



सत्यमेव जयते

PRESS BRIEF

on

**Important features of
Finance Accounts and Appropriation Accounts of
Government of Rajasthan
for the year 2019-20**



लोकहितार्थ सत्यनिष्ठा
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GOVERNMENT OF RAJASTHAN



Press Brief

on important features of Finance Accounts and Appropriation Accounts of Government of Rajasthan for the year 2019-20.

Finance Accounts and Appropriation Accounts 2019-20 of Government of Rajasthan have been prepared under supervision of C&AG of India in accordance with the requirement of C&AG's (Duties, Power & Conditions of Service) Act, 1971. These Accounts have been presented to the Rajasthan Legislature on 24.02.2021.

The Finance Accounts are presented in two volumes. Volume I contains 13 Statements which are summarized statements of Receipts and Disbursement, Revenue Expenditure, Capital Expenditure, Loans & Advances, Public Debt, Investments, Guarantees given by the State Government, Grants-in-aid and Notes to Accounts' containing summary of significant accounting policies, quality of accounts and other items.

Volume II contains two parts, 9 Detailed Statements in Part I and 12 Appendices in Part II, which supplement the Statements of Volume I.

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'charged' on the consolidated fund or 'voted' by the State Legislature. There are 4 charged Appropriations and 51 voted grants in Rajasthan.

Important features of Finance Accounts & Appropriation Accounts

The following important features were noticed and included in Notes to Accounts (NTA) of Finance Accounts Volume-I, Appropriation Accounts and Accounts at a Glance 2019-20:

A. Points relating to Financial Parameters/Indicators

- **Revenue Receipts**

The Revenue Receipts declined by 14.57 *per cent* (₹ 23,891 crore) during 2019-20 against Budget Estimates (₹ 1,64,005 crore) and Revenue Expenditure decreased by 7.61 *per cent* (₹ 14,535 crore) against Estimates (₹ 1,91,020 crore). The short fall in Revenue Receipts was mainly due to less receipt of Tax Revenue including State share of Union Taxes/Duties from Central Government and Non-Tax Revenue of the State. Consequently, both the State Fund (SF) expenditure and the Central Assistance (CA) expenditure on Capital Account were decreased.

(Para 1.5 of Accounts at a Glance 2019-20)

- **Revenue Deficit**

There was a Revenue Deficit of ₹ 36,371 crore during 2019-20 constituting 3.56 *per cent* of GSDP as compared to 3.11 *per cent* during the last year. This was against the FRBM target of Revenue neutral/Revenue surplus.

(Para 3 (xxiv) of NTA)

- **Fiscal Deficit**

The Fiscal Deficit during 2019-20 was ₹ 37,654 crore constituting 3.69 *per cent* of GSDP as compared to 3.71 *per cent* during the last year. This was above the FRBM target of 3 *per cent*. The fiscal deficit decreased by 0.02 *per cent* but it is higher than FRBM target.

(Para 3 (xxiv) of NTA)

- **Under Statement of Revenue Deficit and Fiscal Deficit**

Both revenue deficit and fiscal deficit were understated by ₹ 680 crore during the year 2019-20 due to non-transfer of cess surcharge collected for specific purposes to the respective Reserve Funds (₹ 597 crore) and short transfer of employees and government's contribution to NSDL under the Defined Contribution Pension Scheme (₹ 83 crore).

(Para 3 (xxv) of NTA)

- **Public Debt**

Public Debt and other Liabilities of the State Government slightly increased from 33.51 *per cent* of GSDP at the end of 2018-19 to 34.55 *per cent* of GSDP at the end of 2019-20 due to more borrowing during the year in comparison to previous year. The Public Debt to GSDP ratio was slightly above the FRBM target of 34.00 *per cent*.

(Para 3 (xxiv) of NTA)

- **Investment and Returns**

Total investments as share capital in Government Companies, Statutory Corporations, Co-operative Banks and Societies etc., stood at ₹ 52,209 crore at the end of 2019-20. Investments increased by ₹ 2,348 crore (net) during 2019-20. The major investment made in Power Companies (2,130 crore). The accumulated losses of major power sector PSUs were ₹ 95,506 crore. The dividends received during the year were ₹ 54 crore (0.10 *per cent*) on investment while the borrowing cost of the Government was 7.10 *per cent*.

(Para 3 (v) of NTA and Account at a Glance para 6.1.1)

- **Reserve Funds**

The State Government is operating following Reserve Funds for specific purposes by levy of cess under respective legislations. The position of amount of cess collected, amount transferred to the respective Fund, un-transferred amount and the unspent amount lying in the Fund as on 31-03-2020 was as follows:

(₹ in crore)

Name of Fund	Cess collected for Fund up to 2019-20	Amount transferred to Fund	Un-transferred amount	Unspent amount in the Fund
Rajasthan State Road Dev. Fund (RSRDF)	9,256	4,859	4,397	30
Environment Reforms and Health Fund in Mining Areas	551	462	89	80
The Rajasthan Buildings & Other Construction Workers Welfare Fund	2,743	2,330	413	483
Water Conservation Cess Fund	1,867	861	1,006	236
Rajasthan Cow Protection and Promotion Fund	1,664	1,029	635	47
Total	16,081	9,541	6,540	876

As per table above, an amount of ₹ 6,540 crore collected as cess was yet to be transferred by the State Government to the respective Reserve Funds and represents unrecognized liability of the State Government.

(Para 3 (vii) -B (b), (c), (d), (e) & (xi) of NTA)

- **Direct Transfer of funds to Implementing Agencies - ₹ 9,484 crore**

Despite Government of India's decision to release all assistance under CSSs/ ACA to the State Government and not to implementing agencies, Central Government directly released ₹ 9,484 crore to implementing agencies in Rajasthan during 2019-20 as against ₹ 4,648 crore in 2018-19 which is an increase of 104 *per cent*. Majority of these direct transfers were made under MGNREGA (₹ 5,428 crore) and Pradhan Mantri Kisan Samman Nidhi (₹ 3,284). As a result, such transfers and subsequent expenditure by the implementing agencies are not reflected in the Accounts of the State Government.

(Para 3(x) of NTA)

- **Pending Detailed Contingent (DC) bills amounting to ₹ 55 crore**

The State Authorities are authorized to draw sums of money for emergent purposes by preparing (AC) bills. They are required to be settled with in a maximum period of three months through submission of DC bills.

A total of 202 Detailed Contingent (DC) bills amounting to ₹ 55.49 crore including 167 D C bills amounting to ₹ 16.67 crore pertaining to 2019-20 were outstanding for adjustment (May, 2020), (pending DC bills amount decreased from ₹ 62.03 crore (2018-19) to ₹ 55.49 crore (2019-20). Delayed submission or prolonged non-submission of supporting bills renders the expenditure under Abstract Contingent bills (money drawn in advance for emergent purposes) opaque, and susceptible to embezzlement/ misuse.

(Para 2(iv) of NTA)

- **Pending UCs against Grant-in-Aid extended by the State Government**

Utilisation Certificates (UCs), in respect of grants provided for specific purposes should be obtained by departmental officers from grantees, which, after verification, should be forwarded to the Pr. Accountant General (A&E) within 12 months from the date of their sanction unless

specified otherwise. Further, to the extent of non-receipt of UCs, the expenditure shown in accounts cannot be treated as final and the amount cannot be confirmed as expended for the purpose it was sanctioned. The value of UCs pending increased from ₹ 5.97 crore during 2018-19 to ₹ 940.61 crore during 2019-20.

Total number of 770 UCs amounting to ₹ 940.61 crore were outstanding as per details given below:

Year	Number of UCs awaited	Amount(₹ in crore)
Upto 2016-17	43	0.69
2017-18	128	3.94
2018-19	599	935.98
Total	770	940.61

(Para 2(v) of NTA)

B. Points relating to Accounting Procedure

- **Significant Savings**

During 2019-20, supplementary grants totaling ₹ 905 crore (30.80 *per cent* of total supplementary grants) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances have been given in para 5.3 of Accounts at a Glance.

(Para 5.3 of Accounts at a Glance)

- **Personal Deposit Account**

There were a total of 1,900 PD accounts as on 31 March, 2020. During 2019-20, an amount of ₹ 33,827 crore was transferred/ credited to PD Accounts, of which, ₹ 23,574 crore (69.69 *per cent*) were transferred from the Consolidated Fund of State. Out of ₹ 23,574 crore, ₹ 4,936 crore (20.94 *per cent*) was transferred in March 2020. An amount of ₹ 16,289 crore was lying unspent in PD Accounts at the end of the year 2019-20 as compared to ₹ 13,326 crore at the end of previous year (an increase of 22.00 *per cent*).

(Para 2(vi) of NTA)

- **Liabilities towards Pensionary Benefits**

A total amount of ₹ 127 crore was pending on 31 March, 2020 for transfer to NSDL/ Trustee Bank as a liability towards pensionary benefit under Defined Contributory Pension Scheme for employees recruited with effect from 1.1.2004.

(Para 3(i) of NTA)

- **Central Assistance for State Plan**

State Government received ₹ 14,546.63 crore from various Central Ministries as Central Assistance to State Plan of Government of Rajasthan during 2019-20 for 62 restructured Central Plan Scheme under Major Head 1601 - Grants-in-Aid from Central Government. Details of expenditure incurred on Central Plan Scheme during 2019-20 are shown in Annexure to Statement 15 of Finance Accounts.

(Para 3(xvii) of NTA)

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