

Press Brief on State Finances Audit Report- 2023-24

In accordance with Article 151 of the Constitution of India, Comptroller and Auditor General of India (CAG) submits his Audit Reports to the Governor of the State for being laid in the Legislature. Accordingly, Report of the Comptroller and Auditor General of India for the year ended 31 March 2024 (State Finances)-Government of Rajasthan, has been laid in the Legislature on 04.09.2025. As per procedure, the Report of the CAG stands referred to the Public Accounts Committee of the State Legislature.

Audit findings are highlighted below:

Fiscal Position

- The FRBM Act / Rules prescribes certain limits within which, revenue deficit, fiscal deficit, debt as a percentage of the Gross State Domestic Product (GSDP) should be.
- The State Government could not contain the fiscal deficit within the limit of three *per cent* of GSDP, as laid down in FRBM Act. While the fiscal deficit in the State in 2023-24 was ₹ 65,580 crore (4.29 *per cent* of GSDP), it also exceeded the overall fiscal space (4.06 *per cent* of GSDP) allowed by the Central Government.
- As per FRBM Act, the State Government was to achieve Zero Revenue Deficit from the financial year 2011-12 and thereafter maintain it or attain revenue surplus. For the eleventh consecutive year, the State Government was unable to achieve its target of attaining zero revenue deficit. During 2023-24, the revenue deficit increased to ₹ 38,955 crore from ₹ 31,491 crore in 2022-23.
- The Outstanding Liability-GSDP ratio during 2023-24 was 36.62 *per cent* which was within the limit fixed by the FRBM Act (38.20 *per cent*).
- The Debt-GSDP ratio remained more than 35 *per cent* during the last five years. Fiscal deficit of the State also remained more than the targeted three *per cent* of GSDP during last five years. More than 87 *per cent* of borrowings were utilised for repayment of outstanding Debt (including interest) during last five years. *High Debt to GSDP Ratio signifies that the State's burden is substantial compared to its economic output and indicates financial vulnerability and reduced fiscal flexibility.*
- The number of occasions of taking Ways and Means advances from RBI has increased from three in 2019-20 to 170 times in 2023-2024 and amount of WMA is in increasing trend during last five years. *Consistent use of WMA in large amount indicates poor liquidity management, which warrants poor fiscal management and hinders short term sustainability.*

Finances of the State

- The revenue receipts grew at 4.25 *per cent* over the previous year, however, the percentage of revenue receipts over GSDP declined from 14.36 *per cent* in 2022-23 to 13.30 *per cent* in 2023-24.
- The total expenditure (revenue expenditure, capital expenditure and loans and advances) of the State increased from ₹ 2,46,452 crore in 2022-23 to ₹ 2,69,275 crore in 2023-24 increasing by 9.26 *per cent*.
- The State Government spent ₹ 26,646 crore on capital account. This was 9.90 *per cent* of the total expenditure in the year 2023-24. Capital expenditure increased by ₹ 6,848 crore (34.59 *per cent*) over the previous year. The borrowed funds were being used mainly for meeting current consumption and repayment of borrowings and only 8.76 *per cent* of the net borrowing were available during the year for capital creation/development activities.
- Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and services. Between 2019-20 and 2023-24, revenue expenditure increased from ₹ 1,76,485 crore to ₹ 2,42,231 crore. It consistently made up a significant portion (89.44 to 91.90 *per cent*) of the total expenditure during this period.
- Committed expenditure on interest payments, salaries and pensions constituted an average 53 *per cent* of revenue expenditure during 2019-20 to 2023-24. The Committed expenditure increased from ₹ 93,470 crore in 2019-20 to ₹ 1,26,730 crore in 2023-24 {an increase of 9.48 *per cent* over 2022-23}.
- The inflexible expenditure decreased from ₹ 64,525 crore in 2022-23 to ₹ 50,270 crore in 2023-24 registering a decrease of 22.09 *per cent*.
- The committed and inflexible expenditure in 2023-24 was ₹ 1,77,000 crore *i.e.* 73.07 *per cent* of the revenue expenditure. Huge amount on committed and inflexible expenditure leaves the Government with lesser scope for other sectors/schemes/programmes.
- Within the non-committed expenditure, there is an increasing trend of subsidies, which increased from ₹ 18,990 crore in 2019-20 to ₹ 28,402 crore in 2023-24. Power sector subsidies constituted a significant portion, ranging from 95.20 *per cent* to 98.18 *per cent* of the total subsidies during this period.
- At the end of March 2024, the cash balance was ₹ 630 crore. Further, the State Government availed Ways and Means advances for 329 days and paid an interest of ₹ 340 crore.

Budgetary Management

- Budgetary assumptions of the State Government were not realistic. During the year, there was saving of ₹ 51,246.62 crore in voted section and ₹ 10,347.99 crore in charged section resulting in net saving of ₹ 61,594.61 crore. Further, supplementary provisions of ₹ 1,01,422.88 crore were made without proper assessment of requirement.
- Excess over provision of ₹ 77.73 crore authorised from the Consolidated Fund of the State during 2023-24, requiring regularisation under Article 205 of the Constitution, was noticed under two grants (22-Higher Education Department and 44-Public Works Department) .
- Instances of persistent savings (savings of more than ₹ 100 crore) under nine grants were noticed during the year despite PAC recommendations in this regard.

Quality of Accounts & Financial Reporting Practices

- Various departments did not submit 996 UCs aggregating to ₹1,122.12 crore pertaining to the period 2010-11 to 2022-23 to the office of the AG (A&E) as on 31 March 2024. Utilisation Certificates outstanding beyond the specified period not only weakens the financial accountability mechanism but also indicates that the departmental officers did not comply with the rules and procedures to ensure timely utilisation of grant for the intended purpose.
- Non-closure of 115 PD Accounts despite remaining inoperative for two years was in contravention of the provisions of GF&AR and Rajasthan Treasuries Rules, indicating lack of monitoring at the level of treasuries.
- State Government reported 748 cases of misappropriation/embezzlement and theft/losses of Government money across various departments amounting ₹ 131.06 crore upto 31 March 2024 on which final action is pending.
- Annual Accounts of 17 out of 44 Autonomous Bodies which were due upto 2023-24 were not received as on 31 May 2024.

Principal Accountant General