



Biggest Fiscal Deficit in Bihar | Bihar | 01 Jul 2022

Why in News?

- According to the **CAG** report tabled in the House on the last day of the monsoon session of the Bihar Assembly on June 30, 2022, Bihar recorded a fiscal deficit of Rs 29 thousand 827 crore in the financial year 2020-21.

Key Points

- This report is for the financial year ended March 31, 2021. According to the report, the fiscal deficit of Bihar has increased by Rs 15,103 crore to Rs 29,827 crore as compared to last year. Not only this, the state has suffered a revenue loss of more than Rs 11,325 crore for the first time since 2004-05.
- According to the report, due to the increase in tax, the financial year 2020-21 recorded an increase of Rs 3,936 crore (3.17 percent) in revenue receipts over the previous year. This year, revenue expenditure has increased by Rs 13,476 crore (10.69 percent) mainly on account of increase in committed expenditure.
- According to the report, till March 2021, the Nitish government has not submitted utilization certificates worth Rs 92,687 crore. The CAG in its report has said that the pendency of high quantity of utilization certificates increases the risk of misuse of funds and fraud. Non-adjustment of advance amount can be fraud.
- According to the report, the Bihar government has neither created a guarantee redemption fund as per the recommendations of the 12th Finance Commission nor made any rules for determining the limits of guarantees.