

# Contents

	Reference	
	Paragraph	Page No.
Preface	-	v
Executive Summary	-	vii
<b>CHAPTER 1: FINANCES OF THE STATE GOVERNMENT</b>		
Gross State Domestic Product (GSDP)	1.1	1
Summary of fiscal transactions in 2017-18	1.1.1	1
Review of the fiscal situation	1.1.2	3
Budget estimates and actuals	1.1.3	5
Resources of the State	1.2	6
Revenue Receipts	1.3	7
State's Own Resources	1.3.1	8
Grants-in-aid from Government of India	1.3.2	10
Central Tax Transfers	1.3.3	10
Forgone Revenue	1.3.4	12
Labour Cess	1.3.5	12
Capital Receipts	1.4	13
Recoveries from loans and advances	1.4.1	14
Debt receipts from internal sources	1.4.2	14
Public accounts receipts	1.5	15
Application of resources	1.6	15
Capital Expenditure (CE)	1.6.1	15
Revenue Expenditure (RE)	1.6.2	16
Committed expenditure	1.6.3	16
Major programmes	1.6.4	18
Financial assistance	1.6.5	19
Quality of expenditure	1.7	20
Adequacy of public expenditure	1.7.1	20
Efficiency of expenditure use	1.7.2	21
Expenditure on selected Social and Economic Services	1.7.3	21
Financial analysis of Government expenditure and investments	1.8	22
Financial results of irrigation projects	1.8.1	22
Incomplete projects	1.8.2	22
Investment and returns	1.8.3	24
Loans and advances by State Government	1.8.4	24
Cash Balances and investment of Cash Balances	1.8.5	25
Assets and Liabilities	1.9	26
Growth and composition of Assets and Liabilities	1.9.1	26
Fiscal Liabilities	1.9.2	27
Sinking Fund	1.9.3	27

## Contents

	Reference	
	Paragraph	Page No.
State Disaster Response Fund (SDRF)	1.9.4	28
Status of Guarantees – Contingent liabilities	1.9.5	28
Debt Management	1.10	28
Debt Profile	1.10.1	28
Debt Sustainability	1.10.2	29
Fiscal Imbalances	1.11	30
Trends in deficits	1.11.1	30
<b>CHAPTER 2: FINANCIAL MANAGEMENT AND BUDGETARY CONTROL</b>		
Introduction	2.1	33
Mechanism for Budget Management	2.2	33
Summary of Appropriation Accounts	2.3	33
Financial Accountability and Budget Management	2.4	35
Appropriations against allocative priorities	2.4.1	35
Anticipated savings not surrendered	2.4.2	37
Persistent savings	2.4.3	37
Advances from Contingency Fund	2.4.4	39
Excess over provisions in previous years requiring regularisation	2.4.5	41
Avoidable/excessive Supplementary Provision	2.4.6	41
Excessive/Insufficient re-appropriation of funds	2.4.7	42
Substantial surrender of funds	2.4.8	42
Rush of expenditure	2.5	42
Departmental figures not reconciled	2.6	42
Budgetary Process for Grant No. 42 - Rural Development Department (Rural Development Division)	2.7	43
Introduction	2.7.1	43
Delay in submission of Budget Estimates	2.7.2	43
Budget Estimate prepared without obtaining requirements	2.7.3	44
Avoidable Supplementary Provision	2.7.4	44
Surrender on the last day of the financial year	2.7.5	45
Non-utilisation of whole budget provision	2.7.6	45
Rush of expenditure	2.7.7	45
Non-reconciliation of departmental expenditure figures	2.7.8	45
Budgetary Process for Grant No. 45 - IT & e-Governance Department	2.8	46
Introduction	2.8.1	46
Avoidable Supplementary provision	2.8.2	47
Non-surrender of unutilised funds	2.8.3	47
Non-utilisation of the entire budget provision	2.8.4	47

	Reference	
	Paragraph	Page No.
<b>CHAPTER 3: FINANCIAL REPORTING</b>		
Outstanding Utilisation Certificates against grants	3.1	49
Submission of accounts and audit of Autonomous Bodies, Authorities and grantee institutions	3.2	50
Audit under Sections 14 and 15 of CAG's (DPC) Act, 1971	3.2.1	50
Audit under Sections 19 & 20 of CAG's (DPC) Act, 1971	3.2.2	51
Delay in submission of accounts of Public Sector Undertakings (PSUs)	3.2.3	52
Dividend not declared by PSUs	3.2.4	52
Audit of funds drawn on Abstract Contingent (AC) bills	3.3	53
Audit of AC/DC bills under Rural Development Department (RDD) and IT & e-Governance Department	3.4	54
Delay in submission of DC bills	3.4.1	54
Irregular drawal of funds on AC bill for Capital works	3.4.2	55
Withdrawal against AC bills at the end of the financial year	3.4.3	55
Outstanding Utilisation Certificates	3.4.4	55
Reporting of cases on misappropriation, losses etc.	3.5	56
Funds drawn and kept in Personal Ledger (PL) Accounts	3.6	57
Booking under minor head "800"	3.7	58
Important factors affecting accuracy of accounts	3.8	59
Apportionment of balances on reorganisation of the State	3.9	60
Follow up on Audit Report on State Finances	3.10	60
Impact on Revenue surplus and Fiscal deficit	3.11	60

## Contents

Appendix No.	Description	Page No.
Appendix 1.1 Part-A	Profile of Jharkhand	63
Appendix 1.1 Part-B	Structure and Form of Government Accounts	64
Appendix 1.1 Part-C	Layout of Finance Accounts	64
Appendix 1.2	Abstract of Receipts and Disbursements for the year 2017-18	65
Appendix 1.3	Time series data on the State Government finances	68
Appendix 1.4 Part-A	Details of functions of ULBs as per the 74 <sup>th</sup> Constitutional Amendment Act (Schedule XII)	71
Appendix 1.4 Part-B	Details of functions of PRIs as per the 73 <sup>rd</sup> Constitutional Amendment Act (Schedule XII)	72
Appendix 1.5	Summarised financial position of the Government of Jharkhand as on 31 March 2018	73
Appendix 1.6	Methodology Adopted for Assessment of Fiscal Position	75
Appendix 2.1	Statement of various grants/appropriations where savings exceeded ₹ 10 crore in each case and also by 20 <i>per cent</i> or more of the total provision	76
Appendix 2.2	Sub-head wise details where substantial savings (₹ 20 crore and above) occurred during the year 2017-18	78
Appendix 2.3	Details of savings of ₹ 1.00 crore and above not surrendered	80
Appendix 2.4	Cases of surrender of funds in excess of ₹ 10 crore in March 2018	82
Appendix 2.5	Excess over provisions of previous years requiring regularisation	86
Appendix 2.6	Cases where supplementary provision (₹ 1.00 crore or more in each case) proved unnecessary	87
Appendix 2.7	Excess/insufficient re-appropriation of funds	89
Appendix 2.8	Results of review of 100 <i>per cent</i> Substantial Surrenders made during the year	90
Appendix 2.9	Rush of expenditure at the end of the year	94
Appendix 2.10	List of Controlling Officers where expenditure remained un-reconciled during 2017-18	95
Appendix 2.11	Rush of Expenditure	96
Appendix 3.1	Utilisation certificates outstanding as on 31 March, 2018	97
Appendix 3.2	List of auditable units identified u/s 14 & 15 of CAG's DPC Act	98
Appendix 3.3	Details of outstanding DC Bills	100
Appendix 3.4	Operation of Minor Head '800 – Other Expenditure' (10 <i>per cent</i> and above )	100
Appendix 3.5	Operation of Minor Head '800 – Other Receipts' (40 <i>per cent</i> and above )	101
Appendix 4.1	Glossary of terms, basis of calculations and acronyms used in the Report	102