare of Backward Classes	9.23	3.01	6.22
14	82	Financial assistance to three tier Panchayati Raj Institutions under Tribal Area Sub-Plan	65.89	54.80	11.09
		Total-A	996.90	458.06	538.84
	B	Capital Voted			
15	24	Public Works-Roads and Bridges	185.42	50.00	135.42
16	38	Grant-in-aid received from the recommendation of Twelfth Finance Commission	93.77	0.01	93.76
17	41	Tribal Areas Sub-Plan	175.47	59.21	116.26
18	45	Minor Irrigation Works	3.29	0.25	3.04
19	57	Externally aided projects pertaining to Water Resources Department	12.98	1.60	11.38
20	64	Special Component Plan for Scheduled Castes	142.79	19.97	122.82
21	67	Public Works-Buildings	61.32	8.00	53.32
22	68	Public Works relating to Tribal Area Sub-Plan-Buildings	82.45	7.00	75.45
		Total-B	757.49	146.04	611.45
		Grand Total - (A+B)	1754.39	604.10	1150.29

Appendix 2.10

Cases of surrender of funds in excess of Rs 10 crore on 31 March 2009 (Reference : Paragraph 2.3.10; Page 36)

(Rupees in crore)

Sr. No.	Grant No.	Name of grant	Amount of surrender	Percentage of total provision
1	2	3	4	5
	A	Revenue Voted		
1	1	General Administration	13.58	19.91
2	5	Jail	11.49	27.55
3	7	Expenditure pertaining to Commercial Tax Department	10.91	11.43
4	8	Land Revenue and District Administration	127.21	43.78
5	13	Agriculture	32.41	13.18
6	30	Expenditure pertaining to Panchayat and Rural Development Department	46.56	12.26
7	33	Tribal Welfare	17.93	3.23
8	43	Sports and Youth Welfare	10.00	33.33
9	58	Expenditure on Relief on account of Natural Calamities and Scarcity	160.82	45.53
10	59	Externally Aided Projects Rural Development Department	95.62	59.02
11	64	Special Component Plan for Scheduled Castes	42.38	6.79
12	71	Information Technology and Bio-Technology	26.53	65.55
13	82	Financial assistance to three tier Panchayati Raj Institutions under Tribal Area Sub-Plan	54.80	13.49
		Total-A	650.24	
	B	Revenue Charged		
14		Interest payments and servicing of debt	251.29	20.04
		Total-B	251.29	
	C	Capital Voted		
15	21	Expenditure pertaining to Housing and Environment Department	130.41	57.95
16	24	Public Works-Roads and Bridges	50.00	9.76
17	25	Expenditure pertaining to Mineral Resources Department	48.87	100.00
18	41	Tribal Areas Sub-Plan	59.21	6.87
19	64	Special Component Plan for Scheduled Castes	19.97	4.90
		Total-C	308.46	
	D	Capital Charged		
20		Public debt	213.60	31.27
21	41	Tribal Areas Sub-Plan	99.84	4.86
		Total-D	313.44	
		Grand Total (A+B+C+D)	1,523.43	

Appendix 2.11

Rush of Expenditure

(Reference : Paragraph 2.3.11; Page 37)

(Rupees in crore)

Sl. No.	Major Head	Expenditure incurred during Jan-March 2009	Expenditure incurred in March 2009	Total expenditure	% of total expenditure incurred during	
					Jan-March 2009	Mar-09
1	2015	17.17	11.60	32.53	52.78	35.66
2	2217	127.74	80.77	235.28	54.29	34.33
3	2401	143.33	80.14	267.45	53.59	29.96
4	2402	17.26	12.39	24.57	70.25	50.43
5	2408	566.50	20.95	578.17	97.98	3.62
6	2425	75.98	41.93	85.68	88.68	48.94
7	2515	357.66	227.44	654.1	54.68	34.77
8	2801	147.67	138.43	180.02	82.03	76.90
9	4210	77.85	65.03	113.94	68.33	57.07
10	4217	77.90	50.35	78.51	99.22	64.13
11	4235	23.67	10.78	23.67	100.00	45.54
12	4406	18.00	10.51	25.85	69.63	40.66
13	4705	23.87	11.07	37.14	64.27	29.81
14	4851	15.14	14.83	15.27	99.15	97.12
15	6215	31.26	15.85	31.26	100.00	50.70
	Total	1,721.00	792.07	2,383.44		

Appendix 2.12

Status of Detailed Countersigned Contingent bills against Abstract Contingent bills upto 2008-09

(Reference : Paragraph 2.4.1; Page 37)

(Rupees in lakh)

Sl. No.	Major-Head	Number of AC bills	Amount
1	2011	1	0.44
2	2040	3	0.21
3	2045	393	19.23
4	2052	1	0.03
5	2053	2	0.25
6	2054	4	1.43
7	2202	5	0.42
8	2204	79	52.65
9	2230	1	0.03
10	2235	11	5.46
11	2236	2	1.64
12	2401	91	637.40
13	2402	49	13.92
14	4402	79	511.12
15	2515	1	0.03
16	4700	2	0.93
17	2702	1	7.00
18	3054	1	5.00
19	2408	3	0.11
20	4225	6	73.44
21	2217	1	0.08
22	2702	1	10.11
23	2851	1	0.04
	Total	738	1,340.97

Appendix 3.1

Utilization certificates outstanding as on 31 March, 2009 (Reference : Paragraph 3.1; Page 41)

(Rupees in lakh)

SI No.	Department	Year of payment of grant	Total grants paid		Utilisation Certificates			
			Number	Amount	Received		Outstanding	
					Number	Amount	Number	Amount
1	2	3	4	5	6	7	8	9
I	Man Power Planning							
	5176- Employment & Training	2006-07	1	120.35	0	0.00	1	120.35
	Total		1	120.35	0	0.00	1	120.35
II	Science & Technology							
	3425 - Science & Technology	2002-03	9	2.95	9	2.95	0	0.00
		2003-04	12	7.67	12	7.67	0	0.00
		2004-05	12	5.56	12	5.56	0	0.00
		2005-06	9	3.06	9	3.06	0	0.00
		2006-07	7	2.79	6	2.07	1	0.72
		2007-08	13	4.47	13	4.47	0	0.00
	Total		62	26.50	61	25.78	1	0.72
III	Technical Education							
	2203 - Technical Education	2004-05	1	40.00	1	40.00	0	0.00
		2005-06	1	100.00	1	100.00	0	0.00
		2006-07	1	100.00	1	100.00	0	0.00
		2007-08	1	160.00	0	120.00	1	40.00
	Total		4	400.00	3	360.00	1	40.00
IV	Public Relations							
	2220 - Public Relations	2005-06	1	25.00	1	25.00	0	0.00
		2006-07	1	17.73	1	17.73	0	0.00
		2007-08	2	2.00	0	0.00	2	2.00
	Total		4	44.73	2	42.73	2	2.00
V	Sports and Youth Welfare							
	Sports and Youth Welfare	2000-01	50	5.05	50	5.05	0	0.00
		2001-02	27	13.35	26	13.05	1	0.30
		2002-03	38	16.02	36	15.69	2	0.33
		2003-04	86	28.04	83	27.36	3	0.68
		2004-05	85	1139.78	82	36.45	3	1103.33
		2005-06	85	61.18	82	60.05	3	1.13
		2006-07	88	77.78	84	68.04	4	9.74
		2007-08	89	85.77	84	78.78	5	6.99
	Total		548	1426.97	526	304.47	21	1122.5

* As the Department has not mentioned any outstanding amount, the amount released is taken as outstanding for pending UCs. Clarifications have been sought from Government.

1	2	3	4	5	6	7	8	9
VI	Labour							
	2230 - Labour welfare	2001-02	1	4.49	0	0.00	1	4.49
		2002-03	1	8.25	0	0.00	1	8.25
		2003-04	1	13.26	0	0.00	1	13.26
		2004-05	1	21.42	0	0.00	1	21.42
		2005-06	1	22.40	0	0.00	1	22.40
		2006-07	1	25.92	1	25.92	0	0.00
		2007-08	1	43.74	1	43.74	0	0.00
	Total		7	139.48	2	69.66	5	69.82
VII	Forest							
	Forest Department	2001-02	6	0.08	0	0.00	6	0.08
		2002-03	6	0.45	0	0.00	6	0.45
		2003-04	5	0.10	0	0.00	5	0.10
		2004-05	6	2445.10	0	0.00	6	2445.10
		2005-06	8	2339.79	1	5.00	7	2334.79
		2006-07	13	2645.00	1	5.00	12	2640.00
		2007-08	14	7309.93	0	0.00	14	7309.93
	Total		58	14740.45	2	10.00	56	14730.45
VIII	Health & Family Welfare							
	2210 - Health & Family Welfare	2001-02	1	251.00	1	251.00	0	0.00
		2002-03	2	118.61	1	3.61	1	115.00
		2003-04	5	383.71	1	8.71	4	375.00
		2004-05	7	219.33	2	15.65	5	203.68
		2005-06	8	304.63	2	17.20	6	287.43
		2006-07	8	824.00	1	4.00	7	820.00
		2007-08	11	2059.25	3	544.25	8	1515.00
	Total		42	4160.53	11	844.42	31	3316.11
IX	Animal Husbandry							
	2403 - Animal Husbandry	2000-01	4	152.61	3	110.56	1	42.05
		2001-02	4	417.10	3	312.10	1	105.00
		2002-03	4	424.60	3	369.60	1	55.00
		2003-04	6	424.69	5	394.69	1	30.00
		2004-05	8	778.01	7	710.18	1	67.83
		2005-06	7	686.23	7	686.23	0	0.00
		2006-07	6	499.41	6	499.41	0	0.00
		2007-08	7	678.12	7	678.12	0	0.00
	Total		46	4060.77	41	3760.89	5	299.88
X	Tribal Development *	2002-03	47	846.42	0	0.00	47	846.42
		2003-04	47	813.72	0	0.00	47	813.72
		2004-05	47	890.03	0	0.00	47	890.03
		2005-06	46	884.74	0	0.00	46	884.74
		2006-07	45	887.90	0	0.00	45	887.90
	Total		232	4322.81	0	0.00	232	4322.81

* As the Department has not mentioned any outstanding amount, the amount released is taken as outstanding for pending UCs. Clarifications has been sought from Government.

1	2	3	4	5	6	7	8	9
XI	<i>Energy</i>							
		2006-07	3	13182.40	0	4126.35	3	9056.05
		2007-08	3	1230.43	0	0.00	3	1230.43
	Total		6	14412.83	0	4126.35	6	10286.48
XII	<i>School Education</i>							
		2006-07	237	1863.55	160	1420.69	77	442.86
	Total		237	1863.55	160	1420.69	77	442.86
	Grand Total		1247	45718.97	808	10964.99	438	34753.98

Appendix 3.2

Utilization certificates outstanding for more than five years

(Reference : Paragraph 3.1; Page 41)

(Rupees in lakh)

Department	Year of Payment of grant	Total Grants paid		Utilisation Certificates				
		Number	Amount	Received		Outstanding		
				Number	Amount	Number	Amount	
1	2	3	4	5	6	7	8	9
I	Sports and Youth Welfare							
		2001-02	27	13.35	26	13.05	1	0.30
		2002-03	38	16.02	36	15.69	2	0.33
		2003-04	85	28.05	82	27.37	3	0.68
	Total		150	57.42	144	56.11	6	1.31
II	Labour							
		2001-02	1	4.49	0	0	1	4.49
		2002-03	1	8.25	0	0	1	8.25
		2003-04	1	13.26	0	0	1	13.26
	Total		3	26.00	0	0	3	26.00
III	Forest							
		2001-02	6	0.08	0	0	6	0.08
		2002-03	6	0.45	0	0	6	0.45
		2003-04	5	0.1	0	0	5	0.1
	Total		17	0.63	0	0	17	0.63
IV	Health & Family Welfare							
		2002-03	2	118.61	1	3.61	1	115.00
		2003-04	5	383.71	1	8.71	4	375.00
	Total		7	502.32	2	12.32	5	490.00
V	Animal Husbandry							
		2000-01	4	152.61	3	110.56	1	42.05
		2001-02	4	417.1	3	312.1	1	105
		2002-03	4	424.6	3	369.6	1	55
		2003-04	6	424.69	5	394.69	1	30
	Total		18	1419.00	14	1186.95	4	232.05
VI	Tribal							
		2002-03	47	846.42	0	0	47	846.42
		2003-04	47	813.72	0	0	47	813.72
	Total		94	1660.14	0	0	94	1660.14
	Grand Total		289	3665.51	160	1255.38	129	2410.13

Appendix 3.3 Department wise/duration wise break-up of the misappropriation, defalcation, etc. (Cases where final action was pending at the end of 31 March 2009)

(Reference : Paragraph 3.2; Page 42)

(Rupees in lakh)

Sl. No.	Name of the Department	Number of cases and amount						Total
		Upto 05 years	05 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	above 25 years	
1	Higher Education	6 (6.67)	4 (0.50)	0 --	3 (0.61)	0 --	0 --	13 (7.78)
2	Art & Culture	0 --	0 --	0 --	0 --	0 --	1 (0.81)	1 (0.81)
3	District Administration	3 (0.70)	0 --	1 (0.67)	1 (0.16)	2 (3.02)	2 (0.27)	9 (4.82)
4	Treasury and Accounts Administration	3 (7.34)	0 --	1 (11.77)	0 --	3 (0.28)	3 (0.40)	10 (19.79)
5	Technical Education	6 (5.96)	0 --	0 --	0 --	1 (0.25)	0	7 (6.21)
6	Tribal	4 (25.64)	8 (15.95)	8 (15.78)	18 (10.74)	11 (4.90)	23 (5.43)	72 (78.44)
7	Taxes on Sales, trade	0 --	0 --	0 --	0 --	0 --	3 (0.03)	3 (0.03)
8	Jails	0 --	0 --	0 --	0 --	1 (2.29)	1 (0.52)	2 (2.81)
9	Woman & Child Welfare	0 --	1 (1.96)	1 (0)*	3 (4.13)	1 (0.32)	0 --	6 (6.41)
10	Education	4 (1.67)	2 (4.10)	0 --	13 (5.27)	2 (0.40)	12 (1.87)	33 (13.31)
11	Rehabilitation	0 --	0 --	0 --	1 (0.20)	0 --	0 --	1 (0.20)
12	Police	134 (18.83)	52 (25.70)	15 (16.68)	8 (3.23)	10 (1.15)	0 --	219 (65.59)
13	Stamps and Registration	1 (0.94)	0 --	0 --	1 (0.86)	0 --	1 (0.62)	3 (2.42)
14	Health and Family welfare	6 (5.17)	7 (32.81)	2 (0.77)	13 (4.91)	10 (1.92)	30 (2.64)	68 (48.22)
15	Tehsil	3 (0.98)	0 --	0 --	0 --	1 (0.16)	10 (5.65)	14 (6.79)
16	State Excise	1 (0)*	2 (3.93)	0 --	0 --	0 --	1 (0.02)	4 (3.95)

Sl. No.	Name of Department	Upto 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 Years	25 years to more	Total No. of Cases
17	Animal Husbandry	65 (5.18)	0 --	0 --	1 (0.73)	0 --	5 (0.69)	71 (6.60)
18	Public services commission	1 (3.16)	0 --	0 --	0 --	0 --	0 --	1 (3.16)
19	Co operation	0 --	0 --	1 (96.26)	0 --	0 --	0 --	1 (96.26)
20	Land conservation	1 (0)*	0 --	0 --	0 --	0 --	1 (0.41)	2 (0.41)
21	Panchayat and social welfare	1 (0)*	2 (0.38)	1 (0.02)	3 (0.30)	0 --	3 (1.06)	10 (1.76)
22	Dairy Section	0 --	1 (0.20)	0 --	0 --	1 (0.02)	0 --	2 (0.22)
23	Sericulture	12 (0.91)	2 (1.78)	0 --	0 --	0 --	1 (0.04)	15 (2.73)
24	District and Session Court	3 (1.19)	5 (11.35)	1 (0.11)	2 (0.18)	0 --	0 --	11 (12.83)
25	Mineral Resources Department	5 (12.56)	2 (0.20)	0 --	0 --	0 --	0 --	7 (12.76)
26	Transport	0 --	0 --	0 --	2 (0.15)	0 --	0 --	2 (0.15)
27	Fisheries	1 (0)*	0 --	0 --	0 --	0 --	0 --	1 (0)
28	Labour and Employment	3 (2.19)	2 (0.52)	0 --	2 (0.07)	2 (0.20)	1 (0.16)	10 (3.14)
29	Land Revenue and District Administration	0 --	0 --	0 --	0 --	0 --	2 (0.38)	2 (0.38)
30	Food , Civil Supply & Consumer Protection Department	2 (0.24)	0 --	0 --	0 --	0 --	3 (0.13)	5 (0.37)
31	Crop Husbandry	3 (5.20)	2 (3.30)	0 --	0 --	0 --	1 (0.06)	6 (8.56)
32	Forest	109 (151.16)	166 (203.76)	273 (410.89)	167 (102.29)	146 (34.58)	166 (31.02)	1027 (933.70)
33	PWD	118 (795.14)	2 (1.40)	0 -	0 -	0 -	0 --	120 (796.54)
34	WRD	19 (28.71)	1 (1.27)	0 -	0 -	0 -	1 (0.05)	21 (30.03)
Total		514 (1079.54)	261 (309.11)	304 (552.95)	238 (133.83)	191 (49.49)	271 (52.26)	1779 (2177.18)

- Value not ascertained, clarification has been sought from the Government.

Appendix 3.4 Department/category wise details in respect of cases of loss to Government due to theft, misappropriation/loss of Government material

(Reference : paragraph 3.2; Page 42)

(Rupees in lakh)

Sl. No.	Name of Department	Theft Cases		Misappropriation/Loss of Government material		Total	
		No. of cases	Amount	No. of Cases	Amount	No. of Cases	Amount
1	Higher Education	8	2.43	5	5.35	13	7.78
2	Art & Culture	1	0.81	0	-	1	0.81
3	District Administration	1	0.67	8	4.15	9	4.82
4	Treasury and Accounts Administration	3	0.20	7	19.59	10	19.79
5	Technical Education	1	0*	6	6.21	7	6.21
6	Tribal	17	7.62	55	70.82	72	78.44
7	Taxes on Sales, trade	2	0.02	1	0.01	3	0.03
8	Jails	1	2.29	1	0.52	2	2.81
9	Woman & Child Welfare	1	3.50	5	2.91	6	6.41
10	Education	13	1.51	20	11.80	33	13.31
11	Rehabilitation	1	0.20	0	0	1	0.20
12	Police	16	6.78	203	58.81	219	65.59
13	Stamps and Registration	1	0.94	2	1.48	3	2.42
14	Health and Family welfare	23	7.97	45	40.25	68	48.22
15	Tehsil	2	0.50	12	6.29	14	6.79
16	State Excise	0	0	4	3.95	4	3.95
17	Animal Husbandry	3	0.52	68	6.08	71	6.60
18	Public services commission	0	0	1	3.16	1	3.16
19	Co operation	0	0	1	96.26	1	96.26
20	Land conservation	0	0	2	0.41	2	0.41
21	Panchayat and social welfare	3	0.30	7	1.46	10	1.76
22	Dairy Section	1	0.20	1	0.02	2	0.22
23	Sericulture	9	0.78	6	1.95	15	2.73
24	District and Session Court	3	0.27	8	12.56	11	12.83
25	Mineral Resources Department	3	9.31	4	3.45	7	12.76
26	Transport	0	0	2	0.15	2	0.15
27	Fisheries	1	0*	0	0	1	0
28	Labour and Employment	7	2.85	3	0.29	10	3.14
29	Land Revenue and District Administration	0	0	2	0.38	2	0.38
30	Food , Civil Supply & Consumer Protection Department	1	0.14	4	0.23	5	0.37
31	Crop Husbandry	0	0	6	8.56	6	8.56
32	Forest	1	0.0 8	1026	933.62	1027	933.70
33	PWD	5	0.54	115	796.00	120	796.54
34	WRD	12	6.23	9	23.80	21	30.03
	Total	140	56.66	1639	2120.52	1779	2177.18

* Value not ascertained, clarification has been sought from the Government.