



**State Finances Audit Report of the
Comptroller and Auditor General of India
for the year ended 31 March 2021**



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Jharkhand
Report No. 2 for the year 2022

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Preface

This Report has been prepared for submission to the Governor of Jharkhand under Article 151 of the Constitution.

Chapter 1 of this Report contains the basis and approach to State Finances Audit Report, structure of the Report, structure of Government Accounts, budgetary processes, trends in key fiscal parameters like revenue surplus/deficit, fiscal surplus/deficit, etc. and fiscal correction path.

Chapters 2 & 3 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 2021. Information has been obtained from Government of Jharkhand, wherever necessary.

Chapter 4 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 5 presents the summary of financial performance of Government Companies and Government controlled other Companies.

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

EXECUTIVE SUMMARY

Executive Summary

The Report

Based on the audited accounts of the Government of Jharkhand for the year ending 31 March 2021, this Report provides an analytical review of the finances of the State Government. The Report is structured in five Chapters.

Chapter 1- Overview: 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 2- Finances of the State: 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 last five years, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.

Chapter 3- Budgetary Management: This chapter is based on the Appropriation Accounts of the State and reviews of the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.

Chapter 4- Quality of Accounts & Financial Reporting Practices: This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations.

Chapter 5- General Purpose Financial Reporting: This chapter presents the summary of financial performance of Government Companies and Government controlled other Companies. In the chapter, the term State Public Sector Enterprises (SPSEs) encompasses those Government companies in which the direct holding of the State Government is 51 per cent or more and subsidiary of such Government companies.

Audit findings

Fiscal Position

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government.

The State had a revenue deficit of ₹ 3,114 crore in 2020-21. The fiscal deficit of the State was 4.70 *per cent* of GSDP at the end of March 2021.

In order to arrive at actual figures, irregularities such as the impact of deferment of clear cut liabilities, not depositing cess/royalty to Consolidated Fund, short contribution to New Pension Scheme, sinking and redemption funds, *etc* needs to be reversed. Post audit, the revenue deficit and fiscal deficit were understated by ₹ 188.18 crore. Thus revenue deficit and fiscal deficit stated ₹ 3,113.86 crore and ₹ 14,910.74 crore in the Finance Accounts would actually be ₹ 3,302.04 crore and ₹ 15,098.92 crore respectively.

(Chapter 1)

Finances of the State

During 2020-21, revenue expenditure of the State constituted 83.30 *per cent* of the total expenditure of which 42.98 *per cent* was utilised on Salaries & Wages, Interest Payments and Pension. Salaries & Wages, Interest Payments and Pension consumed 45.32 *per cent* of the revenue receipts in 2020-21.

During 2020-21, the capital expenditure decreased by ₹ 1,413 crore due to less expenditure on general services by 38 *per cent* and economic services by 14 *per cent* over previous year.

As per annual accounts of the State ending 31 March 2021, the Government had invested ₹ 1,111.65 crore (in government companies, rural bank and co-operative institutions) since inception of the State in November 2000. The returns on the investments was negligible during 2020-21 while the Government paid an average interest rate of 6.13 *per cent* on its borrowings during 2020-21.

Apart from investments, a huge amount of loans (₹ 24,177 crore) given by the government to its entities were outstanding at the end of March 2021.

Overall fiscal liabilities (Total Debt) increased from ₹ 94,407 crore in 2019-20 to ₹ 1,09,185 crore in 2020-21. The fiscal liabilities to GSDP ratio was 33.90 *per cent* against the MTFP target of 32.60 *per cent*. Increasing liabilities raised the issue of sustainability of State Government Finances. Apportionment of fiscal liabilities of the composite Bihar State between successor States of Bihar and Jharkhand has not been done so far.

The government had not paid any interest to SDRF since its creation, which works out to ₹ 797.98 crore at applicable rates of interest for the period 2011-21. Non-payment of interest had an impact on Revenue deficit and Fiscal Deficit of the State. Further, Government transferred ₹ 303.87 crore to Sinking Fund during the year.

(Chapter 2)

Budgetary Management

During 2020-21, the total savings of ₹ 21,819.49 crore (22.66 *per cent* of the total budget) under the grants was indicative of improper budget estimation. Further, these grants had persistent total savings of at least ₹ 6,500.64 crore during each of the last four years.

Supplementary provisions aggregating ₹ 5,400.83 crore (54.51 *per cent*) obtained in 34 cases (₹ 0.50 crore or more in each case) during the year, proved unnecessary as the expenditure did not come up even to the level of the original provisions.

Excess disbursement over grant/appropriation amounting to ₹ 3,328.68 crore pertaining to the years 2001-02 to 2019-20 is yet to be regularised by the

State Legislature. Further, excess expenditure of ₹ 144.95 crore was incurred in one appropriation (13- Interest Payment) during 2020-21.

(Chapter 3)

Quality of Accounts & Financial Reporting Practices

Labour cess amounting to ₹ 609.33 crore collected up to March 2021 was not transferred to the Labour Welfare Board Fund (October 2021) thereby overstating the revenue surplus and understating the fiscal deficit of the State during the relevant years (2008-21).

As on 31 March 2021, 34,017 Utilisation Certificates (UCs) amounting to ₹ 88,047.48 crore were outstanding in the State under different departments.

Drawal of funds on AC bills and non-submission of DC bills within the prescribed time not only breaches financial discipline but also entails risk of misappropriation of public money and unhealthy practices. As of 31 March 2021, a huge number of DC bills (18,272) amounting to ₹ 6,018.98 crore were not submitted against the AC bills drawn up to 2020-21.

(Chapter 4)

General Purpose Financial Reporting

There were 31 State Public Sector Enterprises (SPSEs) under the audit jurisdiction of the CAG. Of these, financial performance based on updated accounts upto 2020-21 (previous three years) of 16 SPSEs (including one State Government Controlled other Company), only one finalised their accounts for the year 2020-21, eight SPSEs finalized accounts for the year 2019-20 and seven SPSEs finalised their accounts for the year 2018-19 till 31 March 2021.

The turnover of SPSEs increased from ₹ 4,433.80 crore in 2018-19 to ₹ 5,605.82 crore in 2019-20 which decreased to ₹ 5603.41 crore in 2020-21.

Out of 16 SPSEs, there were 10 SPSEs incurred losses amounting to ₹ 1,383.36 crore as on 31 March 2021. Further, there were 10 SPSEs with accumulated loss of ₹ 8,153.02 crore of which, net worth of six SPSEs was negative ₹ 4,252.60 crore and four SPSEs was positive ₹ 232.62 crore against equity investment of ₹ 4,133.04 crore as on 31 March 2021.

ROCE of Power Sector in 2018-19 was (-) 4.66 *per cent* which decreased to (-) 6.42 *per cent* during 2019-20 and 2020-21 due to loss of ₹ 969.80 crore (2018-19) to ₹ 1,357.80 crore (2020-21) incurred by Power Sector SPSEs. During the period 2018-19 to 2020-21, the ROCE of Non-Power Sector has reduced from 1.71 *per cent* to 1.14 *per cent*.

(Chapter 5)

Chapter-1

OVERVIEW

CHAPTER 1

OVERVIEW

1.1 Profile of the State

The State of Jharkhand was created in November 2000 by dividing the State of Bihar. It has an area of 79,714 sq. km. It is the 16th largest State of the country in terms of geographical area, of which, 29.62 *per cent* area is covered by forest. The State has 24 districts, of which, nine districts have coverage of forestland between 30 and 56 *per cent* of its geographical area.

The land of Jharkhand is endowed with varieties of mineral resources. The major mineral resources are coal, iron ore, bauxite, limestone, copper, mica, graphite, china clay, and uranium. Jharkhand is the only State producing coking coal and uranium in the country. There are 373 mines of major minerals, 3,572 mines of minor minerals and 7 mines of both major as well as minor minerals in the State as on 31 March 2021.

As indicated in **Appendix 1.1 Part-A** the State's population increased from 3.33 crore in 2011 to 3.85 crore in 2021, an increase of 15.62 *per cent* in last 10 years. The Gross State Domestic Product (GSDP) in 2020-21, at current prices, was ₹ 3,17,079 crore. At current prices, the estimated per capita GSDP of the State was ₹ 82,899 during 2020-21.

1.1.1 Gross State Domestic Product of Jharkhand

Gross State Domestic Product 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. Since, the latest GSDP series published by the government has been used in this report, the percentages/ratios in relevant table for the years 2018-19 and 2019-20, as published in the previous Audit Reports, have undergone changes.

Changes in sectoral contribution to the GSDP are also important to understand the changing structure of economy. The economic activity is generally divided into Primary, Secondary and Tertiary sectors, which correspond to the Agriculture, Industry and Service sectors. Trends in annual growth of Jharkhand's GSDP *vis-à-vis* that of the country are given in **Table 1.1**.

Table 1.1: Trends in GSDP compared to the GDP

Year	2016-17	2017-18	2018-19	2019-20	2020-21
GDP (2011-12 Series)	1,53,91,669	1,70,90,042	1,88,86,957	2,03,51,013	1,97,45,670*
Growth rate of GDP over previous year (in <i>per cent</i>)	11.76	11.03	10.51	7.75	-2.97
State's GSDP (2011-12 Series)	2,36,250	2,69,816	3,05,695	3,21,157	3,17,079
Growth rate of GSDP over previous year (in <i>per cent</i>)	14.34	14.21	13.30	5.06	-1.27

Source: MoSPI, Gol

*(Advance Estimate)

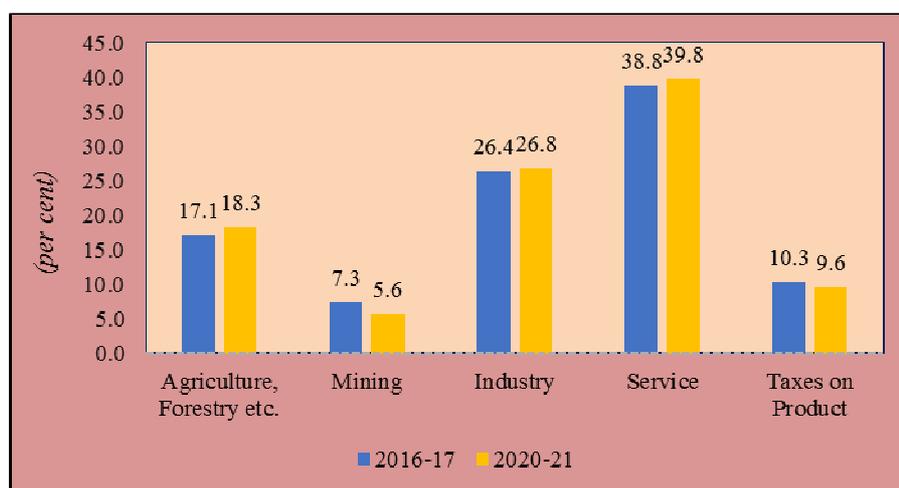
As it can be seen from the **Table 1.1**, the GSDP growth rate of Jharkhand was higher than the national growth rate from 2016-17 to 2020-21 except in 2019-20.

Further, growth rate of GSDP of the State showed decreasing trend from 2017-18 (14.21 per cent) onwards which decreased significantly in 2019-20 (5.06 per cent). Growth rate of GSDP further decreased to -1.27 per cent in 2020-21 mainly due to decrease in growth in Mining Sector, Service Sector and Manufacturing Sector.

1.1.2 Sectoral contribution to GSDP

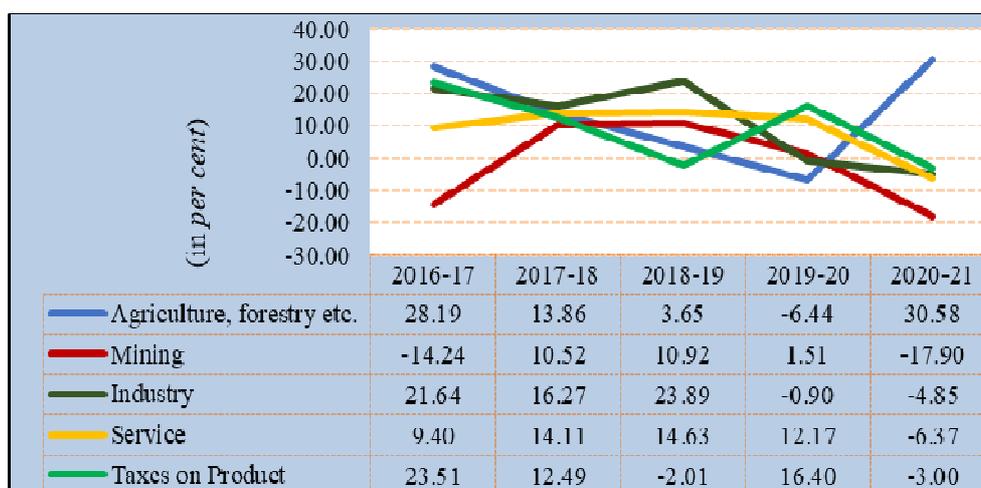
Chart 1.1 reflects that sector wise contribution in the GSDP of the State in the years 2016-17 and 2020-21 which has remained almost the same. The major contributor in GSDP was Service Sector followed by Industry Sector. Further, in spite of rich in Mines and Minerals, the State recorded a decrease in contribution of Mining Sector.

Chart 1.1: Change in sectoral contribution to GSDP (2016-17 - 2020-21)



Source: MoSPI, GoI

Chart 1.2: Sectoral growth in GSDP



Source: MoSPI, GoI

As shown in **Chart 1.2** a significant decrease was recorded in all the sectors contributing for GSDP calculations, except Agriculture and Forestry Sector which showed significant growth during 2020-21.

1.2 Basis and Approach to State Finances Audit Report

The State Finances Audit Report (SFAR) is prepared and submitted under Article 151 (2) of the Constitution of India.

Principal Accountant General (Accounts & Entitlements) prepares the Finance Accounts and Appropriation Accounts of the State annually, from the vouchers, challans and initial and subsidiary accounts rendered by the treasuries, offices and departments responsible for keeping of such accounts, and the statements received from the Reserve Bank of India. These accounts are audited independently by the Principal Accountant General (Audit), and certified by the CAG. Finance Accounts and Appropriation Accounts of the State constitute the core data for this report. Other sources include the following:

- Budget of the State for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as 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);
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS),
- GSDP data and other State related statistics; and
- Various audit reports of the CAG of India.

The analysis was also carried out in the context of recommendations of the Fourteenth Finance Commission (FFC), State Financial Responsibility and Budget Management Act, best practices and guidelines of the Government of India. A meeting was held on 19 May 2021 with State Finance Department, wherein the audit approach was explained and the exit conference was held on 14 July 2021. The draft Report was forwarded to the State Government for comments; however reply awaited as of December 2021.

1.3 Report Structure

The SFAR is structured into the following five Chapters:

Chapter - 1	Overview 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 - 2	Finances of the State 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 period from 2016-17 to 2020-21, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
Chapter - 3	Budgetary Management This chapter is based on the Appropriation Accounts of the

	State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.
Chapter - 4	Quality of Accounts & Financial Reporting Practices This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.
Chapter - 5	General Purpose Financial Reporting This chapter presents the summary of financial performance of Government Companies and Government controlled other Companies. In the chapter, the term State Public Sector Enterprises (SPSEs) encompasses those Government companies in which the direct holding of the State Government is 51 <i>per cent</i> or more and subsidiary of such Government companies.

1.4 Overview of Government Account Structure and Budgetary Processes

It is necessary to understand the structure of Government Accounts in order to appreciate the analysis of the finances of the State Government given in **Chapter-2** of this report. The Accounts of the State 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)

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 receipts consist of tax revenue, non-tax revenue, share of Union Taxes/ Duties, and grants from Government of India.

Revenue 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).

The **capital 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 Expenditure includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares, and loans and advances by the government to PSUs and other parties.

At present, we have an accounting classification system in government that is both functional and economic.

Table 1.2: Classification system of Government Accounts

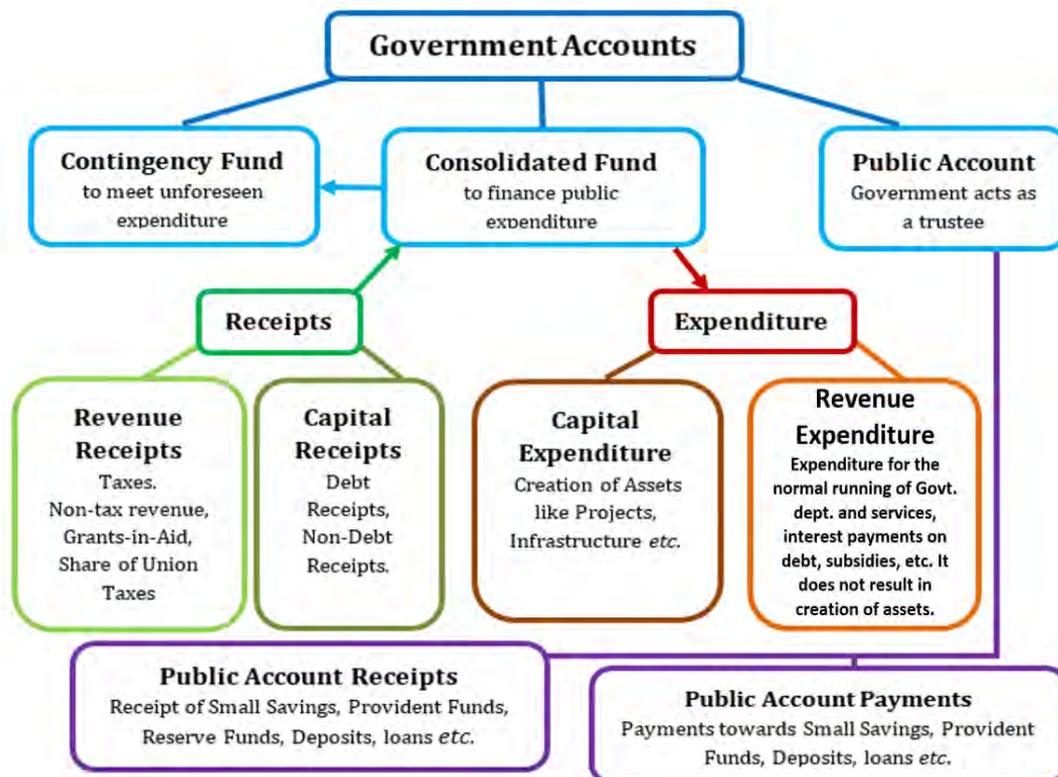
	Attribute of transaction	Classification
Standardized in LMMH* by CGA	Function- Education, Health, etc.	Major Head under Grants (4-digit)
	Sub-Function	Sub Major head (2-digit)
	Programme	Minor Head (3-digit)
Flexibility left for States	Scheme	Sub-Head (2-digit)
	Sub scheme	Detailed Head (2-digit)
	Economic nature/Activity	Object Head-salary, minor works, etc. (2-digit)

*List of Major and Minor Heads

The functional classification lets us know the department, function, scheme or programme, and object of the expenditure. Economic classification helps organize these payments as revenue, capital, debt *etc.* Economic classification is achieved by the numbering logic embedded in the first digit of 4-digit Major Heads. For instance, 0 and 1 is for revenue receipts, 2 and 3 for revenue expenditure, etc. Economic classification is also achieved by an inherent definition and distribution of some object heads which is the

primary unit of appropriation in the budget documents. For instance, generally object head “salary” is revenue expenditure and object head ‘construction’ is capital expenditure. Details of Finance Accounts are given in **Appendix 1.1 Part B**.

Chart 1.3: Structure of Government Accounts



Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of State cause to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year 2020-21, in the form of an Annual Financial Statement. In terms of Article 203, the statement is submitted to the State Legislature in the form of Demands for Grants/ Appropriations and after approval of these, the Appropriation Bill is passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

The State Budget Manual details the budget formulation process and guides the State Government in preparing its budgetary estimates and monitoring its expenditure activities. Results of audit scrutiny of budget and implementation of other budgetary initiatives of the State Government are detailed in **Chapter 3** of this Report.

1.4.1 Snapshot of Finances

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

Table: 1.3: Actual Financial Results vis-à-vis Budget estimates

(₹ in crore)

Sl. No.	Components	2019-20 (Actual)	2020-21 (Budget Estimate)	2020-21 (Actuals)	Percentage of Actual to B.E. (2020-21)	Percentage of Actuals to GSDP (2020-21)
1	Tax Revenue	16,771	21,519	16,880	78.44	5.32
2	Non-Tax Revenue	8,750	18,820	7,564	40.19	2.39
3	Share of Union taxes/duties	20,593	26,130	19,712	75.44	6.22
4	Grants-in-aid and Contributions	12,303	15,839	11,994	75.72	3.78
5	Revenue Receipts (1+2+3+4)	58,417	82,308	56,150	68.22	17.71
6	Recovery of Loans and Advances	49	61	49	80.33	0.02
7	Other Receipts	0	0	0	0.00	0.00
8	Public debt	9,593	11,000	13,547	123.15	4.27
9	Capital Receipts (6+7+8)	9,642	11,061	13,596	122.92	4.29
10	Total Receipts (5+9)	68,059	93,369	69,746	74.70	22.00
11	Revenue Expenditure	56,457	73,316	59,264	80.83	18.69
12	Interest payments	5,308	5,646	5,790	102.55	1.83
13	Grants in aid for creation of capital assets	7,079	10,020	6,370	63.57	2.01
14	Capital Expenditure	10,044	10,297	11,846	115.04	3.74
15	Capital outlay	9,879	8,653	8,466	97.84	2.67
16	Loan and advances	165	1,644	3,380	205.60	1.07
17	Total Expenditure (11+14)	66,501	83,613	71,110	85.05	22.43
18	Revenue Surplus (+)/ Deficit(-) (5-11)	1,960	8,992	-3,114	-34.63	-0.98
19	Fiscal Deficit(-) {17-(5+6+7)}	-8,035	1,244	-14,911	1,198.63	4.70
20	Primary Deficit (19-12)	-2,727	-4,402	-9,121	-207.20	2.88

During 2020-21, a significant decrease in Revenue Receipt was noticed due to decrease in receipts from all the sources either in shape of State's own resources or receipts from Central Government. Though, the own tax revenue increased by ₹ 109 crore, its growth decreased to 0.70 per cent in 2020-21 against 13.70 per cent in 2019-20. During 2020-21, non-tax revenue, Central Tax Transfer and Grants-in-aid decreased significantly by ₹ 1,186 crore, ₹ 881 crore and ₹ 310 crore respectively over the previous year.

GST compensation is the revenue of the State Govt. under GST (Compensation to State) Act, 2017. However, in addition to receiving the GST Compensation of ₹ 1,958 crore as revenue receipts, due to inadequate balance in GST Compensation Fund during the year 2020-21, Jharkhand also received back to back loan of ₹ 1,689 crore under debt receipts of the State Government with no repayment liability for the State. Due to this arrangement, the Revenue Deficit of ₹ 3,114 crore and Fiscal Deficit of ₹ 14,911 crore during the year 2020-21 should be read in conjunction with debt receipts of ₹ 1,689 crore in lieu of GST compensation.

During 2020-21 growth of revenue expenditure was five *per cent* against 11.50 *per cent* in 2019-20. The State had to borrow more funds than the previous year (15.65 *per cent* in 2020-21 against 12.68 *per cent* in 2019-20) to meet its revenue expenditure. **Table 1.4** indicates the increasing trend of expenditure.

Table: 1.4: Trends of Receipts and Expenditure

(₹ in crore)

Year	Revenue		Per cent of revenue exp. to revenue receipt	Capital		Per cent of capital exp. to capital receipt
	Receipt	Expenditure		Receipts	Expenditure	
2016-17	47,054	45,089	95.82	7,120	10,861	152.54
2017-18	52,756	50,952	96.58	8,204	11,953	145.70
2018-19	56,152	50,631	90.17	7,850	10,712	136.46
2019-20	58,147	56,457	97.09	9,642	9,879	102.46
2020-21	56,150	59,264	105.55	13,595	8,466	62.27

- For every ₹ 100 received as revenue an extra ₹ 5.55 has to be borrowed to cover its revenue expenditure during 2020-21.
- While revenue expenditure has been increasing during the period 2016-21, capital expenditure has been reducing at a much faster rate.
- In comparison to the capital expenditure during 2016-17, the capital expenditure in 2020-21 decreased by 22 *per cent* which was indicative of less priority on infrastructure and assets creation during the period by the State.

1.4.2 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 account and reserve funds, and the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances. Summarised position of Assets and Liabilities is given in **Table 1.5**.

Table 1.5: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities					Assets				
		2019-20	2020-21	Per cent increase			2019-20	2020-21	Per cent increase
Consolidated Fund									
A	Internal Debt	63,545.46	71,956.90	13.24	a	Gross Capital Outlay	87,552.02	96,017.68	9.67
B	Loans and Advances from GoI	2,591.52	4,981.85	92.24	b	Loans and Advances	20,846.24	24,177.23	15.98
Contingency Fund		500	500	0					
Public Account									
A	Small Savings, Provident Funds, etc.	1,216.86	1,194.40	-1.85	a	Advances	7.14	19.66	175.35
B	Deposits	21,104.74	24,331.45	15.29	b	Remittance	0.00	0.00	-
C	Reserve Funds	5,948.02	7,024.26	18.09	c	Suspense and Miscellaneous	0.00	0.00	-
D	Remittances	82.30	126.45	53.65	Cash balance (including investment in Earmarked Fund)		3,463.48	3,720.32	7.42
E	Suspense and Misc.	91.29	144.75	58.56	Deficit in Revenue Account		-	-	-
	Cumulative excess of receipts over expenditure	16,788.69	13,674.83	-18.55					
Total		1,11,868.88	1,23,934.89	10.79	Total	1,11,868.88	1,23,934.89	10.79	

Source : Finance Accounts

1.5 Fiscal Balance: Achievement of deficit and total debt targets

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 (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 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.
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Fiscal Deficit/ Surplus {Total expenditure – (Revenue receipts + Non-debt creating capital receipts)}	<p>It is the difference between the Revenue Receipts plus Non-debt Capital Receipts (NDCR) and the total expenditure. FD is reflective of the total borrowing requirements of Government.</p> <ul style="list-style-type: none"> • Fiscal deficit is the difference between the government's total expenditure and its total receipts excluding borrowing. • Non-debt creating 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>
Primary Deficit/ Surplus (Gross fiscal deficit – Net Interest liabilities)	<p><i>Refers to the fiscal deficit minus the interest payments.</i></p> <ul style="list-style-type: none"> • Net interest liabilities consist of interest payments minus interest receipts by the government on net domestic lending. • The borrowing requirement of the government includes interest obligations on accumulated debt. To obtain an estimate of borrowing because of current expenditures exceeding revenues, we need to calculate the primary deficit.

Deficits must be financed by borrowing giving rise to government debt. The concepts of deficits and debt are closely related. Deficits can be thought of as a flow which add to the stock of debt. If the government continues to borrow year after year, it leads to the accumulation of debt and the government has to pay more and more by way of interest. These interest payments themselves contribute to the debt.

By borrowing, the government transfers the burden of reduced consumption on future generations. This is because it borrows by issuing bonds to the people living at present but may decide to pay off the bonds some twenty years later by raising taxes or reducing expenditure. Also, government borrowing from the people reduces the savings available to the private sector. To the extent that this reduces capital formation and growth, debt acts as a 'burden' on future generations.

However, if government deficits succeed in their goal of raising production, there will be more income and, therefore, more saving. In this case, both government and industry can borrow more. Also, if the government invests in infrastructure, future generations may be better off, provided the return on such investments is greater than the rate of interest. The actual debt could be paid off by the growth in output. The debt should not then be considered burdensome. The growth in debt will have to be judged by the growth of the economy (State GDP) as a whole.

Government deficit can be reduced by an increase in taxes or reduction in expenditure. However, the major thrust has been towards reduction in government expenditure. This could be achieved through making

government activities more efficient through better planning of programmes and better administration.

1.5.1 Achievements *vis-à-vis* fiscal targets prescribed in State FRBM Act

The State Government has passed Fiscal Responsibility and Budget Management Act (FRBM), 2007 with the objective of ensuring prudence in fiscal management by eliminating revenue deficit, reducing fiscal deficit and overall/ outstanding debt to acceptable level, establishing improved debt management and improving transparency in a medium term framework. In this context the Act provides quantitative targets to be adhered by the State with regard to deficit measures and debt level. The targets relating to key fiscal parameters envisaged in State FRBM Act and their achievement during the period from 2016-17 to 2020-21 are given in **Table-1.6**

Table 1.6: Compliance with provisions under State FRBM Act

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Deficit	Nil	1,965	1,804	5,521	1,960	-3,114
		✓	✓	✓	✓	✗
Fiscal Deficit (as percentage of GSDP)	Three per cent (5 per cent for 2020-21)*	10,193 (4.31)	11,933 (4.42)	6,629 (2.17)	8,035 (2.50)	14,911 (4.70)
		✗	✗	✓	✓	✓
Ratio of total outstanding debt to GSDP (in per cent)	Ranging between 27.0 and 28.3 per cent	28.3	27.9	27.2	27.1	27.00
		28.29	28.57	27.41	29.40	33.90 [#]
	Actuals	✓	✗	✗	✗	✗

[#] This debt does not include ₹ 1,689 crore, which was passed on as back to back loans by Government of India in lieu of shortfall in GST Compensation, vide GoI's No. F. No. 40(1) PF-S/2021-22 dated 10 December 2021.

*The Fiscal Deficit target for the year 2020-21 had increased by 2 per cent in view of the para 2(1) of the FRBM (Amendment) Act, 2020.

The ratio of total outstanding debt to GSDP as per the Finance Accounts is 34.43 per cent. However, the effective debt to GSDP ratio (33.90 per cent) has been arrived at after excluding GST compensation of ₹ 1,689 crore received as back to back loan under debt receipts from the total outstanding liabilities as the Department of Expenditure, GoI has decided that it will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

The State had Revenue Surplus in the previous years from 2016-17 onwards except in 2020-21. The Fiscal Deficit was also below the prescribed target since 2018-19. The ratio of outstanding debt to GSDP continued to be an area of concern as it crossed the norms prescribed in the MTFPS under Jharkhand FRBM Act for the fourth consecutive year.

1.5.2 Medium Term Fiscal Plan

As per the FRBM Act, the state Government has to lay before the State Legislature, a Five-Year Fiscal Plan along with the Annual Budget. The Medium Term Fiscal Policy Statements (MTFPs) has to set forth a five-year rolling target for the prescribed fiscal indicators.

Table 1.7 indicates the variation between the projections made for 2020-21 in MTFPS presented to the State Legislature along with the Annual Budget for 2020-21 and Actuals of the Year.

Table 1.7: Actuals vis-à-vis projection in MTFP for 2020-21

(₹ in crore)				
S. N.	Fiscal Variables	Projection as per MTFP	Actuals (2020-21)	Variation (in per cent)
1	Own Tax Revenue	21,670	16,880	(-) 22.10
2	Non-Tax Revenue	11,820	7,564	(-) 36.00
3	Share of Central Taxes	25,980	19,712	(-) 24.12
4	Grants-in-aid from GoI	15,839	11,994	(-) 24.27
5	Revenue Receipts (1+2+3+4)	75,309	56,150	(-) 25.44
6	Revenue Expenditure	73,316	59,264	(-) 19.16
7	Revenue Deficit (-)/ Surplus (+) (5-6)	(+) 1,993	(-) 3,114	(-) 256.24
8	Fiscal Deficit (-)/ Surplus (+)	(-) 8,243	(-) 14,911	(-) 80.89
9	Debt-GSDP ratio (per cent)	32.60	33.90 [#]	(-) 5.61
10	GSDP growth rate at current prices (per cent)	(-) 3.20	(-) 1.27	60.31

[#] This debt does not include ₹ 1,689 crore, which was passed on as back to back loans by Government of India in lieu of shortfall in GST Compensation, vide GoI's No. F. No. 40(1) PF-S/2021-22 dated 10 December 2021

As shown in the above table, State failed to achieve all the targets set for 2020-21 in the MTFPS leading to significant rise in deficit to GSDP ratios and debt to GSDP ratio. The FD to GSDP ratio went upto 4.70 per cent in 2020-21 against 2.50 per cent in the previous year.

1.5.3 Trends of Deficit/Surplus

As shown in **Chart 1.4**, the State was not able to achieve the targets specified by the Finance Commission and as set in its FRBM Act with regard to its key fiscal parameters. Revenue surplus of ₹ 1,960 in 2019-20 was turned to a deficit of ₹ 3,114 crore in 2020-21. Similarly, FD increased to ₹ 14,911 crore in 2020-21 against ₹ 8,035 crore in 2019-20 which was indicative of more dependence of State on borrowed funds during the current year. Primary deficit increased from ₹ 2,722 crore to ₹ 9,121 crore in 2020-21 which showed that State had less fund to spent on its current decision and for creation of infrastructure during the year.

Chart 1.4: Trends in surplus/deficit parameters

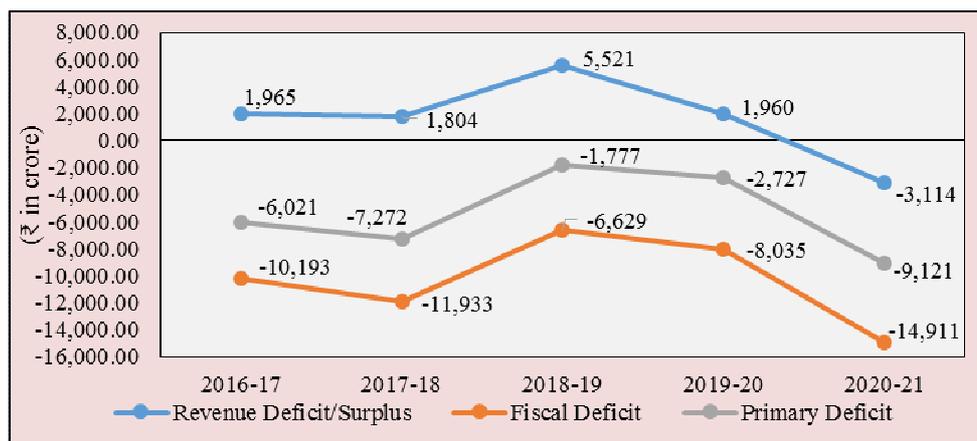


Chart 1.5 shows trends of surplus/deficit to GSDP during the last five years

Chart 1.5: Trends in Surplus/Deficit relative to GSDP

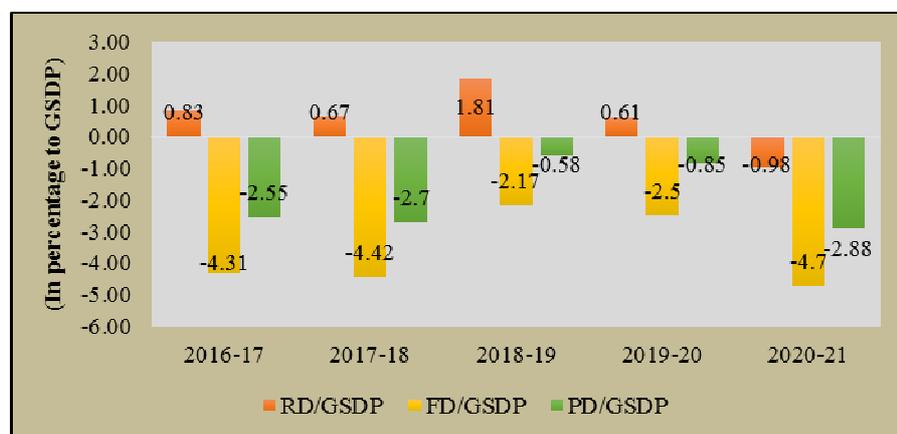
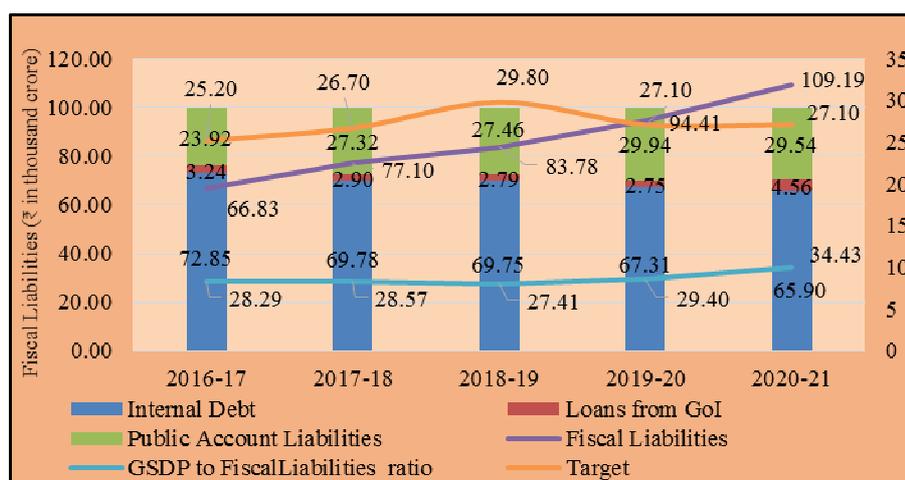


Chart 1.6: Trends in Fiscal Liabilities and GSDP



As can be seen from **Chart 1.6**, internal debt was the major contributors in the Total Outstanding Liabilities of the State followed by the Public accounts receipts. Loans from GoI was a minor contributor in the liability in these years, however, it increased from 2.75 per cent in 2019-20 to 4.56 per cent in 2020-21 mainly due to back to back loans in lieu of GST.

1.6 Deficits and Total Debt after examination in audit**1.6.1 Post audit - Deficits**

Misclassification of revenue expenditure as capital and off budget fiscal operations gives distorted picture of finances of the state. Besides, deferment of clear cut liabilities, not depositing cess/royalty to Consolidated Fund, short contribution to New Pension Scheme, sinking and redemption funds, etc. also impacts liabilities, revenue and fiscal deficit figures. In order to arrive at actual figures, the impact of such irregularities needs to be reversed.

Table 1.8: Revenue and Fiscal Deficit as per findings of Audit

Particulars	Impact on Revenue Deficit (Understated (+) /Overstated(-))	Impact on Fiscal Deficit (Understated)	Para Ref.
Non/ Short transfer of Cess to dedicated Funds in Public Account during 2020-21	60.10	60.10	4.1
Non discharge of Interest liabilities on SDRF during 2020-21	128.08	128.08	2.5.2
Total	188.18	188.18	

Source: Finance Accounts and audit analysis

It may be seen that the revenue deficit and fiscal deficit were understated by ₹ 188.18 crore. Thus revenue deficit and fiscal deficit stated ₹ 3,113.86 crore and ₹ 14,910.74 crore in the Finance Accounts would actually be ₹ 3,302.04 crore and ₹ 15,098.92 crore respectively. All observations and findings have been forwarded to State Government. However, replies of the same are awaited (December 2021).

Table 1.9: Pre and post audit major fiscal variables for 2020-21

(in per cent)

Fiscal variables	2020-21				Actuals after post audit
	FFC projection for the State	Target as prescribed in MTFP Statement	Targets as per Budget estimates	Actuals	
Revenue deficit (-)/ surplus (+) w.r.t GSDP	(-) 0.50	(-) 0.63	(-) 0.63	(-) 0.98	(-) 1.04
Fiscal deficit w.r.t. GSDP	2.10	2.59	2.60	4.70	4.76
Ratio of total outstanding debt of the Government to GSDP	27.00	32.60	-	33.90 [#]	33.96

[#] This debt does not include ₹ 1,689 crore, which was passed on as back to back loans by Government of India in lieu of shortfall in GST Compensation, vide GoI's No. F. No. 40(1) PF-S/2021-22 dated 10 December 2021

During 2020-21, the State failed to achieve the targets based on FRBM Act, 2007 as depicted in **Table 1.9**. Post audit position of deficits and fiscal liability to GSDP showed further deterioration. Revenue deficit, fiscal deficit and debt to GSDP ratio increased by six percentage points.

Chapter-2

FINANCES OF THE STATE

CHAPTER 2

FINANCES OF THE STATE

This chapter provides a broad perspective of the finances of the State and analyses the critical changes in major fiscal aggregates relative to the previous year. It discusses the overall trends during the five-year period from 2016-17 to 2020-21, debt sustainability of the State and key Public Account transactions, based on the Finance Accounts of the State. Information was also obtained from the State Government, where necessary.

2.1 Major changes in Key fiscal aggregates *vis-à-vis* 2019-20

Table 2.1 gives a bird's eye view of the major changes in key fiscal aggregates of the State during the financial year 2020-21, compared to the previous year. Each of these indicators has been analysed in the succeeding paragraphs.

Table 2.1: Changes in key fiscal aggregates in 2020-21 compared to 2019-20

Revenue Receipts	<ul style="list-style-type: none">✓ Revenue receipts of the State decreased by 3.88 <i>per cent</i>✓ Own Tax receipts of the State increased by 0.70 <i>per cent</i>✓ Own Non-tax receipts decreased by 13.55 <i>per cent</i>✓ State's Share of Union Taxes and Duties decreased by 4.28 <i>per cent</i>✓ Grants-in-Aid from Government of India decreased by 2.52 <i>per cent</i>
Revenue Expenditure	<ul style="list-style-type: none">✓ Revenue expenditure increased by 5 <i>per cent</i>✓ Revenue expenditure on General Services increased by 6.35 <i>per cent</i>✓ Revenue expenditure on Social Services increased by 8.85 <i>per cent</i>✓ Revenue expenditure on Economic Services decreased by 1.72 <i>per cent</i>
Capital Expenditure	<ul style="list-style-type: none">✓ Capital expenditure decreased by 14.30 <i>per cent</i>✓ Capital expenditure on General Services decreased by 37.78 <i>per cent</i>✓ Capital expenditure on Social Services increased by 4.24 <i>per cent</i>✓ Capital expenditure on Economic Services decreased by 13.96 <i>per cent</i>
Loans and Advances	<ul style="list-style-type: none">✓ Disbursement of Loans and Advances increased by 1,943.16 <i>per cent</i>✓ Recoveries of Loans and Advances decreased by 0.83 <i>per cent</i>
Public Debt	<ul style="list-style-type: none">✓ Public Debt Receipts increased by 41.21 <i>per cent</i>✓ Repayment of Public Debt decreased by 35.13 <i>per cent</i>
Public Account	<ul style="list-style-type: none">✓ Public Account Receipts decreased by 14.23 <i>per cent</i>✓ Disbursement of Public Account decreased by 13.46 <i>per cent</i>
Cash Balance	<ul style="list-style-type: none">✓ Cash balance increased by ₹ 256.84 crore (7.42 <i>per cent</i>) during 2020-21 compared to previous year

2.2 Sources and Application of Funds

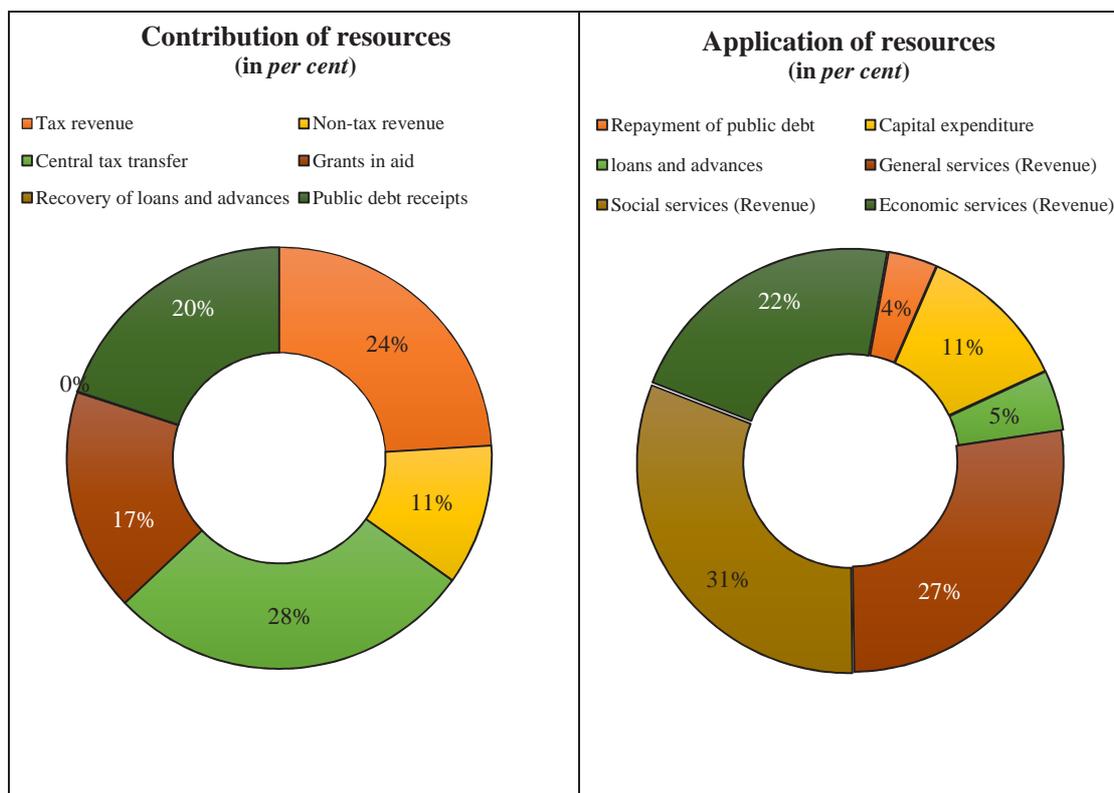
Table 2.2 compares the sources and application of funds of the State during 2020-21 with 2019-20. More details are given in **Appendix 2.1**.

Table 2.2: Details of Sources and Application of funds during 2019-20 and 2020-21

(₹ in crore)

	Particulars	2019-20	2020-21	Increase (+)/ Decrease (-)
Sources	Opening Cash Balance with RBI	188.30	-54.14	-242.44
	Revenue Receipts	58,417.14	56,149.73	-2,267.41
	Recoveries of Loans and Advances	49.19	48.78	-0.41
	Public Debt Receipts (Net)	5,361.72	10,801.75	5,440.03
	Public Account Receipts (Net)	2,430.28	4,323.44	1,893.16
	Total	66,446.63	71,269.56	4,822.93
Application	Revenue Expenditure	56,456.63	59,263.58	2,806.95
	Capital Expenditure	9,878.71	8,465.66	-1,413.05
	Disbursement of Loans and Advances	165.43	3,379.77	3,214.34
	Closing Cash Balance with RBI	-54.14	160.55	214.69
	Total	66,446.63	71,269.56	4,822.93

Chart 2.1 gives details of receipts into and expenditure from the Consolidated Fund during 2020-21 in terms of percentages.

Chart 2.1: Details of Sources and Application of funds during 2020-21

2.3 Resources of the State

This paragraph provides the composition of the overall receipts. Besides, the Capital and Revenue Receipts, funds available in the Public Account (net of disbursement made from it) are also utilised by the Government to finance its deficit.

The resources of the State are described below:

1. **Revenue 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 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.

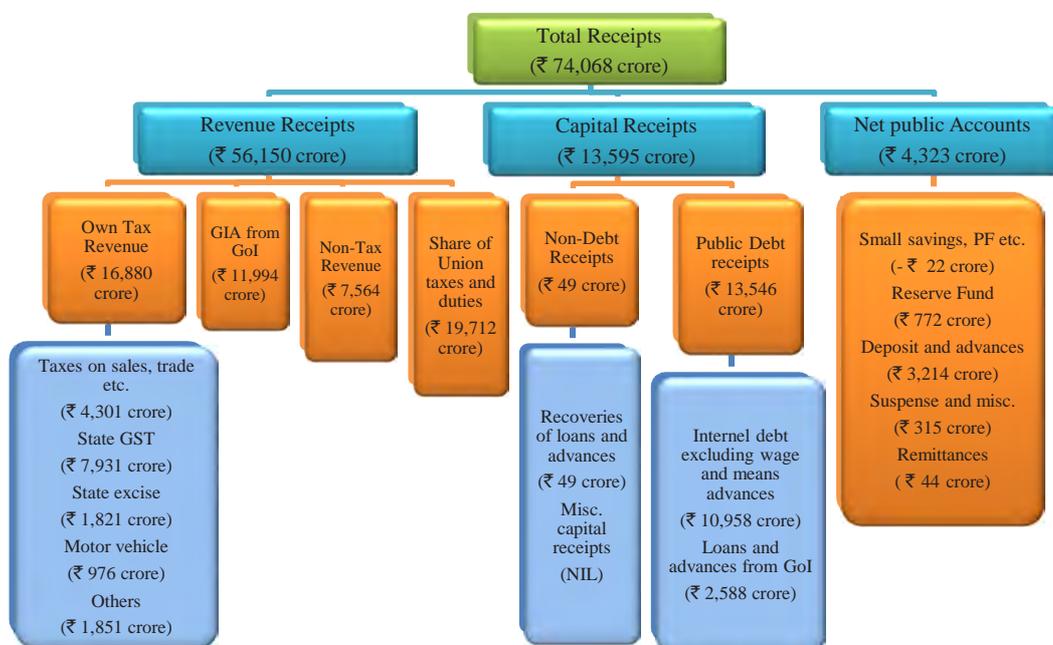
3. **Net Public Accounts receipts:** There are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, etc. which do not form part of the Consolidated Fund.

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

This paragraph provides the composition of the overall receipts. Besides, the Capital and Revenue Receipts, funds available in the Public Account (net of disbursement made from it) are also utilised by the Government to finance its deficit. Composition of receipts of State during 2020-21 is given in **Chart 2.2**.

Chart 2.2: Composition of receipts of the State during 2020-21



2.3.2 State's Revenue Receipts

This paragraph gives the trends in total revenue receipts and its components. It is followed by trends in the receipts bifurcated into receipts from the central government and State's own receipts. Wherever necessary, sub-paragraphs are included.

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. Further, trends in revenue receipts relative to GSDP and composition of revenue receipts are given in **Appendix 2.2**.

Table 2.3: Trend in Revenue Receipts

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Receipts (RR) (₹ in crore)	47,054	52,756	56,152	58,417	56,150
Rate of growth of RR (<i>per cent</i>)	15.79	12.12	6.44	4.03	-3.88
Own Tax Revenue	13,299	12,353	14,752	16,771	16,880
Non-Tax Revenue	5,351	7,847	8,258	8,750	7,564
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (<i>per cent</i>)	7.60	8.30	13.90	10.90	-4.20
Gross State Domestic Product (₹ in crore) (2011-12 Series)	2,36,250	2,69,816	3,05,695	3,21,157	3,17,079
Rate of growth of GSDP (<i>per cent</i>)	14.34	14.21	13.30	5.06	-1.27
RR/GSDP (<i>per cent</i>)	19.92	19.55	18.37	18.19	17.71
Buoyancy Ratios¹					
Revenue Buoyancy w.r.t GSDP	1.10	0.85	0.48	0.80	*
State's Own Revenue Buoyancy w.r.t GSDP	0.53	0.58	1.05	2.15	*

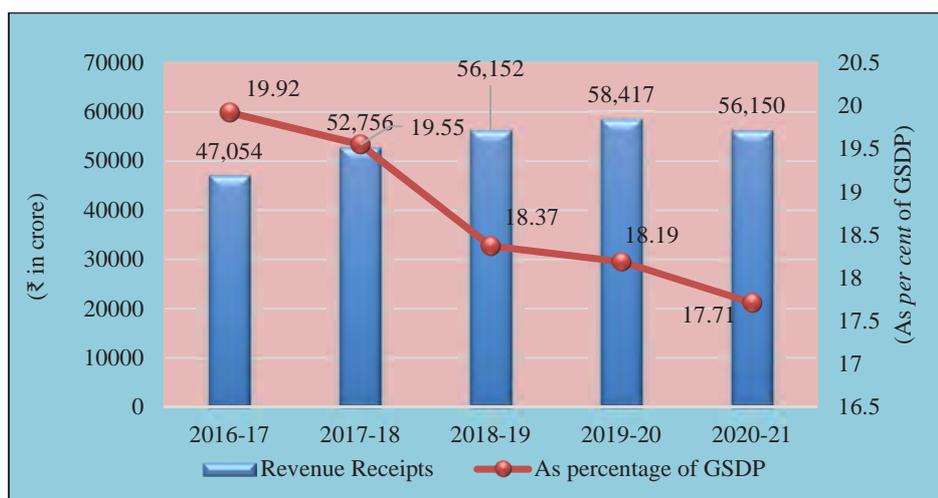
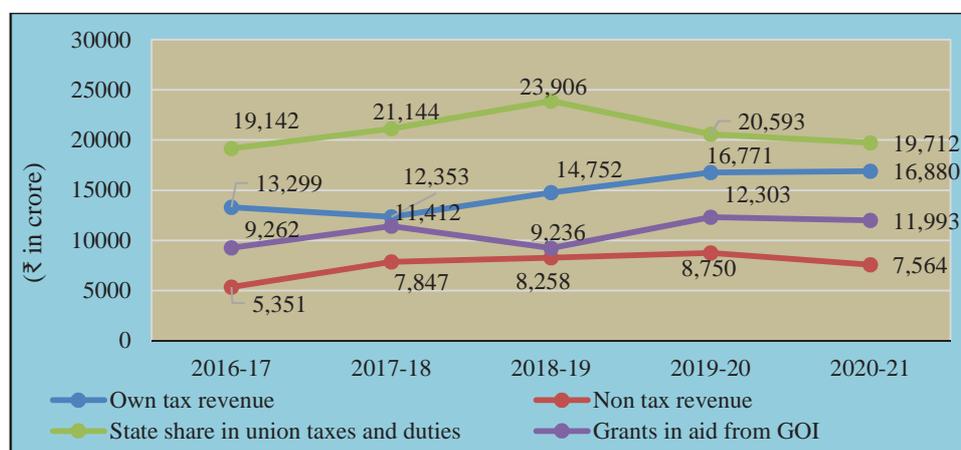
Source of GSDP figures: Directorate of Economics and Statistics, P.E. - Provisional Estimates; Q.E. - Quick Estimates

*Since growth of GSDP was negative hence buoyancy was not calculated.

The growth of revenue receipts of the State decreased consistently from 15.79 *per cent* in 2016-17 to (-) 3.88 *per cent* in 2020-21. During 2020-21, a significant decrease in RR was noticed due to decrease in receipts from all the sources either in shape of State's own resources or receipts from Central Government. Moreover, in spite of decrease in growth of RR the collection of Revenue was always higher than the preceding year in absolute terms, except during 2020-21 when the actual collection was lower than the previous year.

Revenue buoyancies w.r.t. GSDP fluctuated significantly between 0.48 and 1.10 during the period 2016-20. Similarly, in case of Own tax revenue buoyancy fluctuated between 0.53 and 2.15 during 2016-20. However, during 2020-21 the growth rate of revenue receipts, own tax revenue and GSDP of the State was negative hence buoyancy was not calculated.

¹ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable.

Chart 2.3: Trend in Revenue Receipts

Chart 2.4: Trend of components of Revenue Receipts


Further, as shown in **Table 2.3** and **Charts 2.3 & 2.4** the State's own revenues during 2020-21 decreased by 4.20 *per cent* over the previous year (10.90 *per cent* growth). The decrease in own tax revenue was mainly due to less collection of SGST by ₹ 487 crore and State Excise by ₹ 188 crore whereas non-tax revenue decreased mainly due to decrease in Non-ferrous Mining (by ₹ 449 crore), Urban Development (by ₹ 449 crore), Interest Receipts (by ₹ 228 crore) and Major Irrigation (by ₹ 392 crore).

The revenue received from GoI (CTT & GIA) decreased by 3.62 *per cent* during 2020-21 over the previous year. Both the CTT and GIA decreased significantly (by ₹ 881 crore and ₹ 310 crore respectively) during the current year mainly due to less transfer of Corporation tax (by ₹ 1,077 crore), less transfer of GIA for Central Sponsored Scheme by ₹ 500 crore and Finance Commission Grants by ₹ 164 crore.

2.3.2.2 State's Own Resources

State's share in Central taxes is determined on the basis of recommendations of the Finance Commission. Grants-in-aid from Central government are determined by the quantum of collection of Central tax receipts and

anticipated Central assistance for schemes. State's performance in mobilisation of additional resources has been assessed in terms of its own resources comprising revenue from its own tax and non-tax sources.

A. Own Tax revenue

Own tax revenues of the State consist of State GST, State excise, Taxes on vehicles, Sales Tax on Petroleum and alcohol, Stamp duty and Registration fees, Land revenue, Taxes on goods and passengers, etc. **Chart 2.5** shows growth of tax revenues of the State during the period 2016-21.

Chart 2.5: Growth of Tax Revenue during 2016-21

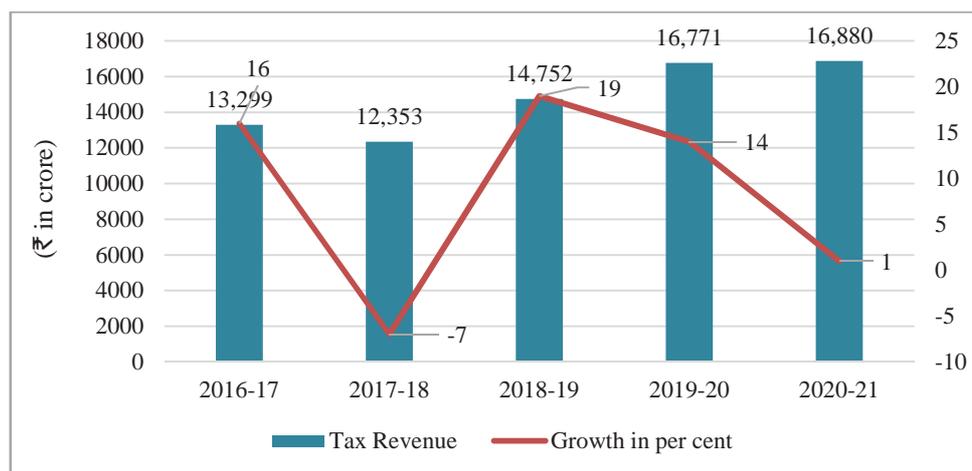


Table 2.4: Components of State's Own Tax Revenue

Year	2016-17	2017-18	2018-19	2019-20	2020-21	Sparklines
Sales tax	10,549	5,715	3,475	3,996	4,301	
SGST	0	4,124	8,201	8,418	7,931	
State excise	962	841	1,083	2,009	1,821	
Taxes on vehicles	682	779	864	1,129	976	
Stamp duty and registration fees	607	469	451	560	708	
Land revenue	240	156	389	338	873	
Others	259	270	289	321	270	
Total	13,299	12,354	14,752	16,771	16,880	

Source: Finance Accounts

The growth rate of own tax revenue showed wide fluctuation between (-) 7.10 to 19.40 *per cent* during the period 2016-21. The Own-tax growth decreased by (-) 7.10 *per cent* in 2017-18 due to introduction of GST. Moreover, it decreased significantly from 13.7 *per cent* in 2019-20 to 0.7 *per cent* in 2020-21 due to less collection of all the taxes except Stamp Duty & Registration and Land Revenue. Collection of Land Revenue during 2020-21 was nearly double to its collection during 2019-20. Collection of Stamp Duty and Registration also increased significantly during 2020-21.

State Goods and Services Tax (SGST)

As per the GST (Compensation to States) Act, 2017, States will be compensated for the shortfall in revenue arising on account of implementation of the Goods and Services Tax considering an annual growth

of 14 *per cent* from the base year (2015-16), for a period of five years. The Centre levies the Integrated GST (IGST) on inter-state supply of goods and services, and apportions the state's share of tax to the State where the goods or services are consumed.

The compensation payable to the State shall be calculated for every financial year after the receipt of final revenue figures, as audited by the CAG of India. A base year (2015-16) revenue figure of taxes subsumed under GST was finalised under GST Act. In the case of Jharkhand, the revenue was ₹ 6,410.51 crore during the base year (2015-16). The projected revenue for any year in a State shall be calculated by applying the projected growth rate (14 *per cent* per annum) over the base year revenue of that State.

The projected revenue for the year 2020-21 in accordance with the base year figure was ₹ 12,342.89 crore. The revenue receipt of the State Government in respect of taxes subsumed under GST during 2020-21 was ₹ 7,931 crore. GoI provided ₹ 1,099.14 crore as compensation for the year to protect the revenue collection of the State. However, compensation amount pertaining to the period April 2019 to March 2020 (₹ 859.18 crore) received in 2020-21. Similarly, ₹ 678.91 crore pertaining to the 2020-21 received in June 2021 (₹ 337.04 crore) and September 2021 (₹ 341.87 crore).

Hence, against the projected revenue of ₹ 12,342.89 crore for the year 2020-21, the SGST collection and compensation received was ₹ 9,709.05 crore leading to short receipt of ₹ 2,633.84 crore.

Advance apportionment of IGST and its adjustment against GST compensation

Government of India is to apportion IGST to State Governments under section 17 of the IGST Act, 2017. The State Tax Division, Ministry of Finance, Department of Revenue (GoI) sanctioned provisional/advance settlement of apportionment of ₹ 608.26 crore with the condition that the amount will be settled from future payments of IGST. The advance apportionment of IGST increased significantly by 1,214 *per cent* during 2020-21 over the previous year (₹ 69.12 crore).

Audit of GST Receipts

The Government of India's decision to provide access to Pan-India data at GSTN premises was conveyed on 22 June 2020. The required access to data has been provided in January 2021. The accounts for the year 2020-21 have, therefore, been certified on the basis of access of data provided by the Government through back end GSTN system.

Analysis of arrears of revenue and arrears of assessment

The arrears of revenue indicate delayed realization of revenue due to the Government. Similarly, arrears of assessment indicate potential revenue which is blocked due to delayed assessment. Both deprive the State of potential revenue receipts and affect ultimately the revenue deficit.

As on 31 March 2021, arrears in collection of revenue were ₹ 662.09 crore (Excise & Prohibition Department and Motor Vehicle Tax Department) of which ₹ 30.56 crore was outstanding for more than five years. Out of the

total arrears in these departments, amounts held up by the Courts and other appellate authorities were ₹ 7.65 crore pertaining to the Excise and Prohibition Department. Details of other departments were not available as of October 2021.

B. Non Tax Revenue

Non-Tax revenue (NTR) consists of interest receipts, dividends and profits, mining receipts, departmental receipts, etc.

Non-Tax revenue collected during 2020-21 was ₹ 7,564 crore. The NTR collection was significantly lower than the budget estimates of ₹ 11,820 crore for the year. Component-wise non-tax revenue collected during 2016-21 is as shown in **Table 2.5**.

Table 2.5: Non-tax revenue collected during 2016-21

Revenue Head	2016-17	2017-18	2018-19	2019-20	2020-21	Sparkline
Interest receipts	121	169	47	310	81	
Dividends and profits	0	0	0	0	15	
Other non tax receipts	5,230	7,678	8,211	8,440	7,468	
(a) Non ferrous mining	4,094	5,941	5,935	5,461	5,012	
(b) Education	21	20	590	469	166	
(c) Urban development	144	122	265	529	80	
(d) Major irrigation	20	131	321	424	32	
(e) Civil supplies	4	5	6	420	137	
(f) Others	947	1,459	1,094	1,137	2,041	
Total	5,351	7,847	8,258	8,750	7,564	

The share of NTR in revenue receipts ranged between 11.37 *per cent* and 14.98 *per cent* during the period 2016-21. However, it decreased from 14.98 *per cent* in 2019-20 to 13.47 *per cent* in 2020-21. The main source of NTR was receipts from Non-ferrous Mining and Metallurgical Industries. However, collection under Non-ferrous Mining and Metallurgical Industries decreased by ₹ 449 crore due to less collection of mineral concession fees, rents and royalties. Similarly, significant decrease in collection under Urban Development (by ₹ 449 crore), Major Irrigation (by ₹ 392 crore), Education, Sports, Art & Culture (by ₹ 303 crore), Civil Supplies (by ₹ 283 crore) and Interest Receipts (by ₹ 229 crore) was also noticed during 2020-21. This was compensated by more collection under Crop Husbandry (by ₹ 396 crore), Forestry & Wildlife (by ₹ 310 crore) and Medical & Public Health (by ₹ 262 crore). Interest receipts decreased significantly during 2020-21 due to less interest on cash balance investment. Average rate of interest at which government borrowed funds was 6.13 *per cent* per annum whereas, rate of interest received on its cash balance was around five *per cent* per annum.

Irregular deposit under Minor Head-913

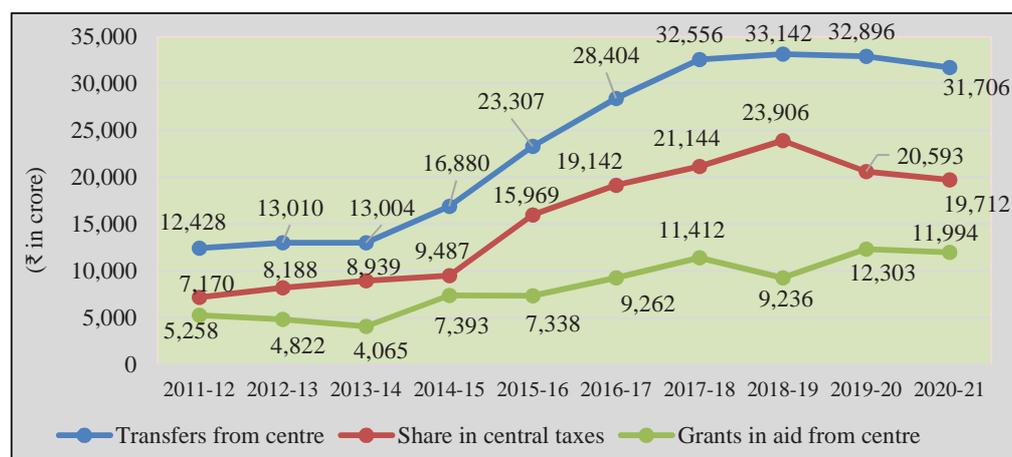
A total amount of ₹ 1,207.02 crore (unspent balances of Grants-in-aid and unutilised scheme funds) has been deposited by the State Government under Minor head '913-recovery of unspent balance of Grants-in-aid' during the year 2020-21. Bifurcation of the deposited amount into those pertaining to Centrally Sponsored Schemes and State Schemes is not available. The deposited amount, not being actual revenue, is included in the revenue

receipts resulting in overstatement of revenue receipts and understatement of revenue expenditure of the State Government to that extent.

C. Transfers from the Centre

The central transfer to the State in shape of Central Tax Transfer and Grants-in-aid was more than 50 per cent of total Non-debt revenue of the State during 2011-21, except in 2013-14 when it was just below this mark. The ratio of central transfer to non-debt receipt was highest during 2017-18 (62 per cent) due to less collection of own revenue and receipts of compensation for revenue loss arising out of implementation of GST. During 2020-21, the ratio stood at 56 per cent.

Chart 2.6: Transfer from Centre to the State



The devolution of taxes by the Central to State increased consistently from ₹ 7,170 crore in 2011-12 to ₹ 23,906 crore in 2018-19. However, it decreased to ₹ 20,593 crore (decrease of ₹ 3,313 crore) in 2019-20 and to ₹ 19,712 crore in 2020-21.

Central tax transfer

Component wise trend of Central Tax Transfers (CTT) over the past five years are depicted in Table 2.6.

Table 2.6: Central Tax Transfers

Head	(₹ in crore)				
	2016-17	2017-18	2018-19	2019-20	2020-21
Central Goods and Services Tax (CGST)	NA	299	5,900	5,844	5,863
Integrated Goods and Services Tax (IGST)	NA	2,134	471	0	0
Corporation Tax	6,135	6,475	8,313	7,021	5,944
Taxes on Income other than Corporation Tax	4,264	5,467	6,122	5,502	6,093
Customs	2,639	2,134	1,695	1,305	1,050
Union Excise Duties	3,013	2,230	1,126	908	663
Service Tax	3,077	2,404	220	0	85
Other Taxes ²	14	0	59	13	14
Central Tax Transfers	19,142	21,144	23,906	20,593	19,712
Percentage of increase over previous year	20	10	13	-14	-4
Percentage of Central tax transfers to Revenue Receipts	41	40	43	35	35

NA- not applicable

² Include Taxes on Wealth, Other Taxes on Income and Expenditure, Other Taxes and Duties on commodities and Services

There was decrease of CTT in 2020-21 over the previous year by ₹ 881 crore was due to less transfer of nearly all the taxes except GST and Taxes on income other than corporation tax as shown in the above table. Central Tax Transfer constituted nearly same at 35 per cent of the revenue receipts of the State during 2019-20 and 2020-21.

Grants-in-aid from GoI

The growth rate of GIA from GoI showed wide fluctuation between (-) 19.07 per cent and 33.21 per cent during the period 2016-21. It was lowest during the year 2018-19 mainly due to less grants received for Centrally sponsored schemes viz., Pradhan Mantri Gram Sadak Yojana by ₹ 528 crore, Swachh Bharat Abhiyan (Gramin) by ₹ 249 crore and Basic Grants to Local Bodies by ₹ 538 crore.

Moreover, during 2020-21 it again decreased to (-) 2.51 per cent of revenue receipt from 33.21 per cent in 2019-20. The decrease in GIA was mainly due to less basic grants received for Rural and Urban Local Bodies of the State under recommendation of the Fourteenth Finance Commission by ₹ 604 crore and Pradhan Mantri Awas Yojna – Rural by ₹ 749 crore.

Table 2.7: Grants-in-aid from Government of India

(₹ in crore)					
Head	2016-17	2017-18	2018-19	2019-20	2020-21
Non-Plan Grants*	1,875.29	-	-	-	-
Grants for State Plan Schemes*	6,792.89	-	-	-	-
Grants for Central Plan Schemes*	78.01	-	-	-	-
Grants for Centrally Sponsored Schemes*	515.16	-	-	-	-
Grants for Special Plan Schemes	-	-	-	-	-
Grants for Centrally Sponsored Schemes (CSS)	-	7,985.24	6,996.85	7,339.05	6,838.85
Finance Commission Grants	-	1,583.03	1,059.89	3,154.60	2,990.50
Other transfers/ Grants to States/Union Territories with Legislature	-	1,844.02	1,178.78	1,809.01	2,164.06
Total	9,261.35	11,412.29	9,235.52	12,302.66	11,993.41
Percentage of increase over the previous year	26.21	23.23	-19.07	33.21	-2.51
Percentage of GIA to Revenue Receipts	19.68	21.63	16.45	21.06	21.36

Source: Finance Accounts

*No figures, since, the nomenclature of plan and non-plan grants was stopped from the year 2017-18 and replaced by Grants for CSS, Finance Commission Grants and Other Grants to States.

Grants-in-aid from GoI to the State fluctuated between ₹ 9,235.52 crore to ₹ 12,302.66 crore during 2016-21 and its percentage in revenue receipts ranged between 16.45 to 21.63 per cent during the period. Growth of Grants-in-aid decreased to negative 2.51 per cent in 2020-21 against 33.21 per cent in 2019-20 due to less receipts in CSS Grants and Finance Commission Grants.

Fourteenth Finance Commission Grants (FFC)

Details of grants released by the Central Government to the State Government, on the recommendation of FFC, for urban local bodies and Panchayati Raj Institutions of the State in shape of basic and general performance grants are given in **Table 2.8**.

Table 2.8: Recommended amount, actual release and transfers of Grants-in-aid

(₹ in crore)

Transfers	Recommendation of XIV-FC	Actual release by GoI			Release by State Government [#]		
	2015-20	2015-20	2020-21	Total	2015-20	2020-21	Total
Local Bodies							
(i) Grants to PRIs	6,046.74	5,730.25	1,689.00	7,419.25	12,646.77	1,771.19	14,417.96
(a) General Basic Grant	5,442.07	5,234.22	1,689.00	6,923.22	12,646.77	1,771.19	14,417.96
(b) General Performance Grants	604.67	496.03	0.00	496.03			
(ii) Grants to ULBs	1,914.55	1,256.50	733.50	1,990.00	9,199.97	1,930.03	11,130.00
(a) General Basic Grant	1,531.64	1,188.53	530.25	1,718.78	9,199.97	1,930.03	11,130.00
(b) General Performance Grants	382.91	67.97	203.25	271.22			
Total for Local Bodies	7,961.29	6,986.75	2,422.50	9,409.25	21,846.74	3,701.22	25,547.96
State Disaster Response Fund*	2,010.00	1,507.50	568.00	2,075.50	2,010.00	757.00	2,767.00
Grand Total	9,971.29	8,494.25	2,990.50	11,484.75	23,856.74	4,458.22	28,314.96

* Including State share of 25 per cent of total grant [#] includes grants received from GoI

Source: XIV & XV-FC Report and Finance Accounts

Against the recommendation of XIV FC of ₹ 9,971.29 crore for ULBs and PRIs of the State for the period 2015-21, ₹ 8,494.25 crore was released by the Central Govt. during the period leading to a short release of ₹ 1,477.04 crore to the State.

During 2020-21, the recommendation of the XV FC was not made, however, ₹ 2,990.50 crore was released by the Central Govt. Further, out of total release of ₹ 4 458.22 crore to the ULBs and PRIs by the State during the year 2020-21, ₹ 2,990.50 crore was received from the Central Govt. in shape of Basic and Performance grants.

2.3.3 Capital receipts

Capital 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. Details of capital receipts during 2016-21 are given in **Table 2.9**.

Table 2.9: Trends in growth and composition of capital receipts

(₹ in crore)

Sources of State's Receipts	2016-17	2017-18	2018-19	2019-20	2020-21
Capital Receipts	7,119.42	8,203.85	7,850.43	9,642.31	13,595.36
Miscellaneous Capital Receipts	0.00	25.09	0.00	0.00	0.00
Recovery of Loans and Advances	38.46	42.41	47.57	49.19	48.78
Net Public Debt Receipts	5,003.51	5,187.81	4,743.34	5,361.72	10,801.76
Internal Debt	4,927.00	5,117.24	4,637.10	5,109.14	8,411.43
Growth rate (in per cent)	(-)	3.86	(-)	10.17	64.63
Loans and advances from GoI	76.51	70.57	106.22	252.44	2,390.33*
Growth rate (in per cent)	5,166.89	(-)	50.52	137.66	846.89
Rate of growth of debt Capital Receipts (per cent)	(-)	14.90	(-)	22.93	41.21
Rate of growth of non-debt capital receipts (per cent)	22.58	76.32	(-)	4.66	(-)
Rate of growth of GSDP (per cent)	14.34	14.21	13.30	5.06	(-)
Rate of growth of Capital Receipts (per cent)	(-)	15.23	(-)	22.83	41.00

Source: Finance Accounts and MoSPI website

*includes 1689 crore received as back to back loans

As depicted in the above table, rate of growth of capital receipts showed wide fluctuation during 2016-21. However, during 2020-21, capital receipts of the State increased significantly over the previous year mainly due to increased borrowings under Market loans (by ₹ 1,900 crore) and increase in loans & advances by GoI (by ₹ 2,162 crore).

Growth rate of Internal debt and total receipt showed wide variation during the period 2016-20 mainly due to fluctuation of market loans by the State which ultimately resulted in variation of growth rate of Capital receipts. Non-debt capital receipts increased significantly in 2017-18 due to miscellaneous Capital receipts of ₹ 25 crore from disinvestment.

During 2020-21, loans from GoI increased significantly by 847 *per cent* mainly due to receipt of loans of ₹ 1,689 crore in place of GST compensation grants from GoI.

Loans and advances of GoI increased significantly due to special assistance to States for capital expenditure in difficult fiscal environment arising from COVID-19 pandemic and loans to States in lieu of GST compensation shortfall during the year. Due to inadequate balance in GST Compensation Fund during the year 2020-21, Jharkhand received back-to-back loan of ₹ 1,689 crore against GST compensation grant for loss of revenue arising due to implementation of GST. However, as decided by the Central Govt. the State had no repayment liability for those loans.

2.3.4 State's performance in mobilisation of resources

State's performance in mobilisation of resources is assessed in terms of its own resources comprising own-tax and non-tax sources.

Table 2.10: Tax and non-tax receipts *vis-à-vis* projections for 2020-21

	MTFP projection	Actual	Percentage variation of actual over MTFP projection
Own Tax revenue	21,670	16,880	(-)22.10
Non-tax revenue	11,820	7,564	(-)36.01

(₹ in crore)

As shown in **Table 2.10**, actual collection of Own-tax revenue and Non-tax revenue during the year 2020-21 was much less than the MTFP projections for the year.

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.

Growth and composition of expenditure

Table 2.11, **Chart 2.7** and **Appendix 2.2** present the trends in Total Expenditure and its composition over the last five years (2016-21).

Table 2.11: Total expenditure and its composition

(₹ in crore)

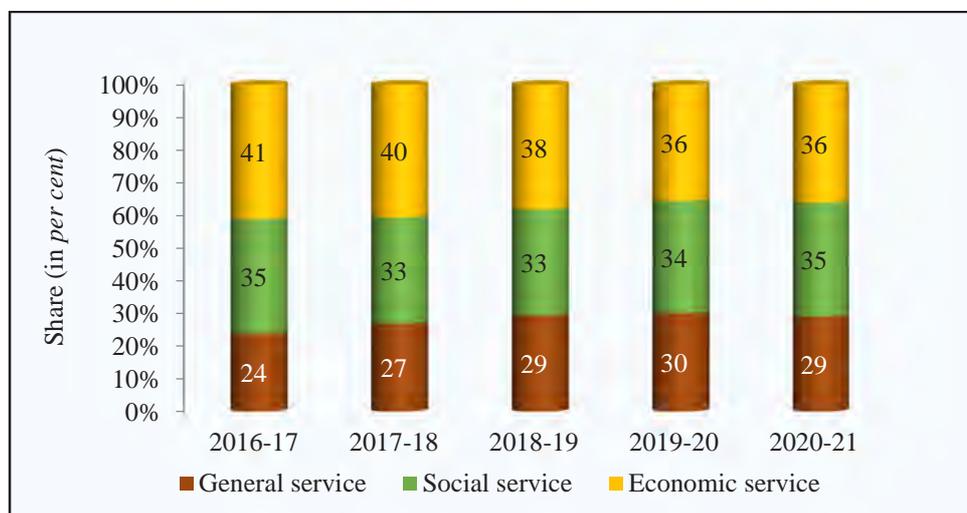
Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Total Expenditure (TE)	57,285	64,756	62,827	66,501	71,110
Revenue Expenditure (RE)	45,089	50,952	50,631	56,457	59,264
Capital Outlay (CO)	10,861	11,953	10,712	9,879	8,466
Loans and Advances	1,335	1,852	1,485	165	3,380
As a percentage of GSDP					
TE/GSDP	24.20	24.00	20.60	20.70	22.40
RE/GSDP	19.10	18.90	16.56	17.58	18.59
CO/GSDP	4.60	4.43	3.50	3.08	2.65
Loans and Advances/GSDP	0.57	0.69	0.49	0.05	1.07

As shown in the **Table 2.11** ratio of TE, RE, Loans & Advances etc. to GSDP increased during 2020-21 in comparison to its ratio during 2019-20 whereas CEO to GSDP ratio decreased consistently from 2016-17 to 2020-21. The expenditure trend in the table shows increasing trend in Government spending. However, creation of capital asset was not the priority of the State Government during the period.

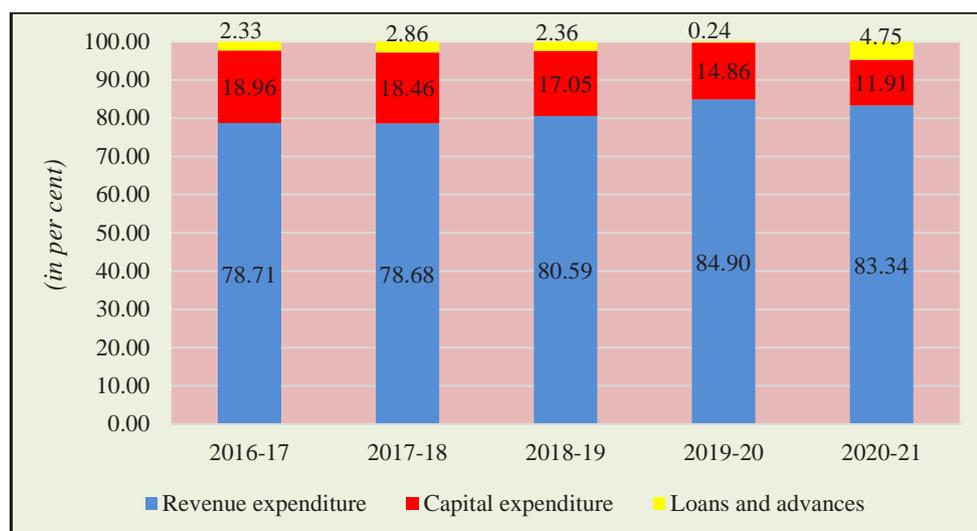
Table 2.12: Relative share of various sectors of expenditure

(per cent)

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
General Services	23.80	26.90	29.40	30.00	29.00
Social Services	35.20	32.60	32.50	34.50	35.00
Economic Services	41.00	40.50	38.10	35.50	36.00

Chart 2.7: Total Expenditure- Expenditure by Activities

From **Table 2.12** and **Chart 2.7** it is evident that the share of expenditure on general services had been increasing consistently during 2016-20 whereas, it decreased marginally during 2020-21. Share of expenditure on social services and economic services remained nearly same during 2019-20 and 2020-21. It can also be seen from the above table and chart that expenditure on economic services decreased consistently from 41 per cent in 2016-17 to 36 per cent in 2020-21 which was indicative of less priority given by the State in this sector.

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

As evident from **Chart 2.8** share of revenue expenditure in total expenditure increased consistently from 78.71 per cent in 2016-17 to 83.34 per cent in 2020-21, whereas share of capital expenditure decreased from 18.96 per cent in 2016-17 to 11.91 per cent in 2020-21 despite increasing public debt (year after year) during the period, except in 2018-19.

2.4.1 Revenue Expenditure

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 service network.

It was observed that revenue expenditure (RE) as a percentage of total expenditure, increased significantly from 80.6 per cent in 2016-17 to 87.5 per cent in 2020-21. Further, revenue expenditure as a percentage of GSDP also increased by one percentage point in 2020-21 over the previous year.

Out of total revenue expenditure of ₹ 59,263.59 crore during 2020-21, ₹ 30,893.46 crore was spent on establishment and ₹ 28,370.13 crore on State and Central schemes. Further, out of ₹ 59,263.59 crore, major share (36 per cent) was spent on economic service, followed by social service (35 per cent). 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 2.13** and the sectoral distribution of Revenue Expenditure pertaining to 2020-21 is given in **Chart 2.9**.

Table 2.13: Revenue Expenditure – Basic Parameters

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Total Expenditure (TE)	57,285	64,756	62,827	66,501	71,110
Revenue Expenditure (RE)	45,089	50,952	50,631	56,457	59,264
Rate of Growth of RE (per cent)	23.40	13.00	-0.60	11.50	5.00
Revenue Expenditure as percentage of TE	78.70	78.70	80.60	84.90	83.30
RE/GSDP (per cent)	19.10	18.90	16.56	17.58	18.69
RE as percentage of RR	95.80	96.60	90.20	96.60	105.50

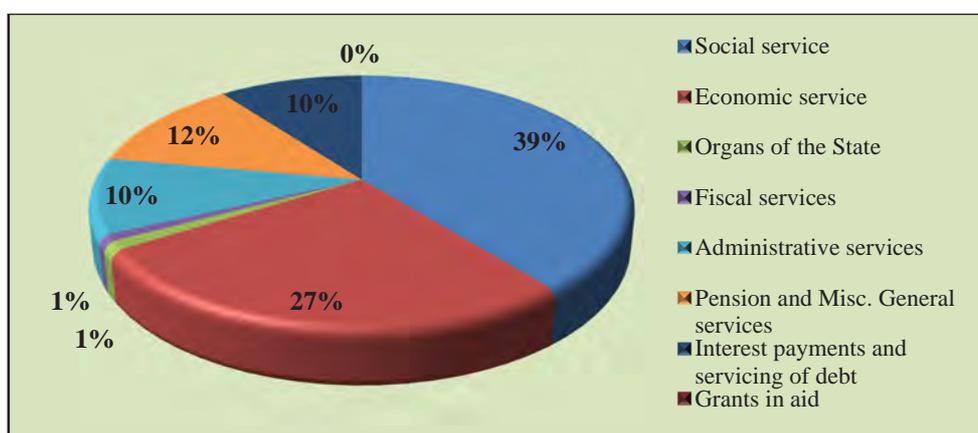
(₹ in crore)

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	1.63	0.91	-0.05	2.27	-3.94
Revenue Receipts (ratio)	1.48	1.07	-0.09	2.85	-1.29

Source: Finance Accounts of respective years

Revenue expenditure on different services as percentage of total revenue expenditure during 2020-21 has been shown in **Chart 2.9**.

Chart 2.9: Sector wise Distribution of Revenue Expenditure



During 2020-21, the growth rate of Revenue Expenditure decreased to five per cent in comparison to 11.5 per cent in 2019-20 and its percentage in total expenditure decreased by 1.6 per cent during the year. However, as a percentage of GSDP, Revenue Expenditure had marginally increased by 1.11 per cent over the previous year. Further, Revenue Expenditure was lower by ₹ 14,052 crore vis-à-vis the budget estimate (₹ 73,316 crore) during 2020-21.

Major changes in Revenue Expenditure

Significant variations under various Heads of Account with regard to Revenue Expenditure of the State during the current year and the previous year are detailed in **Table 2.14**.

Table 2.14: Variation in Revenue Expenditure during 2020-21 compared to 2019-20

Major Heads of Account	2019-20	2020-21	Increase (+)/ Decrease (-)
2040-Taxes on Sales, Trade etc.	80.26	83.24	2.98
2075-Miscellaneous General Services	2.02	0.00	-2.02
2215-Water Supply and Sanitation	655.47	857.29	201.82
2216-Housing	12.79	16.34	3.55
2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	1,205.41	911.79	-293.62
2236 -Nutrition	436.15	272.19	-163.96
2501-Special Programmes for Rural Development	607.69	1,093.81	486.12
2505-Rural Employment	3,495.94	4,123.14	627.20
2515-Other Rural Development Programmes	3,769.15	3,021.35	-747.80

As shown in the above table, the revenue expenditure on Welfare of SC, ST and Other Backward classed decreased significantly during 2020-21, over

the previous year mainly due to less expenditure on (1) special component plan for scheduled caste (2) tribal area sub-plan (3) education of scheduled tribes and (4) education of backward classes by 32 per cent, 58 per cent, 21 per cent and 11 per cent respectively.

Revenue expenditure on other rural development programmes decreased mainly due to less assistance to Gram Panchayats and tribal area sub-plan by 43 per cent and 38 per cent respectively.

Increase in revenue expenditure on special programs for rural development was result of more expenditure on Swarna Jayanti Gram Swarajgar Yojna by 41 per cent, special component plan for scheduled caste by 88 per cent and tribal area sub-plan by 48 per cent. Similarly, increase in Rural Employment was a result of more expenditure on National Rural Employment Scheme, Special Component Plan for SCs and Tribal Area Sub-plan by nearly 206 per cent each.

2.4.2 Committed expenditure

The committed expenditure of the State Government on revenue account consists of interest payments, expenditure on salaries and wages and pensions. Upward trend on committed expenditure leaves the Government with lesser flexibility for development sector.

Table 2.15 presents the trends in the components of committed expenditure during 2016-21 and percentage of committed expenditure to Revenue Receipts and Revenue Expenditure during 2016-21.

Table 2.15: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2016-17	2017-18	2018-19	2019-20	2020-21
Salaries & Wages	8,927	11,221	12,138	12,832	12,885
Expenditure on Pensions	4,135	5,913	5,991	6,005	6,797
Interest Payments	4,172	4,662	4,852	5,308	5,790
Total	17,234	21,796	22,981	24,145	25,472
As a percentage of Revenue Receipts (RR) (₹ 56,150 crore)					
Salaries & Wages	19.00	21.30	21.60	22.00	22.90
Expenditure on Pensions	8.79	11.21	10.67	10.28	12.11
Interest Payments	8.87	8.84	8.64	9.09	10.31
Total	36.65	41.34	40.91	41.37	45.32
As a percentage of Revenue Expenditure (RE) (₹ 59,264 crore)					
Salaries & Wages	19.80	22.02	23.97	22.73	21.74
Expenditure on Pensions	9.17	11.61	11.83	10.64	11.47
Interest Payments	9.25	9.15	9.58	9.40	9.77
Total	38.22	42.75	45.42	42.74	42.98

During 2020-21, Salaries & Wages, Interest Payments and Pension together accounted for 42.98 per cent of the revenue expenditure against 42.74 per cent in 2019-20 whereas, it consumed 45.32 per cent of the revenue receipts in 2020-21 against 41.37 per cent in 2019-20.

Interest payment

The growth rate of interest payments in 2020-21 was 9.10 *per cent* against 9.40 *per cent* in 2019-20. Percentage of interest payments to revenue receipts increased from 9.09 *per cent* in 2019-20 to 10.31 *per cent* in 2020-21 mainly due to payment of more interest on market loans and interest on balance of State Compensatory Afforestation Fund.

Undischarged liabilities in National Pension System

State Government employees recruited on or after 1 December 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.

During 2020-21, employer's contribution of ₹ 582.16 crore was transferred to NSDL. The State Government transferred ₹ 581.08 crore against receipt of ₹ 566.86 crore as employees' contribution to the designated fund manager through NSDL during 2020-21. A balance of ₹ 25.33 crore remained in the Public Account (Major Head 8342-117-Defined Contribution Pension Scheme) at the end of 2020-21.

Subsidies

As can be seen from the details given in **Table 2.16** there was a significant decrease in expenditure on subsidies during the year 2020-21. Subsidies as a percentage of Revenue Receipts decreased significantly from 7.32 *per cent* in 2019-20 to 5.71 *per cent* in 2020-21. Similarly, as a percentage of Revenue Expenditure, Subsidies decreased significantly from 7.57 *per cent* in 2019-20 to 5.41 *per cent* in 2020-21.

During 2020-21, Government of Jharkhand paid subsidy mainly under Major Heads 2401-Crop Husbandry (₹ 876 crore), 2801-Power (₹ 1,000 crore) and 3456- Civil Supplies (₹ 1,243 crore). No subsidy was given for irrigation. The decrease in subsidy during 2020-21 by ₹ 1,073 crore over the previous year was mainly due to decrease in subsidy for Agriculture Farms under crop husbandry by ₹ 600 crore, Mukhya Mantri Krishi Ashirvad Yojna by ₹ 700 crore, Tariff subsidy through JBVNL for consumers by ₹ 350 crore and Pradhan Mantri Ujjwala Yojna by ₹ 116 crore.

Table 2.16: Expenditure on subsidies during 2016-21

	2016-17	2017-18	2018-19	2019-20	2020-21
Subsidies (₹ in crore)	1,859	1,440	2,092	4,275	3,202
Subsidies as a percentage of RR	3.95	2.73	3.73	7.32	5.71
Subsidies as a percentage of RE	4.12	2.83	4.13	7.57	5.41

Source: Finance and Appropriation Accounts

Financial assistance by the State Government to Local Bodies and Other Institutions

Financial assistance is provided by the State Government to Local bodies and other institution by way of grants.

Table 2.17: Financial Assistance to Institutions etc.

(₹ in crore)

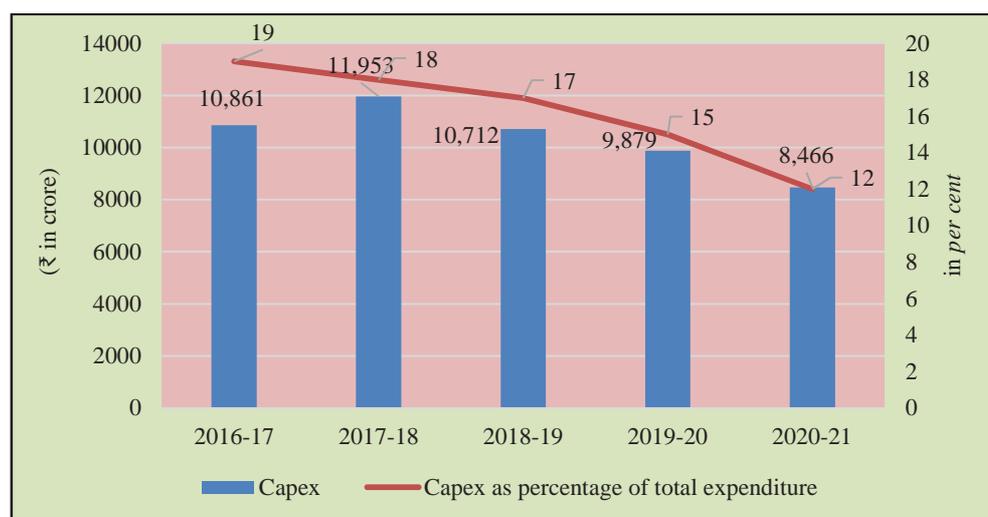
Financial Assistance to Institutions	2016-17	2017-18	2018-19	2019-20	2020-21
(A) Local Bodies					
Municipal Corporations and Municipalities	2,961.14	1,155.11	1,748.50	1,505.45	1,930.03
Panchayati Raj Institutions	2,533.77	1,270.13	2,937.69	2,497.70	1,771.20
Total (A)	5,494.91	2,425.24	4,686.19	4,003.15	3,701.23
(B) Others					
Universities	1,133.03	671.67	621.08	1,265.29	1,771.17
Development Authorities	3,915.39	7,447.41	3,952.30	10,771.73	8,283.26
Public Sector Undertakings	0.00	0.00	0.00	1,753.28	2,119.77
Other Institutions	9,788.69	10,169.67	8,716.24	1,398.01	4,202.24
Total (B)	14,837.11	18,288.75	13,289.62	15,188.31	16,376.44
Total (A+B)	20,332.02	20,713.99	17,975.81	19,191.46	20,077.67
Revenue Expenditure	45,089	50,952	50,631	56,457	59,264
Assistance as percentage of Revenue Expenditure	45.09	40.65	35.50	33.99	33.88

During 2020-21, financial assistance to ULBs increased by ₹ 424.58 crore mainly due to inclusion of grant provided under recommendation of 15th Finance Commission (by ₹ 809.03 crore) against ₹ 401.81 crore recommended by the 14th Finance Commission and Pradhan Mantri Awas Yojna (by ₹ 203.86 crore). Financial assistance to PRIs decreased due to less receipt of basic grants under recommendations of 15th Finance Commission by ₹ 547.71 crore over the previous year receipt under recommendations of 14th Finance Commission.

2.4.3 Capital Expenditure

Capital Expenditure (CE) is primarily expenditure on creation of fixed infrastructure assets such as roads, buildings etc.

Chart 2.10: Capital Expenditure in State



Major changes in Capital Expenditure

There was consistent increase in capital expenditure during 2016-17 and 2017-18 however it decreased consistently from ₹ 11,953 crore in 2017-18 to ₹ 8,466 crore in 2020-21. During 2020-21, the capital expenditure decreased due to less expenditure on general services by 38 per cent and economic services by 14 per cent over previous year. Decrease in expenditure on general services was mainly due to less expenditure on police (by ₹ 236 crore) and on public works (by ₹ 178 crore) during 2020-21. Expenditure on police decreased mainly due to less allocation for police modernisation and less receipt of central assistance for most Left Wing Extremists affected districts whereas, in public works it was mainly due to less allocation for office and courts buildings during the year.

In spite of less capital expenditure (CE) on economic services in comparison to the previous year the major share of CE was on economic services (₹ 6,203 crore) in 2020-21. Priority was given to transport (₹ 3,120 crore), rural development (₹ 1,283 crore) and irrigation and flood control (₹ 1,046 crore). However, in comparison to the previous year, there was less expenditure on all these services during 2020-21. Capital Expenditure on Agriculture and Allied Activities decreased significantly from ₹ 176 crore in 2019-20 to ₹ 76 crore in 2020-21.

Capital expenditure of the State (₹ 8,466 crore) was nearly at par to its budget provision (₹ 8,653 crore) made for the year 2020-21. However, out of budget provision for capital expenditure ₹ 187 crore was not utilised. A major portion of the savings were mainly from the funds provided for construction of major roads (₹ 147 crore), loan to Jharkhand Urja Sancharan Nigam Ltd. for transmission (₹ 142 crore) and Rural Water Drinking Programme by Tubewell and Wells (₹ 100 crore).

Table 2.18: Capital Expenditure during 2020-21 compared to 2019-20

(₹ in crore)

Major Heads of Accounts	2019-20	2020-21	Increase (+)/ Decrease (-)
4055- Capital Outlay on Police	806.63	570.88	-235.75
4059-Capital Outlay on Public Works	366.15	188.76	-177.39
4202-Capital Outlay on Education, sports, Art & Culture	258.13	94.87	-163.26
4210-Capital Outlay on Medical and Public Health	347.69	586.13	238.44
4515- Capital Outlay on Other Rural Development	1,991.11	1,283.49	-707.62
4700-Capital Outlay on Major Irrigation	415.13	94.85	-320.28
4801-Capital Outlay on Power Projects	0.00	626.00	626.00
5054-Capital Outlay on Roads and Bridges	3,674.33	3,081.21	-593.12

2.4.4 Quality of capital expenditure

This section presents an analysis of investments and other capital expenditure undertaken by the Government during the current year.

Quality of investments in the companies, corporations and other bodies

As per latest finalised accounts received from 23 companies, net worth of six companies³ was completely eroded as their cumulative net worth was (-) ₹ 5,261.22 crore as on 31 March 2020.

Further as per accounts 12 companies were loss making and their loss during 2019-20 was ₹ 1,360.96 crore. Out of these loss making companies, three companies (JBVNL, JUSNL and Jharkhand Rail Infrastructure Development Corporation Ltd.) received Government loans amounting to ₹ 454.14 crore during 2019-20. Since, loans to these loss-making companies were included in the capital expenditure of the State, it resulted in overestimation of assets.

It was also noticed that the total investment in these SPSEs was ₹ 18,531.73 crore, of which, total investment by the state was ₹ 17,317.48 crore as on 31 March 2020. Accumulated loss of these SPSEs was ₹ 8,166.11 crore as on 31 March 2020.

Investment in equity by the Government

As per Finance Accounts of the State ending 31 March 2021, the Government had invested ₹ 1,111.65 crore in three Regional Rural Bank⁴ (₹ 45.73 crore), 18 Government companies (₹ 904.88 crore) and 21 co-operatives banks and societies (₹ 161.04 crore) since inception of the State in November 2000. However, verification of PSUs accounts and sanction orders of the State during 2016-17 revealed that the Government accounts had understated investment by ₹ 124.54 crore during 2000-2016, due to erroneous budgetary categorisation, viz., not providing the investment under the appropriate minor head and depicting investment in share capital as GIA. After being pointed out by Audit, Finance Department of the State had reconciled and corrected investment figures in respect of four companies amounting to ₹ 65 crore⁵ at the end of 2020-21, however, investments of ₹ 59.54 crore⁶ against five entities at the end of the current financial year remained still unsettled.

³ Tenughat Vidyut Nigam Ltd. (- ₹ 1,013.63 crore), Jharkhand Bijli Vitran Nigam Ltd. (- ₹ 4,187.57 crore), Jharkhand Hill Area Lift Irrigation Corporation Ltd. (- ₹ 14.31 crore), Jharkhand Silk Textile and Handicraft Development Corporation Ltd. (- ₹ 36.18 crore), Jharkhand State Forest Development Corporation Ltd. (- ₹ 7.74 crore) and Jharkhand Plastic Park Ltd. (- ₹ 1.79 crore).

⁴ State Govt. Kshetriya Gramin Bank (₹ 18.96 crore), Jharkhand Rural Bank, Ranchi (₹ 18.37 crore) and Vananchal Rural Bank, Dumka (₹ 8.40 crore)

⁵ Jharkhand Hill Area Lift Irrigation Corporation ₹ 5 crore; Jharkhand Urban Infrastructure Development Corporation ₹ 35 crore; Jharkhand Silk Textile and Handicraft Development Corporation ₹ 10 crore and Jharkhand Urban Transport Corporation Ltd. - ₹ 15 crore.

⁶ Greater Ranchi Development Authority- ₹ 39.14 crore; Jharkhand State Agriculture Development Corporation Ltd. - ₹ 2 crore; Jharkhand Medical and health Infrastructure Development and Procurement Corporation Ltd. - ₹ 5 crore; Jharkhand Urja Vikash Nigam Ltd. - ₹ 8.40 crore and Jharkhand State Food and Civil Supplies Corporation Ltd. - ₹ 5 crore.

Table 2.19: Return on Investment

Investment/return/ cost of borrowings	2016-17	2017-18	2018-19	2019-20	2020-21
Investment at the end of the year (₹ in crore)	320.83	376.87	432.87	447.95	1,111.65
Return (₹ in crore)	0.00	0.00	0.00	0.00	15.00
Return (<i>per cent</i>)	0.00	0.00	0.00	0.00	1.35
Average rate of interest on Government Borrowings(<i>per cent</i>)	6.76	6.98	6.29	6.34	6.13
Difference between interest rate and return (<i>per cent</i>)	6.76	6.98	6.29	6.34	4.78

Source: Finance Accounts

Despite minimal return of ₹ 15 crore after a long time from one company (Jharkhand State Beverage Corporation Ltd.) on its investments, the State Government made investment of ₹ 663.70 crore in five⁷ State PSUs and one Co-operative (Tribal Co-operative development) in the form of equity during 2020-21. As evident from the above table there was a huge gap between the cost of government borrowings and return on investment.

Investments made by the erstwhile State of Bihar in form of equities in Damodar Valley Corporation (₹ 1,781.55 crore) and Tenughat Vidyut Nigam Limited (₹ 100 crore) up to 14 November 2000 have not yet been apportioned between the successor States of Bihar and Jharkhand.

2.4.5 Loans and Advances given by the Government

Apart from equity investments in the entities shown in **Table 2.19** the State Government has also been providing loans and advances to many of these entities and its employees. **Table 2.20** presents the outstanding loans and advances as on 31 March 2021 and interest receipts *vis-à-vis* interest payments during the last five years.

Table 2.20: Quantum of loans disbursed and recovered during five years

Quantum of loans disbursed and recovered	2016-17	2017-18	2018-19	2019-20	2020-21
Opening Balance of loans outstanding	16,187	17,483	19,292	20,730	20,846
Amount advanced during the year	1,335	1,852	1,486	165	3,380
Amount recovered during the year	39	43	48	49	49
Closing Balance of the loans outstanding	17,483	19,292	20,730	20,846	24,177
Net addition	1,296	1,809	1,438	116	3,331
Interest received	3.88	87.66	14.72	38.91	22.62
Interest rate on Loans and Advances given by the Government.	0.02	0.50	0.08	0.19	0.11
Rate of Interest paid on the outstanding borrowings of the Government	6.76	6.98	7.98	6.34	6.13
Difference between the rate of interest paid and interest received (<i>per cent</i>)	6.74	6.48	7.90	6.15	6.02

A significant portion of the total outstanding loans at the end of March 2021 (₹ 24,177 crore) was mainly outstanding with power companies (₹ 23,294 crore) and Water Supply, Sanitation, Housing and Urban Development (₹ 776 crore).

⁷ Minority Development and Finance Corporation (₹0.50 crore), Jharkhand Industrial Infrastructure Development Corporation (₹7 crore), Jharkhand Central Railway Project (₹25 crore), Hotel Ashok Vihar Ltd. (₹25 crore) and Jharkhand Urja Sancharan Nigam Ltd. (₹626 crore).

Loans was given to Bijli Viral Nigam Ltd. (₹ 2,523 crore) and to Urja Sancharan Nigam Ltd. (₹ 825 crore) for execution of schemes and transmission purposes. Outstanding arrears of loanee entities at the end of March 2021 amounted to ₹ 3,479.86 crore (principal: ₹ 1,810.16 crore and interest: ₹ 1,669.70 crore).

Loan to Jharkhand State Food and Civil Supplies Corporation Ltd. (₹ 44 crore) in 2011-12 was understated in the Government accounts due to incorrect budgetary categorisation under revenue expenditure instead of capital expenditure. Loans to Jharkhand State Electricity Board (JSEB) amounting to ₹ 7,222.18 crore continue to be depicted in the government accounts as receivable from the Board, even though the Board was unbundled in January 2014 into separate companies. Thus, the assets of the State were inflated to the extent of ₹ 7,222 crore.

Further, loans made by the erstwhile State of Bihar to Tenughat Vidyut Nigam Limited (₹ 608 crore) before 14 November 2000 have not been apportioned between the successor States of Bihar and Jharkhand.

2.4.6 Capital locked 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 the extra burden in terms of servicing of debt and interest liabilities.

Year wise and Department-wise information pertaining to incomplete projects which were to be completed on or before 31 March 2021 is given in **Table 2.21 and Table 2.22** respectively.

Table 2.21: Age profile of incomplete projects as on 31 March 2021

(₹ in crore)

Completion Year	No. of incomplete projects	Estimated cost	Expenditure (as on 31 March 2021)	Revised estimates	
				No. of projects	Amount
Upto 2014	6	120	74	3	5
2015	13	174	154	3	7
2016	15	500	268	2	15
2017	21	402	346	6	32
2018	43	520	419	7	31
2019	87	1,842	1,283	10	20
2020	189	4,055	2,125	16	77
Total	374	7,613	4,669	47	187

Table 2.22: Department-wise profile of incomplete projects as on 31 March 2021

(₹ in crore)

Department	No. of incomplete projects	Estd. cost	Expenditure	Revised estimates	
				No. of projects	Estimate increased by
Road construction department	125	4,793.81	2,845.88	21	168.25
Rural development department	102	396.31	266.24	5	2.72
Water resources department	84	1,475.29	841.27	14	8.97
Drinking water and sanitation	42	689.19	598.84	7	7.39
Building construction department	21	258.59	117.01	Nil	Nil
Total	374	7,613.19	4,669.24	47	187.33

Source: Finance Accounts

Out of 374 projects shown in the above table, revised cost of only 47 projects were provided which showed that estimated cost of ₹ 971.57 crore in those 40 projects escalated by ₹ 215.14 crore due to non-completion of those projects in time which was offset by revised estimates of seven projects by ₹ 27.81 crore. Since, the departments did not furnish the details of the remaining projects, their revised cost was not exhibited in the Finance Accounts and was thus not ascertainable.

2.4.7 Capital expenditure transferred to public accounts

It was observed from the Finance Accounts that ₹ 2,605.33 crore was transferred from the capital head of accounts of the consolidated fund to deposit heads in public account. Out of total amount transferred ₹ 300.53 crore were transferred to public works deposit head and ₹ 2,304.80 crore to the deposits of other local funds. Some major items are as shown in Table 2.23.

Table 2.23: Transfer from Consolidated fund to Public Account

S. No.	Head of Account				Amount (₹ in crore)
	From		To		
1	4515	Capital Outlay on other Rural Development Programmes	8443	Civil Deposit-108-Public Works Deposit	125.38
2	4801	Capital Outlay on Power Projects	8448	Deposit of Local Funds-107-State Electricity Boards Working Funds	626.00
3	4055	Capital Outlay on Police	8448	Deposit of Local Funds-120-Other Funds	109.53
4	4210	Capital Outlay on Medical and Public Health	8448	Deposit of Local Funds-120-Other Funds	517.96
5	4225	Capital Outlay on Welfare of Welfare of SC, ST, OBC and Minorities	8448	Deposit of Local Funds-120-Other Funds	142.26
6	5054	Capital Outlay on Roads and Bridges	8448	Deposit of Local Funds-120-Other Funds	766.97
Total					2,288.10

The book transfer of fund to public account was mere transfer of fund from one head to another and was not actual expenditure leading to over statement of expenditure under capital section. Expenditure of those transferred amount from the deposit heads during the financial year could not be ascertained due to non-availability of any details in the accounts of the State. However, it was noticed that under Minor Head 108- public Works Deposits ₹ 1,871.24 crore was added (including the transactions shown in the above table) in opening balance of ₹ 4,492.30 crore and ₹ 2,048.42 crore was spent leading to a balance of ₹ 4,315.11 crore at the end of March 2021. Similarly, ₹ 1,113.15 crore (including the transactions shown in the above table) was added in the opening balance of ₹ 1,155.66 crore under the Minor Head 106- Personal Deposit and ₹ 522.29 crore spent during the year leading to a balance of ₹ 1,746.52 crore.

2.4.8 Resource availability of the State under Public Private Partnership Projects

Public Private Partnership (PPP) is an arrangement between the government or statutory entity and a private sector entity, to provide a framework that enables them to work together to meet the rising demand of the public for infrastructure development.

Table 2.24: Sector-wise details of PPP Projects

(₹ in crore)

Sl. No.	Sector*	Completed		Ongoing		Planned for future	
		No.	Estd. Cost	No.	Estd. Cost	No.	Estd. Cost
1.	Energy	1	181.43	1	77.00	-	-
2.	Tourism	-	-	1	250.00	-	-
3.	Medical	-	-	1	80.10	-	-
4.	Water Supply & Sanitation	-	-	1	12.00	1	150.00
5.	Roads and Bridges	8	4,372.68	2	642.60	-	-
6.	Education	-	-	-	-	1	17.99*
	Total	9	4,554.11	6	1,061.70	2	167.99

Source: www.pppinindia.gov.in *status not available hence, posted in planned for future column.

2.4.9 Expenditure priorities

Enhancing human development levels requires 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.

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

(per cent)

	Loan & Advances Disbursed/AE	CO/AE	CE/AE	SSE/AE	ESE/AE	Education/AE	Health/AE
General Category States (2015-16)	4.33	14.43	18.78	36.26	34.35	15.45	5.45
Jharkhand (2015-16)	14.33	15.63	29.96	21.32	45.33	12.60	4.16
General Category States (2020-21)	1.27	11.77	13.03	37.81	28.48	15.00	6.74
Jharkhand (2020-21)	4.75	11.90	16.66	34.96	35.96	14.16	5.72

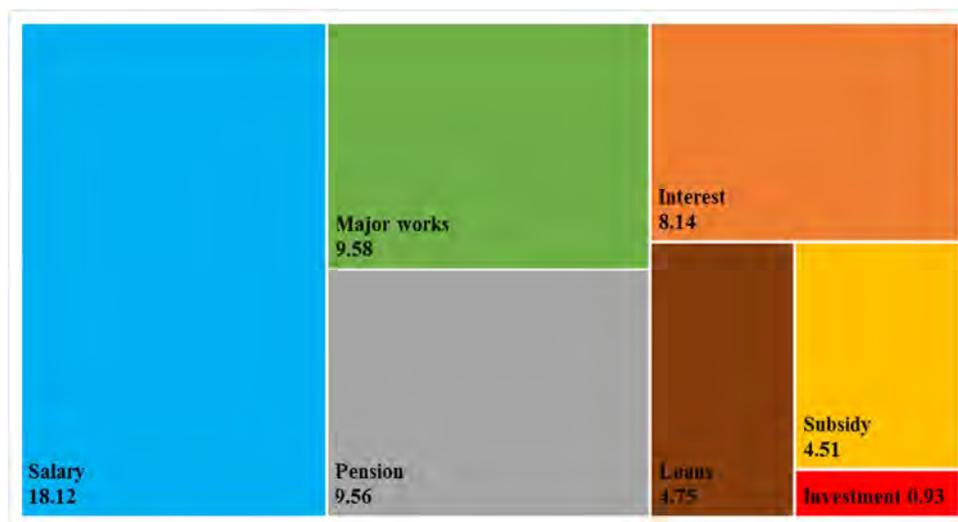
As evident from the table, during 2020-21 the ratio of all segments of expenditure to total expenditure except for expenditure on education and health to aggregate expenditure (AE) has declined in comparison to its ratio during 2015-16. Ratio of overall expenditure on social sector to AE also improved during 2020-21 in comparison to 2015-16.

As evident from the table, in comparison to the average of the General Category States (GCS) on social sector expenditure including education and health the ratio of Jharkhand was less in both the years 2015-16 and 2020-21 which was indicative of less priority of State Govt. on these services. The priorities of expenditure had not changed in since 2015-16 as can be seen from the above table.

2.4.10 Object head wise expenditure

Finance Accounts depict transactions only up to the Minor Head level. Therefore, statement four of the Finance Accounts give a view down to the extent of object head level. **Chart 2.11** gives information about the share of object/ purpose of the Revenue expenditure on major items.

Chart 2.11: Expenditure on Major Items



As depicted in the **Chart 2.11** a huge share of Total Revenue Expenditure (TRE) consumed by the expenditure on Salaries, Pension, Interest Payments and Subsidies during the year 2020-21, however, nearly 10 *per cent* of TRE was utilized on the major works i.e. for creation of infrastructure and assets in the State.

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 component-wise net balances in Public Account of the State are given in **Table 2.26**.

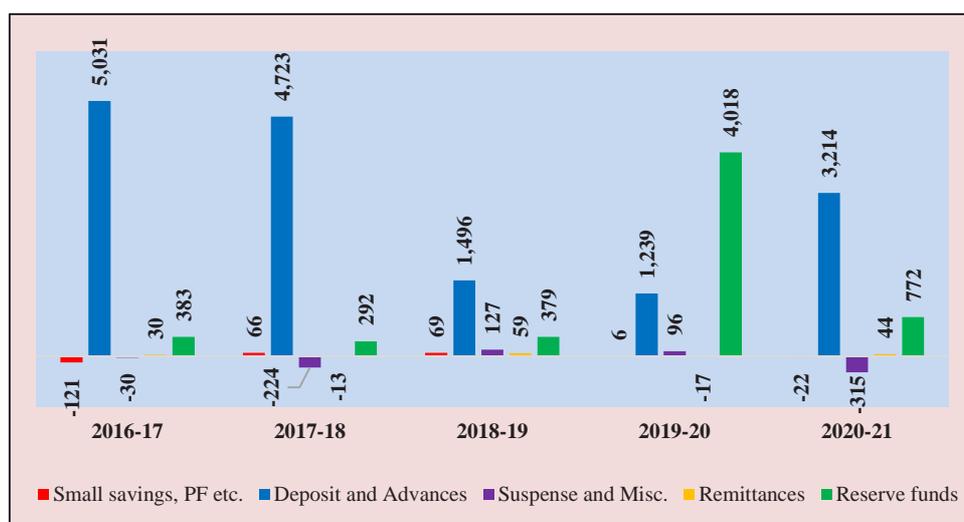
Table 2.26: Component-wise net balances in Public Account as of 31 March 2021

(₹ in crore)

Sector	Sub Sector	2016-17	2017-18	2018-19	2019-20	2020-21
I. Small Savings, Provident Funds etc.	Small Savings, Provident Funds etc.	(-)1,075.67	(-)1,142.18	(-)1,211.11	(-)1,216.86	(-)1,194.40
J. Reserve Funds	(a) Reserve Funds bearing Interest	(-)1,259.21	(-)1,551.04	(-)1,930.09	-5,948.02	(-)6,320.39
	(b) Reserve Funds not bearing Interest	0.00	0.00	0.00	0.00	0.00
K. Deposits and Advances	(a) Deposits bearing Interest	(-)9.70	(-)13.52	(-)12.64	(-)39.55	(-)25.33
	(b) Deposits not bearing Interest	(-)13,637.80	(-)18,356.40	(-)19,853.80	(-)21,065.20	(-)24,331.45
	(c) Advances	4.94	5.78	6.28	7.15	19.67
L. Suspense and Miscellaneous	(b) Suspense	(-)92.08	132.14	5.42	(-)91.29	(-)146.35
	(c) Other Accounts	1,445.59	392.60	207.09	3,117.62	2,855.90
	(d) Accounts with Govt. of Foreign Countries	0.00	0.00	0.00	0.00	0.00
	(e) Miscellaneous	0.00	0.00	0.00	0.00	1.60
M. Remittances	(a) Money Orders, and other Remittances	28.65	(-)66.84	(-)118.85	(-)114.25	(-)133.68
	(b) Inter-Governmental Adjustment Account	24.15	27.16	19.57	31.95	7.23
TOTAL		(-)14,571.13	(-)20,572.30	(-)22,888.13	(-)25,318.45	(-)29,267.20

Note: +ve denotes debit balance and -ve denotes credit balances

Chart 2.12: Year-wise changes in composition of public account balances



Net additions in Deposits and Advances during 2020-21 was mainly due to significant increase in credit in the Personal Deposits (by ₹ 590.87 crore)

under major head- '8443- civil deposits' together with State Electricity Boards Working Funds (by ₹ 968.81 crore) and other funds (by ₹ 1,378.16 crore) under major head- '8448- deposits of local funds' during the year. Reserve fund bearing interest increased significantly due to credit of ₹ 978 crore to State Disaster Response Fund during the year.

2.5.2 Reserve Funds bearing interest

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 are two interest bearing reserve funds in the State during the year 2020-21; (1) State Disaster Response Fund and (2) State Compensatory Afforestation Fund.

State Disaster Response Fund

As per Para 7 of SDRF guidelines 2015, the State Government is required to transfer the contribution to the SDRF received from GoI along with its share to Public Account head within 15 days of its receipt. Any delay will require the State Government to release the amount with interest (Bank Rate of RBI) for the number of days of delay.

It was noticed that during 2020-21, the State Government transferred the contribution from GoI along with its share into Public Account with a delay of 252 days (₹ 284 crore) and 2 days (₹ 284 crore) after receipt of Central share, for which the State Government was liable to pay interest of ₹ 11.86 crore, which was not paid.

As per Para 19 and 20 of SDRF guidelines 2015, the balances under the funds should be invested by the State in (a) Central Government dated securities (b) auctioned treasury bills and (c) interest earning deposits and certificates of deposits with Scheduled Commercial Banks. The Finance Department of the Government of Jharkhand, had informed (July 2019) that ₹ 400 crore was invested in Scheduled Commercial Banks during the year 2012-13.

Further, as per the guidelines, the Government was required to pay interest on the non-invested balances at the rate of interest (6.20 *per cent*) payable on overdrafts, which is to be added to the corpus of the fund itself. However, GoJ had not paid any interest to SDRF since its creation, which works out to ₹ 797.98 crore at the applicable rates of interest for the period 2011-21. Of this, unpaid interest for 2020-21 alone amounted to ₹ 128.08 crore (₹ 116.22 crore and ₹ 11.86 crore), resulting in overstatement of revenue surplus and understatement of fiscal deficit for the year. Consequently, the non-invested balances of ₹ 2,520.47 crore in the Fund as on 31 March 2021 are only book entries and do not represent actual cash balance. Such unpaid interest, since the operation of the fund represents the unaccounted liabilities of the State.

Table 2.27: Details of expenditure charged to SDRF

(₹ in crore)

Major Head of Account	Minor Head of Account	Expenditure during 2020-21
2245- Relief on Account of Natural Calamities 01- Drought	101-Gratuitous Relief	0.00
	102-Drinking Water Supply	11.11
Sub Total		11.11
2245- Relief on Account of Natural Calamities 02- Floods, Cyclones etc.	101-Gratuitous Relief	1.40
	113-Repairs and reconstruction of Houses	1.92
	114-Assistances to farmers for purchase of agriculture input	4.11
Sub Total		7.43
2245- Relief on Account of Natural Calamities 05-State Disaster Response Fund	101-Transfer to reserve fund and deposit account- SDRF	978.00
	901- Deduct - Amount met from State Disaster Response Fund	394.52
Sub Total		583.48
2245- Relief on Account of Natural Calamities 80- General	Direction and administration, Training of disaster preparedness, management of Natural Disasters etc.	376.97
Sub Total		376.97
Grand Total		978.99

State Compensatory Afforestation Fund

As per CAF (Accounting Procedure) Rules, 2018, all monies realised from the User Agencies are required to be credited to Minor Head “103-State Compensatory Afforestation Deposits” below the Major Head “8336-Civil Deposits” at the first instance. Thereafter, 90 *per cent* shall be transferred to Minor Head “129-State CAF” below the Major Head “8121-General and other Reserve Funds”. Balance 10 *per cent* shall be transferred to National Fund on monthly basis by crediting Minor Head “102-National Compensatory Afforestation Deposits” under the Major Head “8336-Civil Deposits- 11-Jharkhand”.

Besides, on receipt of 90 *per cent* of the State’s share from *ad hoc* Authority (onetime measure), the same shall also be credited to Minor Head “129-State Compensatory Afforestation Fund” below the Major Head “8121-General and other Reserve Funds.”

During 2020-21, the receipt in the fund was ₹ 399.12 crore and expenditure incurred out of the fund during the year was ₹ 210.24 crore leaving a balance of ₹ 4,199.92 crore in SCAF as on 31 March 2021.

Since, the SCAF is an interest bearing reserve fund, the Government is required to pay interest as per the Reverse Repo Rate of RBI as on 1 January (4.90 *per cent* and 3.35 *per cent* for the year 2019-20 and 2020-21 respectively) on the closing balances (₹ 4,011.03 crore) of the year, which amounts to ₹ 329.58 crore, against which the Government paid ₹ 228.70 crore during 2020-21 leaving an unpaid interest balance of ₹ 100.88 crore.

2.5.3 Reserve Funds not bearing interest

Consolidated Sinking Fund

Following the recommendations of the Twelfth Finance Commission, the State has created a Consolidated Sinking Fund for amortisation of all loans including loans from banks, liabilities on account of National Small Savings Funds etc., during 2016-17.

GoJ had an outstanding debt of ₹ 94,406.60 crore at the beginning of the year 2020-21, for which, GoJ made budget provision of ₹ 303.87 crore and transferred the amount into the Sinking Fund during the year.

As per guidelines of the fund, State may contribute a minimum of 0.50 *per cent* of their outstanding liabilities (internal debt + public account) as at the end of the previous year to the consolidated sinking fund.

Guarantee Redemption Fund

The Constitution of India provides that a State may borrow, within the territory of India, upon the security of its Consolidated Fund, within such limits, as may from time to time, be fixed by the Act of its Legislature and give guarantees within such limits as may be fixed.

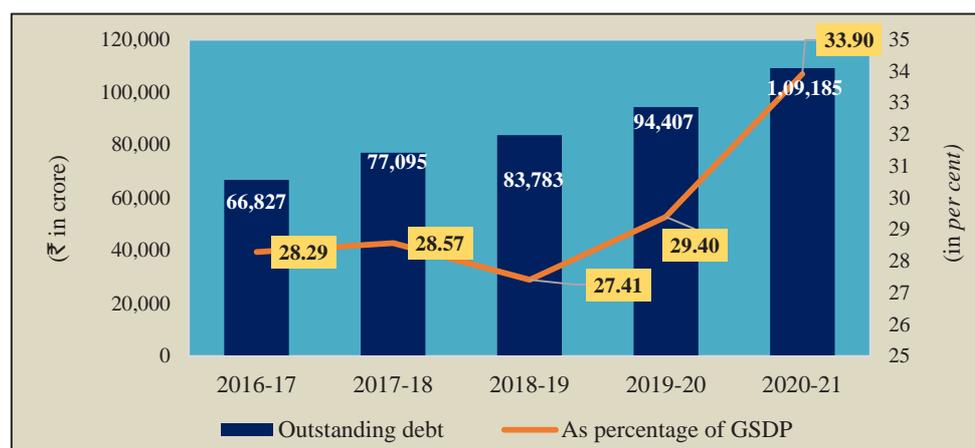
As per the recommendation of the Twelfth Finance Commission, the GoJ was required to constitute a Guarantee Redemption Fund (GRF) through earmarked guarantee fees. This was to be preceded by risk weighting of guarantees. The quantum of contribution to the fund was to be decided accordingly. The accumulations in the Fund are to be utilised only towards payment of the guarantees issued by the Government and not paid by the institutions on whose behalf guarantee was issued. However, the Fund has not been created.

As per Finance Accounts of the Govt. of Jharkhand Guarantee amounting to ₹ 607.15 crore was given by the State as of 31 March 2021.

2.5.4 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.

Total debt of the Government and its percentage to GSDP for the period 2016-21 has been shown in **Chart 2.13**. Abstract of liabilities and assets of the State as on 31 March 2021 are given in **Appendix 2.3**.

Chart 2.13: Total debt of the Government and its percentage to GSDP

2.5.4.1 Debt profile: Components

Total debt of the State Government typically constitutes of internal debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, etc.), loans and advances from the Central Government.

Details of availability of funds on account of receipts and repayments under public debt and public account liabilities during 2016-21 are given in **Table 2.28**.

Table 2.28: Component wise debt trends

		(₹ in crore)				
		2016-17	2017-18	2018-19	2019-20	2020-21
Total Debt		66,826.97	77,095.03	83,782.93	94,406.60	1,09,184.99
<i>Public Debt</i>	<i>Internal Debt</i>	48,682.31	53,799.09	58,436.19	63,545.46	71,956.90
	<i>Loans & Advances from GoI</i>	2,162.29	2,232.85	2,339.08	2,591.52	4,981.45
<i>Liabilities on Public Account</i>		15,982.37	21,063.09	23,007.66	28,269.62	32,246.24
Rate of growth of outstanding debt (percentage)		18.21	15.37	8.67	12.68	15.65
Gross State Domestic Product (GSDP)		2,36,250	2,69,816	3,05,695	3,21,157	3,17,079
Total Debt/GSDP (per cent)		28.29	28.57	27.41	29.40	33.90 [#]
Total Debt Receipts		19,192.64	25,205.53	22,223.80	30,980.35	32,562.62
Total Debt Repayments		8,896.17	14,937.47	15,535.90	20,356.68	17,784.23
Interest payments		4,172.00	4,661.68	4,851.97	5,307.71	5,790.00
Net availability of borrowed funds		6,124.47	5,606.38	1,835.93	5,315.96	8,988.39
Debt Repayments/Debt Receipts (percentage)		68.09	77.76	91.74	82.84	72.40

[#] This debt does not include ₹1,689 crore, which was passed on as back to back loans by Government of India in lieu of shortfall in GST Compensation, vide GoI's No. F. No. 40(1) PF-S/2021-22 dated 10 December 2021

The effective outstanding overall debt would be ₹ 1,07,495 crore as the Department of Expenditure, GoI has decided that GST compensation of ₹ 1,689 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

Increasing liabilities raised the issue of sustainability of State Government Finances. Moreover, apportionment of fiscal liabilities of the composite Bihar State between successor States of Bihar and Jharkhand has not been done so far.

Net availability of borrowed funds showed wide fluctuations between ₹ 1,836 crore and ₹ 8,988 crore during 2016-21. However, it increased significantly from ₹ 5,315.96 crore in 2019-20 to ₹ 8,988 crore in 2020-21. During 2020-21, the main contributors in the available borrowed funds was market loans taken by the Government (₹ 8,900 crore).

During 2020-21, the receipts of the State under public debt and other liabilities increased by merely five *per cent* against 39.40 *per cent* increase in 2019-20. Repayment of public debt and other liabilities including interest decreased by eight *per cent* over the previous year resulting in more availability of borrowed funds to the State. However, major share of borrowed funds was utilised for discharging existing liabilities during 2020-21. Component wise debt trends during 2020-21 has shown in **Chart 2.14**, whereas, **Chart 2.15** shows further breakup of components of public debt and public accounts in overall debt of the State. **Chart 2.16** shows receipts and repayment of internal debt during the period 2016-21.

Chart 2.14: Break up of Total Debt at the end of 2020-21



Chart 2.15: Components of public debt and public accounts in overall debt

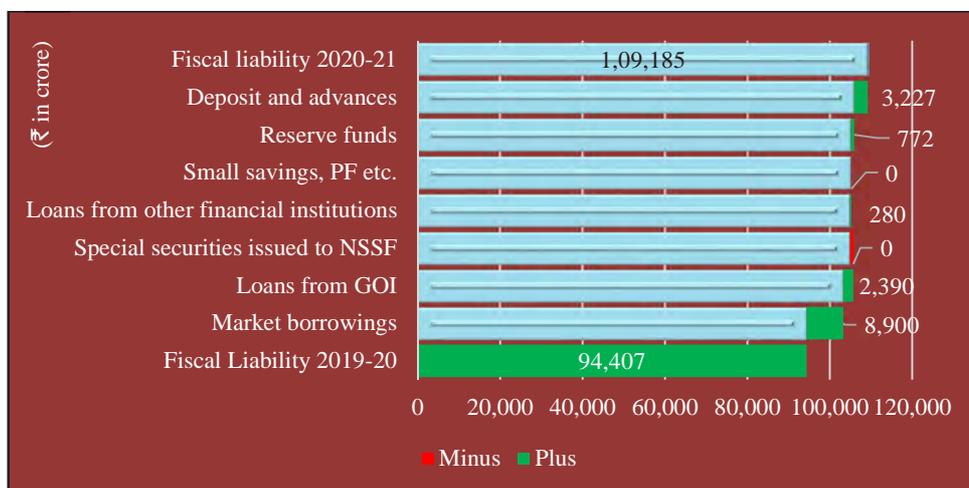
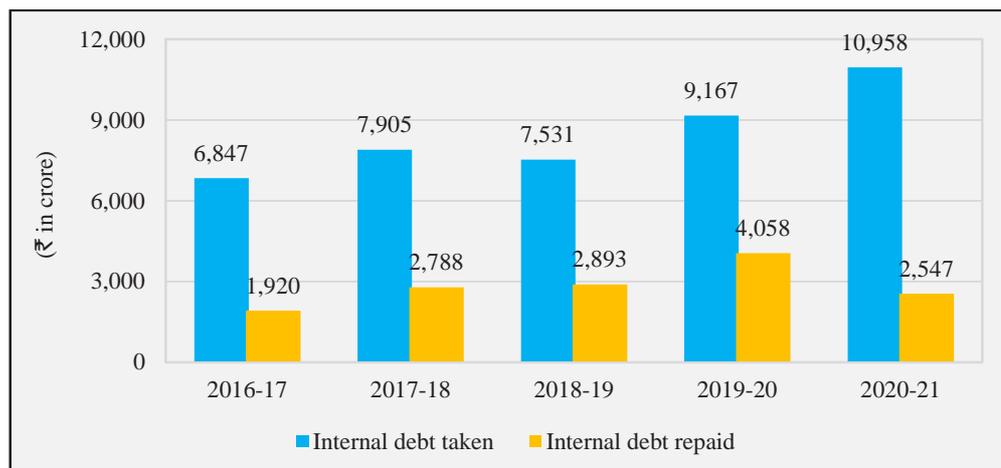


Chart 2.16: Internal Debt taken vis-à-vis repaid



Details of financing pattern of fiscal deficit during the period 2016-21 are given in Table 2.29.

Table 2.29: Components of fiscal deficit and its financing pattern

Particulars		2016-17	2017-18	2018-19	2019-20	2020-21
(₹ in crore)						
Composition of Fiscal Deficit						
1	Revenue Surplus/Revenue Deficit	1,965	1,804	5,521	1,960	-3,114
2	Net Capital Expenditure	-10,861	-11,928	-10,712	-9,879	-8,466
3	Net Loans and Advances	-1,296	-1,809	-1,438	-116	-3,331
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	4,725	4,807	4,023	5,656	8,900
2	Loans from GOI	77	71	106	252	2,390
3	Special Securities issued to NSSF	-733	-746	-757	-769	-769
4	Loans from Financial Institutions	934	1,054	1,371	222	281
5	Small Savings, PF, etc.	-121	66	69	6	-23
6	Deposits and Advances	5,031	4,722	1,496	1,238	3,215
7	Suspense and Miscellaneous	-30	-224	127	97	53
8	Remittances	-30	93	60	-17	44
9	Reserve Fund	383	292	379	4,018	772
10	Investment in earmarked fund	0.00	0.00	0.00	0.00	304
11	Overall Deficit	10,236	10,135	6,874	10,703	15,167
12	Increase/Decrease in cash balance	-43	1,798	-245	-2,668	-256
13	Gross Fiscal Deficit	10,193	11,933	6,629	8,035	14,911

As can be seen from the above table that Fiscal Deficit (₹ 14,911 crore) was result of expenditure of ₹ 11,797 crore (₹ 8,466 crore + ₹ 3,331 crore) on capital expenditure and loans and advances whereas, ₹ 3,114 crore was a result of revenue expenditure on repayment of principal and interest of borrowings by the State in previous years.

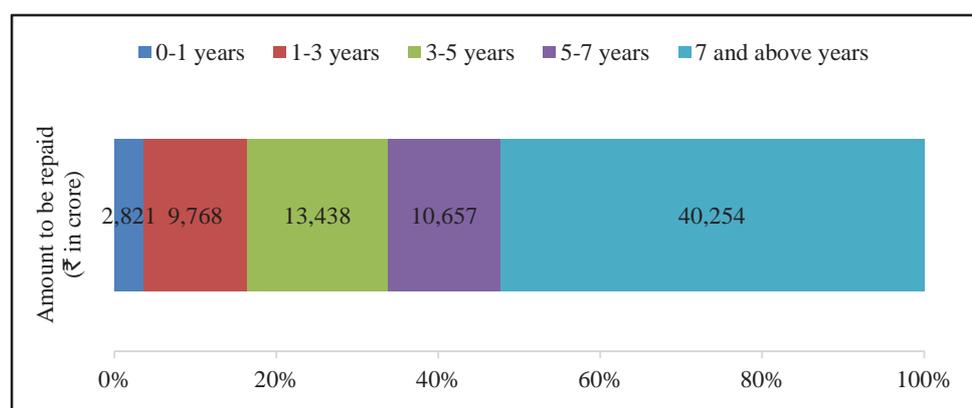
During 2020-21, the fiscal deficit of ₹ 14,911 crore was mainly financed by Market Borrowings (₹ 8,900 crore), Deposits and Advances (₹ 3,215 crore) and GoI loans (₹ 2,390 crore).

2.6 Debt Maturity profile and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing.

Table 2.30: Debt Maturity profile of repayment of State debt

Period of repayment (Years)	Amount (₹ in crore)	Percentage w.r.t. Public debt
0 – 1	2,821.44	4
1 – 3	9,767.95	13
3 – 5	13,437.89	17
5 – 7	10,657.38	14
7 and above	40,254.08	52
Total	76,938.75	100

Chart 2.17: Debt Maturity profile

As evident from the **Table 2.30** and **Chart 2.17** depicting maturity profile of public debt, the redemption pressure is likely to rise from the year 2022-23 and reach a peak from the year 2025-26 due to maturity of Jharkhand Government stock.

2.6.1 Fiscal Deficit and Debt Sustainability

In the above context of fiscal sustainability, the Thirteenth Finance Commission defined debt sustainability in terms of debt-GSDP ratio and also in terms of interest payments relative to revenue receipts. The Fourteenth Finance Commission (FFC) recommended for fiscal consolidation for the Central and State Government and provided limits for fiscal deficit and debt stock as a percentage of GSDP. Government of Jharkhand in its FRBM Act, 2007 decided to maintain its fiscal deficit at not more than three *per cent* of the estimated GSDP. In view of FRBM Act, target of debt stock to GSDP percentage were given every year in the MTFP statement submitted with the budget.

The status of debt stock *vis-à-vis* the FFC targets and FRBM targets were as provided in **Table 2.31**.

Table 2.31: Debt sustainability – FRBM indicator based analysis

Year	Fiscal Deficit to GSDP (in per cent)		Debt stock to GSDP (in per cent)		Interest Payment to Revenue Receipts (in per cent)	
	Target as per MTEP prepared under FRBM Act	Actual	Target as per MTEP prepared under FRBM Act	Actual	FFC targets	Actual
2016-17	2.16	4.31	28.30	28.29	8.63	8.87
2017-18	2.49	4.42	27.90	28.57	8.54	8.84
2018-19	2.61	2.17	27.20	27.41	8.32	8.64
2019-20	2.09	2.50	27.10	29.40	8.08	9.09
2020-21	5.00*	4.70	32.60	33.90 [#]	-	10.31

Source: Finance Accounts of the respective years, MTEP and FC Report

[#] This debt does not include ₹1,689 crore, which was passed on as back to back loans by Government of India in lieu of shortfall in GST Compensation, vide GoI's No. F. No. 40(1) PF-S/2021-22 dated 10 December 2021.

*The Fiscal Deficit target for the year 2020-21 had increased by 2 per cent in view of the para 2(1) of the FRBM (Amendment) Act, 2020.

The State Government maintained the fiscal deficit within the targets during 2020-21. As evident from **Table 2.31**, Debt to GSDP ratio was higher than its targets during the period 2016-21. Normative projection for ratio of interest payment to revenue receipts (burden of interest payment) was not provided by the Fifteenth Finance Commission for the year 2020-21.

2.6.2 Utilisation of borrowed funds

Borrowed funds should ideally be used for capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not sustainable. Utilization of borrowed funds are shown in **Table 2.32**

Table 2.32: Utilisation of borrowed funds

		(₹ in crore)				
Sl. No.	Year	2016-17	2017-18	2018-19	2019-20	2020-21
1	Total Borrowings	7,081.42	8,136.85	7,803.43	9,593.12	13,546.58
2	Repayment of earlier borrowings (Principal)	2,077.88	2,949.50	3,060.10	4,231.40	2,744.82
3	Net capital expenditure	10,861.00	11,927.62	10,711.71	9,878.71	8,465.66
4	Net loans and advances	1,296.00	1,809.00	1,438.43	116.24	3,330.99
5 (1-2-3-4)	Portion of Revenue expenditure met out of net available borrowings	-7,153.46	-8,549.27	-7,406.81	-4,633.23	-994.89

Source: Finance Accounts

The State had to repay of ₹ 2,744.82 crore for earlier borrowings during 2020-21 which was met from the borrowings of the current year along with revenue deficit occurred during the year leading to less availability of borrowed funds for the capital expenditure and loans and advances given by the State. The part of capital expenditure not covered by the public debt was met from the public account balances.

Out of total borrowed fund 62 per cent was utilised for expenditure on capital expenditure (₹ 8,466 crore) and 25 per cent on payment of loans and advances. Balance 13 per cent of borrowed fund was utilised on revenue expenditure i.e. for repayment of borrowings (₹ 1,749 crore).

2.6.3 Status of Guarantees (Contingent Liabilities)

The Constitution of India provides that a State may borrow, within the territory of India, upon the security of its Consolidated Fund, within such limits, as may from time to time, be fixed by the Act of its Legislature and give guarantees within such limits as may be fixed. 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 Government of Jharkhand has neither created guarantee redemption fund nor made any policy in this regard. However, the government has given Letter of Comfort (LOC) amounting to ₹ 450 crore in favour of Jharkhand Bijli Vitaran Nigam Limited in December 2018. Further, LOC of ₹ 157.15 crore given on behalf of JSEB in February 2013 was pending for clearance in the accounts of the government even after unbundling of the JSEB in January 2014.

Table 2.33: Guarantees given by the State Government

(₹ in crore)

Guarantees	2016-17	2017-18	2018-19	2019-20	2020-21
Outstanding amount of guarantees including interest	157.15	157.15	607.15	607.15	607.15

2.7 Management of Cash Balances

As per an agreement with the Reserve Bank of India, State Governments have to maintain a minimum daily cash balance with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/Special Ways and Means Advances (SWMA)/Overdrafts (OD) from time to time. The limit for ordinary WMA to the State Government was revised by the RBI from time to time (₹ 936.00 crore w.e.f. 1 April 2020 which subsequently increased to ₹ 1,152.00 crore w.e.f. 17 April 2020).

However, no ways and Means Advances and Overdraft were received by the State Government in the year 2020-21.

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'.

Table 2.34 shows comparative details of general cash balance and its investment during 2019-20 and 2020-21 and **Table 2.35** shows position of Cash Balance Investment Account (Major Head-8673) during the period 2016-21.

Table 2.34: Cash Balances and their investment

(₹ in crore)

	Opening balance on 1 April 2020	Closing balance on 31 March 2021
A. General Cash Balance		
Cash in treasuries	0	0
Deposits with Reserve Bank of India	-54.14	160.55
Deposits with other Banks	0	0
Remittances in transit – Local	0	0
Sub-total	-54.14	160.55
Investments held in Cash Balance investment account	3,070.62	2,811.20
Total (A)	3,016.48	2,971.75
B. Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works, Forest Officers	46.84	44.54
Permanent advances for contingent expenditure with department officers	0.16	0.16
Investment in earmarked funds	400.00	703.87
Total (B)	447.00	748.57
Total (A + B)	3,463.48	3,720.32
Interest realised	147.42	58.59

Source: Finance Accounts

The balance in the Cash Balance Investment Account as on 31 March 2021 was ₹ 2,811.20 crore and the interest realised on investment during 2020-21 was ₹ 58.59 crore.

During 2020-21, the cash balance investment of the State decrease due to less receipt of State Compensatory Afforestation Fund as during 2019-20, the State Government received ₹ 4,158.02 crore from the Central Government towards 90 per cent of the State's share lies with ad hoc Authority including interest of ₹ 220.13 crore and credited to the Jharkhand Compensatory Afforestation Fund (JCAF).

State invested ₹ 400 crore from earmarked fund of SDRF during 2012-13 and ₹ 303.87 crore out of Sinking Fund during 2020-21 in Scheduled Commercial Banks.

Table 2.35: Cash Balance Investment Account (Major Head-8673)

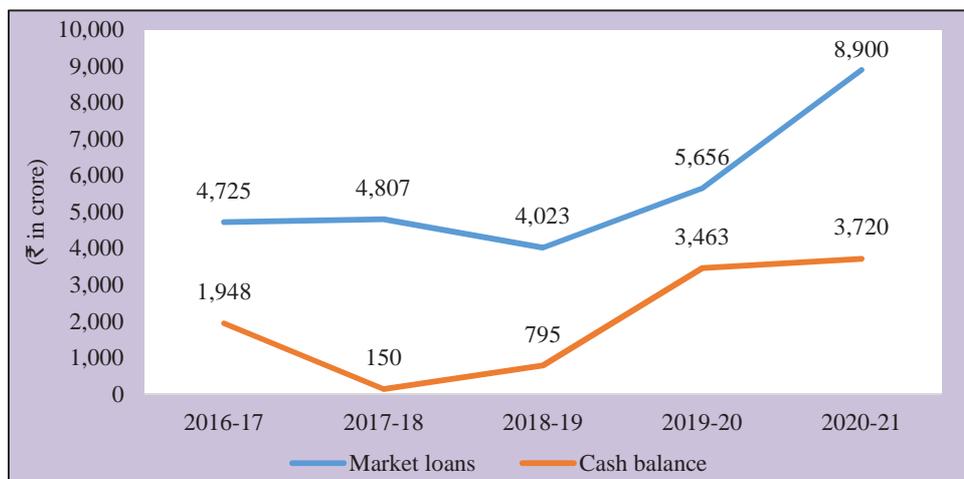
(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
2016-17	2,102.04	1,439.09	-662.95	117.01
2017-18	1,439.09	354.56	-1,084.53	78.56
2018-19	354.56	167.90	-186.66	31.43
2019-20	167.90	3,070.62	2,902.72	147.42
2020-21	3,070.62	2,811.20	-259.42	58.59

There was a difference of ₹ 168.09 crore (net debit) between the figures reflected in the accounts {₹ 160.55 crore (debit)} and that intimated by the RBI {₹ 7.53 crore (debit)}. This difference has been taken up by the Principal Accountant General (A&E), Jharkhand with RBI, Ranchi for reconciliation and necessary correction.

Chart 2.18 shows comparative trend of market loans (net) and cash balances during the last five years.

Chart 2.18: Trend of market loans (net) and cash balances



It is not desirable that State Government take recourse to market loans despite having large cash balances leading to further accretion to cash balances without putting it to productive use.

During the year 2020-21, the State Government raised ₹ 8,900 crore from the market, while at the same time, the cash balance increased from ₹ 3,463 crore to ₹ 3,720 crore, indicating that much of the borrowing was avoidable.

2.8 Conclusion

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government.

The State has achieved the target of reducing its revenue deficit to zero, much before the time line given in FRBM Act. The State had a revenue surplus in last five years, except in 2020-21 when Revenue Deficit of ₹ 3,114 crore was recorded. Similarly, during the period Fiscal Deficit of the State was also within the targets.

During 2020-21, revenue expenditure of the State constituted 83.3 per cent of the total expenditure of which 42.98 per cent was utilised on Salaries & Wages, Interest Payments and Pension. Salaries & Wages, Interest Payments and Pension consumed 45.32 per cent of the revenue receipts in 2020-21 whereas, capital expenditure decreased from 14.86 per cent in 2019-20 to 11.91 per cent in 2020-21. Decrease in capital expenditure by ₹ 1,413 crore was mainly due to less expenditure on general services by 38 per cent and economic services by 14 per cent over previous year.

In total expenditure the share of expenditure on general services increased consistently during 2016-20 whereas, it decreased marginally (29 per cent) during 2020-21. Share of expenditure on social services (35 per cent) and economic services (36 per cent) remained nearly same during 2019-20 and 2020-21. Out of total borrowed funds during 2020-21, the State utilised 62 per cent on capital expenditure (₹ 8,466 crore) and 25 per cent on payment

of loans and advances. Remaining 13 *per cent* of the borrowed fund was utilised on repayment of borrowings (₹ 1,749 crore).

As per annual accounts of the State ending 31 March 2021, the Government had invested ₹ 1,111.65 crore (in government companies, rural bank and co-operative institutions) since inception of the State in November 2000. The returns on the investments was negligible during 2020-21 while the Government paid an average interest rate of 6.13 *per cent* on its borrowings during 2020-21.

Apart from investments, a huge amount of loans (₹ 24,177 crore) given by the government to its entities were outstanding at the end of March 2021.

Overall fiscal liabilities (Total Debt) increased from ₹ 94,407 crore in 2019-20 to ₹ 1,09,185 crore in 2020-21. The fiscal liabilities to GSDP ratio was 33.90 *per cent* against the MTFP target of 32.60 *per cent*. Increasing liabilities raised the issue of sustainability of State Government Finances. Apportionment of fiscal liabilities of the composite Bihar State between successor States of Bihar and Jharkhand has not been done so far.

The government had not paid any interest to SDRF since its creation, which works out to ₹ 797.98 crore at applicable rates of interest for the period 2011-21. Non-payment of interest had an impact on Revenue deficit and Fiscal Deficit of the State. Further, Government transferred ₹ 303.87 crore to Sinking Fund during the year.

2.9 Recommendations

- *The State Government should rationalise its investments and loans advanced to various entities such that the return on investment and loans at least matches the Government borrowing costs. Otherwise, increasing fiscal liabilities accompanied by negligible rate of returns in investments might lead to a situation of unsustainable debt.*
- *State has to put in concerted efforts to improve its fiscal performance to achieve the targets laid down in the FRBM Act and MTFP statements after mid-term review.*

Chapter-3
BUDGETARY MANAGEMENT

CHAPTER 3

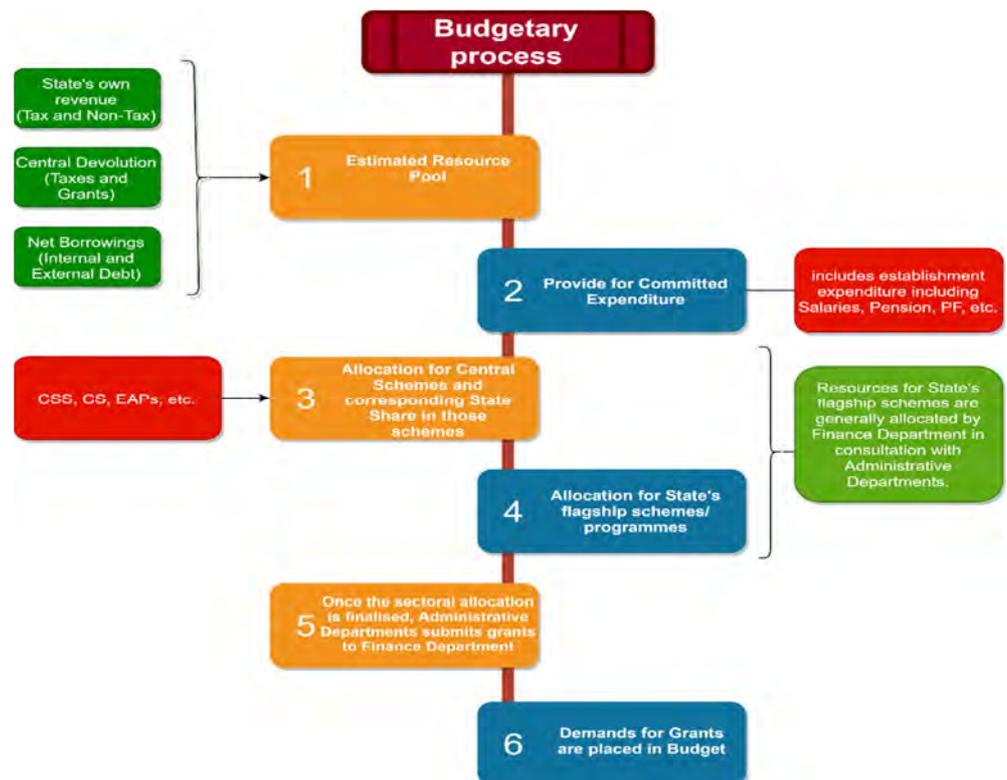
BUDGETARY MANAGEMENT

Introduction

This chapter reviews the integrity, transparency, and effectiveness of the budgetary process and allocative priorities, including supplementary grants, and the concomitant financial management, assessing whether decisions taken at the policy level are implemented at the administrative level without the diversion of funds. It is based on the audit of Appropriation Accounts and gives a grant-wise description of appropriations and the manner in which the allocated resources were managed by the service delivery Departments.

3.1 Budget Process

The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. The Budget process commences with the issuance of the Budget Circular by the Finance Department containing instructions to be followed by all Departments in the preparation of revised estimates for the current year and the Budget Estimates for the next financial year, normally in August-September each year. It also contains sample formats for the preparation of estimates as uniformity. A budget preparation process in a State is given in the figure below:

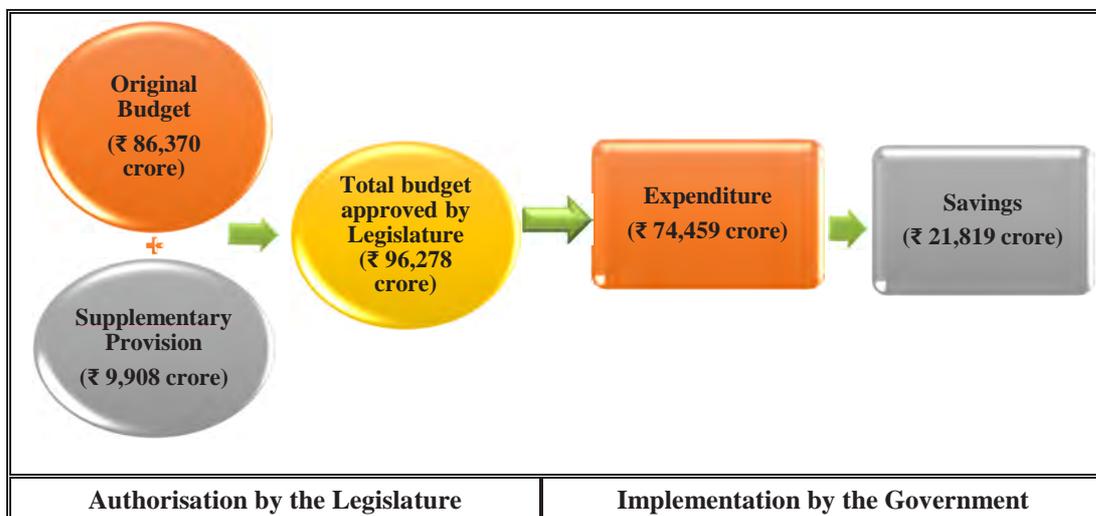


Audit of appropriations conducted to ascertain whether the expenditure actually incurred under various grants is within the authorisation given under the Appropriation Act and whenever the expenditure required to be charged under the provisions of the Constitution, is so charged. Also it was

ascertained whether the expenditure so incurred was in conformity with the law, relevant rules and regulations and instructions.

The various components of budget are depicted in the **Chart 3.1**.

Chart 3.1: Components of budget



Source: Appropriation Accounts

3.1.1 Summary of total provisions, actual disbursements and savings during financial year

A summarised position of total budget provision, disbursement and saving/excess with its further bifurcation into voted/charged are given in **Table 3.1**.

Table 3.1: Budget provision, disbursement and savings/excess during the financial year

(₹ in crore)

Nature of Expenditure	Total budget		Disbursement		Savings (+)/ excess (-)	
	Voted	Charged	Voted	Charged	Voted	Charged
(I) Revenue	73,171.79	6104.89	53,651.29	6,217.05	19,520.50	-112.16
(II) Capital	10,458.97	0.00	8,465.66	0.00	1,993.31	0.00
(III) Loans and Advances and Inter State Settlement	3,785.47	2,756.96	3,379.77	2,744.82	405.70	12.14
Total	87,416.23	8,861.85	65,496.72	8,961.87	21,919.51	-100.02

During 2020-21, the total savings of ₹ 21,819.49 crore (22.66 per cent of the total budget) was the result of savings of ₹ 19,553.29 crore in 54 voted grants and four appropriations under the Revenue Section and ₹ 2,411.14 crore in 32 grants and one appropriation under the Capital Section. There was an excess expenditure of ₹ 144.95 crore in one appropriation i.e., no. 13-Interest Payment under Revenue Section.

Further, it was observed that out of total savings of ₹ 21,819.49 crore during 2020-21 savings of ₹ 14,135.95 crore occurred under nine¹ grants the reasons for which have not been appropriately explained in the Appropriation Accounts. Further, these grants had persistent total savings of ₹ 6,500.64 crore during each of the last four years (2017-21).

Also, during 2020-21, savings of ₹ 21,819.49 crore was surrendered in the month of March 2021 leaving the Finance Department virtually no time to reallocate the funds to other needy Departments. It also defeats the objective of achieving efficiency in budget management.

A detailed review of the Appropriation Accounts of the Government of Jharkhand 2020-21 revealed that except in a few cases, reasons for savings/excess against the budget provisions of the schemes/sub-heads were not furnished by the departments.

3.1.2 Charged and Voted disbursements

Break-up of total disbursement into charged and voted during the last five years (2016-21) is given in **Table 3.2**.

Table 3.2: charged and voted disbursement during 2016-21

(₹ in crore)

Year	Disbursements		Saving (+)/ Excess (-)	
	Voted	Charged	Voted	Charged
2016-17	53,108.80	6,324.00	13,057.61	475.30
2017-18	60,105.66	7,709.46	14,191.49	154.67
2018-19	57,908.04	8,022.04	18,727.57	1,496.17
2019-20	61,431.27	9,661.98	23,466.38	205.01
2020-21	65,496.72	8,961.87	21,919.51	-100.02

Table 3.2 shows that the budget provisions under voted section were not fully utilised by the departments and a huge savings occurred every year during the period 2016-21. A large share of provisions under charged sections were also not utilised during the last four years (2016-20) and a significant part of budget provisions was surrendered by the departments.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Articles 204 and 205 of the Constitution of India. Appropriation Accounts are on Gross basis. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both Charged and Voted items of

¹ 1-Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division) (₹ 2,069.46 crore), 10-Energy Department (₹ 1,622.16 crore), 20-Health, Medical Education and Family Welfare Department (₹ 940.62 crore), 22-Home, Jail & Disaster Management Department (Home Division) (₹ 823.35 crore), 36-Drinking Water and Sanitation Department (₹ 1,552.54 crore), 42-Rural Development Department (Rural Development Division) (₹ 2,433.26 crore), 55-Rural Development Department (Rural Works Division) (₹ 993.95 crore), 59-School Education and Literacy Department (Primary & Adult Education Division) (₹ 2,368.79 crore) and 60-Women, Child Development and Social Security Department (₹ 1,331.82 crore)

budget. Appropriation Accounts thus facilitate understanding of utilisation of funds, the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given 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 laws, relevant rules, regulations and instructions.

3.2.1 Expenditure incurred without budget provision

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of Article 204 of the Constitution. Expenditure on new scheme/service should not be incurred without provision of funds except after obtaining additional funds by re-appropriation, supplementary grant or appropriation or an advance from the Contingency Fund of the State.

As per Article 115(1)(a) and 205(1)(a) of the Constitution, New Service means expenditure arising out of a new policy decision, not brought to the notice of Parliament/ State assembly earlier, including a new activity or a new form of investment.

‘New Instrument of Service’ means relatively large expenditure arising out of important expansion of an existing activity.

Audit scrutiny revealed that in three grants/appropriation, ₹ 61 lakh or more was incurred without budget provision in five cases. The total expenditure without provision was ₹ 570.69 crore during the year. Details are given in **Table 3.3**.

Table 3.3: Summary of Expenditure without Budget Provision

Grant/ Appropriation	Expenditure (₹ in crore)	Number of Schemes/ Sub Heads
13-Interest Payment	68.97	2
14-Repayment of Loans	500.00	1
49-Water Resources Department	1.72	2
Total	570.69	5

As can be seen from **Table 3.3**, huge expenditure was incurred on Interest payments and Repayment of Loans during 2020-21. Expenditure on Interest payments and Repayments of Loans were committed expenditure and the State was expected to be well aware of such liabilities at the time of preparation of estimates even though, sufficient provisions were not made by the State to cover these expenditures

3.2.2 Fund credited under Minor Head 800 of Major Head 8443

It was observed during verification of statement no. 21 of the Finance Accounts that every year a significant amount was credited under Minor Head 800 of Major Head 8443 leading to a balance of ₹ 386.23 crore at the end of March 2021. On further verification, it was observed that the amount

credited under this head mainly pertains to fund allocated for compensation of land acquisition.

In December 2019, Government of Jharkhand, in consultation with AG (A&E), directed the state authorities to operate under Minor Head 106-Personal Deposit accounts of Major Head 8443-Civil Deposits. Accordingly, PD accounts in 24 district treasuries had been opened in the name of district land acquisition officers, but the amount previously booked under Minor Head 800 was not transferred to PD accounts.

3.2.3 Unnecessary supplementary grants

Rule 117 of the Bihar Budget Manual (BM) (as adopted by Jharkhand) states that supplementary grants should be obtained in consultation with the Finance Department to meet new specific items of expenditure or to cover probable excesses in the voted grant. Further, as per comments below Rule 57 of BM, the officer responsible for preparing estimate should be sure that there is no provision for a greater sum than that which can be spent.

As detailed in **Appendix 3.1**, out of total supplementary budget provision of ₹ 9,908.08 crore, supplementary provisions aggregating ₹ 5,400.83 crore (54.51 *per cent*) in 34 cases (₹ 0.50 crore or more in each case) during the year, proved unnecessary as the expenditure did not come up even to the level of the original provisions in most of the cases.

3.2.4 Unnecessary or excessive re-appropriation

‘Re-appropriation’ - means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation.

During verification of grant registers, surrender orders, re-appropriation orders *etc.* it was observed that in several schemes additional funds were provided injudiciously to 19 sub-heads during 2020-21 (**Appendix 3.2**) which proved excessive. Under these schemes/sub-heads, in spite of savings ₹ 206.05 crore was provided through re-appropriation which resulted in saving of ₹ 266.20 crore.

Further, as shown in the **Appendix 3.2** in two cases amount was added by re-appropriation at one hand and surrenders were made on the other inspite of excess expenditure under those sub heads.

3.2.5 Unspent amount and surrendered appropriations and/or large savings/ surrenders

Budgetary allocations based on unrealistic proposals and poor monitoring mechanism increase the propensity of huge savings of the budget provisions.

3.2.5.1 Savings above ₹100 crore or more

Out of total savings of ₹ 21,819.49 crore, savings of ₹ 20,348.96 crore (93.26 *per cent*) occurred in 26 grants² each amounting to more than

² Of these 25 grants relate to revenue (₹ 18,717.65 crore), 5 relate to capital (₹ 1,631.31 crore) and 4 relate to both

₹ 100 crore (**Appendix 3.3**). No reasons for such large savings were explained by the departmental authorities.

Further, during 2020-21, savings in 11 grants under revenue section were ₹ 500 crore or more, which was indicative of unrealistic budget proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls. Details are given in **Appendix 3.4**. Savings of more than 35 per cent in nine grants during the last five years are given in **Table 3.4**.

Table 3.4: Grants/Appropriations with non-utilisation of Budget more than 35 per cent

Sl. No.	Grant	(in per cent)					No. of years*	Budget 2020-21 (₹ in crore)
		2016-17	2017-18	2018-19	2019-20	2020-21		
Revenue								
1	1-Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	36	46	53	39	65	5	3,200.46
2	9-Agriculture, Animal Husbandry and Co-operative Department (Co-operative Division)	2	29	34	75	55	2	204.25
3	23-Industries Department	34	50	33	38	31	2	308.45
4	26-Labour, Employment and Training Department	39	45	32	50	57	4	553.91
5	36- Drinking Water and Sanitation Department	16	9	25	65	65	2	2,393.11
6	42- Rural Development (Rural Development Division)	27	40	33	36	30	2	7,985.72
7	51- SC, ST, Backward Class welfare Department	31	42	35	30	46	3	1,699.59
8	54-Agriculture, Animal Husbandry and Co-operative Department (Dairy Division)	31	43	55	76	47	4	170.63
Capital								
1	1-Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	21	1	24	46	54	2	5.00
2	26-Labour, Employment, Training and Skill Development Department	48	56	87	87	58	5	135.15
3	60- Women, Child Dev. and Social Security Department	56	100	100	98	89	5	46.35

* Number of years with savings above 35 per cent

These grants were related to the social and economic services and the expenditure was to be made for development purposes, however, the Government was unable to utilise the provisions year after year depriving the envisaged benefits to the targeted beneficiaries.

3.2.6 Surrender of funds in excess of ₹ 10 crore at the end of March

Verification of Appropriation Accounts of the state revealed that out of total savings of ₹ 21,819.49 crore, savings of ₹ 10 crore or more amounting to ₹ 21,621.96 crore (99 per cent) was surrendered at the end of March 2021 leaving no scope for the Government to utilise the funds on other development schemes. Details are given in **Appendix 3.5**.

Chart 3.2: The distribution of the number of Grants/Appropriations grouped by the percentage of Savings along with total savings

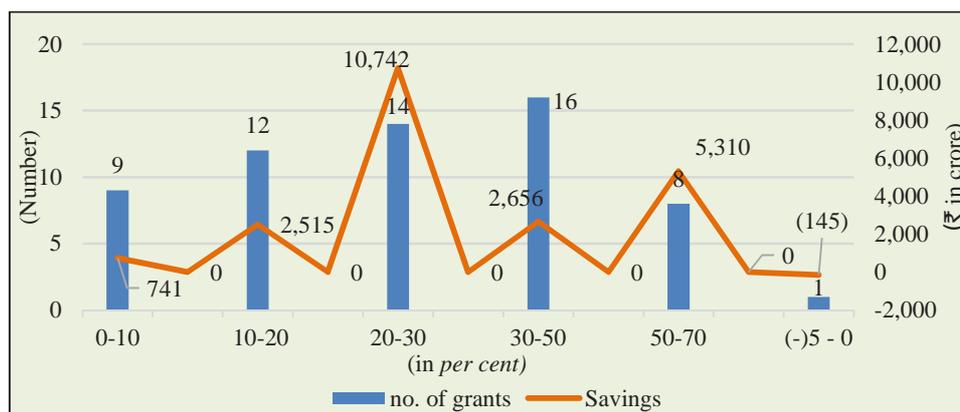
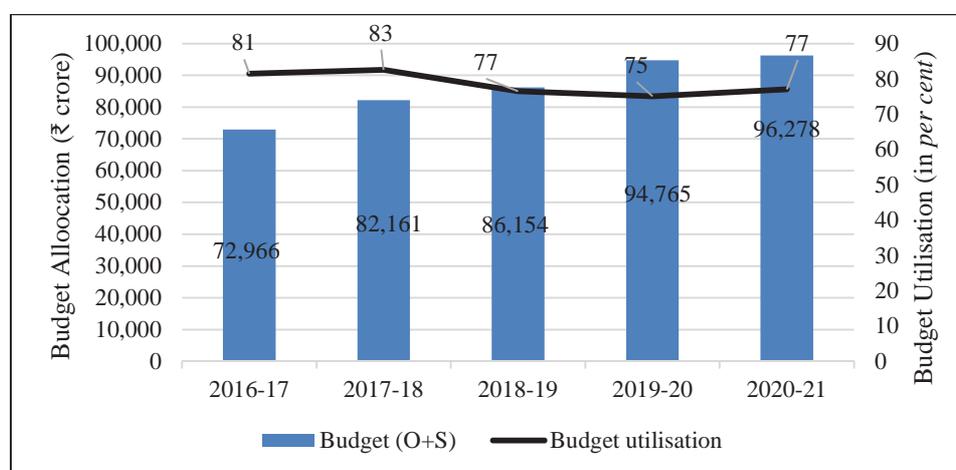


Chart 3.3: Budget Utilisation during 2016-17 to 2020-21



As evident from **Chart 3.2**, 26 grants had savings between 10 and 30 *per cent* whereas, 16 grants had savings between 30 and 50 *per cent*. Eight grants had savings of more than 50 *per cent* which was against the principles of budgetary procedure. Further, **Chart 3.3** reflects budget allocations and its utilisation percentage in last five years.

3.2.7 Excess expenditure and its regularisation

Article 205(1) (b) of the Constitution provides that if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, the Governor shall cause to be presented to the Legislative Assembly of the State, a demand for such excess. This implies that, it is mandatory for a State Government to get excesses over grants/appropriations regularised by the State Legislature for the Financial Year.

Excess disbursement over grant/appropriation violates the Article 205 of the Constitution which provides for regularisation of the excess grants by the State Legislature. This vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

3.2.7.1 Excess expenditure relating to 2020-21

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring Legislative sanction but also indicative of poor planning, which could be avoided by keeping track of expenditure progression with budget made for the purpose.

As observed in the appropriation accounts excess expenditure of ₹ 144.95 crore was incurred in one appropriation (13- Interest Payment) during 2020-21.

Cases of excess expenditure over the provision of the financial year are to be carefully examined. Head-wise excess expenditure over the authorisation from the Consolidated Fund of State during the financial year 2020-21 have been given in **Appendix 3.6**.

3.2.7.2 Regularisation of excess expenditure of previous financial years

Excess expenditure remaining unregularised for extended periods dilutes legislative control over the executive. Excess disbursement over grant/appropriation amounting to ₹ 3,328.68 crore relating to 11 grants pertaining to the years 2001-02 to 2019-20 is yet to be regularised by the State Legislature as detailed in **Appendix 3.7**.

Three Grants/Appropriations (13-Interest payments, 14-Repayment of Loans and 15-Pension) accounted for ₹ 645.43 crore (19.39 per cent), ₹ 967.57 crore (29.07 per cent) and ₹ 1541.58 crore (46.31 per cent) of the total excess expenditure yet to be regularised from 2000-01 to 2019-20. This vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources. Excess expenditure of previous years was not regularised even after repeated reporting in State Finances Audit Report.

3.2.8 Grant-in-aid for creation of capital assets

Grants-in-aid are payments in the nature of assistance, donations or contributions made by one government to another government, body, institution or individual. Grants-in-aid are given for specified purpose of supporting an institution including construction of assets.

During 2020-21, ₹ 6,369.87 crore was given as grants for creation of capital assets to the bodies and authorities of the State, however, no such grant was booked as capital expenditure in accounts of the State.

3.3 Comments on transparency of budgetary and accounting process

3.3.1 Budget projection and gap between estimates and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations should be based on realistic proposals, good expenditure monitoring mechanism, strong scheme implementation capacities/ internal controls lead to optimal utilisation of funds on schemes to obtain intended benefits to the beneficiaries.

Table 3.5: Summarised position of Expenditure vis-à-vis Budget (Original/Supplementary) provisions during 2020-21

(₹ in crore)

	Nature of expenditure	Original Grant/App.	Supplementary Grant/App.	Total	Expenditure	Net Savings	Surrender during March	
Voted	Revenue	67,217.79	5,954.00	73,171.79	53,651.29	19,520.50	All the surrenders made in the month of March	
	Capital	8,653.13	1,805.83	10,458.97	8,465.66	1,993.31		
	Loans & Advances	1,643.97	2,141.5	3,785.47	3,379.77	405.70		
	Total	77,514.89	9,901.33	87,416.23	65,496.72	21,919.51		
Charged	Revenue	6,098.15	6.74	6,104.89	6,217.05	-112.16		
	Capital	0.00	0.00	0.00	0.00	0.00		
	Public Debt-Repayment	2,756.96	0.00	2,756.96	2,744.82	12.14		
	Total	8,855.11	6.74	8,861.85	8,961.87	-100.02		
Grand Total		86,370.00	9,908.07	96,278.08	74,458.59	21819.49		

Source: Appropriation Accounts

Table 3.5 shows that the overall saving of ₹ 21,819.49 crore was the result of saving of ₹ 19,553.28 crore in 58 grants and four appropriations under the Revenue Section and ₹ 2,411.15 crore in 33 grants under the Capital Section offset by excess of ₹ 144.95 crore in one appropriation under the Revenue Section leading to a final savings of ₹ 21,819.49 crore during the year. The head wise expenditure status was provided monthly to the State Government through Monthly Civil Accounts in spite of that no steps were taken to maintain a uniform flow of expenditure during the year.

Therefore, out of the total provision of 96,278.08 crore, an amount of ₹ 74,458.59 crore was spent by the State departments and ₹ 21,819.49 crore (22.66 per cent) remained unutilised during the year 2020-21 which was surrendered in the month of March.

Table 3.6: Original Budget, Revised Estimate and Actual Expenditure during 2016-21

(₹ in crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
Original Budget	63,502.68	75,673.42	80,200.00	85,429.00	86,370.00
Supplementary Budget	9,463.03	6,487.86	5,953.81	9,335.64	9,908.07
Revised Estimate	72,965.71	82,161.28	86,153.82	94,764.64	96,278.07
Actual Expenditure	59,432.80	67,815.12	65,930.08	71,093.25	74,458.59
Saving	13,532.91	14,346.16	20,223.74	23,671.39	21,819.49
Percentage of Saving	18.55	17.46	23.47	24.98	22.66

As evident from **Table 3.6** every year a huge amount of provision was not utilised and surrenders of savings made by the departmental officers of the state without giving any reason for the same. Every year these savings were much more than the supplementary provisions of the state which was indicative of budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal control. More, detailed analysis could be noticed in other paragraphs of this Chapter.

3.3.2 Supplementary budget and opportunity cost

At times, while obtaining supplementary provision, the Departments report to legislature large additional requirement for different purposes under various schemes/activities; but finally, they are unable to spend even the original budget provision which leads to large savings. At the same time, some of the schemes remained incomplete due to want of funds. Thus, the

intended benefit of the unfinished schemes could not be extended to the public at a large in such cases. Further, this leads to escalation of project cost. Details are given in **Table 3.7**.

Table 3.7: Unnecessary/excessive supplementary provisions despite savings

(₹ in crore)

Sl. No.	Name of the Grant	Original allocation	Supplementary	Total	Expenditure	Unutilised funds
Capital (Voted)						
1	26-Labour, Employment and Training Department	97.72	37.43	135.15	56.67	78.48
2	41-Road Construction Department	3,384.00	40.31	3,424.31	3,081.21	343.10
3	42-Rural Development Department (Rural Development Division)	487.04	7.13	494.17	465.62	28.55
4	46-Tourism, Art Culture, Sports and Youth Affairs Department (Tourism Division)	80.00	10.00	90.00	43.62	46.38
5	49-Water resources Department	902	351.63	1,253.63	952.97	300.66
6	50-Water Resources Department (Minor-Irrigation Division)	110.65	20.00	130.65	93.34	37.31
7	60-Women, Child Development and Social Security Department	43.00	3.35	46.35	5.29	41.06
Total		5,104.41	469.85	5,574.26	4,698.72	875.54

3.3.2.1 Non-utilisation of funds allocated to some major schemes

Review of the Appropriation Accounts of the State revealed that there were persistent large savings out of fund allocated for many schemes which was intended to provide benefits to public at a large. Persistent large savings in last three years in those schemes resulted in non-completion of those schemes and the intended benefit of the unfinished schemes could not be extended to the beneficiaries. Some of those schemes are shown in **Table 3.8**.

Table 3.8: Year-wise savings under some major schemes

(₹ in crore)

Sl. No.	Name of Scheme/Head	2018-19		2019-20		2020-21	
		Budget	Savings	Budget	Savings	Budget	Savings
36-Drinking Water and Sanitation Department							
1	4215-01-102-02-Rural Piped Water Supply Scheme	159.20	25.54	322.55	141.02	207.57	66.52
42- Rural Development Department (Rural Development Division)							
2	2501-06-101-05-Swarna Jayanti Gram Swarojgar Yojana Scheme for General (CASC)	177.25	114.83	205.21	86.26	300.00	107.71
3	2501-06-796-05-Swarna Jayanti Gram Swarojgar Yojana Scheme for General (CASC)	129.60	102.55	150.77	100.81	126.00	25.20
51-Scheduled Tribe, Scheduled Caste, Minority and Backward Class Welfare Department (Scheduled Tribe, Scheduled Caste and Backward Class Welfare Division)							
4	2225-01-789-59-Post -entrance Scholarships	53.00	43.23	27.00	4.86	27.00	5.05
5	2225-01-789-61-Primary School Scholarships	28.00	22.55	12.27	7.97	8.00	5.22

As can be seen from the above table there were savings ranging between 16 and 81 *per cent* in the schemes shown in the table during last three years which raises the issue of effectiveness of budgetary procedure of the State.

3.3.3 Major policy pronouncements in budget and their actual funding for ensuring implementation

Several policy initiatives taken up by Government were not executed which deprived the beneficiaries of intended benefits. However, reasons for non-utilisation of the provisions were not given by the departments. Savings in such schemes deprives other Departments of the funds which they could have utilised. In 293 cases, 100 *per cent* of the provision (₹ one crore and above in each case) amounting to ₹ 4,262.08 crore was surrendered, resulting in non-implementation of schemes/programmes as detailed in **Appendix 3.8**.

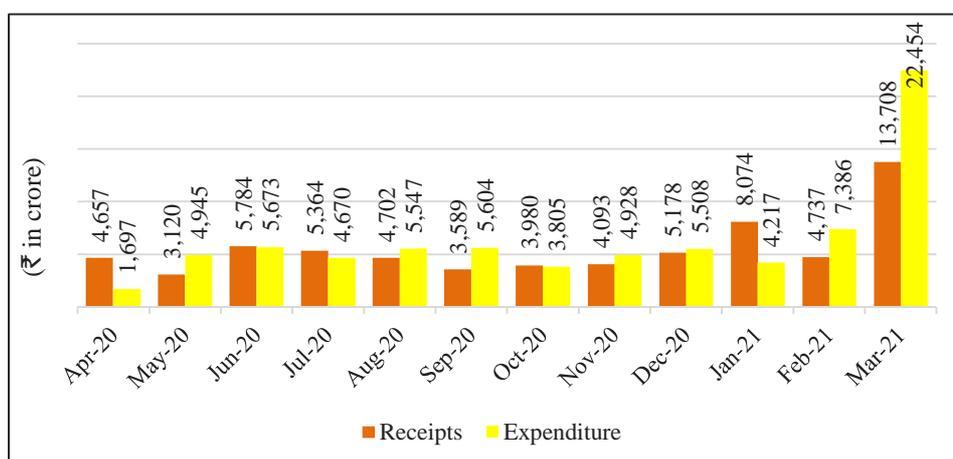
3.4 Rush of expenditure

Rule 113 of the Bihar Budget Manual (as adopted by Jharkhand) stipulates that rush of expenditure in the closing months of the financial year will ordinarily be regarded as a breach of financial regularity. Uniform flow of expenditure is essential to ensure that the primary requirement of budgetary control is maintained. Moreover, maintaining a steady pace of expenditure is a crucial component of sound public financial management. Steady pace of expenditure obviates fiscal imbalance and temporary cash crunches arising due to unanticipated heavy expenditure in a particular month.

Further, it was observed that ₹ 286.74 crore was drawn on AC bills in March 2021 of which ₹ 44.20 crore was drawn on the last day of the Financial year mainly by Agriculture, Animal Husbandry & Co-operative Department and Home, Jail & Disaster Management Department.

During the year 2020-21, ₹ 22,454 crore comprising 30.40 *per cent* of total expenditure (₹ 73,854 crore) was expended in March 2021. High percentage of expenditure in March indicates that uniform flow of expenditure, a primary requirement of budgetary control, was not maintained. Rush of expenditure in the closing month of the financial year is against the provision of the Budget Manual and entails risk of misuse of public money and unhealthy practices.

Chart 3.4: Monthly receipts and expenditure of the State during 2020-21



Further, it was observed that under 33 major heads, 60 per cent and above expenditure amounting to ₹ 11,993.28 crore (77.72 per cent) was incurred in the last quarter of the year against the total expenditure of ₹ 15,430.57 crore under these heads as detailed in **Appendix 3.9**. Of this, an expenditure of ₹ 8,268.10 crore (53.58 per cent of the total expenditure under these heads) was incurred in the month of March 2021.

3.5 Audit of Budgetary provision of Grant No. 03- Building Construction Department

3.5.1 Introduction

The Vision of Building Construction Department (BCD) is to build and maintain the Government Offices and Residential Quarters in State. Planning, Designing Building Network and to provide optimised connectivity to residential and non-residential Government Buildings of different departments are the main objectives of the department. This department also completes Renovation, Upgradation and Maintenance of residential and non-residential Buildings of state.

To complete the above responsibilities the State Government had provided a budget of ₹ 691.60 crore during 2020-21 to this department. Details of budget and its utilisation are given in **Table 3.9**.

Table 3.9: Details of budget provision, expenditure and savings during 2020-21

(₹ in crore)

Details	Capital Voted	Revenue Voted	Total
Original Grant	566.50	125.10	691.60
Supplementary Grant	0.00	0.00	0.00
Total Grant	566.50	125.10	691.60
Expenditure	175.99	80.69	256.68
Saving	390.51	44.41	434.92
Surrender	390.64	44.41	435.05
Excess Expenditure	0.13	0.00	0.13

Source: Appropriation Accounts 2020-21.

3.5.2 Scope of Audit

Departmental Secretariat of BCD and 13 units³ in eight⁴ districts were selected for audit of the budgetary process.

Audit findings

3.5.3 Excess expenditure over budget provision

As per Rule 138 of Bihar Budget Manual as adopted by Jharkhand State, excess expenditure should be strictly avoided.

³ (i) Under Secretary, BCD, Ranchi; Executive Engineer, BCD (ii) Bokaro (iii) Dhanbad (iv) Gumla (v) Hazaribagh (vi) Jamshedpur (vii) Ramgarh (viii) Saraikela (ix) Ranchi Division No.1 (x) Ranchi Division No. 2 (xi) Special Works Division, Ranchi (xii) Executive Engineer, Drinking Water & Sanitation Division, Gonda, Ranchi (xiii) Executive Engineer, Drinking Water & Sanitation Division, Ranchi East

⁴ (i) Bokaro (ii) Dhanbad (iii) Gumla (iv) Hazaribagh (v) Jamshedpur (vi) Ramgarh (vii) Ranchi (viii) Saraikela

It was observed that expenditure of ₹ 46.48 crore was incurred by the Department against the budget provision of ₹ 46.35 crore in three sub-heads as given in **Table 3.10**. Excess expenditure (₹ 0.13 crore) over budget is indicative of defective control over expenditure. Hence, excess of ₹ 0.13 crore could have been covered with supplementary provision and/or re-appropriation orders of the competent authority.

Table 3.10: Details of excess expenditure against budget provision.

(₹ in lakh)

Sl. No.	Heads	Total budget provision	Total expenditure	Excess expenditure
1	2059-80-053-07	16.64	16.89	0.25
2	4059-01-796-39	356.72	362.61	5.89
3	4059-01-796-58	4,261.15	4,268.29	7.14
Total		4,634.51	4,647.79	13.28

3.5.4 Persistent Savings

Review of documents of department in respect of budget and expenditure to analyse the trend during the last four year (2017-21) revealed that the department not only had a persistent savings but also the percentage of savings was very high in comparison to the budget estimates during the period. Details are given in **Table 3.11**.

Table 3.11: Trend of savings during last four years in Building Construction Department

(₹ in crore)

Years	Heads	Original	Supplementary	Total	Expenditure	Saving	Percentage of saving
2017-18	Revenue	143.56	4.33	147.89	100.77	47.12	20
	Capital	493.00	159.49	652.49	536.27	116.22	
	Total	636.56	163.82	800.38	637.04	163.34	
2018-19	Revenue	133.66	0.35	134.01	92.67	41.34	27
	Capital	511.17	37.00	548.17	403.65	144.52	
	Total	644.83	37.35	682.18	496.32	185.86	
2019-20	Revenue	119.59	0.11	119.70	91.04	28.66	31
	Capital	587.17	90.00	677.17	458.51	218.66	
	Total	706.76	90.11	796.87	549.55	247.32	
2020-21	Revenue	125.10	0.00	125.10	80.69	44.41	63
	Capital	566.50	0.00	566.50	175.99	390.51	
	Total	691.60	0.00	691.60	256.68	434.92	

Source: Appropriation Accounts 2017-21.

As shown in the above table the savings of the department increased significantly from 20 per cent in 2017-18 to 63 per cent in 2020-21. This was not only indicative of the inability of the department to utilise the fund but also resulted in non-completion of state schemes included in the budget during the year despite availability of funds.

3.5.5 Delay in submission of Budget Estimates

Rule 62 of Bihar Budget Manual as adopted by Government of Jharkhand (GoJ) provide the budget calendar for correct and timely preparation of budget for the state. Finance Department, GoJ revised (October 2019) the prescribed dates of submission of Estimate of Establishment Expenditure and General Budget after approval of the Minister concerned to 28th November 2019 and 12th December 2019 respectively against the stipulated date of 1st October in the Budget Manual.

It was noticed that the Department submitted Budget Estimates (BEs) for Establishment Expenditure and General Budget to the Finance Department on 4 February 2020 with a delay of 68 days and 54 days respectively against the target date prescribed by the Finance Department.

3.5.6 Budget Estimate prepared without obtaining requirements

According to Rule 65 of Budget Manual (BM), the Controlling Officer (CO) should examine the budgets received from the Disbursing Officers (DO) to see that they are correct, that all details and explanations have been given, and that explanations are adequate.

It was noticed that the provisions of BM were not followed and the budget estimates for General Budget (State, Central and Centrally Sponsored Schemes) and Establishment Expenditure were prepared at Department level without obtaining/assessing the actual requirements from the DOs who are finally responsible to execute the work and utilise the fund.

However, it was noticed that out of 10 test-checked divisions, one division (BCD, Dhanbad) submitted general budget estimate and five⁵ divisions submitted estimates for establishment expenditure. Rest of the test-checked divisions didn't submit any estimate based on their requirements. Thus, preparation of budget without obtaining requirement from DOs might be one of the reasons for a huge saving of ₹ 434.92 crore (62.89 per cent) against the total provision of ₹ 691.60 crore during the year 2020-21.

3.5.7 Non-utilisation and surrender of entire budget provision

As per comments below Rule 57 of BM, the officer responsible for preparing estimate should be sure that there is no provision for a greater sum than that which can be spent.

- Scrutiny of records of department revealed that ₹ 1.57 crore was provided under four sub-heads during the year 2020-21, of which no amount was utilised by the Department and entire amount was surrendered. Details are given in **Table 3.12**.

Table 3.12: Non-utilisation and surrender of entire budget provision

(₹ in crore)						
S. N.	Head	Allotment	Expenditure	Surrender	Surrender (in per cent)	Purpose of allotment
1	2059- Public Works (State Scheme)	0.30	0.00	0.30	100	Municipal Corporation and Municipality Tax
2	2059- Public Works (State Scheme)	0.17	0.00	0.17	100	Furnishing of residences of Legislators and State Ministers etc.
3	4059-Capital Outlay on Public Works (State Scheme, CAS)	0.10	0.00	0.10	100	Training/ Design/ Quality Control Laboratory/ Consultancy Services
4	4216-Capital Outlay on Housing (State Scheme)	1.00	0.00	1.00	100	Public Works-Minor Works of Building in State
Total		1.57	0.00	1.57		

Besides items shown in the above table, entire budget of ₹ 0.08 crore and ₹ 0.03 crore provided under travelling allowance (TA) and Machinery respectively under Major Head 2059 (Establishment) were also surrendered by the department.

⁵ Dhanbad, Hazaribagh, Ramgarh, Ranchi Division no. 1 and Ranchi Division no.2

- Further, scrutiny of records revealed that in four out of six test-checked divisions entire amount of ₹ 8.17 crore, provided for various works, were not utilised and finally surrendered by the DOs. Details are given in **Table 3.13**.

Table 3.13: Non-utilisation and surrender of entire budget provision

(₹ in crore)

Sl. No.	Secretariat/Offices	No. of works/sub-heads	Allotment	Surrendered
1	The EE, BCD, Gumla	03	0.01	0.01
2	The EE, BCD, Division No.-01, Ranchi	66	6.08	6.08
3	The EE, BCD, Division No.-02, Ranchi	07	1.04	1.04
4	The EE, BCD, Saraikela	03	1.00	1.00
5	The EE, BCD, Jamsshedpur	02	0.02	0.02
6	The EE, BCD, Ramgarh	04	0.02	0.02
Total		85	8.17	8.17

Non-utilisation of budget provision, based on estimates provided by the department to the Finance Department, indicates that due care was not taken during the preparation of estimates and actual requirements were not properly assessed.

3.5.8 Surrender of fund on the last month of the financial year

As per Rule 112 of Budget manual, all anticipated savings should be surrendered to Government immediately as soon as they are foreseen without waiting till the end of the year. No savings should be held in reserve for possible future excesses. Further, as per Rule 135, when the need for surrender manifests itself, the controlling officer should carefully estimate the amount that he can surrender.

Audit observed that against the provision of ₹ 691.60 crore, ₹ 435.05 crore (₹ 390.64 crore under capital head and ₹ 44.41 crore under revenue head), was surrendered at the end of the financial year by the Finance Department.

Further, scrutiny of records of nine out of 10 test-checked divisions and one DDO at headquarters revealed that surrenders of ₹ 8.32 crore (83 per cent of total provisions) was made in the month of March 2021. Details are given in **Appendix 3.10**.

In reply to late surrender it was stated that due to late allocation of fund and in anticipation of expenditure till the end of financial year it was not surrendered earlier. Surrender in the last month of the financial year leaves no scope to the Government for utilisation of fund on other important schemes.

3.5.9 Rush of expenditure

As per provision (Rule 113 of Budget Manual), rush of expenditure particularly in the closing months of the financial year will ordinarily be regarded as a breach of financial regularity. Hence, rush of expenditure particularly in the closing month should be avoided.

It was observed that out of total expenditure of ₹ 256.68 crore, expenditure of ₹ 83.51 crore (33 per cent) was incurred in the month of March 2021.

During the current year, in six out of 27 sub-heads expenditure in the month of March ranged between 40 and 100 *per cent* of total expenditure. Further, during audit of 10 test-checked divisions and one DDO (at Headquarter level) it was observed that 42 to 100 *per cent* of its expenditure incurred under various heads in the month of March as detailed in **Appendix 3.11**.

3.5.10 Non-reconciliation of departmental expenditure figures

Rule 134 of Budget Manual requires that Controlling Officer should arrange to reconcile departmental accounts with the books of Principal Accountant General (A&E) on monthly basis to avoid chances of misclassification of expenditure and receipts.

It was observed that during the year 2020-21, out of total expenditure of ₹ 256.68 crore an expenditure amounting to ₹ 15.10 crore was not reconciled by the controlling officer of the department with the books of the Principal Accountant General (A&E) as detailed in **Table 3.14**.

Table 3.14: Details of Non-reconciliation of departmental expenditure

(₹ in crore)

Sl. No.	Major Heads	Total Expenditure (As per appropriation)	Reconciled amount	Un-reconciled amount
1	2052	1.68	0.00	1.68
2	2059	68.68	56.47	12.21
3	2216	10.33	10.16	0.17
4	4059	133.95	133.10	0.85
5	4216	42.04	41.85	0.19
Total		256.68	241.58	15.10

Further, in 10 test-checked divisions and one DDO total expenditure of ₹ 63 crore was not reconciled during the year 2020-21, as detailed in **Appendix 3.12**.

3.5.11 Excess Expenditure against Administrative Approval

As per Government Instruction (mentioned in allotment letters) it should be ensured that no excess expenditure against Administrative Approval (AA) amount has been incurred in any scheme without prior permission.

Scrutiny of agreement, M.B., vouchers etc. for construction of collectorate building with facilities at Hazaribagh revealed that the AA worth ₹ 40.09 crore was accorded by BCD, GoJ. After processing the tender, comparative statement was prepared and work was allotted at a cost of ₹ 30.23 crore. Agreement was completed at ₹ 30.23 crore in December 2016. However, it was noticed that the value of work after completion was assessed as ₹ 45.69 crore and the same was paid to the contractor.

Hence, the cost of work exceeded by ₹ 5.60 crore (14 *per cent*) against the AA for which no sanction of competent authority was obtained by the Disbursing Officer. Payment of 14 *per cent* excess amount without sanction of competent authority was against the instructions given in the allotment letter.

3.5.12 Irregular payment for extra/additional items

As per para 182 (b) of JPWD Code the item of work not included in BOQ shall be treated as extra item. For extra item, there should always be a supplementary agreement and rates of such item shall be on the basis of rate entered in the concerned 'schedule of rate' prevalent during the period when the work was carried out/is being carried on, provided always, that if, the rate for a particular item is not in the schedule of rates. Further as per paragraph 177 (Note 1) of JPWD Code the supplementary agreement may be entered into only after approval by the competent authority, having competence to decide the original tender.

Scrutiny revealed that contractor was paid ₹ 12.28 crore without executing supplementary agreement in two works of two divisions which was against the codal provisions. Details are given in **Table 3.15**.

Table 3.15: Details of irregular payment for extra/additional items

(₹ in crore)

Sl. No.	Name of work	Agreement value	Total work value	Amount paid for extra/additional items
1	Construction of Sub-Divisional Court (10 court) with facilities at Chandil, Saraikela	15.41	20.38	3.72
2	Construction of Collectorate Building with facilities at Hazaribagh	30.23	45.69	8.56

3.5.13 Un-fruitful expenditure

As per guidelines dated 16.05.2018, Ministry of Law and justice (Department of Justice) implements the Centrally Sponsored Scheme (CSS) for developing infrastructure facilities for Judiciary from 1993-94 onwards to facilitate better justice delivery. The department also takes steps to augment the resources of the State Government in this regard. The scheme covers construction of Court Buildings and Residential Accommodations of Judicial Officers/Judges covering District and Subordinate Courts.

Scrutiny of records of Boakro, Saraikela and Special Division (Ranchi) revealed that in these divisions, construction of two, three and one buildings respectively were completed for Development of Infrastructure Facilities for Judiciary and rehabilitation of persons displaced from HEC.

All the six buildings were completed during 2007 to 2020 with an expenditure of ₹ 221.76 crore but as of November 2021 the buildings were not handed over to the concerned authorities. Details of those buildings are given in **Table 3.16**.

Table 3.16: Details of constructed buildings not handed over

(₹ in crore)

Sl. No.	Name of work	AA Amount	Agreement value	Total Expenditure	Date of completion	Remarks
1	Construction of Principal District & Session Judge Residence at Bokaro	0.27	0.27	0.27	22.09.2007	Not handed over as of 30 Nov. 2021.
	Allied works related to above buildings	1.27	1.19	1.22	02/2017 to 03/2021	
2	Construction of D- Type Qtr for Judicial Officer at Bokaro	4.63	4.17	4.17	18.03.2020	Not handed over of 30 Nov. 2021.
3	Construction of B-Type quarter 8 blocks, A type quarter 3 blocks & D-Type quarter 2 blocks at SDO campus, Saraikela	19.11	14.83	16.42	13.06.2018	(i) ₹ 1.59 crore excess expenditure against agreement value (ii) Not handed over as of 30 Nov. 2021.
4	Construction of SDO court (10 court) at Chandil, Saraikela	20.12	15.41	20.38	13.06.2018	(i) ₹ 4.97 crore was excess expenditure against Agreement value (ii) Not handed over as of 30 Nov. 2021.
5	Construction of D-Type quarter 1 block 6 units at Chandil, Saraikela	1.67	1.54	1.54	11.01.2018	Not handed over as of 30 Nov. 2021.
6	Construction work of proposed 400 nos. quarters and infrastructure work at SITE 1 HEC Area, Ranchi	216.63	182.43	177.76	08.07.2019	i) For rehabilitation and resettlement package for HEC displaced persons ii) Not handed over as of 30 Nov. 2021.
Total		263.70	219.84	221.76		

It was noticed that SDO court (10 court) building at Chandil, Saraikela was not handed over to the concerned authority due to unavailability of Sub-divisional Jail at Chandil, whereas, ₹ 1.17 crore and ₹ 0.39 crore respectively were also spent on furniture and video conferencing on that non-functional SDO Court (10 court) building. Similarly, D-Type Quarter at Bokaro was not handed over due to non-completion of interior works in the building.

Non utilization of buildings even after passing of such a long time resulted in un-fruitful expenditure of ₹ 221.76 crore. Moreover, due to non-utilisation for such a long time, damages due to wear and tear in those buildings could not be ruled out.

3.5.14 Other findings

• Works executed without preparing required priority list

As per Government instruction in allotment letter, the work under heads 2059 and 2216 (Vivekadheen) should be done only after approved priority list of works from the competent level authorities. Further, at the time of demand of fund for Repairing & Maintenance/Renovation of buildings, the Executive Engineer (EE) was required to provide a certificate that the works of similar nature have not been done in the last three years in that building.

Test check of records of the divisions revealed that neither priority list was prepared nor required certificate was given by the EE before executing the work and making payment of ₹ 4.49 crore to the contractors as per detail given in **Table 3.17**.

Table 3.17: works not executed as per Government instruction

(₹ in crore)

Sl. No.	Name of Divisions	Expenditure under heads		
		2059	2216	Total
1	The EE, BCD, Bokaro	0.19	0.19	0.38
2	The EE, BCD, Dhanbad	0.20	0.20	0.40
3	The EE, BCD, Gumla	0.20	0.20	0.40
4	The EE, BCD, Hazaribagh	0.30	0.42	0.72
5	The EE, BCD, Jamshedpur	0.20	0.19	0.39
6	The EE, BCD, Saraikela	0.20	0.20	0.40
7	The EE, BCD, Division No.-1, Ranchi	0.35	0.35	0.70
8	The EE, BCD, Division No.-2, Ranchi	0.35	0.35	0.70
9	The EE, BCD, Ramgarh	0.20	0.20	0.40
Total		2.19	2.30	4.49

- **Payment without obtaining certificates from the competent authority**

As per Government instruction in allotment letter, the work of new construction, repairing and maintenance of Government Residential Buildings under heads 4216 was not to be executed in any circumstance without obtaining requisition from concerned authority. Further, at the time of demand for the fund for Repair, & Maintenance/Renovation of buildings the EE was required to provide a certificate to the effect that the work of similar nature was not done in the last three years in that building. As per instruction the payment was to be made to the contractor only after obtaining satisfaction certificates from the concerned Head of Office.

A test-check of records of office of the EE, Drinking Water & Sanitation Department (DW&SD), Gonda, Ranchi revealed that four works under head 4216 amounting to ₹ 0.15 crore were executed without obtaining requisition from competent authority as well as no certificate as required in allotment letter was furnished by the EE. Satisfactory certificates, as required, were also not acquired by the divisions before making payments to the contractors.

- **Demand of fund without entry in Works and Accounts Management Information System (WAMIS)**

As per Government's instruction before demanding fund the Executive Agency will make entry of details in MIS related to new Construction, Maintenance and Repairing works *etc.* and the Department was supposed to release the fund after its verification only.

During test-check of 12 divisions it was revealed that in four divisions demand of ₹ 33.91 crore was raised without making entry in MIS and ₹ 28.91 crore the said amount was released by the Department without any query/verification. Out of that released fund, ₹ 24.57 crore was spent during the year and the balance amount was surrendered. Details are given in **Table 3.18**.

Table 3.18: Demand of fund without entry in WAMIS

(₹ in crore)

Sl. No.	Name of Divisions	No. of works/sub-schemes	Demand amount	Allotment	Expenditure	Balance
1	EE, BCD, Division No.-01	04	1.12	1.12	0.28	0.84
2	EE, BCD, Special Division Ranchi	03	12.09	7.09	3.71	3.38
3	EE, DW&SD, Gonda, Ranchi	142	8.15	8.15	8.11	0.04
4	EE, DW&SD, Ranchi East	149	12.55	12.55	12.47	0.08
Total		298	33.91	28.91	24.57	4.34

Further, it was noticed that during construction of SDO court (10 court) with facilities at Chandil, Saraikela an expenditure of ₹ 19.62 crore was shown in WAMIS whereas, in Measurement Book (MB) it was shown as ₹ 20.38 crore leading a difference of ₹ 0.76 crore. Difference amount of ₹ 0.76 crore was also paid to contractor on the basis of MB. Hence, due to discrepancy in entries of measurement in WAMIS and MB, irregularity in payment could not be ruled out.

• **Required State Level Sanctioning Committee (SLSC) for Flexi-Funds within Centrally Sponsored Schemes (CSS) not formed**

As per Office Memorandum no. F. No. 55(5)/PF-II/2011, dated 06.09.2016 of Ministry of Finance, Department of Expenditure guidelines of Flexi-fund component within the CSS was provided to States for some specific activities⁶. States wanting to avail such flexi-fund facility was required to constitute a State Level Sanctioning Committee to sanction projects or activities under the flexi-fund component.

During scrutiny, it was noticed that SLSC for flexi-fund was not constituted as of October 2021. However, some CSS works were executed and ₹ 13.38 crore was spent (Central ₹ 7.95 crore and State ₹ 5.43 crore) against allotment of ₹ 15.11 crore (central ₹ 9.05 crore and State ₹ 6.06 crore) during the year 2020-21. Details are given in **Table 3.19**.

Table 3.19: Detail of works executed under CSS

(₹ in crore)

Heads	Purpose	Release Amount			Expenditure		
		State Share	Central Share	Total	State Share	Central Share	Total
4059 (TSP)	Construction of High Court Building (Residence and Non residence)	4.02	9.05	15.11	3.63 (90%)	7.95 (88%)	13.38
4059 (OSP)	Construction of Sub Ordinate Judicial Building (Residence and Non residence)	2.04			1.80 (88%)		
Total		6.06	9.05	15.11	5.43	7.95	13.38

⁶ (i) to meet local needs and requirements within the overall objective of any given scheme (ii) to pilot innovation to improve efficiency (iii) to undertake mitigation/restoration activities in case of natural calamities and (iv) to satisfy local requirements in areas affected by internal security disturbances.

- **Less receipt of Central Assistance ₹ 0.61 crore**

As per Department of Justice, Ministry of law & Justice, GoI Utilisation Certificates was required to be furnished for the funds released till 2018-19 for release of financial assistance to the State for the year 2020-21. Further, as disclosed from the document of the Department ₹ 9.59 crore of Central Share was released for the year 2018-19, of which, only ₹ 8.98 crore was utilised during 2018-19 and balance ₹ 0.61 crore lapsed at the end of the financial year due to some technical problem in treasury. This resulted in less receipt of ₹ 0.61 crore as central share during 2020-21.

- **Irregular payment of water charges - ₹ 1.10 crore**

As per letter no. TA/Rev/38/2016 (part-II)/2021/18 dated 13.01.2021 of Heavy Engineering Corporation (HEC) Limited, Ranchi arrear payment of ₹ 1.96 crore (license fee- ₹ 0.76 crore, water charges- ₹ 1.10 crore and GST on license fee- ₹ 0.10 crore) was demanded on Residential/ Non-residential buildings transferred by HEC to GoJ for the year 2020-21 which was allotted to BCD, Ranchi Division -02 and paid to HEC in February 2021.

Scrutiny revealed that neither rate/order of department nor agreement between HEC and the Department for payment of water charges was available with the department. Payments were made for water charges on the basis of demands of HEC. Hence, excess payment in this regard could not be ruled out and it is against the financial prudence required before any payment.

- **Non-deduction of GST at Source- ₹ 1.52 lakh**

As per section 51 of GST Act, the deductor should deduct tax at the rate of two per cent (one per cent for CGST and one per cent for SGST) from the payment made or credited to the supplier of taxable goods or services or both, where the total value of such supply, under a contract, exceeds ₹ 2.50 lakh.

Scrutiny revealed that the payment of ₹ 75.85 lakh was made to HEC for licences fee without deducting GST amount of ₹ 1.52 lakh (₹ 0.76 lakh each for CGST and SGST).

- **Non maintenance of Cash Book**

As per Note below rule 19 of JTC a complete record of transactions relating to the Treasury will be kept in the accountant's cash book either in a manual register or on the computer system. Further, as per Finance Division, Planning Cum Finance Department, Government of Jharkhand letter no. Finance-20/Misc.-09/2016/2918, dated 06.11.2019, Cash Book should be maintained and updated in every Government Office. The balance of Cash Book should be certified by authorised officer every month.

Scrutiny of records of the office of the EE, BCD, Gumla revealed that the cash book for establishment expenditure were not maintained/written since April 2019 to October 2021 i.e for more than two years. Further, expenditure of ₹ 0.98 crore during 2019-20 and ₹ 0.99 crore during 2020-21 (total ₹ 1.97 crore) were not entered in the Cash Book.

Non-entry of receipts and disbursements in the Cash Book for such a long time is a serious irregularity and chances of misutilisation of government money could not be ruled out.

- **Double Administrative Approval against same work**

Scrutiny of records pertaining to office of the EE, BCD, Jamshedpur revealed that an Administrative Approval (AA) amounting to Rs 0.12 crore for five works was given by the department vide letter no. 186 (Bh.) dated 16.12.2020. It was further noticed that another AA of ₹ 0.12 crore for the same five works was given by department vide letter no. 429 (Bh.) dated 31.03.2021. Details are given in **Table 3.20**.

Table 3.20: Details of double administrative approval

Sl. No.	Name of works	1 st AA no./Date	Amount (in ₹)	2 nd AA no./date	Amount (in ₹)
1	E/R to quarter No. B/2, 'D' type, civil court campus, Sakchi, Jamshedpur	186 (Bh) dated 16.12.2020	2,48,100	429 (Bh) dated 31.03.2021	2,48,100
2	E/R to quarter No. B/1, 'D' type, civil court campus, Sakchi, Jamshedpur		2,48,300		2,48,300
3	E/R to quarter No. E/6, 'D' type, civil court campus, Sakchi, Jamshedpur		2,47,600		2,47,600
4	E/R to quarter No. E/4, 'D' type, civil court campus, Sakchi, Jamshedpur		2,48,800		2,48,800
5	E/R to quarter No. D/2, 'D' type, civil court campus, Sakchi, Jamshedpur		2,47,700		2,47,700
Total			12,40,500		12,40,500

- **Double allotment under Renovation and Construction works**

Scrutiny revealed that two allotments {834 (Bh) dated 20.03.2020 and 88/20-87(Bh) dated 14.10.2020} of ₹ 24.08 lakh and ₹ 24.09 lakh were given to the EE, BCD, Dhanbad against single sanction of ₹ 24.09 lakh vide order no. 244 (Bh) dated 03.10.2019 for renovation of PDJ Residential Quarter at Dhanbad. However, First allotment was utilised by the EE and Second allotment was surrendered (on 15.01.2021) after three months from date of allotment.

Above two cases indicates the casual approach of the departmental authorities during issue of AA, Sanction orders and Allotment orders which was a serious negligence and could have resulted in financial irregularities.

3.6 Budgetary Process for Grant No. 46 – Tourism, Art, Culture, Sports and Youth Affairs Department (Tourism Division)

3.6.1 Introduction

The State of Jharkhand is endowed with immense bio-diversity, moderate climate, rich cultural and historical heritage, religious places of worship and ethnic aspects to make the State the ultimate destination for tourists. Development of tourism sector would not only generate immense employment opportunities directly or indirectly but also would contribute in accelerating economic development. Tourism Division of the department is responsible for making the people of the State, Nation and the World aware of the rich endowments of nature, its cultural heritage, spiritual

places and other traditions which are essential elements for boosting tourism industry in the State.

To meet the above responsibilities, the state government provided a budget of ₹ 194.49 crore to the Department during 2020-21. Details of budget provision and its utilisation are given in the **Table 3.21**.

Table 3.21: Details of budget provision, expenditure and savings during 2020-21

(₹ in crore)

Details	Capital Voted	Revenue Voted	Total
Original Grant	80.00	104.49	184.49
Supplementary Grant	10.00	0.00	10.00
Total Grant	90.00	104.49	194.49
Expenditure	43.62	56.80	100.42
Savings	46.38	47.69	94.07
Surrender	46.38	47.69	94.07

Source: Appropriation Accounts 2020-21.

3.6.2 Scope of Audit

Departmental Secretariat of Tourism, Art, Culture, Sports and Youth Affairs Department (Tourism Division) and nine⁷ units in eight⁸ districts were selected for audit of the budgetary process.

Audit Findings

3.6.3 Persistent Savings

During scrutiny of the Department's budget and expenditure of last four years (2017-21) it was noticed that the Department had persistent savings during this period and the percentage of savings in comparison to the budget estimates remained significantly high as detailed in **Table 3.22**.

Table 3.22: Trend of savings during last four years

(₹ in crore)

Years	Head	Original	Suppl.	Total	Expenditure	Savings	Savings (in per cent)
2017-18	Revenue	51.78	0.42	52.2	46.84	5.36	10.27
	Capital	71.00	0	71.00	71.00	0.00	0.00
Total		122.78	0.42	123.2	117.84	5.36	4.35
2018-19	Revenue	53.46	0.73	54.19	49.35	4.84	8.93
	Capital	110.60	0.00	110.60	99.37	11.23	10.15
Total		164.06	0.73	164.79	148.72	16.07	9.75
2019-20	Revenue	91.55	0.17	91.72	72.82	18.9	20.61
	Capital	92.50	0.00	92.50	44.46	48.04	51.94
Total		184.05	0.17	184.22	117.28	66.94	36.34
2020-21	Revenue	104.49	0.00	104.49	56.80	47.69	45.64
	Capital	80.00	10.00	90.00	43.61	46.39	51.53
Total		184.49	10.00	194.49	100.41	94.08	48.37

Source: Appropriation Accounts 2020-21

⁷ i. Directorate of Tourism, Ranchi, ii. JSBCCCL, Ranchi, iii. DC, Gumla, iv. DC, Khunti, v. DC Ramgarh, vi. DC, Lohardaga, vii. DC, Jamshedpur, viii. DC, Hazaribagh and ix. DC, Bokaro

⁸ i. Ranchi, ii. Gumla, iii. Khunti, iv. Ramgarh, v. Lohardaga, vi. East Singhbhum vii. DC, Hazaribagh and viii. DC, Bokaro

As shown in **Table 3.22**, the Department had persistent savings ranging between 36 *per cent* and 48 *per cent* during the last two years. In reply to audit observation, the departmental authorities stated that the savings were due to provisions without actual requirement on the ground. However, the reply of the authorities was not correct because the department failed to make expenditure even upto the level it was in earlier years.

3.6.4 Delay in submission of Budget Estimates

Rule 62 of Bihar Budget Manual (as adopted by Jharkhand) provides the calendar for correct and timely preparation of the budget of the State. We observed that the Finance Department, Government of Jharkhand revised (October 2019) the prescribed dates for uploading/ submission of general budget and preparation of Comprehensive Outlay of Budgetary Transaction (COBT), after approval of the Minister concerned, to 28 November (for establishment) and 12 December (for schemes) against stipulated date of 1 October in the budget Manual.

Scrutiny of records revealed that against the target date of 12 December 2019 the Tourism Division submitted Budget Estimates (BEs) for schemes to the Finance Department on 30th January i.e., with a delay of 49 days. As per instructions issued by the Finance department, the estimates were to be approved by the concerned minister before its submission which was not accorded.

Moreover, non-compliance of budget calendar not only affects the schedule of preparation of budget estimated but also curtails the time required for its scrutiny at different level.

3.6.5 Estimates prepared without assessing the actual requirements

According to Rule 65 of Bihar Budget Manual (as adopted by Jharkhand) (BM), the Controlling Officer (CO) should examine the budgets received from the DOs to see that they are correct, that all details/explanations have been given and the explanations given are adequate.

It was noticed that provisions of BM were not followed and the budget estimates for General Budget (State, Central and Centrally Sponsored Schemes) were prepared at department level without assessing the actual requirements.

Since the department did not prepare the required DPRs of schemes, the estimates prepared for those schemes were mere approximations and not based on the actual requirements. Further, the DOs prepared lump sum estimate without assessing the actual requirement and forwarded to department, which led to a savings of ₹ 94.08 crore (48.37 *per cent*) of the budget provision of ₹ 194.49 crore.

3.6.6 Non-reconciliation of departmental expenditure

Rule 134 of Budget Manual requires that Controlling Officer should arrange to reconcile departmental expenditure with the books of the Principal Accountant General (A&E) on a monthly basis to avoid misclassification of expenditure and receipts.

It was observed that during 2020-21, out of total expenditure of ₹ 100.41 crore, expenditure of ₹ 99.67 crore was not reconciled by the Controlling Officer with the books of the Principal Accountant General (A&E).

3.6.7 Rush of Expenditure

Rule 113 of the Bihar Budget Manual (as adopted by Jharkhand) stipulates that rush of expenditure in the closing months of the financial year will ordinarily be regarded as a breach of financial regularity. Uniform flow of expenditure is essential to ensure that the primary requirement of budgetary control is maintained. Moreover, 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.

Table 3.23: Rush of expenditure

(₹ in crore)

Major Heads	Exp. in March	Exp. in last day of the FY	Total exp. during 4th qtr	Total exp. during FY	Percentage of 4th qtr exp. to TE	Percentage of exp. of March to TE	Percentage of exp. of last day of the FY
3452	28.89	6.34	29.63	54.80	54.07	52.72	11.57
5452	42.91	25.85	42.91	43.62	98.37	98.37	59.26
Total	71.80	32.19	72.54	98.42	73.70	72.95	32.71

As shown in the **Table 3.23** expenditure of ₹ 71.80 crore (72.95 per cent) was incurred in the month of March 2021 only of which ₹ 32.19 crore (32.71 per cent) was drawn on the last day of the financial year against the total expenditure of ₹ 98.42 crore.

Further, it was observed that ₹ 0.75 crore was drawn on AC bills in March 2021.

Rush of expenditure in the closing month and on the last day of the financial year is against the provisions of the Budget Manual and entails risk of misutilisation of public money and unhealthy practices.

3.6.8 Non-preparation of Outcome budget

As per instructions (October 2019) of Planning-cum-Finance Department, GoJ, Outcome budget in Proforma-X was to be prepared separately for all the Schemes executed under State schemes and Centrally Assisted State schemes indicating primary targets and other quantifiable information of those schemes.

Scrutiny of records of the Department revealed that the above instructions were not followed and the Outcome budget for the year 2020-21 were not prepared and submitted. Thus, the result of outcome budget of Central and State Schemes and achievement of gender budgeting could not be assessed.

3.6.9 Non-utilisation of funds allocated to major schemes

Under the provisions contained in the Budget Manual, Budget estimates were required to be prepared on the basis of actual requirement of fund.

Scrutiny of allotments, expenditure and savings for the year 2018-19 to 2020-21 revealed that ₹ 248.97 crore remained unutilised out of total allocation of ₹ 329.70 crore to the major schemes shown in **Table 3.24**.

Table 3.24: Non-utilisation of fund

Sl. No.	Name of Scheme/Head	(₹ in crore)					
		2018-19		2019-20		2020-21	
		Budget	Saving	Budget	Saving	Budget	Saving
1	3452- Grant-in-Aid to I.H.M., FCI, JATI for adventure activities etc.	13.20	3.21	13.00	1.74	20.50	11.34
2	3452- Computerisation & modernisation	0.10	0.02	0.50	0.39	0.30	0.30
3	3452- Integrated Development of Various Tourism Circuit	4.80	0.79	68.50	42.99	55.00	55.00
4	5452- Integrated Development of Tourist Schemes, Land Acquisition, Route Facilities, Tourist Information Centers, Adventure Tourism etc.	62.60	10.44	24.00	5.05	25.00	6.38
Total		80.70	14.46	106.00	50.17	100.80	73.02

Due to non-utilisation of fund these major schemes not only remained incomplete but also deprived the beneficiaries of its intended benefits.

3.6.10 Blockage of Fund kept in PL/Deposit/Bank Account

As per Rule 174 of Jharkhand Treasury Code, money should not be withdrawn from Treasury unless it is required for immediate payment.

In course of audit it was noticed that every year, a substantial amount was added in the PLAs leading to a sharp increase in the closing balance.

Further, Rule 334 of JTC stipulates that the deposit administrator shall review all Personal Deposit Accounts at the end of each financial year. Money lying unspent after two consecutive financial years should not be spent any further and balance should be transferred as reduction of expenditure to the concerned service head from which the money was withdrawn.

In six test-check districts it was noticed that ₹ 156.86 crore was provided between 2016-17 and 2020-21 for tourism development work, of which ₹ 71.75 crore was spent and ₹ 85.11 crore was kept blocked in PL/Deposit/Bank Account. Details are given in **Appendix 3.13**. In some cases entire amount remained unutilised and fund was parked in the account. It was further noticed that ₹ 10.13 crore was parked in the accounts for more than three years.

Unspent balances lying in PL/Deposit/Bank Account such a long period not only violates the financial rules but also entails the risk of misuse of public funds. Moreover, due to non-utilisation of fund the schemes remained incomplete and the beneficiaries were deprived of its intended benefits.

3.6.11 Non-completion of Work

In six test-checked districts, 22 schemes are still incomplete in spite of expenditure of ₹ 29.01 crore and in a few schemes work has still not started. Details are given in **Annexure 3.14**.

Incomplete schemes may have adverse effect on development of the state besides depriving beneficiaries of the benefit of the schemes.

3.6.12 Lack of monitoring

(A) It was observed that ₹ 147.26 crore was provided to Jharkhand Tourism Development Corporation (JTDC), Ranchi for different schemes but expenditure report and physical status of works was not obtained from them by the Director of Tourism Division which indicates improper monitoring of schemes by the departmental officers of the works of JTDC. Year wise detail of fund allotted to JTDC, Ranchi is given in **Table 3.25**.

Table 3.25: Detail of fund allotted

(₹ in crore)	
Year	Allotment of fund to JTDC
2017-18	28.82
2018-19	27.20
2019-20	45.24
2020-21	46.00
Total	147.26

(B) As per provision, a mechanism to monitor, supervise, physical inspection by a responsible officer during construction/ execution of works should be developed for smooth and timely completion of work.

In four⁹ out of six test-checked districts above provisions were not followed and such mechanism was not framed.

3.6.13 Non- receipt of shares resulted in blockage of ₹ 25 crore

Purchase of shares of Ranchi Ashok Bihar Hotel Corporation Ltd. (RABHCL) from India Tourism Development Corporation Limited (ITDC) and Bihar State Tourism Development Corporation Ltd (BSTDC) was decided in December 2020, for which Tourism, Art, Culture and Youth Affairs Department, Government of Jharkhand allotted ₹ 25 crore in March 2021.

On request of Tourism division, Jharkhand State Beverage Corporation Limited, Ranchi (JSBCL) paid advance of ₹ 9.43 crore to ITDC (vide PNB Cheque No. 027093 dated 28-12-2020). Tourism division returned ₹ 9.43 crore to JSBCL in September 2021 and balance (₹ 15.57 crore) was kept in the PL account. The share value of ₹ 9.43 crore was also not transferred to the tourism division as of October 2021. Hence, inspite of available fund tourism division not only failed to acquire the property but also blocked its fund with ITDC.

3.6.14 Non- accounting of funds withdrawn from treasury

As per JTC Rule 19, a complete record of transactions relating to the treasury will be kept in the accountant's cash book either in manual register or on the computer system. Amount received or paid as well as all adjustment by transfer should be entered in the cash book or in some register subsidiary to the cash book in accordance with the directions contained in the accounting rule for treasury 1992.

⁹ Lohardaga, Ramgarh, Jamshehpur and Gumla

Audit of records of Jamshedpur division revealed that ₹ 44.92 lakh withdrawn from treasury during the financial year 2020-21 was not entered in the cash book. Moreover, ₹ 14.92 lakh was not even found in the Expenditure Report prepared by the division. Detail is given in **Table 3.26**.

Table 3.26: Detail of amount not entered in the Cash Book

Head-Scheme	Withdrawn Amount	TV No.	TV Date	Bill No.
3452-80-796-19-06-78-Grants-in-Aid	30,00,000.00	2	31.03.2021	07/2020-21
3452-80-796-20-03-20- Fair & Exhibition	14,91,598.00	1	29.03.2021	05/2020-21
Total	44,91,598.00			

Further, it was noticed that the Cash Book was not maintained by the division since 2017-18. Non-maintenance of Cash Book for such a long period is a serious irregularity and chances of misappropriation and misutilisation of government money could not be ruled out.

3.6.15 Non provision of IEC components in Baidyanath Dham Deoghar project: ₹ 3.91 crore

As per Government of India, Ministry of Tourism, Scheme Guidelines for National Mission on Pilgrimage Rejuvenation and Spiritual Heritage Augmentation Drive (PRASHAD) (Para 9.5), 10 per cent of the allocation was to be earmarked as Information Education Communication (IEC) components.

It was observed that ₹ 39.13 crore was received from Government of India, Ministry of Tourism under PRASHAD (dated 29-01-2019). As per GoI guidelines, a provision of ₹ 3.91 crore (10 per cent of ₹ 39.13 crore) was to be made for IEC components (letter number 367 dated 28-02-2019) which was not made. Hence, the objective to generate awareness was not achieved.

3.6.16 Rajrappa Mahotsava (25 and 26 February 2017)

Rajrappa Mahaotsava was organised at CCL Rajrappa Stadium Ground, Chitarpur, Ramgarh for which event management was awarded (January 2017) to SVENTS Brand Solution Pvt. Limited, 201, Nath Mansion, Kathal More Road, Ranchi at ₹ 50.00 lakh (February 2017). Advance of ₹ 30 lakh was paid to the agency. Further ₹ 40 lakh was raised by the organisers' through crowd funding.

i) Non-deduction of taxes at source

As per sanction letter (January 2017) of the Tourism, Art, Culture, Sports and Youth Affairs Department, Government of Jharkhand, Ranchi, service tax, VAT, IT etc. was required to be deducted from the bill of supplier/ agency at source. The deducted amount was to be remitted to the proper head of account.

It was observed that taxes were not deducted at source from the bills of the agency leading to loss of ₹ 10.71 lakh to the government. Details are given in **Table 3.27**.

Table 3.27: Non-deduction of taxes

(₹ in lakh)

Item	Total cost	Service Tax
Production cost	48.63	6.34
Artists cost	41.57	4.37
Total	90.20	10.71

ii) Fraudulent claim- ₹ 22,360.00

Test-checked of vouchers submitted by the agency against VAHAN application of GoI revealed that vehicles provided by the agency claimed as cars were actually two wheelers. However, requests have been sent to the concerned DTOs for verification of vehicle numbers. Details are given in Table 3.28.

Table 3.28: Detail of vehicles

Agency	Bill number/ date	Vehicle Number	Class of vehicle as mentioned by the agency	Actual class of vehicle	Amount involved (₹)
Piyush Travel	220/26-02-2017	JH01AD0873	Swift Car	Splendor Plus motorcycle	3,840.00
	214/25-02-2017	JH02AF6010	Innova	TVSXL Super Moped	7,234.00
	210/25-02-2017	JH02AD0342	Indigo Car	Honda Aviator Motorcycle	6,098.00
	213/25-02-2017	JH01AT2901	Tata Zest Car	Hero Passion Pro motorcycle	5,188.00
Total					22,360.00

3.7 Conclusion

During 2020-21, the total savings of ₹ 21,819.49 crore (22.66 per cent of the total budget) under the grants was indicative of improper budget estimation. Further, these grants had persistent total savings of at least ₹ 6,500.64 crore during each of the last four years.

Supplementary provisions aggregating ₹ 5,400.83 crore (54.51 per cent) obtained in 34 cases (₹ 0.50 crore or more in each case) during the year, proved unnecessary as the expenditure did not come up even to the level of the original provisions.

Excess disbursement over grant/appropriation amounting to ₹ 3,328.68 crore pertaining to the years 2001-02 to 2019-20 is yet to be regularised by the State Legislature. Further, excess expenditure of ₹ 144.95 crore was incurred in one appropriation (13- Interest Payment) during 2020-21.

3.8 Recommendations

- *Government should be more realistic in its budgetary assumptions and ensure efficient control mechanisms to curtail savings. Internal re-appropriations from Savings in other schemes may also be done wherever possible*

- *Excess expenditure over grants approved by the Legislature is in violation of the will of the Legislature. It therefore, needs to be viewed seriously and regularised at the earliest.*
- *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 Grant/ Appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe.*

Chapter-4

QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

CHAPTER 4

QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

This Chapter provides an overview on 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.

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.

4.1 Funds outside Consolidated Fund or Public Account Fund of State

Article 266 (1) subject to the provisions of article 267, provides that all revenues received by the Government of a State, all loans raised by that Government by the issue of treasury bills, loans or ways and means advances, and all moneys received by that Government in repayment of loans shall form one consolidated fund to be entitled the Consolidated Fund of the State.

4.1.1 Labour Cess

As per section 5 of the Building and other Construction Workers' Welfare Cess Rules 1998, amounts collected as labour cess from contractors were required to be transferred to the Labour Welfare Board.

As per the Finance Accounts, during the year 2020-21, the Government collected ₹ 59.15 crore as Labour cess. Further, ₹ 609.33 crore was collected as cess from contractors executing government projects up to 2020-21. The amount of ₹ 609.33 crore collected as cess has not been transferred to the Labour Welfare Board Fund (October 2021) thereby inflating the revenue surplus and understating the fiscal deficit of the State during the relevant years (2008-2021) and represent the unaccounted liabilities of the State.

Table 4.1: Amount of labour cess received by the Govt. and its transfer to Board

Year	Amount received as Cess
Upto 2016-17	312.90
2017-18	80.77
2018-19	79.81
2019-20	76.70
2020-21	59.15
Total	609.33

(₹ in crore)

Further, it was observed that the Labour Welfare Board has finalised its accounts only upto 2012-13. However, receipts and utilisation of funds till 2020-21, as furnished by the Board, is shown in **Table 4.2**.

Table 4.2: Details of amounts received by the Board and its utilisation

(₹ in crore)

Year	Amount provided by the Govt. as Grant-in-aid	Cess received directly by the Board	Total Receipt	Amount spent by the Board on schemes ¹	Amount spent on establishment	Total Expenditure	Unutilised balance amount
(1)	(2)	(3)	{(2+3)=4}	(5)	(6)	{(5+6)=7}	{(4-7)=8}
Upto 2015-16	5.08	252.16	257.24	104.08	1.66	105.74	151.50
2016-17	0	70.26	70.26	48.33	1.29	49.62	20.64
2017-18	0	74.01	74.01	41.64	0.90	42.54	31.47
2018-19	0	90.19	90.19	59.19	0.89	60.08	30.10
2019-20	0	120.00	120.00	75.78	0.83	76.61	43.40
2020-21	0	171.65	171.65	101.30	1.60	102.90	68.75
Total	5.08	778.27	783.35	430.32	7.17	437.49	345.86

Source: By Jharkhand Building and Other Construction Workers Welfare Board

During the period 2009-10 to 2020-21, ₹ 430.32 crore was spent on welfare schemes while ₹ 7.17 crore was spent on establishment. The Board had utilised only 55.85 per cent of available funds

4.2 Off budget borrowings

Off budget borrowings by the State PSUs and Special Purpose Vehicles (SPV) are either explicit payments or guarantees and are contingent liabilities of the State. As per information no off budget borrowings was made by the State PSUs/SPVs during 2020-21.

4.3 Funds transferred directly to State implementing agencies

The Union Government transfers substantial funds directly to State Implementing Agencies/ Non-Governmental Organizations for implementation of various schemes and Programmes.

As of 31 March 2014, the Central Government had transferred a sizeable quantum of fund directly to State implementing agencies for implementing various schemes/ programmes in social and economic sectors, which were recognized as critical. These funds were not routed through State budget/ State treasury system. Expenditure of these funds was not mentioned in the Finance Accounts of the State.

During 2014-15, GOI decided to release all assistance pertaining to centrally sponsored schemes/ additional central assistance directly to the State which resulted in decrease of transfer from ₹ 2,601.80 crore in 2013-14 to ₹130.92 crore in 2014-15 which increased to ₹ 294.25 crore in 2020-21. Details of transfer along with fund transferred to some major agencies are given in **Table 4.3**.

¹ 26 schemes are running under the Welfare Board as per statement dated 23.11.2021 provided by Jharkhand Building and Other Construction Workers Welfare Board.

Table 4.3: Funds transferred by GOI directly to State implementing agencies

(₹ in crore)

Sl. No.	Name of the Schemes of Government of India	Name of the Implementing Agencies	GOI releases during 2020-21
1	MP Local Area Development Scheme	Deputy Commissioner/ District Magistrate	37.50
2	Infrastructure Development and Capacity Building	Indo-Danish Tool Room	49.78
3	Digital India Land Records Modernisation Programme	Jharkhand Land Reform Society	25.25
4	National AIDS and STD Control Programme	Jharkhand State AIDS Control Society	23.69
5	Ongoing Programmes and Schemes- Power	Jharkhand Shiksha Pariyojna Parishad	20.25
6	Pradhan Mantri Matru Vandana Yojana	Women, Child Development & Social Security	16.27
7	Kisan urja suraksha evam utthan mahabhayan- off grid (KUSUM)	Jharkhand Renewable Energy Development Agency	16.05
8	Others	Various agencies	105.46
Total			294.25

Source: Public Financial Management System (PFMS) portal of Controller General of Accounts for the State Accounts (2020-21).

Since these funds are not routed through the State Budget, these are not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts.

Expenditure from direct transfer to implementing agencies was not provided in the accounts of the State.

4.4 Deposit of Local Funds

State Panchayati Raj Acts provides that Zila Parishad (ZP), Panchayat Samiti (PS) and Gram Panchayat (GP) would maintain ZP fund, PS fund and GP fund respectively (under Major Head 8448-Deposits of Local Funds-109-Panchayat Bodies Funds) which would include all the money realised or realisable under the Act and all money otherwise received by the PRIs, such as grants received from Central Finance Commission and State Government as part of the State Finance Commission award and its own revenue, which includes tax and non-tax receipt of a Panchayat. The Acts also envisages that the Municipal Fund is to be held by the Municipality. All the money realised or realisable under this act and all money otherwise received by the Municipalities are kept in the Municipal Fund under the Major Head 8448- Deposits of Local Funds-102-Municipal Funds.

Table 4.4: Deposits of Local Funds

(₹ in crore)

Year		2016-17	2017-18	2018-19	2019-20	2020-21	
Panchayati Raj Institutions	(8448-109)	Opening Balance	183.88	212.71	309.67	364.38	338.12
		Receipt	143.53	181.74	128.99	124.60	100.19
		Expenditure	114.7	84.78	74.28	150.86	87.30
		Closing Balance	212.71	309.67	364.38	338.12	351.01
Urban Local Bodies	(8448-102)	Opening Balance	1,535.71	2,003.17	1,870.03	1,959.09	2,077.75
		Receipt	1,159.19	1,122.21	915.05	1,252.93	4,492.16
		Expenditure	691.73	1,255.35	825.99	1,134.27	3,523.36
		Closing Balance	2,003.17	1,870.03	1,959.09	2,077.75	3,591.45

Source: Finance Accounts of the respective years.

As can be seen from the above table, expenditure by the ULBs and PRIs from these head of accounts were much less than the receipts in each year, except in 2019-21 by PRIs and in 2017-18 by ULBs. Less expenditure every year than receipts lead to accumulation of fund in these accounts.

Further, it was noticed that in 2020-21, the net addition in PRIs had slightly increased in comparison to the previous year, whereas, it increased significantly in case of ULBs.

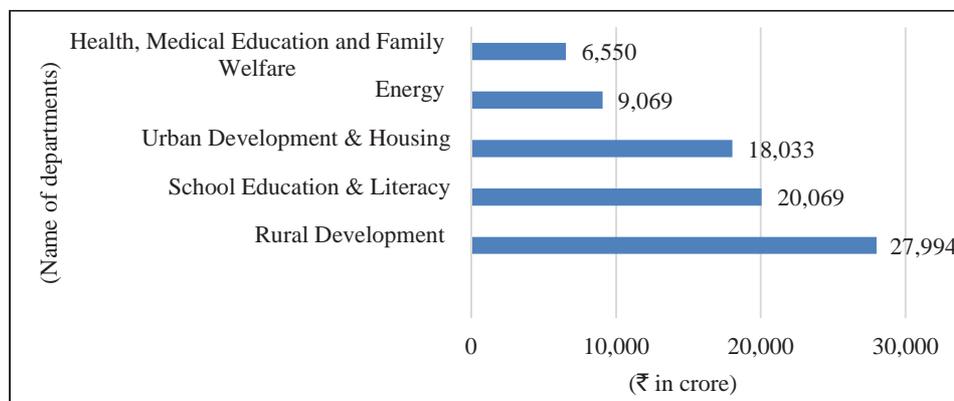
4.5 Delay in submission of Utilisation Certificates

The Jharkhand Financial Rules (JFR) stipulate that departmental officers should obtain Utilisation Certificates (UCs) from the grantees and after verification should forward these to the Principal Accountant General (A&E), Jharkhand within 12 months of drawal of the grant.

Audit observed that 34,017 UCs due in respect of grants aggregating to ₹ 88,047.48 crore, paid up to 2019-20, were outstanding at the end of March 2021.

During 2019-20 and 2020-21, out of total Grants-in-Aid of ₹ 19,191.46 crore and ₹ 20,077.67 crore a sum of ₹ 7,079.39 crore and ₹ 6,369.87 crore respectively was granted for creation of capital assets to the authorities and bodies. However, UCs in respect of creation of capital assets were not submitted by the authorities hence, creation of capital assets could not be ascertained. A significant part of these UCs were outstanding against five departments which are depicted in chart below:

Chart 4.1: Outstanding UCs in respect of Major Grants



The number and amount of outstanding UCs as on 31 March 2021 are shown in **Table 4.5**.

Table 4.5: Arrears in submission of Utilisation Certificates

(₹ in crore)

Year	Opening Balance		Addition		Clearance		Due for submission	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 2016-17	17,048	28,205.67	5,019	17,481.36	668	6,571.50	21,399	39,115.53
2017-18	21,399	39,115.53	4,219	19,545.33	515	6,114.69	25,103	52,546.17
2018-19	25,103	52,546.17	4,483	17,435.44	228	278.62	29,358	69,702.99
2019-20*	29,358	69,702.99	4,749	18,734.70	90	390.21	34,017	88,047.48

*UCs for the GIA disbursed during 2019-20 become due only during 2020-21.

Table 4.6: Year wise break up of outstanding UCs

(₹ in crore)

Year	Number of UCs	Amount
Up to 2010-11	2,191	966.09
2011-12	494	273.38
2012-13	936	1,135.61
2013-14	1,320	1,504.44
2014-15	2,134	5,354.78
2015-16	8,903	9,573.78
2016-17	4,869	14,497.67
2017-18	3,970	18,643.87
2018-19	4,451	17,363.16
2019-20	4,749	18,734.70
Total	34,017	88,047.48

Non receipt of UCs against the GIA Bills indicates the failure of the departmental officers to comply with the rules and procedures to ensure timely submission of utilization of the grants for the intended purpose. High pendency of UCs is fraught with the risk of misappropriation of funds and fraud. Reasons for non-submission of UCs were not provided by the department.

4.6 Abstract Contingent bills

The Jharkhand Treasury Code (JTC), 2016 stipulates that when contingent charges are drawn as an advance from the treasury on Abstract Contingent (AC) bills, without supporting vouchers, the relevant Detailed Contingent (DC) bills supported with sub-vouchers and countersigned by the Controlling Officer (CO) should be submitted to the Principal Accountant General (A&E) within six months from the date of drawal of the AC bill. Year-wise details of pending DC bills as on 31.03.2021 are given in **Table 4.7**.

Table 4.7: Year wise progress in submission of DC bills against the AC bills

(₹ in crore)

Year	Opening Balance		Addition		Clearance		Closing Balance	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Upto 2018-19	17,515	4,279.56	243	1,061.32	70	845.54	17,688	4,495.34
2019-20	17,688	4,495.34	330	2,168.00	83	1706.66	17,935	4,956.68
2020-21	17,935	4,956.68	357	1,911.15	20	848.85	18,272	6,018.98

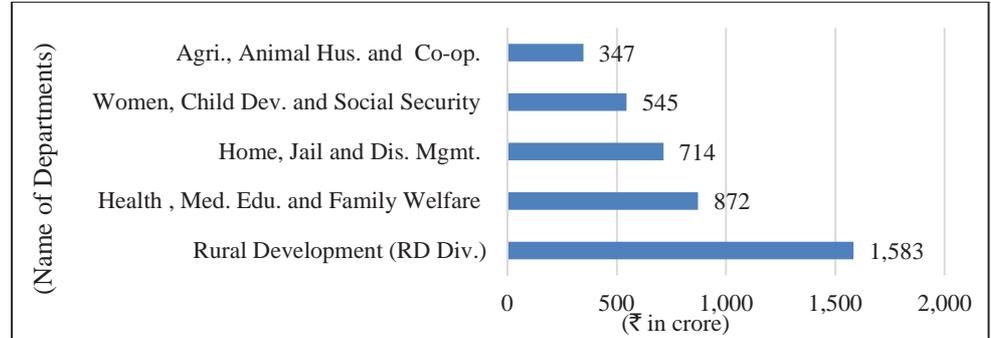
Sixteen departments of the State had drawn ₹ 1,911.15 crore against 357 Abstract Contingent (AC) bills during the financial year 2020-21 but did not submit 337 Detailed Contingent (DC) bills amounting to ₹ 1,062.31 crore before the close of the financial year. There is no assurance that the amount of ₹ 1,062.31 crore has actually been incurred during the financial year for the purpose for which it was sanctioned/authorised by the Legislature. This is a possible overstatement of expenditure in the year 2020-21.

In addition to this, 17,935 AC bills amounting to ₹ 4,956.68 crore drawn up to 2019-20 were also outstanding as on 31 March 2021. Advances drawn and not accounted for increases the possibility of wastage/misappropriation/ malfeasance etc.

Out of ₹ 1,911.15 crore drawn on AC bills in 2020-21, ₹ 44.20 crore was drawn in the month of March 2021 against ₹ 264 crore drawn in March 2020. Expenditure through AC bill in March indicates that the drawal was primarily to exhaust the budget and reveals inadequate budgetary control.

Departments with maximum amount of pending DC bills along with comparative details are given in **Chart 4.2**.

Chart 4.2: Pending DC Bills in respect of major Departments



During scrutiny of records of Building Construction Department, it was observed that DC bill amounting to ₹ 64.37 crore in respect of 60 AC Bills drawn upto the end of 2020-21 were not submitted by the departmental authorities. Details of pending DC bills in Building Construction Department are given in **Table 4.8**.

Table 4.8: Pending DC bills in Building Construction Department at the end of 2020-21

Major Head	No. of DC Bills	Amount (₹ in crore)
2052	20	0.04
2059	28	0.29
2216	9	63.15
4059	3	0.89
Total	60	64.37

Further, during scrutiny of records of Tourism, Art, Culture, Sports and Youth Affairs Department (Tourism Division), it was observed that DC bills amounting to ₹ 91.79 crore in respect of 325 AC Bills drawn upto the end of 2020-21 were not submitted by the departmental authorities. Details of pending DC bills in Tourism division of the department are given in **Table 4.9**.

Table 4.9: Pending DC bills in Tourism division at the end of 2020-21

Major Head	No. of DC Bills	Amount (₹ in crore)
3451	13	0.02
3452	189	51.72
5452	123	40.05
Total	325	91.79

It was noticed that in contravention of the provisions of JTC, 316 DC bills amounting to ₹ 126.52 crore were submitted by the authorities with a delay ranging between 01 month to 128 months. Details are given in **Appendix 4.1**.

Drawal of funds on AC bills and non-submission of DC bills within the prescribed time not only breaches financial discipline but also entails risk of misappropriation of public money and unhealthy practices.

4.7 Personal Ledger Accounts

As per Rule 174 of Jharkhand Treasury Code, money should not be withdrawn from Treasury unless it is required for immediate payment.

Review of Finance Accounts and Voucher Level Computerisation (VLC) data related to the transactions in the minor heads under the Major Head of accounts 8448-Deposits of Local Funds for the year 2020-21 revealed that there were 172 Personal Ledger Accounts (PLAs) operated by various agencies of the State Government as of 31 March 2021.

Year-wise details of balances in PLAs are given in **Table 4.10**.

Table 4.10: Funds in Personal Ledger Accounts

(₹ in crore)				
Year	Opening balance	Receipts	Disbursement	Closing Balance
2016-17	5,217.97	8,406.87	4,136.44	9,488.40
2017-18	9,488.40	12,694.02	8,979.76	13,202.66
2018-19	13,202.66	9,875.32	8,730.74	14,347.24
2019-20	14,347.24	10,447.62	11,088.27	13,706.59
2020-21	13,706.59	12,279.45	9,683.19	16,302.85

It is evident from **Table 4.10** that every year, a substantial amount was added in the PLAs leading to a sharp increase in the closing balance except in 2019-20.

During 2020-21, ₹ 2,596.26 crore was added in the opening balance leading to a significant increase in the balance at the end of the year. A huge balance of ₹ 16,302.85 crore thus remained outside direct control of the Government which is against the provisions of budgetary control system.

Further, Rule 334 of JTC stipulates that the administrator shall review all Personal Deposit Accounts at the end of each financial year. Money lying unspent after two consecutive financial years should not be spent any further and balance should be transferred as reduction of expenditure to the concerned service head from which the money was withdrawn.

A test check of PL Accounts of 15 Administrators revealed that two Administrators did not follow the above rules and unspent fund of ₹ 53.52 crore was kept blocked in PL Accounts for more than three years. Details are given in **Table 4.11**.

Table 4.11: Amount blocked in PL accounts for more than three years

(₹ in crore)			
Sl. No.	Name of Office	Closing Balance	Amount kept in PLAs more than last three years
1	Jharkhand Agency for Promotion of Information Technology	154.66	14.01
2	Police Housing Corporation Ltd.	341.84	39.51
Total		496.50	53.52

Unspent balances lying in PLAs for long periods and not transferred to the Consolidated Fund before the closure of the financial year was not only at variance with the provisions of financial rules but also entails the risk of misuse, fraud and misappropriation of public funds.

4.8 Personal Deposit Accounts

Jharkhand Treasury Code rule 328 to 330 provides that Personal Deposit (PD) accounts may be opened at the treasuries with the concurrence of the Finance department and authorised by the Accountant General (A&E). The PD accounts are opened for specific purposes to deposit funds required for specific purposes and for specified period as per authorisation of Finance department. After expiry of such period the treasury officer will close the account with prior permission of Finance department as well as AG (A&E).

Finance department directed the treasury officers of all the districts to open PD accounts in the name of District Land Acquisition Officers in December 2019. Accordingly, 24 PD accounts were opened to deposit land acquisition compensation fund. All these accounts are operational and an amount of ₹ 1,113.15 crore was added in the opening balance of ₹ 1,155.66 crore during the year 2020-21. Out of the total deposit in these PD accounts, ₹ 522.29 crore was disbursed during the year leaving a balance of ₹ 1,746.53 crore at the end of the financial year.

4.9 Indiscriminate use of 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.

Out of ₹ 587.12 crore received in 12 Major Heads (50 *per cent* and above), ₹ 541.66 crore was booked under the minor head “800-Other Receipts”, during 2020-21 which was 92 *per cent* of the total receipts under these major heads. Details are given in **Table 4.12**.

Table 4.12: Significant expenditure booked under Minor Head 800 – Other Expenditure during financial year

(₹ in crore)

Sl. No.	Major Head	Description	Total Receipts	Booked in '800'	Per cent of total receipts
1	0057	Supplies and Disposals	0.08	0.08	100.00
2	0059	Public Works	5.80	5.80	100.00
3	0220	Information and Publicity	0.01	0.01	100.00
4	0700	Major Irrigation	31.57	31.57	100.00
5	0701	Medium Irrigation	26.52	26.52	100.00
6	0801	Power	160.38	160.38	100.00
7	1456	Civil Supplies	137.05	137.04	99.99
8	1054	Roads and Bridges	31.11	31.11	100
9	0702	Minor Irrigation	0.73	0.72	98.63
10	0215	Water Supply and Sanitation	9.10	8.40	92.31
11	0075	Miscellaneous General Services	171.11	131.42	76.80
12	0515	Other Rural Development Programmes	13.66	8.61	63.03
Total			587.12	541.66	92.25

4.10 Outstanding balance under major Suspense and Debt, Deposits and Remittance heads

Suspense heads are operated when transactions of receipts and payments cannot be booked to a final head of account due to lack of information as to

the nature or for other reasons. These heads of accounts are finally cleared by minus debit or minus credit when amounts under them are booked to their respective final heads of accounts. Suspense balances remaining uncleared at the end of the year adversely affect the accurate reflection of the Government's receipt and expenditure of the year. The position of Suspense balances of the State are indicated in **Table 4.13**.

Table 4.13: Position of balances under Suspense Head - 8658

(₹ in crore)

Name of the Minor Head	2017-18		2018-19		2019-20		2020-21	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
101- Pay and Accounts Office Suspense	70.90	45.38	150.67	138.66	307.17	309.99	437.28	438.51
Net	Dr. 25.52		Dr. 12.01		Cr. 2.82		Cr.1.23	
102 - Suspense Account (Civil)	196.54	17.27	28.67	23.33	34.22	26.72	41.87	40.83
Net	Dr. 179.27		Dr. 5.34		Dr. 7.50		Dr. 1.04	

Table 4.14: Position of balances under Remittances Head - 8782

(₹ in crore)

Major Head 8782-Cash Remittances								
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
102 - P.W. Remittances	26,822.84	26,889.20	37,102.27	37,220.48	47,673.35	47,785.76	55,208.80	55,332.72
Net	Cr. 66.36		Cr. 118.21		Cr. 112.41		Cr. 123.92	
103 - Forest Remittances	974.89	975.36	1,291.04	1,291.68	1,831.09	1,832.93	2,394.30	2,404.06
Net	Cr. 0.47		Cr. 0.64		Cr. 1.84		Cr. 9.76	

Source: Finance Accounts of Government of Jharkhand

The implications of the balances under these heads are stated below:

• **Pay and Accounts Office (PAO) Suspense**

Outstanding debit balances under this head represents payments that have been cleared by the PAG (A&E) Jharkhand on behalf of PAOs of Central Government departments, which are yet to be recovered. Outstanding credit balances represent payments made by PAOs on behalf of the State Government which the PAG (A&E) is yet to adjust. It was noticed that the net balance changed from debit ₹ 25.52 crore in 2017-18 to credit balance of ₹ 1.23 crore in 2020-21. On settlement of the net credit balance under this head (₹ 1.53 crore), the cash balance of the State Government will decrease upto that level.

• **Suspense Accounts (Civil)**

This minor head is credited for recording receipts and debited for expenditure incurred and is cleared on receipt of supporting documents by the PAG (A&E). There is no impact on cash balance on clearance of this item. The net balance under this suspense head fluctuated between debit ₹ 1.04 crore to debit ₹ 179.27 crore during 2017-18 to 2020-21.

Scrutiny of Cash Remittances and adjustments between officers rendering accounts to the same accounts' officers revealed that a credit balance of ₹ 133.68 crore was in transit at the end of March 2021.

4.11 Non-reconciliation of Departmental figures

To enable Controlling Officers of the Departments to exercise effective control over spending to keep it within the budget grants and to ensure accuracy of their accounts, the State Financial Rules stipulate that receipts and expenditure during the financial year recorded in their books be reconciled by them every month with that recorded in the books of the Accountant General (A&E).

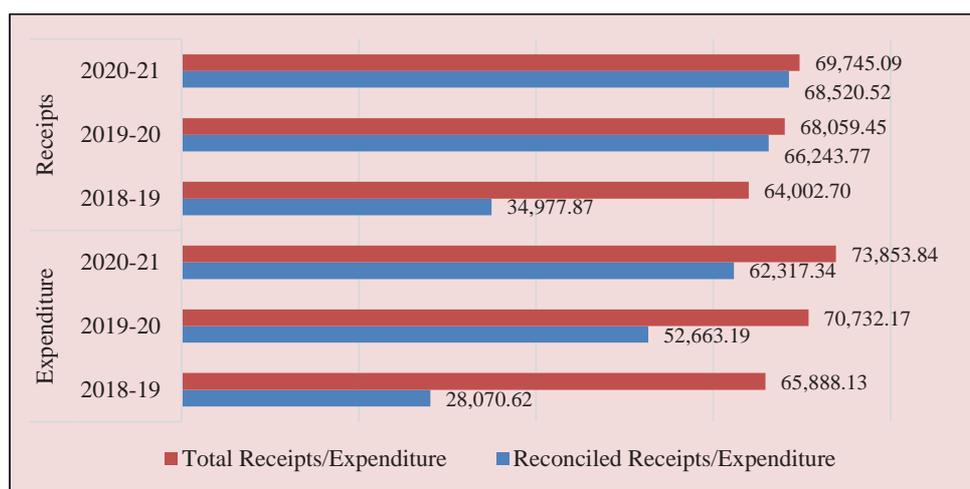
Rule 134 of Budget Manual requires that Controlling Officer should arrange to reconcile departmental accounts with the books of the Principal Accountant General (A&E) on a monthly basis to avoid misclassification of expenditure and receipts.

Every year, the Principal Accountant General (Accounts & Entitlements) reiterates to Budget Controlling Officers, the requirements of the Bihar Budget Manual (as adopted by Jharkhand) to reconcile their monthly and quarterly figures of receipts and expenditure with the books of the Principal Accountant General (A&E).

After regular reporting of non-reconciliation of receipts and disbursements of the State with the books of PAG (A&E) a change was noticed to some extent and during 2020-21, 98.27 *per cent* (₹ 68,520.52 crore) of the total receipts of the State (₹ 69,745.09 crore) was reconciled by the departmental officers with the books of PAG (A&E) against 97.33 *per cent* in 2019-20. Similarly, out of total expenditure of ₹ 73,853.84 crore, 84.38 *per cent* (₹ 62,317.34 crore) was reconciled during 2020-21 by the departmental officers against 74.45 *per cent* in 2019-20.

Since reconciliation of amount is a major source of obtaining reasonable assurance of the receipt and expenditure figures in annual accounts the target of 100 *per cent* reconciliation is still to be achieved. Year wise status of reconciliation shown in **Chart 4.3**.

Chart 4.3: Status of reconciliation during the three years 2018-21



4.12 Reconciliation of Cash Balances

There should be no difference between the Cash Balance of the State as per the books of Accounts of the Pr. Accountant General (A&E), and the Cash Balance as reported by the Reserve Bank of India.

There was a difference of ₹ 168.09 crore (net debit) between the figures reflected in the accounts {₹ 160.55 crore (debit)} and that intimated by the RBI {₹ 7.54 crore (debit)}. The difference of ₹ 168.09 crore (net debit) for the year 2020-21 has been taken up by the Principal Accountant General (A&E), Jharkhand with RBI, Ranchi for reconciliation and necessary correction.

4.13 Compliance with Accounting Standards

As per article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India, prescribe the form of accounts of the Union and of the States. Further, the Comptroller and Auditor General of India set up a Government Accounting Standards Advisory Board (GASAB) in 2002, for formulating standards for government accounting and financial reporting, to enhance accountability mechanisms. On the advice of the Comptroller and Auditor General of India, the President of India has so far notified three Indian Government Accounting Standards (IGAS).

Table 4.15: Compliance to Accounting Standards

Sl. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Impact of deficiency
1.	IGAS-1: Guarantees Given by the Government – Disclosure requirements	The objective of this Standard is to set out disclosure norms in respect of Guarantees given by the Union, the State Governments and Union Territory Governments (with legislature) in their respective Financial Statements to ensure uniform and complete disclosure of such Guarantees	Complied (Statements 9 and 20 of Finance Accounts)	No deficiency
2.	IGAS-2: Accounting and Classification of Grants-in-Aid	This Standard is to prescribe the principles for accounting and classification of Grants-in-aid in the Financial Statements of Government both as a grantor as well as a grantee. This Standard aims to prescribe appropriate principles of accounting and classification of Grants-in-aid by way of appropriate disclosures in the Financial Statements of Government.	Complied (Statement 10 of Finance Accounts)	No deficiency
3.	IGAS-3: Loans and Advances made by Government	This Standard aims to lay down the norms for Recognition, Measurement, Valuation and Reporting of Loans and Advances made by the Union and the State Governments in their respective Financial Statements to ensure complete, accurate, and uniform accounting practices, and to ensure adequate disclosure on Loans and Advances made by the Governments consistent with best international practices.	Partially complied (Statement 7 and 18 of Finance Accounts). Disclosure regarding cases of loans sanctioned as loan in perpetuity and extraordinary transactions was not provided.	Exact amount of overdue loans and the time by which loans are to paid could not be ascertained.

4.14 Submission of Accounts/SARs of Autonomous Bodies

As per Section 19(3) of the CAG's DPC Act, the Governor/ Administrator may, in the public interest, request the CAG to audit the accounts of a corporation established by law made by the legislature of the State or of the

Union Territory, as the case may be, and where such request has been made, the CAG shall audit the accounts of such corporation and shall have, for the purposes of such audit, right of access to the books and accounts of such corporation.

Apart from Section 19, where the audit of the accounts of any authority or body has not been entrusted to the CAG by or under any law, he shall, if requested so to do by the President, or the Governor of a State or the Administrator of a Union Territory having a Legislative Assembly, as the case may be, undertake the audit of the accounts of such body or authority on such terms and conditions as may be agreed upon between him and the concerned Government and shall have, for the purposes of such audit, right of access to the books and accounts of that body or authority (Section 20).

Arrears of accounts of bodies or authorities

Submission of accounts and status of audit regarding 10 reported Autonomous Bodies in the State, auditable under Sections 19 & 20 of the C&AG's (DPC) Act, 1971 with regard to verification of their transactions, operational activities and accounts, conducting compliance audit of transactions, review of internal management and financial controls, review of systems and procedures, etc. are given in **Table 4.16**.

Table 4.16: Details of submission of accounts and status of audit of autonomous bodies

Sl. No.	Name of Bodies/ Authority	Year up to which accounts submitted	SAR was issued upto	Placement of SAR in the Legislature	Comments
1	Jharkhand State Legal Services Authority (JHALSA)	2018-19	2018-19	Not intimated	Annual Accounts for the years 2019-20 and 2020-21 have not been received.
2	Jharkhand State Electricity Regularity Commission (JSERC)	2018-19	2011-12	03.03.2014	Audit of the accounts for the year 2012-13 to 2014-15 is pending for want of reply of audit observation from JSERC. Further, audit of accounts for the year 2015-16 to 2018-19 has not been conducted on technical issues.
3	State Highway Authority of Jharkhand (SHAJ)	2020-21	2017-18	Not intimated	After entrustment audit completed and SAR for the period 2011-12 to 2017-18 issued on 6 March 2020.
4	Rajendra Institute of Medical Sciences (RIMS)	2002-03 to 2009-10			Audit of accounts has not been started yet for want of entrustment under Section 19(3) of DPC Act, 1971.
5	National University of Study and Research in Law (NUSRL), Ranchi	2016-17			Entrustment received, but no account has been received till date.
6	Birsa Agriculture University	No account submitted			Entrustment received, but no account has been received till date.
7	Ranchi Institute of Neuro-Psychiatry & Allied Sciences (RINPAS), Ranchi	No account submitted			Neither entrustment nor account has been received till date.
8	Jharkhand Housing Board, Ranchi	No account submitted			Neither entrustment nor account has been received till date.
9	Compensatory Afforestation Management and Planning Authority	No account submitted			Neither entrustment nor account has been received till date.
10	Baba Baidyanathdham-Basukinath Shrine Area Development Authority	No account submitted			Neither entrustment nor account has been received till date.

Information regarding placement of SARs in respect of audited accounts of JHALSA has not been intimated despite active pursuance. Further, though audit pursued the matter regularly with the concerned authorities for submission of accounts of the bodies mentioned in the above table, the same has not been submitted to audit since inception. However, Compliance Audit of these bodies is being regularly conducted.

4.15 Non-submission of details of grants / loans given to bodies and authorities

Bodies and authorities that are substantially financed by way of loans or grants from the Consolidated Fund, or those that receive such loans or grants for specific purposes are audited by the CAG. As on date, there are 76 such reported bodies and authorities in the State.

Scrutiny revealed that out of 76 bodies/authorities, no body/authority had submitted their latest accounts as of October 2021, whereas four² bodies/authorities have not submitted their accounts to audit since inception. Audit of 72 bodies and authorities have been completed as detailed in **Appendix 4.2**.

Further, under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 the Government / HODs are required to furnish to Audit:

- detailed information about the financial assistance given to various institutions,
- the purpose for which the assistance is granted, and
- total expenditure of the institutions.

However, no department of the State had furnished any such data to the Principal Accountant General (Audit) as of October 2021.

4.16 Misappropriations, losses, thefts, etc.

Rule 31 of the Jharkhand Financial Rules, provides that loss of public money, government revenue, stores or other property by defalcations or otherwise should be immediately reported by the office to the higher authority, Finance Department as well as to the Accountant General (A&E), Jharkhand even when such loss has been made good by the party responsible for it. Such reports must be submitted as soon as a suspicion arises that there has been a loss; these must not be delayed while enquiries are made. PAG (A&E) has informed that no such information was forwarded to A&E office by the State Government in this regard.

4.17 Follow up action on State Finances Audit Report

In every State, the PAC/Finance Department requires the line Departments to provide a *suo motu* Explanatory Note (EN) on the paragraphs featuring in the Audit Reports within one month of placing the Reports in the Legislature. The line Departments are also required to provide Action Taken Notes (ATNs) to the AG (for vetting and onward transmission to the PAC) within three months of tabling the Reports.

² (i) Jharkhand State Hindu Religion Trust Council (ii) Executive Director, Waste Land Development Board, Jharkhand, (iii) CAMPA and (iv) Forest Development Authority

Public Accounts Committee (PAC) had discussed paragraph 2.4.4 (Excess over provisions relating to previous years) of the Audit Report on State Finances for the year 2011-12 and ₹ 8,120.12 crore out of ₹ 8,120.63 crore was regularised (13.01.2014) on the recommendation of PAC. No excess expenditure over provisions was regularised after that date as no recommendation has been made by the PAC in this regard. Further, 159 paragraphs of SFARs on incomplete projects, advance from contingency fund, excess over provision, substantial surrender of funds etc. pertaining to the period 2008-09 to 2018-19 were outstanding for discussions in PAC as on 31 October 2021. During 2020-21, no discussions were held on SFARs.

4.18 Conclusions

Labour cess amounting to ₹ 609.33 crore collected up to March 2021 was not transferred to the Labour Welfare Board Fund (October 2021) thereby overstating the revenue surplus and understating the fiscal deficit of the State during the relevant years (2008-21).

As on 31 March 2021, 34,017 Utilisation Certificates (UCs) amounting to ₹ 88,047.48 crore were outstanding in the State up to 2020-21 by different departments.

Drawal of funds on AC bills and non-submission of DC bills within the prescribed time not only breaches financial discipline but also entails risk of misappropriation of public money and unhealthy practices. As of 31 March 2021, a huge number of DC bills (18,272) amounting to ₹ 6,018.98 crore were not submitted against the AC bills drawn up to 2020-21.

Unspent balances lying in PLAs for long periods and not transferred to the Consolidated Fund before the closure of the financial year was not only at variance with the provisions of financial rules but also entails the risk of misuse, fraud and misappropriation of public funds. Moreover, a huge amount parked in these accounts could not be utilised on other works.

4.19 Recommendations

- *GoJ should ensure transfer of Labour Cess to the Labour Welfare Board as early as possible so that the Board can fulfil its objectives of improving the working conditions of building and other construction workers and providing adequate financial assistance to them.*
- *The Finance Department should take initiatives for submission of outstanding UCs within a prescribed time frame. The administrative departments releasing the grants should be held responsible for collection of UCs pending beyond the time stipulated in the grant orders. FD should ensure that no further grants should be released to the defaulting grantees. The Government may initiate appropriate action against officers who defaulted in submission of UCs in time.*
- *The Finance Department should ensure that all controlling officers adjust in a time bound manner, all AC bills pending beyond the prescribed period, and also ensure that AC bills are not drawn merely to avoid lapse of budget.*

- *The Finance Department should review all PL accounts and ensure that all amounts unnecessarily lying in these PL accounts are immediately remitted to the Consolidated Fund. Further, the Finance Department is required to reiterate the instructions contained in the financial rules and ensure that appropriate action is taken against departmental officers who fail to follow the rules.*

Chapter-5

GENERAL PURPOSE FINANCIAL REPORTING

CHAPTER 5

GENERAL PURPOSE FINANCIAL REPORTING

5.1 Introduction

This Chapter presents the summary of financial performance of Government Companies and Government controlled other Companies. In the Chapter, the term State Public Sector Enterprises (SPSEs) encompasses those Government companies in which the direct holding of the State Government is 51 *per cent* or more and subsidiary of such Government companies. The other companies owned or controlled, directly or indirectly by the State Government have also been categorised as State Public Sector Undertakings (SPSUs).

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 State Government, or by any State Government or Governments, or partly by the State Government and partly by one or more State Governments and includes a company which is a subsidiary of a Government Company.

Besides, any other company¹ owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Chapter as Government controlled other Companies.

The total number of SPSEs in the State as on 2020-21 is 31 whereas based on the latest finalized accounts upto last three years *i.e.*, 2018-19 to 2020-21, 16 SPSEs (15 Government companies and one Government controlled other company) are being covered in this Chapter.

5.2 Mandate

Audit of Government companies and Government controlled other companies is conducted by the CAG under the provisions of Section 143(5) to 143(7) of the Companies Act, 2013 read with Section 19 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made there under. Under the Companies Act, 2013, the CAG 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, CAG has the right to conduct a supplementary audit. The statutes governing some Statutory Corporations require their accounts to be audited only by CAG.

¹ Companies (Removal of difficulties) seventh order, 2014 issued by ministry of corporate affairs vide Gazette notification dated: 04-09-2014.

5.3 What this Chapter contains

This chapter gives an overall picture of the financial performance of the State Government Companies and Government controlled other Companies as revealed from their accounts.

This chapter also gives an overall picture of the status of the adherence of SPSEs to the guidelines issued by the Department of Public Enterprises (DPE), compliance with provisions of Companies Act, 2013 on Corporate Governance, analysis of Memorandum of Understanding (MoU) between State Government and SPSEs, disinvestment in SPSEs, expenditure on research and development by SPSEs and the impact of implementation of Indian Accounting Standards (Ind-AS) on the financial statements of SPSEs.

5.4 Number of SPSEs

As on 31 March 2021, there were 31 State Public Sector Enterprises under the audit jurisdiction of the CAG. These include 30 State Government Companies, and one State Government controlled other companies. Nature of SPSEs is given in **Table 5.1**.

Table 5.1: Nature of SPSEs covered

Nature of PSUs	Total Number	Number of SPSEs of which accounts received during the reporting period				Number of SPSEs not covered
		Accounts upto 2020-21	Accounts upto 2019-20	Accounts upto 2018-19	Total	
Functional Government Companies ²	27	01	04	07	12	15
Functional Government Controlled Other Companies	01	00	01	00	01	00
Total functional SPSEs	28	01	05	07	13	15
Non-functional Government Companies	03	00	03	00	03	00
Total non-functional SPSEs	03	00	03	00	03	00
Total	31	01	08	07	16	15

Source: Latest finalized Accounts of SPSEs as on 31st October 2021

The details of State Government companies/State Government controlled other companies under the purview of CAG's audit during 2020-21, are given in **Appendix 5.1**. This chapter does not include 15 SPSEs whose accounts are in arrear since more than three year or those which are under liquidation. These SPSEs are shown in **Appendix 5.2**.

² Government PSUs include Government controlled other Companies referred to in Section 139(5) and 139(7) of the Companies Act 2013.

Out of 16 SPSEs, only one³ finalized their accounts for the year 2020-21, eight SPSEs finalized accounts for the year 2019-20 and seven SPSEs finalized their accounts for the year 2018-19 till 31 March 2021. The result/summary of financial performance of SPSEs covered in this chapter for 2020-21 is given in **Table 5.2**.

Table 5.2: Result/ summary of financial performance of SPSEs

Particulars	Details
Number of SPSEs	31
SPSEs Covered in this Chapter	16
Paid up capital (SPSEs)	₹ 4,395.33 crore
Long term Loans (SPSEs)	₹ 14,524.98 crore
Net profit (4 SPSEs)	₹ 37.47 crore
Net loss (10 SPSEs)	- ₹ 1,383.36 crore
Zero Profit/loss (SPSE)	2
Dividend declared (SPSEs)	Nil
Total Assets (SPSEs)	₹ 43,055.30 crore
Turnover (SPSEs)	₹ 5,603.41 crore
Net Worth (SPSEs)	- ₹ 3,567.84 crore

Source: Latest finalized Annual Accounts of SPSEs as on 31st October 2021

5.5 Contribution of turnover of the SPSEs to the GSDP

The ratio of turnover of the 16 SPSEs covered in this chapter to the Gross State Domestic Product (GSDP) shows the extent of activities of the SPSEs in the State economy. **Table 5.3** provides the details of turnover of SPSEs and GSDP of State of Jharkhand for a period of three years ending March 2021.

Table 5.3: Details of turnover of State PSUs vis-à-vis GSDP of Jharkhand

Particulars	(₹ in crore)		
	2018-19	2019-20	2020-21
Turnover	4,433.80	5,605.82	5,603.41
Percentage change in turnover as compared to turnover of preceding year	19.58	26.43	-0.04
GSDP of Jharkhand	3,05,695	3,21,157	3,17,079
Percentage change in GSDP as compared to GSDP of preceding year	13.30	5.06	-1.27
Percentage of Turnover to GSDP of Jharkhand	1.45	1.75	1.77

Source: Compiled based on Turnover figures of functional SPSEs and GSDP figures as per Directorate of Economics and Statistics of the Jharkhand state

The turnover of 16 SPSEs increased from ₹ 4,433.80 crore in 2018-19 to ₹ 5,605.82 crore in 2019-20 and decreased to ₹ 5603.41 crore in 2020-21. The rate of change in turnover ranged between -0.04 per cent and 26.43 per cent during the period 2018-19 to 2020-21, whereas rate of change in GSDP of the State ranged between -1.27 per cent and 13.30 per cent during the same period. The compounded annual growth⁴ of GSDP was 0.07 per cent during the last three years.

³ Jharkhand Police Housing Corporation Limited (JPHCL)

⁴ Rate of Compounded Annual Growth $\{[(\text{Value of 2020-21}/\text{Value of 2018-19})^{(1/3 \text{ years})}]-1\} * 100$.

Against the compounded annual growth of 0.07 *per cent* of the GSDP, the turnover of the SPSEs recorded compounded annual growth of 0.01 *per cent* during the last three years. The increase in turnover in 2019-20 was due to increase in turnover of power sector companies *i.e.*, ₹ 4,362.87 crore in 2018-19 to ₹ 5,536.97 crore in 2019-20. The slight decline in turnover in 2020-21 was due to decrease in turnover of non-power sector companies *i.e.*, ₹ 68.85 crore in 2019-20 to ₹ 66.44 crore in 2020-21. This resulted in marginal increase in the share of turnover of these SPSEs to the GSDP from 1.45 *per cent* in 2018-19 to 1.77 *per cent* in 2020-21.

5.6 Investment in Government Companies & Government controlled other company

The amount of investment in equity and loans in 30 Government Companies and one Govt. controlled other company as at the end of 31 March 2021 is given in **Table 5.4**.

Table 5.4: Equity investment and loans in Government Companies and Others
(₹ in crore)

Sources of investment	As on 31 March 2020			As on 31 March 2021		
	Equity	Long Term Loan	Total	Equity	Long Term Loan	Total
State Government	4,604.13	13,569.42	18,173.55	5,237.13	17,053.93	22,291.06
Central Government	0.00	1,192.76	1,192.76	0.00	1,233.36	1,233.36
Others (including Government Companies)	14.93	488.29	503.22	17.45	487.56	505.01
Total Investment	4,619.06	15,250.47	19,869.53	5,254.58	18,774.85	24,029.43
Percentage of investment of State Government to Total Investment	99.68	88.98	91.46	99.67	90.83	92.77

Source: Information provided by SPSEs as the accounts of the SPSEs are in arrears.

5.7 Equity Holding in SPSEs

During 2020-21, total equity holding at face value in the 31 SPSEs registered a net increase of ₹ 635.52 crore. The equity holding of State Government at face value in SPSEs increased to ₹ 5,237.13 crore in 2020-21 from ₹ 4,596.21 crore in 2018-19. Details of investment in equity in SPSEs by State Government during 2018-19 to 2020-21 are depicted in **Table 5.5** and **Chart 5.1**.

Table 5.5: Investment in Equity

(₹ in crore)

Sources of investment	2018-19	2019-20	2020-21
State Government	4,596.21	4,604.13	5,237.13
Central Government	0	0	0
Others*	9.38	14.93	17.45
Total Investment	4,605.59	4,619.06	5,254.58

Source: Information provided by SPSEs as the accounts of the SPSEs are in arrears.

* Others include Companies and Corporations

Details of significant holding of the State Government during 2020-21 in the paid-up capital of the SPSEs is given in **Table 5.6**.

Table 5.6: Significant holding of the State Government

Name of the CPSE	Name of the Department	Amount (₹ in crore)
JBVNL	Energy	3111.03
JUSNL	Energy	1601.06
TVNL	Energy	105.00
GRDA	Urban housing	164.14
Total		4981.23

Source: Information provided by SPSEs as the accounts of the SPSEs are in arrears.

5.8 Investment in Government Controlled other Companies

The capital invested in Government controlled other Companies by the State Governments and others up to the year 2020-21 are given in **Table 5.7**.

Table 5.7: Composition of share capital in Government controlled other Companies

(₹ in crore)

Sl. No.	Name of PSUs	Paid up Capital			Total Paid up Capital
		GoJ	GoI	Others	
1	Jharkhand Railway Infrastructure Development Corporation Limited (JRIDCL)	5.00	0.00	4.08	9.08
Total		5.00	0.00	4.08	9.08

Source: Information provided by SPSEs as the accounts of the SPSEs are in arrears

5.9 Loans given to State Government Companies

Out of 31 SPSEs, 21 SPSEs did not have any long-term loans as on 31 March 2021. Audit noticed that no company had repaid the principal as well as interest amount during the years 2018-19 to 2020-21. Year wise detail of outstanding long-term loans of SPSEs is depicted in **Table 5.8**.

Table 5.8: Outstanding Long Term Loans in 10 SPSEs

(₹ in crore)

	2018-19	2019-20	2020-21
State Government	13,387.34	13,569.42	17,053.93
Central Government	906.63	1,192.76	1,233.36
Others	471.87	488.29	487.56
Total Long-Term Loans	14,765.84	15,250.47	18,774.85

Source: Information provided by SPSEs as the accounts of the SPSEs are in arrears.

The total long-term loans outstanding in 10⁵ out of 31 SPSEs as on 31 March 2021 was ₹ 18,774.85 crore which includes loans from State Government (₹ 17,053.93 crore (90.83 per cent)). During the period 2018-19 to 2020-21, the long-term loans given by State Government in

⁵ Patratu Energy Limited (PEL), Karnpura Energy Limited (KEL), Jharkhand UrjaSancharan Nigam Limited (JUSNL), Jharkhand BijaliVitrana Nigam Limited (JBVNL), Jharkhand UrjaUtpadan Nigam Limited (JUUNL), TenughatVidyut Nigam Limited (TVNL), Jharkhand State Food & Civil Supply Corporation (JSFCSC) Limited, Jharkhand Hill Area Lift Irrigation Corporation (JHALCO) Limited, Jharbihar Colliery Limited (JCL) and Jharkhand Plastic Park Limited (JPPL).

SPSEs registered an increase of ₹ 3,666.59 crore and loans from other sources also increased by ₹ 15.69 crore.

Out of the total loans of State Government as on 31 March 2021, ₹ 49.86 crore (0.27 per cent) was outstanding with Non-Power Sector. The rest was with Power Sector while loan from 'others' was totally concerned with Power Sector.

None of the company had repaid the principal as well as interest amount during the year 2018-19 to 2020-21 to the State Government.

5.10 Adequacy of assets to meet loan liabilities

Ratio of total debt to total assets is one of the methods used to determine whether a company can stay solvent. To be considered solvent, the value of an entity's assets must be greater than the sum of its loans/debts. The coverage of long-term loans by value of total assets in 10 SPSEs which had outstanding loans as on 31 March 2021 is given in **Table 5.9**.

Table 5.9: SPSEs which had outstanding loans as on 31 March 2021

(₹ in crore)

	Positive Coverage				Negative Coverage			
	No. of SPSE	Long term Loans	Assets	Percentage of assets to loans	No of SPSEs	Long term Loans	Assets	Percentage of assets to loans
Government Company	8	18,699.49	42,344.74	226.45	2	31.4	24.37	77.61

Source: Latest finalized Annual Accounts of SPSEs as on 31st October 2021

Out of the 10 SPSEs, in two SPSEs⁶ the value of total assets was less than the loans outstanding

5.11 Budgetary Support to State PSUs

The Government of Jharkhand provides financial support to SPSEs in the form of equity, loan, subsidy and grant through annual budget. In six out of 16 SPSEs, State Government provided financial support in form of equity, loan and grants during the period 2018-19 to 2020-21 (six during 2018-20 and five in 2020-21). The details of budgetary support towards equity, loan, grants and subsidies to SPSEs during 2018-19 and 2020-21 are as given in **Table 5.10**.

Table 5.10: Details regarding budgetary support to State PSUs

(₹ in crore)

Particulars ⁷	2018-19		2019-20		2020-21	
	No of SPSEs	Amount	No of SPSEs	Amount	No of SPSEs ⁸	Amount
Power						
Equity Capital outgo (i)	0	0	0	0	0	626.00
Loans given (ii)	2	1,493.11	2	182.08	1	3,485.51

⁶ Jharbihar Colliery Limited and Karnpura Energy Ltd.

⁷ Amount represents outgo from State Budget only

⁸ Jharkhand Bijli Vitran Nigam Limited, Jharkhand Urja Sancharan Nigam Limited, Jharkhand Plastic Parks Limited and Jharkhand Urban Infrastructure Development Company Limited

Particulars ⁷	2018-19		2019-20		2020-21	
	No of SPSEs	Amount	No of SPSEs	Amount	No of SPSEs ⁸	Amount
Power						
Grants/Subsidies provided (iii)	1	1250	1	600	1	0
Total Outgo (i+ii+iii) Power	2	2,743.11	2	782.08	1	4,111.51
Non-Power						
Equity Capital outgo (i)	3	67.08	3	7.92	2	7
Loans given (ii)	0	0	0	0	0	0
Grants/Subsidies provided (iii)	1	286.36	1	699.90	1	348.55
Total Outgo (i+ii+iii)	4	353.44	4	707.82	3	355.55
Grand Total Outgo	6	3,096.55	6	1,489.90	4	4,467.06

Source: Information provided by SPSEs as the accounts of the SPSEs are in arrears.

5.12 Disinvestment, restructuring and privatization of State PSUs

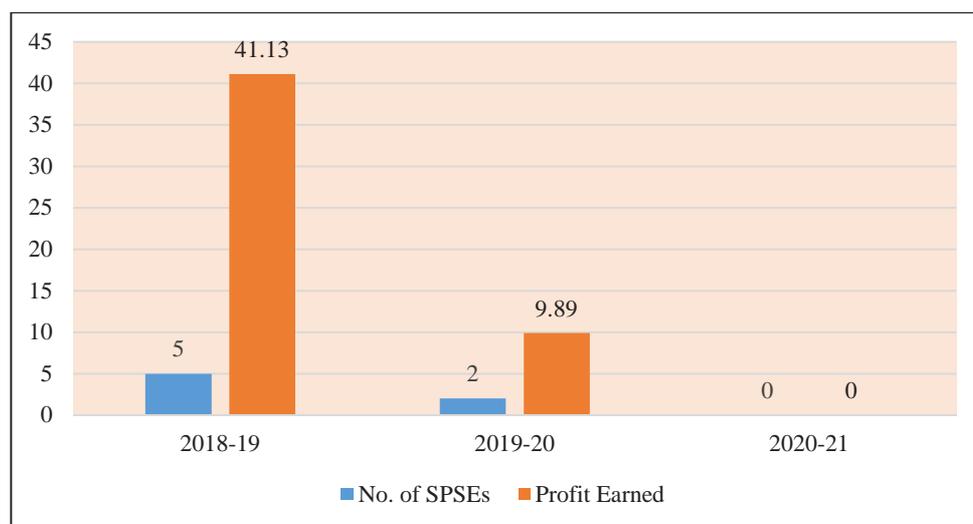
During the years from 2018-19 to 2020-21, no disinvestment, restructuring or privatisation was done by the State Government in SPSEs.

5.13 Returns from Government Companies

Profit earned by SPSEs

Based on latest finalised accounts five SPSEs pertaining to Non-powers sector reported a profit of ₹ 41.13 crore in 2018-19, two reported a profit of ₹ 9.89 crore in 2019-20 and no SPSEs reported a profit during 2020-21. The Number of SPSEs that earned profit during the period from 2018-19 to 2020-21 are depicted in **Chart 5.1**.

Chart 5.1: SPSEs earning profits during last three years



Out of these five profit making SPSEs, the Jharkhand State Building Construction Corporation Limited earned profit of more than ₹ 10 crore as per latest finalised accounts.

Dividend Paid by SPSE

The State Government had not formulated a dividend policy under which all profit-making SPSEs are required to pay a minimum return.

5.14 Debt servicing and legal compliances**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. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An ICR below one indicates that the company was not generating sufficient revenues to meet its expenses on interest. The details of positive and negative ICR of SPSEs during the period from 2018-19 to 2020-21 are given in **Table 5.11**.

Table 5.11: Interest Coverage Ratio

(₹ in crore)

Year	Interest	Earnings before interests & Taxes (EBIT)	No of SPSEs	No. of SPSEs having ICR less than 1
2018-19	623.24	-963.52	3	3
2019-20	806.97	-1343.00	3	3
2020-21	899.11	-1343.00	3	3

Source: Latest finalized Annual Accounts of SPSEs as on 31st October 2021

It can be seen from the table that the ICR of three SPSEs⁹ was less than one. All the three are Power Sector SPSEs. It indicates that these SPSE's earning was not sufficient to pay their interest which also indicates high risk of insolvency.

Age wise Analysis of Interest Outstanding on State Government Loans

As on 31 March 2021, interest amounting to ₹ 3,676.63 crore was outstanding on the long-term loans of three SPSEs (JBVNL, JUSNL and JUUNL) provided by State Government. The age wise analysis of interest outstanding on State Government loans in these SPSEs is depicted in **Table 5.12**.

Table 5.12: Age wise Analysis of Interest Outstanding on State Government Loans

(₹ in crore)

Sl. No	Name of SPSE	Total outstanding Interest on Loan	Interest on loans outstanding for		
			less than 1 year	1 to 3 years	more than 3 years
Power					
1	JBVNL	2,007.28	587.93	807.85	611.5
2	JUSNL	1,636.85	304.68	609.36	722.81
3	JUUNL	32.5	6.5	13	13
Total		3,676.63	899.11	1,430.21	1,347.31

Source: Latest finalized Annual Accounts of SPSEs as on 31st October 2021

It can be seen from the Table that interest amounting to ₹ 1,347.31 crore was outstanding for more than three years. All the companies failed to

⁹ JBVNL, JUSNL and JUUNL.

repay the interest as well as principal of loans outstanding during the period.

5.15 Operating efficiency of Government Companies

Return on Capital Employed

Return on Capital Employed (ROCE) is a ratio that measures a company's profitability and the efficiency with which its capital is employed. ROCE is calculated by dividing a company's EBIT by the capital employed¹⁰. The details of ROCE of 16 SPSEs (6 Power and 10 Non-Power sector) during the period from 2018-19 to 2020-21 are given in **Table 5.13**.

Table 5.13: Return on Capital Employed

Year wise Sector-wise break-up	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (in %)
2020-21			
Power	-1,357.8	2,1138.36	-6.42
Non-Power	26.76	2,357.09	1.14
Total	-1,331.04	23,495.45	-5.67
2019-20			
Power	-1,357.8	21,137.88	-6.42
Non-Power	36.32	2,757.93	1.32
Total	-1,321.48	23,895.81	-5.53
2018-19			
Power	-969.8	20,797.19	-4.66
Non-Power	39.96	2,333.44	1.71
Total	-929.84	23,130.63	-4.02
Grand Total	-3,582.36	70,521.89	-5.08

Source: Compiled based on latest finalized Annual Accounts of SPSEs

It can be seen from the table that ROCE of Power Sector SPSEs in 2018-19 was (-) 4.66 per cent which decreased to (-) 6.42 per cent during 2019-20 and 2020-21 due to loss of ₹ 969.80 crore (2018-19) to ₹ 1,357.80 crore (2020-21) incurred by Power Sector SPSEs.

During the period 2018-19 to 2020-21, the ROCE of Non-Power Sector has reduced from 1.71 per cent to 1.14 per cent.

Rate of Real Return on Government Investment

In view of the significant investments by Government of Jharkhand (GoJ) in the reported 16 SPSEs, return on such investment is essential from the perspective of State finances. Traditional calculation of return based only on 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, the return on investment has been

¹⁰ Capital Employed = Paid up Share capital + Free Reserves and surplus + Long term loans – Accumulated losses – Deferred Revenue Expenditure

calculated after considering the Present Value (PV) of money to arrive at the real return on investment made by State Government. PV of the State Government investment was computed where funds had been infused by the State Government in the shape of equity, interest free/defaulted long-term loans and capital grants.

Out of 16 SPSEs (including Power Sector and Non-Power Sector), three¹¹ SPSEs were non-working. Therefore, in remaining 13 SPSEs, PV of the State Government investments was computed based on the following assumptions:

- Interest free/defaulted long-term loans and Capital Grants have been considered as investment infusion by the State Government. Further, in those cases where interest free loans given to the SPSEs were later converted into equity, the amount of loan converted into equity has been deducted from the amount of interest free loans and added to the equity of that year. The funds made available in the form of revenue grants and subsidies have not been reckoned as investments.
- The average rate of interest on government borrowings for the concerned financial year¹² was adopted as the discount rate for arriving at PV since they represent the cost incurred by the government towards investment of funds for the year.

During the period 2017-18 to 2020-21 when the Power Sector SPSEs incurred losses, a more appropriate measure of performance is the erosion of net worth due to losses. The erosion of net worth of the companies is commented upon in *Paragraph 5.16*.

Net Present Value of State Government Investment

The position of State Government investment in 13 companies in the form of equity, interest free/defaulted loans and capital grants since inception of these companies till 31 March 2021 and the consolidated position of the PV of the State Government investment relating to them since 2017-18 till 31 March 2021 are indicated in **Appendix 5.3**.

The investment of the State Government in these 13 companies at the end of the year increased to ₹ 5,020.80 crore in 2020-21 from ₹ 4,313.47 crore in 2016-17 as the State Government made further investments in shape of equity ₹ 707.33 crore. The PV of investments of the State Government up to 31 March 2021 worked out to ₹ 8,135.52 crore.

It could be seen that total earnings for the year relating to these companies remained negative during 2017-18 to 2020-21 which indicates that instead of generating returns on the invested funds to recover the cost of funds to

¹¹ JCL, PEL and KEL.

¹² *The average rate of interest on government borrowings was adopted from the Reports of the C&AG of India on State Finances (Government of Jharkhand) 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 Government, they have accumulated losses over the years making them commercially unviable.

Return on investment in SPSE/ Government controlled other Company

Return on investment (ROI)¹³ is a measure of financial performance of companies calculated by dividing net income by total investment. Sector wise ROI of SPSEs/ Government controlled other company for three years ended 31 March 2021 is depicted in **Table 5.14**.

Table 5.14: Sector wise Return on Investment

(₹ in crore)

Sector	2018-19	2019-20	2020-21
Power	-5.30	-7.30	-
Non Power	13.53	11.71	8.63

Source: Latest finalized Annual Accounts of SPSEs as on 31st October 2021

It can be seen from the above table that ROI of Power Sector in 2018-19 was (-) 5.30 per cent which was due to loss incurred of ₹ 961.69 crore by JBVNL and JUSNL which declined to (-) 7.30 percent 2019-20. The ROI of Non-Power Sector reduced from 13.53 per cent in 2018-19 to 8.63 per cent in 2020-21. The decrease of ROI of Non-Power Sector was due to slippage of JPHCL from profit earning to loss incurring, i.e., earning profit of ₹ 3.47 crore in 2018-19 to incurring loss of ₹ 9.72 crore in 2020-21.

Return on Equity of SPSEs

Return on equity (ROE)¹⁴ is a measure of financial performance of companies calculated by dividing net income by shareholders' equity. Sector wise ROE of SPSEs/Government controlled other company for three years ended 31 March 2021 is depicted in **Table 5.15**.

Table 5.15: Sector wise Return on Equity of SPSEs

(₹ in crore)

Sector	2018-19	2019-20	2020-21
Power	- 33.55	- 34.09	- 34.09
Non Power	5.51	5.05	2.87

Source: Latest finalized Annual Accounts of SPSEs as on 31st October 2021

It can be seen from the above table that ROE of Power Sector in 2018-19 was (-) 33.55 per cent which was due to loss incurred of ₹ 961.69 crore by JBVNL and JUSNL while the ROE of Non-Power Sector decreased from 5.51 per cent in 2018-19 to 2.87 per cent in 2020-21.

¹³ Return on Investment = (Net Profit before Interest, Tax and preference Dividend/Equity)*100/Investment where Investment = Paid up Capital + Free Reserves + Long term loan.

¹⁴ Return on Equity = (Net Profit after Tax and preference Dividend/Equity)*100 where Equity = Paid up Capital + Free Reserves – Accumulated Loss – Deferred Revenue Expenditure

5.16 SPSEs incurring losses**SPSEs that incurred losses during 2018-19 to 2020-21**

There were 10¹⁵ SPSEs/Government controlled other company that incurred losses during the year 2018-19 to 2020-21 as given in **Table 5.16**.

Table 5.16: Number of SPSEs that incurred losses during 2018-19 to 2020-21

(₹ in crore)

Year	No of SPSEs/ Government controlled other company incurred loss	Net loss for the year	Net Worth ¹⁶
2018-19	10	986.65	-2,929.34
2019-20	6	1,147.40	-4,150.93
2020-21	1*	9.72	8.15
Total		2,143.77	-7,072.12

Source: Latest finalized Annual Accounts of SPSEs as on 31st October 2021

* only one company (JPHCL) finalized their final accounts for the year 2020-21 upto 31 October 2021

Out of total loss of ₹ 2,143.77 crore incurred by 10 SPSEs/Government controlled other company, loss of ₹ 2,093.22 crore was attributed to two¹⁷ SPSEs which functioned in Power Sector. SPSEs listed in **Table 5.17** incurred loss of more than ₹ 10 crore as per their latest information provided.

Table 5.17: SPSEs that incurred losses of more than ₹ 10 crore

(₹ in crore)

Sl. No.	Name of SPSEs	Year of Finalised Account	Net loss after tax and preference dividend
Power			
1	Jharkhand Bijli Vitran Nigam Limited	2019-20	-1,131.53
2	Jharkhand Urja Sancharan Nigam Limited	2018-19	-210.6
Total Power			-1,342.13
Non-Power			
1	Jharkhand Silk Textile & Handicraft Development Corporation Limited	2018-19	-13.04
Total Non -Power			-13.04
Grand Total			-1,355.17

Source: Latest finalized Annual Accounts of SPSEs as on 31st October 2021

¹⁵ JBVNL, JUSNL, JUUNL, JCL, PEL, KEL, JPHCL, JHARCRAFT, JPPL and JFDCL.

¹⁶ Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits and share premium account but do not include reserves created out of revaluation of assets and write back of depreciation provision.

¹⁷ JBVNL in 2018-19 and 2019-20 and JUSNL in 2018-19.

Erosion of capital in Government Companies

Out of 16 SPSEs/Government controlled other company, 10 SPSEs incurred losses amounting to ₹ 1,383.36 crore as on 31 March 2021. There were 10 SPSEs with accumulated losses of ₹ 8,153.02 crore of which net worth of six SPSEs was negative ₹ 4,252.60 crore and four SPSEs was positive ₹ 232.62 crore against equity investment of ₹ 4,133.04 crore as on 31 March 2021.

5.17 Implementation of Ujwal Discom Assurance Yojana (UDAY)

The Ministry of Power, Government of India (GoI) had launched (November 2015) the Ujwal Discom Assurance Yojana (UDAY) Scheme for the financial turnaround of Power Distribution Companies (DISCOMs).

With an objective to improve the operational and financial efficiency of the State DISCOMs, a tripartite Memorandum of Undertaking (MoU) was executed between Ministry of Power (GoI), concerned State Government and State Power Distribution Companies. This scheme facilitated State Governments to take over 75 per cent of DISCOM's outstanding debt over a period of two years.

The outstanding debt of the DISCOMs was to be taken over in the form of equity, loan and grant/subsidy. The loan extended to DISCOMs under UDAY has to be converted into grant and equity in the subsequent three years. Accordingly, the States had to convert loan into equity and subsidy.

Further, the State Government would have to take over losses, if any, of the DISCOMs in a graded manner as below:

Year	2017-18	2018-19	2019-20	2020-21
Loss to be taken over by State.	5% of loss of 2016-17	10% of loss of 2017-18	25% of loss of 2018-19	50% of loss of previous year

The State of Jharkhand took over 100 per cent liabilities of outstanding dues of JBVNL with Central Public Sector Undertakings (CPSUs) and 75 per cent of the outstanding debt of JBVNL as on 30.09.2015. State issued a loan of ₹ 6,136 crore to JBVNL of which, ₹ 5,553 crore was raised as borrowings on UDAY bonds and ₹ 583.00 crore was given from the consolidated fund of the State. Borrowings on UDAY bond have been raised at an interest rate of 8 to 8.99 per cent per annum which were to be repaid between the years 2021-22 to 2030-31, whereas the loan was given to JBVNL at an interest rate of 13 per cent per annum.

The loan by the State government to DISCOM was not converted into grant and/or equity as per requirement of the scheme as of 31 October 2021. However, as per latest finalised accounts, JBVNL was running a loss of ₹ 1,131.54 crore during 2019-20. The net worth of JBVNL was completely eroded and stood at negative ₹ 4,187.57 crore as on 31 March 2020. No borrowing was made on UDAY bond by the State after 2015-16.

5.18 Oversight Role of CAG

Audit of State Public Sector Enterprises (SPSEs)

Comptroller & Auditor General of India (CAG) appoints the statutory auditors of a State Government Company and State Government Controlled Other Company under Section 139 (5) and (7) of the Companies Act, 2013. CAG has a right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the statutory auditor. Statutes governing some Corporations require that their accounts be audited by the CAG and a report be submitted to the State Legislature.

Appointment of statutory auditors of SPSEs by CAG

Section 139 (5) of the Companies Act, 2013 provides that the statutory auditors in case of a State Government Company are to be appointed by the CAG within a period of 180 days from the commencement of the financial year.

Submission of Accounts by SPSEs

➤ **Need for timely submission**

According to Section 394 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 both the Houses of 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 utilization of public funds invested in the companies from the Consolidated Fund of the State.

Section 96 of the Companies Act, 2013 requires every company to hold AGM 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 AGM and that of the next. 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 AGM 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.

Despite the above, annual accounts of various SPSEs were pending as on 31 October 2021, as detailed in the following paragraph.

➤ **Timeliness in preparation of accounts by State Government Companies / Statutory Corporations**

As of 31 March 2021, there were 30 State Government Companies and one Government controlled other company under the purview of CAG's audit. Of these, accounts for the year 2020-21 were due from 30 State

Government Companies. One¹⁸ State Government Company submitted their accounts for the year 2020-21 for audit by CAG before 31 October 2021. Accounts of rest 30 State Government Companies were in arrears for various reasons.

Details of arrears in submission of accounts of SPSEs as on 31 October 2021 are given in **Table 5.18**.

Table 5.18: Position relating to submission of accounts by the SPSEs

Particulars		Government Companies	Government controlled other Companies	Total
Total number of SPSEs under the purview of CAG's audit as on 31 March 2021		30	01	31
Less: New SPSEs from which accounts for 2020-21 were not due		-	-	-
Number of SPSEs from which accounts for 2020-21 were due		30	01	31
Number of SPSEs which presented the accounts for 2020-21 for CAG's audit by 31 October 2021		01	00	01
Number of SPSEs having arrear accounts as of 31 October 2021		29	01	30
Number of accounts in arrears		98	01	99
Break-up of Arrears	(i) Under Liquidation	00	00	00
	(ii) Non-functional	03	00	03
	(iii) Others	95	01	96
Age-wise analysis of arrears against 'Others' category	One year (2020-21)	10	01	11
	Two years (2018-19 and 2019-20)	13	00	13
	Three years and more	06	00	06

5.19 Audit of accounts and supplementary audit

Financial reporting framework

Companies are required to prepare the 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 statutory corporations are required to prepare their accounts in the format prescribed under the rules, framed in consultation with the CAG and any other specific provision relating to accounts in the Act governing such corporations.

¹⁸ *Jharkhand Police Housing Corporation Limited (JPHCL)*

Audit of accounts of SPSEs by Statutory Auditors

The statutory auditors appointed by the CAG under Section 139 of the Companies Act, 2013, conduct audit of accounts of the State Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG plays an oversight role by monitoring the performance of the statutory auditors in audit of public sector undertakings with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively. This function is discharged by exercising the power:

- to issue directions to the statutory auditors under Section 143 (5) of the Companies Act, 2013 and
- to supplement or comment upon the statutory auditor's report under Section 143 (6) of the Companies Act, 2013.

Supplementary Audit of accounts of SPSEs

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 CAG under Section 139 of the Companies Act, 2013 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 (ICAI) and directions given by the CAG. The statutory auditors are required to submit the Audit Report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected State Government Companies along with the report of the statutory auditors are reviewed by CAG 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.

Departmental Commercial Undertakings/Corporations/Companies

The Companies Act, 2013 stipulates that the financial statements of the companies for every financial year are required to be finalised within six months from the end of the relevant financial year i.e., by 30 September of the next financial year. Failure to submit accounts on time renders the officers of the company liable to penal provisions under the Act.

Table 5.19 below provides the details of progress made by the PSUs in finalisation of accounts as of 31 October 2021.

Table 5.19: Position relating to finalisation of accounts of working and inactive PSUs

Sl. No.	Particulars	Working	Inactive	Total
1	Number of PSUs	28	03	31
2	Number of PSUs having accounts in arrears	27	03	30
3	Number of accounts in arrear	81	03	84
4(a)	Number of PSUs with arrears of more than six years	03	00	03
4(b)	Number of accounts in arrear in the above PSUs	26	00	26
5(a)	Number of PSUs with arrears between three to five years	12	00	12
5(b)	Number of accounts in arrear in the above PSUs	41	00	41
6(a)	Number of PSUs with arrears between one to two years	12	03	15
6(b)	Number of accounts in arrear in the above PSUs	14	03	17
7	Extent of arrears (in years)	1 to 10	1 to 2	1 to 10

Source: Data compiled from the information furnished by the companies

The above position reflects the failure of the concerned administrative departments and specifically of the Finance Department to ensure that the defaulting companies comply with the provisions of the Companies Acts. However, accounts of the companies for the year 2020-21 have not been received as of October 2021.

It was observed that 15 companies were persistent defaulters in submitting their accounts and in violation of the provisions of the Companies Act their outstanding accounts ranged between three to 10 annual accounts as on 30 September 2021.

5.20 Result of CAG's oversight role

Audit of accounts of SPSEs under Section 143 of the Companies Act, 2013

Financial statements for the year 2020-21 was received only from one Company i.e. Jharkhand Police Housing Corporation Limited by 31 October 2021.

Significant comments of the CAG issued as supplement to the statutory auditors' reports on SPSEs

Subsequent to the audit of the financial statements by statutory auditors, the CAG conducted supplementary audit of the financial statements of the State Government Companies and Government Controlled Other Company up to October 2021.

Twenty-five financial statements were received in the current year which were finalized up to 31 October 2021. Out of these 25 financial statements, 15 financial statements were finalized wherein 10 Nil Comments were issued and Non- review certificate were given in four financial statements. Out of 10 financial statements, where nil comments were issued, in case of three financial statements, Statutory Auditor had revised their Independent Audit Report at the instance of our supplementary audit.

Non-compliance with provisions of Accounting Standards/Ind AS

In exercise of the powers conferred by Section 469 of the Companies Act, 2013, read with Section 129 (1), Section 132 and Section 133 of the said Act, the Central Government prescribed Accounting Standards 1 to 7 and 9 to 29. Besides these, the Central Government notified 41 Indian Accounting Standards (Ind AS) through Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The statutory auditors reported that four SPSEs did not comply with mandatory Accounting Standards/Ind AS as given in the **Table 5.20**.

Table 5.20: Details of Companies where there were non-compliance with Accounting Standards (AS) as reported by the Statutory Auditors

Sl. No.	Name of SPSE	Year of Finalised Account	AS	Ind AS
1.	Jharkhand Bijli Vitran Nigam Limited	2018-19 & 2019-20	-	1,2,16,17, 23, 26, 36 and 37
2.	Jharkhand Urja Utpadan Nigam Limited	2017-18 & 2018-19	22	-
3.	Greater Ranchi Development Agency	2018-19	29	-
4.	Jharkhand State Forest Development Corporation Ltd.	2017-18	3, 22 and 29	-

5.21 Conclusions

There were 31 State Public Sector Enterprises (SPSEs) under the audit jurisdiction of the CAG. Of these, financial performance based on updated accounts upto 2020-21 (previous three years) of 16 SPSEs (including one State Government Controlled other Company), only one finalised their accounts for the year 2020-21, eight SPSEs finalized accounts for the year 2019-20 and seven SPSEs finalised their accounts for the year 2018-19 till 31 March 2021.

The turnover of SPSEs increased from ₹ 4,433.80 crore in 2018-19 to ₹ 5,605.82 crore in 2019-20 which decreased to ₹ 5,603.41 crore in 2020-21.

Out of 16 SPSEs, there were 10 SPSEs incurred losses amounting to ₹ 1,383.36 crore as on 31 March 2021. Further, there were 10 SPSEs with accumulated loss of ₹ 8,153.02 crore of which, net worth of six SPSEs was negative ₹ 4,252.60 crore and four SPSEs was positive ₹ 232.62 crore against equity investment of ₹ 4,133.04 crore as on 31 March 2021.

ROCE of Power Sector in 2018-19 was (-) 4.66 *per cent* which decreased to (-) 6.42 *per cent* during 2019-20 and 2020-21 due to loss of ₹ 969.80 crore (2018-19) to ₹ 1,357.80 crore (2020-21) incurred by Power Sector SPSEs. During the period 2018-19 to 2020-21, the ROCE of Non-Power Sector has reduced from 1.71 *per cent* to 1.14 *per cent*.

Ranchi
The 18 April 2022

इ-3 अग्रवाल
(INDU AGRAWAL)
Pr. Accountant General (Audit) Jharkhand

Countersigned

New Delhi
The 25 April 2022


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

Appendix 1.1 Part A
(Reference: Paragraph- 1.1)

PROFILE OF JHARKHAND						
A. General Data						
Sl. No.	Particulars				Figures	
1	Area				79,714 Sq. km.	
2	Population					
	a.	2011			3.33 crore	
	b.	2021			3.85 crore	
3	A	Density of Population ¹ (As per 2011 Census) (All India Density = 382 persons per Sq.Km)			414 persons per Sq. km.	
	B	Density of Population ² (As per projected population for 2021) (All India Density = 415 persons per Sq.Km)			483 persons per Sq. km.	
4	Population below poverty line (BPL) (2011-12) ³ (All India Average = 21.9%)				36.96 per cent	
5	Literacy ⁴ (All India Average = 73%)				71.80 per cent	
6	Infant mortality ⁵ 2017 (per 1000 live births) (All India = 30 per 1000 live births)				27.00	
	Life expectancy at birth ⁶ (2014-18) (India = 69.4 years)				69.10 years	
7	Human Development Index ⁷					
	a.	2018 (All India = 0.642)			NA	
	b.	2019 (All India = 0.645)			NA	
8	Gross State Domestic Product (GSDP) at current prices (2011-12 Series) in 2020-21				₹ 3,17,079 crore	
9	Per capita GSDP CAGR (2011-12 to 2020-21)	Jharkhand		6.94 per cent		
		All India		8.21 per cent		
10	GSDP CAGR (2011-12 to 2020-21) ⁸	Jharkhand		8.60 per cent		
		All India		9.48 per cent		
11	Population Growth (2011 to 2021)	Jharkhand		16.35 per cent		
		All India		12.30 per cent		
B. Financial Data						
Sl. No.	Particulars		Figures (in per cent)			
			2018-19 to 2019-20		2019-20 to 2020-21	
	Growth		General States	Jharkhand	General States	Jharkhand
1	a.	of Revenue Receipts	2.08	4.03	-4.56	-3.88
2	b.	of Own Tax Revenue	2.12	13.69	-4.43	0.65
3	c.	of Non-Tax Revenue	23.38	5.96	-35.60	-13.55
4	d.	of Total Expenditure	4.16	5.85	4.54	6.92
5	e.	of Capital Expenditure	-5.55	-17.65	-2.36	17.93
6	f.	Capital Outlay	-4.76	-7.78	-2.84	-14.31
7	g.	Loan & Advances Disbursed	-12.69	-88.86	2.31	1943.16
8	h.	of Revenue Expenditure on Education	11.97	24.40	-1.32	3.33
9	i.	of Revenue Expenditure on Health	8.27	-10.64	14.65	24.84
10	j.	of Salaries & Wages	9.07	5.72	2.27	0.41
11	k.	of Pension	10.46	0.23	6.02	13.19

¹ Census Info India 2011 Final Population Totals

² Census of India 2011 (Population Projection 2011-2036)

³ Economic Survey Report 2018-19 (Vol. II), Page A 168-169, Table 9.8

⁴ Jharkhand Economic Survey Report 2019-20, Page 191

⁵ Jharkhand Economic Survey Report 2019-20, Page 222

⁶ Statement 3 of SRS based abridged life tables 2014-18 of census 2011

⁷ UNDP report HDR 2019 page no. 302 and HDR 2020 page no. 243

⁸ Ministry of Statistics and Programme Implementation

**Appendix 1.1 Part B
Structure and Form of Government Accounts
(Reference: Paragraph 1.4)**

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

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

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

Part III: Public Account: Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc. which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature.

Part C: Layout of Finance Accounts

Statement	Layout
Statement No.1	Presents the cumulative figures of assets and liabilities of the Government, as they stand at the end of the year. The assets are largely financial assets with the figures for progressive capital expenditure denoting physical assets of the Government. Assets, as per the accounting policy, are depicted at historical cost.
Statement No.2	Contains the summarised statement showing all receipts and disbursement of the Government during the year in all three parts in which Government Account is kept, namely, the Consolidated Fund, Contingency Fund and Public Accounts.
Statement No.3	This statement comprises revenue and capital receipts and borrowings of the Government consisting of loans from the Government of India, other institutions, market loans and recoveries on account of loans and advances made by the Government.
Statement No.4	This statement gives expenditure by function (activity) and also summarise expenditure by nature of activities (object of expenditure).
Statement No.5	Gives details of progressive capital expenditure by functions, the aggregate of which is depicted in statement-1.
Statement No.6	Presents borrowings of the Government comprising market loans and loans and advances from Government of India. In addition, 'other liabilities' which are the balances under various sectors in the public accounts, for which Government acts as a trustee or custodian, are also given.
Statement No.7	Depicts loans and advances (sector and loanee group-wise) given by the Government as depicted in statement-1 and recoveries, disbursements featured in Statement-2, 3 and 4.
Statement No.8	Depicts comparative summary of Government Investment in the share capital of different concerns.
Statement No.9	Gives the summary of guarantees given by the Government for repayment of loans etc. raised by the statutory corporations, local bodies and other institutions.
Statement No.10	Depicts grants-in-aid given by the State Government, organised by grantee institutions group-wise. A note on grants given is also included.
Statement No.11	Indicates the distribution between the charged and voted expenditure incurred during the year.
Statement No.12	Presents the capital and other expenditure (other than on revenue account) and the sources of fund for the expenditure is depicted in this statement.
Statement No.13	Depicts summary of balances of Consolidated Fund, Contingency Fund and Public Account.
Statement No.14	Indicates the detailed account of revenue receipts by minor heads.
Statement No.15	Provides accounts of revenue expenditure by minor heads under Non-Plan and Plan separately.
Statement No.16	Depicts the detailed capital expenditure incurred during and to the end of 2020-21.
Statement No.17	Depicts details of borrowings and other liabilities by minor heads and the maturity and repayment profile of all loans.
Statement No.18	Provides the detailed account of loans and advances given by the Government of Jharkhand, the amount of loan repaid during the year, the balance as on 31 March 2021.
Statement No.19	Shows the details of investment of the State Government in statutory corporations, Government companies, other joint stock companies, co-operative banks and societies etc. up to the end of 2020-21.
Statement No.20	Shows the details of Guarantees given by the State Government for repayment of loans etc. raised by statutory corporations, Government companies, Local Bodies and other institutions.
Statement No.21	Gives the detailed account relating to Contingency Fund and Public Accounts transaction in detail.
Statement No.22	Gives the details of earmarked balances of reserve funds.

Appendix 2.1
Abstract of Receipts and Disbursements for the year 2020-21
(Reference: paragraph 2.2)

(₹ in crore)

Abstract of Receipts and Disbursements for the year 2020-21									
Receipts				Disbursements					
2019-20		2020-21		2019-20		2020-21			
	Section-A: Revenue					Estt.	State & Central Scheme	Total	
58417.14	I. Revenue Receipts		56149.73	56456.63	I. Revenue Expenditure	30893.46	28370.13	59263.59	59263.59
16771.45	Tax Revenue	16880.08		18713.86	General Services	19718.79	183.88	19902.67	
				21447.88	Social Services	7308.16	16038.91	23347.07	
8749.98	Non-tax Revenue	7564.01		9746.99	Education, Sports, Art and Culture	5463.39	4588.61	10052.00	
				2790.80	Health and Family Welfare	1149.83	2333.82	3483.65	
20593.04	State's share of Union Taxes	19712.23		3185.19	Water supply, Sanitation, Housing and Urban Development	333.61	3401.7	3735.31	
3154.6	Finance Commission Grants	2990.5		194.73	Information and Broadcasting	97.17	34.75	131.92	
1809.01	Other Grants to State	2164.06		1205.4	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	115.71	796.08	911.79	
7339.06	Centrally sponsored schemes	6838.85		124.73	Labour and Labour Welfare	76.44	145.57	222.01	
				4168.64	Social Welfare and Nutrition	40.13	4738.38	4778.51	
				31.4	Others	31.88	0	31.88	
				16293.67	Economic Services	3866.51	12147.34	16013.85	
				3005.6	Agriculture and Allied Activities	608.86	1475.51	2084.37	
				7872.78	Rural Development	493.06	7745.25	8238.31	
				0	Special Areas Programmes			0.00	
				385.64	Irrigation and Flood Control	364.64	1.89	366.53	
				2999.93	Energy	1020.9	1001.57	2022.47	
				323.82	Industry and Minerals	59.01	186.77	245.78	
				414.56	Transport	413.46	335.92	749.38	
				0.00	Science, Technology and Environment	0	0	0.00	
				1291.34	General Economic Services	906.58	1400.43	2307.01	

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Abstract of Receipts and Disbursements for the year 2020-21									
Receipts					Disbursements				
				1.22	Grants-in-aid and Contributions	0	0	0	
				56456.63	Total	30893.46	28370.13	59263.59	
0.00	II. Revenue Deficit carried over to Section B		3113.86	1960.51	II. Revenue Surplus carried over to Section B				0.00
58417.14	Total		59263.59	58417.14	Total				59263.59
Section B									
795.39	III. Opening Cash Balance including Permanent Advances and Cash Balance Investment		3463.48	0	III. Opening Over Draft from Reserve Bank of India				0
0	IV. Miscellaneous Capital Receipts		0	9878.71	IV. Capital Outlay	64.64	8401.02	8465.66	8465.66
				1239.17	General Services	64.64	706.28	770.92	
				1430.31	Social Services	0.00	1491.46	1491.46	
				258.13	Education, Sports, Art and Culture	0.00	94.87	94.87	
				347.69	Health and Family Welfare	0.00	586.13	586.13	
				631.57	Water supply, Sanitation, Housing and Urban Development	0.00	480.34	480.34	
				8.81	Information and Broadcasting	0.00	0	0.00	
				165.36	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.00	269.28	269.28	
				0.86	Social Welfare and Nutrition	0.00	5.29	5.29	
				17.89	Others	0.00	55.55	55.55	
				7209.23	Economic Services	0.00	6203.28	6203.28	
				153.85	Agriculture and Allied Activities	0.00	75.78	75.78	
				1991.11	Rural Development	0.00	1283.49	1283.49	
				0.00	Special Areas Programme	0.00	0	0.00	
				1328.78	Irrigation and Flood Control	0.00	1046.31	1046.31	
				0.00	Energy	0.00	626	626.00	
				4.00	Industry and Minerals	0.00	7.76	7.76	
				3686.95	Transport	0.00	3120.33	3120.33	

Abstract of Receipts and Disbursements for the year 2020-21									
Receipts				Disbursements					
				44.54	General Economic Services	0.00	43.61	43.61	
49.19	V. Recoveries of Loans and Advances		48.78	165.43	V. Loans and Advances Disbursed	32.11	3347.66	3379.77	3379.77
0	From Power Projects	0		89.32	For Power Projects	4.74	3347.66	3352.4	
48.77	From Govt. Servants	48.54		52.52	To Government Servants	4.46	0	4.46	
0.42	From Others	0.24		23.59	To Others	22.91	0.00	22.91	
1960.51	VI. Revenue Surplus brought down				VI. Revenue Deficit brought down				3113.86
9593.12	VII. Public Debt Receipts		13546.58	4231.40	VII. Repayment of Public Debt			2744.82	2744.82
0.00	External Debt	0.00		0.00	External Debt			0.00	
9167.14	Internal Debt other than Ways and Means Advances and Over Draft	10958.31		4057.86	Internal Debt other than Ways and Means Advances and Over Draft			2546.88	
0.00	Transaction under Ways and Means Advances	0.00		0.00	Transaction under Ways and Means Advances			0.00	
0.00	Net Transaction under Over Draft	0.00		0.00	Net Transaction under Over Draft			0.00	
425.98	Loans and Advances from Central Government	2588.27		173.54	Repayments of Loans and Advances to Central Government			197.94	
0.00	VIII. Appropriation to Contingency Fund		0.00		VIII. Appropriation to Contingency Fund				0.00
0.00	IX. Amount transferred to Contingency Fund		0.00		IX. Expenditure from Contingency Fund				0.00
33242.77	X. Public Accounts Receipts		28511.48	27901.96	X. Public Accounts Disbursements			24145.89	24145.89
1175.37	Small Savings and Provident Funds	1179.21		1169.63	Small Savings and Provident Funds			1201.67	
4379.02	Reserve Funds	1377.12		361.09	Reserve Funds			604.75	
	Investment in earmarked fund	303.87							
259.6	Suspense and Miscellaneous	863.42		162.90	Suspense and Miscellaneous			809.95	
11106.53	Remittances	8118.09		11123.50	Remittances			8073.94	
16322.25	Deposits and Advances	16669.77		15084.84	Deposits and Advances			13455.58	
0	Inter State Settlement	0		0	Inter-state Settlement			0	

State Finances Audit Report for the year ended 31 March 2021

Abstract of Receipts and Disbursements for the year 2020-21									
Receipts					Disbursements				
0	XI Closing Over Draft from Reserve Bank of India		0	3463.48	XI Cash Balance at the end of the Year			3720.32	3720.32
				0	Cash in Treasuries and Local Remittances			0.00	
				-54.14	Deposits with Reserve Bank			160.55	
				47	Departmental Cash Balance including Permanent Advances			44.70	
				400	Investment of Earmarked Fund			703.87	
				3070.62	Cash Balance Investment			2811.20	
104058.12	Total		104833.91	104058.12	Total				104833.91

Appendix 2.2
Time series data on the State Government finances
(Reference: Paragraph 2.3.2.1 & 2.4)

(₹ in crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
Part A. Receipts					
1. Revenue Receipts	47054	52756	56152	58417	56150
(i) Tax Revenue	13299	12353	14752	16771	16880
Goods and Services Tax	-	4124	8201	8418	7931
Taxes on Agricultural Income	-	-	-	-	0
Taxes on Sales, Trade, etc.	10549	5715	3475	3996	4301
State Excise	962	841	1083	2009	1821
Taxes on Vehicles	682	779	864	1129	976
Stamps and Registration fees	607	469	451	560	708
Land Revenue	240	156	389	338	873
Taxes on Goods and Passengers	0	0	0	0	0
Other Taxes	259	270	289	321	270
(ii) Non Tax Revenue	5351	7847	8258	8750	7564
(iii) State's share of Union taxes and duties	19142	21144	23906	20593	19712
(iv) Grants-in-aid from Government of India	9262	11412	9236	12303	11993
2. Miscellaneous Capital Receipts	0	25	0	0	0
3. Recoveries of Loans and Advances	39	42	47	49	49
4. Total Revenue and Non debt capital receipts (1+2+3)	47093	52824	56199	58466	56199
5. Public Debt Receipts	7081	8137	7803	9593	13546
Internal Debt (excluding Ways and Means Advances and Overdrafts)	6847	7905	7531	9167	10958
Net transactions under Ways and Means Advances and Overdrafts	0	0	0	0	0
Loans and Advances from Government of India	234	232	273	426	2588
6. Total Receipts in the Consolidated Fund (4+5)	54174	60960	64002	68059	69745
7. Contingency Fund Receipts	0	0	0	0	0
8. Public Account Receipts	22052	25410	33243	33243	28511
9. Total Receipts of the State (6+7+8)	76226	86370	97245	101302	98256
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	45089	50952	50631	56457	59264
Plan/State Schemes, CASC, CSS	22194	22999	23983	27627	28370
Non Plan/Establishment	22895	27953	26648	23942	30894
General Services (including interest payments)	13024	16558	17656	18714	19903
Social Services	18557	19575	18786	21448	23347
Economic Services	13508	14819	14189	16294	16014
Grants-in-aid and contributions	0	0	0	1	0
11. Capital Expenditure	10861	11953	10712	9879	8466
Plan/State Schemes, CASC, CSS	10814	11884	10669	9832	8401
Non Plan/Establishment	47	69	42	47	65
General Services	590	807	791	1239	771
Social Services	1532	1528	1616	1431	1492
Economic Services	8739	9618	8305	7209	6203
12. Disbursement of Loans and Advances	1335	1852	1485	165	3380
13. Total Expenditure (10+11+12)	57285	64756	62828	66501	71110
14. Repayments of Public Debt	2078	2950	3060	4231	2745
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1920	2788	2893	4058	2547

State Finances Audit Report for the year ended 31 March 2021

	2016-17	2017-18	2018-19	2019-20	2020-21
Net transactions under Ways and Means Advances and Overdraft	0	0	0	0	0
Loans and Advances from Government of India	158	161	167	173	198
15. Appropriation to Contingency Fund	0	0	0	0	0
16. Total disbursement out of Consolidated Fund (13+14+15)	59363	67706	65888	70732	73854
17. Contingency Fund disbursements	0	0	0	0	0
18. Public Account disbursements	16820	23279	27902	27903	24146
19. Total disbursement by the State (16+17+18)	76183	90985	93790	98635	98000
Part C. Deficits					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	1965	1804	5521	1960	-3114
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	-10192	-11933	-6629	-8035	-14911
22. Primary Deficit(-)/Surplus(+) (21-23)	-6020	-7271	-1777	-2727	-9120
Part D. Other data					
Primary Revenue balance (non-debt receipt - Primary Revenue Expenditure)	6176	6534	10420	15352	2725
23. Interest Payments (included in revenue expenditure)	4172	4662	4852	5308	5790
24. Financial Assistance to local bodies etc.	20332	20714	17976	19191	20078
25. Ways and Means Advances/ Overdraft availed (days)	3	7	68	16	0
Ways and Means Advances availed (days)	3	7	58	16	0
Overdraft availed (days)	0	0	10	0	0
26. Interest on Ways and Means Advances/ Overdraft	0	0.21	6.23	3.95	0.00
27 (a) Gross State Domestic Product at current price (GSDP) [@]	236250	269816	297204	328598	317079
27 (b) Gross State Domestic Product at constant price (GSDP) [@]	193174	210587	224986	240036	227082
28 Outstanding Fiscal liabilities (year end)	66827	77095	83783	94407	109185
29. Outstanding guarantees (year-end) (including interest)	157	157	607	607	607
30. Maximum amount guaranteed (year end)	157	157	450	450	607
31. Number of incomplete projects (value ₹ 1 crore and above)	280	113	410	378	374
32. Capital blocked in incomplete Projects	4778	1403	3818	3828	4669
Part E. Fiscal Health Indicators					
I Resource Mobilisation					
Own Tax revenue/GSDP at current price	5.63	4.58	4.96	5.10	5.32
Own Tax revenue/GSDP at constant price	6.88	5.87	6.56	6.99	7.43
Own Non-Tax Revenue/GSDP at current price	2.26	2.91	2.78	2.66	2.39
Own Non-Tax Revenue/GSDP at constant price	2.77	3.73	3.67	3.65	3.33
Central Transfers/GSDP at current price	8.10	7.84	8.04	6.27	6.22
Central Transfers/GSDP at constant	4.79	5.42	4.10	5.13	5.28

	2016-17	2017-18	2018-19	2019-20	2020-21
price					
II Expenditure Management					
Total Expenditure/GSDP at current price	24.25	24.00	21.14	20.24	22.43
Total Expenditure/GSDP at constant price	29.65	30.75	27.93	27.70	31.31
Total Expenditure/Revenue Receipts	121.7	122.75	111.89	113.84	126.64
Revenue Expenditure/Total Expenditure	78.7	78.68	80.59	84.90	83.34
Expenditure on Social Services (including L&A)/Total Expenditure	35.2	32.64	32.47	34.44	34.96
Expenditure on Economic Services (including L&A)/Total Expenditure	41.0	40.46	35.84	35.48	35.96
Capital Expenditure/Total Expenditure	19.0	18.46	17.05	14.86	11.91
Capital Expenditure on Social and Economic Services/Total Expenditure	17.9	17.21	15.79	12.99	10.82
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP at current price	0.83	0.67	1.86	0.60	-0.98
Revenue deficit (surplus)/GSDP at constant price	1.02	0.86	2.45	0.82	-1.37
Fiscal deficit/GSDP at current price	-4.31	-4.42	-2.23	-2.45	-4.70
Fiscal deficit/GSDP at constant price	-5.28	-5.67	-2.95	-3.35	-6.57
Primary Deficit (surplus) /GSDP at current price	-2.55	-2.69	-0.60	-0.83	-2.88
Primary Deficit (surplus) /GSDP at constant price	-3.12	-3.45	-0.79	-1.14	-4.02
Revenue Deficit/Fiscal Deficit	-19.3	-15.12	-83.28	-24.39	20.88
Primary Revenue Balance/GSDP at current price	2.61	2.42	3.51	4.67	0.86
Primary Revenue Balance/GSDP at constant price	3.20	3.10	4.63	6.40	1.20
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP at current price	28.29	28.57	28.19	28.73	34.43
Fiscal Liabilities/GSDP at constant price	34.59	36.61	37.24	39.33	48.08
Fiscal Liabilities/RR	142	146	149	162	194
Primary deficit vis-à-vis quantum spread	-2083.16	-2438.75	3622.45	-3796.98	-16110.23
Debt redemption (Principal + interest)/Total debt receipt	Nil	Nil	Nil	Nil	Nil
V Other Fiscal Health Indicators					
Return on Investment	Nil	Nil	*	Nil	15
Financial Assets/Liabilities	111	111	118	118	112
Loans and Advances On General Services	0	0	0	0	0
Loans and Advances On Social Services	47	32	23	24	23
Loans and Advances On Economic Services	1236	1764	1462	89	3352
Assets	67419	77635	95080	95080	123935
Liabilities	74522	86542	111869	111869	110260

Note: Deficit shown as (-) and surplus shown as (+) during comparison with other factors

@ Figures obtained from CSO * ₹ 15,000 only

Appendix 2.3
Summarised financial position of Government of Jharkhand as on 31.03.2021
(Reference: Paragraph 2.5.4)

(₹ in crore)

As on 31.03.2020	Liabilities	As on 31.03.2021
63545.46	Internal Debt -	71956.90
42766.70	Market Loans bearing interest	51666.74
0.04	Market Loans not bearing interest	0.04
5.59	Loans from Life Insurance Corporation of India	5.59
13216.75	Loans from other Institutions	13497.64
0	Ways and Means Advances	0
7556.38	Special securities issued to NSS Fund of Central Government	6786.89
0	Overdrafts from Reserve Bank of India	0
2591.52	Loans and Advances from Central Government -	4981.85
0	Pre 1984-85 Loans	0
14.02	Non-Plan Loans	12.27
2577.5	Loans for State Plan Schemes	4969.58
500	Contingency Fund	500
1216.86	Small Savings, Provident Funds etc.	1194.40
21104.74	Deposits	24331.45
5948.02	Reserve Funds	7024.26
82.3	Remittance Balances	126.45
91.29	Suspense and Miscellaneous Balances	144.75
16788.69	Cumulative excess of receipts over expenditure	13674.83
111868.88	Total	123934.89
	Assets	
87552.02	Gross Capital Outlay on Fixed Assets -	96017.68
328.43	Investments in shares of Companies, Corporations, etc.	992.13
87223.59	Other Capital Outlay	95025.55
0	Inter State Settlement	0
20846.24	Loans and Advances -	24177.23
19946.61	Loans for Power Projects	23294.27
871.66	Other Development Loans	899.07
27.97	Loans to Government servants and Miscellaneous loans	-16.11
7.14	Advances	19.66
0	Suspense and Miscellaneous Balances	0
3463.48	Cash -	3720.32
0	Cash in Treasuries and Local Remittances	0
-54.14	Deposits with Reserve Bank	160.55
400	Reserve Fund Investments	703.87
47	Departmental Cash Balance including Permanent Advances	44.70
3070.62	Cash Balance Investments	2811.2
0.00	Remittance Balances	0
0	Deficit on Government Account -	0
	(i) Revenue Deficit/surplus of the current year	
	(ii) Miscellaneous Deficit	
	Accumulated deficit/surplus at the beginning of the year	
111868.88	Total	123934.89

Appendix 3.1

Details of cases where supplementary provision (₹ 0.50 crore or more in each case) proved unnecessary
(Reference: Paragraph 3.2.3)

(₹ in crore)

Sl. No.	Name of the Grant	Original	Supplementary	Expenditure	Saving out of Provisions
Revenue (Voted)					
1	1- Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	3042.81	157.65	1131	2069.46
2	2- Agriculture, Animal Husbandry and Co-operative Department (Animal Husbandry Division)	248.45	15.02	201.5	61.97
3	4- Cabinet Secretariat and Vigilance Department (Cabinet Secretariat and Co-ordination Division)	54.85	4.03	41.14	17.74
4	10- Energy Department	3424.35	1070.93	2873.12	1622.16
5	11- Excise and Prohibition Department	44.21	0.8	30.24	14.77
6	17- Commercial Tax Department	97.83	5.83	87.07	16.59
7	18- Food, Public Distribution and Consumer Affairs Department	1553.56	139.03	1365.71	326.88
8	19- Forest, Environment and Climate Change Department	875.1	134.48	725.8	283.78
9	20- Health, Medical Education and Family Welfare Department	4252.22	164.1	3475.71	940.61
10	22- Home, Jail and Disaster Management Department (Home Division)	5950.85	142.55	5270.05	823.35
11	23- Industries Department	303.6	4.86	212.34	96.12
12	26- Labour, Employment and Training Department	428.83	125.07	237.59	316.31
13	27- Law Department	518.86	13.18	345.51	186.53
14	32-Legislative Assembly	107.3	2.03	98.71	10.62
15	36- Drinking Water and Sanitation Department	2376.57	16.54	840.57	1552.54
16	39- Home, Jail and Disaster Management Department (Disaster Management Division)	985.12	912.5	1375.94	521.67
17	40- Revenue, Land Reforms and Registration Department (Revenue and Land Reforms Division)	760.24	11.36	543.96	227.64
18	41- Road Construction Department	522.14	10.32	410.57	121.89
19	42- Rural Development Department (Rural Development Division)	6448.76	1536.96	5552.46	2433.26
20	43- Higher and Technical Education and Skill Development Department (Science and Technology Division)	292.54	23.72	121.61	194.65
21	45- Information Technology and e-Governance Department	176.45	5.13	117.51	64.07
22	47- Transport Department (Transport Division)	357.26	20	356.52	20.74
23	49- Water Resources Department	429.59	0.52	303.64	126.47
24	51- Scheduled Tribe, Scheduled Caste, Minority and Backward Class Welfare Department (Scheduled Tribe, Scheduled Caste and Backward Class Welfare Division)	1646.09	53.49	917.68	781.9
25	56- Rural Development Department (Panchayati Raj Division)	1878.68	211.16	1852.75	237.09
26	59- School Education and Literacy Department (Primary and Adult Education Division)	8628.96	4.73	6264.9	2368.79
27	60- Women, Child Development and Social Security Department	4614.35	489.97	3772.5	1331.82
	Total	50019.57	5275.96	38526.1	16769.42

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Sl. No.	Name of the Grant	Original	Supplementary	Expenditure	Saving out of Provisions
Revenue (Charged)					
28	28- High Court of Jharkhand	116.62	6.66	100.91	22.37
Total		116.62	6.66	100.91	22.37
Capital (Voted)					
29	26- Labour, Employment and Training Department	97.72	37.42	56.67	78.47
30	41- Road Construction Department	3384	40.31	3081.21	343.1
31	42- Rural Development Department (Rural Development Division)	487.04	7.13	465.62	28.55
32	46- Tourism, Art Culture, Sports and Youth Affairs Department (Tourism Division)	80	10	43.62	46.38
33	50- Water Resources Department (Minor Irrigation Division)	110.65	20	93.34	37.31
34	60- Women, Child Development and Social Security Department	43	3.35	5.29	41.06
Total		4202.41	118.21	3745.75	574.87
Grand Total		54338.6	5400.83	42372.76	17366.66

Appendix 3.2
Unnecessary or excessive re-appropriation
(Reference: Paragraph 3.2.4)

(₹ in crore)

Sl. No	Grant No.	Head of accounts	Provisions				Actual expenditure	Saving	Excess
			Original	Suppl.	Re-appr.	Total			
1	1	2401-102-AW- Exchange Distribution and seed production of crop	4.50	0.00	7.50	12.00	7.56	4.44	0.00
2		2401-789-AW- Exchange Distribution and seed production of crop	1.50	0.00	0.75	2.25	1.02	1.23	0.00
3	2	2403-001-02- Superintendence –Divisional Charges	2.37	0.00	0.20	2.57	2.17	0.39	0.00
4		2403-103-04- Poultry Farm and Small Dressing Plant	1.04	0.00	0.25	1.29	1.23	0.07	0.00
5		2403-113-01- Establishment State live Stock Research Institute	4.94	0.00	0.45	5.39	5.26	0.14	0.00
6	3	4059-01-051-58- Office building / Circuit House	50.00	0.00	20.00	70.00	65.10	13.90	0.00
7	12	7610-202-04- Advance to member of Legislatures for Purchase of Motor Car	3.00	0.00	5.00	8.00	4.46	3.54	0.00
8	13	2049-01-200-11- Interest on Loan taken from Rural Electrification Corporation Ltd.	40.00	0.00	81.77	121.77	105.15	16.62	0.00
9	18	3456-102-57- Jharkhand State Contingent Food Grains Fund	0.35	0.00	1.60	1.95	0.96	0.99	0.00
10		3456-789-57- Jharkhand State Contingent Food Grains Fund	0.15	0.00	0.80	0.95	0.70	0.25	0.00
11		3456-796-57- Jharkhand State Contingent Food Grains Fund	0.50	0.00	2.60	3.10	2.12	0.98	0.00
12	22	2055-003-04- Police Training Center, Musabani	10.62	0.00	0.43	11.05	10.35	0.70	0.00
13	36	4215-01-796-02- Rural Piped Water Supply Scheme	133.57	0.00	20.00	153.57	150.01	3.56	0.00
14	41	5054-03-796-01- Major Roads	1125.00	0.00	50.00	1175.00	1048.50	126.50	0.00
15	50	4702-796-19- Construction of new Minor Irrigation Project	25.20	10.00	13.75	48.95	48.83	0.12	0.00
16	52	2204-104-02- Sports and game	1.20	0.10	0.70	2.00	1.44	0.57	0.00
		Total	1403.95	10.10	205.80	1619.85	1454.86	174.01	0.00
17	36	2215-01-101-04- Urban Water Supply Scheme of Municipal Corporation	24.05	0.00	0.10	24.15	20.46	3.70	0.01
18		2215-01-102-03- Hand pump, Tanks and wells- High Pressure Tube Wells	91.11	16.53	-0.10	107.55	88.33	19.28	0.06
19	56	2515-001-03- District Panchayat Establishment	204.62	0.00	0.50 -0.25	204.87	135.68	69.22	0.03
		Total	319.78	16.53	0.25	336.57	244.48	92.19	0.10
		Grand Total	1723.73	26.63	206.05	1956.42	1699.34	266.20	0.10

Appendix 3.3
Large savings (savings above ₹ 100 crore) during the year
(Reference: Paragraph 3.2.5.1)

(₹ in crore)

Sl. No.	Number and name of the grant	Original	Suppl.	Total	Actual	Saving	Surrender
Revenue (Voted)							
1	1- Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	3042.81	157.65	3200.46	1131.00	2069.46	2069.46
2	9- Agriculture, Animal Husbandry and Co-operative Department (Co-operative Division)	204.25	0	204.25	91.71	112.55	112.46
3	10 - Energy Department	3424.35	1070.93	4495.28	2873.12	1622.16	1622.41
4	15- Pension	7060.19	0	7060.19	6796.51	263.68	500
5	18- Food, Public Distribution and Consumer Affairs Department	1553.56	139.04	1692.60	1365.71	326.88	326.88
6	19- Forest, Environment and Climate Change Department	875.10	134.48	1009.58	725.80	283.78	270.83
7	20- Health, Medical Education and Family Welfare Department	4252.22	164.10	4416.32	3475.71	940.62	939.56
8	21 Higher and Technical Education and Skill Department (Higher Education Division)	1602.67	0	1602.67	1467.73	134.94	134.94
9	22 - Home, Jail and Disaster Management Department (Home Division)	5950.86	142.54	6093.40	5270.05	823.35	823.97
10	26- Labour, Employment and Skill Development Department	428.83	125.07	553.90	237.59	316.32	316.32
11	27 - Law Department	518.86	13.18	532.04	345.51	186.53	186.53
12	36 - Drinking Water and Sanitation Department	2376.57	16.53	2393.10	840.56	1552.54	1342.49
13	39 - Home, Jail and Disaster Management Department (Disaster Management Division)	985.11	912.50	1897.61	1375.94	521.67	521.67
14	40- Revenue, Land Reforms and Registration Department (Revenue and Land Reforms Division)	760.24	11.36	771.60	543.97	227.63	226.97
15	41- Road Construction Department	522.14	10.32	532.46	410.57	121.89	95.46
16	42 - Rural Development Department (Rural Development Division)	6448.76	1536.96	7985.72	5552.46	2433.26	2433.18
17	43- Higher Technical Education and skill Development Department (Science and Technology Division)	292.54	23.72	316.26	121.61	194.65	194.65

Sl. No.	Number and name of the grant	Original	Suppl.	Total	Actual	Saving	Surrender
18	48-Urban Development and Housing Department (Urban Development Division)	2505.74	632.23	3137.97	2882.58	255.38	255.38
19	49-Water Resources Department	429.59	0.52	430.11	303.64	126.47	126.47
20	51-Scheduled Tribe, Scheduled Caste, Minority and Backward Class Welfare Department(Scheduled Tribe, Scheduled Caste and Backward Class Welfare Division)	1646.09	53.49	1699.58	917.68	781.90	781.90
21	55- Rural Development Department (Rural Works Division)	1839.57	0	1839.57	845.62	993.95	993.95
22	56-Rural Development Department (Panchayati Raj Division)	1878.68	211.16	2089.84	1852.75	237.09	237.12
23	58-School Education and Literacy Department (Secondary Education Division)	2523.38	0	2523.38	2033.04	490.34	490.68
24	59-School Education and Literacy Department (Primary and Adult Education Division)	8628.96	4.73	8633.69	6264.90	2368.79	2368.91
25	60 - Women, Child Development and Social Security Department	4614.35	489.97	5104.32	3772.50	1331.82	1331.82
	Total	63910.42	5850.48	70215.9	51498.26	18717.65	18704.01
Capital							
1	3- Building Construction Department	566.50	0	566.50	175.99	390.510	390.64
2	10- Energy Department	1529.02	2767.50	4296.52	3973.66	322.86	322.86
3	36- Drinking Water and Sanitation Department	712.48	0	712.48	438.30	274.18	274.34
4	41- Road Construction Department	3384.00	40.31	3424.31	3081.21	343.10	343.04
5	49- Water Resources Department	902.00	351.63	1253.63	952.97	300.66	301.11
	Total	7094.00	3159.44	10253.44	8622.13	1631.31	1631.99
	Grand Total	71004.42	9009.92	80469.34	60120.39	20348.96	20336.00

Appendix 3.4
List of grants having large savings (above ₹ 500 crore)
during the year
(Reference: Paragraph 3.2.5.1)

(₹ in crore)

Sl. No.	Number and name of the grant	Original	Supple	Total	Actual	Saving	Surrender
Revenue (Voted)							
1	1- Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	3042.81	157.65	3200.46	1131.00	2069.46	2069.46
2	10 - Energy Department	3424.35	1070.93	4495.28	2873.12	1622.16	1622.41
3	20- Health, Medical Education and Family Welfare Department	4252.22	164.10	4416.32	3475.71	940.62	939.56
4	22 - Home, Jail and Disaster Management Department (Home Division)	5950.86	142.54	6093.4	5270.05	823.35	823.97
5	36 - Drinking Water and Sanitation Department	2376.57	16.53	2393.1	840.56	1552.54	1342.49
6	39 - Home, Jail and Disaster Management Department (Disaster Management Division)	985.11	912.5	1897.61	1375.94	521.67	521.67
7	42 - Rural Development Department (Rural Development Division)	6448.76	1536.96	7985.72	5552.46	2433.26	2433.18
8	51-ST, SC, Minority and OBC Welfare Department (ST, SC, Minority and OBC Welfare Division)	1646.09	53.49	1699.58	917.68	781.9	781.9
9	55- Rural Development Department (Rural Works Division)	1839.57	0	1839.57	845.62	993.95	993.95
10	59-School Education and Literacy Department (Primary and Adult Education Division)	8628.96	4.73	8633.69	6264.9	2368.79	2368.91
11	60 - Women, Child Development and Social Security Department	4614.35	489.97	5104.32	3772.5	1331.82	1331.82
Total		43209.65	4549.40	47759.05	32319.54	15439.52	15229.32

Appendix 3.5
Surrender of funds in excess of ₹ 10 crore at the end of March
(Reference: Paragraph 3.2.6)

(₹ in crore)

Sl. No.	Grant Number	Original	Supplementary	Total provisions	Actual	Saving (-) / Excess(+)	Amount Surrendered
Revenue							
1	1	3042.81	157.65	3200.46	1131.00	2069.46	2069.46
2	2	248.45	15.02	263.47	201.50	61.97	61.97
3	3	125.1	0	125.10	80.69	44.41	44.41
4	4	54.85	4.03	58.88	41.15	17.74	20.39
5	6	104.14	20.73	124.87	113.81	11.07	11.07
6	9	204.25	0	204.25	91.71	112.46	112.46
7	10	3424.35	1070.93	4495.28	2873.12	1622.16	1622.41
8	11	44.21	0.8	45.01	30.24	14.77	14.64
9	12	71.11	0.06	71.16	41.22	29.94	29.94
10	15	7060.19	0	7060.19	6796.51	263.68	500.00
11	17	97.83	5.83	103.66	87.07	16.59	16.59
12	18	1553.56	139.04	1692.60	1365.71	326.88	326.88
13	19	875.1	134.48	1009.58	725.80	283.78	270.83
14	20	4252.22	164.10	4416.32	3475.71	940.62	393.56
15	21	1602.67	0	1602.67	1467.73	134.94	134.94
16	22	5950.86	142.55	6093.41	5270.05	823.35	823.97
17	23	303.6	4.86	308.46	212.34	96.12	96.08
18	26	428.83	125.07	553.90	237.59	316.32	316.32
19	27	518.86	13.18	532.04	345.51	186.53	186.53
20	28	116.62	6.66	123.28	100.91	22.37	22.38
21	29	74.35	0.41	74.76	39.69	35.06	35.06
22	32	107.3	2.03	109.33	98.71	10.63	10.63
23	35	177.15	0.14	177.29	108.20	69.09	69.09
24	36	2376.57	16.53	2393.10	840.57	1552.54	1342.49
25	38	31.01	0.35	31.36	15.82	15.54	15.54
26	39	985.11	912.50	1897.61	1375.94	521.67	521.67
27	40	760.24	11.36	771.60	543.97	227.64	226.97
28	41	522.14	10.32	532.46	410.57	121.89	95.46
29	42	6448.76	1536.96	7985.72	5552.46	2433.26	2433.18
30	43	292.54	23.72	316.26	121.61	194.65	194.65
31	45	176.45	5.13	181.58	117.51	64.07	64.07
32	46	104.49	0	104.49	56.80	47.69	47.69
33	47	357.26	20.00	377.26	356.52	20.74	20.74
34	48	2505.74	632.23	3137.97	2882.59	255.38	255.38
35	49	429.59	0.52	430.11	303.64	126.47	126.47
36	50	116.75	0	116.75	71.60	45.15	45.15
37	51	1646.09	53.49	1699.58	917.68	781.91	781.91
38	52	120.39	0.31	120.70	53.46	67.25	67.10
39	53	65.43	22.63	88.06	72.22	15.84	15.84

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Sl. No.	Grant Number	Original	Supplementary	Total provisions	Actual	Saving (-) / Excess(+)	Amount Surrendered
40	54	170.63	0	170.63	89.69	80.94	80.95
41	55	1839.57	0	1839.57	845.62	993.95	993.95
42	56	1878.68	211.16	2089.84	1852.75	237.09	237.12
43	58	2523.38	0	2523.38	2033.03	490.34	490.68
44	59	8628.96	4.73	8633.69	6264.90	2368.79	2368.91
45	60	4614.35	489.97	5104.32	3772.50	1331.82	1331.82
		67032.54	5959.48	72992.01	53487.42	19504.56	18947.35
Capital							
1	3	566.50	0	566.50	175.99	390.51	390.64
2	8	41.02	0	41.02	19.14	21.88	21.88
3	9	85.00	0	85.00	47.89	37.11	35.52
4	10	1529.02	2767.50	4296.52	3973.66	322.86	322.86
5	12	77.00	0	77.00	6.98	70.02	70.02
6	20	319.86	341.15	661.01	586.13	74.87	74.87
7	22	435.15	234.25	669.40	570.88	98.52	98.45
8	26	97.72	37.43	135.15	56.67	78.47	78.47
9	30	122.20	28.93	151.13	136.44	14.69	14.69
10	36	712.48	0	712.48	438.30	274.18	274.34
11	41	3384.00	40.31	3424.31	3081.21	343.10	343.04
12	42	487.04	7.13	494.17	465.62	28.55	27.98
13	43	116.20	0	116.20	63.84	52.36	52.36
14	46	80.00	10.00	90.00	43.62	46.38	46.38
15	48	37.00	0	37.00	22.91	14.09	14.09
16	49	902.00	351.63	1253.63	952.97	300.66	301.11
17	50	110.65	20.00	130.65	93.34	37.31	37.38
18	51	165.20	0	165.20	132.84	32.36	32.36
19	52	44.00	0	44.00	26.03	17.97	17.97
20	53	22.97	0	22.97	7.68	15.29	15.29
21	55	776.70	105.00	881.70	817.87	63.83	63.85
22	60	43.00	3.35	46.35	5.29	41.07	41.07
	Total	10154.71	3946.68	14101.39	11725.30	2376.08	2374.62
	Grand Total	77187.25	9906.16	87093.4	65212.72	21880.64	21321.97

Appendix 3.6
Excess disbursements over grants/appropriations during 2020-21
(Reference: Paragraph 3.2.7.1)

(₹ in crore)

Sl No.	Grant No.	Head of Accounts	Major Head Description	Total Provision	Re-appropriation	Total	Expenditure	Excess
1	3	4059-01-796-39	Capital outlay on Public works	20.00	16.43	3.57	3.63	0.06
		4059-01-796-58		105.00	62.39	42.61	42.68	0.07
2	4	2013-00-108-01	Council of Ministers	2.00	1.89	0.11	0.13	0.03
		2070-00-115-02	Other Administrative Services	8.32	5.55	2.76	5.39	2.63
3	10	2059-80-001-10	Public Works	43.89	3.41	40.49	40.74	0.25
4	12	2070-00-800-08	Other Administrative Services	15.00	12.86	2.14	2.64	0.50
5	13	2049-01-101-01	Interest Payment	3260.90	00	3260.90	3439.64	178.74
		2049-01-305-01		10.00	00.00	10.00	11.33	1.33
		2049-04-101-03		00.00	00.00	00.00	46.50	46.50
		2049-04-104-03		00.00	00.00	00.00	22.47	22.47
6	14	2048-00-101-01 (Charged)	Appropriation for reduction of avoidance of Debt.	3.04	3.04	3.04	3.04	3.04
		6003-00-101-03	Internal Debt of the State Government	00.00	00.00	00.00	0.01	0.01
		6003-00-101-24	Loans and Advances from the Central Government	00.00	00.00	00.00	500.00	500.00
		6004-02-105-01	Loans and Advances from the Central Government	65.55	00.00	65.55	91.17	25.63
7	15	2071-01-101-05	Pensions and other Retirement Benefits	104.96	00.00	104.96	105.02	0.06
		2071-01-101-06		5.00	00.00	5.00	264.69	259.69
		2071-01-101-10		4550.00	500.00	4050.00	4262.65	212.65
		2071-01-105-03		10.00	00.00	10.00	14.00	4.00
		2071-01-105-05		0.01	0.00	0.01	0.12	0.12
		2071-01-105-06		150.00	00.00	150.00	229.33	79.33
8	22	2055-00-001-01	Police	0.01	00.00	0.01	2.46	2.46
		2055-00-109-01		45.91	23.21	22.74	22.95	0.21
9	24	2220-01-001-01	Information and Publicity	3114.27	448.61	2665.67	2666.17	0.50
10	28	2014-00-102-01	Administration of Justice	12.05	3.43	8.62	8.73	0.11
11	32	2011-02-103-01	Parliament/State/Union Territory Legislatures	110.66	15.47	95.19	95.20	0.76
12	36	2215-01-101-04	Water Supply Sanitation	68.19	3.29	64.90	65.02	0.12
		2215-01-102-02		24.05	3.60	20.46	20.46	0.52
		2215-01-102-03		40.76	5.95	34.81	34.83	0.02
		4215-01-102-06	Capital outlay on Water and Supply and Sanitation	107.65	19.38	88.27	88.33	0.06
13	41	3054-80-001-08	Roads and Bridges	33.00	0.19	32.81	32.98	0.17
14	49	4701-80-796-54	Capital outlay on Medium Irrigation	23.32	6.91	16.40	16.41	0.01
		4701-80-796-62		149.73	0.24	149.49	149.55	0.06
		4701-80-800-54		25.00	0.08	25.00	26.67	1.67
15	50	4702-00-101-37	Capital outlay on Minor Irrigation	0.00	00.00	00.00	0.61	0.61
16	54	2404-00-102-10	Dairy Development	3.00	2.14	0.86	0.94	0.07
17	55	4515-00-103-10	Capital outlay on other Rural Development Programmes	8.23	1.09	7.14	7.14	0.35
		4515-00-796-04	Capital outlay on other Rural Development Programmes	149.00	1.52	147.48	148.11	0.63
18	56	2515-00-001-03	Other Rural Development Programmes	240.00	24.36	215.64	215.98	0.34
19	58	2202-02-109-01	General Education	204.62	68.97	135.65	135.68	0.03
		2202-02-109-66		503.77	15.51	488.26	488.39	0.13
20	59	2202-01-101-01		325.00	75.71	249.29	249.39	0.10
		2202-01-796-46		4421.72	1256.19	3165.53	3165.73	0.20
				3.37	0.74	2.63	2.63	0.11

Appendix 3.7
Excess over provisions of previous years requiring regularisation
(Reference: Paragraph 3.2.7.2)

Year	Number of Grant/ Appropriation	Grant/ Appropriation /Department name	Amount of excess (₹ in crore)
2001-02	25	Institutional Finance and Programme Implementation Department	*
2001-02	32	Legislature	0.04
2002-03	32	Legislature	0.08
2003-04	46	Tourism Department	0.29
2004-05	40	Revenue and Land Reforms Department	@
2006-07	38	Registration Department	\$
2010-11	32	Legislature	0.10
2011-12	14	Repayment of Loans	219.56
2011-12	15	Pension	200.60
2011-12	25	Institutional Finance and Programme Implementation Department	^
2012-13	7	Vigilance	0.07
2012-13	14	Repayment of Loans	556.01
2012-13	15	Pension	703.44
2012-13	42	Rural Development Department	3.66
2013-14	13	Interest Payment	139.42
2013-14	14	Repayment of Loans	181.58
2013-14	15	Pension	373.05
2014-15	13	Interest Payment	191.68
2014-15	42	Rural Development Department	169.53
2016-17	14	Repayment of Loans	10.42
2016-17	32	Legislative Assembly	0.33
2017-18	13	Interest Payment	193.69
2017-18	15	Pension	71.81
2019-20	13	Interest Payment	120.64
2019-20	15	Pension	192.68
Total			3328.68

Source: Respective year's Appropriation Accounts

*excess amount was ₹ 8,807 only

@ excess amount was ₹ 1,072 only

\$ excess amount was ₹ 81,665 only

^ excess amount was ₹ 11,160 only

Appendix-3.8
Details of the schemes for which provision (₹ 1 crore and above) was made but no
expenditure was incurred
(Reference: Paragraph 3.3.3)

(₹ in crore)

Sl. No.	Department Name	Scheme Name	Approved outlay	Revised outlay
1	1- Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	2401-00-102-BG	0	4.51
2		2401-00-102-BH	60.00	0
3		2401-00-105-AV	0.54	2.36
4		2401-00-105-AV	0.36	1.57
5		2401-00-789-BH	20.00	0
6		2401-00-796-AV	1.08	4.73
7		2401-00-796-AV	0.72	3.15
8		2401-00-796-B8	0	1.33
9		2401-00-796-BH	120.00	0
10		2415-80-277-15	10.00	0
11		4401-00-101-12	1.20	0
12	2- Agriculture, Animal Husbandry and Co-operative Department (Animal Husbandry Division)	2403-00-101-A5	1.00	0
13		2403-00-101-AD	1.00	0
14		2403-00-106-A6	1.74	0
15		2403-00-106-A6	1.16	0
16		2403-00-796-A5	1.00	0
17		2403-00-796-AA	1.00	0
18	3451-01-789-03	1.00	0	
19	3- Building Construction Department	4216-01-106-03	1.00	0
20	6- Cabinet (Election) Department	2015-00-105-04	1.00	0
21	8- Transport Department (Civil Aviation Division)	5053-02-796-03	10.00	0
22	9- Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	2425-00-107-28	30.00	0
23		2425-00-789-28	20.00	0
24		2425-00-796-28	50.00	0
25	10- Energy Department	2801-05-001-06	208.00	0
26		2801-05-052-03	15.50	0
27		2801-05-052-05	80.60	0
28		2801-05-052-07	186.00	0
29		2801-05-789-03	3.00	0
30		2801-05-789-05	15.60	0
31		2801-05-789-06	96.00	0
32		2801-05-789-07	36.00	0
33		2801-05-796-03	6.50	0
34		2801-05-796-05	33.80	0
35		2801-05-796-06	496.00	0
36		2801-05-796-07	78.00	0
37		2801-06-052-04	155.00	0
38		2801-06-052-05	31.00	0
39		2801-06-789-04	30.00	0
40		2801-06-789-05	6.00	0
41		2801-06-796-04	65.00	0
42		2801-06-796-05	13.00	0
43		2801-80-101-02	3.13	0
44		2801-80-796-18	10.00	0
45		2801-80-796-21	4.90	0
46	6801-00-201-24	4.00	0	
47	6801-00-202-01	5.00	0	
48	12- Planning-cum Finance Department (Finance Division)	2075-00-791-02	5.50	0
49		7610-00-201-01	50.00	0
50		7610-00-201-02	5.00	0
51		7610-00-201-03	5.00	0
52		7610-00-202-01	7.00	0

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Sl. No.	Department Name	Scheme Name	Approved outlay	Revised outlay
53		7610-00-202-02	1.00	0
54		7610-00-202-03	1.00	0
55	15- Pension	2071-01-101-09	100.00	0
56	18- Food, Public Distribution and Consumer Affairs Department	3456-00-102-61	16.76	0
57		3456-00-789-61	5.36	0
58		3456-00-796-61	18.88	0
59	19- Forest Environment and Climate Change Department	2406-01-101-48	15.00	0
60		2406-01-102-63	2.00	0
61		2406-01-102-63	1.34	0
62		2406-01-110-49	3.00	0
63		2406-01-110-49	2.00	0
64		2406-01-796-48	500	0
65		2406-01-796-65	1.56	0
66		2406-01-796-65	1.04	0
67		2406-04-103-03	2.50	0
68		2406-04-103-06	2.50	0
69		2406-04-103-07	2.50	0
70	20- Health, Medical Education and Family Welfare Department	2210-01-001-64	4.00	0
71		2210-01-001-79	2.00	0
72		2210-01-103-78	99.16	0
73		2210-01-104-74	5.00	0
74		2210-01-109-40	12.00	0
75		2210-01-110-55	2.00	0
76		2210-01-110-62	2.00	0
77		2210-01-789-78	19.19	0
78		2210-01-796-64	4.00	0
79		2210-01-796-74	5.00	0
80		2210-01-796-76	5.00	0
81		2210-01-796-78	41.58	0
82		2210-02-101-30	5.00	0
83		2210-02-200-27	9.00	0
84		2210-02-200-27	9.17	0
85		2210-03-101-20	2.00	0
86		2210-05-101-17	4.75	0
87		2210-05-105-16	3.12	0
88		2210-05-105-16	2.08	0
89		2210-05-105-21	60.85	0
90		2210-05-105-28	15.00	0
91		2210-05-796-28	10.00	0
92		2210-06-101-21	2.00	0
93		4210-01-110-42	1.46	0
94		4210-01-110-43	7.65	0
95		4210-01-110-43	5.10	0
96		4210-01-110-44	4.11	0
97		4210-01-110-44	2.00	0
98		4210-01-796-26	5.00	0
99	21- Higher and Technical Education Department (Higher Education Division)	2202-03-102-B1	2.00	0
100		2202-03-102-B8	2.00	0
101		2202-03-796-B1	3.00	0
102		2202-03-796-B7	15.00	0
103	22- Home, Jail and Disaster Management Department (Home Division)	2055-00-115-01	5.00	0
104		4055-00-207-45	6.14	8.91
105		4055-00-207-80	3.38	0
106		4055-00-796-33	3.00	0
107		4055-00-796-82	3.33	0
108		4070-00-796-83	3.11	0
109		4070-00-796-84	2.95	0

Sl. No.	Department Name	Scheme Name	Approved outlay	Revised outlay
110	23- Industries Department	2851-00-796-02	5.30	0
111		2851-00-796-56	3.10	0
112		2852-80-102-86	1.00	0
113		2852-80-796-76	9.00	0
114	24- Information and Public Relation Department	2220-01-796-03	1.00	0
115	26- Labour, Employment and Skill Development Department	2230-01-796-38	1.00	0
116		2230-03-003-53	3.40	0
117		2230-03-796-53	5.00	0
118		2235-60-796-07	10.00	0
119		4059-01-796-55	7.25	0
120		4250-00-789-01	5.00	0
121		4250-00-796-09	3.60	0
122	4250-00-796-09	2.40	0	
123	27- Law Department	2014-00-116-01	1.10	0
124	30- Welfare Department (Minorities Welfare Division)	4225-80-277-20	1.00	0
125		4225-80-796-21	2.00	0
126	35- Planning-cum-Finance Department (Planning Division)	2053-00-094-34	2.00	0
127		2053-00-796-34	3.29	0
128		2053-00-796-36	1.00	0
129		2053-00-796-44	5.00	0
130		3554-02-796-16	5.21	0
131		4215-01-102-03	70.00	0
132	36- Drinking Water and Sanitation Department	4215-01-789-03	30.00	0
133		4215-01-796-03	100.00	0
134	38- Revenue, Land Reforms and Registration Department (Registration Division)	2030-02-101-02	1.00	0
135	39- Home, Jail and Disaster Management Department (Disaster Management Division)	2245-01-101-01	1.00	0
136		2245-01-101-02	5.00	0
137		2245-01-101-06	20.00	0
139		2245-01-101-07	221.22	0
140		2245-01-101-08	2.00	0
141		2245-01-101-09	1.00	0
142		2245-01-102-01	11.00	0
143		2245-01-102-02	11.00	0
144		2245-01-102-04	10.00	0
145		2245-01-104-01	1.00	0
146		2245-01-282-01	5.00	0
147		2245-02-101-06	5.00	0
148		2245-02-101-07	1.00	0
149		2245-02-282-01	1.02	0
150		2245-80-001-22	1.60	0
151	2245-80-102-12	1.00	0	
152	40- Revenue, Registration and Land Reforms Department (Revenue and Land Reforms Division)	2029-00-103-01	1.00	0
153		2029-00-104-03	1.48	0
154	41- Road Construction Department	2075-00-791-01	10.00	0
155		5054-03-052-06	1.50	0
156	42- Rural Development Department (Rural Development Division)	2501-06-101-16	4.90	0
157		2501-06-101-17	24.50	0
158		250106-101-18	2.450	0
159		2501-06-789-16	1.50	0
160		2501-06-789-17	7.50	0
161		2501-06-796-16	3.60	0
162		2501-06-796-17	18.00	0
163		2501-06-796-18	1.80	0
164		2505-02-796-06	1.00	0
165		2515-02-102-60	3.92	0
166		2515-00-789-60	1.20	0

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Sl. No.	Department Name	Scheme Name	Approved outlay	Revised outlay
167		2515-00-796-60	2.88	0
168		4515-00-796-42	5.00	0
169	43- Higher and Technical Education Department (Science and Technology Division)	2203-00-003-A7	7.40	0
170		2203-00-003-AB	44.40	0
171		2203-00-003-AC	17.89	0
172		2203-00-004-41	5.55	0
173		2203-00-004-A5	18.50	0
174		2203-00-004-AE	7.40	0
175		2203-00-789-AC	3.91	0
176		2203-00-796-41	1.95	0
177		2203-00-796-A5	6.50	0
178		2203-00-796-A7	2.60	0
179		2203-00-796-AB	15.60	0
180		2203-00-796-AC	1.58	0
181		2203-00-796-AE	2.60	0
182	46- Tourism, Art Culture, Sports and Youth Affairs Department (Tourism Division)	3452-80-104-14	1.50	0
183		3452-80-104-18	1.00	0
184		3452-80-796-14	1.50	0
185		3452-80-796-18	1.00	0
186		5452-80-104-70	45.00	0
187		5452-80-796-70	10.00	0
188	47- Transport Department (Transport Division)	3055-00-796-02	3.00	0
189		5055-00-190-23	2.00	0
190	49- Water Resources Department	4700-80-789-13	25.00	0
191		4700-80-796-13	25.00	0
192		4701-80-001-65	1.00	0
193	50- Water Resources Department (Minor Irrigation Division)	2702-01-102-02	3.00	0
194		4702-00-101-24	2.00	0
195		4702-00-796-24	3.00	0
196		2225-01-789-09	1.00	0
197	51- Scheduled Tribe, Scheduled Caste, Minority and Backward Class Welfare Department (Scheduled Tribe, Scheduled Caste and Backward Class Welfare Division)	2225-01-789-09	1.00	0
198		2225-01-789-53	1.00	0
199		2225-01-789-67	13.00	0
200		2225-01-789-95	26.00	0
201		2225-02-277-01	10.00	0
202		2225-02-277-71	1.00	0
203		2225-02-277-98	1.50	0
204		2225-02-277-A1	3.70	0
205		2225-02-277-A3	10.00	0
206		2225-02-796-39	28.00	0
207		2225-02-796-71	2.00	0
208		4225-01-789-02	2.00	0
209		4225-01-789-02	2.00	0
210		4225-02-277-43	1.00	0
211		4225-03-796-02	2.00	0
212		4225-03-796-02	2.00	0
213		52- Tourism, Art, Culture, Sports and Youth Affairs Department (Art, Culture, Sports and Youth Affairs Division)	2204-00-104-57	6.00
214	2204-00-796-52		1.50	0
215	2204-00-796-54		1.25	0
216	2204-00-796-57		9.00	0
217	4202-03-102-20		4.00	0
218	4202-03-796-20		4.00	0
219	4202-04-101-13		1.80	0
220	4202-04-101-13		1.80	0
221	53- Agriculture, Animal Husbandry and Co-operative Department (Fishery Division)	2405-00-796-62	1.06	0
222		2405-00-796-62	1.06	0
223		4405-00-101-74	3.08	0

Sl. No.	Department Name	Scheme Name	Approved outlay	Revised outlay	
224		4405-00-101-74	3.08	0	
225		2404-00-102-74	2.40	0	
226		2404-00-102-74	1.60	0	
227	54- Agriculture, Animal Husbandry and Co-operative Department (Dairy Division)	2404-00-102-76	2.00	0	
228		2404-00-102-83	8.50	0	
229		2404-00-102-86	2.00	0	
230		2404-00-796-83	6.50	0	
231		55- Rural Development Department (Rural Works Division)	2515-00-001-36	1.20	0
232			2515-00-102-63	170.00	0
233	2515-00-796-36		1.20	0	
234	2515-00-796-63		180.00	0	
235	56- Rural Development Department (Panchayati Raj Division)	2515-00-001-54	8.00	0	
236		2515-00-001-57	5.00	0	
237		2515-00-789-57	4.00	0	
238		2515-00-796-57	7.50	0	
239		2515-00-796-58	1.00	0	
240	58- School Education and Literacy Department (Secondary Education Division)	2202-02-109-18	5.00	0	
241		2202-02-109-24	5.00	0	
242		2202-02-109-80	12.50	0	
243		2202-02-789-18	1.70	0	
244		2202-02-789-24	1.70	0	
245		2202-02-789-49	5.10	0	
246		2202-02-789-68	14.45	0	
247		2202-02-789-81	3.40	0	
248		2202-02-796-24	3.30	0	
249		2202-02-796-49	9.90	0	
250		2202-02-796-81	6.60	0	
251		2202-05-200-06	7.51	0	
252		2202-05-200-06	2.24	0	
253		2202-05-789-06	2.54	0	
254		2202-05-796-06	4.95	0	
255		2202-05-796-06	1.48	0	
256	59- School Education and Literacy Department (Primary and Adult Education Division)	2202-01-101-60	11.43	0	
257		2202-01-789-60	2.94	0	
258		2202-01-796-60	5.63	0	
259	60- Women, Child Development and Social Security Department	2235-02-102-48	5.82	0	
260		2235-02-102-48	3.88	0	
261		2235-02-102-53	1.54	0	
262		2235-02-102-53	1.03	0	
263		2235-02-102-A1	1.26	0	
264		2235-02-103-64	1.16	0	
265		2235-02-103-AD	1.62	0	
266		2235-02-103-AD	1.08	0	
267		2235-02-103-AH	2.94	0	
268		2235-02-103-AL	12.27	0	
269		2235-02-103-AL	8.54	0	
270		2235-02-106-A4	1.17	0	
271		2235-02-796-48	6.18	0	
272		2235-02-796-48	4.12	0	
273		2235-02-796-53	1.68	0	
274		2235-02-796-53	1.12	0	
275		2235-02-796-64	1.16	0	
276		2235-02-796-A3	1.00	0	
277		2235-02-796-AD	1.98	0	
278		2235-02-796-AD	1.32	0	
279		2235-02-796-AH	4.06	0	
280	2235-02-796-A1	1.37	0		

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Sl. No.	Department Name	Scheme Name	Approved outlay	Revised outlay
281		2236-02-101-06	1.64	0
282		2236-02-101-06	1.64	0
283		2236-02-101-07	0	156.00
284		2236-02-789-07	0	31.00
285		2236-02-796-06	1.90	0
286		2236-02-796-06	1.90	0
287		2236-02-796-07	0	125.00
288		4235-02-101-78	12.00	0
289		4235-02-103-73	1.35	0
290		4235-02-103-77	1.50	0
291		4235-02-103-77	1.00	0
292		4235-02-796-73	1.65	0
293		4235-02-796-73	1.10	0
294		4235-02-796-77	1.50	0
295		4235-02-796-77	1.00	0
296		4235-02-796-78	18.00	0
		Total	4262.08	338.56

Appendix-3.9
Rush of expenditure
(Reference: Paragraph 3.4)

(₹ in crore)

S. N.	Major Head	March	4th quarter total	4th qtr. total as percentage of FY total	FY Total	Exp. in March as percentage of FY total
1	2245	424.69	987.75	100.00	987.75	43.00
2	3075	9.50	335.33	100.00	335.33	2.83
3	4047	3.82	8.76	100.00	8.76	43.61
4	4408	15.00	15.00	100.00	15.00	100.00
5	4801	626.00	626.00	100.00	626.00	100.00
6	4875	0.76	0.76	100.00	0.76	100.00
7	4885	5.00	7.00	100.00	7.00	71.43
8	5075	0.00	5.00	100.00	5.00	0.00
9	5452	42.91	42.91	98.39	43.62	98.39
10	4225	228.46	260.05	96.57	269.28	84.84
11	3451	805.78	812.24	94.62	858.39	93.87
12	4405	5.51	7.25	94.34	7.68	71.69
13	2852	83.64	104.08	94.24	110.45	75.73
14	4210	516.89	534.20	91.14	586.13	88.19
15	2401	281.27	882.47	88.39	998.40	28.17
16	2225	720.26	792.36	86.90	911.79	78.99
17	2406	317.09	432.48	84.72	510.51	62.11
18	2404	71.70	74.61	83.19	89.69	79.95
19	2204	19.67	32.73	75.68	43.25	45.49
20	4701	394.10	633.78	75.22	842.52	46.78
21	2216	3.69	12.18	74.59	16.34	22.61
22	5055	9.42	11.07	73.87	14.98	62.84
23	4235	3.79	3.79	71.63	5.29	71.63
24	2217	1466.79	2021.08	70.62	2861.72	51.26
25	2205	4.39	6.47	70.09	9.24	47.54
26	3054	216.05	279.75	68.52	408.28	52.92
27	2230	134.76	151.90	68.42	222.01	60.70
28	4515	486.58	867.13	67.56	1283.49	37.91
29	4711	6.22	10.27	65.82	15.60	39.90
30	4403	1.93	1.93	65.82	2.93	65.82
31	4059	77.08	123.70	65.53	188.76	40.84
32	2405	34.56	46.58	64.50	72.22	47.86
33	5054	1250.79	1862.68	60.45	3,081.21	40.59
	Total	8268.10	11993.28	77.72	15439.33	53.55

Appendix: 3.10
Surrender of fund on the last day of the financial year
(Reference: Paragraph 3.5.8)

(₹ in lakh)

Sl. No.	Secretariate/Offices	No. of works/sub-heads where surrenders made	Allotment	Expenditure	Surrender	Date of Surrender
1	The Under Secretary, BCD, (Govt. Side), Ranchi	06	32.24	7.72	24.52(76%)	31.03.21
2	The EE, BCD, No.-01, Ranchi	02	77.52	8.43	69.09(89 %)	31.03.21
3	The EE, BCD, No.-02, Ranchi	09	171.52	7.22	164.30(96%)	31.03.21
4	The EE, BCD, Special Division, Ranchi	05	611.43	144.60	466.83(76%)	31.03.21
5	EE, BCD, Dhanbad	01	0.50	0.20	0.30 (60%)	31.03.21
6	EE, BCD, Gumla	04	1.48	0.02	1.46(99%)	31.03.21
7	The EE, BCD, Hazaribagh	01	0.60	0.25	0.35 (58%)	31.03.21
8	The EE, BCD, Jamshedpur	04	2.18	0.13	2.05(94%)	31.03.21
9	The EE, BCD, Saraikela	04	101.23	0.09	101.14 (100%)	31.03.20
10	The EE, BCD, Ramgarh	04	2.05	0.00	2.05(100%)	31.03.21
Total		40	1000.75	168.66	832.09 (83%)	

Appendix: 3.11
Rush of Expenditure (BCD)
(Reference: Paragraph 3.5.9)

(₹ in crore)

Secretariat/Divisions/ Offices	Head of accounts/ No of Sub-heads	Total Expenditure	Expenditure in March	Percentage of Expenditure in March
State (Govt. side)	4059-01-796-58	42.68	17.19	40
	4059-01-796-59	11.89	4.83	41
	4059-01-051-58	65.10	26.71	41
	2059-80-001-11	2.13	1.48	69
	4059-01-051-39	2.36	2.30	97
	4059-01-796-39	5.59	5.59	100
Total		129.75	58.10	
O/o the Under Secretary, BCD (Hqr), Ranchi	07	0.10	0.08	42 to 100
The EE, BCD, No.-01, Ranchi	08	33.35	18.43	43 to 100
The EE, BCD, No.-02, Ranchi	15	2.46	2.34	57 to 100
The EE, BCD, Special Division, Ranchi	05	5.42	3.82	56 to 100
The EE, BCD, Bokaro	03	0.86	0.76	49 to 100
The EE, BCD, Dhanbad	03	0.32	0.31	51 to 100
The EE, BCD, Gumla	04	1.14	0.92	71 to 100
The EE, BCD, Hazaribagh	05	13.53	13.52	46 to 100
The EE, BCD, Jamshedpur	03	0.11	0.11	100
The EE, BCD, Saraikela	02	4.98	4.97	48 & 100
The EE, BCD, Ramgarh	03	0.25	0.25	100
Total		58	45.51	

Appendix-3.12
Non-reconciliation of departmental expenditure figures
(Reference: Paragraph 3.5.10)

(₹ in crore)

Sl. No.	Divisions	Heads	Total Expenditure	Reconciled amount	Non-reconciled amount
1	O/o the Under Secretary, BCD (Hqr), Ranchi	Establishment Expenditure	6.53	0.00	6.53
2	The EE, BCD, Division No.-01, Ranchi	Establishment Expenditure	4.49	0.00	4.49
		General Expenditure (Works)	33.35	0.00	33.35
3	The EE, BCD, Division No.-02, Ranchi	Establishment Expenditure	3.15	0.00	3.15
		General Expenditure (Works)	16.02	12.01	4.01
4	The EE, BCD, Special Division, Ranchi	Establishment Expenditure	1.58	0.00	1.58
5	The EE, BCD, Bokaro	Establishment Expenditure	1.49	0.00	1.49
6	The EE, BCD, Dhanbad	Establishment Expenditure	1.89	0.00	1.89
7	The EE, BCD, Gumla	Establishment Expenditure	0.99	0.00	0.99
8	The EE, BCD, Hazaribagh	Establishment Expenditure	2.13	0.00	2.13
9	The EE, BCD, Jamshedpur	Establishment Expenditure	1.54	0.00	1.54
10	The EE, BCD, Saraikela	Establishment Expenditure	0.99	0.00	0.99
11	The EE, BCD, Ramgarh	Establishment Expenditure	0.86	0.00	0.86
Grand Total			75.01	12.01	63.00

Appendix-3.13
Blockage of Fund kept in PL/Deposit/Bank Account
(Reference: Paragraph 3.6.10)

Sl. No.	Name of scheme/work	Year	Fund Received	Total Fund Received	Expenditure	Total Expenditure	Balance Amount
1	Construction of Welcome Gate at Deo Nad Damodar of Lohardaga District	2017-18	3457200	3457200	938738	2390476	1066724
2	Construction of Chulha Pani Welcome Gate at Deo Nad Damodar Salgi Block Kuru Lohardaga				1054000		
3	Construction of Welcome Gate at Lava Pani Peshrar(Bagru Lohardaga)				937738		
4	Construction of Toilet and Bathroom near Korambe Temple, under Lohardaga District	2019-20	3171000	3171000	694875	3161463	9537
5	Construction of Marriage Hall near Akhileshwar Dham Temple under Lohardaga District				2466588		
6	Construction of Development 2 nd and last waterfall on Lava Pani Waer fall in Peshrar Block under Lohardaga District	2019-20	5000000	5000000	0	1893938	3106062
7	Stair and other Development work (1 st and 4 th) at Lava Pani Water fall Peshrar Block under Lohardaga District				1893938		
8	Construction of Development of 27 no. Bridge in Namodag Dubang of Salgi Panchayat under Lohardaga District	2020-21	10000000	10000000	2344340	2344340	7655660
9	Consultancy Service by JTDC	2017-18	28987522	75240424	15906862	15906862	59333562
		2018-19	13309176				
		2019-20	12943726				
		2020-21	20000000				
10	Training & Skill Development by JTDC	2017-18	20000000	42626000	5974357	5974357	36651643
		2018-19	20000000				
		2019-20	2626000				
11	Providing Tour Facility to Poor Family of the state in the Tour by JTDC	2017-18	66000000	116000000	33797070	33797070	82202930
		2018-19	25000000				
		2019-20	25000000				
12	Financial Assistance to JTDC, LTD for Management, Cleanliness., Creation, Upgradation, Publicity, Maintenance and renovation of existing Properties etc.	2017-18	60000000	370000000	193294218	193294218	176705782
		2018-19	20000000				
		2019-20	150000000				
		2020-21	140000000				
13	Strengthening, Maintenance, Running etc. of Tourist Information Centre, Modernization by JTDC	2017-18	1000000	12000000	2474858	2474858	9525142
		2018-19	5000000				
		2019-20	6000000				
14	Adventure Activity in Dasam, Jonha and Panchghagh Fall of Ranchi District	2017-18	9747000	9747000	8356000	8356000	1391000
15	Kailash Mansarovar Pilgrim by JTDC	2018-19	6000000	16000000	6000000	6000000	10000000
		2019-20	10000000				
16	Integrated Development of Various Tourism Circuit-construction work by JTDC	2018-19	52517646	62517646	6000000	6000000	56517646
		2019-20	10000000				
17	Fair & Exhibition by JTDC	2018-19	18101475	25601475	11231728	11231728	14369747
		2019-20	7500000				
18	Maintenance, Management and Cleanliness of Tourist Places by JTDC	2018-19	28000000	78000000	53000000	53000000	25000000
		2019-20	25000000				
		2020-21	25000000				

Sl. No.	Name of scheme/work	Year	Fund Received	Total Fund Received	Expenditure	Total Expenditure	Balance Amount
19	Purchase of share capital of Hotel Ashok Vihar by JTDC	2020-21	250000000	250000000	0	0	250000000
20	Incentive by JTDC	2017-18	10000000	10000000	0	0	10000000
21	Eco Tourism Circuit by JTDC	2018-19	38581944	38581944	38141275	38141275	522199
		2019-20	67566				
		2020-21	13964				
22	Prasad Yojna Deoghar by JTDC	2018-19	116616517	116616517	190290432	190290432	18720157
		2019-20	482363				
		2020-21	91911709				
23	Led Street Light in Rajrappa Pathway and Temple Compound	2017-18	79051728	79051728	65483448	65483448	13568280
24	View Gallery under Ramgarh District	2017-18	7057200	32057200	32057200	0	32057200
		2018-19	25000000				
25	Development of various tourist places under Ramgarh District	2017-18	8000000	25500000	12200925	12200925	13299075
		2018-19	5000000				
		2019-20	5000000				
		2020-21	7500000				
26	Grant in aid to Rajrappa Tourist Development Authority for various arrangements	2017-18	902821	5902821	3218638	3218638	2684183
		2018-19	3000000				
		2020-21	2000000				
27	Construction of Welcome Gate at Deo Nad Damodar of Lohardaga District	2017-18	3457200	3457200	938738	2930476	526724
28	Construction of Chulha Pani Welcome Gate at Deo Nad Damodar Salgi Block Kuru Lohardaga				1054000		
29	Construction of Welcome Gate at Lava Pani Peshrar(Bagru Lohardaga)				937738		
30	Construction of Toilet and Bathroom near Korambe Temple under Lohardaga District	2019-20	3171000	3171000	694875	3161463	9537
31	Construction of Marriage Hall near Akhileshwar Dham Temple under Lohardaga District				2466588		
32	Construction of Development 2 nd and last waterfall on Lava Pani Waer fall in Peshrar Block under Lohardaga District	2019-20	5000000	5000000	0	1893938	3106062
33	Stair and other Development work (1 st and 4 th) at Lava Pani Water fall Peshrar Block under Lohardaga District				1893938		
34	Construction of Development of 27 no. Bridge in Namodag Dubang of Salgi Panchayat under Lohardaga District	2020-21	10000000	10000000	2344340	2344340	7655660
35	Construction of Traveler Shed, Boring, Pipe Fitting, Tank and Solar System in Kanaishwr Temple, Chakulia under Jamshedpur District	2016-17	2498300	2498300	2492884	2492884	5416
36	Construction of Traveler Shed and Bench in Chitreshwar Temple, Bahragora under Jamshedpur District	2016-17	1610900	1610900	1598382	1598382	12518
37	Development of Panch Pandav(Tourism Dev), Grill, Boundary Wall, Permanent Bench Platform	2016-17	1991400	1991400	1963719	1963719	27681

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Sl. No.	Name of scheme/work	Year	Fund Received	Total Fund Received	Expenditure	Total Expenditure	Balance Amount
	Repairing and Public Toilet under Jamshedpur District						
38	Construction of Toilet and Footpath in Harina Temple, Potka under Jamshedpur District	2016-17	1814700	1814700	1789501	1789501	25199
39	Construction of Public Hall in Harina Temple, Potka under Jamshedpur District	2017-18	15000000	15000000	2374290	12204577	2795423
40	Construction of Guest House in Rajbadi Temple, Dhalbhumgarh under Jamshedpur District				2483266		
41	Construction of Boundary Wall and Bench in Harina Temple, Potka under Jamshedpur District				1013620		
42	Construction of Marriage Hall in Rankini Temple, Jadugoda, Musavani under Jamshedpur District				194543		
43	Construction of Children Park in Rajbari, Dhalbhum under Jamshedpur District				2431644		
44	Construction of Boundary wall Pears block and Deep Boring in Children Park in Rajbari, Dhalbhum under Jamshedpur District				2088706		
45	Renovation of Boundary wall and PCC Road in Rajbari, Dhalbhumgarh under Jamshedpur District				1618508		
46	Dimna Adventure Tourism Fair under Jamshedpur District	2018-19	1500000	1500000	0	0	1500000
47	Development for Tourist Places under Jamshedpur District	2020-21	3000000	3000000	0	0	3000000
48	Development of tourist places in Bokaro district	2017-18	10000000	10000000	8974770	8974770	1025230
49	Development of tourist places in Bokaro district	2018-19	10000000	10000000	7113230	7113230	2886770
50	Development of tourist places in Bokaro district	2019-20	20000000	20000000	15865575	15865575	4134425
Total			1568590057	1568590057	717492883	717492883	851097174

Appendix-3.14
Non-completion of work
(Reference: Paragraph 3.6.11)

(₹ in lakh)

S. N.	Scheme	Fund Allotted (As on 31.03.21)	Year of release	Expenditure (As on 31.03.21)	Schedule date of completion	Physical Status in per cent
1.	Construction of cottage in Unwa at Koderma District	37.87		0	11.03.10	0
2.	Development of tourist site at Ulihatu and Dombriburu related to Dharti Aaba Birsa Munda	440.00	September 2015 to January 2019	156.00	-	-
3.	Development of Suitambe Hill at Pithoria, Ranchi	319.19		215.73	19.10.17	58
4.	Prasad Yojna Baidhnath Dham, Deoghar	1900.00		994.18	-	59
5.	Civil Construction work at Netarhat and Civil Const. work of tent Base at koel View Point and Betla	900.00		519.68	23.02.21	40
6.	Construction of Dasam Water Fall Ranchi	299.14		0	14.04.19	2
7.	Construction work of Panchghagh Water Fall Khunti	210.08	March 2017	11.38	23.08.19	31
8.	Development of Ulihatu and Dumbriburu as Tourist Heritage Destination Centre Khunti	225.00		155.54	17.04.18	50
9.	Integrated development of Tourism Circuit Rajrappa Kailshwari Itkhori Rajrappa Parasnath	1600.00		32.24	07.08.19	5
10.	Construction of VIP Guest House at Patratu	1320.00		640.83	02.04.21	68
11.	Tourism development of Chandil at Seraikela Kharsawan	400.00		0	09.04.21	0
12.	Construction of Community Centre cum Pilgrim Facility at Luduguru, Bokaro District	1000.00		83.41	30.11.20	18
13.	Open Air Theater Dumka	1500.00		0.00	-	0
14.	Construction work of Stair and development of tourist places in Lava Pani Water Fall (2 nd and Last) under Lohardaga District	50.00		0.00	-	10
15.	Construction work of Stair and development of tourism in Lava Pani Water Fall (1 st and 4 th) under Lohardaga District			18.93	-	80
16.	Scheme related to Development of Tourist places near Bridge No.27 situated in Namodag Dubang of Salgi Panchayat under Lohardaga District	100.00		23.44	-	In progress
17.	Silapat , Rudraksha Tree Protection & Sitting Pagoda in Akhileshwar Dham under Lohardaga District	50.00		50.00	18.10.2021	In progress
18.	PCC Road in Akhileshwar Dham Bhandra under Lohardaga District				16.09.2021	
19.	SS Railing in Pond at Akhileshwar Dham				11.09.2021	
20.	Kiosk in Akhileshwar Dham under Lohardaga District				11.09.2021	
21.	Kiosk & SS Railing in Taan Pahadi under Lohardaga District				11.09.2021	
22.	Toilet Block in Taan Pahadi under Lohardaga District				14.09.2021	
Total		10351.28		2901.36		

Appendix-4.1
Pending DC Bills
(Reference: Paragraph 4.6)

(₹ in crore)

Sl. No.	District	Period	DC Bill submitted with delay		Delay (in months)
			No.	Amount	
1	Ranchi	2008-09 to 2016-17	155	62.44	01 to 121
2	East Singhbhum	2004-05 to 2017-18	05	1.37	08 to 67
3	Bokaro	2008-09	04	1.87	33 to 51
4	Hazaribagh	2004-05 to 2008-09	08	2.38	11 to 127
5	Lohardaga	2003-04 to 2011-12	03	0.09	58 to 70
6	Ramgarh	2008-09 to 2010-11	03	2.19	11 to 53
7	Chatra	2005-06 to 2015-16	07	1.87	01 to 106
8	Deoghar	2005-06 to 2016-17	22	10.77	01 to 128
9	Dhanbad	2004-05 to 2008-09	07	2.53	20 to 71
10	Dumka	2003-04 to 2016-17	38	10.71	02 to 99
11	Giridih	2002-03 to 2011-12	15	15.29	11 to 69
12	Garhwa	2005-06 to 2015-16	03	0.40	34 to 40
13	Jamtara	2008-09 to 2011-12	04	0.25	16 to 61
14	Kodarma	2008-09	02	3.75	19 to 31
15	Latehar	2004-05 to 2011-12	11	1.42	01 to 110
16	Pakur	2005-06 to 2008-09	02	1.39	36
17	Sahibganj	2007-08 to 2015-16	07	3.04	03 to 49
18	Simdega	2005-06 to 2015-16	04	1.74	20 to 94
19	Chaibasa	2004-05 to 2007-08	05	0.62	11 to 85
20	Seraikela	2006-07 to 2015-16	11	2.40	19 to 121
Total			316	126.52	

Appendix 4.2
List of auditable units identified u/s 14 & 15 of CAG's DPC Act
(Reference: Paragraph 4.15)

S. N.	Department	Name of the office	District	Audited upto
1	Health	District Rural Health Society	Bokaro	2018-19
2	Health	District Rural Health Society	Chatra	2018-19
3	Health	District Rural Health Society	Deoghar	2012-13
4	Health	District Rural Health Society	Dhanbad	2018-19
5	Health	District Rural Health Society	Dumka	2013-14
6	Health	District Rural Health Society	East Singhbhum (Jamshedpur)	2014-15
7	Health	District Rural Health Society	Garhwa	2017-18
8	Health	District Rural Health Society	Giridih	2013-14
9	Health	District Rural Health Society	Godda	2015-16
10	Health	District Rural Health Society	Gumla	2010-11
11	Health	District Rural Health Society	Hazaribagh	2014-15
12	Health	District Rural Health Society	Jamtara	2011-12
13	Health	District Rural Health Society	Khunti	2015-16
14	Health	District Rural Health Society	Koderma	2013-14
15	Health	District Rural Health Society	Latehar	2015-16
16	Health	District Rural Health Society	Lohardaga	2013-14
17	Health	District Rural Health Society	Pakur	2018-19
18	Health	District Rural Health Society	Palamu	2013-14
19	Health	District Rural Health Society	Ranchi	2011-12
20	Health	District Rural Health Society	Ramgarh	2015-16
21	Health	Jharkhand State Health Mission Society, Namkum	Ranchi	2015-16
22	Health	District Rural Health Society	Saraikela Kharsawan	2013-14
23	Health	District Rural Health Society	Simdega	2013-14
24	Health	District Rural Health Society	West Singhbhum (Chaibasa)	2018-19
25	Health	District Rural Health Society	Sahibganj	2013-14
26	Education	Jharkhand Shiksha Pariyojana Parishad, Ranchi	Ranchi	2014-15
27	Health	Jharkhand AIDS Control Society, Ranchi	Ranchi	2002-03
28	Education	Netarhat Residential School, Netarhat	Netarhat	2015-16
29	Rural Development	DRDA	Deoghar	2015-16
30	Rural Development	DRDA	Latehar	2014-15
31	Rural Development	DRDA	Hazaribagh	2015-16
32	Rural Development	DRDA	Giridih	2016-17
33	Rural Development	DRDA	Garhwa	2016-17
34	Rural Development	DRDA	Ranchi	2016-17
35	Rural Development	DRDA	East Singhbhum (Jamshedpur)	2016-17
36	Rural Development	DRDA	Ramgarh	2015-16
37	Rural Development	DRDA	West Singhbhum (Chaibasa)	2015-16
38	Rural Development	DRDA	Simdega	2015-16
39	Rural Development	DRDA	Koderma	2015-16
40	Rural Development	DRDA	Dumka	2015-16
41	Rural Development	DRDA	Godda	2016-17
42	Rural Development	DRDA	Pakur	2015-16
43	Rural Development	DRDA	Saraikela	2015-16
44	Rural Development	DRDA	Lohardaga	2015-16
45	Rural Development	DRDA	Bokaro	2011-12
46	Rural Development	DRDA	Chatra	2014-15
47	Rural Development	DRDA	Dhanbad	2012-13
48	Rural Development	DRDA	Gumla	2016-17
49	Rural Development	DRDA	Palamu	2014-15
50	Rural Development	DRDA	Sahibganj	2016-17
51	Rural Development	DRDA	Jamtara	2010-11
52	Rural Development	DRDA	Khunti	2016-17

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S. N.	Department	Name of the office	District	Audited upto
53	Education (H&T)	Birla Institute of Technology Mesra, Ranchi	Ranchi	2016-17
54	Aviation	Civil Aviation Authority, Ranchi	Ranchi	2016-17
55	Information Technology	Jharkhand Institute of Application for promotion (JAP-IT)	Ranchi	2013-14
56	Information Technology	Jharkhand Space Application Centre, Dhurwa, Ranchi	Ranchi	2007-08
57	Social Welfare	Jharkhand Pollution Control Board, Ranchi	Ranchi	2006-07
58	IT & e-Governance	State Information Commission	Ranchi	2015-16
59	Industry	Industrial Area Development Authority, Ranchi	Ranchi	2015-16
60	Industry	Industrial Area Development Authority, Bokaro	Bokaro	2015-16
61	Industry	Industrial Area Development Authority, Jamshedpur	Jamshedpur	2016-17
62	Forest	Lac Treatment Plant, Latehar	Latehar	2008-09
63	Agriculture	National Horticulture Mission Jharkhand	Ranchi	2014-15
64	Education (H&T)	Science & Technology Council, Govt. of Jharkhand	Ranchi	2015-16
65	Biotechnology	Lac Cultivation Crop in forest, Doranda	Ranchi	2008-09
66	Animal Husbandry	Bacon Factory, Kanke, Ranchi	Ranchi	2009-10
67	Law	High Court Legal Services Committee, Ranchi	Ranchi	2008-09
68	Tourism, Art, Culture and Youth Affairs Department	Jharkhand State Hindu Religion Trust Council	Ranchi	Not audited
69	Forest	CAMPA	Ranchi	Not audited
70	Forest	Jharkhand Bio-Diversity Board/ Council, Doranda, Ranchi	Ranchi	2016-17
71	Industry	Chief Executive Officer, Jharkhand State Khadi and Village Industries Board, Ranchi	Ranchi	2016-17
72	Health	Director, R.K. Mission, TB sanatorium, Tipudana	Ranchi	2005-06
73	Education	Director, R.K. Mission Ashram, Morabadi, Ranchi	Ranchi	2007-08
74	Education	Jharkhand Mahila Samakhya Society, Kadru Ranchi	Ranchi	2005-06
75	Forest	Executive Director, Wasteland Development Board	Ranchi	Not audited
76	Forest	Forest Development Authority	Ranchi	Not audited

Source: Permanent Audit Programme Register maintained in the office of the Pr. Accountant General (Audit)

Appendix 5.1
List of government companies/government controlled other companies under the purview
of CAG Audit during 2020-21
(Reference: Paragraph 5.4)

S. N.	Name of the PSUs	Date of Registration/Incorporation	Account prepared up to	Audit Completed up to
Power (functional)				
1	Jharkhand Bijali Vitran Nigam Limited (JBVNL)	23.10.2013	2019-20	2018-19
2	Jharkhand Urja Sancharan Nigam Limited (JUSNL)	23.10.2013	2018-19	2018-19
3	Jharkhand Urja Utpadan Nigam Limited (JUUNL)	23.10.2013	2019-20	2018-19
Power (non-functional)				
4	Jharbihar Colliery Limited (Non-working) (JCL)	18.06.2009	2019-20	2018-19
5	Patratu Energy Limited (Non-working) (PEL)	26.10.2012	2019-20	2018-19
6	Karnpura Energy Limited (Non-working) (KEL)	19.09.2008	2019-20	2018-19
Non-power (functional)				
1	Jharkhand Police Housing Corporation Limited	13.03.2002	2020-21	2019-20
2	Greater Ranchi Development Agency Limited	10.01.2003	2019-20	2018-19
3	Jharkhand Industrial Infrastructure Development Corporation Limited	15.12.2004	2019-20	2018-19
4	Jharkhand Silk Textile & Handicraft Development Corporation Limited	23.08.2006	2018-19	2018-19
5	Jharkhand Urban Infrastructure Development Company Limited	19.11.2013	2018-19	2018-19
6	Jharkhand State Building Construction Corporation Limited	05.12.2015	2018-19	2018-19
7	Jharkhand Plastic Park Limited	27.09.2016	2018-19	2018-19
8	Jharkhand Railway Infrastructure Development Corporation Limited	06.07.2018	2019-20	2019-20
9	Jharkhand Film Development Corporation Limited	07.09.2016	2018-19	2018-19
10	Adityapur Electronic manufacturing cluster Limited	17.11.2016	2018-19	2018-19

Appendix 5.2
Functional PSUs with arrears of accounts for more than three years/first
accounts not received/ not due
(Reference: Paragraph 5.4)

S. N.	Name of SPSE		Period of latest finalised accounts
Government Companies			
Power			
1	Jharkhand Urja Vikas Nigam Limited	16.09.2013	2014-15
2	Tenughat Vidyut Nigam Limited	26.11.1987	2014-15
Non-Power			
3	Jharkhand Tourism Development Corporation Limited	22.03.2002	2009-10
4	Jharkhand State Minorities Finance Corporation Limited	15.03.2012	2015-16
5	Jharkhand State Mineral Development Corporation Limited	07.05.2002	2015-16
6	Jharkhand State Beverages Corporation Limited	26.11.2010	2015-16
7	Jharkhand Medical & Health Infrastructure Procurement Development Corporation Limited	24.05.2013	2016-17
8	Jharkhand Hill Area Lift Irrigation Corporation Limited	22.03.2002	2015-16
9	Jharkhand State Forest Development Corporation Limited	27.03.2002	2017-18
10	Jharkhand State Food & Civil Supply Corporation Limited*	18.06.2010	Pending since incorporation
11	Ranchi Smart City Corporation Limited*	30.09.2016	
12	Jharkhand Communication Network Limited*	28.01.2017	
13	Atal Bihari Vajpayee Innovation Lab*	26.12.2018	
14	Jharkhand State Agriculture Development Corporation Limited	20.01.2016	2017-18
15	Jharkhand Urban Transport Corporation Limited	20.09.2016	2017-18

* PSEs which have not submitted/finalised their first accounts.

Appendix 5.3
Net present value of State Government Investment
(Reference: Paragraph 5.15)

(₹ in crore)

Financial year	Present value of total investment at the beginning of the year	Equity infused by the state Government during the year	Interest free/defaulted Loans and capital grants given by the state Government during the year	Total investment during the year	Average rate of interest on Government borrowings (in %)	Total investment at the end of the year	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	Rate of Real Return (RORR) in percentage
i	ii	iii	iv	v=iii+iv	vi	vii=ii+v	viii= {vii*(100+ vi)/100}	ix= {vii*vi}/100}	x	xi=x*100/viii
Equity investment till 2016-17		4313.47								
2017-18	5651.40	50.00	0	50.00	6.98	5701.40	6099.35	397.96	-571.74	-9.37
2018-19	6099.35	31.33	0	31.33	7.98	6130.68	6619.91	489.23	-945.52	-14.28
2019-20	6619.91	0	0	0	6.34	6619.91	7039.61	419.70	-1336.36	-18.98
2020-21	7039.62	626.0	0	626.00	6.13	7665.61	8135.52	469.90	-1345.89	-16.54
Total		5020.80		707.33						

Source: Latest finalized Annual Accounts of SPSEs as on 31st October 2021

Glossary of terms, basis of calculations and Acronyms used in the Report

Terms	Basis of calculation and explanation
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
Interest spread	GSDP growth – Average Interest Rate
Quantum spread	Debt stock * Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts minus all Plan Grants and Non-Plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt.
Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.
Debt stabilisation	A necessary condition for 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 be constant or debt would stabilise 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.
Sufficiency of non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

Terms	Basis of calculation and explanation
Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.
Appropriation Accounts	Appropriation Accounts present the total amount of funds (Original and Supplementary) authorised by the Legislative Assembly in the budget grants under each voted grants and charged appropriation vis-à-vis the actual expenditure incurred against each and the unspent provisions or excess under each grant or appropriation. Any expenditure in excess of the grants requires regularisation by the Legislature.
Autonomous bodies	Autonomous Bodies (usually registered Societies or Statutory Corporations) are set up whenever it is felt that certain functions need to be discharged outside the governmental set up with some amount of independence and flexibility without day-to-day interference of the Governmental machinery.
Committed expenditure	The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies on which the present executive has limited control.
State implementing schemes	State Implementing Agency includes any Organisation/ Institution including Non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for Sarva Siksha Abhiyan and State Health Mission for National Rural Health Mission, etc.
Contingency Fund	Legislature Assembly has by law established a Contingency Fund in the nature of an imprest into which is paid from time to time such sums as may be determined by such law, and the said fund is placed at the disposal of the Governor to enable advances to be made by him out of it for the purpose of meeting unforeseen expenditure pending authorisation of such expenditure by Legislature Assembly by law under Article 115 or Article 116 of the Constitution.
Consolidated fund of the State	The fund constituted under Article 266 (1) of the Constitution of India into which all receipts, revenues and loans flow. All expenditure from the CFI is by appropriation: voted or charged. It consists of two main divisions namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Public Debt and Loans, etc.).
Contingent liability	Contingent liabilities may or may not be incurred by an entity depending on the outcome of a future event such as a court case.
Sinking Fund	A Fund into which the government sets aside money over time, in order to retire its debt.

Terms	Basis of calculation and explanation
Guarantee Redemption Fund	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. As per the terms of the Guarantee Redemption Fund, the State Government was required to contribute an amount equal to at least 1/5 th of the outstanding invoked guarantees plus an amount likely to be invoked as a result of the incremental guarantees during the year.
Internal Debt	Internal Debt comprises regular loans from the public in India, also termed 'Debt raised in India'. It is confined to loans credited to the Consolidated Fund.
Primary revenue expenditure	Primary revenue expenditure means revenue expenditure excluding interest payments.
Re-appropriation	Means the transfer of funds from one Primary unit of appropriation to another such unit.
Surrenders of unspent provision	Departments of the State Government are to surrender to the Finance Ministry, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance Ministry is to communicate the acceptance of such surrenders, as are accepted by them to the Audit Officer and/or the Accounts Officer, as the case may be, before the close of the financial year.
Supplementary grants	If the amount authorised by any law made in accordance with the provisions of Article 114 of the Constitution to be expended for a particular service for the current financial year is found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for the supplementary or additional expenditure upon some 'new service' not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 115 (1) of the Constitution.
Suspense and Miscellaneous	Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reasons, may be held temporarily under the major head "8658-Suspense Account" in the sector "L. Suspense and Miscellaneous" of the Accounts, (Footnotes under the major head in the list of major/minor heads of account may be referred to for further guidance). A service receipt of which full particulars are not given must not be taken to the head "Suspense Account" but should be credited to the minor head "Other Receipt" under the revenue major head to which it appears to belong pending eventual transfer to the credit of the correct head on receipt of detailed particulars.
Public Accounts committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India relating to the appropriation accounts of the State, the annual financial accounts of the State or such other accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinise.

Acronyms	Full Form
AC Bill	Abstract Contingent Bill
AE	Aggregate Expenditure
BE	Budget Estimates
CAG	Comptroller and Auditor General of India
CE	Capital Expenditure
DC Bill	Detailed Contingent Bill
DE	Development Expenditure
GOI	Government of India
GSDP	Gross State Domestic Product
FRBM	Fiscal Responsibility and Budget Management Act, 2005
O&M	Operation and Maintenance
PAC	Public Accounts Committee
RE	Revenue Expenditure
RR	Revenue Receipts
S&W	Salaries and Wages
SAR	Separate Audit Report
SSE	Social Sector Expenditure
TE	Total Expenditure
FFC	Fourteenth Finance Commission
UC	Utilisation Certificate
VAT	Value Added Tax

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