



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



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



Government of Bihar
Report No. 01 of the year 2023

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PREFACE

This Report on the finances of the Government of Bihar, has been prepared for submission to the Governor of Bihar, under Article 151 of the Constitution.

This Report intends to assess the financial performance of the State, during 2021-22 and to provide the State Legislature with inputs based on audit analysis of financial data. The Report also analyses the financial performance against the targets envisaged by the Bihar Fiscal Responsibility and Budget Management (Amendment) Act, 2016, the XVth Finance Commission (FC) Report, Rules and Codes, meant for management of Government functions and the Budget Estimates of 2021-22. This Report is structured in five Chapters.

Chapter I analyses changes in major fiscal aggregates based on the audit of the Finance Accounts and an assessment of the Bihar Government's fiscal position, as on 31 March 2022.

Chapter II provides an insight into deficit management of Government, trends in revenue and capital expenditure, contingent issues, committed and obligatory expenditure, subsidies, debt, investment, and borrowing patterns. It provides an audit perspective of the finances of the Government of Bihar, for the year 2021-22 and analyses critical changes in major fiscal aggregates based on the details contained in the Finance Accounts of the State related to the previous years and an assessment of the fiscal position as on 31 March 2022.

Chapter III examines the budgetary controls, expenditure controls and its accounting thereon. It is based on the audit of the 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.

Chapter IV provides an overview of the quality of Accounts and compliance of the State Government in its financial reporting practices with prescribed financial rules, procedures and directives during the current year.

Chapter V provides an overview on 'Summary of Financial Performance of State Public Sector Enterprises'.

The Reports containing the findings of performance audit and audit of transactions in various Departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

The Audit has been conducted, in conformity with the Auditing Standards, issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Based on the audited accounts of the Government of Bihar, for the year ended March 2022, this report provides an analytical review of the finances of the State Government.

Audit Findings

Fiscal Position

The State recorded a Fiscal Deficit of ₹ 25,551 crore, during the year, which had decreased by ₹ 4,276 crore, over the previous year. During 2021-22, the State suffered a revenue deficit of ₹ 422 crore, for the 3rd time since 2004-05. There were instances of misclassification of revenue transactions under the capital section, as brought out in the Report.

Although the fiscal deficit as a percentage of GSDP, was within the revised targets of the BFRBM, but the same was not as per the Budget Estimates. However, outstanding debt to GSDP was also within the projection of XVth FC.

The State was third among the top 10 States, in reviving its economy after covid pandemic and registered the highest GSDP growth during the last five years.

(Chapter-I)

Finances of the State

The State witnessed an increase of ₹ 30,630 crore (23.90 *per cent*) in Revenue Receipts, during the year 2021-22, as compared to the previous year, primarily due to increase in share of union taxes and own tax revenue.

Revenue Expenditure increased by ₹ 19,727 crore (14.14 *per cent*), mainly due to increase in expenditure on Social Services during the year. Simultaneously, State Government had increased the expenditure on asset creation by 30.03 *per cent* over the previous year.

Outstanding Public Debt at the end of the year increased by ₹ 31,698.43 crore (17.89 *per cent*) over the previous year.

An amount of ₹ 279.12 crore (previous year's short transfer of balance ₹ 338.96 crore minus ₹ 59.84 crore excess transferred during 2021-22), was yet to be transferred to NSDL, as on 31 March 2022.

In the last five years (2017-18 to 2021-22), the State Government had enhanced the ceiling amount of outstanding guarantees from ₹ 20,581.52 crore to ₹ 37,631.92 crore. The outstanding guarantees stood at ₹ 25,069.78 crore (including interest), as on 31 March 2022.

(Chapter-II)

Budgetary Management

State Government incurred expenditure of ₹ 1,94,202.20 crore (73.17 *per cent*) against the total provision of ₹ 2,65,396.87 crore, during the year. The supplementary provision (₹ 47,094.17 crore) became completely unnecessary, as the expenditure was not even up to the level of original provision.

Out of total savings of ₹ 71,194.67 crore, only 13.87 *per cent* (₹ 9,878.08 crore) of the savings was surrendered during the year, resulting in a non-surrender of savings aggregating to ₹ 61,316.59 crore (86.13 *per cent* of total savings). During 2021-22, in 45 cases (38 grants/appropriations), supplementary provisions amounting to ₹ 28,674.33 crore (₹ 1 crore or more in each case) proved unnecessary and remained fully unutilised, as the expenditure (₹ 1,17,957.57 crore) had not been recorded even up to the level of the original provision (₹ 1,45,097.60 crore).

In Gender Budget, expenditure was not incurred under 17 category 'A' schemes, despite having funds of ₹ 73.22 crore. The State government did not spend any funds on 33 schemes, despite having funds of ₹ 942.87 crore in Child Welfare Budget. Bihar is the first state in the country to prepare Green Budget. A provision of ₹ 7,682.91 crore was made for 275 schemes, under six categories. However, out of 74 schemes categorised as Group 'A', no expenditure was incurred in 16 schemes.

(Chapter-III)

Quality of Accounts and Financial Reporting practices

The State Government did not disclose, the off-budget liabilities of ₹ 1,482.50 crore, in their budget documents/annual financial statements, in the concerned financial year. Accordingly, the debt to GSDP ratio including off-budget borrowings was 37.29 *per cent*, as on 31 March 2022, against the ratio of 37.07 *per cent*, without taking into account the off-budget borrowings.

23,188 Utilisation Certificates amounting to ₹ 99,178.89 crore, which became due (drawn upto 31.08.2020) for submission, were not submitted by the bodies and authorities of the State, against the grants-in-aid provided by the Government of Bihar.

The departments of the State Government had drawn ₹ 2,460.86 crore from Government's accounts against 3,605 Abstract Contingent (AC) bills, in which 954 AC bills, amounting to ₹ 572.76 crore (23.27 *per cent*), were drawn in March 2022. Substantial expenditure against AC bills in the month of March shows that the drawals were made, primarily to exhaust the budget provisions and revealed inadequate budgetary control.

Further, 25,101 AC bills amounting to ₹ 6,859.68 crore, drawn up to September 2021, were outstanding as on 31 March 2022, in addition to 827 AC Bills of 2021-22, amounting of ₹ 770.05 crore, which were outstanding on March 2022. Thus, a total of 25,928 AC bills, amounting to ₹ 7,629.73 crore, were outstanding, as on 31 March 2022. Advances drawn and not accounted for added to the possibility of wastage/misappropriation of government funds.

As per CFMS, an amount of ₹ 4,040.21 crore was lying parked in Personal Deposit (PD) Accounts, at the end of March 2022, under 212 administrators. Further, migration of five PD Accounts, from CTMIS to CFMS, containing an amount of ₹ 1.54 crore, was pending till date.

Over the last three years, expenditure amounting to ₹ 14,082.36 crore was not included in the respective expenditure heads but kept under the head 8658-102-Suspense Account (Civil), for the want of vouchers, sub-vouchers, non-attachment of sanction

orders/running bills and other supporting documents, which were not furnished to the Principal Accountant General (Accounts & Entitlement), Bihar, as a proof of expenditure.

During the Financial Year 2021-22, ₹ 2,384.56 crore were added to the OB Suspense Accounts, while ₹ 2,063.14 crore, pertaining to the previous years, were cleared from the OB Suspense Accounts. This had resulted in understatement of expenditure to the extent of ₹ 321.42 crore. As such, there was no assurance that the amount of ₹ 321.42 crore had actually been spent, for the intended purpose, as authorised by the State Legislature. The progressive balance under the head 8658-102-Suspense Account (Civil), stood at ₹ 14,785.91 crore at the end of March 2022.

For seamless interaction of all financial activities the “Comprehensive Financial Management System (CFMS)”, designed as a single source of truth, replacing the Comprehensive Treasury Management Information System (CTMIS), had been implemented from 01.04.2019. However, the Finance Department had neither conducted the User Acceptance Test (UAT) before declaring Go-live of the CFMS, till April 2022 nor an IT Audit of the System had been got conducted by the Department. Therefore, it is difficult to obtain assurance about the reliability and integrity of the accounts data, the source of which is solely CFMS.

(Chapter-IV)

State Public Sector Enterprises (SPSEs)

16 SPSEs covered in this report registered an annual turnover of ₹ 20,396.89 crore, as per their latest finalised accounts. This turnover was equal to 3.02 *per cent* of GSDP for the year 2021-22 (₹ 6,75,448 crore).

As on 31 March 2022, the total investment (equity and long-term loans) in SPSEs covered in this report was ₹ 52,689.67 crore. The investment consisted of 76.41 *per cent* (₹ 40,260.17 crore) towards equity and 23.59 *per cent* (₹ 12,429.50 crore) in long-term loans. The State Government had an equity holding of ₹ 39,686.75 crore in share capital. The long-term loans given by State Government and were outstanding as on 31 March 2022, amounted to ₹ 619.30 crore. Compared to the previous year, holding of the State Government in equity of SPSEs registered a net increase of ₹ 32.23 crore.

Government provided budgetary support to the tune of ₹ 29,830.55 crore upto 31 March 2022, to 19 working State Public Sector Enterprises (SPSEs), one Statutory Corporation and 15 non-working SPSEs whose Accounts were in arrears, as on 31 July 2022. These SPSEs had not finalised their Accounts for the last one to 45 years, in violation of the provisions of the Companies Act/Acts of the respective Statutory Corporations/ SPSEs.

Out of 16 SPSEs covered in the report, seven SPSEs earned profit during the year 2021-22. The profit earned decreased to ₹ 291.30 crore in 2021-22 from ₹ 302.15 crore in 2020-21. The top profit-making company in 2021-22 was Bihar Grid Company Limited (₹ 143.97 crore). The Net worth of seven SPSEs that earned profit during 2021-22 was ₹ 10,989.84 crore. The Return on Equity (ROE) of these seven SPSEs was 2.65 *per cent* during 2021-22, as compared to 2.80 *per cent* in 2020-21. ROE of all

these 16 SPSEs i.e., including five loss making and four no profit no loss companies was (-) 7.88 *per cent* in 2021-22.

As on 31 March 2022, out of 16 SPSEs, there were only five SPSEs which incurred losses amounting to ₹ 1,946.95 crore. The accumulated losses and net worth of these five SPSEs were ₹ 21,041.52 crore and ₹ 8,783.09 crore respectively, against the equity investment of ₹ 29,740.37 crore. The net worth of four SPSEs was completely eroded, and it was (-) ₹ 588.43 crore against equity investment of ₹ 85.50 crore, as on 31 March 2022.

(Chapter-V)

CHAPTER I

OVERVIEW

This chapter analyses changes in major fiscal aggregates, based on the audit of the Finance Accounts and an assessment of the Bihar Government's fiscal position as on 31 March 2022.

1.1 Profile of the State

Bihar is a landlocked State, bounded by West Bengal in the east, Uttar Pradesh in the west, Jharkhand in the south, and an international border with Nepal, in the north. It is the twelfth largest State in India in terms of geographical size (94,163 sq. km.) and the third largest by population (12.49 crore). The State of Bihar has 38 districts.

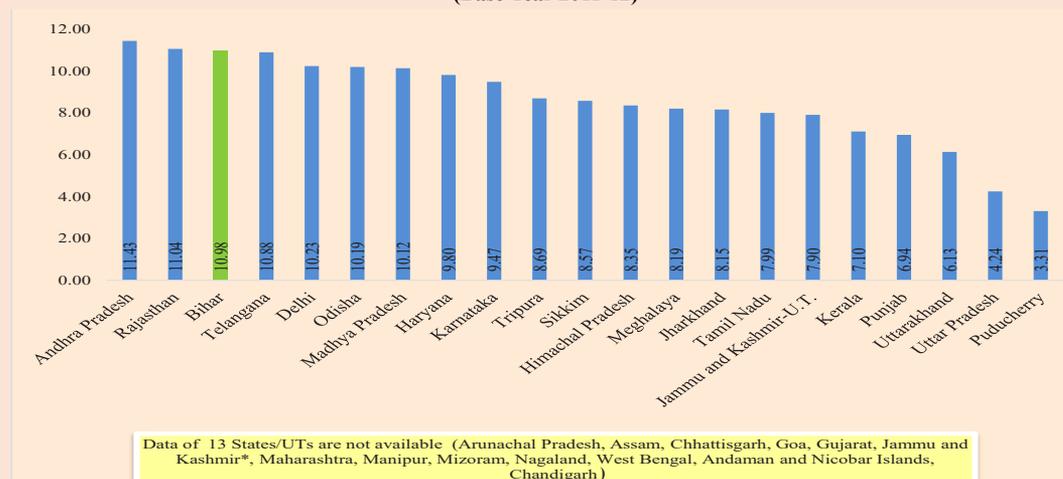
The economy of Bihar is primarily agrarian. As indicated in *Appendix 1.1*, the density of population in the State, has increased from 881 persons per sq. km. (2001) to 1,327 persons per sq. km. (2022). Bihar has higher poverty level, as compared to the All-India average. It is a General Category State and has shown an increase in economic growth for the period from 2011-12 to 2021-22 (P¹), as the Compound Annual Growth Rate (CAGR) of its GSDP had been 10.18 *per cent*, as compared to 10.11 *per cent* of India during 2021-22. As per XVth Finance Commission's projection, the normative assessed annual growth rate of GSDP of Bihar was 12 *per cent* and the Projected Annual Growth Rate of its GSDP, was 10.39 *per cent* for the year 2021-22. The per capita income of the State was ₹ 54,383 at the end of 2021-22, while the per capita income of Jharkhand, Uttar Pradesh, Odisha and Madhya Pradesh was ₹ 88,535, ₹ 79,396, ₹ 1,39,995, and ₹ 1,37,339 respectively.

Revival of State Finance post Covid-19

Due to Covid-19 pandemic wide fluctuations were noticed in the economic activities in the country during the last two years and the impact was conspicuous in the performance of various sectors. The impact of Covid-19 is evident on the State economy as well.

However, post the Covid-19 pandemic it had the third highest growth rate among Indian states (depicted in **Chart 1.1**).

**Chart 1.1: Growth rate over the previous year 2020-21 to 2021-22 at constant prices
(Base Year 2011-12)**



(Source: MoSPI)

* Relates to J&K and Ladakh

The State projected 9.84 *per cent* economic growth based on current prices, over the previous year, in its revised budget estimates. However, its economy registered an actual growth of 15.04 *per cent* in 2021-22, the highest during the last decade.

¹ P-Provisional.

² MoSPI - Ministry of Statistics and Programme Implementation.

The State had a GSDP of ₹ 6,75,448 crore, with a growth rate of 15.04 *per cent*, during the year of 2021-22. It witnessed a growth of more than 10 *per cent* year by year, except the pandemic period, when the State registered a growth rate of 0.80 *per cent* during 2020-21.

1.1.1 Gross State Domestic Product

Gross State Domestic Product (GSDP) 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 depicts the extent of changes in the level of economic development of the State, over a period of time.

The trends in annual growth of GDP of India and GSDP of the State, at current prices and constant prices (Base Year: 2011-12) are in **Table 1.1**.

Table 1.1: Trends in GSDP compared to the GDP

(₹ in crore)

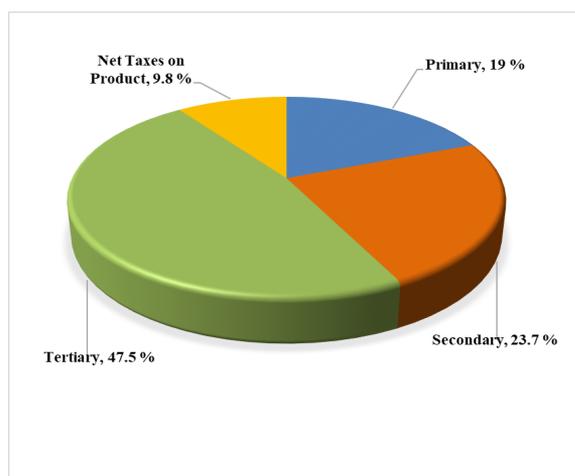
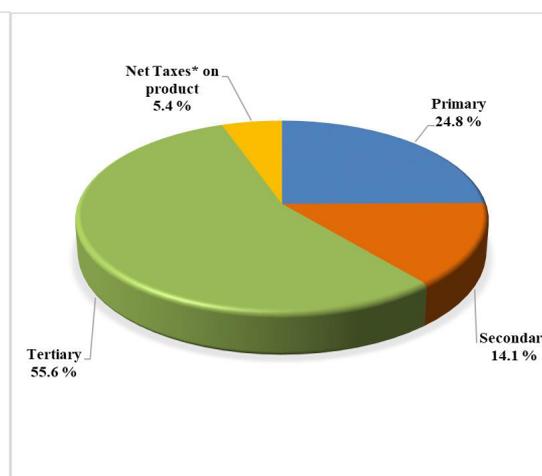
Year	2017-18	2018-19	2019-20	2020-21	2021-22
Current Prices					
GDP at current prices (2011-12 Series)	1,70,90,042	1,88,99,668	2,00,74,856	1,98,00,913	2,36,64,637
Growth rate of GDP over previous year (in <i>per cent</i>)	11.03	10.59	6.22	(-1.36)	19.51
GSDP at current prices (2011-12 Series)	4,68,746	5,27,976	5,82,516	5,87,154	6,75,448
Growth rate of GSDP over previous year (in <i>per cent</i>)	11.33	12.64	10.33	0.80	15.04
Percentage of GSDP to GDP	2.74	2.79	2.90	2.97	2.85
Constant Prices (Base Year)					
GDP at constant prices (2011-12 Series)	1,31,44,582	1,39,92,914	1,45,15,958	1,35,58,473	1,47,35,515
GSDP at constant prices (2011-12 Series)	3,44,028	3,81,383	3,98,283	3,85,728	4,28,065
Growth rate of GDP over previous year (in <i>per cent</i>)	6.80	6.45	3.74	(-6.60)	8.68
Growth rate of GSDP over previous year (in <i>per cent</i>)	7.91	10.86	4.43	(-3.15)	10.98

(Source: MoSPI)

During the period of 2017-18 to 2021-22, the Growth rate of GSDP of Bihar was higher than the All-India average at current prices, except in 2021-22. However, at constant prices, the growth rate was higher than the All-India average during last five years.

The Gross Domestic Product (GDP) of India was recorded at (-) 1.36 *per cent* in 2020-21, over the previous year. Compared to this negative trend, the growth rate of GSDP of Bihar was recorded at 0.80 *per cent* in 2020-21. During 2021-22, the GSDP growth rate was recorded at 15.04 *per cent*, highest during the last five years. However, the growth rate of GSDP shrunk, as compared to GDP (19.51 *per cent*) of the country, for the first time, during the period of last five years.

The GSDP generated from economic activities, is generally classified into Primary, Secondary and Tertiary Sectors, broadly corresponding to Agriculture, Industry and Services respectively. The sectoral contribution to GDP and GSDP of the State during 2021-22, is given in **Charts 1.2 and 1.3**.

Chart 1.2: Sector-wise GDP for the year 2021-22 (in per cent)**Chart 1.3: Sector-wise GSDP for the year 2021-22 (in per cent)**

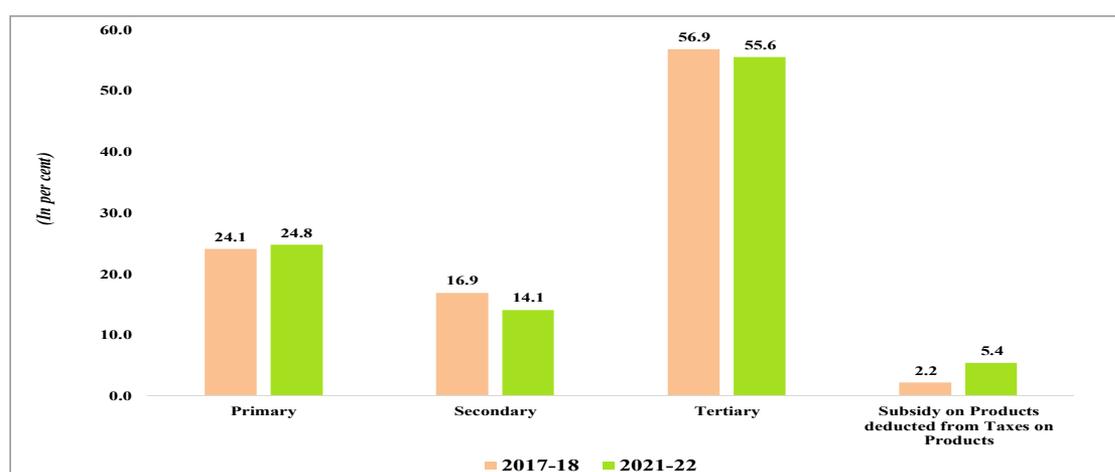
(Source: Planning & Development Dept., GoB)

*Net taxes on product= Subsidies on product deducted from taxes on product

The State's GSDP, had a higher percentage of contributions from Services sector (higher by 8.2 per cent) and Agriculture and allied sectors (higher by 5.8 per cent) than their contributions to the GDP of the country. The contribution from the secondary sector, i.e., Industries and Manufacturing to the GSDP was less by 9.6 per cent when compared to GDP. Further, the Subsidies on products, in case of Bihar, was less, as compared to India.

1.1.2 Sectoral composition

The economic activities are generally divided into Primary, Secondary and Tertiary sectors, which correspond to Agriculture, Industry and Service sectors respectively. Changes in sectoral contribution to the GSDP, are important to understand the changing structure of the economy. The primary sector includes mainly agricultural activities along with other economic activities of primary nature viz., forestry, animal husbandry, fishing and mining. The secondary sector includes manufacturing, construction and infrastructure, supply of electricity, gas, etc. The tertiary sector includes all service-related activities. Changes in sectoral contribution to GSDP from 2017-18 and 2021-22 are shown in **Chart 1.4**.

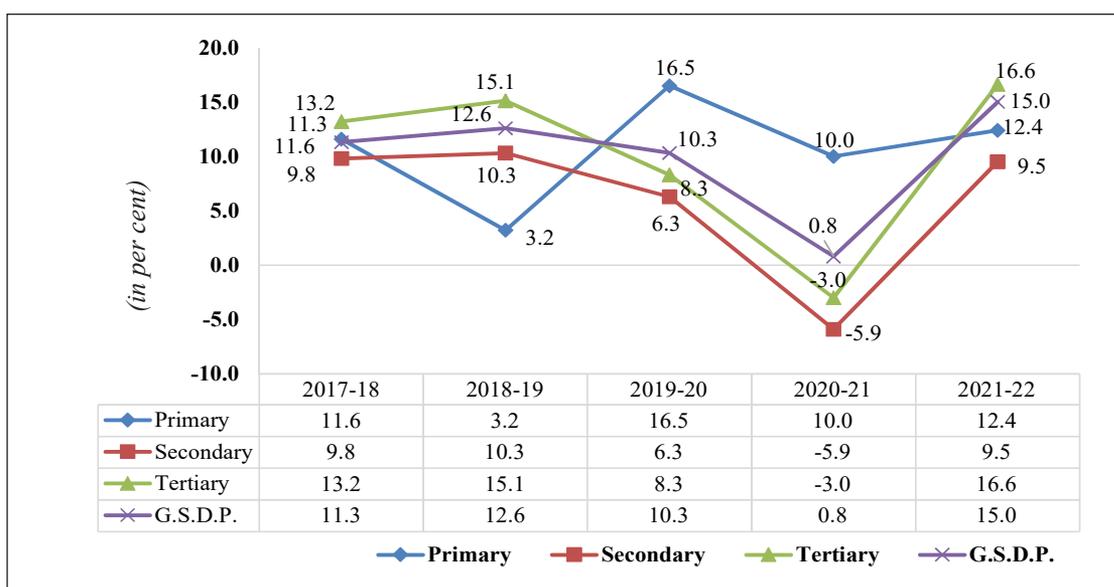
Chart 1.4: Change in sectoral contribution to GSDP (2017-18 and 2021-22)

(Source: MoSPI)

As can be seen from **Chart 1.4**, the share of the primary sector in GSDP has increased, whereas the share of secondary and tertiary sectors has decreased in 2021-22, as compared to 2017-18.

Due to negative growth in crops, livestock, forestry and logging, the sectoral contribution in the Primary sector, had decreased marginally from 25.40 *per cent* in 2020-21 to 24.80 *per cent* in 2021-22. However, during the period of last five years, it has shown fluctuating trend. The contribution of the Secondary sector decreased marginally, whereas Tertiary (Service) sector increased compared to that of the previous year, which was major contributor in State economy. The **Chart 1.5** captures the sectoral growth rate in GSDP for the period from 2017-18 to 2021-22.

Chart 1.5: Sectoral growth in GSDP



(Source: MoSPI)

Sectoral growth rate of all the three sectors during 2021-22, shown an increasing trend, as compared to the previous year, with the secondary and tertiary sector showing great increase in growth rate in comparison to 2020-21.

The Primary sector has shown a consistent higher growth rate during the period of 2019-20 to 2020-21, much higher than the other two sectors but during the current year, the trend has been changed and the growth rate of Tertiary sector was highest. While all the sectors have shown a fall in growth rates in 2020-21 in the background of Covid-19 Pandemic and other factors effecting economic progress, the Primary sector could still maintain a consistent growth rate.

Overall, the GSDP of Bihar grew by 15.04 *per cent* at current prices and 10.98 *per cent* at constant prices in 2021-22.

1.2 Basis and Approach to State Finances Audit Report

In terms of Article 151 (2) of the Constitution of India, the reports of the Comptroller and Auditor General of India (CAG), relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. The State Finances Audit Report (SFAR) is prepared and submitted under Article 151 (2) of the Constitution of India.

Principal Accountant General (Accounts & Entitlements) prepares Finance Accounts and Appropriation Accounts of the State annually, from the vouchers, challans, and initial and subsidiary accounts rendered by the treasuries, offices and departments responsible for the keeping of such accounts functioning under the control of the State Government, and the statements received from the Reserve Bank of India (RBI). These accounts are audited independently by the Accountant General (Audit).

Finance Accounts and Appropriation Accounts of the State constitute the core data for this report. Other sources include the following:

- ✦ Budget of the State: for assessing the fiscal parameters and allocative priorities vis-à-vis projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures.
- ✦ Results of the Audit carried out by the office of the Accountant General (Audit);
- ✦ Other data with Departmental Authorities and Treasuries (accounting as well as MIS);
- ✦ GSDP data and other State related statistics; and
- ✦ Various Audit Reports of the CAG of India.

The analysis is also carried out in the context of recommendations of the XVth Finance Commission (FC), Sixth Bihar State Finance Commission (SFC), Bihar Fiscal Responsibility and Budget Management (BFRBM) Act, 2006, best practices and guidelines of the Government of India.

Audit findings were discussed with the Finance Department during 'Exit Conference' held on 09 January 2023. The replies, received from the Department had been incorporated suitably in this Report.

1.3 Report Structure

The SFAR is structured into the following five Chapters:

- Chapter - I 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 the State's fiscal position including the deficits/ surplus.
- Chapter - II Finances of the State**
This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates related 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 - III 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 - IV Quality of Accounts and 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 - V State Public Sector Enterprises

This chapter discusses financial performance of Government Companies, Statutory Corporations and Government Controlled Other Companies as revealed from their accounts.

1.4 Government Account Structure and Budgetary Processes

The Accounts of the State Government are kept in three parts:

1. Consolidated Fund of the State (Article 266(1) of the Constitution of India)

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from Financial Institutions, Special Securities issued to National Small Savings Fund, etc.), Ways and Means advances extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund, except in accordance with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (e.g., salaries of Constitutional authorities, loan repayments, etc.), constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditures (Voted expenditure) are voted by the Legislature.

2. Contingency Fund of the State (Article 267(2) of the Constitution of India)

This Fund, established by the State legislature by law, is in the nature of an imprest 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 Account of the State (Article 266(2) of the Constitution)

Apart from the 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 repayable like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances, and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

There is a constitutional requirement in India (Article 202), to present before the House or Houses of the Legislature of the State, a statement of estimated receipts and expenditures of the government, in respect of every financial year. This 'Annual

Financial Statement’ constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

Revenue receipts consists of tax revenue, non-tax revenue, the share of Union Taxes/Duties and grants from the Government of India (GoI).

Revenue expenditure consists of all those expenditures of the Government which does not result in the 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 the creation of assets).

The **Capital Receipts** consists of:

- ✦ **Debt receipts:** Market Loans, Bonds, Loans from financial institutions, the Net transactions under Ways and Means Advances, Loans and Advances from Central Government, etc.;
- ✦ **Non-debt receipts:** Proceeds from disinvestment, Recoveries of loans and advances;

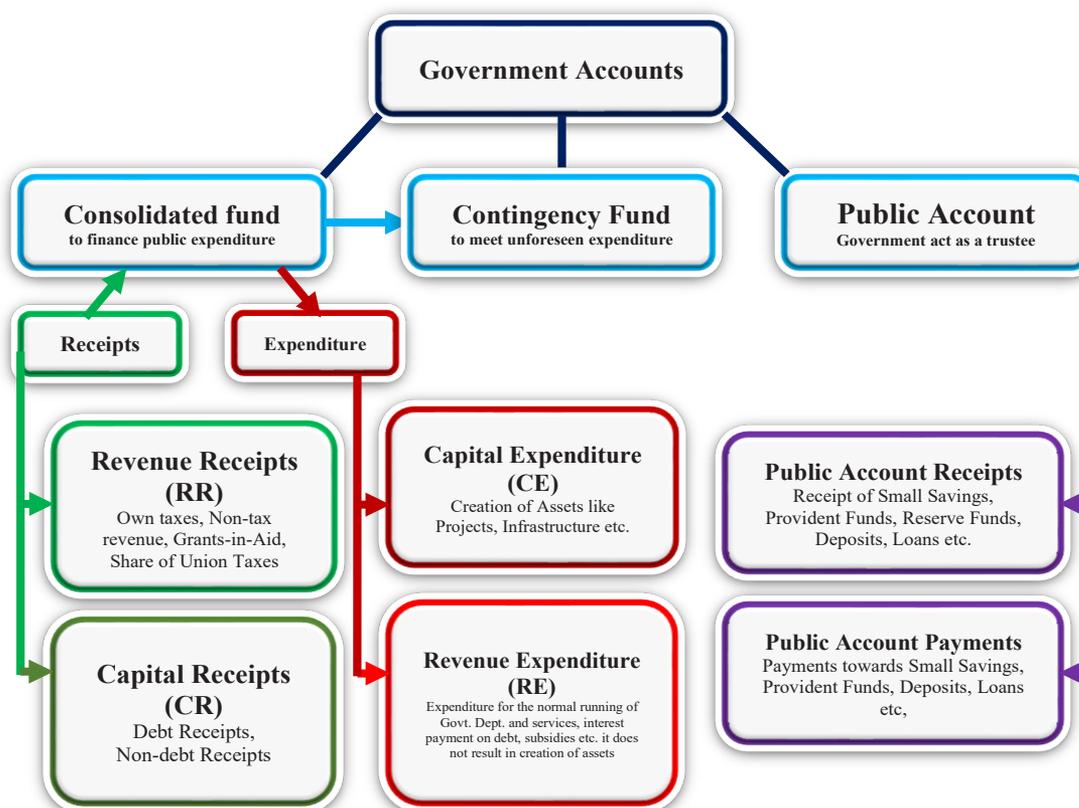
Capital Expenditure includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares, and loans and advances by the government to SPSEs and other parties.

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

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

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 4-digit Major Heads. For instance, 0 and 1 are 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. For instance, generally “salary” object head is revenue expenditure, “construction” object head is capital expenditure. Object head is the primary unit of appropriation in the budget documents.

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 for the year, 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 the appropriation of the required money, out of the Consolidated Fund.

The State Budget Manual details the budget formulation process and guides the State Government, in preparing its budgetary estimates and monitoring its expenditure activities. Results of audit scrutiny of budget and implementation of other budgetary initiatives of the State Government are detailed in Chapter III 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, *vis-à-vis* actuals of 2020-21.

Table 1.2: Actual financial results vis-à-vis Budget Estimates for the year 2021-22 vis-à-vis actuals of 2020-21*(₹ in crore)*

Sl. No.	Components	2020-21 (Actuals)	2021-22 (Budget Estimates)	2021-22 (Actuals)	Percentage of Actual to B.Es.	Percentage of Actuals to GSDP
1.	Tax Revenue					
(i)	Own Tax Revenue	30,342	35,050	34,855	99.44	5.16
(ii)	Share of Union Taxes	59,861	91,181	91,353	100.19	13.52
2.	Non-Tax Revenue	6,201	5,505	3,984	72.37	0.59
3.	Grants-in-aid and Contributions	31,764	54,531	28,606	52.46	4.24
4.	Revenue Receipts (1+2+3)	1,28,168	1,86,267	1,58,798	85.25	23.51
5.	Recovery of Loans and Advances	821	430	28	6.51	0.00
6.	Other Receipts	0	0	0	0.00	0.00
7.	Borrowings and other Liabilities (a)	35,915	31,805	40,445	127.16	5.99
8.	Capital Receipts (5+6+7)	36,736	32,235	40,473	125.56	5.99
9.	Total Receipts (4+8)	1,64,904	2,18,503	1,99,271	91.20	29.50
10.	Revenue Expenditure (b)	1,39,493	1,77,071	1,59,220	89.92	23.57
11.	Interest Payments	12,484	14,517	13,822	95.21	2.05
12.	Capital Expenditure	18,209	30,788	23,678	76.91	3.51
13.	Loan and Advances	1,114	1,349	1,479	109.64	0.22
14.	Total Expenditure (10+12+13)	1,58,816	2,09,208	1,84,377	88.13	27.30
15.	Revenue Surplus /Deficit (4-10)	(-11,325)	9,196	(-422)	(-4.59)	(-0.06)
16.	Fiscal Deficit {14-(4+5+6)}	29,827	22,511	25,551	113.51	3.78
17.	Primary Deficit (16-11)	17,343	7,993	11,729	146.74	1.74

*(Source: Finance Accounts for the year 2021-22 and Budget Summary 2021-22)**Difference of ₹ 1 crore is due to rounding off.**(a) Borrowings and other Liabilities: Net (Receipts – Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts – Disbursements) of Public Account + Net of Opening and Closing Cash Balance.**(b) Expenditure on Revenue Expenditure includes interest payment.*

✦ It was observed that budget estimates of Revenue Receipts for 2021-22 were 45.33 per cent above from the actuals of 2020-21. However, the actual receipts were 14.75 per cent less from estimation, which shows that the estimation of the revenue receipts was inflated. Short collection of revenue receipts was noticed in Interest receipts (77.72 per cent) and Dividend and Profits (98.92 per cent), under 'Non-Tax Revenue' over the previous year. However, increase in collection of revenue receipts was noticed in CGST (43.02 per cent), Corporation tax (50.47 per cent), Taxes on income other than Corporation Tax (43.98 per cent), Customs (113.09 per cent), Union excise Duties (92.29 per cent), Service Tax (413.86 per cent) and Other taxes (131.19 per cent) under 'Share of Union Taxes' over the previous year i.e. increase in each component of 'Central Tax Transfer' resulted in increase in Revenue Receipts of the state by ₹ 30,630 crore over the previous year.

- ✦ GST Compensation is the revenue of the State Government under GST (Compensation to States) Act, 2017. However, in addition to receiving the GST compensation of ₹ 1,945.08 crore as revenue receipts, due to inadequate balance in GST compensation fund during the year 2021-22, Bihar also received back-to-back loan of ₹ 7,111.43 crore under debt receipts. As the Department of Expenditure, GoI decided that GST compensation of ₹ 7,111.43 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. Due to this agreement, the revenue deficit of ₹ 422 crore and fiscal deficit of ₹ 25,551 crore, during the year 2021-22 may be read in conjunction with debt receipt of ₹ 7,111.43 crore in lieu of GST compensation.
- ✦ During 2021-22, the revenue expenditure of the State increased by 14.14 *per cent* over the previous year, whereas the Revenue receipts increased by 23.90 *per cent* over the previous year and were highest during the period of last five years. However, to meet out State's Revenue expenditure for the year 2021-22, the State Government had to borrow more funds (12.61 *per cent* increase) than the previous year. **Table 1.3** below indicates the increasing trend of receipts and expenditure.

Table 1.3: Trend analysis of Receipts and Expenditure

(₹ in crore)

Year	Revenue		Per cent of RE to RR	Capital		Per cent of CE to CR
	Receipts	Expenditure		Receipts	Expenditure	
2017-18	1,17,447	1,02,624	87.38	13,191	28,907	219.14
2018-19	1,31,794	1,24,897	94.77	20,493	21,058	102.76
2019-20	1,24,233	1,26,017	101.44	29,175	12,304	42.17
2020-21	1,28,168	1,39,493	108.84	36,736	18,209	49.57
2021-22	1,58,798	1,59,220	100.27	40,473	23,678	58.50

(Source: Finance Accounts of the respective years)

It may be observed from table 1.3 above that:

- ✦ For every ₹ 100 received as revenue, an extra ₹ 0.27 has to be borrowed to cover its revenue expenditure.
- ✦ During the year 2021-22, Capital expenditure increased by 30.03 *per cent*, whereas Revenue expenditure increased by 14.14 *per cent* over the previous year. Further, more than 50 *per cent* of the Capital receipts during the year 2021-22 were utilised for capital assets, highest during the last three years but less than the year 2017-18. For every ₹ 100 of Capital Receipts, Capital Expenditure fell from ₹ 219.14 in 2017-18 to ₹ 58.50 in 2021-22.
- ✦ The Capital Receipts increased by 10.17 *per cent*, whereas Capital Expenditure increased by 30.03 *per cent* over the previous year. Thus, the Revenue deficit and Fiscal deficit of the State decreased by 96.27 *per cent* and 14.34 *per cent* over the previous year respectively, which is a good sign for State's economic health.

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 the public account and reserve

funds. The assets comprise mainly of the capital outlay and loans and advances given by the State Government and cash balances. The summarised position of Assets and Liabilities of the Government is given in **Table 1.4**.

Table 1.4: 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	1,59,557.50	1,82,855.32	14.60	A	Gross Capital Expenditure	2,35,687.92	2,59,366.21	10.05		
B	Loans and Advances from GoI	17,657.35	26,057.96	47.58	B	Loans and Advances	21,743.77	23,194.36	6.67		
Contingency Fund		350.00	350.00	0.00							
Public Account											
A	Small Savings, Provident Funds, etc.	9,445.38	9,521.65	0.81	A	Advances	249.96	249.96	0.00		
B	Deposits	39,634.21	38,033.80	(-) 4.04	B	Remittance	1,118.43	1,125.96	0.67		
C	Reserve Funds	6,641.19	6,781.61	2.11	C	Suspense and Miscellaneous	15,378.20	15,616.59	1.55		
D	Suspense and Miscellaneous balances	110.99	207.48	86.94	Cash balance (including investment of Earmarked Fund)			24,864.64	29,478.66	18.56	
E	Inter-State Settlement	74.01	74.01	0.00							
F	Surplus on Government Accounts	65,572.29	65,149.91	(-) 0.64							
Total		2,99,042.92	3,29,031.74	10.03				2,99,042.92	3,29,031.74	10.03	

(Source: Finance Accounts of the respective years)

Liabilities of the Government increased by 10.03 *per cent* in 2021-22, as compared to 8.15 *per cent* in the previous year. Market loans/Internal debt contributed 55.57 *per cent* of the total outstanding liabilities during 2021-22. Net increase in liabilities on market loans by 14.60 *per cent* (₹ 23,297.82 crore), as compared to 17.25 *per cent* (₹ 23,475.41 crore) in the previous year was the main contributing factor.

1.5 Fiscal Balance: Achievement of deficit and total debt targets

The Government of Bihar (GoB) had passed BFRBM Act, 2006 and Amendment Act, 2016, with the objective of ensuring prudence in fiscal management by eliminating revenue deficit, reducing the fiscal deficit and bringing the overall/outstanding debt to an acceptable level, establishing improved debt management and improving transparency in a medium-term framework. In this context, the Act provides quantitative targets, to be adhered to by the State, with regard to deficit measures and debt level.

1.5.1 BFRBM targets on key Fiscal Parameters and Achievements

As per XVth Finance Commission's recommendations, State had to maintain debt to GSDP ratio up to 40.20 *per cent* for 2021-22. The Ministry of Finance, GoI, allowed additional one and half *per cent* borrowings, over and above three *per cent* of the GSDP

(up to 4.5 per cent) during 2020-21, additional borrowing of 0.5 per cent was allowed, subject to the condition for power sector reforms. The fiscal deficit target and annual borrowing limit for the year 2021-22 had decreased by 0.5 per cent over the previous year. The compliance of major fiscal parameters prescribed under BFRBM Act, 2006, are shown in **Table 1.5**.

Table 1.5: Compliance with provisions of the BFRBM Act

Fiscal Parameters	Fiscal targets set in the Act Medium-term Fiscal Policy (MTFP)	Achievement (₹ in crore)				
		2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Revenue Surplus	14,823.01	6,896.64	(-) 1,784.13	(-) 11,325.11	(-) 422.38
		✓	✓	×	×	×
Fiscal Deficit (-)/ Surplus (+) (as percentage of GSDP)	Within 5.00 per cent for 2020-21.	(-) 14,304.83 (3.05)	(-) 13,806.76 (2.62)	(-) 14,723.93 (2.53)	(-) 29,827.25 (5.08)	(-) 25,551.26 (3.78)
	4.5 ³ per cent for 2021-22	×	✓	✓	×	✓
The ratio of total outstanding debt to GSDP (in per cent)	Within 28 per cent up to 2019-20. Within 41.20 per cent up to 2020-21.	33.45	31.99	33.20	38.69	37.07 [#]
	40.20 ⁴ per cent for 2021-22	×	×	×	✓	✓

(Source: Finance Accounts of the respective years and BFRBM Act)

Arrived at after exclusion of GST compensation of ₹ 7,111.43 crore received as back-to-back loan under debt receipts from the total outstanding liabilities. This year GST compensation received as revenue of the state.

- ✦ It can be seen from the above table that the revenue deficit stood at ₹ 422.38 crore which was much lower than the projections of a revenue surplus in MTFP (₹ 9,196 crore). Shortfall in revenue receipts than budgeted and relatively less control over expenditure were the reasons for the revenue deficit.
- ✦ Fiscal deficit and debt to GSDP ratio were within the revised targets and XVth Finance Commission's recommendations respectively.

1.5.2 Medium Term Fiscal Plan in Fiscal parameters

Comparison of targets for fiscal parameters, projected in Medium Term Fiscal Plan (MTFP), presented to the State Legislature, with actuals for the current year, is provided in **Table 1.6** below:

³ The upper limit was fixed to 4.5 per cent, which included 0.5 per cent additional borrowing space for Power sector with the certain criteria for Power sector reforms.

⁴ Debt to GSDP ratio had to be maintained up to 40.20 per cent for 2021-22, as per the indicative debt path of the State Government recommended in XVth Finance Commission.

Table 1.6: Actuals *vis-à-vis* projection in MTFP for 2021-22

(₹ in crore)

Sl. No.	Fiscal Variables	2021-22		
		Projection as per MTFP	Actuals	Variation (in per cent)
1	Own Tax Revenue	35,050.00	34,854.54	(-)0.56
2	Non-Tax Revenue	5,505.47	3,984.34	(-)27.63
3	Share of Central Taxes	91,180.60	91,352.62	0.19
4	Grants -in-aid from GoI	54,531.21	28,605.83	(-)47.54
5	Revenue Receipts (1+2+3+4)	1,86,267.28	1,58,797.33	(-)14.75
6	Revenue Expenditure	1,77,071.39	1,59,219.71	(-)10.08
7	Revenue Deficit (-)/ Surplus (+) (5-6)	9,195.89	(-)422.38	(-)104.59
8	Fiscal Deficit (-)/Surplus (+)	(-) 22,510.78	(-)25,551.26	13.51
9	Debt-GSDP ratio (per cent)	26.61	37.07	
10	GSDP growth rate at current prices (per cent)	10.39	15.04	

(Source: Finance Accounts for the year 2021-22 and BFRBM Act)

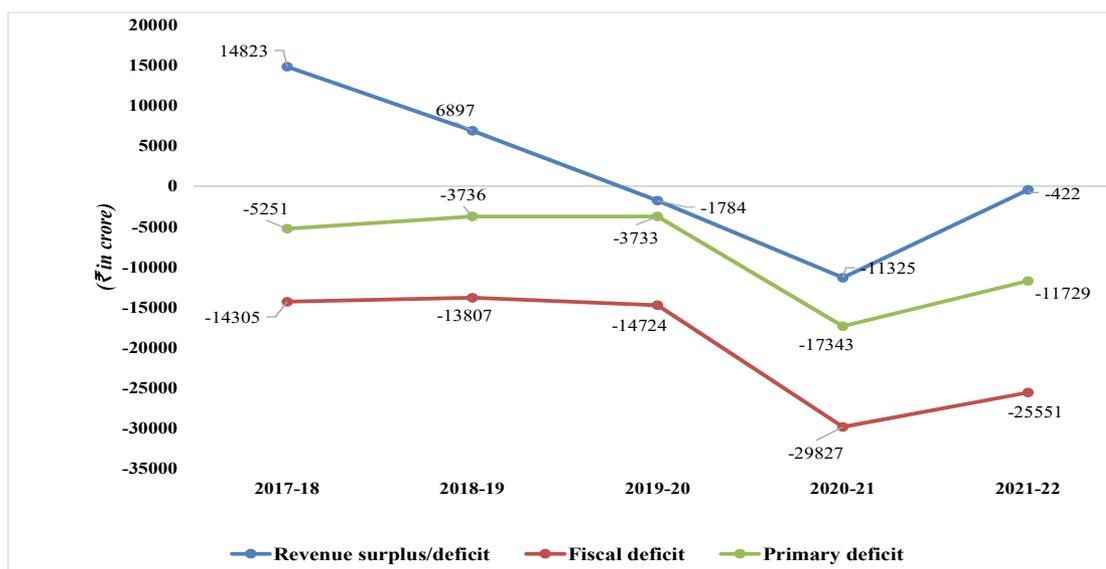
The ratio of total outstanding debt to GSDP, as per the Finance Accounts is 38.12 per cent. However, the effective debt to GSDP ratio (37.07 per cent) has been arrived at after excluding GST compensation of ₹ 7,111.43 crore, received as back to back loan, under debt receipts from the total outstanding liabilities, as the Department of Expenditure, GoI, has decided (December 2021) that it will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

It is evident from the above table that the State Government could not achieve its MTFP target during the year 2021-22, except 'Share of Central Taxes' with marginal increase (0.19 per cent) than projected. The State Government could not achieve its MTFP target in previous years (2019-20 and 2020-21) also. Due to non-achievement of this target, the State has been incurring revenue deficit during last three consecutive years. However, due to increase in devolution of 'Share of Central Taxes' by ₹ 31,491 crore than previous year, State's revenue deficit reduced to ₹ (-) 422 crore. The Revenue Surplus of ₹ 14,823 crore in 2017-18, had decreased to ₹ (-) 422 crore (102.85 per cent) in 2021-22, as shown in **Chart-1.6**. The main reasons for revenue deficit were less receipt of Grants in aid from GoI (47.54 per cent), short collection of Non-Tax Revenue (27.63 per cent) and short collection of Tax Revenue (0.56 per cent) than projected.

1.5.3 Trends of Surplus/Deficit

Three key fiscal parameters viz., (i) Revenue Surplus/Deficit, (ii) Fiscal Deficit, and (iii) Primary Deficit, help in assessing the fiscal situation of the Government. These deficits are formulated, to assist in assessing the fiscal health of the Government. Trends in fiscal parameters are shown in **Chart 1.6** below.

Chart 1.6: Trends in deficit parameters



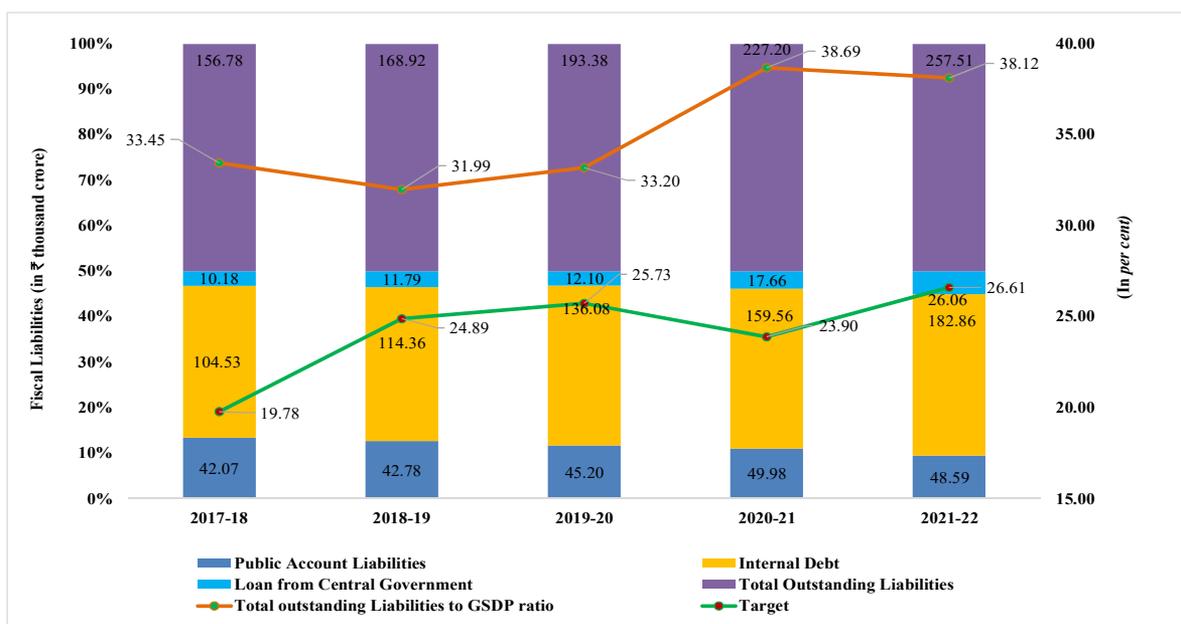
(Source: Finance Accounts of the respective years)

Though all the fiscal indicators/parameters are in negative trend, however, all of them have shown positive trend as compared to the previous year, as can be seen from the above chart.

1.5.4 Fiscal Liabilities and GSDP

The trends in Fiscal Liabilities and its components, during the past five financial years are shown in **Chart-1.7**.

Chart 1.7: Trends in Fiscal Liabilities and GSDP



(Source: Finance Accounts of the respective years)

During 2021-22, Fiscal liabilities increased by 13.34 per cent (₹ 30.31 thousand crore), over the previous year due to increase in Internal Debt by 14.60 per cent

(₹ 23.30 thousand crore), and Loans and Advances from GoI by 47.57 per cent (₹ 8.40 thousand crore).

1.6 Deficits after examination in audit

Certain financial transactions of Revenue section have been incorrectly booked in under Capital section of expenditure or *vice versa*, resulting in misclassification of expenditure between revenue and capital heads of account. The following section describes such identified financial transactions.

1.6.1 Post audit - Deficits

Misclassification of Revenue Expenditure as Capital impacts deficit figures. Besides, deferment of committed liabilities, not depositing Cess/royalty to Consolidated Fund, short contribution to National Pension System, Sinking and Redemption Funds, *etc.*, also impact the revenue and fiscal deficit figures. The impact of such irregularities maybe seen in Table 1.7.

Table 1.7: Revenue and Fiscal Deficits, post examination by Audit

Particulars	Impact on Revenue Deficit (Understated (+), Overstated (-)) (₹ in crore)	Impact on Fiscal Deficit (Understated (+)) (₹ in crore)	Para Reference
Misclassification booked under Capital Section instead of Revenue	3.65	-	2.4.3.6
Non-payment of interest on State Compensatory Afforestation Deposit	17.52	17.52	4.3
Non-transfer of Labour Cess	70.82	70.82	4.1
Non-transfer of other Cess (Road Safety Cess)	132.29	132.29	4.1
Non-transfer of grants NDRF into Public Account	1,038.96	1,038.96	2.5.2.2
Non-discharge of Interest liabilities	53.76	53.76	4.3
Disclosure of the Off Budget borrowings	-	1,482.50	4.2
Non-contribution in Sinking Fund	1,135.97	1,135.97	2.5.2.1
Amount kept under suspense accounts	(-) 82.12	321.42	4.10
Total	2,370.85	4,253.24	

(Source: Finance Accounts and audit analysis)

From the table above it may be concluded that the Revenue deficit and Fiscal deficit of the State, shown as ₹ 422 crore and ₹ 25,551 crore respectively, would actually be ₹ 2,792.85 crore and ₹ 29,804.24⁵ crore respectively. The effective Revenue deficit and Fiscal deficit were 0.41 per cent and 4.41 per cent of GSDP respectively which was over and above finance commission limitation of four per cent.

1.6.2 Post audit-Total Outstanding Liabilities

Government entities (two) have obtained loans, amounting to ₹ 1,482.50 crore, on behalf of the State Government (as on 31 March 2022). These loans are off-budget borrowings (OBB) by the State Government. The Government has provided guarantees for these loans. Since these borrowings did not form part of the borrowings of the Government

⁵ Excludes net expenditure of ₹ 321.42 crore kept under Suspense Account as disclosed in Para 3 (xix) of NTFAs.

directly, these were not included in the Public Debt of the Finance Accounts; and therefore, did not figure in the calculation of Fiscal Deficit of the State. The Public Debt as well as Fiscal Deficit of the State stands understated for the year 2021-22.

(The off-budget borrowings are detailed in paragraph 4.2 of this report).

Table1.8: Overall debt, post examination by Audit

(₹ in crore)

Sl. No.	Particulars	Overall Debt	As a percentage of GSDP
1.	Outstanding debt	2,57,510.21	37.07 ^s
2.	Impact on overall Debt (understated)		
a.	Bihar State Road Development Corporation Ltd. (Road Construction Department)	520.00	
b.	Bihar Rural Road Development Agency (Rural Works Department)	962.50	
	Total of 2	1,482.50	0.22
	Total of (1+2)	2,58,992.71	37.29

\$-excluding back-to-back loan of GST

Thus, taking into account the off-budget borrowing of the State, the total outstanding debt at the end of March 2022 worked out to be ₹ 2,58,992.71 crore against the ₹ 2,57,510.21 crore. Consequently, the overall debt as a percentage of GSDP at the end of the year was understated by 0.22 *per cent*.

CHAPTER II
FINANCES OF THE STATE

This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates related to the previous year, overall trends during the last five-years 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 and the information provided by the State Government.

2.1 Major changes in key fiscal aggregates vis-à-vis 2020-21

This section gives a bird's eye view of the major changes in key fiscal aggregates of the State during the financial year, compared to the previous year. Each of these indicators is analysed in the following 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 23.90 per cent. ✓ Own Tax receipts of the State increased by 14.87 per cent. ✓ Own Non-tax receipts decreased by 35.75 per cent. ✓ State's Share of Union Taxes and Duties increased by 52.61 per cent. ✓ Grants-in-Aid from the Government of India decreased by 9.94 per cent.
Revenue Expenditure	<ul style="list-style-type: none"> ✓ Revenue expenditure increased by 14.14 per cent. ✓ Revenue expenditure on General Services increased by 5.84 per cent. ✓ Revenue expenditure on Social Services increased by 19.29 per cent. ✓ Revenue expenditure on Economic Services increased by 16.03 per cent. ✓ Expenditure on Grants-in-Aid decreased by 83.67 per cent.
Capital Expenditure	<ul style="list-style-type: none"> ✓ Capital expenditure increased by 30.03 per cent. ✓ Capital expenditure on General Services increased by 152.97 per cent. ✓ Capital expenditure on Social Services decreased by 18.60 per cent. ✓ Capital expenditure on Economic Services increased by 43.15 per cent.
Loans and Advances	<ul style="list-style-type: none"> ✓ Disbursement of Loans and Advances increased by 32.72 per cent ✓ Recoveries of Loans and Advances decreased by 96.60 per cent
Public Debt	<ul style="list-style-type: none"> ✓ Public Debt Receipts increased by 12.61 per cent ✓ Repayment of Public Debt increased by 27.12 per cent.
Public Account	<ul style="list-style-type: none"> ✓ Public Account Receipts increased by 15.71 per cent. ✓ Disbursement of Public Account increased by 16.88 per cent.
Cash Balance	<ul style="list-style-type: none"> ✓ Cash balance increased by ₹ 369.45 crores (122.42 per cent) during 2021-22 compared to the previous year.

2.2 Sources and Application of Funds

This section compares the components of the sources and application of funds of the State during the financial year compared to the previous year. The details are included in *Appendix 2.1*.

Table 2.2: Details of Sources and Application of funds during 2020-21 and 2021-22

(₹ in crore)

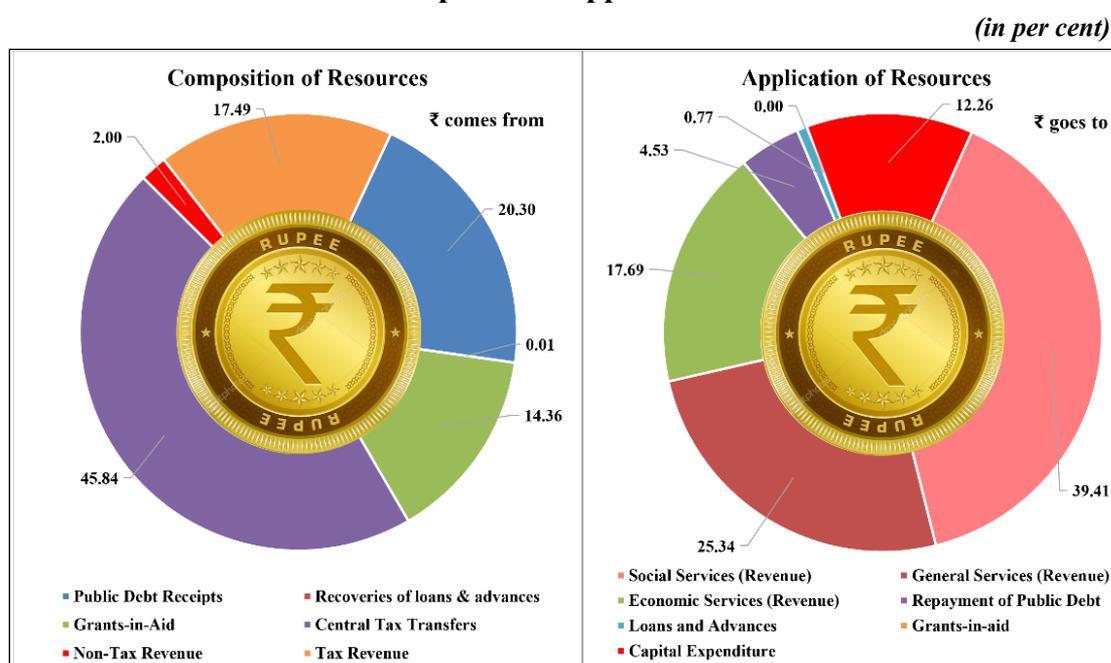
	Particulars	2020-21	2021-22	Increase/Decrease	Percentage increase/decrease
Sources	Opening Cash Balance	24,913	24,865	(-)48	(-)0.19
	Revenue Receipts	1,28,168	1,58,798	30,630	23.90
	Recoveries of Loans and Advances	820	28	(-)792	(-)96.59
	Public Debt Receipts (Net)	29,035	31,698	2,663	9.17
	Public Account Receipts (Net)	745	(-)1,533	(-)2,278	(-)305.77
	Total	1,83,681	2,13,856	30,175	16.43
Application	Revenue Expenditure	1,39,493	1,59,220	19,727	14.14
	Capital Expenditure	18,209	23,678	5,469	30.03
	Disbursement of Loans and Advances	1,114	1,479	365	32.76
	Closing Cash Balance	24,865	29,479	4,614	18.56
	Total	1,83,681	2,13,856	30,175	16.43

(Source: Finance Accounts for the year 2021-22)

During the year 2021-22, application⁶ of funds (₹ 1,84,377 crore) was more than Sources⁷ of funds (₹ 1,58,826 crore), which indicates that the Government is unable to meet out its expenditure through the available funds. To bridge this gap, State had to increase its receipts through public debt during 2021-22 by 12.61 per cent from the previous year (₹ 35,915 crore to ₹ 40,445 crore).

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

Chart 2.1: Composition/ Application of Resources



(Source: Finance Accounts for the year 2021-22)

⁶ Revenue Expenditure + Capital Expenditure + disbursement of Loans and advances.

⁷ Revenue Receipt + recovery of loans and advances.

2.3 Resources of the State

The resources of the State are described below:

- 1. Revenue receipts** consist of tax revenue, non-tax revenue, the State's share of Union taxes and duties and grants-in-aid from the Government of India (GoI).
- 2. Capital receipts** comprise miscellaneous capital receipts, such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks), and loans and advances from GoI.

Both, revenue and capital receipts, form part of the Consolidated Fund of the State.

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

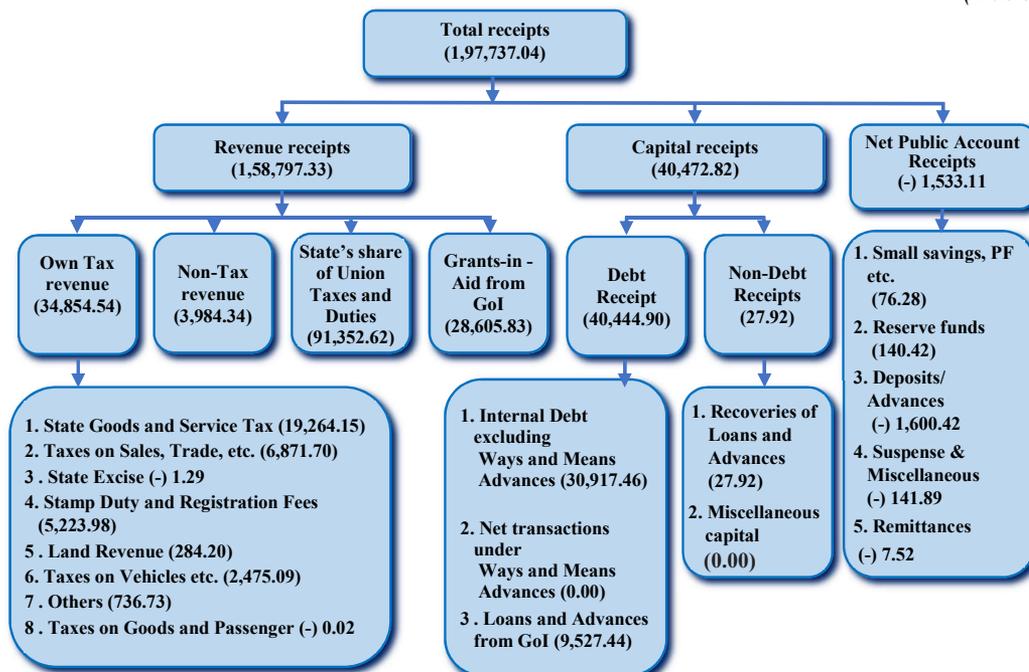
These are kept in the Public Account, set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

2.3.1 Receipts of the State

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

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

(₹ in crore)



(Source: Finance Accounts for the year 2021-22)

During 2021-22, the contribution from Revenue Receipts, Capital Receipts and Net Public Account Receipts was 80.31 per cent, 20.47 per cent and (-) 0.78 per cent

respectively, of total receipts. Details of these receipts have been discussed in subsequent paragraphs.

2.3.2 State's Revenue Receipts

State's Revenue receipts give the trends in total revenue receipts and their components. These are followed by the 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

The trends in revenue receipts relative to GSDP and the composition of revenue receipts are given in **Table 2.3**.

Table 2.3: Trend in Revenue Receipts

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Receipts (RR) (₹ in crore)	1,17,447	1,31,794	1,24,233	1,28,168	1,58,798
Rate of growth of RR (<i>per cent</i>)	11.23	12.22	(-5.74)	3.17	23.90
Own Tax Revenue (₹ in crore)	23,137	29,408	30,158	30,342	34,855
Non-Tax Revenue (₹ in crore)	3,507	4,131	3,700	6,201	3,984
Rate of growth of Own Revenue (<i>per cent</i>)	1.91	25.88	0.95	7.93	6.28
Gross State Domestic Product Current Price (₹ in crore) (2011-12 Series)	4,68,746	5,27,976	5,82,516	5,87,154	6,75,448
Rate of growth of GSDP (<i>per cent</i>)	11.33	12.64	10.33	0.80	15.04
RR/GSDP (<i>per cent</i>)	25.06	24.96	21.33	21.83	23.51
Buoyancy⁸ Ratios⁹					
Revenue Buoyancy w.r.t GSDP	0.99	0.97	-0.56	3.96	1.59
State's Own Revenue Buoyancy w.r.t GSDP	0.17	2.05	0.09	9.91	0.42

(Source: Finance Accounts of the respective years & GSDP figures from Planning & Development Department under GoB)

- ✦ As can be seen from **Table 2.3**, during the year 2021-22, State's Own Revenue Buoyancy, was lower than that of the previous year. As GSDP grows, the ability of the State Government to mobilise its own revenue should also increase. It also shows that the State was able to increase its own revenue resources during 2021-22, keeping in tandem with GSDP. However, decrease in the collection of non-tax revenue comparison, with the projected figure in the Budget Estimates, by ₹ 1,521 crore, impacted to decrease the revenue buoyancy to 1.59 during 2021-22.

The reason for increase in revenue receipts was due to an increase in the share of union taxes by ₹ 31,492 crore. Like previous year, the revenue buoyancy w.r.t GSDP was also positive during the current year. The percentage of revenue receipts to GSDP was 23.51 *per cent* which was the highest after 2018-19.

- ✦ The collection of State's Own Revenue Receipt was ₹ 38,839 crore, more than the projection (₹ 34,748 crore) of XVth Finance Commission by ₹ 4,091 crore, but far behind from the Budget Estimates of ₹ 40,555 crore.

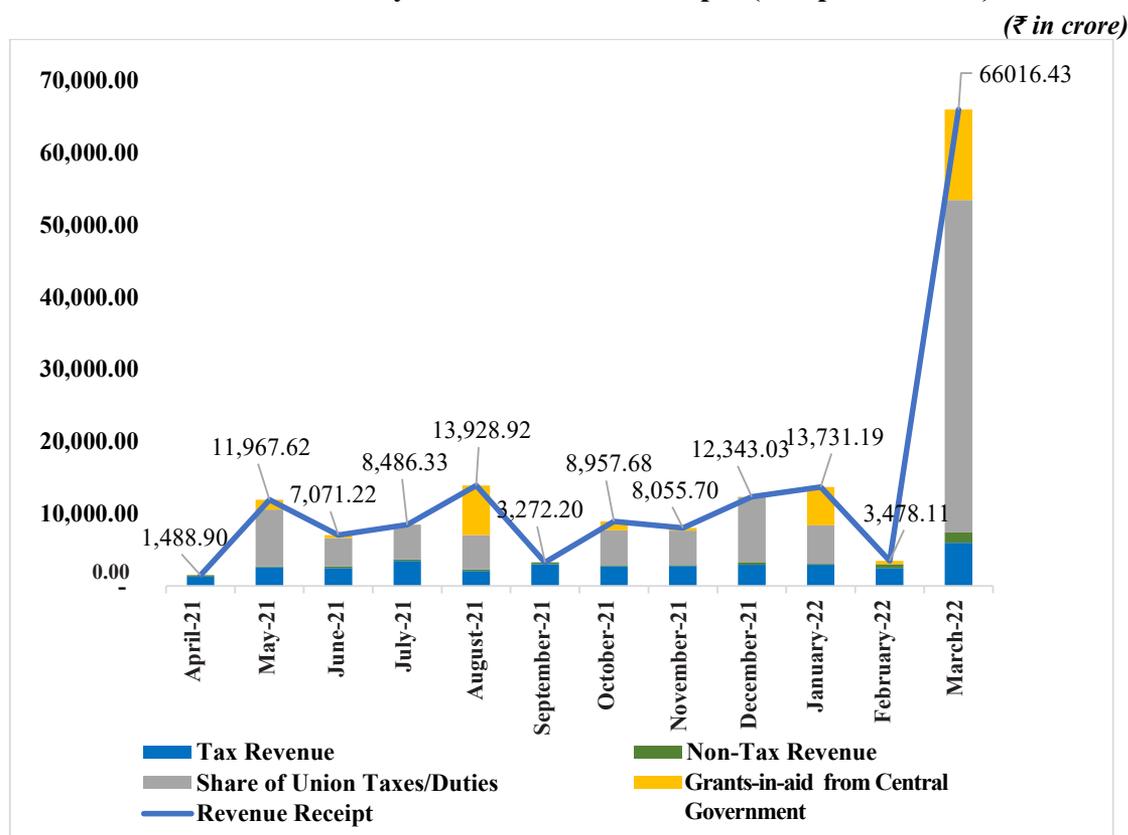
The net proceeds of Union Taxes and GIA together, constitutes about 75.54 *per cent* of the State's total revenue receipts. This entails that the State is dependent on

⁸ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable.

⁹ Revenue buoyancy refers to the ratio of growth rate of revenue receipts to growth rate of GSDP.

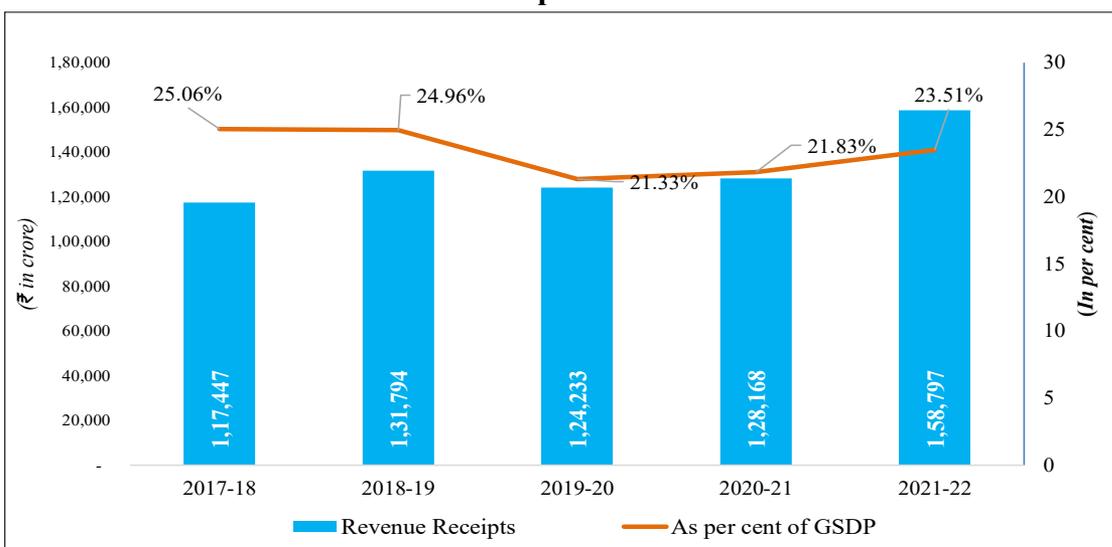
Central Government for revenue receipts. The monthly flow of revenue receipts (component-wise) is depicted in **Chart 2.3**.

Chart 2.3: Monthly flow of revenue receipts (component-wise)



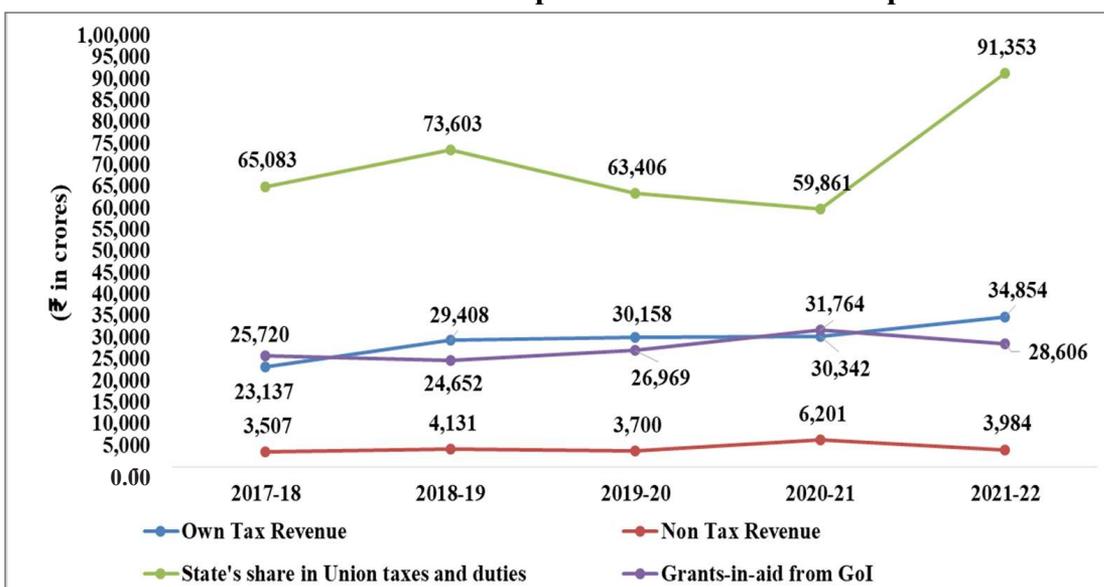
(Source: Monthly Civil Accounts of 2021-22)

The State Government has received net proceeds of union taxes mainly in the months of May 2021 (8.63 per cent), December 2021 (9.85 per cent) and March 2022 (50.42 per cent). Major chunk of Grants-in-aid (GIA) from the Central Government was received in August 2021 (24.06 per cent), January 2022 (18.56 per cent) and March 2022 (43.78 per cent). As such, the State Government's revenue receipts had more fund flow in the above said months and fund receipts were nominal during rest of the months. Further, the revenue receipts in April 2020 were nil but during the current year, the revenue receipts were recorded at ₹ 1,488.90 crore (Tax revenue ₹ 1,281.53 crore and Non-Tax revenue ₹ 207.37 crore) in the month of April 2021. Since the revenue receipts in the month of April was lowest during the year 2021-22, the State maintained its expenditure in April 2021, from Cash balance investment accounts, State's own tax revenue and non-tax revenue. The trend of Revenue Receipts, as well as relative share with respect to GSDP, is depicted in **Chart 2.4**.

Chart 2.4: Trend of Revenue Receipts as well as relative share w.r.t GSDP

(Source: Finance Accounts and Economic Survey of GoB for the respective years)

Revenue Receipts, as *per cent* of GSDP for the year 2021-22, increased due to increase in receipt of State share of Union Taxes by ₹ 31,492 crore as compared to the previous year (₹ 59,861 crore). Trend of components of revenue receipts is depicted in **Chart 2.5**.

Chart 2.5: Trend of components of Revenue Receipts

(Source: Finance Accounts of the respective years)

General trends of Revenue Receipts of the State are as follows:

- ✦ The major components of revenue receipts were Share of union taxes and duties (57.53 *per cent*) and Grants-in-aid from GoI (18.01 *per cent*). State's own tax revenue constituted only 24.46 *per cent* of the revenue receipts of the State. This is indicative of the fact that fiscal position of the State is largely influenced by tax transfers and Grants-in-Aid from GoI.
- ✦ Revenue Receipts increased by ₹ 30,630 crore (23.90 *per cent*) during 2021-22, over the previous year. The contribution of State's share of Union Taxes and Duties

and Tax Revenue increased by 52.61 per cent (₹ 31,492 crore) and 14.87 per cent (₹ 4,513 crore) respectively, whereas, Non-Tax Revenue and Grants-in-aid from GoI, decreased by 35.75 per cent (₹ 2,217 crore) and 9.94 per cent (₹ 3,158 crore) respectively.

2.3.2.2 State's own resources

State's performance in mobilisation of additional resources can be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. XVth Finance Commission, projected State's Own Tax Revenue of ₹ 30,232 crore and Non-tax Revenue of ₹ 4,516 crore for the year 2021-22, which decreased by 23.28 per cent and 5.15 per cent respectively over the previous¹⁰ year.

Own Tax revenue

Own tax revenues of the State consist of State GST, Stamp duty and Registration fees, taxes on vehicles, taxes on Sales, Trade, etc., land revenue, taxes on goods and passengers, etc.

Table 2.4: Components of State's own tax revenue

Component	2017-18	2018-19	2019-20	2020-21	2021-22	Spark line
Taxes on Sales, Trade etc.	8,298	6,584	6,121	6,032	6,872	
SGST	6,747	15,288	15,801	16,050	19,264	
State excise	(-3)	(-10)	(-4)	(-4)	(-1)	
Stamp duty and Registration fees	3,726	4,189	4,661	4,206	5,224	
Taxes on vehicles	1,599	2,086	2,713	2,268	2,475	
Land revenue	779	477	275	302	284	
Taxes on goods and passengers	1,645	399	23	6	0	
Other taxes *	346	395	568	1,482	737	
Total	23,137	29,408	30,158	30,342	34,855	

(Source: Finance Accounts of the respective years)

*Other taxes includes¹¹

From the above table, it can be observed that:

- ✦ The taxes on Sales, Trade, etc. were in decreasing trend till 2020-21. However, there was an increase of 13.93 per cent during the year 2021-22, over the previous year due to collection of arrears of VAT receipts. Taxes on Goods and Passengers was on a decreasing trend, as Taxes on Good and Passengers and partially taxes on sales, trade etc. were subsumed in GST from July 2017. The increase in SGST was mainly due to more receipts under Tax and input tax credit cross-utilisation of SGST and IGST. A decrease in state excise duty was due to prohibition imposed

¹⁰ XVth FC projected Tax Revenue-₹ 39,406 crore and Non-Tax Revenue-₹ 4,761 crore for 2020-21.

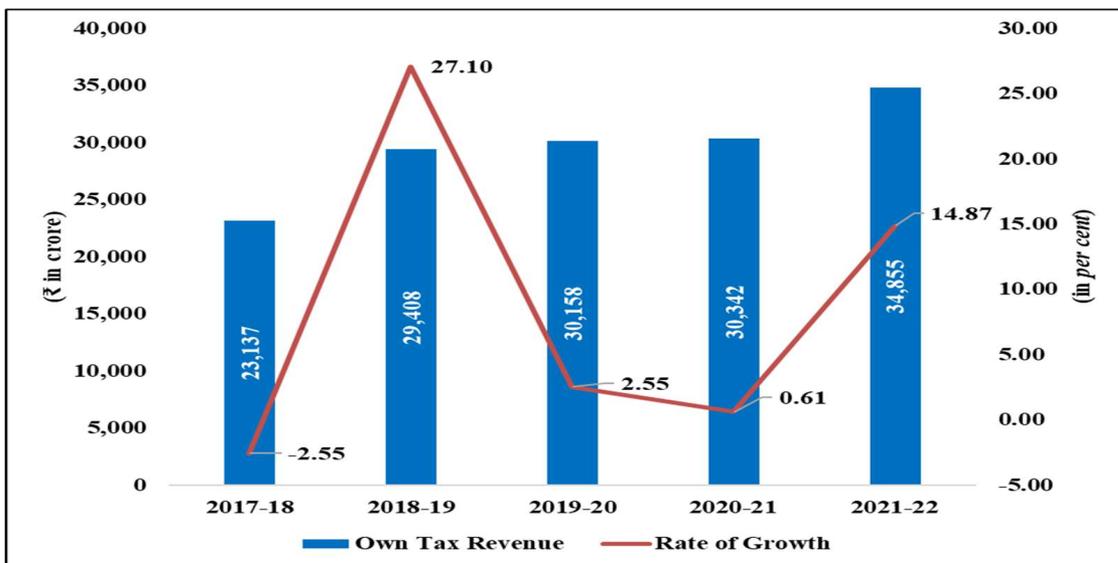
¹¹ Tax on profession, Trades, Calling and Employment, Taxes and duties on electricity and other taxes and duties on commodities and services.

in the state from April 2016. The negative balance appearing under State Excise was due to refunds.

- ✦ There was increase in Stamp duty and Registration fee by 24.20 *per cent*, over the previous year, mainly due to increase in collection of duty on impressing of documents and fee for registering the documents. Taxes on vehicles increased by ₹ 207.34 crore due to receipts under the State Motor Vehicles Taxation Acts.
- ✦ Short collection was noticed under 'Land revenue' by 5.96 *per cent* over the previous year. The land revenue decreased by 63.54 *per cent* from 2017-18 to 2021-22, mainly due to decrease in revenue under sub-heads 'Taxes on plantation' (53.37 *per cent*), 'Receipt from management of ex-zamindari estates' (41.40 *per cent*) and 'other receipts' (21.60 *per cent*).
- ✦ Other taxes have seen significant decrease by ₹ 745 crore (50.27 *per cent*) due to decrease in taxes and duties on electricity by ₹ 759.38 crore over the previous year.
- ✦ As per Monthly Civil Accounts, the State received less revenue in April 2021, September 2021 and Feb 2022, whereas a major chunk was received during the month of March 2022 (40.18 *per cent*).

State's Own Tax revenue, during the years from 2017-18 to 2021-22 and growth rate therein are depicted in **Chart 2.6** below. The rate of growth of State's Own Tax revenue was highest in 2018-19, during the last five years and during the year 2021-22, this growth was highest after 2018-19.

Chart 2.6: Growth of Own Tax Revenue during 2021-22



(Source: Finance Accounts of the respective years)

State Goods and Service Tax (SGST)

State Government implemented Goods and Services Tax (GST) Act from 01 July 2017. According to GST (Compensation to States) Act, 2017, Central Government will compensate the States, for loss of revenue arising on account of implementation of GST, for a period of five years, starting from 2017-18. The compensation payable to the State, shall be calculated, for every financial year, after the receipt of final revenue figures, as audited by the CAG. The projected revenue for any year of a State, shall be

calculated by applying the projected growth rate (14 per cent per annum), over the base year (2015-16) revenue of that State. Bihar had recorded revenue of ₹ 12,620.56 crore during 2015-16. The projected revenue for the year 2021-22 (1st April 2021 to 31st March 2022) in accordance with the base year figure was ₹ 27,701.76 crore (114 per cent of 24,299.80 crore (2020-21)). Against this projected revenue, the revenue receipts under SGST were ₹ 19,264.15 crore (including ₹ 987.28 crore received as 'advance apportionment of IGST'). State received GST compensation of ₹ 1,945.08 crore as GIA under revenue receipts and ₹ 7,111.43 crore as back-to-back loan with no repayment liability under debt receipt.

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. In this regard, details of arrears of revenue as per data provided by five revenue earning departments are mentioned in **Table 2.5**.

Table 2.5: Arrears of revenue

(₹ in crore)

Sl. No.	Head of revenue	Name of Department	Total amount outstanding as on 31 March 2021	Total amount outstanding as on 31 March 2022	Amount outstanding for more than five years
1	VAT/Sales trade etc.	Commercial taxes	2,262.17	2,392.46	NA*
2	Revenue and Land Reform Department	Revenue and Land Reform Department	267.65	385.22	NA
3	Stamp and Registration	Prohibition, Excise and Registration Department	168.26	212.88	NA
4	Non-ferrous Metallurgical Industries	Mines and Geology Department	452.58	1,084.66	NA
5	Transport	Transport Department	172.37	172.85	NA
Total			3,323.03	4,248.07	

(Source: Information provided by the concerned departments of GoB) NA*= Not available

The various reasons observed for the arrears of revenue were recoveries of arrears of land revenue, recoveries stayed by Courts/Appellate authorities, recoveries held up due to assesses/dealers becoming insolvent, etc.

Arrears of Assessment

The details of cases of arrears of assessment, as furnished by the State Tax Departments are given below in **Table 2.6**.

Table 2.6: Arrear in Assessment

Name of Department	Opening Balance	No. of new cases during the year	Total no. of cases due for assessment	No. of cases disposed of during the year	No. of cases at the end of year	Percentage of disposal
Commercial Tax Department	24,813	4,633	29,446	3,040	26,406	10.32
Prohibition, Excise and Registration Department	1,952	942	2,894	1,039	1,855	35.90
Mines and Geology Department	39,187	1,129	40,316	93	40,223	0.23
Transport Department	30,835	915	31,750	988	30,762	3.11

(Source: Information provided by the concerned departments of GoB)

It was further observed that the departments failed to monitor the progress of collection of arrears, since they do not have a database of outstanding arrears at Headquarters level. The departments should create a database of outstanding arrears for periodic review, reconciliation and liquidation of arrears, and ensure that arrears of revenue, which are not under dispute, are realised on priority basis.

Details of evasion of tax detected by the Departments, refund cases, etc.

The cases of evasion of tax detected by the Departments, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government. Promptness in the disposal of refund cases is an important indicator of the performance of the Department. High pendency of refund cases may indicate red tape, vested interests etc. The details of evasion of tax, as detected by the Department, are given in **Table 2.7**.

Table 2.7: Evasion of Tax Detected

Sl. No.	Head of revenue	Cases pending as on 31 March 2021	Cases detected during 2021-22	Total	No. of cases in which assessment / investigation completed and additional demand with penalty etc. raised		No. of cases pending for finalisation as on 31 March 2022
					No. of cases	Amount of demand (₹ in crore)	
1	Taxes/GST on sales, Trade	221.00	2,155.00	2,376.00	2,097.00	583.65	279.00
2	Stamp and Registration	785.00	512.00	1,297.00	760.00	17.36	537.00

(Source: Information provided by the concerned departments of GoB)

As can be seen from the above table, pendency of cases for finalisation was higher in Stamp and Registration department. Higher pendency of cases may lead to fraud and corruption.

Pendency of refund cases

Details of pendency of the refund cases, as reported by the Commercial Taxes Department are given in **Table 2.8**.

Table 2.8: Pendency of refund cases

Sl. No.	Particulars	GST		Sales tax/VAT	
		No. of cases	Amount (₹ in crore)	No. of cases	Amount (₹ in crore)
1.	Claims outstanding at the beginning of the year	137	3.92	794	77.83
2.	Claims received during the year	1,516	312.80	375	137.20
3.	Refunds made during the year	1,148	222.77	383	143.35
4.	Rejected during the year	425	88.37	230	25.94
5.	Balance outstanding at the end of year	80	5.58	556	45.74

(Source: Information provided by the concerned departments of GoB)

Five out of six¹² tax collection departments provided data on the arrears of revenue, arrears of assessment, evasion of tax and refund cases. In the absence of complete data, Audit could not assess, the actual position of the State as a whole.

Non-Tax Revenue

Non-Tax revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts, etc. Components of non-tax revenue of the State are depicted in Table 2.9.

Table 2.9: Components of State's Non-Tax Revenue

(₹ in crore)

Head	2017-18	2018-19	2019-20	2020-21	2021-22	Spark line
Interest Receipts	1,577.24	1,371.94	1,416.48	3,241.97	722.47	
Dividends and Profits	1.34	13.67	1.62	603.01	6.54	
Other non-tax receipts	1,928.16	2,744.95	2,281.50	2,356.40	3,255.33	
(a) Major and medium irrigation	27.43	52.77	24.32	40.13	40.64	
(b) Road Transport	0.17	0.19	0.20	0.11	0.18	
(c) Urban Development	7.43	0.94	4.80	0.15	1.08	
(d) Education	21.47	18.85	17.13	11.50	509.13	
(e) Non-ferrous mining	1,082.67	1,560.65	1,572.07	1,708.93	1,766.14	
(f) Other or misc.	788.99	1,111.55	662.98	595.58	938.16	
Total	3,506.74	4,130.56	3,699.60	6,201.38	3,984.34	

(Source: Finance Accounts of the respective years)

The following were observed during audit:

- ✦ The Non-Tax Revenue was ₹ 3,984.34 in 2021-22 crore, which decreased by ₹ 2,217.04 (35.75 per cent) over the previous year and constituted 2.51 per cent of Revenue Receipts.
- ✦ Decrease in interest receipts by 77.72 per cent and decrease in receipt of dividends and profits by 98.92 per cent were the main reasons for decrease in non-tax revenue. It was observed that, Interest Receipts and Dividends and Profits increased during

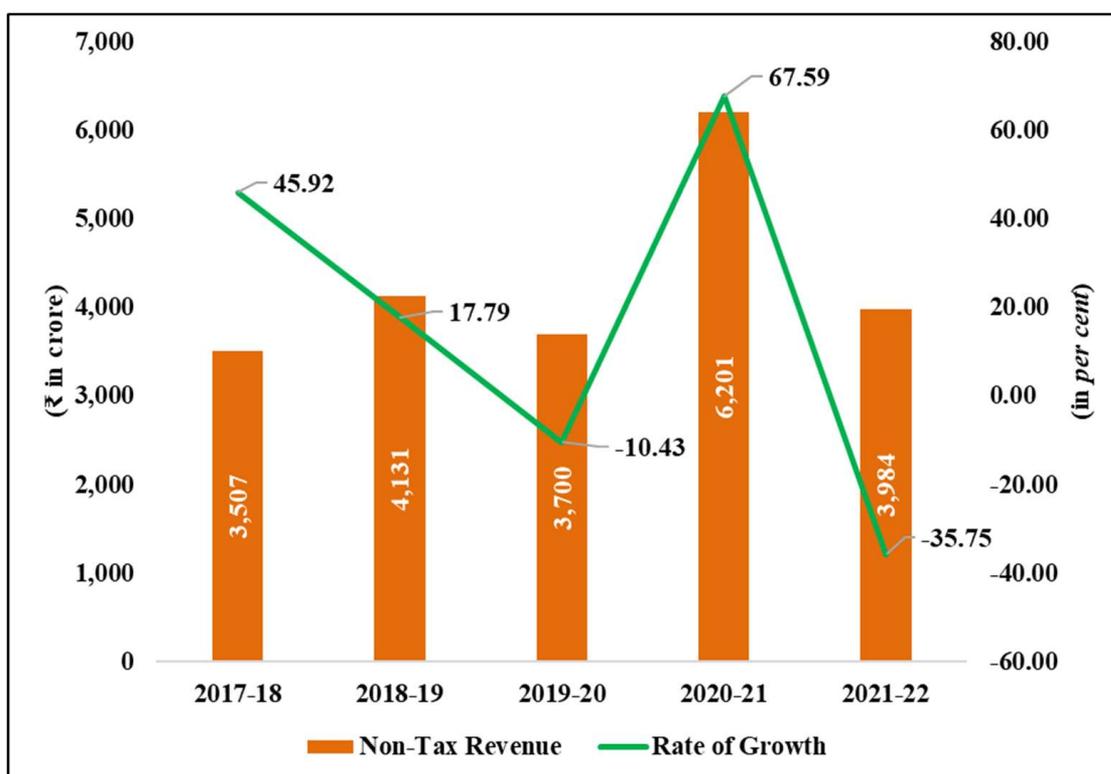
¹² Commercial Tax Department, Prohibition Excise & Registration Department, Mines & Geology Department, Transport Department, Energy Department, Revenue & Land Reforms Department.

2020-21, due to redemption of accrued interest of Consolidated Sinking Fund amounting to ₹ 2,600 crore and release of dividend of ₹ 603.01 crore from the accumulated profit of the SPSEs respectively.

- ✦ However, revenue from Secondary Education under Education Department increased by ₹ 500.16 crore.

The Non-Tax revenue of the State during the years 2017-18 to 2021-22 and the growth rate thereof is depicted in **Chart 2.7** below. The rate of growth was highest in 2020-21, during the last five years.

Chart 2.7: Non-tax revenue and growth rate



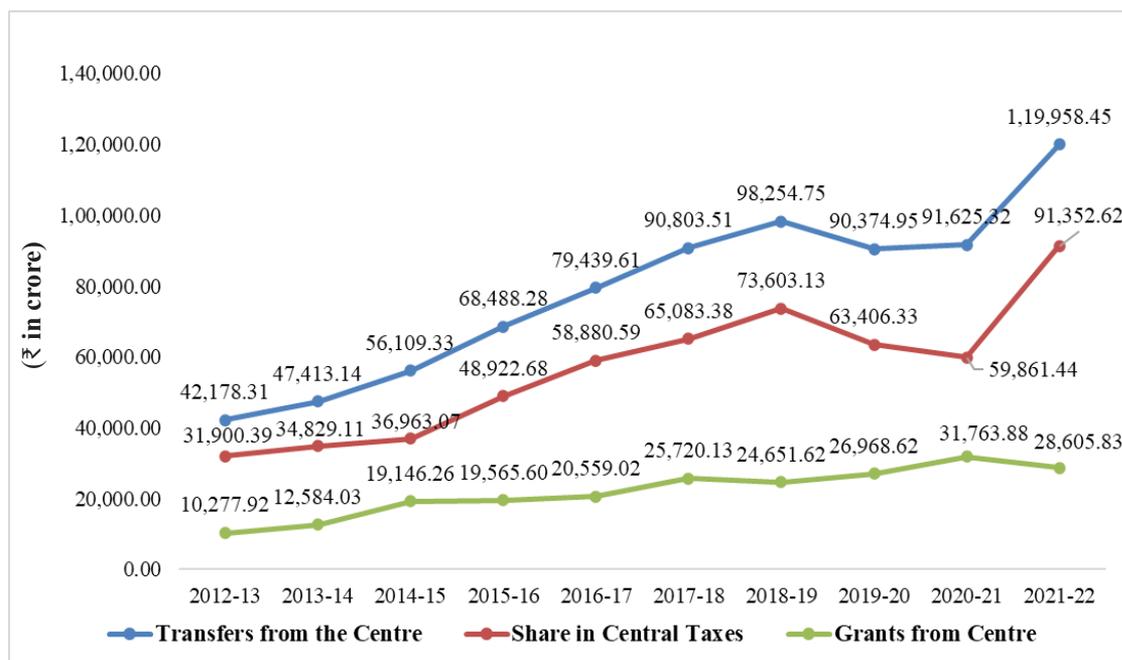
(Source: Finance Accounts of the respective years)

From the above chart, we can see that during 2021-22, the growth rate of Non-Tax Revenue was negative and registered highest negative growth during the last five years and also recorded negative growth for the second time after 2019-20. This was mainly due to less receipts under 'Interest receipts' and 'Dividends and Profits' from SPSEs. Such higher negative growth is not suitable for the financial health of the State, since to meet the gap of receipts and expenditure, the State would have to borrow more funds.

2.3.2.3 Transfers from the Centre

Funds transfers from the Centre mainly depends upon the recommendation of Finance Commission and for the last five years, it had constituted more than 75 per cent of the Revenue receipts of the State. The Union Government transfers funds to States in two ways (i) Devolution of Central taxes and (ii) Grants in Aid. Details of transfer of funds from the Central Government to the State are given below in **Chart 2.8**:

Chart 2.8: Trends in transfers from Centre



(Source: Finance Accounts of the respective years)

As can be seen from the chart above:

- ✦ Transfer of funds from the Centre increased from ₹ 42,178.31 crore in 2012-13 to ₹ 1,19,958.45 crore in 2021-22 i.e. transfer from centre increased by 284.41 per cent during the period of last 10 years. Further, the share in Central Taxes received from GoI increased significantly by ₹ 31,491.18 crore (52.61 per cent) as compared to the previous year.
- ✦ Increase in the share of Central Taxes impacted significantly, the Revenue Receipt of the State, as it constitutes 57.53 per cent of Revenue Receipt of the state.
- ✦ The Budget Estimates for the share of Central Tax transfer was ₹ 91,181 crore, while the actual receipts were ₹ 91,353 crore i.e. more than the budget estimates was received during 2021-22. This increase in receipt of Central Tax Transfer leads to reduction in revenue deficit by ₹ 10,903 crore at the end of financial year 2021-22.
- ✦ Fiscal Deficit was higher than Budget estimates (due to excess revenue expenditure in the year 2021-22) though it reduced by ₹ 4,276 crore (14.34 per cent) over the previous year.

Central tax transfer

State's share of Union taxes as recommended by XIVth and XVth Finance Commissions compared with actual devolution made by Centre are summarised in **Table 2.10**.

Table 2.10: Actual devolution *vis-à-vis* projection of Finance Commission

(₹ in crore)

Year	Finance commission Projections	Projected Tax share to State	Projection by FC Report	Actual devolution	Difference	Difference in per cent
1	2	3	4	5	6(5-4)	7
2017-18	9.665 per cent of net proceeds of all shareable taxes excluding service tax and 9.787 per cent of net proceeds of shareable service tax (as per recommendations of XIV th FC)	7,72,304	75,585	65,083	10,502	(-) 13.89
2018-19		8,93,430	87,440	73,603	13,837	(-) 15.82
2019-20		10,34,745	1,01,270	63,406	37,864	(-) 37.39
2020-21	10.061 per cent of net proceeds of all shareable taxes (As per recommendations of XV th FC)	8,55,176	86,039	59,861	26,178	(-) 30.43
2021-22	10.058 per cent of net proceeds of all sharable taxes (As per recommendation of XV th FC)	6,58,591	66,241	91,353	25,112	(+) 37.91

(Source: Finance Commission Report and Finance Accounts)

Thus, the actual tax devolution was more by 37.91 per cent, in comparison to the projection made by the Finance Commission for the year 2021-22. The State's share of Union taxes under different components during 2017-18 to 2021-22 are shown in Table 2.11.

Table 2.11: Transfer of Central Taxes

(₹ in crore)

Head	2017-18	2018-19	2019-20	2020-21	2021-22	Sparkline
Central Goods and Services Tax (CGST)	925.48	18,166.79	17,992.97	17,788.67	25,442.20	
Integrated Goods and Services Tax (IGST)	6572	1449.8	0	0	0	
Corporation Tax	19,935.56	25,596.84	21,618.94	18,062.14	27,178.50	
Taxes on Income other than Corporation Tax	16,834.16	18,850.99	16,939.90	18,517.49	26,661.32	
Customs	6,570.00	5217.4	4,019.07	3,179.93	6,775.97	
Union excise Duties	6,867.50	3,467.28	2,794.34	2,012.03	3,868.86	
Service Tax	7,379.29	673.31	0.00	258.09	1,326.22	
Other Taxes #	(-) 0.61	180.72	41.11	43.06	99.55	
Transfers of Central Taxes	65,083.38	73,603.13	63,406.33	59,861.41	91,352.62	
Percentage of increase over previous year	10.53	13.09	(-) 13.85	(-) 5.59	52.61	
Percentage of Central Tax transfer to Revenue receipts	55.42	55.85	51.04	46.70	57.53	

(Source: Finance Accounts of the respective years)

Other taxes include Taxes on wealth, Other taxes on Income & Expenditure, Other taxes & duties of commodities and services.

Transfer of Central taxes increased by ₹ 31,491.21 crore (52.61 per cent) over the previous year due to more receipts mainly under share of net proceeds assigned to State and highest during the last five years. 'Apportionment of IGST' and 'Advance apportionment from IGST' are being booked as Minor Head 106 and 110 under Major Head 0006 SGST.

Grants-in-aid from GoI

The State Government receives Grants-in-aid (GIA) and share of Union taxes and duties, on the recommendations of the Finance Commission. Details of GoI Grants-in-aid during the last five years, are given below in **Table 2.12**.

Table 2.12: Grants-in-aid from Government of India

(₹ in crore)					
Head	2017-18	2018-19	2019-20	2020-21	2021-22
Non-Plan Grants	(-) 5.00	-	-	-	0.00
Grants for State Plan Schemes	(-) 2.20	(-) 2.82	(-) 40.27	(-) 33.57	0.00
Grants for Central Plan Schemes*	-	-	-	-	-
Grants for Centrally Sponsored Schemes (CSS)	13,312.26	16,322.72	15,302.04	16,609.56	17,832.91
Grants for Centrally Sponsored Plan Schemes	(-) 1.00	-	-	-	-
Finance Commission Grants	4,525.06	4,775.20	7,343.61	8,850.00	7,077.56
Other transfers/Grants to States/Union Territories with Legislature	7,891.01	3,556.52	4,363.24	6,337.89	3,695.36
Total	25,720.13	24,651.62	26,968.62	31,763.88	28,605.83
Percentage of increase over the previous year	25.10	(-) 4.15	9.40	17.78	(-) 9.94
Percentage of GIA to Revenue Receipts	21.90	18.70	21.71	24.78	18.01

(Source: Finance Accounts of the respective years)

*There are no figures since the nomenclature of plan and non-plan grants has been removed with effect from the year 2017-18 and replaced by Grants for CSS, Finance Commission Grants, and Other Grants to States.

With the removal of the Plan and Non-Plan distinction (2017-18), Grants-in-Aid from Centre comprises only of (i) Grants recommended by Finance Commission for Local Bodies (ii) Grants for Disaster Response Fund and (iii) Grants for Central share of Central Sector and Centrally Sponsored Schemes. It can be seen from above that:

- ✦ The decrease in overall GIA from GoI, was mainly due to decrease in Finance Commission grant (20.03 per cent) 'Other transfers/Grants' (41.69 per cent).
- ✦ The trend of total grants-in-aid from GoI as a percentage of revenue receipts ranged between 18.01 per cent to 24.78 per cent during 2021-22. The percentage of GIA received from GOI during 2021-22, was lowest to Revenue Receipts, during the last five years.

XVth Finance Commission Grants

As per XVth Finance Commission's recommendation, Centre provided grants-in-aid to the State for Local Bodies, State Disaster Response Fund, Sector Specific Grants, State Specific Grants and Revenue Deficit Grant. During 2021-22, State received three types

of grants viz; grants for Local Bodies, Grants for health under Sector Specific Grants and grant for SDRF including State Disaster Mitigation Fund (SDMF). The details of Grants provided by the GoI *vis-a-vis* actual receipt are given in **Table 2.13**.

Table 2.13: Recommended and actual release of Grants-in-aid*(₹ in crore)*

	Recommended by XV th FC		Actual release of GIA by GoI to State		Actual release of GIA by State	
	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22
Local Bodies (PRI)	5,018	3,709	5,018	3,709	5,018	3,709
Grants to ULB's	2,416	1,827	2,416	836.25	2416	836.25
Gants for Health	0	1,133	0	1,116.31	0	1,116.31
State Disaster Response Fund	1,416	1,416	1,416	1,416	1,416	1,416 [#]

(Source: XVth FC Report and Finance Accounts)[#] Included State Disaster Mitigation Fund

It is clear from the above table that the State could not get its complete share of XVth FC grants, primarily due to non-achievement of mandatory criteria for getting full grant¹³ in ULBs. As per the Finance Accounts 2021-22, ₹ 7,077.56 crore were released by GoI, which were 20.03 *per cent* short over the previous year's grants, as recommended by the XVth FC. Further, during the year against the recommended grant for the ULBs, the GoB received only 45.77 *per cent*. Overall, during 2021-22, the GoB received 12.46 *per cent* less grants than recommended.

2.3.3 Capital receipts

Capital receipts comprise of 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. The details of Capital Receipts and their composition during 2017-18 to 2021-22 are given in **Table 2.14**.

During 2021-22, Capital Receipts constituted 20.31 *per cent* of the total receipts (₹ 1,99,270 crore) of the State. The State Government borrowed ₹ 30,918 crore from the open market and other financial institutions and took loans of ₹ 9,527 crore from GoI.

Table 2.14: 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	13,191	20,493	29,175	36,735	40,473
Recovery of Loans and Advances	22	1,825	30	820	28
Public Debt Receipts	13,169	18,668	29,145	35,915	40,445
<i>Internal Debt</i>	11,771	16,134	27,866	29,412	30,918
<i>Growth rate</i>	(-) 41.34	37.07	72.72	5.55	5.12
<i>Loans and advances from GoI</i>	1,398	2,534	1,279	6,503	9,527
<i>Growth rate</i>	(-) 8	81	(-) 50	408.44	46.50

¹³ State needs to ensure that at least 25 *per cent* of the ULBs have both their provisional accounts for the previous year and audited accounts for the year before the previous, available online in the public domain to get the full grants in the year.

Sources of State's Receipts	2017-18	2018-19	2019-20	2020-21	2021-22
Rate of growth of debt Capital Receipts	(-) 39	42	56	23.23	12.61
Rate of growth of non-debt capital receipts	(-) 4	8,195	(-) 98	2,633.33	(-) 96.59
Rate of growth of GSDP	11.33	12.64	10.33	0.80	15.04
Rate of growth of Capital Receipts (per cent)	(-) 39	55	42	25.91	10.18

(Source: Finance Accounts of the respective years)

Capital receipts increased mainly due to an increase in loans and advances from GoI and internal debt. The share of public debt receipt in capital receipts was 99.93 per cent. The rate of growth of debt capital receipts had a decreasing trend from the year 2019-20.

In the current year, ₹ 30,918 crore was taken as internal debt and its contribution in capital receipts was 76.39 per cent. Loans and advances from GoI increased by 46.50 per cent, in which GST compensation (₹ 7,111.43 crore) received as back to back loan, special assistance to States for Capital Expenditure (₹ 1,246.50 crore) under Special Assistance and amount received as Block debt since 1989-90 (₹ 1,169.51 crore) under Block Loan were the major component.

Non-debt capital receipts, in the form of recoveries of loans and advances has reduced to ₹ 27.92 crore and out of this 73.35 per cent (₹ 20.48 crore) was relating to recovery from Government Servants.

Although the Capital Receipts increased by 10.18 per cent over the previous year, the Capital Expenditure increased by 30.03 per cent during the same period.

2.3.4 State's performance in mobilisation of resources

Mobilisation of resources allows governments to ensure sustainable funding for social programmes and for public investments to promote economic growth and development. As the State Government does not have control over receipt of Grants in Aid from Government of India and Share of Central Taxes, State Government's own resources (tax and non-tax revenue) are necessary to sustain its institutions and programmes.

State's performance in mobilisation of resources is assessed in terms of its own resources comprising own-tax and non-tax revenue depicted in Table 2.15.

Table 2.15: Tax and non-tax receipts vis-à-vis projections during 2021-22

(₹ in crore)

	Budget estimates	Amount projected by XV th FC	Amount projected by State VI th FC	Actuals	Percentage variation of actuals over		
					Budget estimates	XV th FC projection	State VI th FC projection
Own Tax revenue	35,050	30,232	27,226	34,855	(-) 0.56	15.29	28.02
Non-tax revenue	5,505	4,516	4,633	3,984	(-) 27.63	(-) 11.78	(-) 14.01

(Source: Budget documents of GoB, XVth FC report & VIth SFC report)

As can be seen, the State fell short of achieving the targets for own tax revenue (₹ 195 crore) and non-tax revenue (₹ 1,521 crore) set in the budget estimates. However, the target of XVth FC and VIth State FC, in respect of Own Tax revenue was achieved and was more than the projection by ₹ 4,623 crore and ₹ 7,629 crore respectively. In order to avoid revenue shortfall, the State had to avail market borrowings.

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 the development of capital infrastructure and social sector.

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. The expenditure are to be within the framework of fiscal responsibility legislations. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially the expenditure directed towards development of social and economic sectors.

Prudent fiscal management should aim at creating savings by raising revenue receipts in excess of revenue expenditure. Use of borrowed funds for either revenue yielding activities directly or indirectly productive uses create returns by way of tax or non-tax revenues that can be used for debt servicing and repayment of loans.

2.4.1 Growth and composition of expenditure

Trend analysis of overall expenditure and its components along with their percentage of GSDP is depicted in **Table 2.16**.

Table 2.16: Total expenditure and its composition

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Total Expenditure (TE)	1,31,774	1,47,425	1,38,987	1,58,816	1,84,377
Revenue Expenditure (RE)	1,02,624	1,24,897	1,26,017	1,39,493	1,59,220
Capital Expenditure (CE)	28,907	21,058	12,304	18,209	23,678
Loans and Advances	243	1,470	666	1,114	1,479
(₹ in crore)					
As a percentage of GSDP					
TE/GSDP	28.11	27.92	23.86	27.05	27.30
RE/GSDP	21.89	23.66	21.63	23.76	23.57
CE/GSDP	6.17	3.99	2.11	3.10	3.51
Loans and Advances/ GSDP	0.05	0.28	0.11	0.19	0.22

(Source: Finance Accounts of the respective years)

The overall revenue and capital expenditure have increased over the previous year. Further, the capital expenditure and revenue expenditure have shown increasing trend over the period of last two years. Changes in the composition of the expenditure in terms of economic classification and expenditure by activities are depicted in **Table 2.17**.

Table 2.17: Relative share of various sectors of expenditure

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
General Services	36,139 (27.43)	42,002 (28.49)	44,016 (31.67)	47,626 (29.99)	52,447 (28.45)
Social Services	50,028 (37.97)	62,345 (42.29)	60,619 (43.61)	70,139 (44.16)	81,268 (44.08)

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Economic Services	45,360 (34.42)	41,604 (28.22)	33,684 (24.24)	39,935 (25.15)	49,183 (26.68)
Others (Grants to Local Bodies and Loans and Advances)	247 (0.19)	1,474 (1)	668 (0.48)	1,116 (0.70)	1,479 (0.80)

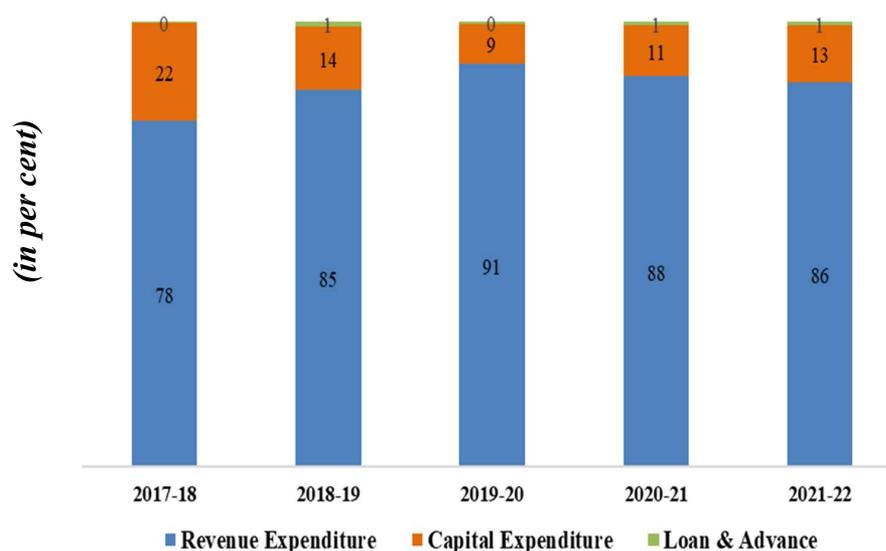
(Source: Finance Accounts of the respective years)

(Figures in parentheses indicate percentage to Total expenditure)

From the above table, it can be seen that:

- ✦ The State has increased expenditure in Economic Services whereas marginal variations with decrease in expenditure have been seen in General Services and Social Services with reference to the activity components of total expenditure during 2021-22.
- ✦ In General Services, State had reduced its expenditure on ‘Appropriation for reduction or avoidance of debt’, by deciding to freeze the contribution towards Sinking Fund for the FY 2020-21 and 2021-22, under Interest payment and servicing of debt, which affect the fiscal deficit to that extent.
- ✦ In Social services, a major decrease in expenditure was seen in ‘Special component plan for Scheduled Castes’ under ‘water supply and sanitation’ (45.87 per cent) and less expenditure under ‘Management of Natural Disasters Contingency Plan in disaster prone areas’ an gratuitous relief under ‘Relief on account of natural calamity’ (42.69 per cent).
- ✦ Further, in Economic Services, the major increase was seen in ‘Swarnjayanti Gram Swarozgar Yojana’ and ‘Special Component Plan for Scheduled Castes’ under ‘Special programme for rural development’ (162.21 per cent and 113.77 per cent), ‘Panchayats Assistance of Zila parishads/District level’ (131.77 per cent) under ‘Other Rural Development Programmes and Small-Scale Industries’ under ‘Village and small industries’ (391.84 per cent). **Chart 2.9** presents the trends in the share of components of total expenditure during 2017-18 to 2021-22.

Chart 2.9: Total Expenditure: Trends in share of its components



(Source: Finance Accounts of the respective years)

Debt of DISCOMs, overtaken by the State, did not impact much on the State debt profile, as the loans and advances extended by the State were negligible (₹ 1,478.51 crore) i.e. one *per cent* of the total expenditure.

2.4.2 Revenue Expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network.

Revenue expenditure comprises wages and salaries, interest payments, pensions, expenditure on operation and maintenance of capital works, subsidies and transfers to local bodies, co-operatives, Non-Government Organisations (NGOs) and others. This expenditure is classified into various functional categories such as General Services, Social Services and Economic Services. Expenditure on Social and Economic Services is incurred to create physical infrastructure and human resource development and, therefore, is considered productive, whereas expenditure on General Services and debt servicing is considered unproductive.

Trend analysis of the growth of revenue expenditure is depicted in **Table 2.18**.

Table 2.18: Revenue Expenditure – Basic Parameters

(₹ in crore)

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Total Expenditure (TE)	1,31,774	1,47,425	1,38,987	1,58,816	1,84,377
Revenue Expenditure (RE)	1,02,624	1,24,897	1,26,017	1,39,493	1,59,220
Rate of Growth of RE (<i>per cent</i>)	8.29	21.70	0.90	10.69	14.14
Rate of growth of GSDP (<i>per cent</i>)	11.33	12.64	10.33	0.80	15.04
RE as a percentage of TE	77.88	84.72	90.67	87.83	86.36
RE/GSDP (<i>per cent</i>)	21.89	23.66	21.63	23.76	23.57
RE as a percentage of RR	87.38	94.77	101.44	108.84	100.27
The buoyancy of Revenue Expenditure with					
GSDP (ratio)	0.73	1.72	0.09	13.36	0.94
Revenue Receipts (ratio)	0.74	1.78	(-) 0.16	3.37	0.59

(Source: Finance Accounts of the respective years)

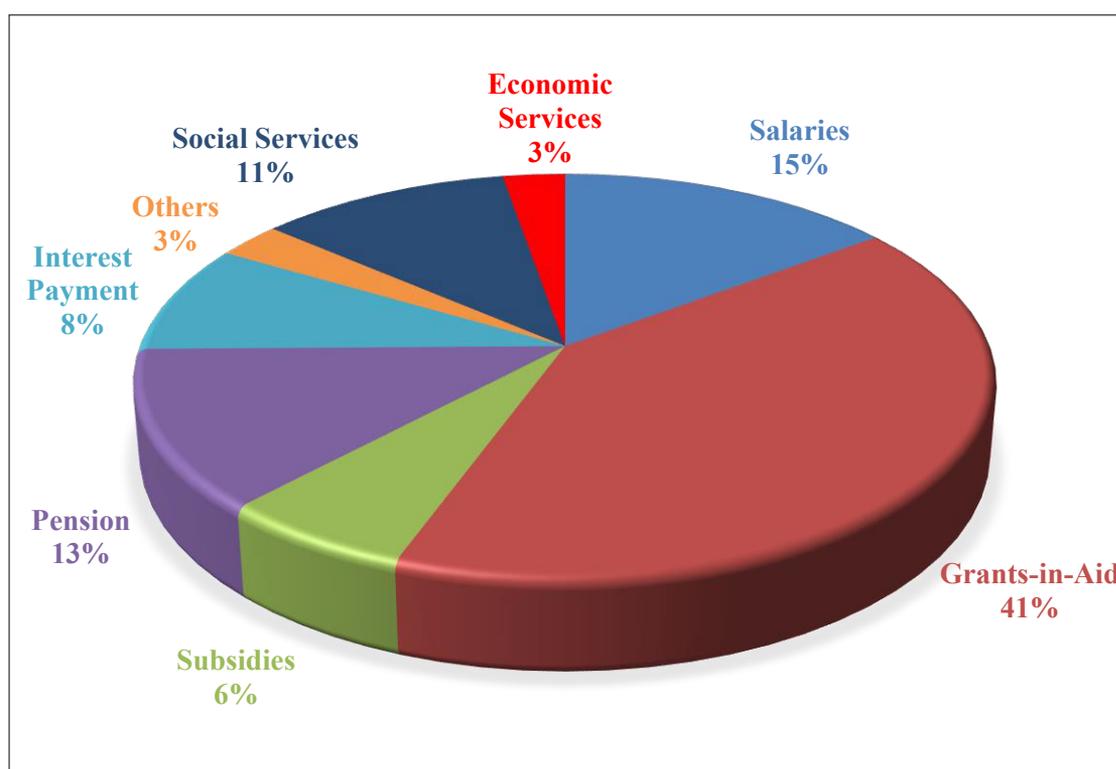
From the above table it can be observed that:

- ✦ Revenue expenditure constituted 86.36 *per cent* of the total expenditure and only 13.64 *per cent* funds were left for capital expenditure. The State has revenue deficit (₹ 422 crore) because revenue expenditure (100.27 *per cent*) was higher than revenue receipts during the year for the 3rd time since 2004-05.
- ✦ Revenue expenditure increased by 14.14 *per cent*, whereas revenue receipts increased by 23.90 *per cent*. However, increase in the revenue receipt was not enough to meet the expenditure and this gap has been met by State's public debt. Revenue expenditure as a percentage of revenue receipts decreased over the previous year.
- ✦ During 2021-22, the buoyancy ratio of revenue expenditure with GSDP was lower than the previous year, because the growth rate in GSDP increased from 0.80 *per cent* to 15.04 *per cent*. However, the buoyancy ratio of revenue expenditure

with revenue receipt was 0.59 *per cent* which was not a good sign of the State's finances. However, during the current year, it shows good sign over the previous year.

- ✦ Buoyancy of Revenue Expenditure to Revenue Receipts was less than 'one' during the year 2021-22. This indicated that Revenue Expenditure was growing at a slower pace than the Revenue Receipts. However, in the year 2020-21, the buoyancy of Revenue Expenditure to Revenue Receipts was 3.37, which was highest during the last five years. In the year 2019-20, it dipped to negative, indicating that the Revenue Expenditure was increased even when the Revenue Receipts has shown negative growth. However, during the year 2020-21, the concept of Revenue Buoyancy may not reflect true fiscal situation. Negative growth in Revenue Receipts made the buoyancy ratio of Revenue Expenditure to Revenue Receipts negative. Sector-wise distribution of revenue expenditure is depicted in **Chart 2.10**.

Chart 2.10: Sector-wise distribution of revenue expenditure



(Source: Finance Accounts 2021-22)

From the above it can be seen that major revenue expenditure was made in two components, (committed expenditure 36 *per cent* and GIA 41 *per cent*), constituting 77 *per cent* of the total revenue expenditure during the year.

2.4.2.1 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 given in **Table 2.19**.

Table 2.19: Variation in Revenue Expenditure during 2021-22 compared to 2020-21

(₹ in crore)

Major Head of Account	2020-21	2021-22	Increase (+)/ Decrease (-)	Percentage Increase/ Decrease
2029-Land Revenue	636.45	756.52	120.07	18.87
2049-Interest Payments	12,484.03	13,821.93	1,337.90	10.72
2055-Police	7,744.27	8,265.23	520.96	6.73
2059-Public Works	388.76	628.55	239.79	61.68
2070-Other Administrative Services	1,231.24	1,338.45	107.21	8.71
2071-Pension and Other Retirement Benefits	19,635.15	20,257.58	622.43	3.17
2202-General Education	26,318.25	33,361.92	7,043.67	26.76
2203-Technical Education	218.96	303.86	84.90	38.77
2215-Water Supply and Sanitation	1,741.10	942.32	(-)798.78	(-)45.88
2245-Relief on Accounts of Natural Calamities	6,635.65	3,802.99	(-)2,832.66	(-)42.69
2406-Forestry and Wildlife	600.70	314.96	(-)285.74	(-)47.57
2415- Agricultural Research and Education	373.76	305.70	(-)68.06	(-)18.21
2702-Minor Irrigation	841.16	188.92	(-)652.24	(-)77.54

(Source: Finance Accounts of the respective years)

It can be observed from table above that:

- ✦ Less expenditure was incurred in 'Relief on account of natural calamities' over the previous year due to less expenditure mainly under management of Natural Disaster Contingency Plan in disaster prone areas and gratuitous relief, Water Supply and Sanitation (mainly under special component Plan for schedule caste), Forestry and Wildlife (mainly under Rajya Kshatipurti, forest plantation and direction & administration), Agriculture and research education (mainly under education) and Minor irrigation (mainly under Tube wells).
- ✦ More expenditure was incurred in public works (mainly under construction, maintenance, and repairs), Technical education (mainly under research), General Education (mainly under scholarship and direction & administration) and Land Revenue (mainly under training & survey and settlement operation). Further, Interest Payment, Police, Other administrative service and pension and other retirement benefits were also some of the reasons for the increase in the State's revenue expenditure.

2.4.2.2 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. The upward trend on committed expenditure leaves the Government with lesser flexibility for the development sector. Trend analysis of committed expenditure is depicted in **Table 2.20**.

Table 2.20: Components of Committed Expenditure*(₹ in crore)*

Components of Committed Expenditure	2017-18	2018-19	2019-20	2020-21	2021-22
Salaries and Wages	17,731.41	19,922.57	20,375.92	21,802.11	23,524.52
Pensions	14,293.48	16,027.75	17,110.38	19,635.15	20,257.58
Interest Payments	9,053.78	10,071.14	10,991.42	12,484.04	13,821.93
Total	41,078.67	46,021.46	48,477.72	53,921.30	57,604.03
As a percentage of Revenue Receipts (RR)					
Salaries and Wages	15.10	15.12	16.40	17.01	14.81
Pensions	12.17	12.16	13.77	15.32	12.76
Interest Payments	7.71	7.64	8.85	9.74	8.70
Total	34.98	34.92	39.02	42.07	36.28
As a percentage of Revenue Expenditure (RE)					
Salaries and Wages	17.28	15.95	16.17	15.63	14.77
Pensions	13.93	12.83	13.58	14.08	12.72
Interest Payments	8.82	8.06	8.72	8.95	8.68
Total	40.03	36.85	38.47	38.66	36.18

(Source: Finance Accounts of the respective years)

The share of committed expenditure in total revenue expenditure ranged from 40.03 per cent in 2017-18 to 36.18 per cent in 2021-22, which was lowest during the last five years. The ratio of committed expenditure with reference to revenue receipts decreased to 36.28 per cent in 2021-22 over the previous year.

During the year, the total committed expenditure increased by ₹ 3,682.73 crore (6.82 per cent) over the previous year. Interest payments (8.70 per cent) was above the target of 7.79 per cent of the Revenue Receipt set out in the BFRBM (Amendment) Act, 2016 but below the projection of XVth FC of ₹ 14,088 crore. Expenditure on the components of committed expenditure together accounted for 8.76 per cent of GSDP in 2017-18 and decreased to 8.53 per cent in 2021-22. During 2020-21, committed expenditure w.r.t GSDP was 9.18 per cent, highest during last five years.

As per Budget Document of Government of Bihar “Repayment of public debt” has also been taken as committed expenditure of the State. Repayment of public debt is one of the components of expenditure under Capital Head. In this report, total expenditure has been calculated excluding repayment of public debt. Therefore, there is no impact on committed expenditure.

Implementation of the recommendations of pay commissions in the past have accounted for enhancement in pension and salaries pay-outs of the State, thereby impacting its revenue expenditure. The BFRBM 2021, estimated pension payments, calculated with base rate of nine per cent growth for forthcoming years and pension payment liabilities to be enhanced to ₹ 43,472.04 crore up to 2029-30. Therefore, while assessing pension and salaries, State should keep in mind, the likely strain on the revenue stream and the need to observe strict fiscal discipline.

The State has maintained the committed expenditure within MTFP¹⁴. Allocation of larger portion of the budget for committed expenditure items limits the State’s flexibility to decide the other expenditure priorities such as capital outlay.

¹⁴ MTFP target- Salary & wages-₹ 27,236.51 crore, Pension-₹ 21,817.15 crore and Interest Payment-₹ 14,517.41 crore.

2.4.2.3 Undischarged liabilities in National Pension System

State Government employees, recruited on or after 01 September 2005, are covered under the National Pension System (NPS), a Defined Contributory Pension Scheme. Under the Scheme, the employee contributes 10 *per cent* of his basic pay and dearness allowance and the State Government contributes equal to 14 *per cent* of basic pay and dearness allowance of the employees. The entire amount (employees' contribution and employer's contribution) is to be transferred to the designated Fund Manager through the National Securities Depository Limited (NSDL)/Trustee Bank.

Total contribution towards NPS was to be ₹ 2,245.59 crore (employees' contribution: ₹ 934.55 crore and Government's Contribution: ₹ 1,311.04 crore) for the period 2021-22, against which an amount of ₹ 2,302.76 crore was transferred to the NSDL. A short contribution of ₹ 279.12 crore (previous year's balance ₹ 338.96 crore minus ₹ 59.84 crore) was made by the Government during the year.

As on 31 March 2022, an amount of ₹ 279.12 crore (₹ 338.96 crore previous year's balance minus ₹ 59.84 crore excess transferred) was lying in the Public Account as closing balance, which was yet to be deposited to the NSDL/Trustee Bank.

2.4.2.4 Subsidies

In any welfare State, it is common to provide subsidies/subventions to the disadvantaged sections of the society. Subsidies are dispensed not only explicitly but also implicitly by providing subsidised public services to the people. Budgetary support to financial institutions, inadequate returns on investments and poor recovery of user charges from social and economic services provided by the Government fall in the category of implicit subsidies.

The total subsidies during the current year stood at ₹ 10,256.02 crore, 25.57 *per cent* more than that of the previous year and constituted 6.46 *per cent* of revenue receipts. Trend analysis of expenditure on subsidies, is depicted in **Table 2.21**.

Table 2.21: Department wise subsidies during 2017-22

(₹ in crore)

Department	2017-18	2018-19	2019-20	2020-21	2021-22	Sparkline
Agriculture	406.41	490.52	518.17	164.30	219.58	
Energy	3,491.66	5,737.03	5,193.00	6,759.96	8,180.82	
Food and consumer Protection	490.89	638.81	618.13	578.77	720.56	
Industry	401.59	322.00	316.78	234.47	787.07	
Transport	0.00	962.77	177.17	122.57	89.01	
Animal and Fisheries Resources	127.00	112.92	116.00	99.67	100.71	
Others	105.51	59.92	182.02	207.68	158.27	
Subsidies	5,023.06	8,323.97	7,121.27	8,167.42	10,256.02	
Subsidies as a percentage of Revenue Receipts	4.27	6.32	5.73	6.37	6.46	
Subsidies as a percentage of Revenue Expenditure	4.89	6.66	5.65	5.85	6.44	

(Source: Finance Accounts of the respective years)

Trend analysis revealed that 79.77 per cent of the subsidies went to the Energy Sector and was highest during the period of last five years. An amount of subsidies to energy sector increased by 134.30 per cent from the year 2017-18 to 2021-22. The trend also revealed that the amount of subsidies was an increasing trend during the last five year except 2019-20. Though the Energy Department provided subsidies to DISCOMs for power purchase, the financial health of DISCOMs in the State was miserable (Paragraphs 2.4.3.5 and 5.6.1).

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

The quantum of assistance provided by way of grants and loans, to local bodies and others, during the current year, compared to the previous years, is presented in Table 2.22.

Table 2.22: Financial Assistance to Local Bodies etc.

(₹ in crore)

Financial Assistance to Institutions	2017-18	2018-19	2019-20	2020-21	2021-22
(A) Local Bodies					
Municipal Corporations and Municipalities	1,794.52	2,892.56	1,533.24	4,785.08	5,386.53
Panchayati Raj Institutions	7,572.94	7,517.61	9,971.64	12,899.38	13,268.40
Total (A)	9,367.46	10,410.17	11,504.88	17,684.46	18,654.93
(B) Others					
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	4,683.27	1,905.37	3,925.89	3,716.00	3,684.25
Development Authorities	1,786.76	5,860.77	5,839.49	999.15	1,693.64
Hospitals and Other Charitable Institutions	0.00	0.00	0.00	0.00	0.00
Other Institutions	27,521.24	33,587.98	25,311.28	32,529.37	40,982.19
Total (B)	33,991.27	41,354.12	35,076.66	37,244.52	46,360.08
Total (A+B)	43,358.73	51,764.29	46,581.54	54,928.98	65,015.01
Revenue Expenditure	1,02,623.73	1,24,896.81	1,26,016.66	1,39,493.45	1,59,219.71
Assistance as percentage of Revenue Expenditure	42.25	41.45	36.96	39.38	40.83

(Source: Finance Accounts of the respective years)

Financial assistance to Local Bodies and Other Institutions by the State Government increased by 18.36 per cent in comparison to the previous year (₹ 54,928.98 crore) and its percentage to revenue expenditure increased to 40.83 per cent due to implementation of 'Saat Nischay'. Release of financial assistance to Local Bodies without ensuring its proper utilisation, is indicative of poor financial management (detailed in Chapter-IV paragraph 4.5).

VIth State Finance Commission

Article 243 I and 243 Y of the Constitution of India and Section 168 of the Bihar Panchayati Raj Act, 2006 (BPRA2006) envisage the State Finance Commission (SFC) in the State. The Sixth SFC was constituted by the Government of Bihar, in February 2019.

The Commission was to devise fiscal transfer from the State Government to the Local Bodies (LBs) of the State in the light of the constitutional provisions. This entailed following three broad exercises:

- ✦ To recommend the sum of money to be transferred to the LBs by way of Devolution of State's Tax Revenue and Grant from the Consolidated Fund of the State.

- ✦ The amount of total fiscal transfer was to be bifurcated between the Panchayati Raj Institutions (PRIs) and the Urban Local Bodies (ULBs).
- ✦ The share of PRIs was to be apportioned among its three tiers (Zila Parishads, Panchayat Samitis and Gram Panchayats) and then distributed among the individual units in each tier, and the share of ULBs was to be distributed among the Nagar Nigams, Nagar Parishads and Nagar Panchayats.

The Sixth Finance Commission (2020-25) submitted the report on 30.04.2021 to the State Government. State Government implemented the recommendations of the Commission in August 2021. The SFC recommended a minimum threshold of Devolution of Taxes and Grants. If the calculated value of Devolution of taxes and Grants falls below the Minimum Threshold, the State Government have to transfer at least the Minimum Threshold amount to the LBs.

On the recommendation of SFC, the State Government adopted 65:35 formula for provisioning of funds for PRIs and ULBs for the period from 2021-22 to 2024-25. However, during 2021-22, out of total provisioned ₹ 3,751.74 crore (Devolution-₹ 1,898.69 crore and Grants-₹ 1,853.05 crore), ₹ 2,626.22 crore (70 per cent) was for PRIs and ₹ 1,125.52 crore (30 per cent) was for ULBs.

Audit observed the following in transfer of fiscal to LBs:

Devolution:

The State Government was to appropriate the Devolution at the rate 10 per cent of the Divisible Pool (State's net own Tax Revenue of the previous year) for the period from 2021-22 to 2024-25 on the recommendation of SFC. Devolution of funds may be seen in the **Table 2.23** below.

Table 2.23: Divisible Pool of Taxes for 2021-22

	(₹ in crore)	
	Projected	Actual (t-1)
State Own Tax Revenue of previous year (A)	22,540	30,341.67
Cost of collection @ 2.52 per cent (B)	568	764.61
Net State Own Tax Revenue (A-B)	21,972	29,577.06
Devolution (10 per cent of SONTR)	2,197	2,957.70

(Source: SFC report and Finance Account of respective year)

Audit observed that only ₹ 1,898.69 crore was provisioned against the recommended ₹ 2,957.70 crore.

Grant

The Commission recommended calculation of amount of annual Grant during the period 2021-25 at the rate of 2.54 per cent of the net actual revenue of previous year (Consolidated Fund of the State). The 50 per cent of Grant will be transferred directly to the Local Bodies and remaining 50 per cent will be expended in those schemes whose objective are to develop the Local Bodies under the different departments.

During 2021-22, Grant amounting to ₹ 3,255.47 crore (₹ 1,28,168.34 crore × 2.54 per cent) was to be provisioned as mentioned in **Table 2.24** below.

Table 2.24: Grant to Local Bodies during 2021-22

(₹ in crore)

Grant	Amount projected by SFC	Amount to be provisioned	Provisioned
Direct to Local Bodies (50 per cent)	1,906	1,627.74	926.52
Expenditure by departments (50 per cent)	1,905	1,627.73	926.52
Total	3,811	3,255.47	1,853.04

(Source: SFC report and Finance Accounts of respective year)

Audit noticed that only ₹ 1,853.04 crore (56.92 per cent) was provisioned against the ₹3,255.47 crore, as recommended by the SFC. However, SFC had projected ₹3,811 crore for the financial year 2021-22.

Delay in release of funds to LBs: Funds released by Panchayati Raj Department and Urban Development and Housing Department to PRIs/ ULBs have been erratic in terms of timelines. Delay in release of funds upset the schedule of schemes being implemented by the LBs and impact adversely the management of the PRIs and ULBs. Fifteenth Finance Commission stipulated payment of interest for the period of delay if the State Government fails to release Finance Commission grants to the LBs within 10 working days. Further, during 2021-22, release orders for each item should be issued in single instalment by 31 August 2021.

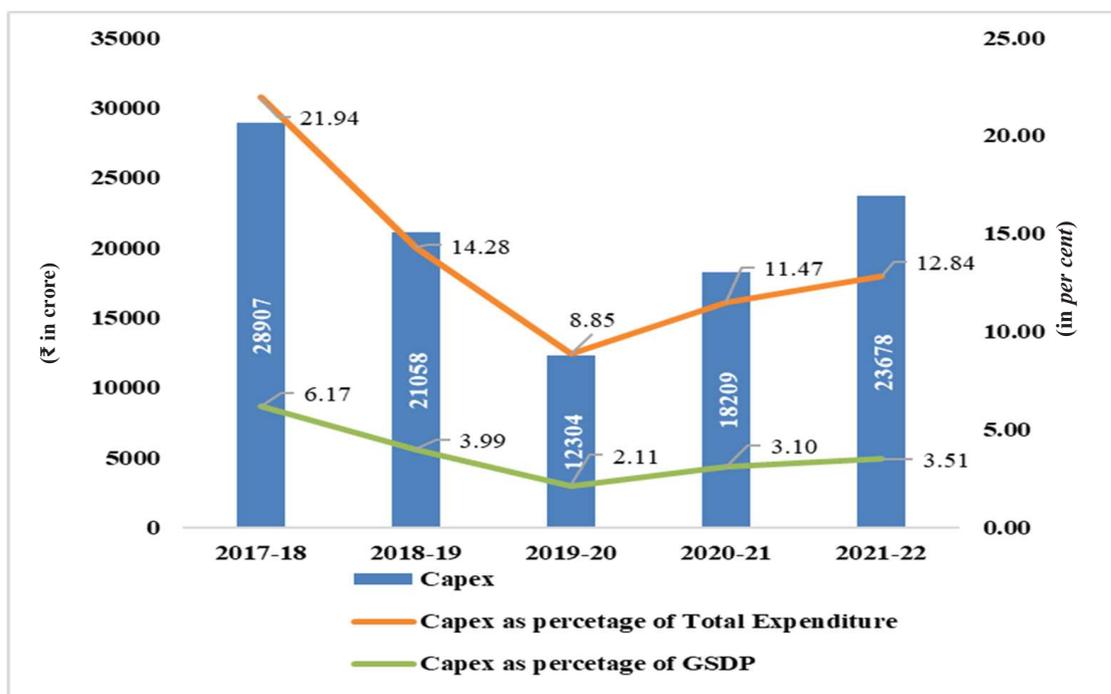
During scrutiny of sanction orders issued to LBs, Audit noticed that the release orders were delayed ranging between 121 days to 202 days, contrary to the commission guidelines.

Reason(s) for short and delayed release of funds was asked from the Finance Department (November 2022). However, the reply was still awaited.

2.4.3 Capital Expenditure

Capital expenditure (Capex) is primarily expenditure on creation of fixed infrastructure assets, such as roads, buildings, etc. Capex in the State is being met from budgetary support and extra-budgetary resources. Trend analysis of Capex is depicted in **Chart 2.11**.

Chart 2.11: Capital expenditure in the State



(Source: Finance Accounts of the respective years)

From the chart above, it may be observed that:

- ✦ The capital expenditure was 23.09 *per cent* lower than the assessment made by the State Government in Budget Estimates and the projection made in MTFPS 2021-22 (₹ 30,778 crore).
- ✦ During analysis, it was observed that capital expenditure decreased in Social Services from ₹ 6,331.52 crore to ₹ 5,153.72 crore. The decrease was mainly in water supply and sanitation by ₹ 2,669.77 crore. However, it increased in General Services from ₹ 1,386.50 crore to ₹ 3,507.49 crore, mainly due to increase in public works by ₹ 951.10 crore, in Other administrative services by ₹ 694.13 crore and in Police by ₹ 466.41 crore. The Capital Expenditure on Economic Services increased from ₹ 10,490.58 crore to ₹ 15,017.08 crore mainly due to increase in expenditure in Other Rural Development Programme by ₹ 397.21 crore, in Power by ₹ 304.04 crore, in Roads and Bridges by ₹ 848.84 crore, in other transport services by ₹ 1,007.58 crore and in Major Irrigation by ₹ 1,012.58 crore over the previous year 2020-21.
- ✦ The ratio of capital expenditure to capital receipts had a decreasing trend during 2017-18 to 2019-20, which was the outcome of the overall economic downturn, but a positive response was observed from 2020-21 and during the current year the ratio of capital expenditure to capital receipt was recorded at 58.50 *per cent*.
- ✦ The capital expenditure as a percentage of GSDP came down from 6.17 *per cent* to 3.51 *per cent* during the period of last five years. However, it has increased by 0.81 *per cent* over the previous year.
- ✦ Audit noticed that some of the expenditure booked under Capital Head was misclassified resulting in overstatement of Capital Expenditure to that extent (**Paragraph 2.4.3.6**).

Further, a major chunk of capital expenditure has been parked in the Public Account of the State. The detailed analysis has been covered in **Paragraph 4.5 of Chapter IV** of this Report.

2.4.3.1 Major changes in Capital Expenditure

Significant variations under various Major Heads of Accounts with regard to capital expenditure of the State, during the current year, compared to the previous year are depicted in **Table 2.25**.

Table 2.25: Capital expenditure during 2021-22 compared to 2020-21

(₹ in crore)

Major Heads of Accounts	2020-21	2021-22	Increase (+)/ Decrease (-)	Percentage Increase/ Decrease
4055- Capital Outlay on Police	143.34	609.75	466.41	325.39
4059- Capital Outlay on Public Works	576.96	1528.06	951.10	164.85
4070- Capital Outlay on other Administrative Services	655.36	1349.48	694.12	105.92
4202- Capital Outlay on Education, Sports, Art and Culture	736.36	1,760.74	1,024.38	139.11
4210- Capital Outlay on Medical and Public Health	647.99	865.44	217.45	33.56
4700- Capital Outlay on Major Irrigation	1,218.84	22,314.15	21095.31	1,730.77
4711- Capital Outlay on Flood Control Projects	736.96	1108.97	372.01	50.48
4801- Capital Outlay on Power Projects	1,125.96	1,430.00	304.04	27.00
5054- Capital Outlay on Roads and Bridges	3,203.58	4,052.42	848.84	26.50
5075- Capital Outlay on other Transport Services	50.00	1,057.59	1,007.59	2,015.17
4215- Capital Outlay on Water Supply and Sanitation	4,645.73	1,975.96	(-)2,669.77	(-)57.47
4859-Capital Outlay on Telecommunications and Electronic Industries	115.50	63.00	(-)52.5	(-)45.45

(Source: Finance Accounts of the respective years)

The expenditure on Police increased due to increase in expenditure on acquisition of land, construction and renovation of police buildings. Increase in expenditure on public works was due to expenditure incurred on building of blocks (Rural Development Department), construction of sub treasury buildings in the state, buildings of schedule tribes, buildings of scheduled castes. Increase in expenditure on 'Other administrative services' was incurred in Bihar fire brigade service for building construction and Chief Minister area development programme. Increase in Education, Sports, Art and culture was incurred mainly in Primary school buildings and buildings of government high school and modernisation of machines Saat-Nischay-2. Increase in Major irrigation was mainly due to increased expenditure on Irrigation creation projects (works NABARD Aided), and Irrigation creation projects (Works). Increase in Civil Aviation expenditure was mainly due to expenditure on Aerodrome. Increase in other transport services was mainly in 'Patna Metro Rail Corporation limited'.

As compared to the previous year, less expenditure was incurred under 'Water supply and sanitation' which was mainly on 'Chief Minister water drinking determination plan' and 'Chief Minister drinking water policy'.

2.4.3.2 Quality of capital expenditure

If the State Government keeps on investing in loss-making government companies with completely eroded net worth, there are no chances of return on investment. Similarly, experience has shown the inevitability of the write-off of the loans given to loss-making corporations and other bodies such as sugar mills, financial corporations, etc. Requisite steps have to be taken to infuse transparency in such financial operations. This section presents an analysis of investments and other capital expenditures undertaken by the Government during the current year.

Capital expenditure in the companies, corporations, and other bodies, which are loss-making or where net worth is completely eroded is not sustainable.

Return on Investment:

Return on Investment in share capital invested in SPSEs and history of repayment of loans given to various bodies is an important determinant of quality of capital expenditure. Trend analysis of return on investment during the years from 2017-18 to 2021-22 is given in **Table 2.26**.

Table 2.26: Return on Investment (ROI)

Investment/return/cost of borrowings	2017-18	2018-19	2019-20	2020-21	2021-22
Investment at the end of the year (₹ in crore)	23,037.29	28,327.00	31,667.39	32,870.61	35,436.02
Return (₹ in crore)	1.34	11.34	1.62	603.01	6.54
Return (<i>per cent</i>)	0.01	0.04	0.01	1.83	0.02
Average rate of interest on Government Borrowings (<i>per cent</i>)	6.13	6.18	6.07	5.94	5.70
Difference between interest rate and return (<i>per cent</i>)	5.82	6.14	6.06	4.11	5.68
Difference between interest on Government borrowings and return on investment (₹ in crore)[#]	1,340.77	1,739.28	1,919.04	1,350.98	2,012.77

(Source: Finance Accounts of the respective years)

[#] Investment at the end of the year *Difference between interest rate and return

- ✦ As on 31 March 2022, the Government had invested ₹ 35,436.02 crore in 46 Govt. Companies (₹ 33,309.57 crore), three Statutory Corporations (₹ 105.63 crore), one Rural Bank (₹ 30.19 crore), 12 Joint-stock Companies (₹ 1,362.76 crore), and 17 Cooperative institutions/Societies (₹ 627.88 crore). Out of the 46 Government companies, 25 companies are working companies in which ₹ 33,165.84 crore was invested and 21 were non-working companies in which ₹ 143.73 crore was invested by the GoB.
- ✦ The State had invested ₹ 30,866.87 crore (₹ 30,764.85 crore in Bihar State Power Holding Company Ltd. and ₹ 102.02 crore in Bihar State Hydro Electric Power Corp. Ltd.) in power sector which constitute 87.11 *per cent* of the total investment of the State Government till 2021-22 and 93.07 *per cent* of investment made in working companies.
- ✦ The ROI decreased by ₹ 596.47 crore over the previous year due to short release of dividend by Bihar Rajya Pul Nirman Nigam Limited (₹ 192.33 crore), Bihar State Road Development Corporation Limited (₹ 273 crore) during 2021-22.

- ✦ The State Government incurred a notional loss of ₹ 2,012.77 crore on return on investment (highest in the last five years) in various entities on account of the difference between the Government borrowing cost and the return on investment.

It was noticed that the State Government extended budgetary support of ₹ 32,829.44 crore, in the form of share/equity to two loss-making SPSEs till 2021-22, as depicted in **Table 2.27**.

Table 2.27: Investments made in loss-making companies

(₹ in crore)

Sl. No.	Company/ Corporation	Accumulated Loss	Investment made during the year	Cumulative investment as on 31 March 2021	Cumulative investment as on 31 March 2022
1.	Bihar State Minority Finance Corporation Ltd.	9.73	70.20	564.39	634.59
2.	Bihar State Power Holding Company Limited	19,721.29	1,430.00	30,764.85	32,194.85
Total		19,731.02	1,500.20	31,329.24	32,829.44

(Source: Finance Accounts 2021-22)

Further, ₹ 2,557.78 crore, actually invested in three SPSEs has been classified as capital expenditure during the year 2021-22 as depicted in **Table 2.28**.

Table 2.28: Investments classified as capital expenditure

(₹ in crore)

Sl. No.	Company/ Corporation	Major Head of Capital Expenditure	Amount
1	Bihar State Minority Finance Corporation Ltd.	5465	70.20
2	Patna Metro Rail Corporation Ltd.	5075	1,057.58
3	Bihar State Power Holding Company Ltd.	4801	1,430.00
Total			2,557.78

(Source: Finance Accounts 2021-22)

Therefore, the effective capital expenditure during this year was ₹ 21,120 crore (₹ 23,678 crore less ₹ 2,558 crore).

The State Government had not formulated any dividend policy for SPSEs, as on 31 March 2022. As per Finance Accounts, five¹⁵ companies/co-operatives paid a dividend of ₹ 6.54 crore during 2021-22. Besides, ₹ 0.29 crore was shown as disinvestment under two companies (BMSICL and Other Co-operatives).

Loans and Advances:

In addition to the investments in co-operative societies, corporations and companies, the government has also provided loans and advances to many of these institutions and organisations. Details are given in **Table 2.29**.

¹⁵ Bihar Rajya Pul Nirman Nigam Limited- ₹ 1.05 crore, Bihar State Road Development Corporation Limited- ₹ 5.00 crore, Bihar State Industrial Development Corporation limited- ₹ 0.0011 crore, National Projects Construction Corporation Limited ₹ 0.01 crore and Other co-operative ₹ 0.48 crore.

Table 2.29: Quantum of loans disbursed and recovered during last 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	20,948.29	21,169.17	20,814.33	21,450.23	21,743.77
Amount advanced during the year	242.78	1,470.56	666.30	1,113.97	1,478.51
Amount recovered during the year	21.89	1825.40	30.40	820.43	27.92
Closing Balance of the loans outstanding	21,169.18	20,814.33	21,450.23	21,743.77	23,194.36
Net addition	220.89	(-) 354.84	635.90	293.54	1,450.59
Interest received	777.41	462.86	599.74	3,067.38	532.78
Interest rate on loan and advances given by the government	Not ascertainable				
Rate of interest paid on the outstanding borrowings of the government	5.77	5.96	5.68	5.49	5.37
Difference between the rate of interest paid and interest received (<i>per cent</i>)	Not ascertainable				

(Source: Finance Accounts of the respective years)

It can be observed from above table that:

- ✦ As per Finance Accounts, during 2021-22, the interest received by the State Government against loans given was ₹ 532.78 crore, less by ₹ 2,534.60 crore than the previous year.
- ✦ Out of the total loans and advances (₹ 23,194.36 crore) disbursed by the State Government, an amount of ₹ 21,090.74 crore was given to Govt. Companies and Statutory Corporations.
- ✦ Despite the disbursement of loans and advances of ₹ 1,279.73 crore (Government companies: ₹ 759.28 crore and Statutory Corporations: ₹ 520.45 crore) to the loanee group during the year, repayment of the loans had not been made and they constitute 86.56 *per cent* of advances made during the year.
- ✦ Loans and Advances extended by the State Government during each year had increased six times from ₹ 242.78 crore in 2017-18 to ₹ 1,478.51 crore in 2021-22.

Scrutiny of records revealed that in many cases, the State Government had not finalised the rate of interest to be charged with the loanee and in some cases, the rate of interest is not disclosed with the loan amount. Therefore, it is difficult for the Audit to determine the rate of interest charged by the Government to the loanee. The loanee group wise total disbursement and repayment of loan during last five years is depicted below in **Table 2.30**.

Table 2.30: Loanee group wise total disbursement and repayment of loans during last five years (2017-18 to 2021-22)*(₹ in crore)*

Loanee Group	Total	
	Disbursement	Repayment
Universities/Academic Institutions	0.00	0.00
Municipalities/Municipal Councils/ Municipal Corporations	0.00	0.00
Housing Boards	0.00	0.00
Government companies	3,122.11	330.26
Co-operative Societies/ Co-operative Corporations/ Banks	1,111.17	1,416.38
Panchayati Raj Institutions	0.00	0.00
Statutory corporations	615.85	880.86
Government Servant	116.99	92.92
Loans for Miscellaneous purposes	0.00	0.00
Others	0.00	5.62
Total	4,972.12	2,726.02

(Source: Finance accounts of the respective years)

From the above table it can be seen that the loans were advanced to Government companies, Co-operative Societies/Co-operative Corporations Banks, Statutory corporations and government servants. The pace of repayment of loan was higher than the pace of disbursement under Statutory corporations. However, in case of Government companies, out of 62.79 *per cent* of loan disbursed during the last five years, only 10.58 *per cent* of loan was repaid during the last five years. The government has granted loans to the government companies without ensuring the recovery of old loans except in 2018-19. Thus, non-recovery of loan from the beneficiary leads to blockage of funds of the state government. As against the loan of ₹ 4,972.12 crore disbursed during the period of 2017-18 to 2021-22 only ₹ 2,726.04 crore was recovered.

2.4.3.3 Inoperative Loan account

Under the following Major Heads, outstanding balances of loans (₹ 50 crore and above), amounting to ₹ 1,973.63 crore, disbursed to various bodies/authorities during previous years, had remained inoperative i.e., neither principal nor any interest was paid for the last seven years (FY 2015-16 to 2021-22).

Table 2.31: Inoperative loan accounts*(₹ in crore)*

Major Head	Head of Accounts	2015-22
6215	Loans for water supply and sanitation	70.04
6216	Loans for housing	136.73
6217	Loans for urban development	260.47
6408	Loans for food storage and warehousing	1,448.75
6515	Loans for other rural development programme	57.64
Total		1,973.63

(Source: Finance accounts of the respective years)

These outstanding loans may be reviewed at appropriate level and steps for recovery or write-off, if required, may be taken. Apart from the above, some other outstanding loans under four Major Heads with only minor change in outstanding amounts were also noticed and substantial amount was still inoperative. Details of such Major Heads as well as outstanding loan amount thereunder are given as below:

Table: 2.32 Details of loans with minor changes in outstanding amount*(₹ in crore)*

Major Head ¹⁶	Financial Year						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
6401	289.52	289.52	289.64	289.64	289.64	289.63	389.24
6801	15,445.86	15,520.91	15,745.26	15,571.40	15,622.97	15,865.97	15,943.10
6860	468.78	469.88	469.88	469.88	469.88	469.88	474.13
6885	314.08	314.08	314.07	314.06	314.05	314.05	334.05

(Source: Finance accounts of the respective years)

From the above table, it can be observed that substantial amount of loans remained intact during the last seven financial years.

Further, a sum of ₹ 590.87 crore was observed as negative balance under different Loan heads which require reconciliation (**Appendix- 2.2**). These balances were being carried forwarded from 2001-02. This negative balance of loans may be reviewed at appropriate level and steps for write-off/reconciliation of this balance, if required, may be taken. During exit conference on finalisation of Annual Accounts 2021-22 (19.10.2022), Secretary (Resource), Finance Department, GoB assured reconciliation at the earliest.

2.4.3.4 Capital locked in incomplete projects

An assessment of trends in capital blocked in incomplete capital projects would also indicate the quality of capital expenditure. Blocking of funds in incomplete projects/works impinges negatively on the quality of expenditure and deprives the State of the intended benefits of the projects for prolonged periods. Further, funds borrowed for implementation of these projects, during the respective years lead to an extra burden, in terms of servicing of debt and interest liabilities. The details of the incomplete projects are depicted in **Table 2.33**.

Table 2.33: Capital blocked in incomplete projects

Age profile of incomplete projects as on 31 March 2022 (₹ in crore)				Department-wise profile of incomplete projects till 31 March 2022 (₹ in crore)			
Year	No. of incomplete projects	Estimated cost	Expenditure incurred	Department	No. of incomplete projects	Estimated cost	Expenditure incurred
2011-12	380	3,395.35	1,579.46	Water Resources Department	27	692.94	76.69
2012-13	298	3,829.75	1,487.57	Public Health Engineering Department	17	797.64	136.87
2013-14	227	3,129.86	1,273.67	Building Construction Department	27	1,541.28	297.99
2014-15	211	3,404.88	1,300.78	Local Area Engineering Organisation	4	6.64	2.57
2015-16	144	1,728.18	731.56	Road Construction Department	61	1,949.75	374.21
2016-17	130	2,269.08	1,521.31	Rural Works Department	10	16.23	1.24
2017-18	127	1,819.64	892.21	Total	146	5,004.48	889.57
2018-19	68	790.99	315.11				
2019-20	143	3,396.64	1,000.95				
2020-21	157	3,670.54	1653.64				
2021-22	146	5,004.48	889.57				

(Source: Finance Accounts of the respective years)

¹⁶ 6401-Loans for crop husbandry, 6801-Loans for Power Project, 6860- Loans for Consumer industries, 6885- Other loans to Industries & Minerals.

Out of the estimated cost of ₹ 5,004.48 crore of 146 ongoing projects, only ₹ 889.57 crore had been spent till 2021-22 and cost was revised for one project¹⁷. Since the details of remaining 145 projects with an estimated cost of ₹ 5,003.07 crore were not furnished by the Departments, their revised costs were not exhibited in the Finance Accounts and as such were not ascertainable.

Details of some Incomplete Projects (estimated cost more than 100 crore), which were due for completion during 2021-22, are detailed in **Table 2.34**.

Table 2.34: Details of Incomplete Projects (cost ₹ 100 crore or more) during 2021-22
(₹ in crore)

Sl. No.	Name of Project	Scheduled date of completion	Estimated cost	Expenditure incurred during 2021-22	Total expenditure incurred as of 31 March 2022	Pending Payments
1	Construction of Officer's Enclave 752 Units under Gardanibagh Housing Development at Patna	2022	443.62	84.57	143.57	*
2	(B) Vidhayk Awas M.L.A. Parisar of work in Patna	2022	258.91	15.67	103.28	*
3	Construction of BSEB Pariksha Parisar, Kumharar, Patna.	2022	227.31	25.00	25.00	*
4	Bagmati Extension scheme from km. 81.94 to km.88.72 of B.L.E. & from km.79.00 to km 91.41 of B.R.E and construction of Kanta Pirochha Ring Bundh, Sitamarhi	2021-22	180.79	0.00	11.98	*
5	Widening and Strengthening (Four Laning) of Sadikpur-Pabhera-Masaurhi Road (SH-1) in km 0.00 to 16.30 for the year 2018-19 Gulzarbagh, Patna	2022	166.21	31.77	120.58	*
6	Upgradation & Extension of Patna Museum (Civil+Conservation+MEP) Exhibit Design Work of Patna Museum	2022	158.00	9.30	24.30	*
7	Widening & Strengthening Road from DB-50 Rahmatpara to Sontha, Chopra Bokhari Bishanpur Chainpur Asura Haldikhora, Hwachhpur, Majkuri Charghariya Shitalpur, Puca Road under RIDF XXXIII of NABARD for the year 2017-18 Kishanganj	2021-22	149.37	27.00	92.85	*

¹⁷ Anti-erosion work in East Ganga in left embankment critical reaches block -Sadara Ara only. The cost was revised from ₹ 1.41 crore to ₹ 0.78 crore.

Sl. No.	Name of Project	Scheduled date of completion	Estimated cost	Expenditure incurred during 2021-22	Total expenditure incurred as of 31 March 2022	Pending Payments
8	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected Mini Jalapurti Youjna, Kishanganj	2021-22	146.89	36.41	93.47	*
9	Construction of Indo-Nepal Border Road Project under Road Division Bettiah from Dumari to Harkatwa/Rupualia Ch-26.50-54.950 Bettiah	2022	119.79	12.50	28.28	94.50
10	Construction of Indo-Nepal Border Road Project under Road Division Bettiah from Bhangaha to Dhutaha River Ch-81.900-112.898 Bettiah	2022	116.09	11.63	28.11	87.98
11	Construction of Indo-Nepal Border Road Project under Road Divison Bettiah from Rupualia to Bhangaha-01 ch-54.950-81.900 Bettiah	2022	111.20	8.89	34.05	77.15
12	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected Mini Jalapurti Yojana, Kishanganj	2021-22	110.51	19.46	65.07	*
13	Construction of Indo-Nepal Border Road Project under Road Division Bettiah from Madanpur to Shivrah/Dumari Ch-0.00-26.50 Bettiah	2022	101.61	8.92	10.23	91.39
Total			2,290.30	291.12	780.77	351.02

(Source: Finance Accounts for the year 2021-22)

* Data not available in the Finance Accounts

As evident from the table, only 34.09 per cent of the estimated cost of ₹2,290.30 crore had been incurred on projects which were scheduled to be completed by 2021-22. Reasons for non-completion of the projects in time were not intimated by the respective Departments. As per the information provided by the State Government in **Appendix-IX** of the Finance Accounts, in case of 91 projects, which were due to be completed by 2021-22, an amount of ₹ 554.26 crore was due for payment (**Appendix 2.3**).

Deferred or withheld payments of bills to contractors, create the liabilities for the government and show incompleteness and non-transparency of Accounts. As the projects remained incomplete, the intended benefits of such projects could not be extended to the public at large. Further, this lead to escalation of the project cost. Effective steps are required to be taken to complete these projects without further delay to avoid cost overrun due to time overrun.

2.4.3.5 Implementation of Ujwal Discom Assurance Yojana (UDAY)

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

With an objective to improve the operational and financial efficiency of the State DISCOMs, a tripartite Memorandum of Undertaking (MoU) was executed (February 2016) between the Ministry of Power (GoI), State Government and State Power Distribution Companies. This scheme facilitated State Governments to take over 75 per cent of DISCOMs outstanding debt over a period of two years.

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

Further, the State Government will have to take over losses, if any, of the DISCOMs in a graded manner as mentioned in **Table 2.35**.

Table 2.35: Loss to be taken over by State

Year	2015-16	2016-17
Loss to be taken over by State.	50 per cent of loss of 2015-16	25 per cent of loss of 2016-17

(Source: Finance Accounts of the respective years)

Under the scheme, State was to take over 75 per cent of the debt of the DISCOMs (₹ 3,109.05 crore) as on 30 September 2015, by issuing Non-Statutory Liquidity Ratio Bonds and transfer the proceeds to DISCOMs in the form of grants, loans and equity. The liability of the State Government under the package was ₹ 2,331.78 crore as depicted in **Table 2.36**.

Table 2.36: Position of Equity/Loan/ Subsidy under UDAY

(₹ in crore)

Year	Equity Investment	Loan	Subsidy	Total
2015-16	-	-	1,369.89	1,369.89
2016-17	-	-	961.89	961.89
Total			2,331.78	2,331.78

(Source: Finance Accounts of the respective years)

Annual Accounts of DISCOMs for the year 2021-22 were not prepared and as such, the status of capital employed could not be ascertained. Further, as per finalised accounts of the year 2020-21, ₹ 7,359.38 crore of the loans were outstanding on both the DISCOMs (South Bihar Power Distribution Company Limited (SBPDCL): ₹ 4,156.73 crore and North Bihar Power Distribution Company Limited (NBPDCCL): ₹ 3,202.65 crore). The State Government had repaid the principal of ₹ 155.45 crore and paid interest of ₹ 191.36 crore in 2021-22 on the bonds issued under the UDAY Scheme.

Despite all tariff subsidies and loan obligations being met by the State Government, the DISCOMs still incurred ₹ 1,942.01 crore (SBPDCL: ₹ 1,140.50 crore and NBPDCCL: ₹ 801.51 crore) operational losses for the year 2020-21. Since the accounts for the year 2021-22 were under process, the operational loss of 2021-22 were not taken into

account. In this context, the position of operational efficiency and financial efficiency of both the DISCOMs, for the last five years is depicted in **Table 2.37**.

Table 2.37: The Operational Efficiency and Financial Efficiency of both the DISCOMs

(in per cent)

Year	Operational Efficiency		Financial Efficiency	
	SBPDCL	NBPDCL	SBPDCL	NBPDCL
2017-18	65.20	79.62	100	92.24
2018-19	67.71	76.08	99.53	99.38
2019-20	72.11	79.54	79.24	93.87
2020-21	73.81	77.97	85.33	94.65
2021-22	Data not finalised/not made available by the company			

(Source: Data provided by the DISCOMs)

Clause 1.3 (C) of tripartite agreement stipulates that all DISCOMs have to reduce Aggregate Technical and Commercial (AT&C) losses to 15 per cent by Financial Year 2019-20. **Table 2.38** below depicts the target *vis-à-vis* achievement of AT&C losses of the DISCOMs for last five years.

Table 2.38: Target *vis-à-vis* achievement of AT&C loss of the DISCOMs

(in per cent)

Year	SBPDCL		NBPDCL	
	Target	Achievement	Target	Achievement
2017-18	30	34.80	28	26.56
2018-19	22	32.61	20	24.39
2019-20	15	42.86	15	25.33
2020-21	15	37.02	15	26.21
2021-22	15	Under process	15	Under process

(Source: Data provided by the DISCOMs)

Though NBPDCL achieved the target only in 2017-18 but the table above shows that despite the achievement of target, the loss has been increasing from the year 2018-19 onwards. During the year 2020-21, the AT&C losses were 26.21 per cent against the target of 15 per cent. The average AT&C losses during the period were around 25.62 per cent. Further, in case of SBPDCL the targets were not achieved during the period from 2017-18 to 2020-21 and the average AT&C loss was around 36.82 per cent i.e., the targets were not achieved in any year mentioned above.

2.4.3.6 Misclassification of Revenue Expenditure as Capital Expenditure and vice versa

Capital Expenditure is broadly the expenditure incurred with the objective of creating/ acquiring/ increasing concrete assets of a material and permanent character or reducing permanent liabilities. All other expenditure incurred for the running of the entity including the establishment and administrative expenditure and for maintenance of its assets is classified as Revenue Expenditure.

Audit noticed that Revenue expenditure of ₹ 3.65 crore incurred on establishment and administrative heads was classified as Capital expenditure during 2021-22.

Misclassification of the revenue expenditure as capital expenditure resulted in the overstatement of capital expenditure and understatement of revenue expenditure up to that extent. It has a great impact on the integrity of the financial statements.

2.4.4 Expenditure priorities

Enhancing human development levels requires the State 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. Analysis on Expenditure priority of the State with regards to Health, Education and Capital expenditure are depicted in **Table 2.39**.

Table 2.39: Expenditure priority of the State with regards to Health, Education and Capital expenditure during 2021-22

	TE/GSDP	CE/TE	Education/TE	Health/ TE
All -India Average (2015-16)	17.43	18.72	15.18	4.31
State	29.12	22.72	17.13	3.22
All -India Average (2021-22)	16.51	14.70	14.36	5.64
State	27.30	13.64	18.12	5.77

(in per cent)

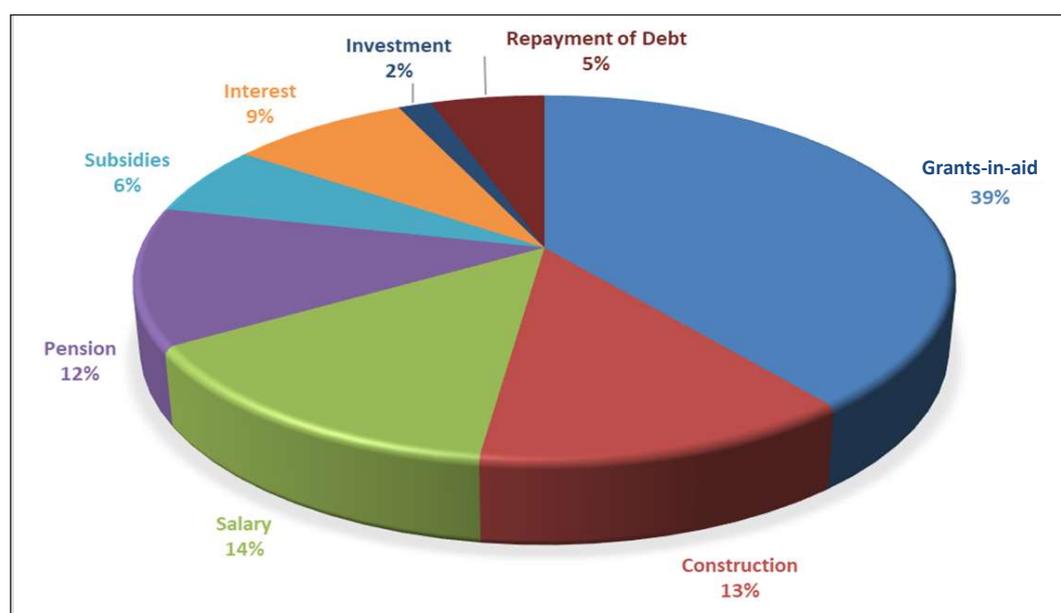
(Source: Economic Advisor & Finance Accounts)

The expenditure priority of the State with regards to Education and Health were higher than the All- India Average during 2021-22, which is a good sign for the state for capacity building.

2.4.5 Object head wise expenditure

Object head-wise expenditure is depicted in **Chart 2.12** below.

Chart 2.12: Object head wise expenditure



(Source: Finance Accounts of 2021-22)

- ✦ Allocation of a large portion of budget for committed¹⁸ expenditure (36.18 per cent of revenue expenditure) limits the flexibility to increase the other developmental expenditure priorities such as investment, construction, etc. However, committed expenditure during the current year registered less proportion of revenue expenditure than the previous year (38.66 per cent).
- ✦ Further, the expenditure on salary was 7.70 per cent higher than the previous year, was 3.48 per cent of GSDP and constituted 14.77 per cent of revenue expenditure. The expenditure on pension was 3.17 per cent higher than the previous year, was 3.00 per cent of GSDP and 12.72 per cent of revenue expenditure. The expenditure on Interest payment was 10.72 per cent higher than the previous year, was 2.05 per cent of GSDP and 8.68 per cent of revenue expenditure.

This shows that the major components of committed expenditure are increasing year on year. During 2021-22, expenditure on committed liabilities was 31.24 per cent of total expenditure while capital expenditure was only 12.84 per cent of total expenditure which is not a good sign for the State's financial health.

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 like 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 2.40.

Table 2.40: Component-wise net balances in Public Account as of 31 March of the year 2022

(₹ in crore)						
Sector	Sub-Sector	2017-18	2018-19	2019-20	2020-21	2021-22
I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	(-) 80.24	277.79	190.40	166.29	76.28
J. Reserve Funds	(a) Reserve Funds bearing Interest	(-) 696.39	0.01	522.95	378.12	140.42
	(b) Reserve Funds not bearing Interest	0.00	0.00	0.00	(-) 26.32	0.00
K. Deposits and Advances	(a) Deposits bearing Interest	(-) 1.62	60.25	202.65	(-) 75.05	(-)57.17
	(b) Deposits not bearing Interest	10,317.65	368.13	1,509.34	4,336.01	(-)1,543.24
	(c) Advances	(-) 1.72	(-) 96.85	0.00	0.00	0.00
L. Suspense and Miscellaneous	(a) Suspense (civil)	579.80	(-) 345.13	(-) 5773.58	(-) 4,879.88	(-)238.38

¹⁸ During 2021-22, Salaries & Wages-₹ 23,524.52 crore, Pension-₹ 20,257.58 crore, Interest payment-₹ 13,821.93 crore.

Sector	Sub-Sector	2017-18	2018-19	2019-20	2020-21	2021-22
	(b) Other Accounts	(-) 4,393.75	2,138.36	(-) 2735.55	(-) 191.23	(-)4,148.08
	(c) Accounts with Governments of Foreign Countries	0.00	(-) 0.01	(-) 0.01	(-) 0.01	(-)0.01
	(d) Miscellaneous	-	-	-	-	-
M. Remittances	(a) Money Orders, and other Remittances	(-) 2.76	76.05	(-) 2.44	4.37	(-)7.53
	(b) Inter- Governmental Adjustment Account	0.00	0.00	(-) 794.07	794.07	0.00
Total		(-) 892.70	5,720.97	2,478.60	506.37	(-)5,777.71

(Source: Finance Accounts of the respective years)

Note: (+ve) denotes debit balance and (-ve) denotes credit balances.

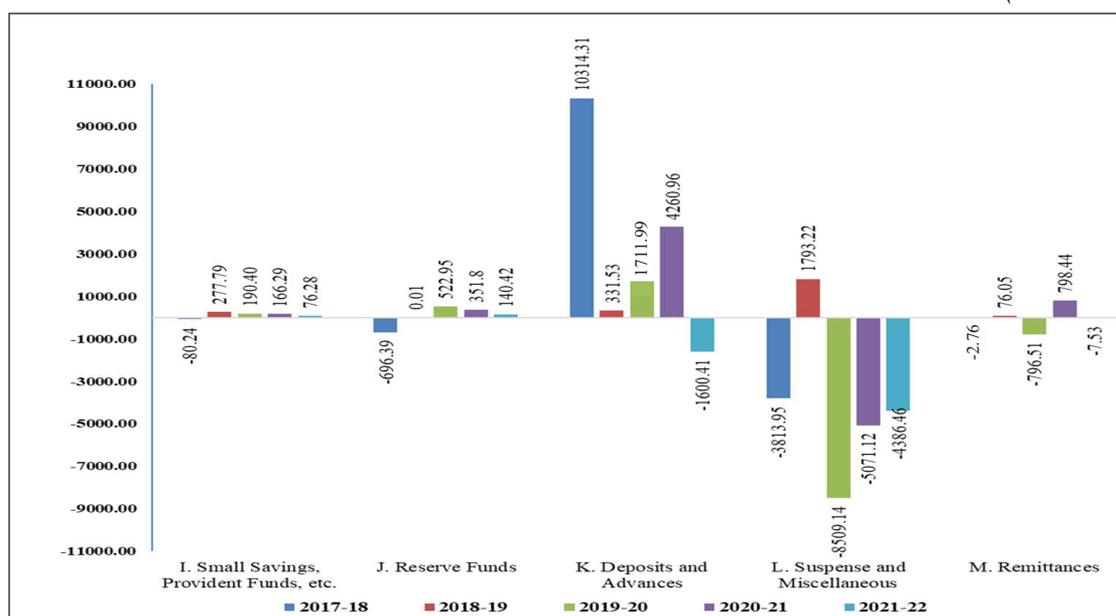
From the above table, it can be seen that during the year 2021-22, net Public Account receipts of ₹ (-) 5,777.71 crore were contributed to the total resources of the State. The major source of net Public Account Payment was suspense and other accounts (₹ (-) 4,386.47 crore) under suspense and miscellaneous.

The outstanding cash balance of the Public Account has increased due to negative balances under suspense and miscellaneous funds particularly shown in the suspense account (civil). Negative figures could not be taken to the final head of expenditure or receipts due to the non-availability of vouchers.

During 2021-22, the State Government received ₹ 523.07 crore for credit to the CAMPA Fund under reserve funds bearing interest. The Government received ₹ 43.64 crore (including ₹ 0.12 crore received in previous year) from National Compensatory Afforestation Deposit during the year. The total balance in the State Compensatory Afforestation Fund as on 31 March 2022 was ₹ 566.71 crore. The State Government did not incur any expenditure out of the fund. Yearly changes in the composition of Public Account balances are depicted in **Chart 2.13**.

Chart 2.13: Yearly changes in the composition of Public Account balances

(₹ in crore)



(Source: Finance Accounts of the respective years)

2.5.2 Reserve Funds

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.

As per the Finance Accounts, the State Government had nine active Reserve Funds (three interest-bearing and six non-interests bearing) at the beginning of the financial year. The total accumulated balance, at the end of 31 March 2022 was ₹ 1,041.49 crore under interest-bearing Reserve Funds and no balance was seen under Reserve fund not bearing interest.

2.5.2.1 Consolidated Sinking Fund (CSF)

Twelfth Finance Commission recommended that States should set up sinking funds for amortisation of all loans including loans from banks, liabilities on account on national small savings fund, etc., and that these funds should not be used for any other purpose, except for the redemption of loans. The guidelines of the Reserve Bank of India (RBI), which is responsible for administering the fund, stipulate a minimum annual contribution of 0.5 per cent of outstanding liabilities at the beginning of the year towards this fund. Further, the entire fund is invested by RBI and the details of investment are given in Statement-22 of Finance Accounts.

The State Government set up a Consolidated Sinking Fund in 2008-09, which was only for amortisation of market loans and from 2014-15 onwards, it was to be utilised for redemption of the outstanding liabilities of the Government. However, it had not been utilised since its inception. The closing balance of the fund, as on 31 March 2022 was ₹ 6,483.43 crore, in which accrued interest as on 31 March 2022 was ₹ 743.31 crore. Due to Covid-19 pandemic, State Government (vide notification no. W.M.-112/2016-845 dated: 16.12.2020), decided not to contribute to Consolidated Sinking Fund during 2021-22. Non-contribution of ₹ 1,135.97 crore towards Consolidated Fund for 2021-22 affected revenue and fiscal deficits to that extent.

2.5.2.2 State Disaster Response Fund

The GoI replaced the erstwhile Calamity Relief Fund with the State Disaster Response Fund (SDRF) with effect from 1 April 2010. In terms of the guidelines of the Fund, the Centre and States are required to contribute to the Fund in a certain proportion. The contributions are to be transferred to the Public Account to Major Head – 8121 and expenditure incurred by operating Major Head – 2245.

The State Governments are required to pay interest to the SDRF at the rate applicable to overdrafts under overdraft Regulation Guidelines of the RBI. The interest is to be credited on a half-yearly basis. The accretions to the SDRF together with the income earned on the investment of SDRF are to be invested in Central Government dated Securities, auctioned Treasury Bills and other interest-earning deposits with Scheduled Commercial Banks.

The SDRF is to be used only for meeting the expenditure for providing immediate relief to the victims of a disaster and the provision for disaster preparedness, restoration,

reconstruction and mitigation should not be a part of SDRF. Such expenditure has to be incurred from normal budgetary heads/ State Plan Funds, *etc.*

During the year 2021-22, Central Government contributed ₹ 1,132.80 crore and State Government contributed ₹ 377.60 crore to SDRF. Grants from National Disaster Response Fund (NDRF) amounting to ₹ 1,255.27 crore were also received. Total funds in SDRF amounted to ₹ 2,765.67 crore (excluding Opening Balance of ₹ 378 crore only). Out of this Fund, State Government incurred an expenditure of ₹ 2,914.60 crore (including transfer of ₹ 378 crore to State Disaster Mitigation Fund) during the year leaving a balance of ₹ 229.06 crore as on 31 March 2022. The State also received ₹ 1,038.96 crore from the Central Government towards NDRF during March 2022 yet to be transferred which resulted in understatement of Revenue deficit and fiscal deficit to that extent.

State Government incurred expenditure of ₹ 2,536.61 crore (under MH 2245-05) towards different entities for immediate repair and restoration of power supply, water supply and other infrastructure. The expenditure was booked under SDRF for 2021-22, against which Utilisation Certificates are yet to be obtained so as to provide assurance that the money was actually been utilised fully and the expenditure was on permitted activities.

2.5.2.3 Guarantee Redemption Fund (GRF)

State Government constituted 'Guarantee Redemption Fund' 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. The accumulations in the Fund are to be utilised only towards payment of the guarantees issued by the Government, against the loans not paid by the institutions, on whose behalf the guarantee was issued.

As per recommendation of 12th Finance Commission, the State Government was required to create a Guarantee Redemption Fund and contribute an amount equivalent to at least 0.5 *per cent* of the outstanding guarantees at the end of the second financial year preceding the current financial year, as reflected in the books of accounts, maintained by the office of the Principal Accountant General (A&E). However, the State Government had neither created a Guarantee Redemption Fund in terms of the recommendations of the 12th Finance Commission, nor framed any rules for fixing a ceiling on guarantees.

As such, the State Government did not make a minimum annual contribution of ₹ 82.04 crore (0.5 *per cent* of outstanding guarantees of ₹ 16,407.71 crore at the beginning of the year 2021-22) in terms of those recommendations. The funds are to be invested by the RBI.

Due to increasing borrowing requirement of State and mounting contingent liabilities, it is desirable to keep adequate buffers to minimise the fiscal stress arising from redemption pressure and unforeseen liabilities. State should maintain the Guarantee Redemption Fund with RBI as a buffer for repayment of their future liabilities. State can also avail special drawing facility at a discounted rate from RBI against incremental funds invested in CSF and GRF.

The State Government has neither created a Guarantee Redemption Fund in terms of the recommendations of the 12th Finance Commission nor framed any rules for fixing a ceiling on guarantees. Due to failure of creation of Guarantee Redemption Fund, State lost the opportunity for Special drawing facility at a discounted rate.

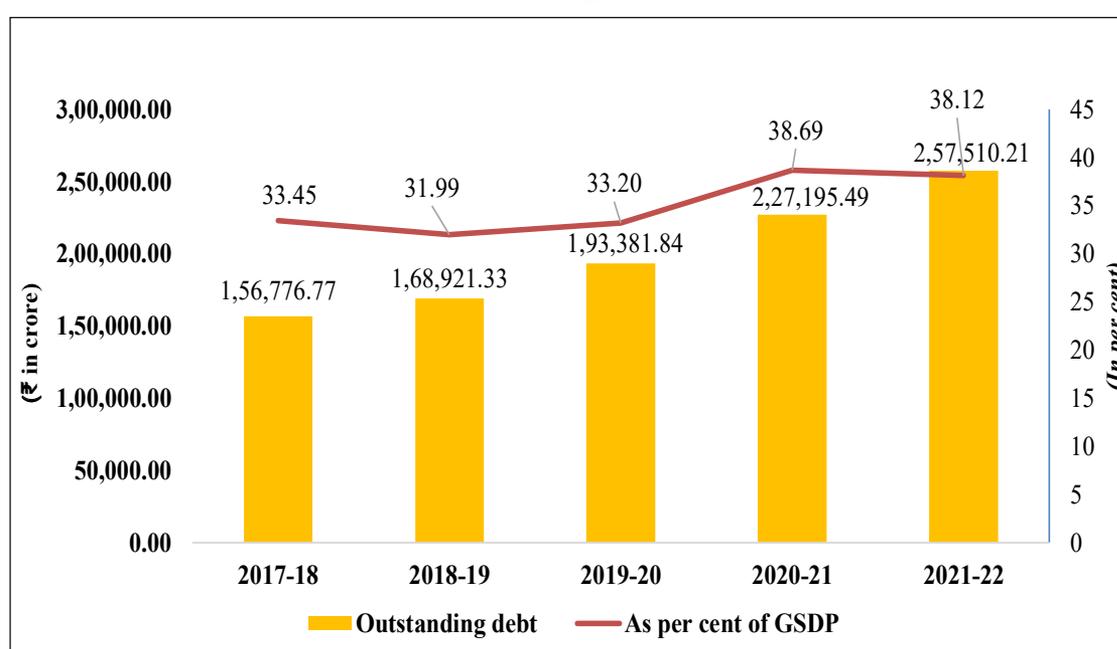
2.6 Debt management

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 meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements.

Outstanding Debt of the State Government (Internal Debt, Loans and Advances from GoI and Public Account Liabilities) as on 31 March 2022 stood at ₹ 2,57,510.21 crore. The Gross Fiscal Deficit (₹ 25,551 crore) increased by ₹ 3,040 crore against the budget estimate (₹ 22,511 crore) in 2021-22. The primary deficit (₹ 11,729 crore) increased over the budget estimate (₹ 7,993 crore) by ₹ 3,736 crore during the same period. The increased deficit was financed through higher borrowing. As a result, the outstanding debt increased from ₹ 2,27,195.50 crore to ₹ 2,57,510.21 crore in 2021-22.

The Outstanding debt increased by 13.34 *per cent* over the preceding year, but lower than the growth of GSDP (15.04 *per cent*). Out of the Outstanding debt of ₹ 2,57,510.21 crore, ₹ 37,816.68 crore carried no interest obligations (Deposits not bearing interest ₹ 37,816.68 crore and Reserve Fund not bearing interest ₹ 0.00 crore), of which ₹ 29,478.66 crore of Cash Balance was available with the State Government. An abstract of liabilities and assets as on 31 March 2022, compared with the corresponding position of last year is given in **Table 1.4**. Trend analysis of outstanding debt of the State is depicted in **Chart 2.14**.

Chart 2.14: Outstanding debt vis-à-vis GSDP



(Source: Finance Accounts & MoSPI of the respective years)

2.6.1 Debt profile: Components

Total debt of the State Government typically constitutes of Internal debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, *etc.*), loans and advances from the Central Government, and Public Account, as detailed in **Table 2.41**.

Table 2.41: Component wise Debt trends

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22	
Outstanding Overall Debt	1,56,776.77	1,68,921.33	1,93,381.85	2,27,195.51	2,57,510.21	
Public Debt	Internal Debt	1,04,524.76	1,14,359.69	1,36,082.09	1,59,557.50	1,82,855.32
	Loans from GoI	10,181.92	11,785.37	12,098.16	17,657.35	26,057.96
Liabilities on Public Account	42,070.09	42,776.27	45,201.6	49,980.66	48,596.93	
Off Budget borrowing	-	-	-	-	1482.50 ⁵	
Rate of growth of outstanding Overall debt (percentage)	13.02	7.75	14.48	17.49	13.34	
Gross State Domestic Product (GSDP)	4,68,746	5,27,976	5,82,516	5,87,154	6,75,448	
Debt/GSDP (<i>per cent</i>)	33.45	31.99	33.20	38.02	37.07 [#]	
Total Debt Receipts	59,412.45	73,806.02	94,193.12	1,08,432.31	1,17,527.57	
Total Debt Repayments	41,357.18	61,661.46	69,732.59	74,618.65	87,212.86	
Total Debt Available	18,055.27	12,144.56	24,460.53	33,813.64	30,314.71	
Debt Repayments/Debt Receipts (percentage)	69.61	83.55	74.03	68.82	74.21	

(Source: Finance Accounts of the respective years & data from MoSPI)

⁵Off budget borrowing is not included in outstanding overall debt.

[#]The Debt to GSDP ratio as per the Finance Accounts is 38.12 per cent. However, the effective debt to GSDP ratio has been arrived at after exclusion of GST compensation of ₹ 7,111.43 crore received as back-to-back loan under debt receipts from the outstanding overall debt.

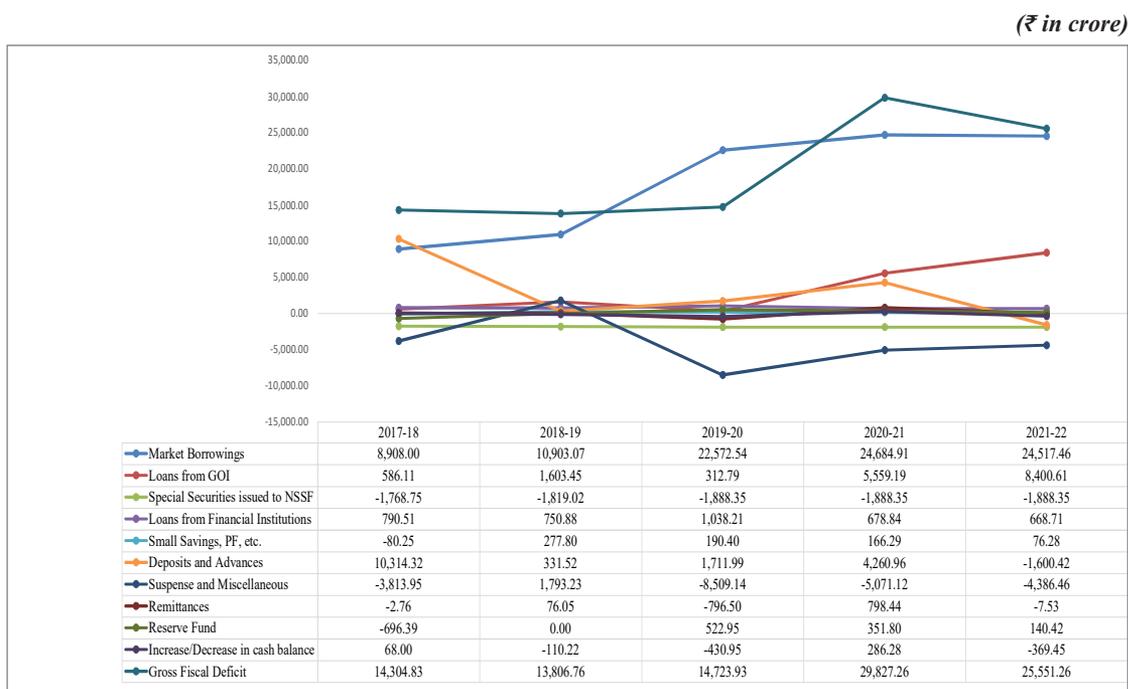
The effective outstanding overall debt would be ₹ 2,50,398.78 crore, as the Department of Expenditure, GoI decided that GST compensation of ₹ 7111.43 crore given to the State as back-to-back loan under debt receipts would not be treated as debt of the State for any norms, which may be prescribed by the Finance Commission.

From the above table it can be seen that:

- ✦ The outstanding debt to GSDP ratio ranged from 31.99 *per cent* to 38.02 *per cent* during 2017-22. The State's overall debt has been increasing for the last five years. The major component was internal debt (71.01 *per cent*) which included market borrowings.
- ✦ The debt to GSDP ratio formulated in BFRBM (Amendment) Act, 2021 was 26.61 *per cent*, whereas indicative debt path of the State with respect to GSDP had been given as 40.20 *per cent* in XVth Finance Commission Report. The State's ratio (38.12) was within the FC limit but far behind the BFRBM limit.
- ✦ The outstanding liabilities of Public Account have decreased from the previous year, which was 7.19 *per cent* of GSDP and 18.87 *per cent* of outstanding overall debt.
- ✦ The outstanding overall debt was growing at the rate of 13.34 *per cent*. During 2021-22 at the negative growth rate over the previous year, the State suffered a

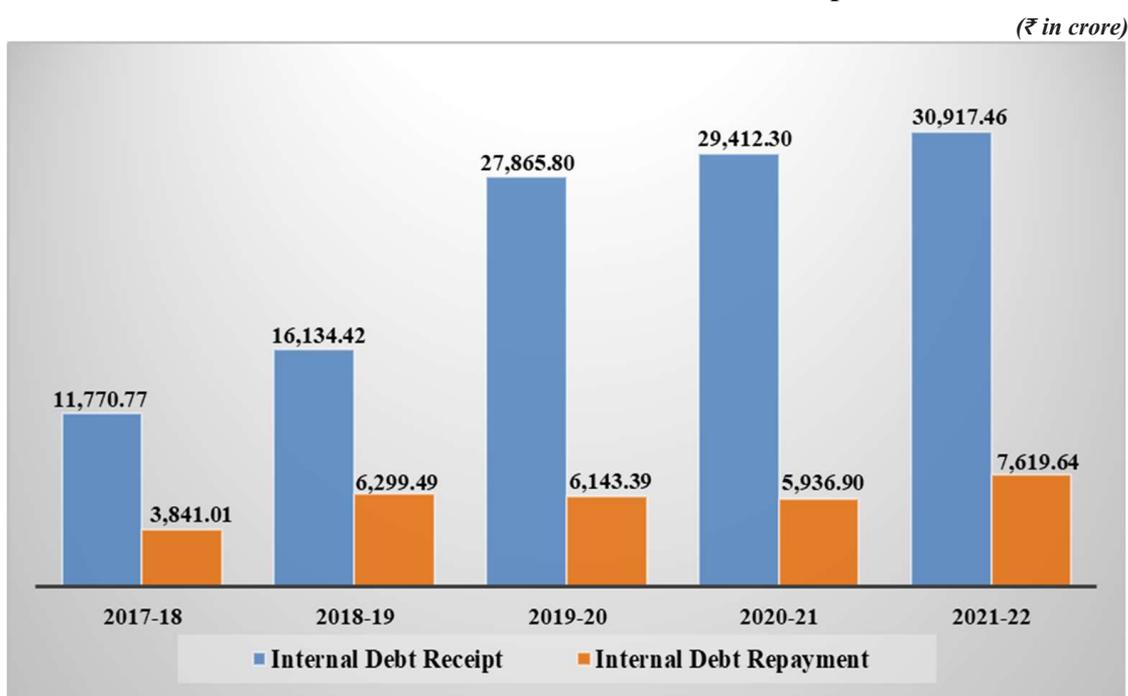
revenue deficit for the third time since 2004-05 and this has been compensated from public debt. The deficit was financed through higher borrowing. As a result, the outstanding debt increased from ₹ 2,27,196 crore in 2020-21 to ₹ 2,57,510 crore in 2021-22.

Chart 2.15: Component wise Debt trends



(Source: Finance Accounts of the respective years)

Chart 2.16: Internal debt taken vis-a-vis repaid



(Source: Finance Accounts of the respective years)

Chart 2.16 shows that internal debt has increased steadily during the period 2017- 22. During 2021-22, internal debt repaid was more by 28.34 per cent whereas internal debt

taken was only 5.12 *per cent* over 2020-21. This led to decrease in the availability of borrowed funds for utilisation out of internal debt.

The above facts indicate that though the situation improved in the current year, it still fell short as compared to utilisation of 32.63 *per cent* of the borrowed funds in 2017-18. The utilisation of current year's borrowings was recorded 24.65 *per cent* only. This implied that a large portion of internal debt, taken in the current year, had been used to repay the debts taken in earlier years. Higher repayment from internal debt led to contraction of productive expenditure.

Fiscal Deficit represents the total financing the State requires (predominantly by drawing on its cash and investment balances with the Reserve Bank of India and by borrowing) to meet the excess of revenue and capital expenditure (including loans and advances) over revenue and non-debt receipts. The composition and financing of fiscal deficit for the period from 2017-18 to 2021-22 has been shown in the table given below:

Table 2.42: 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 (+)/ Deficit (-)	14,823.01	6,896.65	(-1784.13)	(-11,325.11)	(-)422.38
2 Net Capital Expenditure	28,906.95	21,058.25	12,303.90	18,208.60	23,678.29
3 Net Loans and Advances	220.90	(-)354.84	635.90	293.54	1,450.59
Financing Pattern of Fiscal Deficit					
1 Market Borrowings	8,908.00	10,903.07	22,572.54	24,684.91	24,517.46
2 Loans from GoI	586.11	1,603.45	312.79	5,559.19	8,400.61
3 Special Securities issued to NSSF	(-)1,768.75	(-)1,819.02	(-)1,888.35	(-)1,888.35	(-)1,888.35
4 Loans from Financial Institutions	790.51	750.88	1,038.22	678.85	668.71
5 Small Savings, PF, etc.	(-)80.25	277.8	190.40	166.29	76.28
6 Deposits and Advances	10,314.32	331.52	1,711.99	4,260.96	(-)1,600.41
7 Suspense and Miscellaneous	(-)3,813.95	1,793.23	(-)8,509.14	(-)5,071.12	(-)4,386.46
8 Remittances	(-)2.76	76.05	(-)796.50	798.44	(-)7.53
9 Reserve Fund	(-)696.39	0	522.95	351.80	140.42
10 Overall Deficit	14,236.84	13,916.98	15,154.90	29,540.96	25,920.73
11 Increase/Decrease in cash balance	68	(-)110.22	(-)430.95	286.28	(-)369.45
12 Fiscal Deficit	14,304.83	13,806.76	14,723.93	29,827.25	25,551.28

(Source: Finance Accounts of the respective years)

The fiscal deficit target and annual borrowing limit for the year 2021-22 shall be increased by one and half *per cent* over and above the limit prescribed in sub-section 2(b)(1) of section 9 of the BFBRM Act, 2006 (Amendment 2021), through Bihar (Extraordinary) Gazette notification dated 31 March 2021. Fiscal Deficit (FD), both in quantitative terms and in comparison, to GSDP was 3.78 *per cent*, which was within the ceiling of 4.50 *per cent* prescribed by XVth Finance Commission. In the Budget estimates, target for FD was set as 2.97 *per cent*. During 2021-22, Capital expenditure registered a 30.03 *per cent* increase compared to the previous year indicating that the creation of productive assets from the FD was relatively much higher in the current year.

Ideally, market borrowing should be utilised for creation of capital assets through Capital Expenditure. Borrowed funds, used for meeting revenue expenditure, create liability for

future years without creating any assets. It is evident that, substantial amount of market borrowings continued to be committed to finance the deficit on Revenue Account, thereby restricting asset creation in the State. Borrowing to meet Revenue Deficit, year after year would not augur well for State Finances in the long run, since a substantial portion of the interest payment obligation would have to be met in the ensuing years.

2.6.2 Debt profile: Maturity and Repayment

(A) Debt maturity and repayment profile indicated a commitment on the part of the Government for debt repayment or debt servicing.

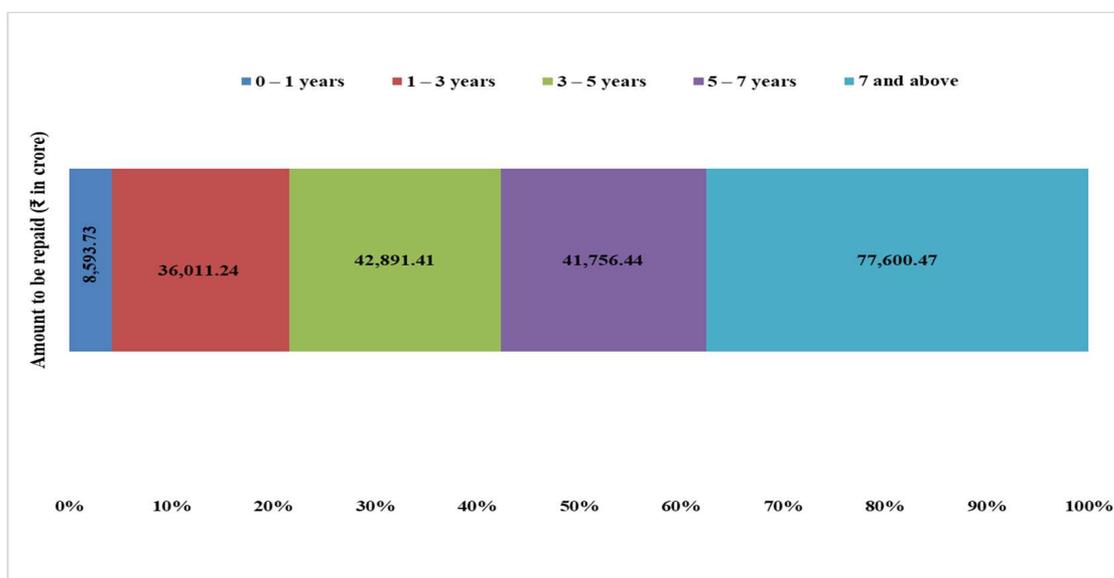
Table 2.43: Debt Maturity profile of repayment of State debt

Period of repayment (Years)	Amount (₹ in crore)	Percentage (w.r.t. Public debt)
0 – 1	8,593.73	4.15
1 – 3	36,011.24	17.41
3 – 5	42,891.41	20.74
5 – 7	41,756.44	20.19
7 and above	77,600.47	37.51
Total	2,06,853.29	100.00

(Source: Finance Accounts for the year 2021-22)

From the above table, it can be noticed that 57.70 per cent of the State's debt is due for five and above years. The maturity profile of the States debt indicates a year-on-year increase in its repayment burden. The debt maturity profile is depicted in **Chart 2.17**.

Chart 2.17: Debt Maturity Profile



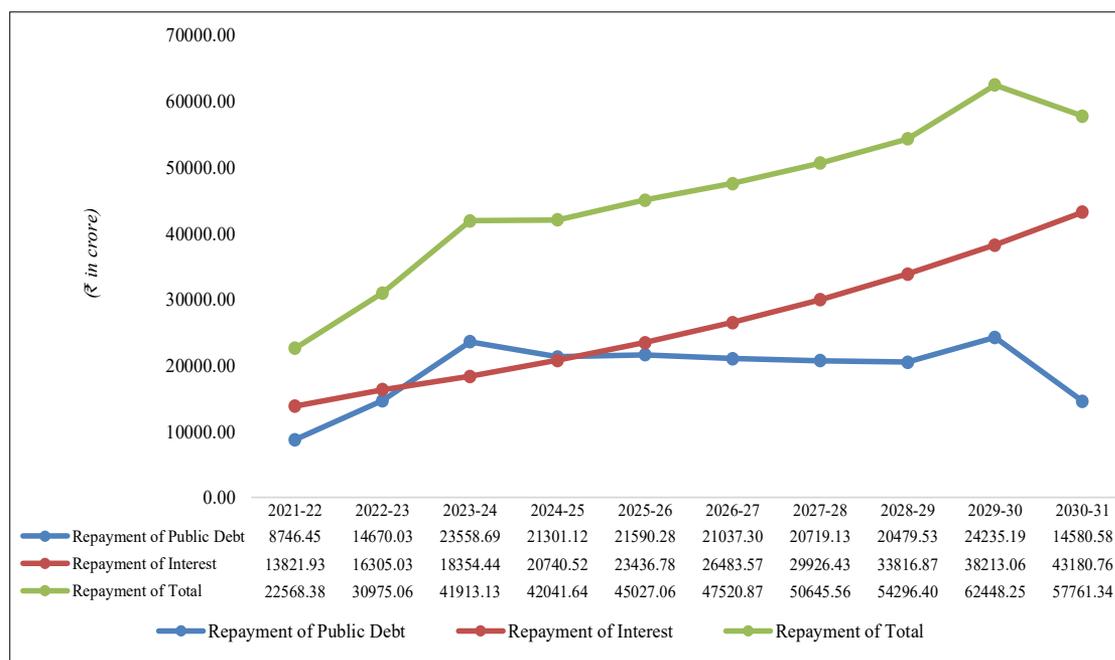
(Source: Finance Accounts for the year 2021-22)

From the debt maturity profile shown above, it is clear that an amount of ₹ 87,496.38 crore is getting due during next five years and the Government has to make provisions for repayment of the same accordingly.

(B) A schedule of future payment obligations is reasonably prepared from borrowing agreements. Public Debt Schedule includes the State's ability to monitor the maturity of the debt and make decisions based on it, such as the possibility of refinancing the debt

through a different source. It indicates a commitment on the part of the Government for repayment of public debt and their interest on outstanding debt stock in the future years, on the present debt liabilities. Trend of repayment of debt and interest in next 10 years is shown in **Chart 2.18** below.

Chart 2.18: Trends of repayment of Debt and Interest



(Source: Finance Department, Government of Bihar)

The repayment of interest profile of the State indicates a year-to-year increase in next 10 years, but repayment of debt is depicting a mix trend. It shows that the states borrowing requirement may go up in the same trend. The State requires to conduct Fiscal Risk Analysis and Stress-Test of its debt profiles regularly, to be able to put in place provisioning and other specific risk mitigation strategies to manage fiscal risks efficiently.

2.6.3 Debt Sustainability Analysis (DSA)

Debt sustainability indicates the ability of the State to service its debts in the future. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to maintain balance between costs of additional borrowings with returns from such borrowings. Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine the debt sustainability of the State. **Table 2.44** presents indicators of debt sustainability for the period 2017-22.

Table 2.44: Trends in debt Sustainability indicators*(₹ in crore)*

Debt Sustainability Indicators	2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding Public Debt*	1,14,706.68	1,26,145.06	1,48,180.25	1,77,214.85	2,08,913.28
Rate of Growth of Outstanding Public Debt	8.02	9.97	17.47	19.59	17.89
GSDP	4,68,746	5,27,976	5,82,516	5,87,154	6,75,448
Rate of Growth of GSDP	11.33	12.64	10.33	0.80	15.04
Debt/GSDP	24.47	23.89	25.44	30.18	30.93
The debt Maturity profile of repayment of State debt – including default history, if any	4,653.55	7,229.82	7,109.83	6,880.47	8,746.47
Average interest Rate of Outstanding Public Debt (<i>per cent</i>)	7.73	7.68	7.58	7.67	7.16
Percentage of Interest payment to Revenue Receipt	7.27	7.02	8.37	9.74	8.70
Percentage of Debt Repayment to Debt Receipt	35.34	38.73	24.39	19.16	21.63
Net Debt available to the State#	(-) 24.97	2,190.02	11,631.63	17,446.64	19,030.05
Net Debt available as <i>per cent</i> to Debt Receipts	(-) 0.19	11.73	39.91	48.58	47.05
Interest Spread	3.60	4.96	2.75	(-) 6.87	7.88
Quantum Spread	4,129.44	6,256.79	4,074.96	(-)12,174.66	16,462.37
Primary Deficit	(-)5,251	(-)3,736	(-)3,733	(-)17,343	(-)11,729.33
Debt Stabilisation (Quantum spread + Primary Deficit)	(-)1,121.56	2,520.79	341.96	(-)29,517.66	4,733.04

(Source: Finance Accounts of the respective years)

* *Outstanding Public Debt is the sum of outstanding balances under the heads 6003-Internal Debt and 6004-Loans and Advances from the Central Government.*

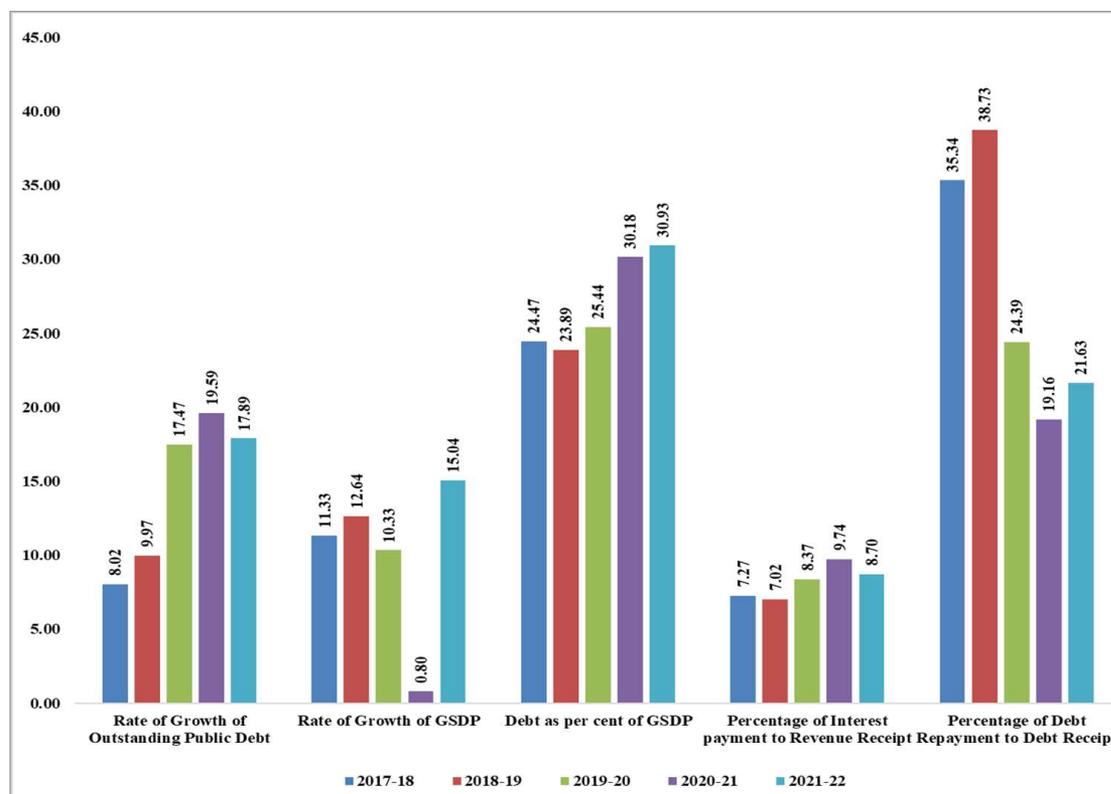
Net debt available to the State Government is calculated as the excess of Public Debt receipts over Public Debt repayment and interest payment on Public Debt.

A necessary condition for stability is that if the rate of growth of the 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 Interest Spread (GSDP growth – interest rate) and Quantum Spread (Debt x Interest spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, the 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, the debt-GSDP ratio would eventually be falling. Further, if quantum spread is in positive and primary deficit is in negative but get correction over the previous year, it means debt stability is going to be in positive track.

It can be seen from **Table 2.44** that during the last five years, except for 2020-21, in all the four years rate of growth of the economy (rate of growth of GSDP) exceeded the interest rate or cost of public borrowings. Though primary deficit remained negative resulting in non-fulfilment of the necessary condition of debt stabilisation but got correction after pandemic. Quantum spread is in positive due to rate of growth of GSDP, which was much higher than average interest rate of outstanding public debt. If the quantum

spread *vis-à-vis* primary deficit continues to be positive, it might result in debt stabilisation in the ensuing years. Details of trends of debt sustainability indicators are depicted in **Chart 2.19**.

Chart 2.19: Trends of Debt Sustainability indicators



(Source: Finance Accounts of the respective years)

Above chart reveals that the percentage of debt repayment to debt receipt has increased marginally from the previous year, which indicates that the State has marginally less debt funds at its disposal and this liquidity of the funds could be utilised for other purposes. The growth rate of public debt is higher than the growth rate of GSDP during the year.

2.6.4 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund 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 is shown in **Table 2.45** below:

Table 2.45: Utilisation of borrowed funds

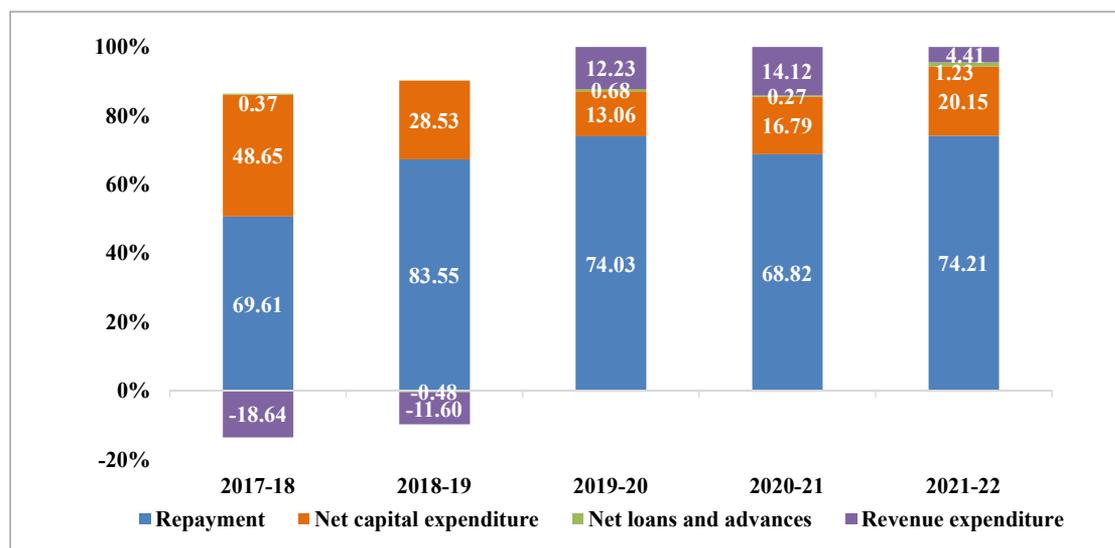
(₹ in crore)

Particulars		2017-18	2018-19	2019-20	2020-21	2021-22
Total Borrowings during the year	2	59,412.45	73,806.02	94,193.12	1,08,432.31	1,17,527.57
Repayment of earlier borrowings (Principal)	3	41,357.18	61,661.46	69,732.59	74,618.65	87,212.86
Net capital expenditure	4	28,906.95	21,058.25	12,303.90	18,208.60	23,678.29
Net loans and advances	5	220.90	(-354.84)	635.90	293.54	1,450.59
Portion of Revenue expenditure met out of net available borrowings	6 = 2-3-4-5	(-) 11,072.58	(-) 8,558.85	11,520.73	15,311.52	5,185.83

(Source: Finance Accounts of the respective years)

From the above table, it can be seen that State's major part of total borrowings (more than 94 *per cent*) has been spent for repayment of earlier borrowings and on capital expenditure. But, during 2021-22, an amount of ₹ 5,185.83 crore (4.41 *per cent* of total borrowing during the year) has been spent on revenue expenditure met out of net available borrowings. Trends of utilisation of borrowed funds are depicted in **Chart 2.20**.

Chart 2.20: Trends of Utilisation of borrowed funds



(Source: Finance Accounts of the respective years)

It is evident from **Chart 2.20**, that more than 68 *per cent* of the State debt is being spent for repayment of previous debts for the last five years and during the current year it has increased over the previous year by ₹ 12,594.21 crore. This leaves little room for utilisation of borrowed funds for capital expenditure. This is also in violation of the Para 7 (2) (ii) of FRBM Act 2006, wherein it is mentioned that the borrowed fund should be utilised for generating productive assets, but State has utilised only 20 *per cent* of borrowed fund for productive assets. The graph shows an increasing trend of using borrowed funds for capital expenditure from the year 2019-20, but still much less than the expenditure made in 2017-18 on capital creation. For the year 2021-22, 4.41 *per cent* of the borrowed funds had been utilised as revenue expenditure in light of the State's revenue deficit.

2.6.5 Status of Guarantees – Contingent Liabilities

Guarantees are contingent liabilities on the Consolidated Fund of the State, in case of default by the borrower for whom the guarantee has been extended.

In order to enable SPSEs to obtain financial assistance from banks and financial institutions, the State government gives a guarantee subject to limits prescribed under Article 293 of the Constitution of India. A guarantee fee is charged for extending such types of guarantee. The SPSEs are liable to pay a guarantee fee at 1/8 *per cent* annually on the guarantee amount of more than ₹ 10 lakh. Guarantees given by the GoB during last five years are shown in **Table 2.46**.

Table 2.46: Guarantees given by the State Government

	2017-18	2018-19	2019-20	2020-21	2021-22
Ceiling applicable to the outstanding amount of guarantees including interest (Criteria)	20,581.52	21,181.52	21,181.52	25,113.74	37,631.92
Outstanding amount of guarantees including interest	5,271.70	5,501.86	5,484.56	16,407.71	25,069.78

(Source: Finance Accounts of the respective years)

The outstanding amount guaranteed in the year 2021-22 comprised of power (₹ 12,840.67 crore), Co-operatives (₹ 4,146.19 crore), Bihar State Food and Civil Supplies Corporation (₹ 7,900.55 crore), Bihar State Warehousing Corporation (₹ 119.28 crore), Bihar State Backward Class Finance and Development Corporation (₹ 32.52 crore) and Bihar state Minorities Finance Corporation (₹ 30.00 crore).

It was observed that there was no clause in the guarantee deed for the recovery of the guarantee fee and GoB also did not claim the guarantee fee from the SPSEs. Guarantee fee amounting to ₹ 8.69 crore was receivable from only one company (Bihar State Food and Civil Supplies Corporation) in 2021-22. Further scrutiny of the guarantee extended to SPSEs during the last five years revealed that most of the guarantees were provided to Power sector, but no fee was received either from Power sector SPSEs or from non-power sector SPSEs, except Bihar State Food and Civil supplies. During the last five years guarantee fee of only ₹ 8.19 crore was received from PSUs against ₹ 46.60 crore (1/8 per cent) due for guarantees given. Hence, there was short receipt of guarantee fee from PSUs by ₹ 38.41 crore. Non-receipt of guarantee fee lead to short revenue collection of the state government to that extent.

State Government provided substantial guarantees for the borrowings of DISCOMs from financial institutions. Given that State Government is guarantor, these resultant contingent liabilities are a risk to State finances, owing to the large outstanding debt and rising/continued losses of DISCOMs.

2.7 Management of Cash Balances

As per an agreement with the Reserve Bank of India, the State Government has to maintain a minimum daily cash balance of ₹ 1.73 crore 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 is revised by the RBI from time to time. From 1 April 2006, the limit was restricted to ₹ 425.00 crore.

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 Major head '0049-Interest Receipts'. The cash balances are invested in the Consolidated Sinking Fund and Guarantee Redemption Fund as well.

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. Details of Cash Balances and their investment and Cash Balance Investment Accounts are shown in **Table 2.47** and **2.48** respectively.

Table 2.47: Cash Balances and their investment

(₹ in crore)

	Closing balance on 31 March 2021	Closing balance on 31 March 2022
A. General Cash Balance		
Cash in treasuries	-	-
Deposits with Reserve Bank of India	301.79	671.24
Deposits with other Banks	-	-
Remittances in transit – Local	-	-
Investments held in Cash Balance investment account	17,826.65	22,070.25
Total (A)	18,128.44	22,741.49
B. Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works, Forest Officers	234.65	234.65
Permanent advances for contingent expenditure with department officers	761.43	762.40
Investment in earmarked funds	5,740.12	5,740.12
Total (B)	6,736.20	6,737.17
Total (A + B)	24,864.64	29,478.66
Interest realised	174.57	189.70

(Source: Finance Accounts for the year 2021-22)

This indicates that the State had maintained a large Cash Balance on regular basis, while being a fiscal deficit State at the same time.

- ✦ The balance under the head 'Deposit with RBI' is arrived after taking into account the Inter-Government monetary settlement pertaining to transactions of the financial year 2021-22 advised to the RBI till 11 April 2022.
- ✦ The Government invested cash balances amounting to ₹ 22,065.60 crore in securities of GoI and ₹ 4.65 crore in securities of other States. On these investments, the Government earned interest of ₹ 189.70 crore during the year.
- ✦ The Government has maintained the cash balance without taking any advances throughout the financial year 2021-22 and it increased by ₹ 369.45 crore from the previous year.

Details of Cash Balance Investment Account from 2017-18 to 2021-22 are depicted in **Table 2.48**.

Table 2.48: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

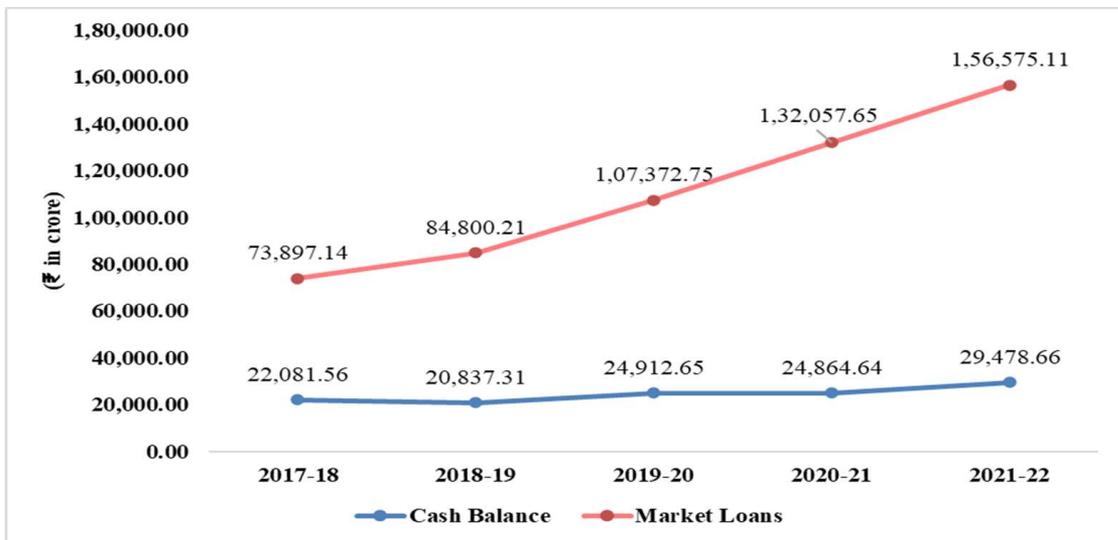
Year	Opening Balance	Closing Balance	Increase (+)/ decrease (-)	Interest earned
2017-18	13,001.71	17,395.63	4,393.92	799.82
2018-19	17,395.63	14,791.80	(-)2,603.83	909.08
2019-20	14,791.80	17,588.74	2,796.94	938.84
2020-21	17,588.74	17,826.65	237.91	174.57
2021-22	17,826.65	22,070.25	4,243.60	189.70

(Source: Finance Accounts of the respective years)

- ✦ Trend analysis of the cash balance investment of the State during 2017-22 revealed that investment increased significantly in 2021-22 and stood at 9.57 per cent of the Budget Estimates (Receipt).
- ✦ Market loans were taken at higher interest rates whereas investment in treasury bills yielded interests at lower rates. Investment in securities realised before maturity was the reason for earning less interest during the year.

Year-wise Market loan raised *vis-à-vis* cash balance available in the cash balance investment account for the years from 2017-18 to 2021-22 is compared in **Chart 2.21**.

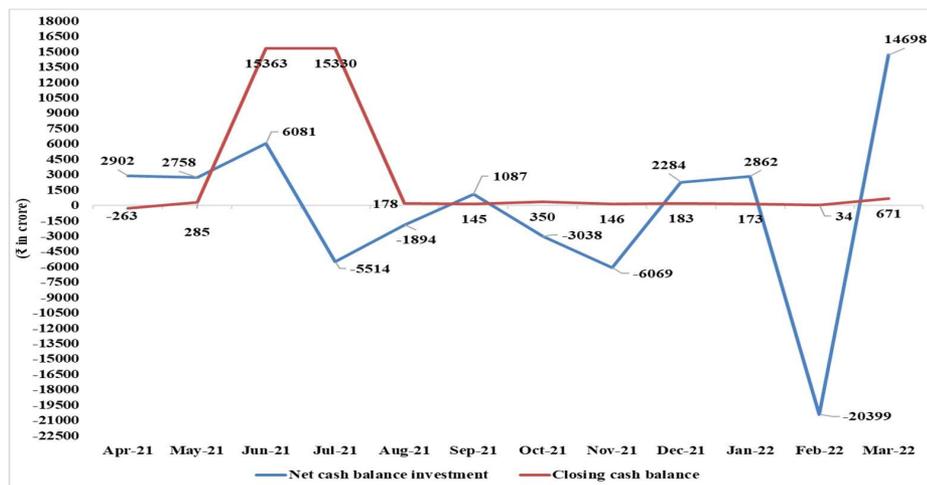
Chart 2.21: Market loans vis-à-vis Cash Balance



(Source: Finance Accounts of the respective years)

The Government took recourse to market loans despite having a closing balance of ₹ 22,070.25 crore in the Cash Balance investment account. The market loan for this year was ₹ 24,517.46 crore. It is worth mentioning that the amount in Cash Balance Investment Account is cumulative. Month-wise cash balance available *vis-à-vis* cash balance invested in cash balance investment account is shown in **Chart 2.22**.

Chart 2.22: Month-wise movement of Cash Balances and net Cash Balance investments during the year



(Source: Monthly Civil Accounts for the year 2021-22)

- ✦ From the above chart it can be observed that the majority of funds were blocked in the month of June 2021 and July 2021 in cash balance which means neither GoB utilised the amount nor transferred to cash balance investment account. Further, if these funds were transferred to cash balance investment account, the GoB would have definitely benefited by way of earning interest on unutilised amount.
- ✦ During the month of February 2022, a major withdrawal was observed in cash balance investment account resulting in negative balance in the account (₹ (-) 20,399 crore).
- ✦ Since the major chunk (₹ 46,060.53 crore) of the funds were received in the form of Share of Union Taxes/duties from GoI in the month of March 2022 (72.19 per cent of total revenue recorded in the month of March 2022). This resulted into positive cash balance investment account.

2.8 Conclusion

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

Positive indicators	Negative indicators
Fiscal Deficit was well within the limit of the XV th FC projection	Increasing debt to GSDP ratio beyond FRBM Act ceiling.
Increase in the State's own resources (tax and non-tax revenue) by a slight margin.	Worsening debt sustainability indicators
Increase in the share of union taxes from the Government of India.	Non-contribution of fund in Consolidated Sinking Fund
Increase in the Cash Balance Investment Account.	Non-creation of Guarantee Redemption Fund.
	Increasing committed expenditure
	Holding of Cash Balances

2.9 Recommendations

The Finance Department needs to:

- review the budget preparation exercise, so that the persisting gap between budget estimates and actual may be bridged.
- devise a mechanism to ensure that arrears of revenue can be collected expeditiously so that the burden of the State due to fiscal deficit may be mitigated.
- ensure that employee's deductions are fully deducted, fully matched by government contributions, and fully transferred to NSDL in a timely manner.
- put in place a mechanism to ensure the timely completion of projects. The revised estimates of all the incomplete projects should be prepared and approved on priority, so as to have a realistic assessment of the funds required to complete these projects.
- take adequate steps to improve the financial health of the SPSEs.
- restructure the loans so that interest payment falls within the budgeted fiscal deficit target.

CHAPTER III
BUDGETARY MANAGEMENT

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. It also contains a detailed analysis of other specific budget together with the Achievement Report.

3.1 Budget Process

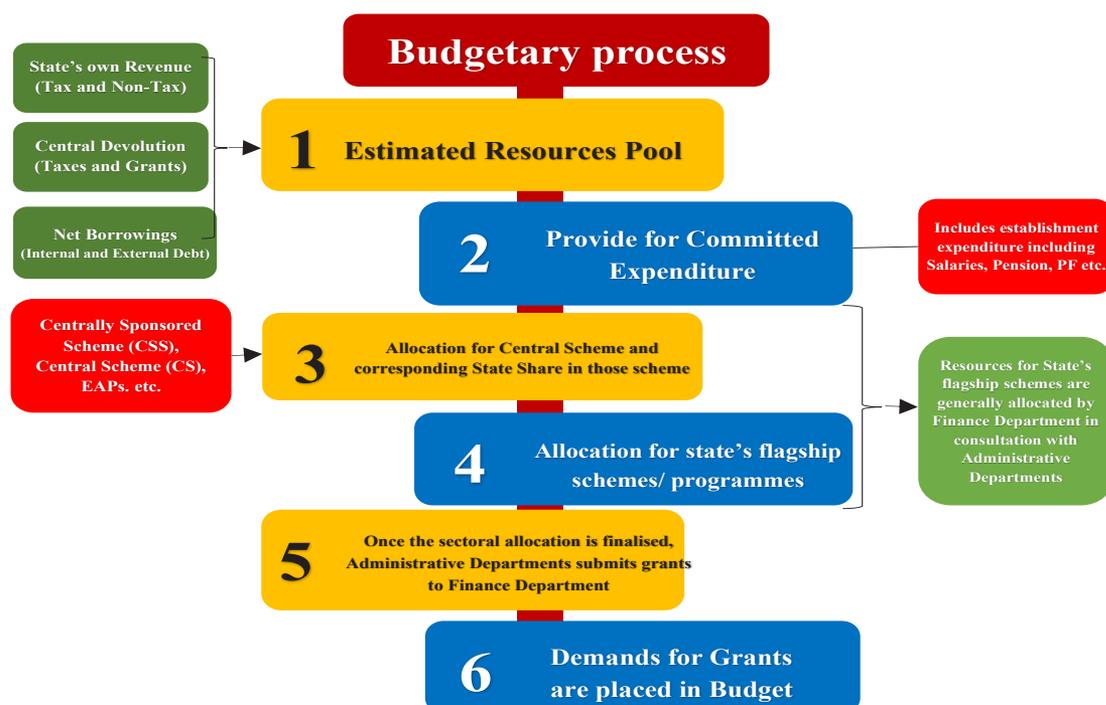
The annual exercise of budgeting is a means for detailing the road map for efficient use of public resources. The budget process commences with the issuance of the budget circular by the Finance Department containing instructions, to be followed by all Departments, in the preparation of revised estimates for the current year and the Budget Estimates for the next financial year. This takes place, normally in August-September each year as prescribed in the Bihar Budget Manual.

The State initiated a project for seamless integration of all financial activities in the form of Comprehensive Financial Management System (CFMS) from 01 April 2019, which replaced the Comprehensive Treasury Management Information System (CTMIS). Budget Preparation is one of the sub-modules of Budget Management under CFMS. However, the State did not revise Bihar Treasury Code to synchronise it with the CFMS era of accounting and authorised the Finance Department to issue guidelines in this regard in the form of circulars, till a comprehensive amendment of the Bihar Treasury Code is notified.

Legislative authorisation is the *sine qua non* for the incurrence of all expenditure by the State Government. The State Government has framed financial rules and provided for delegation of financial powers for the incurrence of expenditure and the levels authorised to sanction such expenditure together with restrictions on appropriation and re-appropriations. Apart from supplementary grants, Re-appropriation can also be used to re-allocate funds within a Grant. Review of Budget process in two Departments are discussed in subsequent paras.

A typical budget preparation process in a State is given in **Chart 3.1:**

Chart 3.1: Budgetary Process



3.2 Appropriation Accounts

Appropriation Accounts depict the original budget provision, supplementary grants, surrenders, savings, 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 the utilisation of funds, the management of finances and monitoring of budgetary provisions.

Audit of appropriation accounts 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 Summary of total provisions, actual disbursements, and savings during the financial year

A summarised position of total budget provisions, disbursements, and savings with its further bifurcation into voted and charged is as under:

Table 3.1: Budget provisions, disbursements and savings during 2021-22

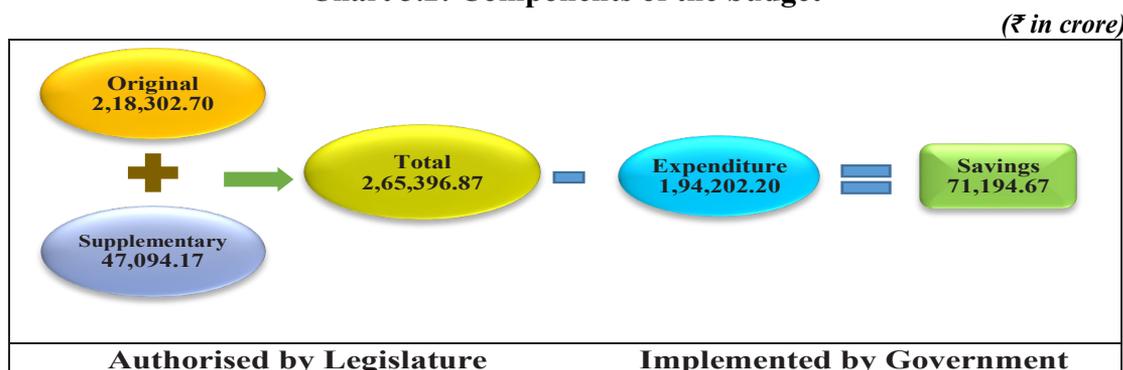
(₹ in crore)

	Total Budget Provisions		Disbursements		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	1,99,249.30	14,823.31	1,46,154.88	14,059.86	53,094.42	763.45
Capital	42,229.83	9,094.43	25,240.99	8,746.47	16,988.84	347.96
Total	2,41,479.13	23,917.74	1,71,395.87	22,806.33	70,083.26	1,111.41
	2,65,396.87		1,94,202.20		71,194.67	

(Source: Detailed Appropriation Accounts for the year 2021-22)

The various components of the budget are depicted in the chart below:

Chart 3.2: Components of the budget



(Source: Detailed Appropriation Accounts for the year 2021-22)

Total expenditure of ₹ 1,94,202.20 crore incurred is understated by net amount of ₹ 321.42 crore (overstated by ₹ 2,063.14 crore due to clearance of O.B. suspense amount placed in previous years and understated by ₹ 2,384.56 crore, as this amount is placed under OB Suspense in F.Y. 2021-22).

As evident from above chart, the State Government incurred expenditure of 73.17 per cent (4.78 per cent more than FY 2020-21) against the total provision during 2021-22, resulting in saving of 26.83 per cent, which indicates poor budget preparation. The supplementary provision (₹ 47,094.17 crore) became completely unnecessary, as the expenditure was not even up to the level of original provision. While accepting the audit observation, the Finance Department stated that savings were not in terms of real money but in term of Budget Provisions.

Further, in the process of preparation of the main budget for the year 2021-22, State Government prepared some Specific Budgets i.e., Outcome Budget, Gender Budget, Child Welfare Budget, and Green Budget.

These budgets were analysed with respect to each other, and the Approved Appropriation Accounts and results thereof are discussed in the subsequent paragraphs of this report.

3.2.2 Charged and Voted disbursements

Break-up of total disbursements into charged and voted during the last five years (from 2017-18 to 2021-22) is depicted in **Table 3.2**.

Table 3.2: Charged and Voted Expenditure during 2017-18 to 2021-22

(₹ in crore)

Year	Total Budget Provisions		Disbursements		Savings/Excess		Savings against Total Provisions (Per cent)	
	Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
2017-18	1,72,021.43	15,322.52	1,26,263.69	14,683.63	45,757.76	638.90	26.60	4.17
2018-19	1,90,375.36	19,114.48	1,42,022.79	18,294.88	48,352.56	819.60	25.40	4.29
2019-20	2,08,629.14	19,858.04	1,30,506.24	19,135.68	78,122.90	722.36	37.45	3.64
2020-21	2,24,274.43	21,248.16	1,48,348.42	19,566.98	75,926.04	1,681.18	33.85	7.91
2021-22	2,41,479.13	23,917.74	1,71,395.87	22,806.33	70,083.26	1,111.41	29.02	4.65

(Source: Appropriation Accounts for respective years)

The overall savings of ₹ 71,194.67 crore during 2021-22 were more than 1.51 times the size of the supplementary budget of ₹ 47,094.17 crore, obtained during the year.

Large amount of savings in allotted funds indicated both inaccurate assessment of requirement as well as inadequate capacity to utilise the funds for intended purpose.

3.3 Integrity of Budgetary and accounting process

Integrity of the Budget means, “public funds are being spent properly and according to the interest of the public”. The budget must be credible, and the information contained in the fiscal and financial report must be reliable. Budget integrity and accountability would ultimately depend on the capacity of the Department to programme the expenditure realistically, implement their programmes and schemes timely and efficiently.

3.3.1 Transfers not mandated by the Appropriation Act/Detailed Demands for Grants (into Public Account/ Bank Accounts)

It was seen that provisions of funds in budget have been made and referred to the Administrative Department by the Finance Department for expenditure. The Department then draws the entire amount provisioned and deposits it in public account for further payment/execution even if it is not required for immediate use.

It was observed that in 152 schemes under 22 Grants/ Departments, ₹ 13,802.79 crore (drawal above ₹100 crore is detailed in *Appendix 3.1*) drawn during the year, were transferred/deposited in public account. It was also noticed that out of the total expenditure, 50 per cent of the capital expenditure, seven per cent of the expenditure under loans and advances and eight per cent of the revenue expenditure were deposited in Civil Deposit and Deposits of Local Funds. Details of Heads by which funds were transferred to Deposit Account (MH-8448 and 8443) are shown in **Table 3.3**.

Table 3.3: Details of funds transferred to Major Heads 8443 and 8448

(₹ in crore)

Head	Transferred to MH-8448			Transferred to MH-8443		
	2019-20	2020-21	2021-22	2019-20	2020-21	2021-22
Receipt	76.67	276.69	325.57	0	0	0.05
Revenue Expenditure	8,456.84	11,876.36	12,454.01	248.79	538.88	435.82
Capital Expenditure	11,485.31	9,166.60	10,564.51	893.12	1,330.20	1,394.31
Loans & Advances	609.38	605.79	731.48	0	0	0
Total	20,628.20	21,925.44	24,075.57	1,141.91	1,869.08	1,830.18

(Source: VLC data)

Apart from above, information was called for from all Grant Controlling Officers about the funds transferred to DDO's Bank Account, if any. Out of 51 grants of GoB, status/report was submitted by only 15¹⁹ grants Controlling Officers and it was found that ₹ 630.29 crore were transferred to DDO's Bank Accounts by five grants controlling

¹⁹ (Sl. No. of grant) Name of grants/departments: 1. (05) Secretariat of The Governor, 2. (10) Energy, 3. (12) Finance, 4. (13) Interest Payment, 5. (14) Repayment of Loans, 6. (15) Pension, 7. (24) Information and Public Relation, 8. (28) High Court of Bihar, 9. (30) Minorities Welfare, 10. (31) Parliamentary Affairs, 11. (32) Legislature, 12. (34) Bihar Public Service Commission, 13. (38) Prohibition, Excise and Registration, 14. (39) Disaster Management, and 15. (48) Urban Development and Housing.

officer and 10²⁰ other grants reported “nil” balance. It is worth noting that Energy Department (Grant No.10) alone had ₹ 543.70 crore in saving/current accounts. Details of closing balance as on 31 March 2022 is shown in the **Table 3.4** below:

Table 3.4: Details of funds transferred to DDO’s Bank Account

(₹ in crore)

Sl. No.	Grant number	Name of the Department	Balance as on 31 st March 2022
1	10	Energy	543.70
2	30	Minority Welfare	76.02
3	31	Parliamentary Affairs	3.08
4	34	Bihar Public Service Commission	2.76
5	39	Disaster Management	4.73
Total			630.29

(Source: Respective departments of GoB)

Transfer of funds from the Consolidated Fund to Bank Accounts/Public Account heads of the State not authorised through the Appropriation Act leads to parking of funds. This also depicts an inflated picture of the expenditure incurred and understates figures of receipts of the State Government during that financial year.

3.3.2 Unnecessary or excess supplementary grants

As per article 205 of the constitution of India, a Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year can be made during the current financial year.

When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the Grant to cover the excess expenditure by Re-Appropriation, the Secretary in the Department concerned proposes to the Finance Department for Supplementary or Additional Grant or Appropriation, which is subsequently approved by the legislature through Supplementary Budget.

During 2021-22, in 45 cases (38 grants/appropriations), supplementary provisions amounting to ₹ 28,674.33 crore (₹ 1 crore or more in each case) proved unnecessary and remained fully unutilised, as the expenditure (₹ 1,17,957.57 crore) had not been recorded even up to the level of the original provisions (₹ 1,45,097.60 crore), as detailed in **Appendix 3.2**.

However, in five significant cases where supplementary provision of ₹ 23,033.00 crore (₹ 1,000 crore and above in each case) proved unnecessary are shown in **Table 3.5** below:

²⁰ (Sl. No. of grant) Name of grants/departments: 1. (05) Secretariat of The Governor, 2. (12) Finance, 3. (13) Interest Payment, 4. (14) Repayment of Loans, 5. (15) Pension, 6. (24) Information and Public Relation, 7. (28) High Court of Bihar, 8. (32) Legislature, 9. (38) Prohibition, Excise and Registration, and 10. (48) Urban Development and Housing.

**Table 3.5: Cases where supplementary provisions proved unnecessary
(₹ 1,000 crore or more in each case)**

(₹ in crore)

Sl. No.	No. and Name of the Grant	Original Provisions	Supplementary Provisions	Expenditure incurred	Savings out of the Original Provisions
1	2	3	4	5	6 (3-5)
Revenue (Voted)					
1	16-Panchayati Raj Department	9,223.93	4,000.94	8,057.26	1,166.67
2	21-Education Department	36,971.29	8,943.67	33,373.28	3,598.01
3	42-Rural Development Department	16,784.66	6,386.12	13,994.68	2,789.98
4	48-Urban Development and Housing Department	7,617.13	2,414.49	5,883.84	1,733.29
Capital (Voted)					
1.	37-Rural Works Department	7,188.00	1,287.78	3,755.69	3,432.31
Total		77,785.00	23,033.00	65,064.75	12,720.26

(Source: Appropriation Accounts for the year 2021-22)

Audit analysed the necessity of supplementary budgets and observed that expenditure incurred ranged from 6.85 to 33.65 per cent till 1st supplementary provision (July 2021), 10.61 to 43.83 per cent till 2nd supplementary provision (November 2021) and 45.61 to 71.26 per cent till 3rd supplementary provision (March 2022) against the original provision in the concerned Grants as shown in the following table:

Table 3.6: Supplementary provision proved unnecessary

(₹ in crore)

Grant No.	Original Provision (OP)	Expenditure up to June 2021	Exp against the OP (in per cent)	1 st Supplementary (July 2021)	Expenditure upto October 2021	Exp of OP (in per cent)	2 nd Supplementary (NOV 2021)	Expenditure upto February 2022	Exp of OP in per cent	3 rd Supplementary (March 2022)
16	9,544.93	917.16	9.61	182.00	2,366.16	24.79	3,174.72	4,353.35	45.61	644.22
21	38,035.93	5,819.84	15.30	1,144.89	14,199.52	37.33	7,744.02	27,104.72	71.26	54.77
37	9,424.13	1,626.22	17.26	120.00	2,244.08	23.81	887.78	4,826.31	51.21	400.06
42	16,835.67	5,665.67	33.65	2,780.59	7,379.91	43.83	54.54	8,579.24	50.96	3,551.00
48	7,767.13	531.72	6.85	641.28	824.05	10.61	2,853.17	4,719.20	60.76	320.04
81,607.79		14,560.60		4,868.76	27,013.72		14,714.23	49,582.83		4,970.09

(Source: Appropriation Accounts and Monthly Expenditure Report)

Injudicious allocation of supplementary budget to several grants, despite having savings against original allocation, resulted in paucity of funds for other departments, as evident from accumulation of liability at the end of financial year and a large number of incomplete schemes.

3.3.3 Unnecessary and Excess 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. The Government is thus allowed to re-appropriate provisions from one unit of appropriation to another within the same Grant, altering the destination of an original provision for one purpose to another, subject to the limits and restrictions laid down.

Scrutiny of the detailed appropriation accounts for the year 2021-22 revealed that:

- ✦ Re-appropriation of ₹ 326.25 crore in 74 cases under 27 grants/ appropriations, proved unnecessary (re-appropriation not required), as final savings (more than ₹ 50 lakh in each case) were ₹ 1,135.18 crore (*Appendix 3.3*).
- ✦ An amount of ₹ 2,416.41 crore provided through re-appropriation in 23 cases under 14 grants/ appropriations, proved excess (amount re-appropriated was more than what was actually required) in view of savings (more than ₹ 50 lakh in each case) of ₹ 395.32 crore (*Appendix 3.4*). This indicates injudicious re-appropriation without assessing actual requirements.
- ✦ In 10 cases under three grants/appropriations, an amount of ₹ 26.09 crore was re-appropriated for which re-appropriation orders were issued on 31 March 2022, as depicted in *Appendix 3.5*. The re-appropriation without a specific reason indicates an inadequate expenditure control mechanism.

Augmentation of provisions through re-appropriation orders proved unnecessary/excess because expenditure did not come up to the level of original/supplementary budget provisions.

3.3.4 Unspent amount, surrendered appropriations and/or Large Savings/ Surrender

The Administrative and Finance Departments, in checking the estimates, should apply unrelentingly the proved and well-tried check of the average of previous actuals with known or reasonably foreseeable facts.

During 2021-22, there were 50 cases of savings under voted and charged expenditure related to 35 Grants, each of ₹ 100 crore and above, amounting to a total of ₹ 69,862.87 crore (27.93 per cent of total provision of ₹ 2,50,102.40 crore), as detailed in *Appendix 3.6*.

Further, there was significant variation of 20 per cent or more between total grants and expenditure in 40 Grants, which resulted in huge savings of ₹ 65,333.62 crore (34 per cent of total provision of ₹ 1,91,426.32 crore). The reasons for these variations have not been appropriately explained in the Appropriation Accounts (*Appendix 3.7*).

Scrutiny of savings of ₹ 100 crore and above in each grant/appropriation during last five years revealed that in 34 cases involving 27 Grants, there were persistent total savings of ₹ 42,260.60 crore and above, during each of the five years as detailed in *Appendix 3.8*.

Persistent savings indicate that the budget allocation was made without considering the previous year's expenditure. Utilisations of less than 50 per cent of the budgetary grants in 2021-22 are depicted in **Table 3.7**.

Table 3.7: Grants/Appropriations with Budget utilisation less than 50 per cent (2017-18 to 2021-22)*(Per cent utilisation and total provision ₹ in crore in bracket)*

Sl. No.	Grant No.	2017-18	2018-19	2019-20	2020-21	2021-22	No. of Years*
1	1	56.02 (1,692.14)	56.53 (1,869.48)	59.48 (2,152.49)	43.63 (1,498.54)	47.30 (1,927.93)	2
2	2	80.10 (598.68)	73.38 (693.77)	70.12 (789.36)	51.28 (639.99)	39.41 (640.21)	1
3	5	70.42 (14.14)	84.69 (19.03)	4.31 (1.33)	0.71 (0.21)	12.95 (4.29)	3
4	19	76.10 (269.13)	82.70 (350.00)	71.78 (683.74)	90.69 (661.98)	46.71 (397.60)	1
5	25	50.25 (200.92)	43.58 (172.75)	75.61 (263.55)	62.04 (212.62)	45.73 (135.96)	2
6	30	50.68 (329.94)	57.59 (264.73)	48.98 (249.93)	44.94 (281.79)	48.53 (273.07)	3
7	31	86.07 (1.91)	95.96 (1.90)	89.62 (1.90)	96.22 (6.87)	33.85 (5.26)	1
8	45	41.96 (92.39)	67.48 (169.45)	65.53 (143.01)	39.20 (46.95)	31.93 (37.39)	3
9	46	83.84 (145.04)	43.72 (73.79)	16.23 (51.08)	18.22 (56.41)	31.75 (92.19)	4
10	47	77.35 (70.35)	86.32 (1,162.20)	57.26 (267.64)	52.67 (218.62)	46.72 (196.73)	1
11	50	61.01 (430.04)	81.10 (604.45)	31.30 (510.11)	61.34 (1,129.70)	46.17 (466.41)	2

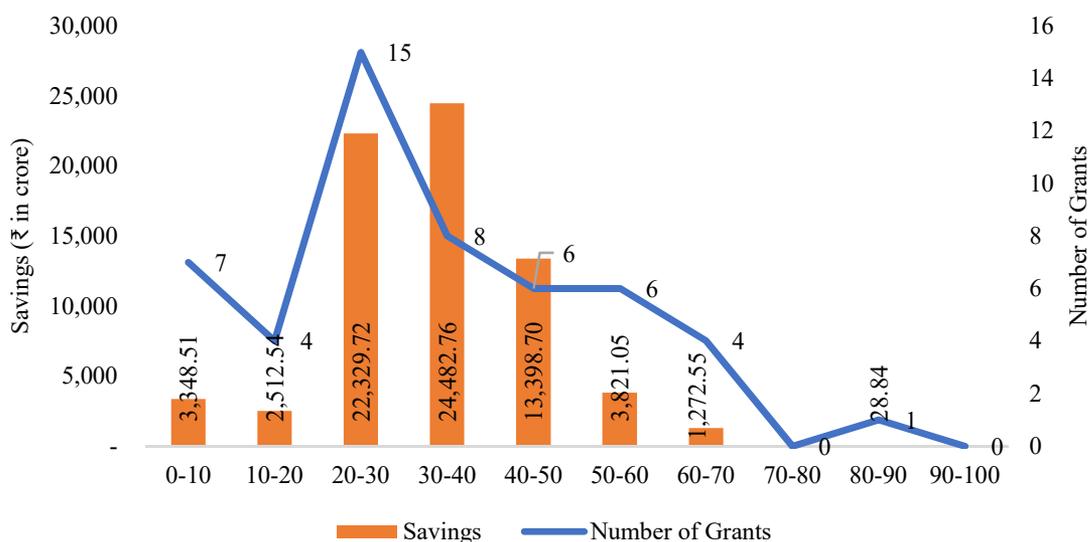
*(Source: Appropriation Accounts of the respective years)*** Number of years with utilisation below 50 per cent*

Out of these 11 Grants, there were four Grants in which budget utilisation was less than 50 per cent three or more times over the last five years. GoB did not take cognition of the percentage of budgeted amount actually spent by the departments in preceding years, which resulted in inflated and unrealistic budget estimates.

Further scrutiny of amount surrendered at the end of March 2022 (₹ 100 crore and above in each case) revealed that there was a surrender of ₹ 9,419.93 crore under 13 Grants. Supplementary provisions under nine Grants proved unnecessary, as the expenditure did not reach even up to the level of the original provisions indicating inaccurate estimation of funds. Grant wise details are depicted in **Appendix 3.9**.

It is evident that the departments, failed to utilise their original budgetary provisions, making supplementary provision fruitless. Further, in one grant the amount of surrender was even more than supplementary provisions. **Chart 3.3** depicts the number of grants/appropriations grouped by the percentage of savings along with their total savings during the financial year.

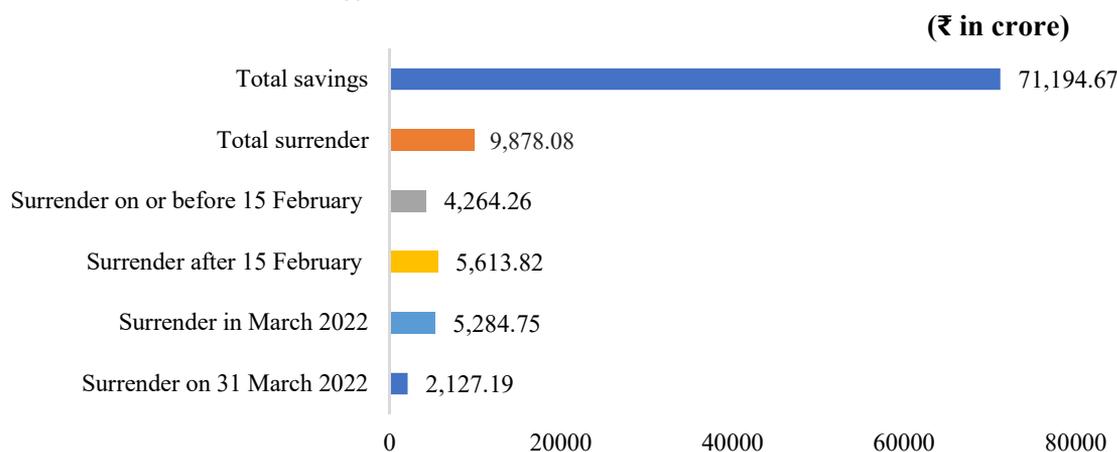
Chart 3.3: Number of Grants/Appropriations grouped by the percentage of Savings along with their total savings



(Source: Appropriation Accounts for the year 2021-22)

Above chart shows that 11 grants out of 51 had savings more than 50 per cent in which one Grant had savings more than 80 per cent of their budget provisions. Therefore, the State should look into their budgeting methodology, as 22 per cent of the grants showed savings more than 50 per cent of their budget provisions. Savings and surrender before the end of financial year are shown in **Chart 3.4**.

Chart 3.4: Savings and surrenders before the close of FY 2021-22



(Source: Appropriation Accounts for the year 2021-22)

As per para 104 of Bihar Budget Manual, no amount out of the savings should be held in reserve for meeting additional expenditure not definitely foreseen or not already approved by the competent authority. Surrender of savings shall be submitted by 15th of February of the concerned financial year. In exceptional cases, surrenders may be submitted up to 31st March of that financial year. However, Audit observed surrender of a huge balance of ₹ 5,613.82 crore after 15th February in violation of stipulated provisions, depriving other Departments of the funds, which they could have utilised.

3.3.5 Grant-in-aid for creation of capital assets

Grants-in-Aid (GIA) are payments in the nature of assistance, donations or contributions made by one government to another government, body, institution or individual. GIA are given for specified purpose of supporting an institution including construction of assets. As per IGAS-2, GIA disbursed by a grantor to a grantee shall be classified and accounted for as revenue expenditures irrespective of the purpose for which the funds disbursed, as GIA are to be spent by the grantee, except in cases, where they had been specifically authorised by the President on the advice of the CAG of India.

As per Statement 10 of the Finance Accounts 2021-22 (Vol-I), total funds released as GIA during 2021-22 were ₹ 65,015.01 crore, of which, funds allotted for creation of Capital Assets were ₹ 6,177.94 crore (9.50 per cent).

Table 3.8: Trend of GIA for creation of capital assets

(₹ in crore)

Financial Year	Total GIA	Growth in per cent	GIA for Creation of Capital Assets	Percentage of GIA utilised for Creation of Capital Assets	Growth in per cent
2017-18	43,358.73	19.74	4,222.31	9.74	64.36
2018-19	51,764.29	19.39	14,023.84	27.09	232.14
2019-20	46,581.54	(-)10.01	5,569.37	11.96	(-)60.29
2020-21	54,928.98	17.92	27,340.81	49.77	390.91
2021-22	65,015.01	18.36	6,177.94	9.50	(-)77.40
Average	52,329.71	13.08	11,466.85	21.61	109.94

(Source: Statement 10 Finance Accounts of relevant years)

As the maximum amount of expenditure incurred under GIA was not being reported through UCs, the money actually spent on creation of capital assets and on the intended purposes as well could not be ascertained.

3.4 Comments on effectiveness of budgetary and accounting process

To enhance the effectiveness of the budgetary and accounting processes in the departments, the management should put in place, measures to solve the budgetary control system problems. Moreover, Government should set yearly objectives for each performance indicator of their budgetary control system, so that departments should work hard to achieve the yearly set objectives for each indicator.

3.4.1 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for the achievement of various fiscal indicators. Summarised position of Actual Expenditure *vis-à-vis* Budget (Original/ Supplementary) provisions during the financial year 2021-22 are depicted in **Table 3.9**.

Table 3.9: Summarised position of Actual Expenditure vis-à-vis Budgetary provisions during 2021-22(*₹ in crore*)

Nature of Expenditure		Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total Grant/ Appropriation	Actual Expenditure	Savings	Amount surrendered	Amount surrendered in March 2022	Percentage of savings surrendered in March 2022 (Col.8/ Col.6*100)
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Voted	I-Revenue	1,62,260.72	36,988.58	1,99,249.30	1,46,154.88	53,094.42	7,649.64	3,868.39	7.29
	II-Capital	30,788.02	9,821.66	40,609.68	23,762.48	16,847.20	2,189.34	1,404.77	8.34
	III-Loans & Advances	1,348.86	271.29	1,620.15	1,478.51	141.64	37.74	11.23	7.93
	Total Voted	1,94,397.60	47,081.53	2,41,479.13	1,71,395.87	70,083.26	9,876.72	5,284.39	7.54
Charged	IV-Revenue	14,810.67	12.64	14,823.31	14,059.86	763.45	1.36	0.36	0.05
	V-Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VI-Public Debt- Repayment	9,094.43	0.00	9,094.43	8,746.47	347.96	0.00	0.00	0.00
	Total Charged	23,905.10	12.64	23,917.74	22,806.33	1,111.41	1.36	0.36	0.03
Grand Total		2,18,302.70	47,094.17	2,65,396.87	1,94,202.20	71,194.67	9,878.08	5,284.75	7.42

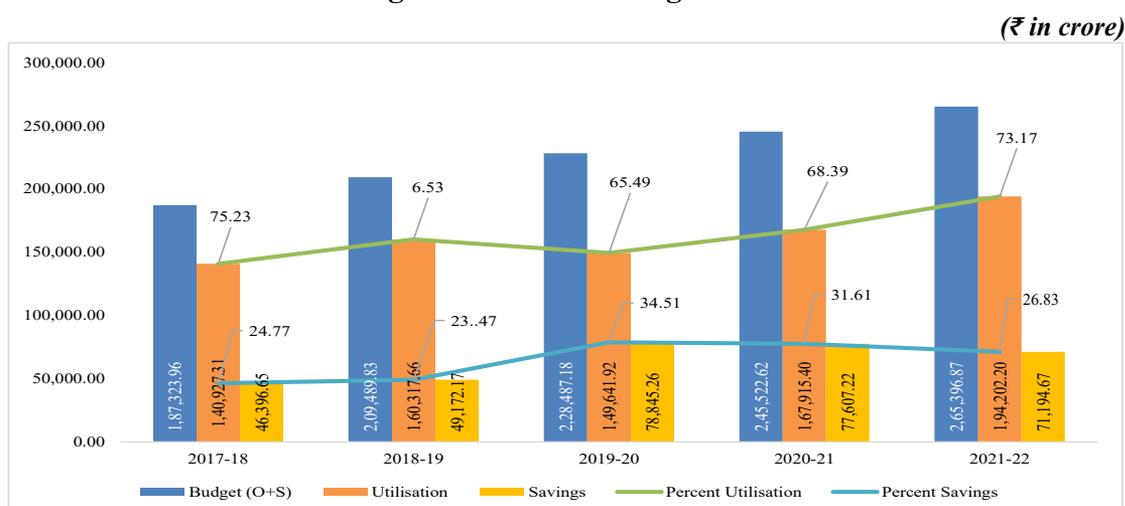
*(Source: Appropriation Accounts for the year 2021-22)**Note: The expenditure includes recoveries/refund of revenue expenditure amounting to ₹ 995.03 crore and recoveries of capital expenditure amounting to ₹ 84.19 crore adjusted as reduction of expenditure.*

As evident from above table, the expenditure incurred during the year was only ₹ 1,94,202.20 crore (73.17 per cent) against total provisions of ₹ 2,65,396.87 crore. This shows that the supplementary provisions of ₹ 47,094.17 crore were avoidable, since the expenditure did not reach even up to the level of the original provisions (₹ 2,18,302.70 crore).

Overall savings of ₹ 71,194.67 crore (26.83 per cent) resulted from savings of ₹ 53,857.87 crore in 46 grants and 08 Appropriations under Revenue section and savings of ₹ 17,336.80 crore in 35 Grants/Appropriation under Capital section including 07 grants under Loans and Advances and one grant under Public Debt Repayments.

Out of total savings of ₹ 71,194.67 crore, only 13.87 per cent was surrendered (₹ 9,878.08 crore) during the year, resulting in non-surrender of savings aggregating to ₹ 61,316.59 crore (86.13 per cent of total savings). Total savings were 151.18 per cent of the supplementary provisions. Trends in the percentage of overall savings against the overall provisions in the budget are shown in **Chart 3.5**.

Chart 3.5: Budget Utilisation during 2017-18 to 2021-22



(Source: Appropriation Accounts of respective years)

Trend analysis revealed that during the last five years, overall savings ranged from 23.47 per cent to 34.51 per cent, in respect of appropriations, which are significant. This indicates inaccurate estimation and inability of the Planning & Development Department and Finance Department to ensure effective budgetary control.

Further, there were cases of non-utilisation of the entire provision of ₹ 6,756.73 crore in 520 Detailed Head of accounts under 45 grants/ appropriations. Out of these cases, total provisions of ₹ 5,653.04 crore, in 54 cases under 21 grants/ appropriations, remained unutilised (₹ 25 crore and above in each case) as detailed in **Appendix 3.10**. Non-utilisation of allocated funds indicated that either the budgeting was done without due prudence or there were serious slippages in programme implementation.

3.4.2 Pronouncements of schemes and non-provision of budgetary support there against

During the financial year of 2021-22, the State Government has made several major policy pronouncements in the budget, regarding social welfare and other schemes under various departments. Information in this respect has been called for from all 44 Departments through Finance Department, but only 15 departments furnished the information.

Audit observed that five departments had taken up some major schemes, but expenditure was not incurred thereon, resulting in non-achievement of intended goals as detailed in **Table 3.10** below:

Table 3.10: Schemes for which provisions were made but expenditure thereon was not incurred

(₹ in crore)

Sl. No.	Name of Department	Name of scheme	Budget estimates	Revised estimates	Expenditure incurred
1		Rashtriya Krishi Bima Yojna/ (Indemnity)	0.01	0.00	0.00
2	Co-Operative Department	Weather Based Crop Insurance Premium	0.01	0.00	0.00
3		Modified Rastriyha Krishi Bima Yojna	0.01	0.00	0.00

Sl. No.	Name of Department	Name of scheme	Budget estimates	Revised estimates	Expenditure incurred	
4	Co-Operative Department	Pradhan Mantri Fasal Bima Yojna	0.01	0.00	0.00	
5		Construction/ Maintenance of Building of Co-operative Training Institute	0.01	0.00	0.00	
6		Grant to Bihar State Warehousing Corporation for Godown Construction	0.01	0.00	0.00	
7		Working Capital for Food grain Procurement on Minimum Support Price	0.01	0.00	0.00	
8		Grant to Central Cooperative Banks	0.01	0.00	0.00	
9		Investment in Central Cooperative Banks	0.01	0.00	0.00	
10		Computerisation of PACS	5.00	5.00	0.00	
11		Mukhyamantri Adarsh PACS Protsahan Yojna	0.01	0.00	0.00	
12		Construction of office of Cooperative department	10.00	11.90	0.00	
13		Rastriya Krishi Vikas Yojna (State & CSS)	15.40	0.00	0.00	
14		Panchayati Raj Department	7-Nishchay-2 (Solar Street Light)	150.00	150.00	0.00
15		Minority Welfare Department	Maintenance and protection of Wakf properties	6.00	0.00	0.00
16			Training of minority artisan and literate youth work man (Mukhya Mantri Shramshakti yojna)	5.00	0.00	0.00
17	SC & ST welfare department	Legal Aid	0.01	0.01	0.01	
18		Unclean Stipend	0.10	0.10	0.00	
19		Ambedkar Foundation	0.50	0.50	0.00	
20		Income generating Scheme	0.50	0.50	0.00	
21		Pradhan Mantri Adarsh Gram Yojna (State & CSS)	40.05	0.05	0.00	
22		Share capital of SCDC	4.00	4.00	0.00	
23		Umbrella scheme for Education of ST students	0.10	0.10	0.00	
24		Development of Tharuhat Area	35.62	35.62	0.00	
25		Scheme of Development of SC	5.70	5.70	0.00	
26		Vanbhandhu Kalyan Yojna	0.10	0.10	0.00	
27	Minor Irrigation Department	Survey and Investigation	1.00	1.00	0.00	

(Source: Data received from the departments)

Reasons for revision of estimates had not been intimated by the departments. Non-provision of budgetary support to the schemes deprives the beneficiaries of intended benefits.

3.4.3 Financial power being flouted in relation to re-appropriation

Permissible Re-appropriations within the Grant or Appropriations of a year should be sanctioned at any time within the year but not after the expiry of the year. Audit

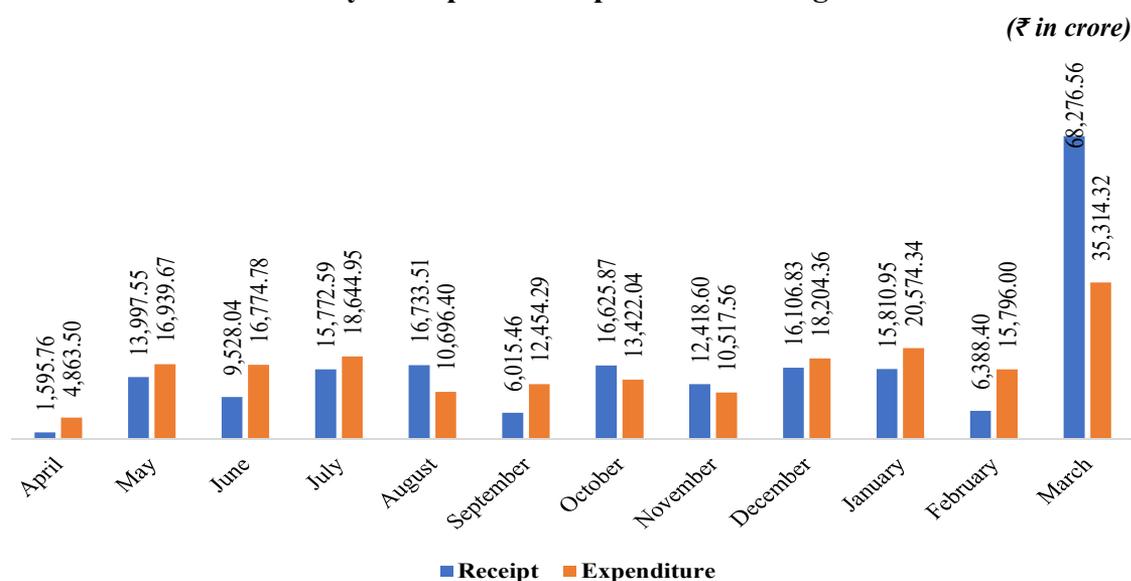
noticed that in one case, the department of Transport made a request for re-appropriation of ₹ 15.00 crore, on 04 July 2022 and the Finance Department accorded approval (11.07.2022) for this amount.

3.4.4 Rush of Expenditure

Rule 125 of the Bihar Budget Manual (BBM), 2016 stipulates that, late allotments should be avoided unless they are inevitable. Funds placed at the disposal of a Disbursing Officer late in the year are very often an invitation to extravagance or rush of expenditure. Uniform flow of expenditure is essential to ensure that the primary requirement of budgetary control is maintained.

Audit revealed that in 16 Departments, expenditure (₹ 24,347.61 crore) incurred during the last quarter and in the month of March 2022 (₹ 14,070.20 crore) was 57.91 per cent and 33.46 per cent respectively of the total expenditure (₹ 42,045.20 crore) incurred during the year, as detailed in *Appendix-3.11*. 100 per cent expenditure, amounting to total ₹ 5,864.84 crore (₹ one crore and above in each case), was incurred in the month of March 2022, under 90 detailed heads of 26 grants, as detailed in *Appendix-3.12*. However, for the overall appropriation, the expenditure in March 2022 was 18 per cent of the total expenditure whereas, the receipts in March 2022 were 34 per cent of the overall receipts, during the year. Month wise trend of receipts and expenditure for the financial year is shown in **Chart 3.6**.

Chart 3.6: Monthly Receipts and Expenditure during the FY 2021-22

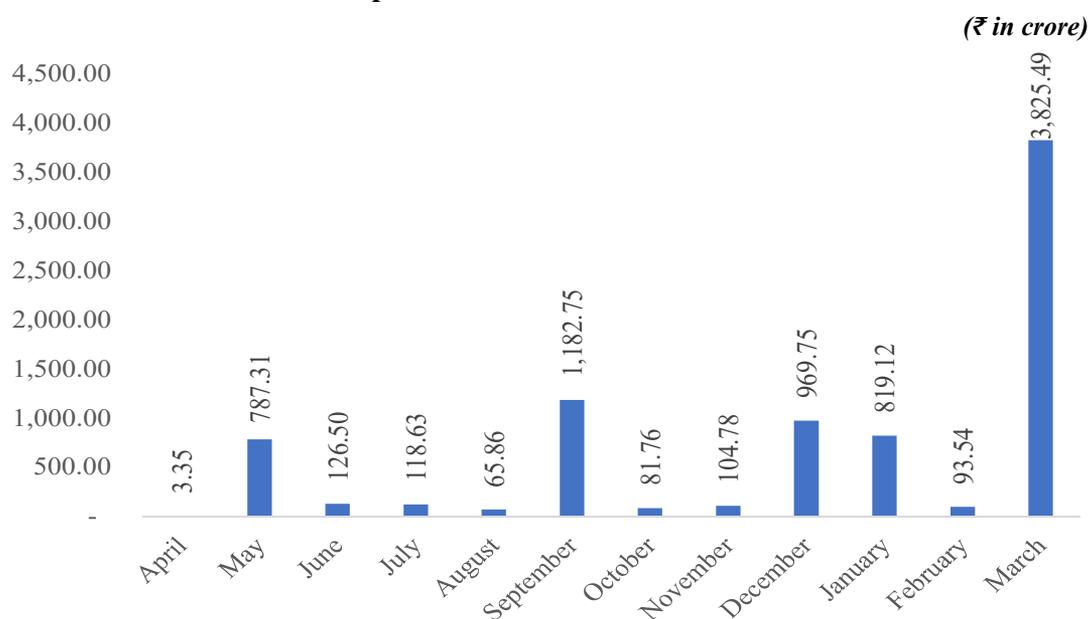


(Source: Monthly Expenditure Report & Monthly Civil Accounts 2021-22)

Appendix-3.11 further shows that during March 2022, percentage wise (71.65 per cent) highest expenditure (₹ 536.35 crore), was incurred in Grant No. 26 – Labour Resource Department but overall maximum expenditure of ₹ 4,150.85 crore was incurred under Grant No. 16 – Panchayati Raj Department. Total budgetary provision of Panchayati Raj Department was ₹ 13,545.87 crore (original ₹ 9,544.93 crore and Supplementary ₹ 4,000.94 crore-February 2022) and total actual expenditure of the department was

₹ 8,178.85 crore during the year. Month wise expenditure is depicted in **Chart 3.7** below.

Chart 3.7: Month wise expenditure in Panchayati Raj Department with highest expenditure in March 2022



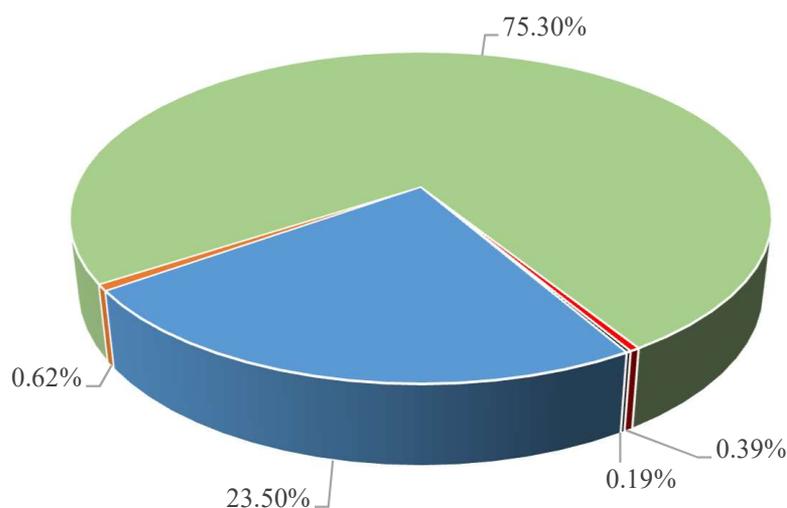
(Source: Monthly Expenditure Report 2021-22)

Substantial expenditure incurred by the departments at the fag end/last month of the year indicated deficient financial management and inadequate expenditure control. Rush of expenditure towards the end of the financial year indicated inadequate control over expenditure monitoring.

3.4.5 Advance from Contingency Fund

The Contingency Fund of the State was established under the Bihar Contingency Fund Act, 1950, in terms of the provisions of Articles 267 (2) and 283 (2) of the Constitution of India.

Through the Bihar Contingency Fund (Amendment) Act, 2015, State increased the corpus of the Contingency Fund from ₹ 350 crore to ₹ 8,732.10 crore, on a temporary basis, for the period from 1 April 2021 to 30 March 2022. This increase in corpus was for relief on natural calamities like drought and earthquake and to meet the State share of Central Government sponsored projects, for which sufficient budgetary provisions had not been made and expenditure was to be made immediately. Fifty *per cent* of the total amount so enhanced was to be used only for relief and rehabilitation measures due to natural calamities. It was observed that the State Government made 88 withdrawals amounting to ₹ 3,981.79 crore from the Contingency Fund, out of which 21 withdrawals amounting to ₹ 1,559.01 crore (39.15 *per cent*) were made for foreseeable nature of expenditure, as detailed in *Appendix-3.13*.

Chart 3.8: Non-contingent expenditure from Contingency Fund

■ Capital expenditure ■ Repair & Construction ■ State share in CSS ■ Car Purchase ■ Misc.

(Source: Data made available by A&E Office)

Thus, instead of providing funds for incurring non-contingent nature expenditure as mentioned above through regular budget, the same was sanctioned from Contingency Fund violating the Constitutional provisions. Further, the Contingency Fund had been enhanced regularly during the last five years on a temporary basis, not only for relief on natural calamities and meeting the State share of Centrally sponsored scheme but for incurring non-contingent nature expenses also. The expenditure on natural calamities in these five years ranged from 28.25 per cent to 78.77 per cent of the funds drawn from the Contingency Fund and were least in F.Y. 2021-22 as shown in **Table 3.11**.

Table 3.11: Expenditure on natural calamities from the Contingency Fund

(₹ in crore)

Sl. No.	Year	Total expenditure from Contingency Fund	Expenditure on natural calamities	Percentage of expenditure incurred on natural calamities to the total expenditure
1	2017-18	4,949.21	3,898.33	78.77
2	2018-19	4,353.49	1,725.00	39.62
3	2019-20	3,529.76	2,332.00	66.07
4	2020-21	5,825.42	2,925.53	50.22
5	2021-22	3,981.79	1,125.00	28.25

(Source: Records of Finance Department)

It was incumbent on the Finance Department to make budgetary provisions for the above routine expenditure and secure prior legislative approval as contemplated in the Constitution as part of the annual budgetary exercise. However, the Contingency Fund was being used as an imprest account against the Constitutional provisions.

3.5 Comment on transparency of budgetary and accounting process

Transparency of budget refers to full disclosure of all relevant fiscal information in a timely and systematic manner and provide feedback on government revenue,

allocation, and expenditure. In this context, to bring transparency and responsiveness to public financial management, the Government of Bihar implemented (1 April 2019) Comprehensive Financial Management System (CFMS).

To make the budget more transparent, State Government prepared Outcome Budget, Gender Budget, Child Welfare Budget, and Green Budget with the main Budget for the year 2021-22, to allocate the funds meant for them and to make accounting and achievement more reliable.

Comparative study/analysis of the Budget documents for the year 2021-22 revealed that against total 2,551 schemes included in the main budget, only 1,342 schemes had been taken in the “Outcome Budget” as detailed below **Table 3.12**.

Table 3.12: Comparative analysis of main budget with specific budget

(₹ in crore)

Sl. No.	Name of specific Budget	No. of Schemes	Budget Amount (BEs)	Per cent of Original Budget (BEs)	Expenditure as per Appropriation Accounts	Expenditure against AA (in per cent)
1	Appropriation Accounts	2,551	2,65,396.87	100.00	1,94,202.20	100.00
2	Outcome Budget (BEs)	1,342	1,32,527.12	49.94	1,13,184.33	58.28
3	Gender Budget (BEs)	621	34,490.57	13.00	64,648.57	33.29
4	Child Welfare Budget (BEs)	214	38,708.99	14.59	39,308.12	20.24
5	Green Budget (BEs)	306	7,682.91	2.89	21,964.88	11.31
6	Achievement Report (REs)	Has not been prepared, tabled in the Legislature nor made available to Audit				

(Source: Appropriation Accounts along with Outcome, Gender, Child Welfare and Green Budgets 2021-22)

During analysis, Audit observed that the State had presented specific budgets before the legislature as a practice every year, however the departments were still lagging behind in delivering quality for accounting of schemes. Although the size of the budget outlays had increased over the years, the institutions for inter-departmental coordination and gender sensitisation of the administration were weak in the State.

3.6 Review of selected grants

A review of the budgetary procedure and control over expenditure was conducted in respect of Grant No.-39 (Disaster Management Department) and Grant No.-41 (Road Construction Department) on the basis of savings/excess and magnitude of the Grants and Supplementary demands made during the year 2021-22. The results of the review are detailed below:

3.6.1 Grant No.-39 “Disaster Management Department”

Bihar is prone to multiple hazards like flood, earthquake, drought, cyclonic storms, fire, hailstorms, and lightning of high severity. Two districts (Madhubani and Supaul) of the State are entirely in the seismic zone V and 30 districts fall partially in seismic zone IV and III. State also faces extreme heat and cold wave conditions in peak summer and

winter conditions respectively. Further, lightening and high-speed winds in some parts also add further distress in the state.

The Disaster Management Department (GoB) is the nodal department for effective management of both natural and human induced disasters in the State. It is responsible to build a safe and disaster-resilient Bihar by developing a holistic, proactive, multi-disaster and technology-driven strategy for disaster management.

Under DMD, a statutory body Bihar State Disaster Management Authority (BSDMA) had been created under the provisions of Disaster Management Act, 2005. BSDMA is undertaking a number of measures focused on Disaster Risk Reduction (DRR) and mitigation.

Five Major Heads (2235, 2245, 2251, 2070 and 4250) were being operated in this Grant in the financial year 2021-22. Summarised financial provisions are detailed in **Table 3.13** below:

Table 3.13: Position of Summarised Appropriation for 2021-22

(₹ in crore)

Sl. No	Budget Estimates (BEs)	Original provisions	Supplementary provisions	Total provisions (3+4)	Total Expenditure	Savings (5-6)	Savings as a percentage of total provisions
1	2	3	4	5	6	7	8
1	Capital	0.50	0.00	0.50	0.00	0.50	100.00
2	Revenue	3,321.58	2,473.67	5,795.25	3,895.42	1,899.82	32.78
	Total	3,322.08	2,473.67	5,795.75	3,895.42	1,900.32	32.79

(Source: Disaster Management Department, Bihar)

Scrutiny of records revealed the following observations:

3.6.1.1 Budgetary process

Scrutiny of budget documents revealed that the budgeting process of the department was unrealistic as:

- ✦ Recovery of overpayments amounting to ₹ 300.23 crore, pertaining to the period from 2017-18 to 2021-22, were returned to the government accounts. These funds were kept in DDO's bank accounts for more than one year against the provisions.

In reply, it was stated that amount withdrawn pertained to previous years and could not be expended. It was deposited by District/Departments under Head-911. Therefore, the amount was not an overpayment. Reply of the department is not tenable since amounts had been returned to the Government in every year. Resultantly, expenditure of those years, though decreased to that extent, but has not been reflected in the accounts of respective previous years.

- ✦ In DMD, against the total budgetary allocation of ₹ 31,302.20 crore during 2017-18 to 2021-22, only ₹18,500.70 crore (59.10 per cent) were expended. Less expenditure indicates that budgetary allocation was unrealistic. Further, expenditure of only 34.07 per cent in 2018-19 and 49.22 per cent in 2019-20 against the allocated provisions indicate that in these two years budget allocation was highly unrealistic.

In reply, it was stated that budget of the DMD was estimated based on natural disasters and impossible to estimate accurately. So, the budget was not unrealistic. Reply of the department is not tenable as Department has facility to make expenditure from Contingency fund if required and could be recouped in due course through supplementary provisions.

- ✦ Expenditure was not incurred against the available Budgetary Provision of ₹ 38.15 crore (mostly token money) in 52 Heads of Account in 2021-22 and the funds lapsed in total at the end of financial year. No demand for requirement of funds was raised by the department under these heads of account during the year.
- ✦ State Disaster Response Force (SDRF), GoB surrendered total amount of ₹ 21.80 crore during 2017-18 to 2021-22.
- ✦ Under three Major heads 2070, 2245 and 2251, supplementary provisions of ₹ 3,060.82 crore proved unnecessary as expenditure during the period 2017-18 to 2021-22 was much less than the original provisions of ₹ 1,118.47 crore.

3.6.1.2 Scheme Implementation

Implementation of various schemes has been scrutinised and it was noticed that:

- ✦ Twelve annual Disaster Risk Reduction (DRR) Schemes were started by the department during this year, but the department failed to implement them as only ₹ 80.00 lakh were spent in three out of 12 schemes against the total provision of ₹ 11.31 crore as detailed in *Appendix- 3.14*.
- ✦ To sensitise the people about construction or conversion of old building into Earthquake Resistant Buildings, Earthquake Safety Clinics had to be established in the earthquake prone districts. State of Bihar has 11 districts in seismic zone V. The BSDMA allotted ₹ 19.89 lakh to four earthquake prone districts²¹, in which two districts (Muzzafarpur and Bhagalpur) were categorised in seismic zone IV. Thus, BSDMA did not prioritise the districts categorised in seismic zone V for allotment of funds.

3.6.1.3 Financial Management

- ✦ **Pendency of DC bills:** DC bills for ₹ 1,374.83 crore were pending for the period from 2002-03 to 2021-22 against the drawal of ₹ 11,122.09 crore through AC bills. Details of pendency against selected DDOs are described in **Table 3.14** below:

Table 3.14: Details of pendency of DC bills

(₹ in crore)

Name of Office	Amount of AC Bills drawn	AC bills adjusted / DC Bills submitted	Outstanding / unadjusted Amount of AC Bills
BSDMA Patna	1.56	0.00	1.56
DDMA Nalanda	9.34	5.30	4.04
DDMA Patna	2.37	0.00	2.37

²¹ Darbhanga (₹ 4.90 lakh), Sitamarhi (₹ 4.92 lakh), Muzzafarpur (₹ 4.52 lakh), Bhagalpur (₹ 5.15 lakh).

Pendency of UCs: Utilisation certificates for only ₹ 728.97 crore had been submitted (August 2022) against the drawl/receipt of ₹ 2,764.27 crore, under GIA during the period from 2003-04 to 2018-19. Details of pendency of UCs in the selected DDOs are detailed in **Table 3.15** below.

Table 3.15: Details of pendency of UCs

(₹ in crore)			
Name of Office	Amount of GIA drawn	Amount of UCs submitted	Outstanding Amount of GIA
BSDMA Patna	17.33	5.17	12.16
DDMA Nalanda	28.00	9.00	19.00
DDMA Patna	80.00	18.00	62.00
SDRF Bihta, Patna	1.07	0.30	0.77

Utilisation certificate for funds transferred (April 2018) to District Magistrate (DM) for ex-gratia payment of ₹ 1.37 crore to the kins of 68 deceased and one injured person was not furnished (April 2022) against the provision of ₹ 4.01 crore provided by GoI for 200 deceased of flood occurred in August 2017.

- ✦ It was observed that during 2017-18 to 2021-22, no capital expenditure was incurred for creation of capital assets of DMD though there was requirement of permanent building for State Disaster Response Force (SDRF) Headquarters and buildings for SDRF teams in the districts since the year 2010. This indicates towards weak planning of DMD.
- ✦ DMD made the provision of token money in 31 scheme heads in anticipation of probable disasters in the State, which shows its preparedness against disasters. During the year, funds placed under only one head were utilised.
- ✦ After implementation of CFMS from 1st April 2019, every transaction was required to be conduct through CFMS only. In BSDMA, Audit observed that to a large extent, transactions were being routed through non-CFMS mode. It was also observed that beyond CFMS, 11 bank accounts were operative and had balances amounting to ₹ 38.38 crore as on 31st March 2022.
- ✦ In DDMA, Nalanda receipt and disbursement of funds amounting to ₹ 65.18 crore and ₹ 61.57 crore meant for Covid-19 management and mitigation respectively during the years of 2020-21 and 2021-22, were not transacted through CFMS.
- ✦ To establish Epidemic Disaster Relief Centres in districts, ₹ 80.74 crore were allotted by GoB to all 38 districts (March to May 2020). Utilisation certificates for funds amounting to ₹ 27.00 crores had not been received from 12 districts.

3.6.1.4 Other Important issues

- ✦ The Personal Ledger (PL) account of Bihar Rural Road Development Agency (BRRDA), an agency under Rural Works Department, reported a closing balance of ₹ 98.98 crore (March 2022) against receipt of the funds amounting to ₹ 119.93 crore (₹ 100.50 crore in 2019-20 and ₹ 19.43 crore in 2021-22) provided by DMD for repairs and restoration works of damaged roads and bridges. Keeping funds meant for repairs and restoration purposes in PL account had resulted in parking of funds to the tune of ₹ 98.98 crore. DMD failed to monitor the funds

disbursed to BRRDA (RWD) and released more funds without ensuring utilisation of previous funds.

3.6.2 Grant No. 41 “Road Construction Department”

Road network in Bihar is of 24,963.04 kilometres comprising 5,976.84 kms long National Highways (NH), 3,713.97 kms long State Highways (SH) and Major District Roads (MDR) of a total length of 15,272.60 kms.

Road Construction Department, Government of Bihar, conducts planning, designing, construction, improvement, strengthening and maintenance of roads and bridges, including flyovers, ROBs and elevated corridors through itself and its two agencies/corporations namely Bihar State Road Development Corporation Limited (BSRDCL) & Bihar Rajya Pul Nirman Nigam Limited (BRPNL).

During the period from the year 2006-07 to 2021-22 (up to December 2021), with an expenditure of ₹ 11,300.97 crore (central fund: ₹ 10,257.75 crore and state fund: ₹ 1,043.22 crore) total 7726.94 km NH (5495.42 km by National Highway Original (NHO) fund and rest 2231.52 km by State fund) were maintained by RCD and its agencies in the state.

There were three Major Heads (3054, 3451 and 5054) operated in this Grant, in the financial year 2021-22. Summarised financial provision is detailed in **Table-3.16** below:

Table-3.16: Position of Summarised Appropriation for 2021-22

(₹ in crore)

Sl. No.	Budget Estimates	Original provisions (OP)	Supplementary provisions (SP)	Total provisions (3+4)	Total Expenditure	Savings (5-6)	Savings as a percentage of total provisions
1	2	3	4	5	6	7	8
1	Capital	3,809.90	1,320.48	5,130.38	4,057.05	1,073.33	20.92
2	Revenue	1,993.71	0.00	1,993.71	1,568.82	424.88	21.31
	Total	5,803.61	1,320.48	7,124.09	5,625.87	1,498.21	21.03

(Source: Summarised Appropriation Accounts)

Scrutiny of records during audit revealed following:

3.6.2.1 Budgetary process

The budgeting process of the department was unrealistic and improper. There was a big gap between total budgetary provisions and expenditure and savings in large amounts indicated that, budget estimates for the year 2021-22, were prepared without proper planning. Some instances noticed are mentioned below:

- ✦ Against the total provision of ₹ 7,124.09 crore (OP ₹ 5,803.61 crore and SP ₹ 1,320.48 crore) only ₹ 5,625.87 crore were spent resulting in a significant savings of ₹ 1,498.21 crore (21 per cent) out of which only ₹ 410.60 crore (27 per cent) were surrendered by the department.
- ✦ In revenue section final saving of ₹ 424.88 crore are overstated by ₹ 55.38 crore due to clearance of OB suspense of ₹ 68.52 crore, related to previous year and

₹123.90 crore kept in OB suspense in this year. Reasons for final savings had not been intimated.

- ✦ In capital section final savings of ₹ 1,073.33 crore were overstated by ₹ 98.48 crore due to clearance of OB suspense of ₹ 91.17 crore related to previous year and ₹ 189.65 crore kept in OB suspense in this year.
- ✦ The department made a budgetary provision of ₹ 200.00 crore under three²² heads of accounts during the year 2021-22. However, the department failed to make any expenditure resulting in *cent per cent* surrender. Reason for surrender had not been intimated by the department.
- ✦ The Original Budget provision in the Special Assistance (Backward Region Grant Road) was enhanced by 110 *per cent* (from ₹186.00 crore to ₹ 391.48 crore) through supplementary grant. However, the actual expenditure incurred by the department in the aforesaid scheme was ₹ 195.00 crore (50 *per cent*) only, thus leading to a saving of ₹ 196.48 crore. Thus, the expenditure was just five *per cent* above the original provision.
- ✦ Original proposal of ₹ 358.12 crore in three schemes²³ by the department was reduced to only ₹ 50.00 crore. However, budget was provided for ₹ 200.00 crore, out of which expenditure of only ₹ 147.47 crore was incurred showing inaccurate planning at the department level.
- ✦ The Department received the Central share (₹ 400.00 crore) as well as State's share (₹ 400.00 crore) of budget for 'Left wing Extremism affected area' scheme. But the Department failed to make full utilization of budgetary provisions, resulting into savings of ₹ 100.00 crore (25 *per cent*) of Central Share and ₹ 90.93 crore (22.73 *per cent*) of the State's share.
- ✦ Against the original provision of ₹ 407.12 crore for three²⁴ schemes, the department spent less than 60 *per cent* (₹ 243.70 crore) of the funds, leading to savings to the tune of ₹ 163.42 crore (40 *per cent*). The savings ranged between 34.67 *per cent* to 57.82 *per cent* due to unnecessary excess provision.
- ✦ The Fifteenth Finance Commission recommended that all the committed and developmental expenditures shall be met from the augmented borrowing space without resort to off-budget or any non-transparent means of financing for any expenditures. However, it was noticed that a loan from HUDCO for Ganga Path amounting to ₹ 520.00 crore had been taken during the year 2021-22, in violation of the said provision. State Government did not disclose this off-budget borrowing in their budget document/Annual Financial Statement. This issue is discussed in detail in **Chapter-IV**.

²² Under Saat nischaya-2 scheme, Total Budget provision in three heads is (1) 5054-03-337-0123 (₹100.90 crore), (2) 5054-03-789-0102 (₹ 55.00 crore), and (3) 5054-03-796-0104 (₹ 44.10 crore).

²³ Name of three scheme and Budget proposal thereunder: - (1) ₹ 0.50 crore in Training (3054-80-003-0101), (2) ₹ 05.00 crore in Indo-Nepal Border Road (5054-02-337-0101), and (3) ₹ 352.62 crore in Bridge State Plan (5054-03-101-0101).

²⁴ Expenditure incurred against Budget provision in three heads was less than 60 *per cent*. (1) expenditure of ₹ 1.96 crore (65.33 *per cent*) out of ₹ 3.00 crore under head 3054030520001, (2) expenditure of ₹ 241.12 crore (59.88 *per cent*) out of ₹ 402.65 crore under head 3054800010002, and (3) expenditure of ₹ 0.62 crore (42.18 *per cent*) out of ₹ 1.47 crore under head 3054800010010).

3.6.2.2 Financial Management

During audit it was noticed that there were substantial savings and parking of funds in bank accounts indicating deficiencies in the financial management. Some major observations are highlighted below:

- ✦ During the year 2019-20, Bihar State Road Development Corporation Limited (BSRDCL) returned an unutilised amount of ₹ 500.00 crore received from Asian Development Bank for construction of roads. Non-utilisation of funds not only hindered the objective of the funds but also led to blockade of funds that could had been utilised for some other purposes.
- ✦ It was observed that an amount of ₹ 845.54²⁵ crore (₹ 252.93 plus ₹ 592.61 crore) was lying unspent as on 31.03.2022, in PL accounts maintained by the work implementing agencies of the department. Huge closing balances lying unspent in the PL accounts highlights improper funds management by the department.
- ✦ Amount under 'Recovery of overpayment' (minor head 911) was to the tune of ₹ 1,278.19 crore during the years from 2017-18 to 2021-22. This shows unrealistic budget allotment and weak budgetary control of the department.

3.6.2.3 Scheme Implementation

The schemes under the Road Construction Department were being implemented through the Department itself and its two agencies/corporations. The audit findings are discussed below:

Bihar State Road Development Corporation Limited (BSRDCL)

The BSRDCL, a company incorporated (2009) under the Companies Act, 1956, was established with an aim to develop, construct, and maintain variety of road projects within Bihar or elsewhere.

The BSRDCL completed road projects worth ₹ 9,900.00 crores and working on projects worth ₹ 17,000.00 crore including important projects like Digha-Didarganj (JP Ganga Path), Mithapur - Mahuli Project, Atal Path, 6-Lane Bihar New Ganga Bridge which were at different level of progress (July 2022).

Scrutiny of the major projects approved and awarded by the BSRDCL but were incomplete during the year 2021-22 are depicted in **Table-3.17**.

Table 3.17: Physical and financial progress of pending projects

Name of the Project/ package	Cost of project/ package (₹ in crore)	Date of Award/ Scheduled date of completion	Physical Progress (in per cent)	Financial Progress (in per cent)
Digha-Didarganj Road (JP Ganga Path)	3,831.00	Not available/2023-24	--	--
SH-88 Baruna Brige-Dalsingsarai-Rosera-Singhia-Baheri-Ashapur-Rasiyari road	683.26	14.11.2013/31.08.2022	68.78	63.51
SH-82 Kadirganj-Dewangarh section package 5	126.99	26.12.2018/30.06.2022	68.07	52.60

²⁵ ₹ 252.93 crore were lying unspent with Bihar Rajya Pul Nirman Nigam Limited and ₹ 592.61 crore were lying unspent with Bihar State Road Development Corporation Limited.

Name of the Project/ package	Cost of project/ package (₹ in crore)	Date of Award/ Scheduled date of completion	Physical Progress (in per cent)	Financial Progress (in per cent)
SH-82 Dewangarh-Badaldih section being package 6	151.27	26.12.2018/30.06.2022	65.51	45.22
SH-82 Badaldih-Khaira section being package 7	125.70	26.12.2018/30.06.2022	15.00	7.88
SH-84 (Ghogha Bazar section)	135.19	21.12.2018/21.12.2021	83.13	75.55

(Source: Data provided by RCD)

From the pace of progress, as indicated in table above, it can be inferred that these projects may not be completed on their scheduled time and thus would not be available for public use.

Above said issue was raised with the department. But the reply was still awaited.

Bihar Rajya Pul Nirman Nigam Limited (BRPNL)

The BRPNL, a company incorporated (1975) under the Companies Act, 1956, was established to mainly construct bridges and roads. During the scrutiny of achievement report of last 5 years it was observed that BRPNL have undertaken a total of 112 projects under State Plan and 91 projects under NABARD plan with a total budget outlay of ₹ 4,571.07 crore which are depicted in **Table 3.18** below.

Table 3.18: Achievement report for the period from 2017-18 to 2021-22

Sl. No.	Head	2017-18		2018-19		2019-20		2020-21		2021-22		Total	
		No.	₹ in crore	No.	₹ in crore								
1	State Plan	12	156.45	16	219.43	39	1205.01	40	527.09	5	145.91	112	2253.89
2	NABARD Loan	26	145.16	44	1132.53	13	80.57	6	929.44	2	29.48	91	2317.18

(Source: Data provided by RCD)

Audit scrutinised the data of on-going projects of last five years (2017-22) under State Plan and NABARD Loan. It was observed that out of the 40 ongoing projects (**Appendix-3.15**), 30 were scheduled to get completed by 31.03.2022. However, these projects were incomplete after incurring an expenditure of ₹ 598.47 crore. Out of these 40 projects, 12 had already availed revised completion deadline (31 March 2022). Further, four projects were interrupted at various stages, making the expenditure of ₹ 31.88 crore, incurred on those projects unfruitful.

Road Construction Department (RCD)

In addition to the works taken up or being executed by both the corporations, the RCD executes some projects by itself. Scrutiny of the records of the department revealed:

- ✦ An expenditure to the tune of ₹ 19.01 crore on six incomplete projects (March 2022) out of total 268 projects taken up by RCD, remained unfruitful as the work on these projects stopped or closed midway without according any reasons thereof, as detailed in **Appendix-3.16**. Midway closure of projects shows lacunae in planning and implementation at department's end and amounts to wasteful expenditure. Reply of the Department was awaited (October 2022)
- ✦ Due to improper planning at the department's end, 19 projects remained incomplete due to various issues as elaborated in **Table 3.19** below. An expenditure to the tune of ₹ 489.59 crore had already been incurred on these incomplete projects.

The objective of the projects could not be achieved even after expenditure of ₹ 489.59 crore leading to burden on State's exchequer to that extent.

Table 3.19: Incomplete Projects

(₹ in crore)

Sl. No.	Reason for delay/non-completion of projects	Total no. of projects	Expenditure incurred on projects	Details of Projects
1	Encroachment at Worksite	4	15.82	<i>Appendix – 3.17</i>
2	Land Acquisition issues	7	383.42	
3	Forest clearance and other forest related issues	8	90.34	
	Total	19	489.58	

(Source: Data provided by RCD)

3.6.2.4 Other Important Issues

An amount of ₹ 146.75 crore was drawn through AC Bills during 2002-03 to 2019-20²⁶, out of which DC Bills for ₹ 69.34 crore²⁷ were awaited (October 2022). AC bills were not drawn during 2020-21 (up to September 2021). As such, no DC bill was due for submission for this period.

3.7 Review of specific budget

Women, children, environment, forest, and climate change are one of the most vulnerable part in a society and public funds meant for them require more attention, transparency, and logical approach. The State of Bihar, being a “Welfare State”, prepared Gender Budget, Child Welfare Budget and Green Budget. These Budgets were reviewed by Audit and audit findings are discussed in the succeeding paragraphs.

3.7.1 Review of Gender Budget

Comprehensive development cannot be attained unless women are benefitted equally. Empowerment of women is a process that leads them to claim their rights in economic, cultural, social, and political spheres of life and realise their full potential which must be accompanied by freedom in choice and the ability to influence the direction of social change.

Empowerment of women was recognised during the Eighth Five Year Plan (1992-97) at first and it took almost 20 years²⁸ (Twelfth Five Year Plan) to identify the key indicators for gender equity to be addressed in the planning process through economic, social, and cultural empowerment. In between Ministry of Human Resources Development (MHRD) under GoI issued (October 2004) instructions and guidelines along with checklist to watch modalities and performance of the Gender Budgeting, which sought to establish accountability and transparency in policy formulation and decision making.

GoI presented the Gender Budget for the first time in Budget 2005-06. Government of Bihar adopted this practice in 2008-09. The Social Welfare Department acts as the nodal department to co-ordinate and monitor the schemes. In April 2016, a Gender Resource Centre²⁹, state-based agency of Women Development Corporation (WDC),

²⁶ ₹ 143.97 crore of the period 2002-03 to 2018-19 and ₹ 2.78 crore of the year 2019-20.

²⁷ ₹ 66.55 crore of the period 2002-03 to 2018-19 and ₹ 2.78 crore of the year 2019-20.

²⁸ Economic Survey Bihar, 2021-22.

²⁹ Gender Budget 2021-22 page-7.

was designated for Gender Budgeting by Social Welfare Department. An overview of the gender budget for five years (2017-18 to 2021-22) is presented in **Table 3.20** below.

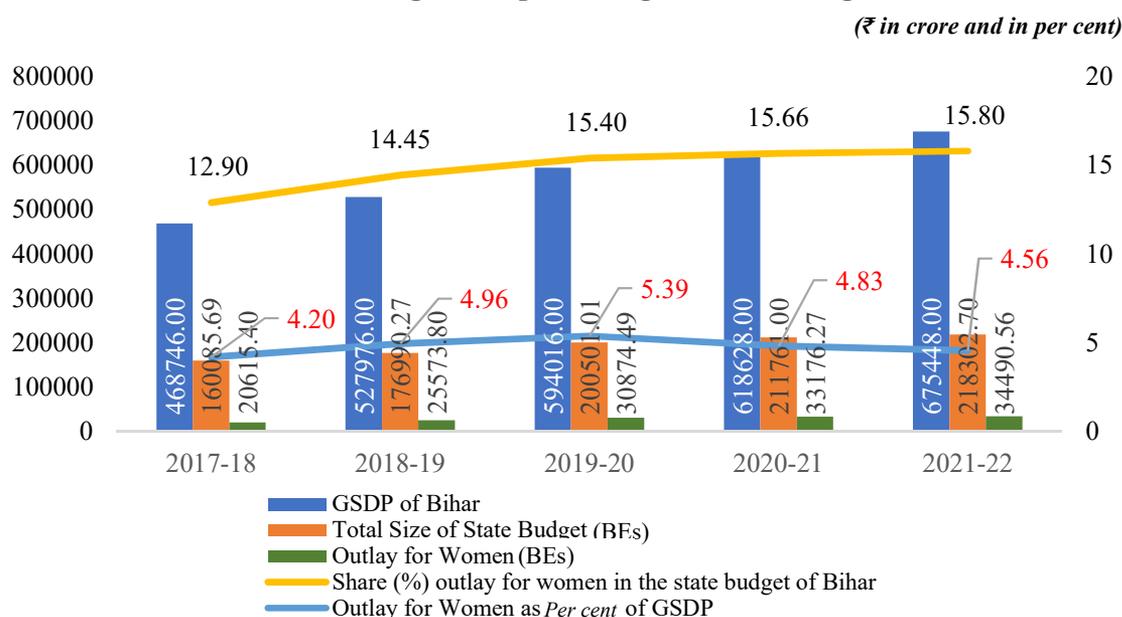
Table 3.20: Total resources allotted under Gender Budget

Details	2017-18	2018-19	2019-20	2020-21	2021-22
Outlay for women (BEs)	20,615.40	25,573.80	30,874.49	33,176.27	34,490.56
Total size of State budget (BEs)	1,60,085.69	1,76,990.27	2,00,501.01	2,11,761.00	2,18,302.70
Share (in <i>per cent</i>) outlay for women in the state budget	12.90	14.45	15.04	15.66	15.80
Outlay for women as <i>per cent</i> of GSDP	4.20	4.96	5.39	4.83	5.11

(Source: Gender Budget 2021-22, Department of Finance, Govt. of Bihar)

During 2021-22, an amount of ₹ 34,490.56 crore was allotted for Gender Budget for 621 schemes³⁰ under 20 Departments (out of 44 departments). However only 86 schemes³¹, designed to benefit specially women, were running under 10 Departments. The expenditure was proposed to be incurred within the overall budget on schemes designed to benefit women under Category 'A' (100 *per cent* (-) ₹ 12,084.29 crore for 86 schemes) and Category 'B' (at least 30 *per cent* (-) ₹ 22,406.27 crore for 535 schemes). **Chart 3.9** highlights the percentage of gender budget with respect to GSDP and total budget during 2017-18 to 2021-22.

Chart 3.9: Gender Budget as a percentage to total Budget and GSDP



(Source: Budget and Gender Budget 2021-22)

- ✦ The share of the gender budget as a percentage of the total State Budget in 2021-22 (BEs) is 15.80 *per cent*, marking an increase of a meagre 0.14 *per cent* from the previous year.
- ✦ The overall gender budget increased from ₹ 33,176.27 crore in 2020-21 (BEs) to ₹ 34,490.57 crore in 2021-22 (BEs) an increase of overall 3.96 *per cent* (1.53 *per cent* in Category 'A' and 5.32 *per cent* in category 'B' schemes).

³⁰ Count of Bill Codes as mentioned in the Budget, Gender Budget, or Detailed Appropriation Accounts.

³¹ Schemes designed to benefit women with 100 percent allocation and categorized as Category - 'A'.

- ✦ ₹ 0.02 crore provisioned in one category B scheme (Agriculture Department) under Gender Budget was not found in Appropriation Accounts. Hence, Audit could not ascertain the actual expenditure.
- ✦ One scheme of Animal and Fisheries Resource Department i.e., National Livestock Management Programme was not found included in the Gender Budget. Though, guidelines for this scheme outlined that women provide around 70 per cent³² of the bulk labour with marginal income.
- ✦ Similarly, scheme guidelines for *Rashtriya Krishi Vikas Yojana*, a flagship scheme of Co-operative Department, GoB, described prioritisation of women in implementation of project and affirmed that high value produces like horticulture, animal husbandry, dairy, poultry, and fish products are labour intensive, offers quicker returns and can engage a higher proportion of women. But the scheme was not included in the Gender Budget for 2021-22.
- ✦ Standard Operating Procedure (SOP) for effective, efficient and accountable planning and budgeting system by mapping and utilising resources targeting women was not prepared.

Financial achievement of the Gender Budget 2021-22 is described in **Table 3.21** below:

Table 3.21: Financial performance of Gender Budget

(₹ in crore)

Category of the Scheme	Group (by per cent expenditure)	No. of Schemes	Gender Budget (BEs)	Net Budget/Funds available as per Appropriation Accounts	Expenditure incurred
A (100 per cent)	Zero	17	73.22	103.25	-
	01 to 25	9	319.71	321.21	31.20
	26 to 50	0	-	-	-
	51 to 75	12	394.45	645.05	404.91
	More than 75	45	11,296.91	17,387.52	10,804.63
	Total A	83	12,084.29	18,457.03	11,240.74
B (at least 30 per cent)	Zero	82	677.48	2,030.45	-
	01 to 30	94	2,038.92	5,816.66	761.08
	More than 30	347	19,689.85	68,799.83	52,646.51
	Total B	523	22,406.25	76,646.94	53,407.59
Grand Total		606³³	34,490.54	95,103.97	64,648.33

(Source: Gender Budget with Appropriation Accounts 2021-22)

At the end of FY 2021-22, total expenditure of ₹ 64,648.33 crore (₹ 11,240.74 crore for Category A and ₹ 53,407.59 crore for Category B), mostly in Category 'B' schemes (82.61 per cent) was made. This highlights concentration of expenditure towards non-specific provisions and thus the aim to facilitate women through gender budget was not obtained at desired level.

Audit noticed that during the last five years, Ministries/Departments reported stagnated allocations in the Gender Budget and the scope and manner of reporting had not been changed, and it continued to largely be an *expost* accounting exercise. Some Departments

³² The Bihar Livestock Master Plan 2018-19 to 2022-23 under para "3.12 Gender and social inclusion".

³³ Gender Budget includes 621 schemes (Bill Code) but against 15 there was no budget provision however two schemes reported expenditure in Detailed Appropriation Accounts.

like Animal & Fisheries Resource Department and Co-operative Department which are important for gender equality, were not reporting in the Gender Budget at all. Rural Development Department, however, participated in the gender budget but prominent schemes like “*Rashtriya Gramin Peyjal Karyakram*” are not being reported. Another department, “Food and Consumer Protection” appeared in the gender budget every year, but no provision was shown during the last three years for women.

Gender Budget vs Appropriation Accounts

The financial data of Gender Budget (Category ‘A’) is scrutinised and compared with Appropriation Accounts in respect of five major departments in terms of number of schemes and budget provision i.e., Rural Development Department (RDD), Health Department, Social Welfare Department (SWD), Education Department and Science & Technology Department where major schemes were going on. Out of total 77 schemes in these departments, 20 relates to RDD, 31 relates to SWD and nine, 14 and three schemes relate to the Health, Education and Science and Technology departments respectively. Scrutinised figure of budget and expenditure during 2021-22 under these departments are described in **Table 3.22**.

Table 3.22: Budget and Expenditure under five major Departments

(₹ in crore)

Grant No.	Name of the Department	Budget of the Department as per AA	Gender Budget	Category ‘A’	No. of Schemes	Expenditure (no. of Schemes)			
						Nil	Below 50 per cent	Above 50 per cent	Schemes with no Budget provision
42	Rural Development	23,221.79	12,945.40	8,948.00	20	10	1	9	-
20	Health	17,797.77	2,427.63	1,248.36	9	-	2	7	-
51	Social Welfare	11,240.24	4,540.09	916.91	31	6	4	21	-
21	Education	46,979.60	9,392.57	731.54	14	1	-	11	2
43	Science & Technology	483.51	132.46	132.46	3	-	-	3	-
Total		99,722.91	29,438.15	11,977.27	77	17	7	51	2

(Source: Budget Documents and Detailed Appropriation Accounts for 2021-22)

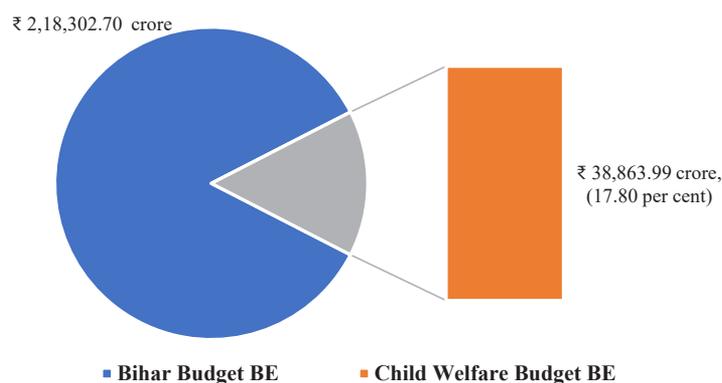
The departments did not incur any expenditure in 10, 06 and 01 schemes whereas funds were available under RDD, SWD, and Education Departments respectively.

The State Government had not reported on the performance of Gender Budget of previous years in the Gender Budget of 2021-22, to gauge the effectiveness of the scheme targets to benefit women. Thus, in the absence of any performance reports/records including the actual expenditure incurred, the effectiveness of the schemes’ targets to extend benefits to women under Gender Budgeting could not be ascertained.

3.7.2 Review of Child Welfare Budget

In Bihar, 48 per cent of the total population (4.48 crore children (2.35 crore Girl child (52 per cent)) falls under the age group of 0 to 18 years. This is one of the most vulnerable segments of the society and the State Government has to be committed to allocate public finance for their all-round development. In accordance with the United Nations Convention on the Rights of the Child (NCT) and the National Policy on the

Child, 2013, GoB started to prepare/process Child Welfare Budget from the year 2013-14 and a sum of ₹ 38,863.99 crore had been earmarked (BEs) for the Child Welfare budget 2021-22, which was around 17.80 per cent of the total budget of the State. Standard Operating Procedure for Child



Budgeting with an objective to strengthen the institutional mechanisms for child responsive public finances and Child Budget Manual was prepared by the State.

Department wise details of State Child Welfare Budget from 2019-20 to 2021-22 is detailed in the **Table 3.23** below:

Table 3.23: Department wise State Child Welfare Budget

(₹ in crore)

Grant No.	Name of the Department	2019-20 (Actuals)	2020-21 (BEs)	2021-22 (BEs)	Deviation (in per cent)
8	Art, Culture & Youth	8.23	15.20	15.20	-
11	BC & EBC Welfare	1,119.40	1,331.20	1,487.51	11.74
19	Environment, Forest & Climate Change	-	0.12	-	-100.00
20	Health	397.64	386.18	257.04	-33.44
21	Education	21,885.65	29,836.07	31,939.99	7.05
22	Home	0.41	3.07	12.52	308.25
26	Labour Resources	1.58	7.61	3.00	-60.59
30	Minority Welfare	42.75	106.00	131.00	23.58
36	Public Health Engineering	241.48	694.65	252.48	-63.65
44	SC & ST Welfare	1,027.51	1,335.29	1,376.03	3.05
51	Social Welfare	2,915.51	3,542.19	3,389.22	-4.32
	Total	27,640.16	37,257.58	38,863.99	4.31

(Source: Child Welfare Budget, 2021-22)

- Total budget allocation for children increased by 4.31 per cent over the previous year's budget, the department wise allocations for the Health, Labour Resources and PHED decreased by 33.44 per cent (₹ 129.14 crore), 60.59 per cent (₹ 4.61 crore), and 63.65 per cent (₹ 442.17 crore) respectively. Allocations for Home, Minority Welfare Departments were also increased by 308.25 per cent (₹ 9.45 crore) and 23.58 per cent (₹ 25.00 crore), respectively.
- For 4.48 crore population of children, Health Department made provision of ₹ 257.04 crore (1.94 per cent) out of the total Child Welfare budget of ₹ 13,264.87 crore, and Home Department made provision of only ₹ 12.52 crore

and the allocation was for a Centrally Sponsored Scheme, meant to deal with Cybercrime against Women and Children.

- There were no other Budgetary provisions corresponding to other issues of Child protection. CWB in Home and Health Departments appeared to be negligible in view of the population of 4.48 crore children (48 *per cent* of total population) in the State.
- The Department of Social Welfare (nodal Department for issues related to children) received ₹ 3,389.22 crore (4.32 *per cent* reduced allocations) in the State Budget for 2021-22 (BEs) against ₹ 3,542.19 crore in 2020-21.
- Child Welfare Schemes were not mapped/marked separately in the main budget.

Budgetary allocation of Child Welfare Budget 2021-22 (BEs) is shown in **Table 3.24** below:

Table 3.24: Details of Child Budget from 2019-20 to 2021-22

(₹ in crore)

Year	Budget	Establishment & committed		State Scheme		Centrally Sponsored Scheme	
		Amount	Per cent	Amount	Per cent	Amount	Per cent
2019-20 (Actuals)	27,640.16	7,594.39	27.48	4,440.62	16.06	15,605.16	56.46
2020-21 (BEs)	37,257.58	9,951.78	26.71	6,425.75	17.25	20,880.04	56.04
2021-22 (BEs)	38,863.99	11,281.25	29.03	6,262.63	16.11	21,320.11	54.86

(Source: Child Welfare Budget of the year 2020-21 and 2021-22)

As per Approved Appropriation Accounts (2021-22), it was noticed that in 96 schemes (46 *per cent*) expenditure incurred was below 80 *per cent*. Financial achievements against the budgetary provisions, under Child Welfare Budget are shown in **Table 3.25** below.

Table 3.25: Financial performance of Child Welfare Budget (2021-22)

(₹ in crore)

Sl. No.	Group (by <i>per cent</i> expenditure)	No. of Schemes	Net Budget (DAA)	Expenditure (DAA)
1	81-100	85	34,831.29	32,316.90
2	61-80	30	4,568.42	3,214.57
3	41-60	23	11,010.83	5,214.11
4	21-40	17	1,148.15	378.77
5	00-20	23	1,475.44	83.02
6	Zero	33	942.87	-
7	Error	3	-	0.03
		214	53,976.98	41,207.41

(Source: Child Welfare Budget and Appropriation Accounts of the year 2021-22)

It is evident from the above table that expenditure was not incurred in 33 schemes despite availability of funds amounting to ₹ 942.87 crore. Expenditure of ₹ 83.02 crore (5.62 *per cent*) was incurred for 23 schemes whereas ₹ 1,475.44 crore was available. It is also seen that in three schemes expenditure of ₹ 0.03 crore was reported without any budgetary provision.

National Policy for Children (2013)

The National Policy for Children (2013) and other guiding documents prescribed that any agenda or program of child development should be based on four pillars — Health and Nutrition - schemes for early childhood care and nutrition, and child and adolescent health, Education and

Important Child Rights under the Constitution of India

The Constitution of India guarantees all children (0-18 years) certain rights, which include:

- Right to free and compulsory elementary education for all children in the 6-14 year age group (Article 21 A).
- Right to be protected from any hazardous employment till the age of 14 years (Article 24).
- Right to be protected from being abused and forced by economic necessity to enter occupations unsuited to their age or strength (Article 39(e)).
- Right to equal opportunities and facilities to develop in a healthy manner and in conditions of freedom and dignity and guaranteed protection of childhood and youth against exploitation and against moral and material abandonment (Article 39(f)).

Development - schemes at the level of elementary and secondary education, which helps in the overall development of children, Child Protection - schemes for children in difficult circumstances, such as, child labour, children with disabilities, children affected by calamities, children affected by conflicts, child prostitutes, children of prostitutes, street children, children exposed to the risk of trafficking, juvenile delinquents, Child Participation - schemes at the elementary and secondary levels on sports or extra-curricular activities, along with platforms for children to express their views and participate in decision-making processes. Thus Policies and/or programmes framed for children must ensure that no child is left behind.

Child Welfare Budget of Bihar (including Central and State Schemes) for the years from 2019-20 to 2021-22 was scrutinised based on the provisions described above and is detailed in the **Table 3.26** below:

Table 3.26: Overview of Child Welfare Budget 2019-22, as per National Policy for Child, 2013

(₹ in crore)

Segment	2019-20			2020-21			2021-22		
	No. of schemes	Amount	Per cent	No. of schemes	Amount	Per cent	No. of schemes	Amount	Per cent
Survival, Health & Nutrition	37	3,288.52	11.90	44	4,246.90	11.40	40	3,590.32	9.28
Education & Development	111	24,209.77	87.59	140	32,701.34	87.77	140	34,819.06	89.95
Protection	17	125.09	0.45	18	208.66	0.56	18	198.93	0.51
Participation	5	16.78	0.06	7	100.68	0.27	7	100.67	0.26
	170	27,640.16	100	209	37,257.58	100	205	38,708.98	100

(Source: Child Welfare Budget and Appropriation Accounts of the year 2021-22)

As can be seen from **Table 3.26** above, the resource allocation was only 0.51 per cent (₹ 198.93 crore) of the total Child Welfare Budget for 2021-22 and 0.09 per cent of the Main budget of Bihar for the year 2021-22.

However, the Survival, Health & Nutrition and Education & Development received an average 9 per cent and 90 per cent of total Child Welfare Budget during 2019-22. It may be viewed in the light of the fact that Bihar stood second lowest in respect of Health

index and lowest in respect of educational index in Human Development Index-2019, with overall lowest standing in respect of the neighbouring states.

3.7.3 Review of Green Budget

Green budgeting means using the tools of budgetary policymaking to help achieving environmental and climate goals.

Bihar is an agrarian State, and the agro forestry plays a major role in its economy. The State had 6,845 sq. km notified natural forest area (October 2022) which is 7.27 per cent of the geographical area³⁴ of the State.

Bihar is the first State in the country to prepare and exercise green budgeting in line with GoI. The State prepared its first green budget in March 2020 (for FY 2020-21). However, there was no fixed rules or parameters for preparation of Green Budget, the state compiled the expenditures to be incurred on the components across the departments. Also, SOP for Green Budget which may help for effective, efficient and accountable planning and budgeting system expressly geared towards mapping and utilising resources targeting the issues of environment sustainability, adaptation to climate change, pollution reduction, biodiversity and development of green infrastructure as envisaged was not prepared. A Summary of provisions of Green Budget are mentioned below in **Table 3.27**.

Table 3.27: Green Budget provision during 2021-22³⁵

(₹ in crore)			
Sl. No.	Details	2020-21 (BEs)	2021-22 (BEs)
1	Budget Estimates of the state for the year	2,11,761.49	2,18,302.70
2	Total Provision of the 19 Departments related to Green Budget	81,176.46	79,359.73
3	Total provision in heads related to Green Budget of these 19 departments	27,162.85	29,337.33
4	Green Budget	5,693.88	7,682.91
5	Total provision of the departments includes in Green Budget (in per cent) (Sl. 4 / Sl. 2 X 100)	7.01	9.68
6	Green Provision out of Heads related to the Green Budget (in per cent) (Sl. 4 / Sl. 3 X 100)	20.96	26.19

(Source: Green Budget for the year 2021-22)

Scrutiny revealed that total 275 schemes across 19 departments comprising budgetary provisions of ₹ 7,682.91 crore were included in the Green Budget 2021-22.

It was noticed that out of 74 schemes, categorised as Group “A” schemes, with 100” per cent allocation, 80 per cent to 100 per cent allocations were utilised in nine schemes³⁶ only, in eight schemes 50 per cent to 80 per cent, and in 57 schemes up to 50 per cent of the allocation was utilised. However, in 16 schemes no expenditure was incurred during the year.

³⁴ Website of Environment, Forest and Climate Change Department, Bihar.

³⁵ Green Budget for the year 2021-22.

³⁶ One each in Agriculture Department, Building Construction Department, Energy Department and Public Health Engineering Department, two of Environment, Forest & Climate Change Department and three of Minor water Resources Department.

At least six³⁷ schemes were found to be categorised in both Group “D” and “E” with different amounts of provisions in the green budget of 2021-22.

Group-wise performance of the schemes is detailed in **Table 3.28** below:

Table 3.28: Performance of schemes under Green Budget

(₹ in crore)

Group	Share (in per cent)	No. of Schemes		Total Budget	Expenditure incurred	Achievement (in per cent)
		Green Budget	Appropriation Accounts			
A	100	74	74	2,283.87	797.07	34.90
B	75-90	19	19	441.04	Could not be ascertained as specific items under defined percentage including budget & expenditure there against was not available.	
C	50-75	35	35	5,747.21		
D	25-50	40	40	2,996.69		
E	05-25	58	58	8,568.25		
F	01-05	49	49	16,332.12		
		275	275	36,368.58		

(Source: Green Budget with appropriation Accounts for the year 2021-22)

Thus, in the absence of any specific performance reports/records including the actual expenditure incurred, the effectiveness of the schemes could not be ascertained by Audit. Further, the Green Budget, and Appropriation Accounts were not in conformity with each other, and the GoB placed a disclaimer in the Green Budget 2021-22 that only selected schemes of some selected departments were included in the budget.

3.7.4 Review of Budget provisions for Minorities

As per data of 2011 Census, Bihar was the third most populous state of India with total population of 10,40,99,452. It was also India’s most densely populated state, with 1,106 persons per square kilometre. 82.7 per cent population of Bihar was practising Hinduism, while 16.9 per cent population was following Islam as detailed in **Table 3.29** below:

Table 3.29: Religious Demography of Bihar

Religion	Population (2001)	Per cent	Population (2011)	Per cent	Decadal growth#
Hinduism	6,90,76,919	83.2	8,60,78,686	82.7	24.61
Islam	1,37,22,048	16.5	1,75,57,809	16.9	27.95
Christianity	53,137	0.06	1,29,247	0.12	143.23
Buddhism	18,818	0.02	25,453	0.02	35.26
Sikhism	20,780	0.03	23,779	0.02	14.43
Jainism	16,085	0.02	18,914	0.02	17.59
Other	52,905	0.06	13,437	0.01	-74.60
Not stated	n/a	0	2,52,127	0.24	-
Total	8,29,98,509	99.9	10,40,99,452	100	

(Source: Census of India data)

Total population growth in a particular decade (between 2001 and 2011)

To provide all-round development (financial, social, and academic development) of minority³⁸ communities, GoB established Minority Welfare Department in 1991.

³⁷ 01-2401001030218, 01-2401007890349, 01-2401007960356, 01-2401001090218, 01-2401007960261, 01-2401001090318.

³⁸ Muslim, Sikh, Christian, Jain, Buddhist and Parsi communities along with linguistic minorities.

The Department operates/implements its welfare schemes through a Directorate and a Corporation³⁹ under departmental establishment. The vision of the department is to promote accelerated socio-economic development, educational concessions for students, development of women and children of minority communities, provide training and employment opportunities, provide guidance to those in the minority communities wanting to set up entrepreneurial ventures.

Table 3.30: Financial statement of Minority Welfare for 5 years*(₹ in crore)*

Year	No. of Schemes under Grants ⁴⁰					Original Provisions	Supplementary Provisions	Total provisions	Expenditure	Surrender	utilisation (in per cent)
	3	11	21	30	Total						
2017-18	8	0	4	31	43	954.93	91.00	1,045.93	444.65	560.76	42.51
2018-19	9	0	1	32	42	578.76	21.94	600.70	354.67	241.46	59.04
2019-20	8	0	1	26	35	607.10	51.12	658.22	314.27	95.00	47.75
2020-21	8	1	1	33	43	706.25	98.76	805.01	341.67	118.94	42.44
2021-22	0	0	0	29	29	562.63	0.00	562.63	272.11	50.00	48.36
Total						3,409.66	262.82	3,672.48	1,727.37	1,066.15	47.04

(Source: Detailed Appropriation Accounts, Government of Bihar)

It is evident from the above table that expenditure incurred was only 47 per cent of the total provisions. This resulted in savings of ₹ 1,945.11 crore. However, only ₹ 1,066.15 crore (55 per cent) of these savings were surrendered at the end of the financial year. It was also observed that despite the department failed to utilise its original budgetary provisions, more funds, through supplementary provision were provided. Non-utilisation of budgetary provisions, failure to surrender the unutilised funds and persistent and significant savings reveals weak financial management capacity of the department.

Financial progress/achievement of flagship schemes during the period from 2017-18 to 2021-22 are depicted in **Table 3.31** below:

Table 3.31: Schemes of Minority Welfare Department (MWD)*(₹ in crore)*

Name of Scheme	2017-18 to 2021-22		
	Budget	Expenditure incurred	Expenditure in per cent
30-2202021070109 Chief Minister students incentive scheme	405.08	279.37	68.97
30-2202031070106 Arrangement of coaching to Minority Students for preparation of Bihar Public Service Commission	43.00	11.86	27.58
30-2225042770101 Post Matric Scholarship	115.00	96.86	84.23
30-2250008000108 Grants to Waqf Board as revolving fund for development Waqf property	306.00	71.77	23.45
30-4250000510207 Multi Sectoral Development Programme for Minorities	541.00	171.48	31.70

³⁹ Bihar State Minorities Financial Corporation (BSMFC).

⁴⁰ Grants under which the minority welfare schemes are implemented in State. Grant 03-Building Construction, Grant 11- Backward and Most-Backward welfare, Grant 21- Education & Grant 30- Minority Welfare Department.

Name of Scheme	2017-18 to 2021-22		
	Budget	Expenditure incurred	Expenditure in per cent
30-5465011900104 Capital share in form of share capital of Bihar State Minority Financial Corporation	540.00	413.64	76.60
30-4225040510102 Bihar State Madarsa Reinforcement Plan	130.00	30.16	23.20
	2,080.08	1,075.14	51.69

(Source: Detailed Appropriation Accounts, Government of Bihar)

It can be observed from the above table that expenditure incurred in four out of seven schemes was below 33 *per cent*. These schemes were meant for scholarship, and educational purpose as well as multi-sector development of beneficiaries. Low expenditure in these important areas may result in ineffective implementation of schemes and deprive the beneficiaries from its intended benefits.

Pre-Matric and Post-Matric Scholarships provided by the MWD were analysed and some findings thereof are discussed below:

Objective of the Schemes

Pre-Matric Scholarship aims to encourage parents belonging to economically weaker sections of Minority Communities to send their children to school, lighten their financial burden on school education and sustain their efforts to support their children to complete school education. Pre-Matric Scholarship is provided for meritorious students studying from class I to class X.

Post-Matric scholarship scheme aims to provide financial assistance to meritorious students belonging to economically weaker sections of Minority Communities to provide them better opportunities for higher education, increase their rate of attainment in higher education and enhance their employability.

Both these schemes are Centrally Sponsored Schemes and financial benefits are channelled through DBT mode to the beneficiaries.

Physical and financial progress of Pre-matric and Post-Matric Scholarship Schemes for Minority students in Bihar during 2017-18 to 2020-21 is detailed in **Table 3.32** below:

Table 3.32: Physical and financial progress

Particulars	2017-18	2018-19	2019-20	2020-21
Pre-Matric Scholarship Scheme for Minority students				
Number of beneficiaries (in lakh)	1.23	2.22	2.46	1.34
Expenditure (₹ in crore)	30.78	97.45	82.43	32.97
Post-Matric Scholarship Scheme for Minority students				
Number of beneficiaries (in lakh)	0.51	0.49	0.48	0.44
Expenditure (₹ in crore)	33.55	32.40	30.53	18.12

Source: Information received from the Ministry of Minority Affairs and MWD through National Scholarship Portal. Number of beneficiaries and expenditure include for both fresh and renewal cases.

It can be observed from the above table that:

- ✦ Benefit of Pre-matric scholarship scheme was extended to 7,24,723 students during 2017-18 to 2020-21 with an expenditure of ₹ 243.63 crore.
- ✦ Benefit of post-matric scholarship scheme was provided to 1,91,812 students during 2017-18 to 2020-21 with an expenditure of ₹ 114.60 crore.

Further, Audit observed that:

- ✦ Against the state cap of 2,27,778 beneficiaries under Pre-Matric scholarship scheme, disbursement was made only to 1,34,270 (60 *per cent*) beneficiaries, against 6,03,819 number of applications received for scholarship.
- ✦ In post-matric scholarship scheme an expenditure of ₹ 30.53 crore was incurred for 48,456 beneficiaries in F.Y. 2019-20 whereas an expenditure of ₹ 18.12 crore (40.65 *per cent* less from previous year) was incurred for 43,512 beneficiaries (10.20 *per cent* less from previous year) in F.Y. 2020-21.

3.7.5 Review of Outcome Budget and Achievement Report thereon

The objective of the Outcome Budget was to establish a co-relationship between the financial budget and performance budget and to track not just the intermediate physical outputs but also the outcomes. In Bihar, outcome Budget and Achievement Report thereon, showing significant possible physical results through financial request by the Government, was started in 2006-07. By this means the utility of expenditure can be assessed by reviewing the same. It provides information about possible outcomes to the public and can ensure transparency and accountability of the government in its financial dealings. Outcome budget determines the physical feature in relation to the amount spent by the Government, Achievement Report presents the achievements against the targets.

Audit assessed whether the various orders and instructions relating to preparation of outcome budget had been followed, to enable it to serve its intended purpose and achieve to the target as set by the Government.

A review of the Outcome Budget was conducted with the objective of ascertaining:

- ✦ Whether applicable laws, rules and regulations made, and various orders and instructions issued by the competent authority there under for preparation of Outcome Budget were complied with; and
- ✦ Whether there were inconsistencies in reporting of physical targets and whether data was reliable.

Two departments i.e., Disaster Management and Road Construction Departments were selected for review of Outcome Budget for the year 2021-22. Audit findings are discussed in the succeeding paragraphs.

3.7.5.1 Deviation from Government instructions

As per the guidelines issued by the MoF, GoI, the Outcome Budget was to be prepared in a manner that it contains Executive Summary, Introduction, Statement of Budget

Estimates, Reform measures and policy initiative, Review of past performance and financial review.

Finance Department, GoB, issued Circular for Budget Preparation, containing Appendix-XII for preparation of outcome budget by the departments each year. This format lacked above said requirements except statement of Budget Estimates. Therefore, information regarding Normal Savings resulting from economic use of resources, utilisation certificate in execution of schemes and surrenders from obsolete/defunct schemes/programmes and other schemes where funds were not required was absent in the Outcome Budget.

3.7.5.2 Financial Outlays *vis-à-vis* Outcome Budget

A. Grant no. 39: Disaster Management Department

Out of the total 91 schemes in the department, 81 schemes featured in Outcome Budget for the year 2021-22. In the absence of any Achievement Report available for the year (October 2022), actual achievement could not be ascertained. The scheme group wise financial achievement (irrespective of bill code) against each group of schemes is detailed in **Table 3.33** below:

Table 3.33: Financial Achievement against the budget provision

(₹ in crore)

Scheme Group	No. of schemes	Schemes in Outcome Budget	Total Budget	Expenditure incurred	Achievement (Per cent)	Deposit in 8443 - 8448	Actual Expenditure	Parking of funds (in per cent)
Mitigation	1	1	3.00	1.94	64.67	0.01	1.93	0.52
Preparedness	21	13	3,303.85	2,843.67	86.07	-	2,843.67	-
Rehabilitation & Reconstruction	14	13	919.75	421.03	45.78	225.64	195.39	53.59
Relief	51	50	3,720.60	2,727.17	73.30	895.07	1,832.10	32.82
Response	4	4	1,007.50	570.51	56.63	450.01	120.50	78.88
	91	81	8,954.70	6,564.32	73.31	1,570.73	4,993.59	23.93

(Source: Appropriation Accounts and VLC data for the year 2021-22)

As evident from the table above:

- ✦ Against the total provisions of ₹ 8,954.70 crore for these schemes, only 73.31 per cent (₹ 6,564.32 crore) funds were spent during the year.
- ✦ Against the total expenditure of ₹ 6,564.32 crore, ₹ 1,570.73 crore (23.93 per cent) were parked in the Major Heads 8443 and 8448. Therefore, the amount actually spent; out of the total funds kept in the deposit Heads during the financial year 2021-22, could not be ascertained.
- ✦ It was observed that 32.82 per cent, 53.39 per cent and 78.88 per cent of the expenditure incurred against the schemes related to Relief, Rehabilitation & Reconstruction and Response works were parked in the MH 8443 and 8448.

B. Grant No. 41: Road Construction Department

Out of the total 31 schemes in the department, only 17 schemes featured in Outcome Budget for the year 2021-22. Scheme group-wise financial achievement (irrespective of bill code) is detailed in **Table 3.34** below.

Table 3.34: Financial achievement against the budget provision*(₹ in crore)*

Scheme Group	No. of schemes	No. of schemes in Outcome Budget	Total Budget	Expenditure incurred	Achievement (in per cent)	Deposit in MH 8443 - 8448	Actual Expenditure incurred	Parking of funds (in per cent)
Administrative & Committed Expenditure	13	3	1,348.71	1,016.74	75.39	67.36	949.38	6.63
Border Road Grant Fund (BRGF)	2	2	392.48	195.00	49.68	-	195.00	-
Bridges	3	3	848.90	862.66	101.62	63.75	798.91	7.39
Central Road Fund	4	1	600.00	465.48	77.58	29.58	435.90	6.35
Major Roads	3	3	2,889.00	2,448.56	84.75	90.50	2,358.06	3.70
Prime Minister Gram Sadak Project	2	2	800.00	609.07	76.13	-	609.07	-
Saat Nishchay-2 : Easy Connectivity	3	3	200.00	-	-	-	-	-
National Highway Project	1	0	45.00	28.35	63.00	2.07	26.28	7.30
	31	17	7,124.09	5,625.86	78.97	253.26	5,372.60	4.50

(Source: Appropriation Accounts, Outcome Budget for the year 2021-22)

It can be observed from the table above that:

- ✦ Against the total provisions of ₹ 7,124.09 crore, only ₹ 5,625.86 crore (78.97 per cent) were reported as spent.
- ✦ Under BRGF, funds to the tune of ₹ 392.48 crore were provisioned, but only 49.68 per cent (₹ 195.00 crore) of the provisioned funds were utilised and the target couldn't be achieved.
- ✦ An amount of ₹ 200.00 crore was provisioned for Saat Nishchay-2: Easy Connectivity scheme, but no expenditure was incurred during the year.

3.7.5.3 Advantages/shortfalls in CFMS

The purpose of CFMS is to provide greater transparency to the Government functioning at various levels and track funds up to the last level. Thus, minimising intermediary delays and providing benefits directly to the beneficiaries.

Audit noticed that even after three years of implementation, CFMS has not overcome the issues, which were noticed in pre-CFMS era like unrealistic budget preparation (**Paragraph 3.3.4**), misclassification of revenue expenditure to capital expenditure and others (**Paragraph 2.4.3.6**). Further, accounts in CFMS environment are depicted in **Paragraph 4.25**.

3.7.5.4 Conclusion

Outcome Budget of GoB did not provide information about normal savings resulting from economic use of the resources, current position of outstanding utilisation Certificates and unspent balances with the departments. Physical output targets were not fixed in a realistic manner. There were data discrepancies that undermined the utility of the Outcome Budget as an instrument to measure outcomes expected from the financial outlays being made.

However, deviations from the guidelines on preparation of Outcome Budget undermined this fundamental objective. There was no direct co-relation between financial outlay and physical outcomes; achievements within the same budgetary allocation were less as compared to targets; there was discrepancy in depiction of targets figures of the programmes between outcome Budgets and Web-based online system; and monitoring of progress of implementation of programmes through Web based online system suffered from data unreliability.

Audit observed that this exercise was done without proper due diligence and thus the targeted recipients could not be benefitted much, as required by presenting the Outcome Budget.

3.8 Indicators

Following are some conclusions arrived at on during analysis of Budget and Appropriation Accounts:

Positive Indicators	Negative Indicators
<ul style="list-style-type: none"> ➤ Preparation of Standard Operating Procedure for Child Budgeting with an objective to strengthen the institutional mechanisms for child-responsive public finances. ➤ Preparation of Child Budget Manual. 	<ul style="list-style-type: none"> ➤ Standard Operating Procedure not prepared for Gender Budget and Green Budget. ➤ The Bihar Treasury Code not revised/updated to address CFMS era of accounting. ➤ Provisions for Child Welfare schemes are not mentioned separately in the budget. ➤ As the funds are being kept in Public/Bank Accounts, expenditure report of any Financial Year does not present true and fair picture of the financial status of the consolidated fund of state.

3.9 Recommendations

The Finance Department should:

- ✦ ensure that all anticipated savings are surrendered on time so that the funds can be utilised for other developmental purposes.
- ✦ review the reasons for persistent savings and take necessary steps, to avoid such situations to ensure optimum utilisation of the amount allocated.
- ✦ agree to Re-appropriation proposals from grant controlling officers only if the trend of expenditure warrants these.
- ✦ ensure timely surrender of funds and evolve a system of timely budgetary releases to departments to minimise the surrenders.
- ✦ monitor and control rush of expenditure during the fag end of the financial year.
- ✦ devise a Management Information System (MIS) which helps in bringing out the unspent amount of AC bills drawn at DDOs level who draw funds and fail to transfer unspent balances to Consolidated Fund before the closure of the financial year.

- ✦ insist the respective departments to submit performance reports for Gender Budgeting/ Child Welfare Budgeting/ Green Budgeting and Outcome Budget so as to bring about transparency in public spending.

CHAPTER IV
QUALITY OF ACCOUNTS AND
FINANCIAL REPORTING PRACTICES

This Chapter provides an overview of 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 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.

Issues related to completeness of Accounts

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.

As per Rule 5 (1) of Bihar Financial Rules, 2005 all moneys received by or deposited with any officer employed in connection with the affairs of the State in his capacity as such other than revenue of public money raised or received by Government shall be paid into the Public Account.

Collection of levies

Levy of Building and Other Construction Workers Welfare Cess in the State was scrutinised during audit and the following was observed:

Building and Other Construction Workers (BOCW) Welfare Board was constituted by the State Government in February 2008. The main function of the Board is to provide funds under various welfare schemes to construction workers of the State. The Board collects funds at the rate of one *per cent* of the total expenditure incurred on ongoing construction works under GoI, GoB, Semi-Government and Private Sector in the State during the financial year.

The Departments booked the collection of Labour Cess under Major Head 8443-Civil Deposit-108-Public Works Deposits, which contains many other receipts apart from Labour Cess. Consequently, the amount of Labour Cess collected by various departments could not be ascertained. Therefore, a separate Sub-Head (8443-00-108-0004) was opened by the Government in June 2019 for the booking of Labour Cess collected by various departments executing projects involving labour. The details of amount collected, and actual expenditure incurred by the BOCW Welfare Board during the period from 2019-20 to 2021-22 are shown in the **Table 4.1** below:

Table 4.1: Position of Cess collected and expenditure during 2019-20 to 2021-22*(₹ in crore)*

Financial Year	O.B	Receipt during the year		Available Funds	Expenditure		Total Expenditure	C.B
		Through Cess	Through Registration		Scheme	Administration		
2019-20	1,388.25	289.75	2.72	292.47	295.70 (₹ 1.11 cr. on return on schemes)	2.49	298.19	1,383.64
2020-21	1,383.64	329.97	2.05	332.02	537.76	2.26	540.02	1,175.64
2021-22	1,175.64	372.97	0.75	373.72	338.00	2.50	340.50	1,208.86

(Source: Information provided by the BOCW Welfare Board)

The State Government notified various schemes/activities, viz., pension, residential school, advances for purchase/construction of houses, funeral assistance, medical assistance, and cash awards for meritorious students, financial assistance for education/marriage of children of beneficiaries, critical illness, solar energy, skill development and technical training, etc., for welfare of the construction workers from the BOCW Welfare Fund. Details of expenditure on these schemes during the period from 2019-20 to 2021-22 are given in **Table 4.2**.

Table 4.2: BOCW covered workers and expenditure on schemes by BOCW Welfare Board during the period 2019-20 to 2021-22

Year	Scheme Operated		Actual Expenditure on Schemes (₹ in crore)	Workers covered
	No.	Allotment by BOCWB (₹ in crore)		
2019-20	9	289.75	295.70	6,72,974
2020-21	12	329.97	537.76	11,00,351
2021-22	11	372.97	338.00	9,96,233

(Source: Information provided by the BOCW Welfare Board)

As per Finance Accounts, collection of cess and transfer of cess during 2019-20 to 2021-22 are shown below in the **Table 4.3**.

Table 4.3: Collection and transfer of labour cess during the period from 2019-20 to 2021-22*(₹ in crore)*

Year	Collected	Transferred	Un-transferred amount
2019-20	89.90	0.14	89.76
2020-21	116.97	31.44	85.53
2021-22	122.23	51.41	70.82
Total	329.10	82.99	246.11

(Source: Information provided by the BOCW Welfare Board)

The above amount reflected in the Finance Accounts. The un-transferred balance as of March 2022, represents the liability of the State. However, BOCW Welfare Board has stated different figure as mentioned in **Table 4.1**. Since, the board is an autonomous body, actual collection and expenditure could not be ascertained as BOCW deposited amount in scheduled commercial banks, which may not reflect in Finance Accounts.

Road Safety Cess

As per section -6A of Bihar Motor Vehicles Taxation (Amendment) Act, 2016, Road Safety Cess shall be levied and collected from (a) every licensee at the rates specified in Schedule-IV of the Act (b) every vehicle liable to pay one-time tax at the rate of one *per cent* of the value of such vehicle as per provision (c) every vehicle liable to pay tax other than a vehicle liable to one-time tax at the rate of one *per cent* of the annual tax payable under this act on such vehicle. Further, the proceeds of the cess levied and collected under this Act by the State Govt. shall, after deducting the expenses of collection and recovery in such manner as may be determined by the Government, be appropriated to the “Bihar Road Safety Fund”.

As per notification issued by Transport Department, Govt. of Bihar dated 30.03.2017, a head 0041-00-102-0002 was opened for receipt of Road Safety Cess and the same is to be transferred to Bihar Road Safety fund through the head 2041-00-101-0005. During scrutiny the data, it was observed that ₹115.04 crore and ₹132.29 crore were collected during 2020-21 and 2021-22 respectively but the same were not transferred to the designated fund which led to the revenue deficit and the fiscal deficit to that extent.

4.2 Loans of State Government not being credited to the Consolidated Fund (Off-budget Borrowings)

As per Article 293 (1) of the Constitution of India, the State Government can borrow within the territory of India, upon the security of the Consolidated Fund of the State within such limits, if any, as may be from time to time fixed by the legislature of the such State by law and to the giving of guarantees within such limits, if any, as may be so fixed.

The State Government should take suitable measures to ensure greater transparency in its fiscal operations in public interest by disclosing the contingent liabilities created by way of guarantees, the actual liability arising out of borrowings by PSUs and SPVs and other equivalent instruments where liability for repayment is on the State Government allocations. Audit observed that during the period 2021-22, the State Government routed loan outside the budget through two State Government Public Sector Undertakings (PSUs)/ Authorities. Details have been mentioned in **Table 4.4** below:

Table 4.4: Details of off-budget borrowings during the period from 2021-22

(₹ in crore)

Sl. No.	Name of the Institutions/ Organisations	Amount	Remarks
1.	Bihar State Road Development Corporation Ltd. (BSRDCL) (Road Construction Department.)	520.00	Disbursed by Housing and Urban Development Corporation (HUDCO) to BSRDCL
2.	Bihar Rural Road Development Agency (BRRDA), (Rural works Department)	962.50	Disbursed by National bank for Agricultural and rural Development (NABARD) to BRRDA. The off-Budget Loan had been taken by BRRDA an Agency of RWD for implementation of <i>Gramin Tola Sampark Nischay yojna</i> (GTSNY) Scheme.
	Total	1,482.50	

(Source: Finance Accounts, 2021-22)

The State Govt. decided (August 2021) that BSRDCL would borrow ₹ 2,000 crore from HUDCO for Digha to Didarganj (Ganga Path Project) on the condition that State Government would give guarantee for recovery of loan with interest. Accordingly, a loan agreement for ₹ 2,000 crore was executed between BSRDCL and HUDCO on 01.11.2021. HUDCO released ₹ 520 crore in six instalments during the period from December 2021 to March 2022. The repayment of loan is 16 years after completion of the project.

During scrutiny of the records of the BRRDA, it was found that RWD had to construct 3,977.30 kms road to connect 4,643 habitations under GTSNY scheme, at a cost of ₹ 3,826.53 crore. After approval (March 2017) of Finance department ₹ 3,114.37 crore (80 per cent of the project cost) was sought as “off-budget borrowings” from NABARD. The NABARD agreed to provide ₹ 2,820.41 crore (73.70 per cent of total required funds) at the interest rate of 10 per cent with half yearly rests. Out of which, NABARD disbursed ₹ 500 crore on 28.03.2018, ₹ 100 crore on 06.02.2019, and ₹ 500 crore on 17.10.2019. RWD paid ₹ 332.99 crore as interest and ₹ 137.50 crore as principal to NABARD against total off-budget borrowings of ₹ 1,100 crore during 2018-19 to 2021-22. The Finance department furnished the information of only ₹ 962.50 crore off-budget borrowings by BRRDA under GTSNY Scheme during 2021-22.

Although, the State Government did not disclose the off-budget liabilities in their budget documents/annual financial statements in the concerned financial years, as per Finance Accounts 2021-22, ₹ 962.50 crore is depicted as off-budget borrowings against BRRDA.

This indicates that the Debt-Stock would be higher by ₹ 1,482.50 crore in 2021-22, after taking into account off-budget borrowings. Accordingly, the debt to GSDP ratio including off-budget borrowings was 37.29 per cent, as on 31 March 2022, against the ratio of 37.07 per cent, without taking into account the off-budget borrowings with subject to fiscal deficit to that extent.

Reasons were sought from the concerned Department of GoB (August 2022). However, the reply was still awaited (November 2022).

4.3 Non-discharge of liability in respect of interest towards interest-bearing deposits

The Government is liable to provide and pay interest on the Interest-bearing Deposits as detailed in **Table 4.5**.

Table 4.5: Non-discharge of liability in respect of interest towards interest-bearing deposits

(₹ in crore)

Sl. No.	Name of the Interest-bearing deposit	Balance as on 01 April 2021	Interest due		Interest paid
			Due	Rate (per cent)	
1.	8342- Other Deposits-117- Defined Contribution Pension Scheme for Government Employees	315.92	22.43	7.1	Nil
2.	8121-129- State Compensatory Afforestation Fund (SCAF)	523.07	17.52	3.35	Nil
3.	8009-101- General Provident Fund	10,262.62	728.65	7.1	698.00
4.	8009-104- All India Services Provident Fund	256.03	18.18	7.1	17.50
Total			786.78		715.50

(Source: Finance Accounts 2021-22)

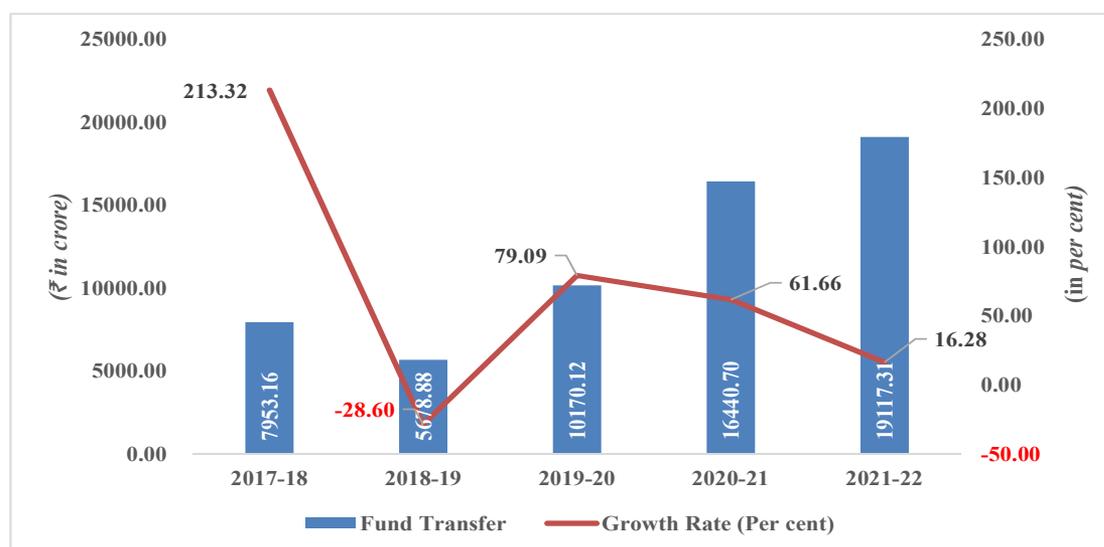
The Government had not earmarked funds to the tune of ₹ 71.28 crore (₹ 786.78 - ₹ 715.50) for interest liability towards Interest-bearing Deposits. Thus, there was an understatement of ₹ 71.28 crore on Revenue deficit and Fiscal deficit due to under provisioning of the interest liability of the Government.

4.4 Funds transferred directly to State implementing agencies

The Union Government transfers substantial funds directly to the State Implementing Agencies/Non-Government Organisations for implementation of various Schemes and Programmes. Since these funds are not routed through the State budget, these are not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts of the respective year.

During 2021-22, GoI had directly transferred ₹ 19,117.31 crore to the State implementing agencies which was 16.28 per cent more than the previous year (₹ 16,440.70 crore). Trends of such transfers directly to implementing agencies during the last five years are given in **Chart 4.1**.

Chart 4.1: Transfer of funds directly to implementing agencies



(Source: Finance Accounts for the respective years)

Information was called in respect of utilisation of funds received under different schemes from four⁴¹ implementing agencies, out of which, only Bihar Rural Development Society (BRDS) had provided information for utilisation of funds which is shown in the **Table 4.6** below:

Table 4.6: Status of funds transferred and utilisation thereof

Year	Funds transferred	Rejected NeFMS* wage Fund Transfer Orders	Funds utilised
2019-20	2,416.93	20.63	2,396.30
2020-21	4,905.33	133.67	4,771.66
2021-22	3,560.53	40.10	3,520.43

(Source: Information provided by BRDS)

*National Electronic Fund Management System

⁴¹ Road Construction Department, Bihar Rural Development Society, Bihar State Food & Civil Supplies Corporation Ltd., All India Institute of Medical Sciences, Patna.

During the financial year 2021-22, central share of ₹ 19,117.31 crore under CSS was transferred directly to the Implementing Agencies, bypassing the Consolidated Fund of the State. Besides contracting the budget and expenditure of State Government to the extent of ₹ 19,117.31 crore, this has caused the assets created not to be reflected in the State Accounts rendering them incomplete. Thus, it needs to arrive at some accounting mechanism to ensure that the State Accounts have complete details of CSS expenditure incurred by the various implementing agencies.

4.5 Deposit to Local Funds

State Panchayati Raj Act provides that Zila Parishad (ZP), Panchayat Samiti (PS) and Gram Panchayat (GP) would maintain ZP fund, PS fund and GP fund respectively (under Major Head 8448-Deposits of Local Funds-109-Panchayat Bodies Funds). These would include all the moneys realised or realisable under the Act and all moneys otherwise received by the Panchayati Raj Institutions (PRIs), such as grants received from Central Finance Commission and State Government as part of the State Finance Commission award and its own revenue, which includes tax and non-tax receipt of a Panchayat. The Municipal Act also envisages that the Municipal Fund is to be held by the Municipality. All moneys realised or realisable under this Act and all moneys otherwise received by the Municipalities are kept in the Municipal Funds under the Major Head 8448-Deposits of Local Funds-102-Municipal Funds. Deposits of Local Funds under Municipal Funds and Panchayat Bodies Funds are as detailed in **Table 4.7**.

Table 4.7: Deposits to Local Funds

(₹ in crore)

		Year	2017-18	2018-19	2019-20	2020-21	2021-22
Municipal Fund (8448-102)	Opening Balance	1	2,330.64	2,742.77	3,307.66	3,743.56	5,033.79
	Receipt	2	1,968.32	2,712.09	2,469.66	3,913.13	4,066.75
	Expenditure	3	1,556.19	2,147.20	2,033.77	2,622.90	2,875.51
	Closing Balance	4	2,742.77	3,307.66	3,743.56	5,033.79	6,225.03
Panchayat Bodies Fund* (8448-109)	Opening Balance	5	434.93	631.61	650.49	754.98	852.58
	Receipt	6	695.52	735.54	374.78	556.49	228.82
	Expenditure	7	498.84	716.67	270.29	458.89	325.11
	Closing Balance	8	631.61	650.49	754.98	852.58	756.29

(Source: Finance Accounts of the respective years)

*Zila Parishad and Panchayat Samiti funds included

As can be observed from the table above, over the last five years, the GoB had been transferring funds from Consolidated Fund to Public Account (Deposit accounts specifically), by debiting revenue and capital major heads of accounts. The amounts so transferred are taken as expenditure for the year in the accounts when actual expenditure may or may not have occurred during the year. Over the years, the balance that had been accumulated in the deposit account (MH 8448) stood at ₹ 26,561.64 crore (depicted in **Table 4.8**), by the end of FY 2021-22, which had been depicted as revenue or capital expenditure in the respective years but are lying unspent in the deposit head. Apart from transferring of funds from revenue and capital heads, it was also observed that ₹ 731.48 crore from Loans and Advances, and ₹ 325.57 crore from receipt heads had also been transferred to deposit heads. The reasons for transfer from Loans and

Advances heads and receipt heads could not be ascertained due to absence of reply from the Finance Department (December 2022).

Table 4.8: Trend analysis of Transfer of funds to Deposit to Local Funds

(₹ in crore)

Year	Revenue			Capital			Total	Closing Balance of 8448
	Revenue expenditure as per Finance Accounts	Amount transferred to MH 8448	Percentage of Amount	Capital expenditure as per Finance Accounts	Amount transferred to 8448	Percentage of Amount		
1	2	3	4	5	6	7	8 (3+6)	
2017-18	1,02,624	7,135	6.95	28,907	15,069	52.13	22,204	21,728.33
2018-19	1,24,897	9,306	7.45	21,058	13,606	64.61	22,912	23,181.78
2019-20	1,26,017	14,531	11.53	12,304	11,314	91.95	25,845	24,942.26
2020-21	1,39,493	11,876	8.51	18,209	9,167	50.34	21,043	28,573.60
2021-22	1,59,220	12,454	7.82	23,678	10,565	44.62	23,019	26,561.64

(Source: Finance Accounts for the respective years & VLC Data)

Trend analysis revealed that from 2017-18 to 2021-22, the revenue expenditure of Local Funds had risen by 74.55 per cent while the capital expenditure had reduced by 29.89 per cent. This is in alignment with the expenditure at state level where the revenue expenditure had risen from 78.02 per cent to 87.05 per cent while the capital expenditure had fallen from 21.98 per cent to 12.95 per cent during the same period.

It was also observed that funds booked under capital expenditure and transferred to Major Head-8448 ranged from 44 per cent to 91 per cent whereas those booked under revenue expenditure ranged from 7 per cent to 12 per cent during the last five years, leading to parking of funds. Funds parked in Public Account indicated overstatement of actual capital expenditure incurred.

There were 268 Personal Ledger (PL) Accounts (including eight new PL Accounts amounting to ₹ 94.34 crore) having balance of ₹ 26,252.02 crore, as on 31 March 2022.

There were nine PL Accounts with a difference of ₹ 190.19 crore between the closing balance of 2020-21 and the opening balance of 2021-22. Moreover, there were 18 PL Accounts with a balance of ₹ 5.87 crore, which were not migrated in CFMS even after passing of more than three years of implementation of CFMS. Out of above mentioned 18 PL Accounts, nil transactions were observed in nine PL Accounts (balance ₹ 5.61 crore) during the last five years and four PL Accounts had nil balance.

Non-reconciliation of balances of PL Accounts periodically and not transferring the unspent balances lying in PL Accounts to the Consolidated Fund, before the closure of the financial year entails the risk of misuse of public funds, fraud and misappropriation.

Issues related to transparency

4.6 Delay in the submission of Utilisation Certificates (UCs)

Rule 341(2) of Bihar Financial Rules (BFR), 2005 stipulates that only so much of the grants should be paid during the financial year as are likely to be expended during that year. The authority signing or countersigning a bill for Grant-in-Aid (GIA) under Rule 431 of Bihar Treasury Code (BTC), 2011 should see that money is not drawn in advance of requirement. There should be no occasion for rush for payment of these grants in the

month of March. Further, for submission of UCs, the Finance Department's executive order (19 October 2011), prescribed a time limit of 18 months from the date of sanction.

Year wise break-up of outstanding UCs is depicted in the **Table 4.9**.

Table 4.9: Year-wise break up of outstanding UCs

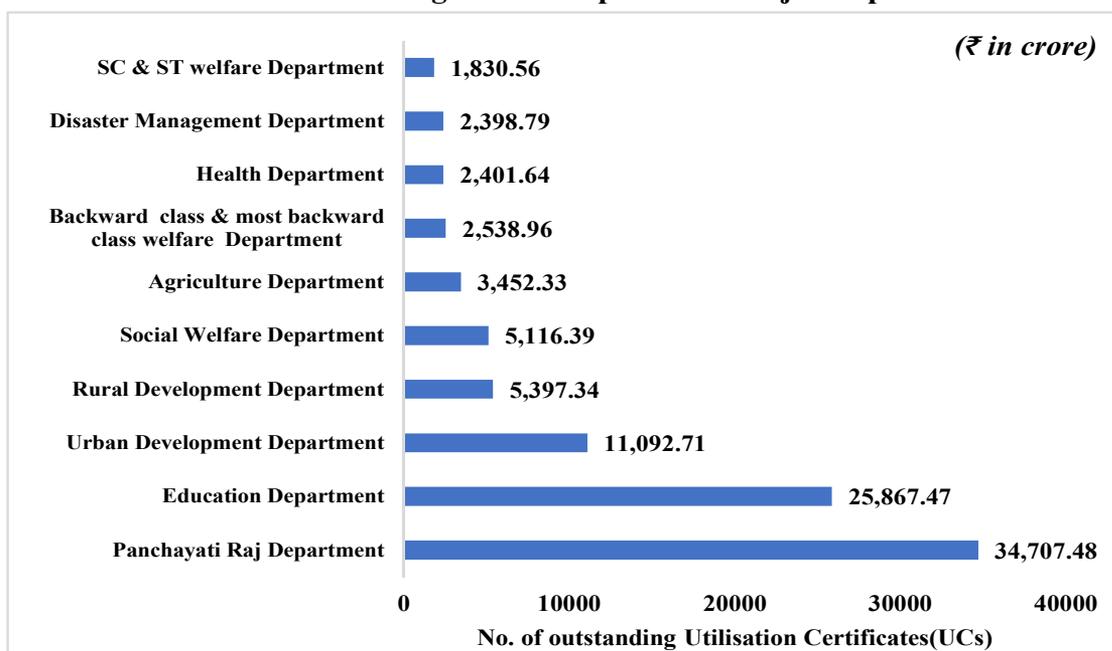
Year*	Number of UCs	Amount
Up to 2018-19	3,641	54,102.75
From 01.04.2019 to 31.08.2020	19,547	45,076.14
Total	23,188	99,178.89

(Source: Finance Accounts, 2021-22)

* The year mentioned above relates to "Due year" i.e. after 18 months of actual drawal

Major defaulting Departments were Panchayati Raj Department (₹ 34,707.48 crore), Education Department (₹ 25,867.47 crore), Urban Development Department (₹ 11,092.71 crore), Rural Development Department (₹ 5,397.34 crore), Social Welfare Department (₹ 5,116.39 crore) etc., as depicted in **Chart 4.2**

Chart 4.2: Outstanding UCs in respect of 10 major Departments



(Source: Information provided by A&E Office)

Further, category-wise GIA outstanding for UCs (period from 2019-20 to 2020-21) has been shown in the **Table 4.10** below: -

Table 4.10: Status of category wise Grant-in-Aid outstanding for UCs (2019-20 to 2020-21)

Year	Salary			Asset			Other than salary and Asset		
	Drawn	Adjusted	Balance	Drawn	Adjusted	Balance	Drawn	Adjusted	Balance
2019-20	19,666	11,484	8,182	11,356	5,679	5,677	22,369	4,228	18,141
2020-21	6,020	4,218	1,802	3,272	1,447	1,825	10,249	4,523	5,726
Total	25,686	15,702	9,984	14,628	7,126	7,502	32,618	8,751	23,867

(Source: Data provided by A&E Office)

During scrutiny, it was found that ₹ 9,947.39 crore pertained to the period up to 2013-14, indicating negligence by the grantee institutions. It is a matter of concern that the Departmental Authorities have not taken any strict action so far, despite passing of around nine years. In the absence of UCs, there is no assurance that money disbursed has been used for the intended purpose. Moreover, high pendency of UCs is fraught with the risk of embezzlement, misappropriation, and diversion of funds. The State Government may fix responsibility for inordinate delays in submission of UCs. During the exit conference, the Finance Department stated that the issue was being monitored at regular intervals, through meetings, under the chairmanship of Chief Secretary and Departments concerned had been directed for early adjustment of outstanding UCs.

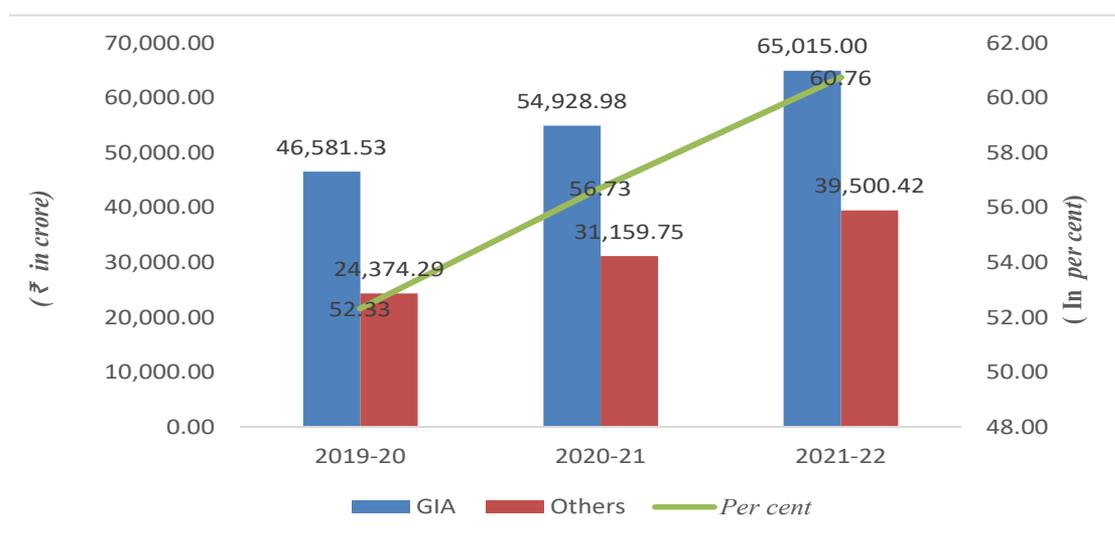
Though instances of non-submission of UCs feature in the reports of C&AG regularly, there has been no improvement in the situation. In many cases, the recipients continue to receive further grants from the same departments, despite UCs having remained pending for earlier grants.

4.6.1 Recording of grantee institution as “Others”

Grants given to bodies and authorities, by State Government, are also recorded in the Voucher Level Computerisation (VLC) system in the office of the Pr. AG (A&E) office and submission of UCs is monitored against outstanding amounts against each institute. Since GIA constitutes a significant portion of the total expenditure of the State, it is essential that the Government provides the details and nature of the Grantee institution to which it is providing funds, in the interest of transparency of Accounts.

The sanctioned amount of GIA and UCs thereagainst were recorded and monitored (department-wise) through the VLC System. However, it was observed that ₹ 39,500.42 crore (60.76 per cent), out of total ₹ 65,015.00 crore GIA amount, had been recorded as ‘Others’, during 2021-22 (Appendix-III, Finance Accounts, 2021-22). The trend of percentage of GIA shown under type “Others” to total GIA, for the last three years, is shown in **Chart 4.3**.

Chart 4.3: Recording of grantee institutions as “Others”



(Source: Finance Accounts for the respective years)

In the absence of proper codes having been assigned, by the State government to the institutions/ bodies/ authorities receiving GIA from the government, the amounts outstanding against all institutions could not be worked out, which affected the transparency of Accounts.

4.7 Abstract Contingent (AC) Bills

Rule 177 of Bihar Treasury Code (BTC), 2011, provides that a certificate shall be furnished by the Drawing and Disbursing Officer (DDO) to the effect that money withdrawn on the contingent bill shall be spent within the same financial year and that unspent amount shall be remitted to the Treasury before 31 March of the year. Further, as per Rule 194 of the BTC, 2011, countersigned Detailed Contingent (DC) Bill shall be submitted within six months, following the month in which the abstract contingent bill was drawn, and no abstract contingent bill shall be cashed after the end of the period of six months unless the detailed contingent bill has been submitted. Year-wise progress in the submission of DC bills against the AC bills is depicted in **Table 4.11**.

Table 4.11: Year-wise progress in the submission of DC bills against the AC bills

(₹ in crore)

Year	Opening Balance		Addition		Clearance		Closing Balance	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 2019-20	13,289	3,349.73	5,689	4,231.06	122	2,409.65	18,856	5,171.14
2020-21	18,856	5,171.14	6,308	4,834.28	63	3,145.74	25,101	6,859.68
2021-22 [#]	25,101	6,859.68	835	1,155.95	8	385.90	25,928	7,629.73

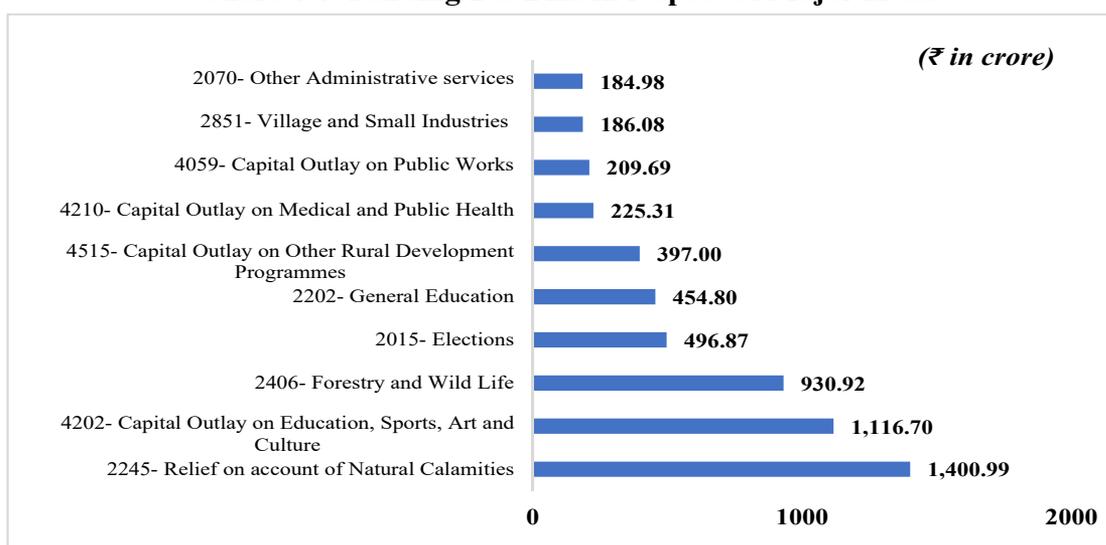
(Source: Data Provided by A&E office)

AC bills drawn up to September 2021 have been taken into account

During the month of March 2022, 954 AC Bills amounting to ₹ 572.76 crore, (23.27 per cent of the total drawn 3,605 AC Bills amounting to ₹ 2,460.86 crore) were drawn. 34 AC Bills amounting to ₹ 12.20 crore (0.50 per cent of the total AC Bills drawn amounting to ₹ 2,460.86 crore) were drawn during 2021-22 under various Capital Heads for Creation of Capital Assets.

Major Head-wise pending DC bills are shown in **Chart 4.4**.

Chart 4.4: Pending DC Bills in respect of Major Head



(Source: Data provided by A&E Office)

During scrutiny of major head-wise data as mentioned in the chart above, it was found that some of the pending DC bills were related with Capital Outlay under major heads-4202, 4210, 4059 and 4515. Department-wise pendency list was not maintained in the A&E office.

In addition to this, it was noticed that a number of DC bills had been pending since 2002-03. Expenditure against AC bills at the end of the year and for the creation of capital assets indicates poor public expenditure management. It also indicates that drawal was being made primarily to exhaust the budgetary provisions. Non-adjustment of advances, for long periods, is fraught with the risk of misappropriation. In reply, Finance Department had stated that this issue was being monitored at regular intervals through meetings with the departments under the chairmanship of Chief Secretary.

Non-submission of DC bills within the prescribed period breaches financial discipline and enhances the risk of misappropriation of public money.

4.8 Personal Deposit (PD) Accounts

Rule 339 of BTC, 2011 describes that no Personal Deposit Accounts shall be opened at the Treasury without the written authorisation of the Finance Department under intimation to the Accountant General. Further, Rule 340(b) stipulates that the PD Account shall only be used for special cases where public interest requires speed of expenditure not possible through the normal treasury procedure or there are a large number of small beneficiaries dispersed in such a way that direct disbursement through the treasury is not practicable. Transfer of funds to PD Accounts is booked as final expenditure from the Consolidated Fund under the concerned service Major Heads. PD administrators are required to review all PD Accounts at the end of the financial year and transfer the amount lying unspent after five consecutive financial years (including the financial year in which the money was withdrawn)⁴² back to the Consolidated Fund by reduction of expenditure to the service head.

As per the notification⁴³ issued by the Finance Department, GoB, “all PD/PL Accounts opened prior to the date 01.04.2019, will be treated to be opened on 01.04.2019, as a default under CFMS and the unutilised amount lying in PD/PL Accounts shall lapse at the end of five subsequent financial years”. The concept of inoperative PD Accounts would, therefore, be nullified.

However, during scrutiny, it was observed that an amount of ₹ 4,040.21 crore was lying with 212 Administrators, at the end of the March 2022, as depicted in **Table 4.12**. Moreover, difference of ₹ 7.62 crore was noticed between the closing balance of PD Accounts and Finance Accounts (Statement-21, Major Head 8443-106).

Apart from above, five PD Accounts, having a balance amounting to ₹ 1.54 crore, had not been migrated from CTMIS to CFMS even after more than three years of implementation of CFMS. Moreover, there were 35 PD Accounts where no expenditure was incurred, despite receipt of funds during the year.

⁴² GoB Notification no. 6679, dt: 23.08.2016.

⁴³ Notification no. M-4-02/2020-2916/F Dt: 03.06.2020.

Table 4.12: Details of PD Accounts as per CFMS during 2021-22(*₹ in crore*)

Opening Balance as on 01.04.2021		Addition during the year		Closing during the year		Closing Balance as on 31.03.2022	
No. of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount	Number of Administrators	Amount
252*	3,811.52 [#]	42	1,250.60 [@]	82	1,021.91 [@]	212 ^s	4,040.21 [#]

(Source: Finance Accounts, 2021-22)

Note-

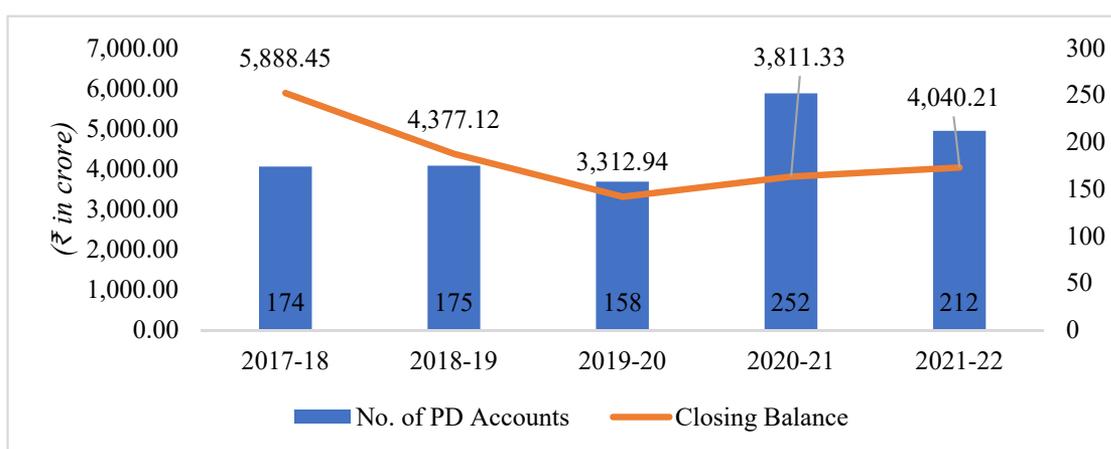
* Difference in Closing balance of 2020-21 and Opening balance of 2021-22 of ₹ 0.19 crore due to two PD Accounts.

@ During the year, receipt of ₹ 1,250.60 crore and payment of ₹ 1,021.91 crore appeared in the plus minus memo as per CFMS.

Difference of ₹ 7.62 crore shown in Statement No. 21 under MH-8443-106 is under reconciliation.

s five PD Accounts with balances of ₹ 1.54 crore, which are over and above 212 PD Accounts, were yet to be migrated in CFMS.

The trend of closing balance in PD accounts at the end of the last five years are as detailed in **Chart 4.5**.

Chart 4.5: Closing Balance in PD Accounts during 2017-18 to 2021-22

(Source: Finance Accounts for the respective years)

Out of 42 newly added PD Accounts, only 10 PD Accounts had balance of ₹ 40.71 crore, though no transactions were made in these accounts. Details of PD Accounts during the period from 2018-19 to 2021-22 are as under: -

Table 4.13: Details of PD Accounts as per CFMS during 2018-19 to 2021-22(*₹ in crore*)

Year	Opening Balance		Addition during the year		Closing during the year		Closing Balance	
	No. of Administrators	Amount	No. of Administrators	Amount	No. of Administrators	Amount	No. of Administrators	Amount
2018-19	174	5,888.45	1	1,417.50	0	2,928.83	175	4,377.12
2019-20	166	4,361.12	0	552.13	08	1,600.32	158	3,312.94
2020-21	158	3,312.94	90	1,061.65	0	563.26	252	3,811.33
2021-22	252	3,811.52	42	1,250.60	82	1,021.91	212	4,040.21

(Source: Finance Accounts for the respective years)

Non-reconciliation of balances in PD accounts periodically and non-transfer of unspent balances therein to the Consolidated Fund before the closure of the financial year entails the risk of misuse of public funds, fraud and misappropriation. The State Government should: i) discourage blocking of funds under PD accounts which leads

to reduced scrutiny from legislature and ii) ensure strict compliance with the extant provisions.

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 is not available in the Accounts. Routine operation of Minor Head 800 is to be discouraged since it renders the Accounts opaque, as these heads do not disclose the concerned schemes, programmes *etc.* During 2021-22, expenditure of ₹ 153.81 crore (0.08 *per cent*) was incurred through Minor Head ‘800’ out of the total revenue and capital expenditure of ₹ 1,82,898 crore. The receipt of ₹ 825.08 crore (0.52 *per cent*) was booked through Minor Head ‘800’ out of the total revenue receipts of ₹ 1,58,797.33 crore. Significant Expenditure and Receipts (50 *per cent* and above) under Minor Head ‘800’ are mentioned in Tables 4.14 and 4.15 respectively.

Table 4.14: Significant expenditure booked under Minor Head 800- “Other Expenditure” during the financial year 2021-22 (50 *per cent* and above)

(₹ in crore)

Sl. No.	Major Head	Nomenclature	Total Expenditure	Expenditure under Minor Head 800	Percentage of Expenditure under Minor Head 800 to Total Expenditure
1	2250	Other Social Services	49.55	49.26	99.41
2	5475	Capital Outlay on Other General Economic Services	71.45	50.00	69.98

(Source: Finance Accounts, 2021-22)

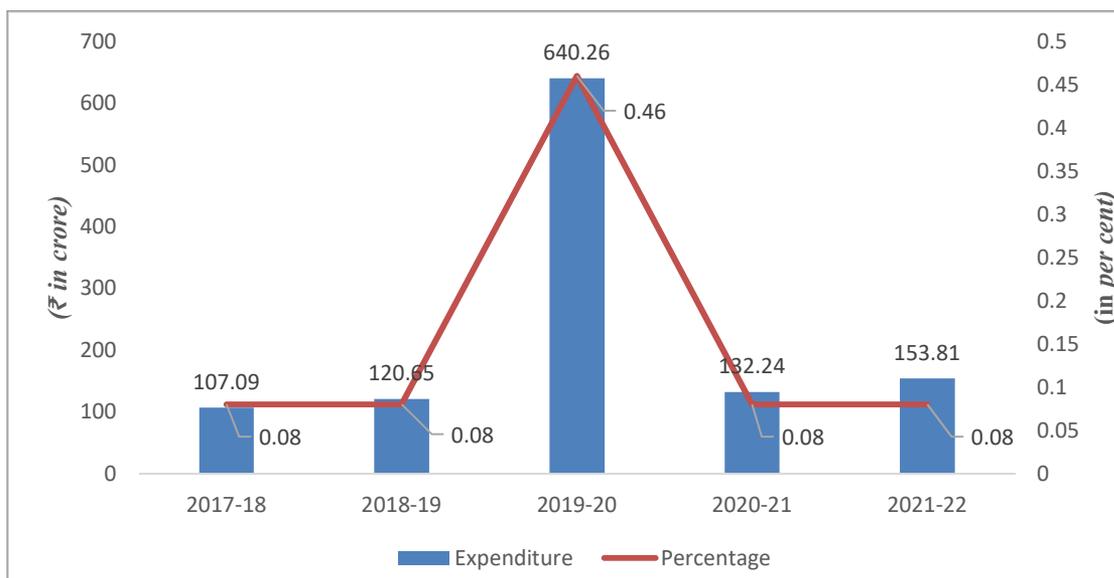
Table 4.15: Significant receipts booked under Minor Head 800 – “Other Receipts” during the financial year 2021-22 (50 *per cent* and above)

(₹ in crore)

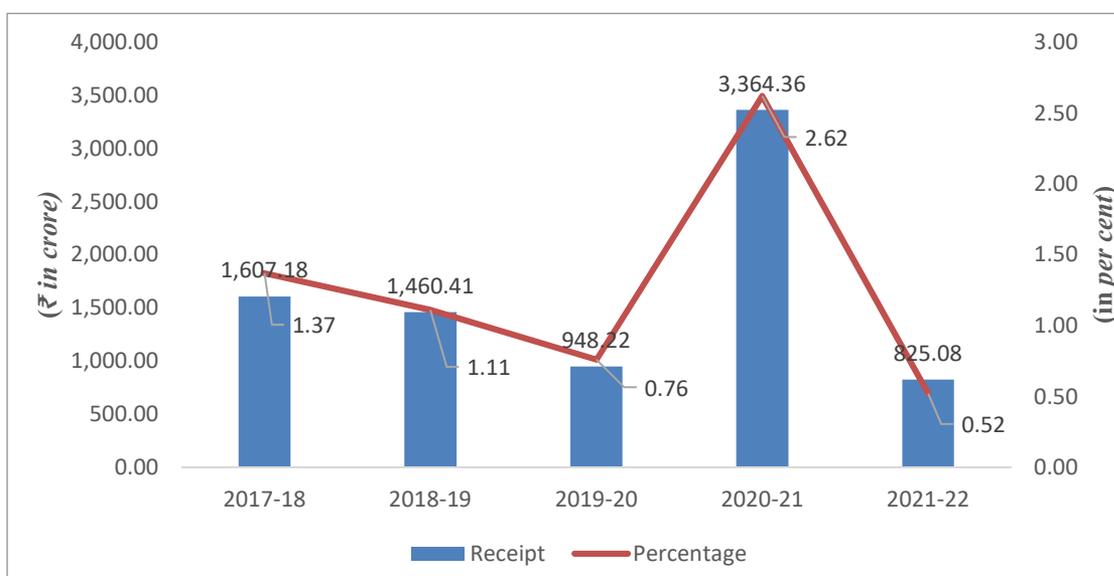
Sl. No.	Major Head	Nomenclature	Total Receipts	Receipts under Minor Head 800	Percentage of receipts under Minor Head 800 to Total Receipts
1	0049	Interest Receipts	722.47	531.27	73.54
2	0215	Water Supply and Sanitation	4.87	2.47	50.72
3	0230	Labour and Employment	12.49	10.14	81.18
4	0401	Crop Husbandry	5.97	4.42	74.04
5	0506	Land Reforms	0.03	0.05	166.67
6	0851	Village and Small Industries	0.12	0.12	100.00
7	0852	Industries	0.23	0.23	100.00
8	1053	Civil Aviation	2.24	2.24	100.00
9	1056	Inland Water Transport	0.01	0.01	100.00
10	1456	Civil Supplies	0.45	0.45	100.00

(Source: Finance Accounts, 2021-22)

Further, expenditure under Minor Head ‘800’ had increased from ₹ 107.09 crore to ₹ 153.81 crore and receipt had decreased from ₹ 1,607.18 crore to ₹ 825.08 crore during 2017-18 to 2021-22 as depicted in Chart 4.6 and Chart 4.7 respectively.

Chart 4.6: Operation of Minor Head 800 - Other Expenditure during 2017-22

(Source: Finance Accounts, 2017-18 to 2021-22)

Chart 4.7: Operation of Minor Head 800 - Other Receipt during 2017-22

(Source: Finance Accounts, 2017-18 to 2021-22)

During 2021-22, significant expenditure was booked under Minor Head '800' from Major head 5475-Capital Outlay on Other General Economic Services (₹ 50 crore) and 2250- Other Social Service (₹ 49.26 crore) and significant receipts were booked under the Major Head 0049- Interest Receipts (₹ 531.27 crore).

As per fiscal prudence, Minor Head 800 is to be utilised only for those receipts and expenditure which are non-recurring in nature and the immediate Head of Account under which it could be booked is not readily available.

Time series data wherein significant receipts and expenditure booked under Minor Head 800-“Other Receipts” and “Other Expenditure” are depicted in **Tables 4.16** and **4.17**.

Table 4.16: Time series data wherein significant receipts were booked under Minor Head 800 – “Other Receipts”

(₹ in crore)

Sl. No.	Major Head	Nomenclature	2017-18	2018-19	2019-20	2020-21	2021-22
1.	0049	Interest Receipts	776.94	261.57	478.10	3,063.65	531.27
2.	0230	Labour and Employment	14.00	12.41	7.76	7.98	10.14
3.	0401	Crop Husbandry	7.57	6.89	5.97	4.71	4.42
4.	1053	Civil Aviation	3.82	6.50	1.58	3.13	2.24

(Source: Finance Accounts of respective years)

Table 4.17: Time series data wherein significant expenditure was booked under Minor Head 800- “Other Expenditure”

(₹ in crore)

Sl. No.	Major Head	Nomenclature	2017-18	2018-19	2019-20	2020-21	2021-22
1	2250	Other Social Services	4.40	5.04	21.25	17.01	49.26

(Source: Finance Accounts of the respective years)

Trend analysis revealed that above Major Heads were frequently in use for booking under Minor Head 800 “Other Receipts and “Other Expenditure”.

Further, during 2021-22, it was also observed that significant amount of some major heads had been booked under minor head 800 though, it was below 50 per cent of the total expenditure/receipts, which are as follows: -

Table 4.18: Significant expenditure booked under Minor Head “800”

(₹ in crore)

Sl. No.	Major Head	Nomenclature	Total Expenditure	Expenditure under Minor Head 800	Percentage of Expenditure under Minor Head 800 to Total Expenditure
1	2245	Relief on account of natural calamities	3,802.99	10.00	0.26
2	2406	Forestry and wildlife	314.96	31.50	10.00

(Source: Finance Accounts, 2021-22)

Table 4.19: Significant receipts booked under Minor Head “800”

(₹ in crore)

Sl. No.	Major Head	Nomenclature	Total Receipts	Receipts under Minor Head 800	Percentage of receipts under Minor Head 800 to Total Receipts
1.	0029	Land Revenue	284.20	105.09	36.98
2.	0030	Stamps and Registration fees	5,223.98	21.95	0.42
3.	0070	Other Administrative Services	578.12	87.76	15.18

(Source: Finance Accounts, 2021-22)

Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

Issues related to measurement

4.10 Outstanding balance under Major Suspense and Debt, Deposit and Remittance (DDR) Heads

Certain intermediary/adjusting Heads of Account known as 8658-Suspense Heads are operated in Government Accounts to reflect transactions of receipts and payments which cannot be booked to a final Head of Account due to lack of information as to their nature or for other reasons. The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Details of gross figures under some of the major Suspense and Remittance heads at the end of the last three years is indicated in **Table 4.20**.

Table 4.20: Balances under Suspense and Remittance Heads*(₹ in crore)*

Minor Head	2019-20		2020-21		2021-22	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Major Head 8658 - Suspense						
101 - PAO suspense	289.23	0	313.90	0	365.08	0
Net	Dr. 289.23		Dr. 313.90		Dr. 365.08	
102 - Suspense Account-Civil	10,495.81	638.35	15,598.70	1,070.92	16,195.57	1,409.66
Net	Dr. 9,857.46		Dr. 14,527.78		Dr. 14,785.91	
107 - Cash Settlement Suspense Account	0	32.29	0	32.29	0	32.29
Net	Cr. 32.29		Cr. 32.29		Cr. 32.29	
109 - Reserve Bank Suspense -Headquarters	249.56	2.56	262.64	0	261.71	(-) 0.01
Net	Dr. 247.00		Dr. 262.64		Dr. 261.72	
110 - Reserve Bank Suspense - CAO	1,194.19	894.61	1,501.24	895.64	1,249.60	894.62
Net	Dr. 299.58		Dr. 605.60		Dr. 354.98	
112 - Tax Deducted at Source (TDS) Suspense	953.83	1,281.53	994.38	1,459.04	1,572.73	1,857.17
Net	Cr. 327.70		Cr. 464.66		Cr. 284.44	
123 - A.I.S Officers' Group Insurance Scheme	0.35	6.53	0.27	6.24	0.44	6.04
Net	Cr. 6.18		Cr. 5.97		Cr. 5.60	
Major Head 8782-Cash Remittances						
102 - P.W. Remittances	16,748.75	15,837.56	16,749.16	15,837.54	16,754.96	15,835.85
Net	Dr. 911.19		Dr. 911.62		Dr. 919.11	
103 - Forest Remittances	3,146.65	2,938.38	3,147.35	2,943.86	3,147.44	2,943.90
Net	Dr. 208.27		Dr. 203.49		Dr. 203.54	

(Source: Finance Accounts 2019-20 to 2021-22)

a. Pay and Accounts Office Suspense- This head is intended for settlement of transactions between the AG (A&E) and the various separate PAO Offices of Government of India. The transactions initially recorded under this head in the books of AG are cleared on receipt of the Cheque/Demand Drafts from the PAOs and on the issue of Cheque/Demand Drafts in respect of amount received in the State Treasuries on behalf of the PAOs. Outstanding Debit balances under this Head would mean that

payments made by the AG on behalf of a PAO, were yet to be recovered. Outstanding Credit balances would mean that payments received by the AG on behalf of a PAO, were yet to be paid. The net debit balance under this head shows an increasing trend. On clearance/settlement of this, the cash balance of State Government will increase. The transactions mainly related to National Highways, and claims with Central Pension Accounting Office, Delhi. This head had a debit balance of ₹ 365.08 crore at the end of FY 2021-22.

b. Suspense Account-Civil- Transactions where full particulars of the classification are not available, or where the relevant vouchers/ schedules in support thereof are not available or where there is some discrepancy between the figures reported in the treasury schedule of payments/cash accounts and those appearing in the supporting vouchers, schedules *etc.* constitute the major portion of outstanding figures under this Head. Transactions taking place on behalf of Railways, Defence, Postal, and Telecommunication Departments are also initially classified under the head, pending settlement of claims by these authorities. Over the last three years, expenditure amounting to ₹ 14,082.36 crore has not been included in the respective expenditure heads but kept under the head 8658-102-Suspense Account (civil) for the want of vouchers, sub-vouchers, non-attachment of sanction orders/running bill and other supporting documents not furnished to Pr AG (A & E), Bihar, as a proof of expenditure. During the Financial Year 2021-22, ₹ 2,384.56 crore (Revenue expenditure: ₹ 812.74 crore and Capital expenditure: ₹ 1,571.82 crore) had been put in and ₹ 2,063.14 crore (Revenue: ₹ 894.86 crore and Capital: ₹ 1,168.28 crore) cleared from O.B suspense Accounts pertaining to previous years resulting into understatement of actual expenditure by ₹ 321.42 crore. The progressive balance under the head 8658-102-suspense Account (civil) stood at ₹ 14,785.91 crore, at the end of March 2022.

Outstanding debit balance under this Head would mean that payments were made which could not be debited to the final expenditure Head for want of details. Outstanding credit balance would mean that amounts were received which could not be credited to the final receipt head for want of details.

c. Cash Settlement Suspense Accounts- The minor Head is used for settlement of transactions between public works divisions rendering accounts to the same Pay and Accounts Officer and will be operated by the PAO receiving compiled accounts from the public works divisions. This head is operated upon initially as transitory head by a work division which renders services/makes supplies to another works division by debiting the head. The head is credited when one division accepts some receipts/revenues on behalf of another division. The head is debited/credited on receipt of cheque/bank draft or issue of cheque/bank draft to/from another division, as the case may be. A Credit balance of ₹ 32.29 crore was lying in this head as on 31 March 2022 since long time.

d. Reserve Bank Suspense, Central Accounts Office- This Head is operated for recording inter-Governmental transactions where monetary settlement between the cash balances of two Governments is done by sending advice to the Central Accounts Section of the Reserve Bank of India (RBI). This Head is cleared by transferring the amount to

the final Head of Account on receipt of intimation of the monetary settlement having been carried out by the RBI. The main transactions, which get settled through this Suspense Head, are grants/loans, received from the GoI and their repayments, discharge of securities and interest paid thereon by the Public Debt Offices of RBI and payments made by the Director General of Supplies and Disposals for materials supplied to Government Departments.

During 2021-22, the debit balance under the Head was ₹ 354.98 crore after decreasing by ₹ 250.62 crore compared to previous year.

e. Public Works Remittances- This head is operated to watch whether the treasury acknowledges amount remitted by the divisional officers of public works. The debit balance of ₹ 919.11 crore at the end of year 2021-22 was due to non-reconciliation between the Division Offices and the Treasuries and these differences could lead to non-detection of cases of defalcation, which may result in loss to Government.

f. Forest Remittances- Collection for Forest Revenues by the divisions and their remittance to the Government Accounts at treasury initially takes place under this Head. The debit balance under this head is cleared by credits appearing in the treasury accounts when the remittances are acknowledged and accounted by the treasury officers. Due to time lag between actual realisation of revenue and its remittance into the treasury, the debits appearing in the division accounts under this head would continue to appear till remittance made is finally accounted in the treasury accounts. As on 31 March 2022, a debit balance ₹ 203.54 crore appeared under this head.

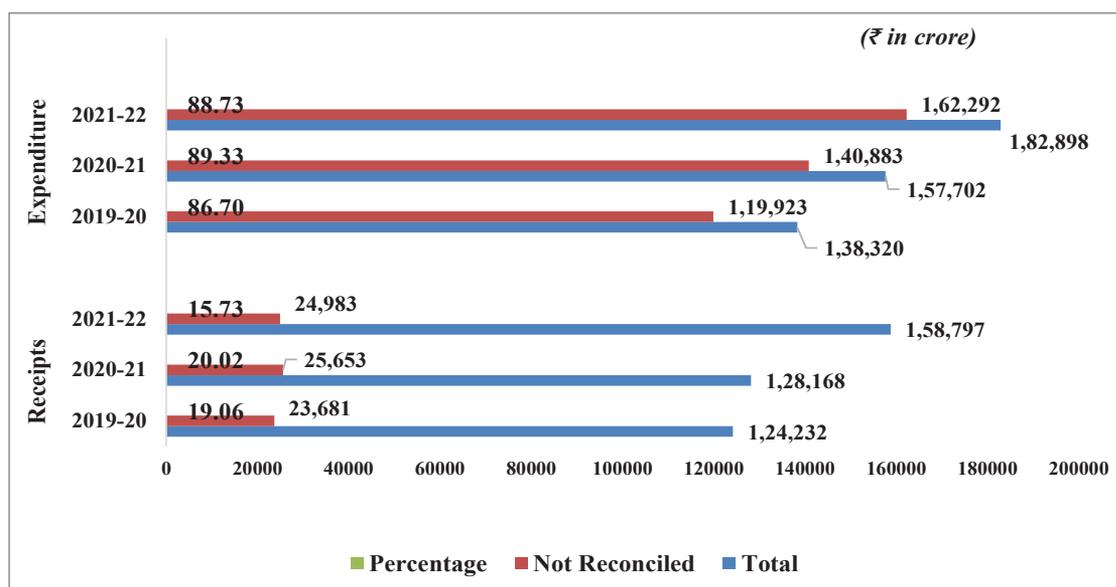
Clearance of suspense and remittance items depends on the details furnished by the State Treasuries (including Works and Forest Divisions, etc.). If these amounts remain unsettled, the balances under the Suspense Heads would accumulate and it would not reflect a true and fair picture of the Government expenditure.

4.11 Non-reconciliation of Departmental figures

In order to exercise effective control over spending, to keep it within the budgetary grants and to ensure accuracy of the accounts, the State Financial Rules stipulate that during a financial year receipts and expenditure made and recorded in the books of Controlling Officers of the Departments be reconciled every month with that recorded in the books of AG (A&E) office.

However, it was observed that the Reconciliation Module under the CFMS hadn't been operationalised and as such significant amount of expenditure was not reconciled as per trend observed from 2019-20 to 2021-22.

Further, the status of non-reconciliation during the last three years has been shown in **Chart 4.8**.

Chart 4.8: Status of non-reconciliation during last three years

(Source: Finance Accounts for the respective years and data provided by A&E office)

Non-reconciliation of accounts impacts on the assurance of the completeness and correctness of the receipts and expenditure figures depicted in the accounts. Failure to adhere to the codal provisions and executive instructions in this regard results not only in misclassification but also defeats the objective of the budgetary process.

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

However, the Cash balance, as on 31 March 2022, as per the records of Pr. AG (A&E) was ₹ 671.24 crore (Debit) and that reported by the RBI, was ₹ 14.20 crore (Credit). As such, there was a net difference of ₹ 657.04 crore (Debit), mainly due to incorrect reporting of transactions and non-reconciliation by agency banks. The difference was under reconciliation.

4.13 Adverse Balances under Public Account

Adverse balances arise when transactions are erroneously credited instead of being debited and vice-versa. For example, against the accounting head of any loan or advance, a negative balance will indicate more repayment than the original amount advanced. Some of the significant adverse balances which are under Public Account Heads and appeared in the Finance Accounts of 2021-22, are depicted in **Table 4.21** below.

Table 4.21: Adverse balances under Public Account during 2021-22

(₹ in crore)

Major Heads	Major Head Description	Minus Balance
8011	Insurance and Pension Funds	(-) 278.92
8336	Civil Deposits	(-) 0.55

(Source: Finance Accounts, 2021-22)

These adverse balances were under reconciliation between the office of the Pr. Accountant General (A&E), Bihar and the State Government.

Issues related to disclosure

4.14 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 (CAG) of India, prescribe the form of Accounts of the Union and of the States. The CAG of India had set up (2002) a Government Accounting Standards Advisory Board (GASAB), for formulating standards for government accounting and financial reporting and to enhance accountability mechanisms. On the advice of the CAG, the President of India has so far notified three Indian Government Accounting Standards (IGAS). Compliance with Accounting Standards is depicted in **Table 4.22**.

Table 4.22: Compliance with 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	<ul style="list-style-type: none"> To ensure uniform and complete disclosure of such Guarantees. Class-wise and Sector-wise disclosures 	Statements 9 and 20 of Finance Accounts have been prepared. However, disclosure is incomplete since the State Government doesn't disclose complete details in class-wise & sector-wise.	All Guarantors, Departments of State Govt. and guarantees made during the year could not be ascertained.
2.	IGAS-2: Accounting and Classification of <i>Grants-in-Aid</i>	<ul style="list-style-type: none"> For Accounting and classification of Grants-in-aid both as a grantor as well as a grantee. 	Statement 10 of Finance Accounts has been prepared. However, detailed information in respect of Grants-in-aid given in kind has not been furnished by the State Government.	Amount of GIA received under grants given in kind could not be ascertained. Misclassification led to understatement of Revenue Deficit and overstatement of Capital Expenditure to that extent.

Sl. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Impact of deficiency
3.	IGAS-3: Loans and Advances made by Government	<ul style="list-style-type: none"> • For recognition, measurement, valuation and reporting in respect of Loans and Advances • To ensure complete, accurate and uniform accounting practices, • To ensure adequate disclosure on Loans and Advances 	<ul style="list-style-type: none"> • Statement 7 and 18 of Finance Accounts have been prepared. However, the closing balances depicted in above statements have not been reconciled with the Loanee Entities/ State Government. The State Government has also not furnished the figures in respect of certain Loans and Advances. • Disclosure regarding 'Repayment in arrears from other Loanee Entities', 'Write-off of irrecoverable Loans and Advances', and 'Cases of a Loan having been sanctioned as Loan in Perpetuity could not be made as this information was not provided by the State Government. 	'Disclosure regarding Repayment in arrears from other Loanee Entities', 'Write-off of irrecoverable Loans and Advances' and 'Cases of a Loan having been sanctioned as Loan in Perpetuity could not be ascertained as data were not provided by the State Government.

(Source: Finance Accounts 2021-22)

Non-Compliance with the Accounting Standards would impact the objective of financial statements to present a true and fair view of the financial position and cash flows apart from hindering fiscal transparency.

Opening of New Sub-Heads of Accounts without advice

As per Article 150 of the constitution of India, the accounts of the State are to be kept in the form as advised by the C&AG of India. During 2021-22, the State Government has opened nine new Sub-Heads (four under the Revenue Section and five under the Capital Section) in the budget without seeking the advice of the C&AG of India. The State Government provided budgetary provisions under these heads and incurred an expenditure of ₹ 1,192.17 crore under the Revenue Section only. Details are shown in the **Table 4.23** below:

Table: 4.23 Details of newly opened Sub-Heads(*₹ in crore*)

Sl. No.	Grant No.	Section	Bill code	Budget Provisioned	Expenditure incurred
1.	21	Revenue	2202-02-107-0110	1,035.27	1,031.17
2.	21		2202-03-107-0110	633.50	161.00
3.	20		2210-01-110-0128	5.00	-
4.	20		2210-03-103-0103	100.00	-
5.	03	Capital	4202-02-104-0111	117.00	-
6.	03		4202-02-789-0102	35.00	-
7.	03		4202-02-796-0102	3.00	-
8.	20		4210-01-110-0119	5.00	-
9.	20		4210-02-103-0102	190.00	-
Total				2,123.77	1,192.17

(Source: Finance Accounts, 2021-22)

4.15 Submission of Accounts/Separate Audit Reports of Autonomous Bodies (ABs)

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 body, or authority 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).

Out of 51 Bodies/Authorities under Audit jurisdiction in the State of Bihar, 45 Bodies/Authorities had not provided entrustment at all (*Appendix-4.1*). Details of arrears of accounts of the remaining six ABs are shown in **Table 4.24** below:-

Table 4.24: Arrears of Accounts of bodies or authorities

Sl. No.	Name of Body or Authority	Entrustment received up to	Accounts pending for the year	No. of Accounts pending up to F.Y 2021-22	Remarks
1.	Rajendra Agriculture University, PUSA, Samastipur	Entrustment was received for 05 years from the year 2012-13.	Nil	Nil	Entrustment was not received presently. Accounts up to 2015-16 have been audited.
2.	Bihar Agriculture University, Sabour, Bhagalpur	Entrustment was not received after 2014-15.	2020-21 to 2021-22	02	Accounts up to 2014-15 have been audited.
3.	Bihar State Khadi and Village Industries Board, Patna	Entrustment was not received after 2009-10.	2010-11 to 2021-22	12	Entrustment had not been received from 2010-11.

Sl. No.	Name of Body or Authority	Entrustment received up to	Accounts pending for the year	No. of Accounts pending up to F.Y 2021-22	Remarks
4.	Bihar State Housing Board, Patna	Entrustment was not received after 2015-16.	2016-17 to 2021-22	06	Entrustment had not been received from 2016-17.
5.	Bihar Electricity Regulatory Commission	-	2021-22	01	Accounts up to 2020-21 had been received and, audit up to 2019-20 had been conducted and accounts for 2020-21 had not been audited.
6.	Bihar State Legal Service Authority (BSLSA)	As per act, Annual Accounts/Financial Accounts is to be mandatorily audited by the CAG	2021-22	01	Annual Accounts up to 2020-21 had been received and audit is yet to be conducted for it.

(Source: Data provided by Audit Office)

It is clear from above table that four bodies/authorities had provided entrustment for short period and further entrustment was not provided by these bodies/authorities despite several requests. Due to non-finalisation of accounts, the stakeholders were not able to assess financial status of these bodies. Besides, delay in finalisation of accounts carries the risk of financial irregularities remaining undetected apart from violation of the provision of the respective legislators under which these bodies were constituted.

4.16 Timeliness and Quality of Accounts

The accounts of receipts and expenditure of the GoB had been compiled based on the initial accounts rendered by 43 Treasuries and other Accounts Rendering Units (ARUs). GoB had discontinued direct rendering of Accounts by Public Works Divisions and Forest Divisions to the office of the AG (A&E) with effect from 01 April 2019 after implementation of CFMS and their transactions were being routed through the Treasuries.

These Accounts present the transaction of the GoB for the period from 01 April 2021 to 31 March 2022. Delay in submission of Monthly Accounts ranged between 01 to 52 days and such delays had affected timely submission of the Monthly Civil Accounts to the State Government. However, no account was excluded at the end of the financial year. Details of delayed Accounts during preparation of Monthly Civil Accounts are given in **Table 4.25** below: -

Table: 4.25 Status of delayed accounts of Monthly Civil Accounts during 2021-22

Sl. No.	Month	No. of treasuries which submitted their accounts with delay	Due date for submission of accounts	Delay in submission of monthly accounts by treasuries (Range in no. of days)	Accounts to be prepared on	Accounts prepared on
1.	April 2021	43	05.05.2021	51-52	25.05.2021	06.07.2021
2.	May 2021	43	05.06.2021	23-33	25.06.2021	12.08.2021
3.	June 2021	43	05.07.2021	12-25	25.07.2021	02.09.2021
4.	July 2021	43	05.08.2021	08-29	25.08.2021	21.09.2021
5.	August 2021	42	05.09.2021	09-22	25.09.2021	05.10.2021
6.	September 2021	42	05.10.2021	02-20	25.10.2021	25.10.2021
7.	October 2021	43	05.11.2021	11-19	25.11.2021	25.11.2021
8.	November 2021	40	05.12.2021	01-11	25.12.2021	21.12.2021
9.	December 2021	38	05.01.2022	01-10	25.01.2022	21.01.2022
10.	January 2022	38	05.02.2022	02-12	25.02.2022	23.02.2022
11.	February 2022	35	05.03.2022	01-33	25.03.2022	25.03.2022
12.	March 2022	18	10.04.2022	01-12	10.05.2022	11.05.2022

(Source: Data provided by A&E Office)

As can be seen from above table, most of treasuries submitted their accounts with delay. However, no accounts were excluded from Monthly Civil accounts. It not only shows an improper implementation of the rule but also impacts the monitoring of fund flow to the last mile of implementation, its planned pacing of expenditure on developmental programmes, functioning of departments *etc.*, during the year.

Other Issues

4.17 Misappropriations, losses, thefts, *etc.*

Rule 31 of Bihar 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 (Audit), even when such loss had been made good by the party responsible for it. Such reports must be submitted as soon as suspicion arises that there has been a loss, and these must not be delayed while enquiries are made. Out of 44 departments, five departments⁴⁴ had furnished 'Nil' information and information was furnished by two departments which is as follows:

⁴⁴ Law Department, Parliamentary Affairs Department, Science and Technology Department, General Administration Department, Prohibition, excise and registration Department.

Table 4.26: Pending cases of misappropriation, losses, theft, etc.*(₹ in crore)*

Name of the Department	Cases of misappropriation/ losses/ theft of Government material		Reasons for the delay in the final disposal of pending cases of misappropriation, losses, theft, etc.					
			Awaiting departmental and criminal investigation		Departmental action initiated but not finalised		Criminal proceedings finalised but recovery of the amount pending	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Planning and Development Department	01	2.40	01	2.40	-	-	-	-
Information and Public-relation department	01	0.06 (approx.)	01	0.06 (approx.)	-	-	-	-

(Source: Data provided by the concerned departments)

However, final decision was yet to be taken by the departments.

4.18 Follow-up action on State Finances Audit Report

The Public Account Committee (PAC) requires the concerned Departments to provide a *suo-motu* Explanatory Note on the paragraphs featuring in the Audit Reports after the Reports been placed in the Legislature. The concerned Departments are also required to provide Action Taken Notes (ATNs) to the AG (for vetting and onward transmission to the PAC).

During 2021-22, the PAC didn't hold any sittings for discussion on the SFARs. Out of 330 paragraphs pertaining to the years from 2008-09 to 2019-20, only 03 paras were discussed till March 2022. A total of 327 paras of SFARs are pending for discussion.

At the instance of the PAC, the Finance Department should have issued instructions to all the Departments to initiate *suo-motu* action on all the paragraphs featuring in the State Finances Audit Reports irrespective of whether the cases had been taken up for examination by the PAC or not.

4.19 Apportionment of balances on re-organisation of the State

The Bihar Reorganisation Act, 2000 provides for the manner in which balances appearing under Capital (MH 4059 to 5475), Loans and Advances (MH 6202 to 7615) Heads and the balances under part-III Public Account (except Deposit with Reserve Bank) as on the date of bifurcation of the State *i.e.*, 15 November 2000 were to be apportioned. An amount of ₹ 11,148.69 crore was yet to be bifurcated under the above Heads as detailed in Appendix-XIII of the Finance Accounts (Volume II).

4.20 Unadjusted Temporary advance/Imprest

As per Rule 177 of the Bihar Treasury Code 2011, no money should be withdrawn from the treasury unless it is required for immediate payment. If under special circumstances, money is drawn in advance, 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 and in any case before the end of the financial year in which the amount is drawn.

As on 31 March 2022, ₹ 184.52 crore, required to be refunded to the treasury in terms of these instructions, remained outstanding as un-adjusted advance. Apart from this, an

amount of ₹ 25.46 crore was also kept in the imprest, by the Public Works Divisions as detailed in Table 4.27.

Table 4.27: Unadjusted Temporary Advance/Imprest as on 31 March 2022

(₹ in crore)

Sl. No.	Name of the Department	Total amount of unadjusted Temporary advance and Imprest		
		Temporary advance	Imprest	Total
1	Building Construction	5.45	7.08	12.53
2	Irrigation	25.25	1.65	26.90
3	National Highways	0.78	0.09	0.87
4	Public Health Engineering	8.15	0.48	8.63
5	Road Construction	67.43	0.29	67.72
6	Rural Works	5.96	10.31	16.27
7	Local Area Engineering Organisation	59.48	5.33	64.81
8	Tube wells and Minor Irrigation	12.02	0.23	12.25
Total		184.52	25.46	209.98

(Source: Finance Accounts, 2021-22)

4.21 Cheques and Bills

This head is an intermediary accounting device for initial record of transactions, which are eventually to be cleared/withdrawn. Under the scheme of departmentalisation of accounts, payment of claims against government is made by Pay and Accounts offices of different Ministries/departments by cheques drawn on branches of RBI or Public Sector Banks accredited to the Ministry/Department. When claims are preferred in the appropriate bill form to the PAO/Departmental Officer, the payment is authorised through issue of cheques, after exercising the prescribed checks and recording of pay order by the PAO/Departmental Officer. The Head “Cheque and bills” depicts the difference between the payment instructions (through cheques *etc.*) issued by Government Ministries/Departments to Public Sector Banks and the extent to which such payments had actually been made and correctly booked. Continued existence of unreconciled balances under this Head can distort the cash balances depicted in Government’s books.

In the Finance Accounts for the year ended March 2022, Credit balance under MH 8670 “Cheques and Bills” indicated cheques issued but remaining un-encashed. The opening balance as on 01 April 2021 was ₹ 110.99 crore (Credit). During 2021-22, cheques worth ₹ 1,67,756.15 crore were issued, against which ₹ 1,67,659.66 crore were encashed during the year, leaving a closing balance of ₹ 207.48 crore (Credit) as on 31 March 2022. The closing balance represents expenditure originally booked in various financial years under different functional Major Heads, which has not resulted in any cash outflow to the Government of Bihar till 31 March 2022.

The existence of persisting balances under the Head “Cheques and bills” violated the Receipt and payment Rule 1983, which stipulates that cheque and bills remaining unpaid beyond six months of issue, and not renewed, are to be cancelled and the amount written back in the accounts.

Amount outstanding under MH 8670 reflects that the accounting authorities are not taking any remedial action as per rules. To the extent, the amount outstanding under the Cheque and Bills, the Govt. cash balance stands overstated.

4.22 Sustainable Development Goals (SDGs)

The United Nations (UN) General Assembly adopted (September 2015) the resolution titled “*Transforming our world: the 2030 Agenda for Sustainable Development*” consisting of 17 sustainable Development Goals (SDGs) and 169 associated targets. The 2030 agenda aims to end poverty and hunger everywhere, combat inequalities within and among countries, build peaceful, just and inclusive societies, protect human rights, promote gender equality and the empowerment of women and girls, and ensure the lasting protection of the planet and its natural resources. It also endeavours to create conditions for inclusive and sustained economic growth, shared prosperity and decent work for all. The 2030 agenda are structured into four parts:

- A. Declaration: Vision and principles
- B. Results Framework: 17 Goals and 169 targets
- C. Implementations: Implementation and global partnership
- D. Follow-up and Review

Government of India (GoI) entrusted (September 2015) NITI Aayog with the responsibility of coordinating and overseeing the implementation of 2030 Agenda.

The NITI Aayog advised State Governments to undertake mapping of Goals and targets and sought inputs for formulation of a Vision Document for the Country. Subsequently, States were asked to take up budgeting for SDGs and organise capacity building activities. In this context, the State Govt. planned a vision document in 2017 for implementation of all SDGs (1-17) and notified different CSS or State Schemes under different departments. The Department of Planning & Development, GoB, had mapped the nodal departments and schemes, goal/target wise, in technical collaboration with the Asian Development Research Institute (ADRI) and the United Nations Children’s Fund (UNICEF) and prepared the vision and strategy document for Bihar.

Though, the State had not yet aligned its budgetary allotment with the SDG framework. However, the SDGs are covered under the budget for good governance programme and Seven Nischay Scheme of the State. The State Government of Bihar had been implementing a number of scheme/programmes in convergent manner addressing all SDGs viz; *Mukhya Mantri Balika Cycle Yojana, Mukhya Mantri Balika Poshak Yojana, Mukhya Mantri Nari Shakti Yojana, Akshar Aanchal Yojana*, Hunger Scheme for minority women.

As per the Index Report 2020-21, issued by Niti Aayog, in 2020-21, India’s overall score on the NITI Aayog SDG India Index & Dashboard 2020- 21, improved to 66 from 60 in 2019-20 and 57 in 2018-19. However, Bihar scored below 49 in seven⁴⁵ SDGs and categorized as aspirant state, between 50 to 64 in three⁴⁶ SDGs (categorised as performer state), and between 65 to 99 in five⁴⁷ SDGs (categorised as front runner). Overall Bihar scored only 52 and was recognised as performer state.

⁴⁵ SDG 1: No Poverty; SDG 2: Zero Hunger; SDG 4: Quality Education; SDG 5: Gender Equality; SDG 9: Industry, Innovation and Infrastructure; SDG 10: Reduced Inequality; SDG 13: Climate Action.

⁴⁶ SDG 8: Decent Work and Economic Growth; SDG 12: Responsible Consumption and Production; SDG 15: Life on Land.

⁴⁷ SDG 3: Good Health and Well-Being; SDG 6: Clean Water and Sanitation; SDG 7: Affordable and Clean Energy; SDG 11: Sustainable Cities and Communities; SDG 16: Peace, Justice and Strong Institutions.

The latest status about rolling out of SDGs was asked from GoB, but the reply was still awaited.

4.23 Natural Resource Accounting (NRA)

Under the aegis of Comptroller & Auditor General (CAG) of India, an account of natural resources available in the state was prepared to help in the achievement of sustainable development along with protection of the environment. The Concept Paper envisaging an action plan on Natural Resource Accounting (NRA) in India released in July 2020 by GASAB had brought out the templates of Asset Accounts on Mineral and Non-Renewable Energy Resources in the States.

CAG has started accounting of natural resources such as mines. The Natural Resource Accounting would help State to improve the accountability of the executive. The quantum of natural resources available in mines, expenditure incurred for its extraction and whether the mines are profitable or not will be audited. Under the NRA, the Assets Accounts will provide information about the total mineral resources of a state, its extraction, the estimated market value, and the actual revenue earned. The annual Asset Accounts, once finalised, can take the same route of dual stage validation by the State Government Departments and the audit office before being published, physically and electronically.

The preparation of Asset Account of mineral and energy resources of the State would help in better monitoring of resource extractions, usage, contain illegal mining and revenue optimization. The first Asset Accounts for the year 2020-21 of the State was targeted for completion by March 2022.

The office of the Principal Accountants General (A&E) compiles the revenues of the State under mining and allied activities under various pre-defined heads of account like Non-ferrous Mining and Metallurgical Industries (MH-0853) and the Finance Accounts of the States are generated. Revenues received under mining and allied activities are non-tax receipts of the State Governments. During the period between 2016-17 to 2020-21, receipts from non-ferrous mining and metallurgical industries *vis-à-vis* total non-tax receipts of the State is shown in **Table 4.28** below.

Table 4.28: Contribution of mineral resources in the revenue of the State

(₹ in crore)

Year	Total Non-Tax Revenue	Revenue from minerals resources	Percentage share of revenue from mineral resources
2016-17	2,403.12	997.60	41.51
2017-18	3,506.74	1,082.67	30.87
2018-19	4,130.56	1,560.65	37.78
2019-20	3,699.60	1,572.07	42.49
2020-21	6,201.38	1,708.93	27.56

(Source: Finance Accounts of the respective years).

Mines and Geology Department, Bihar, has prepared Asset Accounts: 2020-21 in the specified format, with additional information on the District Mineral Foundation. This has been checked by the office of the Pr.AG (A&E) and subsequently sent to Audit, for validation.

The Audit was conducted using the audit standards and guidelines as laid down by the CAG of India. Total Six districts (Aurangabad, Gaya, Rohtas, Bhojpur, Sheikhpura and Patna) were selected on sampling basis using figures of extraction during 2020-21, as provided by the department. The sampled districts covered approximately 77.41 per cent, 83.76 per cent and 100 per cent of mineral excavation of sand, stone and limestone minerals, respectively, out of the figure of total mineral extraction, during the said period, for the respective minerals. The data was validated on the basis of records provided by department, without corroborative evidence. The findings of the test-checks conducted by Audit are as follows:

- ✦ Since District Survey Reports (DSR) in regard to mineral reserves, were not prepared, the opening stock of environmental assets (as on 01.04.2020) and closing stock of environmental assets (as on 31.03.2021), could not be verified by Audit.
- ✦ Quantity of extraction of stone during 2020-21 in Gaya district could not be verified as entries of extraction in the despatch registers were not updated and monthly returns were not made available to Audit.
- ✦ Lack of proper coordination/ monitoring mechanism, between the Department & District Mining Offices, was noticed during the test checks.
- ✦ Monthly extraction/despatch registers of stones were neither maintained properly, nor were they duly verified and signed by the Mining Officer in the Aurangabad district. On further scrutiny of the monthly reports/returns and registers, it was also noticed that, in several months, the closing stock of the preceding month had not been taken as the opening stock in succeeding month. Even units of extracted quantity were not mentioned in several months' returns. This shows lack of monitoring on the part of the office.
- ✦ Mineral-wise data on illegal mining was also not made available by the Mines & Geology department, for the year 2020-21.

Listing of minerals found in the State and monetisation thereof had been completed by Mines and Geology Department except Mica and Quartz. State should ensure the sustainability of resources and a system of regular reconciliation of data with IBM should be put in place to have greater reliability on data compiled. Reporting mechanism should be established for all minerals to keep check on over extraction of minerals against the permitted extractions during the year to have a greater control on illegal mining.

4.24 Single Nodal Accounting (SNA)

With a view to have more effective cash management and bring more efficiency in the public expenditure management, the State Governments and Ministries/Departments of the Govt. of India are following various procedures for release and monitoring, the utilisation of funds under Centrally Sponsored scheme (CSS) with effect from 01 July 2021.

For implementation of Single Nodal Accounting:

- ✦ Every State Government will designate a Single Nodal Agency for each CSS. Each Agency would be registered in the Public Financial Management System (PFMS)

and bank account of each Agency would be opened in a Scheduled Commercial bank and mapped in PFMS.

- ✦ Funds available in the bank account of all the Implementing Agencies below the SNA are transferred to the bank account of the SNA concerned with clear bifurcation of the Central and State share. Only Zero Balance bank accounts should be opened.
- ✦ All the Implementing agencies (IAs) should be registered themselves in PFMS with Zero Balance Account. Depending on operational requirements, Zero-Balance Subsidiary Accounts for each scheme would be opened for all IAs either in the same branch of the selected bank or in different branches. These subsidiary accounts will have allocated drawing limits to be decided by the SNA concerned from time to time and will draw on real time basis.
- ✦ The SNAs shall ensure that the interest earned from the funds released should be mandatorily remitted to the respective Consolidated Fund on pro-rata basis.

In the beginning of the FY, the Ministries/Departments will release not more than 25 per cent of the amount earmarked for a State for a CSS. Additional Central Share (not more than 25 per cent at a time) will be released upon transfer of the stipulated State Share to the Single Nodal Account and utilisation of at least 75 per cent of the funds released earlier. However, this provision will not be applicable in case of schemes where a different quantum of release has been approved by the Cabinet. All implementing Agencies shall return unspent amounts lying in their account to the SNA under the control of State Government. SNAs will maintain a record of unspent balance lying in the account of implementing agencies and the amount refunded by implementing agencies. Ministries/ Departments will ensure that releases under all CSS are made strictly as per the actual requirement on the ground.

The data of PFMS as on 13.10.2022, along with GoI directions regarding SNA and correspondence with the State were examined and the following was observed:

- ✦ Status of implementation of SNA: There were 84 agencies registered as SNA mapping with 4,815 child agencies wherein 1,49,363 Zero Balance accounts were being used by child agencies. Thus 1,54,262 agencies were mapped in PFMS. This has led to minimising the bank accounts.
- ✦ The State Govt. had to transfer the Central share received to the concerned SNA's account within a period of **21 days** of receipt. The Central share should not be transferred to the PD accounts or any other accounts. Further, State share should be released not later than **40 days** of the release of Central share. Audit observed that number of days taken to transfer the Central and State Shares, from Treasuries to SNAs, were 89 and 92 days, respectively.
- ✦ In 14 schemes, the State had transferred the Central and State share either through PL Accounts, or through Treasuries to SNA accounts of the Scheme, which was against the directions of GoI.

The Finance Department (FD) replied that, in one scheme, funds were transferred from PL accounts to SNA and in 13 schemes, funds were transferred from PL and Treasury to SNA.

- ✦ As per Finance Department, GoI released a sum of ₹ 18,553.85 crore during 2021-22 for CSS. However, as per PFMS, GoI released ₹ 20,937.76 crore for CSS under SNA which was contrary to the facts. Although Finance Department accepted the facts in a letter addressed to GoI that there are some issues being faced in PFMS which needs to be addressed to ensure accurate reflection of data and subsequent release of funds.
- ✦ 91 State Linked Scheme (SLS) had been created with PFMS, for implementing CSS. The State has incurred total ₹ 42,522.60 crore as expenditure during financial year 2021-22.
- ✦ During 2021-22, GoI released ₹ 20,937.76 crore for CSS under SNA. Out of which only ₹ 9,171.03 crore was accounted for as expenditure and ₹ 1,446.61 crore as advance against the release of ₹ 19,887.10 crore by treasuries to SNA. An amount of ₹ 9,269.45 crore was yet to be utilised and ₹ 1,050.66 crore could not be released by State as on date.
- ✦ On the issue of accounting of interest and unspent balances, Audit observed (13.10.2022) that ₹ 185.87 crore had been credited as interest and there was a balance of ₹ 12,314.57 crore, in 63 bank account of SNA, which revealed ineffective execution of the schemes by State.
- ✦ Blocking of funds amounting to ₹ 334.13 crore, in seven schemes, revealed the overstatement of cash balance of the State. The Finance Department accepted and stated that the blocked funds would be returned to Consolidated Fund of India.
- ✦ Audit noticed that more than 90 *per cent* of the funds were released in the last quarter of the financial year in which more than 50 *per cent* was in month of March 2022, leading to accumulation of unspent balances with State.

Release of funds by the GoI to State towards the end of the financial year should be avoided to prevent accumulation of unspent balance with States. The State needs to request GoI to release the funds well in time so that State has ample time to seek supplementary appropriations from their respective legislatures. State has to ensure the utilisation of fund in time to avoid the less release of fund.

4.25 Accounts in CFMS Environment

For seamless interaction of all financial activities, the “Comprehensive Financial Management System (CFMS)” was designed as a single source of truth from 01.04.2019, replacing the Comprehensive Treasury Management Information System (CTMIS). After completion of the project, a third-party evaluation was to be carried out to test the functionalities, errors *etc.* along with User Acceptance Test (UAT) before declaring the CFMS ‘Go-live’ by April 2019. In Budget Speech 2020-21, Honourable Finance Minister, GoB had stated that the CFMS had been implemented from 1st April 2019 and the entire financial work including budget preparation, allocation and re-appropriation had become online and paperless. The treasury had become fully computerised and online, as also that eight types of modules had been implemented and other modules would also be implemented in a phased manner during the financial year 2020-21. Similarly, in the Budget Speech 2021-22, it was stated that the entire financial transactions of the State

had gone live since the implementation of CFMS 1.0, and CFMS 2.0 would be ready in the financial year 2021-22.

All financial transactions of the State are initiated, approved, paid and recorded through the CFMS. Authorisation of payments and receipts are being done through CFMS, which forms the basis of treasury accounts, which, in turn, forms the basis of data of the VLC System, used by the office of the Principal Accountant General (A&E) for preparation of the Finance and Appropriation Accounts.

Audit approached (13.03.2020), the Finance Department for Information Technology audit of CFMS but the same was requested to be reconsidered on the basis that “CFMS is yet to be declared Go-Live officially. The system with limited functions was provisionally rolled out in April 2019 and improvements and implementations along with remainder functionalities is still in progress”. Audit again approached (10.03.2022) regarding IT audit of CFMS but in a reply dated 29.04.2022, it was stated that “the current application is CTMIS with few additions and functionality enhancements. The Planned CFMS is still under development and will go live after User Acceptance Testing (UAT) of all the functionalities as per the Request for Proposal (RFP).”

In the course of preparation of guidelines for audit of CFMS, audit observed that several serious issues with CFMS had been pointed out by the State Government itself, through several letters to the service provider (TCS), such as duplicate pay bills for approx. 1500 employees, payments of salary had been made twice, incorrect and fictitious entries in the production database, back-end tampering of actual information, differences in the transactions, Digital Signature dates and approval dates being corrected from back-end, incorrect handling of Debit Notifications and Return Notifications, resulting in accounts mismatch and subsequent corrections from the back-end, database changes without approval, updation/deletion of data without the consent of the department, generation of bills without allotment/authorisations being available, net amounts paid exceeding the actual payable amounts, excess withdrawal of claims against the available budget allotment amounts *etc.*

Audit is of the opinion that, given the aforesaid issues with CFMS, pointed out by the State Government itself, regarding the integrity and reliability of the data, Audit cannot preclude risks of material accounting entries being still done through the back-end of the CFMS, without any valid rationale, approval and necessary documentation, bypassing the treasury system and in violation of the Treasury Code and IT controls, as neither User Acceptance Test of all functionalities, as per the RFP, had been done yet (letter dated 29.04.2022) nor had there been any IT audit, which could have provided assurance about the corrective actions taken since 2019. In reply, the Finance Department (23.09.2022) stated that all the addressed issues had been resolved and assured that such operational issues had not been reported in the recent past and the UAT team had done an extensive testing before providing sign-off. The reply of the department is contrary to its statement of 29.04.2022. This is fraught with the risk of misrepresentation of Government finances, besides possible misappropriations, as there can be changes at the back end of the CFMS.

4.26 Conclusion

Positive Indicator	Negative Indicators
Natural Resource Accounts 2020-21 were prepared	Continuing cases of labour cess funds being maintained outside Public Account of the State
	Increasing non-discharge of liability in respect of interest on deposits
	Increasing number of outstanding UCs
	Increasing number of outstanding DC bills
	Increasing amount under Suspense heads

4.27 Recommendations

The Finance Department should:

- ✦ take necessary action for inclusion of DC bills in CFMS.
- ✦ review all PD Accounts and ensure that amounts lying in PD Accounts at the end of the year are immediately remitted to the Consolidated Fund of State.
- ✦ conduct a comprehensive review of all items presently appearing under the minor head '800' and ensure that such receipts and expenditures are booked under the appropriate heads of Accounts, in consultation with the Pr. AG (A&E).
- ✦ prescribe a timeline for administrative departments to collect pending UCs and ensure that prescribed timeline is adhered to for clearance of pending UCs. Responsibility may be fixed for non-submission of outstanding UCs.
- ✦ ensure that all controlling officers adjust AC bills pending beyond the prescribed period, in a time-bound manner, and also ensure that AC bills are not drawn merely to avoid lapse of budget. Responsibility should be fixed for undue delays in the adjustment of pending AC bills.
- ✦ expedite the apportionment of balances between the two successor States.

CHAPTER V
STATE PUBLIC SECTOR ENTERPRISES
(SPSEs)

This Chapter presents the summary of financial performance of Government Companies, Statutory Corporations and Government controlled other Companies in Bihar. 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 the subsidiaries of such Government companies. The Statutory Corporations set up under statutes enacted by the State Legislature and other companies owned or controlled, directly or indirectly by the State Government have also been categorized as SPSEs.

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 March 2022 was 77⁴⁸, which included 37 functional SPSEs and 40 non-functional SPSEs. Whereas based on the latest accounts finalised up to the last three years i.e., 2019-20, 2020-21 and 2021-22, the number of SPSEs being covered in this Chapter is 16 (15 Government Companies and one Statutory Corporation). Remaining 61⁴⁹ SPSEs whose accounts were in arrears for three years or more or were defunct / under liquidation or first accounts were not received have not been covered in this Chapter, as the actual contribution of these SPSEs to Gross State Domestic Product and their profitability including profit earned/loss incurred for the year 2021-22 could not be ascertained due to arrears of accounts. Hence, their contribution to the State exchequer was also not reported to the State Legislature.

5.1 Summary of Financial Performance of State Public Sector Enterprises

5.1.1 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 the Chartered Accountants as Statutory Auditors for Companies and directs them, the manner in which the accounts are to be audited. In addition, CAG has mandate to conduct a supplementary audit of the SPSEs. The statutes governing some of the Statutory Corporations require their accounts to be audited only by CAG.

5.1.2 What this Chapter contains

This Chapter provides an overall picture of the financial performance of the State Government Companies, Statutory Corporations and Government controlled other Companies as revealed from their accounts.

⁴⁸ The total number of SPSEs in the State as on March 2021 was 79. During the year 2021-22, out of 79, two SPSEs viz. Bihar State Cement Corporation Limited (strike off) and Bhawani Active Carbon Limited (ceased to be a Government Company) have been omitted.

⁴⁹ Out of 61, nine SPSEs including eight non-functional SPSEs have not submitted/finalised their first accounts and the accounts of remaining 52 SPSEs, which included 36 non-functional SPSEs, were in arrears for three years or more.

Impact of significant comments issued during supplementary audit of the Financial Statements of the SPSEs conducted by the CAG during the year 2021-22 is given in this Chapter.

5.1.3 Number of SPSEs

As on 31 March 2022, there were 77 State Public Sector Enterprises under the audit jurisdiction of the CAG. These include 70 State Government Companies, three Statutory Corporations and four State Government controlled other companies.

Government Companies	70
Statutory Corporations	3
Government Controlled other companies	4
Total SPSEs	77

Out of these, summary of financial performance and nature of 16 SPSEs, covered in this Chapter, are indicated in **Table 5.1:**

Table 5.1: Coverage and Nature of SPSEs covered in this Chapter

Nature of SPSEs	Total No. of SPSEs	No. of SPSEs covered in the Chapter				No. of SPSEs not covered in this Chapter	No. of SPSEs whose accounts are in arrear
		Accounts up to					
		2021-22	2020-21	2019-20	Total		
Functional Government Companies	30	1	8	5	14	16	29
Functional Statutory Corporations	3	0	0	1	1	2	3
Total Government Companies/ Corporations	33	1	8	6	15	18	32
Government Controlled Other Companies	4	0	0	0	0	4	4
Total functional SPSEs	37	1	8	6	15	22	36
Non-functional Government Companies	40	0	1 ⁵⁰	0	1	39	40
Non-functional Statutory Corporations	-	-	-	-	-	-	-
Total non-functional SPSEs	40	0	1	0	1	39	40
Total	77	1	9	6	16⁵¹	61	76

(Source: Compiled based on the latest finalised accounts of SPSEs.)

The summary of financial performance of 16 SPSEs during the year 2019-20, 2020-21 and 2021-22 under the purview of CAG's audit are given in **Appendix-5.1.**

⁵⁰ Bihar State Agro Industries Development Corporation Limited.

⁵¹ Sector - Power: 8, Agriculture: 1, Finance: 2, Infrastructure:2, Service:1 and Others: 2.

**Summary of financial performance of SPSEs covered in this Chapter as on
31 March 2022 (Government Companies and Statutory Corporations)**

Number of SPSEs	77
SPSEs Covered	16
Paid up capital (16 SPSEs)	₹ 40,260.17 crore
Long term Loans (Seven SPSEs)	₹ 12,429.50 crore
Net profit (Seven SPSEs)	₹ 291.30 crore
Net loss (Five SPSEs)	₹ 1,946.95 crore
Zero Profit/loss (Four SPSEs) ⁵²	
Dividend declared	NIL
Turnover (16 SPSEs)	₹ 20,396.89 crore
Net Worth (16 SPSEs)	₹ 21,018.33 crore

(Source: Compiled based on latest finalised accounts of SPSEs.)

This Chapter does not include 61 SPSEs, as shown in *Appendix-5.2*.

5.1.4 Contribution to Economy of the State

A ratio of turnover of the 16 SPSEs covered in this Chapter to the Gross State Domestic Product (GSDP) shows the extent of activities of the SPSEs in the State economy. The table below provides the details of turnover of SPSEs and GSDP of State of Bihar for a period of three years ending March 2022:

Table 5.2: Details of turnover of SPSEs vis-à-vis GSDP of Bihar

(₹ in crore)

Particulars	2019-20			2020-21			2021-22		
	Power	Non-Power	Total	Power	Non-Power	Total	Power	Non-Power	Total
Turnover	17,077.90	2,355.53	19,433.43	18,048.72	2,355.75	20,404.47	18,041.14	2,355.75	20,396.89
Percentage change in turnover as compared to turnover of preceding year	-	-	-	5.68	0.01	5.00	-0.04	0.00	-0.04
GSDP of State of Bihar	5,82,516			5,87,154			6,75,448		
Percentage change in GSDP as compared to GSDP of preceding year	-			0.80			15.04		
Percentage of Turnover to GSDP of Bihar	2.93	0.40	3.34	3.07	0.40	3.48	2.67	0.35	3.02

(Source: Compiled based on Turnover figures of SPSEs and GSDP figures as submitted by Government of Bihar)

⁵² Out of 16, there were four SPSEs, which earned no profit or incurred no loss during 2021-22 since either operations were not started or losses/net expenses were allocated to their subsidiaries and profit were distributed among beneficiaries. Further, in respect of SPSEs, where any particular year's accounts were not received before 31 July 2022, the figures from the latest finalised accounts i.e. 2019-20, 2020-21 and 2021-22 have been adopted.

The turnover of eight power sector SPSEs increased from ₹ 17,077.90 crore in 2019-20 to ₹ 18,041.14 crore in 2021-22. The growth rate of turnover ranged was (-)0.04 per cent and 5.68 per cent during the period 2020-21 and 2021-22, whereas growth rate of GSDP of the State ranged between 0.80 per cent and 15.04 per cent during the same period. The compounded annual growth rate⁵³ (CAGR) of GSDP was 7.68 per cent during the last two years. The CAGR is a useful method to measure growth rate over multiple time periods. Against the CAGR of 7.68 per cent of the GSDP, the turnover of power sector SPSEs recorded CAGR of 2.78 per cent during the last two years. This resulted in decrease in share of turnover of these power sector SPSEs to the GSDP from 2.93 per cent to 2.67 per cent.

Further, the turnover of eight non-power SPSEs marginally increased by 0.01 per cent from ₹ 2,355.53 crore in 2019-20 to ₹ 2,355.75 crore in 2021-22. Against the CAGR of 7.68 per cent of the GSDP, the turnover of these SPSEs recorded nil CAGR as turnover of these SPSEs remained approximately the same.

5.2 Investment in Government Companies and Corporations and Budgetary support

The amount of investment in equity and loans in 16 Government Companies and Corporations as at the end of 31 March 2022 is given in **Table 5.3**:

Table 5.3: Equity and loans in Government Companies and Corporations

(₹ in crore)

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	39,654.51	619.30	40,273.81	39,686.75	619.30	40,306.05
Central Government	213.00	0.00	213.00	213.00	0.00	213.00
Others	328.19	11,743.93	12,072.12	360.42	11,810.20	12,170.62
Total Investment	40,195.70	12,363.23	52,558.93	40,260.17	12,429.50	52,689.67
Percentage of investment of State Government to Total Investment	98.65	5.01	76.63	98.58	4.98	78.50

(Source: Compiled based on latest finalised accounts of SPSEs.)

5.2.1 Equity Holding

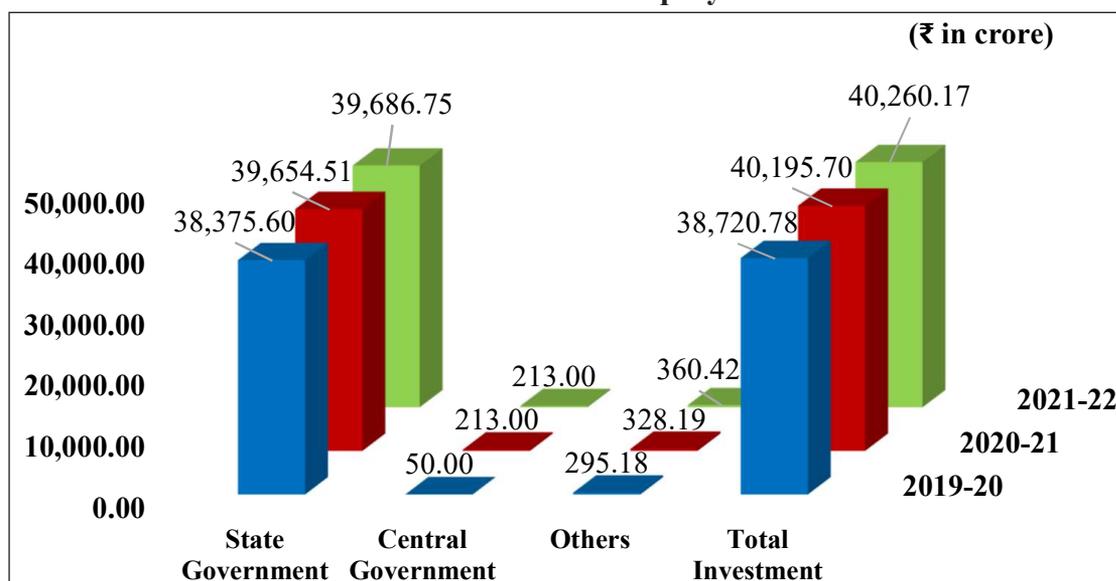
During 2021-22, the total equity holding at face value in the 16 SPSEs covered in this Chapter registered a net increase of ₹ 64.47 crore⁵⁴. The equity holding of State Government at face value in SPSEs increased from ₹ 39,654.51 crore in 2020-21 to ₹ 39,686.75 crore in 2021-22.

Holding in equity by State Government, Central Government and others during last three years up to 31 March 2022, in Government Companies and Corporations is depicted in **Chart 5.1**.

⁵³ Compounded Annual Growth Rate = $\left[\left\{ \frac{\text{Value of 2021-22}}{\text{Value of 2019-20}} \right\}^{(1/2 \text{ years})} - 1 \right] \times 100$.

⁵⁴ Out of ₹ 64.47 crore, 50 per cent i.e. ₹ 32.23 crore were invested in Bihar Grid Company Limited.

Chart 5.1: Investment of Equity in SPSEs



(Source: Compiled based on the latest finalised accounts of SPSEs.)

Out of equity investment of ₹ 39,686.75 crore, State Government invested ₹ 39,371.32 crore in Power Sector. Details of significant holdings of the State Government as in the year 2021-22, in the paid-up capital of the SPSEs is given in Table 5.4.

Table 5.4: Significant holding of the State Government

Sl. No.	Name of the SPSE	Name of Department	Amount (₹ in crore)	Percentage of holding with respect to total investment in 16 SPSEs
1	South Bihar Power Distribution Company Limited (SBPDCL)	Energy	12,770.34	24.24
2	North Bihar Power Distribution Company Limited (NBPDC)	Energy	12,144.43	23.05
3	Bihar State Power Transmission Company Limited (BSPTCL)	Energy	8,076.82	15.33
4	Bihar State Power Generation Company Limited (BSPGCL)	Energy	4,812.96	9.13
5	Bihar Grid Company Limited (BGCL)	Energy	322.53	0.80
6	Bihar State Power Holding Company Limited (BSPHCL)	Energy	1,244.22	2.36
7	Patna Metro Rail Corporation	UDHD	213.00	0.40
8	Bihar State Financial Corporation (BSFC)	Industries	39.95	0.08
9	Bihar State Road Development Corporation Limited	Road	20.00	0.04
10	Bihar State Educational Infrastructure Development Corporation Limited	Education	20.00	0.04

(Source: Compiled based on the latest finalised accounts of SPSEs.)

5.2.2 Loans given to State Government Companies and Corporations

Long-term loans are loans whose repayment is spread over a long period. State Government invests in SPSEs as long-term loans to meet the capital and revenue liabilities of the SPSEs to achieve their objective and smooth functioning.

5.2.2.1 Computation of long-term loans outstanding as on 31 March 2022

The total long-term loans outstanding in seven⁵⁵ SPSEs out of 16 from all sources as on 31 March 2022 was ₹ 12,429.50 crore. Remaining nine SPSEs did not have any long-term loans as on 31 March 2022. A year wise detail of outstanding long-term loans of SPSEs is depicted in **Table 5.5**.

Table 5.5: Long Term Loans in SPSEs

(₹ in crore)			
Sources of loan	2019-20	2020-21	2021-22
State Government	541.25	619.30	619.30
Central Government	0.00	0.00	0.00
Others ⁵⁶	5,811.63	11,743.93	11,810.20
Total Investment	6,352.88	12,363.23	12,429.50

(Source: Compiled based on latest finalised accounts of SPSEs.)

During the period 2019-20 to 2021-22, the long-term loans given by State Government in SPSEs registered an increase of ₹ 78.05 crore while loan from other sources increased by ₹ 5,998.57 crore. Out of the total loans of SPSEs as on 31 March 2022, loans from State Government were ₹ 619.30 crore (4.98 per cent).

Out of total loans advanced by the State Government, loans amounting to ₹ 359.85 crore (58.11 per cent) were outstanding with Power Companies and rest were with other companies (₹ 259.45 crore) while 100 per cent of loans from others (₹ 11,810.20 crore) belonged to Power Companies.

Neither power sector nor non-power sector SPSEs had made the repayment of the principal and interest of the long-term loans advanced to them by State Government.

5.2.2.2 Adequacy of Assets to meet Loan liabilities

Ratio of total debt to total assets is one of the methods used to determine whether a company can stay solvent. To be considered solvent, the value of an entity's assets must be greater than the sum of its loans/debts. The coverage of long-term loans by value of total assets in seven SPSEs which had outstanding loans as on 31 March 2022 is given in **Table 5.6**:

⁵⁵ Bihar State Power Holding Company Limited, Bihar State Power Transmission Company Limited, South Bihar Power Distribution Company Limited, North Bihar Power Distribution Company Limited, Bihar Grid Company Limited, Bihar State Agro Industries Development Corporation Limited and Bihar State Financial Corporation.

⁵⁶ The figure of loan from other sources includes loan from Rural Electrification Corporation, Power Finance Corporation, Banks and Bihar Urban Development Agency.

Table 5.6: Coverage of long-term loans with total assets*(₹ in crore)*

Nature of SPSE	Positive Coverage				Negative Coverage			
	No. of SPSEs	Long term Loans	Assets	Percentage of assets to loans	No. of SPSEs	Long term Loans	Assets	Percentage of assets to loans
Statutory Corporation	-	-	-	-	1	228.47	209.72	91.79
Government Company	5	12,170.05	1,22,793.30	1,008.98	1	30.98	25.33	81.76
Total	5	12,170.05	1,22,793.30	1,008.98	2	259.45	235.05	90.60

(Source: Compiled based on the latest finalised accounts of SPSEs.)

Out of the seven SPSEs, in respect of two SPSEs⁵⁷, the value of total assets was less than the long-term loans outstanding.

5.2.3 Budgetary Support to SPSEs

The Government of Bihar provides financial support to SPSEs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/subsidies to SPSEs covered in this Chapter for the last three years ending March 2022 are given in **Table 5.7:**

Table 5.7: Details regarding budgetary support to SPSEs*(Amount ₹ in crore)*

Particulars ⁵⁸	2019-20		2020-21		2021-22	
	No. of SPSEs	Amount	No. of SPSEs	Amount	No. of SPSEs	Amount
Power						
Equity Capital outgo (i) ⁵⁹	1	3,079.20	1	1,125.96	1	32.23 ⁶⁰
Loans given (ii)	2	41.01	2	78.05	-	-
Grants/Subsidies provided (iii)	3	7,171.13	2	7,189.78	-	-
Total Outgo (i+ii+iii) Power	3	10,291.34	3	8,393.79	1	32.23
Non-Power						
Equity Capital outgo (i)	1	60.05	1	152.95	-	-
Loans given (ii)	-	-	-	-	-	-
Grants/Subsidies provided (iii)	1	5.00	1	7.65	-	-
Total Outgo (i+ii+iii) Non-Power	2	65.05	2	160.60	-	-
Grand Total Outgo	5	10,356.39	5	8,554.39	1	32.23

(Source: Compiled based on latest finalised accounts of SPSEs.)

The budgetary assistance received by these SPSEs during the year ranged between ₹ 32.23 crore and ₹ 10,356.39 crore during the period from 2019-20 to 2021-22. During 2021-22, equity capital of ₹ 32.23 crore was invested in Bihar Grid Company Limited.

⁵⁷ Bihar State Financial Corporation and Bihar State Agro Industries Development Corporation Limited.

⁵⁸ Amount represents outgo from State Budget only.

⁵⁹ GoB released equity directly to the four subsidiaries and one joint venture on behalf of their Holding Company i.e., BSPHCL against which these subsidiaries issued shares to their Holding Company. Therefore, for the purpose of infusion of Government's fund, only Holding Company on behalf of its subsidiaries and joint venture have been considered.

⁶⁰ The accounts of power sector SPSEs for the year 2021-22 have not been received except Bihar Grid Company Limited.

5.3 Returns from Government Companies and Corporations

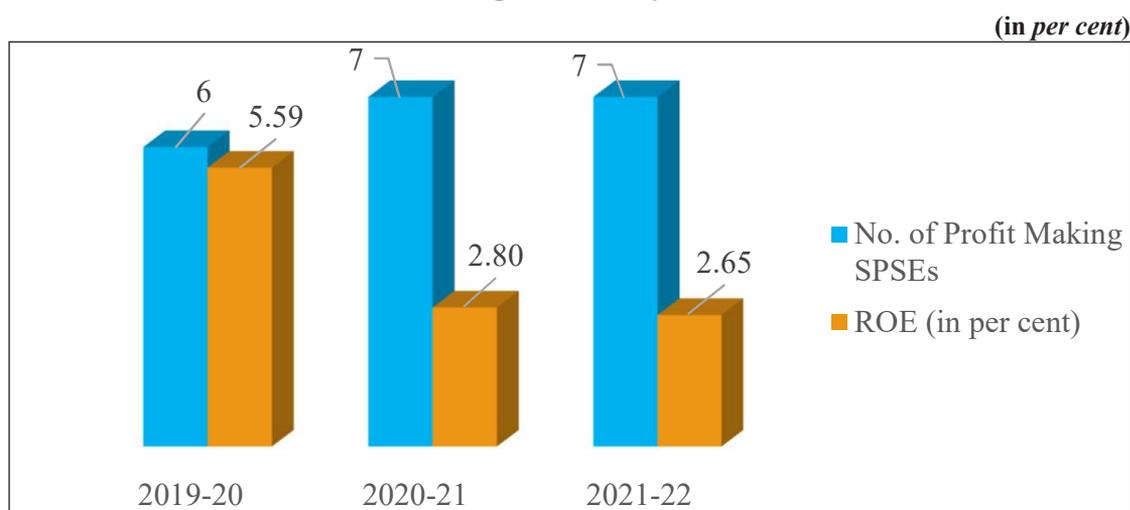
Returns on investment in share capital, invested by GoB, is one of the important determinants of the quality of capital expenditure. Return on equity (ROE) is a financial ratio that shows how well SPSEs are managing the capital that GoB have invested in them.

5.3.1 Profit earned by SPSEs

Seven SPSEs each earned profit during 2020-21 and 2021-22. The profit decreased to ₹ 291.30 crore in 2021-22 from ₹ 302.15 crore in 2020-21. Out of 16 SPSEs, five SPSEs have been incurring losses from several years and one SPSE⁶¹ during the year 2019-20. The Net worth of seven SPSEs that earned profit during 2021-22, was ₹ 10,989.84 crore. The Return on Equity (ROE) of these seven SPSEs decreased from 2.80 per cent in 2020-21 to 2.65 per cent in 2021-22. ROE of all the 16 SPSEs i.e., including five loss-making and four no profit no loss making Companies was (-) 7.88 per cent in 2021-22.

Number of SPSEs that earned profit during the period from 2019-20 to 2021-22 is depicted in **Chart 5.2**:

Chart 5.2: Number of companies earning profits and their ROE during last three years



(Source: Compiled from latest finalised accounts of SPSEs.)

Details of maximum profit earned by Power and non-power Sector SPSEs during 2021-22 are summarised in **Table 5.8**:

Table 5.8: Maximum profit earning Power and non-power SPSEs during the year 2021-22

Sectors	No. of SPSEs	Net Profit Earned (₹ in crore)	Percentage of profit to total SPSEs' profit
Power	2	235.38	80.80
Non-Power	5	55.92	19.20
Total	7	291.30	

(Source: Compiled based on latest finalised accounts of SPSEs.)

⁶¹ Patna Metro Rail Corporation.

During 2021-22, net profit of ₹ 235.38 crore constituting 80.80 per cent of total profit of SPSEs was contributed by Power Sector. The list of SPSEs which earned profit of more than ₹ 10 crore as per their latest finalised accounts is given in **Table 5.9:**

Table 5.9: List of SPSEs which earned profit of more than ₹ 10 crore

Sl. No.	Name of SPSE	Accounts Finalised up to	Net profit (₹ in crore)
1	Bihar State Power Transmission Company Limited	2020-21	91.41
2	Bihar Grid Company Limited	2021-22	143.97
3	Bihar State Road Development Corporation Limited	2019-20	26.63
4	Bihar State Financial Corporation	2019-20	18.58

(Source: Compiled based on latest finalised accounts of SPSEs.)

5.3.2 Dividend Paid by SPSEs

During the period from 2019-20 to 2021-22, SPSEs ranging from six to seven earned profits. Details of profit earned by SPSEs during 2019-20 to 2021-22, in respect of the SPSEs covered in this Chapter, is given in **Table 5.10:**

Table 5.10: Profit earned by SPSEs during 2019-20 to 2021-22

Year	Total SPSEs where equity infused by GoB		SPSEs which earned profit during the year	
	No. of SPSEs	Equity infused by GoB (₹ in crore)	No. of SPSEs	Profit earned (₹ in crore)
1	2	3	4	5
2019-20	16	38,375.60	6	544.40
2020-21	16	39,654.51	7	302.15
2021-22	16	39,686.75	7	291.30

(Source: Compiled based on latest finalised accounts of SPSEs.)

As the State Government had not formulated any dividend policy, making all the profit making SPSEs to pay a minimum return, none of the SPSE declared/paid any dividend to the State Government.

5.4 Debt Servicing

Debt servicing is the total principal and interest payment require to meet ongoing loan payments and financing requirements. For debt servicing purpose a company should generate sufficient revenue to meet its principal and interest payments.

5.4.1 Interest Coverage Ratio

Interest Coverage Ratio (ICR) is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An ICR of below one indicates that the company is not generating sufficient revenues to meet its expenses on interest. Out of 16 SPSEs, the long-term loans were outstanding in seven⁶² SPSEs. Remaining nine SPSEs did not have any long-term loans as on 31 March 2022. Details

⁶² BSPHCL, BSPTCL, SBPDCL, NBPDC, BGCL, BSAIDCL and BSFC.

of positive and negative interest coverage ratios of the SPSEs having outstanding loans, during the period from 2019-20 to 2021-22 are given in **Table 5.11**.

Table 5.11: Interest Coverage Ratio*(₹ in crore)*

Year	Interest	Earnings before interest and taxes	No of SPSEs	No. of SPSEs having ICR \geq 1	No. of SPSEs having ICR $<$ 1
Statutory Corporations					
2019-20	17.68	36.26	1	1	-
2020-21	17.68	36.26	1	1	-
2021-22	17.68	36.26	1	1	-
Government Companies					
2019-20	515.44	(-)2,000.09	5 ⁶³	2	3
2020-21	769.33	(-)832.36	5 ⁶³	2	3
2021-22	782.68	(-)821.38	5 ⁶³	2	3

(Source: Compiled based on latest finalised accounts of SPSEs.)

During the year 2021-22, the ICR of three State Government Companies i.e. South Bihar Power Distribution Company Limited, North Bihar Power Distribution Company Limited and Bihar State Agro Industries Development Corporation Limited were less than one. This shows that the earning of SPSEs were not sufficient to pay their interest due to heavy losses as on 31 March 2022. This also indicates high risk of insolvency.

5.4.2 Age wise analysis of interest outstanding on State Government Loans

As on 31 March 2022, interest amounting to ₹ 422.83 crore⁶⁴ was outstanding on the long-term loans of four SPSEs out of 16 SPSEs (which are included in this chapter) provided by GoB. The age wise analysis of interest outstanding on State Government Loans in SPSEs is depicted in **Table 5.12**:

Table 5.12: Interest outstanding on State Government Loans*(₹ in crore)*

Sl. No.	Name of SPSEs	Accounts finalised up to	Total outstanding interest on Loan	Interest on loans outstanding for less than 1 year	Interest on loans outstanding for 1-3 years	Interest on loans outstanding for more than 3 years
1	North Bihar Power Distribution Company Limited	2020-21	104.99	26.10	40.80	38.09
2	South Bihar Power Distribution Company Limited	2020-21	55.21	9.04	23.75	22.42
3	Bihar State Financial Corporation Limited	2019-20	233.92	17.68	36.32	179.92
4	Bihar State Agro Industries Development Corporation Limited	2020-21	28.71	0.65	1.30	26.76
Grand Total			422.83	53.47	102.17	267.19

(Source: Compiled based on the latest finalised accounts of SPSEs.)

It can be seen from the table that interest amounting to ₹ 267.19 crore was outstanding for more than three years. Bihar State Agro Industries Development Corporation Limited failed to repay the interest as well as principal of loans outstanding, while Bihar State

⁶³ BSPHCL has not been considered for the calculation of ICR due to no profit no loss.

⁶⁴ Bihar Grid Company Limited received loans from others financial institutions. Hence, the interest amount of BGCL has not been considered.

Financial Corporation also failed to repay, as the Corporation is not undertaking any new business i.e. new lending which is the main source of its earning/revenue.

5.5 Operating efficiency of Government Companies

Operational efficiency primarily measures the efficiency of profit earned as a function of operating costs. A greater operational efficiency is profitable to an entity as it makes the entity to generate greater income or returns for it or lower cost than any other alternative.

5.5.1 Return on Capital Employed

Return on Capital Employed (ROCE) is a ratio that measures a Company's profitability and the efficiency with its capital employed. ROCE is calculated by dividing a Company's earnings before interest and taxes (EBIT) by the capital employed⁶⁵. The SPSE-wise details of ROCE are detailed in *Appendix-5.1*. The consolidated ROCE of 16 SPSEs, during the period 2019-20 to 2021-22, are given in **Table 5.13**.

Table 5.13: Return on Capital Employed

Sectors	No. of SPSEs	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (In percentage)
2019-20				
Power	8	(-)2,002.66	25,947.00	(-)7.72
Non-Power	8	82.91	724.83	11.44
Total	16	(-)1,919.75	26,671.83	(-)7.20
2020-21				
Power	8	(-)835.13	32,129.44	(-)2.60
Non-Power	8	87.85	1,043.70	8.42
Total	16	(-)747.28	33,173.14	(-)2.25
2021-22				
Power	8	(-)824.15	32,404.13	(-)2.54
Non-Power	8	87.85	1,043.70	8.42
Total	16	(-)736.30	33,447.83	(-)2.20

(Source: Compiled based on latest finalised accounts of SPSEs.)

It was observed that out of ROCE of 16 SPSEs during 2019-20 and 2020-21, ROCE in power sector SPSEs was negative in range between (-)2.54 to (-)7.72 and ROCE in non-power SPSEs decreased from 11.44 to 8.42. Further, ROCE of 16 SPSEs were higher during the year 2021-22, in comparison to those for the year 2019-20, mainly because of increase in ROCE of power sector SPSEs. However, it remained negative during the year 2019-20 to 2021-22.

5.5.2 Rate of Real Return on Government investment (RORR)

In view of the significant investment by Government of Bihar in 16 companies, return on such investment is essential from the perspective of State Government. Traditional calculation of return based only on historical cost of investment may not be a correct indicator of the adequacy of the return on the investment since such calculations ignore the present value of money. Therefore, the return on investment has been calculated after

⁶⁵ Capital Employed = Paid up Share capital + Free Reserves and surplus + Long term loans – Accumulated losses – Deferred Revenue Expenditure.

considering the Present Value (PV) of money to arrive at the real return on investment made by GoB. PV of the State Government investment was computed where funds had been infused by the State Government in the shape of equity, interest free/defaulted long term loans and Capital grants from 2014-15 in these SPSEs till 31 March 2022.

The PV of the State Government's investment in 16 SPSEs was computed on the basis of following assumptions:

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

The position of State Government investment in 16 companies in the form of equity, interest free/defaulted loans and capital grants since inception of these Companies till 31 March 2022 and the consolidated position of the PV of the State Government investment relating to these SPSEs for the same period is indicated in **Table 5.14**:

Table 5.14: Year wise details of investment by the State Government and RORR of Government funds from 2014-15 to 2021-22

(₹ in crore)

Financial year	Present value of total investment at the beginning of the year	Equity infused by the state Government during the year	Interest free/defaulted Loans and capital grants given by the State Government during the year	Total investment during the year	Average rate of interest on Government borrowings (in %)	Total investment at the end of the year	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total Earning for the year	RORR in Per cent
i	ii	iii	iv	v = iii+iv	vi	vii = ii+v	viii = {vii × (100+vi)/100}	ix = {vii × vi}/100	x	xi = (x × 100/viii)
Up to 2014-15	0.00	9,016.88	6,243.75	15,260.63	6.59	15,260.63	16,266.31	1,005.68	-836.36	-5.14
2015-16	16,266.31	6,931.91	1,423.49	8,355.40	6.58	24,621.71	26,241.81	1,620.11	-884.77	-3.37
2016-17	26,241.81	5,272.00	5,212.82	10,484.82	6.42	36,726.63	39,084.48	2,357.85	-1,319.36	-3.38
2017-18	39,084.48	8,970.68	222.89	9,193.57	6.13	48,278.05	51,237.50	2,959.44	-7,768.11	-15.16
2018-19	51,237.50	5,044.86	3,477.65	8,522.51	6.18	59,760.01	63,453.18	3,693.17	-2,440.50	-3.85
2019-20	63,453.18	3,139.25	1,983.13	5,122.38	5.68	68,575.56	72,470.65	3,895.09	-2,416.84	-3.33
2020-21	72,470.65	1,278.91	1,703.46	2,982.37	5.94	75,453.02	79,934.93	4,481.91	-1,644.80	-2.06
2021-22	79,934.93	32.23	0.00	32.23	5.70	79,967.16	84,525.29	4,558.13	-1,655.65	-1.96
Total		39,686.72	20,267.19	59,953.91						

(Source: Compiled based on the latest finalised accounts of SPSEs.)

The balance of investment of the State Government in these 16 companies at the end of the year increased to ₹ 59,953.91 crore in 2021-22 from ₹ 15,260.63 crore in 2014-15 as the State Government made further investments in shape of equity (₹ 30,669.84 crore) and capital grants (₹ 14,023.44 crore). The PV of investments of the State Government up to 31 March 2022 worked out to ₹ 84,525.29 crore.

It could be seen that total earnings and RORR of these SPSEs remained negative during 2014-15 to 2021-22 due to losses of Power Companies which indicates that instead of generating returns on the invested funds to recover the cost of funds to the Government, they have accumulated huge losses over the years making them commercially unviable.

5.5.3 Return on Investment in SPSEs (ROI)

Return on Investment (ROI)⁶⁶ is a measure of financial performance of companies calculated by dividing net income by total investment. Sector wise ROI of SPSEs for last three years up to 31 March 2022 is depicted in **Table 5.15**.

Table 5.15: Sector wise Return on Investment

<i>(in per cent)</i>			
Sector	2019-20	2020-21	2021-22
Power	(-)4.41	(-)1.58	(-)1.55
Non-Power	5.93	5.11	5.09
Total	(-)4.10	(-)1.37	(-)1.34

(Source: Compiled based on latest finalised accounts of SPSEs.)

It can be seen from the table that ROI of 16 SPSEs marginally improved during the year 2021-22 in comparison to that for the year 2020-21 mainly because of increase in ROI of power companies.

5.5.4 Return on Equity of SPSEs (ROE)

Return on Equity (ROE)⁶⁷ is a measure of financial performance of companies calculated by dividing net income by shareholders' equity. Sector wise ROE of SPSEs for three years ended 31 March 2022 is depicted in **Table 5.16**.

Table 5.16: Sector wise Return on Equity

<i>(in per cent)</i>			
Sector	2019-20	2020-21	2021-22
Power	(-)12.38	(-)8.48	(-)8.45
Non-Power	8.95	6.86	6.86
Total	(-)11.89	(-)7.90	(-)7.88

(Source: Compiled based on latest finalised accounts of SPSEs.)

It can be seen from the table that ROE of 16 SPSEs remained negative during the period between 2019-20 and 2021-22 due to losses and negative ROE of Power Companies.

⁶⁶ Return on Investment = (Net Profit before Interest, Tax and preference Dividend/ Equity) × 100/ Investment where Investment = Paid up Capital + Free Reserves + Long term loan.

⁶⁷ Return on Equity = (Net Profit after Tax and preference Dividend/Equity) × 100. Where Equity = Paid up Capital + Free Reserves – Accumulated Loss – Deferred Revenue Expenditure.

5.6 SPSEs incurring losses and erosion of capital

Erosion of capital occurs when there is a steady, long-term downwards trend of income for a company. It indicates the sick financial health of a company.

5.6.1 Losses incurred by SPSEs

Number of SPSEs that incurred losses ranged between five to six during the year 2019-20 to 2021-22, as given in **Table 5.17**:

Table 5.17: Number of SPSEs that incurred losses during 2019-20 to 2021-22

Year	No of SPSEs incurred loss	Net loss for the year (₹ in crore)	Accumulated Losses (₹ in crore)	Net Worth ⁶⁸ (₹ in crore)
Government Companies				
2019-20	6	2,961.24	19,629.17	9,312.52
2020-21	5	1,946.95	21,041.52	8,783.09
2021-22	5	1,946.95	21,041.52	8,783.09

(Source: Compiled based on latest finalised accounts of SPSEs.)

Out of total loss of ₹ 1,946.95 crore incurred by five SPSEs during the year 2021-22, loss of ₹ 1,942.01 crore was attributed to two SPSEs, as listed in **Table 5.18**:

Table 5.18: SPSEs that incurred losses of more than ₹ 10 crore

Sl. No.	Name of SPSEs	Year of Finalised Account	Net profit/ loss after tax and preference dividend (₹ in crore)
1	South Bihar Power Distribution Company Limited	2020-21	(-)1,140.50
2	North Bihar Power Distribution Company Limited	2020-21	(-)801.51
Total			(-) 1,942.01

(Source: Compiled based on latest finalised accounts of SPSEs.)

5.6.2 Erosion of capital in SPSEs

As on 31 March 2022, out of 16 SPSEs, net worth of 12 SPSEs (all functional) was positive. The net worth of remaining four SPSEs (as given in **Table 5.19**) including three⁶⁹ functional and one⁷⁰ non-functional SPSE was negative. The net worth of these three functional SPSEs and one non-functional SPSE was completely eroded by their accumulated losses as the net worth of these SPSEs was (-) ₹ 405.46 crore and (-) ₹ 182.97 crore respectively against equity investment of ₹ 77.86 crore and ₹ 7.64 crore respectively as on 31 March 2022. Further, net worth was less than 15 per cent of their paid-up capital in respect of two⁷¹ SPSEs and net worth of one SPSE i.e. North Bihar Power Distribution Company Limited was ₹ 6,672.93 crore (54.95 per cent) against

⁶⁸ Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits and share premium account but do not include reserves created out of revaluation of assets and write back of depreciation provision.

⁶⁹ Lakhisarai Bijlee Company Private Limited, Pirpainti Bijlee Company Private Limited and Bihar State Financial Corporation.

⁷⁰ Bihar State Agro Industries Development Corporation Limited.

⁷¹ Bihar State Power Generation Company Limited and South Bihar Power Distribution Company Limited.

equity investment of ₹ 12,144.43 crore at the end of 31 March 2022, indicating their potential financial sickness.

Table 5.19: Details of SPSEs whose Net Worth has eroded as per their latest finalised accounts

(₹ in crore)

Sl. No.	Name of SPSE	Latest year of finalised Accounts	Total paid up Capital	Net profit (+)/ Loss (-) after interest, tax and dividend	Accumulated Losses	Net Worth	State Government Equity as on 31 March 2022	State Government Loans as on 31 March 2022
1	Lakhisarai Bijlee Company Private Limited	2019-20	0.01	0.00	0.05	(-) 0.04	0.01	--
2	Pirpanti Bijlee Company Private Limited	2019-20	0.01	0.00	0.05	(-) 0.04	0.01	--
3	Bihar State Financial Corporation	2019-20	77.84	18.58	493.27	(-) 405.38	39.95	228.47
4	Bihar State Agro Industries Development Corporation Limited	2020-21	7.64	(-) 0.67	190.61	(-) 182.97	7.64	30.98

(Source: Compiled based on latest finalised accounts of SPSEs.)

5.7 Winding up of non-functional SPSEs

The number of non-functional SPSEs at the end of each year during last three years ended 31 March 2022 is given below:

Table 5.20: Non-functional SPSEs

Particulars	2019-20	2020-21	2021-22
No. of non-functional SPSEs	42	42	40 ⁷²
Out of above, No. of SPSEs which were under liquidation	5	5	5

(Source: Compiled from the information relating to SPSEs included in Audit Report, GoB of respective years and in Appendix 5.2)

All 40 SPSEs as in 2021-22, are non-functional for more than five years. The status of non-functional SPSEs is shown in the **Table-5.21** below:

Table 5.21: Status on non-functional SPSEs

Sl. No.	Status	No. of SPSEs
1	Under liquidation	5
2	Application made to ROC for strike-off	6
3	State Government has decided to take back the winding-up petition from court	12
4	Liquidation procedure pending due to non-bifurcation of assets and liabilities between Bihar and Jharkhand	7

⁷² During the year 2021-22, two SPSEs viz. Bihar State Cement Corporation Limited (strike-off) and Bhawani Active Carbon Limited (ceased to be a Government Company) have been omitted.

Sl. No.	Status	No. of SPSEs
5	Under process with National Company Law Tribunal	1
6	Winding up process is pending	5
7	No action taken by Government	4
Total		40

(Source: Compiled based on the information furnished by the SPSEs.)

Government of Bihar (GoB) decided to wind-up 36 non-functional SPSEs (five SPSEs in the year of 2000, 27 SPSEs in the year of 2003 and remaining four SPSEs in earlier years) and had not taken any steps to revive or wind-up remaining four SPSEs. However, even after lapse of more than 19 to 22 years of these decisions, these non-working PSUs were still under various stages of liquidation.

Accounts of non-functional SPSEs are in arrear from one⁷³ year to 45⁷⁴ years (since inception). Viability of these non-functional SPSEs is also doubtful as there is no contribution in GSDP by these non-functional SPSEs.

Besides, the continued existence of these non-functional SPSEs constitute a substantial drain on the public exchequer in the form of establishment expenditure.

5.8 Budgetary support to SPSEs during non-finalisation of accounts

Section 394 of the Companies Act, 2013, stipulates that the financial statements of the Companies, for every financial year are required to be finalised and Annual General Meeting of the shareholders is to be held within six months from the end of the relevant financial year i.e., by 30th September of the next financial year. Failure to submit Accounts on time, renders the officers of the company, liable to penal provisions under this Act.

Government provided budgetary support (equity, loans, grants, subsidies and accepted guarantee) to the tune of ₹ 29,830.55 crore to 19 functional SPSEs, one Statutory Corporation and 15 non-functional SPSEs, whose accounts had not been finalised up to 31 March 2022 (as on 31 July 2022). These SPSEs had not finalised their accounts for last one to 45 years, in violation of provisions of the Companies Act/Acts of the respective Statutory Corporations/ SPSEs (*Appendix 5.3*).

During scrutiny of information provided by SPSEs (last six years), it was observed that GoB had extended regular budgetary support to Bihar State Minority Finance Corporation Limited⁷⁵ from 2016-17 to 2021-22, whereas the annual accounts of the Company were in arrears since 2016-17. There were several⁷⁶ other Companies also who had not submitted their accounts for past several years but were getting investments from Government.

⁷³ Bihar State Agro Industries Development Corporation Limited.

⁷⁴ Bihar Scooters Limited.

⁷⁵ 2016-17: ₹ 95.11 crore, 2017-18- to 2021-22: ₹ 40 crore (₹ 8.00 crore, each year).

⁷⁶ Patna Metro Rail Corporation (2021-22: ₹ 249.50 crore), Bihar State Mining Corporation Limited (2017-18: ₹ 20.00 crore), Bihar State Industrial Development Corporation Limited (2018-19: ₹ 5.00 crore).

Due to non-finalisation of accounts, the CAG is unable to perform the supplementary audit of companies, as stipulated in the Companies Act and statutory audit of the corporations, as stipulated in their respective Acts. In the absence of timely finalisation of accounts, results of the investment of the Government remain outside the purview of the State Legislature and escape scrutiny by Audit. Consequently, corrective measures, if any, required for ensuring accountability and improving efficiency could not be taken in time. The risk of fraud and mis-utilisation of public money could not be ruled out.

5.9 Submission of Accounts by SPSEs

Every company should timely hold Annual General Meeting of the shareholders. Further, audited Financial Statement for a financial year is to be placed in the said AGM for their consideration.

5.9.1 Need for timely submission

According to Section 394 of the Companies Act 2013, Annual Report on the working and affairs of a Government Company, is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation laid before both the Houses of State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. Almost similar provisions exist in the respective Acts regulating statutory corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the Companies from the Consolidated Fund of State.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statement for the financial year is to be placed in the said AGM for their consideration.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

Despite above provisions, annual accounts of various SPSEs were pending as on 31 July 2022, as detailed in the following paragraph.

5.9.2 Timeliness in preparation of accounts by SPSEs

As of 31 March 2022, there were 70 State Government Companies, three Statutory Corporations and four Government Controlled other Companies under the purview of CAG's audit (total 77 SPSEs). Of these, accounts for the year 2021-22 were due from all State Government Companies/ Statutory Corporations as on 31 July 2022. Out of 77 SPSEs, only one⁷⁷ State Government Company submitted its account for the year 2021-22 for audit by CAG on or before 31 July 2022. Accounts of rest 69 State Government Companies, three Statutory Corporations and four Government Controlled Other Companies (total 76 SPSEs) were in arrears for various reasons.

⁷⁷ Bihar Grid Company Limited.

Audit of Statutory Corporations are governed by their respective legislations. Out of the three Statutory Corporations, the CAG is the sole auditor for Bihar State Road Transport Corporation. In respect of Bihar State Financial Corporation and Bihar State Warehousing Corporation, the audit is conducted by Chartered Accountants and supplementary audit is conducted by the CAG.

The accounts of Bihar State Financial Corporation for the year 2020-21 and 2021-22, Bihar State Road Transport Corporation from 2019-20 to 2021-22 and Bihar State Warehousing Corporation from 2018-19 to 2021-22 were awaited as on 31 July 2022.

Details of arrears in submission of accounts of SPSEs as on 31 July 2022 are given in **Table 5.22:**

Table 5.22: Position relating to submission of accounts by the SPSEs

Particulars		Government Companies/Government Controlled Other Companies/Statutory Corporations			
		No. of Government Companies	No. of Government controlled other Companies	No. of Statutory Corporations	Total
Total number of SPSEs under the purview of CAG's audit as on 31 March 2022		70	04	03	77
Less: New SPSEs from which accounts for 2021-22 were not due		-	-	-	-
Number of SPSEs from which accounts for 2021-22 were due		70	04	03	77
Number of SPSEs which presented the accounts for 2021-22 for CAG's audit by 31 July 2022		01	-	-	01
Number of SPSEs having arrear accounts as of 31 July 2022		69	04	03	76
Number of accounts are in arrears		1,294	14	09	1,317
Break-up of Arrears	Under Liquidation	99	-	-	99
	Non-functional	1,058	-	-	1,058
	Functional	137	14	09	160
Age-wise analysis of arrears against 'Functional' category	One year (2021-22)	07	-	-	07
	Two years (2020-21 and 2021-22)	12	--	02	14
	Three years and more	118	14	07	139

(Source: Compiled based on the latest finalised accounts of SPSEs)

The names of these Companies are indicated in **Appendix-5.4**. Out of 76 SPSEs, 36 functional SPSEs had arrears of 160 accounts ranging from one to 23 years, whereas 40 non-functional SPSEs had arrears of 1,157 accounts ranging from one to 45 years.

5.10 Reconciliation with Finance Accounts

The figures in respect of equity, loans and guarantees outstanding as per records of SPSEs should agree with figures appearing in the Finance Accounts of GoB. In case the figures do not match, the concerned SPSEs and the Finance Department should carry

out reconciliation of the differences. The position in this regard, as on 31 March 2022, is elaborated in *Appendix 5.5* and summarised in **Table 5.23**:

Table 5.23: Equity, Loans and Guarantees outstanding as per Finance Accounts via-a-vis records of SPSEs

(₹ in crore)

Form of Investment	As per Finance Accounts	As per records of SPSEs	Difference
Equity	34,658.79	42,134.77	-7,475.98
Loans	5,496.00	4,592.62	903.38
Guarantee	20,561.39	13,529.50	7,031.89

(Sources: Compiled based on information received from SPSEs, Finance Accounts and Report of the C&AG on PSUs for the year ended March 2018)

The differences between the figures are persisting since last many years. This issues of reconciliation of differences were also taken up with the SPSEs/Departments from time to time. It is therefore, recommended that the State Government and SPSEs should reconcile the differences in a time-bound manner.

5.11 Power Purchase dues of Power Distribution Companies (DISCOMs) and its impact on State Finances

DISCOMs (NBPDC and SBPDCL) purchase power from generation companies (State/Central/Others) to provide electricity to its consumers and pay energy and other charges to respective power generation companies. The power purchase dues of DISCOMs as on 31 March 2022 are as follows:

Table 5.24: Details of Power Purchase Dues of DISCOMs

(₹ in crore)

Sl. No.	Particulars	NBPDC	SBPDCL	Total
1	Dues towards State Power Generation Companies	4.95	0.00	4.95
2	Dues towards Central Power Generation Companies	1,424.36	1,693.59	3,117.95
3	Dues towards other Power Generation Companies	331.32	1,051.20	1,382.52
Total		1,760.63	2,744.79	4,505.42

(Sources: Information/data furnished by DISCOMs)

From the above table it can be seen that dues towards State/Central /Other Power Generation Companies as on 31 March 2022 were ₹ 4.95 crore, ₹ 3,117.95 crore and ₹1,382.52 crore respectively. The above generation dues are being paid by the DISCOMs from its internal sources, viz. revenue receipts, bill discounting facilities, working capital limit with banks and subsidies received from the State Government.

DISCOMs received subsidies from the State Government during 2021-22 under two head (a) Subsidy to various consumers on per unit energy consumptions under 'Mukhyamantri Vidyut Upbhokta Sahayata Yojna' and (b) Compensation of financial losses of the DISCOMs by the State Government as a subsidy due to excess Aggregate Technical & Commercial (AT&C) losses over the AT&C losses determined by the Bihar Electricity Regulatory Commission (BERC). Details of State Government subsidies received by the DISCOMs during 2021-22 are as follows:

Table 5.25: Details of subsidies to DISCOMs

(₹ in crore)				
Sl. No.	Particulars	NBPDCL	SBPDCL	Total
1	Subsidy to various consumers on per unit energy consumptions under 'Mukhyamantri Vidyut Upbhokta Sahayata Yojna'	2,969.99	3,607.97	6,577.96
2	Compensation of financial losses of the DISCOMs by the State Government as a subsidy, due to excess AT&T loss over the AT&C loss determined by the BEREC	498.96	923.04	1,422.00
Total		3,468.95	4,531.01	7,999.96

(Sources: Information/data furnished by DISCOMs)

From the above, it can be seen that there is committed subsidy of State Government for ₹ 6,577.96 crore under 'Mukhyamantri Vidyut Upbhokta Sahayata Yojna' and uncommitted subsidy of ₹ 1,422.00 crore due to excess AT&C losses, over the AT&C losses determined by the BEREC.

5.12 Compliance to Reports of Committee on Public Undertakings (COPU)

The COPU had submitted seven reports with one recommendation (2021-22) to the State legislature. However, no ATN was received with respect to one recommendation (September 2022), which is indicated in **Table 5.26**:

Table 5.26: Compliance to COPU Reports

Year of the COPU Report	Total number of COPU Reports	Total no. of recommendations in COPU Reports	No. of recommendations where ATNs not received
2019-20	05	0	0
2020-21	01	0	0
2021-22	01	1	1
Total	07	1	1

(Source: Compiled based on information furnished by the Committee on Public Undertakings)

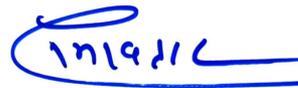
5.13 Recommendations

The State Government may ensure that:

- ✦ a dividend policy is formulated, for payment of specified dividend, on equity invested in profit making SPSEs.
- ✦ concerned administrative departments make efforts, to increase the ROCE and RORR of SPSEs, from negative to positive ROCE/RORR, as negative ROCE/RORR is likely to lead to accumulation of losses, making them commercially unviable.
- ✦ functioning of all loss making SPSEs is reviewed as the net worth of these SPSEs has been eroded, indicating their financial status.
- ✦ the status of non-functional SPSEs is reviewed for liquidation and winding up, as these SPSEs constitute a substantial drain on the public exchequer, in the form of establishment expenditure.

- ✦ the Finance Department and concerned administrative departments may ensure that the SPSEs take immediate action to finalise their accounts, in a timely manner and consider, fixing responsibility of the Management, for non-preparation and non-finalisation of accounts of the SPSEs, whose accounts are in arrears and;
- ✦ the Finance Department and administrative departments of the concerned SPSEs may take immediate steps, to reconcile the differences of equity, loans and guarantees outstanding, as per records of SPSEs, with the figures appearing in the Finance Accounts.

Patna
The 28 March 2023



(RAMAWATAR SHARMA)
Accountant General (Audit), Bihar

COUNTERSIGNED



New Delhi
The 29 March 2023

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

APPENDIX

Appendix-1.1

(Reference: Paragraph 1.1)

Profile of the State

A. General Data

Sl. No.	Particulars	Figures	
1	Area	94,163 Sq. KM.	
2	Population (as per 2022)	12.49 crore	
3	Density of population (as per 2011 Census) (All India density = 418.43 persons per Sq. Km.)	1,327	
4	Population Below Poverty Line (BPL) (All India average = 21.92 per cent)	33.74	
5	Literacy (as per 2011 Census) (All India Average 73.00 per cent)	61.8	
6	Infant mortality (per 1,000 live births) (All India average = 28 per 1000 live births)	27	
7	Life Expectancy at birth (All India average = 69.70 years)	69.2	
8	Gross State Domestic Product (GSDP) 2020-21 at current prices (₹ in crore)	6,75,448	
9	Per capita GSDP ⁷⁸ CAGR ⁷⁹ (2012-13 to 2021-22)	Bihar	8.33
		General Category States	9.34
10	GSDP CAGR (2012-13 to 2021-22)	Bihar	10.18
		General Category States	10.62
11	Population growth (2012 to 2022)	Bihar	17.72
		General Category States	11.17

B. Financial data

Figures (in per cent)

Sl. No.	Particulars	2012-13 to 2015-16		2020-21 to 2021-22	
		General Category States	Bihar	General Category States	Bihar
a.	of Revenue Receipts	13.79	17.29	25.60	23.90
b.	of Own Tax Revenue	8.92	16.12	25.62	14.87
c.	of Non-Tax Revenue	9.80	24.40	45.35	(-)35.75
d.	of Total Expenditure	16.32	17.83	13.96	16.09
e.	of Capital Expenditure	25.38	28.20	25.59	30.04
f.	of Revenue Expenditure on Education	12.31	9.76	11.47	26.76
g.	of Revenue Expenditure on Health	17.22	23.77	19.71	26.84
h.	of Salaries and Wages	10.50	3.42	11.23	7.90
i.	of Pension	12.16	12.32	11.88	3.17

(Source: MoSPI & Economic advisor of CAG)

⁷⁸ GSDP = Gross State Domestic Product.

⁷⁹ CAGR = Compounded Annual Growth Rate.

Appendix- 2.1
(Reference: Paragraph 2.2)
Time series data on State Government's finances

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
Part A. Receipts					
1. Revenue Receipts	1,17,447	1,31,794	1,24,233	1,28,168	1,58,798
(i) Own Tax Revenue	23,137 (20)	29,408 (22)	30,158 (24)	30,342 (24)	34,855 (22)
Taxes on Sales, Trade, etc.	8,298 (36)	6,584 (23)	6,121 (20)	6,032 (20)	6,872 (20)
State Excise	(-) 3.00 (0)	(-) 10 (0)	(-) 4.00 (0)	(-) 4 (0)	(-) 1 (0)
Taxes on Vehicles	1,599 (7)	2,086 (7)	2,713 (9)	2,268 (7)	2,475 (7)
Stamps and Registration fees	3,726 (16)	4,189 (14)	4,661 (16)	4,206 (14)	5,224 (15)
Land Revenue	779 (3)	477 (2)	275 (1)	302 (1)	284 (1)
Taxes on Goods and Passengers	1,645 (7)	399 (1)	23 (0)	6 (0)	0 (0)
SGST	6,747 (29)	15,288 (52)	1,5800 (52)	16,050 (53)	19,264 (55)
Other Taxes	346 (2)	395 (1)	568 (2)	1,482 (5)	737 (2)
(ii) Non-Tax Revenue	3,507 (3)	4,131 (3)	3,700 (3)	6,201 (5)	3,984 (2)
(iii) State's share of Union taxes and duties	65,083 (55)	73,603 (56)	63,406 (51)	59,861 (47)	91,353 (58)
(iv) Grants from Government of India	25,720 (22)	24,652 (19)	26,969 (22)	31,764 (25)	28,606 (18)
2. Miscellaneous Capital Receipts	0	0	0	0	0
3. Recoveries of Loans and Advances	22	1825	30	820	28
4. Total Revenue and Non-debt capital receipts (1+2+3)	1,17,469	1,33,619	1,24,263	1,28,988	1,58,826
5. Public Debt Receipts	13,169	18,668	29,145	35,915	40,445
Internal Debt (excluding Ways and Means Advances and Overdrafts)	11,771	16,134	27,866	29,412	30,918
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	-
Loans and Advances from Government of India	1,398	2,534	1,279	6,503	9,527
6. Inter- State Settlement	-	-	-	-	-
7. Total Receipts in the Consolidated Fund (4+5+6)	1,30,638	1,52,287	1,53,408	1,64,903	1,99,271

	2017-18	2018-19	2019-20	2020-21	2021-22
8. Contingency Fund Receipts	-	-	-	-	-
9. Public Account Receipts	57,107	68,259	1,94,512	2,17,837	2,46,840
10. Total Receipts of the State (7+8+9)	1,87,745	2,20,546	3,47,920	3,82,740	4,46,111
Part B. Expenditure/Disbursement					
11. Revenue Expenditure	1,02,624	1,24,897	1,26,017	1,39,493	1,59,220
Schemes	35,951 (35)	47,365 (38)	44,576 (35)	44,201 (32)	58,487 (37)
Establishment and committed	66,673 (65)	77,532 (62)	81,441 (65)	95,292 (68)	1,00,733 (63)
General Services (including interest payments)	33,374 (32)	38,691 (31)	41,628 (33)	46,239 (33)	48,939 (31)
Social Services	45,770 (45)	58,284 (47)	57,816 (46)	63,807 (46)	76,115 (48)
Economic Services	23,476 (33)	27,918 (22)	26,571 (21)	29,445 (21)	34,165 (21)
Grants-in-aid and contributions	4	4	2	2	1
12. Capital Outlay	28907	21058	12304	18209	23,678
Schemes	28866 (100)	20,999 (100)	12,253 (100)	18,194 (100)	23,650 (100)
Establishment and committed	41 (0)	59 (0)	51 (0)	15 (0)	28 (0)
General Services	2,765 (10)	3,311 (16)	2,388 (19)	1,387 (8)	3,507 (15)
Social Services	4,258 (15)	4,061 (19)	2,803 (23)	6,331 (35)	5,154 (22)
Economic Services	21,884 (75)	13,686 (65)	7,113 (58)	10,491 (57)	15,017 (63)
13. Disbursement of Loans and Advances	243	1,470	666	1,114	1,479
14. Total (11+12+13)	1,31,774	1,47,425	1,38,987	1,58,816	1,84,377
15. Repayments of Public Debt	4,653	7,230	7,110	6,880	8,746
Internal Debt (excluding Ways and Means Advances and Overdrafts)	3,841	6,300	6,143	5,937	7,619
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loan and Advances from Government of India	812	930	967	943	1,127
16. Appropriation to Contingency Fund	-	-	-	-	-
17. Inter State settlement	-	-	-	-	-
18. Total disbursement out of Consolidated Fund (14+15+16+17)	1,36,427	1,54,655	1,46,097	1,65,696	1,93,123
19. Contingency Fund disbursements	-	-	-	-	-

	2017-18	2018-19	2019-20	2020-21	2021-22
20. Public Account disbursements	46,299	67,135	1,97,747	2,17,092	2,48,373
21. Total disbursement by the State (18+19+20)	1,82,726	2,21,790	3,43,844	3,82,788	4,41,496
Part C. Deficits					
22. Revenue Deficit(-)/ Revenue Surplus (+) (1-11)	14,823	6,897	(-) 1,784	(-) 11,325	(-) 422
23. Fiscal Deficit (-)/ Fiscal Surplus (+) (4-14)	(-)14,305	(-)13,807	(-) 14,724	(-) 29,827	(-) 25,551
24. Primary Deficit/ Primary Surplus (23+25)	(-)5,251	(-) 3,736	(-) 3,733	(-) 17,343	(-) 11,729
Part D. Other data					
25. Interest Payments (included in revenue expenditure)	9,054	10,071	10,991	12,484	13,822
26. Financial Assistance to local bodies etc.	43,359	51,764	46,582	54,929	65,015
27. Gross State Domestic Product (GSDP) [@]	4,68,746	5,27,976	5,82,516	5,87,154	6,75,448
28. Outstanding Fiscal liabilities (year end)	1,56,777	1,68,921	1,93,382	2,27,195	2,57,510*
29. Outstanding guarantees (year end)	5,174	5,398	5,380	16,080	37,632
30. Maximum amount guaranteed (year end)	20,234	20,834	20,834	24,972	25,070
31. Number of incomplete projects	127	68	143	157	146
32. Capital blocked in incomplete projects	892	315	1001	1654	890
Part E: Fiscal Health Indicators					
I Resource Mobilization (in per cent)					
Own Tax Revenue/GSDP	4.94	5.57	5.18	5.17	5.16
Non-Tax Revenue/GSDP	0.75	0.78	0.64	1.06	0.59
Central Transfers/GSDP	19.37	18.61	15.51	15.60	17.76
II Expenditure Management (in per cent)					
Total Expenditure/GSDP	28.11	27.92	23.86	27.05	27.30
Total Expenditure/Revenue Receipts	112.20	111.86	111.88	123.91	116.11
Revenue Expenditure/ Total Expenditure	77.88	84.72	90.67	87.83	86.36
Revenue Expenditure on Social Services/Total Expenditure	34.73	39.53	41.60	40.18	41.28
Revenue Expenditure on Economic Services/Total Expenditure	17.82	18.94	19.12	18.54	18.53
Capital Outlay/Total Expenditure	21.94	14.28	8.85	11.47	12.84
Capital Expenditure on Social and Economic Services/Total Expenditure	19.84	12.04	7.13	10.59	10.94

	2017-18	2018-19	2019-20	2020-21	2021-22
III Management of Fiscal Imbalances (in per cent)					
Revenue Surplus/GSDP	3.16	1.31	(-) 0.31	(-)1.93	(-) 0.06
Fiscal deficit/GSDP	3.05	2.62	2.53	5.08	3.78
Primary deficit /GSDP	1.12	0.71	0.64	2.95	1.74
Revenue Surplus/Fiscal Deficit	103.62	49.95	12.12	37.97	1.65
IV Management of Fiscal Liabilities (in per cent)					
Fiscal Liabilities/GSDP	33.45	31.99	33.20	38.69	37.07 [#]
Fiscal Liabilities/Revenue Receipts	133.49	128.17	153.66	177.26	162.16
Fiscal Liabilities/States own resources	588.41	503.66	563.82	621.72	663.02

(Source: Finance Accounts of the respective years).

Figure in brackets represent percentage (rounded) to total of each sub-heading.

@ GSDP: MoSPI

* The effective outstanding fiscal liabilities would be ₹ 2,50,398.57 as GST compensation of ₹ 7,111.43 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.

Arrived at after exclusion of GST compensation of ₹ 7,111.43 crore received as back-to-back loan under debt receipts from the total outstanding liabilities.

Appendix- 2.2
(Reference: Paragraph 2.4.3.3)
Negative balances of loans

Sl. No.	Details of Head	Nature of Loan	Repaid Amount in ₹ Lakh	Financial Years
1.	6215-190-0001	Loans to Public Sector and other undertaking	(-) 7.90	2005-06
2.	6216-02-201-0003 6216-02-201-0001	Payment to arrear amount of Loan received for LIC of India	3.79	2003-04
		Loan returned by the Govt. on Bond of BSHB	2.69	2004-05
			2.30	2005-06
			0.02	2010-11
			(-) 8.80	
3.	6216-02-800-0001	Others Loans	0.13	2004-05
			0.51	2006-07
			0.28	2007-08
			0.33	2008-09
			0.34	2009-10
			1.02	2011-12
			0.22	2012-13
			0.94	2013-14
			0.37	2016-17
			0.11	2017-18
			(-) 4.25	
4.	6216-80-190-0001	Loan to Public Sector and other undertaking	0.05	2005-06
			0.10	2007-08
			0.04	2008-09
			0.25	2009-10
			(-) 0.44	
5.	6245-02-101-0001	Gratuitous Relief	7.04	2003-04
			106.87	2004-05
			129.35	2005-06
			0.88	2006-07
			(-) 244.14	
6.	6245-02-117-0001	Loan	(-) 0.01	2003-04
7.	6245-02-800-0011	Loans to Distt. Board authorities on account of Natural calamities	38.52	2001-02
			0.70	2002-03
			(-) 39.22	
8.	6425-106-0003	Agriculture Co-operative Societies	4.16	2004-05
			4.75	2005-06
			27.83	2006-07
			0.78	2007-08
			0.47	2008-09
			1.15	2010-11
			0.15	2012-13
			1.20	2013-14
			15.00	2016-17
			0.30	2017-18
			0.10	2018-19
			(-) 55.89	

Sl. No.	Details of Head	Nature of Loan	Repaid Amount in ₹ Lakh	Financial Years
9.	6425-108-0005	Others Co-operative Societies	82.77	2006-07
			87.45	2008-09
			30.70	2009-10
			71.10	2010-11
			1172.05	2011-12
			355.02	2012-13
			13.87	2013-14
			275.60	2014-15
			243.48	2015-16
			509.79	2016-17
			329.63	2017-18
			9115.57	2018-19
			205.97	2019-20
			102.23	2020-21
45.31	2021-22			
		(-) 12,640.54		
10.	6425-107-001	Arrear Dues of NABARD	(-) 45,945.86	2018-19
11.	6851-101-0001	Loans to Industries and companies under Bihar State Aid to Industries Act, 1956	9.03	2003-04
			6.75	2004-05
			14.29	2005-06
			18.06	2006-07
			3.29	2007-08
			0.65	2008-09
			35.46	2009-10
			4.46	2010-11
			0.69	2011-12
			1.13	2012-13
			26.84	2013-14
			4.97	2014-15
			6.11	2015-16
			0.34	2016-17
0.16	2017-18			
4.54	2019-20			
		(-) 136.77		
12.	6885-02-800-0001	Other Loan	1.46	2004-05
			1.04	2005-06
			(-) 2.50	
13.	6401-911-0002	Loan for Crop Husbandry	(-) 0.74	2017-18
Total negative balance			(-) 59,087.06	
			(-) 590.87 crore	

Appendix- 2.3

(Reference: Paragraph 2.4.3.4)

Pending payments of Incomplete Projects

Sl.	Name of the project/ work	Estimated cost of work/ date of sanction	Year of commencement	Target year of completion	Physical progress of work (in per cent)	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Revised cost, if any/ date of revision [#]	Cost of balance work adjusted to inflation
1.	Construction of RCC box type drain culvert Chamanchak more to Narayani Hospital more on Badshahi Nala at Jaganpura Mouja, Patna	869.18	2021	2022	50	22.83	22.83	840.90	*	*
2.	Anti-erosion work in east gangi in left embankment in critical/reaches block-sadar Ara (agendano- 180/538/2022), Bhojpur	141.19	2021-22	2021-22	20	38.00	26.86	26.86	78.10	*
3.	Anti-erosion work near village Hetampur at right bank of river (Agenda no. 180/531/2022), Ara, Bhojpur	200.77	2021-22	2021-22	75	85.49	85.49	65.68	*	*
4.	Restoration and P.C Lining of some high level canal from 252.70 to 268.40 R.D (Main canal) and its distribution system, Agreement amount. 5425.31 lakh, Arwal	6,028.13	2017-18	2021-22	80	782.52	3,978.67	1,446.64	*	*
5.	Anti-erosion Work at Puchhariya village with River Edge protection and closure of offshoot channel of Gandak River (Agenda no-180/97/2022), Motihari	401.50	2022	2022	40	-	*	325.22	*	*
6.	Anti-erosion work of Champaran Embankment near Bharwalia AFS at 72.0 km and raising and strengthening in a Length of 1930 m in between 91.80 km to 93.70 k.m. near Shanichara Dhala & Saraiya Pipra and strengthening of Champaran Embankment in between 94.20 km to 97.34 km in a length of 1260m At different places near Pipra Bazar, Nomia Tola Mananpur & Navada (Agenda no.- 180/95/2022, 180/96/2022), Motihari	705.49	2022	2022	34	-	*	579.77	*	*
7.	Maintenance of Orhni Reservoir Scheme, Banka	276.15	2021-22	2021-22	80	152.09	152.09	58.93	*	*

Sl.	Name of the project/ work	Estimated cost of work/ date of sanction	Year of commencement	Target year of completion	Physical progress of work (in per cent)	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Revised cost, if any/ date of revision [#]	Cost of balance work adjusted to inflation
8.	Betri distribution km 0.00 to 7.04 km work of canal reinstallation and lining, Bhabua (Kaimur)	1,381.00	2020-21	2021-22	40	449.33	449.33	931.67	*	*
9.	Restoration work of Belharna main canal, Giddha minor, Surahi minor and Badla water course under Belharna Reservoir scheme, Banka	3,752.14	2017-18	2022	86	1,812.00	2,633.33	1,118.82	*	*
10.	Restoration work from R.D 41.00 to 138.00 of JBC Madhubani	1,859.45	2019-20	2021-22	80	303.56	139.88	460.61	*	*
11.	Raising and Strengthening of Eastern Kosi Embankment from km 105.00 to km 124.37 Construction of Bituminous Road over it and construction/renovation/restoration of Structure (A.F.S structure at km 123.6) under Eastern Embankment Division, Koparia, Saharsa	2,443.95	2020	2022	10	189.19	189.19	2,254.76	*	*
12.	Nagwa Oraina Ahar pyne, Gaya District	792.76	2019-20	2021-22	75	396.21	396.21	396.56	*	*
13.	Gotasagar Ahar Irrigation System, Jamui District	110.37	2022	2022	85	46.48	46.48	63.90	*	*
14.	Irrigation System of Mainijor Ahar, Jamui District	152.01	2022	2022	30	-	*	152.01	*	*
15.	Irrigation System of Jogiya Bichla, Tetariya and Grabha Ahar, Jamui District	107.55	2022	2022	25	-	*	107.55	*	*
16.	Irrigation system of Pidrauna Ahar, Jamui District	106.93	2022	2022	45	-	*	106.93	*	*
17.	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected Mini Jalapurti Yojna, Kishanganj	4,724.80	2019-20	2021-22	85	281.75	2,947.05	1,777.75	**	**
18.	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected Mini Jalapurti Yojna, Kishanganj	3,768.28	2019-20	2021-22	80	829.05	2,405.77	1,362.51	**	**
19.	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected Mini Jalapurti Yojna, Kishanganj	4,923.93	2019-20	2021-22	80	1,105.63	3,392.33	1,531.60	**	**
20.	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected Mini Jalapurti Yojna, Kishanganj	3,939.95	2019-20	2021-22	80	606.59	2,603.87	1,336.08	**	**
21.	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected Mini Jalapurti Yojna, Kishanganj	7,489.34	2019-20	2021-22	75	1,313.52	4,818.38	2,670.96	**	**

Sl.	Name of the project/ work	Estimated cost of work/ date of sanction	Year of commencement	Target year of completion	Physical progress of work (in per cent)	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Revised cost, if any/ date of revision [#]	Cost of balance work adjusted to inflation
22.	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected PWS, Kishanganj	244.03	2019-20	2021-22	80	31.18	144.44	99.59	**	**
23.	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected Mini Jalapurti Yojna, Kishanganj	14,688.86	2019-20	2021-22	75	3,641.26	9,347.39	5,341.47	**	**
24.	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected Mini Jalapurti Yojna, Kishanganj	3,541.15	2019-20	2021-22	80	428.32	2,123.59	1,417.56	**	**
25.	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected Mini Jalapurti Yojna, Kishanganj	2,977.21	2019-20	2021-22	75	597.65	2,086.80	890.41	**	**
26.	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected Mini Jalapurti Yojna, Kishanganj	6,511.87	2019-20	2021-22	80	516.00	3,756.54	2,755.33	**	**
27.	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected Mini Jalapurti Yojna, Kishanganj	5,222.36	2019-20	2021-22	75	445.82	3,612.30	1,610.06	**	**
28.	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected Mini Jalapurti Yojna, Kishanganj	3,492.05	2019-20	2021-22	75	736.94	2,326.66	1,165.39	**	**
29.	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected Mini Jalapurti Yojna, Kishanganj	11,050.80	2019-20	2021-22	75	1,946.44	6,507.25	4,543.55	**	**
30.	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected Mini Jalapurti Yojna, Kishanganj	5,838.77	2019-20	2021-22	75	929.38	4,214.60	1,624.17	**	**
31.	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected Mini Jalapurti Yojna, Kishanganj	163.53	2019-20	2021-22	75	15.47	66.82	96.71	**	**
32.	Mukhya Mantri Nishchay Yojna (Quality Affected) Iron Effected Mini Jalapurti Yojna, Kishanganj	477.35	2019-20	2021-22	75	-	128.48	348.87	**	**
33.	Purani Bazar pipe water Supply Scheme, Lakhisarai	709.22	2020-21	2021-22	63	261.65	261.65	447.57	**	**
34.	Construction of Girls ITI Madanpur, Madhepura	2,038.00	2021	2022	3	53.19	53.19	1,984.81	*	*
35.	Construction of Labour Office, Madhepura	406.00	2021	2022	14	57.13	57.13	348.87	*	*
36.	Construction of Officer's Enclave 752 Units under Gardanihagh Housing Development at Patna	44,362.00	2020	2022	35	8,456.68	14,357.12	37,506.44	*	*

Sl.	Name of the project/ work	Estimated cost of work/ date of sanction	Year of commencement	Target year of completion	Physical progress of work (in per cent)	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Revised cost, if any/ date of revision [#]	Cost of balance work adjusted to inflation
37.	Upgradation & Extension of Patna Museum (Civil+Conservation+MEP) Exhibit Design Work of Patna Museum	15,800.00	2020	2022	33	929.88	2,429.65	4,720.42	*	*
38.	Construction of BSEB Pariksha Parisar, Kumharar, Patna.	22,731.00	2020	2022	10	2,500.00	2,500.00	20,231.00	*	*
39.	Construction of Excise Office Barrack Malkhana and ten bedded Mahila Barrack, Chapra	274.64	2020	2022	35	51.45	69.89	204.74	*	*
40.	Construction OF ITI Building Chapra under Seven Determination	1,749.66	2020	2022	35	131.63	333.63	141.60	*	*
41.	Construction OF Mahila ITI Chapra Saran for the year 2	902.79	2019	2022	65	202.51	419.65	483.13	*	*
42.	Construction of ITI, Rajauli (Nawada)	1,358.00	2020	2022	75	486.79	871.21	536.68	*	*
43.	Construction of Boundary wall, park, campus development and approach road in ITI, Nawada.	150.38	2021	2022	45	-	150.38	41.98	*	*
44.	Construction of Government Engineering College, Siwan	7,574.95	2021	2022	80	6,273.38	6,273.38	1,301.57	*	*
45.	Construction of Manihari Industrial Training Institute College & Administrative Building, Karmshala, Kanteen, Principal Quarter Vice Principal Quarter, Staff hostel, Campus development at Manihari Block in Katihar	1,805.00	2020	2022	40	75.19	75.19	1,410.24	*	*
46.	Construction of remaining part of Boundary wall at Mega Industrial Park, Bihta for N.I.T., Patna for year-21-22	321.91	2022	2022	25	-	*	321.91	*	*
47.	Construction of Excise Superintendent Office, Aurangabad	281.01	2021	2022	22	134.84	134.84	146.16	*	*
48.	Construction of IT centre building Rafiganj, Aurangabad	481.83	2020	2022	50	167.03	241.54	240.29	*	*
49.	Construction of Ara Engineering College at Ara	6,327.89	2020	2022	33	1,865.72	2,068.13	939.66	*	*
50.	Construction of Polytechnic College Kokila, Jagdishpur, Ara	3,581.20	2021	2022	36	877.70	1,292.05	463.70	*	*
51.	Construction of Excise Superintendent Office with 10 Bedded Mahila Police Barrack at Ara.	289.35	2021	2022	81	177.54	177.54	56.50	*	*

Sl.	Name of the project/ work	Estimated cost of work/ date of sanction	Year of commencement	Target year of completion	Physical progress of work (in per cent)	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Revised cost, if any/ date of revision [#]	Cost of balance work adjusted to inflation
52.	Construction of ITI Aiyara, Arwal	1,511.74	2020	2022	67	305.12	495.45	1,016.29	*	*
53.	Construction of ITI Building at Khalgoan, Bhagalpur	1,792.00	2020	2022	80	1.20	1.20	16.72	*	*
54.	Construction of 200 bedded 03 Unit Boys and 200 bedded 01 Unit Girls Hostel in the campus of Govt. Polytechnic College Campus Bhagalpur	5,200.00	2021	2022	25	-	-	5,294.44	*	*
55.	Construction of co-operative building at Bhagalpur	316.10	2021	2022	80	146.00	146.00	170.18	*	6.43
56.	The Construction of Proposed Community building at Singheshwar (Temple) Madhepura District	204.04	2021	2022	80	133.37	133.37	70.68	*	*
57.	Supply of Furniture at Khankha Munimia, Mittan Ghat at Patna City (Head - 46-5452-011-010-104), Patna	233.05	2022	2022	2	4.56	4.56	228.49	*	*
58.	Construction of E-Kisan Bhawan under Baganpur block, Vaishali	123.36	2021	2022	80	98.99	88.73	22.30	*	*
59.	Construction of Boundary wall of Gram Panki Kabristan under Kanfaliya Panchayat in Block - Baisa, Dist. Purnea	103.55	2022	2022	35	20.00	20.00	83.55	*	*
60.	Widening & Strengthening for Allalpatti Chowk to Rahamganj Chowk and Gangasagar Pokhar via Marwari college gate under RCD, Road Division, Darbhanga for the year 2018-19	520.26	2019	2022	53	-	277.30	242.96	*	*
61.	Construction of RCC Drain size 60 cm X 90 cm in Darbhanga-Kamtaul-Basaitha-Madhwapur Road (SH-75) and Kamtaul-Jogiyara Road under RCD, Road Division, Darbhanga	571.24	2019	2022	60	50.00	339.84	231.40	*	*
62.	Construction of Drain in PBM and Old NH-57 Kangwa Gumati to Shisha Factory via Mithila Flour Mill under RCD, Road Division, Darbhanga for the year 2018-19	915.09	2019	2022	49	75.00	452.84	462.25	*	*
63.	IRQP work of Ashok Paper Mill to Bideshwarsthan NH-57 Road under RCD, Road Division, Darbhanga for the year 2019-20	1,393.46	2020	2022	63	431.46	872.48	520.98	*	*

Sl.	Name of the project/ work	Estimated cost of work/ date of sanction	Year of commencement	Target year of completion	Physical progress of work (in per cent)	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Revised cost, if any/ date of revision [#]	Cost of balance work adjusted to inflation
64.	W&S of Ahilya Asthan to Gautam Kund (Narauchh) Road, Darbhanga	2,348.35	2020	2022	68	627.51	1,600.43	747.92	*	*
65.	IRQP work of NH Khirma-Jalwara-Asraha-Bishfi Road under RCD, Road Division, Darbhanga for the year 2019-20 (km 0.000 to 10.50)	876.75	2020	2022	22	-	191.78	684.97	*	*
66.	IRQP work of Sirua to Nimaithi via Khaira Juji Korigama Road from K.M. 0.00 to 8.10 under RCD, Road Division, Darbhanga for the year 2019-20	723.12	2020	2022	26	124.62	190.44	532.68	*	*
67.	Widening and strengthening of Bharwara (Lalpur Chowk) to Chamunda Asthan via Mahespatti, Pipra under SBD for RCD, Road Division, Darbhanga for the year 2019-20	1,309.98	2020	2022	43	253.47	565.35	744.63	*	*
68.	IRQP work of Shaini Chowk to Dagarssama-Kapchhahi-Amapatti-Satghara via Dain Dekuli-Sisauni-Ughra Road under RCD, Road Division, Darbhanga for the year 2019-20	1,638.33	2020	2022	41	410.33	665.27	973.06	*	*
69.	IRQP work of Rajwara-Taranul to Dhoighat Road via Fardaha-Itharwa-Ammi-Majhigama-Dhabaila-Dhoighat Road under RCD, Road Division, Darbhanga for the year 2020-21	1,547.48	2021	2022	10	-	*	1,547.48	*	*
70.	Widening & Strengthening of Baheri PWD Road Jhajhari chowk to Sirua via Bhachhi Ujaina Road in Baheri Block under RCD, Road Division, Darbhanga for the year 2020-21	1,575.93	2021	2022	10	3.16	3.16	1,572.77	*	*
71.	Widening & Strengthening of SH-50 Ekmighat to Kilaghat L.N. Mishra PWD Road under RCD, Road Division, Darbhanga for the year 2019-20 (Length- 3.626 km)	514.94	2022	2022	10	-	*	514.94	*	*

Sl.	Name of the project/ work	Estimated cost of work/ date of sanction	Year of commencement	Target year of completion	Physical progress of work (in per cent)	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Revised cost, if any/ date of revision [#]	Cost of balance work adjusted to inflation
72.	W/s with maintenance work of Bathiya-Narayan-kakodha-Mahiya-Devna-Rajakhwar Road in Km 9(P), 10,11, 12(P), 13, 14(P), 15(P) & 17(P) (Total length-4,106 Km) under NABARD for the year 2021-21 (Remaining work), Darbhanga	1,057.70	2021	2022	10	-	*	1,057.70	*	*
73.	CMBD work of widening and strengthening of Rosera-Mabidhala-Saharachiya-Mangalgadh-Kaale-Rajghat-Satighat Road in km 00 to 21.700 (Total length 21.700 km) for the year 2016-17 in Rosera	4,052.91	2018	2022	82	255.60	3,328.71	724.91	*	*
74.	Widening and Strengthening of Garhpura to Sakhwa Road from ch. Km. 0.000 to 14.00 including H.L. Bridge (3 x 12.00 M) for the Year 2018-19 (Head-CRF) in Rosera	3,318.26	2019	2022	85	1,035.21	2,215.10	1,103.16	*	*
75.	Widening and Strengthening of Dalsinghsarai to Shahpur Road from ch. Km. 0.00 to 14.710 including H.L. Bridge (3 X 14.00M) for the year 2018-19 (Head-CRF) in Rosera	3,343.36	2019	2022	75	806.71	2,306.00	1,037.36	*	0
76.	Widening & strengthening of Jahanpur (NH-327E)-Sohandara-Urlaha-Hasanpur Road from CH-0+000 to 26+250 Total length -26.250 km under RIDF NABARD for the year 2017-18 Arraria	7,602.31	2018	2021-22	52	1,360.09	3,997.80	3,604.51	*	*
77.	Strengthening work of Dhapri more to Asarganj (Ladua More) from km 7.30 to Km 15.70 (total length 8.40 km) NABARD, Munger	1,109.75	2020	2022	82	389.30	789.46	165.08	*	*
78.	Upgradation of black topping of 9.554 km forest road from Kundasthan (on National Highway) to Bhimbandh in Bhimbandh Wildlife Sanctuary for the year 2019-20 Munger	3,141.80	2021	2022	42	1,261.80	1,261.80	1,683.08	*	*
79.	Widening & strengthening of Jahanpur (NH-327E)-Sohandara-Urlaha-Hasanpur Road from CH-0+000 to 26+250 Total length -26.250 km under RIDF NABARD for the year 2017-18 Arraria	7,602.31	2018	2021-2022	53	1,360.09	3,997.80	3,604.51	*	*

Sl.	Name of the project/ work	Estimated cost of work/ date of sanction	Year of commencement	Target year of completion	Physical progress of work (in per cent)	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Revised cost, if any/ date of revision [#]	Cost of balance work adjusted to inflation
80.	Widening & Strengthening of Jandaha to Patori road via abdullah chak chowk 2018-19 Samastipur	376.82	2020	2022	30	114.74	114.74	262.08	*	*
81.	Widening & Strengthening of Muktapur-Warismagar-Bhadoghat-Hathauri Road in km 00 to 23.300 (Total Length 23.30 km) for the year 2019-20 Samastipur	3,506.64	2020	2022	37	1,074.10	1,074.10	2,432.54	*	*
82.	Widening and Strengthening NH28A Ramgarhwa Thana Chowk to Piparpati Ghat in km 0.00 to 7.20 under SBD for the year 2018-19 Motihari	3,614.97	2020	2022	45	545.63	1,233.81	1,499.03	*	*
83.	Construction of Raaxual Adapur Chauradano road on Ghorasathan branch canal service road from RD-105 to RD-185 (km 0.00 to 13.00) for the year 2019-20 Motihari	3,919.73	2020	2022	57	646.80	1,896.66	1,443.59	*	*
84.	Widening & Strengthening of left out portion of NH-28A (Laxmipur to Railway Crossing Raxaul City from 0.00 to 4.45 KM) year 2019-20 Motihari	1,308.54	2021	2022	51	748.18	748.18	717.27	*	*
85.	Belwariya Janta Chowk to Rangunathpur Bazar Road Year 2020-21 Motihari	3,000.00	2021	2022	13.68	410.39	410.39	1,786.29	*	*
86.	Widening & Strengthening work of Paharpur-Muriga-Bhagwanpur Station Road Vaishali	1,768.05	2019-20	2021-22	72.32	371.49	1,278.62	174.17	*	*
87.	Widening & Strengthening work of Jandaha- (NH-103) Patori Road Vaishali	1,205.37	2020-21	2021-22	89.86	445.47	1,083.16	128.06	*	*
88.	Widening & Strengthening work of Chakshilkandar-Kariho Chour Mirza Nagar Mahua Road Vaishali	2,800.00	2020-21	2021-22	86.42	1,090.70	2,419.75	208.77	*	*
89.	Construction of Office Building of Executive Engineert, Vaishai Road Division, Hajipur for the year 2019-20 Vaishali	200.37	2020-21	2021-22	82.64	7.72	165.59	44.98	*	*
90.	Widening and Strengthening of Shahid Beni Bhagat Chowk-Chauhatta-Yusufpur-Rajput Nagar to Paswan Chowk Road (Total Length =3.20 km) for the year 2019-20 Vaishali	882.58	2020-21	2021-22	83.11	40.72	733.47	178.42	*	*

Sl.	Name of the project/ work	Estimated cost of work/ date of sanction	Year of commencement	Target year of completion	Physical progress of work (in per cent)	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Revised cost, if any/ date of revision [#]	Cost of balance work adjusted to inflation
91.	Strengthening of Koyla to Dihkusumbha via Bhadausi Road (km 0.00 to 3.75) and construction of H.L. RCC bridge for the year 2019-20/ Plan (3x12m) Sheikhpura	1,420.51	2020	2022	60	371.16	612.75	510.85	*	*
						55,425.68				

(Source: Finance Accounts 2021-22)

* Date of sanction not provided by the concerned divisions/State Government

Date of revision not provided by the concerned divisions/State Government

** Details not provided by the concerned Divisions/State Government.

Appendix- 3.1
(Reference: Paragraph 3.3.1)
Cases where funds were transferred to Public Account
(₹100 crore or more in each case)

(₹ in crore)

Sl. No.	Grant No.	Description	Total Provision	Total Expenditure	Total Deposit
1	10	4801-05-190-0105-Project of Bihar State Power Transmission Company Ltd. (BSPTCL)	150.00	150.00	150.00
2		4801-05-190-0106-Project of South Bihar Power Distribution Company Ltd. (SBPDCL)	250.00	250.00	250.00
3		4801-05-190-0107-Project of North Bihar Power Distribution Company Ltd. (NBPDC)	250.00	250.00	250.00
4		4801-05-190-0111-Project of Bihar State Power (Holding) Company Ltd.	225.00	225.00	225.00
5		4801-05-190-0115-Irrigation water to every field - seven decisions 2	150.00	150.00	150.00
6		4801-05-789-0102-South Bihar Power Distribution Company Limited Project	100.00	100.00	100.00
7		4801-05-789-0103-North Bihar Power Distribution Company Limited Project	100.00	100.00	100.00
8		4801-05-789-0104-Irrigation water to every field - seven decisions 2	150.00	150.00	150.00
9	11	2225-03-197-0101-Scholarship/Stipend	104.00	103.90	103.90
10	18	3456-00-102-0306-National Food Protection Mission	624.41	571.01	571.01
11		3456-00-789-0302-National Food Security Mission	180.17	137.37	137.37
12	20	2210-01-789-0201-National Health Mission including N.R.H.M.	401.00	301.00	301.00
13		2210-01-789-0301-National Health Mission including National Rural Health Mission	178.00	178.00	178.00
14		2210-03-110-0203-National Health Mission including National Rural Health Mission	937.82	602.68	602.68
15		2210-03-110-0303-National Health Mission including National Rural Health Mission	550.00	550.00	550.00
16		2210-03-789-0201-NATIONAL HEALTH MISSION INCLUDING N.R.H.M.	457.74	241.07	241.07
17		2210-03-789-0301-National Health Mission including National Rural Health Mission	261.00	256.45	256.45
18		2210-05-105-0017-Indira Gandhi Institute of Medical Sciences, Patna	345.00	341.00	341.00
19		2210-06-101-0016-Covid-19 Elimination Program	1,000.00	1,000.00	1,000.00
20		2210-06-101-0114-Additional incentive by the state government to ASHA workers and ASHA facilitators	120.00	119.22	119.22
21	4210-03-050-0103-For new Medical College and Para Medical Institution	350.00	177.50	177.50	

Sl. No.	Grant No.	Description	Total Provision	Total Expenditure	Total Deposit
22	20	4210-03-051-0201-Human Resources in Health and Medical Education	1,046.58	127.01	127.01
23		4210-03-789-0101- For Medical Colleges	250.00	197.50	197.50
24	21	2202-02-109-0312-Fulfilment of the lesser amount received in the central share from state resources for Rastriya Madhyamik Shiksha Abhiyan (RMSA)	160.86	144.57	144.57
25		4202-01-202-0109-Building of Government High School	105.00	101.05	101.05
26		4202-01-789-0101-Building Construction of Government and Government Recongised Secondary School	100.00	100.00	100.00
27	22	4055-00-051-0101-Construction and Maintenance of Police Buildings	774.23	503.25	503.25
28	26	2230-03-003-0109-Modernisation of Machines	140.00	102.25	102.25
29		2230-03-003-0130-Bihar Skill Development Mission Saat Nishchay - 2	129.30	129.30	129.30
30		2230-03-789-0102-Bihar Skill Development Mission Saat Nishchay - 2	100.26	100.26	100.26
31		4202-02-104-0110-Modernization of machines Saat Nishchay -2	160.00	160.00	160.00
32	35	4070-00-051-0107-Chief Minister Area Development Scheme	1,094.12	1,062.17	1,062.17
33		4070-00-789-0103-Chief Minister Area Development Scheme	203.01	203.01	203.01
34	37	4515-00-103-0113-Mukhya Mantri- Gram Sampark Yojana	366.79	366.79	366.79
35		4515-00-103-0119-GRAMIN TOLA SAMPARK NISHCHAYA YOJNA.	137.78	137.78	137.78
36		4515-00-103-0518-Mukhya Mantri Gram Sampark Yojana (World Bank Aided)	553.00	359.45	359.45
37		4515-00-103-0519-Chief minister village Connectivity plan (NDB)	742.00	244.86	244.86
38		4515-00-789-0104-Mukhya Mantri Gram Sampark Yojana	1,690.08	1,690.08	1,690.08
39		4515-00-796-0109-Mukhya Mantri Gram Sampark Yojana	203.13	203.13	203.13
40	44	2225-01-102-0115-Development of Mahadalit	317.00	285.85	285.85
		Total	15,157.28	12,172.51	12,172.51

Appendix- 3.2

(Reference: Paragraph 3.3.2)

Cases where supplementary provisions proved unnecessary
(₹ 1 crore or more in each case)

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Supplementary Provision	Expenditure	Savings out of Original Provision
1	2	3	4	5	6(3-5)
Revenue (Charged)					
1.	15-Pension	14.18	3.13	8.21	5.97
2.	28-High Court of Bihar	197.73	9.51	180.90	16.83
(A) Total Revenue (Charged)		211.91	12.64	189.11	22.80
Revenue (Voted)					
3.	01-Agriculture Department	3,235.47	567.25	1,698.00	1,537.47
4.	02-Animal and Fisheries Resource Department	1,561.72	62.74	640.07	921.65
5.	03-Building Construction Department	835.02	3.01	702.25	132.77
6.	04-Cabinet Secretariat Department	310.91	8.13	219.41	91.50
7.	06-Election Department	423.28	84.03	309.14	114.14
8.	07-Vigilance Department	44.34	2.04	36.69	7.65
9.	09-Co-Operative Department	1,301.26	32.22	806.51	494.75
10.	12-Finance Department	307.76	90.00	217.79	89.97
11.	15-Pension	21,802.97	2.19	20,286.74	1,516.23
12.	16-Panchayati Raj Department	9,223.93	4,000.94	8,057.26	1,166.67
13.	17-Commercial Tax Department	160.64	2.14	133.07	27.57
14.	18-Food and Consumer Protection Department	940.98	452.97	880.67	60.31
15.	19-Environment and Forest Department	655.76	113.53	324.02	331.74
16.	21-Education Department	36,971.29	8,943.67	33,373.28	3,598.01
17.	22-Home Department	13,239.44	178.45	10,112.19	3,127.25
18.	25-Information Technology Department	137.19	16.59	72.96	64.23
19.	26-Labour Resource Department	795.64	5.29	588.56	207.08
20.	27-Law Department	1,066.90	26.80	848.16	218.74
21.	29-Mines and Geology Department	47.57	2.76	31.98	15.59
22.	31-Parliamentary Affairs Department	12.96	2.58	5.26	7.70
23.	32-Legislature	241.18	2.43	193.85	47.33
24.	33-General Administration Department	777.35	8.28	561.63	215.72
25.	35-Planning and Development Department	852.93	10.65	532.10	320.83
26.	37-Rural Works Department	2,236.13	120.06	2,234.40	1.73
27.	38-Prohibition, Excise and Registration Department	280.23	14.15	213.96	66.27
28.	40-Revenue and Land Reforms Department	1,191.23	46.13	786.28	404.95
29.	42-Rural Development Department	16,784.66	6,386.12	13,994.68	2,789.98

Sl. No.	Number and Name of the Grant	Original Provision	Supplementary Provision	Expenditure	Savings out of Original Provision
1	2	3	4	5	6(3-5)
30.	43-Science and Technology Department	310.35	57.61	293.11	17.24
31.	44-Scheduled Castes & Scheduled Tribes Welfare Department	1,799.28	119.92	1,456.48	342.80
32.	45-Sugar Industries Department	115.95	1.15	37.39	78.56
33.	46-Tourism Department	69.52	12.84	43.94	25.58
34.	47-Transport Department	387.41	14.63	192.95	194.46
35.	48-Urban Development and Housing Department	7,617.13	2,414.49	5,883.84	1,733.29
(B) Total Revenue (Voted)		1,25,738.38	23,805.79	1,05,768.62	19,969.76
Total Revenue (A+B)		1,25,950.29	23,818.43	1,05,957.73	19,992.56
Capital (Voted)					
36.	03-Building Construction Department	4,486.38	927.91	3,027.25	1,459.13
37.	10-Energy Department	1,513.00	503.93	1,507.13	5.87
38.	18-Food and Consumer Protection Department	95.12	55.00	34.21	60.91
39.	20-Health Department	2,437.68	721.01	865.52	1,572.16
40.	22-Home Department	733.82	843.38	690.27	43.55
41.	25-Information Technology Department	140.00	3.50	63.00	77.00
42.	36-Public Health Engineering Department	2,431.10	500.00	1,976.17	454.93
43.	37-Rural Works Department	7,188.00	1,287.78	3,755.69	3,432.31
44.	43-Science and Technology Department	112.16	3.39	79.22	32.94
45.	51-Social Welfare Department	10.05	10.00	1.38	8.67
(C) Total Capital (voted)		19,147.31	4,855.90	11,999.84	7,147.47
Total for Capital		19,147.31	4,855.90	11,999.84	7,147.478
Grand Total (A+B+C)		1,45,097.60	28,674.33	1,17,957.57	27,140.03

(Source: Appropriation Accounts for the year 2021-22)

Appendix- 3.3
(Reference: Paragraph 3.3.3)
Unnecessary re-appropriation of funds

(₹ in crore)

Sl. No.	Grant No.	Head of Account and Description	Original Provision	Supplementary Provision	Total provision	Reappropriation (+)	Expenditure	Surrender	Final savings
1	2	3	4	5	6	7	8	9	10
1.	01	2401-00-103-0001-Seed Multiplication Farm	23.44	0.00	23.44	2.00	22.30	0.00	3.14
2.		2052-00-090-0020-Building Construction	2.39	0.00	2.39	0.15	1.91	0.00	0.63
3.		2059-80-001-0001-Direction	21.07	0.00	21.07	0.50	19.32	0.00	2.25
4.		2059-80-001-0011-Horticulture (Establishment)	11.79	0.00	11.79	1.80	8.19	0.00	5.40
5.	03	4059-80-051-0117-Buildings for Engineering/ Technical Colleges and Institutes (Science and Technology Department)	100.00	260.00	360.00	12.50	309.21	0.00	63.29
6.		4202-02-105-0105-Engineering College Building (Nishchaya)	350.00	410.00	760.00	37.50	731.31	0.00	66.19
7.	04	2013-00-101-0001-Ministers	31.69	0.00	31.69	0.37	27.39	0.00	4.67
8.	06	2015-00-103-0002-List of Legislative Council Constituencies	0.53	0.00	0.53	1.50	0.45	0.00	1.58
9.		2204-00-101-0001-Physical Education	4.54	0.00	4.54	0.16	3.52	0.00	1.18
10.	08	2205-00-103-0101-Archaeology Directorate	3.25	0.00	3.25	1.50	1.72	0.00	3.03
11.		2251-00-090-0003-Art, Culture and Youth Department	4.15	0.00	4.15	0.01	3.31	0.00	0.85
12.	11	2251-00-090-0024-Backward Class and Most Backward Class Welfare Department	4.17	1.16	5.33	0.53	4.61	0.00	1.25

Sl. No.	Grant No.	Head of Account and Description	Original Provision	Supplementary Provision	Total provision	Reappropriation (+)	Expenditure	Surrender	Final savings
1	2	3	4	5	6	7	8	9	10
13.	13	2049-01-305-0001-Expenditure related to Old Loans	27.68	0.00	27.68	8.60	21.62	0.00	14.66
14.	15	2071-01-106-0002-Medical expenses on retired Honourable Chief Justice/Judges and their family members	1.86	1.04	2.90	1.00	2.69	0.00	1.21
15.	16	2015-00-101-0001-State Election Commission (Panchayati Raj)	4.59	0.00	4.59	0.22	3.36	0.00	1.45
16.		2515-00-001-0001-Headquarters Panchayat Establishment	10.56	0.00	10.56	0.55	9.04	0.00	2.07
17.		3451-00-090-0028-Panchayati Raj Department	2.17	0.00	2.17	0.35	1.44	0.00	1.08
18.	18	3451-00-090-0011-Food and Consumer Protection Department	9.45	0.03	9.48	0.11	7.45	0.00	2.14
19.	19	2406-01-001-0001-Direction and Administration	20.69	0.96	21.65	0.59	18.08	0.00	4.16
20.	19	2406-02-111-0001-Other Park	17.62	0.27	17.89	0.50	16.46	0.00	1.93
21.	20	2210-01-001-0001-Health Directorate	28.91	0.60	29.51	7.00	23.67	0.00	12.84
22.		2210-01-200-0001-T.B. Eradication Programme	60.94	15.09	76.03	0.46	56.33	0.00	20.16
23.		2210-05-105-0003-Darbhanga Medical College	128.24	1.02	129.26	2.50	95.09	0.00	36.67
24.		2210-05-105-0005-Nalanda Medical College	79.41	16.85	96.26	3.00	89.85	0.00	9.41
25.		2210-05-105-0007-Magadh Medical College	49.77	0.55	50.32	4.76	48.20	0.00	6.88
26.		2210-05-105-0023-Government Medical College, Bettiah	36.31	0.02	36.33	3.00	30.31	0.00	9.02

Sl. No.	Grant No.	Head of Account and Description	Original Provision	Supplementary Provision	Total provision	Reappropriation (+)	Expenditure	Surrender	Final savings
1	2	3	4	5	6	7	8	9	10
27.	20	2210-05-105-0028-Jannayak Karpuri Thakur Medical College, Madhepura	27.08	14.49	41.57	2.00	22.02	0.00	21.55
28.		2210-06-001-0001-Superintendence	15.13	0.19	15.32	1.00	10.54	0.00	5.78
29.		2210-06-101-0003-National Malaria Eradication Programme	41.60	3.68	45.28	1.02	28.55	0.00	17.75
30.		2210-06-101-0012-Health and Optical Distribution Scheme in Mahadalit Tolas	1.00	0.00	1.00	0.30	0.72	0.00	0.58
31.		2210-06-102-0001-Food Controller Establishment	4.56	0.58	5.14	1.70	3.06	0.00	3.78
32.		2202-01-001-0001-Directorate of Primary Education	5.72	37.06	42.78	1.78	42.29	0.00	2.27
33.	21	2202-02-001-0001-Directorate of Secondary Education	13.66	14.70	28.36	0.23	21.80	0.00	6.79
34.		2202-02-001-0003-Regional Deputy Director and other officer	14.13	0.00	14.13	2.60	11.95	0.00	4.78
35.		2202-03-001-0006-Bihar State Council of Higher Education	0.00	1.91	1.91	6.50	1.50	0.00	6.91
36.		2202-04-001-0002-Public Education Directorate	2.99	0.00	2.99	0.17	1.73	0.00	1.43
37.		2202-05-103-0002-Government Sanskrit School	2.01	0.61	2.62	1.00	2.05	0.00	1.57
38.		2202-80-001-0001-Headquarter Establishment	10.55	0.00	10.55	0.22	6.74	0.00	4.03
39.		2202-80-001-0002-State Education Research and Training Institute Directorate	1.51	0.00	1.51	0.04	1.00	0.00	0.55

Sl. No.	Grant No.	Head of Account and Description	Original Provision	Supplementary Provision	Total provision	Reappropriation (+)	Expenditure	Surrender	Final savings
1	2	3	4	5	6	7	8	9	10
40.	21	2202-80-004-0018-State Council of Educational Research and Training	10.16	0.00	10.16	0.46	7.55	0.00	3.07
41.		2202-80-004-0108-L.N. Mishra Institute of Economic Development and Social Changes	5.00	0.00	5.00	4.90	5.00	0.00	4.90
42.		2251-00-090-0002-Education Department	11.44	0.00	11.44	25.81	6.71	0.00	30.54
43.		4202-01-202-0103-Building Construction of Government and Government recognised Secondary Schools	400.20	0.00	400.20	2.13	399.41	0.00	2.92
44.	22	2014-00-114-0004-Prosecution Directorate	95.42	0.08	95.50	1.50	67.01	0.00	29.99
45.		2051-00-103-0003-Bihar Police Avar Seva Aayog	29.51	0.00	29.51	2.75	29.15	0.00	3.11
46.		2052-00-090-0006-Home (Police) Department	10.11	0.00	10.11	0.42	8.51	0.00	2.02
47.		2055-00-001-0001-Superintendence	103.08	0.00	103.08	2.55	95.79	0.00	9.84
48.		2055-00-003-0008-Training School, Dumaron	11.22	0.00	11.22	0.54	8.34	0.00	3.42
49.		2055-00-101-0003-Check Post on Indo-Nepal Border	6.85	0.00	6.85	0.10	6.00	0.00	0.95
50.		2055-00-104-0003-Special Task Force	209.35	0.00	209.35	0.50	170.22	0.00	39.63
51.		2055-00-104-0004-Anti Terrorist Squad	22.55	0.00	22.55	0.49	21.73	0.00	1.31
52.		2055-00-113-0001-Hospital Charges	11.74	0.00	11.74	0.40	8.58	0.00	3.56
53.		2055-00-114-0002-Computer	5.22	0.00	5.22	0.24	4.59	0.00	0.87
54.	2056-00-101-0006-Liberated Jail	2.35	0.00	2.35	0.05	1.75	0.00	0.65	

Sl. No.	Grant No.	Head of Account and Description	Original Provision	Supplementary Provision	Total provision	Reappropriation (+)	Expenditure	Surrender	Final savings
1	2	3	4	5	6	7	8	9	10
55.	22	2070-00-003-0004-Training to employees of Fire-brigade Service	0.25	1.50	1.75	1.11	1.03	0.00	1.83
56.	24	2220-01-001-0001-Direction and Administration	6.70	0.00	6.70	0.84	5.99	0.00	1.55
57.		2220-60-106-0002-District Units	25.61	0.00	25.61	0.04	17.29	0.00	8.36
58.	25	2852-07-202-0108-State Data Centre	10.00	7.83	17.83	3.50	9.20	0.00	12.13
59.		3451-00-090-0118-Local Network of Secretariat	2.00	0.00	2.00	6.90	1.52	0.00	7.38
60.		4859-02-004-0101-Bihar State Wide Area Network (SWAN)	70.00	3.50	73.50	17.50	63.00	0.00	28.00
61.	26	2230-01-101-0006-Administration and Enforcement of Labour Laws	14.01	0.00	14.01	0.12	11.10	0.00	3.03
62.	32	2011-02-103-0001-Legislative Assembly Secretariat	63.18	1.13	64.31	1.65	57.79	0.00	8.17
63.		2011-02-103-0002-Legislative Council Secretariat	55.33	1.30	56.63	1.90	54.97	1.50	2.06
64.	33	2053-00-094-0001-Sub-divisional Establishment	133.15	0.00	133.15	0.80	103.88	0.00	30.07
65.	35	2052-00-090-0010-Planning and Development Department	23.41	0.00	23.41	0.32	13.10	0.00	10.63
66.	36	2215-01-102-0002-Hand Tubewells, Tanks, Wells and High Flow Tubewells	183.84	0.00	183.84	5.00	151.19	0.00	37.65
67.	39	2245-02-104-0001-Supply of Fodder	2.00	0.00	2.00	0.50	1.69	0.00	0.81
68.	41	3451-00-090-0014-Road Construction Department	3.60	0.00	3.60	0.10	2.18	0.00	1.52
69.		5054-03-101-0101-Bridge	48.90	100.00	148.90	50.00	146.66	0.00	52.24

Sl. No.	Grant No.	Head of Account and Description	Original Provision	Supplementary Provision	Total provision	Reappropriation (+)	Expenditure	Surrender	Final savings
1	2	3	4	5	6	7	8	9	10
70.	44	2225-02-277-0003-Hostel for Boys and Girls	1.49	0.00	1.49	0.30	0.89	0.00	0.90
71.	48	2251-00-090-0005-Urban Development and Housing Department	13.78	0.17	13.95	0.35	10.73	0.00	3.57
72.	49	2711-01-103-0002-Other maintenance expenditure	220.60	0.00	220.60	38.90	184.39	0.00	75.11
73.		4700-80-051-0104-Irrigation Created Project(work) (NABARD aided project)	765.00	1035.00	1800.00	43.65	1485.70	0.00	357.95
74.	51	2235-02-106-0001-Remand Home	3.37	0.84	4.21	0.20	3.82	0.00	0.59
Total			3,755.55	1,932.18	5,687.71	326.25	4,877.24	1.50	1,135.24

(Source: Detailed Appropriation Accounts including Grants Audit Register, 2021-22)

Appendix- 3.4
(Reference: Paragraph 3.3.3)
Excess re-appropriation of funds

(₹ in crore)

Sl. No.	Grant No.	Head of Accounts and Description	Total provision	Re-appropriation (+)	Actual Expenditure	Surrender	Final savings
1	2	3	4	5	6	7	8
1.	02	2403-00-113-0001- Establishment of State Live Stock Research and Institution	7.73	2.88	9.08	0.00	1.53
2.	03	2059-80-053-0017- Maintenance and Repairs of the Hon'ble High Court Patna Residential and Non-Residential Garden/ Park	0.50	2.50	1.32	0.00	1.68
3.	06	2015-00-105-0005- Expenditure on Paramilitary Forces Deputed in Elections	1.52	6.00	2.81	0.00	4.71
4.		2015-00-106-0005- Expenditure on Paramilitary Forces Deputed in Elections	72.55	62.50	94.31	0.00	40.74
5.	12	7610-00-201-0001- House Building Advances to Government Servants	18.00	4.00	21.43	0.03	0.54
6.	15	2071-01-104-0001- Payment of other Gratuities to employees retired prior to 15/11/2000	6.00	3.00	6.17	0.00	2.83
7.		2071-01-105-0001- Family Pension to pre 15/11/2000 pensioners	78.02	430.00	494.97	0.00	13.05
8.		2071-01-105-0002- Payment of family pension related to employees retired from successor state of Bihar	1046.39	1075.00	2014.65	0.00	106.74
9.		2071-01-115-0001- Leave encashment equivalent to unavailed earned leave payable to officers and employees retired/died prior to 15/11/2000	7.00	1.37	7.41	0.00	0.96
10.		2071-01-117-0001- Govt. Contribution for Contributory Pension Scheme	755.40	660.00	1311.05	0.00	104.35

Sl. No.	Grant No.	Head of Accounts and Description	Total provision	Re-appropriation (+)	Actual Expenditure	Surrender	Final savings
1	2	3	4	5	6	7	8
11.	19	2406-02-112-0101- Eco Environment and Development of park	0.00	36.00	2.44	0.00	33.56
12.		4406-01-070-0101-Road and Bridge	2.00	1.50	2.63	0.00	0.87
13.	20	2210-01-110-0028- Government Medical College Hospital, Purnia	2.32	14.51	4.35	0.00	12.48
14.		2210-05-105-0031- Government Medical College, Purnia	2.00	9.62	5.75	0.00	5.87
15.	21	2202-01-109-0105- Stipends in Primary Schools	175.00	9.70	182.84	0.00	1.86
16.		2202-02-110-0002-Sainik School	7.50	2.50	9.21	0.00	0.79
17.		2202-80-001-0102-State Education Research and Training Institute Directorate	5.05	3.74	8.24	0.00	0.55
18.	27	2235-60-200-0013-Bihar Victim Retaliation Scheme	10.00	5.00	13.72	0.00	1.28
19.	39	2245-02-101-0002-Supply of food grains	115.00	50.00	120.71	0.00	44.29
20.	43	4202-02-105-0106- Engineering College (Nischay)	28.09	6.00	30.12	0.00	3.97
21.	44	2225-01-277-0002- Maintenance of Hostels	10.10	10.59	15.13	0.00	5.56
22.	47	2235-60-200-0121- Bihar Vehicle Accident Assistance	0.00	15.00	11.40	0.00	3.60
23.	48	2217-80-192-0010- Assistant Grant to Cantonment Board	0.00	5.00	1.49	0.00	3.51
Total			2,350.17	2,416.41	4,371.23	0.03	395.32

(Source: Detailed Appropriation Accounts including Grants Audit Register, 2021-22)

Appendix-3.5**(Reference: Paragraph 3.3.3)****Cases of Re-appropriation on last day of the financial year***(₹ in crore)*

Sl. No.	Grant No. and name	Letter no. and date of Department		Letter no. and date of approval by Finance Department		Amount
		Letter no.	Date	Letter no.	Date	
1.	12-Finance Department	-	-	213	31-03-2022	11.23
2.	22-Home Department	2944	21-03-2022	431	31-03-2022	0.35
3.		2939	21-03-2022	426	31-03-2022	4.00
4.		2938	21-03-2022	425	31-03-2022	0.35
5.		2945	21-03-2022	432	31-03-2022	0.91
6.		2943	21-03-2022	430	31-03-2022	6.50
7.		2942	21-03-2022	429	31-03-2022	0.35
8.		2941	21-03-2022	428	31-03-2022	2.24
9.		2940	21-03-2022	427	31-03-2022	0.05
10.		39-Disaster Management Department	504	28-03-2022	433	31-03-2022
	Total					26.09

(Source: Compilation of surrenders letters of GoB)

Appendix-3.6

(Reference: Paragraph 3.3.4)

Grants/ appropriations with savings of ₹ 100 crore and above of total provision

(₹ in crore)

Sl. No.	Number and Name of grant/ appropriation	Original provision	Supplementary Provision	Total	Expenditure	Savings	Percentage of savings	per cent expenditure against provision
1	2	3	4	5	6	7	8	9
(A) REVENUE (Charged)								
1.	13-Interest Payment	14,517.41	0.00	14,517.41	13,821.93	695.48	4.79	95.21
Total Revenue (Charged)		14,517.41	0.00	14,517.41	13,821.93	695.48	4.79	95.21
(B) REVENUE (Voted)								
2.	01-Agriculture Department	3,235.47	567.25	3,802.72	1,698.00	2,104.72	55.35	44.65
3.	02-Animal and Fisheries Resource Department	1,561.72	62.74	1,624.46	640.07	984.39	60.60	39.40
4.	03-Building Construction Department	835.02	3.01	838.03	702.25	135.78	16.20	83.80
5.	06-Election Department	423.28	84.03	507.31	309.14	198.17	39.06	60.94
6.	09-Co-Ooperative Department	1,301.26	32.22	1,333.48	806.51	526.97	39.52	60.48
7.	11-BC and MBC Welfare Department	1,731.49	1220.39	2,951.88	2,850.73	101.15	3.43	96.57
8.	12-Finance Department	307.76	90.00	397.76	217.79	179.97	45.25	54.75
9.	15-Pension	21,802.97	2.19	21,805.16	20,286.74	1,518.42	6.96	93.04
10.	16-Panchayati Raj Department	9,223.93	4,000.94	13,224.87	8,057.26	5,167.61	39.07	60.93
11.	18-Food and Consumer Protection Department	940.98	452.97	1,393.95	880.67	513.28	36.82	63.18
12.	19-Environment and Forest Department	655.76	113.53	769.29	324.02	445.27	57.88	42.12
13.	20-Health Department	10,827.19	3,811.89	14,639.08	10,846.79	3,792.29	25.91	74.09
14.	21-Education Department	36,971.29	8,943.67	45,914.96	33,373.28	12,541.68	27.32	72.68
15.	22-Home Department	13,239.43	178.45	13,417.89	10,112.19	3,305.70	24.64	75.36
16.	26-Labour Resource Department	795.64	5.29	800.93	588.56	212.37	26.51	73.49
17.	27-Law Department	1,066.90	26.80	1,093.70	848.16	245.54	22.45	77.55
18.	30-Minorities Welfare Department	272.63	0.00	272.63	171.64	100.99	37.04	62.96

Sl. No.	Number and Name of grant/appropriation	Original provision	Supplementary Provision	Total	Expenditure	Savings	Percentage of savings	per cent expenditure against provision
1	2	3	4	5	6	7	8	9
19.	33-General Administration Department	777.35	8.28	785.63	561.63	224.00	28.51	71.49
20.	35-Planning and Development Department	852.93	10.65	863.58	532.10	331.48	38.38	61.62
21.	36-Public Health Engineering Department	539.16	380.00	919.16	685.64	233.52	25.41	74.59
22.	37-Rural Works Department	2,236.13	120.06	2,356.19	2,234.40	121.79	5.17	94.83
23.	39-Disaster Management Department	3,321.57	2,473.67	5,795.24	3,895.42	1,899.82	32.78	67.22
24.	40-Revenue and Land Reforms Department	1,191.23	46.13	1,237.36	786.28	451.08	36.45	63.55
25.	41-Road Construction Department	1,993.71	0.00	1,993.71	1,568.82	424.89	21.31	78.69
26.	42-Rural Development Department	16,784.66	6,386.12	23,170.78	13,994.68	9,176.10	39.60	60.40
27.	44-Scheduled Castes & Scheduled Tribes Welfare Department	1,799.28	119.92	1,919.20	1,456.48	462.72	24.11	75.89
28.	47-Transport Department	387.41	14.63	402.04	192.95	209.09	52.01	47.99
29.	48-Urban Development and Housing Department	7,617.13	2,414.49	10,031.62	5,883.84	4,147.78	41.35	58.65
30.	49-Water Resources Department	1,083.54	0.00	1,083.54	937.84	145.70	13.45	86.55
31.	50-Minor Water Resource Department	318.91	0.22	319.13	195.90	123.23	38.61	61.39
32.	51-Social Welfare Department	8,149.10	3,071.09	11,220.19	8,994.46	2,225.73	19.84	80.16
Total Revenue (Voted)		1,52,244.84	34,640.63	1,86,885.47	1,34,634.24	52,251.23	27.96	88.43
Total Revenue(A+B)		1,66,762.25	34,640.63	2,01,402.88	1,48,456.17	52,946.71	26.29	89.02
(C) CAPITAL (Charged)								
33.	14-Repayment of Loans	9,094.43	0.00	9,094.43	8,746.47	347.96	3.83	96.17
Total Capital (Charged)		9,094.43	0.00	9,094.43	8,746.47	347.96	3.83	96.17
(D) CAPITAL (Voted)								
34.	03-Building Construction Department	4,486.38	927.91	5,414.29	3,027.25	2,387.04	44.09	55.91

Sl. No.	Number and Name of grant/ appropriation	Original provision	Supplementary Provision	Total	Expenditure	Savings	Percentage of savings	per cent expenditure against provision
1	2	3	4	5	6	7	8	9
35.	09-Co-Ooperative Department	232.83	0.00	232.83	70.28	162.56	69.82	30.18
36.	10-Energy Department	1,513.00	503.93	2,016.93	1,507.13	509.80	25.28	74.72
37.	16-Panchayati Raj Department	321.00	0.00	321.00	121.58	199.42	62.12	37.88
38.	18-Food and Consumer Protection Department	95.12	55.00	150.12	34.21	115.91	77.21	22.79
39.	20-Health Department	2,437.68	721.01	3,158.69	865.52	2,293.17	72.60	27.40
40.	21-Education Department	1,064.64	0.00	1,064.64	728.59	336.05	31.56	68.44
41.	22-Home Department	733.82	843.38	1,577.20	690.27	886.93	56.23	43.77
42.	30-Minorities Welfare Department	290.00	0.00	290.00	101.43	188.57	65.02	34.98
43.	35-Planning and Development Department	1,345.47	321.82	1,667.29	1,367.11	300.18	18.00	82.00
44.	36-Public Health Engineering Department	2,431.10	500.00	2,931.10	1,976.17	954.93	32.58	67.42
45.	37-Rural Works Department	7,188.00	1,287.78	8,475.78	3,755.69	4,720.09	55.69	44.31
46.	41-Road Construction Department	3,809.90	1,320.48	5,130.38	4,057.05	1,073.33	20.92	79.08
47.	46-Tourism Department	208.00	0.00	208.00	48.25	159.75	76.81	23.19
48.	48-Urban Development and Housing Department	150.00	1,400.00	1,550.00	1,057.58	492.42	31.77	68.23
49.	49-Water Resources Department	2,990.84	1,735.00	4,725.84	3,358.28	1,367.56	28.94	71.06
49.	50-Minor Water Resource Department	691.00	0.00	691.00	270.51	420.49	60.85	39.15
Total Capital (Voted)		29,988.78	9,616.32	39,605.09	23,036.90	16,568.20	41.83	76.82
TOTAL CAPITAL(C+D)		39,083.21	9,616.31	48,699.52	31,783.36	16,916.16	34.74	81.32
GRAND TOTAL (A+B+C+D)		2,05,845.46	44,256.94	2,50,102.40	1,80,239.53	69,862.87	27.93	87.56

(Source: Appropriation Accounts for the year 2021-22)

Appendix-3.7

(Reference: Paragraph 3.3.4)

Grants/ appropriations with 20 per cent or more savings of total provision

(` in crore)

Sl. No.	Number and Name of grant/ appropriation	Original provision	Supplementary Provision	Total provision	Expenditure	per cent utilisation	Savings	Percentage of savings
1	2	3	4	5	6	7	8	9
1.	01-Agriculture Department	3,335.47	740.91	4,076.38	1,927.93	47.30	2,148.45	52.70
2.	02-Animal and Fisheries Resource Department	1,561.72	62.88	1,624.60	640.21	39.41	984.39	60.59
3.	03-Building Construction Department	5,321.40	930.92	6,252.32	3,729.50	59.65	2,522.82	40.35
4.	04-Cabinet Secretariat Department	441.18	141.48	582.66	437.76	75.13	144.90	24.87
5.	05-Secretariat of the Governor	33.13	0.00	33.13	4.29	12.95	28.84	87.05
6.	06-Election Department	423.28	84.03	507.31	309.14	60.94	198.17	39.06
7.	07-Vigilance Department	44.34	2.04	46.38	36.69	79.11	9.69	20.89
8.	08-Art, Culture and Youth Department	165.61	0.00	165.61	90.53	54.66	75.08	45.34
9.	09-Co-Operative Department	1,534.09	32.22	1,566.31	876.78	55.98	689.53	44.02
10.	16-Panchayati Raj Department	9,544.93	4,000.94	13,545.87	8,178.84	60.38	5,367.03	39.62
11.	18-Food and Consumer Protection Department	1,036.10	507.97	1,544.07	914.88	59.25	629.19	40.75
12.	19-Environment and Forest Department	737.76	113.53	851.29	397.60	46.71	453.69	53.29
13.	20-Health Department	13,264.87	4,532.90	17,797.77	11,712.31	65.81	6,085.46	34.19
14.	21-Education Department	38,035.93	8,943.67	46,979.60	34,101.87	72.59	12,877.73	27.41
15.	22-Home Department	13,973.26	1,021.83	14,995.09	10,802.46	72.04	4,192.63	27.96
16.	24-Information and Public Relation Department	234.92	0.00	234.92	175.25	74.60	59.67	25.40
17.	25-Information Technology Department	277.19	20.09	297.28	135.96	45.73	161.32	54.27
18.	26-Labour Resource Department	965.64	5.29	970.93	748.57	77.10	222.36	22.90
19.	27-Law Department	1,066.90	26.80	1,093.70	848.16	77.55	245.54	22.45
20.	29-Mines and Geology Department	47.57	2.76	50.33	31.98	63.54	18.35	36.46
21.	30-Minorities Welfare Department	562.63	0.00	562.63	273.07	48.53	289.56	51.47
22.	31-Parliamentary Affairs Department	12.96	2.58	15.54	5.26	33.85	10.28	66.15
23.	32-Legislature	242.64	2.43	245.07	194.73	79.46	50.34	20.54

Sl. No.	Number and Name of grant/ appropriation	Original provision	Supplementary Provision	Total provision	Expenditure	per cent utilisation	Savings	Percentage of savings
1	2	3	4	5	6	7	8	9
24.	33-General Administration Department	784.96	8.28	793.24	567.85	71.59	225.39	28.41
25.	35-Planning and Development Department	2,198.40	332.47	2,530.87	1,899.21	75.04	631.66	24.96
26.	36-Public Health Engineering Department	2,970.26	880.00	3,850.26	2,661.81	69.13	1,188.45	30.87
27.	37-Rural Works Department	9,424.13	1,407.84	10,831.97	5,990.09	55.30	4,841.88	44.70
28.	38-Prohibition, Excise and Registration Department	280.23	14.15	294.38	213.96	72.68	80.42	27.32
29.	39-Disaster Management Department	3,322.07	2,473.67	5,795.74	3,895.42	67.21	1,900.32	32.79
30.	40-Revenue and Land Reforms Department	1,261.73	47.12	1,308.85	790.64	60.41	518.21	39.59
31.	41-Road Construction Department	5,803.61	1,320.48	7,124.09	5,625.87	78.97	1,498.22	21.03
32.	42-Rural Development Department	16,835.67	6,386.12	23,221.79	14,015.02	60.35	9,206.77	39.65
33.	43-Science and Technology Department	422.51	61.00	483.51	372.33	77.01	111.18	22.99
34.	44-Scheduled Castes & Scheduled Tribes Welfare Department	1,803.28	119.92	1,923.20	1,456.48	75.73	466.72	24.27
35.	45-Sugar Industries Department	115.95	1.15	117.10	37.39	31.93	79.71	68.07
36.	46-Tourism Department	277.52	12.84	290.36	92.19	31.75	198.17	68.25
37.	47-Transport Department	406.41	14.63	421.04	196.73	46.72	224.31	53.28
38.	48-Urban Development and Housing Department	7,767.13	3,814.49	11,581.62	6,941.42	59.93	4,640.20	40.07
39.	49-Water Resources Department	4,074.38	1,735.00	5,809.38	4,296.12	73.95	1,513.26	26.05
40.	50-Minor Water Resource Department	1,009.91	0.22	1,010.13	466.41	46.17	543.72	53.83
Total		1,51,621.67	39,804.65	1,91,426.32	1,26,092.70	65.87	65,333.62	34.13

(Source: Appropriation Accounts for the year 2021-22)

Appendix-3.8

(Reference: Paragraph 3.3.4)

Grants indicating persistent savings (₹100 crore and above)
during 2017-18 to 2021-22

(₹ in crore)

Sl. No.	No. and Name of the Grant	Amount of savings (percentage to total grant in bracket)				
		2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
Revenue-Voted						
1.	1-Agriculture Department	1,150.72 (41.01)	1,436.00 (44.06)	1,319.44 (38.00)	1,825.93 (54.92)	2,104.72 (55.35)
2.	2-Animal and Fisheries Resource Department	148.73 (19.90)	248.04 (26.51)	336.30 (29.88)	606.95 (48.75)	984.39 (60.60)
3.	3-Building Construction Department	102.59 (16.63)	192.56 (24.81)	433.89 (52.13)	449.95 (52.00)	135.78 (16.20)
4.	9-Co-Operative Department	138.21 (14.67)	843.17 (46.26)	1,155.32 (66.35)	478.56 (34.85)	526.97 (39.52)
5.	11-BC and MBC Welfare Department	285.23 (19.11)	342.72 (22.04)	174.41 (10.99)	1,287.78 (75.73)	101.15 (3.43)
6.	12-Finance Department	119.66 (44.64)	104.75 (34.86)	125.45 (40.21)	147.18 (44.43)	179.97 (45.25)
7.	15-Pension	5,570.01 (28.04)	650.32 (3.90)	1,402.03 (7.57)	788.67 (3.86)	1,518.42 (6.96)
8.	16-Panchayati Raj Department	607.76 (6.64)	1,836.67 (17.93)	4,686.73 (35.04)	4,361.83 (34.62)	5,167.61 (39.07)
9.	18-Food and Consumer Protection Department	1,208.16 (49.93)	255.11 (18.68)	653.10 (48.20)	1,508.83 (67.45)	513.28 (36.82)
10.	20-Health Department	1,427.99 (19.99)	1,877.89 (22.84)	2,322.97 (25.02)	2,893.91 (25.35)	3,792.29 (25.91)
11.	21-Education Department	7,703.21 (24.50)	9,957.93 (26.96)	11,102.36 (29.96)	10,726.33 (28.89)	12,541.68 (27.32)
12.	22-Home Department	866.99 (11.77)	724.29 (8.10)	2,033.64 (18.44)	2,284.89 (19.43)	3,305.70 (24.64)
13.	26- Labour Resource Department	102.51 (22.49)	175.23 (24.13)	208.91 (24.51)	422.03 (49.06)	212.37 (26.52)
14.	27-Law Department	204.74 (25.14)	153.84 (16.66)	228.92 (22.96)	140.62 (14.80)	245.54 (22.45)
15.	30-Minorities Welfare Department	209.43 (70.29)	101.65 (50.90)	134.09 (60.21)	127.03 (38.26)	100.99 (37.04)
16.	33- General Administration Department	166.51 (30.27)	221.94 (30.75)	226.36 (30.08)	233.61 (29.42)	224.00 (28.51)
17.	35-Planning and Development Department	1,030.36 (74.05)	156.02 (25.78)	596.72 (68.54)	329.57 (40.44)	331.48 (38.38)
18.	37-Rural Works Department	228.19 (14.39)	198.87 (16.53)	545.26 (24.66)	317.17 (14.32)	121.79 (5.17)
19.	39-Disaster Management Department	1,362.71 (34.39)	3,176.72 (65.92)	3,730.70 (50.74)	2,617.04 (27.96)	1,899.82 (32.78)
20.	40-Revenue and Land Reforms Department	306.85 (35.34)	238.51 (30.14)	369.32 (39.67)	694.80 (51.00)	451.08 (36.46)
21.	41-Road Construction Department	476.18 (35.81)	487.94 (34.41)	1,214.66 (58.70)	720.00 (29.26)	424.89 (21.31)
22.	42-Rural Development Department	5,166.39 (49.82)	6,175.24 (32.58)	8,870.62 (47.79)	8,531.88 (47.85)	9,176.10 (39.60)

Sl. No.	No. and Name of the Grant	Amount of savings (percentage to total grant in bracket)				
		2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7
23.	44-Scheduled Castes and Scheduled Tribes Welfare Department	390.28 (27.75)	441.72 (30.16)	474.37 (29.73)	453.07 (26.29)	462.72 (24.11)
24.	48-Urban Development and housing Department	1,811.89 (35.89)	2,064.28 (38.50)	3,250.51 (52.13)	3,752.81 (40.17)	4,147.78 (41.35)
25.	51-Social Welfare Department	2,142.20 (26.02)	3,243.44 (33.97)	2,265.40 (23.52)	2,175.85 (19.83)	2,225.73 (19.84)
Total		32,927.50 (27.31)	35,304.85 (25.62)	47,861.48 (31.49)	47,876.29 (29.30)	50,896.25 (27.83)
Capital-Voted						
26.	3-Building Construction Department	2,348.80 (52.93)	1,018.64 (27.76)	3,771.12 (73.14)	3,380.78 (74.51)	2,387.04 (44.09)
27.	9- Co-Operative Department	118.13 (45.98)	230.27 (21.97)	554.00 (98.70)	135.77 (43.57)	162.56 (69.82)
28.	10-Energy Department	130.74 (1.79)	623.36 (10.72)	1,454.24 (31.80)	906.01 (39.83)	509.80 (25.28)
29.	20- Health Department	619.16 (52.87)	481.38 (29.80)	1,259.58 (59.65)	1,162.53 (64.29)	2,293.17 (72.60)
30.	21-Education Department	448.65 (26.99)	123.88 (22.63)	1,038.31 (89.21)	1,058.58 (71.98)	336.05 (31.56)
31.	35-Planning and Development Department	587.58 (40.10)	380.40 (20.46)	586.96 (34.82)	644.06 (46.68)	300.18 (18.00)
32.	37-Rural Works Department	3,302.51 (34.05)	7354.68 (71.36)	7,973.69 (80.89)	6,122.07 (64.96)	4,720.09 (55.69)
33.	41-Road Construction Department	372.09 (6.26)	192.24 (3.34)	3,614.83 (65.29)	3,211.71 (50.06)	1,073.33 (20.92)
34.	49-Water Resources Department	1,405.44 (35.54)	179.43 (5.89)	3,553.85 (78.83)	2,077.14 (51.50)	1,367.56 (28.94)
Total		9,333.10 (26.02)	10,584.28 (31.45)	23,806.58 (67.72)	18,698.65 (59.07)	13,149.78 (41.24)
Grand Total		42,260.60 (27.01)	45,889.13 (26.77)	71,668.06 (38.30)	66,574.94 (34.13)	64,046.03 (29.82)

(Source: Appropriation Accounts for the year 2017-18 to 2021-22)

Appendix- 3.9

(Reference: Paragraph 3.3.4)

Details of surrender of funds in excess of ₹ 100 crore and above in 2021-22

(₹ in crore)

Sl. No.	Grant No. & Department	Original Provision	Supplementary Provision	Total provision	Actual Expenditure	Savings	Amount Surrendered
1.	01-Agriculture Department	3,335.47	740.91	4,076.38	1,927.93	2,148.45	642.65
2.	09-Co-Ooperative Department	1,534.09	32.22	1,566.31	876.78	689.53	501.17
3.	10-Energy Department	8,560.00	2,504.19	11,064.19	10,506.46	557.73	504.48
4.	16-Panchayati Raj Department	9,544.93	4,000.94	13,545.87	8,178.84	5,367.03	3,519.56
5.	18-Food and Consumer Protection Department	1,036.10	507.97	1,544.07	914.88	629.19	325.00
6.	22-Home Department	13,973.26	1,021.83	14,995.09	10,802.46	4,192.63	130.19
7.	36-Public Health Engineering Department	2,970.26	880.00	3,850.26	2,661.81	1,188.45	380.00
8.	37-Rural Works Department	9,424.13	1,407.84	10,831.97	5,990.09	4,841.88	400.00
9.	39-Disaster Management Department	3,322.07	2,473.67	5,795.74	3,895.42	1,900.32	152.07
10.	41-Road Construction Department	5,803.61	1,320.48	7,124.09	5,625.87	1,498.22	410.60
11.	42-Rural Development Department	16,835.67	6,386.12	23,221.79	14,015.02	9,206.77	680.00
12.	49-Water Resources Department	4,074.38	1,735.00	5,809.38	4,296.12	1,513.26	250.00
13.	51-Social Welfare Department	8,159.15	3,081.09	11,240.24	8,995.84	2,244.40	1,524.21
Total		88,573.12	26,092.26	1,14,665.38	78,687.52	35,977.86	9,419.93

(Source: Appropriation Accounts for the year 2021-22)

Appendix- 3.10

(Reference: Paragraph 3.4.1)

Hundred per cent non-utilisation of grants/ appropriation (₹ 10 crore and above)

(₹ in crore)

Sl. No.	Grant No.	Head of accounts and description	Total unutilised provisions	
1	2	3	4	
1	01	2401-00-119-0225-Prime Minister Micro Food Enterprise up gradation Scheme (PM FME)	108.93	
2		2401-00-119-0325-Prime Minister Micro Food Enterprise up gradation Scheme (PM FME)	67.83	
3	02	2403-00-101-0108-Development of animal resources and Animal Health Management - Saat Nishchay - 2	166.00	
4		2403-00-789-0112-Development of animal resources and management of animal health - Saat Nishchay - 2	32.00	
5		2405-00-789-0102-Fisheries Estates-Saat Nishchay - 2	28.44	
6	03	4202-02-104-0111-Construction/re-construction up gradation of buildings of industrial training institute- Saat Nishchay-2	117.00	
37		4202-02-789-0102- Construction/re-construction up gradation of buildings of industrial training institute- Saat Nishchay-2	35.00	
8		4235-02-104-0102-Old Age Home-Saat Nishchay- 2	50.00	
9		4408-02-101-0101-Programme for construction of godown for food storage for targeted Public Distribution System	50.00	
10		4408-02-101-0102-Construction of Food Storage Godown (NABARD sustained)	135.00	
11		09	4425-00-108-0166-Promoting vegetable based cooperatives	37.50
12			4425-00-108-0465-Integrated Co-operative Development Project	49.52
13		10	4801-05-190-0208-Backward Region Grant Fund (BRGF State Component for BSPTCL)	489.93
14	12	2054-00-098-0001-Local Fund Audit	32.27	
15	16	2515-00-198-0115-Clean Village - Nishchay-2 Program	124.50	
16	18	2408-01-101-0201-Inter-State Handling of Food and Fair Price Shop Dealers Margins under NFSA	300.00	
17	19	2406-04-103-0104-Net present value of forest land	55.06	
18	20	2210-01-103-0301-up gradation of IGIMS under Prime Minister's Health Protection (PMSSY) Phase-5 (B)	73.06	
19		2210-01-200-0111-Operating of Ambulance Service	25.00	
20		2210-03-103-0103-Construction/re-construction up gradation of buildings of industrial training institute- Saat Nishchay-2	100.00	
21		2210-03-796-0202-National Health Mission including NRHM.	30.00	
22		2235-60-110-0204-Social Security for Unorganised Labours including National Health Insurance Scheme	45.00	
23		4210-01-110-0112-Medical College Hospital (EAP)	25.00	
24		4210-02-103-0102-Renovation of Health Centre-Saat Nishchay-2	190.00	
25		4210-03-105-0110-Medical College (Externally Aided Scheme)	25.00	
26		21	2202-02-052-0103-Up gradation of High School	99.47
27			2202-02-110-0007-Assistance to Non Government Schools	616.61
28	2202-04-200-0204-Rashtriya Shiksha Mission-Sakshar Bharat		36.71	
29	2202-04-789-0202-Support for Educational Development to Teachers Training along with Adult Education		30.00	
30	4202-01-201-0106-Water life greenery		50.00	

Sl. No.	Grant No.	Head of accounts and description	Total unutilised provisions	
1	2	3	4	
31	26	2230-03-003-0234-Skills Strengthening for Industrial value enhancement (STRIYE)	50.00	
32	35	4070-00-051-0210-Border Area Development Programme (BADP)	51.09	
33	36	4215-01-102-0134-Construction of Rural Water Supply Schemes - Saat Nishchay - 2	390.00	
34	37	4515-00-103-0120-Additional connectivity - Saat Nishchay - 2	200.00	
35	40	3454-01-101-0403-Census 2021	37.47	
36	42	2215-02-105-0104-Lohia Sanitation Scheme -2 - Saat Nishchay - 2	50.00	
37		2215-02-105-0202-Swachh Bharat Mission(Rural)	480.00	
38		2216-03-796-0202-Indira Awaas Yojana (IAY)	40.00	
39		2515-00-102-0218-Shyama Prasad Mukherjee Rurban Mission.	127.66	
40	44	2225-01-102-0216-Pradhan Mantri Adarsh Gram Yojana (PMAGY)	40.00	
41		2225-02-796-0125-Development of Tharuhat Area	35.62	
42	48	2015-00-109-0001-Election of Municipal Corporations, Municipal Councils and Nagar Panchayats	25.00	
43		2215-02-105-0101- Solid and Liquid Waste Management- Saat Nishchay - 2	49.00	
44		2215-02-789-0103-Strom Water Drainage System - Saat Nishchay - 2	43.00	
45		2215-02-789-0104- Solid and Liquid Waste Management- Saat Nishchay - 2	183.00	
46		2217-01-051-0102-Construction of Moksha Dham - Saat Nishchay - 2	40.00	
47		2217-01-789-0205-Sabke Liye Awas (Urban) Mission.	48.00	
48		2217-03-051-0102-Construction of Moksha Dham - Saat Nishchay - 2	85.00	
49		2217-03-051-0201-Clean India Campaign	190.10	
50		2217-03-051-0301-Clean India Campaign	100.00	
51		3475-00-108-0202-National Urban Livelihood Mission	41.25	
52		3475-00-789-0202-National Urban Livelihood Mission	32.00	
53		49	4700-80-051-0310-North Koyal Reservoir Project (NABARD LTIF)	50.00
54		51	2235-02-104-0111-Operation of Old Age Homes- Saat Nishchaya-2 Welfare of old disabled and handicapped persons	40.00
		Total	5,653.04	

(Source: Detailed Appropriation Accounts, 2021-22)

Appendix- 3.11

(Reference: Paragraph 3.4.4)

Rush of Expenditure in the month of March 2022

(` in crore)

Sl. No.	Grant No. and name of the Department	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total expenditure during 2021-22	Expenditure incurred in March 2022	Percentage of total expenditure w.r.t. expenditure during	
								January – March 2022	March 2022
1	2	3	4	5	6	7	8	9	10
1.	01-Agriculture Department	108.57	454.88	359.25	1,005.24	1,927.94	512.77	52.14	26.60
2.	04-Cabinet Secretariat Department	56.63	39.83	87.91	253.38	437.75	227.78	57.88	52.03
3.	06-Election Department	37.01	38.25	67.97	165.90	309.14	77.20	53.66	24.97
4.	09-Co-Operative Department	142.50	164.50	124.55	445.24	876.79	212.10	50.78	24.19
5.	11-BC and MBC Welfare Department	5.14	1.92	887.95	1,957.93	2,852.95	326.33	68.63	11.44
6.	13-Interest Payment	1,663.59	2,820.54	2,236.79	7,101.01	13,821.93	4,150.85	51.37	30.03
7.	16-Panchayati Raj Department	917.16	1,367.24	1,156.30	4,738.15	8,178.85	3,825.49	57.93	46.77
8.	23-Industries Department	222.73	172.34	250.96	914.77	1,560.80	412.34	58.61	26.42
9.	25-Information Technology Department	6.62	39.06	16.60	73.67	135.96	26.58	54.19	19.55
10.	26-Labour Resource Department	45.34	54.90	67.65	580.67	748.57	536.35	77.57	71.65
11.	31-Parliamentary Affairs Department	0.58	0.46	0.54	3.67	5.25	3.31	69.92	62.92
12.	36-Public Health Engineering Department	207.36	570.41	481.00	1,403.03	2,661.81	767.80	52.71	28.85
13.	44-Scheduled Castes & Scheduled Tribes Welfare Department	92.22	69.27	226.17	1,068.82	1,456.48	706.82	73.38	48.53
14.	45-Sugar Industries Department	3.29	3.35	4.07	26.68	37.39	21.68	71.35	57.99
15.	46-Tourism Department	1.32	10.54	28.59	51.73	92.18	40.57	56.12	44.01
16.	48-Urban Development and Housing Department	531.72	243.95	1,608.05	4,557.72	6,941.43	2,222.23	65.66	32.01
	Total	4,041.80	6,051.44	7,604.35	24,347.61	42,045.20	14,070.20	57.91	33.46

(Source: Finance Accounts 2021-22)

Appendix- 3.12
(Reference: Paragraph 3.4.4)
Hundred per cent Expenditure incurred in March 2022
(₹ one crore and above in each case)

(₹ in crore)

Sl. No.	Grant No.	Head of accounts and description	100 per cent Expenditure During March
1	2	3	4
1.	01	2401-00-119-0224-National Horticulture Mission	7.97
2.		2401-00-119-0324-National Horticulture Mission	5.31
3.		2401-00-789-0235-National Horticulture Mission	1.54
4.		2401-00-789-0335-National Horticulture Mission	1.02
5.		2402-00-102-0213-Integrated Watershed Management Programme (IWMP)	12.71
6.		2402-00-102-0313-Integrated Watershed Management Programme (IWMP)	8.57
7.		2402-00-789-0202-Integrated Watershed Management Programme (IWMP)	2.67
8.		2402-00-789-0302-Integrated Watershed Management Programme (IWMP)	1.78
9.		2435-60-101-0101-Interest Grant on Agriculture Debt	4.15
10.	02	2403-00-109-0108-Bihar Kaushal Vikas Mission	1.66
11.		2403-00-789-0110-Pig development	1.97
12.		2404-00-191-0201-National Agriculture Development Scheme (RKVY) (ACA)	3.73
13.		2404-00-191-0301-Rastriya Kishi Vikas Yojna(RKVY)(ACA)	2.48
14.		2404-00-789-0203-National Agricultural Development Scheme (RKVY)(ACA)	1.97
15.		2404-00-789-0303-National Agricultural Development Scheme (RKVY)(ACA)	1.31
16.		2405-00-101-0117-Fisheries Estates-Seven Decision-2	1.97
17.	03	2059-80-053-0010-Repairs-Governor House	1.77
18.		2216-01-053-0004-Repairing of furniture and panelling in Chief Minister's Residence No. 1, Anne Marg, Patna	3.90
19.	10	2801-05-190-0001-North Bihar Power Distribution Company Ltd. (for reimbursement of payments towards entry tax on goods under Sam Vikash Yojana)	100.00
20.		6801-00-201-0105-Loans to Bihar State Hydro Electric Corporation (NABARD)	14.00
21.	12	5475-00-800-0101-Contribution to the share capital of State Government to Kshetriya Gramin Bank Investment	50.00
22.	13	2049-03-104-0001-Interest on General Provident Funds	698.00
23.		2049-03-104-0002-Interest on All India Administrative Service Provident Funds	17.50
24.		2049-03-108-0001-Interest on Insurance and Pension Fund	430.00
25.	14	6003-00-101-M0066-8.99% Bihar Govt. Stock 2022	500.00
26.		6003-00-101-M0067-9.03% Bihar Govt. Stock 2022	500.00
27.		6003-00-106-0004-Bihar Special Bond under UDAY	155.45
28.	15	2071-01-106-0001-Due contribution to Judges of High Court under Article 290 of the Constitution of India	4.53
29.	18	4408-02-101-0103-Construction of food storage godowns	12.68
30.	19	2406-02-110-0224-Project Tiger	4.14
31.		2406-02-110-0324-Project Tiger	3.85
32.	20	2210-01-110-0127-Mamata worker	61.81
33.		2210-02-200-0103-Development of Hospital of Natural Treatment and Dispensaries	24.73
34.		2210-02-200-0202-Medicinal Plant related mission including National AYUSH Mission	16.86

Sl. No.	Grant No.	Head of accounts and description	100 per cent Expenditure During March
1	2	3	4
35.	20	2210-02-200-0302-Medicinal Plant related mission including National AYUSH Mission	13.68
36.		2210-05-200-0002-State Health and Family Welfare Institution	1.45
37.		4210-01-110-0320-Prime Minister Health Protection Scheme (PMSY)	30.00
38.		4210-02-103-0101-Construction and Renovation of Referral Primary Health Centre and Additional Primary Health Centre	4.80
39.		4210-02-110-0101-AYUSH College, Hospital and Dispensary	25.00
40.	21	2202-03-102-0028-Aryabhata Knowledge University	5.98
41.		2202-03-104-0004-Rural University (Baroly Socity)	1.11
42.		2202-03-113-0101-Bihar Student Credit Card Scheme	4.00
43.		2202-80-004-0011-Lalit Narayan Mishra Institute of Economic Development and Social Changes	1.63
44.		4202-01-202-0115-Jal-Jivan-Hariyali	2.11
45.	22	2055-00-115-0303-National Scheme for modernisation of Police and other forces	25.76
46.		2055-00-115-0404-Nirbhya (National Wide Emergency Response System)	3.06
47.		2056-00-101-0104-Modernisation of Jail administration (central/divisional sub-jail)	2.63
48.	26	2230-03-003-0109-Modernisation of Machines	102.25
49.		2230-03-003-0130-Bihar Skill Development Mission Saat Nishchay - 2	129.30
50.		2230-03-789-0102-Bihar Skill Development Mission Saat Nishchay - 2	100.26
51.		2230-03-796-0122-Bihar Skill Development Mission Saat Nishchay - 2	5.44
52.		4202-02-104-0110-Modernization of machines Saat Nishchay -2	160.00
53.	30	2225-04-277-0101-Post Matric Scholarship	4.82
54.	31	2011-02-102-0201-National E-Vidhan application(NEVA)	1.97
55.		2011-02-102-0301-National E-Vidhan application(NEVA)	1.31
56.	37	4515-00-103-0216-Pradhan Manti Gram Sadak Yojana (PMGSY)	75.00
57.		4515-00-103-0316-Pradhan Manti Gram Sadak Yojana (PMGSY)	50.00
58.	38	2039-00-001-0109-Consolidated Excise Management System	2.00
59.	40	4047-00-789-0106-For Home less families Purchasing of Raiyati Land.	3.38
60.	41	3054-80-797-0101-Transfer to Central Road Fund	447.06
61.	42	2215-02-105-0302-Swachh Bharat Mission(Rural)	60.00
62.		2215-02-789-0204-Swachh Bharat Mission(Rural)	28.68
63.		2215-02-789-0304-Swachh Bharat Mission(Rural)	19.12
64.		2215-02-796-0206-Swachh Bharat Mission(Rural)	1.79
65.		2215-02-796-0306-Swachh Bharat Mission(Rural)	1.19
66.		2216-03-105-0107-Chief Minister Rural Housing Scheme	4.00
67.		2216-03-789-0105-Chief Minister Rural Housing Scheme	12.00
68.		2216-03-789-0202-Indira Awaas Yojana (IAY)	995.42
69.		2216-03-789-0302-Indira Awaas Yojana (IAY)	663.61
70.		2216-03-796-0104-Chief Minister Rural Housing Scheme	4.00
71.		2501-01-001-0104-Business Process Re-engineering	2.27
72.	44	2225-01-190-0001-Bihar State Scheduled Castes Co-operative Development Corporation, Patna	5.15
73.		2225-02-102-0201-Multipurpose Development of Scheduled Tribes - Received from Government of India under Section 275 (1) of the Constitution	6.42
74.		2225-02-102-0202-Special Central Assistance for Schedule Tribes	5.83
75.		2225-02-197-0101-Scholarship/Stipend	8.06

Sl. No.	Grant No.	Head of accounts and description	100 per cent Expenditure During March
1	2	3	4
76.	48	2215-01-191-0101-Grants-in-aid to Local Bodies for supply of drinking water	17.50
77.		2215-01-192-0101-Grants-in-aid to Municipal Councils for supply of drinking water	8.79
78.		2217-01-191-0124-Special cleanliness grant	22.47
79.		2217-03-192-0114-Special cleanliness grant	19.99
80.		2217-03-193-0113-Special cleanliness grant	14.27
81.		2217-80-191-0016-Grants in the light of Professional Tax	20.07
82.		2217-80-192-0009-Grants in the light of Professional Tax	8.51
83.		2217-80-193-0008-Grants in the light of Professional Tax	2.90
84.	49	2700-04-101-0002-Bihar State's share in the Maintenance Expenditure of Ban Sagar Reservoir	5.00
85.		2700-80-190-0001-Assistance to WALMI	3.91
86.		4711-01-799-0101-Miscellaneous Public Work Advances	1.78
87.	50	2702-02-016-0101-Bihar Centenary private Tube well Scheme	13.28
88.		2702-02-789-0101-Bihar Centenary private Tube well Scheme	2.56
89.	51	2235-02-103-0110-Nari Shakti Yojana	24.05
90.		2235-02-789-0108-Chief Minister Women Power Scheme	18.20
Total			5,864.85

(Source: Appropriation Accounts 2021-22)

Appendix- 3.13**(Reference: Paragraph 3.4.5)****Withdrawals from Contingency fund for non-contingent expenditure***(₹ in crore)*

Sl. No.	Grant No	Major Head	Name of Department	Purpose	Amount
1		2	3	4	5
1.	7	2070	Vigilance Department	To purchase 03 vehicles approved by the Administrative Post Category Committee.	0.34
2.	9	2425	Co-Operative Department	To purchase a vehicle to the Registrar, Cooperation Committee, Bihar, Patna for inspection, supervision and monitoring of various schemes.	0.18
3.		3451		To purchase a new car for the use of the Minister, Co- operative Department, Bihar.	0.25
4.		3451		To purchase a new car for the Secretary, Co-operative Department., Bihar	0.18
5.	19	2406	Environment and Forest Department	To purchase a new vehicle in place of a cancelled vehicle (Vehicle No. BR01AP9382) for field trip and inspection of Custodian, Patna Circle, Patna.	0.18
6.		3451		For payment of bills in hire carriage under Grant No. 19.	0.30
7.	21	2205	Education Department	Amount for renovation, strengthening and beautification of Gandhi Smriti Museum, patna.	3.00
8.	23	2852	Industries Department	To purchase a new car for office use of the	0.18
9.		3451		To purchase an Innova Car for use to the minister, Industry Department., Bihar, Patna.	0.44
10.		2851		To create Corpus Fund of Women Charkha Committee, Kadam Kuan, Patna.	2.00
11.		2851		To construct a building of Production-cum-Training Center, Women Charkha Committee, Kadam Kuan, Patna	6.72
12.	28	2014	High Court of Bihar	To purchase a new vehicle for the transferred and promoted Judges in the High Court, Patna.	2.31
13.	29	2853	Mines and Geology Department	To purchase a new vehicle for the Minister, Mines and Geology Department, Bihar.	0.22
14.		2853		To purchase a new vehicle to the Principal Secretary, Mines and Geology Deptt.	0.20
15.	32	2011	Legislature	To purchase six vehicles to the Chairman, Dy. Chairman and the Sachetgan for Bihar Legislative Assembly.	1.13
16.	40	2052		To purchase a new car for office use of the Minister, Revenue and Land	0.25

Sl. No.	Grant No	Major Head	Name of Department	Purpose	Amount
1		2	3	4	5
17.	42	2216	Revenue and Land Reforms Department	Sanction in State Item under Grant No. 42 for creation of P.M. Aawas Yojna.	640.42
18.		2505		Sanction in State Item under Grant No. 42 for creation of MNREGA scheme.	533.51
19.	43	3451	Science and Technology Department	To purchase a new vehicle for office use to the Minister, Science and Technology Deptt., Bihar, Patna.	0.25
20.	44	2225	Scheduled Castes & Scheduled Tribes Welfare Department	Advance for salary and other items in Scheduled Caste residential maintenance item.	0.60
21.	49	4700	Water Resources Department	Additional Amount in NABARD through Gaya Water Discharge Scheme	366.35
Total					1,559.01

(Source: Records of Finance Department, Government of Bihar)

Appendix- 3.14
(Reference: Paragraph 3.6.1.2)
Meagre expenditure on Disaster Risk Reduction (DRR) Schemes

(₹ in Lakh)

Sl. No.	Scheme	Total Provision	Expenditure up to March 2022
1	Establishing Early Disaster Warning System	200.00	0.00
2	Procurement of Motorboats <i>etc.</i> in the Flood Prone Districts.	250.00	0.00
3	Procurement and Maintenance of Communication Equipments	100.00	0.00
4	Establishment of Emergency Operation Centres (EOCs)	150.00	0.00
5	Construction of Warehouses	50.00	0.00
6	Capacity building of Stake holders for Disaster Reduction	100.00	0.00
7	Awareness Generation	150.00	25.00
8	Implementation of Bihar Road Map on Disaster Risk Reduction	1.00	0.00
9	Strengthening of State and District Disaster Management Authority.	108.99	54.59
10	Implementation of Sandai Framework for Disaster Risk Reduction.	18.00	0.00
11	Training of community Volunteers in Disaster (<i>Aapda Mitra</i>)	0.01	0.00
12	Capacity Building of EOCs.	3.11	0.41
Total		1,131.11	80.00

Appendix- 3.15

(Reference: Paragraph 3.6.2.3)

Details of ongoing projects under State plan and NABARD loan during last five years

Sl. No	Division	Name Of Work	Head / Sub Head	Date of Commencement	Scheduled date of completion	Revised Date of completion	Expenditure till June 2022 (₹ in crore)
1	Ara	Construction of 2 Lane Sasaram Bypass road (Beda to Morkar KM-0.00 to 9.00 K.M) with Earthen Should including R.O.B / Bridges over Bank of Irrigation Canal in the District of Rohtas on EPC mode in the State of Bihar.	Plan	07-09-20	06-09-22	06-12-22	18.95
2	Patna-1	Construction of Approach to Rail-cum- Road Bridge across river Ganga at Digha-Ghat near Sonepur in State of Bihar (Phase-II)	Plan	16-02-18	15-02-20	30-06-22	262.64
3	Saran Works	Construction of HL RCC Bridge with Utility Shifting and Protection work in the main Road near parisadan Siwan in left out portion of N.H-85 in Siwan District.	Plan	19-09-20	18-03-22		2.07
4	Katihar	Construction of RCC HL Bridge (1x14m+4x24m+1x14m) in 3rd KM of NH-31 between Ford Company to Gulabghat in Purnia District.	Plan	01-06-21	31-08-22		3.36
5	Patna-1	Construction of Cable Suspension Bridge (Laxman Jhula) across Punpun River at Punpun ghat at the east side of Railway bridge in district Patna	Plan	31-08-19	02-03-21	31-03-22	12.83
6	Patna-1	Construction of H.L. R.C.C. Bridge (6x18.00m) over river Punpun between Nashapur (Naubatpur Block) Poawan Ghat (Masaudhi Block) in Kahaguri-Khaurat Road in the district of Patna.	Plan	14-08-19	13-02-21	13-02-21	6.21
7	Patna-1	Construction of H.L. R.C.C. Bridge (6x18.00m) in place of damaged bridge in 12th Km of Pali-Ullar-Masaudhi Road under Pali Block in the district of Patna	Plan	06-03-19	05-03-21	05-03-21	7.50

Sl. No	Division	Name Of Work	Head / Sub Head	Date of Commencement	Scheduled date of completion	Revised Date of completion	Expenditure till June 2022 (₹ in crore)
8	Patna-1	Construction of H.L. R.C.C. bridge Musnaper to Masaurhi-Noubatpur via duct NH-83 Potahi & Patna Gaya Railway line cross 20 km in between Shahwajpur, Block-Pumpu and Chakkan Bigha, Block-Noubatpur Approach road, Protection work with LA (6x18m) on the punpun river.	Plan	05-03-19	04-03-21	04-03-21	5.85
9	Patna-1	(b) Construction of Balance work of one span out of three span H.L.R.C.C. Bridge	Nabard	13-08-21	30-06-22		1.74
10	Champanan (Motihari)	Construction of H.L. R.C.C. 2x30.00 mtr. In the district of West Champaran under Indo- Nepal Border Ch. 5.819 km. Near Inerwa Bazar.	Nabard	05-07-18	04-08-19		4.52
11	Bhagalpur	Re-setting, Repairing and maintenance work of 28 sets module of Pontoon bridge on Koshi river at Vijay Ghat between Naugachhia & Dholbajja for the Year 2017-22.	Plan	18-02-18	17-02-23		3.47
12	Gaya	Construction of (1) Boundary Wall (2) Road Development (3) Drainage (4) Electric Light- High Mask/Road light (5) Entrance Gate & Guard Room (6) Toilet Block of Krishi Bazar Samiti in the District of Jehanabad.	Plan	01-09-20	28-02-21		6.25
13	Gaya	Construction of (1) Boundary Wall (2) Road Development (3) Drainage (4) Electric Light- High Mask/Road light (5) Repair of Administrative Building if any (6) Toilet Block of Krishi Bazar Samiti Daudnagar in the district of Aurangabad.	Plan	04-09-20	03-03-21	31-03-22	11.15
14	Gaya	Construction of (1) Boundary Wall (2) Road Development (3) Drainage (4) Electric Light- High Mask/Road light (5) Repair of Administrative Building if any (6) Toilet Block of Krishi Bazar Samiti in the District of Gaya.	Plan	14-09-20	13-03-21	31-03-22	9.76
15	Gaya	Strengthen of Barun-Navinagar Road from Chainage 0.00 K.M. to 35.10 K.M. (Total length-35.10 K.M.) including earth work, road crust work, cross drainage work, R.C.C. drain work and misc. work in Aurangabad District.	Plan	10-06-20	09-06-21	31-05-22	33.61

Sl. No	Division	Name Of Work	Head / Sub Head	Date of Commencement	Scheduled date of completion	Revised Date of completion	Expenditure till June 2022 (₹ in crore)
16	Nalanda	Construction of H.L. R.C.C. Bridge 8 x 18mtr. In place of Old Screw pile bridge connecting Rajauli Bazar to NH 31 across river Dhanarjay Under Block - Rajauli in Dist. Nawada.	Plan	30-10-19	29-04-21		8.39
17	Nalanda	Construction of (1) Boundary wall (2) Road Development(3) Drainage(4) Electric Light- High Mast/Road/Street light (5) Repair of Existing Building if any (6) Entrance Gate & Guard Room (7) Toilet Block of Bazar krishi samiti, Biharsharif, Phase-I	Plan	24-02-20	23-08-20		6.11
18	Gaya	Construction of H.L. R.C.C. bridge with approach road over Morhar River in Pai Bigha-Ghejan Road in Jehanabad District.	Plan	20-09-20	19-12-21		3.28
19	Gaya	Construction of H.L. R.C.C. bridge over River Dardha between Hospital More and Horiganj on N.H.-83 in place of old bridge in the District of Jehanabad.	Plan	07-01-20	06-07-21	31-03-22	6.74
20	External Division-2 (Kishanganj)	Construction of 4x16.00m HL R.C.C Bridge including Approach road, Protection Work, Land Acquisition work and Miscellaneous work in 21st km of Bahadurganj-Terhagachh Road in the District of Kishanganj.	Plan	19-09-20	18-12-21		3.55
21	Gaya	Construction of H.L. R.C.C. bridge with approach road in 7th K.M. of Tetariya More to Koiridih Road in Aurangabad District.	Plan	27-02-20	26-08-21	30-04-22	4.85
22	Gaya	Construction of H.L. R.C.C. bridge with approach road in Mamka More to Jakhim Railway Station Road in Rafiganj Block of Aurangabad District.	Plan	27-04-20	26-10-21	30-06-22	4.97
23	External Division-2 (Kishanganj)	Construction of 5X16.00M H.L.R.C.C Bridge over Kankai river under Kochadhaman Block in 15th km. of Mastan Chowk-Bagalbari-Rahmatpara-Alta-Barbatta road in the District of Kishanganj	Plan	06-10-18	05-04-20		9.29
24	Gaya	Construction of H.L. R.C.C. bridge (10 x 18.00 M) over River Dardha including approach road between Paibgha Bazar to Balabigha village in the District of Gaya.	Plan	17-09-20	16-09-22		0.81
25	Ara	Construction of High Level RCC Bridge (4x18.0)m in 40th K.M. of Bhabhua Adhaura Road (At Tala Village) across Suara River in Kaimur (Bhabhua) District.	Plan	17-01-20	16-04-21	16-07-21	0.00

Sl. No	Division	Name Of Work	Head / Sub Head	Date of Commencement	Scheduled date of completion	Revised Date of completion	Expenditure till June 2022 (₹ in crore)
26	Ara	Construction of H.L.RCC Bridge at 19th K.M. of Mohania-Ramgarh road (2x18+4x26) m across Durgawati River in Kaimur District.	Plan	21-08-18	20-08-20	20-11-20	10.51
27	Saharsa	Construction of HL R.C.C Bridge in N.H 106 Karama More to Alamnagar Road at place of damage Drainage (3x18.00M) including Approach Road in District of Madhepura,	Plan	22-05-21	21-05-22		.75
28	Saharsa	Construction of High Level RCC Bridge (5x21.00M Well Foundation) including Approach Road & Protection Work at 8.00 KM of Thalha to N.H. - 57 Road via Deepnagar, Fulkahi, Ramvishnupur in the District of Suapul.	Plan	10-09-20	09-09-22		5.88
29	Khagaria	Construction of Marketing yard in the district of Begusarai with boundary wall, Road work, Drain work, Guard Room, High Mast Light & Toilet Work	Plan	08-08-20	22-02-21		8.50
30	Khagaria	Construction of H.L. RCC Bridge over Chanha River at Chhanch Ghat in 3rd km. of Bishanpur-Sumbha Road of Khagaria District.	Plan	23-10-18	22-04-20		10.17
31	Muzaffarpur	Construction of Pontoon Bridge in river Ganga between Chakosanghat to Jamindari Ghat (including opening & Resetting for 5 Years) of Bidupur in district Vaishali.	Plan	06-02-18	05-02-23		7.23
32	Darbhanga	Construction of H.L.R.C.C. Bridge in Ch.- 4.4, 5.5 & 9th KM at Kuseswarasthan to Phultora road in the district of Darbhanga.	Plan	02-03-19	01-03-22		44.33
33	Darbhanga	Construction of H.L.R.C.C. Bridge (3x21.00M) at Ch.- 19.8 Kuseswarasthan to Phultora in the district of Darbhanga.	Plan	02-03-19	01-09-20	31-03-22	3.85
34	Darbhanga	Construction of H.L.R.C.C. Bridge (5x21.00M) at Ch.- 18th Kuseswarasthan to Phultora in the district of Darbhanga.	Plan	02-03-19	01-03-21	31-03-22	10.08
35	Darbhanga	Construction of H.L RCC Bridge (4 X18.75 M) across River Kamla at Rasiyari Ghat in the Shiv Nagar Ghat to Ghanshyampur –Rasiyari Ghat Road in the District of Darbhanga	Plan	25-01-21	24-01-23		2.16
36	Darbhanga	Construction of High Level R.C.C. Bridge in 3.8th k.m. (3x21.00m) of Kuseswarasthan to Phultora road in the District of Darbhanga.	Plan	02-03-19	01-03-21	31-03-22	9.36

Sl. No	Division	Name Of Work	Head / Sub Head	Date of Commencement	Scheduled date of completion	Revised Date of completion	Expenditure till June 2022 (₹ in crore)
37	Darbhangha	Construction of H.L. RCC Bridge (4 X18.75 M) across River Kamla at Rasiyari Ghat in the Shiv Nagar Ghat to Ghanshyampur -Rasiyari Ghat Road in the District of Darbhanga	Plan	25-01-21	24-01-23		.29
38	Nalanda	Protection Work of Piers of High Level RCC Bridge 18 x 24.75 m in Kiul river between Maliya Nagardar & Tetarhat Block- Ramgarhchowk in Dist- Lakhisarai.	Nabard	12-09-19	11-06-20		40.03
39	Nalanda	Construction of H.L.R.C.C Bridge 3x16.00m with diversion, Protection work , dismantling work and Approach Road in the 20th km of Sheikhpura –Arha Road.	Plan	14-08-19	13-11-20		5.49
40	Champaran (Motihari)	Construction of H.L. R.C.C. 2x20.00 mtr. In the district of West Champaran under Indo- Nepal Border Ch. 5.819 km. Near Inerwa Bazar. Pile Foundation	Nabard	05-02-18	04-08-19		1.94
Total							598.47

Appendix- 3.16

(Reference: Paragraph 3.6.2.3)

Details of stopped or mid-way closed projects

(₹ in crore)

Sl. No.	Region	Name of the Work	Targeted Work Completion date	Agreement Amount	Expenditure up to 31.3.2022	Remarks
1	North Bihar	Construction of R.C.C. Drain in Jalley-Aterbel Road (14.510 Km), Jalley-Shankar chowk to Ghoghrahachatti Road (1.79 Km) and Jalley-Jogyiyara-Makiya Road (1.0 Km)	22.04.2021	11.54	0.98	Scheme is closed. Drain-4.75
2	North Bihar	Construction of Road from Ekmathat 2nd Km of Darbhanga-Samastipur Road (SH-50) to Sobhangram village (NH-57) on the western embankment of Khiroi river.	23.10.2020	7.29	0.17	Scheme is closed.
3	North Bihar	Construction of 1/22/0 RCC Box Culvert in km 7, 8, 10, 11, 12, 13 & 14 OF MMB ROAD for the year 2017-18	12.11.2019	1.62	0.53	(1) Work Closed. (2) Proposal for premature closure of the agreement has been sent to S.E Darbhanga due to unavailability of required land for construction vide letter no 1219 (we) dt- 02.12.2019 to S.E. Letter no. 2178, dt- 31.12.2019 to C.E.
4	North Bihar	Construction of Cement Concrete Pavement (PQC) and Drain in KM-13 (700m), 14 (500m, and 15 (500m) for Motihari-Chauradano road.	06.01.2020	7.41	3.57	PQC work complete. Foreclosure of agreement under process
5	North Bihar	W/S work in km 0 to 9.928 of Minapur-Tengraha Road.	03.10.2019	9.76	5.24	Work completed in available land & closed as per Deptt Lt No-7348 (E) Dt-15.11.2021
6	North Bihar	W/S work in km 0.00 to 10.195 of Rajepur-Karchauliya Road.	11.12.2019	10.41	8.52	Work completed in available land & closed as per Deptt Lt No-7348 (E) Dt-15.11.2021
Total				48.03	19.01	

Appendix- 3.17
(Reference: Paragraph 3.6.2.3)
Details of delayed projects

Sl. No.	Region	Name of the Work	Targeted Work Completion date	Agreement Amount	Expenditure up to 31.3.22	Remarks
Projects delayed and incomplete due to encroachment issues						
1	North Bihar	Const. of Kasraur Middle School to Harsinghpur CRF road via NarmChowk (CMBD)	12.02.2019 (C) 12.042024 (M) 31.01.2021 (EOT)	11.27	6.98	Work delay due to encroachment
2	North Bihar	IRQP Work of Bahera Bazar to Katwasa Road in km 0.00 to 10.835 in Darbhanga District for the year 2019-20	12.02.2021	9.24	8.11	Mastic Work 0.5 km Completed Work Delay due to Encroachment
3	North Bihar	Construction of Boundary Wall of Govt. Land Adjacent to I.B. Dumariyaghat Gopalganj for Year 2019-20	09.11.2021	0.82	0.68	Boundary wall completed except encroachment part. Encroachment suit filed by at CO
4	South Bihar	Const. of Boundary wall of Jagdishpur Godown and Section office land	23.01.2020	0.25	0.05	Letter has been sent to CO Jagdishpur to Cancel the mutation of encroachment. Recently Communicated to ADM Bgp through EE Lt. No. 851 dt. 21-05-21 for cancelling the mutation. No. of Pillar Casted-60 Nos. B/W- 140m
Total				21.59	15.82	
Projects delayed and incomplete due to land Acquisition issues						
5	South Bihar	W/s Noorsarai to Silao Road	08.05.2015	46.12	136.82	Delay due to L.A Issue Out of total 16 mauzas, land in 07 mauzas is already acquired. LA process is at last stage in 9 mauzas. Total new alignment-12.541 kms (Straight Length-9.05 Km. Nari Bypass-0.95 Km, Jagdishpur-Tiyari-1.61 km, Paparnausa Bypass - 0.931 km)

(₹ in crore)

Sl. No.	Region	Name of the Work	Targeted Work Completion date	Agreement Amount	Expenditure up to 31.3.22	Remarks
6	South Bihar	Widening and Strengthening (Four Lanning) of Sadikpur-Pabhera-Masauthi road.	Actual - 20.08.2021 Extended -20.11.2021 As per EOT Granted due to COVID-19 Vide Lt. No.-2016(E) Wc, Dtd.-12.03.2021	201.00	180.00	Work in Progress. (EPC Mode.) Work hampered in 1.50 km in Dhanarua market due to land dispute CWJC in Hon'ble High Court. Shifting of Temples are under Progress.
7	South Bihar	W/s Work in Karma More to Bijoi High School Via Kasma - Pirauta - Dewaria - Fiesher - Alampur - Bakan - Dosma - Newara More - Rajjoi - Bijoi Road.	30.04.21	15.03	9.15	Work in two stretches (Total 400m) stopped by villagers due to land dispute. Drain-2.00 km, P.Wall-0.525 Paver Block-1.85 km
8	South Bihar	W/s work in Beri - Kalali toBhadwa Via Pirthu Bishambharpur Karwa Kharaukhar Gothani Road.	20.02.21	25.62	19.37	Work in progress. Land dispute in 100m (approx.) Drain-3.245 km
9	South Bihar	Construction of Gaya - Nalanda Road to Bairka via Harli (near Mayapur) Saraiya, Budhdharaiya, HudrahiGharaiya, Kobwa road.	19.01.2021 (21.10.2020 + 90 days)	19.69	15.91	Land dispute in1100 m length (8th km 100 m length, 10th km 400 m length, 12th km 160 m length, 14th km 130 m length, 15th km 250 m length, 16th 60 m length Work is in progress.
10	South Bihar	Construction / Improvement of Bodhgaya - Mohanpur road.	23.09.2019	16.05 Supply. Agreement - ₹ 2.66	16.71	Work completed. Except 70m length due to land dispute.
11	South Bihar	Widening & Strengthening of Bakror – Sohailpur via Dungeshwari Chowk road.	26.02.2020	6.61	5.46	Work has been completed rest in 175m length stretches is left due to public hindrance. A Letter has been sent for the settlement of Land dispute to the C.O. Bodhgaya, Gaya vide letter No. 1156 dt. 14.07.2020 in order to ensure work completion. Consent letter from the land owner has been demanded by letter No. 1156, 1157 and 1158 dt. 4.8.2021.
Total				330.10	383.42	

Sl. No.	Region	Name of the Work	Targeted Work Completion date	Agreement Amount	Expenditure up to 31.3.22	Remarks
Projects delayed and incomplete due to forest clearance and other forest related issues						
12	North Bihar	W/S OF SH-50 (Darbhanga-Samastipur road IN KM 38.00TH TO 43TH (P) & 43 (P) To 47 (P) (Total Length - 7.804 KM)	27.07.21 EOT 23.02.22	20.72	8.86	Divider work in progress. Work hamper due to no forest clearance & Nal Jal Pipe line work.
13	South Bihar	Widening & Strengthening of TO Laldaiya, Bhimayan, Chapri, Bhojhayat-Mohgay, RaksaChowk Road (Laldaiya SH-82 to RakshaChowk NH-333) Chainage	17.07.22(C) 17.07.27(M)	21.40	12.90	Work in progress. (Forest issue in 2.50 km), Discussed with DM, Jamui.
14	South Bihar	Widening & Strengthening Jhajha-Parasi-Amkoliya-Dudhrwara-Jurpania-Gaynbathan-Golnitand Road Chainage	19.04.22(C) 19.04.27(M)	23.41	13.27	Work in progress. (Forest issue in 6.64 KM) Requested SE for instruction regarding non-forest land in Lieu of forest land vide lt. no-1249(we) dt-11.12.21
15	South Bihar	Widening & Strengthening Sangawariya – Belatand – Pairamatiyana – Sardhodih – Tilawaria – Amjhari – Chhapardih – Amkoliya - Dudhrwa Road Chainage	18.03.22(C) 18.03.27(M)	25.59	10.31	Work in progress. (Forest issue in 7.10 KM). Discussed with DM, Jamui.
16	South Bihar	Widening & Strengthening Sangawariya – Belatand – Pairamatiyana – Sardhodih – Tilawaria – Amjhari – Chhapardih – Amkoliya - Dudhrwa Road Chainage	16.09.21(C) 16.09.26(M)	10.37	9.05	Work in progress. 15 nos. of CD to be D-scoped. Forest issue in 0.405 km. Rest completed dsicussed with DM, Jamui
17	South Bihar	Widening & Strengthening Narganjo (Railway Station) Borwa-Bhikha Chukijhor-Pargaha Road Chainage	26.05.22(C) 26.05.27(M)	28.09	12.86	Work in progress. (Forest issue in 3.90 KM). Joint verification with DFO has been done & report submitted to PCCF (CAMPA) Bihar, Patna dsicussed with DM, Jamui
18	South Bihar	Widening & Strengthening of Dulampur-Kiyajori-Gopidih (NH-333) Road	18.03.22(C) 18.03.27(M)	21.65	15.05	Work in progress. (Forest issue in 1.124 km) Discussed with DM, Jamui

Sl. No.	Region	Name of the Work	Targeted Work Completion date	Agreement Amount	Expenditure up to 31.3.22	Remarks
19	South Bihar	W/S GT Road to Bhalua-Bhagarth-Keb la-Paharpur Road (0.00 to 25.952)	01-02-2021 +90 days 02.05.2021	20.09	8.04	Bituminous and PQC work completed in Ch. 13.3 to 25.952 km, Work stopped in Ch. 0.00 to 0.60 km & ch. 1.5 to 13.3 km due to forest issue. Modified technical sanction descopeing forest land stretch (5.5km length) as per departmental direction has been provided by CE, South work in progress as per modified estimate. Drain-0.40 km
Total				171.32	90.34	

Appendix-4.1

(Reference: Paragraph 4.15)

Bodies/ Authorities, who had not entrusted audit of accounts to CAG

Sl. No.	Name of the Department	Name of the office	District
1.	Education	Simultalla Education Society (Simultalla Awasiya Vidyalaya) (Oct-19)	Jamui
2.	Education	Bihar Education Project council	Patna
3.	Education	LN Mishra Institute of Economic Development & Social change	Patna
4.	Education	A.N. Sinha Institute of Social Studies	Patna
5.	Education	Bihar School Examination Board (SS)	Patna
6.	Education	Bihar School Examination Board	Patna
7.	Health	IGIMS	Patna
8.	Health	Bihar State Aids Control Society	Patna
9.	Health	Bihar State Ayurvedic & Unani Medical Board	Patna
10.	Health	Bihar Nurses Ragistration Council, Patna	Patna
11.	Health	Bihar State Homeopathic Medical Board	Patna
12.	Labour Resources	Bihar Building And other Construction Workers Welfare Board	Patna
13.	Minority Welfare	Bihar State Sunni Wakf Board	Patna
14.	Minority Welfare	Syed Shaheed Shafedar Peer	Patna
15.	Minority Welfare	Bihar State Shia Wakf Board	Patna
16.	BC & EBC Welfare	State BC Commission	Patna
17.	SC & ST Welfare	Bihar Mahadalit Development Mission	Patna
18.	SC & ST Welfare	State Mahadalit Commission	Patna
19.	SC & ST Welfare	State SC Commission	Patna
20.	SC & ST Welfare	State ST Commission	Patna
21.	Social Welfare	Women Development Corporation	Patna
22.	Social Welfare	State Women Commission	Patna
23.	Social Welfare	Bihar State Social Welfare Board	Patna
24.	Social Welfare	Bihar Child Right Protection Commission	Patna
25.	Education	T.M. University	Bhagalpur
26.	Education	Vir Kunwar Singh Vishwavidyalay	Bhojpur
27.	Education	L.N. Mithila University	Darbhanga
28.	Education	Kameshwar Singh Darbhanga Sanskrit University	Darbhanga
29.	Education	Magadh University, Bodh Gaya	Gaya
30.	Education	Bhupendra Narayan Mandal University	Madhepura
31.	Education	Bihar University, Muzaffarpur	Muzaffarpur
32.	Education	Patna University	Patna
33.	Education	Aryabhatta University	Patna
34.	Education	Jai Prakash University	Saran
35.	Education	Bihar Rajya Madarsa Siksha Board	Patna
36.	Education	Bihar Rajya Sanskrit Shiksha Board	Patna

Sl. No.	Name of the Department	Name of the office	District
37.	Education	Bihar Mukht Vidhyalayi Shikshan and Parikshan Board	Patna
38.	Education	Bihar Council on Science & Technology	Patna
39.	Education	Patliputra University	Patna
40.	Education	Munger University	Munger
41.	Education	Maulana Majrul Haq Arabic & Persian University	Patna
42.	Education	Purnia University	Purnia
43.	Education	Nalanda Mukht Vishwavidhyalaya	Patna
44.	Education	Water and Land Management Institute (WALMI), Patna	Patna
45.	Disaster Management	Bihar State Disaster Management Authority (BSDMA)	Patna

(Source: Data compiled by Audit Office)

Appendix-5.1

(Reference: Paragraphs 5.1.3 and 5.5.1)
Financial performance of SPSEs covered in this Report (FY 2019-20, 2020-21 and 2021-22)

Sl. No.	Name of SPSEs	Year of Finalised Account	EBIT (Earnings before interest and tax)	Net profit/ loss after tax and preference dividend	Turnover	Total Paid up Capital	Investment (Paid up capital + Free Reserve + Long term loan)	Shareholders fund (Paid up capital + Reserve & surplus- accumulated loss-deferred revenue expenditure)	Capital employed (i.e. Share-holders fund plus Long term Borrowings)	Return on Capital employed (4×100/10)	Return on Investment (4×100/8)	Return on Equity (5×100/9)	Net worth (paid-up share capital + free reserves & surplus less accumulated loss and deferred revenue expenditure)
1	2	3	4	5	6	7	8	9	10	11=	12=	13=	14
(₹ in crore)													
2021-22													
Power													
1	Bihar State Power (Holding) Company Limited	2020-21	0.00	0.00	0.00	1,244.22 ⁸⁰	1,847.78	1,244.22	1,847.78	0.00	0.00	0.00	1,244.22
2	Bihar State Power Generation Company Limited	2020-21	-2.79	-2.79	0.00	4,812.96	4,812.96	577.04	577.04	-0.48	-0.06	-0.48	577.04
3	Lakhisarai Bijlee Company Private Limited	2019-20	0.00	0.00	0.00	0.01	0.01	-0.04	-0.04	0.00	0.00	0.00	-0.04
4	Pirpainti Bijlee Company Private Limited	2019-20	0.00	0.00	0.00	0.01	0.01	-0.04	-0.04	0.00	0.00	0.00	-0.04
5	Bihar State Power Transmission Company Limited	2020-21	204.82	91.41	886.80	8,076.82	11,303.09	9,088.96	11,303.09	1.81	1.81	1.01	9,088.96
6	Bihar Grid Company Limited	2021-22	369.18	143.97	452.62	645.06	3,017.14	1,024.16	3,017.14	12.24	12.24	14.06	1,024.16
7	North Bihar Power Distribution Company Limited	2020-21	-540.43	-801.51	7,679.29	12,144.43 ⁸¹	15,347.08	6,672.93	9,875.58	-5.47	-3.52	-12.01	6,672.93

⁸⁰ Government of Bihar (GoB) gives equity in Power Companies through Bihar State Power (Holding) Company Limited (BSPHCL) as per the Bihar Electricity Reform Transfer Scheme, 2012 (Transfer Scheme), dated October 31, 2012. Further, BSPHCL invests the stated fund as equity in Power Companies and retain balance equity which has not been invested. Subsidiary/Power Companies disclose equity in the name of BSPHCL in its annual accounts. In view of the above, the GoB investment as equity has been disclosed separately with subsidiary/joint venture (Power Companies). Further, BSPHCL distributes all expenditure/ income with its subsidiary Companies and disclose Nil Profit/Loss in its Profit & Loss Accounts in its Financial Statement.

⁸¹ GoB investment in NBPDCL has been taken as per BSPHCL investment in NBPDCL due to BSPHCL invests the fund as equity in Power Companies and retain balance equity which has not been invested. Subsidiary/Power Companies disclose equity in the name of BSPHCL in its annual accounts.

Sl. No.	Name of SPSEs	Year of Finalised Account	EBIT (Earnings before interest and tax)	Net profit/ loss after tax and preference dividend	Turnover	Total Paid up Capital	Investment (Paid up capital + Free Reserve + Long term loan)	Shareholders fund (Paid up capital + Reserve & surplus- accumulated loss-deferred revenue expenditure)	Capital employed (i.e. Share-holders fund plus Long term Borrowings)	Return on Capital employed (4×100/10)	Return on Investment (4×100/8)	Return on Equity (5×100/9)	Net worth (paid-up share capital + free reserves & surplus less accumulated loss and deferred revenue expenditure)
1	2	3	4	5	6	7	8	9	10	11=	12=	13=	14
8	South Bihar Power Distribution Company Limited	2020-21	-854.93	-1,140.50	9,022.43	12,770.34	16,927.07	1,626.85	5,783.58	-14.78	-5.05	-70.10	1,626.85
	Total Power		-824.15	-1,709.42	18,041.14	39,693.85	53,255.14	20,234.08	32,404.13	-2.54	-1.55	-8.45	20,234.08
Non-Power													
1	Bihar State Agro Industries Development Limited (Agriculture)	2020-21	-0.02	-0.67	0.00	7.64	38.62	-182.97	-151.99	0.01	-0.05	0.37	-182.97
2	Bihar Forestry Development Corporation Limited (Others)	2020-21	0.00	0.00	0.52	0.34	1.26	1.26	1.26	0.00	0.00	0.00	1.26
3	Bihar State Educational Infrastructure Corporation Limited (Infrastructure)	2019-20	7.14	7.14	22.39	20.00	258.36	258.36	258.36	2.76	2.76	2.76	258.36
4	Bihar State Education Finance Corporation Limited (Finance)	2020-21	0.34	0.25	0.00	9.50	10.25	10.25	10.25	3.32	3.32	2.44	10.25
5	Patna Metro Rail Corporation (Service)	2020-21	4.62	3.32	0.00	426.00	428.96	428.96	428.96	1.08	1.08	0.77	428.96
6	Bihar State Financial Corporation (Finance)	2019-20	36.26	18.58	6.97	77.84	316.14	-405.38	-176.91	-20.50	11.47	-4.58	-405.38
7	Bihar State Beverages Corporation Limited (Others)	2019-20	-1.48	-1.48	0.00	5.00	89.24	89.24	89.24	-1.66	-1.66	-1.66	89.24
8	Bihar State Road Development Corporation Limited (Infrastructure)	2019-20	40.99	26.63	2,325.87	20.00	584.53	584.53	584.53	7.01	7.01	4.56	584.53
	Total Non-Power		87.85	53.77	2,355.75	566.32	1727.36	784.25	1043.7	8.42	5.09	6.86	784.25
	Grand Total (2021-22)		-763.30	-1,655.65	20,396.89	40,260.17	54,982.5	21,018.33	33,447.83	-2.20	-1.34	-7.88	21,018.33

Sl. No.	Name of SPSEs	Year of Finalised Account	EBIT (Earnings before interest and tax)	Net profit/loss after tax and preference dividend	Turnover	Total Paid up Capital	Investment (Paid up capital + Free Reserve + Long term loan)	Shareholders fund (Paid up capital + Reserve & surplus- accumulated loss-deferred revenue expenditure)	Capital employed (i.e. Share-holders fund plus Long term Borrowings)	Return on Capital employed (4×100/10)	Return on Investment (4×100/8)	Return on Equity (5×100/9)	Net worth (paid-up share capital + free reserves & surplus less accumulated loss and deferred revenue expenditure)
1	2	3	4	5	6	7	8	9	10	11=	12=	13=	14
2020-21													
Power													
1	Bihar State Power (Holding) Company Limited	2020-21	0.00	0.00	0.00	1244.22	1,847.78	1,244.22	1,847.78	0.00	0.00	0.00	1,244.22
2	Bihar State Power Generation Company Limited	2020-21	-2.79	-2.79	0.00	4812.96	4,812.96	577.04	577.04	-0.48	-0.06	-0.48	577.04
3	Lakhisarai Bijlee Company Private Limited	2019-20	0.00	0.00	0.00	0.01	0.01	-0.04	-0.04	0.00	0.00	0.00	-0.04
4	Pirpainti Bijlee Company Private Limited	2019-20	0.00	0.00	0.00	0.01	0.01	-0.03	-0.03	0.00	0.00	0.00	-0.03
5	Bihar State Power Transmission Company Limited	2020-21	204.82	91.41	886.8	8076.82	11,303.09	9,088.96	11,303.09	1.81	1.81	1.01	9,088.96
6	Bihar Grid Company Limited	2020-21	358.2	154.82	460.2	580.59	2,742.44	815.73	2,742.44	13.06	13.06	18.98	815.73
7	North Bihar Power Distribution Company Limited	2020-21	-540.43	-801.51	7,679.29	12144.43	15,347.08	6,672.93	9,875.58	-5.47	-3.52	-12.01	6,672.93
8	South Bihar Power Distribution Company Limited	2020-21	-854.93	-1,140.50	9,022.43	12770.34	16,927.07	1,626.85	5,783.58	-14.78	-5.05	-70.10	1,626.85
	Total Power		-835.13	-1,698.57	18,048.72	39,629.38	52,980.44	20,025.66	32,129.44	-2.60	-1.58	-8.48	20,025.66
Non-Power													
1	Bihar State Agro Industries Development Limited (Agriculture)	2020-21	-0.02	-0.67	0.00	7.64	38.62	-182.97	-151.99	0.01	-0.05	0.37	-182.97
2	Bihar Forestry Development Corporation Limited (Others)	2020-21	0.00	0.00	0.52	0.34	1.26	1.26	1.26	0.00	0.00	0.00	1.26
3	Bihar State Educational Infrastructure Corporation Limited (Infrastructure)	2019-20	7.14	7.14	22.39	20.00	258.36	258.36	258.36	2.76	2.76	2.76	258.36
4	Bihar State Education Finance Corporation Limited (Finance)	2020-21	0.34	0.25	0.00	9.50	10.25	10.25	10.25	3.32	3.32	2.44	10.25

Sl. No.	Name of SPSEs	Year of Finalised Account	EBIT (Earnings before interest and tax)	Net profit/ loss after tax and preference dividend	Turnover	Total Paid up Capital	Investment (Paid up capital + Free Reserve + Long term loan)	Shareholders fund (Paid up capital + Reserve + surplus- accumulated loss-deferred revenue expenditure)	Capital employed (i.e. Share-holders fund plus Long term Borrowings)	Return on Capital employed (4×100/10)	Return on Investment (4×100/8)	Return on Equity (5×100/9)	Net worth (paid-up share capital + free reserves & surplus less accumulated loss and deferred revenue expenditure)
1	2	3	4	5	6	7	8	9	10	11=	12=	13=	14
5	Patna Metro Rail Corporation (Service)	2020-21	4.62	3.32	0.00	426	428.96	428.96	428.96	1.08	1.08	0.77	428.96
6	Bihar State Financial Corporation (Finance)	2019-20	36.26	18.58	6.97	77.84	306.31	-405.38	-176.91	-20.50	11.84	-4.58	-405.38
7	Bihar State Beverages Corporation Limited (Others)	2019-20	-1.48	-1.48	0.00	5.00	89.24	89.24	89.24	-1.66	-1.66	-1.66	89.24
8	Bihar State Road Development Corporation Limited (Infrastructure)	2019-20	40.99	26.63	2,325.87	20.00	584.53	584.53	584.53	7.01	7.01	4.56	584.53
	Total Non-Power		87.85	53.77	2,355.75	566.32	1,717.53	784.25	1,043.70	8.42	5.11	6.86	784.25
	Grand Total (2020-21)		-747.28	-1,644.80	20,404.47	40,195.70	54,697.97	20,809.91	33,173.14	-2.25	-1.37	-7.90	20,809.91
2019-20													
Power													
1	Bihar State Power (Holding) Company Limited	2019-20	0.00	0.00	0.00	1,271.06	1,709.56	1,271.06	1,709.56	0.00	0.00	0.00	1,271.06
2	Bihar State Power Generation Company Limited	2019-20	-2.56	-2.56	0.00	4,812.96	4,812.96	579.85	579.85	-0.44	-0.05	-0.44	579.85
3	Lakhsarai Bijlee Company Private Limited	2019-20	0.00	0.00	0.00	0.01	0.01	-0.04	-0.04	0.00	0.00	0.00	-0.04
4	Pirpanti Bijlee Company Private Limited	2019-20	0.00	0.00	0.00	0.01	0.01	-0.04	-0.04	0.00	0.00	0.00	-0.04
5	Bihar State Power Transmission Company Limited	2019-20	445.18	460.16	1,033.08	7,949.99	9,655.82	8,691.79	9,655.82	4.61	4.61	5.29	8,691.79
6	Bihar Grid Company Limited	2019-20	124.81	31.63	207.84	514.58	2,284.81	594.9	2,284.81	5.46	5.46	5.32	594.9
7	North Bihar Power Distribution Company Limited	2019-20	-1,068.89	-1,282.88	7,469.78	11,653.84	13,135.11	6,482.83	7,964.10	-13.42	-8.14	-19.79	6,482.83
8	South Bihar Power Distribution Company Limited	2019-20	-1,501.20	-1,664.84	8,367.20	12,267.96	13,787.68	2,233.22	3,752.94	-40.00	-10.89	-74.55	2,233.22

Sl. No.	Name of SPSEs	Year of Finalised Account	EBIT (Earnings before interest and tax)	Net profit/ loss after tax and preference dividend	Turnover	Total Paid up Capital	Investment (Paid up capital + Free Reserve + Long term loan)	Shareholders fund (Paid up capital + Reserve & surplus- accumulated loss-deferred revenue expenditure)	Capital employed (i.e. Share-holders fund plus Long term Borrowings)	Return on Capital employed (4×100/10)	Return on Investment (4×100/8)	Return on Equity (5×100/9)	Net worth (paid-up share capital + free reserves & surplus less accumulated loss and deferred revenue expenditure)
1	2	3	4	5	6	7	8	9	10	11=	12=	13=	14
Non-Power													
	Total Power		-2,002.66	-2,458.49	17,077.90	38,470.41	45,385.96	19,853.57	25,947.00	-7.72	-4.41	-12.38	19,853.57
1	Bihar State Agro Industries Development Limited (Agriculture)	2019-20	0.01	-9.12	0.00	7.64	38.62	-182.31	-151.33	-0.01	0.03	5.00	-182.31
2	Bihar Forestry Development Corporation Limited (Others)	2019-20	0.00	0.00	0.3	0.34	1.26	1.26	1.26	0.00	0.00	0.00	1.26
3	Bihar State Educational Infrastructure Corporation Limited (Infrastructure)	2019-20	7.14	7.14	22.39	20.00	258.36	258.36	258.36	2.76	2.76	2.76	258.36
4	Bihar State Education Finance Corporation Limited (Finance)	2019-20	0.35	0.26	0.00	9.50	9.99	9.99	9.99	3.50	3.50	2.60	9.99
5	Patna Metro Rail Corporation (Service)	2019-20	-0.36	-0.36	0.00	110.5	110.05	109.69	109.69	-0.33	-0.33	-0.33	109.69
6	Bihar State Financial Corporation (Finance)	2019-20	36.26	18.58	6.97	77.84	306.31	-405.38	-176.91	-20.50	11.84	-4.58	-405.38
7	Bihar State Beverages Corporation Limited (Others)	2019-20	-1.48	-1.48	0.00	5.00	89.24	89.24	89.24	-1.66	-1.66	-1.66	89.24
8	Bihar State Road Development Corporation Limited (Infrastructure)	2019-20	40.99	26.63	2,325.87	20	584.53	584.53	584.53	7.01	7.01	4.56	584.53
	Total Non-Power		82.91	41.65	2,355.53	250.37	1,398.36	465.38	724.83	11.43	5.93	8.94	465.38
	Grand Total (2019-20)		-1,919.75	-2,416.84	19,433.43	38,770.78	46,784.32	20,318.95	26,671.83	-7.20	-4.10	-11.89	20,318.95

(Source: Compiled based on the latest finalised accounts of SPSEs.)

Appendix-5.2

(Reference: Paragraph 5.1.3)

Details of State PSEs not covered in this Report

(₹ in crore)

Sl. No.	Sector and Name of the SPSE	Period of latest finalised accounts	Year in which finalised	Net profit/loss after tax	Turn over	Paid up capital
1	2	3	4	5	6	7
A.	Functional PSUs with arrears of accounts for three or more years/first accounts not received/not due					
I.	Government Companies					
1	Bihar Rajya Beej Nigam Limited	2008-09	2022-23	-2.49	0	3.71
2	Bihar State Credit & Investment Corporation Limited	2015-16	2021-22	0.00	0.00	15.12
3	Bihar State Backward Classes Finance & Development Corporation	1998-99	2021-22	0.22	1.19	6.26
4	Bihar State Minorities Finance Corporation Limited	2015-16	2022-23	-3.04	3.24	39.89
5	Bihar Police Building Construction Corporation Limited	2017-18	2022-23	8.09	25.86	0.10
6	Bihar State Building Construction Corporation Limited	2018-19	2021-22	4.22	27.17	5.00
7	Bihar Rajya Pul Nirman Nigam Limited	2018-19	2022-23	42.74	84.42	3.50
8	Bihar State Urban Infrastructure Development Corporation LTD	2017-18	2019-20	8.95	209.17	5.00
9	Bihar State Tourism Development Corporation Limited	2014-15	2016-17	3.54	11.63	5.00
10	Bihar State Food & Civil Supplies Corporation Limited	2010-11	2021-22	-4.58	1,940.31	5.39
11	Bihar Medical Services & Infrastructure Corporation Limited	2017-18	2021-22	2.30	29.01	6.67
12	Bihar State Text Book Publishing Corporation Limited	2011-12	2020-21	114.46	233.43	0.48
13	Bihar State Hydroelectric Power Corporation Limited	2013-14	2020-21	28.28	13.54	99.04
14	Bihar State Film Development & Finance Corporation	2016-17	2019-20	0.43	0.2	1.00
15	Bihar State Mining Corporation Limited	-	-	-	-	-
16	Muzaffarpur Smart City Limited	-	-	-	-	-

Sl. No.	Sector and Name of the SPSE	Period of latest finalised accounts	Year in which finalised	Net profit/loss after tax	Turn over	Paid up capital
1	2	3	4	5	6	7
17	Biharshariff Smart City Limited	2018-19	2021-22	0.00	0.00	0.10
18	Patna Smart City	2018-19	2021-22	0.01	0	0.10
19	Bhagalpur Smart City	2018-19	2020-21	23.86	0	0.10
20	Bihar State Electronic Development Corporation Limited	2018-19	2020-21	25.37	424.73	25
	Sub Total			252.36	3,003.90	221.46
II	Statutory Corporations					
21	Bihar State Road Transport Corporation	2018-19	2021-22	-144.11	64.47	101.27
22	Bihar State Warehousing Corporation	2017-18	2022-23	11.67	226.94	6.42
	Sub Total			-132.44	291.41	107.69
	Total A			119.92	3295.31	329.15
B. (I)	Non-Functional Government Companies					
1	Bihar Rajya Matasya Vikas Nigam Limited	1992-93	1996-97	-0.22	0.00	1.75
2	SCADA Agro Business Company Limited	2014-15	2016-17	0.02	0.00	0.05
3	Bihar State Water Development Corporation Limited	1978-79	1997-98	2.17	0.00	5.00
4	Bihar State Dairy Corporation Limited	1997-98	2014-15	0.00	0.00	6.72
5	Bihar Hill Area Lift Irrigation Corporation Limited	1982-83	1983-84	-0.26	0.01	5.60
6	Bihar State Fruit & Vegetables Development Corporation Limited	2014-15	2018-19	1.47	0.00	1.91
7	Bihar Insecticide Limited (Subsidiary of Sl. No. B 26)	1986-87	1991-92	-1.03	0.00	0.57
8	SCADA Agro Business and Industries Company Khagaul Limited (Subsidiary of Sl. No. B 2)	-	-	-	-	-
9	SCADA Agro Business and Industries Company Dehri Limited (Subsidiary of Sl. No. B 2)	-	-	-	-	-
10	SCADA Agro Business and Industries Company Aurangabad Limited (Subsidiary of Sl. No. B 2)	-	-	-	-	-
11	SCADA Agro Business and Industries Company Mohania Limited (Subsidiary of Sl. No. B 2)	-	-	-	-	-

Sl. No.	Sector and Name of the SPSE	Period of latest finalised accounts	Year in which finalised	Net profit/loss after tax	Turn over	Paid up capital
1	2	3	4	5	6	7
12	Bihar Panchayati Raj Finance Corporation Limited	1984-85	1991-92	-0.01	0.00	1.44
13	Bihar State Handloom and Handicrafts Corporation Limited	1983-84	1996-97	-0.10	0.00	6.28
14	Bihar State Industrial Development Corporation Limited	2010-11	2017-18	-3.81	0.31	14.04
15	Bihar State Construction Corporation Limited	2002-03	2017-18	-3.52	23.34	7.00
16	Bihar State Mineral Development Corporation Limited	2001-02	2021-22	16.65	38.90	9.97
17	Bihar Solvent & Chemicals Limited (Subsidiary of Sl. No. B 27)	1986-87	1995-96	-0.32	0.00	0.66
18	Magadh Mineral Limited (Subsidiary of Sl. No. B 23)	-	-	-	-	-
19	Beltron Video System Limited (Subsidiary of Sl. No. A 20)	1989-90	2016-17	-0.34	0.44	3.06
20	Beltron Mining System Limited (Subsidiary of Sl. No. A 20)	1990-91	2017-18	0.14	0.41	1.32
21	Beltron Informatics Limited* (Subsidiary of Sl. No. A 20)	-	-	-	-	-
22	Bihar State Sugar Corporation Limited	1984-85	1996-97	-9.20	0.00	9.97
23	Bihar State Pharmaceuticals & Chemicals Development Corporation Limited	1985-86	1992-93	-0.17	0.00	3.62
24	Bihar Maize Product Limited (Subsidiary of Sl. No. B 23)	1983-84	1987-88	-0.03	0.00	0.67
25	Bihar Drugs and Chemicals Limited (Subsidiary of Sl. No. B 23)	1985-86	1991-92	-0.03	0.00	0.94
26	Bihar State Textiles Corporation Limited	1987-88	1995-96	-0.09	0.00	4.98
27	Bihar State Forest Development Corporation Limited	2001-02	2021-22	0.06	23.24	2.29
28	Bihar Paper Mills Limited (Subsidiary of Sl. No. B14)	1985-86	1997-98	-0.06	0.00	1.56
29	Bihar State Glazed Tiles & Ceramics Limited (Subsidiary of Sl. No. B23)	1985-86	1997-98	-0.08	0.00	0.16
30	Vishwamitra Paper Industries Limited (Subsidiary of Sl. No. B23)	1984-85	1988-89	-0.01	0.00	0.4

Sl. No.	Sector and Name of the SPSE	Period of latest finalised accounts	Year in which finalised	Net profit/loss after tax	Turn over	Paid up capital
1	2	3	4	5	6	7
31	Jhanjharpur Paper Industries Limited (Subsidiary of Sl. No.B23)	1985-86	1991-92	-0.01	0.00	0.42
32	Bihar State Tannin Extract Limited (Subsidiary of Sl. No. B27)	1988-89	1993-94	-0.32	0.00	1.03
33	Synthetic Resins (Eastern) Limited (Subsidiary of Sl. No. B23)	1983-84	1987-88	-0.02	0.00	0.09
34	Bihar Scooters Limited* (Subsidiary of Sl. No. B16)	-	-	-	-	-
Sub Total B (I)				0.88	86.65	91.50
B (II)	Companies under liquidation					
1	Kumardhubi Metal Casting & Engineering Limited (Subsidiary of Sl. No.B16)	1994-95	1995-96	-2.39	10.89	2.17
2	Bihar State Finished Leathers Corporation Limited (Subsidiary of Sl. No.B(II)(3))	1983-84	1986-87	-1.49	0.00	1.47
3	Bihar State Leather Industries Development Corporation Limited	1982-83	2004-05	-0.37	1.16	5.14
4	Bihar State Export Corporation Limited	1991-92	1999-00	0.10	4.94	2.00
5	Bihar State Small Industries Corporation Limited	1990-91	2005-06	-1.42	15.22	7.18
Sub Total B (II)				-5.57	32.21	17.96
Total B				-4.69	118.86	109.46
Grand Total (A+B)				115.23	3414.17	438.61

(Source: Compiled based on the latest finalised accounts of SPSEs.)

* SPSEs, which have not submitted/finalised their first accounts.

Appendix- 5.3

(Reference: Paragraph 5.8)

Budgetary support to SPSEs whose accounts were in arrears, as on 31 July 2022

Sl. No.	Name of SPSE	Investment made by the State Government in the SPSEs (up to 31 March 2022) whose accounts were in arrears						Total	Years from which accounts are in arrears	Accounts in arrears (as on 31 July 2022)
		Equity	Loans	Guarantee	Capital Grant	Subsidy				
A. FUNCTIONAL GOVERNMENT COMPANIES										
1	Bihar State Education Finance Corporation Limited	0.00	0.00	0.00	8.33	0.00	8.33	2021-22	1	
2	Patna Metro Rail Corporation	249.50	0.00	0.00	0.00	0.00	249.5	2021-22	1	
3	Biharsharif Smart City Limited	0.00	0.00	0.00	148.5	0.00	148.5	2019-20	3	
4	Muzaffarpur Smart City Limited	0.05	0.00	0.00	106.5	0.00	106.55	2017-18	5	
5	Patna Smart City Limited	0.00	0.00	0.00	88.5	0.00	88.50	2019-22	3	
6	Bihar State Mining Corporation	20.00	0.00	0.00	0.00	0.00	20.00	2017-18	5	
7	Bihar State Film Development and Finance Corporation Limited	0.00	0.00	0.00	2.45	0.00	2.45	2017-18	5	
8	Bihar State Tourism Development Corporation Limited	0.00	0.00	0.00	5.23	0.00	5.23	2015-16	7	
9	Bihar Police Building Construction Corporation Limited	9.90	0.00	0.00	0.00	0.00	9.90	2018-19	4	
10	Bihar State Minorities Finance Corporation Limited	40.11	0.00	30.00	95	0.00	165.11	2016-17	6	
11	Bihar Rajya Beej Nigam Limited	0.00	0.00	0.00	79.63	8.66	88.29	2009-10	13	
12	Bihar State Food & Civil Supplies Corporation Limited	0.00	1,000.48	10,000.00	0.00	4,750.20	15,750.68	2011-12	11	
13	Bihar State Backward Classes Finance & Development Corporation	18.10	0.00	0.00	0.00	0.00	18.10	1999-2000	23	

(₹ in crore)

Sl. No.	Name of SPSE	Investment made by the State Government in the SPSEs (up to 31 March 2022) whose accounts were in arrears						Accounts in arrears (as on 31 July 2022)		
		Equity	Loans	Guarantee	Capital Grant	Subsidy	Total		Years from which accounts are in arrears	
14	Bihar State Hydroelectric Power Corporation Limited	0.00	46.86	0.00	0.00	0.00	46.86	2014-15	8	
15	Bihar State Electronics Development Corporation Limited	19.34	0.00	0.00	0.00	0.00	19.34	2019-20	3	
16	Bihar State Power (Holding) Company Limited	1,430.00	0.00	0.00	757.63	0.00	2,187.63	2020-21 ⁸²	1	
17	North Bihar Power Distribution Company Limited	0.00	21.31	400.00	0.00	3,468.95	3,890.26	2020-21	1	
18	South Bihar Power Distribution Company Limited	0.00	28.00	450.00	0.00	0.00	478.00	2020-21	1	
19	Bihar State Power Transmission Limited	0.00	0.00	5,368.72	0.00	0.00	5,368.72	2020-21	1	
	Total A	1,787.00	1,096.65	16,248.72	1,291.77	8,227.81	28,651.95		102	
B. FUNCTIONAL STATUTORY CORPORATION										
1	Bihar State Warehousing Corporation	0.00	0.00	119.29	0.00	0.00	119.29	2018-19	4	
	Total B	0.00	0.00	119.29	0.00	0.00	119.29		4	
C. NON-FUNCTIONAL GOVERNMENT COMPANIES										
1	Bihar State Fruits & Vegetables Development Corporation Limited	0.00	1.00	0.00	0.00	0.00	1.00	2015-16	7	
2	Bihar State Industrial Development Corporation Limited	0.00	25.50	0.00	0.00	0.00	25.50	2011-12	11	
3	Bihar State Construction Corporation Limited	0.00	2.28	0.00	0.00	0.00	2.28	2003-04	19	
4	Bihar state Forest Development Corporation Limited	0.00	3.13	0.00	0.00	0.00	3.13	2002-03	20	
5	Bihar Rajya Matasya Vikas Nigam Limited	1.25	5.63	0.00	0.26	0.00	7.14	1993-94	29	

⁸² Bihar State Power (Holding) Company Limited has prepared standalone Financial Statement up to 2020-21.

Sl. No.	Name of SPSE	Investment made by the State Government in the SPSEs (up to 31 March 2022) whose accounts were in arrears							Accounts in arrears (as on 31 July 2022)
		Equity	Loans	Guarantee	Capital Grant	Subsidy	Total	Years from which accounts are in arrears	
6	Bihar State Export Corporation Limited	0.00	2.21	0.00	0.00	0.08	2.29	1992-93	30
7	Bihar State Small Industries Corporation Limited	0.00	1.66	0.00	0.00	2.47	4.13	1991-92	31
8	Bihar State Textile Corporation Limited	5.79	6.99	0.00	0.00	0.00	12.78	1988-89	34
9	Bihar State Pharmaceuticals & Chemical Development Corporation Limited.	12.92	52.95	0.00	0.00	0.00	65.87	1986-87	36
10	Bihar State Sugar Corporation Limited	11.21	365.32	0.00	0.00	197.93	574.46	1985-86	37
11	Bihar State Handloom & Handicrafts Corporation Limited.	3.72	56.26	0.00	0.00	0.48	60.46	1984-85	38
12	Bihar Hill Area Lift Irrigation Corporation Limited	5.22	18.78	0.00	0.00	55.41	79.41	1983-84	39
13	Bihar State Leather Industries Development Corporation Limited	12.26	43.18	0.00	0.00	0.00	55.44	1983-84	39
14	Bihar State Water Development Corporation Limited	5.00	154.33	0.00	0.00	0.00	159.33	1979-80	43
15	Bihar Scooter Limited	0.00	6.09	0.00	0.00	0.00	6.09	1977-78	45
	Total C	57.37	745.31	0.00	0.26	256.37	1,059.31		458
	Total (A+B+C)	1,844.37	1,841.96	16,368.01	1,292.03	8,484.18	29,830.55		564

(Source: Compiled based on the information provided by SPSEs)

Appendix-5.4

(Reference: Paragraph 5.9.2)

Details of SPSEs' accounts in arrears

I. Government Companies

Sl. No.	Name of the SPSE		Period for which accounts were in arrear	Number of accounts in arrear
A	B		C	D
Industry Department				
1	Bihar State Pharmaceuticals & Chemical Development Corporation Limited	Non-Functional Government Companies	1986-87 to 2021-22	36
2	Bihar State Handloom & Handicrafts Corporation Limited		1984-85 to 2021-22	38
3	Bihar State Industrial Development Corporation Limited		2011-12 to 2021-22	11
4	Bihar Scooters Limited		1977-78* to 2021-22	45
5	Bihar Insecticides Limited		1987-88 to 2021-22	35
6	Bihar State Textile Corporation Limited		1988-89 to 2021-22	34
7	Bihar Maize Product Limited		1984-85 to 2021-22	38
8	Bihar State Glazed Tiles & Ceramics Limited		1986-87 to 2021-22	36
9	Vishwamitra Paper Industries Limited		1985-86 to 2021-22	37
10	Bihar Drugs & Chemicals Limited		1986-87 to 2021-22	36
11	Jhanjharpur Paper Industries Limited		1986-87 to 2021-22	36
12	Bihar Paper Mills Limited		1986-87 to 2021-22	36
13	Synthetic Resins (Eastern) Limited		1984-85 to 2021-22	38
14	Magadh Minerals Limited		1984-85* to 2021-22	38
15	Bihar State Credit & Investment Corporation Limited	Functional Government Companies	2016-17 to 2021-22	06
Information Technology Department				
16	Bihar State Electronic Development Corporation Limited	Functional Government Companies	2019-20 to 2021-22	03
17	Beltron Video System Limited	Non-Functional Government Companies	1990-91 to 2021-22	32
18	Beltron Mining System Limited		1991-92 to 2021-22	31
19	Beltron Informatics Limited		Since 01.03.1988* to 2021-22	34
Environment & Forest Department				
20	Bihar Forestry Development Corporation Limited	Functional Government Companies	2021-22	01
21	Bihar State Tannin Extract Limited	Non-Functional Government Companies	1989-90 to 2021-22	33
22	Bihar State Solvent & Chemicals Limited		1987-88 to 2021-22	35
23	Bihar State Forest Development Corporation Limited		2002-03 to 2021-22	20

Sl. No.	Name of the SPSE		Period for which accounts were in arrear	Number of accounts in arrear
A	B		C	D
Energy Department				
24	Bihar State Hydroelectric Power Corporation Limited	Functional Government Companies	2014-15 to 2021-22	08
25	Bihar State Power (Holding) Company Limited ⁸³		2018-19 to 2021-22	04
26	Bihar State Power Transmission Company Limited		2021-22	01
27	Bihar State Power Generation Company Limited ⁸⁴		2020-21 to 2021-22	02
28	South Bihar Power Distribution Company Limited		2021-22	01
29	North Bihar Power Distribution Company Limited		2021-22	01
30	Pirpainti Bijlee Company Private Limited		2020-21 to 2021-22	02
31	Lakhisarai Bijlee Company Private Limited		2020-21 to 2021-22	02
Animal & Fisheries Resources Department				
32	Bihar Rajya Matasya Vikas Nigam Limited	Non-Functional Government Companies	1993-94 to 2021-22	29
33	Bihar State Dairy Corporation Limited		1998-99 to 2021-22	24
Water Resources Department				
34	Bihar State Construction Corporation Limited	Non-Functional Government Companies	2003-04 to 2021-22	19
Art, Culture & Youth Department				
35	Bihar State Film Development & Finance Corporation Limited	Functional Government Companies	2017-18 to 2021-22	05
Sugarcane Industries Department				
36	Bihar State Sugar Corporation Limited	Non-Functional Government Companies	1985-86 to 2021-22	37
Food & Consumer Protection Department				
37	Bihar State Food & Civil Supplies Corporation Limited	Functional Government Companies	2011-12 to 2021-22	11
Road Construction Department				
38	Bihar Rajya Pul Nirman Nigam Limited	Functional Government Companies	2019-20 to 2021-22	03
39	Bihar State Road Development Corporation Limited		2020-21 to 2021-22	02

⁸³ Bihar State Power (Holding) Company Limited has not prepared Consolidated Financial Statement from the year 2018-19 to 2021-22 and prepared only Standalone Financial Statement up to 2020-21

⁸⁴ Bihar State Power Generation Company Limited has not prepared Consolidated Financial Statement for the year 2020-21 and 2021-22. The Company prepared only Standalone Financial Statement up to 2020-21.

Sl. No.	Name of the SPSE		Period for which accounts were in arrear	Number of accounts in arrear
A	B		C	D
Home (Police) Department				
40	Bihar Police Building Construction Corporation Limited	Functional Government Companies	2018-19 to 2021-22	04
Minorities Welfare Department				
41	Bihar State Minorities Finance Corporation Limited	Functional Government Companies	2016-17 to 2021-22	06
Mines & Geology Department				
42	Bihar State Mineral Development Corporation Limited	Non-Functional Government Companies	2002-03 to 2021-22	20
43	Bihar State Mining Corporation Limited	Functional Government Companies	2017-18* to 2021-22	05
Panchayati Raj Department				
44	Bihar Panchayati Raj Finance Corporation Limited	Non-Functional Government Companies	1985-86 to 2021-22	37
Tourism Department				
45	Bihar State Tourism Development Corporation Limited	Functional Government Companies	2015-16 and 2021-22	07
Minor Irrigation Department				
46	Bihar State Water Development Corporation Limited	Non-Functional Government Companies	1979-80 to 2021-22	43
47	Bihar Hill Area Lift Irrigation Corporation Limited		1983-84 to 2021-22	39
Education Department				
48	Bihar State Text Book Publishing Corporation Limited	Functional Government Companies	2012-13 to 2021-22	10
49	Bihar State Educational Infrastructure Development Corporation Limited		2020-21 to 2021-22	02
50	Bihar State Education Finance corporation Limited		2021-22	01
Backward Class & Other Backward Class Welfare Department				
51	Bihar State Backward Classes Finance & Development Corporation	Functional Government Companies	1999-00 to 2021-22	23
Agriculture Department				
52	Bihar Rajya Beej Nigam Limited	Functional Government Companies	2009-10 to 2021-22	13

Sl. No.	Name of the SPSE		Period for which accounts were in arrear	Number of accounts in arrear
A	B		C	D
53	Bihar State Agro Industries Limited	Non-Functional Government Companies	2021-22	01
54	Bihar Fruits & Vegetables Development Corporation Limited		2015-16 to 2021-22	07
55	SCADA Agro Business Company Limited		2015-16 and 2021-22	07
56	SCADA Agro Business and Industries Company Khagaul Limited		1993-94* to 2021-22	29
57	SCADA Agro Business and Industries Company Dehri Limited	Non-Functional Government Companies	1993-94* to 2021-22	29
58	SCADA Agro Business and Industries Company Aurangabad Limited		1993-94* to 2021-22	29
59	SCADA Agro Business and Industries Company Mohania Limited		1993-94* to 2021-22	29
Excise & Prohibition Department				
60	Bihar State Beverages Corporation Limited	Functional Government Companies	2020-21 to 2021-22	02
Building Construction Department				
61	Bihar State Building Construction Corporation Limited	Functional Government Companies	2019-20 to 2021-22	03
Urban Development & Housing Department				
62	Bihar Urban Infrastructure Development Corporation Limited	Functional Government Companies	2018-19 to 2021-22	04
63	Patna Metro Rail Corporation Ltd		2021-22	01
Health Department				
64	Bihar Medical Services & Infrastructure Corporation Limited	Functional Government Companies	2018-19 to 2021-22	04
Total I				1,195

*Since inception

II. Government controlled other Companies

Sl. No.	Name of the Corporation	Name of Department		Period for which the accounts are in arrear	Number of accounts in arrear
1	Bhagalpur Smart City Limited	Urban Development & Housing	Functional Government controlled other Companies	2019-20 to 2021-22	03
2	Patna Smart City Limited			2019-20 to 2021-22	03
3	Biharsharif Smart City Limited			2019-20 to 2021-22	03
4	Muzaffarpur Smart City Limited			2017-18* to 2021-22	05
Total II					14

III. Statutory Corporations

Sl. No.	Name of the Corporation	Name of Department		Period for which the accounts are in arrear	Number of accounts in arrear
1	Bihar State Road Transport Corporation	Transport	Functional Statutory Corporations	2019-20 to 2021-22	03
2	Bihar State Warehousing Corporation	Co-operative	Functional Statutory Corporations	2018-19 to 2021-22	04
3	Bihar State Financial Corporation	Industries		2020-21 to 2021-22	02
Total III					09

IV. Under Liquidation

Sl. No.	Name of the Corporation	Name of Department		Period of latest finalised accounts	Under liquidation with effected from	Period for which the accounts are in arrear	Number of accounts in arrear
1	Bihar State Small Industries Corporation Limited	Industry	Non-Functional Government Companies	1990-91	04 October 2012	1991-92 to 2012-13	22
2	Bihar State Finished Leathers Corporation Limited			1983-84	25 August 2008	1984-85 to 2008-09	25
3	Bihar State Export Corporation Limited			1991-92	04 October 2012	1992-93 to 2012-13	21
4	Bihar State Leather Industries Development Corporation Limited			1982-83	25 August 2008	1983-84 to 2008-09	26
5	Kumardhubi Metal Casting & Engineering Limited			1994-95	17 August 1999	1995-96 to 1999-2000	05
Total IV							99

Grand Total (I+II+III+IV) = 1,195+14+09+99 = 1,317

(Source: Compiled based on the latest finalised accounts of SPSEs.)

Appendix-5.5

(Reference: Paragraph 5.10)

Difference between Finance Accounts of Government of Bihar and accounts of the State PSEs in respect of Equity, Loans and Guarantee (as on 31 March 2022)

(₹ in crore)

Sl. No.	Name of the SPSE	As per Finance Accounts of Government of Bihar			As per records of SPSEs			Differences		
		Paid-up capital	Loan outstanding	Guarantee Committed	Paid-up capital	Loan outstanding	Guarantee Committed	Paid-up capital	Loan outstanding	Guarantee Committed
1	2	3	4	5	6	7	8	9	10	11
A	Functional Government Companies									
1	Bihar Rajya Beej Nigam Limited	2.28	2.03	0.00	2.28	31.9	0.00	0.00	-29.87	0.00
2	Bihar State Mining Corporation Limited	20.00	0.00	0.00	20.00	0.00	0.00	0.00	0.00	0.00
3	Bihar State Credit & Investment Corporation Limited	12.14	26.80	0.00	15.12	20.47	0.00	-2.98	6.33	0.00
4	Bihar State Backward Classes Finance & Development Corporation Limited	21.48	0.00	15.43	23.36	0.00	15.43	-1.88	0.00	0.00
5	Bihar State Minorities Finance Corporation Limited	634.59	0.00	30.00	87.89	5.60	30.00	546.70	-5.60	0.00
6	Bihar State Film Development & Finance Corporation Limited	1.00	0.48	0.00	1.00	0.50	0.00	0.00	-0.02	0.00
7	Bihar State Education Finance Corporation Limited	9.50	2,368.64	0.00	9.50	0.00	0.00	0.00	2,368.64	0.00
8	Bihar Police Building Construction Corporation Limited	10.15	0.00	0.00	10.00	0.00	0.00	0.15	0.00	0.00
9	Bihar Rajya Pul Nirman Nigam Limited	3.50	0.00	0.00	3.50	0.00	0.00	0.00	0.00	0.00

Sl. No.	Name of the SPSE	As per Finance Accounts of Government of Bihar			As per records of SPSEs			Differences		
		Paid-up capital	Loan outstanding	Guarantee Committed	Paid-up capital	Loan outstanding	Guarantee Committed	Paid-up capital	Loan outstanding	Guarantee Committed
1	2	3	4	5	6	7	8	9	10	11
10	Bihar State Building Construction Corporation Limited	5.00	0.00	0.00	5.00	0.00	0.00	0.00	0.00	0.00
11	Bihar State Road Development Corporation Limited	20.00	0.00	0.00	20.00	0.00	520	0.00	0.00	-520
12	Bihar Urban Infrastructure Development Corporation Limited	5.00	0.00	0.00	5.00	0.00	0.00	0.00	0.00	0.00
13	Bihar State Educational Infrastructure Development Corporation Limited	20.00	0.00	0.00	20.00	0.00	0.00	0.00	0.00	0.00
14	Bhagalpur Smart City Limited	0.00	0.00	0.00	0.05	0.00	0.00	-0.05	0.00	0.00
15	Patna Smart City Limited	0.00	0.00	0.00	0.05	0.00	0.00	-0.05	0.00	0.00
16	Biharsarif Smart City Limited	0.00	0.00	0.00	0.05	0.00	0.00	-0.05	0.00	0.00
17	Muzaffarpur Smart City Limited	0.00	0.00	0.00	0.05	0.00	0.00	-0.05	0.00	0.00
18	Patna Metro Rail Corporation	1,270.59	0.00	0.00	725.00	0.00	0.00	545.59	0.00	0.00
19	Bihar State Electronics Development Corporation Limited	25.00	0.24	0.00	25.00	0.00	0.00	0.00	0.24	0.00
20	Bihar State Beverages Corporation Limited	5.00	0.00	0.00	5.00	0.00	0.00	0.00	0.00	0.00
21	Bihar State Tourism Development Corporation Limited	4.16	0.00	0.00	5.00	0.00	0.00	-0.84	0.00	0.00
22	Bihar State Food & Civil Supplies Corporation Limited	0.02	1,335.17	7,870.5	5.27	2,180.48	78.71	-5.25	-845.31	7,791.79
23	Bihar Medical Services & Infrastructure Corporation Limited	49.98	0.00	0.00	6.74	0.00	0.00	43.24	0.00	0.00
24	Bihar Forestry Development Corporation Limited	0.34	0.00	0.00	0.34	0.00	0.00	0.00	0.00	0.00

Sl. No.	Name of the SPSE	As per Finance Accounts of Government of Bihar			As per records of SPSEs			Differences		
		Paid-up capital	Loan outstanding	Guarantee Committed	Paid-up capital	Loan outstanding	Guarantee Committed	Paid-up capital	Loan outstanding	Guarantee Committed
1	2	3	4	5	6	7	8	9	10	11
25	Bihar State Textbook Publishing Corporation Limited	0.12	0.00	0.00	0.36	0.00	0.00	-0.24	0.00	0.00
Total A		2,119.85	3,733.36	7,915.93	995.56	2,238.95	644.14	1,124.29	1,494.41	7,271.79
B. Functional Statutory Corporation										
1	Bihar State Financial Corporation	23.09	103.00	0.00	39.95	228.47	0.00	-16.86	-125.47	0.00
2	Bihar State Road Transport Corporation	81.74	0.00	0.00	74.76	873.37	0.00	6.98	-873.37	0.00
3	Bihar State Warehousing Corporation	0.80	0.00	119.29	3.21	0.00	119.29	-2.41	0.00	0.00
Total B		105.63	103.00	119.29	117.92	1,101.84	119.29	-12.29	-998.84	0.00
C. Non-Functional Government Companies										
1	Bihar Rajya Matasya Vikas Nigam Limited	1.75	0.68	0.00	3.7	2.6	0.00	-1.95	-1.92	0.00
2	SCADA Agro Business Company Limited	0.58	0.00	0.00	0.00	0.00	0.00	0.58	0.00	0.00
3	Bihar State Water Development Corporation Limited	12.19	14.57	0.00	10.00	49.68	0.00	2.19	-35.11	0.00
4	Bihar State Dairy Corporation Limited	0.00	1.95	0.00	6.72	0.00	0.00	-6.72	1.95	0.00
5	Bihar Hill Area Lift Irrigation Corporation Limited	9.94	3.50	0.00	10.82	8.55	0.00	-0.88	-5.05	0.00
6	Bihar State Agro Industries Development Corporation Limited	4.94	1.95	0.00	7.64	30.98	0.00	-2.70	-29.03	0.00
7	Bihar State Fruit & Vegetables Development Corporation Limited	1.64	23.12	0.00	1.61	0.42	0.00	0.03	22.70	0.00
8	Bihar Panchayati Raj Finance Corporation Limited	0.98	0.07	0.00	2.01	0.00	0.00	-1.03	0.07	0.00

Sl. No.	Name of the SPSE	As per Finance Accounts of Government of Bihar			As per records of SPSEs			Differences		
		Paid-up capital	Loan outstanding	Guarantee Committed	Paid-up capital	Loan outstanding	Guarantee Committed	Paid-up capital	Loan outstanding	Guarantee Committed
1	2	3	4	5	6	7	8	9	10	11
9	Bihar State Handloom and Handicrafts Corporation Limited	11.42	57.32	0.00	10.00	1.16	0.00	1.42	56.16	0.00
10	Bihar State Small Industries Corporation Limited	0.63	4.41	0.00	7.18	10.40	0.00	-6.55	-5.99	0.00
11	Bihar State Industrial Development Corporation Limited	3.18	101.95	0.00	14.04	86.54	0.00	-10.86	15.41	0.00
12	Bihar State Construction Corporation Limited	5.00	3.30	0.00	7.00	6.77	0.00	-2.00	-3.47	0.00
13	Bihar State Mineral Development Corporation Limited	23.72	0.00	0.00	9.97	0.00	0.00	13.75	0.00	0.00
14	Bihar Solvent & Chemicals Limited	0.20	0.01	0.00	0.20	0.00	0.00	0.00	0.01	0.00
15	Bihar State Sugar Corporation Limited	20.00	0.00	0.00	20.00	322.95	0.00	0.00	-322.95	0.00
16	Bihar State Pharmaceuticals & Chemicals Development Corporation Limited	9.57	12.35	0.00	15.78	50.9	0.00	-6.21	-38.55	0.00
17	Bihar Drugs and Chemicals Limited	0.00	0.00	0.00	0.00	1.28	0.00	0.00	-1.28	0.00
18	Bihar State Textiles Corporation Limited	15.81	6.7	0.00	5.37	1.62	0.00	10.44	5.08	0.00
19	Bihar State Export Corporation Limited	2.27	0.94	0.00	2.00	1.22	0.00	0.27	-0.28	0.00
20	Bihar State Forest Development Corporation Limited	2.19	4.2	0.00	1.75	0.00	0.00	0.44	4.20	0.00
21	Bihar State Tannin Extract Limited	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00
22	Bihar State Finished Leathers Corporation Limited	0.00	0.00	0.00	0.00	9.18	0.00	0.00	-9.18	0.00

Sl. No.	Name of the SPSE	As per Finance Accounts of Government of Bihar			As per records of SPSEs			Differences		
		Paid-up capital	Loan outstanding	Guarantee Committed	Paid-up capital	Loan outstanding	Guarantee Committed	Paid-up capital	Loan outstanding	Guarantee Committed
1	2	3	4	5	6	7	8	9	10	11
23	Bihar State Leather Industries Development Corporation Limited	10.43	13.27	0.00	17.40	12.43	0.00	-6.97	0.84	0.00
24	Bihar Scooters Limited	0.00	0.00	0.00	0.00	6.09	0.00	0.00	-6.09	0.00
	Total C	136.44	250.30	0.00	153.19	602.77	0.00	-16.75	-352.47	0.00
	Grand Total	2,361.92	4,086.66	8,035.22	1,266.67	3,943.56	763.43	1,095.25	143.1	7,271.79
	Power									
1	Bihar State Power (Holding) Company Limited	32,194.85	1,028.23	0.00	40,769.06	0.00	0.00	-8,574.21	1,028.23	0.00
2	Bihar State Power Generation Company Limited	0.00	10.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00
3	Lakhisarai Bijlee Company Private Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	Pirpanti Bijlee Company Private Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	Bihar State Power Transmission Company Limited	0.00	15.00	2,550.00	0.00	0.00	2,550.00	0.00	15.00	0.00
6	Bihar Grid Company Limited	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7	North Bihar Power Distribution Company Limited	0.00	80	4,322.34	0.00	296.55	4,322.34	0.00	-216.55	0.00
8	South Bihar Power Distribution Company Limited	0.00	85.00	5,653.83	0.00	112.61	5,653.83	0.00	-27.61	0.00
9	Bihar State Hydroelectric Power Corporation Limited	102.02	191.11	0.00	99.04	239.90	239.90	2.98	-48.79	-239.90
	Total Power	32,296.87	1,409.34	12,526.17	40,868.10	649.06	12,766.07	-8,571.23	760.28	-239.90
	Grand Total	34,658.79	5,496.00	20,561.39	42,134.77	4,592.62	13,529.50	-7,475.98	903.38	7,031.89

GLOSSARY OF ABBREVIATIONS

GLOSSARY OF ABBREVIATIONS

Sl. No	Abbreviation	Full Form
1	A&E	Accounts and Entitlement
2	AC	Abstract Contingent
3	AE	Aggregate Expenditure
4	AG	Accountant General
5	AGM	Annual General Meeting
6	AS	Accounting Standards
7	BBM	Bihar Budget Manual
8	BE	Budget Estimates
9	BFR	Bihar Financial Rules
10	BFRBM	Bihar Fiscal Responsibility and Budget Management
11	BOCW	Building and Other Construction Workers
12	BTC	Bihar Treasury Code
13	CAG	Comptroller and Auditor General of India
14	CAGR	Compounded Annual Growth Rate
15	CE	Capital Expenditure
16	CSR	Corporate Social Responsibility
17	DC	Detailed Contingent
18	DDO	Drawing and Disbursing Officer
19	DE	Development Expenditure
20	DISCOMs	Distribution Companies
21	EBIT	Earning before Interest and Taxes
22	EDC	Expenditure during Construction
23	ES	Economic Services
24	FC	Finance Commission
25	GDP	Gross Domestic Product
26	GIA	Grants-in-Aid
27	GOB	Government of Bihar
28	GOI	Government of India
29	GS	General Services
30	GSDP	Gross State Domestic Product
31	GST	Goods and Service Tax
32	ICAI	Institute of Chartered Accountant of India
33	ICR	Interest Coverage Ratio
34	IND-AS	Indian Accounting Standards
35	MCA	Ministry of Corporate Affairs
36	NPRES	Non-Plan Revenue Expenditure
37	NPS	New Pension System
38	NSDL	National Securities Depository Limited
39	NSSF	National Small Saving Fund

Sl. No	Abbreviation	Full Form
40	NTR	Non-Tax Revenue
41	PAC	Public Accounts Committee
42	PD	Personal Deposit
43	PF	Provident Fund
44	PSU	Public Sector Undertaking
45	RBI	Reserve Bank of India
46	RE	Revenue Expenditure
47	ROC	Registrar of Companies
48	ROCE	Return on Capital Employed
49	ROE	Return on Equity
50	ROI	Return on Investment
51	RoRR	Rate of Real Return
52	RR	Revenue Receipts
53	S&W	Salary and Wages
54	SDRF	State Disaster Response Fund
55	SLR	Statutory Liquidity Ratio
56	SPSEs	State Public Sector Enterprises
57	SS	Social Services
58	UC	Utilisation Certificate
59	UDAY	Ujjwal Discom Assurance Yojana
60	VAT	Value Added Tax
61	VLC	Voucher Level Computerisation
62	XV FC	Fifteenth Finance Commission

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