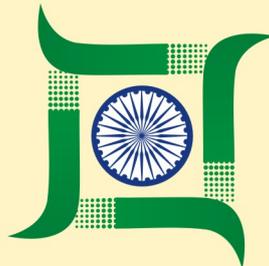




**State Finances Audit Report of the
Comptroller and Auditor General of India
for the year ended 31 March 2018**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



झारखण्ड सरकार

Government of Jharkhand
Report No. 1 of the year 2019

**State Finances Audit Report of the
Comptroller and Auditor General of India**

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PREFACE

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

This Report on the finances of the Government of Jharkhand (GoJ) intends to assess the financial performance of the State during 2017-18 and to provide the State Legislature with inputs based on audit analysis of financial data. The Report attempts to analyse the financial performance against the targets envisaged by the Jharkhand Fiscal Responsibility and Budget Management Act, 2007, the Fourteenth Finance Commission (FFC) Report and the Budget Estimates of 2017-18. The Report is structured in three Chapters.

Chapter-1 is based on the audit of the Finance Accounts and makes an assessment of the Jharkhand Government's fiscal position as on 31 March 2018. It provides an insight into trends in expenditure on interest payments, salaries and wages, pensions, subsidies, repayment of debt and borrowing patterns.

Chapter-2 is based on the audit of the Appropriation Accounts and gives grant wise description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter-3 is an inventory of the Jharkhand Government's compliance to various reporting requirements and financial rules.

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

EXECUTIVE SUMMARY

Executive Summary

Fiscal situation of the State

Revenue receipts, revenue expenditure and capital expenditure has increased from 2013-14 to 2017-18 as a percentage of Gross State Domestic Product (GSDP) even after accounting for inflation. However, its growth rate decreased in comparison to the previous year.

Paragraph 1.1.1

The State has not achieved revenue surplus, fiscal deficit and ratio of outstanding debt to GSDP targets of the budget estimates 2017-18 and Fiscal Responsibility and Budget Management Act.

The Fiscal Deficit (₹ 11,933 crore) was 4.67 *per cent* of GSDP at current prices which was much beyond the recommended ceiling of 3.25 *per cent* by the FFC. Further, FD-GSDP ratio was nearly double its target under MTFP and its budget estimate for the year.

Paragraph 1.1.2

From primary surplus of ₹ 358 crore in 2013-14, Government of Jharkhand plunged to a primary deficit of ₹ 7,271 crore during 2017-18.

Paragraph 1.1.2.2

Resources mobilisation and application

Revenue receipts (₹ 52,756 crore) increased by ₹ 5,702 crore (12.12 *per cent*) over the previous year (₹ 47,054 crore) which was lower than the budget estimates (₹ 65,978 crore).

Revenue expenditure (₹ 50,952 crore) increased by ₹ 5,863 crore (13 *per cent*) over 2016-17 (₹ 45,089 crore), which was lower than the budget estimates (₹ 58,222 crore).

Capital expenditure (₹ 11,953 crore) increased by ₹ 1,092 crore (10.10 *per cent*) over 2016-17 (₹ 10,861 crore), which was lower than the budget estimates (₹ 12,742 crore).

Recommendation: *The Finance Department should rationalise the budget preparation exercise, so that the persisting gap between the budget estimate and actuals is bridged.*

Paragraph 1.1.3, 1.2 & 1.6

State Own Resources

The Own Tax Revenue (OTR) to GSDP ratio of Jharkhand was 4.84 *per cent* which was significantly lower than the ratio of the neighbouring states like Odisha, West Bengal and Chhattisgarh (6.71, 5.16 and 6.82 *per cent* respectively) whereas, it was slightly higher than the ratio of Bihar (4.74 *per cent*) during 2017-18.

Paragraph 1.3.1

Labour Cess

As per the Finance Accounts, ₹ 393.67 crore was collected as cess from contractors executing government projects upto 2017-18. The cess collected

has not been transferred to the Labour Welfare Board (March 2018) inflating the Revenue Surplus and understating the Fiscal Deficit of the State during the relevant years and represent the unaccounted liabilities of the State.

Recommendation: *The Finance Department should ensure transfer of Labour Cess to the Labour Welfare Board as early as possible.*

Paragraph 1.3.5

Capital Expenditure

Ratio of Capital Expenditure to GSDP of Jharkhand (4.68) was significantly higher than that of West Bengal and Chhattisgarh (1.90 and 3.43 respectively). However, it was lower than the ratio of Bihar and Odisha (5.93 and 5.07 respectively).

Paragraph 1.6.1

Adequacy of Public Expenditure

The ratio of development expenditure, economic service expenditure and capital expenditure to aggregate expenditure (AE) was significantly higher than the average for the General Category States (GCS) during 2017-18. However, Education Sector Expenditure and Health Sector Expenditure was less than the average of GCS during the year.

Paragraph 1.7.1

Financial results of irrigation projects

The Thirteenth and Fourteenth Finance Commissions had prescribed cost recovery rate on irrigation projects for assessing the commercial viability of these projects. However, no irrigation scheme was declared as commercial by the Government of Jharkhand.

There are 42 Irrigation projects in Jharkhand with total capital outlay of ₹ 1,982.10 crore at the end of 2017-18, of which, ₹ 1,720.06 crore was spent on working expenses and maintenance charges. During 2017-18, ₹ 48.78 crore was received as miscellaneous revenue from these projects.

Recommendation: *The State Government may initiate measures to declare irrigation projects as commercial for cost recovery as per Finance Commissions recommendations.*

Paragraph 1.8.1

Incomplete projects

The Public Works Departments had 113 incomplete projects which were to be completed by the month of March 2018. The expenditure on these projects was ₹ 1,402.66 crore as on 31 March 2018. Blocking of funds on incomplete works impinge negatively on the quality of expenditure. Delay in completion of projects/works not only invites the risk of cost escalation but also deprives the State of the intended benefits.

Recommendation: *The Public Works Departments of the State may evolve a mechanism to ensure 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.*

Paragraph 1.8.2

Return on Investment

During 2013-18 the State Government incurred a notional loss of ₹ 83.52 crore on account of difference between the Government's borrowing cost and the return on investment on working PSUs.

Loans to Jharkhand State Electricity Board (JSEB) amounting to ₹ 7,222 crore continue to be depicted in the government accounts as receivable from the Board, even though the Board was unbundled in January 2014 into separate companies. Thus, the assets of the State was inflated to the extent of ₹ 7,222 crore.

Recommendation: *The State Government should rationalise its investments and loans advanced to various entities such that the return on investment and loans at least matches the Government borrowing costs.*

Paragraph 1.8.3 & 1.8.4

State Disaster Response Fund (SDRF)

The SDRF had a closing balance of ₹ 1,551.04 crore as on 31 March 2018. However, the balances under the fund were not invested by the State Government as required under SDRF guidelines 2010.

Further, as per the guidelines, the Government was required to pay interest on the uninvested balances at the rate of interest (8.08 *per cent*) payable on overdrafts, which is to be added to the corpus of the fund itself. However, GoJ had not paid any interest to SDRF since its creation, which works out to ₹ 505.37 crore at the applicable rates of interest for the period 2010-18. Of this, unpaid interest for 2017-18 alone amounted to ₹ 101.74 crore. Consequently, the balances in the Fund are only book entries and do not represent actual cash balance. Such unpaid interest since the operation of the Fund represents the unaccounted liabilities of the State.

Recommendation: *The State should invest the balances lying under this fund as per the SDRF guidelines.*

Paragraph 1.9.4

Savings

Savings of ₹ 11,501 crore (80 *per cent*) occurred in 24 cases relating to 21 grants. In these cases, savings exceeded ₹ 100 crore and was 20 *per cent* or more of the grant.

In 11 cases (10 departments), there were persistent savings of 10 *per cent* or more of the total grants, during the last five years.

Recommendations: *Finance Department should prepare budget based on the actual requirements from field units and ensure optimum utilisation of the amount allocated. All anticipated savings should be surrendered on time so that the funds can be utilised for other development purposes.*

Paragraph 2.4.1 & 2.4.3

Advances from Contingency Fund

Advances amounting ₹ 337.55 crore were withdrawn on 49 occasions from the Contingency Fund during 2017-18 out of which, on 24 occasions, an amount of ₹ 226.71 crore was withdrawn to meet expenditure which were neither unforeseen nor of emergent nature.

Thus, the Contingency Fund was used by the State as an imprest account for meeting non-contingent expenditure.

Recommendation: *The State Government should ensure that no advances are drawn from the Contingency Fund except to meet expenditure of emergent and unforeseen nature.*

Paragraph 2.4.4

Excess over provisions requiring regularisation

Excess expenditure of ₹ 2,749.87 crore over provisions for the years 2001-02 to 2016-17 was yet to be regularised by the State Legislature as required under Article 205 of the Constitution of India. Further, there was an excess expenditure of ₹ 265.50 crore over provisions during 2017-18.

Recommendation: *The Finance Department should take immediate steps to regularise the excess expenditure of ₹ 3,015.37 crore.*

Paragraph 2.4.5

Rush of Expenditure

In 13 grants, expenditure of ₹ 5,956.80 crore (59.08 per cent) was incurred in the last quarter of the year against the total expenditure of ₹ 10,083.23 crore. Of which, an expenditure of ₹ 3,913.00 crore (38.81 per cent of the total expenditure) was incurred in the month of March 2018. Further, out of total drawal in March, ₹ 9.30 crore was drawn through AC bills.

Recommendation: *The State Government should strictly adhere to the provisions of budget manual.*

Paragraph 2.5

Outstanding Utilisation Certificates against grants

Utilisation certificates (UCs) of ₹ 38,911.59 crore against Grants-in-aid bills drawn upto 2016-17 by different departments were outstanding as on 31 March 2018 which was indicative of failure of the departmental officers to comply with the rules and procedures to ensure timely utilization of the grants for the intended purpose.

Recommendation: *The Finance Department should prescribe a time frame within which administrative departments releasing grants, collect UCs pending for more than the time stipulated in the grant orders and also ensure that till such time, administrative departments release no further grants to defaulting grantees. The Government may initiate appropriate action against the officers who defaulted in submission of UCs in time.*

Paragraph 3.1

Delay in submission of Accounts of PSUs

The accounts of 20 working PSUs (55 accounts) and 01 non-working PSUs/Corporations (five accounts) are in arrear ranging from one to nine years. Further, it was noticed that the State Government had invested ₹ 64.97 crore in share capital, between 2008-09 and 2016-17, in four PSUs which have not finalised their accounts in violation of provisions of the Companies Act.

Recommendation: *The Finance Department should review the cases of all PSUs that are in arrears of accounts, ensure that the accounts are made*

current within a reasonable period, and stop financial support in all cases where accounts continue to be in arrears.

Paragraph 3.2.3

Outstanding Detailed Contingent bills

At the end of October 2018, Detailed Contingent bills for an amount of ₹ 5,216 crore was outstanding against 18,406 Abstract Contingent bills drawn during 2001-2018.

Further, out of ₹ 1,209 crore drawn on AC bill in 2017-18, AC bills amounting to ₹ 233 crore (19.27 per cent) were drawn in March 2018 and of this, ₹ 40 crore was drawn on the last day of the financial year.

Audit of the funds drawn on AC bills during the period 2000-18 by the Rural Development Department (RDD) revealed that ₹ 4,965 crore was drawn through 5,963 AC bills during the period against which 2,854 DC bills amounting to ₹ 1,293.34 crore were outstanding as on July 2018.

Recommendation: *The Finance Department should ensure that all controlling officers adjust in a time bound manner, all AC bills pending beyond the prescribed period, and also ensure that AC bills are not drawn merely to avoid lapse of budget.*

Paragraph 3.3 & 3.4

Personal Ledger Accounts (PLAs)

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

During 2017-18, ₹ 12,694.02 crore were added in the opening balance of ₹ 9,488.40 crore leading to accumulation of ₹ 22,182.42 crore in PLAs. Further, ₹ 8,979.76 crore was spent during the year leaving a balance of ₹ 13,202.66 crore at the end of 2017-18 in the PLAs.

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

Paragraph 3.6

Booking under minor head '800'

GoJ departments routinely operated minor head 800 which is to be operated only in rare cases. During 2017-18, ₹ 1,107.08 crore under receipts and ₹ 2,006.67 crore under expenditure was booked under minor heads 800 resulting in opaqueness of transactions.

Recommendation: *The Finance Department should, in consultation with the Principal Accountant General (A&E), conduct a comprehensive review of all items presently appearing under minor head 800 and ensure that all such receipts and expenditure are in future booked under the appropriate head of accounts.*

Paragraph 3.7

Apportionment of balances as on reorganisation of the State

Balances amounting to ₹ 7,443.90 crore under Public Accounts heads along with balance under Capital Section ₹ 11,935.23 crore and Loans and Advances ₹ 6,583.36 crore remained to be apportioned between the successor States Bihar and Jharkhand, almost two decades after the reorganisation of the erstwhile State of Bihar with effect from November 2000.

***Recommendation:** The State Government is required to expedite the apportionment of balances under Deposits and Advances between the two successor States.*

Paragraph 3.9

Impact on Revenue surplus and Fiscal deficit

Incorrect accounting of expenditure and revenue resulted in overstatement of revenue surplus and understatement of fiscal deficit by ₹ 831.08 crore. The outstanding liabilities of the State was also understated by ₹ 831.08 crore.

Paragraph 3.11

Chapter-1

**FINANCES OF
THE STATE GOVERNMENT**

This chapter provides an audit perspective on finances of the State Government during 2017-18 and analyses changes in major fiscal aggregates relative to 2016-17 keeping in view the overall trends during the preceding five years.

The analysis is based on details contained in the Finance Accounts of the Government of Jharkhand (GoJ).

1.1 Gross State Domestic Product (GSDP)¹

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

Table 1.1: GDP of India and GSDP of the State

Year	2013-14	2014-15	2015-16	2016-17	2017-18
India's GDP at current prices (₹ in crore)	1,12,33,522	1,24,67,959	1,37,64,037	1,52,53,714	1,67,73,145
Growth rate of India's GDP at current prices (percentage)	12.88	10.99	10.40	10.82	9.96
State's GSDP at current prices (₹ in crore)	1,88,567	2,18,525	2,06,613	2,35,560	2,55,271
Growth rate of GSDP at current prices (percentage)	7.92	15.89	(-) 5.45	14.01	8.37
State's GSDP at constant prices (₹ in crore)	1,65,816	1,86,534	1,74,881	1,94,475	2,03,358
Growth rate of GSDP at constant prices (percentage)	1.57	12.49	(-) 6.25	11.20	4.57
Per Capita GDP of India at current prices (in ₹)	NA	99,728	1,14,424	1,19,375	1,29,800
Per Capita GSDP of the State at current prices (in ₹)	NA	66,220	61,676	69,487	74,390

Source: GDP/GSDP figures issued by Ministry of Statistics and Programme Implementation, (MoSPI) GoI dated 28.08.2018.

The profile of the State is given in **Appendix 1.1-Part A**. The structure of the Government Accounts is explained in **Part B** and the layout of the Finance Accounts is given in **Part C**.

1.1.1 Summary of fiscal transactions in 2017-18

Table 1.2 presents a comparative summary of the State Government's fiscal transactions during 2017-18 *vis-à-vis* 2016-17. **Appendix 1.2** provides an abstract of receipts and disbursements as well as the overall fiscal position during 2017-18.

¹ GDP and GSDP are the market value of all officially recognised final goods and services produced within the Country and the State respectively in a given period of time and are an important indicator of the Country's and State's economy.

Table 1.2: Summary of fiscal operations in 2016-17 and 2017-18

(₹ in crore)

Receipts	2016-17	2017-18	Disbursements	2016-17	2017-18		
Section-A: Revenue					Establishment	State and Central Scheme	Total
Revenue Receipts	47,053.93	52,756.03	Revenue Expenditure	45,089.04	27,952.98	22,999.09	50,952.07
Own Tax revenue	13,299.25	12,353.44	General Services	13,023.76	16,105.92	452.41	16,558.33
Non-Tax revenue	5,351.42	7,846.67	Social Services	18,557.37	6,834.83	12,740.14	19,574.97
Union Taxes and Duties	19,141.92	21,143.63	Economic Services	13,507.91	5,012.23	9,806.54	14,818.77
Grants from GoI	9,261.35	11,412.29	GIA Contributions	0.00	0.00	0.00	0.00
Section -B: Capital							
Misc. Capital Receipts	0.00	25.09	Capital Outlay	10,860.68	69.14	11,883.57	11,952.71
Recoveries of Loans and Advances	38.46	42.41	Loans and Advances disbursed	1,335.06	88.80	1,762.87	1,851.67
Inter State Settlement	0.00	0.00	Inter State Settlement	0.00	0.00	0.00	0.00
Public Debt Receipts*	7,081.42	8,136.85	Repayment of Public Debt	2,077.88	2,949.50	0.00	2,949.50
Transfers to Contingency Fund	0.00	0.00	Expenditure from Contingency Fund	0.00	0.00	0.00	0.00
Public Account Receipts#	22,051.80	27,833.30	Public Account Disbursements #	16,819.82	22,885.14	0.00	22,885.14
Opening Cash Balance	1,904.72	1,947.85	Closing Cash Balance	1,947.85	150.44	0.00	150.44
Total	78,130.33	90,741.53	Total	78,130.33	54,096.00	36,645.53	90,741.53

Source: Finance Accounts of the Government of Jharkhand for the years 2016-17 and 2017-18

* Excluding net transactions under Ways and Means advances and overdraft

Figures do not include transactions under 'Other Accounts' i.e., Departmental Cash Balance, Permanent Imprest and Cash Balance Investment

The trends in revenue receipts (RR), revenue expenditure (RE) and capital expenditure (CE) relative to GSDP at current as well as constant prices are presented in **Table 1.3** below.

Table 1.3: Trends in RR/ RE/ CE relative to GSDP

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue receipts relative to GSDP					
RR at current prices (₹ in crore)	26,137	31,565	40,638	47,054	52,756
Rate of growth of RR at current prices (<i>per cent</i>)	5.52	20.77	28.74	15.79	12.12
RR at constant prices (₹ in crore)	22,984	26,944	34,397	38,847	42,027
Rate of growth of RR at constant prices (<i>per cent</i>)	(-)0.69	17.23	27.66	12.94	8.19
RR/ GSDP (<i>per cent</i>)	13.86	14.44	19.67	19.98	20.67
Revenue expenditure relative to GSDP					
RE at current prices (₹ in crore)	23,472	31,795	36,553	45,089	50,952
Rate of growth of RE at current prices (<i>per cent</i>)	0.31	35.46	14.96	23.35	13.00
RE at constant prices (₹ in crore)	20,640	27,140	30,939	37,225	40,590
Rate of growth of RE at constant prices (<i>per cent</i>)	(-)5.60	31.49	14.00	20.32	9.04
RE/ GSDP (<i>per cent</i>)	12.45	14.55	17.69	19.14	19.96
Capital expenditure relative to GSDP					
CE at current prices (₹ in crore)	4,722	5,543	8,159	10,861	11,952
Rate of growth of CE at current prices (<i>per cent</i>)	11.95	17.39	47.19	33.12	10.05
CE at constant prices (₹ in crore)	4,152	4,732	6,906	8,967	9,522
Rate of growth of CE at constant prices (<i>per cent</i>)	5.36	13.95	45.96	29.84	6.19
CE/ GSDP (<i>per cent</i>)	2.50	2.54	3.95	4.61	4.68

As evident from the table above, revenue receipts, revenue expenditure and capital expenditure have increased from 2013-14 to 2017-18 as a percentage of GSDP even after accounting for inflation. The rate of growth in capital formation was significantly lower in 2017-18 when compared to earlier years.

1.1.2 Review of the fiscal situation

The performance of the State during 2017-18 under major variables provided in the budget based on recommendations of the Fourteenth Finance Commission (FFC) and targeted in the Medium Term Fiscal Policy (MTFP) Statement placed in the Legislature under Fiscal Responsibility and Budget Management (FRBM) Act, is given in **Table 1.4**. Government of Jharkhand borrowed ₹ 5,553 crore from the market on UDAY bonds and provided ₹ 583 crore from the Consolidated Fund to the Jharkhand Bijli Vitran Nigam Limited (DISCOM) during 2015-16. Thereafter, no borrowings were made on UDAY bonds and, as a result, there was no impact of UDAY on the fiscal deficit of the State during 2017-18.

Table 1.4: Major fiscal variables

(in per cent)

Fiscal variables	2017-18			
	FFC projection for the State	Target as prescribed in MTFP Statement	Targets as per Budget estimates	Actuals
Revenue Deficit (-)/Surplus (+) w.r.t GSDP	Nil	(+)2.77	(+)3.04	(+)0.71
Fiscal Deficit w.r.t. GSDP	3.25	2.49	2.72	4.67
Ratio of total outstanding debt of the Government to GSDP at current prices	25.77	26.65	26.65	30.20

The State achieved the targets provided in the FRBM Act by eliminating the Revenue Deficit in 2006-07 and turning the deficit into Revenue Surplus except during 2014-15². The Revenue Surplus of ₹ 1,804 crore in 2017-18 as a percentage of GSDP (0.71 per cent) was much lower than the MTFP estimate (2.77 per cent) and the budget estimates (3.04 per cent).

During 2017-18, the Fiscal Deficit (₹ 11,933 crore) was 4.67 per cent of GSDP at current prices which was much beyond the recommended ceiling of 3.25 per cent by the FFC. Further, FD-GSDP ratio was nearly double its target under MTFP and its budget estimate for the year.

The Debt-GSDP ratio of the State was 30.20 per cent during 2017-18 which was much higher than the MTFP estimate (26.65 per cent) and FFC projection (25.77 per cent). High Debt-GSDP ratio was indicative of increased debt burden on the State during the year.

Recommendation: The State should take appropriate steps to achieve normative projections of the FFC and targets set in the MTFP so as to strengthen its fiscal position.

1.1.2.1 Composition of Fiscal Deficit and its financing pattern

The financing pattern of the Fiscal Deficit has been shown in **Table 1.5**.

² Revenue deficit of ₹ 230 crore

Table 1.5: Components of Fiscal Deficit and its financing pattern

(₹ in crore)

Sl. No.	Particulars	2013-14	2014-15	2015-16	2016-17	2017-08		
Composition of Fiscal Deficit		2,256	6,564	11,523	10,192	11,933		
1	Revenue Deficit (-)/Surplus (+)	2,665	(-230)	4,085	1,965	1,804		
2	Net Capital expenditure	4,722	5,543	8,159	10,861	11,928		
3	Net Loans and Advances	199	791	7,449	1,296	1,809		
Financing pattern of Fiscal Deficit*						Receipt	Disbursement	Net
1	Market Borrowings	2,535	4,488	4,755	4,725	5,999	1,192	4,807
2	Loans from GoI	(-33)	(-5)	(-2)	77	232	161	71
3	Special Securities issued to NSSF	129	335	573	(-733)	0	746	(-746)
4	Loans from Financial Institutions	455	(-8)	5,673	934	1,905	851	1,054
5	Small Savings, PF etc.	9	(-202)	(-159)	(-121)	1,016	950	66
6	Reserve Fund	271	275	10	383	401	109	292
7	Deposits and Advances	(-254)	1,093	2,111	5,031	15,651	10,929	4,722
8	Suspense and Miscellaneous	(-1)	(-13)	17	(-30)	(-163)	61	(-224)
9	Remittances	157	(-238)	1	(-30)	10,559	10,466	93
10	Inter-State Settlement	(-50)	-	-	-	-	-	-
11	Cash balance increase (+)/ Decrease(-)	580	841	(-1,461)	(-43)	1948	150	1,798

*All these figures are net of disbursements/outflows during the year except for 2017-18

Source: Finance Accounts of the Government of Jharkhand for the respective years

During 2017-18, the Fiscal Deficit of ₹ 11,933 crore was mainly met from Market Borrowings (₹ 4,807 crore) and Deposits and Advances (₹ 4,722 crore).

1.1.2.2 Quality of Deficit/Surplus

Ideally, revenue receipts should cover the revenue expenditure (including interest payments) of the State. While Revenue Deficit is made up from the borrowings and drawings on balances with the Reserve Bank of India, Revenue Surplus can be used for capital expenditure thereby reducing the need for borrowings and drawings from Reserve Bank Deposits (RBD). Further, if the non-debt receipts can meet the Primary Expenditure³, there will be no Primary Deficit, to be financed by borrowings. Thus, a necessary condition for stability in finances of the State is that non-debt receipts should be adequate to cover the incremental primary expenditure and incremental interest payments.

Table 1.6: Components of Primary Deficit/Surplus in the State

(₹ in crore)

Year	Non-Debt Receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary Revenue Deficit (-) / Surplus (+)	Primary Deficit (-) / Surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2013-14	26,160	20,858	4,722	222	25,802	(+5,302)	(+)358
2014-15	31,598	28,866	5,543	824	35,233	(+2,732)	(-)3,635
2015-16	40,669	33,233	8,159	7,480	48,872	(+)7,436	(-)8,203
2016-17	47,093	40,917	10,861	1,335	53,113	(+)6,176	(-)6,020
2017-18	52,824	46,290	11,953	1,852	60,095	(+)6,534	(-)7,271

Source: Finance Accounts of the Government of Jharkhand for the respective years

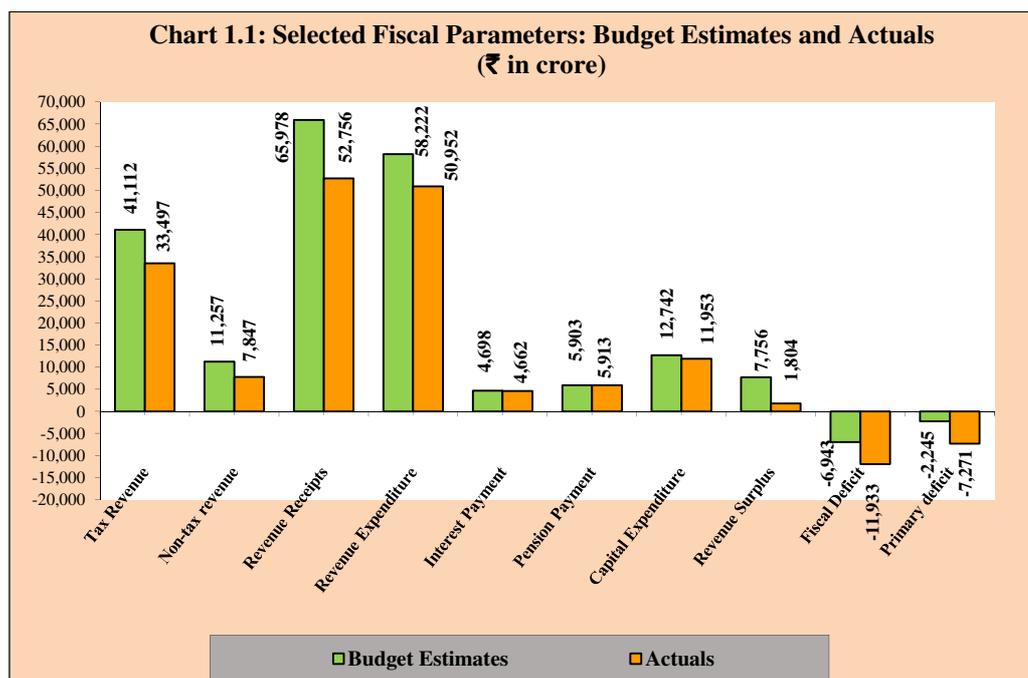
The composition of the Primary Deficit in **Table 1.6** indicates the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable for improving the productive capacity of the State's economy.

³ Expenditure on Revenue, Capital and Loans and Advances, but not interest payments

1.1.3 Budget estimates and actuals

The budget papers presented by the State Government delineate the projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from the Budget Estimates are indicative of non-attainment and non-optimisation of the desired fiscal objectives due to a variety of causes, both within and outside the control of the Government.

Chart 1.1 presents a comparative analysis of the budget estimates and actuals for some important fiscal parameters for 2017-18.



Source: Annual Financial Statement and Finance Accounts of the Government of Jharkhand for the year 2017-18
Note: Tax revenue includes State's share in Union Taxes

The above chart shows that both actual revenue receipts and revenue expenditure were much less than the budget estimates prepared by the State Government for 2017-18. Revenue receipts was less than its budget estimates by ₹ 13,222 crore during the year mainly due to less collection in Tax Revenue by ₹ 7,615 crore and Non-tax Revenue by ₹ 3,411 crore against the budget estimate.

The decrease in revenue expenditure (by ₹ 7,270 crore) during 2017-18 was mainly due to less expenditure on Social Services (by ₹ 3,603 crore) and Economic Services (by ₹ 3,265 crore) as compared to budget estimates.

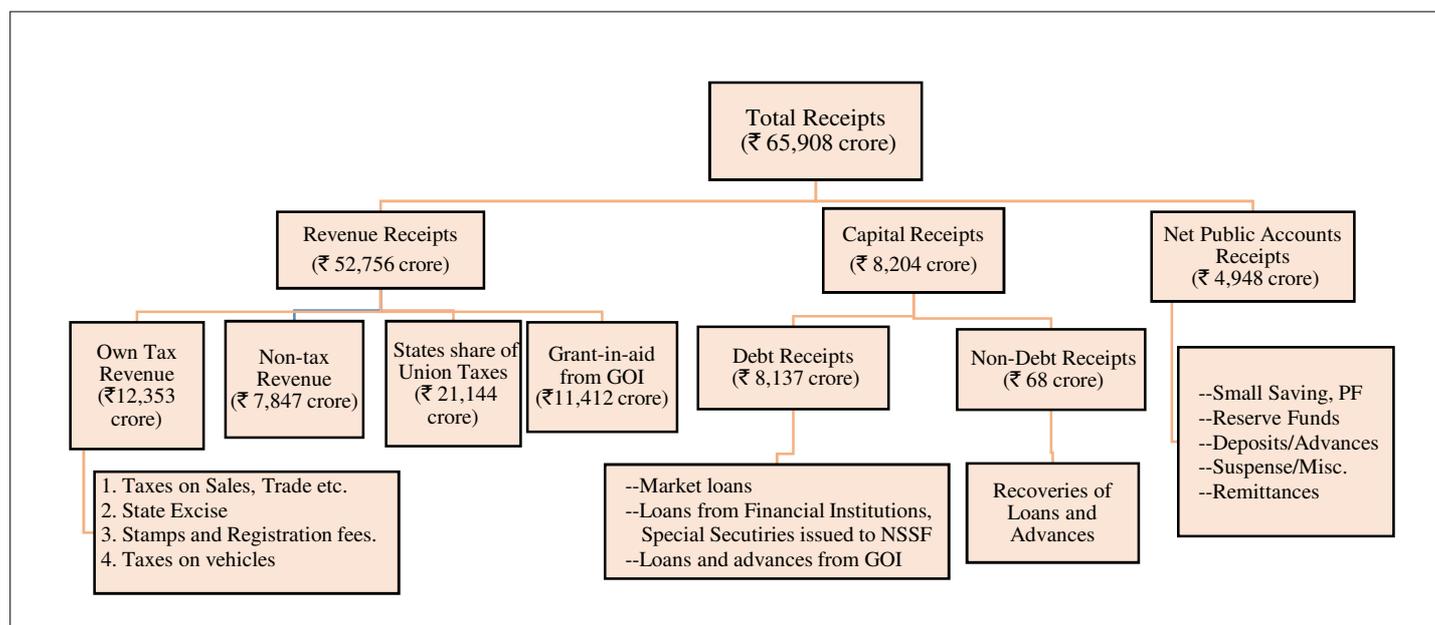
During the year, the capital expenditure of the State was less than the budget estimates by ₹ 789 crore.

Recommendation: The Finance Department should rationalise the budget preparation exercise so that the gap between budget estimates and actuals is bridged.

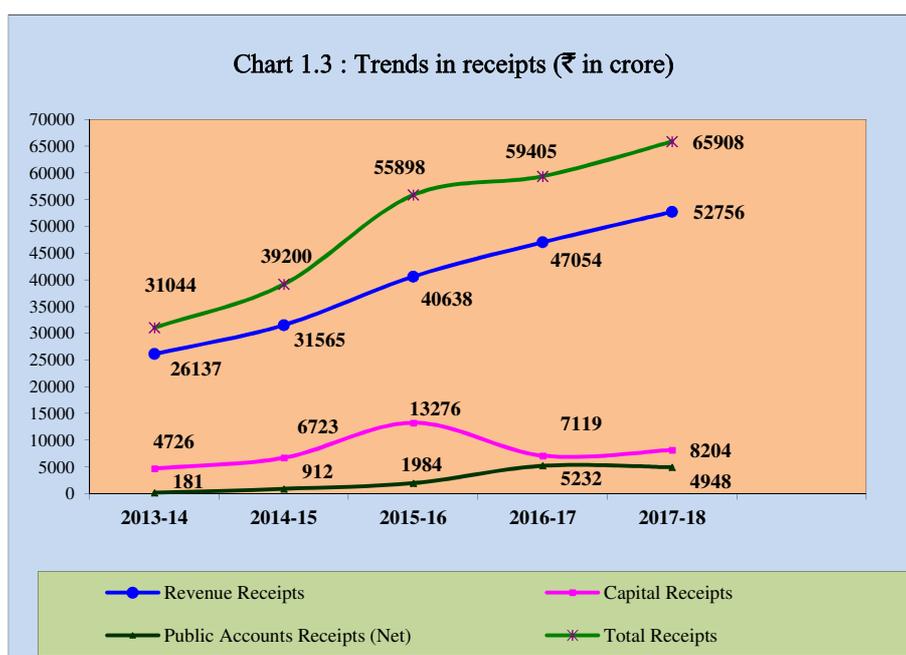
1.2 Resources of the State

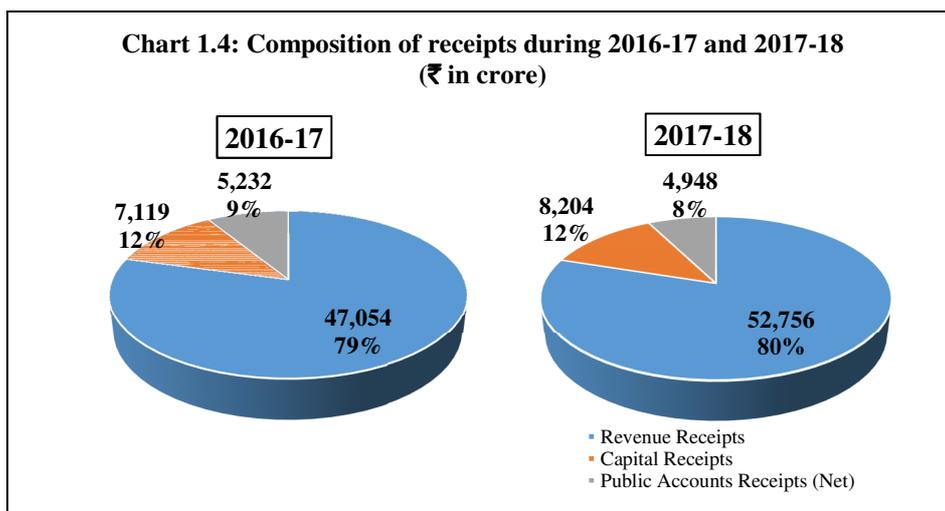
Table 1.2 at page 2 above and Charts 1.2 to 1.4 present different perspectives of the financial resources of the State as depicted in the Financial Accounts.

Chart 1.2: Components and sub-components of resources



Source: Finance Accounts of the Government of Jharkhand 2017-18



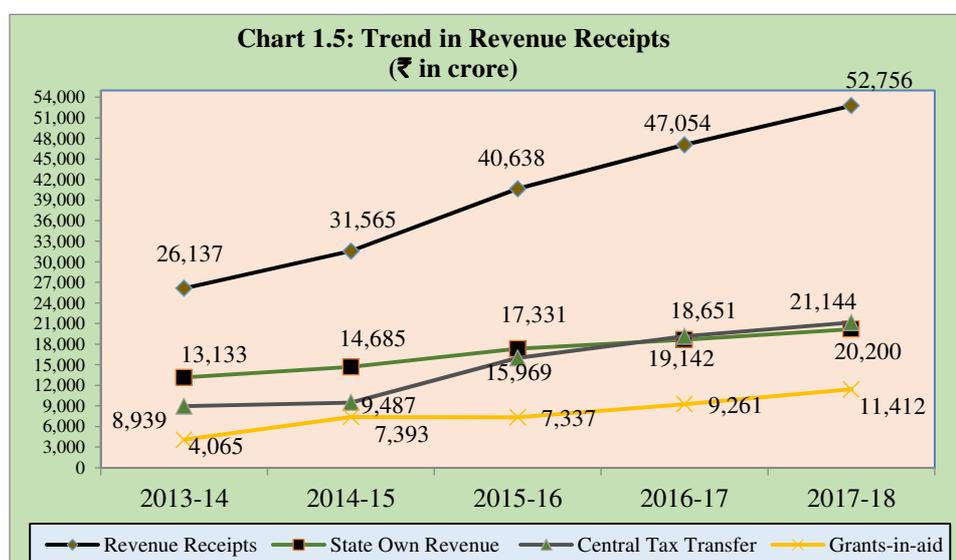


Source: Finance Accounts of the Government of Jharkhand for the years 2016-17 and 2017-18

The share of Revenue Receipts to Total Receipts (RR/TR) increased by one *per cent* in 2017-18 whereas, share of public accounts receipts to total receipts decreased by one *per cent* over the previous year. Share of capital receipts to total receipts remained the same during 2016-18.

1.3 Revenue Receipts

The trends and composition of revenue receipts over the period 2013-18 are presented in **Appendix 1.3** and in **Chart 1.5**.



Source: Finance Accounts of the Government of Jharkhand for the respective years.

State's own revenue was less than the revenue (CTT & GIA) received from GoI. During 2017-18, GIA and central share of taxes grew significantly (23.20 *per cent* and 10.50 *per cent* respectively) whereas, the growth rate of State revenue was only 8.30 *per cent* over the previous year.

The trend of revenue receipts relative to GSDP is presented in **Table 1.7**.

Table 1.7: Trends in Revenue Receipts relative to GSDP

	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue Receipts (RR) (₹ in crore)	26,137	31,565	40,638	47,054	52,756
Rate of growth of RR (<i>per cent</i>)	5.52	20.77	28.74	15.79	12.12
R R/GSDP at current price (<i>per cent</i>)	13.86	14.44	19.67	19.98	20.67
R R/GSDP at constant price (<i>per cent</i>)	15.76	16.92	23.24	24.20	25.94
State's Own Tax / GSDP at current price	4.97	4.74	5.56	5.65	4.84
State's Own Tax / GSDP at constant price	5.66	5.55	6.56	6.84	6.07
Growth rate of GSDP at current price	7.92	15.89	-5.45	14.01	8.37
Growth rate of GSDP at constant price	1.57	12.49	-6.25	11.20	4.57

1.3.1 State's Own Resources

The State's actual Own Tax and Non-Tax Revenue for 2017-18 in comparison to the FFC assessment and budget estimates is given in **Table 1.8**.

Table 1.8: Tax and Non-Tax receipts

	(₹ in crore)		
	FFC projections	Budget estimates	Actual
Own Tax Revenue	18,867	18,401	12,353
Non-Tax Revenue	5,357	11,257	7,847
OTR to GSDP	7.39	7.21	4.84

Source: FFC report, Budget document and Finance Accounts for the year 2017-18

The shortfall in achievement of own tax revenue against projections and estimates was mainly due to less collection of Goods and Services Tax (by ₹ 2,442 crore) and State Excise (by ₹ 759 crore) than the estimates whereas, in non-tax revenue it was due to less collection of revenue from Non-ferrous mining and metallurgical industries (by ₹ 2,567 crore).

Ratio of Own Tax Revenue (OTR) to GSDP of Jharkhand during the last five years compared to the neighbouring states is shown in **Table 1.9**.

Table 1.9: Ratio of OTR to GSDP and comparison with neighbouring states

Name of States	2013-14	2014-15	2015-16	2016-17	2017-18
Jharkhand	4.97	4.74	5.56	5.65	4.84
Bihar	6.29	6.05	6.89	5.57	4.74
Odisha	5.70	6.31	6.81	6.06	6.71
West Bengal	5.29	5.49	5.33	5.17	5.16
Chhattisgarh	6.93	7.10	7.29	7.22	6.82

As shown in the table above, OTR to GSDP ratio of Jharkhand (4.84 *per cent*) was significantly lower than the ratio of the neighbouring states like Odisha, West Bengal and Chhattisgarh (6.71, 5.16 and 6.82 *per cent* respectively) while it was slightly higher than the ratio of Bihar (4.74 *per cent*) during 2017-18.

1.3.1.1 Tax Revenue

Gross collections of major taxes and duties are depicted in **Table 1.10**

Table 1.10: Components of Tax Revenue

(₹ in crore)

Revenue Head	2013-14	2014-15	2015-16	2016-17	2017-18	CAGR*	Cost of collection (2017-18) per cent	Cost of collection (2016-17) per cent	All India Average of cost of collection 2016-17
Taxes on Sales, Trade, SGST**etc.	7,305	8,070	8,999	10,549	9,839	7.73	0.64	0.47	0.69
State Excise	628	740	912	962	841	7.57	2.35	1.74	2.01
Taxes on Vehicles	495	660	633	682	778	11.97	0.82	0.91	2.61
Stamps and Registration Fees	502	531	532	607	469	(-).1.69	3.63	2.85	2.99
Land Revenue	230	84	164	240	156	(-).9.25	-	-	-
Taxes on Goods & Passengers	1	1	0	0	0	-	-	-	-
Other Taxes	219	264	239	259	270	5.37	-	0.82	-
Total Tax Revenue	9,380	10,350	11,479	13,299	12,353	-	-	-	-

Source: Finance Accounts of the Government of Jharkhand for the respective years

* CAGR: Compound Annual Growth Rate

**SGST: State Goods and Services Tax

The own tax receipts of the State had decreased by seven *per cent* during 2017-18 in comparison to the previous year. The shortfall in Taxes on Sales, Trade and SGST was compensated (₹ 1,265 crore) by Government of India in the form of Grants-in-aid as detailed in *Paragraph 1.3.3*. Receipts under State Excise declined by ₹ 121 crore during 2017-18 as the State Government had taken over (August 2017) sale of liquor resulting in reduction in the number of outlets. Receipts from Stamps and Registration fees also declined (₹ 138 crore) as a result of concessions given to women on first registration of land/house valued upto ₹ 50 lakh. Land revenue of the State decreased during 2017-18 (by ₹ 84 lakh) due to revision in policy of settlement of Government land.

Cost of collection of own Taxes

As depicted in the **Table 1.10**, cost of collection of taxes in the State during 2017-18 was significantly higher than the all India average in respect of State Excise and Stamps & Registration Fees. Further, in 2017-18, cost of collection of taxes in the State was higher than the previous year for all the taxes except Taxes on Vehicles due to less collection of taxes under these heads after implementation of GST, whereas expenditure on collection remained the same.

1.3.1.2 Non-Tax Revenue (NTR)

Non-Tax Revenue collected during 2017-18 was ₹ 7,847 crore against the normative projection of ₹ 5,357 crore by the FFC for the year.

Component-wise Non-Tax Revenue collected during 2013-18 is as shown in **Table 1.11**.

Table 1.11: Component-wise Non-Tax Revenue

(₹ in crore)

Revenue Head	2013-14	2014-15	2015-16	2016-17	2017-18
Interest receipts	69.48	143.04	122.44	121.34	168.88
Dividends & Profits	18.00	0.00	0.47	0.00	0.00
Other non-tax receipts	3,665.23	4,192.02	5,730.11	5,230.07	7,677.79
Total	3,752.71	4,335.06	5,853.02	5,351.41	7,846.67

Source: Finance Accounts of the Government of Jharkhand for the respective years

The share of NTR in revenue receipts increased from 11.37 per cent in 2016-17 to 14.87 per cent in 2017-18. In comparison to nine per cent decrease during 2016-17, the growth rate of NTR increased by 46.64 per cent in 2017-18 over the previous year mainly due to more collection in Non-ferrous Mining and Metallurgical Industries (by ₹ 1,847 crore), Other Social Services (by ₹ 168 crore) and Crop Husbandry (by ₹ 160 crore) over the previous year.

Recommendation: The Government should make efforts to achieve its own target of receipts given in the budget document.

1.3.2 Grants-in-aid from Government of India

The trend of release of Grants-in-aid by GoI is shown in Table 1.12.

Table 1.12: Component-wise grants released by GoI

(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Non-Plan Grants	1,319.91	1,780.26	1,685.82	1,875.29	-
Grants for State Plan Schemes	1,565.83	4,914.69	4,950.18	6,792.89	-
Grants for Central Plan Schemes	28.28	83.56	50.90	78.01	-
Grants for Centrally Sponsored Plan Schemes	1,150.96	614.17	650.74	515.16	-
Grants for Centrally Sponsored Schemes	-	-	-	-	7,985.24
Finance Commission Grants	-	-	-	-	1,583.03
Other Grants	-	-	-	-	1,844.02
Total	4,064.98	7,392.68	7,337.64	9,261.35	11,412.29
Percentage of increase over previous year	(-16.00)	82.00	(-0.74)	26.21	23.22
Total grants as a percentage of revenue receipts	15.55	23.42	18.06	19.68	21.63

Source: Finance Accounts of the Government of Jharkhand 2017-18

Note: Sub-major head and nomenclature of GoI grants have been changed from 2017-18 onwards. Hence, it is shown separately in the table.

Grants from GoI increased from ₹ 9,261.35 crore in 2016-17 to ₹ 11,412.29 crore in 2017-18 mainly due to compensation to State for revenue loss arising out of implementation of GST (₹ 1,539.90 crore⁴).

1.3.3 Central Tax Transfers

Trend of Central Tax Transfers (CTT) over the past five years are depicted in Table 1.13.

Table 1.13: Central Tax Transfers

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18	CAGR
Central Tax Transfer (CTT)	8,939	9,487	15,969	19,142	21,144	24.02
CTT as share of RR	34.20	30.06	39.30	40.68	40.08	-

Source: Finance Accounts of the Government of Jharkhand for the respective years

The increase of CTT in 2017-18 over the previous year was mainly due to transfer of Central Goods and Services Tax (₹ 299 crore) and Integrated Goods

⁴ Includes ₹ 274.90 crore received during 2017-18 from GoI as compensation for revenue loss due to phasing out of CST pertaining to 2012-13.

and Services Tax (₹ 2,134.44 crore). The CTT constituted 40.08 *per cent* of the revenue receipts of the State during 2017-18.

Goods and Services Tax

State Government implemented the Goods and Services Tax (GST) Act which became effective from 1 July 2017. According to GST (Compensation to the 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. The compensation payable to the State shall be calculated for every financial year after the receipt of final revenue figures, as audited by the CAG of India. A base year (2015-16) revenue figure of taxes subsumed under GST was finalised under GST Act. In the case of Jharkhand, the revenue was ₹ 6,410.51 crore during the base year (2015-16). The projected revenue for any year in a State shall be calculated by applying the projected growth rate (14 *per cent* per annum) over the base year revenue of that State.

The projected revenue for the year 2017-18 in accordance with the base year figure was ₹ 8,331.10 crore and as per Section 7 of the Goods and Services Tax (Compensation to States) Act 2017, the projected bi-monthly revenue figures of Jharkhand worked out to ₹ 1,388.52 crore amounting to a total of ₹ 6,248.34 crore for the period 1st July 2017 to 31st March 2018. The revenue figure under GST for the year 2017-18 has been depicted in Finance Accounts as per nature of receipts i.e., State Goods and Services (SGST) Tax, Input Tax Credit cross utilization of SGST and IGST (Integrated Goods and Services Tax), Apportionment of IGST-transfer-in of Tax component to SGST and Advance apportionment from IGST. Against the projected revenue of ₹ 6,248.34 crore, the revenue receipt of the State Government under GST during July 2017 to March 2018 is given in **Table 1.14**.

Table 1.14: Projected revenue and SGST/IGST collection from July 2017 to March 2018

Month	Revenue to be protected	Pre-GST taxes collected*	SGST collected	Provisional apportionment of IGST	Total Amount received**	Compensation received***	Short receipt (-)/ Excess receipt (+)
	1	2	3	4	5=(2+3+4)	6	7= {(5+6)-1}
July and Aug. 2017	1,388.52	1110.27	326.43	0	1,436.70	313.00	361.18
Sept. and Oct. 2017	1,388.52	571.59	648.82	0	1,220.41	489.00	320.89
Nov. and Dec. 2017	1,388.52	619.45	954.64	0	1,574.09	94.00	279.57
Jan. and Feb. 2018	1,388.52	663.64	1,112.42	0	1,776.06	369.00	756.54
March 2018	694.26	1037.75	800.57	281	2,119.32	0.00	1,425.06
Total	6,248.34	4,002.70	3,842.88	281.00	8,126.58	1,265.00	3,143.24

*Includes VAT & CST (net of refund) and revenue from the taxes subsumed in GST by excluding VAT and CST on petroleum products and liquor.

** Figures are audited.

*** Figures for compensation are provisional.

Advance apportionment of IGST and its adjustment against GST compensation

The GoI is to apportion IGST to State Governments under section 17 of the IGST Act, 2017. The State Tax Division, Ministry of Finance, Department of Revenue (GoI) sanctioned (March 2018) provisional/advance settlement of apportionment of ₹ 281 crore with the condition that the amount will be adjusted in the year 2018-19 from the regular settlement of IGST on the basis of monthly returns in ten equal instalments starting from April 2018.

1.3.4 Forgone Revenue

1.3.4.1 Under-assessment, non-levy, short levy of taxes

During 2017-18, test check of the records of 57 units relating to Taxes on Trade etc., State Excise, Taxes on Vehicles, Land Revenue, Stamps & Registration Fees and Mines Receipts revealed under-assessment/short levy/loss of revenue aggregating ₹ 1,255.35 crore in 8,136 cases. During 2017-18, the departments concerned accepted under-assessment and other deficiencies of ₹ 39.28 crore in 7,159 cases pointed out by Audit. However, recovery made in this regard has not been reported to Audit.

1.3.4.2 Revenue arrears

As on 31 March 2018, arrears in collection of revenue was ₹ 6,355.57 crore (Commercial Tax Department), of which ₹ 1,646.43 crore was outstanding for more than five years. Further, ₹ 1,580.03 crore was held up by the Courts and other appellate authorities. Information regarding revenue arrears from other departments was not furnished (March 2019). The total revenue arrears as on 31 March 2018 was 31 *per cent* of own resources of the State against 23 *per cent* during 2016-17.

1.3.5 Labour Cess

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

As per the Finance Accounts, ₹ 393.67 crore was collected as cess from contractors executing government projects upto 2017-18. The cess collected has not been transferred to the Labour Welfare Board (March 2019) inflating the Revenue Surplus and understating the Fiscal Deficit of the State during the relevant years and represent the unaccounted liabilities of the State as discussed in Paragraph 3.11.

1.3.5.1 Accounting and Utilisation of Labour Cess

It was observed that the Labour Welfare Board has not finalised its accounts since inception (July 2008). However, receipts and utilisation of cess as furnished by the Board is shown in **Table 1.15**.

Table 1.15: Details of amounts received by the Board and its utilisation

(₹ in crore)

Year	Amount provided by the Government as Grant-in-aid	Amount received directly by the Board	Total Receipt	Amount spent by the Board on schemes	Amount spent on establishment	Total Expenditure	Unutilised balance amount
(1)	(2)	(3)	{(2+3)=4}	(5)	(6)	{(5+6)=7}	{(4-7)=8}
Upto 2015-16	5.08	252.16	257.24	104.08	1.66	105.74	151.50
2016-17	0	70.26	70.26	48.33	1.29	49.62	20.64
2017-18	0	31.40	31.40	41.64	0.90	42.54	-11.14
Total	5.08	353.82	358.90	194.05	3.85	197.9	161.00

During the period 2009-10 to 2017-18, ₹ 194.05 crore was spent on twenty two welfare schemes whereas ₹ 3.85 crore was spent on establishment.

Recommendation: The Jharkhand Building and other Construction Workers' (BOCW) Welfare Board should take steps for timely preparation of annual accounts and its submission to the Accountant General (Audit) for audit.

The GoJ should ensure transfer of Labour Cess to the Labour Welfare Board as early as possible so that the BOCW Welfare Board can fulfil its objectives of improving the working conditions of building and other construction workers and providing adequate financial assistance to them.

1.4 Capital Receipts

Apart from revenue receipts, the State also received capital receipts, which comprised of proceeds from disinvestments, recovery of loans and advances given by the Government, internal borrowings of the Government from financial institutions and Loans and Advances from Government of India (GoI). Details of capital receipts during 2013-18 are given in **Table 1.16**.

Table 1.16: Trends in growth and composition of receipts

(₹ in crore)

Source of State's Receipts	2013-14	2014-15	2015-16	2016-17	2017-18
Capital Receipts (CR)	4,726.00	6,723.00	13,276.00	7,120.00	8,204.00
Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	25.00 ⁵
Recovery of Loans and Advances	23.00	33.00	31.00	38.00	42.00
Public Debt Receipts	4,703.00	6,690.00	13,245.00	7,081.00	8,137.00
Rate of growth of debt capital receipts (per cent)	(-9.50)	42.30	98.00	(-47.00)	15.00
Rate of growth of non-debt capital receipts (per cent)	(-46.51)	43.48	(-6.06)	22.58	76.32
Rate of growth of GSDP at current price	7.92	15.89	-5.45	14.01	8.37
Rate of growth of debt CR (per cent)	(-9.54)	42.25	97.98	(-46.54)	14.90

Source: Finance Accounts of the Government of Jharkhand for the respective years

During 2017-18, Capital Receipts of the State increased by 15 per cent over the previous year. The Debt Capital Receipts was significantly high in 2015-16 due to one-time borrowings of ₹ 5,553.37 crore under Ujjwal DISCOM Assurance Yojana (UDAY) bonds. No borrowing was made on UDAY bonds during 2016-18.

⁵ There was a Miscellaneous Capital Receipts of ₹ 25 crore due to disinvestment of assets during 2017-18.

1.4.1 Recoveries from loans and advances

Details of loans given and recoveries made during last five years are given in the table below:

Table 1.17: Loans and Advances

Years	₹ in crore)				
	2013-14	2014-15	2015-16	2016-17	2017-18
Opening balance of Loans	7,748	7,947	8,738	16,187	17,482 [#]
Loans given	222	824	7,480	1,335	1,852
Recovery made	23	33	31	39	42
Closing balance of loans	7,947	8,738	16,187	17,483	19,292

Source: Finance Accounts of the Government of Jharkhand for the respective years

[#] Adjusted due to rounding off.

Major recipient of the loans and advances given every year was to the DISCOM but no repayment was made against the same, leading to outstanding balance of ₹ 18,444 crore at the end of 31 March 2018. An amount of ₹ 7,222.18 crore which was outstanding loan to Jharkhand State Electricity Board before its unbundling in January 2014 and kept in Government Account for final settlement, was also included in the total outstanding loans to the DISCOM. During 2017-18, a fresh loan of ₹ 1,761 crore was given to the DISCOM. Recoveries of ₹ 42 crore shown in the above table were mainly from the loans and advances given to Government servants.

1.4.2 Debt receipts from internal sources

The State Government's internal debt increased from ₹ 4,597 crore in 2013-14 to ₹ 7,905 crore in 2017-18. However, during 2015-16, it was ₹13,080 crore due to borrowings on UDAY bonds.

Table 1.18: Trends of Debt receipts from internal sources

	₹ in crore)				
	2013-14	2014-15	2015-16	2016-17	2017-18
Internal Debt of Government	4,597	6,537	13,080	6,847	7,905
Total Public Debt and other Liabilities	12,841	19,809	33,843	19,193	25,205
As percentage to Total Public Debt and other Liabilities	35.80	33.00	38.65	35.67	31.36

Source: Finance Accounts of the Government of Jharkhand for the respective years

The impact of borrowings at a higher rate of interest than returns on investments by the State is discussed in **Para 1.8.3**.

1.4.2.1 Borrowings on UDAY Bonds for DISCOMs

To improve the operational and financial efficiency of the State DISCOM, the State Government issued a loan of ₹ 6,136 crore to JBVNL during 2015-16 of which, ₹ 5,553 crore was raised as borrowings on UDAY bonds and ₹ 583.00 crore was given from the Consolidated Fund of the State. Borrowings on UDAY bonds have been raised at an interest rate of 8 to 8.99 *per cent* per annum which was to be repaid between the years 2021-22 to 2030-31, whereas the interest rate of the loan given to the JBVNL was 13 *per cent* per annum.

No borrowing was made by the State on UDAY bonds during 2016-17 and 2017-18.

1.5 Public accounts receipts

Transactions in Public Accounts are not subject to vote by the State Legislature. The Public Accounts receipts of the State as at the end of the concerned financial year are given in Table 1.19.

Table 1.19: Public Accounts Receipts

(₹ in crore)					
Resources under various heads	2013-14	2014-15	2015-16	2016-17	2017-18
Public Accounts Receipts	14,275	20,189	29,037	22,052	27,833
Small Savings, Provident Fund etc.	760	843	830	873	1,016
Reserve Fund	293	308	522	453	401
Deposits and Advances	7,204	12,182	19,499	11,145	16,020
Suspense and Miscellaneous	-59	18	161	300	-163
Remittances	6,077	6,838	8,025	9,281	10,559

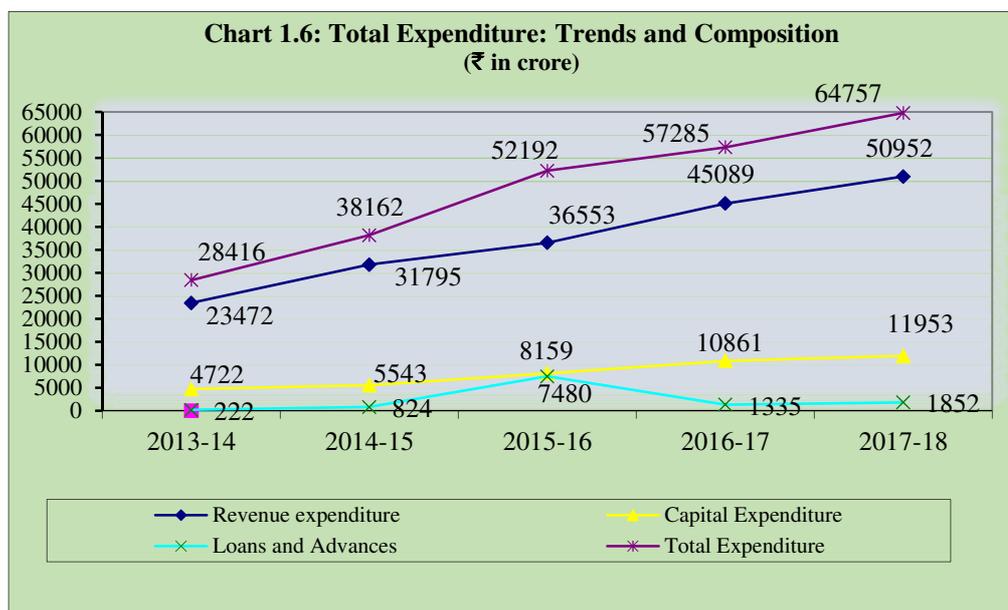
Source: Finance Accounts of the Government of Jharkhand for the respective years

Increase in Deposits and Advances during 2017-18 was mainly due to significant increase in credit in Personal Ledger accounts of DISCOM companies booked as 'State Electricity Board Working Funds' (by ₹ 1,370 crore) and 'Other Fund' (by ₹ 2,160 crore) in comparison to the previous year.

1.6 Application of resources

Growth and Composition of Expenditure

Chart 1.6 presents the trends in Total Expenditure and its composition over the last five years (2013-18).



Source: Finance Accounts of the Government of Jharkhand for the respective years

1.6.1 Capital Expenditure (CE)

During 2017-18, Capital Expenditure (CE) increased to ₹ 11,953 crore against ₹ 10,861 crore in 2016-17. The percentage of CE to GSDP at current prices was 4.68 per cent during 2017-18 against 4.61 per cent in 2016-17. There was consistent increase in capital expenditure during 2014-18.

Major share of capital expenditure was on economic services (₹ 9,618 crore). Priority was given to expenditure on transport (₹ 5,142 crore), rural development (₹ 2,093 crore) and irrigation and flood control (₹ 1,689 crore).

Ratio of Capital Expenditure to GSDP of Jharkhand (4.68) was significantly higher than West Bengal and Chhattisgarh (1.90 and 3.43 respectively). However, it was lower than the ratio of Bihar and Odisha (5.93 and 5.07 respectively). Trend of CE to GSDP ratio of Jharkhand during the last five years as compared to neighbouring States is shown in **Table 1.20** below:

Table 1.20: Ratio of Capital Expenditure to GSDP and comparison with neighbouring states

Name of States	2013-14	2014-15	2015-16	2016-17	2017-18
Jharkhand	2.50	2.54	3.95	4.61	4.68
Bihar	4.42	5.29	6.49	6.39	5.93
Odisha	2.62	3.52	5.17	4.90	5.07
West Bengal	1.02	1.38	1.56	1.29	1.90
Chhattisgarh	2.21	2.96	3.39	3.61	3.43

1.6.2 Revenue Expenditure (RE)

Revenue expenditure (RE) as percentage of total expenditure remained nearly same during 2016-17 and 2017-18 which was a positive trend. RE to TE was highest in 2013-14 and 2015-16 (83 *per cent*). Further, during 2017-18, revenue expenditure was 20 *per cent* of GSDP at current prices.

Out of total revenue expenditure of ₹ 50,952 crore during 2017-18, ₹ 27,953 crore was spent on establishment and ₹ 22,999 crore was spent on State and Central schemes.

1.6.3 Committed expenditure

The committed expenditure of the State Government on revenue account mainly consists of expenditure on salaries and wages, subsidies, pension and interest payments. **Table 1.21** and **Chart 1.7** present the trend in the expenditure on these components during 2013-18.

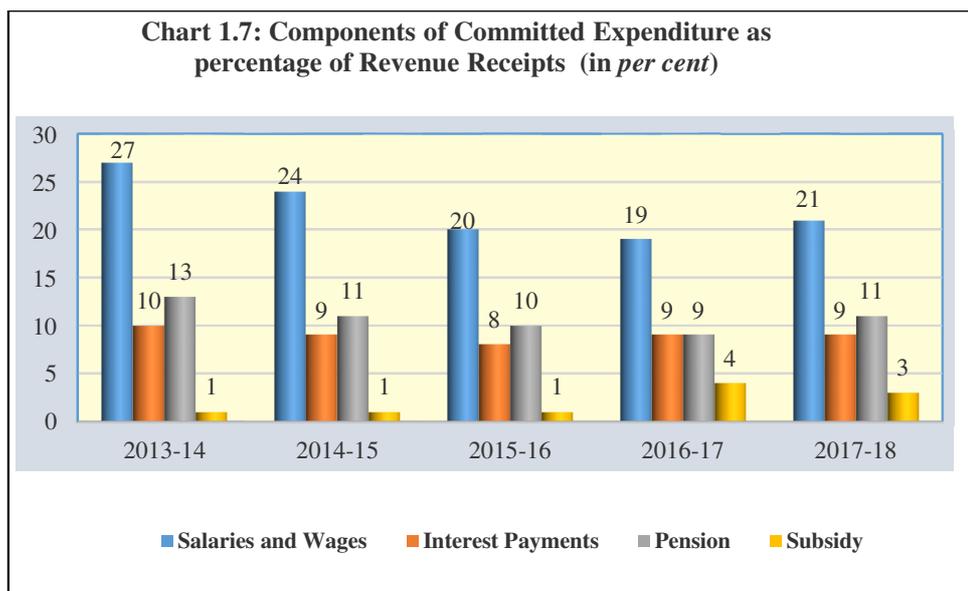
Table 1.21: Components of Expenditure on Salaries and Wages, Subsidies, Pension and Interest Payments

(₹ in crore)					
Components of Committed Expenditure	2013-14	2014-15	2015-16	2016-17	2017-18
Salaries* and Wages, of which	6,934(27)	7,417(24)	8,218(20)	8,927 (19)	11,221(21)
Establishment	6,766(26)	7,193(23)	7,943(19)	8,649 (18)	10,790(20)
State & Central Schemes	168(1)	224(1)	275(1)	278(1)	431(1)
Interest Payments	2,614(10)	2,929(9)	3,320(8)	4,172(9)	4,662(9)
Pension	3,484(13)	3,463(11)	3,990(10)	4,135(9)	5,913(11)
Subsidies	187(1)	246(1)	522(1)	1,859(4)	1,440(3)
Total	13,219(51)	14,055(45)	16,050(39)	19,093(41)	23,236 (44)

Source: Finance Accounts of the Government of Jharkhand for the respective years

Figures in parentheses indicate percentage of revenue receipts

* Also includes salaries paid out of Grants-in-aid.



Source: Finance Accounts of the Government of Jharkhand for the respective years

Salaries

During 2017-18, Salaries & Wages (₹ 11,221 crore), Interest Payments (₹ 4,662 crore) and Pension (₹ 5,913 crore) together accounted for 42.78 per cent of the revenue expenditure and consumed 41.31 per cent of the revenue receipts.

Pension

State Government employees recruited on or after 1 December 2004 are covered under the National Pension System (NPS) which is a defined contributory pension scheme. In terms of the Scheme, the employee contributes 10 per cent of basic pay and dearness allowance, which is matched by the State Government and the entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank.

During 2017-18, employer's contribution of ₹ 383.16 crore was transferred to NSDL. The State Government transferred ₹ 382.47 crore out of total receipt of ₹ 386.29 crore as employees' contribution to the NSDL during 2017-18 leaving a balance of ₹ 13.52 crore⁶ in the Public Account (Major Head 8342-117-Defined Contribution Pension Scheme) at the end of 2017-18. Short transfer of employees' contribution has resulted in denying Government employees of their entitlement to have their balances invested by NSDL under the NPS.

Interest Payments

The growth rate of Interest Payments was 12 per cent over the previous year mainly due to increase of interest on Market Loans by ₹ 199 crore (8 per cent) and interest on other internal debt by ₹ 287 crore (75 per cent) over the previous year. Interest Payments were nine per cent of revenue receipts during 2017-18. Major components of Interest Payments during 2016-17 and 2017-18 are given in **Table 1.22** below:

⁶ Including opening balance of ₹ 9.70 crore

Table 1.22: Components of Interest Payments

(₹ in crore)

Component of debt	Outstanding Liabilities as of 1 April 2017	2016-17		Outstanding Liabilities as on 31 March 2018	2017-18	
		Interest paid	Interest paid as percentage of outstanding balance		Interest paid	Interest paid as percentage of outstanding balance
Internal debt	43,755.57	3,817.29	8.72	48,682.31	4,330.05	8.89
Loans & Advances from GoI	2,085.49	118.50	5.68	2,162.28	116.18	5.37
Small Savings, Provident fund etc.	1,197.17	229.21	19.15	1,075.67	213.68	19.86
Others	9,492.00	7.25	0.08	14,906.70	1.77	0.01
Total	56,530.23	4,172.25	7.38	66,826.96	4,661.68	6.98

Source: Finance Accounts of the Government of Jharkhand for the respective years

Subsidy

During 2017-18, Government of Jharkhand paid ₹ 1,440 crore⁷ as subsidy mainly under MH 3456- Civil Supplies (₹ 827 crore), 2401-Crop Husbandry (₹ 398 crore) and 2852-Industries (₹ 62 crore). Subsidy increased from ₹ 187 crore in 2013-14 to ₹ 1,859 crore in 2016-17 which decreased to ₹ 1,440 crore in 2017-18. Decrease of ₹ 419 crore in 2017-18 was mainly due to less subsidy under Distribution of sugar/salt (₹ 208 crore), Pradhan Mantri Ujjawala Yojana (₹ 24 crore), Antyodaya Anna Yojana (₹ 2 crore) and Bonus for Paddy Procurement (₹ 2 crore) under Head 3456-Civil Supplies. No subsidy was given for power and irrigation.

1.6.4 Major programmes

During 2017-18, ₹ 16,709 crore was budgeted for 35 major flagship programmes under the State Plan (SP) against which ₹ 15,408 crore was utilised. Under the Central Plan (CP), ₹ 8,575 crore was utilised against ₹ 10,461 crore budgeted for the year.

The budget provisions and actual expenditure on some major programmes during 2017-18 under SP and CP are shown in **Table 1.23**.

Table 1.23: Expenditure on major programmes

(₹ in crore)

Sl. No.	Name of programme	Budget Provision	Expenditure
State Plan			
1	Major Roads	3,978.52	3,812.46
2	Minimum Needs Programmes-Construction of Rural Roads	1,107.09	1,082.18
3	Loan to Jharkhand Urja Sancharan Nigam Ltd. for transmission	1,079.03	1,079.03
4	Indira Awas Yojana – Schemes for General (Pradhan Mantri Awas Yojana Rural)	883.75	883.75
5	Sarva Shiksha Abhiyan	620.00	400.00
6	Major Urban Transport Project and Civic Infrastructure	555.00	555.00
7	Rural Sanitation	542.05	480.72
8	Priority Household Schemes	497.45	497.86
Central Plan			
1	GIA for Pradhan Mantri Awas Yojana (CSS)	546.21	546.21
2	Swachh Bharat Mission (CSS)	116.53	116.53
3	Smart City (CSS)	204.00	204.00
4	Urban Renewal Mission AMRUT (CSS)	123.59	123.59

Source: Appendix-V of Finance Accounts of the Government of Jharkhand 2017-18

⁷ Appendix II of Finance Accounts 2017-18

1.6.5 Financial assistance

Details of grants and loans given by the State Government during 2013-18 are presented in **Table 1.24**.

Table 1.24: Financial assistance to Local Bodies and other Institutions

(₹ in crore)

Financial Assistance to Institutions	2013-14	2014-15	2015-16	2016-17	2017-18
Panchayati Raj Institutions (PRIs)	910.68	3,378.42	3,407.48	2,533.77	1,270.13
Urban Local Bodies (ULBs)	88.38	1,619.77	1,830.77	2,961.14	1,155.11
Public Sector Undertakings	1,528.89	3,643.86	3,987.54	0.00	0.00
Autonomous Bodies	2,451.34	2,512.95	5,480.60	7,942.59	11,431.05
Non-Governmental Organisations	106.65	684.99	0.00	0.00	0.00
Others	1,335.91	564.03	184.53	6,894.52	6,857.70
Total	6,421.85	12,404.02	14,890.92	20,332.02	20,713.99
As percentage of Revenue Expenditure	27.36	39.01	40.74	45.09	40.65

Source: Statement 10 of Finance Accounts Government of Jharkhand for the respective years

Financial assistance to ULBs and PRIs was provided through regular service heads of the Urban Development Department and Rural Development Department instead of under Head '3604-Financial assistance to ULBs and PRIs' specified for the purpose.

1.6.5.1 Urban Local Bodies (ULBs)

There are 48 ULBs (Nagar Nigam-9, Nagar Parishad-20, Nagar Panchayat-18, and Notified Area Committee-1) in the State.

Details of funds provided to ULBs are given in **Table 1.25** below:

Table 1.25: Funds made available to Urban Local Bodies

(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	Total
Revenue Receipt (RR) of the State	26,137	31,565	40,638	47,054	52,756	198,150
Revenue Expenditure (RE) of the State	23,472	31,795	36,553	45,089	50,952	187,861
Financial Assistance given to ULBs	88	1,620	1,831	2,961	1,155.11	7,655.11
Financial Assistance as percentage to RR	0.34	5.13	4.51	6.29	2.19	3.86
Financial Assistance as percentage to RE	0.37	5.10	5.01	6.57	2.27	4.07
Own collection ⁸	45.54	8.96	14.99	60.09	184.55 ⁹	314.13

Source: Finance Accounts of the Government of Jharkhand for the respective years

The Second State Finance Commission (December 2009 to December 2014) had not made any recommendations on devolution of funds to ULBs. The Third State Finance Commission (January 2014 to January 2019) has also not made any interim recommendations in this regard. The Urban Development Department has not responded to several audit queries on the devolution of the 18 functions and powers stipulated under the Jharkhand Municipal Act, 2011 (**Appendix 1.4 Part-A**).

The State Government entrusted (October 2011) the C&AG with Technical Guidance and Supervision (TGS) over audit of Local Bodies (Urban Local Bodies and Panchayati Raj Institutions). Accordingly, the Bihar and Orissa

⁸ Information regarding funds collected by the ULBs from own sources has not been furnished by the Urban Development Department. However, information obtained during audit of various ULBs has been included.

⁹ Own Tax collection obtained during audit of 39 ULBs. Two Nagar Parishad (Chirkunda and Phusro), six Nagar Panchayat (Bachra, Badaki Saraiya, Barharwa, Chhatarpur, Domchach and Dhanwar) and Jugsalai Notified Area Committee were not audited during 2017-18.

Local Fund Audit Act, 1925 read with Jharkhand Local Fund Audit (Amendment) Act 2012 (JLFA Act) provided for audit by Director of Local Fund Audit (DLFA) to whom the C&AG was required to provide TGS. The State Government created 22 posts (March 2013) to make DLFA functional and appointed DLFA in November 2014. The DLFA informed (August 2016) that 3 Deputy Controllers of Accounts and 14 Audit Officers have been appointed. The DLFA is conducting audit of accounts of ULBs as per JLFA Act. The Accountant General (Audit), Jharkhand is conducting audit of local bodies on test check basis.

1.6.5.2 Panchayati Raj Institutions

There are 4,689 PRIs¹⁰ in the State. Details of fund releases to PRIs during 2013-18 are given in **Table 1.26**.

Table 1.26: Funds released to Panchayati Raj Institutions

Particulars	(₹ in crore)					Total
	2013-14	2014-15	2015-16	2016-17	2017-18	
Revenue Receipt (RR) of the State	26,137	31,565	40,638	47,054	52,756	1,98,150
Revenue Expenditure (RE) of the State	23,472	31,795	36,553	45,089	50,952	1,87,861
Financial Assistance to PRIs	911	3,378	3,407	2,534	1,270	11,500
Financial Assistance as percentage to RR	3.49	10.70	8.38	5.39	2.41	5.80
Financial Assistance as percentage to RE	3.88	10.62	9.32	5.62	2.49	6.12

Source: Finance Accounts of the Government of Jharkhand for the respective years

The State Government issued orders of transfer of funds to Panchayats in October 2012. As depicted in **Appendix 1.4 Part-B**, out of stipulated 29 functions, 16 functions have been devolved to PRIs either completely or partially as of August 2015. The State Government notified (March 2011) the 'Jharkhand Panchayati Raj (Budget & Accounts) Regulation 2010' and the accounting in PRIs is done accordingly.

Audit of PRIs is conducted by the DLFA and the AG (Audit) in the same manner as discussed under paragraph 1.6.5.1.

1.7 Quality of expenditure

Developmental expenditure (expenditure on social and economic services) constituted 73 per cent of Total Expenditure in 2017-18 whereas, it was 76 per cent in 2016-17.

1.7.1 Adequacy of public expenditure

Table 1.27 analyses the fiscal priority of the State Government with regard to Development Expenditure, Social Sector Expenditure and Capital Expenditure during 2017-18, taking 2013-14 as the base year.

¹⁰ 24 Zila Parishads, 263 Panchayat Samitis and 4,402 Gram Panchayats

Table 1.27: Fiscal priority of the State in 2013-14 and 2017-18

Fiscal Priority by the State*	AE/GSDP	DE#/AE	ESE/AE	SSE/AE	CE/AE	Education/ AE	Health/AE
General Category States Average (Ratio) 2013-14	14.7	66.5	28.9	37.6	13.6	17.2	4.5
Jharkhand State's Average (Ratio) 2013-14	15.1	64.3	32.1	32.2	14.8	14.3	4.0
General Category States Average (Ratio) 2017-18	16.1	67.9	29.6	36.7	14.4	15.5	4.9
Jharkhand State's Average (Ratio) 2017-18	25.4	73.1	40.5	32.6	18.5	12.9	4.4

*As per cent to GSDP at current prices

AE: Aggregate Expenditure (Total Expenditure), DE: Development Expenditure, SSE: Social Sector Expenditure, ESE: Economic Service Expenditure, CE: Capital Expenditure

Development expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.

Source: GSDP as available on CSO website as on 28 August 2018.

As evident from the table, the ratio of development expenditure, economic service expenditure and capital expenditure to aggregate expenditure (AE) was significantly higher than the average for the General Category States (GCS) during 2017-18. However, Education Sector Expenditure and Health Sector Expenditure was less than the average of GCS during the year.

Recommendation: State Government should give priority to Social Sector Expenditure with emphasis on the Health and Education Sector.

1.7.2 Efficiency of expenditure use

Table 1.28 presents the trends in Development Expenditure relative to the Aggregate Expenditure of the State during 2017-18 *vis-à-vis* the budgeted amounts and the expenditure during the previous years.

Table 1.28: Development Expenditure

Components of Development Expenditure	2013-14	2014-15	2015-16	2016-17	2017-18	
					BE*	Actuals
Development Expenditure						
Development Revenue Expenditure	13,512(48)	21,171(55)	24,551(47)	32,065(56)	41,262	34,535(53)
Development Capital Expenditure	4,554(16)	5,217(14)	7,588(15)	10,271(18)	11,926	11,148(17)
Development Loans and Advances	209(1)	807(2)	7,431 ¹¹ (14)	1,283(2)	1,923	1,796(3)
Total	18,275	27,195	39,570	43,619	55,111	47,479
Growth of Development Expenditure	(-)5.4	48.8	45.5	10.2	-	8.8

Figures in parentheses indicate percentage to aggregate expenditure (RE + CE + L&A)

* Both budget estimates and actuals are gross figures.

Source: Finance Accounts and budget publication of the Government of Jharkhand 2017-18

1.7.3 Expenditure on selected Social and Economic Services

Table 1.29 presents the efficiency of expenditure in selected Social and Economic services.

¹¹ On account of loans of ₹ 5,553 crore to DISCOM under UDAY.

Table 1.29: Efficiency of expenditure use in selected Social and Economic services*(In per cent)*

Social/Economic Infrastructure	2016-17			2017-18		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S & W	O&M		S&W	O &M
Social Services (SS)						
General Education	0.39	37.51	0.00	0.01	49.72	0.00
Health and Family Welfare	21.42	38.13	0.00	10.83	32.17	0.00
WS, Sanitation and HUD	7.96	3.29	0.27	10.14	3.33	0.10
Total (SS)	7.61	21.72	0.11	7.23	25.94	0.25
Economic Services (ES)						
Agriculture & Allied Activities	20.47	18.13	0.09	23.15	18.50	0.05
Irrigation and Flood Control	82.39	95.98	2.17	80.92	95.85	1.5
Power & Energy	0.00	0.00	1.37	0.00	0.00	1.47
Transport	90.99	24.22	26.01	90.64	25.52	27.53
Total (ES)	37.21	9.84	3.21	36.71	10.68	2.84
Total (SS+ES)	23.55	16.72	1.42	23.55	19.36	1.37

TE: Total Expenditure of that sector; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages; O&M: Operations & Maintenance, as per Finance Accounts it represents actual expenditure booked under detailed head -05- Maintenance and Repairs.

Source: Finance Accounts of the Government of Jharkhand 2017-18

As depicted in the above table, ratio of salary to revenue expenditure in General Education increased significantly from 37.51 *per cent* in 2016-17 to 49.72 *per cent* in 2017-18, whereas in Health and Family Welfare salary to revenue expenditure decreased from 38.13 *per cent* in 2016-17 to 32.17 *per cent* in 2017-18.

1.8 Financial analysis of Government expenditure and investments

This section presents a broad financial analysis of investments and other capital expenditure of the Government.

1.8.1 Financial results of irrigation projects

The Thirteenth and Fourteenth Finance Commissions had prescribed cost recovery rate on irrigation projects for assessing the commercial viability of these projects. However, no irrigation scheme was declared as commercial by the Government of Jharkhand.

As per Appendix VIII (i) of the Finance Accounts, there are 42 Irrigation projects in Jharkhand with total capital outlay of ₹ 1,982.10 crore at the end of 2017-18, of which, ₹ 1,720.06 crore was spent on working expenses and maintenance charges. During 2017-18, ₹ 48.78 crore¹² was received as revenue from these projects.

Recommendation: The State Government may initiate measures to declare irrigation projects as commercial for cost recovery as per Finance Commission's recommendations.

1.8.2 Incomplete projects

Department-wise information pertaining to incomplete projects which were to be completed on or before 31 March 2018 is given in **Table 1.30**.

¹² Miscellaneous revenue.

Table 1.30: Department-wise profile of incomplete projects

₹ in crore)

Department	No. of incomplete projects	Estimated cost of projects	Cumulative expenditure as on 31.3.2018
Building Construction	4	413.67	244.10
Drinking Water and Sanitation	4	55.16	22.49
Road Construction	48	1,789.44	1,032.61
Rural Works	4	34.69	17.36
Water Resources	53	179.61	86.10
Total	113	2,472.57	1,402.66

Source: Appendix IX of the Finance Accounts 2017-18--Government of Jharkhand

The blocking of funds on incomplete works impinges negatively on the quality of expenditure. Delay in completion of projects/works not only invites the risk of cost escalation but also deprives the State of the intended benefits.

Out of 113 projects shown in the above table, revised cost of only six¹³ projects were provided which showed that estimated cost of ₹ 231.10 crore in those six projects escalated to ₹ 1,074.16 crore due to non-completion of those projects in time. Since the details of the remaining 125 projects were not furnished by the departments, their revised cost was not exhibited in the Finance Accounts and was thus not ascertainable.

An analysis of construction of Punasi Dam under Water Resources Department revealed that the project was started in January 1982 at an estimated cost of ₹ 26.09 crore and was to be completed by March 1990. As per estimates, on completion of the project, 15,384 Ha. of Kharif land and 8,907 Ha. Rabi land could have been irrigated. However, as of May 2019, the work was not completed and the cost of the project was raised upto ₹ 797.72 crore in the third revision of the estimate. The cost escalation due to non-completion of the project on time was 2,958 per cent over the original estimate.

At the end of May 2019, the physical progress of Dam work, Spillway, Canal and Distributaries were 80 per cent, 40 per cent, 50 per cent and 10 per cent respectively.

It was also noticed that the work was stopped for a long time during the period 1990 to 1998 and 2001 to 2012 due to shortage of funds, delay in land acquisition, forest clearance etc.

Thus, non-completion of project on time not only resulted in high cost escalation but also the intended benefit of irrigation of land was not achieved (May 2019).

Recommendation: The Public Works Departments of the State may evolve a mechanism to ensure 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.

¹³ Punasi Reservoir, Konar Main Canal, Subernarekha Canal Division, Jamshedpur, w/s of Harinchara to Barhait Rd., w/s to Mirzachouki-Barizore-Simra Rd. w/s of Sobhanpur Bhatta to Rajgaon Rd.

1.8.3 Investment and returns

As per annual accounts of the State ending 31 March 2018, the Government had invested ₹ 376.87 crore in one Regional Rural Bank (₹ 45.73 crore), 15 Government companies (₹ 170.80 crore) and 19 co-operatives, corporations, and societies (₹ 160.34 crore) since inception of the State in November 2000 (Table 1.31). However, verification of PSUs accounts and sanction orders of the State during 2016-17 revealed that the Government accounts had understated investment by ₹ 124.54 crore during 2000-2016, due to erroneous budgetary categorisation, viz., not providing for the investment under the appropriate minor head and depicting investment in share capital as GIA. After being pointed out by Audit, Finance Department of the State had reconciled and corrected investment figures in respect of three companies amounting to ₹ 50¹⁴ crore during 2017-18 reducing the unsettled investments to ₹ 74.54¹⁵ crore against five entities at the end of the current financial year.

Table 1.31: Returns on investments

Investment/Return/cost of borrowings	2013-14	2014-15	2015-16	2016-17	2017-18
Investment at the end of the year (₹ in crore)	226.22	241.25	261.70	320.83 ¹⁶	376.87
Returns (₹ in crore)	18.00	Nil	0.47	Nil	Nil
Returns (per cent)	7.76	Nil	0.18	Nil	Nil
Average rate of interest on Government borrowings(per cent)	7.22	7.22	6.63	6.76	6.98
Difference between interest rate and return (per cent)	0.54	7.22	6.45	6.76	6.98
Notional loss due to difference between interest rate of market borrowing and interest received on the returns (₹ in crore)	1.22	17.42	16.88	21.69	26.31

Source: Statement 19 of Finance Accounts Government of Jharkhand 2017-18

Over the past five years, the State Government has incurred a notional loss of ₹ 83.52 crore on account of difference between the interest on Government's borrowings and the return on investment, of which, the notional loss in 2017-18 was ₹ 26.31 crore. The return on investment of the State Government is therefore negative. Despite no return from its investments, the State Government made investment of ₹ 23.50 crore in the State PSUs in the form of equity during 2017-18.

Audit further observed that investments made by the erstwhile State of Bihar in Government Companies, Co-operative Institutions and Local Bodies, Statutory Corporations and Joint Stock Companies up to 14 November 2000 (₹ 2,389.55 crore) have not been apportioned between the successor States of Bihar and Jharkhand.

1.8.4 Loans and advances by State Government

Apart from equity investments in the above entities, the State Government has also been providing Loans and Advances (L&A) to many of these entities and its employees. Table 1.32 presents the outstanding Loans and Advances as on 31 March 2018 and interest receipts *vis-à-vis* interest payments during the last five years.

¹⁴ Jharkhand Hill Area Lift Irrigation Corporation ₹ 5 crore; Jharkhand Urban Infrastructure Development Corporation ₹ 35 crore and Jharkhand Silk Textile and Handicraft Development Corporation ₹ 10 crore.

¹⁵ Greater Ranchi Development Authority- ₹ 39.14 crore; Jharkhand Urban Transport Corporation Ltd.- ₹ 15 crore; Jharkhand State Agriculture Development Corporation Ltd.- ₹ 2 crore; Jharkhand Medical and health Infrastructure Development and Procurement Corporation Ltd.- ₹ 5 crore; Jharkhand Urja Vikash Nigam Ltd.- ₹ 8.40 crore and Jharkhand State Food and Civil Supplies Corporation Ltd.- ₹ 5 crore.

¹⁶ Amount revised after reconciliation with records of PSUs.

Table 1.32: Loans and advances given by the State Government

(₹ in crore)

Loans/Interest Receipts/ cost of borrowings	2013-14	2014-15	2015-16	2016-17	2017-18
Opening Balance of Loans (₹ in crore)	7,748	7,947	8,738	16,187	17,482*
Amount advanced during the year (₹ in crore)	222	824	7,480	1,335	1,852
Amount recovered during the year (₹ in crore)	23	33	31	39	42
Recovery as percentage of outstanding L&A	0.3	0.4	0.4	0.2	0.2
Closing Balance	7,947	8,738	16,187	17,483	19,292
Net addition (₹ in crore)	199	791	7,449	1,297	1,809
Total interest receipts (₹ in crore)	2.74	15.72	4.33	3.88	87.66
Interest receipts as a percentage of outstanding L&A	0.03	0.20	0.05	0.02	0.50
Average rate of interest on Government borrowings (per cent)	7.22	7.22	6.63	6.76	6.98
Interest in arrear	797.72	875.44	903.98	1,009.20	1,044.09
Interest in arrear as per cent of outstanding loans and advances	10.30	11.01	10.35	6.23	5.97

Source: Finance Accounts of the Government of Jharkhand for the respective years

* Adjusted due to rounding off

A significant portion of the total outstanding loans at the end of March 2018 (₹ 19,292 crore), pertains to loans to DISCOMs (₹ 18,444 crore) and Urban Local Bodies (₹ 706 crore).

Outstanding arrears of loanee entities at the end of March 2018 amounted to ₹2,378 crore (principal: ₹ 1,334 crore and interest: ₹ 1,044 crore). However, due to loan to the DISCOM companies under UDAY during 2015-16, the percentage of interest in arrear in respect of outstanding loans and advances given by the State Government was less in the years 2016-17 and 2017-18.

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

Recommendation: The State Government should rationalise its investments and loans advanced to various entities such that the return on investment and loans at least matches the Government borrowing costs.

1.8.5 Cash Balances and investment of Cash Balances

Details of cash balances and investments made by the State Government during the year are shown in **Table 1.33**.

Table 1.33: Cash balances and Investment of Cash balances

(₹ in crore)

Particulars	As on 31 March 2017	As on 31 March 2018
Cash Balances	1,947.85	150.44
Investments from Cash Balances (a to c)	1,439.09	354.56
a. GoI Treasury Bills	1,439.09	354.56
b. GoI Securities	Nil	Nil
c. Other Investments	Nil	Nil
Interest realised on investment	117.01	78.57
Deposit with Reserve Bank	502.26	-242.16
Departmental Cash Balance	6.50	38.04

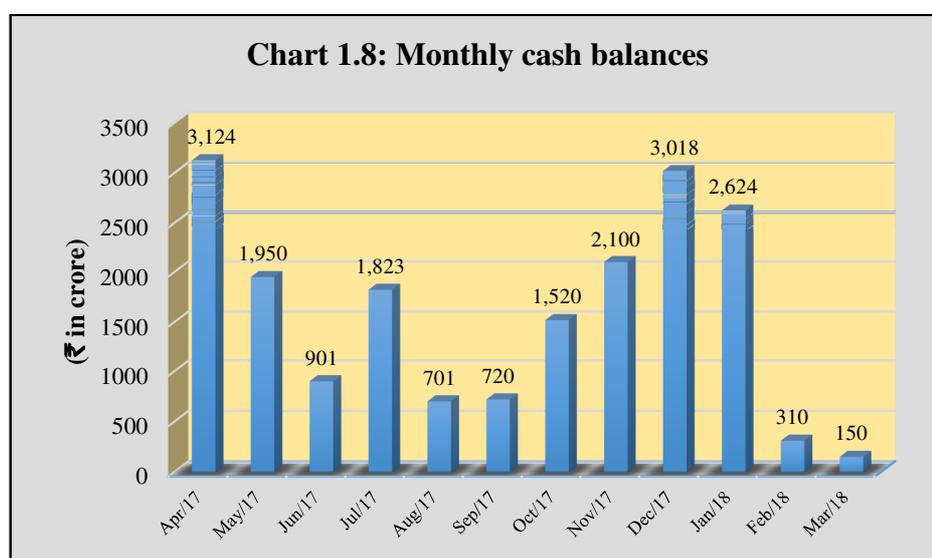
Source: Finance Accounts of the Government of Jharkhand 2017-18

The cash balance was invested in GoI Treasury Bills by the RBI.

There was a difference of ₹ 219.24 crore (net credit) between the figures reflected in the accounts {₹ 242.16 crore (credit)} and that intimated by the RBI {₹ 22.92 crore (debit)}. This difference in the Reserve Bank Deposit Balance has been taken up by the Principal Accountant General (A&E), Jharkhand with RBI, Ranchi for reconciliation and necessary correction.

During scrutiny of records it was noticed that Ministry of Finance, Government of India allowed the State Government to raise open market borrowings of ₹ 6,000 crore during the year 2017-18. Accordingly, the State Government borrowed the amount through nine state development loans at interest rates ranging from 7.27 per cent to 8.08 per cent per annum.

After inter-month fluctuation the cash balance of the State stood at ₹ 150 crore at the end of financial year 2017-18 as shown in **Chart 1.8**:



1.9 Assets and Liabilities

1.9.1 Growth and composition of Assets and Liabilities

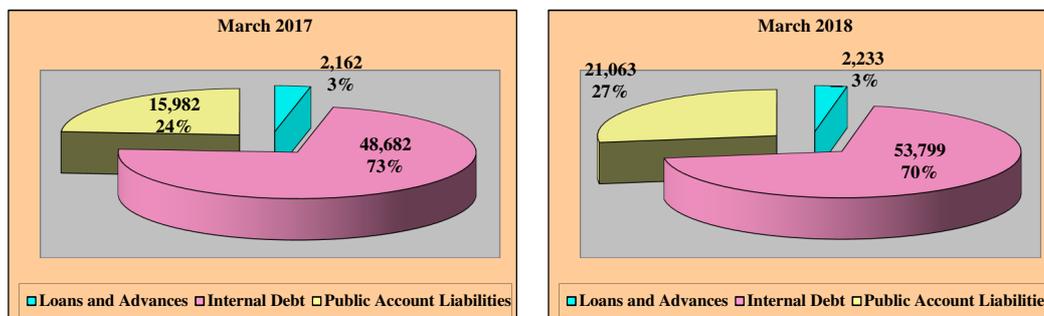
The Government accounting system does not provide for comprehensive accounting of fixed assets like land and buildings owned by the Government. Nevertheless, these are depicted through the assets created out of the expenditure incurred and the financial liabilities of the Government. **Appendix 1.5** gives an abstract of such liabilities and assets as on 31 March 2018, compared with the corresponding position as on 31 March 2017. While the liabilities consist mainly of internal borrowings, Loans and Advances from the GoI, receipts from the Public Account and Reserve Funds, the assets comprise mainly of Capital Outlay, Loans and Advances given by the State Government and the cash balances.

The Jharkhand FRBM Act, 2007 defines the total liabilities of the State as the liabilities under the Consolidated Fund of the State and the Public Account of the State, which include Loans and Advances from the Central Government, open market borrowings, loans from financial institutions, Public Account balances of Small Savings, Reserve Funds and Deposits etc.

1.9.2 Fiscal Liabilities

The trends of outstanding fiscal liabilities of the State are presented in **Appendix 1.3**. The composition of fiscal liabilities during the years 2016-17 and 2017-18 is also shown in **Chart 1.9**.

Chart 1.9: Composition of Outstanding Fiscal Liabilities at the end of March 2017 and March 2018 (₹ in crore)



Source: Finance Accounts of the Government of Jharkhand for the years 2016-17 and 2017-18

Table 1.34: Trends in Fiscal Liabilities: Basic parameters

(₹ in crore)

Components	2013-14	2014-15	2015-16	2016-17	2017-18	CAGR
Internal Debt	27,940	32,755	43,756	48,682	53,799	17.80
Loans and Advances from Gol	2,092	2,087	2,085	2,162	2,233	1.64
Public Account Liabilities	7,562	8,727	10,689	15,982	21,063	29.25
Total Fiscal Liabilities	37,594	43,569	56,530	66,826	77,095	19.67
Growth of Fiscal Liabilities (<i>per cent</i>)	7.8	15.9	29.7	18.2	15.4	NA
Fiscal Liability to GSDP at current price (<i>per cent</i>)	19.9	19.9	27.4	28.4	30.2	NA
Fiscal Liabilities as percentage to Revenue Receipts	143.83	138.03	139.1	142.0	146.1	NA

Source: Finance Accounts of the Government of Jharkhand for the respective years
NA- Not applicable

The ratio of Fiscal Liabilities to GSDP at current prices was 30.20 *per cent* in 2017-18 compared to the normative projection (25.77 *per cent*) made by the FFC for the State.

The Fiscal Liabilities of undivided Bihar are yet to be apportioned between the successor States.

Recommendation: The State should take steps to achieve the normative projection of FFC in respect of Fiscal parameters of the State.

1.9.3 Sinking Fund

Following the recommendations of the Twelfth Finance Commission, the State has created a Consolidated Sinking Fund for amortisation of all loans including loans from banks, liabilities on account of National Small Savings Funds etc. during 2016-17. Further, a minimum annual contribution of 0.50 *per cent* of outstanding liabilities at the beginning of the year was required to be transferred to the fund.

GoJ had an outstanding debt of ₹ 66,826 crore at the beginning of 2017-18, for which, a minimum amount of ₹ 334.13 crore was required to be transferred to the fund. Though GoJ made budget provision of ₹ 247 crore during the year, the amount was not transferred to the fund.

1.9.4 State Disaster Response Fund (SDRF)

As per Para 19 and 20 of SDRF guidelines 2010, the balances under the funds should be invested by the State in (a) Central Government dated securities (b) auctioned treasury bills and (c) interest earning deposits and certificates of deposits with Scheduled Commercial Banks. However, the balances under the fund as on 1 April 2017 (₹ 1,259.29 crore) were not invested by the State Government.

Further, as per the guidelines, the Government was required to pay interest on the uninvested balances at the rate of interest (8.08 *per cent*) payable on overdrafts, which is to be added to the corpus of the fund itself. However, GoJ had not paid any interest to SDRF since its creation, which works out to ₹ 505.37 crore at the applicable rates of interest for the period 2010-18. Of this, unpaid interest for 2017-18 alone amounted to ₹ 101.74 crore, resulting in overstatement of revenue surplus and understatement of fiscal deficit for the year. The SDRF had a closing balance of ₹ 1,551.04 crore as on 31 March 2018. Consequently, the balances in the Fund are only book entries and do not represent actual cash balance. Such unpaid interest since the operation of the Fund represents the unaccounted liabilities of the State.

Recommendation: The State should invest the balances lying under this fund as per the SDRF guidelines.

1.9.5 Status of Guarantees – Contingent liabilities

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

As per the recommendation of the Twelfth Finance Commission, the GoJ was required to constitute a Guarantee Redemption Fund (GRF) with minimum annual contribution of 0.50 *per cent* of outstanding guarantees at the beginning of the year. However, the Fund has not been created.

1.10 Debt Management

1.10.1 Debt profile

Apart from the magnitude of debt of the State Government, it is important to analyse the various indicators that determine the debt sustainability¹⁷ of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation¹⁸; sufficiency of non-debt receipts¹⁹; net availability of borrowed funds²⁰; burden of interest payments (measured by

¹⁷ Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time. It also embodies the concern about the ability to service its debt. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between costs of additional borrowings and returns from such borrowings. It means that a rise in fiscal deficit should match the increase in capacity to service the debt.

¹⁸ A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or the cost of public borrowings, the debt-GSDP ratio is likely to be stable provided the primary balances are either zero or positive or are moderately negative.

¹⁹ Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

²⁰ Defined as the ratio of debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which debt receipts are used in debt redemption indicating the net availability of borrowed funds.

interest payments to revenue receipts ratio) and the maturity profile of State Government securities.

1.10.2 Debt Sustainability

Table 1.35 analyses the debt sustainability of the State according to these indicators for a period of five years beginning from 2013-14.

Table 1.35: Debt Sustainability - Indicators and Trends

(₹ in crore)

Indicators of Debt Sustainability	2013-14	2014-15	2015-16	2016-17	2017-18
Debt-GSDP ratio	19.9	19.9	27.4	28.4	30.2
Sufficiency of Incremental Non-debt Receipts (Resource Gap)*	1,275	(-)2,885	4,313	(-)2,113	(-)131.54
Net Availability of Borrowed Funds	110	3,046	9,641	6,224	5,606
Burden of Interest Payments (IP/RR Ratio)	10	9.28	8.17	8.87	8.84

Source: Finance Accounts of the Government of Jharkhand for the respective years

*Formula in **Appendix 1.6**

During 2017-18, the Debt-GSDP ratio at 30.20 *per cent* was higher than the normative projection fixed by the FFC (25.77 *per cent*). It was also significantly higher than the target set in the MTFP document (26.65 *per cent*). Significant inter year fluctuations in Resource Gap indicates inconsistent collection of non-debt receipts by the State during the period 2013-18.

Table 1.36: Net availability of borrowed funds

(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Receipts under public debt and other liabilities ²¹	12,840	19,808	28,482	19,193	25,206
Repayment (principal and interest) under public debt and other liabilities	12,730	16,762	18,841	12,969	19,599
Net fund available	110	3,046	9,641	6,224	5,607
Percentage of net fund available to receipts under public debt and other liabilities	0.86	15.38	33.85	32.43	22.24

Source: Finance Accounts of the Government of Jharkhand for the respective years

Net availability of borrowed funds decreased gradually from ₹ 9,641 crore in 2015-16 to ₹ 5,607 crore in 2017-18. During 2017-18, the main contributors in borrowed funds were internal debt (₹ 7,905 crore) and deposit not bearing interest (₹ 1,526 crore).

During 2017-18, the receipts of the State under public debt and other liabilities increased by 31 *per cent* whereas, repayment of public debt and other liabilities including interest increased by 51 *per cent* over the previous year resulting in less availability of borrowed funds to the State.

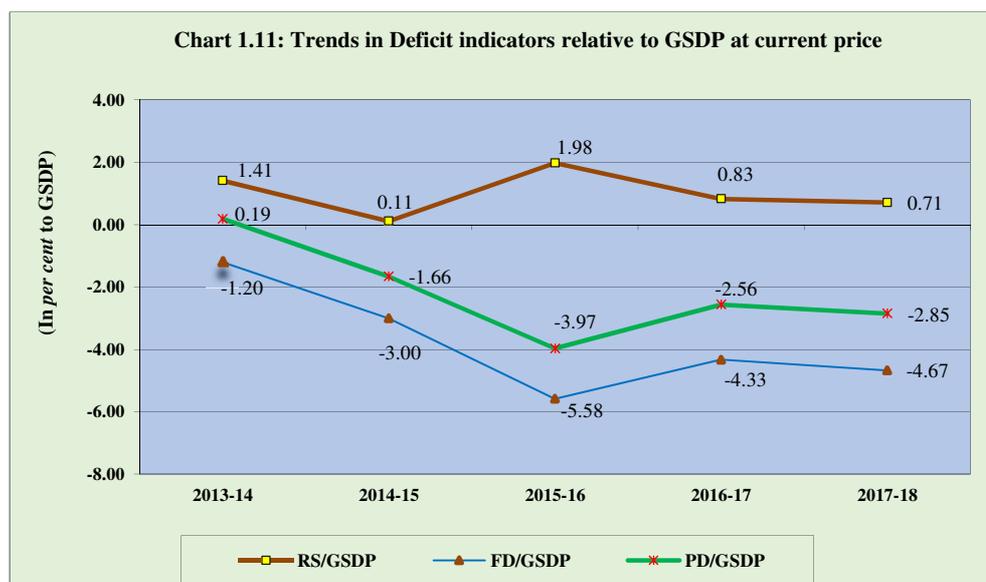
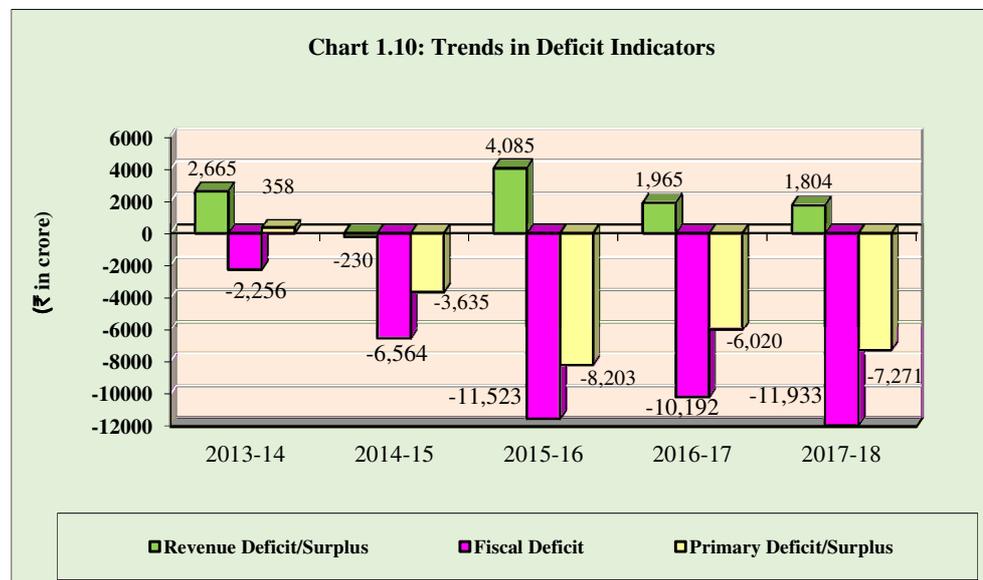
The net availability of borrowed funds as percentage to receipts under borrowings decreased sharply from 32.43 *per cent* in 2016-17 to 22.24 *per cent* in 2017-18 which was indicative of less availability of borrowed funds for capital works in the State during the year.

²¹ Small Savings, Provident Funds etc (₹ 1,016.42 crore); Reserve funds bearing interest (₹ 401 crore); Deposits bearing interest (₹ 386.30 crore) and Deposits not bearing interest (₹ 15,264.96 crore)

1.11 Fiscal Imbalances

1.11.1 Trends in deficits

Chart 1.10 and Chart 1.11 present the trends of deficit indicators over the period 2013-18.



The State managed to show a Revenue Surplus of ₹ 1,804 crore in 2017-18 mainly due to less revenue expenditure than the original budget estimates (by ₹ 3,604 crore under Social Services and by ₹ 3,265 crore under Economic Services).

During 2016-17 and 2017-18, the growth rate of revenue receipts decreased to 16 per cent and 12 per cent respectively whereas growth rate of revenue expenditure increased to 23 per cent and 13 per cent resulting in decrease in Revenue surplus during these years. The higher growth rate of revenue expenditure was due to more expenditure on services like Water Supply, Sanitation, Housing and Urban Development, Rural Development, Agriculture and Allied Activities, Energy etc.

During 2015-16, 2016-17 and 2017-18, the growth rate of the State's own revenue was 18 *per cent*, 7.6 *per cent* and 8.3 *per cent* respectively.

The State achieved the target (as per the State FRBM Act and recommendations of the State Finance Commissions) of reducing the Revenue Deficit to 'zero' during 2013-18, except in 2014-15. The State achieved Revenue Surplus to GSDP ratio of 0.71 *per cent* in 2017-18 against the target of 2.77 *per cent* indicated in MTFP. The Fiscal Deficit to GSDP ratio was 4.67 *per cent* at the end of March 2018, against the target of 2.49 *per cent* fixed in the budget document and the FFC norms of 3.25 *per cent*.

After inter-year fluctuations, Primary Deficit was (-) 2.85 *per cent* of GSDP in 2017-18.

Recommendation: The Government should ensure achievement of normative projections made by FFC as well as estimated targets in the budget documents.

Chapter-2

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

CHAPTER 2

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

Audit of Appropriations seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation given in the Appropriation Act and if the expenditure is required to be charged under the provisions of the Constitution, it is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations, and instructions.

2.2 Mechanism for Budget Management

The significant provisions of the Bihar Budget Manual (as adopted by Jharkhand) relating to budget management are as under:

- (i) The Budget Estimates of the State are to be prepared in the form prescribed by the Finance Department (**Rule 52**).
- (ii) The estimates under each Major Head prepared by the Controlling Officers of different departments are to be examined by the Finance Department and compiled for presentation of the first edition budget to the Government (**Rule 79**).
- (iii) All anticipated savings should be surrendered to the Government immediately when they are foreseen unless they are required to meet excesses over grant under some other units. No savings should be held in reserve for possible future excesses (**Rule 112**).
- (iv) Supplementary grants should be obtained in consultation with the Finance Department to meet new specific items of expenditure or to cover probable excesses in the voted grant (**Rule 117**).

Audit observed large savings in several grants during 2017-18, indicating deficiencies in budget management as discussed in the succeeding paragraphs.

2.3 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2017-18 against 60 grants/appropriations is as given in **Table 2.1**.

Table 2.1: Summarised position of actual expenditure vis-à-vis Original/Supplementary Grants for the year 2017-18

(₹ in crore)

	Nature of Expenditure	Total Grant/Appropriation	*Actual Expenditure	Saving (-)/ Excess (+)	Amount Surrendered	Amount Surrendered only in March 2018	Percentage of Savings surrendered in March (Col 6/Col 5)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Voted	(I) Revenue	58,084.33	46,301.28	11,783.05	7,336.38	7,336.38	100.00
	(II) Capital	14,189.95	11,952.71	2,237.24	1,100.39	1,100.39	100.00
	(III) Loans and Advances and Inter State Settlement	2,022.87	1,851.67	171.20	0.00	0.00	0.00
Total Voted		74,297.15	60,105.66	14,191.49	8,436.77	8,436.77	100.00
Charged	(IV) Revenue	4,806.96	4,759.96	47.00	128.29	128.29	100.00
	(V) Capital	0.00	0.00	0.00	0.00	0.00	0.00
	(VI) Public Debt-Repayment	3,057.17	2,949.50	107.67	48.67	48.67	100.00
Total Charged		7,864.13	7,709.46	154.67	176.96	176.96	100.00
Grand Total		82,161.28	67,815.12	14,346.16	8,613.73	8,613.73	100.00

Source: Appropriation Accounts of the Government of Jharkhand for the year 2017-18

*The expenditure figures are in gross without taking into account the recoveries adjusted in the accounts as reduction of revenue voted expenditure (₹ 109.16 crore).

Note: Expenditure in respective heads was overstated to the extent of ₹ 571 crore drawn through AC bills during 2017-18 against which DC bills were not submitted as on 03 October 2018.

During 2017-18, the savings of ₹ 14,346.16 crore (17.46 per cent of the total budget) was the result of total savings of ₹ 14,611.66 crore (₹ 12,095.55 crore in 54 voted grants and four appropriations under the Revenue Section and ₹ 2,516.11 crore in 37 grants and one appropriation under the Capital Section), offset by excess of ₹ 265.50 crore in one grant and one appropriation.

It was noticed during scrutiny that against total savings of ₹ 14,346.16 crore during the year, ₹ 8,613.73 crore (60.04 per cent) was surrendered in the month of March 2018 leaving the Finance Department virtually no time to utilise the funds for other development purposes.

It was also observed that the Finance Department failed to utilise the Monthly Civil Accounts and Monthly Appropriation Accounts sent by the Principal Accountant General (A&E) to ensure better financial management and avoid large savings and excess expenditure within the grants.

Further, it was noticed that reasons for savings/ excess were furnished in only 323 out of 1,504 sub-heads captured in Appropriation Accounts of Government of Jharkhand 2017-18, whereas, reasons for savings in 1,168 sub-heads and reasons for excesses in 13 sub-heads were not furnished by the departments.

Recommendation: The Finance Department should monitor trend of expenditure by Departmental Controlling Officers so that funds are not retained unnecessarily and are surrendered at the earliest.

2.4 Financial Accountability and Budget Management

2.4.1 Appropriations against allocative priorities

Out of total savings of ₹ 14,346.16 crore, savings of ₹ 11,501.23 crore (80 *per cent*) occurred in 24 cases relating to 21 grants as indicated in **Table 2.2**. In these cases, savings exceeded ₹ 100 crore and was 20 *per cent* or more of the grant.

Table 2.2: List of Grants with savings of ₹ 100 crore and above and 20 *per cent* or more of the grant

(₹ in crore)

Sl. No.	Number and name of the Grant/Appropriation	Total Grant	Actual expenditure	Savings	Percentage of Savings to Total Grant
Revenue-Voted					
1	42-Rural Development Department (Rural Development Division)	5,575.70	3,342.13	2,233.57	40.06
2	59-School Education and Literacy Department (Primary and Adult Education Division)	7,032.03	5,327.95	1,704.08	24.23
3	20-Health, Medical Education and Family Welfare Department	3,519.16	2,537.71	981.45	27.89
4	60-Women, Child Development and Social Security Department	3,342.46	2,523.16	819.30	24.51
5	51-Welfare Department (Welfare Division)	1,869.73	1,089.71	780.02	41.72
6	1-Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	1,550.39	838.92	711.47	45.89
7	58-School Education and Literacy Department (Secondary Education Division)	1,747.35	1,156.72	590.63	33.80
8	18-Food, Public Distribution and Consumer Affairs Department	1,346.34	917.62	428.72	31.84
9	39-Home, Jail and Disaster Management Department (Disaster Management Division)	792.92	523.24	269.68	34.01
10	41-Road Construction Department	551.66	291.19	260.47	47.22
11	23-Industries Department	466.97	233.28	233.69	50.04
12	2-Agriculture, Animal Husbandry and Co-operative Department (Animal Husbandry Division)	375.42	215.49	159.93	42.60
13	54-Agriculture, Animal Husbandry and Co-operative Department (Dairy Division)	308.98	175.47	133.51	43.21
14	45-Information Technology and e-Governance Department	192.41	72.80	119.61	62.16
15	27-Law Department	415.05	295.76	119.29	28.74
16	43-Higher and Technical Education Department (Science and Technology Division)	421.43	312.04	109.39	25.96
17	26-Labour, Employment and Skill Development Department	241.69	133.60	108.09	44.72

Sl. No.	Number and name of the Grant/Appropriation	Total Grant	Actual expenditure	Savings	Percentage of Savings to Total Grant
Revenue-Charged					
18	14-Repayment of Loans	230.00	0.00	230.00	100.00
Capital-Voted					
19	49-Water Resources Department	1,911.06	1,230.06	681.00	35.63
20	20-Health, Medical Education and Family Welfare Department	525.00	309.49	215.51	41.05
21	50-Water Resources Department (Minor Irrigation Division)	667.48	459.09	208.39	31.22
22	51-Welfare Department (Welfare Division)	366.44	198.91	167.53	45.71
23	36-Drinking Water and Sanitation Department	456.35	332.26	124.09	27.19
24	43-Higher and Technical Education Department (Science and Technology Division)	440.78	328.97	111.81	25.37
Total Voted		34,346.80	22,845.57	11,501.23	33.49

Source: Appropriation Accounts of the Government of Jharkhand for the year 2017-18

Major instances of savings under Grants No. 42 and 59 are given below:

- a) Grant No. 42 - Rural Development Department (Rural Development Division)
 - (i) Out of allocation of ₹ 2,216.98 crore under Over All Rural Employment Scheme-National Rural Employment Guarantee Act, ₹ 1,770.68 crore (80 per cent) was not utilised by the Department mainly due to transfer of wage component directly to Ne-FMS (National Electronic Fund Management System) Account by GoI and less release of Central/State share.
 - (ii) Entire allocation of ₹ 89.97 crore under *Pradhan Mantri Krishi Sinchai Yojana* was not utilised, of which ₹ 86.47 crore was surrendered by the department while, ₹ 3.50 crore lapsed at the end of the financial year.
 - (iii) Out of total allocation of ₹ 497.97 crore, ₹ 125.29 crore (25 per cent) was not utilised under *Swarn Jayanti Gram Swarajgar Yojana*.
- b) Grant No. 59-School Education and Literacy Department (Primary and Adult Education Division)
 - (i) The entire allocation of ₹ 550.74 crore for Strengthening of Primary and Middle Schools under Grants-in-aid to Jharkhand Education Project Council (J.E.P.C.) was not utilised by the Department, of which ₹ 220.00 crore was surrendered ₹ 330.74 crore lapsed at the end of the financial year. Against the allocation of ₹ 150.00 crore for *Jharkhand Balika Awasiya Vidyalaya Yojana*, ₹ 129.32 crore (86 per cent) remained unutilised.
 - (ii) Allocation amounting to ₹ 223.54 crore (14 per cent) was not utilised and surrendered against grants-in-aid of ₹ 1,600.00 crore for *Sarva Siksha Abhiyan*.

- (iii) Under *Gyanodaya* Scheme (Primary Education), entire allocation of ₹ 105.00 crore remained unutilised and was surrendered by the Department.
- (iv) ₹ 19.40 crore (97 *per cent*) out of total allocation of ₹ 20.00 crore for Central and State Scheme under special component plan for Scheduled Castes/Tribes and others, was surrendered by the District Institute of Education and Training (D.I.E.T.)

Besides the cases detailed above, in 43 cases (31 grants/ appropriations), savings exceeded ₹ 10 crore or more and was 20 *per cent* or more of the grant in each case as detailed in **Appendix 2.1** with the total savings aggregating to ₹ 12,209.64 crore. Further, in 83 sub-head/schemes under 25 grants/appropriations, savings exceeded ₹ 20 crore in each case and aggregated to ₹ 5,983.83 crore (54 *per cent* of total savings). Details are given in **Appendix 2.2**.

Recommendations: The Finance Department should prepare budget based on actual requirement obtained from the field units and ensure optimum utilisation of the amount allocated.

2.4.2 Anticipated savings not surrendered

As per Rule 112 of the Budget Manual, spending departments are required to surrender grants/ appropriations or portions thereof to the Finance Department as and when savings are anticipated.

During 2017-18, out of savings of ₹ 13,704.92 crore under 39 grants/ appropriations, ₹ 6,119.50 crore (₹ one crore and above in each case) was not surrendered, as detailed in **Appendix 2.3**. Further, it was observed that during 2017-18, in one grant (Grant No. 41), surrender of ₹ 3.35 crore was in excess of the actual savings which indicates that expenditure was made even after submission of surrender letter by the concerned Department. Details of 168 cases (₹ 10 crore or more in each case) where savings amounting to ₹ 5,388.34 crore was surrendered in March 2018 are given in **Appendix 2.4**.

Recommendation: All anticipated savings should be surrendered on time so that the funds can be utilised for other development purposes.

2.4.3 Persistent savings

In 11 cases (10 departments), there were persistent savings of 10 *per cent* or more of the total grants, during the last five years (**Table 2.3**).

Table 2.3: List of Grants indicating persistent savings during 2013-18

(₹ in crore)

Sl. No.	Number and name of the Grant	Amount of savings				
		2013-14	2014-15	2015-16	2016-17	2017-18
Revenue-Voted						
1	20-Health, Medical Education & Family Welfare Department	171.13(15)	967.84(42)	947.27(34)	707.26(27)	981.45(28)
2	1-Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	566.53(58)	552.00(58)	750.47(56)	526.05(36)	711.47(46)
3	18-Food, Public Distribution and Consumer Affairs Department	570.55(50)	439.49(34)	505.63(39)	394.96(26)	428.72(32)
4	40-Revenue, Land Reforms and Registration Department (Revenue and Land Reforms Division)	125.67(32)	99.80(26)	112.41(26)	161.11(31)	74.20(14)
5	23-Industries Department	120.80(41)	148.57(40)	132.47(31)	153.01(34)	233.69(50)
6	49-Water Resources Department	85.14(26)	87.83(25)	105.11(29)	132.77(33)	70.89(18)
7	26-Labour, Employment and Skill Development Department	308.12(30)	349.95(28)	1088.29(73)	110.77(39)	108.09(45)
8	2-Agriculture, Animal Husbandry and Co-operative Department (Animal Husbandry Division)	35.53(22)	41.73(25)	37.66(20)	95.59(33)	159.93(43)
9	43-Higher and Technical Education Department (Science and Technology Division)	18.45(25)	21.31(15)	24.90(24)	29.27(17)	109.39(26)
10	17-Commercial Tax Department	8.18(13)	23.36(32)	18.45(27)	19.49(27)	8.08(11)
Capital-Voted						
11	49-Water Resources Department	1,130.96(68)	1,196.28(68)	544.62(33)	389.76(26)	681(36)

Figures in bracket indicate percentage of savings to total budget under the grant

Persistent large savings over the years indicate improper estimation under the Grants. Details of savings in some major schemes under six departments providing Social and Economic Services are depicted below:

Grant No. 1 - Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)

(₹ in crore)

Sl. No.	Name of Scheme/Head	2015-16		2016-17		2017-18	
		Budget	Savings	Budget	Savings	Budget	Savings
1	National Food Security Mission	63.51	18.42 (29)	70.01	41.67 (60)	60.00	28.22 (47)
2	National Horticulture Mission Programme	105.00	57.40 (55)	90.00	43.10 (48)	75.00	35.17 (47)

Source: Appropriation Accounts of the Government of Jharkhand for the years 2015-16, 2016-17 and 2017-18

Figures in bracket indicate percentage of savings to total budget under the head of accounts

Grant No. 18 - Food, Public Distribution and Consumer Affairs Department

(₹ in crore)

Sl. No.	Name of Scheme/Head	2015-16		2016-17		2017-18	
		Budget	Savings	Budget	Savings	Budget	Savings
1	Mukhyamantri Dal-Bhat Yojana	23.00	11.91 (52)	25.00	11.65 (47)	30.00	14.77 (49)

Source: Appropriation Accounts of the Government of Jharkhand for the years 2015-16, 2016-17 and 2017-18

Figures in bracket indicate percentage of savings to total budget under the head of accounts

Grant No. 42 - Rural Development Department (Rural Development Division)

(₹ in crore)

Sl. No.	Name of Scheme/Head	2015-16		2016-17		2017-18	
		Budget	Savings	Budget	Savings	Budget	Savings
1	Swarnajayanti Gram Swarajgar Yojana for General	400.00	227.80 (57)	362.00	86.98 (24)	497.97	125.29 (25)

Source: Appropriation Accounts of the Government of Jharkhand for the years 2015-16, 2016-17 and 2017-18

Figures in bracket indicate percentage of savings to total budget under the head of accounts

Grant No. 58 - School Education and Literacy Department (Secondary Education Division)

(₹ in crore)

Sl. No.	Name of Scheme/Head	2015-16		2016-17		2017-18	
		Budget	Savings	Budget	Savings	Budget	Savings
1	Construction of Girls Hostel	73.56	58.18 (79)	47.30	23.82 (50)	40.95	4.94 (12)
2	Rashtriya Madhyamik Shiksha Abhiyan	198.59	80.53 (41)	198.57	40.91 (21)	203.33	111.99 (55)

Source: Appropriation Accounts of the Government of Jharkhand for the years 2015-16, 2016-17 and 2017-18

Figures in bracket indicate percentage of savings to total budget under the head of accounts

Grant No. 59 - School Education and Literacy Department (Primary and Adult Education Division)

(₹ in crore)

Sl. No.	Name of Scheme/Head	2015-16		2016-17		2017-18	
		Budget	Savings	Budget	Savings	Budget	Savings
1	Grants-in-aid to Sarva Siksha Abhiyan	1,997.02	961.21 (48)	1,699.50	635.68 (37)	1,600.00	610.15 (38)

Source: Appropriation Accounts of the Government of Jharkhand for the years 2015-16, 2016-17 and 2017-18

Figures in bracket indicate percentage of savings to total budget under the head of accounts

Grant No. 60 - Women, Child Development and Social Security Department

(₹ in crore)

Sl. No.	Name of Scheme/Head	2015-16		2016-17		2017-18	
		Budget	Savings	Budget	Savings	Budget	Savings
1	Integrated Child Development Scheme (ICDS)	589.36	299.97 (51)	400.00	148.95 (37)	404.53	88.75 (22)
2	Rajiv Gandhi Scheme for Empowerment of Adolescent Girls	66.04	45.32 (69)	68.76	39.74 (58)	68.78	56.33 (82)
3	Integrated Child Protection Scheme (ICPS)	27.60	21.24 (77)	24.00	9.80 (41)	41.35	12.68 (31)

Source: Appropriation Accounts of the Government of Jharkhand for the years 2015-16, 2016-17 and 2017-18

Figures in bracket indicate percentage of savings to total budget under the head of accounts

Recommendation: All anticipated savings should be surrendered on time so that the funds can be utilised for other development purposes.

2.4.4 Advances from Contingency Fund

Advances from the Contingency Fund are to be made only for meeting expenditure of unforeseen and emergent character, postponement of which, till authorisation by the Legislature, would be undesirable. The corpus of the Contingency Fund was ₹ 500 crore during 2017-18.

It was noticed that during the period 2013-14 to 2017-18 the expenditure on natural calamities from Contingency Fund consumed only one per cent to 11 per cent of the total drawal, except 2017-18 when it was 31 per cent of the total drawal from the fund.

Further, Audit found that during 2017-18, ₹ 337.55 crore was withdrawn on 49 occasions from the Contingency Fund. Out of these, on 24 occasions, a total amount of ₹ 226.17 crore was withdrawn for meeting expenditure that should have been foreseen at the time of preparation of the budget estimates, and were therefore, neither unforeseen nor of emergent nature as detailed in Table 2.4.

Table 2.4: Expenditure from Contingency Fund of the State

Sl. No.	Head of account	Detail of work	Advance (₹ in crore)
1	2070-00-104-04	Investigation Bureau	0.50
2	2070-00-104-01	Office of Public Commissioner	0.18
3	2070-00-800-11	Jharkhand State Formation Day Celebration	5.00
4	2014-00-102-03	Machine and Equipment	2.12
5	2014-00-102-01	Purchase of new motor vehicles	0.06
6	2015-00-106-03	Domestic Tour and Office Expenses	1.70
7	2011-02-103-01	Purchase of new motor vehicles	0.36
8	2515-00-001-54	Office Expenses	30.00
9	2235-02-106-39	Salary and Allowances	0.85
10	2235-60-200-13	Grants-in-aid	3.06
11	2052-00-090-24	Purchase of new motor vehicles	0.14
12	2055-00-109-01	Contractual Allowance and Uniform expenses	20.00
13	2055-00-001-03	Supply and Materials	2.00
14	2055-00-001-12	Other Expenses	5.15
15	2217-80-191-06	Grants-in-aid	12.28
16	2217-80-192-06	Grants-in-aid	5.97
17	4700-80-789-12	Accelerated Irrigation Benefits Programme and other Resources Programme	30.00
18	4700-80-796-12	Accelerated Irrigation Benefits Programme and other Resources Programme	45.00
19	4055-00-211-01	Police Modernisation and Construction of Buildings	10.30
20	4055-00-211-01	Supply and Materials	7.30
21	3454-01-101-05	Honorarium	4.00
22	2220-60-101-02	Advertisement and Publicity	8.28
23	2220-60-796-21	Other Expenditure	21.41
24	2220-60-796-05	Publication	10.51
Total			226.17

Source: Data compiled by Principal Accountant General (A&E) Jharkhand

Thus, the Contingency Fund was used by the State as an imprest account for meeting non-contingent expenditure.

However, the total withdrawal from the fund during 2017-18 was recouped through supplementary budgets in the month of August 2017 (₹ 136.09 crore), December 2017 (₹ 200.85 crore) and February 2018 (₹ 0.60 crore).

Recommendation: The State Government should ensure that advances from the Contingency Fund are utilised only to meet emergent and unforeseen expenditure.

2.4.5 Excess over provisions in previous years requiring regularisation

Under Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/ appropriation regularised by the State Legislature.

Excess expenditure of ₹ 2,749.87 crore over provisions for the years 2001-02 to 2016-17 was yet to be regularised (November 2018) as detailed in **Appendix 2.5**. The year-wise amount of excess expenditure pending regularisation is summarised in **Table 2.5**.

Table 2.5: Excess relating to previous years requiring regularisation

(₹ in crore)

Year	Number of the		Amount of excess over provision
	Grant	Appropriation	
2001-02	25 & 32		0.04
2002-03	32		0.08
2003-04	46		0.29
2004-05	40		@
2006-07	38		\$
2010-11	32		0.10
2011-12	15 & 25	14	420.16
2012-13	7, 15 & 42	14	1,263.18
2013-14	15	13 & 14	694.05
2014-15	42	13	361.21
2016-17	32	14	10.75
Total			2,749.87

Source: Appropriation Accounts of the Government of Jharkhand for the year 2017-18

@ excess amount was ₹ 1,072 only

\$ excess amount was ₹ 81,665 only

In addition, the following excess as given in **Table 2.6** below, pertaining to 2017-18 is also to be regularised.

Table 2.6: Excess over provisions requiring regularisation during 2017-18

(₹ in crore)

Sl. No.	Number and name of grant/appropriation	Total grant / appropriation	Expenditure	Excess
Charged Appropriation				
1	13-Interest Payment	4,467.99	4,661.68	193.69
Voted-Grant				
2	15- Pension	5,841.43	5,913.24	71.81
Total		10,309.42	10,574.92	265.50

Source: Appropriation Accounts of the Government of Jharkhand for the year 2017-18

Recommendation: The Finance Department should take immediate steps to regularise the excess expenditure of ₹ 3,015.37 crore.

2.4.6 Avoidable/excessive Supplementary Provision

Supplementary provisions aggregating ₹ 3,225.18 crore (50 per cent) obtained in 41 cases (₹ one crore or more in each case) during the year, out of total supplementary budget provision of ₹ 6,487.86 crore, proved unnecessary as the expenditure did not come up even to the level of the original provisions as detailed in **Appendix 2.6**. In all these cases, it was noticed that the original allotment provided under some sub-heads were not exhausted and large savings had occurred under these sub-heads.

2.4.7 Excessive/Insufficient re-appropriation of funds

Injudicious re-appropriation under 19 sub-heads during 2017-18 as detailed in **Appendix 2.7** proved excessive or insufficient. As shown in the said appendix, under 10 schemes/ sub-heads, additional funds of ₹ 38.59 crore were provided through re-appropriation leading to savings of ₹ 34.43 crore while in two schemes/sub-heads, ₹ 7.59 crore was re-appropriated to other schemes/sub-heads resulting in excess expenditure of ₹ 0.13 crore in those schemes/sub-heads at the end of year. Further, ₹ 12.47 crore was re-appropriated to three schemes/sub-heads which proved insufficient considering the excess expenditure of ₹ 0.39 crore under those schemes.

2.4.8 Substantial surrender of funds

In 88 cases, funds amounting to ₹ 1,438.45 crore (cases where 100 *per cent* of the provisions and surrender of more than ₹ five crore in each case) were surrendered, resulting in non-implementation of schemes/programmes as detailed in **Appendix 2.8**.

Recommendation: The Government should ensure that excessive, unnecessary supplementary provision and injudicious surrender is avoided.

2.5 Rush of expenditure

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

It was observed, however, that in 13 grants, expenditure of ₹ 5,956.80 crore (59.08 *per cent*) was incurred in the last quarter of the year against the total expenditure of ₹ 10,083.23 crore as detailed in **Appendix 2.9**. Of this, an expenditure of ₹ 3,913 crore (38.81 *per cent* of the total expenditure) was incurred in the month of March 2018. Further, it was observed that ₹ 9.30 crore was drawn through AC bills in March 2018 by Tourism, Agriculture and Urban Development Departments as shown in the Appendix.

Rush of expenditure in the closing month of the financial year entails risk of misuse of public money and unhealthy practices.

Recommendation: The State Government should frame rules to control rush of expenditure during the fag end of the financial year.

2.6 Departmental figures not reconciled

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

Audit observed, however, that HoDs did not reconcile receipts amounting to ₹ 14,777.89 crore (24.24 *per cent*) against the total receipts of ₹ 60,960.38 crore during 2017-18. Similarly, out of total expenditure of ₹ 67,705.95 crore during the year 2017-18, ₹ 38,030.28 crore (66.17 *per cent*) was not reconciled. Details of un-reconciled expenditure exceeding ₹ 10 crore or more in each case aggregating to ₹ 34,824.28 crore during 2017-18 are given in **Appendix 2.10**.

Recommendation: The Finance Department should evolve a mechanism making it mandatory for the Controlling Officers to reconcile, on monthly basis, their receipt and expenditure with the PAG (A&E).

2.7 Budgetary Process for Grant No. 42 - Rural Development Department (Rural Development Division)

2.7.1 Introduction

The Rural Development Department (RDD), Government of Jharkhand implements several programmes that aim at alleviating rural poverty through creation of infrastructure and by generating sustainable employment opportunities for the rural poor.

A review of the budgetary process of Grant No. 42- Rural Development Department (Rural Development Division) for the year 2017-18 was conducted between July and October 2018 in the Secretariat and eight¹ selected districts during the year. This Grant contains four² Revenue Major Heads and one³ Capital Major Head.

Against the total budget provision of ₹ 6,074.60 crore the RDD utilised only ₹ 3,836.63 crore (63 *per cent*) resulting in a savings of ₹ 2,237.97 crore (37 *per cent*) at the end of the financial year. Moreover, ₹ 1,283.34 crore out of total savings of ₹ 2,237.97 crore, was surrendered by the Department and balance of ₹ 954.63 crore was allowed to lapse as shown in **Table 2.7**.

Table 2.7: Details of budget provisions, expenditure and savings during 2017-18

(₹ in crore)			
Details	Capital Voted	Revenue Voted	Total
Original Grant	476.89	5,522.58	5,999.47
Supplementary Grant	22.01	53.12	75.13
Total Grant	498.90	5,575.70	6,074.60
Expenditure	494.51	3,342.12	3,836.63
Savings	4.39	2,233.58	2,237.97
Surrender	2.98	1,280.36	1,283.34
Lapse	1.41	953.22	954.63

Source: Appropriation Accounts of the Government of Jharkhand for the year 2017-18

Audit findings

2.7.2 Delay in submission of Budget Estimates

Rule 62 of Bihar Budget Manual as adopted by the Government of Jharkhand provide the budget calendar for correct and timely preparation of budget for the State. Finance Department, Government of Jharkhand revised (October 2016) the prescribed dates of submission of General Budget and Estimate of Establishment Expenditure from 1st October to 16th December 2016 and 21st November 2016 respectively.

Scrutiny of records revealed that against the target date of 16th December 2016 the RDD submitted Budget Estimates (BEs) for General Budget and Estimates

¹ Bokaro, Chatra, Dumka, East Singhbhum, Garhwa, Giridih, Palamu and Sahibganj

² 2501- Special Programmes for Rural development, 2505- Rural Employment, 2515- Other Rural Development Programmes, 3451- Secretariat Economic Service

³ 4515-Capital Outlay on other Rural Development Programmes

of Establishment Expenditure to the Finance Department on 09 January 2017 and 21st November 2016 i.e., with a delay of 23 and 49 days respectively.

Further, it was noticed that in the eight test checked districts, the District Rural Development Agencies (DRDAs) submitted estimates of establishment expenditure to the RDD with delays ranging between four days to 47 days against the target date (14th November 2016) fixed by RDD, while general budget was not submitted at all.

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

2.7.3 Budget Estimate prepared without obtaining requirements

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

We noticed in audit that provisions of BM were not followed and budget estimates (State, Central and Centrally Sponsored Schemes) were prepared at the Department level without obtaining requirements from disbursing officers.

It was further noticed that there were wide variations between the expenditure and budget provisions of the Department leading to huge savings during the last three years ranging from 27 per cent to 40 per cent of the total allocation.

2.7.4 Avoidable Supplementary Provision

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

We noticed in audit that during 2017-18, in six out of 82 sub-heads, additional fund was provided through supplementary provisions in spite of non-utilisation of the original provisions for those schemes.

As shown in **Table 2.8**, expenditure of ₹ 227.35 crore was incurred against the original provision of ₹ 237.39 crore, whereas, additional fund of ₹ 12.77 crore was provided through supplementary provision. Thus, the supplementary provision was not necessary at all and could have been avoided.

Table 2.8: Details of budget provisions

(₹ in crore)

Sl. No.	Revenue Major Heads	Original	Expenditure during 2017-18	Supplementary Provision
1	2501-06-796-04	8.58	5.46	6.33
2	2501-06-796-14	10.20	8.97	0.56
3	2501-06-800-04	7.02	4.06	5.13
4	2505-01-796-01	1.50	1.46	0.31
5	2515-00-102-10	207.12	204.92	0.18
6	2515-00-796-09	2.97	2.48	0.26
Total		237.39	227.35	12.77

Source: Appropriation Accounts of the Government of Jharkhand for the year 2017-18

2.7.5 Surrender on the last day of the financial year

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

We observed that against the budget provision of ₹ 6,074.60 crore, ₹ 1,283.34 crore (₹ 2.98 crore under capital heads and ₹ 1,280.36 crore under revenue heads), was surrendered on 31st March 2018 leaving no scope for utilisation of the funds on other important schemes.

2.7.6 Non-utilisation of whole budget provision

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

Scrutiny of Appropriation Accounts for the year 2017-18 revealed that the entire budget provision of ₹ 89.98 crore was not utilised by the Department in six schemes under *Pradhan Mantri Krishi Sinchai Yojana* (PMKSY).

2.7.7 Rush of expenditure

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

We observed that in 16 out of 93 heads (Capital-11 and Revenue-82), entire expenditure for the year 2017-18 was incurred in the month of March 2018. Further, it was noticed that in seven out of eight test-checked DRDAs, expenditure in the month of March 2018 ranged between 25 to 61 *per cent* of the expenditure during the year as detailed in **Appendix 2.11**.

2.7.8 Non-reconciliation of departmental expenditure figures

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

Out of total expenditure of ₹ 3,836.64 crore during the year 2017-18, an amount of ₹ 1,174.39 crore was not reconciled by the Department with the books of the Principal Accountant General (A&E) as detailed in **Table 2.9**.

Table 2.9: Non-reconciliation of amount by the department

(₹ in crore)

Sl. No	Major Heads	Total Expenditure (As per appropriation)	Reconciled amount	Un-reconciled amount
1	2501	633.04	304.63	328.41
2	2505	2,433.95	2,277.08	156.87
3	2515	270.03	64.47	205.56
4	3451	5.11	5.03	0.08
5	4515	494.51	11.04	483.47
	Total	3,836.64	2,662.25	1,174.39

Source: Records of the Pr. Accountant General (A&E)

Further, it was also noticed in eight test-checked DRDAs that ₹ 74.17 crore out of total expenditure of ₹ 74.53 crore during the year 2017-18, was not reconciled with the books of Principal Accountant General (A&E) as detailed in **Table 2.10**:

Table 2.10: Details of unreconciled amount

(₹ in crore)

Sl. No	Name of DRDAs	Total Expenditure	Reconciled amount	Un-reconciled amount
1	DRDA, Bokaro	8.75	0.00	8.75
2	DRDA, Palamu	10.82	0.36	10.46
3	DRDA, Garhwa	8.11	0	8.11
4	DRDA, Giridih	11.31	0	11.31
5	DRDA, Dumka	9.69	0	9.69
6	DRDA, Sahibganj	8.96	0	8.96
7	DRDA, East Singhbhum	10.99	0	10.99
8	DRDA, Chatra	5.9	0	5.9
	Total	74.53	0.36	74.17

2.8 Budgetary Process for Grant No. 45 - IT & e-Governance Department

2.8.1 Introduction

The Department of Information Technology (IT) & e-Governance has been functioning as an independent entity since June, 2003.

A review of budgetary process of Grant No. 45 - IT & e-Governance Department for the year 2017-18 was conducted between July and September 2018 in the Secretariat. It was seen that against the total budget provision of ₹ 214.41 crore (Plan ₹ 212.60 crore and Establishment ₹ 1.81 crore) for the year 2017-18, the Department utilised only ₹ 74.25 crore (Plan ₹ 72.54 crore and Establishment expenditure ₹ 1.71 crore) (34.63 *per cent*) and ₹ 140.16 crore (65.37 *per cent*) was surrendered. Further, as shown in **Table 2.11**, the Department was unable to utilise more than 50 *per cent* of its allocation during the last four years, except in 2016-17.

Table 2.11: Budgetary position of the Department for last four years

(₹ in crore)

Year	Nature of Expenditure	Original	Supplementary	Total	Actual Expenditure	Savings	Percentage of savings
2014-15	Revenue	91.28	6.03	97.31	49.10	48.21	52.86
	Capital	30.50	1.14	31.64	11.69	19.95	
	Total	121.78	7.17	128.95	60.79	68.16	
2015-16	Revenue	107.71	90.63	198.34	108.77	89.57	53.18
	Capital	34.00	00.00	34.00	0.01	33.99	
	Total	141.71	90.63	232.34	108.78	123.56	
2016-17	Revenue	148.35	9.27	157.62	123.68	33.94	21.32
	Capital	33.50	0.00	33.50	26.70	6.80	
	Total	181.85	9.27	191.12	150.38	40.74	
2017-18	Revenue	187.99	4.42	192.41	72.79	119.62	65.37
	Capital	22.00	0.00	22.00	1.46	20.54	
	Total	209.99	4.42	214.41	74.25	140.16	

Source: Appropriation Accounts of the Government of Jharkhand for the respective years

Audit findings

2.8.2 Avoidable Supplementary provision

During 2017-18, the budgetary provision of IT & e-Governance Department was ₹ 200.75 crore (original: ₹ 196.45 crore and supplementary: ₹ 4.30 crore) for 15 schemes. Scrutiny revealed that the Department could not utilise the supplementary provision of ₹ 2.80 crore provided for two schemes was not utilised as detailed in **Table 2.12**. Thus, supplementary demand of ₹ 2.80 crore proved unnecessary and could have been avoided.

Table 2.12: Avoidable Supplementary provision

(₹ in crore)

Name of Scheme	Original budget	Supplementary budget	Total	Funds utilised	Savings
e-Office	2.00	1.21	3.21	02.00	1.21
e-Governance Computerisation of New Government Department (TSP)	10.39	1.59	11.98	08.08	3.90
Total	12.39	2.80	15.19	10.08	5.11

Source: Departmental figures

The Department stated (October 2018) that due to non-finalisation of assessment for requirement of hardware and delayed confirmation of the requirement led to non- utilisation of the funds.

Reply is not tenable as the assessment/confirmation of requirement should have been obtained before demand for supplementary provision.

2.8.3 Non-surrender of unutilised funds

During 2017-18, against the total budget provision of ₹ 214.41 crore, the IT & e-Governance Department had savings of ₹ 140.16 crore which was not surrendered and lapsed on 31 March 2018.

The Department could have anticipated the savings and surrendered it so that it could have been utilised by the Government on other schemes.

2.8.4 Non-utilisation of the entire budget provision

Scrutiny of records revealed that the entire budget allocation (100 *per cent*) for the financial year in seven schemes remained unutilised and was surrendered by the Department as detailed in **Table 2.13**.

Table 2.13: Details of schemes and Budget allocation

(₹ in crore)

Sl. No.	Name of Scheme	Budget Estimate	Surrender
1	Establishment of Grievance & Emergency Services Call Centre for home	2.00	2.00
2	Grant for Software Technology Park	1.00	1.00
3	e-Mulakat	0.40	0.40
4	IT Enabled Services Incentives	3.20	3.20
5	National e-Governance Action Plan (1368)	11.15	11.15
6	Establishment of IT Park	0.50	0.50
7	Maintenance of Data Centre-LAN Portal	5.00	5.00
Total		23.25	23.25

Source: Department of IT & e-Governance

As evident from the above table, no work was done under the seven schemes during the year and the entire allocation was surrendered by the Department.

Recommendation: While preparing budget estimates, the departments of the State Government should adhere to the provisions as contained in Budget Manual to make it more realistic. Further, the trend of expenditure during the year must be monitored by the Finance Department so that savings are minimised, funds are not retained unnecessarily and are surrendered in time by the departments.

Chapter-3

FINANCIAL REPORTING

CHAPTER 3

FINANCIAL REPORTING

This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the year 2017-18.

3.1 Outstanding Utilisation Certificates against grants

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

Audit observed that 21,391 UCs due in respect of grants aggregating to ₹ 38,911.59 crore, paid up to 2016-17, were outstanding at the end of March 2018. A significant part of these UCs were outstanding against five departments, viz., Animal Husbandry Department (2,312 UCs aggregating ₹ 8,336.50 crore), Urban Development Department (6,237 UCs aggregating ₹ 8,318.73 crore), Agriculture Department (7,744 UCs aggregating ₹ 1,842.67 crore), Welfare Department (89 UCs aggregating ₹ 1,622.14 crore) and Industry Department (839 UCs aggregating ₹ 486.04 crore). Department-wise break-up of outstanding UCs is given in **Appendix 3.1**.

As on 31 March 2018, the number and amount of outstanding UCs were 21,391 and ₹ 38,911.59 crore respectively as shown in **Table 3.1**.

Table 3.1: Outstanding Utilisation Certificates as on 31.03.2018

(₹ in crore)

Year in which GIA disbursed	Year in which UCs due	Utilisation Certificates Outstanding	
		Number	Amount
Up to 2014-15	Up to 2015-16	7,318	10,678.82
2015-16	2016-17	9,054	10,751.41
2016-17	2017-18	5,019	17,481.36
Total Number of UCs awaited		21,391	38,911.59

Source: Finance Accounts of Government of Jharkhand 2017-18

Further, the comparative status of the last four years in six departments having major outstanding UCs as on 30 September 2018 is given in the Table below:

Table 3.2: Major departments with outstanding Utilisation Certificates (as on 30.09.2018)

(₹ In crore)

Sl. No.	Name of Department	2013-14		2014-15		2015-16		2016-17	
		No. of UCs	Amount	No. of UCs	Amount	No. of UCs	Amount	No. of UCs	Amount
1	Human Resources	12	404.49	88	1,148.89	513	2,049.97	1,587	4,430.09
2	Rural Development	00	0.00	01	0.90	182	1,294.63	237	2,840.33
3	Animal Husbandry	03	1.28	0	0.00	0	0.00	06	39.25
4	Agriculture	07	17.04	06	68.07	107	138.02	210	82.62
5	Urban Development	793	404.76	823	845.22	700	2,162.64	1,141	3,859.39
6	Welfare	152	166.77	215	226.26	6,505	1,038.08	546	200.81
7	Industry	01	2.00	84	113.03	376	226.59	341	100.28
Grand Total		968	996.34	1,217	2,402.37	8,383	6,909.93	4,068	11,552.77

The increase in the amount and number of pending UCs after 2013-14 is a consequence of GoI's decision (July 2013) to transfer funds to State implementing agencies through the State budget instead of directly to the agencies as was the practice earlier. However, even after this decision, direct transfer of funds to MP Local Area Development Schemes, Central Universities/Institutes, Societies and NGOs was continued by the GoI. During 2014-15 direct transfer of fund came down from ₹ 2,602 crore to ₹ 131 crore which increased to ₹ 322 crore in 2017-18.

It was also noticed that after relaxation of the Treasury Code rules 329-331 by the GoJ¹ which discontinued the requirement of authority letter from PAG (A&E), the amount of outstanding utilisation certificates increased from ₹ 5,148.57 crore in 2014-15 to ₹ 38,911.59 crore in 2017-18.

Non-receipt of UCs against the GIA bills (₹ 38,911.59 crore) at the end of March 2018 indicates failure of the departmental officers to comply with the rules and procedures to ensure timely submission of utilisation of the grants for the intended purpose. High pendency of UCs is fraught with the risk of misappropriation of funds and fraud.

Recommendation: The Finance Department should prescribe a time frame within which administrative departments releasing grants, collect UCs pending for more than the time stipulated in the grant orders and also ensure that till such time, administrative departments release no further grants to defaulting grantees. The Government may initiate appropriate action against the officers who defaulted in submission of UCs in time.

3.2 Submission of accounts and audit of Autonomous Bodies, Authorities and grantee institutions

3.2.1 Audit under Sections 14 and 15 of CAG's (DPC) Act, 1971

Bodies and authorities that are substantially financed by way of loans or grants from the Consolidated Fund, or those that receive such loans or grants for specific purposes are audited by the CAG. As on date, there are 75 such bodies and authorities, of which 74 have been audited, as detailed in **Appendix 3.2**.

Scrutiny revealed that out of 75 bodies/authorities, no body/authority had submitted their updated accounts as of 28 February 2019, whereas two² bodies/authorities have not submitted their accounts to audit since inception. The delay in submission of accounts of other bodies/authorities ranged between one to 14 years even after repeated reporting.

Recommendation: State Government need to take appropriate measures to ensure that these accounts are compiled and submitted for audit within a fixed timeframe to ensure that financial irregularities, if any, do not go undetected.

¹ vide letter no. 759/F dated 20.03.2015

² Jharkhand AIDS Control Society, Ranchi and Jharkhand Bio-Diversity Council, Doranda, Ranchi

3.2.2 Audit under Sections 19 & 20 of CAG's (DPC) Act, 1971

There are five³ Autonomous Bodies in the State which are to be audited under Sections 19 & 20 of the C&AG's (DPC) Act, 1971 with regard to verification of their transactions, operational activities and accounts, conducting compliance audit of transactions, review of internal management and financial controls, review of systems and procedures, etc.

The details of submission of accounts and status of audit of these autonomous bodies are given in **Table 3.3**.

Table 3.3: Details of submission of accounts and status of audit of autonomous bodies

Sl. No.	Name of Bodies/ Authority	Year up to which accounts were rendered	Period up to which SAR was issued	Placement of SAR in the Legislature	Comments
1	Jharkhand State Legal Services Authority (JHALSA)	2016-17	2016-17	Not Intimated	Annual Accounts for the years 2017-18 have not been received so far (February 2019)
2	Jharkhand State Electricity Regularity Commission (JSERC)	2014-15	2011-12	Not yet placed	Annual Accounts for the years 2015-16 and 2016-17 have not been received so far (December 2018)
3	Rajendra Institute of Medical Sciences (RIMS)	Nil	Nil	Nil	In spite of active persuasion annual accounts for the years 2010-11 to 2017-18 have not been received as of December 2018.
4	Ranchi Institute of Neuro-Psychiatry & Allied Sciences (RINPAS), Ranchi	Nil	Nil	Nil	Annual Accounts have not been received till date. However, Compliance Audit is being conducted regularly.
5	Jharkhand Housing Board, Ranchi	Nil	Nil	Nil	Annual Accounts have not been received since inception (2001). However, Compliance Audit is being conducted regularly.

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

³ (i) Jharkhand State Legal Services Authority (JHALSA) including 22 District Legal Services Authorities (DLSAs) (ii) Jharkhand State Electricity Regulatory Commission (JSERC) (iii) Rajendra Institute of Medical Sciences (RIMS) (iv) Ranchi Institute of Neuro-Psychiatry & Allied Sciences (RINPAS) and (v) Jharkhand Housing Board, Ranchi.

3.2.3 Delay in submission of accounts of Public Sector Undertakings (PSUs)

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

Table 3.4 below provides the details of progress made by the PSUs in finalisation of accounts as of 31 December 2018.

Table 3.4: Position relating to finalisation of accounts of working and non-working PSUs

Sl. No.	Particulars	Working	Non-working	Total
1	Number of PSUs	22	3	25
2	Number of PSUs having accounts in arrears	20	01	21
3	Number of accounts in arrear	55	05	60
4(a)	Number of PSUs with arrears of more than six years	02	00	02
4(b)	Number of accounts in arrear in the above PSUs	17	00	17
5(a)	Number of PSUs with arrears between three to five years	06	01	07
5(b)	Number of accounts in arrear in the above PSUs	24	05	29
6(a)	Number of PSUs with arrears between one to two years	14	00	14
6(b)	Number of accounts in arrear in the above PSUs	15	00	15
7	Extent of arrears (in years)	1 to 9	1 to 5	1 to 9

Source: Data compiled from the information furnished by the companies

Due to non-finalisation of accounts, the C&AG has been unable to perform supplementary audit of these companies as stipulated in Companies Act for periods up to nine years.

The above denotes failure of the concerned administrative departments and specifically of the Finance Department for their inability to ensure that the defaulting companies comply with the relevant Acts. Further, it was noticed that the State Government had invested ₹ 64.97 crore in share capital, between 2008-09 and 2016-17, in four PSUs which have not finalised their accounts.

Recommendation: The Finance Department should review the cases of all PSUs that are in arrears of accounts, ensure that the accounts are made current within a reasonable period, and stop financial support in all cases where accounts continue to be in arrears.

3.2.4 Dividend not declared by PSUs

The State Government had not formulated any dividend policy under which PSUs are required to pay a minimum return on the paid up share capital contributed by the State Government. As per latest finalised accounts,

Jharkhand Police Housing Corporation Limited earned a profit of ₹ 4.33 crore during 2017-18 but no dividend was given to the Government.

Recommendation: The State Government should formulate a dividend policy for return on its investments as share capital.

3.3 Audit of funds drawn on Abstract Contingent (AC) bills

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

Year-wise details of pending DC bills as on 30.10.2018 are given in **Table 3.5**.

Table 3.5: Details of pending DC bills

(₹ in crore)

Year	AC bills drawn		DC bills submitted		Outstanding DC bills		Percentage of outstanding amount of DC bills
	Number	Amount	Number	Amount	Number	Amount	
Upto 2014-15	55,382	15,915.51	38,156	12,271.45	17,226	3,644.06	22.90
2015-16	806	1,224.91	287	718.37	519	506.54	41.35
2016-17	459	1,267.80	96	762.26	363	505.54	39.88
2017-18	335	1,209.12	37	649.60	298	559.52	46.27
Total	56,982	19,617.34	38576	14,401.68	18,406	5,215.66	26.59

Departments with maximum amount of pending DC bills along with comparative details are given in **Table 3.6**.

Table 3.6: Department-wise comparative details of outstanding DC bills

(₹ in crore)

Sl. No.	Name of Department	Outstanding DC bills as on 30.10.2018				Total
		upto 2014-15	2015-16	2016-17	2017-18	
1	Rural Development Department (Rural Development Division)	625.02	138.38	163.49	278.14	1,205.03
2	Welfare Department (Welfare Division)	538.18	21.40	22.23	5.12	586.93
3	Women, Child Development and Social Security Department	450.05	83.72	0.00	0.00	533.77
4	Health, Medical Education and Family Welfare Department	446.48	68.44	18.05	5.64	538.61
5	Home, Jail and Disaster Management Department (Home Division)	96.90	28.15	30.10	79.96	235.11
Total		2,156.63	340.09	233.87	368.86	3,099.45

As shown in the above table, DC bills amounting to ₹ 625.02 crore was outstanding against Rural Development Department as of 2014-15 which increased significantly year after year.

Out of ₹ 1,209 crore drawn on AC bill in 2017-18, AC bills amounting to ₹ 233 crore (19.27 per cent) were drawn in March 2018 and of this, ₹ 40 crore was drawn on the last day of the financial year. Significant expenditure through AC bill in March 2018 indicates that the drawal was primarily to exhaust the budget and reveals inadequate budgetary control.

Drawal of funds on AC bill and non-submission of DC bills within the prescribed time not only breaches financial discipline but also entails risk of misappropriation of public money and unhealthy practices. Moreover, drawal of funds on AC bills on the last day of the financial year is fraught with the risk of misutilisation of public money.

3.4 Audit of AC/DC bills under Rural Development Department (RDD) and IT & e-Governance Department

Audit of the funds withdrawn on AC bills during the period 2000-18 by RDD and IT & e-Governance Department was conducted during July-October 2018.

In RDD, funds amounting to ₹ 4,965.86 crore were drawn through 5,963 AC bills under five⁴ Major heads during the period 2000-18, of which 2,854 DC bills amounting to ₹ 1,293.34 crore were outstanding as on July 2018. Out of the total amount of outstanding DC bills, an amount of ₹ 785.71 crore was pending for more than two years.

Similarly, in IT & e-Governance Department, 41 DC bills for an amount of ₹ 90.28 crore was outstanding as of October 2018, of which DC bills for an amount of ₹ 69.74 crore were pending for more than two years as detailed in **Appendix 3.3**.

Further, scrutiny of records in eight test checked DRDAs⁵ revealed that ₹ 558.86 crore (1,383 DC bills) was outstanding for submission of DC bills in these DRDAs against the total drawal of ₹ 1,751.77 crore on AC bills during the period 2000-01 to 2017-18.

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

3.4.1 Delay in submission of DC bills

Scrutiny of records of eight test-checked DRDAs revealed 2,487 DC bills amounting to ₹ 746.16 crore, drawn during the period from 2000-01 to 2017, were submitted to the Principal Accountant General (A&E) with delays up to 15 years 07 months 02 days in violation of codal provisions.

⁴ 2053- District Administration, 2505- Rural Employment, 2515- Other Rural Development Programmes, 3451- Secretariat Economic Service and 4515-Capital Outlay on other Rural Development Programmes

⁵ Bokaro, Palamu, Garhwa, Giridih, Dumka, Sahibganj, East Singhbhum and Chatra

Similarly, in IT & e-Governance Department, five DC bills amounting to ₹ 3.32 crore were submitted to the Principal Accountant General (A&E) with delays ranging from seven months to two years and seven months.

3.4.2 Irregular drawal of funds on AC bill for Capital works

As per Rule 184 of the JTC, read with JTC Form 26, AC bills are meant for the purpose of contingent charges only. Therefore, drawal of funds on AC bill for capital work is not permissible as the same are not in the nature of contingent charges.

Scrutiny of records of IT & e-Governance Department revealed that ₹ 10.29 crore was drawn on two⁶ AC bills for capital work under Major head 4202 – Capital Outlay on Education, Sports, Art and Culture during 2013-16 in contravention to the above provisions of JTC.

The Department of IT & e-Governance accepted (October 2018) the facts and stated (October 2018) that it will be avoided in future.

3.4.3 Withdrawal against AC bills at the end of the financial year

The Appropriation Act stipulates that funds drawn from the Treasury should be utilized within the financial year. The Jharkhand Treasury code also forbids withdrawals from the Treasury to prevent lapse of budget grant.

Scrutiny of records revealed that ₹ 9.96 crore (₹ 0.06 crore in 2012-13 and ₹ 9.90 crore in 2016-17) was withdrawn through AC bills in the month of March by Under Secretary, IT & e-Governance Department against which DC bills have not been submitted till the end of September, 2018.

Drawal of fund on AC bills to avoid lapse of budget grant is an unhealthy practice and is against the budgetary procedure. Moreover, misuse and misutilisation of public money, drawn against codal provisions, cannot be ruled out.

Recommendation: The Finance Department should ensure that all controlling officers adjust, in a time bound manner, all AC bills pending beyond the prescribed period, and also ensure that AC bills are not drawn merely to avoid lapse of budget.

3.4.4 Outstanding Utilisation Certificates

Scrutiny revealed that 423 UCs amounting to ₹ 4,190.06 crore in RDD and nine UCs amounting to ₹ 28.32 crore in IT & e-Governance Department were outstanding as of 31 March 2018 as detailed in **Table 3.7**.

⁶ Land acquisition for establishment of IIIT, Ranchi and mobilisation advance to contractor for construction of STPI, Adityapur

Table 3.7: Details of outstanding Utilisation Certificates

(₹ in crore)

Department	Year	Upto 2014-15		2015-16		2016-17		Total	
		No. of UCs pending	Amount	No. of UCs pending	Amount	No. of UCs pending	Amount	No. of UCs pending	Amount
RDD	2501	1	0.90	171	242.88	197	454.10	369	697.88
RDD	2505	0	0.00	11	1,051.75	43	2,440.43	54	3,492.18
IT & e. Governance	2203	4	25.03	0	0.00	5	3.29	9	28.32
	Total	5	25.93	182	1294.63	245	2897.82	432	4218.38

Source: VLC data, AG (A&E) Jharkhand

Further, test-check in eight DRDAs of RDD revealed that 125 UCs amounting to ₹ 6.01 crore was outstanding as on 31 March 2018, against the GIA received upto 2016-17.

In reply (October 2018), the administrators of DRDAs stated that the UCs were submitted to RDD. However, the same has not been forwarded (as of October 2018) to Principal Accountant General (A&E) by the Department.

Thus, pendency in submission of UCs indicates failure of the departmental officers to comply with the rules and procedures to ensure timely submission of utilisation of the grants for the intended purpose. High pendency of UCs is fraught with the risk of misappropriation of funds and fraud.

Audit of Grant No 45- IT and e-Governance revealed that UCs for the whole amount of grant-in-aid provided to JSAC (₹ 1.12 crore in 2016-17 and ₹ 1.41 crore in 2017-18) were submitted though ₹ 18.13 lakh was unspent and lying in the PL Accounts of the JSAC (April 2018).

In reply (January 2019), the Director, JSAC stated that ₹ 17.43 lakh was spent during 2018-19 leaving an unspent balance of ₹ 0.70 lakh.

Reply is not acceptable as Utilisation Certificate should have been submitted only for the amount actually spent.

3.5 Reporting of cases on misappropriation, losses etc.

Rule 31 of the Jharkhand Financial Rules provides that loss of public money, Government revenue, stores or other property by defalcations or otherwise should be immediately reported by the office to the higher authority, Finance Department as well as to the Accountant General (Audit), Jharkhand even when such loss has been made good by the party responsible for it. Such reports must be submitted as soon as a suspicion arises that there has been a loss; these must not be delayed while enquiries are made.

Despite audit requisition (24 August 2018), no information has been received from the Finance Department (March 2019).

However, in response to Audit request during the previous years, the Finance Department had directed the departments to provide the information who in turn had instructed the DDOs to provide the same to Audit. This indicates that the Finance Department has no information as required under rule 31 to

monitor such cases. Thus, the Finance Department is not aware of the number of such cases and its status at any point of time.

Recommendation: Finance Department should develop a mechanism in the light of financial rule 31 so that it can monitor such cases.

3.6 Funds drawn and kept in Personal Ledger Accounts

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

Review of Finance Accounts and Voucher Level Computerisation (VLC) data related to the transactions in the minor heads under the Major Head of accounts 8448-Deposits of Local Funds for the year 2017-18 revealed that there were 177 Personal Ledger Accounts (PLAs) operated by various agencies of 19 departments of the State Government as of 31 March 2018.

During 2017-18, ₹ 12,694.02 crore was added to the opening balance of ₹ 9,488.40 crore leading to accumulation of ₹ 22,182.42 crore in the PLAs. Further, ₹ 8,979.76 crore was spent during the year leaving a balance of ₹ 13,202.66 crore at the end of 2017-18 in the PLAs. Year wise details of balances in PLAs are given below:

Table 3.8: Funds in Personal Ledger Accounts

(₹ in crore)

Year	Opening balance	Receipts	Disbursement	Closing Balance
2014-15	2,597.50	5,155.09	4,422.64	3,329.95
2015-16	3,329.95	12,054.22	10,166.20	5,217.97
2016-17	5,217.97	8,406.87	4,136.44	9,488.40
2017-18	9,488.40	12,694.02	8,979.76	13,202.66

It is evident from **Table 3.8** that while every year, a substantial amount was added in the PLAs, the expenditure incurred was minimal during those years leading to sharp increase in the closing balance.

It was further seen that the nineteen departments had parked ₹ 3,714.26 crore under Personal Ledger Account during 2017-18, of which ₹ 656.44 crore were transferred in the month of March 2018. Thus, a fund of ₹ 13,202.66 crore was created outside the Consolidated Fund beyond the direct control of the Government which is against the provisions of budgetary control system. The expenditure of the State Government was also overstated to the extent of ₹ 3,714.26 crore during 2017-18.

Further, scrutiny of records of JAP-IT⁷ revealed that balance in their Personal Ledger Account was ₹ 83.37 crore as on 31.03.2018. It was further noticed that though a substantial amount was added in the PL Account every year, the expenditure incurred during the period 2014-15 to 2017-18 was minimal resulting in accumulation of funds in the PLA. Year wise details of balances in PLA of the Agency are given in **Table 3.9**.

⁷ Jharkhand Agency for Promotion of Information Technology

Table 3.9: Funds in Personal Ledger Accounts (JAP-IT)

(₹ in crore)

Year	Opening balances as on 1 st April	Receipts	Disbursement	Closing Balance as on 31 st March
2014-15	43.00	44.99	34.31	53.68
2015-16	53.68	98.63	49.75	102.56
2016-17	102.56	100.94	69.80	133.70
2017-18	133.70	30.51	80.84	83.37

Unspent balances lying in Personal Ledger Accounts, which were neither reconciled periodically nor transferred to the Consolidated Fund, before the closure of the financial year entails the risk of misuse, fraud and misappropriation of public funds.

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

3.7 Booking under minor head “800”

Bookings of receipts or expenditure under the minor head “800–Other Receipts” and “800–Other Expenditure” is considered opaque as these heads do not disclose the schemes, programmes, etc., to which the amounts relate. These minor heads normally accommodate the receipts/expenditure, which cannot be classified under the available programme minor heads or due to incorrect provision under the available heads of account at the stage of budget preparation.

During 2017-18, ₹ 2,006.67 crore was booked under the minor head “800–Other Expenditure” in 12 Major Heads of which, expenditure (more than 10 *per cent* of total expenditure in each case) aggregating ₹ 1,966.54 crore (27.23 *per cent* of the total expenditure of ₹ 7,221.87 crore in these heads) under six Major Heads was booked under the minor head “800–Other Expenditure” as detailed in **Appendix 3.4**.

Similarly, ₹ 1,107.08 crore was booked under the minor head “800–Other Receipts” in 49 Major Heads of which, revenue receipts (more than 40 *per cent* of total receipts in each case) aggregating ₹ 781.43 crore (53.25 *per cent* of the total receipt of ₹ 1,467.47 crore in these heads) under 26 Major Heads were classified under minor head “800 – Other Receipts”. The entire receipts in 11 Major Heads were classified under the omnibus minor head “800 – Other Receipts” as detailed in **Appendix 3.5**.

Recommendation: The Finance Department should, in consultation with the Principal Accountant General (A&E), conduct a comprehensive review of all items presently appearing under minor head 800 and ensure that all such receipts and expenditure are in future booked under the appropriate head of account.

3.8 Important factors affecting accuracy of accounts

- **Outstanding balances under major suspense accounts**

Suspense heads are operated when transactions of receipts and payments cannot be booked to a final head of account due to lack of information as to the nature or for other reasons. These heads of accounts are finally cleared by minus debit or minus credit when amounts under them are booked to their respective final heads of accounts. Suspense balances remaining uncleared at the end of the year adversely affect the accurate reflection of the Government's receipt and expenditure of the year. The position of Suspense balances of the State are indicated in **Table 3.10**.

Table 3.10: Position of balances under Suspense Head (8658)

Name of the Minor Head	2015-16		2016-17		2017-18	
	Debit	Credit	Debit	Credit	Debit	Credit
101 Pay and Accounts Office Suspense	19.10	0.00	46.06	24.77	70.90	45.38
Net	Dr. 19.10		Dr. 21.29		Dr. 25.52	
102 Suspense Account (Civil)	6.72	5.76	160.19	11.59	196.54	17.27
Net	Dr. 0.96		Dr. 148.60		Dr. 179.27	

Source: Finance Accounts of Government of Jharkhand 2017-18

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

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

Outstanding debit balances under this head represents payments that have been made by the PAG (A&E) Jharkhand on behalf of PAOs of Central Government departments, which are yet to be recovered. Outstanding credit balances represent payments made by PAOs on behalf of the State Government which the PAG (A&E) is yet to reimburse. On settlement of the net debit balance under this head (₹25.52 crore), the cash balance of the State Government will increase.

- **Suspense Accounts (Civil)**

This minor head is credited for recording receipts and debited for expenditure incurred and is cleared on receipt of supporting documents by the PAG (A&E). There is no impact on cash balance on clearance of this item.

3.9 Apportionment of balances on reorganisation of the State

Balances amounting to ₹ 7,443.90 crore under Public Account heads along with balance under Capital Section (₹ 11,935.23 crore) and Loans and Advances (₹ 6,583.36 crore) remained to be apportioned between the successor States of Bihar and Jharkhand, almost two decades after the reorganisation of the erstwhile State of Bihar with effect from November 2000. Government of Jharkhand made payment of ₹ 936.82 crore against claim of ₹ 4,502.02 crore by the Government of Bihar for payment of Pension liability. The State Government had filed suit in the Supreme Court of India in May 2012 challenging the claim of Government of Bihar which is still sub-judice.

Further, list of 52 items were prepared which are yet to be apportioned between the successor states as the matter is sub-judice. The position of the various pending court cases are not available with PAG (A&E).

Recommendation: The State Government is required to expedite the apportionment of balances under Deposits and Advances between the two successor States.

3.10 Follow up on Audit Report on State Finances

Public Accounts Committee (PAC) had already discussed paragraph 2.4.4 (Excess over provisions relating to previous years) of the Audit Report on State Finances for the year 2011-12 and regularised the excess expenditure over provisions amounting to ₹ 8,120.12 crore out of ₹ 8,120.63 crore on 13.01.2014 on the recommendation of PAC. No excess expenditure over provisions was regularised after that date till 2017-18 as no recommendation has been made by the PAC in this regard.

3.11 Impact on Revenue surplus and Fiscal deficit

The impact of incorrect booking/accounting of expenditure and revenue resulted in overstatement of Revenue Surplus and understatement of Fiscal Deficit as discussed in various places in the report is shown in **Table 3.11**.

Table 3.11: Impact on Revenue Surplus and Fiscal Deficit as per Audit

(₹ in crore)

Particulars	Impact on Revenue Surplus		Impact on Fiscal Deficit		Impact on outstanding liabilities
	Over statement	Under statement	Over statement	Under statement	Under statement
Non-transfer of Labour Cess to the Board	393.67	0.00	0.00	393.67	393.67
Non-transfer to the Sinking Fund	334.13	0.00	0.00	334.13	334.13
Non-credit of interest bearing Reserve Funds and Deposits	102.49	0.00	0.00	102.49	102.49
Non-contribution to Guarantee Redemption Fund	0.79	0.00	0.00	0.79	0.79
Total	831.08			831.08	831.08
Net Impact	Over Statement of ₹ 831.08		Under Statement of ₹ 831.08		

Source: Finance Accounts of Government of Jharkhand 2017-18

In view of the above, the Revenue Surplus and Fiscal Deficit of the State which are ₹ 1,803.96 crore and ₹ 11,932.92 crore as projected in the Finance Accounts would actually be ₹ 972.88 crore and ₹ 12,764 crore respectively due to overstatement of revenue surplus by ₹ 831.08 crore and understatement of fiscal deficit by ₹ 831.08 crore as given in **Table 3.11**. It is also evident from the above table that the liabilities of the State was understated to the extent of ₹ 831.08 crore.

Ranchi
The:

(INDU AGRAWAL)
Accountant General (Audit), Jharkhand

Countersigned

New Delhi
The:

(RAJIV MEHRISHI)
Comptroller and Auditor General of India

APPENDICES

Appendix 1.1 Part A
(Reference: Paragraph- 1.1; Page 1)

PROFILE OF JHARKHAND						
A. General Data						
Sl. No.	Particulars				Figures	
1	Area				79,714 Sq. km.	
2	Population					
	a.	As per 2001 Census			2.69 crore	
	b.	2010-11			3.30 crore	
3	A	Density of Population ¹ (As per 2001 Census) (All India Density = 325 persons per Sq.Km)			338 persons per Sq. km.	
	B	Density of Population (As per 2011 Census) (All India Density = 382 persons per Sq.Km)			414 persons per Sq. km.	
4	Population below poverty line (BPL) ² (All India Average = 21.9%)				36.9 per cent	
5	A	Literacy ³ (As per 2001 Census) (All India Average = 64.80%)			44 per cent	
	B	Literacy (As per 2011 Census) (All India Average = 73%)			66.4 per cent	
6	Infant mortality ⁴ 2016 (per 1000 live births) (All India = 34 per 1000 live births)				29	
7	Human Development Index ⁵					
	a.	1999-2000 (All India = 0.387)			NA	
	b.	2007-2008 (All India = 0.467)			0.376	
8	Gross State Domestic Product (GSDP) at current prices in 2017-18 taking as base year 2011-12				₹ 2,55,271 crore	
9	Per capita GSDP CAGR (2008-09 to 2017-18)		Jharkhand		11.1 per cent	
			General Category States		13.1 per cent	
10	GSDP CAGR (2008-09 to 2017-18) ⁶		Jharkhand		12.6 per cent	
			General Category States		14.5 per cent	
11	Population Growth ⁷ (2008-09 to 2017-18)		Jharkhand		12.7 per cent	
			General Category States		11.6 per cent	
B. Financial Data⁴						
Sl. No.	Particulars		Figures (in per cent)			
			2008-09 to 2016-17		2016-17 to 2017-18	
	CAGR		General Category States	Jharkhand	General Category States	Jharkhand
1	a.	of Revenue Receipts	15.1	17.21	11.3	12.12
2	b.	of Tax Revenue	14.9	17.13	12.2	(-7.11)
3	c.	of Non Tax Revenue	9.5	13.43	5.9	46.65
4	d.	of Total Expenditure	15.8	16.97	4.7	13.04
5	e.	of Capital Expenditure	14.0	17.20	1.0	10.05
6	f.	of Revenue Expenditure on Education	14.5	13.31	6.2	(-1.61)
7	g.	of Revenue Expenditure on Health	16.2	16.83	10.7	29.52
8	h.	of Salaries & Wages	13.4	10.74	8.9	25.70
9	i.	of Pension	16.2	19.60	22.9	43.00

¹ Census Info India 2011 Final Population Totals

² Economic Survey Report 2017-18 (January, 2018), Vol. II, Page A 160-161

³ Economic Survey Report 2017-18 (January, 2018), Vol. II, Page A 155

⁴ Economic Survey Report 2017-18 (January, 2018), Vol. II, Page A 151

⁵ Economic Survey Report 2017-18 (January, 2018), Vol. II, Page A 151

⁶ Population projections for India and States 2001-2026 (Revised December 2006) Report of the Technical Group on population projections constituted by the Nation Commission on Population Table-14 (projected total population by sex as on 1st October 2001-26)

⁷ In the GSDP Statement released by MoSPI on 28 July 2018, GSDP figures for the year 2017-18 regarding Andhra Pradesh, Gujarat, Haryana, Kerala, Rajasthan, West Bengal, Arunachal Pradesh, Assam, Jammu & Kashmir, Manipur, Meghalaya, Mizoram, Nagaland and Tripura have been obtained from concerned PAG/AGs

Appendix 1.1 Part B
Structure and Form of Government Accounts
(Reference: Paragraph 1.1; Page 1)

Structure of Government Accounts: The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund: All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266 (1) of the Constitution of India.

Part II: Contingency Fund: Contingency Fund of the State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

Part III: Public Account: Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc. which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature.

Part C: Layout of Finance Accounts

Statement	Layout
Statement No. 1	Presents the cumulative figures of assets and liabilities of the Government, as they stand at the end of the year. The assets are largely financial assets with the figures for progressive capital expenditure denoting physical assets of the Government. Assets, as per the accounting policy, are depicted at historical cost.
Statement No. 2	Contains the summarised statement showing all receipts and disbursement of the Government during the year in all three parts in which Government Account is kept, namely, the Consolidated Fund, Contingency Fund and Public Accounts.
Statement No. 3	This statement comprises revenue and capital receipts and borrowings of the Government consisting of loans from the Government of India, other institutions, market loans and recoveries on account of loans and advances made by the Government.
Statement No. 4	This statement gives expenditure by function (activity) and also summarise expenditure by nature of activities (object of expenditure).
Statement No. 5	Gives details of progressive capital expenditure by functions, the aggregate of which is depicted in statement-1.
Statement No. 6	Presents borrowings of the Government comprising market loans and loans and advances from Government of India. In addition, 'other liabilities' which are the balances under various sectors in the public accounts, for which Government acts as a trustee or custodian, are also given.
Statement No. 7	Depicts loans and advances (sector and loanee group-wise) given by the Government as depicted in statement-1 and recoveries, disbursements featured in Statement-2, 3 and 4.
Statement No. 8	Depicts comparative summary of Government Investment in the share capital of different concerns.
Statement No. 9	Gives the summary of guarantees given by the Government for repayment of loans etc. raised by the statutory corporations, local bodies and other institutions.
Statement No. 10	Depicts grants-in-aid given by the State Government, organised by grantee institutions group-wise. A note on grants given is also included.
Statement No. 11	Indicates the distribution between the charged and voted expenditure incurred during the year.
Statement No. 12	Presents the capital and other expenditure (other than on revenue account) and the sources of fund for the expenditure is depicted in this statement.
Statement No. 13	Depicts summary of balances of Consolidated Fund, Contingency Fund and Public Account.
Statement No. 14	Indicates the detailed account of revenue receipts by minor heads.
Statement No. 15	Provides accounts of revenue expenditure by minor heads under Non-Plan and Plan separately.
Statement No. 16	Depicts the detailed capital expenditure incurred during and to the end of 2017-18.
Statement No. 17	Depicts details of borrowings and other liabilities by minor heads and the maturity and repayment profile of all loans.
Statement No. 18	Provides the detailed account of loans and advances given by the Government of Jharkhand, the amount of loan repaid during the year, the balance as on 31 March 2018.
Statement No. 19	Shows the details of investment of the State Government in statutory corporations, Government companies, other joint stock companies, co-operative banks and societies etc. up to the end of 2017-18.
Statement No. 20	Shows the details of Guarantees given by the State Government for repayment of loans etc. raised by statutory corporations, Government companies, Local Bodies and other institutions.
Statement No. 21	Gives the detailed account relating to Contingency Fund and Public Accounts transaction in detail.
Statement No. 22	Gives the details of earmarked balances of reserve funds.

Appendix 1.2
Abstract of Receipts and Disbursements for the year 2017-18
(Reference: paragraph 1.1.1; Page 1)

Abstract of Receipts and Disbursements for the year 2017-18									
Receipts					Disbursements				
2016-17		2017-18		2016-17		2017-18			
	Section-A: Revenue					Estt.	State & Central Scheme	Total	
47053.93	I. Revenue Receipts		52756.03	45089.03	I. Revenue Expenditure	27952.98	22999.09	50952.07	50952.07
13299.25	Tax Revenue		12353.44	13023.75	General Services	16105.9	452.41	16558.33	
				18557.37	Social Services	6834.83	12740.14	19574.97	
5351.41	Non-tax Revenue		7846.67	7977.83	Education, Sports, Art and Culture	4698.17	3267.57	7965.74	
				1967.69	Health and Family Welfare	1021.13	1527.59	2548.72	
19141.92	State's share of Union Taxes		21143.63	4103.9	Water supply, Sanitation, Housing and Urban Development	346.5	4337.27	4683.77	
1875.29	Non-plan Grants	Finance Commission Grants	1583.03	132.1	Information and Broadcasting	96.89	88.77	185.66	
6972.89	Grants for State Plan Schemes	Other Grants to State	1844.02	1311.94	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	129.53	955.44	1084.97	
593.16	Grants for Central and Centrally Sponsored Plan Schemes	Centrally sponsored schemes	7985.24	131.39	Labour and Labour Welfare	60.61	50.29	110.90	
				2905.36	Social Welfare and Nutrition	450.4	2513.21	2963.61	
				27.16	Others	31.60	0	31.6	
				13507.91	Economic Services	5012.23	9806.54	14818.77	
				2206.18	Agriculture and Allied Activities	581.85	1435.00	2016.85	
				7246.95	Rural Development	583.29	5461.58	6044.87	
				0	Special Areas Programmes	0	0	0	
				322.76	Irrigation and Flood Control	387.23	10.96	398.19	
				1754.63	Energy	3004.06	1526.06	4530.12	
				316.89	Industry and Minerals	64.67	200.16	264.83	
				445.59	Transport	288.97	241.96	530.93	
				0	Science, Technology and Environment	0	0	0	
				1214.91	General Economic Services	102.16	930.82	1032.98	
				0	Grants-in-aid and Contributions	0	0	0	
				45089.03	Total	27953	22999.1	50952.07	
0	II Revenue Deficit carried over to Section B		0	1964.9	II Revenue Surplus Section B				1803.96
47053.93	Total		52756.03	47053.93	Total				52756.03

Abstract of Receipts and Disbursements for the year 2017-18										
Receipts				Disbursements						
2016-17		2017-18		2016-17		2017-18				
Section B										
1904.72	III Opening Cash Balance including permanent advances & cash balance investment		1947.85	0	III Opening Over Draft from Reserve Bank of India					0
	IV Miscellaneous Capital Receipts		25.09	10860.68	IV Capital Outlay	69.14	11883.6	11952.71	11952.71	
				589.61	General Services	68.81	738.3	807.11		
				1532.02	Social Services	0.33	1527.74	1528.07		
				253.5	Education, Sports, Art and Culture	0	360.27	360.27		
				511.55	Health and Family Welfare	0	309.49	309.49		
				354.72	Water supply, Sanitation, Housing and Urban Development	0.33	531.87	532.2		
				8.85	Information and Broadcasting	0	10.9	10.9		
				264.04	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0	265.29	265.29		
				116.96	Social Welfare and Nutrition	0	16.53	16.53		
				22.4	Others	0	33.39	33.39		
				8739.05	Economic Services	0	9617.53	9617.53		
				569.31	Agriculture and Allied Activities	0	607.33	607.33		
				2074.57	Rural Development	0	2092.79	2092.79		
				0	Special Areas Programme	0	0	0		
				1510.91	Irrigation and Flood Control	0	1689.15	1689.15		
				0	Energy	0	0	0.00		
				5	Industry and Minerals	0	15.50	15.50		
				4504.99	Transport	0	5141.76	5141.76		
				74.27	General Economic Services	0	71	71.00		
38.46	V Recoveries of Loans and Advances	42.41	42.41	1335.06	V Loans and Advances Disbursed	88.80	1762.87	1851.67	1851.67	
0	From Power Projects	0		1228.51	For Power Projects	0	1760.67	1760.67		
37.20	From Govt. Servants	40.89		52.46	To Government Servants	55.59	0	55.59		
1.26	From Others	1.52		54.09	To Others	33.21	2.20	35.41		
1964.89	VI Revenue Surplus brought down		1803.96	0	VI Revenue Deficit brought down	0	0	0		0

Abstract of Receipts and Disbursements for the year 2017-18									
Receipts					Disbursements				
2016-17		2017-18		2016-17		2017-18			
7081.42	VII Public Debt Receipts		8136.85	2077.88	VII Repayment of Public Debt				2949.50
0	External Debt	0	0	0	External Debt				
6847.13	Internal Debt other than Ways and Means Advances and Over Draft		7905.24	1920.39	Internal Debt other than Ways and Means Advances and Over Draft			2788.46	
0	Transaction under Ways and Means Advances		0	0	Transaction under Ways and Means Advances			0	
0	Net Transaction under Over Draft.		0	0	Net Transaction under Over Draft			0	
234.29	Loans and Advances from Central Government		231.61	157.49	Repayments of Loans and Advances to Central Government			161.04	
	VIII Appropriation to Contingency Fund		0	0	VIII Appropriation to Contingency Fund				
	IX Amount transferred to Contingency Fund		0	0	IX Expenditure from Contingency Fund				
22051.80	X Public Accounts Receipts		27833.30	16819.82	X Public Accounts Disbursements				22885.14
872.60	Small Savings and Provident Funds		1016.43	994.11	Small Savings and Provident Funds			949.91	
452.88	Reserve Funds		401.00	70.13	Reserve Funds			109.17	
300.58	Suspense and Miscellaneous		-163.21	330.96	Suspense and Miscellaneous			61.00	
9280.63	Remittances		10558.88	9310.76	Remittances			10466.40	
11145.11	Deposits and Advances		16020.20	6113.86	Deposits and Advances			11298.66	
0	Inter State Settlement		0	0	Inter-state Settlement			0	
0	XI Closing Over Draft from Reserve Bank of India			1947.85	XI Cash Balance at the end of the Year			150.44	150.44
				0	Cash in Treasuries and Local Remittances			0	
				502.26	Deposits with Reserve Bank			-242.16	
				6.5	Departmental Cash Balance including Permanent Advances			38.04	
				0	Investment of Earmarked Fund			0	
				1439.09	Cash Balance Investment			354.56	
80095.22	Total		92545.49	80095.22	Total				92545.49

Appendix 1.3
Time series data on the State Government finances
(Reference: Paragraph 1.3 & 1.9.2; Page 7 & 27)

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Part A. Receipts					
1. Revenue Receipts	26137(85)	31565(83)	40638(75)	47054(87)	52756(87)
(i) Tax Revenue	9380(36)	10350(33)	11478(28)	13299(28)	12353(23)
Goods and Services Tax	-	-	-	-	4124(34)
Taxes on Agricultural Income	-	-	-	-	-
Taxes on Sales, Trade, etc.	7305(78)	8070(78)	8999(78)	10549(80)	5715(46)
State Excise	628(7)	740(7)	912(8)	962(7)	841(7)
Taxes on Vehicles	495(5)	660(6)	633(6)	682(5)	779(6)
Stamps and Registration fees	502(5)	531(5)	532(5)	607(5)	469(4)
Land Revenue	230(3)	84(1)	164(1)	240(2)	156(1)
Taxes on Goods and Passengers	1(0)	1(0)	1(0)	0(0)	0(0)
Other Taxes	219(2)	264(3)	237(2)	259(2)	270(2)
(ii) Non Tax Revenue	3753(14)	4335(14)	5853(14)	5351(11)	7847(15)
(iii) State's share of Union taxes and Duties	8939(34)	9487(30)	15969(39)	191142(41)	21144(40)
(iv) Grants-in-aid from Government of India	4065(16)	7393(23)	7338(18)	9262(20)	11412(22)
2. Miscellaneous Capital Receipts	0	0	0	0	25
3. Recoveries of Loans and Advances	23	33	31	38	42
4. Total Revenue and Non-debt capital receipts (1+2+3)	26160	31598	40669	47092	52824
5. Public Debt Receipts	4703(15)	6690(17)	13245(25)	7081(13)	8137(13)
Internal Debt (excluding Ways and Means Advances and Overdrafts)	4597	6537	13080	6847	7905
Net transactions under Ways and Means Advances and Overdrafts	316	0	0	0	0
Loans and Advances from Government of India	106	153	165	234	231.61
6. Total Receipts in the Consolidated Fund (4+5)	30863	38288	53914	54174	60960
7. Contingency Fund Receipts	Nil	Nil	Nil	Nil	Nil
8. Public Account Receipts	14275	20189	29037	22052	27833
9. Total Receipts of the State (6+7+8)	45138	58477	82951	76225	88794
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	23472(82)	31795(83)	36553(70)	45088(79)	50952(79)
Plan/State Schemes, CASC, CSS	6288(27)	12436(39)	15793(43)	22193(49)	22999(45)
Non Plan/Establishment	17184(73)	19359(61)	20760(57)	22895(51)	27953(55)
General Services (including interest payments)	9960(42)	10624(33)	12002(33)	13024(29)	16558(32)
Social Services	8215(35)	11915(37)	14844(41)	18557(41)	19575(39)
Economic Services	5297(23)	9256(29)	9707(26)	13507(30)	14819(29)
Grants-in-aid and contributions	Nil	Nil	Nil	Nil	Nil
11. Capital Expenditure	4722(17)	5543(15)	8159(16)	10861(19)	11953(18)
Plan/State Schemes, CASC and CSS	4706(100)	5520(100)	8087(99)	10814(99)	11884(99)
Non Plan/Establishment	16(0)	23(0)	72(1)	47(1)	69(1)
General Services	168(3)	326(6)	571(7)	590(6)	807(7)
Social Services	924(20)	910(16)	1024(13)	1532(14)	1528(13)
Economic Services	3630(77)	4307(78)	6564(80)	8739(80)	9618(80)
12. Disbursement of Loans and Advances	222(1)	824(2)	7480⁸(14)	1335(2)	1852(3)
13. Total Expenditure (10+11+12)	28416	38162	52192	57284	64756
14. Repayments of Public Debt	1997	1880	2246	2078	2950
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1542(77)	1722(92)	2079(93)	1920(92)	2788(95)

⁸ Includes loans amounting to ₹ 5,553 crore made from borrowings of the State on UDAY bonds

	2013-14	2014-15	2015-16	2016-17	2017-18
Net transactions under Ways and Means Advances and Overdraft	316(16)	0	0	0	0
Loans and Advances from Government of India	139(7)	158(8)	167(7)	158(8)	161(5)
15. Appropriation to Contingency Fund	Nil	Nil	0	0	0
16. Total disbursement out of Consolidated Fund (13+14+15)	30413	40042	54438	59362	67706
17. Contingency Fund disbursements	-	-	0	0	0
18. Public Account disbursements	14094	19277	27053	16820	22885
19. Total disbursement by the State (16+17+18)	44507	59319	81491	75851	90591
Part C. Deficits					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	2665	-230	4085	1966	1804
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	-2256	-6564	-11523 ⁹	-10192	-11933
22. Primary Deficit(-)/Surplus(+) (21-23)	358	-3635	-8203	-6020	-7271
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	2614	2929	3320	4172	4662
24. Financial Assistance to local bodies etc.	6422	12404	14891	20332	20714
25. Ways and Means Advances/Overdraft availed (days)	8	-	0	3	7
Ways and Means Advances availed (days)	8	-	0	3	7
Overdraft availed (days)	0	-	0	0	0
26. Interest on Ways and Means Advances/Overdraft	0.21	-	0	0	0.21
27 (a) Gross State Domestic Product at current price (GSDP)[@]	188567	218525	206613	235560	255271
27 (b) Gross State Domestic Product at constant price (GSDP)[@]	165816	186534	174881	194475	203358
28 Outstanding Fiscal liabilities (year end)	37594	43569	56530	66827	77095
29. Outstanding guarantees (year-end) (including interest)	-	-	157	157	157
30. Maximum amount guaranteed (year end)	-	-	157	157	157
31. Number of incomplete projects (value ₹ 1 crore and above)	328	402	195	280	113
32. Capital blocked in incomplete Projects	760	1824	2089	4778	1403
Part E. Fiscal Health Indicators					
I Resource Mobilisation					
Own Tax revenue/GSDP at current price	4.97	4.74	5.56	5.65	4.84
Own Tax revenue/GSDP at constant price	5.66	5.55	6.56	6.84	6.07
Own Non-Tax Revenue/GSDP at current price	2.0	2.0	2.8	2.3	3.1
Own Non-Tax Revenue/GSDP at constant price	2.26	2.32	3.35	2.75	3.86
Central Transfers/GSDP at current price	4.74	4.34	7.73	8.17	8.28
Central Transfers/GSDP at constant price	2.45	3.96	4.20	4.76	5.61
II Expenditure Management					
Total Expenditure/GSDP at current price	15.07	17.46	25.26	24.32	25.37
Total Expenditure/GSDP at constant price	17.14	20.46	29.84	29.46	31.84
Total Expenditure/Revenue Receipts	108.7	120.9	128.4	121.7	122.7
Revenue Expenditure/Total Expenditure	82.6	83.3	70.0	78.7	78.7
Expenditure on Social Services (including L&A)/Total Expenditure	32.2	33.7	30.5	35.2	32.6
Expenditure on Economic Services (including L&A)/Total Expenditure	32.1	37.6	45.3	41.0	40.5

⁹ Amount of Fiscal Deficit will be decreased, if the amount of loan granted to Bijli Companies from the borrowings on UDAY Bond is not considered for calculation of Fiscal Deficit as informed by the State Government in the light of Tripartite Agreement

	2013-14	2014-15	2015-16	2016-17	2017-18
Capital Expenditure/Total Expenditure	16.6	14.5	15.6	19.0	18.5
Capital Expenditure on Social and Economic Services/Total Expenditure.	16	13.7	14.5	17.9	17.2
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP at current price	1.41	-0.11	1.98	0.83	0.71
Revenue deficit (surplus)/GSDP at constant price	1.61	-0.12	2.34	1.01	0.89
Fiscal deficit/GSDP at current price	-1.20	-3.00	-5.58	-4.33	-4.67
Fiscal deficit/GSDP at constant price	-1.36	-3.52	-6.59	-5.24	-5.87
Primary Deficit (surplus) /GSDP at current price	0.19	-1.66	-3.97	-2.56	-2.85
Primary Deficit (surplus) /GSDP at constant price	0.22	-1.95	-4.69	-3.10	-3.58
Revenue Deficit/Fiscal Deficit	118.1	-3.5	-35.5	-19.3	-15.1
Primary Revenue Balance/GSDP at current price	0.19	-1.66	-3.97	-2.56	-2.85
Primary Revenue Balance/GSDP at constant price	0.22	-1.95	-4.69	-3.10	-3.58
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP at current price	19.94	19.94	27.36	28.37	30.20
Fiscal Liabilities/GSDP at constant price	22.67	23.36	32.32	34.36	37.91
Fiscal Liabilities/RR	143.8	138.03	139.1	142.0	146.1
Primary deficit vis-à-vis quantum spread	605	-376	-13468	-1924	-6009
Debt redemption (Principal + interest)/Total debt receipt	Nil	Nil	Nil	Nil	Nil
V Other Fiscal Health Indicators					
Return on Investment	18	Nil	Nil	Nil	Nil
Balance from Current Revenue (₹ in crore)	6208	6593	14226	16773	N.A.
Financial Assets/Liabilities	100	103	109	111	111
Loans and Advances On General Services	0	0	0	0	0
Loans and Advances On Social Services	20	20	43	47	31.7
Loans and Advances On Economic Services	189	787	7388	1236	1764.4
Assets			57153	67419	77635
Liabilities			62291	74522	86542

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

@ Figures obtained from CSO

(http://mospi.nic.in/Mospi_New/site/inner.aspz?statis=3&menu_id=82).

Appendix 1.4 Part-A
Details of functions of ULBs as per the 74th Constitutional Amendment Act (Schedule XII)
(Reference: Paragraph 1.6.5.1; Page 19)

Sl. No.	Details of function
1	Urban planning including town planning.
2	Regulation of land-use and construction of buildings.
3	Planning for economic and social development.
4	Roads and bridges.
5	Water supply for domestic, industrial and commercial purposes.
6	Public health, sanitation, conservancy and solid waste management.
7	Fire services.
8	Urban forestry, protection of the environment and promotion of ecological aspects.
9	Safeguarding the interests of weaker sections of society including the handicapped and mentally retarded.
10	Slum improvement and up-gradation.
11	Urban poverty alleviation.
12	Provision of urban amenities and facilities such as parks, gardens, playgrounds.
13	Promotion of cultural, educational and aesthetic aspects.
14	Burials and burial grounds; cremations, cremation grounds and electric crematoriums.
15	Cattle ponds, prevention of cruelty to animals.
16	Vital statistics including registration of births and deaths.
17	Public amenities including street lighting, parking lots, bus stops and public conveniences.
18	Regulation of Slaughter houses and tanneries.

Appendix 1.4 Part-B
Details of functions of PRIs as per the 73rd Constitutional Amendment Act (Schedule XII)
(Reference: Paragraph 1.6.5.2; Page 20)

Sl. No.	Details of function	Status of Devolution
1	Agriculture including agriculture extension	Partial
2	Land improvement, implementation of land reforms, land consolidation and soil conservation	No
3	Minor irrigation, water management and watershed development	Yes
4	Animal husbandry, dairy and poultry	Partial
5	Fisheries	Yes
6	Social forestry and farm forestry	No
7	Minor forest produce	No
8	Small scale Industries including food processing industries	Partial
9	Khadi Village and Cottage industries	Yes
10	Rural Housing	No
11	Drinking Water	Yes
12	Fuel and fodder	No
13	Road, Culverts, Bridges, ferries waterways and other means of communication	No
14	Rural Electrification including distribution of electricity	No
15	Non-conventional energy sources	No
16	Poverty alleviation programmes	Partial
17	Education including primary and secondary school	Yes
18	Technical Training and Vocational Education	No
19	Adult and Non-formal Education	Yes
20	Libraries	No
21	Cultural Activities	No
22	Market and Fairs	No
23	Health and Sanitation including Hospitals, Primary Health Centres with Dispensaries	Yes
24	Family Welfare	Yes
25	Women and Child Development	Yes
26	Social Welfare including Welfare of the Handicapped and Mentally retarded	Yes
27	Welfare of the weaker section and in particular of the SCs and STs	No
28	Public Distribution Systems	Yes
29	Maintenance of community assets	Partial

Appendix 1.5
Summarised financial position of the Government of Jharkhand as on 31 March 2018
(Reference: Paragraphs 1.9.1; Page 26)

(₹ in crore)

As on 31.03.2017	Liabilities		As on 31.03.2018
48682.31	Internal Debt -		53799.09
28280.21	Market Loans bearing interest	33087.68	
0.07	Market Loans not bearing interest	0.07	
6.30	Loans from Life Insurance Corporation of India	6.30	
10566.90	Loans from other Institutions	11622.17	
0	Ways and Means Advances	0	
9828.83	Special securities issued to NSS Fund of Central Government	9082.87	
0	Overdrafts from Reserve Bank of India	0	
2162.28	Loans and Advances from Central Government -		2232.86
0	Pre 1984-85 Loans	0	
19.37	Non-Plan Loans	17.57	
2142.91	Loans for State Plan Schemes	2215.29	
500	Contingency Fund		500
1075.67	Small Savings, Provident Funds etc.		1142.18
13647.49	Deposits		18369.87
1259.21	Reserve Funds		1551.04
0	Remittance Balances		39.68
92.07	Suspense and Miscellaneous Balances		0
7103.25	Cumulative excess of receipts over expenditure		8907.21
74522.28	Total		86541.93
	Assets		
55033.98	Gross Capital Outlay on Fixed Assets -		66961.60
183.11	Investments in shares of Companies, Corporations, etc.	275.15	
54850.87	Other Capital Outlay	66686.45	
0	Inter State Settlement		0
17482.71	Loans and Advances -		19291.97
16683.53	Loans for Power Projects	18444.2	
789.48	Other Development Loans	823.36	
9.7	Loans to Government servants and Miscellaneous loans	24.41	
4.94	Advances		5.78
0	Suspense and Miscellaneous Balances		132.14
1947.85	Cash -		150.44
0	Cash in Treasuries and Local Remittances		0
502.26	Deposits with Reserve Bank	-242.16	
0	Reserve Fund Investments	0	
6.5	Departmental Cash Balance including Permanent Advances	38.04	

1439.09	Cash Balance Investments	354.56	
52.80	Remittance Balances		0.00
0.00	Deficit on Government Account -		0
	(i) Revenue Deficit/surplus of the current year		
	(ii) Miscellaneous Deficit		
	Accumulated deficit/surplus at the beginning of the year		
74522.28	Total		86541.93

Explanatory Notes for Appendices 1.2, 1.3 and 1.5

The abridged accounts in the foregoing statements are to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in **Appendix 1.5**, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc.

Appendix 1.6
Methodology Adopted for the Assessment of Fiscal Position
(Reference: Paragraph 1.10.2; Page 29)

The norms/Ceilings prescribed by the FFC for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other Statements required to be laid in the legislature under the Act are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that GSDP is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the Gross State Domestic Product (GSDP) at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilisation of resources, pattern of expenditure etc., are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

Terms	Basis of calculation
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
Interest spread	GSDP growth – Average Interest Rate
Quantum spread	Debt stock * Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} / [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts minus all Plan grants and Non-Plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of avoidance of debt
Resource Gap	Incremental Non-debt Receipts minus Incremental Primary Revenue Expenditure + Incremental Interest Receipts

Appendix 2.1

Statement of various grants/appropriations where savings exceeded ₹ 10 crore in each case and also by 20 per cent or more of the total provision

(Reference: Paragraph 2.4.1; Page 37)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	
				Amount	Percentage of Savings to total provision
1	2	3	4	5	6
Revenue Voted					
1	1	Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	1,550.39	711.47	45.89
2	2	Agriculture, Animal Husbandry and Co-operative Department (Animal Husbandry Division)	375.42	159.93	42.60
3	3	Building Construction Department	147.89	47.12	31.86
4	9	Agriculture, Animal Husbandry and Co-operative Department (Co-operative Division)	216.04	61.70	28.56
5	12	Planning-cum-Finance Department (Finance Division)	83.77	40.70	48.58
6	18	Food, Public Distribution and Consumer Affairs Department	1,346.34	428.72	31.84
7	20	Health, Medical Education and Family Welfare Department	3,519.16	981.45	27.89
8	23	Industries Department	466.96	233.69	50.04
9	26	Labour, Employment and Skill Development Department	241.70	108.09	44.72
10	27	Law Department	415.05	119.29	28.74
11	29	Mines and Geology Department	115.73	79.35	68.56
12	39	Home, Jail and Disaster Management Department (Disaster Management Division)	792.92	269.69	34.01
13	41	Road Construction Department	551.66	260.47	47.22
14	42	Rural Development Department (Rural Development Division)	5,575.70	2,233.57	40.06
15	43	Higher and Technical Education Department (Science and Technology Division)	421.43	109.39	25.96
16	45	Information Technology and e-Governance Department	192.41	119.61	62.17
17	51	Welfare Department (Welfare Division)	1,869.73	780.02	41.72
18	52	Tourism, Art, Culture, Sports and Youth Affairs Department (Art, Culture, Sports and Youth Affairs Division)	90.71	20.89	23.03
19	53	Agriculture, Animal Husbandry and Co-operative Department (Fishery Division)	75.54	18.32	24.26
20	54	Agriculture, Animal Husbandry and Co-operative Department (Dairy Division)	308.98	133.51	43.21
21	58	School Education and Literacy Department (Secondary Education Division)	1,747.35	590.63	33.80
22	59	School Education and Literacy Department (Primary and Adult Education Division)	7,032.03	1,704.08	24.23
23	60	Women, Child Development and Social Security Department	3,342.46	819.30	24.81
Revenue Charged					
24	14	Repayment of Loans	230.00	230.00	100.00

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	
				Amount	Percentage of Savings to total provision
1	2	3	4	5	6
Capital					
25	2	Agriculture, Animal Husbandry and Co-operative Department (Animal Husbandry Division)	26.00	16.90	64.98
26	8	Transport Department (Civil Aviation Division)	111.11	22.84	20.56
27	12	Planning-cum-Finance Department (Finance Division)	117.93	62.34	52.86
28	18	Food, Public Distribution and Consumer Affairs Department	80.00	53.46	66.83
29	20	Health, Medical Education and Family Welfare Department	525.00	215.51	41.05
30	26	Labour, Employment and Skill Development Department	79.43	44.81	56.42
31	30	Welfare Department (Minorities Welfare Division)	116.01	49.64	42.79
32	36	Drinking Water and Sanitation Department	456.35	124.09	27.19
33	43	Higher and Technical Education Department (Science and Technology Division)	440.78	111.81	25.37
34	45	Information Technology and e-Governance Department	22.00	20.54	93.37
35	47	Transport Department (Transport Division)	31.13	14.56	46.76
36	49	Water Resources Department	1,911.06	681.00	35.63
37	50	Water Resources Department (Minor Irrigation Division)	667.48	208.39	31.22
38	51	Welfare Department (Welfare Division)	366.44	167.53	45.71
39	53	Agriculture, Animal Husbandry and Co-operative Department (Fishery Division)	64.00	20.19	31.54
40	57	Urban Development and Housing Department (Housing Division)	42.00	40.00	95.24
41	58	School Education and Literacy Department (Secondary Education Division)	23.00	22.57	98.13
42	59	School Education and Literacy Department (Primary and Adult Education Division)	25.00	25.00	100.00
43	60	Women, Child Development and Social Security Department	64.00	47.47	74.17
TOTAL (Revenue + Capital)			35,878.09	12,209.64	34.03

Appendix 2.2
Sub-head wise details where substantial savings (₹ 20 crore and above)
occurred during the year 2017-18
(Reference: Paragraph: 2.4.1; Page 37)

(₹ in crore)

Sl. No.	Number and Name of Grant/Appropriation	Head of Account	Provision	Amount of Savings	Reasons furnished by the Departments as per Appropriation Accounts
1	1 Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	2401-00-796-AF	86.40	86.18	Reasons have not been intimated
2		2401-00-796-AF	57.60	50.98	Reasons have not been intimated
3		2401-00-800-AF	43.20	41.80	Reasons have not been intimated
4		2401-00-800-AF	28.80	28.54	Reasons have not been intimated
5		2401-00-796-B3	24.00	24.00	Non Possibility of utilization Fund.
6	2- Agriculture, Animal Husbandry and Co-operative Department (Animal Husbandry Division)	2403-00-103-88	28.28	28.28	Non utilization of entire provision
7	10-Energy Department	2801-06-800-01	50.00	50.00	Non utilization of entire provision
8	13-Interest Payment	2049-01-200-02	400.00	80.69	Reasons have not been intimated
9		2049-01-200-11	70.00	24.40	Reasons have not been intimated
10	14- Repayment of Loans	6003-00-109-01	110.00	30.28	Reasons have not been intimated
11	18- Food, Public Distribution and Consumer Affairs Department	3456-00-796-39	276.36	47.75	Reasons have not been intimated
12		3456-00-796-39	59.81	38.34	
13	20-Health, Medical Education and Family Welfare Department	2210-03-103-03	133.79	42.57	Reasons have not been intimated
14		2210-01-102-54	89.00	89.00	Reasons have not been intimated
15		2210-01-103-45	30.68	30.68	Reasons have not been intimated
16		2210-01-103-56	37.00	37.00	Reasons have not been intimated
17		2210-01-109-40	29.95	29.95	Reasons have not been intimated
18		2210-01-110-57	30.00	30.00	Reasons have not been intimated
19		2210-01-789-54	85.00	85.00	Reasons have not been intimated
20		2210-01-796-54	80.00	80.00	Non-execution of scheme
21		4210-01-796-35	20.00	20.00	Non-demand of fund
22	21-Higher and Technical Education Department (Higher Education Division)	2202-03-102-62	40.00	22.24	Non-demand of fund
23	22-Home, Jail and Disaster Management Department (Home Division)	2055-00-110-01	251.57	47.00	Reasons have not been intimated
24		4055-00-207-45	32.88	25.25	Reasons have not been intimated
25		4055-00-207-77	100.00	20.00	Reasons have not been intimated
26	23-Industries Department	2852-80-102-81	30.00	27.00	Less drawal of fund
27	26-Labour, Employment and Skill Development Department	4250-00-796-01	30.00	22.62	Non-receipt of demand
28	39-Home, Jail and Disaster Management Department (Disaster Management Division)	2245-02-113-02	35.00	30.20	Non-Expenditure of allotted fund
29		2245-80-102-01	30.00	21.38	Non-Expenditure of allotted fund
30		2245-80-102-02	40.93	39.82	Non-Expenditure of allotted fund
31		2245-01-101-02	30.00	30.00	Non-Expenditure of allotted fund
32		2245-01-101-06	20.00	20.00	Non-Expenditure of allotted fund
33		2245-01-282-01	20.00	20.00	Non-Expenditure of allotted fund
34	41-Road Construction Department	5054-03-337-02	106.00	45.69	Reasons have not been intimated
35	42-Rural Development Department (Rural Development Division)	2501-06-101-05	146.40	37.18	Reasons have not been intimated
36		2501-06-796-05	107.56	43.04	Reasons have not been intimated
37		2501-06-796-05	71.71	27.23	Reasons have not been intimated
38		2505-01-702-02	628.28	149.24	Reasons have not been intimated
39		2505-02-101-04	979.21	811.69	Reasons have not been intimated
40		2505-02-101-04	102.00	50.87	Reasons have not been intimated

Appendix 2.2 continued...					
Sl. No.	Number and Name of Grant/Appropriation	Head of Account	Provision	Amount of Savings	Reasons furnished by the Departments as per Appropriation Accounts
41	42-Rural Development	2505-02-789-04	299.76	248.48	Reasons have not been intimated
42	Department (Rural Development Division)	2505-02-796-04	719.42	596.34	Reasons have not been intimated
43		2505-02-101-04	25.42	25.42	Reasons have not been intimated
44	43- Higher Technical Education and Skill Development Department	4202-02-105-75	99.16	99.09	Reasons have not been intimated
45	(Science and Technology Division)	4202-02-796-75	34.84	34.84	Reasons have not been intimated
46	45- Information Technology and e-Governance Department	2203-00-001-A8	50.00	20.00	Reasons have not been intimated
47		2203-00-796-A8	65.00	22.53	Reasons have not been intimated
48	48-Urban Development and Housing Department (Urban Development Division)	2217-80-191-76	65.00	22.25	Reasons have not been intimated
49		2217-80-191-76	65.00	33.52	Reasons have not been intimated
50		2217-80-191-81	136.09	40.18	Reasons have not been intimated
51		2217-80-191-83	57.60	57.60	Reasons have not been intimated
52		2217-80-192-84	20.24	20.24	Reasons have not been intimated
53	49-Water Resources Department	4700-80-796-13	204.00	40.05	Reasons have not been intimated
54		4701-80-796-54	143.05	31.81	Reasons have not been intimated
55	50-Water Resources Department (Minor Irrigation Division)	4702-00-101-20	89.00	31.65	Reasons have not been intimated
56		4702-00-796-18	227.83	31.17	Reasons have not been intimated
57		4702-00-796-20	110.00	60.00	Reasons have not been intimated
58	51-Welfare Department (Welfare Division)	2225-01-789-59	53.00	37.29	Reasons have not been intimated
59		2225-02-796-59	160.46	37.72	Reasons have not been intimated
60		2225-02-796-61	40.00	23.09	Reasons have not been intimated
61		2225-03-796-23	124.00	58.39	Reasons have not been intimated
62	54- Agriculture, Animal Husbandry and Co-operative Department (Dairy Division)	2404-00-102-05	43.00	32.82	Reasons have not been intimated
63	55-Rural Development Department (Rural Works Division)	2515-00-001-28	200.00	78.05	Reasons have not been intimated
64		4515-00-789-04	112.50	70.82	Reasons have not been intimated
65	56-Rural Development Department (Panchayati Raj Division)	2515-00-001-03	160.46	20.95	Reasons have not been intimated
66		2515-00-001-54	38.00	22.79	Reasons have not been intimated
67		2515-00-198-45	252.75	146.04	Reasons have not been intimated
68	58-School Education and Literacy Department (Secondary Education Division)	2202-02-109-01	587.54	266.78	Reasons have not been intimated
69		2202-05-200-04	49.82	45.99	Reasons have not been intimated
70	59-School Education and Literacy Department (Primary and Adult Education Division)	2202-01-102-02	181.09	25.81	Reasons have not been intimated
71		2202-01-111-25	508.80	171.73	Reasons have not been intimated
72		2202-01-789-25	115.20	28.36	Reasons have not been intimated
73		2202-01-796-25	336.00	169.96	Reasons have not been intimated
74		2202-01-101-59	42.00	42.00	Reasons have not been intimated
75		2202-01-101-57	220.74	220.74	Reasons have not been intimated
76		2202-01-789-57	93.50	93.50	Reasons have not been intimated
77		2202-01-796-57	236.50	236.50	Reasons have not been intimated
78		2202-01-796-59	45.15	45.15	Reasons have not been intimated
79		2235-02-102-97	70.00	21.92	Reasons have not been intimated
80	60-Women, Child Development and Social Security Department	2235-02-796-97	70.00	21.36	Reasons have not been intimated
81		2236-02-101-02	147.60	24.69	Reasons have not been intimated
82		2236-02-796-02	172.80	69.69	Reasons have not been intimated
83		2236-02-796-02	172.80	90.62	Reasons have not been intimated
			11,162.07	5,983.83	

Appendix 2.3
Details of savings of ₹ 1.00 crore and above not surrendered
(Reference: Paragraph 2.4.2; Page 37)

(₹ in crore)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Savings not surrendered
1	2	3	4	5
Revenue				
1	1-Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	711.47	678.83	32.64
2	2-Agriculture, Animal Husbandry and Co-operative Department (Animal Husbandry Division)	159.93	137.04	22.90
3	3-Building Construction Department	47.12	40.19	6.92
4	4-Cabinet Secretariat and Vigilance Department (Cabinet Secretariat and Co-ordination Division)	10.72	8.77	1.95
5	8-Transport Department (Civil Aviation Division)	4.60	2.42	2.18
6	9-Agriculture, Animal Husbandry and Co-operative Department (Co-operative Division)	61.70	4.57	57.13
7	12-Planning-cum-Finance Department (Finance Division)	40.70	14.33	26.37
8	14-Repayment of Loans	230.00	0.00	230.00
9	18-Food, Public Distribution and Consumer Affairs Department	428.72	203.74	224.98
10	19-Forest, Environment and Climate Change Department	117.47	61.84	55.64
11	20-Health, Medical Education and Family Welfare Department	981.45	666.65	314.80
12	21-Higher and Technical Education Department (Higher Education Division)	206.48	134.98	71.50
13	22-Home, Jail and Disaster Management Department (Home Division)	159.71	129.80	29.91
14	23-Industries Department	233.69	158.26	75.43
15	26-Labour, Employment and Skill Development Department	108.09	79.83	28.26
16	28-High Court of Jharkhand	7.05	1.31	5.73
17	29-Mines and Geology Department	79.35	41.14	38.21
18	35-Planning-cum-Finance Department (Planning Division)	25.73	20.52	5.21
19	36-Drinking Water and Sanitation Department	164.01	40.08	123.93
20	39-Home, Jail and Disaster Management Department (Disaster Management Division)	269.69	266.87	2.82
21	41-Road Construction Department	260.47	41.72	218.76
22	42-Rural Development Department (Rural Development Division)	2,233.57	1,280.36	953.21
23	43-Higher and Technical Education Department (Science and Technology Division)	109.39	90.29	19.10
24	45-Information Technology and e-Governance Department	119.61	90.02	29.60
25	48-Urban Development and Housing Department (Urban Development Division)	430.42	277.53	152.89
26	49-Water Resources Department	70.89	42.83	28.05
27	51-Welfare Department (Welfare Division)	780.02	384.99	395.03
28	54-Agriculture, Animal Husbandry and Co-operative Department (Dairy Division)	133.51	132.24	1.26
29	56-Rural Development Department (Panchayati Raj Division)	226.92	225.32	1.60
30	57-Urban Development and Housing Department (Housing Division)	4.60	0.05	4.53

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Savings not surrendered
1	2	3	4	5
Revenue				
31	58-School Education and Literacy Department (Secondary Education Division)	590.63	247.69	342.90
32	59-School Education and Literacy Department (Primary and Adult Education Division)	1,704.08	706.19	997.89
33	60-Women, Child Development and Social Security Department	819.30	571.31	258.00
Capital				
34	3-Building Construction Department	116.22	31.71	84.51
35	8-Transport Department (Civil Aviation Division)	22.84	17.34	5.50
36	12-Planning-cum-Finance Department (Finance Division)	62.34	58.05	4.29
37	14-Repayment of Loans	107.67	48.67	59.00
38	17-Commercial Tax Department	6.86	0.00	6.86
39	18-Food, Public Distribution and Consumer Affairs Department	53.46	8.46	45.00
40	20-Health, Medical Education and Family Welfare Department	215.51	107.79	107.72
41	22-Home, Jail and Disaster Management Department (Home Division)	85.90	84.90	1.00
42	29-Mines and Geology Department	2.00	1.00	1.00
43	30-Welfare Department (Minorities Welfare Division)	49.64	30.11	19.52
44	36-Drinking Water and Sanitation Department	124.09	41.71	82.38
45	42-Rural Development Department (Rural Development Division)	4.40	2.98	1.41
46	45-Information Technology and e-Governance Department	20.54	18.54	2.00
47	47-Transport Department (Transport Division)	14.56	10.70	3.85
48	49-Water Resources Department	681.00	136.67	544.33
49	50-Water Resources Department (Minor Irrigation Division)	208.39	114.64	93.75
50	51-Welfare Department (Welfare Division)	167.53	23.85	143.67
51	53-Agriculture, Animal Husbandry and Co-operative Department (Fishery Division)	20.19	8.19	12.00
52	55-Rural Development Department (Rural Works Division)	73.16	39.58	33.58
53	56-Rural Development Department (Panchayati Raj Division)	2.49	0.74	1.75
54	57-Urban Development and Housing Department (Housing Division)	40.00	0.00	40.00
55	58-School Education and Literacy Department (Secondary Education Division)	22.57	18.08	4.49
56	59-School Education and Literacy Department (Primary and Adult Education Division)	25.00	0.00	25.00
57	60-Women, Child Development and Social Security Department	47.47	0.00	47.47
Total		13,704.92	7,585.42	6,119.50

Appendix 2.4
Cases of surrender of funds in excess of ₹ 10 crore in March 2018
(Reference: Paragraph 2.4.2; Page 37)

(₹ in crore)

Sl. No.	Number and name of the Grant/Appropriation	Major Head	Amount of Surrender
1	1-Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	2401-00-102-AU	19.71
2		2401-00-789-AF	14.01
3		2401-00-796-28	12.25
4		2401-00-796-AF	86.18
5		2401-00-796-AF	50.98
6		2401-00-796-AG	17.43
7		2401-00-796-AG	11.00
8		2401-00-796-AJ	13.58
9		2401-00-796-AL	11.87
10		2401-00-796-AU	36.97
11		2401-00-800-AF	41.80
12		2401-00-800-AF	22.95
13		2401-00-102-04	14.07
14		2401-00-195-B3	12.00
15		2401-00-796-96	18.00
16		2401-00-796-B3	24.00
17		2401-00-796-AW	18.90
18		2401-00-796-B1	11.59
19	2-Agriculture, Animal Husbandry and Co-operative Department (Animal Husbandry Division)	2403-00-103-88	28.28
20		2403-00-796-84	12.00
21		2403-00-796-88	11.86
22	3- Building Construction Department	2059-80-053-13	11.83
23		2216-05-053-04	13.27
24	10-Energy Department	2801-06-800-01	50.00
25		2801-06-800-02	16.00
26	12-Planning-cum-Finance Department (Finance Division)	7610-00-201-03	19.44
27		4070-00-003-78	13.45
28	13-Interest Payment	2049-01-200-02	80.69
29		2049-01-200-08	17.59
30		2049-01-200-11	24.40
31	18-Food, Public Distribution and Consumer Affairs Department	3456-00-102-02	11.10
32		3456-00-796-39	47.75
33		3456-00-796-48	10.39
34		3456-00-796-51	38.34
35	20-Health, Medical Education and Family Welfare Department	2210-02-200-27	14.96
36		2210-03-103-03	42.57
37		2210-05-105-12	14.28
38		2211-00-101-01	12.92
39		2210-01-102-54	89.00

Sl. No.	Number and name of the Grant/Appropriation	Major Head	Amount of Surrender
40	20-Health, Medical Education and Family Welfare Department	2210-01-103-45	30.68
41		2210-01-103-56	37.00
42		2210-01-109-40	29.95
43		2210-01-110-25	12.20
44		2210-01-110-57	30.00
45		2210-01-789-54	85.00
46		2210-01-796-54	80.00
47		2210-01-796-56	16.00
48		4210-02-796-01	11.23
49		4210-01-796-35	20.00
50	21-Higher, Technical Education and Skill Development Department (Higher Education Division)	2202-03-102-62	22.24
51		2202-03-102-79	13.92
52		2202-03-796-AD	10.50
53	22-Home, Jail and Disaster Management Department (Home Division)	2055-00-001-01	11.70
54		2056-00-101-02	13.26
55		2055-00-110-01	47.28
56		4055-00-207-45	25.25
57		4055-00-207-77	20.00
58	23-Industries, Mines and Geology Department (Industries Division)	2852-80-102-81	27.00
59		2852-80-796-77	10.78
60		2851-00-796-43	12.00
61	26-Labour Employment and Training Department	2235-60-200-07	11.93
62		4250-00-796-01	22.62
63	29-Industries, Mines and Geology Department (Mines and Geology Division)	2853-02-001-07	19.97
64		2853-02-102-20	10.80
65	36-Drinking Water and Sanitation Department	2215-01-102-14	11.15
66	39-Home, Jail and Disaster Management Department (Revenue and Land Reforms Division)	2245-02-113-02	30.20
67		2245-80-101-16	17.81
68		2245-80-102-01	21.38
69		2245-80-102-02	39.82
70		2245-01-101-01	13.00
71		2245-01-101-02	30.00
72		2245-01-101-06	20.00
73		2245-01-101-07	22.00
74		2245-01-102-01	11.00
75		2245-01-102-02	11.00
76	2245-01-282--01	20.00	
77	40-Revenue, Land Reforms and Registration Department (Revenue and Land Reforms Division)	2053-00-093-01	12.97
78	41-Road Construction Department	5054-03-337-02	37.69
79		5054-03-796-02	12.02
80	42-Rural Development Department (Rural Development Division)	2501-02-796-04	18.68
81		2501-06-101-05	37.18
82		2501-06-101-05	17.84
83		2501-06-796-05	43.04

Sl. No.	Number and name of the Grant/Appropriation	Major Head	Amount of Surrender
84	42-Rural Development Department (Rural Development Division)	2501-06-796-05	27.23
85		2505-02-101-04	386.07
86		2505-02-101-04	21.47
87		2505-02-789-04	118.19
88		2505-02-796-04	283.64
89		2505-02-796-04	15.77
90		2501-02-101-04	25.42
91		2501-02-101-04	16.95
92		2501-02-796-04	12.45
93		43-Higher, Technical Education and Skill Development Department (Science and Technology Division)	2203-00-003-AB
94	2203-00-004-A5		10.80
95	4202-02-105-75		99.09
96	4202-02-796-75		34.84
97	4202-02-105-76		10.20
98	45-Information Technology and e-Governance Department	2203-00-001-A8	20.00
99		2203-00-796-A8	22.52
100		2203-00-001-A9	11.15
101		2203-00-001-A9	11.15
102		4202-02-105-70	16.04
103	48-Urban Development and Housing Department (Urban Development Division)	2215-01-191-01	10.86
104		2217-80-191-76	22.25
105		2217-80-191-76	33.52
106		2217-80-191-81	40.18
107		2217-80-192-82	13.15
108		2217-80-796-60	13.71
109		2217-80-796-60	12.23
110		2217-80-796-76	14.00
111		2217-80-191-83	57.60
112		2217-80-192-84	20.24
113	49-Water Resources Department	2700-01-001-02	19.12
114		2701-03-001-06	11.89
115		4700-80-789-13	23.98
116		4700-80-796-13	23.05
117		4701-80-796-54	31.81
118		4701-80-796-62	10.53
119		4700-80-796-11	16.00
120	50-WRD	2702-02-005-01	12.74
121		4702-00-101-18	17.51
122		4702-00-101-20	31.65
123		4702-00-796-18	31.17
124		4702-00-796-20	22.13
125	51-Welfare Department (Welfare Division)	2225-01-789-59	35.34
126		2225-01-789-61	16.51
127		2225-02-277-59	15.36
128		2225-02-796-59	31.94
129		2225-02-796-61	21.34

Sl. No.	Number and name of the Grant/Appropriation	Major Head	Amount of Surrender
130	51-Welfare Department (Welfare Division)	2225-03-277-12	22.91
131		2225-03-796-23	55.63
132	54-Agriculture, Animal Husbandry and Co-operative Department (Dairy Division)	2404-00-001-05	32.82
133		2404-00-796-05	15.30
134	55-Rural Development Department (Rural Works Division)	2515-00-001-28	78.05
135		4515-00-789-04	43.83
136	56-Rural Development Department (Panchayati Raj Division)	2515-00-001-03	20.96
137		2515-00-001-54	21.09
138		2515-00-101-04	14.30
139		2515-00-198-45	146.03
140	58-School Education and Literacy Department (Secondary Education Division)	2202-02-109-01	30.77
141		2202-02-109-35	14.30
142		2202-02-110-03	10.77
143		2202-05-200-04	45.45
144		2202-02-109-23	42.50
145		2202-02-789-23	14.50
146		2202-02-796-23	28.00
147		4202-01-789-46	11.77
148	59-School Education and Literacy Department (Primary and Adult Education Division)	2202-01-102-02	25.81
149		2202-01-111-25	97.15
150		2202-01-112-03	12.44
151		2202-01-112-03	12.67
152		2202-01-789-25	28.36
153		2202-01-796-03	18.20
154		2202-01-796-25	78.03
155		2202-01-101-57	100.00
156		2202-01-101-59	42.00
157		2202-01-789-57	34.00
158		2202-01-796-57	86.00
159		2202-01-796-59	45.15
160	4202-00-796-01	10.75	
161	60-Women, Child Development and Social Security Department	2235-02-102-51	10.25
162		2235-02-102-97	21.92
163		2235-02-796-51	10.94
164		2235-02-796-97	21.36
165		2236-02-101-02	24.66
166		2236-02-789-02	11.07
167		2236-02-796-02	69.69
168		2236-02-796-02	90.62
Grand Total			5,388.34

Appendix 2.5
Excess over provisions of previous years requiring regularisation
(Reference: Paragraph 2.4.5; Page 41)

Year	Number of Grant/ Appropriation	Grant/Appropriation/Department name	Amount of excess (₹ in crore)
2001-02	25	Institutional Finance and Programme Implementation Department	*
2001-02	32	Legislature	0.04
2002-03	32	Legislature	0.08
2003-04	46	Tourism Department	0.29
2004-05	40	Revenue and Land Reforms Department	@
2006-07	38	Registration Department	\$
2010-11	32	Legislature	0.10
2011-12	14	Repayment of Loans	219.56
2011-12	15	Pension	200.60
2011-12	25	Institutional Finance and Programme Implementation Department	^
2012-13	7	Vigilance	0.07
2012-13	14	Repayment of Loans	556.01
2012-13	15	Pension	703.44
2012-13	42	Rural Development Department	3.66
2013-14	13	Interest Payment	139.42
2013-14	14	Repayment of Loans	181.58
2013-14	15	Pension	373.05
2014-15	13	Interest Payment	191.68
2014-15	42	Rural Development Department	169.53
2016-17	14	Repayment of Loans	10.42
2016-17	32	Legislative Assembly	0.33
Total			2,749.87

Source: Respective year's Appropriation Accounts

*excess amount was ₹ 8,807 only

@ excess amount was ₹ 1,072 only

\$ excess amount was ₹ 81,665 only

^ excess amount was ₹ 11,160 only

Appendix 2.6

Cases where supplementary provision (₹ 1.00 crore or more in each case) proved unnecessary

(Reference: Paragraph 2.4.6; Page 41)

(₹ in crore)

Sl. No.	Number and name of the grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary provision
1	1-Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	1,476.37	838.92	637.45	74.03
2	2-Agriculture, Animal Husbandry and Co-operative Department (Animal Husbandry Division)	351.91	215.49	136.42	23.51
3	3-Building Construction Department	143.56	100.77	42.79	4.33
4	8-Transport Department (Civil Aviation Division)	24.36	22.04	2.32	2.29
5	9-Agriculture, Animal Husbandry and Co-operative Department (Co-operative Division)	210.87	154.34	56.53	5.17
6	12-Planning-cum-Finance Department (Finance Division)	80.68	43.07	37.61	3.10
7	18-Food, Public Distribution and Consumer Affairs Department	1,311.19	917.62	393.57	35.15
8	19-Forest, Environment and Climate Change Department	656.17	591.21	64.96	52.51
9	20-Health, Medical Education and Family Welfare Department	2,652.62	2,537.70	114.92	866.54
10	21-Higher and Technical Education Department (Higher Education Division)	1,167.10	1,032.05	135.05	71.43
11	23-Industries Department	425.71	233.28	192.43	41.25
12	26-Labour, Employment and Skill Development Department	229.41	133.60	95.81	12.28
13	27-Law Department	349.19	295.76	53.43	65.86
14	29-Mines and Geology Department	112.98	36.38	76.60	2.75
15	35-Planning-cum-Finance Department (Planning Division)	368.38	346.53	21.85	3.88
16	39-Home, Jail and Disaster Management Department (Disaster Management Division)	662.96	523.24	139.72	129.96
17	40-Revenue, Land Reforms and Registration Department (Revenue and Land Reforms Division)	509.42	461.61	47.81	26.38
18	41-Road Construction Department	464.66	291.19	173.47	87.00
19	42-Rural Development Department (Rural Development Division)	5,522.58	3,342.12	2,180.46	53.12
20	43-Higher and Technical Education Department (Science and Technology Division)	378.52	312.04	66.48	42.92
21	45-Information Technology and e-Governance Department	187.99	72.80	115.19	4.42
22	49-Water Resources Department	392.06	322.63	69.43	1.45
23	51-Welfare Department (Welfare Division)	1,639.06	1,089.71	549.35	230.67
24	52-Tourism, Art, Culture, Sports and Youth Affairs Department (Art, Culture, Sports and Youth Affairs Division)	88.56	69.82	18.74	2.15
25	54-Agriculture, Animal Husbandry and Co-operative Department (Dairy Division)	307.74	175.47	132.27	1.24
26	55-Rural Development Department (Rural Works Division)	1,226.85	1,139.53	87.32	76.96
27	56-Rural Development Department (Panchayati Raj Division)	1,647.22	1,574.95	72.27	154.65
28	58-School Education and Literacy Department (Secondary Education Division)	1,731.01	1,156.72	574.29	16.33
29	59-School Education and Literacy Department (Primary and Adult Education Division)	6,812.30	5,327.95	1,484.35	219.73
30	60-Women, Child Development and Social Security Department	3,310.33	2,523.16	787.17	32.13

Sl. No.	Number and name of the grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary provision
Capital (Voted)					
31	8-Transport Department (Civil Aviation Division)	105.20	88.27	16.93	5.90
32	20-Health, Medical Education and Family Welfare Department	453.35	309.49	143.86	71.65
33	26-Labour, Employment and Skill Development Department	70.22	34.62	35.60	9.21
34	36-Drinking Water and Sanitation Department	386.00	332.26	53.74	70.35
35	43-Higher and Technical Education Department (Science and Technology Division)	374.00	328.97	45.03	66.78
36	47-Transport Department (Transport Division)	24.51	16.58	7.93	6.62
37	49-Water Resources Department	1,494.21	1,230.06	264.15	416.85
38	50-Water Resources Department (Minor Irrigation Division)	569.65	459.09	110.56	97.83
39	51-Welfare Department (Welfare Division)	239.44	198.91	40.53	127.00
40	53-Agriculture, Animal Husbandry and Co-operative Department (Fishery Division)	59.20	43.81	15.39	4.80
Capital (Charged)					
41	14-Repayment of Loans	3,052.17	2,949.50	102.67	5.00
Grand Total (Revenue + Capital)		41,269.71	31,873.26	9,396.45	3,225.18

Appendix 2.7
Excess/Insufficient re-appropriation of funds
(Reference: Paragraph 2.4.7; Page 42)

(₹ in lakh)

Sl. No.	Number and Name of Grant	Head of Account	Plus re-appropriation	Minus Re-appropriation	Saving (-)/ Excess(+)
1	7-Cabinet Secretariat and Vigilance Department (Vigilance Division)	2070-00-104-02	1.00	-	(-)4.37
2	22-Home,Jail and Disaster Management Department (Home Division)	2055-00-001-04	50.00	-	(-)3.11
3		2055-00-101-01	38.00	-	(-)2.55
4		2055-00-104-05	180.00	-	(-)202.12
5		2056-00-001-01	6.08	-	(-)2,421.20
6	36- Drinking Water and Sanitation Department	2215-01-101-09	52.96	-	(-) 1.75
7		2215-01-102-10	2,897.57	-	(-)700.00
8	51- Welfare Department (Welfare Division)	2225-01-789-05	22.00	-	(-)20.61
9		2225-02-796-44	231.00	-	(-)56.61
10	58- School Education and Literacy Department (Secondary Education Division)	2202-03-103-01	380.00	-	(-)30.41
Total			3,858.61	-	3,442.73
11	2-Agriculture, Animal Husbandry and Co-operative Department (Animal Husbandry Division)	2403-00-101-03	85.00	-	(+)6.34
12	20-Health, Medical Education and Family Welfare Department	2210-03-103-01	222.00	-	(+)4.64
13	22-Home,Jail and Disaster Management Department (Home Division)	2055-00-110-01	940.00	-	(+)28.00
Total			1247.00	-	38.98
14	36- Drinking Water and Sanitation Department	2215-01-102-02	-	8.79	(+)2.56
15	40- Revenue, Land Reforms and Registration Department (Revenue and Land Reforms Division)	2053-00-093-01	-	750.00	(+)10.76
Total			-	758.79	13.32
16	7-Cabinet Secretariat and Vigilance Department (Vigilance Division)	2070-00-104-3	1.22	2.22	(-)26.60
17	22-Home,Jail and Disaster Management Department (Home Division)	2055-00-104-04	56.00	94	(-)15.21
18	20-Health, Medical Education and Family Welfare Department	2210-03-103-03	0.16	1,100.16	(+)0.76
19	22-Home,Jail and Disaster Management Department (Home Division)	2055-00-109-01	180.00	1,030.00	(+)272.65
Total			237.38	2,226.38	231.60

Appendix 2.8
Results of review of 100 per cent Substantial Surrenders made during the year
(Reference: Paragraph 2.4.8; Page 42)

(₹ in lakh)

Sl. No.	Name of Grant and Number	Head	Name of Scheme	Provision	Amount of Surrender
1	1-Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	2401-00-102-96	Use of Solar Energy in different Agriculture Equipments including Irrigation Pump Set	900.00	900.00
2		2401-00-115-B6	Scheme of Small Marginal Farmers and Agricultural Labour	500.00	500.00
3		2401-00-195-B3	Interest Subvention	1,200.00	1,200.00
4		2401-00-796-96	Use of Solar Energy in different Agriculture Equipments including Irrigation Pump Set	1,800.00	1,800.00
5		2401-00-796-B3	Interest Subvention (SS)	2,400.00	2,400.00
6	2-Agriculture, Animal Husbandry and Co-operative Department (Animal Husbandry Division)	2403-00-101-98	Food and Mouth Disease Control under Livestock Health and Disease Control Scheme (LH&DC) (CASC)	571.00	571.00
7		2403-00-103-88	400 Layer Poultry Farming Scheme through Poultry Federation	2,828.00	2,828.00
8		2403-00-106-08	Grant-in-aid to Cow Service Commission	500.00	500.00
9		2403-00-789-88	400 Layer Poultry Farming Scheme through Poultry Federation	547.00	547.00
10		2403-00-796-84	Integrated Poultry Development	1,200.00	1,200.00
11		2403-00-796-88	400 Layer Poultry Farming Scheme through Poultry Federation	1,186.00	1,186.00
12	10-Energy Department	2801-06-800-01	Atal Grameen Jyoti Yojana	5,000.00	5,000.00
13		2801-06-800-02	Tilka Manjhi Krishi Pump Yojana	1,600.00	1,600.00
14		2801-80-800-09	Advisory and other works (including new technique) Grants for State Load Dispatch Centre	500.00	500.00
15		6801-00-202-01	Coal Blocks and Power Plant-New Scheme	700.00	700.00
16	12-Planning-cum-Finance Department (Finance Division)	4070-00-003-78	Treasury Computerization	1,345.00	1,345.00
17	18-Food, Public Distribution and Consumer Affairs Department	4408-02-796-02	Construction of Building for Jharkhand State Food and Civil Supply Corporation	500.00	500.00
18	20-Health, Medical Education and Family Welfare Department	2210-01-102-54	Universal Health Insurance Coverage Scheme	8,900.00	8,900.00
19		2210-01-103-45	National AIDS and STD Control Programme	3,067.90	3,067.90
20		2210-01-103-56	Rastriya Swasthaya Bima Yojana	3,700.00	3,700.00
21		2210-01-104-44	Long Lasting Insecticide Treated Net (LLITN)	600.00	600.00
22		2210-01-109-40	Human Resources in Health and Medical Education (ANM/GNM School) (CASC)	2,995.00	2,995.00
23		2210-01-110-25	Emergency Medical Response Service	1,220.00	1,220.00

Sl. No.	Name of Grant and Number	Head	Name of Scheme	Provision	Amount of Surrender
24	20-Health, Medical Education and Family Welfare Department	2210-01-110-57	Super Speciality Block at PMCH Dhanbad under (PMSSY) (CASC)	3,000.00	3,000.00
25		2210-01-789-54	Universal Health Insurance Coverage Scheme	8,500.00	8,500.00
26		2210-01-789-56	Rastriya Swashaya Bima Yojana	700.00	700.00
27		2210-01-796-54	Universal Health Insurance Coverage Scheme	8,000.00	8,000.00
28		2210-01-796-56	Rastriya Swashaya Bima Yojana (CASC)	1,600.00	1,600.00
29		2210-02-200-27	Grants-in-Aid to National Ayush Mission (CASS)	920.29	920.29
30		2210-05-105-16	Human Resources in Health and Medical Education (PG Course in Medical Colleges) (CASS)	686.65	686.65
31		4210-01-109-38	New Pharmacy Institute	500.00	500.00
32		4210-01-110-36	New Medical College at Karma, Koderma	500.00	500.00
33		4210-01-796-35	New Hospital Building in MGMMC Campus	2,000.00	2,000.00
34		4210-01-796-38	New Pharmacy Institute	500.00	500.00
35		4210-03-105-04	Construction of A.N.M School Building Construction	800.00	800.00
36		4210-03-200-02	Construction of Government Unani College Hospital, Giridih and Government Homeopathy College Hospital, Godda Building Construction	600.00	600.00
37		4210-03-796-07	Establishment of Para-Medical Institute in PMCH, Dhanbad and MGMCH, Jamshedpur	500.00	500.00
38		21-Higher, Technical Education and Skill Development Department (Higher Education Division)	2202-03-796-AD	Grant-in-Aid Modernization of Library, up gradation of Laboratory, purchase of Computer Centres for Ranchi University, Ranchi	1,050.00
39	22-Home, Jail and Disaster Management Department (Home Division)	4055-00-207-43	Modernization of Police and Building Construction	800.00	800.00
40		4055-00-207-43	Modernization of Police and Building Construction	600.00	600.00
41		4055-00-207-45	Purchase of Instruments for Police Modernization	683.00	683.00
42	23-Industries, Mines and Geology Department (Industries Division)	2851-00-796-43	Development of Handicraft Establishment of Handloom Development Institute with the help of N.I.D Ahmadabad.	1,200.00	1,200.00
43		2852-80-102-83	Mukhyamantri Cluster Development Scheme	1,000.00	1,000.00
44		4851-00-796-02	Establishment of NIFT Centre	500.00	500.00
45	24-Information and Public Relation Department	2220-60-796-24	Outsourcing of OB vans for Government Programme	500.00	500.00

Sl. No.	Name of Grant and Number	Head	Name of Scheme	Provision	Amount of Surrender
46	39-Home, Jail and Disaster Management Department (Disaster Management Division)	2245-01-101-01	Cash Payment to helpless and Handicaps (Estt. Exp)	1,300.00	1,300.00
47		2245-01-101-02	Supply of Food Grains	3,000.00	3,000.00
48		2245-01-101-06	Other Works (Estt. Exp)	2,000.00	2,000.00
49		2245-01-101-07	Agriculture Input Grant (Damaged Crops, More than 50%) Estt. Exp)	2,200.00	2,200.00
50		2245-01-101-08	State help for supply of Food Grain (Estt. Exp)	800.00	800.00
51		2245-01-102-01	Carriage of Drinking Water by Trucks and Tankers (Estt. Exp)	1,100.00	1,100.00
52		2245-01-102-02	Supply of Drinking Water	1,100.00	1,100.00
53		2245-01-282-01	Supply of Medicines	2,000.00	2,000.00
54		42-Rural Development Department (Rural Development Division)	2501-02-101-04	Pradhan Mantri Krishi Sinchai Yojana (9347) (CASC)	2,542.26
55	2501-02-101-04		Pradhan Mantri Krishi Sinchai Yojana (9347) (CASS)	1,695.00	1,695.00
56	2501-02-789-04		Pradhan Mantri Krishi Sinchai Yojana (9347) (CASC)	778.25	778.25
57	2501-02-789-04		Pradhan Mantri Krishi Sinchai Yojana (9347) (CASS)	518.88	518.88
58	2501-02-796-04		Pradhan Mantri Krishi Sinchai Yojana (9347) (CASS)	1,245.00	1,245.00
59	45-Information Technology and e-Governance Department	2203-00-001-A9 (CASC)	National E-governance Action Plan (CASC)	1,115.00	1,115.00
60		2203-00-001-A9(CASS)	National E-governance Action Plan (CASS)	1,115.00	1,115.00
61		2203-00-796-92	Data Center, Lan and Portal	500.00	500.00
62	48-Urban Development and Housing Department (Urban Development Division)	2217-80-191-83	Grant to Municipal Corporation on Recommendation of 14 th Finance Commission under General performance Grant	5,759.65	5,759.65
63		2217-80-192-84	Grant to Municipal Councils/Municipalities Recommendation of 14 th Finance Commission under General Performance Grant	2,023.53	2,023.53
64		2217-80-193-85	Grants to panchayats/ of 14 th Finance Commission under General Performance Grant	714.73	714.73
65	49-Water Resources Department	4700-80-796-11	Swarnarekha Project (Orissa/West Bengal Share)	1,600.00	1,600.00
66	51-Welfare Department (Welfare Division)	2225-01-789-91	Education-Loan Guarantee Scheme	1,000.00	1,000.00
67		2225-02-277-97	Education-Loan Guarantee Scheme	1,000.00	1,000.00
68		2225-02-796-24	Vocational Education for Scheduled Tribes	600.00	600.00
69		2225-02-796-57	High School Scholarship	650.00	650.00
70		2225-02-796-97	Education-Loan Guarantee Scheme	1,500.00	1,500.00
71		2225-03-277-86	Education-Loan Guarantee Scheme	1,000.00	1,000.00
72		2225-03-796-86	Education-Loan Guarantee Scheme	500.00	500.00
73		4225-02-796-39	Asram Schools for Naxal Affected Area	605.00	605.00

Sl. No.	Name of Grant and Number	Head	Name of Scheme	Provision	Amount of Surrender
74	54-Agriculture, Animal Husbandry and Co-operative Department (Dairy Division)	2404-00-102-70	Heifer Rearing Programme	590.00	590.00
75		2404-00-102-73	Rastriya Krishi Vikas Yojana (CASC)	756.00	756.00
76		2404-00-102-73	Rastriya Krishi Vikas Yojana (CASS)	504.00	504.00
77		2404-00-102-76 (CASC)	National Programme for Diary Development (NPDD) (CASC)	500.00	500.00
78		2404-00-102-76 (CASS)	National Programme for Diary Development (NPDD) (CASC)	500.00	500.00
79	56-Rural Development Department (Panchayati Raj Division)	2515-00-101-06	Maintenance of Panchayat Building (Estt. Exp)	500.00	500.00
80	58-School Education and Literacy Department (Secondary Education Division)	2202-02-109-23	Grant-in-aid for Non Finance Schools (Including Inter School) under Special Integrated Scheme for Jharkhand Area	4,250.00	4,250.00
81		2202-02-109-60	Computer Literacy(ICT) under RMSA Scheme for Jharkhand Area (CASC)	558.00	558.00
82		2202-02-789-23	Grant-in-aid for Non Finance Schools (Including Inter School) under Special Integrated Scheme for Jharkhand Area (Including Inter School)	1,450.00	1,450.00
83		2202-02-796-23	Grant-in-aid for Non Finance Schools (Including Inter School) under Special Integrated Scheme for Jharkhand Area (Including Inter School)	2,800.00	2,800.00
84		2202-01-101-59	Gyanodaya Scheme (Primary Education)	4,200.00	4,200.00
85	59-School Education and Literacy Department (Primary and Adult Education Division)	2202-01-789-59	Gyanodaya Scheme (Primary Education)	1,785.00	1,785.00
86		2202-01-796-59	Gyanodaya Scheme (Primary Education)	4,515.00	4,515.00
87		4202-00-201-01	Strengthening of Primary Teachers Training College	1,000.00	1,000.00
88		4202-00-796-01	Strengthening of Primary Teachers Training College	1,075.00	1,075.00
Total				1,43,845.10	1,43,845.10

Appendix 2.9
Rush of expenditure at the end of the year
(Reference: Paragraph 2.5; Page 42)

(₹ in crore)

Sl. No.	Name of Department	Expenditure incurred during January to March 2018	Expenditure incurred in March 2018	Total expenditure	Percentage to total expenditure during		AC Bill Drawn in March 2018	Amount transferred in PD Account in March 2018
					Jan-March 2018	March 2018		
1	9-Agriculture, Animal Husbandry and Co-operative Department (Co-operative Division)	239.76	224.10	335.66	71.47	66.80	0.00	0.00
2	1-Agriculture, Animal Husbandry and Co-operative Department (Agriculture Division)	821.49	634.11	1174.63	70.08	54.10	0.94	0.00
3	46-Tourism, Art Culture, Sports and Youth Affairs Department (Tourism Division)	63.07	58.41	117.84	53.52	49.57	0.50	0.00
4	52-Tourism, Art, Culture, Sports and Youth Affairs Department (Art, Culture, Sports and Youth Affairs Division)	65.19	46.60	99.24	65.71	46.97	7.40	0.56
5	54-Agriculture, Animal Husbandry and Co-operative Department (Dairy Division)	128.03	81.84	186.51	68.64	43.88	0.00	0.00
6	23-Industries Department	130.87	109.15	248.78	52.61	43.88	0.00	0.00
7	55-Rural Development Department (Rural Works Division)	2268.60	1067.70	2737.81	87.78	41.31	0.00	0.00
8	47-Transport Department (Transport Division)	130.01	105.98	267.99	48.51	39.55	0.00	0.00
9	19-Forest, Environment and Climate Change Department	316.87	213.24	591.21	54.18	36.46	0.00	0.00
10	48-Urban Development and Housing Department (Urban Development Division)	1338.94	960.97	3021.73	44.75	32.12	0.46	0.00
11	4-Cabinet Secretariat and Vigilance Department (Cabinet Secretariat and Co-ordination Division)	20.88	14.49	45.19	46.24	32.09	0.00	0.00
12	21-Higher and Technical Education Department (Higher Education Division)	327.18	326.47	1032.05	31.70	31.63	0.00	0.00
13	2-Agriculture, Animal Husbandry and Co-operative Department (Animal Husbandry Division)	105.91	69.94	224.59	47.16	31.14	0.00	0.00
Total		5956.80	3913.00	10083.23	59.08	38.81	9.30	0.56

Appendix 2.10
List of Controlling Officers where expenditure remained un-reconciled during 2017-18
(Amounts exceeding ₹ 10 crore in each case)
(Reference: Paragraph 2.6; Page 42)

(₹ in crore)

Sl. No.	Controlling Officers/ Departments	Amount not reconciled
1	Secretary Law Department Jharkhand	369.76
2	Commissioner Cum Secy..., 104- Revenue Department Jharkhand Ranchi	259.02
3	Commissioner of Commercial Taxes, Jharkhand, Ranchi	45.80
4	Commissioner of Excise, Jharkhand, Ranchi	11.88
5	Secy. Board of Personnel & Administrative Reforms Jharkhand	411.03
6	Addl. Secretary, Home (Police) Department Section IV Village Police, Jharkhand Commissioner, North C.N. Division, Hazaribagh Commissioner, South C.N. Division, Ranchi	3,923.37
7	Deputy Secretary Primary & Adult Education Ranchi Deputy Secretary Higher Education Department Jharkhand, Ranchi	7,510.00 360.27
8	Deputy Secretary Art Culture and Youth Department Jharkhand, Ranchi	49.49
9	Deputy Secretary science & Technology Department	380.33
10	Director of Archeology & Museums, HRD Department	19.16
11	Director, Health Services, Jharkhand, Ranchi	2,256.46 295.28
12	Under. Secretary, Health & Family, Welfare Department Jharkhand, Ranchi	90.47
13	Secretary, Department P.H.E.D., Jharkhand, Ranchi	1,746.10
14	Secretary Welfare Department Jharkhand Ranchi	1,874.42
15	Secretary, Urban Dev. Jharkhand, Ranchi	1,181.52 40.00
16	Secretary Welfare Department Ranchi Secretary, Minority Welfare Department Jharkhand, Ranchi	941.00 237.14
17	Commissioner of Labour, Ranchi Dir., Employment and Training Department Jharkhand, Ranchi Dir., Directorate of Social Security Jharkhand, Ranchi	57.28
18	Joint Secy., Natural Calamity Deptt. Jharkhand, Ranchi	501.51
19	Secretary, Food Supplies Deptt., Jharkhand, Ranchi	748.19
20	Director, Probationer Service, Jharkhand	16.52
21	Dy. Secy., Minor irrigation Deptt., Jharkhand	459.09
22	Secy., Agriculture Deptt., Jharkhand, Ranchi	48.08
23	Directorate of Fisheries Department	49.68
24	Secretary Cum Commissioner Rural Development Department Jharkhand, Ranchi	328.40
25	Secretary, Animal Husbandry & Fisheries, Jharkhand, Ranchi	18.39
26	Dy. Secretary Cum Rural Development Department Jharkhand, Ranchi	174.95
27	Director, Panchayati Raj Department Jharkhand. Ranchi	2,895.05 2,081.74
28	Director, Planning & Evaluation Department	277.49
29	I.G.(Prison), Home Department Jharkhand	96.62
30	Election Commissioner, Election Department Ranchi	53.51
31	Joint Secretary Water Resources Department Jharkhand, Ranchi	135.53
32	Director, Dairy Development Jharkhand, Ranchi	175.46
33	Commissioner Cum Secretary, Water Resources (irrigation) Department, Jharkhand, Ranchi	54.76
34	Secy., Energy Department, Jharkhand	4,291.22
35	Director, Energy, Jharkhand	238.89
36	Director of Industries Department, Jharkhand	19.42
37	Secretary, Transport & Civil Aviation Cum-State Commissioner. Jharkhand	100.00
Total		34,824.28

Source: Office of the Principal Accountant General (A&E), Jharkhand

Appendix 2.11
Rush of expenditure
(Reference: Paragraph 2.7.7; Page 45)

(₹ in crore)

State/Offices	Heads	Total Expenditure	Expenditure in March	Percentage of expenditure in March
Secretariat	2501-02-101-06	46.37	46.37	100
	2501-02-101-08	1.73	1.73	100
	2501-02-101-08	1.16	1.16	100
	2501-02-789-06	14.20	14.20	100
	2501-02-789-08	0.53	0.53	100
	2501-02-789-08	0.35	0.35	100
	2501-02-796-06	34.07	34.07	100
	2501-02-796-08	1.27	1.27	100
	2501-02-796-08	0.85	0.85	100
	2501-06-101-14	12.09	12.09	100
	2501-06-101-14	13.87	13.87	100
	2515-00-102-34	0.04	0.04	100
	4515-00-101-43	4.90	4.90	100
	4515-00-102-38	0.18	0.18	100
	4515-00-789-43	1.50	1.50	100
	4515-00-796-43	3.60	3.60	100
	Total	136.71	136.71	100
DRDA, Bokaro	2505 (PMAY-G)	4.86	2.98	61
	IWMP (DoLR)	1.13	0.27	25
DRDA, Palamu	2505 (PMAY-G)	145.47	36.45	25
	NABARD RIDF-03/16-17	0.85	0.24	28
	2501 (Block Admn)	0.65	0.30	46
	2501 (DRDA Admn)	1.42	0.77	54
DRDA, Garhwa	2505 (PMAY-G)	32.20	10.17	32
	IWMP (DoLR)	2.03	0.82	40
	2501 (Block Admn)	0.25	0.11	44
	2501 (DRDA Admn)	1.02	0.37	36
DRDA, Giridih	2505 (PMAY-G)	60.48	24.43	40
DRDA, Dumka	2505 (PMAY-G)	46.75	16.37	35
	2501 (DRDA Admn)	0.67	0.26	39
DRDA, Sahibganj	2505 (PMAY-G)	57.57	21.24	37
	IWMP (DoLR)	0.17	0.09	53
	2501 (Block Admn)	0.29	0.08	28
	2501 (DRDA Admn)	0.97	0.46	47
DRDA, East Singhbhum	2501 (DRDA Admn)	0.81	0.31	39
	PMAY-G	36.70	12.15	33
	Total	394.29	127.87	32
	Grand Total	531.00	264.58	50

Appendix 3.1
Utilisation certificates outstanding as on 31 March, 2018
(Reference: Paragraph 3.1; Page 49)

(₹ in crore)

Department	Up to 2016-17 (GIA sanctioned upto 2015-16)		During 2017-18 (GIA sanctioned during 2016-17)		Total UCs awaited	
	Items	Amount	Items	Amount	Items	Amount
Industry	498	385.76	341	100.28	839	486.04
Animal Husbandry	662	3,742.69	1,650	4,593.81	2,312	8,336.50
Co-operative	74	52.58	22	66.89	96	119.47
Medical	40	24.36	168	140.53	208	164.89
Welfare	16	816.03	73	806.11	89	1,622.14
Agriculture	7,198	1,641.86	546	200.81	7,744	1,842.67
Land Revenue	134	249.50	211	115.80	345	365.30
Education	1	0.21	0	0	1	0.21
Urban Development	5,069	4,444.34	1,168	3,874.39	6,237	8,318.73
Others	2,680	10,072.90	840	7,582.74	3,520	17,655.64
Total	16,372	21,430.23	5,019	17,481.36	21,391	38,911.59

Source: As per records maintained by Principal Accountant General (A&E)

Appendix 3.2
List of auditable units identified u/s 14 & 15 of CAG's DPC Act
(Reference: Paragraph 3.2.1; Page 50)

Sl. No.	Department	Name of the office	District	Audited upto
1	Health	District Rural Health Society	Bokaro	2013-14
2	Health	District Rural Health Society	Chatra	2012-13
3	Health	District Rural Health Society	Deoghar	2012-13
4	Health	District Rural Health Society	Dhanbad	2013-14
5	Health	District Rural Health Society	Dumka	2011-12
6	Health	District Rural Health Society	East Singhbhum (Jamshedpur)	2014-15
7	Health	District Rural Health Society	Garhwa	2014-15
8	Health	District Rural Health Society	Giridih	2013-14
9	Health	District Rural Health Society	Godda	2015-16
10	Health	District Rural Health Society	Gumla	2011-12
11	Health	District Rural Health Society	Hazaribagh	2014-15
12	Health	District Rural Health Society	Jamtara	2012-13
13	Health	District Rural Health Society	Khunti	2015-16
14	Health	District Rural Health Society	Koderma	2015-16
15	Health	District Rural Health Society	Latehar	12/2012
16	Health	District Rural Health Society	Lohardaga	2013-14
17	Health	District Rural Health Society	Pakur	2015-16
18	Health	District Rural Health Society	Palamu	2013-14
19	Health	District Rural Health Society	Ranchi	2011-12
20	Health	District Rural Health Society	Ramgarh	2015-16
21	Health	Jharkhand State Health Mission Society, Namkum	Ranchi	2011-12
22	Health	District Rural Health Society	Saraikela Kharsawan	2013-14
23	Health	District Rural Health Society	Simdega	2013-14
24	Health	District Rural Health Society	West Singhbhum (Chaibasa)	2007-08
25	Health	District Rural Health Society	Sahibganj	2013-14
26	Education	Jharkhand Shiksha Pariyojana Parishad, Ranchi	Ranchi	2014-15
27	Health	Jharkhand AIDS Control Society, Ranchi	Ranchi	Nil
28	Education	Netarhat Residential School, Netarhat	Netarhat	2015-16
29	Rural Development	DRDA	Deoghar	2015-16
30	Rural Development	DRDA	Latehar	2014-15
31	Rural Development	DRDA	Hazaribagh	2015-16
32	Rural Development	DRDA	Giridih	2015-16
33	Rural Development	DRDA	Garhwa	2016-17
34	Rural Development	DRDA	Ranchi	2016-17
35	Rural Development	DRDA	Jamshedpur	2016-17
36	Rural Development	DRDA	Ramgarh	2015-16
37	Rural Development	DRDA	Chaibasa	2015-16
38	Rural Development	DRDA	Simdega	2015-16
39	Rural Development	DRDA	Koderma	2015-16
40	Rural Development	DRDA	Dumka	Feb-17
41	Rural Development	DRDA	Godda	2016-17
42	Rural Development	DRDA	Pakur	2015-16
43	Rural Development	DRDA	Saraikela	Feb-17
44	Rural Development	DRDA	Lohardaga	2015-16

Sl. No.	Department	Name of the office	District	Audited up to
45	Rural Development	DRDA	Bokaro	2011-12
46	Rural Development	DRDA	Chatra	Dec-15
47	Rural Development	DRDA	Dhanbad	2012-13
48	Rural Development	DRDA	Gumla	2016-17
49	Rural Development	DRDA	Medininagar	Sep-15
50	Rural Development	DRDA	Sahibganj	2016-17
51	Rural Development	DRDA	Jamtara	2010-11
52	Rural Development	DRDA	Khunti	2016-17
53	Education (S&T)	Birla Institute of Technology Mesra, Ranchi	Ranchi	2016-17
54	Aviation	Civil Aviation Authority, Ranchi	Ranchi	2016-17
55	Information Technology	Jharkhand Institute of Application for promotion (JAP-IT)	Ranchi	07/2014
56	Information Technology	Jharkhand Space Application Centre, Dhurwa, Ranchi	Ranchi	2007-08
57	Social Welfare	Jharkhand Pollution Control Board, Ranchi	Ranchi	2006-07
58	Industry	Industrial Area Development Authority, Ranchi	Ranchi	2015-16
59	Industry	Industrial Area Development Authority, Bokaro	Bokaro	2015-16
60	Industry	Industrial Area Development Authority, Jamshepur	Jamshepur	2016-17
61	Forest	Lac Treatment Plant, Latehar	Latehar	2008-09
62	Science & Technology	Science & Technology Council, Govt. of Jharkhand	Ranchi	2015-16
63	Biotechnology	Lac Cultivation Crop in forest, Doranda	Ranchi	2008-09
64	Forest	Forest State Trading Division	1. Latehar 2. Gumla 3. Chaibasa 4. Hazaribagh	1. 2012-13 2. 2012-13 3. 2012-13 4. 2008-09
65	Animal Husbandry	Bacon Factory, Kanke, Ranchi	Ranchi	2009-10
66	Animal Husbandry	Regional Poultry Farm, Ranchi	Ranchi	2009-10
67	Law	High Court Legal Services Committee, Ranchi	Ranchi	2008-09
68	Information and Public Relation	Govt. Press, Ranchi	Ranchi	2010-11
69	Education & Research	Birsa Agriculture University	Ranchi	2006-07
70	Forest	Jharkhand Bio-Diversity Council, Doranda, Ranchi	Ranchi	2016-17
71	Industry	Chief Executive Officer, Jharkhand State Khadi and Village Industries Board, Ranchi	Ranchi	2016-17
72	Health	Director, R.K. Mission, TB sanatorium, Tipudana	Ranchi	2004-05
73	Education	Director, R.K. Mission Ashram, Morabadi, Ranchi	Ranchi	2007-08
74	Education	Jharkhand Mahila Samakhya Society, Kadru Ranchi	Ranchi	2005-06
75	Art, Culture and Sports	National Games Organising Committee, Morabadi, Ranchi	Ranchi	2008-09

Source: Permanent Audit Programme Register maintained in the office of the Pr. Accountant General (Audit)

Appendix 3.3
Details of outstanding DC Bills
(Reference: Paragraph 3.4; Page 54)

	Head	Details	2000-15	2015-16	2016-17	2017-18	Grand Total
Outstanding	RDD	No. of DC bills	2311	226	153	164	2854
		Amount	629.12	156.59	200.06	307.57	1293.34
	IT	No. of DC bills	10	23	8	0	41
		Amount	21.51	48.23	20.54	0.00	90.28
	Total (RDD+IT)	No. of DC bills	2321	249	161	164	2895
		Amount	650.63	204.82	220.60	307.57	1383.62
Percentage of outstanding amount (RDD+IT)			16	51	63	93	27

Appendix 3.4
Operation of minor head '800 – Other Expenditure' (10 per cent and above)
(Reference: Paragraph 3.7; Page 58)

(₹ in crore)

Sl. No.	Major Head	Description	Total Expenditure	Expenditure under minor head – 800	Percentage of Col.5 to Col.4
(1)	(2)	(3)	(4)	(5)	(6)
1	2053	District Administration	470.56	129.08	27.43
2	2801	Power	4,291.22	846.05	19.72
3	4047	Capital Outlay on Other Fiscal Services	56.01	32.32	57.70
4	4070	Capital Outlay on Other Administrative Services	0.72	0.20	27.78
5	4701	Capital Outlay on Medium Irrigation	642.69	258.89	40.28
6	6801	Loans for Power Projects	1,760.67	700.00	39.76
Total			7,221.87	1,966.54	27.23

Appendix 3.5
Operation of minor head '800 – Other Receipts' (40 per cent and above)
(Reference: Paragraph 3.7; Page 58)

(₹ in crore)

Sl. No.	Major Head	Description	Total Receipts	Receipts under minor head – 800	Percentage of Col.5 to Col.4
(1)	(2)	(3)	(4)	(5)	(6)
1	0701	Medium Irrigation	142.69	142.69	100.00
2	4000	Miscellaneous Capital Receipts	25.09	25.09	100.00
3	0801	Power	5.61	5.61	100.00
4	0058	Stationery and Printing	4.31	4.31	100.00
5	0404	Dairy Development	3.32	3.32	100.00
6	0220	Information and Publicity	0.63	0.63	100.00
7	0047	Other Fiscal Services	0.11	0.11	100.00
8	0023	Hotel Receipts Tax	0.01	0.01	100.00
9	0211	Family Welfare	0.01	0.01	100.00
10	0575	Other Special Area Programmes	0.01	0.01	100.00
11	1055	Road Transport	0.01	0.01	100.00
12	0059	Public Works	14.30	14.18	99.16
13	0852	Industries	1.14	1.13	99.12
14	1456	Civil Supply	14.67	14.54	99.11
15	0406	Forestry And Wild Life	4.44	4.12	92.79
16	1452	Tourism	1.07	0.93	86.92
17	1054	Roads and Bridges	73.37	62.24	84.83
18	0210	Medical and Public Health	14.22	11.58	81.43
19	0425	Co-operation	2.37	1.81	76.37
20	0702	Minor Irrigation	4.63	3.24	69.98
21	0071	Contributions and Recoveries towards Pension	4.77	2.58	54.09
22	0049	Interest Receipts	168.86	86.83	51.42
23	0403	Animal Husbandry	10.57	5.17	48.91
24	0435	Other Agricultural Programme	1.06	0.46	43.40
25	0250	Other Social Services	191.83	77.93	40.62
26	0041	Taxes on Vehicles	778.37	312.89	40.20
Total			1,467.47	781.43	53.25

Appendix 4.1
Glossary of terms, basis of calculations and Acronyms used in the Report

Terms	Basis of calculation and explanation
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
Interest spread	GSDP growth – Average Interest Rate
Quantum spread	Debt stock * Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts minus all Plan Grants and Non-Plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt.
Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.
Debt stabilisation	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilise eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.
Sufficiency of non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

Appendix - 4.1 continued..

Terms	Basis of calculation and explanation
Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.
Appropriation Accounts	Appropriation Accounts present the total amount of funds (Original and Supplementary) authorised by the Legislative Assembly in the budget grants under each voted grants and charged appropriation vis-à-vis the actual expenditure incurred against each and the unspent provisions or excess under each grant or appropriation. Any expenditure in excess of the grants requires regularisation by the Legislature.
Autonomous bodies	Autonomous Bodies (usually registered Societies or Statutory Corporations) are set up whenever it is felt that certain functions need to be discharged outside the governmental set up with some amount of independence and flexibility without day-to-day interference of the Governmental machinery.
Committed expenditure	The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies on which the present executive has limited control.
State implementing schemes	State Implementing Agency includes any Organisation/ Institution including Non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for Sarva Siksha Abhiyan and State Health Mission for National Rural Health Mission, etc.
Contingency Fund	Legislature Assembly has by law established a Contingency Fund in the nature of an imprest into which is paid from time to time such sums as may be determined by such law, and the said fund is placed at the disposal of the Governor to enable advances to be made by him out of it for the purpose of meeting unforeseen expenditure pending authorisation of such expenditure by Legislature Assembly by law under Article 115 or Article 116 of the Constitution.
Consolidated fund of the State	The fund constituted under Article 266 (1) of the Constitution of India into which all receipts, revenues and loans flow. All expenditure from the CFI is by appropriation: voted or charged. It consists of two main divisions namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Public Debt and Loans, etc.).
Contingent liability	Contingent liabilities may or may not be incurred by an entity depending on the outcome of a future event such as a court case.
Sinking Fund	A Fund into which the government sets aside money over time, in order to retire its debt.

Appendix - 4.1 continued..

Terms	Basis of calculation and explanation
Guarantee Redemption Fund	Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per the terms of the Guarantee Redemption Fund, the State Government was required to contribute an amount equal to at least 1/5 th of the outstanding invoked guarantees plus an amount likely to be invoked as a result of the incremental guarantees during the year.
Internal Debt	Internal Debt comprises regular loans from the public in India, also termed 'Debt raised in India'. It is confined to loans credited to the Consolidated Fund.
Primary revenue expenditure	Primary revenue expenditure means revenue expenditure excluding interest payments.
Re-appropriation	Means the transfer of funds from one Primary unit of appropriation to another such unit.
Surrenders of unspent provision	Departments of the State Government are to surrender to the Finance Ministry, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance Ministry is to communicate the acceptance of such surrenders, as are accepted by them to the Audit Officer and/or the Accounts Officer, as the case may be, before the close of the financial year.
Supplementary grants	If the amount authorised by any law made in accordance with the provisions of Article 114 of the Constitution to be expended for a particular service for the current financial year is found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for the supplementary or additional expenditure upon some 'new service' not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 115 (1) of the Constitution.
Suspense and Miscellaneous	Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reasons, may be held temporarily under the major head "8658-Suspense Account" in the sector "L. Suspense and Miscellaneous" of the Accounts, (Footnotes under the major head in the list of major/minor heads of account may be referred to for further guidance). A service receipt of which full particulars are not given must not be taken to the head "Suspense Account" but should be credited to the minor head "Other Receipt" under the revenue major head to which it appears to belong pending eventual transfer to the credit of the correct head on receipt of detailed particulars.
Public Accounts committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India relating to the appropriation accounts of the State, the annual financial accounts of the State or such other accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinise.

Acronyms	Full Form
AC Bill	Abstract Contingent Bill
AE	Aggregate Expenditure
BE	Budget Estimates
CAG	Comptroller and Auditor General of India
CE	Capital Expenditure
DC Bill	Detailed Contingent Bill
DE	Development Expenditure
GOI	Government of India
GSDP	Gross State Domestic Product
FRBM	Fiscal Responsibility and Budget Management Act, 2005
O&M	Operation and Maintenance
PAC	Public Accounts Committee
RE	Revenue Expenditure
RR	Revenue Receipts
S&W	Salaries and Wages
SAR	Separate Audit Report
SSE	Social Sector Expenditure
TE	Total Expenditure
FFC	Fourteenth Finance Commission
UC	Utilisation Certificate
VAT	Value Added Tax

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