State Finances Audit Report of the Comptroller and Auditor General of India for the year ended 31 March 2023

Government of Rajasthan Report No. 3 of the year 2024

	Contents	
Preface Executive	Summary	vii ix
Chapter]	: Overview	5
Para No.		Page No
1.1	Profile of the State	1
1.1.1	Gross State Domestic Product of Rajasthan	1
1.2	Basis and Approach to State Finances Audit Report	3
1.3	Overview of Government Accounts Structure and Budgetary Processes	4
1.3.1	Snapshot of Finances	7
1.3.2	Snapshot of Assets and Liabilities of the Government	8
1.4	Fiscal Balance: Achievement of deficit and total debt targets	9
1.4.1	Performance of the State Government with respect to borrowings according to the limits fixed by Government of India	14
1.5	Deficits and Total Debt after examination in audit	15
1.5.1	Post audit - Deficits	15
1.5.2	Post audit-Overall Liability	16
Chapter 1	I: Finances of the State	
2.1	Major changes in Key fiscal aggregates in 2022-23 vis-à-vis 2021-22	17
2.2	Sources and Application of Funds	18
2.3	Resources of the State	19
2.3.1	Receipts of the State	20
2.3.2	State's Revenue Receipts	21
2.3.2.1	Trends and growth of Revenue Receipts	21
2.3.2.2	State's Own Resources	23
2.3.2.3	Transfers from the Centre	28
2.3.3	Capital Receipts	32
2.3.4	State's performance in mobilization of resources	33
2.4	Application of resources	34
2.4.1	Growth and composition of expenditure	34
2.4.2	Revenue Expenditure	36
2.4.2.1	Major changes in Revenue Expenditure	37
2.4.2.2	Committed expenditure	37
2.4.2.3	Undischarged liabilities in National Pension System	40
2.4.2.4	Subsidies	42
2.4.2.5	Financial assistance by the State Government to Local Bodies and Other Institutions	43
2.4.3	Capital Expenditure	44
2.4.3.1	Major changes in Capital Expenditure	45

	Contents	
2.4.3.2	Quality of Capital Expenditure	45
2.4.3.3	Resource availability of the State under Public Private Partnership Projects	48
2.4.4	Expenditure priorities	49
2.4.5	Object head wise expenditure	50
2.5	Public Account	50
2.5.1	Net Public Account Balances	50
2.5.2	Reserve Funds	52
2.5.2.1	State Disaster Risk Management Fund	53
2.5.2.2	Guarantee Redemption Fund	54
2.5.2.3	Collection of Cess/Surcharge	55
2.6	Management of Public Liability	55
2.6.1	Liability profile: Components	56
2.6.2	Debt profile: Maturity and Repayment	59
2.7	Debt Sustainability Analysis (DSA)	61
2.7.1	Utilisation of borrowed funds and funds available under other liabilities	66
2.7.2	Status of Guarantees – Contingent Liabilities	67
2.7.3	Management of Cash Balances	67
2.8	Conclusion and Recommendations	71
Chapter	III: Budgetary Management	
3.1	Budget Process	73
3.1.1	Summary of total provisions, actual disbursements and savings during financial year 2022-23	75
3.1.2	Summary of savings and disbursements	76
3.1.3	Budget marksmanship	76
3.2	Appropriation Accounts	77
3.3	Integrity of budgetary and accounting process	77
3.3.1	Unnecessary or excessive supplementary grants	77
3.3.2	Unnecessary or excessive re-appropriation of Funds	78
3.3.3	Unspent amount and surrendered appropriations and/or Large Savings/ Surrenders	79
3.3.4	Excess over provisions during 2022-23 requiring regularisation	83
3.4	Comments on transparency of budgetary and accounting process	84
3.4.1	Budget projection and gap between expectation and actual	84
3.4.2	Non-implementation of Major schemes	86
3.4.3	Flow of expenditure	87
3.4.4	Gender Responsive Budgeting	89

	Contents	
3.4.5	Child Budgeting	90
3.4.6	Review of selected grants	92
3.4.7	Other irregularities in Accounts	103
3.5	Good practices	107
3.6	Conclusion	107
3.7	Recommendations	108
Chapter	IV: Quality of Accounts and Financial Reporting Practices	
4.1	Non-discharge of liabilities in respect of interest towards interest bearing Deposits/Reserve Funds	109
4.2	Off Budget Borrowings of State Government	109
4.3	Funds transferred directly to State Implementing Agencies	111
4.4	Delay in submission of Utilisation Certificates	111
4.4.1	Absence of Information regarding Grantee Institution as 'Others'	113
4.5	Abstract Contingent bills	114
4.6	Personal Deposit Accounts	115
4.7	Operation of Minor Head-800	120
4.8	Outstanding balances under major Suspense and DDR heads	122
4.9	Reconciliation of departmental figures	124
4.10	Reconciliation of cash balances	124
4.11	Compliance with Accounting Standards	124
4.12	Misappropriations, Losses, thefts, etc.	125
4.13	Submission of Accounts/Separate Audit Reports of Autonomous Bodies	127
4.14	Follow up action on State Finances Audit Reports	128
4.15	Implementation of Recommendations of Sixth Finance Commission	128
4.16	Conclusions	130
4.17	Recommendations	131
Chapter	V: Financial Performance of State Public Sector Undertakings	
5.1	Introduction	133
5.2	Definition of Government companies	133
5.3	Mandate	133
5.4	Number of PSUs and status of Financial Statements	134
5.5	PSUs and Contribution to the GSDP of the State	135
5.5.1	Summary of financial performance of PSUs	136
5.6	Investment in PSUs and budgetary Support	136
5.6.1	Equity Holding and Loans in active PSUs	136
5.6.2	Budgetary support to PSUs	137

	Contents	
5.7	Restructuring, Disinvestment and Privatisation of PSUs	138
5.8	Analysis of outstanding loans given to PSUs	138
5.8.1	Long-term loans outstanding as on 31 March 2023	138
5.8.2	Adequacy of assets to meet loan liabilities	139
5.9	Returns from PSUs	139
5.9.1	Profit earned by PSUs	140
5.10	PSUs incurring Losses	141
5.10.1	Losses incurred	141
5.10.2	Erosion of Net worth of PSUs	142
5.11	Net Profit/Loss Ratio	144
5.11.1	Dividend pay-out by PSUs	144
5.12	Debt Servicing	146
5.12.1	Interest coverage	146
5.13	Financial Performance of PSUs	147
5.13.1	Return on Capital Employed	147
5.13.2	Return on Equity of PSUs	148
5.13.3	Rate of Real Return on Investment	149
5.14	Oversight Role of CAG	151
5.14.1	Appointment of statutory auditors of State PSUs by CAG	151
5.14.2	Submission of Financial Statements of PSUs	151
5.14.2.1	Need for timely submission	151
5.14.2.2	Timeliness in preparation of accounts by PSUs	152
5.14.3	CAG's oversight- Audit of annual accounts and supplementary audit	153
5.14.3.1	Financial reporting framework	153
5.14.3.2	Audit of accounts of Government Companies by Statutory Auditors	153
5.14.3.3	Supplementary audit of Financial Statements of Government Companies	153
5.15	Results of CAG's oversight role	154
5.15.1	Audit of Financial Statements of Government Companies under Section 143 of the Companies Act, 2013	154
5.15.2	Amendment of Financial Statements	154
5.15.3	Revision of Auditors Report	154
5.15.4	Management Letter	154
5.16	Conclusion	154
5.17	Recommendations	155

	Appendices	
Appendix 1.1	Key indicators of the State	157
Appendix 1.2	Financial Data of the State	158
Appendix 1.3	Summarised financial position of the Government of Rajasthan as on 31 March 2023	159
Appendix 2.1	Abstract of Receipts and Disbursements in 2022-23	16 1
Appendix 2.2	Time series data on the State Government Finances	164
Appendix 2.3	Glossary of Debt	166
Appendix 3.1	Glossary of important Budget related terms	167
Appendix 3.2	Excess/Unnecessary/Insufficient re-appropriation of funds (where final excess/savings were more than ₹ one crore)	170
Appendix 3.3	Statement of various grants/appropriations where savings were more than ₹ 100 crore out of the total provision	172
Appendix 3.4	Details of savings of ₹ one crore and above not surrendered	173
Appendix 3.5	Details of schemes in which entire provision of ₹ 1 crore or more remained unutilised	174
Appendix 3.6	Cases in which the entire provision remained untilised during last three years	188
Appendix 3.7	Flow of expenditure (where expenditure during last quarter was more than \gtrless 10 crore in each case and also by more than 50 <i>per cent</i> of the total expenditure)	190
Appendix 3.8	No expenditure in schemes of Gender Budget	195
Appendix 3.9	Irregular booking under Capital Heads during 2022-23	198
Appendix 4.1	Funds transferred directly to State Implementing Agencies	199
Appendix 4.2	Position of Outstanding Abstract Contingent Bills up to 2022-23	202
Appendix 4.3	Details of P.D. Accounts having balances of ₹ 100 crore and above as on 31 st March 2023	203
Appendix 4.4	Statement showing the details of Drawing & Disbursing Officers having "NIL" Balance in Personal Deposit Accounts maintained in the various treasuries during the year 2022-23	204
Appendix 4.5	Statement showing the details of non-operation of Personal Deposit Accounts during 2021-2023	207
Appendix 4.6	Minor Head 800- Other Expenditure and Minor Head 800- Other Receipts	211
Appendix 4.7	Irregularities in provision in appropriate Minor Head	212
Appendix 4.8	Category-wise details of cases of theft/loss and misappropriation in various departments	215
Appendix 5.1	Statement showing list of Public Sector Undertakings (PSUs) of Rajasthan under audit jurisdiction of CAG and status of their annual accounts as on 30 September 2023	216
Appendix 5.2	Summarised financial position and working results of PSUs as per latest finalized accounts as of 30 September 2023	219

Contents

	Appendices			
Appendix 5.3	Statement showing list of PSUs having negative Net Worth as on 31 March 2023	222		
Appendix 5.4	Details of Return on Capital Employed (ROCE) of State PSUs for the three years ended 31 March 2023	223		
Appendix 5.5	Statement showing Return on Equity of Government Companies and Statutory Corporations wherein State Government has direct Equity investment for the three years ended 31 March 2023	225		
Appendix 5.6	Statement showing year-wise details of the investment vis-à-vis present value of the investment infused by the State Government for the period 2000-01 to 2022-23	227		
Appendix 5.7	Statement showing list of PSUs where Management Letters were issued	230		
Appendix 5.8	Glossary of Abbreviations	231		