



Government of Bihar

Report of the Comptroller and Auditor General of India

STATE FINANCES For the year ended 31 March 2010

Report No. 1



GOVERNMENT OF BIHAR



Government of Bihar

**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA
ON
STATE FINANCES**

For the year ended 31 March 2010

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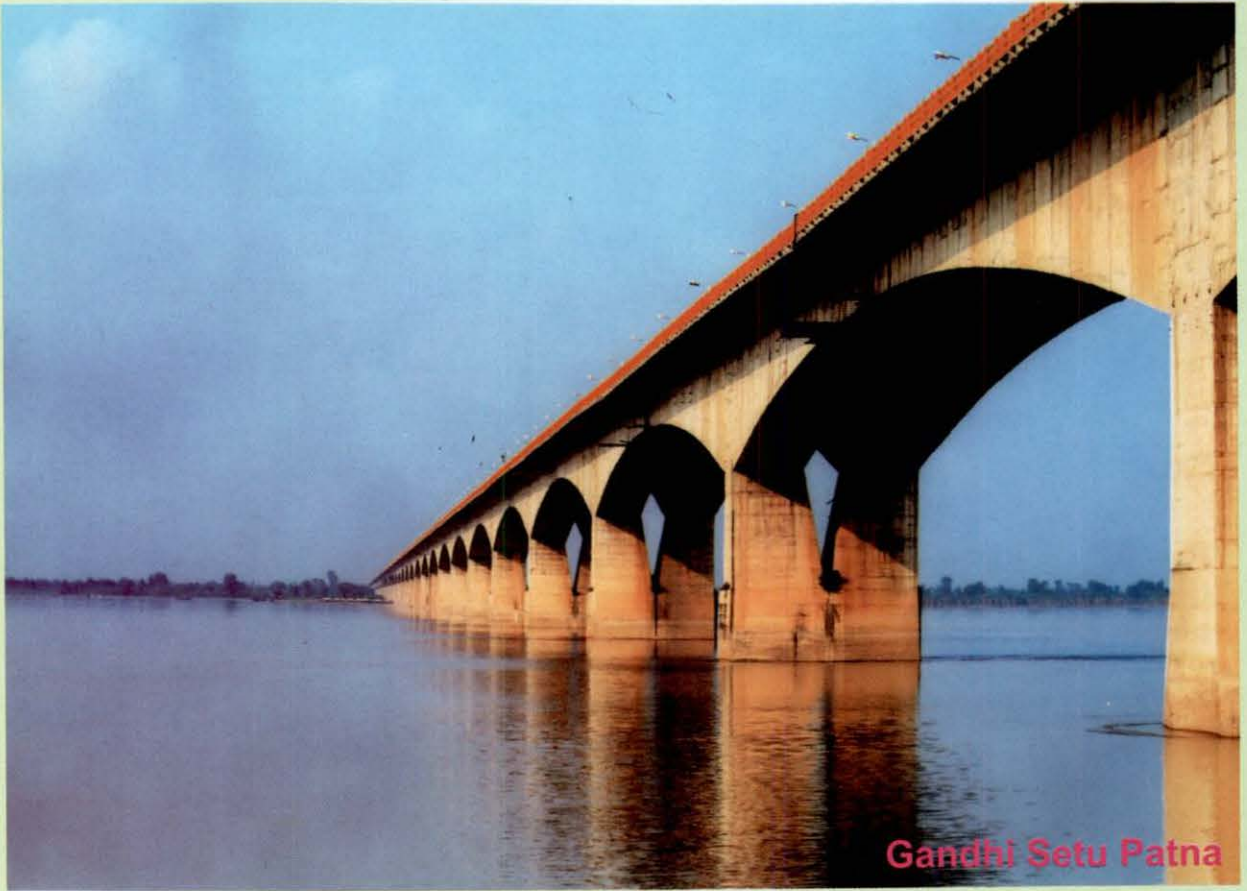
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P R E F A C E

1. This Report of the Comptroller and Auditor General of India for the year ending March 2010 on the State Finances has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters I and II of this Report respectively contain audit observations on matters arising from the examination of the Finance Accounts and Appropriation Accounts of the State Government for the year.
3. Chapter III on 'Financial Reporting' provides an overview of the financial reporting system and the status of the State Government's compliance with various financial rules, procedures and directives including instances of misappropriation, losses and defalcation reported during the year.

**EXECUTIVE
SUMMARY**



Gandhi Setu Patna

Executive Summary

Background

In response to the Twelfth Finance Commission's recommendations, the Bihar Government enacted its Fiscal Responsibilities and Budget Management (FRBM) Act, entitled the Bihar Fiscal Responsibility and Budget Management (FRBM) Act, 2006. The main purpose of this Act was to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium-term fiscal framework. The State Government's commitment to carry forward these reforms is largely reflected in the policy initiatives announced in its subsequent budgets. Since its enactment, the benefits of FRBM legislation have been realised to a great extent as exemplified by the fact that the State Government had revenue surplus and the fiscal deficit was well within three *per cent* of the Gross State Domestic Product (GSDP), except during the current year when it was also within the revised estimate.

The State Government has done well in establishing an institutional mechanism on fiscal transparency and accountability as is evident from the year-on-year data on the State finances. This data, however, does not give a holistic picture of the status of financial management including the debt position, off-budget liabilities, cash management etc. for the benefit of the State Legislature and other stakeholders.

The Report

Based on the audited accounts of the Government of Bihar for the year ending March 2010, this Report provides an analytical review of the Annual Accounts of the State Government and 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 of 31 March 2010. It provides an insight into the trends of committed expenditure and borrowing pattern and gives a brief account of the Central funds transferred directly to state implementing agencies through the off-budget route.

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

Chapter-3 is an inventory of the Government's compliance with various reporting requirements and financial rules. The Chapter also has additional data collected from several sources in support of the findings.

Audit findings and recommendations

Fiscal discipline: The fiscal position of the State viewed in terms of trends in deficit indicators revealed deterioration in 2009-10 compared to 2007-08 and 2008-09. Although the State maintained a revenue surplus during these years and had already achieved the Twelfth Finance Commission recommendation of eliminating revenue deficit, there was a decrease in the revenue surplus during the current year. The fiscal deficit which was well within three *per cent* of the Gross State Domestic Product (GSDP) increased to 3.40 *per cent* during the year, which too was within the revised recommendation of 3.5 *per cent*.

Need to reduce Non-Plan expenditure: The revenue expenditure was 80 *per cent* of the total expenditure, of which 74 *per cent* was under the Non-Plan head. This included expenditure on salaries, pension payments, interest liabilities and subsidies, which constituted 77 *per cent* of Non-Plan Revenue Expenditure (NPRE).

Review of Government investment: The average return on the Government's investments in statutory corporations, Government companies, co-operative banks and societies varied between 0.24 to 0.38 *per cent* during the last three years, while the Government paid average interest on borrowings at rates ranging from 6.48 to 7.93 *per cent*. This was obviously an unsustainable proposition. The Government should, therefore, initiate steps to seek better value for money in its investments. Otherwise, the high cost of borrowed funds invested in projects with low financial returns, will continue to strain the economy.

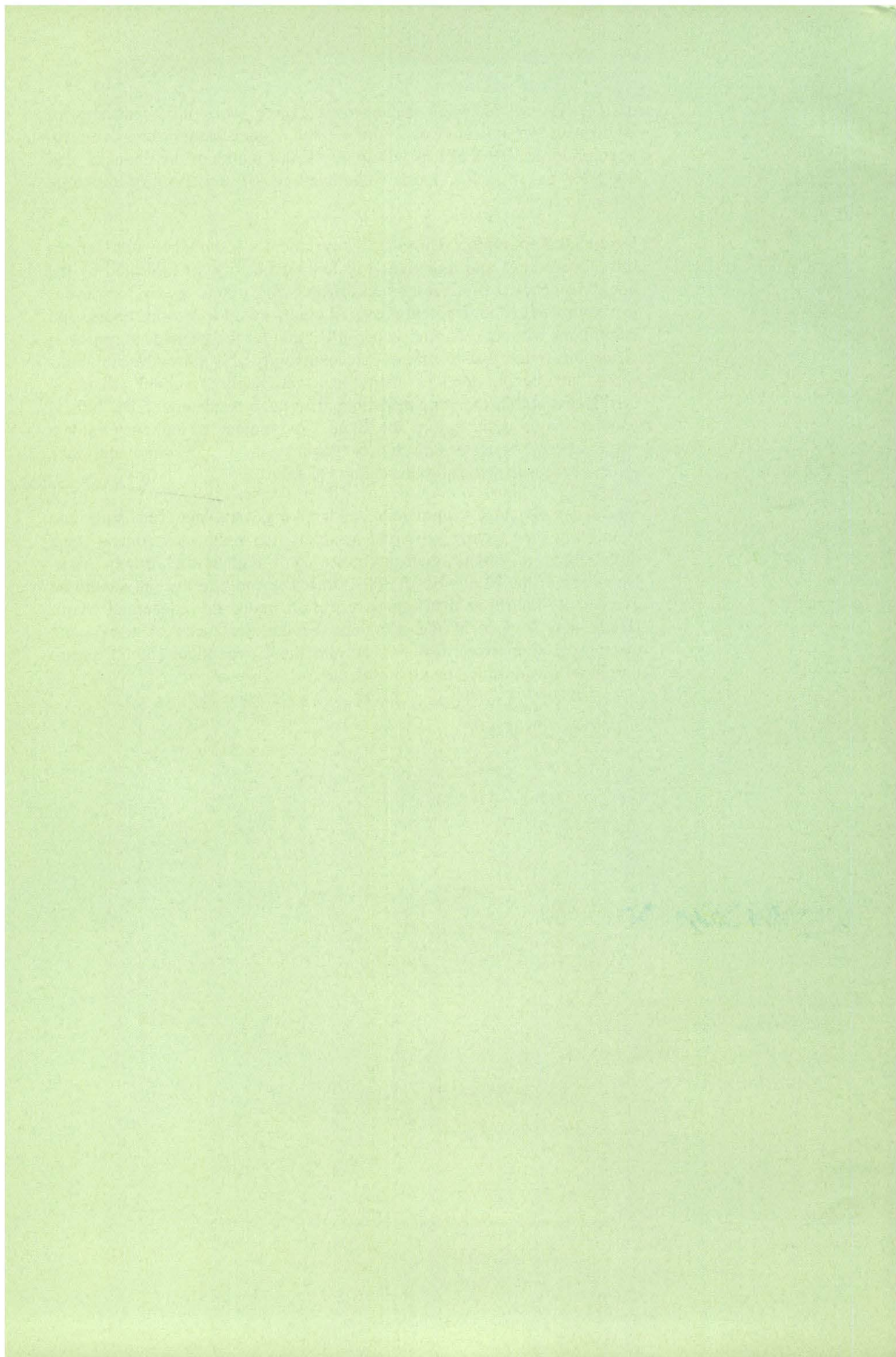
Increasing fiscal liabilities accompanied by negligible rates of return on Government investment and inadequate interest cost recovery on loans and advances might result in a situation of unsustainable debt in the medium to long term unless suitable measures are initiated to reduce the Non-Plan revenue expenditure and to mobilize additional resources, through tax and non-tax sources.

Financial management and budgetary control: During 2009-10, there was an overall savings of ₹ 10546 crore, which was a result of the total savings of ₹ 10644 crore, being offset by excess expenditure of ₹ 98 crore. This excess expenditure requires regularization under Article 205 of the Constitution of India. Audit scrutiny also revealed instances where the amounts surrendered were in excess of the actual savings, indicating lack of or inadequate budgetary control. As against savings of ₹ 462 crore in eight cases, the total amount surrendered was ₹ 483 crore, resulting in excess surrender of ₹ 21 crore. There were 25 grants/appropriations in which savings of ₹ 5861 crore occurred but ₹ 3182 crore (54.30 *per cent* of savings) was not surrendered by the concerned departments. Similarly, in 43 cases, savings of ₹ 6063 crore were surrendered on the last two working days of March 2010. Excess expenditure of ₹ 7081 crore was pending regularization from 1977 to 2009. There was 100 *per cent* surrender of funds amounting to ₹ 522 crore in 69 schemes. Hence, it is essential that the State Government must strengthen its budgetary controls to avoid such

deficiencies in financial management. There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriations. Rush of expenditure in the last month of the financial year 2009-10, in 18 major heads, amounted to 67 *per cent* of the total expenditure.

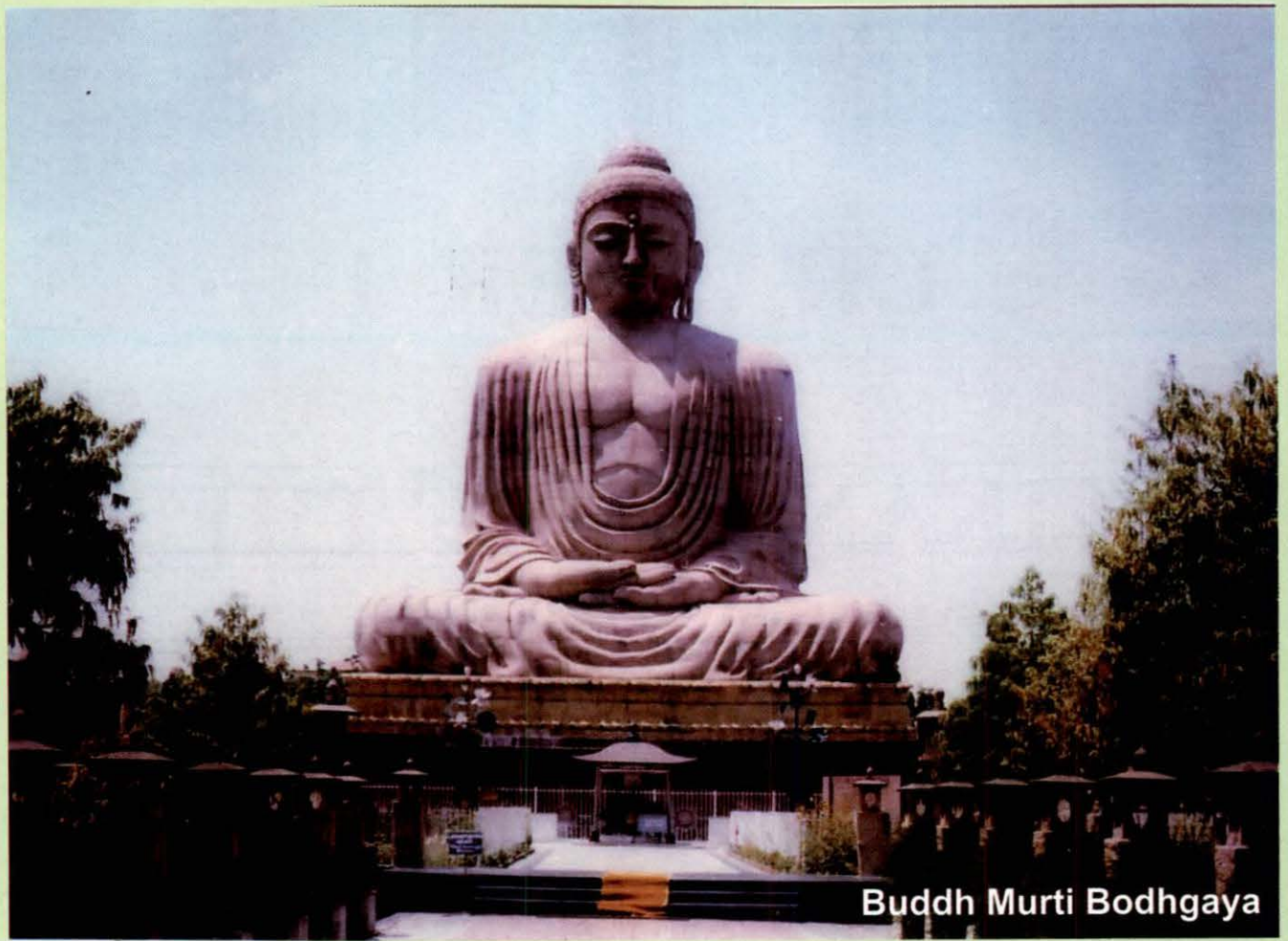
Financial Reporting: The State Government's compliance with various rules, procedures and directives was not satisfactory, as indicated by the huge pendency of utilization certificates for grants given to various institutions. The Government provided grants-in-aid to various bodies and institutions without ensuring proper utilization for the intended purposes. It is recommended that to improve accountability and transparency, grants should not be provided to institutions which fail to submit utilization certificates within the stipulated time. The huge pendency of DC bills is another major issue before the State Government which must initiate strong measures to ensure timely submission of the same and take effective steps to settle all outstanding DC bills.

Since departmental commercial undertakings are not finalising and submitting their yearly proforma accounts, the State Government must direct them to submit their accounts on a regular and timely basis. Operation of the Minor Head, 800- Other Expenditure/Receipt should be avoided in future so that actual reflection under the concerned Major Heads may appear in the accounts. Several instances of losses and misappropriation were also noticed and the Government should ensure timely follow up action on all these cases.



CHAPTER I

FINANCES OF THE STATE GOVERNMENT



Buddh Murti Bodhgaya

CHAPTER I

FINANCES OF THE STATE GOVERNMENT

1.1 Introduction

Bihar is a landlocked State, bounded by West Bengal in the east, Uttar Pradesh in the west, Jharkhand in the south and a long international border with Nepal in the north. It is the twelfth largest State in India in terms of geographical size (94163 sq. km) and the third largest by population. In terms of the Bihar Re-organisation Act 2000 (No.30 of 2000), the composite State of Bihar was re-organised and a new State known as Jharkhand comprising 18 districts¹ of the composite State of Bihar was formed w.e.f. 15th November 2000. Presently, the State of Bihar comprises 38 districts². Consequent to this bifurcation, the apportionment of assets and liabilities of the erstwhile State of Bihar, immediately prior to the appointed day as also other financial adjustment were to be undertaken in each case with reference to the provisions of the Bihar Re-organisation Act, 2000. However, as indicated in Appendix XII of the Finance Accounts, 2009-10, nine items including the Capital Account of the Social Sector and Economic Services and Loans and Advances were pending adjustment as on 31st March 2010.

The economy of Bihar is primarily agrarian and the State does not possess any significant mineral wealth. As indicated in **Appendix 1.1**, Bihar has higher poverty levels (41.4 *per cent*) as compared to the All India Average (27.5 *per cent*). The density of its population (880 persons per sq. km) as per the 2001 census was higher than the all India density (325 persons per sq. km). The State has shown lower economic growth in the past decade as the Compound Annual Growth Rate (CAGR) of its Gross State Domestic Product (GSDP) for the period 2000-01 to 2008-09 has been 12.08 *per cent* as compared to 12.54 *per cent* in other General Category States. During this period, its population has grown by 15.31 *per cent* against 13.42 *per cent* in other General Category States, indicating that the per capita income growth in Bihar has been much lower than that of the General Category States in the current decade.

1.1.1 Summary of Current Year's Fiscal Transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2009-10) vis-à-vis the previous year. The details of receipts and disbursements and the overall fiscal position during the current year are annexed at **Appendix 1.2**.

¹ Bokaro, Chatra, Deoghar, Dhanbad, Dumka, Garhwa, Giridih, Godda, Gumla, Hazaribagh, Kodarma, Lohardaga, Pakur, Palamu, Ranchi, Sahebganj, Singhbhum (east) and Singhbhum (west).

² Araria, Arwal, Aurangabad, Banka, Begusarai, Bhagalpur, Bhojpur, Buxar, Darbhanga, East Champaran, Gaya, Gopalganj, Jamui, Jehanabad, Kaimur, Katihar, Khagaria, Kishanganj, Lakhisarai, Madhepura, Madhubani, Munger, Muzaffarpur, Nalanda, Nawada, Patna, Purnea, Rohtas, Saharsa, Samastipur, Saran, Sheikhpura, Sheohar, Sitamarhi, Siwan, Supaul, Vaishali and West Champaran.

Table 1.1: Summary of Current Year's Fiscal Operations

(₹ in crore)

2008-09	Receipts	2009-10	2008-09	Disbursements	2009-10		
Section-A: Revenue					Non-Plan	Plan	Total
32980.69	Revenue receipts	35526.83	28511.58	Revenue expenditure	24145.38	8438.79	32584.17
6172.74	Tax revenue	8089.67	10529.51	General services	11850.99	351.36	12202.35
1153.32	Non-tax revenue	1670.42	12252.10	Social services	8046.11	5140.30	13186.41
17692.51	Share of Union Taxes/ Duties	18202.58	5726.01	Economic services	4140.82	2947.13	7087.95
7962.12	Grants from Government of India	7564.16	3.96	Grants-in-aid and Contributions	107.46	0.00	107.46
Section-B: Capital							
0.00	Misc. Capital Receipts	0.00	6436.35	Capital Outlay	63.97	7268.12	7332.09
11.32	Recoveries of Loans and Advances	13.20	551.05	Loans and Advances disbursed	409.51	487.27	896.78
5927.89	Public Debt receipts*	6134.39	1682.28	Repayment of Public Debt*	**	**	1982.99
0.00	Contingency Fund	0.00	0.00	Contingency Fund	**	**	0.00
16941.02	Public Account receipts	15303.39	17310.63	Public Account disbursements	**	**	15447.74
2188.06	Opening Cash Balance	3557.09	3557.09	Closing Cash Balance	*	*	2291.13
58048.98	Total	60534.90	58048.98	Total			60534.90

(Source: Finance Accounts for the year 2008-09 and 2009-10) of Government of Bihar.

*Excluding net transactions under ways and means advances and overdraft.

**Bifurcation of Plan and Non-Plan is not maintained.

The significant changes during 2009-10 as compared to the previous year are given below:

- Revenue receipts of the State increased by ₹ 2546 crore (eight per cent) over the previous year, mainly due to increase in the State's own tax revenue (₹ 1917 crore), non-tax revenue (₹ 517 crore), and share of Union taxes (₹ 510 crore) which was offset by less receipt of ₹ 398 crore as Grants from Government of India.
- The State's tax revenue increased from ₹ 6173 crore in 2008-09 to ₹ 8090 crore in 2009-10 (31 per cent). The percentage of tax receipts to revenue receipts also increased from 19 per cent of 2008-09 to 23 per cent during the year.
- Revenue expenditure increased by ₹ 4073 crore over the previous year, mainly due to increase in expenditure on General Services (₹ 1673 crore), Social Services (₹ 934 crore) Economic Services (₹ 1362 crore) and Grants-in-aid and contributions (₹ 104 crore).
- In terms of Plan and Non-Plan expenditure, the Non-Plan expenditure (revenue and capital) increased by ₹ 2934 crore and Plan expenditure by ₹ 2380 crore during the year. During the current year, 87.05 per cent of the

total expenditure was made from revenue receipts and the remaining from capital receipts and borrowed funds.

- While the expenditure on Social Services registered an increase of eight *per cent*, the expenditure on Economic Services increased significantly by 24 *per cent*.
- Capital expenditure on asset creation increased by ₹ 896 crore (14 *per cent*) over the previous year.
- Public Account receipts and disbursements decreased by ₹ 1638 crore (10 *per cent*) and ₹ 1863 crore (11 *per cent*) respectively, resulting in a net decrease in the Public Account by ₹ 144 crore during the year.
- The net impact of these transactions led to decrease of ₹ 1266 crore in the cash balance at the end of the year over the previous year.

1.1.2 Review of the fiscal situation

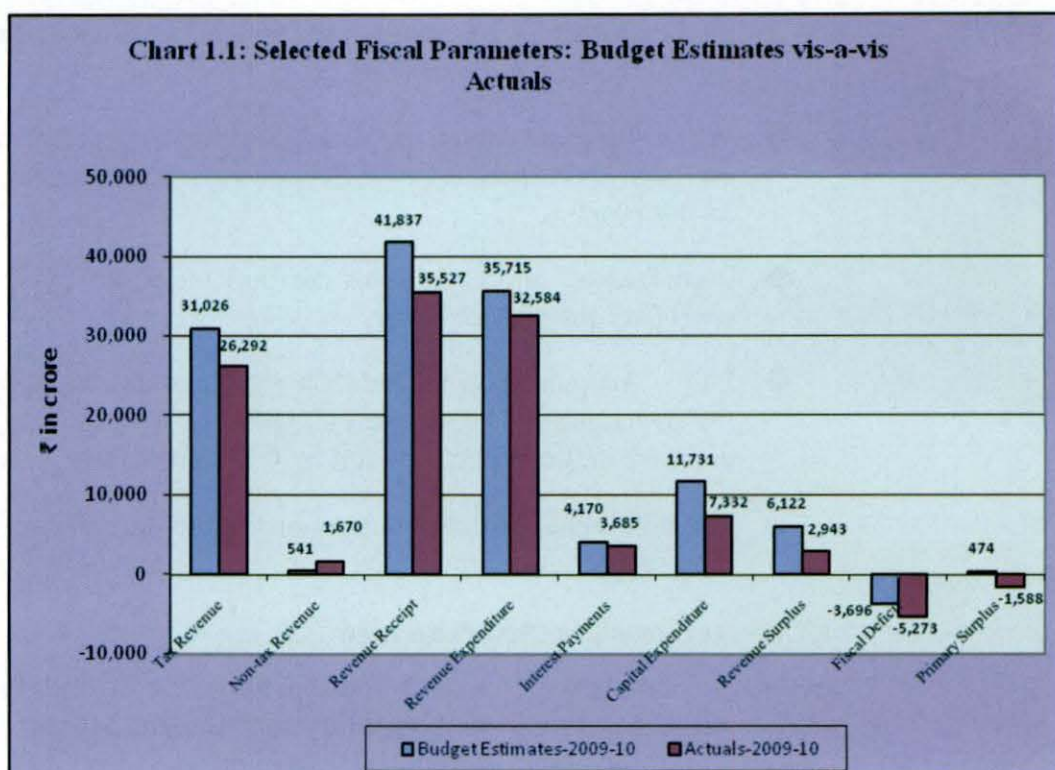
In order to comply with the recommendations of the Twelfth Finance Commission (TFC), the Bihar Fiscal Responsibility and Budget Management (FRBM) Act, 2006 required the State Government to eliminate its revenue deficit by the end of the financial year 2008-09 and to reduce the fiscal deficit to not more than three *per cent* of the GSDP by 2008-09. These targets have been achieved. However, the recommended norm for fiscal deficit has since increased to 3.5 *per cent* of GSDP for the years 2008-10.

Audit scrutiny of the Finance Accounts of the State indicated that the TFC recommendation for eliminating the revenue deficit had been achieved and the State had revenue surplus during 2005-10. The fiscal deficit for 2009-10 stood at 3.40 *per cent*, which was well within the revised norms recommended by TFC.

1.1.3 Budget Analysis

The budget papers presented by the State Government are important tools in providing the projections or estimations of revenue and expenditure for the relevant fiscal year. Hence, it is important that for sound and effective fiscal management, these papers should present an accurate estimation of the revenue receipts and expenditure. Similarly, deviations from the budget estimates indicate instances of non-optimisation and consequent non-attainment of the desired fiscal objectives. Such deviations may occur due to a variety of reasons falling either within or outside the control of the State Government.

Chart 1.1 presents the budget estimates and the actuals expenditure of selected fiscal parameters for the financial year 2009-10.



The data in Chart 1.1 reveals that except for non-tax revenue, the actuals were far below the estimates, indicating thereby that either the estimates were unrealistic or adequate efforts were not made by the Government to achieve the targets fixed for the financial year. It also indicated insufficient Government efforts to utilize the funds appropriated for expenditure, in spite of its availability. It was also seen that:

- Non-tax receipts surpassed the estimates by 309 per cent. This was mainly under General Services- Miscellaneous-General Secretariat-Other Services and Interest Payment where the actual receipts were ₹ 807 crore and ₹ 355 crore against the estimates of ₹ 159 crore and ₹ 54 crore respectively.
- Revenue receipts and revenue expenditure were lower than the estimates by ₹ 6310 crore and ₹ 3131 crore respectively. Capital expenditure fell short of the estimate by ₹ 4399 crore (37 per cent), indicating difficulties in fund absorption for capital works.
- Revenue surplus and primary surplus³ were below the budget estimate. Revenue surplus was short by ₹ 3179 crore (52 per cent) against the budget estimate; fiscal deficit increased by ₹ 1577 crore (43 per cent) whereas the primary surplus decreased by ₹ 2062 crore (435 per cent) against the estimate, resulting in a primary deficit of ₹ 1588 crore.

1.2 Resources of the State

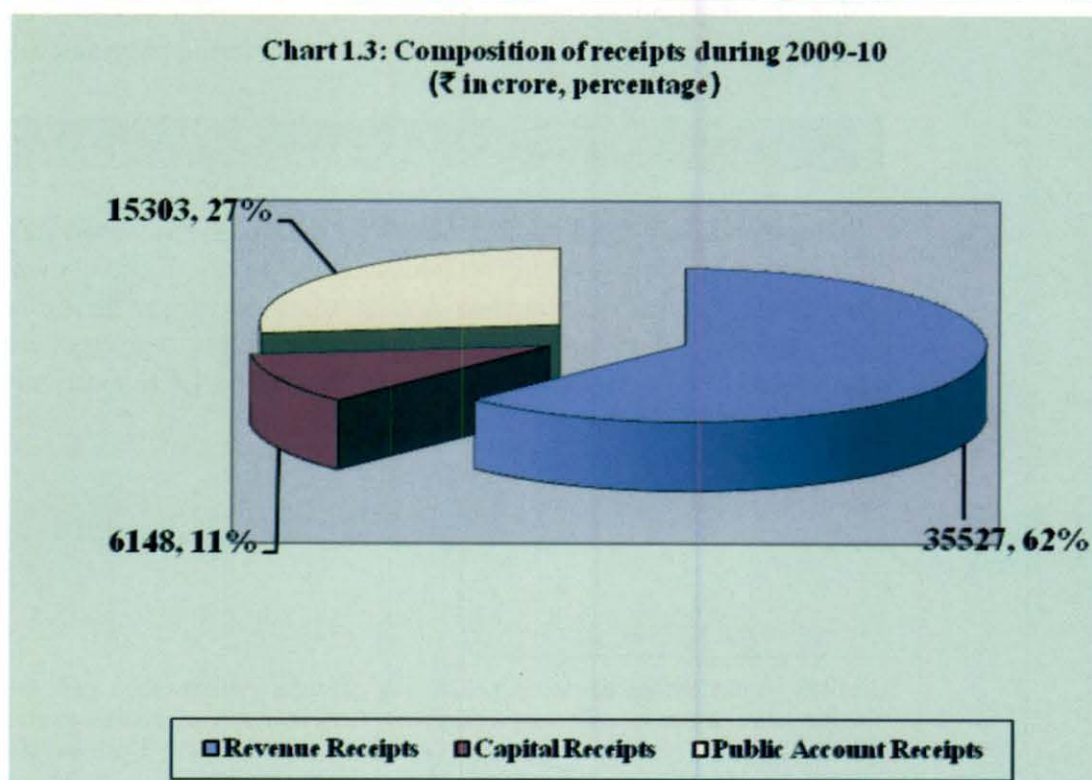
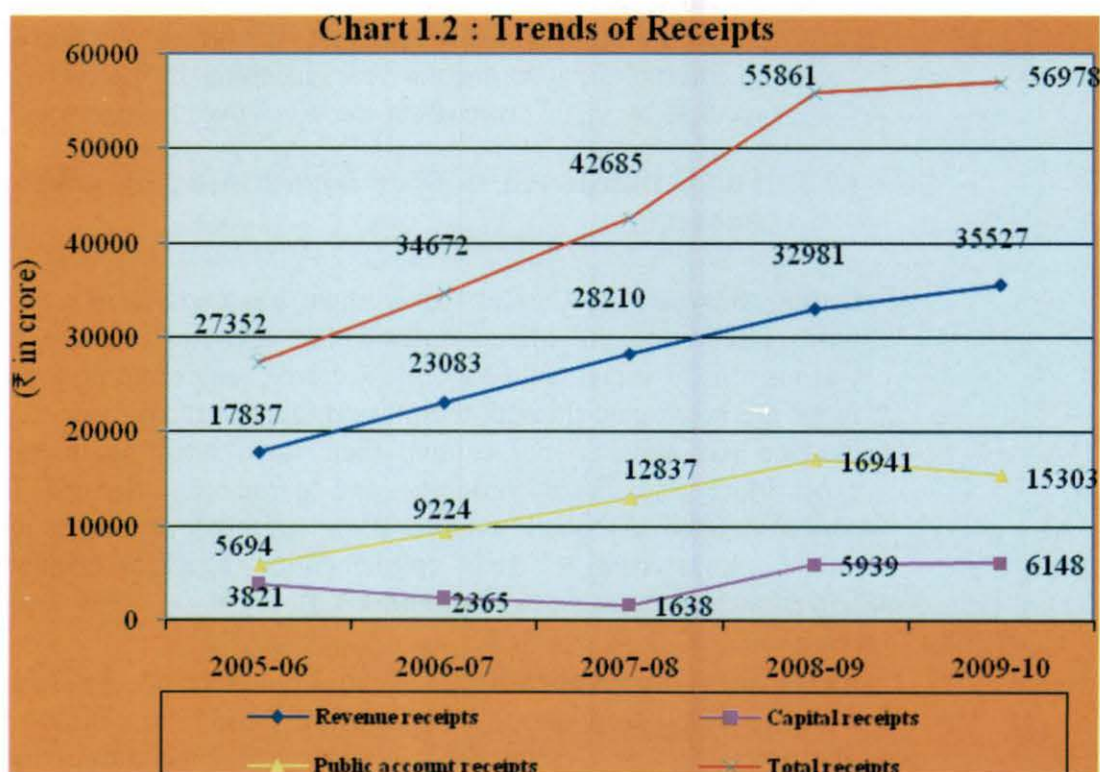
1.2.1 Resources of the State as per Annual Finance Accounts

The revenue resources of the State Government fall under two categories- capital and revenue. Capital receipts comprise proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans,

³ Primary surplus = Fiscal deficit/surplus – Interest Payment

borrowings from financial institutions or commercial banks), loans and advances from the Government of India (GOI) as well as accruals from the Public Account. On the other hand, revenue receipts consist of the State Government's own-tax and non-tax revenues, State's share of Union taxes and duties and grants-in-aid from the GOI.

Chart 1.2 depicts the trend of receipts during 2005-10 and **Chart 1.3** indicates the composition of these receipts during 2009-10.



A perusal of **Chart Nos 1.2** and **1.3** reveal that:

- The total resources of the State increased by ₹ 1117 crore (two *per cent*) over the previous year. This was mainly due to the increase of ₹ 2546 crore (eight *per cent*) in revenue receipts and ₹ 209 crore (four *per cent*) in capital receipts, though there was a reduction of ₹ 1638 crore (10 *per cent*) in the Public Accounts receipts.
- An increase in Loans and Advances from the Central Government by ₹ 614 crore over the previous year was offset by a decrease of ₹ 408 crore in internal debt during the year, resulting in the increase of Public Debt receipts by ₹ 207 crore (three *per cent*) over the previous year.

1.2.2 Funds transferred to State implementing agencies outside the State budget

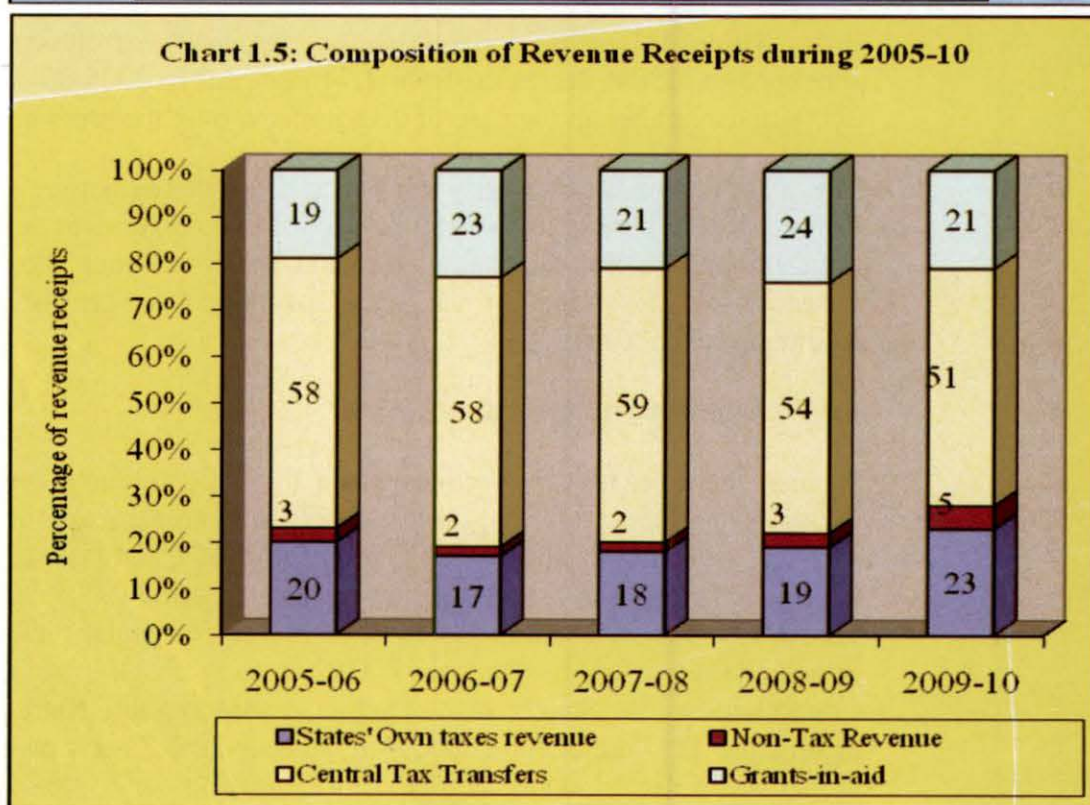
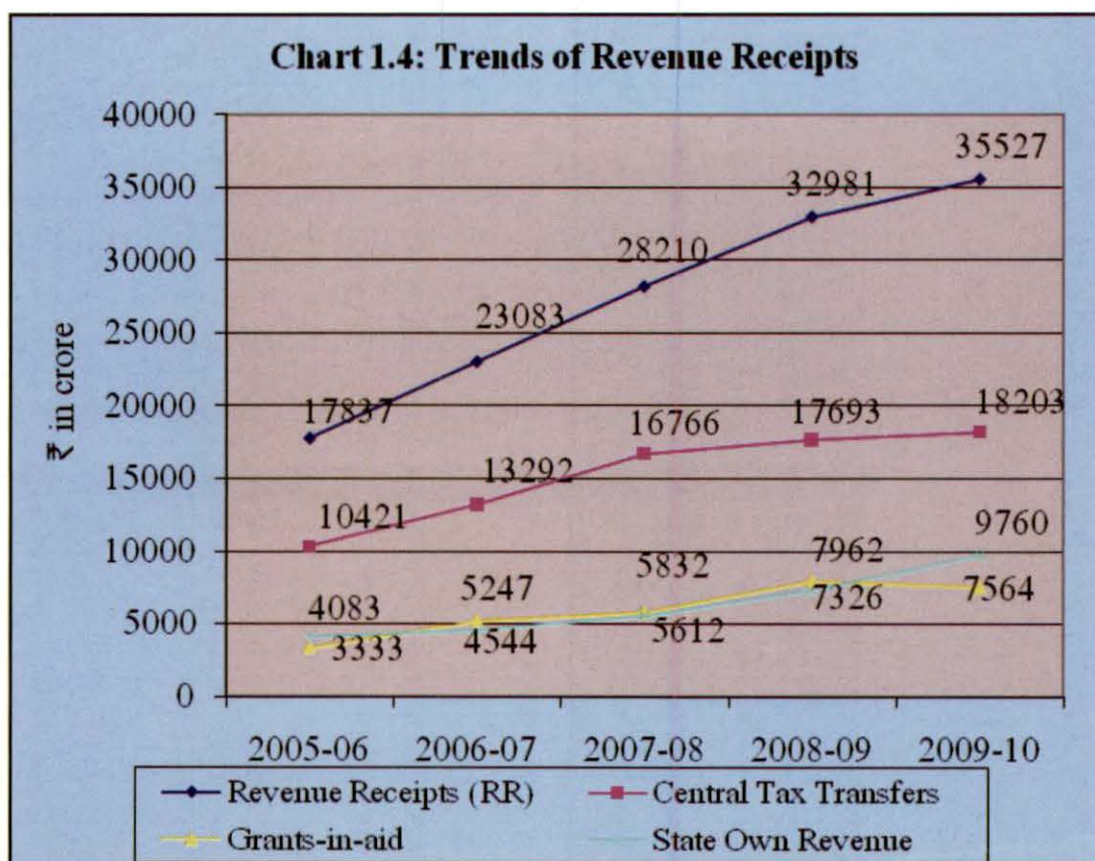
During the year, the Central Government has transferred a sizeable quantum of funds directly to the State implementing agencies⁴ for the implementation of various critical social and economic sector schemes and programmes. Since these funds are not routed through the State Budget or its Treasury System, the Annual Finance Accounts do not capture their flow, resulting in the State's receipts, expenditure and fiscal variables and parameters derived from them being underestimated. A holistic picture of the aggregate resources including the funds directly transferred to State implementing agencies available to the State Government is presented in **Appendix 1.3**.

As is evident from **Appendix 1.3**, Central fund receipts bypassing the State budget were ₹ 5182.20 crore as against receipts of ₹ 6435 crore during the previous year. The percentage of Central funds (receipt and expenditure) bypassing the State budget decreased in the current year to 12.43 *per cent* and 12.11 *per cent* from 16.53 *per cent* and 17.31 *per cent* respectively in the previous year 2008-09.

1.3 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the State Government. The revenue receipts consist of the State's own tax and non-tax revenues, Central tax transfers and grants-in-aid from the Government of India. The trends and composition of revenue receipts over the period 2005-10 are presented in **Appendix 1.4** and in **Charts 1.4** and **1.5** respectively.

⁴ State implementing agencies include any organisation/institution including non-Governmental 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 Sarva Shiksha Abhiyan, State Health Mission for National Rural Health Mission etc.



The factors responsible for increase in the States' own tax/non-tax revenue as indicated in **Charts 1.4 and 1.5** were:

- The increase in the State's own tax revenue by ₹ 1917 crore was mainly due to the increase in taxes on sales, trade tax etc. by ₹ 823 crore (27 per cent), State excise by ₹ 403 crore (59 per cent), taxes on goods

and passengers by ₹ 334 crore (26 per cent) and stamp duty and registration fees by ₹ 282 crore (39 per cent) over the previous year.

- Increase in non-tax revenue by ₹ 517 crore was mainly due to increased receipts under miscellaneous general services by ₹ 384 crore (100 per cent), non-ferrous mining and metallurgical industries by ₹ 75 crore (31 per cent) and interest by ₹ 49 crore (16 per cent), over the previous year.

The trends of revenue receipts relative to GSDP are presented in **Table 1.2**.

Table 1.2: Trends in Revenue Receipts relative to GSDP

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Revenue Receipts (RR) (₹ in crore)	17837	23083	28210	32981	35527
Rate of growth of RR (per cent)	13.51	29.41	22.21	16.91	7.72
R R/GSDP (per cent)	22.47	23.18	24.61	23.14	22.91
Buoyancy Ratios⁵					
Revenue Buoyancy w.r.t GSDP	1.74	1.16	1.47	0.70	0.88
State's own tax buoyancy w.r.t GSDP	0.82	0.52	1.73	0.88	3.53

(Source: Finance Accounts, Government of Bihar).

From **Table 1.2**, it is evident that the buoyancy of Revenue Receipts with reference to GSDP decreased from 1.74 per cent in 2005-06 to 0.88 per cent in 2009-10, even after an increase of 0.18 per cent over the previous year.

The State's own tax buoyancy w.r.t. GSDP oscillated between 0.52 to 1.73 per cent during the period 2005-09 but increased to 3.53 per cent during 2009-10. The main reasons for this increase were better tax compliance, stronger enforcement measures and steps taken by the State Government to identify and plug the gaps leading to revenue loss.

1.3.1 State's Own Resources

Against the normative projections made by TFC, although the non-tax revenue exceeded by ₹ 52 crore, the projection (₹ 1618 crore) made in TFC, the State's own tax realization against the TFC projections of ₹ 8240 crore was ₹ 8090 crore i.e. a shortfall of ₹ 150 crore. During the award period (2005-10), the State's own tax revenue realisation was merely ₹ 26943 crore against the projected ₹ 32648 crore and the non-tax revenue was ₹ 4382 crore against the projected ₹ 5890 crore. Consequently, the State's own revenue realisation fell short by ₹ 7213 crore against the TFC projections, though it exceeded the State's own projection made in its Fiscal Correction Path (FCP).

⁵ 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.

1.3.2 Cost of collection

Table 1.3 indicates the gross collection of major tax revenue receipts; expenditure incurred on collection and the percentage of such expenditure to gross collection during the years 2008-09 to 2009-10 along with the relevant all India average for 2008-09.

Table 1.3: Cost of collection

(₹ in crore)

Sl. no.	Head of revenue	Year	Gross collection	Exp- enditure on collection	Percentage of expenditure to gross collection	All India average percentage for the year 2008-09
1.	Commercial Taxes*	2008-09	4,377.92	46.67	1.07	0.88
		2009-10	5,541.00	48.84	0.88	
2.	State excise	2008-09	679.14	24.15	3.56	3.66
		2009-10	1,081.68	44.02	4.07	
3.	Stamp duty and registration fees	2008-09	716.19	37.68	5.26	2.77
		2009-10	997.90	45.90	4.60	
4.	Taxes on vehicles	2008-09	297.74	6.95	2.33	2.93
		2009-10	345.13	10.41	3.02	

The above table indicates that the State Government incurred more expenditure on collection of all taxes when compared to the all India average percentage for the year 2008-09, except in the case of commercial taxes.

1.3.3 Variations between the budget estimates and actual collections

There were wide variations in tax and non-tax revenue between the budget estimates and the actual amounts realized, indicating thereby that the preparation of the budget estimates was done in a routine fashion and without any realistic considerations. The percentage increase or decrease in budget estimates vis-a-vis the actual receipts is shown in **Appendix 1.5**.

The position of refund cases pending at the beginning and end of the financial year 2009-10 is indicated in **Table 1.4**.

* Gross collection by the Commercial Tax Department includes Sales tax/Value Added Tax (VAT), taxes on goods and passengers - Tax on entry of goods into local areas, Taxes and duties on electricity and Other taxes and duties on commodities and services.

Table 1.4: Position of pending Refund cases

(₹ in crore)

Sl. no.	Particulars	Sales tax		Taxes on entry of goods into local areas		Entertainment tax	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the end of the year 2008-09	2030	48.18	6	0.50	5	Negligible*
2.	Claims outstanding at the beginning of the year 2009-10	1803	45.87	1	0.29	Nil	Nil
3.	Claims received during the year	475	67.56	100	1.80	4	0.03
4.	Refunds made during the year	165	19.85	3	1.12	3	0.01
5.	Balance outstanding at the end of the year	2113	93.58	98	0.97	1	0.02

(Source: Commercial Taxes Department, Government of Bihar). * ₹ 0.12 lakh

It was also observed that the opening balance in respect of sales tax, taxes on the entry of goods into local areas and entertainment tax as reported by the Commercial Taxes Department differed from the closing balance reported by the department and included in the last year's Audit Report (Revenue Receipts).

1.3.4 Arrears of Revenue

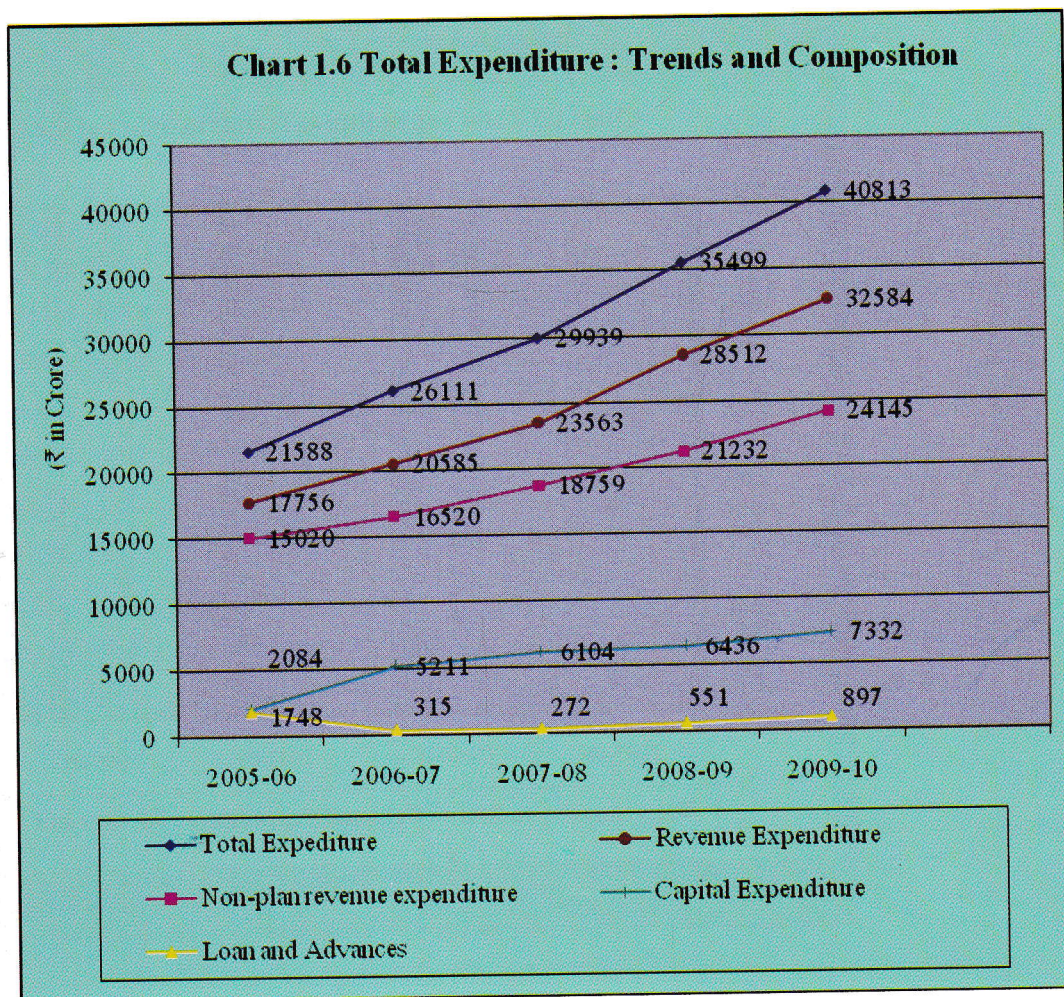
The arrears of revenue as on 31 March 2010 in respect of the principal heads of revenue (as reported by seven departments) was ₹ 1922.69 crore, of which ₹ 396.59 crore was outstanding for more than five years (**Appendix 1.6**). The position of arrears of revenue at the end of 31st March 2010 in respect of other departments (Land Revenue, State Excise etc.) was not furnished (October 2010), despite requests made between May and August 2010.

1.4 Application of resources

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

1.4.1 Growth and Composition of Expenditure

Chart 1.6 presents the expenditure trends during 2005-10. Its composition in terms of 'economic classification' and 'expenditure by activities', is depicted in **Charts 1.7** and **1.8** respectively.



- A perusal of **Chart 1.6** reveals that the total expenditure of the State increased from ₹ 21588 crore in 2005-06 to ₹ 40813 crore in 2009-10. For the current year, the expenditure increase was ₹ 5314 crore over the previous year, of which the revenue expenditure was ₹ 4073 crore (14 per cent) and capital expenditure including disbursement of loans and advances was ₹ 1242 crore (18 per cent).
- In recent years, Bihar had been experiencing high growth of GSDP. Hence, the buoyancy of the total expenditure in relation to GSDP fell to 0.59 in the current year.
- The Non-Plan Revenue Expenditure (NPRE) of ₹ 24145 crore exceeded not only the normative projections made by TFC (₹ 19989 crore) by ₹ 4156 crore (21 per cent) but also the projection made in FCP (₹ 22357 crore) by ₹ 1788 crore (eight per cent). However, it fell short by ₹ 3874 crore (14 per cent) against the budget estimate of ₹ 28019 crore during the current year.

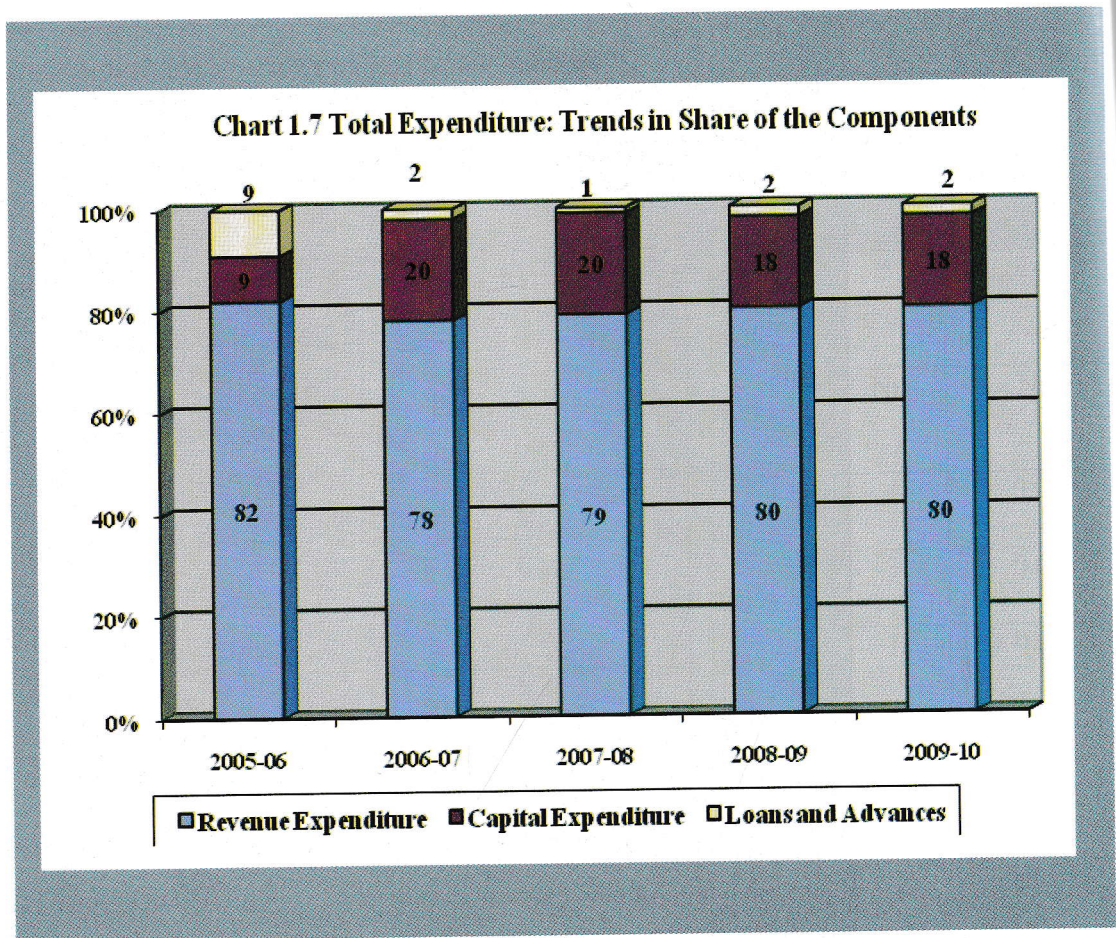
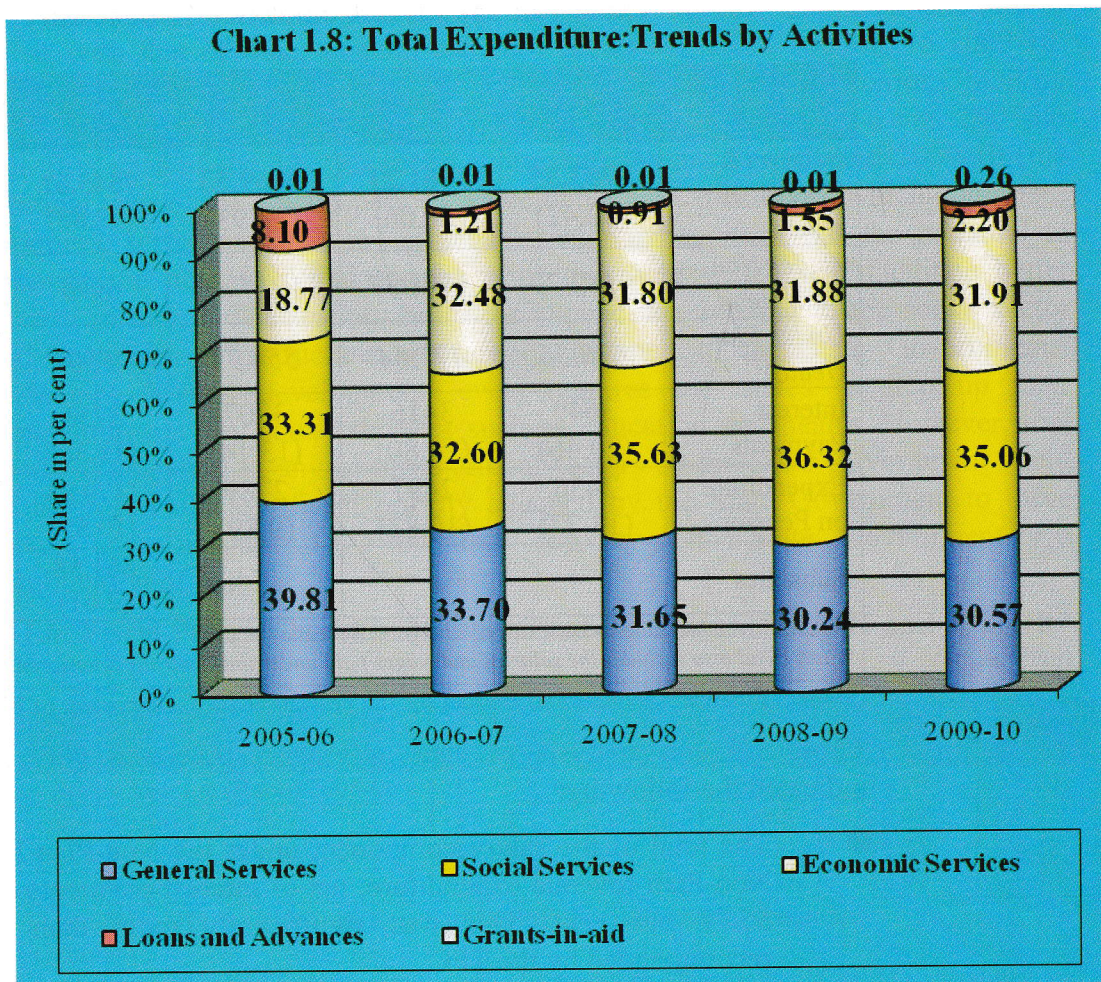


Chart 1.7 and audit scrutiny of records revealed the following:

- The major increase in revenue expenditure was in Education, Sports, Art and Culture (₹ 710 crore), Rural Development (₹ 571 crore), Agriculture and Allied Activities (₹ 231 crore), Transport (₹ 197 crore), Health and Family Welfare (₹ 195 crore), Irrigation and Flood Control (₹ 193 crore) and Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes (₹ 172 crore) apart from the increase of ₹ 1673 crore in General Services.
- The major increase in capital expenditure was under Transport (₹ 595 crore), Water Supply, Sanitation, Housing and Urban Development (₹ 278 crore), Irrigation and Flood Control (₹ 208 crore) and Education, Sports, Art and Culture (₹ 157 crore).
- The share of revenue and capital expenditure to the total expenditure was 80 per cent and 20 per cent respectively which was the same for the previous year. Growth in revenue expenditure in the current year was higher than the growth in GSDP.



Broadly, an activity based expenditure categorization would include expenditure on General Services including interest payments, Social and Economic Services, Grants-in-aid and Loans and advances. An examination of the relative movement of expenditure on these components as indicated in **Chart 1.8** revealed that while the share of Social Services increased from 33 *per cent* in 2005-06 to 36 *per cent* in 2007-08, it decreased to 35 *per cent* during 2009-10.

The share of Economic Services in the total expenditure increased from 19 *per cent* (2005-06) to 32 *per cent* in 2006-07 and remained stagnant thereafter up to 2009-10. The disbursement of loans and advances decreased from eight to two *per cent* during these years. While the relative share of grants-in-aid increased from 0.01 *per cent* to 0.3 *per cent* during the year, the share of General Services decreased from 40 *per cent* of the total expenditure (2005-06) to 30 *per cent* during 2008-09, but increased to 31 *per cent* during 2009-10.

1.4.2 Committed Expenditure

The committed expenditure of the State Government on the revenue account consists mainly of interest payments, salaries and wages, pensions and subsidies. **Table 1.5** presents the trends in the expenditure on these components during 2005-10.

Table-1.5: Trends in Committed Expenditure

	(₹ in crore)					
	2005-06	2006-07	2007-08	2008-09	2009-10	
					BE	Actuals
Salaries & Wages of which	5783.35 (32.42)	6061.21 (26.06)	6469.53 (22.93)	7545.61 (22.88)	9654	9658.74 (27.18)
Under Non-Plan Head	5152.79	5538.57	5914.81	6996	NA	9001.42
Under Plan Head*	630.56	477.64	554.72	550	NA	657.32
Interest Payments	3649 (20.46)	3416 (14.80)	3707 (13.14)	3753 (11.38)	4170	3685.48 (10.37)
Expenditure on Pensions	2456 (13.77)	2497 (10.82)	2789 (9.89)	3479.03 (10.55)	3782	4318.70 (12.16)
Subsidies	-	-	-	861.58 (2.61)	-	944.39 (2.66)
Figures in the parentheses indicate percentage to Revenue Receipts *Plan Head also includes the salaries and wages paid under the Centrally Sponsored Schemes.						

(Source: Finance Accounts and Budget for the year 2009-10, Government of Bihar)

Table 1.5 and analysis of data in Finance Accounts/TFC recommendations indicated the following:

- The total of the salary component under the Non-Plan head compared to Non-Plan revenue expenditure, net of interest payments and pensions was 55.77 per cent. This was significantly more than the 35 per cent recommended by the TFC.
- Though the interest payments for 2009-10 were within the projected expenditure of ₹ 5324 crore, the pension payments at ₹ 4318.70 crore were higher than the projection of ₹ 3794 crore in the Fiscal Correction Path.
- Out of subsidies amounting to ₹ 944.39 crore disbursed, ₹ 840 crore was paid to Bihar State Electricity Board as a resource gap. This figure was higher by ₹ 120 crore compared to the subsidy paid in 2008-09.
- Increase in salaries was mainly attributable to the implementation of the recommendations of the VIth Pay Commission from January 2010.

1.5 Quality of Expenditure

Any expenditure incurred towards improving the quality of life, whether to improve infrastructure, education and health care among others in the State generally reflects positively on the quality of its expenditure. This expenditure quality paradigm basically involves three components, viz., adequacy of the expenditure, efficiency of usage and the effectiveness of the expenditure in attaining its intended objectives. Audit assessment of the quality expenditure on the above basis revealed as follows:

1.5.1 Adequacy of Public Expenditure

As GSDP grows, the State Government has the ability to increase the own tax and non-tax base/rates, which could in turn provide greater funds for the annual

budget. Hence, it would be pertinent to compare the level of public expenditure in Bihar with that of other general category States for years 2005-06 to 2009-10. Such a comparison revealed that Bihar has spent a higher proportion of GSDP on aggregate expenditure in both the years under consideration viz-a-viz. 2005-06 (the first year of the 12th Finance Commission Award period) and 2009-10 (the terminal year of the Award period). Developmental expenditure, which comprises economic sector expenditure and social sector expenditure, has the potential to enhance the human capital formation of the State which will facilitate better growth in future. The responsibility for expenditure relating to the social sector and economic infrastructure are largely assigned to the State Governments. Enhancing human development levels requires the States to step up their expenditure on key social services such as education and health. However, low levels of spending in any of these critical sectors by the State Government could be the result of low fiscal priority attached by the State Government to these sectors or on account of the low fiscal capacity of the State Government or a combination of both.

Table-1.6: Fiscal Priority and Fiscal capacity of the State in 2005-06 and 2009-10
(In per cent)

Fiscal Priority by the State	AE/ GSDP	DE/ AE	SSE/ AE	CE/ AE	Education/ AE	Health/ AE
General Category States Average (Ratio) 2005-06	17.75	61.76	30.76	13.97	14.95	4.05
Bihar State's Average (Ratio) 2005-06	27.20	60.15	33.31	9.65	20.49	4.70
General Category States Average (Ratio) 2009-10	18.24	66.05	35.76	14.85	16.21	4.28
Bihar State's Average (Ratio) 2009-10	26.32	69.15	35.06	17.96	18.99	3.70

AE: Aggregate 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: For GSDP, the information was collected from the State's Directorate of Economics and Statistics

Table 1.6 shows the comparison of fiscal priority given to different categories of expenditure of the State in 2005-06 (the first year of the award period of TFC) and the current year 2009-10 (terminal year of the TFC's award period).

- In 2005-06 and 2009-10, the Government has given adequate fiscal priority to AE, DE and SSE as the ratios of AE/GSDP, DE/AE and CE/AE were higher than the General Category States' average. DE/AE ratio which was lower than the General Category States average in 2005-06 substantially increased in 2009-10. Similarly the priority given to Capital expenditure out of the aggregate expenditure of the State during 2005-06 was merely 9.65 per cent against General Category States' average of 13.97 per cent, but it substantially increased to 17.96 per cent in 2009-10 against General Category States' average of 14.85 per cent. The increased priority to capital expenditure could result in asset creation and quicker growth in Bihar provided the financial outlays translate into physical outcomes within the desired time frame.
- The State has given adequate priority to Social Sector Expenditure (SSE), Education Sector and Health Sector except for the Health Sector during the year 2009-10 where the State's average expenditure was merely 3.70 per cent against the General Category State's average of 4.28 per cent. It is, therefore, essential that the State Government gives greater fiscal priority

to the Social, Education and Health sectors, considering Bihar's relatively lower level of development in these sectors (**Appendix 1.1**).

1.5.2 Efficiency of Expenditure

Since the expenditure on 'developmental heads' has great significance for the social and economic development of the State, it is important that the State Governments adopt a conscious, priority-based and rational approach to public spending. Such an approach must give appropriate emphasis to the provisions of core public and merit goods⁶. This, in turn, would improve allocations for development expenditure⁷, particularly in view of the fiscal space created on account of the decline in debt servicing in recent years.

The efficiency of expenditure use is also reflected in the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure incurred on the operation and maintenance of the existing social and economic services. The higher the ratio of these components to the total expenditure (and/or GSDP), the better would the quality of expenditure be.

Table 1.7 presents the trends of development expenditure relative to the aggregate expenditure of the State during 2005-10, whereas **Table 1.8** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of selected Social and Economic Services during 2008-09 and 2009-10.

Table-1.7: Development Expenditure relative to aggregate expenditure

(₹ in crore)

Components of Development Expenditure	2005-06	2006-07	2007-08	2008-09	2009-10
Development Expenditure (a to c)					
a. Development Revenue Expenditure	9229 (42.75)	11938 (45.72)	14306 (47.78)	17978 (50.64)	20274 (49.68)
b. Development Capital Expenditure	2012 (9.32)	5056 (19.36)	5881 (19.64)	6230 (17.55)	7058 (17.29)
c. Development Loans and Advances	1744 (8.08)	308 (1.18)	265 (0.89)	544 (1.53)	890 (2.18)

Figures in Parentheses indicate percentage of aggregate expenditure.

(Source: Finance Accounts, Government of Bihar)

⁶ *Core 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 subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay to the Government and therefore, wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized 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.

⁷The 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 categorized into Social Services, Economic Services and General Services. Broadly, the Social and Economic Services constitute development expenditure, while expenditure on General Services is treated as non-development expenditure.

Developmental revenue expenditure increased continuously from 43 per cent in 2005-06 to 51 per cent in 2008-09, but decreased to 50 per cent during 2009-10. Developmental capital expenditure also showed an increasing trend from nine per cent in 2005-06 to 20 per cent in 2007-08, but decreased to 17 per cent during 2009-10. Development expenditure on loans and advances decreased from eight per cent in 2005-06 to one per cent in 2006-08 and then increased to two per cent in 2008-09 and 2009-10.

Table 1.8: Efficiency of Expenditure use in Selected Social and Economic Services

(Percentage)

Social/Economic Infrastructure	2008-09		2009-10	
	Share of CE in TE	In RE, the share of	Share of CE in TE	In RE, the share of
		S & W		S & W
Social Services (SS)				
General Education	01	67.64	3.88	73.33
Health and Family Welfare	08	61.23	7.99	66.21
WS, Sanitation, & HUD	12	9.85	24.42	11.28
Total (SS)	05	32.46	7.85	38.67
Economic Services (ES)				
Agri & Allied Activities	01	20.42	0.07	26.19
Irrigation and Flood Control	62	58.61	60.05	68.80
Power & Energy	36	-	30.23	-
Transport	83	27.83	81.59	22.55
Total (ES)	52	21.27	49.08	22.87
Total (SS+ES)	28	28.89	28.18	33.14
TE: Total Expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages.				

(Source: Finance Accounts, Government of Bihar).

Table 1.8 indicates that in the Social Services sector, there has been an increase in the percentage of CE to TE. In view of the fact that Bihar is primarily an agrarian economy the decrease in CE in Agriculture & Allied Activities, Irrigation and Flood Control, Power and Energy and Transport is not a healthy sign. In the case of salaries and wages, except in the case of the transport sector, there has been an increase in the percentage of salary and wages in the revenue expenditure during 2009-10. This is mainly due to the implementation of the VIth Pay Commission award.

1.6 Analysis of Government Expenditure and Investments

The FRBM framework requires the State Government to keep its fiscal deficit (and borrowings) not only at low levels, but also to meet its capital expenditure and investment (including loans and advances) requirements. Further, the transition from a traditional rural agrarian society to a market based and resource intensive society requires the State Government to initiate measures that earn adequate returns on its investments, enable recovery of the cost of borrowed funds and to take requisite steps to infuse transparency in financial operations. In this section, the broad financial comparison and analysis of State Government investments and capital expenditures during the current year vis-à-vis the previous years are presented.

1.6.1 Incomplete projects

The department-wise information pertaining to incomplete projects as on 31st March 2010 is given in **Table 1.9** Altogether, 288 schemes/projects (estimated cost ₹ 2433.34 crore) were due for completion up to March 2010, but were incomplete resulting in blocking of ₹ 940.81crore. In addition, in four completed, schemes/projects⁸ under the Water Resources Department, cost overruns to the extent of ₹ 2.67 crore above the original estimates were noticed.

Table 1.9: Department-wise Profile of Incomplete Projects

				(₹ in crore)
Department	No. of Incomplete Projects	Estimated cost	Cumulative actual expenditure as on 31.3.2010	
Building Construction Department	8	66.29	30.21	
Public Health Engineering Department	62	191.24	116.02	
Road Construction Department	93	617.21	355.66	
Rural Works Department	20	150.40	97.35	
Water Resources Department	105	1408.20	341.57	
Total	288	2433.34	940.81	

(Source: Finance Accounts, Government of Bihar)

1.6.2 Investment and returns

As of 31 March 2010, the State Government had invested ₹ 856.18 crore in statutory corporations, rural banks, joint stock companies and co-operatives as indicated in **Table 1.10**.

Table-1.10: Return on Investment

Investment/Return/Cost of Borrowings	2005-06	2006-07	2007-08	2008-09	2009-10
Investment at the end of the year (₹ in crore)	805.64	821.10	828.68	832.18	856.18
Return (₹ in crore)	0.04	0.04	3.19	2.14	2.06
Return (<i>per cent</i>)	0.00	0.00	0.38	0.26	0.24
Average rate of interest on Government borrowing (<i>per cent</i>)	8.20	7.15	7.15	7.93	6.48
Difference between interest rate and return (<i>per cent</i>)	8.20	7.15	6.77	7.67	6.24

(Source: Finance Accounts, Government of Bihar)

Of the ₹ 856.18 crore invested by the State Government, ₹ 105.63 crore was invested in three statutory corporations, ₹ 374.17 crore in Government companies/rural banks, ₹ 3.88 crore in joint stock companies and ₹ 372.50 crore in

8

1. Extension of Embankment of Bagmati, Sitamarhi (18.31 crore) 20.19 crore
2. Restoration of Western Koshi Main Canal Nepal Portion Supaul (5.33 crore) 5.75 crore
3. Restoration of Western Koshi Main Canal Nepal portion ,Supaul (4.12 crore) 4.15 crore
4. Raising and strengthening of Left embankment of Budhi Gandak Muzaffarpur (6.17crore) 6.51crore
(Figures in bracket indicate estimated cost)

co-operative institutions/societies. Government invested ₹ 24.00 crore during the year out of which ₹ 23.00 crore was invested in Government companies/rural banks.

An analysis of the returns from these investments indicated a mere ₹ 0.04 crore per annum against investments between ₹ 805.64 crore and ₹ 821.10 crore in 2005-07 period. This return increased to ₹ 3.19 crore (investment ₹ 828.68 crore) in 2007-08, but decreased to ₹ 2.14 and ₹ 2.06 crore against investments of ₹ 832.18 crore and ₹ 856.18 crore during 2008-09 and 2009-10 respectively.

1.6.3 Loans and advances by the State Government

In addition to investments in co-operative institutions/societies, Government Corporations and companies, the State Government has also been providing loans and advances to many institutions and organizations. **Table 1.11** presents the status of outstanding loans and advances and interest receipts vis-à-vis interest payments during the last three years.

Table-1.11: Average Interest Received on Loans Advanced by the State Government

	(₹ in crore)		
Amount of Loans/Interest Receipts/ Cost of Borrowings	2007-08	2008-09	2009-10
Opening Balance	13881.56	14128.10	14667.83
Amount advanced during the year	272.70	551.05	896.78
Amount received during the year	26.16	11.32	13.20
Closing Balance	14128.10	14667.83	15551.41
<i>Of which</i> Outstanding balance for which terms and conditions have been settled			
Net addition	246.54	539.73	883.58
Interest Receipts	170.71	304.57	353.27
Interest receipts as percentage of outstanding Loans and advances	1.21	2.08	2.27
Interest payments as percentage of outstanding fiscal liabilities of the State Government.	7.27	6.83	6.28
Difference between interest payments and interest receipts (<i>per cent</i>)	6.06	4.75	4.01

(Source: Finance Accounts, Government of Bihar)

The power projects were the major recipients [₹ 626.25 crore (69.83 *per cent*)] of the Government loans totalling ₹ 896.78 crore during 2009-10. Further, of the total outstanding loans of ₹ 15551 crore, loans amounting to ₹ 12916 crore were pending with the sector. This was due to the fact that the Government was providing loans and advances to the power sector without ensuring their repayment capacity (principal and interest). In addition to these loans and advances, subsidies amounting to ₹ 840 crore were paid to the Bihar State Electricity Board.

1.6.4 Cash Balances and Investment of Cash balances

Table 1.12 depicts the cash balances and investments made by the State Government during the year.

Table-1.12: Cash Balances and Investment of Cash balances

(₹ in crore)

Particulars	As on 1 April 2009	As on 31 March 2010	Increase/ Decrease
Cash Balances	-740.06	-2536.45	-1796.39
Investments from Cash Balances (a to d)	3978.90	4347.04	368.14
a. GOI Treasury Bills	0.00	0.00	0.00
b. GOI Securities	3974.24	4342.39	368.15
c. Securities of other State Government	4.66	4.65	-0.01
d. Other Investments	0.00	0.00	0.00
Funds-wise Break-up of Investment from Earmarked balances (a to c)	140.0961	280.10	140.00
a. Famine Relief Fund	0.10*	0.10*	0.00
b. Sinking Fund	140.00	280.00	140.00
Interest Realized	249.64	327.48	77.84

*No increase, figures adopted by rounding of 0.0961

(Source: Finance Accounts, Government of Bihar)

The Reserve Bank of India (RBI) has fixed a normal Ways and Means Advances limit of ₹ 425 crore with effect from 1 April 2006 to the State Government. In addition, RBI provided the facility of special Ways and Means advances against the pledge of Government securities to the State Government. During 2009-10, the State Government maintained the minimum balance and did not resort to any advance throughout the year. The Government had also not availed any Ways and Means Advance since 2006, indicating an effective cash management at the State level.

In addition, the State Government made investments in Government of India Securities (₹ 4342.39 crore) and in the securities of other State Government (₹ 4.65 crore) as on 31.03.2010.

1.7 Assets and Liabilities

1.7.1 Growth and composition of assets and liabilities

The existing Government accounting system does not provide for the comprehensive accounting of fixed assets like land and buildings owned by the Government. However, the Government accounts do capture the financial liabilities of the Government as well as its assets. **Appendix 1.7** gives a comparative abstract of such assets and liabilities as on 31 March 2009 and 2010. The major liabilities were internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, whereas the assets included the capital outlays, loans and advances given by the State Government and cash balances.

The FRBM Act, 2006 defines the total liabilities of the State as the liabilities under the Consolidated Fund of the State and the Public Account of the State including loans and advances from the Central Government, borrowings by public sector undertakings and special purpose vehicles and other equivalent instruments including guarantees, where the principal (and/ or) interest is to be serviced from

the State budget. Audit analysis of the liabilities and assets of the State revealed that liabilities of the State increased by ₹ 5650 crore against an increase of ₹ 2707 crore in asset creation indicating the State's reliance on borrowings.

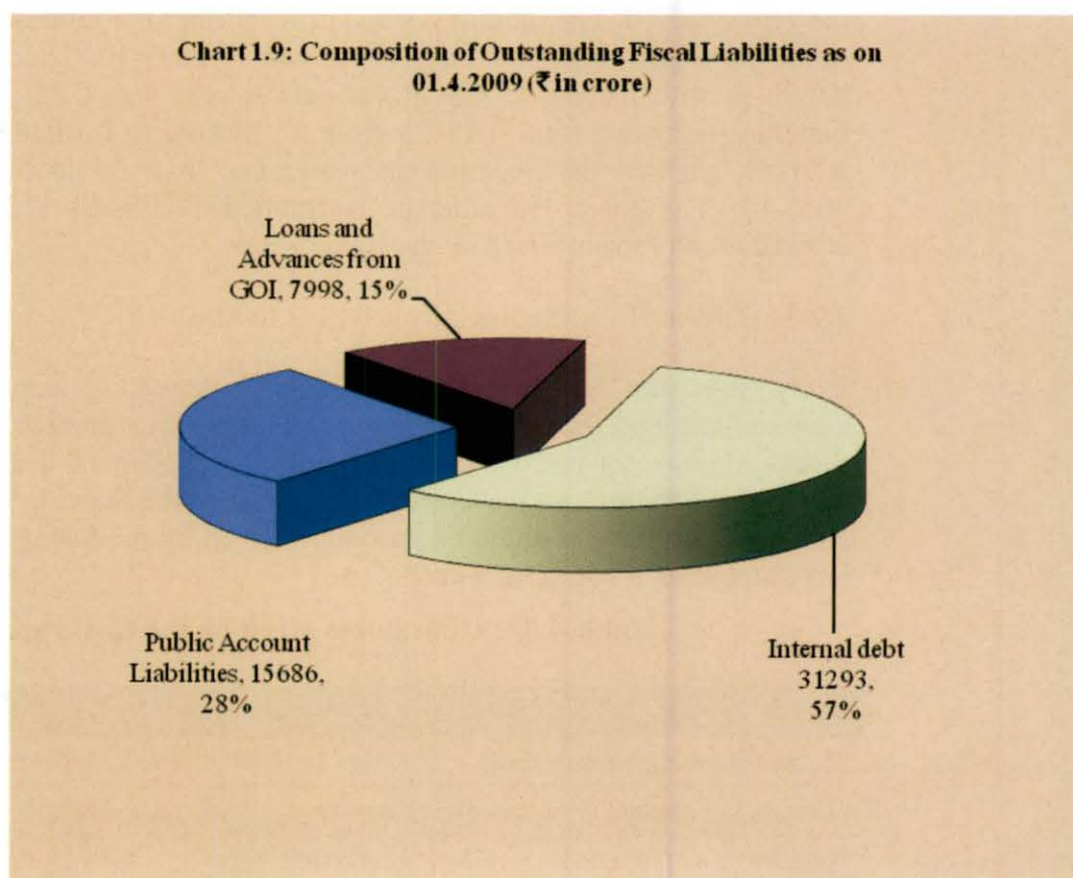
1.7.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State for the period 2005-10 are presented in **Table 1.13**.

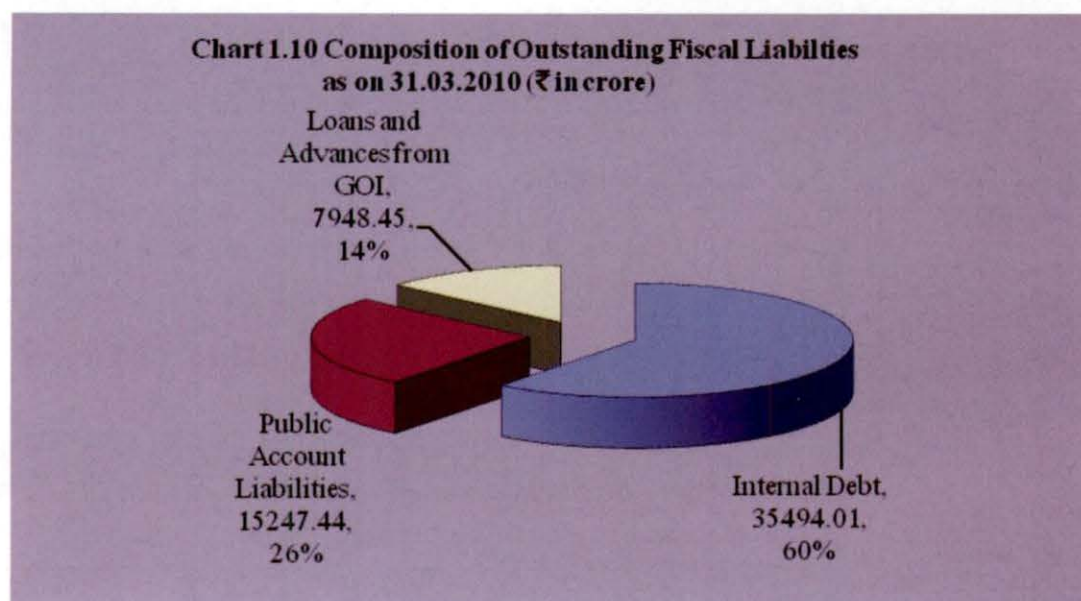
Table 1.13: Outstanding Fiscal Liabilities⁹

Year	2005-06	2006-07	2007-08	2008-09	2009-10
Amount (₹ in crore)	46495	49089	50989	54977	58690
Growth Rate	9.44	5.58	3.87	7.82	6.75

Further, the composition of the fiscal liabilities during the current year vis-à-vis the previous year is presented in **Charts 1.9** and **1.10**.



⁹ Market loan, Loans and advances from GOI, Loans from Small Saving Provident Fund etc and other obligation.



As derived from **Appendix 1.4**, the growth of fiscal liabilities decreased from 7.82 per cent (2008-09) to 6.75 per cent (2009-10) and the ratio of fiscal liabilities to GSDP also decreased from 58.57 per cent (2005-06) to 37.85 per cent during the year 2009-10. The liabilities stood at 1.65 times the revenue receipts and 6.01 times the States' own resources at the end of 2009-10. The buoyancy of these liabilities with respect to GSDP during the year was 0.77. Further, the fiscal liabilities increased from ₹ 46495 crore in 2005-06 to ₹ 58690 crore in 2009-10, with the internal debt component increasing from 54 to 60 per cent during 2005-10. The State Government constituted (2008-09) a Sinking Fund for amortization of loans raised by the Government.

1.7.3 Status of Guarantees–Contingent liabilities

Every year, the State Government gives sovereign guarantees for Statutory Corporations and Boards, Autonomous bodies, Government Companies, Joint Stocks Companies and Co-operative Banks & Societies. These guarantees are contingent liabilities on the Consolidated Fund of the State, in case of defaults by the borrowers. The position of guarantees given by the State Government for the last three years is shown in **Table 1.14**.

Table-1.14: Guarantees given by the Government

Guarantees	(₹ in crore)		
	2007-08	2008-09	2009-10
Maximum amount guaranteed	1537.73	1547.73	1547.73
Outstanding amount (Principal) of guarantees	516.31	704.24	898.83
Percentage of maximum amount guaranteed to total revenue receipts	5.45 (28210)	4.69 (32981)	4.36 (35527)
Figures in brackets indicate revenue receipts			

(Source: Finance Accounts, Government of Bihar)

Table 1.14 reveals that ₹ 898.83 crore against a total guarantee of ₹ 1547.73 crore, as on 31st March 2010, remained outstanding excluding the interest chargeable on

them. The increase in the guarantee amount by ₹ 194.59 crore during the year was due to additional guarantees given to the Bihar State Electricity Board. Further, the State Government has yet to establish a guarantee redemption fund, through earmarked guarantee fees for the discharge of any liability.

1.8 Debt Sustainability

Sustainability of debt is an important indicator in assessing the overall financial health of a State Government. In the assessment of debt sustainability¹⁰, the important considerations include the magnitude of debt, debt stabilization¹¹; 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 the State Government securities. **Table 1.15** analyses the debt sustainability of the State according to these indicators for the period of three years beginning from 2007-08.

Table 1.15: Debt Sustainability: Indicators and Trends

				(₹ in crore)		
Indicators of Debt Sustainability				2007-08	2008-09	2009-10
Debt Stabilisation	(Quantum	Spread	+ Primary Surplus)	5925.05	10729.53	-226.39
Sufficiency of non-debt receipts (Resource Gap)				1318.00	-804.00	-1524
Net Availability of borrowed funds				-1496.00	93	28
Burden of Interest Payments (IP/RR Ratio)				0.13	0.11	0.10
Maturity Profile of State Debt (in years)						
Zero to one year				27	23	7
One to three years				12	12	12
Three to five years				14	14	10
Five to seven years				02	02	2
More than seven years				-	05	9

(Source: Finance Accounts, Government of Bihar)

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

¹¹ 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-GDP 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 stabilize eventually. On the other hand, if primary deficit together with 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. The 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 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.

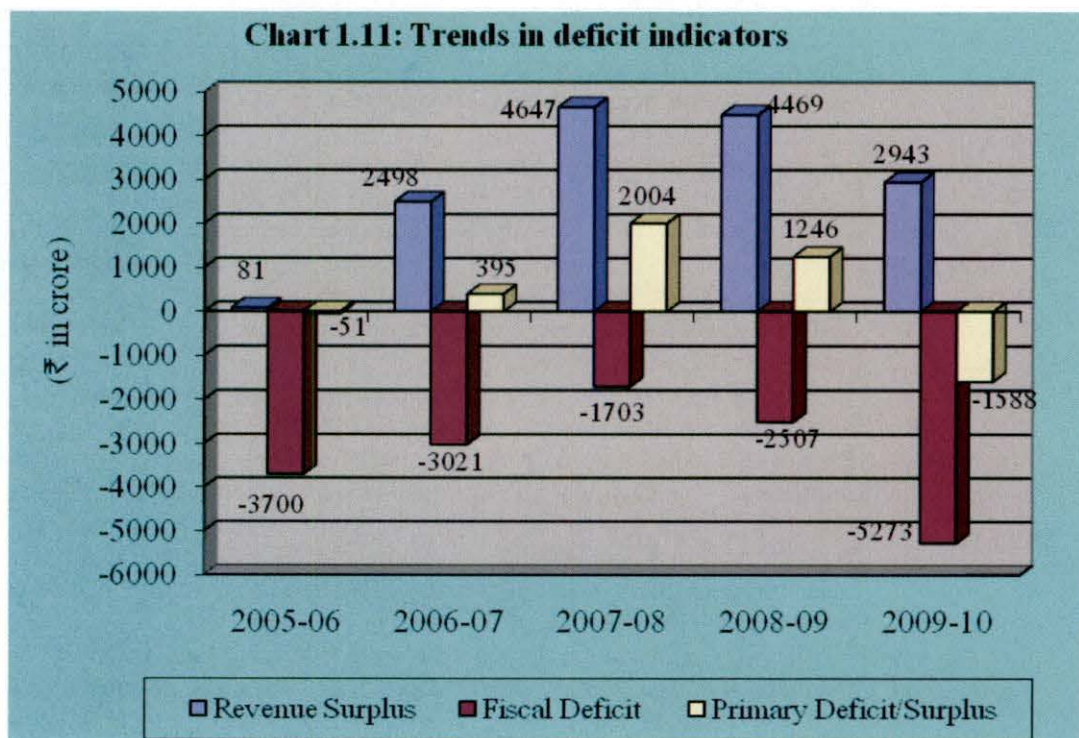
During 2009-10, the State experienced a primary deficit against the prevailing primary surplus for the period 2007-09. Further, during 2009-10, the incremental non-debt receipt did not cover the incremental expenditure. Hence, if this gap widens in the coming years, debt repayment could become a problem. However, since the other debt sustainability indicators such as the net availability of borrowed funds and the ratio of interest payment to revenue receipt were positive, it indicates that the State had no problem in debt repayment, provided effective steps were taken to reduce the primary deficit and resource gaps.

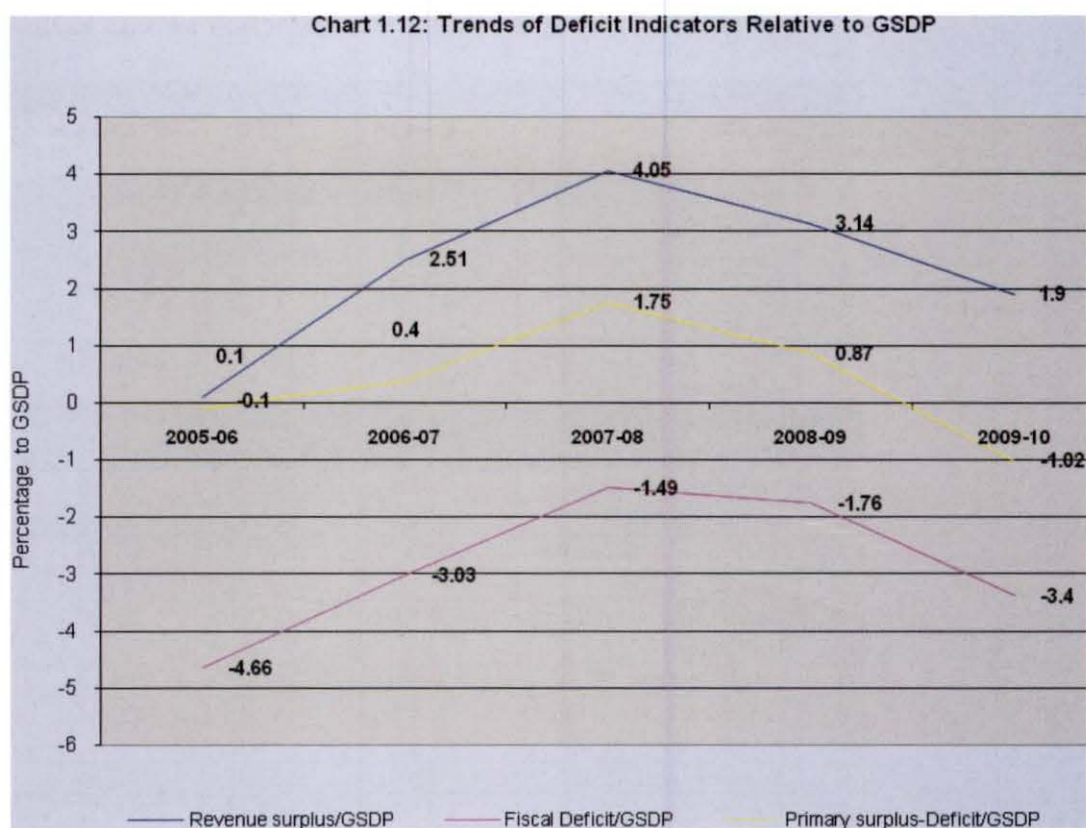
1.9 Fiscal imbalances

Any deficit in the Government finances indicates that there is a gap between its receipts and expenditure. Once the existence of a deficit is established, the extent of its overall fiscal imbalances in the State Government finances during a specified period can be assessed, applying the following three key parameters – revenue deficit, fiscal deficit and primary deficits. In this regard, it is important to understand that the nature of a deficit is an indicator of the State’s prudence in fiscal management. Further, the sources from which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. The trends, nature, magnitude and the manner of financing these deficits and to assess the actual levels of revenue and fiscal deficits vis-à-vis targets set under the FRBM Act, 2006 is as follows:

1.9.1 Trends of Deficits

Chart 1.11 and 1.12 presents the trends in deficit indicators over the period 2005-10.





The State has been experiencing revenue surplus since 2005-06. **Chart 1.11** indicates that the actual surpluses had, however, decreased during 2008-09 and 2009-10 by ₹ 178 crore and ₹ 1526 crore compared to the previous year. The State achieved actual deficit targets as laid down in its FRBM/TFC much before the prescribed timeframe. Fiscal deficit increased from ₹ 2507 crore in 2008-09 to ₹ 5273 crore in 2009-10 and its ratio with GSDP increased from 1.76 *per cent* to 3.40 *per cent* as indicated in **Chart 1.12**. Although the increase in fiscal deficit was within the revised limit of 3.5 *per cent*, it was against the spirit of the FRBM Act, which provided that the fiscal deficit GSDP ratio would be reduced by 0.3 *per cent* every year. Primary surplus of ₹ 1246 crore (2008-09) turned into primary deficit of ₹ 1588 crore during the year.

1.9.2 Components of Fiscal Deficit and its Financing Pattern

Chart 1.11 shows that there was a drastic fall in the State's revenue surplus from ₹ 4469 crore in 2008-09 to ₹ 2943 crore in 2009-10. This was mainly because while the revenue receipt increased by ₹ 2546 crore (7.72 *per cent*), the revenue expenditure increased by ₹ 4072 crore (14.28 *per cent*) over the previous year, resulting in a decrease of ₹ 1526 crore in the revenue surplus during 2009-10.

The financing pattern of the fiscal deficit too has undergone a compositional shift as reflected in the **Table 1.16**.

Table 1.16: Components of Fiscal Deficit and its Financing Pattern

(₹ in crore)

Particulars		2005-06	2006-07	2007-08	2008-09	2009-10
Composition of Fiscal Deficit		-3700.15	-3020.91	-1703.46	-2506.97	-5273.01
1	Revenue Deficit/Revenue Surplus	80.71	2498.14	4646.85	4469.11	2942.66
2	Net Capital Expenditure	-2083.90	-5211.13	-6103.78	-6436.35	-7332.09
3	Net Loans and Advances	-1696.96	-307.92	-246.53	-539.73	-883.58
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	343.13	-412.72	-779.56	3757.12	2501.91
2	Loans from GOI	-486.04	-314.15	39.75	-278.81	-49.35
3	Special Securities Issued to NSSF	2446.59	2040.69	661.59	529.08	1472.52
4	Loans from Financial Institutions	485.92	-314.15	58.26	238.22	226.32
5	Small Savings, PF etc.	365.02	395.05	268.40	144.41	-262.86
6	Deposits and Advances	414.56	869.48	1700.04	-690.52	-134.15
7	Suspense and Misc	-39.91	583.65	-2190.35	395.96	-290.89
8	Remittances	11.34	-63.14	618.30	-221.57	-54.82
9	Others	439.62	nil	-44.60	293.24	-41.69
Overall Surplus/Deficit		298.88	97.01	-1371.62	1660.14	-1906.02

*All these figures are net of disbursements/outflows during the year

(Source: Finance Accounts, Government of Bihar.)

1.9.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratios of revenue deficit to fiscal deficit also indicate that the asset base of the State is continuously shrinking and that a part of borrowings (fiscal liabilities) are not supported by any assets.

Table 1.17: Primary deficit/Surplus – 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 (3-6)	8 (2-6)
2005-06	17888	14107	2084 (12)	1748	17939	-3832	-51
2006-07	23090	17169	5211 (23)	315	22695	-5526	+395
2007-08	28236	19856	6104 (23)	272	26232	-6376	+2004
2008-09	32992	24759	6436 (20)	551	31746	-6987	+1246
2009-10	35540	28899	7332 (21)	897	37128	-8229	-1588

(Source: Finance Accounts, Government of Bihar.)

Table 1.17 presents the bifurcation of the primary deficit, indicating thereby the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

The non-debt receipts of the State were sufficient not only to meet the primary expenditure requirements in the revenue account but could also provide surplus receipts to meet the expenditure under the capital account. This surplus non-debt receipt was, however, not enough to meet the expenditure requirement under the capital account resulting in a primary deficit in 2005-06 and 2009-10. Non-debt receipts exceeded the primary expenditure during 2006-09, resulting in primary surpluses during the years. There was, however an increase in expenditure on account of capital and in loans and advances resulting in a primary deficit of ₹ 1588 crore during 2009-10.

1.10 Performance of State during the TFC award period

The following are some of the highlights of the financial performance of the State during the TFC award period 2005-10:

- The ratio of the combined Centre and States' tax to GSDP ranged between 16.75 and 17.61 *per cent* during 2005-10 against the TFC recommendation of 17.60 *per cent*.
- Against the recommended primary expenditure target of 23 *per cent* of GSDP, the State's achievement was satisfactory and ranged between 22.28 and 23.95 *per cent* during 2005-10.
- The capital expenditure of the State ranged between 2.63 and 5.32 *per cent* during 2005-10, but never reached the recommended seven *per cent* of GSDP.
- The Debt (fiscal liability)-GSDP ratio of the State showed a declining trend, decreasing from 58.57 *per cent* (2005-06) to 37.85 *per cent* (2009-10). The Thirteenth Finance Commission has recommended that all States should bring down their fiscal liabilities to 25 *per cent* of GSDP by 2014-15. The Government of Bihar will have to take necessary steps to ensure a debt management strategy that will ensure that this target is met.
- The Fiscal Deficit-Gross State Domestic Product ratio of the State decreased from 4.66 *per cent* to 1.76 *per cent* during 2005-09, but increased to 3.40 *per cent* during 2009-10, which was within the revised limit of 3.5 *per cent* for 2008-10.
- Interest payment/revenue receipts ratio of the State decreased from 20.46 *per cent* in 2005-06 to 10.37 *per cent* during the year 2009-10, which was well within the recommended limit of 15 *per cent* by 2009-10.
- The State enjoyed revenue surpluses during the entire TFC award period of 2005-10.
- All Central loans to the State contracted till 31.03.2004 and outstanding on 31.03.2005 were consolidated and rescheduled for a fresh term of 20 years at an interest rate of 7.5 *per cent*. The State also enjoyed the benefit of 'debt write off' scheme based on the condition of enactment of the FRBM

Act and subject to reducing the revenue deficit during the award period. A total amount of ₹ 769.87 crore was written off in two phases by waiving off ₹ 384.933 crore each during the years 2007-08 and 2009-10.

- Though the State was recommended grants of ₹ 7531 crore by the TFC for different specified areas¹⁴ during the award period of 2005-10, the actual releases to the State were ₹ 6794 crore only. This was due to the non-fulfillment of the condition to incur Non-plan revenue expenditure to a minimum extent in those specified areas.
- In addition, for the award period 2005-10, grants were also recommended under different sectors (Forest, Heritage Conservation and State-specific needs) for ₹ 446 crore against which the State received ₹ 339 crore only.
- Against the projections of the States' own tax revenue (₹ 32648 crore) and non-tax revenue (₹ 5890 crore) by TFC, the actual receipts were ₹ 26943 crore and ₹ 4382 crore, resulting in short receipts of ₹ 5705 crore and ₹ 1508 crore respectively during the award period.
- During the award period, interest and pension payments at ₹ 18210 crore and ₹ 15540 crore respectively were within the TFC assessments of ₹ 22799 crore and ₹ 16347 crore respectively.
- Non-Plan revenue expenditure on Social and Economic Services against the recommendation of ₹ 27114 crore and ₹ 7012 crore actual were ₹ 33987 crore and ₹ 14186 crore i.e. higher by ₹ 6873 crore and ₹ 6712 crore respectively, showing the Government's intention to pay more emphasis on developmental work.

1.11 Conclusion

During the current year, the revenue surplus decreased by ₹ 1526 crore as the growth of revenue receipts was eight *per cent* while the growth of revenue expenditure was 14 *per cent* over the previous year. Though the tax revenue of the State increased by 31 *per cent* over the previous year, it was still short by ₹ 150 crore of the normative assessment made by the TFC (₹ 8240 crore). The non-tax revenue realization, however, was ₹ 52 crore above the projection made in TFC. The cost of collection in respect of all the State taxes was more than the All India average, except in the case of commercial taxes. Realisation of the States own tax revenue and non-tax revenue during the TFC award period was short by 17 and 26 *per cent* respectively.

The Non-Plan revenue expenditure increased by 14 *per cent* over the previous year and was ₹ 4156 crore above the projection (₹ 19989 crore) made in TFC. The Plan revenue expenditure also showed an increase of 16 *per cent* over the previous year. The expenditure on salaries and wages under the Non-Plan head compared to NPRES net of interest payment and pension was 56 *per cent* which was significantly more than the 35 *per cent* recommended by TFC. Capital expenditure increased during the year by 14 *per cent* over the previous year. Capital

¹⁴ Panchayati Raj, Urban Development, Disaster Management, Education, Health, Road & Bridge and Building Department

expenditure of the State ranged between 2.63 to 4.73 *per cent* during the TFC award period and never reached the recommended seven *per cent* of GSDP.

The return on investments made by the State Government ranged between ₹ 0.04 crore to ₹ 3.19 crore during the year 2005-10. Loans and Advances were being disbursed without ensuring refunds and interest thereon, with the result that, as of March 2010, loans for ₹ 15551 crore were outstanding.

During the year, Government of India directly transferred ₹ 5182 crore to State implementing agencies. Such transfer of funds bypassing the State budget posed a risk of improper utilisation by the implementing agencies, especially because such expenditure was not reflected in the monthly accounts submitted by the State Treasuries to the Accountant General (A&E).

1.12 Recommendations

- Though the increase in fiscal deficit was within the revised limit of 3.5 *per cent*, it was against the spirit of the FRBM Act, which provided that the fiscal deficit to GSDP ratio must be reduced by 0.3 *per cent* every year. The Government should initiate steps to achieve this target.
- There is an urgent need for the Government to set up a Guarantee Redemption Fund financed by the guarantee fees collected. This will ensure timely repayment of guaranteed amounts from this fund.
- Central funds transferred directly to State implementing agencies constituted a significant amount of expenditure during the year. However, the State implementing agencies did not have a uniform accounting procedure or reporting protocol regarding the utilisation of these funds. Since there is no certainty regarding the amount of funds actually utilized during the year, there is an urgent need for periodic monitoring of this expenditure either by the State Government or by the Government of India.
- There is an urgent need to institutionalise transparency and accountability systems for better monitoring of Central funds directly transferred to State implementing agencies either by the State or by the Government of India.
- The State Government should ensure the availability of funds for repaying the principal and interest accrued on loans and advances taken from the Central Government or through other borrowings.
- There is a requirement for reducing the reliance on borrowings so as to prevent further diminishing of assets.

CHAPTER II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL



Ashok Stambh Vaishali

CHAPTER II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

2.1.1 This Chapter outlines the results of audit of Appropriation Accounts of the Government of Bihar with due regard to the aspects of financial accountability and budgetary practices. Appropriation Accounts are accounts of 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 Act. These Accounts list the original grants/appropriations, supplementary grants, surrenders and reappropriations distinctly and indicate the actual capital and revenue expenditure on various specified services *vis-à-vis* those authorized by the Appropriation Act in respect of both charged and voted items of the budget. 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 by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under the various grants is within the authorization given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution of India is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2009-10 against 51 grants/appropriations was as given in **Table 2.1**.

Table 2.1: Actual Expenditure *vis-a-vis* Original/Supplementary provisions
(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	31647.48	4091.88	35739.36	29021.73	(-)6717.63
	II Capital	9417.03	1243.78	10660.81	7334.54	(-)3326.27
	Loans and Advances	430.16	568.02	998.18	896.78	(-)101.40
Total Voted		41494.67	5903.68	47398.35	37253.05	10145.30
Charged	IV Revenue	4235.51	15.51	4251.02	3751.98	(-)499.04
	V Capital	0.00	0.00	0.00	0.00	0.00
	Public Debt- Repayment	1884.11	0.50	1884.61	1982.99	(+)98.38
Total Charged		6119.62	16.01	6135.63	5734.97	400.66
Appropriation to Contingency Fund (if any)		0.00	0.00	0.00	0.00	0.00
Grand Total		47614.29	5919.69	53533.98	42988.02	(-)10545.96

(Source: Appropriation Accounts, Govt. of Bihar)

Note: The expenditure includes recoveries of revenue expenditure amounting to ₹ 189.50 crore and recoveries of capital expenditure amounting to ₹ 2.44 crore adjusted as reduction of expenditure.

A total provision of ₹ 53533.98 crore was made by the Government in the Budget for 2009-10, of which, ₹ 42988.02 crore was utilized during the year, leaving an unutilized balance of ₹ 10545.96 crore.

The overall supplementary provision was injudicious as the amount of savings of ₹ 10545.96 crore was much more than the supplementary provision of ₹ 5919.69 crore. Under Revenue Voted, against the supplementary provision of ₹ 4091.88 crore, the savings were ₹ 6717.63 crore and under Revenue Charged, against the supplementary provision of ₹ 15.51 crore, the savings were ₹ 499.04 crore. Under Capital (including Loans and Advances) Voted, against the supplementary provision of ₹ 1811.80 crore, savings were ₹ 3427.67 crore. There were savings of ₹ 10644.34 crore in 46 grants and four appropriations. After offsetting an excess of ₹ 98.38 crore in one appropriation under the Loan Section, there was net saving of ₹ 10545.96 crore.

The savings or excesses as per the detailed Appropriation Accounts were intimated (May 2010) by Accountant General (A&E) to the Controlling Officers, requesting them to explain the significant variations. The departments concerned had not submitted the reasons for the substantial savings or excesses (November 2010).

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation *vis-à-vis* Allocative Priorities

All departments of the Government are required to prepare their budget estimates, keeping in view relevant factors such as the trends in the economy, actual expenditure during the last three years etc. However, these tenets of budget formulation and budget management were not adhered to, resulting in injudicious appropriation of funds. The outcome of audit of appropriations revealed that in 38 grants, the savings exceeded ₹ 10 crore in each case or by more than 20 *per cent* of the total provision, resulting in an aggregate savings of ₹ 10589.32 crore during 2009-10 (**Appendix 2.1**).

Of the total savings of ₹ 10644.34 crore, savings of ₹ 10028.49 crore (94.21 *per cent*) occurred in 30 cases relating to 25 grants/appropriations as indicated in **Appendix 2.2** (more than ₹ 50 crore and above in each case). The major savings occurred in departments like the Human Resources Development Department (₹ 2277.25 crore); Water Resources Department (₹ 1622.84 crore); Urban Development and Housing Department (₹ 652.08 crore); Rural Works Department (₹ 621.57 crore) and Planning and Development Department (₹ 549.68 crore). The reasons for the savings have not been intimated (November 2010).

2.3.2 Persistent Savings

In 11 cases, during the last five years, there were persistent savings of more than ₹ 20 crore in each case, which was 10 to 100 *per cent* of the total grants (**Appendix 2.3**). Reasons for persistent savings have not been intimated (November 2010).

2.3.3 Expenditure incurred without provision

As per the Bihar Budget Manual, no expenditure should be incurred on a scheme or service without the provision of funds. It was, however, noticed that

expenditure of ₹ 498.10 crore was incurred in two cases under Appropriation No.14 in Head 6003-Internal Debt of the State Government 101-Market Loans under Non-Plan, Bihar State Development Loan 2009 and Bihar State Development Loan 2010. While there was no provision in the original appropriation, no supplementary demand or re-appropriation efforts were made by the Finance Department resulting in unauthorized expenditure. The reasons for the non-provision of funds have not been intimated by the department (November 2010). The possibility of financial irregularities remaining unexamined due to non-furnishing of explanation by the department cannot be ruled out.

Table 2.2: Expenditure incurred without provision during 2009-10

(₹ in crore)

Number and Name of		Amount of expenditure without provision	Reasons/Remarks
Appropriation No.	Appropriation		
14	Re-payment of Bihar State Development Loan, 2009 6003-00-101-0011	199.30	No reasons have been intimated
	Re-payment of Bihar State Development Loan, 2010 6003-00-101-0012	298.80	No reasons have been intimated
Total		498.10	

(Source: Appropriation accounts, Govt. of Bihar)

2.3.4 Excess Expenditure requiring regularization

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularized by the State Legislature after obtaining the recommendation of the Public Accounts Committee (PAC). However, expenditures amounting to ₹ 7081.27 crore for the year (1977-2009) was pending regularization as shown in **Appendix 2.4**. Of this, regularization of excess expenditure amounting to ₹ 5111.06¹ crore pertaining to the period from 1999-2000 to 2003-04 was discussed in the PAC (September 2010) but their recommendation report and Gazette notification are awaited

Further, during 2009-10, in Appropriation No. 14- "Repayment of Loans" under Charged Capital head, an expenditure of ₹1982.99 crore were incurred against the total appropriation of ₹ 1884.61 crore, aggregating excess expenditure of ₹ 98.38 crore which also required regularization.

In most of the grants, obtaining inadequate supplementary provisions led to excess expenditure indicating lack of appropriate financial management by the controlling officers. The possibility of financial irregularities remaining unearthed due to delayed/non-furnishing of explanation of excess expenditure cannot be ruled out.

2.3.5 Unnecessary/Inadequate supplementary provision

Supplementary provisions (₹ 10 lakh and more in each case), aggregating ₹ 1879.53 crore, obtained in 37 cases (33 grants/appropriations) during the year, proved unnecessary as the expenditure did not come up to the level of the original provisions as detailed in **Appendix 2.5**. Out of the total supplementary provision

¹ Grants no.5,10,13,14,15,32,47 & 50 (₹ 5111.06 crore)

of ₹ 1879.53 crore sought for, ₹ 862.62 crore pertained to Grant No.21 (Human Resources Department) (under Revenue Voted Section) wherein savings was to the extent of ₹ 1251 crore.

Similarly, under the Capital Voted Section of Grant No.49 (Water Resources Department) in which savings out of the original provision were ₹ 1210.77 crore, further supplementary provision of ₹ 204.51 crore proved to be unnecessary.

In one case (Appropriation No.14), supplementary provision of ₹ 0.50 crore obtained in July 2009 proved insufficient, leaving an aggregate uncovered excess expenditure of ₹ 98.38 crore.

Scrutiny of Appropriation No.14 shows that supplementary grant of ₹ 0.50 crore and surrender of ₹ 1.66 crore on 31st March 2010 also proved injudicious.

From the above facts, it is clear that the supplementary provisions were made without assessing the actual requirements. It also indicated lack of control on the part of controlling authorities to review the expenditure.

2.3.6 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Cases were noticed where additional funds provided by re-appropriation of ₹ 499.28 crore proved excessive and resulted in savings of ₹ 162.59 crore in 46 sub-heads under 11 grants as detailed in **Appendix 2.6**. Similarly, in six cases involving six grants, withdrawal of ₹ 280.10 crore through re-appropriation when there was excess expenditure of ₹ 407.95 crore in these grants as detailed in **Table-2.3** was injudicious.

Table 2.3: Unnecessary withdrawal through re-appropriation of funds

(₹ in crore)

Sl. no.	Grant No.	Head of Accounts and Description	Provision (O+S)	Re-appropriation	Final Excess(+)/ Saving (-)
1	14	6004-02-105-0001-Consolidated loan	384.93	-0.50	+385.43
2	17	2040-00-101-0001-District charges	51.37	-11.17	+2.72
3	21	2202-02-196-0001-Consolidated grant to Zila Parishad Secondary teacher	163.92	-99.37	+4.61
4	22	2056-00-101-0001-Central Jail	41.63	-6.29	+0.80
5	23	2851-00-107-0001-Development of Sericulture	7.51	-6.94	+2.20
6	49	4700-03-800-0101-Irrigation project for Sone Basin	186.95	-155.83	+12.19
Total			836.31	-280.10	+407.95

(Source: Grants Register & Detailed Appropriation Accounts, Government of Bihar)

Under Head 6004-“Internal debt of the State Government 0001 consolidated loan” of Grant No.14, ₹ 50 lakh was withdrawn by re-appropriation whereas excess expenditure to the tune of ₹ 385.43 crore occurred.

Similarly, under Head 4700-“Capital outlay on Major irrigation, 800-Other expenditure, 0101-Irrigation project for Sone Basin” under Grant No.49, ₹ 155.83 crore was withdrawn by re-appropriation whereas excess expenditure of

₹ 12.19 crore was incurred. Instead of providing additional funds to meet additional requirements, withdrawal of funds reflected poor financial management.

Further, in 37 cases, withdrawals through re-appropriation of ₹ 1212.51 crore were insufficient as despite the withdrawals, there were savings of ₹ 294.62 crore as detailed in **Appendix 2.7**. These instances indicated that Controlling Officers failed to anticipate actual requirements/savings of funds under these heads.

2.3.7 Substantial surrenders

As per Rule 112 of the Bihar Budget Manual, spending departments are required to surrender the grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated, without waiting till the end of the year, unless they are required to meet excesses under some other unit or units which are definitely foreseen at that time so that funds could be utilized for other development activities.

In 26 grants/appropriations and 126 sub-heads, out of a total provision of ₹ 5500.46 crore, funds amounting to ₹ 3673.56 crore (₹ 50 lakh and above in each case) were surrendered as indicated in **Appendix 2.8** on account of either non-implementation or slow implementation of schemes/programmes. There was 100 *per cent* surrender of funds (₹ 522.15 crore) in 69 schemes under 25 grants/appropriations (**Appendix 2.9**) due to non-implementation of schemes.

2.3.8 Surrender in excess of actual savings

In eight cases, the amount surrendered (₹ 50 lakh and more in each case) was in excess of actual savings indicating lack of or inadequate budgetary control in these departments. As against savings of ₹ 462.46 crore, the amount surrendered was ₹ 483.40 crore, resulting in excess surrender of ₹ 20.94 crore. Details are given in **Appendix 2.10**.

2.3.9 Anticipated savings not surrendered

In 25 grants/appropriations, at the close of the year 2009-10, there were savings of ₹ 5860.54 crore, (₹ one crore and above and more than 10 *per cent* of provision in each case), of which ₹ 3182.17 crore (54.30 *per cent* of the total savings) was not surrendered as indicated in **Appendix 2.11**.

In Grant No. 8 (Art, Culture and Youth Department) there was saving of ₹ 11.13 crore but no part of that had been surrendered by the concerned department.

Besides, in 43 cases, ₹ 6063.33 crore (more than 10 crore in each case), was surrendered on the last two working days of March 2010 (**Appendix 2.12**).

This shows that the Controlling Officers failed to discharge their basic responsibility of being accountable for budgetary control and these funds could not be utilized for the purposes for which they were allotted as well as for other developmental activities in the State.

2.3.10 Rush of Expenditure

As per Rule 113 of the Bihar Budget Manual, uniform flow of expenditure during a financial year is a primary requirement of budgetary control. Rush of expenditure, particularly in the closing month of the financial year is regarded as a

breach of financial rules. The position in respect of expenditure (Revenue and Capital) for the last quarter is depicted in **Appendix 2.13**, which shows that the expenditure incurred in the quarter ending March 2010, was 63 to 100 *per cent* and in the month of March 2010 alone it was 51 to 100 *per cent* of the total expenditure. This indicates deficient financial management, lack of effective control over expenditure by the controlling officers and a tendency to utilize the budget only at the fag end of the financial year.

2.4 Un-reconciled Expenditure

Rules 475 (viii) of the Bihar Financial Rules requires that heads of departments and Accountant General (A&E) should reconcile monthly the departmental figures of expenditure with those booked in the books of Accountant General (A&E). Although non-reconciliation of departmental figure had been pointed out regularly in Audit Reports, in 80 out of 103 major heads, heads of departments had not reconciled expenditure amounting to ₹ 37571.49 crore (exceeding ₹ 10 crore in each case) against the total expenditure of ₹ 39916.27 crore during 2009-10 as shown in **Appendix 2.14**. Out of these 80 Major Heads, ₹ 25113.91 crore (66.84 *per cent*) were related to nine Major² Heads.

2.5 Advances from Contingency Fund

The Contingency Fund of the State had been established under the Bihar Contingency Fund Act, 1950. In terms of the provisions of Articles 267 (2) and 283 (2) of the Constitution of India, advances from the fund are to be given only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. During 2009-10, Government sanctioned 197 withdrawals amounting to ₹ 1175.52 crore (2.20 *per cent* of total budget provision), of which 66 withdrawals amounting to ₹ 1015.78 crore (**Appendix 2.15**) were for routine purposes such as purchase of motor vehicles, office expenditure, pay and allowances, assistance to farmers, crop premium etc. Although these were foreseeable expenditure, advances were drawn from the Contingency Fund of the State. The entire amount had, however, been recouped during the year.

2.6 Error in Budgeting

No provision was made under Major Head 2210-01-102-0101 in Grant No.26 and the amount was wrongly included in Major Head 2210-01-102-0101 under Grant No.20.

On this being pointed out (August 2010) the Finance Department intimated (September 2010) that the expenditure was being incurred under Head 2210-01-102-0101 and requested the Accountant General (A&E) to transfer an amount of ₹ 10 crore to Grant No.26.

² 2049-Interest Payment, 2055-Police, 2071-Pensions and other retirement benefits, 2202-General Education, 2210-Medical & Public Health, 2217-Urban Development, 2235-Social Security and Welfare, 2515-Other Rural Development Programmes and 5054-Capital Outlay on Roads and Bridges

The matter points not only towards wrong budgeting but also indicates lapse of control over expenditure without provision. The State should develop a mechanism to prevent drawals without budget provisions.

Review of Selected Grants

A review of the budgetary procedures and control over expenditure was conducted (September/October 2010) in respect of 'Grant No. 35-Planning & Development Department' and 'Grant No. 39-Disaster Management Department' in which significant savings were noticed during 2009-10. Important points noticed during the review are detailed below:-

2.7 Review of Grant No.35 'Planning & Development Department'

2.7.1 Heavy savings

There was an overall saving/surrender of ₹ 549.68 crore (69.81 per cent) against the provisions of ₹ 787.34 crore (original ₹ 785.93 crore and supplementary ₹ 1.41 crore) as detailed in **Table 2.4**. Such a huge saving is in itself, indicative of unrealistic assessment of budget estimates and laxity in budgetary control procedures.

Table 2.4: Details of Savings

(₹ in lakh)

Revenue Head	Original	Supplementary	Total	Expenditure	Surrender	Saving
2052	1253.23	26.06	1279.29	654.05	297.99	327.25
2053	74263.30	60.50	74323.80	21066.92	1596.60	51660.28
3451	188.39	20.05	208.44	200.50	7.94	Nil
3454	2888.22	34.00	2922.22	1844.63	1047.02	30.57
Total	78593.14	140.61	78733.75	26336.10	2949.55	52018.10

(Source: Detailed Appropriation Accounts, Govt. of Bihar)

Note:- Overall saving equal to addition of saving and surrender amount.

Thus overall saving = 52018.10 + 2949.55 = 54967.65 lakh = 549.68 crore.

2.7.2 Non-utilization of provision

As per the Bihar Budget Manual, the grants made by the legislature were to be used in the manner and for the purposes for which these were intended according to laws/rules and regulations made thereunder. However, it was seen that in four sub heads under Major Head '3454-Sensus Surveys and Statistics,' the original provision of ₹ 1.45 crore (**Table 2.5**) remained completely unspent without any re-appropriation being made. This shows that periodical review of expenditure under these sub- heads were not being done as required.

On this being pointed out (October 2010), the Planning & Development Department stated (October 2010) that in most of the cases, the amounts were surrendered due to non-sanction of plans except in one case in which funds were surrendered due to non-releasement of allotted funds by Government of India.

Table:2.5 Non-utilisation of entire provisions

(₹ in lakh)

Sl. no.	Head of Accounts	Purpose	Amount	Expenditure	Surrender amount	Details of surrender
1.	3454-02-204-0103	Training of statistical worker	35.00	Nil	35.00	Letter no./dt 32/31.03.10
2.	3454-02-204-0107	Computerization of statistical machine	20.00	Nil	20.00	31/31.03.10
3.	3454-02-204-0111	Creation of District/ Divisional unit	40.00	Nil	40.00	29/31.03.10
4.	3454-02-204-0401	Economic census	50.00	Nil	50.00	22/31.03.10
	Total		145.00		145.00	

(Source: Appropriation Accounts, Govt. of Bihar)

2.7.3 Belated surrender resulting in non-reappropriation for utilization of funds

As per Rule 112 of the Bihar Budget Manual, Controlling Officers should surrender to the Finance Department, all savings anticipated in the budget under their control as soon as the certainty of non-requirement is known, for utilisation of funds by the Finance Department for other purposes. Issuance of surrender orders at the end of the year should be avoided.

However, in violation of these instructions, ₹ 357.42 crore (Table 2.6) was surrendered on the 31 March 2010, resulting in non-utilisation of funds for other developmental activities.

On this being pointed out (October 2010), the Planning and Development Department stated (October 2010) that re-appropriation of funds of ₹ 1.38 crore, wherever possible, had been made (October 2009). The reply is not acceptable because surrender on the last day of financial year, was against the rules and the amount re-appropriated was only 0.39 per cent of the total amount surrendered on 31 March 2010.

Table 2.6: Belated Surrenders resulting in Non-utilization of Funds

(₹ in lakh)

Sl. No	Head of Accounts	Purpose	Original provision	Supplementary Provision	Expenditure	Saving	Surrender	Details of surrender
1.	2052-00-090-0103	Strengthening of planning machinery	865.00	20.00	302.76	327.24	255.00	Letter no./dt. 1192/31.03.10
2.	2053-00-800-0102	Strengthening of planning machinery	52563.15	35.00	12159.56	40438.59	35427.27	1196/31.03.10
3.	3454-02-204-0114	Strengthening of civil Registration system	107.00	Nil	25.06	22.36	59.58	28/31.03.10
							35741.85	

(Source: Appropriation Accounts, Govt. of Bihar)

2.7.4 Unnecessary Supplementary Provisions

Supplementary provisions are sought to meet the additional requirement of funds for expenditure for which original provisions are insufficient. However, the Planning & Development Department obtained unnecessary supplementary provisions for three sub-heads, (Table 2.7) though not required, resulting in savings over and above the supplementary provision. Thus, supplementary

provisions of ₹ 80.50 lakh obtained under revenue heads proved fully unjustified. No reply had been furnished by the department.

Table 2.7: Unnecessary Supplementary Provision

(₹ in lakh)

Sl. no.	Head of Accounts	Provision (Original)	Supplementary Provision date	Total Provision	Surrender	Details of surrender
1.	2052-00-090-0103	865.00	20.00 05.01.10)	885.00	255.00	Letter no./dt 1192/ 31.03.10
2.	2053-00-094-0007	700.15	25.50 05.01.10)	725.65	96.60	1193/ 31.03.10
3.	2053-00-800-0102	52563.15	35.00 05.01.10)	52598.15	35427.27	1196/ 31.03.10
			80.50			

2.7.5 Difference in surrender and expenditure figures due to non-reconciliation

Under the provisions of Rules 122 and 134 of the Bihar Budget Manual, departments have to ensure that the figures of Provisions, Supplementary Provisions, Re-appropriation, Expenditure, Surrender & Savings are reconciled with the 'Detailed Appropriation Accounts' prepared by the office of the Accountant General(A&E) immediately after close of the financial year. To facilitate this process in a timely fashion, the last date for reconciliation of figures relating to 2009-10 was fixed at 28 June 2010 by the A.G. (A & E). However, proper reconciliation was not carried out by the department, resulting in the differences in figures of surrenders and expenditure amounts in most of the cases as shown below. This resulted in the surrendered amount of ₹ 522.09 crore (Table 2.8) being short exhibited in the 'Detailed Appropriation Accounts.'

Table 2.8: Surrender not exhibited in the "Detailed Appropriation Account" due to non-reconciliation of expenditure figures

(₹ in lakh)

Head of Accounts	Letter no by which surrender was made	Purpose	Surrender Amount
2052-00-090-0103	3922/3.12.09	Strengthening of planning machinery	550.00
2053-00-800-0102	1196/31.3.10	Strengthening of planning machinery	35427.27
2053-00-800-0102	3923/3.12.09	Strengthening of planning machinery	5698.00
2053-00-800-0104	3924/3.12.09	Rashtriya Samvikas Yojana (Efforts for Backward Districts)	10500.00
3454-02-204-0114	1963/23.9.09	Strengthening of civil registration system	34.00
		Total	52209.27

As far as expenditure is concerned, in five cases ₹ 10.13 crore was excess exhibited in the 'Detailed Appropriation Accounts' against the departmental expenditure figures, whereas in another three cases, ₹ 8 lakh was short exhibited in the "Detailed Appropriation Account" as compared to departmental expenditure figures (Table 2.9).

Table 2.9: Difference in figures of expenditure due to non-reconciliation

(₹ in lakh)

Head of Accounts	Expenditure as per Department	Expenditure as per Detailed Appropriation Account	Difference
2052-00-090-0103	59.999	302.755	(+)242.756
2053-00-800-0102	11437.875	12159.555	(+)721.680
3454-02-204-0002	828.691	828.694	(+)0.003
3454-02-204-0114	13.421	25.05	(+)11.629
3454-02-204-0409	53.293	90.563	(+)37.270
3454-02-111-0001	444.384	439.511	(-)4.873
3454-02-204-0001	241.694	241.334	(-)0.360
3454-02-204-0605	29.328	26.223	(-)3.105
Total	13108.685	14113.685	

Note: (i) Plus (+) sign in difference column shows excess exhibition in the "Detailed Appropriation Account" with respect to departmental expenditure figures. There were five excess expenditure cases of ₹10.13 crore

(ii) Minus (-) sign in difference column shows short exhibition in the "Detailed Appropriation Account" with respect to departmental expenditure figures. There were three short expenditure cases of ₹ 8.338 lakh.

2.8 Review of Grant No.39-"Disaster Management Department"

2.8.1 Heavy savings

There was an overall saving of ₹ 504.10 crore (75.22 per cent) against the provisions of ₹ 670.12 crore (original ₹ 422.63 crore & supplementary ₹ 247.49 crore) (Table 2.10). Such a huge saving was in itself indicative of unrealistic assessment of budget estimates and laxity in budgetary control procedures.

Table 2.10: Details of Savings

(₹ in lakh)

Revenue Head	Original	Supplementary	Total	Expenditure	Surrender	Saving
2070	128.35	73.28	201.63	133.71	64.15	3.77
2235	427.00	48.00	475.00	345.64	Nil	129.36
2245	41523.08	24568.12	66091.20	15888.58	Nil	50202.62
2251	184.39	60.50	244.89	234.53	Nil	10.36
Total	42262.82	24749.9	67012.72	16602.46	64.15	50346.11

(Source: Detailed Appropriation Accounts, Govt. of Bihar)

Note:- Overall saving equal to addition of saving and surrender amount.

Thus overall saving = 50346.11 + 64.15 = 50410.26 lakh = 504.10 crore.

2.8.2 Belated surrender resulting in lapse of appropriation

In violation of Rule 112 of the Bihar Budget Manual, the Disaster Management Department decided to surrender ₹ 252.56 crore (Table 2.11) on the last day of the financial year. However, the aforesaid surrender was not accepted by the Finance Department due to delayed submission of the surrender papers (submitted on 16 April 2010), resulting in lapse of the saved amount.

On this being pointed out (October 2010) in audit, the Disaster Management Department stated (December 2010) that they had surrendered the funds on the 31 March 2010. This reply is not acceptable since the departmental proposal to surrender was not accepted by the Finance Department due to its delayed receipt on 16 April 2010 i.e. 16 days after the completion of the financial year.

Table 2.11: Lapsed/ Surrendered amounts not accepted by the Finance Department

		(₹ in crore)
Head	Details of letter no. by which surrenders was made	Amount
2245 Relief on account of Natural Calamities 01-Drought and their relief 02-Floods, cyclones etc.	952/31.3.10	{69.724 180.934} Total 250.658
2245-08-001-0002	--	0.256
2235-Social security and welfare 60-200-0008-Grant to person/family who die/injured in disaster	947/31.3.10	0.261
2235-01-200-0003 Relief on account of cold wave	948/31.3.10	0.017
2235-01-200-0004 Grant in aid for compensation of land to persons displaced by soil erosion	956/31.3.10	0.783
2251-Secretariat social services 00090-0017 Relief and rehabilitation Department	950/31.3.10	0.562
2049- 0008 Recovery of interest/loan (N2049012000008)	958/31.3.10	0.019
Total		252.556

2.8.3 Non-utilisation of provision

As per the Bihar Budget Manual, the grants made by the legislature are to be used in the manner and for the purpose for which these are intended according to laws/rules and regulations made thereunder. However, it was seen that in 29 sub head relating to 'Relief on account of Natural Calamities', the provision of ₹ 54.97 crore (original ₹ 17.97 crore and supplementary ₹ 37.00 crore). (Appendix 2.16) remained completely unspent.

On this being pointed out (October 2010), the Disaster Management Department stated (December 2010) that the actual expenditure for disaster and relief there of, are difficult to rightly assess, and therefore, provisions for disasters were being decided totally upon imagination.

The reply is not acceptable as the total provision amount was saved without any re-appropriation and surrenders being made. This shows that periodical reviews of expenditure under these sub-heads were not being done as required.

2.8.4 Unnecessary supplementary provisions

Supplementary Provisions are sought to meet the additional requirement of funds for expenditure for which original provisions are insufficient. However, the Disaster Management Department obtained unnecessary supplementary provisions under seven sub-heads (Table 2.12), resulting in savings over and above the supplementary provisions. Supplementary provisions of ₹ 105.40 crore obtained under revenue heads proved fully unjustified.

On this being pointed out (October 2010), the Disaster Management Department replied (December 2010) that all provisions related to disasters were done based upon imagination.

Table 2.12: Unnecessary Supplementary Provision

(₹ in lakh)

Sl. no.	Head of Accounts	Provision (Original)	Supplementary Provision/- (Dated)	Total Provision	Surrender/ Lapse
1.	2245-01-282-0001	25.00	200.00 (05.01.10)	225.00	225.00
2.	2245-01-800-0001	200.00	500.00 (05.01.10)	700.00	700.00
3	2245-01-800-0002	10.00	3000.00 (05.01.10)	3010.00	3010.00
4	2245-02-101-0004	100.00	313.63 (04.08.09)	413.63	379.80
5	2245-02-107-0001	50.00	1893.90 (04.08.09)	1943.90	1943.88
6	2245-02-117-0001	200.00	2416.74 (04.08.09)	2616.74	2063.80
7	2245-02-112-0001	5286.00	2216.00 (04.08.09)	7502.00	3296.10
	Total	5871.00	10540.27	16411.27	11618.58

2.8.5 Differences in expenditure figures due to non-reconciliation by the Department

Though required under the provisions of Rules 122 and 134 of the Bihar Budget Manual, proper reconciliation was not carried out by the department, resulting in differences in figures of expenditure in most of the cases as shown in **Appendix 2.17**. Hence, in 12 cases, ₹ 9.68 crore excess expenditure was shown in the 'Detailed Appropriation Accounts' over the departmental expenditure figures and in another 18 cases, departmental expenditure figures were short exhibited by ₹ 27.75 crore than the figure of expenditure shown in 'Detailed Appropriation Accounts'.

On this being pointed out (October 2010), the Disaster Management Department stated (December 2010) that the amount related to Major Head 2251 only was being withdrawn by the Disaster Management Department and figures related to that head were being reconciled regularly.

2.9 Conclusion

The departments had not prepared their estimates keeping in view relevant factors like trends in economy, actual expenditure of last three years and other factors. Huge and persistent savings, excesses over provisions, unnecessary/excessive/inadequate, supplementary provisions/re-appropriations and non-surrender of anticipated savings indicated inadequate financial management and lack of budgetary control. Excesses over grants/appropriations of ₹ 98.38 crore required regularisation under Article 205 of the Constitution of India.

2.10 Recommendations

- The departments should submit more realistic budget estimates keeping in view relevant factors like trends in economy, actual requirement of funds, expenditure for the last three years and other factors.
- Budgetary controls should be strengthened in all the Government departments by close monitoring of expenditure against allocations.
- Anticipated savings should be surrendered in time and issuance of re-appropriation/surrender orders at the fag end of the year should be avoided.
- All excess expenditure over grants/appropriations should be regularised as required under Constitution of India.



Mahabodhi Temple Bodhgaya

CHAPTER III

FINANCIAL REPORTING

A sound internal financial reporting system which is backed by relevant and reliable data and information, significantly contributes to the efficient and effective governance by a State Government. Compliance with financial rules, procedures and directives, their timeliness and ensuring the quality of the reports on the status of such compliances are some of the important attributes of good governance. The reports on compliance and controls, if effective and operational, assist the State Governments in meeting their 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 current year.

3.1 Outstanding Detailed Contingent Bills

The Bihar Treasury Code (Note below Rule 322 [2]) provides that advances drawn on Abstract Contingent (AC) Bills should be settled by submitting Detailed Contingent (DC) Bills to the Accountant General (A&E) not later than the 25th of the sixth month from the date of drawal of advance from the treasury.

As indicated in **Table 3.1**, out of ₹ 14272.48 crore drawn on 58423 AC bills, only 7435 DC bills for ₹ 2418.40 crore were submitted to Accountant General (A&E), Bihar. DC bills in respect of 50988 AC bills for ₹11854.08 crore drawn during the year from 2002-03 to 2008-09 were not submitted, despite repeated audit objections.

Table 3.1: Outstanding Detailed Contingent Bills

(₹ in crore)

Year	AC Bills		DC Bills		Amount of DC Bills as Percentage of AC Bills	Outstanding DC Bills	
	Number	Amount	Number	Amount		Number	Amount
2002-03	6988	332.22	513	80.21	24.14	6475	252.01
2003-04	12570	548.41	736	76.48	13.94	11834	471.93
2004-05	10701	957.72	1112	252.38	26.35	9589	705.34
2005-06	6064	2376.31	1092	398.67	16.78	4972	1977.64
2006-07	6980	3849.31	1173	613.13	15.93	5807	3236.18
2007-08	7081	3860.47	1749	832.48	21.56	5332	3027.99
2008-09	8039	2348.04	1060	165.05	7.03	6979	2182.99
Total	58423	14272.48	7435	2418.40		50988	11854.08

{Source: Statement received from AG (A&E), Bihar}

3.2 Delays in furnishing Utilization Certificates

Rule 342 of the Bihar Financial Rules read with State Government decision (2a) appended to it provides that in cases of grants-in-aid, which are sanctioned in quarterly or half yearly installments, the amount of grants for the first two quarterly instalments or the first half yearly instalment may be sanctioned without insisting upon the production of utilization certificates (UC) in respect of the last grant. However, for sanctioning the remaining amount of the grant, UCs on the basis of the audited accounts of the previous grants should be insisted upon by the administrative departments. UCs should be obtained for grants provided for specific purposes by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General (A&E). However, it was observed that 21114 UCs aggregating ₹ 4527.77 crore were due from various administrative departments in respect of grants and loans paid up to October 2007. Details of grants paid on or after October 2007 were not intimated by the State Government and hence, UCs amounting to ₹ 196.39 crore received in the office of Accountant General (A&E) for the period 2007-09 have not been taken into account as no details of grants-in-aid released were available. Details of outstanding UCs are given in **Appendix 3.1**.

3.3 Delayed/non-submission of accounts by bodies/ authorities

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971, the Government/Heads of the department are required to furnish detailed information to audit every year about the financial assistance given to various institutions indicating therein, the purpose for which the assistance was granted and the total expenditure of these institutions. However, it was observed that nine annual accounts of four autonomous bodies/authorities involving ₹ 145.72 crore due up to 2009-10 had not been received (September 2010) by the Principal Accountant General (Audit) as shown in **Table 3.2**.

Table 3.2: Bodies/authorities, the accounts of which had not been received

(₹ in crore)

Sl. No.	Name of the Bodies/Authorities	Year up to which accounts had been received	Grants paid by State Government includes opening balance
1.	Sone Command Area Development Agency, Patna	2007-08	46.25
2.	Gandak Command Area Development Agency, Muzaffarpur	2008-09	36.99
3.	Koshi Command Area Development Agency, Saharsa	2008-09	18.03
4.	Kiul Badwa Chandan Command Area Development Agency, Bhagalpur	2004-05	44.45
	Total		145.72

(Source: Departmental figure)

3.4 Delays in submission of Accounts/Audit Reports of Autonomous bodies

Audit of the accounts of any body or authority as provided in Section 20(i) of the Comptroller and Auditor General's (Duties, Power and Conditions of Service) Act, 1971, if entrusted to the Comptroller and Auditor General (C&AG) by any law or if requested to do so by the Governor of a State having a Legislative Assembly, may be undertaken on such terms and conditions as may be agreed upon between him and the concerned Government. Audit of four autonomous bodies set up by the State Government in the field of housing, khadi and village industries, legal services and education have been entrusted to the C&AG. The focus of these audits is on verification of their operational transactions, accounts, compliance to rules and regulations, review of internal controls, systems and procedures.

The audit of accounts of the Bihar State Khadi & Village Industries Board (BSKVIB), the Bihar State Housing Board (BSHB) and the Rajendra Agricultural University (RAU), Pusa, Samastipur was entrusted to the C&AG up to 2002-03, 2003-04 and 2010-11 respectively. Audit of accounts of the Bihar State Legal Services Authority (BSLSA) has been entrusted to C&AG permanently. Even after repeated pursuance, the entrustment of audits of BSKVIB and BSHB for the succeeding years is pending till date. The submission of accounts by these bodies, issuance of Separate Audit Reports (SARs) and their placement in the Legislature are detailed in **Appendix 3.2**.

3.5 Departmental Commercial Undertakings

Under Section 13(c) of the C&AG's Duties, Power & Conditions of Service (DPC) Act, 1971 it is the duty of the C&AG to audit all trading, manufacturing, profit and loss accounts and balance sheets and other subsidiary accounts kept in any department of the State. Departmental undertakings performing activities of a quasi-commercial nature are required to prepare proforma accounts in the prescribed format annually, showing therein the working results of financial operations so that the Government can assess their working. The finalised accounts of departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business. In the absence of timely finalization of accounts, the investment of the Government remains outside the scrutiny of audit and the State Legislature. Consequently, corrective measures, if any, required for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delay in submission of accounts may also open the system to the risk of fraud and leakage of public money.

Heads of departments in the Government have to ensure that the undertakings prepare such accounts and submit the same to the Principal Accountant General for audit within the specified time frame. As of March 2010, seven departmental commercial undertakings of the State had not prepared their accounts up to 2009-10 as indicated in **Table 3.3**.

Table 3.3: Details of Departmentally Managed Commercial/Quasi Commercial Undertakings

Sl. No.	Name of Department	Name of the Undertakings	No. of Units
1	Industries	(i) Adarsh Iron Workshop	06
		(ii) Adarsh Wood Workshop	06
2		Hasthkargha Weaver's Training Centres	06
3		Salt Petre Refinery Centre, Maheshi, East Champaran	01
4		Handicrafts Complex, Madhubani	01
5		Polyester Weavers Training Centre, Barari,	01
6		Upendra Maharashi Crafts Investigation Institute, Digha, Patna	01
7		Central Design Centre, Rajendra Nagar, Patna	01
		Total	23

(Source: Compiled figure)

Though the C&AG of India has repeatedly commented about the arrears in preparation of annual accounts in State Reports (Civil and State Finances), there has been no improvement as far as the preparation of proforma accounts by these departmental undertakings are concerned.

3.6 Operation of omnibus Minor Head-800

Receipts/expenditure in Government Accounts are required to be booked under the respective Major Heads, but in cases where classification of any expenditure/receipts does not fall under the classified Minor Heads, expenditure is booked under Minor Head ‘800-Other Expenditure’/ ‘800-Other Receipts’ as the case may be. Scrutiny of the Finance Accounts for the year 2009-10 revealed that in case of 53 Major Heads of accounts, 16.56 *per cent* of the total expenditure was booked under this omnibus Minor Head. Further, in the case of 14 out of 53 such Major Heads, against the total expenditure of ₹ 5293.76 crore, ₹ 4040.64 crore (more than 50 *per cent* of the respective total expenditure) were booked under the omnibus Minor Head as detailed in **Appendix 3.3**.

Similarly, in the case of 40 Major Heads representing the receipt side, 3.62 *per cent* of the total receipts were booked under the omnibus Minor Head. Of this, in the case of 13 Major Heads, against the total receipts of ₹ 881.32 crore, ₹ 875.90 crore (90 *per cent* or more of the respective total receipts) were booked under the omnibus Minor Head as detailed in **Appendix 3.4**.

3.7 Misappropriations, losses, defalcations, etc.

Rules 31 and 32 of the Bihar Financial Rules provide that any loss or suspicion thereof, of public money held by or on behalf of the Government caused by defalcation or otherwise should be immediately reported by the officer concerned to his immediate superior official and the Finance Department as well as to the Accountant General even when such loss has been made good by the party responsible. Subsequent to investigation, a complete report should be submitted regarding the nature, extent and reasons leading to such loss and the prospects of affecting its recovery. The officers receiving these reports must forward it forthwith to the Government along with a detailed report, after completing such departmental investigations as may be necessary or expedient, on the causes or circumstances which led to the misappropriation, loss or defalcation and mentioning the disciplinary action proposed against the responsible person. No such report was, however, made available to the Accountant General by the heads of the offices.

Altogether, 1021 cases of defalcation, misappropriation, loss and theft involving ₹ 407.97 crore had been pending with the concerned departments as of March 2010. The age-wise/category-wise profile of the pending cases is detailed in **Appendix 3.5** and **3.6** summarised in **Table 3.4** and **3.5**. Cases of losses written off during the period, were not intimated by the Government.

Table 3.4: Age-wise profile of the pending cases

(Amount: ₹ in crore)		
Range in years	Number of cases	Amount involved
Up to 5	935	273.88
5 - 10	86	134.09
Total	1021	407.97

(Source: Audit findings)

The number of cases pending in each category of defalcation, misappropriation, loss and theft detailed in **Appendix 3.6** are summarised in **Table 3.5**.

Table 3.5: Nature of the pending cases

(Amount: ₹ in crore)		
Nature/Characteristics of the Cases	Number of Cases	Amount involved
Loss	583	112.38
Misappropriation	255	247.86
Theft	01	0.02
Defalcation	182	47.71
Cases of Losses Written off during the Year	-	-
Total pending cases	1021	407.97

(Source: Audit findings)

The amounts relating to the abovementioned cases of misappropriation, loss, defalcations were pending settlement, but no follow-up action had been taken to fix responsibility.

3.8 Conclusion

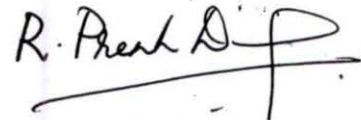
Submission of utilisation certificates, annual accounts, proforma accounts etc. by State institutions and undertakings are the basic inputs of financial reporting. Qualitative reporting with timeliness is a necessary condition for effective and good governance which can help the Government in taking appropriate steps for ensuring accountability and improving efficiency. DC bills are required to be submitted within six months from the drawal of AC bills but a total of 50988 DC bills amounting to ₹ 11854 crore up to March 2009 were pending up to July 2010. As regards furnishing of utilization certificates (UCs), 21114 UCs aggregating ₹ 4527.77 crore were due for submission as of October 2007. No mechanism was developed to intimate the amounts paid as grants and loans by the Government. Departmental commercial undertakings of the State were not preparing/furnishing their accounts. Huge amounts under receipt/expenditure heads were being classified under the Minor Head '800-Other Expenditure/Receipt'. A number of cases of misappropriation, loss, defalcation, theft etc. remained unsettled for long periods. Autonomous bodies of the government had not submitted SARs to the legislature in time.

3.9 Recommendation

- Government should ensure effective implementation of the provisions contained in Rule 322 of the Bihar Treasury Code so that DC bills are submitted to the Accountant General (A&E) within the stipulated time frame.
- Government should take effective measures to ensure submission of the long outstanding utilization certificates and develop mechanisms to intimate the Accountant General about the details of grants and loans paid by them.
- Departmental commercial undertakings should prepare proforma accounts and submit them within the prescribed timeframe.
- The internal control mechanism should be strengthened to minimize cases of misappropriation, loss, defalcation, theft etc. and the departments should ensure issuance of orders relating to recoveries/write offs in respect of such cases.
- Government should ensure that Separate Audit Reports are placed before the legislature in time.

Patna
The

2 FEB 2011



(PREMAN DINARAJ)

Principal Accountant General (Audit), Bihar

Countersigned

New Delhi
The

21 FEB 2011



(VINOD RAI)

Comptroller and Auditor General of India

APPENDICES

Appendix-1.1
(Reference: Paragraph 1.1 and 1.5.1, Page 1 and 16)

Profile of the State

A. General Data				Figures
Sl. No.	Particulars			
1	Area		94163 sq km	
2	Population		8.3 crore	
	a.	As per 2001 Census.	9.57 crore	
	b.	2009-2010	880 persons per sq. km.	
3	Density of Population (2001). (All India Density = 325 persons per Sq.Km)		41.4 per cent	
4	Population below poverty line (All India Average = 27.5 per cent)		47 per cent	
5	Literacy (2001) (All India Average = 64.8 per cent)		56	
6	Infant mortality (per 1000 live births) (All India Average = 53 per 1000 live births)		61.6 Years	
7	Life Expectancy at birth. (All India Average =63.5 years)			
8	Gini Coefficient ¹		0.20	
	a.	Rural. (All India = 0.30)	0.33	
	b.	Urban. (All India = 0.37)	155051 crore	
9	Gross State Domestic Product (GSDP) 2009-2010 at current prices		11.71 per cent	
10	GSDP CAGR ² (2000-01 to 2009-10)		9.95 per cent	
11	Per capita GSDP CAGR (2000-01 to 2009-10)		12.08 per cent	
12	GSDP CAGR (2000-01 to 2008-2009)		Bihar	12.54 per cent
			Other General Category States	15.31 per cent
13	Population Growth (2000- 2001 to 2009-2010)		Bihar	13.42 per cent
			Other General Category States	
B. Financial Data				Figures (in Per cent)
Sl. No.	Particulars		2000-01 to 2008-09	
1	CAGR		2000-01 to 2009-10	
			General Category States	Bihar
	a.	of Revenue Receipts.	14.40	14.48
	b.	of Own Tax Revenue.	13.59	10.34
	c.	of Non-Tax Revenue.	12.08	6.21
	d.	of Total Expenditure.	12.38	11.13
	e.	of Capital Expenditure.	21.41	25.06
	f.	of Revenue Expenditure on Education.	9.33	6.65
	g.	of Revenue Expenditure on Health.	8.95	2.28
	h.	of Salary and Wages#.	9.37	5.25
	i.	of Pension.	12.03	7.09
				8.86

Source: Financial data is based on figures in Finance Accounts. BPL (Planning Commission & NSSO data, 61st Round-<http://planning.commission.nic.in/data/database/Data0910/tab%2021.pdf>), Gini Coefficient (Unofficial estimates of Planning Commission & NSSO data, 61st Round 2004-05 MRP), Life Expectancy at birth (Office of the Registrar General of India; Ministry of Home Affairs; Economic Survey, 2009-10 , Infant mortality rate (SRS Bulletin October, 2009), Density of population (Office of the Registrar General and census commissioner of India; Ministry of Home Affairs and Literacy (Office of the Registrar General of India; Ministry of Home Affairs). #For the period 2001-02 to 2008-09 or 2009-2010 as the case may be.

¹It is a measure of inequality of income distribution where zero refers to perfect equality and one refers to perfect inequality.
² CAGR= Compound Annual Growth Rate.

Appendix 1.2

(Reference: Paragraph 1.1.1 and Page 1)

Abstract of Receipts and Disbursements for the year 2009-10

(₹ in crore)

Receipts				Disbursements					
2008-09			2009-10	2008-09			2009-10		
							Non-Plan	Plan	Total
		Section-A: Revenue							
32980.69	I	Revenue receipts	35526.83	28511.58	I	Revenue expenditure	24145.38	8438.79	32584.17
6172.74		-Tax revenue	8089.67	10529.51		General Services	11850.99	351.36	12202.35
1153.32		-Non-tax revenue	1670.42	12252.10		Social Services	8046.11	5140.30	13186.41
17692.51		-State's share of Union Taxes	18202.58	6705.91		Education, Sports, Art and Culture	6015.51	1400.71	7416.22
2550.44		-Non-Plan grants	2256.20	1193.37		Health and Family Welfare	1187.13	200.69	1387.82
3600.09		-Grants for State Plan Schemes	3720.97	1413.40		Water Supply, Sanitation, Housing and Urban Development	554.53	883.71	1438.24
1811.59		-Grants for Central and Centrally sponsored Plan Schemes	1586.99	43.99		Information and Broadcasting	47.17	4.84	52.01
				230.46		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	67.19	340.34	407.53
				67.39		Labour and labour welfare	54.78	15.11	69.89
				2562.22		Social welfare and nutrition	92.60	2167.61	2260.21
				35.35		Others	27.19	127.30	154.49
				5726.01		Economic Services	4140.82	2947.13	7087.95
				1272.69		Agriculture and Allied Activities	856.11	647.44	1503.55
				2109.20		Rural Development	708.25	1972.19	2680.44
				-		Special areas programmers			
				704.32		Irrigation and Flood control	816.14	81.17	897.31
				722.50		Energy	862.61	5.00	867.61
				226.07		Industry and Minerals	44.81	220.58	265.39
				493.37		Transport	690.04		690.04

Receipts					Disbursements				
2008-09			2009-10	2008-09			2009-10		
							Non-Plan	Plan	Total
				-		Science, Technology and Environment			-
				197.86		General Economic Services	162.86	20.75	183.61
				3.96		Grants-in-aid and Contributions	107.47	-	107.47
				28511.58		Total			32584.17
	II	Revenue deficit carried over to section B		4469.11	II	Revenue Surplus carried over to Section B			2942.66
32980.69		Total	35526.83	32980.69		Total			35526.83
		Section-B Others							
2188.06	III	Opening Cash balance including Permanent Advances and Cash Balance Investment	3557.09		III	Opening overdraft from Reserve Bank of India			
	IV	Miscellaneous Capital receipts		6436.35	IV	Capital Outlay	63.97	7268.12	7332.09
				206.65		General services	57.80	216.68	274.48
				640.02		Social Services	6.85	1115.70	1122.55
				176.51		Education, Sports, Art and Culture	-	333.96	333.96
				97.21		Health and Family Welfare	-	120.52	120.52
				186.57		Water Supply, Sanitation, Housing and Urban Development	6.85	457.86	464.71
				4.93		Information and Broadcasting	-	3.00	3.00
				41.77		Welfare of Scheduled Castes, Schedule Tribes and Other Backward Classes	-	26.18	26.18
				100.76		Social welfare and nutrition	-	153.59	153.59
				37.20		Others	-	20.59	20.59
				5589.68		Economic Services	-0.68	5935.74	5935.06
				11.04		Agriculture and Allied Activities	-	1.00	1.00
				1273.79		Rural Development	-	852.65	852.65

Audit Report (State Finances) for the year ended 31 March 2010

Receipts					Disbursements					
2008-09			2009-10		2008-09		2009-10			
							Non-Plan	Plan	Total	
					-		Special areas programmes			
					1140.68		Irrigation and Flood Control		1348.62	1348.62
					400.00		Energy	-	376.00	376.00
					276.72		Industry and Minerals	-	268.58	268.58
					2463.42		Transport	-0.68	3059.11	3058.43
					24.04		General Economic Services	-	29.78	29.78
11.32	V	Recoveries of Loans and Advances		13.20	551.05	V	Loans and Advances disbursed	409.52	487.27	896.79
-		-From Power Projects	-		436.89		For Power Projects	157.31	468.94	626.25
9.09		-From Government Servants	7.12		7.19		To Government Servants	7.12	-	7.12
2.23		-From Others	6.08		106.97		To Others	245.09	18.33	263.42
4469.11	VI	Revenue Surplus brought down		2942.66	-	VI	Revenue Deficit brought down			
5927.89	VII	Public debt receipts		6134.39	1682.28	VII	Repayment of Public debt			1982.99
-		External debt			-		External debt			
5778.03		Internal debt other than Ways and Means Advances and overdrafts	5370.07		1253.60		Internal debt other than Ways and Means Advances and Overdrafts			1169.32
-		-Net transactions under Ways and Means Advances	-		-		Net transactions under Ways and Means Advances			
-		-Net transactions under overdraft	-							
149.86		-Loans and Advances from Central Government	764.32		428.68		Repayment of Loans and Advances to Central Government			813.67
-	VIII	Appropriation to Contingency Fund		-	-	VIII	Appropriation to Contingency Fund			
-	IX	Amount transferred to Contingency Fund		-	-	IX	Expenditure from Contingency Fund			
16941.02	X	Public Account receipts		15303.39	17310.63	X	Public Account disbursements			15447.74
1153.36		Small Savings and Provident Funds	707.19		1008.95		Small Savings and Provident Funds			970.05

Receipts				Disbursements					
2008-09			2009-10	2008-09		2009-10			
						Non-Plan	Plan	Total	
1302.48		Reserve Funds	565.67	869.24		Reserve Funds		467.36	
184.45		Suspense and Miscellaneous	296.81	219.61		Suspense and Miscellaneous		197.28	
7090.79		Remittance	7422.76	7312.36		Remittance		7367.94	
7209.94		Deposits and Advances	6310.96	7900.47		Deposits and Advances		6445.11	
	XI	Closing Overdraft from Reserve Bank of India		3557.09	XI	Cash Balance at end		2291.13	
				-		Cash in Treasuries and Local Remittances		-	
				-740.06		Deposits with Reserve Bank		(-)2536.45	
				178.16		Departmental Cash Balance including permanent Advances		200.44	
				4118.99		Cash Balance Investment		4627.14	
29537.40		Total	27950.74	29537.40		Total		27950.74	

Appendix 1.3

(Reference: Paragraph 1.2.2 and Page 6)

Funds Directly Transferred to State Implementing Agencies

(₹ in crore)

Programme/Scheme	Implementing Agency in the State	2008-09			2009-10		
		Central Share	State Share, if applicable	Total	Central Share	State Share, if applicable	Total
SSA*	BEPC*	1659.24	855.00	2514.24	1217.39	903.45	2120.84
NPEGEL*		36.20	30.00	66.20	0.00	26.85	26.85
KGBV*		166.14	53.25	219.39	0.00	0.00	0.00
Total (SSA+NPEGEL+KGBV)		1861.58	938.25	2799.83	1217.39	930.30	2147.69
Total NRHM*-A	State Health Society	351.17	-	351.17	420.84	213.46	633.46
Total NRHM-B		217.20	-	217.20	-	-	-
Total NRHM-C		76.73	0.19	76.92	-	-	-
NRHM-D		12.44	-	12.44	-	-	-
Total NRHM		657.54	0.19	657.73	420.84	213.46	633.46
MNREGA*	DRDA*	1369.03	144.28	1513.31	1032.80	103.41	1136.21
SGSY*		240.75	35.11	275.86	131.91	43.04	174.95
IAY* (New)		2187.24	494.79	2682.03			
IAY (Upgradation)							
IAY (5%)		0	0.31	0.31	2009.19	517.20	2526.39
IAY (Kala Azar Affected) 2006 + 2008		97.58	0.53	98.11			
IWDP*		7.32	0.79	8.11	-	-	-
DRDA (Admin)		13.62	4.64	18.26	-	-	-
Hariyali					5.71	-	5.71
Total DRDA			3915.54	680.45	4595.99	3179.61	663.65
Total Sanitation Campaign					90.47		
MPs Local Area Development Scheme (MPLADS)	District Magistrate				101.50		
Science and Technology Programme for Social Economic Development	Registered Societies (NGOs)				0.85		
Off Grid DRPS	Bihar Renewable Energy Development Agency				0.99		
Promotion and Dissemination of Art and Culture	Registered Societies (NGOs)				1.07		
Handicrafts	Registered Societies (NGOs)				1.82		
Memorials and Others	Nava Nalanda Mahavihara				2.80		
Mahila Samakhya	Bihar Mahila Samakhya Society				5.44		
National Institute of Pharmaceutical and Research	National Institute of Pharmaceuticals Education and Research				7.15		

Supports to NGOs Institutions SRCs for Audit Education and Skill Development	Jan Shikshan Sansthan				7.86		
National Child Labour Project Including Grants in aid to Voluntary Agencies	Child Labour Project Society				16.61		
Health Insurance for Unorganised Sector Workers (Rashtriya Swastha Bima)	Bihar State Labour Welfare Societies				31.98		
National Food Security Mission	State Agrigulture Management & Extention Training				43.32		
Setting up of New IITs	Indian Institute of Technology, Patna				52.50		
Total of GOI funds bypassing State Budget		6434.66			5182.20		
Receipts of GOB		38920.00			41674		
Expenditure of GOB		37181			42796		
Total Plan Grants (State Plan + Centrally Sponsored Plan + Central Plan)		5411.68			5308		
Total Central Grants (Plan + Non-Plan)		7962.12			7564.16		
Percentage of Central Funds bypassing the State Budget (Receipt)		16.53			12.43		
Percentage of Central Funds bypassing the State Budget (Expenditure)		17.31			12.11		
Central Funds bypassing GOB budget as a percentage of Total Central Plan Grants (State Plan + Central Plan + Centrally Sponsored Plan)		118.90			97.63		
Central Funds bypassing GOB budget as a percentage of Total Central Grants		80.82			68.51		

*SSA: Sarva Shiksha Abhiyan, BEPC: Bihar Education Project Council, NPEGEL: National Programme for Education of Girls at Elementary Level, KGBV: Kasturba Gandhi Balika Vidyalaya, NRHM: National Rural Health Mission, MNREGA: Mahatma Gandhi National Rural Employment Guarantee Act, DRDA: District Rural Development Authority, SGSY: Swarnajayanti Gram Swarojgar Yojana, IAY: Indira Awas Yojana, IWDP: Integrated Wasteland Development Project.

Appendix 1.4

(Reference: Paragraph 1.3 and 1.7.2, Page 6 and 22)

Time series data on the State Government finances

(₹ in crore)

	2005-2006	2006-2007	2007-2008	2008-09	2009-10
Part A. Receipts					
1. Revenue Receipts	17837	23083	28210	32981	35527
(i) Tax Revenue	3561(20)	4033(17)	5086(18)	6173(19)	8090(23)
Taxes on Sales, Trade, etc	1734(49)	2081(52)	2535(50)	3016(49)	3839(48)
State Excise	319(9)	382(9)	525(10)	679(11)	1082(13)
Taxes on Vehicles	302(8)	181(4)	273(5)	298(5)	345(4)
Stamps and Registration fees	505(14)	455(11)	654(13)	716(12)	998(12)
Land Revenue	55(2)	75(2)	82(2)	102(1)	124(2)
Taxes on Goods and Passengers	613(17)	783(19)	938(18)	1279(21)	1613(20)
Other Taxes	33(1)	76(2)	79(2)	83(1)	89(1)
(ii) Non-Tax Revenue	522(3)	511(2)	526(2)	1153(3)	1670(5)
(iii) State's share of Union taxes and duties	10421(58)	13292(58)	16766(59)	17693(54)	18203(51)
(iv) Grants in aid from Government of India	3333(19)	5247(23)	5832(21)	7962(24)	7564(21)
2. Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	00
3. Recoveries of Loans and Advances	51	7	26	11	13
4. Total Revenue and Non-debt capital receipts (1+2+3)	17888	23090	28236	32992	35540
5. Public Debt Receipts	3770	2358	1612	5928	6134
Internal Debt (excluding Ways and Means Advances and Overdrafts)	3768	2355	1144	5778	5370
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	-
Loans and Advances from Government of India	2	3	468	150	764
6. Total Receipts in the Consolidated Fund (4+5)	21658	25448	29848	38920	41674
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Account Receipts	5695	9224	12837	16941	15303
9. Total Receipts of the State (6+7+8)	27353	34672	42685	55861	56978
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	17756	20585	23563	28512	32584
Plan	2736(15)	4065(20)	4804(20)	7280	8439
Non-Plan	15020(85)	16520(80)	18759(80)	21232	24145
General Services (including interest payments)	8523(48)	8643(42)	9252(39)	10530	12202
Social Services	6862(38)	7917(38)	9868(42)	12252	13186
Economic Services	2367(13)	4021(20)	4438(19)	5726	7088
Grants-in-aid and contributions	4	4	5	4	108
11. Capital Expenditure	2084	5211	6104	6436	7332
Plan	2061(99)	5132(98)	5991(98)	6336	7268
Non-Plan	23(1)	79(2)	113(2)	100	64
General Services	72(3)	155(3)	223(4)	206	274
Social Services	328(16)	596(11)	799(13)	640	1123
Economic Services	1684(81)	4460(86)	5082(83)	5590	5935
12. Disbursement of Loans and Advances	1748	315	272	551	897
13. Total (10+11+12)	21588	26111	29939	35499	40813

	2005-2006	2006-2007	2007-2008	2008-09	2009-10
4. Repayments of Public Debt	981	1025	1632	1682	1983
Internal Debt (excluding Ways and Means Advances and Overdrafts)	493	708	1203	1254	1169
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	488	317	429	428	814
5. Appropriation to Contingency Fund	-	-	-	-	-
6. Total disbursement out of Consolidated Fund (13+14+15)	22569	27136	31571	37181	42796
7. Contingency Fund disbursements	-	-	-	-	-
8. Public Account disbursements	4415	8016	10334	17311	15448
9. Total disbursement by the State (6+17+18)	26984	35152	41905	54492	58428
Part C. Deficits					
1. Revenue Deficit(-)/Revenue Surplus (+) (-10)	81	2498	4647	4469	2943
2. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-)3700	(-)3021	(-)1703	(-)2507	(-)5273
3. Primary Deficit/Primary Surplus (1+23)	(-)51	(+)395	(+)2004	(+)1246	(-)1588
Part D. Other data					
4. Interest Payments (included in revenue expenditure)	3649	3416	3707	3753	3685
5. Financial Assistance to local bodies etc.,	1110	1017	1133.37	4422.49	4456.09
6. Ways and Means Advances/Overdraft availed (days)	NIL	NIL	NIL	NIL	NIL
Ways and Means Advances availed (days)					
Overdraft availed (days)					
7. Interest on Ways and Means Advances/Overdraft	NIL	NIL	NIL	Nil	NIL
Gross State Domestic Product (GSDP)[@]	79382	99579	114616	142504	155051
Outstanding Fiscal liabilities (year end)	46495	49089	50989	54977	58690
Outstanding guarantees (year end)	605	608	516	704	859
Maximum amount guaranteed (year end)	1531	1538	1538	1538	1548
Number of incomplete projects	6	6	9	78	288
Capital blocked in incomplete projects	2393	2393	2793	1016.08	940.81
Part E: Fiscal Health Indicators					
Resource Mobilization (in per cent)					
in Tax revenue/GSDP	4.49	4.05	4.44	4.33	5.22
in Non-Tax Revenue/GSDP	0.66	0.51	0.46	0.81	1.08
Central Transfers/GSDP	13.13	13.35	14.63	12.42	11.74
Expenditure Management (in per cent)					
Total Expenditure/GSDP	27.20	26.22	26.12	24.91	26.32
Total Expenditure/Revenue Receipts	121.08	113.11	106.12	107.63	114.88
Revenue Expenditure/Total Expenditure	82.25	78.84	78.70	80.31	79.84
Expenditure on Social Services/Total Expenditure	33.31	32.60	35.63	36.32	35.06
Expenditure on Economic Services/Total Expenditure	18.76	32.48	31.80	31.88	31.91
Capital Expenditure/Total Expenditure	9.65	19.95	20.38	18.13	17.97

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	2005-2006	2006-2007	2007-2008	2008-09	2009-10
Capital Expenditure on Social and Economic Services/Total Expenditure.	9.32	19.36	19.64	17.34	17.29
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	0.10	2.51	4.06	3.14	1.90
Fiscal deficit/GSDP	-4.66	-3.03	-1.49	-1.76	-3.40
Primary Deficit (surplus) /GSDP	-0.06	0.40	1.75	0.87	-1.02
Revenue Deficit/Fiscal Deficit	-2.19	82.69	-272.87	-178.26	-55.81
Primary Revenue Balance/GSDP	-4.83	-5.55	-5.56	-4.90	-5.31
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	58.57	49.29	44.48	38.58	37.85
Fiscal Liabilities/RR	260.67	212.66	180.75	166.69	165.20
Primary deficit vis-à-vis quantum spread	-0.09	0.05	-0.51	0.13	-1.17
Debt Redemption (Principal +Interest)/ Total Debt Receipts	65.93	134.52	321.59	64.55	73.61
V Other Fiscal Health Indicators					
Return on Investment	0.00	0.00	0.38	0.26	0.24
Balance from Current Revenue (₹ in crore)	685.02	2995.78	5124.24	3952.78	6213.49
Financial Assets/Liabilities	80	86	96	96	92

Figures in brackets represent percentages (rounded) to total of each sub-heading
@ GSDP figures communicated by the Government adopted.

Appendix 1.5
(Reference: Paragraph 1.3.3 and Page 9)
Variations in budget estimate and actual receipts

(₹ in crore)

Sl. no.	Revenue head	Budget estimates	Actual receipts	Variations increase (+) shortfall (-)	Percentage
● Tax revenue					
1.	State excise	850.00	1,081.68	(+) 231.68	(+) 27.26
2.	Stamp duty and registration fees	750.00	997.90	(+) 247.90	(+) 33.05
3.	Taxes and duties on electricity	62.78	66.63	(+) 3.85	(+) 6.13
4.	Land revenue	76.22	123.96	(+) 47.74	(+) 62.63
5.	Taxes on goods and passengers - Tax on entry of goods into local areas	1,270.00	1,613.16	(+) 343.16	(+) 27.02
● Non-tax revenue					
1.	Non-ferrous mining and metallurgical industries	180.00	319.93	(+) 139.93	(+) 77.74
2.	Forestry and wild life	5.00	6.78	(+) 1.78	(+) 35.60
3.	Interest receipts	53.62	353.27	(+) 299.65	(+) 558.84
4.	Medium irrigation	3.50	14.80	(+) 11.30	(+) 322.86

Appendix 1.6

(Reference: Paragraph 1.3.4, page 10)

Details of Department-wise arrears of revenue

(₹ in crore)

Sl. no.	Heads of revenue	Amount outstanding as on 31 March 2010	Amount outstanding for more than five years	Remarks
1.	Taxes/VAT on sales, trades etc.	1,323.32	326.45	Out of ₹ 1,323.32 crore, demands for ₹ 315.71 crore were certified for recovery under Public Demand Recovery (PDR) Act. Recovery of ₹ 362.73 crore and ₹ 25.54 crore were stayed by the courts and the Government respectively. An amount of ₹ 1.10 crore was likely to be written off and ₹ 618.24 crore was pending at other stages.
2.	Taxes on vehicles	134.34	Not furnished	The entire outstanding amount was certified for recovery under PDR Act.
3.	Taxes and duties on electricity	0.36	0.14	Out of ₹ 0.36 crore, recovery of ₹ 0.20 crore was stayed by the Government and ₹ 0.16 crore was pending at other stages.
4.	Entry tax	25.55	1.38	Out of ₹ 25.55 crore, demand for ₹ 1.45 crore was certified for recovery under PDR Act. Recovery of ₹ 19.55 lakh was stayed by the courts and ₹ 23.90 crore was pending at other stages.
5.	Entertainment tax	9.55	2.22	Out of ₹ 9.55 crore, demands for ₹ 8.17 crore were certified for recovery under PDR Act. Recovery of ₹ 15.05 lakh was stayed by the courts and ₹ 1.23 crore was pending at other stages.
6.	Water rates	214.72	Not furnished	Stages at which the arrears were pending for collection have not been intimated (September 2010), despite being requested (between May and August 2010).
7.	Mines and Minerals	214.85	66.40	Out of ₹ 214.85 crore, demand for ₹ 160.13 crore was certified for recovery under PDR Act. Recovery of ₹ 54.72 crore was pending at other stages.
Total		1,922.69	396.59	

Appendix 1.7
(Reference: Paragraphs 1.7.1, Page 20)
Summarized financial position of the Government of Bihar as on 31 March 2010
(₹ in crore)

As on 31.03.2009	LIABILITIES	As on 31.03.2010
31293.27	Internal Debt -	35494.01
13370.12	Market Loans bearing interest	15871.95
0.20	Market Loans not bearing interest	0.28
22.18	Loans from Life Insurance Corporation of India	22.08
17900.77	Loans from other Institutions	19599.70
740.06	Deposit with Reserve Bank of India	2536.45
7997.79	Loans and Advances from Central Government -	7948.45
3.91	Pre 1984-85 Loans	3.91
79.19	Non-Plan Loans	70.06
7842.94	Loans for State Plan Schemes	7804.99
7.33	Loans for Central Plan Schemes	6.73
21.46	Loans for Centrally Sponsored Plan Schemes	19.80
42.96	Ways and Means Advances for Plan Schemes	42.96
350.00	Contingency Fund	350.00
9573.58	Small Savings, Provident Funds, etc.	9310.72
4887.30	Deposits	4753.62
1364.90	Reserve Funds	1463.21
	Remittance Balances	
56206.90		61856.46
	ASSETS	
36919.83	Gross Capital Outlay on Fixed Assets -	44251.93
832.28	Investments in shares of Companies, Corporations, etc.	856.18
36087.55	Other Capital Outlay	43395.75
14667.83	Loans and Advances -	15551.42
12289.98	Loans for Power Projects	12916.23
2310.95	Other Development Loans	2573.55
66.90	Loans to Government servants and Miscellaneous loans	61.64
1279.15	Reserve Fund Investments	1224.33
186.67	Advances	187.13
1021.94	Suspense and Miscellaneous Balances	922.41
4297.16	Cash -	4827.58
0.00	Cash in Treasuries and Local Remittances	0.00
0.00	Deposits with Reserve Bank	0.00
177.76	Departmental Cash Balance including	200.00
0.40	Permanent Advances	0.44
4119.00	Cash Balance Investments	4627.14
2165.68	Deficit on Government Account -	-5108.34
(-)4469.11	(i) Less Revenue Surplus of the current year	-2942.66
0.00	(ii) Miscellaneous Deficit	
2303.43	Accumulated deficit at the beginning of the year	-2165.68
56206.90		61856.46

Appendix 2.1

(Reference: Paragraph 2.3.1; Page 32)

Statement of grants/appropriations where saving were more than ₹ 10 crore

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
1	01	Agriculture Department	1170.59	212.43	18.15
2	02	Animal and Fishries Resources Department	329.22	62.53	18.99
3	03	Building Construction Department	335.94	74.17	22.08
4	04	Cabinet Secretariat Department	96.59	28.86	29.88
5	06	Election Department	205.46	89.98	43.79
6	08	Art, Culture and Youth Department	67.62	11.13	16.46
7	09	Co-operative Department	292.40	93.70	32.05
8	10	Energy Department	2306.39	411.75	17.85
9	11	BC and MBC Welfare Department	108.50	32.36	29.82
10	12	Finance Department	384.29	51.11	13.30
11	13	Interest Payment	4181.21	495.70	11.86
12	15	Pension	4382.57	61.88	1.41
13	16	Panchayati Raj Department	1315.47	197.18	14.99
14	19	Environment and Forest Department	119.37	26.63	22.31
15	20	Health Department	1795.99	293.61	16.35
16	21	Human Resource Development Department	9817.78	2277.25	23.20
17	22	Home Department	2717.00	265.45	9.77
18	23	Industries Department	516.09	41.14	7.97
19	25	Information Technology Department	135.36	91.72	67.76
20	26	Labour Resources Department	186.02	59.33	31.89
21	27	Law Department	292.10	31.32	10.72
22	30	Minorities Welfare Department	221.15	58.43	26.42
23	33	Personnel and Administrative Department	110.09	26.97	24.50
24	35	Planning and Development Department	813.04	549.68	67.61
25	36	Public Health Engineering Department	1269.45	502.25	39.56
26	37	Rural Works Department	1879.64	621.57	33.07
27	39	Disaster Management Department	678.98	504.10	74.24
28	40	Revenue and Land Reform Department	765.39	124.16	16.22
29	41	Road Construction Department	3764.25	280.20	7.44
30	42	Rural Development Department	1570.39	224.45	14.29
31	43	Science and Technology Department	162.95	13.69	8.40
32	44	SC & ST Welfare Department	404.24	54.58	13.50
33	45	Sugar Industries Department	76.31	15.58	20.42
34	48	Urban Development and Housing Department	1784.61	652.08	36.54
35	49	Water Resources Department	3568.90	1622.84	45.47
36	50	Minor Water Resources Department	500.05	188.91	37.78
37	51	Social Welfare Department	2512.56	240.60	9.58
Total			50837.96	10589.32	

(Source: Detailed Appropriation Accounts)

Appendix 2.2
(Reference: Paragraph 2.3.1; Page 32)
Grants with savings of ₹ 50 crore and above

(₹ in crore)

Sl. No.	No. and Name of the Grant	Original	Supplementary	Total grant	Actual Expenditure	Savings
Revenue-Voted						
1	01 Agriculture Department	589.34	562.92	1152.26	939.83	212.43
2	02 Animal and Fishries Resource Department	261.02	68.19	329.22	266.69	62.53
3	06 Election Department	189.95	15.51	205.46	115.48	89.98
4	09 Co-operative Department	149.33	111.79	261.12	179.98	81.13
5	15 Pension	3779.01	600.01	4379.02	4317.44	61.58
6	16 Panchayati Raj Department	1191.14	124.33	1315.47	1118.29	197.18
7	20 Health Department	1649.06	11.63	1660.69	1381.86	278.83
8	21 Human Resources Department	8596.42	862.27	9458.69	7345.42	2113.27
9	22 Home Department	2425.96	123.51	2549.47	2306.75	242.72
10	26 Labour Resources Department	156.35	17.67	174.02	114.96	59.06
11	30 Minorities Welfare Department	195.64	9.58	205.21	148.37	56.85
12	35 Planning and Development Department	785.93	1.41	787.34	237.66	549.68
13	37 Rural works Department	421.61	60.95	482.57	405.42	77.15
14	39 Disaster Management Department	422.63	247.5	670.13	166.02	504.10
15	40 Revenue and Reforms Department	471.07	228.63	699.70	579.57	120.13
16	41 Road Construction Department	707.07	-	707.34	433.04	274.30
17	42 Rural Development Department	1231.19	170.00	1401.19	1345.94	55.25
18	44 SC & ST Welfare Department	296.53	93.87	390.39	335.85	54.54
19	48 Urban Development and Housing Department	1754.45	20.17	1774.61	1122.53	652.08
20	49 Water Resources Department	875.64	1.04	876.68	669.12	207.56
21	50 Minor Water Resources Department	332.98	0.29	333.27	239.47	93.80
22	51 Social Welfare Department	2052.27	355.17	2407.44	2169.39	238.05
	Total	28534.59	3686.44	32221.29	25939.08	6282.20
Revenue –Charged						
1	13 Interest Payment	4170.15	11.06	4181.21	3685.51	495.70
	Total	4170.15	11.06	4181.21	3685.51	495.70
Capital-Voted						
1	10 Energy Department	1004.76	401.60	1406.36	1006.65	399.71
2	21 Human Resource Development Department	134.00	225.09	359.09	195.11	163.98
3	36 Public Health Engineering Department	910.82	2.5	913.32	450.43	462.89
4	37 Rural Works Department	1317.07	80.00	1397.07	852.65	544.42
5	42 Rural Development Department	169.2	-	169.20	-	169.20
6	49 Water Resources Department	2487.72	204.51	2692.23	1276.95	1415.28
7	50 Minor Resources Department	166.78	-	166.78	71.67	95.11
				Total	3853.46	3250.59
				Grand Total	33478.05	10028.49

Appendix 2.3

(Reference: Paragraph 2.3.2; Page 32)

List of Grants indicating Persistent Savings during 2005-10

(₹ in crore)

Sl.No.	No. and Name of the grant	Amount of savings				
		2005-06	2006-07	2007-08	2008-09	2009-10
Revenue-Voted						
1	2-Animal and Fisheries Resources Department	24.75 (25.29)	20.10 (12.27)	26.18 (14.94)	64.55 (18.10)	62.53 (18.99)
2	12-Finance Department	39.65 (42.99)	21.04 (22.40)	94.54 (54.74)	35.16 (12.83)	39.09 (10.91)
3	20-Health Department	457.13 (34.35)	355.35 (28.24)	292.10 (22.03)	395.61 (24.92)	278.83 (16.79)
4	27-Law Department	74.10 (34.89)	29.54 (16.49)	35.32 (16.68)	70.45 (26.76)	31.32 (10.72)
5	40-Revenue and Land Reforms Department	54.71 (20.04)	36.53 (12.57)	38.58 (11.26)	73.16 (19.07)	120.13 (17.17)
6	41-Road Construction Department	31.94 (10.94)	37.82 (10.96)	123.15 (29.98)	114.75 (27.17)	274.30 (38.78)
7	50-Minor Water Resources Department	128.97 (31.08)	289.99 (68.09)	33.72 (17.33)	70.75 (21.92)	93.81 (28.18)
Total Revenue Voted		811.25	790.37	643.59	824.43	900.01
Capital-Voted						
8	3-Building Construction Department	97.33 (71.76)	75.94 (59.98)	39.03 (57.17)	53.82 (58.81)	26.79 (29.86)
9	36-Public Health Engineering Department	209.96 (63.44)	318.63 (56.21)	389.41 (53.87)	495.89 (73.13)	462.89 (50.68)
10	49-Water Resources Department	313.30 (35.32)	463.82 (44.29)	593.42 (42.19)	1359.51 (55.29)	1415.28 (52.57)
11	50-Minor Water Resources Department	42.49 (59.87)	60.72 (55.68)	79.06 (51.45)	60.63 (59.44)	95.11 (57.02)
Total Capital Voted		663.08	919.11	1100.92	1969.85	2000.07

(Source- Appropriation Accounts of the state)

Appendix 2.4

(Reference: Paragraph 2.3.4; Page 33)

Excess over provision of previous years requiring regularisation

(₹ in crore)

Year	No. of Grants/ Appropriation	Grants/Appropriation number	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
1977-78	2	5, 24	0.40	Not regularized
1978-79	2	17, 27	16.17	-do-
1979-80	1	17	33.46	-do-
1980-81	2	12, 17	26.03	-do-
1981-82	7	3, 11, 12, 13, 15, 17, 24	39.24	-do-
1982-83	2	12, 22	4.79	-do-
1983-84	2	11, 12	9.98	-do-
1984-85	2	3, 14	2.62	-do-
1985-86	2	10, 13	14.83	-do-
1986-87	1	13	65.62	-do-
1987-88	6	9, 19, 25, 38, 48	244.76	-do-
1988-89	3	9, 25, 38	85.15	-do-
1989-90	3	25, 27, 38	99.4	-do-
1990-91	4	37, 38, 42, 43	92.07	-do-
1991-92	2	6, 38, 43	85.11	-do-
1992-93	2	25, 38	93.25	-do-
1993-94	2	25, 37	157.68	-do-
1994-95	1	37	170.61	-do-
1995-96	3	25, 36, 37	213.22	-do-
1996-97	3	20, 23, 37	22.44	-do-
1997-98	1	7	0.01	-do-
1998-99	1	30	0.33	Not regularized
1999-00	4	10, 13, 14, 50	196.22	Discussed in PAC but their recommendation report and Gazette notification is awaited.
	1	40	0.01	Not regularized
2000-01	4	5, 13, 15, 32	712.34	Discussed in PAC but their recommendation report and Gazette notification is awaited.
2001-02	1	15	491.24	-do-
2002-03	2	15, 47	10.15	-do-
2003-04	4	10, 14, 15, 32	3701.11	-do-
	3	11, 30, 50	81.23	Not regularized
2004-05	4	19, 20, 21, 46	5.68	-do-
2005-06	4	10, 39, 40, 46	349.56	-do-
2007-08	2	17, 42	1.93	-do-
2008-09	3	15, 17, 28	54.63	-do-
Total			7081.27	

Appendix 2.5

(Reference: Paragraph 2.3.5; Page 33)

Cases where supplementary provision (₹ 10 lakh or more in each case) proved unnecessary

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
A Revenue (Charged)					
1	13-Interest Payment	4170.15	3685.51	484.64	11.06
2	34-Bihar Public Service Commission	9.94	9.93	0.01	0.60
Total for charged		4180.09	3695.44	484.65	11.66
A Revenue (Voted)					
1	03-Building Construction Department	245.04	198.84	46.20	1.18
2	06-Election Department	189.95	115.48	74.47	15.51
3	07-Vigilance Department	18.64	15.35	3.29	0.15
4	08-Art, culture and youth Department	41.93	32.30	9.63	0.10
5	11-BC and MBC welfare Department	102.28	75.15	27.13	5.23
6	12-Finance Department	355.16	319.26	35.90	3.19
7	16-Panchati Raj Department	1191.14	1118.29	72.85	124.33
8	17-Commaercial Tax Department	52.12	48.31	3.81	5.02
9	19-Environment and Forest Department	107.62	92.74	14.88	11.75
10	20-Health Department	1649.06	1381.86	267.20	11.63
11	21-Human Resource Development Department	8596.42	7345.42	1251.00	862.27
12	22-Home Department	2425.96	2306.75	119.21	123.51
13	23-Industries Department	226.12	206.37	19.75	20.89
14	25-Information Technology Department	77.50	43.64	33.86	15.21
15	26-Labour Resource Department	156.35	114.96	41.39	17.67
16	29-Mines and Geology Department	13.05	10.09	2.96	0.15
17	30-Minorities Welfare Department	195.64	148.37	47.27	9.58
18	32-Legislature	69.91	61.63	8.28	1.67
19	35-Planning and Development Department	785.93	237.66	548.27	1.41
20	36-Public Health Engineering Department	352.26	316.77	35.49	3.88
21	37-Rural Works Department	421.61	405.42	16.19	60.95
22	39-Disaster Management Department	422.63	166.02	256.61	247.50
23	43-Science and Technology Department	36.06	34.59	1.47	7.29
24	45-Sugar Industries Department	45.09	40.45	4.64	3.70
25	46-Tourism Department	6.61	6.20	0.41	0.19
26	47-Transport Department	16.61	11.47	5.14	1.57
27	48-Urban Development and Housing Department	1754.44	1122.53	631.91	20.17
28	49-Water Resources Department	875.64	669.12	206.52	1.04
29	50-Minor Water Resources Department	332.98	239.47	93.51	0.29
Total for Voted		20763.75	16884.51	3879.24	1577.03
Total for Revenue		24943.84	20579.95	4363.89	1588.69
B Capital Voted					
1	09-Co-operative Department	28.73	18.72	10.01	2.55
2	20-Health Department	135.15	120.52	14.63	0.16
3	36-Public Health Engineering Department	910.81	450.43	460.38	2.50
4	37-Rural Works Department	1317.07	852.65	464.42	80.00
5	49- Water Resources Department	2487.72	1276.95	1210.77	204.51
6	51-Social Welfare Department	104.01	102.57	1.44	1.12
Total for Capital		4983.49	2821.84	2161.65	290.84
Grand Total		29927.33	23401.79	6525.54	1879.53

Appendix 2.6
(Reference: Paragraph 2.3.6; Page 34)
Excess re-appropriation of funds

(₹ in lakh)

Sl. No.	Grant No.	Head of Accounts and Description	Total Provision (O+S)	Re-appropriation	Final Excess(+)/ Saving (-)
1	3	2059-80-800-0002-Other Administrative Services	30.00	100.00	-12.73
2	9	2401-00-110-0107-Premium Grant to State Crop Insurance Fund for crop insurance scheme base on pialat season	4226.50	1173.50	-3298.00
3	9	2425-00-001-0002-Supritendent	3554.60	4.37	-0.16
4	13	2049-01-200-0004-Interest on Loans from NCDC & Central Ware Housing	6.99	0.09	-3.86
5	13	2049-60-701-0004-Interest due in the case of refund of sales tax	14.00	27.58	-0.26
6	16	2015-00-109-0002-Election of District Boards/ Panchyat Samiti/Gram Panchayat	530.00	45.98	-178.58
7	16	2515-00-196-0003-Grants-in-aid to Panchayati Raj Institution	649.60	1073.69	-373.37
8	16	2515-00-198-0001-Assistance to Panchayati Raj	29881.60	4.00	-441.62
9	20	2210-01-001-0004-Prevention of belindness	491.28	202.95	-105.22
10	20	2210-01-110-0001-Patna medical college hospital	7295.22	1050.99	-912.99
11	20	2210-01-110-0011-Infectious disease, hospital Patna	111.46	30.00	-19.22
12	20	2210-01-110-0012-Rajendra Nagar hospital, Patna	113.57	87.09	-16.26
13	20	2210-01-200-0001-Other dispensaries (TB eradication programme)	2563.06	201.00	-204.65
14	20	2210-01-200-0005-Other dispensaries (Local dispensaries)	942.69	44.71	-56.37
15	20	2210-01-200-0008-Blood bank	204.79	23.75	-0.70
16	20	2210-03-101-0003-Health sub centre	4170.98	500.00	-468.45
17	20	2210-03-110-0001-Referral hospital	4453.23	1100.00	-159.97
18	20	2210-05-105-0003-Darbhangha medical college	1995.32	47.84	-81.34
19	20	2210-05-105-0022-Vardhman institute of health science, Pawapuri	155.10	21.50	-85.36
20	20	2210-06-101-0002-Ntional Filaria control programme	1156.42	5.00	-38.11
21	20	2210-06-102-0001-Public health and sanitation programme-Prevention of food adulteration	230.84	2.00	-60.72
22	20	2210-06-104-0001-Drug control establishment	710.30	5.00	-124.91
23	20	2210-06-104-0002-Main quinine supply, Depo, Patna	27.83	11.08	-0.87
24	20	4210-03-050-0102-Land acquisition for All India Institute of Medical Science, Patna (Allopathy)	10.00	500.00	-2.44
25	21	2202-01-101-0001-government primary and middle schools	301295.95	27230.61	-4900.76
26	21	2202-02-109-0001-Other schools	109752.28	2761.80	-1728.50

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Sl. No.	Grant No.	Head of Accounts and Description	Total Provision (O+S)	Re-appropriation	Final Excess(+)/ Saving (-)
27	21	2202-03-103-0001-Intermediate education (+2 education)	1933.62	100.00	-70.94
28	21	2202-03-800-0001-Bihar college service commission (Grants-in-aid)	45.02	8.02	-9.73
29	21	2202-04-800-0102-Adult education	2887.48	4355.63	-598.67
30	21	2202-80-004-0007-KP Jaishwal research institute, Patna	56.71	44.00	-0.76
31	21	2205-00-105-0001-Public library	58.12	4.65	-0.67
32	21	2251-00-090-0002-Secondary, Primary and adult education department	265.98	9.79	-4.46
33	23	2852-80-102-0160-Scheme for pre-production & post production facility	3500.00	3828.80	-27.62
34	40	2053-00-101-0001-Main office	1360.15	10.00	-19.77
35	41	3054-80-001-0002-Supervision	17831.82	980.00	-262.14
36	41	3054-80-001-0008-National Highway Project-Execution	0.01	356.03	-256.07
37	48	2217-80-191-0010-Grants-in-aid to Municipalities, corporations, Notified Area Committees for payment of arrears electric bills	950.65	940.65	-62.38
38	48	2217-80-192-0001- Grants-in-aid to Municipal Council for primary work on recommendation of 11 th Finance Commission	1152.23	1137.23	-200.55
39	48	2217-80-193-0001- Grants-in-aid to Nagar Panchayat for primary work on recommendation of 11 th Finance Commission	737.12	717.12	-291.08
40	48	2251-00-090-0005-Urban Development Department	333.13	15.00	-0.08
41	49	2701-03-101-0002-Other maintenance expenditure	16.05	99.00	-40.78
42	49	2701-04-101-0002- Other maintenance expenditure	570.40	10.00	-12.87
43	49	2711-03-800-0001-Regional establishment (North)	4199.30	87.00	-137.39
44	49	4701-03-800-0101-Irrigation project for Sone basin (works)	455.00	170.00	-24.87
45	49	4701-04-001-0101-Establishment	383.00	10.08	-1.29
46	49	4701-04-800-0101-Irrigation project for Kiul-Badna-Chandan Basin (works)	2100.00	790.00	-961.96
Total			513409.40	49927.53	-16259.50

(Source: Grants Register & Detailed Appropriation Accounts)

Appendix 2.7
(Reference: Paragraph 2.3.6; Page 35)
Insufficient withdrawal through re-appropriation of funds

(₹ in lakh)

Sl. No.	Grant No.	Head of Accounts and Description	Total Provision (O+S)	Re-appropriation	Final Excess(+)/Saving (-)
1	1	2401-00-001-0106-Survey of project & marketing (New state plan programme)	1000.00	-673.54	-87.63
2	2	2403-00-001-0001-Suprintendence	455.79	-148.86	-4.26
3	2	2403-00-101-0003-Hospitals, Dispensaries & other establishment	7759.69	-1238.69	-32.17
4	2	2404-00-102-0010-Extensive units	401.29	-11.33	-1.35
5	3	2059-80-052-0001-New supply repairs	100.00	-67.36	-6.19
6	3	2059-80-053-0001-Maintenance & repair	11200.00	-1156.20	-17.02
7	6	2015-00-108-0001-Expenditure on issue of photo identity cards to voters	2405.00	-1957.47	-24.70
8	12	4058-00-103-0101-Machine and Equipments modernization & scheme for Government Press, Gulzarbag	143.98	-36.00	-107.99
9	13	2049-01-101-0001-Interest on Bihar State Development Loans (Interest bearing)	112938.68	-17.74	-4749.54
10	16	2515-00-001-0003-District Panchayat Establishment	11860.33	-1292.59	-12.49
11	16	2515-00-198-0004-Remuneration to clerk cum cashier in Gram Panchayats	3046.68	-2991.98	-54.70
12	19	2406-01-101-0109-Rehatilitation of degraded forest	2009.57	-397.78	-150.07
13	20	2210-01-001-0002-District Medical Officer	2279.22	-220.81	-111.82
14	20	2210-01-110-0013-Sadar hospital	14987.75	-4250.90	-197.89
15	20	2210-01-200-0002-Other dispensaries (Leprosy eradiction programme)	3741.89	-376.14	-232.40
16	20	2210-03-103-0001-Primary health centres	53717.81	-2439.21	-7767.86
17	20	2210-05-105-0013-Pharmacy training	239.20	-134.32	-12.13
18	20	2210-05-105-0023-Government medical college, Bettiah	155.08	-23.75	-85.80
19	20	2210-06-200-0001-Yog training for other public	1100.00	-1019.36	-71.86
20	20	2210-06-800-0002-Health and optical distribution scheme for backwards	700.00	-587.55	-8.70
21	21	2202-01-101-0101-Government primary and middle school	40500.00	-26103.18	-1049.80
22	21	2202-01-198-0002-Consolidated payment to Panchayat teachers	72775.20	-49764.19	-4032.61
23	21	2202-80-004-0118-State Education Research & Training	925.60	-895.00	-30.60
24	22	2235-60-200-0004-Relief for Riot Victims	3181.00	-46.02	-10.15
25	40	2029-00-800-0101-Consolidation of holding	1794.84	-560.68	-313.00
26	41	3054-80-001-0003-Execution	13091.98	-3430.23	-8368.03
27	41	3054-80-001-0007-National Highway Project-Supervision	778.59	-200.00	-186.23
28	43	2203-00-105-0001-Certificate course	1973.46	-449.13	-17.33
29	48	2217-80-192-0107-Nagar Parishad ke nirwachit pratinidhiyon ko Niyat Bhatta	70.92	-16.30	-0.43
30	49	2700-01-001-0001-Establishment	7927.50	-2008.24	-413.84
31	49	2700-02-001-0001- Establishment	12288.00	-3057.60	-326.00
32	49	2700-03-001-0001- Establishment	18142.50	-4416.04	-264.66
33	49	2701-04-001-0001- Establishment	3913.90	-646.38	-172.51
34	49	2701-80-001-0001-Headquarter secretariat establishment (Engineer-in-chief)	1253.70	-267.67	-9.09
35	49	2711-01-001-0003-Regional establishment	24054.00	-4999.54	-291.69
36	49	4700-01-800-0101-Irrigation project for Koshi Basin	5400.00	-5009.05	-238.49
37	49	4700-02-001-0101-Establishment	625.00	-340.04	-0.92
Total			438938.15	-121250.87	-29461.95

(Source: Detailed Appropriation Accounts)

Appendix 2.8

(Reference: Paragraph 2.3.7; Page 35)

Substantial surrenders (₹ 50 lakh or more) made during the year

(₹ in crore)

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision	Amount surrendered	Percentage
1	01-Agriculture Department	2401-00-001-0106-Survey of Project and making of (New State Plane)	10.00	6.74	67.40
2		2401-00-108-0615-Integrated Scheme for oilseed, Pulses, Palm Oil and Maize (Isopom 75:25) New Scheme	21.00	13.52	64.38
3		2401-00-108-0617-Jute Technology Mission	1.35	1.20	88.89
4		2401-00-108-0114-Integrated Scheme for oilseed, Pulses, Oil Palm and Maize (Isopom 25:75) New Scheme	7.00	4.21	60.14
5		2401-00-109-0106-Intensified field Development and Training support (New Scheme)	15.00	13.14	87.60
6		2401-00-109-0111-Support to State Extension Programme for Extension Reforms	9.00	5.37	59.67
7		2401-00-113-0104-Promotion of Agricultural workshop (Macro made State Scheme 10:90)	30.00	18.46	61.53
8		2401-00-119-0101-Garden Development Scheme	7.00	5.35	76.43
9		2401-00-800-0104-Establishment of laboratory for Soil, Seeds and Fertilizer and upgradation of Existing lab	11.00	7.35	66.82
10		2401-00-800-0105-State Farmers Commission	1.00	0.50	50.00
11	02-Animal and Fisheries Resources Department	2403-00-104-0102-Nutrition and Development of Avi and Aaza	2.25	1.46	64.89
12		2405-00-001-0102-Fisheries extension	4.69	3.07	65.46
13		2405-00-101-0106-Residency, Laboratory, Drinking water and other civic amenities of Fishermen	0.85	0.71	83.53
14		2405-00-120-0601-Residence and other amenities for fisher men	0.85	0.71	83.53
15		3454-01-001-0602-Cattle Census	7.56	5.47	72.35
16	03-Building Construction Department	2059-01-053-0009-Maintenance of Block Building	2.00	1.70	85.00
17		2059-80-052-0001-New Supply and Repairs	1.00	0.67	67.00
18		2216-01-053-0002Other Maintenance Expenditure for Rural Health Centres/Sub-Centre Buildings	2.25	1.25	55.56
19		4059-80-051-0002-Minor Works	1.00	0.90	90.00
20		4216-01-700-0003-Public Works	2.50	2.13	85.20
21		4216-01-700-0602-Judicial Residential Buildings	1.00	0.94	94.00
22	06-Election Department	2015-00-106-0002-Biennial Election to State Legislative Council	2.51	1.44	57.37
23		2015-00-108-0001-Expenditure on Issue of Photo Identity Cards to the Voters	24.05	19.57	81.37
24	09-Co-operative Department	2425-00-107-0138-Grants- in- Aid to State Co-operative	8.36	7.61	91.03
25	11-Backward Class and Most Backward Class welfare Department	2225-03-277-0108-Hostel for girl students-Major Construction Works State share (50:50)	11.50	7.67	66.70
26	12-Finance Department	2052-00-092-0010-Institution Finance & Programme Implementation Department (For Programme Implementation)	0.62	0.54	87.10
27		2070-00-800-0008-Miscellaneous & Contingent Expenditure	2.50	2.28	91.20
28	13-Interest Payment	2049-01-200-0002-Interest on Loans from NCDC and Central Warehousing	4.54	2.58	56.83
29	16-Panchayati Raj Department	2515-00-101-0110-Panchayati Raj Administration and Public Development	7.00	4.73	67.57
30		2515-00-198-0004-Remuneration to clerk-cum-cashier in Gram Panchayats	30.47	29.92	98.19

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision	Amount surrendered	Percentage
31		2515-00-800-0115-Provision of Panchayati Raj & Human Resource Development	11.21	10.71	95.54
32	19-Environment and Forest Department	2406-02-110-0605-Development of Sanctuaries (100% CSS)	1.00	0.71	71.00
33	20-Health Department	2210-01-110-0019-Patient Welfare Societies	2.92	2.29	78.42
34		2210-05-101-0001-Ayurvedic College, Begusarai	7.84	4.67	59.69
35		2210-05-105-0013-Pharmacy Training	2.39	1.34	56.07
36		2210-06-200-0001-Yoga training for other public	11.00	10.19	92.64
37		2210-05-800-0002-Health and optical distribution scheme for backwards	7.00	5.88	84.00
38		2211-00-001-0602-Technical advice and supervision State family welfare bureau	6.67	5.33	79.91
39		2210-01-110-0012-Rajendra Nagar Hospital, Patna	1.14	0.72	68.42
40		4210-80-800-0102-Construction of incomplete buildings of Referral Hospital	3.00	2.10	70.00
41		4210-80-800-0104-Land acquisition for Primary Health Centres and Sub Health Centres	2.00	1.50	75.00
42		21-Human Resources Development Department	2202-01-101-0601-Government Primary & Middle School	650.15	480.00
43	21-Human Resources Development Department	2202-01-101-0101-Government Primary & Middle School	405.00	261.03	64.45
44		2202-01-104-0001-Inspection	113.73	62.20	54.69
45		2202-01-111-0001-Serva Siksha Abhiyan	400.00	216.71	54.18
46		2202-01-198-0002-Consolidated Payment to Panchayat School Teachers	727.75	497.64	68.38
47		2202-02-053-0101-Renovation of Middle School Building	86.32	43.16	50.00
48		2202-02-192-0001-Consolidated Payment to Municipal Secondary school teachers	9.19	5.13	55.82
49		2202-02-192-0002-Consolidated payment to Municipal Higher Secondary School teachers	8.22	6.87	83.58
50		2202-02-193-0001-Consolidated Payment to Municipal Secondary School Teachers	12.23	8.19	66.97
51		2202-02-193-0002-Consolidated Payment to Municipal Higher Secondary school teachers	1.23	0.65	52.85
52		2202-02-196-0002-Consolidated Grants to Zila Parishad Higher Secondary school teachers	32.78	32.26	98.41
53		2202-03-102-0119-Nalanda International University, Nalanda	14.00	13.00	92.86
54		2202-80-004-0118-State education research and training council	9.26	8.95	96.65
55		2202-80-004-0121-Bihar Rajbhasa Academy	1.00	0.50	50.00
56		2202-02-196-0001-Consolidated Grant to Zila Parishad Secondary school teachers	163.92	99.37	60.62
57	4202-01-202-0103-Building construction for Government and Government recognized schools	298.79	161.39	54.01	
58	22-Home Department	2205-00-003-0005-Participation in different training courses outside the State	4.00	3.94	98.50
59		2205-00-109-0004-Honorarium for special police officers in deployed in terror effected villages	3.52	3.39	96.31
60		2205-00-109-0009-S.R.E. Yojna Se Aachhadit Zilon Me Apat Astithi Me Kiraya Perliya jane wale wahani/Helicopter Sanchar Samsadhan (Pratipurti Bharat Sarkar se)	1.00	0.63	63.00
61		2205-00-800-0007-Anugrah Grant	6.00	5.18	86.33
62	23-Industries Department	2851-00-102-0103-Establishment of District Industries centres	21.73	17.77	81.78
63		2851-00-103-0616-Handloom Industries	2.39	1.48	61.92

Audit Report (State Finances) for the year ended 31 March 2010

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision	Amount surrendered	Percentage
64		2851-00-103-0103-Handloom Development Schemes	6.60	3.79	57.42
65		2851-00-107-0001-Development of Sericulture	7.51	6.94	92.41
66	25-Information Technology Department	2852-07-202-0106-Gyan City Project	31.48	22.63	71.89
67		2852-07-202-0107-Broadcasting Plan for Information Technology	3.20	2.38	74.38
68		3451-00-090-0027-Information Technology Department	1.63	0.99	60.74
69		3451-00-090-0118-Secretariat's Local Network	6.80	4.58	67.35
70	26-Labour Resources Department	2230-01-109-0101-House construction of Beedi Workers	1.00	0.60	60.00
71		2230-03-003-0107-Development of Industrial Training Institution	3.32	3.07	92.47
72		2230-03-003-0109-Modernisation of Machine	6.00	3.21	53.50
73		2230-03-003-0118-Establishment of New Industrial Training Centre	12.70	9.14	71.97
74		2230-03-101-0101-Establishment of New Women Industrial Training Centre	1.30	0.88	67.69
75	30-Minorities Welfare Department	2202-02-107-0603-Scholarship for Ex-matric students of Minority	32.70	26.06	79.69
76	3-Personnel & Administrative Reforms Department	2051-00-103-0001-Bihar Staff Selection Commission	12.54	10.33	82.38
77	35-Planning & Development Department	3454-02-204-0605-Census of Minor Irrigation Project under Judicial Survey	1.78	1.48	83.15
78		3454-02-204-0114-Strengthening of Civil Registration System	1.07	0.60	56.07
79	36-Public Health Engineering Department	2215-02-800-0101-Grants-in-aid to Bihar State Water Board	25.00	14.46	57.84
80		4215-01-102-0602-Central Rural Water Supply Programme	657.10	364.57	55.48
81		4215-01-102-0603-Accelerated urban water supply scheme	4.00	3.52	88.00
82		4215-01-102-0102-Upto 2000 Populated Rural/Sub Urban Area	3.80	2.97	78.16
83		4215-01-102-0115-Water conservation, ground water recharge and rain water harvesting	2.50	1.76	70.40
84		4215-01-102-0116-Loans for NABARD for development of infrastructure for supply of drinking water in rural areas	49.50	31.92	64.48
85		4215-01-102-0117-Rural piped water supply schemes-Minimum needs programme	6.50	5.06	77.85
86		4215-02-106-0104-Strengthening of supply of drinking water and cleanliness in urban area	3.00	1.79	59.67
87		4215-02-800-0102-Modernisation & Development of crematorium	15.00	9.98	66.53
88		40-Revenue & Land Reforms Department	2029-00-800-0003-Consolidation of Holdings	5.71	3.60
89	3454-01-001-0402-Agricultural Census		0.74	0.58	78.38
90	43-Science & Technology Department	4202-02-104-0403-Establishment of new polytechnics and strengthening/progress of present polytechnics	6.00	4.00	66.67
91	48-Urban Development & Housing Department	2215-01-191-0101- Grants-in-aid to local bodies for supply of drinking water	20.00	17.95	89.75
92		2215-01-192-0101-Grants-in-aid to Municipal corporation for supply of drinking water	40.00	37.42	93.55
93		2215-01-193-0101-Grants-in-aid to Nager Panchayat for supply of drinking water	20.00	19.00	95.00
94		2217-80-191-0003-Grants-in-aid to Municipalities, Corporation, Notified area Committees for payment of arrear electric bills	439.47	327.73	74.57

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision	Amount surrendered	Percentage
95		2217-80-192-0103-Grants-in-aid to construction/renovation of administrative and technical building of Municipal councils	6.00	5.02	83.67
96		2217-80-193-0005-Rajya Vitt Ayog ki Anushansa ke alok me nagar Panchayat ke sahay Anndan	10.00	5.58	55.80
97		2217-80-193-0103-Grants-in-aid to construction/renovation of administrative and technical building of Municipal councils	5.00	4.57	91.40
98		2217-80-800-0115-Grants-in-aid for Swarna Jayanti Urban Employment Scheme	9.91	6.40	64.58
99		2217-80-800-0117-Grants-in-aid to local bodies for transport	50.00	28.00	56.00
100		2217-80-800-0131-For Engineering Cell	10.00	7.62	76.20
101		2217-80-800-0133-Minimum cost Jalwahi Toilet	10.00	8.15	81.50
102	49-Water Resources Department	2711-01-800-0103-Flood Management Information Technology (Sponsored by World Bank)	5.00	3.98	79.60
103		4700-01-001-0101-Establishment	71.48	40.18	56.21
104		4700-01-800-0101-Irrigation Project for Koshi Basin (works)	54.00	50.09	92.76
105		4700-02-001-0101-Establishment	6.25	3.40	54.40
106		4700-02-800-0103-Irrigation Project for Gandak Basin (works) (NABARD sponsored project)	3.40	3.27	96.18
107		4700-03-800-0101-Irrigation project for Sone Basin	186.95	155.83	83.35
108		4700-03-800-0103-Irrigation Project for Sone Basin (works)	15.30	15.28	99.87
109		4700-04-001-0101-Establishment	14.24	7.48	52.53
110		4700-80-005-0101-Survey and Investigation (Establishment)	1.40	1.37	97.86
111		4700-80-800-0102-Scheme for river canal project	5.00	4.92	98.40
112	49-Water Resources Department	4701-03-800-0102-Irrigation project for Sone Basin (works) (AIBP)	10.00	8.47	84.70
113		4701-80-005-0101-Survey and Investigation (Establishment)	0.50	0.42	84.00
114		4711-01-001-0106-Drainage projects (works)	6.96	6.66	95.69
115		4711-01-800-0403-Anti erosion work on river except Ganga river (for Koshi river in Nepal area) (100% Central Assistance)	150.00	96.51	64.34
116	50-Minor Water Resources Department	2702-02-005-0002-Maintenance of lift irrigation schemes	22.00	11.28	51.27
117		2702-02-005-0003-Financial Aid and Share Grants-in-aid maintenance of surface irrigation schemes	6.00	5.03	83.83
118		2702-02-005-0101-Survey & Investigation	1.00	0.68	68.00
119		4702-00-101-0101-Minor irrigation	57.59	38.45	66.77
120		4702-00-102-0101-Loans from NABARD for completion of incomplete works of tubewell schemes	61.50	38.18	62.08
121		4702-00-102-0102-Loans from NABARD for completion of new/incomplete medium irrigation scheme	5.00	4.06	81.20
122	51-Social Welfare Department	2235-02-101-0103-Organisations for development of handicapped	3.00	2.80	93.33
123		2235-02-106-0106-Special scheme for delinquent orphans and destitute children	5.00	3.56	71.20
124		2236-02-101-0802-Special programme pregnant for distribution of food grains to under nutritious post delivery women and adolescent girls	16.57	13.79	83.22
125		2235-02-001-0001-Direction and Administration	1.23	0.79	64.23
126		2235-02-101-0101-Blind school	4.00	2.68	67.00
Total			5500.46	3673.56	

Appendix 2.9
(Reference: Paragraph 2.3.7; Page 35)
Hundred per cent surrender of funds

(₹ in crore)

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision surrendered
1	01-Agriculture Department	2401-00-119-0122-Mushroom production work by Rajendra Agriculture University	1.00
2		2415-01-277-0108-Bihar Agriculture University, Sabour, Bhagalpur	1.00
3	02-Animal and Fisheries Resources Department	2405-00-101-0603-Fisheries Training and extension scheme	0.20
4		2405-00-101-0612-Fisheries Development Planning	1.05
5		2405-00-101-0112-Fisheries marketing scheme	0.35
6	03-Building Construction Department	3053-02-102-0001-Aerodromes	0.30
7		4059-60-051-0101-Construction of Secretariat Sports	2.00
8		4059-80-051-0106-Welfare Department-Social Welfare Area-Construction of School Building of deaf and dump (in the light of recommendation of 11 th Finance Commission)	7.51
9		4059-80-051-0112-Repair and Construction of the building of District Statistical Offices	3.45
10	09-Co-operative Department	2401-00-110-0105-Special integrated Schemes for Scheduled Casts-Grants to State Crop Insurance Fund for compensation to Farmers for damaged crops under National Agricultural Insurance Scheme	16.71
11		2401-00-110-0106-Special Integrated Schemes for Backward Classes-Grants to State Crop Insurance Fund for compensation to farmers for damages crops	28.20
12		2401-00-110-0108-Premium Grants to State Crop Insurance Fund for Crop Insurance Scheme based on pilot season sub-plan for SC	0.36
13		2401-00-110-0109-Premium Grant to State Crop Insurance Fund for Crop Insurance Scheme based on pilot season-Embodied Scheme for Backward Classes	0.60
14		2401-00-796-0127-Grants in State Crop Insurance	1.05
15		2425-00-108-0604-Centrally Sponsored Scheme Grants-in-aid to Central Co-operative Banks for consolidated Co-operative Development Project	2.58
16		2425-00-108-0107-Grants in Aid to Central Co-operative Bank for consolidated Co-operative Development Project	1.00
17		4425-00-051-0102-Storage Construction under National Farming Development	3.50
18	09-Co-operative Department	6425-00-108-0612-Loans of Central Co-operative Bank for Consolidated Co-operative Development Project	5.00
19	10-Energy Department	2801-80-800-0001-Bihar Electricity Regulatory Commission	0.25
20		2810-60-800-0101-Border Area Development Programme	1.20
21	13-Interest Payment	2049-01-115-0001-Interest on Ways & Means Advances from Reserve Bank of India	3.00
22	16-Panchayati Raj Department	2515-00-196-0001-Grants to District Board for Rural Roads	1.00
23		2515-00-196-0002-Grants to District Board for Rural Buildings	1.00

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision surrendered
24	19-Environment and Forest Department	2406-02-110-0603-Other park-Sanjay Gandhi Zoological Park (110% CSS)	1.00
25		2406-02-110-0615-Valmiki Nagar Tiger Project Eco Development (100% CSS)	0.50
26		2406-02-110-0619-Development of wasteland	1.00
27		2406-02-111-0601-Other Park	0.50
28	20-Health Department	4210-01-051-0103-Construction of residential and office buildings of District Medical Officers	2.00
29	21-Human Resources Development Department	2202-01-053-0001-Renovation of Primary & Middle School buildings	36.08
30		2202-01-800-0008-For sports facilities to Primary & Middle Schools	30.04
31		2202-02-052-0101-Purchase of equipment for Middle Schools	9.35
32		2202-02-109-0605-ITC Project	10.00
33		2202-02-800-0004-Sports facilities to middle schools	6.64
34	22-Home Department	2055-00-001-0006-Expenditure relating to security in violence affected areas (to be compensated from GOI)	0.43
35		2056-00-003-0004-Bihar Reformer Training Institute	0.32
36	23-Industries Department	2852-80-001-0601-Census of Registered Small Industries in Bihar	6.18
37		2852-80-102-0147-Organising Seminar for promotion of capital investment under Industrial development drive of Bihar	0.25
38		2852-00-800-0104-Bihar Foundation	0.50
39		6885-01-800-0101-Others loans	0.20
40	25-Information Technology Department	2852-07-202-0103-E. Government Project's D.P.R.	2.15
41		2852-07-202-0105-State Portal Plan	2.00
42		4859-02-800-0101-Bihar State Wide Area Network (SWAN)	39.65
43		4859-02-800-0102-Information Technology Building	3.00
44	26-Labour Resources Department	2230-03-003-0112-Introduction of New Industries Training Institute for women	0.24
45	35-Planning & Development Department	3454-02-204-0401-Economic Census	0.50
46		3454-02-204-0103-Training of Statistical Workers	0.35
47		3454-02-204-0111-Creation of District/Divisional Units	0.40
48	36-Public Health Engineering Department	2215-01-198-0001-Grants-in-aid to village Panchayats for repairing of tubewells	5.00
49		4215-01-102-0112-State share to Centrally Sponsored Scheme-under ground water recharge and rain water harvesting	0.50
50	38-Registration, excise & prohibition Department	2030-02-101-0002-Costs of Stamps received from Scrutiny Printing Press, Hyderabad	0.50

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Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision surrendered
51	40-Revenue & Land Reforms Department	4047-00-050-0104-Purchase of land for Road Construction (Revenue & Land Reform Department)	5.00
52	42-Rural Development Department	4515-00-103-0102-Block Minor Construction Works	169.20
53	43-Science & Technology Department	2203-00-112-0103-Technical Education Quality Development Programme	0.20
54	44-Scheduled castes and Scheduled tribes welfare Department	2225-01-102-0612-Multiferous Development of Harizans special central assistance of integrated scheme for scheduled castes-special integrated scheme (100% centrally sponsored scheme)	25.00
55		2225-01-277-0101-Education	1.65
56	48-Urban Development & Housing Department	2217-80-191-0111-Assistance grant for renovation of administrative & technical building of corporation	4.00
57		2217-80-800-0120-Adhistanpan of National Urban Information System	0.40
58		2217-80-800-0121-Grants-in-aid to Urban Bodies for Solid Waste Management	30.00
59		2217-80-800-0125-E-Governors/Nagariya sudhar	5.00
60	49-Water Resources Department	4700-02-800-0102-Irrigation Project for Gandak Basin (works)	5.00
61		4700-04-800-0101-Irrigation project for kiul Badna-Chandan Basin (works)	3.00
62	50-Minor Water Resources Department	4702-00-102-0103-Loans from NABARD for completion of new/incomplete life irrigation scheme	5.00
63		4702-00-102-0106-Bharat Nirman Yojna	10.00
64	51-Social Welfare Department	2235-02-101-0106-Social Security and welfare	5.00
65		2235-02-101-0109-Workshop for handicapped	0.30
66		2235-02-102-0106-Scheme for Consolidated Child Development according to engineering cell	5.80
67		2235-02-106-0105-Establishment of school for specific children Grants-in-aid	3.00
68		2235-02-106-0107-Establishment of Juvenile court and child welfare board	1.00
69		4235-02-102-0102-Border Area Development Scheme	2.01
Total			522.15

Appendix 2.10
(Reference: Paragraph 2.3.8; Page 35)
Surrenders in excess of actual savings (₹ 50 lakh or more)

(₹ in crore)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
Revenue – Voted					
1	17-Commercial Taxes Department	57.14	8.83	11.47	2.64
2	22-Home Department	2549.47	242.72	251.25	8.53
3	23-Industries Department	247.00	40.64	45.07	4.43
4	38-Registration Excise and Prohibited	99.99	9.97	10.99	1.02
5	42-Rural Development Department	1401.19	55.25	57.24	1.99
Capital- Voted					
1	40-Revenue and Land Reforms Department	65.69	4.04	5.06	1.02
2	41-Road Construction Department	3056.91	5.90	6.63	0.73
3	50-Minor Water Resource Department	166.78	95.11	95.69	0.58
Total		7644.17	462.46	483.40	20.94

Appendix 2.11

(Reference: Paragraph 2.3.9; Page 35)

Details of savings of ₹ one crore and above 10 per cent of provision not surrendered
(₹ in crore)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrendered	Saving which remained to be surrendered	Percentage
1	01-Agriculture Department	212.43	148.90	63.53	29.91
2	03-Building Construction Department	74.17	62.22	11.95	16.11
3	04-Cabinet Secretariat Department	28.86	4.87	23.99	83.13
4	08-Art, Culture and Youth Department	11.13	00	11.13	100.00
5	09-Co-operative Department	93.70	60.66	33.04	35.26
6	10-Energy Department	411.75	352.70	59.05	14.34
7	11-BC and MBC Welfare Department	32.36	8.64	23.72	73.30
8	12-Finance Department	51.11	26.00	25.11	49.13
9	13-Interest Payment	495.70	12.12	483.58	97.55
10	15-Pension	61.58	0.03	61.55	99.95
11	16-Panchayati Raj Department	197.18	163.28	33.90	17.19
12	19-Environment and Forest Department	26.63	11.23	15.40	57.83
13	20-Health Department	293.61	142.12	151.49	51.60
14	24-Information and Public Relation	4.62	1.95	2.67	57.79
15	26-Labour Resource Department	59.33	32.63	26.70	45.00
16	33-Personnel and Administrative Reforms	26.97	21.09	5.88	21.80
17	35-Planning and Development Department	549.68	29.50	520.18	94.63
18	37-Rural Works Department	621.57	224.14	397.43	63.94
19	39-Disaster Management Department	504.10	0.64	503.46	99.87
20	40-Revenue and Land Reforms Department	124.16	67.64	56.52	45.52
21	41-Road Construction Department	280.20	121.68	158.52	56.57
22	44-SC & ST Welfare Department	54.58	45.29	9.29	17.02
23	45-Sugar Industries Department	15.58	12.64	2.94	18.87
24	47-Transport Department	6.70	5.45	1.25	18.66
25	49-Water Resources Department	1622.84	1122.95	499.89	30.80
Total		5860.54	2678.37	3182.17	

Appendix 2.12

(Reference Paragraph 2.3.9; Page 35)

Cases of surrender of funds in excess of ₹ 10 crore on 30 and 31 March 2010

(₹ in crore)

Sl. No.	Grant No.	Major Head	Amount Surrendered	%age of Total Provision
(1)	(2)	(3)	(4)	(5)
1	01	2401-Crop Husbandry	74.68	15.19
2	02	2403-Animal Husbandry	10.53	13.57
3	03	2059-Public Works	22.50	12.06
4	06	2015-Elections	72.55	45.33
5	09	2401-Crop Husbandry	33.68	75.00
6	10	2059-Public Works	10.33	35.44
7		4801-Capital Outlay on Power Projects	326.00	46.44
8		6801-Loans for Power Projects	12.07	29.03
9	16	2515-Other Rural Development Programmes	131.80	19.13
10	17	2040-Taxes on sales, trade etc.	10.97	21.36
11	20	2210-Medical and Public Health	42.23	6.15
12	21	2202-General Education	1855.77	27.08
13		4202-Capital Outlay on Education, Sports, Art & Culture	161.39	54.02
14	22	2055-Police	169.24	10.65
15		4055-Capital Outlay on Police	22.01	30.58
16	23	2851-Village and Small Industries	12.73	58.58
17	25	2852-Industries	36.97	60.89
18		4859-Capital Outlay on Telecommunication and Electronic Industries	39.65	100.00
19	27	2014-Administration of Justice	22.79	9.18
20	30	2202-General Education	26.05	79.68
21		2250-Other Social Services	26.43	20.21
22	33	2051-BPSC	10.33	82.38
23	35	2053-District Administration	15.00	18.18
24	36	2215-Water Supply and Sanitation	14.46	57.83
25		4215-Capital Outlay on Water Supply and Sanitation	411.95	55.53
26	37	2515-Other Rural Development Programmes	24.71	22.54
27		3054-Roads and Bridges	42.03	14.01
28		4515-Capital Outlay on Other Rural Development Programmes	144.66	24.15
29	40	2053-District Administration	40.64	29.22
30	41	3054-Roads and Bridges	103.76	28.78
31	42	2515-Other Rural Development Programmes	41.85	19.78
32		4515-Capital Outlay on Other Rural Development Programmes	169.20	100.00
33	44	2225-Welfare of SC, ST and OBC	25.00	100.00
34	48	2215-Water Supply and Sanitation	94.37	64.48
35		2217-Urban Development	461.70	43.58
36	49	2700-Major Irrigation	93.67	24.42
37		2711-Flood Control and Drainage	66.17	2.34
38		4700-Capital Outlay on Major Irrigation	506.66	47.28
39		4711-Capital Outlay on Flood Control Projects	341.18	43.46
40	50	2702-Minor Irrigation	76.25	24.36
41		4702-Capital Outlay on Minor Irrigation	86.63	67.11
42	51	2235-Social Security and Welfare	113.93	11.21
43		2236-Nutrition	58.81	5.98
		Total	6063.33	

Appendix 2.13

(Reference: Paragraph 2.3.10 ; Page 36)

Rush of Expenditure during last quarter of the financial year and in the month of March 2010

(₹ in crore)

Sl. no.	Major Head	Total expenditure during 2009-10	Expenditure during last quarter of the year		Total expenditure during March 2010	Percentage of total expenditure
			Amount	Per centage of total expenditure		
1	2404	37.76	33.88	89.73	32.91	87.15
2	2405	32.02	24.04	75.09	21.94	68.53
3	2408	23.23	23.23	100.00	23.23	100.00
4	2852	222.03	202.53	91.22	181.07	81.55
5	3054	689.42	434.86	63.08	354.45	51.41
6	3604	107.47	107.37	99.91	107.37	99.91
7	4047	82.24	73.23	89.05	46.65	56.73
8	4059	60.66	44.96	74.11	40.26	66.37
9	4202	333.96	303.69	90.94	209.78	62.81
10	4210	120.52	76.99	63.88	74.63	61.92
11	4215	448.05	311.36	69.49	290.77	64.90
12	4217	10.00	10.00	100.00	10.00	100.00
13	4225	26.17	18.58	70.98	16.64	63.57
14	4235	153.59	128.31	83.54	111.80	72.79
15	4250	20.58	14.11	68.53	14.11	68.53
16	4700	470.88	326.68	69.38	275.07	58.42
17	4702	71.67	55.56	77.51	41.30	57.63
18	4885	264.53	264.53	100.00	264.53	100.00
Total		3174.78	2453.91		2116.51	

Appendix 2.14
(Reference paragraph 2.4; Page 36)
Details of amounts exceeding ₹ 10 crore (in each case)
remained un-reconciled during 2009-2010

(₹ in crore)

Sl. No.	Major Head	Amount not reconciled
1	2011-Parliament/State/Union Territory Legislatures	35.00
2	2013-Council of Ministers	11.37
3	2014- Administration of Justice	221.69
4	2015- Elections	51.69
5	2029- Land Revenue	312.26
6	2039-State Excise	44.02
7	2040-Taxes on Sales, Trade etc.	26.81
8	2041- Taxes on Vehicles	10.41
9	2048-Appropriation for reduction or avoidance of Debt	140.00
10	2049- Interest payments	3685.48
11	2051-Public Service Commission	12.17
12	2052- Secretariat-General Services	62.53
13	2053- District Administration	370.53
14	2054- Treasury and Accounts Administration	45.50
15	2055-Police	1817.39
16	2058-Stationery and Printing	12.41
17	2059-Public Works	206.07
18	2070- Other Administrative Service	149.7
19	2071-Pensions and other Retirement Benefits	4318.7
20	2202- General Education	7298.83
21	2204- Sports and Youth Services	21.46
22	2205- Art and Culture	11.20
23	2210-Medical and Public Health	1162.99
24	2211-Family Welfare	213.12
25	2215- Water Supply and Sanitation	389.00
26	2217- Urban Development	1045.50
27	2220-Information and Publicity	46.89
28	2225-Welfare of SC,ST and OBC	407.53
29	2230-Labour and Employment	50.73
30	2235- Social Security and Welfare	1325.54
31	2236-Nutrition	911.83
32	2245-Relief on Account of Natural Calamities	10.56
33	2250-Other Social Services	123.98
34	2251-Secretariat-Social Services	27.55
35	2401-Crop Husbandry	379.92
36	2402-Soil and Water Conservation	19.00
37	2403-Animal Husbandry	193.64
38	2404-Diary Development	35.89
39	2405-Fisheries	30.98
40	2406-Forestry and Wild Life	91.01
41	2408-Food Storage and Ware Housing	23.23
42	2415-Agricultural Research and Education	123.29
43	2425-Co-operation	23.17
44	2501-Special Programmes for Rural Development	192.51
45	2505-Rural Employment	842.92
46	2515-Other Rural Development Programmes	1408.47
47	2700-Major Irrigation	54.25
48	2701-Medium Irrigation	41.52
49	2702-Minor Irrigation	190.81
50	2705-Command Area Development	73.13
51	2711-Flood Control and Drainage	49.76

Sl. No.	Major Head	Amount not reconciled
52	2801-Power	840.00
53	2851- Village and Small Industries	24.48
54	2852-Industries	218.26
55	3054-Roads and Bridges	670.40
56	3451-Secretariate-Economic Services	28.00
57	3452-Tourism	26.78
58	3454-Census Surveys and Statistics	18.15
59	3456-Civil Supplies	109.67
60	3604-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	107.47
61	4047-Capital Outlay on Other Fiscal Services	66.63
62	4055-Capital outlay on Police	93.68
63	4059-Capital Outlay on Public Works	44.96
64	4070-Capital Outlay on Other Administrative Services	25.80
65	4202-Capital Outlay on Education, Sports, Art & Culture	329.02
66	4210-Capital Outlay on Medical & Public Health	120.52
67	4215-Capital Outlay on Water Supply and Sanitation	448.05
68	4217-Urban Development (Investment)	10.00
69	4225-Capital Outlay on Welfare of SC, ST & OBC	26.17
70	4235-Capital Outlay on Social Security and Welfare	153.04
71	4250-Capital Outlay on Other Social Services	20.36
72	4515-Capital Outlay on Other Rural Development Program	826.33
73	4700-Capital Outlay on Major Irrigation	416.85
74	4701-Capital Outlay on Medium Irrigation	39.45
75	4702-Capital Outlay on Minor Irrigation	71.67
76	4711-Capital Outlay on Flood Control Projects	762.49
77	4801-Capital Outlay on Power Projects	376.00
78	4885-Capital Outlay on Industries and Minerals	264.53
79	5054-Capital Outlay on Roads and Bridges	3051.01
80	5452-Capital Outlay on Tourism	27.78
	Total	37571.49

Appendix 2.15
(Reference: Paragraph 2.5; Page 36)
Details of withdrawals from contingency fund for routine purpose

				(₹ in crore)
Sl. No.	Major Head	Department	Purpose	Amount
1.	2011	State Assembly	Workshop and Seminar	0.11
2.		-do-	Salary	0.16
3.		-do-	Office Expenditure	0.30
4.	2012	Governor	Purchase of new vehicle	0.11
5.	2013	Council of Minister	Medical reimbursement	0.04
6.	2014	Administration of Justice	Salary & Allowances	0.14
7.		Election	Gram Panchayat Elections	0.16
8.	2015	-do-	Lok Sabha Election to Travelling Expenses	11.00
9.		-do-	Election-vidhan Sabha	4.51
10.		Secretariat	Assistance to Backward Caste	0.20
11.	2052	-do-	Pay & Allowances	0.09
12.		-do-	Nai Gadi Ka Kray	0.18
13.		-do-	Motor Car	0.19
14.		-do-	J.P. Fighters honour plan	0.67
15.	2053	District Administration	Yantra ka sudrikaran	0.35
16.	2055	Police	T.A.	6.00
17.		-do-	Expense on force	2.68
18.		-do-	Maintenance of vehicle	9.09
19.		-do-	Motor car	12.00
20.		-do-	Pay and allowance	0.75
21.		-do-	Special police force for honorarium	3.52
22.		-do-	Appointment of police	3.35
23.		-do-	Modernisation of police administration	3.00
24.	2070	Other administrative services	Reg. Bhagalpur riot	0.19
25.		-do-	Kahalgaon goli kand	0.14
26.		-do-	Office expenditure	1.00
27.		-do-	Salary and allowance	0.04
28.		-do-	Investigation Bureau uniform	0.07
29.		-do-	Guest house hostel	0.05
30.	-do-	Medical Reimbursement	0.08	
31.	2202	General Education	H. Q. establishment	0.04
32.	2210	Medical & Public Health	Laghu Nirman Karya	0.20
33.		-do-	Medicine Store	0.11
34.	2215	Water Supply and Sanitation	Medical re-imburement	0.03
35.	2225	Welfare of S C.S T&OBC	Mahadalit Vikas	30.00
36.		-do-	Scholarship	5.23
37.	2235	Social Security and Welfare	J.P. Senani Samman Yojna	10.00
38.		-do-	Kanya Suraksha yojna	15.00
39.		-do-	General Public Insurance	0.60
40.	2250	Other Social Services	Grants to Bihar State Haj committee	0.14
41.		-do-	Computaration of Buff Samiti Serwe	0.35
42.	2251	Secretariat and Social Services	PHED	0.12
43.		-do-	Employment & Training	0.46
44.		-do-	Travelling Expenses (two times)	0.17
45.	2401	Crop Husbandry	Agriculture Development	26.63
46.		-do-	Assistance to farmer (four times)	414.07
47.		-do-	Crop premium (two times)	35.21
48.		-do-	Sugarcane Crop	2.75
49.	2402	Soil and Water Conservation	H.Q. Establishment	0.16
50.	2408	Food Corporation	Financial aid to farmers	23.23
51.	2515	Rural Development Department	Salary & Allowances	0.07
52.	2801	Power	Bihar electricity board bill	30.00

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Sl. No.	Major Head	Department	Purpose	Amount
53.	2851	Village and small industries	Establishment of industries Department	1.58
54.	3451	Secretariat-Economic Services	Purchase of Motor Vehicle (two times)	0.24
55.		-do-	Agriculture Development	0.21
56.		-do-	Road Construction	0.03
57.	3456	Civil Supplies	Zila Prasar Jan Upyogita	0.99
58.		-do-	Zan Vitran Pranali	11.31
59.	3604	Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	Zila Parishad ko ses ka bhugtan	35.00
60.	4070	Capital Outlay on Other Administrative Services	Building Construction	0.10
61.	4210	Capital Outlay on Medical and Public Health	Purchase of machinery equipment for Ayurvedic and Unani Drug Manufacturing Centre	0.16
62.	4220	Capital Outlay on Information and Publicity	Construction of Building	2.00
63.	4235	Capital Outlay on Major Irrigation	Cabristano ki Gherabandi	20.00
64.	5054	Capital Outlay on Roads and Bridges	Loan for NABARD	50.00
65.		-do-	Construction for road	50.00
66.	7055	Loans for Road Transport	Loan to Bihar Transport (three times)	189.42
		Total		1015.78

Appendix 2.16
(Reference: Paragraph 2.8.3 ; Page 41)
Non-utilisation of provisions

(₹ in lakh)					
Sl. No.	Head of Accounts	Details / Purpose	Original provision	Supplementary provision	Saving/ Lapse
1	2245011010004	Free distribution of cloth / utensils to draught effected persons	1.00	-	1.00
2	2245012820001	Supply of medicine	25.00	200.00	225.00
3	2245018000001	Repair of wells etc. for supply of water	200.00	500.00	700.00
4	2245018000002	Other works	10.00	3000.00	3010.00
5	2245018000004	Self employment	1.00	-	1.00
6	2245021040001	Supply of fodder	207.00	-	207.00
7	2245021050001	Medicine for cattle	200.00	-	200.00
8	2245021080001	Repairs and restoration of govt. residential buildings.	10.00	-	10.00
9	2245021090001	Repair and restoration of damaged water system and sewerage system	80.00	-	80.00
10	2245021120003	Purchase of safety and evacuation instrument for relief work	100.00	-	100.00
11	2245021130002	Repair of buildings damaged by fire	50.00	-	50.00
12	2245021130003	Repair of buildings damaged by other natural calamities	50.00	-	50.00
13	2245021140002	Grants for annual crops	100.00	-	100.00
14	2245021140003	Grants for agricultural crops	100.00	-	100.00
15	2245021140004	Grants for horticultural crops	50.00	-	50.00
16	2245021140005	Grants for perennial crops	50.00	-	50.00
17	2245021150002	Extraction of salinity / sand etc from fishery area	50.00	-	50.00
18	2245021160001	Grants to farmers for repair of damaged tube wells	50.00	-	50.00
19	2245021170002	Exchange of milk given animals	15.00	-	15.00
20	2245021190001	Assistance to weavers for repairs of traditional weaving instruments	15.00	-	15.00
21	2245021190002	Assistance for purchase of thread and other materials	15.00	-	15.00
22	2245021190003	Assistance to handloom weavers	13.00	-	13.00
23	2245021960001	Assistance to Zilla Parishads / District level Panchayats	10.00	-	10.00
24	2245021970001	Grant in aid to Block Panchayats / intermediate level Panchayats	20.00	-	20.00
25	2245022820001	Supply of medicine for human beings	200.00	-	200.00
26	2245028000003	Reserve storage of food grain for starvation effected family	50.00	-	50.00
27	2245028000005	Cash payment to Rural Development Department for Swarojgar Yojana	20.00	-	20.00
28	2245028000006	Supply of supplementary nutrition	55.00	-	55.00
29	2245028000007	Expenditure in transporting the relief materials received from non-Government Institute.	50.00	-	50.00
Total			1797.00	3700.00	5497.00

(Source: Detailed Appropriation Accounts, Government of Bihar)

Appendix 2.17

(Reference: Paragraph 2.8.5 ; Page 42)

Difference in figures of expenditure due to non-reconciliation made by Department

(₹ in lakh)

Sl. No.	Head of Accounts	Expenditure as per Department	Expenditure as per Detailed Appropriation Account	Difference
1	2235-01-200-0003	23.299	24.745	(+)1.446
2	2245-01-101-0001	00.000	179.331	(+)179.331
3	2245-01-101-0003	00.000	2.107	(+)2.107
4	2245-02-101-0004	33.330	33.832	(+)0.502
5	2245-02-101-0008	5.820	6.058	(+)0.238
6	2245-02-102-0001	7.010	7.611	(+)0.601
7	2245-02-106-0001	6687.610	6899.550	(+)211.940
8	2245-02-107-0001	00.000	0.020	(+)0.020
9	2245-02-112-0004	00.000	0.100	(+)0.100
10	2245-02-117-0001	75.320	552.935	(+)477.615
11	2245-02-118-0001	51.560	100.000	(+)48.440
12	2251-00-090-0017	188.650	234.533	(+)45.883
13	2235-01-200-0004	321.667	307.445	(-)14.222
14	2235-60-200-0008	23.950	13.450	(-)10.500
15	2245-01-101-0002	464.790	363.434	(-)101.356
16	2245-01-102-0001	1111.760	1.607	(-)1110.153
17	2245-01-800-0003	2200.000	1849.440	(-)350.560
18	2245-02-101-0001	458.560	452.721	(-)5.839
19	2245-02-101-0002	1938.460	1851.588	(-)86.872
20	2245-02-101-0003	355.100	334.650	(-)20.450
21	2245-02-101-0005	217.070	187.274	(-)29.796
22	2245-02-101-0006	157.120	113.725	(-)43.395
23	2245-02-101-0007	41.510	40.235	(-)1.275
24	2245-02-112-0001	4737.020	4205.897	(-)531.123
25	2245-02-112-0002	760.250	751.584	(-)8.666
26	2245-02-113-0001	1555.830	1117.473	(-)438.357
27	2245-02-114-0001	112.310	96.702	(-)15.608
28	2245-02-115-0001	16.000	10.000	(-)6.000
29	2245-02-117-0003	2.600	1.390	(-)1.210
30	2245-02-282-0003	8.540	8.497	(-)0.043
	Total:	21555.136	19747.934	

(Source: Detailed Appropriation Accounts, Govt. of Bihar)

Note – (i) Plus (+) sign in difference column shows excess exhibition of expenditure in “Detailed Appropriation Accounts” against Departmental expenditure figures. There were twelve cases of excess expenditure of ₹9.68 crore in “Detail Appropriation Accounts”.

(ii) Mines (-) sign in differences column shows short exhibition of expenditure in “Detailed Appropriation Accounts” as compared to Departmental/ expenditure. There were eighteen cases of short expenditure of ₹27.75 crore in “Detail Appropriation Accounts”.

Appendix 3.1
(Reference: Paragraph 3.2, Page 46)
Utilisation certificates outstanding as on 31 March, 2010

(Amount: ₹ in crore)

Sl. No.	Year of Payment of grant	Total Number/Amount of UCs outstanding as O.B		Utilisation Certificates			
				Received		Outstanding	
		Number	Amount	Number	Amount	Number	Amount
1	Upto	20190	1111.83	-	-	20190	1111.83
2	2001-02	452	261.62	-	-	452	261.62
3	2002-03	40	34.28	05	0.88	35	33.40
4	2003-04	61	150.06	08	27.65	53	122.41
5	2004-05	86	205.84	06	0.31	80	205.53
6	2005-06	75	991.88	06	0.40	69	991.48
7	2006-07	228	1629.66	03	0.81	225	1628.85
8	2007-08*	10	172.65	23 [#]	103.81 [#]	10	172.65
9	2008-09	-	0.00	60 [#]	92.58 [#]	-	-
	Total	21142	4557.82	28	30.05	21114	4527.77

* Figures available up to October 2007. Information for the period thereafter has not been provided by the State Government.0.

#Number/amount of UCs pending against the amount shown as adjusted not taken into account.

Appendix – 3.2
(Reference: Paragraph 3.4, Page 47)
Performance of autonomous bodies

Sl. No.	Name of Body	Period of entrustment	Year upto which accounts were rendered	Period upto which Separate Audit Report is issued	Date of issue of Separate Audit Report	Placement of SAR in the Legislature	Date of receipt of accounts	Delay in submission of accounts
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Bihar State Khadi and Village Industries Board, Patna	2002-03	-	1989-90 to 1998-99	30.5.2008	Not communicated	Accounts received up to 2007-08; entrustment awaited	-
				1999-2000 to 2001-02	28.4.2009			
				2002-03	14.05.2010			
2	Bihar State Housing Board, Patna	2003-04	-	1994-95 to 1998-99	31.12.2008	Not communicated	Accounts received up to 2006-07; entrustment awaited	-do-
				1999-2000 to 2002-03	20.11.2009			-do-
				2003-04	13.05.2010			
3	Bihar State Legal Services Authority, Patna	Permanent	2009-10	2008-09	17.06.2010	Not communicated	12.07.2010	-do-
4	Rajendra Agricultural University, Pusa, Samastipur	2010-11	2009-10	2005-06	11.06.2010	As intimated by Govt. SAR for the period 1971-72 to 1994-95, 1998-99 to 2001 and 2003-04 to 2005-06 already send to state legislature placement of report awaited	13.10.2010	29 months

Appendix – 3.3
(Reference: Paragraph 3.6, Page 49)

Operation of Minor Head 800-‘Other Expenditure’ (Expenditure 50 per cent and above)

(₹ in crore)

Sl. No.	Major Head Code	Nomenclature	Expenditure under Minor Head-800	Total Expenditure
1	2041	Taxes on Vehicles	6.35	10.41
2	2053	District Administration	204.47	379.91
3	2217	Urban Development	797.65	1045.50
4	2250	Other Social Services	122.87	123.99
5	2401	Crop Husbandry	516.47	923.82
6	2501	Special Programmes for Rural Development	200.01	200.72
7	4070	Capital Outlay on Other Administrative Services	37.80	37.90
8	4700	Capital Outlay on Major Irrigation	403.96	470.88
9	4701	Capital Outlay on Medium Irrigation	39.49	42.97
10	4711	Capital Outlay on Flood Control Projects	446.54	763.10
11	4801	Capital Outlay on Power Projects	376.00	376.00
12	4885	Capital Outlay on Industries and Minerals	264.53	264.53
13	5452	Capital Outlay on Tourism	27.78	27.78
14	6801	Loans for Power Projects	596.72	626.25
		Total	4040.64	5293.76

Appendix – 3.4
(Reference: Paragraph 3.6, Page 49)

Operation of Minor Head 800-‘Other Receipts’ (50 Per cent and above)

(₹ in crore)

Sl. No.	Major Head Code	Nomenclature	Expenditure under Minor Head-800	Total Receipts
1	0058	Stationery & Printing	0.01	0.02
2	0215	Water Supply & Sanitation	3.10	5.15
3	0851	Village and Small Industries	0.07	0.11
4	0217	Urban Development	0.02	0.03
5	0235	Social Security & Welfare	0.62	0.85
6	0406	Forestry & Wildlife	6.02	6.78
7	0506	Land Reforms	0.10	0.11
8	0515	Other Rural Development Programmes	26.73	28.81
9	0059	Public Works	8.93	8.94
10	0075	Miscellaneous General Services	770.06	770.28
11	0852	Industries	30.15	30.15
12	1054	Roads & Bridges	30.02	30.02
13	1456	Civil Supplies	0.07	0.07
		Total	875.90	881.32

Appendix – 3.5

(Reference: Paragraph 3.7, Page 49)

Age-wise details of the cases of defalcation, misappropriation, loss and theft.

Sl. No.	Name of the Department	Up to 5 years	5 to 10 years	Total No. of Cases.
1	Road Construction	04	01	05
2	Water Resources	07	-	07
3	Building Construction	01	-	01
4	Public Health & Engineering	02	-	02
5	Rural Development Department	635	81	716
6	Labour and Employment	03	-	03
7	Industry	02	-	02
8	Welfare	117	-	117
9	Home	24	-	24
10	Health	33	-	33
11	Land Acquisition	11	-	11
12	General Administration	15	-	15
13	MLA/MLC Fund	01	-	01
14	Co-operatives	01	-	01
15	Election	04	-	04
16	Civil Court	01	-	01
17	Animal Husbandry and Fisheries	12	-	12
18	Human Resources	30	-	30
19	Urban Development & Housing	25	04	29
20	Forest	02	-	02
21	District Sub-Registrar	01	-	01
22	Rural Works	03	-	03
23	Minor Irrigation	01	-	01
	TOTAL	935	86	1021

Appendix – 3.6
(Reference: Paragraph 3.7, Page 50)

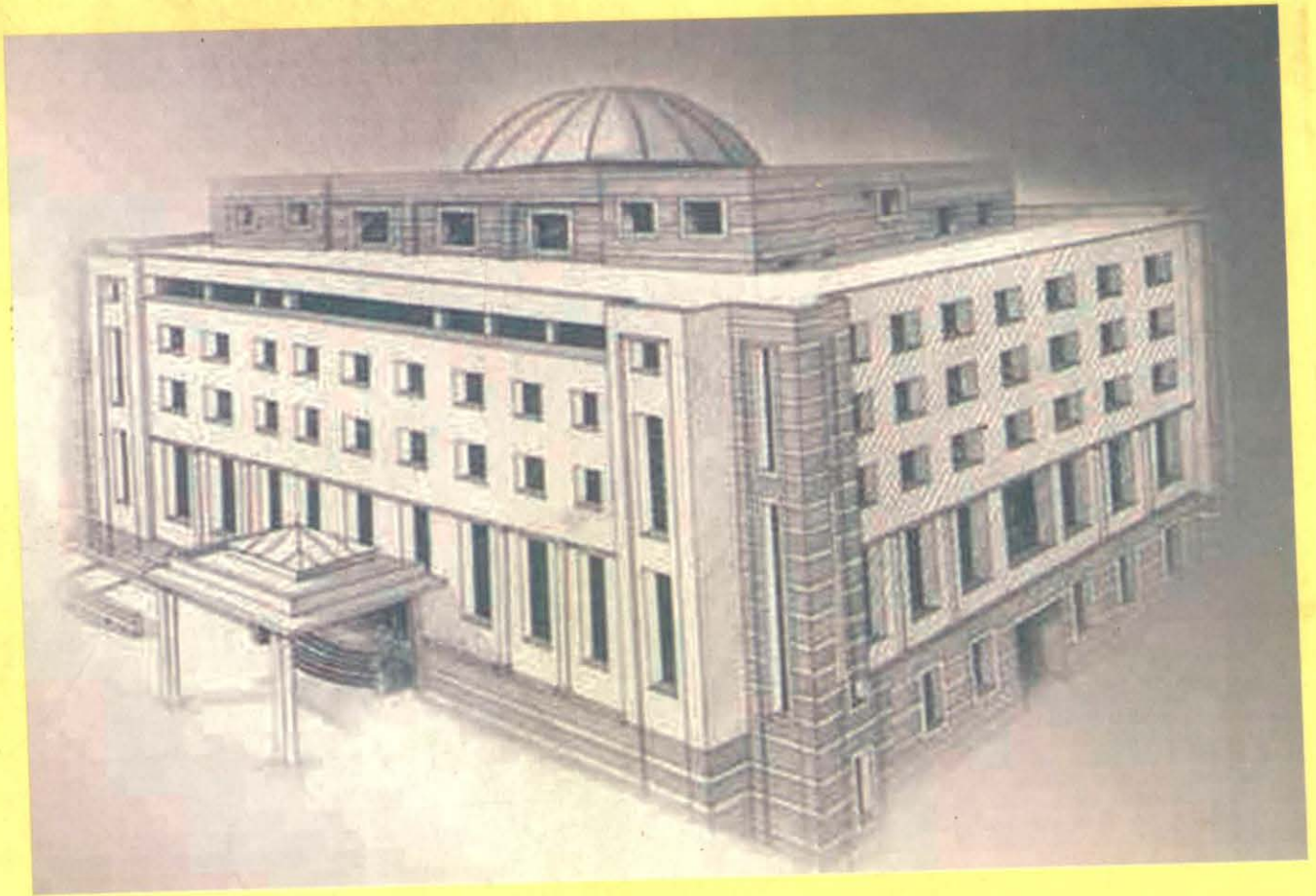
Category-wise details in respect of cases of defalcation, misappropriation, loss and theft

(Amount: ₹ in crore)

Name of Department	Defalcation, Misappropriation loss and theft	
	Number	Amount
Road Construction	05	2.46
Water Resources	07	12.65
Building Construction	01	0.33
Public Health & Engineering	02	2.46
Rural Development	716	328.36
Labour & Employment	03	0.62
Industry	02	5.67
Welfare	117	12.66
Home	24	1.52
Health	33	5.26
Land Acquisition	11	3.80
General Administration	15	6.73
MLA/MLC Fund	01	0.02
Co-operative	01	2.66
Election	04	1.43
Civil Court	01	0.29
Animal Husbandry and Fisheries	12	5.18
Human Resources	30	11.50
Urban Development & Housing	29	3.33
Forest	02	0.39
District Sub-Registrar	01	0.26
Rural Works	03	0.39
Minor Irrigation	01	Negligible
Total	1021	407.97



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