

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



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Jharkhand
Report No. 2 for the year 2023

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Comptroller and Auditor General of India
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Government of Jharkhand

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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 the 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 the fiscal correction path.

Chapters 2 & 3 of the Report contain audit findings on matters arising from an examination of the Finance Accounts and the Appropriation Accounts respectively, of the State Government for the year ended 31 March 2022. 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 the 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

This Report is based on the audited accounts of the Government of Jharkhand for the year ending 31 March 2022, and 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 the 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 the 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 surplus of ₹ 6,944 crore in 2021-22. The fiscal deficit of the State was 0.72 *per cent* of GDP at the end of March 2022.

In order to arrive at actual figures, irregularities such as the impact of deferment of clear cut liabilities, non-deposit of cess/royalty to the Consolidated Fund, short contribution to New Pension Scheme, *etc.* needs to be reversed. Post audit, it was seen that the revenue surplus was overstated and Fiscal deficit was understated by ₹ 332.86 crore. Thus, revenue surplus and fiscal deficit stated to be ₹ 6,943.94 crore and ₹ 2,604.21 crore in the Finance Accounts would actually be ₹ 6,611.08 crore and ₹ 2,937.07 crore respectively.

(Chapter 1)

Finances of the State

During 2021-22, revenue expenditure of the State constituted 85.28 *per cent* of the total expenditure of which 44.41 *per cent* was utilised on Salaries & Wages, Interest Payments and Pension. Salaries & Wages, Interest Payments and Pension consumed 39.99 *per cent* of the revenue receipts in 2021-22.

During 2021-22, capital expenditure was ₹ 9,377 crore against ₹ 8,466 crore in 2020-21. Increase in capital expenditure was due to increase in expenditure on social services by seven *per cent* and economic services by 14 *per cent* over the previous year.

As per annual accounts of the State ending 31 March 2022, the Government had invested ₹ 2,250.22 crore (in government companies, rural bank and co-operative institutions) since inception of the State in November 2000. The returns on the investments was nil during 2021-22 while the Government paid an average interest rate of 5.76 *per cent* on its borrowings during 2021-22.

Apart from investments, a huge amount (₹ 24,348 crore) given by the government to its entities, in the form of loans, were outstanding at the end of March 2022.

Overall fiscal liabilities (Total Debt), excluding the back-to-back loans received in lieu of shortfall of GST compensation, increased from ₹ 1,07,496 crore in 2020-21 to ₹ 1,10,998 crore in 2021-22,. The fiscal liabilities to GSDP ratio was 30.57 *per cent* and was within the MTFP target of 33.00 *per cent*. Apportionment of fiscal liabilities of the composite Bihar State, between the 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 ₹ 870.85 crore at the applicable rates of interest for the period from 2011-12 to 2021-22. Non-payment of interest had an impact on Revenue deficit and Fiscal Deficit of the State. Further, Government transferred ₹ 200 crore to the Consolidated Sinking Fund during the year.

(Chapter 2)

Budgetary Management

During 2021-22, the total savings of ₹ 22,515.81 crore (22.16 *per cent* of the total budget) under the grants was indicative of improper budget estimation. Further, these grants had persistent total savings ranging from ₹ 8,138.75 crore to ₹ 14,685.90 crore during the previous four years.

Supplementary provisions aggregating ₹ 8,369.35 crore (57.22 *per cent*) in 49 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 ₹ 3,473.63 crore, pertaining to the years 2001-02 to 2020-21, is yet to be regularised by the State Legislature. Further, excess expenditure of ₹ 288.86 crore was incurred in one appropriation (13- Interest Payment) and in one grant (15- Pension) during 2021-22.

(Chapter 3)

Quality of Accounts & Financial Reporting Practices

Labour cess, amounting to ₹ 664.19 crore, collected up to March 2022, was not transferred to the Labour Welfare Board Fund during 2021-22, thereby overstating the revenue surplus and understating the fiscal deficit of the State during the relevant years (2008-22). An amount of ₹ 154 crore was transferred to the Board by the State in June 2022, *i.e.*, after the financial year.

As on 31 March 2022, 39,064 Utilisation Certificates (UCs) for an amount of ₹ 1,03,459.14 crore, were outstanding.

As of 31 March 2022, DC bills, against 18,206 AC bills amounting to ₹ 6,094.45 crore, were outstanding.

Unspent balances (₹ 2018.13 crore) lying in PD accounts for long periods and not transferred to the Consolidated Fund was not in consonance with the provisions of financial rules and entailed the risk of misuse, fraud and misappropriation of public funds.

(Chapter 4)

General Purpose Financial Reporting

There were 31 State Public Sector Enterprises (SPSEs) under the audit jurisdiction of the CAG. Of these, 16 SPSEs submitted their accounts for audit. As of 30 September 2022, two SPSEs had finalised their accounts for the year 2021-22, eight SPSEs had finalised accounts for the year 2020-21 and six SPSEs had finalised their accounts for the year 2019-20.

The turnover of SPSEs decreased from ₹ 5,553.53 crore in 2019-20 to ₹ 5,045.76 crore in 2021-22.

The outstanding dues payable, against purchase of power, by the State DISCOM, to Central PSUs, increased from ₹ 2,879.25 crore in 2017-18, to ₹ 4,909.49 crore in 2021-22. As the Government of Jharkhand is liable to pay the outstanding dues for power purchase, as per the tripartite agreement with the GoI, ₹ 2,845.50 crore was debited by GoI from the Jharkhand Government's account with RBI.

(Chapter 5)

Chapter-1
OVERVIEW

CHAPTER 1

OVERVIEW

1.1 Profile of the State

The State of Jharkhand was created in November 2000 by bifurcating the erstwhile State of Bihar. It covers a geographical area of 79,716 sq. km., of which, 29.76 *per cent* is covered by forests. It is the 16th largest State of the country and has 24 districts.

Jharkhand is endowed with a variety 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 in the country producing coking coal and uranium. There were 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 2022.

As indicated in **Appendix 1.1, Part-A**, the State's population increased from 3.33 crore in 2012 to 3.90 crore in 2022, an increase of 17.11 *per cent* in the last 10 years. During 2021-22, the Gross State Domestic Product (GSDP) and the estimated per capita GSDP of the State, at current prices, was ₹ 3,63,085 crore and ₹ 93,670 respectively.

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 change in the level of economic development of the State, over a period of time.

Changes in the sectoral contribution to GSDP is also important to understand the changing structure of the economy. Economic activity is generally divided into Primary, Secondary and Tertiary sectors, which correspond to the Agriculture, Industry and Service sectors. Trends in the annual growth of GSDP of Jharkhand *vis-à-vis* that of the country, for the period from 2017-18 to 2021-22, are given in **Table 1.1**.

Table 1.1: Trends in GSDP compared to the GDP

(₹ in crore)

Year	2017-18	2018-19	2019-20	2020-21	2021-22
National GDP (2011-12 Series)	1,70,90,042	1,88,86,957	2,00,74,856	1,98,00,914	2,36,64,637
Growth rate of GDP over the previous year (in <i>per cent</i>)	11.03	10.51	6.29	-1.36	19.51
State's GSDP (2011-12 Series)	2,69,816	3,05,695	3,21,157	3,17,079	3,63,085
Growth rate of GSDP over the previous year (in <i>per cent</i>)	14.21	13.30	5.06	-1.27	14.51

Source: Directorate of Economics and Statistics, Planning and Development Department, Jharkhand

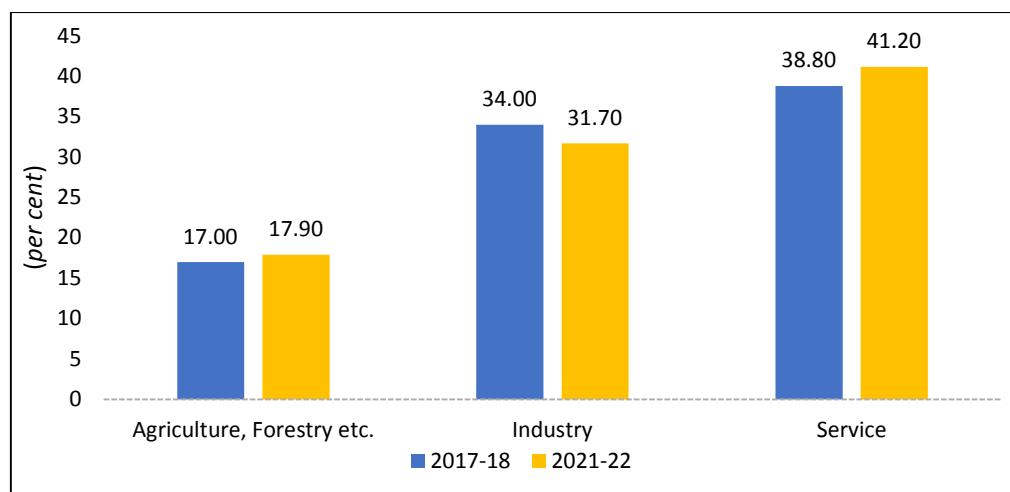
As can be seen from **Table 1.1**, the growth rate of GSDP of Jharkhand showed fluctuations during the period from 2017-18 to 2021-22. During the current year, the growth rate of GSDP of Jharkhand was significantly lower than the growth rate of national GDP.

1.1.2 Sectoral contribution to GSDP

Chart 1.1 reflects the sector-wise contribution to GSDP during the financial years 2017-18 and 2021-22. The major contributor to GSDP was the Service

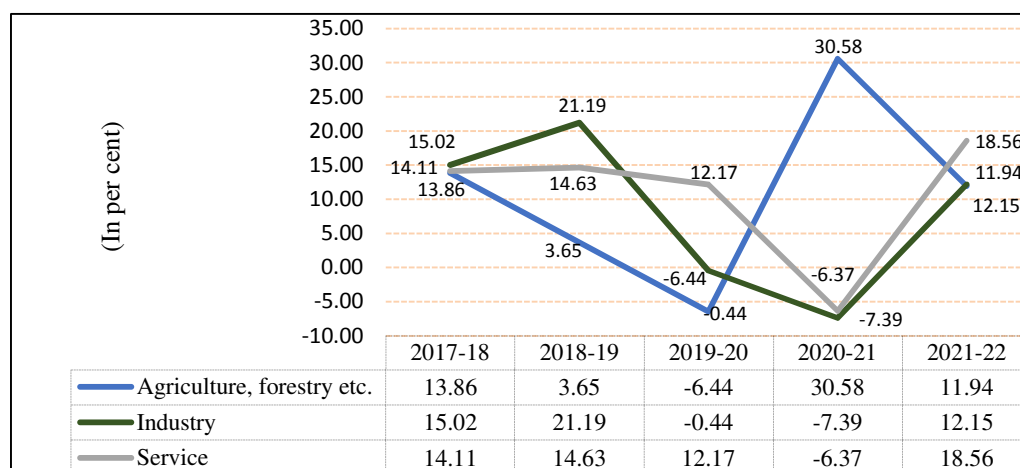
Sector followed by the Industry Sector. However, in comparison to 2017-18, the contribution of the Industry Sector decreased during 2021-22.

Chart 1.1: Sectoral contribution to GSDP (2017-18 and 2021-22)



Source: Directorate of Economics and Statistics, Planning and Development Department, Jharkhand

Chart 1.2: Sectoral growth in GSDP



Source: Directorate of Economics and Statistics, Planning and Development Department, Jharkhand

As can be seen from **Chart 1.2**, significant increase was recorded in the contribution of the industry and service sectors to GSDP while the contribution of Agriculture, Forestry etc. showed significant decrease during 2021-22 (11.94 per cent against 30.58 per cent during 2020-21). The significant decrease in the contribution of Agriculture, forestry etc. and Industry in 2019-20 and Industry and Service sectors in 2020-21 to GSDP, can be attributed to the COVID-19 pandemic.

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.

The Principal Accountant General (Accounts & Entitlements) compiles the Finance Accounts and the 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 reported upon by the CAG.

The Finance Accounts and the 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.

Analysis have also been carried out in the context of recommendations of the Finance Commissions (FFCs), State Financial Responsibility and Budget Management Act, best practices and guidelines of the Government of India. An entry conference was held on 16 June 2022, with the State Finance Department, wherein the audit approach was explained. An exit conference was also held on 18 August 2022 . The draft Report has been forwarded (22.11.2022) to the State Government for replies/comments. Replies are awaited as of January 2023.

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 the 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 2017-18 to 2021-22, 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 *per cent* or more and subsidiaries 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 the 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.

Annual Financial Statement: 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).

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.

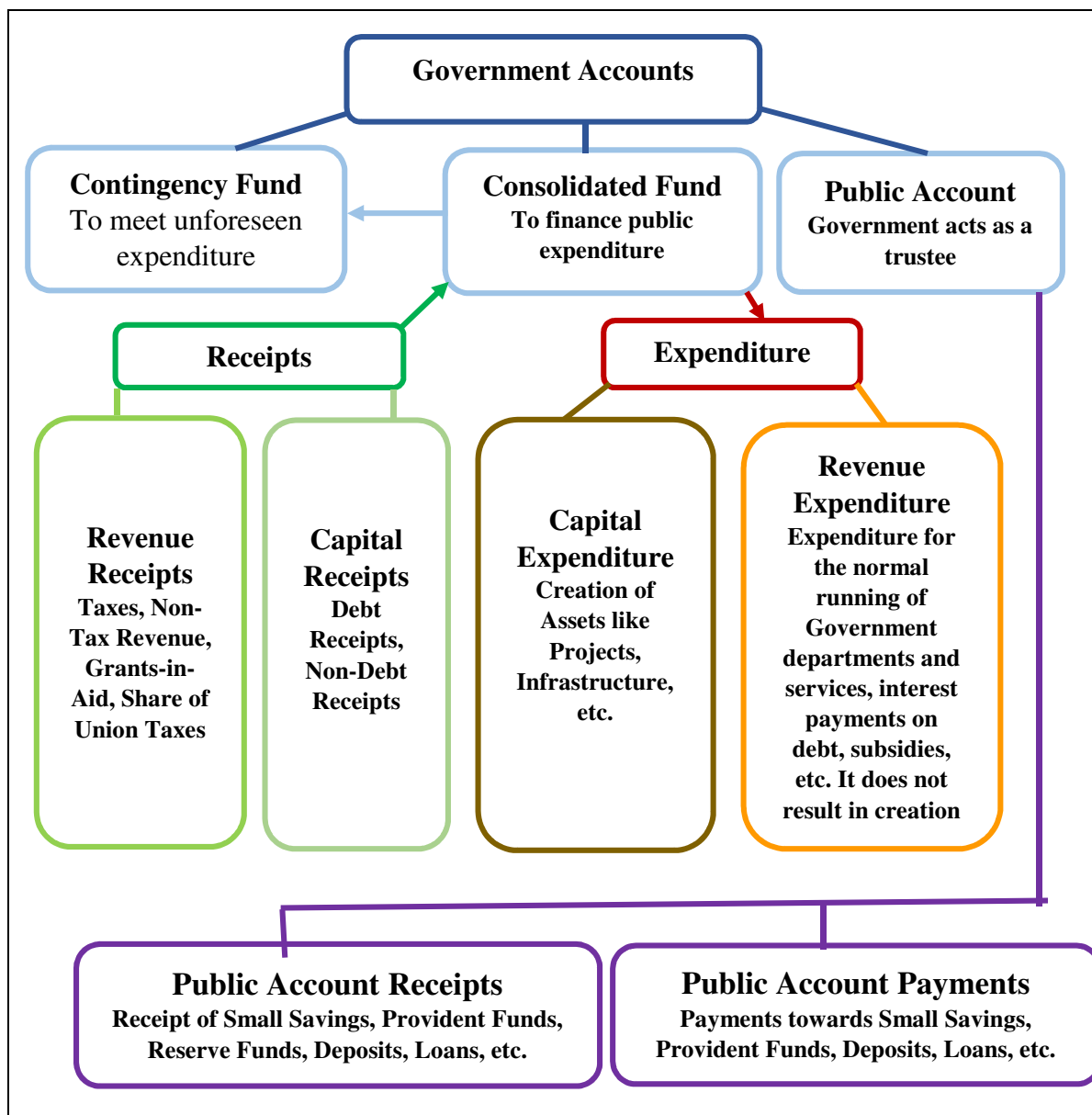
Table 1.2: Classification system of Government Accounts

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

*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 organise these payments as revenue, capital, debt *etc.* Economic classification is achieved by the numbering logic embedded in the first digit of the 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. A pictorial depiction of the structure of Government Accounts is given in **Chart 1.3**. A detailed layout of the Finance Accounts is given in **Appendix 1.1, Part C**.

Chart 1.3: Structure of Government Accounts



Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of the State causes to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State, 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 the 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-à-vis* Budget Estimates for the year 2021-22 and actuals of 2020-21.

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

(₹ in crore)

Sl. No.	Components	2020-21 (Actuals)	2021-22 (Budget Estimate)	2021-22 (Actuals)	Percentage of Actuals to B.E. (2021-22)	Percentage of Actuals to GSDP (2021-22)
1.	Tax Revenue	36,592	45,315	49,024	108.18	13.50
(i)	Own-Tax Revenue	16,880	23,265	21,290	91.51	5.86
(ii)	Share of Union taxes/ duties	19,712	22,050	27,734	125.78	7.64
2.	Non-Tax Revenue	7,564	13,500	10,031	74.30	2.76
3.	Grants-in-aid and Contributions	11,994	17,892	10,667	59.62	2.94
4.	Revenue Receipts (1+2+3)	56,150	76,707	69,722	90.89	19.20
5.	Recovery of Loans and Advances	49	70	1,292	1,845.00	0.36
6.	Other Receipts	0.00	0.00	0.00	0.00	0.00
7.	Public debt	13,547	14,500	9,840	67.86	2.71
8.	Capital Receipts (5+6+7)	13,596	14,570	11,132	76.40	3.07
9.	Total Receipts (4+8)	69,746	91,277	80,854	88.58	22.27
10.	Revenue Expenditure	59,264	75,755	62,778	82.87	17.29
11.	Interest payments	5,790	5,646	6,286	111.34	1.73
12.	Grants in aid for creation of capital assets	6,370	10,466	5,359	51.20	1.48
13.	Capital Expenditure	8,466	9,661	9,377	97.06	2.58
14.	Loans and advances	3,380	1,572	1,463	93.07	0.40
15.	Total Expenditure (10+13+14)	71,110	86,988	73,618	84.63	20.28
16.	Revenue Surplus (+)/ Deficit (-) (4-10)	-3,114	952	6,944	729.41	1.91
17.	Fiscal Surplus (+)/ Deficit (-) {15-(4+5+6)}	-14,911	-10,211	-2,604	25.50	-0.72
18.	Primary Surplus (+)/ Deficit (-) (17-11)	-9,121	-4,565	-3,682	-80.66	1.01

During 2021-22, actual revenue receipts were significantly higher (by ₹ 13,572 crore) than the previous year's receipts. This was primarily due to increase in receipts from State's own resources and receipts from Share of Union taxes/duties. The GIA from GoI decreased by ₹ 1,327 crore against ₹ 11,993.41 crore in 2020-21. During 2021-22, Own tax revenue, Non-tax revenue and Share of Union taxes/duties increased significantly by ₹ 4,410 crore, ₹ 2,467 crore and ₹ 8,022 crore respectively, over the previous year.

GST compensation is the revenue of the State Government under the GST (Compensation to States) Act, 2017. However, in addition to receiving the GST compensation of ₹ 1,525.63 crore as revenue receipts, due to inadequate balance in the GST Compensation Fund during the year 2021-22, Jharkhand also received back-to-back loan of ₹ 2,484.41 crore under debt receipts of the State Government, with no repayment liability for the State. Due to this arrangement, the Revenue Surplus of ₹ 6,943.94 crore and Fiscal Deficit of ₹ 2,604.21 crore during the year 2021-22 may be read in conjunction with debt receipts of ₹ 2,484.41 crore in lieu of GST compensation.

During 2021-22, growth of revenue expenditure increased marginally (six *per cent*) against five *per cent* in 2020-21. The State had to borrow less funds than the previous year (₹ 9,839.87 crore in 2021-22 against ₹ 13,546.58 crore in 2020-21) to meet its expenditure. During 2021-22, ₹ 1,246 crore was recovered from loans given to Power companies and ₹ 45.73 crore from Government servants. **Table 1.4** indicates the trend of receipts and expenditure on the Revenue and Capital Account during 2017-18 to 2021-22.

Table: 1.4: Trends of Receipts and Expenditure

(₹ in crore)

Year	Revenue		Percentage of revenue expenditure to revenue receipts	Capital		Percentage of capital expenditure to capital receipts
	Receipts	Expenditure		Receipts	Expenditure	
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
2021-22	69,722	62,778	90.04	11,132	9,377	84.23

- It can be seen from **Table 1.4** that the percentage of revenue expenditure to revenue receipts was maximum during 2020-21 (105.55 *per cent*) which decreased to 90.04 *per cent* in 2021-22 resulting in a much higher revenue surplus in 2021-22.
- While the percentage of capital expenditure to capital receipts increased from 62.27 *per cent* in 2020-21 to 84.23 *per cent* in 2021-22, it remained significantly lower than the percentage of capital expenditure to receipts during the financial years 2017-18 to 2019-20.
- Increased capital expenditure, during 2021-22, was indicative of more priority on infrastructure and assets creation by the State, as compared to the previous year. Increase in capital expenditure in the current year was mainly due to increase in Non-ferrous Mining and Metallurgical Industries (by ₹ 1,000 crore), Soil and Water Conservation (by ₹ 199 crore) and Major Irrigation (by ₹ 164 crore). However, CE during 2021-22 was significantly lower than the budget provision of ₹ 11,233 crore.

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. The assets comprise mainly the capital expenditure and loans and advances given by the State Government and cash balances. The summarised position of Assets and Liabilities in 2020-21 and 2021-22 is given in **Table 1.5**.

Table 1.5: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities					Assets				
	2020-21	2021-22	Per cent increase		2020-21	2021-22	Per cent increase		
Consolidated Fund									
A	Internal Debt	71,956.90	74,538.31	3.59	a	Gross Capital expenditure	96,017.68	1,05,394.58	9.77
B	Loans and Advances from GoI	4,981.85	7,993.22	60.45	b	Loans and Advances	24,177.23	24,348.48	0.71
Contingency Fund		500.00	500.00	0.00					
Public Account									
A	Small Savings, Provident Funds, etc.	1,194.40	1,001.19	-16.18	a	Advances	19.66	19.67	0.05
B	Deposits	24,331.45	23,609.29	-2.97	b	Remittance	0.00	0.00	0.00
C	Reserve Funds	7,024.26	6,844.35	-2.56	c	Suspense and Miscellaneous	0.00	0.00	0.00
D	Remittances	126.45	112.64	-10.92		Cash balance (including investment in Earmarked Fund)	3,720.32	5,572.70	49.79
E	Suspense and Miscellaneous	144.75	117.65	-18.72		Deficit in Revenue Account	-	-	-
	Cumulative excess of receipts over expenditure	13,674.83	20,618.78	50.78					
Total		1,23,934.89	1,35,335.43	9.20	Total	1,23,934.89	1,35,335.43	9.20	

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.

Revenue Deficit/ Surplus (Revenue Expenditure – Revenue Receipts)	<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 has been utilised 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 a 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.
Fiscal Deficit/ Surplus { Total expenditure – (Revenue	<p>It is the difference between the Revenue Receipts <i>plus</i> Non-debt Capital Receipts (NDCR) and the total expenditure. Fiscal Deficit is reflective of the total borrowing requirements of the 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.

receipts + Non-debt creating capital receipts)}	<ul style="list-style-type: none"> • 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 disinvestment/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 utilise 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)	Refers to the fiscal deficit minus the interest payments. <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 expenditure 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 the 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 levels, establishing improved debt management and improving transparency in a medium term framework. In this context, the Act provides quantitative targets to be adhered to by the State with regard to deficit measures and debt level. The targets relating to key fiscal parameters, envisaged in the State FRBM Act, and their achievement during the period from 2017-18 to 2021-22, 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)				
		2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Deficit	Nil	1,804 ✓	5,521 ✓	1,960 ✓	-3,114 ✗	6,944 ✓
Fiscal Deficit (as percentage of GSDP)	Three per cent (5 per cent for 2020-21 & 4 per cent for 2021-22)	11,933 (4.42) ✗	6,629 (2.17) ✓	8,035 (2.50) ✓	14,911 (4.70) ✓	2,604 (0.72) ✓
Ratio of total outstanding debt to GSDP (in per cent)	Target	27.90	27.20	27.10	27.00	33.00
	Actuals	28.57 ✗	27.41 ✗	29.40 ✗	33.90 [#] ✗	30.57 [#] ✓

[#]Does not include ₹ 1,689 crore in 2020-21 and ₹ 2,484.41 crore in 2021-22, passed on as back-to-back loans by Government of India, in lieu of shortfall in GST compensation

The ratio of total outstanding debt to GSDP as per the Finance Accounts is 31.26 per cent. However, the effective debt to GSDP ratio (30.57 per cent) has been arrived at after excluding ₹ 2,484.41 crore passed on as back to back loan by GoI, in lieu of shortfall in GST compensation, 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 during the period from 2017-18 to 2021-22, except in 2020-21. The Fiscal Deficit was also below the prescribed target since 2018-19. The ratio of outstanding debt to GSDP had crossed the norms prescribed in the MTFPS under the Jharkhand FRBM Act and was an area of concern till 2020-21. It has, however, improved during the current year and remained within the target.

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 2021-22 in the MTFPS presented to the State Legislature along with the Annual Budget for 2021-22 and the Actuals of the Year.

Table 1.7: Actuals vis-à-vis projection in MTFP for 2021-22

(₹ in crore)				
S. N.	Fiscal Variables	Projection as per MTFP	Actuals (2021-22)	Variation (in per cent)
1	Own Tax Revenue	23,265	21,290	-8.49
2	Non-Tax Revenue	13,500	10,031	-25.70
3	Share of Central Taxes	22,050	27,734	25.78
4	Grants-in-aid from GoI	17,892	10,667	-40.38
5	Revenue Receipts (1+2+3+4)	76,707	69,722	-9.10
6	Revenue Expenditure	75,755	62,778	-17.13
7	Revenue Deficit (-)/ Surplus (+) (5-6)	952	6,944	629.49
8	Fiscal Deficit (-)/ Surplus (+)	-10,211	-2,604	77.19
9	Debt-GSDP ratio (per cent)	33	30.57 [#]	5.27
10	GSDP growth rate at current prices (per cent)	14.50	14.51	0.07

[#] Does not include ₹ 2,484.41 crore, which was passed on as back to back loans by Government of India, in lieu of shortfall in GST compensation.

As shown in the above table, the State failed to achieve the targets, set in the MTFPS, for major components of revenue receipts *i.e.*, Own tax and Non-tax revenue of the State during 2021-22.

However, key fiscal parameters like deficits and debt-GSDP ratio, for the current year, were under the projections.

1.5.3 Trends of Deficit/Surplus

As shown in **Chart 1.4**, the State was 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 deficit of ₹ 3,114 in 2020-21 was turned to a surplus of ₹ 6,944 crore in 2021-22. Similarly, Fiscal Deficit decreased to ₹ 2,604 crore in 2021-22 against ₹ 14,911 crore in 2020-21, which was indicative of less dependence of the State on borrowed funds during the current year. Primary deficit of ₹ 9,121 crore in 2020-21 turned to surplus of ₹ 3,682 crore which indicated that the State had more funds to spend on development needs and for creation of infrastructure during the current year.

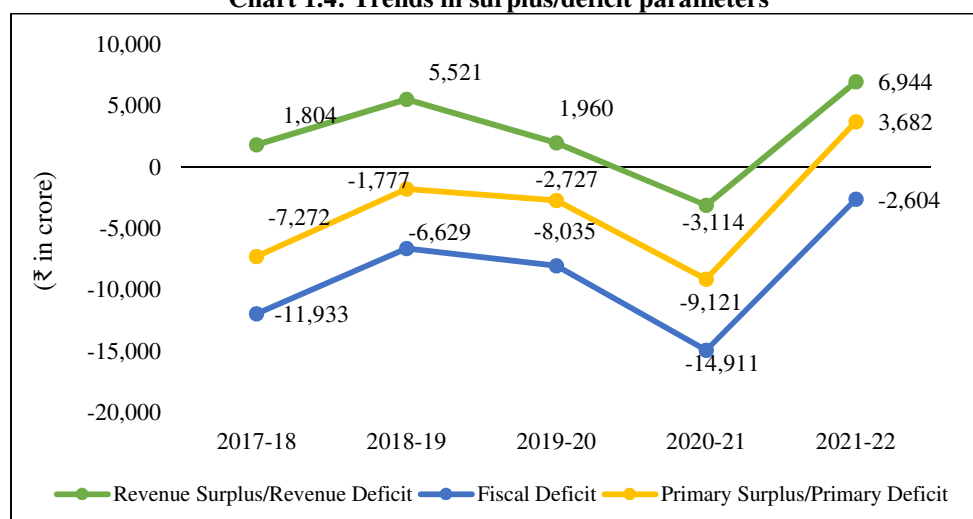
Chart 1.4: Trends in surplus/deficit parameters

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

Chart 1.5: Trends in Surplus/Deficit relative to GSDP

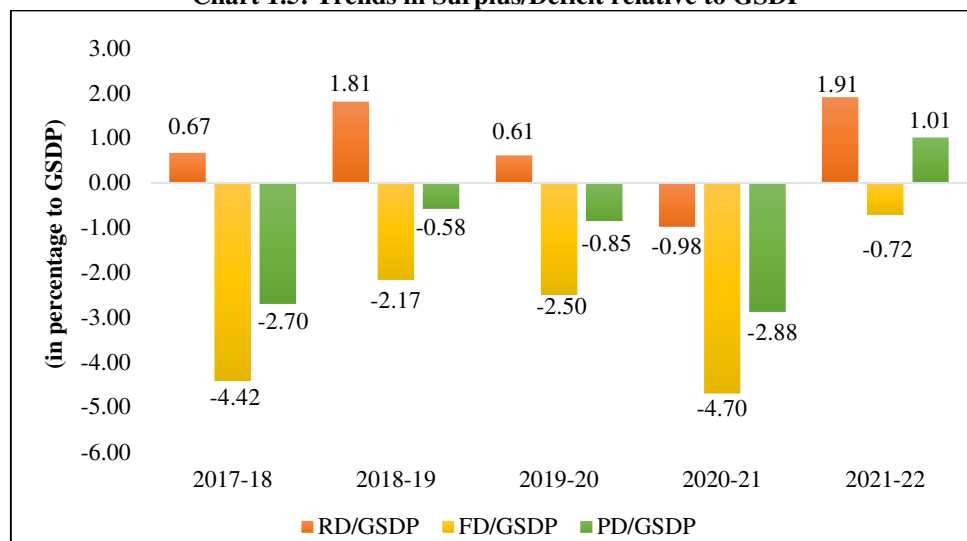
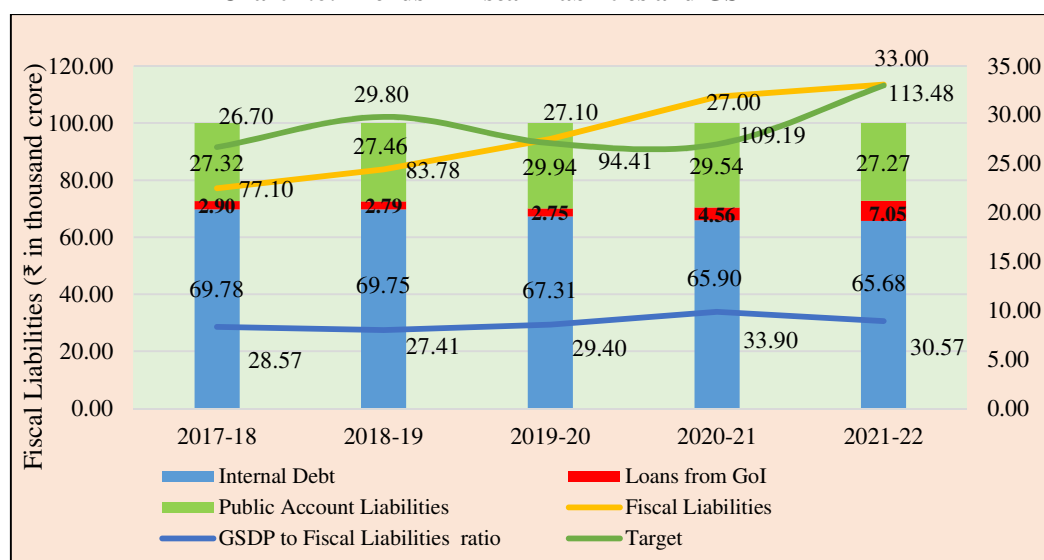


Chart 1.6: Trends in Fiscal Liabilities and GSDP



As can be seen from **Chart 1.6**, internal debt was the major contributor to the total outstanding liabilities of the State followed by Public Accounts liabilities during the financial years 2017-18 to 2021-22. Though Loans from GoI was a minor contributor in these years, it increased from 2.75 per cent in 2019-20 to 7.05 per cent in 2021-22 mainly due to back to back loans in lieu of shortfall in GST compensation and 50 years interest free loans of ₹ 246.00 crore.

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 a distorted picture of the finances of the State. Besides, deferment of liabilities like non-deposit of cess/royalty to the Consolidated Fund, short contribution to the New Pension Scheme, etc., also impacts

liabilities, revenue and fiscal deficit figures. In order to arrive at the actual figures, the impact of such irregularities needs to be factored in.

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.
(₹ in crore)			
Non/ Short transfer of Cess to dedicated Funds in Public Account during 2021-22	55.67	55.67	4.1.1
Non discharge of Interest liabilities on SDRF during 2021-22	136.49	136.49	2.5.2
Non discharge of Interest liabilities on State Compensatory Afforestation Deposits during 2021-22	140.70	140.70	2.5.2
Total	332.86	332.86	

Source: Finance Accounts and audit analysis

As can be seen from **Table 1.8**, the revenue surplus was overstated by ₹ 332.86 crore and the fiscal deficit was understated by ₹ 332.86 crore in the current year. Thus, if the above items are factored in, the State's actual revenue surplus and fiscal deficit would be ₹ 6,611.08 crore and ₹ 2,937.07 crore, respectively, instead of ₹ 6,943.94 crore and ₹ 2,604.21 crore.

All the observations and findings have been forwarded to the State Government. Replies are awaited (December 2022).

Table 1.9: Pre and post audit major fiscal variables for 2021-22

(in per cent)

Fiscal variables	2021-22				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	NIL	0.26	0.26	1.91	1.82
Fiscal deficit w.r.t. GSDP	4.00	2.81	2.81	-0.72	-0.81
Ratio of total outstanding debt of the Government to GSDP	32.6	33.0	-	30.57 [#]	NA

[#]Does not include ₹ 2,484.41 crore passed on as back to back loans by Government of India, in lieu of shortfall in GST compensation.

During 2021-22, the State achieved the targets based on FRBM Act, 2007 as depicted in **Table 1.9**.

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 2017-18 to 2021-22, 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* 2020-21

Table 2.1 gives a bird's eye view of the major changes in key fiscal aggregates of the State during the financial year 2021-22, compared to the previous year. Each of these indicators have been analysed in the succeeding paragraphs.

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

Revenue Receipts	<ul style="list-style-type: none">✓ Revenue receipts of the State increased by 24.17 <i>per cent</i>✓ Own Tax receipts of the State increased by 26.12 <i>per cent</i>✓ Own Non-tax receipts increased by 32.61 <i>per cent</i>✓ State's Share of Union Taxes and Duties increased by 40.70 <i>per cent</i>✓ Grants-in-Aid from Government of India decreased by 11.06 <i>per cent</i>
Revenue Expenditure	<ul style="list-style-type: none">✓ Revenue expenditure increased by 5.93 <i>per cent</i>✓ Revenue expenditure on General Services increased by 8.30 <i>per cent</i>✓ Revenue expenditure on Social Services increased by 5.54 <i>per cent</i>✓ Revenue expenditure on Economic Services increased by 3.55 <i>per cent</i>
Capital Expenditure	<ul style="list-style-type: none">✓ Capital expenditure increased by 10.76 <i>per cent</i>✓ Capital expenditure on General Services decreased by 4.76 <i>per cent</i>✓ Capital expenditure on Social Services increased by 6.99 <i>per cent</i>✓ Capital expenditure on Economic Services increased by 13.61 <i>per cent</i>
Loans and Advances	<ul style="list-style-type: none">✓ Disbursement of Loans and Advances decreased by ₹ 1,917.02 crore✓ Recoveries of Loans and Advances increased by ₹ 1,242.95 crore
Public Debt	<ul style="list-style-type: none">✓ Public Debt Receipts decreased by 27.36 <i>per cent</i>✓ Repayment of Public Debt increased by 54.73 <i>per cent</i>
Public Account	<ul style="list-style-type: none">✓ Public Account Receipts decreased by 13.57 <i>per cent</i>✓ Disbursement of Public Account increased by 6.77 <i>per cent</i>
Cash Balance	<ul style="list-style-type: none">✓ Cash balance increased by ₹ 1,852.38 crore (49.79 <i>per cent</i>) during 2021-22 compared to the previous year

2.2 Sources and Application of Funds

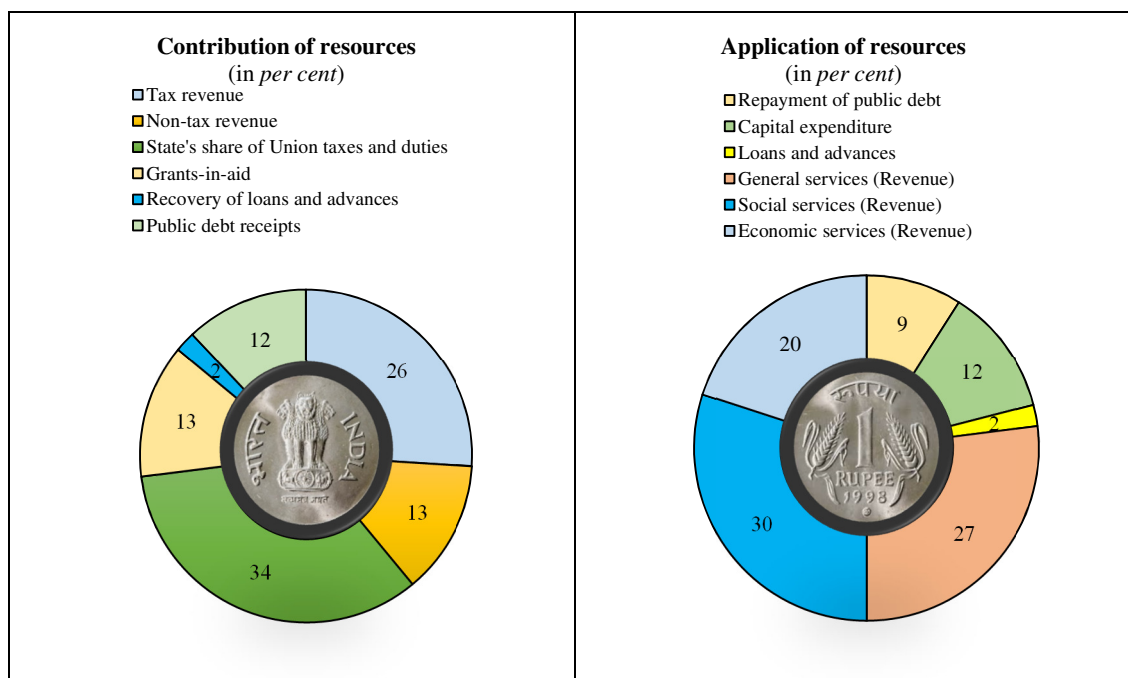
Table 2.2 compares the sources and application of funds of the State during 2021-22 with 2020-21. More details are given in **Appendix 2.1**.

Table 2.2: Details of Sources and Application of funds during 2020-21 and 2021-22
(₹ in crore)

	Particulars	2020-21	2021-22	Increase(+)/ Decrease(-)
Sources	Opening Cash Balance with RBI	-54.14	160.55	214.69
	Revenue Receipts	56,149.75	69,721.86	13,572.11
	Recoveries of Loans and Advances	48.78	1,291.73	1,242.95
	Public Debt Receipts (Net)	10,801.75	5,592.79	-5,208.96
	Public Account Receipts (Net)	4,323.44	-2,999.76	-7,323.20
	Total	71,269.58	73,767.17	2,497.59
Application	Revenue Expenditure	59,263.59	62,777.92	3,514.33
	Capital Expenditure	8,465.66	9,376.90	911.24
	Disbursement of Loans and Advances	3,379.78	1,462.98	-1,916.80
	Closing Cash Balance with RBI	160.55	149.37	-11.18
	Total	71,269.58	73,767.17	2,497.59

Chart 2.1 gives details of receipts into and expenditure from the Consolidated Fund during 2021-22 in terms of percentages.

Chart 2.1: Details of Sources and Application of funds during 2021-22



2.3 Resources of the State

This paragraph provides details of 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:

- 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).
- 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.

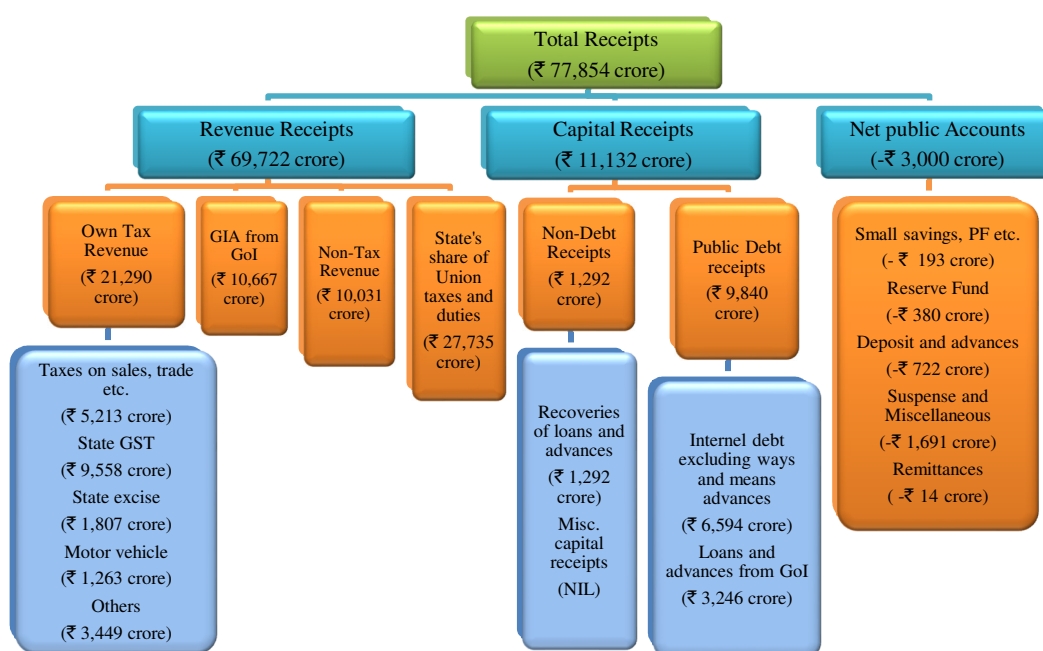
3. Net Public Accounts receipts: There are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.* which do not form part of the Consolidated Fund.

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 details of 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 the State during 2021-22 is given in **Chart 2.2**.

Chart 2.2: Composition of receipts of the State during 2021-22



2.3.2 State's Revenue Receipts

This paragraph analyses trends in total revenue receipts and its components. It is followed by analysis of trends in the receipts, bifurcated into receipts from the Central Government and State's own receipts.

2.3.2.1 Trends and growth of Revenue Receipts

Table 2.3 shows the trends and growth of revenue receipts as well as revenue buoyancy with respect to GSDP over the five-year period. Trends in revenue receipts relative to GSDP and composition of revenue receipts are also given in **Appendix 2.2**.

Table 2.3: Trend in Revenue Receipts

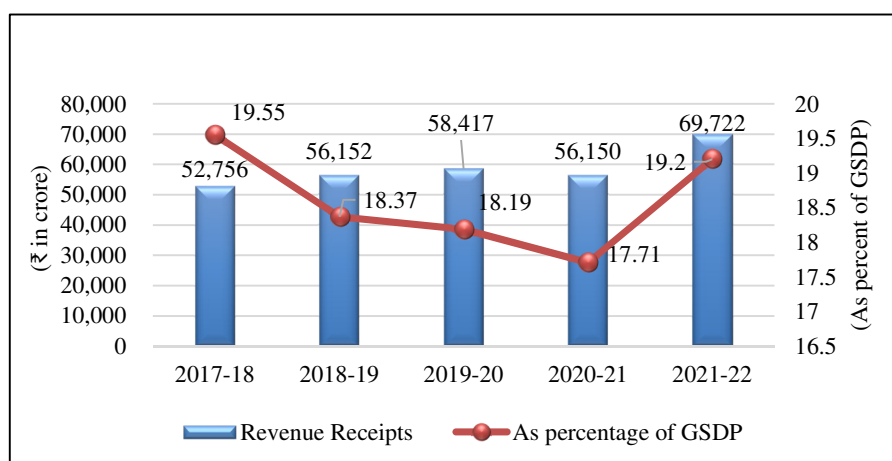
Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Receipts (RR) (₹ in crore)	52,756	56,152	58,417	56,150	69,722
Rate of growth of RR (<i>per cent</i>)	12.12	6.44	4.03	-3.88	24.17
Own Tax Revenue	12,353	14,752	16,771	16,880	21,290
Non-Tax Revenue	7,847	8,258	8,750	7,564	10,031
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (<i>per cent</i>)	8.30	13.90	10.90	-4.20	28.13
Gross State Domestic Product (₹ in crore) (2011-12 Series)	2,69,816	3,05,695	3,21,157	3,17,079	3,63,085
Rate of growth of GSDP (<i>per cent</i>)	14.21	13.30	5.06	-1.27	14.51
RR/GSDP (<i>per cent</i>)	19.55	18.37	18.19	17.71	19.20
Buoyancy Ratios¹					
Revenue Buoyancy <i>w.r.t.</i> GSDP	0.85	0.48	0.80	*	1.67
State's Own Revenue Buoyancy <i>w.r.t.</i> GSDP	0.58	1.05	2.15	*	1.94

Source of GSDP figures: Directorate of Economics and Statistics

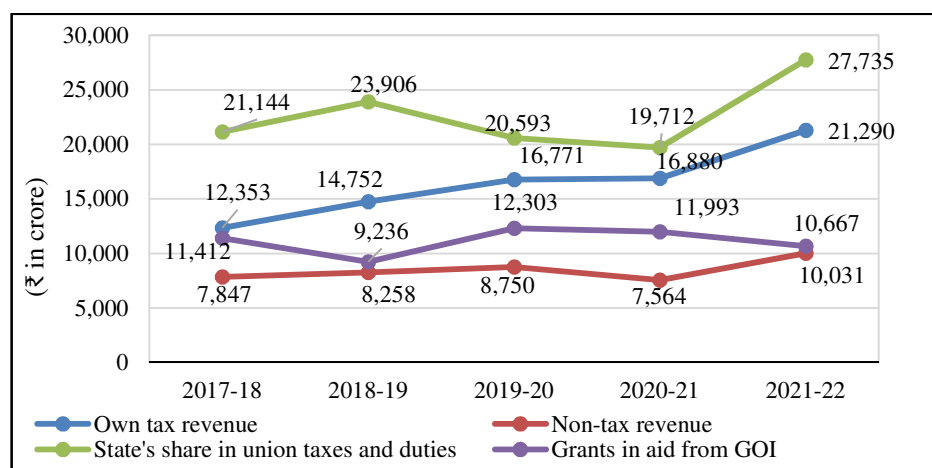
*Since growth of GSDP was negative, buoyancy was not calculated.

The rate of growth of revenue receipts of the State, which had decreased consistently from 12.12 *per cent* in 2017-18 to (-) 3.88 *per cent* in 2020-21, registered a significant increase of 24.17 *per cent* during 2021-22. Significant increase in RR during 2021-22 was due to significant increase in the own resources of the State as well as in the State's share of Union taxes and duties.

It can be seen from **Table 2.3** that revenue buoyancy *w.r.t.* GSDP improved significantly during 2021-22 due to higher growth of RR. Similarly, Own tax revenue buoyancy increased significantly during the year in comparison to the previous years.

Chart 2.3: Trend in Revenue Receipts

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 2.4: Trend of components of Revenue Receipts

Further, as shown in **Table 2.3** and **Charts 2.3 & 2.4**, the State's own revenues increased sharply by 28.13 *per cent* during 2021-22 against decrease of 4.20 *per cent* in the previous year. The increase in own tax revenue was mainly due to increase in collection of SGST by ₹ 1,626.84 crore, Taxes on Sales and Trade by ₹ 912.51 crore and Land Revenue by ₹ 748.28 crore. Non-tax revenue increased mainly due to increase in collection under Non-ferrous Mining by ₹ 2,522.56 crore, Forestry and Wild Life by ₹ 327.59 crore and Miscellaneous General Services by ₹ 311.57 crore.

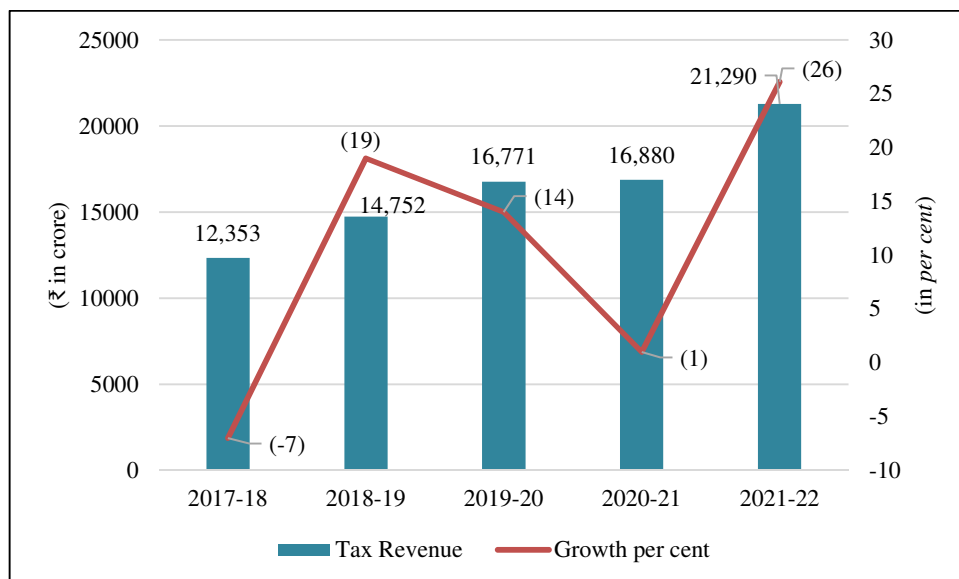
The revenue received from GoI (CTT & GIA) increased by 21.12 *per cent* during 2021-22 over the previous year. CTT increased significantly by ₹ 8,022.42 crore during the current year mainly due to huge increase in transfer of Central Taxes under each category including CGST. However, a decrease (by ₹ 1,326.56 crore) in GIA from GoI was noticed during the year.

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 the Central Government are determined by the quantum of Central tax receipts and the anticipated Central assistance for schemes. The performance of the State 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 revenue of the State during the period 2017-18 to 2021-22.

Chart 2.5: Growth of Tax Revenue during 2017-18 to 2021-22**Table 2.4: Components of State's Own Tax Revenue**

Year	₹ in crore					Sparklines
	2017-18	2018-19	2019-20	2020-21	2021-22	
Taxes on Sales, Trade etc.	5,715	3,475	3,996	4,301	5,213	
SGST	4,124	8,201	8,418	7,931	9,557	
State excise	841	1,083	2,009	1,821	1,807	
Taxes on vehicles	779	864	1,129	976	1,263	
Stamp duty and registration fees	469	451	560	708	987	
Land revenue	156	389	338	873	1,621	
Others	270	289	321	270	842	
Total	12,354	14,752	16,771	16,880	21,290	

Source: Finance Accounts

The growth rate of own tax revenue showed wide fluctuation between (-) 7 to 26 per cent during the period 2017-18 to 2021-22. Own-tax grew significantly from one per cent in 2020-21 to 26 per cent in 2021-22 mainly due to significant increase in Taxes on Sales, Trade etc. (21 per cent), SGST (21 per cent), Taxes on vehicles (29 per cent) and Land revenue (86 per cent).

As informed by the Transport Department, increase in collection of taxes on vehicles was due to introduction of new fee structure for registration of vehicles by the State Government. Significant increase in Land revenue was due to receipt of arrears amounting to ₹ 500 crore from the Central Coalfields Limited during 2021-22. Reasons for increase in collection of the other components of State's Own taxes have not been received from the concerned departments.

State Goods and Services Tax (SGST)

As per the GST (Compensation to States) Act, 2017, States would 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 (upto March 2022). 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 was to 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 2021-22 in accordance with the base year figure was ₹ 14,070.89 crore. The revenue receipt of the State Government in respect of taxes subsumed under GST during 2021-22 was ₹ 9,557.40 crore. GoI has not provided any compensation for the year 2021-22 to protect the revenue collection of the State. However, compensation amounting to ₹ 1,525.63 crore pertaining to the period April 2020 to March 2021 was provided during 2021-22.

Advance apportionment of IGST to be adjusted against future payments of IGST

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 ₹ 557.12 crore with the condition that the amount will be settled from future payments of IGST. The advance apportionment of IGST decreased by 8.41 *per cent* during 2021-22 over the previous year (₹ 608.26 crore).

Audit of GST Receipts

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.

Analysis of arrears of revenue and arrears of assessment

The arrears of revenue indicate delayed realisation 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 ultimately affect the revenue deficit.

As on 31 March 2022, arrears in collection of revenue was ₹ 8,071.97 crore (Commercial Tax Department and Motor Vehicle Tax Department), of which ₹ 2,007.25 crore was outstanding for more than five years. Out of the total arrears in these departments, amounts held up in the Courts and other appellate authorities were ₹ 3,183.76 crore. Details of other departments were not available as of December 2022.

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 2021-22 was ₹ 10,031 crore. NTR collection was significantly lower than the budget estimates of ₹ 13,500 crore for the year. Component-wise NTR collected during 2017-18 to 2021-22 is as shown in **Table 2.5**.

Table 2.5: Non-tax revenue collected during 2017-18 to 2021-22

Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22	Sparkline
Interest receipts	169	47	310	81	96	
Dividends and profits	0	0	0	15	0	
Other non-tax receipts	7,678	8,211	8,440	7,468	9,935	
(a) Non-ferrous mining & metallurgy	5,941	5,935	5,461	5,012	7,535	
(b) Education	20	590	469	166	128	
(c) Urban Development	122	265	529	80	263	
(d) Major Irrigation	131	321	424	32	79	
(e) Civil Supplies	5	6	420	137	132	
(f) Others	1,459	1,094	1,137	2,041	1,798	
Total	7,847	8,258	8,750	7,564	10,031	

The share of NTR in revenue receipts ranged between 13.47 *per cent* and 14.98 *per cent* during the period 2017-18 to 2021-22. It increased from 13.47 *per cent* in 2020-21 to 14.39 *per cent* in 2021-22. The main source of NTR was receipts from Non-ferrous Mining and Metallurgical Industries which increased significantly from ₹ 5,012 crore in 2020-21 to ₹ 7,535 crore in 2021-22. Significant increase was also noticed in collection under Forestry and Wildlife (by ₹ 328 crore), Urban Development (by ₹ 183 crore), and Miscellaneous General Services (by ₹ 312 crore) during 2021-22.

Irregular deposit under Minor Head-913

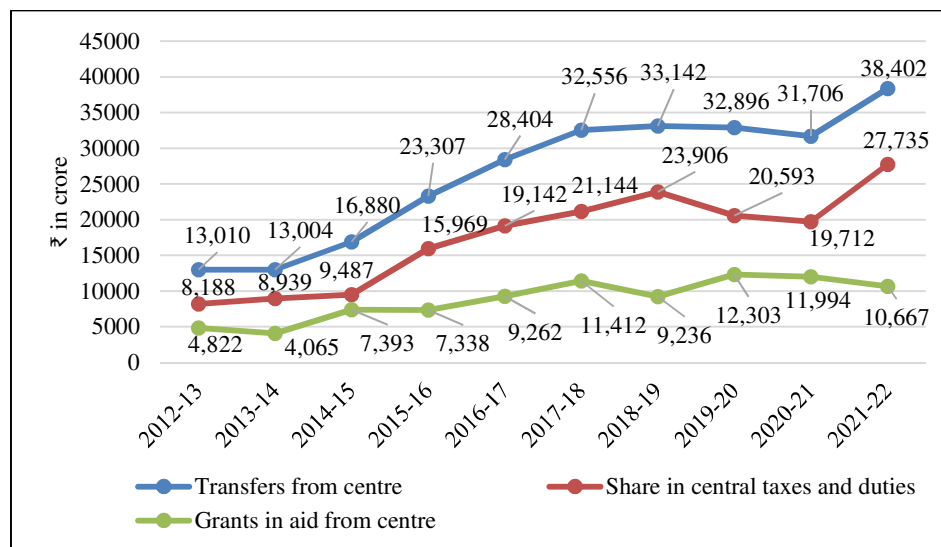
An amount of ₹ 467.05 crore, being unspent balances of Grants-in-aid and unutilised scheme funds related to previous years, has been deposited by the State Government, under Receipt Heads of Accounts by operating Minor Head '913-recovery of unspent balance of Grants-in-aid', during the financial year 2021-22, instead of being set off as reduction of expenditure under Expenditure Heads of Accounts, in contravention of accounting rules. The unspent balances could not be bifurcated between Centrally Sponsored Schemes and State Schemes, due to non-availability of details in the digital data maintained by the State Government. 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 Central Government

Transfers from the Central Government to the State in the shape of Central Tax Transfers and Grants-in-aid was more than 50 *per cent* of the total Non-debt revenue of the State during 2012-13 to 2021-22, except in 2013-14 when it was just below this mark. The ratio of central transfer to non-debt receipts 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 2021-22, the ratio stood at 54 *per cent*.

Chart 2.6: Transfer from Centre to the State



The devolution of taxes from the Centre to the State increased consistently from ₹ 8,188 crore in 2012-13 to ₹ 27,735 crore in 2021-22, except in 2019-20 and 2020-21, when it decreased to ₹ 20,593 crore and ₹ 19,712 crore respectively.

Central Tax Transfers

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	2017-18	2018-19	2019-20	2020-21	2021-22
Central Goods and Services Tax (CGST)	299	5,900	5,844	5,863	8,367
Integrated Goods and Services Tax (IGST)	2,134	471	0	0	0
Corporation Tax	6,475	8,313	7,021	5,944	7,139
Taxes on Income other than Corporation Tax	5,467	6,122	5,502	6,093	8,693
Customs	2,134	1,695	1,305	1,050	2,060
Union Excise Duties	2,230	1,126	908	663	1,089
Service Tax	2,404	220	0	85	356
Other Taxes ²	0	59	13	14	31
Central Tax Transfers	21,144	23,906	20,593	19,712	27,735
Percentage of increase over previous year	10	13	-14	-4	41
Percentage of Central tax transfers to Revenue Receipts	40	43	35	35	40

CTT increased in 2021-22 over the previous year by ₹ 8,023 crore due to increase in the transfer of all the taxes as shown in the above table. This resulted in increase of five *per cent* in CTT to revenue receipts over the previous year.

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 2017-18 to 2021-22. Growth

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

rate of GIA from GoI was highest during the year 2019-20 (33.21 *per cent*) which decreased, over the previous year, by (-) 2.51 *per cent* in 2020-21 and (-) 11.06 *per cent* in 2021-22.

Moreover, GIA decreased from 21.36 *per cent* in 2020-21 to 15.30 *per cent* of revenue receipt in 2021-22. This was mainly due to decrease (by ₹ 1,134 crore) in the basic grants received for Rural and Urban Local Bodies of the State. Compensation for loss of revenue arising out of implementation of GST³ also decreased by ₹ 433 crore.

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

(₹ in crore)

Head	2017-18	2018-19	2019-20	2020-21	2021-22
Grants for Centrally Sponsored Schemes (CSS)	7,985.24	6,996.85	7,339.05	6,838.85	6,577.16
Finance Commission Grants	1,583.03	1,059.89	3,154.60	2,990.50	2,198.30
Other transfers/ Grants to States/Union Territories with Legislature	1,844.02	1,178.78	1,809.01	2,164.06	1,891.40
Total	11,412.29	9,235.52	12,302.66	11,993.41	10,666.86
Percentage of increase over the previous year	23.23	-19.07	33.21	-2.51	-11.06
Percentage of GIA to Revenue Receipts	21.63	16.45	21.06	21.36	15.30

Source: Finance Accounts

Grants-in-aid from GoI to the State fluctuated between ₹ 9,235.52 crore to ₹ 12,302.66 crore during 2017-18 to 2021-22 and their percentage in revenue receipts ranged between 15.30 to 21.63 *per cent* during the period. Growth of Grants-in-aid decreased from (-) 2.51 *per cent* in 2020-21 to (-) 11.06 *per cent* in 2021-22.

Fifteenth 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 the shape of basic and general performance grants are given in **Table 2.8**.

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

(₹ in crore)

Transfers	Recommendation of the XV-FC	Release by GoI			Release by State Government (including release by GoI)		
		2020-21	2021-22	Total	2020-21	2021-22	Total
Local Bodies							
(i) Grants to PRIs	6,585.00	1,689.00	699.30	2,388.30	1,771.19	772.76	2,543.95
(a) General Basic Grant	NA	1,689.00	699.30	2,388.30			
(b) General Performance Grants	NA	0.00	0.00	0.00	1,771.19	772.76	2,543.95
(ii) Grants to ULBs	3,367.00	733.50	600.20	1,333.70	1,930.03	1,042.33	2,972.36
(a) General Basic Grant	NA	530.25	0.00	530.25			
(b) General Performance Grants	NA	203.25	600.20	803.45	1,930.03	1,042.33	2,972.36
Total for Local Bodies	9,952.00	2,422.50	1,299.50	3,722.00	3,701.22	1,815.09	5,516.31
State Disaster Response Fund*	0.00	568.00	454.40	1,022.40	757.00	605.60	1,362.60
Grand Total	9,952.00	2,990.50	1,753.90	4,744.40	4,458.22	2,420.69	6,878.91

* Including State share of 25 per cent of total grant

Source: XV-FC Report and Finance Accounts

³ Compensation of ₹ 1,525.63 crore received during 2021-22 pertains to the period 2020-21.

During 2020-21 and 2021-22, a total amount of ₹ 3,722 crore was released by the Central Government against ₹ 9,953 crore recommended by the XV FC for the period 2020-25 to ULBs and PRIs. Further, out of the total release of ₹ 2,420.69 crore to the ULBs, PRIs and SDRF by the State during the year 2021-22, ₹ 1,753.90 crore was received from the Central Government.

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 2017-22 are given in **Table 2.9**.

Table 2.9: Trends in growth and composition of capital receipts

(₹ in crore)					
Sources of State's Receipts	2017-18	2018-19	2019-20	2020-21	2021-22
Capital Receipts	8,203.85	7,850.43	9,642.31	13,595.36	11,131.62
Miscellaneous Capital Receipts	25.09	0.00	0.00	0.00	0.00
Recovery of Loans and Advances	42.41	47.57	49.19	48.78	1,291.73
Net Public Debt Receipts	5,187.81	4,743.34	5,361.72	10,801.76	5,592.79
<i>Internal Debt</i>	5,117.24	4,637.10	5,109.14	8,411.43	2,581.42
<i>Growth rate (in per cent)</i>	3.86	(-9.37)	10.17	64.63	-69.31
<i>Loans and advances from GoI</i>	70.57	106.22	252.44	2,390.33*	3,011.37*
<i>Growth rate (in per cent)</i>	(-7.76)	50.52	137.66	846.89	25.98
Rate of growth of debt Capital Receipts (per cent)	14.90	(-4.10)	22.93	41.21	27.36
Rate of growth of non-debt capital receipts (per cent)	76.32	(-29.85)	4.66	(-0.83)	2,548.07
Rate of growth of GSDP (per cent)	14.21	13.30	5.06	(-1.27)	14.51
Rate of growth of Capital Receipts (per cent)	15.23	(-4.31)	22.83	41.00	(-18.12)

Source: Finance Accounts and MoSPI website

*Includes back to back loans, received from GoI, in lieu of GST compensation (₹ 1,689 crore in 2020-21 and ₹ 2,484.41 crore in 2021-22)

As depicted in the above table, rate of growth of capital receipts showed wide fluctuation between (-) 4.31 per cent and 41 per cent during 2017-18 to 2021-22. During 2021-22, capital receipts of the State decreased significantly over the previous year mainly due to less borrowings under Market loans (by ₹ 4,400 crore) which was partially offset by increase of receipts under loans & advances from GoI (by ₹ 657 crore).

Non-debt capital receipts increased significantly (by ₹ 1,243 crore) in 2021-22, compared to previous year, due to recovery of loans from power companies.

During 2021-22, loans from GoI increased by ₹ 657 crore mainly due to receipt of ₹ 2,484.41 crore from GoI as back to back loans, in lieu of shortfall in GST compensation, in comparison to ₹ 1,689 crore in 2020-21. Loans of ₹ 246 crore in the form of special assistance to States for capital expenditure, in view of the difficult fiscal environment arising from COVID-19 pandemic, was also provided by GoI during the current year. As decided by GoI, the State had no repayment liability for the back to back loans provided to the State in lieu of shortfall in GST compensation. It was also decided by the

GoI that back to back loans and special assistance for capital expenditure should not be considered for calculation of fiscal deficit and debt liability.

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. The mobilisation of resources with respect to projections made in the budget/MTFPS and FFC projections for 2021-22 is shown in **Table 2.10**.

Table 2.10: Tax and non-tax receipts vis-à-vis projections for 2021-22

(₹ in crore)

	MTFP projections	FFC projections	Actual	Percentage variation of actual over MTFP projection
Own Tax revenue	23,265	15,041	21,290	(-).8.49
Non-tax revenue	13,500	8,921	10,031	(-).25.70

As shown in **Table 2.10**, actual collection of Own tax revenue and Non-tax revenue during the year 2021-22 was much lower than the MTFP projections for the year. However, collection of own tax revenue and non-tax revenue was higher than the FFC projections during 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 the 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 (2017-18 to 2021-22).

Table 2.11: Total expenditure and its composition

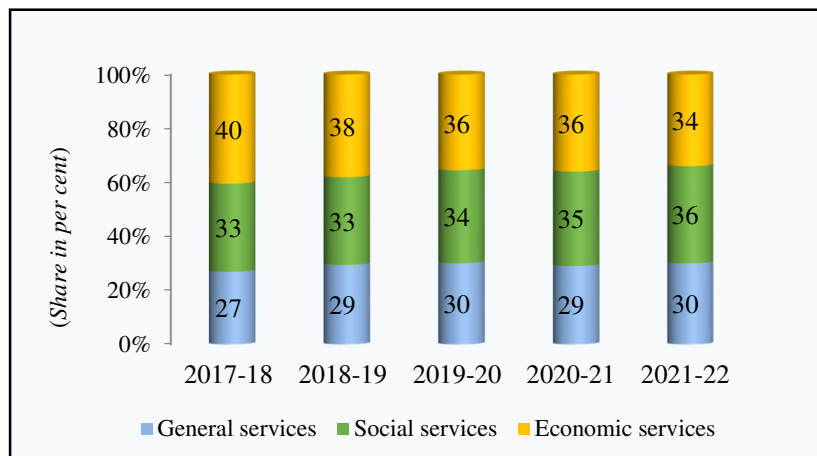
(₹ in crore)

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Total Expenditure (TE)	64,756	62,827	66,501	71,110	73,618
Revenue Expenditure (RE)	50,952	50,631	56,457	59,264	62,778
Capital Expenditure (CE)	11,953	10,712	9,879	8,466	9,377
Loans and Advances	1,852	1,485	165	3,380	1,463
As a percentage of GSDP					
TE/GSDP	24.00	20.60	20.70	22.40	20.28
RE/GSDP	18.90	16.56	17.58	18.69	17.29
CE/GSDP	4.43	3.50	3.08	2.67	2.58
Loans and Advances/GSDP	0.69	0.49	0.05	1.07	0.40

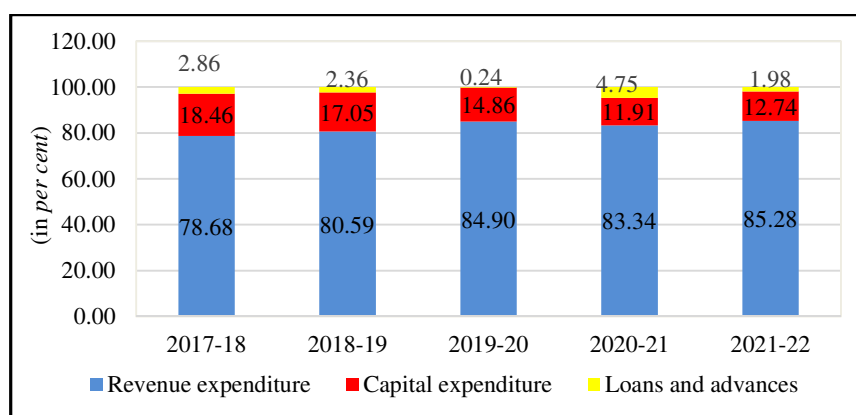
As shown in the **Table 2.11**, ratio of TE, RE, Loans & Advances *etc.* to GSDP decreased during 2021-22 in comparison to its ratio during 2020-21 whereas CE to GSDP ratio decreased consistently from 2017-18 to 2021-22. The expenditure trend in the table shows the increasing trend in Government spending. Creation of capital assets was also given priority by the State Government during the current year.

Table 2.12: Relative share of various sectors of expenditure

Parameters	(per cent)				
	2017-18	2018-19	2019-20	2020-21	2021-22
General Services	26.90	29.40	30.00	29.00	30.00
Social Services	32.60	32.50	34.50	35.00	36.00
Economic Services	40.50	38.10	35.50	36.00	34.00

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 during 2017-18 to 2021-22, except 2020-21. Share of expenditure on social services increased gradually during 2018-19 and 2021-22. It can also be seen from the above table and chart that expenditure on economic services decreased consistently from 40 *per cent* in 2017-18 to 34 *per cent* in 2021-22 which was indicative of less priority given by the State to 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 78.68 *per cent* in 2017-18 to 85.28 *per cent* in 2021-22, except in 2020-21. Share of capital expenditure showed wide fluctuations between 11.91 *per cent* and 18.46 *per cent* during the period 2017-22. Share of loans and advances decreased significantly during 2021-22, over the previous year.

2.4.1 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payments for past obligations. 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 79 *per cent* in 2017-18 to 85.28 *per cent* in 2021-22. Further, revenue expenditure as a percentage of GSDP decreased by more than one *per cent* in 2021-22 over the previous year.

Out of the total revenue expenditure of ₹ 62,778 crore during 2021-22, ₹ 30,618 crore was spent on establishment and ₹ 32,160 crore on State and Central schemes. Further, the major share (36 *per cent*), of revenue expenditure, was incurred on social services, followed by economic services (34 *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**. The sectoral distribution of Revenue Expenditure pertaining to 2021-22, is given in **Chart 2.9**.

Table 2.13: Revenue Expenditure – Basic Parameters

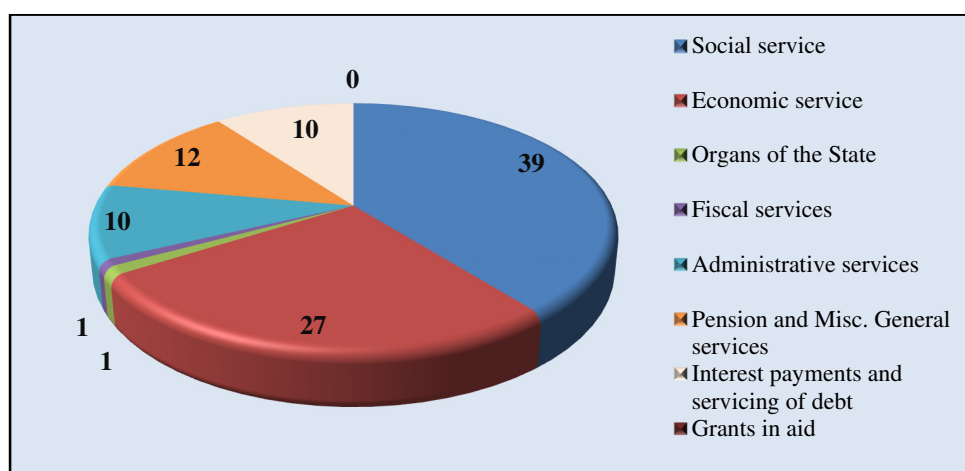
Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Total Expenditure (TE)	64,756	62,827	66,501	71,110	73,618
Revenue Expenditure (RE)	50,952	50,631	56,457	59,264	62,778
Rate of Growth of RE (<i>per cent</i>)	13.00	-0.60	11.50	5.00	5.93
Revenue Expenditure as percentage of TE	78.70	80.60	84.90	83.30	85.28
RE/GSDP (<i>per cent</i>)	18.90	16.56	17.58	18.69	17.29
RE as percentage of RR	96.60	90.20	96.60	105.50	90.00
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	0.91	-0.05	2.27	-3.94	0.41
Revenue Receipts (ratio)	1.07	-0.09	2.85	-1.29	0.24

(₹ in crore)

Source: Finance Accounts of respective years

Revenue expenditure on different services, as a percentage of total revenue expenditure, during 2021-22, has been shown in **Chart 2.9**.

Chart 2.9: Sector wise distribution of Revenue Expenditure



During 2021-22, the growth rate of Revenue Expenditure increased to nearly six *per cent* in comparison to five *per cent* in 2020-21 though its percentage

in total expenditure remained almost at par with the previous year. However, as a percentage of GSDP, Revenue Expenditure had decreased by 1.40 *per cent* over the previous year. It was also noticed that Revenue Expenditure was lower by ₹ 12,977 crore *vis-à-vis* the budget estimate (₹ 75,755 crore) during 2021-22.

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 2021-22 compared to 2020-21

(₹ in crore)

Major Heads of Account	2020-21	2021-22	Increase (+)/ Decrease (-)
2049-Interest Payment	57.90	62.86	4.96
2055-Police	49.39	52.78	3.39
2071-Pension	67.96	76.14	8.18
2202-General Education	97.66	108.17	10.51
2217-Urban Development	28.61	24.21	-4.40
2235-Social Security & Welfare	35.37	39.43	4.06
2236-Nutrition	2.72	5.45	2.73
2401-Crop Husbandry	9.98	22.13	12.15
2505-Rural Employment	41.23	36.09	-5.14
2801-Power	18.72	36.58	17.86
2515-Other Rural Development Programmes	30.21	16.21	-14.00
3451-Secretariat Economic Service	8.58	1.74	-6.84

As can be seen in the above table, revenue expenditure on Other Rural Development Programmes, Urban Development and Rural Employment decreased during 2021-22, over the previous year.

Revenue expenditure on other rural development programmes decreased mainly due to less assistance to Gram Panchayats, community development, Block Panchayats *etc.*

Less expenditure on Urban Development was mainly due to less assistance to Local Bodies Corporations, Urban Development authorities and Town improvements *etc.*

Increase in revenue expenditure on Power was result of more expenditure under the heads 'Machinery and equipment in hydel generation', 'Tribal Area Sub-plan in rural electrification' *etc.* Similarly, increase in 'Crop Husbandry' was a result of more expenditure on 'Food grain crops' and 'Tribal Area Sub-plan'.

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. It has the first charge on Government resources. Upward trend in

committed expenditure leaves the Government with lesser flexibility for development expenditure.

Table 2.15 presents the trends in the components of committed expenditure during 2017-18 to 2021-22, and percentage of committed expenditure to Revenue Receipts and Revenue Expenditure, during the same period.

Table 2.15: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2017-18	2018-19	2019-20	2020-21	2021-22
Salaries & Wages	11,221	12,138	12,832	12,885	13,979
Expenditure on Pensions	5,913	5,991	6,005	6,797	7,614
Interest Payments	4,662	4,852	5,308	5,790	6,286
Total	21,796	22,981	24,145	25,472	27,879
As a percentage of Revenue Receipts (RR)					
Salaries & Wages	21.30	21.60	22.00	22.90	20.05
Expenditure on Pensions	11.21	10.67	10.28	12.11	10.92
Interest Payments	8.84	8.64	9.09	10.31	9.02
Total	41.34	40.91	41.37	45.32	39.99
As a percentage of Revenue Expenditure (RE)					
Salaries & Wages	22.02	23.97	22.73	21.74	22.27
Expenditure on Pensions	11.61	11.83	10.64	11.47	12.13
Interest Payments	9.15	9.58	9.40	9.77	10.01
Total	42.75	45.42	42.74	42.98	44.41

During 2021-22, Salaries & Wages, Interest Payments and Pension together accounted for 44.41 *per cent* of the revenue expenditure against 42.98 *per cent* in 2020-21 whereas, its share in revenue receipts decreased significantly to 39.99 *per cent* in 2021-22 against 45.32 *per cent* in 2020-21.

Interest payments

The growth rate of interest payments in 2021-22 was 8.60 *per cent* against 9.10 *per cent* in 2020-21. Percentage of interest payments to revenue receipts decreased to 9.02 *per cent* in 2021-22 from 10.31 *per cent* in 2020-21 due to higher growth rate of revenue receipts during the year.

Pension payments

Government of Jharkhand paid ₹ 6,793.77 crore (excluding ₹ 820.53 crore transferred to NSDL as employers contribution) as pension and other retirement benefits to its retired employees during 2021-22. The total pension and other retirement benefit including employers contribution (₹ 7,614.30 crore) stood at 10.92 *per cent* and 10.13 *per cent* of RR and RE respectively. The percentage of total pension payment, as compared with the total salary and wages paid by the Government, was 54.47 during the year 2021-22 which indicates the burden of committed liability on the Government on such payments.

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, against which

14 *per cent* of basic pay and dearness allowance contributed 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 2021-22, employer's contribution of ₹ 820.53 crore was transferred to NSDL. The State Government transferred ₹ 638.35 crore against receipt of ₹ 637.17 crore as employees' contribution to the designated fund manager through NSDL during 2021-22. A balance of ₹ 24.15 crore remained in the Public Account (Major Head 8342-117-Defined Contribution Pension Scheme) at the end of 2021-22.

Subsidies

As can be seen from the details given in **Table 2.16**, there was a significant increase in expenditure on subsidies, during the year 2021-22. Subsidies, as a percentage of Revenue Receipts, increased from 5.71 *per cent* in 2020-21 to 8.11 *per cent* in 2021-22. Similarly, as a percentage of Revenue Expenditure, Subsidies increased from 5.41 *per cent* in 2020-21 to 9.00 *per cent* in 2021-22.

During 2021-22, Government of Jharkhand paid subsidy mainly under Major Heads 2401-Crop Husbandry (₹ 2,025 crore), 2801-Power (₹ 2,072 crore) and 3456- Civil Supplies (₹ 1,318 crore). No subsidy was given for irrigation. The increase in subsidy during 2021-22 by ₹ 2,445 crore over the previous year was mainly due to increase in subsidy for loan waiver scheme to farmers by ₹ 1,300 crore and Tariff subsidy through JBVNL for consumers by ₹ 1,072 crore.

Table 2.16: Expenditure on subsidies during 2017-22

	2017-18	2018-19	2019-20	2020-21	2021-22
Subsidies (₹ in crore)	1,440	2,092	4,275	3,208	5,653
Subsidies as a percentage of RR	2.73	3.73	7.32	5.71	8.11
Subsidies as a percentage of RE	2.83	4.13	7.57	5.41	9.00

Source: Finance and Appropriation Accounts

Subsidies are disbursed not only explicitly but also implicitly by providing subsidised public service to the people. During scrutiny of accounts for 2021-22 it was observed that ₹ 347.72 crore (Grant no. 51, 58, 59 and 60) was provided for distribution of dress, bicycles, text books, school kit & reimbursement of examination fee to the students, distribution of blanket and cloth Scheme etc., which was fully utilized.

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. Details given in **Table 2.17**.

Table 2.17: Financial Assistance to Institutions etc.

(₹ in crore)

Financial Assistance to Institutions	2017-18	2018-19	2019-20	2020-21	2021-22
(A) Local Bodies					
Municipal Corporations and Municipalities	1,155.11	1,748.50	1,505.45	1,930.03	1,042.33
Panchayati Raj Institutions	1,270.13	2,937.69	2,497.70	1,771.20	772.76
Total (A)	2,425.24	4,686.19	4,003.15	3,701.23	1,815.09
(B) Others					
Universities	671.67	621.08	1,265.29	1,771.17	1,807.60
Development Authorities	7,447.41	3,952.30	10,771.73	8,283.26	8,751.59
Public Sector Undertakings	0.00	0.00	1,753.28	2,119.77	2,469.66
Other Institutions	10,169.67	8,716.24	1,398.01	4,202.24	4,786.01
Total (B)	18,288.75	13,289.62	15,188.31	16,376.44	17,814.86
Total (A+B)	20,713.99	17,975.81	19,191.46	20,077.67	19,629.95
Revenue Expenditure	50,952	50,631	56,457	59,264	62,777.92
Assistance as percentage of Revenue Expenditure	40.65	35.50	33.99	33.88	31.27

During 2021-22, financial assistance to ULBs decreased by ₹ 887.70 crore mainly due to less grant provided under recommendation of Finance Commission (by ₹ 292.16 crore) and Pradhan Mantri Awas Yojana (by ₹ 226.06 crore). Financial assistance to PRIs decreased due to less receipt of grants under recommendations of 15th Finance Commission by ₹ 1,064.50 crore over the previous year.

Recommendation of the State Finance Commission

Article 243Y of the Constitution stipulates that the Governor of the State shall constitute a Finance Commission, within one year from the commencement of the Act, and, thereafter, at the expiration of every fifth year, to review the financial position of the municipalities, and to make recommendations to the Governor regarding distribution of taxes, duties, fees etc., between the State and ULBs, determination of taxes, duties, fees etc., grants-in-aid to ULBs and the measures needed to improve the financial position of the ULBs.

The State Government had constituted three State Finance Commissions (SFCs). The recommendations of first SFC were only for the Urban Local Bodies (ULBs). Second and third SFCs were constituted in December 2009 and April 2015 respectively but did not submit any report. No recommendation was made by the SFCs for the Rural Local Bodies.

Notification for constitution of the fourth SFC was also issued by the State Government in July 2019 but the Chairperson of the SFC had not been appointed, as of October 2022.

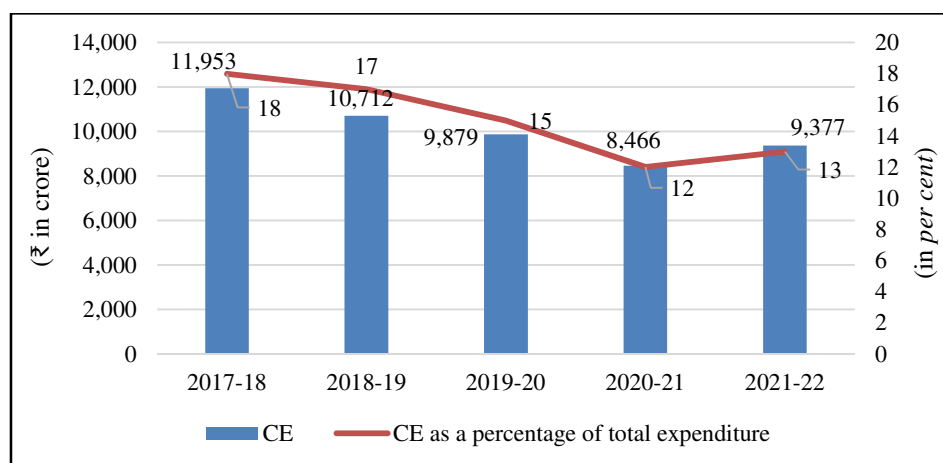
The first SFC recommended for provision of a “Core Municipal Services Provision Grants” at the rate of ₹ 375 per capita in 2009-10 with an annual increase of 10 *per cent* for the next four years in lieu of taxes not assigned/shared with ULBs by the State. However, neither was the financial condition of ULBs reviewed nor was the principle for allocation of adequate financial resources determined by the SFC.

The recommendations of first SFC were not implemented by the State Government and it was decided (October 2013) to provide 40 *per cent* loan and 30 *per cent* grants to the ULBs to meet salary of employees. All kinds of *sairats*⁴, public land, markets, ponds *etc.* were also transferred to the ULBs to generate their own revenue. Accordingly, loans and grants were released by the State Govt. Further, as per recommendations of first SFC for Jharkhand Urban Development Fund the State Government made budgetary provision for Urban Infrastructure Development Projects (UIDP) during the financial years 2016-19 but the funds were not transferred to the ULBs. Even, no provision in the budget was made by the State Government after 2018-19.

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

The capital expenditure decreased consistently from ₹ 11,953 crore in 2017-18 to ₹ 8,466 crore in 2020-21 which increased to ₹ 9,377 crore in 2021-22. During 2021-22, the capital expenditure increased due to more expenditure on social services by seven *per cent* and economic services by 14 *per cent* over previous year. Capital expenditure on general services, during the current year, decreased (by ₹ 37 crore) slightly in comparison to the previous year.

Capital expenditure on social services increased by ₹ 104 crore during 2021-22 mainly due to increased expenditure on ‘Capital outlay on water supply and Sanitation’ (by ₹ 67 crore), ‘Housing’ (by ₹ 43 crore), and ‘Welfare of SC, ST, OBC and minorities’ (by ₹ 95 crore) which was offset by ‘Capital outlay on Medical and public health’ (by ₹ 97 crore).

Similarly in comparison to the previous year capital expenditure on economic services increased by ₹ 844 crore in 2021-22. Priority was given to major irrigation (by ₹ 164 crore), Mining and metallurgical industries (₹ 1,000 crore) which was offset by less capital outlay on power projects (by ₹ 538 crore) during 2021-22.

⁴ *Sairats* means revenue earning municipal assets *viz.* public land, markets, ponds *etc.*

Capital expenditure of the State (₹ 9,377 crore) was nearly at par with the budget provision (₹ 9,661 crore) for the year 2021-22. However, out of budget provision for capital expenditure, ₹ 284 crore was not utilised. Decrease in capital expenditure on power projects was due to expenditure on electrification in Harijan Mohalla, rural electrification and grant for ADP during 2020-21 only. Most of the years it remains nil. Significant increase in Non-ferrous mining and metallurgical industries was due to one time investment in share capital of Jharkhand Exploration and Mining Corporation limited. Major changes in Capital Outlay during 2021-22 vis-à-vis 2020-21 have been shown in **Table 2.18**.

Table 2.18: Capital Expenditure during 2021-22 compared to 2020-21

(₹ in crore)			
Major Heads of Accounts	2020-21	2021-22	Increase (+)/ Decrease (-)
Capital outlay on			
4402-Soil & water conservation	0.00	198.81	198.81
4408-Food storage & warehousing	15.00	39.25	24.25
4425-Co-operation	47.89	91.42	43.53
4700-Major irrigation	94.85	259.27	164.42
4702-Minor irrigation	93.34	30.52	-62.82
4801-Power projects	626.00	87.52	-538.48
4853-Non-ferrous mining & metallurgical industries	0.00	1,000.00	1,000.00
5075-Other transport services	5.00	20.00	15.00

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 the latest finalised accounts received from 16 companies, net worth of six companies⁵ was completely eroded as their cumulative net worth was (-) ₹ 6,789.98 crore as on 31 March 2022.

Further as per their accounts, five companies were loss making and their loss during 2021-22 was ₹ 2,707.78 crore. Out of these loss making companies, two companies (JBVNL and JUSNL) received Government loans amounting to ₹ 561.87 crore during 2021-22. 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 ₹ 24,814.74 crore, of which, total investment by the State was ₹ 22,936.66 crore as on 31 March 2022. Accumulated loss of these SPSEs was ₹ 10,859.78 crore as on 31 March 2022.

⁵ Jharkhand Bijli Vitran Nigam Ltd. (- ₹ 6,390.88 crore), Jharkhand Urja Sancharan Nigam Ltd. (- ₹ 316.56 crore), Jharkhand Silk Textile and Handicraft Development Corporation Ltd. (- ₹ 36.94 crore), Jharbhar Colliery Ltd. (- ₹ 2.99 crore), Patratu Energy Ltd. (- ₹ 16.39 crore) and Karanpura Energy Ltd. (- ₹ 26.22 crore)

Investment in equity by the Government

As per Finance Accounts of the State ending 31 March 2022, the Government had invested ₹ 2,250.22 crore in three Regional Rural Banks⁶ (₹ 45.73 crore), 20 Government companies (₹ 2,014.40 crore) and 21 co-operatives banks and societies (₹ 190.09 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 crore⁷ at the end of 2020-21. However, investments of ₹ 59.54 crore⁸ against five entities at the end of the current financial year still remained unsettled.

Table 2.19: Return on Investment

Investment/return/ cost of borrowings	2017-18	2018-19	2019-20	2020-21	2021-22
Investment at the end of the year (₹ in crore)	376.87	432.87	447.95	1,111.65	2,250.22
Return (₹ in crore)	0.00	0.00	0.00	15.00	0.00
Return (<i>per cent</i>)	0.00	0.00	0.00	1.35	0.00
Average rate of interest on Government Borrowings (<i>per cent</i>)	6.98	6.29	6.34	6.13	5.76
Difference between interest rate and return (<i>per cent</i>)	6.98	6.29	6.34	4.78	5.76

Source: Finance Accounts

Despite no return on its investments, the State Government made investment of ₹ 1,138.57 crore in four⁹ State PSUs and two Co-operatives (Tribal Co-operative Development Corporation - ₹ 0.05 crore and Sidho-Kanho Agriculture and Forest Produce State Co-operative Federation Limited - ₹ 29 crore) in the form of equity during 2021-22.

Investments made by the erstwhile State of Bihar in the form of equity 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

⁶ State Govt. Kshetriya Gramin Bank (₹ 18.96 crore), Jharkhand Rural Bank, Ranchi (₹ 18.37 crore) and Vananchal Rural Bank, Dumka (₹ 8.40 crore)

⁷ 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.

⁸ 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.

⁹ Jharkhand Exploration and Mining Corporation Ltd.: ₹ 1,000 crore; Jharkhand Industrial Infrastructure Development Corporation: ₹ 2 crore; Jharkhand Central Railway Project: ₹ 20 crore; and Jharkhand Bijli Vitran Nigam Ltd.: ₹ 87.52 crore.

advances as on 31 March 2022 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

(₹ in crore)

Quantum of loans disbursed and recovered	2017-18	2018-19	2019-20	2020-21	2021-22
Opening Balance of loans outstanding	17,482.71	19,291.97	20,729.99	20,846.24	24,177.23
Amount advanced during the year	1,851.67	1,485.59	165.43	3,379.77	1,462.98
Amount recovered during the year	42.41	47.57	49.19	48.78	1,291.73
Closing Balance of loans outstanding	19,291.97	20,729.99	20,846.23	24,177.23	24,348.48
Net addition	1,809.26	1,438.02	116.24	3,330.99	171.25
Interest received	87.66	14.72	38.91	22.62	35.88
Interest rate on Loans and Advances given by the Government.	0.50	0.08	0.19	0.11	0.15
Rate of Interest paid on the outstanding borrowings of the Government	6.98	7.98	6.34	6.13	5.76
Difference between the rate of interest paid and interest received (<i>per cent</i>)	6.98	7.98	6.34	6.13	5.76

Note: OB in 2020-21 was increased by 0.01 crore due to rounding off in the accounts

A significant portion of the total outstanding loans at the end of March 2022 (₹ 24,348 crore) was mainly outstanding with Power Companies (₹ 23,461 crore) and Water Supply, Sanitation, Housing and Urban Development (₹ 792 crore).

Loans were given to Jharkhand Bijli Vitran Nigam Ltd. (₹ 923 crore) and Jharkhand Urja Sancharan Nigam Ltd. (₹ 490 crore) for execution of schemes and for transmission purposes. Outstanding arrears of loanee entities at the end of March 2022 amounted to ₹ 3,531.23 crore (Principal: ₹ 1,823.93 crore and interest: ₹ 1,707.30 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 ₹ 7,222.18 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 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 2022, is given in **Table 2.21** and **Table 2.22** respectively.

Table 2.21: Age profile of incomplete projects as on 31 March 2022

(₹ in crore)

Completion Year	No. of incomplete projects	Estimated cost	Expenditure (as on 31 March 2022)	Revised estimates	
				No. of projects	Amount
Upto 2015	13	117.43	119.03	5	114.63
2016	10	259.65	206.63	2	104.13
2017	10	249.54	142.06	1	9.35
2018	16	325.96	249.23	2	145.37
2019	37	714.29	456.47	2	11.45
2020	69	1,763.97	998.14	2	30.09
2021	66	1,768.39	976.15	3	98.89
2022	51	1,915.49	869.97	2	120.59
Total	272	7,114.72	4,017.68	19	634.50

Table 2.22: Department-wise profile of incomplete projects as on 31 March 2022

(₹ in crore)

Department	No. of incomplete projects	Estimated cost	Expenditure	Revised estimates	
				No. of projects	Amount
Road Construction Department	94	3,344.76	1,975.19	6	194.53
Rural Development Department	70	341.15	194.98	2	23.63
Water Resources Department	71	2,847.97	1,536.50	10	407.00
Drinking Water and Sanitation	25	437.59	255.99	1	9.34
Building Construction Department	12	143.25	55.02	0	0
Total	272	7,114.72	4,017.68	19	634.50

Source: Finance Accounts

Out of 272 projects shown in the above table, revised cost of only 19 projects were provided which showed that the estimated cost of ₹ 634.50 crore in those 19 projects escalated by ₹ 81.46 crore due to non-completion of those projects in time. Since, the departments did not furnish the details of the remaining projects, their revised costs were not exhibited in the Finance Accounts and was thus not ascertainable.

2.4.7 Capital expenditure transferred to Public Account

It was observed from the Finance Accounts that ₹ 2,328.20 crore was transferred from the capital head of accounts of the consolidated fund to deposit heads in the public account. Out of total amount transferred, ₹ 283.26 crore was transferred to public works deposit head and ₹ 2,044.94 crore to 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

(₹ in crore)

Sl. No.	Head of Account				Amount
	From		To		
1	4515	Capital Outlay on other Rural Development Programmes	8443	Civil Deposits-108 Public works Deposits	159.51
2	4055	Capital Outlay on Police	8448	Deposits of Local Funds-120 Other Funds	147.43
3	4210	Capital Outlay on Medical and Public Health	8448	Deposits of Local Funds-120 Other Funds	393.65
4	4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	8448	Deposits of Local Funds-120 Other Funds	256.70
5	4402	Capital Outlay on Soil and Water Conservation	8448	Deposits of Local Funds-120 Other Funds	133.65
6	5054	Capital Outlay on Roads and Bridges	8448	Deposits of Local Funds-120 Other Funds	415.96
7	6801	Loans for Power Projects	8448	Deposits of Local Funds-107 State Electricity Boards Working Funds	697.55
Total					2,204.45

The book transfer of funds to the public account was mere transfer of funds from one head to another and was not actual expenditure leading to over statement of expenditure under the 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. It was observed that under Minor Head 108- Public Works Deposits, ₹ 1,719.02 crore was added (including the transactions shown in the above table) in the opening balance of ₹ 4,315.11 crore and ₹ 1,776.13 crore was spent leaving a balance of ₹ 4,258.01 crore at the end of March 2022. Similarly, ₹ 606.52 crore was added in the opening balance of ₹ 1,746.52 crore under the Minor Head 106- Personal Deposit and ₹ 334.91 crore was spent during the year leading to a balance of ₹ 2,018.13 crore. However, transfer from capital heads of account under Minor head 106- Personal Deposits was ₹ 1.48 crore only during the year 2021-22.

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	
		No.	Estimated cost	No.	Estimated cost
1	Water Supply & Sanitation	-	-	1	150.00
2	Roads and Bridges	8	5,193.94	2	642.60
3	Sports	-	-	1	250.00
Total		8	5,193.94	4	1,042.60

Source: www.pppinindia.gov.in.

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

(in per cent)

	CE/ TE	SSE/ TE	ESE/ TE	DE/TE	Education/ TE	Health/ TE
General Category States (2016-17)	19.99	35.71	35.06	70.77	14.89	4.76
Jharkhand (2016-17)	18.96	35.15	40.99	76.14	14.37	4.33
General Category States (2021-22)	14.41	38.31	28.44	66.74	14.66	6.20
Jharkhand (2021-22)	12.74	35.66	34.02	69.68	15.31	6.55

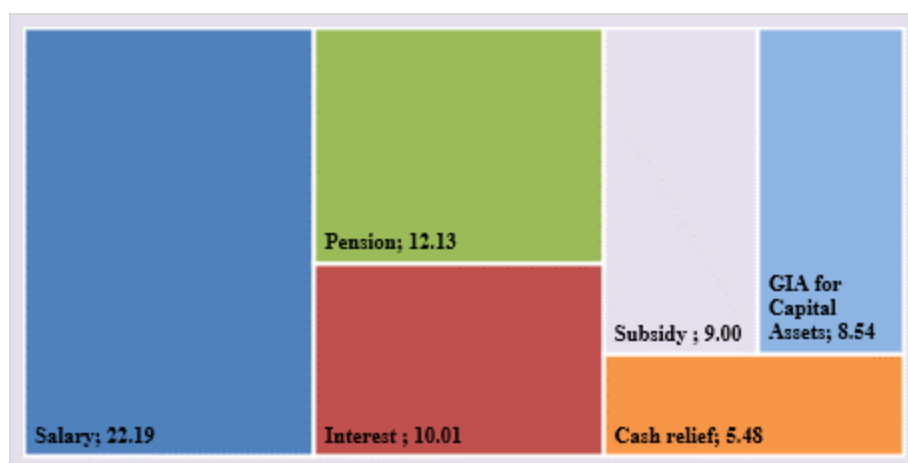
As evident from the table, during 2021-22 the ratio of capital expenditure, developmental expenditure and economic sector to total expenditure (TE) has declined in comparison to its ratio during 2016-17 whereas other sectors showed improvement during the year. Ratio of health sector expenditure to total expenditure increased significantly during the current year in comparison to 2016-17.

Further, it is evident from the table that during 2021-22, ratio of expenditure on all the sectors to total expenditure of the State was higher than the ratio of General Category States except capital expenditure and social sector expenditure which was indicative of less priority of State Government on CE and SSE. The priorities of expenditure had not changed since 2016-17 as can be seen from the above table.

2.4.10 Object head wise expenditure

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

Chart 2.11: Revenue Expenditure on Major Items (in per cent)



As depicted in **Chart 2.11**, a major share (53.33 per cent) of Total Revenue Expenditure (TRE) was consumed by expenditure on Salaries, Pension, Interest Payments and Subsidies during the year 2021-22. Nearly nine per cent of TRE was utilised on GIA for creation of capital assets in the State, of which major portion was provided to Zila Parishads (₹ 4,207.24 crore).

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 the 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 2022

(₹ in crore)						
Sector	Sub Sector	2017-18	2018-19	2019-20	2020-21	2021-22
I. Small Savings, Provident Funds <i>etc.</i>	Small Savings, Provident Funds <i>etc.</i>	(-)1,142.18	(-)1,211.11	(-)1,216.86	(-)1,194.40	(-)1,001.19
J. Reserve Funds	(a) Reserve Funds bearing Interest	(-)1,551.04	(-)1,930.09	(-)5,948.02	(-)6,320.39	(-)5,904.48
	(b) Reserve Funds not bearing Interest	0.00	0.00	0.00	0.00	0.00
K. Deposits and Advances	(a) Deposits bearing Interest	(-)13.52	(-)12.64	(-)39.55	(-)25.33	(-)24.15
	(b) Deposits not bearing Interest	(-)18,356.40	(-)19,853.80	(-)21,065.20	(-)24,331.45	(-)23,585.14
	(c) Advances	5.78	6.28	7.15	19.67	19.67
L. Suspense and Miscellaneous	(b) Suspense	132.14	5.42	(-)91.29	(-)146.35	(-)119.25
	(c) Other Accounts	392.60	207.09	3,117.62	2,855.90	4,519.46
	(d) Accounts with Governments of Foreign Countries	0.00	0.00	0.00	0.00	0.00
	(e) Miscellaneous	0.00	0.00	0.00	1.60	1.60
M. Remittances	(a) Money Orders, and other Remittances	(-)66.84	(-)118.85	(-)114.25	(-)133.68	(-)125.38
	(b) Inter- Governmental Adjustment Account	27.16	19.57	31.95	7.23	12.74
TOTAL		(-)20,572.30	(-)22,888.13	(-)25,318.45	(-)29,267.20	(-)26,206.12

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

Negative trend during 2021-22 was indicative of more disbursement in Deposits and Advances mainly under Public Works Deposit (by ₹ 57 crore), Revenue Deposits (by ₹ 115 crore), Municipal Funds (by ₹ 879 crore) and State Electricity Boards working fund (by ₹ 1,647 crore) which was partially offset by more credit under other funds by ₹ 1,213 crore. Similarly, negative balance in Suspense & Miscellaneous was due to more disbursements (by ₹ 1,669 crore) under cash balance investment account.

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 were two interest bearing reserve funds in the State during the year 2021-22; (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 2021-22, the State Government transferred the contribution from GoI along with its share into Public Account with a delay of 161 days (₹ 227.20 crore) and 87 days (₹ 227.20 crore) after receipt of Central share, for which the State Government was liable to pay interest of ₹ 9.26 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 (six *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 ₹ 870.85 crore at the applicable rates of interest for the period 2011-22. Of this, unpaid interest for 2021-22 alone amounted to ₹ 136.49 crore, resulting in overstatement of revenue surplus and understatement of fiscal deficit for the year. Consequently, the non-invested balances of ₹ 1,762 crore in the Fund as on 31 March 2022 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 2021-22
2245- Relief on Account of Natural Calamities 02- Floods, Cyclones etc.	101-Gratuitous Relief	5.57
	113-Repairs and reconstruction of houses	1.71
	114-Assistances to farmers for purchase of agriculture input	1.14
Sub-Total		8.42
2245- Relief on Account of Natural Calamities 05- State Disaster Response Fund	101-Transfer to reserve fund and deposit account- SDRF	605.60
	901- Deduct - Amount met from State Disaster Response Fund	964.40
Sub-Total		(-)358.80
2245- Relief on Account of Natural Calamities 80- General	Direction and administration, Training of disaster preparedness, management of Natural Disasters etc.	350.39
Sub-Total		350.39
Grand Total		0.01

Apart from the above, Central Government also released ₹ 200 crore as central support for cyclonic storm “Yaas” during the year and the State Government

made a budget provision under the head '2245-02-101-10-Relief assistance received from the NDRF (Centre Scheme 100 *per cent*)'. The fund was not utilised and surrendered at the end of the year by the Department. The amount had been provided by GoI in anticipation of cyclonic storm which did not occur. Thus, the amount remained unutilised in the cash balance of the State resulting in over statement of revenue surplus of the State by ₹ 200 crore.

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'. The 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 (one-time 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'.

The opening balance in the fund was ₹ 4,199.92 crore, the receipt during 2021-22 was ₹ 220 crore and the expenditure incurred during the year was ₹ 241.12 crore, leaving a balance of ₹ 4,178.80 crore in SCAF as on 31 March 2022.

Since, the SCAF is an interest bearing reserve fund, the Government was required to pay interest of ₹ 132.62 crore as per the rate declared by the Central Government on year to year basis (3.35 *per cent* for the year 2021-22) on the opening balance (₹ 4,199.92 crore) excluding expenditure of ₹ 241.12 crore during the year. Including the unpaid interest of ₹ 100.88 crore for the year 2020-21, the total payable interest on SCAF till March 2022 was ₹ 233.50 crore. Against this, the Government paid ₹ 220 crore during 2021-22 leaving a balance of ₹ 13.50 crore as unpaid interest.

2.5.3 Reserve Funds not bearing interest

Consolidated Sinking Fund

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

GoJ had an outstanding debt of ₹ 1,13,482.50 crore at the beginning of 2021-22. A budget provision of ₹ 200 crore was made and the amount was transferred into the Sinking Fund during the year which added in the opening balance of ₹ 303.87 crore leading to a closing balance of ₹ 503.87 crore at the end of March 2022 in the fund. During the year 2021-22, ₹ 200 crore were invested from this fund in the commercial banks.

As per guidelines of the Fund, the 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 State Government was to constitute a Guarantee Redemption Fund (GRF) for meeting the payment obligations arising out of the guarantees issued by the Government in respect of bonds issued and other borrowings by the State Public Sector Undertakings or other Bodies and invoked by the beneficiaries. However, the Fund has not been created.

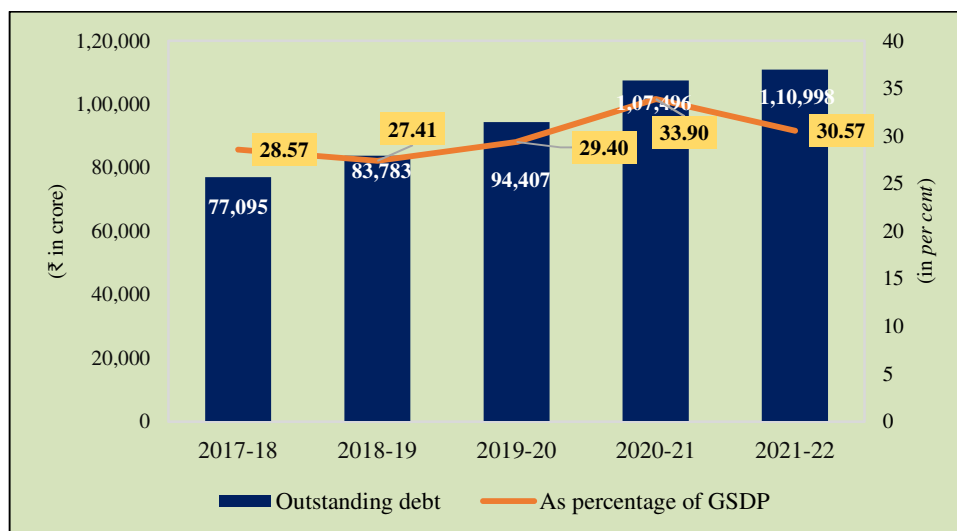
As per the Finance Accounts of the Government of Jharkhand, Guarantees amounting to ₹ 607.15 crore was given by the State as of 31 March 2022.

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 2017-18 to 2021-22 has been shown in **Chart 2.12**. Abstract of liabilities and assets of the State as on 31 March 2022 are given in **Appendix 2.3**.

Chart 2.12: Total debt of the Government and its percentage to GSDP



Note: This does not include ₹ 1,689 crore in 2020-21 and ₹ 2,484.41 crore in 2021-22, passed on as back-to-back loans by Government of India, in lieu of shortfall in GST Compensation

2.5.4.1 Debt profile: Components

Total debt of the State Government typically constitutes 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 and Public Account liabilities.

Details of availability of funds on account of receipts and repayments under public debt and public account liabilities during 2017-22 are given in **Table 2.28**.

Table 2.28: Component wise debt trends

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding Overall Debt (A+B)	77,095.03	83,782.93	94,406.60	1,09,184.99	1,13,482.47
A. Public Debt	56,031.94	60,775.27	66,136.98	76,938.35	82,531.53
(i) Internal Debt	53,799.09	58,436.19	63,545.46	71,956.90	74,538.31
(ii) Loans & Advances from GoI	2,232.85	2,339.08	2,591.52	4,981.45	7,993.22
B. Liabilities on Public Account	21,063.09	23,007.66	28,269.62	32,246.24	30,950.94
C. Off Budget borrowings	NIL	NIL	NIL	NIL	NIL
Rate of growth of outstanding debt (percentage)	15.37	8.67	12.68	15.65	3.94
Gross State Domestic Product (GSDP)	2,69,816	3,05,695	3,21,157	3,17,079	3,63,085
Total Debt/GSDP (per cent)	28.57	27.41	29.40	33.90 [#]	30.57 [#]
Total Debt Receipts	25,205.53	22,223.80	30,980.35	32,562.62	25,623.42
Total Debt Repayments	14,937.47	15,535.90	20,356.68	17,784.23	21,325.90
Interest payments	4,661.68	4,851.97	5,307.71	5,790.00	6,286.05
Net availability of borrowed funds	5,606.38	1,835.93	5,315.96	8,988.39	-1,988.53
Debt Repayments/Debt Receipts (percentage)	77.76	91.74	82.84	72.40	107.76

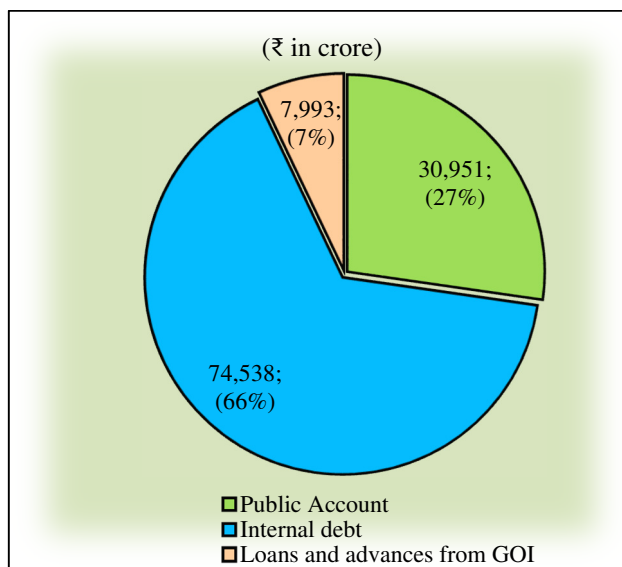
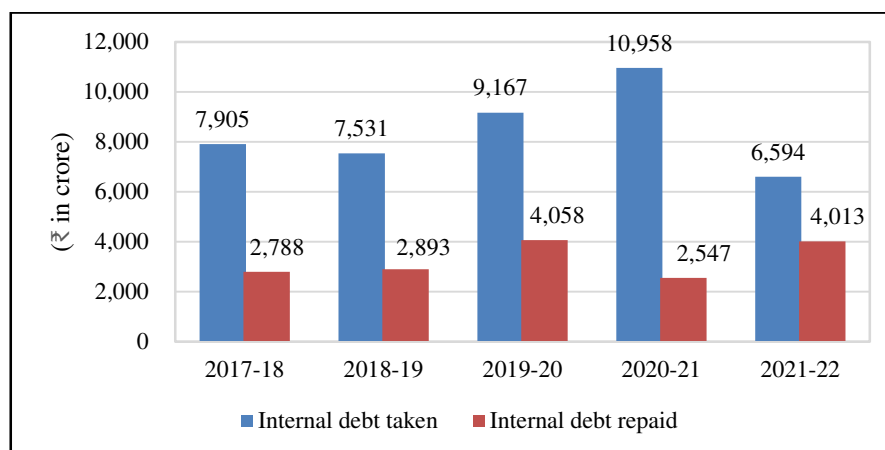
[#]Includes ₹ 1,689.00 crore in 2020-21 and ₹ 2,484.41 crore in 2021-22, passed on as back to back loans by Government of India in lieu of shortfall in GST Compensation

The effective outstanding overall debt would be ₹ 1,10,998.06 crore as the Department of Expenditure, GoI has decided that GST compensation of ₹ 2,484.41 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.

Apportionment of fiscal liabilities of the composite Bihar State between the 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 2017-18 to 2021-22. However, it decreased significantly to negative ₹ 1,989 crore in 2021-22 from ₹ 8,988 crore in 2020-21 mainly due to less borrowings as market loans by the Government (by ₹ 4,400 crore) and repayments of compensation & other bonds and National Small Savings Fund (NSSF) without any receipts during the year.

During 2021-22, the receipts of the State under public debt and other liabilities decreased by 21.31 per cent against 5.11 per cent increase in 2020-21. Repayment of public debt and other liabilities including interest increased by 17.13 per cent over the previous year (decrease of eight per cent) resulting in less availability of borrowed funds to the State. Major share of borrowed funds was utilised for discharging existing liabilities during 2021-22. Component wise debt trends during 2021-22 has shown in **Chart 2.13**, whereas, **Chart 2.14** shows further breakup of components of public debt and public accounts in overall debt of the State.

Chart 2.13: Break up of Total Debt at the end of 2021-22

Chart 2.14: Internal Debt taken vis-à-vis repaid


Details of financing pattern of fiscal deficit during the period 2017-22 are given in **Table 2.29**.

Table 2.29: Components of fiscal deficit and its financing pattern

		(₹ in crore)				
Particulars		2017-18	2018-19	2019-20	2020-21	2021-22
Composition of Fiscal Deficit						
1	Revenue Surplus/Revenue Deficit	1,804	5,521	1,960	-3,114	6,944
2	Net Capital Expenditure	-11,928	-10,712	-9,879	-8,466	9,377
3	Net Loans and Advances	-1,809	-1,438	-116	-3,331	171
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	4,807	4,023	5,656	8,900	3,746
2	Loans from GOI	71	106	252	2,390	3,012
3	Special Securities issued to NSSF	-746	-757	-769	-769	-770
4	Loans from Financial Institutions	1,054	1,371	222	281	-395
5	Small Savings, PF, etc.	66	69	6	-23	-193
6	Deposits and Advances	4,722	1,496	1,238	3,215	-722
7	Suspense and Miscellaneous	-224	127	97	53	-27
8	Remittances	93	60	-17	44	-14
9	Reserve Fund	292	379	4,018	772	-380
10	Investment in earmarked fund	0.00	0.00	0.00	304	200
11	Overall Deficit	10,135	6,874	10,703	15,167	4,457
12	Increase/Decrease in cash balance	1,798	-245	-2,668	-256	-1,853
13	Gross Fiscal Deficit	11,933	6,629	8,035	14,911	2,604

It can be seen from **Table 2.29** that revenue expenditure and a major part of capital expenditure was met from the revenue receipts of the State. Therefore, the Fiscal Deficit (₹ 2,604 crore) occurred due to utilisation of borrowed funds on capital outlay and loans and advances.

During 2021-22, the fiscal deficit of ₹ 2,604 crore was mainly financed by Market Borrowings (₹ 3,746 crore).

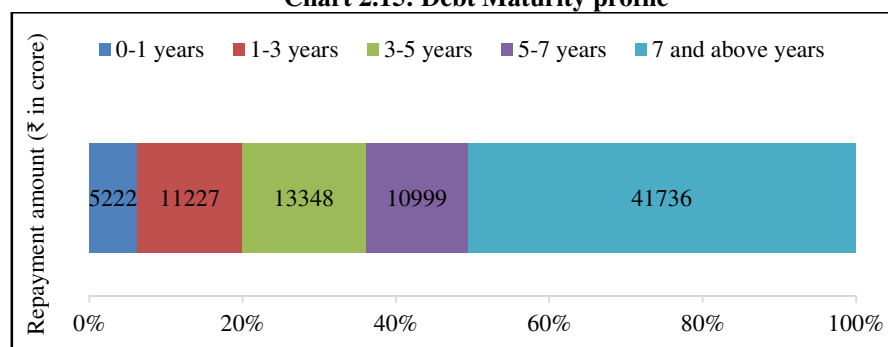
2.6 Debt Maturity Profile and Repayment

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	5,222.16	6
1 – 3	11,226.63	14
3 – 5	13,347.58	16
5 – 7	10,999.34	13
7 and above	41,735.82	51
Total	82,531.53	100

Chart 2.15: Debt Maturity profile



As evident from **Table 2.30** depicting maturity profile of public debt, the redemption pressure will remain nearly between ₹ 5,000 crore and ₹ 6,000 crore in the coming years due to maturity of Jharkhand Government public debts. However, it will change in case of maturity of fresh borrowings of the State.

Further, analysis of debt repayment and interest payment in next 10 years of the State, on the basis of statement provided by the Finance Department, Government of Jharkhand, revealed a mixed trend, as shown in **Table 2.31**

Table 2.31: Debt repayment profile of the State in the next ten years
(₹ in crore)

Year	Repayment	Interest	Total
2021-22	4,245.34	5,805.62	10,050.96
2022-23	5,222.17	5,818.61	11,040.78
2023-24	4,613.33	5,638.97	10,252.30
2024-25	6,613.30	5,523.83	12,137.13
2025-26	6,890.56	5,254.51	12,145.07
2026-27	6,457.01	4,984.55	11,441.56
2027-28	4,270.66	4,772.13	9,042.79
2028-29	6,728.68	4,755.92	11,484.60
2029-30	3,651.94	4,539.98	8,191.92
2030-31	5,671.83	4,593.38	10,265.21

Source: Finance Department, Government of Jharkhand

As evident from the Table, the maturity profile of public debt redemption pressure of the State, as per current debt liability, will remain nearly uniform during 2022-23 to 2030-31. As per the current liability, the total repayment of principle and interest will range between ₹ 8,191.92 crore and ₹ 12,145.07 crore during the next 10 years. The payment of principle and interest will be sustainable in the light of the current financial condition of the State, which may change in case of maturity of fresh borrowings of the State in the coming years.

2.6.1 Fiscal Deficit and Debt Sustainability

In the 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 Finance Commission (FC) recommended 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 2.32**.

Table 2.32: 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 MTFP prepared under FRBM Act	Actual	Target as per MTFP prepared under FRBM Act	Actual	FFC targets	Actual
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
2021-22	4.00*	0.81	33.00	30.57 [#]	-	9.02

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

[#] This debt does not include ₹ 1,690 crore (2020-21) and ₹ 2,484.41 crore (2021-22), which was passed on as back to back loans by Government of India in lieu of shortfall in GST Compensation.

*The Fiscal Deficit target for the year 2020-21 and 2021-22 had increased by 2 per cent and 1 per cent respectively in view of the para 2(1) of the FRBM (Amendment) Act, 2020.

It can be seen from **Table 2.32** that the State Government was able to maintain the fiscal deficit well within the targets during 2021-22. Debt to GSDP ratio was higher than its targets during the period 2017-18 to 2020-21. Ratio of interest payment to revenue receipts (burden of interest payment) was not provided by the Fifteenth Finance Commission. However, it was directed by the FFC that the ratio of interest payments to revenue receipts should be kept at nine *per cent*, compared to the previous year, during the period 2020-26, which was achieved by the State except in 2020-21 when it was 10.31 *per cent*. During 2021-22, ratio of interest payments to revenue receipts was 9.02 *per cent*.

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. Utilisation of borrowed funds are shown in **Table 2.33**.

Table 2.33: Utilisation of borrowed funds

(₹ in crore)

Sl. No.	Year	2017-18	2018-19	2019-20	2020-21	2021-22
1	Total Borrowings	8,136.85	7,803.43	9,593.12	13,546.58	9,839.87
2	Repayment of earlier borrowings (Principal)	2,949.50	3,060.10	4,231.40	2,744.82	4,247.08
3	Net capital expenditure	11,927.62	10,711.71	9,878.71	8,465.66	9,376.90
4	Net loans and advances	1,809.00	1,438.43	116.24	3,330.99	17.25
5	Portion of Revenue expenditure met out of net available borrowings (1-2-3-4)	-8,549.27	-7,406.81	-4,633.23	-994.89	-3,801.36

Source: Finance Accounts

The State had to repay of ₹ 4,247.08 crore for earlier borrowings during 2021-22 which was met from revenue surplus occurred during the year, leading to more availability of borrowed funds for 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 funds, 95.29 per cent was utilised for capital expenditure (₹ 9,377 crore) and the balance on payment of loans and advances.

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 the guarantee redemption fund nor made any policy in this regard. However, the government had 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 2.34: Guarantees given by the State Government

(₹ in crore)

Guarantees	2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding amount of guarantees including interest	157.15	607.15	607.15	607.15	607.15

Source: Finance Accounts

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 (₹ 1,152 crore *w.e.f.* 17 April 2020 which subsequently decreased to ₹ 1,067 crore *w.e.f.* 31 March 2022).

The State availed ordinary Ways and Means Advances for six days and special Ways and Means Advances for 10 days during 2021-22, for which the Government had to pay interest of ₹ 0.46 crore. No overdraft was taken by the State Government in the year 2021-22.

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

Table 2.35 shows comparative details of general cash balance and its investment during 2020-21 and 2021-22 and **Table 2.36** shows position of Cash Balance Investment Account (Major Head-8673) during the period 2017-18 to 2021-22.

Table 2.35: Cash Balances and their investment

(₹ in crore)

	Opening balance on 1 April 2021	Closing balance on 31 March 2022
A. General Cash Balance		
Cash in treasuries	0	0
Deposits with Reserve Bank of India	160.55	149.37
Deposits with other Banks	0	0
Remittances in transit – Local	0	0
Sub-total	160.55	149.37
Investments held in Cash Balance Investment Account	2,811.20	4,480.63
Total (A)	2,971.75	4,630.00
B. Other Cash Balances and Investments		
Cash with departmental officers <i>viz.</i> , Public Works, Forest Officers	44.54	38.67
Permanent advances for contingent expenditure with department officers	0.16	0.16
Investment in earmarked funds	703.87	903.87
Total (B)	748.57	942.70
Total (A + B)	3,720.32	5,572.70
Interest realised	58.59	58.63

Source: Finance Accounts

The balance in the Cash Balance Investment Account as on 31 March 2022 was ₹ 4,480.63 crore and the interest realised on investment during 2021-22 was ₹ 58.63 crore.

During 2021-22, the cash balance investment of the State increased in comparison to the previous year.

The State Government had invested ₹ 400 crore from earmarked fund of SDRF in 2012-13. The balance of ₹ 1,761.68 crore has not been invested as required in SDRF guidelines. Out of ₹ 503.87 crore transferred to Sinking Fund as on 31 March 2022, ₹ 200 crore were invested in 2020-21 in Scheduled Commercial Banks.

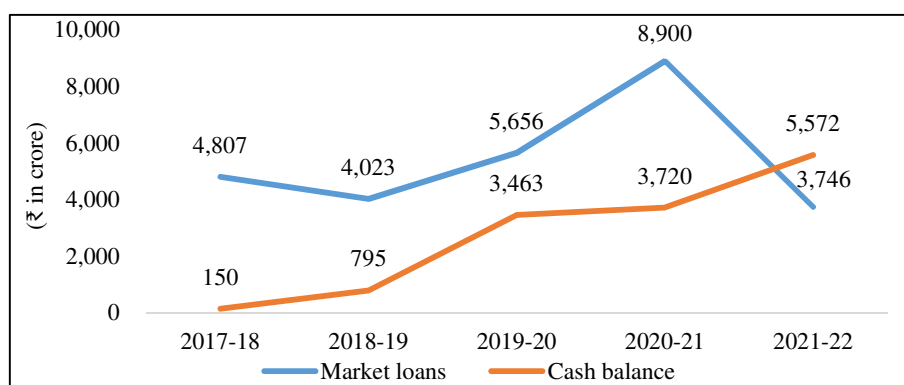
Table 2.36: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
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
2021-22	2,811.20	4,480.63	1,669.43	60.21

There was a difference of ₹ 162.42 crore (net debit) between the figures reflected in the accounts {₹ 149.37 crore (debit)} and that intimated by the RBI {₹ 13.05 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 2.16 shows the comparative trend of market loans (net) and cash balances during the last five years.

Chart 2.16: 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 2021-22, the State Government raised ₹ 3,745.95 crore from the market, while at the same time, the cash balance increased from ₹ 3,720 crore to ₹ 5,572.70 crore at the end of the year.

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 revenue surplus during the last five years, except in 2020-21. During 2018-19, 2020-21 and 2021-22, Fiscal Deficit of the State was within the targets whereas, the targets were not achieved in 2017-18 and 2019-20.

During 2021-22, revenue expenditure of the State constituted 85.28 per cent of the total expenditure of which 44.41 per cent was utilised on Salaries & Wages, Interest Payments and Pension. Salaries & Wages, Interest Payments and Pension consumed 39.99 per cent of the revenue receipts in 2021-22. During 2021-22, capital expenditure was ₹ 9,377 crore against ₹ 8,466 crore in 2020-21. Increase in capital expenditure was due to increase in

expenditure on social services by seven *per cent* and economic services by 14 *per cent* over the previous year.

In the total expenditure of the State, share of expenditure on social services and economic services remained almost same during 2020-21 and 2021-22. Expenditure on economic services decreased consistently from 40 *per cent* in 2017-18 to 34 *per cent* in 2021-22 which was indicative of less priority given by the State to this sector.

Out of total borrowings of ₹ 9,839.87 crore, 95.29 *per cent* was utilised on capital expenditure (₹ 9,378 crore) and the balance on payment of loans and advances. Repayments amounting to ₹ 4,247.08 crore during 2021-22 against earlier borrowings was met from revenue receipts during the year.

As per Finance Accounts of the State ending 31 March 2022, the Government had invested ₹ 2,250.22 crore (in government companies, rural bank and co-operative institutions) since inception of the State in November 2000. Despite no return on its investments, the State Government made investment of ₹ 1,138.57 crore in four¹⁰ State PSUs and two Co-operative (Tribal Co-operative Development) in the form of equity during 2021-22.

Apart from investments, a huge amount (₹ 24,348 crore) given by the government to its entities, in the form of loans, were outstanding at the end of March 2022.

Overall fiscal liabilities (Total Debt) increased from ₹ 1,07,496 crore in 2020-21 to ₹ 1,10,998 crore in 2021-22. The fiscal liabilities to GSDP ratio was 30.57¹¹ *per cent* against the MTFP target of 33 *per cent*. Apportionment of fiscal liabilities of the composite Bihar State between the 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 ₹ 870.85 crore at applicable rates of interest for the period 2011-12 to 2021-22. Non-payment of interest had an impact on Revenue deficit and Fiscal Deficit of the State. Further, Government transferred ₹ 200 crore to Sinking Fund during the year.

2.9 Recommendations

- *The State Government should rationalise its investments in various entities, so 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.*
- *The State has to put in concerted efforts to maintain its fiscal performance in respect of the targets laid down in the FRBM Act and MTFP statements.*

¹⁰ Jharkhand Exploration and Mining Corporation Ltd.: ₹ 1,000 crore; Jharkhand Industrial Infrastructure Development Corporation: ₹ 2 crore; Jharkhand Central Railway Project: ₹ 20 crore; and Jharkhand Bijli Vitran Nigam Ltd.: ₹ 87.52 crore

¹¹ Does not include ₹ 2,484.41 crore passed on as back to back loans, by Government of India in 2021-22, in lieu of shortfall in GST Compensation

Chapter-3

BUDGETARY MANAGEMENT

CHAPTER 3

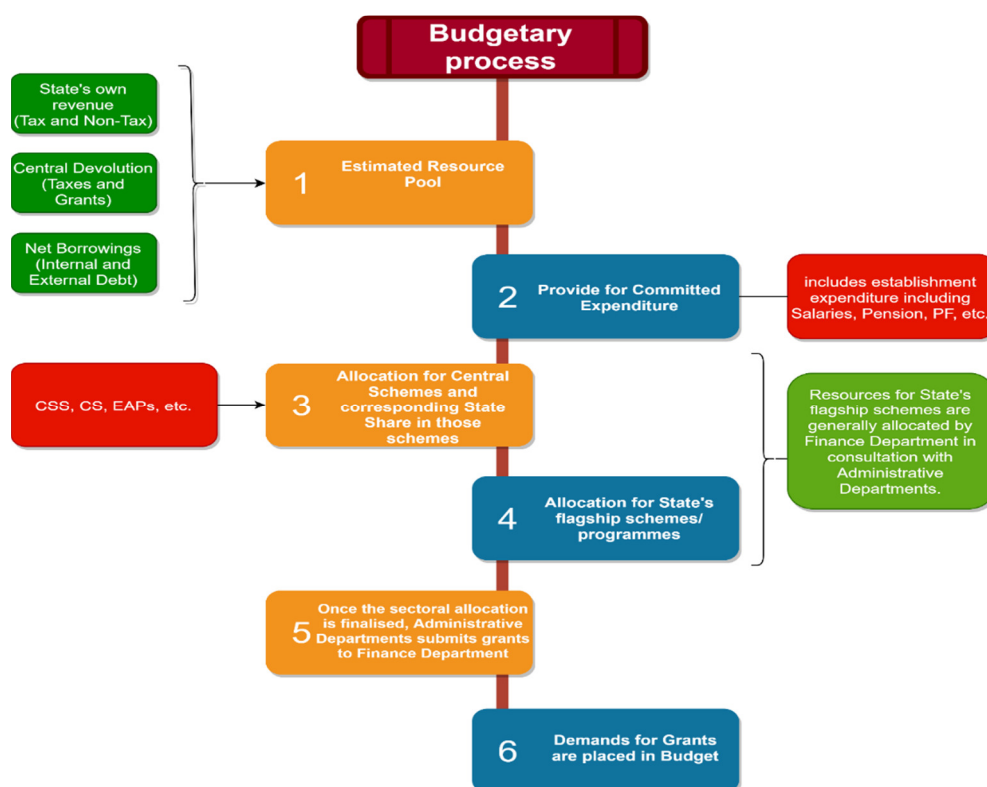
BUDGETARY MANAGEMENT

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

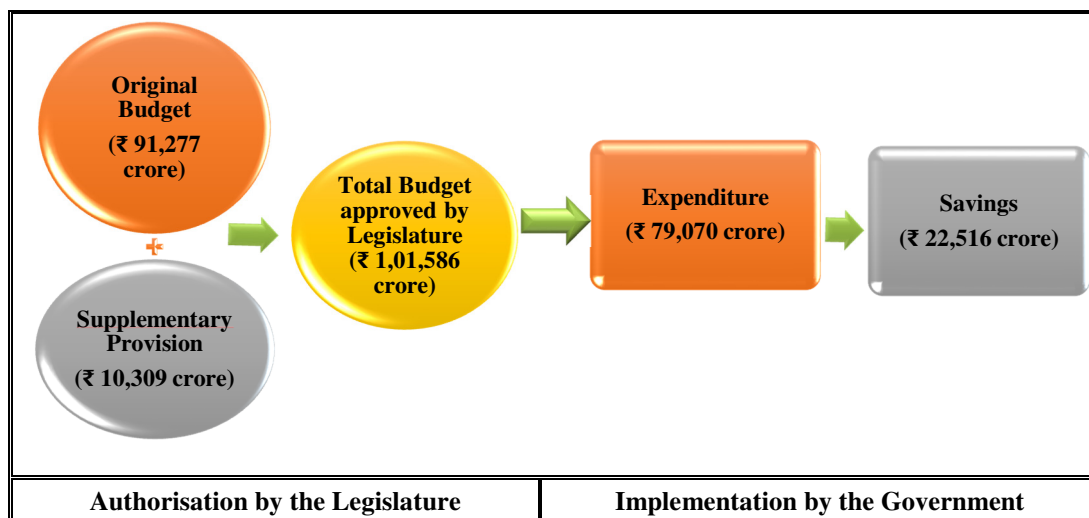
The annual exercise of budgeting is a means for detailing the roadmap for efficient use of public resources. The Budget process commences with the issuance (normally in August-September each year) of the Budget Circular by the Finance Department, containing instructions to be followed by all departments,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



Legislative authorisation is the *sine qua non* for incurrence of all expenditure by the State Government. To guide individual Government departments, the State Government has framed financial rules and provided for delegation of financial powers which establish limits for incurrence of expenditure and the levels authorised to sanction such expenditure together with restrictions on appropriation and re-appropriations.

Apart from supplementary grants, re-appropriations are also used to re-allocate funds within a Grant. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the Grant or Charged Appropriation. The various components of the budget are depicted in **Chart 3.1**.

Chart 3.1: Components of the Budget



Source: Appropriation Accounts

Audit of appropriations is 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 is ascertained whether the expenditure so incurred is in conformity with the law, relevant rules and regulations and instructions.

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

A summarised position of total budget provision, disbursement and savings/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		Net Savings (+)/ excess (-)	
	Voted	Charged	Voted	Charged	Voted	Charged
(I) Revenue	76,384.41	6,823.49	57,356.33	6,627.09	19,028.08	196.39
(II) Capital	11,573.67	0	9,376.90	0	2,196.77	0
(III) Loans and Advances and Inter State Settlement	2,444.49	4,360.13	1,462.98	4,247.08	981.51	113.05
Total	90,402.57	11,183.62	68,196.21	10,874.17	22,206.36	309.44

During 2021-22, the total savings of ₹ 22,515.81 crore (22.16 per cent of the total budget) was the result of savings of ₹ 19,513.33 crore in 53 voted grants

and five appropriations under the Revenue Section and ₹ 3,291.33 crore in 35 grants and one appropriation under the Capital Section. There was an excess expenditure of ₹ 288.85 crore in one appropriation and one grant (13-Interest Payment and 15-Pension) under Revenue Section.

Further, it was observed that out of total savings of ₹ 22,515.81 crore during 2021-22 savings of ₹ 15,903.22 crore occurred under 10¹ grants, the reasons for which have not been appropriately explained in the Appropriation Accounts. Further, these grants had persistent total savings ranging from ₹ 8,138.75 crore to ₹ 14,685.90 crore, during the previous four years.

It was also noticed that, nearly all the savings were surrendered in the month of March 2022, leaving the Finance Department virtually no time to reallocate the funds to other needy departments, defeating the objective of achieving efficiency in budget management.

A detailed review of the Appropriation Accounts of the Government of Jharkhand for the year 2021-22 revealed that, except in a few cases, reasons for savings/excess against the budget provisions of the schemes/sub-heads had not been 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 (2017-22), is given in **Table 3.2**.

Table 3.2: Charged and voted disbursement during 2017-18 to 2021-22

(₹ in crore)

Year	Disbursements		Saving (+)/ Excess (-)	
	Voted	Charged	Voted	Charged
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
2021-22	68,196.22	10,874.17	22,206.36	309.44

Table 3.2 shows that the budget provisions under the voted section, were not fully utilised by the departments and huge savings occurred every year during the financial years 2017-18 to 2021-22. It was also seen that, except in 2020-21, a large share of the provisions under the charged section had not been utilised in the last five years (2017-18 to 2021-22) and were 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

¹ 1-Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division) (₹ 791.00 crore), 10-Energy Department (₹ 1,662.23 crore), 18- Food, Public Distribution & Consumer Affairs Department (₹ 834.03 crore), 20-Health, Medical Education and Family Welfare Department (₹ 1,644.42 crore), 36-Drinking Water and Sanitation Department (₹ 2,151.61 crore), 42-Rural Development Department (Rural Development Division) (₹ 2,456.54 crore), 55-Rural Development Department (Rural Works Division) (₹ 1,569.22 crore), 56- Rural Development Department (Panchayati Raj Division) (₹ 1,863.38 crore), 59- School Education and Literacy Department (Primary & Adult Education Division) (₹ 1,668.57 crore) and 60- Women, Child Development and Social Security Department (₹ 1,262.22 crore)

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 the 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, expenditure was incurred without budget provision in seven cases. The total expenditure incurred without provision was ₹ 1,254.20 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
1-Agriculture, Animal Husbandry & Co-operative Department (Agriculture Division)	0.14	2
14-Repayment of Loans	1,254.06	5
Total	1,254.20	7

As can be seen from **Table 3.3**, huge expenditure, without budget provision, was incurred on Repayment of Loans during 2021-22. Expenditure on Repayments of Loans is a committed expenditure and the State is expected to be well aware of such liabilities at the time of preparation of the estimates. However, sufficient budgetary provisions were not made by the State to cover the expenditure. Further, in Water Resources Department, under the Major Head 4701- Capital outlay on medium irrigation, a huge amount was shown under ‘Suspense- Miscellaneous Work advances’ under Minor Head 799 as

expenditure of ₹ 102.54 crore which was pending for final settlement in the final head of accounts.

3.2.2 Balance under Minor Head-800 of Major Head-8443

During verification of Statement No. 21 of the Finance Accounts, it was observed that every year, a significant amount remained as balance under Minor Head-800 of Major Head-8443. However, in 2021-22, deposit under this head decreased significantly to ₹ 0.85 crore and the disbursement from this head increased to ₹ 121.72 crore, leading to a balance of ₹ 265.36 crore at the end of the year. The amount credited under this head mainly pertains to allocation 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 fully transferred to the 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 the estimates 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 the total supplementary budget provision of ₹ 14,627 crore, supplementary provisions aggregating ₹ 8,369.35 crore (57.22 *per cent*) in 49 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 provision.

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 16 sub-heads, during 2021-22 (**Appendix 3.2**), which proved excessive. Under these schemes/sub-heads, in spite of savings, ₹ 419.75 crore was provided through re-appropriation which resulted in savings of ₹ 472.47 crore.

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

Budgetary allocations, based on unrealistic proposals and poor monitoring mechanism, results in huge savings of the budget provisions.

3.2.5.1 Savings above ₹ 100 crore or more

Out of total savings of ₹ 22,516 crore, savings of ₹ 21,122 crore (93.81 per cent) occurred in 24 grants², each amounting to more than ₹ 100 crore (**Appendix 3.3**). No reasons for such large savings were given by the departmental authorities.

Further, during 2021-22, savings in 14 grants under revenue section was ₹ 500 crore or more and reasons for such savings were not furnished by the departments. Huge savings without justification was indicative of unrealistic budget proposals, poor expenditure monitoring mechanism, weak scheme implementation capacity/ weak internal control in the departments. Details are given in **Appendix 3.4**.

Savings of more than 35 per cent in seven grants during the last five years are given in **Table 3.4**.

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

Sl. No.	Grant	(in per cent)					No. of years*	Budget 2021-22 (₹ in crore)
		2017-18	2018-19	2019-20	2020-21	2021-22		
Revenue								
1	1-Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	46	53	39	65	23	4	3,306.55
2	26-Labour, Employment and Training Department	45	32	50	57	48	4	387.27
3	36- Drinking Water and Sanitation Department	9	25	65	65	73	3	2,625.68
4	42- Rural Development Department (Rural Development Division)	40	33	36	30	32	2	7,606.54
5	51- SC, ST, Backward Class welfare Department	42	35	30	46	35	4	1,663.03
6	54-Agriculture, Animal Husbandry and Co-operative Department (Dairy Division)	43	55	76	47	46	5	181.40
Capital								
1	26-Labour, Employment, Training and Skill Development Department	56	87	87	58	30	4	74.31
2	60- Women, Child Dev. and Social Security Department	100	100	98	89	83	5	70.95

* 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. As can be seen from the table above, savings under Grant No. 60 was between 83 per cent and 100 per cent during the last five years as funds provided for construction works for rehabilitation centres, working women hostels, anganwadi kendras etc., were surrendered without giving any reason.

² Of these, 23 grants relate to revenue (₹ 18,649 crore), 7 relate to capital (₹ 2,502 crore) and 6 relate to both.

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 ₹ 22,516 crore, savings of ₹ 10 crore or more amounting to ₹ 22,277 crore (99 per cent) was surrendered at the end of March 2022, leaving no scope for the Government to utilise the funds on other development schemes as detailed 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

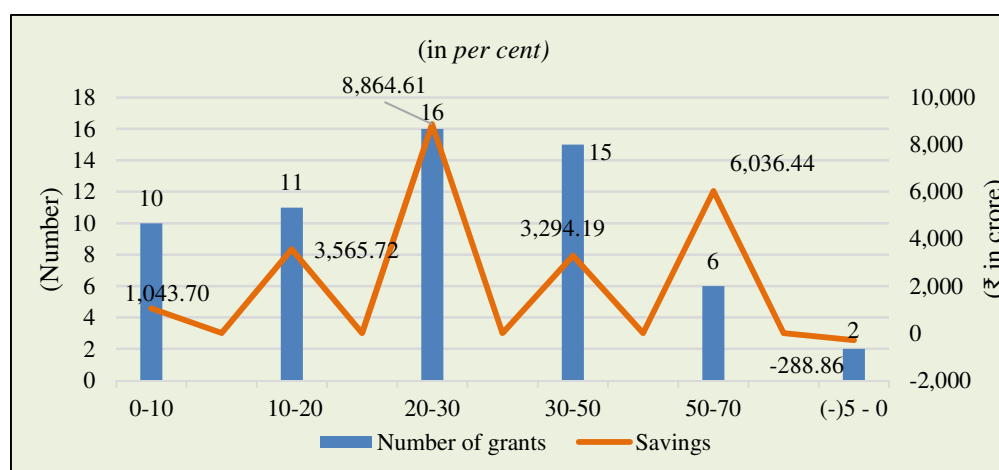
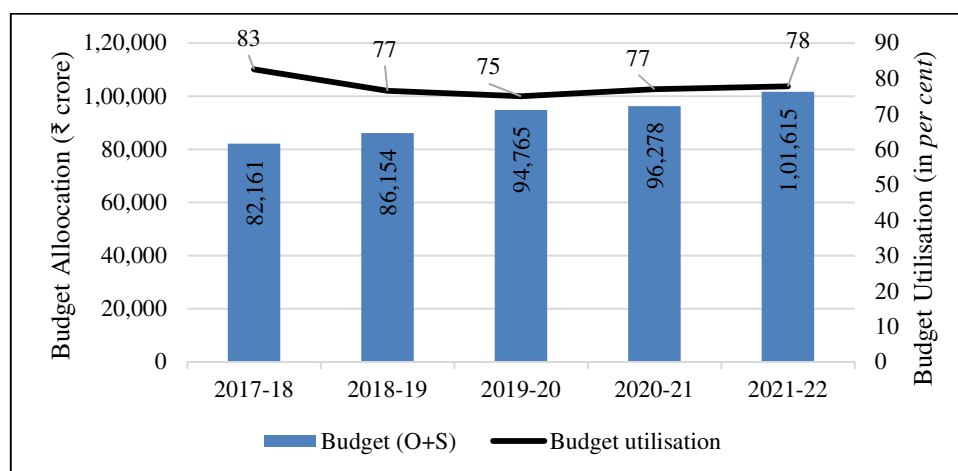


Chart 3.3: Budget Utilisation during 2017-18 to 2021-22



As evident from **Chart 3.2**, 27 grants had savings between 10 and 30 per cent whereas, 15 grants had savings between 30 and 50 per cent. Six grants had savings of more than 50 per cent. Further, **Chart 3.3** shows the budget allocations and its utilisation percentage during the 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.

Non-regularisation of excess disbursement over grant/appropriation for extended periods violates Article 205 of the Constitution which provides for regularisation of the excess grants by the State Legislature. Failure to regularise excess disbursement over grant is in contravention of constitutional provisions and defeats the objective of ensuring accountability of the executive to the Legislature.

3.2.7.1 Excess expenditure relating to 2021-22

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring legislative sanction but is 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 ₹ 98.89 crore was incurred in one appropriation (13- Interest Payment) and ₹ 189.97 crore in one grant (15-Pension) during 2021-22.

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 ₹ 3,473.63 crore relating to 11 grants pertaining to the years 2001-02 to 2020-21 is yet to be regularised by the State Legislature as detailed in **Appendix 3.6**.

Three Grants/Appropriations (13-Interest payments, 14-Repayment of Loans and 15-Pension) accounted for ₹ 790.38 crore (22.75 per cent), ₹ 967.57 crore (27.85 per cent) and ₹ 1,541.58 crore (44.38 per cent) of the total excess expenditure during 2000-01 to 2020-21 which is yet to be regularised. Excess expenditure of previous years has not been regularised even after being reported repeatedly in the 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 creation of assets.

During 2021-22, ₹ 5,358.62 crore was given as grants to the bodies and authorities of the State for creation of capital assets. However, no such grant was booked as capital expenditure in the 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 based on realistic proposals, a good expenditure monitoring mechanism and strong scheme implementation capacities/internal controls, lead to optimal utilisation of funds on various developmental needs.

Table 3.5: Summarised position of expenditure vis-à-vis budget (Original/Supplementary) provisions during 2021-22

(₹ in crore)

	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Expenditure	Net Savings	Surrender during March	
Voted	Revenue	68,949.44	7,434.97	76,384.41	57,356.33	19,028.08	All surrenders were made in the month of March	
	Capital	9,661.27	1,912.40	11,573.67	9,376.90	2,196.77		
	Loans & Advances	1,571.59	872.90	2,444.49	1,462.98	981.51		
	Total	80,182.30	10,220.27	90,402.57	68,196.21	22,206.36		
Charged	Revenue	6,805.57	17.92	6,823.49	6,627.09	196.40		
	Capital	0.00	0.00	0.00	0.00	0.00		
	Public Debt- Repayment	4,289.13	71.00	4,360.13	4,247.08	113.05		
	Total	11,094.70	88.92	11,183.62	10,874.17	309.45		
Grand Total		91,277.00	10,309.19	1,01,586.19	79,070.38	22,515.81		

Source: Appropriation Accounts

Table 3.5 shows that out of the total provision of ₹ 1,01,586.19 crore, an amount of ₹ 79,070.38 crore was spent by the State departments and ₹ 22,515.81 crore (22.16 per cent) remained unutilised during 2021-22. The unutilised amount was surrendered in the month of March.

Table 3.6: Original Budget, Revised Estimate and Actual Expenditure during 2017-22

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
Original Budget	75,673.42	80,200.00	85,429.00	86,370.00	91,277.00
Supplementary Budget	6,487.86	5,953.81	9,335.64	9,908.07	10,309.19
Revised Estimate	82,161.28	86,153.82	94,764.64	96,278.07	1,01,586.19
Actual Expenditure	67,815.12	65,930.08	71,093.25	74,458.59	79,070.38
Savings	14,346.16	20,223.74	23,671.39	21,819.49	22,515.81
Percentage of savings	17.46	23.47	24.98	22.66	22.16

As evident from **Table 3.6**, a large part of the budget provisions was not utilised during 2017-18 to 2021-22 and surrendered by the departmental officers. No appropriate reasons were also recorded for these savings. These savings were much more than the supplementary provisions of the State which was indicative of budgetary allocations having been made based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal control *etc.*

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 they are unable to spend even the original budget provision which leads to large savings. At the same time, some of the schemes remain incomplete due to want of funds. Further, delay in completion leads to escalation of project cost. Cases of unnecessary/excessive supplementary provisions despite savings 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
1	1- Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	2,970.84	335.71	3,306.55	2,530.48	776.07
2	18- Food, Public Distribution and Consumer Affairs Department	2,034.43	170.55	2,204.98	1,406.67	798.31
3	39- Home, Jail and Disaster Management Department (Disaster Management Division)	1,264.56	446.78	1,711.34	966.61	744.73
4	42- Rural Development Department (Rural Development Division)	7,148.89	457.65	7,606.54	5,165.31	2,441.22
5	48-Urban Development and Housing Department (Urban Development Division)	2,796.12	158.24	2,954.36	2,440.19	514.17
6	51- ST, SC, Minority and Backward Class Welfare Department (ST, SC, Minority and Backward Class Welfare Division)	1,536.87	126.16	1,663.03	1,080.74	582.28
7	55-Rural Development Department (Rural Works Division)	1,974.17	20.88	1,995.05	467.27	1,527.78
8	56- Rural Development Department (Panchayati Raj Division)	2,617.21	46.26	2,663.47	803.64	1,859.83
9	58-School Education and Literacy Department (Secondary Education Division)	3,000.92	25.00	3,025.92	2,470.32	555.60
10	59- School Education and Literacy Department (Primary and Adult Education Division)	8,447.83	32.80	8,480.63	6,812.06	1,668.57
11	60- Women, Child Development and Social Security Department	5,253.87	410.90	5,664.77	4,461.58	1,203.19
12	10-Energy Department	1,762.00	880.95	2,642.95	1,500.09	1,142.86
	Total	40,807.71	3,111.88	43,919.59	30,104.96	13,814.61

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 funds allocated for several schemes. Persistent large savings in the last three years resulted in non-completion of the schemes and the envisaged benefits could not be achieved. Some of these 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	2019-20		2020-21		2021-22	
		Budget	Savings	Budget	Savings	Budget	Savings
36-Drinking Water and Sanitation Department							
1	4215-01-102-02-Rural Piped Water Supply Scheme	322.55	141.02	207.57	66.52	205.02	57.27
42- Rural Development Department (Rural Development Division)							
2	2501-06-101-05-Swarna Jayanti Gram Swarojgar Yojana for General (CASC)	205.21	86.26	300.00	107.71	300.00	100.77

Sl. No.	Name of Scheme/Head	2019-20		2020-21		2021-22	
		Budget	Savings	Budget	Savings	Budget	Savings
3	2501-06-796-05-Swarna Jayanti Gram Swarojgar Yojana for General (CASC)	150.77	100.81	126.00	25.20	126.00	31.91
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	27.00	4.86	27.00	5.05	25.00	18.00
5	2225-01-789-61-Primary School Scholarships	12.27	7.97	8.00	5.22	6.00	2.79

From the above table, it can be seen that there were huge savings in the schemes under social and economic services like Rural Piped Water Supply Scheme and Swarna Jayanti Gram Swarojgar Yojana during the last three years, which not only raises the issue of effectiveness of budgetary procedure of the State but also deprived the beneficiaries of benefits under the schemes.

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 the 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 301 cases, 100 *per cent* of the provision (₹ one crore and above in each case) amounting to ₹ 4,718.87 crore was surrendered, resulting in non-implementation of schemes/programmes as detailed in **Appendix 3.7**.

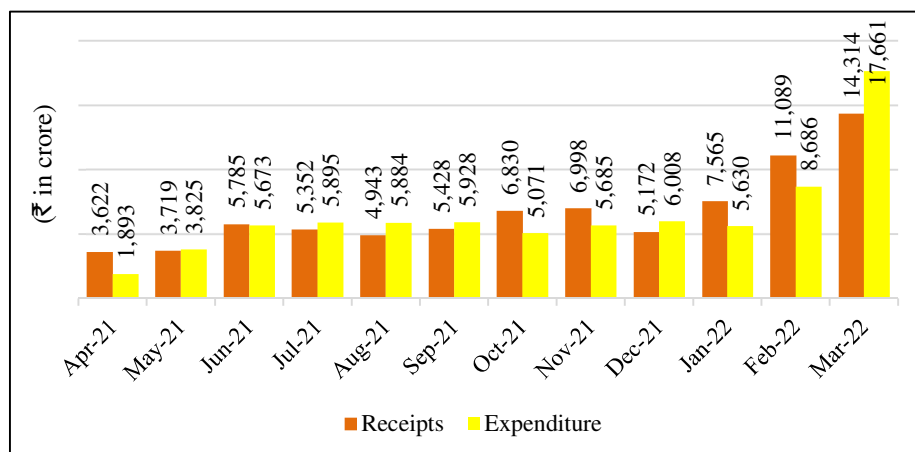
3.4 Rush of expenditure

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. 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.

It was observed that ₹ 171.31 crore was drawn on AC bills in March 2022 of which ₹ 11.55 crore was drawn on the last day of the financial year mainly by the Health & Family Welfare Department and the Social Welfare Department.

During the year 2021-22, ₹ 17,661 crore comprising 22.34 *per cent* of total expenditure (₹ 79,070 crore) was spent in March 2022. 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. Month-wise receipts and expenditure during FY 2021-22 have been shown in **Chart 3.4**.

Chart 3.4: Monthly receipts and expenditure of the State during 2021-22



Further, it was observed, that under 29 major heads, expenditure of 40 per cent and above, amounting to ₹ 6,056.57 crore (45.99 per cent), was incurred in the last quarter of the year against the total expenditure of ₹ 13,170 crore under these heads as detailed in **Appendix 3.8**. Of this, an expenditure of ₹ 4,645.47 crore (35.27 per cent of the total expenditure under these heads) was incurred in the month of March 2022.

3.5 Audit of Budgetary provision of Grant No. 55 – Rural Development Department (Rural Works Affairs)

3.5.1 Introduction

Seventy five per cent of the population of Jharkhand lives in villages. The first priority of the Rural Development Department (Rural Works Affairs) is to provide all weather connectivity to these villages. The main objective of the Department is to upgrade, strengthen and maintain the village roads and bridges.

The total budget provision of the Department was ₹ 2,678.92 crore during 2021-22. Details of budget and its utilisation are given in **Table 3.9**.

Table 3.9: Details of budget provision, expenditure and savings during 2021-22

(₹ in crore)

Details	Capital Voted	Revenue Voted	Total
Original Grant	679.70	1,974.17	2,653.87
Supplementary Grant	4.16	20.89	25.05
Total Grant	683.86	1,995.06	2,678.92
Expenditure	642.43	467.27	1,109.70
Saving	41.43	1,527.79	1,569.22
Surrender	41.43	1,527.79	1,569.22

Source: Appropriation Accounts 2021-22.

3.5.2 Scope of Audit

Departmental Secretariat of the Rural Development Department (RDD) and 25 units³ in eight⁴ districts were selected for audit of the budgetary process.

Audit findings

3.5.3 Persistent Savings

During examination of the Department's budget and expenditure trends during the last four year (2018-19 to 2021-22), it was noticed that the department had persistent savings and the percentage of savings in comparison to the budget estimates remained very high as detailed in **Table 3.10**.

Table 3.10: Trend of savings during last four years in RDD (RWA)

(₹ in crore)

Years	Heads	Original	Supplementary	Total	Expenditure	Saving	Percentage of savings
2018-19	Revenue	1,234.97	1,219.08	2,454.05	2,382.27	71.78	07
	Capital	2,170.80	0.00	2,170.80	1,941.16	229.64	
	Total	3,405.77	1,219.08	4,624.85	4,323.43	301.42	
2019-20	Revenue	1,945.38	155.70	2,101.08	950.56	1,150.52	41
	Capital	2,195.80	0.00	2,195.80	1,574.72	621.08	
	Total	4,141.18	155.70	4,296.88	2,525.28	1,771.60	
2020-21	Revenue	1,839.57	0.00	1,839.57	845.62	993.95	39
	Capital	776.70	105.00	881.70	817.87	63.83	
	Total	2,616.27	105.00	2,721.27	1,663.49	1,057.78	
2021-22	Revenue	1,974.17	20.89	1,995.06	467.27	1,527.79	59
	Capital	679.70	4.16	683.86	642.43	41.43	
	Total	2,653.87	25.05	2,678.92	1,109.70	1,569.22	

Source: Appropriation Accounts 2018-22.

As shown in **Table 3.10**, the department had huge persistent savings during 2019-20 to 2021-22. During the period, savings ranged between 39 *per cent* and 59 *per cent* which was not only indicative of preparation of budget by the department without obtaining the actual requirements from the district units but also shows the inability of the department to utilise the fund. Non-utilisation of huge funds also resulted in non-completion of State schemes included in the budget for the year.

3.5.4 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 the budget for the State. Finance Department, GoJ revised (November 2020) the prescribed dates of submission of Estimate of Establishment Expenditure and General Budget after approval of the Minister concerned to 21st December 2020 and 06th January 2021 respectively against the stipulated date of 1st October in the Budget Manual.

It was noticed that the Department had submitted the Budget Estimates (BEs) for Establishment Expenditure and General Budget to the Finance Department on 30th December 2020 and 24th February 2021 with a delay of

³ Under Secretary, RDD, Ranchi and three offices of Executive Engineer, Special Division, REO & NREP in eight selected districts.

⁴ (i) Chatra (ii) Dhanbad (iii) Dumka (iv) Giridih (v) Godda (vi) Hazaribag (vii) Ranchi (viii) Saraikela Kharsawan

nine days and 49 days respectively against the target date prescribed by the Finance Department. Further, as per instructions⁵ (04.12.2020) of the Department, the prescribed date for submission of Budget Estimates of Establishment Expenditure by the field offices was 7 December 2020.

In the test-checked divisions/DDOs, it was noticed that the Budget Estimates for Establishment Expenditure were submitted by the DDOs to the Rural Development Department with delays ranging from seven to 154 days. BEs for establishment expenditure were not submitted at all by six DDOs. Details are given in **Table 3.11**.

Table 3.11: Delay/non-submission of budget estimates by field offices

Sl. No.	Name of Districts	Name of Offices/Divisions	Due date of submission	Actual date of submission	Delay (in days)
1	Ranchi	O/o the Under Secretary, RDD (Works Division)	07.12.2020 (vide letter no. 05 (Budget-10)-343/2020 RWD 1868 dated 04.12.2020)	Not submitted	
		O/o the EE, RDSD		14.12.2020	07
		O/o the EE, RWD		18.12.2020	11
		O/o the NREP		Not submitted	
2	Hazaribag	O/o the EE, RDSD		24.12.2020	17
		O/o the EE, RWD		14.12.2020	07
		O/o the NREP		23.12.2020	16
3	Giridih	O/o the EE, RDSD		21.12.2020	14
		O/o the EE, RWD		19.12.2020	12
		O/o the NREP		Not submitted	
4	Dhanbad	O/o the EE, RDSD		17.12.2020	10
		O/o the EE, RWD		23.12.2020	16
		O/o the NREP		Not submitted	
5	Saraikela Kharsawan	O/o the EE, RDSD		02.01.2021	26
		O/o the EE, RWD		Not submitted	
		O/o the NREP		10.05.2021	154
6	Chatra	O/o the EE, RDSD	17.12.2020	10	
		O/o the EE, RWD	15.12.2020	08	
		O/o the NREP	Not submitted		
7	Dumka	O/o the EE, RDSD	17.12.2020	10	
		O/o the EE, RWD	17.12.2020	10	
		O/o the NREP	19.12.2020	12	
8	Godda	O/o the EE, RDSD	22.12.2020	15	
		O/o the EE, RWD	03.03.2021	86	
		O/o the NREP	26.04.2021	140	

3.5.5 Impact of Single Nodal Account

With a view to bringing about more effective cash management and bring more efficiency in public expenditure management, it was decided by the GoI (July 2021) that all the State Governments and ministries of GoI will designate a Single Nodal Account (SNA) for implementing each Centrally Sponsored Scheme (CSS). SNA was to be opened for each CSS at the State level in a Scheduled Commercial Bank authorised to conduct government business by the State Government.

During verification of records of Jharkhand State Rural Roads Development Authority (JSRRDA) under the Rural Development Department (Rural Works Division), it was noticed that SNA was opened in the State Bank of India, Hatia, Ranchi branch for PMGSY scheme/programme, and all balances

⁵ Letter no. 05 (Budget-10)-343/2020 प्र.का.वि. 1868

amounting to ₹ 1,514.29 crore was transferred into the account, during 2021-22. Accounts were maintained in OMMAS (Online Management, Monitoring and Accounting System), which is the chief mechanism to monitor PMGSY scheme. During the year 2021-22, ₹ 714.04 crore was spent, leaving a balance of ₹ 800.25 crore, at the end of the year. No refund of the unspent balance was made to GoI by the State on the ground that no such direction has been received from MoRD. However, an amount of ₹ 36.56 crore (60 per cent of total interest earned amounting to ₹ 60.93 crore) was refunded to MoRD as per directions received.

During 2021-22, funds (₹ 950 crore) were not released by the GoI to the State in view of the condition in the guidelines that further release will be made only after utilisation of at least 75 per cent of the funds released earlier. State share amounting to ₹ 535 crore provided in the budget was also not released by the State Government.

Further, verification of accounts of JSRRDA revealed that, during the year 2020-21, the closing balance was shown ₹ 1,514.29 crore in place of ₹ 1,596.25 crore for which no reason was provided. Details are given in **Table 3.12**.

Table 3.12: Age-wise detail of SNA of JSRRDA

(₹ in crore)

Year	OB	Fund received	Interest	Other Misc.	Total fund	Expenditure	Balance	Balance as per audit
2015-16	27.10	890.00	2.21	8.97	928.28	732.05	131.23	196.33
2016-17	131.23	2,083.57	0.00	0.65	2,084.22	948.69	1,135.53	1,331.86
2017-18	1,135.53	922.24	20.14	3.00	2,080.91	1,142.66	938.25	1,134.58
2018-19	938.25	2,231.57	45.49	7.18	3,222.49	1,144.21	2,078.28	2,274.61
2019-20	2,070.00	625.22	66.61	7.51	2,769.34	1,292.20	1,584.45	1,681.75
2020-21	1,584.45	876.37	-357.03	472.05	2,575.84	1,076.89	1,514.29	1,596.25

It was also noticed that ₹ 348.36 crore was also lying in the SNA of maintenance fund in a separate account in same branch of the bank at the end of the year 2021-22 for which no reason was given by the JSRRDA.

3.5.6 Avoidable Supplementary Provision

As per comments below Rule 57 of Bihar Budget Manual (as adopted by Jharkhand), the officer responsible for preparing estimates should be sure that no provision is made for a greater sum than that which can be spent.

During audit, it was noticed that during the year 2021-22, out of 40 schemes (24 under revenue & 16 under capital), additional funds were provided through supplementary provisions to four schemes (under revenue heads) in which original provisions of ₹ 381.02 crore had remained unutilised. Details are given in **Table 3.13**.

Table 3.13: Details of Avoidable Supplementary provisions

(₹ in crore)

Sl. No.	Head	Sub Head	Original	Expenditure	Supplementary
1	2515-00-001-27	27-Superintending Engineer (Rural Works Department, Regional Establishment)	78.29	60.23	0.19
2	2515-00-102-65	65-Grants to JSRRDA under PMGSY for repair of roads	140.00	140.00	10.00
3	2515-00-796-65	65-Grants to JSRRDA under PMGSY for repair of roads	160.00	160.00	10.00
4	3451-00-090-16	16-Rural Works Department	2.73	2.68	0.13
Total			381.02	362.91	20.32

Source: Appropriation Accounts for the year 2021-22

Out of the original provision of ₹ 381.02 crore during the year 2021-22 for the schemes shown in the above table, the Department incurred an expenditure of ₹ 362.91 crore leading to savings of ₹ 18.11 crore. Further, an additional fund of ₹ 20.32 crore was provided to those schemes through the supplementary provisions which was against the provisions of the BM.

Further, it was also noticed that under two schemes, only 26 per cent and 49 per cent of the supplementary provisions were utilised as detailed in **Table 3.14**.

Table 3.14: Details of part utilisation of Supplementary provisions

(₹ in crore)

Sl. No.	Head	Sub Head	Original	Supplementary	Part utilisation of Supplementary Provision
1	4515-00-103-10	10-Chief Minister's Village Bridge Scheme	90.00	1.00	0.26 (26%)
2	4515-00-796-10	10-Chief Minister's Village Bridge Scheme	100.00	1.00	0.49(49%)
Total			190.00	2.00	0.75 (38%)

3.5.7 Budget Estimate prepared without obtaining requirements

According to Rule 65 of the 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 the explanations are adequate.

It was noticed during audit, that provisions of BM were not followed and the budget estimates for the General Budget (State, Central and Centrally Sponsored Schemes) were prepared at the Department level, without obtaining/ assessing the actual requirements from the DOs, who are finally responsible to execute the work and utilise the fund. Thus, preparation of budget estimates without obtaining requirement from DOs is one of the reasons for the huge savings of ₹ 1,569.22 crore (59 per cent) out of the total budget provision of ₹ 2,678.92 crore during 2021-22.

3.5.8 Non-utilisation and surrender of entire budget provision

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

- Scrutiny of records revealed that for the year 2021-22, budget provision of ₹ 1,351.05 crore under 16 sub-heads were made by the Department. However, the entire amount was not utilised by the Department and was surrendered as detailed in **Appendix 3.9**.

Besides, the entire budget amounting to ₹ 0.80 crore, provided for different purposes during 2021-22, were surrendered as detailed in **Table 3.15**.

Table 3.15: Surrender of entire budget

(₹ in crore)			
Sl. No.	Purpose	budget provision	Expenditure
1	For purchase of 10 vehicles for successful implementation of PMGSY and to improve infrastructure of PIUs monitoring cell	0.40	0.00
2	For consultancy services for proper monitoring of rural roads schemes and GIS mapping	0.10	0.00
3	For strengthening for better management of rural connectivity programme especially PMGSY	0.10	0.00
4	For strengthening of PIUs for check & monitoring of construction of rural roads including outsourcing infrastructure under PMGSY	0.10	0.00
5	For State training for making new technologies familiar and to maintain quality in implementing the schemes in the line of National Training Policy, 2012	0.10	0.00
Total		0.80	0.00

Further, test-check revealed that, despite non-utilisation of entire provision of ₹ 3.30 crore in 2020-21, an amount of ₹ 0.30 crore was provided during 2021-22 in six sub-heads which was also not utilised and surrendered by the Department as detailed in **Table 3.16**.

Table 3.16: Non-utilisation of funds in two consecutive years

(₹ in crore)				
Sl. No.	Head	Provisions in 2020-21	Provisions in 2021-22	Purpose
1	2515-Minimum needs Programme (State Scheme)	0.25	0.05	Strengthening of PIU (001-Direction and Administration)
2	2515-Minimum needs Programme (State Scheme)	1.20	0.05	Strengthening and Upgradation of JSRRDA
3	2515- Training of Personnel/Officers under State Training Policy (State Scheme)	0.20	0.05	003-Training
4	2515-Minimum needs Programme (State Scheme)	0.25	0.05	Strengthening of PIU (796-Tribal Area Sub-plan)
5	2515-Minimum needs Programme (State Scheme)	1.20	0.05	Strengthening and Upgradation of JSRRDA (796-Tribal Area Sub-plan)
6	2515- Training of Personnel/Officers under State Training Policy (State Scheme)	0.20	0.05	Training (796-Tribal Area Sub-plan)
Total		3.30	0.30	

- In the test-checked divisions/offices, it was noticed that the entire provision of ₹ 8.58 lakh made under 25 heads/sub-heads had not been utilised and surrendered at the end of the financial year as shown in **Table 3.17**.

Table 3.17: Non-utilisation and surrender of entire budget provision

(₹ in lakh)

Sl. No.	Name of Districts	Name of Offices/Divisions	No. of units where surrenders made	Allotment	Expenditure	Surrender
1	Ranchi	O/o the Under Secretary, RDD (Works Division)	04	4.50	0.00	4.50
		O/o the EE, RDSD	03	0.82	0.00	0.82
		O/o the EE, RWD	01	0.05	0.00	0.05
2	Hazaribag	O/o the EE, RDSD	02	0.68	0.00	0.68
3	Giridih	O/o the EE, RDSD	02	0.17	0.00	0.17
4	Dhanbad	O/o the NREP	01	0.03	0.00	0.03
5	Saraikela Kharsawan	O/o the EE, RDSD	04	1.11	0.00	1.11
6	Chatra	O/o the EE, RDSD	01	0.17	0.00	0.17
		O/o the EE, NREP	01	0.03	0.00	0.03
7	Dumka	O/o the EE, RDSD	01	0.30	0.00	0.30
		O/o the EE, RWD	01	0.20	0.00	0.20
		O/o the NREP	01	0.04	0.00	0.04
8	Godda	O/o the EE, RDSD	01	0.05	0.00	0.05
		O/o the EE, RWD	01	0.30	0.00	0.30
		O/o the NREP	01	0.03	0.00	0.03
Total			25	8.58	0.00	8.58

Non-utilisation of provisions and its surrender without specifying reasons was indicative of improper estimation by the Department without following the provisions of Budget Manual and instructions issued by the Finance Department. The huge savings could have been avoided if the Department had submitted realistic estimation of expenditure, in the format (Comprehensive Outlay of Budget Transaction), issued by the Finance Department.

3.5.9 Surrender of funds at the fag end of the financial year

As per Rule 112 of the 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, the aim should be to keep the expenditure just within the modified grant. Surrenders, being generally made between 28th February and 15th March, a careful study of ten monthly figures and watch over the progress of expenditure should enable a controlling officer to fix upon his ultimate requirements with a reasonable degree of exactness.

Audit observed that against the budget provision of ₹ 2,678.92 crore (₹ 683.86 crore under capital head and ₹ 1,995.06 crore under revenue head), ₹ 1,569.22 crore (₹ 41.43 crore under capital head and ₹ 1,527.79 crore under revenue head), was surrendered at the end of the financial year by the Department

Further, scrutiny of records of test-checked divisions revealed that surrender of ₹ 1.64 crore (61 *per cent* of total provisions of ₹ 2.72 crore in 60 sub-heads) was made at the fag end of the financial year on grounds such as 'in

anticipation of expenditure' and 'late allocation of fund' *etc.* as detailed in **Appendix 3.10**.

In reply, it was stated that funds were not utilised/surrendered earlier due to late allotment of funds, in anticipation of expenditure, technical problems in treasuries *etc.* Surrender at the fag end of the financial year leaves no scope for the Government to utilise the funds on other schemes which remained incomplete due to paucity of fund.

3.5.10 Rush of expenditure

As per Rule 113 of the 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.

Audit observed that out of the total expenditure of ₹ 1,109.70 crore, expenditure of ₹ 235.06 crore (21 *per cent*) was incurred in the month of March 2022. Scrutiny further revealed that in four out of 40 sub-heads, expenditure during the month of March, ranged between 49 and 83 *per cent* of the total expenditure during the year. It was further seen in the test-checked divisions/ DDOs that expenditure under various heads, ranged between 30 to 100 *per cent* in the month of March, as detailed in **Appendix 3.11**.

3.5.11 Non-reconciliation of departmental expenditure figures

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

Audit observed that during the year 2021-22, out of the total expenditure of ₹ 1,109.70 crore, expenditure of ₹ 562.14 crore was not reconciled by the controlling officer of the Department with the books of the Principal Accountant General as shown in **Table 3.18**.

Table 3.18: Details of non-reconciliation of departmental expenditure
(₹ in crore)

Sl. No.	Major Heads	Total Expenditure (As per Appropriation Accounts)	Reconciled amount	Un-reconciled amount
1	2505	11.17	0.20	10.97
2	2515	453.42	13.91	439.51
3	3451	2.68	0.00	2.68
4	4515	642.43	533.45	108.98
Total		1,109.70	547.56	562.14

Further, in the test-checked divisions/ DDOs, an amount of ₹ 47.69 crore, out of total expenditure of ₹ 54.25 crore under establishment head, was not reconciled during the year 2021-22, as shown in **Table 3.19**.

Table 3.19: Non-reconciliation of departmental expenditure figure

(₹ in crore)

Sl. No.	Name of Districts	Name of Offices/Divisions	Total expenditure	Reconciled amount	Unreconciled amount
1	Ranchi	O/o the Under Secretary, RDD (Works Division)	3.84	0.00	3.84
		O/o the EE, RDSD	3.61	0.00	3.61
		O/o the EE, RWD	3.83	0.00	3.83
		O/o the Director, NREP	1.52	0.00	1.52
2	Giridih	O/o the EE, RDSD	2.32	0.00	2.32
		O/o the EE, RWD	2.81	0.00	2.81
		O/o the EE, NREP	0.39	0.00	0.39
3	Hazaribag	O/o the EE, RDSD	2.69	0.00	2.69
		O/o the EE, RWD	2.42	0.00	2.42
		O/o the EE, NREP	0.41	0.00	0.41
4	Dhanbad	O/o the EE, RDSD	2.12	0.00	2.12
		O/o the EE, RWD	2.59	0.00	2.59
		O/o the EE, NREP	0.35	0.00	0.35
5	Saraikela Kharsawan	O/o the EE, RDSD	2.83	2.07	0.76
		O/o the EE, RWD	1.27	0.00	1.27
		O/o the EE, NREP	0.27	0.11	0.16
6	Chatra	O/o the EE, RDSD	1.67	0.00	1.67
		O/o the EE, RWD	1.33	0.00	1.33
		O/o the EE, NREP	0.44	0.00	0.44
7	Dumka	O/o the EE, NREP	0.28	0.00	0.28
		O/o the EE, RDSD	2.73	0.00	2.73
		O/o the EE, RWD	0.16	0.00	0.16
8	Godda	O/o the EE, RDSD	10.22	6.38	3.84
		O/o the EE, RWD	2.77	0.00	2.77
		O/o the EE, NREP	1.38	0.00	1.38
Total			54.25	8.56	45.69

Non-reconciliation of figures with the books of the A.G. (A&E), shows non-observance of the financial rules of the State by the controlling officers and entails the risk of misclassification of expenditure in the accounts.

3.5.12 Irregular payment to contractors as Miscellaneous Addition

As per user manual of National eMARG (Electronic Maintenance of Rural Roads under PMGSY) for Ministry of Rural Development, GoI Accounts Officer (AO) can enter miscellaneous addition or deduction in approved amount by giving remarks for the same.

Audit observed that in five out of 16 divisions, ₹ 135.84 lakh was approved by eMARG system for maintenance of rural roads under PMGSY, whereas ₹ 226.88 lakh was paid to the contractors. As per records it was seen that a miscellaneous deduction of ₹ 1.46 lakh was made from the bills and further a miscellaneous addition of ₹ 92.50 lakh was made in the approved amount (₹ 135.84 lakh) without giving any proper reason as required in the guidelines. Hence, irregular payment of ₹ 92.50 lakh was made to the contractors as miscellaneous addition. Detail given in **Table 3.20**.

Table 3.20: Details of payment as Miscellaneous Addition

(₹ in lakh)

Sl. No.	Name of Division/office	Total Expenditure	Approved by eMARG	Misc. Addition	Remarks
1	O/o the EE, RDSD, Giridih	32.98	25.18	7.80	
2	O/o the EE, RWD, Giridih	101.31	75.30	26.01	
3	O/o the EE, RDSD, Hazaribag	33.69	24.01	9.68	
4	O/o the EE, RWD, Hazaribag	11.15	10.71	1.90	1.46 (Misc. Deduction)
5	O/o the EE, RWD, Godda	47.75	0.64	47.11	
Total		226.88	135.84	92.50	

In reply, the EE stated that the amount was paid to contractors as miscellaneous addition to achieve their agreement value as per instructions of Chief Engineer, JSRRDA.

Additional payment of ₹ 92.50 lakh to the contractors without recording the reasons for the same in the eMARG system is against financial propriety and the possibility of misuse of Government money cannot be ruled out.

3.5.13 Payment through cheques instead of through eMARG System

As per guidelines, payments for maintenance work under PMGSY were to be mandatorily done through the eMARG system *w.e.f.* 01.04.2020. The contractors were required to submit monthly bills by the 10th day of the succeeding month (on web based software utility eMARG) and if the bills for any month were not received from the contractors, their rights to receive payment were forfeited and no payment were be made.

Scrutiny revealed that ₹ 13.14 crore was paid to contractors from PMGSY maintenance fund without using eMARG System *i.e.*, payments were made to contractors directly through cheques which was against the guidelines. Detail of payments made are given in **Table 3.21**.

Table 3.21: Details of amount paid to contractors without using eMARG

Sl. No.	Name of Divisions	Amount paid (₹ in crore)	
		Under PMGSY Maintenance fund	Paid up to
1	O/o the RWD, Ranchi	2.13	March'22
2	O/o the RDSD, Giridih	0.11	March'22
3	O/o the RWD, Giridih	0.66	June'21
4	O/o the EE, RDSD, Hazaribag	0.23	March'22
5	O/o the EE, RWD, Hazaribag	0.59	August'21
6	O/o the EE, RWD, Dhanbad	0.05	June'21
7	O/o the EE, RDSD, Saraikela Kharsawan	0.14	June'21
8	O/o the EE, RWD, Saraikela Kharsawan	1.54	February'22
9	O/o the EE, RWD, Chatra	0.53	September'21
10	O/o the EE, RDSD, Dumka	0.24	September'21
11	O/o the EE, RWD, Dumka	2.90	October'21
12	O/o the EE, RWD, Godda	4.02	February'22
Total		13.14	

In reply, the EEs (Dumka and Hazaribag) stated that payments were made to the contractors for works allotted prior to 01.04.2020 on the instructions of Chief Engineer, JSRRDA.

The reply is not convincing as all the payments were to be made mandatorily through eMARG after 01.04.2020, as per GoI instructions, which was not followed.

3.5.14 Parking of funds in SNA- ₹ 1,148.61 crore

As per the Appropriation Act, funds drawn from the Treasury should be utilised within the financial year. Further, Rule 174 of the Jharkhand Treasury Code (JTC) stipulate that no money shall be drawn from the treasury in anticipation of demand or to prevent lapse of budget grants. If under special circumstances, money is drawn in advance, under the orders of a competent authority, the unspent balance of the amount so drawn should be refunded to the Treasury by short drawal in the next bill or with a challan at the earliest possible opportunity and in any case before the end of the financial year in which the amount is drawn.

It was noticed that in 13 out of the 16 test-checked divisions, ₹ 67.96 crore under PMGSY programme fund and ₹ 3.20 crore under PMGSY maintenance fund (total ₹ 71.16 crore) had not been utilised and was parked in the SNA, which was included in the total outstanding balance of ₹ 1,148.61 crore (₹ 800.25 crore under PMGSY programme fund and ₹ 348.36 crore under PMGSY maintenance fund) in the JSRRDA. Details are given in **Table 3.22**.

Table 3.22: Details of fund parked in bank account

(₹ in crore)

Sl. No.	Name of DRDAs	Funds parked in bank accounts		
		Programme fund	Maintenance fund	Total
1	O/o the RWD, Ranchi	0.39	0.43	0.82
2	O/o the RDSD, Giridih	0.84	0.02	0.86
3	O/o the RWD, Giridih	15.42	0.61	16.03
4	O/o the EE, RDSD, Hazaribag	2.56	0.06	2.62
5	O/o the EE, RWD, Hazaribag	2.41	0.60	3.01
6	O/o the EE, RWD, Dhanbad	0.01	0.29	0.30
7	O/o the EE, RDSD, Saraikela Kharsawan	1.90	0.23	2.13
8	O/o the EE, RWD, Saraikela Kharsawan	5.77	0.20	5.97
9	O/o the EE, RDSD, Chatra	5.17	0.30	5.47
10	O/o the EE, RWD, Chatra	31.59	0.04	31.63
11	O/o the EE, RDSD, Dumka	0.05	0.27	0.32
12	O/o the EE, RWD, Dumka	1.51	0.15	1.66
13	O/o the EE, RDSD, Godda	0.34	0.00	0.34
Total		67.96	3.20	71.16

Thus, ₹ 71.16 crore which was not immediately required was drawn from the Treasury by the 13 test-checked units and parked in SNA (Bank Account) in violation of provisions of JTC code.

3.5.15 Other findings

- **Non-maintenance of Measurement Book (MB)**

As per provision in JPWA Code (Rule 244), the Measurement Book is the most important record since it is the basis of all accounts quantities, whether work done by daily labourers, by the piece or by contract, or of materials

received which have to be counted or measured. The description of the work must be lucid so as to admit of easy identification and check.

Audit observed that an amount of ₹ 4.39 crore was paid to contractors under PMGSY maintenance fund in the subsequent five years from the date of completion of work through eMARG system without maintaining Measurement Books as detailed in **Table 3.23**.

Table 3.23: Details of payment without maintaining Measurement Books

(₹ in crore)

Sl. No.	Name of Divisions	Work value	Remarks
1	O/o the EE, RDS, Giridih	0.42	MB not maintained
2	O/o the EE, RDS, Chatra	0.17	MB not maintained
3	O/o the EE, RWD, Chatra	1.43	MB not maintained
4	O/o the EE, RDS, Dumka	0.29	MB not maintained
5	O/o the EE, RWD, Dumka	1.97	MB not maintained
Total		4.39	

Non-maintenance of this crucial record constituted a serious irregularity. In the absence of MBs, it was not possible to ascertain the quantity of work done during the period.

- **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 instructions (06.11.2019) of the Finance Division, Planning Cum Finance Department, Government of Jharkhand, Cash Book (CB) should be maintained and updated in every Government Office. The balance in the Cash Book should be certified by an authorised officer every month.

Audit observed that CBs, in respect of establishment expenditure, were not maintained/written by the Executive Engineer, Rural Development Special Division- Ranchi, Hazaribag and Dumka.

CB was being maintained by EE, RDS, Ranchi after the matter had been raised by Audit. However, Hazaribag and Dumka divisions had not started maintaining/writing CBs.

Non-maintenance of Cash Book is a serious irregularity and is against the provisions of the JTC. Moreover, the possibility of misutilisation of Government money cannot be ruled out.

- **Outstanding Remittances**

As per rule 42 of JTC, receipts should be remitted to Government Account by cash, cheques, bank pay orders, bank credit challans or through net banking/e-receipt facility.

Audit observed that, in the test-checked divisions, receipts amounting to ₹ 1.94 crore, as shown in **Table 3.24**, under the PMGSY programme fund (₹ 1.90 crore) and under the maintenance fund (₹ 0.04 crore), which were shown as outstanding balance, on Online Management, Monitoring and Accounting System (OMMAS) and electronic maintenance of Rural Roads under PMGSY (eMARG) portal, respectively, had not been remitted into the Government Account, as of October 2022.

Table 3.24: Details of Outstanding Remittances

Sl. No	Name of Divisions	Amount of outstanding remittances (₹ in lakh)	
		Programme Fund	Maintenance Fund
1	O/o the EE, RDSD, Hazaribag	90.32	0.00
2	O/o the EE, RDSD, Giridih	28.71	0.00
3	O/o the EE, RDSD, Saraikela	12.78	0.00
4	O/o the EE, RWD, Chatra	27.39	0.00
5	O/o the EE, RDSD, Dumka	29.24	0.00
6	O/o the EE, RWD, Saraikela	-	0.78
7	O/o the EE, RWD, Chatra	-	0.04
8	O/o the EE, RWD, Dumka	-	3.57
9	O/o the EE, RDSD, Godda	1.73	0.00
10	O/o the EE, RWD, Godda	-	0.03
	Total	190.17	4.42

Further, the outstanding remittance balance of the PMGSY programme funds, in four divisions, was shown as negative in OMMAS (₹ 67.74⁶ crore). The EEs were not able to provide any reason for the same and stated that the matter will be examined and findings will be communicated to Audit. Reply was awaited (as of October 2022).

- **Discrepancy in Cash Book balances**

In 11 out of the 16 test-check divisions, it was noticed that closing balance of PMGSY programme fund in the Cash Book was ₹ 60.50 crore whereas, closing balance as per OMMAS was ₹ 83.76 crore. It was further noticed that closing balance of PMGSY maintenance fund in cash book was ₹ 2.24 crore against closing balance of ₹ 3.49 crore in OMMAS. Details are given in **Table 3.25**.

Table 3.25: Details of balances in Cash Book

S.N.	Name of Divisions	(₹ in lakh)			
		Closing balance of PMGSY programme fund		Closing balances of PMGSY maintenance fund	
		As per Cash Book	As per OMMAS	As per Cash Book	As per OMMAS
1	O/o the EE, RDSD, Giridih	84.12	158.72	1.72	1.67
2	O/o the EE, RWD, Giridih	1,542.00	1,218.70	61.45	69.22
3	O/o the EE, RDSD, Hazaribag	255.63	255.63	6.35	3.40
4	O/o the EE, RWD, Hazaribag	241.08	241.08	59.79	4.01
5	O/o the EE, RWD, Dhanbad	1.03	2.71	28.66	0.88
6	O/o the EE, RWD, Saraikela Kharsawan	576.90	296.85	19.96	16.89
7	O/o the EE, RWD, Chatra	3,159.45	3,146.94	4.30	10.41
8	O/o the EE, RDSD, Dumka	4.69	2,725.61	26.98	54.13
9	O/o the EE, RWD, Dumka	151.36	123.29	15.39	63.14
10	O/o the EE, RDSD, Godda	33.69	39.32	0.00	0.00
11	O/o the EE, RWD, Godda	0.00	166.99	0.00	125.67
	Total	6,049.95	8,376.14	224.15	349.18

In reply, EEs of the concerned divisions stated that matter will be examined in consultation with technical experts at the departmental level and findings will be communicated to Audit.

- **Non-completion of works**

The main objective of the Rural Development Department (Rural Works Affairs) is upgradation and strengthening of village roads and bridges and its

⁶ i) RWD, Saraikela Kharsawan: ₹ 980.94 lakh, ii) RWD, Chatra: ₹ 1,854.41 lakh and iii) RWD, Dumka, : ₹ 1,348.06 lakh

maintenance. Improving connectivity of rural areas through all-weather roads is an effective way of poverty eradication.

In 11 out of the 16 test-checked divisions, it was noticed that five works under Pradhan Mantri Gram Sadak Yojana (PMGSY) and 43 works under Mukhya Mantri Gram Setu Yojana (MMGSY) were not completed in the stipulated time as detailed in **Table 3.26**.

Table 3.26: Details of non-completion of works

(₹ in crore)

Sl. No.	Name of Districts	Name of Divisions	Name of Schemes	No. of works	Due date of completion	Expenditure up to March'22	Physical progress up to March'22
1	Ranchi	O/o the EE, RDS	MMGSY	03	08.09.2020 to 09.10.2021	5.85	30 to 80 %
		O/o the EE, RWD	PMGSY	05	09.08.2019 to 27.06.2021	3.17	95 %
			MMGSY	04	30.05.2018 to 13.08.2021	6.94	76 to 95 %
2	Giridih	O/o the EE, RDS	MMGSY	05	13.07.2018 to 13.01.2022	14.56	60 to 98 %
		O/o the EE, RWD	MMGSY	03	06.10.2020 to 30.10.2020	2.42	80 to 92 %
3	Hazaribag	O/o the EE, RDS	MMGSY	05	27.07.2016 to 30.10.2021	23.40	35 to 82 %
		O/o the EE, RWD	MMGSY	04	04.03.2019 to 23.10.2020	4.01	20 to 85 %
4	Dhanbad	O/o the EE, RWD	MMGSY	01	30.11.2019	0.71	90 %
5	Saraikela Kharsawan	O/o the EE, RDS	MMGSY	04	14.06.15 to 30.12.2021	26.46	50 to 97 %
		O/o the EE, RWD	MMGSY	06	31.10.2018 to 18.05.2021	05.26	45 to 95 %
6	Chatra	O/o the EE, RWD	MMGSY	02	17.10.2019 & 10.07.2020	0.98	50 & 80 %
7	Dumka	O/o the EE, RWD	MMGSY	02	29.01.2020 & 16.01.2019	2.18	65 & 66 %
8	Godda	O/o the EE, RDS	MMGSY	01	15.01.2022	3.88	82 %
		O/o the EE, RWD	MMGSY	03	21.02.2019 to 23.08.2020	5.37	35 to 85 %
Total				48		105.19	

Despite budget provision, the works were not completed in time leading not only to time over run but also deprived beneficiaries of the intended benefits.

The Executive Engineers, in charge of the concerned divisions, stated that works could not be completed in time due to delays in obtaining forest clearance, local hindrance and the COVID-19 pandemic. It was further stated that letters have been issued to other contractors who are delaying the works.

- **Non-completion of Schemes announced in budget speech**

Scrutiny of the records of the Department for the year 2021-22 revealed that physical achievements of three schemes, announced in the budget speech to be completed during 2021-22, were between 33 and 63 *per cent*. Details are given in **Table 3.27**.

Table 3.27: Physical & financial progress of schemes announced in budget speech

(₹ in crore)

Sl. No	Name of schemes	Target as per budget speech (in km)	Achievement (in km)	Achievement	Budget Provision	Expenditure	
1	PMGSY	Roads	621	389	63 %	1,000.00	714.04 [#]
		Bridge	104	26	25 %		
2	RCPLWEA-Roads	444	145	33 %	485.00	79.54	
3	State Sponsored Schemes- Roads	2000	708.92	35 %	400.00	238.08	
Total		3,169	1,268.92	40 %	1,885.00	1,031.66 (55 %)	

[#] Expenditure from previous balance

As can be seen from the above table, against the budget provisions of ₹ 885 crore, expenditure on these schemes shown against serial number two and three was ₹ 317.62 crore (36 per cent) and the schemes remained incomplete during the year. Budget provision on PMGSY during the year 2021-22 remained unutilised and was surrendered by the department.

3.6 Audit of Budgetary provision of Grant No. 39- Home, Jail and Disaster Management Department (Disaster Management Division)

3.6.1 Introduction

Jharkhand has been historically affected by different types of natural and human disasters. The Government of Jharkhand has taken steps to strengthen its mitigation, preparedness, and response, recovery, and rehabilitation strategies to reduce the risk of disasters in the State by creating a State Disaster Management Authority at the State level and District Disaster Management Authorities at the district level in all the 24 Districts.

To meet the above responsibilities, the State Government had provided a budget of ₹ 1,711.34 crore during 2021-22 to the Department as detailed in **Table 3.28** along with utilization.

Table 3.28: Details of budget provision, expenditure and savings during 2021-22

(₹ in crore)

Details	Capital Voted	Revenue Voted	Total
Original Grant	00	1,264.56	1,264.56
Supplementary Grant	00	446.78	446.78
Total Grant	00	1,711.34	1,711.34
Expenditure	00	966.61	966.61
Savings	00	744.73	744.73
Surrender	00	744.62	744.62
Excess Expenditure	00	00	00

Source: Appropriation Accounts of the Government of Jharkhand for the year 2021-22.

3.6.2 Scope of Audit

Departmental Secretariat of Home, Jail and Disaster Management Department (Disaster Management Division) and eight⁷ districts were selected for audit of the budgetary process.

⁷ (i) Ranchi (ii) Chaibasa (iii) Jamshedpur (iv) Bokaro (v) Palamu (vi) Dumka (vii) Deoghar and (viii) Gumla

3.6.3 Persistent Savings

Review of records relating to budget and expenditure during the last four years (2018-19 to 2021-22) revealed that the Department not only had persistent savings but also that the percentage of savings was very high in comparison to the budget estimates during the period as detailed in Table 3.29.

Table 3.29: Trend of savings during the last four years in Home, Jail and Disaster Management Department (Disaster Management Division)

Years		Original	Supplementary	Total	Actual Expenditure	Saving	Percentage of savings
2018-19	Revenue	713.08	195.06	908.14	470.33	437.81	48.21
	Capital	00	00	00	00	00	
	Total	713.08	195.06	908.14	470.33	437.81	
2019-20	Revenue	718.82	407.88	1126.70	437.42	689.28	61.18
	Capital	00	00	00	00	00	
	Total	718.82	407.88	1,126.70	437.42	689.28	
2020-21	Revenue	985.12	912.50	1,897.61	1,375.94	521.67	27.49
	Capital	00	00	00	00	00	
	Total	985.12	912.50	1,897.61	1,375.94	521.67	
2021-22	Revenue	1,264.56	446.78	1,711.34	966.61	744.73	43.52
	Capital	00	00	00	00	00	
	Total	1,264.56	446.78	1,711.34	966.61	744.73	

Source: Appropriation Account 2018-22

As shown in the above table, savings of the Department, except during 2020-21, was more than 40 *per cent*. This is not only indicative of the inability of the Department to utilise the funds but also resulted in non-completion of State schemes included in the budget during the year.

3.6.4 Delay in submission of Budget Estimates

Scrutiny of records revealed that the timelines as provided in Rule 62 of the Budget Manual, was not followed by the Department, and against the target date of 21 December 2020, the Disaster Management Division submitted Budget Estimates (BEs) of the establishment to the Finance Department on 19 January 2021 *i.e.*, with a delay of 29 days.

Non-compliance of budget calendar not only affects the schedule of preparation of budget estimates but also curtails the time required for its scrutiny at different levels.

3.6.5 Estimates prepared without assessing the actual requirements

According to Rule 65 of the 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 the explanations are adequate.

It was noticed that Rule 65 of BM was not followed and the budget estimates for General Budget (State, Central and Centrally Sponsored Schemes) and Establishment Expenditure were prepared at the Department level without obtaining/assessing the actual requirements from the DOs who are finally responsible to execute the work and utilise the funds.

Preparation of the budget without obtaining requirement from DOs was one of the reasons for the substantial savings of ₹ 744.73 crore (43.52 per cent) against the total provision of ₹ 1,711.34 crore during 2021-22.

3.6.6 Non-reconciliation of departmental expenditure figures

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

It was observed that during the year 2021-22, out of the total expenditure of ₹ 966.61 crore, expenditure of ₹ 964.50 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 3.30**.

Table 3.30: Details of non-reconciliation of departmental expenditure

(₹ in crore)

Sl. No.	Major Heads	Total expenditure (As per Appropriation Accounts)	Reconciled amount	Unreconciled amount
1	2245	966.61	2.11	964.50
2	2235			
Total		966.61	2.11	964.50

3.6.7 Avoidable Supplementary provision

As per comments below Rule 57 of the Budget Manual, the officer responsible for preparing estimates should be sure that provision is not made for a sum greater than that which can be spent. It was noticed that during 2021-22, original grant of ₹ 0.80 crore was provided in three sub-heads, of which ₹ 0.01 crore was spent by the Department. In spite of savings of ₹ 0.79 crore from original grants, a supplementary grant of ₹ 6 crore was provided which proved unnecessary. Similarly, in one sub-head of account, original grant of ₹ 295 crore and supplementary grant of ₹ 195 crore (1st supplementary: ₹ 95 crore and 2nd supplementary: ₹ 100 crore) was provided, against which expenditure was ₹ 340.32 crore, resulting in savings of ₹ 149.68 crore, which indicated that supplementary provision of funds was avoidable. Detail given in **Table 3.31**.

Table 3.31: Detail of avoidable supplementary provision

(₹ in crore)

S.N.	Head	Original grant	Supplementary	Expenditure	Savings
1	2245-02-101-03	0.50	2.00	0.01	2.49
2	2245-02-104-01	0.00	2.00	0.00	2.00
3	2245-02-112-01	0.30	2.00	0.00	2.30
4	2245-80-102-01	295.00	195.00	340.32	149.68
Total		295.80	201.00	340.33	156.47

3.6.8 Surrender on the last day of the financial year

It was observed that the Home, Jail and Disaster Management Department (Disaster Management Division) had not followed Rule 112 of the BM and surrendered ₹ 744.62 crore (₹ 6.70 crore under Major Head 2235 and ₹ 737.92 crore under Major Head 2245) against the total provision of

₹ 1,711.34 crore (according to Treasury MIS) on 31 March 2022 as detailed in **Appendix 3.12**, leaving no scope for utilisation of the funds on other important schemes.

3.6.9 Non implementation of SDMF Guidelines by the State

Non-receipt of ₹ 113.25 crore from GoI due to non-constitution of State Disaster Mitigation Fund (SDMF)

As per Section 7.1 of the SDRF Guidelines, the State Government was required to constitute a State Disaster Mitigation Fund (SDMF), under the Major Head – 8121 General and Other Reserve Fund- 130 State Disaster Mitigation Fund.

It was observed that SDMF was not constituted at all and the provisions in the guidelines in this regard were not followed as of October 2022. The amount required to be accounted for in SDMF was credited under the SDRF Head 8121-122.

Further, on the recommendations of the Fifteenth Finance Commission, separate allocation was to be made to SDMF from the year 2021-22 onwards. During the year 2021-22, Central Government had to release ₹ 113.25 crore and the State Government had to release its corresponding share of ₹ 37.75 crore to SDMF. Neither the Central Government nor the State share was released. Thus, due to non-constitution of the SDMF, the State could not avail the Central share amounting to ₹ 113.25 crore.

3.6.10 Huge difference of figures between Cash Book and Bank Account due to non-entry of transactions

Test-check of records of the District Nazarat, office of the Deputy Collector (NDC), Ranchi, revealed that the balance on 31 March 2021, as per the General Cash Book, was ₹ 45,43,20,103.48. However, the balance in the bank account was ₹ 7,52,84,156.50, a difference of ₹ 37,90,35,946.98. Further, it was noticed that the NDC office had unpassed vouchers of ₹ 28,44,19,477 and advance of ₹ 9,45,78,206.01 (totaling ₹ 37,89,97,683.01) in the Cash Book. Hence, after taking unaccounted vouchers and advances into account there was a difference of ₹ 38,263.97 between the bank account and Cash Book as on 31 March 2021. It was also noticed that the Cash Book for the year 2021-22 was not being maintained by the office. Non-maintenance of Cash Book is not only a case of gross violation of financial rules but also entails risk of misappropriation of public money and unhealthy practices. No reasons, in this regard, was provided by the NDC office. Details of cash balances of the NDC as on 31 March 2021 is given in **Appendix 3.13**.

3.6.11 Suspected misappropriation of ₹ 1,85,290

During COVID-19 pandemic, vehicles like Pick-up vans, Mini trucks and Cars were used in the district for management purposes like transportation of labourers, monitoring by the officials etc. A cross-check of vouchers of the District Nazarat, office of the Deputy Collectors (NDC) Ranchi and Bokaro, with VAHAN application of GoI revealed that vehicles claimed in vouchers

as Pick-up vans, Mini trucks and Cars were actually two wheelers. However, requests have been sent to the concerned DTOs for further verification and authentication of vehicle types which is awaited. Detail of vehicles pointed out during audit were as under:

- (i) Vehicles used for delivery of relief material to every block and panchayat of Bokaro district for COVID-19 management were paid ₹ 2,32,900 on 25.04.2020 through voucher number 10/2020-21, of which vouchers amounting to ₹ 35,880 seemed to be doubtful. The details of vehicles and payment made are given in **Table 3.32**.

Table 3.32: Details of vehicles and payment made

Vehicle number	Vehicle type recorded on voucher	Vehicle detected on m-Parivahan site	Period of use	Amount paid (in ₹)
JH09AQ1600	Pick-up van	Splendor	March & April 2020	7,860
JH09AF7264	Pick-up van	TVS Apache	March 2020	3,930
JH09AK0178	Pick-up van	Pulsar	March 2020	3,930
JH09AT2706	Tata 407	Glamour	March 2020	4,410
JH09AM3175	Tata 1109	Platina	March 2020	6,750
JH09L8476	Tata 1109	Motor cycle	April 2020	9,000
Total				35,880

- (ii) Vouchers regarding payment to vehicles used for delivery of relief material to every block and panchayat of Ranchi district for COVID-19 management amounting to ₹ 1,49,410 seemed to be doubtful. The details of vehicles and payment made are given in **Table 3.33**.

Table 3.33: Details of vehicles and payment made

S.N.	Vehicle number	Vehicle type	Vehicle detected on m-Parivahan site	Period of use	Number of days	Rate per day	Amount paid
1	JH01AB8886	Maruti Desire	Motorcycle	24.03.20 to 11.06.20	80	1,360	1,08,800
2	JH05H2200	Qualis	Motorcycle	01.08.21 to 31.08.21	31	1,310	40,610
Total							1,49,410

Since, the specifications of vehicles claimed in the vouchers were not correct, suspected misappropriation of government money amounting to ₹ 1,85,290 (₹ 35,880 and ₹ 1,49,410) could not be ruled out. The Department may review and take action on similar cases throughout the State.

3.6.12 Other points

3.6.12.1 Delayed installation of DG sets and pipelines for oxygen plants in hospitals - ₹ 1.64 crore.

Home, Jail and Disaster Management Department (Disaster Management Division), Jharkhand, Ranchi allotted ₹ 3 crore (May 2021) to East Singhbhum district for control of the COVID-19 pandemic.

Test check of records of District Nazarat, office of the Deputy Collector (NDC), East Singhbhum, Jamshedpur, revealed that for treatment of COVID-19 pandemic patients, installation work of DG sets for PSA oxygen plants

and installation of pipelines for flow of oxygen in wards of hospitals in East Singhbhum district was taken up. The allotted work for supply of pipelines and oxygen and installation of DG sets were to be completed within three days of award of work (May 2021). It was observed that the work of installation of pipelines for oxygen flow and installation of DG sets was delayed by three months and completed in November 2021, after crossing the peak of the COVID-19 pandemic. Due to delay in installation, intended benefits could not be provided to the COVID-19 patients.

Details of installation of pipelines and DG sets in the hospitals of the district are given in **Table 3.34**.

Table 3.34: Details of installation of pipeline and DG sets

Bill No. & Date	Name of hospital	Work	Name of Agency	Date of completion	Amount	Delay (in days)
271/21-22 24.11.21	C H C Musabani	Centralised	Shree Fashion, Bistupur	23.10.21	23,95,790	47 to 51
	C H C Chakulia	Oxygen		01.11.21		
	CHC Dhalbhumgarh	Pipeline		27.10.21		
285/21-22	C H C Baharagora	Centralised	Shree Fashion, Bistupur	27.10.21	36,91,940	18 to 51
	C H C Patmada	Oxygen		23.10.21		
	C H C Jugsalai	Pipeline		24.09.21		
308/21-22 08.12.21	C H C Chakulia	DG set	Kamal Enterprises	26.11.21	11,21,000	-
185/21-22 09.09.21	C H C Ghatshila	DG set	Kamal Enterprises	24.08.21	43,98,080	10
	SH Jamshedpur		Kamal Enterprises	17.08.21		
	C H C Ghatshila	Centralised Oxygen Pipeline	Shree Fashion, Bistupur	23.08.21		
409/21-22 02.02.22	SH Jamshedpur	DG set	Kamal Enterprises	20.01.21	5,15,000	-
519/21-22 12.03.22	SH Jamshedpur	Centralised Oxygen Pipeline	Shree Fashion, Bistupur	11.06.21	42,79,340	72
				30.08.21		
				30.08.21		
Gross Total					1,64,01,150	

Further, status of COVID-19 patients in Jharkhand during the period of delay shown in above has been given in **Table 3.35**.

Table 3.35: Status of COVID-19 patients in Jharkhand

Date	Number of COVID patients	Number of recovered patients	Number of deaths
05.05.2021	2,57,345	1,94,433	3,205
17.08.2021	3,47,620	3,42,253	5,131
24.09.2021	3,48,162	3,42,964	5,133
23.10.2021	3,48,562	3,43,244	5,135
26.11.2021	3,49,184	3,43,935	5,140

Source: Arogya Setu app

In view of the spread of COVID-19 and the related deaths, all the oxygen plants had to be installed within the stipulated time. However, due to the delayed installation of oxygen plants, pipelines, DG sets *etc.* in various hospitals of East Singhbhum, the intended benefits could not be provided to the beneficiaries.

3.6.12.2 Unfruitful expenditure- ₹ 11.21 lakh

Verification of Community Health Centres, Baharagora, Chakulia and Dhalbhumgarh of East Singhbhum district on 04.08.2022, revealed that DG sets installed in the Community Health Center, Chakulia, costing ₹ 11.21

lakh, had not been utilised for the purpose, as the newly installed 500 LMP Oxygen Plant was not operational. It was stated by the operator that the oxygen plant had never been used. Thus, expenditure of ₹ 11.21 lakh incurred on DG sets of CHC, Chakulia, remained unfruitful.

Further, certificate for installation of oxygen pipeline in Community Health Center, Chakulia, required to be given by the Medical Officer-in-charge, was instead given by the Block Accounts Manager (BAM), Chakulia (November 2021), who was not authorised to give the certificate.

3.6.12.3 Non-maintenance of Cash Book

Scrutiny of records of the District Nazarat, Office of the Deputy Collector, East Singhbhum, relating to allotment and sub allocation of Disaster Management funds, amounting to ₹ 1,10,56,000, revealed that the following sub allocation of funds (as shown in **Table 3.36**) was made to the District Supply Officer, East Singhbhum, Jamshedpur.

Table 3.36: Sub-allocation of funds to DSO, East Singhbhum

S. N.	Office	Sub allotted amount	
		Allotment order no.	Amount (in ₹)
1	District Supply Officer, East Singhbhum, Jamshedpur	971/र. Date 24.04.2020	34,16,000
2		1125/र. Date 08.05.2020	14,70,000
3		1252/र. Date 02.06.2020	20,00,000
4		1856/र. Date 25.07.2020	17,70,000
5		2071/र. Date 10.08.2020	19,20,000
6		4303/र. Date 04.11.2020	4,80,000
Total			1,10,56,000

The sub-allotted amount shown in the table above was spent by the District Supply Officer, East Singhbhum, Jamshedpur but the amount was neither entered in the receipt side nor in the expenditure side of the DSO's Cash Book related to Disaster Management.

Similarly, scrutiny of records of allotment and sub allotment of Disaster Management funds amounting to ₹ 96 lakh by the Deputy Collector, Dumka to the District Nazarat, Office of the Deputy Collector, Dumka revealed that the entries were not made either in the receipt side or in the expenditure side, of the Cash Book. Details are given in the **Table 3.37**.

Table 3.37: Sub allotted amount (NDC, Dumka)

Sl. No.	Office	Sub-allotted amount		
		Allotment order no.	Amount (in ₹)	Available utilisation certificate
1	District Nazarat, Office of the Deputy Collector, Dumka	53/जी.आ.प्र.को. Dumka/15.05.21	15,00,000	15,00,000
2		168/जी.आ.प्र.को. Dumka/14.12.21	81,00,000	52,61,195
Total			96,00,000	67,61,195

Non-entry of transactions in the Cash Book is a serious irregularity and is fraught with the risk of embezzlement/misappropriation.

3.6.12.4 Surrender of funds though required: ₹ 3.26 crore

Test check of records of the District Nazarat, Office of the Deputy Collector (NDC), Ranchi, revealed that the Home, Jail and Disaster Management Department, Jharkhand, Ranchi, had allotted ₹ 7,92,50,000 (December 2021) for compensation to persons affected by natural calamity (COVID-19). It was observed that compensation of ₹ 4,66,50,000 were given to the next of kin of 343 out of 1,607 deceased persons and the balance of ₹ 3,26,00,000 was surrendered by the Department in March 2022.

Non-payment of compensation to the next of kin of deceased persons despite availability of funds indicated the inability of the Department to utilise the funds in time.

3.7 Conclusion

During 2021-22, the total savings of ₹ 22,515.81 crore (22.16 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 ₹ 8,138.75 crore during each of the last four years.

Supplementary provisions aggregating ₹ 8,369.35 crore (57.22 per cent) in 49 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 ₹ 3,473.63 crore, pertaining to the years 2001-02 to 2020-21, is yet to be regularised by the State Legislature. Further, excess expenditure of ₹ 288.86 crore was incurred in one appropriation (13- Interest Payment) and in one grant (15- Pension) during 2021-22.

3.8 Recommendations

- *Government should be more realistic in its budgetary assumptions and ensure efficient control mechanisms to curtail savings.*
- *The Government may ensure that expenditure does not exceed the amount authorised by the Legislature. Moreover, steps should be taken to regularise the excess expenditure of previous years.*
- *The Rural Development Department and Home, Jail and Disaster Management department should institute appropriate mechanisms to enforce proper implementation and monitoring of budget so that the 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 of the 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 2021-22, the Government collected ₹ 54.86 crore as Labour Cess. Further, ₹ 664.19 crore collected as cess from contractors, executing government projects up to 2021-22, was not transferred to the Labour Welfare Board Fund till the end of March 2022, thereby overstating the revenue surplus and understating the fiscal deficit of the State during the relevant years (2008-2022). However, ₹ 154 crore was transferred by the State Government to the Board after the current financial year *i.e.*, in June 2022.

Table 4.1: Labour Cess received by the Government

(₹ in crore)

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
2021-22	54.86
Total	664.19

The Labour Welfare Board has finalised its accounts only upto 2012-13. Receipts and utilisation of funds till 2021-22, 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 Government	Cess received directly by the Board	Total receipts	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	0.00	70.26	70.26	48.33	1.29	49.62	20.64
2017-18	0.00	74.01	74.01	41.64	0.90	42.54	31.47
2018-19	0.00	90.19	90.19	59.19	0.89	60.08	30.10
2019-20	0.00	120.00	120.00	75.78	0.83	76.61	43.40
2020-21	0.00	171.65	171.65	101.30	1.60	102.90	68.75
2021-22	0.00	124.31	124.31	101.64	2.23	103.87	20.44
Total	5.08	902.58	907.66	531.96	9.40	541.36	366.36

Source: Jharkhand Building and Other Construction Workers Welfare Board

During the period 2009-10 to 2021-22, ₹ 531.96 crore was spent on welfare schemes while ₹ 9.40 crore was spent on establishment. The Board had utilised only 59.64 per cent of the 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 furnished by the State Government, no off budget borrowings were made by the State PSUs/SPVs during 2021-22.

4.3 Funds transferred directly to State implementing agencies

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

As of 31 March 2014, the Central Government had transferred a sizeable quantum of funds, directly to State implementing agencies, for implementing various schemes/ programmes in the social and economic sectors, which were recognised as critical. As these funds were not routed through the State budget/State Treasury system, the Annual Finance Accounts did not capture the flow of such funds. Thus, to that extent, the

¹ 26 schemes are running under the Welfare Board as per statement dated 10.11.2022 provided by Jharkhand Building and Other Construction Workers Welfare Board.

State's receipts and expenditure as well as other fiscal variables/parameters derived from them did not present the complete picture.

During 2014-15, GoI decided to route all assistance, pertaining to centrally sponsored schemes/ additional central assistance, through the Consolidated Fund of the State, resulting in decrease in direct transfer of funds to implementing agencies from ₹ 2,601.80 crore in 2013-14 to ₹ 130.92 crore in 2014-15. However, the quantum of funds directly transferred to implementing agencies again increased consistently, over the subsequent years.

During the financial year 2021-22, central share of ₹ 1,940.59 crore, under various Centrally Sponsored Schemes, was transferred directly to the Implementing Agencies. This constituted 2.78 and 3.09 *per cent* of the total Revenue Receipts (₹ 69,722 crore) and Revenue Expenditure (₹ 62,778 crore), respectively. Direct transfer to implementing agencies, without routing the transferred funds through the Consolidated Fund of the State, not only contracted the budget and expenditure of the State to that extent (₹ 1,940.59 crore), but also implied that the assets created and the cost of benefits extended to the public, were not reflected in the State Accounts.

Cases of schemes where funds were directly transferred to the implementing agencies, during the year 2021-22, included schemes such as the Jal Jeevan Mission/National Drinking Water Mission, Mahatma Gandhi National Rural Guarantee Programme, Intra-State movement of food grains and FPS dealers' margin under National Food Security Act (NFSA) *etc.*

Details of funds transferred to State implementing agencies are given in **Table 4.3**.

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

(₹ in crore)

S. N.	Name of the Schemes of Government of India	Name of the Implementing Agencies	GOI releases during 2021-22
1	National Rural Employment Guarantee Scheme	Jharkhand State Rural Employment Guarantee Council	720.84
2	Jal Jeevan Mission	Jharkhand State Water & Sanitation Mission	512.22
3	Intra-State movement of food grains under NFSA	Jharkhand State Food & Civil Supplies Corporation	282.50
4	Livestock health & disease control	Jharkhand State Implementing Agency for Cattle & Buffalo Development	64.16
5	SAMARTHYA- Gender budget research skill training	Women, Child Development & Society	58.39
6	MPLAD	Deputy Commissioners/ District Magistrates	39.50
7	Sugar subsidy	Jharkhand State Food & Civil Supplies Corporation	38.43
8	Others	Various agencies	224.55
Total			1,940.59

Source: Public Financial Management System (PFMS) portal of Controller General of Accounts for the State Accounts (2021-22).

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

4.4 Deposit of Local Body funds

The State Panchayati Raj Acts provides that Zila Parishads (ZP), Panchayat Samitis (PS) and Gram Panchayats (GP) would maintain ZP funds, PS funds and GP funds, respectively (under the Major Head '8448-Deposits of Local Funds-109-Panchayat Bodies Funds'). This 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 receipts 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, is kept in the Municipal Fund, under the Major Head '8448- Deposits of Local Funds-102-Municipal Funds'. Details are given in **Table 4.4**.

Table 4.4: Deposits of Local Body Funds

Year		2017-18	2018-19	2019-20	2020-21	2021-22	
Panchayati Raj Institutions	8448-109	Opening Balance	212.71	309.67	364.38	338.12	351.01
		Receipt	181.74	128.99	124.60	100.19	90.78
		Expenditure	84.78	74.28	150.86	87.30	109.67
		Closing Balance	309.67	364.38	338.12	351.01	332.12
Urban Local Bodies	8448-102	Opening Balance	2,003.17	1,870.03	1,959.09	2,077.75	2,341.87
		Receipt	1,122.21	915.05	1,252.93	1,204.29	543.41
		Expenditure	1,255.35	825.99	1,134.27	940.17	1,422.14
		Closing Balance	1,870.03	1,959.09	2,077.75	2,341.87	1,463.14

Source: Finance Accounts of the respective years.

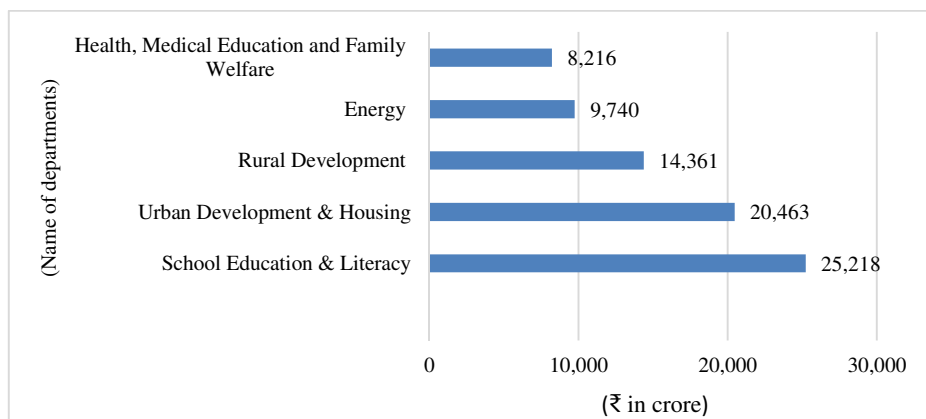
As can be seen from the above table, expenditure by the ULBs and PRIs from these head of accounts, in most of the years, was much lower than the receipts, till 2020-21. However, during 2021-22, expenditure increased, compared to the previous year, whereas the funds provided by the Government decreased significantly, leading to less balance at the end of the financial year.

4.5 Delay in submission of Utilisation Certificates

The Jharkhand Treasury Code (JTC) stipulates 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 from the date of withdrawal of grants.

Audit observed that 39,064 UCs, due in respect of grants aggregating ₹ 1,03,459.14 crore, paid up to 2020-21, were outstanding at the end of March 2022.

During 2020-21 and 2021-22, out of the total Grants-in-Aid of ₹ 20,077.67 crore and ₹ 19,629.95 crore, a sum of ₹ 6,369.87 crore and ₹ 5,358.62 crore, respectively, was granted for creation of capital assets to the authorities and bodies. However, UCs in regard to 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, as depicted in **Chart 4.1**.

Chart 4.1: Outstanding UCs in respect of Major Grants

The number and amount of outstanding UCs, as on 31 March 2022, 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
Upto 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
2020-21*	34,017	88,047.48	5,075	15,806.55	28	394.89	39,064	1,03,459.14

*UCs for the GIA disbursed during 2020-21 become due only during 2021-22.

Year-wise break up of the number and amount of outstanding UCs are given in **Table 4.6**.

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	8,902	9,573.72
2016-17	4,868	14,497.51
2017-18	3,968	18,591.87
2018-19	4,441	17,044.72
2019-20	4,735	18,710.47
2020-21	5,075	15,806.55
Total	39,064	1,03,459.14

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 utilisation 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 departments.

4.5.1 Outstanding Utilisation Certificates against grants

The JTC stipulates 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 from the date of withdrawal of grants.

During audit of the Rural Development Department (Rural Works Division), GoJ, it was observed that, under the Major Head 2515, grants-in-aid, amounting to ₹ 1,850.18 crore (₹ 1,020.12 crore upto 2019-20 and ₹ 830.06 crore during 2020-21), were drawn, for which 26 UCs were required to be submitted, as on 31 March 2021.

Further, scrutiny of 12 out of 26 grants, under the Major Head 2515, revealed that five UCs, amounting to ₹ 1,288.98 crore submitted by the Agency (JSRRDA), to the Department, were yet to be forwarded to the Principal Accountant General (A&E), after verification by the Department. UCs in respect of the remaining 21 GIA, amounting to ₹ 561.20 crore, were not submitted by the Agency to the Department. Reasons for non-submission of the UCs were not provided by the JSRRDA and the Department.

Pendency of UCs for such a long period is not only indicative of an ineffective internal control mechanism and poor monitoring by the Department but also entails risk of misutilisation of public money.

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 31.03.2022, are given in Table 4.7.

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

(₹ in crore)

Year	Outstanding AC Bill		DC Bill submitted		Balance Amount	
	Number	Amount	Number	Amount	Number	Amount
2000-2001	1331	149.96	459	84.82	872	65.14
2001-2002	5493	506.18	2933	318.74	2560	187.44
2002-2003	3846	408.07	2459	306.78	1387	101.29
2003-2004	7640	619.55	5532	505.65	2108	113.90
2004-2005	6664	1,171.01	5095	1,018.00	1569	153.02
2005-2006	6145	1,084.18	4941	872.71	1204	211.47
2006-2007	6053	1,502.66	4774	1,220.40	1279	282.26
2007-2008	6862	1,796.19	5630	1,367.48	1232	428.71
2008-2009	4747	2,937.18	3529	2,369.62	1218	567.56
2009-2010	2087	996.69	1120	724.88	967	271.82
2010-2011	1891	824.63	891	589.46	1000	235.18
2011-2012	1077	1,611.15	602	1,438.20	475	172.95
2012-2013	545	924.98	351	774.00	194	150.98
2013-2014	468	666.82	263	585.10	205	81.72
2014-2015	550	721.23	285	464.12	265	257.11
2015-2016	806	1,224.90	393	831.19	413	393.71
2016-2017	459	1,267.80	190	989.93	269	277.87
2017-2018	335	1,209.12	120	980.84	215	228.28
2018-2019	243	1,061.32	82	883.15	161	178.17
2019-2020	330	2,168.00	103	1,797.41	227	370.59
2020-2021	357	1,911.16	49	1,009.05	308	902.11
2021-2022 *	88	1,121.87	10	658.70	78	463.17
Total	58,017	25,884.67	39,811	19,790.22	18,206	6,094.45

*AC Bills drawn up to September 2021 has been taken in to account.

Fourteen departments of the State had drawn ₹ 2,668.28 crore on 246 Abstract Contingent (AC) bills, during the financial year 2021-22. Out of 246 AC bills, 88 AC bills, amounting to ₹ 1,121.87 crore was drawn upto September 2021, for which the due date of submission was March 2022. Against 88 AC bills, only 10 DC bills, amounting to ₹ 658.70 crore, were submitted on time and 78 AC bills, amounting to ₹ 463.17 crore remained, outstanding.

There is no assurance that the amount of ₹ 463.17 crore has actually been spent, during the financial year, for the purpose for which it was sanctioned/authorised by the Legislature. The expenditure, during the year, may also have been overstated, to this extent.

In addition to this, 18,128 AC bills, amounting to ₹ 5,631.28 crore, drawn upto 2020-21, were also outstanding, as on 31 March 2022. Advances drawn and not accounted for increase the possibility of wastage/ misappropriation/ malfeasance etc.

Out of the total amount drawn on AC bills in 2021-22, ₹ 171.31 crore was drawn in the month of March 2022. Drawal of funds, through AC bills, in March, indicates that the drawal was primarily to exhaust the budget and reveals inadequate budgetary control.

Departments with the maximum amount of pending DC bills, along with comparative details are given in **Chart 4.2** and **Table 4.8**.

Chart 4.2: Pending DC Bills in respect of major Departments

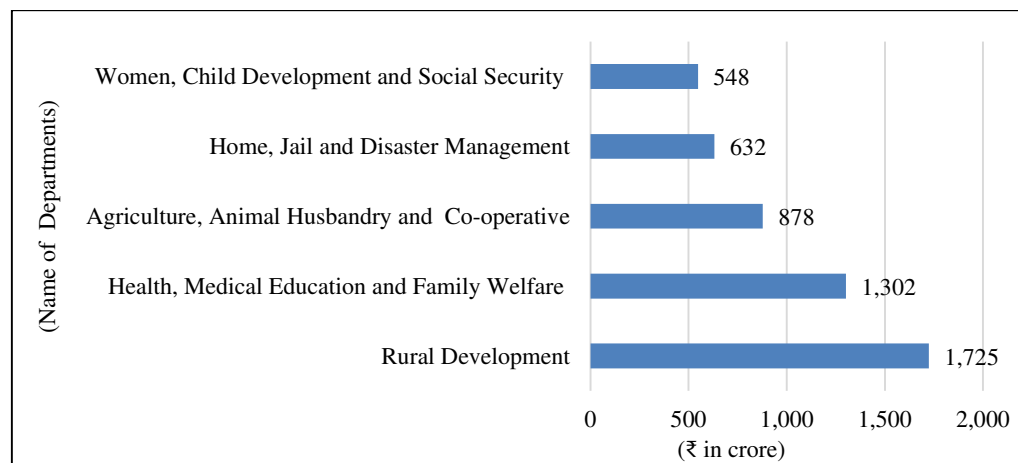


Table 4.8: Year-wise details of pending DC bills in five major departments

(₹ in crore)

Year	Department of Rural Development		Department of Health, Medical Education and Family Welfare		Department of Agriculture, Animal, Husbandry & Co-operative		Department of Women, Child Development and Social Security		Department of Home, Jail and Disaster Management	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
2000-2001	272	15.85	86	0.04	3	0.00	0	0	57	0.11
2001-2002	297	29.43	502	15.31	159	0.70	352	12.66	205	4.64
2002-2003	218	40.45	209	2.67	134	2.81	183	14.37	131	2.84
2003-2004	206	38.90	79	5.65	105	1.56	658	26.12	215	8.28
2004-2005	163	53.86	114	27.66	102	0.89	336	20.03	102	7.19
2005-2006	101	51.14	123	20.37	98	9.06	199	51.04	136	3.42
2006-2007	109	35.37	153	50.53	66	8.80	206	87.39	140	6.02
2007-2008	184	33.97	112	116.02	60	12.92	191	64.71	90	2.64
2008-2009	205	54.50	72	82.47	56	47.35	207	54.48	147	10.22
2009-2010	188	54.90	51	64.11	18	1.08	295	45.53	142	22.77
2010-2011	183	85.68	7	0.62	21	2.04	333	37.67	68	30.75
2011-2012	97	63.85	16	0.80	40	5.93	41	5.06	32	7.88
2012-2013	85	79.55	3	0.10	9	6.95	26	30.12	6	0.16
2013-2014	106	30.30	17	30.12	6	2.07	10	0.18	6	0.56
2014-2015	138	121.68	8	18.96	7	2.47	7	0.09	13	33.77
2015-2016	195	160.70	18	39.59	80	16.51	10	83.72	29	31.08
2016-2017	120	51.40	9	8.32	16	4.72	0	0.00	24	29.65
2017-2018	121	48.79	3	2.49	8	2.01	0	0.00	24	35.89
2018-2019	122	49.99	3	4.44	1	0.00	1	0.45	8	45.10
2019-2020	134	80.86	1	0.44	5	140.00	0	0.00	65	123.69
2020-2021	260	228.26	5	356.50	9	25.73	1	0.15	17	202.48
2021-2022	166	315.20	39	454.36	9	584.05	5	14.16	3	22.67
Total	3670	1,724.63	1630	1,301.57	1012	877.65	3061	547.93	1660	631.81

As can be seen from **Table 4.8**, AC bills drawn since 2000-01 were pending for clearance after lapse of such a long period is a serious irregularity and misutilisation and misuse of government money could not be ruled out. This requires prompt action of the Government to regularize and settle the pending DC bills.

4.6.1 Drawal of funds in AC bill for Capital works

As per Rule 318 of the Jharkhand Treasury Code, AC bills can be drawn only for the purpose of expenditure of a contingent nature and drawal of funds on AC bills for Capital works is not permissible.

It was noticed during examination of the records of the Rural Development Department (Rural Works Affairs), that ₹ one crore and ₹ 114.52 crore were sanctioned for land acquisition and construction of Roads & Bridges, respectively, under the Pradhan Mantri Gram Sadak Yojana (PMGSY). The Under Secretary, Rural Development Department, Ranchi, Jharkhand, had drawn AC bills, for an amount of ₹ 115.52 crore (March 2012 to December 2015) and transferred the funds to the Jharkhand State Rural Road Development Authority (JSRRDA), for execution of work. Year-wise withdrawal details are given in **Table 4.9**.

Table 4.9: Details of AC bills for Capital works

(₹ in crore)

Financial Year	Major head	TV No	AC Bill Date	Amount of AC Bill	Outstanding DC bills
2011-2012	4515	0030	31-03-2012	10.00	0.00
2012-2013	4515	00001	01-03-2013	14.00	0.00
2012-2013	4515	00002	01-03-2013	3.50	0.00
2012-2013	4515	00003	01-03-2013	17.50	0.00
2014-2015	4515	00001	02-02-2015	10.00	0.00
2014-2015	4515	00001	10-07-2014	39.52	0.00
2014-2015	4515	00010	09-03-2015	0.50	0.50
2014-2015	4515	00001	09-03-2015	0.50	0.50
2015-2016	4515	00004	23-12-2015	10.00	10.00
2015-2016	4515	00017	23-12-2015	10.00	10.00
Total				115.52	21.00

Source: VLC Data, Office of the Pr. Accountant General (A&E) Jharkhand

Expenditure of funds drawn on AC bills for execution of capital works is against the provisions of the Treasury Code and should have been avoided by the Department. Providing huge funds as advance for completion of capital works not only entails risk of misutilisation of public money but also results in parking of huge amounts outside the government account for a long period.

It was also noticed that ₹ one crore, provided for land acquisition by the Department, in two instalments, in March 2015, which should have been transferred to the land acquisition officers for the purpose, was kept idle for more than seven years, in the bank account of JSRRDA.

Reply of the Department was awaited (as of December 2022).

4.6.2 Non-Submission of DC Bills – ₹ 133.00 crore

As per Rule 194 of the Jharkhand Treasury Code, DC bills, supported with sub-vouchers and countersigned by the Controlling Officer, are required to be submitted to the Principal Accountant General (A & E), within six months from the date of drawal of AC bills. No AC Bill shall be cashed after the end of this period, unless detailed bill has been submitted.

As per Voucher Level Computerisation (VLC) data, available with the office of the Principal Accountant General (A&E), ₹ 133 crore was drawn through AC bills, under the Major Heads 3054 and 4515, in Grant No. 55, during the period 2012-13 to 2015-16, but DC bills for the same have not been submitted. Details are given in **Table 4.10**.

Table 4.10: Details of pending DC bills

(₹ in crore)

Financial year	Major Head	TV/ TC No	AC Bill No.	AC Bill date	AC Bill amount	DDO code
2012-13	3054	00001	52/12-13	07.02.2013	52.00	PRJSSES042
2014-15	3054	00001	02/14-15	19.12.2014	60.00	PRJORD002
2014-15	4515	00010	07/14-15	09.03.2015	0.50	PRJORD002
2014-15	4515	00001	08/14-15	09.03.2015	0.50	PRJORD002
2015-16	4515	00004	14/15-16	23.12.2015	10.00	PRJSSES042
2015-16	4515	00017	13/15-16	23.12.2015	10.00	PRJSSES042
Total					133.00	

It was observed that AC bills were drawn repeatedly, without submitting DC bills against the AC bills drawn previously. Sanction-wise expenditure incurred on the intended work could not be ascertained during audit, due to improper maintenance of records by the JSRRDA. Non-submission of DC bills for the amount of ₹ 133 crore, for such a long period, is a serious irregularity and entails the risk of misutilisation of public money.

4.6.3 Drawal of AC bills at the end of the financial year

As per provision contained in the Appropriation Act, funds drawn from the Treasury should be utilised within the financial year. Further, Rule 300 of the Jharkhand Treasury Code stipulates that no money should be withdrawn from the Treasury, unless it is required for immediate payment. Further, it is not permissible to draw advances from the Treasury, in anticipation of demand, either for the execution of work, the completion of which is likely to take a considerable time or to prevent the lapse of appropriation. Also, while drawing funds from the Treasury in the last week of March, the DDO is required to certify that all funds drawn will be paid within the financial year.

During audit of the Rural Development Department, it was observed that ₹ 48.09 crore was drawn on 26 AC bills, in the month of March, during the period 2000-15, as detailed in **Table 4.11**.

Table 4.11: Details of AC bills drawn at the end of financial year

(Amount in ₹)

S. N.	Year	Major Head	AC Bill
1	2000-01	2515	81,258
2	2003-04	2515	58,86,000
3	2005-06	2515	1,19,80,000
4	2010-11	2515	30,00,000
5	2011-12	4515	10,00,00,000
6	2012-13	4515	35,00,00,000
7	2014-15	4515	1,00,00,000
Total			48,09,47,258

Drawal of funds on AC bills in the month of March every year, to avoid lapse of funds, is not only a failure of the budgetary control system but also entails risk of misutilisation of public money. Details are given in **Appendix 4.1**.

Similarly, during audit of the Home, Jail and Disaster Management Department (Disaster Management Division), it was observed that, out of ₹ 1,225.63 crore drawn on AC bills, upto 2021-22, DC bills of ₹ 109.52 crore had not been submitted by the Department, as of October 2022. Year-wise details of pending DC bills, as on 20.06.2022, are given in **Table 4.12**.

Table 4.12: Year-wise details of pending DC bills

(₹ in crore)

Major Head	Year	No. of AC Bills	Amount	No. of DC Bills	Amount	Outstanding AC Bills	Amount
2245	Up to 2019-20	807	712.84	472	632.04	335	80.80
	2020-21	5	310.67	4	299.56	1	11.11
	2021-22	2	205.12	1	187.51	1	17.61
Total		814	1,228.63	477	1,119.11	337	109.52

Further, scrutiny of records of NDC, Bokaro, revealed that ₹ 50 lakh had been drawn on the last day of the financial year, on AC bill, in violation of provisions in the Appropriation Act. DC bill, against the AC bill drawn, had not been submitted as of October 2022.

4.7 Deposits of Local Funds

As per Rule 174 of the Jharkhand Treasury Code, money should not be withdrawn from the 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 2021-22, revealed that there were 172 Accounts, operated by various agencies of the State Government, as of 31 March 2022.

Year-wise details of balances are given in **Table 4.13**.

Table 4.13: Year wise breakup of deposits of local Funds

(₹ in crore)

Year	Opening balance	Receipts	Disbursement	Closing Balance
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
2021-22	16,302.85	10,246.04	11,022.02	15,526.87

It is evident from **Table 4.13** that expenditure was less than receipts in the Accounts during 2017-18, 2018-19 and 2020-21, leading to increase in the closing balances during these years.

During 2021-22, disbursements exceeded receipts by ₹ 775.98 crore leading to a decrease in the balance at the end of the year. Further, it is evident from the above table that, as of March 2022, a huge amount of ₹ 15,526.87 crore remained outside the direct control of the Government.

Further, Rule 343 of the Jharkhand Financial Rules provides that, if the time limit for spending any grant has not been fixed by the sanctioning authority, then that amount should be spent on the prescribed purpose within a reasonable time. It has also been provided that, if any part of the grant is not required for immediate expenditure, then it should be surrendered to the government.

A test-check of accounts of the Zila Parishads revealed that six Administrators did not follow the above rules and unspent funds, amounting to ₹ 51.83 crore, were kept blocked in “109-Panchayat Bodies funds under 8448-Deposit of local funds”, for more than three years, as detailed in **Table 4.14**.

Table 4.14: Amount blocked for more than three years

(₹ in crore)

S. N.	Name of office	Unspent amount for more than three years
1	Zila Parishad, Latehar	6.25
2	Zila Parishad, Hazaribag	20.59
3	Zila Parishad, Garhwa	8.32
4	Zila Parishad, Lohardaga	4.73
5	Zila Parishad, Godda	8.07
6	Zila Parishad, Khunti	3.87
	Total	51.83

Unspent balances lying in accounts for long periods and not transferred to the Consolidated Fund before the closure of the financial year was not in consonance with the provisions of financial rules and also entailed the risk of misuse, fraud and misappropriation of public funds.

4.8 Personal Deposit Accounts

Rule 328 to 330 of the Jharkhand Treasury Code provides that Personal Deposit Accounts (PDA) may be used for special cases, by a government servant, where public interest requires a speed of expenditure, which is not possible through the normal treasury procedure. No personal deposit accounts are to be opened at the Treasury, without the concurrence of the Finance Department and authorisation by the Accountant General. The Finance Department is to specify a date in its authorisation letter for which an account is to be opened. On expiry of such date, the treasury officer is to close the account, without the prior permission of Finance Department, as well as Accountant General. The balance outstanding at the time of closure is to be deposited in the Treasury, by the Treasury Officer, in the respective head, under intimation to the account holder *i.e.* the Administrator of the Account, the Finance Department, as well as the Accountant General.

The 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 the land acquisition compensation fund. All these accounts are operational and an amount of ₹ 606.52 crore was added in the opening balance of ₹ 1,746.53 crore during the year 2021-22. Out of the total deposits in these PD accounts, ₹ 334.91 crore was disbursed during the year, leaving a balance of ₹ 2,018.13 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 the total receipts of ₹ 30,187.86 crore under 37 Major Heads, ₹1,414.30 crore (4.68 *per cent*) was booked under the Minor Head "800-Other Receipts". Further, as shown in **Table 4.15**, during 2021-22, in 13 major heads, 60 *per cent* and above receipts, amounting to ₹ 819.17 crore, was booked under '800' against the total receipts of ₹ 864.93 crore under these heads.

Table 4.15: Significant receipts booked under Minor Head 800 – ‘Other Receipts’ during the financial year

(₹ in crore)

Sl. No.	Major Head	Description	Total Receipts	Booked in ‘800’	Per cent of total receipts
1	0801	Power	47.91	47.91	100.00
2	0059	Public Works	16.69	16.69	100.00
3	0852	Industries	9.67	9.67	100.00
4	0220	Information and Publicity	0.02	0.02	100.00
5	0075	Miscellaneous General Services	482.68	482.39	99.94
6	0071	Pension and other retirement benefits	3.32	3.31	99.70
7	1456	Civil Supplies	131.76	130.74	99.23
8	0702	Minor Irrigation	1.6	1.55	96.88
9	0215	Water Supply and Sanitation	9.69	9.04	93.29
10	0701	Medium Irrigation	42.21	37.89	89.77
11	0070	Other Administrative Services	107.39	72.66	67.66
12	0210	Medical and Public Health	8.78	5.35	60.93
13	0235	Social Security and Welfare	3.21	1.95	60.75
Total			864.93	819.17	94.71

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 the 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 4.16**.

Table 4.16: Position of balances under Suspense Head - 8658

(₹ in crore)

Name of the Minor Head	2018-19		2019-20		2020-21		2021-22	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
101- Pay and Accounts Office Suspense	150.67	138.66	307.17	309.99	437.28	438.51	557.75	557.26
Net	Dr. 12.01		Cr. 2.82		Cr.1.23		Dr. 0.49	
102 - Suspense Account (Civil)	28.67	23.33	34.22	26.72	41.87	40.83	93.21	122.57
Net	Dr. 5.34		Dr. 7.50		Dr. 1.04		Cr. 29.36	

Table 4.17: 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	37,102.27	37,220.48	47,673.35	47,785.76	55,208.80	55,332.72	62,735.61	62,817.53
Net	Cr. 118.21		Cr. 112.41		Cr. 123.92		Cr. 81.92	
103 - Forest Remittances	1,291.04	1,291.68	1,831.09	1,832.93	2,394.30	2,404.06	3,035.51	3,078.97
Net	Cr. 0.64		Cr. 1.84		Cr. 9.76		Cr. 43.46	

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 represent payments 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 credit balance of ₹ 12.01 crore in 2018-19 to debit balance of ₹ 0.49 crore in 2021-22. On settlement of the net debit balance under this head (₹ 0.49 crore), the cash balance of the State Government will increase to that extent. However, the remaining suspense balance under this head was insignificant.

• **Suspense Accounts (Civil)**

The Suspense Account minor head is used for booking of receipts (credit) and expenditure incurred (debit), which are to be cleared on receipt of supporting documents by the PAG (A&E). Clearance of these items have no impact on cash balance. The net balance under this suspense head fluctuated between debit of ₹ 5.34 crore to credit of ₹ 29.36 crore, during 2018-19 to 2021-22.

Scrutiny of Cash Remittances and adjustments between officers rendering accounts to the same accounts' officers revealed that a credit balance of ₹ 125.38 crore was in transit at the end of March 2022.

4.11 Non-reconciliation of Departmental figures

To enable Controlling Officers of the Departments to exercise effective control over expenditure, 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 Principal Accountant General (A&E).

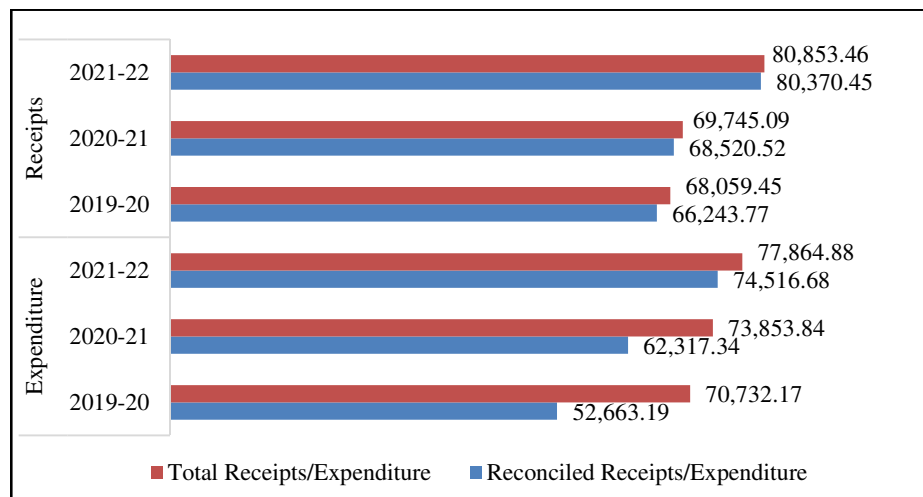
Rule 134 of the Budget Manual requires that the Controlling Officer should arrange to reconcile departmental accounts with the books of the Principal Accountant General (A&E) on a monthly basis to avoid misclassification of expenditure and receipts.

Every year, the Principal Accountant General (Accounts & Entitlements) reiterates to the Budget Controlling Officers, the requirements of the Jharkhand Budget Manual 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 during 2021-22, where 99.40 *per cent* (₹ 80,370.45 crore) of the total receipts of the State (₹ 80,853.46 crore) was reconciled by the departmental officers with the books of PAG (A&E) against 98.24 *per cent* in 2020-21. Similarly, 95.70 *per cent* of the total expenditure (₹ 77,864.88 crore) amounting to ₹ 74,516.68 crore was reconciled during 2021-22 by the departmental officers against 84.38 *per cent* in 2020-21.

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

Chart 4.3: Status of reconciliation during the three years 2019-20 to 2021-22



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 Principal Accountant General (A&E), and the Cash Balance as reported by the Reserve Bank of India.

There was a difference of ₹ 162.42 crore (net debit) between the figures reflected in the accounts {₹ 149.37 crore (debit)} and that intimated by the RBI {(₹ 13.05 crore (debit))}. The difference of ₹ 162.42 crore (net debit) for the year 2021-22 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 4.18: 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

Details related to submission of accounts and status of audit regarding 11 reported Autonomous Bodies in the State, auditable under Sections 19 & 20 of the C&AG's (DPC) Act, 1971, are given in **Table 4.19**.

Table 4.19: 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 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 to 2021-22 have not been received.
2	Jharkhand State Electricity Regularity Commission (JSERC)	2011-12	2011-12	03.03.2014	Audit of accounts have been stopped due to non finalisation of Fund Rules and Format of Accounts.
3	State Highway Authority of Jharkhand (SHAJ)	2020-21	2020-21	Not intimated	After entrustment, audit completed and SAR for the period 2011-12 to 2020-21 issued on 26 November 2021.
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 for the period 2012-16, but audit has not been started as the accounts received were not certified accounts.
6	Birsa Agriculture University	No account submitted			Entrustment received, but no accounts has been received till date.
7	Ranchi Institute of Neuro-Psychiatry & Allied Sciences (RINPAS), Ranchi	No account submitted			Neither entrustment nor accounts has been received till date.
8	Jharkhand Housing Board, Ranchi	No account submitted			Neither entrustment nor accounts has been received till date.
9	Compensatory Afforestation Management and Planning Authority	No account submitted			Neither entrustment nor accounts has been received till date.
10	Baba Baidhyanath Dham-Basukinath Shrine Area Development Authority	No account submitted			Entrustment has been accorded on 29/11/2022 for five accounting years. Accounts awaited.
11	Jharkhand Renewable Energy Development Agency	No account submitted			Neither entrustment nor accounts has been received till date.

Information regarding placement of SARs in respect of audited accounts of JHALSA has not been intimated, despite active pursuance. Though Audit pursued the matter regularly with the concerned authorities for submission of accounts of the bodies (Sl. No. 6 to 11) mentioned in the above table, the same has not been submitted to Audit since inception. However, regular Compliance Audit of these bodies is being conducted.

Further, number of accounts due for submission of 11 reported Autonomous Bodies in the State shown above are as detailed in **Table 4.20:**

Table 4.20: Number of accounts due for submission as on 31 March 2022

Sl. No.	Name of body and authority	Accounts pending since	Number of accounts pending upto F.Y. 2021-22
1	State Highway Authority of Jharkhand (SHAJ)	2021-22	01
2	Jharkhand Sate Legal Service Authority (JHALSA)	2019-20	03
3	Jharkhand State Electricity Regulatory Authority	2012-13	10
4	Rajendra Institute of Medical Sciences (RIMS), Ranchi	2010-11	12
5	National University of Study and Research in Law (NUSRL)	2010-11	12
6	Birsa Agriculture University	2006-07	16
7	Jharkhand State Housing Board	2001-02	20
8	Compensatory Afforestation for Management and Planning Authority (CAMPA)	2009-10	13
9	Jharkhand Renewable Energy Development Authority (JREDA)	2016-17	6
10	Ranchi Institute of Neuro-Psychiatry & Allied Sciences (RINPAS), Ranchi	Entrustment is awaited from State Government.	
11	Baba Baidyanath-Basukinath Shrine Area Development Authority	Entrustment has been accorded on 29/11/2022 for five accounting years.	

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 75 such reported bodies and authorities in the State.

Scrutiny revealed that out of 75 bodies/authorities, no body/authority had submitted their latest accounts, as of October 2022, whereas five² bodies/authorities have not submitted their accounts to Audit since inception. Audit of 70 bodies and authorities has 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 Accountant General (Audit) as of October 2022.

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 defalcation 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

² (i) Jharkhand State Hindu Religion Trust Council (ii) Executive Director, Waste Land Development Board, Jharkhand, (iii) Jharkhand Shiksha Pariyojana Parishad, Ranchi (iv) Government Press and (v) Forest Development Authority

responsible for it. Such reports must be submitted as soon as a suspicion arises that there has been a loss and 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 the State Finances Audit Report

In every State, the PAC/Finance Department requires the line Departments to provide a *suo moto* 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 Accountant General (for vetting and onward transmission to the PAC) within three months of tabling the Reports.

Excess expenditure over provisions amounting to ₹ 8,120.12 crore (relating to previous years) reported in paragraph 2.4.4 of Audit Report on State Finances for the year 2011-12 was regularised by the State Legislature (13.01.2014) on the recommendations of the Public Accounts Committee (PAC). Thereafter, excess expenditure over provisions has not been regularised, as no recommendation has been made by the PAC. No other paragraph featured in the SFARs was discussed in PAC as of December 2022.

4.18 Conclusion

Labour cess, amounting to ₹ 664.19 crore, collected up to March 2022, was not transferred to the Labour Welfare Board Fund during 2021-22, thereby overstating the revenue surplus and understating the fiscal deficit of the State during the relevant years (2008-22). An amount of ₹ 154 crore was transferred to the Board by the State in June 2022, *i.e.*, after the financial year.

As on 31 March 2022, 39,064 Utilisation Certificates (UCs) for an amount of ₹ 1,03,459.14 crore, were outstanding.

As of 31 March 2022, DC bills, against 18,206 AC bills amounting to ₹ 6,094.45 crore, were outstanding.

Unspent balances (₹ 2018.13 crore) lying in PD accounts for long periods and not transferred to the Consolidated Fund was not in consonance with the provisions of financial rules and entailed the risk of misuse, fraud and misappropriation of public funds.

4.19 Recommendations

- *GoJ may ensure complete 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 may take steps for ensuring that outstanding UCs are submitted within a prescribed time frame. The administrative departments releasing the grants may be held responsible for collection of UCs pending beyond the time stipulated in the grant orders. The Finance Department may also ensure that no further grants are*

released to the defaulting grantees. Government may initiate appropriate action against officers who have defaulted in submission of UCs in time.

- *The Finance Department may 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 may review all PD accounts and ensure that all amounts, unnecessarily lying in these PD accounts, are immediately remitted to the Consolidated Fund. Further, the Finance Department may 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 the 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 subsidiaries 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 the 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 company 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 31 March 2022, was 31. Based on the latest finalised accounts received within the last three years *i.e.*, 2019-20 to 2021-22, 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 thereunder. Under the Companies Act, 2013, the CAG appoints 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 the CAG.

5.3 What this Chapter contains

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

5.4 Number of SPSEs

As on 31 March 2022, there were 31 State Public Sector Enterprises under the audit jurisdiction of the CAG. These included 30 State Government Companies, and one State Government controlled other company. The SPSEs covered in this chapter are given in **Table 5.1**.

Table 5.1: SPSEs covered in this chapter

Nature of PSUs	Total Number	Number of SPSEs of which accounts received during the reporting period				SPSEs not covered in the chapter
		upto 2021-22	upto 2020-21	upto 2019-20	Total	
Functional Government Companies ¹	27	1	5	6	12	15
Functional Government Controlled Other Companies	1	0	1	0	1	0
Total functional SPSEs	28	1	6	6	13	15
Non-functional Government Companies	3	1	2	0	3	0
Total non-functional SPSEs	3	1	2	0	3	0
Total	31	2	8	6	16	15

Source: Latest finalised accounts of SPSEs as on 30 Sept 2022

The details of State Government companies/State Government controlled other companies, under the purview of CAG's audit during 2021-22, are given in **Appendix 5.1**. This chapter does not cover 15 SPSEs, whose accounts are in arrears for over three years. These SPSEs are shown in **Appendix 5.2**.

Out of the 16 SPSEs covered in this chapter, two SPSEs had finalised their accounts for the year 2021-22, eight SPSEs had finalised their accounts for the year 2020-21 and six SPSEs had finalised their accounts for the year 2019-20 (as of 30 September 2022). The result/ summary of financial performance of SPSEs covered in this chapter for 2021-22 is given in **Table 5.2**.

Table 5.2: Summary of financial performance of 16 SPSEs

Particulars	Details
Total number of SPSEs	31
SPSEs covered in this chapter	16
Paid up capital (SPSEs)	4,433.97 crore
Long term Loans (SPSEs)	19,095.16 crore
Net profit (10 SPSEs)	23.35 crore
Net loss (5 SPSEs)	-2,707.78 crore
Zero Profit/loss (1 SPSE)	0
Dividend declared (SPSEs)	Nil
Total Assets (SPSEs)	45,663.99 crore
Turnover (SPSEs)	5,045.76 crore
Net Worth (SPSEs)	-6,366.87 crore

Source: Latest finalised Annual Accounts of SPSEs as on 30th Sept 2022

The ratio of turnover of the 16 SPSEs covered in this chapter, to the Gross State Domestic Product (GSDP), shows the extent of commercial activities of the SPSEs in the State economy. Details are given in **Table 5.3**.

¹ Government PSUs include Government controlled other Companies referred to in Section 139(5) and 139(7) of the Companies Act, 2013.

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

(₹ in crore)			
Particulars	2019-20	2020-21	2021-22
Turnover	5,553.53	5,042.14	5,045.76
Percentage change in turnover as compared to turnover of preceding year	26.16	-9.21	0.07
GSDP of Jharkhand	3,21,157	3,17,079	3,63,085
Percentage of Turnover to GSDP of Jharkhand	1.73	1.59	1.39

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 decreased from ₹ 5,553.53 crore in 2019-20, to ₹ 5,045.76 crore in 2021-22. As shown in **Table 5.3**, turnover growth during last three years ranged between -9.21 per cent and 26.16 per cent over the previous years.

5.5 Investment in Government Companies & Government controlled other company

The amount of investment in equity and loans in 30 Government Companies and one Government controlled other company, as at the end of 31 March 2022, is given in **Table 5.4**.

Table 5.4: Equity investment and loans in Government Companies and Others

Sources of investment	As on 31 March 2021			As on 31 March 2022		
	Equity	Long Term Loans	Total	Equity	Long Term Loans	Total
State Government	5,223.92	17,053.97	22,277.89	5,320.82	17,615.84	22,936.66
Others (including Government Companies)	17.46	1,755.03	1,772.49	22.34	1,855.74	1,878.08
Total Investment	5,241.38	18,809.00	24,050.38	5,343.16	19,471.58	24,814.74
Percentage of investment of State Government to Total Investment	99.67	90.67	92.63	99.58	90.47	92.43

Source: Information provided by SPSEs.

The capital invested in the Government controlled other Company (Jharkhand Railway Infrastructure Development Corporation Limited) by the State Government and others, up to the year 2021-22, was ₹ 19.80 crore and is included in the above table.

5.6 Equity Holding in SPSEs

During 2021-22, the total equity holding, at face value, in the 31 SPSEs, registered a net increase of ₹ 101.78 crore. Investment in equity in SPSEs, by the State Government, increased from ₹ 4,610.86 crore in 2019-20 to ₹ 5,343.16 crore in 2021-22, of which, JBVNL and JUSNL accounted for ₹ 3,195.83 crore and ₹ 1,598.96 crore, respectively.

5.7 Loans given to State Government Companies

Out of 31 SPSEs, 21 SPSEs did not have any long-term loans, as on 31 March 2022. 10 SPSEs had ₹ 19,471.58 crore, as long term loans outstanding on that date, as detailed in **Table 5.5**.

Table 5.5: Outstanding Long Term Loans in 10 SPSEs

(₹ in crore)

	2019-20	2020-21	2021-22
State Government	13,569.42	17,053.93	17,615.84
Central Government	1,192.76	1,233.36	1,334.07
Others	488.29	487.56	521.67
Total Long Term Loans	15,250.47	18,774.85	19,471.58

Source: Information provided by SPSEs

5.8 Impact of dues of power purchase by the State DISCOM on State finances

As per the tripartite agreement (TPA) (25.11.2016) between the Government of India, the Government of Jharkhand and the Reserve Bank of India, the State Government had agreed to assume the liability for discharging the payment obligations of the State DISCOM, in the event of default arising out of the agreement signed with the Central Public Sector Undertakings (CPSU), for supply of power. In case any amount is paid to a CPSU, by the GoI, on behalf of the DISCOM, on account of dues after a period of 90 days from the date of billing, such dues shall be recoverable by GoI, from the State Government, along with interest at the admissible rate.

In Jharkhand, there is only one DISCOM owned by the State, viz. Jharkhand Bijli Vitran Nigam Limited (JBVNL). Power purchase and dues of power purchase of JBVNL, from State PSUs and Central PSUs, for the last five years, are given in **Table 5.6**.

Table 5.6: Liabilities of JBVNL due to power purchase (PP)

Year	Particulars	₹ in crore)			Year-wise CB of liabilities w.r.t PP (in per cent)
		State PSU	Central PSUs	Total	
2017-18	Opening balance	2,712.62	2,441.73	5,154.35	94.20
	Power purchase	877.03	5,060.39	5,937.42	
	Payments & adjustments	875.98	4,622.87	5,498.85	
	Closing balance	2,713.68	2,879.25	5,592.93	
2018-19	Opening balance	2,713.68	2,879.25	5,592.93	111.21
	Power purchase	823.74	4,791.36	5,615.09	
	Payments & adjustments	569.76	4,393.60	4,963.36	
	Closing balance	2,967.65	3,277.01	6,244.66	
2019-20	Opening balance	2,967.65	3,277.01	6,244.66	128.06
	Power purchase	216.68	5,989.32	6,205.99	
	Payments & adjustments	-696.90	5,200.44	4,503.54	
	Closing balance	3,881.23	4,065.89	7,947.12	
2020-21	Opening balance	3,881.23	4,065.89	7,947.12	132.57
	Power purchase	917.49	5,037.24	5,954.74	
	Payments & adjustments	532.60	5,474.80	6,007.40	
	Closing balance	4,266.13	3,628.33	7,894.45	
2021-22	Opening balance	4,266.13	3,628.33	7,894.45	144.03
	Power purchase	741.07	5,689.76	6,430.83	
	Payments & adjustments	654.09	4,408.60	5,062.69	
	Closing balance	4,353.11	4,909.49	9,262.59	

As shown in **Table 5.6**, the closing balance of power purchase dues of JBVNL, both from Central and State PSUs, increased from ₹ 5,592.93 crore (94.20 per cent) in 2017-18, to ₹ 9,262.59 crore (144.03 per cent) in 2021-22. The outstanding dues payable to Central PSUs increased from ₹ 2,879.25 crore in 2017-18, to ₹ 4,909.49 crore in 2021-22. Since, the Government of Jharkhand is liable to pay the outstanding dues for power purchase, as per tripartite agreement ₹ 2,845.50 crore was debited from the

Jharkhand Government's Account with RBI by GoI as detailed in **Table 5.7:**

Table 5.7: Details of amount debited from State Government's account in RBI

(₹ in crore)

Date	Amount debited
27.10.2020	1,417.50
22.01.2021	714.00
26.08.2021	714.00
Total	2,845.50

In the year 2021-22, dues payable to the State and Central PSUs increased exponentially due to lower collections, in view of COVID-19. During reconciliation of accounts between the DVC and JBVNL, it was noticed that dues shown in the books of DVC against power purchase was more than that shown in JBVNL account. The difference was accepted and taken in the accounts of JBVNL leading to increase in liability of JBVNL.

The huge outstanding dues of power purchase could have an adverse impact on State Finances, as the State Government is liable to pay the dues, as per the tripartite agreement with GoI.

5.9 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 the value of total assets, in 10 SPSEs which had outstanding loans, as on 31 March 2022, is given in **Table 5.8**.

Table 5.8: SPSEs with outstanding loans as on 31 March 2022

(₹ in crore)

	Positive Coverage				Negative Coverage			
	No. of SPSEs	Long term Loans	Assets	Assets to loans per cent	No of SPSEs	Long term Loans	Assets	Assets to loans per cent
Government Company	6	19,376.77	44,942.86	231.94	4	94.81	25.66	27.06

Source: Latest finalized Annual Accounts of SPSEs as on 30th September 2022

In four² out of 10 SPSEs having outstanding loans, the value of total assets was lower than their outstanding loans.

5.10 Budgetary Support to State PSUs

The Government of Jharkhand provides financial support to SPSEs, in the form of subsidy and grant, through the annual budget. Out of 16 SPSEs whose latest accounts were finalised, the State Government had provided financial support, in the form of subsidy and grants, to six SPSEs (₹ 1,357.84 crore, ₹ 4,645.55 crore and ₹ 2,146.43 crore, in 2019-20, 2020-21 and 2021-22, respectively).

Profit earned by SPSEs

As per their latest finalised accounts, six non-power sector SPSEs reported a profit of ₹ 23.66 crore in 2019-20, nine reported a profit of ₹ 20.72 crore

² Jharkhand State Food and Civil Supplies Corporation Ltd., Jharbihar Colliery Limited, Patratu Energy Ltd. and Karanpura Energy Ltd.

in 2020-21 and ten SPSEs reported a profit of ₹ 23.35 crore during 2021-22.

Out of these ten profit making SPSEs in 2021-22, the Jharkhand Urban Infrastructure Development Company Ltd. earned a profit of more than ₹ 10 crore, as per its latest finalised accounts.

No dividend policy had been framed by the State Government (as of October 2022) and no dividend was paid by these SPSEs, during 2021-22.

5.11 Debt servicing and legal compliances

Interest Coverage Ratio

The 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 the interest expenses for 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 is not generating sufficient revenues to meet its expenses on interest in the last three years. The position of the three functional power sector SPSEs, in this regard, is shown in **Table 5.9**.

Table 5.9: Interest Coverage Ratio of the three functional power sector companies
(₹ in crore)

Year	Interest	Earnings before interests & Taxes (EBIT)	No of SPSEs	SPSEs having ICR less than 1
2019-20	995.08	-1,131.54	3	3
2020-21	1,254.86	-2,702.94	3	3
2021-22	1,254.86	-2,705.21	3	3

Source: Latest finalised Annual Accounts of SPSEs as on 30th Sept 2022

As shown in **Table 5.9**, the ICR of the three functional power sector SPSEs³ was less than one, which was indicative of insufficient earnings for paying interest on their loans, and entailed a high risk of insolvency.

Age wise Analysis of Interest Outstanding on State Government Loans

As on 30 June 2022, interest, amounting to ₹ 3,676.63 crore, was outstanding on the long-term loans provided by the State Government, to three power sector SPSEs (JBVNL, JUSNL and JUUNL). The age-wise analysis of interest outstanding, is depicted in **Table 5.10**.

Table 5.10: Age-wise analysis of Interest Outstanding on State Government Loans
(₹ in crore)

Sl. No	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	2,930.49	755.57	1,251.36	923.56
2	JUSNL	2,505.86	492.79	985.58	1,027.49
3	JUUNL	39.00	6.50	13.00	19.50
Total		5,475.35	1,254.86	2,249.94	1,970.55

Source: Latest finalised Annual Accounts of SPSEs as on 30th Sept 2022

It can be seen from **Table 5.10** that interest, amounting to ₹ 1,970.55 crore, was outstanding for more than three years. The companies had failed to repay the interest, as well as the principal, of the outstanding loans.

³ JBVNL, JUSNL and JUUNL.

5.12 Loss incurred by SPSEs

There were 8⁴ SPSEs/Government controlled other companies that had incurred losses during the years 2019-20 to 2021-22, as shown in Table 5.11.

Table 5.11: Number of SPSEs that incurred losses during 2019-20 to 2021-22
(₹ in crore)

Year	No of SPSEs/ Government controlled other companies that incurred losses	Net loss for the year	Net Worth ⁵
2019-20	8	-1,651.19	-4,555.38
2020-21	7	-2,717.53	-6,730.62
2021-22	5	-2,707.78	-6,722.38

Source: Latest finalised Annual Accounts of SPSEs as on 30thSept, 2022

During 2021-22, losses amounting to ₹ 2,707.78 crore were incurred by the five power sector companies.

5.13 Delayed preparation of accounts by State Government Companies/ Statutory Corporations

As per the Companies Act, 2013, the financial statements of each company, 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 5.12 provides the details of progress made by the PSUs in finalisation of their accounts (as of 30 September, 2022).

Table 5.12: Position of accounts finalisation of working and inactive PSUs

Sl. No.	Particulars	Working	Inactive	Total
1	Number of PSUs	28	3	31
2	Number of PSUs having accounts in arrears	27	2	29
3	Number of accounts in arrear	101	2	103
4(a)	Number of PSUs with arrears of more than six years	2	0	2
4(b)	Number of accounts in arrear in the above PSUs	24	0	24
5(a)	Number of PSUs with arrears between three to five years	13	0	13
5(b)	Number of accounts in arrear in the above PSUs	59	0	59
6(a)	Number of PSUs with arrears between one to two years	12	2	14
6(b)	Number of accounts in arrear in the above PSUs	18	2	20
7	Extent of arrears (in years)	1 to 12	1	1 to 12

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, in ensuring compliance of the defaulting companies, with the provisions of the Companies Act.

⁴ JBVNL, JUSNL, JUUNL, JCL, PEL, KEL, JPHCL and JHARCRAFT.

⁵ '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 the share premium account but do not include reserves created out of revaluation of assets and write back of the depreciation provision.

It was observed that 11⁶ companies were persistent defaulters in submitting their accounts and their outstanding accounts ranged between four to 12 annual accounts (as on 30 September, 2022).

5.14 Erosion of net worth of SPSEs

Net worth is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities and debit or credit balance of Profit and Loss Accounts, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserve created out of revaluation of assets and write back of depreciation. Details are given in the **Table 5.13**

Table 5.13: Erosion of net worth of SPSEs as on 31 March 2022

(₹ in crore)

Name of SPSEs	Latest Finalised Accounts	Total Paid up Capital	Net profit/loss after tax and preference dividend	Turnover	Accumulated Losses	Net worth	Assets (WDV)	State Equity as on 31 March 2022	State Loans as on 31 March 2022
Jharkhand Bijli Vitran Nigam Limited	2020-21	3,108.93	-2,200.05	5,289.52	-9,499.81	-6,390.88	31,785.11	3,108.93	11,910.63
Jharkhand Sancharan Urja Nigam Limited	2019-20	972.96	-502.94	230.00	-1,289.52	-316.56	6,020.03	972.96	4,905.13
Jharbihar Colliery Ltd.	2020-21	1.00	-0.02	0.00	-3.99	-2.99	1.04	1.00	0
Patratu Energy Ltd. Non-working	2020-21	0.05	0.02	0.00	-16.44	-16.39	26.05	0.05	19.85
Karanpura Energy Limited. Non-working	2020-21	0.05	-2.50	0.01	-26.27	-26.22	23.33	0.05	15.12
Jharkhand Silk Textile & Handicraft Development Corporation Ltd.	2020-21	10.00	0.09	5.62	-46.94	-36.94	200.92	10.00	0
Total		4,092.99	-2,705.40	5,525.15	-10,882.97	-6,789.98	38,056.48	4,092.99	16,850.73

As per the latest finalised accounts received from 16 companies, accumulated losses of six companies was ₹ 10,882.97 crore, against their paid-up capital of ₹ 4,092.99 crore. Hence, the net worth of those companies were completely eroded and their cumulative net worth stood at (-) ₹ 6,789.98 crore, as on 31 March 2022.

5.15 Conclusion


There were 31 State Public Sector Enterprises (SPSEs) under the audit jurisdiction of the CAG. Of these, 16 SPSEs submitted their accounts for audit. As of 30 September 2022, two SPSEs had finalised their accounts for the year 2021-22, eight SPSEs had finalised accounts for the year 2020-21 and six SPSEs had finalised their accounts for the year 2019-20.

The turnover of these SPSEs decreased from ₹ 5,553.53 crore in 2019-20, to ₹ 5,045.76 crore in 2021-22.

⁶ Jharkhand Tourism Development Corporation Limited, Jharkhand State Food and Civil Supplies Corporation Ltd., Jharkhand Urban Transport Corporation Limited, Atal Bihari Vajpayee Innovation Lab, Jharkhand State Forest Development Corporation Ltd., Jharkhand Hill Area Lift Irrigation Corporation Limited, Tenughat Vidyut Nigam Limited, Jharkhand Urja Vikas Nigam Limited, Jharkhand State Beverage Corporation Ltd., Jharkhand State Minority Finance Development Corporation, Jharkhand State Mineral Development Corporation Ltd.


The outstanding dues payable, against purchase of power, by the State DISCOM, to Central PSUs, increased from ₹ 2,879.25 crore in 2017-18, to ₹ 4,909.49 crore in 2021-22. As the Government of Jharkhand is liable to pay the outstanding dues for power purchase, as per the tripartite agreement with the GoI, ₹ 2,845.50 crore was debited by GoI from the Jharkhand Government's account with RBI.

Ranchi
The 03 April 2023


(ANUP FRANCIS DUNG DUNG)
Accountant General (Audit) Jharkhand

Countersigned

New Delhi
The 10 April 2023


(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			79,716 Sq. km.		
2	Population					
	a.	2011		3.33 crore		
	b.	2022		3.90 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 = 418.43 persons per Sq.Km)		488.85 persons per Sq. km.		
4	Population below poverty line (BPL) (2011-12) ³ (All India Average = 21.92%)			36.96 per cent		
5	Literacy ⁴ (All India Average = 73%)			66.40 per cent		
6	Infant mortality ⁵ 2017 (per 1000 live births) (All India = 28 per 1000 live births)			25		
	Life expectancy at birth ⁶ (2014-18) (India = 69.7 years)			69.4 years		
7	Human Development Index ⁷					
	a.	2020 (All India = 0.642)		NA		
	b.	2021 (All India = 0.633)		NA		
8	Gross State Domestic Product (GSDP) ⁸ at current prices (2011-12 Series) in 2021-22			₹ 3,63,085 crore		
9	Per capita GSDP CAGR (2012-13 to 2021-22)		Jharkhand	5.80 per cent		
			All India	6.84 per cent		
10	GSDP CAGR (2012-13 to 2021-22)		Jharkhand	7.79 per cent		
			All India	10.11 per cent		
11	Population Growth (2012 to 2022)		Jharkhand	16.15 per cent		
			All India	12.12 per cent		
B. Financial Data						
Sl. No.	Particulars		Figures (in per cent)			
			2019-20 to 2020-21		2020-21 to 2021-22	
	Growth		General States	Jharkhand	General States	Jharkhand
1	a.	of Revenue Receipts	-4.12	-3.88	25.60	24.17
2	b.	of Own Tax Revenue	-4.06	0.65	25.62	26.12
3	c.	of Non-Tax Revenue	-34.63	-13.55	45.46	32.61
4	d.	of Total Expenditure	4.99	6.92	13.96	3.50
5	e.	of Capital Expenditure	-2.09	17.93	25.59	-8.49
6	f.	Capital Outlay	-2.84	-14.31	NA	10.80
7	g.	Loan & Advances Disbursed	2.31	1943.16	1.22	-56.72
8	h.	of Revenue Expenditure on Education	-0.90	3.33	11.47	10.99
9	i.	of Revenue Expenditure on Health	15.29	24.84	19.71	24.40
10	j.	of Salaries & Wages	2.83	0.41	11.23	8.49
11	k.	of Pension	6.48	13.19	11.88	12.00

¹ Census Info India 2011 Final Population Totals

² Census of India 2011 (Population Projection 2011-2036)

³ Ministry of Statistics and Programme Implementation

⁴ Census 2011

⁵ SRS bulletin

⁶ SRS Abridged life table 2015-19

⁷ UNDP report HDR 2020

⁸ Directorate of Economics and Statistics, Planning and Development Department, Jharkhand

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 2021-22.
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 2022.
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 2021-22.
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 2021-22
(Reference: paragraph 2.2)

(₹ in crore)

Receipts		Disbursements							
2020-21		2021-22		2020-21		2021-22			
	Section-A: Revenue					Estt.	State & Central Scheme	Total	
56,149.73	I. Revenue Receipts		69,721.86	59,263.59	I. Revenue Expenditure	30,617.80	32,160.11	62,777.91	62,777.91
16,880.08	Tax Revenue	21,289.61		19,902.67	General Services	21,353.61	201.69	21,555.30	
				23,347.07	Social Services	7,195.85	17,443.48	24,639.33	
7,564.01	Non-tax Revenue	10,030.75		10,052.00	Education, Sports, Art and Culture	5,859.00	5,315.19	11,174.19	
				3,483.65	Health and Family Welfare	1,321.76	3,012.41	4,334.17	
19,712.23	State's share of Union Taxes	27,734.64		3,735.31	Water supply, Sanitation, Housing and Urban Development	271.07	2,902.55	3,173.62	
2,990.50	Finance Commission Grants	2,198.3		131.92	Information and Broadcasting	89.8	89.67	179.47	
2,164.06	Other Grants to State	1,891.4		911.79	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	134.62	940.15	1,074.77	
6,838.85	Centrally sponsored schemes	6,577.16		222.01	Labour and Labour Welfare	52.97	129.12	182.09	
				4,778.51	Social Welfare and Nutrition	-566.44	5,054.39	4,487.95	
				31.88	Others	33.07	0	33.07	
				16,013.85	Economic Services	2,068.34	14,514.94	16,583.28	
				2,084.37	Agriculture and Allied Activities	653.54	2,880.43	3,533.97	
				8,238.31	Rural Development	463.38	5,960.27	6,423.65	
				0	Special Areas Programmes	0	0	0.00	
				366.53	Irrigation and Flood Control	371.44	1.43	372.87	
				2,022.47	Energy	3.85	3,804.45	3,808.30	
				245.78	Industry and Minerals	59.48	270.23	329.71	
				749.38	Transport	292.26	150.79	443.05	
				0.00	Science, Technology and Environment	0	0	0.00	
				2,307.01	General Economic Services	224.39	1,447.34	1,671.73	
				0	Grants-in-aid and Contributions	0	0	0	
				59,263.59	Total	30,617.80	32,160.11	62,777.91	
3,113.86	II Revenue Deficit carried over to Section B			0.00	II Revenue Surplus Section B				6,943.95
59,263.59	Total	69,721.86		59,263.59	Total				69,721.86
Section B									

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Receipts				Disbursements					
2020-21		2021-22	2020-21		2021-22				
3,463.48	III Opening Cash Balance including permanent advances and cash balance investment	3,720.32	0	III Opening Over Draft from Reserve Bank of India				0	
0	IV Miscellaneous Capital Receipts	0	8,465.66	IV Capital Outlay	0.00	9,376.90	9,376.90	9,376.90	
			770.92	General Services	0	734.3	734.30		
			1,491.46	Social Services	0.00	1,595.26	1,595.26		
			94.87	Education, Sports, Art and Culture	0.00	94.34	94.34		
			586.13	Health and Family Welfare	0.00	488.68	488.68		
			480.34	Water supply, Sanitation, Housing and Urban Development	0.00	590.28	590.28		
			0	Information and Broadcasting	0.00	0	0.00		
			269.28	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.00	364.42	364.42		
			5.29	Social Welfare and Nutrition	0.00	11.92	11.92		
			55.55	Others	0.00	45.62	45.62		
			6,203.28	Economic Services	0.00	7,047.34	7,047.34		
			75.78	Agriculture and Allied Activities	0.00	353.73	353.73		
			1,283.49	Rural Development	0.00	1,142.75	1,142.75		
			0	Special Areas Programme	0.00	0	0.00		
			1,046.31	Irrigation and Flood Control	0.00	1,204.26	1,204.26		
			626	Energy	0.00	87.52	87.52		
			7.76	Industry and Minerals	0.00	1,002.00	1,002.00		
			3,120.33	Transport	0.00	3,202.12	3,202.12		
			43.61	General Economic Services	0.00	54.96	54.96		
48.78	V Recoveries of Loans and Advances	1,291.73	3,379.77	V Loans and Advances Disbursed	50.41	1,412.57	1,462.98	1,462.98	
0	From Power Projects	1,246.00	3,352.40	For Power Projects	0	1,412.57	1,412.57		
48.54	From Govt. Servants	45.73	4.46	To Government Servants	31.68	0	31.68		
0.24	From Others	0	22.91	To Others	18.73	0.00	18.73		
0	VI Revenue Surplus brought down	6,943.95	3,113.86	VI Revenue Deficit brought down				0	
13,546.58	VII Public Debt Receipts	9,839.87	2,744.82	VII Repayment of Public Debt			4,247.08	4,247.08	
0	External Debt	0	0	External Debt			0		
10,958.31	Internal Debt other than Ways and	6,594.22	2,546.88	Internal Debt other than Ways			4,012.80		

Receipts			Disbursements					
2020-21		2021-22	2020-21		2021-22			
	Means Advances and Over Draft				and Means Advances and Over Draft			
0	Transaction under Ways and Means Advances	0	0	0	Transaction under Ways and Means Advances			0
0	Net Transaction under Over Draft.	0	0	0	Net Transaction under Over Draft			0
2,588.27	Loans and Advances from Central Government	3,245.65		197.94	Repayments of Loans and Advances to Central Government			234.28
0	VIII Appropriation to Contingency Fund		0		VIII Appropriation to Contingency Fund			0
0	IX Amount transferred to Contingency Fund		0		IX Expenditure from Contingency Fund			0
28,511.48	X Public Accounts Receipts		24,643.60	24,145.89	X Public Accounts Disbursements			25,779.81
1,179.21	Small Savings and Provident Funds	1,172.20		1,201.67	Small Savings and Provident Funds			1,365.41
1,377.12	Reserve Funds	825.60		604.75	Reserve Funds			1,205.51
303.87	Investment in earmarked fund	200.00						
863.42	Suspense and Miscellaneous	143.76		809.95	Suspense and Miscellaneous			170.86
8,118.09	Remittances	8,159.71		8,073.94	Remittances			8,173.53
16,669.77	Deposits and Advances	14,142.33		13,455.58	Deposits and Advances			14,864.50
0	Inter State Settlement	0		0	Inter-state Settlement			0
0	XI Closing Over Draft from Reserve Bank of India		0	3,720.32	XI Cash Balance at the end of the Year			5,572.70
				0	Cash in Treasuries and Local Remittances			0.00
				160.55	Deposits with Reserve Bank			149.37
				44.7	Departmental Cash Balance including Permanent Advances			38.83
				703.87	Investment of Earmarked Fund			903.87
				2811.20	Cash Balance Investment			4480.63
1,04,833.91	Total		1,16,161.33	1,04,833.91	Total			1,16,161.33

Appendix 2.2
Time series data on the State Government finances
(Reference: Paragraph 2.3.2.1 & 2.4)

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
Part A. Receipts					
1. Revenue Receipts	52,756	56,152	58,417	56,150	69,722
(i) Tax Revenue	12,353	14,752	16,771	16,880	21,290
Goods and Services Tax	4,124	8,201	8,418	7,931	9,557
Taxes on Agricultural Income	-	-	0	0	0
Taxes on Sales, Trade, etc.	5,715	3,475	3,996	4,301	5,213
State Excise	841	1,083	2,009	1,821	1,807
Taxes on Vehicles	779	864	1,129	976	1,263
Stamps and Registration fees	469	451	560	708	987
Land Revenue	156	389	338	873	1,621
Taxes on Goods and Passengers	0	0	0	0	0
Other Taxes	270	289	321	270	841
(ii) Non Tax Revenue	7,847	8,258	8,750	7,564	10,031
(iii) State's share of Union taxes and duties	21,144	23,906	20,593	19,712	27,735
(iv) Grants-in-aid from Government of India	11,412	9,236	12,303	11,993	10,667
2. Miscellaneous Capital Receipts	25	0	0	0	0
3. Recoveries of Loans and Advances	42	47	49	49	1,292
4. Total Revenue and Non debt capital receipts (1+2+3)	52,824	56,199	58,466	56,199	71,014
5. Public Debt Receipts	8,137	7,803	9,593	13,547	9,840
Internal Debt (excluding Ways and Means Advances and Overdrafts)	7,905	7,531	9,167	10,958	6,594
Net transactions under Ways and Means Advances and Overdrafts	0	0	0	0	0
Loans and Advances from Government of India	232	273	426	2,588	3,246
6. Total Receipts in the Consolidated Fund (4+5)	60,960	64,002	68,059	69,745	67,281
7. Contingency Fund Receipts	0	0	0	0	0
8. Public Account Receipts	27,833	25,410	33,243	28,511	24,644
9. Total Receipts of the State (6+7+8)	86,370	97,245	1,01,302	98,256	91,925
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	50,952	50,631	56,457	59,264	62,778
Plan/State Schemes, CASC, CSS	22,999	23,983	27,627	28,370	32,160
Non Plan/Establishment	27,953	26,648	28,830	30,894	30,618

	2017-18	2018-19	2019-20	2020-21	2021-22
General Services (including interest payments)	16,558	17,656	18,714	19,903	21,555
Social Services	19,575	18,786	21,448	23,347	24,639
Economic Services	14,819	14,189	16,294	16,014	16,583
Grants-in-aid and contributions	0	0	1	0	0
11. Capital Expenditure	11,953	10,712	9,879	8,466	9,377
Plan/State Schemes, CASC, CSS	11,884	10,669	9,832	8,401	9,377
Non Plan/Establishment	69	42	47	65	0
General Services	807	791	1,239	771	734
Social Services	1,528	1,616	1,431	1,492	1,595
Economic Services	9,618	8,305	7,209	6,203	7,047
12. Disbursement of Loans and Advances	1,852	1,485	165	3,380	1,463
13. Total Expenditure (10+11+12)	64,756	62,828	66,501	71,109	73,618
14. Repayments of Public Debt	2,950	3,060	4,231	2,745	4,247
Internal Debt (excluding Ways and Means Advances and Overdrafts)	2,788	2,893	4,058	2,547	4,013
Net transactions under Ways and Means Advances and Overdraft	0	0	0	0	0
Loans and Advances from Government of India	161	167	173	198	234
15. Appropriation to Contingency Fund	0	0	0	0	0
16. Total disbursement out of Consolidated Fund (13+14+15)	67,706	65,888	70,732	73,854	77,865
17. Contingency Fund disbursements	0	0	0	0	0
18. Public Account disbursements	22,885	23,279	27,903	24,146	25,780
19. Total disbursement by the State (16+17+18)	90,591	89,167	98,635	98,000	1,03,645
Part C. Deficits					
20. Revenue Deficit(-)/ Revenue Surplus (+) (1-10)	1,804	5,521	1,960	-3,114	6,944
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	-11,933	-6,629	-8,035	-14,911	-2,604
22. Primary Deficit(-)/ Surplus(+)(21-23)	-7,271	-1,777	-2,727	-9,120	3,682
Part D. Other data					
Primary Revenue balance (non-debt receipt - Primary Revenue Expenditure)	6,534	10,420	7,317	2,725	14,522
23. Interest Payments (included in revenue expenditure)	4,662	4,852	5,308	5,790	6,286

	2017-18	2018-19	2019-20	2020-21	2021-22
24. Financial Assistance to local bodies etc.	20,714	17,976	19,191	20,078	19,630
25. Ways and Means Advances/ Overdraft availed (days)	7	68	16	0	16
Ways and Means Advances availed (days)	7	58	16	0	16
Overdraft availed (days)	0	10	0	0	0
26. Interest on Ways and Means Advances/ Overdraft	0	6	4	0	46
27 (a) Gross State Domestic Product at current prices (GSDP)[@]	2,69,816	3,05,695	3,21,157	3,17,079	3,63,085
27 (b) Gross State Domestic Product at constant prices (GSDP)[@]	2,10,587	2,29,274	2,38,395	2,27,082	2,47,011
28 Outstanding Fiscal liabilities (year end)	77,095	83,783	94,407	1,09,185	1,13,483
29. Outstanding guarantees (year-end) (including interest)	157	607	607	607	607
30. Maximum amount guaranteed (year end)	157	450	450	607	607
31. Number of incomplete projects (value ₹ one crore and above)	113	410	378	374	274
32. Capital blocked in incomplete Projects	1,403	3,818	3,828	4,669	4,040
Part E. Fiscal Health Indicators					
I Resource Mobilisation					
Own Tax revenue/GSDP at current price	4.58	4.83	5.22	5.32	5.86
Own Tax revenue/GSDP at constant price	5.87	6.43	7.03	7.43	8.62
Own Non-Tax Revenue/GSDP at current price	2.91	2.70	2.72	2.39	2.76
Own Non-Tax Revenue/GSDP at constant price	3.73	3.60	3.67	3.33	4.06
Central Transfers/GSDP at current price	7.84	7.82	6.41	6.22	7.64
Central Transfers/GSDP at constant price	5.42	4.03	5.16	5.28	4.32
II Expenditure Management					
Total Expenditure/GSDP at current price	24.00	20.55	20.71	22.43	20.28
Total Expenditure/GSDP at constant price	30.75	27.40	27.90	31.31	29.80
Total Expenditure/Revenue Receipts	122.75	111.89	113.84	126.64	105.59

	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Expenditure/Total Expenditure	78.68	80.59	84.90	83.34	85.28
Expenditure on Social Services (including L&A)/Total Expenditure	32.64	32.47	34.44	34.96	35.66
Expenditure on Economic Services (including L&A)/Total Expenditure	40.46	35.84	35.48	35.96	34.02
Capital Expenditure/Total Expenditure	18.46	17.05	14.86	11.91	12.74
Capital Expenditure on Social and Economic Services/Total Expenditure.	17.21	15.79	12.99	10.82	11.74
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP at current price	0.67	1.81	0.61	-0.98	1.91
Revenue deficit (surplus)/GSDP at constant price	0.86	2.41	0.82	-1.37	2.81
Fiscal deficit/GSDP at current price	-4.42	-2.17	-2.50	-4.70	-0.72
Fiscal deficit/GSDP at constant price	-5.67	-2.89	-3.37	-6.57	-1.05
Primary Deficit (surplus) /GSDP at current price	-2.69	-0.58	-0.85	-2.88	1.01
Primary Deficit (surplus) /GSDP at constant price	-3.45	-0.78	-1.14	-4.02	1.49
Revenue Deficit/Fiscal Deficit	-15.12	-83	-24	21	-267
Primary Revenue Balance/GSDP at current price	2.42	3.41	2.28	0.86	4.00
Primary Revenue Balance/GSDP at constant price	3.10	4.54	3.07	1.20	5.88
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP at current price	28.57	27.41	29.40	34.43	31.26
Fiscal Liabilities/GSDP at constant price	36.61	36.54	39.60	48.08	45.94
Fiscal Liabilities/RR	146	149.21	161.61	194.45	162.76
Primary deficit <i>vis-à-vis</i> quantum spread	-288	3,622	-3,797	-16,110	-333
Debt redemption (Principal + interest)/Total debt receipt	Nil	Nil	Nil	Nil	Nil
V Other Fiscal Health Indicators					
Return on Investment	Nil	*	Nil	15	0
Balance from Current Revenue (₹ in crore)	N.A.	N.A.	N.A.	N.A.	N.A.
Financial Assets/Liabilities	111	118	118	112	118

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	2017-18	2018-19	2019-20	2020-21	2021-22
Loans and Advances On General Services	0	0	0	0	0
Loans and Advances to Government Servants	56	47	53	4	32
Loans and Advances On Social Services	32	23	24	23	16
Loans and Advances On Economic Services	1,764	1,462	89	3,352	1,415
Assets	86,542	99,210	1,11,869	1,23,935	1,35,335
Liabilities	77,635	84,382	95,080	1,10,260	1,14,717

Note: Deficit shown as (-) and surplus shown as (+) during comparison with other factors

@ Figures obtained from the State Government * ₹ 15,000 only

Appendix 2.3
Summarised financial position of Government of Jharkhand as on 31.03.2022
(Reference: Paragraph 2.5.4)

(₹ in crore)

As on 31.03.2021	Liabilities		As on 31.03.2022
71,956.90	Internal Debt -		74,538.31
51,666.74	Market Loans bearing interest	55,412.65	
0.04	Market Loans not bearing interest	0.04	
5.59	Loans from Life Insurance Corporation of India	5.59	
13,497.64	Loans from other Institutions	13,102.63	
0.00	Ways and Means Advances	0.00	
6,786.89	Special securities issued to NSS Fund of Central Government	6,017.40	
0.00	Overdrafts from Reserve Bank of India	0.00	
4,981.85	Loans and Advances from Central Government -		7,993.22
0.00	Pre 1984-85 Loans	0.00	
12.27	Non-Plan Loans	10.52	
4,969.58	Loans for State Plan Schemes	7,982.70	
500.00	Contingency Fund		500.00
1,194.40	Small Savings, Provident Funds etc.		1,001.19
24,331.45	Deposits		23,609.29
7,024.26	Reserve Funds		6,844.35
126.45	Remittance Balances		112.64
144.75	Suspense and Miscellaneous Balances		117.65
13,674.83	Cumulative excess of receipts over expenditure		20,618.78
1,23,934.89	Total		1,35,335.43
	Assets		
96,017.68	Gross Capital Outlay on Fixed Assets -		1,05,394.58
992.13	Investments in shares of Companies, Corporations, etc.	2,130.70	
95,025.55	Other Capital Outlay	1,03,263.88	
	Inter State Settlement		0.00
24,177.23	Loans and Advances -		24,348.48
23,294.27	Loans for Power Projects	23,460.84	
899.07	Other Development Loans	917.80	
-16.11	Loans to Government servants and Miscellaneous loans	-30.16	
19.66	Advances		19.67
0.00	Suspense and Miscellaneous Balances		0.00
3,720.32	Cash -		5,572.70
0.00	Cash in Treasuries and Local Remittances	0.00	
160.55	Deposits with Reserve Bank	149.37	
703.87	Reserve Fund Investments	903.87	
44.70	Departmental Cash Balance including Permanent Advances	38.83	
2,811.20	Cash Balance Investments	4,480.63	
0.00	Remittance Balances		0.00
0.00	Deficit on Government Account -		0.00
	(i) Revenue Deficit/surplus of the current year		
	(ii) Miscellaneous Deficit		
	Accumulated deficit/surplus at the beginning of the year		
1,23,934.89	Total		1,35,335.43

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)	2,970.84	335.71	2,530.48	776.07
2	2- Agriculture, Animal Husbandry and Co-operative Department (Animal Husbandry Division)	291.46	13.37	221.91	82.92
3	4- Cabinet Secretariat and Vigilance Department (Cabinet Secretariat and Co-ordination Division)	52.86	15.47	56.17	12.16
4	9- Agriculture, Animal Husbandry and Co-operative Department (Co-operative Division)	139.78	0.75	106.78	33.75
5	10- Energy Department	2,604.73	1,898.19	3,983.54	519.38
6	12-Planning-cum-Finance Department	61.94	2.07	43.29	20.72
7	17- Commercial Tax Department	118.22	1.18	74.96	44.44
8	18- Food, Public Distribution and Consumer Affairs Department	2,034.43	170.55	1,406.67	798.31
9	19- Forest, Environment and Climate Change Department	869.21	139.27	742.18	266.30
10	20- Health, Medical Education and Family Welfare Department	4,035.01	1864.62	4,324.74	1,574.89
11	22- Home, Jail and Disaster Management Department (Home Division)	5,864.16	108.58	5,602.89	369.85
12	23- Industries Department	369.03	59.51	286.79	141.75
13	26- Labour, Employment and Training Department	377.89	9.38	200.11	187.16
14	27- Law Department	419.95	71.85	402.59	89.21
15	32-Legislative Assembly	117.15	5.19	112.38	9.96
16	33-Personal, Administrative Reforms and Rajbhasha department (Personal, Administrative Reforms and Rajbhasha Division)	46.51	14.85	47.97	13.39
17	35-Planning-cum-Finance Department(Planning Division)	140.27	1.70	113.60	28.37
18	39- Home, Jail and Disaster Management Department (Disaster Management Division)	1,264.56	446.78	966.61	744.73
19	40- Revenue, Registration and Land Reforms Department (Revenue and Land Reforms Division)	689.04	18.14	524.25	182.93
20	42- Rural Development Department (Rural Development Division)	7,148.89	457.65	5,165.31	2,441.23
21	43- Higher and Technical Education Department (Technical Education Division)	255.12	34.61	115.97	173.76
22	45- Information Technology and e-Governance Department	187.39	33.99	171.21	50.17
23	48-Urban Development and Housing Department (Urban Development Division)	2796.12	158.24	2,440.19	514.17
24	51- Scheduled Tribe, Scheduled Caste, Minority and Backward Class Welfare Department (Scheduled Tribe, Scheduled Caste and Backward Class Welfare Division)	1,536.87	97.16	1,080.74	553.29
25	52-Tourism, Art Culture, Sports and Youth Affaires Department (Art Culture, Sports and Youth Affaires Division)	135.60	11.52	76.86	70.26
26	53- Agriculture, Animal Husbandry and Co-operative Department (Fishery Division)	136.20	0.99	91.88	45.31
27	54- Agriculture, Animal Husbandry and Co-operative Department (Dairy Division)	179.40	2.00	97.50	83.90

Sl. No.	Name of the Grant	Original	Supplementary	Expenditure	Saving out of Provisions
28	55-Rural Development Department (Rural Works Division)	1,974.17	20.88	467.27	1,527.78
29	56- Rural Development Department (Panchayati Raj Division)	2,617.21	46.26	803.64	1,859.83
30	58-School Education and Literacy Department (Secondary Education Division)	3,000.92	25.00	2,470.32	555.60
31	59- School Education and Literacy Department (Primary and Adult Education Division)	8,447.83	32.80	6,812.06	1,668.57
32	60- Women, Child Development and Social Security Department	5,253.87	410.90	4,461.58	1,203.19
Total		56,136.63	6,509.16	46,002.44	16,643.35
Revenue (Charged)					
33	28- High Court of Jharkhand	113.03	7.63	108.33	12.33
Total		113.03	7.63	108.33	12.33
Capital (Voted)					
34	1- Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	218.25	0.96	204.28	14.93
35	2- Agriculture, Animal Husbandry and Co-operative Department (Animal Husbandry Division)	25.00	2.50	6.26	21.24
36	9- Agriculture, Animal Husbandry and Co-operative Department (Co-operative Division)	78.00	29.00	91.42	15.58
37	10-Energy Department	1,762.00	880.95	1,500.09	1,142.86
38	20- Health, Medical Education and Family Welfare Department	398.20	160.00	488.68	69.52
39	22- Home, Jail and Disaster Management Department (Home Division)	476.80	135.50	453.19	159.11
40	26- Labour, Employment and Training Department	69.06	5.25	51.97	22.34
41	30- Scheduled Tribe, Scheduled Caste, Minority and Backward Class Welfare Department (Minorities Welfare Division)	122.20	15.48	89.87	47.81
42	42- Rural Development Department (Rural Development Division)	495.64	20.00	500.33	15.31
43	43- Higher and Technical Education Department (Technical Education Division)	151.60	1.48	55.36	97.72
44	49- Water Resources Department	1,000.10	511.25	1,173.74	337.61
45	50- Water Resources Department (Minor Irrigation Division)	124.20	1.43	30.52	95.11
46	51- Scheduled Tribe, Scheduled Caste, Minority and Backward Class Welfare Department(Scheduled Tribe, Scheduled Caste, Minority and Backward Class Welfare Division)	366.40	2.60	274.55	94.45
47	52-Tourism, Art Culture, Sports and Youth Affaires Department (Art Culture, Sports and Youth Affaires Division)	28.00	11.00	30.48	8.52
48	55-Rural Development Department (Rural Works Division)	679.70	4.16	642.43	41.43
Total		5,995.15	1,781.56	5,593.17	2,183.54
Capital (Charged)					
49	14-Repayment of loans	4,289.13	71.00	4,247.08	113.05
Total		4,289.13	71.00	4,247.08	113.05
Grand Total		66,533.94	8,369.35	55,951.02	18,952.25

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	2	2403-00-113-01 Establishment of State live stock Research Institute	5.81	-	(+)0.50	6.31	6.18	0.13	-
2	3	2059-80-001-12-Outsourcing for hiring Services of Computer-operator, Driver etc.	3.50	-	(+)0.75	4.25	2.90	1.35	-
3		2059-80-053-07 Pay for master Roll Employees	0.20	-	(+)0.10	0.30	0.26	0.04	-
4	7	2070-00-104-03 Technical Inspection Cell	1.79	-	(+)0.13 (-)0.01	1.91	1.83	0.08	-
5	9	2425-00-003-01 Training of Employees	1.14	-	(+)0.22	1.36	1.35	0.01	-
6		3451-00-090-05-Coprative Department	2.70	-	(+)0.21	2.91	2.74	0.17	-
7	12	2052-00-090-08 Finance Department	13.38	1.33	(+)0.50	15.21	13.55	1.66	-
8	17	2040-00-101-02 District Charges	87.59	1.01	(+)1.00	89.60	55.71	33.89	-
9	22	2070-00-107-02-Urban	1.18	-	(+)0.25	1.43	1.30	0.13	-
10	41	3054-80-001-02 Execution	100.20	-	(+)0.35	100.55	77.59	22.96	-
11	42	2501-06-796-20 Swarna Jayanti Gram Swarojgar Yojana	0.20	-	(+)0.04	0.24	0.17	0.07	-
12	51	4225-02-796-37-Renovation and Boundary Wall of tribes Jahraasthan/Hargardi/Masna/ Sarana	130.00	1.00	(+)40.95	171.95	134.76	37.19	-
13	52	2205-00-101-38 Establishment of Directorate of Culture	0.44	0.10	(+)0.05	0.59	0.51	0.08	-
14	56	2215-00-196-66 Grant on Recommendation of 15 th Finance Commission	0.00	*	(+)37.47	37.47	0.00	37.47	-
15		2215-00-197-67 Grant on Recommendation of 15 th Finance Commission	0.00	*	(+)56.21	56.21	0.00	56.21	-
16		2215-00-198-68 Grant on Recommendation of 15 th Finance Commission	0.00	*	(+)281.03	281.03	0.00	281.03	-
Total			348.13	3.44	419.75	771.32	298.85	472.47	-

*Supplementary provision ₹ 1,000 only

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)	2,970.84	335.71	3,306.55	2,530.48	776.07	776.21
2	10 - Energy Department	2,604.73	1,898.19	4,502.92	3,983.54	519.38	519.37
3	14-Repayment of Loans	472	0	472.00	200	272.00	0
4	18- Food, Public Distribution and Consumer Affairs Department	2,034.43	170.55	2,204.98	1,406.67	798.31	782.31
5	19- Forest, Environment and Climate Change Department	869.21	139.27	1,008.48	742.18	266.30	266.19
6	20- Health, Medical Education and Family Welfare Department	4,035.01	1,864.62	5,899.63	4,324.74	1,574.89	1,573.39
7	22 - Home, Jail and Disaster Management Department (Home Division)	5,864.16	108.58	5,972.74	5,602.89	369.85	370.33
8	23-Industries Department	369.03	59.51	428.54	286.79	141.75	141.72
9	26- Labour, Employment and training Department	377.89	9.38	387.27	200.11	187.16	187.17
10	36 - Drinking Water and Sanitation Department	2,625.19	0.49	2,625.68	715.93	1,909.75	1,909.44
11	39 - Home, Jail and Disaster Management Department (Disaster Management Division)	1,264.56	446.78	1,711.34	966.61	744.73	744.62
12	40- Revenue, Registration and Land Reforms Department (Revenue and Land Reforms Division)	689.04	18.14	707.18	524.25	182.93	183.07
13	41- Road Construction Department	550.85	0.14	550.99	289.34	261.65	252.67
14	42 - Rural Development Department (Rural Development Division)	7,148.89	457.65	7,606.54	5,165.31	2,441.23	2,441.34
15	43- Higher and Technical Education Department (Technical Education Division)	255.12	34.61	289.73	115.97	173.76	173.76
16	48-Urban Development and Housing Department (Urban Development Division)	2,796.12	158.24	2,954.36	2,440.19	514.17	514.17
17	49-Water Resources Department	428.25	0.32	428.57	310.55	118.02	118.02
18	51-Scheduled Tribe, Scheduled Caste, Minority and Backward Class Welfare Department(Scheduled Tribe, Scheduled Caste and Backward Class Welfare Division)	1,536.87	97.16	1,634.03	1,080.74	553.29	553.28
19	55- Rural Development Department (Rural Works Division)	1,974.17	20.89	1,995.06	467.27	1,527.79	1,527.78
20	56-Rural Development Department (Panchayati Raj	2,617.21	46.26	2,663.47	803.64	1,859.83	1,859.93

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Sl. No.	Number and name of the grant	Original	Suppl.	Total	Actual	Saving	Surrender
	Division)						
21	58-School Education and Literacy Department (Secondary Education Division)	3,000.91	25	3,025.91	2,470.32	555.59	555.60
22	59-School Education and Literacy Department (Primary and Adult Education Division)	8,447.83	32.8	8,480.63	6,812.06	1,668.57	1,668.64
23	60 - Women, Child Development and Social Security Department	5,253.87	410.9	5,664.77	4,461.58	1,203.19	1,149.93
Total		58,186.18	6,335.19	64,521.37	45,901.16	18,620.21	18,268.94
Capital							
24	3- Building Construction Department	505	0	505	334.24	170.76	170.76
25	10- Energy Department	1,762.00	880.95	2642.95	1,500.09	1142.86	1,142.86
26	14-Repayment of Loans	4289.13	71	4360.13	4247.08	113.05	0
27	22 - Home, Jail and Disaster Management Department (Home Division)	476.8	135.51	612.31	453.19	159.12	159.33
28	36- Drinking Water and Sanitation Department	746.98	0	746.98	505.11	241.87	242.16
29	41- Road Construction Department	3,480.00	0	3480	3,143.07	336.93	336.94
30	49- Water Resources Department	1,000.10	511.25	1511.35	1,173.74	337.61	337.56
Total		12,260.01	1,598.71	13,858.72	11,356.52	2,502.20	2,389.61
Grand Total		70,446.19	7,933.90	78,380.09	57,257.68	21,122.41	20,658.55

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	Supplementary	Total	Actual	Savings	Surrender
Revenue (Voted)							
1	1- Agriculture, Animal Husbandry and Co-operative (Agriculture Division)	2,970.84	335.71	3,306.55	2,530.48	776.07	776.21
2	10 - Energy Department	2,604.73	1,898.19	4,502.92	3,983.54	519.38	519.37
3	18- Food, Public Distribution and Consumer Affairs	2,034.43	170.55	2,204.98	1,406.67	798.31	782.31
4	20- Health, Medical Education and Family Welfare	4,035.01	1,864.62	5,899.63	4,324.74	1,574.89	1573.39
5	36 - Drinking Water and Sanitation	2,625.19	0.49	2,625.68	715.93	1,909.75	1,909.44
6	39 - Home, Jail and Disaster Management (Disaster Management Division)	1,264.56	446.78	1,711.34	966.61	744.73	744.62
7	42 - Rural Development (Rural Development Division)	7,148.89	457.65	7,606.54	5,165.31	2,441.23	2,441.34
8	48-Urban Development and Housing (Urban Development Division)	2,796.12	158.24	2,954.36	2,440.19	514.17	514.17
9	51-Scheduled Tribe, Scheduled Caste, Minority and Backward Class Welfare (Scheduled Tribe, Scheduled Caste, and Backward Class Welfare Division)	1,536.87	97.16	1,634.03	1,080.74	553.29	553.28
10	55- Rural Development (Rural Works Division)	1,974.17	20.89	1,995.06	467.27	1,527.79	1,527.78
11	56-Rural Development (Panchayati Raj Division)	2,617.21	46.26	2,663.47	803.64	1,859.83	1,859.93
12	58-School Education and Literacy (Secondary Education Division)	3,000.91	25.00	3,025.91	2,470.32	555.59	555.59
13	59-School Education and Literacy (Primary and Adult Education Division)	8,447.83	32.80	8,480.63	6,812.06	1,668.57	1,668.64
14	60 - Women, Child Development and Social Security	5,253.87	410.90	5,664.77	4,461.58	1,203.19	1,149.93
Total		48,310.63	5,965.24	54,275.87	37,629.08	16,646.79	16,576.00
Capital							
15	10- Energy	1,762.00	880.95	2,642.95	1,500.09	1,142.86	1,142.86
Total		1,762.00	880.95	2,642.95	1,500.09	1,142.86	1,142.86
Grand Total		50,072.63	6,846.19	56,918.82	39,129.17	17,789.65	17,718.86

Appendix 3.5
Surrender of funds in excess of ₹ 10 crore at the end of March 2022
(Reference: Paragraph 3.2.6)

(₹ in crore)

Sl. No.	Grant Number	Original	Supplementary	Total provisions	Actual	Saving (-) / Excess(+)	Amount Surrendered
Revenue							
1	1	2,970.84	335.71	3,306.55	2,530.48	776.07	776.21
2	2	291.46	13.37	304.83	221.91	82.92	82.92
3	3	128.78	0	128.78	94.83	33.95	33.97
4	4	52.86	15.47	68.33	56.17	12.16	12.03
5	9	139.78	0.75	140.53	106.78	33.75	33.62
6	10	2,604.73	1,898.19	4,502.92	3,983.54	519.38	519.37
7	12	61.94	2.07	64.01	43.29	20.72	20.67
8	17	118.22	1.18	119.40	74.96	44.44	44.44
9	18	2,034.43	170.55	2,204.98	1,406.67	798.31	782.31
10	19	869.21	139.27	1,008.48	742.18	266.30	266.19
11	20	4,035.01	1,864.62	5,899.63	4,324.74	1,574.89	1,573.39
12	21	1,392.13	112.46	1,504.59	1,534.91	-30.32	69.68
13	22	5,864.16	108.58	5,972.74	5,602.89	369.85	370.33
14	23	369.03	59.51	428.54	286.79	141.75	141.72
15	26	377.89	9.38	387.27	200.11	187.16	187.17
16	27	419.95	71.85	491.80	402.59	89.21	89.21
17	28	113.03	7.63	120.66	108.34	12.32	12.33
18	29	70.88	0.49	71.37	49.63	21.74	21.74
19	32	117.15	5.19	122.34	112.38	9.96	27.97
20	33	46.51	14.85	61.36	47.97	13.39	13.39
21	35	140.27	1.7	141.97	113.6	28.37	28.03
22	36	2,625.19	0.49	2,625.68	715.93	1,909.75	1,909.44
23	38	29.71	0.02	29.73	16.37	13.36	13.36
24	39	1,264.56	446.78	1,711.34	966.61	744.73	744.62
25	40	689.04	18.14	707.18	524.25	182.93	183.07
26	41	550.85	0.14	550.99	289.34	261.65	252.67
27	42	7,148.89	457.65	7,606.54	5,165.31	2,441.23	2,441.34
28	43	255.12	34.61	289.73	115.97	173.76	173.76
29	45	187.39	34	221.39	171.21	50.18	50.17
30	46	119.71	0.4	120.11	79.21	40.90	40.9
31	47	191.95	0	191.95	161.39	30.56	30.56
32	48	2,796.12	158.24	2,954.36	2,440.19	514.17	514.17
33	49	428.25	0.32	428.57	310.55	118.02	118.02
34	50	115.03	0	115.03	71.24	43.79	43.79
35	51	1,536.87	97.16	1,634.03	1,080.74	553.29	553.28
36	52	135.59	11.52	147.11	76.86	70.25	70.25
37	53	136.2	0.99	137.19	91.88	45.31	45.32
38	54	179.4	2	181.40	97.5	83.90	83.9
39	55	1,974.17	20.89	1,995.06	467.27	1,527.79	1,527.78

Sl. No.	Grant Number	Original	Supplementary	Total provisions	Actual	Saving (-) / Excess(+)	Amount Surrendered
40	56	2,617.21	46.26	2,663.47	803.64	1,859.83	1,859.93
41	58	3,000.91	25	3,025.91	2,470.32	555.59	555.6
42	59	8,447.83	32.8	8,480.63	6,812.06	1,668.57	1,668.64
43	60	5,253.87	410.9	5,664.77	4,461.58	1,203.19	1,149.93
Total		61,902.12	6,631.13	68,533.25	49,434.18	19,099.07	19,137.19
Capital							
1	1	218.25	0.96	219.21	204.28	14.93	14.93
2	2	25.00	2.50	27.50	6.26	21.24	21.24
3	3	505.00	0.00	505.00	334.24	170.76	170.76
4	8	40.39	0.00	40.39	1.23	39.16	39.16
5	9	78.00	29.00	107.00	91.42	15.58	15.58
6	10	1,762.00	880.95	2642.95	1,500.09	1,142.86	1,142.86
7	12	85.00	0.00	85.00	33.28	51.72	51.72
8	18	74.97	0.00	74.97	39.25	35.72	35.72
9	20	398.20	160.00	558.20	488.68	69.52	69.52
10	22	476.80	135.51	612.31	453.19	159.11	159.33
11	26	69.06	5.25	74.31	51.97	22.35	22.35
12	30	122.20	15.48	137.68	89.87	47.81	47.81
13	36	746.98	0.00	746.98	505.11	241.86	242.16
14	41	3,480.00	0.00	3,480.00	3,143.07	336.93	336.93
15	42	495.64	20.00	515.64	500.33	15.31	15.31
16	43	151.60	1.48	153.08	55.36	97.72	97.72
17	46	71.00	0.00	71.00	54.95	16.05	16.05
18	49	1,000.10	511.25	1,511.35	1,173.74	337.61	337.56
19	50	124.20	1.43	125.63	30.52	95.11	95.11
20	51	366.40	2.60	369.00	274.55	94.45	94.45
21	53	24.63	0.00	24.63	12.03	12.60	12.60
22	55	679.70	4.16	683.86	642.43	41.43	41.43
23	60	70.95	0.00	70.95	11.92	59.03	59.03
Total		11,066.07	1770.57	12,836.64	9,697.77	3,138.86	3,139.33
Grand Total		72,968.19	8,401.70	81,369.89	59,131.95	22,237.94	22,276.52

Appendix 3.6
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
2020-21	13	Interest Payment	144.95
Total			3,473.63

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-3.7
Details of the schemes for which provision (₹ one crore and above)
was made but no expenditure was incurred
(Reference: Paragraph 3.3.3)

(₹ in crore)				
Sl. No.	Department Name	Heads of account	Approved outlay	Revised outlay
1.		2401-00-102-A0(CS)	1.80	
2.		2401-102-A0 (SS)	1.20	
3.		2401-00-102-BJ	1.50	3.00
4.		2401-00-104 BB	3.00	
5.		2401-00-105-B2	15.00	
6.		2401-109-28 (CS)	18.00	
7.		2401-00-109-28(SS)	12.00	
8.		2401-00-115-B9	1.50	
9.		2401-00-115-BL	2.10	
10.		2401-00-115-B0	13.20	
11.		2401-00-789-28 (CS)	6.00	
12.	1- Agriculture, Animal Husbandry and Co-	2401-00-789-28(SS)	4.00	
13.	operative Department (Agriculture	2401-00-789-B2	5.00	
14.	Division)	2401-00-789-BB	1.00	
15.		2401-00-789-BO	4.23	
16.		2401-00-796-28 (CS)	36.00	
17.		2401-00-796-28 (SS)	24.00	
18.		2401-796-AO(CS)	3.60	
19.		2401-00-796-AO (SS)	2.40	
20.		2401-00-796-B2	30.00	
21.		2401-00-796-B9	3.00	
22.		2401-00-796-BB	6.00	
23.		2401-00-796-BJ	3.00	
24.		2401-00-796-BL	4.20	
25.		2401-00-796-BO	28.40	
26.		2403-00-101-A4(CS)	2.27	
27.		2403-00-101-A4(SS)	1.51	
28.		2403-00-101-A5	1.00	
29.		2403-00-101-AD(CS)	1.00	
30.		2403-00-111-84	2.00	
31.	2- Agriculture, Animal Husbandry and Co-	2403-00-789-A4(CS)	1.51	
32.	operative Department (Animal Husbandry	2403-00-789-A4 (SS)	1.01	
33.	Division)	2403-00-796-AA	6.00	
34.		4403-00-101-07	1.50	
35.		4403-00-106-06	2.00	
36.		4403-00-796-06	1.50	
37.		4403-00-796-23	1.50	
38.	3- Building Construction Department	4216-01-106-03	1.00	
39.	8- Transport Department (Civil Aviation	5053-02-102-05	3.53	
40.	Division)	5053-02-102-09	24.00	
41.		2801-05-052-03	15.50	
42.		2801-05-052-07	93.00	
43.		2801-05-789-03	3.00	
44.		2801-05-796-03	6.50	
45.		2801-06-052-01	1.00	
46.		2801-06-052-02	1.00	
47.	10- Energy Department	2801-06-052-04	204.60	
48.		2801-06-789-04	39.60	
49.		2801-06-796-04	85.80	
50.		2801-80-796-18	10.00	
51.		4801-05-190-02	170.00	
52.		6801-00-201-24	5.00	

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Sl. No.	Department Name	Heads of account	Approved outlay	Revised outlay
53.		6801-00-205-23	48.98	
54.		6801-00-205-34	55.80	
55.		6801-00-789-23	9.48	
56.		6801-00-789-34	10.80	
57.		6801-00-796-23	20.54	
58.		6801-00-796-34	23.40	
59.	12-Planning-cum-Finance Department (Finance Division)	2075-00-791-02	5.50	
60.	17-Commercial Text Department	2040-00-001-18	3.00	
61.		3456-00-102-03	2.05	
62.		3456-00-102-35	1.85	
63.		3456-00-102-43	7.40	
64.		3456-00-102-71	16.76	
65.		3456-00-102-72	7.40	
66.	18-Food, Public Distribution and Consumer Affairs Department	3456-00-789-43	2.60	
67.		3456-00-789-71	5.36	
68.		3456-00-789-72	2.60	
69.		3456-00-796-03	2.45	
70.		3456-00-796-35	2.50	
71.		3456-00-796-43	10.00	
72.		3456-00-796-71	18.88	
73.		3456-00-796-72	10.00	
74.		2406-01-101-57	1.00	
75.		2406-01-101-72	4.00	
76.		2406-01-102-63	2.05	
77.		2406-01-102-63	1.36	
78.		2406-01-102-65	2.98	
79.	19-Forest, Environment and Climate Change Department	2406-01-102-65	1.98	
80.		2406-01-110-49	3.00	
81.		2406-01-110-49	2.00	
82.		2406-01-796-15	12.00	
83.		2406-01-796-48	10.00	
84.		2406-01-796-65	1.25	
85.		2406-04-103-06	2.50	
86.		2210-01-110-62	2.15	
87.		2210-01-110-62	1.43	
88.		2210-01-110-90		100.00
89.		2210-01-110-91		100.00
90.		2210-01-110-91		70.00
91.		2210-01-789-90		17.84
92.		2210-01-789-91		28.85
93.		2210-01-789-91		19.23
94.		2210-01-796-90		30.00
95.		2210-01-796-91		50.00
96.	20-Medical, Public Health and Family Welfare Department	2210-01-796-91		30.00
97.		2210-02-789-27	1.23	4.78
98.		2210-02-796-27	2.67	10.35
99.		2210-05-101-17	4.75	
100.		2210-05-105-16	3.12	
101.		2210-05-105-16	2.08	
102.		2210-05-105-28	1.00	
103.		2210-05-796-28	1.00	
104.		2210-06-101-21	2.00	
105.		2210-06-112-19		1.82
106.		2210-06-796-19		1.00
107.		4210-01-110-31	2.00	
108.	4210-01-110-42	1.46		

Sl. No.	Department Name	Heads of account	Approved outlay	Revised outlay	
109.		4210-01-110-49	30.00		
110.		4210-01-110-49	20.1		
111.		2055-00-104-01	00	1.01	
112.		2235-00-207-16	6.50		
113.	22- Home, Jail and Disaster Management Department (Home Division)	4055-00-796-16	8.00		
114.		4070-00-796-83	1.00		
115.		4070-00-800-65	2.44		
116.		4070-00-800-65	1.36		
117.			2851-00-102-61	6.00	
118.			2851-00-103-60	1.00	
119.		2851-00-789-64	1.00		
120.		2852-80-102-10	25.00		
121.		2852-80-102-19	4.00		
122.		2852-80-102-65	1.00		
123.	23- Industries Department	2852-80-102-89	10.00		
124.		2852-80-102-89	5.00		
125.		2852-80-796-19	10.00		
126.		2852-80-796-65	7.00		
127.		2852-80-796-74	5.50		
128.		2852-80-796-89 (CS)	10.00		
129.		2852-80-796-89 (SS)	5.00		
130.		24- Information and Public Relation Department	2220-01-796-03	1.00	
131.		26- Labour, Employment, Training and Skill Development Department	2230-01-789-45	2.24	
132.			2230-01-796-45(CS)	2.00	
133.	2230-02-789-38		87.67		
134.	30- Scheduled Tribe, Scheduled Caste, Minority and Backward Class Welfare Department (Minorities Welfare Division)	4225-80-277-20	1.00		
135.		4225-80-277-23	2.00		
136.		4225-80-796-21 (CS)	2.00		
137.		4225-80-796-23(SS)	4.00		
138.	35- Planning-cum-Finance Department (Planning Division)	2053-00-796-40	1.00		
139.		3454-02-796-16	6.51		
140.	36- Drinking Water and Sanitation Department	2215-01-102-10 (CS)	7.10		
141.		2215-01-789-10 (CS)	2.43		
142.		2215-01-789-11 (CS)	59.32		
143.		2215-01-796- 10 (CS)	446.74		
144.		2215-01-796-11 (CS)	80.26		
145.		2215-02-107-11 (CS)	209.36		
146.		2215-02-107-11 (SS)	30.00		
147.		38- Revenue, Registration and Land Reforms Department (Registration Division)	2030-02-101-02	1.00	
148.		2235-01-001-02		6.26	
149.		2235-01-101-02	3.00		
150.		2245-01-101-03	50.00		
151.		2245-01-101-06	5.00		
152.		2245-01-101-07	50.00		
153.		2245-01-102-01	5.00		
154.	39- Home, Jail and Disaster Management Department (Disaster Management Division)	2245-01-102-02	11.00		
155.		2245-01-102-03	20.00		
156.		2245-01-102-04	1.00		
157.		2245-02-101-06	1.00		
158.		2245-02-101-07	1.00		
159.		2245-02-101-10 (CS)		200.00	
160.		2245-02-104-01	00.00	2.00	
161.		2245-02-106-01	2.00		
162.		2245-02-107-01	1.00		

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Sl. No.	Department Name	Heads of account	Approved outlay	Revised outlay
163.		2245-02-109-02	1.00	
164.		2245-02-112-01	00.30	2.00
165.		2245-80-001-22	1.60	
166.		2245-80-102-02	9.56	
167.	40- Revenue, Registration and Land Reforms Department (Revenue and Land Reforms Division)	2029-00-796-21	10.00	
168.		3454-01-101-05	1.00	
169.		2075-00-791-01	10.00	
170.	41- Road Construction Department	2075-03-103-02	14.45	
171.		5054-03-52-06	1.75	
172.		5054-03-796-06	1.85	
173.		2501-02-101-06	14.70	
174.		2501-02-789-06	4.50	
175.		2501-02-796-06	10.80	
176.		2501-02-796-10	6.50	
177.		2501-06-101-14	31.16	
178.		2501-06-101-14	20.77	
179.		2501-06-102-22		8.10
180.		2501-06-102-22		3.05
181.		2501-06-102-24		6.00
182.	42- Rural Development Department (Rural Development Division)	2501-06-102-25		2.80
183.		2501-06-102-25		1.87
184.		2501-06-102-26		35.79
185.		2501-06-102-26		23.86
186.		2501-06-789-25		1.62
187.		2501-06-789-25		1.08
188.		2501-06-796-14	22.44	
189.		2501-06-796-14	14.96	
190.		2501-06-796-25		1.18
191.		2515-00-102-17	1.00	
192.		2515-00-789-48	19.45	
193.		2515-00-796-17	1.00	
194.		2203-00-004-AE	7.40	
195.		2203-00-004-AG	27.50	
196.	43- Higher and Technical Education Department (Science and Technology Division)	2203-00-796-A5	6.50	
197.		2203-00-796-A7	2.60	
198.		2203-00-796-AE	2.60	
199.		2203-00-796-AG	10.00	
200.		4202-02-105-76	51.60	
201.	45-Information Technology and E-Governance Department	2203-00-001-86	1.00	
202.		3451-01-101-17	2.00	
203.		3451-01-101-18	1.00	
204.		3451-01-101-19	1.50	
205.		3452-01-190-11	2.50	
206.		3452-01-796-11	2.50	
207.	46- Tourism, Art Culture, Sports and Youth Affairs Department (Tourism Division)	3452-01-796-19	1.50	
208.		3452-80-104-13	2.50	
209.		3452-80-104-18	2.00	
210.		3452-80-796-13	2.50	
211.		3452-80-796-18	3.90	
212.		5452-80-104-72	4.50	
213.		5452-80-104-74	3.50	
214.		5452-80-796-72	3.50	
215.		5452-80-796-74	4.50	
216.	47- Transport Department (Transport Division)	3055-00-796-02	3.00	
217.		3075-60-796-07	20.00	

Sl. No.	Department Name	Heads of account	Approved outlay	Revised outlay
218.		5055-00-190-23	2.00	
219.		5055-00-796-26	5.00	
220.	48-Urban Development and Housing Department (Urban Development Division)	2217-80-789-56	5.00	
221.		4701-80-001-63	81.00	
222.	49-Water Resources Department	4701-80-796-63	110.25	
223.		2225-02-277-A3	10.00	
224.		2225-02-277-A4	15.00	
225.		2225-02-796-91	9.23	
226.		4225-01-789-02	2.00	
227.		4225-01-789-02	2.00	
228.		4225-03-277-06	4.00	
229.		4225-03-796-02	1.70	
230.		4225-03-796-02	1.70	
231.		2204-00-104-52	1.50	
232.		2204-00-104-57	2.00	
233.		2204-00-104-58	6.00	
234.		2204-00-104-59	1.00	
235.		2204-00-140-61	1.5	
236.		2204-00-796-52	3.5	
237.		2204-00-796-57	3.00	
238.		2204-00-796-58	9.00	
239.		2204-00-796-59	3.00	
240.		2204-00-796-60	1.25	
241.		2204-00-796-61	1.50	
242.		2204-00-796-62	2.00	
243.		4202-03-102-21	2.00	
244.		4405-00-101-58	2.72	
245.		4405-00-101-58	1.81	
246.		4405-00-796-77	3.00	
247.		4405-00-796-77	2.00	
248.		2404-00-102-73	3.6	
249.		2404-00-102-73	2.4	
250.		2404-00-102-74	2.4	
251.		2404-00-102-74	1.6	
252.		2404-00-102-76	2.00	
253.		2404-00-796-73	1.62	
254.		2404-00-796-73	1.08	
255.		2515-00-102-41	240.00	
256.		2515-00-102-41	160.00	
257.		2515-00-102-63	170.00	
258.		2515-00-796-41	360.00	
259.		2515-00-796-41	240.00	
260.		2515-00-796-63	180.00	
261.		2515-00-001-54	2.00	
262.		2515-00-001-56	8.20	8.20
263.		2515-00-001-56	5.80	5.80
264.		2515-00-001-04	20.00	
265.		2515-00-796-42	1.00	
266.		2202-02-109-81	8.00	
267.		2202-02-789-81	4.00	
268.		2202-02-796-81	8.00	
269.		2235-02-101-32	1.83	
270.		2235-02-102-47	1.61	
271.		2235-02-102-47	1.08	
272.		2232-02-102-48	5.77	

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Sl. No.	Department Name	Heads of account	Approved outlay	Revised outlay
273.		2235-02-102-53	1.03	
274.		2235-02-102-A1	1.15	
275.		2235-02-103-64	1.16	
276.		2235-02-103-AD	5.74	
277.		2235-02-103-AD	3.81	
278.		2235-02-103-AH	2.94	
279.		2235-02-103-AL	7.35	
280.		2235-02-103-AL	4.71	
281.		2235-02-796-47	1.75	
282.		2235-02-796-47	1.16	
283.		2235-02-796-48	6.23	
284.		2235-02-796-48	4.16	
285.		2235-02-796-64	1.16	
286.		2235-02-796-AD	6.21	
287.		2235-02-796-AD	4.14	
288.		2235-02-796-AH	4.06	
289.		2235-02-796-AI	1.25	
290.		2235-02-796-AL	7.37	
291.		2235-02-796-A L	5.10	
292.		2235-02-796-AY	1.20	
293.		2236-02-789-08	7.40	
294.		4235-02-101-78	20.95	
295.		4235-02-102-85	1.15	
296.		4235-02-103-77	3.00	
297.		4235-02-103-77	2.00	
298.		4235-02-796-74	1.50	
299.		4235-02-796-77	3.00	
300.		4235-02-796-77	2.00	
301.		4235-02-796-85	1.25	
Total			4,718.87	777.49

Appendix-3.8
Rush of expenditure
(Reference: Paragraph 3.4)

(₹ in crore)

Sl. No.	Major Head	March	4th quarter total	FY Total	Exp. in March as percentage of FY total	4th qtr. total as percentage of FY total
1	2406	301.83	438.70	694.33	43.47	63.18
2	4235	11.92	11.92	23.83	50.00	50.00
3	4401	0.11	5.47	10.95	0.97	50.00
4	4408	36.26	39.25	78.50	46.20	50.00
5	4853	1,000.00	1,000.00	2,000.00	50.00	50.00
6	4885	2.00	2.00	4.00	50.00	50.00
7	5452	52.05	54.95	109.91	47.36	50.00
8	4070	5.64	5.69	11.42	49.38	49.80
9	4047	5.01	7.61	15.33	32.65	49.64
10	4250	8.54	44.85	90.48	9.43	49.57
11	4405	7.77	11.42	23.45	33.12	48.70
12	4402	166.47	187.41	386.22	43.10	48.52
13	2402	137.89	148.56	310.09	44.47	47.91
14	3452	22.67	69.67	146.64	15.46	47.51
15	2404	51.30	85.83	183.33	27.98	46.82
16	5055	30.68	33.03	70.85	43.30	46.62
17	4210	342.58	424.34	913.02	37.52	46.48
18	2236	435.98	463.45	1008.20	43.24	45.97
19	4055	358.35	379.78	828.84	43.23	45.82
20	4425	44.50	76.49	167.91	26.50	45.56
21	5053	0.34	0.95	2.18	15.50	43.48
22	2435	2.09	5.85	13.68	15.26	42.75
23	4059	130.97	202.44	474.22	27.62	42.69
24	2204	28.42	49.57	116.36	24.43	42.60
25	2217	1,055.99	1,770.55	4,191.98	25.19	42.24
26	3451	120.86	127.40	302.13	40.00	42.17
27	4225	191.87	260.69	625.11	30.69	41.70
28	4711	6.26	19.78	47.80	13.09	41.37
29	2852	87.12	128.92	319.24	27.29	40.38
Total		4,645.47	6,056.57	13,170.00	35.27	45.99

Appendix 3.9
Non-utilisation and surrender of entire budget provision
(Reference: Paragraph 3.5.8)

(₹ in crore)

Sl. No.	Head	Allotment	Expenditure	Surrender	Surrender (in per cent)	Remarks
1	2515-Minimum needs Programme (State Scheme)	0.05	0.00	0.05	100	Strengthening of PIU (001-Direction and Administration)
2	2515-Minimum needs Programme (State Scheme)	0.05	0.00	0.05	100	Strengthening and Upgradation of JSRRDA
3	2515- Training of Personnel/Officer under State Training Policy(State Scheme)	0.05	0.00	0.05	100	003-Training
4	2515-Grants to JSRRDA under PMGSY (CAS, Central Share)	240.00	0.00	240.00	100	Grants to JSRRDA under PMGSY (102-Community development)
5	2515-Grants to JSRRDA under PMGSY (CAS, State Share)	160.00	0.00	160.00	100	Grants to JSRRDA under PMGSY (102-Community development)
6	2515-Grants to JSRRDA under PMGSY (CAS, Central Share)	170.00	0.00	170.00	100	Road Connectivity Projects for Left wing extremism (LWE) affected areas (RCPLWEA) 102-Community Development
7	2515-Minimum needs Programme (State Scheme)	0.05	0.00	0.05	100	Strengthening of PIU (796-Tribal Area Sub-plan)
8	2515-Minimum needs Programme (State Scheme)	0.05	0.00	0.05	100	Strengthening and Upgradation of JSRRDA (796-Tribal Area Sub-plan)
9	2515-Grants to JSRRDA under PMGSY (CAS, Central Share)	360.00	0.00	360.00	100	Grants to JSRRDA under PMGSY (796-Tribal Area Sub-plan)
10	2515-Grants to JSRRDA under PMGSY (CAS, State Share)	240.00	0.00	240.00	100	Grants to JSRRDA under PMGSY (796-Tribal Area Sub-plan)
11	2515- Training of Personnel/Officer under State Training Policy(State Scheme)	0.05	0.00	0.05	100	796-Tribal Area Sub-plan
12	2515-Grants to JSRRDA under PMGSY (CAS, Central Share)	180.00	0.00	180.00	100	Road Connectivity Projects for Left wing extremism (LWE) affected areas (RCPLWEA) 796-Tribal area Sub-plan
13	2515-MNP land acquisition for connecting roads under PMGSY/MMGSY(State Scheme)	0.30	0.00	0.30	100	102- Rural development
14	2515-MNP Strengthening of PIU (State Scheme)	0.20	0.00	0.20	100	103-Rural development
15	2515-Strengthening of JSRRDA	0.05	0.00	0.05	100	103-Rural Development
16	2515-MNP Strengthening of PIU (State Scheme)	0.20	0.00	0.20	100	796-Tribal area Sub-plan
Total		1,351.05	0.00	1,351.05	100	

Appendix: 3.10
Surrender of funds on the last day of the financial year
(Reference: Paragraph 3.5.9)

(₹ in lakh)

Sl. No.	Name of Districts	Name of Offices/Divisions	No. of works/sub-heads where surrenders made	Allotment	Expenditure	Surrender	Date of Surrender
1	Ranchi	O/o the Under Secretary, RDD (Works Division)	11	15.35	2.12	13.23 (45 to 100%)	31.03.2022
		O/o the EE, RDSD	05	3.00	0.57	2.43 (73 to 100%)	30.03.22
		O/o the EE, RWD	02	0.70	0.30	0.40 (54 & 100%)	30.03.22
2	Hazaribag	O/o the EE, RDSD	04	11.89	6.24	5.65 (49 to 100%)	31.03.22
		O/o the EE, NREP	01	0.65	0.10	0.55 (85%)	31.03.22
3	Giridih	O/o the EE, RDSD	04	0.82	0.06	0.76 (58 to 100%)	31.03.22
4	Dhanabd	O/o the EE, RDSD	02	2.60	1.12	1.48 (55 & 85%)	31.03.22
		O/o the EE, RWD	01	1.25	0.64	0.61 (49%)	31.03.22
		O/o the NREP	03	80.68	34.90	45.78 (57 to 100%)	31.03.22
5	Saraikela kharsawan	O/o the EE, RDSD	09	14.40	4.02	10.38 (43 to 100%)	30.03.22
		O/o the NREP	01	65.00	26.21	38.79 (60%)	08.03.22 & 31.03.22
6	Chatra	O/o the EE, RDSD	03	0.85	0.24	0.61 (43 to 100%)	29.03.2022
		O/o the NREP	01	0.03	0.00	0.03 (100%)	28.03.2022
7	Dumka	O/o the EE, RDSD	02	3.55	1.65	1.90 (49 & 100%)	31.03.22
		O/o the EE, RWD	03	1.55	0.11	1.44 (83 to 100%)	31.03.22
		O/o the NREP	02	65.04	27.29	37.75 (58 & 100%)	30.03.22
8	Godda	O/o the EE, RDSD	03	3.15	1.28	1.87 (56 to 100%)	31.03.2022
		O/o the EE, RWD	02	1.20	0.47	0.73 (48 & 100%)	31.03.2022
		O/o the NREP	01	0.03	0.00	0.03 (100%)	31.03.2022
Total			60	271.74	107.32	164.42 (61%)	

Appendix-3.11
Rush of expenditure (Rural Development Department)
(Reference: Paragraph 3.5.10)

(₹ in lakh)

Name of Districts	Secretariat/Divisions/ Offices	Head of accounts/ No of Sub-heads	Total Expenditure	Expenditure in March	Percentage of Expenditure in March
Ranchi	State (Govt. side)	4515-00-796-10	10,049.07	4,891.58	49
		4515-00-103-10	9,026.48	4,566.12	51
		4515-00-796-36	140.60	115.69	82
		4515-00-103-36	116.00	96.08	83
Total			19,332.15	9,669.47	50
Ranchi	O/o the Under Secretary, RDD (Works Division), Ranchi	05	15.96	5.85	30 to 100
	O/o the EE, RDSD	06	6.13	3.02	35 to 100
	O/o the EE, RWD	05	853.59	511.27	32 to 100
	O/o the Director, NREP	01	0.15	0.15	100
Giridih	O/o the EE, RDSD	06	12.39	8.76	52 to 100
	O/o the EE, RWD	04	3,265.05	1,016.12	32 to 100
	O/o the EE, NREP	02	39.48	17.40	44 & 77
Hazaribag	O/o the EE, RDSD	03	6.99	2.80	35 to 54
	O/o the EE, RWD	05	3,268.03	1,016.95	39 to 100
Dhanbad	O/o the EE, RDSD	04	5.21	3.24	42 to 81
	O/o the EE, RWD	04	1,927.61	1,051.19	45 to 100
Saraikela	O/o the EE, RDSD	03	1.74	1.19	44 to 100
	O/o the EE, RWD	03	1.24	0.86	46 to 100
	O/o the Director, NREP	02	0.58	0.44	74 & 100
Chatra	O/o the EE, RDSD	03	2.28	2.29	37 to 100
	O/o the EE, RWD	04	807.80	411.13	36 to 59
	O/o the Director, NREP	01	0.65	0.50	77
Dumka	O/o the EE, RDSD	03	5.57	2.77	39 to 72
	O/o the EE, RWD	02	1.27	0.51	39 & 100
	O/o the Director, NREP	01	0.55	0.50	91
Godda	O/o the EE, RDSD	03	5.57	2.77	37 to 72
	O/o the EE, RWD	02	1.27	0.51	39 & 100
	O/o the Director, NREP	01	0.55	0.50	91
Total		73	10,229.66	4,060.72	40

Appendix-3.12
Surrender on the last day of financial year
(Reference: Paragraph 3.6.8)

(₹ in crore)

Sl. No.	Head	Budgetary Provision	Expenditure	Balance Amount	Surrender Amount
1	2245-01 (drought)	145.06	0	145.06	145.06
2	2245-02 (Flood, cyclone etc.)	103.45	8.42	95.03	95.03
3	2245-80-General (On recommendation of Finance Commission Capacity Building)	21.09	0.74	20.35	20.35
4	2245-80 (General)	511.70	349.64	162.06	162.06
5	2245-05 (SDRF)	719.20	605.6	113.60	113.60
6	2245-21 (Sendai Framework)	0.20	0	0.20	0.20
7	2245-22 (Strengthening of SDMA)	1.60	0	1.60	1.60
8	2245-23 (Capacity building)	0.02	0	0.02	0.02
9	2235-01-001-01	2.65	2.21	0.44	0.44
10	2235-01-001-02	6.26	0	6.26	6.26
11	2245-02-101-10	200.00	0	200.00	200.00
12	2245-80-796-19	0.11	0	0.11	0
	Total	1,711.34	966.61	744.73	744.62

Appendix-3.13

Details of difference of figures between Cash Book and Bank Account
(Reference: Paragraph 3.6.10)

(Amount in ₹)

Sl. No.	Name of bank	Remaining amount (as on 31 st March 2021)	General Cash Book (as per closing on 31 st March 2021)	Subsidiary Cash Book (Major Head 2245) (as per closing on 31 st March 2021)
1	Bank of India	26,82,699.76	45,43,20,103.48	8,50,12,796.00
2	State Bank Of India	4,06,54,347.67		
3	Bank Of Baroda	46,29,186.10		
4	Central Bank Of India	1,65,36,747.41		
5	Central Bank Of India	8,76,963.97		
6	UBI, Morabadi	3,36,633.00		
7	UBI, Ranchi	4,14,527.43		
8	ICICI	44,69,898.00		
9	PNB	46,83,153.16		
	Total	7,52,84,156.50		
	Advance	9,45,78,206.01		
	Vouchers	28,44,19,477.00		
	Single lock	38,263.97		

Appendix-4.1
Pending DC Bills
(Reference: Paragraph 4.6.3)

(Amount in ₹)

Sl. No.	Year	Treasury Code	Major Head	Sub-Head	AC bill date	AC bill amount
1	2000-2001	PLM	2515	3	31-03-2001	1,908
2	2000-2001	PLM	2515	3	31-03-2001	5,500
3	2000-2001	PLM	2515	3	31-03-2001	9,000
4	2000-2001	GRH	2515	3	29-03-2001	5,000
5	2000-2001	GRH	2515	3	31-03-2001	59,850
6	2003-2004	JMT	2515	1	31-03-2004	7,80,000
7	2003-2004	SBJ	2515	1	31-03-2004	10,06,000
8	2003-2004	DMK	2515	1	31-03-2004	23,00,000
9	2003-2004	HZB	2515	3	31-03-2004	18,00,000
10	2005-2006	DRN	2515	201	08-03-2006	50,00,000
11	2005-2006	GRH	2515	215	30-03-2005	24,50,000
12	2005-2006	JMT	2515	215	27-03-2006	8,10,160
13	2005-2006	JMT	2515	215	28-03-2006	16,89,840
14	2005-2006	JSR	2515	201	31-03-2006	3,20,000
15	2005-2006	SBJ	2515	201	31-03-2006	3,30,000
16	2005-2006	SDG	2515	201	30-03-2006	2,30,000
17	2005-2006	SDG	2515	215	27-03-2006	2,50,000
18	2005-2006	SGH	2515	201	31-03-2006	5,40,000
19	2005-2006	DMK	2515	201	31-03-2006	3,60,000
20	2010-2011	DGR	2515	20	30-03-2011	30,00,000
21	2011-2012	PCB	4515	19	31-03-2012	10,00,00,000
22	2012-2013	PCB	4515	19	01-03-2013	14,00,00,000
23	2012-2013	PCB	4515	19	01-03-2013	3,50,00,000
24	2012-2013	PCB	4515	19	01-03-2013	17,50,00,000
25	2014-2015	PCB	4515	15	09-03-2015	50,00,000
26	2014-2015	PCB	4515	15	09-03-2015	50,00,000
Total						48,09,47,258

Appendix 4.2
List of auditable units identified u/s 14 & 15 of CAG's DPC Act
(Reference: Paragraph 4.15)

Sl. No.	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	JSHMRS	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	Not audited
27.	Health	Jharkhand AIDS Control Society, Ranchi	Ranchi	2020-21
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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Sl. No.	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	2015-16
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	Jharkhand Bio-Diversity Board/ Council, Doranda, Ranchi	Ranchi	2016-17
70.	Industry	Chief Executive Officer, Jharkhand State Khadi and Village Industries Board, Ranchi	Ranchi	2019-20
71.	Health	Director, R.K. Mission, TB sanatorium, Tipudana	Ranchi	2005-06
72.	Education	Jharkhand Mahila Samakhya Society, Kadru Ranchi	Ranchi	2005-06
73.	Forest	Executive Director, Wasteland Development Board	Ranchi	Not audited
74.	Forest	Forest Development Authority	Ranchi	Not audited
75.	Information and Public Relation	Government Press	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 2021-22
(Reference: Paragraph 5.4)

Sl. No.	Name of the PSUs	Date of Registration/Incorporation	Account prepared up to	Audit Completed up to
Power (functional)				
1	Jharkhand Bijli Vitran Nigam Limited (JBVNL)	23.10.2013	2020-21	2020-21
2	Jharkhand Urja Sancharan Nigam Limited (JUSNL)	23.10.2013	2019-20	2019-20
3	Jharkhand Urja Utpadan Nigam Limited (JUUNL)	23.10.2013	2020-21	2020-21
Power (non-functional)				
4	Jharbihar Colliery Limited (Non-working) (JCL)	18.06.2009	2020-21	2020-21
5	Patratu Energy Limited (Non-working) (PEL)	26.10.2012	2021-22	2020-21
6	Karanpura Energy Limited (Non-working) (KEL)	19.09.2008	2020-21	2020-21
Non-power (functional)				
1	Jharkhand Police Housing Corporation Limited	13.03.2002	2021-22	2021-22
2	Greater Ranchi Development Agency Limited	10.01.2003	2020-21	2020-21
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	2020-21	2019-20
5	Jharkhand Urban Infrastructure Development Company Limited	19.11.2013	2019-20	2019-20
6	Jharkhand Plastic Park Limited	27.09.2016	2019-20	2019-20
7	Jharkhand Railway Infrastructure Development Corporation Limited	06.07.2018	2020-21	2020-21
8	Jharkhand Medical & Health Infrastructure Procurement Development Corporation Limited	24.05.2013	2019-20	2019-20
9	Jharkhand State Agriculture Development Corporation Limited	20.01.2016	2019-20	2019-20
10	Ranchi Smart City Corporation Limited*	30.09.2016	2020-21	2020-21

* Audit entrustment was given from 2020-21

Appendix 5.2
Functional PSUs with arrears of accounts for more than three years/first
accounts not received/ not due
(Reference: Paragraph 5.4)

Sl. No.	Name of SPSE		Period of latest finalised accounts
Government Companies			
Power			
1	Jharkhand Urja Vikas Nigam Limited	16.09.2013	2015-16
2	Tenughat Vidyut Nigam Limited	26.11.1987	2015-16
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 Hill Area Lift Irrigation Corporation Limited	22.03.2002	2016-17
8	Jharkhand State Forest Development Corporation Limited	27.03.2002	2017-18
9	Jharkhand Communication Network Limited	28.01.2017	2018-19
10	Jharkhand Urban Transport Corporation Limited	20.09.2016	2017-18
11	Jharkhand State Building Construction Corporation Limited	05.12.2015	2018-19
12	Jharkhand Film Development Corporation Limited	07.09.2016	2018-19
13	Adityapur Electronic manufacturing cluster Limited	17.11.2016	2018-19
14	Jharkhand State Food & Civil Supply Corporation Limited*	18.06.2010	Pending since incorporation
15	Atal Bihari Vajpayee Innovation Lab*	26.12.2018	

* PSEs which have not submitted/finalised their first accounts.

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
Buoyancy ratios	<i>Revenue buoyancy w.r.t. GSDP</i> = Rate of growth of Revenue Receipts ÷ Rate of growth of GSDP <i>State's Own Revenue buoyancy w.r.t. GSDP</i> = Rate of growth of Own revenue ÷ Rate of growth of GSDP.
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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