

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

for the year ended 31 March 2013

Government of Jharkhand

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Preface

1. This Report has been prepared for submission to the Governor of Jharkhand under Article 151 of the Constitution.
2. Chapters 1 and 2 of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively of the State Government for the year ended 31 March 2013. Information has been obtained from the Government of Jharkhand wherever necessary.
3. Chapter 3 on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.
4. The report containing the findings of performance audit and audit of transactions in various departments and observations arising out of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

EXECUTIVE SUMMARY

Executive Summary

Based on the audited accounts of the Government of Jharkhand for the year ending March 2013, this Report provides an analytical review of the Annual Accounts of the State Government. The financial performance of the State has been assessed based on the Fiscal Responsibility and Budget Management Act, 2007, Budget documents, Medium Term Fiscal Policy Statement, Economic Review, Thirteenth Finance Commission Report and other financial data obtained from various Government departments and organizations. The Report is structured in three Chapters.

Chapter 1 is based on the audit of Finance Accounts and makes an assessment of the Government's fiscal position as on 31 March 2013. It provides an insight into trends in overall financial position of the State, actuals vis-à-vis budget estimates of committed expenditure and borrowing patterns, besides giving a brief account of the funds transferred by the Government of India (GOI) directly to the State implementing agencies through the off-budget route.

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

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

The Report also has an appendage of additional data collated from several sources in support of the findings. **Appendix 4.1** at the end gives a glossary of terms and acronyms – related to State economy, as used in the Report.

Audit findings and recommendations

Review of fiscal situation

- The growth of Gross State Domestic Product (GSDP) of Jharkhand during 2012-13 was 11.5 *per cent*, against the TFC norm of 14.50 *per cent*.
- The State had a Revenue Surplus of ₹ 1370 crore during 2012-13. The percentage of Revenue Surplus to GSDP was only 0.9 against Medium Term Fiscal Plan target of 3.32. Fiscal Deficit (₹ 3406 crore) was 2.2 *per cent* of GSDP during 2012-13, which was well within the Thirteenth Finance Commission recommendation (3 *per cent*).

Transfer of funds to State Implementing Agencies

- During 2012-13, Government of India directly transferred ₹ 2621.91 crore to the State Implementing Agencies outside the State Budget against ₹ 4194.42 crore in 2011-12. As such, the Annual Finance Account do not provide a complete picture of the resources of the State. Uniform accounting practices are not followed by these agencies along with absence of norms for timely reporting of expenditure to the State Government and the Accountant General (A&E).

Management of fiscal imbalances and resource mobilization

- The Revenue Receipts (₹ 24,770 crore) of the State grew at 10.5 *per cent* during 2012-13 over previous year. However, the actual revenue receipts were less by ₹ 7656 crore in comparison to the Budget Estimate. State's Own Tax and Non-Tax Revenue comprised 47 *per cent*, while Central Tax transfer and Grants-in-aid from GOI constituted 53 *per cent*. Grants-in-aid from GOI decreased by eight *per cent* over the previous year.

Capital expenditure

- During 2012-13, Capital Expenditure increased to ₹ 4218 crore against ₹ 3159 crore in 2011-12. Percentage of Capital Expenditure to Total Expenditure increased from 13 in 2011-12 to 15 in 2012-13.

Expenditure Management and Fiscal Priority

- The Revenue Expenditure (₹ 23,400 crore) of the State grew at 11 *per cent* during 2012-13 over the previous year. The Revenue Expenditure constituted 83 *per cent* of Total Expenditure. During 2012-13, Revenue Expenditure was 15 *per cent* of GSDP. Share of Plan Revenue Expenditure in Total Revenue Expenditure decreased from 36 *per cent* in 2011-12 to 33 *per cent* in 2012-13. Non-plan Revenue Expenditure (₹ 15,657 crore) increased by 17 *per cent* in 2012-13 over the previous year and constituted 67 *per cent* of total Revenue Expenditure.
- Financial assistance by the State to Local Bodies and other institutions decreased from ₹ 4530.23 crore in 2011-12 to ₹ 1427.25 crore during 2012-13.

Thrust to Development Expenditure

- During 2012-13, the growth of Development Expenditure was 18.23 *per cent* over the previous year. During 2012-13, the share of Development Revenue Expenditure in Total Expenditure was 52 *per cent*, while Development Capital Expenditure was only 14 *per cent*. State Government has given less priority to Education and Health Sectors as compared to that in other General Category States.

Incomplete projects

- As of March 2013, there were 189 incomplete works, costing above ₹ 10 lakh. A total of ₹ 1972 crore was blocked in these projects.

Review of Government investments

- As of 31 March 2013, Government of Jharkhand invested ₹187.82 crore in Government Companies, Co-operatives, Banks and Societies etc. During 2012-13, return on investment was ₹ 15 crore in 2012-13 against ₹ 1.17 crore in 2011-12. The return in investment (7.99 *per cent*) was less than the average interest rate on borrowings (8.76 *per cent*).

Fiscal Liabilities

- Fiscal Liabilities of the State (₹34,869 crore) grew at 14 *per cent* over the previous year. The Fiscal Liabilities were 22.2 *per cent* of GSDP against the TFC recommendation of 28.7 *per cent* for the year. Government has not set up Sinking Fund for amortization of all loans.

Market Borrowings

- While the percentage of total Public debt to GSDP decreased from 20.01 in 2008-09 to 16.07 in 2012-13, the share of market loans in total liabilities increased from 24.80 *per cent* in 2008-09 to 33.77 *per cent* in 2012-13. State raised loans despite having sufficient cash without assessing the immediate requirement of cash. Market loans of ₹ 213 crore was raised without the GOI permission, which was not at all necessary.

Financial management and budgetary control

- There were large savings of ₹ 9225.13 crore during 2012-13 indicating improper budget estimation. Large savings under various schemes/sub-heads may adversely affect the implementation of development programmes in the State. Persistent savings for the last five years were also noticed in 15 departments.
- Excess expenditure of ₹1263.18 crore was incurred over provisions during 2012-13, which requires regularisation under Article 205 of the Constitution of India. Besides, excess expenditure of ₹ 8540.79 crore occurred during 2001-2012 was still to be regularised.
- Controlling Officers did not reconcile the expenditure of ₹ 23,400.20 crore (76.71 *per cent* of total expenditure) and receipts of ₹ 14,641.32 crore (48.78 *per cent* of total receipts) of the departments with the books of the Accountant General (A&E), Jharkhand during 2012-13.

- The Agriculture & Sugarcane Development Department was not following the provisions of the Budget Manual leading to lack of budgetary control in the Department.

Financial reporting

- Utilisation certificates of grants-in-aid amounting to ₹ 4640.48 crore were not submitted by the State institutions/bodies, which restricted the State Government from taking appropriate steps required for ensuring accountability and improving efficiency of operations.
- Government departments have not submitted the accounts of grantee bodies to the Principal Account General (Audit). Separate Audit Reports on the accounts of the Autonomous Bodies have not been submitted timely before the State Legislature.
- Large number of AC bills (24,583) amounting to ₹ 5243 crore pertaining to the period 2000-13 were outstanding as on 11 November 2013 since DC bills were not submitted.
- An amount ₹ 209.23 crore drawn in AC bills on the last three days of the financial year was kept in Bank Account to prevent it from being lapsed. There was a huge balance of ₹ 2954.43 crore in Personal Ledger accounts at the end of March 2013. Transfer of budgeted funds passed by the Legislature of current year to PL Accounts for expenditure in further year(s) was irregular.

Chapter-1

**FINANCES OF THE STATE
GOVERNMENT**

Profile of Jharkhand

The State of Jharkhand, which was created in November 2000 by dividing the State of Bihar, has an area of 79,714 sq km. It is the 15th largest State of the country in terms of geographical area. As indicated in **Appendix 1.1 Part-A** the State's population increased from 2.69 crore in 2001 to 3.30 crore in 2011. The population growth during the last decade (2003-04 to 2012-13) was 19.13 *per cent*. The percentage of population below the poverty line was 40.4 *per cent* as compared to the all-India average of 21.92 *per cent*. The State's Gross State Domestic Product (GSDP) in 2012-13 at current prices was ₹ 1,56,781 crore. The State's literacy rate increased from 44 *per cent* (as per 2001 census) to 67.63 *per cent* (as per 2011 census). The per capita income of the State stood at ₹ 48,752 during 2012-13.

Gross State Domestic Product (GSDP)

GSDP is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State's economy as it indicates the standard of living of the State's population. The trend in the annual growth of India's GSDP at current prices is indicated below:

Year	2008-09	2009-10	2010-11	2011-12	2012-13
India's GDP (₹ in crore)	53,03,567	61,08,903	72,66,967	83,53,495	94,61,013
Growth rate of GDP (percentage)	15.75	15.18	18.96	14.95	13.26
State's GSDP* (₹ in crore)	87,794	1,00,621	1,25,824 (P)	1,40,558(Q)	1,56,781(A)
Growth rate of GSDP (percentage)	4.6	14.6	25.0	11.7	11.5

*Source: Directorate of Economics and Statistics, Govt. of Jharkhand.
P=Provisional Estimate, Q=Quick Estimate, A=Advanced Estimate.

The GSDP of Jharkhand State grew at 11.5 *per cent* during 2012-13 against the Thirteenth Finance Commission (TFC) projection of 14.5 *per cent*. The GSDP growth during last two years was lower than the growth of GDP of India. However, the Compound Annual Growth Rate (CAGR) of GSDP of the Jharkhand (15.5 *per cent*) was almost same as the CAGR of GDP of India (15.6 *per cent*) during 2008-13.

1.1 Introduction

This Chapter provides a broad perspective of the finances of the Government of Jharkhand during the year 2012-13 and analyses critical changes in the major fiscal aggregates in relation to the previous year, keeping in view the overall trend during the last five years. The analysis has been based on audit of the State Finance Accounts 2012-13 and information obtained from the State Government. The structure and form of Government accounts have been explained in **Appendix 1.1 Part B** and the layout of the Finance Accounts is depicted in **Appendix 1.1 Part C**.

The methodology adopted for assessment of the fiscal position of the State is given in **Appendix 1.2 Part A**. The targets set under Fiscal Responsibility and Budgetary Management Act are given in **Appendix 1.2 B**. Time series data on State Government finances for last five years is given in **Appendix 1.3**.

1.1.1 Summary of Fiscal Transactions in 2012-13

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2012-13) *vis-à-vis* the previous year (2011-12) while **Appendix 1.4 Part A** provides an abstract of receipts and disbursements as well as the overall fiscal position during the year 2012-13.

Table 1.1: Summary of Fiscal operations in 2012-13

(₹ in crore)

Receipts	2011-12	2012-13	Disbursements	2011-12	2012-13		
Section-A: Revenue					Non-plan	Plan	Total
Revenue Receipts	22,419.45	24,769.56	Revenue Expenditure	20,991.58	15,656.61	7743.26	23,399.87
Tax revenue	6953.89	8223.58	General Services	7845.56	8474.55	221.94	8696.49
Non-Tax revenue	3038.22	3535.63	Social Services	7287.03	4238.37	4070.22	8308.59
Share of Union Taxes/Duties	7169.93	8188.14	Economic Services	5858.99	2943.69	3451.10	6394.79
Grants from Government of India	5257.41	4822.21	Grants-in-aid and Contributions	-	--	--	--
Section -B: Capital							
Misc. Capital Receipts	-	-	Capital Outlay	3159.37	67.38	4151.05	4218.43
Recoveries of Loans and Advances	23.42	43.11	Loans and Advances disbursed	217.10	57.11	543.70	600.81
Inter State Settlement			Inter State Settlement	75.40	100.00		100.00
Public Debt Receipts*	2671.22	5199.00	Repayment of Public Debt	1639.01	2183.06	-	2183.06
Transfers to Contingency Fund	-	-	Expenditure from Contingency Fund	-	-	-	-
Public Account Receipts#	10,813.40	14,494.71	Public Account Disbursements#	9727.77	13,416.31	-	13,416.31
Opening Cash Balance	(-)0.41	116.85	Closing Cash Balance	116.85	704.75	-	704.75
Total	35,927.08	44,623.23	Total	35,927.08	32,185.22	12,438.01	44,623.23

Source: Finance Accounts for the year 2011-12 and 2012-13

*Excluding net transactions under Ways and Means advances and overdraft.

#Figures do not include transactions under 'Other Accounts' such as Cash Balance Investment, etc.

The significant changes during 2012-13 as compared to the previous year are as under:

- Revenue Receipts increased by ₹ 2350 crore (10 per cent) over that of the previous year. The increase was due to increase in Tax Revenue by ₹ 1270 crore (18 per cent), Non-Tax Revenue by ₹ 498 crore (16 per cent) and State's Share of Union Taxes and Duties by ₹ 1018 crore (14 per cent) which was offset by decrease in Grants-in-aid by ₹ 436 crore (eight per cent) over the previous year.
- Against the normative assessment of Tax Revenue (₹ 9544 crore) and Non-Tax Revenue (₹ 3814 crore) made by the TFC the actual tax and non-tax receipts of the State were ₹ 8224 crore (86 per cent) and ₹ 3536 crore (93 per cent) respectively. Thus, on both counts it was below the normative projection made by the TFC.

- Revenue Expenditure increased by ₹ 2408 crore (11 *per cent*) due to increase in expenditure on General Services (₹ 850 crore), Social Services (₹ 1022 crore) and Economic Services (₹ 536 crore). However, it was lower than the budget estimates of ₹ 27801 crore.
- Capital Expenditure increased by ₹ 1059 crore (34 *per cent*) in 2012-13 over the previous year. Increase was mainly under Transport.
- Recovery of Loans and Advances increased from ₹ 24 crore in 2011-12 to ₹ 43 crore in 2012-13.
- Public Debt receipts increased by ₹ 2528 crore (95 *per cent*) while its repayment increased by ₹ 544 crore (33 *per cent*) over the previous year.
- Public Account receipts increased by ₹ 3682 crore (34 *per cent*) against increase in disbursements by ₹ 3689 crore (38 *per cent*).
- The net impact of these transactions was an increase of ₹ 587.90 crore in the cash balance at the end of 2012-13 over the previous year.

1.1.2 Review of the fiscal situation

The Government of Jharkhand enacted the Jharkhand Fiscal Responsibility and Budget Management (FRBM) Act, 2007 for ensuring fiscal stability, debt sustainability and greater transparency in the fiscal operation of the Government. Under the Act, the State Government was to eliminate the Revenue Deficit by the end of March 2009 and restrict the Fiscal Deficit up to three *per cent* of the estimated Gross State Domestic Product (GSDP). The TFC recommended a new and revised road map for fiscal consolidation thereby linking all grants and debt relief facilities for achievement of the targets.

Accordingly, the State revised some of its key fiscal targets in the FRBM (Amendment) Act, 2011 and 2012 as well as in its Medium Term Fiscal Plan (MTFP). The revised targets laid down in FRBM Acts, 2011 and 2012 of the State were (i) reducing its Revenue Deficit to 'nil' at the end of 31 March 2012 (ii) the Fiscal Deficit at three *per cent* of the GSDP by the end of March 2012 and (iii) Debt-GSDP ratio at 27.8 *per cent* in 2012-13.

Table 1.2: Major fiscal variables

(in per cent)

Fiscal variables	2012-13			Projections in MTFP	Actuals
	XIII FC target for the State	Target as prescribed in FRBM Act	Target as per Budget		
Revenue Surplus w.r.t GSDP	Nil	Nil	2.95	3.32	0.9
Fiscal Deficit/GSDP	3.00	3.00	1.92	2.15	2.2
Ratio of total outstanding debt of the Government to GSDP	27.8	27.8	Not available in the budget	25.0	22.2

The State achieved the targets set in the FRBM Act by eliminating the Revenue Deficit in 2006-07 by turning the deficit into a Revenue Surplus (₹ 946 crore) which consistently improved to ₹ 1370 crore in 2012-13, except in 2009-10 when there was a Revenue Deficit of ₹ 10 crore. However, the

budget estimates and the MTFP targets of revenue surplus to GSDP at 2.95 *per cent* and 3.32 *per cent* respectively were not achieved in 2012-13.

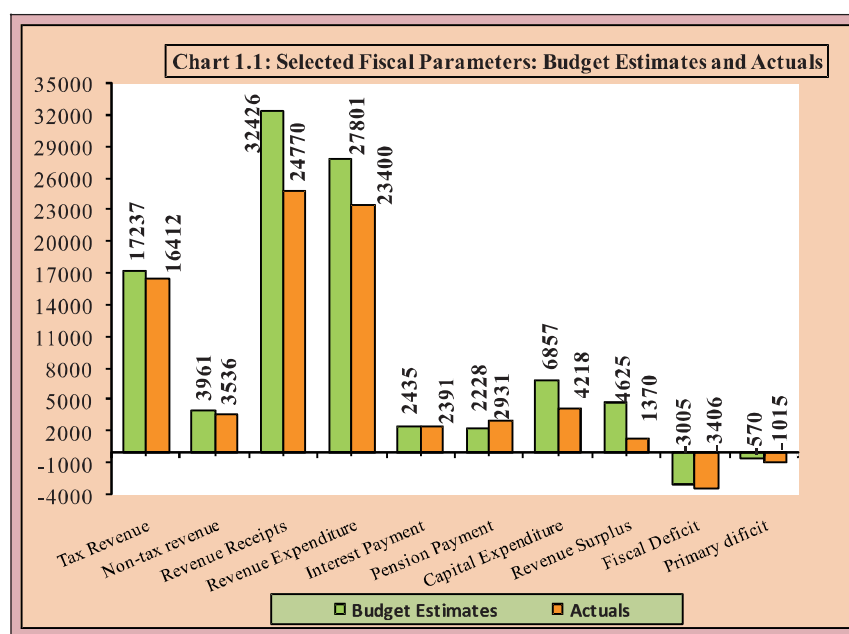
The percentage of Fiscal Deficit (₹ 3406 crore) to GSDP at 2.2 *per cent* was within the limit of three *per cent* estimated under FRBM Act and TFC projection during 2012-13. It was close to the MTFP target of 2.15 *per cent*.

The Debt-GSDP ratio of the State was 22.2 *per cent* during 2012-13 which was well within the estimate of 27.8 *per cent* of FRBM Act and TFC. Debt-GSDP was also very much within the MTFP target of 25 *per cent* for the year.

1.1.3 Budget estimates and actual

The budget papers presented by the State Government provide descriptions of 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, some within the control of the Government and some beyond the control of the Government.

Chart 1.1 presents a comparative analysis of the budget estimates and actuals for some important fiscal parameters for 2012-13.



The above chart shows that actual receipts and expenditures, except pension payments, were less than the budget estimates prepared by the State Government for 2012-13. The shortfall in actual Revenue Receipts (by ₹ 7656 crore) was mainly due to less receipt of Grants-in-aid from Government of India (by ₹ 6406 crore) than the budget estimates. The decrease in actual Revenue Expenditure (by ₹ 4401 crore) was due to decrease in actual expenditure incurred on Social Services (by ₹ 3302 crore) and Economic Services (₹ 1238 crore) during 2012-13.

The Capital Expenditure of the State was less than the Budget Estimates by ₹ 2639 crore due to less expenditure on Social Services (by ₹ 837 crore) and Economic Services (by ₹ 1669 crore) against what was budgeted, which is a matter of concern for the State.

1.1.4 Gender Budgeting

As per budget document it was observed that gender budgeting was not introduced in the State budget. However, in budget speech and Appropriation Accounts of the State it was noticed that the State Government made provisions for women and girls during 2012-13 in the State budget, as per details given below:

Table 1.3: Budget provision and expenditure for women

(₹ in crore)

Scheme	Budget Provision	Expenditure	Surrender
BitiyaVarsh	2.00	nil	2.00
Kishori Shakti Yojna	2.20	nil	2.20
Rajiv Gandhi Scheme for Empowerment of Adolescent Girls	57.54	8.85	48.69
Indira Gandhi Matritwa Sahyog Yojna	9.00	3.09	5.91
Mukhyamantri KanyadanYojna	15.00	12.83	2.17

Source: Detailed Appropriation Accounts

- The State Government decided to celebrate the year 2012 as 'BitiyaVarsha' for which the Government announced a new scheme named Mukhyamantri Lakshmi Laadly Yojna. However, the entire budget provided (₹ 2 crore) during 2012-13 for the same was surrendered. Hence, the intended benefit was not made available to girl children of the State.
- Budgeted provision of ₹ 2.20 crore for the Kishori Shakti Yojna was also entirely surrendered during the year 2012-13.
- Out of total ₹ 15.00 crore budgeted for Mukhyamantri Kanyadaan Yojna during 2012-13, expenditure was ₹ 12.83 crore was spent.

1.1.5 Major Policy initiatives in the budget

To improve its revenues the State Government revised the rates of State tax and Non-tax receipts during the year 2012-13. As per budget speech of the State Finance Minister following steps were taken in this regard:

- Increase the rate of VAT in the State from 12.5 *per cent* to 14 *per cent* through which it was expected to improve receipts by ₹ 150 crore.
- Implementation of professional tax with estimated receipt of ₹ 50 crore.
- Electricity Duty for private nursing homes, shopping malls etc. was to be fixed at 20 paise per unit by which ₹ 20 crore was estimated to be received as additional revenue.

- Taxes on Tobacco products increased from 14 *per cent* to 20 *per cent* and TDS from contractors of tobacco products increased from two *per cent* to four *per cent* to raise additional revenue of ₹ 50 crore during 2012-13.

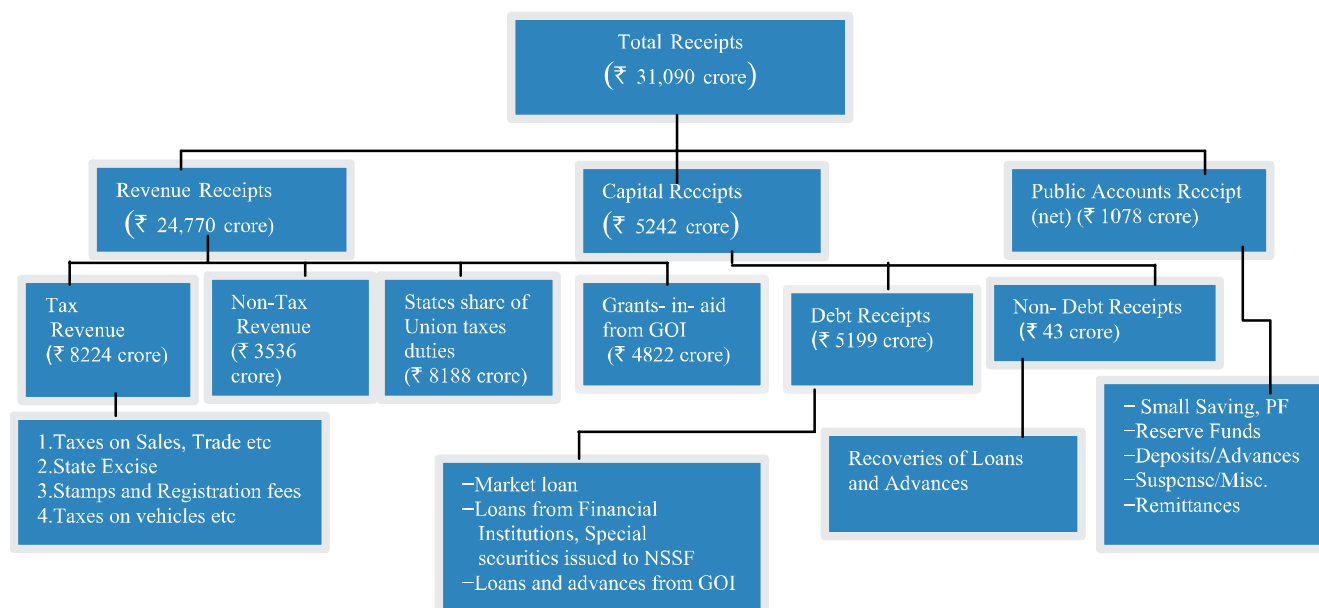
1.2 Resources of the State

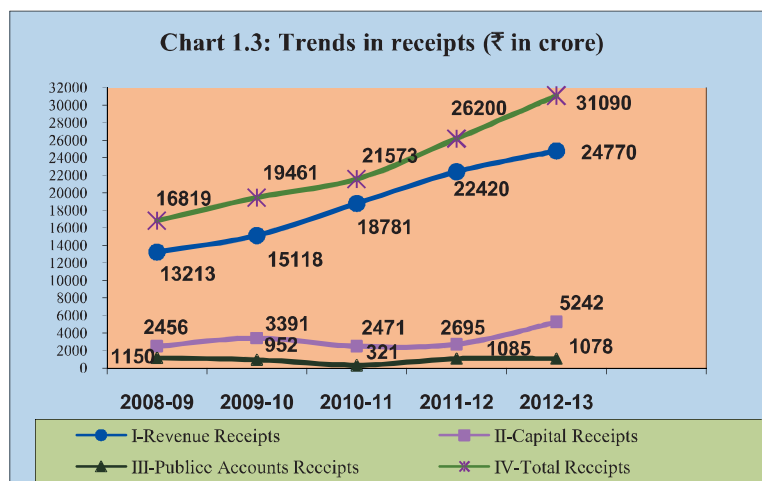
1.2.1 Resources of the State as per Annual Finance Accounts

Revenue and Capital are the two streams of receipts that constitute the resources of the State Government. Revenue Receipts consist of Tax Revenues, Non-Tax Revenues, State's Share of Union Taxes and Duties and Grants-in-aid from the Government of India (GOI). Capital receipts comprise Miscellaneous Capital Receipts such as proceeds from disinvestments, recoveries of Loans and Advances, Debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and Loans and Advances from GOI. Besides the funds available in the Public Accounts after disbursement is also utilised by the Government to finance its deficit. **Table 1.1** (at page 2) presents the receipts and disbursements of the State during the current year 2012-13 as recorded in its Annual Finance Accounts while **Chart 1.2** depicts the trend in various components of the receipts of the State during the period 2008-13, the **Chart 1.3** depicts the composition of resources of the State during the current year 2012-13.

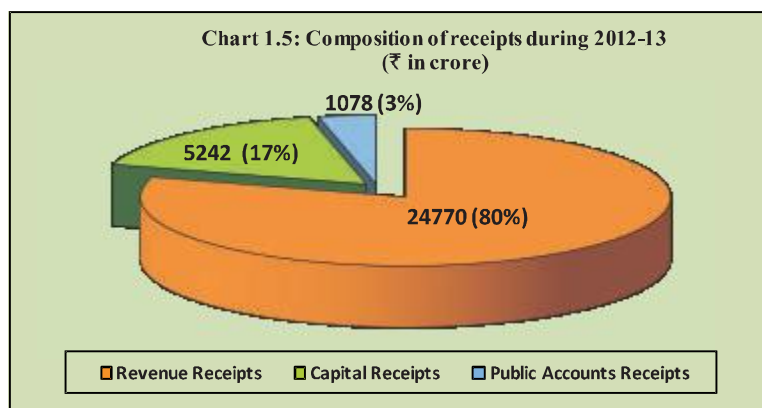
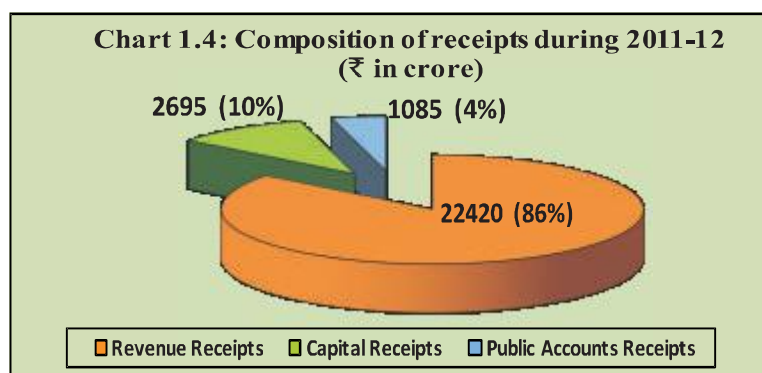
Flow chart showing the components and sub-components of resources is as under:

Chart 1.2: components and sub-components of resources





Charts 1.4 and 1.5 depict the composition of resources of the State during 2011-12 and 2012-13 respectively.



- The Total Receipts of the State increased from ₹ 16,819 crore in 2008-09 to ₹ 31,090 crore in 2012-13. The growth rate of Total Receipts was 19 per cent during 2011-12 and 2012-13.
- Share of Revenue Receipts to Total Receipts fluctuated between 78 per cent and 87 per cent during 2008-13. It decreased from 87 per cent in 2010-11 to 86 per cent in 2011-12 and 80 per cent in 2012-13 due to comparatively higher growth of Capital Receipts.
- The Debt Capital Receipts (Capital receipts minus recovery of Loans and Advances) increased from ₹ 2437 crore in 2008-09 to ₹ 5199 crore

in 2012-13. The Debt Capital receipts increased by 95 *per cent* in 2012-13 due to 91 *per cent* increase in Internal Debt over the previous year. The CAGR of Debt Capital Receipts was 20.9 *per cent* during the period 2008-13.

- Net Public Account receipts decreased from ₹ 1150 crore (four *per cent* of Total Receipts) in 2011-12 to ₹ 1078 crore (three *per cent* of Total Receipts) in 2012-13.

1.2.2 Funds transferred to State implementing agencies outside the State Budget

The Central Government has been transferring sizeable quantum of funds directly to the State Implementing Agencies¹ for implementation of various schemes/programmes in Social and Economic sectors, which are recognised as critical. In the present mechanism these funds are not routed through the State Budget/State Treasury System. Hence, expenditure of these funds has not been mentioned in the Finance Accounts of the State. As such, the Annual Finance Accounts do not provide a complete picture of the resources of the State. To present the holistic picture on availability of aggregate resources, funds directly transferred to State implementing agencies are presented in **Table 1.4**.

During the year 2012-13 Central funds of ₹ 2621.91 crore were transferred directly to the State implementing agencies. The programmes assisted by Government of India whose funds were transferred and the concerned State Implementing Agencies are presented in **Table 1.4**.

Table 1.4: Funds released by GOI directly to State Implementing Agencies

(₹ in crore)

Programme/scheme	Implementing agency in the State	Funds transferred directly by GoI	
		2011-12	2012-13
Mahatma Gandhi National Rural Employment Guarantee scheme	District Rural Development Agency	917.77	0.00
	Jharkhand State Rural Employment Guarantee Council	0.00	809.17
Indira AwaasYojana	District Rural Development Agency	215.48	138.27
Swarnjayanty Gram SwarojgarYojana; District Rural Development Agency (Administration); Integrated Watershed Management Programme; AAJEEVIKA	District Rural Development Agency	84.67	10.23
SarvaShikshaAbhiyan	Jharkhand Education Project Council	579.03	561.84

¹ State Implementing Agencies include any organisation/institution including non-Government organisation which is authorised by the State Government to receive funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for SSA, State Health Mission for NRHM etc.

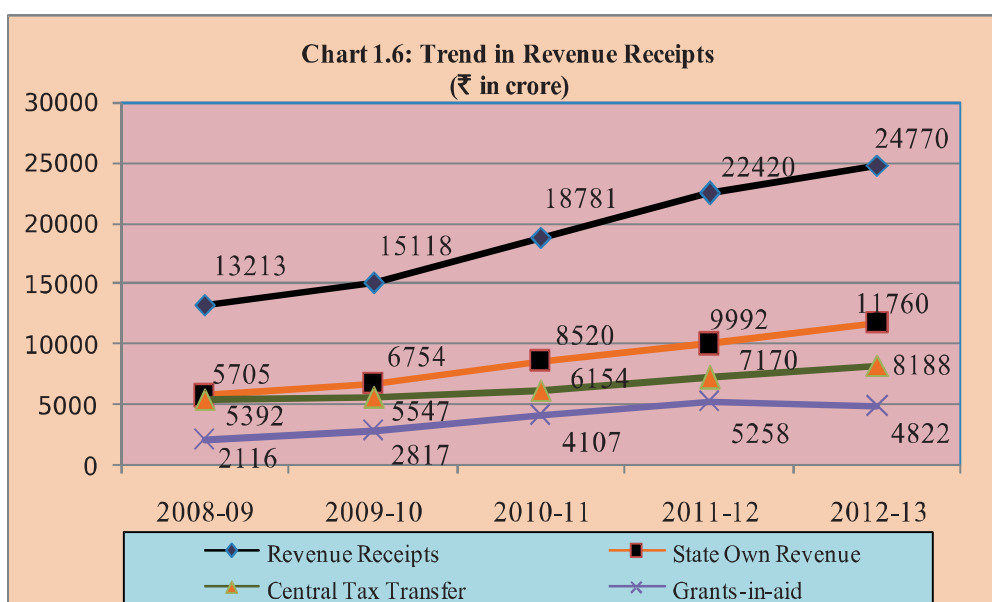
Programme/scheme	Implementing agency in the State	Funds transferred directly by GoI	
		2011-12	2012-13
National Rural Health Mission; Human Resource for Health; Information, Education and Communications	(i) Jharkhand Rural Health Mission Society; TB Control Society and Blindness Control Society; (ii) Jharkhand AIDS Control Society.	609.65	281.32
National Rural Drinking Water Programme; Central Rural Sanitation Programme	Jharkhand State Water and Sanitation Mission	220.82	307.23
Member of Parliament Local Area Development scheme	District Magistrates	69.00	88.50
Schemes implemented by NGOs and other societies	NGOs and other Societies	1498.00	425.35
Total		4194.42	2621.91

(Source: Appendix-VII of Finance Accounts)

Direct transfer of funds from the GoI to State implementing agencies ran the risk of improper utilisation of funds by these agencies. Unless uniform accounting practices are followed by all these agencies, with proper documentation and timely reporting of expenditure to the State Government and the Accountant General (A&E), Jharkhand, it would be difficult to monitor the end use of these direct transfers.

1.3 Revenue Receipts

Statement-11 of the Finance Accounts details the Revenue Receipts of the Government. The Revenue Receipts consist of its Own Tax Revenue, Non-Tax Revenues, Central Tax transfers and Grants-in-aid contribution from GOI. The trends and composition of Revenue Receipts over the period 2008-13 are presented in *Appendix 1.3* and also depicted in **Chart 1.6**.



- During 2012-13, the Revenue Receipts grew at 10.48 *per cent* over the previous year. However, in comparison to the budget estimate, the Revenue Receipts was less by ₹ 7656 crore during 2012-13. The CAGR of Revenue Receipts during 2008-13 was 17.0 *per cent*.
- Own Tax Revenue was about two times of Non-tax Revenue during the period 2008-11, which increased to 2.3 times during 2011-13.
- During 2012-13, 53 *per cent* of total Revenue Receipts came from Central Tax Transfer and GoI grants, while State's Own Resources contributed the balance 47 *per cent*.
- During the year, total Revenue Receipts (₹ 24,770 crore) comprised of State's Own Tax Revenue (OTR) ₹ 8224 crore (33 *per cent*), Non-Tax Revenue (NTR) ₹ 3536 crore (14 *per cent*), Central Tax transfer (CTT) ₹ 8188 crore (33 *per cent*) and Grants-in-aid ₹ 4822 crore (20 *per cent*). The receipts under OTR, NTR and CTT grew at 18 *per cent*, 16 *per cent* and 14 *per cent* respectively during 2012-13 over previous year whereas receipts under Grants-in-aid decreased at eight *per cent* during 2012-13 over the previous year.

The trend of Revenue Receipts relative to GSDP is presented in **Table 1.5**.

Table 1.5: Trends in Revenue Receipts relative to GSDP

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Receipts (RR) (₹ in crore)	13,213	15,118	18,781	22,420	24,770
Rate of growth of RR (<i>Per cent</i>)	9.9	14.4	24.2	19.4	10.5
R R/GSDP (<i>Per cent</i>)	15.1	15.0	14.9	16.0	15.8
State's Own Tax / GSDP	4.3	4.5	4.5	4.9	5.2
Growth rate of GSDP	4.6	14.6	25.0	11.7	11.5
Buoyancy Ratios²					
Revenue Buoyancy w.r.t GSDP	2.15	0.99	0.97	1.66	0.91
State's Own Tax Buoyancy w.r.t GSDP	1.74	1.36	1.08	1.85	1.59
Revenue Buoyancy w.r.t. State's own taxes	1.24	0.72	0.90	0.90	0.57

- The growth rate of Revenue Receipts increased significantly from 9.9 *per cent* in 2008-09 to 24.2 *per cent* in 2010-11. However, it decreased to 19.4 *per cent* during 2011-12 and 10.5 *per cent* during 2012-13.
- Revenue buoyancy with respect to GSDP showed wide fluctuations ranging between 0.91 and 2.15 during 2008-13. In 2008-09, it was highest (2.15 *per cent*) due to low growth rate of GSDP (4.6 *per cent*) in comparison to the growth rate of Revenue Receipts (9.9 *per cent*). During 2012-13, growth rate of Revenue Receipts decreased at a higher rate than that of GSDP which resulted fall in revenue buoyancy from 1.66 in 2011-12 to 0.91 in 2012-13.
- The State's Own Tax (SOT) buoyancy with respect to GSDP showed wide variations between 1.08 and 1.85 during 2008-13, due to wide fluctuation in the growth rate of both GSDP and Own Tax Revenue. The buoyancy declined from 1.24 in 2008-09 to 0.72 in 2009-10, then increased to 0.90 in 2010-11 and in 2011-12. However, it was at the

² Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that Revenue Receipts tend to increase by 0.6 percentage points, if the GSDP increases by one *per cent*.

lowest at 0.57 during 2012-13 due to decrease in growth rate of Own Tax over the previous year while the growth rate of GSDP remaining the same.

- The growth rate of GSDP of the Jharkhand recorded wide variation from 4.6 *per cent* to 25.0 *per cent* during the years 2008-09 to 2012-13. The GSDP grew by 11.5 *per cent* in 2012-13. However, the CAGR of the GSDP was 15.5 *per cent*.

1.3.1 State's Own Resources

As the State's share in Central Taxes and Grants-in-aid is determined on the basis of recommendations of the Finance Commission, the State's performance in mobilisation of resources was assessed in terms of its own resources comprising own tax and other non-tax sources.

The States actual tax and non-tax receipts for the year 2012-13 vis-à-vis assessment made by XIII FC and Medium Term Fiscal Plan (MTFP) (latest) are given in the **Table 1.6**

Table 1.6: Tax and non-tax receipts

(₹ in crore)

	XIII FC projections	Budget estimates	MTFP projection	Actual
Tax Revenue	9543.88	8734.49	8466 (5.4% of GSDP)	8223.58
Non-Tax Revenue	3814.44	3608.66	3136 (2% of GSDP)	3535.63

During 2012-13, the collection of State's Own Tax Revenue was ₹ 8224 crore against the normative projection made by TFC of ₹ 9544 crore and MTFP target of ₹ 8446 crore. The main reason for short achievement was lesser collection of Sales Tax and State Excise than estimated. The actual collection under these heads was ₹ 6422 crore and ₹ 578 crore against the budget estimate of ₹ 6650 crore and ₹ 700 crore respectively during the year.

The Own Tax to GSDP ratio in 2012-13 (5.2 *per cent*) was significantly less than the TFC norms of 6.50 *per cent* and MTFP target of 5.4 *per cent* for the year.

The Non-tax revenue of the State (₹ 3536 crore) was less than TFC projection of ₹ 3818 crore for the year 2012-13, but was higher than the MTFP target of ₹ 3136 crore.

1.3.1.1 Tax Revenue

The gross collection in respect of major taxes and duties are given in **Table 1.7**.

Table 1.7: Components of Tax Revenue

(₹ in crore)

Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13	Percentage increase during 2012-13 over previous year
Taxes on Sales, Trade, etc.	2996	3597	4473	5522	6422	16.30
State Excise	205	323	388	457	578	26.48
Taxes on Vehicles	202	234	312	392	465	18.62
Stamps and Registration Fees	192	238	328	401	492	22.69
Land Revenue	53	41	131	53	96	81.13
Taxes on Goods & Passengers	54	13	21	41	1	(-)97.56
Other Taxes	51	54	64	88	170	93.18
Total Tax Revenue	3753	4500	5717	6954	8224	18.26

Source: Finance Accounts for the respective years

The Tax Revenue of the State increased from ₹ 3753 crore in 2008-09 to ₹ 8224 crore in 2012-13. It grew by 18 *per cent* in 2012-13 over the previous year. The CAGR of Tax Revenue of the State was 21.7 *per cent* during the period 2008-13. Out of the total Tax Revenue in 2012-13, Sales Tax contributed 78 *per cent* followed by State Excise (seven *per cent*), Stamp Duty and Registration (six *per cent*) and Taxes on vehicles (six *per cent*).

Commercial Tax Department attributed the increase in tax revenue of VAT/Sales Tax during 2012-13 to effective tax administration and revision/enhancement in rate of VAT. The reason for increase in State Excise Duty in 2012-13 over the previous year was given as increase in settlement of excise retail shops and increase in the rates of different kinds of fees. Similarly, increase in Stamps and Registration Fees and Taxes on Vehicles during 2012-13 was attributed to increase in the value of land property and increase in number of vehicles registered respectively.

During 2012-13, collection of Taxes on Goods and Passengers decreased by 97.56 *per cent* over previous year due to less recovery (₹ 40 crore) of tax on entry of Goods into Local Areas.

1.3.1.2 Non-Tax Revenue

Non-Tax revenue collected during 2012-13 was ₹ 3536 crore against the normative projection of ₹ 3814 crore by the TFC for the year.

Component-wise position of Non-tax revenue is given in **Table 1.8**.

Table 1.8: Component-wise non-tax revenue

(₹ in crore)

Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13
Interest receipts	109.53	153.20	98.74	44.16	72.23
Dividends & Profits*	0.00	0.00	0.40	1.17	15.00
Other non-tax receipts	1842.20	2100.95	2703.75	2992.89	3448.40
Total	1951.73	2254.15	2802.89	3038.22	3535.63

Source: Finance Accounts for the respective years

*Dividends and Profits during 2008-10 was nil.

The Non-Tax Revenue (NTR) constituted 15 *per cent* of the Revenue Receipts during 2008-09 to 2010-11. However, its share in Revenue Receipts remained 14 *per cent* in both 2011-12 and 2012-13. The NTR increased by 16 *per cent* in 2012-13 over the previous year mainly due to more collection under Mining and Metallurgical Industries (by ₹ 480 crore). The CAGR of Non-tax Revenue was 16.0 *per cent* during 2008-13.

1.3.2 Grants-in-aid from Government of India

The trend of release of Grants-in-aid by GOI under Non-Plan, State Plan, Centrally Sponsored and Central Plan Schemes is shown in the **Table 1.9**:

Table 1.9: Component-wise grants released by GOI

(₹ in crore)					
Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Non-Plan Grants	591.91	1145.33	1281.40	1550.77	1483.41
Grants for State Plan Schemes	1054.18	982.97	1826.99	2404.61	2393.94
Grants for Central Plan Scheme	31.22	55.05	8.62	66.87	30.81
Grants for Centrally Sponsored Schemes	438.57	633.28	990.24	1235.16	914.05
Total	2115.88	2816.63	4107.25	5257.41	4822.21
Percentage of increase over previous year	15	33	46	28	(-)8
Total grants as a percentage of Revenue Receipts	16.01	18.63	21.87	23.45	19.47

Source: Finance Accounts of Government of Jharkhand

- During 2012-13, Grants-in-aid from GOI stood at ₹ 4822.21 crore, which decreased (by eight *per cent*) from ₹ 5257.41 crore in 2011-12.
- During 2012-13, Non-Plan grants, State Plan grants, Central Plan Scheme and grants for Centrally Sponsored Schemes decreased by ₹ 67.36 crore (4.34 *per cent*), ₹ 10.67 crore (0.44 *per cent*), ₹ 36.06 crore (53.92 *per cent*) and ₹ 321.11 crore (26 *per cent*) respectively over the previous year.
- Non-plan grants from GOI decreased from ₹ 1550.27 crore in 2011-12 to ₹ 1483.41 crore in 2012-13 mainly since grants were received under compensation to State Government for Revenue loss due to phasing out of the Central Sales Tax during 2011-12.
- During 2012-13 the State Plan grants remained nearly same as it was in 2011-12.
- No Debt relief was received by the State during 2012-13 under Debt Consolidation and Relief Facility.

1.3.3 Central Tax transfer

During 2012-13, the Central Tax transfer (CTT) was ₹ 8188 crore against ₹ 7170 crore in 2011-12. The CTT of the State increased by ₹ 1018 crore (14 *per cent*) during 2012-13 over the previous year. The increase was mainly under Corporation Tax (₹ 119 crore), Taxes on Income other than Corporation Tax (₹ 327 crore), Customs Duty (₹ 118 crore) and Service Tax (₹ 340 crore). The CTT constituted 33 *per cent* of Revenue Receipts of the State during 2012-13.

1.3.4 Optimisation of the XIII FC grants

The Thirteenth Finance Commission recommended grants to Government of Jharkhand to improve the functioning of its various departments. The financial status of some of the grants is given in **Table 1.10**:

Table 1.10: Optimisation of the XIII FC grants

(₹ in crore)

Sl. No.	Transfers	Grant provided on the recommendation of the TFC	Expenditure under relevant head of account	Unutilized amount
1	Home Department	74.50	74.50	0.00
2	Institutional Finance and Programme Implementation Department	23.28	0.00	23.28
3	Labour, Employment and Training Department	50.00	47.25	2.75
4	Law Department	40.47	4.96	35.51
5	High Court of Jharkhand	0.40	0.09	0.31
6	Planning & Development Department	9.60	0.00	9.60
7	Disaster Management Department	291.04	279.24	11.80
8	Rural Development Department	37.13	37.13	0.00
9	Urban Development Department	90.60	33.48	57.12
10	Water Resources Department	24.67	0.00	24.67
11	Minor Irrigation Department	2.33	0.00	2.33
12	Art, Culture, Sports and Youth Affairs Department	9.00	9.00	0.00
13	Rural Works Department	79.00	72.08	6.92
14	Panchayati Raj	357.70	361.96	-4.26
15	Primary and Public Education	308.00	308.00	0.00
16	Social Welfare, Women and Child Development Department	108.00	108.01	-0.01
	Total	1505.72	1335.70	170.02

Source: Detailed Appropriation Accounts

Thus, it can be seen from the **Table 1.10** above that out of the total budgeted amount of grants received by the Government under recommendations of the Finance Commission (₹ 1505.72 crore), an amount of ₹ 1335.70 crore was spent and ₹ 170.02 crore remained unutilized at the end of 2012-13. Scheme-wise details are given in **Appendix 1.5**.

1.3.5 Forgone Revenue

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

Scrutiny of records of 130 units of Taxes on Sales, Trade, etc., State excise, Land revenue, Taxes on Vehicles, Stamp and Registration fees, Taxes and Duties on Electricity and Mining Receipts during 2012-13, we observed 25,784 cases of under assessment, non levy, short levy etc. involving ₹ 1532.94 crore. During the year 2012-13, the departments accepted 21,063 cases amounting ₹ 568.52 crore. During the same period, the department effected recovery of ₹ 702 crore in 1024 cases (including recoveries against audit observations of previous years).

1.3.5.2 Revenue arrears

As on 31 March 2013, revenue arrears amounted to ₹ 2986.09 crore in four Departments (Finance (Commercial Taxes), State Excise, Taxes on Vehicles and Mining and Geology Department) out of which ₹ 1343.30 crore was

outstanding for more than five years. The major portion of the revenue arrears related to the Finance (Commercial Taxes) Department (₹ 1940.85 crore) and Mining and Geology Department (₹ 763.17 crore).

The total revenue arrears as on 31 March 2013 was 12 *per cent* of total revenue of the State and of States' own resources it was 25 *per cent* during 2012-13.

1.4 Capital Receipts

Apart from revenue receipts of the State, the State also received capital receipts, which comprises 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 are given in the table below:

Table 1.11: Trends in growth and composition of receipts

(₹ in crore)

Source of State's Receipts	2008-09	2009-10	2010-11	2011-12	2012-13
Capital Receipts (CR)	2456	3391	2471	2695	5242
Miscellaneous Capital Receipts	-	-	-	-	-
Recovery of Loans and Advances	19	22	24	24	43
Public Debt Receipts	2437	3369	2447	2671	5199
Rate of growth of debt capital receipts (<i>per cent</i>)	20.5	38.2	-27.4	9.2	94.6
Rate of growth of non-debt capital receipts (<i>per cent</i>)	-56.8	15.6	9.1	0.0	79.2
Rate of growth of GSDP	4.6	14.6	25.0	11.7	11.5
Rate of growth of CR (<i>per cent</i>)	18.8	38.1	-27.1	9.1	94.5

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

During 2012-13, Capital Receipts increased to ₹ 5242 crore against ₹ 2695 crore in 2011-12 due to increase in Public Debt Receipts. Further, Public Debt Receipts increased mainly due to significant increase in market loans from ₹ 1254 crore in 2011-12 to ₹ 3600 crore in 2012-13. The non-debt capital receipt increased due to recovery of ₹ 19.75 crore from Jharkhand State Beverage Corporation Limited. Increase in debt and non-debt capital receipts led to increase in Capital Receipts of the State.

As per Finance Accounts, proceed from disinvestment was 'nil' during 2012-13.

1.4.1 Recoveries from loans and advances

The recovery against the loans and advances given was very low. Detail of loans given and recovery received during last five years are as given below:

Table 1.12: Loans and Advances

(₹ in crore)

Years	2008-09	2009-10	2010-11	2011-12	2012-13
Opening balance of Loans	6016	6415	6713	6997	7190
Loans given	418	320	308	21	601
Recovery made	19	22	24	24	43
Closing balance of loans	6415	6713	6997	7190	7748

Jharkhand State Electricity Board (JSEB) was the major recipient of loans and advances given every year but no repayment was made against the same leading to huge balance of ₹ 7125.21 crore against JSEB. Repayment received every year was mainly against the loans and advances given to the Government servants. The CAGR of the loans given and of the closing balance of loans were 9.5 and 4.8 *per cent* respectively during the period 2008-13.

1.4.2 Debt receipts from internal sources

To fulfill its resource gap and to meet the capital expenditure, the State raises funds from the internal market. The internal market borrowings increased from ₹ 2434 crore in 2008-09 to ₹ 4960 crore in 2012-13. During 2012-13, the major contributor in internal debt was market loans (₹ 3600 crore) and loans from National Bank for Agriculture and Rural Development (₹ 750 crore). Ways and Means advances received during the year was ₹ 369 crore.

1.4.3 Loans and advances from Government of India (GOI)

Loans and advances from GoI decreased from ₹ 3 crore in 2008-09 to (-) ₹ 10 crore in 2009-10 which again increased to ₹ 132 crore in 2010-11. During 2011-12 loans from GOI again decreased to ₹ 33 crore which then increased to ₹ 239 crore in 2012-13. Loans and advances from GOI were mainly received for State Plan schemes. No fresh loans were received for Central Plan Schemes and Centrally Sponsored Schemes during 2011-12 and 2012-13.

1.5 Public Accounts Receipts

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 under Article 266(2) of the Constitution are not subject to vote by the State legislature, are kept in Public accounts. Here the Government acts as a banker. The balance after disbursements is the fund available with the government for use. Trend in Public Accounts Receipts given in **Table 1.13**.

Table 1.13: Trends in Public Accounts Receipts

(₹ in crore)					
Resources under various heads	2008-09	2009-10	2010-11	2011-12	2012-13
Public Accounts Receipts	8335	8242	7721	10813	14495
Small Savings, Provident Fund etc.	584	687	572	613	668
Reserve Fund	86	489	Nil	138	280
Deposits and Advances	4250	4150	3670	5236	8706
Suspense and Miscellaneous	96	204	181	306	199
Remittances	3319	2612	3298	4520	4642

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

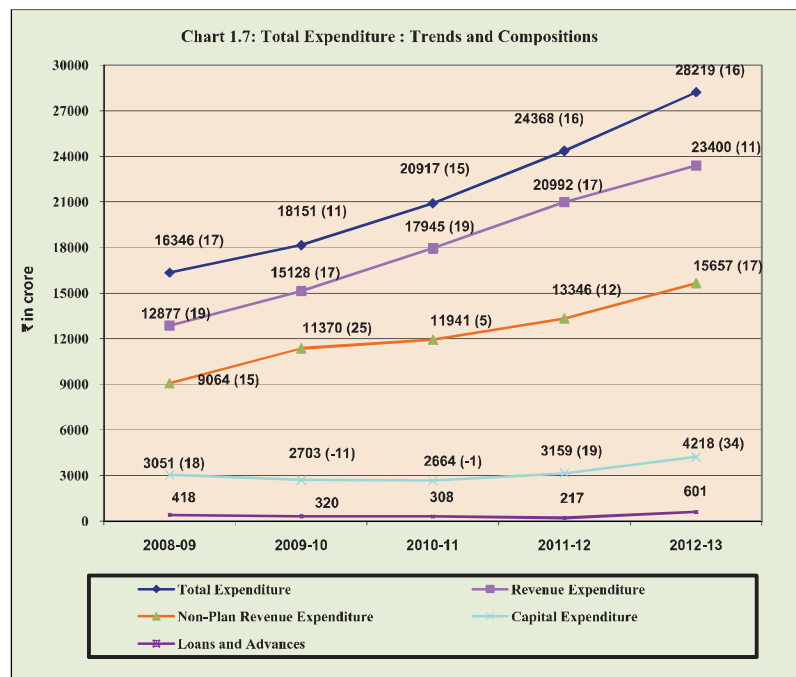
Deposit and Advances in Public Accounts Receipts increased from ₹ 5236 crore in 2011-12 to ₹ 8706 crore in 2012-13 mainly due to significant increase in State Electricity Board Working Funds by ₹ 1005 crore and Deposit of Market Loans by ₹ 2346 crore. The CAGR of Public Accounts Receipts was 14.8 *per cent* during the period 2008-13.

1.6 Application of resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at State level is not at the cost of expenditure, especially the expenditure directed towards development of social sector.

1.6.1 Growth and Composition of Expenditure

Chart 1.7 presents the trends in Total Expenditure and its composition over a period of the last five years (2008-13).



- Over the last five years, the Compound Annual Growth Rate (CAGR) of Total Expenditure (TE) was 14.60 *per cent*. During 2012-13, the growth rate of Total Expenditure was 16 *per cent* over previous year.
- Of the TE, Revenue Expenditure constituted 83 *per cent* while Capital Expenditure constituted 15 *per cent*. Loans and Advances disbursed constituted only two *per cent* of the TE.
- Of the Total Expenditure Non-Plan expenditure and Plan expenditure constituted 56 *per cent* and 44 *per cent* respectively during 2012-13. It was 55 *per cent* and 45 *per cent* respectively in 2011-12. The increase of ₹ 3851 crore in Total Expenditure was due to increase in Non-Plan expenditure by ₹ 2356 crore and Plan expenditure by ₹ 1495 crore.

1.6.1.1 Capital Expenditure

- During 2012-13, Capital Expenditure (CE) increased to ₹ 4218 crore against ₹ 3159 crore in 2011-12. The budget of Capital Expenditure increased from ₹ 6353 crore in 2011-12 to ₹ 6857 crore in 2012-13.

Percentage of CE to Total Expenditure increased from 13 *per cent* in 2011-12 to 15 *per cent* in 2012-13. The percentage of CE to GSDP stood at 2.7 *per cent* during 2012-13 compared to 2.2 *per cent* in 2011-12.

- Capital expenditure in Education sector increased from ₹ 75.98 crore in 2011-12 to ₹ 90.76 crore in 2012-13. However, the CE was much less than ₹ 133.60 crore budgeted for the year 2012-13.
- In respect of Health and Family Welfare sector, the CE decreased from ₹ 163.53 crore in 2011-12 to ₹ 146.84 crore in 2012-13. However, the expenditure during 2012-13 was much less than ₹ 352.56 crore budgeted.
- The CE on Water Supply, Sanitation, Housing and Urban Development increased from ₹ 422.61 crore in 2011-12 to ₹ 487.43 crore in 2012-13. The budget for water supply, sanitation housing and urban development for the year was ₹ 1035.20 crore.

1.6.2 Revenue Expenditure (RE)

Revenue Expenditure (RE) accounted for 83 *per cent* of the Total Expenditure during 2012-13 as compared to 86 *per cent* during 2011-12. The RE increased (by 82 *per cent*) from ₹ 12,877 crore in 2008-09 to ₹ 23,400 crore in 2012-13. The CAGR of RE was 16.1 *per cent* during the period.

During 2012-13, RE was 15 *per cent* of GSDP. Buoyancy of RE with GSDP decreased from 1.45 in 2011-12 to 1.00 in 2012-13 because growth rate of RE decreased from 17 *per cent* in 2011-12 to 11 *per cent* in 2012-13 while the growth of GSDP remained almost same.

1.6.2.1 Plan Revenue Expenditure (PRE)

During 2012-13, the Plan Revenue Expenditure (PRE) was ₹ 7743 crore in comparison to the budget estimate of ₹ 11,254 crore. The PRE increased marginally to ₹ 7743 crore during the year from ₹ 7646 crore in 2011-12. The share of PRE in total RE decreased from 36 *per cent* in 2011-12 to 33 *per cent* in 2012-13. The stagnation in PRE was due to decrease in General Services (by ₹ 224 crore) and Economic Services (Transport by ₹ 168 crore) with increase in Social Services (by ₹ 511 crore). The CAGR of PRE during 2008-13 was 19.4 *per cent*.

1.6.2.2 Non-Plan Revenue Expenditure (NPRE)

During 2012-13, the NPRE was ₹ 15657 crore as against the budget estimate of ₹ 16,547 crore and ₹ 15,433 crore recommended by the TFC. The growth rate of NPRE increased from 12 *per cent* in 2011-12 to 17 *per cent* in 2012-13 over the previous year. The percentage of NPRE to the Total Revenue Expenditure varied between 64 and 75 during the period 2008-13. During 2012-13, the NPRE was 67 *per cent* of Revenue Expenditure. The CAGR of NPRE of the State during 2008-13 was 14.6 *per cent*.

During 2012-13, under Social Services the NPRE was mainly incurred on Education (₹ 2863.69 crore), Health and Family Welfare (₹ 550.74 crore), Social Welfare and Nutrition (₹ 302.54 crore) and Water Supply, Sanitation, Housing and Urban Development (₹ 282.19 crore). Under Economic Services, NPRE was incurred mainly on Energy (₹ 1102.15 crore), Rural Development (₹ 691.43 crore), Agriculture & Allied Activities (₹ 611.03 crore) and Transport (₹ 380.73 crore).

1.6.3 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. **Table 1.14** and **Chart 1.8** present the trend in the expenditure on these components during 2008-13.

Table 1.14: Components of Expenditure on Salaries & Wages, Subsidies, Pensions and Interest Payments

(₹ in crore)

Components of Committed Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13	
					Budget Estimates [#]	Actual
Salaries* & Wages , of which	3948 (30)	5342 (35)	5642(30)	6352(28)	8288	6446(26)
Non-Plan heads	3801 (29)	5154 (34)	5434(29)	6150(27)	7773	6270(25)
Plan heads	147 (1)	188 (1)	208(1)	202(1)	515	176(1)
Interest Payments	1887 (14)	2307(15)	2228(12)	2267(10)	2435	2391(10)
Expenditure on Pensions	988 (7)	1681(11)	2081(11)	2297(10)	2228	2931(12)
Subsidies	37 (0.3)	41(0.3)	80	286(2)	¥	270(1)
Total	6860 (52)	9371 (62)	10031 (53)	11202(50)	12951	12054(49)

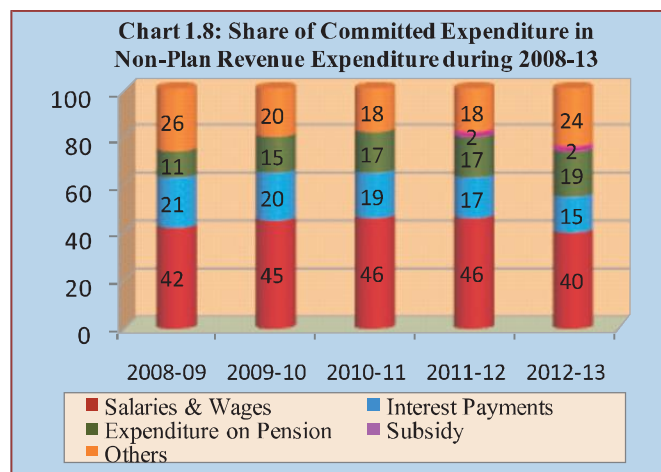
Source: Finance Accounts of Government of Jharkhand

Figures in parentheses indicate percentage of Revenue Receipts

* It also includes salaries paid out of Grants-in-aid.

Budget Estimates are gross figures while the actual are net figures.

¥ Budget not available



Subsidy w.r.t NPRE in per cent comes to negligible during the years 2008-09 to 2010-11

Salaries & Wages (₹ 6446 crore), Interest Payments (₹ 2391 crore) and Pension (₹ 2931 crore) together accounted for 50 per cent of the Revenue Expenditure and consumed 48 per cent of the Revenue Receipts during 2012-13. The Total Non-plan expenditure on Salaries, Pension and Interest Payments together accounted for 74 per cent of NPRE during 2012-13.

- The expenditure on Salaries & Wages (S&W) constituted 28 per cent to 35 per cent of Revenue Expenditure (RE) during the years 2008-09 to 2012-13. The percentage of S&W to RE decreased from 30 per cent in 2011-12 to 28 per cent in 2012-13. Similarly, percentage of S&W to Revenue Receipts also decreased from 28 per cent in 2011-12 to 26

per cent 2012-13. The CAGR of Salaries & Wages during the period 2008-13 was 13 *per cent*.

- Expenditure on Salaries under the Non-Plan heads during 2012-13 (₹ 6270 crore) increased by ₹ 120 crore (two *per cent*) over the previous year. However, the expenditure exceeded the normative projection of TFC (₹ 5401 crore) by ₹ 869 crore.

Pension

- The expenditure on Pension increased from ₹ 988 crore in 2008-09 to ₹ 2931 crore in 2012-13, at a CAGR of 31.2 *per cent*. The growth rate during 2012-13 was also 28 *per cent* over the previous year. It exceeded the budget estimate (₹ 2228 crore) for 2012-13 by ₹ 703 crore (32 *per cent*).
- The State adopted Contributory Pension Scheme from 01 January 2004 to reduce future burden on pension and pensionary benefits. The State Government entered into an agreement with New Pension System Trust on 20 March 2009.

Interest Payments

- Interest Payments during 2012-13 were ₹ 2391 crore against the normative projection of ₹ 3017 crore by the TFC. The growth rate of Interest Payments was five *per cent* over the previous year. As a percentage of Revenue Receipts, the Interest Payments were 10 *per cent* each during 2011-12 and 2012-13. The CAGR of Interest paid by the State during 2008-13 was 6.1 *per cent*.
- Major components of Interest Payments during 2011-12 and 2012-13 are given in **Table 1.15** below:

Table 1.15: Major components of Interest Payments

(₹ in crore)

Interest paid for	2011-12	Average interest rate	2012-13	Average interest rate
Internal debt	1941.20	8.94	2018.33	8.50
Loans and Advances from GOI	165.81	7.23	185.95	8.18
Small Savings Provident fund	157.76	10.58	186.23	12.09
Total	2264.77	8.88	2390.51	8.67

Subsidy

- During 2012-13, Government of Jharkhand paid ₹ 270 crore³ as subsidy mainly under the head 2401-Crop Husbandry (₹ 178.24 crore), 2404-Dairy Development (₹ 20.44 crore) and 2852-Industries (₹ 56.37 crore) which was specifically booked under the sub-head meant for subsidy. The amount of subsidy during 2012-13 was ₹ 270 crore against subsidy ₹ 286 crore during 2011-12.
- As per the Appendix III of the Finance Accounts for the year 2012-13, no subsidy was given for food, power and irrigation purposes.
- Subsidies are dispensed not only explicitly but also implicitly by providing subsidized public service to the people. During scrutiny of accounts for

³Appendix III of Finance Accounts

2012-13 we observed that ₹ 8.00 crore (Grant no 58) was provided for distribution of bicycles to the students of which ₹ 3.17 crore was utilized. Further, ₹ 1000 crore was provided as grants-in-aid to JSEB to fulfill its resource gap.

1.6.4 Major programmes

Under Social Sector and Economic Sector many flagship programmes were implemented in the State for which funds were provided in the budget under State Plan (SP) and Central Plan (CP). During 2012-13, ₹ 17,089 crore was budgeted under the State plan of which ₹ 11,279 crore was utilized, while under the Central Plan, ₹ 1158.92 crore was utilized against ₹ 2516.35 crore budgeted during the year.

The budget provisions and actual expenditure incurred on some major programmes during 2012-13, under SP and CP are shown in **Table 1.16:**

Table 1.16: Expenditure on major programmes

(₹ in crore)

Sl. No.	Name of programmes	Budget Provision	Expenditure
State Plan			
1	Major Roads	1117.23	1006.26
2	Rural Roads under Minimum Need Programme	382.49	356.49
3	Mukhyamantri Kanyadan Sahayata Yojna	488.51	458.21
4	Subernarekha Project	348.82	319.13
Central Plan			
1	National Programme of Nutritional Support to Primary Education	914.61	593.83
2	Integrated Child Development Programme	323.94	300.52
3	National Rural Health Mission	183.85	184.71

Expenditure on National Programme of Nutritional Support to Primary Education (₹ 593.83 crore) was very low in comparison to Budget estimate of ₹ 914.61 crore due less expenditure in Mid Day Meal.

Subernarekha Multipurpose Project: The project was started in 1973 and was scheduled to be completed by 1987-88. The project was estimated to cost ₹ 90 crore originally, which after the fifth revision of cost was scheduled to be completed in 2009-10 at a cost of ₹ 4540 crore. The project was, however, included under Accelerated Irrigation Benefit Programme (AIBP) and its completion date was rescheduled as 2013-14 with an estimated cost of ₹6613.74 crore. The project was started with the aim to irrigate of 236846 hectares of land in the State in addition to supplying 825 million cubic meter (MCM) water for industrial and domestic purposes in order to benefit the predominantly tribal population of the region.

As per Finance Account for the year 2012-13 the project was funded through State Plan, Assistance from the World Bank, National Bank for Agriculture and Rural Development and Additional Central Assistance under AIBP and the total expenditure on the Project was ₹ 1278 crore as on 31 March 2013.

Even after lapse of 25 years and after spending of ₹ 1278 crore the project remained incomplete as of 31 March 2013.

1.6.5 Financial assistance given by the State Government to Local Bodies and other institutions

The quantum of assistance given as grants and loans to Local Bodies and other institutions during 2012-13 as compared to the last three years is presented in Table 1.17.

Table 1.17: Financial assistance to Local Bodies and other Institutions

(₹ in crore)

Financial Assistance to Institutions	2009-10	2010-11	2011-12	2012-13
Panchayati Raj Institutions (PRIs)	-	875.69	581.06	485.85
Urban Local Bodies (ULBs)	485.14	246.15	25.34	182.43
Public Sector Undertakings	602.64	491.55	777.00	Nil
Autonomous Bodies	678.31	607.55	677.85	208.26
Non-Government Organisation	17.87	192.43	209.68	Nil
Others	548.98	708.34	2259.30	550.71 ⁴
Total	2332.94	3121.71	4530.23	1427.25
As percentage of Revenue Expenditure	15.42	17.31	21.58	6.09

Source: Statement 8 of Finance Accounts

Financial assistance given to Local Bodies decreased steadily from ₹ 2332.94 crore in 2009-10 to ₹ 1427.25 crore in 2012-13. The Thirteenth Finance Commission recommended ₹ 1516.60 crore and ₹ 425.80 crore respectively for PRIs and ULBs. The amounts of assistance to PRIs and ULBs shown in the above table do not include amounts provided (₹ 727 crore) to Panchayati Raj Institution and Urban Local Bodies under the minor heads 191, 192, 193, 196, 197 and 198 under respective departmental expenditure heads of accounts. The growth rate of the assistance fluctuated between (-) 68 per cent and 34 per cent during 2009-13.

1.6.6 Functioning of Urban Local Bodies and Panchayati Raj Institutions

Urban Local Bodies (ULBs)

The 74th Constitutional Amendment Act envisaged (1992) establishment of Local Self-Government for urban areas wherein the Municipalities were provided with Constitutional status for governance. Accordingly, 18 functions such as town planning, land use regulation, water supply, etc. were to be assigned to the ULBs. Further, as per the recommendations of the Eleventh Finance Commission (EFC), the funds for the ULBs are to be allocated under the specific Minor Heads 191-Assistance to Municipal Corporation, 192-Assistance to Municipalities/Councils and 193-Assistance to Nagar Panchayats. The State Government framed the 'Jharkhand Municipal Act, 2011 duly incorporating the 18 functions in the Act as indicated in *Appendix 1.6* only in February 2012. There are 39 ULBs (Nagar Nigam-3, Nagar Parishad-14, Nagar Panchayat-19, Nagar Palika-1 and Notified Area Committee-2) in the State.

⁴ Decrease due to less financial assistance to-(i) Districts Commissioners for Integrated Action Plan (₹ 510.00 crore), (ii) Co-operative Societies (₹ 147.07 crore), Deputy Secretary, Transport (₹ 486.70 crore) and Pr. Secretary, Human Resources Development (₹ 255.81 crore).

It would be seen from **Table 1.18** that the State Government paid total grants of ₹ 1674 crore to the ULBs during the period 2008-13. However, there was significant decline in release of grants during the period 2009-13. During 2011-12, the assistance decreased to ₹ 25 crore only mainly due to non-release of assistance for sewerage, drainage system, water supply, preparation of detailed project reports, civil facilities, construction of buildings, land acquisition etc. Details of funds provided to ULBs are as follows:

Table 1.18: Funds made available to Urban Local Bodies

(₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	Total
Revenue Receipt (RR) of the State	13213	15118	18781	22420	24770	94302
Revenue Expenditure (RE) of the State	12877	15128	17945	20992	23400	90342
Financial Assistance given to ULBs	736	485	246	25	182	1674
Financial Assistance as percentage to RR	5.58	3.21	1.31	0.11	0.73	1.78
Financial Assistance as percentage to RE	5.72	3.21	1.37	0.12	0.78	1.85
Own collection ⁵	-	-	3.23	18.84	Nil	22.07

The Second State Finance Commission constituted in January 2009 has not made any recommendation in respect of devolution of funds to ULBs as of September 2013. Further, information regarding transfer of functions and funds to the ULBs, was called for (September 2012 and November 2013) from the Urban Development Department. Their reply has not been received (November 2013).

In Jharkhand, the State Government has entrusted Technical Guidance and Supervision (TGS) over audit of Local Bodies (Urban Local Bodies and Panchayati Raj Institution) to Comptroller & Auditor General of India (C&AG) in October 2011. Accordingly, Bihar and Orissa Local Fund Audit Act, 1925 was amended in March 2012 comprising the provision for audit by Director of Local Fund Audit (DLFA) at the State level to whom the C&AG had to provide TGS. State Government created 22 posts (March 2013) to make DLFA functional but DLFA has not been operationalised till date and the Examiner, Local Accounts is conducting audit of local bodies on test check basis as per TGS arrangement since April 2012.

Panchayati Raj Institutions

The State Government enacted the Jharkhand Panchayati Raj Act in 2001 to establish a three-tier PRI system i.e. Zila Panchayat (ZP) at district level, Panchayat Samiti at block level and Gram Panchayat at the village level. The rules were framed to enable PRIs to function as Institution of Local Self-Government. As recommended by the Eleventh Finance Commission the classification of the funds transferred to PRIs is made under the minor heads 196- Assistance to Zila Parishad, 197- Assistance to Block Panchayat and 198- Assistance to Gram Panchayat.

⁵ 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 (2010-11 : Nagar Panchayats- Basukinath, Chas, Gumla, Khunti, Simdega and Municipal Council Lohardaga and 2011-12 Nagar Panchayats- Bistrampur, Chakulia, Koderma, Rajmahal, Municipality : Jugsalai and Ranchi Municipal Corporation) revealed that ₹ 22.07 crore was collected during this period.

According to the Jharkhand Panchayati Raj Act, 2001, funds released by the Central and State Governments were to be utilised by the PRIs for execution of various development programmes relating to provision of civic amenities to rural people. At present, there are 4706 PRIs⁶ in the State. As shown in **Table 1.19**, Government paid no grants to the PRIs up to 2009-10. During the period 2010-13, a total amount of ₹ 1943 crore was paid to the PRIs, as shown below:

Table 1.19: Funds available to Panchayati Raj Institutions

(₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	Total
Revenue Receipt (RR) of the State	13213	15118	18781	22420	24770	94302
Revenue Expenditure (RE) of the State	12877	15128	17945	20992	23400	90342
Financial Assistance to PRIs*	-	-	876	581	486	1943
Financial Assistance as percentage to RR	-	-	4.66	2.59	1.96	2.06
Financial Assistance as percentage to RE	-	-	4.88	2.77	2.08	2.15
Own collection**	-	-	-	-	-	-

* Election of PRIs was held in December 2010.

** Recommendation has not been made by the State Finance Commission.

The Second State Finance Commission constituted in January 2009 has not made any recommendation in respect of devolution of funds to PRIs as of September 2013. The State Government has not identified the sources of revenues of PRIs (other than the grants/programme funds), as the rates of taxes, tolls and fees etc. to be imposed by the PRIs have not been decided and notified (September 2013).

As per the recommendations of the Eleventh Finance Commission, the Government notified (March 2011) the 'Jharkhand Panchayati Raj (Budget & Accounts) Regulation 2012' and the accounting in PRIs is done accordingly. However, audit of the PRIs are continued to be done by the ELA, as appointment of the DLFA has not been finalised by the Government so far (November 2013).

1.7 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects, viz., adequacy of the expenditure (*i.e.* adequate provisions for providing public services), efficiency of expenditure and its effectiveness (assessment of outlay-outcome relationship for select services).

Growth rate of total expenditure of the State during 2012-13 was 15.8 *per cent* against 16.5 *per cent* during 2011-12 over the previous year.

In RE, the development expenditure (expenditure on social and economic services) constituted 63 *per cent*, while non development expenditure constituted 37 *per cent* during 2012-13. The growth rate of development expenditure during 2012-13 was 12 *per cent* over previous year, while non-development expenditure grew at 11 *per cent* over previous year.

⁶ 24 Zila Parishad, 259 Panchayat Samities and 4423 Gram Panchayats

1.7.1 Adequacy of Public Expenditure

The responsibilities relating to the social and economic sector assigned to the State Governments are largely State subjects. To enhance human development levels it requires the State to step up its expenditure on key social services like education, health etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if it is below the respective national average.

Table 1.20 analyses the fiscal priority of the State Government with regard to Development Expenditure, Social Sector Expenditure and Capital Expenditure during 2012-13, taking 2009-10 as the base year.

Table 1.20: Fiscal Priority of the State in 2009-10 and 2012-13

(₹ in crore)

Fiscal Priority by the State*	AE/GSDP	DE#/AE	SSE/AE	CE/AE	Education/ AE	Health/ AE
Other General Category States Average (Ratio) 2009-10	17.06	66.05	35.73	14.96	16.19	4.24
Jharkhand State's Average (Ratio) 2009-10	18.03	62.22	35.75	14.89	18.01	3.77
General Category States Average (Ratio) 2012-13	15.93	65.79	32.77	13.23	17.23	4.47
Jharkhand State's Average (Ratio) 2012-13	17.99	68.49	33.15	14.95	15.95	3.39

*As per cent to GSDP

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

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

Source: GSDP figures as furnished by the State's Directorate of Economics and Statistics

The State of Jharkhand spent higher proportion of its GSDP as Aggregate Expenditure in 2009-10 and 2012-13 in comparison to General Category States.

Development Expenditure as well as Capital Expenditure as a proportion of Aggregate Expenditure in Jharkhand was less than the General Category States' average during 2009-10 while during 2012-13 Jharkhand spent more on this account as compared to General Category States.

The State has given less priority to both education and health sector as compared to the General Category States in the year 2012-13. It has also slipped up in these areas compared to its own expenditure in ratio to AE in 2009-10.

1.7.2 Efficiency of expenditure use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public goods⁷. Apart from improving

⁷Core public goods are goods which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. Merit goods are commodities that the public sector provides free or at subsidised rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidised food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

the allocation towards development expenditure⁸, the efficiency of expenditure use is also reflected by the ratio of Capital Expenditure to Total Expenditure (and/or GSDP) and the proportion of Revenue Expenditure being spent on operation and maintenance of the existing Social and Economic Services. The higher the ratio of these components to Total Expenditure (and/or GSDP) the better would be the quality of expenditure.

Table 1.21 presents the trends in Development Expenditure relative to the Aggregate Expenditure of the State during 2012-13 *vis-à-vis* the budgeted amounts and the expenditure during the previous years.

Table 1.21: Development Expenditure

(₹ in crore)

Components of Development Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13		
					BE*	Actuals	
Development Expenditure (a to c)							
Development Revenue Expenditure	7918 (48)	8523(47)	10954(52)	13146(54)	19244	14704(52)	
Development Capital Expenditure	2875(18)	2591(14)	2544(12)	3003(12)	6548	4042(14)	
Development Loans and Advances	411 (3)	308(2)	296(1)	199(1)	704	582(2)	
Total	11204	11422	13794	16348	26496	19328	
Figures in parentheses indicate percentage to aggregate expenditure (RE + CE + L&A)							
* Budget estimates are gross figures while actuals are net figures.							

Source: Finance Accounts of Government of Jharkhand and budget publication

- The Development Expenditure of the State comprised Revenue Expenditure and Capital Expenditure including Loans and Advances on Social Services and Economic Services. During 2012-13, the growth of Development Expenditure was 18.23 *per cent* over the previous year.
- As seen from the table above the total Development Expenditure was much below the budget estimate during 2012-13. The expenditure on General Services (Non-Development) was ₹ 8892 crore against the budget of ₹ 8890 crore for the year.
- During 2008-13, the share of Development Revenue Expenditure in Total Expenditure ranged between 47 *per cent* and 54 *per cent*. The CAGR of Development Revenue Expenditure was 16.7 *per cent* during 2008-13.
- The share of Development Capital Expenditure (including Loans and Advances) in Total Expenditure decreased from 21 *per cent* in 2008-09 to 13 *per cent* each in 2010-11 and 2011-12. However, it increased to 16 *per cent* in 2012-13. The CAGR of Development Capital Expenditure during 2008-13 was 8.4 *per cent*.
- Expenditure on Social Services (₹ 9357 crore) and on Economic Services (₹ 9971 crore) shared 48 *per cent* and 52 *per cent* respectively of the total Development Expenditure during 2012-13 (₹ 19,328 crore).

⁸ The analysis of expenditure data is disaggregated into development and non development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into social services, economic services and general services. The social and economic services constitute development expenditure, while expenditure on General Services is treated as non-development expenditure in our figures.

Expenditure use in selected Social and Economic Services

Table 1.22 provides the details of Capital Expenditure and the components of Revenue Expenditure incurred on the maintenance of selected Social and Economic services.

Table 1.22: Efficiency of Expenditure use in Selected Social and Economic Services

(In per cent)

Social/Economic Infrastructure	2011-12			2012-13		
	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	0.45	54.43	0.00	0.86	47.35	0.00
Health and Family Welfare	16.57	54.96	0.10	15.38	57.50	0.02
WS, Sanitation, & HUD	48.12	25.80	2.43	43.14	19.16	3.66
Total (SS)	10.75	40.91	0.29	11.03	34.49	0.35
Economic Services (ES)						
Agriculture & Allied Activities	7.10	30.99	0.38	1.59	32.92	0.03
Irrigation and Flood Control	58.59	98.23	0.00	67.78	97.76	0.00
Power & Energy	16.10	0.00	0.00	0.00	0.00	0.00
Transport	49.08	10.72	11.41	67.43	12.83	35.41
Total (ES)	28.40	17.05	2.92	32.02	16.34	3.24
Total (SS+ES)	19.59	30.28	3.21	23.93	26.60	1.60
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 Government of Jharkhand

- Development Capital Expenditure as a percentage of total Development Expenditure increased significantly from 19.59 per cent in 2011-12 to 23.93 per cent in 2012-13.
- Salary component in Social Services and Economic Services decreased from 40.91 per cent and 17.05 per cent in 2011-12 to 34.49 per cent and 16.34 per cent during 2012-13 respectively.
- During 2012-13, the State Government spent ₹ 408.83 crore under the detailed head- “05- Maintenance and Repairs to maintain public assets”.
- The share of operation and maintenance in Revenue Expenditure on Social Services increased from 0.29 per cent in 2011-12 to 0.35 per cent in 2012-13 due to more expenditure on Water Supply, Sanitation, Housing and Urban Development.
- The share of operation and maintenance in Revenue Expenditure on Economic Services increased from 2.92 per cent in 2011-12 to 3.24 per cent in 2012-13 due to increase in Expenditure on Road Construction, Rural development and Water Resources.

1.8 Financial analysis of Government expenditure and investments

In the post-FRBM framework, the State is expected to keep its Fiscal Deficit (and borrowings) not only at low level but also to meet its Capital Expenditure/investment (including Loans and Advances) requirements. In

addition, in a transition to complete dependence on market-based resources, the State Government needs to initiate measures to earn adequate returns on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidies and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other Capital Expenditure undertaken by the Government during the current year *vis-à-vis* the previous years.

1.8.1 Financial results of completed Irrigation projects

The financial results of irrigation projects of the State are presented in Appendix IX (i) of the Finance Accounts, based on information furnished by the State Government. As per the Appendix-IX of the Finance Accounts for the year 2012-13, there is no commercial irrigation project in the State.

1.8.2 Incomplete Projects

Funds blocked up on incomplete projects, to be completed on or before March 2013, impinge negatively on expenditure. As of March 2013, there were 189 incomplete capital works each costing more than ₹ 10 lakh. A total of ₹ 1972.03 crore was blocked in these projects. Department-wise information pertaining to incomplete projects, as on 31 March 2013, is given in **Table 1.23**.

Table 1.23: Department-wise profile of Incomplete Projects

(₹ in crore)

Department	No. of Incomplete Projects*	Initial Estimated Cost	Expenditure during current year	Cumulative actual expenditure as on 31.3.2013
Road Construction	134	137.68	22.69	628.05
Drinking Water and Sanitation	11	611.48	24.57	290.35
Water Resources	14	1028.82	267.77	884.74
Building Construction	30	131.52	24.55	168.89
Total	189	1909.50	339.58	1972.03
*Projects costing more than ₹ 10 lakh				

Source: Appendix X of Finance Accounts

At the end of 2012-13, the number of incomplete works/projects was 189 as compared to 182 as of March 2012.

The target dates fixed for completion of the incomplete projects given in **Table 1.23** were from June 2000 to March 2013. The revised dates for completion of the projects had not been provided by the Government for most of projects. The estimated cost (original) of the above incomplete projects was ₹ 1909.50 crore against which the progressive expenditure at the end of March 2013 was ₹ 1972.03 crore. Total expenditure incurred on those project during 2012-13 was ₹ 339.58 crore.

1.8.3 Investment and returns

As of 31 March 2013, the Government had invested ₹ 187.82 crore in one Regional Rural Bank (₹ 45.73 crore), 11 Government Companies⁹ (₹ 31.55 crore) and 17 Co-operatives, Corporations, and Societies (₹ 110.54 crore) since inception of the State in November 2000 (**Table 1.24**). The return was

⁹ The details of investments made, accumulated profit/loss etc. in respect of Government Companies are featured in the Audit Report (Public Sector undertakings) for the year 2012-13.

₹ 15 crore (7.99 *per cent*) in 2012-13 against ₹ 1.17 crore (0.64 *per cent*) in 2011-12. However, Government paid interest at an average rate of 7.42 *per cent* to 8.76 *per cent* on its borrowings during the years 2008-09 to 2012-13.

Table 1.24: Returns on investment

Investment/Return/Cost of Borrowings	2008-09	2009-10	2010-11	2011-12	2012-13
Investment at the end of the year (₹ in crore)	112.47	128.73	135.18	182.57	187.82
Returns (₹ in crore)	Nil	Nil	0.40	1.17	15.00
Returns (<i>per cent</i>)	Nil	Nil	0.3	0.64	7.99
Average rate of interest on Govt. borrowing (<i>per cent</i>)	7.42	8.03	7.98	7.64	8.76
Difference between interest rate and return (<i>per cent</i>)	7.42	8.03	7.68	7.00	0.77

Source: Finance Accounts of Government of Jharkhand-Statement 14

Investment of ₹ 5.25 crore (three *per cent*) only was made during 2012-13 in Government Companies (₹ 2.50 crore) and Integrated Co-operative Development Project (₹ 2.75 crore). However, return on investment was 7.99 *per cent* during 2012-13.

Further, investments in these institutions as well as Statutory Corporations and Joint Stock Companies up to 14 November 2000 by the composite Bihar State had not been apportioned between the States of Bihar and Jharkhand.

1.8.4 Investment in PPP projects

Public Private Partnerships (PPP) allow the Government to tap into the resources and expertise of the private sector for public benefit. It is a partnership between a public sector entity (sponsoring authority) and a private sector entity (a legal entity in which 51 *per cent* or more of equity is with the private partner (s)) for creation and/or management of infrastructure for public purpose for a specified period of time on commercial terms and in which the private partner has been selected through a transparent and open competitive bidding process.

Information gathered during audit of five PPP projects implemented by Road Construction Department are given in **Table 1.25**:

Table 1.25: Public Private Partnership Projects

Project	Agreement date	Commencement date	Schedule completion date	Commercial operation date	Annuity start date	Total project cost (₹ in crore)	Annuity to be paid annually* (₹ in crore)
Ranchi Ring Road (Sec. III, IV, V & VI)	25.09.09	25.03.10	21.09.12	21.09.12	22.03.13	620.10	117.82
Ranchi Patratu Dam Road	14.10.09	13.04.10	12.10.12	12.10.12	12.04.13	263.86	50.13
Patratu Dam Ramgarh Road	14.10.09	13.04.10	31.12.13	Not Started	30.06.14	326.84	62.10
Chaibasa Kandra Chowk Road	28.05.11	27.11.11	26.05.14	Not Started	26.11.14	432.99	82.27
Adityapur Kandra Road	06.08.11	02.02.12	31.01.13	31.01.13	31.07.13	241.15	45.82
Total						1884.94	358.14

*Annuity to be paid for 15 years after completion of the project.

As the Commercial Operation Date (COD) was considered by Road Construction Department as provisional completion of project according to contractual provision, Ranchi Ring Road (RRR) Project was treated as provisionally completed to which annuity of ₹ 55.65 crore was paid in 2012-13.

1.8.5 Loans and Advances given by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, the Government has also been providing Loans and Advances to many of these institutions/organisations. **Table 1.26** presents the outstanding Loans and Advances as on 31 March 2013 and interest receipts *vis-à-vis* interest payments during the last five years.

Table 1.26: Loans and advances given by the State Government

	(₹ in crore)				
Quantum of Loans/Interest Receipts/ Cost of Borrowings	2008-09	2009-10	2010-11	2011-12	2012-13
Opening Balance of Loans (₹ in crore)	6016	6415	6713	6997	7190
Amount advanced during the year (₹ in crore)	418	320	308	217	601
Amount recovered during the year (₹ in crore)	19	22	24	24	43
Recovery as percentage of outstanding Loans and Advances	0.3	0.3	0.4	0.3	0.6
Closing Balance	6415	6713	6997	7190	7748
Net addition (₹ in crore)	399	298	284	193	558
Total Interest Receipts (₹ in crore)	0.48	7.64	7.26	2.12	0.95
Interest Receipts as a percentage of outstanding Loans and Advances	*	0.12	0.12	*	0.01

Source: Finance Accounts of Government of Jharkhand

*Negligible

- The quantum of loans advanced to Co-operative Societies, Companies etc. by the State gradually decreased from ₹ 418 crore in 2008-09 to ₹ 217 crore in 2011-12 which again increased to ₹ 601 crore in 2012-13. During 2012-13, the increase in Loans and Advances was mainly under power projects (₹ 376.75 crore).
- During 2012-13 loan of ₹ 541.70 crore was given to Jharkhand State Electricity Board of which ₹ 58.89 crore was given for transmission, ₹ 17.27 crore for Accelerated Power Development Programme and ₹ 120.00 crore for Annual Development Programme.
- The outstanding Loans and Advances increased during 2012-13 by eight *per cent* over the previous year. Major outstanding amounts at the end of March 2013 were against the Jharkhand State Electricity Board (₹ 7125 crore) and Urban Local Bodies (₹ 545 crore).
- Recoveries of Loans and Advances amounting to ₹ 1112.44 crore (Principal ₹ 341.28 crore and Interest ₹ 771.16 crore) was overdue as on 31 March 2013. During 2012-13, amount of Loans and Advances overdue was ₹ 77.94 crore of which ₹ 32.05 crore was in shape of Principal amount and ₹ 45.89 crore was in shape of Interest.

1.8.6 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 1.27**.

Table-1.27: Cash balances and Investment of Cash balances

(₹ in crore)

Particulars	As on 1 st April 2012	As on 31 st March 2013
Cash Balances	116.85	704.75*
Investments from Cash Balances (a to c)	4.41	746.57
a. GOI Treasury Bills	Nil	742.16
b. GOI Securities	Nil	nil
c. Other Investments	4.41	4.41
Interest realized on investment	42.02	71.27
Deposit with Reserve Bank	93.85	(-)56.50
Departmental Cash Balance	18.59	14.68

*Cash balance was less than investment due to negative balance with RBI on 31 March 2013

Source: Finance Accounts of Government of Jharkhand

The cash balance of the State at the end of 31 March 2013 was ₹ 704.75 crore against the cash balance of ₹ 116.85 crore in the previous year.

The State had a cash balance investment of ₹ 746.57 crore at the end of March 2013 against cash balance investment of ₹ 4.41 crore at the end of March 2012. Out of total cash balance investment of ₹ 746.57 crore during 2012-13 ₹ 742.16 crore was invested in GoI Treasury Bills.

The cash balance with the Reserve Bank of India (RBI) as on 31 March 2013 worked out by the Accountant General (A&E), Jharkhand, was ₹ 56.50 crore (credit). However, the cash balance reported by the RBI as on 31 March 2013 was ₹ 57.06 crore (debit). Difference of ₹ 0.56 crore as on 31 March 2013 was under reconciliation.

During 2012-13 the State Government had to take special ways and means advance for two days and normal ways and means advance for 11 days to maintain the minimum balance in RBI.

1.9 Assets and Liabilities

1.9.1 Growth and Composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.4 Part B** gives an abstract of such liabilities and assets as on 31 March 2013, compared with the corresponding position on 31 March 2012. 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 includes Loans and Advances from the Central Government, open market borrowings, loans from financial institutions, Public Account balances of Small Savings, Reserve Funds, Deposits, etc.

1.9.2 Fiscal Liabilities

The trends of outstanding fiscal liabilities of the State are presented in *Appendix 1.3*. However, the composition of fiscal liabilities during the years 2011-12 and 2012-13 is presented in **Chart 1.9** and **Chart 1.10** respectively.

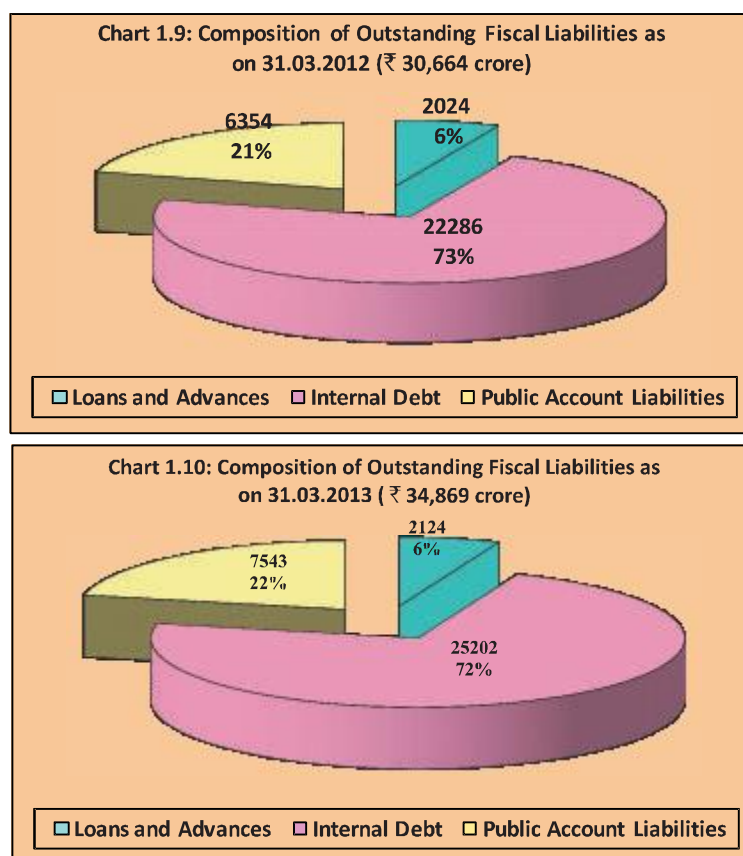


Table 1.28: Trends in Fiscal Liabilities: basic parameters

Components	(₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Internal Debt	17,568	19,880	21,131	22,286	25,202
Loans and Advances from GOI	2404	2272	2167	2024	2124
Public Account Liabilities	4112	5013	5357	6354	7543
Total Fiscal Liabilities	24,084	27,165	28,655	30,664	34,869
Growth of Total Liabilities	11.4	12.8	5.5	7.0	13.7
Fiscal Liability to GSDP	27.4	27.0	22.8	21.8	22.2

- As depicted in **Table 1.28** the overall Fiscal Liabilities (FL) of the State increased by 45 *per cent* from ₹ 24,084 crore in 2008-09 to ₹ 34,869 crore in 2012-13. The annual growth rate of Fiscal Liabilities was 14 *per cent* during 2012-13 against seven *per cent* in 2011-12. However, the CAGR of FL was 9.7 *per cent* during the period 2008-13.
- Fiscal Liabilities of the State comprises of ₹ 319.67 crore in shape of

Reserve Fund (₹ 316.20 crore as State Disaster Response Fund, and ₹ 3.47 crore as General Reserve Funds of Government Commercial Departments/Undertakings).

- The ratio of Fiscal Liabilities to GSDP decreased gradually from 27.4 *per cent* in 2008-09 to 21.8 *per cent* in 2011-12. The ratio again increased to 22.2 *per cent* in 2012-13. However, percentage of FL/GSDP was less than the TFC recommendation of 27.8 *per cent* for the year.
- The Twelfth Finance Commission had recommended setting up of a Sinking Fund, to be maintained outside the Consolidated Fund of the State and the Public Account, for amortisation of all loans including loans from banks, liabilities on account of NSSF etc. However, no such Fund had been set up as of September 2013.
- Apportionment of Fiscal Liabilities of undivided Bihar between the successor States of Bihar and Jharkhand had not been done so far (September 2013).

1.9.3 Transaction under Reserve Fund

Thirteenth Finance Commission recommended to constitute a State Disaster Response Fund (SDRF) under section 46 (I) and section 48 (I) (a) of the Disaster Management Act, 2005 till the end of the year 2014-15. According to the scheme, State Disaster Response Fund has been constituted (2010-11) by the State Government and balance of Calamity Fund transferred to the SDRF (2010-11) and Calamity Relief Fund ceased to exist.

During 2012-13, the opening balance in the SDRF was ₹ 440 crore as on 1st April 2012. During 2012-13, receipt and disbursement was ₹ 280 crore and ₹ 403 crore respectively leading to a closing balance of ₹ 317 crore at the end of March 2013.

1.9.4 Status of Guarantees – Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by borrowers for whom the guarantees are extended.

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. However, no such law was passed by the State Legislature of Jharkhand and no limit was fixed for guarantees given on the security of the Consolidated Fund of the State.

As per Statement 9 of the Finance Accounts there was an outstanding guarantee of ₹ 157.15 crore against JSEB of which guarantee of ₹ 77.78 crore was given during 2012-13.

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 sustainability¹⁰ of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation¹¹; sufficiency of non-debt receipts¹²; net availability of borrowed funds¹³; burden of interest payments (measured by interest payments to Revenue Receipts ratio) and the maturity profile of State Government securities.

1.10.2 Debt Sustainability

Table 1.29 analyses the debt sustainability of the State according to these indicators for a period of five years beginning from 2008-09.

Table 1.29: Debt Sustainability: Indicators and Trends

(₹ in crore)					
Indicators of Debt Sustainability	2008-09	2009-10	2010-11	2011-12	2012-13
Debt Stabilisation (Quantum Spread + PD)*	(-)2018	(+)647	(+)4753	(+)1509	(+)285
Sufficiency of Non-debt Receipts (Resource Gap)*	(-)1171	103	899	188	(-)39
Net Availability of Borrowed Funds	583	773	(-)737	(-)238	1814
Debt GSDP ratio	27.4	27.0	22.8	21.8	22.2
Burden of Interest Payments (IP/RR Ratio)	14	15	12	10	10
Maturity Profile of State Debt (In Years)					
0 – 1	775(4)	1183(5)	1868(8)	1449(6)	1381
1 – 3	2508(13)	2885(13)	2977(13)	3080(13)	3031
3 – 5	2829(14)	3263(15)	2872(12)	2623(11)	3358
5 – 7	2635(13)	2569(12)	3284(14)	4302(17)	5009
7 and above	11225(56)	12252(55)	12298(53)	12856(53)	14547
Total	19972	22152	23299	24310	27326

Percentage to total are shown in brackets.

*Formula in Appendix 1.2 Part A

- As may be seen from the above table, the quantum spread together with the primary deficit increased from (-) ₹ 2018 crore in 2008-09 to ₹ 647 crore in 2009-10 due to increase in growth rate of GSDP to 14.6 per cent against 4.6 per cent in 2008-09. Further, Growth rate of GSDP improved to 25 per cent during 2010-11 and also primary deficit turned into primary surplus of ₹ 116 crore leading to Debt stabilization position (QS + PD) to ₹ 4753 crore.

¹⁰ Debt sustainability is defined as the ability of the State to maintain a constant debt-GDP 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.

¹¹ 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-GDP ratio is likely to be stable provided the 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), the debt sustainability condition states that if the quantum spread together with the primary deficit is zero, debt-GSDP ratio would be constant or the debt would stabilise eventually. On the other hand, if the primary deficit together with the quantum spread turns out to be negative, the debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.

¹² 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.

¹³ 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.

However, QS together with PD decreased to ₹ 1509 crore and ₹ 285 crore respectively during 2011-12 and 2012-13.

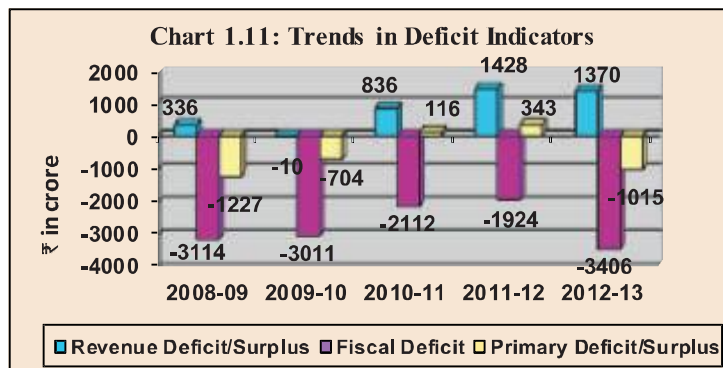
- During 2012-13, the Debt-GSDP ratio at 22.2 *per cent* was less than the target fixed in FRBM Act (25 *per cent*) and normative projection made by TFC (27.8 *per cent*). The ratio marginally increased to 22.2 *per cent* during 2012-13 in comparison to that during 2011-12 (21.8 *per cent*).
- The resource gap of (-) ₹ 1171 crore in 2008-09 increased to ₹ 899 crore during 2010-11 which was indicative of improvement in fiscal position of the State. However, it sharply decreased to ₹ 188 crore in 2011-12 and (-) ₹ 39 crore in 2012-13.
- Net availability of borrowed funds increased from ₹ 583 crore in 2008-09 to ₹ 773 crore in 2009-10 which decreased to (-) ₹ 737 crore in 2010-11 and (-) ₹ 238 crore in 2011-12. However, it increased to ₹ 1814 crore in 2012-13.
- The ratio of Interest Payments to Revenue Receipts showed significant improvement as it declined steadily from 15 *per cent* in 2009-10 to 10 *per cent* in 2012-13.
- The maturity profile of the State debt shows that the debt liability was increasing for every block period.

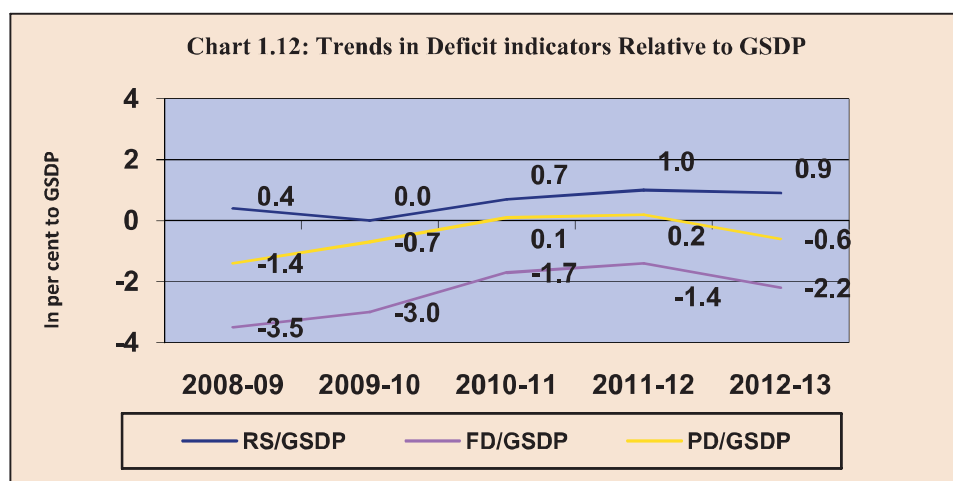
1.11 Fiscal Imbalances

Three key fiscal parameters-Revenue Deficit, Fiscal Deficit and Primary Deficit-indicate the extent of the overall fiscal imbalances in the finances of the State during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and resources raised are applied are important pointers to its fiscal health. This section presents the trends, nature, magnitude and the manner of financing of these deficits and also the assessment of actual levels of Revenue Deficit and Fiscal Deficits *vis-à-vis* the targets set under the FRBM Act and Rules for the financial year 2012-13.

1.11.1 Trends in deficits

Chart 1.11 and **1.12** present the trends of deficit indicators over the period 2008-13.





- The State had a Revenue Surplus during the period 2008-13, except a Revenue Deficit of ₹ 10 crore only in 2009-10. However, revenue surplus slightly decreased to ₹ 1370 crore in 2012-13 from ₹ 1428 crore in 2011-12.
- The State had achieved the target of reducing the Revenue Deficit to 'zero' by the end of 2008-09 as targeted in FRBM Act of the State and the TFC. However, Revenue Surplus to GSDP ratio was 0.87 *per cent* during 2012-13 against the target of 3.32 *per cent* exhibited in the MTFP due to non achievement of estimated revenue receipts (₹ 32,426 crore).
- The Fiscal Deficit of the State consistently decreased from ₹ 3144 crore in 2008-09 to ₹ 1924 crore in 2011-12, then increased to ₹ 3406 crore in 2012-13 due to less revenue receipts.
- The percentage of Fiscal Deficit to GSDP showed improvement as it decreased consistently from 3.5 *per cent* at the end of March 2009 to 1.4 *per cent* at the end of March 2012 which slightly increased to 2.2 *per cent* at the end of March 2013. The percentage of Fiscal Deficit to GSDP was nearly at par with the estimate of 2.15 *per cent* exhibited in the MTFP for the year 2012-13. However, it was within the TFC recommendation of three *per cent*.
- Primary Deficit showed wide fluctuation during 2008-13 mainly because of fluctuation in Revenue Deficit/Surplus. The Primary Deficit of ₹ 1227 crore in 2008-09 decreased to ₹ 704 crore in 2009-10 and turned into a Primary Surplus of ₹ 116 crore in 2010-11 and ₹ 343 crore in 2011-12 which further, turned into Primary Deficit of ₹ 1015 crore in 2012-13.
- The Primary Deficit was 0.65 *per cent* of GSDP against the MTFP target of 0.50 *per cent* for 2012-13.

1.11.2 Composition of Fiscal Deficit and its financing pattern

The financing pattern of the Fiscal Deficit has undergone a compositional shift as reflected in **Table 1.30**.

Table 1.30: Components of Fiscal Deficit and its financing pattern

(₹ in crore)

	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13		
Decomposition of Fiscal Deficit		3114	3011	2112	1924	3406		
1	Revenue Deficit/Surplus	336	(-)10	836	1428	1370		
2	Net Capital expenditure	3051	2703	2664	3159	4218		
3	Net Loans and Advances	399	298	284	193	558		
Financing Pattern of Fiscal Deficit*						Receipt	Disbursement	Net
1	Market Borrowings	1238	1674	198	785	3600	455	3145
2	Loans from GOI	(-)136	(-)133	(-)104	(-)122	239	139	100
3	Special Securities issued to NSSF	54	670	957	(-)73	221	421	(-)200
4	Loans from Financial Institutions	418	(-)32	96	442	1139	1169	(-)30
5	Small Savings, PF, etc.	200	273	104	70	668	646	22
6	Reserve Fund	(-)48	313	(-)223	(-)105	280	403	(-)123
7	Deposits and Advances	799	273	464	1030	8706	7416	1290
8	Suspense and Miscellaneous	208	132	(-)27	74	200	169	31
9	Remittances	(-)10	(-)39	6	(-)17	4643	4784	(-)141
10	Inter State Settlement	(-)146	0	0	(-)76	nil	(-)100	(-)100
11	Cash balance increase (+)/ Decrease(-)	(-)537	120	(-)641	117	117	705	588

*All these figures are net of disbursements/outflows during the year except for 2012-13

Source: Finance Accounts of Government of Jharkhand

During 2012-13, the Fiscal Deficit of ₹ 3406 crore was mainly met from Market Borrowings (₹ 3145 crore) and Deposits and Advances (₹ 1290 crore).

1.11.3 Quality of Deficit/Surplus

Ideally, the Revenue Receipts should cover the Revenue Expenditure (including interest payments) of the State. While Revenue Deficit is made up from the borrowings (Fiscal Deficit), the Revenue Surplus can be used for Capital Expenditure thereby reducing the borrowings. Further, if the Non-Debt receipts can meet the Primary Expenditure¹⁴, 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 enough to cover the incremental primary expenditure and incremental interest payments. The bifurcation of the Primary Deficit 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. Bifurcation of factors is given in Table 1.31.

Table 1.31: Primary Deficit/Surplus in the State- bifurcation of factors

(₹ 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)
2008-09	13232	10990	3051	418	14459	(+)2242	(-)1227
2009-10	15140	12821	2703	320	15844	(+)2319	(-)704
2010-11	18805	15717	2664	308	18689	(+)3088	(+)116
2011-12	22444	18725	3159	217	22101	(+)3719	(+)343
2012-13	24813	21009	4218	601	25828	(+)3804	(-)1015

Source: Finance Accounts of Government of Jharkhand

¹⁴ Expenditure on Revenue, Capital and Loans and Advances, but not interest payments

- During 2008-09 to 2012-13, the Non-Debt Receipts of the State increased from ₹ 13232 crore to ₹ 24813 crore against a corresponding higher increase in Primary Revenue Expenditure and Primary Expenditure. The Capital Expenditure fluctuated during 2008-13.
- During 2012-13 non-debt receipts of the State increased by 11 *per cent* while the primary expenditure during 2012-13 increased by 17 *per cent* which led to primary deficit during the year.

1.12 Market Borrowings of Government of Jharkhand

1.12.1 Introductory

Fiscal deficit represents the borrowing requirements of the Government during a year. The major divisions of borrowings are Internal Debt of the State Government and Loans & Advances from Central Government. The Internal Debt is divided into Market Loans and negotiated loans. Market borrowings are controlled by the Centre and managed by the Reserve Bank of India (RBI). States may not, without the consent of the Central Government, raise any loan if they are indebted to the Central Government (Article 293).

The ceiling for fiscal deficit (equal to borrowings) of the States is recommended by the Central Finance Commission (GOI). For the years 2008-09 and 2010-11, the limit was 3.5 *per cent* of GSDP, 4 *per cent* of GSDP for 2009-10 and 3 *per cent* of GSDP for 2011-12 & 2012-13. Accordingly, the State Government also fixed same limit in the State FRBM Act. The Act prescribed use of borrowings for generation of productive assets.

Planning Commission (GOI) approves the scheme of financing the Annual Plan and the borrowing requirement. Government also prepares estimates for receipts and repayments under Market loans in the State Budget. During 2008-13, the State Government raised all Market loans through auction by RBI having tenure of 10 years.

We conducted the review on Market Borrowings of Government of Jharkhand (GoJ) during May to June 2012 through test check of records of the Finance Department to examine whether the requirement of market borrowings was assessed efficiently and the borrowed funds were applied for creation of productive assets. An exit conference was held on 10 September 2013 with the Secretary, Finance Department, when the significant audit findings and overall debt sustainability indicators of the State were discussed.

1.12.2 Position of Market Borrowings in Jharkhand

Table 1.32 shows the amount of market loans raised during the years 2008-09 to 2012-13 and the amount outstanding at the end of the year.

Table 1.32: Position of Market Loans

(₹ in crore)

Year	Opening balance	Market loans raised	Total	Market loans repaid	Closing balance	Net Increase/ Decrease (per cent)
2008-09	4735.75	1486.00	6221.75	248.26	5973.49	+1237.74 (26.14)
2009-10	5973.49	1843.98	7817.47	170.20	7647.27	+1673.78 (28.02)
2010-11	7647.27	500.00	8147.27	302.03	7845.24	+197.97 (2.59)
2011-12	7845.24	1254.05	9099.29	468.73	8630.56	+785.32 (10.01)
2012-13	8630.56	3600.00	12230.56	454.98	11775.58	+3145.02(27.14)

Source: Finance Accounts 2008-13 and Finance Department, Govt. of Jharkhand

1.12.3 Debt sustainability indicators-total liabilities vis-à-vis market loans

The position of market borrowings vis-à-vis total liabilities and Public Debts in the State during the years 2008-09 to 2012-13 is in **Table 1.33**

Table 1.33: Debt sustainability-market loans vis-à-vis total liabilities

(₹ in crore)

Description	2008-09	2009-10	2010-11	2011-12	2012-13
Total Liabilities at the end of the year	24084.00	27165.00	28655.00	30664.00	34869.00
Growth rate of total liabilities(in per cent)	11.4	12.8	5.5	7.00	13.7
Total Public debt (Outstanding)	17568.15	19880.00	21131.39	22285.78	25201.58
Growth rate of Public Debt (in per cent)	10.78	13.16	6.29	5.46	13.08
Total Market loans (Outstanding)	5973.49	7647.27	7845.24	8630.56	11775.58
Growth of Market Borrowing	26.14	28.02	2.59	10.01	36.44
Percentage of market loans to total liabilities	24.80	28.15	27.37	28.14	33.77
Percentage of market loans to public debt	34.00	38.47	37.12	38.72	46.73
Interest paid on market loans	384.79	527.84	609.23	618.65	687.76
Interest payments to Revenue Receipts ratio	0.14	0.15	0.12	0.10	0.09
Average interest rate on market loans raised during the financial year	7.42	8.27	8.28	8.96	8.79
GSDP growth rate to Interest rate ratio	0.55	1.62	3.13	1.53	1.58
Revenue surplus/ deficit	(+) 336	(-) 10	(+) 836	(+) 1428	(+) 1370
Fiscal Deficit	(-) 3114	(-) 3011	(-) 2112	(-) 1924	(-) 3406
Percentage of fiscal deficit to GSDP	3.5	2.90	1.68	1.37	2.17
Percentage of total liabilities to GSDP	27.43	27.00	22.77	21.82	22.24
Percentage of Public Debt to GSDP	20.01	19.76	16.79	15.86	16.07
Outstanding guarantees	500.00	500.00	-	-	77.78
GSDP	87794	100621	125824	140558	156781
GSDP growth rate (in percentage)	4.6	14.6	25	11.7	11.5

Sources: Finance Accounts & Reports 2008-13, Finance Department, Govt. of Jharkhand

- The total liabilities to GSDP percentage decreased significantly from 27.43 per cent in 2008-09 to 21.82 per cent in 2011-12 and then marginally increased to 22.24 per cent in 2012-13. Similarly, percentage of total public debt to GSDP decreased from 20.01 in 2008-09 to 16.07 in 2012-13. Decline in the ratio was mainly due to higher growth in GSDP in comparison to total liabilities and Public Debt in absolute term.
- In comparison to total liabilities, market loans increased from 24.80 per cent in 2008-09 to 33.77 per cent in 2012-13, while ratio of market loans to total public debt increased from 34.00 per cent in 2008-09 to 46.73 per cent in 2012-13. This indicated more reliance of

the State Government on market borrowings to finance its fiscal deficit.

- The percentage of fiscal deficit to GSDP increased from 1.37 in 2011-12 to 2.17 in 2012-13 because of high growth of fiscal deficit during 2012-13 and decline in GSDP growth compared to the previous year.
- The average rate on market borrowings ranged between 7.42 *per cent* and 8.96 *per cent* during the period 2008-13, significantly higher than interest rate of Government of India Securities (14 days Treasury bills).
- The ratio of Interest Payments to Revenue Receipts has declined steadily from 0.14 in 2008-09 to 0.09 in 2012-13 which indicated improvement in debt sustainability and resources of the State.

1.12.4 Maturity trend of Market loans

The year wise position of maturity trend of market loans, outstanding as on 31 March 2013 for the period 2013-23 is given at **Table 1.34** below:

Table 1.34: Maturity trend of market loans

Maturity Year	Maturity Amount (₹ in crore)	As a per cent of outstanding market loans
2013-14	415	3.52
2014-15	462	3.92
2015-16	594	5.04
2016-17	428	3.63
2017-18	1192	10.12
Total (2013-18)	3091	26.25
2018-19	1486	12.62
2019-20	1844	15.66
2020-21	500	4.25
2021-22	1254	10.65
2022-23	3600	30.57
Total (2018-23)	8684	73.75
Total	11775	100.00

Source: Finance Accounts 2012-13

It was evident from the above that the redemption liabilities of market loans during the years 2013-18 would be ₹ 3091 crore (26 *per cent*) of the outstanding market loans. However, from the year 2018-19 onwards up to 2022-23 there will be increase in redemption pressure as ₹ 8684 crore (74 *per cent*) of outstanding market loans would required to be paid by the State. We further observed that repayment obligations of market loans of ₹ 523 crore was rolled over during 2008-10 by taking fresh loans of 10 year tenure.

1.12.5 Interest rate profile

Interest rate on market loan raised during 2008-13 is given in **Table 1.35**

Table 1.35: Interest rate profile

(₹ in crore)

Rate of interest (per cent)	Market loans raised during the year					Total
	2008-09	2009-10	2010-11	2011-12	2012-13	
Below 5	Nil	Nil	Nil	Nil	Nil	Nil
5-5.99	Nil	Nil	Nil	Nil	Nil	Nil
6-6.99	443.55	Nil	Nil	Nil	Nil	443.55
7-7.99	400.00	517.45	Nil	Nil	Nil	917.45
8-8.99	642.45	1326.53	500.00	500.00	3100.00	6068.98
9-9.99	Nil	Nil	Nil	754.05	500.00	1254.05
10-10.99	Nil	Nil	Nil	Nil	Nil	Nil
Total	1486.00	1843.98	500.00	1254.05	3600.00	8684.03
Average Interest Rate on market loans raised during the year	7.42	8.27	8.28	8.96	8.79	

Source: Finance Accounts 2008-13 and FD, Govt. of Jharkhand

It was seen from the above that the average interest rate of market loans raised during the year increased from 7.42 *per cent* in 2008-09 to 8.96 *per cent* in 2011-12 and marginally dipped to 8.79 *per cent* during 2012-13.

1.12.6 Market loans raised despite availability of sufficient cash balance

The XIII Finance commission recommended that States with large cash balances should make efforts towards utilising existing cash balance before resorting to fresh borrowings and follow the practice of borrowings on requirement rather than on availability. Further, the State assesses the cash requirements for a month/quarter on the basis of daily cash balance statement sent by CAS, Nagpur, RBI.

We observed that the GoJ borrowed market loans amounting to ₹ 2343.89 crore during the years 2009-10 and 2010-11 on five occasions at an average interest rate of 8.08 *per cent*. The amount was not immediately required, as the entire amount remained part of '14 days Treasury Bills' till the end of the concerned financial year except on 31 March. We observed that the minimum cash balances (invested in Treasury Bills) throughout the years 2009-10 and 2010-11 were ₹ 696.54 crore and ₹ 779.29 crore respectively, against the required minimum balance of ₹ 0.45 crore for the State. Thus, despite having sufficient cash balances Government raised market loans of ₹ 1843.98 crore¹⁵ and ₹ 500 crore¹⁶ during 2009-10 and 2010-11 respectively.

The Secretary, FD stated (October 2013) that the market borrowings were necessitated due to cash crunches in those years. Further, drawal was meant for the whole quarter or month in which drawn and not for the day on which drawn. Market borrowings cannot be resorted daily based on day to day requirement. The reply was not in order since the State drew the loans much

¹⁵ 17.4.2009: ₹ 517 crore, 5.8.2009: ₹ 474 crore, 9.9.2009: ₹ 600 crore and 30.10.2009: ₹ 252 crore

¹⁶ 12.5.2010: ₹ 500 crore

higher than the actual requirement of cash at any point of time during 2009-10 and there was no requirement of borrowing at all during 2010-11.

Further, we observed that Government earned interest at a rate of five *per cent* per annum while the State Government raised Market loans at higher average rate of 8.08 *per cent*. As a result, the State had to bear extra interest liabilities of 3.08 *per cent* in shape of interest amounting to ₹ 51.22 crore during the same period. Details are given in *Appendix 1.7*

1.12.7 Advance Indicative Calendar for Market borrowings

Reserve Bank of India advocated (June 2006) the adoption of Indicative Calendar for open market borrowings by the States so that the tentative amount and timing of the open Market borrowing programme of the State for the coming quarter of a financial year may be known in advance. It was concurred (August 2006) by the GoJ. Scrutiny revealed that GoJ did not prepare the Advance Indicative Calendar for open market borrowings based on cash requirements of the State during 2008-13, except in 2012-13. Even in 2012-13 actual market borrowings was in variation with the proposed advance indicative calendar. Details given in *Appendix 1.8*

1.12.8 Borrowings in excess of the amount approved by GOI

According to Article 293 of the Constitution, approval of GOI is required before raising the market loans by the State Government. The borrowings may be utilized as per object of the loans i.e. to provide support to the annual plan gaps approved in advance by the GOI.

Scrutiny revealed that during 2008-09, GOI accorded permission to borrow ₹ 1273 crore from open market in five phases to provide funds to GoJ. However, notifications were issued by the State and market loans raised for ₹ 1486 crore (from December 2008 to March 2009). We observed that based on GoI permission (10 February 2009) for raising loans of ₹ 322 crore, GoJ asked (27 February 2009) RBI to raise the loan amount. The GoJ however consented (04 March 2009) to RBI's willingness (02 March 2009) to raise ₹ 538.53 crore. RBI raised loans of ₹ 535 crore on March 12, 2009. Thus, the State acquired excess market loans amounting to ₹ 213 crore, which did not have GOI's consent under Article 293(3).

In reply, the Secretary, FD stated (October 2013) that market borrowings were necessitated due to cash crunch in 2008-09. The reply is not in order, since the minimum cash balance from 1 February to 11 March 2009 was ₹ 2030 crore (the amount was drawn on 12 March 2009). Besides, the minimum cash balance of the State from 12 March to 31 March 2009 was ₹ 974.58 crore, which indicated that the market loans raised in excess of the amount approved by GOI was not at all necessary. Even, drawal of the original sanctioned amount of ₹ 322 crore was not necessary.

1.12.9 System to watch utilisation of Market Borrowing

The Jharkhand FRBM Act, 2007 prescribed use of borrowings for generation of productive assets. The Government in each tranche of loan, notified the objective of raising of market loan as support to Annual Plan. We observed that no system was evolved for monitoring of utilization of the Market loans raised by the FD. As a result, utilisation/application of Market loans for the

intended objectives could not be ascertained. We observed that the amounts of capital expenditure (including loans disbursed) were higher than the net borrowings in all the years during the period 2008-13. The details of Capital Expenditure has already been discussed in para 1.6.1.1 above.

In reply, the Secretary, FD stated that the capital expenditure was commensurate with market borrowings and needs. Utilisation of Market loans could be ensured from the capital expenditure of the State, which was higher in comparison to Market loans.

Reply of the FD is not in consonance with the provision of Jharkhand FRBM Act and notifications issued by the State Government because it could not be ascertained whether productive assets were generated and which development schemes were financed out of market loans.

1.13 Follow up

Public Accounts Committee had discussed paragraph 2.3.5 (Excess over provisions relating to previous year) of the Audit Report on State Finances for the year 2009-10 during 2011 and 2012. Similarly, Paragraphs 2.4.3 (Expenditure without provision), 2.4.4 (Excess over provisions relating to previous year), 2.4.5 (Excess over provisions during 2010-11), 2.4.9 (Surrender in excess in actual savings) and 2.5.2 (Un-reconciled expenditure) of the Audit Report on State Finances 2010-11 were discussed in October 2012.

1.14 Conclusion

Review of fiscal situation

- The growth of GSDP during 2012-13 was 11.5 *per cent*, against the TFC norm of 14.5 *per cent* for the year.
- The State had a Revenue Surplus of ₹ 1370 crore during 2012-13. During the current year Fiscal Deficit increased to ₹ 3406 crore. It was 2.2 *per cent* of GSDP, well within the ceiling (3 *per cent*) recommended by the TFC.

Transfer of funds to State Implementing Agencies

- Due to direct transfer of GoI funds to the State Implementing Agencies outside the State Budget, the Annual Accounts do not provide a complete picture of the resources of the State.

Management of fiscal imbalances and resources mobilization

- While the Revenue Receipts (₹ 24,770 crore) of the State grew at 10.5 *per cent* during 2012-13 over previous year, these were less (by ₹ 7656 crore) than the Budget Estimate.

Capital expenditure

- The Capital Expenditure (CE) increased to ₹ 4218 crore in 2012-13 against ₹ 3159 crore in 2011-12. While, the CE in Education Sector

increased the CE in Health Sector decreased over the previous year. The State has given less priority to both Education and Health Sectors as compared to General Category States.

Review of Government investments

- The return in investment in Government Companies, Co-operatives, Banks and Societies etc. during 2012-13 was 7.99 *per cent* of total investment, which was less than the cost of borrowings (8.76 *percent*).

Fiscal Liabilities

- Fiscal Liabilities of the State (₹ 34,869 crore) grew at 14 *per cent* over the previous year. The Fiscal Liabilities were 22.2 *per cent* of GSDP better than the TFC recommendation of 28.7 *per cent* for the year. Government has not set up Sinking Fund for amortization of all loans.

Market Borrowings

- The share of market loans in total liabilities increased from 24.80 *per cent* in 2008-09 to 33.77 *per cent* in 2012-13. State raised loans despite having sufficient cash without assessing the immediate requirement of cash. Government did not have any mechanism to ensure use of borrowed funds for generation of development activities.

1.15 Recommendations

- Government may ensure achievement of its own fiscal targets projected in Mid Term Fiscal Plan.
- A system should be put in place to ensure proper accounting and monitoring the use of funds directly transferred by the Government of India to the State implementing agencies.
- Government should invest its high cost borrowed funds judiciously to get better returns.
- The State should set up Sinking Fund for amortization of loans.
- Open Market Borrowings should be need based rather than its availability. Market loans should be raised after utilization of the surplus cash and a mechanism may be evolved to ensure utilisation of the borrowed funds for generation of developmental activities.

Chapter-2

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

2.1.1 Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year, compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual Capital and Revenue Expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of budget. The Appropriation Accounts, thus, facilitate the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

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

2.2 Mechanism for Budget Management

As per Rule 52 of Bihar Budget Manual (as adopted by Jharkhand State), the Budget Estimates of the State are to be prepared in the form prescribed by the Finance Department. According to Rule 78 of the Manual, the estimates under each Major Head prepared by the Controlling Officers of the different departments are to be examined by the Finance Department and compiled for presentation of the first edition budget to the Government. Rules regarding control over expenditure are embodied in the Bihar Financial Rules (as adopted by Jharkhand). As per Rule 112 of the Budget Manual of the State, 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. Further, in order to meet new specific items of expenditure or to cover probable excesses in the voted grant, supplementary grants should be obtained in consultation with the Finance Department. We observed large savings and excesses over the grants during 2012-13, indicating deficiencies in budget management as discussed in the succeeding paragraphs.

2.3 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2012-13 against 60 grants/appropriations is as given in **Table 2.1**:

Table 2.1: Summarised position of actual expenditure *vis-à-vis* Original/Supplementary Provisions during 2012-13

(₹ in crore)						
	Nature of expenditure	Original/grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure*	Saving (-)/ Excess (+)
Voted	I Revenue	25310.32	1074.89	26385.21	20965.76	(-)5419.45
	II Capital	6856.83	149.20	7006.03	4245.12	(-)2760.91
	III Loans and Advances and Inter State Settlement	829.37	141.00	970.37	700.81	(-)269.56
	Total Voted	32996.52	1365.09	34361.61	25911.69	(-)8449.92
Charged	IV Revenue	2490.23	15.15	2505.38	2437.34	(-)68.04
	V Capital	0	0	0	0	0
	VI Public Debt-Repayment*	1627.05	0	1627.05	2183.06	(+)556.01
	Total Charged	4117.28	15.15	4132.43	4620.40	(+)487.97
	Grand Total	37113.80	1380.24	38494.04	30532.09	(-)7961.95

(Source: Appropriation Accounts of Government of Jharkhand 2012-13)

* The expenditure figures are gross without taking into account the recoveries adjusted in the accounts as reduction of revenue voted expenditure (₹ 3.23 crore) and capital voted expenditure (₹ 26.70 crore).

Note: Expenditure was overstated to the extent of ₹ 584 crore drawn on AC bills during 2012-13 against which DC bills were not submitted as on 30 June 2013.

During 2012-13, the overall savings of ₹ 7961.95 crore was the result of savings of ₹ 9225.13 crore (₹ 6191.00 crore in 53 grants and four appropriations under the Revenue Section and ₹ 3034.13 crore in 22 grants under the Capital Section), offset by excess of ₹ 1263.18 crore in three Grants and one Appropriation. The supplementary provision of ₹ 1380.24 crore was obtained though the actual expenditure was less (by 18 *per cent*) than the original grant.

The head-wise expenditure status was provided by the Accountant General (A&E), Jharkhand monthly to the State Government through Monthly Civil Accounts Statement and Monthly Appropriation Accounts. In spite of this, appropriate steps were not taken by the Government Departments to avoid large savings and excess expenditure over the grants. Out of 1260 sub-heads captured in Appropriation Accounts of Government of Jharkhand 2012-13, reasons for savings in 796 sub-heads and reasons for excesses in 195 sub-heads were not furnished by the departments.

2.4 Financial Accountability and Budget Management

2.4.1 Appropriations *vis-à-vis* Allocative Priorities

The outcome of appropriation audit revealed that in 38 cases (30 grants), savings aggregating ₹ 7969.92 crore exceeded by ₹ 10 crore or more in each case and also by 20 *per cent* or more of the total provision as detailed in **Appendix 2.1**. Against the total savings of ₹ 9225.13 crore, savings of ₹ 7866.77 crore (85 *per cent*)¹ occurred in 22 cases relating to 20 Grants as indicated in **Table 2.2**.

¹ Exceeding ₹ 100 crore in each case.

Table 2.2: List of Grants with savings of ₹ 100 crore and above

(₹ in crore)

Sl. No.	No. and name of the Grant/Appropriation	Original	Supplementary	Total	Actual expenditure	Savings
Revenue-Voted						
1	1-Agriculture and Sugarcane Development Department	604.29	106.44	710.73	446.48	264.25
2	18-Food, Public Distribution and Consumer Affairs Department	890.65	210.45	1101.10	793.20	307.90
3	20- Health, Medical Education and Family Welfare Department	1105.87	19.66	1125.53	799.40	326.13
4	22-Home Department	2487.24	19.82	2507.06	2374.90	132.16
5	26-Labour, Employment and Training Department	860.53	52.62	913.15	680.72	232.43
6	35-Planning and Development Department	679.05	0.19	679.24	84.86	594.38
7	39-Disaster Management Department	444.29	0.07	444.36	285.29	159.07
8	42-Rural Development Department	770.96	61.88	832.84	515.52	317.32
9	47-Transport Department	449.92	0.07	449.99	333.44	116.55
10	48-Urban Development Department	575.15	6.75	581.90	404.81	177.09
11	51-Welfare Department	765.94	50.55	816.49	566.23	250.26
12	56-Panchayati Raj and National Rural Employment Programme (Special Division) Department	1505.89	4.21	1510.10	1248.05	262.05
13	58-Secondary Education	702.94	22.54	725.48	487.10	238.38
14	59-Primary and Public Education	4592.65	63.39	4656.04	3162.76	1493.28
15	60-Social Welfare, Women and Child Development Department	1112.28	2.01	1114.29	812.22	302.07
Capital-Voted						
16	3-Building Construction Department	181.08	0.00	181.08	66.11	114.97
17	10- Energy Department	653.00	141.00	794.00	541.70	252.30
18	20- Health, Medical Education and Family Welfare Department	352.55	54.80	407.35	146.84	260.51
19	41- Road Construction Department	1639.45	34.00	1673.45	1498.90	174.55
20	48- Urban Development Department	689.92	0.00	689.92	198.93	490.99
21	49- Water Resources Department	1632.71	23.00	1655.71	422.86	1232.85
22	50-Minor Irrigation Department	356.09	6.10	362.19	194.91	167.28
Total		23052.45	879.55	23932.00	16065.23	7866.77

Source: Appropriation Accounts of Government of Jharkhand

Further, in 68 sub-head/schemes under the above Grants savings occurred (exceeding ₹ 20 crore and above in each case) aggregating ₹ 5386.36 crore (58 per cent of total savings). Details of savings along with reasons for savings exhibited in the Appropriation Accounts 2012-13 are given in **Appendix 2.2**.

Large savings may adversely affect implementation of the development programmes in the State.

2.4.2 Persistent savings

In 16 cases (15 departments), there were persistent savings of 10 *per cent* or more of the total grants in each case, during the last five years (Table 2.3).

Table 2.3: List of Grants indicating Persistent Savings during 2008-13

(₹ in crore)

Sl. No.	Number and name of the Grant	Amount of savings				
		2008-09	2009-10	2010-11	2011-12	2012-13
	Revenue-Voted					
1	1- Agriculture and Sugarcane Development Department	499.65(70)	178.10(44)	181.21(39)	228.82(35)	264.25(37)
2	2-Animal Husbandry Department	58.61(29)	54.21(27)	46.11(22)	31.52(23)	35.50(22)
3	17- Finance (Commercial Tax) Department	6.11 (20)	3.79 (11)	8.27 (17)	11.24 (18)	27.17 (38)
4	18- Food, Public Distribution and Consumer Affairs Department	34.17 (18)	98.68 (28)	84.27 (13)	168.00 (15)	307.90 (28)
5	19- Forest and Environment Department	40.34 (16)	61.60 (23)	68.35 (23)	52.20 (19)	48.17 (15)
6	20-Health, Medical Education & Family Welfare Department	184.31(23)	480.56(45)	178.41(21)	277.93(25)	326.13(53)
7	23- Industry Department	83.42(42)	73.27(32)	31.89(18)	157.41(45)	82.94(29)
8	26- Labour, Employment and Training Department	187.81 (25)	162.39 (23)	148.44 (19)	193.07 (23)	232.43 (25)
9	35- Planning and Development Department	129.49 (87)	72.02 (82)	14.00 (46)	291.78 (58)	594.38 (88)
10	40-Revenue and Land Reforms Department	32.11 (13)	47.00 (17)	27.94 (11)	79.15 (24)	77.17 (23)
11	43- Science & Technology Department	76.74(50)	66.06(59)	51.83(41)	40.29(42)	37.03(40)
12	49- Water Resources Department	17.52(09)	57.85(22)	30.98(13)	83.77(27)	92.55(29)
13	51- Welfare Department	219.46(23)	304.76(28)	208.83(16)	309.14(33)	250.26(31)
	Capital-Voted					
14	10- Energy Department	68.92 (17)	383.67 (61)	132.56 (32)	1130.05 (87)	252.30 (32)
15	41- Road Construction Department	88.05(14)	230.19(31)	146.70(18)	899.94(53)	174.55(10)
16	49- Water Resources Department	254.29(48)	277.49(56)	153.71(40)	714.70(78)	1232.85(74)

Source: Appropriation Accounts

(Figures in bracket indicate percentage of savings with respect to total grant)

It may be seen from the above table that large savings continued over the years indicating improper estimation under the Grants. Further, details of savings in some major schemes under five Departments performing Social and Economic Services recorded in the above table are discussed below:

Grant No. 1- Agriculture and Sugarcane Department

Large savings occurred under National Horticulture Mission Programme and Seeds Rural Programme undertaken for development of agriculture in the State as shown in the table below:

(₹ in crore)

Detail	2010-11		2011-12		2012-13	
	Budget	Savings	Budget	Savings	Budget	Savings
National Horticulture Mission Programme 2401-00-109-28- (P)	4.14	4.14 (100)	6.90	4.82 (70)	4.52	1.28 (28)
National Horticulture Mission Programme 2401-00-796-28- (P)	0.00	0.00	8.10	1.60 (20)	6.01	1.53 (26)
Detail	2010-11		2011-12		2012-13	
	Budget	Savings	Budget	Savings	Budget	Savings
National Horticulture Mission Programme 2401-00-109-28- (CSS)	23.46	22.06 (94)	39.10	39.10 (100)	20.63	20.63 (100)
National Horticulture Mission Programme 2401-00-796-28- (CSS)	27.54	27.29 (99)	45.90	45.90 (100)	27.54	27.54 (100)
Seeds Rural Programme 2401-00-796-49- (CPS)	11.00	5.38 (49)	2.97	2.93 (99)	7.70	6.55 (85)
Seeds Rural Programme 2401-00-800-49- (P)	9.00	4.68 (52)	2.53	2.34 (93)	7.15	5.90 (82)

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

Source: Appropriation Accounts 2010-11, 2011-12, 2012-13.

In 16 out of 18 cases in last three years, reasons for saving were not intimated by the Department. However, in 2011-12 saving occurred under '2401-00-796-28-National Horticulture Mission Programme' due to non-release of funds by the Government of India (GOI).

Grant No. 10- Energy Department

Significant savings occurred in Rural Electrification Programme under Rajiv Gandhi Gramin Vidyutikaran Yojna, Credit to Jharkhand State Electricity Board under Re-structured APDRP and Loans to JSEB for Production. Details are given in the table below:

(₹ in crore)

Details	2010-11		2011-12		2012-13	
	Budget	Savings	Budget	Savings	Budget	Savings
Rajiv Gandhi Gramin Vidyutikaran Yojna 2801-01-789-02 (P)	13.35	7.29 (55)	9.90	9.90 (100)	6.00	4.85 (81)
Rajiv Gandhi Gramin Vidyutikaran Yojna 2801-01-796-02 (P)	43.47	23.73 (55)	38.50	38.50 (100)	13.00	10.51 (81)
Rajiv Gandhi Gramin Vidyutikaran Yojna 2801-01-800-02 (P)	51.18	27.95 (55)	61.60	61.60 (100)	31.00	25.08 (81)
Credit to Jharkhand State Electricity Board under Re-structured APDRP 6801-00-789-01 (CSS)	4.20	4.20 (100)	5.85	2.50 (43)	18.60	15.26 (82)
Credit to Jharkhand State Electricity Board under Re-structured A.P.D.R.P. 6801-00-796-01 (P)	13.68	13.68 (100)	22.75	9.70 (43)	40.30	33.06 (82)
Credit to Jharkhand State Electricity Board under Re-structured A.P.D.R.P. 6801-00-800-01 (CSS)	16.11	16.11 (100)	36.40	15.54 (43)	96.10	78.83 (82)
Loans to JSEB for Production 6801-00-800-05 (P)	90.00	40.00 (44)	150.00	150.00 (100)	108.00	108.00 (100)

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

Source: Appropriation Accounts 2010-11, 2011-12, 2012-13.

In six cases (out of 21), reasons for saving were not intimated. However, reasons for savings under head '6801-00-800-05-Loans to Jharkhand State Electricity Board for production' during 2011-12 and 2012-13 was reported as non-receipt of proposal from JSEB and non-receipt of investigation report of Subernarekha Hydro Electric Project respectively.

Grant No. 20- Health, Medical Education and Family Welfare

Significant savings occurred in Health Sub-Centres scheme, as shown below:

(₹ in crore)

Detail	2010-11		2011-12		2012-13	
	Budget	Savings	Budget	Savings	Budget	Savings
Health Sub-Centres 2211-00-101-01- (CPS)	149.98	102.26 (68)	170.80	125.56 (74)	193.64	141.55 (73)

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

Source: Appropriation Accounts 2010-11, 2011-12, 2012-13.

The reasons for savings in the above cases were reported as less sanction of funds by the Government of India.

Grant No. 49 Water Resources Department

Significant savings were noticed in Subernarekha Project (under AIBP) during 2011-12 and 2012-13. Details are given in the table below:

(₹ in crore)

Detail	2011-12		2012-13	
	Budget	Savings	Budget	Savings
Subernarekha Project (AIBP) 4700-80-789-09	30.00	7.81 (26)	48.78	26.07 (53)
Subernarekha Project (AIBP) 4700-80-796-09	30.00	16.35 (54)	70.00	19.06 (27)
Subernarekha Project (AIBP) 4700-80-796-10	300.00	241.07 (80)	600.00	424.95 (71)

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

Source: Appropriation Accounts 2011-12, 2012-13.

No reason was furnished for the above savings.

Grant No. 51 Welfare Department

Significant savings occurred in Development Programmes for Primitive Tribes and Administration of Micro Economic Social Organisation (MESO) Project. Details are given in the table below:

(₹ in crore)

Detail	2010-11		2011-12		2012-13	
	Budget	Savings	Budget	Savings	Budget	Savings
2225-02-796-04- Development Programmes for Primitive Tribes (CPS)	59.76	49.92 (84)	71.32	71.32 (100)	71.32	64.42 (90)
2225-02-796-17- Administration of MESO Project	7.50	3.17 (42)	7.50	2.33 (31)	14.11	12.17 (86)

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

Source: Appropriation Accounts 2010-11, 2011-12, 2012-13.

During 2010-11 and 2012-13 reasons for savings under Development Programmes for Tribes were intimated as non-release of funds by the Central Government. An excess provision of fund and provision in wrong sub head were stated to be the reasons for savings under MESO project during 2010-11 and 2012-13 respectively. No reason was given for savings in the above heads during 2011-12.

2.4.3 Advances from Contingency Fund

The Contingency Fund of the State was established under Section 4 of Jharkhand Contingency Fund Act 2001 in terms of the provisions of Article 267(2) and 283 (2) of the Constitution of India. Advances from the Fund are to be given only for meeting expenditure of unforeseen and emergent character,

postponement of which, till authorisation by the Legislature, would be undesirable. Review of relevant records revealed that the advances from Contingency Fund were made to meet expenditure which was neither unforeseen nor of emergent nature. The corpus of the fund in the State is ₹ 150 crore. On 33 occasions ₹ 231.21 crore was withdrawn during 2012-13. However, the total withdrawal from the fund during 2012-13 was recouped during the year. Details of some cases are given in the **Table 2.4** below:

Table 2.4: Expenditure from Contingency Fund of the State

Sl. No.	Head of account	Detail of work	Amount of Advance (₹ in lakh)
1	2052-00-090-24	Purchase of Car for Chief Minister	26.50
2	2052-00-090-25	Leave Travel Concession	12.00
3	2013-00-105-02	Discretionary Grants to Ministers	18.00
3	2013-00-101-01	Purchase of Car	5.77
4	2049-01-200-02	Payment of interest on loans from NABARD	1400.00
5	2203-00-001-01	Purchase of Car	7.69
6	2801-80-101-12	Grants-in-aid to JSEB	10000.00
Total			11469.96

The above mentioned expenditure does not meet the criteria for drawal from Contingency Fund as these expenditure are not of an unforeseen or of an emergent character. Thus, these should have been postponed till authorisation by the Legislature of the State.

2.4.4 Excess over provisions during 2012-13 requiring regularisation

As per 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.

Table 2.5 contains the summary of total excess in one appropriation and two grants amounting to ₹ 1263.18 crore over and above authorisation from the Consolidated Fund of the State by the State Legislature during 2012-13, which requires regularisation under Article 205 of the Constitution:

Table 2.5: Excess over provisions during 2012-13 requiring regularisation

(₹ in crore)				
Sl. No.	Number and name of grant/appropriation	Total grant / appropriation	Expenditure	Excess
Charged Appropriation				
1	14-Repayment of Loans	1627.05	2183.06	556.01
Voted Grant				
1	7-Vigilance	11.48	11.55	0.07
2	15-Pension	2227.75	2931.19	703.44
3	42-Rural Development Department	478.42	482.08	3.66
Total		4344.70	5607.88	1263.18

Source: Appropriation Accounts of Government of Jharkhand 2012-13

Excess expenditure in the above grants amounting to ₹ 1263.18 crore, was incurred in excess of budget provision under different sub-heads of the grants.

2.4.5 Excess over provisions relating to previous years requiring regularisation

Excess expenditure over provisions, amounting to ₹ 8540.79 crore for the years 2001-02 to 2011-12, was still to be regularised under Article 205 of the Constitution as detailed in *Appendix 2.3*. The year-wise amount of excess expenditure pending regularisation for grants/appropriations is summarised in **Table 2.6**. Non-regularisation of the excess over grants/appropriations over the years is a breach of legislative control over appropriations.

Table 2.6: Excess relating to previous years requiring regularisation

(₹ in crore)

Year	Number of the		Amount of excess over provision
	Grant	Appropriation	
2001-02	3, 25, 32		0.04
2002-03	10, 32	13, 14	1241.49
2003-04	10, 39, 46	13, 14	937.25
2004-05	23, 39, 40	13, 14	576.07
2005-06	10, 29	13	3121.47
2006-07	38	13, 14	1245.87
2007-08	15	14	334.44
2008-09	12	14	228.89
2009-10		14	116.71
2010-11		13, 15, 32	318.40
2011-12	15, 25	14	420.16
Total			8540.79

Source: Appropriation Accounts of Government of Jharkhand

2.4.6 Avoidable/excessive Supplementary Provision

Supplementary provisions aggregating ₹ 1082.11 crore obtained in 47 cases (₹ 10 lakh or more in each case) during the year proved unnecessary as the expenditure did not come up even to the level of the original provisions as detailed in *Appendix 2.4*. In all these cases, it was noticed that the original allotment provided under some sub-heads were not exhausted and huge savings occurred under these sub-heads.

2.4.7 Excessive/insufficient re-appropriation of funds

Re-appropriation is the transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation under 18 sub-heads during 2012-13 as detailed in *Appendix 2.5* proved excessive or insufficient. Under eight schemes/sub-heads, additional funds of ₹ 20.30 crore were provided through re-appropriation leading to savings of ₹ 22.94 crore under the same while in six schemes/sub-heads ₹ 1.47 crore were re-appropriated to other schemes/ sub-heads resulting in excess expenditure of ₹ 2.29 crore in those schemes. It was also noticed that ₹ 16.92 crore were re-appropriated to four schemes/sub-heads which was proved insufficient considering the excess expenditure of ₹ 1.50 crore under those schemes.

2.4.8 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.

Out of total savings of ₹ 9225.13 crore during 2012-13 significant savings (₹ one crore and above in each grant/ appropriation) aggregating to ₹ 7581.47 crore occurred under 27 grants/ appropriations. Of these, a total of ₹ 1496.77 crore (20 *per cent* of the total savings) were not surrendered, details of which are given in *Appendix 2.6*.

Besides, in 123 cases, where the surrender of funds was in excess of ₹ 10 crore each, ₹ 4479.51 crore was surrendered on the last two working days of March 2013 (*Appendix 2.7*), leaving no scope for utilisation of these funds for other developmental purposes. This indicated poor financial control.

2.5 Rush of expenditure

According to Rule 113 of the Budget Manual, rush of expenditure in the closing month of the financial year should be avoided. Uniform flow of expenditure is essential to ensure that the primary requirement of budgetary control is maintained. However, in respect of 18 heads of accounts listed in *Appendix 2.8*, expenditure (exceeding ₹ 20 crore in each case) incurred in the last quarter and in the last month of 2012-13 was more than 50 *per cent* of the total expenditure of the year.

It was noticed that entire expenditure during the year under the Major Heads '2810- Non-Conventional Sources of Energy' for New and Renewable Energy' and '3075- Transport' for 'Subsidy to Railways towards Dividend Relief & Other Contingencies' under 'Tribal Area Sub-Plan' was incurred in the month of March 2013.

2.6 Non-reconciliation of Departmental figures

Though non-reconciliation of departmental figures by Controlling Officers (COs) with the books of the Accountant General (A&E) was pointed out regularly in our Audit Reports, the irregularities continued to persist during 2012-13. It was noticed that against the total receipts of ₹ 30,011.67 crore during 2012-13, a total amount of ₹ 14,641.32 crore (48.78 *per cent*) was not reconciled by 73 COs. Similarly, out of total expenditure of ₹ 30,502.17 crore during the year 2012-13, an expenditure of ₹ 23,400.20 crore (76.71 *per cent*) was not reconciled by 73 COs with the books of the Accountant General (A&E), Jharkhand. Un-reconciled expenditure exceeding ₹ 10 crore or more in each case aggregating to ₹ 17051.81 crore during 2012-13, is given in *Appendix 2.9*.

Due to non-reconciliation of departmental figures with the books of the Accountant General (A&E) chances of misclassification of expenditure and receipts could not be ruled out.

2.7 Deficiencies in Budgetary Controls in Grant No.1 Agriculture and Sugarcane Development Department

A review of Budgetary process of Grant No. I- Agriculture and Sugarcane Development Department for the year 2012-13 was conducted. This Grant contains six² Revenue Major Heads of Accounts and one³ Capital Major head. Important observations are summarised as below:

² Major Head - 2401, 2402, 2415, 2435, 3451 & 3475

³ Major Head - 4401

➤ Non adherence to budgetary process

As per Finance Department (FD) instructions (18 November 2011), the Agriculture and Sugarcane Development Department (Department) has to send a copy of the Budget Estimates (BE) and Comprehensive Outlay of Budget Transaction (COBT) for the year 2012-13 to the FD by 24 December 2011. We observed that the BE and the COBT for Plan expenditure were submitted to FD on 04 February 2012. Thus, the Department did not adhere to the submission schedule.

On being asked during audit, the Directorate did not furnish information about receipt of the required inputs from the field offices and the basis for preparation of the estimates. Further, during test check of records of District Agriculture Office (DAO), Ranchi, we observed that the Plan Budget Estimates for 2012-13 was not prepared by that office. The DAO stated (19 July 2013) that Plan budget estimate was not demanded from them. Thus, it is evident that the Plan budget estimates prepared at the Directorate did not cover inputs from all the field units.

➤ Inflated budget provisions

We observed that out of total budget provision of ₹ 718.73 crore⁴ for the year 2012-13, an expenditure of ₹ 454.48 crore⁵ (63 per cent) was incurred by the Department. Out of total savings of ₹ 264.25 crore⁶, ₹ 19.95 crore was lapsed and ₹ 249.76 crore was surrendered.

We also observed that the Department had persistent savings of ₹ 180.61 crore, ₹ 182.41 crore and ₹ 229.82 crore respectively during the years 2009-10, 2010-11 and 2011-12.

On this being pointed out (August 2013), the Department stated (September 2013) that Plan expenditure of ₹ 349.65 crore was reported against revised outlay of ₹ 446.47 crore during 2012-13. While the reply indicated much difference between estimates and the actual expenditure, the Department was silent about estimates of Non-Plan expenditure.

➤ Avoidable/Irregular Budget Provision

- Analysis of Appropriation Accounts 2012-13 revealed that entire budget provisions aggregating to ₹ 100 crore made under 20 sub heads (out of 124) remained unutilised (**Appendix 2.10**) and were entirely surrendered. Funds for Central Schemes viz. National Horticulture Mission, Extension Reforms and Scheme for Micro Irrigation are directly provided by GOI through RTGS (a system of electronic transfer of fund) to the State implementing agencies. We observed that during 2012-13 provision of ₹ 76.68 crore under these three Schemes was made in the Budget as shown below.

⁴ Revenue: ₹ 710.73 Cr., Capital: ₹ 8.00 Cr.

⁵ Revenue: ₹ 446.48 Cr., Capital: ₹ 8.00 Cr.

⁶ Including excess expenditure amounting (-) ₹ 5.46 crore.

(₹ in crore)

Scheme	Major head/ Minor-Head	Budget Provision
National Horticulture Mission Programme	2401-Crop Husbandary/00/109-Extension & Farmers Training / 28- National Horticulture Mission Programme	20.63
	2401-Crop Husbandary/00/796-Tribal Area Sub-Plan/ 28- National Horticulture Mission Programme	27.54
Extension Reforms	2401-Crop Husbandary/00/796-Tribal Area Sub-Plan/ 19- Extension Reforms	22.50
Scheme for Micro Irrigation	2401-Crop Husbandary/00/109-Extension & Farmers Training /29-Scheme for Micro Irrigation	2.61
	2401-Crop Husbandary/00/796-Tribal Area Sub-Plan /29-Scheme for Micro Irrigation	3.40
Total		76.68

Since, funds were subsequently provided directly by GOI to the three⁷ State implementing agencies, funds provided in the State Budget remained unutilized during the year leading to savings of ₹ 76.68 crore. The entire saving was surrendered on 31 March 2013.

- Test check of records of DAO, Ranchi revealed that ₹ 61.68 lakh was provided to DAO, Ranchi during 2012-13 for meeting the differential amount on account of revision of purchase rate (of previous year) of certified paddy seeds. We observed that the entire amount was surrendered on the 31 March 2013. The DAO stated that out of ₹ 448.62 lakh provided in the previous year 2011-12, a sum of ₹ 197.78 lakh only was spent on purchase of certified paddy seeds. Thus, no demand was raised for the year 2012-13.

➤ Avoidable supplementary provision

Supplementary provision of ₹ 9.70 crore was made under 15 sub heads, though savings of ₹ 36.27 crore occurred under those sub heads during the year (*Appendix 2.11*). Thus, entire supplementary provision under these 15 sub heads remained unutilized.

➤ Surrender on last day of the financial year

A sum of ₹ 229.01crore⁸ was surrendered by the Department on the last day of the financial year leaving no scope to utilise the fund on other schemes by the Government.

➤ Excess expenditure over budgetary provision

As per Rule 138 of Bihar Budget Manual (as adopted by Jharkhand State), excess expenditure should be strictly avoided.

We observed that excess expenditure of ₹ 5.47 crore occurred under 31 sub-heads (out 124 in Grant No. 1) under major heads 2401, 2402, 2415 and 3451 (*Appendix 2.12*) indicating defective control over expenditure.

➤ Rush of expenditure

Out of total expenditure of ₹ 454.48 crore, expenditure of ₹ 244.68 crore (53.84 per cent) was incurred in the month of March 2013. In 60 sub-heads (out of 124) more than 60 per cent expenditure was incurred in the month of March 2013. Huge expenditure in the last month of the year was contrary to the provisions of Rule 113 of Budget manual.

⁷ 1. Director, National Horticulture Mission, Ranchi, 2. Director, State Agricultural Management & Extension Training Institute, Ranchi and 3. Regional Nodal Officer, National Micro Irrigation Mission, Ranchi.

⁸ State Plan: ₹95.20 cr., State non-plan: ₹16.89 cr. and Central Share: ₹116.92 cr.

➤ **Irregular drawal of fund**

It was observed from the records of DAO, Ranchi that ₹ 15.15 lakh provided to the DAO under head 2401-00-796-49 (Seeds Rural Programme). The amount was drawn on 31 March 2013 for purchase of Seed processing machinery and kept in the current account of the DAO. The Seed Processing Building in which the machine was to be installed was not constructed as of July 2013.

Drawal of funds without immediate requirement was against the provisions of State Financial Rules which was done to avoid the lapse of fund.

On being pointed out in July 2013, the DAO, Ranchi stated (July 2013) that the amount will be deposited in the Treasury.

➤ **Non-submission of DC bills**

We observed that ₹ 34.08 crore was drawn by 34 DDOs through 60 AC bills during 2012-13 against which DC bills amounting to ₹ 6.11 crore (18 *per cent*) was submitted leading to 57 AC bills of ₹ 27.97 crore (82 *per cent*) remaining outstanding as of June 2013 (*Appendix 2.13*).

Non-submission of DC bills on time for such a huge amount was against the rules/provisions of the State. Further, chances of misutilisation of Government money could not be ruled out. Due to outstanding AC bills the expenditure of the department for the year was overstated to that extent.

2.8 Conclusion

There were large savings of ₹ 9225.13 crore during 2012-13 indicating improper budget estimation. Large savings under various schemes/ sub-heads may adversely affect the implementation of development programmes in the State. Persistent savings for the last five years were also noticed in 15 departments performing Social Services and Economic Services.

Excess expenditure of ₹ 1263.18 crore was incurred over provisions during 2012-13, which requires regularisation under Article 205 of the Constitution of India. Besides, excess expenditure occurred during 2001-2012 was still to be regularised.

The Controlling Officers did not reconcile the expenditure and receipts of the departments with the books of the Accountant General (A&E), Jharkhand during 2012-13.

The Agriculture & Sugarcane Development Department was not following the provisions of the Budget Manual leading to lack of budgetary control in the Department.

2.9 Recommendation

- The budgetary control mechanism should be strengthened in the Government Departments to avoid huge savings, especially where savings occurred persistently and to avoid taking supplementary grants, which remain unutilised.
- Regularisation of excess expenditure in the current year and as well as that occurred in the previous years should be given priority.
- Controlling officers should reconcile their expenditure and receipts figures every month with those in the books of the Accountant General (A&E).
- The Agriculture & Sugarcane Development Department should adhere to the provisions of the Budget Manual by adopting budget monitoring system in the Department.

Chapter-3

FINANCIAL REPORTING

A sound internal financial reporting system and the availability of relevant and reliable information significantly contribute to efficient and effective governance by a State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliances is thus one of the attributes of good governance. The reports on compliance and controls, if effective and operational, assist the State Government in meeting its basic stewardship responsibilities, including strategic planning and decision making. This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the year 2012-13.

3.1 Delay in furnishing Utilisation Certificates against grants paid

According to Rule 341 of the Bihar Financial Rules (as adopted by Jharkhand), unless in any case the Government directs otherwise, every order sanctioning a grant should specify clearly the object for which it is given and the conditions, if any, attached to the grant. According to Note 2 below Rule 342 of the Rules, if Grants-in-aids (GIA) are provided during a year for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees and after verification these should be forwarded to the Accountant General (A&E), Jharkhand within 12 months from the date of their sanction.

It was noticed that 4299 UCs due in respect of grants aggregating ₹ 4640.48 crore paid up to 31 March 2012, were outstanding as on 30 June 2013 as shown in **Table 3.1**. A major part of such UCs was outstanding against four Departments, viz. Urban Development Department (2905 UCs aggregating ₹ 1070.10 crore), Industries (82 UCs aggregating ₹ 575.68 crore), Human Resources Development Department (47 UCs aggregating ₹ 252.95 crore) and Co-operative Department (100 UCs aggregating ₹ 157.03 crore). The Department-wise break-up of outstanding UCs is given in **Appendix 3.1**.

Table 3.1: Outstanding Utilisation Certificates (as on 30.06.2012)

Year in which GIA disbursed	Year in which UCs due	Utilisation Certificates Outstanding	
		Number	Amount (₹ in crore)
Up to 2008-09	Up to 2009-10	1342	1061.66
2009-10	2010-11	997	675.48
2010-11	2011-12	1080	1349.00
2011-12	2012-13	880	1554.34
Total Number of UCs awaited		4299	4640.48

Source: Finance Accounts of Government of Jharkhand 2012-13

Non-receipt of UCs for huge amounts indicates failure of the departmental officers to comply with the rules and procedures to ensure timely utilisation of the grants for the intended purposes.

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

In order to identify institutions/organisations which attract audit under Section 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971 (C&AG's DPC Act), the Government/Heads of Departments are required to furnish to Audit every year the detailed information about the financial assistance given to various institutions, the purpose for which the assistance is granted and the total expenditure of the institutions. Further, Regulations on Audit and Accounts 2007 provides that Governments and heads of departments which sanction grants and / or loans to bodies or authorities shall furnish to the Audit Office by the end of July every year a statement of such bodies and authorities to which grants and/or loans aggregating ₹ 10 lakh or more were paid during the preceding year indicating (a) the amount of assistance (b) the purpose for which the assistance was sanctioned and (c) the total expenditure of the body or authority. As of August 2013, no department of the Government had furnished such details for the year 2012-13. However, 85 bodies/authorities in the State which attract audit under section 14 and 15 of C&AG's (DPC) Act 1971 have been identified by Audit on the basis of information gathered from the Annual Accounts of the State, of which audit of 67 authorities/bodies have been conducted for various periods (accounts of 37 bodies audited up to 2011-12), as shown in *Appendix 3.2*.

Due to non submission of information about the financial assistance given by the Government, the purpose of assistance granted and the total expenditure of such bodies/authorities, it was not possible to provide assurance to Legislature/Government about the manner in which the grants sanctioned/paid by them has been utilised. This dilutes control in Government expenditure systems.

3.2.2 Audit under section 19 of CAG's (DPC) Act, 1971

There are three Autonomous Bodies¹ in the State which are to be audited under Sections 19 (3) of the C&AG's (DPC) Act, with regard to verification of

¹ (i) Jharkhand State Legal Services Authority (JHALSA) including District Legal Services Authority (DLSA) (ii) Jharkhand State Electricity Regulatory Commission (JSERC) (iii) Rajendra Institute of Medical Sciences (RIMS).

their transactions, operational activities and accounts, conducting compliance audit of transactions, review of internal management and financial controls, review of systems and procedures, etc.

Separate Audit Report (SAR) of Jharkhand State Legal Services Authority (JHALSA) including 22 District Legal Services Authority (DLSA) for the year 2008-09 was issued on 08 April 2013. Its placement in Legislature had not been intimated. Accounts of 2009-10 and 2010-11 were audited and Draft SAR was issued to Member Secretary, JHALSA in September 2013. Finalisation of the draft SAR based on replies received (October 2013) is in progress (November 2013). Accounts for the years 2011-12 and 2012-13 have not been received (November 2013).

The audit of Accounts of Jharkhand State Electricity Regularity Commission (JSERC) has been completed and SAR has been issued up to 2011-12. However, status of placement of the same for the years 2003-04 to 2011-12 before State Legislature has not been intimated as of November 2013. The accounts for 2012-13 have not been received (November 2013).

Rajendra Institute of Medical Sciences (RIMS) Act was enacted in the year 2002. As per article 22 of the Act the audit of RIMS is to be conducted by the Principal Accountant General (Audit), Jharkhand. Accordingly, the audit of accounts of RIMS was entrusted to Principal Accountant General (Audit) under section 19 (3) of the CAG's DPC Act, 1971 which was accepted by the Principal Accountant General (Audit) in October 2009. However, inspite of active persuasion annual accounts have not been submitted to Audit as of November 2013.

3.3 Pendency in submission of Detailed Countersigned Contingency Bills against Abstract Contingency Bills

As per Rule 318 and Form-38 of the Jharkhand Treasury Code Volume-I & II, every drawing officer has to certify in each Abstract Contingency (AC) bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective controlling officers for countersignature and their onward transmission to the Accountant General (A&E), Jharkhand, Ranchi. The total amount for which Detailed Contingency (DC) bills were received was ₹ 9225 crore against the total value of AC bills of ₹ 14468 crore drawn during 2000-13, leading to an outstanding balance of DC bills worth ₹ 5243 crore as on 11 November 2013. Year-wise details are given in **Table 3.2**.

Table 3.2: Pendency in submission of Detailed Countersigned Contingency Bills against Abstract Contingency Bills

(₹ in crore)

Year	No. of AC bills	Amount of AC bills	No. of DC bills submitted	Amount of DC bills	DC bills as percentage of AC bills	No. of Outstanding AC bills	Outstanding amount of DC bills
Upto 2010-11	52473	11943	29100	7720	65	23373	4223
2011-12	1052	1600	282	1164	73	770	436
2012-13	544	925	104	341	37	440	584
Total	54069	14468	29486	9225	64	24583	5243

As given in **Table 3.2**, the amount for which DC bills were received against the total AC bills drawn during 2000-13 was 64 *per cent* up to 11 November 2013. Major defaulting departments were Rural Development Department (₹ 1237 crore), Human Resource Development Department (₹ 534 crore), Welfare Department (₹ 760 crore) and Health, Medical Education and Family Welfare Department (₹ 399 crore). Submission of DC bills was only 37 *per cent* of the amount drawn in AC bills during 2012-13, as compared to 73 *per cent* for the previous year. Due to non-submission of DC bills, the expenditure of the State during the respective year was overstated to the extent of the advance drawn on AC bills.

3.4 Reporting of cases on misappropriation, losses, etc.

Rule 31 of the Bihar Financial Rules, as adopted by Jharkhand, 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 Principal 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; they must not be delayed while enquiries are made.

In reply to the audit request (June 2013) for providing information in this regard, the Finance Department wrote a letter in July 2013 to all departments which in turn directed the DDOs for providing such information to Audit. In this regard 18 DDOs sent 'nil' report to Principal Accountant General (Audit), Jharkhand and one DDO (Block Development Officer, Kudu) reported misappropriation of ₹ 21.90 lakh (₹ 1.50 lakh occurred in 2008 and ₹ 20.40 lakh occurred in 2010). The cases were pending in the courts of law.

3.5 Funds drawn and kept in bank account and PL Account

As per rule 300 of Jharkhand Treasury Code money should not be withdrawn from Treasury unless it is required for immediate payment. It is not permissible to draw advances, in anticipation of demands, from the treasury for prosecution of works, the completion of which is likely to take a considerable time to prevent lapse of appropriation. Further, financial rules prohibit keeping of Government money outside Government accounts.

- i) It was noticed that ₹ 209.23 crore was drawn in Abstract Contingency (AC) bills and Fully Vouched Contingent bills without any sub-vouchers on last three working days of March 2013 and kept in bank accounts. Detailed contingent bills (DC) in adjustment of these drawals in AC bills and sub-vouchers in support of Fully Vouched Contingent bills have not been received by the Accountant General (A&E) as of June 2013 from the concerned departments. Major defaulters were the Departments of Rural Development (₹ 102.22 crore), Agriculture (₹ 21.72 crore), Human Resource Development (₹ 16.03 crore), Home (₹ 8.32 crore) and Health and Family Welfare (₹ 6.28 crore).
- ii) 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 Civil Deposit for the year 2012-13 revealed that there were 95 Personal Ledger Accounts of the State.
The closing balances under the PL Accounts were continuously increasing during the last three years, as shown in **Table 3.3**:

Table 3.3: Funds of Personal Ledger Accounts

(₹ in crore)

Year	Opening balance	Receipts	Disbursement	Closing Balance
2010-11	1457.58	1940.34	1670.78	1727.14
2011-12	1727.14	2248.95	1782.95	2193.14
2012-13	2193.14	3110.78	2349.49	2954.43

Thus, drawal of government money to prevent it from being lapsed and keeping it in bank account/PL Accounts for its expenditure in the years other than in which it was provided in the budget with the approval of Legislature not only violated the Financial Rules but also led to the failure of budgetary control of the State. Moreover, misutilisation of the money kept in bank could not be ruled out.

3.6 Outstanding Certificate of Administrative Audit of Secret Services expenditure

As per provisions in Appendix-5 of Annexure-A of Bihar Financial Rules, as adopted by Jharkhand State, for officer authorised to incur secret service expenditure Government will nominate a controlling officer who should conduct at least once in every financial year, an administrative audit of the expenditure incurred and furnish a certificate to the Accountant General in prescribed format not later than the 31 August, following the year to which it relates.

It was observed from the records of A.G. (A&E) that during 2005-06 to 2011-12, Director General and Inspector General of Police spent ₹ 21.70 crore under secret services, against which certificate of ₹ 6.40 crore pertaining to 2009-10 to 2011-12 was received in the office of the Accountant General (A&E) while, certificate of ₹ 15.30 crore pertaining to the years 2005-06 (₹ 8.30 crore), 2007-08 (₹ 4.50 crore) and 2008-09 (₹ 2.50 crore) remained outstanding as of October 2013. Even after regular correspondence made by the Accountant General (A&E) in this regard, the certificate was not provided by the concerned officers. Hence, the veracity of expenditure of ₹ 15.30 crore could not be ascertained.

3.7 Conclusion

Utilisation certificates of grants-in-aid amounting to ₹ 4640.48 crore were not submitted by the State institutions/bodies, which restricted the State Government from taking appropriate steps required for ensuring accountability and improving efficiency of operations.

Government departments have not submitted the accounts of grantee bodies to the Principal Account General (Audit). Separate Audit Reports on the accounts of the Autonomous Bodies have not been submitted timely before the State Legislature.

Abstract Contingent bills amounting to ₹ 5243 crore for the period 2000-13 were outstanding as on 11 November 2013 since Detailed Contingent bills were not submitted.

An amount ₹ 209.23 crore drawn in AC bills on the last three days of the financial year was kept in Bank Account to prevent it from being lapsed. There was a huge balance of ₹ 2954.43 crore in Personal Ledger accounts at the end of March 2013. Transfer of budgeted funds passed by the Legislature for the current year to PL Accounts for expenditure in further year(s) was irregular.

3.8 Recommendations

- The Departments should ensure timely submission of utilisation certificates in respect of the grants released to the grantee institutions.
- Detailed Contingent bills against the drawals on Abstract Contingent bills should be submitted as per provisions of the State.
- Parking funds in bank account and Personal Ledger account should be avoided and funds should be utilised during the financial year for which it was provided in the budget.

Ranchi
The



(MRIDULA SAPRU)
Principal Accountant General (Audit),
Jharkhand

Countersigned

New Delhi
The



(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

APPENDICES

Appendix 1.1 Part A
(Reference Paragraph- Profile of Jharkhand; Page 1)

PROFILE OF JHARKHAND					
A. General Data					
Sl. No.	Particulars			Figures	
1	Area			79714 Sq km	
2	Population a				
	a.	As per 2001 Census		2.69 crore	
	b.	2010-11		3.30 crore	
3	a	Density of Population (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) (All India Average = 21.92 %)			40.4 per cent	
5	a	Literacy (As per 2001 Census) (All India Average = 64.80%)		44 per cent	
	b	Literacy (As per 2011 Census) (All India Average = 74.04 %)		67.63 per cent	
6	Infant mortality** (per 1000 live births) (All India = 42 per 1000 live births)			41	
7	Gini Coefficient***				
	a.	Rural. (All India = 0.29)		0.24	
	b.	Urban. (All India = 0.38)		0.36	
8	Gross State Domestic Product (GSDP) 2012-13 at current prices			₹ 156781 crore	
9	Per capita GSDP CAGR (2003-04 to 2012-13)		Jharkhand	13.95 per cent	
			Other General Category States	14.94 per cent	
10	GSDP CAGR (2003-04 to 2012-13)		Jharkhand	15.62 per cent	
			Other General Category States	16.37 per cent	
11	Population Growth (2003-04 to 2012-13)		Jharkhand	14.01 per cent	
			Other General Category States	13.22 per cent	
B. Financial Data					
Sl. No.	Particulars		Figures (in per cent)		
	CAGR		2003-04 to 2011-12		2003-04 to 2012-13
			General Category States	Jharkhand	Jharkhand
1	a.	of Revenue Receipts	17.48	18.83	17.88
2	b.	of Own Tax Revenue	17.44	16.96	17.10
3	c.	of Non Tax Revenue	12.64	13.46	13.78
4	d.	of Total Expenditure	14.15	17.92	17.69
5	e.	Capital Expenditure	16.83	15.81	17.66
6	f.	of Revenue Expenditure on Education	16.85	19.01	17.71
7	g.	of Revenue Expenditure on Health	15.35	17.85	15.45
8	h.	of Salaries& Wages	14.18	@	@
9	i.	of Pension	18.36	19.29	20.19

*Source of General data: BPL (Planning Commission & NSSO data, 61 Round), ** Infant Mortality rate (SRS Bulletin January 2011), Financial data is based on Finance Accounts of the State Governments and ***Gini Coefficient (Unofficial estimates of Planning Commission and NSSO data, 61 Round 2004-05 MRP).

Gini Coefficient is a measure of inequality of income among the population. Value rate is from zero to one, closer to zero inequality is less; closer to one inequality is higher.

@figure of Salaries & Wages for the year 2003-04 is not available.

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 grants-in-aid given by the State Government, organised by grantee institutions group-wise. A notes on grants given is also included.
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	Indicates the distribution between the charged and voted expenditure incurred during the year.
Statement No.11	Indicates the detailed account of revenue receipts by minor heads.
Statement No.12	Provides accounts of revenue expenditure by minor heads under Non-Plan and Plan separately.
Statement No.13	Depicts the detailed capital expenditure incurred during and to the end of 2012-13.
Statement No.14	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 2012-13.
Statement No.15	Depicts details of borrowings by minor heads and the maturity and repayment profile of all loans.
Statement No.16	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 2013.
State mentNo.17	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.18	Gives the detailed account relating to Contingency Fund and Public Accounts transaction in detail.
Statement No.19	Gives the details of earmarked balances of reserve funds.

Appendix 1.2 Part A
Methodology Adopted for the Assessment of Fiscal Position
(Reference: Paragraph 1.1; Page 2)

The norms/Ceilings prescribed by the TFC 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 (**Part B of Appendix 1.2**) 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.

The trends in GSDP for the last five years are indicated below:

Trends in Gross State Domestic Product (GSDP)

	2008-09	2009-10	2010-11	2011-12	2012-13
Gross State Domestic Product (₹ in crore)	87794	100621	125824(P)	140558(Q)	156781(A)
Growth rate of GSDP	4.6	14.6	25.0	11.7	11.5

Source: Directorate of Statistics and Evaluation, Government of Jharkhand.

P=Provisional Estimate, Q=Quick Estimate, A=Advance Estimate,

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
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 <u>minus</u> 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 <u>minus</u> Incremental Primary Revenue Expenditure + Incremental Interest Receipts

Appendix 1.2 Part B
Fiscal Responsibility and Budgetary Management (FRBM) Act, 2007
(Reference: Paragraph 1.1; Page 2)

Jharkhand FRBM Act, 2007 was *passed* to provide the responsibility to the State Government to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit and sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term frame work and for matters connected therewith or incidental thereto which is amended as FRBM Act, 2012.

- Targets for Revenue Deficit: Nil at the end of the year 2011-12, 2012-13, 2013-14 and 2014-15.
- Targets for Fiscal Deficit: 3 per cent of GSDP – 2011-12 to 2014-15

	(in per cent)			
	2011-12	2012-13	2013-14	2014-15
Outstanding Debt GSDP ratio	28.5	27.8	27.3	26.9
Debt GSDP ratio	25.00	25.00	25.00	
GSDP Growth(TFC)	14.14	14.5		
GSDP Growth(MTFP)	14.00	14.00		
Own tax GSDP ratio	5.4	5.4		
Non-Tax GSDP ratio	2	2		
Interest Payment	10 years of outstanding liability			
Capital outlay as percentage of GSDP	3.15	3.5		

Appendix 1.3
Time series data on the State Government finances
(Reference: Paragraph 1.1, 1.3 & 1.9.2; Page 2, 9 & 32)

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Part A. Receipts					
1. Revenue Receipts	13213(84)	15118(82)	18781(88)	22420(89)	24770(83)
(i) Tax Revenue	3753(28)	4500(30)	5717(30)	6954(31)	8224(33)
Taxes on Agricultural Income	-	-	-	-	-
Taxes on Sales, Trade, etc.	2996(80)	3597(80)	4473(78)	5522(79)	6422(78)
State Excise	205(6)	323(7)	388(7)	457(7)	578(7)
Taxes on Vehicles	202(6)	234(5)	312(6)	392(6)	465(6)
Stamps and Registration fees	192(5)	238(5)	328(6)	401(6)	492(6)
Land Revenue	53(1)	41(1)	131(2)	53(1)	96(1)
Taxes on Goods and Passengers	54(1)	13	21	41(0)	1(0)
Other Taxes	51(1)	54(2)	64(1)	88(1)	170(2)
(ii) Non Tax Revenue	1952(15)	2254(15)	2803(15)	3038(14)	3536(14)
(iii) State's share of Union taxes and duties	5392(41)	5547(37)	6154(33)	7170(32)	8188(33)
(iv) Grants in aid from Government of India	2116(16)	2817(18)	4107((22)	5258(23)	4822(20)
2. Miscellaneous Capital Receipts	-	-	-	Nil	Nil
3. Recoveries of Loans and Advances	19	22	24	24	43
4. Total Revenue and Non debt capital receipts (1+2+3)	13232	15140	18805	22444	24813
5. Public Debt Receipts	2437(16)	3369(18)	2447(12)	2671(11)	5199(17)
Internal Debt (excluding Ways and Means Advances and Overdrafts)	2434	3379	2315	2409	4591
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	229	369
Loans and Advances from Government of India	3	-10	132	33	239
6. Total Receipts in the Consolidated Fund (4+5)	15669	18509	21252	25115	30012
7. Contingency Fund Receipts	-	-		Nil	Nil
8. Public Account Receipts	8335	8242	7721	10813	14495
9. Total Receipts of the State (6+7+8)	24004	26751	28973	35928	44507
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	12877(79)	15128(83)	17945(86)	20992(86)	23400(83)
Plan	3813(30)	3758(25)	6004(33)	7646(36)	7743(33)
Non Plan	9064(70)	11370(75)	11941(67)	13346(64)	15657(67)
General Services (including interest payments)	4924(38)	6605(44)	6991(39)	7846(37)	8696(37)
Social Services	5385(42)	5610(37)	6707(37)	7287(35)	8309(36)
Economic Services	2533(20)	2913(19)	4247(24)	5859(28)	6395(27)
Grants-in-aid and contributions	35	-	-	-	Nil
11. Capital Expenditure	3051(19)	2703(15)	2664(13)	3159(13)	4218(15)
Plan	3015(99)	2682(99)	2621(98)	3111(98)	4151(98)
Non Plan	36(1)	21(1)	43(2)	48(2)	67(2)
General Services	176(6)	112(4)	120 (4)	156(5)	176(4)
Social Services	1355(44)	825(31)	682(26)	866(27)	1030(25)
Economic Services	1520(50)	1766(65)	1862(70)	2137(68)	3012(71)
12. Disbursement of Loans and Advances	418(3)	320(2)	308(1)	217(1)	601(2)
13. Total (10+11+12)	16346	18151	20917	24368	28219
14. Repayments of Public Debt	863	1190	1299	1639	2183
Internal Debt (excluding Ways and Means Advances and Overdrafts)	716(83)	1068(90)	1063(82)	1406(86)	1525(70)
Net transactions under Ways and Means Advances and Overdraft	9(1)	-	-	78(5)	520(24)
Loans and Advances from Government of India	138(16)	123(10)	236(18)	155(9)	138(6)

Appendix 1.3 continued...

15. Appropriation to Contingency Fund	-	-	-	Nil	Nil
16. Total disbursement out of Consolidated Fund (13+14+15)	17209	19341	22216	26007	30402
17. Contingency Fund disbursements	-	-	-	-	-
18. Public Account disbursements	7185	7290	7400	9728	13417
19. Total disbursement by the State (16+17+18)	24394	26631	29616	35735	43819
Part C. Deficits					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	(+)336	(-)10	(+)836	(+)1428	(+)1370
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-)3114	(-)3011	(-)2112	(-)1924	(-)3406
22. Primary Deficit(-)/Surplus(+) (21+23)	(-)1227	(-)704	(+)116	(+)343	(-)1015
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	1887	2307	2228	2267	2391
24. Financial Assistance to local bodies etc.	2366	2333	3122	4530	1427
25. Ways and Means Advances/ Overdraft availed (days)	-	-	-	6	13
Ways and Means Advances availed (days)	-	-	-	6	13
Overdraft availed (days)	-	-	-	Nil	Nil
26. Interest on Ways and Means Advances/ Overdraft	-	-	-	0.03	0.32
27 Gross State Domestic Product (GSDP)[@]	87794	100621	125824	140558	156781
28 Outstanding Fiscal liabilities (year end)	24084	27165	28655	30664	34869
29. Outstanding guarantees (year end) (including interest)	500	500	-	-	-
30. Maximum amount guaranteed (year end)	-	-	-	-	-
31. Number of incomplete projects (value ₹ 1 crore and above)	247	262	167	182	189
32. Capital blocked in incomplete Projects	1797	1466	1503	573	1972
Part E: Fiscal Health Indicators					
I Resource Mobilisation					
Own Tax revenue/GSDP	4.3	4.5	4.5	4.9	5.2
Own Non-Tax Revenue/GSDP	2.2	2.2	2.2	2.2	2.3
Central Transfers/GSDP	8.6	8.3	8.2	8.8	8.3
II Expenditure Management					
Total Expenditure/GSDP	18.6	18.0	16.6	17.3	18.0
Total Expenditure/Revenue Receipts	123.7	120.1	111.4	108.7	113.9
Revenue Expenditure/Total Expenditure	78.8	83.3	85.8	86.1	82.9
Expenditure on Social Services (including L&A)/Total Expenditure	41.7	35.8	35.4	33.5	33.2
Expenditure on Economic Services (including L&A)/Total Expenditure	26.9	27.2	30.6	33.6	35.3
Capital Expenditure/Total Expenditure	18.7	14.9	12.7	13.0	14.9
Capital Expenditure on Social and Economic Services/Total Expenditure.	17.6	14.3	12.2	12.3	14.3
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	0.4	0.0	0.7	1.0	0.9

Appendix 1.3 continued...

Fiscal deficit/GSDP	-3.5	-3.0	-1.7	-1.4	-2.2
Primary Deficit (surplus) /GSDP	-1.4	-0.7	*	*	-0.6
Revenue Deficit/Fiscal Deficit	-10.8	*	-39.6	-74.2	-40.2
Primary Revenue Balance/GSDP	2.5	2.3	2.4	2.6	2.4
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	27.4	27.0	22.8	21.8	22.2
Fiscal Liabilities/RR	182.3	179.7	152.6	136.8	140.8
Primary deficit vis-à-vis quantum spread	(-)2018	(+)647	(+)4753	(+)1509	(+)285
Debt Redemption (Principal +Interest)/ Total Debt Receipts	5.4	3.1	4.3	3.9	Nil
V Other Fiscal Health Indicators					
Return on Investment	Nil	Nil	0.4	1.17	15.00
Balance from Current Revenue (₹ in crore)	2625	2077	4014	6855	5782
Financial Assets/Liabilities	84	85	89	95	98

**Not relevant as the State had Revenue Surplus.*

@ GSDP figures communicated by the Government adopted.

Figures in brackets represent percentages (rounded) to total of each sub-heading

Appendix 1.4 Part A
Abstract of Receipts and Disbursements for the year 2012-13
(Reference: paragraph 1.1.1; Page 2)

(₹ in crore)

Part A: Abstract of Receipts and Disbursements for the year 2012-13								
Receipts				Disbursements				
2011-12			2012-13	2011-12	Non-plan	Plan	Total	2012-13
	Section-A: Revenue							
22419.45	I. Revenue Receipts		24769.56	20991.58	I. Revenue Expenditure	15656.61	7743.26	23399.87
6953.89	Tax Revenue	8223.67		7845.56	General Services	8474.55	221.94	8696.49
				7287.03	Social Services	4238.37	4070.22	8308.59
3038.22	Non-tax Revenue	3535.63		4055.89	Education, Sports, Art and Culture	2911.93	1499.35	4411.28
				825.66	Health and Family Welfare	550.74	258.00	808.74
7169.93	State's share of Union Taxes	8188.05		468.72	Water supply, Sanitation, Housing and Urban Development	282.19	359.87	642.06
				47.66	Information and Broadcasting	34.39	11.88	46.27
1550.77	Non-plan Grants	1483.41		623.99	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	95.69	468.19	563.88
2404.61	Grants for State Plan Schemes	2393.94		127.44	Labour and Labour Welfare	43.44	106.99	150.43
				1119.63	Social Welfare and Nutrition	302.54	1365.94	1668.48
1302.03	Grants for Central and Centrally Sponsored Plan Schemes	944.86		18.04	Others	17.45	-	17.45
				5858.99	Economic Services	2943.69	3451.10	6394.79
				980.60	Agriculture and Allied Activities	381.41	611.03	992.44
				1688.61	Rural Development	691.43	1076.74	1768.17
					Special Areas Programmes			
				282.08	Irrigation and Flood Control	281.29	0.11	281.40
				859.83	Energy	1102.15	458.05	1560.20
				211.16	Industry and Minerals	42.26	177.85	220.11
				829.98	Transport	380.73	345.13	725.86
					Science, Technology and Environment			
				1006.73	General Economic Services	64.42	782.19	846.61
					Grants-in-aid and Contributions			
				20991.58	Total	15656.61	7743.26	23399.87
	II Revenue Deficit carried over to Section B			1427.87	II Revenue Surplus/Deficit carried over to Section B			1369.79
22419.45	Total		24769.56	22419.45	Total			24769.56

Appendix 1.4 Part A continued...

Section B									
-0.41	III Opening Cash Balance including Permanent Advances and Cash Balance Investment		116.85		III Opening Over Draft from Reserve Bank of India				
	IV Miscellaneous Capital Receipts			3159.37	IV Capital Outlay	67.38	4151.05	4218.43	4218.43
				155.56	General Services	67.38	108.53	175.91	
				866.31	Social Services		1029.78	1029.78	
				75.98	Education, Sports, Art and Culture		90.76	90.76	
				163.53	Health and Family Welfare		146.84	146.84	
				422.61	Water supply, Sanitation, Housing and Urban Development		487.42	487.42	
					Information and Broadcasting				
				204.20	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes		194.39	194.39	
Section B Others (contd...)									
					Social Welfare and Nutrition		110.37	110.37	
					Others				
				2137.49	Economic Services		3012.74	3012.74	
				55.28	Agriculture and Allied Activities		16.39	16.39	
				849.88	Rural Development		886.85	886.85	
					Special Areas Programmes				
				399.31	Irrigation and Flood Control		591.08	591.08	
					Energy				
					Industry and Minerals		1.00	1.00	
				799.85	Transport		1503.45	1503.45	
				33.18	General Economic Services		13.97	13.97	
				3159.37	Total	67.38	4151.05	4218.43	
23.42	V Recoveries of Loans and Advances		43.11	217.10	V Loans and Advances Disbursed	57.11	543.70	600.81	600.81
	From Power Projects			164.95	For Power Projects	-	541.70	541.70	
21.83	From Govt. Servants	22.07		18.11	To Government Servants	18.74	-	18.74	
1.59	From Others	21.04		34.04	To Others	38.37	2.00	40.37	
1427.87	VI Revenue Surplus brought down		1369.69		VI Revenue Deficit brought down				
2671.23	VII Public Debt Receipts		5199.00	1639.01	VII Repayment of Public Debt			2183.06	2183.06
	External Debt				External Debt				
2409.51	Internal Debt other than Ways and Means Advances and Over Draft	4591.56		1406.36	Internal Debt other than Ways and Means Advances and Over Draft			1524.50	

Appendix 1.4 Part A continued...

229.19	Transaction under Ways and Means Advances	368.79		77.94	Transactions under Ways and Means Advances			520.04	
	Net Transaction under Over Draft.	-			Net Transaction under Over Draft				
32.53	Loans and Advances from Central Government	238.65		154.71	Repayments of Loans and Advances to Central Government			138.52	
	VIII Appropriation to Contingency Fund		-		VIII Appropriation to Contingency Fund				
	IX Amount transferred to Contingency Fund				IX Expenditure from Contingency Fund				
10813.40	X Public Accounts Receipts		14494.71	9727.77	X Public Accounts Disbursements			13416.31	13416.31
613.38	Small Savings and Provident Funds	667.69		543.74	Small Savings and Provident Funds			645.53	
138.58	Reserve Funds	279.80		243.71	Reserve Funds			403.23	
305.76	Suspense and Miscellaneous	199.00		231.63	Suspense and Miscellaneous			167.60	
4520.03	Remittances	4642.57		4502.89	Remittances			4784.27	
5235.65	Deposits and Advances	8705.65		4205.80	Deposits and Advances			7415.68	
	Inter State Settlement			75.40	Inter-state Settlement			100.00	100.00
	XI Closing Over Draft from Reserve Bank of India			116.85	XI Cash Balance at the end of the Year			704.75	704.75
					Cash in Treasuries and Local Remittances				
				93.85	Deposits with Reserve Bank			-56.50	
				18.59	Departmental Cash Balance including Permanent Advances			14.68	
					Investment of Earmarked Fund				
				4.41	Cash Balance Investment			746.57	
37354.96	Total		45992.92	37354.96	Total				45992.92

Appendix 1.4 Part B
Summarised financial position of the Government of Jharkhand as on 31 March 2013
(Reference: Paragraphs 1.9.1; Page 31)

(₹ in crore)

As on 31.03.2012	Liabilities		As on 31.03.2013
22285.78	Internal Debt -		25201.59
8630.39	Market Loans bearing interest	11775.40	
0.17	Market Loans not bearing interest	0.18	
6.30	Loans from Life Insurance Corporation of India	6.30	
3513.94	Loans from other Institutions	3635.54	
151.25	Ways and Means Advances	NIL	
9983.73	Special securities issued to NSS Fund of Central Government	9784.16	
NIL	Overdrafts from Reserve Bank of India	NIL	
2024.41	Loans and Advances from Central Government -		2124.55
NIL	Pre 1984-85 Loans	NIL	
8.79	Non-Plan Loans	6.38	
2015.62	Loans for State Plan Schemes	2118.17	
	Loans for Central Plan Schemes	NIL	
	Loans for Centrally Sponsored Plan Schemes	NIL	
	Other ways and means advances	NIL	
NIL	Inter State Settlement	NIL	
150.00	Contingency Fund		150.00
1527.70	Small Savings, Provident Funds, etc.		1549.86
4382.78	Deposits		5673.32
443.10	Reserve Funds		319.67
	Remittance Balances	NIL	
78.47	Suspense and Miscellaneous Balances		109.87
30892.24	Total		35128.85
	Assets		
21530.92	Gross Capital Outlay on Fixed Assets -		25749.35
101.86	Investments in shares of Companies, Corporations, etc.	107.11	
21429.06	Other Capital Outlay	25642.24	
75.40	Inter State Settlement		100.00
7190.15	Loans and Advances -		7747.85
6583.51	Loans for Power Projects	7125.21	
612.17	Other Development Loans	631.50	
-5.53	Loans to Government servants and Miscellaneous loans	-8.86	
12.14	Advances		12.72
NIL	Suspense and Miscellaneous Balances	NIL	
116.85	Cash -		704.75
-	Cash in Treasuries and Local Remittances	NIL	
93.85	Deposits with Reserve Bank	-56.50	
	Reserve Fund Investments	NIL	
18.59	Departmental Cash Balance including Permanent Advances	14.68	

Appendix 1.4 Part B continued...

4.41	Cash Balance Investments	746.57	
270.17	Remittance Balances		411.86
1696.61	Deficit on Government Account -		402.32
1427.87	(i) Revenue Deficit/surplus of the current year	1369.69	
	(ii) Miscellaneous Deficit		
3124.48	Accumulated deficit/surplus at the beginning of the year	1772.01	
30892.24	Total		35128.85

Excludes ₹5.75 crore shown in the Accounts of Corporations but the same is not included in the accounts due to non-availability of its source.

Explanatory Notes for Appendices 1.3 and 1.4

The abridged accounts in the foregoing statements have 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 1.4, 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. There was a difference of ₹56.13 lakh (Net credit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under “Deposits with Reserve Bank” which was under reconciliation as on 31 March 2013. Difference is still under reconciliation.

Appendix-1.5

*Scheme-wise detail of grants budgeted on recommendation of 13th Finance Commission
(Reference Paragraph 1.3.4; page 14)*

(₹ in crore)

Grant No. and Name	Head of Accounts	Scheme	Budget Provision	Expenditure	Excess (+) / Saving(-)
22 Home Department	2055-00-796-69	Recommendation of 13th Finance Commission	11.00	11.00	Nil
	2055-00-800-69	Recommendation of 13th Finance Commission	63.50	63.50	Nil
	Sub total		74.50	74.50	Nil
25 Institutional Finance and Programme Implementation Department	2203-00-001-61	Enrollment Facility to BPL under Unique Identification	11.64	Nil	(-)11.64
	2203-00-796-61	Enrollment Facility to BPL under Unique Identification	11.64	Nil	(-)11.64
	Sub total		23.28	Nil	(-)23.28
26 Labour, Employment and Training Department	2230-03-003-43	Construction of 20 IITs	30.00	30.00	Nil
	2230-03-796-43	Construction of 20 IITs	20.00	17.25	(-) 2.75
	Sub total		50.00	47.25	(-) 2.75
27 Law Department	2014-00-105-04	Court Managers appointed to assist District Judges	4.39	0.78	(-) 03.61
	2014-00-105-05	Constituion of Morning /Evenint court	16.52	Nil	(-) 16.52
	2014-00-105-06	Heritage Court Buildings	2.98	Nil	(-) 2.98
	2014-00-114-08	Training of Arbitrators	5.98	0.13	(-)5.85
	2014-00-114-09	Infrastructure of Judicial Academy	5.97	2.97	(-)3.00
	2014-00-114-10	Training for Judicial Officers	2.64	1.08	(-)1.56
	2014-00-114-11	Mega Lok Adalat and Legall Aid	1.99	Nil	(-) 1.99
	Sub total		40.47	4.96	(-)35.51
28 High Court of Jharkhand	2014-00-102-02	Court Managers appointed to assist Hon'ble High courts	0.40	0.09	(-) 0.31
35 Planning and Development Department	2053-00-094-02	Grants-in-aid for District Renovation Fund	2.00	Nil	(-)2.00
	2053-00-796-19	Grants-in-aid for District Renovation Fund	2.80	Nil	(-)2.80
	3454-02-205-02	Grants for State Statistical System	4.80	Nil	(-)4.80
	Sub total		9.60	Nil	(-)9.60

Appendix 1.5 continued...

Grant No. Department	Head of Accounts	Scheme	Budget Provision	Expenditure	Excess (+) / Saving(-)
39 Disaster Management Department	2245-05-101-05	Central Assistance to State Disaster Response Fund	214.53	209.43	(-)5.10
	2245-05-101-06	State Assistance to State Disaster Response Fund	71.51	69.81	(-)1.70
	2245-80-101-02	Development of Capacity Building for Disaster Management	2.00	Nil	(-)2.00
	2245-80-789-02	Development of Capacity Building for Disaster Management	0.50	Nil	(-)0.50
	2245-80-796-02	Development of Capacity Building for Disaster Management	2.50	Nil	(-)2.50
	Sub total		291.04	279.24	(-)11.80
42 Rural Development Department	4515-00-796-21	Construction of Buildings on Block Level	37.13	37.13	Nil
48 Urban Development Department	2217-80-191-29	Grants to Municipal Corporation	12.00	7.02	(-)9.98
	2217-80-191-30	Grants to Municipal Corporation	10.00	Nil	(-)10.00
	2217-80-192-08	Grants to Municipal Council	22.74	15.08	(-)7.66
	2217-80-192-09	Grants to Municipal Council	14.86	3.05	(-)11.81
	2217-80-193-08	Grants to Nagar Panchayat	19.00	8.33	(-)10.67
	2217-80-193-09	Grants to Nagar Panchayat	12.00	Nil	(-)12.00
	Sub total		90.60	33.48	(-)57.12
49 Water Resources Department	2701-03-001-08	Feeding of Major Irrigation Scheme	24.67	Nil	(-)24.67
50 Minor Irrigation Department	2702-02-005-05	Feeding of Minor Irrigation Scheme	2.33	Nil	(-)2.33
52 Art, Culture, Sports and Youth Affairs Department	2205-00-106-01	13th Finance Commission (Archaeological Survey)	9.00	9.00	Nil
55 Rural Works Department	3054-04-105-01	Maintenance and Repairing of Rural Roads & Buildings	27.00	20.08	(-)6.92
	3054-04-105-02	Maintenance and Repairing of Rural Roads & Buildings	52.00	52.00	Nil
	Sub total		79.00	72.08	(-)6.92

Appendix 1.5 continued...

Grant No. Department	Head of Accounts	Scheme	Budget Provision	Expenditure	Excess (+) / Saving(-)
56 Panchayati Raj	2515-00-196-01	Basic Grants to Zila Parishad	38.28	38.55	(+)0.27
	2515-00-196-02	Special Area Grants to Zila Parishad	7.00	7.12	(+)0.12
	2515-00-196-03	Performance Grants to Zila Parishad	26.26	25.29	(-)0.97
	2515-00-197-01	Basic Grants to Block Panchayat	38.28	40.41	(+)2.13
	2515-00-197-02	Special Area Grants to Block Panchayat	7.00	6.84	(-)0.16
	2515-00-197-03	Performance Grants to Block Panchayat	26.26	26.54	(+)0.28
	2515-00-198-01	Basic Grants to Gram Panchayat for General Area	114.84	118.85	(+)4.01
	2515-00-198-02	Basic Grants to Gram Panchayat for Special Area	21.00	20.52	(-)0.48
	2515-00-198-03	Performance Grants to Gram Panchayat for General Area	78.78	77.84	(-)0.94
	Sub total		357.70	361.96	(+)4.26
59 Primary and Public Education	2202-01-111-33	Special State Share to Sarva Siksha Abhiyaan	136.84	136.84	Nil
	2202-01-789-33	Special State Share to Sarva Siksha Abhiyaan	46.76	46.76	Nil
	2202-01-796-33	Special State Share to Sarva Siksha Abhiyaan	124.40	124.40	Nil
	Sub total		308.00	308.00	Nil
60 Social Welfare, Women and Child Development Department	4235-02-103-59	Construction of Aanganbari Kendra Bhawan under 13th Finance Commission	54.00	54.12	(+) 0.12
	4235-02-796-59	Construction of Aanganbari Kendra Bhawan under 13th Finance Commission	54.00	53.89	(-)0.11
	Sub total		108.00	108.01	(+)0.01
		TOTAL	1505.72	1335.70	(-)170.02

Appendix 1.6
Details of functions of ULBs as per the 74th Constitutional Amendment Act (Schedule XII)
(Reference: Paragraph 1.6.6; Page 22)

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-1.7

Extra Interest liabilities on Market loans
(Reference Paragraph 1.12.6; page 42)

(₹ in crore)

Sl. No	Description of Debt-Jharkhand Government Stock	When raised	Amount	Period on which interest payable	Accrued Interest	Interest received from Cash Balance Investment A/C @ 5%	Difference
1.	7.54% 2019	17.04.2009	517.45	17.04.09 to 31.03.10	37.26	24.71	12.55
2.	8.01% 2019	05.08.2009	474.40	05.08.09 to 31.03.10	24.98	15.59	9.39
3.	8.37% 2019	09.09.2009	599.80	09.09.09 to 31.03.10	28.13	16.81	11.32
4.	8.19% 2019	30.10.2009	252.24	30.10.09 to 31.03.10	8.72	5.32	3.40
5.	8.28% 2020	12.05.2010	500.00	12.05.10 to 31.03.11	36.75	22.19	14.56
		Total	2343.89		135.84	84.62	51.22

(Source: Finance Department, Govt. of Jharkhand and RBI's daily cash balance)

Appendix-1.8

Market loans raised by Government as per Advance Indicative Calendar
(Reference Paragraph 1.12.7; page 42)

(₹ in crore)

Year	Actual market borrowing	1 st quarter		2 nd quarter		3 rd quarter		4 th quarter	
		As per IC	Actual	As per IC	Actual	As per IC	Actual	As per IC	Actual
2008-09	1486.00	Nil	Nil	Nil	Nil	Nil	195.45	Nil	1290.55
2009-10	1843.98	Nil	517.45	Nil	1074.29	Nil	252.24	Nil	Nil
2010-11	500.00	Nil	500.00	Nil	Nil	Nil	Nil	Nil	Nil
2011-12	1254.05	Nil	Nil	Nil	500.00	Nil	500.00	Nil	254.05
2012-13	3600.00	200.00	200.00	1000.00	300.00	1000.00	500.00	1165.47	2600.00
Total	8684.03								

(Source: Finance Department, Govt. of Jharkhand)

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 46)**

(₹ in crore)

Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage of total provision
1	2	3	4	5	6
		Revenue			
1	1	Agriculture and Sugarcane Development Department	710.74	264.25	37
2	2	Animal Husbandry Department	160.71	35.50	22
3	8	Civil Aviation Department	100.58	60.12	60
4	9	Co-operative Department	77.65	21.73	28
5	17	Finance (Commercial Tax) Department	71.02	27.17	38
6	18	Food, Public Distribution and Consumer Affairs Department	1101.10	307.90	28
7	20	Health, Medical Education and Family Welfare Department	1125.53	326.13	29
8	23	Industries Department	287.73	82.94	29
9	24	Information and Public Relation Department	58.40	12.89	22
10	26	Labour, Employment and Training Department	913.15	232.43	25
11	27	Law Department	222.12	52.33	24
12	35	Planning and Development Department	679.24	594.38	88
13	39	Disaster Management Department	444.36	159.06	36
14	40	Revenue and land Reforms Department	338.47	77.18	23
15	42	Rural Development Department	832.84	317.32	38
16	43	Science and Technology Department	92.08	37.03	40
17	45	Information Technology Department	62.20	42.16	68
18	47	Transport Department	449.99	116.55	26
19	48	Urban Development Department	581.90	177.09	30
20	49	Water Resources Department	317.55	92.55	29
21	50	Minor Irrigation Department	77.14	16.24	21
22	51	Welfare Department	816.49	250.26	31
23	52	Art, Culture, Sports and Youth Affairs Department	75.97	27.47	36
24	53	Fishery	61.20	18.39	30
25	54	Dairy	95.42	27.00	28
26	58	Secondary Education	725.48	238.38	33
27	59	Primary and Public Education	4656.04	1493.28	32
28	60	Social Welfare, Women and Child Development Department	1114.29	302.08	27
		Capital			
29	9	Co-operative Department	18.80	16.05	85
30	10	Energy Department	794.00	252.30	32
31	20	Health, Medical Education and Family Welfare Department	407.35	260.52	64
32	30	Minorities Welfare Department	122.49	30.95	25
33	43	Science and Technology Department	65.73	30.49	46
34	47	Transport Department	54.05	49.51	92
35	48	Urban Development Department	689.91	490.99	71
36	49	Water Resources Department	1655.71	1232.85	74
37	50	Minor Irrigation Department	362.19	167.28	46
38	51	Welfare Department	132.01	29.17	22
		TOTAL	20551.63	7969.92	39

Appendix 2.2

*Sub-head wise details where substantial savings (₹ 20 crore and above) occurred during the year 2012-13
(Reference: Paragraph: 2.4.1; Page 47)*

(₹ in crore)

Sl. No.	No. and Name of Grant	Name of the scheme (Head of Account)	Provision	Amount of Savings	Reasons furnished by the Departments as per Appropriation Accounts
1	1-Agriculture and Sugarcane Development Department	2401-00-796-56	119.00	28.16	Reasons have not been intimated
2	3-Building Construction Department	4059-00-796-53	56.70	50.08	32 lakh was attributed to Procedural delay in technical sanction and sanction of scheme.
3	18-Food, Public Distribution and Consumer Affairs Department	3456-00-102-13	235.83	84.47	Non receipt of allotment from Central Government
4		3456-00-796-13	335.36	88.51	Non-receipt of allotment for food grain from Central Government.
5	20-Health, Medical Education and Family Welfare Department	2211-00-001-03	79.51	69.29	Less sanction of fund from Central Government
6		2211-00-101-01	193.64	141.55	Less sanction of fund.
7		4210-02-796-48	60.00	60.00	Reasons have not been intimated
8	22-Home Department	2055-00-104-04	103.66	29.43	Transfer of Police Staff
9		2055-00-110-01	173.70	46.53	Reasons have not been intimated
10	26-Labour, Employment and Training Department	2235-03-789-03	80.63	27.49	Reasons have not been intimated
11		2235-03-796-03	212.19	41.87	Reasons have not been intimated
12		2235-02-102-01	143.87	118.00	Reasons have not been intimated
13		2235-02-796-01	144.00	118.35	Reasons have not been intimated
14	35-Planning and Development Department	2053-00-796-11	35.00	35.00	Reasons have not been intimated
15		2053-00-796-24	50.00	50.00	Reasons have not been intimated
16		2053-00-796-25	100.00	100.00	Reasons have not been intimated
17		2053-00-800-11	45.95	45.95	Reasons have not been intimated
18		3454-02-204-14	21.56	21.56	Reasons have not been intimated
19	36 Drinking water and Sanitation Department	4215-01-796-02	48.05	20.99	Reasons have not been intimated
20	40- Revenue & Land Reforms Department	2029-00-104-01	162.95	24.60	Reasons have not been intimated
21		5054-03-337-01	452.14	61.06	Reasons have not been intimated
22	41-Road Construction Department	5054-03-796-01	700.00	84.82	Reasons have not been intimated
23		5054-03-796-08	220.00	68.06	Reasons have not been intimated
24		5054-03-796-03	105.00	74.34	Reasons have not been intimated
25	42-Rural Development Department	2501-06-800-01	35.78	28.26	Reasons have not been intimated
26		2501-06-800-05	36.26	36.26	Reasons have not been intimated
27		2505-01-702-02	73.50	35.02	Reasons have not been intimated

Appendix 2.2 continued...

Sl. No.	No. and Name of Grant	Name of the scheme (Head of Account)	Provision	Amount of Savings	Reasons furnished by the Departments as per Appropriation Accounts
28	47-Transport	3075-60-101-03	40.00	40.00	Reasons have not been intimated
29	Department	3075-60-796-03	60.00	60.00	Reasons have not been intimated
30	48- Urban	2215-02-191-11	25.00	20.00	Reasons have not been intimated
31	Development	2215-02-796-09	35.00	30.00	Reasons have not been intimated
32	Department	4217-60-191-28	178.00	115.23	Reasons have not been intimated
33		4217-60-191-29	40.00	34.49	Reasons have not been intimated
34		4217-60-191-30	103.00	99.91	Reasons have not been intimated
35		4217-60-796-42	40.00	36.78	Reasons have not been intimated
36		4217-60-796-43	40.00	28.40	Reasons have not been intimated
37	49-Water Resources	2700-01-001-02	125.85	22.23	Reasons have not been intimated
38	Department	2701-03-001-08	24.67	24.67	Reasons have not been intimated
39		4700-80-789-09	48.78	26.07	Reasons have not been intimated
40		4700-80-796-10	600.00	424.95	Reasons have not been intimated
41		4701-80-796-73	100.16	97.58	Reasons have not been intimated
42		4700-80-789-10	467.12	467.12	Reasons have not been intimated
43		4700-80-796-11	168.00	107.77	Reasons have not been intimated
44	50-Minor Irrigation	4702-00-101-33	100.29	57.94	Reasons have not been intimated
45	Department	4702-00-796-30	160.00	49.23	Reasons have not been intimated
46	51-Welfare	2225-02-796-73	31.25	31.25	Non receipt of fund from Central Government
47	Department	2225-02-796-04	71.32	64.41	Non release of fund from Central Government
48	55-Rural Works	4515-00-796-04	209.42	28.48	Reasons have not been intimated
49	Department	4515-00-103-04	183.25	44.02	Reasons have not been intimated
50	56-Panchayati Raj	2515-00-001-03	107.81	28.63	Reasons have not been intimated
51	and N.R.E.P (Special Divisional) Department	2515-00-001-15	150.00	64.19	Non receipt of fund of first instalment to some district and second instalment to all districts.
52		2515-00-789-15	60.31	37.57	Non receipt of fund of first instalment to some district and second instalment to all districts
53		2517-00-796-15	156.00	119.35	Non receipt of fund of first instalment to some district and second instalment to all districts
54	58-Secondary	2202-02-109-01	399.31	124.98	Reasons have not been intimated
55	Education	2202-02-109-35	28.05	28.05	Non receipt of Central share from Central Government
56	59-Primary and Public Education	2202-01-101-01	2554.29	886.58	Excess Provision of fund and rest have not been intimated
57		2202-01-101-03	183.80	127.53	Reasons have not been intimated
58		2202-01-101-05	48.00	21.73	Less receipt of Central Share and final saving have not been intimated
59		2202-01-104-01	56.36	21.93	Excess Provision of fund and final saving have not been intimated

Appendix 2.2 continued...

Sl. No.	No. and Name of Grant	Name of the scheme (Head of Account)	Provision	Amount of Savings	Reasons furnished by the Departments as per Appropriation Accounts
60	59-Primary and Public Education	2202-01-111-02	202.85	70.86	Non-receipt of Central Share.
61		2202-01-789-25	73.80	25.78	Non-receipt of Central Share.
62		2202-01-796-04	172.90	117.07	Reasons have not been intimated
63		2202-01-796-25	184.40	64.41	Non-receipt of Central Share.
64	60-Social Welfare, Women and Child Development Department	2235-02-102-51	159.48	36.69	Reasons have not been intimated
65		2235-02-796-51	172.76	30.17	Non- drawal of fund from treasury and final savings have not been intimated
66		2235-02-796-71	30.87	30.80	Non- drawal of fund from treasury and excess provision of fund.
67		2236-02-101-02	80.64	23.49	Non- drawal of fund from treasury and final savings have not been intimated
68		2235-02-103-70	26.37	26.37	Non- drawal of fund from treasury
Total			11723.39	5386.36	

Appendix 2.3
Excess over provisions of previous years requiring regularisation
(Reference: Paragraph 2.4.5; Page 52)

Year	Number of grants/ appropriations	Grant/ Appropriation name	Amount of excess (₹ in crore)
2001-02	25	Institutional Finance Department	*
2001-02	32	Legislature	0.04
2002-03	10	Energy Department	7.00
2002-03	13	Interest Payment	472.46
2002-03	14	Repayment of Loans	761.96
2002-03	32	Legislature	0.08
2003-04	10	Energy Department	9.63
2003-04	13	Interest Payment	191.28
2003-04	14	Repayment of Loans	674.72
2003-04	39	Relief and Rehabilitation Department	61.33
2003-04	46	Tourism Department	0.29
2004-05	13	Interest Payment	365.80
2004-05	14	Repayment of Loans	133.44
2004-05	23	Industries Department	7.49
2004-05	39	Relief and Rehabilitation Department	69.34
2004-05	40	Revenue and Land Reforms Department	@
2005-06	10	Energy Department	2628.94
2005-06	13	Interest Payments	492.53
2005-06	29	Mines and Geology Department	#
2006-07	13	Interest Payments	833.58
2006-07	14	Repayment of Loans	412.28
2006-07	38	Registration Department	\$
2007-08	14	Repayment of Loans	229.64
2007-08	15	Pension	104.80
2008-09	12	Finance Department	137.13
2008-09	14	Repayment of Loans	91.76
2009-10	14	Repayment of Loans	116.71
2010-11	13	Interest Payment	67.35
2010-11	15	Pension	250.95
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 Department	^
Total			8540.79

Source: Respective year's Appropriation Accounts

*excess amount was ₹8,807 only

@ excess amount was ₹1,072 only

excess amount was ₹49,670 only

\$ excess amount was ₹81,665 only

^ excess amount was ₹11,160 only

Appendix 2.4
Cases where supplementary provision (₹ 10 lakh or more in each case) proved unnecessary
(Reference: Paragraph 2.4.6; Page 52)

(₹ in lakh)

Sl. No.	Number and name of the grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary provision
Revenue (Charged)					
1	13-Interest Payment	243458.02	239124.92	4333.10	1400.00
2	34-Jharkhand Public Service Commission	665.63	462.28	203.35	35.00
	Total Revenue Charged	244123.65	239587.20	4536.45	1435.00
Revenue (Voted)					
3	1-Agriculture and Sugarcane Development Department	60429.17	44648.20	15780.97	10644.34
4	2-Animal Husbandry Department	14648.77	12521.42	2127.35	1422.21
5	3-Building Construction Department	8619.98	8195.11	424.87	137.63
6	4-Cabinet Secretariat and Co-ordination Department	2616.98	2363.27	253.71	654.63
7	6-Election	2890.33	2794.41	95.92	100.98
8	9-Co-operative Department	7735.76	5592.19	2143.57	29.37
9	17-Finance (Commercial Tax) Department	6974.49	4385.49	2589.00	128.00
10	18-Food, Public Distribution and Consumer Affairs Department	89064.69	79320.57	9744.12	21045.44
11	19-Forest and Environment Department	29131.34	26828.21	2303.13	2514.16
12	20-Health, Medical Education and Family Welfare Department	110586.97	79939.73	30647.24	1965.62
13	22-Home Department	248723.87	237490.11	11233.76	1982.18
14	23-Industries Department	24413.03	20479.34	3933.69	4360.14
15	24-Information and Public Relation Department	4939.75	4550.71	389.04	900.00
16	26-Labour, Employment and Training Department	86052.85	68071.56	17981.29	5262.17
17	27-Law Department	21209.86	16978.40	4231.46	1001.64
18	28-High Court of Jharkhand	4206.54	3618.36	588.18	235.30
19	32-Legislature	4892.47	4292.10	600.37	54.23
20	33-Personnel Administrative Reforms Department	1513.13	1318.69	194.44	187.10
21	35-Planning and Development Department	67905.25	8486.25	59419.00	18.80
22	36-Drinking Water and Sanitation Department	20230.69	19966.01	264.68	248.20
23	37-Rajbhasha Department	1453.31	1417.29	36.02	21.96
24	38-Registration Department	1757.46	1132.29	625.17	172.75
25	40-Revenue and land Reforms Department	33708.26	26129.34	7578.92	138.63
26	41-Road Construction Department	30426.80	28734.23	1692.57	1693.49
27	42-Rural Development Department	77095.49	51551.49	25544.00	6188.32
28	43-Science and Technology Department	8418.99	5505.30	2913.69	789.46
29	44-Human Resource Development Department	3228.06	3172.94	55.12	16.00

Appendix 2.4continued...

Sl. No.	Number and name of the grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary provision
30	48-Urban Development Department	57514.88	40480.58	17034.30	675.07
31	49-Water Resources Department	31639.96	22500.14	9139.82	115.43
32	50-Minor Irrigation Department	7693.88	6089.76	1604.12	20.23
33	51-Welfare Department	76594.08	56623.03	19971.05	5054.69
34	52-Art, Culture, Sports and Youth Affairs Department	7354.86	4849.99	2504.87	242.37
35	54-Dairy	8387.15	6842.81	1544.34	1155.31
36	56-Panchayati Raj and N.R.E.P (Special Divisional) Department	150589.24	124804.70	25784.54	420.86
37	58-Secondary Education	70293.68	48710.42	21583.26	2254.75
38	59-Primary and Public Education	459264.54	316276.07	142988.47	6339.70
39	60-Social Welfare, Women and Child Development	111228.52	81221.68	30006.84	200.91
Total Revenue (Voted)		1953435.08	1477882.19	475552.89	78392.07
Total Revenue		2197558.73	1717469.39	480089.34	79827.07
Capital (Voted)					
1	10-Energy Department	65300.00	54169.82	11130.18	14100.00
2	20-Health, Medical Education and Family Welfare Department	35255.58	14683.63	20571.95	5479.70
3	22-Home Department	13945.00	11402.46	2542.54	24.00
4	30-Minorities Welfare	9976.11	9154.44	821.67	2273.15
5	41-Road Construction Department	163944.95	149890.38	14054.57	3400.00
6	47-Transport Department	5208.00	454.23	4753.77	197.00
7	49-Water Resources Department	163271.00	42286.47	120984.53	2300.00
8	50-Minor Irrigation Department	35609.00	19491.35	16117.65	610.00
Total Capital (Voted)		492509.64	301532.78	190976.86	28383.85
Grand Total		2690068.37	2019002.17	671066.20	108210.92

Appendix 2.5
Excess/Insufficient re-appropriation of funds
(Reference: Paragraph 2.4.7.; Page 52)

(₹ in lakh)

Sl. No.	Number and Name of Grant	Head of Account	Plus re-appropriation	Minus Re-appropriation	Saving (-)/ Excess (+)
1	3-Building Construction Department	4059-01-796-50	650.00	---	(-)1042.57
2		4059-01-796-54	1250.00	---	(-)818.55
3		4216-01-796-10	120.00	---	(-)395.35
4	27-Law Department	2052-00-090-18	5.00	---	(-)4.32
5	32-Legislature	2011-02-103-01	2.05	---	(-)1.27
6	42-Rural Development Department	2515-00-102-08	1.30	---	(-)14.51
7		3451-00-090-10	1.00	---	(-)6.01
8	59-Primary and Public Education	2202-01-001-01	0.70	---	(-)11.23
	Total		2030.05	---	(-)2293.81
9	2-Animal Husbandry Department	2403-00-001-04	---	17.00	(+)14.65
10	3-Building Construction Department	2059-80-001-01	---	2.00	(+)1.63
11		4059-01-051-52	---	120.00	(+)86.40
12	26-Labour,Employment and Training Department	2230-03-101-02	---	1.00	(+)1.06
13	27-Law Department	2014-00-105-01	---	5.00	(+)105.51
14	23-Industries Department	2850-80-102-04	---	2.21	(+)19.46
	Total		---	147.21	(+)228.71
15	26-Labour,Employment and Training Department	2235-03-101-05	490.00	---	(+)81.61
16		2235-03-796-05	1100.00	---	(+)34.40
17	36-Drinking Water and Sanitation Department	2215-01-101-04	87.00	---	(+)25.44
18	45-Information Technology Department	2203-00-796-71	15.00	---	(+)8.11
	Total		1692.00	---	(+)149.56

Appendix 2.6
Details of saving of ₹ 1 crore and above not surrendered
(Reference Paragraph 2.4.8; Page 53)

(₹ in crore)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Savings not surrendered
1		3	4	5
	Revenue			
1	1-Agriculture and Sugarcane Development Department	264.25	249.77	14.48
2	2-Animal Husbandry Department	35.50	34.47	1.03
3	12-Finance Department	10.63	9.53	1.10
4	13-Interest Payment	57.33	30.65	26.68
5	17-Finance (Commercial Tax) Department	27.17	25.68	1.49
6	18-Food, Public Distribution and Consumer Affairs Department	307.90	267.18	40.72
7	19-Forest and Environment Department	48.17	45.53	2.64
8	20-Health, Medical Education and Family Welfare Department	326.13	304.01	22.12
9	23-Industries Department	82.94	81.39	1.55
10	35-Planning and Development Department	594.38	593.05	1.33
11	38-Registration Department	7.98	5.26	2.72
12	40-Revenue and land Reforms Department	77.18	72.88	4.30
13	41-Road Construction Department	33.86	16.63	17.23
14	42-Rural Development Department	317.32	266.65	50.67
15	47-Transport Department	116.55	110.05	6.5
16	48-Urban Development Department	177.09	165.11	11.98
17	49-Water Resources Department	92.55	75.40	17.15
18	50-Minor Irrigation Department	16.24	10.16	6.08
19	51-Welfare Department	250.26	177.10	73.16
20	52-Art, Culture, Sports and Youth Affairs Department	27.47	19.51	7.96
21	55- Rural Works Department	32.93	31.29	1.64
22	56- Panchayati Raj and N.R.E.P (Special Divisional) Department.	262.05	255.30	6.75
23	58-Secondary Education	238.38	102.32	136.06
24	59-Primary and Public Education	1493.28	772.67	720.61
25	60-Social Welfare, Women and Child Development Department	302.08	237.28	64.80
	Capital			
1	3-Building Construction Department	114.97	84.03	30.94
2	30-Minorities Welfare	30.95	26.65	4.30
3	41-Road Construction Department	174.55	157.42	17.13
4	47-Transport Department	49.51	47.78	1.73
5	48-Urban Development Department	490.99	374.04	116.95
6	49-Water Resources Department	1232.85	1189.15	43.70
7	50-Minor Irrigation Department	167.28	155.81	11.47
8	51-Welfare Department	29.17	25.00	4.17
9	52-Art,Culture,Sports and Youth Affairs Department	2.39	1.02	1.37
10	55-Rural Works Department	79.23	57.43	21.80
11	59-Primary and Public Education	9.96	7.50	2.46
	Total	7581.47	6084.70	1496.77

Appendix - 2.7
Cases of surrender of funds in excess of ₹10 crore on 30 and 31 March 2013
(Reference Paragraph 2.4.8; Page 53)

(₹ in crore)

Sl. No.	Number and name of the Grant/Appropriation	Major Head	Amount of Surrender
1	1-Agriculture and Sugarcane Department	2401-00-109-28	20.63
2		2401-00-796-28	27.54
3		2401-00-796-19	22.50
4		2401-00-800-53	12.67
5		2401-00-796-56	15.68
6		2401-80-796-15	10.46
7	3-Building Construction Department	4059-01-796-51	19.36
8		4059-01-796-53	34.10
9	8- Civil Aviation Department	3053-80-003-02	10.00
10		3053-80-003-02	50.00
11	10-Energy Department	2801-01-800-02	16.40
12		2801-80-800-09	11.00
13		6801-00-800-05	108.00
14	13-Interest Payment	2049-01-200-11	12.93
15	14-Repayment of Loans	6003-00-105-01	31.45
16		6003-00-109-01	38.51
17	17-Finance (Commercial Tax) Department	2040-00-001-05	18.54
18	18-Food, Public Distribution and Consumer Affairs Department	3456-00-102-13	33.63
19		3456-00-789-13	15.32
20		3456-00-796-02	10.75
21		3456-00-796-13	43.22
22	20-Health, Medical Education and Family Welfare Department	2211-00-001-03	69.37
23		4210-02-103-08	15.89
24		4210-02-103-09	12.68
25		4210-02-103-10	11.48
26		4210-02-796-29	16.13
27		4210-02-796-38	10.77
28		4210-02-796-39	10.90
29		4210-02-796-40	16.33
30		4210-02-796-41	22.63
31		4210-02-796-48	60.00
32	21-Higher Education Department	2202-03-102-15	13.09
33		2202-03-102-22	10.50
34		2202-03-796-34	10.50
35	22-Home Department	2055-00-104-02	14.25
36		2055-00-109-01	12.90
37		2055-00-110-01	45.39
38		2055-00-115-67	16.11
39		4055-00-207-45	11.98

Appendix 2.7 continued...

Sl. No.	Number and name of the Grant/Appropriation	Major Head	Amount of Surrender
40	23-Industries Department	2851-00-103-24	10.00
41	26-Labour Employment and Training Department	2230-03-003-44	11.55
42		2230-03-101-02	11.13
43	26-Labour Employment and Training Department	2230-03-796-44	11.55
44		2235-03-101-03	20.07
45		2235-03-789-03	26.31
46		2235-03-796-03	23.97
47	27-Law Department	2014-00-105-01	11.34
48		2014-00-105-05	16.52
49	35-Planning and Development Department	2053-00-796-11	35.00
50		2053-00-796-25	100.00
51		2053-00-796-27	48.60
52		2053-00-796-28	10.00
53		2053-00-800-11	45.95
54		2235-02-102-01	118.00
55		2235-02-796-01	117.41
56		3454-02-204-14	21.56
57	36-Drinking Water and Sanitation Department	4215-01-102-02	13.67
58		4215-01-796-02	20.39
59	40-Revenue and land Reforms Department	2029-00-103-01	16.20
60		2029-00-104-01	22.62
61	41-Road Construction Department	5054-03-337-01	13.22
62		5054-03-796-01	21.69
63		5054-03-796-03	83.26
64	42-Rural Development Department	2501-06-796-05	11.92
65		2501-06-800-01	10.98
66		2505-01-702-02	36.04
67		2505-01-796-02	10.57
68	43-Science and Technology Department	2203-00-004-05	11.10
69		2203-00-800-66	11.10
70		4202-02-105-06	30.35
71	47-Transport Department	3075-60-101-03	40.00
72		3075-60-796-03	60.00
73	48-Urban Development Department	2215-01-191-01	13.26
74		2215-02-191-11	20.00
75		2215-02-796-09	30.00
76		2217-80-191-30	10.00
77		2217-80-191-39	10.98
78		2217-80-192-09	11.80
79		2217-80-193-08	10.67
80		2217-80-193-09	12.00
81		2217-80-796-23	12.60
82		4217-60-191-26	12.60
83		4217-60-191-28	115.22

Appendix 2.7 continued...

Appendix 2.7 continued...

Sl. No.	Number and name of the Grant/Appropriation	Major Head	Amount of Surrender
84	48-Urban Development Department	4217-60-191-29	31.15
85		4217-60-191-30	99.91
86		4217-60-789-37	13.00
87		4217-60-796-42	36.66
88		4217-60-796-43	28.40
89	49-Water Resources Department	2701-03-001-06	14.61
90		2701-03-001-07	10.80
91		2701-03-001-08	24.67
92		4700-80-789-09	13.71
93		4700-80-789-10	408.12
94		4700-80-796-09	12.24
95		4700-80-796-10	403.87
96		4700-80-796-11	108.12
97		4701-80-796-73	64.73
98	50-Minor Irrigation Department	4702-00-101-07	18.00
99		4702-00-101-33	42.00
100		4702-00-796-30	46.37
101	55-Rural Works Department	2515-00-001-28	14.16
102		4515-00-103-04	46.52
103	56-Panchayati Raj and N.R.E.P (Special Divisional) Department	2515-00-001-03	27.23
104		2515-00-001-15	64.19
105		2515-00-789-15	37.57
106		2515-00-796-15	119.35
107	58-Secondary Education	2202-02-109-35	16.05
108		2202-02-109-36	11.20
109	59-Primary and Public Education	2202-01-101-01	144.93
110		2202-01-101-05	17.68
111		2202-01-104-01	14.66
112		2202-01-111-02	70.86
113		2202-01-112-04	17.18
114		2202-01-789-25	25.78
115		2202-01-796-04	16.90
116		2202-01-796-25	64.41
117	60-Social Welfare, Women and Child Development Department	2235-02-102-51	28.14
118		2235-02-103-70	26.37
119		2235-02-796-51	20.87
120		2235-02-796-71	30.51
121		2236-02-101-02	13.13
122		2236-02-796-05	10.11
123		2236-02-796-05	10.56
Grant Total			4479.51

Appendix-2.8
Rush of expenditure at the end of the year
(Reference: Paragraph 2.5; Page 53)

(₹ in crore)

Sl. No.	Name of Department	Head	Expenditure incurred during January to March 2013	Expenditure incurred in March 2013	Total expenditure	Percentage to total expenditure during	
						Jan-March 2013	March 2013
1	Welfare Department	4235	110.37	109.19	110.37	100.00	98.93
2	Transport Department	3075	297.59	297.59	297.59	100.00	100.00
3	Energy Department	2810	100.00	100.00	100.00	100.00	100.00
4	Civil Aviation Department	3053	40.06	40.01	40.26	99.50	99.37
5	Welfare Department	4225	184.11	106.42	194.39	94.71	54.75
6	Human Resources Department	2205	24.46	23.95	26.61	91.92	90.00
7	Urban Development Department	4217	150.87	147.96	182.43	82.70	81.11
8	Industries Department	2852	87.58	56.44	111.97	78.22	50.41
9	Labour, Employment and Training Department	2230	109.66	99.62	150.43	72.90	66.22
10	Welfare Department	2225	410.52	286.60	563.88	72.80	50.83
11	Urban Development Department	2217	177.23	132.45	251.63	70.43	52.64
12	Health, Medical Education and Family Welfare Department	4210	98.59	82.34	146.84	67.14	56.07
13	Fisheries Department	2405	28.66	22.85	42.81	66.95	53.38
14	Agriculture and Sugarcane Development Department	2402	31.19	26.99	46.67	66.83	57.83
15		2401	200.54	168.43	306.09	65.52	55.03
16	Housing Department	2216	25.78	21.45	41.08	62.76	52.22
17	Information Technology Department	2203	41.16	34.44	67.85	60.66	50.76
18	Industries Department	2851	54.18	48.62	90.50	59.87	53.72
19	Dairy Department	2404	40.81	28.96	68.43	59.64	42.32

Appendix 2.9
List of Controlling Officers where expenditure remained un-reconciled during 2012-13
(Amounts exceeding ₹10 crore in each case)
(Reference: Paragraph 2.6; Page 53)

		(₹ in crore)
Sl. No.	Controlling Officers/ Departments	Amount not reconciled
1	Secretary, Law Deptt.	19.46
2	Secretary, Administration, Finance Deptt.	10.38
3	Additional Secretary, Home (Police) Deptt. Section IV Village Police ,	2214.15
4	Finance Commissioner	2931.19
5	Secretary, Energy Deptt.	524.43
6	Director of Industries, Deptt/ of Industries & Minerals	191.10
7	Secretary, Board of Personnel & Administrative Reforms	10.71
8	I.G. (Prison) Home Deptt.	78.92
9	Under Secretary, Building Construction & Housing PWD Deptt.	36.75
10	Dy. Secretary, Primary & Adult Education Dy. Secretary, Higher Education	4396.02
11	Dy. Secretary, Art, Culture and Youth Deptt.	22.10
12	Secretary, Health Medical Education and Welfare Deptt.	862.99
13	Director General, Information & Publicity Deptt.	43.53
14	Secretary, Drinking Water & Sanitation Deptt.	193.72
15	Secretary, Welfare Deptt.	1008.01
16	Secretary, Urban Development Deptt.	440.19
17	Secretary Welfare Deptt. Secretary, Minority Welfare Deptt.	755.19
18	Commissioner of Labour Director Employment & Training Deptt. Director, Directorate of Social Security	143.78
19	Directorate, Soil & Water Conservation	46.37
20	Secretary, Agriculture and Sugarcane Development Deptt.	287.72
21	Dy. Secretary, Rural Development Deptt.	222.75
22	Director, Panchayati Raj Deptt.	2314.76
23	Secretary, Transport & Civil Aviation-cum-State Commissioner	297.59
Total		17051.81

Source: Accountant General (A & E)

Appendix 2.10
Savings of entire allotment by Agriculture & Sugarcane Development Department
(Reference: Paragraph 2.7; Page 54)

(₹ in lakh)

Sl. No.	Head of accounts	Scheme	Original Allotment	Supplimentary Allotment	Savings	Percentage
1	2401-00-796-43	Pilot Weather Based Crop Insurance Scheme	140.00	0.00	140.00	100.00
2	2401-00-102-43		110.00	0.00	110.00	100.00
3	2401-00-109-28	National Horticulture Mission Programme	2063.00	0.00	2063.00	100.00
4	2401-00-796-28		2754.00	0.00	2754.00	100.00
5	2401-00-109-29	Scheme for Micro Irrigation	261.00	0.00	261.00	100.00
6	2401-00-796-29		340.00	0.00	340.00	100.00
7	2401-00-789-20	Scheme for Macro Management	0.00	20.00	20.00	100.00
8	2401-00-789-53	Jharkhand Agriculture Card Scheme	50.00	0.00	50.00	100.00
9	2401-00-796-19	Extension Reforms	2250.00	0.00	2250.00	100.00
10	2401-00-796-60	Grants for Fertilizer Storage	500.00	0.00	500.00	100.00
11	2401-00-796-67	Soil Reclamation & Soil Management Scheme	540.00	0.00	540.00	100.00
12	2401-00-800-68		460.00	0.00	460.00	100.00
13	2401-00-796-68	Land Acquisition Scheme	20.00	0.00	20.00	100.00
14	2401-00-800-69		15.00	0.00	15.00	100.00
15	2401-00-796-75	Development of National Organic Farming	50.00	0.00	50.00	100.00
16	2401-00-800-51		50.00	0.00	50.00	100.00
17	2401-00-796-76	Establishment of Pesticide Laboratory	75.00	0.00	75.00	100.00
18	2401-00-800-71		75.00	0.00	75.00	100.00
19	2435-01-102-05	Establishment & Strengthening of Agriculture Laboratory	100.00	0.00	100.00	100.00
20	3475-00-106-03	Strengthening of State Legal Measures	0.00	128.00	128.00	100.00
		Total	9853.00	148.00	10001.00	

Appendix 2.11
Avoidable Supplementary provision by Agriculture & Sugarcane Development Department
(Reference: Paragraph 2.7; Page 55)

(₹ in lakh)

Sl.No.	Head of accounts	Allotment			Expenditure	Savings
		Original Allotment	Supplementary	Total allotment		
1	2401-00-103-01	437.89	0.82	438.71	331.25	107.46
2	2401-00-105-01	114.17	0.64	114.81	63.47	51.34
3	2401-00-107-09	715.21	0.21	715.42	640.74	74.68
4	2401-00-109-01	3024.85	6.60	3031.45	2587.76	443.69
5	2401-00-109-28	364.00	88.00	452.00	323.99	128.01
6	2401-00-119-05	337.93	0.20	338.13	145.77	192.36
7	2401-00-796-28	486.00	115.00	601.00	447.71	153.29
8	2401-00-796-58	100.00	25.00	125.00	4.25	120.75
9	2402-00-001-05	83.16	1.95	85.11	57.05	28.06
10	2402-00-101-01	211.60	3.15	214.75	183.10	31.65
11	2402-00-101-02	73.77	8.44	82.21	63.78	18.43
12	2402-00-102-04	1267.46	14.83	1282.29	1050.05	232.24
13	2415-80-796-04	3000.00	200.00	3200.00	2359.22	840.78
14	2415-80-796-15	2000.00	500.00	2500.00	1453.82	1046.18
15	3451-00-090-07	407.21	5.00	412.21	254.42	157.79
Total		12623.25	969.84	13593.09	9966.38	3626.71

Appendix 2.12
Excess expenditure over budgetary provision
(Reference: Paragraph 2.7; Page 55)

(₹in lakh)

Sl.No.	Head	Plan	Final Allotment	Expenditure	Excess	Percentage
1	2401-00-001-01	Non-Plan	125.22	125.40	0.18	0.14
2	2401-00-102-04	State-Plan	435.55	505.08	69.52	15.96
3	2401-00-107-09	Non-Plan	639.48	640.74	1.26	0.20
4	2401-00-108-01	Non-Plan	7.60	7.69	0.09	1.18
5	2401-00-108-02	Non-Plan	71.63	73.63	2.00	2.79
6	2401-00-109-03	Non-Plan	6.53	6.56	0.03	0.46
7	2401-00-109-08	Non-Plan	94.56	95.41	0.85	0.90
8	2401-00-109-19	State-Plan	245.58	256.87	11.29	4.60
9	2401-00-109-20-c	Central Share	167.49	180.89	13.40	8.00
10	2401-00-109-29	State-Plan	567.70	571.01	3.31	0.58
11	2401-00-109-46	State-Plan	98.57	106.43	7.86	7.97
12	2401-00-119-01	Non-Plan	228.45	228.62	0.17	0.07
13	2401-00-119-05	Non-Plan	145.52	145.77	0.25	0.17
14	2401-00-119-48	State-Plan	60.76	62.92	2.16	3.55
15	2401-00-789-02	State-Plan	186.54	190.55	4.00	2.14
16	2401-00-789-49	State-Plan	197.95	217.47	19.51	9.86
17	2401-00-796-20-c	Central Share	36.28	63.54	27.26	75.14
18	2401-00-796-20	State-Plan	4.58	4.64	0.07	1.53
19	2401-00-796-34	State-Plan	39.67	39.97	0.29	0.73
20	2401-00-796-49-c	Central Share	116.49	117.59	1.09	0.94
21	2401-00-796-61	State-Plan	65.77	70.58	4.81	7.31
22	2401-00-796-66	State-Plan	47.89	49.80	1.91	3.99
23	2401-00-800-49	Central Share	25.01	125.38	100.37	401.32
24	2401-00-800-53	State-Plan	6216.42	6454.84	238.41	3.84
25	2401-00-800-66	State-Plan	217.02	223.56	6.54	3.01
26	2402-00-101-02	Non-Plan	63.72	63.78	0.06	0.09
27	2402-00-102-04	Non-Plan	1020.89	1050.05	29.16	2.86
28	2415-01-004-02	Non-Plan	78.13	78.22	0.09	0.12
29	2415-01-277-01	Non-Plan	8.05	8.08	0.03	0.37
30	2415-01-277-02	Non-Plan	96.44	96.62	0.18	0.19
31	3451-00-090-07	Non-Plan	254.42	254.92	0.50	0.20
Total			11569.91	12116.61	546.65	

Appendix 2.13
Non-submission of DC bills by Agriculture & Sugarcane Development Department
(Reference: Paragraph 2.7; Page 56)

(in ₹)

Sl. No.	DDO code	Designation	AC Bill No.	Amount drawn	DC Bill submitted	Balance
1	BKRACH001	SUB DIV. AGRICULTURE OFFICER, BERMO, TENUGHAT	105	1250670	0	1250670
2	BKRACH002	SOIL CONSERVATION SURVEY OFFICER, BOKARO	84/12-13	4500000	0	4500000
			81/12-13	2428143	0	2428143
3	CTRACH001	DIST. HORTICULTURE OFFICER, CHATRA	165/12-13	1135300	0	1135300
4	CTRSWC001	SOIL CONSERVATION OFFICER, CHATRA	238/12-13	280000	0	280000
			237/12-13	129704	0	129704
			245/12-13	4812200	0	4812200
			243/12-13	12000000	0	12000000
			244/12-13	3731000	0	3731000
5	DGRACHE67	SUB AGRICULTURE OFFICER, DEOGHAR	160/12-13	1250670	0	1250670
6	DGRSWCE69	SOIL CONSERVATION SURVEY OFFICER, DEOGHAR	158/12-13	387200	0	387200
			133/12-13	70000	0	70000
			152/12-13	7079300	0	7079300
7	DHNACH001	DIST AGRICULTURE OFFICER, DHANBAD	162/12-13	1515300	0	1515300
8	DHNANS001	SOIL CONSERVATION SURVEY OFFICER, DHANBAD	200/12-13	1249336	0	1249336
9	DMKSWC002	SOIL CONSERVATION OFFICER, DUMKA	178/12-13	2025000	0	2025000
			160/12-13	57000	0	57000
			177/12-13	2900000	0	2900000
10	GMLSWC001	DIST. SOIL CONSERVATION OFFICER, GUMLA	127/12-13	10125000	0	10125000
			126/12-13	6000000	0	6000000
11	GRDSWC001	SOIL CONSERVATION OFFICER, GIRIDIH	156/2012-13	1939586	0	1939586
12	GRHSWC001	DIST. SOIL CONSERVATION OFFICER, GARWAH	100/12-13	1000000	0	1000000
			102/12-13	12000000	0	12000000
13	HZBSWC001	D. D. SOIL CONN. R., HAZARIBAGH	156/2012-13	762500	762500	0
			157/2012-13	322000	322000	0
14	HZBSWC002	SOIL AND WATER CONSERVATION, HAZARIBAGH	68/2012-13	18938500	0	18938500
			69/2012-13	546500	0	546500
15	HZBSWC003	SOIL AND WATER CON., HAZARIBAGH	264/12-13	1800000	0	1800000
			242/12-13	2373500	0	2373500
16	JMTACH001	SUB DIV. AGRICULTURE OFFICER, JAMTARA	134/12-13	1135300	0	1135300
17	JMTSWC001	SOIL CONSERVATION OFFICER, JAMTARA	120/2012-13	78000	0	78000
			117/2012-13	6122000	0	6122000

Appendix 2.13 continued...

Sl. No.	DDO code	Designation	AC Bill No.	Amount drawn	DC Bill submitted	Balance
18	JSRSWC003	SOIL CONSERVATION OFFICER, JAMSHEDPUR	117/12-13	4311000	0	4311000
19	JSRSWC002	SOIL CONSERVATION OFFICER, GHATSHILA	55/2012-20	1454000	0	1454000
20	LDGACH001	D.A.O. AGRICULTURE, LOHARDAGA	151/12-13	1135300	0	1135300
21	LTRSWC002	SOIL CONSERVATION OFFICER, LATEHAR	101/12-13	2025920	0	2025920
			100/12-13	1859355	0	1859355
22	MAHSWC001	SOIL CONSERVATION OFFICER, MAHESHPUR	212/12-13	6300000	0	6300000
			211/12-13	3050000	0	3050000
			209/12-13	10000000	0	10000000
			210/12-13	3700000	0	3700000
23	RNCACH017	ASST. SEED TESTING OFFICER, RANCHI	90/12-13	500000	0	500000
24	RNCACH028	DY. DIRECTOR, AGRICULTURE (GENERAL), RANCHI	237/12-13	2400000	0	2400000
			272/12-13	3475314	0	3475314
25	RNCACH070	DY. DIRECTOR, HORTICULTURE, RANCHI	23/12-13	60000000	60000000	0
			71/12-13	60000000	0	60000000
26	RNCACH018	D. A. O. , RANCHI	178	1515300	0	1515300
27	RNCSCW004	SOIL CONSERVATION OFFICER, BUNDU, RANCHI	175	4675000	0	4675000
			176/12-13	3256571	0	3256571
28	RNCSCW006	ASST. DIR., SUR. S. C., RANCHI	115/2012-13	3850083	0	3850083
29	RNCSCW007	SOIL CONV. OFFICER, RANCHI	148/2012-13	6200000	0	6200000
			144	12954500	0	12954500
30	RNCSCW010	DY. DIRECTOR, SOIL CONSERVATION, RANCHI	91/12-13	202000	0	202000
31	RNCSCW001	SOIL CONSERVATION OFFICER, KHUNTI BUNDU	163/12-13	10000000	0	10000000
32	SBJSWC001	DIST. SOIL CON. OFFICER, SAHIBGANJ	62/2012-13	65000	0	65000
			95/12-13	8100000	0	8100000
			94/12-13	8400000	0	8400000
33	SDGSCW001	DIST.SOIL CONSERVATION OFFICER, SIMDEGA	125/12-13	4145422	0	4145422
			115/12-13	6000000	0	6000000
34	SGHACH002	SUB DIV. AGRICULTURE OFFICER, SINGHBHUM	164/2012-13	1269600	0	1269600
Total				340788074	61084500	279703574

Source: Voucher level computerization data maintained by AG (A&E), Jharkhand

Appendix 3.1
Utilisation certificates outstanding as on 31 March, 2013
(Reference: Paragraph 3.1; Page 59)

(₹ in crore)

Department	Up to 2011-12 (GIA sanctioned up to 2010-11)		During 2012-13 (GIA sanctioned during 2011-12)		Total UCs awaited	
	Items	Amount	Items	Amount	Items	Amount
Industry	80	573.87	2	1.81	82	575.68
Human Resources Development	36	142.69	11	110.26	47	252.95
Co-operative	72	124.47	28	32.56	100	157.03
Animal Husbandry	31	14.47	2	1.85	33	16.32
Medical	0	0	1	10.00	1	10.00
Welfare	119	134.00	139	13.74	258	147.74
Agriculture	25	55.14	6	78.50	31	133.64
Land Revenue	2	0.63	0	0	2	0.63
Urban Development	2364	670.49	541	399.61	2905	1070.10
Others	690	1370.38	150	906.01	840	2276.39
Total	3419	3086.14	880	1554.34	4299	4640.48

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

Appendix 3.2
List of auditable units identified u/s 14 & 15 of CAG DPC Act
(Reference: Paragraph 3.2.1; Page 60)

Sl	Department	Name of the office	Distt.	Audited up to
1	Arts Culture Sports and Youth Affairs	National Games Organising Committee, NGOC, Morabadi, Ranchi	Ranchi	2008-09
2	Education	Distt Programme Officer, SSA,	Bokaro	2011-12
3	Education	Distt Programme Officer, SSA,	Chaibasa	2008-09
4	Education	Distt Programme Officer SSA	Chatra	2011-12
5	Education	Distt Programme Officer, SSA,	Daltonganj	2010-11
6	Education	Distt Programme Officer, SSA	Deoghar	2011-12
7	Education	Distt Programme Officer, SSA,	Dhanbad	2011-12
8	Education	Distt Programme Officer, SSA,	Dumka	2010-11
9	Education	Distt Programme Officer, SSA,	Garhwa	2010-11
10	Education	Distt Programme Officer, SSA,	Godda	2011-12
11	Education	Distt Programme Officer, SSA,	Gumla	2010-11
12	Education	Distt Programme officer, SSA	Hazaribagh	2011-12
13	Education	Distt Programme Officer, SSA,	Jamshedpur	2011-12
14	Education	Distt Programme Officer, SSA,	Jamtara	2011-12
15	Education	Distt Programme Officer, SSA,	Khunti	2011-12
16	Education	Distt Programme Officer, SSA,	Koderma	2011-12
17	Education	Distt Programme Officer, SSA,	Latehar	2011-12
18	Education	Distt Programme Officer, SSA,	Lohardaga	2010-11
19	Education	Disstt programme officer SSA ,	Pakur	2011-12
20	Education	Distt Programme Officer, SSA,	Ramgarh	2011-12
21	Education	Director Jharkhand Education Project Council	Ranchi	3/2007
22	Education	Distt Programme Officer, SSA,	Ranchi	Nil
23	Education	Distt Programme Officer, SSA,	Sahebganj	2011-12
24	Education	Distt Programme Officer, SSA,	Saraikela	2011-12
25	Education	Distt Programme Officer, SSA,	Simdega	2010-11
26	Education	Distt Programme Officer, SSA,	Giridih	2010-11
27	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Bokaro	August 2012
28	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Chatra	Nil
29	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Deoghar	November 2012
30	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Dhanbad	2010-11

Appendix 3.2 continued...

Sl	Department	Name of the office	Distt.	Audited up to
31	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Dumka	February 2012
32	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	East Singhbhum	2011-12
33	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Garhwa	Nil
34	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Giridih	December 2012
35	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Godda	2010-11
36	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Gumla	2010-11
37	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Hazaribagh	Nil
38	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Jamtara	Nil
39	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Khunti	2011-12
40	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Koderma	Nil
41	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Latehar	Nil
42	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Lohardaga	July 2012
43	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Pakur	Nil
44	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Palamu	Nil
45	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Ramgarh	2011-12
46	Health	Distt Rural Health Society, (Reproductive Child Health Societies) including Engg cell of State rural Health Society, Namkum	Ranchi	2011-12
47	Health	Jharkhand State Health Mission Society, Namkum	Ranchi	November 2011
48	Health	Principal RINPAS Kanke	Ranchi	2004-05
49	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Saraikela Kharsawan	Nil
50	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	Simdega	Nil
51	Health	Distt Rural Health Society, (Reproductive Child Health Societies)	West Singhbhum	Nil
52	Health	Jharkhand AIDS Control Society, Ranchi	Ranchi	Nil

Appendix 3.2 continued...

Sl	Department	Name of the office	Distt.	Audited up to
53	Health	Jharkhand State Disease Aid Management Society	Ranchi	Nil
54	Welfare	Director Santhal Parganas Seva Dal Deoghar	Deoghar	Nil
55	Welfare	Director Bharat Sevasharm Sangh Ghatshila	East Singhbhum	2010-11
56	Welfare	Director Bharat Sevasharm Sangh Sonari	Jamshedpur	2006-07
57	Welfare	Director RK Mission TB Sanitorium Tipudana	Ranchi	Nil
58	Welfare	Director RK Mission Ashram Morhabadi Ranchi	Ranchi	2007-08
59	Welfare	Jharkhand Mahila Samakhya Society(JMSS) Kadru Ranchi	Ranchi	Nil
60	Health	Rajendra Institute of Medical Sciences	Ranchi	2012-13
61	Rural Development	Managing Director, DRDA	Bokaro	2011-12
62	Rural Development	Managing Director, DRDA	Chatra	2011-12
63	Rural Development	Managing Director, DRDA	Deoghar	2011-12
64	Rural Development	Managing Director, DRDA	Dhanabad	2011-12
65	Rural Development	Managing Director, DRDA	Dumka	2004-05
66	Rural Development	Managing Director, DRDA	Jamshedpur	2011-12
67	Rural Development	Managing Director, DRDA	Garhwa	2010-11
68	Rural Development	Managing Director, DRDA	Giridih	2011-12
69	Rural Development	Managing Director, DRDA	Godda	2011-12
70	Rural Development	Managing Director, DRDA	Gumla	2011-12
71	Rural Development	Managing Director, DRDA	Hazaribagh	2011-12
72	Rural Development	Managing Director, DRDA	Koderma	2010-11
73	Rural Development	Managing Director, DRDA	Lohardagga	2011-12
74	Rural Development	Managing Director, DRDA	Pakur	2011-12
75	Rural Development	Managing Director, DRDA	Palamau	2009-10
76	Rural Development	Managing Director, DRDA	Ranchi	2004-05
77	Rural Development	Managing Director, DRDA	Sahebganj	2004-05
78	Rural Development	Managing Director, DRDA	Chaibasa	2009-10
79	Rural Development	Managing Director, DRDA	Jamtara	2010-11
80	Rural Development	Managing Director, DRDA	Simdega	2011-12
81	Rural Development	Managing Director, DRDA	Saraikela	12/2012
82	Rural Development	Managing Director, DRDA	Latehar	2004-05
83	Rural Development	Managing Director, DRDA	Ramgarh	September 2010
84	Rural Development	Managing Director, DRDA	Khunti	Nil
85	Higher Education	Birsa Agriculture University	Ranchi	2011-12

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

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

Terms	Basis of calculation and explanation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth Rate
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
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	Interest payment/[(Amount of previous year's Fiscal Liabilities + 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	Interest Received [(Opening balance + 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 Aviyan 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 atleast 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
FCP	Fiscal Correction Path
GOI	Government of India
GSDP	Gross State Domestic Product
FRBM	Fiscal Responsibility and Budget Management Act, 2005
IP	Interest Payment
MTFPS	Medium Term Fiscal Policy Statement
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
TFC	Thirteenth Finance Commission
UC	Utilisation Certificate
VAT	Value Added Tax