Chapter II:
Budgetary Management

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This chapter reviews Bihar's budgetary process, revealing significant gaps between Budget estimates, Revised Budget, Total Budget and Actual expenditure with issues like inflated budgeting, excess expenditure, large savings, persistent savings, and surrender of budget beyond the timeline prescribed. It highlights weaknesses in budgetary planning, control, and compliance, stressing on the need for realistic budgeting & timely fund utilisation. The Chapter also analyses practices like Gender, Child Welfare, Green and Outcome Budgeting are also analysed.

2.1 Budget Process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the Estimated Receipts and Expenditure of the State for that year, called "Annual Financial Statement" *i.e.*, Budget is to be laid before the State Legislature. The estimates of the expenditure are prepared in 'Charged[1]' and 'Voted[2]' category under Revenue and Capital heads. Legislative authorization is necessary before incurring any expenditure by the State Government from the Consolidated Fund of the State (Bihar).

As per the Bihar Budget Manual, the Finance Department is responsible for preparing the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Planning and Development Department (PDD), GoB, is responsible for formulation of outlays for state schemes under the guidance of the FD.

Budget estimates aim to cover all foreseeable expenditures for the financial year within available resources of funds. Unforeseen situations requiring fresh or additional expenditure not included in the original budget are funded through Supplementary Budget as per the provisions of the Bihar Budget Manual (BBM) 2016. If urgent expenditure is needed before Legislative approval, the Governor may sanction advances from the Contingency Fund of the State.

The State budget mainly comprises the following documents:

• Budget Speech	• Annual Financial Statement (Budget)
• FRBM Act Statement	• Detailed Estimates of Revenue and Capital Receipts
• Detailed Demands for Grants	• Medium Term Fiscal Plan
• Summary of Demands for Grants	• Others

Source: Bihar Budget Manual 2016 and Annual Budgets of the Bihar Government

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1 ***Charged expenditure:*** *Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments, etc.), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature.*

2 ***Voted expenditure:*** *All other expenditure voted by the Legislature.*

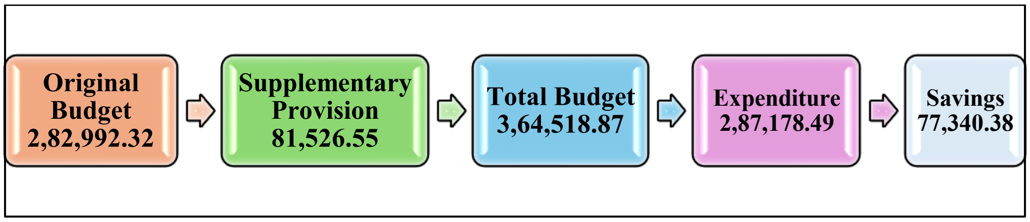
2.2 Budget projection and gap between expectation and actual

For optimum utilization of resources, balance needs to be maintained between efficient management of tax administration/other receipts and public expenditure. Persistent savings/excesses indicate need for improvement in the underlying budgetary processes.

The budget of the Government of Bihar is divided into 52 grants (45 Grants and seven[3] Appropriations) for expenditure management of 45 departments. The summary of total appropriation obtained from state legislature, actual expenditure and savings are shown in **Chart 2.1** and **Table 2.1**.

Chart 2.1: Actual expenditure vis-à-vis budget provision during the financial year 2024-25

(₹ in crore)



Source: Appropriation Accounts, F.Y. 2024-25

Table 2.1: Actual expenditure *vis-à-vis* budget provision during the financial year 2024-25

(₹ in crore)

Nature of Expenditure		Original Grant/App	Suppl. Grant/ App.	Total Budget	Actual expenditure	Savings	Surrenders during 2024-25	
							Amount	*Per cent* of savings
Voted	Revenue	2,07,343.48	62,197.83	2,69,541.31	2,00,800.52	68,740.79	8,075.36	11.75
	Capital	29,415.91	17,909.30	47,325.21	40,135.23	7,189.98	2,269.47	31.56
	Loans & Advances	1,240.09	1,281.23	2,521.33	2,453.38	67.94	43.27	63.69
	Total	**2,37,999.49**	**81,388.37**	**3,19,387.86**	**2,43,391.13**	**75,996.73**	**10,388.09**	**13.67**
Charged	Revenue	22,600.12	138.19	***22,738.29****	21,843.71	894.60	0.25	0.03
	Capital	-	-	-	-	-	-	-
	Public Debt-Repayment	22,392.72	-	22,392.72	21,943.67	449.05	-	-
	Total	**44,992.84**	**138.19**	**45,131.01**	**43,787.38**	**1,343.65**	**0.25**	**0.02**
Appropriation to Contingency Fund (if any)		-	-	-	-	-	-	-
Grand Total		**2,82,992.32**	**81,526.55**	**3,64,518.87**	**2,87,178.49**	**77,340.38**	**10,388.35**	**13.43**

Source: Appropriation Accounts of 2024-25

**The amount has been rounded off by ₹ 0.01 crore*

***Note:** The expenditure shown above are gross figures without taking into account the recoveries adjusted in the accounts as reduction of expenditure under Revenue Heads (₹ 2,543.23 crore) and Capital Heads (₹ 1,353.02 crore)*

[3] *Grant Nos. 05: Secretariat of the Governor, 07: Vigilance, 13: Interest Payment, 14: Repayment of Loans, 15: Pension, 28: High Court of Bihar, 32: Legislature, 34: Bihar Public Service Commission.*

It can be seen in **Table 2.1** that expenditure of only ₹ 40,135.23 crore (62.19 *per cent*) was incurred on creation of assets, while ₹ 21,943.67 crore (34 *per cent*) was incurred on repayment of debts out of total capital expenditure ₹ 64,532.28 crore. The expenditure on creation of assets was only 13.98 *per cent* of total expenditure.

Trends in the Original Budget, Revised Estimate, Total Budget and Actual Expenditure for the period from 2020-21 to 2024-25 are shown in **Table 2.2**.

Table 2.2: Trends in Original Budget, Revised Estimate, Total Budget, and Actual Expenditure along with important statistics in last five years

(₹ in crore)

	2020-21	2021-22	2022-23	2023-24	2024-25
Original Budget (BE)	2,11,761.50	2,18,302.70	2,37,691.21	2,61,885.40	2,82,992.32
Supplementary Budget	33,761.12	47,094.17	63,995.25	64,344.72	81,526.55
Total Budget (TB)	**2,45,522.62**	**2,65,396.87**	**3,01,686.46**	**3,26,230.12**	**3,64,518.87**
Revised Estimate (RE)	2,29,716.91	2,58,632.52	2,89,734.83	3,14,950.54	3,54,084.11
Actual Expenditure (AE)	1,67,915.40	1,94,202.20	2,35,176.84	2,60,718.07	2,87,178.49
Savings	**77,607.22**	**71,194.67**	**66,509.62**	**65,512.05**	**77,340.38**
Percentage of supplementary to the original provision	15.94	21.57	26.92	24.57	28.81
Percentage of overall saving/ excess to the overall provision	31.61	26.83	22.05	20.08	21.22
TB-RE	15,805.71	6,764.35	11,951.63	11,279.58	10,434.77
RE-AE	61,801.51	64,430.32	54,557.99	54,232.47	66,905.62
BE vs AE	79.29	88.96	98.94	99.55	101.48
(TB-RE) as *per cent* of TB	6.44	2.55	3.96	3.46	2.86
(RE-AE) as *per cent* of TB	25.17	24.28	18.08	16.62	18.35

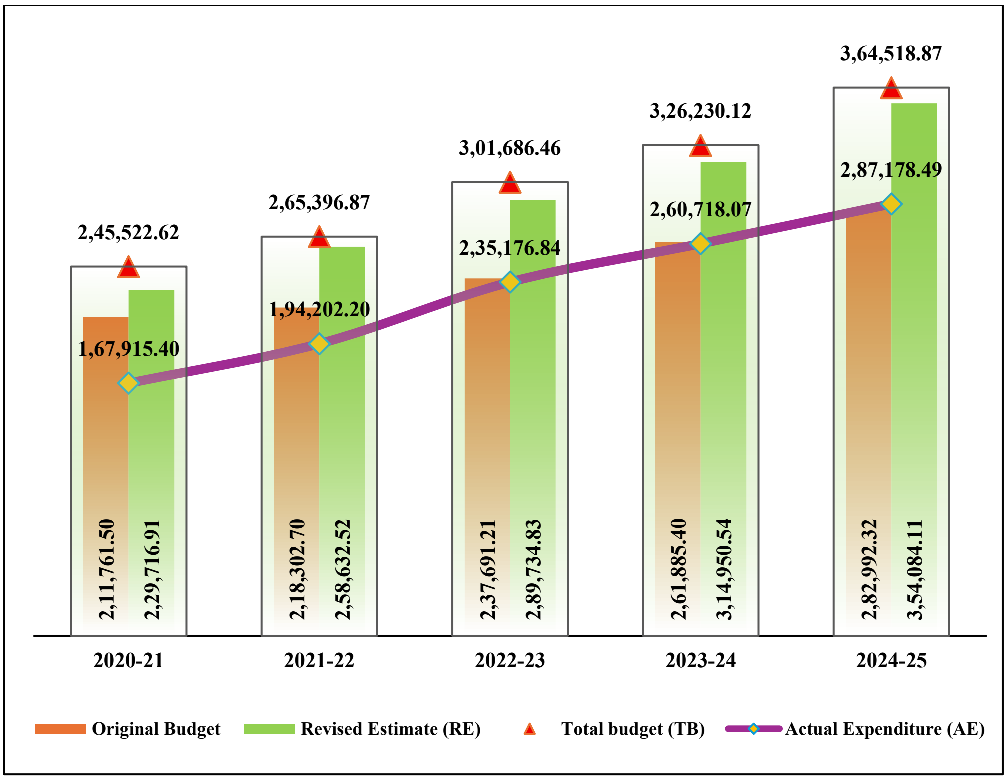
Source: Appropriation Accounts and State Government Budget

As seen in the Table above, during each of the last five years, the Original Budget (Budget Estimates) of the State was subsequently increased by making additional provisions through Supplementary Budgets that ranged from 15.94 *per cent* to 28.81 *per cent* of the Original Budget. During 2024-25, although the Budget estimate was enhanced by 28.81 *per cent* through Supplementary Budgets, expenditure remained only 1.48 *per cent* above the Original Budget in F.Y. 2024-25. Besides, although the Supplementary Budget was provided during 2020-21 to 2023-24, the actual expenditure remained below even the original budget.

Trend of Original Budget, Revised Estimates, Total Budget and Actual Expenditure in the last five years is shown in **Chart 2.2**.

Chart 2.2: Trends showing BE, RE, TB and Actuals

(₹ in crore)



Source: Appropriation Accounts and Budget Books

It can be observed from **Chart 2.2**, that during the last five years, there was a difference of 15.94 to 28.81 *per cent* between the Original Budget and the Total Budget, which showed that trends of expenditure during the past years were not taken into account for preparation of the budget for the ensuing year. To avoid such persistent divergence between Budget Estimates, Total Budget, Expenditure and Revised Estimates, a more realistic budget estimation exercise and better financial planning are required.

2.2.1 Component/Services wise analysis of budgetary provisions and expenditure

The Budget of the State was made up of various components such as Committed and Establishment expenditure, scheme wise budget segregation for State Schemes (SS), Centrally Sponsored Schemes (CSS), Central Area Scheme (CAS)[4], and Externally Aided Projects (EAP).

The component wise analysis of the Budget and Expenditure for the F.Y. 2024-25 is summarized in **Table 2.3**.

[4] *Schemes which are 100 per cent funded by the Central Government are categorised as Central Area Schemes in Bihar.*

Table 2.3: Component Wise Budget and Expenditure for the year 2024-25

(₹ in crore)

Component	Total Budget	Total Expenditure	Total Savings	Percentage of Total Budget	Percentage of Total Expenditure	Percentage of expenditure against the Total Budget
1	2	3	4	5	6	(7=3/2*100)
Establishment and Committed Expenditure*	2,07,036.42	1,71,736.42	35,299.99	56.80	59.80	82.95
State Schemes	71,499.57	60,886.90	10,612.67	19.61	21.20	85.16
Central Share for CSS	46,673.26	22,757.09	23,916.17	12.80	7.92	48.76
State Share for CSS	35,816.24	28,408.63	7,407.62	9.83	9.89	79.32
Central Area Schemes	25.38	6.25	19.13	0.01	0.00	24.63
Externally Aided Projects	3,468.00	3,383.20	84.80	0.95	1.18	97.55
Total	**3,64,518.87**	**2,87,178.49**	**77,340.38**	**100.00**	**100.00**	**78.78**

Source: Annual Financial Statement and Detailed Appropriation Accounts

**Includes XV^th^ Finance Commission and VI^th^ State Finance Commission Grants*

As can be seen from the **Table 2.3**, the percentage of expenditure incurred, as against the budget provision was particularly low in case of CAS schemes (24.63 *per cent)* and the Central Share component of CSS (48.76 *per cent)*. Despite predetermined ratio of State and Central Share, savings against Central Share in CSS were comparatively very high (up to 51.24 *per cent*) than savings under the State Share (20.68 *per cent*). For example, percentage of savings *vis-à-vis* Total Budget under Central Share of Mid-Day Meal (PM POSHAN) and Samagra Shiksha Abhiyan was 38.39 and 57.85 *per cent*, respectively.

Incurring an expenditure of only up to 78.78 *per cent* of the total budget indicated deficient planning and poor achievement of outcomes due to implementation deficiencies.

Non-submission of explanation for deviation from execution of budget

Norms adopted for comments on the Appropriation Accounts (at sub head level) for Bihar State, as prescribed by the Public Accounts Committee are described in **Table 2.4**.

Table 2.4: Criteria for comments on the Appropriation Accounts

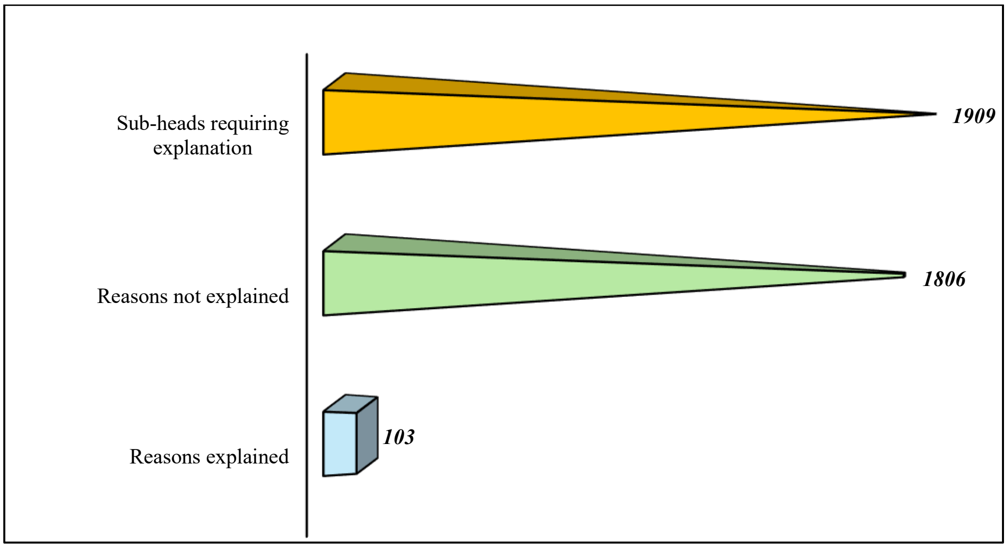
Sl. No.	Grant-wise Budget Provision	Savings (-) / Excess (+)	Sub-head wise norm
1	Up to ₹ 5.00 crore	₹ 5.00 lakh	At the Sub-head level in each case amount shown in Column No. 3 or 10 *per cent* of Sub-head wise provision, whichever is more
2	More than ₹ 5.00 crore but less than ₹ 50.00 crore	₹ 10.00 lakh	
3	More than ₹ 50.00 crore but less than ₹ 100.00 crore	₹ 15.00 lakh	
4	More than ₹ 100.00 crore but less than ₹ 500.00 crore	₹ 20.00 lakh	
5	More than ₹ 500.00 crore	₹ 25.00 lakh	

Source: Appropriation Accounts for the year 2024-25

After compilation of the expenditure data for the year, all Grant Controlling Officers are required to provide reasons of Excess or Savings for inclusion in the final Appropriation Accounts of the State. For this, the Accountant General (A&E), Bihar, provides the draft Appropriation Accounts to the Controlling Officers of the Departments, seeking the reasons/explanations for variations in expenditure, with reference to approved budgetary allocation, in keeping with the limits set by the PAC.

During the year 2024-25, cumulative savings of ₹ 77,340.38 crore were noticed, covering all sub-heads included in the Detailed Appropriation Account. Out of this, explanations were mandated to be furnished by the State Government/ Departments/CCOs for variations of ₹ 67,991.58 crore, covering 1,909 sub-heads. The status of explanations received/required to be submitted at sub heads level in Appropriation Accounts is shown in **Chart 2.3**.

Chart 2.3: Summary of Explanation received for Variations in the Appropriation Accounts



Source: Appropriation Accounts 2024-25

Chart 2.3 shows that explanations for variations (savings/excesses) were not provided in 1,806 heads of account (95 *per cent*) having savings of ₹ 60,452.46 crore. Thus, the Appropriation Accounts did not explain the constraints of the Government in fully utilising the budget provided by the Legislature.

2.3 Budget Marksmanship

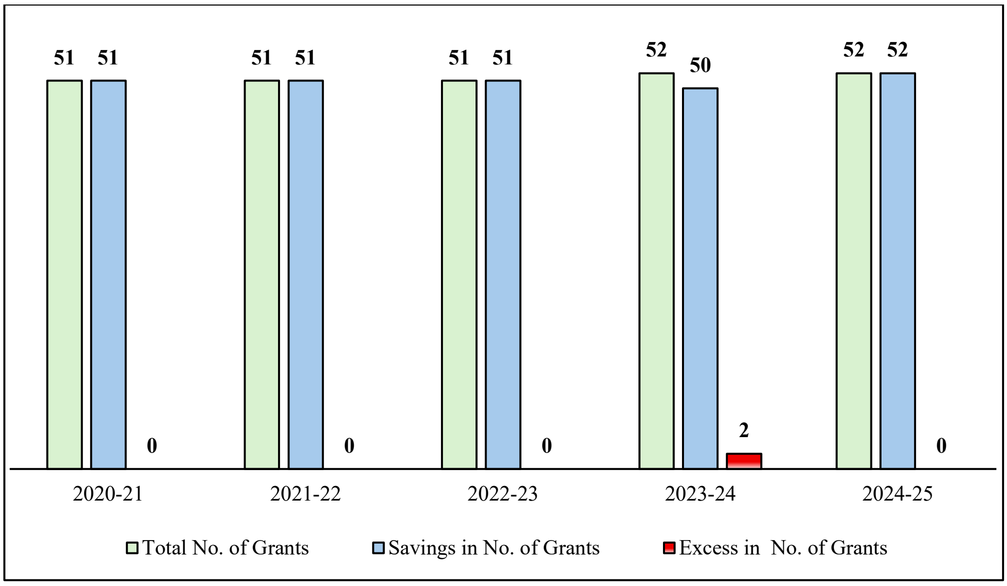
2.3.1 Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition.

In Bihar, the budgetary allocations were augmented through Supplementary Budget provisions.

A year-wise analysis of excesses, and savings under grants, provides valuable insights into the efficiency of budget planning and execution as well as financial management by the State. The trends of excesses and savings at the grant level in last five years is shown in **Chart 2.4**.

Chart 2.4: Trend of Excesses, and Savings under Grants in last five years



Source: Appropriation Accounts of the respective years

As can be seen from **Chart 2.4**, there had been savings under all Grants of the State (except 2023-24). During 2023-24, excess expenditure over budgeted provisions was observed in two grants.

The expenditure composition outturn in Revenue/Capital – Voted/Charged segments, compared to the Total Budget (TB) for the F.Y. 2024-25 is shown in **Table 2.5**.

Table 2.5: Expenditure composition outturn for F.Y. 2024-25

(₹ in crore)

Details		Total Budget	Expenditure	Deviation (-)	*Per cent* deviation (-)
				TB-E	vs TB
Revenue	Voted	2,69,541.31	2,00,800.52	68,740.79	25.50
	Charged	22,738.30	21,845.69	892.61	3.93
Capital	Voted	49,846.54	42,588.61	7,257.93	14.56
	Charged	22,392.72	21,943.67	449.05	2.01
Total		**3,64,518.87**	**2,87,178.49**	**77,340.38**	**21.22**

Source: Detailed Appropriation Accounts 2024-25

Percentage wise expenditure composition deviation at grant level in F.Y. 2024-25 is shown in **Table 2.6**.

Table 2.6: Expenditure composition overall deviation in F.Y. 2024-25

(in per cent)

Overall Deviation	Range of Deviation	Number of Grants
Revenue		
Voted: (-) 22.36	0 to ± 25	26
	± 25 to ± 50	16
	± 50 to ± 100	5
	≥100	0
	No provision	5
Number of grants		**52**
Charged: (-) 9.80	0 to ± 25	7
	± 25 to ± 50	1
	± 50 to ± 100	0
	≥100	0
	No provision	44
Number of grants		**52**
No provision was made in respect of five grants (Grant No. 5, 13, 14, 28 & 34) of the Revenue Voted Section and 44 grants (Grant No. 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, & 52) of the Revenue Charged Section.		
Capital		
Voted: (-) 16.89	0 to ± 25	19
	± 25 to ± 50	6
	± 50 to ± 100	9
	≥100	1
	No provision	17
Number of grants		**52**
Charged: (-) 0.01	0 to ± 25	1
	± 25 to ± 50	0
	± 50 to ± 100	0
	≥100	0
	No provision	51
Number of grants		**52**
No provision was made in respect of 17 grants (Grant No. 5, 6, 7, 13, 14, 15, 17, 24, 27, 28, 29, 31, 32, 33, 34, 45 & 52) of the Capital Voted Section and 51 grants (except Grant No. 4) of the Capital Charged Section.		

Source: Demand of Grants with Detailed Appropriation Accounts, 2024-25

Table 2.5 shows that major deviation of 88.88 *per cent* (₹ 68,740.79 crore) out of the total deviation amount ₹ 77,340.38 crore, was in revenue-voted segment of expenditure. **Table 2.6** shows that out of total deviation in Revenue-voted, deviation of ± 25 to ± 50 *per cent* occurred in 16 grants and ± 50 to ± 100 *per cent* occurred in five grants. Similarly, in Capital-voted segment, deviation of ± 25 to ± 50 *per cent* occurred in six grants and ± 50 to ± 100 *per cent* occurred in nine grants.

Grants where deviations have been persistent and significant (more than 25 *per cent* against TB), during the last five years are shown in **Table 2.7**.

Table 2.7: Persistent and significant deviations in Grants during 2020-25 (25 *per cent* or more in each year)

(In per cent)

Sl. No.	Grant no.	Name of Department	2020-21	2021-22	2022-23	2023-24	2024-25
Total Budget vs Actual Expenditure							
Revenue – Voted							
1	01	Agriculture	54.92	55.35	44.82	45.81	44.63
2	04	Cabinet Secretariat	52.57	31.23	42.66	57.25	35.37
3	08	Art, Culture and Youth	56.81	45.34	31.48	53.75	45.54
4	20	Health	25.35	25.91	42.86	34.41	35.05
5	25	Information Technology	44.72	52.56	38.99	47.13	31.93
6	29	Mines and Geology	39.34	36.46	33.11	28.56	64.05
7	39	Disaster Management	27.96	32.78	34.04	46.81	57.22
8	40	Revenue and Land Reforms	51.00	36.46	35.11	35.43	33.15
9	45	Sugarcane Industries	60.81	68.07	73.47	49.51	35.89
10	47	Transport	45.71	52.01	44.24	42.96	61.06
11	48	Urban Development and Housing	40.17	41.35	44.05	28.36	37.88
Capital - Voted							
12	11	BC and MBC Welfare	96.55	87.62	100.00	99.99	99.78
13	18	Food and Consumer Protection	100.00	77.21	31.09	78.50	80.72
14	30	Minorities Welfare	73.96	65.02	91.55	76.00	33.37
15	39	Disaster Management	100.00	100.00	100.00	53.15	44.93
16	40	Revenue and Land Reforms	97.84	93.90	99.50	98.30	100.00
17	47	Transport	93.71	80.12	75.75	51.68	81.79

Source: Demand of Grants and Detailed Appropriation Accounts of relevant years

As can be seen under **Table 2.7**, most cases of persistent, and higher deviation (in *per cent*) with respect to the total budget pertained to the Capital segment, indicating unrealistic budgeting or deficient execution of projects.

2.4 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 of the Constitution of India. These Accounts depict gross expenditure as against the net budget (after calculating the original budget provision + supplementary grants, surrenders and re-appropriations distinctly on gross basis).

Audit of Appropriation Accounts by the CAG seeks to ascertain whether the expenditure incurred under the 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.

2.5 Budgetary and Accounting Process

2.5.1 Excess expenditure and its regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over grants/appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the State Legislature is to regularise the excess expenditure. Excess disbursements pertaining to previous years pending regularization from State Legislature are shown in **Table 2.8**.

Table 2.8: Excess expenditure relating to previous years requiring regularisation

(₹ in crore)

Year	Excess expenditure	Year	Excess expenditure
Animal Husbandry Department			
1987-88	6.92	1992-93	87.77
1988-89	6.13	1993-94	125.03
1989-90	8.65	1994-95	170.61
1990-91	29.29	1995-96	146.49
1991-92	70.72	1996-97	6.37
Legislature			
2019-20	2.30		
Road Construction Department			
2023-24	39.43		
Rural Development Department			
2023-24	0.04		
Total	**699.75**		

While cases of excess expenditure incurred under the Animal Husbandry Department during F.Y. 1987-88 to 1996-97 is *sub judice,* excess expenditure incurred during F.Y. 2019-20 to 2023-24 is yet to be regularised.

2.5.2 Supplementary Grants rendered non-essential

Article 205 of the Constitution prescribes the requirement of Supplementary or, Additional Grants or Appropriation to cater to requirements of more than the original provisions.

During 2024-25, Supplementary provisions amounting to ₹ 81,526 crore were made by the State Government in 942 Heads of Account of 52 grants. In 35 heads of account ***(Appendix 2.1)*** under 12 grants, it was noticed that even though supplementary provisions of ₹ 6,225.58 crore (₹ 50 crore or more in each case) were made, the expenditure did not come up to original provisions of ₹ 39,765.47 crore leading to savings of ₹ 7,306.62 crore during the year 2024-25. Therefore, the Supplementary Budget proved to be unnecessary in these cases.

Similarly, in cases of 33 heads of account (under 14 grants), in addition to the Original Budget provisions (each more than ₹ 10 crore) of ₹ 17,095.97 crore, substantial supplementary provisions (₹ 100 crore or more in each case) of ₹ 29,773.16 crore were made. The expenditure of ₹ 40,192.36 crore incurred under these heads of account fell short by ₹ 6,676.77 crore (₹ 50 crore and above in each case) against the total budget provision of ₹ 46,869.13 crore (OB+SB). Therefore, additional supplementary budget could not be utilised completely and savings of ₹ 6,676.77 crore proved to be excessive ***(Appendix 2.2)***.

2.5.3 Injudicious re-appropriation of funds

Re-appropriation is transfer of funds, within a grant, from one unit of appropriation to another unit where additional funds are needed. During 2024-25, re-appropriation of total ₹ 3,630.52 crore was made under 48 grants.

In 15 heads of account under eight departments, augmentation of ₹147.26 crore in budget through re-appropriation (₹ 5 crore and above) proved unnecessary because expenditure was either equal to or less than the original/total budget provisions ***(Appendix 2.3),*** re-appropriations had been made without realistic assessment.

2.5.4 Unspent amount and surrendered appropriation and/or Large Savings/Surrenders

Budget proposals should be optimized for all foreseeable expenditure at appropriate spending levels to reduce the underutilisation of budgeted funds.

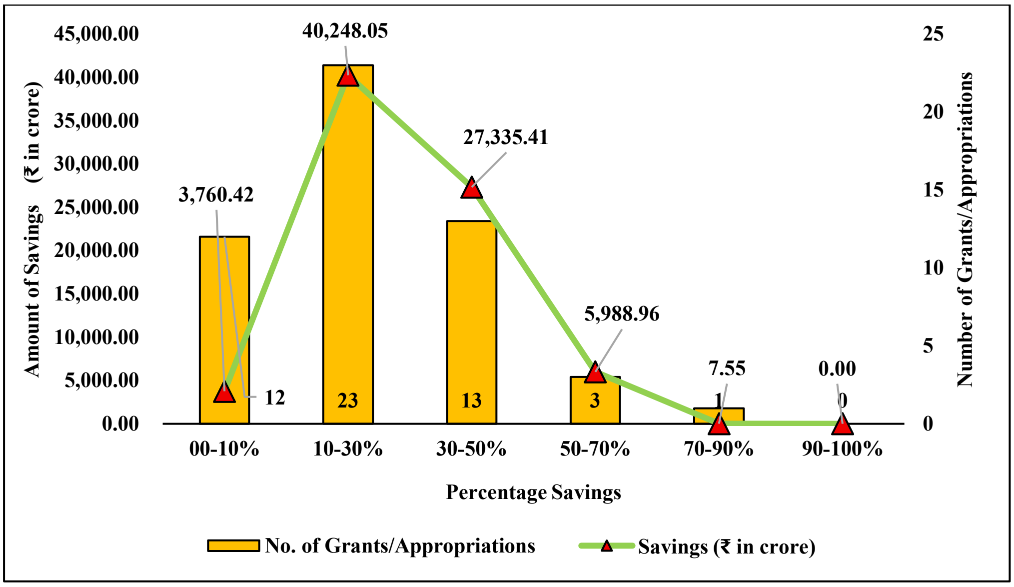
Timely surrenders by the spending units are an important mechanism for optimal reallocation within the approved budget.

The analysis of savings at grants and appropriations level showed that cumulative savings (excluding surrenders) of ₹ 67,397.83 crore (more than ₹ 500 crore in each case) were found in 16 cases (Revenue: 14 and Capital: 02) under 15 grants during the year 2024-25 ***(Appendix 2.4)***.

Further, in the last five years persistent savings of ₹ 1,000 crore and more were also observed in 10 segments (nine in Revenue-Voted and one in Capital-Voted) of 10 grants ***(Appendix 2.5)***.

Details of grants grouped by percentage utilisation along with savings are shown in ***(Appendix 2.6)*** and in **Chart 2.5**.

Chart 2.5: Distribution of the number of Grants/Appropriations grouped by the percentage of savings along with total savings



Source: Appropriation Accounts 2024-25

Chart 2.5 shows that savings of ₹ 27,335.41 crore (35.34 *per cent*) was made under 13 grants which could utilize only 50 to 70 *per cent* of their budget provision.

Surrender of Savings

As per Rule 104 of BBM, 2016, no amount out of the savings should be held in reserve for meeting additional expenditure not foreseen or not already approved by the competent authority. Surrender of savings shall be submitted by 15 February of the current financial year. In exceptional cases surrenders may be submitted up to 31 March of the current year.

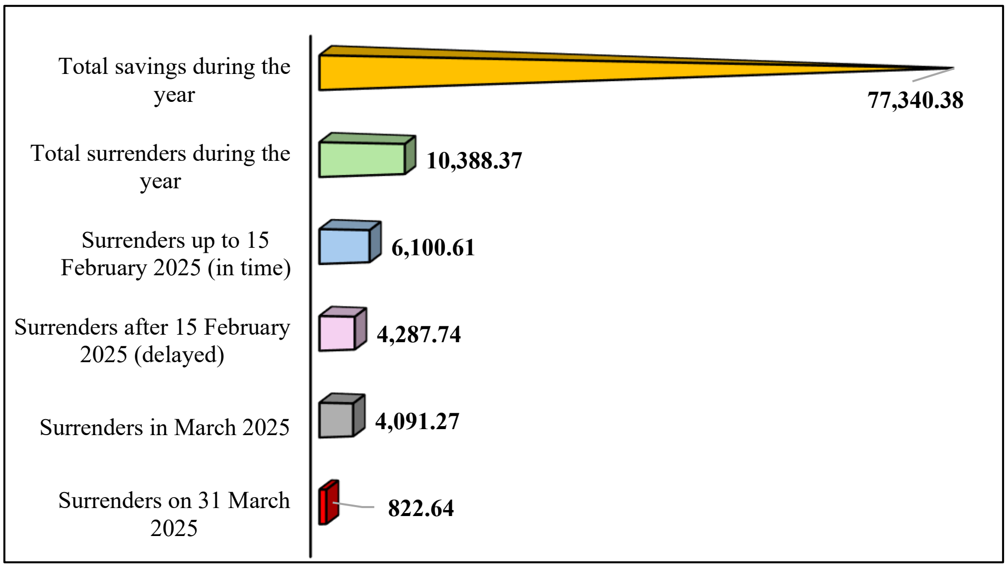
Out of total savings of ₹ 77,340.38 crore, substantial savings amounting ₹ 66,952.02 crore (86.57 *per cent*) were not surrendered. Of this, savings of ₹ 33,435.29 crore occurred under 18 grants, but were not surrendered at all ***(Appendix 2.7)***.

Further, out of total surrender of ₹ 10,388.37 crore, savings of ₹ 822.64 crore were surrendered ***(Appendix 2.8)*** on the last day of the Financial Year.

Summarised status of savings and surrenders during the F.Y. is shown in the **Chart 2.6**.

Chart 2.6: Savings and surrenders for the year 2024-25

(₹ in crore)



Source: Appropriation Accounts 2024-25

As can be seen from **Chart 2.6,** only 13.43 *per cent* (₹10,388.37 crore) of total savings were surrendered. Out of surrendered amount, only ₹ 6,100.61 crore (58.72 *per cent*) were surrendered within the prescribed timeline, highlighting poor financial management and sub-optimal utilisation of available resources.

2.5.5 Misclassification between Revenue and Capital Expenditure

As per Rule 30 of the Government Accounting Rules, 1990, expenditure that results in the creation of concrete, material, and permanent assets should be classified in capital expenditure.

During the financial year 2024-25, an amount of ₹ 100.00 crore was provisioned as subsidy under the head 4515-00-103-0101-33-02 (Compensation) in Grant No. 37 (Rural Works Department). Out of the provisioned amount, ₹ 33.11 crore expended during the year was booked in the Capital Section instead of the Revenue Section. This misclassification caused overstatement of capital expenditure by ₹ 33.11 crore and understatement of revenue expenditure by the same amount.

2.5.6 Non-adherence to the Quadrimestre Expenditure Limit

Rule 62(3) of the General Financial Rules, 2017, provides that rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided.

The State Government has also set quadrimestre-wise[5] percentages limitation for expenditure during the year, with the aim to control expenditure in a phased manner.

Details of quadrimestre wise expenditure are shown in **Table 2.9** and grant wise expenditure is detailed in ***Appendix 2.9***.

Table 2.9: Trend of quadrimestre wise Expenditure during FY 2024-25

(₹ in crore)

Period	Expenditure	Percentage of exp. w.r.t. total exp.
Total	**2,81,939.30[6]**	**100.00**
1st quadrimestre	69,507.34	24.65
2nd quadrimestre	1,00,079.63	35.50
3rd quadrimestre	1,12,352.33	39.85
Last month of the year (March 2025)	38,229.06	13.56
Last day of the year (31 March 2025)	**1,014.07**	**0.36**

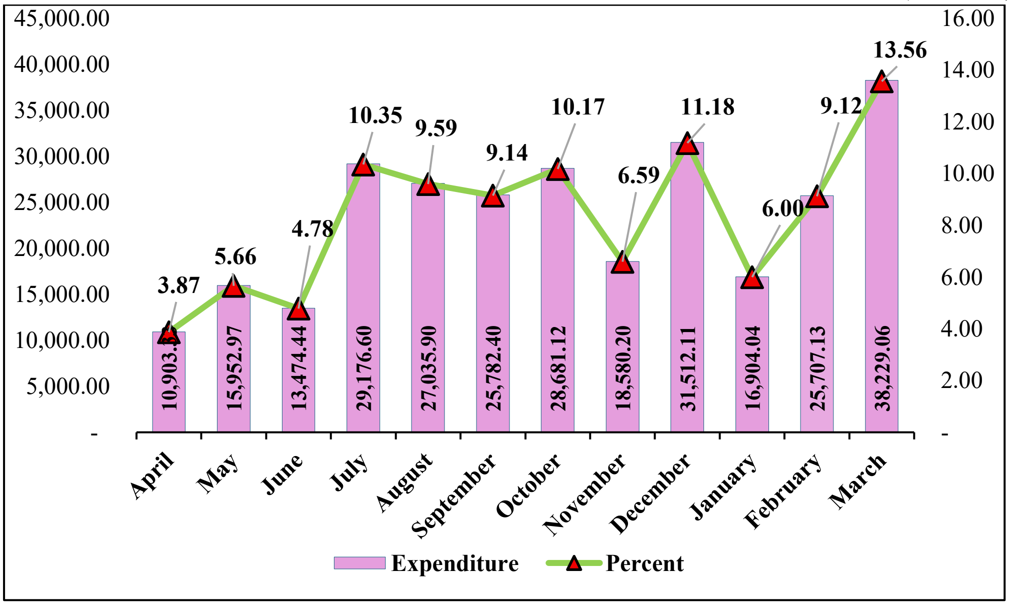
Source: Office of the Principal Account General (A&E)

As can be seen from **Table 2.9** that amount of expenditure was growing with passing of every quadrimestre, violating the limit prescribed by the State Government during second and third quadrimestre.

Trend of monthly expenditure is shown in **Chart 2.7**.

Chart 2.7: Trend analysis of Expenditure (Month wise)

(₹ in crore)



Source: Office of the Principal Account General (A&E)

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5 *(Order no. M-4-07/2023/3576-F dated 01.04.2024), 33 per cent for 1st quadrimestre (April-July); 32 per cent for 2nd quadrimestre (August-November) and 35 per cent for 3rd quadrimestre (December-March).*

6 *The expenditure figure is net result of gross expenditure reduced by adjustments of all recoveries, CAMPA, SDRF and CRF funds amounting to ₹ 5,239.21 crore.*

It can be observed from **Chart 2.7** that during 2024-25 the maximum expenditure was incurred in the last quadrimestre (39.85 *per cent*) and was far above the prescribed ceiling. It was also observed that highest expenditure ₹ 38,229.06 crore (13.56 *per cent*) was incurred in the last month of March, indicating rush of expenditure during this part of financial year.

2.6 Parking and return of unspent Funds kept outside the Legislative Framework

According to Paragraph 3.10 under General Directions of the List of Major and Minor Head of Account (LMMH), recoveries of overpayments relating to previous years must be recorded under the distinct minor head 'Deduct–Recoveries of Overpayments' (Code 911) below the concerned Major/Sub-Major Head without affecting the gross expenditure reflected in the Appropriation Accounts. The overpayments include Recoveries of overpayments, Refund of Excess/ Unintended withdrawals and Recovery of Salary and Other Advances *etc*.

During the period 2020-21 to 2024-25, total ₹ 15,657.61 crore, relating to previous years were returned/refunded into Government account under the minor head "911". This amount included ₹ 14,571.15 core (93.06 *per cent* of total refunds/recoveries) related to 'refund of excess/ unintended withdrawals' released during the previous years as shown in **Table 2.10**.

Table 2.10: Year wise return/refunds under MIH-911 during 2020-21 to 2024-25

(₹ in crore)

Year	Refund of Excess/ Unintended withdrawals	Recoveries of Overpayments	Total
2020-21	1,860.32	225.58	2,085.90
2021-22	848.49	118.84	967.33
2022-23	2,905.52	196.16	3,101.68
2023-24	6,712.66	384.92	7,097.58
2024-25	2,244.16	160.96	2,405.12
Total	**14,571.15**	**1,086.46**	**15,657.61**

Source: Office of the PAG (A&E), Bihar

Table 2.10 indicates that ₹ 14,571.15 crore was thus drawn in excess of actual requirements and were returned/refunded only in the ensuing financial years. As these funds were kept in PD/PL as well as in the bank accounts and therefore, they remained outside the purview of legislative control. Such practices not only distort the actual expenditure figures inflating both revenue expenditure and revenue deficit in the year of withdrawal but also increase the risk of misuse or misappropriation of public funds during the interim period.

2.7 Single Nodal Agency (SNA)

Rule 232 (v) of the General Financial Rules, 2017, prescribes the release of funds to the State Governments and monitoring utilisation of fund through Public Finance Management System (PFMS). For better monitoring the availability and utilisation of funds released to the States under the Centrally Sponsored Schemes (CSS), the Department of Expenditure (Ministry of Finance, GoI) vide OM No. 1(13) PFMS/FCD/2020 dated 23 March 2021 issued guidelines for revised procedure for flow of funds under CSS. The revised procedure, known as the "SNA model", came into effect from 01 July 2021.

Meanwhile, Ministry of Finance, GoI, mandated (March 2021) release of funds through a Single Nodal Agency (SNA) for each CSS and monitoring their utilisation. Each SNA should have a dedicated bank account in an authorised Scheduled Commercial Bank. The State Government is required to transfer the Central share received, to the concerned SNA's account, along with the corresponding State share.

As per GoI directions regarding SNA, status of its implementation in Bihar and the data for 2024-25, available on PFMS dashboard (as on 16.08.2025) the followings was noted:

- Total 156 agencies were registered as SNA in the State. These agencies had total 1,76,950 child agencies, mapped in PFMS.

- As on 1 April 2024, the opening balance in SNA for CSS related funds was ₹ 14,738.13 crore. During 2024-25, ₹ 20,772.99 crore were received as central share for CSS, out of which ₹ 20,331.70 crore was transferred by the State to the SNA. Total ₹ 35,126.41 crore was transferred (GoI: ₹ 20,331.70 crore, GoB: ₹ 14,794.71 crore including amount of top-up by GoB) by the State to SNA for CSS. As such, there was a short transfer of ₹ 441.29 crore of central share by the State. Out of these total available funds of ₹ 49,864.54 crore in the SNA, ₹ 38,101.83 crore were accounted for as expenditure towards CSS and ₹ 480.46 crore disbursed as advance resultantly ₹ 11,282.25 crore remained unexpended. However, closing balance of the SNA for CSS (as per PFMS dashboard) was ₹ 12,760.66 crore indicating a difference of ₹ 1,478.41 crore between actual closing balance and reported closing balance figures, which needs to be reconciled.

- As on 31 March 2025, ₹ 12,760.66 crore was lying unspent in the bank accounts of the SNAs. Total interest accrued on these funds was ₹ 1,291.87 crore. Against the proportionate Central share of interest of ₹ 748.11 crore, ₹ 543.57 crore was deposited in the Consolidated Fund of India/ settled and remaining ₹ 204.54 crore was yet to be deposited/settled.

- The State was to transfer the Central Share of the CSS Schemes received along with the commensurate State share to the SNA within 30 days of receipt. In case of delays, interest at the rate of seven *per cent* per annum for the period of delay was to be levied. During 2024-25, there were delays up to 167 days and 246 days in transferring the Central and State share respectively, from the State treasury to the concerned SNA, creating extra fiscal burden on the State's exchequer.

Audit also noted discrepancies in Central and State share transfer data maintained by office of the PAG (A&E) and information as available on SNA PFMS Reports, as mentioned in **Table 2.11**.

Table 2.11: Discrepancies in Central and State share transfer during 2024-25

(₹ in crore)

Source of Data	Central share received	Central share transferred	State share transferred	Total Amount transferred	Less amount transferred by State
Office of the PAG (A&E), Bihar	29,948.47	22,767.69	28,416.42	51,184.11	NA
SNA PFMS Report	20,772.99	20,331.70	14,794.71	35,126.41	441.29
Difference	**9,175.48**	**2,435.99**	**13,621.71**	**16,057.70**	**NA**

This discrepancy in data is under reconciliation between the office of the PAG (A&E), Bihar and the Finance Department of Government of Bihar.

2.8 Review of selected grants

A detailed review of selected Grants was undertaken to carry out an in-depth analysis of the fund flow and expenditure patterns. This review was carried out with the objective of assessing the quality of budget formulation, implementation, monitoring, and financial controls systems in place. The review sought to identify systemic weaknesses, inefficiencies in fund utilisation, misclassifications, and instances of budgetary indiscipline, with the aim of strengthening fiscal governance and contributing meaningful insights.

Accordingly, a detailed examination of the budget, expenditure, savings and surrenders was carried out for two Grants *viz*., Grant No. 35 "Planning and Development Department" and Grant No. 48 "Urban Development & Housing Department".

The budgetary & expenditure details of the abovementioned two Grants for the period 2019-20 to 2023-24, are shown in **Table 2.12**.

Table 2.12: Details of Budget, Expenditure, Savings, Surrenders under selected grants

(₹ in crore)

Grant No.	Department	Total Budget	Expenditure	Savings	Surrenders
35	Planning & Development	12,058.16	8,426.23	3,631.94	412.42
48	Urban Development & Housing	59,033.34	37,016.29	22,017.06	2,987.63

Source: Appropriation Accounts and office of the Pr. AG (A&E), Bihar

Results of the review of the selected grants mentioned in **Table 2.12** are detailed in the subsequent paragraphs.

2.8.1 Grant No. 35 "Planning & Development Department"

The Planning and Development Department (PDD) is responsible for plan formulation, implementation, policy determination, monitoring and evaluation of public sector schemes and development initiatives in the State, parallel to or in collaboration with the Finance Department. The Department implements Mukhyamantri Kshetra Vikas Yojna (MKVY), Member of Parliament Local Area Development (MPLAD) and other schemes through Bihar Local Area Development Agency (BLADA) and Local Area Engineering Organisation (LAEO).

Total 12 Major Heads (Revenue: 08 and Capital: 04), were operated under the grant during 2024-25.

2.8.1.1 Budgetary Management

i Budget Provision and Utilisation

The overall position of budget provisions, actual disbursements, and savings/excess under the grant for the last five financial years is shown in **Table 2.13**.

Table 2.13: Budgetary provisions and their utilisation during FYs 2020-25

(₹ in crore)

Financial Year	Segment	Original Budget	Supplem-entary Budget	Total Budget	Expenditure	Savings	Percentage of Savings against total budget
2020-21	Revenue	811.90	3.01	814.91	485.34	329.57	40.44
	Capital	1,289.66	90.00	1,379.66	735.60	644.06	46.68
	Total	**2,101.56**	**93.01**	**2,194.57**	**1,220.94**	**973.63**	**44.37**
2021-22	Revenue	852.93	10.65	863.58	532.10	331.48	38.38
	Capital	1,345.47	321.82	1,667.29	1,367.11	300.18	18.00
	Total	**2,198.40**	**332.47**	**2,530.87**	**1,899.21**	**631.66**	**24.96**

Financial Year	Segment	Original Budget	Supplem-entary Budget	Total Budget	Expenditure	Savings	Percentage of Savings against total budget
2022-23	Revenue	903.66	41.35	945.01	725.93	219.08	23.18
	Capital	1,284.16	10.00	1,294.16	1,117.60	176.56	13.64
	Total	**2,187.82**	**51.35**	**2,239.17**	**1,843.53**	**395.64**	**17.67**
2023-24	Revenue	868.47	2.45	870.92	645.51	225.41	25.88
	Capital	1,348.51	318.00	1,666.51	1,444.61	221.90	13.32
	Total	**2,216.98**	**320.45**	**2,537.43**	**2,090.12**	**447.31**	**17.63**
2024-25	Revenue	601.00	192.66	793.66	443.47	350.19	44.12
	Capital	1,615.48	0.00	1,615.48	1,386.46	229.02	14.18
	Total	**2,216.48**	**192.66**	**2,409.14**	**1,829.93**	**579.21**	**24.04**
Revenue Total		**4,037.96**	**250.12**	**4,288.08**	**2,832.35**	**1,455.73**	**33.95**
Capital Total		**6,883.28**	**739.82**	**7,623.10**	**6,051.38**	**1,571.72**	**20.62**
Grand Total		**10,921.24**	**989.94**	**11,911.18**	**8,883.73**	**3,027.45**	**25.42**

Source: Appropriation Accounts for the respective years

ii Persistent savings under Grant

Audit observed cases of persistent savings in various heads of account in the last three years. Details of savings of more than 50 *per cent* of the total budget during 2024-25, are presented in **Table 2.14**.

Table 2.14: Persistent savings above 50 *per cent* under various HoA

(₹ in crore & per cent in parentheses)

Sl. No.	Head of Account	Name of HoA	2022-23	2023-24	2024-25
1	2235-01-202-0505	Emergency Koshi Flood Rehabilitation Project (World Bank Aided)	41.05 (15.00)	36.63 (18.77)	38.72 (100.00)
2	2235-01-789-0501	Emergency Koshi Flood Rehabilitation Project (World Bank Aided)	14.18 (15.00)	15.37 (18.77)	48.28 (100.00)
3	4070-00-051-0210	Border Area Development Programme (BADP)	47.34 (88.32)	54.47 (100.00)	54.30 (100.00)
4	4070-00-051-0310	Border Area Development Programme (BADP)	18.96 (88.35)	34.54 (100.00)	21.72 (100.00)

Sl. No.	Head of Account	Name of HoA	2022-23	2023-24	2024-25
5	4070-00-789-0302	Border Area Development Programme (BADP)	12.63 (88.32)	16.95 (100.00)	14.48 (100.00)
6	2052-00-090-0103	Strengthening of Planning System	0.88 (88.00)	0.54 (27.00)	21.96 (95.69)
7	3454-02-205-0102	India Statistical Reinforcement Project	14.45 (65.68)	24.24 (70.51)	22.95 (94.48)
8	4515-00-102-0203	Additional Central Assistance (ACA) for Left Wing Extremism (LWE) Districts	61.62 (61.62)	72.50 (72.50)	94.36 (93.00)
9	2235-60-200-0120	Bihar Temple Chahardiwari construction Fund Plan 2015 (For Home Department)	16.59 (66.36)	11.54 (46.16)	12.84 (51.36)
10	3454-02-205-0101	Integrated Statistical Development Scheme	10.15 (14.79)	37.15 (58.06)	33.49 (51.28)

Source: Detailed Appropriation Accounts of respective years
Figures in parentheses indicate percentage to total budget provision

As can be seen from **Table 2.14**, HoA-Border Area Development Programme had the most persistent savings up to 100 *per cent* which indicates improper estimation under these schemes or non-achievement of the projected financial outlays during the respective years. Besides BADP, ‘Strengthening of Planning System’, ‘India Statistical Reinforcement Project’ and ‘Additional Central Assistance (ACA) for Left Wing Extremism (LWE) Districts’ had the most persistent savings during 2022-23 to 2024-25.

iii Unnecessary re-appropriation of funds

It was observed that re-appropriated provisions amounting to ₹ 12.64 crore were made under 10 Heads of Account (HoA) during 2024-25. In two of these HoA, significant re-appropriations proved unnecessary, as the expenditure did not reach the level of the original budget provisions, as shown in **Table 2.15**.

Table 2.15: Unnecessary re-appropriation of funds

(₹ in crore)

Sl. No.	Head of Account (Description)	Original Budget	Supplementary Budget	Re-appropriation	Expenditure
1	3454-02-205-0101 - Integrated Statistical Development Scheme (State Scheme)	38.81	26.50	4.95	31.82
2	3454-02-205-0102 - India Statistical Reinforcement Project (State Scheme	24.29	0.00	6.07	1.34
Total		**63.10**	**26.50**	**11.02**	**33.16**

Source: Appropriation Accounts of 2024-25

Unnecessary re-appropriation indicates that the Department exercised the provision of re-appropriation without proper assessment of actual requirement of funds.

iv Unnecessary provision of Supplementary Budget

During 2024-25, total original budget under six HoA was ₹ 228.49 crore which was augmented by ₹ 77.29 crore through Supplementary Budget. Expenditure under these HoA (₹ 175.55 crore), however, did not reach up to the original budget provisions and supplementary provision of ₹ 77.29 crore proved unnecessary. Details are given in **Table 2.16**.

Table 2.16: Cases of unnecessary Supplementary Budget

(₹ in crore)

Sl. No.	Head of Account	Original Budget	Supplementary Budget	Expenditure
1	2052-00-090-0103	2.00	20.95	0.99
2	2235-60-200-0117	167.10	24.50	124.60
3	3451-00-101-0001	6.23	0.19	5.51
4	3454-02-111-0001	13.55	0.15	12.32
5	3454-02-204-0119	0.80	5.00	0.31
6	3454-02-205-0101	38.81	26.50	31.82
	Total	**228.49**	**77.29**	**175.55**

Source: Appropriation Accounts 2024-25

Above indicates that proposals for supplementary budget were made without assessing the actual requirement.

v Entire provisions remained unutilised

It was observed that entire budgetary provisions amounting to ₹ 178.50 crore had remained unutilised under six HoA in the Department during the year 2024-25 as detailed in **Table 2.17**.

Table 2.17: Cases of non-utilization of entire Budget Provisions in 2024-25

(₹ in crore)

Sl. No.	Head of Account	Name of HoA	2024-25
1.	2059-01-053-0024	Maintenance of the buildings of Fair, Hat, Market and Kutchery	1.00
2.	2235-01-202-0505	Emergency Koshi Flood Rehabilitation Project (World Bank Aided)	38.72
3.	2235-01-789-0501	Emergency Koshi Flood Rehabilitation Project (World Bank Aided)	48.28
4.	4070-00-051-0210	Border Area Development Programme (BADP)	54.30
5.	4070-00-051-0310	Border Area Development Programme (BADP)	21.72
6.	4070-00-789-0302	Border Area Development Programme (BADP)	14.48
Total			**178.50**

Source: Appropriation Accounts 2024-25

The non utilisation of the entire budget provisions indicates improper estimation under these schemes or non-achievement of the projected financial outlays during 2024-25. Unnecessary provisioning reflects deficient budgetary exercise, requiring institution of necessary checks more rigorously.

vi Non-surrender of savings

Audit analysed data related to savings and surrenders under Revenue and Capital sections of the grant during last five years. During analysis Audit observed that during 2020-25, the Department surrendered only 19.39 *per cent* (₹ 282.28 crore) of its total savings (₹ 1,455.74 crore) that too only under the Revenue section and savings of ₹ 1,571.72 crore under the Capital section were not surrendered at all. Details are given in **Table 2.18**.

Table 2.18: Budgetary details of non-surrender of savings under Revenue and capital sections in the last five years

(₹ in crore)

Financial Year	Revenue			Capital			Overall percentage of non-surrender
	Savings	Surrender	*Per cent* of non-surrender	Savings	Surrender	*Per cent* of non-surrender	
2020-21	329.57	160.51	51.30	644.06	0.00	100	83.51
2021-22	331.49	20.99	93.67	300.18	0.00	100	96.68
2022-23	219.08	31.65	85.55	176.56	0.00	100	92.00
2023-24	225.41	47.41	78.97	221.90	0.00	100	89.40
2024-25	350.19	21.72	93.80	229.02	0.00	100	96.25
Total	**1,455.74**	**282.28**	**80.61**	**1,571.72**	**0.00**	**100**	**90.68**

Source: Appropriation Accounts of the respective years

Such non-surrenders indicate weak control over budgetary management. Substantial savings with comparatively low surrenders adversely affects financial discipline.

vii Other issues

- **Non-alignment of Sustainable Development Goals (SDGs) with state budget** – Being the nodal department for implementation of SDGs, the Department prepared a vision document in 2017. However, no schemes were mapped with the SDGs in the State Budget.

The Department replied (August 2025) that the process of SDG aligned budgeting is yet to commence.

The reply of the Department is not tenable as without alignment of schemes in the budget with the SDGs, the achievement of SDG's indicators could not be ascertained.

- Total 191 Abstract Contingent (AC) bills amounting to ₹ 275.47 crore which were drawn up to September 2024, were outstanding, as on 31 March 2025.

- Total 14 Utilisation Certificates (UCs) amounting to ₹ 144.65 crore (disbursed up to September 2023) were outstanding for adjustment as on 31 March 2025.

2.8.2 Grant No.-48 "Urban Development and Housing Department"

The Urban Development and Housing Department (UD & HD), GoB, is the nodal Department for ensuring appropriate and planned growth of cities and towns in the State. It is also responsible for providing adequate infrastructure, amenities and services to citizens through the Urban Local Bodies and parastatal agencies. As of February 2025, there were total 261 Urban Local Bodies (19 Municipal Corporations, 88 Nagar Parishads and 154 Nagar Panchayats) in Bihar.

Under this grant, total 10 major heads (Revenue: 06 and Capital: 04) were operated during the financial year 2024-25.

2.8.2.1 Budgetary Management

i Budget Provision and Utilisation

Details of Original, Supplementary and Total budget along with expenditure incurred and savings under the revenue and capital segments of the grant, during the last five financial years is given in **Table 2.19**.

Table 2.19: Budget and Expenditure during the period 2020-25

(₹ in crore)

Financial Year	Segment	Original Budget	Supple-mentary Budget	Total Budget	Expenditure	Savings	Savings percentage against Total Budget
2020-21	Revenue	7,163.72	2,179.48	9,343.20	5,590.39	3,752.81	40.17
	Capital	50.00	200.00	250.00	50.00	200.00	80.00
	Total	**7,213.72**	**2,379.48**	**9,593.20**	**5,640.39**	**3,952.81**	**41.20**
2021-22	Revenue	7,617.13	2,414.49	10,031.62	5,883.84	4,147.78	41.35
	Capital	150.00	1,400.00	1,550.00	1,057.58	492.42	31.77
	Total	**7,767.13**	**3,814.49**	**11,581.62**	**6,941.42**	**4,640.20**	**40.07**
2022-23	Revenue	8,025.94	1,950.47	9,976.41	5,582.06	4,394.35	44.05
	Capital	150.00	814.00	964.00	964.00	0.00	0.00
	Total	**8,175.94**	**2,764.47**	**10,940.41**	**6,546.06**	**4,394.35**	**40.17**
2023-24	Revenue	9,594.15	10,119.93	19,714.08	14,123.88	5,590.20	28.36
	Capital	115.00	694.00	809.00	620.00	189.00	23.36
	Total	**9,709.15**	**10,813.93**	**20,523.08**	**14,743.88**	**5,779.20**	**28.16**
2024-25	Revenue	11,184.22	3,924.64	15,108.86	9,385.81	5,723.05	37.88
	Capital	114.50	750.00	864.50	618.62	245.88	28.44
	Total	**11,298.72**	**4,674.64**	**15,973.36**	**10,004.43**	**5,968.93**	**37.37**
Revenue total		**43,585.16**	**20,589.01**	**64,174.17**	**40,565.98**	**23,608.19**	**36.79**
Capital total		**579.50**	**3,858.00**	**4,437.50**	**3,310.20**	**1,127.30**	**25.40**
Grand Total		**44,164.66**	**24,447.01**	**68,611.67**	**43,876.18**	**24,735.49**	**36.05**

***Source:** Appropriation Accounts for the respective years*

From **Table 2.19**, it can be seen that during the last five years:

- Total Original budget under Capital segment was low but was increased (more than six times) through supplementary budgets of ₹ 3,858 crore, which revised the Total Budget up to ₹ 4,437.50 crore. However, expenditure of only ₹ 3,310.20 crore (74.60 *per cent*) was incurred against the Total Budget.

- It was further observed that; out of total supplementary budget of ₹ 3,858.00 crore, ₹ 3,783.00 crore (98 *per cent)* were provisioned for execution of the Patna Metro Rail Project during 2020-25, indicating lack of planning for infrastructure creation during the budgeting process.

- Although the total Original Budget of Revenue segment was enhanced by 47 *per cent*, but expenditure was still less than the Original budget.

Above indicates deficiencies in budget estimation, assessment of additional funds required through supplementary budget leading to large savings.

ii Preparation and utilisation of budget estimates

For the year 2024-25, the Urban Development and Housing Department (UD&HD) proposed budget estimate of ₹ 19,645.23 crore for Central/State Schemes under 34 HoA to the Planning and Development Department (PDD). Later on, the proposed BE was, reduced by the Department to ₹ 6,066.17 crore (reduction of 69 *per cent*) due to outlay fixed by PDD. Despite this, during 2024-25, the Department incurred an expenditure of only ₹ 3,204.42 crore (16 *per cent* of the proposed Budget Estimate and 53 *per cent* of reduced proposal) under *ibid* 34 HoAs. Audit noted that out of 34 HoA, no expenditure was incurred under 12 HoA (Saat Nischay[7]: 02, CSS: 03[8] and SS: 07[9]) against provision of ₹ 569.00 crore.

Summary of proposed BE, revised BE and expenditure incurred in 34 HoA of Central/State Schemes is shown in **Table 2.20**.

[7] *It is a series of development initiatives launched by the State Government, focusing on seven key areas for comprehensive growth.*

[8] *(i) AMRUT 2.0, (ii) Beautification of Lakes and (iii) Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM).*

[9] *(i) Monitoring/Evaluation/Supervision/Establishments of resource centre and urban planning, (ii)Strengthening of Bihar State Housing Board, (iii) Construction of Nagar Vikas Bhawan, (iv) Infrastructure for control of street dog population, (v) construction of Moinul Haq Stadium, Patna (vi) Urban Planning Area Plan and (vii) NHB aided State Schemes- State Component (construction of Mokshdham, Storm Water Drainage, Peyjal Supply Schemes).*

Table 2.20: Proposed BE, Revised BE *vs* expenditure incurred in 34 HoA of Central/ State Schemes in 2024-25

(₹ in crore)

Sl. No.	Scheme	No. of HoA	Proposed BE	Revised BE proposed by the Department	Expenditure
1	Saat Nishchay	7	6,200.00	700.00	408.69
2	Central Sponsored Schemes (Central Share)	7	4,015.26	4,015.26	796.46
	Central Sponsored Schemes (State Share)		4,064.47	816.79	834.70
3	State Schemes	20	5,365.50	534.12	1,164.57
		34	**19,645.23**	**6,066.17**	**3,204.42**

Source: Information provided by UD & HD, GoB

Audit observed that:

- the Department utilised only ₹ 0.73 crore in 'AMRUT 2.0', against the BE of ₹ 1,382 crore (Central Share: ₹ 1,172 crore and State share: ₹ 210 crore).
- for CS Schemes and State Schemes, the Department provisioned ₹ 970.59 crore for Scheduled Castes Special Plan (Central Share: ₹ 791.80 crore, State share: ₹ 13.79 crore and State Scheme: ₹ 165 crore) and ₹ 78.86 crore (Central Share: ₹ 30.86 crore, State share: ₹ 3 crore and State Scheme: ₹ 45 crore) for Scheduled Tribe Special Plan components during 2024-25 in the BE for the year. However, the Department utilized only ₹ 291.58 crore (30 *per cent*) and ₹ 43.20 crore (55 *per cent*), respectively towards Special components of SC & ST Special plans.

iii Substantial and Persistent savings

During 2024-25, there were substantial savings in 42 HoA pertaining to CS Schemes (Pradhan Mantri Awas Yojana-Urban, Swachcha Bharat Mission 2.0, Smart City Mission and National Urban Livelihood Mission) under the Grant. Summary of savings under CSS component is shown in **Table 2.21**.

Table 2.21: Summary of savings under Centrally Sponsored Schemes during 2024-25

(₹ in crore)

Type of scheme	Total Budget	Savings	Savings in *per cent*	Percentage *vis-à-vis* total savings in UD & HD
CSS (Central share)	4,189.51	3,390.36	81	57
CSS (State share)	1,415.79	574.42	41	10
Total	**5,605.30**	**3,964.78**	**71**	**66**

Source: Detailed Appropriation Accounts 2024-25

Further, there were persistent substantial savings in eight HoA related to Establishment & Committed, CSS and SS during 2022-23 to 2024-25, as shown in **Table 2.22**.

Table 2.22: Substantial persistent savings during 2022-23 to 2024-25

(₹ in crore)

Sl. No.	Name of Scheme	Head of Account	2022-23		2023-24		2024-25	
			Saving	Saving percentage	Saving	Saving percentage	Saving	Saving percentage
1	XV-FC GIA to Municipal Corporations for Health sector works	48-2217801910017	95.00	100.00	92.87	100.00	100.55	100.00
2	XV-FC GIA to Municipal Corporations for primary works	48-2217801910010	286.07	31.00	670.90	43.00	122.88	8.00
3	XV-FC GIA to Nagar Panchayats for primary works	48-2217801930001	219.16	56.00	90.43	21.00	315.60	48.00
4	Housing For All (CS)	48-2217017890205	48.00	100.00	90.88	74.00	150.00	100.00
5	HFA (CS)	48-2217030510203	23.51	12.00	131.80	22.00	1,016.19	89.00
6	HFA (SCSP)	48-2217037890205	144.00	100.00	35.26	25.00	596.32	93.00
7	Integrated Urban Engineering Organization	48-2217050010008	58.14	50.00	72.09	59.00	106.73	71.00
8	Land Acquisition (State Scheme)	48-2217031910113	165.24	73.00	97.16	97.00	163.82	40.00

Source: Appropriation Accounts of the respective years

Persistent and substantial savings over the years indicates deficient budget estimation and monitoring leading to revision of budget estimate.

Though requested, the Department did not provide reasons for savings under these eight HoA.

iv Unnecessary Supplementary grants

It was observed that substantial supplementary grants given in seven heads of account (₹ 10 crore or more in each case) during 2024-25 remained unutilised as the expenditure under these HoA did not come up to the original budget.

Cases of supplementary grants being remaining unutilized are shown in **Table 2.23**.

Table 2.23: Cases of unutilized supplementary grants (₹ 10 crore or more in each case)

(₹ in crore)

Sl. No.	Head of Account	Details of HoA	Original Budget	Expend-iture	Suppleme-ntary Budget	Savings
1	48-2217801930001	Grants-in-aid to Nagar Panchayats for primary works in the light of recommendation of Finance Commission	451.64	347.64	211.60	315.60
2	48-2217030510303	Urban Planning Area Authority	125.00	43.56	50.22	131.66
3	48-2217050010008	Integrated Urban Engineering Organization	122.57	42.88	27.04	106.73
4	48-2217030510204	Smart City Mission, Muzzafarpur	100.00	65.21	24.50	59.29
5	48-2215011930102	Jal Jeevan Hariyali	3.00	0.96	10.00	12.04
6	48-2217030510103	Urban Planning Area Authority	2.00	0.00	35.00	37.00
7	48-2217010510103	Patna Metropolitan Area Authority	2.00	0.00	15.00	17.00
	Total		**806.21**	**500.25**	**373.36**	**679.32**

Source: *Detail Appropriation Accounts 2024-25*

As can be seen from **Table 2.23**, although the expenditure could not even reach up to the Original Budget (₹ 806.21 crore), supplementary provisions of ₹ 373.36 crore were provided which led to enhanced savings of up to ₹ 679.32 crore. In two heads of account, although no expenditure was incurred against the Original Budgets of ₹ four crore yet supplementary grants of ₹ 50.00 crore, were provided, resulting in 100 *per cent* savings.

v Entire provisions remained unutilised

It was observed that during 2024-25, the entire budgetary provision of ₹ 2,329.09 crore under 36 heads of account remained unutilized. Of these 36 HoA, 11 cases wherein the total budget provisions of ₹ 2,109.64 crore (₹ 50.00 crore or more in each case) remained completely unutilized are shown in **Table 2.24**.

Table 2.24: Details of entire Budget Provisions (₹ 50 crore and above) remaining unutilised during 2024-25

(₹ in crore)

Sl. No.	Head of account	Details of HoA	Total Budget Provisions
1	48-2215010510101	Drinking Water Supply Scheme (NHB funded)	50.00
2	48-2215021070104	Storm Water Drainage (NHB funded)	200.00
3	48-2217030510104	Mokshadham Nirman (NHB Nurtured)	50.00
4	48-2217030510206	Smart City Mission Yojana (Bhagalpur)	100.00
5	48-2217030510208	Urban Renewal Mission Atal Renewal and Urban Transformation Mission	1,048.00
6	48-2217030510210	Urban Renewal Mission Atal Renewal and Urban Transformation Mission (Amrut 2.0) (Incentive Reforms)	50.00
7	48-2217030510308	Urban Renewal Mission Atal Renewal and Urban Transformation Mission (Amrut 2.0) Rajayansh	210.00
8	48-2217017890205	Sabke Liye Awas (Urban) Mission (PMAY- Urban)	150.00
9	48-2217801910017	Grants-in-aid for health sector works to municipal corporations in light of the recommendation of the Finance Commission	100.55
10	48-2217801920011	Grants-in-aid for health sector works to Municipal councils in light of the recommendation of the Finance Commission	92.48
11	48-2217801930009	Grants-in-aid for health sector works to Nagar Panchayats in the light of recommendations of Finance Commission	58.61
Total			**2,109.64**

***Source:** Appropriation Accounts 2024-25*

vi Non-surrender of savings

Details of non-surrender of savings under Revenue and Capital segments of grant during 2020-25, are shown in **Table 2.25**.

Table 2.25: Non-surrender of Revenue and Capital segment wise savings of grant during 2020-25

(₹ in crore)

Financial Year	Revenue			Capital			Overall *per cent* of non-surrender
	Savings	Surrender	*Per cent* of non-surrender	Savings	Surrender	*Per cent* of non-surrender	
2020-21	3,752.81	275.00	93.00	200.00	0.00	100.00	93.00
2021-22	4,147.78	0.00	100.00	492.42	0.00	100.00	100.00
2022-23	4,394.35	1451.79	67.00	0.00	0.00	0.00	67.00
2023-24	5,590.20	1230.84	78.00	189.00	30.00	84.00	78.00
2024-25	5,723.05	2800.44	51.00	245.88	201.38	18.00	50.00
Total	**23,608.19**	**5,758.07**	**76.00**	**1,127.30**	**231.38**	**79.00**	**76.00**

Source: Appropriation Accounts of the respective years

It can be seen from **Table 2.25** that during 2020-21 to 2024-25, substantial percentage of savings ranging between 51 and 100 *per cent* in the Revenue segment and from zero to 100 *per cent* in the Capital segment was not surrendered. Overall non-surrender ranged from 50 to 100 *per cent* indicating poor budgetary management in the Department.

vii Other issues

Apart from above, other significant issues noticed during the review of UD&HD grant are as below:

- An amount of ₹ 400 crore was drawn by the Department from the Contingency Fund of the State, for the State Water Action Plan under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) 2.0 during 2023-24. The entire amount remained unutilized and was parked in the bank account of the Department (as of June 2025).

- Total 2,429 Utilization Certificates (UCs) amounting to ₹17,876.32 crore (drawn up to September 2023) were outstanding for adjustment as on 31 March 2025.

- Total 203 Abstract Contingent (AC) bills amounting to ₹ 29.24 crore which were drawn up to September 2024, were outstanding, as on 31 March 2025.

- The Department reported an expenditure of ₹ 509.74 crore under SBM 2.0 for 2024-25 against an actual expenditure of only ₹ 1.73 crore. Remaining ₹ 508.01 crore was lying idle in the SNA account inflating the expenditure of the Department to this extent.

- Unspent funds of ₹ 5.19 crore pertaining of various HoA/schemes were not returned by four ULBs[10] (as of March 2025).

2.9 Specific Budgets

Certain aspects of budget & expenditure like Government spending on women, children, environment, forest, and climate change require special attention and a more transparent and logical approach. The Government of Bihar prepared Gender, Child Welfare, and Green Budgets during 2024-25.

2.10 Review of Gender Budget

Gender budgeting is a strategic approach designed to advance gender equality and empower women by incorporating a gender perspective into the planning, execution, and assessment of public policies and budgets. The primary objective is to guarantee that public resources are distributed and utilised in a manner that addresses the distinct needs and priorities of women.

Budgetary Provisions and expenditure incurred

During the last four years, the State Government dedicated 13.79 to 15.80 *per cent* of Budgetary resources in the Original Budget for the Gender Budget. An overview of planning and execution of the Gender budget with respect to the State budget for the last four years is shown in **Table 2.26**.

Table 2.26: Budget Resources dedicated to the Gender Budget in different phases of Budget and its implementation

(₹ in crore)

	Details	2021-22	2022-23	2023-24	2024-25
Original Budget*	**State**	**2,18,302.70**	**2,37,691.21**	**2,61,885.40**	**2,82,992.32**
	Gender Budget	34,490.56	36,657.03	37,948.71	39,033.64
	Share (*per cent*) of Gender budget in overall Original Budget of the State	15.80	15.42	14.50	13.79
Total Budget	**Total State Budget**	**2,65,396.87**	**3,01,686.46**	**3,26,230.12**	**3,64,518.87**
	Total Gender Budget	95,103.97	1,04,543.15	94,394.65	1,20,172.59
	Share (*per cent*) of total Gender budget in overall Total Budget of the State	35.83	34.65	28.93	32.97

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[10] *(i) Nagar Panchayat Areraj, East Champaran (5th State Finance Commission – ₹ 0.21 crore, SBM- ₹ 0.39 crore, Jal Jeevan Hariyali- ₹ 0.27 crore), (ii) Nagar Panchayat Belsand, Sitamarhi (Integrated Housing and Slum Development Programme- ₹ 2.61 crore), (iii) Nagar Panchayat, Rafiganj, Aurangabad (5th SFC-₹ 0.61 crore, Mukhya Mantri Shahari Nali Gali Yojana- ₹ 0.41 crore) and (iv) Nagar Parishad, Rajgir (5th SFC- ₹ 0.69 crore).*

	Details	2021-22	2022-23	2023-24	2024-25
Expenditure	**Total expenditure of State**	**1,94,202.20**	**2,35,176.84**	**2,60,718.07**	**2,87,178.49**
	Total expenditure in Gender Budget	64,648.33	78,041.75	64,316.15	85,046.25
	Share (*per cent*) of overall Total Expenditure of the State	33.29	33.18	24.67	29.61

***Source:** Gender Budget and Appropriation Accounts of respective years*

****Note:** Original Budget amount is taken from Gender Budget, Total Budget and Expenditure has been taken from Appropriation Accounts. Some schemes are excluded due to duplicity of data and non-clear provision of budget against each head of scheme*

As can be seen from **Table 2.26**, that during 2021-25 the Total Budget and expenditure under the Gender Budget have increased by 26.36 *per cent* and 31.55 *per cent*, respectively. However, during 2021-22 to 2024-25, the Total Budget and expenditure of the State increased by 37.35 *per cent* and 47.88 *per cent*, respectively, whereas, total budget and expenditure under the Gender budget grew by 26.36 *per cent* and 31.55 *per cent* during this period. This indicates that the Total Budget provision and expenditure under the Gender budget has not kept pace with the increase in State's overall budget and expenditure.

Gender Budget schemes are divided in two categories *viz*., Category 'A' Scheme with 100 *per cent* budget dedicated for women and category 'B' where at least 30 *per cent* of the budget is dedicated for women. There are 99 HoA under Category 'A' Schemes whereas, 629 HoA are under Category 'B' schemes being executed by the departments of the State Government.

An overview of Budget provisions and expenditure in these two categories of schemes with respect to the Gender Budget is shown in **Table 2.27**.

Table 2.27: Budget allocation in the categories of schemes under Gender Budget

(₹ in crore)

	Details	2021-22	2022-23	2023-24	2024-25
Budget Estimates	Budgetary provision in Gender Budget	34,490.56	36,657.03	37,948.71	39,033.64
	Scheme 'A'	12,084.29	13,069.64	10,536.37	6,853.74
	Per cent provision of Scheme 'A'	35.04	35.65	27.76	17.56
	Scheme 'B'	22,406.27	23,587.39	27,412.34	32,179.90
	Per cent provision of Scheme 'B'	64.96	64.35	72.24	82.44

	Details	2021-22	2022-23	2023-24	2024-25
Total Budget	Total Gender Budget	95,103.97	1,04,543.15	94,394.65	1,20,172.59
	Scheme 'A'	18,457.03	20,788.68	13,016.77	14,996.39
	Per cent provision of Scheme 'A'	19.41	19.89	13.79	12.48
	Scheme 'B'	76,646.94	83,754.47	81,377.87	1,05,176.19
	Per cent provision of Scheme 'B'	80.59	80.11	86.21	87.52
Expenditure	Total expenditure in Gender Budget	64,648.33	78,041.75	64,316.15	85,046.25
	Expenditure under Category 'A' schemes	11,240.74	18,261.32	4,985.01	10,699.15
	Percentage of Expenditure under Category 'A' schemes	17.39	23.40	7.75	12.58
	Expenditure under Category 'B' schemes	53,407.59	59,780.43	59,331.14	74,347.11
	Percentage of Expenditure Category under 'B' schemes	82.61	76.60	92.25	87.42

Source: Gender Budget and Appropriation Accounts of respective years

It can be seen from **Table 2.27** that:

- In 2024-25, the budget allocation for Category 'A' schemes under Gender Budget (Budget Estimates) reduced by 52.44 *per cent* from 2022-23. Further, the amount of total budget and expenditure there against remained uneven and inconsistent during 2021-22 to 2024-25 but has increased in 2024-25 over the previous year.

- In case of Category 'B' Schemes, the total budget provisions have increased consistently.

- During 2024-25, percentage of expenditure under Category 'A' schemes (12.58 *per cent*) was substantially lower than their share in the Original Gender Budget (17.56 *per cent*). Whereas, in Category 'B' Schemes, percentage of expenditure (87.42 *per cent*) was higher than their share in the Original Gender Budget (82.44 *per cent*).

Thus, the State Government needs to emphasise more on consistent resource allocation towards Gender budgeting and ensure implementation of related schemes and programmes so that outcome planned, specially under category 'A' schemes, can be achieved.

2.11 Review of the Child Welfare Budget

The National Policy for Child (NPC) - 2013 guided the State Governments to prepare a Child Welfare Budget for each State. Following the NPC, the State Government prepared a Standard Operating Procedure, and a Child Budget Manual for the preparation of the Child Welfare Budget. Bihar Government has been preparing the Child Welfare Budget since 2013-14 for the State.

There are total 228 HoA under various schemes for the Child Welfare Budget of the State. Major schemes, in terms of budgetary provisions and expenditure, under this budget included Samagra Siksha Abhiyan, Mid-Day Meal, Integrated Child Development Services and PM Poshan Shakti Nirman *etc*.

Budgetary Provisions and expenditure incurred

An overview of the Child Welfare Budget planning and execution with respect to the State budget, for last four years (2021-22 to 2024-25), is presented in **Table 2.28**.

Table 2.28: Overview of Child Welfare Budget for 2021-22 to 2024-25

(₹ in crore)

	Details	2021-22	2022-23	2023-24	2024-25
Original Budget	**Budget of the State**	**2,18,302.70**	**2,37,691.21**	**2,61,885.40**	**2,82,992.32**
	Budgetary provision for Child Welfare Budget	38,863.99	44,917.07	46,066.29	54,874.55
	Percentage share of Child Welfare Budget	17.80	18.90	17.59	19.39
Total Budget	**Total Budgetary provision of the State**	**2,65,396.87**	**3,01,686.46**	**3,26,230.12**	**3,64,515.87**
	Total Budget for Child Welfare Budget	52,016.72	73,414.14	74,604.90	89,930.36
	Percentage share of Child Welfare Budget	19.59	24.33	22.87	24.67
Expenditure	**Total expenditure of the State**	**1,94,202.20**	**2,35,176.84**	**2,60,718.07**	**2,87,178.49**
	Total expenditure for Child Welfare Budget	39,296.12	54,069.87	56,496.61	68,245.36
	Percentage share of expenditure for Child Welfare Budget	20.23	22.99	21.67	23.72

Source: Child Welfare Budget and Appropriation Accounts of respective years for Total Budget and expenditure of respective years

**Note: Original Budget amount is taken from Child Welfare Budget, Total Budget and Expenditure has been taken from Appropriation Accounts. Some schemes are excluded due to duplicity of data and non-clear provision of budget against each head of scheme*

During 2022-25, the Original Budget, Total Budget and Expenditure under Child Welfare Budget increased by 41.20 *per cent,* 72.89 *per cent and* 73.67 *per cent,* respectively.

Audit analysed Budget and expenditure for 2024-25 in three major schemes of the Child Welfare Budget. These schemes have been considered for analysis on account of the budgetary provisions and expenditure incurred therein. Details are shown in **Table 2.29**.

Table 2.29: Overview of Budget Management in three major Schemes during 2024-25

(₹ in crore)

Sl. No.	Scheme	Total Budget	Expenditure	Savings	Percentage of savings *vis-à-vis* TB
1	Mid Day Meal (PM POSHAN) State Scheme	400.00	396.18	3.82	0.95
	Mid Day Meal (PM POSHAN) Central Sponsored Scheme (State + Central Share)	3,319.43	2,045.08	1,274.35	38.39
	Total	**3,719.43**	**2,441.26**	**1,278.17**	**34.36**
2	Integrated Child Development Services (ICDS) State Share	592.31	558.30	34.01	5.74
	Integrated Child Development Services (ICDS) Central Share	870.16	764.09	106.07	12.19
	Total	**1,462.47**	**1,322.39**	**140.08**	**9.58**
3	Samagra Shiksha Abhiyan (SSA) State Share	3,442.20	2,528.55	913.65	26.54
	Samagra Shiksha Abhiyan (SSA) Central Share	8,994.38	3,791.13	5,203.25	57.85
	Total	**12,436.58**	**6,319.68**	**6,116.90**	**49.18**
	Grand Total	**17,618.48**	**10,083.33**	**7,535.15**	**42.77**

***Source:** Child Welfare Budget and Detailed Appropriation Accounts for Total Budget and expenditure of respective years*

From **Table 2.29**, significant savings against the total budget can be observed in two schemes (PM POSHAN and Samagra Siksha Abhiyan) during 2024-25. Savings under Central Share were significantly higher than the savings under the State Share.

Substantial savings in major schemes may adversely affect the achievement of desired outcomes planned.

2.12 Review of the Green Budget

Since Financial Year 2020-21, the State government has been preparing a Green Budget for Bihar and has dedicated at least three *per cent* of its original budgetary resources for this Budget in the last four years.

An overview of BEs, Total Budget and expenditure in the Green Budget *vis-à-vis* State budget, during the last four years (2021-22 to 2024-25), is presented in **Table 2.30**.

Table 2.30: Green Budget *vis-à-vis* State Budget

(₹ in crore)

Details		2021-22	2022-23	2023-24	2024-25
Original Budget	**Budget of the State**	**2,18,302.70**	**2,37,691.21**	**2,61,885.40**	**2,82,992.32**
	Budgetary provisions for Green Budget	7,682.91	7,710.25	9,920.77	13,823.49
	Percentage share of Green Budget	3.52	3.24	3.79	4.88
Total Budget	**Total Budgetary provisions of the State**	**2,65,396.87**	**3,01,686.46**	**3,26,230.12**	**3,64,518.87**
	Total Budgetary provisions for Green Budget	36,368.58	28,366.70	44,331.56	53,224.83
	Percentage share of Green Budget	13.70	9.40	13.59	14.60
Expenditure	**Total expenditure of the State**	**1,94,202.20**	**2,35,176.84**	**2,60,718.07**	**2,87,178.49**
	Total expenditure for Green Budget	22,000.07	17,936.63	37,048.61	43,659.12
	Percentage share of Green Budget	11.33	7.63	14.21	15.20

Source: Green Budget for Budget estimates and Detailed Appropriation Account for Total Budget and expenditure of respective years

As can be seen from **Table 2.30**, during last three years budget estimate, total budget and expenditure under the Green budget has increased consistently.

Schemes included under the Green Budget are divided into six categories[11], based on their percentage share dedicated towards the Environment, Forest and Climate Change segment of the schemes.

[11] *(A) Fully dedicated (>90-100 per cent), (B) Very high significance (>75-90 per cent), (C) High significance (>50-75 per cent), (D) Medium significance (>25-50 per cent), (E) Low significance (>05-25 per cent) & (F) Marginal significance (05 per cent or less).*

An overview of budget and expenditure under the Green Budget schemes across these six categories is presented in **Table 2.31**.

Table 2.31: Category wise Budget and Expenditure under Green Budget

(₹ in crore)

Financial year	Category	Green Budget Estimate	*Per cent* of total Original Budget	Total Budget	*Per cent* of Total Budget	Expenditure incurred	*Per cent* of Total Exp.
2021-22	A	2,274.08	29.60	2,283.87	6.28	797.10	3.62
	B	342.55	4.46	441.04	1.21	85.47	0.39
	C	3,360.15	43.74	5,747.21	15.80	3,784.67	17.20
	D	604.18	7.86	2,996.69	8.24	1,650.93	7.50
	E	619.38	8.06	8,567.95	23.56	6,036.68	27.44
	F	482.57	6.28	16,331.82	44.91	9,645.22	43.84
	Total	**7,682.91**	**100.00**	**36,368.58**	**100.00**	**22,000.07**	**100.00**
2022-23	A	3,344.44	43.38	3,868.32	13.64	2,443.74	13.62
	B	283.93	3.68	504.16	1.78	112.55	0.63
	C	2,009.92	26.07	3,517.62	12.40	1,988.58	11.09
	D	663.37	8.60	3,956.93	13.95	2,116.83	11.80
	E	920.71	11.94	7,203.39	25.39	3,172.82	17.69
	F	487.88	6.33	9,316.28	32.84	8,102.11	45.17
	Total	**7,710.25**	**100.00**	**28,366.70**	**100.00**	**17,936.63**	**100.00**
2023-24	A	4,306.85	43.41	8,555.31	19.30	6,898.08	18.62
	B	190.02	1.92	306.71	0.69	66.92	0.18
	C	3,587.16	36.16	5,246.24	11.83	3,336.99	9.01
	D	530.33	5.35	2,095.94	4.73	1,662.10	4.49
	E	872.28	8.79	7,640.75	17.24	8,077.03	21.80
	F	434.13	4.38	20,486.61	46.21	17,007.49	45.91
	Total	**9,920.77**	**100.00**	**44,331.56**	**100.00**	**37,048.61**	**100.00**
2024-25	A	6,514.08	47.12	8,243.22	15.49	6,180.36	14.16
	B	148.77	1.08	414.40	0.78	283.31	0.65
	C	3,759.61	27.20	6,631.37	12.46	3,768.65	8.63
	D	1,987.99	14.38	8,420.45	15.82	6,782.70	15.54
	E	1,267.95	9.17	12,404.30	23.31	10,401.44	23.82
	F	144.98	1.05	17,111.10	32.15	16,242.66	37.20
	Total	**13,823.38**	**100.00**	**53,224.83**	**100.00**	**43,659.12**	**100.00**

Source: ***Green Budget and Detailed Appropriation Account of respective years for Total Budget and expenditure of respective years***

Note: ***During process of data of Green Budget, some schemes are excluded due to duplicity and non-specific budget amount against scheme heads. Therefore, amount of Budget estimates may vary in comparison with aggregate Budget estimates of Green Budget***

As can be seen from **Table 2.31**, during the last three years Original Budget, Total Budget and expenditure there against has increased significantly under all the categories of Schemes in Green Budget (except Category 'F'). Further, during 2024-25, total percentage share of amount provisioned for Category 'A', 'B' and 'C' schemes was 75.40 *per cent* (₹ 10,422.46 crore) of the Original Green Budget (₹ 13,823.38 crore) which was significant, but expenditure incurred was ₹ 10,232.32 crore, which was below par at 23.43 *per cent* of the total expenditure of ₹ 43,659.12 crore.

2.13 Review of the Outcome Budget

The preparation of an Outcome Budget for the State was started by the Government of Bihar in 2006-07. Outcome budget is a tool through which the usefulness and effectiveness of expenditure can be assessed. Outcome budget provides information on expected results of financial provisions in the Budget Estimates, and effectiveness of uses of public funds for citizens. It establishes clear targets for physical performance and evaluates program success.

As per the Outcome Budget 2024-25, the Government of Bihar initially provisioned ₹ 1,21,912.10 crore under 1,420 Heads of Account of 41 grants, for execution of various Central/State schemes as well as establishment expenditure. Out of this, ₹ 99,985.02 crore was earmarked under 1,248 Heads of Account under Central/State schemes. Remaining ₹ 21,927.08 crore was provisioned under 172 Heads of Account for establishment related expenses. The details are shown in **Table 2.32**.

Table 2.32: Summary of Outcome Budget 2024-25

(₹ in crore)

No. of HoA	Original Provision made as per Outcome Budget	Total Budget Provision	Actual Expenditure/ *per cent* of total budget	Transfer to Deposit Head (8443/8448)
1,248 (Schemes)	99,985.02	1,52,903.38	1,10,198.74/72	14,952.77
172 (Establishment)	21,927.08	25,702.77	18,413.74/72	398.90
Total (1,420)	**1,21,912.10**	**1,78,606.15**	**1,28,612.48/72**	**15,351.67**

Source: Outcome Budget and Office of the Pr. AG (A&E), Bihar

As can be observed from **Table 2.32**, expenditure incurred towards schemes and establishment was 72 *per cent* each against the total Outcome budget of ₹ 1,78,606.15 crore and 105 *per cent* of the Original Budget.

Audit further analysed the scheme-wise achievement of Outcome budget *vis-à-vis* budget provision. The details are given in **Table 2.33**.

Table 2.33: Scheme-wise achievement against outcome budget

(₹ in crore)

Type of Schemes	No. of HoA	Original Provision	Total Budget Provision	Expenditure*	Percentage of exp. to Total Budget
Central Share of CSS	250	43,019.82	45,551.75	21,854.85	47.98
State Share of CSS	237	12,675.42	35,446.84	28,348.08	79.97
State Scheme	754	40,823.76	68,438.77	56,616.80	82.72
Central Area Scheme	2	0.02	0.02	0.01	50.00
Externally Aided State Schemes (EASS)	5	3,466.00	3,466.00	3,379.00	97.49
Total	**1,248**	**99,985.02**	**1,52,903.38**	**1,10,198.74**	

Source: Outcome Budget and DAA for the year 2024-25
****Expenditure excludes O.B. suspense amount***

As can be seen from **Table 2.33** that overall achievement under CSS and CAS was 50 *per cent* only.

Further, nil achievement was observed in 320 HoA (CSS: 183, State Schemes: 134, CAS: 01 and EASS: 02) against the total provisions of ₹ 7,703.47 crore (CSS: ₹ 5,930.64 crore, State Schemes: ₹ 1,685.82 crore, CAS: ₹ 0.01 crore and EASS: ₹ 87.00 crore).

2.14 Contingency Fund

The Contingency Fund of Government of Bihar was established under the Bihar Contingency Fund Act, 1950, under provisions of Articles 267(2) of the Constitution of India. In light of provisions of Article and 283(2) of the Constitution of India, the State Government made rules to regulate all matters connected with or, ancillary to the custody of payment of monies into and the withdrawal of monies from the Contingency Fund of the State for meeting unforeseen expenditure.

The corpus of the Fund is ₹ 350.00 crore. Corpus of the Contingency Fund was enhanced from ₹ 350 crore to ₹ 10,000.00 crore, on a temporary basis, for the period from 1 April 2024 to 30 March 2025.

2.14.1 Advance from Contingency Fund

Advances from the Contingency Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable.

It was observed that total 59 withdrawals amounting to ₹ 446.49 crore were made from the Contingency Fund of the State for contingent as well as non-contingent purposes as summarised in **Table 2.34**.

Table 2.34: Summary of drawl from Contingency Fund

(₹ in crore)

Nature of drawl	No. of cases	Amount
Contingency	35	442.81
Non-contingency	9	3.68
Token	15	0.00*
Total	**59**	**446.49**

Source: *Office of the Pr. Accountant General (A&E), Bihar*

** ₹ 0.22 lakh*

During 2024-25, although the corpus of the Contingency Fund was increased substantially, usage was only 4.46 *per cent*. It can also be seen from **Table 2.34** an amount of ₹ 3.68 crore has been utilised for non-contingent purposes through nine withdrawals.

The entire amount of ₹ 9,650 crore was written back to the Contingency Fund under Major Head '7999-Appropriation to Contingency Fund' before 31 March 2025.

2.15 Conclusions

- The total expenditure of the State remained at 78.78 *per cent* of the Total Budget during the FY 2024-25 reflecting gaps between Original Budget, Total Budget, Revised Estimates, and Actual Expenditure. This also indicated unrealistic projections and deficient alignment between budget and expenditure.

- Explanations were required for variations (savings/excesses) under 1,909 HoAs, but against 1,806 HoAs (94.60 *per cent*) the reasons remained unexplained, undermining accountability and hampering corrective initiatives.

- There were instances of unnecessary supplementary provisions and injudicious re-appropriations, which resulted in substantial savings during the financial year 2024-25. However, surrenders against these savings remained very low at 13.43 *per cent*.

- In 11 Heads of Account of nine Schemes, against the total budget of ₹ 3,486.74 crore (₹ 50 crore or more in each case) no expenditure was incurred.

- During 2020-21 to 2024-25, total ₹ 15,657.61 crore, relating to previous years was returned/refunded into the Government account under the minor head "911" which includes ₹ 14,571.15 core (93.06 *per cent* of total refunds/recoveries) related to 'refund of excess/unintended withdrawals.

- Maximum expenditure (39.85 *per cent* of total expenditure) was incurred during the last quadrimestre of the financial year indicating rush of expenditure at the fag end and breach of prescribed ceiling.
- An amount of ₹ 33.11 crore was misclassified under Capital Section instead of Revenue Section resulting into overstatement of Capital expenditure and understatement of Revenue Expenditure to that extent.

2.16 Recommendations

The State Government may:

- ensure that budget is prepared in a realistic manner so as to minimise gaps between expectation and actuals.
- ensure that in all cases of Savings/Excess in schemes (heads of account), reasons are clearly explained to ensure accountability and transparency.
- review the reasons for persistent and substantial savings under various to ensure optimal utilisation of the amounts allocated.
- ensure that all anticipated savings are surrendered on time, so that funds available can be utilised for other purposes.
- monitor and control rush of expenditure during the fag end of the financial year.