



**State Finances Audit Report of the
Comptroller and Auditor General of India
for the year ended 31 March 2022**



Government of Chhattisgarh
Report No. 1 of the year 2023

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Preface

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

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

Chapters II and III of the Report contain audit findings on matters arising from an examination of the Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2022. Information has been obtained from Government of Chhattisgarh, wherever necessary.

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

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

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

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

EXECUTIVE SUMMARY

Executive Summary

1 The Report

Based on the audited accounts of the Government of Chhattisgarh for the year ended 31 March 2022, this Report provides an analytical review of the finances of the State Government.

2 Audit findings

2.1 Fiscal Position

The fiscal position of the State is viewed in terms of three key parameters—Revenue Deficit/ Surplus, Fiscal Deficit/ Surplus, and the ratio of Outstanding Debt to GSDP.

The State had a revenue surplus of ₹4,642.02 crore as of end of March 2022 as compared to revenue deficit of ₹6,856.66 crore as of end of March 2021. However, revenue surplus after adjusting the impact of misclassification/non-compliance to statutory provisions has been worked out by Audit as ₹2,082.42 crore. Despite being revenue surplus State, the fiscal priority accorded to Social sector expenditure by the State Government declined from 40.72 per cent (2017-18) to 36.56 per cent (2021-22) and it was less than the average of general category states in the current year. Significant shortfall in expenditure vis-à-vis budget estimates 2021-22 was noticed under the Major Heads 2202 - General Education (₹2,069 crore), 2215-Water Supply and sanitation (₹488 crore) and 2235-Social Security and Welfare (₹281 crore).

Fiscal deficit relative to Gross State Domestic Product (1.52 per cent) was within the target of four per cent for FY 2021-22 laid down under the State FRBM Act. Fiscal deficit remained within the target due to less revenue and capital expenditure by the Government than projected in the budget. The allocative priority accorded to capital expenditure by the State Government was less than the average of general category States in 2021-22.

The GSDP of Chhattisgarh grew at a lower rate during 2021-22 compared to the GDP of India. During 2021-22, the percentage of outstanding debt to GSDP decreased to 22.77 per cent from 25.44 per cent in 2020-21 and was within the target prescribed in the Medium Term Fiscal Policy Statement (28.34 per cent) under the Chhattisgarh Fiscal Responsibility and Budget Management Act and the Fifteenth Finance Commission.

(Chapter I)

2.2 Finances of the State

The Revenue Receipts registered an increase of 26.08 per cent during 2021-22 compared to the previous year. Own tax revenue increased by 18.33 per cent and non-tax revenue increased by 94.08 per cent and achieved the level anticipated in budgetary projections. The State continued to be dependent on Government of India with 49 per cent of the revenue coming from State Share of Union Taxes and Duties and Grants-in-aid.

Revenue expenditure which constitute 87 per cent of total expenditure increased by 7.11 per cent during 2021-22 compared to the previous year. Though the Capital Expenditure increased by 16.40 per cent over the previous year, its share in total expenditure was merely 12 per cent. While the revenue expenditure as a percent of GSDP was 18.75 per cent, the capital

expenditure stood at 2.63 per cent of GSDP in 2021-22.

Out of 148 incomplete projects (costing more than ₹10 crore) with estimated cost of ₹4,667.24 crore, the State Government has revised the cost of 49 incomplete projects with cost overrun of ₹2,255.66 crore. The State Government has not evaluated the cost of 99 incomplete projects.

During 2021-22, GoCG transferred ₹300.00 crore to the Consolidated Sinking Fund against the minimum requirement of ₹463.57 crore resulting in a short contribution of ₹163.57 crore.

The percentage of net public debt available to the State after repayment of borrowings and interest decreased to five per cent (₹799.18 crore) in 2021-22 as against 40 per cent (₹8,645.96 crore) in 2020-21. Decline in net debt availability of the State indicates towards increased burden of servicing of debt and leave the State with limited fund available for development activities.

The State Government will have to make principal repayment of ₹79,294.17 crore against Internal Debt and ₹2,248.43 crore against Loans and Advances from Central Government from 2021-22 to 2031-32 besides interest of ₹24,607.46 crore due on market loan.

The total outstanding debt (including public account liabilities) of the State Government at the end of 2021-22 would be ₹91,098.74 crore after excluding back to back loan of ₹8,074.15 crore.

(Chapter II)

2.3 Budgetary Management

Although, the percentage of utilization of Budgeted funds (87.37 per cent) increased during 2021-22 compared to the previous year (81.22 per cent), the budgetary assumptions of the State Government were not realistic during 2021-22 and control over the execution and monitoring of budget was inadequate.

There was an excess expenditure of ₹4,059.76 crore over the authorisations made by the State Legislature under two Grants (Finance Department and Religious Trusts & Endowments Department) and three Appropriations (Finance Department, Women and Child Welfare Department and Public Debt) during the financial year 2021-22 which needs to be regularised as per Article 205(1)(b) of Constitution of India. Further, a total of ₹13,376.63 crore is pending for regularisation from 2000-01 to 2020-21.

Supplementary Grants/ Appropriations were obtained without adequate justification. The savings were neither surrendered on time nor explanations provided to the Principal Accountant General (A&E) for variations in expenditure vis-à-vis allocations. The Departments were neither cautioned against persistent savings; nor were their budgets varied in accordance with their ability to absorb the allocations.

(Chapter III)

2.4 Quality of Accounts and Financial Reporting Practices

Non-submission of DCC bills by Departments for funds drawn for specific developmental programmes/ projects and non-submission of accounts by public sector entities were violative of prescribed financial rules and directives. This points to inadequate internal controls and

deficient monitoring mechanism of the State Government and increases the risk/possibility of wastage/misappropriation/malfeasance etc.

As of 31 March 2022, 139 PD Accounts were in existence with a closing balance of ₹1,404.38 crore. Out of the closing balance of ₹1,404.38 crore under PD Accounts, ₹1,148.87 crore were on account of non-disbursement of amount relating to land acquisition. Non-transfer of unspent balances lying in PD Accounts to the Consolidated Fund of the State entails the risk of misuse of public fund, fraud and misappropriation.

Operation of omnibus Minor Head 800 – ‘Other Receipts’ (₹7,427.94 crore constituting 9.33 per cent of total revenue receipts) and ‘Other Expenditure’ (₹1,137.59 crore constituting 1.33 per cent of total revenue and capital expenditure of ₹ 85,514.23 crore) affected transparency in financial reporting and obscured proper analysis of allocative priorities and quality of expenditure.

Non-reconciliation of receipts and expenditure booked by the Controlling Officers of the State with the figures of the Principal Accountant General (A&E) reflects poorly on the internal control system within the Government and raises concerns relating to accuracy of accounts.

Against the allocated amount of ₹409.70 crore during the financial year 2021-22, the Building and other Construction Workers’ Welfare Board could utilize only ₹92.24 crore leaving a balance of ₹317.46 crore unutilized which resulted in depriving of the benefits of various schemes to the registered workers. Further, only 18 per cent of registered workers were benefited under various schemes during the financial year 2021-22.

The State Government has a net off-budget liabilities of ₹3,872.80 crore in addition to total budgeted liabilities of ₹99,172.89 crore outstanding as of March 2022. Government of Chhattisgarh has not disclosed in its budget, its liabilities with regard to the loans obtained by various public sector entities at its behest for implementation of various socio-economic developmental programmes for which the State Government had given the guarantee to repay the principal and interest.

(Chapter IV)

2.5 Financial Performance of State Public Sector Undertakings

As on 31 March 2022, there were 30 PSUs including one Statutory Corporation. Out of 30, there are two inactive PSUs. Out of 28 working PSUs, only 25 PSUs (24 Companies and one Statutory Corporation), whose accounts were in arrears for two or less years as on 30 September 2022 have been considered for detailed analysis of financial performances.

As per their latest accounts and information furnished, the PSUs registered an annual turnover of ₹42,147.03 crore, which was equal to 10.53 per cent of the GSDP of Chhattisgarh. As on 31 March 2022, the investment of the Central and State Governments and Others in equity and long-term loans in these 30 PSUs was ₹20,391.67 crore.

Out of 25 PSUs (covered in this Report) 11 PSUs earned profit of ₹932.01 crore in 2021-22, 11 PSUs incurred losses of ₹439.99 crore and three PSUs had reported neither profit nor loss. Major profit contributed by Chhattisgarh State Power Generation Company Limited (₹570.38 crore) and Chhattisgarh State Power Transmission Company Limited (₹153.90 crore) and major loss was incurred by Chhattisgarh state Power Distribution company Limited (₹419.77 crore). Only two PSUs Chhattisgarh Rajya Van Vikas Nigam Limited and Chhattisgarh State Warehousing Corporation declared dividend of ₹3.03 crore and ₹0.81 crore respectively.

Total accumulated losses reported by 30 PSUs were ₹4,163.97 crore, resulting in depletion in net worth to ₹2,900.11 crore as on 31 March 2022. One PSU i.e. Chhattisgarh State Power Distribution Company Limited (CSPDCL) which incurred losses amounting to ₹419.77 crore during the year 2021-22, reported total accumulated loss of ₹7,710.10 crore as on 31 March 2022.

Financial Statements of only six PSUs for the year 2021-22 were received in time. Twenty four PSUs have defaulted in timely submission of accounts hence forty accounts pertaining to these PSUs were in arrears.

As a result of the audit of CAG, significant comments highlighting inaccuracies in the Financial Statements impacting profitability and assets/liabilities were issued.

Irregularities and deficiencies in the financial reports observed during supplementary audit which are not material, were communicated to the Management of three PSUs through 'Management Letters' for taking corrective action.

(Chapter V)

CHAPTER I

OVERVIEW

Chapter I: Overview

1.1 Profile of the State

Chhattisgarh is located in the central part of India and is spread over an area of 1,35,192 sq. km (4.11 *per cent* of geographical area of India). The State was created in November 2000 by bifurcating the composite State of Madhya Pradesh. It has 28 districts and is home to 2.55 crore population as per Census 2011. The State's population increased from 2.08 crore in 2001 to 2.55 crore in 2011, recording a decadal growth of 22.61 *per cent*. At current prices, the per capita income of the State was estimated at ₹1,18,401 during 2021-22, which was lower than the national average of ₹1,50,007. General and financial data relating to the State is given in *Appendix 1.1*.

1.1.1 Gross State Domestic Product of the State

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

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

Table 1.1: Trends in GSDP compared to the GDP

Sl. No.	Year	2017-18	2018-19	2019-20	2020-21	2021-22
1	GDP at current prices (₹ in crore)	1,70,90,042	1,88,99,668	2,00,74,856	1,98,00,914	2,36,64,637
2	Growth Rate of GDP over previous year (in <i>per cent</i>)	11.03	10.58	6.21	-1.36	19.51
3	GSDP at current prices (₹ in crore)	2,82,266	3,27,693	3,44,571 ^P	3,52,161 ^Q	4,00,061 ^A
4	Growth Rate of GSDP over previous year (in <i>per cent</i>)	7.41	16.09	5.15	2.20	13.60

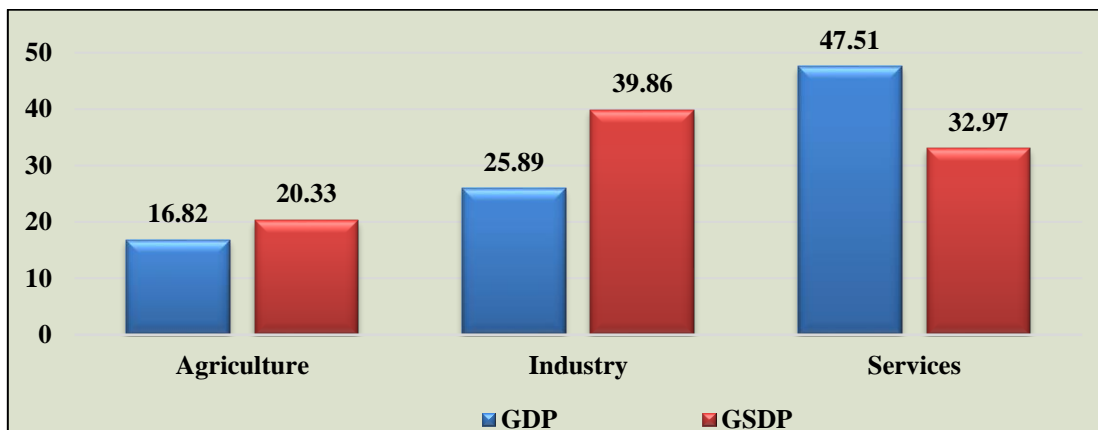
Source: GoI's Economic Survey (2021-22) and Directorate of Economics and Statistics, Chhattisgarh. A- Advanced Estimates; Q - Quick Estimates; P - Provisional Estimates

As can be seen from the table above, the growth rate of GSDP of Chhattisgarh oscillated between 2.20 and 16.09 *per cent* during the five-year period 2017-18 to 2021-22. Even though the GSDP of Chhattisgarh grew at a lower rate during 2021-22 compared to the GDP of India, it registered a higher growth rate compared to the previous year mainly due to increase in growth rate of all three Sectors that make up the GSDP - Agriculture, Industry and Services sectors, from 7.48 *per cent*, (-) 0.16 *per cent* and 2.91 *per cent* in 2020-21 to 8.93 *per cent*, 17.27 *per cent* and 11.29 *per cent* in 2021-22 respectively.

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

economy. **Chart 1.1** below shows the sectoral composition of GSDP of Chhattisgarh vis-à-vis GDP of India during 2021-22. Agriculture includes Agriculture, Forestry and Fishing. Industry includes Mining & Quarrying, Manufacturing, Construction etc.

Chart 1.1: Sectoral composition of GSDP of Chhattisgarh vis-à-vis GDP of India during 2021-22



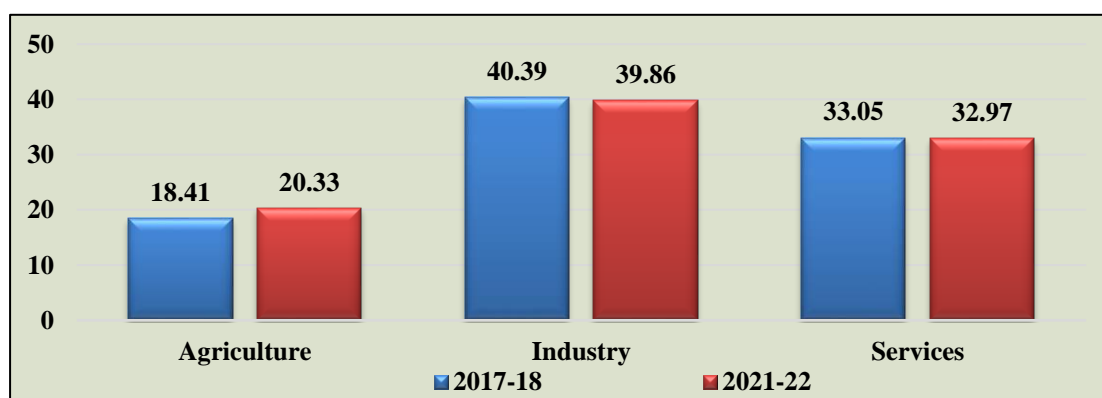
Source: GoI's Economic Survey (2021-22) and Directorate of Economics and Statistics, Chhattisgarh.

Note: Sectoral composition of GDP & GSDP is worked out after excluding the figure of Taxes & subsidies on Products. Percentage of Taxes & Subsidies w.r.t. GDP is 9.78% & GSDP is 6.84%.

As can be seen from **Chart 1.1**, during 2021-22 the major contributing factor to GSDP of Chhattisgarh was Industry sector, while for the GDP of India, it was Services sector. Percentage wise, contribution of Industry and Agriculture sectors in GSDP of Chhattisgarh was higher than that of national GDP, whereas Services sector contributed less to GSDP of the State compared to its share in GDP of India.

Chart 1.2 reveals that during the five-year period 2017-18 to 2021-22, there has been an increase in the relative share of agriculture sector in GSDP of the State from 18.41 per cent in 2017-18 to 20.33 per cent in 2021-22. During the same period, there has been a decrease in the share of industry and service sectors from 40.39 and 33.05 per cent in 2017-18 to 39.86 and 32.97 per cent in 2021-22 respectively.

Chart 1.2: Change in sectoral contribution to GSDP (2017-18 to 2021-22)

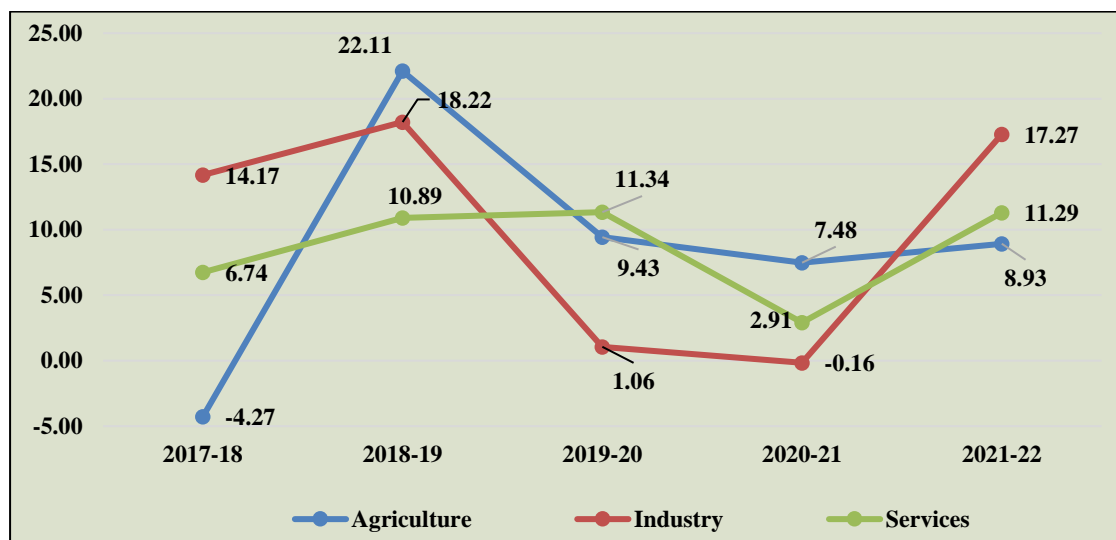


Source: Economic Survey (2021-22), Directorate of Economics and Statistics, Chhattisgarh

Note: Sectoral composition of GSDP is worked out after excluding figure of Taxes & Subsidies on Products. Percentage of Taxes & Subsidies w.r.t. GSDP in 2017-18 is 8.15% and in 2021-22 is 6.84%.

The year-on-year change in contribution of various sectors to the GSDP of the State is given below in **Chart 1.3**:

Chart 1.3: Sectoral growth in GSDP



Source: Economic Survey (2021-22), Directorate of Economics and Statistics, Chhattisgarh

1.2 Basis and Approach to State Finances Audit Report

In terms of Article 151 (2) of the Constitution of India, the reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. The State Finances Audit Report (SFAR) of Chhattisgarh for the year ending 31 March 2022 has been prepared by the CAG for submission to the Governor of Chhattisgarh under Article 151 (2) of the Constitution of India.

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

Finance Accounts and Appropriation Accounts of the State for the year 2021-22 constitute the core data for this report. Other sources include the following:

- Budget of the State for the year 2021-22 forms an important source of data – both for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, and for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit carried out by the Office of the Principal Accountant General (Audit), Chhattisgarh;
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS);

- GSDP related statistics from the Directorate of Economic and Statistical Department of Chhattisgarh; and
- Various audit reports of the CAG of India during 2017-22.

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

1.3 Report Structure

The SFAR is structured into the following five Chapters:

Chapter - I	<u>Overview</u> This Chapter describes the basis and approach to the Report and the underlying data, provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices, and State's fiscal position including the deficits/ surplus.
Chapter - II	<u>Finances of the State</u> This chapter provides a broad perspective of the finances of the State, the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2017-18 to 2021-22, debt profile of the State, and key Public Account transactions, based on the Finance Accounts of the State.
Chapter -III	<u>Budgetary Management</u> This chapter is based on the Appropriation Accounts of the State, reviews the appropriations and allocative priorities of the State Government, and reports on deviations from Constitutional provisions relating to budgetary management
Chapter -IV	<u>Quality of Accounts & Financial Reporting Practices</u> This chapter comments on the quality of accounts rendered by various authorities of the State Government, and on issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.
Chapter -V	<u>Financial Performance of State Public Sector Undertakings</u> This Chapter presents the summary of financial performance of State Public Sector Enterprises (Government Companies and Statutory Corporations) of Chhattisgarh.

1.4 Overview of Government Accounts Structure

The Accounts of the Government are kept in three Parts:

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

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans

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

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

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

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

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

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

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

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

Capital Account receipts consist of:

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

Non-debt receipts: Proceeds from disinvestment, Recoveries of loans and advances; **Capital Account disbursement** includes capital expenditure on the acquisition of land, building, machinery, equipment, investment in shares, and repayment of Public Debt and loans and advances by the government to PSUs and other parties.

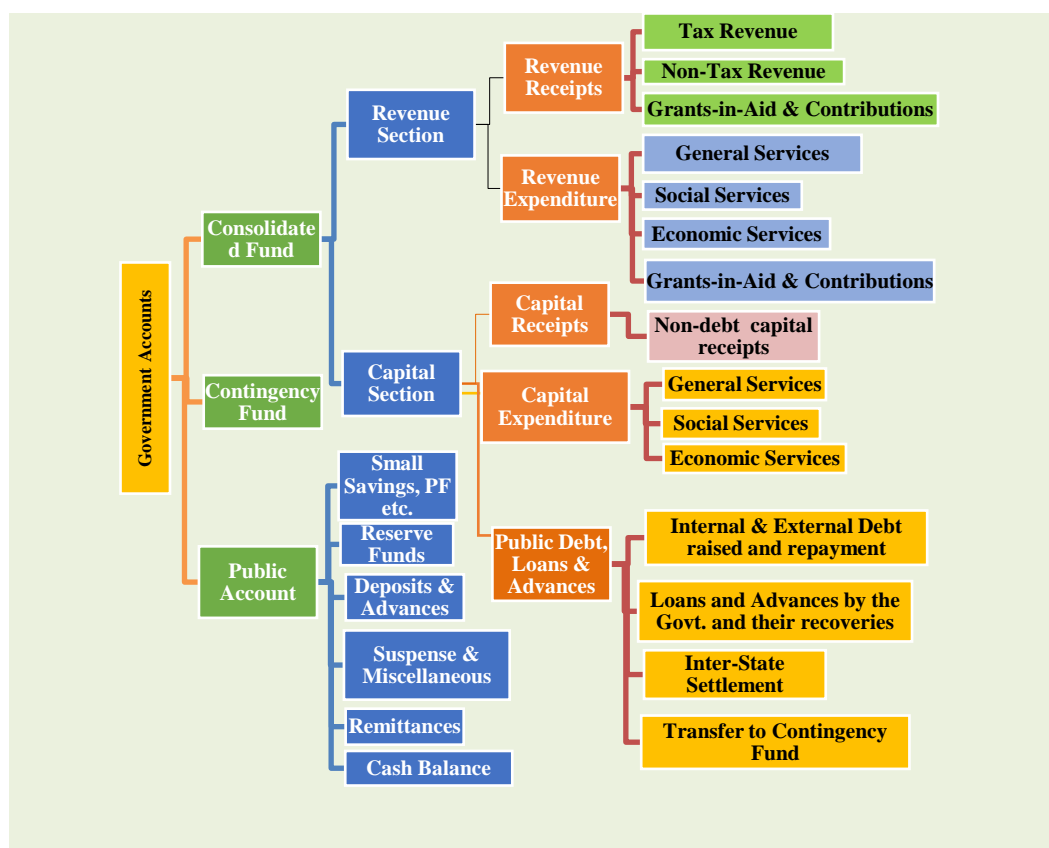
The Government accounting classification system is both functional and economic.

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

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

A pictorial depiction of the structure of Government Accounts is given in **Chart 1.4**.

Chart 1.4: Pictorial depiction of the structure of Government Accounts



Source: Finance Accounts

1.5 Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of Chhattisgarh caused to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year 2021-22, in the form of an **Annual Financial Statement**. In terms of Article 203, the above was submitted to the State Legislature in the form of 71 Demands for Grants/ Appropriations and after approval of these, the Appropriation Bill was passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund. Finance Accounts and Appropriation Accounts encompass the core data for preparation of the SFAR. These Accounts are based on actual receipts and expenditure of the State during the year 2021-22 including various inter-governmental and other adjustments carried out by the Reserve Bank of India (RBI).

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

1.5.1 Snapshot of Finances

The following table provides the details of actual financial results *vis-a-vis* Budget Estimates for the year 2021-22, and actuals of 2020-21.

Table 1.2: Snapshot of Finances

(₹ in crore)

Sl. No	Components	2020-21	2021-22	2021-22	Percentage of Actual to B.E.	Percentage of Actuals to GSDP
		(Actuals)	(Budget Estimate)	(Actuals)		
1	Tax Revenue	43,226.74	48,425.42	55,654.52	114.92	13.91
(i)	Own Tax revenue	22,889.20	25,750.00	27,083.73	105.18	6.77
(ii)	Share of Union Taxes and duties	20,337.54	22,675.42	28,570.79	126.00	7.14
2	Non-Tax Revenue	7,136.95	9,250.00	13,851.21	149.74	3.46
3	Grants-in-aid and contributions	12,812.49	21,650.00	10,146.30	46.87	2.54
4	Revenue Receipts (1+2+3)	63,176.18	79,325.42	79,652.03	100.41	19.91
5	Recovery of Loans and Advances including Inter State Settlement	104.13	320	88.02	27.51	0.02
6	Misc. Capital Receipts	4.85	0	4.89	0	0
7	Public Debt Receipts	21,581.68	18,776.38	15,098.28	80.41	3.77
8	Capital Receipts (5+6+7)	21,690.66	19,096.38	15,191.19	79.55	3.80
9	Total Receipts (4+8)	84,866.84	98,421.80	94,843.22	96.36	23.71
10	Revenue Expenditure	70,032.84	83,027.55	75,010.01	90.34	18.75
11	Interest Payments	5,633.11	6,470.83	6,144.24	94.95	1.54
12	Capital Expenditure	9,024.19	13,839.35	10,504.22	75.90	2.63
13	Loans & Advances including Inter-state Settlement	50.51	239.55	323.81	135.17	0.08
14	Total Exp. (10+12+13)	79,107.54	97,106.45	85,838.04	88.40	21.46
15	Revenue Surplus (+)/ Deficit (-) (4-10)	(-)6,856.66	(-)3,702.13	4,642.02	(-)125.39	1.16
16	Fiscal Deficit {(4+5+6)-14}	(-)15,822.38	(-)17,461.03	(-)6,093.10	34.90	(-)1.52
17	Primary Deficit (16+11)	(-)10,189.27	(-)10,990.20	51.14	(-)0.47	0.01

Source: Finance Accounts of respective years and Budget Book 2021-22.

Though the State Government has projected revenue deficit in budget, it achieved revenue surplus due to mobilization of higher tax and non tax revenue receipts vis-a-vis budget. Fiscal deficit remained less than that estimated due to less revenue and capital expenditure than projected in the budget.

1.5.2 Snapshot of Assets and liabilities of the Government

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

Table 1.3: Summarised position of Assets and Liabilities

(₹ in crore)

Sl. No.	Liabilities				Assets			
	Particulars	2020-21	2021-22	Percentage Increase(+)/ Decrease(-)	Particulars	2020-21	2021-22	Percentage Increase(+)/ Decrease(-)
1	Internal Debt	70,538.81	71,186.62	(+)0.91	Gross Capital Outlay	1,01,913.17	1,12,412.50	(+)10.30
2	Loans and Advances from GoI	6,169.30 ¹	11,726.15 ²	(+)90.07	Loans and Advances	1,342.78	1,409.86	(+)5.00
3	Contingency Fund (corpus)	100.00	100.00	(+)0.00	Contingency fund (un-recouped)	0.00	0.00	(+)0.00
4	Small Savings, Provident Funds, etc.,	8,021.40	8,020.50	(-)0.01	Advances	1.83	7.34	(+)301.09
5	Deposits	5,985.11	5,786.49	(-)3.32	Remittance	329.28	336.22	(+)2.08
6	Reserve Funds	9,180.67	9,627.40	(+)4.87	Suspense and Miscellaneous	0.00	0.00	(+)0.00
7	Suspense and Miscellaneous	77.19	142.70	(+)84.87	Cash Balance ³	9,461.37	9,921.62	(+)4.86
					Total (1 to 7)	1,13,048.43	1,24,087.54	(+)9.76
8	Remittances	0.00	0.00	(+)0.00	Deficit on Government Account	12,975.95	17,497.68	(+)34.85
	Total (1 to 8)	1,00,072.48	1,06,589.86	(+)6.56	Total (8-9)	1,00,072.48	1,06,589.86	(+)6.51

Source: Finance Accounts of respective years

1.6 Fiscal Balance: Achievement of deficit and total debt targets

Deficit is an indicator of prudent fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied, are important pointers to its fiscal health. This section presents trends, nature and magnitude of deficits and the manner of financing these deficits, and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis targets set under CGFRBM Act/Rules/fiscal policy statements for the financial year 2021-22.

1.6.1 Compliance with provisions of State FRBM Act

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

As per the CGFRBM Act 2005, the State Government was to eliminate revenue deficit

¹ Includes back to back loan of ₹3,109 crore in lieu of GST compensation shortfall.

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

³ Including investment in earmarked fund.

and bring fiscal deficit down to 3 per cent of the GSDP by the end of 31 March 2009. During 2021-22, target for fiscal deficit was set to 4 per cent of the GSDP as per the Medium term Fiscal Policy Statement presented along with Budget 2021-22.

Major fiscal variables, as set in CGFRBM Act/ disclosures made under the Act in fiscal policy statements, and their achievement during 2017-22 are given in **Table 1.4**.

Table 1.4: Major fiscal variables for 2017-22⁴

Sl. No.	Fiscal Parameters	Fiscal Targets set in the Act/MTFPS	Achievement (₹ in crore)				
			2017-18	2018-19	2019-20	2020-21	2021-22
1	Revenue Deficit (-)/ Surplus (+)	Revenue Surplus	3,417.32	683.76	(-)9,608.61	(-)6,856.66	4,642.02
			Yes	Yes	No	No	Yes
2	Fiscal Deficit(-)/ Surplus (+) (as percentage of GSDP)	3.50 per cent of GSDP for 2017-19 and 5 per cent of GSDP for 2019-21 & 4 per cent of GSDP for 2021-22	(-)	(-)	(-)	(-)	(-)
			6,810.32 (2.41%)	8,292.23 (2.53%)	17,969.55 (5.22%)	15,822.38 (4.49%)	6,093.10 (1.52%)
			Yes	Yes	No	Yes	Yes
3	Total outstanding debt as percentage of GSDP	18.47% for 2017-18 18.06% for 2018-19 21.23% for 2019-20 21.59% for 2020-21 28.34% for 2021-22	18.74%	20.37%	22.84%	25.44% ⁵	22.77% ⁶
			No	No	No	No	Yes

Source: Finance Accounts of the respective years

The State was able to achieve the target of revenue surplus during 2021-22. During 2021-22, Revenue Surplus of the State was ₹4,642.02 crore as compared to Revenue Deficit of ₹6,856.66 crore in 2020-21. The decrease in Revenue Deficit was mainly due to increase in Revenue Receipts by ₹16,475.85 crore (26.07 per cent) as compared to 2020-21 despite increase in Revenue Expenditure by ₹4,977.17 crore (7.10 per cent). The receipts under GIA from the Government of India decreased by 20.80 per cent over the previous year.

Fiscal Deficit of the State decreased during 2021-22 (₹6,093.10 crore) by ₹9,729.28 crore from ₹15,822.38 crore in 2020-21, as the Revenue Deficit of ₹6,856.66 crore in 2020-21 turned into Revenue Surplus of ₹4,642.02 crore in 2021-22. The ratio of Fiscal Deficit to GSDP was within the target prescribed under FRBM/MTFPS during the years 2017-18 to 2021-22, except in 2019-20. Fiscal Deficit at 5.22 per cent of the GSDP exceeded the target prescribed in the FRBM Act during 2019-20.

The GST compensation is the revenue of the State Government under GST (Compensation to States) Act, 2017. However, in addition to receiving the GST compensation amounting to ₹1,216.86 crore as revenue receipts, due to inadequate balance in GST compensation fund during the year 2021-22, Chhattisgarh also received back to back loan of ₹4,965.15 crore. The debt servicing of this loan would be done

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

⁵ Debt to GSDP percentage has been calculated on the total debt of ₹89,605.22 crore after excluding the amount of back to back loan of ₹3,109 crore in lieu of GST compensation shortfall.

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

from the collection of cess in GST compensation fund and hence, repayment obligation will not be met from the other resources of the State. The revenue surplus of ₹4,642.02 crore and fiscal deficit of ₹6,093.10 crore of the State Government as depicted in the Finance Accounts 2021-22 should, therefore, be read in conjunction with debt receipt of ₹4,965.15 crore in lieu of GST compensation. Thus revenue surplus and fiscal deficit would work out as ₹9,607.17 crore and ₹1,127.95 crore respectively during the year 2021-22, keeping in view the debt receipt of ₹4,965.15 crore in lieu of GST compensation.

The percentage of total outstanding debt to GSDP during 2021-22 was (22.77 per cent) within the target prescribed in the MTFPS (28.34 per cent) by the State Government and the target recommended by the XV Finance Commission (28 per cent). The percentage of debt to GSDP has been calculated after excluding back to back loan of ₹8,074.15 crore (₹4965.15 crore in 2021-22 and ₹3109 crore in 2020-21) received by the State Government in lieu of shortfall in GST compensation, from the amount of total outstanding debt.

Under section 5(3) of the Chhattisgarh State FRBM Act, 2005, whenever the State Government undertakes to unconditionally and substantially repay the principal amount and/or pay the interest of any separate legal entity, it has to reflect such liability as borrowing of the state in such form as may be prescribed. The Chhattisgarh FRBM Rules prescribes that the State Government shall at the time of presenting the annual financial statement and demand for grant make disclosures as required under section 5 of the CGFRBM Act. However, the State Government did not disclose such off-budget borrowings (₹4,383.37 crore) in the required Form D-2 “Total outstanding liabilities of the State Government” alongwith the budget document during the year 2017-18 to 2021-22.

1.6.2 Disclosures made under CGFRBM Act during 2021-22

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

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

Table 1.5 indicates the variation between the estimates made for 2021-22 in MFS/MTFPS presented to the State Legislature and actuals of the year.

Table 1.5: Actuals vis-à-vis estimates in MFS/MTFPS under FRBM Act for 2021-22

(₹ in crore)

Sl. No	Fiscal Variables	Projection as per disclosures under FRBM act	Actuals (₹ in crore)	Per cent Increase(+)/ Decrease(-)
1	Own Tax Revenue	25,750.00	27,083.73	5.18
2	Non-Tax Revenue	9,250.00	13,851.21	49.74
3	Share of Central Taxes	22,675.42	28,570.79	26.00
4	Grants-in aid from GoI	21,650.00	10,146.30	(-)53.13
5	Revenue Receipts (1+2+3+4)	79,325.42	79,652.03	0.41
6	Revenue Expenditure	83,027.55	75,010.01	(-)9.66
7	Revenue Deficit (-)/Surplus (+) (5-6)	(-)3,702.13	4,642.02	225.38
8	Fiscal Deficit (-)/Surplus (+)	(-)17,461.03	(-)6,093.10	(-)65.10
9	Debt-GSDP ratio (<i>per cent</i>)	28.34	22.77 ⁷	(-)19.65
10	GSDP growth rate at current prices (<i>per cent</i>)	9.37	13.60	45.14

Source: Finance Accounts and FRBM disclosures 2021-22.

It is evident from above table that the projections made in the MFS/MTFPS were met during 2021-22 except for Grant-in aid from GoI and Revenue Expenditure.

1.6.3 Deficit and Surplus

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

<p>Revenue Deficit/ Surplus</p> <p>(Revenue Expenditure – Revenue Receipts)</p>	<p><i>Refers to the difference between revenue expenditure and revenue receipts.</i></p> <ul style="list-style-type: none"> When the government incurs a revenue deficit, it implies that the Government is dissaving and is using up the savings of the other sectors of the economy to finance a part of its consumption expenditure. Existence of revenue deficit is a cause of concern as revenue receipts were not able to meet even revenue expenditure. Moreover, part of capital receipts was utilized to meet revenue expenditure, reducing availability of capital resources to that extent for creation of capital assets. This situation means that the Government will have to borrow not only to finance its investment but also for its consumption requirements. This leads to a build-up of stock of debt and interest liabilities and forces the government, eventually, to cut expenditure. If major part of revenue expenditure is committed expenditure (interest liabilities, salaries, pensions), the government reduces productive expenditure or welfare expenditure. This would mean lower growth and adverse welfare implications.
<p>Fiscal Deficit/ Surplus</p>	<p><i>It is the difference between the Revenue Receipts plus Non-debt Capital Receipts (NDCR) and the total expenditure. Fiscal Deficit is reflective of the total borrowing requirements of Government.</i></p>

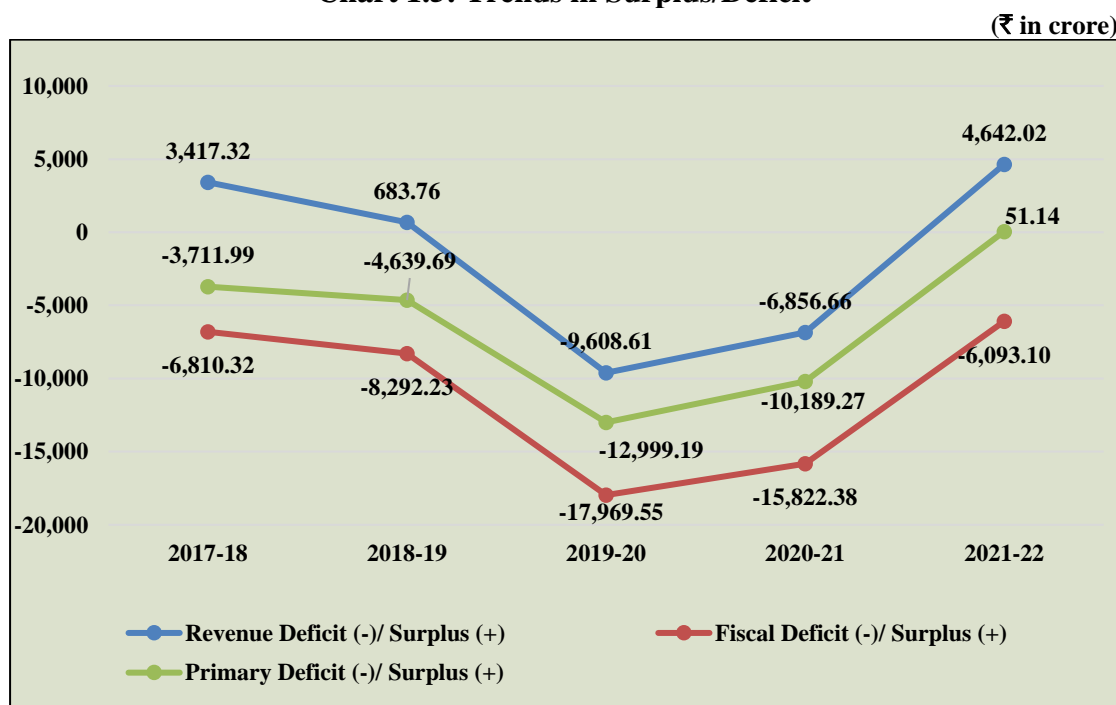
⁷ Debt/GSDP ratio calculated on outstanding debt excluding the amount of back-to-back loan of ₹8,074.15 crore.

(Total expenditure – Revenue receipts + Non-debt creating capital receipts)	<ul style="list-style-type: none"> Fiscal deficit is the difference between the government’s total expenditure and its total receipts excluding borrowings. Non-debt capital receipts are those receipts, which are not borrowings, and, therefore, do not give rise to debt. Examples are recovery of loans and the proceeds from the sale of PSUs. The fiscal deficit will have to be financed through borrowing. Thus, it indicates the total borrowing requirements of the government from all sources. <p>Governments usually run fiscal deficits and borrow funds for capital/ assets formation or for creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating an income stream. Thus it is desirable to fully utilize borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest.</p>
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1.6.4 Trends of Deficit/Surplus

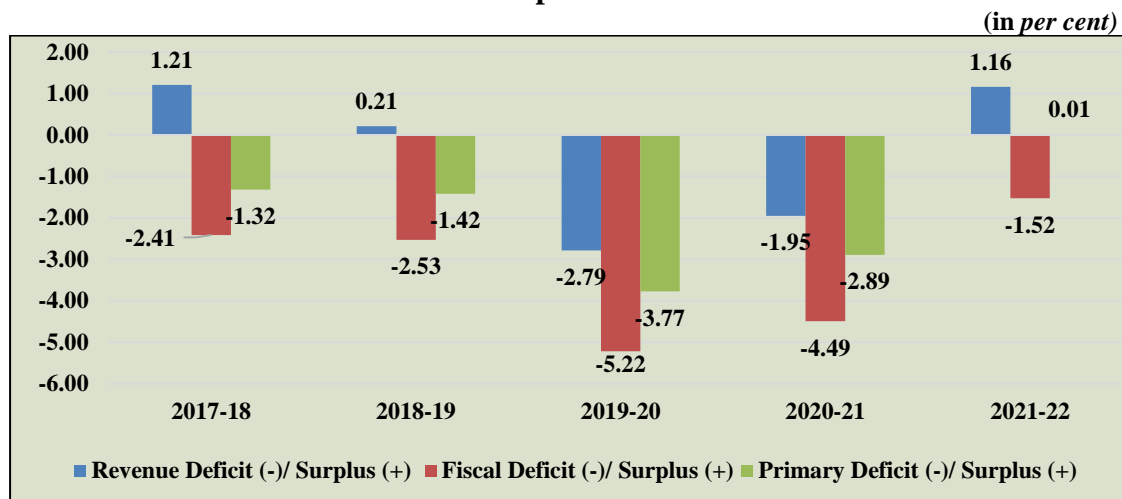
The State had a fiscal deficit of ₹6,093.10 crore during the year 2021-22, representing 1.52 *per cent* of the GSDP (₹4,00,060.80 crore) and constituting 7.09 *per cent* of Total Expenditure (₹85,838.04 crore). The Primary Deficit of ₹10,189.27 crore during 2020-21 turned into Primary Surplus of ₹51.14 crore during the current year. The Revenue Deficit of ₹6,856.66 crore during 2020-21 turned into Revenue Surplus of ₹4,642.02 crore. The trend of surplus and deficit over the five-year period 2017-18 to 2021-22 is depicted in **Chart 1.5** and trend in surplus or deficit relative to GSDP is given in **Chart 1.6**.

Chart 1.5: Trends in Surplus/Deficit



Source: Finance Accounts of the respective years

Chart 1.6: Trends in Surplus/Deficit relative to GSDP



Source: Finance Accounts of the respective years

1.7 State Finance Commission

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

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

Table 1.6: Constitution of State Finance Commission

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

Source: Finance Commission reports and notification of acceptance

First State Finance Commission of Chhattisgarh was constituted on 22 August 2003. It was reconstituted on 14 July 2004 and the Commission submitted its report in May 2007. In the meantime the recommendation of first and second State Finance Commission (SFC) of Madhya Pradesh for the relevant years were applicable to the newly created state. The first SFC has made a total of 81 recommendations out of which the State Government accepted 36 while 5 others are accepted with modification.

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

of 133 recommendations out of which the State Government accepted 103.

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

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

State Finance commissions were not constituted on time. The delay in constitution of State Finance Commissions and implementation of the State Finance Commission's recommendations resulted in further delay in devolution of funds to the Local Bodies.

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

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

(in per cent)

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

Source: Finance Commission reports

First SFC had recommended devolution of 8.28 per cent of the State's Own Tax Resources (SOTR) to the local bodies during its award period of 2007-12. However the state Government agreed to devolve only 6 per cent (4.79 per cent to PRIs and 1.21 per cent to ULBs). Second SFC had recommended devolution of 8 per cent of SOTR to the local bodies during its award period 2012-17, the same was accepted by the State Government. Out of devolution the share of PRIs was 6.15 per cent and the share of ULBs was 1.85 per cent. Third SFC had recommended devolution of 9 per cent of net SOTR to the local bodies during its award period 2017-22, the same was accepted by the State Government for period 2020-25. Out of devolution the share of PRIs was 6.91 per cent and the share of ULBs was 2.09 per cent.

The details of fund flow with regard to recommendation by SFC, devolution accepted and actual budget allocated and released by the State Government during 2017-18 and 2021-22 are shown in **Table 1.8**.

Table 1.8: SFC projections *vis-à-vis* Devolution accepted and Actual budget/expenditure by the State Government during 2017-22

(₹ in crore)

Sl. No.	Year	Percentage recommended by SFC			Devolution accepted By State Government			Budget Allocated By State Government			Actual Release By State Government		
		PRI	ULB	Total	PRI	ULB	Total	PRI	ULB	Total	PRI	ULB	Total
1	2017-18	(6.15)	(1.85)	(8.00)	(6.15)	(1.85)	(8.00)	901	278	1179	946	442	1388
2	2018-19	(6.15)	(1.85)	(8.00)	(6.15)	(1.85)	(8.00)	800	300	1100	839	300	1139
3	2019-20	(6.15)	(1.85)	(8.00)	(6.15)	(1.85)	(8.00)	756	321	1077	750	321	1071
4	2020-21	(6.91)	(2.09)	(9.00)	(6.91)	(2.09)	(9.00)	865	444	1309	606	442	1048
5	2021-22	(6.91)	(2.09)	(9.00)	(6.91)	(2.09)	(9.00)	858	451	1309	651	451	1102

Figures in the bracket shows the per cent of net SOTR (State's own tax revenue)

Actual fund released to ULB was as per the budget allocation during 2017-22 except in 2020-21 where marginal decline was observed. But actual fund released to PRI was less than the budget allocated during last five year except in 2017-18.

1.8 Deficits and Total Debt after examination in Audit

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

1.8.1 Post audit - Deficits/surplus

Certain issues *viz.* incorrect classification/booking of revenue expenditure as capital by the State Government in its accounts of 2021-22, non-transfer of central share of grant received to the respective funds and other issues, which are discussed in the Report in succeeding Chapters, had an impact on Revenue/ Fiscal surplus/deficit indicated in the Finance Accounts of 2021-22. In order to arrive at actual deficit figure, the impact of above issues needs to be appropriately factored in.

The impact of issues pointed out above resulted in understatement of revenue expenditure by ₹2,559.60 crore for the year 2021-22 which has been worked out in the **Table 1.9** and the assessment of revenue deficit and fiscal deficit after taking into account the above audit impact is depicted in **Table 1.10**.

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

(₹ in crore)

Sl. No.	Item	Over statement of revenue expenditure	Under statement of revenue expenditure
1	Misclassification between revenue and capital ⁸	0	2,230.14
2	National Pension Scheme	0	3.92
3	Interest liabilities on National Pension Scheme	0	2.28
4	Non transfer of Infrastructure Development Cess and Environment Cess	0	323.26
Total		0	2,559.60

Source: Finance Accounts 2021-22

Table 1.10: Result of impact computed by audit

(₹ in crore)

Sl. No.	Particular	As per Finance Accounts	Overstated/ Understated (-) by	Actual/Post audit examination
	1	2	3	(4)=(2)+(3)
1	Revenue Deficit (-) /Surplus(+)	4,642.02	2,559.60	2,082.42
2	Fiscal deficit (-)	(-)6,093.10	(-)329.46	(-)6,422.56

Source: Finance Accounts 2021-22

1.8.2 Post audit – Total Debt/ liabilities

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

Audit examination revealed that during the period 2017-22, the State Government has resorted to off-budget borrowings of ₹4,383.37 crore through five PSUs out of which Government made repayment of principal of ₹510.57 crore besides servicing of interest on these off-budget borrowings through State budget. This issue has been discussed in detail in **Para 4.15** of the Report. For computing post audit liabilities, the off-budget borrowings have been added to the total liabilities.

In order to meet the shortfall in GST compensation to be paid to the State due to inadequate balance in GST Compensation Fund, the Government of India set up a special borrowing in the year 2020-21 and accordingly, released back to back loans to the State amounting to ₹3,109 crore in 2020-21 and ₹4,965.15 crore in 2021-22 (total ₹8,074.15 crore). This back to back loan has been considered over and above the yearly net borrowing ceiling of the State fixed on the basis of Finance Commission

⁸ ₹2230.14 crore includes booking of revenue exp. i.e. Grant-in-aid (₹2227.04 Crore), Maintenance works (₹0.09 crore), Office expenses (₹1.23 crore) and Payment for professional services (₹1.77 crore) as capital exp.

recommendation. Further, the debt servicing of this loan is to be done from the collection of cess in GST Compensation Fund, and hence repayment obligation will not be met from other resources of the State. For computing post audit liabilities back to back loan received in lieu of GST compensation shortfall is also excluded.

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

Table 1.11: Overall liabilities, post examination in Audit

Sl. No.	Particulars	Amount (₹ in crore)	Percentage of GSDP
1	Total liabilities/Overall debt as per Accounts as on 31.03.2022 (A)	99,172.89	24.79
2	Net off-budget liabilities (₹4,383.37 - ₹510.57) as on 31.03.2022(B)	3,872.80	0.97
3	Total liabilities including off-budget liabilities (C) = (A) + (B)	1,03,045.69	25.76
4	Back to back loan in lieu of GST compensation shortfall (D)	8,074.15	2.02
5	Total liabilities (C)-(D)	94,971.54	23.74

Source: Finance Accounts 2021-22

It can be seen from the above table that the debt to GSDP percentage decreased from 24.79 per cent to 23.74 per cent after adjusting the off-budget liabilities and back to back loan.

CHAPTER II

FINANCES OF THE STATE

Chapter II: Finances of the State

2.1 Introduction

This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the five-year period from 2017-18 to 2021-22, debt sustainability of the State and key Public Account transactions, based on the Finance Accounts of the State.

Major changes in Key Fiscal Aggregates during 2021-22 vis-à-vis 2020-21

Table 2.1 gives a bird's eye view of the major changes in key fiscal aggregates of the State during 2021-22, compared to the previous year.

Table 2.1: Changes in key fiscal aggregates in 2021-22 compared to 2020-21

Revenue Receipts	<ul style="list-style-type: none">➤ Revenue Receipts of the State increased by 26.08 per cent➤ Own Tax Receipts of the State increased by 18.33 per cent➤ Non-Tax Receipts increased by 94.08 per cent➤ State's Share of Union Taxes and Duties increased by 40.48 per cent➤ Grants-in-Aid from Government of India decreased by 20.81 per cent
Revenue Expenditure	<ul style="list-style-type: none">➤ Revenue Expenditure increased by 7.11 per cent➤ Revenue Expenditure on General Services increased by 9.14 per cent➤ Revenue Expenditure on Social Services increased by 11.56 per cent➤ Revenue Expenditure on Economic Services increased by 1.25 per cent➤ Expenditure on Grants-in-Aid and contributions decreased by 1.12 per cent
Capital Expenditure	<ul style="list-style-type: none">➤ Capital Expenditure increased by 16.40 per cent➤ Capital Expenditure on General Services decreased by 30.93 per cent➤ Capital Expenditure on Social Services increased by 10.19 per cent➤ Capital Expenditure on Economic Services increased by 23.98 per cent
Loans and Advances	<ul style="list-style-type: none">➤ Disbursements of Loans and Advances increased by 541.70 per cent➤ Recoveries of Loans and Advances decreased by 15.97 per cent
Public Debt	<ul style="list-style-type: none">➤ Public Debt Receipts decreased by 30.04 per cent➤ Repayment of Public Debt increased by 10.29 per cent
Public Account	<ul style="list-style-type: none">➤ Public Account Receipts increased by 6.84 per cent➤ Public Account Disbursements increased by 6.90 per cent
Cash Balance	<ul style="list-style-type: none">➤ Cash balance and investment of cash balances increased by ₹460.25 crore (4.86 per cent) during 2021-22 over the previous year

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

2.2 Sources and Application of Funds

Table 2.2 compares the sources and application of funds of the State during 2021-22 with 2020-21 figures, while **Charts 2.1** and **2.2** give the details of receipts into and expenditure from the Consolidated Fund during 2021-22 in terms of percentages.

Table 2.2: Details of Sources and Application of funds during 2020-21 and 2021-22

(₹ in crore)

Sl. No.	Particulars	2020-21	2021-22	Increase (+)/ Decrease (-)
1	Source			
2	Opening Cash Balance ¹	11,396.60	9,461.37	(-)1,935.23
3	Revenue Receipts	63,176.18	79,652.03	16,475.85
4	Misc. Capital Receipts	4.85	4.89	0.04
5	Recoveries of Loans and Advances	104.80	88.06	(-)16.78
6	Inter-State Settlement	(-)0.67	(-)0.04	0.63
7	Public Debt Receipts (Net)	13,561.39	6,252.98	(-)7,308.41
8	Public Account Receipts (Net)	325.76	300.37	(-)25.39
9	Contingency Fund	0	0	0
10	Total	88,568.91	95,759.66	7,190.75
11	Application			
12	Revenue Expenditure	70,032.84	75,010.01	4,977.17
13	Capital Expenditure	9,024.19	10,504.22	1,480.03
14	Disbursement of Loans and Advances	50.5	324.06	273.56
15	Inter-State Settlement	0.01	(-)0.25	(-)0.26
16	Contingency Fund	0.00	0.00	0.00
17	Closing Cash Balance	9,461.37	9,921.62	460.25
18	Total	88,568.91	95,759.66	7,190.75

Source: Finance Accounts 2020-21 and 2021-22

Chart 2.1: Sources of Resources (per cent)

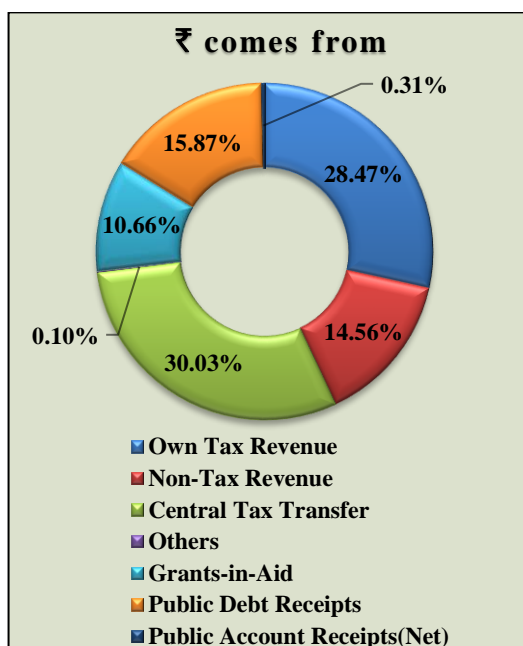
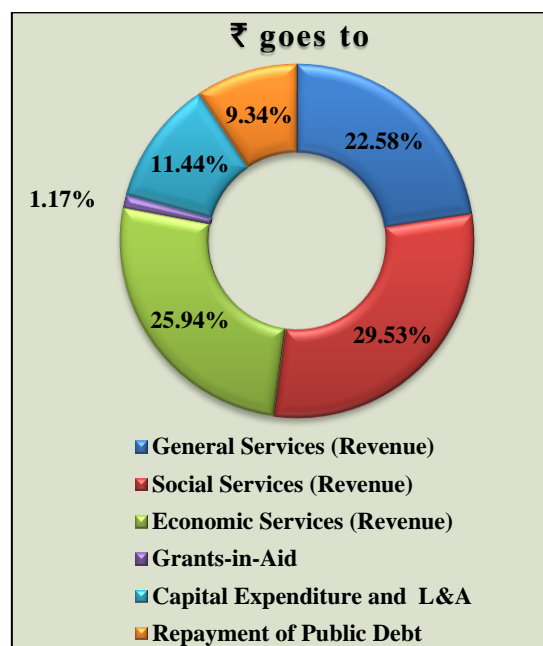


Chart 2.2: Application of Resources (per cent)



Source: Finance Accounts 2021-22

Note: Others include Recoveries of Loans & Advances and Capital Receipts

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

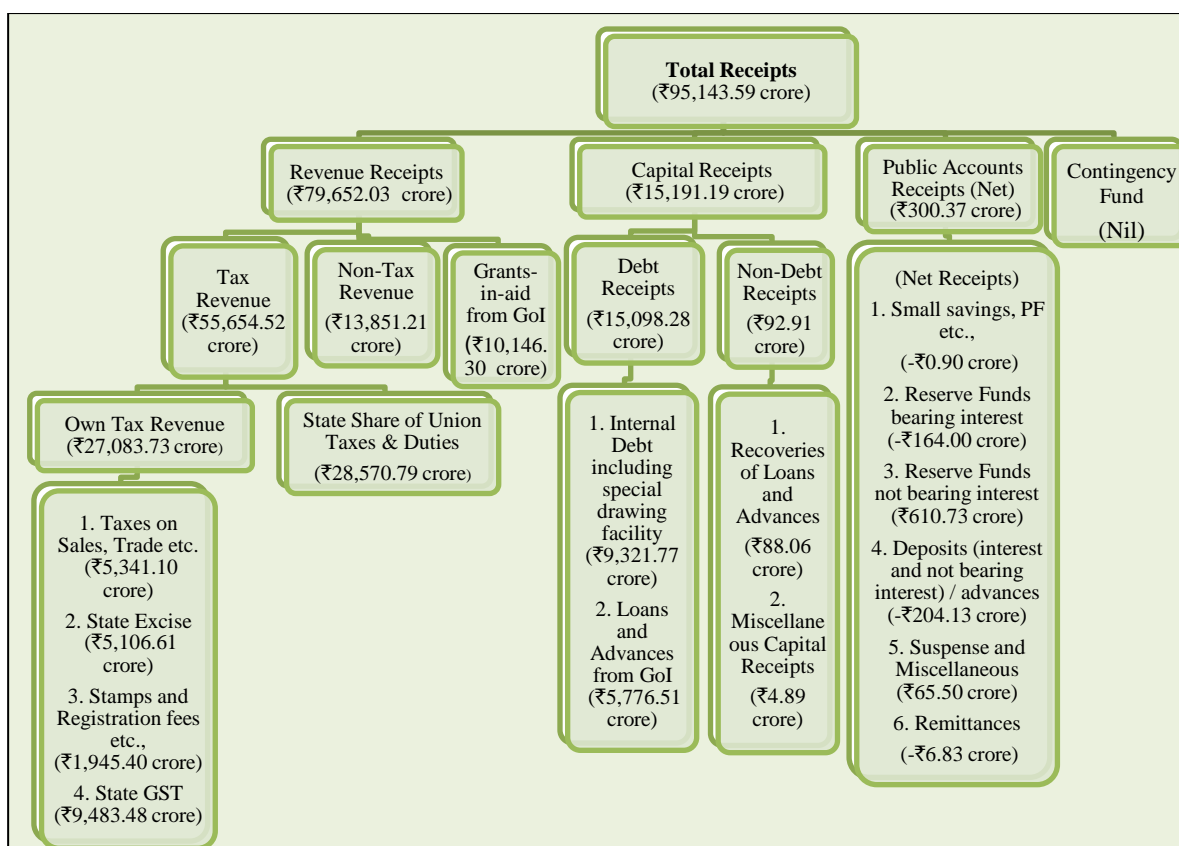
2.3 Resources of the State

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

2.3.1 Receipts of the State

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

Chart 2.3: Composition of receipts of the State during 2021-22



Source: Finance Accounts 2021-22

2.3.2 Revenue Receipts

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

2.3.2.1 Trends and growth of Revenue Receipts

Table 2.3 provides the trends and growth of Revenue receipts as well as revenue buoyancy with respect to GSDP over the five-year period 2017-22. Further, trends in Revenue Receipts relative to GSDP and composition of Revenue Receipts are given in **Charts 2.4 and 2.5** respectively.

Table 2.3: Trend in Revenue Receipts

						(₹ in crore)
Sl. No.	Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
1	Revenue Receipts (RR)	59,647.07	65,094.93	63,868.70	63,176.18	79,652.03
2	Rate of growth of RR (<i>per cent</i>)	11.11	9.13	(-1.88)	(-)1.08	26.08
3	Own Tax Revenue	19,894.68	21,427.26	22,117.85	22,889.20	27,083.73
4	Non-Tax Revenue	6,340.42	7,703.02	7,933.77	7,136.95	13,851.21
5	Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (<i>per cent</i>)	6.58	11.04	3.16	(-)0.08	36.33
6	Gross State Domestic Product	2,82,266	3,27,693	3,44,571^P	3,52,161^Q	4,00,061^A
7	Rate of growth of GSDP (<i>per cent</i>)	7.41	16.09	5.15	2.20	13.60
8	RR/GSDP (<i>per cent</i>)	21.13	19.86	18.54	17.94	19.91
Buoyancy Ratios²						
9	Revenue Buoyancy w.r.t GSDP	1.50	0.57	(-)0.37	(-)0.49	1.92
10	State's Own Revenue Buoyancy to GSDP	0.89	0.69	0.61	(-)0.04	2.67

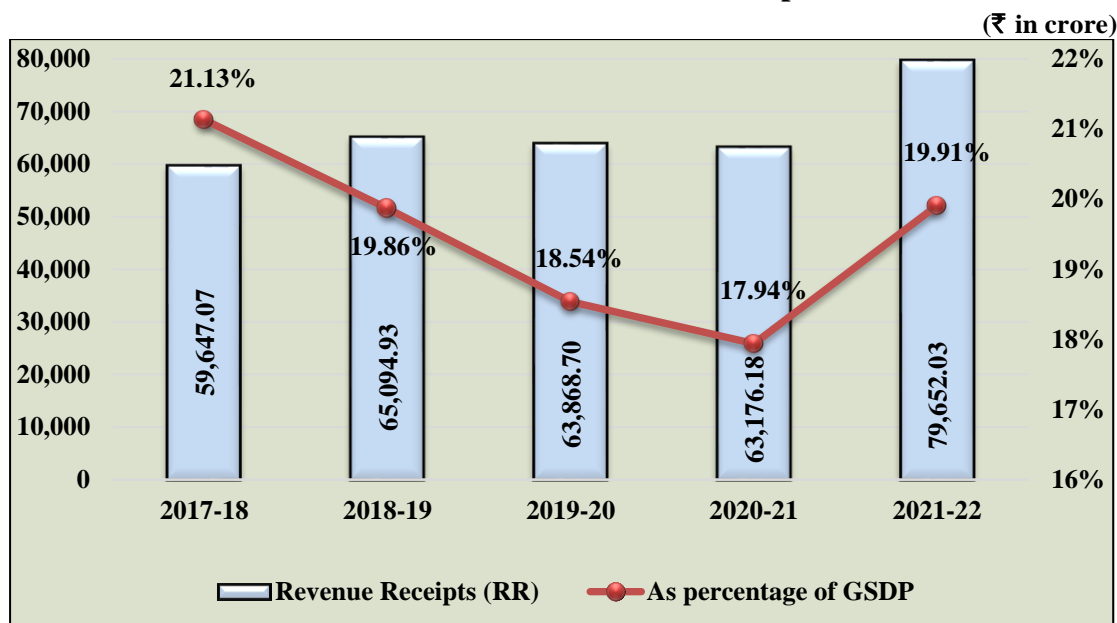
Source: Finance Accounts of the respective years, GSDP figures: Directorate of Economics and Statistics of the Chhattisgarh State.

P-Provisional Estimates; Q-Quick Estimates; A-Advance Estimate

Revenue buoyancy measures the percentage change in the revenue receipts to the percentage change in GSDP. As can be seen from **Table 2.3**, Revenue buoyancy which was (-)0.49 during the year 2020-21 has increased to 1.92 in the year 2021-22, this shows that during the year 2021-22 when GSDP has grown by one basis point, Revenue Receipts of the State showed a growth of 1.92 basis points. Further, Own Revenue buoyancy increased from (-)0.04 in 2020-21 to 2.67 during the year 2021-22 which implies that during the year 2021-22 when GSDP of the State has grown by one basis point, Own Revenue showed a growth by 2.67 basis points.

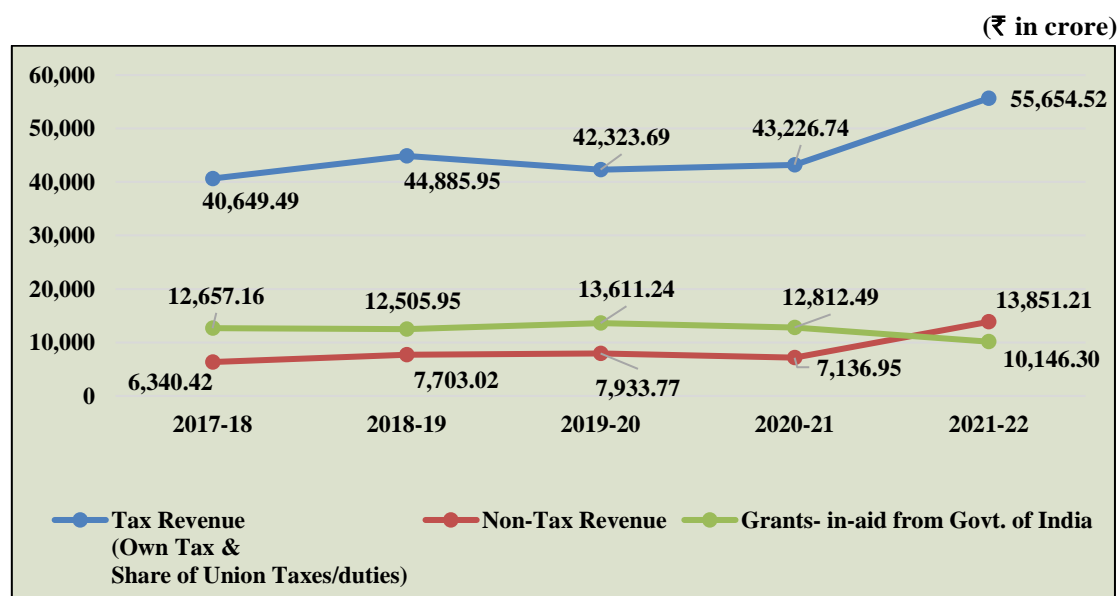
²Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable.

Chart 2.4: Trend of Revenue Receipts



Source: Finance Accounts of the respective years

Chart 2.5: Trend of components of Revenue Receipts



Source: Finance Accounts of the respective years

An analysis of Revenue receipts of the State revealed that:

- Revenue receipts increased by ₹20,004.96 crore from ₹59,647.07 crore in 2017-18 to ₹79,652.03 crore during 2021-22. During 2021-22, Revenue receipts increased by ₹16,475.85 crore (26.08 per cent) over previous year mainly due to increase in receipts of Tax Revenue by ₹12,427.78 crore (28.75 per cent) and Non-Tax Revenue by ₹6,714.26 crore (94.08 per cent).
- During 2017-18, about 44 per cent of the Revenue receipts came from State's own resources, while Central Tax Transfers and Grants-in-Aid together

contributed 56 *per cent*. In the year 2021-22 about 51 *per cent* of the Revenue receipts came from State's own resources, while Central Tax Transfers and Grants-in-Aid together contributed 49 *per cent*.

- During the current year, Revenue receipts increased significantly by 26.08 *per cent* (₹16,475.85 crore) while the Revenue expenditure increased by 7.11 *per cent* (₹4,977.17 crore), leading to Revenue surplus of ₹4,642.02 crore, as against Revenue Deficit of ₹6,856.66 crore in the previous year.

2.3.3 State's own resources

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

The states actual Own Tax and Non-Tax Revenue receipts for the year 2017-18 to 2021-22 are given in the **Table 2.4**.

Table 2.4: Growth of State's own Tax/Non-Tax revenue during 2017-22

(₹ in crore)						
Sl. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
1	Own Tax Revenue	19,894.68	21,427.26	22,117.85	22,889.20	27,083.73
2	Rate of Growth (<i>per cent</i>)	5.01	7.70	3.22	3.49	18.33
3	Non-Tax Revenue	6,340.42	7,703.02	7,933.77	7,136.95	13,851.21
4	Rate of Growth (<i>per cent</i>)	11.84	21.49	3.00	(-)10.04	94.08

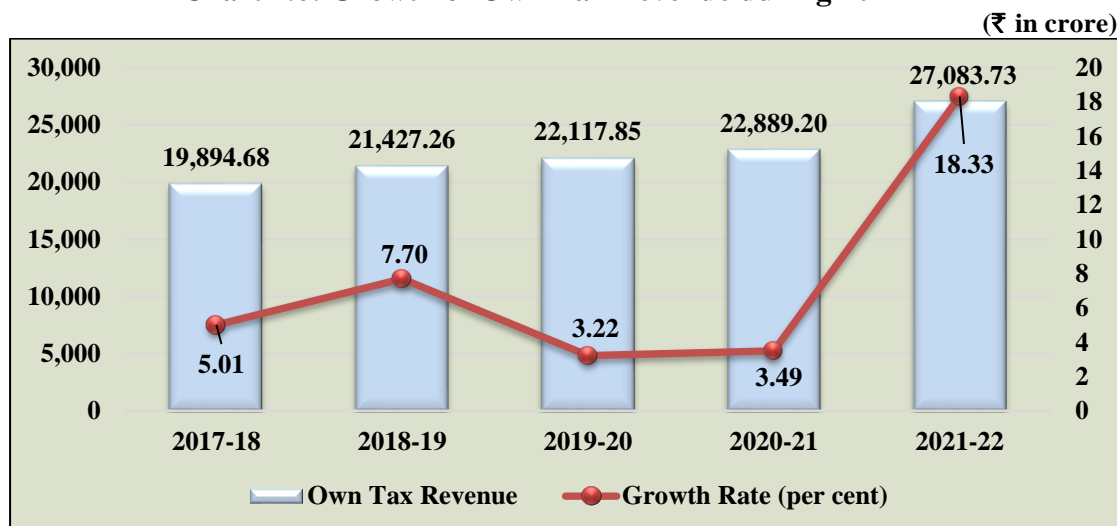
Source: Finance Accounts of the respective years

- The growth rate of Own Tax Revenue (OTR) showed fluctuating trends ranging from 3.22 *per cent* to 18.33 *per cent* during 2017-22 and increased significantly by ₹4,194.57 crore (18.33 *per cent*) from ₹22,889.20 crore in 2020-21 to ₹27,083.73 crore in 2021-22.
- The growth rate of Non-Tax Revenue (NTR) showed fluctuating trends ranging from (-)10.04 *per cent* to 94.08 *per cent* during 2017-22 and increased significantly by ₹6,750.04 crore (94.08 *per cent*) from ₹7,136.95 crore in 2020-21 to ₹13,851.21 crore in 2021-22.

2.3.3.1 Own Tax Revenue

Own tax revenues of the State consist of State GST, State excise, taxes on vehicles, Stamp duty and Registration fees, Land revenue, taxes on goods and passengers, etc. Growth of Own Tax Revenue of the State Government during the five-year period 2017-22 is given in **Chart 2.6**:

Chart 2.6: Growth of Own Tax Revenue during 2017-22



Source: Finance Accounts of the respective years

The component-wise details of Own Tax Revenue collected during the five-year period 2017-22 are given in Table 2.5.

Table 2.5: Component-wise Own Tax Revenue during 2017-22

(₹ in crore)

Sl. No.	Heads	2017-18	2018-19	2019-20	2020-21	2021-22	% Increase (+) / Decrease (-) in 2021-22 over 2020-21
1	Taxes on Sales, Trades, etc.	6,449.60	4,087.72	3,931.37	4,236.04	5,341.10	26.09
2	State Goods and Services Tax	4,386.56	8,203.41	7,894.82	7,925.01	9,483.48	19.67
3	State Excise	4,054.00	4,489.03	4,952.36	4,635.80	5,106.61	10.16
4	Taxes on Vehicles	1,180.01	1,204.85	1,274.85	1,148.07	1,372.51	19.55
5	Stamps and Registration Fees	1,197.47	1,108.46	1,634.63	1,584.94	1,945.36	22.74
6	Land Revenue	446.41	487.57	551.5	937.71	949.94	1.30
7	Taxes on Goods and Passengers	477.66	54.51	40.51	79.83	47.90	(-)40.00
8	Taxes and duties on electricity	1,688.96	1,790.27	1,837.00	2,341.41	2,836.05	21.13
9	Other Taxes ³	14.01	1.44	0.81	0.39	0.78	100.00
	Total	19,894.68	21,427.26	22,117.85	22,889.20	27,083.73	18.33

Source: Finance Accounts of respective years

- Own Tax Revenue of the State increased by ₹7,189.05 crore (36.14 per cent) from ₹19,894.68 crore in 2017-18 to ₹27,083.73 crore in 2021-22. During the current year, the Own Tax Revenue increased by ₹4,194.57 crore (18.33 per cent) mainly due to increase in receipts under State Goods and Services Tax (₹1,558.47 crore), Taxes on Sales, Trades, etc. (₹1,105.06 crore).

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

- Out of the Total Own Tax Revenue of ₹27,083.73 crore in 2021-22, the State Goods and Services Tax contributed 35.02 *per cent* followed by Taxes on Sales, Trades, etc. 19.72 *per cent* and State Excise 18.85 *per cent*.

2.3.3.2 State Goods and Services Tax (SGST)

The State Government implemented the Goods and Services Tax (GST) Act, with effect from 01 July 2017. Under the GST (Compensation to the States) Act, 2017, the Central Government will compensate the States for loss of revenue arising on account of implementation of GST for a period of five years. The compensation payable to the State shall be calculated for every financial year after the receipt of final revenue figures, as audited by the Comptroller and Auditor General of India. A base year (2015-16) revenue figure of taxes subsumed under GST was finalised under GST Act. As per the provisions of the Act, the projected revenue for Chhattisgarh was calculated at ₹16,149.36 crore for the year 2021-22 by applying the projected growth at the rate of 14 *per cent* per annum over the base year (2015-16) revenue of ₹7,357.43 crore.

Revenue on account of GST for the year 2021-22 has been depicted in the Finance Accounts as per nature of receipts *i.e.*, State Goods and Services Tax (SGST), Input Tax Credit cross utilization of SGST and Integrated Goods and Services Tax (IGST), Apportionment of IGST-transfer-in of Tax component to SGST and Advance apportionment from IGST. Against the projected revenue of ₹16,149.36 crore, the revenue receipts of the State under GST were ₹9,483.48 crore during the year 2021-22. The State Government received compensation of ₹1,216.86 crore from GoI for loss of revenue arising out of implementation of GST. Besides, the State Government also received back to back loan of ₹4,965.15 crore from GoI to meet the resource gap due to shortfall in GST compensation during 2021-22.

2.3.3.3 Non-Tax Revenue

Non-Tax revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts, etc. The component-wise details of Non-Tax Revenue collected during the years 2017-22 were as follows:

Table 2.6: Component wise non-tax Revenue during 2017-22

(₹ in crore)							
Sl. No.	Revenue head	2017-18	2018-19	2019-20	2020-21	2021-22	% Increase (+)/ Decrease (-) in 2021-22 over 2020-21
1	Non-ferrous Mining and Metallurgical Industries	4,911.44	6,110.24	6,195.73	5,538.49	12,305.39	122.18
2	Interest receipts	180.44	189.55	232.41	89.77	137.96	53.68
3	Dividend and Profits	4.80	1.49	2.39	2.29	3.64	58.95
4	Major Irrigation	461.23	521.81	437.04	445.91	418.17	(-)6.22
5	Forestry and Wild Life	291.17	236.73	249.37	277.09	346.90	25.19
6	Other non-tax receipts	491.34	643.20	816.83	783.40	639.15	(-)18.41
Total		6,340.42	7,703.02	7,933.77	7,136.95	13,851.21	94.08

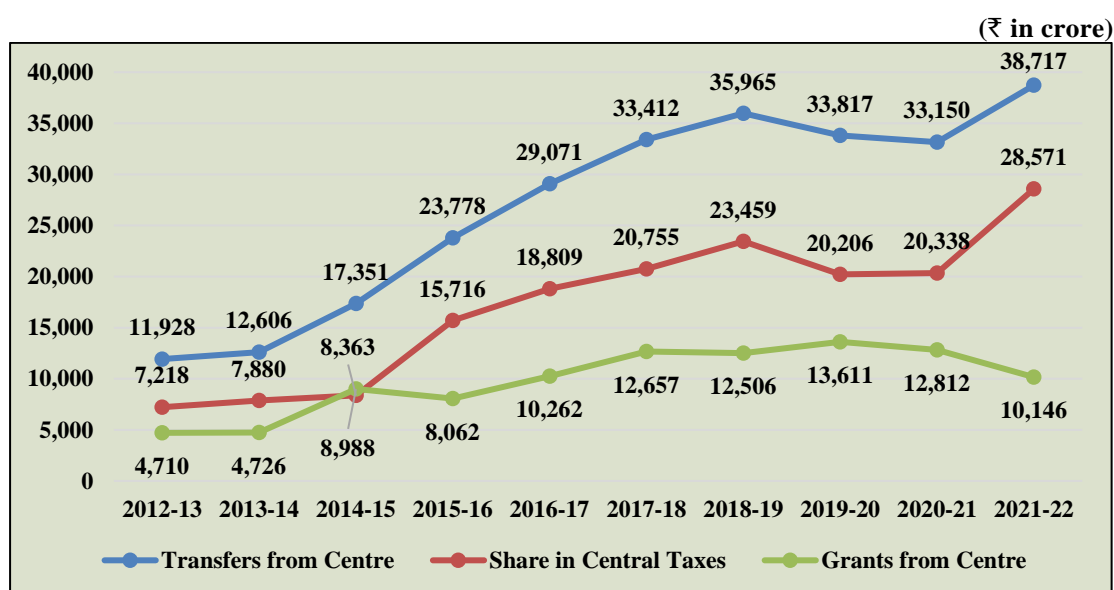
Source: Finance Accounts of the respective years

The Total Non-Tax Revenue receipts increased by ₹7,510.79 crore (118.46 per cent) from ₹6,340.42 crore in 2017-18 to ₹13,851.21 crore in 2021-22. The Non-Tax Revenue increased significantly by ₹6,750.04 crore (94.08 per cent) during 2021-22 over the previous year mainly due to increase in receipts from auction of coal blocks and other minerals under Non-ferrous Mining and Metallurgical Industries by ₹6,766.90 crore.

2.3.3.4 Transfers of funds from the Centre

Transfer of funds from Central Government are dependent on recommendations of Finance Commission. The trends in this regard during the ten year period 2012-22 are given in **Chart 2.7**:

Chart 2.7: Trends in transfers from the Centre



Source: Finance Accounts of the respective years

Transfer of funds from the Centre have increased from 2015-16 onwards, as State's share of Central taxes increased to 42 per cent from 32 per cent as per XIV Finance Commission. Also, The GoI accepted the recommendations of XV FC to decrease the States' share in the divisible pool of taxes from 42 per cent to 41 per cent with effect from 2020-21 onwards.

Transfers from the Centre increased by ₹26,789.16 crore from ₹11,927.93 crore in 2012-13 to ₹38,717.09 crore in 2021-22. During the current year, Transfers from the Centre increased by ₹5,567.06 crore from ₹ 33,150.03 crore in 2020-21 to ₹38,717.09 crore in 2021-22.

Central Tax Transfers

The details of Chhattisgarh State's share in Union Taxes and Duties during 2017-22 are given in **Table 2.7**.

Table 2.7: Central Tax Transfers

(₹ in crore)

Sl. No.	Head	2017-18	2018-19	2019-20	2020-21	2021-22
1	Central Goods and Services Tax	291.44	5,789.33	5,733.71	6,068.90	8,628.50
2	Integrated Goods and Services Tax	2,094.36	462.00	0.00	0.00	0.00
3	Corporation Tax	6,352.98	8,157.09	6,889.42	6,117.65	7,699.82
4	Taxes on Income other than Corporation Tax	5,364.62	6,007.35	5,398.34	6,269.51	8,887.95
5	Customs	2,093.70	1,662.66	1,280.78	1,097.20	2,017.68
6	Union Excise Duties	2,188.50	1,104.93	890.49	686.04	1,009.06
7	Service Tax	2,369.40	217.76	0.00	84.52	296.68
8	Other Taxes	(-)0.19	57.57	13.10	13.72	31.10
9	Central Tax transfers	20,754.81	23,458.69	20,205.84	20,337.54	28,570.79
10	Percentage of increase over previous year	10.34	13.03	(-)13.87	0.65	40.48
11	Percentage of Central tax transfers to Revenue Receipts	34.80	36.04	31.64	32.19	35.87

Source: Finance Accounts of the respective years

Over the five-year period 2017-22, Central tax transfers increased by ₹7,815.98 crore (37.66 per cent) from ₹20,754.81 crore in 2017-18 to ₹28,570.79 crore in 2021-22. The growth rate of Central Tax Transfers showed fluctuating trends ranging from (-)13.87 per cent to 40.48 per cent during 2017-22. The increase of Central Tax transfers by ₹8,233.25 crore (40.48 per cent) in 2021-22 over the previous year was mainly under Taxes on Income other than Corporation Tax (₹2,618.44 crore) and Central Goods and Service tax (₹2,559.60 crore).

2.3.3.5 Grants-in-Aid from Government of India

The State Government receives Grants-in-Aid and share of Union Taxes and Duties based on the recommendations of Finance Commission. Details of Grants-in-Aid (GIA) received by the State Government from GoI during 2017-22 are given below in **Table 2.8:**

Table 2.8: Grants-in-Aid from GoI

(₹ in crore)

Sl. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
1	Grants for Centrally Sponsored Schemes	9,275.76	8,214.77	7,808.24	6,975.55	6,170.60
2	Finance Commission Grants	1,460.23	1,679.48	2,044.75	2,289.50	2,379.80
3	Other Transfers/Grants to State	1,921.17	2,611.70	3,758.25	3,547.44	1,595.90
4	Total	12,657.16	12,505.95	13,611.24	12,812.49	10,146.30
5	Percentage of increase over the previous year	23.34	(-)1.19	8.84	(-)5.87	(-)20.81
6	Revenue Receipts	59,647.07	65,094.93	63,868.70	63,176.18	79,652.03
7	Total grants-in-aid as a percentage of Revenue Receipts of the State	21.22	19.21	21.31	20.28	12.74

Source: Finance Accounts of the respective years

GIA constituted 12.74 per cent of revenue receipts of the State Government during the year 2021-22. Grants for Centrally Sponsored Schemes (₹6,170.60 crore) to the State constituted 61 per cent of the total grants during the year. Finance Commission Grants (₹2,379.80 crore) to the State were provided for Local Bodies and State Disaster Response Fund (SDRF) and constituted 23 per cent of total grants during the year. Other Grants to State from the GoI (₹1,595.90 crore) included GST compensation of ₹1,216.86 crore which constituted 76.25 per cent of other transfer/grant.

Grants-in-Aid from GoI decreased by ₹2,666.19 crore (20.81 per cent) during the year 2021-22 compared to the previous year primarily due to decrease in receipt of Grants for Centrally Sponsored Schemes by ₹804.95 crore (under *Pradhan Mantri Awas Yojna (Urban)* (₹234.01 crore), *Urban Rejuvenation Mission-(AMRUT)* (₹411.38 crore) and others) and GST compensation by ₹1,951.54 crore under Other Transfers/Grants to State.

Further, the State Government received back to back loan of ₹4,965.15 crore in lieu of shortfall in GST compensation during 2021-22 as debt receipt which would otherwise be a transfer as GIA from GoI.

2.3.3.6 Fifteenth Finance Commission Grants

Government of India provided grants under Fifteenth Finance Commission for local bodies and State Disaster Risk Management Fund (SDRMF) to the states. Details of grants provided by the GoI to the State in this regard during the year 2021-22 are given in **Table 2.9**:

Table 2.9: Grants-in-Aid released by GoI during 2021-22 as per recommendation of Fifteenth Finance Commission (XVFC)

(₹ in crore)			
Sl. No.	Transfers	Recommendation of 15 th FC	Grant released in 2021-22 by GoI
Local Bodies			
1	Grants to PRIs		
(a)	Basic Grants (Grants-in-aid-General)	1,075.00	1,075.00
2	Grants to ULBs		
(a)	Grants for Million Plus cities	163.00	107.50 [#]
(b)	Grants for non-Million Plus cities	367.00	426.50*
3	Health Grant to Local Bodies	339.00	338.80
4	Total for Local Bodies	1,944.00	1,947.80
5	State Disaster Risk Management Fund (SDRMF)	432.00	432.00
6	Grand Total	2,376.00	2,379.80

Source: Finance Accounts of 2021-22 and XVFC report

Includes ₹53.50 crore pertaining to the year 2020-21 released by GoI in the 2021-22, * Includes ₹243 crore pertaining to the year 2020-21 released by GoI in the 2021-22

- As of March 2022, the State Government received entire basic grants for PRIs (₹1,075.00 crore) as against the recommendation of Fifteenth Finance Commission (XVFC) during 2021-22.

- The State Government received ₹237.50 crore for ULBs against the XVFC recommendation of ₹530.00 crore for the year 2021-22. Grant of ₹ 296.50 crore for ULBs against the recommendation of XVFC for the year 2020-21 was also received during the year 2021-22.
- The State Government received entire Union's share of State Disaster Response Fund against the recommendation of XVFC (₹432.00 crore) during 2021-22.

2.3.3.7 Receipts under Capital Section

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

The following table shows the trends in growth and composition of receipts in capital section for the year 2017-18 to 2021-22.

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

(₹ in crore)

Sl. No.	Sources of State's Receipts under capital section	2017-18	2018-19	2019-20	2020-21	2021-22
1	Miscellaneous Capital Receipts	3.32	5.26	4.70	4.85	4.89
2	Recovery of Loans and Advances	138.59	162.32	256.78	104.80	88.06
3	Inter-State Settlement	1.24	0.56	0.13	(-)0.67	(-)0.04
4	Non-Debt Capital Receipts (A)	143.15	168.14	261.61	108.98	92.91
5	Internal Debt	9,187.89	13,816.66	19,308.36	17,961.37	9,321.77
6	Growth Rate (in per cent)	80.21	50.38	39.75	(-)6.98	(-)48.10
7	Loans and advances from the Central Government	464.55	553.44	279.17	3,620.31	5,776.51
8	Growth Rate (in per cent)	21.76	19.13	(-)49.56	1,196.81	59.56
9	Public Debt Receipts (B)	9,652.44	14,370.10	19,587.53	21,581.68	15,098.28
10	Receipts under capital section (A+B)	9,795.59	14,538.24	19,849.14	21,690.66	15,191.19
11	Rate of growth of non-debt Capital Receipts (per cent)	(-)18.54	17.46	55.59	(-)58.34	(-)14.75
12	Rate of growth of Public Debt receipts under capital section (per cent)	76.14	48.88	36.31	10.18	(-)30.04
13	Rate of growth of GSDP at current price (per cent)	7.41	16.09	5.15	2.20	13.60
14	Rate of growth of receipts under capital section (per cent)	73.20	48.42	36.53	9.28	(-)29.96

Source: Finance Accounts of the respective years

Capital section receipts of the State increased by ₹5,395.60 crore (55.08 per cent) from ₹9,795.59 crore in 2017-18 to ₹15,191.19 crore in 2021-22. During 2021-22, the capital section receipts decreased by ₹6,499.47 crore (29.96 per cent) over the previous year mainly due to decrease in Public Debt receipts by ₹6,483.40 crore (30.04 per cent) inspite of increase in loans and advances from GoI. Increase in loans and advances was due to receipt of ₹4,965.15 crore from GoI as back to back loan in lieu of GST compensation shortfall.

Non-Debt capital receipts, mainly in the form of recovery of loans and advances decreased by ₹16.07 crore (14.75 per cent) in 2021-22 over the previous year.

2.3.4 State's performance in mobilization of resources

State's performance in mobilization of resources is assessed in terms of its own resources comprising own-tax and non-tax sources. Details of the State's actual own tax and non-tax revenues for 2021-22 in comparison to the Fifteenth Finance Commission (XVFC) assessment and budget estimates are given in **Table 2.11**.

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

(₹ in crore)

Sl. No.	Particulars	XVFC projections	Budget Estimates	Actual	Percentage variation of actual over	
					Budget estimates	XVFC projections
1	Own Tax revenue	24,105.00	25,750.00	27,083.73	5.18	12.36
2	Non-tax revenue	8,871.00	9,250.00	13,851.21	49.74	56.14
	Total	32,976.00	35,000.00	40,934.94	16.96	24.14

Source: Finance Accounts, Budget Books and Finance commission report

The State Government exceeded in meeting the expectations of the XVFC by 24.14 per cent and 16.96 per cent in mobilizing its own resources against the targets set in its own budget estimates. Increase in Own Tax revenue (₹1,333.74 crore) was mainly due to increase in Taxes on Sales, Trades, etc. by ₹ 984.21 crore than projections made in the budget. Similarly, increase of ₹4,601.21 crore in Non-Tax revenue was mainly due to more receipts under Non Ferrous Mining and Metallurgical Industries (₹5,705.39 crore) than projections made in the budget.

2.4 Application of Resources

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

2.4.1 Growth and composition of expenditure

The total expenditure incurred, its composition, and relative share in GSDP during the years 2017-18 to 2021-22 is presented in **Table 2.12**.

Table 2.12: Total Expenditure and its composition

(₹ in crore)

Sl. No.	Parameters	2017-18	2018-19	2019-20	2020-21	2021-22 (Budget)	2021-22 (Actual)
1	Total Expenditure(TE)	66,600.54	73,555.31	82,099.86	79,107.54	97,106.45	85,838.04
2	Revenue Expenditure (RE)	56,229.75	64,411.17	73,477.31	70,032.84	83,027.55	75,010.01
3	Capital Expenditure	10,000.96	8,903.45	8,566.39	9,024.19	13,839.35	10,504.22

4	Loans and Advances ⁴	369.83	240.69	56.16	50.51	239.55	323.81
5	As a percentage of GSDP						
6	GSDP at current prices	2,82,266	3,27,693	3,44,571	3,52,161	3,83,098	4,00,061
7	TE/GSDP	23.59	22.45	23.83	22.46	25.35	21.46
8	RE/GSDP	19.92	19.66	21.32	19.89	21.67	18.75
9	CE/GSDP	3.54	2.72	2.49	2.56	3.61	2.63
10	Loans and Advances/GSDP	0.13	0.07	0.02	0.01	0.06	0.08

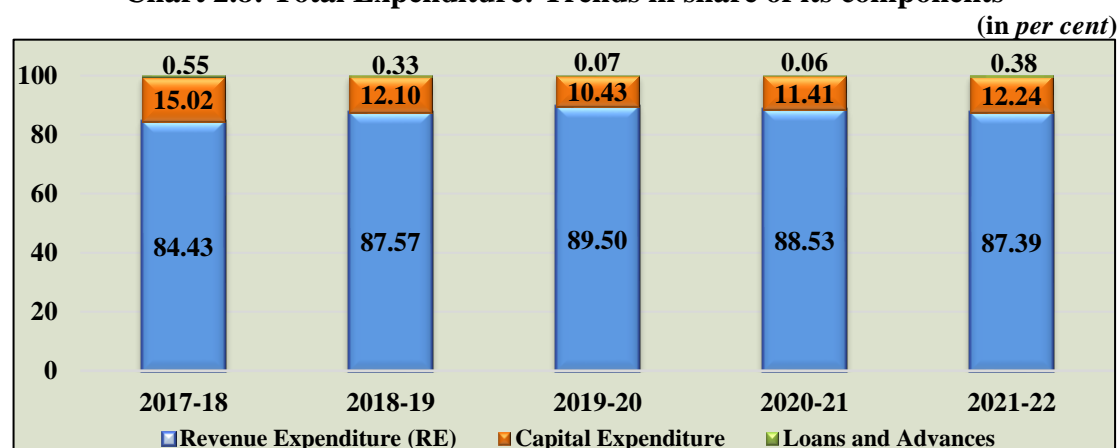
Source: Finance Accounts of the respective years

The above table shows that total expenditure of the State increased by 19,237.50 crore (28.88 per cent) from ₹66,600.54 crore in 2017-18 to ₹85,838.04 crore in 2021-22. The total expenditure showed increasing trend during 2017-22 except for the year 2020-21. However, the total expenditure as a percentage of GSDP decreased from 23.59 per cent to 21.46 per cent during the same period. During the current year, total expenditure increased by ₹6,730.50 crore (8.51 per cent) over the previous year due to increase in revenue expenditure by ₹4,977.17 crore (7.11 per cent), capital expenditure by ₹1,480.03 crore (16.40 per cent) and loans and advances by ₹273.30 crore (541.08 per cent).

During the 2021-22, actual expenditure on revenue and capital was less than the budgeted estimates however the expenditure on loans and advances was more than the budgeted estimates. Deviations from the budget estimates are indicative of non-attainment and non-optimisation of the desired fiscal objectives due to a variety of causes, both within and outside the control of the Government.

Further, the revenue expenditure as a percentage of GSDP has decreased from 19.89 per cent to 18.75 per cent, while capital expenditure as a percentage of GSDP increased from 2.56 per cent to 2.63 per cent over the previous year. **Chart 2.8** depicts the trend of the share of the components in total expenditure.

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



Source: Finance Accounts of the respective years

⁴ Loans and advances including inter-State settlement.

It is evident from the above Chart that Capital Expenditure and Loans & Advances have generally displayed a decreasing trend with inter year fluctuations in the last five years.

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

Table 2.13: Relative share of various sectors of expenditure

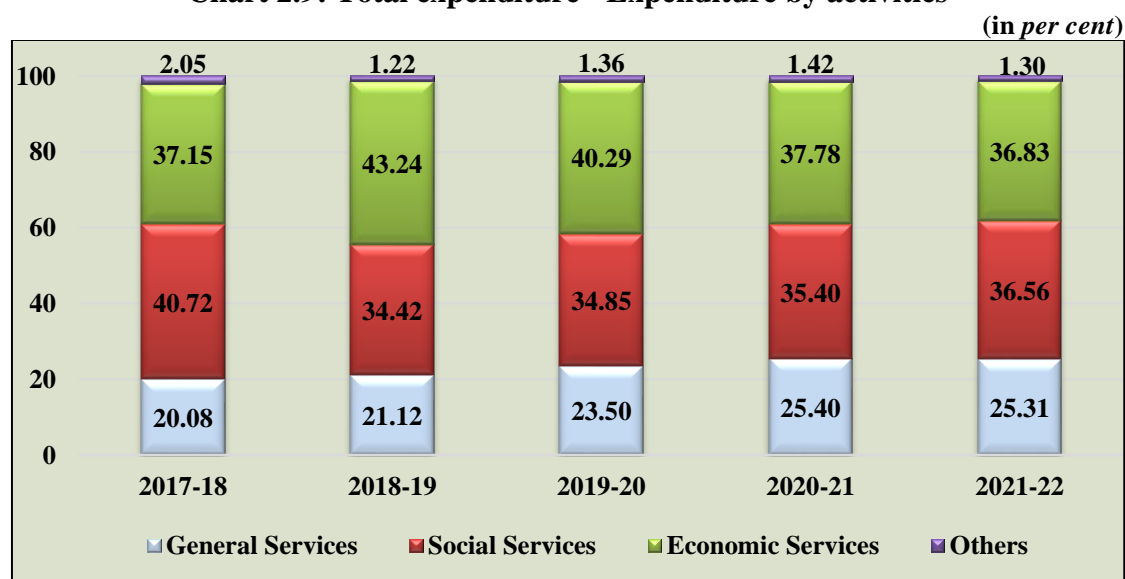
Sl. No.	Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
1	General Services	13,373.74	15,535.80	19,289.82	20,095.21	21,727.03
2	Social Services	27,116.57	25,319.17	28,610.12	28,001.32	31,382.55
3	Economic Services	24,744.50	31,804.93	33,079.55	29,885.69	31,615.95
4	Others (Grants to Local Bodies and Inter-State settlement)	1,365.73	895.41	1,120.37	1,125.32	1,112.51
Total Expenditure		66,600.54	73,555.31	82,099.86	79,107.54	85,838.04

(₹ in crore)

Source: Finance Accounts of the respective years

- Expenditure on General services increased by ₹1,631.82 crore (8.12 per cent) from ₹20,095.21 crore in 2020-21 to ₹21,727.03 crore in 2021-22 mainly due to increase in expenditure on Government Contribution to Defined Pension Contribution Scheme by ₹286.00 crore and interest payment by ₹511.00 crore.
- Expenditure in Social Services increased by ₹3,381.23 crore (12.08 per cent) over the previous year mainly due to increase in expenditure in General Education by ₹1,361.11 crore, Medical and Public Health by ₹844.93 crore and Water supply and Sanitation by ₹534.62 crore.
- Expenditure in Economic Services increased by ₹1,730.26 crore (5.79 per cent) over the previous year mainly due to increase in expenditure on Rural Employment by ₹629.41 crore and Road and Bridges by ₹1,071.81 crore.

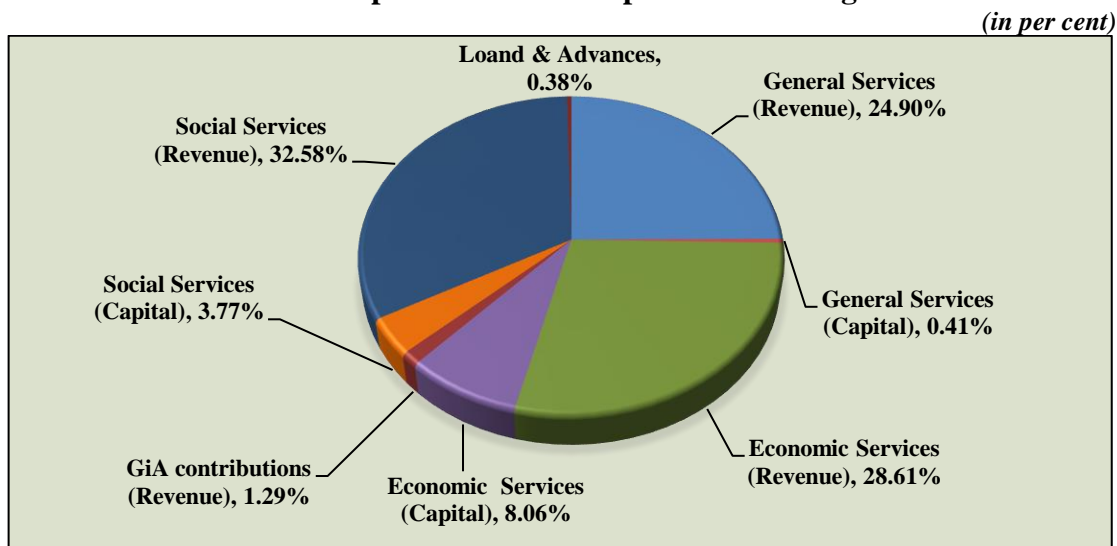
Chart 2.9: Total expenditure - Expenditure by activities



Source: Finance Accounts of the respective years

As can be seen from **Chart 2.9**, Social and Economic services constituted 73.39 *per cent* of total expenditure during the 2021-22. The State has spent more amount in social services whereas marginal reduction has been seen in General and Economic services w.r.t to activity components of total expenditure during 2021-22. **Chart 2.10** depicts the composition of expenditure during 2021-22.

Chart 2.10: composition of total expenditure during 2021-22



Source: Finance Accounts 2021-22

Chart 2.10 presents that during the year 2021-22, the revenue expenditure under Social Services was highest at 32.58 *per cent* of total expenditure followed by Economic Service 28.61 *per cent* and General Service 24.90 *per cent*. The capital expenditure on General, Social, Economic services and loans and advances disbursed was 12.61 *per cent* of total expenditure.

2.4.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligations. As such, it does not result in any addition to the State's infrastructure and service network.

The overall revenue expenditure, its rate of growth, its ratio to total expenditure and buoyancy *vis-à-vis* GSDP and revenue receipts are indicated in **Table 2.14** and trend of revenue expenditure w.r.t. Budget estimates and GSDP is shown in **Chart 2.11**.

Table 2.14: Revenue Expenditure–basic parameter

(₹ in crore)

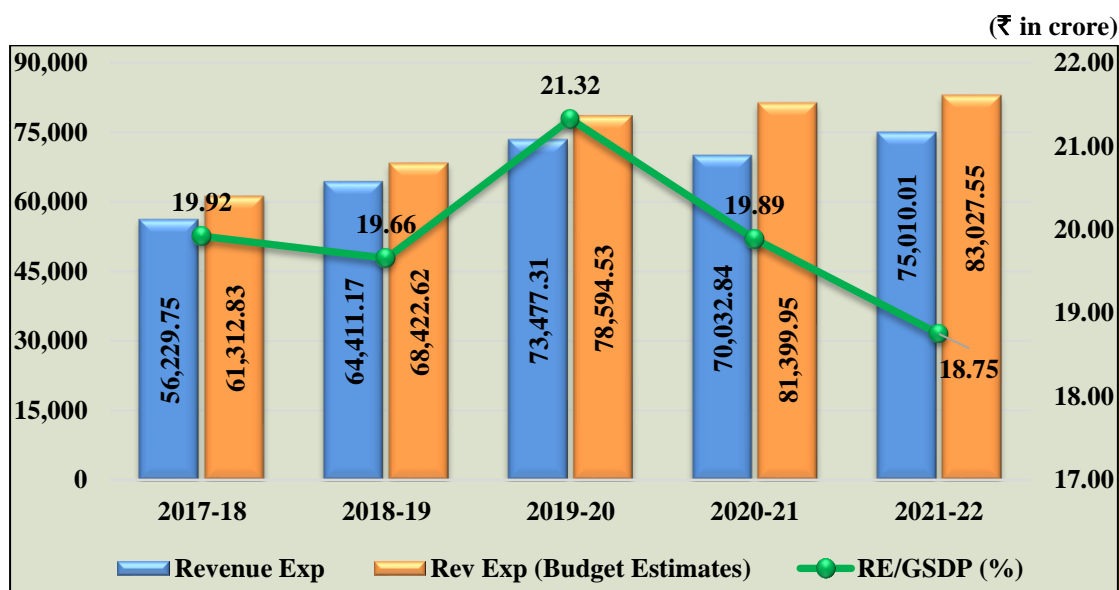
Sl. No.	Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
1	Total Expenditure (TE)	66,600.55	73,555.31	82,099.86	79,107.54	85,838.04
2	Revenue Expenditure (RE)	56,229.75	64,411.17	73,477.31	70,032.84	75,010.01
3	Rate of Growth of RE (<i>per cent</i>)	16.74	14.55	14.08	(-)4.69	7.11
4	Revenue Expenditure as percentage of TE	84.43	87.57	89.50	88.53	87.39
5	RE/GSDP (<i>per cent</i>)	19.92	19.66	21.32	19.89	18.75

6	Revenue Receipts (RR)	59,647.07	65,094.93	63,868.70	63,176.18	79,652.03
7	Rate of Growth of RR (<i>per cent</i>)	11.11	9.13	(-) <i>1.88</i>	(-) <i>1.08</i>	26.08
8	RE as percentage of RR	94.27	98.95	115.04	110.85	94.17
Buoyancy of Revenue Expenditure with						
9	GSDP (ratio)	2.26	0.90	2.73	(-) <i>2.13</i>	0.52
10	Revenue Receipts (ratio)	1.51	1.59	(-) <i>7.49</i>	4.34	0.27

Source: Finance Accounts of respective years

Revenue expenditure continued to be the dominant component of the total expenditure and its share increased from 84.43 *per cent* in the year 2017-18 to 87.39 *per cent* in the year 2021-22. The rate of growth of revenue expenditure of the state showed a decreasing trend from 16.74 *per cent* in 2017-18 to 7.11 *per cent* in 2021-22 with inter year fluctuations. Revenue expenditure increased during 2021-22 by ₹4,977.17 crore (7.11 *per cent*) over the previous year mainly due to increase in salary and wages from ₹21,543.04 crore in 2020-21 to ₹23,541.33 crore in 2021-22. Revenue Expenditure buoyancy with GSDP measures the percentage change in the revenue expenditure to the percentage change in GSDP. As can be seen from the **Table 2.14**, the revenue expenditure buoyancy ratio which was (-)2.13 in the year 2020-21 has increased to 0.52 in the year 2021-22 due to positive growth rate of revenue expenditure.

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

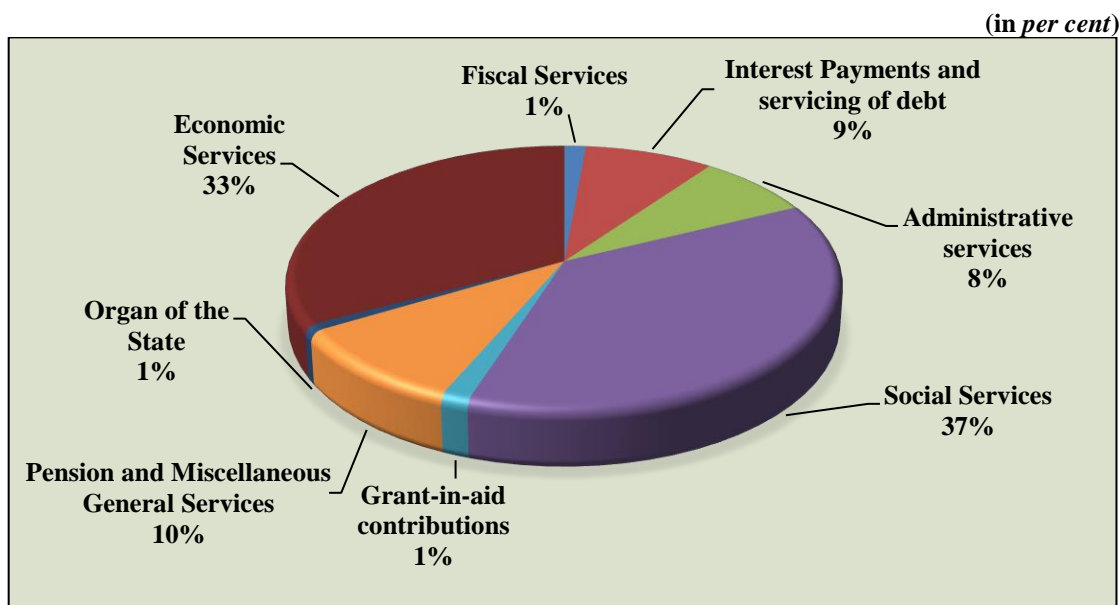


Source: Finance Accounts of respective years

As can be seen from above Chart, the revenue expenditure was within the budgeted estimates in last five years i.e. 2017-18 to 2021-22. During 2021-22, revenue expenditure as percentage of GSDP has decreased from 19.89 *per cent* to 18.75 *per cent* over the previous year.

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

Chart 2.12: Sectoral distribution of Revenue Expenditure during 2021-22



Source: Finance Accounts of 2021-22

2.4.2.1 Major Changes in Revenue Expenditure

Table 2.15 details significant variations under various Heads of Account with regard to Revenue expenditure of the State during the current year and the previous year.

Table 2.15: Details of significant variation in Revenue Expenditure

(₹ in crore)

Sl. No.	Major Heads of Accounts	2020-21	2021-22	Increase (+)/ Decrease (-)
1	2202-General Education	13,964.06	15,332.29	1,368.23
2	2210-Medical and Public Health	4,924.27	5,956.21	1,031.94
3	2505-Rural Employment	971.90	1,601.31	629.41
4	2049-Interest Payments	5,633.11	6,144.24	511.13
5	2406-Forest	1,039.07	1,300.58	261.51
6	2055-Police	3,909.77	4,265.75	355.98
7	2801-Power	4,393.81	3,800.00	(-)593.81
8	2515-Other Rural Development Programmes	2,453.72	2,096.79	(-)356.93

Source: Finance Accounts for the respective years

Revenue expenditure under Major Head 2202-General Education increased significantly during the year, primarily due to increase in expenditure on Government Secondary Schools and teachers training. Increase in expenditure under the Head 2210-Medical and Public Health was mainly due to increase on expenditure of components of public health like Prevention and Control of Diseases, Tribal Sub-Plan etc. by 123 per cent. Further, increase in expenditure under the Head 2505-Rural Employment during 2021-22 as compared to previous year was due to increase in expenditure on assistance provided to Zilla Panchayats by 70 per cent.

During 2021-22, decrease in expenditure under the Major Head 2801-Power was due to less expenditure incurred on Special Component Plan for Scheduled Castes under

General and Rural Electrification as compared to previous year. Decrease in expenditure on 2515-Other Rural Development Programmes during current year was mainly due to decrease in expenditure on Assistance to *Gram Panchayats* and Assistance to *Janpad Panchayats* over the previous year.

2.4.2.2 Committed and Non-Committed Expenditure

Expenditure of the State Government on revenue account can be classified as committed and non-committed expenditure. Committed Expenditure of Government on revenue account consists mainly of expenditure on salaries and wages, interest payments, pensions and subsidies. Expenditure other than committed expenditure can be classified into non-committed expenditure. Increase in committed expenditure restricts the Government's ability to incur developmental expenditure.

Table 2.16 presents the trends in the components of committed expenditure during 2017-22.

Table 2.16: Components of Committed Expenditure

(₹ in crore)							
Sl. No.	Components of Committed Expenditure	2017-18	2018-19	2019-20	2020-21	2021-22 (Budget)	2021-22 (Actual)
1	Salaries & Wages	13,183.70	17,807.60	21,763.92	22,002.14	25,121.65	24,017.78
2	Expenditure on Pensions	3,923.58	5,428.50	6,637.98	7,136.00	6,580.76	7,472.22
3	Interest Payments	3,098.33	3,652.55	4,970.36	5,633.11	6,470.83	6,144.24
4	Subsidies	5,004.69	8,323.01	11,483.23	7,307.94	7,479.68	6,565.30
5	Total	25,210.30	35,211.66	44,855.49	42,079.19	45,652.92	44,199.54
6	As a percentage of Revenue Receipts (RR)						
7	Salaries & Wages	22.10	27.36	34.08	34.83	31.54	30.15
8	Expenditure on Pensions	6.58	8.34	10.39	11.3	8.26	9.38
9	Interest Payments	5.19	5.61	7.78	8.92	8.12	7.71
10	Subsidies	8.39	12.79	17.98	11.57	9.39	8.24
11	Total	42.26	54.10	70.23	66.62	57.31	55.48
12	As a percentage of Revenue Expenditure (RE)						
13	Salaries & Wages	23.45	27.65	29.62	31.41	33.49	32.02
14	Expenditure on Pensions	6.98	8.43	9.03	10.19	8.77	9.96
15	Interest Payments	5.51	5.67	6.77	8.04	8.63	8.19
16	Subsidies	8.90	12.92	15.63	10.44	9.97	8.75
17	Total	44.84	54.67	61.05	60.08	60.86	58.92

Source: Finance Accounts of the respective years

The committed expenditure affects the State in prioritising expenditure and in meeting capital investments to meet growing needs of social and economic infrastructure. The high proportion of committed expenditure to revenue receipts and revenue expenditure indicates that the State has limited flexibility in allocation of its resources for new schemes. **Table 2.16** shows that, Committed Expenditure has increasing trend and grown from ₹25,210.30 crore (44.84 per cent of RE) in 2017-18 to ₹44,199.54 crore (58.92 per cent of RE) in 2021-22. During the current year, committed Expenditure increased by ₹2,120.35 crore mainly on account of increase in expenditure towards

Salaries & Wages. The interest payment has increased (98.31 per cent) as compared to the year 2017-18 due to continuous rise in the public debt during 2017-18 to 2021-22.

Further, during 2021-22, the State Government, paid ₹6,565.30 crore as subsidy. The expenditure on subsidies increased by ₹1,560.61 crore (31.18 per cent) from ₹5,004.69 crore in 2017-18 to ₹6,565.30 crore in 2021-22. It also includes central assistance of ₹168.07 crore for subsidy under Centrally Sponsored Schemes. During the year 2021-22, subsidy of ₹6,565.30 crore (which was less than the budget estimates of ₹7,479.68 crore) was 8.24 per cent and 8.75 per cent of revenue receipts and revenue expenditure respectively. Subsidies as a percentage of Revenue Receipt decreased from 11.57 per cent in 2020-21 to 8.24 per cent in 2021-22 and as a percentage of Revenue expenditure decreased from 10.44 per cent in 2020-21 to 8.75 per cent in 2021-22. The overall decrease (₹742.64 crore) during the 2021-22 as compared to previous year 2020-21 was mainly due to decrease in subsidies under Chief Ministers food assistance scheme. The departments with major portion of subsidy during the year 2021-22 are shown in **Table 2.17**.

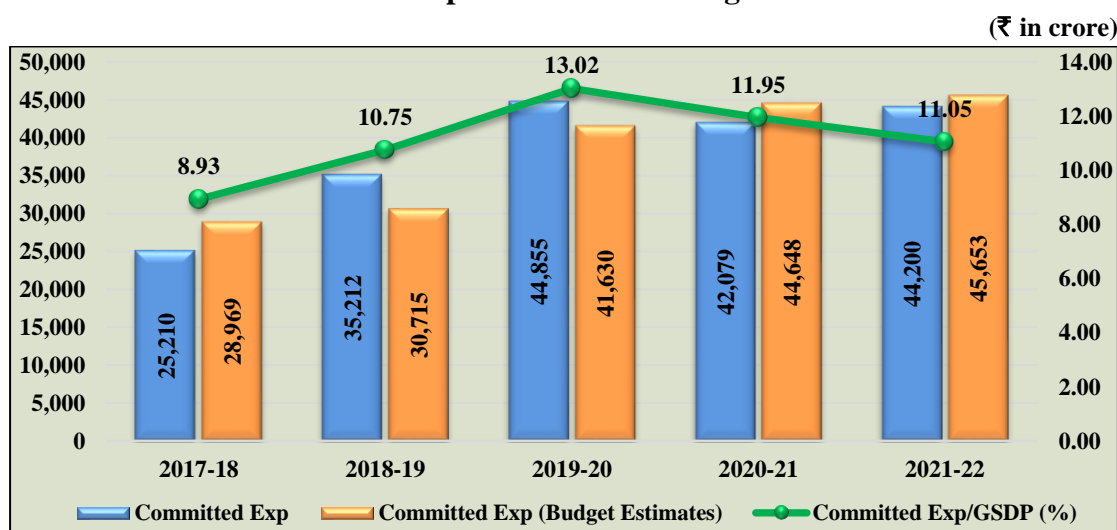
Table 2.17: Departments with major portion of subsidy during the year 2021-22

Sl. No.	Name of the Department	Subsidy (₹ in crore)	Percentage of total Subsidy	Particulars
1	Energy	2,243.00	34.16	Grant (₹1,075.00 crore) for free Supply of electricity to Agriculture Pumps up to five Horse Power and Relief in Electricity Bills (₹900 crore) to Domestic Electricity Consumers
2	Food and Civil Supplies	3,675.95	55.98	On Account of grant to State Cooperative Marketing Federation for meeting losses on food procurement (₹1,005.25 crore) and Chief Ministers Food Assistance Scheme (₹2,382.99 crore)

Source: Finance Accounts 2021-22

The trend of committed expenditure w.r.t. Budget estimates and GSDP is shown in **Chart 2.13**.

Chart 2.13: Committed Expenditure w.r.t. Budget estimates and GSDP



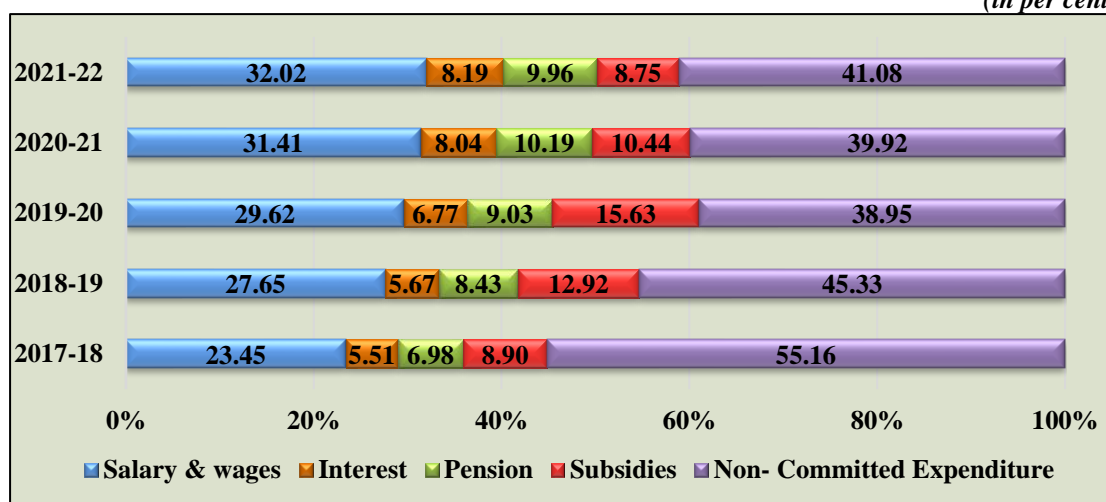
Source: Finance Accounts of respective years

As can be seen from above Chart, committed Expenditure showed increasing trend during the last five years except during 2020-21. Committed expenditure remained within the projected budget figures during the five year except during the year 2018-19 and 2019-20 it exceeded the budget estimates.

Percentage of committed and non-committed expenditure to revenue expenditure during 2017-22 is given in **Chart 2.14**:

Chart 2.14: Share of Committed and Non-Committed Expenditure

(in per cent)



Source: Finance Accounts of the respective years

As can be seen from **Chart 2.14** above, share of committed expenditure in total revenue expenditure increased from 44.84 *per cent* in 2017-18 to 58.92 *per cent* in 2021-22. Ratio of committed expenditure also increased to 55.48 *per cent* of revenue receipts in 2021-22 from 42.26 *per cent* in 2017-18. Further, non-committed expenditure decreased from 55.16 *per cent* in 2017-18 to 41.08 *per cent* in 2021-22.

2.4.2.3 Un-discharged Liability under National Pension System

During 2021-22, expenditure on pension payments was ₹7,472.22 crore, out of which ₹1,282.75 crore was incurred towards National Pension System (NPS) applicable to employees recruited on or after 1 January 2005.

National Pension System (NPS)

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

Deduction of contributions under New Pension System from the employees commenced from March 2006 along with contribution of arrears for the period December 2004 to February 2006. During 2021-22, receipts under the Public Accounts

- Major Head 8342 Other Deposits – (117) Defined Contribution Pension Scheme was ₹1,296.61 crore⁵, out of which ₹1,291.00 crore was transferred to NSDL, resulting in less transfer of amount *i.e.* ₹5.61 crore. As on 31 March 2022, ₹37.78 crore remained in the Public Account, pending transfer to NSDL/Trustee Bank. Short transfer of ₹5.61 crore and previous balance of ₹32.17 crore resulted in avoidable liability of ₹37.78 crore to the State Government and created uncertainty in respect of benefit due to the employees to that extent.

After the commencement of work of Regulation of Pension fund by Pension Fund Regulatory Development Authority, the State Government contribution is debited to Major Head 2071 and directly transferred to the Trusty Bank without routing it through Major Head 8342-117. Against employee's contribution of ₹1,286.67 crore, the State Government contributed only ₹1,282.75 crore, resulting in short contribution of ₹3.92 crore to Defined Contribution of Pension Scheme.

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

The quantum of financial assistance by way of grants and loans provided by the State Government to Local Bodies and other institutions during last five years are given in **Table 2.18**.

Table 2.18: Financial Assistance to Local Bodies and other Institutions

(₹ in crore)

Sl. No.	Financial Assistance to Institutions	2017-18	2018 -19	2019-20	2020-21	2021-22
1	(A) Local Bodies					
2	Urban Local Bodies	3,425.75	2,778.73	3,138.94	3,554.17	3,904.13
3	<i>Panchayati Raj</i> Institutions	10,899.36	6,905.17	6,006.83	4,421.79	4,345.60
4	Total (A)	14,325.11	9,683.90	9,145.77	7,975.96	8,249.73
5	(B) Others					
6	Educational Institutions (Aided Schools, Aided Colleges, Universities, <i>etc.</i>)	235.45	170.44	273.67	204.97	254.57
7	Development Authorities	287.03	271.41	235.06	229.93	393.08
8	Co-operative & Other Institutions and NGOs	10,155.72	13,255.70	10,499.70	12,555.37	13,241.09
9	Total (B)	10,638.20	13,697.55	11008.43	12,990.27	13,888.74
10	Total (A+B)	24,963.31	23,381.45	20,154.20	20,966.23	22,138.47
11	Revenue Expenditure	56,229.75	64,411.17	73,477.31	70,032.84	75,010.01
12	Assistance as percentage of Revenue Expenditure	44.40	36.30	27.43	29.94	29.51

Source: Finance accounts of respective years

Financial assistance to Local Bodies and other Institutions has shown a decreasing trend upto 2020-21 and increased by ₹1,172.24 crore from ₹20,966.23 crore in 2020-21 to

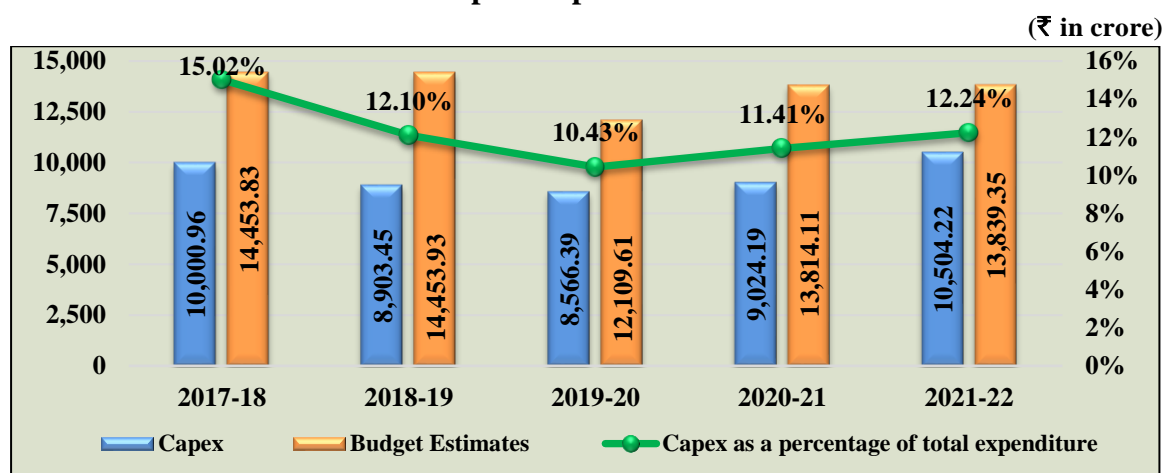
⁵ ₹1,286.67 crore pertains to employees contribution and ₹9.93 crore pertains to employee and employers contribution of deputation employees.

₹22,138.47 crore in 2021-22. During 2021-22, Financial assistance to Local Bodies increased by ₹273.77 crore over the previous year mainly due to more assistance provided to Urban Local Bodies. Financial assistance to Local Bodies and other Institutions by the State Government as percentage of Revenue Expenditure has decreased from 44.40 per cent in 2017-18 to 29.51 per cent in 2021-22.

2.4.3 Capital Expenditure

Capital expenditure includes primarily expenditure on creation of fixed infrastructure assets, such as buildings, roads, bridges, etc. Details of capital expenditure against the budget estimates during the five-year period 2017-22 are given in **Chart 2.15**.

Chart 2.15: Capital expenditure in the State



Source: Finance Accounts of the respective years

Capital expenditure increased during the last five years from ₹10,000.96 crore in 2017-18 to ₹10,504.22 crore in 2021-22. However, the State could not meet the budget estimate on creation of assets from 2017-18 to 2021-22. During 2021-22, Capital expenditure increased by 16.40 per cent (₹1,480.03 crore) over the previous year mainly due to increase in expenditure in *Jal Jeevan Mission Yojana*, and State Highway Road Construction works.

During 2021-22, 42 per cent of total capital expenditure (₹10,504.22 crore) was incurred on Roads and Bridges (₹4,415.62 crore) followed by 13.56 per cent on water supply and sanitation (₹1,424.47 crore).

2.4.3.1 Major changes in Capital Expenditure

Table 2.19 highlights the cases of significant increase or decrease in various heads of account in capital expenditure during 2021-22 *vis-à-vis* the previous year.

Table 2.19: Capital Expenditure during 2021-22 compared to 2020-21

(₹ in crore)				
Sl. No.	Major Heads of Accounts	2020-21	2021-22	Increase (+)/ Decrease (-)
1	5054-Capital Outlay on Roads and Bridges	3,351.28	4,415.62	1,064.34
2	4215-Capital Outlay on Water Supply and Sanitation	907.93	1,424.47	516.54
3	4801-Capital Outlay on Power Projects	52.11	327.95	275.84
4	5275-Capital Outlay on Other Communication Services	70.00	200.00	130.00
5	4059-Capital Outlay on Public Works	400.11	247.43	(-)152.68
6	4210-Capital Outlay on Medical and Public Health	511.71	324.70	(-)187.01
7	4515-Capital Outlay on other Rural Development Programmes	350.57	271.28	(-)79.29

Source: Finance Accounts of 2020-21 and 2021-22

The increase in expenditure on Roads and Bridges was mainly due to administrative approval of new work under State Highways Bridges and Road works projects. Increase in expenditure on Water Supply and Sanitation was mainly due to increase in expenditure under *Jal Jeevan Mission Yojana* and Water Augmentation Scheme of Urban Bodies. Further, increase in expenditure on Power Projects was mainly due to increase in *Mukhyamantri Mazra Tola Vidhyutikaran Yojna* and increase in expenditure on Other Communication Services was due to payment of pending bills.

During 2021-22, decrease in expenditure under the Major Head 4210-Capital outlay on Medical and Public Health and under the Major Head 4515- Capital outlay on other Rural Development programmes was due to delay in administrative approval of work. Decrease in expenditure on Public Works was mainly due to decrease in expenditure on Infrastructure Development Fund and Environment Fund.

2.4.3.2 Quality of Capital Expenditure

This section presents an analysis of investments and other capital expenditure undertaken by the Government as of 31 March 2022.

Quality of investment in Companies, Corporations and other Bodies

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

Investments made and loans given to companies, corporations, and co-operatives which are loss making and those whose net worth is completely eroded, affect the quality of capital expenditure. Return on investment in share capital invested in PSUs and history of repayment of loans given to various bodies are important determinants of quality of capital expenditure. Issues related to quality of investment in PSUs viz. Investment in PSUs, Rate of Return on Investment, Erosion of Net Worth, Dividend Payout, Return on Capital Employed etc., have been discussed in detail in **Chapter V** of the Report.

Investment and Returns

As per the Finance Accounts 2021-22, the Government of Chhattisgarh had invested ₹7,320.19 crore in 10 Statutory Corporations, 28 Government Companies, 22 Joint

Stock Companies, two Rural Banks and 1460 Co-operative Institutions and local bodies in the State as of 31 March 2022. The State Government earned a return of ₹3.64 crore on these investments during 2021-22. Year-wise details of investment by the Government of Chhattisgarh over the five-year period 2017-18 to 2021-22 are as follows:

Table 2.20: Details of Investment and Return on Investment

Sl. No.	Investment/Return/Cost of borrowings	2017-18	2018-19	2019-20	2020-21	2021-22
1	Statutory Corporations (No. of entities)	37.82 (02)	86.92 (10)	87.88 (10)	88.34 (10)	89.69 (10)
2	Government Companies (No. of entities)	6,459.45 (13)	6,683.34 (28)	6,683.34 (28)	6,683.34 (28)	6,733.34 (28)
3	Joint Stock Companies (No. of entities)	144.80 (05)	145.21 (22)	145.21 (22)	145.21 (22)	156.93 (22)
4	Rural Banks (No. of entities)	25.15 (01)	25.15 (02)	25.15 (02)	25.15 (02)	25.15 (02)
5	Co-operative Institutions and Local Bodies (No. of entities)	199.15 (1523)	327.42 (1523)	324.21 (1460)	319.26 (1460)	315.08 (1460)
6	Total Investment	6,866.37	7,268.05	7,265.79	7,261.30	7,320.19
7	Investment at the end of the year	6,866.37	7,268.05	7,265.79	7,261.30	7,320.19
8	Return on investment	4.80	1.49	2.39	2.29	3.64
9	Return on investment (<i>per cent</i>)	0.07	0.02	0.03	0.03	0.05
10	Average rate of interest on Government borrowing (<i>per cent</i>)	6.38	6.10	6.83	6.57	6.40
11	Difference between interest rate and return (<i>per cent</i>)	6.31	6.08	6.80	6.54	6.35
12	Loss due to difference between interest rate of market borrowing and returns	433.27	442.15	493.86	474.89	464.85

Figures in the bracket shows the number of entities

Source: Finance Accounts of respective years

During 2021-22, the return on investment was ₹3.64 crore (0.05 *per cent*). However, the Government paid interest on its borrowing at an average rate of 6.40 *per cent* during the same period. Continued use of borrowed funds to fund investment which do not have sufficient financial returns will lead to an unsustainable financial position.

Loans and Advances by State Government

In addition to investments in Co-operative societies, Corporations and Companies, the State Government has also provided loans and advances to many institutions/organisations.

Table 2.21 presents the outstanding loans and advances as on 31 March 2022, along with interest receipts *vis-à-vis* interest payments during the five-year period 2017-18 to 2021-22.

Table 2.21: Loans disbursed and recovered during 2017-18 to 2021-22

(₹ in crore)

Sl. No.	Loans disbursed and recovered	2017-18	2018-19	2019-20	2020-21	2021-22
1	Opening balance of loans outstanding	941.98	1,519.63	1,597.75	1,397.08	1,173.86 ⁶
2	Amount advanced during the year	368.76	240.44	56.11	50.50	324.06
3	Amount recovered during the year	138.59	162.32	256.78	104.8	88.06
4	Closing Balance of loans outstanding	1,172.16	1,597.75	1,397.08	1,342.78	1,409.86
5	Net addition	230.17	78.12	(-)200.67	(-)54.30	236.00
6	Interest received	27.61	28.32	1.67	6.88	3.27
7	Interest rate on Loans and Advances given by the Government	2.17	2.04	0.11	0.50	0.24
8	Average rate of Interest paid on the outstanding borrowings of the Government	6.38	6.10	6.83	6.57	6.40
9	Difference between rate of interest paid and interest received (<i>per cent</i>)	4.21	4.06	6.72	6.07	6.16

Source: Finance Accounts of Respective years

The loans disbursed during the year have increased as compared to the previous year. Interest received by the State Government against loan given was ₹3.27 crore. At the end of March 2022, the Government had outstanding loans and advances of ₹1,409.86 crore, out of which ₹324.61 crore pertains to Urban Local Bodies, ₹213.01 crore pertains to Government companies and ₹427.43 crore pertains to co-operative societies/bodies.

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

Table 2.22: Details of loans and advances to sugar mills during 2021-22

(₹ in crore)

Sl. No	Name	Year of previous Loans outstanding Since	Amount of principal outstanding as of 1 st April 2021	Amount of loans during this year	Re-payment made during the year	Total loans outstanding as on 31 st March 2022	Interest arrear as on 31 March 2022
1	Loh Purush Sardar Vallabh Bhai Patel Sugar Mill Limited	2017-18	95.00	13.00	2.00	106.00	31.15
2	Bhoramdev Co-operative Sugar Mill Limited	2016-17	77.00	13.00	2.00	88.00	13.49
3	Mahamaya Co- operative Sugar Mill, Limited	2010-11	103.67	17.00	10.00	110.67	26.73
4	Danteshwari maiya Co-operative Sugar Mill , Limited	2011-12	74.83	7.00	0.25	81.58	34.59

Source: Finance Accounts 2021-22

⁶ Reduced by ₹168.92 crore vide State Government letter No. 523/R-110/2020/13/2 dated 23-02-2022 due to reconciliation of Loan balance between the figures of Finance Account and Account of Power Company. ₹168.92 crore includes ₹136.78 crore of loan adjusted as Share Capital of the State Government in 2017-18 and ₹32.14 crore of excess payment of Interest by Chhattisgarh State Electricity Board during 2004-05 and 2005-06 adjusted as repayment of loan.

2.4.3.3 Capital blocked in incomplete projects

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

A total of 357 projects with estimated cost ₹15,638.78 crore were sanctioned. Out of which 148 projects were identified which were to be completed on or before 31 March 2022 and costing ₹10 crore and above. Year wise and Department wise details of incomplete projects are shown in Table 2.23 and Table 2.24 respectively.

Table 2.23: Age profile of incomplete projects as on 31 March 2022

(₹ in crore)

Sl. No.	Year	No. of Incomplete Projects	Estimated Cost	Expenditure (As on 31 March 2022)
1	Up to 2011	12	291.21	384.87
2	2011-12	16	468.53	973.79
3	2012-13	8	322.86	544.95
4	2013-14	13	939.35	1,146.43
5	2014-15	14	315.74	281.04
6	2015-16	21	584.90	682.06
7	2016-17	11	330.71	312.19
8	2017-18	23	504.14	609.87
9	2018-19	12	366.72	339.26
10	2019-20	11	157.33	182.11
11	2020-21	5	323.34	66.90
12	2021-22	3	64.84	10.05
Grand Total		148	4,667.24	5,493.35

Source: Finance Accounts

Table 2.24: Department-wise profile of incomplete projects

(₹ in crore)

Sl. No.	Departments	Number of in-complete projects	Estimated cost	49 Incomplete Projects whose cost were revised				Cumulative expenditure of all 148 incomplete projects as on 31 March 2022
				Initial estimated cost of 49 projects		Revised cost of 49 projects	Cost overrun in 49 projects	
				No.	Amount			
1	Public Works	10	417.43	2	151.61	551.20	399.59	514.37
2	Water Resources	138	4,249.81	47	1,761.68	3,617.75	1,856.07	4,978.98
Total		148	4,667.24	49	1,913.29	4,168.95	2,255.66	5,493.35

Source: Finance Accounts 2021-22

Out of 148 incomplete projects (costing more than ₹10 crore) with estimated cost of ₹4,667.24 crore, the State Government has revised the cost of 49 incomplete projects with cost overrun of ₹2,255.66 crore. Delay in completion of project works increases the risk of cost escalation. Since the State Government had not evaluated the cost of 99 incomplete projects, the actual amount of expenditure to be incurred by the State could

not be ascertained, and due to delay in completion of these projects, the intended benefits from the projects could not be achieved.

2.4.4 Expenditure priorities

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

The fiscal priorities of the State Government with regard to development expenditure, social services expenditure and capital expenditure during 2017-18 and 2021-22 are shown in **Table 2.25** below:

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

(in per cent)								
Sl. No.		TE/GSDP	SSE/TE	ESE/TE	DE/TE	CE/TE	Education/TE	Health/TE
1	Average (Ratio) 2017-18 of							
2	General Category States*	16.13	36.65	31.17	67.82	15.56	15.17	5.09
3	Chhattisgarh State	23.59	40.72	37.15	77.87	15.02	18.64	6.02
4	Average (Ratio) 2021-22 of							
5	General Category States*	15.84	38.31	28.44	66.74	14.41	14.66	6.20
6	Chhattisgarh State	21.46	36.56	36.83	73.39	12.24	18.54	7.63
TE: Total Expenditure, SSE: Social sector Expenditure, ESE: Economic Sector Expenditure, DE: Development Expenditure, CE: Capital Expenditure, Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure, development Loan and Advances disbursed. *States other than NE and Himalayan States								

Source: Data provided by Economic Advisor

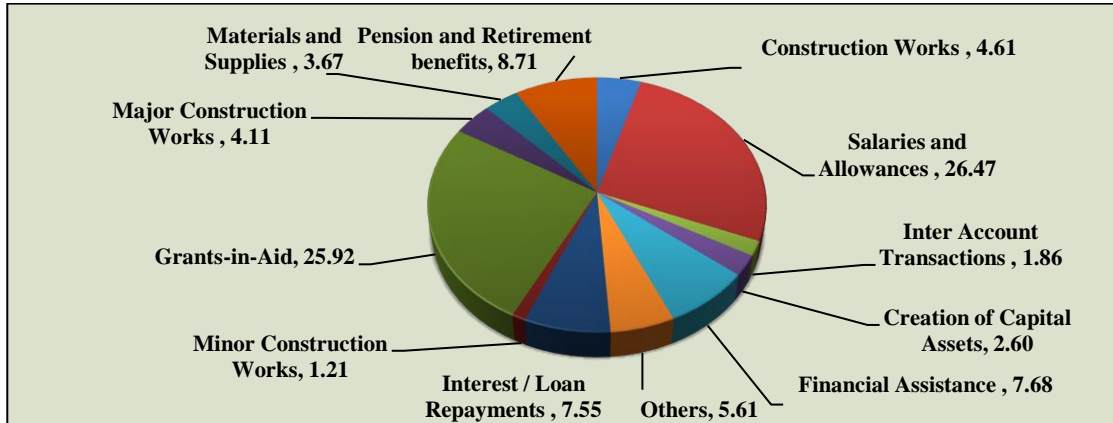
- As a percentage of Gross State Domestic Product, the Total Expenditure of Chhattisgarh was higher than the average of General Category States.
- The proportion of expenditure on Development, especially on health and education, to the Total expenditure of Chhattisgarh has been higher than the average of other General States.
- Allocative priority accorded to Social sector expenditure by the State Government declined from 40.72 *per cent* (2017-18) to 36.56 *per cent* (2021-22) and it was less than the average of general category states in the current year. Significant shortfall in expenditure vis-à-vis budget estimates 2021-22 was noticed under the Major Heads 2202 - General Education (₹2,069 crore), 2215-Water Supply and sanitation (₹ 488 crore) and 2235-Social Security and Welfare (₹ 281 crore) under *Pradhan Mantri Matru Vandana Yojana etc.*
- The allocative priority accorded to capital expenditure by the State Government was less than the average of general category States in 2021-22.

2.4.5 Object head wise expenditure

Finance Accounts depict transactions only up to the Minor Head level. Object head wise expenditure gives information about the object/ purpose of the expenditure. The per cent wise object head expenditure w.r.t total expenditure for 2021-22 is shown in **Chart 2.16** below:

Chart 2.16: Object head wise expenditure

(in per cent)



Source: Finance Accounts 2021-22

As can be seen from the above chart, the expenditure under object heads Salaries & Allowances, Grants-in-Aid and Pension & Retirement Benefits constituted 61.10 per cent of overall expenditure ₹85,514.23 crore (Excludes expenditure on 'Loan and Advances' and 'Inter State Settlement') of the States. Besides, Financial Assistance, Interest/Loan repayments and Construction Works constituted 7.68 per cent, 7.55 per cent and 4.61 per cent of the expenditure respectively.

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

Table 2.26: Object head wise expenditure (where the expenditure is ₹1000 crore and above) vis-à-vis budget authorisation

(₹ in crore)

Sl. No.	Head	Original Budget Estimate	Expenditure	Utilisation Percentage
1	14- Grants-in-Aid	25,580.38	22,163.89	86.64
2	01- Salaries and Allowances	25,121.65	22,639.42	90.12
3	12- Pension and Retirement benefits	6,580.76	7,450.26	113.21
4	13- Financial Assistance	7,479.68	6,565.30	87.78
5	35- Interest / Loan Repayments	6,913.07	6,458.51	93.42
6	97- Construction Works	5,946.02	3,940.15	66.27
7	26- Major Construction Works	4,698.95	3,516.25	74.83
8	25- Materials and Supplies	3,174.04	3,142.14	98.99
9	45- Creation of Capital Assets	2,491.83	2,227.04	89.37
10	37- Inter Account Transactions	2,129.14	1,587.42	74.56
11	27- Minor Construction Works	1,369.67	1,031.70	75.32
	Total	91,485.19	80,722.08	88.24

Source: Finance Accounts 2021-22

As can be seen from the above Table, out of a total budgetary allocation of ₹91,485.19 crore under 11 object heads, the actual expenditure during 2021-22 was only ₹80,722.08 crore (88.24 per cent).

2.5 Public Account

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

2.5.1 Net Public Account Balances

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

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

(₹ in crore)							
Sl. No.	Sector	Sub Sector	2017-18	2018-19	2019-20	2020-21	2021-22
1	I. Small Savings, Provident Fund, etc.	National Small Savings Fund, State Provident Funds and Other Accounts	(+)6,077.89	(+)6,832.41	(+)7,617.67	(+)8,021.40	(+)8,020.50
2	J. Reserve Funds	(a) Reserve Funds bearing Interest	(+)202.83	(+)400.70	(+)1,101.77	(+)614.84	(+)769.36
		(b) Reserve Funds not bearing Interest	(+)1,387.39	(+)1,254.83	(+)1,363.00	(+)1,384.75	(+)1,683.77
3	K. Deposits and Advances	(a) Deposits bearing Interest	(+)49.69	(+)42.90	(+)37.29	(+)33.16	(+)28.27
		(b) Deposits not bearing Interest	(+)6,189.04	(+)5,964.44	(+)5,446.01	(+)5,951.96	(+)5,758.23
		(c) Advances	(-)1.74	(-)1.75	(-)1.84	(-)1.84	(-)7.35
4	L. Suspense and Miscellaneous	(a) Suspense	(+)57.24	(+)35.96	(+)29.66	(+)20.08	(+)84.64
		(b) Other Accounts	(-)4,022.35	(-)9,711.03	(-)5,199.46	(-)3,344.86	(-)3,299.78
		(c) Accounts with Governments of Foreign Countries	0.00	0.00	0.00	0.00	0.00
		(d) Miscellaneous	0.00	0.00	0.00	0.00	0.00
5	M. Remittances	(a) Money Orders, and other Remittances	(-)171.17	(-)297.90	(-)204.48	(-)240.97	(-)245.09
		(b) Inter- Governmental Adjustment Account	(-)65.49	(+)61.19	(-)73.82	(-)88.41	(-)91.13
Total			9,703.33	4,581.75	10,115.80	12,350.11	12,701.42

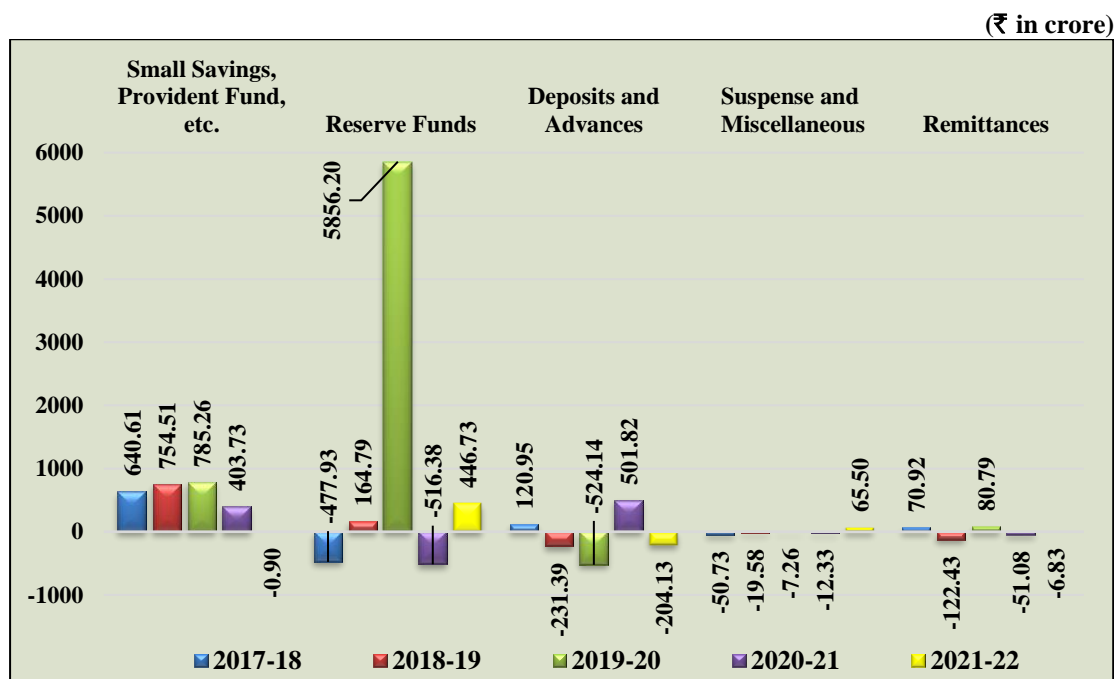
Source: Finance Accounts of respective years

Note: (+) signifies Credit Balance; (-) signifies Debit Balance

The net balances in Public Account increased by ₹351.31 crore in 2021-22 over the previous year, mainly due to increase in Reserve Funds bearing interest by ₹154.52 crore, Reserve Funds not bearing interest by ₹299.02 crore which was counter balanced by decrease in Deposits not bearing Interest by ₹193.73 crore.

The yearly changes in composition of balances in Public Account over the last five year period 2017-22 are given in **Chart 2.17**:

Chart 2.17: Yearly changes in composition of Public Account balances



Source: Finance Accounts of respective years

Note: Yearly changes depicted in the chart above excludes changes in Major Head-8671 Departmental Balances, 8673- Cash Balance Investment Account and Reserve Funds Investment Accounts.

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

2.5.2 Reserve Funds

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

There were 17 Reserve Funds earmarked for specific purposes in the State with effect from 2000-2001 (since the formation of the State), out of which, 14 funds were operative and three funds were in-operative as of 31 March 2022. The gross balance at the end of 31 March 2022 in these funds was ₹9,627.40 crore, out of which ₹7,174.27 crore (74.52 per cent) was invested in Government of India Securities and Treasury Bills (₹7,020.35 crore) and Share Capital of Joint Venture Companies (₹153.92 crore).

Transfers into reserve funds and disbursement therefrom are affected through debit and credit entries under the appropriate revenue and expenditure heads under the Consolidated Fund. These represent actual cash transfers only if they impact the Reserve Bank Deposits either directly or by way of investment. Since there was no actual cash outflow, the transactions depicted by GoCG against reserve fund are only book entries to the extent of amount not invested, which violate the spirit underlying the creation and operation of reserve funds.

2.5.2.1 Consolidated Sinking Fund

Following the recommendations of the 12th Finance Commission, the State has created a Consolidated Sinking Fund (CSF) for amortisation of all loans including loans from banks, liabilities on account of National Small Savings Funds, *etc.* Further, as per recommendation of the 12th Finance Commission, a minimum annual contribution of 0.50 *per cent* of outstanding liabilities at the beginning of the year was required to be transferred to the fund.

During 2021-22, GoCG transferred ₹300.00 crore to the Consolidated Sinking Fund against the minimum requirement of ₹463.57 crore (representing 0.5 *per cent* of outstanding liabilities of ₹92,714.22 crore as on 31 March 2021). The short contribution of ₹163.57 crore to the Consolidated Sinking Fund resulted in overstatement of Revenue Surplus and understatement of Fiscal deficit to that extent. As on 31 March 2022, an amount of ₹2,886.94 crore was lying in the Fund, and the entire amount was invested in Government of India securities.

2.5.2.2 State Disaster Risk Management Fund

Fifteenth Finance Commission has recommended the creation of fund for disaster mitigation along with disaster response, which will be together called as State Disaster Risk Management Fund (SDRMF). Out of the total amount recommended for SDRMF, the share of SDRF shall be 80 *per cent* and the share of SDMF 20 *per cent*. The SDRF had an opening balance of ₹103.11 crore as of 01 April 2021. During the year, the State Government received ₹345.60 crore as Central Government Share and the corresponding state share of ₹115.20 crore which was to be transferred to the fund. The State Government transferred whole amount of ₹460.80 crore to the Fund under Major Head 8121-122 SDRF. Expenditure of ₹360.54 crore was made from SDRF during 2021-22. Thus, the SDRF had a closing balance of ₹205.52⁷ crore as on 31 March 2022. No amount was received from the Central Government towards NDRF.

Further, the XVFC recommended to create the State Disaster Mitigation Fund (SDMF) for local level and community-based interventions which reduce the risks and promote environment-friendly settlements and livelihood practices. The Government of India and the State Government are required to contribute to the fund in the proportion of 75:25 respectively. The SDMF had an opening balance of ₹ 57.60 crore as on 1 April

⁷ Including ₹2.15 crore of Treasury deposit.

2021. During 2021-22, the State Government received ₹86.40 crore as the Central share. Thus, the State Government had to transfer ₹115.20 crore to SDMF (₹86.40 crore as Central Share along with ₹28.80 crore as State Share). However, the State Government transferred only ₹57.60 crore (₹43.20 crore and ₹14.40 crore of Central Share and State Share respectively) resulting in the closing balance of ₹115.66⁸ crore as of 31 March 2022.

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

Table 2.28: Details of expenditure charged to SDRF

			(₹ in crore)
Sl. No.	Head	Minor Head of Account	Expenditure during 2021-22
1	2245- Relief on Account of Natural Calamities		
2	01-Drought		
3	101	Gratuitous Relief	0.30
4	282	Public Health	0.00
5	02-Floods, Cyclones, etc.		
6	101	Gratuitous Relief	3.03
7	106	Repairs and Restoration of Damaged Roads and Bridges	0.00
8	110	Assistance for repair and restoration of damaged Water Supply, Drainage and Sewerage Works	0.03
9	111	Ex-gratia Payments to bereaved families	18.92
10	112	Evacuation of population	0.54
11	113	Assistance for repair and construction of Houses	7.84
12	114	Assistance to Farmers for purchase of Agriculture Input	20.21
13	116	Assistance to Farmers for repairs of damaged tube wells and Pump sets	0.02
14	117	Assistance to Farmers for purchase of livestock	6.87
15	80-General		
16	101	Centre for Training to Disaster Preparedness	74.45
17	102	Management of Natural Disasters, Contingency Plans in disaster prone areas	0.00
18	800	Other Expenditure	228.58
19	Total SDRF Expenditure		360.79
20	05-State Disaster Response Fund		
21	901	Deduct- Amount met from State Disaster Response Fund	(-)360.54

Source: Finance Accounts 2021-22

2.5.2.3 Guarantee Redemption Fund

As per the recommendation of the 12th Finance commission, the Government of Chhattisgarh was required to constitute a Guarantee Redemption Fund (GRF) with minimum annual contribution of 0.50 *per cent* of outstanding guarantee at the beginning of the year. Accordingly, the State Government was required to create a GRF and transfer ₹99.18 crore to the Fund in 2021-22. Contrary to the Finance Commission

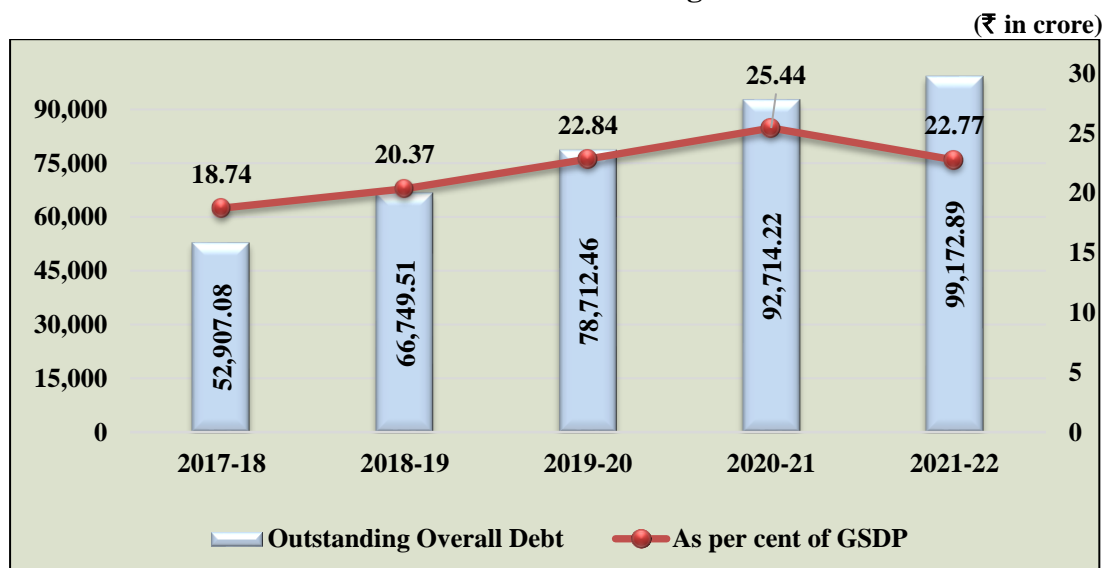
⁸ Including 0.46 crore of interest received

recommendations, the State Government has decided not to form the GRF as most of guarantees sanctioned by the State Government were of “low and medium risk” and none of the institutions had defaulted in repayment of loan against the guarantees sanctioned shifting the liability/burden to the State Government since the formation of the State.

2.6 Debt management

Debt management is the process of establishing and executing a strategy for managing the Government’s debt in order to raise the required amount of funding, achieve its risk and cost objectives, and to meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements. The trend of overall Debt between 2017-18 and 2021-22 is shown in **Chart 2.18** below:

Chart 2.18: Trend of overall Debt during 2017-18 and 2021-22



Source: Finance Accounts of respective years

Note: Debt to GDP ratio has been calculated after excluding the amount of back to back loan ₹3,109 crore and ₹8,074.15 crore from the total outstanding debt ₹92,714.22 crore and ₹99,172.89 crore for the year 2020-21 and 2021-22 respectively.

2.6.1 Debt profile: Components

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

The details relating to total debt received, repayment of debt, ratio of debt to GDP and the actual quantum of debt available to the State during the five-year period 2017-22 are given in **Table 2.29**:

Table 2.29: Component wise debt trends

(₹ in crore)

Sl. No.	Particular	2017-18	2018-19	2019-20	2020-21	2021-22
1	Outstanding Overall Debt	52,907.08	66,749.51	78,712.46	92,714.22	99,172.89
2	<i>Public Debt</i>					
	<i>Internal Debt</i>	36,690.44	49,553.83	60,382.67	70,538.81	71,186.62
	<i>Loans from Gol</i>	2,339.57	2,700.39	2,764.05	6,169.30	11,726.15
3	<i>Liabilities on Public Account</i>	13,877.07	14,495.29	15,565.74	16,006.11	16,260.12
4	Rate of growth of outstanding overall debt (<i>per cent</i>)	19.54	26.16	17.92	17.79	6.97
5	Gross State Domestic Product (GSDP)	2,82,266	3,27,693	3,44,571	3,52,161	4,00,061
6	Rate of growth of GSDP (<i>per cent</i>)	7.41	16.09	5.15	2.20	13.60
7	Debt/GSDP (<i>per cent</i>)	18.74	20.37	22.84	25.44 ⁹	22.77 ¹⁰
8	Total Debt Receipts¹¹	15,851.32	20,736.52	31,921.72	33,423.87	28,164.36
9	Total Debt Repayments	7,202.52	6,923.87	19,958.77	19,422.11	21,657.37
10	Total Debt Available	8,648.80	13,812.65	11,962.95	14,001.76	6,506.99
11	Debt Repayments/Debt Receipts (<i>Per cent</i>)	45.44	33.39	62.52	58.11	76.90

Source: Finance Accounts of respective years

The amount of outstanding overall debt shown above included back-to-back loan of ₹8,074.15 crore (₹3,109.00 crore during 2020-21 and ₹4,965.15 crore in 2021-22) provided in lieu of shortfall in GST Compensation as debt receipt to the State Government with no repayment liability for the State. The effective outstanding overall debt after excluding the back-to-back loan would be ₹91,098.74 crore as on March 2022. The rate of growth of outstanding overall debt decreased from 17.79 *per cent* in 2020-21 to 6.97 *per cent* in 2021-22. During 2021-22, total debt receipts decreased by ₹5,259.51 crore (15.74 *per cent*) and total debt repayment increased by ₹2,235.26 crore (11.51 *per cent*) as compared to previous year. The rate of growth of outstanding overall debt in all the five years exceeded the rate of growth of GSDP, except for 2021-22 where rate of growth of GSDP was more than rate of growth of outstanding overall debt.

The State Government has net outstanding off-budget liabilities/borrowings of ₹3,872.80 crore towards various Financial Institutions in addition to the budgeted liabilities of ₹99,172.89 crore as on 31 March 2022. The State Government has not disclosed these borrowings as required under FRBM disclosures alongwith the budget document.

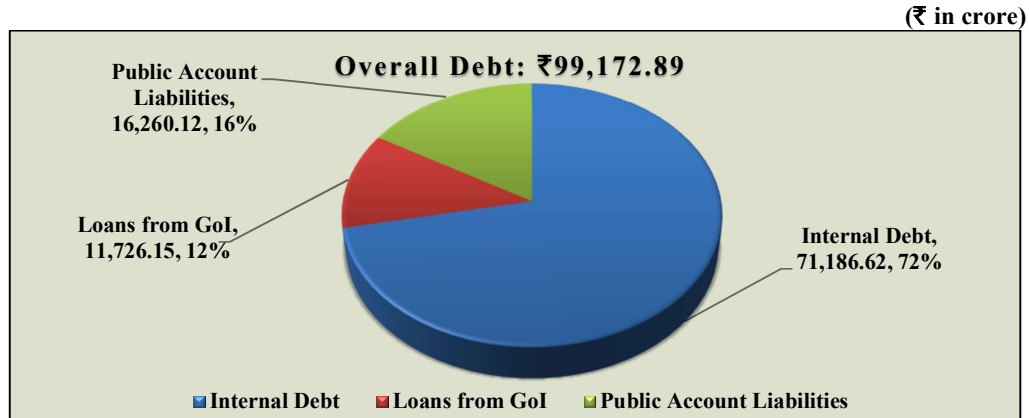
⁹ Debt to GSDP ratio has been calculated on the total debt of ₹89,605.22 crore after excluding the amount of back to back loan (₹3,109 crore) from the total outstanding debt (₹92,714.22 crore).

¹⁰ Debt to GSDP ratio has been calculated on the total debt of ₹91,098.74 crore after excluding the amount of back-to-back loan of ₹8,074.15 crore (₹3,109.00 crore in 2020-21 and ₹4,965.15 crore in 2021-22) from the total outstanding debt (₹99,172.89 crore).

¹¹ Including Public Account Liabilities

Component-wise break-up of debt is shown below in **Chart 2.19**:

Chart 2.19: Break up of Outstanding Overall Debt at the end of 2021-22

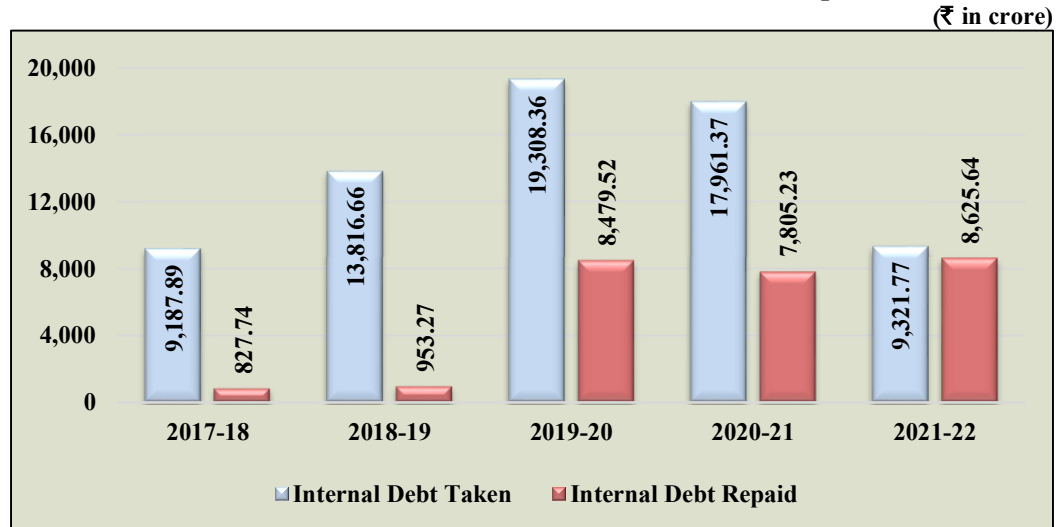


Source: Finance Accounts 2021-22

Internal debt (₹71,186.62 crore), which is primarily market borrowings through issue of State Development Loans (SDLs), accounts for 72 *per cent* of the total outstanding debt.

Chart 2.20 depicts Internal Debt taken by the State Government and repayment for the same period.

Chart 2.20: Internal debt taken *vis-a-vis* repaid



Source: Finance Accounts of the respective years

During 2017-22, the internal debt receipts under the overall debt of the State Government increased by ₹133.88 crore from ₹9,187.89 crore in 2017-18 to ₹9,321.77 crore in 2021-22. However, it decreased by ₹8,639.60 crore in current year as compared to previous year. During 2021-22, the State Government utilised 92.53 *per cent* of its internal debt receipts in repayment of previous internal debt, resultantly only 7.45 *per cent* was available for expenditure. This availability was lowest (7.45 *per cent*) in 2021-22 and highest (93.10 *per cent*) in 2018-19.

2.6.2 Components of fiscal deficit and its financing pattern

Fiscal Deficit represents the total financing that the State requires (predominantly by drawing on its cash and investment balances with the RBI and by borrowing) to meet the excess of the Revenue and Capital Expenditure (including loans and advances) over Revenue and Non-debt Receipts. Financing pattern of fiscal deficit is reflected in **Table 2.30**.

Table 2.30: Components of fiscal deficit and its financing pattern

(₹ in crore)						
Sl. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Composition of Fiscal Deficit						
1	Revenue Deficit (-)/ Surplus (+)	3,417.32	683.76	(-9,608.61)	(-6,856.66)	4,642.02
2	Net Capital Expenditure	(-9,997.64)	(-8,898.19)	(-8,561.69)	(-9,019.34)	(-10,499.33)
3	Net Loans and Advances ¹²	(-230.00)	(-77.80)	200.75	53.62	(-235.79)
Total		(-6,810.32)	(-82,92.23)	(-17,969.55)	(-15,822.38)	(-6,093.10)
Financing pattern of Fiscal Deficit						
1	Market borrowings	8,100.00	12,899.99	10,980.00	10,500.00	999.99
2	Loans from GOI	292.41	360.82	63.66	3,405.25	5,556.85
3	Special securities issued to NSSF	(-431.13)	(-443.74)	(-455.88)	(-455.88)	(-455.88)
4	Loans from financial institutions	691.28	407.14	304.72	112.02	239.03
5	Small Savings, PF etc.	640.61	754.51	785.26	403.73	(-0.90)
6	Deposits and Advances	120.95	(-231.39)	(-524.14)	501.82	(-204.13)
7	Suspense and Miscellaneous	(-1,611.16)	(-5,709.95)	4,505.27	1,845.02	109.64
8	Remittances	70.92	(-122.43)	80.79	(-51.08)	(-6.83)
9	Reserve Fund	(-765.14)	60.4	814.16	(-465.18)	453.53
10	Compensation and Other Bonds	0.00	0.00	0.00	0.00	(-87.01)
11	Overall Deficit	7,108.74	7,975.35	16,553.84	15,795.70	6,604.29
12	(-)Increase/(+)Decrease in cash balance	(-298.42)	(+316.88)	(+1,415.71)	(+26.68)	(-511.19)
Gross Fiscal Deficit		6,810.32	8,292.23	17,969.55	15,822.38	6,093.10

Source: Finance Accounts of respective years

During 2021-22, Loans and Advances from the Central Government (₹5,556.85 crore) raised by the State Government contributed to finance a major portion of fiscal deficit and its share in financing fiscal deficit was 91.20 per cent.

Receipts and Disbursements under different components financing the Fiscal Deficit are shown in **Table 2.31**:

¹² Net loans and advances including inter-State settlement

Table 2.31: Receipts and Disbursements under components financing the fiscal deficit

(₹ in crore)

Sl. No.	Particulars	Receipt	Disbursement	Net
1	Market Borrowings	3,999.99	3,000.00	999.99
2	Loans from GOI	5,776.51	219.66	5,556.85
3	Special Securities issued to NSSF	0.00	455.88	(-)455.88
4	Loans from Financial Institutions	1,104.27	865.24	239.03
5	Compensation and Other Bonds	0.00	87.01	(-)87.01
6	Small Savings, PF, etc.	1,648.18	1,649.08	(-)0.90
7	Deposits and Advances	4,226.54	4,430.67	(-)204.13
8	Suspense and Miscellaneous	1,45,828.19	1,45,718.55	109.64
9	Remittances	8,877.41	8,884.24	(-)6.83
10	Reserve Fund	7,779.21	7,325.68	453.53
11	Contingency fund	0.00	0.00	0.00
12	Overall Deficit	1,79,240.30	1,72,636.01	6,604.29
13	Increase/Decrease in cash balance	0.00	511.19	(-)511.19
14	Gross Fiscal Deficit	1,79,240.30	1,73,147.20	6,093.10

Source: Finance Accounts 2021-22

2.6.3 Debt Profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. Table 2.32 below shows the debt maturity profile of the State.

Table 2.32: Maturity profile of repayment of State debt

(₹ in crore)

Sl. No.	Period of repayment (Years)	Internal Debt	Loans & Advances from Central Government	Total	Percentage (w.r.t. public debt)
1	0 to 1	5,652.58	354.80	6,007.38	7.24
2	1 to 3	16,250.73	497.59	16,748.32	20.20
3	3 to 5	20,980.66	373.85	21,354.51	25.76
4	5 to 7	19,426.37	363.19	19,789.56	23.87
5	7 and above	8,720.30	2,061.14	10,781.44	13.00
6	Others ¹³	155.97	8,075.58	8,231.55	9.93
Total		71,186.62	11,726.15	82,912.77	100.00

Source: Finance Accounts 2021-22

The maturity profile of the State debt as on 31 March 2022 indicates that the State has to pay 77.07 per cent of the debt within the next seven years.

2.7 Debt Sustainability Analysis (DSA)

Debt sustainability is defined as the ability of the State to service its debt now and in future. Apart from the magnitude of the debt of the Government, it is important to

¹³ Details of maturity year not available

analyse the various parameters that determine the debt sustainability of the State and indicate the ability of the State to service its debt obligations. This section assesses the sustainability of the debt of the Government in terms of rate of growth of outstanding debt; ratio of interest payments and revenue receipts, debt repayments and debt receipts; net debt available to the State.

Table 2.33 analyses the debt sustainability of the State according to these indicators for the period of five years from 2017-18 to 2021-22.

Table 2.33: Trends in debt Sustainability indicators

(₹ in crore)

Sl. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
1	Outstanding Public Debt*	39,030.01	52,254.22	63,146.72	76,659.79 ¹⁴	82,912.77 ¹⁵
2	Rate of growth of outstanding Public Debt (per cent)	28.48	33.88	20.85	21.40	8.16
3	Gross State Domestic Product (GSDP)	2,82,266	3,27,693	3,44,571	3,52,161	4,00,061
4	Rate of growth of GSDP (per cent)	7.41	16.09	5.15	2.20	13.60
5	Debt/GSDP (per cent)	13.83	15.95	18.33	20.89 ¹⁶	18.71 ¹⁷
6	Average interest Rate of Outstanding Public Debt (per cent)	7.52	6.79	7.42	7.19	7.35
7	Percentage of Interest payment to Revenue Receipt	4.37	4.76	6.70	7.78	6.85
8	Percentage of Debt Repayment to Debt Receipt	10.36	7.97	44.39	37.16	58.58
9	Net Debt available to the State [#]	6,044.56	10,126.19	6,610.26	8,645.96	799.18
10	Net Debt available as per cent to Debt Receipts	62.62	70.47	33.75	40.06	5.29
11	Primary Deficit	(-)3,711.99	(-)4,639.69	(-)12,999.19	(-)10,189.27	51.14
12	Debt Stabilisation (Quantum spread [@] + Primary Deficit)	(-)3,752.99	219.95	(-)14,432.62	(-)13,859.45	4,728.55

Source: Finance Accounts of the respective years

* Outstanding Public Debt is the sum of outstanding balances under the heads 6003-Internal Debt and 6004- Loans and Advances from the Central Government.

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

@ Quantum spread = Debt * interest spread; Where Interest spread = GSDP growth rate - average interest rate. For computation of quantum spread for the year 2020-21 & 2021-22, the debt and average Interest rate are taken excluding back to back loan of ₹3,109 and ₹8,074.15 crore respectively.

¹⁴ Includes back to back loan of ₹3,109 crore provided in lieu of shortfall in GST compensation as debt receipt to the State Government with no repayment liability for the State.

¹⁵ Includes back to back loan of ₹8,074.15 crore provided in lieu of shortfall in GST compensation as debt receipt to the State Government with no repayment liability for the State.

¹⁶ Debt/GSDP has been calculated on ₹73,550.79 crore after excluding back to back loan of ₹3,109 crore from total public debt of ₹76,659.79 crore.

¹⁷ Debt/GSDP has been calculated on ₹74,838.62 crore after excluding back to back loan of ₹8,074.15 crore from total public debt of ₹82,912.77 crore.

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

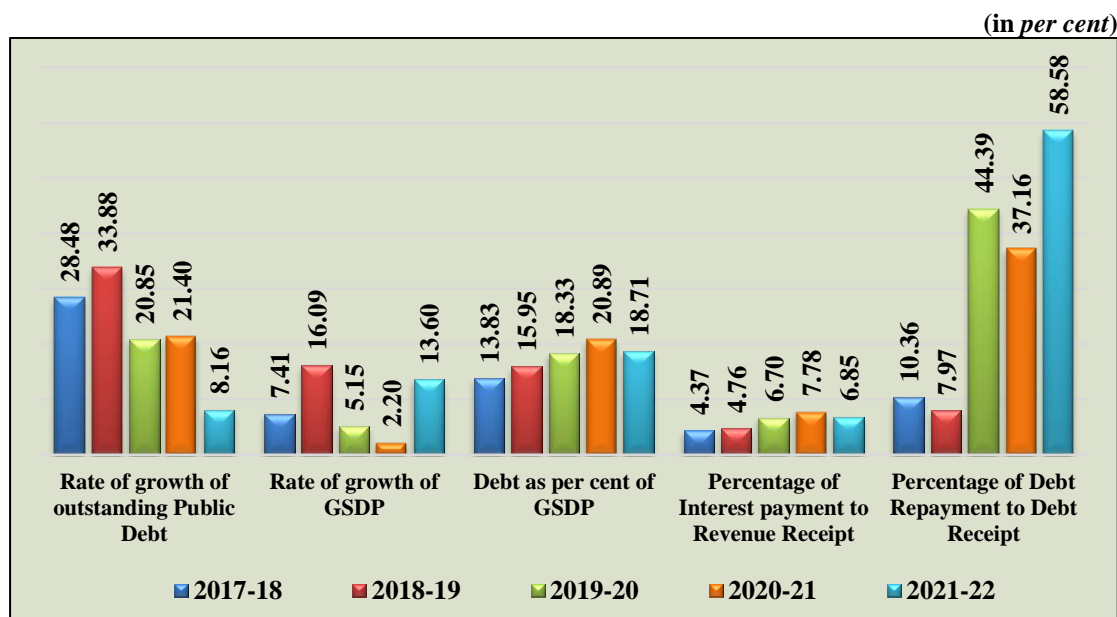
Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt * rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would tend to be constant or debt would stabilize eventually. On the other hand, if primary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

- During year 2017-18 and 2019-21 debt to GSDP ratio was rising as primary deficit together with quantum spread was negative and so could not fulfill the condition for debt stabilization. However, during 2021-22, the rate of growth of economy (rate of growth of GSDP) exceeded the interest rate or cost of public borrowings resulting in falling debt to GSDP ratio and fulfillment of necessary condition for debt stabilization.
- Higher percentage of interest payments leaves less funds for priority areas. Percentage of interest payments to revenue receipt measures the margin of safety a government has for paying interest on its debt during a given period. There was increasing trend in the percentage of interest payment on public debt to revenue receipt from 2017-18 to 2020-21. However, during 2021-22 interest payment on public debt to revenue receipt decreased to 6.85 *per cent* as compared to 7.78 *per cent* over the previous year.
- The percentage of net debt available to the State after repayment of borrowings and interest decreased to five *per cent* (₹799.18 crore) in 2021-22 as against 40 *per cent* (₹8,645.96 crore) in 2020-21. Decline in net debt availability of the State indicates towards increased burden of servicing of debt and leave the State with limited fund available for development activities.
- The average expenditure (Public debt repayment and interest payment on Public Debt) on debt servicing during the period 2017-22 was ₹9,612.78 crore, which accounted for 59.86 *per cent* of average public debt receipts (₹16,058.01 crore) during the same period, implying that a large percentage of debt was being used for debt servicing rather than productively.

Total outstanding guarantees (₹19,523.54 crore) of the State Government at the end of March 2022 stood at 65.02 *per cent* of State own Revenue Receipts. Since the State has not created Guarantee Redemption Fund (GRF), any liability arising due to default by the borrowing entities would be serviced through budget provision which will put additional burden on the State Government.

Chart 2.21 below depicts the sustainability of debt of the State Government in terms of debt/GSDP ratio.

Chart 2.21: Trends of Debt Sustainability indicators



Source: Finance Accounts of the respective years

Note: Debt as percent of GSDP computed after excluding back to back loan in 2020-21 & 2021-22.

2.7.1 Trend of Outstanding Public Debt for Repayment in upcoming Years

The borrowings of the State Government are governed by Article 293 of the Constitution of India. The State Government takes loans/borrows from market for implementation of various State Plan programmes and fulfilment of fiscal liabilities. The principal and interest of outstanding debt stock for repayment in next 10 years on the present debt liabilities is depicted below in **Table 2.34**.

Table 2.34: Outstanding Public Debt (Principal) for Repayment in next 10 years

(₹ in crore)

Sl. No.	Year	Outstanding Public Debt (Principal) for Repayment		
		Internal Debt of the State Government	Loans and Advances from Central Government	Total
1	2021-22	8,625.64	219.66	8,845.30
2	2022-23	5,652.58	354.80	6,007.38
3	2023-24	7,204.78	294.16	7,498.94
4	2024-25	9,045.96	203.42	9,249.38
5	2025-26	10,800.46	189.02	10,989.48
6	2026-27	10,180.20	184.83	10,365.03
7	2027-28	11,870.44	184.80	12,055.24
8	2028-29	7,555.93	178.40	7,734.33
9	2029-30	7,981.26	162.46	8,143.72
10	2030-31	256.48	143.18	399.66
11	2031-32	120.44	133.70	254.14
Total		79,294.17	2,248.43	81,542.60

Source: Finance Accounts 2021-22

During 2021-22, the State Government made principal repayment of ₹8,625.64 crore against Internal Debt and ₹219.66 crore against Loans and Advances from Central Government. Further, the State Government will have to make principal repayment of ₹70,668.53 crore against Internal Debt and ₹2,028.77 crore against Loans and Advances from Central Government from 2022-23 to 2031-32. Outstanding principal and interest of market loans for repayment is shown in below **Table 2.35**.

Table 2.35: Outstanding principal and interest of Market Loans for repayment

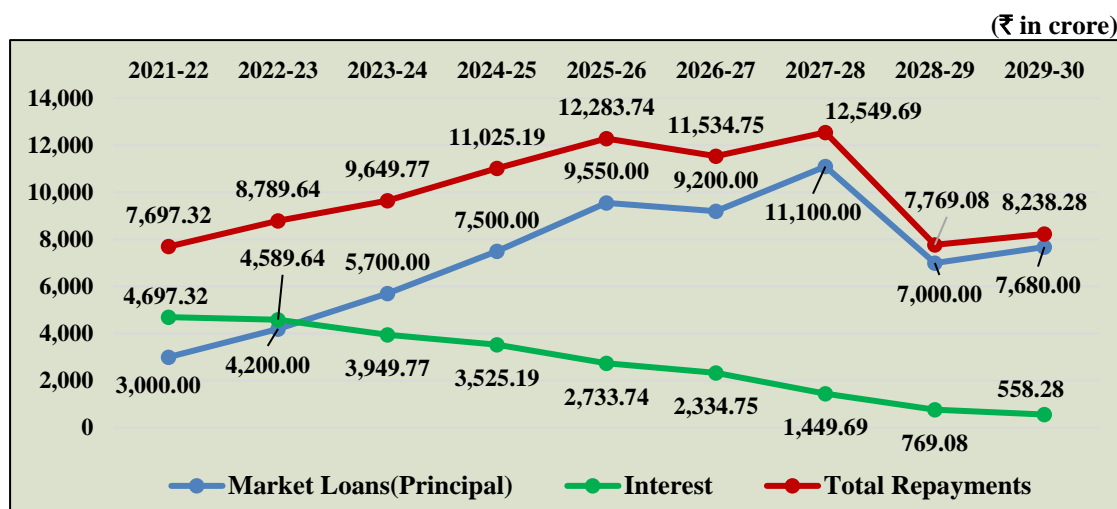
(₹ in crore)

Sl. No.	Year	Outstanding Market Loans for Repayment		
		Principal	Interest	Total
1	2021-22	3,000.00	4,697.32	7,697.32
2	2022-23	4,200.00	4,589.64	8,789.64
3	2023-24	5,700.00	3,949.77	9,649.77
4	2024-25	7,500.00	3,525.19	11,025.19
5	2025-26	9,550.00	2,733.74	12,283.74
6	2026-27	9,200.00	2,334.75	11,534.75
7	2027-28	11,100.00	1,449.69	12,549.69
8	2028-29	7,000.00	769.08	7,769.08
9	2029-30	7,680.00	558.28	8,238.28
Total		64,930.00	24,607.46	89,537.46

Source: Finance Accounts 2021-22

The State Government made principal repayment of ₹3,000.00 crore and interest repayment of ₹4,697.32 crore against market loans during 2021-22. Further, the State Government will have to make principal repayment of ₹61,930.00 crore and interest repayment of ₹19,910.14 crore against market borrowings from 2022-23 to 2029-30. Market loans of ₹61,930.00 crore forms a major part (85.19 per cent) of total public debt-principal component of ₹72,697.30 crore. Trend of repayment of outstanding market loans is shown in **Chart 2.22** below.

Chart 2.22: Trend of outstanding Market Loans for repayment



Source: Finance Accounts 2021-22

As can be seen from above chart, that the outstanding year wise market loans for repayment shows an increasing trend, the State Government needs to augment its resources to meet the increasing debt repayment burden over the coming years.

2.7.2 Utilisation of borrowed fund

Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not sustainable. Details and trends of utilisation of borrowed funds during 2017-18 to 2021-22 are given in **Table 2.36**.

Table 2.36: Utilisation of borrowed funds

(₹ in crore)						
Sl. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
1	Total Borrowings ¹⁸	15,851.32	20,736.52	31,921.72	33,423.87	28,164.36
2	Repayment of earlier borrowings (Principal)	7,202.52	6,923.87	19,958.77	19,422.11	21,657.37
3	Balance available after borrowing repayments	8,648.80	13,812.65	11,962.95	14,001.76	6,506.99
4	Net Capital expenditure	(-)9,997.64	(-)8,898.19	(-)8,561.69	(-)9,019.34	(-)10,499.33
5	Net Loans and Advances	(-)230.00	(-)77.80	200.75	53.62	(-)235.79
6=1-2-3-4	Portion of Revenue expenditure met out of net available borrowings	Nil	Nil	3,602.01	5,036.04	Nil
7	Surplus borrowing in Cash Balance	Nil	4,836.66	Nil	Nil	Nil

Source: Finance Accounts of the respective years

Table 2.36 shows that borrowings during 2021-22 was less than the expenditure on capital account, i.e., repayment of public debt, capital expenditure and loans and advances disbursed, thereby, implying that a portion of expenditure on capital account were met from revenue surplus of the State. During the year 2021-22, 77 per cent of borrowed funds were utilised towards the repayment of earlier borrowings leaving only 23 per cent of borrowed fund for development activities. During 2021-22, total borrowings decreased by ₹5,259.51 crore (15.74 per cent) from ₹33,423.87 crore in 2020-21 to ₹28,164.36 crore in 2021-22. However, repayment of earlier borrowings increased by ₹2,235.26 crore (11.51 per cent) in 2021-22 over the previous year.

2.7.3 Guarantees – Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. The total outstanding guarantees of the State Government were within the ceilings fixed under the Chhattisgarh State Government Guarantee Rules in last five years. The details of outstanding guarantees at the end of the financial year for the year 2017-18 to 2021-22 are given in **Table 2.37**.

¹⁸ Total Borrowing includes receipts under Public Debt and Other Public Account liabilities

Table 2.37: Guarantees given by the Government of Chhattisgarh

(₹ in crore)						
Sl. No.	Guarantees	2017-18	2018-19	2019-20	2020-21	2021-22
1	Ceiling applicable to the outstanding amount of guarantees*	17,230.12	18,364.57	20,391.20	30,051.62	30,026.15
2	Outstanding amount of guarantees	3,881.92	10,769.42	18,459.36	19,836.13	19,523.54

Source: Finance Accounts of the respective years

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

As of 31 March 2021, the State Government guaranteed the loans of various entities amounting to ₹19,836.13 crore. During the year 2021-22, it guaranteed a further amount of ₹661.25 crore. An amount of ₹973.84 crore was repaid during the year, leaving the outstanding guarantees at the end of March 2022 at ₹19,523.54 crore.

Audit noticed that many of the above entities raised funds through loans based on Government guarantees for implementation of Government schemes/programmes. These entities are either loss making and/or financed by the Government. In five such cases scrutinized by Audit revealed that the State Government has been servicing the loans and interest thereon through budget, thus shifting the burden to the Government.

The outstanding Guarantees (₹19,523.54 crore) at end of March 2022 stood at 65.02 per cent of State's own Revenue Receipts¹⁹ of the preceding year (i.e. ₹30,026.15 crore in 2020-21) which was well within the ceiling of 100 per cent. During the year 2021-22, against the guarantee fees receivable of ₹76.00 crore, ₹73.50 crore was received and guarantees fees for guarantees given to *Atal Nagar Vikas Pradhikaran* (₹2.50 crore) was not received.

2.7.4 Management of Cash Balances

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

It is not desirable that State Government takes recourse to market loans despite having large cash balances leading to further accretion to cash balances without putting it to productive use. **Table 2.38** depicts the cash balances and the investments made out of these by the State Government during the year.

¹⁹ The State's own Revenue Receipts comprises of State Own Tax Revenue and Non-Tax Revenue

Table 2.38: Status of Cash Balances

(₹ in crore)

Sl. No.	Particulars	Opening balance as on 01 April 2021	Closing balance as on 31 March 2022
1	A. General Cash Balances		
2	Cash in treasuries	0.00	0.00
3	Deposits with Reserve Bank	(-)1,121.67	(-)610.48
4	Deposits with other Banks	0.00	0.00
5	Remittances in transit	0.00	0.00
6	Total	(-)1,121.67	(-)610.48
7	Investment held in 'Cash Balance Investment Account'	3,389.68	3,345.39
8	Total A	2,268.01	2,734.91
9	B. Other Cash Balances and Investments		
10	Cash with the Departmental Officers viz. Forest, Public Works Departments, Military Secretary to the Governor	11.95	12.10
11	Permanent advances for contingent expenditure with Departmental Officers	0.34	0.34
12	Investment of Earmarked Funds	7,181.07	7,174.27
13	Total B	7,193.36	7,186.71
14	Total A and B	9,461.37	9,921.62
15	Interest realised	29.66	28.23

Source: Finance Accounts of 2021-22

Cash Balances of the State Government at the end of the current year increased by ₹460.25 crore from ₹9,461.37 crore in 2020-21 to ₹9,921.62 crore in 2021-22. Under an agreement with the Reserve Bank of India (RBI) the Government of Chhattisgarh has to maintain the required minimum cash balance of ₹0.72 crore with the RBI. If the balance falls below the agreed minimum balance on any day, the shortfall is made good by taking Ordinary and Special Ways and Means Advance or Ordinary Ways and Means Advance. While the State Government has not availed of any Ways and Means Advances during 2021-22, it availed of Special Drawing facility of ₹4,217.51 crore from RBI. The cash balance investments of the State during the five-year period 2017-18 to 2021-22 are given below in the **Table 2.39**.

Table 2.39: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

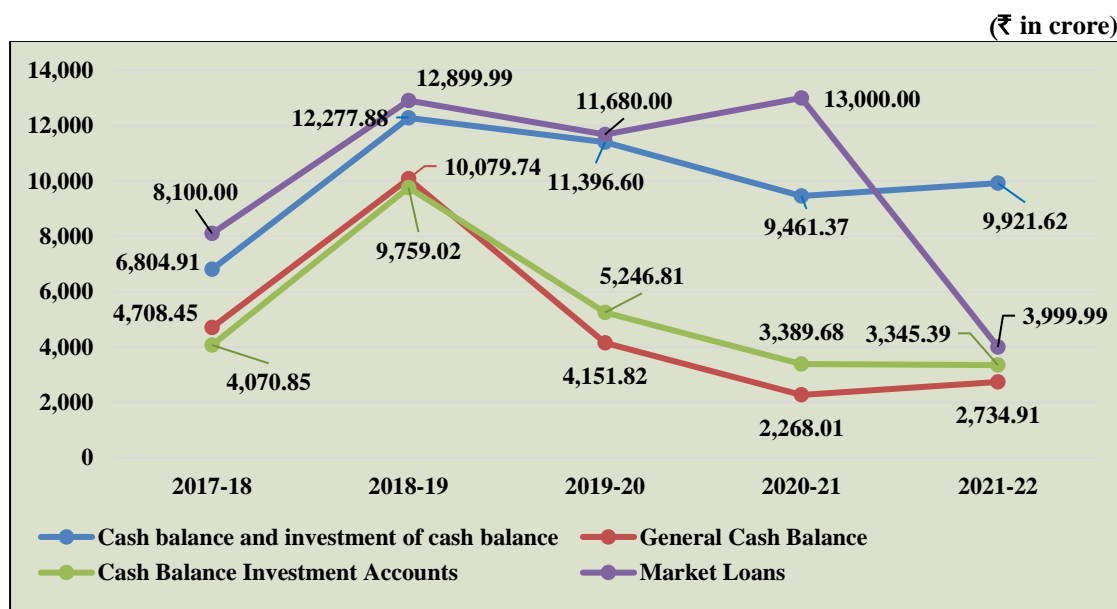
Sl. No.	Year	Cash Balance Investment			
		Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
1	2017-18	2,512.00	4,070.85	1,558.85	140.20
2	2018-19	4,070.85	9,759.02	5,688.17	144.33
3	2019-20	9,759.02	5,246.81	(-)4,512.21	196.10
4	2020-21	5,246.81	3,389.68	(-)1,857.13	29.66
5	2021-22	3,389.68	3,345.39	(-)44.29	28.23

Source: Finance Accounts of respective years

The position of closing balance of Cash Balance Investment of the State Government during 2017-22 decreases by ₹725.46 crore with inter year fluctuation from ₹4,070.85 crore in 2017-18 to ₹3,345.39 crore in 2021-22.

Chart 2.23 below compares the Cash Balance and the Market Loans availed by the State Government during the period 2017-22.

Chart 2.23: Market Loans vis-à-vis Cash Balance



Source: Finance Accounts of respective years

The State Government made investment of ₹3,345.39 crore in Government of India Treasury Bills from the General cash balance as on 31 March 2022. During 2021-22, the State Government received interest of ₹28.23 crore on its investment of cash balance and raised market loans of ₹3,999.99 crore at an average interest rate of 6.64 per cent.

The buildup of large cash balances increases the interest cost burden for the State Government. The State Government could have lowered its borrowings and burden of interest by utilizing surplus cash balance available with it.

2.8 Conclusion

The State Government registered a significant increase of 26.08 per cent in its Revenue Receipts during 2021-22 compared to the previous year. The Own tax revenue increased by 18.33 per cent and non-tax revenue increased by 94.08 per cent and achieved the level anticipated in budgetary projections.

The State Government achieved the target of Revenue surplus (₹4,642.02 crore) and ratio of Fiscal Deficit to GSDP (1.52 per cent) was within the target of four per cent prescribed under FRBM/MTFPS during the 2021-22.

Revenue expenditure which constitute 87 per cent of total expenditure increased by 7.11 per cent during 2021-22 compared to the previous year. Though the Capital

Expenditure increased by 16.40 per cent over the previous year, its share in total expenditure was merely 12 per cent. While the revenue expenditure as a percent of GSDP was 18.75 per cent, the capital expenditure stood at 2.63 per cent of GSDP in 2021-22. The allocative priority accorded to capital expenditure by the State Government was less than the average of general category States in 2021-22.

Debt-GSDP ratio of the State decreased from 25.44 per cent in the year 2020-21 to 22.77 per cent in the year 2021-22 against the target of 28.34 per cent under the FRBM/MTFPS.

Debt Stabilisation increased during the year 2021-22 due to the lower average interest rate on public debt as compared to GSDP growth rate. The percentage of Interest Payment on Public Debt to Revenue Receipts also decreased to 6.85 per cent in the year 2021-22 from 7.78 per cent in the year 2020-21.

The percentage of net public debt available to the State after repayment of borrowings and interest decreased to five per cent (₹799.18 crore) in 2021-22 as against 40 per cent (₹8,645.96 crore) in 2020-21. Decline in net debt availability of the State indicates towards increased burden of servicing of debt and leave the State with limited fund available for development activities.

Committed Expenditure to Revenue Expenditure in the year 2021-22 decreased to 58.92 per cent from 60.08 per cent in the year 2020-21.

The State Government has not constituted Guarantee Redemption Fund for meeting the debt servicing obligation arising in the event of default by the borrowing agency out of guarantees issued by the Government.

During the year 2021-22, the State Government transferred less contribution to the Consolidated Sinking Fund, which was 0.32 per cent of the outstanding liabilities as against its minimum required contribution of at least 0.50 per cent.

2.9 Recommendations

- i.** The State Government should explore ways to rationalise its committed expenditure so that more funds can be made available for development expenditure.
- ii.** The State Government should create the Guarantee Redemption Fund as per the recommendations of Twelfth Finance Commission.
- iii.** Government should review and analyse the reasons for delays in completion of capital projects and initiate expeditious measures to enable the departments involved, to overcome the hurdles in this regard.

CHAPTER III

BUDGETARY MANAGEMENT

Chapter III: Budgetary Management

3.1 Introduction

This chapter reviews the integrity, transparency and effectiveness of the budgetary process and allocative priorities, including supplementary grants, and the concomitant financial management and assessing whether decisions taken at the policy level are implemented at the administrative level without diversion of funds.

3.2 Budget Process

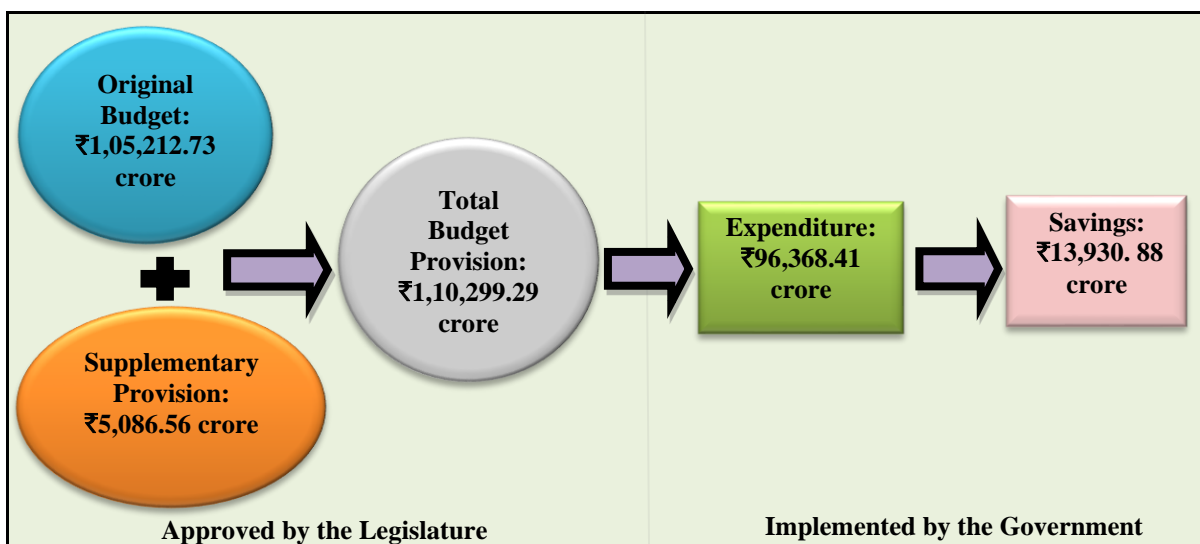
The annual exercise of budgeting is a tool for detailing the roadmap for efficient use of public resources. Government of Chhattisgarh follows a top-down approach for budget preparation. The process followed by the State for budget preparation is broadly as follows:

- ✦ At the beginning of the financial year, Finance Department undertakes a preliminary assessment of the financial resources that are likely to be available with the State in the ensuing financial year based on past trends with due consideration of policy announcements by the Union and State Governments and any recent developments that may significantly impact resource availability.
- ✦ Based on the quantum of resources estimated, Finance Department determines the affordable level of Government expenditure for the financial year.
- ✦ The Budget Circular includes the calendar of dates for submission and review of estimates to be prepared by departments. It is also accompanied by procedural details for the preparation of the Gender, Child, Youth, Agriculture and Outcome Budgets.
- ✦ Thereafter, Finance Department carries out the evaluation of the State's financial resources based on guidelines issued by the *Niti Ayog*. Various inputs from revenue-earning departments are also incorporated in these estimates. An estimation of resources of local bodies and State PSUs is also made. On receiving budget estimates of expenditure from departments, Finance Department scrutinizes and finalizes these estimates for which it holds discussions with department officials.

The estimates are compiled by Finance Department in prescribed formats in which they are to be presented to the Legislative Assembly for vote and approval for expenditure out of the Consolidated Fund of the State by presenting its Annual Budget and Demands for Grants/Appropriations. Supplementary or Additional Grant/Appropriation is provided during the course of the financial year for meeting expenditure in excess of the originally budgeted amount. Further, the State Government also re-appropriates/re-allocates funds from various units of Appropriations where savings are anticipated to units where additional expenditure is envisaged (within the Grant/Appropriation) during the year.

The total budget approved by the State Legislature including the original and supplementary budgets, expenditure, and savings during the year 2021-22 are depicted in **Chart 3.1**.

Chart 3.1: Summary of Budget and Expenditure of Chhattisgarh for 2021-22



3.3 Financial Accountability and Budget Review

3.3.1 Gender Budget

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

During 2021-22, the State Government allocated ₹530.85 crore (original budget only) for 23 schemes which are 100 *per cent* women-centric. Out of the total budget of ₹530.85 crore, only ₹471.58 crore (88.83 *per cent*) was utilised and remaining ₹59.27 crore (11.17 *per cent*) was either surrendered or re-appropriated. Details are shown in *Appendix 3.1*.

The budget provision of ₹13,296.86 crore for 114 schemes in which a part of the budget (minimum 30 *per cent*) was to be spent on pro-women schemes during 2021-22 did not provide details of distinct sub-heads or object heads. Thus, the actual amount spent on women-centric schemes could not be verified during audit.

3.3.2 Youth Budget

Youth budget is a part of the overall budget and the schemes related to youth were divided into two categories- (1) Youth-specific schemes in which 100 *per cent* budget provision is related to youth, and (2) Pro-youth schemes in which at least 50 *per cent* of budget provision is related to youth.

During 2021-22, State Government made a budget provision of ₹1,464.64 crore (original

budget of ₹1,419.84 crore and supplementary budget of ₹44.80 crore) for 50 schemes which are 100 *per cent* youth-centric. Out of the total budget of ₹1,464.64 crore, only an expenditure of ₹719.73 crore (49.14 *per cent*) was incurred, and remaining ₹744.91 crore (50.86 *per cent*) was either surrendered or re-appropriated. Details are shown in **Appendix 3.2**.

The budget provision of ₹2,866.37 crore for 51 schemes in which a part of the budget (minimum 50 *per cent*) was to be spent on pro-youth schemes during 2021-22 did not specify distinct sub-heads or object heads. Thus, the actual amount spent on youth-centric schemes could not be verified in audit.

3.3.3 Agriculture Budget

This budget includes the development of agriculture sector and the interests of farmers' activities as well as information on expenditure on these activities.

During 2021-22, the State Government provided ₹19,313.63 crore in the budget (original budget of ₹18,513.39 crore and supplementary budget of ₹800.23 crore) for 261 schemes for agriculture under 13 departments¹. Out of this budget, an expenditure of ₹16,046.29 crore (83.08 *per cent*) was incurred and remaining ₹3,267.34 crore (16.92 *per cent*) was either surrendered or re-appropriated.

3.3.4 Child Budget

The state government has introduced child budget for the first time to provide adequate budget to about 80 lakh children in the state. Investing in children and adolescents is critical to achieving inclusive, equitable and sustainable development for the present and future generations and efficient spending ensures that the rights of all children are promoted and protected. Chhattisgarh has also incorporated this in its CG SDG (Chhattisgarh Sustainable Development Goals) Vision till 2030.

During 2021-22, the State Government provided ₹3,532.55 crore in the budget for 45 schemes under six departments². Out of this, a budget of ₹51.45 crore was allocated for 11 schemes which are 100 *per cent* child-centric. An expenditure of ₹25.85 crore (50.24 *per cent*) was incurred and remaining ₹25.60 crore (49.76 *per cent*) was either surrendered or re-appropriated.

3.3.5 Major Policy Initiatives/New Schemes

While presenting its Budget for the year 2021-22, the State Government announced a total

¹Agriculture Department, Animal Husbandry Department, Fisheries Department, Co-operative Department, Water Resource Department, Revenue Department, Panchayat and Rural Development Department, Forest Department, Energy Department, Finance Department, Food and Civil Supply Department, Ayacut Department, and Rural Industry Department

²Labour Department, Public Health & Family Welfare Department, School Education Department, Tribal Welfare Department, Social Welfare Department, and Women & Child Development Department

of 47 major policy initiatives/new schemes with an allocation of ₹1,256.15 crore. Out of these major policy initiatives/new schemes, it provided a total budget of ₹37.10 crore under seven major policy initiatives/new schemes (one crore and above) spanning across various departments in which no expenditure was incurred during the year and the entire amount was either surrendered/ re-appropriated mainly due to non/short release of funds by Government, non-receipt of proposals, non-approval of works etc. Details are shown in *Appendix 3.3*.

3.4 Appropriation Accounts

Audit of Appropriation Accounts by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorization made under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the relevant laws, rules, regulations and instructions.

3.4.1 Summary of Appropriation Accounts

The summarized position of budget including supplementary budget, actual expenditure, and excess/savings during 2021-22 against 71 grants/ appropriations is given below:

Table 3.1: Summarised position of Expenditure vis-à-vis Budget Provision

(₹ in crore)

	Nature of Expenditure	Original Budget	Supplementary Provision	Total Budget	Expenditure	Savings (-)	Excess (+)	Surrender during March
Voted	Revenue	78,002.98	3,313.30	81,316.28	69,557.86	-12,348.56 (15.19)	590.14 (0.73)	12,248.64 (99.19)
	Capital	14,582.88	1,358.33	15,941.21	10,875.25	-5,066.23 (31.78)	0.27	5,058.31 (99.85)
	Loans and Advances	304.75	68.00	372.75	336.33	-36.42 (9.77)	0.00	94.60 (259.77)
	Total Voted	92,890.61	4,739.63	97,630.24	80,769.45	-17,451.21 (17.87)	590.41 (0.60)	17,401.55 (99.72)
Charged	Revenue	6,924.57	346.93	7,271.50	6,736.85	-535.07 (7.36)	0.42 (0.01)	533.68 (99.74)
	Capital	21.19	0.00	21.19	16.82	-4.37 (20.58)	0.00	4.36 (100.00)
	Public Debt	5,376.37	0.00	5,376.37	8,845.29	0.00	3,468.93 (64.52)	0.00
	Total Charged	12,322.12	346.93	12,669.05	15,598.97	-539.44 (4.26)	3,469.35 (27.38)	538.04 (99.74)
Grand Total	1,05,212.73	5,086.56	1,10,299.29	96,368.41	-17,990.65 (16.31)	4,059.76 (3.68)	17,939.59 (99.72)	

Source: Appropriation Account 2021-22

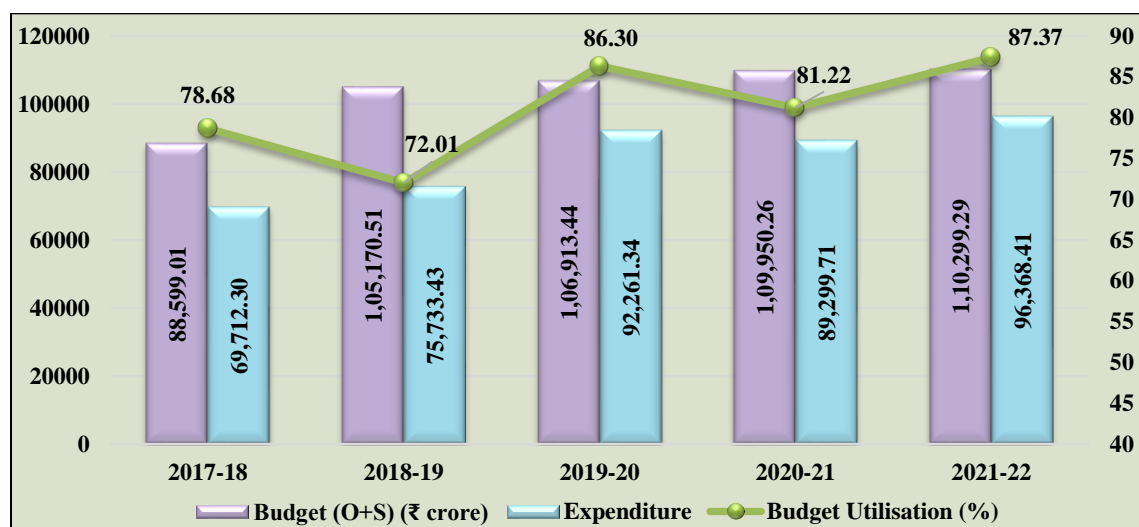
The total savings amounted to ₹17,990.65 crore (16.31 per cent of total grants/appropriation), and ₹18,509.20 crore was surrendered. Out of the total surrender of

₹18,509.20 crore, an amount of ₹17,939.59 crore (96.92 per cent) was surrendered in the month of March, hence leaving no scope for utilisation of these funds for other developmental purposes. Also, since the Government could not utilise the original provision, the supplementary provision of ₹5,086.56 crore proved unnecessary.

3.4.2 Utilisation of Budgeted Funds

The utilisation of budgeted funds by the State Government has been sub-optimal every year in the past years. The extent of utilisation of budget during the five-year period from 2017-18 to 2021-22 is shown in **Chart 3.2**.

Chart 3.2: Budget Utilisation during 2017-18 to 2021-22



Source: Appropriation Account of the respective years

The percentage of utilisation of budget increased from 78.68 per cent in 2017-18 to 87.37 per cent during 2021-22. Also, the utilisation of funds increased from 81.22 per cent in 2020-21 to 87.37 per cent of the total budgetary provision in 2021-22. This increase in utilisation of funds was mainly due to gradual unlocking of the economy after Covid-19 pandemic. There was an increase in revenue expenditure this year over the previous year mainly in Medical and Public health and in General Education. There was also an increase in capital expenditure due to according administrative approval of new work for construction of Roads and Bridges.

3.5 Comments on Integrity of Budgetary and accounting process

3.5.1 Misclassification of capital expenditure as revenue expenditure

The Indian Government Accounting Standard (IGAS)-2 regarding Accounting and Classification of Grants-in-Aid prescribes that the Grants-in-Aid disbursed by a grantor shall be classified and accounted for as revenue expenditure in the Financial Statements of the grantor irrespective of the purpose for which the funds were disbursed. Only in

cases, specifically authorised by the President of India on the advice of the Comptroller and Auditor General of India, can these be debited to Capital head of account in the Financial Statements of the Government.

Further, Rule 30 of Government Accounting Rule 1990 and Para 324 of Madhya Pradesh Financial Code-Volume-I (adopted by the State of Chhattisgarh) state the criteria for determining whether expenditure should be classified under heads of Capital Section or Revenue Section of the Consolidated Fund.

Expenditure of a capital nature to be classified in the Capital Section shall broadly be defined as expenditure incurred with the objective of increasing concrete assets of a material and permanent character. Expenditure on a temporary asset or expenditure on Grants-in-Aid to local bodies or institutions for the purposes of creating assets which will belong to these local bodies or institutions cannot ordinarily be classified as capital expenditure, except in cases specifically authorised by the President on the advice of the Comptroller and Auditor General be debited to Capital head of account.

During 2021-22, the Government of Chhattisgarh made budget provisions and misclassified Grants-in-Aid (GiA) of ₹2,227.04 crore provided for the creation of capital assets under Capital Section. The expenditure incurred out of GiA as capital expenditure during 2017-18 to 2021-22 is shown in **Table 3.2**.

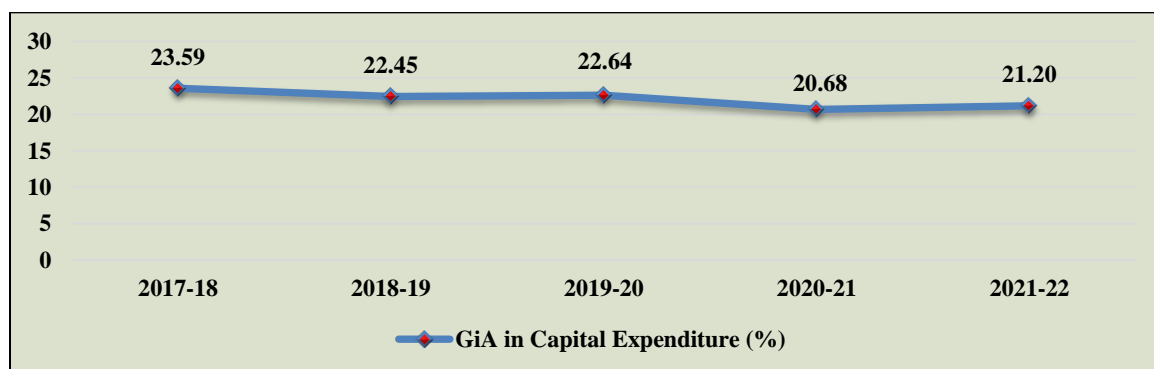
Table 3.2: Extent of classification of GiA as Capital Expenditure

(₹ in crore)

Sl. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
1	GiA booked as a Capital Expenditure	2,359.39	1,998.74	1,939.61	1,865.85	2,227.04
2	Total Capital Expenditure	10,000.96	8,903.45	8,566.39	9,024.19	10,504.22
3	Share of GiA in Capital Expenditure (%)	23.59	22.45	22.64	20.68	21.20

Source: Finance Account of the respective years

Chart 3.3: Share of Grants-in-aid in Capital Expenditure



Source: Appropriation Account of the respective years

3.5.2 Unnecessary or excessive supplementary grants

The State Legislature approved three supplementary allocations of ₹5,086.56 crore during 2021-22. Audit analysis of utilisation of these supplementary allocations showed that in 31 cases pertaining to 26 grants, supplementary provision of ₹50 lakh or more in each case aggregating ₹2,597.12 crore obtained during the year proved entirely unnecessary as the actual expenditure was even less than the original provision. Details are shown in **Appendix 3.4**.

Under 17 Grants, there was significant savings of ₹100 crore and above out of original budget provision, and yet supplementary provision was obtained. Details are given below in **Table 3.3**.

Table 3.3: Case where supplementary provision was obtained even though savings were ₹100 crore and above out of the original budget provision

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant	Original Budget	Supplementary	Actual Expenditure	Saving out of Original Budget	
						Amount	%
Revenue (Voted)							
1	02	Other expenditure pertaining to General Administration Department	346.18	5.87	159.28	-186.90	53.99
2	03	Police	5,073.18	15.83	4,471.03	-602.15	11.87
3	08	Land Revenue and District administration	918.94	201.00	806.38	-112.56	12.25
4	23	Water Resources Department	620.31	3.11	474.32	-145.99	23.54
5	27	School Education	5,140.25	57.29	4,586.48	-553.77	10.77
6	29	Administration of Justice and Elections	478.05	9.71	364.16	-113.89	23.82
7	30	Expenditure pertaining to Panchayat and Rural Development Department	3,049.75	160.79	2,024.41	-1,025.34	33.62
8	39	Food Civil Supplies and Consumer Protection	2,333.05	41.50	2,024.51	-308.53	13.22
9	41	Tribal Area Sub-Plan	16,242.98	601.19	13,884.41	-2,358.57	14.52
10	55	Expenditure pertaining to Women and Child Welfare	1,016.19	6.65	748.67	-267.53	26.33
11	64	Special Component Plan for Scheduled Castes	5,136.72	379.01	4,489.82	-646.90	12.59
12	69	Urban Administration and Development Department-Urban	895.12	258.62	774.38	-120.74	13.49
13	79	Expenditure pertaining to Medical Education Department	903.03	7.00	672.67	-230.35	25.51
Total-Revenue Voted			42,153.75	1,747.56	35,480.52	-6,673.23	15.83

Capital (Voted)							
14	08	Land Revenue and District administration	231.89	4.00	4.86	-227.03	97.90
15	23	Water Resources Department	519.16	0.12	232.25	-286.91	55.26
16	41	Tribal Area Sub-Plan	3,233.04	395.19	2,516.54	-716.50	22.16
17	67	Public Works-Buildings	785.44	0.01	307.90	-477.53	60.80
Total-Capital Voted			4,769.53	399.32	3,061.56	-1,707.97	35.81
Grand Total			46,923.28	2,146.88	38,542.08	-8,381.20	17.86

Source: Appropriation Accounts 2021-22

Further, under 20 sub-heads, entire supplementary provision of ₹ one crore or more in each case amounting to ₹193.36 crore remained unutilised as shown in **Table 3.4**. This indicates that supplementary provisions were made without realistic estimation of requirement of funds and reflects poor budget management.

Table 3.4: Details where entire supplementary provision (₹1 crore and above) remained unutilised

(₹ in crore)				
Sl. No.	Scheme Name	Original Budget	Supplementary Budget	Total Budget
1	03- 2055- 1- 7811- Dial 100/112	45.00	1.00	46.00
2	03- 4055- 208- 101- 2629- Police	82.00	1.00	83.00
3	17- 4425- 200- 311- 8545- NABARD Assistance Godown Construction	0.00	3.92	3.92
4	19- 2210- 1- 2283- Direction and Administration (Rajiv Gandhi Mission, Basic Services)	0.20	1.03	1.23
5	19- 2210- 200- 101- 6362- Dr. Khoobchand Baghel Swasthya Sahayata Yojana	275.00	50.00	325.00
6	41- 2202- 109- 702- 8979- Integrated Umbrella Scheme	72.00	4.80	76.80
7	41- 2202- 112- 702- 6933- Midday Meals Programme in Middle Schools	58.96	8.78	67.74
8	41- 2210- 101- 6390- Mukhyamantri Haat Bazar Clinic Yojana	1.90	1.33	3.23
9	41- 2408- 102- 102- 8674- Compensation to Expenditure Incurred in Food Procurement to the State Co-operative Marketing Federation	115.57	31.54	147.11
10	41- 2501- 102- 702- 7490- National Rural Livelihood Mission	152.00	26.01	178.01
11	41- 4425- 200- 312- 8545- NABARD Assistance Godown Construction	0.00	1.09	1.09
12	41- 4702- 101- 102- 3828- Minor Irrigation Schemes	250.00	3.60	253.60
13	45- 4702- 101- 101- 3803- Minor and Micro minor Irrigation schemes	199.80	1.01	200.81
14	64- 2202- 112- 703- 6933- Midday Meals Programme in Middle Schools	35.80	5.33	41.13
15	64- 2202- 109- 103- 7363- Youth Career Development Scheme	0.45	3.00	3.45

Sl. No.	Scheme Name	Original Budget	Supplementary Budget	Total Budget
16	64- 4225- 102- 603- 7626- Local Development Programme by Special Central Assistance	51.77	4.00	55.77
17	64- 4702- 102- 103- 5059- Construction of Anicut/stop dam	20.00	11.92	31.92
18	79- 4210- 110- 101- 6385- Medical College Attached Hospital	1.20	2.00	3.20
19	79- 4210- 105- 101- 6386- Medical Dental Physiotherapy College	1.50	2.00	3.50
20	79- 4210- 105- 101- 6386- Medical Dental Physiotherapy College	3.50	30.00	33.50
Total		1,366.65	193.36	1,560.01

Source: Appropriation Account of 2021-22

3.5.3 Unnecessary or excessive re-appropriation

Reappropriation is the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the grant or charged appropriation.

During 2021-22, in 15 cases pertaining to eight grants, there were savings after re-appropriation as detailed in **Table 3.5**. It shows that re-appropriations were made without adequate assessment and reflects poor financial management.

Table 3.5: Unnecessary/Excessive re-appropriation

Sl. No.	Grant No. and Head of Accounts	Original	Supplementary	Re-Appropriation	Total	Actual expenditure	Final Excess (+)/ Saving (-)
							(₹ in crore)
1	33- 2202- 2- 110- 307- Contribution of Non-government Institution	0.10	0.00	8.88	8.98	0.00	-8.98
2	58- 2245- 2- 111- 7352- Grant in aid to grieving family	23.00	0.00	3.02	26.02	18.92	-7.10
3	45- 4702- 102- 101- 5059- Construction of Anicut/stop dam	100.00	0.00	20.89	120.89	120.07	-0.82
4	67- 2059- 1- 53- 3692- State Legislature	1.50	0.00	0.50	2.00	1.47	-0.53
5	67- 2059- 80- 1- 101- 2418- Execution	2.00	0.00	0.75	2.75	2.29	-0.46
6	67- 2059- 80- 1- 101- 3300- Circle establishment	0.40	0.00	0.10	0.50	0.35	-0.15
7	67- 2059- 80- 1- 101- 3566- Headquarter Establishment	0.40	0.00	0.10	0.50	0.37	-0.13
8	10- 2406- 2- 110- 2900- Sanctuary Area	3.00	0.00	0.77	3.77	3.68	-0.09
9	67- 2059- 80- 1- 101- 3300- Circle establishment	0.01	0.00	0.05	0.06	0.03	-0.04
10	33- 2202- 2- 109- 979- Sports Complex	0.25	0.00	0.01	0.26	0.23	-0.03
11	66- 2225- 3- 102- 6749- State Backward Class Commission	0.01	0.00	0.04	0.05	0.02	-0.03

12	08- 2053- 93- 1510- District Establishments	0.00	0.00	0.02	0.02	0.00	-0.02
13	58- 2245- 80- 1- 2304- Direction and Administration	0.07	0.00	0.01	0.08	0.06	-0.02
14	41- 2202- 2- 796- 109- 102- 1395- Hostels	0.20	0.00	0.03	0.23	0.21	-0.01
15	41- 2202- 2- 796- 109- 102- 1395- Hostels	0.10	0.00	0.03	0.13	0.12	-0.01

Source: Appropriation Account of 2021-22

3.5.4 Entire budget provision not utilised under sub-heads

In 76 cases under 28 grants and two appropriations, the entire provision (₹10 crore and above) made under various sub-heads aggregating to ₹5,027.45 crore remained unutilised as shown in **Appendix 3.5**. Significant cases of un-utilised budget provision of ₹100 crore and above, are detailed below in **Table 3.6**.

Table 3.6: Details where un-utilised budget provision was ₹100 crore and above

Sl. No.	Scheme Name	Original Budget	Supplementary	Total Budget
1	30- 2216- 03- 105- 701- 7807- Pradhan Mantri Awas Yojana (Rural)	620.00	0.00	620.00
2	CH1- 6003- 110- 637- Ways and Means Advances	581.88	0.00	581.88
3	41- 2216- 03- 796- 105- 702- 7807- Pradhan Mantri Awas Yojana (Rural)	456.00	0.00	456.00
4	CH2- 2049- 01- 101- 2199- New Market Loan	275.00	0.00	275.00
5	CH1- 6003- 110- 779- Advance to meet Shortfall	250.00	0.00	250.00
6	42- 5054- 04- 796- 337- 702- 7842- R.R.P. PHASE - II	230.00	0.00	230.00
7	30- 2215- 02- 107- 701- 7610- Swachh Bharat Abhiyan	200.00	0.00	200.00
8	41- 2215- 02- 796- 107- 702- 7610- Swachh Bharat Abhiyan	152.00	0.00	152.00
9	64- 2216- 03- 789- 105- 703- 7807- Pradhan Mantri Awas Yojana (Rural)	144.00	0.00	144.00
10	80- 2853- 02- 800- 101- 6299- Transfer of Revenue received from minor mineral of rural areas to Panchayats	139.37	0.00	139.37
11	79- 4210- 03- 105- 701- 6386- Medical Dental Physiotherapy College	100.00	0.00	100.00
Total		3,148.25	0.00	3,148.25

Source: Appropriation Account of 2021-22

3.5.5 Large Savings/Surrenders

Against the total savings of ₹17,990.65 crore, savings of more than ₹100 crore occurred under 30 grants/appropriations amounting to ₹15,989.22 crore which is 88.87 per cent of the overall savings during the year as detailed in **Appendix 3.6**. Out of these 30 grants/appropriations, savings of more than ₹500 crore was observed in eight grants amounting to ₹9,132.79 crore as detailed in **Appendix 3.7**. Further, surrender of more than ₹10 crore was made in 61 grants/appropriations amounting to ₹18,901.27 crore as detailed

in *Appendix 3.8*.

There were huge savings during 2021-22, with eight out of 71 Grants/Appropriations showing utilisation of less than 50 per cent of the budget allocation. Utilisation of budgetary allocation in these eight Grants/Appropriations for the five-year period from 2017-18 to 2021-22 is shown in **Table 3.7**.

Table 3.7: Grants/ Appropriations where utilisation of budget was less than 50 per cent

Sl. No.	Grant Name	2017-18	2018-19	2019-20	2020-21	2021-22	No. of Years*	Budget 2021-22	Total Budget (5 years)
		(budget utilisation in per cent)						(₹ in crore)	
1	02- Other expenditure pertaining to General Administration Department	65	58	46	06	37	3	432.11	750.33
2	09- Expenditure pertaining to Revenue Department	36	37	58	24	37	4	21.24	108.45
3	15- Financial Assistance to Three Tier Panchayati Raj Institutions Under Special Component Plan For SC	92	42	85	58	43	2	166.35	2,013.06
4	22- Urban Administration and Development Department-Urban Bodies	87	82	73	24	44	2	13.68	116.91
5	46- Science and Technology	36	35	34	34	39	5	28.78	119.98
6	57- Externally Aided Projects pertaining to Water Resources Department	-	-	-	00	00	2	7.00	107.00
7	75- NABARD aided projects pertaining to WRD	74	66	29	25	23	3	699.06	3,496.78
8	82- Financial Assistance to Tribal Area Sub-Plan - Three Tier Panchayati Raj Institutions	87	49	81	53	46	2	325.65	5,682.38

*Number of years with utilisation below 50 per cent

Source: Appropriation Account of the respective years

Low Budget utilisation is indicative of systemic lacunae that warrant a close review by the Government to enable initiation of expeditious corrective measures. Reasons for repeated low utilisation in Grant 46– Science and Technology may be examined by Government and corrective action be taken.

Inability to utilise the budgeted provision deprives allocation of resources to other priority sectors and leads to poor legislative control over public finances.

3.5.6 Missing/ Incomplete Explanation for Variation from Budget

Apart from showing the expenditure against the approved budget, Appropriation Accounts also provide explanation for cases where the expenditure varies significantly from the budgeted provision (Original and Supplementary). The limit beyond which, such variation

at the Sub-Head/Sub-Sub-Head level (Unit of Appropriation) are to be explained in the Appropriation Accounts is set by the Public Accounts Committee (PAC).

Accountant General (A&E) provides the draft Appropriation Accounts to the Controlling Officers of the Departments and seeks the reasons/ explanation for the variations in expenditure with reference to approved budgetary allocation in keeping with the limits set by the PAC.

The following criteria have been prescribed by the PAC for the selection of sub-heads (excess/savings) for comments to be included in the Appropriation Accounts:

1. Comments are to be made on Savings (Voted):

- Overall saving exceeding two *per cent* of the total provision (Original *plus* Supplementary).
- Individual sub-heads for saving exceeding ₹ five lakh in case of Grants less than ₹10 crore.
- Individual sub-heads for saving exceeding ₹10 lakh in case of Grants between ₹10 crore and ₹30 crore.
- Individual sub-heads for saving exceeding ₹20 lakh in case of Grants exceeding ₹30 crore.

2. Comments are to be made on Savings (Charged) for all sub-heads where the variation is more than ₹ five lakh.

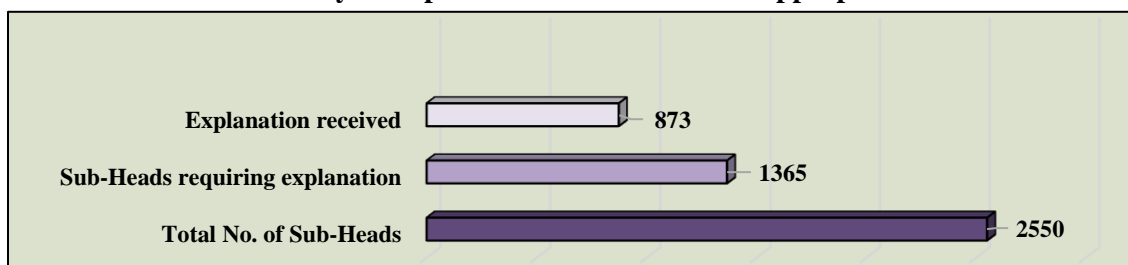
3. Comments are to be made on Excess (Voted):

- Individual sub-heads for excess exceeding ₹ five lakh in case of Grants less than ₹10 crore.
- Individual sub-heads for excess exceeding ₹10 lakh in case of Grants between ₹10 crore and ₹30 crore.
- Individual sub-heads for excess exceeding ₹20 lakh in case of Grants exceeding ₹30 crore.
- General comments for regularisation of excess over the provision in all cases where there is overall excess (any amount) in grant.

4. Comments are to be made on Excess (Charged) in respect of all sub-heads where the variation is more than ₹ five lakh.

Audit of Appropriation Accounts of 2021-22 revealed that the Controlling Officers have not provided explanation for the variations in the expenditure *vis-à-vis* budgeted allocation in 36.04 *per cent* of the cases. Out of the total 2,550 Sub-Heads, reasons for variation were required in respect of 1,365 Sub-Heads as shown in **Appendix 3.9**. However, appropriate reasons for variations in 492 Sub-Heads were not furnished by the Controlling Officers of Government Departments. The total number of Sub-Heads in the accounts, Sub-heads requiring explanation and the Sub-Heads where explanations were received for variations from allocations, are shown in **Chart 3.4**.

Chart 3.4: Summary of Explanation for Variation in Appropriation Accounts



Absence of explanation for variation between the budgeted allocation and its utilisation, limits legislative control over budget as a means of ensuring financial accountability of the Government.

3.5.7 Excess expenditure and its regularisation

Under Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/ appropriation regularised by the State Legislature. As per Para 26.15 of Budget Manual, cases where excess expenditure has occurred, based on recommendations of the Public Accounts Committee, this excess expenditure should be regularized by presenting it to the Legislative Assembly as required under Articles 205 (1) (b) of the Constitution by the Finance Department in the form of Excess Grants.

There was an excess expenditure of ₹4,059.76 crore over the authorisations made by the State Legislature under two Grants and three Appropriations during the financial year 2021-22. This was mainly due to excess expenditure of ₹4,217.51 crore incurred by the State Government without budget provision, to recoup the temporary loan granted to the State Government by the Reserve Bank of India as collateral advance against the investment in Treasury bills to maintain cash balance under Special Drawing Facility. Details are given below in **Table 3.8**.

Table 3.8: Excess over provision requiring regularisation during 2021-22

(₹ in crore)

Sl. No.	Department Name	Grant No.	Grant Description	Total Grant/Appropriation	Total Expenditure	Excess Expenditure
Revenue Voted						
1	Finance Department	06	Expenditure pertaining to Finance Department	6,974.74	7,564.88	590.14
Capital Voted						
2	Religious Trusts and Endowments Department	51	Religious Trusts and Endowments	4.50	4.77	0.27
Revenue Charged						
3	Finance Department	06	Expenditure pertaining to Finance Department	0.46	0.87	0.41

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4	Women and Child Welfare Department	55	Expenditure pertaining to Women and Child Welfare	0.00	0.01	0.01
Capital Charged						
5	-	CH1	Public Debt	5,376.37	8,845.29	3,468.93
Total				12,356.07	16,415.83	4,059.76

Source: Appropriation Account 2021-22

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring Legislative Sanction but is also an indicative of bad planning, which could have been avoided by keeping a track of expenditure progression with the budget made for the purpose.

Excess expenditure of ₹13,376.63 crore over provision for the years 2000-01 to 2020-21 is yet to be regularised as detailed in **Appendix 3.10**. This is in violation of Article 204 (3) and Article 205 of the Indian Constitution which provides that no money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law by the State Legislature. This vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources. The State Government may fix responsibility for non regularisation of excess expenditure.

Details of excess expenditure over legislative authorisation during period 2000-01 to 2020-21 are given in the **Table 3.9**.

Table 3.9: Excess over provision requiring regularisation during 2000-01 to 2020-21

(₹ in crore)

Sl. No.	Year	No. of Grants	No. of Appropriations	Amount of excess
1	2000-01	11	2	10.21
2	2001-02	14	2	115.90
3	2002-03	8	2	114.59
4	2003-04	4	2	591.12
5	2004-05	4	5	133.36
6	2005-06	4	2	23.27
7	2006-07	4	1	5.13
8	2007-08	3	3	15.99
9	2008-09	9	1	115.26
10	2009-10	10	5	216.77
11	2010-11	22	6	293.78
12	2011-12	24	1	498.09
13	2012-13	2	2	0.96
14	2013-14	3	3	178.96
15	2014-15	4	2	833.54
16	2015-16	3	2	98.24
17	2016-17	2	3	12.38
18	2017-18	3	3	2.61
19	2018-19	2	4	1.67
20	2019-20	3	4	6,682.69
21	2020-21	2	2	3,432.11
Total		141	57	13,376.63

Source: Appropriation Accounts of respective years

Major head-wise excess disbursement of ₹4,167.09 crore over the authorization in 10 Major Heads under 12 grants/appropriations during 2021-22 are detailed in **Appendix 3.11**.

3.6 Rush of Expenditure

As per Paragraph 92 of the Madhya Pradesh Budget Manual (as followed by Government of Chhattisgarh), rush of expenditure, particularly in the closing months of the financial year, should be avoided. The rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety.

An expenditure of ₹1,976.13 crore was incurred in 13 Major Heads which was more than 50 per cent of the total expenditure of the concerned Major Head in March 2022. Details are given in the following **Table 3.10**.

Table 3.10: Rush of Expenditure

(₹ in crore)								
Major Head	Description	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total Expenditure (TE)	Expenditure in the month of March	Expenditure in March as a percentage of TE
2435	Other Agricultural Programs	0.00	0.00	0.00	12.00	12.00	12.00	100.00
4220	Capital Outlay on Information and Publicity	0.00	0.00	0.00	0.06	0.06	0.06	100.00
6425	Loans For Cooperation	0.00	0.00	0.00	50.00	50.00	50.00	100.00
4853	Capital Outlay on Nonferrous Mining and Metallurgical Industries	0.00	0.17	0.33	13.26	13.76	12.47	90.59
4055	Capital Outlay on Police	0.48	3.88	5.17	89.72	99.25	88.09	88.75
4070	Capital Outlay on Other Administrative Services	0.00	0.00	0.25	4.68	4.93	4.33	87.88
4235	Capital Outlay on Social Security and Welfare	0.00	0.12	0.25	3.58	3.94	3.15	79.91
6217	Loans For Urban Development	0.00	9.50	16.00	80.70	106.20	71.20	67.04
2245	Relief On Account of Natural Calamities	68.35	61.05	132.30	618.57	880.27	562.73	63.93

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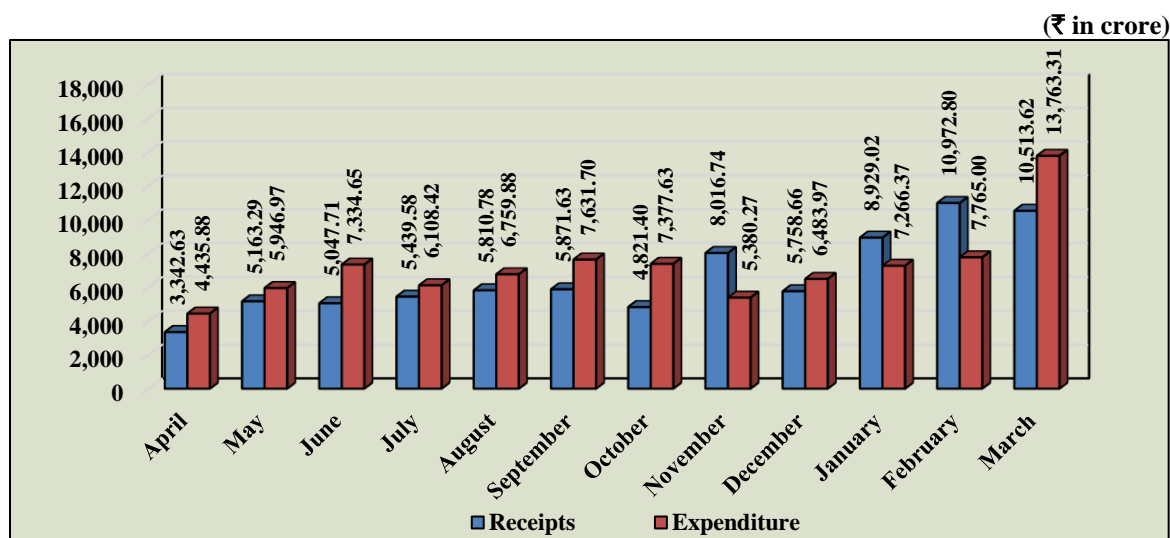
3275	Other Communication Services	0.00	4.69	11.00	32.13	47.82	30.23	63.21
2702	Minor Irrigation	19.29	18.22	16.35	58.47	76.50	47.74	62.41
4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes Other Backward Classes & Minorities	12.71	47.95	81.22	239.52	381.40	197.74	51.85
2048	Appropriation For Reduction or Avoidance of Debt	0.00	0.00	0.00	300.00	300.00	150.00	50.00
Total		100.83	145.58	262.87	1,502.69	1,976.13	1,229.74	62.23

Source: Appropriation Accounts and data from VLC

In *three* major heads, 100 *per cent* expenditure was incurred in the month of March 2022. It shows poor utilisation of funds over the fiscal year. Maintaining a steady pace of expenditure is a crucial component of sound public financial management, as it obviates fiscal imbalance and temporary cash crunches due to mismatch of revenue-expenditure during a particular month arising out of unanticipated heavy expenditure in that particular month.

Month-wise trend of expenditure and receipts for the financial year ended 31 March 2022 is shown in **Chart 3.5**.

Chart 3.5: Monthly receipts and expenditure during FY2021-22



Source: VLC Data 2021-22

Funds received in the last quarter (Jan-Mar 2022) was 38.16 *per cent* of the total receipts. Release of funds in the last quarter is one of the reasons for experiencing rush of

expenditure. Funds which cannot be "profitably utilised" should be returned to the exchequer without waiting for the fiscal year to end. This will help avoid rush of expenditure, particularly in the closing months of the financial year.

3.7 Status of DDO Accounts

Drawing and Disbursing Officer (DDO) is a Head of Office and also any other Officer so designated by the Finance Department of the State Government, to draw bills and make payments on behalf of the State Government. The term shall also include a Head of Department where he himself discharges such function and is responsible for all moneys received or disbursed in his office and the maintenance of accounts thereof.

As per Rule 284 of MP Treasury Code Vol.1, no money shall be drawn from the treasury unless it is required for immediate disbursement. It is a serious irregularity to draw advances from the treasury in anticipation of demands, or to prevent the lapse of budget grants, and persons at fault render themselves liable to disciplinary action for such drawal. As of 31 March 2022, an amount of ₹266.06 crore was lying in the 371 DDO accounts of the State Government. Even though this amount has already been accounted for as expenditure from the consolidated fund of the State, they are still lying idle parked outside the Government Accounts.

3.8 Review of Selected Grant

For the year 2021-22, Grant No.03- Police and Grant No. 30- Expenditure pertaining to Panchayat & Rural Development were selected for detailed audit to review compliance with prescribed budgetary procedures, monitoring of funds, control mechanisms and implementation of schemes within the grant. Findings of the grant review are discussed in the succeeding paragraphs.

3.8.1 Grant No. 03 - Police

The Police Department is responsible for maintaining law and order in the State through various enforcement and development agencies and taking actions, initiatives and efforts for establishing credible policing. Four Budget Controlling Officers (BCO) namely Director General of Police; Chief Commandant (Home Guard) and Director General, Public Security, Raipur; Director, Public Prosecution and Directorate of State Forensic Science Laboratory receive budget under this grant.

Further, four Major Heads viz. 2049- Interest Payments, 2055- Police, 2070- Other Administrative Services and 4055- Capital Outlay on Police are operated under this grant.

3.8.1.1 Budget and expenditure

The overall position of budget provision, actual expenditure and savings/ excess under this grant during the three-year period 2019-22 is given below:

Table 3.11: Budget and Expenditure

(₹ in crore)

Sl. No.	Provision	2019-20	2020-21	2021-22
Revenue Provision		4,602.53	4,998.58	5,090.97
1	Expenditure	4,300.62	4,070.25	4,472.77
2	Savings	301.91	928.33	618.20
3	Savings (%)	6.56	18.57	12.14
Capital Provision		66.40	135.39	133.74
4	Expenditure	43.02	106.21	98.96
5	Savings	23.38	29.18	34.78
6	Savings (%)	35.21	21.55	26.01
Total Budget Provision		4,668.93	5,133.97	5,224.71
7	Total Expenditure	4,343.64	4,176.46	4,571.73
8	Total Savings	325.29	957.50	652.98
9	Savings (%)	6.97	18.65	12.50

Source: Appropriation Account 2019-22

As can be seen from the above table, savings as a percentage of total budget provision ranged from 6.97 to 12.50 *per cent* during the period 2019-22. Persistently large savings is an indicative of incorrect assessment of actual needs and it requires a review of budget preparation exercise of the Department. This also shows that budget allocations were made without considering previous year's trends in expenditure which resulted in persistent savings.

3.8.1.2 Injudicious Budget Proposal

Table 3.12: Details of budget proposed and provisions made

(₹ in crore)

Sl. No.	Scheme Code and Name	Budget Proposed	Budget Provision made	Expenditure	Savings out of Budget Proposal	
					Amount	%
1	4491- General Expenditure (District Establishment)	2,460.08	2,429.71	2,132.63	327.45	13.31
2	4492- General Expenditure (Special Police)	1,469.43	1,468.68	1,376.58	92.85	6.32
3	7918- Assistance to Naxal affected Districts	266.64	266.64	182.75	83.89	31.46
4	2629- Police	185.00	173.50	152.63	32.37	17.50
5	3680- State Headquarters	107.39	111.43	88.68	18.71	17.42
6	7811- Dial 100/112	92.00	68.00	42.03	49.97	54.32
7	195- Other Police Training Schools	60.44	57.44	47.85	12.59	20.83
8	4155- Wireless Centre, Raipur	57.99	57.08	43.92	14.07	24.26

Source: Appropriation Account as rendered by the department

As it can be seen from the above table, department has submitted inflated budget proposals in some cases where expenditure occurred is less than the approved budget provision.

Therefore, BCOs made budget proposals without realistic estimation of requirement of funds and reflects poor financial management.

3.8.1.3 Surrender of Savings

According to Chhattisgarh Budget Manual, a Budget Controlling Officer should anticipate savings under a Grant and communicate them to the Finance Department not later than 15th February of each year. **Table 3.11** reveals that out of a total budget provision of ₹5,224.71 crore during 2021-22, there was a savings of ₹652.98 crore.

3.8.1.4 Unnecessary supplementary grant and subsequent surrender under the schemes

Audit noticed irregular supplementary provision and subsequent surrender under the following scheme heads during 2021-22, as shown in **Table 3.13**:

Table 3.13: Unnecessary supplementary Provision

Sl. No.	Head Classification	Scheme Name	Original provision	Supplementary Provision	Total Provision	Total Expenditure	Surrender
1	2055-00-001-0000-7811-10-009	Dial 100/112	45.00	1.00	46.00	36.83	9.17
2	4055-00-208-0101-2629-26-003	Police	82.00	1.00	83.00	64.70	18.30

(₹ in crore)

Source: Appropriation Account 2021-22

On this being pointed out, Additional Director General of Police, Police Headquarters stated (September 2022) that Dial 100/112 scheme is presently operational in 11 districts of Chhattisgarh. Due to non-availability of administrative approval for the remaining 17 districts, government could not utilise the whole budget provision.

3.8.1.5 Persistent savings under Scheme Heads

As per paragraph 31 of Chhattisgarh Budget Manual, ‘it is probable that estimates carefully prepared in accordance with the foregoing instructions may still be too high. They should, therefore, be examined with reference to the difference between the estimate and the actual in the past three years and the proposed amount should be on that basis.’

In *three* scheme heads there was persistent savings during three-year period 2019-22 as shown in **Table 3.14**.

Table 3.14: Persistent Savings under Scheme Heads

Scheme Code and Name	2019-20			2020-21			2021-22		
	P	S	S	P	S	S	P	S	S
	₹ in lakh	%		₹ in lakh	%		₹ in lakh	%	
7660- Crime Research Unit for Women	350.64	350.64	100	350.64	350.64	100	359.44	359.44	100
5611- Establishment of Police Public School	2.70	2.70	100	2.70	2.70	100	2.70	2.70	100
5612- Establishment of Police Hospital	2.80	2.80	100	2.80	2.80	100	2.80	2.80	100

Source: Appropriation Account of respective years

P = Provision, S = Savings

Persistent savings to the extent of 100 per cent under the above scheme heads during the last three years i.e., 2019-22 indicates that the budgeting process in the Department was unrealistic, and funds to the extent of savings were not required during the years.

On this being pointed out, Additional Director General of Police, Police Headquarters stated (September 2022) that the budget provision could not be utilised due to non-filling of 330 vacant posts under the scheme 7660- Crime Research Unit for Women.

3.8.1.6 Non-utilisation of budget provision during 2021-22

Non-utilisation of the entire budget provision in these schemes during 2021-22 shows the budgeting process and assessment of the scheme requirements was unrealistic. Details of savings of entire budget provision are shown in Table 3.15.

Table 3.15: Non-utilisation of budget provision

Sl. No	Scheme Head	Original grant	Actual Expenditure	(₹ in lakh)
				Re-appropriated/Surrendered
1	2055-0801-7811 Dial 100/112	10.00	Nil	10.00
2	2055-0801-7935 For controlling crime in Narcotics drugs and psychotropic	10.00	Nil	10.00
3	2055-09-701-7660 Crime research unit for woman	359.44	Nil	359.44
4	2070-107-2710 Office of the commandant general and other subordinate offices - Charged	6.00	Nil	6.00
5	4055-207-6717 reimbursable expenditure related to security	50.10	Nil	50.10
6	2055-109-701-5612 Establishment of police hospital	2.80	Nil	2.80
7	4055-0101-800-7012 Police accountability authority	2.50	Nil	2.50
8	2055-109-701-5611 Establishment of police public school	2.70	Nil	2.70
Total		443.54	0	443.54

Source: Appropriation Account as rendered by the department

On this being pointed out, the Department stated (September 2022) that the provisions

were demanded for creation of new posts under various schemes. On further enquiring about the reasons for non-creation of posts, department did not furnish any replies.

3.8.1.7 Non-reconciliation of departmental expenditure figures

As per the instructions issued (August 2010) by the Finance department, Government of Chhattisgarh, the departments should invariably reconcile their expenditure under different heads of accounts with the figures booked by the Principal Accountant General (A&E).

A review of Grant No. 03 revealed that departmental figures mentioned under the following heads were not reconciled as shown in the **Table 3.16**.

Table 3.16: Non-reconciliation of expenditure

Sl. No.	Scheme Head classification	(₹ in crore)			
		As per the O/o of the PAG (A&E)		As per the Department (e-kosh*)	
		Total budget	Expenditure	Total budget	Expenditure
1	03-2055-001-3680 State Headquarters	98.83	85.67	96.86	85.97
2	03-2055-003-195 Other Police Training Schools	56.80	47.29	56.47	47.70
3	03-2055-104-4492 General Expenditure (Special Police)	1,459.68	1,367.72	1,443.88	1,390.56
4	03-2055-109-4491 General Expenditure (District Establishment)	2,410.45	2,115.59	2,423.05	2,130.95
5	03-2055-109-6717 Reimbursable Expenditure Related to Security	202.38	196.64	207.88	196.8
6	03-2055-109-8333 Expenditure from Road Security Fund	20.00	20.00	20.00	15.00
7	03-2055-111-2531 Supervisory Staff (Rail Police - Eastern Section)	39.17	30.38	39.17	30.60
8	03-2055-114-4155 Wireless Centre, Raipur	53.95	41.81	53.95	42.19
Total		4,341.26	3,905.1	4,341.26	3,939.77

Source: Appropriation Account 2021-22 and departmental figures

**Online Computerisation of Treasuries, Chhattisgarh accessible at ekoshonline.cg.nic.in*

3.8.1.8 Rush of expenditure

As per paragraph 92 of Madhya Pradesh Budget Manual, any grant that cannot be profitably utilised should be surrendered. Rush of expenditure particularly in the closing month of the financial year should be avoided. Further, in order to implement Cash Management System with a view of enhancing quality in government expenditures, the Finance Department has instructed the departments to frame a suitable plan to control the expenditure of budget during the year so as to avoid rush of expenditure during the last quarter. However, rush of expenditure was observed in some scheme heads as shown in the **Table 3.17**.

Table 3.17: Rush of expenditure

(₹ in crore)

Sl. No.	Scheme Head	Scheme Name	Total Budget Provision	Expenditure occurred in last quarter	Total Expenditure	Expenditure occurred in the month of March	Expenditure occurred in last quarter (%)	Expenditure occurred in the month of March (%)
1	8333	Expenditure from Road Security Fund	20.00	20.00	20.00	15.00	100.00	75.00
2	0121	Deployment of Central Police Force	11.00	10.57	10.57	10.57	96.11	96.11
3	6460	Anti-Human Trafficking Unit	3.60	3.36	3.60	3.36	93.28	93.28
4	7936	Special Infrastructure Scheme with Strong Construction Police Stations	40.00	31.25	37.78	16.21	78.12	40.51
5	2629	Police	85.50	64.01	66.47	63.48	74.87	74.25
6	7633	Crime and Criminal Tracking Network System	9.00	6.12	8.12	6.12	67.99	67.99
7	7918	Assistance to Naxal affected Districts	266.64	140.00	182.75	140.00	52.51	52.51
8	2710	Office of the Commandant General and other	0.72	0.32	0.32	0.32	44.79	44.79
9	6717	Reimbursable Expenditure Related to Security	202.88	67.04	196.64	35.74	33.04	17.61

Source: Appropriation Account 2021-22

On this being pointed out, the department replied (September 2022) that rush of expenditure was a result of delay in obtaining administrative approvals and re-appropriation orders in heads where savings were anticipated.

3.8.2 Grant No. 30 - Expenditure pertaining to Panchayat and Rural Development Department

This Department implements schemes for generation of self-employment and wage employment, provision of housing and minor irrigation assets to rural poor, social assistance to the destitute and Rural Roads. Apart from this, the Department provides the support services and other quality inputs such as assistance for strengthening of DRDA Administration, Panchayati raj institutions, training research, human resource development, development of voluntary action etc. for the proper implementation of the programmes.

Two Budget Controlling Officers (BCO) namely Director, Panchayat and Development Commissioner, Rural Development receive budget under this grant.

Further, *nine* Major Heads viz. 2215- Water Supply and Sanitation, 2216- Housing, 2235- Social Security and Welfare, 2501- Special Programmes for Rural Development, 2505- Rural Employment, 2515- Other Rural Development Programmes, 3054- Roads and Bridges, 4515- Capital Outlay on Other Rural Development Programmes Interest Payments and 5054- Capital Outlay on Roads and Bridges are operated under this grant.

3.8.2.1 Budget and expenditure

The overall position of budget provision, actual expenditure and savings/ excess under this grant during the three-year period 2019-22 is given below:

Table 3.18: Budget and Expenditure

		(₹ in crore)		
Sl. No	Provision	2019-20	2020-21	2021-22
Revenue Provision		2,947.10	3,219.66	3,210.73
1	Expenditure	1,906.11	1,486.52	2,024.41
2	Savings	1,040.99	1,733.14	1,186.32
3	Savings (%)	35.32	53.83	36.95
Capital Provision		981.73	868.59	929.89
4	Expenditure	825.17	765.12	783.78
5	Savings	156.56	103.47	146.11
6	Savings (%)	15.95	11.91	15.71
Total Budget Provision		3,928.83	4,088.25	4,140.62
7	Total Expenditure	2,731.28	2,251.64	2,808.19
8	Total Savings	1,197.55	1,836.61	1,332.43
9	Savings (%)	30.48	44.92	32.18

Source: Appropriation Account 2019-22

As can be seen from the above table, savings as a percentage of total budget provision ranged from 30.48 to 44.92 *per cent* during the period 2019-22. This persistently large savings is an indicative of incorrect assessment of actual needs or shortfall in performance or both. This also shows that budget allocations were made without considering previous years' trends in expenditure which resulted in persistent savings.

3.8.2.2 Non-utilisation of budget provision during 2021-22

Non-utilisation of the entire budget provision in these schemes during 2021-22 shows the budgeting process and assessment of the scheme requirements was unrealistic. Details of savings of entire budget provision are shown in **Table 3.19**.

Table 3.19: Non-utilisation of budget provision

(₹ in crore)

Sl. No	Scheme Head & Name	Original Provision	Actual Expenditure	Re-appropriated/ Surrendered
1	30- 2215- 107- 701- 7610 <i>Swachh Bharat Abhiyan</i>	200.00	Nil	200.00
2	30- 5054- 337- 101- 4855 <i>Pradhan Mantri Gram Sadak Yojana</i>	30.00	Nil	30.00
3	30- 5054- 101- 101- 4871 Construction of Bridges on PMGSY Roads	20.00	Nil	20.00
4	30- 4515- 102- 101- 6437 Gauthan Construction in Village Areas	1.50	Nil	1.50
5	30- 4515- 102- 801- 7644 Rural Road Network Training and Research Centre	1.00	Nil	1.00
6	30- 2235- 196- 101- 7974 <i>Abhisarit Aam Aadami Bima Yojana</i>	0.50	Nil	0.50
7	30- 2235- 196- 101- 7975 <i>Abhisarit Pradhan Mantri Jiwan Jyoti Bima Yojana / Pradhan Mantri Suraksha Yojana</i>	0.50	Nil	0.50
Total		253.50	0.00	253.50

Source: Appropriation Account as rendered by the department

On this being pointed out, the Department stated (October 2022) the following:

- 4855- *Pradhan Mantri Gram Sadak Yojana* & 4871- Construction of Bridges on PMGSY Roads: There was no requirement under these schemes. Hence, respective budgets have been reappropriated and allocated to CSS under PMGSY and the same were utilised..
- 6437- Gauthan Construction in Village Areas: Under convergence in all the districts, the work of construction of Gauthans (cow sheds) in rural areas was being done by the Collector. For this reason, due to non-demand of the fund provided in the budget, the amount was not withdrawn and the entire amount was surrendered.
- 7644- Rural Connectivity Training And Research Centers (RCTRC) & Rural Road Network Management Units (RRNMU): Budget provision was made for purchase of furniture, computers etc. to be installed in the nearly finished 4th floor of the building but due to delay in completion of construction, the entire amount was not utilised.
- 7974- *Abhisarit Aam Aadami Bima* & 7975- *Abhisarit Pradhan Mantri Jiwan Jyoti Bima Yojana*: Due to non-renewal of insured beneficiaries since 01 June 2019 under this scheme by LIC, the entire amount was not utilised.

3.8.2.3 Persistent savings under Scheme Heads

As per paragraph 31 of Chhattisgarh Budget Manual, 'it is probable that estimates carefully prepared in accordance with the foregoing instructions may still be too high. They should, therefore, be examined with reference to the difference between the estimate and the actual

in the past three years and the proposed amount should be on that basis.”

In seven scheme heads there was cent *per cent* persistent savings during three-year period 2019-22 as shown in **Table 3.20**.

Table 3.20: Persistent Savings cent *per cent* under Scheme Heads

(₹ in lakh)

Sl. No	Scheme Head & Name	Budget Provision		
		2021-22	2020-21	2019-20
1	4515-102-101-3064 Building Construction	2.00	2.00	24.00
2	5054-101-101-4871 Construction of bridges on PMGSY roads	2,000.00	2,000.00	2,000.00
3	2501-60-196-101-6768 GiA to unemployment allowance fund	5.00	20.00	20.00
4	2501-60-196-101-7588 Maternity allowance under MGNREGA	0.25	0.25	0.25
5	2515-102-801-7644 Rural Road Network Training & Research Centre	10.60	10.60	10.00
6	2515-102-801-7658 <i>Sansad Adarsh Gram Yojana</i>	8.60	8.60	8.60
7	2515-102-801-7659- <i>Vidhayak Adarsh Gram Yojana</i>	8.60	8.60	12.10

Source: Appropriation Account 2019-22

Persistent savings to the extent of 100 *per cent* under the above scheme heads during the last three years *i.e.*, 2019-22 indicates that the budgeting process in the Department was unrealistic, and funds to the extent of savings were not required during the years.

On this being pointed out, the Department stated (October 2022) the following:

- 4871- Construction of bridges on PMGSY roads: Construction of bridges on PMGSY roads was done from the funds available under other centrally sponsored scheme (CSS) head (5054-04-337-4855) hence no fund allocated under this head (5054-101-101-4871) was utilised and the same was surrendered/re-appropriated.
- 6768- GiA to unemployment allowance fund: Due to zero demand from the districts, entire budget provision was not utilised.
- 7588- Maternity allowance under MGNREGA: Allowances provided under this head are being made from previous years withdrawn funds, hence this token budget provision could not be utilised.
- 7644- Rural Road Network Training & Research Centre: Budget provision was made for purchase of furniture, computers etc. but due to delay in completion of construction of 4th floor in the building, the entire amount was not utilised in the years 2019-20 and 2020-21. Hence, there was no release of funds this year.
- 7658- *Sansad Adarsh Gram Yojana* & 7659- *Vidhayak Adarsh Gram Yojana*: Budget provision was made for purchase of stationaries, computers and other office expenses but expenditure was made from funds available under other schemes as

ordered by administration and HRD department of the office. Hence entire budget provision made under this head was not utilised.

Table 3.21: Persistent Savings (up to 96 per cent) under Scheme Heads

(₹ in crore)

Scheme classification	2019-20			2020-21			2021-22		
	Budget	Exp	Savings	Budget	Exp	Savings	Budget	Exp	Savings
2216-03-105-701-7807-PMAY (Rural)	894.00	305.57	588.43 (66%)	800.00	179.42	620.58 (78%)	900.00	195.84	704.16 (78%)
4515-102-701-7759-Shyama Prasad Mukherjee Rurban Mission	55.00	18.00	37.00 (67%)	55.00	30.00	25.00 (45%)	50.00	2.72	47.28 (96%)

Source: Appropriation Account 2019-22

On this being pointed out, the Department stated (October 2022) the following:

- 7807-PMAY (Rural): Budget provision of ₹894.00 crore (Centre- ₹584 crore & State- ₹310 crore) was made in the year 2019-2020. To achieve the target of construction of houses, Central government released ₹224.84 crore in the first instalment, to match the contribution, state government took a loan in 2018-19 and made interest payments of ₹80.72 crore in 2019-20, hence making the expenditure of ₹305.57 crore. In the subsequent years, since there was no release of funds from the centre as state could not provide its matching contribution, only interest payments and principal repayments were made of ₹179.42 crore in 2020-21 and of ₹195.84 crore in 2021-22.
- 7759- Shyama Prasad Mukherjee Rurban Mission: Due to lesser release of funds against the budgeted provision by the Central government, expenditure made under this scheme (Grant 30) is low.

3.8.2.4 Rush of Expenditure

As per paragraph 92 of Madhya Pradesh Budget Manual, any grant that cannot be profitably utilised should be surrendered. Rush of expenditure particularly in the closing month of the financial year should be avoided. Further, in order to implement Cash Management System with a view of enhancing quality in government expenditures, the Finance Department has instructed the departments to frame a suitable plan to control the expenditure of budget during the year so as to avoid rush of expenditure during the last quarter. However, rush of expenditure was observed in some scheme heads as shown in the **Table 3.22**.

Table 3.22: Rush of Expenditure

(₹ in crore)						
Sl. No.	Scheme Head & Name	Total Budget	Qtr4 Expenditure	March 2022 Expenditure	Qtr4 Expenditure (%)	March 2022 Expenditure (%)
1	30- 4515- 102- 101- 7658 <i>Sansad Adarsh Gram Yojana</i>	4.00	4.00	4.00	100.00	100.00
2	30- 4515-102- 101- 7659 <i>Vidhayak Adarsh Gram Yojana</i>	4.00	4.00	4.00	100.00	100.00
3	30- 3054- 4- 105- 4855 <i>Pradhan Mantri Gram Sadak Yojana</i>	600.00	330.16	240.16	55.03	40.03

Source: Appropriation Account 2021-22

On this being pointed out, Department stated (October 2022) the following:

- 7658- *Sansad Adarsh Gram Yojana* & 7659- *Vidhayak Adarsh Gram Yojana*: Funds provisioned under this scheme are utilised on the recommendation of honourable ministers and department of P&RD. Since the recommendations were received in the month of March, *cent per cent* expenditure was made in March 2022. Department ensured to take care of it in the future.
- 4855- *Pradhan Mantri Gram Sadak Yojana*: Permission for withdrawal of funds amounting to ₹330.00 crore was granted by Govt. of Chhattisgarh, P&RD in 4th quarter (on dates 15/03/2022, 30/03/2022 & 14/02/2022) of the year 2021-22. Accordingly, expenditure was made in last quarter.

3.8.2.5 Surrender of complete/entire budget provision

During the scrutiny of the records provided by Office of Development Commissioner, Vikas Bhavan, it was observed that under the following heads, entire budget provision was surrendered.

Table 3.23: Surrender of complete/entire budget provision

(₹ in lakh)			
Sl. No	Head Classifications	Budget Provision	Amount Surrendered
1	2216-03-105-701-7807-14-007 PMAY (Rural)	62,000.00	62,000.00
2	2515-00-102-801-7644-04-003 Rural Road Network Training & Research Centre	10.60	10.60
3	4515-00-102-801-7644-26-003 Rural Road Network Training & Research Centre	100.00	100.00
4	2515-00-102-101-7658 <i>Sansad Adarsh Gram Yojana</i>	8.60	8.60
5	2515-00-102-101-7659 <i>Vidhayak Adarsh Gram Yojana</i>	8.60	8.60
6	4515-00-102-101-6437 Gauthan Construction in Village Areas	150.00	150.00
Total		62,277.80	62,277.80

Source: Appropriation Account 2021-22

On this being pointed out, Department stated (October 2022) the following:

- 7807- PMAY (Rural): There was no expenditure made under this head and entire provision was surrendered, due to non-acceptance of central target of construction of 7,81,999 houses by the State Government in 2021-22.
- 7644- Rural Road Network Training & Research Centre: No expenditure was made due to non-release of funds by the state government this year.
- 7658- *Sansad Adarsh Gram Yojana* & 7659- *Vidhayak Adarsh Gram Yojana*: Budget provision was made for purchase of stationaries, computers and other office expenses but expenditure was made from funds available under other schemes. Hence entire budget provision made under this head was not utilised.
- 6437- Gauthan Construction in Village Areas: Gauthans (cow sheds) are constructed under the orders of District collectors, since there was no demand from collectors this year the entire provision was surrendered.

3.8.2.6 Blockade of funds

During scrutiny of records provided by the Office of Development Commissioner, Rural Development, it was noticed that Chhattisgarh Rural Housing Corporation (SPV created for implementation *Pradhan Mantri Awas Yojana (Gramin)*) entered into an agreement with Canara Bank for availing loan of ₹1000 crore in October 2018 for the constructing houses in rural areas. The Chhattisgarh Government has given guarantee for the above loan. However, the agreement included a clause for marking lien of 12 *per cent* (120 crore) of the total loan amount. Accordingly, an amount of ₹126.74 crore available in 37 bank accounts of other flagships schemes like MGNREGA, Shyama Prasad Mukherjee Rurban Mission etc. was marked as lien due to which the liened amount could not be utilised.

On this being pointed out, Rural Development Department accepted (October 2022) this and replied that Department is in constant talks with higher executives of the bank and has also raised the matter in State Level Bankers Committee (SLBC) to remove the lien marked since Chhattisgarh Government has already given ‘Deed of Guarantee’.

Thus, inclusion of 12 *per cent* lien in the agreement despite Government’s guarantee of repayment of loan and marking lien on other bank accounts where funds were available for the implementation of the other schemes restricted the government to make expenditure under those schemes and hence lead to blocking of funds and underutilisation.

3.9 Conclusion

Budgetary assumptions of the State Government were not realistic during 2021-22 resulting in savings/excesses. Besides, budgetary control mechanism for execution and monitoring of budget to ensure that savings are curtailed, large savings within the Grants/Appropriations are controlled by proper re-appropriations, and anticipated savings are identified and surrendered within the specified timeframe so that the funds

can be utilised for developmental purposes was inadequate. Also, the percentage of utilisation (87.37 per cent) of Budgeted funds increased during 2021-22 compared to the previous year (81.22 per cent).

Excess expenditure of ₹4,059.76 crore pertaining to two Grants and three Appropriations during 2021-22 requires regularisation from the State Legislature. Further, a total of ₹13,376.63 crore is pending for regularisation from 2000-01 to 2020-21.

Supplementary Grants/ Appropriations were obtained without adequate justification. The savings were neither surrendered on time nor explanations provided to the Accountant General (A&E) for variations in expenditure vis-à-vis allocations. The Departments were neither cautioned against persistent savings; nor were their budgets varied in accordance with their ability to absorb the allocations.

3.10 Recommendations

- i.** Government should be more realistic in its budgetary assumptions and ensure efficient control mechanisms to curtail savings/ excess expenditure.
- ii.** An appropriate control mechanism needs to be instituted by the Government to enforce proper implementation and monitoring of budget to ensure that savings are curtailed, large savings within the Grants/Appropriations are controlled, and anticipated savings are identified and surrendered within the specified timeframe so that the funds can be utilised for developmental purposes.
- iii.** Excess expenditure over grants approved by the Legislature is in violation of the will of the Legislature. Therefore, excess expenditure over grants/appropriations during the period 2000-01 to 2021-22 needs to be regularized at the earliest.
- iv.** The State Government needs to formulate a realistic budget based on reliable assumptions of the needs of the Departments and their capacity to utilise the allocated resources.
- v.** Controlling Officers need to be made aware of their responsibility to explain the variation in expenditure from the allocation to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts.

CHAPTER IV
QUALITY OF ACCOUNTS
AND
FINANCIAL REPORTING
PRACTICES

Chapter IV: Quality of Accounts and Financial Reporting Practices

4.1 Introduction

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

4.2 Delay in Submission of Utilisation Certificates

Rule 182 of Chhattisgarh Financial Rules stipulates that where grants-in-aid (GIA) are given for specific purposes, departmental officers concerned should obtain Utilisation Certificates (UCs) from grantees, which, after verification, should be forwarded to Accountant General (A&E) on or before 30 September of the following year to ensure that the funds have been fully utilised for the intended purposes.

All the UCs (685), for the grants in aid given for specific purposes up to March 2021 and due as per extant provision, were cleared by March 2022. Further, considering the above extant provisions on UCs, UCs for Grants-in-Aid withdrawn during the year 2021-22 were not due for this year. Hence, status of outstanding UCs as of 31 March 2022 is nil.

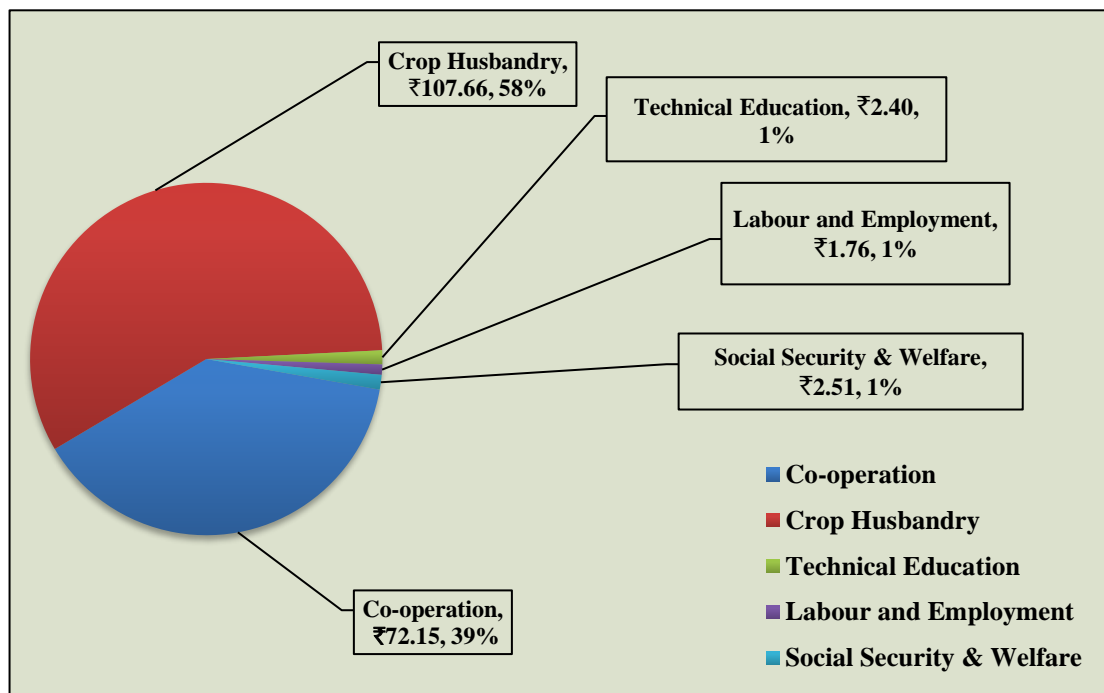
4.3 Pending DCC Bills

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

As of 31 March 2022, 11 Departments of the Government of Chhattisgarh had not submitted DCC bills for ₹186.85 crore against 356 AC Bills. Department-wise pending DCC bills for the years up to 2021-22 are detailed in **Appendix-4.1**. Status of pending DCC bills in respect of five major departments is given in **Chart 4.1**.

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

(₹ in crore)



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

Further, of the above five Departments, major pendency of DCC bills (63 DCC bills) amounting ₹107.66 crore were pertaining to Crop Husbandry as shown in **Chart 4.1**. During scrutiny of these DCC bills, it was noticed that all 63 ACC bills were drawn during last two months of the financial year 2021-22, of which only one DCC bill was received and 62 DCC bills were still pending as of November 2022.

Year-wise details of pendency of DCC bills for the years up to 2021-22 are given in **Table 4.1**.

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

(₹ in crore)

Sl. No.	Year	Opening Balance		Addition		Clearance		Closing Balance	
		No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	Up to 2019-20	288	184.65	277	3,275.53	250	3,258.59	315	201.59
2	2020-21	315	201.59	208	2,947.73	63	2,853.79	460	295.53
3	2021-22	460	295.53	265	2,556.55	369	2,665.23	356	186.85

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

Out of 356 DCC bills worth ₹186.85 crore pending for submission as of 31 March 2022, 54 DC bills (₹2.41 crore), 59 DC bills (₹0.49 crore) and 199 DC bills (₹183.13 crore) pertain to the years 2019-20, 2020-21 and 2021-22 respectively.

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

4.4 Timeliness and Quality of Accounts

The accounts of the State Government are compiled by the Principal Accountant General (A&E) from the initial accounts rendered by 29 District Treasuries, 53 Forest Divisions, 63 Rural Engineering Services and 156 Other Divisions¹.

During the financial year 2021-22, there were delays in rendition of monthly accounts ranging from one to 34 days by treasuries, one day to 50 days by public works divisions, and one to 12 days by Forest divisions.

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

4.5 Outstanding balances under Suspense and DDR Heads

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

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

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

Table 4.2: Balances under Suspense and Remittance Heads

Major Head 8658-Suspense Minor Head	2019-20		2020-21		2021-22	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101-PAO suspense	67.35	19.50	75.32	15.59	68.32	14.46
Net	Dr. 47.85		Dr. 59.73		Dr. 53.86	
102-Suspense Account-Civil	30.81	0.17	29.62	0.17	1.85	1.38
Net	Dr. 30.64		Dr. 29.45		Dr. 0.47	
109-Reserve Bank Suspense - Headquarters	0.03	0.68	1.61	0.04	0.63	1.47
Net	Cr. 0.65		Dr. 1.57		Cr. 0.84	
110-Reserve Bank Suspense - CAO	3.57	0.01	13.62	0.01	8.36	0.02
Net	Dr. 3.56		Dr. 13.61		Dr. 8.34	
112-Tax Deducted at Source	0.00	71.10	0.00	63.14	0.00	84.53
Net	Cr. 71.10		Dr. 63.14		Cr. 84.53	

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

113-Provident Fund Suspense	44.35	0.00	20.62	0.00	20.02	0.00
Net	Dr. 44.35		Dr. 20.62		Dr. 20.02	
123-All India Service Officer's Group Insurance Scheme	0.00	0.19	0.00	0.27	0.06	0.38
Net	Cr. 0.19		Cr. 0.27		Cr. 0.31	
129-Material Purchase Settlement Suspense Account	0.00	84.11	0.00	81.67	0.00	81.67
Net	Cr. 84.11		Cr. 81.67		Cr. 81.67	
Major Head 8782-Cash Remittances						
102-P.W. Remittances	74.83	42.43	74.32	9.13	6,850.00	6,779.51
Net	Dr. 32.40		Dr. 65.19		Dr. 70.49	
103-Forest Remittances	36.20	5.44	50.44	5.56	1,953.20	1,919.79
Net	Dr. 30.76		Dr. 44.88		Dr. 33.41	

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

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

4.6 Personal Deposit (PD) Accounts

Under specific circumstances, the Government may authorise the opening of PD accounts for operation by designated Administrators. Transfer of funds to PD accounts is booked under the service major heads, as expenditure under the Consolidated Fund of the State. Under Rule 543 of Treasury Code Vol. I, the Administrators are required to close such accounts on the last working day of the year and transfer the unspent balances back to the Consolidated Fund, with the PD accounts being reopened in the next year, if necessary. Government of Chhattisgarh, however, did not comply with this procedure.

Table 4.3 provides the status of funds lying in PD Accounts on the last day of the financial year during the five-year period 2017-22.

Table 4.3: Parking of funds in Personal Deposit Accounts during 2017-22

(₹ in crore)

Sl. No.	Year	Opening Balance as on 1 April		Addition during the year/receipts		Closed during the year/Disbursements		Closing Balance as on 31 March 2022	
		Number	Amount	Number	Amount	Number	Amount	Number	Amount
1	2017-18	281	1,892.47	02	643.80	20	779.27	263	1,757.00
2	2018-19	263	1,757.00	02	508.61	34	374.51	231	1,891.10
3	2019-20	231	1,891.10	Nil	272.05	08	577.89	223	1,585.26
4	2020-21	223	1,585.26	03	502.34	18	526.65	208	1,560.95
5	2021-22	208	1,560.95	02	287.56	71	444.13	139	1,404.38

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

As can be seen from Table 4.3, during 2017-18 to 2021-22, a total of 09 PD accounts were opened and 151 accounts were closed, as of 31 March 2022, 139 PD accounts were in existence and the closing balance in these accounts was ₹1,404.38 crore.

The State Government drew an amount of ₹19.82 crore from four Major Heads during March 2022 and deposited the same in PD accounts, the details of which are shown in **Table 4.4**. Such transfers at the end of the financial year indicate that the transfers were done to prevent lapse of budgetary provision.

Table 4.4: Details of amounts transferred to Personal Deposit Accounts during March 2022

Sl. No.	Particulars	Major Head	Amount
1	District Collector, Surajpur	2029	4.58
2	Superintendent, Central Jail, Bilaspur	2056	0.14
3	Joint Director, Panchayat Welfare, Bilaspur	2235	0.09
4	Director General of Police, Police Headquarter, Raipur	2055	15.00
5	Collector, Land Records, Dhamtari	2029	0.01
Total			19.82

(₹ in crore)

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

Non-transfer of unspent balances lying in PD Accounts to the Consolidated Fund of the State entails the risk of misuse of public fund, fraud and misappropriation. Further, the Departmental officers have not verified/ reconciled the balances with those maintained by the Office of the Principal Accountant General (A&E), Chhattisgarh.

4.6.1 Funds relating to Land Acquisition kept in PD Accounts

Out of the closing balance of ₹1,404.38 crore under PD Accounts, ₹1,148.87 crore were on account of non-disbursement of amount relating to land acquisition. The treasury wise details of funds pertaining to land acquisition lying in PD accounts are given in **Table 4.5**.

Table 4.5: Details of funds pertaining to Land Acquisition kept in PD Accounts

Sl. No.	Name of the Treasury (No. of accounts as of 31 March 2022)	Closing balance as on 31 March 2020	Closing balance as on 31 March 2021	Closing balance as on 31 March 2022
1	Bilaspur (2)	355.37	293.46	232.13
2	Raipur (1)	259.89	256.19	256.19
3	Raigarh (1)	186.14	189.01	146.80
4	Janjgir-Champa (2)	78.73	92.01	42.31
5	Ambikapur (7)	65.78	66.08	75.06
6	Balrampur (2)	51.79	49.57	49.28
7	Gariyaband (2)	42.07	41.15	10.67
8	Korba (2)	41.44	64.93	105.56
9	Jagdapur (1)	35.90	26.16	27.50
10	Rajnandgaon (1)	34.74	35.19	33.97
11	Mahasamund (1)	29.22	25.04	28.93
12	Kawardha (1)	13.48	9.14	9.92
13	Jashpur (1)	13.40	13.39	12.66
14	Koriya (1)	12.94	12.67	3.95
15	Surajpur (1)	11.21	5.88	14.39
16	Kanker (1)	10.90	9.09	3.76
17	Durg (1)	6.79	1.71	1.59
18	Kondagaon (1)	6.61	7.11	5.55
19	Dantewada (1)	6.44	6.24	5.18

(₹ in crore)

20	Balodabazar (1)	5.30	3.13	3.13
21	Dhamtari (1)	4.81	7.63	4.85
22	Mungeli (4)	4.54	27.53	17.49
23	Bemetara (2)	2.48	2.18	3.97
24	Bijapur (1)	0.18	0.18	0.18
25	Pendra-Marwahi (1)	-	57.28	53.85
Total (40)		1,280.15	1,301.95	1,148.87

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

Information collected from the Land acquisition Officer and SDO, Raipur revealed that one of the main reasons for funds lying in PD account pertaining to Land acquisition was non claiming of the amount by the concerned person even after passing of land award. Further, Directorate of Treasury and Accounts, had earlier informed that non passing of the award of land was also one of the reasons behind non disbursal of funds pertaining to Land acquisition from PD account.

4.6.2 Inoperative PD accounts

PD Accounts, which are inoperative for three years continuously, should be closed by the Treasury Officer by giving notice to the Administrator of the PD account and action for transfer of balance amount as Revenue deposit credit to Government Account should be initiated.

Audit noticed that out of a total number of 139 PD accounts, six PD accounts having a total balance of ₹1.50 crore remained inoperative for more than three years as of 31 March 2022. However, no action has been taken for closing these accounts by the concerned Treasuries.

The State Government should review the PD accounts and take necessary action to close the inoperative PD accounts by transferring the balances to the Consolidated Fund.

4.7 Accounting of Transactions Relating to Central Road Fund

The List of Major and Minor Heads of Accounts prescribes the accounting procedure relating to Central Road Fund (CRF). In terms of the extant accounting procedure, the grants are to be initially booked as revenue receipts under Major Head “1601 Grants-in-Aid”, and an equivalent amount is to be transferred to the Public Account under Major Head “8449- Other Deposits- 103 Subvention from Central Road Fund”, by contra debit to revenue expenditure Major Head “3054 Roads and Bridges”.

As against the aforesaid procedure prescribed by the Central Government, the Government of India released ₹230.29 crore to Central Road Fund during 2021-22, out of which only ₹125.47 crore was transferred by the State Government to “8449- Other Deposits-103 Subvention from Central Road Fund” in the Public Account resulting in overstatement of revenue surplus and understatement of fiscal deficit to the tune of ₹104.82 crore.

Details of the fund received from the Government of India and transferred by the State

Government to “8449-Other Deposits-103 Subvention from Central Road Fund” in the Public Account during 2019-22 are given in **Table 4.6**.

Table: 4.6 Details of Central Road Fund during 2019-22

(₹ in crore)

Sl. No.	Year	Opening Balance	Grant released from GoI	Grant transferred by GoCG to 8449-Other Deposit-103	Closing Balance (Amount not transferred by GoCG)
1	2019-20	14.02	371.61	198.55	187.08
2	2020-21	187.08	234.92	296.54	125.46
3	2021-22	125.46	230.29	125.47	230.28

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

4.7.1 Infrastructure Development Fund

Chhattisgarh (*Adhosanrachna Vikas Evam Paryavaran*) *Upkar Adhiniyam*, 2005 provides that cess on land shall be levied for raising funds to implement infrastructure development projects and environment improvement projects. The Act is extended to the whole of State of Chhattisgarh and is in force since 27 May 2005. As per the Act, Infrastructure Development Cess (IDC) shall be levied and collected on all lands on which land revenue or rent is levied. The IDC so collected should be transferred to the Infrastructure Development Fund (IDF), from which expenditure on infrastructure development projects is made. Audit scrutiny, revealed that, the State Government collected IDC of ₹161.63 crore in 2020-21 and same amount was not transferred to IDF during 2021-22. The un-transferred balance of ₹161.63 crore contributes to undischarged liability of the State Government. Such un-transferred balances resulted in overstatement of the revenue surplus and understatement of fiscal deficit. Further, non-transfer of cess to Infrastructure Development Fund for implementation of developments projects also defeated the purpose of creation of fund.

4.7.2 Environment Fund

As per provision made under Chhattisgarh (*Adhosanrachna Vikas Evam Paryavaran*) *Upkar Adhiniyam*, 2005, an Environment Fund shall be established in GoCG. Environment cess so collected should be transferred to the Environment Fund for implementation of environment projects in the State. Scrutiny of the relevant records revealed that ₹161.63 crore was collected as Environment cess in 2020-21 and same amount was also not transferred to Environment Fund, during 2021-22 by GoCG. Non transfer of the collected cess to Environment Fund, resulted in overstatement of the revenue surplus and understatement of fiscal deficit. Further, non-transfer of cess to Environment Fund for implementation of environment projects also defeated the purpose of creation of fund.

4.8 Funds outside Public Account of the State

GoCG constituted Building and other construction Workers Welfare Board (September 2008). The Board collects Building and other construction Workers Welfare (Labour cess) at the rate of one *per cent* of cost of construction from the employers and utilizes it for the implementation of its schemes as per BOCW Welfare Cess Act 1996. Scrutiny of records of the Chhattisgarh Building and Other Construction Workers Welfare Board revealed that cess collected by various agencies were sent through cheques/drafts to the Board or deposited in the savings bank account of the Board opened for the purpose through District Labour Offices. However, Labour Cess collected by four State Government Departments² has been directly booked under Major Head-8443-Civil Deposit-108-Public Works Deposits. Further, since Minor Head-Public Works Deposits does not have any further sub-heads below it, it is not possible to segregate the amounts paid to the Board. Thus, there is no uniformity in the accounting procedures followed by Government departments and private agencies in GoCG for collection and transfer of Labour cess to the Board in the absence of specific rules and provisions for accounting the labour cess.

4.8.1 Year-wise receipt and utilisation of Labour Cess

The year-wise position of receipt and expenditure of cess for the period 2019-20 to 2021-22 is detailed in **Table 4.7**.

Table 4.7: Year-wise receipt and utilisation of Labour Cess

Sl. No.	Year	Opening Balance	Receipts			Total fund available	Expenditure (including establishment charges)	Closing balance
			Registration charges and Other Receipt	Labour cess received in Board accounts	Interest on deposits			
1	2019-20	300.53	9.93	163.62	21.81	495.89	115.09	380.80
2	2020-21	380.80	0.73	172.34	31.39	585.26	108.10	477.16
3	2021-22	477.16	0.13	191.07	17.20	685.56	92.24	593.32

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

Out of total expenditure of ₹92.24 crore during 2021-22, the Board incurred an expenditure of ₹88.43 crore (95.87 *per cent*) on welfare schemes and ₹3.81 crore (4.13 *per cent*) on establishment charges.

The State Government has operated various schemes/activities like pensions, maternity benefits, advance for construction of houses, funeral assistance, medical assistance, assistance for encouragement in sports for students, financial assistance for education/marriage/skill development, distribution of LPG gas connection and stove *etc.* for beneficiaries from the Building and Other Construction Workers' Welfare Fund (BOCWFF). Details of expenditure on these schemes during the period from 2018-19 to 2021-22 are depicted in **Table 4.8**.

² Public Works Department, Public Health Engineering, Water Resources Department and Panchayat & Rural Development Department.

Table 4.8 Expenditure on schemes from available fund

(₹ in crore)

Sl. No.	Year	Avail-able fund	Schemes operated		Actual expend-iture on schemes	Registered workers at the end of the year	Workers covered	Percentage		
			No.	Allot-ment of Fund				Workers covered	Fund utilised against allot-ment	Fund utilised against avail-ability
1	2018-19	494.10	27	342.51	166.98	19,17,281	9,92,847	51.78	48.75	33.79
2	2019-20	495.89	21	367.32	96.57	20,00,567	3,90,818	19.54	26.29	19.47
3	2020-21	585.26	22	382.68	105.06	21,15,415	1,69,239	8.00	27.45	17.95
4	2021-22	685.56	25	409.70	88.43	21,66,576	3,90,139	18.00	21.58	12.90

Source: Information from the CG Building & other construction Workers Welfare Board

The Board could utilise only 12.90 *per cent* of available funds and only 18 *per cent* of registered workers were benefited under various schemes during 2021-22.

Against the allocated amount of ₹409.70 crore during the financial year 2021-22, the Board could utilize only ₹92.24 crore leaving ₹317.46 crore unutilized which resulted in depriving of the benefits of various schemes to the registered workers.

Audit scrutiny revealed that ₹40.60 crore of labour cess was collected by the State Government departments and ₹42.44 crore (includes balance of previous years) was transferred to the Board and balance of ₹4.28 crore has been kept under Public Account Major Head 8443.

Details of short transfer of cess by these *four* departments are shown in **Table 4.9**.

Table 4.9: Departments-wise short transfer of labour Cess to the Board

(₹ in crore)

Sl. No.	Name of the Department	Short transfer
1	Public Works Department	3.89
2	Public Health Engineering Department	0.24
3	Rural Engineering Services (Panchayat and Rural Development Department)	0.12
4	Rural Development Division (Panchayat and Rural Development Department)	0.03
Total		4.28

4.9 Booking under Minor Head 800

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

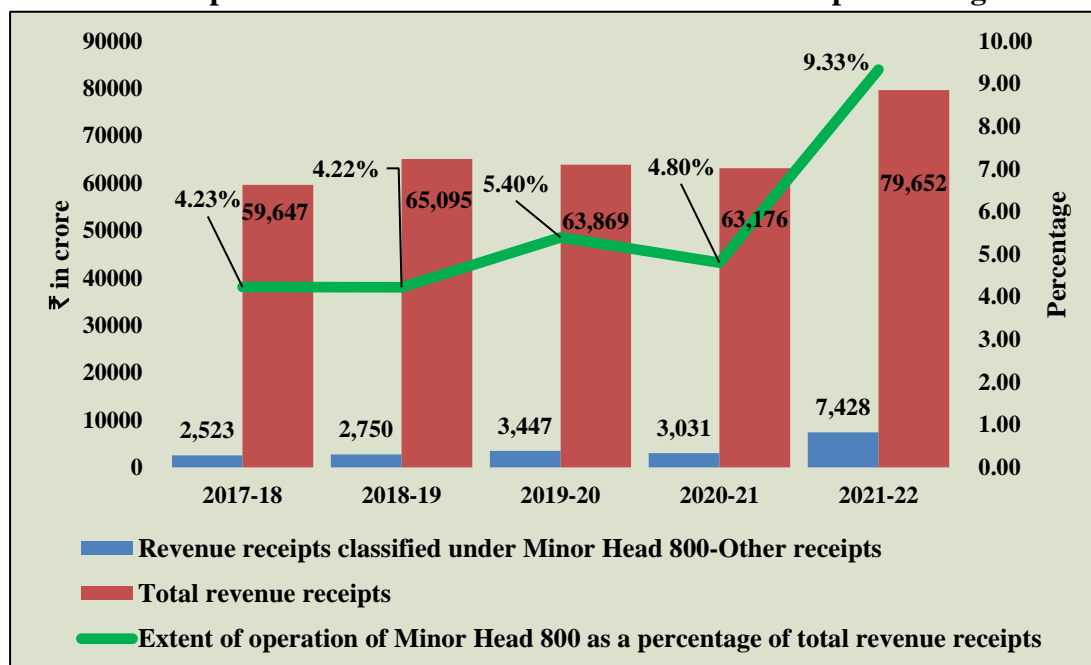
Receipts of ₹7,427.94 crore (constituting 9.33 *per cent* of the total revenue receipts of ₹79,652.03 crore of the State during 2021-22), recorded under 43 revenue receipts Major Heads, were classified under the Minor Head '800-Other Receipts'.

Similarly, an expenditure of ₹1,137.59 crore (constituting 1.33 *per cent* of total revenue and capital expenditure of ₹85,514.23 crore of the State during 2021-22), recorded

under 49 Revenue and Capital expenditure Major Heads, was classified under the Minor Head ‘800-Other Expenditure’.

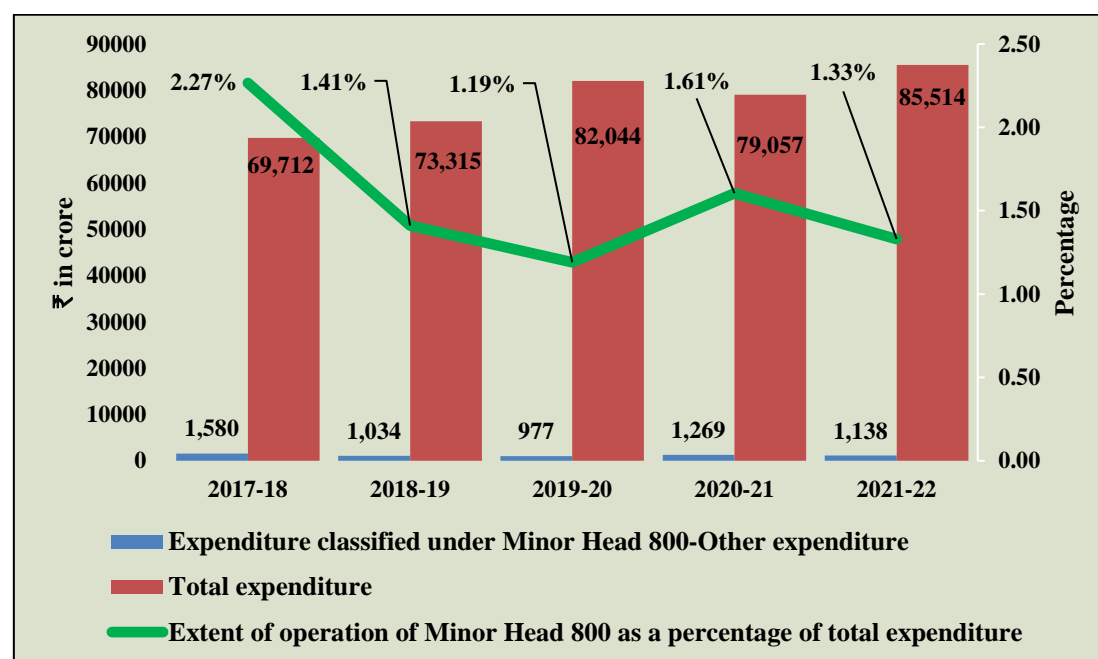
The extent of operation of Minor Head 800 for receipts and expenditure, as a percentage of Total Receipts and Expenditure during 2017-22, is given in **Charts 4.2 and 4.3**.

Chart 4.2: Operation of Minor Head 800-Other Receipts during 2017-22



Source: Finance Accounts of the respective years

Chart 4.3: Operation of Minor Head 800-Other expenditure during 2017-22



Source: Finance Accounts of the respective years

This issue has been flagged in the SFAR every year. There has been a major increase in the amount classified under this Minor Head on the Receipts side during 2021-22 (9.33 per cent) as compared to the previous year (4.80 per cent). On the expenditure side, it decreased from 1.61 per cent in 2020-21 to 1.33 per cent of total expenditure during 2021-22. The fact that such substantial proportion of the receipts and expenditure are booked under Minor Head 800 is a cause for serious concern, since it severely impacts transparency of accounts.

4.9.1 Booking under Minor Head - 800 - other receipts for more than ₹50 crore

Routine operation of Minor Head-800 is to be discouraged, since it renders the accounts opaque and it does not disclose the schemes/programmes, etc. to which it relates. However, during test check of the related records, it was noticed that in some Major Heads, operation of Minor Head 800 - other receipts was carried out as a routine nature and substantial amount (i.e. more than ₹50 crore) was booked under these Minor Head for last five years as mentioned in the **Table 4.10**. However, persistent booking under Minor Head 800-other expenditure for last five years for more than ₹50 crore has not been noticed.

Table 4.10: Details of operation of Minor Head 800 for booking of amount for more than ₹50 crore in last five years

Sl. No.	Major Head	Receipt				
		2017-18	2018-19	2019-20	2020-21	2021-22
1	0029	99.68	97.56	85.60	269.86	335.73
2	0039	874.31	981.67	1,037.89	1,110.10	1,075.84
3	0041	1,071.97	321.84	63.85	190.66	186.58
4	0043	224.56	240.61	253.04	260.13	561.94
5	0853	2,000.98	791.01	1,386.47	545.51	4,879.34

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

Such substantial proportion of the receipts are booked under Minor Head 800 continuously for last five years is a cause for serious concern, since it severely impacts transparency of accounts.

4.9.2 Booking of Royalty under Minor Head - 800 - other receipts

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

During audit test check of challans in respect of Major and Minor Head 0853-800, it was noticed that as against total revenue receipts of ₹12,305.38 crore under Major Head 0853-800 during 2021-22, receipts of royalties of ₹1.02 crore was booked under Minor Head- 800-other receipts instead of Minor Head 102-Mineral Concession fees, rents and royalties as prescribed in the List of Major and Minor Heads of Account. The details are shown in **Table 4.11**.

Table: 4.11: Details of revenue receipts booked erroneously under Minor Head 800

(₹ in crore)

Sl. No.	Name of Treasury/Bank	No. of Cases	Total Receipts booked under 800
1.	Raipur	83	0.37
2.	Bemtra	01	0.20
3.	Surajpur	09	0.02
4.	Baikunthpur	13	0.09
5.	Bilaspur	03	0.01
6.	Bijapur	03	0.04
7.	Kondagaun	03	0.02
8.	Raigardh	01	0.07
9.	Kanker	01	0.01
10.	Janjgir-Champa	01	0.01
11.	Dantewada	04	0.03
12.	Balrampur	04	0.01
13.	Baloda-Bazaar	02	0.11
14.	Mungeli	02	0.03
Total		130	1.02

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

Rule 56(2) of Chhattisgarh Minor Minerals Rules, 1996 read with Chhattisgarh Minerals Resources Department's order (October, 2012) states that 33 per cent of total royalty revenue shall be disbursed to the Panchayat and Rural Development Department and remaining 67 per cent of total royalty revenue shall be disbursed to the concerned individual *Panchayat* and *Janpad Panchayat*. Considering the above stated provisions, due to misclassifications of Minor Head 102 (Mineral Concession fees rents and royalties) under Major Head 0853 (Non-Ferrous Mining and Metallurgical Industries) to 800 (Other receipts), a substantial revenue loss to the *Gram Panchayat* and *Janpad Panchayat* cannot be ruled out.

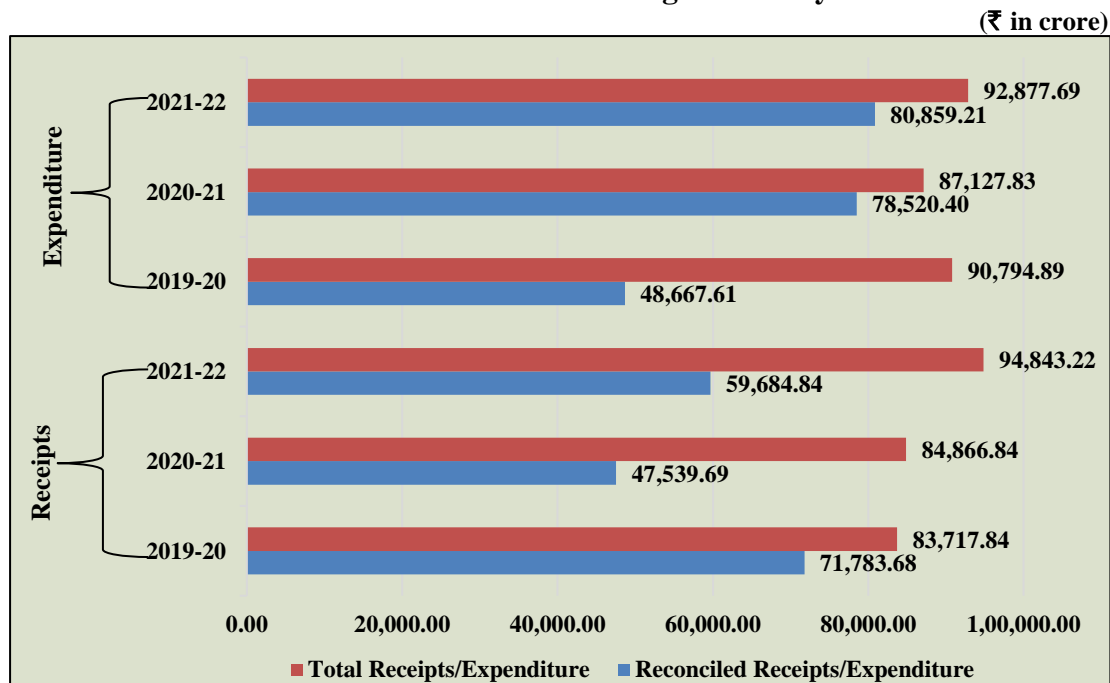
4.10 Non-Reconciliation of Departmental Figures

Financial Rules stipulate that receipts and expenditure recorded in the books of accounts of Controlling Officers (COs) be reconciled by them every month during the financial year with those recorded in the books of the Accountant General (Accounts and Entitlements). This is to enable the COs to exercise effective control over expenditure and manage their budgetary allocation efficiently, and ensure accuracy of their accounts.

While 56.02 per cent of the receipts and 90.12 per cent of the disbursements were reconciled during 2020-21, these figures are 62.93 per cent for receipts and 87.06 per cent in respect of disbursements for the year 2021-22.

The status of reconciliation of receipts and expenditure by the COs during the three year period 2019-22 is shown in **Chart 4.4**.

Chart 4.4: Status of reconciliation during the three years 2019-22



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

The details relating to the number of COs and the extent of reconciliation during the last three years are given in Table 4.12.

Table 4.12: Status of Reconciliation of Receipts and Expenditure figures

(₹ in crore)

Year	Total No. of Controlling Officers	Fully Reconciled	Partially Reconciled	Not reconciled at all	Total Receipts/Expenditure	Reconciled Receipts/Expenditure	Percentage of Reconciliation
Receipts							
2019-20	40	14	14	12	83,717.84	71,783.68	85.74
2020-21	40	04	31	05	84,866.84	47,539.69	56.02
2021-22	40	03	31	06	94,843.22	59,684.84	62.93
Expenditure							
2019-20	94	19	39	36	90,794.89	48,667.61	53.60
2020-21	94	61	23	10	87,127.83	78,520.40	90.12
2021-22	94	42	48	04	92,877.69	80,859.21	87.06

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

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

4.11 Reconciliation of Cash Balances

As of 31 March 2022, there was a difference of ₹24.64 crore (Net credit), between the Cash Balance of the State Government, as per the books of Accounts of the Accountant General (A&E), and the Cash Balance as reported by the Reserve Bank of India. This

difference was due to erroneous reporting by the accredited Banks to the Central Accounts Section, Reserve Bank of India, Nagpur which is responsible for maintaining the cash balance of the State Government.

4.12 Compliance with Indian Government Accounting Standards

Government Accounting Standards Advisory Board (GASAB) set up by the Comptroller and Auditor General of India in the year 2002 has been formulating Standards for Government accounting and financial reporting, to enhance accountability mechanisms. As at end of March 2020, three Indian Government Accounting Standards (IGAS) have been notified. The details of these Standards and the extent of compliance with these by the Government of Chhattisgarh in its financial statements for the year 2021-22 are given in **Table 4.13**.

Table 4.13: Compliance with Indian Government Accounting Standards

Sl. No.	IGAS	Essence of IGAS	Status	Impact of non-compliance
1	IGAS 1- Guarantees given by government- Disclosure requirements	This standard requires the government to disclose the maximum amount of guarantees given during the year in its financial statements along with additions, deletions, invoked, discharged and outstanding at the end of the year.	Partially Complied	The State Government disclosed about 11 out of 13 guarantee institutions i.e. (Eighty Five per cent) related to guarantees in prescribed format of IGAS-1 during the year 2021-22, along with additions during the year, discharged, invoked and outstanding as of end of March 2022.
2	IGAS 2- Accounting and Classification of Grants-in-Aid	Grants-in-Aid are to be classified as revenue expenditure in the accounts of the grantor and as revenue receipts in the accounts of the grantee, irrespective of the end use.	Partially complied	The State Government has disbursed GiA amounting to ₹2,227.04 crore for creation of capital Assets and accounted as Capital Expenditure instead of Revenue Expenditure. The State Government has furnished the information relating to GiA disbursed during 2021-22 as shown in Statement No. 10 and Appendix No. III of the Finance Account as per the prescribed format of IGAS-2.

3	IGAS 3- Loans & Advances made by Government	This Standard relates to recognition, measurement, valuation and reporting in respect of loans and advances made by the Government in its financial statements to ensure complete, accurate and uniform accounting practices	Partially complied	60 out of 94 Budget Controlling officers i.e. 64 per cent have furnished the information relating to loans and advances made by the Government in prescribed format of IGAS-3. Non-compliance to IGAS-3 leads to opaqueness in accounting practices.
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4.13 Submission of Accounts/Separate Audit Reports of Autonomous Bodies

The State Government has set up several Autonomous Bodies (ABs), out of which audit of only four Autonomous Bodies has been entrusted to the Comptroller & Auditor General of India. The status of pending accounts as on June 2022 is given in **Table 4.14**.

Table: 4.14: Arrears of accounts of Autonomous Bodies/Authorities

Sl. No.	Name of the Body/Authority	Account pending since	Number of accounts pending up to Financial Year
1.	State CAMPA, Chhattisgarh State	2021-22	1
2.	Chhattisgarh State and District Legal Services Authority	2009-10	68 ³
3.	Chhattisgarh State Housing Board	2015-16	6

4.14 Cases of losses and defalcation, etc.

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

As of 31 March 2022, a total of 2,163 cases amounting to ₹125.58 crore pending in various departments of the State Government, were awaiting conclusive investigation and settlement. The department-wise and category-wise break-up of pending cases is given in **Appendix 4.2**. Year-wise analysis of cases is shown in **Appendix 4.3**. The age-profile of the pending cases and the number of cases pending in each category viz. theft and loss are summarised in **Table 4.15**.

³ Accounts of District Legal Services Authority, Mungeli was not received since its inception in 2009-10.

Table 4.15: Profile of losses and defalcation, etc.

(₹ in crore)

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved	Nature of the case	Number of cases	Amount involved
0 – 5	316	5.89			
5 – 10	381	72.33	Theft	124	0.54
10 – 15	334	31.69	Loss of property/material	1,978	119.76
15 – 20	234	4.88	Defalcation	61	5.28
20 – 25	209	4.60			
25 & above	689	6.19	Total pending cases	2,163	125.58
Total	2,163	125.58			

Source: Cases reported by the departments of the State Government

Out of 2,163 cases, Forest Department and School Education Department had 562 and 39 cases respectively which were pending for more than 25 years. First Information Reports were lodged in 338 cases out of 2,163 cases.

Further, it was also observed that in six cases, various departments had recovered ₹1.91 lakh during 2021-22 as detailed in *Appendix 4.4*.

4.15 Off Budget Borrowing

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

- a) Government of Chhattisgarh issued guarantees to Chhattisgarh Housing Board (CHB) for availing loans of ₹800 crore from Canara Bank for construction of 6,424 residential buildings for Government Officials and ₹195.00 crore in 2017-18 from Allahabad Bank for purchasing 728 flats. Against the total guaranteed amount, CHB availed loan of ₹800 crore and ₹195 crore respectively up to 31 March 2022. The State Government has repaid interest and principal of ₹333.23 crore through budget on the above loans.
- b) Similarly, Government also issued guarantees to Chhattisgarh Police Housing Corporation Limited (CPHCL) for availing loans of ₹800 crore from two financial institutions i.e. Allahabad Bank (₹400 crore) and Canara Bank (₹400 crore) for construction of 10,000 residential houses for Police Officials in June/July 2017 (Valid up to 2027). CPHCL has availed total loan of ₹644.54 crore up to March 2022 against the maximum guaranteed amount of ₹800 crore. The State Government has repaid interest of ₹201.19 crore through budget on the above loans.

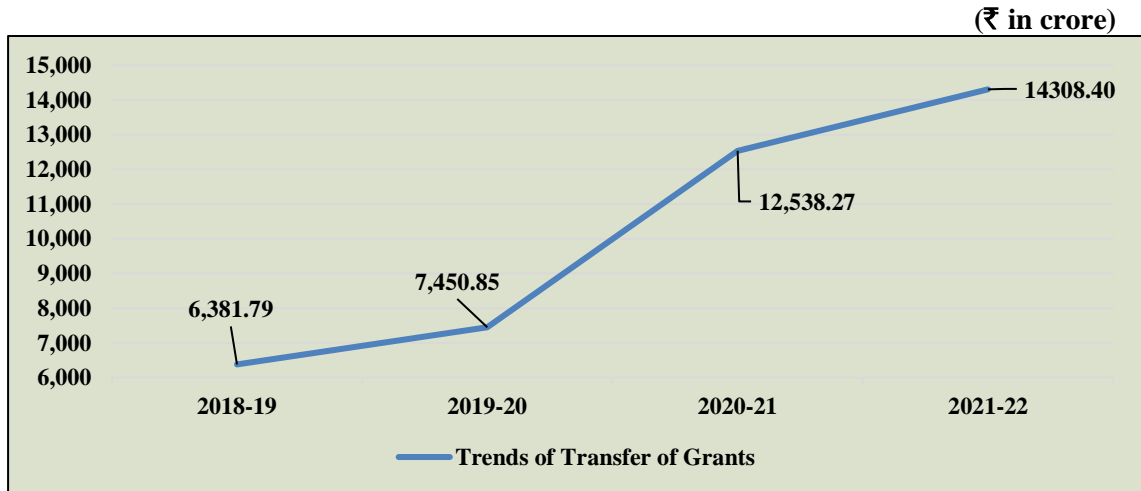
- c) Further, Government issued guarantee to State Urban Development Agency (SUDA) for availing loans of ₹3,357 crore from financial institutions for payment of State share in “Pradhan Mantri Awaas Yojana” (PMAY-Urban) in February 2018 (Valid up to 2022). Out of which, SUDA availed loan of ₹825 crore up to 31 March 2022. The State Government has made repayment of ₹201.57 crore towards interest and principal of above loan from the Budget.
- d) Government of Chhattisgarh issued guarantee to avail loan of ₹5,225 crore (₹1,225 crore for construction of 12 roads and ₹4,000 crore for construction of 741 Roads and Bridges) from Banks or Financial institutions to Chhattisgarh Road and Infrastructure Development Corporation Limited (CGRIDCL) in December 2020. Out of which, CGRIDCL has availed loan of ₹126.39 crore as of 31 March 2022. The State Government has not released any amount to CGRIDCL for repayment of the Principal and Interest amount. However, Company has repaid ₹0.33 crore to Bank.
- e) Chhattisgarh Government issued guarantees of ₹3,427.28 crore (valid up to 2034-35) to Chhattisgarh Rural Housing Corporation (January 2018) for availing loans from the banks/financial institutions in order to implement Pradhan Mantri Awaas Yojna-Grameen in Chhattisgarh. Against the above Guarantee the Corporation has availed the total loans of ₹1,792.44 crore (₹1,000 crore from Canara Bank and ₹792.44 crore from NABARD). The State Government has released ₹375.27 crore for repayment of Principal amount up to 31 March 2022.

It is evident from the above instances that use of borrowed funds raised through other entities for financing the expenditure of the State Government not only led to understatement of revenue/capital expenditure and revenue/fiscal deficit but also ensured that borrowings remains outside the computation of debt in the accounts of the State Government. The burden of current expenditure would get shifted to future generations to the extent of service of debt through budgetary support in subsequent years. The State Government has a net off budget liability of ₹3,872.80 crore (3.91 per cent of total budgeted liabilities) in addition to the total budgeted liabilities of ₹99,172.89 crore outstanding as of 31 March 2022. Thus, the total liability of the state stood at ₹1,03,045.69 crore. Budget documents of the State Government for the year 2017-18 to 2021-22 did not disclose any off-budget borrowings.

4.16 Funds transferred directly to State implementing agencies

During the year 2021-22, an amount of ₹14,308.40 crore was transferred directly to the implementing agencies in Chhattisgarh as per Public Financial Management System Portal of Controller General of Accounts (CGA). The trends of transfer of such amount from 2018-19 to 2021-22 is shown in **Chart 4.5**.

Chart 4.5: Trends of transfer of Grants directly to state implementing agencies from 2018-19 to 2021-22



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

As compared to previous year the direct transfer of fund to the implementing agencies has increased during this year by ₹1,770.13 crore (14.12 per cent).

4.17 Single Nodal Accounts

With a view to have more effective cash management and bring more efficiency in the public expenditure management better monitoring of availability and utilization of funds released to the States under the Centrally Sponsored Schemes (CSS) the Government of India issued directions (July 2021) that every State Government will designate a Single Nodal Agency for implementing each CSS. The Single Nodal Agency will open a Single Nodal Account (SNA) for each CSS at the State level in a Scheduled Commercial Bank authorized to conduct government business by the State Government. The information collected revealed that there were 114 schemes under 20 departments, which were maintaining Single Nodal Accounts. The information on SNA received from eight Departments is as shown in **Table 4.16**.

Table 4.16: Details on operationalization status of Single Nodal Account

(₹ in crore)

Sr. No.	Name of the Department	Scheme Name	Closing balance as of 31 March, 2022	Date of opening of SNA
1	Social Welfare	Indira Gandhi National Old Age Pension	-	10.08.2018
		Indira Gandhi National Widow Pension	-	
		Indira Gandhi National Disability Pension	-	
		National Family Benefit	-	
2	O/o the Mission Director, Jal Jeevan Mission	Jal Jeevan Mission	258.75	29.11.2021
3	Fisheries Department,	Pradhan Mantri Matsya Sampada Yojna	-	03.08.2021

Chhattisgarh				
4	Health and Family Welfare	National Health Mission	145.11	23.09.2021
		National Urban Health Mission	0.07	30.12.2021
		PM ABHIM, Chhattisgarh	18.76	24.08.2021
5	Directorate of Agriculture	Rashtriya Krishi Vikas Yojna (RAFTAAR)	7.35	22.11.2021
		Pradhanmantri Krishi Sichai Yojna	14.20	November, 2021
		Submission on Agriculture Extension (Atma)	-	06.08.2021
		Krishi Yantrikikaran Mission Subsidy	39.75	10.02.2022
		Paramparagat Krishi Vikas Yojna (PKVY)	1.19	06.08.2021
		Targeting Rice Fallow Area (TRFA)	-	22.11.2021
		Bringing Green Revolution in Eastern India (BGREI)	0.46	22.11.2021
		National Food Security Mission (Oilseed and Oilpalm)	0.64	22.11.2021
		Submission on Seeds and Planting Material (SMSP)	-	June, 2021
		NMSA-Soil Health Management	0.54	22.12.2021
		Bhartiya Prakritik Krishi Paddhatti	22.54	20.12.2021
6	Directorate of Industry	Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME)	9.73	11.08.2020
7	Directorate of AYUSH	National Ayush Mission	24.30	12.08.2021
8	Directorate of Women and Child Development	Poshan Abhiyan Sanksham-2 (5354)	47.48	20.07.2021
		Swadhar Greh (7754)	0.54	30.07.2021
		Ujjawala Pariyojna (7815)	0.10	30.07.2021
		Pradhan Mantri Matru Vandana Yojna (7884)	-	30.07.2021
		Mission Vatsalya (Child Protection Services and Child Welfare Services)	55.72	26.07.2021
		ICDS Supervision Saksham -2	2.47	20.07.2021
		ICDS Aganwadi Services (9044)	159.49	20.07.2021
		ICDS Nutrition Saksham-2 (9050)	1.19	20.07.2021
Adolscent Girls Saksham-2 (7361)	-	20.07.2021		

Sources: Information received from the State Government Department

4.18 Follow-up on Audit Reports

State Finances Audit Report is being presented to the State Legislature from 2008-09 onwards. However, the Public Accounts Committee (PAC) of Chhattisgarh State Legislative Assembly is yet to take up these reports for discussion (September 2022).

4.19 Conclusion

Non-submission of DCC bills by Departments for funds drawn for specific developmental programmes/projects and non-submission of accounts by public sector entities was violative of prescribed financial rules and directives. This points to inadequate internal controls and deficient monitoring mechanism of the State Government.

Operation of omnibus Minor Head 800 – ‘Other Receipts’ (₹7,427.94 crore) and ‘Other Expenditure’ (₹1,137.59 crore) affected transparency in financial reporting and obscured proper analysis of allocative priorities and quality of expenditure.

Non-reconciliation of receipts and expenditure booked by the Controlling Officers of the State with the figures of the Principal Accountant General (A&E) reflects poorly on the internal control system within the Government and raises concerns relating to accuracy of accounts.

Government of Chhattisgarh has not disclosed in the budget, its off budget borrowing with regard to the loans obtained by various public sector entities at its behest for implementation of various socio-economic developmental programmes.

4.20 Recommendations

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

CHAPTER V
FINANCIAL PERFORMANCE
OF STATE PUBLIC SECTOR
UNDERTAKINGS

Chapter V: Financial Performance of State Public Sector Undertakings

5.1 Introduction

This Chapter presents the summary of financial performance of State Public Sector Undertakings of the Government of Chhattisgarh for the year 2021-22. The term State Public Sector Undertakings (PSUs) encompasses the Government Companies set up under the Companies Act, 2013 and the Statutory Corporations set up under Statutes enacted by the Parliament/State Legislature.

This Chapter gives the summarised position of financial performance of the State Government Companies and Corporations as revealed from their accounts. Significant comments¹ issued as a result of supplementary audit/sole audit of the financial statements of the Government Companies/Corporations conducted by the Comptroller and Auditor General of India for the year 2021-22 (or of earlier years which were finalised during the current year) have been covered in this Report.

5.2 Definition of Government Companies/Corporations

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

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

5.3 Mandate of audit

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

The statutes governing Statutory Corporations require the Comptroller and Auditor General of India to conduct audit of their accounts either as a sole auditor or to conduct supplementary audit after the audit is conducted by the Chartered Accountants appointed under the statutes.

¹Based on the certificates finalized/issued from 1 October 2021 to 30 September 2022.

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

As on 31 March 2022, there were 30 PSUs in Chhattisgarh State (including 29 Government Companies and one² Statutory Corporation) under the audit jurisdiction of the Comptroller and Auditor General of India. None of the PSUs were listed on the stock exchange (s).

Out of the 30 State PSUs, 28 were working PSUs (27 Companies and one Statutory Corporation) and two PSUs³ were inactive. Out of the 28 working PSUs, only 25 PSUs (24 Companies and one Statutory Corporation), whose accounts were in arrears for two or less years as on 30 September 2022 have been considered for detailed analysis of financial performances in this Report. Three PSUs whose accounts were in arrears for three or more years (two PSUs⁴) or first accounts were not submitted (one PSU⁵) have not been considered for detailed analysis in this Report (*Appendix 5.1*).

A ratio of turnover of the PSUs to the Gross State Domestic Product (GSDP) shows the extent of activities of the PSUs in the State economy. On the basis of nature of activities undertaken, these 25 PSUs have been categorised into six sectors. The turnover (₹ 42,147.03 crore) of these 25 PSUs for 2021-22 was 10.53 per cent of the GSDP of Chhattisgarh (₹4,00,061 crore) for the year. Power sector alone accounts for approximately 57 per cent of the total turnover of the PSUs during 2021-22 (*Table 5.1*).

Table 5.1: Sector wise turnover vis-a-vis share of turnover of Public Sector Undertakings in Gross State Domestic Product of Chhattisgarh during 2021-22

Sl. No.	Name of the Sector	Number of PSUs	Turnover for the year (₹ in crore)	Share of Turnover in GSDP (%)
1	Energy and Power	6	23,936.59	5.98
2	Infrastructure	5	92.87	0.02
3	Finance	1	2.77	0.00
4	Agriculture and Allied Industries	2	674.20	0.17
5	Services	9	17,431.93	4.36
6	Others	2	8.67	0.00
Total		25	42,147.03	10.53

Source: Information compiled on the latest financial statements of PSUs.

5.5 Audit of Public Sector Undertakings including Government Companies and Corporations

The Comptroller and Auditor General of India, as per his mandate, conducts supplementary audit of the annual accounts of all 30 Companies (29 Government Companies and one Statutory Corporation). The status of submission of financial

² Chhattisgarh State Warehousing Corporation (CSWC).

³ Chhattisgarh Sondiha Coal Company Limited, CMDC ICPL Coal Limited

⁴ Chhattisgarh State Industrial Development Corporation Limited, Chhattisgarh Infrastructure Development Corporation

⁵ Chhattisgarh State Information Infrastructure Corporation Limited

statements by the PSUs as on 30 September 2022 is presented in **Table 5.2**.

Table 5.2: Status of submission of financial statements by PSUs

Type of PSUs	Total Number of PSUs	Status of finalisation of Accounts by PSUs as of 30 September 2022				Number of PSUs whose accounts were in arrears (No. of Accounts in arrears)
		Accounts for 2021-22	Accounts for 2020-21	Accounts up to 2019-20	Total	
Government Companies	27	6	13	8	27	21 (35)
Statutory Corporation	1	-	1	-	1	1 (1)
Total Working PSUs	28	6	14	8	28	22 (36)
Inactive PSUs	2	-	1	1	2	2 (4)
Total	30	6	15	9	30	24 (40)

Source: Annual accounts submitted by PSUs

The details of PSUs whose financial statement are pending as on 30 September 2022 are shown in *Appendix 5.1 (b)*.

The summary of financial performance based on the latest finalized accounts of 25 PSUs covered in this report is detailed in **Table 5.3**.

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

Summary of financial performance of PSUs	
Total Number of State PSUs	30
Number of PSUs covered in this Report	25
Paid up capital (25 PSUs)	₹6,903.31 crore
Long term loans (25 PSUs)	₹12,044.02 crore
Net profit (11 PSUs)	₹932.01 crore
Net loss (11 PSUs)	₹439.99 crore
Zero Profit / loss (Three PSUs)	--
Dividend declared (Two PSUs)	₹3.84 crore
Net worth (25 PSUs)	₹2,808.33 crore

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

5.6 Investment in Public Sector Undertakings and Budgetary support

5.6.1 Equity holding and loans

The Government investments in the PSUs as equity and loans for the last three year period ended 31 March 2022 is given in **Table 5.4**.

Table 5.4: Equity investment and loans in Public Sector Undertakings

(₹ in crore)

Sources of investment	As on 31 March 2020			As on 31 March 2021			As on 31 March 2022		
	Equity	Long Term Loans	Total	Equity	Long Term Loans	Total	Equity	Long Term Loans	Total
State Government	6,672.82	707.14	7,379.96	6,672.82	724.83	7,397.65	6,672.82	758.36	7,431.18
Central Government	25.42	286.53	311.95	25.42	292.78	318.20	25.42	158.89	184.31
Others	315.46	11,795.90	12,111.36	315.46	12,847.58	13,163.04	315.46	12,460.72	12,776.18
Total	7,013.70	12,789.57	19,803.27	7,013.70	13,865.19	20,878.89	7,013.70	13,377.97	20,391.67

Sources of investment	As on 31 March 2020			As on 31 March 2021			As on 31 March 2022		
	Equity	Long Term Loans	Total	Equity	Long Term Loans	Total	Equity	Long Term Loans	Total
Share of State Government in total investment (in %)	95.14	5.53	37.26	95.14	5.23	35.43	95.14	5.67	36.44

Source: Compiled from latest financial statements received as on 30 September 2022 and information provided by PSUs.

The total investment in these PSUs increased marginally by 2.97 per cent during 2019-20 to 2021-22. As on 31 March 2022, the total investment in 30 State PSUs comprised 34.39 per cent of equity capital and 65.61 per cent of long-term loans. The long-term loans in 30 State PSUs consisted of ₹917.25 crore advanced by the Central and State Governments and ₹12,460.72 crore raised from other sources (*Appendix 5.2*).

5.6.2 Adequacy of Assets

In order to be considered solvent, the value of an entity's assets must be greater than the sum of its long-term loans/debts. One Public Sector Undertaking does not meet this criterion as of 31 March 2022 (**Table 5.5**).

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

(₹ in crore)

Type of PSUs	Positive Coverage				Negative Coverage			
	Number of PSUs	Long Term Loans	Total Assets	Percentage of Assets to Loans	Number of PSUs	Long Term Loans	Total Assets	Percentage of Assets to Loans
Government Companies	9	11,375.84	46,011.08	404.46	1	1,681.43	1,065.38	63.36
Statutory Corporations	1	88.99	1,139.61	1,280.60	--	--	--	--

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

5.6.3 Information on Subsidy, Grants by Central/State Government

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

Table 5.6: Details of budgetary support to Public Sector Undertakings

Particulars ⁶	2019-20		2020-21		2021-22		(₹ in crore)
	No of PSUs	Amount	No of PSUs	Amount	No of PSUs	Amount	Total Amount
(i) Loans	2	51.89	1	62	2	101.51	215.40
(ii) Grants/Subsidy	11	9,546.26	9	8,445.74	10	7,226.58	25,218.58
Total Outgo (i+ii)	13	9,598.15	10	8,507.74	12	7,328.09	25,433.98
Guarantees Outstanding	4	3,764.41	2	3,426.34	3	5,013.25	--
Guarantee Commitment	4	6,752.59	3	6,682.28	3	11,907.28	--

Source: Information furnished by PSUs

As can be seen from the Table above, annual budgetary assistance received by the PSUs decreased from ₹9,598.15 crore in 2019-20 to ₹7,328.09 crore during the period 2021-22. Budgetary assistance in the form of loan was given to Chhattisgarh Mineral Development Corporation Limited (₹12.52 crore) for mineral exploration work and Chhattisgarh State Warehousing Corporation (₹88.99 crore) for construction of godowns. The major portion of subsidy/grants was given to Chhattisgarh State Power Distribution Company Limited (₹4,249.09 crore) for implementation of various schemes such as single Bulb Connection, free supply of Electricity to Agriculture pump, *Mukhyamantri Majra-tola Vidyutikaran Yojana*, Half Bijli Bill Scheme, energisation of Agriculture pumps etc. and revenue subsidy and Chhattisgarh State Civil Supplies Corporation Limited (₹2,406.21 crore) to provide food grains at concessional rate to the public. Out of the total budgetary support (loans and subsidies/grants) of ₹25,433.98 crore during the period from 2019-20 to 2021-22, the share of power sector was 54.40 *per cent* (₹13,834.83 crore).

5.7 Returns from Public Sector Undertakings

5.7.1 Profit earned by PSUs

The profit earned by 11 PSUs out of 25 PSUs (covered in this report) was ₹932.01 crore in 2021-22 as compared to 14 PSUs which earned profit of ₹683.32 crore in 2019-20. The main reason for increase in profit was due to decrease in loss of Chhattisgarh State Power Distribution Company Limited from ₹972.64 crore (2019-20) to ₹419.77 crore (2021-22) and increase in profit of Chhattisgarh State Power Generation Company Limited from ₹402.68 (2019-20) to ₹570.38 (2021-22). Details of profit earning PSUs during 2019-20 to 2021-22 are summarised in **Table 5.7**.

⁶Amount represents outgo from State Budget.

Table 5.7: PSUs which earned profit during 2019-20 to 2021-22

Sl. No.	Name of PSUs	Profit for the year as per latest finalized accounts (₹ in crore)		
		2019-20	2020-21	2021-22
1	Chhattisgarh Rajya Van Vikas Nigam Limited	30.26	11.56	11.56
2	Chhattisgarh State Beverages Corporation Limited	8.39	5.38	8.35
3	Chhattisgarh State Marketing Corporation Limited	11.76	11.76	11.76
4	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited	14.75	24.09	24.09
5	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam	0.34	0.34	0.34
6	Chhattisgarh Medical Services Corporation Limited	7.32	7.32	7.32
7	Chhattisgarh State Warehousing Corporation	123.04	143.04	143.04
8	Kerwa Coal Limited	0.05	0.28	0.07
9	Chhattisgarh State Power Generation Company Limited	402.68	196.63	570.38
10	Chhattisgarh State Power Transmission Company Limited	78.13	153.90	153.90
11	Chhattisgarh State Power Holding Company Limited	1.53	1.20	1.20
Total		678.25	555.5	932.01

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

5.7.2 Dividend paid by Public Sector Undertakings

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

Dividend Payout relating to 21 PSUs where equity was infused by the State Government during the period is shown in **Table 5.8**.

Table 5.8: Details of Dividend Payout of PSUs

Year	(₹ in crore)						
	Total PSUs where equity infused by State Government		PSUs which earned profit during the year		PSUs which declared/paid dividend during the year		Dividend Payout Ratio (%)
	Number of PSUs	Equity infused by GoCG	Number of PSUs	Profit	Number of PSUs	Dividend declared/paid by PSUs	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8=7/5*100)
2019-20	21	6,671.07	13	950.52	2	3.84	0.48
2020-21	21	6,671.07	14	697.51	2	3.84	0.72
2021-22	21	6,666.97	10	931.94	2	3.84	0.41

Out of these 21 PSUs, 10 PSUs earned an aggregate profit of ₹931.94 crore. Only two PSUs viz. *Chhattisgarh Rajya Van Vikas Nigam Limited* and *Chhattisgarh State Warehousing Corporation* declared/paid dividend of ₹3.03 crore and ₹0.81 crore respectively.

5.8 Debt Servicing

5.8.1 Interest Coverage Ratio

Interest coverage ratio (ICR) is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. A ratio below one

indicates that the company was not generating sufficient revenues to meet its expenses on interest. The details of interest coverage ratio of PSUs which had outstanding loans during the period from 2019-20 to 2021-22 are given in **Table 5.9**.

Table 5.9: ICR of Public Sector Undertakings

Year	Interest (₹ in crore)	EBIT (₹ in crore)	No. of PSUs having interest burden	No. of PSUs having ICR more than one	No. of PSUs having ICR less than one
2019-20	1,547.68	1,325.90	9	7	2
2020-21	1,834.67	2,006.91	11	7	4
2021-22	1,690.48	2,249.32	11	8	3

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

It was observed that out of 11 PSUs having interest burden, one PSU (Chhattisgarh State Power Distribution Company Limited) had ICR of less than one throughout the period from 2019-20 to 2021-22. The number of PSUs having ICR of less than one included, Chhattisgarh Rural Housing Corporation Limited and Chhattisgarh Road and Infrastructure Development Corporation Limited.

5.8.2 Dues of Chhattisgarh State Power Distribution Company Limited to State and Central Power Generation Companies

Chhattisgarh State Power Distribution Company Limited (CSPDCL) involves in a business of supply of power in Chhattisgarh State. To provide electricity to its various consumers and for implementation of various Govt. scheme for supply the power to the public, CSPDCL purchases power from Chhattisgarh State Power Generation Company Limited (CSPGCL) and Central Public Sectors Undertakings (NTPC, SECI, NHPC and NPCIL) and other private agencies. Amount payable against purchase of power by CSPDCL at the year-end during the period from 2019-20 to 2021-22 is given in the following table:

Sl. No.	Name of Company	Amount payable against purchase of power (Figures in ₹ crore)		
		As on 31.03.2020	As on 31.03.2021	As on 31.03.2022
1	Chhattisgarh State Power Generation Co. Ltd.	3,613.73	3,409.21	4,008.54
2	NTPC	201.21	1,621.68	1,618.17
3	Solar Energy Corporation of India	29.91	29.24	45.25
4	National Hydroelectric Power Corporation Ltd.	1.00	6.67	9.97
5	NTPC-SAIL Power Company	12.70	19.44	19.85
6	Nuclear Power Corporation of India Ltd.	18.65	9.53	15.61
7	Total dues of State and Central GENCO	3,877.20	5,095.77	5,717.39
8	Others	853.37	1,108.69	1,102.66
9	Grand Total	4,730.57	6,204.46	6,820.05

As could be seen from the above table that total outstanding dues payable to state and central power generation Company has been increased from ₹3,877.20 crore in 2019-20 to ₹5,717.39 crore in 2021-22. Out of total outstanding amount of ₹5,717.39 crore as on 31 March 2022, the major part of ₹4,008.54 crore (70 per cent of total state and

central power generating Companies) pertains to State Power Generation Company i.e. CSPGCL.

The Government of Chhattisgarh launches the various schemes for providing the concessional electricity to the various consumers, for which GoCG provides the subsidy to CSPDCL for implementation of such schemes. In view of the large amount of outstanding dues the GoCG has provided (24 May 2022) ₹1,000 crore directly to CSPGCL on behalf of CSPDCL, which is to be adjusted from the outstanding amount of GoCG.

5.9 Operating Efficiency of Government Companies

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

As on 31 March 2022, 11 profit earning PSUs earned total profit of ₹932.01 crore. Major profit making PSUs during 2021-22 were, Chhattisgarh State Power Generation Company Limited (₹570.38 crore), Chhattisgarh State Power Transmission Company Limited (₹153.90 crore), Chhattisgarh State Warehousing Corporation (₹143.04 crore), while Chhattisgarh State Power Distribution Company Limited reported substantial losses (₹419.77 crore).

Out of 11 profit earning State Public Sector Undertakings, nine State Public Sector Undertakings earned profit only from its operations⁷ and two State Public Sector Undertakings earned profit only from other/extraordinary income as detailed in *Appendix 5.3*.

5.9.2 Return on Capital Employed

Return on Capital Employed measures a company's profitability and the efficiency with which its capital is employed. It is calculated by dividing a company's earnings before interest and taxes by the capital employed⁸.

Table 5.10: Return on Capital Employed

Nature of PSUs	Year	No. of PSUs	EBIT (₹ in crore)	Capital Employed (₹ in crore)	Return on Capital Employed (in per cent)
	1	2	3	4	5 = 3/4*100
Profit Earning	2019-20	14	1,879.80	1,6105.24	11.67
	2020-21	11	1,633.85	1,5655.25	10.44
	2021-22	11	1,866.89	1,5776.44	11.83
Loss incurring	2019-20	8	-494.79	-906.97	54.55
	2020-21	11	393.91	-1,174.13	-33.55
	2021-22	11	394.13	-1,176.01	-33.51

⁷ Profit from Operating activities = Turnover – Total expenditure.

⁸ Capital employed = Paid up share capital + long term loans + accumulated profit / – accumulated losses. Figures are as per the latest year for which accounts of the PSUs are finalised.

Nil Profit / Loss	2019-20	3	0	200.93	0.00
	2020-21	3	0	201.54	0.00
	2021-22	3	0	201.54	0.00
Total	2019-20	25	1,385.01	15,399.20	8.99
	2020-21	25	2,027.76	14,682.66	13.81
	2021-22	25	2,261.02	14,801.97	15.28

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

Return on Capital Employed is on upward trend from 8.99 *per cent* in 2019-20 to 15.28 *per cent* in 2021-22 (Table 5.10).

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

As on 31 March 2022, total investment of the State Government in 25 PSUs on the basis of historical cost stood at ₹20,049.57 crore. The sector-wise RoI on historical cost basis for the period 2019-20 to 2021-22 is given in Table 5.11.

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

(₹ in crore)

Year	Funds invested by State Government in Equity and Long term loans	Funds invested by Central Government in Equity and Long term loans	Funds invested by Others in Equity and Long term loans	Total investment in Equity and Long term loans	Total Earnings/ Losses for the year	RoRR (in <i>per cent</i>)
Government Companies						
2019-20	7,263.70	311.95	11,773.29	19,348.94	-165.78	-0.90
2020-21	7,325.70	318.20	12,824.97	20,468.87	-422.34	-2.10
2021-22	7,334.32	184.31	12,437.91	19,956.54	348.98	1.75
Statutory Corporations						
2019-20	114.31	0.00	2.02	116.33	138.69	119.20
2020-21	70.00	0.00	2.02	72.02	138.69	192.60
2021-22	91.01	0.00	2.02	93.03	143.04	153.76
Grand Total						
2019-20	7,378.01	311.95	11,775.31	19,465.27	-27.09	-0.10
2020-21	7,395.70	318.20	12,826.99	20,540.89	-283.65	-1.40
2021-22	7,425.33	184.31	12,439.93	20,049.57	492.02	2.45

Source: Latest finalised accounts and information furnished by PSUs

During the years 2019-20 to 2021-22, the return of Government companies on the basis of historical cost of Investment ranged from -2.10 *per cent* to 1.75 *per cent*, while the return of Statutory Corporation on the basis of historical cost of Investment ranged from 119.20 *per cent* to 192.60 *per cent*.

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

Traditional calculation of return based only on the basis of historical cost of investment may not be a correct indicator of the adequacy of the return on the investment since such calculations ignore the present value of money. Therefore, real

return on investment has also been calculated after considering the Present Value of money.

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

- The State Government's investment was computed where funds were infused in the form of equity, defaulted long term loans and operational/ management expenses as on 31 March 2022.
- Long term loans on which interest payments were defaulted by the PSUs were considered as investment of State Government. In case of repayment of loans by these PSUs, the PV was calculated on the reduced balances of loans over the period.
- The funds provided in the form of Grants/Subsidy have not been reckoned as investment except capital grant since they do not qualify to be considered as investment.
- The average rate of interest on Government borrowings for the concerned financial year⁹ was adopted as discount rate for arriving at Present Value since they represent the cost incurred by the Government towards investment of funds for the year and therefore, considered as the minimum expected Rate of Return on investments made by the Government.

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

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

Financial year	Present value of total investment at the beginning of the year	Equity infused by the state government during the year	Net Interest Free Loan / Defaulted Loan	Interest free loans converted during the year	Capital Grant	Total investment during the year	Total investment at the end of the year	Average rate of interest on government borrowings (in %)	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earnings for the year	Percentage of Total earnings for the year
A	B	C	D	E	F	G = (C+D-E+F)	H = B + G	I	J = (H*I%)/H	K = (H*I%)/H	L	M = L*100/H
Upto 2016-17	4483.97	6649.27	268.64	20.11	2253.92	9151.72	13635.69	6.62	14538.38			
2017-18	14538.38	21.6	84.23	0	1353.68	1459.51	15997.89	6.38	17018.55	1020.66	1124.26	7.03
2018-19	17018.55	0	81.86	0	269.88	351.74	17370.29	6.1	18429.89	1059.58	928.65	5.35
2019-20	18429.89	0	-57.77	0	271.8	214.03	18643.92	6.83	19917.29	1273.38	-303.84	-1.63
2020-21	19917.29	0	0	0	331.89	331.89	20249.18	6.57	21579.56	1330.37	115.27	0.57
2021-22	21579.56	0.00	0	0	806.55	806.55	22386.09	6.4	23818.80	1432.71	492.02	2.19
Total		6670.87	376.96	20.11	5287.72	12315.44						

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

⁹The average rate of interest on Government borrowings was adopted from the Reports of the C&AG of India on State Finances (Government of Chhattisgarh) for the concerned year wherein the calculation for the average rate for interest paid = Interest Payment/ [(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100.

The total investment of the State Government in 24 PSUs at the end of the year 2021-22 was ₹12,315.44 crore consisting of equity (₹6,670.87 crore), defaulted long term loans (₹376.96 crore excluding ₹20.11 crore interest free loan converted into equity) and capital grants (₹5,287.72 crore). The PV of investments of the State Government as on 31 March 2022 was worked out to ₹23,818.80 crore. The returns have been coming up and turned positive during 2020-21 and 2021-22.

5.10 Public Sector Undertakings incurring losses

5.10.1 Losses incurred

There were 11 PSUs that incurred losses as per their latest finalised accounts at the end of March 2022. The losses incurred by these PSUs decreased to ₹439.99 crore as per their latest finalised accounts from ₹987.16 crore in 2019-20 as given below in **Table 5.13**.

Table 5.13: Number of Public Sector Undertakings that incurred losses during 2019-20 to 2021-22

(₹ in crore)				
Year	No of loss making State PSUs	Net loss for the year	Accumulated loss	Net worth
Government Companies				
2019-20	8	-987.16	-7,281.05	-4,960.54
2020-21	11	-440.23	-7,916.11	-5,564.17
2021-22	11	-439.99	-7,917.99	-5,566.05
Statutory Corporation				
2019-20	-	-	-	-
2020-21	-	-	-	-
2021-22	-	-	-	-
Total				
2019-20	8	-987.16	-7,281.05	-4,960.54
2020-21	11	-440.23	-7,916.11	-5,564.17
2021-22	11	-439.99	-7,917.99	-5,566.05

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

In 2021-22, out of total loss of ₹439.99 crore incurred by 11 PSUs, loss of ₹419.77 crore was contributed by one power sector PSU¹⁰.

5.10.2 Erosion of Capital in Public Sector Undertakings

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

As against the equity (paid up capital *plus* defaulted loans) of ₹7,064.08 crore, overall net accumulated losses reported by 30 PSUs were ₹4,163.97 crore, resulting in depletion in net worth to ₹2,900.11 crore¹¹ as on 31 March 2022. One PSU viz.,

¹⁰ Chhattisgarh State Power Distribution Company Limited

¹¹ Paid up capital plus defaulted loans ₹ 7064.08 crore - accumulated losses ₹ 4163.97 crore = 2900.11 crore

Chhattisgarh State Power Distribution Company Limited (CSPDCL) which incurred losses amounting to ₹419.77 crore during the year 2021-22, reported total accumulative loss of ₹7,710.10 crore as on 31 March 2022.

Table 5.14: Details of PSUs whose Net Worth has been eroded as per their latest finalised accounts

(₹ in crore)

Sl. No.	Name of state PSU	Latest year of finalised accounts	Total paid up capital	Net profit (+)/loss(-) after interest, tax and dividend	Accumulated losses	Net worth	State Govt. Equity as on 31 March 2022	State Govt. loans as on 31 March 2022
1	Chhattisgarh State Civil Supplies Corporation Limited	2020-21	4.43	(-) 0.47	205.35	(-)199.97	4.43	0.00
2	Chhattisgarh State Power Distribution Company Limited	2020-21	2,263.10	(-) 419.77	7,710.10	(-)5,425.83	2,263.10	21.17
3	Chhattisgarh State Power Trading Company Limited	2020-21	0.05	(-) 2.35	17.59	(-) 17.54	0.05	0.00
4	Chhattisgarh Mineral Development Corporation	2020-21	1.00	(-) 6.95	7.83	(-) 6.69	1.00	379.99
5	Raipur Smart City Limited	2019-20	0.10	(-) 0.39	1.18	(-) 1.08	0.10	0.00
6	Chhattisgarh Rural Housing Corporation Limited	2019-20	0.10	(-) 6.71	6.72	(-) 6.62	0.10	0.00
7	Chhattisgarh State Industrial Development Corporation Limited	2017-18	1.60	(-) 2.47	8.19	(-) 6.59	1.60	0.00

The net worth of Seven¹² PSUs out of 30 PSUs had been completely eroded by accumulated losses and their net worth was either zero or negative. Further, none of the above seven companies have submitted the annual accounts within the due date i.e. 30 September 2022.

5.11 Oversight role of Comptroller and Auditor General of India

5.11.1 Audit of Public Sector Undertakings

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

¹² Chhattisgarh State Civil Supplies Corporation Limited, Chhattisgarh State Power Distribution Company Limited, Chhattisgarh State Power Trading Company Limited, Chhattisgarh Mineral Development Corporation Limited, Raipur Smart City Limited, Chhattisgarh Rural Housing Corporation Limited and Chhattisgarh State Industrial Development Corporation Limited

Comptroller and Auditor General of India within sixty days from the date of receipt of the audit report under the provisions of Section 143(6) of the Companies Act, 2013.

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

Further, as per sub-Section 7 of Section 143 of the Companies Act, 2013, Comptroller and Auditor General of India may, in case of any company covered under sub-Section (5) or sub-Section (7) of Section 139, if considered necessary, by an order, cause test audit to be conducted of the accounts of such Company and the provisions of Section 19A of the Comptroller and Auditor General of India's (Duties, Powers and Conditions of Service) Act, 1971 shall apply to the report of such test Audit. Thus, a Government Company or any other Company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by Central Government and partly by one or more State Governments, is subject to audit by the Comptroller and Auditor General of India.

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

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

The Statutory Auditors of all the PSUs (except Chhattisgarh State Information Infrastructure Corporation Limited and Chhattisgarh State Industrial Development Corporation) for the year 2021-22 were appointed by the Comptroller and Auditor General of India till August 2022.

5.12 Submission of accounts by Public Sector Undertakings

5.12.1 Need for timely submission

According to Section 395 of the Companies Act 2013, Annual Report on the working and affairs of a Government Company, is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation laid before the House or both Houses of the State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the

CAG. Almost similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the Companies and Corporations from the Consolidated Fund of State.

5.12.2 Timelines in preparation of accounts by Public Sector Undertakings

Section 96 of the Companies Act, 2013 requires every company to hold Annual General Meeting of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one Annual General Meeting and that of the next. The section further provides that in case of the first Annual General Meeting, it shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case, within a period of six months, from the date of closing of the financial year. Accordingly, the Companies were required to hold Annual General Meeting upto 30 September 2022 for the financial year 2021-22.

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

As of 31 March 2022, there were 29 Government Companies and one Statutory Corporation under the purview of Comptroller and Auditor General of India's audit. Of these, only six Government Companies submitted its account (2021-22) for audit by Comptroller and Auditor General of India on or before 30 September 2022. Total 40 accounts by 24 PSUs were not submitted within the timeline prescribed in violation of Section 129 of Companies Act, 2013.

The break-up of arrears in accounts of Government Companies and Statutory Corporation are detailed in **Table 5.15**.

Table 5.15: Break up of arrear in accounts

Particulars	State Public Sector Undertakings		
	Government companies	Statutory corporation	Total
Number of accounts in arrears	39	1	40
Extent of arrear	Up to 5 years	1 year	
Break-up of arrears	(i) Under Liquidation	-	-
	(ii) Inactive	4	4
	(iii) First Accounts not submitted	5	5
	(iv) Others	30	1
			31

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

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

5.13.1 Financial reporting framework

Companies are required to prepare their financial statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards. The Listed Companies and Companies having net worth of more than ₹ 250 crore are required to comply with the Indian Accounting Standards. Further parent, subsidiary, associate and joint venture of aforesaid companies are also required to comply with Indian Accounting Standards. The Companies not covered by the above shall continue to apply Accounting Standards. Out of the 29 Government Companies, eight Companies follow the Indian Accounting Standards while the remaining prepare their accounts as per Accounting Standards.

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

5.13.2 Supplementary Audit of accounts of Public Sector Undertakings

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

The statutory auditors appointed by the Comptroller and Auditor General of India are responsible for expressing an opinion on the financial statements under Section 143 of the Companies Act, 2013 based on independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India and directions given by the Comptroller and Auditor General of India. The statutory auditors are required to submit the Audit Report to the Comptroller and Auditor General of India under Section 143 of the Companies Act, 2013. The Statutory Auditors reported that five PSUs¹³ did not comply with mandatory Accounting Standards (AS) /Indian AS.

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

¹³ Chhattisgarh State Power Generation Company Limited, Chhattisgarh State Power Distribution Company, Chhattisgarh State Power Transmission Company Limited, Chhattisgarh State Power Holding Company Limited and Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited

5.14 Result of Comptroller and Auditor General of India's oversight role

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

During the period under review (October 2021 to September 2022), 29 financial statements were received for audit, which 23 pertained to the previous years. The status of the financial statements received, reviewed and comments issued is given in Table 5.16.

Table 5.16: Status of Financial Statements of Public Sector Undertakings

Particulars of Financial Statement	Financial Year 2021-22			Previous Years		
	Government company	Statutory corporation	Total	Government Company	Statutory Corporation	Total
Received	6	--	6	21	2	23
Not Reviewed	4	--	4	3	--	3
Reviewed	-	--	-	12	2	14
Audit in progress*	2	-	2	6	--	6
Nil comment issued	--	-	--	2	0	2
Comments issued	--	--	--	10	2	12

*As on 30 September 2022

Comments of the Comptroller and Auditor General of India on financial statements of 12 PSUs were issued during the period under review.

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

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

Comments on Profitability

Sl. No.	Name of Company	Comment
1	Chhattisgarh State Power Transmission Company Limited (2020-21)	Capital Work in Progress includes ₹5.08 crore towards completed capital works which should have been capitalised during the year by the Company. The non-capitalisation of the same has resulted in overstatement of Capital Works in Progress to the extent of ₹ 5.08 crore and understatement of Property, Plant and Equipment to the extent of ₹3.71 crore (₹5.08 crore less depreciation of ₹1.37 crore). It has also resulted in understatement of Depreciation by ₹1.37 crore and overstatement of Profit to the same extent.
2	Chhattisgarh State Beverages Corporation	Long Term Loans and Advances did not include ₹2.19 crore being advance given (February 2021) to Public Works Department, Government of Chhattisgarh towards installation of fire-fighting system

	Limited (2020-21)	and construction of Cement Concrete (CC) Road for the Company's godown under-construction at Bilaspur. The Company recognised this as administrative, selling and other expenses instead of Long -term loans and advances. This has resulted in overstatement of expenditure by ₹2.19 crore and understatement of Non-Current Assets and Profit to the same extent.
3	Chhattisgarh Rajya Van Vikas Nigam Limited (2020-21)	Employees Benefit Expenses did not include 7 th pay arrears for the period from April 2016 to June 2016 and July 2016 to September 2016 of ₹56.29 lakh payable to the regular employees of the Company as per letter of Finance Department, Government of Chhattisgarh dated 11.10.2019 and 28.03.2021. Provision for the same should have been made. This has resulted in understatement of Employee Benefit Expenses, Other Financial Liabilities by ₹56.29 lakh and overstatement of Profit for year to the same extent.
4	Chhattisgarh State Power Distribution Company Limited (2019-20)	Cost of Power Purchase did not include ₹27.63 crore payable to South Eastern Central Railways pursuant to the arbitral award issued (3 May 2019) by the Arbitration Tribunal towards billing dispute between the CSPDCL and Indian Railways. This resulted in understatement of cost of power purchase, understatement of Loss and understatement of Current Liabilities by ₹27.63 each.

Comments on Financial Position

Sl. No.	Name of Company	Comment
1	Chhattisgarh Mineral Development Corporation Limited (2020-21)	Provisions includes ₹1.01 crore provision of Income Tax for the year 2016-17, 2017-18 and 2019-20. Since, Income Tax returns have been filed, it should not have been shown in the financial statements and should have been written back. This resulted in overstatement of Provision and Advance Tax by ₹1.01 crore.
2	Chhattisgarh State Power Distribution Company Limited (2020-21)	Other Current Liabilities includes an amount of ₹453.07 crore towards deposit works from various consumers. As per accounting practice of the Company, the amortization of deposit work has been done @5.28 percent per annum. However, the Management failed to amortize the deposit works during the financial year 2020-21. This has resulted in understatement of 'Amortization of capital grant' under the head 'Other Income' by ₹23.92 crore and overstatement of 'Other Current Liabilities' to the same extent.
3	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited (2020-21)	Trade Receivables includes ₹3.04 crore shown as recoverable from Lok Sikshan Sanchanalay by District Office Raipur in their books of accounts as on 31 March 2021. However, this amount had been already recovered during 2017-18 and accounted for in respective year. This resulted into overstatement of Trade Receivables and overstatement of Reserve and Surplus by ₹3.04 crore each.
4	Chhattisgarh Road and Infrastructure Development Corporation Limited (2020-21)	The Government of Chhattisgarh ordered (January 2020), the Company to charge one per cent supervision charge on cost of work and claim once in a financial year. In violation of above, the Company in addition to one percent supervision charge, recouped loss of ₹1.41 crore was diverted without Government approval, a provision of ₹1.41 crore should have been made in the books of accounts. This has resulted in overstatement of Surplus, understatement of other long-term liabilities and understatement of loss each by ₹1.41 crore.

5	Raipur Smart City Limited (2018-19)	The grant received by the Company are tied grants, specific to projects with certain conditions that needs to be fulfilled and therefore, should not have been shown as part of Capital Reserve under Reserve and Surplus. This resulted into overstatement of Reserve and Surplus and understatement of Non-current liability each by ₹248.32 crore.
6	Chhattisgarh State Warehousing Corporation (2019-20)	Capital Work in Progress includes ₹2.78 crore being the cost of construction of 5400 MT warehouse at Raipur, District Sarguja. The construction of the warehouse was completed on 27 February 2020 and should have been capitalised. This has resulted in understatement of Fixed Assets (gross block) and overstatement of Capital-Work-in-Progress by ₹2.78 crore and consequent impact on depreciation and profitability.

Comments on Auditor's Report

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

Sl. No.	Name of Company	Comment
1	Chhattisgarh Road and Infrastructure Development Corporation Limited (2020-21)	The Independent Auditors' reported that funds received for specific schemes from various Chhattisgarh Government State agencies has been properly accounted for and utilised for the intended purpose and un-spent balance is separately reflected. However, the Company has utilised fund of ₹ 1.41 crore for the purpose of Recoupment of loss without permission of Government and not for the intended purpose. Thus, the Independent Auditors' Report was deficient to that extent.
2	Chhattisgarh Police Housing Corporation Limited (2020-21)	The Independent Auditors' reported that "The Company does not have any pending litigations which would impact its financial position". However, four legal cases related to levy of penalty by the Company were pending finalization as on 31 March 2021 which would impact the Company's financial position. Thus, Independent Auditors' Report was factually incorrect to that extent.
3	Chhattisgarh Mineral Development Corporation Limited (2020-21)	The Company adopted the Annual Accounts for the year 2019-20 in Annual General Meeting without approval of Comments of Comptroller and Auditor General of India. This fact should have been disclosed in the Independent Auditor's Report. Thus, the Independent Auditor's Report was deficient to that extent.
4	Chhattisgarh State Power Distribution Company Limited (2020-21)	The Independent Auditor qualified his opinion that the Company failed to comply with the provisions of Section 135 (1) of the Companies Act, 2013 regarding constitution of Corporate Social Responsibility Committee of the Board. However, as per section 135 (9) of Companies Act 2013, the above does not apply to the Company as the Company had been making losses for more than three years consistently. Hence, the qualification of Independent Auditors was not correct to that extent.

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

In exercise of the powers conferred by Section 469 of the Act, 2013, read with Section 129 (1), Section 132 and Section 133 of the said Act, the Central Government prescribed Accounting Standards. Besides these, the Central

Government notified 42 Indian Accounting Standards through Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016. Three Indian Accounting Standards namely Indian Accounting Standards 11, 17 & 18 have been withdrawn after the notification of Indian Accounting Standard 115 & 116.

During the course of supplementary audit carried out between October 2021 and September 2022, the Comptroller and Auditor General of India observed that the following companies had also not complied with the Accounting Standards/Indian Accounting Standards which were not reported by their statutory auditors:

Accounting Standards/ Indian Accounting Standards	Name of the Company	Deviation
AS 12 - Government Grants	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited (2020-21)	The Company acquired/constructed six number of godown building valuing ₹3.16 crore from the grant of ₹3.16 crore received from Government /Mandi Board. The assets were capitalized at nominal cost of ₹1 for each godown building as the full cost received from Government/Mandi Board. However, the policy adopted for accounting of such grant had not been disclosed in the books of accounts as per AS -12 of accounting standard. Thus, books of accounts is deficient to that extent.
AS 4 – Contingencies and Events occurring after Balance Sheet	Chhattisgarh State Warehousing Corporation (2020-21)	Provisions includes an amount of ₹80.77 lakh towards Provision for proposed dividend for the financial year 2020-21. However, as per the amendment made in Accounting Standard – 4 by ICAI, dividend proposed for a year is not a liability till it has been approved by the shareholders instead of recognizing the proposed dividend as liability Company should have been disclosed it in notes to the accounts. Thus, this has resulted in overstatement of Provision by ₹80.77 lakh and understatement of Profit to that extent.

5.16 Management Letters

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

The material observations on the financial statements of PSUs were reported as comments by the Comptroller and Auditor General of India under Section 143 (5) of the Companies Act, 2013. Besides these comments, irregularities or deficiencies observed by Comptroller and Auditor General of India in the financial reports or in

the reporting process, were also communicated to the management through a 'Management Letter' for taking corrective action.

During the period October 2021 to September 2022 Management Letters were issued to three¹⁴ PSUs. The deficiencies generally related to:

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

5.17 Conclusion

As on 31 March 2022, there were 30 PSUs including one Statutory Corporation. Out of 30, there are two inactive PSUs. Out of 28 working PSUs, only 25 PSUs (24 Companies and one Statutory Corporation), whose accounts were in arrears for two or less years as on 30 September 2022 have been considered for detailed analysis of financial performances.

During 2021-22, these 25 PSUs registered turnover of ₹42,147.03 crore, which was equal to 10.53 per cent of the GSDP of Chhattisgarh. The contribution of Power sector PSUs alone accounts for over 57 per cent of the total turnover of PSUs during 2021-22.

The investment of the State Government in equity and long-term loans in 30 PSUs was ₹7,431.18 crore at the end of 31 March 2022. The outstanding long-term loans of these PSUs increased to ₹13,377.97 crore from ₹12,789.57 crore during the year of 2019-20 to 2021-22.

The Profit earned by 11 PSUs out of 25 PSUs (covered in this Report) was ₹932.01 crore in 2021-22 as compared to 14 PSUs which earned profit of ₹683.32 crore in 2019-20. Chhattisgarh State Power Generation Company Limited (₹570.38 crore), Chhattisgarh State Power Transmission Company Limited (₹153.90 crore) and Chhattisgarh State Warehousing Corporation (₹143.04 crore) contributed the major portion of the profit. Out of the total loss of ₹439.99 crore incurred by eleven PSUs, major loss was incurred by Chhattisgarh state Power Distribution company Limited (₹419.77 crore).


Out of 30 PSUs, accounts of 24 PSUs were in arrears (23 Government Companies, one Statutory Corporation) for various reasons for the year 2021-22. PSUs were not adhering with the prescribed timeline regarding submission of their Financial Statements as per the Companies Act, 2013. As a result, 40 accounts of 24 PSUs were in arrears.

¹⁴ Kerwa Coal Limited, Uttar Chhattisgarh Rajya Vidyut Utpadan Limited (2019-20 and 2020-21) and Chhattisgarh State Power Generation Company Limited

5.18 Recommendations


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

Raipur
The: 29 MAR 2023


(YASHWANT KUMAR)
Principal Accountant General (Audit)
Chhattisgarh

Countersigned

New Delhi
The: 31 MAR 2023


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

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

Sl. No.	Particulars	Figures (Chhattisgarh)	
1	Area	1,35,192 Sq.km	
2.	Population (as per 2011 Census)	2.55 crore	
3	Density of population (as per 2011 Census) (all India density = 382 persons per sq. Km.)	189 person per Sq. km	
4	Population Below Poverty Line 2011-12 (all India average = 21.92 per cent)	39.93 per cent	
5	Literacy (as per 2011 Census) (all India average = 73.00 per cent)	70.30 per cent	
6	Infant mortality (as of 2019) (per 1000 live births) (all India average = 30 per 1000 live births)	38 per 1000 live births	
7	Life expectancy at birth (All India average in years 2014-18 = 69.40)	65.20	
8	Population Growth (2012-2022)	All India	12.12
		Chhattisgarh	14.97
9	Gross State Domestic Product (GSDP) 2021-22 at current price	₹4,00,061 crore	

B. Financial Data

Particulars		2012-13 to 2020-21		2020-21 to 2021-22	
		General Category States	Chhattisgarh	General Category States	Chhattisgarh
CAGR		(in per cent)			
a.	of Revenue Receipts	9.17	9.95	25.60	26.08
b.	of Tax Revenue	7.75	9.94	33.19	28.75
c.	of Non Tax Revenue	4.80	5.60	45.35	94.08
d.	of Total Expenditure	11.07	11.22	13.96	8.51
e.	of Capital Expenditure	9.65	7.88	28.19	16.40
f.	of Revenue Expenditure on Education, Sports arts and culture	9.19	12.61	11.41	10.06
g.	of Revenue Expenditure on Health	14.67	21.08	19.71	20.33
h.	of Salary and Wages	9.26	13.93	11.23	9.28
i.	of Pension	12.38	14.52	11.88	4.71

(Note: Financial data is based on Finance Accounts of the States Government)

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

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
Part A- Receipts					
1. Revenue Receipts	59,647(86)	65,095 (82)	63,869(76)	63,176(74)	79,652(84)
(i) Own Tax Revenue	19,895(33)	21,427(33)	22,118(35)	22,889(36)	27,083(34)
Taxes on Agricultural Income	0	0	0	0	0
VAT/Taxes on Sales, Trade, etc.	6,450(32)	4,088(19)	3,931(18)	4,236(19)	5,341(20)
State Excise	4,054(20)	4,489(21)	4,952(22)	4,636(20)	5,107(19)
Taxes on Vehicles	1,180(6)	1,205(06)	1,275(06)	1,148(05)	1,373(05)
Stamps and Registration Fees	1,197(6)	1,108(05)	1,635(07)	1,585(07)	1,945(07)
Land Revenue	446(2)	488(02)	552(02)	938(04)	950(04)
Taxes on Goods and Passengers	478(2)	54(0)	41(0)	80(0)	48(0)
State Goods and Service Tax	4,387(22)	8,203(38)	7,895(36)	7,925(35)	9,483(35)
Other Taxes	1,703(09)	1,792(08)	1,838(09)	2,341(10)	2,836(10)
(ii) Non Tax Revenue	6,340(11)	7,703(12)	7,934(12)	7,137(11)	13,851(17)
(iii) State's share in Union taxes and duties	20,755(35)	23,459(36)	20,206(32)	20,338(32)	28,571(36)
(iv) Grants in aid from GOI	12,657(21)	12,506(19)	13,611(21)	12,812(20)	10,146(13)
2. Misc. Capital Receipts	03	05	04	05	05
3. Recoveries of Loans and Advances	138	162	257	105	88
3(a) Inter-State Settlement	01	02	00	00	00
4. Total Revenue and Non Debt Capital Receipts (1+2+3)	59,789	65,264	64,130	63,286	79,745
5. Public Debt Receipts	9,652(14)	14,370(18)	19,588(53)	21,581(25)	15,098(16)
Internal Debt (Excluding Ways & Means Advances & overdrafts)	9,188	13,817	19,308	17,961 ¹	9,322
Net transactions under ways and means advances and overdraft	00	00	00	00	00
Loans and Advances from Government of India	465	553	279	3,620	5,776
6. Total Receipt in the consolidated fund (4+5)	69,441	79,634	83,718	84,868	94,843
7. Contingency Fund Receipts	00	00	05	00	00
8. Public Account Receipts	72,058	76,903	89,910	81,446	87,016
9. Total receipts of the State (6+7+8)	1,41,499	1,56,537	1,73,628	1,66,314	1,81,859

¹ including Special Drawing Facility

	2017-18	2018-19	2019-20	2020-21	2021-22
Part B: Expenditure/Disbursement					
10. Revenue Expenditure	56,230(84)	64,411(88)	73,477(89)	70,033(89)	75,010(88)
General Services (incl. interest payments)	12,870(23)	15,280(24)	19,095(26)	19,586(28)	21,375(28)
Social Services	24,372(43)	23,455(37)	26,653(36)	25,066(35)	27,964(37)
Economic Services	17,623(31)	24,781(39)	26,609(36)	24,255(35)	24,558(33)
Grants-in-aid and Contributions	1,365(02)	895(01)	1,120(02)	1,125(02)	1,113(01)
11. Capital Expenditure	10,001(15)	8,903(12)	8,566 (10)	9,024(11)	10,504(12)
General Services	303(3)	255(03)	194(02)	509(06)	352(03)
Social Services	2,652(27)	1,774(20)	1,912(22)	2,935(33)	3,234(31)
Economic Services	7,046(70)	6,874(77)	6,460(76)	5,581(62)	6,919(66)
12. Disbursement of Loans and Advances	369	240	56	51	324
12(a) Inter-State Settlement	1.00	0.25	0.05	0.01	(-)0.25
13.Total (10+11+12+12[a])	66,600	73,555	82,100	79,108	85,838
14. Repayment of Public Debt	1,000	1,146	8,696	8,020	8,845
Internal Debt (excluding Ways & Means Advances and Overdrafts)	828(83)	953(83)	8,480(98)	7,805(97)	8,626(98)
Net transactions under Ways and Means Advances and Overdraft	0.00	0.00	0.00	0.00	0.00
Loans and Advances from Government of India	172(17)	193(17)	216(02)	215(03)	220(02)
15. Appropriation to Contingency Fund	0.00	0.00	0.00	0.00	0.00
16. Total disbursement out of Consolidated Fund (13+14+15)	67,600	74,700	99,419	87,128	94,683
17. Contingency Fund disbursements	0.00	5.00	0.00	0.00	0.00
18.Public Account disbursements	71,754	76,357	83,719	81,120	86,716
19.Total disbursement by the State (16+17+18)	1,39,354	1,51,057	1,83,138	1,68,248	1,81,399
Part C: Deficits					
20. Revenue Deficit (-) (1-10)/ surplus (+)	3,417	684	(-)9,609	(-)6,857	4,642
21.Fiscal Deficit(-)/ Surplus (+) (4-13)	(-)6,810	(-)8,292	(-)17,970	(-)15,822	(-)6,093
22. Primary Deficit (-)/Surplus (+)	(-)3,712	(-)4,640	(-)12,999	(-)10,189	51
Part D: Other Data					
23. Interest Payments	3,098	3,652	4,971	5,633	6,144
24. Ways and Means Advances/ Overdraft availed (days)	0.00	0.00	0.00	0.00	0.00
Ways and Means Advances availed (days)	0.00	0.00	0.00	0.00	0.00
Overdraft availed (days)	0.00	0.00	0.00	0.00	0.00
25. Interest on WMA/Overdraft	0.00	0.00	0.00	0.00	0.00
26. Gross State Domestic Product (GSDP)	2,82,283	3,27,693	3,44,571	3,52,161	4,00,061

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	2017-18	2018-19	2019-20	2020-21	2021-22
27. Outstanding Debt (year-end)	52,907	66,750	78,712	92,714 ²	99,173 ³
28. Outstanding Guarantees (year-end)	3,882	10,769	18,459	19,836	19,524
29. Maximum Amount Guaranteed (year-end)	6,550	19,574	27,995	26,695	29,948
30. Number of Incomplete Projects	110	107	145	149	148
31. Capital Blocked in Incomplete Projects	4,067	4,365	3,355	4,444	4,667

² After excluding back to back loan (₹3,019 crore), the amount of outstanding debt would be ₹89,605 crore.

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

Appendix 3.1

(Reference: Paragraph 3.3.1)

Details of schemes which are 100% women-centric during 2021-22

(₹ in crore)

Sl. No.	Scheme Number and Name	Original Budget	Supplementary	Total Budget	Expenditure
1	761- Girls Education Campus	20.44	0.00	20.44	18.89
2	1206- Tour and exhibition direction for rural women	1.50	0.00	1.50	1.43
3	2216- Integration of Public Health through Basic Nursing Education Programme	34.92	0.00	34.92	28.45
4	3459- Women Sports Competition	2.00	0.00	2.00	0.96
5	4663- Grant for Spinning Mills	0.07	0.00	0.07	0.03
6	4691- Incentive schemes for teaching of Girls	6.00	0.00	6.00	4.96
7	5534- Grant for Health Mitanin Project	1.40	0.00	1.40	0.77
8	5551- Free cycle Distribution to High School Girls	64.60	0.00	64.60	87.46
9	5560- State Level Resource Centre	2.39	0.00	2.39	1.48
10	5563- Regional Women Training Institute	1.90	0.00	1.90	1.01
11	5645- <i>Mukhyamantri Kanyadaan Yojna</i>	19.00	0.00	19.00	14.32
12	6388- Training Centre of Nurses	25.29	0.00	25.29	13.79
13	7330- Mitanin Welfare fund	110.00	0.00	110.00	110.00
14	7336- Indira Gandhi National Widow Pension	70.15	0.00	70.15	72.30
15	7361- <i>Sabala Yojana</i>	7.16	0.00	7.16	2.86
16	7435- Nutrition	38.50	0.00	38.50	33.95
17	7747- <i>Mahtari Jatan Yojana</i>	33.26	0.00	33.26	25.56
18	7875- <i>Suchita Yojana</i>	6.50	0.00	6.50	5.25
19	7884- <i>Pradhan Mantri Matru Vandana</i>	50.91	0.00	50.91	34.59
20	8977- <i>Asangathith Safai Karmkar Kalyan Mandal</i>	8.00	0.00	8.00	2.04
21	8989- Contract Labour , Domestic Laborious and porter Welfare Assembly	15.00	0.00	15.00	6.09
22	9131- Training to anganwadies workers under Integrated Child Development service schemes	7.00	0.00	7.00	0.00
23	9369- <i>Mahila Jagriti Shivar</i>	4.85	0.00	4.85	5.39
Total		530.85	0.00	530.85	471.58

Appendix 3.2

(Reference: Paragraph 3.3.2)

Details of schemes which are 100% youth-centric during 2021-22

(₹ in crore)

Sl. No.	Scheme Number and Name	Original Budget	Supplementary	Total Budget	Expenditure
1	436-Special Coaching Classes	0.12	0.00	0.12	0.04
2	1079-Training of Sportsmen	1.25	0.00	1.25	0.97
3	1190-Rural Sports Competition	1.50	0.00	1.50	0.28
4	1853-Supply of Drawing Material	1.25	0.00	1.25	0.57
5	2216-Integration of Public Health through Basic Nursing Education Programme	34.92	0.00	34.92	28.45
6	3459-Women Sports Competition	2.00	0.00	2.00	0.96
7	4699-Supply of Books etc. to scheduled caste students	1.10	0.00	1.10	0.81
8	5223-Incentives to Sportsmen	3.00	0.00	3.00	1.24
9	5260- Distribution of Bull for Breed Improvement	0.75	0.00	0.75	0.75
10	5428-Prizes for State Level Sports	0.70	0.00	0.70	0.70
11	5429-Youth Welfare Activities	2.00	0.00	2.00	1.16
12	5645-Mukhyamantri Kanyadaan Yojna	19.00	0.00	19.00	14.32
13	5671-B.P.L Book Bank Scheme	0.50	0.00	0.50	0.49
14	5672-B.P.L. Scholarship Schemes	6.15	0.00	6.15	6.13
15	6047-Grant to Local Bodies for Training	0.14	0.00	0.14	0.14
16	6386-Medical Dental Physiotherapy College	821.56	37.00	858.56	393.23
17	6388- Training Centre of Nurses	25.29	0.00	25.29	13.79
18	6407- State Youth Festival	5.00	0.00	5.00	1.00
19	6408- <i>Rajya Yuva Mitan Club</i>	50.00	0.00	50.00	33.12
20	6409- <i>Mukhyamantri Khiladi Protsahan Yojana</i>	1.00	0.00	1.00	0.00
21	6425-Chief Minister Polytechnic Quality Development Scheme	5.00	0.00	5.00	0.00
22	6435- Chief Minister Assistance to Special Higher Education	0.01	0.00	0.01	0.00
23	6436- Mukhyamantri Technology Incentive & Development Plan	1.00	0.00	1.00	0.00
24	6913-Kumbhkar Terakota craft scheme	1.00	0.00	1.00	0.60
25	7296- Sport Academy	4.09	0.00	4.09	1.71
26	7361- <i>Sabala Yojana</i>	7.16	0.00	7.16	2.86
27	7363-Youth Career Development Scheme	12.03	3.00	15.03	5.33
28	7366-Civil Services Examination incentive Schemes	0.28	0.00	0.28	0.02
29	7430-Design and Development Education for Craft	0.55	0.00	0.55	0.22
30	7435-Non-organised Labour, Security and Welfare Board	38.50	0.00	38.50	33.95
31	7627-Professional Training Schemes	8.80	0.00	8.80	3.52
32	7632- <i>Yuva Kshamta Vikas Yojana</i>	4.60	0.00	4.60	0.18
33	7683- <i>Mukhya mantri kaushal vikas yojna</i>	84.35	0.00	84.35	11.20
34	7751- <i>Swami Vivekanand Gyandeep Scheme</i>	7.19	0.00	7.19	4.35
35	7867- <i>Pradhan Mantri Kaushal Vikas Yojana</i>	22.14	0.00	22.14	0.00

36	7884-Pradhan Mantri Matra Vandana	50.91	0.00	50.91	34.59
37	7914-Kaushal Self - Employment Scheme	0.75	0.00	0.75	0.00
38	8076- Industrial and Technical Institution outside the State	0.07	0.00	0.07	0.02
39	8638- State Sponsered Micro Irrigation Scheme	7.00	0.00	7.00	0.95
40	8643- Mukhyamantri Ucch Shiksha Byaj Anudan Yojana	4.00	0.00	4.00	4.00
41	8899-Pashudhan Mitra Yojana	3.30	0.00	3.30	2.93
42	8918-Vivekanand Yuva Protsahan Yojana	7.00	0.00	7.00	7.00
43	8928-Mukhya Mantri Yuva Swarojgar Yojana	3.01	0.00	3.01	2.23
44	8935-Livelihood College	16.07	0.00	16.07	8.18
45	8977-Asangathith Safai Karmkar Kalyan Mandal	8.00	0.00	8.00	2.04
46	8979-Integrated Umbrella Scheme	125.01	4.80	129.81	83.43
47	8989-Contract Labour , Domestic Laborious and porter Welfare Assembly	15.00	0.00	15.00	6.09
48	9369- Mahila Jagriti Sivr	4.85	0.00	4.85	5.39
49	9381-Book Bank	0.10	0.00	0.10	0.03
50	9805-Free Distribution of Books and Stationary to Tribal Students	0.85	0.00	0.85	0.76
Total		1,419.84	44.80	1,464.64	719.73

Appendix 3.3

(Reference: Paragraph 3.3.5)

Details of Major policy initiatives/new schemes (₹1 crore or more in each case) where entire Grant was not utilized

(₹ in crore)

Sl. No.	Scheme Number and Name	Original Budget	Supple-mentary	Total Budget	Expenditure
1	6472- Earth Water Conservation Work	1.00	0.00	1.00	0.00
2	6479- R.C.P.L.W.E.(R.R.P.) Phase - 3	12.00	0.00	12.00	0.00
3	6482- Establishment of Wi-Fi Facility in Ministries and Head of Department Buildings	2.50	0.00	2.50	0.00
4	6484- Mukhyamantri Garsa Development Scheme	10.00	0.00	10.00	0.00
5	6493- National E-Vahan Application (NEVA)	5.00	0.00	5.00	0.00
6	6597- Lift Irrigation Project (Mega Project)	1.60	0.00	1.60	0.00
7	6601- Expenditure of Interest Earned on Deposit Amt. & Administrative Service Fee for land Acquisition	0.00	5.00	5.00	0.00
Total		32.10	5.00	37.10	0.00

Appendix 3.4

(Reference: Paragraph 3.5.2)

Details of cases where supplementary provision (₹50 lakh or more in each case) proved unnecessary

(₹ in crore)					
Grant No.	Name of the Grant	Original Budget	Supplementary	Actual Expenditure	Saving out of Original Budget
Revenue (Voted)					
1	General Administration	265.68	23.70	231.96	-33.72
2	Other expenditure pertaining to General Administration Department	346.18	5.87	159.28	-186.90
3	Police	5,073.18	15.83	4,471.03	-602.15
4	Other expenditure pertaining to Home Department	88.95	3.69	60.77	-28.18
7	Expenditure Pertaining To Commercial Tax Department	277.23	7.50	216.84	-60.39
8	Land Revenue and District Administration	918.94	201.00	806.38	-112.56
10	Forest	1,768.92	211.35	1,716.80	-52.11
11	Expenditure Pertaining To Commerce and Industry Department	223.67	5.86	190.98	-32.69
23	Water Resources Department	620.31	3.11	474.32	-145.99
26	Expenditure Pertaining To Culture Department	48.85	2.30	40.64	-8.21
27	School Education	5,140.25	57.29	4,586.48	-553.77
29	Administration of Justice and Elections	478.05	9.71	364.16	-113.89
30	Expenditure pertaining to Panchayat and Rural Development Department	3,049.75	160.79	2,024.41	-1,025.34
34	Social Welfare	107.54	21.00	97.86	-9.68
36	Transport	83.77	3.20	50.35	-33.42
39	Expenditure Pertaining to Food, Civil Supplies And Consumer Protection Department	2,333.05	41.50	2,024.51	-308.53
41	Tribal Area Sub-Plan	16,242.98	601.19	13,884.41	-2,358.57
51	Religious Trusts And Endowments	15.24	0.74	7.22	-8.02
55	Expenditure pertaining to Women and Child Welfare	1,016.19	6.65	748.67	-267.53
64	Special Component Plan for Scheduled Castes	5,136.72	379.01	4,489.82	-646.90
69	Urban Administration And Development Department-Urban Welfare	895.12	258.62	774.38	-120.74
79	Expenditure pertaining to Medical Education Department	903.03	7.00	672.67	-230.35
80	Financial Assistance To Three Tier Panchayati Raj Institutions	2,596.64	75.00	2,524.62	-72.01
Total-Revenue Voted		47,630.23	2,101.91	40,618.57	-7,011.67
Capital (Voted)					
1	General Administration	52.64	3.07	48.96	-3.68

3	Police	130.84	2.90	98.96	-31.88
8	Land Revenue And District Administration	231.89	4.00	4.86	-227.03
17	Co-operation	0.50	3.92	0.50	0.00
19	Public Health and Family Welfare	67.66	1.60	59.79	-7.87
41	Tribal Area Sub-Plan	3,233.04	395.19	2,516.54	-716.50
45	Minor Irrigation Works	374.51	1.01	320.75	-53.76
79	Expenditure pertaining to Medical Education Department	135.64	83.53	61.76	-73.88
Total-Capital Voted		4,226.72	495.21	3,112.12	-1,114.60
Grant Total		51,856.95	2,597.12	43,730.69	-8,126.26

Appendix 3.5

(Reference: Paragraph 3.5.4)

List of subheads where Entire budget provision was not utilized (₹10 crore and above)

(₹ in crore)

Sl. No.	Scheme Name	Original Budget	Supplementary	Total Budget
1	30- 2216- 3- 105- 701- 7807- Pradhan Mantri Awas Yojana (Rural)	620.00	0.00	620.00
2	CH1- 6003- 110- 637- Ways and Means Advances	581.88	0.00	581.88
3	41- 2216- 3- 796- 105- 702- 7807- Pradhan Mantri Awas Yojana (Rural)	456.00	0.00	456.00
4	CH2- 2049- 1- 101- 2199- New Market Loan	275.00	0.00	275.00
5	CH1- 6003- 110- 779- Advance to meet Shortfall	250.00	0.00	250.00
6	42- 5054- 4- 796- 337- 702- 7842- R.R.P. PHASE - II	230.00	0.00	230.00
7	30- 2215- 2- 107- 701- 7610- Swachhh Bharat Abhiyan	200.00	0.00	200.00
8	41- 2215- 2- 796- 107- 702- 7610- Swachhh Bharat Abhiyan	152.00	0.00	152.00
9	64- 2216- 3- 789- 105- 703- 7807- Pradhan Mantri Awas Yojana (Rural)	144.00	0.00	144.00
10	80- 2853- 2- 800- 101- 6299- Transfer of Revenue received from minor mineral of rural areas to Panchayats	139.37	0.00	139.37
11	79- 4210- 3- 105- 701- 6386- Medical Dental Physiotherapy College	100.00	0.00	100.00
12	2- 4070- 800- 101- 6452- Chief Minister Infrastructure Maintenance & Upgradation Authority	80.00	0.00	80.00
13	8- 2029- 797- 6754- Transfer to Infrastructure Development Funds	75.40	0.00	75.40
14	58- 2245- 2- 122- 6457- Expenditure from State Disaster Renewal Fund	70.00	0.00	70.00
15	3- 2055- 115- 600- 7918- Assistance to Naxal affected Districts	66.66	0.00	66.66
16	44- 2202- 3- 1- 701- 8971- National Higher Education Mission	65.96	0.00	65.96
17	8- 2029- 797- 6753- Transfer of Environment Fund	57.82	0.00	57.82
18	64- 4225- 1- 789- 102- 603- 7626- Local Development Programme by Special Central Assistance	51.77	4.00	55.77
19	41- 4202- 1- 796- 202- 1002- 1400- Vivekanand Gurukul Unanyan Yojna	55.00	0.00	55.00
20	15- 2853- 2- 789- 800- 103- 6299- Transfer of Revenue received from minor mineral of rural areas to Panchayats	52.85	0.00	52.85
21	82- 2853- 2- 796- 800- 102- 6299- Transfer of Revenue received from minor mineral of rural areas to Panchayats	51.95	0.00	51.95
22	12- 4801- 5- 52- 101- 6378- Scada Scheme	50.00	0.00	50.00
23	58- 2245- 80- 103- 4849- Transfer from National Disaster Contingency Fund to Disaster Relief Fund	50.00	0.00	50.00
24	75- 4700- 9- 800- 311- 5516- Major Irrigation Project Construction work (NABARD)	50.00	0.00	50.00

25	81- 2217- 5- 191- 7675- Grant received under the recommendation of 14th Finance Commission	48.82	0.00	48.82
26	64- 2215- 2- 789- 107- 703- 7610- <i>Swachchh Bharat Abhiyan</i>	48.00	0.00	48.00
27	8- 2029- 102- 101- 7787- E-Dharti	45.00	0.00	45.00
28	8- 5054- 5- 337- 510- 6477- Environment Cess Fund	40.00	0.00	40.00
29	58- 2245- 80- 800- 6457- Expenditure from State Disaster Renewal Fund	36.00	0.00	36.00
30	8- 4059- 80- 51- 510- 6476- Infrastructure Development Cess Fund	35.00	0.00	35.00
31	8- 4059- 80- 51- 510- 6477- Environment Cess Fund	35.00	0.00	35.00
32	24- 3054- 80- 800- 6464- Payment of Interest for Loan Taken by C.G.R.I.D.C.L. for Construction Work	30.00	0.00	30.00
33	30- 5054- 4- 337- 101- 4855- <i>Pradhan Mantri Gram Sadak Yojana</i>	30.00	0.00	30.00
34	41- 2406- 1- 796- 105- 802- 5231- Grant to Small Forest Produce Federation for Small Forest Produce Work	30.00	0.00	30.00
35	41- 5054- 4- 796- 337- 102- 4855- <i>Pradhan Mantri Gram Sadak Yojana</i>	30.00	0.00	30.00
36	58- 2245- 1- 101- 7710- Assistance for Destruction of Harvest	30.00	0.00	30.00
37	64- 2225- 1- 789- 102- 603- 7626-	27.00	0.00	27.00
38	64- 2217- 80- 789- 191- 703- 7706- Amrit Mission	26.40	0.00	26.40
39	41- 2202- 2- 796- 109- 1002- 5480- Extension of Facilities in Tribal Areas Article 275(i)	25.26	0.00	25.26
40	11- 4851- 101- 101- 5385- Establishment of New Industrial Area	25.05	0.00	25.05
41	19- 2210- 6- 200- 101- 6363- <i>Mukhyamantri Vishesh Swasthya Sahayata Yojana</i>	25.00	0.00	25.00
42	24- 3054- 1- 337- 134- Maintenance and Repairs -Ordinary Repairs	23.00	0.00	23.00
43	71- 3275- 800- 101- 6818- Swan Project	23.00	0.00	23.00
44	27- 2202- 2- 109- 101- 8659- Recoupment of Tuition Fee in Non-Government Schools	21.99	0.00	21.99
45	30- 5054- 4- 101- 101- 4871- Construction of Bridges on P.M.G.S.Y. Roads.	20.00	0.00	20.00
46	41- 4425- 796- 108- 102- 7678- Share Capital for Co-operative Societies	20.00	0.00	20.00
47	41- 5054- 4- 796- 101- 102- 4871- Construction of Bridges on P.M.G.S.Y. Roads.	20.00	0.00	20.00
48	42- 5054- 4- 796- 101- 702- 7842- R.R.P. PHASE - II	20.00	0.00	20.00
49	64- 2225- 1- 789- 102- 603- 7626-	20.00	0.00	20.00
50	CH1- 6004- 9- 101- 3052- Blocks Loans	20.00	0.00	20.00
51	41- 2210- 6- 796- 200- 102- 6363- <i>Mukhyamantri Vishesh Swasthya Sahayata Yojana</i>	19.00	0.00	19.00
52	41- 2406- 1- 796- 105- 702- 6373- Grant for Small Forest Produce Processing	18.34	0.00	18.34

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53	81- 2217- 5- 192- 7675- Grant received under the recommendation of 14th Finance Commission	16.81	0.00	16.81
54	41- 2202- 2- 796- 109- 1002- 5480- Extension of Facilities in Tribal Areas Article 275(i)	16.63	0.00	16.63
55	69- 2217- 80- 192- 701- 7709- Housing Scheme for All	16.60	0.00	16.60
56	4- 4070- 800- 7718- Emergency Services	16.33	0.00	16.33
57	41- 4202- 1- 796- 202- 1202- 1400- <i>Vivekanand Gurukul Unanyan Yojna</i>	16.00	0.00	16.00
58	58- 2245- 80- 800- 7408- Efficiency Development Under State Disaster Management	16.00	0.00	16.00
59	21- 6217- 1- 800- 101- 7883- Water Supply Scheme	15.00	0.00	15.00
60	45- 4702- 101- 101- 3803- Minor and Micro minor Irrigation schemes	15.00	0.00	15.00
61	71- 5275- 101- 701- 7892- Implementation for Bharat Net Project	15.00	0.00	15.00
62	81- 2217- 5- 193- 7675- Grant received under the recommendation of 14th Finance Commission	14.41	0.00	14.41
63	55- 4235- 2- 102- 701- 337- Construction and Repair of Aganwadi	13.34	0.00	13.34
64	64- 4202- 1- 789- 202- 1203- 1400- <i>Vivekanand Gurukul Unanyan Yojna</i>	12.38	0.00	12.38
65	41- 4235- 2- 796- 102- 702- 337- Construction and Repair of Aganwadi	12.04	0.00	12.04
66	42- 5054- 4- 796- 101- 702- 6479- R.C.P.L.W.E.(R.R.P.) Phase - 3	10.40	0.00	10.40
67	23- 4701- 80- 800- 701- 6354- Dam rehabilitation and improvement project phase II	10.00	0.01	10.01
68	41- 2230- 3- 796- 3- 702- 7867- <i>Pradhan Mantri Kaushal Vikas Yojana</i>	10.00	0.00	10.00
69	41- 2235- 2- 796- 102- 702- 5354- Integrated Service Scheme (Under Externally Aided Project)	10.00	0.00	10.00
70	41- 4210- 1- 796- 196- 102- 1473- District Hospitals	10.00	0.00	10.00
71	41- 4701- 29- 796- 800- 102- 3366- Construction Work of Medium Projects	10.00	0.00	10.00
72	41- 4702- 796- 800- 702- 6354- Dam rehabilitation and improvement project phase II	10.00	0.00	10.00
73	47- 2230- 3- 3- 701- 7867- <i>Pradhan Mantri Kaushal Vikas Yojana</i>	10.00	0.00	10.00
74	58- 2245- 2- 106- 1467- District and other roads	10.00	0.00	10.00
75	58- 2245- 2- 122- 989- Re-establishment and repairs of damaged irrigation and flood control works	10.00	0.00	10.00
76	64- 2202- 3- 789- 1- 703- 8971- National Higher Education Mission	10.00	0.00	10.00
Total		5,023.44	4.01	5,027.45

Appendix 3.6

(Reference: Paragraph 3.5.5)

List of grants having large savings (savings above ₹100 crore) during the year 2021-22

(₹ in crore)

Gr. No.	Name of the grant	Original Budget	Supplementary Budget	Total Budget	Actual Expenditure	Savings(-)	Surrender	Savings excluding surrender
Revenue Voted								
2	Other expenditure pertaining to General Administration Department	346.18	5.87	352.05	159.28	-192.77	-177.07	-15.69
3	Police	5,073.18	15.83	5,089.01	4,471.03	-617.98	-604.18	-13.81
8	Land Revenue and District Administration	918.94	201.00	1,119.94	806.38	-313.56	-302.95	-10.60
10	Forest	1,768.92	211.35	1,980.27	1,716.80	-263.46	-262.86	-0.60
13	Agriculture	4,592.85	0.00	4,592.85	4,015.67	-577.19	-577.35	0.16
19	Public Health and Family Welfare	2,313.77	954.70	3,268.47	3,005.46	-263.01	-346.26	83.25
20	Public Health Engineering	330.15	0.00	330.15	223.59	-106.56	-108.35	1.78
23	Water Resources Department	620.31	3.11	623.42	474.32	-149.10	-149.88	0.78
24	Public Works-Roads and Bridges	1,090.63	0.00	1,090.63	636.62	-454.01	-454.05	0.03
27	School Education	5,140.25	57.29	5,197.54	4,586.48	-611.06	-620.39	9.33
29	Administration of Justice and Elections	478.05	9.71	487.76	364.16	-123.60	-124.83	1.23
30	Expenditure pertaining to Panchayat and Rural Development Department	3,049.75	160.79	3,210.54	2,024.41	-1,186.13	-1,187.21	1.08
33	Tribal Welfare	4,879.42	0.00	4,879.42	4,559.66	-319.76	-330.70	10.94
39	Expenditure pertaining to Food Civil Supplies and Consumer Protection Dept.	2,333.05	41.50	2,374.55	2,024.51	-350.03	-349.99	-0.04

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41	Tribal Area Sub-Plan	16,242.98	601.19	16,844.17	13,884.41	-2,959.77	-3,091.67	131.91
44	Higher Education	801.52	0.00	801.52	631.93	-169.59	-179.13	9.55
47	Technical Education and Manpower Planning Department	350.01	0.00	350.01	230.60	-119.42	-117.26	-2.16
55	Expenditure pertaining to Women and Child Welfare	1,016.19	6.65	1,022.85	748.67	-274.18	-274.22	0.04
58	Expenditure on Relief on account of Natural Calamities and Scarcity	1,110.58	0.00	1,110.58	880.27	-230.31	-244.83	14.52
64	Special Component Plan for Scheduled Castes	5,136.72	379.01	5,515.73	4,489.82	-1,025.90	-1,031.77	5.87
67	Public Works-Buildings	708.72	0.00	708.72	594.51	-114.21	-64.68	-49.53
69	Urban Administration and Development Department-Urban Welfare	895.12	258.62	1,153.74	774.38	-379.36	-379.36	0.00
79	Expenditure pertaining to Medical Education Department	903.03	7.00	910.03	672.67	-237.35	-182.59	-54.76
80	Financial Assistance to Three Tier Panchayati Raj Institutions	2,596.64	75.00	2,671.64	2,524.62	-147.01	-168.95	21.93
Total		62,696.96	2,988.61	65,685.57	54,500.26	-11,185.31	-11,330.53	145.21
Revenue Charged								
CH2	Interest Payments and Servicing of Debt	6,440.27	277.55	6,717.82	6,215.14	-502.69	-502.69	0.00
Total		6,440.27	277.55	6,717.82	6,215.14	-502.69	-502.69	0.00
Capital Voted								
8	Land Revenue and District Administration	231.89	4.00	235.89	4.86	-231.03	-231.71	0.68

11	Expenditure pertaining to Commerce and Industry	115.40	0.00	115.40	8.13	-107.27	-106.81	-0.46
20	Public Health Engineering	471.48	275.29	746.77	529.73	-217.04	-217.05	0.00
21	Expenditure pertaining to Housing and Environment Department	243.45	0.00	243.45	102.59	-140.86	-140.86	0.00
23	Water Resources Department	519.16	0.12	519.28	232.25	-287.03	-287.86	0.83
24	Public Works-Roads and Bridges	1,537.81	0.00	1,537.81	1,398.67	-139.14	-154.35	15.22
30	Expenditure pertaining to Panchayat and Rural Development Department	929.90	0.00	929.90	783.78	-146.12	-142.33	-3.78
41	Tribal Area Sub-Plan	3,233.04	395.19	3,628.23	2,516.54	-1,111.69	-1,131.12	19.44
42	Public Works relating to Tribal Area Sub-Plan-Roads and Bridges	960.71	0.00	960.71	545.71	-415.00	-420.27	5.27
64	Special Component Plan for Scheduled Castes	997.13	272.17	1,269.30	1,071.93	-197.36	-203.03	5.67
67	Public Works-Buildings	785.44	0.01	785.45	307.90	-477.54	-486.27	8.73
75	NABARD Aided Projects pertaining to Water Resources Department	699.06	0.00	699.06	158.67	-540.39	-542.49	2.10
76	Externally Aided Projects pertaining to Public Works Department	940.15	0.00	940.15	806.81	-133.34	-132.04	-1.30
79	Expenditure pertaining to Medical Education Department	135.64	83.53	219.17	61.76	-157.41	-157.32	-0.09
Total		11,800.25	1,030.31	12,830.56	8,529.35	-4,301.22	-4,353.52	52.31
Grand Total		80,937.49	4,296.47	85,233.96	69,244.74	-15,989.22	-16,186.74	197.52

Appendix 3.7

(Reference: Paragraph 3.5.5)

List of grants having large savings (above ₹500 crore) during the year 2021-22

(₹ in crore)

Gr. No.	Name of the grant	Original Budget	Supplementary Budget	Total Budget	Actual Expenditure	Saving(-)/Excess(+)	Surrender	Savings excluding surrender
Revenue (Voted)								
3	Police	5,073.18	15.83	5,089.01	4,471.03	-617.98	-604.18	-13.81
13	Agriculture	4,592.85	0.00	4,592.85	4,015.67	-577.19	-577.35	0.16
27	School Education	5,140.25	57.29	5,197.54	4,586.48	-611.06	-620.39	9.33
30	Expenditure pertaining to Panchayat and Rural Development	3,049.75	160.79	3,210.54	2,024.41	-1,186.13	-1,187.21	1.08
41	Tribal Area Sub-Plan	16,242.98	601.19	16,844.17	13,884.41	-2,959.77	-3,091.67	131.91
64	Special Component Plan for Scheduled Castes	5,136.72	379.01	5,515.73	4,489.82	-1,025.90	-1,031.77	5.87
Total - Revenue Voted		39,235.73	1,214.11	40,449.84	33,471.81	-6,978.02	-7,112.56	134.54
Revenue (Charged)								
CH2	Interest Payments and Servicing of Debt	6,440.27	277.55	6,717.82	6,215.14	-502.69	-502.69	0.00
Total- Revenue Charged		6,440.27	277.55	6,717.82	6,215.14	-502.69	-502.69	0.00
Capital (Voted)								
41	Tribal Area Sub-Plan	3,233.04	395.19	3,628.23	2,516.54	-1,111.69	-1,131.12	19.44
75	NABARD Aided Projects pertaining to Water Resources Department	699.06	0.00	699.06	158.67	-540.39	-542.49	2.10
Total - Capital Voted		3,932.10	395.19	4,327.29	2,675.21	-1,652.08	-1,673.61	21.54
Grand Total		49,608.10	1,886.85	51,494.95	42,362.16	-9,132.79	-9,288.87	156.08

Appendix 3.8

(Reference: Paragraph 3.5.5)

Details of surrender of funds in excess of (₹10 crore) at the end of March 2022

Grant Name	(₹ in crore)					
	Original	Supplementary	Total Provisions	Actual	Saving (-)/ Excess (+)	Amount Surrendered
1-General administration	355.13	26.87	382.00	309.17	-72.83	-73.83
02-Other expenditure pertaining to General Administration Department	426.25	5.87	432.11	159.28	-272.83	-257.07
3-Police	5,204.98	19.73	5,224.71	4,571.73	-652.98	-639.18
4-Other expenditure pertaining to Home Department	110.50	3.69	114.19	63.45	-50.73	-49.06
5-Jail	195.86	0.00	195.86	157.63	-38.23	-37.81
6-Finance	6,725.38	250.30	6,975.68	7,565.59	589.91	-38.29
7-Commercial Tax Department	344.50	7.50	352.00	283.32	-68.68	-42.80
8-Land Revenue and District administration	1,151.18	205.00	1,356.18	811.24	-544.94	-535.02
9-Expenditure pertaining to revenue department	21.24	0.00	21.24	7.91	-13.33	-13.32
10-Forest	1,789.02	211.35	2,000.37	1,735.19	-265.19	-264.63
11-Expenditure pertaining to Commerce and Industry	339.20	5.86	345.07	199.12	-145.95	-152.84
12-Energy	2,819.48	107.42	2,926.90	2,821.57	-105.33	-105.28
13-Agriculture	4,604.71	0.00	4,604.71	4,018.95	-585.76	-585.91
14-Animal Husbandry	474.02	0.00	474.02	369.24	-104.78	-105.19
15-PRI under special component plan for SC	166.35	0.00	166.35	72.00	-94.35	-94.35
16-Fisheries	82.39	0.29	82.68	68.09	-14.59	-13.06
17-Co-operation	243.87	3.92	247.79	199.24	-48.55	-48.49
18-Labour	215.76	0.00	215.76	167.17	-48.59	-48.57
19-Public Health and Family Welfare	2,381.85	957.33	3,339.18	3,065.56	-273.62	-357.76
20-Public Health Engineering	826.74	275.29	1,102.03	771.74	-330.29	-332.08
21-Housing and Environment Department	546.55	1.00	547.55	404.36	-143.19	-143.15
23-Water Resources Department	1,140.04	3.23	1,143.27	706.66	-436.61	-438.22
24-Public works-roads and bridges	2,648.54	0.00	2,648.54	2,051.96	-596.59	-611.84
25-Mineral Resources	486.70	0.00	486.70	338.25	-148.45	-148.45
26-Expenditure related to Culture Department	51.60	2.30	53.90	40.67	-13.23	-13.30

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27-School Education	5,177.45	57.29	5,234.74	4,619.58	-615.16	-624.49
29-Administration of Justice and elections	573.05	10.51	583.56	431.64	-151.92	-154.53
30-Panchayat and Rural Development	3,979.84	160.79	4,140.62	2,808.19	-1,332.44	-1,329.73
31-Planning, Economic and Statistics Department	52.71	0.00	52.71	31.45	-21.26	-21.28
32-Public relations department	234.23	0.00	234.23	222.45	-11.78	-11.70
33-Tribal Welfare	4,885.38	0.00	4,885.38	4,560.60	-324.78	-335.72
34-Social Welfare	110.54	21.00	131.54	97.96	-33.58	-33.99
36-Transport	96.24	3.20	99.44	53.36	-46.07	-43.43
37-Tourism	116.05	0.00	116.05	103.55	-12.50	-12.50
39-Food Civil Supplies and Consumer Production	2,357.07	75.00	2,432.07	2,069.13	-362.94	-362.90
41-Tribal Area Sub-Plan	19,534.49	1,021.84	20,556.33	16,474.79	-4,081.55	-4,232.89
42-Public Works relating to Tribal Area Sub-Plan-Roads and Bridges	960.71	0.00	960.71	545.71	-415.00	-420.27
43-Sports and Youth Welfare	72.34	0.00	72.34	36.93	-35.41	-35.41
44-Higher Education	807.75	0.00	807.75	631.99	-175.76	-185.31
45-Minor Irrigation Works	453.98	1.01	455.00	390.85	-64.15	-63.53
46-Science and Technology	26.55	2.23	28.78	11.33	-17.45	-17.45
47-Technical Education and man power planning	372.62	0.00	372.62	240.72	-131.90	-129.84
54-Expenditure pertaining to Agriculture Research and Education	255.00	0.20	255.20	236.89	-18.31	-24.61
55-Women and Child Welfare	1,049.86	6.65	1,056.51	751.34	-305.17	-305.21
56-Rural Industries	117.24	0.00	117.24	91.16	-26.07	-25.87
58-Relief on account of Natural Calamities and Scarcity	1,110.78	0.00	1,110.78	880.27	-230.51	-245.03
64-Special Component plan for SC	6,157.17	659.22	6,816.39	5,589.87	-1,226.52	-1,238.06
65-Aviation Department	58.48	14.00	72.48	60.30	-12.18	-12.19
66-Welfare of backward classes	256.37	0.00	256.37	186.36	-70.00	-70.05
67-Public Works-Buildings	1,495.02	0.01	1,495.03	902.55	-592.48	-551.69
68-Public Works relating to Tribal Area Sub-Plan-Buildings	95.05	0.00	95.05	56.79	-38.26	-38.46

69-Urban Administration and Development Department-Urban Welfare	895.12	258.62	1,153.74	774.38	-379.36	-379.36
71-Information technology and Biotechnology	185.11	50.00	235.11	147.82	-87.29	-87.29
75-NABARD aided projects pertaining to WRD	699.06	0.00	699.06	158.67	-540.39	-542.49
76-Externally Aided Projects pertaining to Public Works Department	940.15	0.00	940.15	806.81	-133.34	-132.04
79-Medical Education	1,038.70	90.53	1,129.23	734.43	-394.79	-339.91
80-Financial Assistance to three-tier PRI	2,729.64	75.00	2,804.64	2,588.29	-216.35	-237.19
81-Financial Assistance to urban bodies	2,378.78	214.11	2,592.89	2,513.10	-79.79	-79.79
82-Financial Assistance to Three Tier Panchayati Raj Institutions under Tribal area Sub-Plan	325.65	0.00	325.65	149.50	-176.15	-177.29
CH1-Public Debt.	5,376.37	0.00	5,376.37	8,845.29	3,468.93	-747.58
CH2-Interest Payments and Servicing of Debt	6,440.27	277.55	6,717.82	6,215.14	-502.69	-502.69
Total	1,04,766.67	5,085.71	1,09,852.39	95,978.32	-13,874.07	-18,901.27

Appendix 3.9

(Reference: Paragraph 3.5.6)

Sub-Heads requiring Explanation for Variation in Appropriation Accounts

Sl. No.	Grant Description	Sub-Heads	Sub-Heads requiring explanation	Explanation received
1	1- General administration	39	17	12
2	2-Other expenditure pertaining to General Administration Department	16	9	4
3	3- Police	35	25	18
4	4-Other expenditure pertaining to General Administration Department	20	13	7
5	5-Jail	5	4	1
6	6-Finance	31	18	0
7	7-Commercial Tax Department	24	11	4
8	8-Land Revenue and District administration	33	27	11
9	9-Expenditure pertaining to revenue department	8	5	5
10	10-Forest	63	34	12
11	11-Expenditure pertaining to Commerce and Industry	43	17	0
12	12-Energy	34	11	9
13	13-Agriculture	76	49	46
14	14-Animal Husbandry	52	21	18
15	15-PRI under special component plan for SC	1	5	4
16	16-Fisheries	15	5	5
17	17-Co-operation	19	6	6
18	18-Labour	19	13	8
19	19-Public Health and Family Welfare	53	34	23
20	20-Public Health Engineering	79	21	11
21	21-Housing and Environment Department	14	15	13
22	22-Urban administration and development department-urban bodies	4	4	3
23	23-Water Resources Department	37	41	28
24	24-Public works-roads and bridges	30	34	19
25	25-Mineral Resources	10	9	9
26	26-Expenditure pertaining to Culture Department	30	9	5
27	27-School Education	61	35	31
28	28-State legislature	6	5	1
29	29-Administration of Justice and elections	31	21	19
30	30-Panchayat and Rural Development	31	24	17
31	31-Planning, Economic and Statistics Department	9	6	1
32	32-Public relations department	14	6	6
33	33-Tribal Welfare	16	11	5
34	34-Social Welfare	44	11	1

35	35-Rehabilitation	6	1	0
36	36-Transport	21	10	7
37	37-Tourism	5	5	5
38	39-Food Civil Supplies and Consumer Production	27	14	8
39	41-Tribal Area Sub-Plan	398	212	139
40	42-Public works relating to tribal area sub-plan roads and bridges	22	13	7
41	43-Sports and Youth Welfare	15	12	12
42	44-Higher education	29	13	11
43	45-Minor Irrigation Works	18	9	6
44	46-Science and Technology	1	6	6
45	47-Technical Education and man power planning	31	20	12
46	49-Scheduled Castes welfare	2	2	0
47	50-Expenditure pertaining to the Departments implementing 20-point programmes	8	1	0
48	51-Religious trusts and endowments	15	5	4
49	53-Financial assistance to urban bodies under special component plan for Scheduled Castes	6	2	2
50	54-Expenditure pertaining to Agriculture Research and Education	4	9	5
51	55-Women and Child Welfare	47	39	16
52	56-Rural Industries	45	10	9
53	57-Externally Aided Projects pertaining to Water Resources Department	7	8	8
54	58-Relief on account of Natural Calamities and Scarcity	31	30	11
55	60-Expenditure pertaining to district plan schemes	1	2	0
56	64-Special Component plan for SC	320	135	98
57	65-Aviation Department	3	3	2
58	66-Welfare of backward classes	39	18	6
59	67-Public Works building	128	55	39
60	68-Public works relating to Tribal area sub-plan buildings	30	12	12
61	69-Urban Administration and Development Department-Urban Welfare	20	9	9
62	71-Information technology and Biotechnology	9	11	11
63	75-NABARD aided projects pertaining to WRD	10	18	14
64	76-Externally aided projects pertaining to Public Works Department	2	6	2
65	79-Medical Education	34	28	0
66	80-Financial Assistance to three-tier PRI	48	15	12
67	81-Financial Assistance to urban bodies	39	16	16
68	82-Financial Assistance to Three Tier Panchayati Raj Institutions under Tribal area Sub-Plan	15	9	7
69	83-Financial assistance to urban bodies under	21	1	1

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	Tribal area sub-plan			
70	CH1-Public Debt	72	9	5
71	CH2-Interest Payments and Servicing of Debt	19	21	9
Total		2,550	1,365	873

Appendix 3.10

(Reference: Paragraph 3.5.7)

Excess Expenditure over provisions for the years 2000-01 to 2020-21

Year	No. of Grants/ Appropriations	Grant/ Appropriation numbers	(₹ in crore)
			Amount of excess
2000-01	11 Grants	2, 14, 23, 24, 33, 34, 60, 71, 80, 82 and 83	10.21
	2 Appropriations	6 and 24	
2001-02	14 Grants	6, 14, 15, 17, 23, 24, 30, 33, 45, 54, 60, 67, 71 and 83	115.90
	2 Appropriations	16 and 25	
2002-03	8 Grants	10, 15, 24, 33, 37, 45, 58 and 82	114.59
	2 Appropriations	20 and 67	
2003-04	4 Grants	12, 33, 40 and 67	591.12
	2 Appropriations	Interest Payments and 6	
2004-05	4 Grants	15, 24, 67 and 81	133.36
	5 Appropriations	Interest Payments, Public Debt, 6, 10 and 42	
2005-06	4 Grants	4, 15, 24 and 39	23.27
	2 Appropriations	6 and 23	
2006-07	4 Grants	4, 24, 67 and 82	5.13
	1 Appropriation	33	
2007-08	3 Grants	23, 33 and 60	15.99
	3 Appropriations	13, 24 and 36	
2008-09	9 Grants	6, 23, 24, 40, 67, 75, 76, 80 and 82	115.26
	1 Appropriation	23	
2009-10	10 Grants	3, 6, 22, 23, 24, 25, 49, 64, 76 and 80	216.77
	5 Appropriations	3, 12, 13, 43 and 67	
2010-11	22 Grants	1, 2, 6, 7, 8, 9, 12, 18, 23, 25, 29, 30, 39, 40, 45, 49, 56, 57, 58, 75 82 and Interest Payments	293.78
	6 Appropriations	Public Debt, 1, 20, 23, 29 and 36	
2011-12	24 Grants	1, 2, 6, 7, 15, 17, 18, 21, 22, 23, 27, 29, 34, 40, 43, 45, 47, 50, 53, 55, 66, 80, 81 and 83	498.09
	1 Appropriation	29	
2012-13	2 Grants	40 and 45	0.96
	2 Appropriations	6 and 55	
2013-14	3 Grants	06, 12 and 60	178.96
	3 Appropriations	06, 14 and 27	
2014-15	4 Grants	06, 19, 33 and 80	833.54
	2 Appropriations	06 and Public Debt	
2015-16	3 Grants	06, 12 and 50	98.24
	2 Appropriations	41 and Interest Payments	
2016-17	2 Grants	06 and 50	0.92
	3 Appropriations	06, 55 and Interest payments and servicing of debt	11.46
2017-18	3 Grants	06,49 and 50	2.24
	3 Appropriations	14,33 and 55	0.37

2018-19	2 Grants	06 and 50	1.19
	4 Appropriations	06,14,33 and 67	0.48
2019-20	3 Grants	06,33 and 44	646.07
	3 Appropriations	55, Public Debt and Interest payments and servicing of debt	6,036.62
2020-21	2 Grants	06 and 83	252.24
	2 Appropriations	06 and Public Debt	3,179.87
Total			13,376.63

Appendix 3.11

(Reference: Paragraph 3.5.7)

Details of Major Heads having Excess expenditure in 2021-22

(₹ in crore)

Grant Number	Major Head	Major Head Description	Total Provision	Expenditure	Excess Expenditure
04	2013	Council of Ministers	6.77	10.43	3.66
06	2071	Pensions And Other Retirement Benefits	6,850.61	7,470.20	619.59
19	2071	Pensions And Other Retirement Benefits	2.30	4.29	1.99
21	6217	Loans For Urban Development	56.25	106.20	49.95
32	2075	Miscellaneous General Services	0.03	0.05	0.02
51	4250	Capital Outlay on Other Social Services	4.50	4.77	0.27
64	2211	Family Welfare	20.20	20.84	0.65
64	4216	Capital Outlay on Housing	0.05	0.21	0.16
67	4250	Capital Outlay on Other Social Services	2.87	3.71	0.84
80	2235	Social Security and Welfare	634.39	655.42	21.03
CH1	6003	Internal Debt of the State Government	5,158.35	8,625.64	3,467.29
CH1	6004	Loans and Advances from the Central Government	218.02	219.66	1.64
Total			12,954.33	17,121.42	4,167.09

Appendix 4.1
(Reference: Paragraph 4.3)
Details of outstanding Detailed Contingent bills as of 31 March, 2022

(₹ in crore)

Major Head	Name of the Department	Year	Pending DC bills	Amount
2029	Land Revenue	2017-18	01	0.01
		2020-21	01	0.02
2203	Technical Education	2021-22	02	2.40
2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	2021-22	01	0.10
2230	Labor & Employment	2019-20	04	1.73
		2020-21	04	@0.00
		2021-22	28	0.03
2235	Social Security & Welfare	2017-18	09	0.14
		2018-19	32	0.67
		2019-20	44	0.63
		2020-21	51	0.43
		2021-22	95	0.64
2401	Crop Husbandry	2021-22	63	107.66
2405	Fisheries	2021-22	02	0.01
2425	Co-operation	2021-22	03	72.15
2701	Medium Irrigation	2017-18	01	*0.00
		2021-22	01	#0.00
2851	Village & Small Industries	2018-19	01	\$0.00
		2021-22	02	0.08
2852	Industries	2019-20	06	0.05
		2020-21	03	0.03
		2021-22	02	0.06
Total			356	186.85

*DC amounting ₹4,190.00, #DC amounting ₹,280.00, @DC amounting ₹21,500.00, \$DC amounting ₹,790.00.

Appendix: 4.2

(Reference: Paragraph 4.14)

Department/category wise details in respect of case of loss to Government due to theft, defalcation, loss of Government property/material

(₹ in lakh)

Sl. No.	Name of Department	Theft Cases		Defalcation Cases		Loss of Government property/material		TOTAL	
		No. of cases	Amount	No. of Cases	Amount	No. of Cases	Amount	No. of Cases	Amount
1	2	3	4	5	6	7	8	9	10
1.	Higher Education	12	10.42	2	0.62	3	2.51	17	13.55
2.	Art & Culture	1	0.81	0	0.00	1	0.00	2	0.81
3.	District Administration	1	0.67	4	0.79	0	0.00	5	1.46
4.	Treasury and Accounts Administration	3	0.19	0	0.00	3	11.81	6	12.00
5.	Rural Development	4	1.08	2	0.05	14	16.7	20	17.83
6.	Panchayat Raj And Social Welfare	0	0.00	0	0.00	2	1.00	2	1.00
7.	School Education	20	12.81	19	156.26	19	67.09	58	236.16
8.	Police	28	6.56	5	19.45	234	28.41	267	54.42
9.	Health and Family Welfare	4	0.30	1	0.09	7	0.85	12	1.24
10.	Land Revenue (Tehsil Dept.)	2	0.50	8	1.36	2	0.18	12	2.04
11.	Animal Veterinary Service	8	1.8	1	0.10	212	16.40	221	18.30
12.	Co-operation	0	0.00	1	96.26	0	0.00	1	96.26
13.	Woman and Child Welfare	1	3.50	0	0.00	2	0.31	3	3.81
14.	Dairy Development	1	0.20	1	0.02	0	0.00	2	0.22
15.	Village & Small Scale Industries (Resham) Dept.	0	0.00	0	0.00	1	0.37	1	0.37
16.	Law and Legislative Dept.	6	0.39	1	7.79	0	0.00	7	8.18
17.	Labour and Employment	13	4.93	0	0	12	52.09	25	57.02
18.	Food Civil Supply and Consumer Protection	0	0.00	1	0.07	3	0.15	4	0.22
19.	Crop Husbandry	0	0.00	0	0.00	3	0.48	3	0.48
20.	Welfare of SC ST and other Backward Classes	3	1.14	4	20.47	8	1.24	15	22.85
21.	Health and Medical Services	4	0.76	9	34.84	5	10.29	18	45.89

22.	Forest	3	5.71	0	0	949	949.03	952	954.74
23.	PWD	2	0.24	0	0	477	10,269.69	479	10,269.93
24.	WRD	7	1.25	0	0	17	543.10	24	544.35
25.	Finance and Statistical Directorate	1	0.05	0	0	0	0.00	1	0.05
26.	Collectorate	0	0.00	1	0.07	1	0.30	2	0.37
27.	Mining and Metallurgical Industries Dept.	0	0.00	0	0.00	1	0.00	1	0.00
28.	Cleaning and Water Supply	0	0	1	189.90	0	0	1	189.90
29.	Rural Engineering Services	0	0	0	0	2	4.41	2	4.41
Total		124	53.31	61	528.14	1978	11,976.41	2163	12,557.86

Appendix: 4.3

(Reference: Paragraph 4.14)

Year wise analysis of loss to Government

(Cases where financial action was pending at the end of 31 March 2022)

(₹ in lakh)

Sl. No.	Name Of Department	Number of cases and amount						
		Up to 05 years	05 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	above 25 years	Total
1	2	3	4	5	6	7	8	9
1	Higher Education	-	7 (2.23)	4 (8.08)	2 (2.51)	1 (0.12)	3 (0.61)	17 (13.55)
2	Art & Culture	1 (0.00)	-	-	-	-	1 (0.81)	2 (0.81)
3	District Administration	-	-	-	3 (1.08)	1 (0.16)	1 (0.22)	5 (1.46)
4	Treasury and Accounts Administration	-	-	-	2 (0.07)	1 (11.77)	3 (0.16)	6 (12.00)
5	Rural Development	2 (0.21)	-	2 (0.75)	1 (0.46)	6 (13.67)	9 (2.74)	20 (17.83)
6	Panchayat And Social Welfare	1 (0.00)	-	1 (1.00)	-	-	-	2 (1.00)
7	School Education	-	9 (181.14)	2 (4.93)	7 (21.83)	1 (3.14)	39 (25.12)	58 (236.16)
8	Police	169 (14.04)	47 (6.67)	27 (4.71)	13 (9.03)	3 (3.64)	8 (16.33)	267 (54.42)
9	Health and Family Welfare	-	-	-	-	-	12 (1.24)	12 (1.24)
10	Land Revenue (Tehsil)	-	-	2 (0.98)	-	-	10 (1.06)	12 (2.04)
11	Animal Veterinary Service	90 (6.47)	51 (5.55)	62 (3.30)	13 (2.29)	-	5 (0.69)	221 (18.30)
12	Cooperation	-	-	-	-	-	1 (96.26)	1 (96.26)
13	Woman and Child Development	-	-	-	-	-	3 (3.81)	3 (3.81)
14	Dairy Development	-	-	-	-	1 (0.20)	1 (0.02)	2 (0.22)
15	Village & Small Scale Industries (Resham) Dept.	-	1 (0.37)	-	-	-	-	1 (0.37)
16	Law and Legislative Dept.	3 (0.29)	-	2 (0.00)	1 (0.11)	1 (7.78)	-	7 (8.18)
17	Labour and Employment	5 (1.55)	2 (0.50)	10 (52.21)	2 (1.04)	1 (0.27)	5 (1.45)	25 (57.02)
18	Food Civil Supply and Consumer Protection Department	-	-	-	2 (0.11)	-	2 (0.11)	4 (0.22)
19	Crop Husbandry	-	1 (0.00)	1 (0.16)	1 (0.32)	-	-	3 (0.48)
20	Welfare of SC ST and other Backward Classes	1 (0.17)	1 (0.00)	1 (19.58)	-	-	12 (3.10)	15 (22.85)

21	Health and Medical Services	1 (0.38)	1 (0.00)	1 (9.85)	1 (0.05)	6 (33.02)	8 (2.59)	18 (45.89)
22	Forest	24 (22.16)	41 (91.44)	28 (34.77)	110 (147.76)	187 (386.56)	562 (272.05)	952 (954.74)
23	PWD	7 (186.92)	216 (6,934.93)	180 (2,846.55)	76 (301.53)	-	-	479 (10,269.93)
24	WRD	11 (357.23)	4 (6.00)	9 (181.12)	-	-	-	24 (544.35)
25	Economic and Statistical Directorate	-	-	1 (0.05)	-	-	-	1 (0.05)
26	Collectorate	-	-	-	-	-	2 (0.37)	2 (0.37)
27	Mining and Metallurgical Industries Dept.	-	-	-	-	-	1 (0.00)	1 (0.00)
28	Cleaning and Water Supply	-	-	-	-	-	1 (189.90)	1 (189.90)
29	Rural Engineering Services	1 (4.00)	0 (0.00)	1 (0.41)	-	-	-	2 (4.41)
Total		316 (593.42)	381 (7,228.83)	334 (3,168.45)	234 (488.19)	209 (460.33)	689 (618.64)	2,163 (12,557.86)

Appendix: 4.4

(Reference: Paragraph 4.14)

Details of recovery in various departments

(Amount in ₹)

SL. No.	Recovery Case No.	Major Head	Department Name	Type Miss/Loss/Theft	Year	Amount of Loss	Amount Recovered
1	2	3	4	5	6	7	8
1.	111	2055	Police	Loss	2022	6,116.00	6,116.00
2.	104	2406	Forest	Loss	2021	5,478.00	5,478.00
3.	105	2406		Loss	2021	1,638.00	1,638.00
4.	106	2406		Loss	2021	3,489.00	3,489.00
5.	110	2406		Loss	2022	2,028.00	2,088.00
6.	112	2406		Loss	2022	1,72,000.00	1,72,000.00
Total						1,90,749.00	1,90,749.00

Appendix 5.1

Statement showing the financial position and working results of PSUs whose accounts were in arrears for three or more years as on 30 September 2022

(Referred to in paragraph 5.4)

(₹ in crore)

Sl. No.	Sector, Type & Name of the PSU	Date of Incorporation	Period of accounts	Year in which finalized	Net Profit/loss after interest and tax	Turnover	Paid up capital	Equity at close of the year 2021-22		
								Equity \$	Long term loans	Total
1	2		3	4	6	7	8	9	10	11
I. Functional PSUs with arrears of accounts for three or more years/first accounts not received										
A. Government Companies										
1	Chhattisgarh State Industrial Development Corporation Limited (CSIDC)	16.11.1981	2017-18	2022-23	-2.47	69.44	1.60	1.60	0.00	1.6
2	Chhattisgarh Infrastructure Development Corporation Limited (CIDC)	26.02.2001	2018-19	2020-21	-0.02	0.62	4.20	4.20	0.00	4.2
3	Chhattisgarh State Information Infrastructure Corporation Limited (CSIIC)	12.12.2017	First accounts not submitted	-	0.00	0.00	0.00	0.05	0.00	0.05
Total - I					-2.49	70.06	5.80	5.85	0.00	5.85
II. Non functional PSUs										
A. Government Companies										
4	Chhattisgarh Sondiha Coal Company Limited (CSCCL)	30.12.2008	2020-21	2021-22	-0.06	0.00	21.94	21.94	0	21.94
5	CMDC ICPL Coal Limited (CICL)	11.04.2008	2018-19	2020-21	0.00	0.00	82.60	82.60	231.71	314.31
Total - II					-0.06	0.00	104.54	104.54	231.71	336.25
Grand Total (I + II)					-2.55	70.06	110.34	110.39	231.71	342.10

\$ Includes share application money pending allotment.

Appendix 5.1 (b)
Statement showing arrears in finalization of accounts by PSUs as on 30 September 2022
(Referred to in paragraph 5.5)

Sl. No.	Name of PSUs	Year up to which accounts finalised	Position of Arrears	No. of accounts in arrears
1.	Chhattisgarh State Power Trading Company Limited,	2020-21	2021-22	1
2.	Chhattisgarh State Power Transmission Company Limited	2020-21	2021-22	1
3.	Chhattisgarh State Power Distribution Company Limited	2020-21	2021-22	1
4.	Chhattisgarh State Power Holding Company Limited	2020-21	2021-22	1
5.	Chhattisgarh State Industrial Development Corporation Limited	2017-18	2018-19 to 2021-22	4
6.	Chhattisgarh State Civil Supplies Corporation Limited	2020-21	2021-22	1
7.	Chhattisgarh Infrastructure Development Corporation Limited	2018-19	2019-20 to 2021-22	3
8.	Chhattisgarh Rajya Van Vikas Nigam Limited	2020-21	2021-22	1
9.	Chhattisgarh Mineral Development Corporation Limited	2020-21	2021-22	1
10.	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited	2020-21	2021-22	1
11.	Chhattisgarh State Warehousing Corporation	2020-21	2021-22	1
12.	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam	2019-20	2020-21 & 2021-22	2
13.	CMDC ICPL Coal Limited	2018-19	2019-20 to 2021-22	3
14.	Chhattisgarh Sondiha Coal Company Limited	2020-21	2021-22	1
15.	Chhattisgarh Medical Services Corporation Limited	2019-20	2020-21 & 2021-22	2
16.	Chhattisgarh Police Housing Corporation Limited	2020-21	2021-22	1
17.	Chhattisgarh Road and Infrastructure Development Corporation Limited	2020-21	2021-22	1
18.	Nawa Raipur Atal Nagar Smart City Limited	2020-21	2021-22	1
19.	Raipur smart City Limited	2019-20	2020-21 to 2021-22	2

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20.	Bilaspur smart City Limited	2020-21	2021-22	1
21.	Chhattisgarh State Information Infrastructure Corporation Limited	--	2017-18 to 2021-22	5
22.	Chhattisgarh State Marketing Corporation Limited	2019-20	2020-21 to 2021-22	2
23.	Uttar Chhattisgarh Rajya Vidyut Utpadan Limited (Earlier: IFFCO C.G. Power Limited)	2020-21	2021-22	1
24.	Chhattisgarh Rural Housing Corporation Limited	2019-20	2020-21 to 2021-22	2
Total				40

Appendix 5.2

Statement showing position of equity and outstanding loans relating to State PSUs as on 31 March 2022
(Referred to in paragraph 5.6.1)

(₹ in crore)

Sl. No.	Sector & Name of the PSUs	Name of the Department	Month and year of incorporation	Equity ⁵ at close of the year				Long term loans outstanding at close of the year				Total GOCG Equity plus Loans	Total Equity plus Loans
				GoCG	GoI	Others ⁶	Total	GoCG	GoI	Others ⁶	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
Power													
1	Chhattisgarh State Power Generation Company Limited	Energy	19.05.2003	2814.30	0.00	0.00	2814.30	29.21	0.00	6792.57	6821.78	2843.51	9636.08
2	Chhattisgarh State Power Transmission Company Limited	Energy	19.05.2003	904.71	0.00	0.00	904.71	0.00	0.00	1235.25	1235.25	904.71	2139.96
3	Chhattisgarh State Power Distribution Company Limited	Energy	19.05.2003	2263.10	0.00	0.00	2263.10	21.17	158.89	1731.13	1911.19	2284.27	4174.29
4	Chhattisgarh State Power Holding Company Limited	Energy	31.12.2008	609.73 ⁶	0.00	0.00	609.73	0.00	0.00	0.00	0.00	609.73	609.73
5	Chhattisgarh State Power Trading Company Limited	Energy	30.12.2008	0.05	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.05	0.05
6	Uttar Chhattisgarh Rajya Vidyut Utpadan Limited (UCRVUL)	Energy	13.03.2018	0	0	200	200.00	0	0	1.34	1.34	0.00	201.34
Agriculture & Allied													

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Sl. No.	Sector & Name of the PSUs	Name of the Department	Month and year of incorporation	Equity ^s at close of the year				Long term loans outstanding at close of the year				Total GOCG Equity plus Loans	Total Equity plus Loans	
				GoCG	GoI	Others [‡]	Total	GoCG	GoI	Others [‡]	Total			
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8	
7	Chhattisgarh Rajya Van Vikas Nigam Limited	Forest	22.05.2001	25.73	0.92	0.00	26.65	0.00	0.00	0.00	0.00	25.73	26.65	
8	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited	Agriculture	08.10.2004	0.50	0.00	0.00	0.50	0.00	0.00	29.40	29.40	0.50	19.90	
Services														
9	Chhattisgarh State Beverages Corporation Limited	Commercial Tax	29.11.2001	0.15	0.00	0.00	0.15	0.00	0.00	0.00	0.00	0.15	0.15	
10	Chhattisgarh State Marketing Corporation Limited (CSMCL)	Commercial Tax	27.02.2017	0.0007 @	0.00	0.00	0.00	239.00	0.00	0.00	239.00	239.00	239.00	
11	Chhattisgarh State Civil Supplies Corporation Limited	Food Civil Supplies and Consumer Protection	13.03.2001	4.43	0.00	0.00	4.43	0.00	0.00	0.00	0.00	4.43	4.43	
12	Chhattisgarh Medical Services Corporation Limited	Health	07.10.2010	3.45	0.00	0.00	3.45	0.00	0.00	0.00	0.00	3.45	3.45	
13	Chhattisgarh Police Housing Corporation Limited	Home	14.12.2011	2.00	0.00	0.00	2.00	0.00	0.00	591.80	591.80	2.00	593.80	
14	Chhattisgarh State Warehousing Corporation	Food Civil Supplies and Consumer Protection	02.05.2002	2.02	0.00	2.02	4.04	88.99	0.00	0.00	88.99	91.01	93.03	

Sl. No.	Sector & Name of the PSUs	Name of the Department	Month and year of incorporation	Equity ^s at close of the year				Long term loans outstanding at close of the year				Total GOCG Equity plus Loans	Total Equity plus Loans
				GoCG	GoI	Others [‡]	Total	GoCG	GoI	Others [‡]	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
15	Chhattisgarh Railway Corporation Limited	Commerce and Industries	07.12.2016	25.5	24.5	0	50.00	0	0	0	0.00	25.50	50.00
16	Chhattisgarh Katghora Dongargarh Railway Limited	Commerce and Industries	29.05.2018	0.00	0.00	2.00	2.00	0	0	0	0.00	0.00	2.00
17	Chhattisgarh Kharsia Naya Raipur Railway Limited	Commerce and Industries	29.05.2018	0.00	0.00	2.00	2.00	0	0	0	0.00	0.00	2.00
Infrastructure													
18	Chhattisgarh Road and Infrastructure Development Corporation Limited	PWD/Urban Administrative and Development Department	11.11.2014	4.90	0.00	0.00	4.90	0.00	0.00	166.09	166.09	4.90	170.99
19	Nava Raipur Atal Nagar Smart City Corporation Limited	Urban Administrative and Development Department	16.10.2017	0.10	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.10	0.10
20	Bilaspur Smart City Limited	Urban Administrative and Development Department	19.09.2016	0.10	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.10	0.10

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Sl. No.	Sector & Name of the PSUs	Name of the Department	Month and year of incorporation	Equity ^s at close of the year				Long term loans outstanding at close of the year				Total GOCG Equity plus Loans	Total Equity plus Loans	
				GoCG	GoI	Others [‡]	Total	GoCG	GoI	Others [‡]	Total			
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8	
21	Chhattisgarh Infrastructure Development Corporation Limited	Commerce and Industries	26.02.2001	4.20	0.00	0.00	4.20	0	0	0	0.00	4.20	4.20	
22	Chhattisgarh Rural Housing Corporation Limited (CRHCL)	Panchayat & Rural Development Department	15.03.2018	0.10	0.00	0.00	0.10	0.00	0.00	1681.43	1681.43	0.10	1681.53	
23	Chhattisgarh State Industrial Development Corporation Limited	Commerce and Industries	16.11.1981	1.60	0.00	0.00	1.60	0.00	0.00	0.00	0.00	1.60	1.60	
24	Raipur Smart City Limited	Urban Administrative and Development Department	16.09.2016	0.10	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.10	0.10	
25	Chhattisgarh State Information Infrastructure Corporation Limited	Electronic and Information Technology	12.12.2017	0.05	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.05	0.05	
Finance														
26	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam	Social Welfare	04.07.2004	5.00	0.00	0.00	5.00	0.00	0.00	0.00	0.00	5.00	5.00	
Others														
27	Chhattisgarh Mineral Development Corporation Limited	Geology and Mining	07.06.2001	1.00	0.00	0.00	1.00	379.99	0.00	0.00	379.99	380.99	380.99	

Sl. No.	Sector & Name of the PSUs	Name of the Department	Month and year of incorporation	Equity ^{\$} at close of the year				Long term loans outstanding at close of the year				Total GOCG Equity plus Loans	Total Equity plus Loans
				GoCG	GoI	Others [£]	Total	GoCG	GoI	Others [£]	Total		
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	7	8
28	Kerwa Coal Limited	Geology and Mining	20.01.2015	0.00	0.00	4.90	4.90	0.00	0.00	0.00	0.00	0.00	4.90
29	CMDC ICPL Coal Limited	Geology and Mining	11.04.2008	0.00	0.00	82.60	82.60	0.00	0.00	231.71	231.71	0.00	314.31
30	Chhattisgarh Sondiha Coal Company Limited	Geology and Mining	30.12.2008	0.00	0	21.94	21.94	0	0	0	0.00	0.00	21.94
Total				6672.82	25.42	315.46	7013.70	758.36	158.89	12460.72	13377.97	7431.18	20391.67

\$ Includes share application money pending allotment. £ includes financial institutions, Banks and PSEs etc.

€ ₹5,982.16 crore out of ₹6,591.89 crore equity released by State Government to CSPHCL was invested by CSPHCL (Holding Company) in its Subsidiary Companies viz., CSPGCL (₹2,814.30 crore), CSPTCL (₹904.71 crore), CSPDCL (₹2,263.10 crore) and CSPTCL (₹0.05 crore) as shown at Sl. No. 1, 2, 3 & 5. Therefore, the amount of equity in CSPHCL has been shown at ₹609.73 crore net after excluding ₹5,982.16 crore of investment in Subsidiary Companies.

@ The amount of loan has been received from Chhattisgarh Mineral Development Fund, Mineral Resources Department, GoCG and hence has been considered as GoCG investment.

₹7000

Appendix 5.3
Public Sector Undertakings information on profit from operating activities/other income
(Referred to in paragraph 5.9.1)

Sl.No.	Name of State Public Sector Enterprises
PSUs which earned profit only from its operations	
1	Chhattisgarh State Power Generation Company Limited
2	Chhattisgarh State Power Transmission Company Limited
3	Chhattisgarh State Warehousing Corporation
4	Chhattisgarh Rajya Beej Evam Krishi Vikas Nigam Limited
5	Chhattisgarh State Marketing Corporation Limited
6	Chhattisgarh Rajya Van Vikas Nigam Limited
7	Chhattisgarh State Beverages Corporation Limited
8	Chhattisgarh Medical Services Corporation Limited
9	Chhattisgarh Nishakt Jan Vitt Avam Vikas Nigam
PSUs which earned profit only from other/extraordinary income	
1	Chhattisgarh State Power Holding Company Limited
2	Kerwa Coal Limited

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