

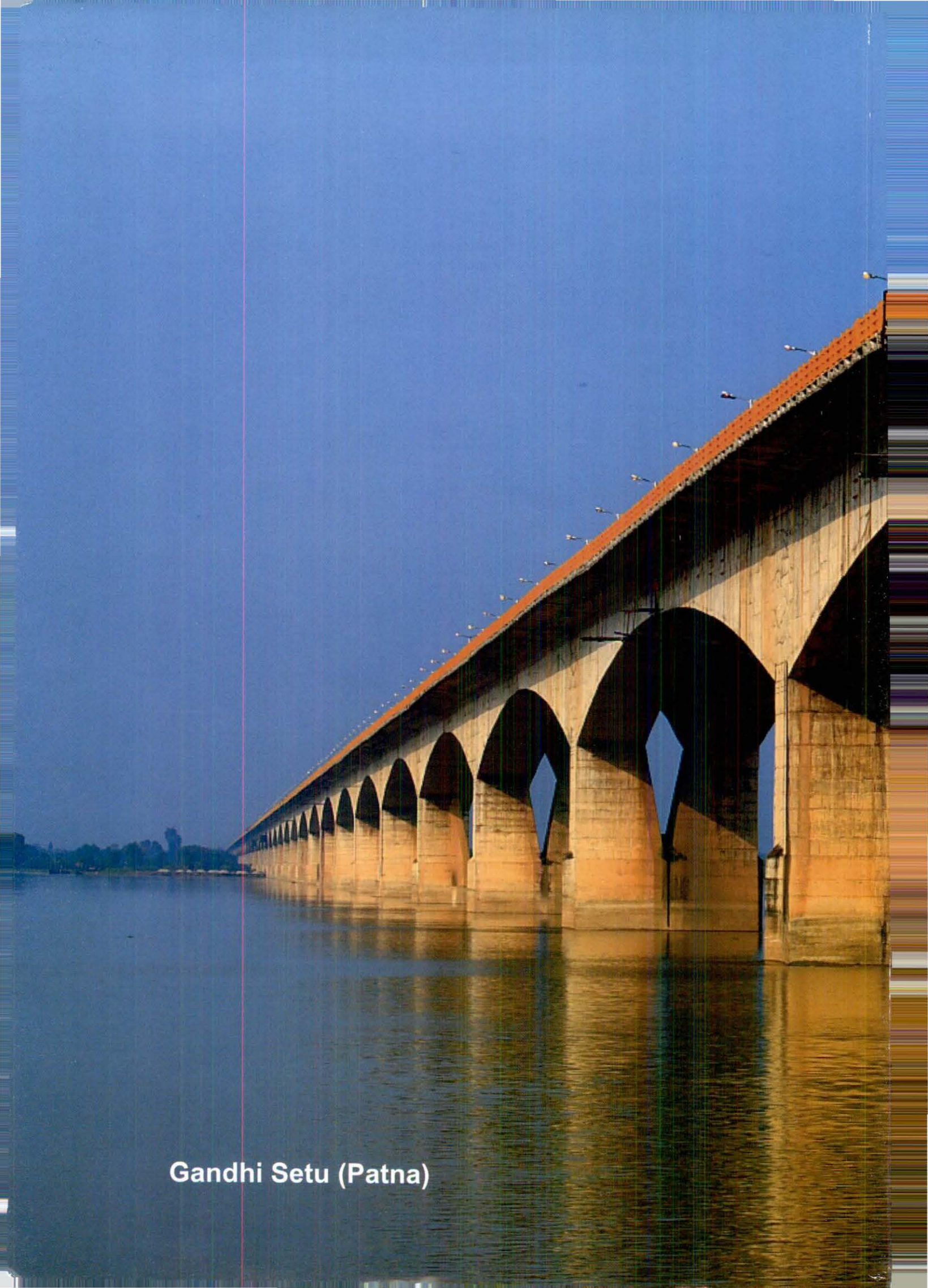
Presented to Legislative Assembly

On.....02 APR 2013.....

**Report of the
Comptroller and Auditor General of India
on
STATE FINANCES**

for the year ended March 2012

Government of Bihar
Report No. 1 of the Year 2012



Gandhi Setu (Patna)

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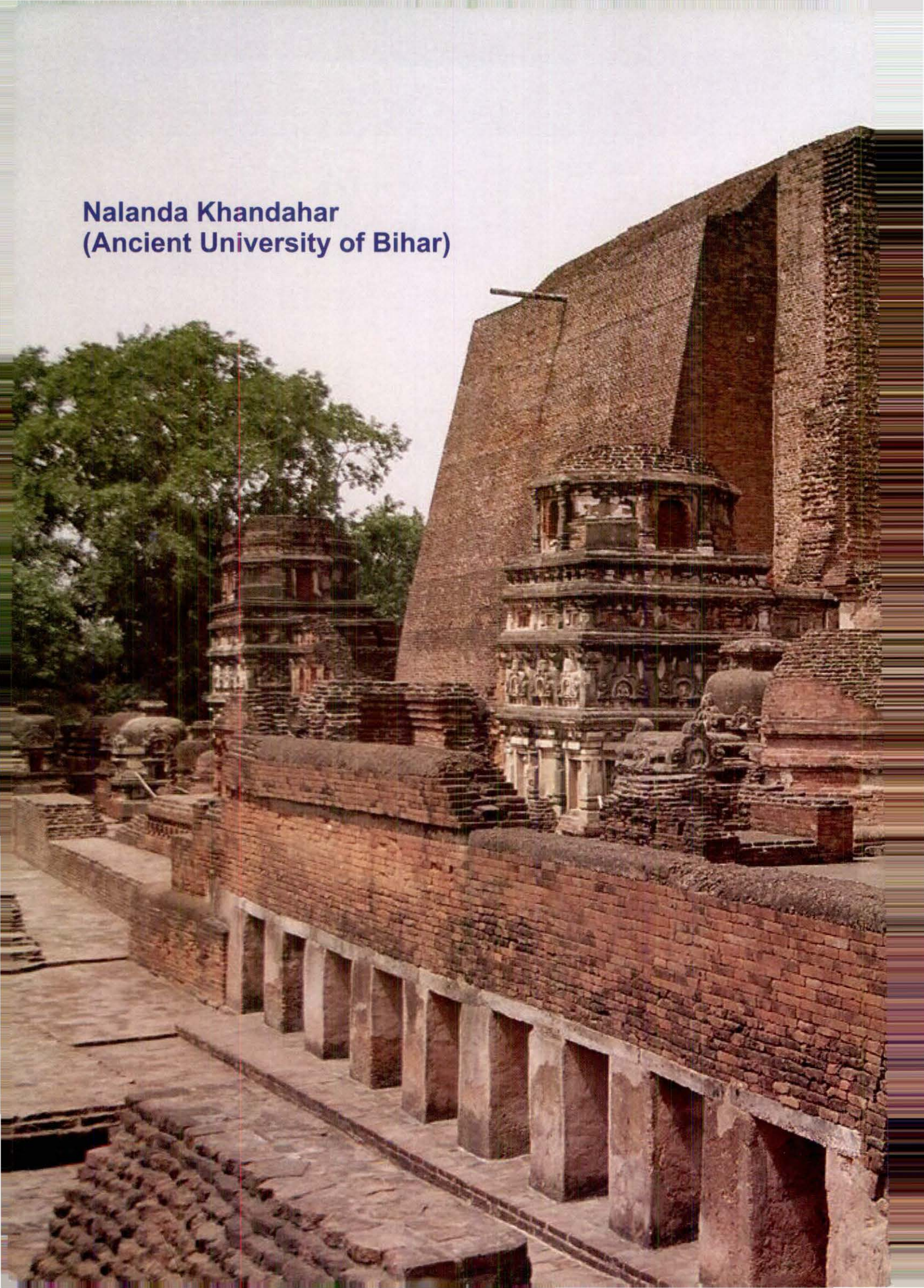
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Preface

1. This Report has been prepared for submission to the Governor of Bihar under Article 151 of the Constitution of India.
2. Chapters 1 and 2 of this Report contain audit observations on matters arising from the examination of the Finance Accounts and Appropriation Accounts respectively, of the State Government, for the year ended 31 March 2012. Information has been obtained from the Government of Bihar, wherever necessary.
3. Chapter 3 on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

**Nalanda Khandahar
(Ancient University of Bihar)**



**EXECUTIVE
SUMMARY**



Shahid Smarak (Patna)

Executive Summary

Background

This Report on the finances of the Government of Bihar intends to objectively assess the financial performance of the State during 2011-12 and to provide the State Legislature with proper inputs based on audit analysis of financial data. In order to put this analysis in a proper perspective, a broad comparison of targets envisaged by the Bihar Fiscal Responsibilities and Budget Management (Amendment) Act, 2010, the Thirteenth Finance Commission (ThFC) Report and the Budget Estimates of 2011-12 has been attempted.

The Report

Based on the audited accounts of the Government of Bihar for the year ended March 2012, this Report provides an analytical review of the Annual Accounts of the Government. The Report is structured in three Chapters.

Chapter-1 is based on the audit of the Finance Accounts and makes an assessment of the Bihar Government's fiscal position as on 31 March 2012. It analyses the significant changes in major fiscal aggregates as compared to the previous year. It also provides an insight into trends in expenditure on interest payments, salaries and wages, pensions, subsidies and repayment of debt and borrowing patterns besides giving a brief account of 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 grant-wise description of appropriations and the manner in which the allocated resources were managed by the service delivery departments. It also contains detailed review of two grants namely Grant No. 3 "Building Construction Department" and Grant No. 16 "Panchayati Raj Department". It seeks to ascertain whether the expenditure actually incurred under the various grants is within the authorization given under the Appropriation Act.

Chapter-3 is an inventory of the Bihar Government's compliance with various reporting requirements and financial rules. The report also compiles the data collected from various Government departments/organisations in support of the findings.

Audit findings and recommendations

Chapter 1

Revenue receipts: Revenue receipts during the year increased by 15.24 *per cent* (₹ 6787.85 crore). The increase was mainly due to increase in own tax revenue by 27.78 *per cent* (₹ 2742.25 crore) and State's share of Union taxes and duties by 16.50 *per cent* (₹ 3956.85 crore).

Tax revenues: State's own tax revenue exceeded the Budget estimate (₹ 12582.90 crore) and ThFC assessment (₹ 9302.67 crore) by 0.23 *per cent* (₹ 29.20 crore) and 35.58 *per cent* (₹ 3309.43 crore) respectively.

Non-tax revenue: Non-tax revenue, however, declined by 9.71 *per cent* during the year primarily due to recovery of Debt waiver of ₹ 384.93 crore and non-payment of pension liabilities of the pre-reorganisation period by the Government of Jharkhand (₹ 7808.45 crore).

Revenue expenditure: Revenue expenditure during the year increased by 21.68 per cent (₹ 8283.57 crore). However, Revenue expenditure during the year was 6.88 per cent (₹ 3434.07 crore) less than the budget estimates (₹ 49933.56 crore).

Non-Plan and Plan expenditure: The Non-Plan expenditure (revenue and capital) increased by 24.45 per cent (₹ 6690.15 crore) and the Plan expenditure increased by 6.23 per cent (₹ 1249.49 crore) over the previous year.

Funds transferred directly from Government of India to the State Implementing Agencies: The Government of India directly transferred ₹ 8958 crore in 2011-12 to the State implementing agencies. These funds are not routed through the State budget/State treasury system and therefore the annual finance accounts do not capture the flow of these funds and to that extent, the State's receipts and expenditure as well as other fiscal variables/ parameters derived from them do not take these funds into account.

Financial Assistance by State Government to local bodies: The financial assistance during 2011-12 increased to ₹ 14444 crore from ₹ 4622 crore in 2010-11. The increase of ₹ 9822 crore (213 per cent) over the previous year was mainly due to increase in assistance to educational institutions (₹ 3641 crore), ZPs and PRIs (₹ 1019 crore), Development agencies (₹ 2636 crore) and other institutions (₹ 2688 crore).

Developmental expenditure: Development expenditure comprising revenue expenditure, Capital expenditure and loans and advances on socio-economic services increased from ₹ 20452 crore in 2007-08 to ₹ 38900 crore in 2011-12.

Incomplete projects: Altogether, 380 schemes/projects (estimated cost ₹ 3395.35 crore) were due for completion up to March 2012, but remained incomplete resulting in blocking of ₹ 1579.46 crore.

Government Investment: The average return on Government investments was 0.26 per cent in last five years while the Government paid average interest rate of 6.96 per cent on its borrowings during 2007-12. There was meagre return of ₹ 1.40 crore against the investment of ₹ 920.82 crore during 2011-12.

In eight government companies/corporations, there was loss of ₹ 1366.56 crore against the investment of ₹ 967.74 crore in equities (₹ 153.82 crore) and loans (₹ 813.92 crore). Similarly in 15 government companies/corporations with the investment of ₹ 243.79 crore, there was loss of ₹ 215.19 crore.

As per ThFC recommendations, all states were required to draw up a road map for winding up of non-working PSUs by March 2011. However, no detailed plans in this regard were communicated by the departments concerned.

Loans and advances by the State Government: Out of ₹ 1906.08 crore advanced during the year, ₹ 935.54 crore was for power projects. Further, of the total outstanding loans of ₹ 18525.76 crore, ₹ 14730.25 crore were of the power sector.

Cash Balances: Cash balances decreased from ₹ 2735.44 crore to ₹ 1509.45 crore during the year. Test check of records of Co-operative department headquarters, five District Planning Offices, Principal, Srikrishna Medical College, Muzaffarpur and 12 Corporations, Councils, Undertakings and Societies revealed that Government funds to the tune of ₹ 2413.57 crore were lying in 66 Commercial Bank accounts, Fixed Deposit etc. of these institutions/organizations as indicated in foot note no. 5 of Statement 1 of Finance Accounts.

Fiscal Liabilities: Fiscal liabilities of the State increased by ₹ 50989.18 crore in 2007-08 to ₹ 67811.84 crore in 2011-12.

Chapter 2

Advance drawal of funds: Funds amounting to ₹ 919.87 crore and ₹ 547.72 crore drawn on Revenue and Capital expenditure heads respectively were parked in bank accounts/ PD accounts of PSUs/ Departments.

Financial Accountability and Budget Management: Slow progress in implementing various social and development programmes in the State left overall savings of ₹ 15595.72 crore. There were instances of unnecessary or excessive re-appropriations of funds. Rush of expenditure at the end of the financial year was another chronic feature noticed. In many cases, the anticipated savings were either not surrendered or were belatedly surrendered, leaving no scope for utilizing these funds for other developmental purposes.

Expenditure of ₹ 49618.13 crore was not reconciled. Further, out of total receipt of ₹ 51320.17 crore, ₹ 13074 crore (25.48 per cent) was not reconciled. The department should submit realistic budget estimates, keeping in view the trends in expenditure and the actual requirement of funds. The controlling officers should closely monitor the expenditure against the allocations to avoid excess expenditure over the grants.

Government sanctioned 191 withdrawals from Contingency Fund amounting to ₹ 1242.99 crore in 2011-12. Of this, 91 withdrawals amounting to ₹ 1225.53 crore (98.60 per cent) were for routine expenditure such as purchase of motor vehicles, office expenditure, pay and allowances etc.

Further, review of Grant No. 3 “Building Construction Department” revealed that the department was ill equipped to absorb, spend or utilize the fund as evident from the fact of huge savings of 63 per cent of the provisions (₹ 434.25 crore) made to it by other service departments. This includes hundred per cent non-utilisation of ₹ 118.30 crore in respect of seven service departments. Similarly, there were cases of hundred per cent savings of ₹ 250 crore in case of Grant No. 16 “Panchayati Raj Department”.

Chapter 3

Financial Reporting: The existing system of drawal and submission of AC/DC bills and GIA bills was reviewed with a view to see the compliance with various reporting requirements and financial rules.

Abstract Contingent (AC) bills of high magnitude (valuing more than ₹ one lakh in each case) constituted 99.76 per cent of total AC bills drawn during 2009-12.

As on 31 August 2012, 66847 DC bills for an amount of ₹ 18797.90 crore were pending for submission to the AG (A&E).

Against the Grants-in-aid of ₹ 15333.60 crore drawn during 2009-10 and 2010-11, utilization certificates for ₹ 7837.69 crore were outstanding for submission as on 31 March 2012.

CHAPTER 1

FINANCES OF THE STATE GOVERNMENT



Patna Museum

1. Profile of Bihar

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. The State of Bihar has 38 districts.

Economy of Bihar is primarily agrarian and the State does not possess any significant mineral wealth. As indicated in *Appendix 1.1*, the density of population has increased from 881 persons per sq. km (2001) to 1102 persons per sq. km (2011). Bihar has higher poverty levels as compared to the all-India average. However, the State has shown higher economic growth for the period 2002-03 to 2011-12 as the compound annual growth rate (CAGR) of its Gross State Domestic Product has been 14.97 per cent as compared to 14.46 per cent amongst the General Category States¹. During this period, its population also grew by 17.89 per cent (highest among general category states) against the average growth² of 13.90 per cent in General Category States. The per capita income CAGR for the period 2002-03 to 2011-12 in Bihar (13.10 per cent) has been slightly higher than that of the General Category States (13.09 per cent).

1.1 Introduction

This chapter provides a broad perspective of the finances of the Government of Bihar during the current year. It analyses the significant changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years. The structure and form of Government accounts have been explained in *Appendix 1.2 Part A* and the layout of the Finance Accounts is depicted in *Appendix 1.2 Part B*. This analysis has been made based on the Finance Accounts of the State and information obtained from the State Government. In order to comply with the recommendation of the Thirteenth Finance Commission (ThFC), the State Government enacted the Bihar Fiscal Responsibility and Budget Management (Amendment) Act, 2010 as given in *Appendix 1.3 Part A*. The methodology adopted for assessment of the fiscal position and norms/ceilings prescribed by the FRBM (Amendment) Act, 2010 are given in *Appendix 1.3 Part B*.

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 (2011-12) *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 1.4*.

¹ States other than 11 states termed as Special Category States (Arunachal Pradesh, Assam, Jammu & Kashmir, Himachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand).

² The all India average of General Category States has been calculated on the basis of figures provided by 16 General Category States (excluding Delhi, Goa and Puducherry).

Table 1.1: Summary of Current Year's Fiscal Transactions

(₹ in crore)

Receipts	2010-11	2011-12	Disbursements	2010-11	2011-12		
Section-A: Revenue					Non-Plan	Plan	Total
Revenue Receipts	44532.32	51320.17	Revenue Expenditure	38215.92	34012.66	12486.83	46499.49
Tax revenue	9869.85	12612.10	General services	15286.97	17569.44	160.28	17729.72
Non-tax revenue	985.53	889.86	Social services	15089.42	9523.52	9205.26	18728.78
Share of Union Taxes/Duties	23978.38	27935.23	Economic services	7836.28	6916.53	3121.29	10037.82
Grants from Government of India	9698.56	9882.98	Grants-in-aid and Contributions	3.25	3.17	-	3.17
Section-B: Capital							
Misc. Capital Receipts	0.00	0.00	Capital Expenditure	9195.94	39.59	8812.42	8852.01
Recoveries of Loans and Advances	11.86	22.51	Loans and Advances disbursed	1102.63	220.72	1685.36	1906.08
Public debt receipts*	6032.42	6627.96	Repayment of Public Debt*	2190.03	-	-	2922.46
Inter State Settlement Receipts	0.00	75.41	Inter State Settlement Payments	0.00	-	-	1.39
Contingency Fund	1150.00	800.00	Contingency Fund	1150.00	-	-	800.00
Public Account receipts	17321.25	22302.61	Public Account disbursements	16749.02	-	-	21393.22
Opening Cash Balance	2291.13	2735.44	Closing Cash Balance	2735.44	-	-	1509.45
Total	71338.98	83884.10	Total	71338.98			83884.10

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

(Source: State Finance Accounts of the respective years)

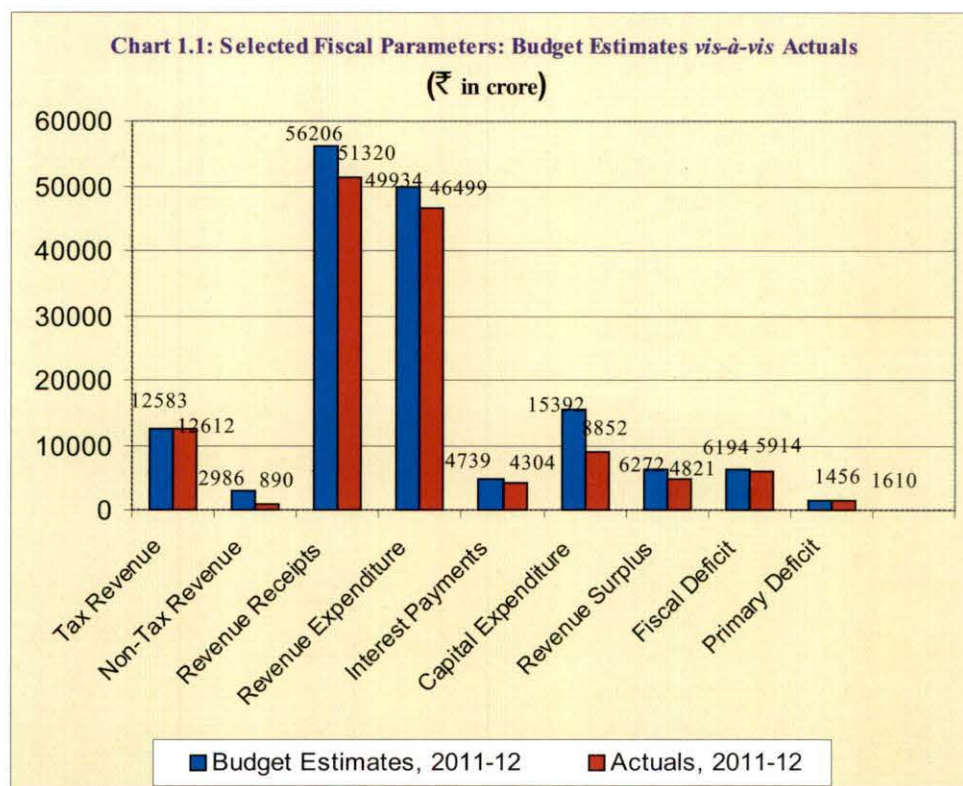
The significant changes during 2011-12 over the previous year are given below:

- Revenue receipts during the year increased by 15.24 per cent (₹ 6787.85 crore). The increase was mainly due to increase in own tax revenue by 27.78 per cent (₹ 2742.25 crore) and State's share of Union taxes and duties by 16.50 per cent (₹ 3956.85 crore).
- State's own tax revenue exceeded the Budget estimate (₹ 12582.90 crore) and ThFC assessment (₹ 9302.67 crore) by 0.23 per cent (₹ 29.20 crore) and 35.58 per cent (₹ 3309.43 crore) respectively.
- Non-tax revenue decreased by 9.71 per cent (₹ 95.67 crore) primarily owing to recovery of Debt Waiver of ₹ 384.93 crore granted by Government of India (GOI) to Government of Bihar in 2009-10. The Non-tax revenue was also 70.20 per cent (₹ 2096.08 crore) below the Budget estimate (₹ 2985.94 crore) and 49.83 per cent (₹ 883.67 crore) lower than assessment of ThFC (₹ 1773.53 crore).
- Revenue expenditure during the year increased by 21.68 per cent (₹ 8283.57 crore). The increase was mainly due to the increase in expenditure on General Services by 15.98 per cent (₹ 2442.75 crore), Social Services by 24.12 per cent (₹ 3639.36 crore) and Economic Services by 28.09 per cent (₹ 2201.54 crore). However, Revenue expenditure during the year was 6.88 per cent (₹ 3434.07 crore) less than the budget estimates (₹ 49933.56 crore).
- During the year the Non-Plan expenditure (revenue and capital) increased by 24.45 per cent (₹ 6690.15 crore) and the Plan expenditure increased by 6.23 per cent (₹ 1249.49 crore).

- Recoveries of loans and advances increased by 89.80 per cent (₹ 10.65 crore). Similarly disbursements of loans and advances increased by 72.87 per cent (₹ 803.45 crore). This resulted in a net increase in disbursements by ₹ 792.80 crore.
- Capital expenditure on asset creation decreased by 3.74 per cent (₹ 343.93 crore) during the year.
- Further, 89.63 per cent of the total expenditure was made from revenue receipts and the remaining from capital receipts and borrowed funds.
- Public Account receipts increased by 28.76 per cent (₹ 4981.36 crore) whereas disbursements increased by 27.73 per cent (₹ 4644.20 crore). This resulted in a net increase in the Public Account by ₹ 337.16 crore .
- The receipts under Public Debt increased by 9.87 per cent (₹ 595.44 crore) whereas its repayment increased by 33.44 per cent (₹ 732.43 crore) resulting into net decrease in Public Debt by ₹ 136.89 crore.
- The net impact of these transactions led to a decrease by 44.82 per cent (₹ 1225.99 crore) in the cash balance at the end of the year.

1.1.2 Budget Estimates and Actuals

Chart-1.1 presents the budget estimates and actuals for some important fiscal parameters. The details of actuals vis-à-vis budget estimates are given in Appendix 1.5.



(Source: Budget and State Finance Accounts of the year 2011-12)

The above chart depicts that during 2011-12 following variations took place as discussed below:

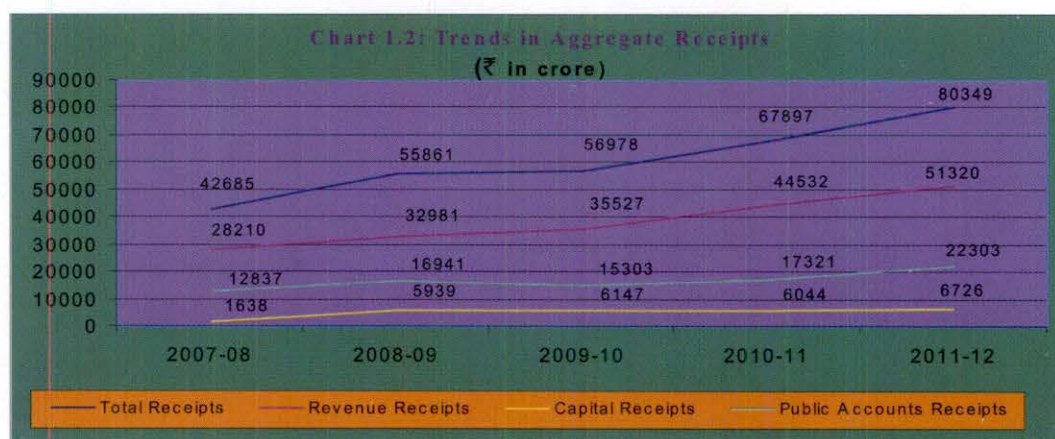
1. Revenue receipts were lower than the projections made in the BE by ₹ 4886 crore mainly as a result of decrease in non-tax revenue as compared to BE by ₹ 2096 crore (70 per cent). However, the tax revenue increased by ₹ 29 crore (0.23 per cent).
2. Revenue expenditure and capital expenditure were less than the BE by ₹ 3435 crore (6.87 per cent) and ₹ 6540 crore (42.48 per cent) respectively. The variation in revenue expenditure was due to less expenditure of ₹ 2133.37 crore under Social services, ₹ 775.39 crore under General services and ₹ 524.36 crore under Economic services which was less by ₹ 0.95 crore under Grants-in-aid and contributions.
3. Revenue surplus was less than the BE by ₹ 1451 crore (23.13 per cent) mainly due to decrease in revenue receipts by ₹ 4886 crore (8.69 per cent) than the projections made in the BE and decrease of ₹ 3435 crore in revenue expenditure over the projection made in the BE.
4. Fiscal deficit was less by ₹ 280 crore over the projections made in the budget estimates (₹ 6194 crore) mainly due to decrease in revenue surplus by ₹ 1451 crore than that provisioned in the BE.
5. Primary deficit increased by ₹ 154 crore over the projections made in the budget estimates (₹ 1456 crore).

1.2 Resources of the State

1.2.1 Resources of the State as per Annual Finance Accounts

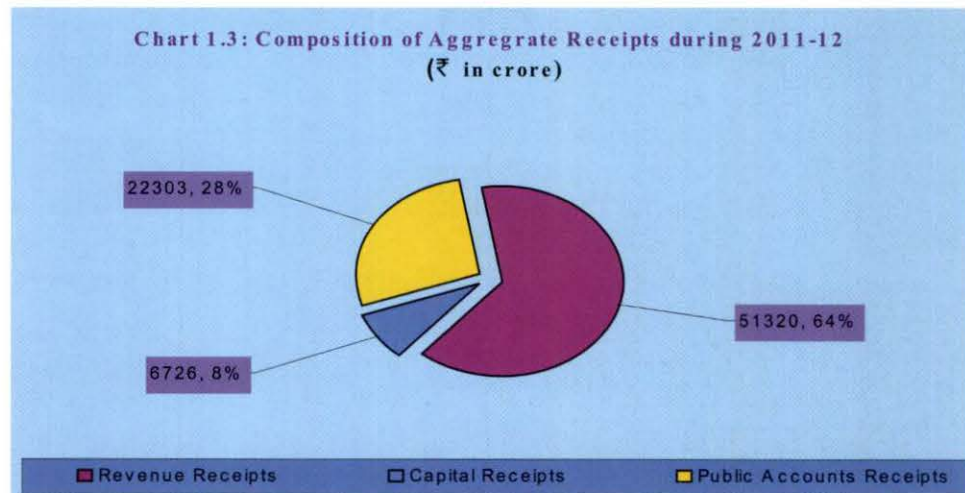
Revenue and Capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the Government of India (GOI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/ commercial banks) and loans and advances from GOI as well as accruals from Public Account.

Chart 1.2 depicts the trend of receipts during 2007-12 and **Chart 1.3** indicates the composition of these receipts during 2011-12.



Capital receipts include Public Debt Receipts, Recovery of Loans and Advances and Inter State Settlement.

(Source: State Finance Accounts of the respective years).



(Source: State Finance Accounts for the year 2011-12).

A perusal of **Chart Nos. 1.2 and 1.3** revealed that:

1. Total receipts increased by 88 per cent (₹ 37664 crore) during 2007-12.
2. Revenue receipts increased by 82 per cent (₹ 23110 crore) during 2007-12 whereas capital receipts increased by 311 per cent (₹ 5088 crore) during the same period.
3. Public account receipts increased by 74 per cent (₹ 9466 crore) during 2007-12.

Further scrutiny of Finance Accounts of the State revealed that major increase in revenue receipts during 2011-12 was mainly due to increase in Taxes on Sales, Trade etc. by 64.06 per cent (₹ 2919 crore), share of Corporation Tax by 17.32 per cent (₹ 1623 crore), share of Service Tax by 39.45 per cent (₹ 943 crore), State Excise by 30.04 per cent (₹ 458 crore), Interest Receipts by 141.09 per cent (₹ 336 crore) etc.

1.2.2 Funds transferred to State implementing agencies outside the State budget

The Government of India has been transferring a sizeable quantum of funds directly to the State implementing agencies³ for the implementation of various schemes/programmes in social and economic sectors. These funds are not routed through the State budget/State treasury system and therefore the annual finance accounts do not capture the flow of these funds and to that extent, the State's receipts and expenditure as well as other fiscal variables/ parameters derived from them have not taken these funds into account.

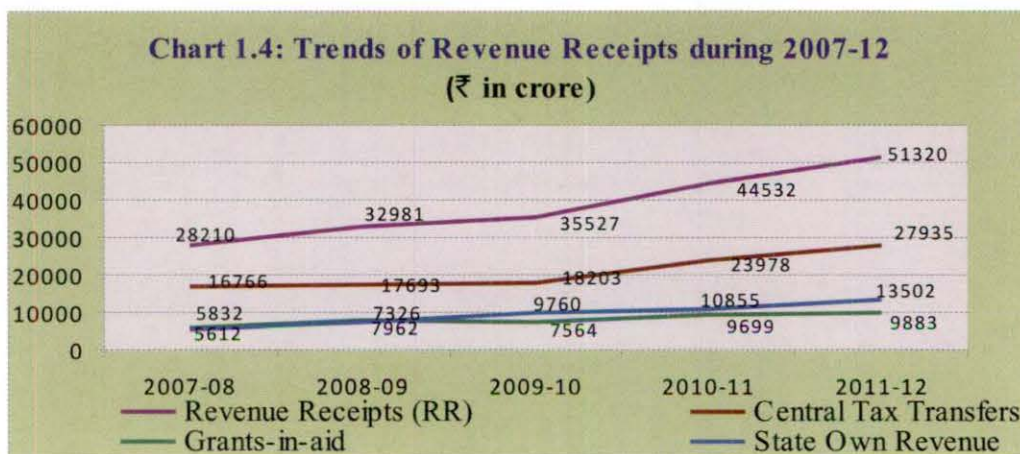
Direct transfer of funds from the GOI to State implementing agencies implies the presence of an adequate control mechanism for effective oversight of utilisation of funds and the absence of which could impact and inhibit the Fiscal Responsibility and Budget Management Act's requirement of transparency in fiscal operations and accountability. To present a holistic picture on the availability of aggregate resources, funds directly transferred to State Implementing Agencies are presented in **Appendix 1.6**.

³ State implementing agencies include any organisation / institution including non-Government organisation which is authorised by the State Government to receive funds from the Government of India for implementing specific programmes in the State, e.g. State implementing society for Sarva Shiksha Abhiyan, State Health Society for National Rural Health Mission, etc.

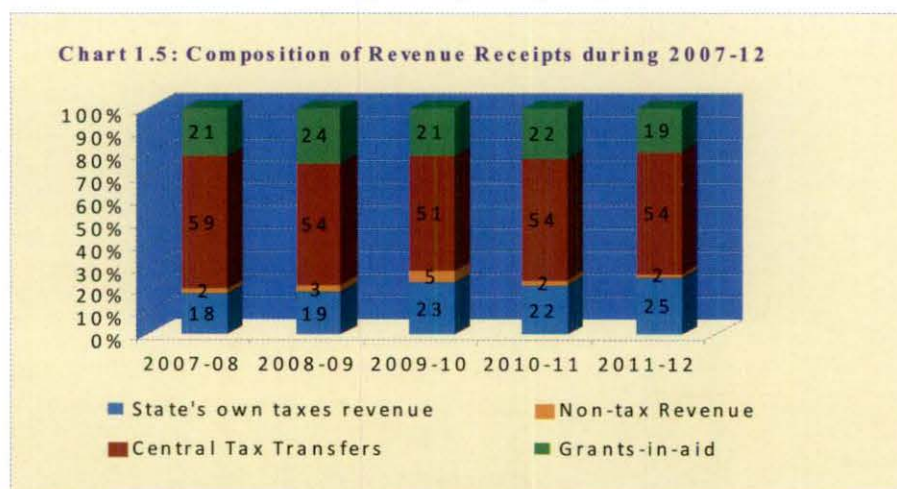
During 2011-12 the Government of India directly transferred ₹ 8958 crore to the State implementing agencies which was 13 *per cent* less than the previous year. While the major recipients were Bihar Education Project Council (₹ 1851 crore i.e. 21 *per cent*), District Rural Development Agencies (₹ 3575 crore i.e. 40 *per cent*) and Registered Societies under Pradhan Mantri Gram Sadak Yojna (₹ 3196 crore i.e. 36 *per cent*), in the current year major decrease in transfer of fund was noticed in case of District Rural Development Agencies (₹ 944 crore), Registered Societies under Pradhan Mantri Gram Sadak Yojna (₹ 263 crore) and Bihar Education Project Council (₹ 197 crore).

1.3 Revenue Receipts

Statement-11 of the Finance Accounts states the revenue receipts of the Government. The revenue receipts consist of own tax and non-tax revenue, central tax transfers and grants-in-aid from the Government of India. The trends and composition of revenue receipts over the period 2007-12 are presented in *Appendix 1.7* and in *Charts 1.4* and *1.5* respectively.



(Source: State Finance Accounts of the respective years).



(Source: State Finance Accounts of the respective years).

The charts above indicate the following:

- The revenue receipts increased by 81.92 *per cent* (₹ 23110 crore) during the period 2007-12. A major contributor to this increase was the State's own tax revenue share of which increased from 18 *per cent* in 2007-08 to 25 *per cent* in 2011-12.

- The share of Grants-in-aid (GIA) from the Government of India decreased from 21 *per cent* in 2007-08 to 19 *per cent* in 2011-12. The share of Central Tax Transfer (CTT) also decreased from 59 *per cent* in 2007-08 to 54 *per cent* in 2011-12.
- Non-tax revenue remained at two *per cent* of Revenue Receipts during 2007-08 which increased to three *per cent* and five *per cent* during 2008-09 and 2009-10 respectively but its share again came down to two *per cent* during 2010-12.

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	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Receipts (RR) (₹ in crore)	28210	32981	35527	44532	51320
Rate of growth of RR (<i>per cent</i>)	22.21	16.91	7.72	25.35	15.24
State's own tax	5086	6173	8090	9870	12612
Rate of growth of State's own tax (<i>per cent</i>)	26.11	21.37	31.05	22.00	27.78
GSDP (₹ in crore)	118923	151650	177537	217814	262230
Rate of growth of GSDP	14.88	27.52	17.07	22.69	20.39
RR/GSDP (<i>per cent</i>)	23.72	21.75	20.01	20.44	19.57
Buoyancy Ratios⁴					
Revenue Buoyancy w.r.t. GSDP	1.49	0.61	0.45	1.12	0.75
State's own tax buoyancy w.r.t. GSDP	1.75	0.78	1.82	0.97	1.36

(Source: State Finance Accounts of the respective years).

The growth rate of revenue receipts of the State was in double digits during the period 2007-12 except 2009-10 when it declined from 16.91 *per cent* in 2008-09 to 7.72 *per cent* in 2009-10. It however picked up again to 25.35 *per cent* in 2010-11 and finally came down to 15.24 *per cent* in 2011-12.

The State's own-tax buoyancy with reference to GSDP decreased from 1.75 *per cent* in 2007-08 to 1.36 *per cent* in 2011-12 with intermediate year variations.

1.3.1 State's Own Resources

As the State's share in Central taxes and grants-in-aid are determined on the basis of recommendations of the Finance Commission, the collection of Central tax receipts and Central assistance for Plan Schemes etc, the State's performance in mobilization of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources.

The State's own tax and non-tax revenues (NTR) for the year 2011-12 *vis-a-vis* assessment made by ThFC and State Government Budget estimate are given in **Table 1.3** below:

Table 1.3 Assessment/Projection and Actual figure

	(₹ in crore)		
	ThFC Assessment	Budget projections	Actuals
Tax revenue	9303	12583	12612
Non-tax revenue	1774	2986	890

(Source: State Finance Accounts, Budget and ThFC figures).

Though the State's tax revenue during 2011-12 exceeded the ThFC assessment by ₹ 3309 crore and was more than the budget estimates by ₹ 29 crore, the non-tax revenue was significantly less than the assessment of the ThFC and the State's budget estimates by ₹ 884 crore and ₹ 2096 crore respectively which indicated

4 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*.

unrealistic budget projections of the State. The NTR collections during 2011-12 was less than that of the previous year also by ₹ 95 crore, primarily owing to recovery of Debt Waiver of ₹ 384.93 crore granted to Government of Bihar in 2009-10 by the Central Government. Non-payment of the pension liabilities of the pre-reorganisation period by the Government of Jharkhand (₹ 7808.45 crore) also resulted in lower non tax revenues of the State.

1.3.1.1 Tax Revenues

The tax revenues of the State increased by 148 per cent (from ₹ 5086 crore to ₹ 12612 crore) during 2007-12. Major Components of increase are shown in Table 1.4.

Table 1.4: Major Component of increase in Tax Revenues during 2007-12

	(₹ in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Taxes on Sales, Trade, etc.	2535	3016	3839	4557	7476
Rate of growth (per cent)	22	19	27	19	64
State Excise	525	679	1082	1523	1981
Rate of growth (per cent)	37	29	59	41	30
Stamps and Registration	654	716	998	1099	1480
Rate of growth (per cent)	44	10	39	10	35
Taxes on Vehicles	273	298	345	455	569
Rate of growth (per cent)	51	10	16	32	25

(Source: State Finance Accounts of the respective years).

Appendix 1.7 presents the time series data on the State government finances. A perusal of the components of tax revenue in the Appendix reveals that:

- The revenue from taxes on sales, trade etc comprised the major share of tax revenue and ranged from 50 per cent in 2007-08 to 59 per cent 2011-12.
- The share of Stamps and Registration decreased from 13 per cent in 2007-08 to 12 per cent in 2011-12.
- The share of Taxes on vehicles also decreased from five per cent in 2007-08 to four per cent in 2011-12 respectively.
- The share of State excise increased from 10 per cent in 2007-08 to 16 per cent in 2011-12.

1.3.1.2 Cost of Tax Collection

The gross collection in respect of major revenue receipts, expenditure incurred on collection and percentage of such expenditure to the gross collection during the years 2009-10 to 2011-12 along with the all India average for the relevant previous years are as mentioned in Table 1.5 below:

Table 1.5: Cost of Collection

		(₹ in crore)				
Sl. No.	Head of revenue	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India percentage for the previous years
1	VAT/ Sales Tax	2009-10	5541.00	48.84	0.88	0.88
		2010-11	6653.37	57.23	0.86	0.96
		2011-12	8414.43	66.17	0.79	0.75
2	State Excise	2009-10	1081.68	44.02	4.07	3.66
		2010-11	1523.35	37.65	2.47	3.64
		2011-12	1980.98	41.24	2.08	3.05
3	Stamp duty and Registration fee	2009-10	997.90	45.90	4.60	2.77
		2010-11	1098.68	46.58	4.24	2.47
		2011-12	1480.07	43.10	2.91	1.60

Sl. No.	Head of revenue	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India percentage for the previous years
4	Taxes on Vehicles	2009-10	345.13	10.41	3.02	2.93
		2010-11	455.43	16.92	3.72	3.07
		2011-12	569.13	22.31	3.92	3.71

(Source: Information furnished by the Revenue Audit wing of the PAG (Audit).

It can be seen from the above table that the percentage of cost of collection in respect of Stamp duty and Registration fees and Taxes on Vehicles during 2009-12 in the State was higher than the all India average cost of collection.

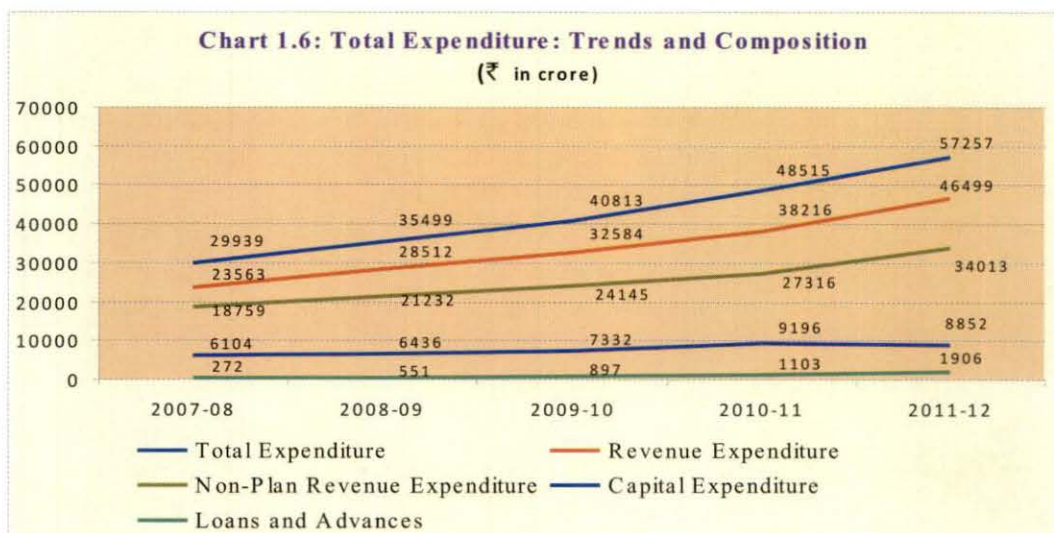
It is recommended that the Government should analyse the high cost of collection and take appropriate measures in this regard.

1.4 Application of resources

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

1.4.1 Growth and Composition of Expenditure

Chart 1.6 presents the trends in total expenditure over a period of five years (2007-2012):



(Source: State Finance Accounts of the respective years).

The total expenditure comprising revenue expenditure, capital expenditure and loans and advances, increased from ₹ 29,939 crore in 2007-08 to ₹ 57,257 crore in 2011-12. The increase of ₹ 8,742 crore in total expenditure in 2011-12 over the previous year was mainly due to increase of ₹ 8,283 crore (22 per cent) in revenue expenditure and ₹ 803 crore (73 per cent) in loans and advances which was offset by decrease of ₹ 344 crore (four per cent) in capital expenditure. The growth rate of total expenditure ranged between 15 and 19 per cent during 2007-12. The growth rate of total expenditure also decreased from 19 per cent in 2010-11 to 18 per cent in 2011-12. The total expenditure was around 22 per cent of GSDP during 2010-11 as well as in 2011-12.

The total expenditure and its composition during the years 2007-08 to 2011-12 are given below in Table-1.6.

Table 1.6: Total expenditure and its composition

Description	₹ in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Total expenditure	29939	35499	40813	48515	57257
Rate of growth	14.66	18.57	14.97	18.87	18.02
Revenue expenditure (Percentage to Total expenditure)	23563 (79)	28512 (80)	32584 (80)	38216 (79)	46499 (81)
Of which, non plan revenue expenditure	18759	21232	24145	27316	34013
Capital expenditure (Percentage to Total expenditure)	6104 (20)	6436 (18)	7332 (18)	9196 (19)	8852 (15)
Loans and advances (Percentage to total expenditure)	272 (01)	551 (02)	897 (02)	1103 (02)	1906 (03)

(Source: Finance Accounts of the respective years)

Revenue expenditure

Revenue expenditure is incurred to maintain the current level of services and make payment for past obligations and as such does not result in any addition to the State's infrastructure and services network.

The Revenue expenditure was 81 per cent of the total expenditure, of which, 73 per cent was on non-plan revenue expenditure and 27 per cent was on plan expenditure (*Appendix-1.7*) indicating that more than half of the revenue expenditure was incurred on non-plan expenditure.

Plan revenue expenditure

The share of plan revenue expenditure which normally covered the maintenance expenditure incurred on services, increased as a percentage of the total revenue expenditure from 16 in 2007-08 to 22 in 2011-12. The plan revenue expenditure during 2011-12 increased by ₹ 1587 crore (15 per cent) relative to 2010-11 mainly due to increase under Social welfare and nutrition (₹ 673 crore), Welfare of Scheduled caste, Scheduled tribes and Other backward castes (₹ 501 crore), General economic services (₹ 178 crore) and Health and family welfare (₹ 157 crore). However, the plan revenue expenditure (₹ 12487 crore) was less than the budget estimates (₹ 27503 crore) by ₹ 15016 crore (55 per cent) as detailed in *Appendix 1.4*.

Non-plan revenue expenditure

The non-plan revenue expenditure (NPRE) during 2011-12 increased by ₹ 6697 crore (25 per cent) mainly due to increase in the expenditure under Education, Sports, Art and Culture services (₹ 1941 crore), rural development (₹ 1134 crore), energy (₹ 946 crore), transport (₹ 154 crore), and Health and Family Welfare (₹ 144 crore) (*Appendix-1.4*).

The NPRE (₹ 34013 crore) was less than the normative projection made in the budget estimates (₹ 37823 crore) by 10 per cent (₹ 3810 crore). However, the share of NPRE to total revenue expenditure declined from 63 per cent in 2007-08 to 59 per cent in 2011-12.

Capital expenditure

- Capital expenditure decreased by four per cent (₹ 344 crore) over the previous year mainly due to decrease in expenditure under the Heads: capital outlay on Energy (₹ 905 crore), water supply, sanitation, housing and urban development programmes (₹ 298 crore), Rural development (₹ 115 crore) and education, sports, arts and culture (₹ 87 crore).

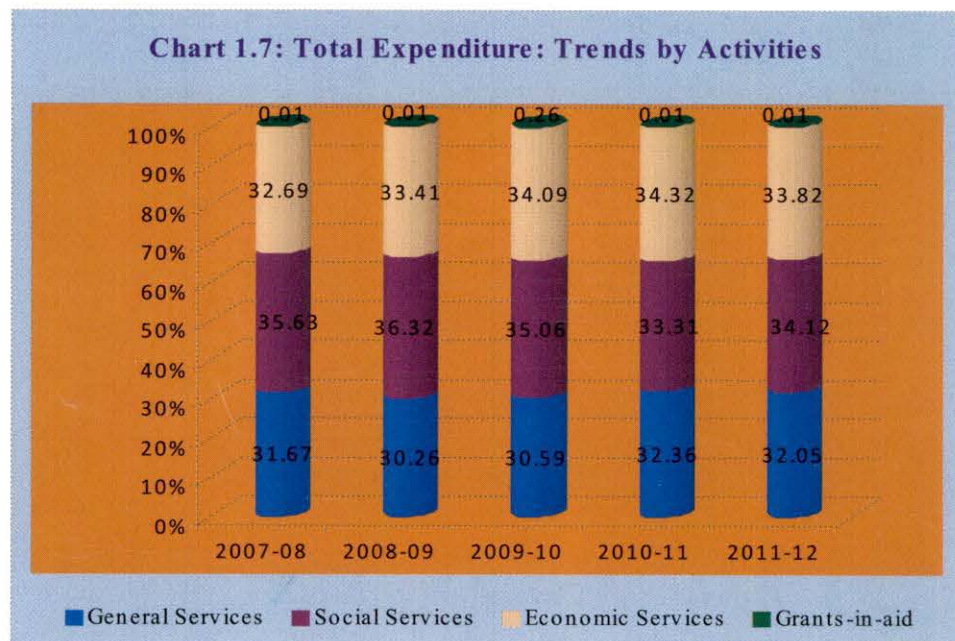
- The capital expenditure and loans and advances were 15 *per cent* and three *per cent* respectively of the total expenditure.

The share of expenditure on loans and advances in 2010-11 was two *per cent* which increased to three *per cent* of the total expenditure during the year due to increase in disbursement in loans and advances by the State Government.

Trends in total expenditure in terms of activities

In terms of activities, total expenditure could be considered as being composed of expenditure on General Services (including interest payments), Social and Economic services, Grants-in-aid. Relative share of these components in total expenditure is indicated in **Chart-1.7**.

Chart-1.7 depicts the composition of total expenditure in terms of 'Economic classification' over the period 2007-12.



(Source: State Finance Accounts of the respective years)

The movement of relative share to various components of expenditure indicated that while share of General Services including interest payments decreased from 31.67 *per cent* in 2007-08 to 30.59 *per cent* in 2009-10 but increased to 32.05 *per cent* in 2011-12. The share of economic services increased from 32.69 *per cent* in 2007-08 to 34.32 *per cent* in 2010-11 and it remained at 33.82 *per cent* in 2011-12.

Revenue expenditure of the State increased from ₹ 38215.92 crore in 2010-11 to ₹ 46499.49 crore in 2011-12. The break-up of revenue expenditure into NPRE and Plan revenue expenditure (PRE) showed that the proportionate share of NPRE in the increase of RE was substantially higher than the PRE.

While the share of General Services and Economic Services in total expenditure increased marginally from 2007-08 to 2011-12, the share of Social Services marginally decreased during this period. The total increase of ₹ 8283.57 crore comprised of ₹ 6696.25 crore and ₹ 1587.32 crore in NPRE and PRE respectively. The NPRE in 2011-12 at ₹ 34013 crore was higher than the narrative assessment of ThFC (₹ 26475 crore) but less than budget estimates (₹ 37823 crore).

1.4.2 Expenditure on interest payments, salaries and wages, pensions, subsidies and repayment of debt

Table 1.7 presents the trends in the expenditure on components of interest payments, salaries and wages, pensions, subsidies and repayment of debt during 2007-12.

Table-1.7: Trends of Expenditure on interest payments, salaries and wages, pensions, subsidies and repayment of debt on revenue account

(₹ in crore)

SI No.	Items of Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12	
						BE	Expenditure
1	Salaries	6469.53 (22.93)	7545.61 (22.88)	9658.74 (27.19)	10549.85 (23.69)	12777.92	12193.69 (23.76)
2	Under Non-Plan	5914.81 (20.97)	6996.20 (21.21)	9001.42 (25.34)	9954.35 (22.35)	12451.18	11494.50 (22.40)
3	Under Plan *	554.72 (1.97)	549.41 (1.67)	657.32 (1.85)	595.51 (1.34)	326.74	699.19 (1.36)
4	Interest Payments	3706.99 (13.14)	3752.94 (11.38)	3685.48 (10.37)	4319.16 (9.70)	4738.51	4303.66 (8.39)
5	Pensions	2788.94 (9.89)	3479.03 (10.55)	4318.70 (12.16)	6143.86 (13.80)	7584.26	7808.45 (15.22)
6	Repayment of Debt	1631.85 (25.22)	1682.28 (22.29)	1982.99 (20.53)	2190.03 (20.76)	2907.89	2922.46 (23.97)
7	Subsidies	402.36 (1.43)	808.31 (2.45)	944.39 (2.66)	1349.96 (3.03)	0.00	2672.27 (5.21)
8	Total (1+4+5+6+7)	14999.67 (53.17)	17268.17 (52.36)	20590.30 (57.96)	24552.86 (55.13)	28008.58	29900.53 (58.26)
9	Other Components	8563.20 (30.36)	11243.41 (34.09)	11993.87 (33.76)	13663.06 (30.68)	21924.98	16598.96 (32.34)
10	Revenue Expenditure	23562.87	28511.58	32584.17	38215.92	49933.56	46499.49
11	Revenue Receipts	28209.72	32980.69	35526.83	44532.32	56205.86	51320.17

Figures in the parentheses indicate percentage to Revenue Receipts

*Plan Head also includes the salaries and wages paid under the Centrally Sponsored Schemes.

(Source: State Finance Accounts of the respective years and Budget for the year 2011-12)

Expenditure on Salaries

Expenditure on salaries as a percentage of revenue receipts decreased from 27.19 per cent in 2009-10 to 23.76 per cent during 2011-12. The expenditure of ₹ 12193.69 crore on salaries was higher than ThFC assessment (₹ 9707.99 crore) by ₹ 2485.70 crore but were lower than the budget estimates (₹ 12777.92 crore) by ₹ 584.23 crore.

Interest Payments

Interest payments (₹ 4303.66 crore) increased by 16.10 per cent over the last five years (2007-12). The percentage of interest payments to revenue receipts decreased from 13.14 per cent in 2007-08 to 8.39 per cent in 2011-12. Interest payments (₹ 4303.66 crore) during 2011-12 were within the assessment made by ThFC (₹ 4763.57 crore) and the budget estimates (₹ 4738.51 crore).

Pension Payments

Expenditure on pension (₹ 7808.45 crore) was 15.22 per cent of the total revenue receipts of the State during the year. This expenditure was higher than the ThFC assessment of ₹ 4245.11 crore by ₹ 3563.34 crore (83.94 per cent) and exceeded the budget estimate of ₹ 7584.26 crore by ₹ 224.19 crore (2.96 per cent) during the year.

Expenditure on Repayment of Debt

Expenditure on Repayment of Debt as a percentage of revenue receipts decreased from 25.22 per cent in 2007-08 to 23.97 per cent during 2011-12. This expenditure marginally exceeded the budget estimates (₹ 2907.89 crore) by ₹ 14.57 crore (0.50 per cent).

Subsidies

In any welfare State, it is not uncommon to provide subsidies/subventions to disadvantaged sections of the society. Subsidies may be dispensed either explicitly or implicitly by providing subsidized public services to the people. Budgetary support to financial institutions, inadequate returns on investments and poor recovery of user charges from social and economic services provided by the Government fall in the category of implicit subsidies.

The total subsidies during the current year was ₹ 2672.27 crore which was 97.95 per cent higher than previous year and constituted 5.75 per cent of revenue expenditure. Of this, ₹ 2133.39 crore was provided as resource gap to the Bihar State Electricity Board (BSEB), ₹ 207.87 crore for promotion of agricultural mechanisation, ₹ 165 crore for VAT subsidy under Industrial policy and ₹ 120 crore for subsidy to food processing industries. During 2011-12, the resource gap of BSEB was higher by ₹ 1053.39 crore over the previous year.

1.4.3 Financial Assistance by State Government to local bodies and other institutions.

The quantum of assistance provided by way of grants to local bodies and other institutions during the period 2007-12 is presented in the **Table 1.8** below:

Table 1.8 :Financial Assistance to Local Bodies and other institutions

(₹ in crore)

Financial Assistance to Institutions	2007-08	2008-09	2009-10	2010-11	2011-12
Educational Institutions (Aided Schools, Aided Colleges, Universities)	808.58	966.80	613.07	1940.11	5581.07
Municipal Corporations and Municipalities	209.40	950.04	997.68	690.21	557.30
Zila Parishad and Other Panchayati Raj Institutions	13.16	900.05	1395.22	1515.34	2534.41
Development Agencies	1.88	26.84	984.13	394.24	3029.74
Hospitals and Other Charitable Institutions	5.00	20.51	33.44	53.67	25.00
Other Institutions	95.35	1558.25	356.33	28.25	2716.16
Total	1133.37	4422.49	4379.87	4621.82	14443.68
Assistance as per percentage of RE	4.81	15.51	13.44	12.09	31.06

(Source: Finance Accounts of the State for the respective years)

An analysis of the above table reveals that the financial assistance during 2011-12 increased to ₹ 14444 crore⁵ from ₹ 4622 crore in 2010-11. The increase of ₹ 9822 crore (213 per cent) over the previous year was mainly due to increase in assistance to educational institutions (₹ 3641 crore), ZPs and PRIs (₹ 1019 crore), Development agencies (₹ 2636 crore) and other institutions (₹ 2688 crore). The assistance to Municipal Corporation and Municipalities and Hospitals and Other charitable institutions, however, decreased by ₹ 133 crore and ₹ 29 crore respectively.

⁵ As per note no.8 to Finance Accounts total GIA disbursed on the basis of data captured in VLC system on treasury vouchers is ₹ 14444 crore. Against which only 391 sanction orders for GIA of ₹ 12849 crore was received in the AG (A&E)'s office from various departments.

Analysis of expenditure of Other institutions (₹ 2716 crore) reveals that the major expenditure was in Bihar State Crop Insurance Fund (Grants to State Crop Insurance Fund on account of compensation for payment of insured crop to farmers) ₹ 244.94 crore⁶, Bihar Agriculture Management and Extension (National Agriculture Development Plan) ₹ 414.69 crore, Bihar State Crop Insurance Fund (for crop insurance schemes) ₹ 215.95 crore, Bihar Rural Development Society (Mahatma Gandhi Rural Employment Guarantees Schemes) ₹ 196.50 crore, Food Processing Units (Incentive for food processing industries) ₹ 158.16 crore, Block Development Officers (Scholarship to students of backward class) ₹ 143.63 crore, Deputy Director, Schedule Caste/Scheduled Tribes Welfare Department, Bihar (For development of Mahadalit) ₹ 118 crore, Block/Nagar Panchayat (Indira Gandhi Renewable Energy), Development Agencies (Assistance for administrative expenses) ₹ 64 crore and District Programme Officers of ICDS (Dress Schemes for Anganwari children) ₹ 23.25 crore etc.

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 the following:

1.5.1 Adequacy of Public Expenditure

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

Table 1.9 analyses the fiscal priority of the State Government with regard to development expenditure, social expenditure and capital expenditure during 2011-12.

Table 1.9: Fiscal Priority and Fiscal capacity of the State in 2008-09 and 2011-12

(In per cent)

Fiscal Priority by the State	AE/ GSDP	DE [#] / AE	SSE/ AE	CE/ AE	Edn/ AE	Health/ AE
*General Category States Average (Ratio) 2008-09	17.00	67.09	34.28	16.47	15.41	3.97
Bihar's Average (Ratio) 2008-09	23.41	69.73	36.32	18.13	19.39	3.63
General Category State Average (Ratio) 2011-12	16.09	66.44	36.57	13.25	17.18	4.30
Bihar's Average (Ratio) 2011-12	21.83	67.94	34.12	15.46	17.84	3.71

* As per cent of GSDP

AE: Aggregate Expenditure, DE: Development Expenditure, SSE: Social Sector Expenditure, CE: Capital Expenditure, Edn: Education

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

(Source: State Finance Accounts of respective years, Directorate of Economics and Statistics, Government of Bihar for GSDP)

⁶ Out of shown expenditure ₹ 190.45 crore was lying in the Bank Account of Cooperative Department Bihar State Crop Insurance Fund.

Table 1.9 indicates the following:

- Bihar is spending higher proportion of its GSDP on aggregate expenditure as compared to average of general category States⁷. However, as compared to 2008-09, Bihar has spent less proportion of its GSDP on aggregate expenditure in the current year.
- Development expenditure as proportion of aggregate expenditure in Bihar during 2011-12 was also higher than the average of general category States in 2008-09 as well as in 2011-12 showing adequate priority given to developmental expenditure.
- In Bihar, adequate priority has been given to the overall Social sector and Education sector but less priority to Health sector as compared to average of general category States in 2008-09 as well as in 2011-12.
- The proportion of capital expenditure has been higher in both the years 2008-09 and 2011-12, when compared to the average of General Category States. Increased priority to physical capital formation will further increase the growth prospects of the State by creating durable assets.

1.5.2 Efficiency of Expenditure

In view of the importance of public expenditure on development heads⁸ from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods⁹. Apart from improving the allocation towards development expenditure¹⁰, particularly in view of the fiscal space being created on account of the decline in the expenditure on debt servicing in the 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 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.

Development expenditure comprises revenue and capital expenditure including loans and advances in socio-economic services.

Table 1.10 and chart 1.8 represent the trends of 'development expenditure' relative to the aggregate expenditure of the State during 2007-12.

⁷ This average is of 16 general category states excluding Delhi, Goa & Puducherry.

⁸ Development heads include Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.

⁹ Core public goods are goods which all citizens enjoy in common in the sense that each individual's consumption of such a goods leads to no subtractions from any other individual's consumption of that goods, e.g. enforcement of law and order, security and protection of rights; pollution free air and other environmental goods and road infrastructure, etc.

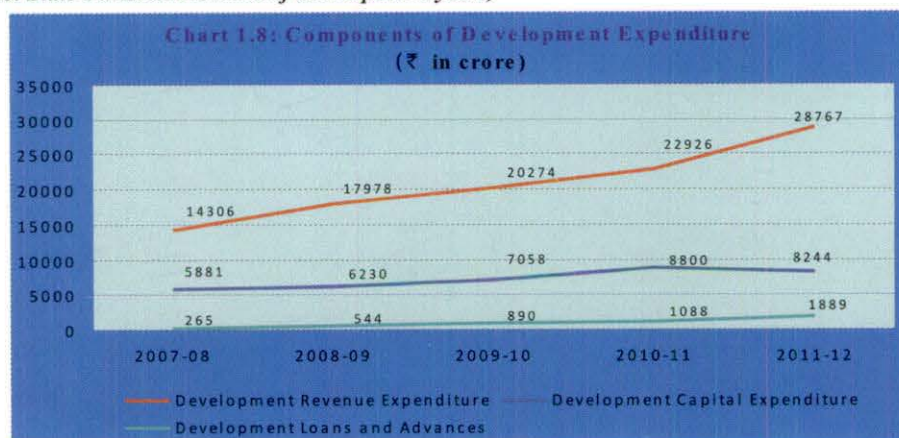
Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay to the Government and therefore, wishes to encourage their consumption. Examples of 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.

¹⁰ The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is 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.

Table-1.10: Development Expenditure relative to aggregate expenditure

(₹ in crore)					
Components of Development Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12
Development Expenditure (a to c) (percentage of DE to total expenditure)	20452 (68.31)	24752 (69.73)	28222 (69.15)	32814 (67.64)	38900 (67.94)
a. Development Revenue Expenditure#	14306 (47.78)	17978 (50.64)	20274 (49.68)	22926 (47.26)	28767 (50.24)
b. Development Capital Expenditure#	5881 (19.64)	6230 (17.55)	7058 (17.29)	8800 (18.14)	8244 (14.40)
c. Development Loans and Advances	265 (0.89)	544 (1.53)	890 (2.18)	1088 (2.24)	1889 (3.30)

Figures in Parentheses indicate percentage of DE to total expenditure.
Included social service and economic service expenditure
(Source: State Finance Accounts of the respective years)



(Source: State Finance Accounts of the respective years)

Development expenditure comprising revenue expenditure, capital expenditure and loans and advances on socio-economic services increased from ₹ 20452 crore in 2007-08 to ₹ 38900 crore in 2011-12. As a percentage of total expenditure, it was around 68 per cent during 2007-2012.

Expenditure on Social and Economic Services

Table 1.11 provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of selected Social and Economic Services during 2010-11 and 2011-12.

Table 1.11: Efficiency of Expenditure and its use in Selected Services

Social/Economic Infrastructure	2010-11		2011-12	
	Share of CE in TE	Share of S&W in RE	Share of CE in TE	Share of S&W in RE
Social Services (SS)				
General Education	0.15	44.60	0.32	43.28
Health and Family Welfare	9.90	73.32	15.11	72.89
Water Supply, Sanitation, & Housing and Urban Development	27.06	10.28	16.23	11.59
Total (SS)	6.71	43.25	4.81	43.21
Economic Services (ES)				
Agriculture & Allied Activities	0.83	19.57	5.77	23.78
Irrigation and Flood Control	51.04	47.73	59.96	47.15
Power & Energy	45.31	-	4.51	-
Transport	86.52	25.73	83.75	23.30
Total (ES)	55.51	22.86	50.26	20.34
Total (SS+ES)	30.72	36.80	25.98	36.05

TE: Total Expenditure, CE: Capital Expenditure, RE: Revenue Expenditure, S&W: Salaries and Wages

(Source: State Finance Accounts of the respective years)

The trends presented in **Table 1.11** above revealed that capital expenditure of these selected socio-economic services as a percentage of the total expenditure on these heads decreased from 30.72 *per cent* in 2010-11 to 25.98 *per cent* in 2011-12, which does not auger well for the State. Share of salaries and wages in revenue expenditure of these heads decreased from 36.80 *per cent* in 2010-11 to 36.05 *per cent* in 2011-12, which indicated a positive shift in the State finances.

In the selected services, the percentage of capital expenditure on Social Services to total expenditure decreased from 6.71 *per cent* in 2010-11 to 4.81 *per cent* in 2011-12. The percentage of capital expenditure on the selected Economic Services to total expenditure decreased from 55.51 *per cent* in 2010-11 to 50.26 *per cent* in 2011-12. The decrease was mainly seen under Water Supply, Sanitation & Housing and Urban Development in Social Services and Power & Energy and Transport in Economic Services.

The share of salary and wages in revenue expenditure on the selected social services marginally decreased from 43.25 *per cent* in 2010-11 to 43.21 *per cent* in 2011-12 while the share of salary and wages in revenue expenditure on the selected Economic Services decreased from 22.86 *per cent* in 2010-11 to 20.34 *per cent* in 2011-12. The decreases were mainly seen under Transport and Irrigation and Flood control in the Economic Services and General education and Health and family welfare under Social Service. Similarly, increases were seen under agriculture and allied activities in the economic services and Water Supply, Sanitation & Housing and Urban Development in the Social Services.

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 expenditure during the current year *vis-à-vis* the previous years are presented.

1.6.1 Incomplete projects

The blocking of funds on incomplete works (including works stopped due to reasons such as litigation) impinges negatively on the quality of expenditure. The department-wise information pertaining to incomplete projects as on 31 March 2012 is given in **Table 1.12**. Altogether, 380 schemes/projects (estimated cost ₹ 3395.35 crore) were due for completion up to March 2012, but remained incomplete resulting in blocking of ₹ 1579.46 crore. Further it was revealed that there were cost overruns to the extent of ₹ 22.20 crore in 12 schemes/projects of Water Resources Department (08), Road Construction Department (03) and National Highway (01) as given in **Appendix 1.8**.

Table 1.12: Department-wise Profile of Incomplete Projects

Department	No. of Incomplete Projects	Estimated cost	Progressive expenditure upto March 2012	Cost over run	
				No.	Amount
Public Health Engineering	254	1263.79	567.58	0	0
National Highway	09	64.35	30.52	1	0.29
Building Construction	12	40.97	25.08	0	0
Water Resources	80	1856.98	875.98	8	20.60
Road Construction	25	169.26	80.30	3	1.31
Total	380	3395.35	1579.46	12	22.20

(Source: Finance Accounts of the State for the year 2011-12)

Non-completion of projects/works within the stipulated time not only result in increase in cost but also delay the intended benefit.

1.6.2 Investments and returns

As of 31 March 2012, the State Government had invested ₹ 920.82 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operative Institutions as indicated in Table 1.13.

Table-1.13: Return on Investment

Investment/Return/Cost of Borrowings	2007-08	2008-09	2009-10	2010-11	2011-12
Investment at the end of the year (₹ in crore)	828.68	832.18	856.18	905.24	920.82
Return (₹ in crore)	3.19	2.14	2.06	2.53	1.40
Return (per cent)	0.38	0.26	0.24	0.28	0.15
Average rate of interest on Government borrowing (per cent)	7.15	7.93	6.48	6.87	6.35
Difference between interest rate and return (per cent)	6.77	7.67	6.24	6.59	6.20

(Source: State Finance Accounts of the respective years)

As may be seen from Table 1.13 above the average return on these investments was 0.26 per cent in last five years while the Government paid average interest rate of 6.96 per cent on its borrowings during 2007-12.

Of the ₹ 920.82 crore invested by the State Government, in the share capital of different entities, ₹ 105.63 crore was invested in three statutory corporations, ₹ 403 crore in 39 Government Companies, ₹ 3.88 crore in 10 other joint stock companies and partnerships and ₹ 378.12 crore in 16 co-operative institutions and local bodies. Government invested ₹ 15.58 crore during the year. Out of this two crore was invested in Government companies.

There was meager return of ₹ 1.40 crore against the investment of ₹ 920.82 crore during 2011-12. In test check it was revealed that in eight Government Companies/Corporations¹¹, there was loss of ₹ 1366.56 crore against the investment of ₹ 967.74 crore in equities (₹153.82 crore) and loans (₹ 813.92 crore). As a result, the entire sum of investment in these eight companies/corporations is non-realizable. Similarly in 15 government companies/corporations with the investment of ₹ 243.79 crore, there was significant loss of ₹ 215.19 crore (Details in Appendix 1.9). As per ThFC recommendations, all states were required to draw up a road map for winding up of non-working PSUs by March 2011. However, no detailed plans in this regard were communicated by the departments concerned.

¹¹ Bihar State Road Transport Corporation, Bihar State Financial Corporation, Bihar State Credit and Investment Corporation Ltd., Bihar State Agro Industries Development Corporation Ltd., Bihar Rajya Beej Nigam Ltd., Bihar State Dairy Corporation Ltd, Bihar Text Book Publishing Corporation Ltd and Bihar State Police Building Construction Corporation.

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 is providing loans and advances to many institutions and organizations.

Table 1.14 presents the status of outstanding loans and advances and interest receipts vis-à-vis interest payments during the last three years.

Table -1.14: Average Interest Received on Loans Advanced by the State Government
(₹ in crore)

Amount of Loans/Interest Receipts/ Cost of Borrowings	2009-10	2010-11	2011-12
Opening Balance	14667.83	15551.42	16642.19
Amount advanced during the year	896.78	1102.63	1906.08
Amount repaid during the year	13.20	11.86	22.51
Closing Balance	15551.41	16642.19	18525.76
<i>Of which</i> outstanding balance for which terms and conditions have been settled			
Net addition	883.58	1090.77	1883.57
Interest Receipts	353.27	237.96	573.70
Interest receipts as percentage of outstanding Loans and advances	2.27	1.43	3.10
Interest payments as percentage of outstanding fiscal liabilities of the State Government.	6.28	6.87	6.35
Difference between interest payments and interest receipts (per cent)	-4.01	-5.44	-3.25

(Source: State Finance Accounts of the respective years)

Loans advanced during the current year (₹ 1906.08 crore) increased by ₹ 803.45 crore (73 per cent) over the previous year (₹ 1102.63 crore). Out of ₹ 1906.08 crore advanced during the year, ₹ 935.54 crore was for power projects. Further, of the total outstanding loans of ₹ 18525.76 crore, ₹ 14730.25 crore were of the power sector. This shows that the Government was providing loans and advances to the power sector without ensuring their repayment (principal and interest). Test check revealed that Bihar State Electricity Board was provided loan of ₹ 13642.81 crore up to 2011-12 and the Board has been incurring substantial loss each year (Details in *Appendix 1.9*).

1.6.4 Cash Balances and Investment of Cash balances

Table 1.15 depicts the cash balances and investments made by the State Government during the year.

Table-1.15: Cash Balances and Investment of Cash balances

Particulars	As on 31 March 2011	As on 31 March 2012	Increase/ Decrease
Cash Balances	2735.44	1509.45	-1225.99
Investments from Cash Balances (a to d)	2294.80	434.46	(-)1860.34
a. GOI Treasury Bills	0.00	0.00	0.00
b. GOI Securities	2290.15	429.81	(-)1860.34
c. Securities of other State Government	4.65	4.65	0.00
d. Other Investments	0.00	0.00	0.00
Fund-wise break-up of Investment from Earmarked balances (a to c)	440.10	676.53	236.43
a. Famine Relief Fund	0.10	0.10	0.00
b. Sinking Fund	440.00	676.43	236.43
Interest Realised	222.08	236.53	14.45

*No increase, figures adopted by rounding of 0.0961

(Source: State Finance Accounts of the respective years)

Cash balances decreased from ₹ 2735.44 crore to ₹1509.45 crore during the year. Further, the State Government's investments in GOI securities decreased from ₹ 2290.15 crore as on 31 March 2011 to ₹ 429.81 crore as on 31 March 2012. The investment in earmarked balances increased by ₹ 236.43 crore in the year ending 31 March 2012. Interest of ₹ 236.53 crore realized on investment during 2011-12 was higher by ₹ 14.45 crore than the interest realised (₹ 222.08 crore) during 2010-11.

Test check of records of Cooperative department headquarters, five District Planning Offices¹², Principal, Srikrishna Medical College, Muzaffarpur and 12 Corporations¹³, Councils, Undertakings and Societies revealed that Government Funds to the tune of ₹ 2413.57 Crore was lying in 66 Commercial Bank accounts, Fixed Deposit etc of these institutions/organizations (Details in *Appendix 1.10*) as indicated in foot note no. 5 of Statement I of Finance Accounts.

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. *Appendix 1.11* gives the summarised financial position of the State Government as on 31 March 2011 and 2012. 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.

Total liability means the liabilities under the Consolidated Fund and Public Account of the State and also includes borrowings by Public Sector Undertakings and special purpose vehicles and other equivalent instruments, including guarantees where the principal and/or interest are to be serviced out of the State budgets.

1.7.2 Fiscal Liabilities

The trends in outstanding Fiscal liabilities of the State are presented in **Table 1.16** and **Chart 1.9**.

Table 1.16: Outstanding Fiscal Liabilities¹⁴

Year	2007-08	2008-09	2009-10	2010-11	2011-12
Amount (₹ in crore)	50989.18	54976.75	58689.91	62858.01	67811.84
Growth Rate	3.87	7.82	6.75	7.10	7.88
Ratio of fiscal liabilities to					
GSDP	0.429	0.363	0.331	0.289	0.259
Revenue receipts	1.807	1.667	1.652	1.412	1.321
Own resources	9.086	7.504	6.013	5.791	5.022
Buoyancy ratio of fiscal liabilities to					
GSDP	0.260	0.284	0.396	0.313	0.386
Revenue receipts	0.174	0.462	0.875	0.280	0.517
Own resources	0.165	0.256	0.203	0.633	0.323

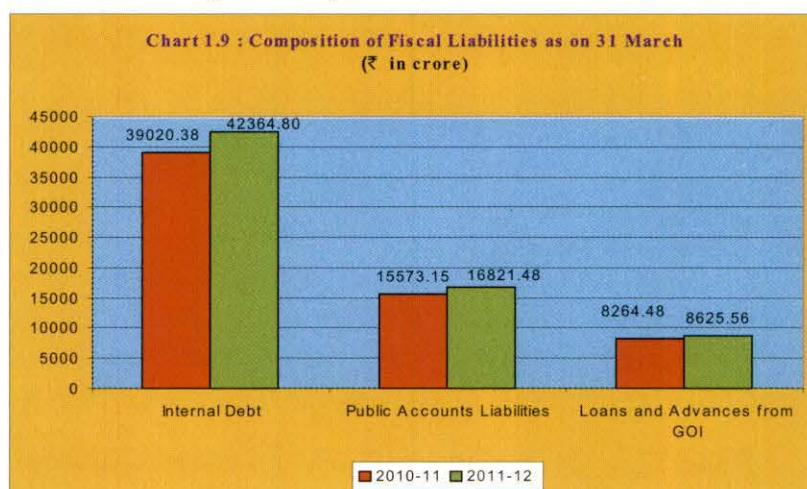
(Source: State Finance Accounts of the respective years)

¹² Ara, Bhabhua, Buxar, Motihari, and Rohtas

¹³ Bihar Aapada Punarwas Evam Punarnirman Society Bihar School Examination Board (Secondary), Bihar Medical Services and Infrastructure Corporation Limited, Bihar Madhyamik Shiksha Parishad, Bihar Mahadalit Vikas Mission, Bihar Rajya Pul Nirman Nigam Ltd., Bihar Rural Road Development Authority, Bihar State Educational Infrastructure Development Corporation Limited, Bihar State Health Society, Bihar Urban Infrastructure Development Corporation Limited, Indira Gandhi Institute of Medical Sciences, and Bihar State Women Development Corporation.

¹⁴ Market loan, Loans and advances from GOI, Loans from Small Savings, PF, etc and other obligation

Fiscal liabilities of the State increased by ₹ 50989.18 crore in 2007-08 to ₹ 67811.84 crore in 2011-12. The composition of the fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Chart 1.9**.



(Source: State Finance Accounts of the respective years)

As may be seen from **Table 1.16** above the overall fiscal liabilities of the State increased from ₹ 62858.01 crore in 2010-11 to ₹ 67811.84 crore in 2011-12. The growth rate of fiscal liabilities increased from 7.10 *per cent* in 2010-11 to 7.88 *per cent* in 2011-12. However, the ratio of fiscal liabilities to GSDP decreased from 42.88 *per cent* in 2007-08 to 25.86 *per cent* during 2011-12 and was lower than norm of 30 *per cent* recommended by ThFC. It was also significantly lower than the FRBM target of 46.40 *per cent* for the current year. The liabilities stood at 1.32 times the revenue receipts and 5.02 times the State's own resources at the end of 2011-12. The buoyancy of these liabilities with respect to GSDP during the year was 0.386. The decreasing trend of ratio of fiscal liabilities to GSDP indicates the State's capability to discharge its liabilities.

1.7.3 Status of Guarantees–Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. No law under Article 293 of the Constitution has been passed by the State legislature laying down the limit within which the Government may give guarantees on the security of the Consolidated Fund of the State. The position of guarantees given by the State Government for the last three years is shown in **Table 1.17**.

Table-1.17: Guarantees given by the Government

Guarantees	2009-10	2010-11	2011-12
Maximum amount guaranteed	1547.73	1549.03	2049.03
Outstanding amount (Principal) of guarantees	898.83	587.96	1092.34
Percentage of maximum amount guaranteed to total revenue receipts	4.36 (35527)	3.48 (44532)	3.99 (51320)

Figures in brackets indicate revenue receipts

(Source: State Finance Accounts of the respective years)

It was evident that the guarantees amounting to ₹ 504.38 crore was issued by the Government during 2011-12. The outstanding amount of ₹ 1092.34 crore of guarantees as on 31 March 2012 was mainly in respect of Bihar State Food and Civil Supplies Corporation (₹ 500 crore), Bihar State Electricity Board (₹ 194.68 crore), Credit co-operative (₹ 157.89 crore) and Bihar State Financial

Corporation (₹ 127.47 crore). Further, the State Government had not yet established a guarantee redemption fund by charging guarantee fees for the discharge of any liability as was recommended by Twelfth FC.

1.8 Debt Sustainability

Apart from the magnitude of debt of the State Government, it is important to analyze the various indicators that determine the debt sustainability¹⁵ of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilization¹⁶; sufficiency of non-debt receipts¹⁷; Non-availability of borrowed funds¹⁸, burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of the State Government securities.

Table 1.18 analyses the debt sustainability of the State, according to said indicators for the period of five years beginning from 2007-08.

Table 1.18: Debt Sustainability: Indicators and Trends

		(₹ in crore)				
Indicators of Debt Sustainability		2007-08	2008-09	2009-10	2010-11	2011-12
Debt Stabilisation (Quantum Spread + Primary Surplus)		5925.05	10729.53	-226.39	9449.84	7910.80
Sufficiency of non-debt receipts (Resource Gap)		1318.00	-804.00	-1524	3372	-1485.07
Net Availability of borrowed funds		-1496.00	93.28	28	71	651
Burden of Interest Payments (IP/RR Ratio)		0.13	0.11	0.10	0.10	0.10
Maturity Profile of State Debt (in years)*						
Zero to one year (2012)					738.69 (3.66)	
One to three years (2013-2015)					4450.55 (22.06)	
Three to five years (2016-2017)					895.05 (4.44)	
Five to seven years (2018-2019)					7488.93 (37.12)	
More than seven years (2020 and after that)					6600.00 (32.72)	
Total market borrowing					20173.22 (100.00)	
* The table contains maturity profile of market loans only for which year of maturity was available in Finance Accounts for the year 2011-12						
# Figures in bracket indicate <i>per cent</i> of repayment due.						

(Source: State Finance Accounts of the respective years)

The position of each indicator was as under:

If the quantum spread together with primary deficit is zero, the debt-GSDP ratio would be constant or debt would stabilise eventually. The quantum spread together with the primary deficit decreased from ₹ 9449.84 crore in 2010-11 to ₹ 7910.80 crore in 2011-12 which indicates that the sustainability of the debt has decreased.

Net availability of borrowed funds increased from ₹ 71 crore in 2010-11 to ₹ 651 crore in 2011-12.

¹⁵ The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about 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 return from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.

¹⁶ A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate-interest rate) and quantum spread (Debt multiplied by 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, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually start falling.

¹⁷ 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 incremental expenditure.

¹⁸ Defined as the ratio of the debt redemption (Principal plus 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.

As per Statement No.6 of Finance Accounts for the year 2011-12, the Government, raised internal debt of ₹ 5801 crore, loans and advances from GOI ₹ 827 crore, other liabilities ₹ 11943 crore and repaid internal debts of ₹ 2457 crore, loans and advances from GOI ₹ 465 crore and discharged other liabilities worth ₹ 10694 crore. Consequently, the net availability of borrowed funds was only ₹ 651 crore during the year.

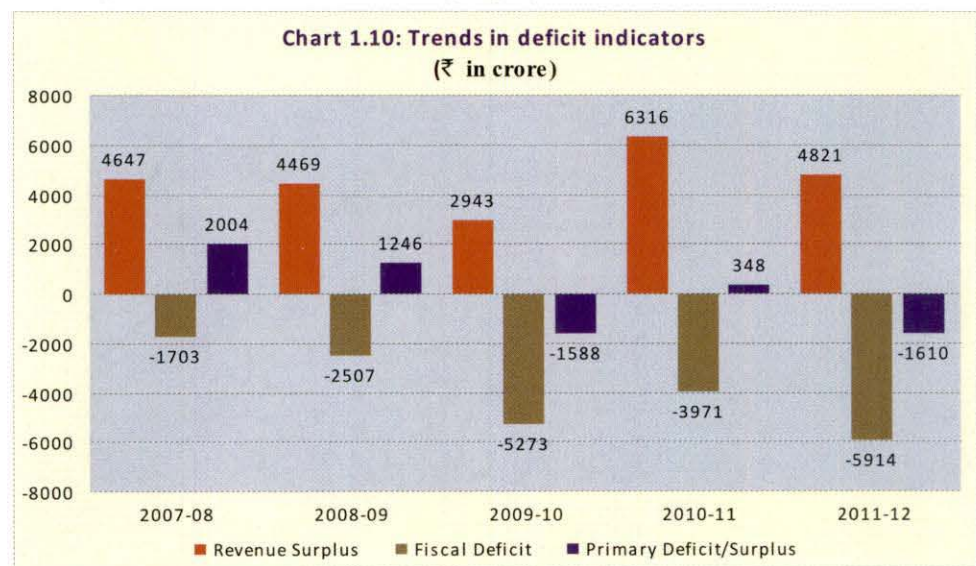
The maturity profile of the State's debt as per **Table 1.18** indicated that nearly 30.16 per cent of the total debts were repayable within the next five years, while the remaining 69.84 per cent were payable thereafter. State was liable to repay debts of ₹ 895.05 crore during the period 2016-17, ₹ 7488.93 crore during 2018-19 and ₹ 6600 crore during 2020 and after that for which it will have to improve its debt sustainability to generate funds for repayment of loans in the coming years. A well-planned debt repayment strategy will have to be worked out by the Government to ensure that no additional borrowings, which mature in these critical years, are made.

1.9 Fiscal Imbalances

Three key fiscal parameters—revenue, fiscal and primary deficits, indicate the extent of overall fiscal imbalances in the State Finances during a specified period. The deficit in the Government accounts represents the gap between receipts and expenditure. The nature of the deficit is an indicator of the prudence of fiscal management by the Government. Further the ways in which the deficit was financed and the resources raised were applied are important pointers to fiscal health. This section represents the trends, magnitude and the manner of financing of these deficits and the assessment of the actual levels of revenue and fiscal deficits *vis-a-vis* targets set under FRBM Act/Rules for the year 2011-12.

1.9.1 Trends of Deficits

The State achieved revenue surplus since 2007-08 and remained in revenue surplus thereafter. **Chart 1.10** indicates that while the actual surplus increased by ₹ 3373 crore during 2010-11 but decreased by ₹ 1495 crore in 2011-12 compared to the previous year. The revenue surplus of ₹ 4821 crore during 2011-12 was significantly less than the States' Budget projection of ₹ 6272 crore.



(Source: State Finance Accounts of the respective years)

Table 1.19: Trends in deficit indicators over the period 2007-12

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue surplus/GSDP	0.039	0.029	0.017	0.029	0.018
Fiscal deficit/GSDP	0.014	0.017	0.030	0.018	0.023
Primary surplus/GSDP	0.017	0.008	-0.009	0.002	-0.006

(Source: State Finance Accounts of the respective years)

During the year, the revenue surplus decreased by ₹ 1495 crore leading to increase in the fiscal deficit from ₹ 3971 crore in 2010-11 to ₹ 5914 crore in 2011-12. The ratio of fiscal deficit to GSDP (2.26 per cent) was however well within three per cent as laid down in its FRBM Act and projections recommended by the ThFC's for the year 2011-12.

Further, the primary surplus of ₹ 348 crore (2010-11) turned into primary deficit of ₹ 1610 crore during the year (Appendix 1.7).

1.9.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of fiscal deficit has undergone a composite shift. Receipts and disbursements under the components of financing the deficit during 2011-12 are given in Table 1.20.

Table 1.20: Components of Fiscal Deficit and its Financing Pattern

Particulars		2007-08	2008-09	2009-10	2010-11	2011-12
Composition of Fiscal Deficit		(-)1703.46	(-)2506.97	(-)5273.01	(-)3970.31	(-)5914.90
1	Revenue Deficit/ Revenue Surplus	4646.85	4469.11	2942.66	6316.40	4820.68
2	Net Capital Expenditure	(-)6103.78	(-)6436.35	(-)7332.09	(-)9195.94	(-)8852.01
3	Net Loans and Advances	(-)246.53	(-)539.73	(-)883.58	(-)1090.77	(-)1883.57
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	(-)779.56	3757.12	2501.91	1707.78	2593.90
2	Loans from GOI	39.75	(-)278.81	(-)49.35	316.03	361.08
3	Special Securities Issued to NSSF	661.59	529.08	1472.52	1533.39	505.56
4	Loans from Financial Institutions	58.26	238.22	226.32	285.20	244.96
5	Small Savings, PF etc.	268.40	144.41	(-)262.86	252.70	(-)2.13
6	Deposits and Advances	1700.04	(-)690.52	(-)134.15	50.94	932.91
7	Suspense and Miscellaneous	(-)2190.35	395.96	(-)290.89	1830.68	1238.71
8	Remittances	618.30	(-)221.57	(-)54.82	79.96	-36.82
9	Reserve Fund	(-)44.60	293.24	(-)41.69	23.72	335.93
10	Inter State Settlement	-	-	-	-	74.02
11	Overall Surplus/Deficit	-1371.62	1660.14	-1906.02	6080.37	6248.12
12	Increase / decrease in cash balance#				-2110.06	333.22
13	Gross Fiscal Deficit				3970.31	5914.90

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

Cash balance (Deposit with Reserve bank and remittance in treasury).

(Source: State Finance Accounts of the respective years)

Table 1.21: Receipts and Disbursements financing the fiscal deficit during 2011-12

Sl. No.	Particulars	Receipts	Disbursements	Net
1	Market Borrowings	4000.00	1406.10	2593.90
2	Loans from GOI	826.56	465.48	361.08
3	Special Securities Issued to National Small Savings Fund	1112.54	606.98	505.56
4	Loans from Financial Institutions	688.85	443.89	244.96
5	Small Savings, PF etc.	1031.81	1033.94	-2.13
6	Deposits and Advances	9877.98	8945.07	932.91
7	Suspense and Miscellaneous	124344.11	123105.40	1238.71
8	Remittances	9859.15	9895.97	-36.82
9	Reserve Funds	1114.53	778.60	335.93
10	Inter State Settlement	75.41	1.39	74.02
11	Overall surplus (-) deficit (+)			6248.12
12	Increase / decrease in cash balance			333.22
13	Gross Fiscal Deficit			5914.90

(Source: State Finance Accounts of the respective years)

The fiscal deficit, which represents the borrowing of the Government and its resource gap increased from ₹ 3970.31 crore in 2010-11 to ₹ 5914.90 crore in 2011-12 but was less than that projected in the Budget estimates (₹ 6194.03 crore).

During 2010-11, fiscal deficit was 43.17 *per cent* of capital expenditure but increased to 66.82 *per cent* during 2011-12. During the year 2007-08, the fiscal deficit was mainly financed by Deposits and Advances, Special Securities issued to NSSF and Remittances whereas during 2011-12, the fiscal deficit was mainly financed by Market Borrowings, Suspense and Miscellaneous, Deposits and Advances.

1.9.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit¹⁹ and capital expenditure (including loans and advances) would indicate the quality of deficit in the State's Finances. The bifurcation of the primary deficit (**Table 1.22**) would indicate the extent to which the deficit was on account of enhancement in capital expenditure, which may have been desirable to improve the productive capacity of the State's economy.

Table 1.22: Primary deficit/Surplus – Bifurcation of factors

(₹ in crore)

Year	Non-debt receipts ²⁰	Primary Revenue Exp- enditure ²¹	Capital Exp- enditure	Loans and Advances	Primary Exp- enditure	Primary revenue deficit (-)/surplus (+)	Primary deficit (-) /surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2007-08	28236	19856	6104 (23)	272	26232	8380	+2004
2008-09	32992	24759	6436 (20)	551	31746	8233	+1246
2009-10	35540	28899	7332 (21)	897	37128	6641	-1588
2010-11	44544	33897	9196(4)	1103	44196	10647	+348
2011-12	51343	42195	8852	1906	52953	9148	-1610

(Source: State Finance Accounts of the respective years)

Table above indicates that the Government had a primary revenue surplus of ₹ 8380 crore in 2007-08 which decreased to ₹ 6641 crore in 2009-10, but increased to ₹ 10647 crore in 2010-11 and finally decreased to ₹ 9148 crore in 2011-12. This was due to increase in primary expenditure (which includes primary revenue expenditure, capital expenditure and loans and advances) from ₹ 26232 crore in 2007-08 to ₹ 52953 crore in 2011-12. The details indicate that non-debt receipts were enough to meet the primary revenue expenditure and part of these receipts were utilized to meet capital expenditure. Though the State had primary surplus of ₹ 2004 crore in 2007-08, it turned into primary deficit of ₹ 1610 crore in 2011-12.

1.10 Conclusion

Pattern of Revenue and expenditure

The financial position of the State was stable during the year. In spite of slowdown in the Indian economy, the Revenue receipts of the Government of Bihar increased by 15.24 *per cent* during the year primarily due to significant increase in its own tax revenue by 27.78 *per cent* and higher tax devolution from the GOI by

¹⁹ Primary revenue deficit is defined as the gap between non-interest revenue expenditure of the State and its non-debt receipts and indicates the extent to which the non-debt receipts are able to meet the primary expenditure incurred under revenue account.

²⁰ Non-debt receipts is the aggregate of Revenue receipts and recovery of loans and advances.

²¹ Primary revenue expenditure is the difference between revenue expenditure and interest payment.

16.50 per cent. Tax revenue was more than 35.58 per cent and 0.23 per cent of the ThFC projection and Budget Estimates respectively. Non-tax revenue, however, declined by 9.71 per cent during the year particularly due to recovery of the debt waiver given by the GOI in 2009-10 and non-payment of pension liabilities of the pre-reorganisation period by the Government of Jharkhand.

Revenue expenditure during the year increased by 21.68 per cent (₹ 8283.57 crore). The increase was mainly due to the increase in expenditure on General Services by 15.98 per cent (₹ 2442.75 crore), Social Services by 24.12 per cent (₹ 3639.36 crore) and Economic Services by 28.09 per cent (₹ 2201.54 crore).

The non-plan revenue expenditure (NPRE) during 2011-12 increased by ₹ 6697 crore (25 per cent) mainly due to increase in the expenditure under Education, Sports, Art and Culture services (₹ 1941 crore), Rural development (₹ 1134 crore), Energy (₹ 946 crore), Transport (₹ 154 crore), and Health and Family Welfare (₹ 144 crore).

The plan revenue expenditure during 2011-12 increased by ₹ 1587 crore (15 per cent) relative to 2010-11 mainly due to increase under Social welfare and nutrition (₹ 673 crore), Welfare of Scheduled caste, Scheduled tribes and other backward castes (₹ 501 crore), General economic services (₹ 178 crore) and Health and family welfare (₹ 157 crore).

Expenditure under subsidies increased by 97.95 per cent over the previous year and constitutes six per cent of revenue expenditure.

Capital expenditure decreased by ₹ 344 crore from the previous year and accounted for 15 per cent of the total expenditure.

Review of Government investments

The average return of State Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operative Institutions was 0.26 per cent in last five years while the Government paid average interest rate of 6.96 per cent on its borrowings during this period.

Fiscal Parameters

Revenue surplus of ₹ 4821 crore during 2011-12 was significantly less than the State's Budget projection (₹ 6272 crore).

The fiscal deficit (₹ 5914 crore) increased as compared to the previous year and constituted 2.26 per cent of GSDP but was well within the limit (three per cent) fixed by ThFC and the State's own FRBM Act.

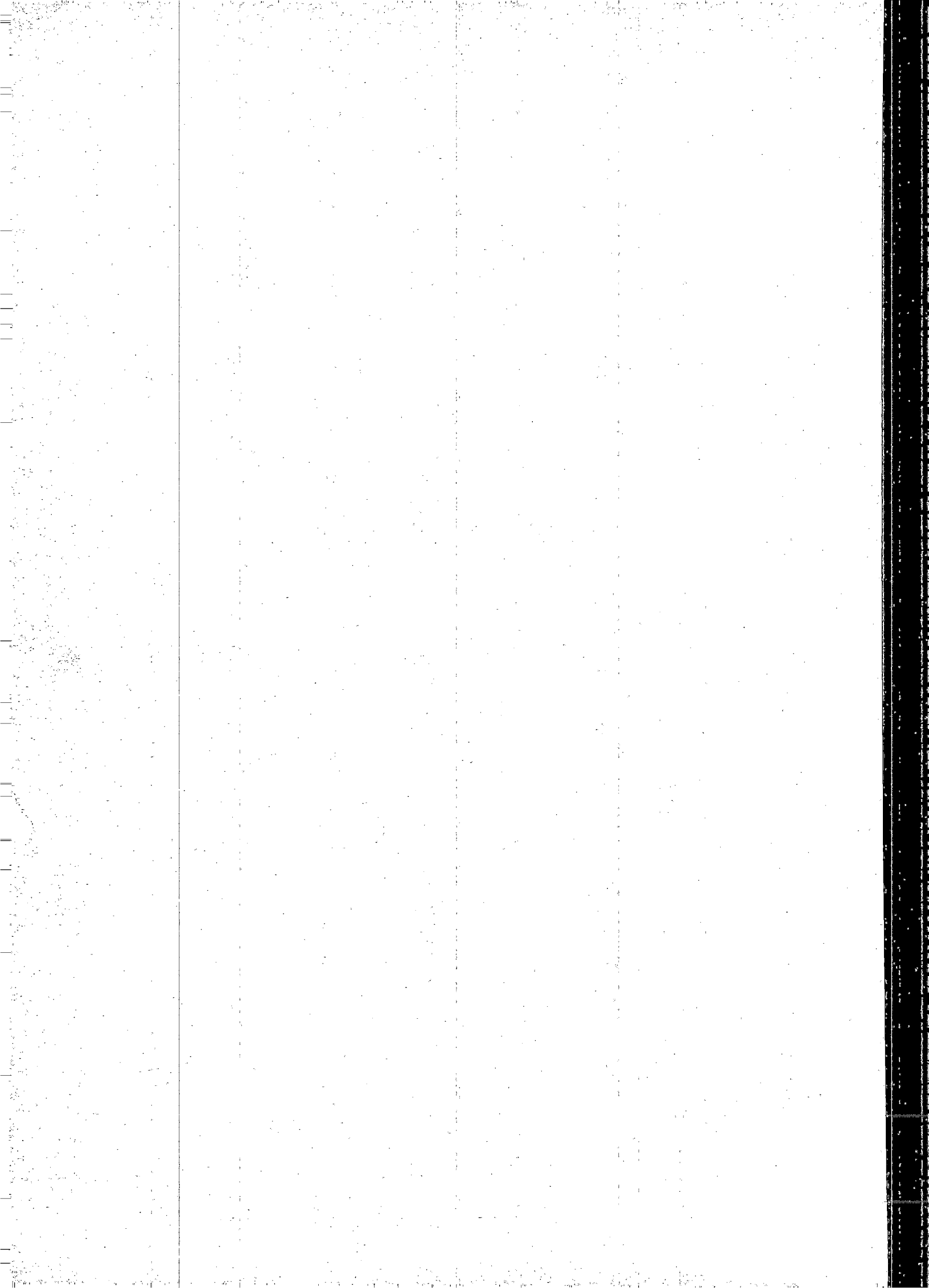
Fiscal liabilities (₹ 67811.84 crore) increased by 7.88 per cent over previous year. The fiscal liabilities to GSDP ratio at 25.86 per cent was lower than norms of 30 per cent recommended by ThFC.

Funds transferred directly from the GOI to the State implementing agencies

The GOI directly transferred ₹ 8958 crore to the State implementing agencies during 2011-12. These funds are not routed through the State Budget. Direct transfer of funds from GOI to these agencies implies the presence of an adequate control mechanism for effective oversight of utilization of funds, in the absence of which it could impact and inhibit the FRBM requirement of transparency in fiscal operations and accountability.

1.11 Recommendations

- State should make efforts to augment its non-tax revenue.
- There is an urgent need for the State 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 utilization of these funds. Since there is no certainty regarding the amount of funds actually utilized during the year, there is an urgent need to institutionalize transparency and accountability systems for better monitoring of Central funds directly transferred to State implementing agencies both by the State and by the Government of India.
- The State may take steps to ensure better value for money for investments. Projects which are justified on account of low financial but high socio-economic returns may be indentified and prioritized with full justification for channeling high-cost borrowing there.
- The Government may review the status of State Public Sector Undertakings and work out a revival strategy for those undertakings which can be made viable. Undertakings which are not likely to be viable may be closed down.



CHAPTER 2

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL



Ashokan Pillars (Vaishali)

2.1 Introduction

2.1.1 Appropriation Accounts are the 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 Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual revenue and capital 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, facilitates the management of finances and monitoring of budgetary provisions and are 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 is so charged. It also ascertains whether the expenditure so incurred is in conformity with the laws, relevant rules, regulations and instructions.

2.1.3 As per the Bihar Budget Manual, the Finance Department is responsible for preparation of the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called 'Demands for Grants'. In the preparation of the budget, the aim should be to achieve as close an approximation to the actual as possible. This onerous exercise requires lot of foresight, both in estimating revenue and anticipating expenditure. An avoidable extra provision in an estimate is as much a budgetary irregularity as an excess in the sanctioned expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and neither larger nor smaller. A saving in spending constitutes as much of a financial irregularity as an excess of expenditure. The budget estimates of receipts should be based on the existing rates of taxes, duties, fees etc.

Deficiencies in the management of budget and expenditure and violation of the Budget Manual noticed in audit have been discussed in the subsequent paragraphs.

2.2 Summary of Appropriation Accounts

The summarized position of expenditure during 2011-12 against 51 grants/appropriations is given in Table 2.1.

Table 2.1: Expenditure vis-a-vis Original/Supplementary provisions

(₹ in crore)						
	Nature of expenditure	Original grant/appropriation	Supplementary grant/appropriation	Total	Expenditure	Savings (-) Excess (+)
Voted	I Revenue	45194.13	8033.04	53227.17	42853.64	-10373.53
	II Capital	11447.81	2170.29	13618.10	8984.42	-4633.68
	III Loans and Advances	1036.61	991.39	2028.00	1907.47	-120.53
Total Voted		57678.55	11194.72	68873.27	53745.53	-15127.74
Charged	IV Revenue	5090.65	6.26	5096.91	4633.06	-463.85
	V Capital	0.00	0.00	0.00	0.00	0.00
	VI Public Debt-Repayment	2907.89	18.70	2926.59	2922.46	-4.13
Total Charged		7998.54	24.96	8023.50	7555.52	-467.98
Appropriation to Contingency Fund (if any)		0.00	0.00	0.00	0.00	0.00
Grand Total		65677.09	11219.68	76896.77	61301.05	-15595.72

Note: The expenditure includes recoveries/refund of revenue expenditure amounting to ₹ 987.21 crore and recoveries of capital expenditure amounting to ₹ 132.40 crore, adjusted as reduction of expenditure.

(Source: Appropriation Accounts, Government of Bihar for the year 2011-12)

The overall savings of ₹ 15595.72 crore was the result of savings of ₹ 10837.38 crore in 46 grants and eight appropriations under the Revenue Section and ₹ 4637.81 crore in 32 grants and one appropriation under the Capital Section and ₹ 120.53 crore in nine grants under the Loan Section.

Supplementary provisions of ₹ 11219.68 crore obtained during the year constituted 17.08 per cent of the original provision as against 22.93 per cent in the previous year.

The cases of savings/excesses were intimated (July 2012) by Accountant General (A&E), Bihar to the Controlling Officers, requesting them to reconcile the excess/savings but their explanations for excess/savings had not been received (October 2012).

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

Rule 65 of the Bihar Budget Manual provides that the Controlling officer should examine the budget estimates received from the disbursing officers to see that they are formally correct, that all details and explanations have been given and that the explanations are adequate. If inadequate, the provision should be altered. Further, under Rule 78 of the Bihar Budget Manual, copies of estimates received should be examined by the administrative department and the Finance Department and any point calling for examination should be dealt with at once. The administrative departments should not wait for the Finance Department to discover points requiring examination, but should proceed with the examination of the estimates immediately on their receipt.

The object of the examination by the administrative department is to detect excessive or inadequate provisions in the budget estimates and its revisions which they can do more easily than the Finance Department in view of their more

intimate knowledge of the actual conditions. It is also necessary that there should be no delay in getting replies to the budget slips issued by the Finance Department. This can only be achieved if the points referred to by the Finance department have been previously considered by the administrative department concerned and enquiries had been made by them in advance. It is of utmost importance that a budget slip should ordinarily be answered within a week of its receipt and in no case should a slip remain unanswered for more than a fortnight.

The outcome of appropriation audit revealed that in 29 grants, savings exceeded ₹ 10 crore in each case and also by more than 20 per cent of the total provision (*Appendix 2.1*). Against the total savings of ₹ 15595.72 crore, savings of ₹ 8907.78 crore (57.12 per cent) occurred in 10 grants having savings of ₹ 500 crore and above as indicated in **Table 2.2**. The major savings under the Revenue Voted section occurred in Education Department (₹ 2258.89 crore); Panchayati Raj Department (₹ 1120.56 crore) and Urban Development & Housing Department (₹ 713.46 crore). Under Capital Voted Section, the major savings occurred in Energy Department (₹ 871.99 crore), Finance Department (₹ 805.52 crore) and Planning and Development Department (₹ 771.67 crore). Reasons for final savings have not been intimated (December 2012).

Table-2.2: List of Grants with savings of ₹ 500 crore and above

(₹ in crore)							
Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Expenditure	Savings	Surrenders out of savings
Revenue-Voted							
1	21-Education Department	10915.91	1976.52	12892.43	10633.54	2258.89	1695.87
2	16-Panchayati Raj Department	2982.88	316.90	3299.78	2179.22	1120.56	210.00
3	48-Urban Development and Housing Department	1283.78	91.05	1374.83	661.37	713.46	326.33
4	51-Social Welfare Department	2808.47	467.04	3275.51	2599.27	676.24	520.19
5	22-Home Department	3534.19	380.88	3915.07	3380.33	534.74	128.82
6	20-Health Department	2305.31	151.90	2457.21	1928.36	528.85	104.11
	Total	23830.54	3384.29	27214.83	21382.09	5832.74	2985.32
Capital-Voted							
7	10-Energy Department	1733.93	181.45	1915.38	1043.39	871.99	798.23
8	12-Finance Department	24.00	811.23	835.23	29.71	805.52	3.78
9	35-Planning and Development Department	767.24	213.12	980.36	208.69	771.67	711.67
10	49-Water Resources Department	2096.38	343.51	2439.89	1814.03	625.86	547.11
	Total	4621.55	1549.31	6170.86	3095.82	3075.04	2060.79
	Grand Total	28452.09	4933.60	33385.69	24477.91	8907.78	5046.11

(Source: Appropriation Accounts, Government of Bihar for the year 2011-12)

Some cases of savings exceeding ₹ 500 crore are discussed below:

Revenue Voted:

i. Grant Number "21-Education Department"

Against the Original provision of ₹ 10915.91 crore, the expenditure was only ₹ 10633.54 crore, resulting in savings of ₹ 282.37 crore. Further, augmentation of funds (₹ 1976.52 crore) through supplementary grants proved unnecessary as the whole amount remained unutilized during the year. Reasons for final savings have not been intimated (December 2012).

ii. Grant Number “16-Panchayati Raj Department”

Supplementary provisions of ₹ 316.90 crore proved unnecessary as the total expenditure of ₹ 2179.22 crore was less than the original budget (₹ 2982.88 crore). Savings (₹ 1120.56 crore) mainly occurred under the head 2515-Other Rural Development Programmes, 101-Panchayati Raj (State Plan), 0111-Backward Region Grant Fund Scheme (₹ 494.01 crore), 2515-Other Rural Development Programmes, 198-Assistance to Gram Panchayats, 0001-Assistance to Panchayati Raj Institutions (₹ 114.78 crore). Reasons for final savings have been analysed in paragraph 2.8.

iii Grant Number “48- Urban Development and Housing Department”

Supplementary provision of ₹ 91.05 crore proved unnecessary as the total expenditure of ₹ 661.37 crore was less than the original budget (₹ 1283.78 crore). Savings (₹ 713.46 crore) was mainly under the head 2217-Urban Development, 80-General, 800-Other Expenditure, 0116-Grants-in-aid to Urban Local Bodies for integrated urban development (₹ 260 crore). Reasons for final savings have not been intimated (December 2012).

Capital Voted:

iv. Grant Number “10-Energy Department”

The grant closed with savings of ₹ 871.99 crore against the total budget of ₹ 1915.38 crore. Supplementary provision (₹ 181.45 crore) proved unnecessary. Reasons for final savings have not been intimated (December 2012).

v. Grant Number “12-Finance Department”

Against the provisions of ₹ 835.23 crore, the expenditure was only ₹ 29.71 crore, resulting in savings of ₹ 805.52 crore. Further augmentation of funds (₹ 811.23 crore) through supplementary grants proved unnecessary as out of (₹ 811.23 crore), only ₹ 5.71 crore was utilized and the rest ₹ 805.52 crore remained unutilized. Savings of ₹ 3.78 crore were surrendered due to non-receipt of proposal in time. Reasons for final savings have not been intimated (December 2012).

vi. Grant Number “35-Planning and Development Department”

Supplementary provision proved unnecessary as the total expenditure of ₹ 208.69 crore was less than both original provision (₹ 767.24 crore) as well as supplementary provision (₹ 213.12 crore). Bihar Government account showed that savings (₹ 771.67 crore) were mainly under the head 4070-Capital outlay on Other Administrative Services, 0107-Chief Minister Area Development Programme (₹ 664.59 crore including surrender of ₹ 604.59 crore). The Principal Secretary, Planning and Development Department, Government of Bihar in his surrender letter (31 March 2012) attributed substantial savings to delayed issuance of Authority for cheque drawal and non-posting of Divisional Accountants by AG (A&E). On verification it was found that the request of department itself was received in the Office of the AG (A&E) in March 2012. Further, appointment/posting of 67 Divisional Accountants was not possible within a month. Hence, the department itself was responsible for the savings and needed to improve its functioning so as to avoid recurrence of such incidence in the future.

2.3.2 Persistent Savings

Test check revealed that during the last five years, in 11 cases, there were persistent savings of more than ₹ 20 crore in each case and ranged between 11 to 76 per cent of the total grants as indicated in *Appendix 2.2*. Reasons for final savings have not been intimated (December 2012).

2.3.3 Excess over provisions relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get excesses over grants/appropriations regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Article, the regularization of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, expenditure amounting to ₹ 2278.22 crore for the previous years (1977 to 2011) was still to be regularized as shown in *Appendix 2.3*.

2.3.4 Unnecessary supplementary provisions

Rule 117 of the Bihar Budget Manual lays down the procedure for obtaining supplementary grants. As per this Rule, when the administrative department considers that a supplementary grant is necessary, whether to meet a new specific item of expenditure or to cover a probable excess in the voted grant due to unforeseen causes, it should first consult the Finance Department.

Supplementary provisions aggregating ₹ 5879.14 crore obtained in 51 cases (42 grants/appropriations), involving ₹ 10 lakh or more in each case during the year proved unnecessary as the expenditure did not come up to the level of the original provisions as detailed in *Appendix 2.4*.

From the above facts, it is clear that the Controlling Officers failed to exercise their responsibilities envisaged under Rule 11 of the Bihar Financial Rules. Demands for supplementary provisions without assessing the actual requirements indicated lack of control on the part of the controlling authorities.

2.3.5 Excessive/ unnecessary re-appropriation of funds

Rule 37 of the Bihar Budget Manual defines re-appropriation as the transfer of funds by a competent authority of a particular sum of money from one unit of appropriation to meet the specific expenditure under another.

Test check revealed that under 12 grants involving 30 sub-heads, additional funds of ₹ 25.92 crore provided through re-appropriation proved unnecessary as the final savings were ₹ 145.74 crore, as detailed in *Appendix 2.5*. Further, in two cases ₹ 290.87 crore was injudiciously withdrawn through re-appropriations, when there was excess expenditure of ₹ 205.63 crore as detailed in *Table 2.3*.

Table 2.3: Injudicious withdrawal through re-appropriation of funds

(₹ in crore)							
Sl. No.	Grant No.	Head of Accounts and Description	Total Provision	Re-appropriation	Total Surrender	Expenditure	Final Excess
1	2	3	4	5	6	7	8=7-(4+5+6)
1	3	2059-Public Works, 80-General, 053-Maintenance and Repairs, 0004-Electric Works	2.60	-0.30	-0.75	1.74	+0.19
2	41	5054-Capital outlay on Roads and Bridges, 03-State Highways, 337-Road Works, 0107-Rashtriya Sam Vikas Yojana	1176.61	-290.57	-278.48	813.00	+205.44
Total			11179.21	-290.87	-279.23	814.74	+205.63

(Source: Grants Register & Detailed Appropriation Accounts, Government of Bihar for the year 2011-12)

Under the Head 2059-“Public Works”, 80-“General”, 053-“Maintenance and Repairs”, 0004-“Electric Works of Grant No.03” ₹ 0.30 crore was withdrawn through re-appropriation whereas excess expenditure of ₹ 0.19 crore occurred.

Further, under the Head 5054-“Capital outlay on Roads and Bridges”, 03-“State Highways”, 337-“Road Works”, 0107-“Rashtriya Sam Vikas Yojana” under Grant No. 41, ₹ 290.57 crore was withdrawn through re-appropriation, whereas excess expenditure of ₹ 205.44 crore was incurred.

Thus instead of providing additional funds to meet additional requirements, withdrawal of funds was made from the deficient accounts.

Further, in 36 cases, withdrawals through re-appropriation of ₹ 85.54 crore proved insufficient since there remained savings of ₹ 582.49 crore under the relevant detailed heads of these grants as shown in *Appendix 2.6*.

The above instances are indicative of the fact that the Controlling Officers failed to anticipate their actual requirements and did not have up to date information regarding expenditure and re-appropriation.

2.3.6 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. No savings should be held in reserve for possible future excesses.

In 22 grants involving 69 sub-heads, against the total provision of ₹ 5838.96 crore, funds amounting to ₹ 4251.53 crore (72.81 per cent) were surrendered as indicated in *Appendix 2.7*. The surrender under each unit ranged between 50.11 to 99.99 per cent (₹ five crore and more than 50 per cent of the total provision in each case). These funds were surrendered on account of either non-implementation or slow implementation of schemes/programmes.

Further, there was 100 per cent surrender of funds (₹ 1472.61 crore) in 192 schemes under 30 grants/appropriations (*Appendix 2.8*) due to non-implementation of schemes and the beneficiaries were deprived of the benefits and services which could have been derived from these schemes.

2.3.7 Surrender in excess of actual savings

In four cases, the amount injudiciously surrendered (₹ one crore or more in each case) were in excess of the actual savings, indicating lack of or inadequate budgetary control in these departments. As against savings of ₹ 105.85 crore, the amount surrendered was ₹ 393.60 crore, resulting in excess surrender of ₹ 287.75 crore as given in **Table 2.4**.

Table 2.4: Surrenders in excess of actual savings (₹ one crore or more)

(₹ in crore)					
Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess (5-4=6)
1	Revenue – Voted 2	3	4	5	6
1	17-Commercial Tax	82.38	17.23	18.52	1.29
2	24-Information and Public Relation	65.03	8.23	19.42	11.19
3	38-Registration, Excise and Prohibition	124.21	39.67	40.79	1.12
Total		271.62	65.13	78.73	13.60
Capital- Voted					
4	41-Road Construction	4097.19	40.72	314.87	274.15
Total		4097.19	40.72	314.87	274.15
Grand Total		4368.81	105.85	393.60	287.75

(Source: Appropriation Accounts, Government of Bihar for the year 2011-12)

Injudicious surrenders of non-existent surpluses indicated lack of monitoring by the Controlling Officers of the departments.

2.3.8 Anticipated savings not surrendered/ belatedly surrendered

Audit scrutiny revealed that in violation of Rule 112 of Bihar Budget Manual, savings of ₹ 5498.56 crore (49.64 per cent) out of ₹ 11076.29 crore under 26 grants/ appropriations (savings of ₹ one crore or more and above 10 per cent in each case), were not surrendered, details of which are given in *Appendix 2.9*.

Besides, in 43 cases, where there was surrender of funds in excess of ₹ 10 crore and 10 per cent of the total provisions in each case, ₹ 5612.01 crore was surrendered on the last two working days of March 2012 (*Appendix 2.10*).

This shows that the Controlling Officers failed to discharge their basic responsibility of being accountable for budgetary control. These funds were neither utilized for the purposes for which they were allotted nor were these made available for utilization of other needy by re-appropriation.

2.3.9 Rush of Expenditure

As per Rule 113 of the Bihar Budget Manual, no money should be spent hastily or in an ill-considered manner merely because it is available or just to avoid the lapse of a grant. Rush of expenditure, particularly in closing month of the financial year is regarded as breach of financial regularity. Further, the Finance Department had also issued (April 1998) standing orders elaborating the spread plan for uniform expenditure i.e. 33 per cent between first April to 31 July; 32 per cent between first August to 30 November and 35 per cent between first December to 31 March. Besides this it was directed that instructions for compliance of this standing order should invariably be incorporated in each allotment order for expenditure.

Contrary to this, in respect of 30 Major heads listed in *Appendix 2.11*, expenditure exceeding 50 per cent of the total expenditure for the year was incurred in the month of March 2012.

Appropriate action needs to be taken to streamline the procedure to avoid heavy expenditure in the closing month of the financial year.

2.4 Unreconciled Expenditure

Rules 475 (viii) of the Bihar Financial Rules states that heads of departments and the Accountant General (A&E), Bihar will be jointly responsible for the reconciliation of the figures given in their respective accounts maintained by the heads of the departments with those that appear in the books of Accountant General (A&E), unless in any case there are special rules or orders to the contrary. Further, as per rule 134 of the Bihar Budget Manual, the head of departments should insist on their staff to follow the procedure laid down for reconciliation of departmental accounts with the Accountant General's books.

Although non-reconciliation of departmental figures with those of the Accountant General (A&E) had been pointed out regularly in Audit Reports, under 73 Major heads, heads of departments did not reconcile expenditure amounting to ₹ 49618.13 crore (exceeding ₹ 10 crore in each case) during 2011-12 as shown in **Appendix 2.12**. Out of which ₹ 27776.10 crore (55.98 per cent) relates to 10 Major¹ heads. Further scrutiny revealed that in 20 Major heads no reconciliation was done of ₹ 14645.79 crore (29.48 per cent of total non-reconciliation) as detailed in **Table 2.5**.

Table 2.5: Non reconciliation of expenditure during 2011-12

(₹ in crore)

Sl. No.	Major Heads	Booked Expenditure	Amount not reconciled
1	2048-Appropriation for reduction or avoidance of debt	236.43	236.43
2	2071-Pensions and Other Retirement Benefits	7808.45	7808.45
3	2203-Technical Education	55.23	55.23
4	2217-Urban Development	572.33	572.33
5	2406-Forestry and wild life	115.90	115.90
6	2705-Command Area Development	89.86	89.86
7	4047-Capital outlay on Other Fiscal Services	36.85	36.85
8	4055-Capital outlay on Police	279.86	279.86
9	4059-Capital outlay on Public Works	193.14	193.14
10	4202- Capital outlay on Education, Sports, Art and Culture	56.40	56.40
11	4210-Capital outlay on Medical and Public Health	321.05	321.05
12	4215-Capital outlay on Water Supply and Sanitation	305.40	305.40
13	4216-Capital outlay on Housing	26.56	26.56
14	4235-Capital outlay on Social Security and Welfare	82.44	82.44
15	4250-Capital outlay on Other Social Services	11.80	11.80
16	4408-Capital outlay on Food Storage and Warehousing	100.00	100.00
17	4702-Capital outlay on Minor Irrigation	149.96	149.96
18	4801-Capital outlay on Power Projects	102.37	102.37
19	4859-Capital outlay on Telecommunication and Electronic Industries	45.34	45.34
20	5054-Capital outlay on Roads and Bridges	4056.42	4056.42
	Total	14645.79	14645.79

(Source: Detailed AA for the year 2011-12 and information of the O/o the AG (A&E))

¹ 2049-Interest Payments, 2055-Police, 2071-Pensions and Other Retirement Benefits, 2210-Medical and Public Health, 2235-Social Security and Welfare, 2515-Other Rural Development Programme, 2801-Power, 4515-Capital Outlay on other Rural Development Programme, 4711-Capital Outlay on Flood Control Projects and 5054-Capital Outlay on Roads and Bridges.

Further, out of total receipt of ₹ 51320.17 crore during 2011-12, reconciliation was not done for ₹ 13074 crore (25.48 per cent) exceeding ₹ 10 crore in each case. Further scrutiny revealed that in 14 Major Heads no reconciliation was done of ₹ 10719.53 crore (20.89 per cent of total receipts) as detailed in **Table 2.6**

Table 2.6: Non reconciliation of receipts during 2011-12

(₹ in crore)			
Sl. No.	Major Heads	Booked Receipt	Amount not reconciled
1	0028	29.56	29.56
2	0039	1980.98	1980.98
3	0040	7476.36	7476.36
4	0041	569.13	569.13
5	0042	828.30	828.30
6	0043	54.69	54.69
7	0059	10.06	10.06
8	0070	11.49	11.49
9	0075	-383.78	-383.78
10	0210	23.91	23.91
11	0406	11.04	11.04
12	0515	29.85	29.85
13	0701	17.59	17.59
14	1054	60.35	60.35
Total 1		10719.53	10719.53
15	0029	167.49	160.94
16	0030	1480.07	1255.28
17	0045	25.52	25.51
18	0049	573.70	573.68
19	0405	10.16	8.43
20	0853	443.10	330.63
Total 2		2700.04	2354.47
Grand Total		13419.57	13074.00

(Source: Information received from the Office of the AG (A&E))

2.5 Advance drawal of funds

As per Rule 176 of Bihar Treasury Code, 2011, all charges incurred must be drawn and paid at once and no money should be withdrawn from the Treasury unless it is required for immediate payment. Further Rule 177 provides that no money shall be drawn from the Treasury in anticipation of demands or to prevent lapse of budget grants. If under special circumstance, money is drawn in advance under the orders of a competent authority, the unspent balance of the amount so drawn should be refunded to the Treasury by short drawal in the next bill or with a challan at the earliest possible opportunity and in any case before the end of the financial year in which the amount is drawn.

In the Accounts of Bihar Government for the year 2011-12, expenditure of ₹ 46499.49 crore and ₹ 8852.01 crore was shown as incurred on Revenue Accounts and Capital Accounts, respectively. However, test check of records of eight departments revealed that five Drawing and Disbursing Officers (DDOs)² drew ₹ 919.87 crore on 17 bills of Revenue head and nine DDOs³ drew ₹ 547.72 crore on 26 bills of Capital head and either deposited directly in Commercial Bank Accounts (₹ 192.16 crore)/ Personal Deposit (PD) Accounts (₹ 179.24 crore) or transferred to Public Sector Undertakings (PSUs) where it was

² DIG (Provision) (₹ 3.09 crore on 02 bills), Under Secretary (US) Human Resource Development Department (HRDD) (₹ 334.50 crore on 08 bills), US Urban Development and Housing Department (UD&H) (₹ 64 crore on 01 bill), Joint Director (JD) Planning & Development Department (P&D) (₹ 327.82 crore on 01 bill) and US Cooperative Department (₹ 190.455 crore on 05 bills).

³ DIG (Provision) (₹ 176.155 crore on 07 bills), US HRDD (₹ 13.43 crore on 05 bills), US Health (₹ 98.44 crore on 8 bills), Principal, VMC (₹ 50 crore on 01 bill), Principal, SKMC (₹ 1.70 crore on 01 bill), Supdt, SKMCH (₹ 4.00 crore on 01 bill), Supdt, PMCH (₹ 4.00 crore on 01 bill), US Food & Consumer Protection (₹ 100 crore on 01 bill), RWD, Patna (₹ 100 crore on 01 bill).

deposited in Commercial Bank Accounts/ Fixed Deposits (₹ 1096.19 crore). However, the whole amount was shown as expenditure in the accounts of Government of Bihar as detailed in **Appendix 2.13**. The irregular deposit of funds enabled the departments to avoid lapse of budget provision and to bypass budgetary compulsions to spend the amount before the close of the financial year. Moreover, as the funds drawn were not spent during the financial year, the expenditure shown in the Government accounts did not reflect the actual expenditure.

2.6 Advances from Contingency Fund

The Contingency Fund of the State was 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 made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorization by the Legislature, would be undesirable. The fund is in the nature of an imprest. The balance at the beginning of the year on 1 April 2011 was ₹ 350 crore. The State Legislature raised the corpus of the Contingency Fund from ₹ 350 crore to ₹ 1150 crore on temporary basis for the current financial year for relief and rehabilitation measures. However, the closing balance was ₹ 350 crore at the end of the financial year.

During 2011-12, 191 withdrawals amounting to ₹ 1242.99 crore (1.62 per cent of total budget provision) was made from contingency fund, of which 91 withdrawals amounting to ₹ 1225.53 crore (98.60 per cent of the total withdrawals from Contingency Fund) (**Appendix 2.14**) were for routine expenditure such as purchase of motor vehicles, office expenditure, pay and allowances etc. Since these items were foreseeable expenditure, the drawal of advances from the Contingency Fund of the State was irregular and incorrect.

Review of Selected Grants

A review of the budgetary procedures and control over expenditure was conducted (August 2012) in respect of 'Grant No. 3- Building Construction Department' and 'Grant No 16- Panchayati Raj Department' on the basis of savings, excesses and magnitude of the grants and supplementary demands made during the year 2011-12. The results of review are detailed below:

2.7 Review of Grant No.3 'Building Construction Department'

The Building Construction Department (BCD), Government of Bihar, undertakes public works of its own and those entrusted to it by other civil (service) department/ bodies/ authorities.

2.7.1 Substantial Savings

Against total provision (TP) of ₹ 799.53 crore (Original: ₹ 635.07 crore; Supplementary: ₹ 164.46 crore), an expenditure of ₹ 436.85 crore was incurred resulting in savings of ₹ 362.68 crore (45.36 per cent) during 2011-12 as detailed in the **Table 2.7** below:

Table 2.7: Summarised Appropriation

Budget Estimate		Original	Supple- mentary	Total Provision	Expen- diture	Savings	Surrender	(₹ in crore) Savings as percentage of Total provision
Department's own	Revenue	262.06	14.96	277.02	219.23	57.79	56.12	20.86
	Capital	83.26	5.00	88.26	57.44	30.82	30.05	34.92
	Total (A)	345.32	19.96	365.28	276.67	88.61	86.17	24.26
Relating to Other Service Departments	Revenue	14.11	0.00	14.11	1.47	12.64	12.84	89.58
	Capital	275.64	144.50	420.14	158.71	261.43	210.43	62.22
	Total (B)	289.75	144.50	434.25	160.18	274.07	223.27	63.11
Total (A+B)		635.07	164.46	799.53	436.85	362.68	309.44	45.36

(Source: Detailed Appropriation Accounts, Govt of Bihar for the year 2011-12)

Audit scrutiny of detailed Appropriation Accounts revealed that against the total provision of ₹434.25 crore for 17 other service departments⁴ under this Grant, there were substantial savings of ₹ 274.07 crore (63 per cent) (Appendix 2.15). This included 100 per cent unutilised amount of ₹ 118.30 crore of seven departments (27.24 per cent of total provision for other service department), whose works were not taken up during the year by BCD as shown in the Table 2.8.

Table 2.8: Details of 100 per cent unutilised amounts relating to Other Service Departments

Sl. No.	Name of Department	Major Head	Original	Supple- mentary	Total	Expen- diture	Savings	percentage of savings in respect of Total Provision
Revenue Voted								
1	Panchayati Raj	2059	2.00	0.00	2.00	0.00	2.00	100
2	Finance	2059	0.61	0.00	0.61	0.00	0.61	100
Total (A)			2.61	0.00	2.61	0.00	2.61	
Capital Voted								
3	SC & ST Welfare	4059	25.00	51.26	76.26	0.00	76.26	100
4	Labour	4059	23.38	0.00	23.38	0.00	23.38	100
5	Agriculture	4059	5.86	0.00	5.86	0.00	5.86	100
6	Panchayati Raj	4515	0.00	5.00	5.00	0.00	5.00	100
7	BC & EBC Welfare	4059	0.00	4.85	4.85	0.00	4.85	100
8	Information	4059	0.34	0.00	0.34	0.00	0.34	100
Total (B)			54.58	61.11	115.69	0.00	115.69	
Total (A+B)			57.19	61.11	118.30	0.00	118.30	

(Source: Detailed Appropriation Accounts, Govt of Bihar for the year 2011-12)

Further, there were substantial savings of ₹ 139.47 crore against the total provision of ₹ 210.08 crore in respect of eight other service departments, ranging from 46 to 97 per cent of the total provision as shown in Table 2.9:

4 Animal & Fisheries Resources (₹ 46.95 crore); Agriculture (₹ 8.11 crore); Education (₹ 1.50 crore); Law (₹ 69.60 crore); Finance (₹ 24.33 crore); Panchayati Raj (₹ 7.00 crore); Commercial Taxes (₹ 1.26 crore); Labour (₹ 23.38 crore); General Administration (₹ 40.14 crore); Cabinet Secretariat (₹ 1.05 crore); Art, Culture and Youth (₹ 65.96 crore); Information (₹ 0.34 crore); Science and Technology (₹ 54.33 crore); Registration, Excise and Prohibition (₹ 4.88 crore); Co-operative (₹ 4.30 crore); SC & ST Welfare (₹ 76.27 crore) and BC & EBC Welfare (₹ 4.85 crore).

Table 2.9: Substantial savings in other service departments

(₹ in crore)							
Sl No.	Name of Department	Original Provision	Supplementary Provision	Total	Expenditure	Savings	Percentage
Revenue Voted							
1	Law	7.72	0.00	7.72	0.21	7.51	97
2	Agriculture	2.25	0.00	2.25	0.21	2.04	91
	Total (A)	9.97	0.00	9.97	0.42	9.55	
Capital Voted							
3	Animal & Fisheries Resources	46.92	0.00	46.92	10.76	36.16	77
4	Science & Technology	54.33	0.00	54.33	22.27	32.06	59
5	Art, Culture and Youth	14.00	51.96	65.96	35.35	30.61	46
6	Finance	9.39	14.33	23.72	0.94	22.78	96
7	Registration, Excise and Prohibition	3.88	1.00	4.88	0.29	4.59	94
8	Co-operative	0.00	4.30	4.30	0.58	3.72	87
	Total (B)	128.52	71.59	200.11	70.19	129.92	
	Total (A+B)	138.49	71.59	210.08	70.61	139.47	

(Source: Detailed Appropriation Accounts, Govt of Bihar for the year 2011-12)

On this being pointed out (August 2012), the Department attributed (November 2012) substantial savings to ban imposed on drawal in respect of maintenance and repairs by the Finance Department (March 2012) and to non-receipt of timely approvals for expenditure. The reply is not acceptable as Finance Department stopped drawal of funds for repair and maintenance works only on 01.03.2012 and Department had eleven months to spend but failed to do so. Further, the Department failed to get approval of expenditure from the other service departments on time.

Thus, the overall savings (45.36 per cent) and subsequent surrender (38.70 per cent) of funds were indicative of unrealistic budget estimates which were not based on actual capacity of the department to undertake the works. It also highlighted the weakness of the department's monitoring system as they did not surrender the fund in advance so as to enable other departments to utilise the same.

2.7.2 Belated Surrender resulting in non-utilisation of funds

Against the overall savings of ₹ 362.68 crore under the grant during the year 2011-12, an amount of ₹ 309.44 crore was surrendered. This included an amount of ₹ 289.73 crore (94 per cent) surrendered on the last day of the financial year (31.03.2012) (Appendix-2.16), whereas Rule 112 of the BBM (as mentioned in para 2.3.6) stipulates that anticipated savings should be surrendered without waiting till the end of the year.

On this being pointed out (August 2012), the Department attributed (November 2012) this to link failure in the treasury on 31 March 2012 and receipt of approval for expenditure from other service departments in the last week of March 2012. The reply is not acceptable as the proper estimation of surrender amount by the controlling officer was to be done between February 28 and March 15, during which surrenders were to be made as per Rule 135 of the Bihar Budget Manual. The belated surrender was indicative of the inadequate budgetary and financial control in the department. Further, the link failure happened on 31 March 2012 i.e. the last day of the financial year.

2.7.3 Unnecessary supplementary provision

Supplementary provisions are sought to meet the additional requirement of the funds for expenditure for which original provisions are insufficient. Scrutiny of records, however, revealed that significant part (59 per cent) of the total supplementary provision of ₹ 164.46 crore was avoidable as detailed in Table 2.10.

Table 2.10: Unnecessary supplementary provision

(₹ in crore)							
Sl. No.	Name of Department	Original	Supplementary	Total	Expenditure	Savings	Unnecessary supplementary provision
Relating to Other Service Department							
Capital Voted							
1	Finance	9.39	14.33	23.72	0.94	22.78	14.33
2	Registration, Excise and Prohibition	3.88	1.00	4.88	0.29	4.59	1.00
3	SC & ST Welfare	25.00	51.26	76.26	0.00	76.26	51.26
4	Panchayati Raj	0.00	5.00	5.00	0.00	5.00	5.00
5	BC & MBC Welfare	0.00	4.85	4.85	0.00	4.85	4.85
	Total 1	38.27	76.44	114.71	1.23	113.48	76.44
6	Commercial Taxes	0.51	0.75	1.26	1.12	0.14	0.00
7	Cabinet Secretariat	0.00	1.05	1.05	0.90	0.15	0.00
8	Art, Culture and Youth	14.00	51.96	65.96	35.35	30.61	0.00
9	Law	51.89	10.00	61.89	58.93	2.96	0.00
10	Co-operative	0.00	4.30	4.30	0.58	3.72	0.00
	Total 2	66.40	68.06	134.46	96.88	37.58	0.00
	Total (A)= Total 1+ Total 2	104.67	144.50	249.17	98.11	151.06	76.44
Department's own							
11	Revenue	262.06	14.96	277.02	219.23	57.79	14.96
12	Capital	83.26	5.00	88.26	57.44	30.82	5.00
	Total -(B)	345.32	19.96	365.28	276.67	88.61	19.96
	Total -(A+B)	449.99	164.46	614.45	374.78	239.37	96.40

(Source: Detailed Appropriation Accounts, Govt of Bihar for the year 2011 -12)

It may be seen from Table 2.10 that Department's own works expenditure was ₹ 276.67 crore against the original provision for ₹ 345.32 crore. Thus, the supplementary provision for the Department's own works of ₹ 19.96 crore was excess and unnecessary. Similarly in the case of five other service departments⁵, against the total original provision for ₹ 38.27 crore, the expenditure was merely ₹ 1.23 crore. Thus the supplementary provision for these departments (₹ 76.44 crore) was not required. In totality the Supplementary provisions of ₹ 96.40 crore were imprudent, injudicious and unnecessary.

The Department attributed (November 2012) this to provisioning of supplementary grants by the service departments during the last week of the financial year. The reply is not acceptable as there was no need of supplementary provision to meet the expenditure. This indicated that while there was no system in place to review the expenditure or to gauge the actual requirement either with the service departments or even with the Finance department. The provisioning of excess supplementary grants led to blocking of resources for the other needy departments.

⁵ Finance Department, Registration, Excise and Prohibition Department, SC & ST Welfare Department, Panchayati Raj Department, Backward Castes & Extremely Backward Castes Welfare Department.

2.7.4 Rush of Expenditure

Uniform flow of expenditure during the financial year is a primary requirement of budgetary control. Rush of expenditure, particularly in closing month of the financial year is regarded as breach of financial regularity. Further, the Finance Department had also issued standing orders elaborating the spread plan for uniform expenditure. This standing order was also to be incorporated in each allotment order for expenditure.

During 2011-12, an expenditure of ₹ 436.85 crore was incurred under seven Major heads, of which ₹ 210.62 crore (48.21 per cent) was incurred during March 2012 in violation of Rule 113 of Bihar Budget Manual (*Appendix-2.17*).

2.7.5 Non-reconciliation of departmental expenditure figures

Though required under provisions of Rule 475(viii) of Bihar Financial Rules and Rule 134 of Bihar Budget Manual, reconciliation of expenditure figures with those that appear in the books of AG (A&E) was not carried out by the department resulting in the differences in figures of expenditure in seven sub-heads under three major heads amounting to ₹ 76.86 crore (*Appendix-2.18*).

On being pointed out the Department stated (November 2012) that action is being taken in the light of directions given by the Audit.

2.7.6 Acute shortage of man power

There are sanctioned posts of engineers in BCD but it had no cadre of engineers. The engineers are provided by Road Construction Department (RCD) on the request of BCD.

Against the total budget provision of ₹ 434.25 crore for other service departments only ₹ 160.18 crore (37 per cent of the total provision) was spent which reflected dismal performance of the executing department. The dismal spending capability could be attributed to deficient men-in-position vis-à-vis the sanctioned strength of the department's supervisory officers which affected its performance adversely as may be gauged from the **Table 2.11**.

Table 2.11: Men-in-position

Name of post	Sanctioned strength	Men-in-position	Vacancy	Percentage of vacancy
Assistant Engineer	272	168	104	38
Junior Engineer	422	180	242	57

(Source: Information furnished by BCD)

In reply, the Department stated (November 2012) that there is no cadre of engineering services in the BCD. The service of engineers was provided by the Road Construction Department (RCD) to BCD from time to time, keeping this in mind budget provision for salary head was provided. The reply is not acceptable as BCD should have adequate provision of supervisory man power to undertake the works and spend the fund. But there was nothing on record to show that BCD pursued the matter of manpower with RCD.

Concatenation of above facts, thus, revealed that the BCD was ill equipped to absorb, spend or utilise the funds as marked by substantial savings and heavy surrenders, unnecessary/excessive supplementary provision. Besides, the rush of expenditure in the month of March and non-reconciliation of expenditure with the books of accounts compiled by the Accountant General (A&E) manifested deficient budgetary and financial control within the department.

2.8 Review of Grant No.16 ‘Panchayati Raj Department’

The status of budget provisions, expenditure and savings in respect of Grant No. 16 is given in **Table 2.12** and *Appendix 2.19*.

Table 2.12: Details of Budget provision, expenditure, savings etc.

(₹ in crore)

1	Original	Supplementary	Re-appropriation		Total Provision	Surrender	Net provision	Expenditure	Total savings	%age of savings
			4	5						
Revenue (voted)	2982.88	316.90	+2.74	-2.74	3299.78	210.00	3089.78	2179.21	910.57	29.47
Capital (voted)	250.00	0.00	0.00	0.00	250.00	0.00	250.00	0.00	250.00	100
Total	3232.88	316.90	+2.74	-2.74	3549.78	210.00	3339.78	2179.21	1160.57	34.75

(Source: Detailed Appropriation Accounts for the year 2011-12 and figures furnished by PRD)

2.8.1 Substantial savings

There was overall saving of ₹ 1160.57 crore (34.75 per cent) against the net budget provision of ₹ 3339.78 crore (**Table-2.12**). Savings occurred in revenue section mainly in seven sub-heads⁶ (₹ 840.72 crore i.e 92.33 per cent of total savings of ₹ 910.57 crore) and in capital section savings of ₹ 250 crore occurred under two sub-heads⁷ (i.e. 100 per cent of savings) as explained in *Appendix 2.20*. It was also observed that out of seven sub-heads in revenue section in two sub-heads⁸ the entire provision of ₹ 83.89 crore remained unutilized.

On this being pointed out, the Department replied (November 2012) that savings occurred mainly due to non-receipt of second installment under Backward Region Grant Fund (BRGF) and performance grant fund under Thirteenth Finance Commission (ThFC) from the Central Government during the financial year 2011-12. The reply is not acceptable as savings in said schemes were only ₹ 681.29 crore (58.70 per cent of total savings of the PRD). Besides, the fact remains that such substantial savings were self-indicative of unrealistic assessment of budget estimates and laxity in budgetary control procedure.

2.8.2 Unnecessary supplementary provisions

Contrary to Rule 156 of Bihar Budget Manual (BBM), the PRD had obtained unnecessary supplementary provisions aggregating ₹ 56.73 crore under two sub-heads where the expenditure did not come up even to the level of the original provisions (₹ 1556.97 crore) (**Table 2.13**).

⁶ 2015-00-109-0002; 2515-00-101-0110; 2515-00-101-0111; 2515-00-197-0001; 2515-00-198-0001; 2515-00-789-0102 and 2515-00-789-0107.

⁷ 4515-00-101-0104 and 4515-00-789-0102.

⁸ 2515-00-101-0110 and 2515-00-789-0107.

Table: 2.13: Unnecessary Supplementary Provisions

(₹ in crore)					
Sl. No.	Head of accounts		Original provision	Supplementary Provision	Expenditure
1	2515-00-198-0001	Assistance to Panchayati Raj Institution	660.40	48.93	594.55
2	2515-00-101-0111	Backward Region Grant Fund Scheme	896.57 ⁹	7.80	410.36
	Total		1556.97	56.73	1004.91

(Source: Detailed Appropriation Accounts, Govt of Bihar for the year 2011-12)

In reply, the Department stated (November 2012) that supplementary provisions in the above two cases had been made in anticipation of receipt of fund under ThFC and BRGF from the Central Government but the same could not be received during 2011-12.

The reply is not acceptable as provisioning of funds under a sub-head should be need based and in accordance with the demand of expenditure on a scheme. The unnecessary supplementary provisions indicated absence of realistic assessment and also manifested the department's inability to utilize the funds besides dismal financial management by the controlling authorities.

2.8.3 Lapse of Appropriation due to non surrender of savings

The Department intimated to AG (A&E) (31 March 2012) about approval of Finance Department for surrender of ₹ 1119.85 crore under the Grant (*Appendix 2.21*). But Joint Secretary-cum-Budget Officer of the Finance Department stated (October 2012) that proposal for surrender was not accepted due to delayed submission. Thus, due to lackadaisical attitude of the Department, the entire savings of ₹ 1119.85 crore lapsed and could not be utilized by the other needy departments.

2.8.4 Rush of expenditure

During 2011-12 under major head 2515, against the total expenditure of ₹ 2110.76 crore, ₹ 1112.71 crore¹⁰ (52.72 per cent) was expended during the last month of the financial year which included 100 per cent expenditure (₹ 660.42 crore) in respect of eight sub-heads in the month of the March itself (*Appendix 2.22*).

On this being pointed out, the Department stated (November 2012) that this was due to various procedural formalities and other constraints.

The reply of the Department was not cogent since the department was fully responsible for such procedural delays as attributed to. Secondly, this could not be treated as the justification of 100 per cent expenditure of ₹ 660.62 crore in respect of eight sub-heads in the month of March itself.

Thus while the rush of expenditure violated the directions as envisaged under Rule 113 of BBM, the economy in such expenditure could not be ascertained.

⁹ ₹ 1106.57 crore (Original) - ₹ 210.00 crore (surrender) = ₹ 896.57 crore.

¹⁰ Expenditure of ₹ 2110.76 crore - Expenditure of ₹ 998.05 crore incurred till February 2012 (As per Expenditure report of AG (A&E) for the month of February 2012).

2.8.5 Non-reconciliation of expenditure figures

Against the provisions of BFR and BBM (as mentioned in paragraph 2.4) requiring reconciliation of department's expenditure figures with the books of the accounts of the AG, reconciliation was not carried out resulting in differences in expenditure figures in 22 sub-heads out of 32 sub-heads (*Appendix 2.23*). Audit scrutiny further revealed the following discrepancies:

- Short expenditure of ₹ 43.95 crore in 15 sub-heads as well as excess expenditure of ₹ 213.55 crore in another seven sub-heads was shown in the detailed appropriation account over the figure of expenditure furnished by the Department (*Appendix 2.23*).
- Provision of funds through re-appropriation in nine sub-heads (₹ 2.74 crore) made by the Department from head 2015-00-109-0002 (Election of district Board/ Panchayat Samiti/ Gram Panchayat) was not exhibited in the detailed appropriation account (*Appendix 2.24*).
- Expenditure of ₹ 210.31 crore under major head 4515 (Capital outlay another rural development programme) was booked as expenditure in detailed appropriation accounts as shown in **Table 2.14** whereas funds under the object heads were not sanctioned/allotted by the department due to non-sanctioning of the scheme.

Table 2.14: Expenditure booked in detailed appropriation account

			(₹ in crore)	
Head			Provision	Expenditure
4515-00-101-0104: Panchayat Government Building on the recommendation of Finance Commission.			175.00	140.38
4515-00-789-0102: Panchayat Government Building on the recommendation of Finance Commission.			75.00	69.93
Total			250.00	210.31

(Source: Detailed Appropriation Accounts, Govt of Bihar for the year 2011-12)

2.8.6 Non reflection of the actual expenditure in the Government Accounts

- In test check of the offices of the DDOs of six districts¹¹, it was found that ₹ 248.33 crore was withdrawn during the month of March 2012 under 16 sub-heads by the respective DDOs (DDC-cum-CEO Zila Parishad/ DPRO) (*Appendix 2.25*). The fund was neither utilized at the district level nor sub-allotted by the Zila Parishads/ DPROs to Panchayat Samitis/ Gram Panchayats and the entire amount remained in the 29 Commercial bank/ Personal deposit accounts of 12 DDOs (*Appendix 2.26*).

Despite this, the above funds drawn by the respective DDO's were booked as expenditure in the government accounts¹². Thus the expenditure reflected in the detailed appropriation accounts did not exhibit the actual expenditure.

¹¹ Patna, Darbhanga, Samastipur, Muzaffarpur, Madhubani and Vaishali.

¹² The expenditure was booked in the 16 heads viz. 2515001010111, 2515001960003, 2515001960106, 2515001960007, 2515001970001, 2515001970004, 2515001970103, 2515001980001, 2515001980009, 2515001980010, 2515001980105, 2515007890103, 2515007890104, 2515007890105, 2515007890106 and 2515001980106.

- Further, in test-check of four Zila Parishads¹³, it was observed that ₹ 136.32 crore was received/drawn by the Zila Parishads/Panchayat Samitis/Gram Panchayats during 2011-12 under ThFC. Besides this there was opening balance of ₹ 31.45 crore and interest of ₹ 0.36 crore was earned from saving bank account during the year. Thus the available fund was ₹ 168.14 crore, against which only ₹ 30.79 crore (22.59 per cent) could be utilized as of 31 March 2012 by these PRIs (Appendix 2.27). However, entire drawn amount during the year (₹ 136.32 crore) was booked as expenditure.
- Rule 121 of BBM further envisaged that as soon as possible after the close of the year, controlling officer should obtain statement of expenditure from the disbursing officers during the year under the various units of appropriation. However, it was seen that the figures of expenditure were being arrived at by the Department after deducting the amount of surrender (as reported by the regional offices) from the total amount of allotment during the year instead of obtaining the actual expenditure from disbursing officers. This method of arriving at the figures of expenditure is in violation of Rule 121 of BBM and results into non-reconciliation of Department's expenditure figures with those in the accounts of the AG. A test check of records of District Panchayati Raj Officer (DPRO), Muzaffarpur revealed that ₹ 2.42 crore in respect of three sub-heads¹⁴ which was not drawn from the treasury was shown as expenditure in the statement furnished by the Department. This was substantiated by the fact that DPRO, Muzaffarpur surrendered the said amount on 4 April 2012.

Above test checked cases confirmed that the Department did not maintain even the figures of withdrawals from the government treasury by the regional offices. This indicated Department's lack of monitoring and control over actual expenditure.

Thus, there was urgent need of proper accounting system to gauge the flow of funds to the PRIs/DDO's and the actual expenditure incurred should only be booked as expenditure in the Government accounts.

2.9 Conclusion

During 2011-12 expenditure of ₹ 61301.05 crore was incurred against total grants and appropriation of ₹ 76896.77 crore, resulting in net savings of ₹ 15595.72 crore. Inaccurate estimation of budget requirements resulted in persistent savings of 11 per cent to 76 per cent in 11 cases during 2007-12. In 69 cases under 22 grants funds amounting to ₹ 4251.53 crore were surrendered. Again there were cases of unutilized provisions and 100 per cent surrender in 192 schemes under 30 grants/appropriations during the year.

Savings of ₹ 5612.01 crore was surrendered on the last two days of the financial year. In four cases ₹ 393.60 crore was surrendered against savings of ₹ 105.85 crore, resulting in excess surrender of ₹ 287.75 crore. Out of total expenditure of ₹ 61301.05 crore, ₹ 49618.13 crore (exceeding ₹ 10 crore in each case) (80.87 per cent) was not reconciled.

¹³ Patna, Darbhanga, Samastipur, Muzaffarpur.

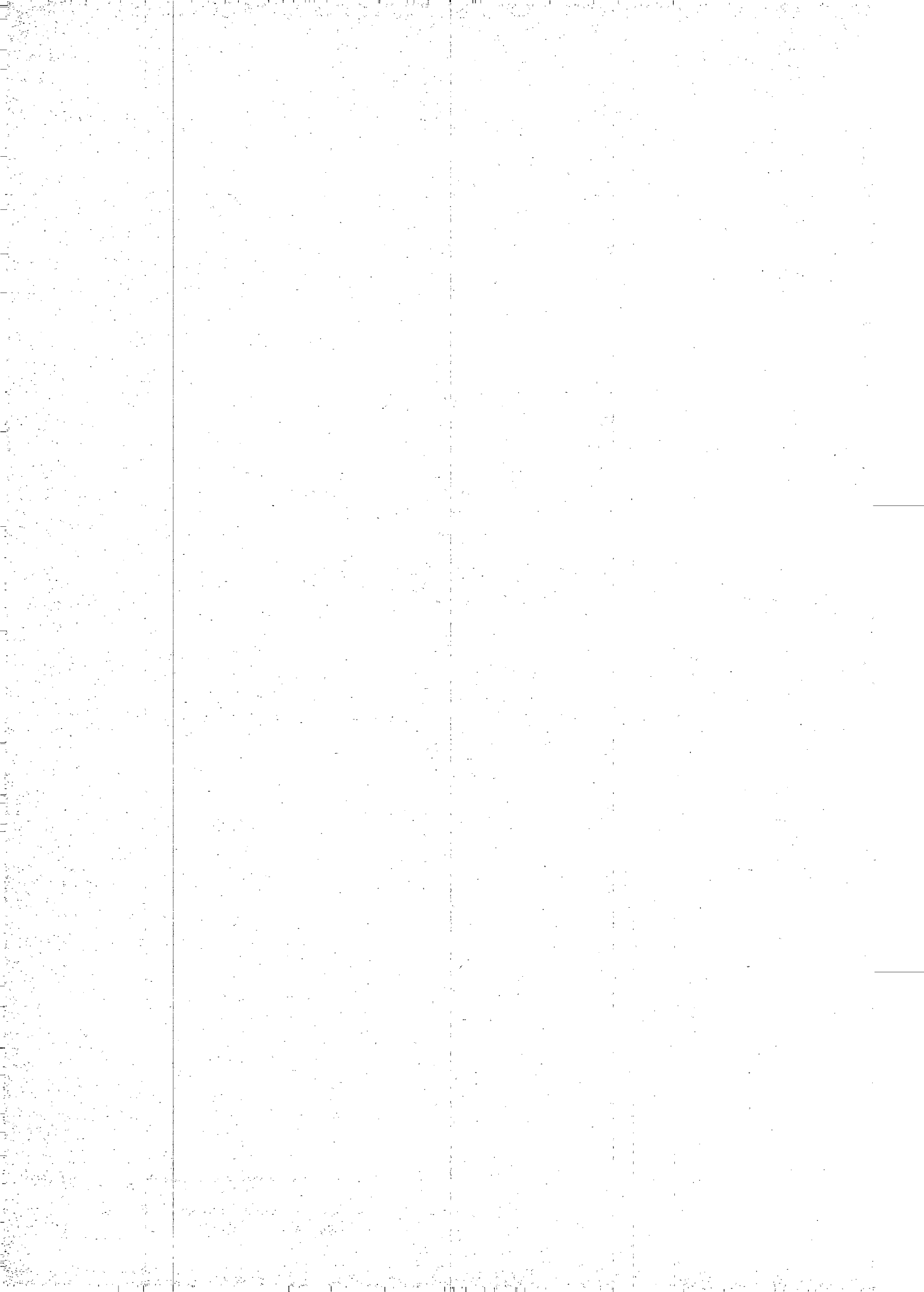
¹⁴ 2515-00-198-0106 (Fixed Allowance for elected representatives of Gram Court) (₹1.91crore), 2515-00-789-0104 (Gram kachahari ke nirvachit pratinidhiyo ko niyatbhatta hetu) (₹ 0.02crore), 2515-00-101-0111 (Panchayat Government Building on the recommendation of Finance Commission) (₹0.49 crore).

Funds amounting to ₹ 919.87 crore and ₹ 547.72 crore drawn on Revenue and Capital expenditure heads respectively were parked in bank accounts/PD accounts of PSUs/Departments.

Government sanctioned 191 withdrawals from Contingency Fund amounting to ₹ 1242.99 crore in 2011-12. Of which, 91 withdrawals amounting to ₹ 1225.53 crore (98.60 *per cent*) were for routine expenditure such as purchase of motor vehicles, office expenditure, pay and allowances etc.

2.10 Recommendations

- Budgetary control mechanism should be strengthened in all the Government Departments. Realistic budget estimates should be prepared in order to avoid large savings/excesses and re-appropriation/surrender of funds at the end of the financial year.
- Responsibility may be fixed for non compliance of budgetary financial control to avoid deficiencies in financial management, especially where savings have been observed for the last five years regularly.
- Regular flow of expenditure should be maintained to avoid rush of expenditure at the fag end of the financial year.
- Excess expenditure over provision pertaining to 1977 to 2011 should be got regularised on priority.
- The Finance Department must ensure that government funds meant for service departments should be allowed to be disbursed to Works Departments only when there is actual requirement.
- Withdrawal from Contingency Fund should not be sanctioned for routine expenditures.



CHAPTER 3

FINANCIAL REPORTING



Sersah Suri Makwara (Sasaram)

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the State. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliances is, thus, one of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the Government in meeting its basic stewardship responsibilities including 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 as well as the previous years.

3.1 Amendment in the provisions of Bihar Treasury Code relating to Abstract Contingent Charges

The Bihar Treasury Code (BTC), 1937 was amended in October 2006¹ incorporating extension on time for submission of detailed contingent (DC) bills to six months in place of earlier provision of one month. Further, it was replaced with new BTC with effect from October 2011.

3.1.1 Bihar Treasury Code, 2011

In BTC 2011 (Rule 194) the drawal of funds for Centrally Sponsored Schemes and Capital Projects was brought within the ambit of drawals on AC bills which was beyond the basic definition of the Contingent Charges as given in the Rule 168² of the BTC 2011. Further, under the Rule 194 Works Departments were permitted to submit DC bills for project works within one year of drawal of amount as against the six month time period prescribed for submission of DC bills in respect of other Abstract Contingent (AC) bills. This was contrary to the provisions of Rules 176 and 177 of BTC 2011 which prescribe that no money should be withdrawn from the Treasury unless it is required for immediate payment and unspent amounts should be refunded to the treasury at the earliest possible opportunity and in any case before the end of the financial year in which the amount is drawn. It was observed that time period of six months/one year allowed for submission for DC bills was not in conformity with Central Treasury Code (Receipts and Payments Rules, 1983) wherein the time limit of one month has been prescribed.

Thus, such provisions in BTC 2011 allowed drawal of Government funds through AC bill mode for purposes other than 'contingent expenditure' and ultimately leading to parking of funds and refunds.

Finance Department in its reply stated (November 2012) that contingent charges have been defined in Rule 168 of the BTC, 2011 and the Plan Schemes have been kept out of the purview of the definition of contingent charges.

¹ The amendment in BTC was done through an executive order of the Finance Department dated 13 October 2006.

² The term 'contingent charges' means and includes all incidental and other expenses which are incurred for the management of an office as an office or for the technical working of a department other than those which under prescribed rules of classification of expenditure fall under some other head of expenditure e.g. 'works', 'stock', 'tools and plant' etc.

Provision for drawal of funds on AC bills for Construction works, Central Plan Scheme and Centrally Sponsored Schemes have been made in Rule 194 of the BTC, 2011. Hence, it would not be appropriate to associate the provisions of Rule 194 with Rule 168. It was also stated that in view of the recommendation of the Audit, reducing the time period for submission of DC bills for contingent expenses and schemes other than construction works from the existing six month to 2-3 months will be considered.

Audit is of the view that Rule 194 is within the broad heading 'Contingent Charges' and hence it cannot be seen in isolation. Plan schemes cannot be covered under the definition of contingent charges (Rule 168 of BTC 2011).

Further, the Department stated (November 2012) that the provisions of Rule 176 and 177 of BTC being the general guidelines for drawal of money from Consolidated Fund, should not be compared with the rules applicable under special circumstances. However, the fact remains that Appropriation Act and BTC, 2011 under Rule 177 allow for drawal of money for expenditure within the financial year and anything against this basic principle would be irregular.

3.2 Review of withdrawals of funds on AC/ GIA bills and submission of DC bills/ UCs

3.2.1 Introduction

The drawal of contingent charges on items of expenditure for which final classification and supporting vouchers is not available at the time of drawal are made on 'Abstract Contingent' (AC) Bills initially as advance and its subsequent adjustments are ensured through submission of Detailed Contingent (DC) bills within a stipulated period³ of drawal of AC bill. The withdrawal of funds on AC bills on large scale and non-adjustment/ settlement of substantial number of AC bills by way of submission of DC bills by the State Government over the years has been the prime consideration for taking up this review. The findings of this study substantiate the need to improve financial management in the State.

3.2.2 Audit Objectives

The audit aimed to ascertain whether:

- withdrawal of funds on AC bills and Grants- in- Aid (GIA) bills was in conformity with the rules/codal provisions;
- the settlement of AC bills by way of DC bills and of GIA bills by utilisation certificates (UCs) was as per the rules and reflected the actual status of the expenditure incurred;
- the funds were drawn for immediate requirement to be incurred within the same financial year or the funds were parked outside the government account beyond the financial year in which the funds were drawn;
- the unspent amount was refunded to the government account at the earliest opportunity within the same financial year.

³ Initially it was one month (Rule 319 of BTC 1937) as in Central Treasury Code (Receipts and Payments Rule, 1983) but was changed in October 2006 to six months. Further, under the Rule 194 of BTC 2011 Works departments were permitted to submit DC bills for project works within one year of drawal of amount.

3.2.3 Audit Criteria

Audit examination was based on the provisions of the following manuals as audit criteria:

- The Appropriation Act(s) of the relevant years as well as the related budgetary documents of the State Government;
- The Bihar Treasury Code 1937 as amended from time to time, the latest being Bihar Treasury Code 2011, the Bihar Financial Rules, the Bihar Budget Manual and Bihar Public Works Account Code;
- The State Government Regulations, Orders and Instructions issued from time to time; and
- The Voucher Level Computerised (VLC) database as maintained in the office of the Accountant General (Accounts & Entitlement) (AG) (A& E), Bihar.

3.2.4 Scope of audit and methodology

The audit of withdrawal of funds on AC/ GIA bills and submission of DC bills/ UCs was conducted during June to August 2012 to cover the withdrawals/ accounts/transactions of the government pertaining to AC/GIA bills for the period from 2009-10 to 2011-12. Based on analysis of AC/GIA bills data obtained from VLC database⁴ of the Office of the AG (A&E), Bihar, Patna, eight⁵ departments, wherein substantial amounts had been withdrawn on AC/GIA bills for implementation of schemes and other activities were earmarked for further examination of records. As the number of bills drawn ran into thousands⁶, database analysis and risk-based examination of bills/vouchers drawn along with relevant records were done. For this, audit enquiries regarding non-submission of substantial numbers of pending DC bills/ UCs were issued to the concerned Drawing and Disbursing Officers (DDOs) having drawn bills amounting to ₹ one crore and above in each case. The responses received to our initial queries have also been taken into account while framing our audit observations.

The audit observations were forwarded to the Finance Department, Government of Bihar in October, 2012. In response (November 2012), the department has sent comments in some cases and stated that since the matter involves other Administrative departments also, their response would be sent later on. The replies received so far (December 2012) have been suitably incorporated in the respective Paragraphs.

⁴ The VLC database comprises of the transaction details of the State Government based on the initial accounts and vouchers/challans in support of expenditure/receipt made out of/made into Consolidated Fund of the State during a financial year. AC bills drawn during the financial year are also captured into the VLC database accordingly. Analysis of VLC database is an effective tool to arrive at a comprehensive picture regarding the magnitude and quantum of drawal of funds on AC bills and purpose thereof.

⁵ (i) Building Construction, (ii) Education, (iii) Health and Family Welfare, (iv) Home (Police), (v) Planning and Development, (vi) Rural Works, (vii) Scheduled Castes and Scheduled Tribes Welfare and (viii) Urban Development and Housing.

⁶ Altogether 33751 AC and 34375 GIA bills were drawn by various departments during 2009-10 to 2011-12.

3.2.5 Constraints to audit

Under BTC 1937, for drawal of funds on AC bills form TC-38 was prescribed and for GIA drawals form TC-60 was prescribed. However it was observed in audit that for GIA drawal form TC 38 was also used by the DDOs. Further there were instances of misclassification by treasuries and DDOs of funds drawn under various heads. These became a limitation to audit as distinctive line between contingent charges which can be drawn on AC bills and Grants-in-aid was not adhered to.

3.2.6 Issues relating to withdrawal on AC bills

3.2.6.1 AC bills of high magnitude

An analysis of the AC bill drawals in VLC database as well as test check of records in the Administrative departments revealed that the magnitude of the amounts drawn on AC bills during 2009-12 were abnormally high as illustrated in the **table 3.1** given below:

Table 3.1: AC bills of high magnitude

Category	2009-10		2010-11		2011-12	
	Amount	Number	Amount	Number	Amount	Number
Total bills drawn during FY						
upto ₹ one lakh	14.56	4135	12.25	3475	11.50	3227
₹ one lakh one and upto ₹ One crore	1440.48	8138	1581.04	7902	507.46	4862
₹ one crore one and upto ₹ 10 crore	1066.94	376	2453.49	951	1339.81	460
₹ 10 crore one and upto ₹ 100 crore	1252.38	55	1913.85	82	1899.46	74
₹ 100 crore one and above	268.84	2	1059.85	5	1216.21	7
Total	4043.20	12706	7020.48⁷	12415	4974.44	8630

(Source: VLC Database maintained in the AG (A&E), Bihar office)

AC bills valuing more than ₹ one lakh and above (upto hundreds of crore) in each case constituted 99.76 per cent of the total funds drawn on AC bills during 2009-12. The large number of contingent bills of abnormally high magnitude indicated that recourse to AC bill mode drawals was taken in a routine manner for meeting regular expenditure of the Government. Test check of records in the Administrative departments revealed that most of the drawals were made on lump-sum basis for implementation of schemes both under Plan as well as Non-Plan and Revenue as well as Capital heads.

On this being pointed out (October 2012), the Finance Department stated (November, 2012) that drawal of funds for plan/construction works through corporations and societies by administrative departments and for state-wide implementation of schemes by DDO at headquarter level resulted in drawal of AC bills of high magnitude. It was further stated that it is not possible to submit DC bills in such cases as form TC -39 (as per BTC 1937) is not for submission of DC bills for this kind of advance drawal.

The acknowledgement by the Government of its inability to submit DC bills for capital and revenue expenditure on schemes by way of AC drawals as form TC-39 was not made for DC bill of this type of expenditure confirmed the audit contention that these lump sum drawals did not qualify for drawal on AC bills.

⁷ ₹ 7015.37 Crore as per the Finance Accounts of Government of Bihar for the year 2010-11 which included ₹ 4033.72 Crore drawn on account of Grants-in-aid.

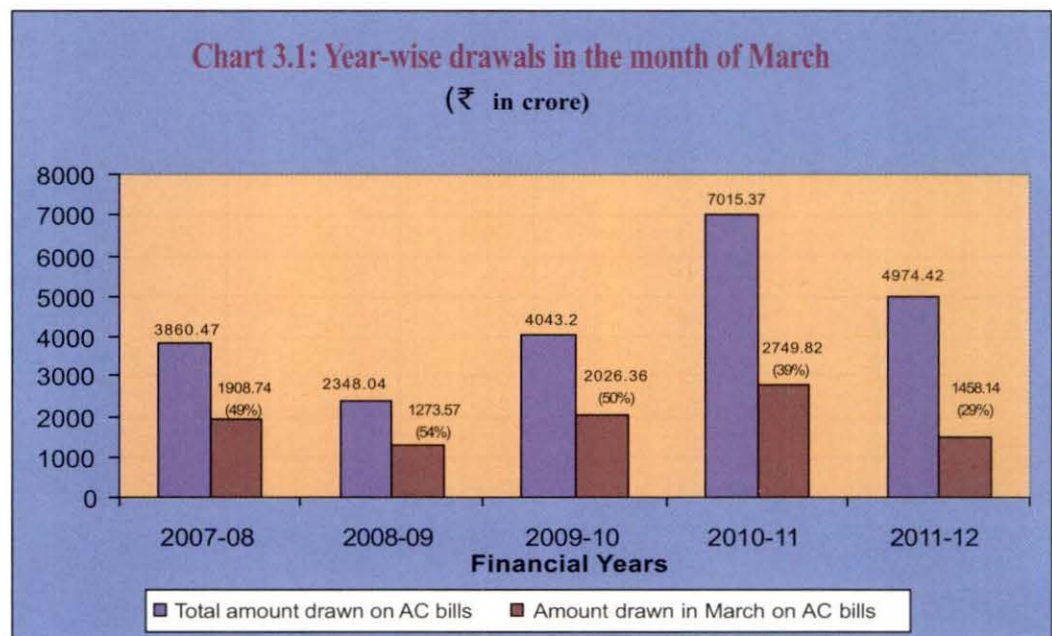
As per Rule 320 of the BTC 1937, which was in vogue upto September 2011, funds drawn on AC bills were to be adjusted only by submitting DC bill in form TC-39. With the implementation of new BTC 2011 it is necessary for the departments to submit DC bills for this kind of drawal.

Further AC bill mode drawal in routine manner for regular expenditure under various schemes itself was violation of the core principles of drawal as contingent expenditure. As regards centralised drawals at headquarters the department should have facilitated drawal at district authority level with the aid of Central Treasury Management Information System. This could also have minimised transit delays by reducing the time of retention of funds by DDOs/intermediary agencies and facilitated prompt availability of funds by online transfer where it was required to be spent finally as detailed in para 3.2.6.5.

3.2.6.2 Drawal of AC bills in the Month of March

The State Government's Standing Order (No. 2561 of 1998) prescribes that the Government expenditure should be spread evenly during the financial year barring some special circumstances where the occasions may arise for an uneven ratio of expenditure. Thus rush of expenditure in order to avoid lapse of appropriations in the closing months is contrary to the Rules.

The chart below depicts the trend of drawals in the month of March *vis-à-vis* total drawals from Consolidated Fund during 2007-08 to 2011-12:



(Source: VLC Database & Report on State Finances of respective years)

The chart above depicts that during 2007-12, the amount of drawal during the month of March ranged between 29 per cent and 54 per cent of the funds drawn on AC bills during a year though in percentage terms there had been steady decline in the drawal of funds through AC bills in the month of March during the last three years. Substantial drawals in the month of March coupled with high magnitude of amount in each case as pointed out earlier were indicative of the fact that likelihood of actual expenditure of such drawals within the concerned financial years were remote and withdrawals were made merely to avoid lapse of appropriations.

On this being pointed out (October 2012), the Finance Department stated (November, 2012) that drawal of funds in the month of March is to ensure regular flow of funds for construction purposes which peaks during January to June. The reply validates the audit observation that the funds drawn in March are not actually spent within the financial year. Further, instead of drawing funds in March to meet the expenditure in the ensuing financial year, appropriation for the purpose should be sought in the Budget Estimates of the next financial year itself.

The department further stated that in case of Centrally Sponsored Schemes the receipt of Central share in month of March is the compelling factor for release of matching State Share during March only. Audit is of the view that it would be more appropriate to take up the issue with the Government of India rather than flouting the Codal provisions.

The fact remains that drawal of funds in the month of March without actual expenditure is indicative of fiscal indiscipline.

3.2.6.3 Drawal of funds on AC bills for Plan Expenditure/Capital Expenditure

Plan expenditure is intended to meet the distinct objectives of a Programme/ Scheme/ project of a Central/State Plan. As such these are planned well in advance and earmarked for meeting specific purposes as envisaged in the concerned project/scheme details. Thus, there should be no occasion to draw money through AC bills route to make payments on the items of Plan expenditure under such projects/scheme. However, Rule 194 of BTC 2011 allows drawal of Plan expenditure through AC bills.

The table below depicts the AC bills drawn for Plan expenditure of the State Government *vis-à-vis* the total AC drawals during 2009-10 to 2011-12:

Table 3.2: AC bills drawn for Plan expenditure during 2009 - 12

Year	Total AC drawals	AC drawals for Plan Expenditure				Total (as percentage of total AC drawals)
		CPS	CSS	SP		
2009-10	4043.20	7.11	709.79	2293.66	3010.56 (74)	
2010-11	7015.37	60.16	1289.57	4286.19	5635.92 (80)	
2011-12	4974.44	46.55	424.84	3214.77	3686.16 (74)	
Total	16033.01	113.82	2424.20	9794.62	12332.64 (77)	

(CPS: Central Plan Scheme, CSS: Centrally Sponsored Scheme and SP: State Plan Scheme)

(Source: VLC database)

Out of total amount of ₹ 16033.01 crore drawn on AC bills during 2009-12, Plan head drawals (including capital nature of expenditure) accounted for ₹ 12332.64 crore (77 per cent). Of this, State Plan head drawals accounted for ₹ 9794.62 crore (79 per cent of the Plan head drawals). Withdrawals of fund under Plan heads through AC bill mode was indicative of the fact that object level planning was absent, items of expenditure were not known while drawing the amount and thus moneys were simply drawn for future use awaiting finalization of implementation modalities and to avoid lapse of appropriations. As a result, the Government funds so drawn on the pretext of immediate requirement were allowed to be parked outside Consolidated Fund at the end of each financial year and kept either in Personal Deposit accounts, remittance heads or in bank accounts. Some illustrative cases are given in the Para No 3.2.6.4 to 3.2.6.6.

Finance Department while acknowledging (November, 2012) that considerable number of pending AC bills pertained to Plan Head stated that Bihar Treasury Code 1937 being very old was not in tune with the changing scenario of public finances and provided for petty expenses under contingencies. Over the years with the implementation of various schemes by the government there has been unprecedented increase in the expenditure under Plan head. The reply is not satisfactory as expenditure under Plan head by no means is incidental in nature and ought to be met from regular bills rather than AC bills.

3.2.6.4 Drawal of funds on AC bills and retained with executing agencies

The results of test check of AC bills of ₹ 214.72 crore (*Appendix 3.1*) drawn for construction purposes during the period 2008-12 are illustrated below:

- AC bills of ₹ 171.64 crore were drawn for Upgradation of Primary Health Centres (PHCs) into Community Health Centres, Construction of Additional PHCs and Sub Divisional Hospitals during 2009-11 and was provided to Bihar Medical Services and Infrastructure Corporation Limited (BMSIC). No expenditure was incurred and entire fund remained unutilised (August 2012) (Refer Sl. No. 1-3 of *Appendix 3.1*).
- During 2008-12, the Under Secretary, Backward Classes and Extremely Backward Classes Welfare Department directly provided ₹ 29.51 crore to Bihar Rajya Pul Nirman Nigam Limited (BRPNNL) for construction of Jan Naik Karpoori Thakur backward class hostels. Further, during 2010-11 ₹ 10.74 crore were transferred to the Bihar State Backward Classes Finance & Development Corporation (BSBCFDC) for its transmission to BRPNNL for the same purpose. The amount of ₹ 16.01 crore (54 per cent of funds provided) with BRPNNL and ₹ 10.74 crore (100 per cent of funds provided) with BSBCFDC remained unutilised (August 2012) (Refer Sl. No. 4-5 of *Appendix 3.1*).
- An amount of ₹ 2.12 crore was withdrawn (2010-11) by Animal and Fisheries Resources Department for construction of hatcheries at Mithapur, Patna and transferred to Central Institute of Fisheries Education (CIFE), Mumbai in March 2011 for providing consultancy including hatchery design. However, the funds remained unutilized as the work was not initiated due to non-signing of MoU. (Refer Sl. No. 6 of *Appendix 3.1*).
- Environment and Forest Department while according sanction (March 2011) for drawal of funds of ₹ 70.50 lakh drawn on AC bill no. 154/ 2010-11 for purchase of vehicles directed to deposit the funds in the accounts of the Bihar State Forest Development Agency (BSFDA) in case there was difficulty to execute the scheme within this financial year. (Refer Sl. No. 7 of *Appendix 3.1*).

The department in its reply stated (September 2012) that since the sanction for drawal of funds was accorded at the end of March, hence the instructions to deposit the funds in BSFDA was issued. The reply confirms the audit contention that funds were drawn without immediate requirement.

The replies of the other departments were awaited (November 2012).

3.2.6.5 Money drawn on AC bills and retained with Drawing and Disbursing Officers

As per Article 202 of the Constitution, State Government may spend money within the authorized appropriation during the same financial year. Further, Note below Rule 300 of BTC 1937 and Rule 177 of BTC 2011 provides that the unspent balance of the amount should be refunded to the treasury at the earliest possible opportunity within the financial year in which the amount is drawn. In course of test-check the following instances of drawal of funds for construction purpose and its irregular retention with DDOs were noticed:

Table 3.3: Drawal of funds for construction purposes

(₹ in crore)

Sl. No.	Purpose	AC bill No.	Amount	Month of drawal	Name of DDO	Month of transfer	To whom transferred	Remarks
1	Construction of AWC	125/09-10	99.96	03/2010	Accounts Officer, ICDS	09/2010	BCD	Amount was transferred to Patliputra BC Division, Patna in October 2010. Patliputra BC Division obtained Bank draft of ₹ 96.88 crore for 38 BC Divisions (January 2011) but transferred to Divisions up to July 2011 and ₹3.08 crore is with the Division
2	Construction of building for AHD	160/10-11	18.13	03/2011	EE, Drawing Dn2, Patna	06/2011 to 02/2012	Concerned EEs	Drawing Dn 2, Patna Kept ₹ 9.78 crore with him.
3	Construction of e-Kisan Bhawan	256/10-11	2.86	03/2011	DAO, Madhepura	04/2012	DE, Zila Parishad, Madhepura	DAO retained ₹1.52 crore till July 2012
4		58/10-11	0.80	NA	DAO, Buxar	NA	Concerned BDO & EE	DAO retained 22 lakh as on July 2012
5		77/10-11	1.63		DAO, Buxar			
		Total	123.38					

Notes: 1. EE denotes Executive Engineer, 2. DAO denotes District Agriculture officer, 3. BDO denotes Block Development Officers, 4. BCD denotes Building Construction Department, 5. BCD denotes Building Construction Division, 6. AHD denotes Animal and Fisheries Resources Department, 7. AWC denotes Anganwadi Centres, 8. DE denotes District Engineer

The above illustrations further indicated that government funds (₹ 123.38 crore) irregularly drawn for construction purposes on AC bills on the pretext of immediate payment were either irregularly retained by the DDOs themselves or transferred to the executing divisions/agencies with delay ranging from two months to one year after the end of the financial year. Further Rule 177 of BTC 2011 requires that a certificate shall be furnished by the DDOs to the effect that funds drawn on the contingent bills shall be spent within the same financial year. However, the funds were carried forward to the next financial year without any authority to incur expenditure in subsequent financial year.

3.2.6.6 Funds drawn on AC bills lying unspent in Remittances Head

The Finance department vide letter no 7036 dated September 2006 had specifically prohibited drawal of funds on AC bills wherein it has to be transferred to the Works Department for construction purposes. However, in five cases there was drawal of ₹ 7.28 crore on AC bills for construction purposes between 2008-09 and 2010-11 which was subsequently transferred to Building Construction Department through Major Head '8782 - Cash Remittances' for execution of works. However the entire amount remained unutilized as of July 2012 (details given in *Appendix 3.2*).

3.2.7 Submission of detailed contingent bills

Rule 177 of BTC 2011 provides that a certificate shall be furnished by the DDO to the effect that money withdrawn on the contingent bill shall be spent within the same financial year and that the unspent amount shall be remitted to the Treasury before 31 March of the year. Further, as per Rule 194 of the BTC 2011 countersigned DC bills shall be submitted within six months⁸ following that in which the abstract bill was drawn and no abstract bill shall be cashed after the end of this period of six months unless detailed bill has been submitted.

As on 31 August 2012, 66847 DC bills for an amount of ₹ 18797.90 crore were pending for submission to the AG (A&E) as detailed in the **Table 3.4** below:

Table 3.4: Position of Outstanding DC bills

(₹ in crore)

Year	AC bills Drawn		DC bills Received		Outstanding DC bills	
	Number	Amount	Number	Amount	Number	Amount
Upto 2008-09	58423	14272.48	16867	6953.09	41556	7319.39
2009-10	12706	4043.20	2984	1150.20	9722	2893.00
2010-11	12413	7015.37 ⁹	4645	3153.95	7768	3861.42
2011-12	8626	4974.42	825	250.33	7801	4724.09
Total	92168	30305.47	25321	11507.57	66847	18797.90

(Source: State Finance Accounts of Bihar Government for the year 2011 -12)

The Finance Department in its reply stated (November, 2012) that as against the pending AC bills of ₹ 26260.09 crore (since 2002-03 and till 30 September 2012), DC bills of ₹ 16196.38 crore have been submitted to AG of which DC bills for ₹ 12719.27 crore have been adjusted. Further stringent action has been taken by the government in this regard by stalling salary payment to DDOs concerned till the adjustment of pending DC bills.

⁸ Until October 2006, the period of submission of DC bills in the BTC was one month only, Central treasury code (Central Receipts and Payments Rules 1983) provides a period of one month only for submission of DC bills.

⁹ As per Note No. 4 to Finance Accounts for the year 2010-11, ₹ 4033.72 crore out of ₹ 7015.37 crore was drawn on accounts of Grants-in-aid.

The fact, however, remains that only 48 *per cent* of the pending AC bills have been adjusted so far (30 September 2012).

3.2.7.1 Results of test check of detailed contingent bills

Test check revealed following irregularities in contravention of the rule relating to submission of DC bills (*Appendix 3.3*).

- In Road Construction Department, it was observed that the Under Secretary (Accounts) had withdrawn ₹ 1541 crore on 12 AC bills between 2006-07 and 2011-12 and made advance payments to BRPNNL for construction of road bridges under ‘Mukhyamantri Setu Nirman Yojana’:

It was observed that DC bill of ₹ 833.26 crore against six AC bills of ₹ 1005 crore for the period from 2006-07 to 2009-10 was submitted only in July 2010 after delay of upto 33 months. Subsequently, DC bills of ₹ 537.15 crore were submitted during September 2010 to September 2011 and DC bills of ₹ 170.59 crore were yet to be submitted by the Department as of March 2012. (Refer Sl. No.1 to 12 of *Appendix 3.3*).

- Similarly, in Human Resources Development Department, funds of ₹ 2692.05 crore were drawn on AC bills under Mid-Day Meal Scheme during the period 2004-05 to 2010-11. Against this DC bills for ₹ 1919.39 crore (including refund of ₹ 462.78 crore) were submitted up to April 2012. Thus remaining DC bills for ₹ 772.66 crore were pending for submission by the Department as of April 2012. (Refer Sl. No.13-64 of *Appendix 3.3*).
- In Home (Police) Department, AC bills of ₹ 700.10 crore were drawn by IG provisions during 2009-12. However, amount of ₹ 695.11 crore (99.29 *per cent*) remained unadjusted as on date (August 2012) (Refer Sl. No.65 of *Appendix 3.3*).
- Three AC bills amounting to ₹ 169.29¹⁰ crore were drawn (31 March 2009) by Civil Surgeon, Patna for upgradation of PHC into Community Health Centre, construction of Health Sub Centre (HSC) and sub divisional hospitals. The aforesaid AC bills had been adjusted by way of DC bills. However, as per the records, made available by State Health Society (SHS), it was noticed that the funds remained unspent and were lying with the SHS (₹ 118.00 crore and ₹ 30.91 crore) and BMSIC (₹ 20.38 crore). Hence, submission of false DC bills based on the documents for transfer of money and without the expenditure finally incurred was irregular (Refer Sl. No.66 to 68 of *Appendix 3.3*). The reply of Government was not received in remaining cases as of November 2012.

Thus, in 68 test check cases involving total AC bills of ₹ 5102.44 crore drawn during 2004-05 to 2011-12, DC bills for ₹ 1638.36 crore were outstanding for the period ranging from one to seven years.

3.2.8 Refund of amount drawn on AC bills without utilisation

As per Rule 177 of BTC 2011 any unspent balance of the advance drawn should be deposited into government treasury before the end of the financial year. However, in test check it was observed that in nine cases as detailed in *Appendix 3.4* against an amount of ₹ 3055.04 crore drawn on AC bills during the

¹⁰ ₹ 118.00 crore, ₹ 30.91 crore and ₹ 20.38 crore.

period from 2003-04 to 2011-12, an amount of ₹ 631.77 crore was refunded after retention of idle funds for the period ranging from two months to eight years including refund of entire drawn amount of ₹ 51.11 crore in four cases.

3.2.9. Funds drawn on AC bills and parked outside Government Accounts

It was observed that considerable portion of the funds drawn on AC bills was lying either with the DDOs or with the executing agencies even after the lapse of financial year in which the funds were drawn and had been parked in various Personal Deposit accounts and bank accounts. The overall picture of the funds drawn on AC bill and parked outside Government accounts as witnessed in the test checked departments/offices reflected that as on 31 March 2012, out of funds amounting to ₹ 576.83 crore drawn, ₹ 271.38 crore (three PSUs- ₹ 215.71 crore, 11 District Offices- ₹ 55.67 crore) was parked in various bank accounts as indicated in *Appendix 3.5*.

While no reply was received in above cases, in one case relating to Chief Minister Merit Scholarship Scheme wherein ₹ 17.32 crore was parked in bank accounts, the department replied (August 2012) that it had decided to carry forward the unspent amount of ₹ 17.32 crore to the next financial year 2012-13 to meet anticipated expenses on payment of scholarship in wake of insufficient budgetary provision during 2012-13 under the scheme. The reply was not acceptable as the Rule 177 of BTC 2011 allows the executive to spend within the authorized appropriation during the same financial year. As regards requirement of additional funds over and above the budgetary provision, Rule 117 of Bihar Budget Manual provides for seeking supplementary grant.

3.2.10 Issues relating to Grants-in-aid (GIA)

3.2.10.1 Introduction

The term Grants-in-aid includes grants to local bodies, religious, charitable or educational institutions stipends, scholarship contributions to public exhibitions, etc. The Rule 341 (2) of BFR states that only so much of the grant should be paid during the financial year as is likely to be expended during that year, the authority signing or countersigning a bill for GIA under Rule 431 of BTC 1937 and Rule 270 of BTC 2011 should see that money is not drawn in advance of requirement. There should be no occasion for rush for payment of these grants in the month of March. Further, Finance Department's executive order no. 573 dated 16 January 1975 prescribed time limit of one year from the date of sanction for giving utilization certificate. This time limit was, however, revised to 18 months vide executive order no. 9736 dated 19 October 2011.

Following illustrative cases would reveal the status of drawal and utilisation of funds as GIA in succeeding paragraphs.

3.2.10.2 Drawal of Grants-in-aid under object heads other than GIA object head (3101)

The Appropriation act passed by the legislature confers authorisation on the executive to draw/spend the funds in the manner and for the purpose as provided for under different objects heads¹¹. GIA was to be drawn under object head 3101 upto 2011-12 in accordance with the provisions of the budget. However it was seen that GIA drawal of ₹ 14443.68 crore included an amount of ₹ 8005.62 crore (55.42 per cent) drawn under 14 object heads¹² other than GIA object head as indicated in note 7 to State Finance Accounts for the year 2011-12. The drawal of GIA under other object head which were not meant for drawal of GIA was incorrect.

The Finance Department in its reply (November 2012) admitted that it was unintentional error. The fact remains that such irregularities indicate inadequate budgetary management of the government.

3.2.10.3 Drawal of funds on GIA bills and retained with executing agencies

It was observed that 15 GIA bills of ₹ 165.30 crore (*Appendix 3.6*) were drawn for construction of sub divisional hospitals, upgradation of PHCs into CHCs, etc. during 2009 -12 and was provided to Bihar Medical Services Infrastructure Corporation. It was seen that funds provided were lying unutilised (August 2012). Test check also revealed that ₹ 324.21 crore was drawn by Urban Development and Housing Department and Education Department during 2009-11 (*Appendix-3.7*) but expenditure of ₹ 13 crore was incurred up to March 2012.

Education department in this case (Sl 2 of *Appendix-3.7*) stated (July 2012) that this being a Centrally Sponsored Scheme, release of State share (₹ 39.64 crore) was an inherent condition for obtaining Govt. of India share (₹ 118.91 crore). It further intimated that design was prepared and approved by Bihar Madhyamik Shiksha Parishad in March 2012 and detailed estimate was at the sanction stage and soil testing was going on (July 2012) which indicated at the fact that funds were drawn without advance planning during 2009-10. Reply of remaining departments is awaited as per details given in the *Appendix 3.6* and *Appendix 3.7*.

3.2.10.4 Rendering of Utilisation Certificates

Against the Grants-in-aid of ₹ 15333.60 crore drawn during 2009-10 and 2010-11, utilization certificates for ₹ 7837.69 crore were outstanding for submission as on 31 March 2012 as disclosed in statement no. 4 (B) of the State Finance Accounts for the year 2011-12.

Finance Department in its reply stated (November, 2012) that necessary instructions regarding submission of UCs have already been issued (June 2012) to all the departments by the Chief Secretary.

¹¹ The object head of expenditure within the minor head/sub head defines the ultimate nature and purpose of expenditure.

¹² Other object heads on which GIA was drawn were 1301, 2002, 2101, 2103, 2701, 2702, 2801, 3103, 3401, 4201, 5001, 5002, 5003, 5301.

3.2.10.5 Incorrect Utilisation Certificates

UCs furnished by the Grantee are testimony of the GIA being utilized for the intended purposes and give the actual status of utilization of funds.

An examination of UCs of Bihar State Police Building Construction Corporation Ltd (BSPBCCL) relating to financial year 2009-12 revealed that the funds of ₹ 302.86 crore were utilised as contingent liabilities¹³. However, the accounts of the corporation indicated that there was no expenditure of the corporation under the head contingent liabilities during the same period.

Hence, UCs did not reflect the actual expenditure. Therefore, acceptance of such UCs as a mark of satisfactory expenditure was not proper and release of subsequent GIA based on such wrong and fictitious declaration was irregular.

The Managing Director, BSPBCCL in its reply stated (September 2012) that the cases where agreement for the entire work had been entered into with the contractors and the funds will be required for discharging the future liability on that account had been treated as contingent liability. Hence, it was clear that the UCs were furnished for the unspent amount which was likely to be expended in the future years¹⁴. On this being pointed out (September 2012), the department while accepting the audit contention directed (October 2012) the Corporation to submit UCs reflecting actual expenditure only. Information on rectificatory steps taken by the Corporation was yet to be intimated (November 2012).

3.2.10.6 Utilisation of GIA: Bihar Kosi Flood Recovery Project (BKFRP)

Bihar Aapda Punarawas Evam Punarnirman Society (BAPEPS) was constituted (7 July 2010) to support the disaster recovery as well as future oriented risk reduction efforts of Government of Bihar. Society had to undertake the flood recovery project of Kosi disaster 2008 in three districts¹⁵. The Society received GIA worth ₹ 575.19 crore from Planning and Development Department (PDD) during 2010-12. The grant was to be utilized by March 2012. However it was observed that out of the total funds received of ₹ 575.19 crore, ₹ 467.81 crore remained unutilized as of March 2012.

JEEViKA was the implementing agency for the Livelihood Restoration and Enhancement component of BKFRP which aimed to build social and financial capital (through enhanced incomes and reduced debt level) and expand livelihood opportunities of affected population. JEEViKA received ₹ 65 crore (₹ 15 crore from BAPEPS and ₹ 50 crore as GIA from PDD) during 2010-12. Against this JEEViKA could only utilize ₹ 11.30 crore till March 2012 and the balance of ₹ 53.86 crore was lying in bank accounts (March 2012).

¹³ A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events; or a present obligation that arises from past events but is not recognised because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) a reliable estimate of the amount of the obligation cannot be made.”

¹⁴ In the accounts of Bihar Police Building Construction Corporation Ltd, most of the Projects (even dating back to 1990s) are being shown as work-in-progress.

¹⁵ Saharsa, Supaul, Madhepura.

The Department stated (December 2012) that the report regarding UCs had been sought from BAPEPS. The reply indicated that despite having selected the grantees, the Department was not aware of the status of utilization of funds by BAPEPS and was releasing subsequent GIAs.

Further, PDD issued instructions (December 2012) to BAPEPS to ensure prompt utilization of funds or refund the unspent balance at the earliest. Hence, there was slackness in the implementation of BKFRP which being a disaster rehabilitation scheme should have been taken up on a war-footing.

3.2.10.7 Classification of Grants-in-Aid as Capital Expenditure

As per Indian Government Accounting Standards (IGAS) 2 - “Accounting and Classification of Grants-in-Aid”, Grants-in-Aid disbursed by a Grantor to a Grantee shall be classified and accounted as revenue expenditure in the Financial Statements of the Grantor irrespective of the purpose, for which the funds were disbursed as Grants-in-Aid except in cases specially authorised by the President on the advice of the Comptroller and Auditor General of India, be debited to a Capital Head of Accounts in the Financial Statements of the Government (in present case Government of Bihar).

Test check of the Accounts of the Government of Bihar for the financial year 2011-12 revealed that Grants-in-Aid of ₹ 460.61 crore was treated as Capital Expenditure¹⁶.

3.3 Delays in submission of Accounts/Audit Reports of certain authorities or bodies for certification

Section 20 (i) of the Comptroller and Auditor General’s (Duties, Power and Conditions of Service) Act, 1971, provides for the audit of accounts of any body or authority, if entrusted to the Comptroller and Auditor General by any law or if requested to do so by the Governor of a State having a Legislative Assembly. Such audit could be undertaken on such terms and conditions as may be agreed upon between him and the concerned Government and shall have, for the purposes of such audit, right of access to the books and accounts of the bodies and authorities.

The audit of accounts of the Bihar State Legal Services Authority was entrusted to the Comptroller and Auditor General permanently. Further, the audit of accounts of the Bihar State Khadi and Village Industries Board (BSKVIB), the Bihar State Housing Board (BSHB) and the Rajendra Agricultural University (RAU), Pusa, Samastipur were entrusted to the Comptroller and Auditor General for the period 2003-04 to 2009-10, 2004-05 onwards and 2010-11, respectively. The position of submission of accounts by these bodies, issuance of Separate Audit Reports (SARs) by the Comptroller and Auditor General and their placement in the State Legislature are indicated in *Appendix 3.8*.

¹⁶ Source: Note no.8 to State Finance Accounts, for the year 2011-12.

3.4 Misappropriations, Defalcations, Fraudulent/Excess Payments

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 Principal 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 Principal Accountant General by the heads of the offices.

During 2011-12, in a test check 17 cases of defalcation, misappropriation, loss, fraudulent/ excess payment and theft involving ₹ 3.58 crore were noticed which were pending with the concerned departments. The age-wise/category-wise break-up of the pending cases is detailed in *Appendices 3.9 and 3.10* and summarised in **Table 3.5**.

No case of written off loss was intimated by the Government.

Table 3.5: Nature of the pending cases

Nature/Characteristics of the Cases	Number of Cases	(₹ in crore)
		Amount involved
Misappropriation	03	0.32
Theft	01	0.31
Defalcation	07	1.22
Fraudulent Payment	02	0.23
Excess Payment	04	1.50
Total pending cases	17	3.58

(Source: Audit findings)

Out of 17 cases, seven cases (41.18 *per cent*) related to defalcation which indicates that appropriate steps for the safety of Government property as prescribed in the rules, had not been taken by the concerned departments. The indifferent approach of the departments in finalization of these cases had not only caused losses to the State exchequer but also failure to take timely action against the guilty person.

3.5 Operations of omnibus Minor Head-800

Booking of receipts or expenditure under the Minor Head '800 – Other Receipts' and '800 – Other Expenditure' is considered opaque classification of receipts and expenditure as these heads do not disclose the schemes, programmes etc, to which the amount relate. The head accommodates expenditure which cannot be classified under the available programme minor heads.

During 2011-12, expenditure aggregating ₹ 2409.13 crore under 45 Revenue and Capital Major Heads of accounts (representing functions of the Government) on expenditure side was classified under the Minor Head '800-Other Expenditure' constituting about 5.99 *per cent* of the total expenditure under the respective Major Heads. Eleven Major Heads having substantial expenditure of ₹ 1623.57 crore (₹ 10 crore and above) classified as 'Other Expenditure' are detailed in *Appendix 3.11*.

Similarly, revenue receipts aggregating ₹ 330.05 crore under 43 Revenue Major Heads of accounts on receipts side (excluding Grants-in-aid) was classified under the Minor Head '800- Other Receipts' in the accounts constituting 2.45 *per cent* of the total receipt (Revenue) under the respective Major Heads. Five Major Heads having substantial receipt of ₹ 178.51 crore (₹ 10 crore and above) classified as 'Other Receipts' are detailed in *Appendix 3.12*.

Classification of large amounts under the omnibus Minor Head '800-Other Expenditure/Receipts' by 61 treasuries affected transparency in financial reporting.

3.6 Conclusion

The Review of drawal of funds on AC/GIA bills and submission of DC bills/ UCs revealed that there is need for strengthening internal controls and effective monitoring in this area. The funds were drawn on AC/GIA bills without adequate planning and immediate requirement and also to avoid lapse of budget grants, thereby resulting in unnecessary retention/parking of funds.

Delay in submission of DC bills and UCs was noticed. Non-submission of the DC bills within the stipulated time frame and drawal of funds for plan schemes/capital expenditure on AC bills at the fag end of the financial year were indicative of inadequate financial management.

Further, the amendments in BTC regarding AC/DC bills were not in conformity with the Receipts and Payments Rules, 1983 of the Central Government and needed a review for improvement.

3.7 Recommendations

- The Government should strengthen its internal control mechanism in respect of drawal of funds on AC/GIA bills so as to ensure timely utilization of funds drawn on these bills.
- The tendency of heavy drawal of funds on AC/GIA bills without immediate requirement and parking the funds in bank accounts and Personal Deposit accounts should be avoided.
- The Government should ensure transparency in financial reporting by classifying the amounts received or expended under various schemes in the accounts distinctly, instead of clubbing the same under the Minor head '800-Other Expenditure' and '800-Other Receipts'.
- Misclassification of vouchers should be avoided by treasuries and supervisory role of treasuries should be strengthened.
- Controlling Officers and DDOs should be more vigilant and careful in compliance of rules and procedures in drawal and utilization of funds.

Patna
The

11 FEB 2013



(I. D. S. DHARIWAL)
Accountant General (Audit), Bihar

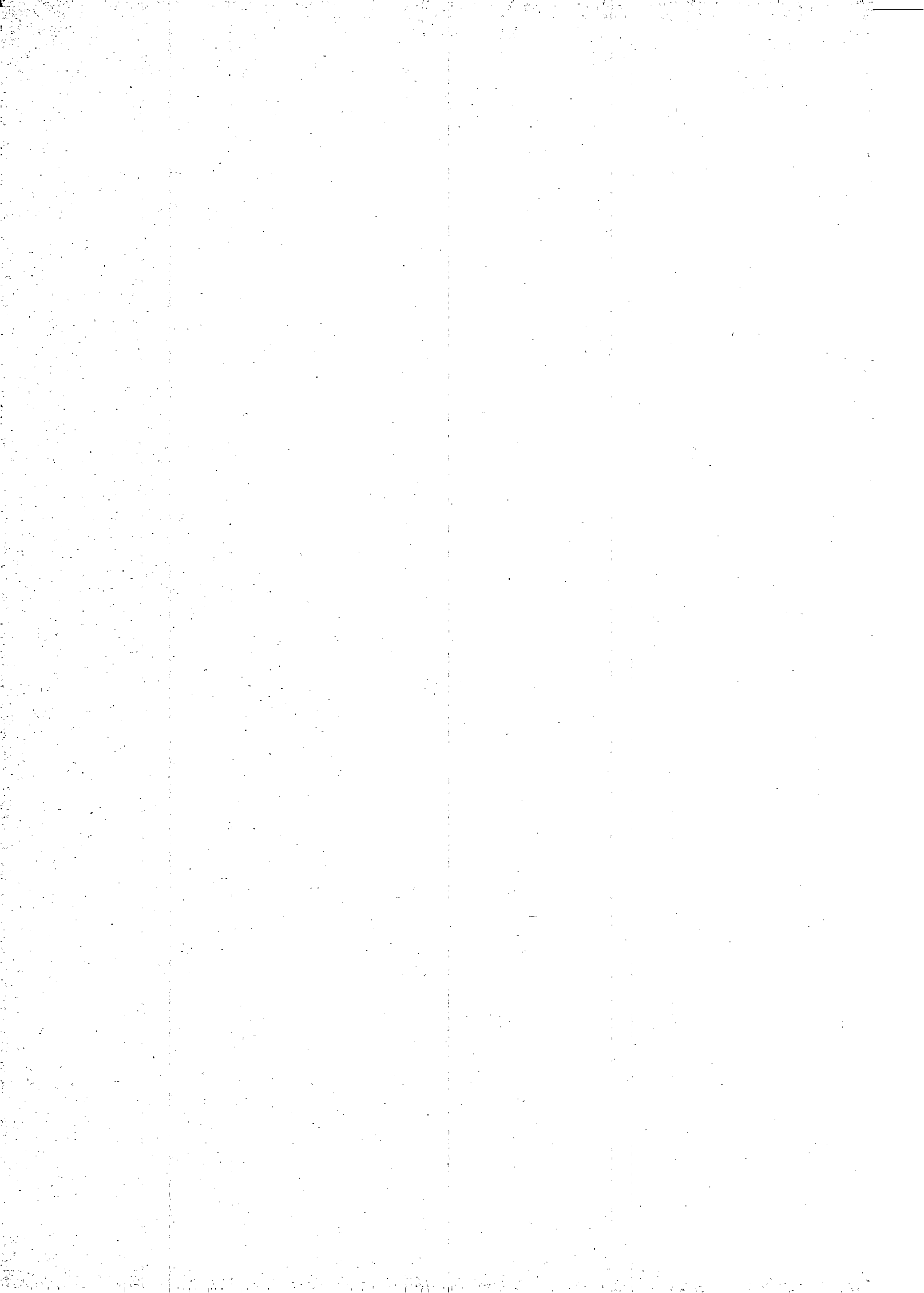
Countersigned

New Delhi
The

14 FEB 2013



(VINOD RAI)
Comptroller and Auditor General of India



APPENDICES



Mahabodhi Temple (Bodh Gaya)

State Profile

(Reference: Paragraph 1; Page 1)

A. General Data				
Sl. No.	Particulars			Figures
1	Area			94163 sq km
2	Population			
	a.	As per 2001 Census		8.3 crore
	b.	As per 2011 Census		10.38 crore
3	a.	Density of Population (as per 2001 Census) (All India Density = 325 persons per Sq. Km.)		881 person per Sq. km.
	b.	Density of Population (as per 2011 Census) (All India Density = 382 persons per Sq. Km.)		1102 person per Sq. km.
4	* Population Below Poverty Line (BPL) (All India Average = 27.5 per cent)			41.4 per cent
5	a.	Literacy (as per 2001 Census) (All India Average = 64.8 per cent)		47 per cent
	b.	Literacy (as per 2011 Census) (All India Average = 74.0 per cent)		63.82 per cent
6	Infant mortality*** (per 1000 live births) (All India Average = 50 per 1000 live births)			52
7	Life Expectancy at birth*** (All India Average =63.5 years)			61.6 Years
8	Gini Coefficient ¹			
	a.	Rural. (All India = 0.30)		0.20
	b.	Urban. (All India = 0.37)		0.33
9	Gross State Domestic Product (GSDP) 2011-12 at current prices			262230 crore
	Per capita GSDP ² CAGR ³ (2002-03 to 2011 -12)		Bihar	13.10 per cent
			General Category States	13.09 per cent
10	GSDPCAGR (2002-03 to 2011 -12)		Bihar	14.97 per cent
			General Category States	14.46 per cent
11	Population Growth (2001 to 2011)		Bihar	17.89 per cent
			General Category States	13.90 per cent
B Financial Data				
Sl. No.	Particulars		Figures (in per cent)	
1	CAGR		2002-03 to 2010-11	
			General Category States	Bihar
	a.	of Revenue Receipts.	16.86	19.14
	b.	of Own Tax Revenue.	16.74	17.26
	c.	of Non-Tax Revenue.	12.84	18.07
	d.	of Total Expenditure.	14.58	16.84
	e.	of Capital Expenditure.	21.25	32.47
	f.	of Revenue Expenditure on Education.	15.41	14.70
	g.	of Revenue Expenditure on Health.	14.00	13.30
	h.	of Salary and Wages#.	13.43	9.58
	i.	of Pension.	16.89	14.71

Source: Financial data is based on figures in Finance Accounts. BPL (Planning Commission & NSSO data, 61st Round-http://planning.commission.nic.in/data/database/Data_0910/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,2011 -12 , Infant mortality rate (SRS Bulletin January, 2012), 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 2002-03 to 2010-11 or 2011 -2012 as the case may be.

¹ It is a measure of inequality of income distribution where zero refers to perfect equality and one refers to perfect inequality.

² GSDP = Gross State Domestic Product.

³ CAGR= Compound Annual Growth Rate.

Part A : Structure and form of Government Accounts

(Reference: Paragraph 1.1 : Page 1)

Structure of Government Accounts: The accounts of the Government are kept in three parts

(i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

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

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

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

Appendix- 1.2 Part B: Layout of Finance Accounts

Statement	Layout
The Finance Accounts have been divided into two volumes. Volume I present the Financial Statements of the Government in the form of commonly understood summarised form while the details are presented in Volume II. Volume I contains the Certificate of the Comptroller and Auditor General of India, four summary Statements as given below and Notes to Accounts including accounting policy.	
Statement No. 1	Statement of financial position: Cumulative figures of assets and liabilities of the Government, as they stand at the end of the year, are depicted in the statement. The assets are largely financial assets with the figures for progressive capital expenditure denoting physical assets of the Government. Assets, as per the accounting policy, are depicted at historical cost.
Statement No. 2	Statement of receipts and disbursement: This is a summarised statement showing all receipts and disbursements of the Government during the year in all the three parts in which Government account is kept, namely the consolidate fund, contingency fund and public account. Further within the consolidated fund, receipts and expenditure on revenue and capital account are depicted distinctly.
Statement No. 3	Statement of receipts (consolidated fund): This statement comprises revenue and capital receipts and receipts from borrowings of the Government consisting of loans from the GOI, other institutions, market loans raised by the Government and recoveries on account of loans and advances made by the Government.
Statement No. 4	Statement of expenditure (consolidated fund): This statement not only gives expenditure function (activity) but also summaries expenditure by name of activity (objects of expenditure).
In addition, the Volume comprises an appendix, Appendix I, which is a statement of Cash Balances and Investment of Cash Balances. Volume II comprises three parts. Part I contains six statements as given below:	
Statement No. 5	Statement of progressive capital expenditure: This statement details progressive capital expenditure by functions, the aggregate of which is depicted in Statement 1.
Statement No. 6	Statement of Borrowings and other liabilities: Borrowings of the Government comprise market loans raised by it (internal debt) and Loans and Advances received from the GOI. Both these together form the public debt of the State Government. In addition, this summary statement depicts 'other liabilities' which are the balances under various sectors in the public account. In respect of the latter, the Government acts as a trustee or custodian of the funds, hence these constitute liabilities of the Government. The statement also contains a note on service of debt, i.e. a note on the quantum of net interest charges met from revenue receipts.

Appendix 1.2

Appendix -1.2 Part B: Layout of Finance Accounts	
Statement	Layout
Statement No. 7	Statement of Loans and Advances given by the Government: The loans and advances given by the Government are depicted in statement I and recoveries, disbursements feature in statement 2, 3 and 4 . Here, loans and advances are summarised sector and loanee group wise. This is followed by a note on the recoveries in arrear in respect of loans, the details of which are maintained by the AG office and details of which are maintained by the State departments.
Statement No. 8	Statement of Grants-in-aid given by the Government: organised by grantee institutions group wise. It includes a note on grants given in kind also.
Statement No. 9	Statement of Guarantees given by the Government: Guarantees given by the Government for repayment of loans, etc. raised by Statutory corporations, Government companies, Local Bodies and Other institutions during the year and sums guaranteed outstanding as at the end of the year are present in this statement.
Statement No.10	Statement of Voted and Charged Expenditure: This statement presents details of voted and charged expenditure of the Government.
Volume II Part II: This part contains nine statements presenting details of transactions by minor head corresponding to statements in Volume I and Part I of Volume II.	
Statement No. 11	Detailed Statement of Revenue and Capital Receipts by minor heads: This statement presents the revenue and capital receipts of the Government in detail.
Statement No. 12	Detailed Statement of Revenue Expenditure by minor heads: This statement presents the details of revenue expenditure of the Government in detail. Non-Plan and plan figures are depicted separately and a comparison with the figures for the previous year is available.
Statement No. 13	Detailed Statement of Capital Expenditure by minor heads: This statement presents the details of capital expenditure of the Government in detail. Non-Plan and Plan figures are depicted separately and a comparison with the figures for the previous year are available cumulative capital expenditure up to the end of the year is also depicted.
Statement No. 14	Detailed Statement of Investment of the Government: The position of Government Investment in the share capital and debentures of different concerns is depicted in this statement for the current and previous year. Details include type of shares held, face value, dividend received etc.
Statement No. 15	Detailed Statement of Borrowings and other Liabilities: Details of borrowings (market loans raised by the Government and loan etc. from GOI) by minor heads, the maturity and repayment profile of all loans is provided in this statement. This is the detailed statement corresponding to statement 6 in part I volume 2.
Statement No. 16	Detailed Statement on Loans and Advances given by the Government: The details of loans and advances given by the Government, the changes in loan balances, loans written off, interest received on loans etc. is present in this statement. It also presents Plan loans separately. This is the detailed statement corresponding to statement 7 in part I volume 2.
Statement No. 17	Detailed Statement on Sources and Application of funds for expenditure other than revenue account: The capital and other expenditure (other than on revenue account) and the sources of fund for the expenditure is depicted in the statement.
Statement No. 18	Detailed Statement on Contingency Fund and other Public Account transactions: The Statement shows changes in contingency fund during the year, the appropriations to the fund, expenditure, amount recouped etc. It also depicts the transaction in public account in detail.
Statement No. 19	Statement showing details of earmarked balances: This statement shows the details of investment out of reserve fund in public account.

(Source: Finance Accounts, 2011-12)

**THE BIHAR FISCAL RESPONSIBILITY AND BUDGET MANAGEMENT
(AMENDMENT) ACT, 2010
(Bihar Act No. 25 of 2010)**

An act to amend the Bihar Fiscal Responsibility and Budget Management Act, 2006 to provide amendment in fiscal targets as recommended by the Thirteenth Finance Commission (ThFC) for application revised roadmap for fiscal consolidation and to make Fiscal Responsibility and Budget Management process more transparent and comprehensive.

Be it enacted by the Legislature of the State of Bihar in the sixty first year of the republic of India as follows:

1. (a) This Act may be called the Bihar Fiscal Responsibility and Budget Management (Amendment) Act, 2010.
 - (b) It shall extend to the whole of the State of Bihar.
 - (c) It shall come into force on such date as the State Government may, by notification in the official Gazette, appoint in this behalf.
2. The following new sub-section (m) after sub-section (1) of section 2 of the Bihar Fiscal Responsibility and Budget Management Act, 2006 (Bihar Act 5, 2006).
3. Sub-section (a) of Section 3 of the Bihar Fiscal Responsibility and Budget Management Act, 2006 (Bihar Act 5, 2006) shall be substituted by the following:
 - (a) “for fiscal reform path the State on attaining a zero revenue deficit or revenue surplus in 2007-08 shall have to achieve a fiscal deficit of three *per cent* of Gross State Domestic Product by 2011-12 and maintain such thereafter.”
4. Section 9 (2) of the Bihar Fiscal Responsibility and Budget Management Act, 2006 (Bihar Act 5, 2006) shall be substituted by the following:
 - (b) “In the financial year 2010-11 bring the fiscal deficit/Gross State Domestic Product ratio to 3.5 *per cent* and it shall be three *per cent* in 2011-12 and maintain such up to year 2014-15.”
5. The following new clause (c) shall be added after clause (b) of sub-section 2 of section 9 of the Bihar Fiscal Responsibility and Budget Management Act, 2006 (Bihar Act, 5 2006):
 - (c) “ bring Debt as *per cent* of Gross State Domestic Product in the financial year 2010-11, 2011-12, 2012-13, 2013-2014 and 2014-15 to 48.2, 46.4, 44.6, 43.0 and 41.6 respectively”.

Methodology adopted for the assessment of fiscal position

The norms/ceilings prescribed by the Thirteenth Finance Commission (ThFC) for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/ projections made by the State Governments in their Fiscal Responsibility and Budget Management (Amendment) Act, 2010 and in other Statements required to be laid in the legislature under the Act (**Part B of Appendix 1.2**) are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming the GSDP is good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc, are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

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

Trends in Gross State Domestic Product (GSDP) at current rates

	2007-08	2008-09	2009-10	2010-11	2011-12
Gross State Domestic Product (₹ in crore)	118923	151650	177537	217814	262230
Growth rate of GSDP	14.88	27.52	17.07	22.69	20.39

(Source: Directorate of Economic and Statistical Department, Government of Bihar)

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

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

(₹ in crore)

2010-11		Receipts		2011-12		Disbursements		2011-12		
								Non-Plan	Plan	Total
		Section-A: Revenue								
44532.32	I	Revenue receipts	51320.17	38215.92	I	Revenue expenditure	34012.66	12486.83	46499.49	
9869.85		-Tax revenue	12612.10	15286.97		General Services	17569.44	160.28	17729.72	
985.53		-Non-tax revenue	889.86	15089.42		Social Services	9523.52	9205.26	18728.78	
23978.38		-State's share of Union Taxes	27935.23	8100.58		Education, Sports, Art and Culture	6672.87	3484.41	10157.28	
1924.78		-Non-Plan grants	2562.62	1502.19		Health and Family Welfare	1427.81	375.72	1803.53	
5456.95		-Grants for State Plan Schemes	5065.39	1697.53		Water Supply, Sanitation, Housing and Urban Development	537.72	1175.60	1713.32	
2316.83		Grants for Central and Centrally sponsored Plan Schemes	2254.97	51.99		Information and Broadcasting	49.43	6.96	56.39	
				538.19		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	99.64	959.99	1059.63	
				78.90		Labour and labour welfare	74.26	13.50	87.76	
				2902.62		Social welfare and nutrition	622.88	2966.11	3588.99	
				217.42		Others	38.91	222.97	261.88	
				7836.28		Economic Services	6916.53	3121.29	10037.82	
				2017.72		Agriculture and Allied Activities	594.36	1320.11	1914.47	
				1989.44		Rural Development	1782.66	1131.94	2914.60	
						Special areas programmers				
				1311.02		Irrigation and Flood control	1212.94	98.41	1311.35	
				1215.83		Energy	2160.32	7.70	2168.02	
				325.86		Industry and Minerals	32.05	331.14	363.19	
				634.49		Transport	788.46	0.07	788.53	
				-		Science, Technology and Environment	-	-		
				341.91		General Economic Services	345.74	231.92	577.66	
				3.25		Grants-in-aid and Contributions	3.17		3.17	
				38215.92		Total			46499.49	

Appendix 1.4

Receipts				Disbursements				
2010-11		2011-12		2010-11	2011-12			
						Non-Plan	Plan	Total
	II	Revenue deficit carried over to Section B		6316.40	II	Revenue Surplus carried over to Section B		4820.68
44532.32		Total	51320.17	44532.32		Total		51320.17
		Section-B Others						
2291.13	III	Opening Cash balance including Permanent Advances and Cash Balance Investment	2735.44		III	Opening overdraft from Reserve Bank of India		
	IV	Miscellaneous Capital receipts		9195.94	IV	Capital Outlay	39.59	8812.42
				395.71		General services	38.24	569.82
				1072.08		Social Services	5.76	801.38
				143.75		Education, Sports, Art and Culture	-1.77	58.17
				164.98		Health and Family Welfare	-	321.05
				629.74		Water Supply, Sanitation, Housing and Urban Development	7.53	324.43
				1.05		Information and Broadcasting	-	-
				29.79		Welfare of Scheduled Castes, Schedule Tribes and Other Backward Classes	-	3.50
				88.46		Social welfare and nutrition	-	82.43
				14.31		Others social services	-	11.80
				7728.15		Economic Services	-4.41	7441.22
				16.99		Agriculture and Allied Activities	-	117.29
				1203.82		Rural Development	-	1088.78
						Special areas programmes		
				1366.98		Irrigation and Flood Control	-4.41	1968.39
				1007.23		Energy		102.37
				8.81		Industry and Minerals		66.26
				4071.58		Transport		4063.51
				52.74		General Economic Services		34.62
11.86	V	Recoveries of Loans and Advances	22.51	1102.63	V	Loans and Advances disbursed	220.72	1685.36
		-From Power Projects		878.49		For Power Projects	58.18	877.36
10.95		-From Government Servants	10.62	14.86		To Government Servants	17.39	17.39
0.91		-From Others	11.89	209.28		To Others	145.15	808.00
								953.15

Appendix 1.4

Receipts				Disbursements			
2010-11		2011-12	2010-11	2011-12			
					Non-Plan	Plan	Total
6316.40	VI Revenue Surplus brought down		4820.68	VI	Revenue Deficit brought down		
6032.42	VII Public debt receipts		6627.96	2190.03	VII	Repayment of Public debt	2922.46
	External debt				External debt		
5250.89	Internal debt other than Ways and Means Advances and overdrafts	5801.40		1724.53		Internal debt other than Ways and Means Advances and Overdrafts	2456.98
	-Net transactions under Ways and Means Advances					Net transactions under Ways and Means Advances	
	-Net transactions under overdraft						
781.53	-Loans and Advances from Central Government	826.56		465.50		Repayment of Loans and Advances to Central Government	465.48
0.00	Inter State settlement		75.41			Inter State settlement	1.39
1150.00	VIII Appropriation to Contingency Fund		800.00	1150.00	VIII	Appropriation to Contingency Fund	800.00
	IX Amount transferred to Contingency Fund				IX	Expenditure from Contingency Fund	
17321.25	X Public Account receipts		22302.61	16749.02	X	Public Account disbursements	21393.22
838.84	Small Savings and Provident Funds	1031.81		586.14		Small Savings and Provident Funds	1033.94
243.72	Reserve Funds	1114.53		60.00		Reserve Funds	542.17
334.43	Suspense and Miscellaneous	419.14		329.52		Suspense and Miscellaneous	976.07
9279.87	Remittance	9859.15		9199.91		Remittance	9895.97
6624.39	Deposits and Advances	9877.98		6573.45		Deposits and Advances	8945.07
	XI Closing Overdraft from Reserve Bank of India			2735.44	XI	Cash Balance at end	1509.45
						Cash in Treasuries and Local Remittances	
				-426.37		Deposits with Reserve Bank	-93.15
				426.92		Departmental Cash Balance including permanent Advances	491.62
				2734.89		Cash Balance Investment	1110.98
33123.06	Total		37384.61	33123.06		Total	37384.61

(Source: Finance Accounts, 2011-12)

Appendix 1.5

Actuals, vis-a-vis, Budget Estimates for 2011-12

(Reference: Paragraph 1.1.2; Page 3)

(₹ in crore)

Particulars	BE	Actuals	Increase/ Decrease (-)	Percentage increase/ decrease (-)
Revenue Receipt	56205.86	51320.17	4885.69	8.69
Own tax revenue	12582.90	12612.10	-29.20	-0.23
Non Tax Revenue	2985.94	889.86	2096.08	70.20
Share of Union Taxes and Duties	26966.39	27935.23	-968.84	-3.59
Grants-in-aid from GOI	13670.63	9882.98	3787.65	27.71
Revenue Expenditure	49933.56	46499.49	3434.07	6.88
General Services	18505.11	17729.72	775.39	4.19
Organs of State	933.12	724.00	209.12	22.41
Fiscal Services	583.25	550.43	32.82	5.63
Interest Payments & Servicing of Debt	4982.01	4540.09	441.92	8.87
Administrative services	4422.47	4106.74	315.73	7.14
Pension and Miscellaneous General services	7584.27	7808.46	-224.19	-2.96
Social Services	20862.15	18728.78	2133.37	10.23
Education, Sports, Art and Culture	11113.83	10157.28	956.55	8.61
Health and Family Welfare	2285.51	1803.53	481.98	21.09
Water Supply, Sanitation, Housing and Urban Development	2434.57	1713.32	721.25	29.63
Information and Broadcasting	62.79	56.39	6.40	10.19
Welfare of SC, ST and other BCs	628.44	1059.63	-431.19	-68.61
Labour and Labour Welfare	100.72	87.76	12.96	12.87
Social Welfare and Nutrition	3720.01	3588.99	131.02	3.52
Others	516.28	261.88	254.40	49.28
Economic Services	10562.18	10037.82	524.36	4.96
Agriculture and Allied Services	2051.19	1914.47	136.72	6.67
Rural Development	3802.24	2914.60	887.64	23.35
Irrigation & Flood Control	1226.05	1311.35	-85.30	-6.96
Energy	1090.53	2168.02	-1077.49	-98.80
Industry & Minerals	601.62	363.19	238.43	39.63
Transport	999.19	788.53	210.66	21.08
General Economic Services	791.36	577.66	213.70	27.00
Grant-in-aid from Contributions	4.12	3.17	0.95	23.06
Capital expenditure of which	15392.31	8852.01	6540.30	42.49
General Services	1513.37	608.06	905.31	59.82
Social Services	1242.31	807.14	435.17	35.03
Education, Sports, Art and Culture	119.39	56.40	62.99	52.76
Health and Family Welfare	419.30	321.05	98.25	23.43
Water Supply, Sanitation, Housing and Urban Development	425.42	331.96	93.46	21.97
Welfare of SC, ST and other BCs	21.75	3.50	18.25	83.91
Social Welfare and Nutrition	256.45	82.43	174.02	67.86
Economic Services	8692.13	7436.81	1255.32	14.44
Agriculture and Allied Services	19.80	117.29	-97.49	-492.37
Rural Development	1344.75	1088.78	255.97	19.03
Irrigation & Flood Control	2340.85	1963.98	376.87	16.10
Energy	1044.20	102.37	941.83	90.20
Industries & Minerals	17.94	66.26	-48.32	-269.34
Transport	3899.15	4063.51	-164.36	-4.22
General Economic Services	25.44	34.62	-9.18	-36.08
Revenue Surplus (+)/ deficits (-)	6272.30	4820.68	1451.62	23.14
Fiscal Deficits (-)	6194.03	5914.00	280.03	4.52
Primary surplus (+)/ deficits (-)	-1455.52	1610.00	-3065.52	210.61

(Source: Finance Accounts, 2011-12)

Funds directly transferred to State Implementing Agencies

(Reference: Paragraph 1.2.2 ;Page 5)

(₹ in crore)

Programme/Scheme	Implementing Agency in the State	2010-11	2011-12
		Central Share	Central Share
Sarva Shiksha Abhiyan	Bihar Education Project Council	1958.66	1851.09
National Programme of Education of Girls at Elementary Level		15.96	0.00
Kasturba Gandhi Balika Vidyalaya		73.28	0.00
Total		2047.90	1851.09
National Rural Employment Guarantee Scheme	District Rural Development Agencies	2089.26	1300.73
Swarna Jayanti Gram Swarajgar Yojana		141.57	67.88
Indira Awas Yojana		2255.58	2170.82
Integrated Watershed Management Programme		0.74	5.46
District Rural Development Agency (Administration)		31.77	29.99
Hariyali		0.00	0.00
Total			4518.92
National Rural Health Mission	State Health Society	19.71	6.45
Total Sanitation Campaign		-	-
Pradhan Mantri Gram Sadak Yojna	Registered Societies	3458.69	3195.74
Members of Parliament Local Area Development Scheme	District Magistrate	111.53	100.97
Science and Technology Programme for Social Economic Development	Registered Societies (NGOs)	0.63	0.31
Off Grid DRPS	Bihar Renewable Energy Development Agency	2.83	5.90
Promotion and Dissemination of Art and Culture	Registered Societies (NGOs)	0.84	1.16
Handicrafts	Registered Societies (NGOs)	0.00	0.00
Memorials and Others	Nava Nalanda Mahavihara	2.20	3.00
Mahila Samakhya	Bihar Mahila Samakhya Society	5.41	5.99
National Institute of Pharmaceuticals and Research	National Institute of Pharmaceuticals Education and Research	1.00	0.00
Supports to NGOs, Institutions, SRCs for Adult Education and Skill Development	Jan Shikshan Sansthan	4.63	5.90
National Child Labour Project Including Grants in aid to Voluntary Agencies	Child Labour Project Society	7.31	12.39
Health Insurance for Unorganized Sector Workers (Rashtriya Swastha Bima)	Bihar State Labour Welfare Societies	55.86	119.27
National Food Security Mission	State Agriculture Management & Extension Training	51.65	74.87
Setting up of New IITs	Indian Institute of Technology, Patna	20.00	0.00
Total of GOI funds not passed from State Budget		10309.11	8957.92

(Source: Finance Accounts, 2011-12)

Appendix 1.7

Time series data on the State Government Finances

(Reference: Paragraph 1.3, 1.3.1.1, 1.4.1&1.9.1; 6, 8, 9&23)

(₹ in crore)

	2007-2008	2008-09	2009-10	2010-11	2011-12
Part A. Receipts					
1. Revenue Receipts	28210	32981	35527	44532	51320
(i) Tax Revenue	5086 (18)	6173 (19)	8090 (23)	9870 (22)	12612 (25)
Taxes on Sales, Trade, etc	2535 (50)	3016 (49)	3839 (48)	4557 (46)	7476 (59)
State Excise	525 (10)	679 (11)	1082 (13)	1523 (16)	1981 (16)
Taxes on Vehicles	273 (5)	298 (5)	345 (4)	456 (5)	569 (4)
Stamps and Registration fees	654 (13)	716 (12)	998 (12)	1099 (11)	1480 (12)
Land Revenue	82 (2)	102 (1)	124 (2)	139 (1)	168 (1)
Taxes on Goods and Passengers	938 (18)	1279 (21)	1613 (20)	2006 (20)	828 (7)
Other Taxes	79 (2)	83 (1)	89 (1)	90 (1)	110 (1)
(ii) Non-Tax Revenue	526 (2)	1153 (3)	1670 (5)	985 (2)	890 (2)
(iii) State's share of Union taxes and duties	16766 (59)	17693 (54)	18203 (51)	23978 (54)	27935 (54)
(iv) Grants in aid from Government of India	5832 (21)	7962 (24)	7564 (21)	9699 (22)	9883 (19)
2. Miscellaneous Capital Receipts	0	0	0	0	0
3. Recoveries of Loans and Advances	26	11	13	12	23
4. Total Revenue and Non-debt capital receipts (1+2+3)	28236	32992	35540	44544	51343
5. Public Debt Receipts	1612	5928	6134	6032	6628
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1144	5778	5370	5251	5801
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	-
Loans and Advances from Government of India	468	150	764	781	827
6. Inter State settlement					75
7. Total Receipts in the Consolidated Fund (4+5+6)	29848	38920	41674	50576	58046
8. Contingency Fund Receipts	-	-	-	-	-
9. Public Account Receipts	12837	16941	15303	17321	22303
10. Total Receipts of the State (7+8+9)	42685	55861	56978	67897	80349
Part B. Expenditure/Disbursement					
11. Revenue Expenditure	23563	28512	32584	38216	46499
Plan	4804 (20)	7280 (26)	8439 (26)	10900 (29)	12487 (27)
Non-Plan	18759 (80)	21232 (74)	24145 (74)	27316 (71)	34012 (73)
General Services (including interest payments)	9252 (39)	10530(37)	12202(37)	15287(40)	17729(38)
Social Services	9868(42)	12252(43)	13186(40)	15090(39)	18729(40)
Economic Services	4438 (19)	5726 (20)	7088 (22)	7836 (21)	10038 (22)
Grants-in-aid and contributions	5	4	108(1)	3	3
12. Capital Expenditure	6104	6436	7332	9196	8852
Plan	5991 (98)	6336 (98)	7268 (99)	9150 (99)	40 (1)
Non-Plan	113 (2)	100 (2)	64 (1)	46 (1)	8812 (99)
General Services	223 (4)	206 (3)	274 (4)	396 (4)	608 (7)
Social Services	799 (13)	640 (10)	1123 (15)	1072 (12)	807 (9)
Economic Services	5082 (83)	5590 (87)	5935 (81)	7728 (84)	7437 (84)
13. Disbursement of Loans and Advances	272	551	897	1103	1906
14. Total (11+12+13)	29939	35499	40813	48515	57257

Appendix 1.7

15. Repayments of Public Debt	1632	1682	1983	2190	2922
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1203	1254	1169	1725	2457
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	429	428	814	465	465
16. Appropriation to Contingency Fund	-	-	-	-	-
17. Inter State settlement	-	-	-	-	2
18. Total disbursement out of Consolidated Fund (14+15+16+17)	31571	37181	42796	50705	60181
19. Contingency Fund disbursements	-	-	-	-	-
20. Public Account disbursements	10334	17311	15448	16749	21393
21. Total disbursement by the State (18+19+20)	41905	54492	58428	67454	81574
Part C. Deficits					
22. Revenue Deficit(-)/Revenue Surplus (+) (1-11)	4647	4469	2943	6316	4821
23. Fiscal Deficit (-)/Fiscal Surplus (+) (4-14)	(-1703)	(-2507)	(-5273)	(-3971)	(-5914)
24. Primary Deficit/Primary Surplus (23+25)	2004	1246	(-1588)	348	(-1610)
Part D. Other data					
25. Interest Payments (included in revenue expenditure)	3707	3753	3685	4319	4304
26. Financial Assistance to local bodies etc.	1133	4423	4456	4622	14444
27. Ways and Means Advances/Overdraft availed (days)	NIL	NIL	NIL	NIL	NIL
Ways and Means Advances availed (days)					
Overdraft availed (days)					
28. Interest on Ways and Means Advances/ Overdraft	NIL	Nil	NIL	NIL	NIL
29 Gross State Domestic Product (GSDP)[@]	118923	151650	177537	217814	262230
30 Outstanding Fiscal liabilities (year end)	50989	54977	58690	62858	67812
31. Outstanding guarantees (year end)	516	704	859	588	1092
32. Maximum amount guaranteed (year end)	1538	1538	1548	1549	2049
33. Number of incomplete projects	9	78	288	350	380
34. Capital blocked in incomplete projects	2793	1016	941	1005	1579
Part E: Fiscal Health Indicators					
I Resource Mobilization					
Own Tax revenue/GSDP	0.043	0.041	0.046	0.045	0.048
Own Non-Tax Revenue/GSDP	0.004	0.008	0.009	0.005	0.003
Central Transfers/GSDP	0.141	0.117	0.103	0.110	0.107
II Expenditure Management					
Total Expenditure/GSDP	0.252	0.234	0.230	0.223	0.218
Total Expenditure/Revenue Receipts	1.061	1.076	1.148	1.089	1.116
Revenue Expenditure/Total Expenditure	0.787	0.803	0.798	0.787	0.812
Expenditure on Social Services/Total Expenditure	0.356	0.363	0.350	0.333	0.341

Appendix 1.7

Expenditure on Economic Services/Total Expenditure	0.318	0.318	0.319	0.343	0.338
Capital Expenditure/Total Expenditure	0.203	0.181	0.179	0.189	0.155
Capital Expenditure on Social and Economic Services/Total Expenditure.	0.196	0.173	0.173	0.181	0.144
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	0.039	0.029	0.017	0.029	0.018
Fiscal deficit/GSDP	-0.014	-0.017	-0.030	-0.018	-0.023
Primary Deficit (surplus) /GSDP	0.017	0.008	-0.009	0.002	-0.006
Revenue Deficit/Fiscal Deficit	-2.728	-1.782	-0.558	-1.590	-0.815
Primary Revenue Balance/GSDP	0.070	0.054	0.037	0.049	0.035
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	0.429	0.363	0.331	0.289	0.259
Fiscal Liabilities/RR	1.807	1.667	1.652	1.411	1.321
Primary deficit vis -à-vis quantum spread	-0.005	0.001	0.012	0.001	-0.169
Debt Redemption (Principal +Interest)/ Total Debt Receipts	3.216	0.064	0.736	0.923	1.004
V Other Fiscal Health Indicators					
Return on Investment	0.38	0.26	0.24	0.28	0.15
Balance from Current Revenue	5124	3953	6213	9602	10224
Financial Assets/Liabilities	0.960	0.960	1.09	1.18	0.809

Figures in brackets represent percentages (rounded) to total of each sub-heading
(Source: Finance Accounts and GDP figures of the Government)

Details of Incomplete Projects (Cost over runs) as on 31 March 2012

(Reference: Paragraph 1.6.1;Page17)

(₹ in lakh)

Sl. No.	Name of Department	Name of the Project/Works	Estimated cost of work	Physical progress of work (in per cent)	Progressive expenditure to the end of the year	Pending payments	Total expenditure including pending payment	Cost over run
1	Water Resources	Bagmati Extension scheme from 15.24 km to 52.92 km in Sheohar District	5509.20	91	6111.32	0	6111.32	602.12
2		Restoration work of Gandak Canal System and structure (Package 25) at Chakia, East Champaran	339.42	NA*	449.17	0	449.17	109.75
3		Earthwork of Ugranath Branch Canal from reduced distance 80 to 90 and earthwork and construction of structures of canal system (upto water course level ex-reduced distance 90.875 (L),92.77 @, 90.00 (L), 96.00 @ and 106.20 @ in Madhubani District	498.76	62	310.03	192.66	502.69	3.93
4		All works including canal system under ERM of EKC system including setting basin building repair and airport in Supaul District	238.20	62	276.50	30	306.50	68.30
5		Extension of left Kamla Balan from km 19.70 to 22.00 and km 94.00 to 103.12 in Madhubani District	1398.29	86	2022.00	356.69	2378.69	980.40
6		Anti-erosion work at Tirhut embankment from km 7 to 9 in Vaishali District	0.00	17	116.76	4.64	121.40	121.40
7		Anti-erosion work at Jafarabad, Vaishali	0.00	36	142.08	30.30	172.38	172.38
8		Restoration of cutoff canal in between km 4.9 to 6.1 of EAB at Supaul	112.79	67	62.00	52.80	114.80	2.01
9	Road Construction (National Highway wing)	Widening Strengthening and Beautification work in km 44 (P) to 47 (P) under NH-83 for the year 2010-11 at Gaya	1322.72	90	876.02	476.06	1352.08	29.36
10	Road Construction	Widening and Strengthening of Nokha-Noonsari Road Dehari-on-Sone, Rohtas	427.57	75	340.77	113.90	454.67	27.10
11		Widening and Strengthening of Rajpura-Nokha Road in Dehri-on-Sone, Rohtas	962.91	75	765.83	258.63	1024.46	61.55
12		Widening and Strengthening of Khagaul-Naubatpur Road via Shivala from 0.00 to 4.35 in Patna District	771.59	77	813.65	0	813.65	42.06
Total			11581.45		12286.13	1515.68	13801.81	2220.36

* Details not provided by concerned Divisions/ State Government
(Source: Finance Accounts 2011-12)

Appendix 1.9

Non realisable amounts

(Reference: Paragraph 1.6.2, 1.6.3; Page 18&19)

(₹ in crore)

Sl. No.	Name of Company/Corporations	Investment in share capital as on 31.03.12 (State Government portion)	Loans as on 31.03.12 (State Government portion)	Accumulated loss as on 31.03.12
1	Bihar State Road Transport Corporation	81.74	556.57	680.17
2	Bihar State Financial Corporation	39.95	213.97	382.20
3	Bihar State Credit and Investment Corporation Ltd.	15.12	26.80	149.67
4	Bihar State Agro Industries Development Corporation Ltd.	7.64	12.60	78.96
5	Bihar Rajya Beej Nigam Ltd.	2.28	2.03	53.45
6	Bihar State Dairy Corporation Ltd.	6.72	1.95	10.58
7	Bihar Text Book Publishing Corporation Ltd.	0.12	*	5.97
8	Bihar State Police Building Construction Corporation	0.25	*	5.56
9	Bihar State Sugar Corporation Ltd.	20.00	322.95	72.31
10	Bihar State Hydro Electric Corporation Ltd.	102.02	131.51	44.79
11	Bihar State Food and Civil Supplies Corporation	0.02	510.78	29.20
12	Bihar State Industrial Development Corporation Ltd.	14.04	76.45	26.42
13	Bihar State Small Industries Corporation Ltd.	7.18	10.40	16.56
14	Bihar State Water Development Corporation	12.19	42.09	11.20
15	Bihar State Fruit & Vegetables Development Corporation Ltd.	1.64	23.12	7.82
16	Bihar State Leather Industries Development Corporation Ltd.	17.40	13.27	2.92
17	Bihar State Construction Corporation Ltd.	11.00	0.00	1.57
18	Bihar Hill Area Lift Irrigation Corporation Ltd.	10.82	8.55	0.86
19	Bihar State Pharmaceuticals & Chemicals Development Corporation Ltd.	16.54	12.35	0.74
20	Bihar State Handloom and Handicrafts Corporation Ltd.	11.42	1.16	0.44
21	Bihar State Textiles Corporations Ltd.	15.81	2.48	0.32
22	Bihar Panchayati Raj Finance Corporation Ltd.	1.44	0.00	0.03
23	Bihar State Export Corporation Ltd.	2.27	1.22	0.01
24	Bihar State Electricity Board	*	13642.81	7674.68
	Total	397.61	15613.06	7402.61
	Total 1 (Sl 01 to 08) Non realizable	153.82	813.92	1366.56
	Total 2 (Sl 09 to 23) Substantial loss	243.79	1156.33	215.19
	Total Substantial loss of BSEB (Sl 24)	0.00	13642.81	7674.68
	Total non realizable investment & loan (08)	967.74		
	Total Substantial loss (15) except BSEB	215.19		

* Loans given to BSEB is shown at pages 279 to 281(Statement 16) of Finance Accounts but not mentioned in Statement 14 of Finance Accounts. Similarly, investments in Bihar Text Book Publishing Corporation Ltd. and Bihar State Police Building Construction Corporation is shown at pages 219 and 218 respectively (Statement 14) of Finance Accounts but not shown in Statement 16 (Source: Finance Accounts and records/ information of offices mentioned in Column 6 & Audit memos issued)

Advance withdrawal of Funds during 2011-12

(Reference paragraph 1.6.4; Page 19)

(₹ in lakh)

Department	Bank	Bank A/c No.	Where kept	Amount	Based on records of
Co- operative	Bihar State Co-operative Bank Patna	100203311	Bihar State Crop Insurance Fund	19045.29	Secretariat Hqr.
Health		Flexi Fixed Deposit	BRPNN	5000.00	Vardhman Medical College and Bihar Rajya Pul Nirman Nigam (BRPNN)
	Indian Bank	6016610664	Bihar Medical Services and Infrastructure Corporation Limited (BMSICL)	400.00	BMSICL
	Muzaffarpur	31130471517	Principal SKMC, Muzaffarpur	170.00	Treasury Voucher
	Indian Bank	6016610664	BMSICL	400.00	BMSICL
	Central Bank of India (CBI)			2231.25	
	ICICI Bank	625901142497		3942.95	
	Union Bank of India			3670.18	
	Not Available	30210764317	Bihar State Health Society (BSHS)	11278.00	CS Patna and BSHS
	Not Available		(BSHS)	11800.00	CS Patna and BSHS
	Axis Bank	Saving and Fixed	BMSICL	7758.00	BSHS & BMSICL
	IDBI Bank	Flexi Fixed Deposit		13133.92	
	CBI	Flexi Fixed Deposit		6618.90	
	UBI	Flexi Fixed Deposit		5610.71	
	PNB	Flexi Fixed Deposit		4493.99	
	Allahabad Bank	Flexi Fixed Deposit		IGIMS	
	Allahabad Bank	Savings		2439.56	IGIMS
Allahabad Bank	Flexi Fixed Deposit		860.00	IGIMS	
Allahabad Bank	Flexi Fixed Deposit		414.50	IGIMS	
Health Department total				81402.86	

Appendix 1.10

Department	Bank	Bank A/c No.	Where kept	Amount	Based on records of
Human Resources (HR)	SBI	320053311971	Bihar Madhyamik Shiksha Parishad (BMSP)	5822.25	BMSP
	SBI	32264472032		198.00	
	PNB	394000101131861		10000.00	
	SBI	3063469229		4677.75	
	Allahabad Bank	50029509570	Bihar School Examination Board (Secondary)	8575.87	Bihar School Examination Board (Secondary)
	Indian Overseas Bank (IOB)	245001000070001	Bihar State Educational Infrastructure Development Corporation limited (BSEIDC)	1125.00	BSEIDC
	IOB	151201000005527	BMSP	4176.00	BMSP
	CBI	3065633812		564.00	
	CBI	3063469229		10183.00	
	Indian Bank	6042512304		375.00	
AXIS Bank	910010025285315	BSEIDC	5338.00		
Education Department (earlier HR) total				51034.87	
Planning and Development	SBI, Secretariat, Patna	31620128302	Bihar Aapada Punarwas Evam Punarnirman Society (BAPEPS)	41551.60	BAPEPS
	CBI, KankarBagh Colony, Patna	3075500051	BAPEPS	5909.10	
	SBI, Motihari	11060624879	DPO, Motihari	362.58	DPO, Motihari
	CBI, Motihari	3060742032		131.55	
	Allahabad Bank	123201	DPO, Buxar	120.96	DPO, Buxar
	PNB, Buxar	3877000100064290		133.68	
	SBI,Ara	11174594538	DPO, Ara	7.39	DPO, Ara
	MBGB	7006010064391		124.31	
	PNB	100504448		302.09	
	PNB	846000100280315	DPO, Rohtas	320.15	DPO, Rohtas
	SBI	11054473097	DPO, Bhabhua	3.25	DPO, Bhabhua
	PNB	3863000101068048		253.59	
	Planning and Development Department total				49220.25
Rural Works Department	SBI	11111139458	Bihar Rural Road Development Authority (BRRDA)	10000.00	RWD
SC/ST Welfare	PNB	Fixed Deposit	Bihar Mahadalit Vikash Mission (BMVM)	2351.90	BMVS
	Canara Bank	Fixed Deposit		5522.80	
	BOI	Fixed Deposit		4623.80	
	AXIS Bank	Fixed Deposit		2000.00	
	ICICI Bank	Fixed Deposit		1137.20	
SC/ST Welfare Department total				15635.70	

Appendix 1.10

Department	Bank	Bank A/c No.	Where kept	Amount	Based on records of
Social Welfare	Corporation Bank	5504	Women Development Corporation (WDC)	2001.90	WDC
	Corporation Bank	1146		24.30	
	Madhya Bihar Gramin Bank	73210100047601		3967.00	
	Corporation Bank	CLSB A/c-7/04		1.30	
	Corporation Bank	CLKCC A/c-8/04		0.20	
	Indian Bank	441654837		672.40	
	SBI	1000009782		1.00	
	SBI	30098230233		1597.20	
	Indian Bank	763685826		12.60	
	SBI	11049753526		65.80	
	BOI	440020110000040		13.00	
	BOI	440020110000069		7.20	
	SBI	1100050051		24.00	
	BOI	440010210000002		223.00	
	SBI	30815373247		7.50	
Social Welfare Department				8618.40	
Urban Development & Housing Department			Bihar Urban Infrastructure Development Corporation Limited (BUIDCO)	6400.00	Bihar Urban Development Authority (BUDA)
Total				241357.37	

(Source: Records/information of offices mentioned in Column 6 & Audit memos issued)

Appendix 1.11

Summarized financial position of the Government of Bihar as on 31 March 2012

(Reference : Paragraph 1.7.1, Page 20)

		(₹ in crore)	
As on 31.03.2011	LIABILITIES		As on 31.03.2012
39020.39	Internal Debt -		42364.79
17579.57	Market Loans bearing interest	20173.22	
0.44	Market Loans not bearing interest	0.68	
21.97	Loans from Life Insurance Corporation of India	21.55	
21418.41	Loans from other Institutions	22169.34	
8264.48	Loans and Advances from Central Government -		8625.56
3.91	Pre 1984-85 Loans	3.91	
67.09	Non-Plan Loans	64.12	
8126.28	Loans for State Plan Schemes	8492.61	
6.13	Loans for Central Plan Schemes	5.54	
18.11	Loans for Centrally Sponsored Plan Schemes	16.42	
42.96	Ways and Means Advances for Plan Schemes	42.96	
350.00	Contingency Fund		350.00
9563.43	Small Savings, Provident Funds, etc.		9561.30
4802.90	Deposits		5717.43
1646.92	Reserve Funds		2219.29
00	Inter State settlement		74.01
11424.74	Surplus on Government Account -		16245.42
6316.40	(i) Less Revenue Surplus of the current year	4820.68	
5108.34	(ii) Accumulated Surplus at the beginning of the year	11424.74	
75072.86			85157.80
	ASSETS		
53447.86	Gross Capital Outlay on Fixed Assets -		62299.88
905.24	Investments in shares of Companies, Corporations, etc.	920.82	
52542.62	Other Capital Outlay	61379.06	
16642.19	Loans and Advances -		18525.76
13794.72	Loans for Power Projects	14730.25	
2781.92	Other Development Loans	3723.18	
65.55	Loans to Government servants and Miscellaneous loans	72.33	
1144.38	Remittances		1181.18
185.49	Advances		167.10
917.50	Suspense and Miscellaneous Balances		1474.43
2735.44	Cash -		1509.45
0.00	Cash in Treasuries and Local Remittances		
-426.37	Deposits with Reserve Bank	-93.15	
254.61	Departmental Cash Balance	206.07	
172.31	Permanent Advances	285.55	
2734.89	Cash Balance Investments including earmarked funds	1110.98	
75072.86			85157.80

Statement of grants/appropriations where savings were more than ₹ 10 crore and 20 per cent of the total provision

(Reference : Paragraph 2.3.1, Page 30)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Expenditure	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1	Agriculture Department	1354.96	980.22	374.74	28
2	2	Animal & Fisheries Resources Department	487.26	276.63	210.63	43
3	3	Building Construction Department	799.53	436.84	362.69	45
4	4	Cabinet Secretariat Department	142.54	89.47	53.08	37
5	6	Election Department	67.45	43.38	24.07	36
6	8	Art, Culture and Youth Department	65.48	47.50	17.98	27
7	9	Co-operative Department	1275.88	1003.20	272.68	21
8	10	Energy Department	4367.42	3235.00	1132.42	26
9	12	Finance Department	1362.31	427.01	935.30	69
10	16	Panchayati Raj Department	3549.79	2389.53	1160.26	33
11	17	Commercial Taxes Department	82.60	65.37	17.23	21
12	20	Health Department	2876.51	2249.41	627.10	22
13	23	Industries Department	524.14	352.84	171.30	33
14	25	Information Technology Department	228.97	114.52	114.45	50
15	27	Law Department	567.05	418.55	148.50	26
16	30	Minorities Welfare Department	575.47	287.39	288.08	50
17	33	General Administration Department	394.59	289.07	105.52	27
18	35	Planning and Development Department	1764.03	655.61	1108.42	63
19	36	Public Health Engineering Department	968.13	568.94	399.19	41
20	37	Rural Works Department	1734.69	1275.93	458.76	26
21	38	Registration, Excise and Prohibition Department	124.21	84.54	39.67	32
22	39	Disaster Management Department	1119.78	646.36	473.42	42
23	40	Revenue and Land Reforms Department	676.27	510.80	165.47	24
24	43	Science and Technology Department	158.27	80.38	77.89	49
25	45	Sugar Industries Department	49.10	28.57	20.53	42
26	48	Urban Development and Housing Department	1381.83	661.37	720.46	52
27	49	Water Resources Department	3570.92	2852.70	718.22	20
28	50	Minor Water Resources Department	839.51	437.24	402.27	48
29	51	Social Welfare Department	3432.69	2599.27	833.42	24
Total			34541.38	23107.64	11433.75	

(Source: Appropriation Accounts of the State, 2011 -12)

Appendix 2.2

List of Grants indicating Persistent Savings during 2007-12

(Reference : Paragraph 2.3.2, Page 33)

(₹ in crore)

Sl. No.	No. & Name of the grant	Amount and percentage of savings									
		2007-08		2008-09		2009-10		2010-11		2011-12	
Revenue-Voted											
		Amount	percent- tage	Amount	percent- tage	Amount	percent- tage	Amount	percent- tage	Amount	percent- tage
1	2-Animal and Fisheries Resources Department	26.18	14.94	64.55	18.10	62.53	18.99	165.72	40.67	210.59	43.22
2	12-Finance Department	94.54	54.74	35.16	12.83	39.09	10.91	55.64	13.46	122.72	43.27
3	20-Health Department	292.10	22.03	395.61	24.92	278.83	16.79	479.42	23.92	528.85	21.52
4	27-Law Department	35.32	16.68	70.45	26.76	31.32	10.72	130.41	26.37	148.50	26.19
5	40-Revenue and Land Reforms Department	38.58	11.26	73.16	19.07	120.13	17.17	128.43	23.06	148.70	24.05
6	41-Road Construction Department	123.15	29.98	114.75	27.17	274.30	38.78	198.29	33.58	120.06	18.44
7	50-Minor Water Resources Department	33.72	17.33	70.75	21.92	93.81	28.18	108.29	15.78	291.77	50.39
Total		643.59		824.43		900.01		1266.20		1571.19	
Capital-Voted											
8	3-Building Construction Department	39.03	57.17	53.82	58.81	26.79	29.86	66.52	36.16	292.26	57.49
9	36-Public Health Engineering Department	389.41	53.87	495.89	73.13	462.89	50.68	268.62	29.99	137.81	31.09
10	49-Water Resources Department	593.42	42.19	1359.51	55.29	1415.28	52.57	1722.91	56.81	625.86	25.65
11	50-Minor Water Resources Department	79.06	51.45	60.63	59.44	95.11	57.02	181.26	75.96	110.50	42.42
Total		1100.92		1969.85		2000.07		2239.31		1166.43	
Grand Total		1744.51		2794.28		2900.08		3505.51		2737.62	

(Source- Appropriation Accounts of the state)

Excess over provision of previous years requiring regularisation

(Reference : Paragraph 2.3.3, Page 33)

(₹ in crore)

Year	No. of Grants/ Appropriation	Grants/Appropriation number	Amount of excess
1977-78	1	24	0.06
1978-79	2	17, 27	16.17
1979-80	1	17	33.46
1980-81	2	12, 17	26.02
1981-82	5	3, 12, 13, 17, 24	38.02
1982-83	2	12, 22	4.78
1983-84	1	12	9.45
1984-85	2	3,14	2.63
1985-86	2	10, 13	14.82
1986-87	1	13	65.63
1987-88	5	9, 19, 25, 38, 48	242.46
1988-89	3	9, 25, 38	85.15
1989-90	3	25,27,38	99.40
1990-91	2	37,38	47.55
1991-92	2	6, 38	71.24
1992-93	2	25, 38	93.26
1993-94	2	25, 37	157.68
1994-95	1	37	170.61
1995-96	2	25, 37	213.22
1996-97	2	23, 37	21.16
1997-98	1	7	0.01
1998-99	1	30	0.33
1999-00	1	40	0.01
2003-04	3	11,30,50	81.23
2004-05	4	19,20,21,46	5.68
2005-06	4	10,39,40,46	349.56
2007-08	2	17, 42	1.93
2008-09	3	15,17,28	54.62
2009-10	1	14	98.37
2010-11	2	5,15	273.71
Total			2278.22

Appendix 2.4

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

(Reference : Paragraph 2.3.4, Page 33)

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Expenditure	Savings out of Original Provision	Supplementary Provision
A-Revenue (Charged)					
1	13-Interest Payments	4738.51	4303.66	434.85	0.25
2	15-Pension	6.96	0.86	6.10	0.35
3	28-High Court of Bihar	82.67	72.94	9.73	4.29
4	34-Bihar Public Service Commission	12.26	12.15	0.11	0.63
Total for charged		4840.40	4389.61	450.79	5.52
A- Revenue (Voted)					
1	1-Agriculture Department	1235.89	979.92	255.97	118.78
2	2-Animal and Fisheries Resources Department	384.73	276.63	108.10	102.50
3	3-Building Construction Department	276.16	220.69	55.47	14.96
4	4-Cabinet Secretariat Department	115.56	86.83	28.73	4.91
5	6-Election Department	65.53	43.38	22.15	1.92
6	8-Art, Culture and Youth Department	62.07	47.51	14.56	3.41
7	12-Finance Department	271.48	160.87	110.61	12.11
8	16-Panchayati Raj Department	2982.88	2179.22	803.66	316.90
9	17-Commercial Tax Department	69.71	65.16	4.55	12.67
10	18-Food and Consumer Protection Department	428.71	373.10	55.61	104.42
11	19-Environment and Forest Department	124.06	118.88	5.18	5.69
12	20-Health Department	2305.31	1928.36	376.95	151.90
13	21-Education Department	10915.91	10633.54	282.37	1976.52
14	22-Home Department	3534.19	3380.33	153.86	380.88
15	23-Industries Department	483.65	331.92	151.73	1.04
16	24-Information and Public Relation Department	63.37	56.79	6.58	1.66
17	25-Information Technology Department	105.00	69.18	35.82	22.16
18	26-Labour Resources Department	168.20	144.99	23.21	9.50
19	27-Law Department	515.29	418.55	96.74	51.76
20	29-Mines and Geology Department	15.57	12.23	3.34	0.45
21	30-Minorities Welfare Department	568.76	282.36	286.40	1.61
22	33-General Administration Department	330.81	289.07	41.74	63.78
23	35-Planning and Development Department	708.95	446.92	262.03	74.72
24	36-Public Health Engineering Department	341.41	263.43	77.98	183.40
25	37-Rural Works Department	542.65	416.02	126.63	0.19
26	38-Registration, Excise and Prohibition Department	110.56	84.54	26.02	13.65
27	39-Disaster Management Department	769.94	643.98	125.96	347.34
28	41-Road Construction Department	648.13	531.17	116.96	3.10

Appendix 2.4

Sl. No.	Number and Name of the Grant	Original Provision	Expenditure	Savings out of Original Provision	Supplementary Provision
29	42-Rural Development Department	1471.08	1407.48	63.60	20.50
30	45-Suger Industries Department	45.64	28.32	17.32	3.00
31	47-Transport Department	33.63	23.89	9.74	0.39
32	48-Urban Development and Housing Department	1283.78	661.37	622.41	91.05
33	50-Minor Water Resources Department	421.66	287.28	134.38	157.39
34	51-Social Welfare Department	2808.47	2599.27	209.20	467.04
Total for Voted		34208.74	29493.18	4715.56	4721.30
Total for Revenue		39049.14	33882.79	5166.35	4726.82
B-Capital Voted					
1	3-Building Construction Department	358.91	216.15	142.76	149.50
2	4-Cabinet Secretariat Department	9.45	2.58	6.87	12.50
3	10-Energy Department	1733.93	1043.39	690.54	181.45
4	11-Backward Classes and Most Backward Classes Welfare Department	3.85	1.00	2.85	2.00
5	21-Education Department	62.00	34.59	27.41	15.38
6	22-Home Department	434.97	390.72	44.25	38.92
7	23-Industries Department	38.96	20.92	18.04	0.48
8	35-Planning and Development Department	767.24	208.69	558.55	213.12
9	36-Public Health Engineering Department	390.86	305.50	85.36	52.46
10	37-Rural Works Department	1091.86	859.91	231.95	100.00
11	43-Science and Technology Department	57.39	24.36	33.03	27.00
12	49-Water Resources Department	2096.38	1814.03	282.35	343.51
13	50-Minor Water Resources Department	244.46	149.96	94.50	16.00
Total for Capital		7290.26	5071.80	2218.46	1152.32
Grand Total		46339.40	38954.59	7384.81	5879.14

(Source- Appropriation Accounts of the state 2011-12)

Appendix 2.5

Unnecessary Re-appropriation of Funds

(Reference : Paragraph 2.3.5, Page 33)

(₹ in crore)

Sl. No.	Grant No.	Head of Accounts and Description	Total Provision	Re-appropriation	Actual Expenditure	Surrendered	Final Savings = (4+5-6-7)
1	2	3	4	5	6	7	8
1	2	2403-00-001-0001-Superintendence	4.21	0.17	4.06	0.15	0.17
2		2403-00-102-0001-Cattle Breeding Farm	3.37	0.06	2.92	0.45	0.06
3		2404-00-001-0001-Headquarter Establishment	2.29	0.05	2.24	0.03	0.07
4	3	2059-80-052-0001-New supply and repairs	0.50	0.20	0.44	0.15	0.10
5	6	2015-00-106-0001-General Election of State Legislative Assembly	5.50	0.27	1.18	2.09	2.50
6	20	2210-01-001-0002-District Medical Officer	28.81	1.20	25.87	1.79	2.35
7		2210-01-110-0013-Sadar Hospital	201.67	2.56	157.01	8.92	38.15
8		2210-01-200-0005-Other Dispensaries (Local dispensaries)	13.23	2.39	8.67	0.72	5.16
9		2210-01-200-0006-Bidhayak Hospital, Patna	1.31	0.20	0.98	0.32	0.21
10		2210-03-101-0003-Health Sub-Centre	57.15	3.00	43.53	1.59	15.02
11		2210-05-101-0001-Ayurvedic College, Begusarai	3.19	0.34	3.05	0.30	0.18
12		2210-05-105-0005-Nalanda Medical College	31.65	0.02	24.55	0.00	7.12
13		2210-06-101-0002-National Filaria Control Programme	16.26	1.00	15.73	0.57	0.96
14		2210-06-113-0001-Training and extension campaign	0.45	0.01	0.30	0.09	0.06
15	22	2056-00-101-0002-District Jail	57.10	3.49	56.24	3.49	0.86
16		4070-00-052-0101-Equipments for Jails	0.00	0.61	0.00	0.00	0.61
17	23	2851-00-103-0108-Special integrated schemes for Backward Classes-Rebate on sale of handloom cloth to weaving Co-operative Society-Grants-in-aid	0.00	0.98	0.00	0.00	0.98
18		2852-80-102-0163-Creation, Development and Maintenance of Infrastructure for promotion of Business, Commerce and Industries	10.00	0.30	4.69	5.61	0.00
19	26	2230-01-103-0101-Organisation of Rural Training Camps	0.23	0.01	0.19	0.03	0.01
20		2230-01-114-0102-Antarajiya Prawasi Majdooron Ke Punarwas Par Hone wale Vyay	0.85	0.05	0.76	0.09	0.05

Appendix 2.5

Sl. No.	Grant No.	Head of Accounts and Description	Total Provision	Re-appropriation	Actual Expenditure	Surrendered	Final Savings = (4+5-6-7)
1	2	3	4	5	6	7	8
21	38	2030-02-101-0001-Cost of Stamp supplied from Central Stamp Store, Nasik Road	4.38	0.63	4.37	0.00	0.64
22	39	2245-02-101-0002-Supply of Food Grains	178.46	3.53	119.70	16.68	45.60
23		2245-02-101-0005-Cash payment of Fire Relief	5.00	1.50	1.16	3.66	1.68
24	40	2029-00-001-0001-District Charges-Land Acquisition Establishment	10.72	0.10	9.71	1.01	0.10
25	48	2015-00-109-0001-Election of Municipal Corporation, Municipal Council and Panchayats	2.00	1.57	1.91	0.04	1.62
26		2217-80-191-0012-Rajya Vitta Ayog Ki Anushansano Ke Alok Me Nagar Nigam Karmchariyon Ke liye Vetnadi Bhugtan	16.42	0.28	13.26	0.00	3.44
27		2217-80-191-0013-Rajya Vitta Ayog Ki Anushansa Ke Alok Me Nagar Nigam Ko Sahayak Anudan	88.78	0.23	72.90	0.00	16.11
28		2251-00-090-0005-Urban Development Department	5.65	0.02	4.46	0.00	1.21
29		49	2700-03-001-0001-Establishment	165.64	0.55	147.49	18.28
30	2701-04-101-0002-Other maintenance expenditure		39.72	0.60	38.42	1.54	0.36
Total			954.54	25.92	765.79	67.60	145.74

(Source- Detailed Appropriation Accounts (including Grants Audit Register), Government of Bihar)

Appendix 2.6

Insufficient Withdrawal through Re-appropriation of Funds

(Reference : Paragraph 2.3.5, Page 33)

(₹ in crore)

Sl. No.	Grant No.	Head of Accounts and Description	Total Provision	Re-appropriation	Final Savings
1	1	2401-00-109-0001-Divisional District and Sub-divisional establishment	123.94	-8.56	3.70
2		2435-01-102-0003-Seed Testing Laboratory	3.94	-0.24	0.26
3	2	2403-00-102-0006-Cattle Breeding and Development Project	48.62	-0.39	0.50
4	3	4059-80-051-0002-Minor Works	3.75	-0.06	0.01
5	6	2015-00-108-0001-Expenditure on issue of Photo-identity Cards to Voters	15.10	-2.03	0.51
6	13	2049-01-101-0001-Interest on Bihar State Development Loans (Interest bearing)	1495.05	-17.67	128.43
7	20	2210-01-110-0011-Infectious Disease Hospital, Patna	1.93	-0.01	0.15
8		2210-01-200-0001-Others Dispensaries (T.B. Eradication Programme)	37.33	-0.21	1.02
9		2210-01-200-0002-Other Dispensaries (Laprosy Eradication Programme)	54.80	-1.80	6.60
10		2210-02-101-0001-Directorate of Indigenous Ayurvedic Medicines	15.41	-0.34	0.91
11		2210-03-103-0001-Primary Health Centre	643.36	-4.00	79.89
12		2210-05-105-0010-Bhagalpur Medical College	19.15	-0.02	10.50
13		2210-06-001-0001-Superintendence	6.10	-0.15	0.78
14		2210-06-101-0003-National Malaria Eradication Programme	28.62	-0.20	3.74
15	22	2056-00-101-0001-Central Jail	106.52	-6.72	42.05
16		4070-00-051-0103-Building Construction of Central Divisional/Sub-jail (Home Department)	15.79	-0.61	0.19
17	23	2852-80-102-0159-Incentive for Food Processing Industry (Grants-in-aid)	210.00	-12.50	1.84
18	26	2230-01-101-0108-Shram Adhiniyaman Ke Kriyanwayan hetu Prawartan Tantra Ka Suddhrikaran	0.98	-0.01	0.01
19	32	2011-02-101-0005-Members	40.29	-0.19	2.12
20	36	4215-01-102-0101-Rural Water Supply Scheme	10.70	-2.50	0.63
21		4215-01-102-0118-Water Supply to Primary/Middle School	24.84	-2.00	0.25
22	38	2030-01-101-0001-Cost of stamps supplied from Central Stamp Store, Nasik Road	2.80	-0.63	0.29
23	39	2245-02-101-0001-Cash payment to helpless and handicapped persons	35.20	-1.50	1.35
24	40	2029-00-104-0001-Expenditure on Revenue Administration	323.19	-0.16	7.10
25		2029-00-104-0002-Securities of Hat, Bazar and Kuchehries	3.98	-0.10	0.18
26	41	3054-80-001-0002-Supervision	216.29	-0.05	0.89

Appendix 2.6

Sl. No.	Grant No.	Head of Accounts and Description	Total Provision	Re-appropriation	Final Savings	
27	45	2401-00-108-0109-Sugarcane Development	19.82	-3.75	0.05	
28	48	2217-80-192-0004-Rajya Vitta Ayog ki Anushansa ke alok me Nagar Parishad karmcharyon ke liye vetnadi bhugtan	9.27	-0.28	0.19	
29		2217-80-192-0005-Rajya Vitt Ayog ki Anushansa ke alok me Nagar Parishad ko Sahayak Anudan	83.50	-1.59	18.56	
30		2217-80-193-0004-Rajya Vitta Ayog ki Anushansa ke alok me Nagar Panchayat Karmcharyon ke liyeVetnadi Bhugtan	2.09	-0.01	0.14	
31		2217-80-193-0005-Rajya Vitta Ayog ke Anushansa ke alok me Nagar Pachayat ko Sahayak Anudan	55.98	-0.23	9.11	
32		2217-80-800-0116-Grants-in-aid to Urban Local Bodies for Integrated Urban Development	277.50	-14.25	259.97	
33		49	2711-01-001-0003-Regional Establishment	226.46	-0.35	0.01
34			4700-01-001-0101-Establishment	38.09	-0.08	0.25
35	4700-04-800-0101-Irrigation Project for Kiul-Badua-Chandan Basin (Works)		7.00	-1.75	0.01	
36	4700-80-800-0102-Scheme for Rivers Canal Projects		2.49	-0.60	0.30	
Total			4209.88	-85.54	582.49	

(Source- Detailed Appropriation Accounts (including Grant Audit Register), Government of Bihar)

Appendix 2.7

Substantial surrenders (₹ five crore or more than 50 per cent of the total provision) made during the year

(Reference : Paragraph 2.3.6, Page 34)

(₹ in crore)

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision	Expenditure	Amount surrendered	Savings	Percentage
1	1-Agriculture Department	2401-00-103-0614-Consolidated Cereal Development Programme (Macromode 90:10)	12.00	4.34	7.54	0.12	62.83
2		2401-00-103-0115-Seed Production Programme by Bihar State Seed Corporation	46.48	20.75	25.73	0.00	55.36
3		2401-00-105-0105-National Project on Fertilisation Management	13.28	4.52	8.76	0.00	65.96
4		2401-00-105-0106-Upgradation of Biological farming	8.30	3.19	5.11	0.00	61.57
5		2401-00-108-0615-Integrated Scheme for Oilseed, Pulses, Palm oil and Maize (ISOPOM 75:25) New Scheme	15.00	3.90	10.99	0.11	73.27
6		2402-00-102-0602-NWDPR (Macromode 90:10)	9.00	2.19	6.75	0.06	75
7	2-Animal and Fisheries Resources Department	2403-00-106-0607-Schemes for Control and Prevention of Animal Diseases	38.20	8.34	29.86	0.00	78.17
8		2403-00-106-0104-Schemes for Control and Prevention of Animal Diseases	10.00	2.67	7.04	0.29	70.40
9		2405-00-101-0104-Development and Renovation of Pond Fish	11.00	2.18	8.82	0.00	80.18
10	3-Building Construction Department	2059-01-053-0017-Maintenance and Repairs of Building of Law Department	7.72	0.21	7.51	0.00	97.28
11		2059-60-053-0013Maintenance and Repairs of Building of Jail Department	5.20	0.20	5.00	0.00	96.15
12		2059-80-800-0001-Horticulture Establishment	14.31	2.04	12.27	0.00	85.74
13		4047-00-051-0105-Establishment of additional resources in Treasury Offices	21.72	0.82	11.94	8.96	54.97
14		4059-00-051-0102-Adhyogik Prashikshan Sansthan ke Bhawano ka Nirman (on the recommendation of Finance Commission)	20.00	0.00	18.95	1.05	94.75
15	6-Election Department	2015-00-108-0001-Expenditure on issue of Photo Identity Cards to Voters	15.10	2.95	11.63	0.52	77.02
16	9-Co-operative Department	4425-00-051-0102-Godown construction under National Farming Development Schemes	82.50	13.10	69.40	0.00	84.12
17	10-Energy Department	2801-80-190-0002-Rajeev Gandhi Rural Electrification Project and Sum VikasYojna	95.28	24.12	69.68	1.48	73.13
18		4801-05-800-0101-Rashtriya Sam VikasYojana	876.39	102.37	774.02	0.00	88.32

Appendix 2.7

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision	Expenditure	Amount surrendered	Savings	Percentage
19	18-Food and Consumer Protection Department.	3456-00-102-0102-BPL Pariwaron ko Rajya ki Adhiprapti Vywastha se khadyan ki apurti	172.06	72.06	100.00	0.00	58.12
20	20-Health Department	2210-01-001-0001-Superintendence	22.38	10.21	12.17	0.00	54.38
21	21-Education Department	2202-01-102-0001-Assistance to Non-Government Primary Schools	23.75	11.72	12.03	0.00	50.65
22		2202-01-111-0101-Sarva Siksha Abhiyan	1441.93	662.27	779.66	0.00	54.07
23		2202-02-001-0101-Directorate of Secondary Education	34.00	13.48	20.52	0.00	60.35
24		2202-03-789-0101-Development of State's Universities	30.80	9.80	21.00	0.00	68.18
25		2202-04-200-0102-Adult Education	100.00	2.27	77.90	19.83	77.90
26		2202-80-004-0121-Bihar Rajbhasa Academy	10.00	4.66	5.34	0.00	53.40
27		22-Home Department	2070-00-003-0005-Frequent training to Home Guards	12.00	4.21	7.77	0.02
28	2235-60-200-0009-J.P. Senani SammanYojana		21.00	9.56	11.44	0.00	54.48
29	4070-00-789-0101-Building Construction-Bihar Fire Brigade Service		12.04	0.24	11.80	0.00	98.01
30	23-Industries Department	2852-80-102-0163-Creation, Development and Maintenance of Infrastructure for Promotion of Business, Commerce and Industry-Bihar Business Development Fund	10.00	4.69	5.31	0.00	53.10
31		2852-80-789-0101-Creation, Development and Maintenance of Infrastructure for Promotion of Business, Commerce and Industry-Bihar Business Development Fund	56.28	0.50	55.78	0.00	99.11
32	25-Information Technology Department	2852-07-202-0101-National E - Governance Project-Common Service Centre	28.79	6.09	22.70	0.00	78.85
33	27-Law Department	2014-00-003-0001-Bihar Judicial Service Training Institute	17.86	3.73	14.13	0.00	79.12
34		2014-00-106-0001-Small causes courts	42.86	1.60	41.26	0.00	96.27
35		2014-00-106-0002-Establishment of ADR centre on recommendation of the Finance Commission	8.15	1.34	6.74	0.07	82.70
36		2053-00-094-0007-Strengthening of Planning Machinery	79.38	10.16	69.04	0.18	86.97
37	35-Planning and Development Department	2053-00-800-0102-Strengthening of Planning Machinery	13.38	2.89	10.32	0.17	77.13
38		3454-02-204-0620-Bharat Statistical Strengthening Project	80.00	0.01	79.99	0.00	99.99
39		3454-02-205-0101-Intigrated Statistical Development Plan	72.87	3.49	69.38	0.00	95.21
40		4070-00-051-0104-Apki Sarkar Apke Dwar	50.00	13.00	37.00	0.00	74.00

Appendix 2.7

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision	Expenditure	Amount surrendered	Savings	Percentage
41		4070-00-051-0107-Chief Minister Area Development Programme	664.59	0.00	604.59	60.00	90.97
42	36-Public Health Engineering Department	2215-01-102-0001-Rural Piped Water Supply Schemes	263.33	95.06	168.27	0.00	63.90
43		2215-01-102-0105-Kshetra Vistrit Padhati Dwara Swasthay Sudhhikaran	42.90	7.51	35.39	0.00	82.49
44		4215-01-102-0116-Loans from NABARD for Development of Infrastructure for supply of drinking water in rural areas	37.95	11.39	25.68	0.88	67.67
45		4215-01-789-0104-Gramin area me Pay jalapurti ke liye sanrachana ka vikas hetu (NABARD) se loan	14.00	1.10	12.90	0.00	92.14
46		4215-01-789-0106-Water supply in Primary and Middle Schools	10.00	2.74	7.18	0.08	71.80
47		4215-01-789-0108-Anachadit, Anshik Anachadit, Jal Gunwatta Prabhawito ke achadan hetu jalapurti ka nirman	19.50	2.61	16.87	0.02	86.51
48	39-Disaster Management Department	2245-01-101-0005-Other work	17.76	0.55	17.08	0.13	96.17
49		2245-02-101-0004-Free distribution of Clothes and Utensils to affected persons	10.00	0.37	9.63	0.00	96.30
50		2245-02-101-0006-Grants for buildings damaged by fire	15.00	0.58	14.11	0.31	94.07
51		2245-02-101-0007-Grants for clothes damaged by fire	10.00	1.44	8.32	0.24	83.20
52		2245-02-106-0001-Repairs and restoration of damaged roads and bridges	28.00	0.32	27.13	0.55	96.89
53		2245-02-112-0002-Evacuation of population	30.00	6.65	23.35	0.00	77.83
54		2245-02-113-0001-Repair/restoration of damaged building caused by flood	20.00	8.14	11.86	0.00	59.30
55	44-Scheduled Castes and Scheduled Tribes Welfare Department	2225-02-102-0102-Special Central Assistance for Scheduled Tribes	11.47	3.83	7.64	0.00	66.61
56	45-Sugar Industries Department	2401-00-108-0109-Sugarcane Development	19.82	3.40	16.37	0.05	82.59
57	47-Transport Department	5055-00-051-0101-Construction of District Transport Office	12.51	4.51	8.00	0.00	63.95
58	48-Urban Development and Housing Department	2217-80-789-0104-Development programme for integrated housing and Dirty Basti	120.00	35.11	84.89	0.00	70.74
59	49-Water Resources Department	4700-03-789-0101-Irrigation Project for Sone Basin (works)	54.74	7.83	41.93	4.98	76.60
60		4700-04-800-0103-Irrigation project for Kiul-Badua-Chandan-Basin (Works) (NABARD Sponsored Project)	16.75	0.13	15.31	1.31	91.40
61		4700-80-800-0101-Rastriya Sam VikasYojana (Additional Central Assistance)	400.00	142.63	252.54	4.83	63.14

Appendix 2.7

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision	Expenditure	Amount surrendered	Savings	Percentage
62		4701-03-789-0101-Irrigation Project of Sone Basin	30.67	9.46	17.42	3.79	56.80
63		4701-04-789-0101-Irrigation project of Kiul-Badua-Chandan Basin	34.30	0.00	32.90	1.40	95.92
64		4711-01-789-0103-Renovation of Zamindari Bund	28.41	7.58	18.05	2.78	63.53
65		4711-01-800-0403-Anti erosion work on river except Ganga river (for Koshi river in Nepal area) (100 per cent central assistance)	75.00	26.97	47.81	0.23	63.75
66		2702-02-005-0002-Maintenance of Lift Irrigation Schemes	94.54	17.74	75.64	1.16	80.01
67	50-Minor Water Resources Department	2702-02-005-0003-Financial aid and share/ Grants-in-aid/ maintenance of surface irrigation schemes	6.00	0.60	5.29	0.11	88.17
68		4702-00-102-0101-Loans from NABARD for completion of incomplete tube well project	70.00	7.12	62.70	0.18	89.57
69		4702-00-789-0101-Minor irrigation project	40.71	13.86	20.40	6.45	50.11
Total			5838.96	1465.10	4251.53	122.34	

(Source: Appropriation Accounts of the State 2011-12)

Appendix 2.8

Hundred per cent surrender of funds

(Reference : Paragraph 2.3.6, Page 34)

(₹ in crore)

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision surrendered
1	01-Agriculture Department	2401-00-001-0103-Agriculture marketing	1.00
2		2401-00-001-0111-Maize and Poultry Task Force	0.50
3		2401-00-001-0112-Development of Ware Housing and Storage	11.25
4		2401-00-109-0412-Incentive and Strengthening of Agriculture Machanism through Training and Demonstration	2.00
5		2401-00-109-0114-Agri Business Infrastructure Development Project	100.00
6		2401-00-113-0406-Post Harvest Technology and Management	1.00
7		2401-00-789-0101-Development for Ware Housing and Storage	3.75
8		2401-00-789-0104-Jaivik Kheti Ka Unanyan	1.60
9		2401-00-796-0132- Jaivik Kheti Ka Unanyan	0.10
10		2401-00-796-0140-Seed Production Programme by Bihar State Seed Corporation	0.24
11		2401-00-796-0144-National Project on Product Management	0.16
12		2401-00-800-0105-State Farmer's Commission	0.50
13		2402-00-102-0109-Jal Chhajan Development Programme for Agriculture	11.00
14		2415-01-277-0101-Grants to Rajendra Agriculture University	4.25
15		2415-01-277-0108-Bihar Agriculture University, Sabour, Bhagalpur	15.50
16		2415-01-277-0109-Agriculture College, Shahabad	8.50
17		2415-01-277-0110-Agriculture College, Purnia	8.50
18		2415-01-789-0101-Agriculture University, Purnia	1.50
19		2415-01-789-0103-Bihar Agriculture University, Sabour, Bhagalpur	4.50
20		2415-01-789-0104-Aid for Rajendra Agriculture University	0.75
21		3475-00-106-0402-Strengthening for statutory Weights and Measures	2.00
22	02-Animal and Fisheries Resources Department	2403-00-101-0107-National Agriculture Development Scheme	9.00
23		2403-00-102-0110-Development scheme for Cattle Farm	1.65
24		2403-00-103-0610-Rural Backward Poultry	6.52
25		2403-00-106-0609-Livestock health and control of diseases	0.05
26		2403-00-107-0106-Scheme of Distribution and purchase for production of Fodder Seed	0.75
27		2403-00-107-0107-National Agriculture Development Plan	20.83
28		2403-00-109-0105-Vetanary Assistant Training School, Dumraon	0.20
29		2403-00-113-0102-Annya Rog Nidan Prayogshalayen	0.20
30		2403-00-113-0104-National Agriculture Development Project	3.00
31		2404-00-001-0101-Regional and District Administration and Extension	0.30
32		2405-00-101-0603-Fisheries Training and Extension Scheme	0.60
33		2405-00-101-0605-Development of Inland Fisheries Statistics	0.27
34		2405-00-101-0612-Fisheries Development Planning	6.00
35		2405-00-101-0106-Residence, Lavatory, Drinking Water and Other Civic Amenities to Fishermen	7.50
36		2405-00-101-0110-Fisheries Training and Extension Scheme	0.15
37		2405-00-101-0112-Fisheries Marketing Scheme	1.00
38		2405-00-120-0601-Residence and Other Civic Amenities for Fishermen	7.50
39		2405-00-789-0101-Assistance for Fishermen	4.19

Appendix 2.8

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision surrendered
40		6405-00-190-0002-Loans to Bihar State Fisheries Department Corporation	0.04
41	03-Building Construction Department	2059-01-053-0009-Maintenance of Block Building	2.00
42		2059-01-053-0118-Renovation and Modernisation of Finance Department	0.61
43		4059-00-051-0101-Audhyogik Prashikshan Sansthan Ke Bhawano Ka Nirman/Purannirman/Unnayan	0.47
44		4059-00-051-0103- Construction of Joint Labour Buildings	1.50
45		4059-01-051-0106-Construction/Renovation of Record Cell cum Officer Building for Cabinet	0.15
46		4059-01-051-0109-Building for Agriculture Department	5.86
47		4059-01-051-0111-Utpad Vibhag Ke Bhawan	1.94
48		4059-01-051-0112-Strengthening of Animal Hospital	0.75
49		4059-01-051-0115-Building of Scheduled Castes and Scheduled Tribes Welfare Department	42.80
50		4059-60-051-0611-Babu Jagjiwan Ram Hostel Plan	6.31
51		4059-60-051-0108-Virasat Sanrakshan-Vit Ayog	18.00
52		4059-60-051-0109-Suchana Bhawan	0.34
53		4059-60-051-0111-Babu Jagjiwan Ram Hostel Plan	2.15
54		4059-60-789-0103-Virasat Sanrakshan-Vit Ayog	7.00
55		4059-80-004-0001-Preliminary Work before Construction	0.10
56		4059-80-051-0118-Construction and Renovation for Building of residential School and Hostel of Backward Classes	4.85
57		4216-80-101-0001-Preliminary work before construction	0.10
58		4216-01-700-0602-Judicial Residence Buildings	1.00
59		04-Cabinet Secretariat Department	2013-00-101-0002-Ministers of State
60	2013-00-108-0003-Tour expenses of State Ministers		0.14
61	2013-00-800-0002-State Ministers		0.49
62	09-Co-operative Department	2425-00-003-0103-Sahakari Prashikshan Santhano Ke Bhawanon Ke maramati	0.25
63		2425-00-107-0138-Grants-in-aid to State Co-operative	78.89
64		2425-00-108-0114-Grants-in-aid to Co-operative Society for Godown Construction	40.00
65		2425-00-800-0628-Co-operative Development Scheme	0.16
66		3451-00-090-0101-Co-operative Department	2.50
67		6425-00-108-0115-Loans to Co-operative Societies for Construction of Godown	50.00
68	10-Energy Department	2810-60-789-0101-Unformal Energy Source	1.68
69	11-Backward and Most Backward Welfare Department	2225-03-277-0108-Hostel for girl students major construction works-State Share (50:50)	1.85
70		2225-03-277-0107-Hostel for students-Major Construction Works (50:50)	1.85
71	12-Finance Department	2054-00-095-0102-Maintenance of Provident Fund Accounts	1.00
72		7610-00-202-0003-Advance for purchase of Motor Car to Ministers etc.	1.00
73	18-Food and Consumer Protection Department	3456-00-191-0101-Nigrani and Anushravan hetu Gathit Samiti Ke gair sarkari sadsyon ko baithak and yatra bhata	0.08
74		3456-00-192-0101- Nigrani and Anishravan hetu Gathit Samiti ke gair sarkari sadsyon ko baithak and yatra bhata	2.34

Appendix 2.8

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision surrendered
75		3456-00-193-0101- Nigrani and Anishravan hetu Gathit Samiti ke gair sarkari sadsyon ko baithak and yatra bhatta	8.53
76		3456-00-198-0101- Nigrani and Anishravan hetu Gathit Samiti ke gair sarkari sadsyon ko baithak and yatra bhatta	3.67
77		3456-00-800-0406-Awarness programme for beneficiary of estimated public distribution system	0.13
78	19-Environment and Forest Department	2406-02-110-0603-Other Park-Sanjay Gandhi Zoological Park (100 per cent CSS)	0.50
79		2406-02-110-0615-Valmiki Nagar Tiger Project ECO Development (100 per cent CSS)	0.25
80		2406-02-110-0619-Development of wasteland	0.10
81		2406-02-110-0620-Development of sanctuaries	0.20
82		2406-02-110-0120- Development of sanctuaries	0.20
83		20-Health Department	2211-00-001-0601-Direction
84	4210-01-051-0104-Construction of Rajkiye Ausdhalaya in Urban Area		1.62
85	4210-02-051-0104-Construction of building for additional Primary Health Centre		5.00
86	4210-80-800-0104-Land acquisition for Primary Health Centre and Sub-health Centre		1.80
87	21-Education Department	2202-01-001-0102-Enlightenment and Evaluation of Project	0.10
88		2202-01-001-0108-Establishment of Vigilance Cell	0.50
89		2202-01-789-0101-Equipments	2.00
90		2202-01-789-0105-Upliftment centre to the children of Mahadalit Community	184.00
91		2202-02-001-0106-Co-ordinated handicapped education project	0.70
92		2202-80-004-0112-Jagjivan Ram Parliamentary Studies and Political Research Institute, Patna	5.00
93	22-Home Department	2070-00-003-0004-Training to employees of Fire bridge services	0.05
94		2070-00-108-0604-Agni Awam Akasmik Sewao ke sudridhikaran	6.00
95		2070-00-108-0104-Agni Awam Akasmik sewao ke sudridhikaran	1.50
96	23-Industries Department	6885-01-190-0109-Loans to Bihar State Credit and Investment Corporation Limited	5.00
97		6885-01-190-0110-Interest free loan to Bihar State Financial Corporation	5.00
98		6885-01-789-0101-Loans to Bihar State Financial Corporation	5.00
99		6885-01-789-0102-Loans to Bihar State Sakha or Viniyog Nigam	5.00
100		6885-01-800-0101-Other Loans	1.01
101	25-Information Technology Department	2852-07-202-0110-E-district Plan	1.00
102		2852-07-789-0101-National E -Governance Plan (Common Service Centre)	1.72
103		2852-07-789-0102-State data centre	3.09
104		2852-07-789-0103-E-Governance State Plan	3.77
105		2852-07-789-0104-Advertisement and estuation plan for information technology	0.51
106		4859-02-789-0101-Bihar State wide area network (SWAN)	20.93
107	26-Labour Resources Department	2230-01-101-0109-Computerisation and modernisation	0.50
108		2230-03-003-0112-Introduction of new industrial training institute for women	0.05
109		2235-60-789-0101-General Public Insurance Scheme	0.14

Appendix 2.8

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision surrendered
110	33-General Administration Department	2070-00-003-0007-Training to officers of Indian Civil Services	0.10
111	35-Planning and Development Department	3454-02-204-0120-Bhart Statistical Strengthening Project	4.13
112		3454-02-205-0003-Strengthening to State Statistical System-Finance Commission	7.60
113		3454-02-205-0602-Local Development Survey	0.14
114		3454-02-206-0101-Finance Commission-UID Works	73.84
115	36-Public Health	2215-01-198-0001-Grants-in-aid to village panchayats for repairing of Tube Wells	7.20
116	Engineering Department	2215-02-003-0102-Training-cum-research centre for monitoring and others works of State Water Purifying Mission	0.50
117		4215-01-102-0128-Research Work	0.15
118		4215-01-789-0103-Jal Sanrakshan, Bhu-garbhijaJal recharge awam water harvesting	0.14
119		4215-01-789-0107-Direction,Administration and Establishment	1.40
120		4215-01-789-0109-Ardha Shahri, Shahri Kshetro me jalapurtiki bayawasttha	0.28
121		4215-01-789-0110-20000 Abadi tak ke gram kshetra/up nagari	0.30
122		4215-01-796-0107-Gramin Jalapurti Yojna	0.20
123		4215-01-796-0109-Gramin Kshetro me Pay Jalapurti ke liye sanrachana ka vikas hetu (NABARD) loan	2.50
124		4215-01-796-0110-Anachadit, Anshik anachadit, Jal Gunwatta Prabhawito ke Achadan hetu Nalkupo ka Nirman	0.30
125		4215-01-796-0111-Water supply in primary and middle schools	0.70
126		4215-01-796-0112-Direction,Administration and Establishment	0.10
127		4215-02-789-0102-Water supply and sanitation in Urban areas	0.28
128		4215-02-796-0117-Development and modernisation of cremation	0.20
129		38-Registartion, Excise and Prohibition Department	2039-00-001-0007-Compensation for closure of excise shops
130	39-Disaster Management Department	2245-01-101-0001-Cash payment to helpless and handicapped persons	25.00
131		2245-01-101-0002-Supply of food grains	10.00
132		2245-01-101-0003-Gratuitous relief to draught affected families	0.20
133		2245-01-104-0001-Supply of fodder	1.00
134		2245-01-105-0001-Medicine for cattle	0.50
135		2245-01-282-0001-Supply of medicine	1.00
136		2245-02-101-0011-Erosion of land for diversion of rivers flow	2.00
137		2245-02-101-0012-Reserved storage of one quintal food grain for starvation affected families under different panchayats	5.34
138		2245-02-101-0013-Cash payment to Rural Development Department for Swarojgar Yojna	0.20
139		2245-02-107-0001-Rapairs and restoration of Government Health and Education Buildings	0.50
140		2245-02-108-0001-Repairs and restoration of Government Residential Buildings	0.10
141		2245-02-114-0002-Grants for annual crops	1.00
142		2245-02-114-0003-Grants for agricultural crops	1.00
143		2245-02-114-0004-Grants for horticulture crops	0.50
144		2245-02-114-0005-Grants for perennial crops	0.50
145	2245-02-115-0001-Assistance to farmer to clean sand/silt/salinity from lands	1.00	

Appendix 2.8

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision surrendered
146		2245-02-115-0002-Extraction of salinity/sand etc. from fishery area	0.50
147		2245-02-116-0001-Grants to farmers for repair of damaged tube well/pump set etc.	0.50
148		2245-02-117-0001-Exchange of animals effected from flood and drought	2.05
149		2245-02-117-0002-Exchange of milk giving animals	0.15
150		2245-02-119-0001-Assistance to weavers for repairs/restoration of traditional weaving instruments	0.15
151		2245-02-119-0002-Assistance for purchase of threads and other materials	0.15
152		2245-02-119-0003-Assistance to handloom weavers	0.13
153		2245-02-196-0001-Assistance to Zila Parishads/District level Panchayats	0.10
154		2245-02-197-0001-Grants-in-aid to block level Panchayats/intermediate level Panchayats	0.20
155		2245-02-282-0004-Supply of supplementary nutrition for Welfare Department	0.44
156		2245-02-800-0007-Expenditure in transporting the relief materials received from Non-Government Institute	0.10
157		2245-02-800-0008-For destructed electricity system	4.91
158		2245-80-001-0103-Modernisation of office of Disaster Management	1.38
159		2245-80-102-0104-State Disasters response course	16.00
160		2245-80-789-0101-Awarness and Capability development	7.42
161	40-Revenue and Land Reforms Department	2029-00-103-0002-Management of Boundary pillar	0.10
162		2029-00-104-0004-Zamindari Abolition Bandh Patra	0.38
163	41-Road Construction Department	5054-03-337-0602-Road connection of Economic Importance (Central Portion)	1.00
164	43-Science and Technology Department	4202-02-789-0101-Polytechnic/Engineering & Technology College	31.51
165		2203-00-112-0603-Technical Education Quality Development programme	3.00
166		2203-00-112-0103-Technical Education Quality Development programme	1.00
167	44-Scheduled Castes, Scheduled Tribes Welfare Department	2225-01-277-0101-Education	2.15
168		2225-02-277-0601-Stipend and Scholarship	0.20
169		2225-02-800-0101-Other Welfare Activities	0.20
170		4225-01-051-0101-Construction and Renovation of Residential Schools and Buildings	9.00
171		4225-01-277-0601-Construction of hostel for SC students	4.30
172		4225-02-277-0101-Construction and Renovation of Residential Schools and Hostel Buildings	0.50
173	45-Sugar Industries Department	2852-08-796-0101-Economic Assistance	0.09
174	48-Urban Development and Housing Department	2215-02-789-0102-Ganga Jal Pradushan Niwaran	0.36
175		2215-02-796-0104-Ganga Jal Pradushan Niwaran	0.22
176		2217-80-001-0101-Bihar Nagariya Vikas Pariyojna	10.00
177		2217-80-789-0101-Swarna Jayanti Shahri Rojgar Yojna Ke liya Sahayak Anudan	4.30
178		2217-80-789-0103-Jawahar Lal Nehru Rashtriya Shahri Navikrit Mission Yojna	120.00

Appendix 2.8

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision surrendered
179		2217-80-800-0122-For Jawaharlal Nehru National Urban Renewal Mission Scheme	111.73
180		2217-80-800-0126-Yojnaon ka anusrawan/mulyankan/parwekshana awam rajya sansadhan kendra	1.00
181		2217-80-800-0133-Minimum Jalwahi Toilet	2.00
182		4217-04-050-0101-Projects of JNNURM	7.00
183	49-Water	4700-01-789-0101-Koshi Basin ki sinchai pariyojnaya	4.00
184	Resources Department	4701-80-005-0101-Survey and Investigation (Establishment)	0.20
185	50-Minor Water Resources Department	4702-00-102-0102-Loans from NABARD for completion of new/incomplete medium irrigation schemes	8.65
186	51-Social Welfare Department	2235-02-001-0103-E-valuation and monitoring	0.55
187		2235-02-101-0109-Workshop for handicapped	0.30
188		2235-02-101-0116-Consession Travelling for Handicapped	0.35
189		2235-02-102-0116-Parwarish	0.50
190		2235-02-103-0105-Women development corporation-Grants-in-aid	2.50
191		2235-02-106-0105-Establishment of school for spestic children Grants-in-aid	0.50
192		4235-02-102-0103-External aided scheme-consolidated Child Development Plan	157.18
Total			1472.61

(Source: Detailed Appropriation Accounts, Government of Bihar)

Appendix 2.9

Details of savings of ₹ one crore or more and above 10 per cent in each case not surrendered

(Reference : Paragraph 2.3.8, Page 35)

(₹ in crore)

Sl. No.	Number and Name of Grants/Appropriation	Savings	Surrendered	Savings which remained to be surrendered	Percentage
1	01-Agriculture Department	374.74	336.35	38.39	10.24
2	02-Animal and Fisheries Resources Department	210.63	185.44	25.19	11.96
3	03-Building Construction Department	362.69	309.44	53.25	14.68
4	04-Cabinet Secretariat Department	53.08	8.57	44.51	83.85
5	06-Election Department	24.07	19.71	4.36	18.11
6	11-Backward Classes and Most Backward Classes Welfare Department	15.68	8.46	7.22	46.05
7	12-Finance Department	935.30	16.94	918.36	98.19
8	13-Interest Payment	435.10	0.21	434.89	99.95
9	14-Repayment of Loans	4.12	1.19	2.93	71.12
10	15-Pension	72.11	0.43	71.68	99.40
11	16-Panchayati Raj Department	1160.26	210.00	950.26	81.90
12	19-Environment and Forest Department	11.47	10.04	1.43	12.47
13	20-Health Department	627.10	115.87	511.23	81.52
14	21-Education Department	2301.69	1705.06	596.63	25.92
15	22-Home Department	617.90	157.81	460.09	74.46
16	26-Labour Resources Department	34.52	25.20	9.32	27.00
17	30-Minorities Welfare Department	288.08	1.68	286.40	99.42
18	32-Legislature	13.12	10.97	2.15	16.39
19	37-Rural Works Department	458.76	254.22	204.54	44.59
20	39-Disaster Management Department	473.42	301.73	171.69	36.27
21	40-Revenue and Land Reforms Department	165.47	129.05	36.42	22.01
22	42-Rural Development Department	86.99	56.85	30.14	34.65
23	43-Science and Technology Department	77.89	63.70	14.19	18.22
24	48-Urban Development and Housing Department	720.46	333.33	387.13	53.73
25	49-Water Resources Department	718.22	638.11	80.11	11.15
26	51-Social Welfare Department	833.42	677.37	156.05	18.72
	Total	11076.29	5577.73	5498.56	

(Source: Appropriation Accounts of the State 2011-12)

Cases of surrender of funds in excess of ₹ 10 crore and 10 per cent of the total provision on 30 and 31 March 2012

(Reference : Paragraph 2.3.8, Page 35)

(₹ in crore)

Sl. No.	Grant No.	Major Heads	Total provision	Amount Surrendered	Percentage of total provision
(1)	(2)	(3)		(4)	(5)
1	1	2401-Crop Husbandry	1115.54	174.30	15.62
2		2402-Soil and Water Conservation	32.13	11.00	34.24
3	2	2403-Animal Husbandry	309.12	50.69	16.40
4		2405-Fisheries	111.70	14.78	13.23
5	3	4047-Capital Outlay on Other Fiscal Services	22.99	11.94	51.94
6		4059-Capital Outlay on Public Works	447.86	155.43	34.71
7	9	2425-Co-operation	186.97	118.89	63.59
8		4425-Capital Outlay on Co-operation	86.97	69.40	79.80
9	10	2801-Power	2414.28	255.29	10.57
10		4801-Capital Outlay on Power Projects	942.39	774.02	82.13
11	17	2040-Taxes on sales, trade, etc.	82.38	12.34	14.98
12	22	2070-Other Administrative Services	274.42	52.98	19.31
13		2235-Social Security and Welfare	46.90	11.44	24.39
14		4070-Capital Outlay on Other Administrative Services	68.25	11.80	17.29
15	23	2852-Industries	421.59	121.43	28.80
16	24	2220-Information and Publicity	64.45	11.12	17.25
17	25	2852-Industries	94.75	22.70	23.96
18		4859-Capital Outlay on Telecommunication and Electronic Industries	101.81	56.48	55.48
19	27	2014-Administration of Justice	561.31	116.38	20.73
20	28	2014-Administration of Justice	86.96	14.02	16.12
21	33	2053-District Administration	295.26	81.42	27.58
22	35	2053-District Administration	111.76	79.36	71.01
23		3454-Census Surveys and Statistics	275.85	92.86	33.66
24		4070-Capital Outlay on Other Administrative Services	770.36	641.58	83.28
25		4515-Capital Outlay on Other Rural Development Programme	210.00	70.00	33.33
26	36	2215-Water Supply and Sanitation	523.26	240.94	46.05
27		4215-Capital Outlay on Water Supply and Sanitation	443.32	85.55	19.30
28	37	3054-Roads and Bridges	350.00	65.06	18.59
29		4515-Capital Outlay on Other Development Programme	1191.86	150.00	12.59
30	38	2039-State Excise	68.39	28.14	41.15
31	39	2245-Relief on account of Natural Calamities	1101.83	186.55	16.93
32	40	3454-Census Survey and Statistics	175.97	79.00	44.89
33	41	3054-Roads and Bridges	648.60	76.98	11.87
34	42	2501-Special Programme for Rural Development	116.50	20.87	17.91
35	43	4202-Capital Outlay on Education, Sports, Art and Culture	84.39	31.51	37.34
36	44	2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	1045.03	134.37	12.86
37	45	2401-Crop Husbandry	36.82	12.62	34.27

Appendix 2.10

Sl. No.	Grant No.	Major Heads	Total provision	Amount Surrendered	Percentage of total provision
38	48	2217-Urban Development	1266.90	271.46	21.43
39	49	4700-Capital Outlay on Major Irrigation	953.51	309.78	32.49
40		4701-Capital Outlay on Medium Irrigation	127.37	63.28	49.68
41	50	2702-Minor Irrigation	574.79	357.16	62.14
42	51	2236-Nutrition	1131.88	309.91	27.38
43		4235-Capital Outlay on Social Security and Welfare	157.18	157.18	100.00
Total			19133.60	5612.01	

(Source: Appropriation Accounts of the State 2011-12)

Rush of Expenditure in the month of March 2012

(Reference : Paragraph 2.3.9, Page 35)

(₹ in crore)

Sl. No.	Major Head	Total expenditure during 2011-12	Total expenditure in the Month of March 2012	Percentage of total expenditure
1	2217	572.33	445.06	77.76
2	2235	2303.74	1164.33	50.54
3	2501	71.78	52.93	73.75
4	2700	599.92	339.90	56.66
5	2701	107.21	54.44	50.77
6	2810	10.51	7.70	73.27
7	3054	785.83	397.98	50.64
8	3452	11.06	7.04	63.63
9	3454	109.16	80.31	73.57
10	3604	3.17	3.17	100
11	4055	279.86	145.35	51.94
12	4058	1.09	0.70	63.69
13	4059	193.14	118.03	61.11
14	4070	97.11	56.89	58.58
15	4202	56.40	36.09	63.98
16	4210	321.05	238.03	74.14
17	4225	3.50	2.90	82.73
18	4406	0.60	0.57	93.77
19	4515	1088.79	586.66	53.88
20	4701	59.87	39.46	65.90
21	4702	149.96	82.60	55.08
22	4801	102.37	100.00	97.69
23	4851	2.99	2.99	100
24	4859	45.34	38.59	85.13
25	5053	2.58	2.58	100
26	5055	4.51	4.51	100
27	5465	1.00	1.00	100
28	5475	9.83	9.83	100
29	6408	400.00	400.00	100
30	7810	1.40	1.40	100
Total		7396.10	4421.04	

(Source: Appropriation Accounts of the State 2011-12)

Appendix 2.12

Details of amounts exceeding ₹ 10 crore (in each case) which remained unreconciled during 2011-2012

(Reference : Paragraph 2.4, Page 36)

Sl. No.	Major Heads	(₹ in crore)	
		Booked Expenditure	Amount not reconciled
1	2011-Parliament/State/Union Territory Legislature	92.25	15.67
2	2014-Administration of Justice	509.51	253.69
3	2015-Elections	101.49	76.37
4	2029-Land Revenue	374.06	373.51
5	2039-State Excise	41.24	36.57
6	2040-Taxes on sales, trade etc.	65.14	41.90
7	2041-Taxes on Motor Vehicles	22.31	19.24
8	2048-Appropriation for reduction or avoidance of debt	236.43	236.43
9	2049-Interest Payments	4303.66	4300.89
10	2051-Public Service Commission	30.11	16.34
11	2052-Secretariate-General Services	133.62	41.91
12	2053-District Administration	274.31	253.78
13	2054-Treasury and Accounts Administration	54.73	53.61
14	2055-Police	2966.85	2582.23
15	2059-Public Works	235.51	225.24
16	2070-Other Administrative services	266.65	76.60
17	2071-Pensions and Other Retirement Benefits	7808.45	7808.45
18	2202-General Education	10053.27	9865.61
19	2203-Technical Education	55.23	55.23
20	2204-Sports and Youth Services	27.15	25.87
21	2205-Art and Culture	21.63	19.17
22	2210-Medical and Public Health	1503.78	1446.21
23	2211-Family Welfare	299.74	296.64
24	2215-Water Supply and Sanitation	344.71	338.88
25	2216-Residence	796.29	750.92
26	2217-Urban Development	572.33	572.33
27	2220-Information and Publicity	56.39	34.27
28	2225-Welfare of SC,ST and Other Backward Classes	1059.63	798.95
29	2230-Labour and Employment	87.76	59.95
30	2235-Social Security and Welfare	2303.74	1137.72
31	2236-Nutritions	737.81	704.56
32	2245-Relief on account of Natural Calamities	547.44	533.79
33	2250-Other Social Services	223.56	223.51
34	2251-Secretariat-Social Services	38.31	26.78
35	2401-Crop Husbandry	1306.91	277.98
36	2403-Animal Husbandry	185.85	185.85
37	2405-Fisheries	39.09	15.76
38	2406-Forestry and wild life	115.90	115.90
39	2415-Agricultural Research and Education	142.71	138.60
40	2425-Co-operation	61.21	17.02
41	2501-Special Programme for Rural Development	71.78	70.59
42	2505-Rural Employment	354.56	354.51
43	2515-Other Rural Development Programme	2488.26	2471.46
44	2700-Major Irrigation	599.92	346.04

Appendix 2.12

Sl. No.	Major Heads	Booked Expenditure	Amount not reconciled
45	2701-Medium Irrigation	107.21	70.81
46	2702-Minor Irrigation	285.25	115.67
47	2705-Command Area Development	89.86	89.86
48	2711-Flood Control and Drainage	229.10	102.90
49	2801-Power	2157.51	1750.00
50	2852-Industries	317.60	241.55
51	3054-Road and Bridges	785.83	767.41
52	3451-Secretariate-Economic Services	82.23	44.98
53	3454-Census Surveys and Statistics	109.16	102.66
54	3456-Civil Supplies	368.05	362.25
55	4047-Capital outlay on Other Fiscal Services	36.85	36.85
56	4055-Capital outlay on Police	279.86	279.86
57	4059-Capital outlay on Public Works	193.14	193.14
58	4070- Capital outlay on Other Administrative Services	97.11	90.25
59	4202- Capital outlay on Education, Sports, Art and Culture	56.40	56.40
60	4210-Capital outlay on Medical and Public Health	321.05	321.05
61	4215-Capital outlay on Water Supply and Sanitation	305.40	305.40
62	4216-Capital outlay on Housing	26.56	26.56
63	4235-Capital outlay on Social Security and Welfare	82.44	82.44
64	4250-Capital outlay on Other Social Services	11.80	11.80
65	4408-Capital outlay on Food Storage and Warehousing	100.00	100.00
66	4515-Capital outlay on Other Rural Development Programme	1088.79	1087.54
67	4700-Capital outlay on Major Irrigation	617.61	535.79
68	4701-Capital outlay on Medium Irrigation	59.87	57.16
69	4702-Capital outlay on Minor Irrigation	149.96	149.96
70	4711-Capital outlay on Flood Control Projects	1136.52	1135.18
71	4801-Capital outlay on Power Projects	102.37	102.37
72	4859-Capital outlay on Telecommunication and Electronic Industries	45.34	45.34
73	5054-Capital outlay on Roads and Bridges	4056.42	4056.42
	Total	54910.57	49618.13

(Source: Appropriation Accounts of the State 2011-12)

Appendix 2.13

Advance drawals of Funds and remained in Bank Accounts up to 31.03.2012

(Reference : Paragraph 2.5, Page 37)

Revenue Expenditure										(₹ in crore)	
Sl No.	Head	Account No.	Bank	Based on records of	Sanction no.	DDO	Purpose	Department	Amount	Bill No.	TV No.
1	P220202 1090107	30634 69229 to 32005 33197	CBI, Boring road, Patna to SBI Patna Sectt., SB	BMSP	39 / 19.10.11	US (SE)	one secondary school within a radius of five kilometers, making teacher student ratio to 1:40	HRD	58.220	1494/ 11-12	382/ 22.0 2.12
2	2202	32264 472032	SBI		Allotment 290/06.02.12		Bihar Shatabadi Mukhya Mantri Balika Poshak Yojana		1.280	1495/ 11-12	NA
3	2202	32264 472032	SBI		Allotment 291/06.02.12				0.700	1496/ 11-12	NA
4	2202	39400010 1131861	PNB		Allotment 359/ 16.03.12		Model School		44.767	1516/ 11-12	NA
5	2202	39400010 1131861	PNB		Allotment 360/ 16.03.12				55.233	1517/ 11-12	NA
6	P220202 7890103	30634 69229	CBI, Boring road, Patna		39 / 19.10.11		one secondary school within a radius of five kilometers, making teacher student ratio to 1:40 (SCP)		46.780	1493/ 11-12	377/ 22.0 2.12
7	N220202 1100007	50029509 570	Allahabad Bank, BIC , Patna of BSEB (Sec.)	BSEB (Second- ary)	103 /23.03.12		Vita Rahit Sec./Higher Sec. School Programme		85.760	1524/ 11-12	704/ 28.0 3.12
8	C220202 1090607	15120100 0005527	IOB of BMSP	BMSP	432 /28.03.12		Central share for construction of girls hostel		41.760	1528/ 11-12	574/ 29.0 3.12
9	P240100 1100104	0100 203311	Co-operative Bank, Patna Sectt (CB)	Co-oper- ative	274 /13.09.11	US	Compensation for insured crops of farmers	Co-oper- ative	170.935	215/ 11-12	21/ 21.1 0.11
10	P240100 1100104	10020 3311	CB		19 /25.01.12					342/ 11-12	05/ 27.0 2.12
11	P240100 1100101	10020 3311	CB		274 /13.09.11		Premium & other expenditure for State Crop Insurance Fund		3.950	NA	NA
12	P240100 7890110	10020 3311	CB		274 /13.09.11		Compensation for insured crops of farmers (SC)		15.570	NA	NA
13	P240100 7890109	10020 3311	CB		274 /13.09.11					NA	NA
14	2055	PL a/c 84480012 00007 of BPBCL	Patna Secreteriat treasury, Sinchai Bhawan (PSB)	IG Provision	11-12	DIG (Pr)	Construction of residential police building, security lines, thanas & police academy	Home	2.000	1/11-12 (01.02 .12)	NA

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15	2055		PSB		11-12		Construction of residential police building, security lines, thanas & police academy		1.090	4/11-12 (14.02 .12)	NA
16	P223501 2020105	31620 128302	SBI, Sectt. Branch, Patna	Plan.& Dev.& BAPEPS	3800 / 14.11.11	JD, P&D	Repair & Renovation of infrastructure effected by calamity	P&D	327.820	341/ 11-12	45/ 20.0 3.12
17	P221705 8000101		Bank of BUIDCO	BUDA	47 /29.02.12	OSD	Bihar Strengthening Urban Management	UD&H	64.000	358/ 11-12	06/ 15.0 3.12
Total 1									919.865		

Capital Expenditure

18	P4202012 020103	9100100 2585315	AXIS of BSEIDC	BSEIDC	45/ 03.11.11	US (SE)	Construction of Govt. & Nationalised Secondary Schools	HRD	2.180	NA	NA
19	P4202012 020103	24500100 00 70001	IOB of BSEIDC		66/ 20.12.11, 97/ 16.03.12		Infrastructure in upgraded secondary Schools		7.850	NA	NA
20	P4202012 020103	24500100 0 070001	IOB of BSEIDC		96/ 16.03.12		Building Construction of Bapu Smarak Girls high School, Kadamkuan		1.400	NA	NA
21	P4202012 020103	24500100 0070001	IOB of BSEIDC		40/ 19.10.11		Construction of Building of Simultalla residential School		2.000	NA	NA
22	P4210011 100105	Flexi Fixed	ICICI, Patna of BSMIC	BMSIC	769(10)/ 18.11.11	Supdt. PMCH	PMCH repairs & machinary (State plan)	Health	4.000	1036/ 11-12	05/ 03.0 3.12
23	P4210031 050106	311304 71517	Principal	Treasury Voucher	80(1) B/ 01.12.11	Principal, SKMC Muzaf- farpur	SKMC repairs & machinary (State plan)		1.700	187/ 11-12	10/ 30.0 3.12
24	P4210011 100106	Flexi Fixed	ICICI, of BMSIC	BMSIC	86(1)B/ 12.12.11	Supdt., SKMCH Muzaf- farpur	SKMCH repairs & machinary (State plan)		4.000	370/ 11-12	01/ 24.0 2.12
25	P4210017 890102	Not made available	UBI of BMSIC		950(10)/ 25.01.12	US	Construction of Buildings For Hospitals		19.029	NA	NA
26	P4210017 890102	Not made available	UBI of BMSIC		600(10)/ 29.11.11		Construction of Buildings For Hospitals		5.318	NA	NA
27	P4210017 890102	Not made available	CBI of BMSIC		950(10)/ 25.01.12		Construction of Buildings For Hospitals		22.313	NA	NA
28	P4210010 510103	Not made available	UBI of BMSIC		600(10)/ 29.11.11		Construction of office and residential buildings of District Medical Officers		7.440	NA	NA
29	P4210010 510103	Not made available	UBI of BMSIC		599(10)/ 29.11.11		Construction of office and residential buildings of District Medical Officers		1.770	NA	NA

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30	P4210017 890101	625901 142497	ICICI of BMSIC		85(1)B/ 09.12.11		Machine and Equipment specially for SC		29.350	NA	NA
31	P4210037 890101	625901 142497	ICICI BMSIC		84(1)B / 09.12.11		Machine and Equipment specially for SC		10.080	NA	NA
32	P4210010 510101	Not made available	UBI of BMSIC		950(10)/ 25.01.12		Construction of building for Sub Divisional Hospitals.		3.140	NA	NA
33	P4210031 050108		Kept in BRPNN	Vardh- wan Medical College and BRPNN	49/ 23.03.12	Principal Vardhwan Ayurvig- yan Sansthan, Pawapuri	Construction of Vardhwan Ayurvigyan Sansthan		50.000	37/ 11-12	01/ 23.0 3.12
34	4055	PL a/c 84480012 00007 of BPBCL	Patna Secreteriat treasury, Sinchai Bhawan (PSB)	IG Provision	11-12	DIG Provision	Construction of residential police building, security lines, thanas & police academy	Home	12.050	1/11-12 (23.03. 12)	NA
35	4055		PSB		11-12	DIG Provision			0.571	2/11-12 (27.03. 12)	NA
36	4055		PSB		11-12				53.659	3/ 11-12 (01.02 .12)	NA
37	4055		PSB		11-12				70.000	1/11-12 (24.01. 12)	NA
38	4055		PSB		11-12				8.000	2/11-12 (02.02. 12)	NA
39	4055		PSB		11-12				25.500	1/11-12 (01.02.12)	NA
40	4055		PSB		11-12				6.375	1/11-12 (01.02.12)	NA
41	P4515001 030103		Kept in BRRDA Patna account	Treasury Voucher	185/ 06.01.12	EE, RWD, Patna	Modernisation of Road	RWD	100.000	165/ 11-12	52/ 13.0 1.12
42	P4408021 010101	30595 872561	SBI, Sectt. Branch, Patna	Food & Consumer Protection (CP) Deptt.	104/ 06.01.12 & 31/ 01.12.11	US	Construction of Godowns	Food & CP	100.000	210/ 11-12	01/ 30.1 2.11
Total 2									547.725		
Grand Total =1+2									1467.59		

Notes: 1. BMSP denotes Bihar Madhyamik Shiksha Parishad, 2. HRD denotes Human Resources Department, 3. US denotes Under Secretary, 4. SE denotes Secondary Education, 5. DIG (Pr) denotes Deputy Inspector General of Police (Provision), 6. IG denotes Inspector General of Police, 7. JD, P&D denotes Joint Director, Planning and Development Department, 8. OSD denotes Officer on Special Duty, 9. UD&H denotes Urban Development and Housing Department, 10. BAPEPS denotes Bihar Aapda Punarawas Evam Punamirman Society, 11. BUIDCO denotes Bihar Urban Infrastructure Corporation Ltd, 12. BUDA denotes Bihar Urban Development Authority, 13. PMCH denotes Patna Medical College Hospital, Patna 14. BSEIDC denotes Bihar Education Infrastructure Development Corporation, 15. BSMIC denotes Bihar Medical Services and Infrastructure Corporation Limited, 16. SKMC denotes Sri Krishna Medical College, Muzaffarpur 17. SKMCH denotes Sri Krishna Medical College Hospital, Muzaffarpur, 18. BSEB denotes Bihar School Examination Board, 19. RWD denotes Rural Works Department, 20. BRRDA denotes Bihar Rural Roads Development Authority, 21. BIC denotes Bihar Intermediate Council.

(Source: Records/ information of offices mentioned in Column 5 & Audit memos issued)

Appendix 2.14

Details of withdrawals from Contingency Fund for routine expenditure

(Reference : Paragraph 2.6, Page 38)

(₹ in crore)

Sl. No.	Major Head	Name of Department/Major Head	Purpose	Amount
1	2011	State Assembly	Expenses for repairs and purchase of vehicles (three times)	0.85
2			Payment for Medical Bills	0.05
3			TA/DA payment to Bihar Vidhan Parishad Member	0.70
4	2012	Governor	Governor Secretariat	0.10
5	2013	Council of Ministers	Arrangement of Iftar Party	0.05
6			Office decoration	0.20
7	2014	Administration of Justice	Purchase of new vehicles (three times)	3.01
8			Purchase of AIR CD in Judicial Officer's Laptop	0.72
9			Decoration of drawing rooms (three times)	3.14
10			Payment of Salary, Special Services	0.54
11			Payment of Medical Bills	0.21
12			Expenses on publication	0.55
13			Expenses on Akhil Bhartiya Sammelan Workshops, Seminar	0.21
14	2015	Elections	Safety and Timely Inspection of EVM	0.70
15			Purchase of New Vehicle	0.08
16	2029	Land Revenue	For organizing fair in different parts of the State	0.95
17			BPS Adhikar Niyam 2011 ke Karyanwayan	0.50
18			Payment on Court Order	0.11
19			Implementation on Patna High Court Order	0.38
20	2030	Stamps and Registration	Expenses on hiring Motor Vehicles	0.53
21			Implementation of RTS	1.61
22	2040	Taxes on sales, trade, etc.	Office Expenditure	0.22
23	2049	Interest Payments	Payment for Interest	0.25
24	2052	Secretariat-General Services	Purchase of Vehicles (nine times)	1.44
25			Payment for Grants-in-aid	0.25
26			Monitoring and Co-ordination in working in banking at district level	0.95
27			ACP payment	0.20
28			Payment of salary and arrears (two times)	0.10
29			Honorarium payment in computer operators and court fee payment	0.06
30	2053	District Administration	Expenses on Medical Reimbursement	0.07
31	2054	Treasury and Accounts Administration	Payment of Salary arrears	0.95
32			HSDL quarterly payment	0.90
33	2055	Police	Honorarium payment to instructor	0.68
34			Sports organization for Police personnel	0.50
35			Payment of salary and arrears (two times)	48.89
36	2056	Jails	Purchase of Jeep and Ambulance	0.85
37	2070	Other Administrative Services	Payment of Pay and Allowances and Other Expenditure	0.29

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Sl. No.	Major Head	Name of Department/Major Head	Purpose	Amount
38			Payment for motor vehicle	10.00
39			Election of fisheries co-operative society	0.15
40			Salary of Bhagalpur communal riot Investigation	0.29
41			Koshi Dam period of Judicial Inquiry	0.30
42			Revamping of Police Protection	3.53
43	2202	General Education	Workshop and International Seminar	0.10
44			Purchase of Motor Vehicle	0.05
45			Payment for salary	0.90
46			Organisation of seminar at Khankah Muazzam-Bihar Sharif	0.20
47			Expenditure on Departmental Court Cases	0.05
48	2205	Art and Culture	Preservation of records	0.31
49			Consultant fee payment for making of international level museum	0.50
50	2210	Medical and Public Health	Payment for pay and allowances and office expenses	0.98
51			Modernisation of Rajendra Nagar Eye Hospital, Patna	1.32
52	2216	Housing	Transfer of restricted amount to balance amount	0.44
53	2225	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	Prime Minister Adarsh Gram Yojna	12.73
54	2230	Labour and Employment	House building for Biri Labour	0.26
55			Payment for salary and others (three times)	1.18
56	2235	Social Security and Welfare	Execution of MahilaVikas Nigam Programme (two times)	20.00
57			Sector wide approach to strengthening health (two times)	20.00
58	2251	Secretariat Social Services	Purchase, Repairs and Maintenance for vehicle (12 times)	1.51
59			Sanction of Upbandh	0.17
60			Labour payment and Bhojsala establishment, purchase of equipment (two times)	1.03
61			Departmental office expenditure	0.07
62			Honorarium payment of newly appointed computer operator and special services	0.15
63	2401	Crop Husbandry	Payment for Grants-in-aid	10.00
64			For providing diesel to farmers	50.00
65			Samekit Serial VikasYojna Ke liye	0.34
66	2405	Fisheries	GPF contribution	0.26
67	2406	Forestry and Wild Life	Arrangement of Motor Vehicle, Elephant for security personal of Balmiki Tiger Project	0.39
68	2801	Power	Payment of pending electricity bills to NTPC	130.00
69	2851	Village and Small Industries	Hathkargha Consolidated Development Yojna	0.70
70	2852	Industries	Payment for Medical Reimbursement (two times)	0.13
71			Expenses on establishment of computerisation	0.41

Appendix 2.14

Sl. No.	Major Head	Name of Department/Major Head	Purpose	Amount
72	2853	Non-ferrous Mining and Metallurgical Industries	Purchase of vehicles (two times)	0.21
73			Office Expenses	0.05
74	3451	Secretariat-Economic Services	Purchase of vehicles (Seventeen times)	2.87
75			Expenses on State pollution control and training on climate change	0.27
76			Payment for Computer Operator (two times)	0.72
77	3452	Tourism	Payment for salary of TSF	0.53
78	3454	Census surveys and Statistics	Inspection of local level	0.14
79	3456	Civil supplies	Rice festival, 2011	0.15
80	4047	Capital outlay on Other Fiscal Services	Land reforms for investigation post	0.21
81			Building construction for Commercial Tax Department	0.75
82	4055	Capital outlay on Police	Naxal/Terrorist affected area	9.67
83	4059	Capital outlay on Public Works	Abhilekhagar ke sanrakchhan, chahardiwari jalapurti vidhut ke liya	0.15
84			Rajendra Mandap in Rajbhawan Premises	0.90
85			Construction of Buildings (two times)	6.00
86	4215	Capital outlay on water supply and sanitation	Construction of lavatory for BPL and APL families (three times)	50.00
87			Lok Swasthya Abhiyantran Vibhag Sudhrikan and Vistar Hetu	2.46
88	6408	Loans for Food Storage and Warehousing	Procurement of rice	400.00
89	6425	Loans for Co-operation	Purchase of rice from farmers (two times)	400.00
90	6801	Loans for Power Projects	Acquisition of loanee land Adhigarhan and Other Works	10.00
91	6860	Loans for Consumer Industries	Rent payment for Nigam headquarters	0.22
Total				1225.53

Appendix 2.15

Budget Estimates of Building Construction Department

(Reference : Paragraph 2.7.1, Page 38)

(₹ in crore)

Sl. No.	Name of Department	Original	Supplementary	Total	Expenditure	Savings	Percentage of savings in respect of Total Provision
Relating to Other Service Department							
Revenue Voted							
1	Animal & Fisheries Resources	0.03	0.00	0.03	0.03	0.00	0.00
2	Agriculture	2.25	0.00	2.25	0.21	2.04	91
3	Education	1.50	0.00	1.50	1.02	0.48	32
4	Law	7.72	0.00	7.72	0.21	7.51	97
5	Finance	0.61	0.00	0.61	0.00	0.61	100
6	Panchayati Raj	2.00	0.00	2.00	0.00	2.00	100
Total - (A)		14.11	0.00	14.11	1.47	12.64	
Capital Voted							
1	Commercial Taxes	0.51	0.75	1.26	1.12	0.14	11
2	Finance	9.39	14.33	23.72	0.94	22.78	96
3	Labour	23.38	0.00	23.38	0.00	23.38	100
4	General Administration	40.14	0.00	40.14	27.57	12.57	31
5	Animal & Fisheries Resources	46.92	0.00	46.92	10.76	36.16	77
6	Cabinet Secretariat	0.00	1.05	1.05	0.90	0.15	14
7	Agriculture	5.86	0.00	5.86	0.00	5.86	100
8	Art, Culture & youth	14.00	51.96	65.96	35.35	30.61	46
9	Law	51.89	10.00	61.89	58.93	2.96	5
10	Information	0.34	0.00	0.34	0.00	0.34	100
11	Science & Technology	54.33	0.00	54.33	22.27	32.06	59
12	Registration, Excise and Prohibition	3.88	1.00	4.88	0.29	4.59	94
13	Co-operative	0.00	4.30	4.30	0.58	3.72	87
14	SC & ST Welfare	25.00	51.26	76.26	0.00	76.26	100
15	Panchayati Raj	0.00	5.00	5.00	0.00	5.00	100
16	BC & EBC Welfare	0.00	4.85	4.85	0.00	4.85	100
Total -(B)		275.64	144.50	420.14	158.71	261.43	
Total -(A+B)		289.75	144.50	434.25	160.18	274.07	
Department's own							
	Revenue	262.06	14.96	277.02	219.23	57.79	21
	Capital	83.26	5.00	88.26	57.44	30.82	35
Total - (C)		345.32	19.96	365.28	276.67	88.61	
Total - (A+B+C)		635.07	164.46	799.53	436.85	362.68	

(Source: Detailed Appropriation Accounts, Government of Bihar)

Details of fund surrendered on 31.03.2012

(Reference : Paragraph 2.7.2, Page 40)

(₹in crore)

Sl. No.	Head of account	Amount surrendered
Department's own		
1	2052-secretariat-General services 00-090-secretariat 0020 - Building construction	0.09
2	2059-Public works 01-office buildings 053-Maintenance and repairs 0008 Maintenance of Rural Health Centre/Sub-center	0.86
3	2059-Public works 01-office buildings 103-Furnishings 0001 -Furnishings of Secretariat Buildings	0.26
4	2059-public works 60-other buildings 103-furnishings 0001- Embellishment materials for the buildings of State Legislature	0.19
5	2059-Public works 80-General 001-Direction and Administration 0001 -Direction	0.17
6	2059-Public works 80-General 001-Direction and Administration 0004 -Execution	7.59
7	2059-Public works 80-General 001-Direction and Administration 0011 -Horticulture (Estt.)	0.32
8	2059-Public works 80-General 051-Construction 0001 -other Administrative services	1.73
9	2059-Public works 80-General 052-Machinery and Equipment 0001-New supply and repairs	0.15
10	2059-Public works 80-General 053-Maintenance and repairs 0001 -Maintenance and repairs	12.55
11	2059-Public works 80-General 053-Maintenance and repairs 0002 -work charged establishment	1.00
12	2059-Public works 80-General 053-Maintenance and repairs 0004 -Electric works	0.75
13	2059-Public works 80-General 053-Maintenance and repairs 0006 - corporation and municipal tax	0.02
14	2059-Public works 80-General 103-furnishings 0004 -furnishings of inspection buildings	0.13
15	2059-Public works 80-General 103- furnishings 0005 -furnishing of Governor House	0.09
16	2216-Housing 01-Government Residential Buildings 053- Repair and maintenance 0004-Repairing of furniture's and paneling in Chief Minister's Residence No. 1 Macdolan Road, Patna.	0.15
17	2216-Housing 01-Government Residential Buildings 800- other expenditure 0012-Furnitures for Residence of MLA State Ministers, Ministers and other VIP.s	1.29
18	4059-Capital outlay on Public works 01-office building 051-construction 0101-Buildings	19.06
19	4059-Capital outlay on Public works 01-office building 051-construction 0104 - Samaharnalaya Awam Anya Karyalay Bhawano ka Nirman Samany Prashasan Vikas	0.75
20	4059-Capital outlay on Public works 01-office building 051-construction 0106 - Construction /Renovation of Record cell cum office building for cabinet secretariat	0.15
21	4059-Capital outlay on Public works 01-office building 051-construction 0111-Utpadan Vibhag ke Bhawan	1.94
22	4059-Capital outlay on Public works 60-Other buildings 051 -Construction 0104 - Constrution of circuit house	3.42
23	4059-Capital outlay on Public works 80-General 004- Investigation/investigation Development 0001-Preliminary work before construction	0.10
24	4059-Capital outlay on Public works 80-General 051-Construction 0001 -other Administrative services	0.60
25	4059-Capital outlay on Public works 80-General 051-Construction 0002-Minor works	3.64
26	4059-Capital outlay on Public works 80-General 051-Construction 0004-Main Construction	0.58
27	4059-Capital outlay on Public works 80-General 051-Construction 0110-Judicial Buildings (Building Construction Department)	1.83

Appendix 2.16

Sl. No.	Head of account	Amount surrendered
28	4216-Capital outlay on Housing 01 -Government Residential Buildings700-Other Housing 0001 -Other Administrative Services	0.02
29	4216-Capital outlay on Housing 01 -Government Residential Buildings 700-Other Housing 0003-Public works	2.99
30	4216-Capital outlay on Housing 01 -Government Residential Buildings 700-Other Housing 0004-Modification of residential building	0.01
31	4216-Capital outlay on Housing 01 -Government Residential Buildings 700-Other Housing 0101 -other housing	0.09
32	4216-Capital outlay on Housing 80-General 101-Buidlings 0001-Preliminary work before construction	0.10
Total (A)		62.62
Relating to Other Service Departments		
33	2059-Public works 01-office buildings 053-Maintenace and repairs 0014-Maintenance & Repairs of building of Agriculture Department	2.24
34	2059-Public works 01-office buildings 053-Maintenace and repairs 0016-Maintenance & repairs of Education Department	0.48
35	2059-Public works 01-office buildings 053-Maintenace and repairs 0017-Maintenance & repairs of Law Department	7.51
36	2059-Public works 01-office buildings 053-Maintenace and repairs 0118-Renovation and Modernization of Finance Department	0.61
37	2059-Public works 60-other buildings 053-Maintenace and repairs 0013 maintenance & repairing of buildings of jail Department	5.00
38	2059-Public works 60-other buildings 053-Maintenance and repairs 0014 repairing of SC & ST welfare department building	1.44
39	2216-Housing 01-Government Residential Buildings 053- Maintenance and Repair 0001-other maintenance expenditure for block buildings	2.64
40	2216-Housing 01-Government Residential Buildings 053-Maintenance and Repair 0002-other maintenance expenditure for rural health centers/sub-center buildings.	0.80
41	2216-Housing 01-Government Residential Buildings 053- Maintenance and Repair 0003-Residential Building of Registration Department	1.20
42	3053-Civil Aviation 02-Air Ports 102-Aerodromes 0001 -Aerodromes	0.01
43	4047-Capital outlay on other Fiscal Services 00-051-Construction 0101- Building construction of commercial taxes	0.10
44	4047-Capital outlay on other Fiscal Services 00-051-Construction 0105- Establishment of Additional Resources in Treasury	11.94
45	4059-Capital outlay on Public works 00-051-Construction 0101-Adhyogik Prashikshan Sansthano ke Bhawano ka Nirman/Purannirman/Unnayan	0.47
46	4059-Capital outlay on Public works 00-051-Construction 0102 - Adhyogik Prashikshan Sansthano Ke Bhawano Ka Nirman (Vit Ayog ki Anushansa Ke Alok Mey)	18.95
47	4059-Capital outlay on Public works 00-051-Construction 0103-Sanyukt Shram Bhawan ka Nirman	1.50
48	4059-Capital outlay on Public works 01-office building 051-construction 0105 - Constrution of building for Animal & Fisheries Department	0.12
49	4059-Capital outlay on Public works 01-office building 051-construction 0107 - Construction of Finance building	1.88
50	4059-Capital outlay on Public works 01-office building 051-construction 0109 - Building for Agriculture Department	5.86
51	4059-Capital outlay on Public works 01-office building 051-construction 0110 - Construction of Registration office	2.42
52	4059-Capital outlay on Public works 01-office building 051 construction 0112 - Strenthing of Animal Hospital	0.75
53	4059-Capital outlay on Public works 01-office building 051-construction 0113 - Building of co-operative Department	3.71
54	4059-Capital outlay on Public works 01-office building 051- construction 0115-Building of scheduled castes and scheduled tribes welfare department	42.80

Appendix 2.16

Sl. No.	Head of account	Amount surrendered
55	4059-Capital outlay on Public works 60-Other buildings 051 -construction 0101-Construction of secretariat sports stadium	0.72
56	4059-Capital outlay on Public works 60-Other buildings 051 -construction 0105-Judicial Building	8.20
57	4059-Capital outlay on Public works 60-Other buildings 051 -construction 0106-Stadium and Sports structure	1.07
58	4059-Capital outlay on Public works 60-Other buildings 051 -construction 0107-cultural structure	12.50
59	4059-Capital outlay on Public works 60-Other buildings 051 -construction 0108-Virasat Sanrakshan-Vit Ayog	18.00
60	4059-Capital outlay on Public works 60-Other buildings 051 -construction 0109-Suchana Bhawan	0.34
61	4059-Capital outlay on Public works 60-Other buildings 051 -construction 0110-National Agriculture Development Scheme (Animal & Fisheries department)	0.05
62	4059-Capital outlay on Public works 60 -Other buildings 051 -construction 0111-Babu Jagjiwan Ram Hostel Plan	2.15
63	4059-Capital outlay on Public works 60-Other buildings 051 -construction 0611-Babu Jagjiwan Ram Hostel Plan	6.31
64	4059-Capital outlay on Public works 60-Other building 789-Special component plan for scheduled castes 0101 -Stadium and sports Structure	0.03
65	4059-Capital outlay on Public works 60-Other building 789-Special component plan for scheduled castes 0102 -Cultural structure	0.96
66	4059-Capital outlay on Public works 60-Other building 789-Special component plan for scheduled castes 0103 -Virasat Sanrakshan-Vit Ayog	7.00
67	4059-Capital outlay on Public works 80-General 051-Construction 0105-Construction of Judicial buildings (for Law Department) (on recommendation of 11 th Finance Commission)	18.67
68	4059-Capital outlay on Public works 80-General 051-Construction 0109-Construction of hostel for Bihar State Judicial service Training Institute (for Law Department)	0.08
69	4059-Capital outlay on Public works 80-General 051-Construction 0117-Buildings for Engineering/Technical Colleges and Institutes	25.45
70	4059-Capital outlay on Public works 80-General 051-Construction 0118-Construction and renovation for building of residential school & hostel of backward classes	4.85
71	4216-Capital outlay on Housing 01 -Government Residential Buildings 051-Construction 0102-Construction of Residential Buildings for General Administration Department	2.27
72	4216-Capital outlay on Housing 01 -Government Residential Buildings 700-Other Housing 0102-Judicial Residence Buildings	0.03
73	4216-Capital outlay on Housing 01 -Government Residential Buildings 700-Other Housing 0602-Judicial Residence Buildings	1.00
74	4515-Capital outlay on other Rural Development programmes 00-051-Construction Group 0101-Building of Block	5.00
	Total (B)	227.11
	Total (A+B)	289.73

Appendix 2.17

Rush of Expenditure

(Reference : Paragraph 2.7.4, Page 42)

(₹ in crore)

Head	Total Expenditure	Expenditure		Percentage	
		Last Quarter	March'12	Last Quarter	March'12
2052	1.16	0.23	0.23	19.83	19.83
2059	214.52	105.64	81.77	49.24	38.12
2216	4.73	3.99	3.51	84.35	74.21
3053	0.29	0.20	0.19	68.96	65.52
4047	1.94	1.33	1.27	68.55	65.46
4059	187.65	127.96	117.26	68.19	62.49
4216	26.56	24.22	6.39	91.22	24.07
Total	436.85	263.57	210.62	60.34	48.21

Non-reconciliation of departmental expenditure figures

(Reference : Paragraph 2.7.5, Page 42)

(₹ in crore)

Head	Available fund	Figures of expenditure by the department	Figures booked by AG (A&E)	Difference
2059-80-001-0004-Execution	78.17	89.83	84.20	5.63
2059-80-053-0001-Maintenance & Repairs	89.26	87.10	85.06	2.04
4059-00-051-0102-Adhyogik-Prashikshan Sansthan Ke Bhawan Ka Nirman	1.05	1.08	0.00	1.08
2216-01-053-0004-Repairing of furniture and paneling in chief Minister's residence No.1 Macdolan Road, Patna	0.29	0.07	0.26	0.19
4059-01-051-0105-Construction of building for Animal & Fisheries Department	32.99	32.99	0.00	32.99
4059-60-051-0105-Judicial Building	11.01	2.33	37.23	34.90
4059-80-004-0001-Preliminary work before construction	0.00	0.03	0.00	0.03
Total	212.77	213.43	206.75	76.86

Appendix 2.19

Details of budget provision, expenditure, savings etc. under Grant No. 16 (Panchayati Raj Department) during 2011-12

(Reference : Paragraph 2.8, Page 43)

(₹ in crore)

Revenue (voted)									
Head	Original	Supple- mentary	Re- appropriation		Total provision	Surrender	Net Provision	Expend- iture	Total Savings
1	2	3	4	5	6	7	8 (6-7)	9	10 (8-9)
2015	145.48	0.00	+0.37	-2.74	143.11	0.00	143.11	67.20	75.91
2515	2836.30	316.73	+2.25	0.00	3155.28	210.00	2945.28	2110.76	834.52
3451	1.10	0.17	+0.12	0.00	1.39	0.00	1.39	1.25	0.14
Total	2982.88	316.90	+2.74	-2.74	3299.78	210.00	3089.78	2179.21	910.57
Capital (voted)									
4515	250.00	0.00	0.00	0.00	250.00	0.00	250.00	0.00	250.00
Gross Total	3232.88	316.90	+2.74	-2.74	3549.78	210.00	3339.78	2179.21	1160.57

(Source: Detailed Appropriation Accounts and figures furnished by PRD)

Note: 1. Expenditure of ₹ 210.31 crore shown in Detailed Appropriation Account under head 4515 (4515-00-101-0104-Panchayat Sarkar Bhawan in respect of recommendation of Finance Commission - ₹ 140.38 crore and 4515-00-789-0102-Panchayat Government Building on the recommendation of Finance Commission - ₹ 69.93 crore) has been excluded as the same was not sanctioned and allotted by the PRD.

2. Re-appropriation of fund of ₹ 2.74 crore made by PRD was not booked in the Detailed Appropriation Account.

3. ₹ 210.00 crore was surrendered (10 August 2011) due to execution of scheme (Integrated action plan) by the Planning and Development Department.

(₹ in crore)

Sl. No.	Head	Savings	Remarks	Departmental Reply
Revenue:				
1	2015-00-109-0002- Election of district boards/ Panchayatsamiti/ Gram Panchayat	75.54	Out of net provision of ₹ 141.45 crore (total provision of ₹ 144.19 crore- Surrender of ₹ 2.74 crore), ₹ 65.91 crore only was spent i.e. 53.40 per cent savings	No specific reply
2	2515-00-101-0110-Panchayati Raj Administration and Public Development.	58.72	100 per cent savings	Due to non sanctioning of project
3	2515-00-101-0111-Backward Region Grant Fund Scheme.	494.01	Out of total provision 904.37 crore, ₹ 410.36 crore i.e. 45.38 per cent only was spent	Due to non receiving of fund from central Government
4	2515-00-197-0001-Assistance to Panchayati Raj institution	23.60	-----	Due to non receiving of fund from central Government
5	2515-00-198-0001-Assistance to Panchayati Raj institution	114.78	-----	Due to non receiving of fund from central Government
6	2515-00-789-0102-Backward Region Grant Fund Scheme.	48.90	-----	Due to non receiving of fund from central Government
7	2515-00-789-0107-Panchayati Raj Byawastha aur Manav Sansadhan Vikas.	25.17	100 per cent savings	Due to non sanctioning of project
Total		840.72		
Capital:				
1	4515-00-101-0104-Panchayat Sarkar Bhawan in respect of recommendation of Finance Commission.	175.00	100 per cent savings	Due to non sanctioning of project
2	4515-00-789-0102-Panchayat Government Building on the recommendation of Finance Commission.	75.00	100 per cent savings	Due to non sanctioning of project
Total		250.00		
Grand Total		1090.72		

Appendix 2.21

Surrender of savings reported by PRD

(Reference : Paragraph 2.8.3, Page 44)

(₹in crore)			
Sl. No.	Head	Surrender letter of PRD	Amount
Non-Plan			
1	2015-00-101-0001-State election commission (Panchayati Raj)	1819/31.3.12	0.03
2	2015-00-109-0002-Election of District Boards/Panchayat Samiti/Gram Panchayat	1820/31.3.12	72.35
3	2515-00-001-0001-Panchayat Headquarters Establishment	1804/31.3.12	0.44
4	2515-00-001-0003-District Panchayat Establishment	1805/31.3.12	13.84
5	2515-00-003-0001-Training of Panchayat employees (A) Panchayat	1806/31.3.12	0.24
6	2515-00-101-0003-Gram Raksha Dal	1807/31.3.12	0.0001
7	2515-00-196-0002- Grants to District Board for rural Buildings	1808/31.3.12	1.00
8	2515-00-196-0003-Grant- in -aid to Panchayati Raj Institution.	1809/31.3.12	13.41
9	2515-00-196-0005-Assistance for payment of pay and allowance of staff in pursuance of recommendation of state finance commission.	1810/31.3.12	0.0001
10	2515-00-196-0007-Contribution for Zila Parishad in approval of State Finance Commission	1811/31.3.12	0.79
11	2515-00-197-0001-Assistance to Panchayati Raj Institution	1812/31.3.12	26.81
12	2515-00-197-0004-Contribution to block Panchayats in approval of State Finance Commission	1813/31.3.12	1.58
13	2515-00-198-0001-Assistance to Panchayati Raj Institution	1814/31.3.12	93.84
14	2515-00-198-0004-Remuneration to clerk-cum-cashier in Gram Panchayat	1815/31.3.12	0.0001
15	2515-00-198-0009-Contribution for Gram panchayats in approval of State Finance Commission	1816/31.3.12	5.97
16	2515-00-198-0010-Gram Kachahari ke vibhinn Madon Hetu	1817/31.3.12	10.73
17	3451-00-090-0028-Department of Panchayati Raj	1818/31.3.12	0.14
Total			241.17
Plan			
18	2515-00-001-0101 Panchayat Headquarters Establishment	1803/31.03.12	0.05
19	2515-00-101-0110 Panchayati Raj Administration and Public Development.	1801/31.03.12	58.72
20	2515-00-101-0111 Backward Region Grant Fund Scheme.	1795/31.03.12	494.06
21	2515-00-198-0106 Fixed Allowances for Elected Representatives of Gram Court.	1797/31.03.12	2.71
22	2515-00-789-0102 Backward Region Grant Fund Scheme.	1796/31.03.12	47.93
23	2515-00-789-0104 Gram Kachahari Ke Nirwachit Pratinidhiyo ko Niyat Bhatta Hetu.	1798/31.03.12	0.04
24	2515-00-789-0107 Panchayati Raj Byawastha aur Manav Sansadhan Vikas.	1802/31.03.12	25.17
25	4515-00-101-0104 Panchayat Sarkar Bhawan in respect of recommendation of Finance Commission.	1799/31.03.12	175.00
26	4515-00-789-0102 Panchayat Government Building on the recommendation of Finance Commission.	1800/31.03.12	75.00
Total			878.68
Grand Total			1119.85

(Source: Figure furnished by the PRD)

Hundred per cent expenditure in the last month (March 2012)

(Reference : Paragraph 2.8.4, Page 44)

(₹ in crore)

Sl. No.	Head	Total Expenditure during the Year	Expenditure incurred upto February 2012	Expenditure in March 2012
1.	2515-00-196-0007 Contribution for Zila Parishad in approval of State Finance Commission.	45.39	0.00	45.39
2.	2515-00-197-0004 Contribution for Block Panchayats in approval of State Finance Commission.	85.32	0.00	85.32
3.	2515-00-197-0103 Fixed Allowance for elected representative of Panchayat Samiti.	5.25	0.00	5.25
4.	2515-00-198-0009 Contribution for Gram Panchayats in approval of State Finance Commission	449.06	0.00	449.06
5.	2515-00-198-0010 Gram Kachahari Ke Vibhinn Madon Hetu.	32.74	0.00	32.74
6.	2515-00-198-0105 Fixed Allowance for elected representatives of Gram Panchayats	40.82	0.00	40.82
7.	2515-00-789-0103 Gram panchayato ke nirvachit pratinidhiyo ko niyat bhatta hetu.	1.02	0.00	1.02
8.	2515-00-789-0104 Gram kachahari ke nirvachit pratinidhiyo ko niyat bhatta hetu.	0.82	0.00	0.82
Total		660.42	0.00	660.42

(Source: Detailed Appropriation Accounts Government of Bihar)

Appendix 2.23

Non-reconciliation of departmental expenditure figures

(Reference : Paragraph 2.8.5, Page 45)

(₹ in crore)

Sl. No.	Head of account	Expenditure as per detailed appropriation A/c (A&E)	Actual Expenditure as per Departmental statement	Difference 5= 3-4
1	2	3	4	5
1	2015-00-101-0001 State election commission (Panchayati Raj)	1.29	1.63	-0.34
2	2015-00-109-0002 Election of district boards/ Panchayat samiti/ Gram Panchayat	65.91	69.10	-3.19
3	2515-00-001-0003 District Panchayat establishment	142.81	147.28	-4.47
4	2515-00-196-0003 Grants-in-aid to Panchayati Raj Institutions	62.15	63.12	-0.97
5	2515-00-196-0007 Contribution for Zila Parishad in approval of State Finance Commission	45.39	45.73	-0.34
6	2515-00-196-0106 Fixed Allowance for elected representative of Zila Parishad	1.34	1.44	-0.10
7	2515-00-197-0004 Contribution for Block Panchayats in approval of State Finance Commission	85.32	85.37	-0.05
8	2515-00-198-0001 Assistance to Panchayati Raj institution	594.55	616.82	-22.27
9	2515-00-198-0010 Gram Kachahari Ke Vibhinn Madon Hetu.	32.74	34.97	-2.23
10	2515-00-198-0105 Fixed Allowance for elected representatives of Gram Panchayats .	40.82	41.44	-0.62
11	2515-00-198-0106 Fixed Allowance for elected representatives of Gram Court.	30.52	38.73	-8.21
12	2515-00-789-0102 Backward Region Grant Fund Scheme	69.53	70.50	-0.97
13	2515-00-789-0104 Gram kachahari ke nirvachit pratinidhiyo ko niyat bhatta hetu	0.82	0.98	-0.16
14	2515-00-789-0105-Panchayat Samiti ke nirvachit pratinidhiyo ko niyat bhatta hetu	0.30	0.32	-0.02
15	3451-00-090-0028-Department of Panchayati Raj	1.25	1.26	-0.01
	Total	1174.74	1218.69	-43.95
16	2515-00-001-0001-Panchayat headquarters establishment	3.28	2.99	+0.29
17	2515-00-001-0101-Panchayat headquarters establishment	0.03	0.00	+0.03
18	2515-00-003-0001-Traning of Panchayat Employees (A) Panchayat	1.98	1.94	+0.04
19	2515-00-101-0111-Backward Region Grant Fund Scheme	410.36	410.31	+0.05
20	2515-00-197-0001-Assistance to Panchayati Raj Institution	133.47	130.64	+2.83
21	4515-00-101-0104-Panchayat Sarkar Bhawan in respect of recommendation of Finance Commission.	140.38	0.00	+140.38
22	4515-00-789-0102-Panchayat Government Building on the recommendation of Finance Commission.	69.93	0.00	+69.93
	Total	759.43	545.88	+213.55

Note: (1) Minus (-) sign shows short exhibition of expenditure in detail appropriation accounts against departmental expenditure figure (₹ 43.95 crore in 15 cases)

(2) Plus (+) sign shows excess exhibition of expenditure in detailed appropriation accounts against departmental expenditures figures (₹ 213.55crore in 7 cases)

(Source: Detailed Appropriation Accounts, information furnished by the department & Audit memos issued)

Details of re-appropriation made by PRD but not exhibited in the Detailed Appropriation Accounts

(Reference : Paragraph 2.8.5, Page 45)

(₹ in crore)

Sl.No	Head	Amount	Reference to letter no.
1	2015-00-101-0001-State Election Commission (Panchayati Raj)	0.31	7894/30.11.11
2	2015-00-101-0001 State Election Commission (Panchayati Raj)	0.06	1569/21.03.12
3	3451-00-090-0028-Department of Panchayati Raj	0.12	880/14.02.12
4	2515-00-001-0001-Panchayat Headquarters Establishment	0.15	5489/09.08.11
5	2515-00-001-0003-District Panchayat Establishment	0.10	9972/09.12.11
6	2515-00-001-0003- District Panchayat Establishment	0.10	1568/21.03.12
7	2515-00-198-0001-Assistance to Panchayati Raj Institutions	1.33	1567/21.03.12
8	2515-00-197-0001- Assistance to Panchayati Raj Institutions	0.38	1566/21.03.12
9	2515-00-196-0003-Grants -in-aid to Panchayati Raj Institutions	0.19	1565/21.03.12
Total		2.74	

(Source: Figure furnished by the PRD)

* Amount was re-appropriated from only one head i.e. 2015-00-109-0002: Election of District Board/PanchyatSamiti/Gram Panchyat.

Appendix 2.25

Statement showing the amount withdrawn during the last month (March 2012) and remained unspent as on 31 March 2012

(Reference : Paragraph 2.8.6, Page 45)

(₹ in crore)

Sl. No.	Head	Amount withdrawn during March 2012	Balance lying in account
1	2	3	4
1.	2515001960003(Grant in Aid to Panchayati Raj Institution) (Zila Parishad)	7.32	7.32
2.	2515001970001(Assistance to Panchayati Raj institution) (Panchayat Samiti)	14.83	14.83
3.	2515001980001 (Assistance to Panchayati Raj institution) (Gram Panchayat)	51.72	51.72
4.	2515001980106(Fixed Allowance for elected representatives of Zila Parishad)	0.34	0.34
5.	2515007890106 (Zila Parishad ke nirwachit pratinidhiyo ko Niyat Bhatta hetu) (S.C)	0.05	0.05
6.	2515001970103 (Fixed Allowance for elected representatives of Panchayat Samiti)	1.21	1.21
7.	2515007890105 (Panchayt samiti ke Nirwachit pratinidhiyo ko Niyat Bhatta hetu) (S.C)	0.05	0.05
8.	2515001980105 (Fixed Allowance for elected representatives of Gram Panchayat)	10.46	10.46
9.	2515007890103(Gram Panchayato ke Nirwachit pratinidhiyo ke Niyat Bhatta Hetu)(S.C)	0.16	0.16
10.	2515001960007(Contribution for Zila Parishad in approval of State Finance Commission)	26.34	26.34
11.	2515001970004 (Contribution for Block Panchayats in approval of State Finance Commission)	21.18	21.18
12.	2515001980009 (Contribution for Gram Panchayats in approval of State Finance Commission)	96.26	96.26
13.	2515001010111 (Backward Region Grant fund Scheme)	3.68	3.68
14.	2515001980106 (Fixed Allowance for elected representatives of Gram Court)	5.19	5.19
15.	2515001980010 (Gram Kachahari ke vibhinn Madon hetu)	9.46	9.46
16.	2515007890104(Gram Kachahari ke Nirwachit pratinidhiyo ko Niyat Bhatta hetu) (S.C)	0.08	0.08
Total		248.33	248.33

(Source: Information furnished by the DDOs)

Statement showing the position of amount drawn in March 2012 and remained unutilised

(Reference : Paragraph 2.8.6, Page 45)

(₹in lakh)

Sl. No.	Name of unit	Particular of fund	Amount	Date of credit	Name of bank	Account No.	Balance
1	2	3	4	5	6	7	9
1	Zila Parishad, Patna	13 th FC	1128.14	31.03.12	Canara bank, South Ghandhi Maidan, Patna	0352101 040099	1238.83
2		Fixed Allowance	394.19	17.04.12	Bank of India Boring Road, Patna	44211011 0001900	394.19
3		4 th SFC	2215.09	29.03.12	I.D.B.I, Frazer Road, Patna	01401040 00077835	2215.82
4		Gram Kachari	168.84	18.04.12	Central Bank of India, Birla Mandir Road, Patna	31753 06404	178.44
5	DPRO Patna	Training	41.09	17.04.12	I.D.B.I. Frazer Road, Patna	01401040 00077826	41.09
6	Zila Parishad Darbhanga	Fixed Allowance	360.47	N.A	Treasury, Darbhanga	844800 1090001	432.85
7		4 th SFC	331.98	N.A	Union Bank , Darbhanga	5879020 10003029	331.98
8		4 th SFC	1723.46	30.03.12	U.B.G.B, Laheriasarai, Darbhanga	1004901 030000704	1723.46
9		13 th FC	1141.84	N.A	P.N.B, Laheriasarai, Darbhanga	21000 10234	1141.84
10	D.P.R.O, Darbhanga	Gram Kachari and B.R.G.F	192.36	04.04.12	Central Bank of India, Laheriasarai	31734 92775	192.36
11	Zila Parishad, Samastipur	Allowance 13 th F.C & 4 th S. F.C	4123.26	27.03.12	Treasury, Samastipur	844800 1090001	4607.76
12	DPRO, Samastipur	Training Gram Kachahari,	366.53	30.03.12	S.B.I, court campus, Samastipur	3017321 2437	530.86
		BRGF	48.31	31.03.12			
13	Zila Parishad, Muzaffarpur	Allowance and 4 th F.C	2835.57	28.03.12	Treasury, Muzaffarpur	84480010 90001	2967.82
14		13 th FC	135.45	N.A	S.B.I, Chandwara	3059349 5855	155.80
15				1224.53	29.03.12	P.N.B.Pankaj Market , Muzaffarpur	30480001 00137461
16	D.P.R.O, Muzaffarpur	Gram Kachahari	171.54	31.03.12	S.B.I, Redcross, Muzaffarpur	1087580 7832	182.41

Appendix 2.26

(₹ in lakh)

Sl. No.	Name of unit	Particular of fund	Amount	Date of credit	Name of bank	Account No.	Balance
17	Zila Parishad, Madhubani	Fixed Allowance	221.66	28.03.12	U.B.G.B, Madhubani	10085610 30002807	221.66
18		4 th SFC	614.79	27.03.12	P.N.B, Madhubani	251500010 1209945	614.79
19			2122.41	27.03.12	U.B.G.B, Madhubani	1003211030 002876	2122.41
20			137.39	27.03.12	C.B.I, Madhubani	308657 4134	144.29
21			1268.09	28.03.12	U.B.G.B, Bhowara	10032610 30004054	1268.09
22	DPRO, Madhubani	Gram Kachahari fixed allowance	331.63	29.03.12	S.B.I, Madhubani	1130243 5916	382.72
		BRGF	51.09	31.03.12			
23	Zila Parishad, Vaishali	Fixed Allowance	167.93	27.03.12	I.D.B.I, Hajipur	07241040 00035121	167.93
24		4 th SFC	1542.60	27.03.12	I.D.B.I, Hajipur	07241040 00035477	1543.45
25			300.50	N.A	Union Bank, Hajipur	501820102 58838	300.50
26			123.68	27.03.12	I.D.B.I, Hajipur	07241040 00035510	123.74
27			38.17	28.03.12	S.B.I, Hajipur	11041 925438	39.54
28		13 th FC	1019.66	28.03.12	Axis Bank, Hajipur	9120100028 55908	1098.31
			6.56	17.03.12			
29	D.P.R.O, Vaishali	Gram Kachhari,	283.76	30.03.12	C.B.I, Hajipur	239722 3464	283.77
Total			24832.57				26917.78

Notes: 1. FC denotes Finance Commission.

2. SFC denotes State Finance Commission.

3. NA denotes Not Available.

(Source: Records/ Information furnished by DDOs).

Statement showing the amount withdrawal and expenditure under ThFC recommendation during 2011-12

(Reference : Paragraph 2.8.6, Page 45)

Grants-in-aid to Zila Parishad (2515001960003)

(₹ in lakh)

Sl. No.	Name of Zila Parishad	O.B. as on 01.04.11	Total drawal during F.Y. 11-12	Intt. From savings A/c	Total	Expenditure during 11-12	Balance
1	2	3	4	5	6=3+4+5	7	8=6-7
1	Patna	17.84	231.62	3.19	252.65	57.62	195.03
2	Darbhangha	9.47	253.05	0.00	262.52	0.00	262.52
3	Samastipur	1.66	278.66	0.00	280.32	0.00	280.32
4	Muzaffarpur	31.37	288.05	6.38	325.80	170.00	155.80
Total (A)		60.34	1051.38	9.57	1121.29	227.62	893.67

Assistance to Panchayat Samiti (2515001970001)

Sl. No.	Name of Zila Parishad	O.B. as on 01.04.11	Total drawal during F.Y.11 -12	Interest From savings A/c	Total	Expenditure during 11-12	Balance
1	2	3	4	5	6=3+4+5	7	8=6-7
1	Patna	42.82	473.67	1.96	518.45	48.02	470.43
2	Darbhangha	41.39	515.00	0.00	556.39	95.80	460.59
3	Samastipur	52.00	566.97	0.00	618.97	58.05	560.92
4	Muzaffarpur	63.28	608.70	0.00	671.98	96.39	575.59
Total (B)		199.49	2164.34	1.96	2365.79	298.26	2067.53

Assistance to Gram Panchayat (2515001980001)

Sl. No.	Name of Zila Parishad	O.B. as on 01.04.11	Total drawal during F.Y.11 -12	Interest From savings A/c	Total	Expenditure during 11-12	Balance
1	2	3	4	5	6=3+4+5	7	8=6-7
1	Patna	495.30	2406.80	24.66	2926.76	510.66	2416.10
2	Darbhangha	711.00	2389.77	0.00	3100.77	902.52	2198.24
3	Samastipur	708.92	2792.73	0.00	3501.65	310.47	3191.19
4	Muzaffarpur	970.26	2827.00	0.00	3797.26	829.41	2967.85
Total (C)		2885.48	10416.30	24.66	13326.44	2553.06	10773.38
Grant total (A+B+C)		3145.31	13632.02	36.19	16813.52	3078.94	13734.58

(Source: Information furnished by concerned Zila Parishads)

Appendix 3.1

Drawal of funds on AC bills but retained with executing agencies

(Reference : Paragraph 3.2.6.4, Page 55)

(₹ in crore)

Sl. No.	Purpose	AC bill No.	Amount	Name of DDO	Remained in the accounts of	Position on
1	Construction of 09 Sub Divisional Hospitals.	26/09-10 (200/08-09)	20.38	US, Health	BMSIC	August 2012
2	Upgradation of Primary Health Centre (PHC) into Community Health Centre (CHC)	384/10-11	131.33 ¹	US, Health	BMSIC	August 2012
3	Construction of 100 Additional PHCs	326/10-11	19.93	US, Health	BMSIC	August 2012
		Total 1	171.64			
4	Construction of Jan Naik Karpoori Thakur Backward Class Hostel	--	29.51	US, BC & EBC department	BRPNNL	₹ 16.01 crore remained with BRPNNL as on August 2012
5	Construction of Jan Naik Karpoori Thakur Backward Class Hostel	--	10.74	US, BC & EBC department	BSBCFDC	October 2012
		Total 2	40.25			
6	Consultancy and design of hatchery	--	2.12	Animal and Fisheries Resources Department	Central Institute of Fisheries Education (CIFE)	July 2012
7	Purchase of Vehicles	154/10-11	0.71	Principal Chief forest conservator	State Forest Development Agency	April 2011
		Total 1+2+SL. 6 + 7	214.72			

¹ Only ₹ 65.67 crore was drawn vide bill no. 384/10-11 (TV no. PBB- P7 dated 31.03.11) for construction of Primary Health Centre. However, State Health Society transferred this amount twice to Bihar Medical Services and Infrastructure Corporation Limited, Patna.

Funds drawn on AC bills lying unspent in Remittances Head

(Reference : Paragraph 3.2.6.6, Page 57)

(₹ in crore)

Sl. No.	Purpose	AC bill No.	Amount	Name of DDO	Date of transfer	Amount Unutilised	Position on	Remarks
1	Construction of SC Hostel building Bhabhua	49/09-10	0.32	Director, SC&ST	05.10.09	0.32	July 12	Not received in Division
2	Construction of SC Hostel building Bhabhua	176/09-10	1.65	Director, SC&ST	18.02.2010	1.65	July 12	Due to non-availability of land
3	Construction of SC Hostel building Bettiah	129/09-10	0.96	Director, SC&ST	10.11.09	0.96	July 12	-
4	Construction of SC Hostel building Bettiah	122/10-11	1.00	Director, SC&ST	21.03.11	1.00	July 12	-
5	Construction of girls residential high school, Bhagalpur	2008-09	3.35	US BC & EBC department	2008-09	3.35	July 12	Due to non-availability of land
	Total		7.28			7.28		

Appendix 3.3

Results of test check of detailed contingent bills

(Reference : Paragraph 3.2.7.1, Page 58)

(₹ in crore)

Sl. No.	Purpose	Period	Amount of AC bills	Amount of DC bills submitted	Date of Submission of DC bill	Balance
1	Mukhyamantri Setu Nirman Yojana	2006-07	201.00	0	--	-
2	Mukhyamantri Setu Nirman Yojana	2007-08	268.00	0	--	-
3	Mukhyamantri Setu Nirman Yojana	2008-09	160.83	0	--	-
4	Mukhyamantri Setu Nirman Yojana	2008-09	107.17	0	--	-
5	Mukhyamantri Setu Nirman Yojana	2009-10	88.42	0	--	-
6	Mukhyamantri Setu Nirman Yojana	2009-10	179.58	0	--	-
7	Mukhyamantri Setu Nirman Yojana	2010-11	66.00	833.26	19.07.2010	-
8	Mukhyamantri Setu Nirman Yojana	2010-11	68.00	130.52	03.09.2010	-
9	Mukhyamantri Setu Nirman Yojana	2010-11	134.00	106.75	15.01.2011	-
10	Mukhyamantri Setu Nirman Yojana	2011-12	88.44	167.09	30.07.2011	-
11	Mukhyamantri Setu Nirman Yojana	2011-12	85.76	132.79	19.09.2011	-
12	Mukhyamantri Setu Nirman Yojana	2011-12	93.80	0	--	-
		Total 1	1541.00	1370.41		170.59
13	Mid Day Meal	2004-05	31.52	20.53	-	10.99
14	Mid Day Meal	2005-06	71.21	70.09	--	1.12
15	Mid Day Meal	2005-06	49.09	31.67	--	17.42
16	Mid Day Meal	2005-06	126.08	85.33	--	40.75
17	Mid Day Meal	2005-06	10.00	4.61	--	5.39
18	Mid Day Meal	2005-06	20.59	4.38	--	16.21
19	Mid Day Meal	2006-07	161.77	69.18	--	92.59
20	Mid Day Meal	2006-07	76.89	73.36	--	3.53
21	Mid Day Meal	2006-07	52.49	42.29	--	10.20
22	Mid Day Meal	2006-07	123.38	106.86	--	16.52
23	Mid Day Meal	2006-07	4.62	2.31	--	2.31
24	Mid Day Meal	2006-07	96.30	96.30	--	0.00
25	Mid Day Meal	2006-07	2.56	2.56	--	0.00
26	Mid Day Meal	2006-07	8.39	6.00	--	2.39
27	Mid Day Meal	2007-08	194.00	178.96	--	15.04
28	Mid Day Meal	2007-08	208.53	208.53	--	0.00
29	Mid Day Meal	2007-08	74.65	42.84	--	31.81
30	Mid Day Meal	2007-08	48.32	29.03	--	19.29
31	Mid Day Meal	2007-08	8.52	3.15	--	5.37
32	Mid Day Meal	2007-08	8.26	5.13	--	3.13
33	Mid Day Meal	2007-08	90.35	23.78	--	66.57
34	Mid Day Meal	2007-08	9.49	7.69	--	1.80
35	Mid Day Meal	2007-08	13.51	3.44	--	10.07
36	Mid Day Meal	2008-09	16.17	16.17	--	0.00
37	Mid Day Meal	2008-09	1.08	0	--	1.08
38	Mid Day Meal	2008-09	51.85	51.85	--	0.00
39	Mid Day Meal	2008-09	89.49	89.49	--	0.00
40	Mid Day Meal	2008-09	1.68	0	--	1.68
41	Mid Day Meal	2008-09	40.94	37.28	--	3.66
42	Mid Day Meal	2008-09	72.64	72.64	--	0.00
43	Mid Day Meal	2008-09	58.51	58.51	--	0.00
44	Mid Day Meal	2008-09	4.43	3.25	--	1.18
45	Mid Day Meal	2008-09	5.20	5.20	--	0.00
46	Mid Day Meal	2008-09	10.10	4.15	--	5.95
47	Mid Day Meal	2008-09	4.43	3.82	--	0.61
48	Mid Day Meal	2008-09	186.47	113.91	--	72.56
49	Mid Day Meal	2008-09	2.39	0.49	--	1.90
50	Mid Day Meal	2008-09	4.16	0.23	--	3.93
51	Mid Day Meal	2008-09	1.43	0.60	--	0.83
52	Mid Day Meal	2008-09	2.28	2.28	--	0.00
53	Mid Day Meal	2009-10	108.84	108.84	--	0.00
54	Mid Day Meal	2009-10	128.31	128.31	--	0.00
55	Mid Day Meal	2009-10	5.35	5.35	--	0.00

Appendix 3.3

(₹ in crore)

Sl. No.	Purpose	Period	Amount of AC bills	Amount of DC bills submitted	Date of Submission of DC bill	Balance
56	Mid Day Meal	2009-10	2.76	2.76	--	0.00
57	Mid Day Meal	2009-10	1.66	1.66	--	0.00
58	Mid Day Meal	2009-10	16.11	16.11	--	0.00
59	Mid Day Meal	2009-10	9.43	9.43	--	0.00
60	Mid Day Meal	2009-10	27.66	5.32	--	22.34
61	Mid Day Meal	2010-11	184.27	45.00	--	139.27
62	Mid Day Meal	2010-11	51.85	0.13	--	51.72
63	District Treasury	2010-11	102.04	18.59	--	83.45
64	Transport	2010-11	10.00	0.00	--	10.00
		Total 2	2692.05	1919.39		772.66
65	IG (Provision)	2009-12	700.10	4.99	-	695.11
66	Upgradation of Primary Health Centres into Community Health Centre	2008-09	118.00	118.00 ²	25.05.2012	--
67	Construction of Health Sub Centre	2008-09	30.91	30.91 ³	25.05.2012	--
68	Construction of sub divisional Hospital	2008-09	20.38	20.38 ⁴	25.05.2012	--
		Total 3	169.29	169.29		0.00
		Total	5102.44	3464.08		1638.36
		1+2+3+Sl 65				

² whole amount of ₹ 118 crore remained in the bank accounts of State Health Society, Bihar As on 31 March 2012.

³ whole amount of ₹ 30.91 crore remained in the bank accounts of State Health Society, Bihar As on 31 March 2012.

⁴ whole amount of ₹ 20.38 crore remained in the bank accounts of Bihar Medical Services & Infrastructure corporation Ltd. as on 31 March 2012.

Appendix 3.4

Refund of Funds drawn on AC bills without utilization

(Reference : Paragraph 3.2.8, Page 58)

(₹ in crore)

Sl.No	Purpose	Period of drawal	Amount of drawal	Name of DDO	When refunded	Amount	Delay in refunds
1	Mukhyamantri Zila VikashYojana	2005-10	30.00	Deputy Development Commissioner (DDC), East Champaran	June 2012	4.92	3 to 7 years
2	Mukhyamantri Zila VikashYojana	2005-09	30.00	DDC,Buxar	July 2012	2.36	3 to 7 years
3	Mid day Meal	2004-11	2692.05	NA	June 2011	462.78	2 months to 6 years
4	Construction	2007-08	199.20	Civil Surgeon	March 2012	100.00	4 years
5	Integrated Child Development Scheme	2003-10	52.68	Accounts Officer ICDS	July 2012	10.60	2 to 8 years
Total 1			3003.93			580.66	
6	Construction of Block Offices	2007-09	5.11	DDC, Patna	August 2011	5.11	2 to 4 years
7	State Illness Assistance Fund	2009-10	10.00	Under Secretary, Health department	September 2010	10.00	5 months
8	Construction of building for residential school.	2011-12	35.00	Under Secretary SC/ST Welfare Department	July 2012	35.00	3 months
9	Education	2006-07	1.00	Under Secretary, Education Department	March 2010	1.00	3 years
Total 2			51.11			51.11	
Grand Total 1+2			3055.04			631.77	

Funds drawn on AC bills and parked outside Government Accounts

(Reference : Paragraph 3.2.9, Page 59)

(₹ in crore)

Sl.No	Purpose	Amounts drawn	Period of drawal	Name of Department	Amounts parked	Amount Parked with
1	Construction of health infrastructure	171.64 ⁵	2009-11	Health and Family Welfare	171.64	Bihar Medical Services and Infrastructure Corporation Limited
2	Construction of Jan Naik Karpoori Thakur Backward Class Hostel	29.51	2008-12	Backward Classes and Extremely Backward Classes Welfare	16.01	Bihar Rajya Pul Nirman Nigam Limited
3	Construction of Jan Naik Karpoori Thakur Backward Class Hostel	10.74	2010-11		10.74	Bihar State Backward Classes Finance Development Corporation
4	Chief Minister Merit Scholarship	108.94	2009-12		17.32	
Total 1		320.83			215.71	
5	Construction of E-Kisan Bhawan	2.86	2010-11	District Agriculture Officer Madhepura	1.52	District Agriculture Officer Madhepura
6	Construction of E - Kisan Bhawan	2.44	2010-11	District Agriculture Officer Buxar	0.22	District Agriculture Officer Buxar
7	Mukhyamantri Setu Nirman Yojana	250.70	2006-12	District Programme Offices	48.88	District Programme Offices
					5.05	Implementing authorities/agencies
Total 2		256.00			55.67	
Total 1+2		576.83		Total	271.38	

⁵ Only ₹ 65.67 crore was drawn vide bill no. 384/10-11 (TV no. PBB- P7 dated 31.03.11) for construction of Primary Health Centre. However, State Health Society transferred this amount twice to Bihar Medical Services and Infrastructure Corporation Limited, Patna.

Appendix 3.6

Drawal of funds on GIA but retained with executing agencies

(Reference : Paragraph 3.2.10.3, Page 60)

(₹in crore)

Sl. No.	Purpose	GIA bill No.	Amount	Name of DDO	Remained in the accounts of	Position on
1	Construction of 09 SDHs	345/10-11	26.45	US, Health	BMSIC	08/2012
2	Upgradation of PHC into CHC	137/09-10	60.67	US, Health	BMSIC	08/2012
3	Construction of 14 SDHs and Nurses residences	376/11-12	19.03	US, Health	BMSIC	08/2012
4	Construction of 14 SDHs and Nurses residences	375/11-12	3.14	US, Health	BMSIC	08/2012
5	Construction of 14 SDHs and Nurses residences	110658315 dt.21.03.12	0.22	US, Health	BMSIC	08/2012
6	Construction of 14 SDHs and Nurses residences	373/11-12	12.00	US, Health	BMSIC	08/2012
7	Construction of 14 SDHs and Nurses residences	377/11-12	3.72	US, Health	BMSIC	08/2012
8	Construction of 14 SDHs and Nurses residences	378/11-12	2.62	US, Health	BMSIC	08/2012
9	Construction of building of District Programme Manager (DPM)in 25 districts.	371/11-12	22.31	US, Health	BMSIC	08/2012
10	Construction of building of DPM in 25 districts.	339/11-12	7.44	US, Health	BMSIC	08/2012
11	Construction of 15 district Medicine Store	369/11-12	5.32	US, Health	BMSIC	08/2012
12	Construction of 15 district Medicine Store	370/11-12	1.77	US, Health	BMSIC	08/2012
13	Renovation of Referral Hospital Katoria	110441950 dt.07.02.12	0.09	US, Health	BMSIC	08/2012
14	Referral hospital, Jale, Darbhanga	110576645 dt.21.03.12	0.29	US, Health	BMSIC	08/2012
15	Sadar Hospital, Khagaria	110656408 dt. 21.03.12	0.23	US, Health	BMSIC	08/2012
		Total	165.30			

Drawal of funds on GIA but retained with executing agencies

(Reference : Paragraph 3.2.10.3, Page 60)

(₹ in crore)

Sl. No	Records of which office checked	Amount of GIA received	Period	UC submitted for the amount	When checked	Remarks
1	BUDA, UD& HD and BUIDCO	123.99	2009-10	0	June to August 2012	Initially the amount was drawn by DD, UPED, UD&HD which was transferred to BUDA. BUDA kept ₹ 2.29 crore for DPR, contingency and remaining amount (₹ 121.70 crore) transferred to BUIDCO after 23 months. BUIDCO could spend only ₹ 7.05 crore and unspent amount of ₹ 114.65 crore was lying in its bank account (March 12)
2	Education Department and BSEIDC	158.55	2009-10	0	June to August 2012	BSEIDC could spend only ₹ 0.26 crore and kept ₹ 0.02 crore as centage charges. Balance amount (₹ 158.27 crore) remained unutilised (August 2012)
3	Education Department and BSEIDC	41.67	2010-11	0	June to August 2012	BSEIDC could spend only ₹ 5.67 crore and balance amount of ₹ 36 crore remained unutilised (March 2012)
Total		324.21		0		

Notes : 1. BUIDCO denotes Bihar Urban Infrastructure Development Corporation Ltd., 2. BUDA denotes Bihar Urban Development Authority, 3. BSEIDC denotes Bihar State Education Infrastructure Development Corporation, 4. UPED denotes Urban Poverty Eradication Directorate, 5. UD&HD denotes Urban Development and Housing Department

Appendix 3.8

Delay in submission of Accounts/Audit Reports of certain authorities or bodies for certification

(Reference : Paragraph 3.3, Page 62)

Sl. No.	Name of Body	Period of entrustment	Year upto which accounts were rendered	Date of receipt of accounts	Period upto which Separate Audit Report is issued	Date of issue of Separate Audit Report	Placement of SAR in the Legislature	Delay in submission of accounts	Remarks
1	2	3	4	5	6	7	8	9	10
1	Bihar State Khadi and Village Industries Board, Patna	2003-04 to 2009-10	2007-08	15-07-09	1989-90 to 1998-99	30 May 2008	No communication about placement has been received	One year and 15 days	Accounts from 2008-09 to 2011-12 is still awaited
					1999-2000 to 2001-02	28 April 2009			
					2002-03	14 May 2010			
2	Bihar State Housing Board, Patna	2004-05 onwards	2006-07	09-07-09	1994-95 to 1998-99	31 December 2008	No communication about placement has been received	2 years and 9 days	Accounts from 2007-08 to 2011-12 is still awaited
					1999-2000 to 2002-03	20 November 2009			
					2003-04	13 May 2010			
3	Bihar State Legal Services Authority, Patna	Permanent	2011-12	17-08-2012	2010-11	30 Nov. 2011	No communication about placement has been received	1 month and 17 days	-
4	Rajendra Agricultural University, Pusa, Samastipur	2010-11	2010-11	30 -03-2012	2008-09	23 Sept 2011	The SARs of years 1971-72 to 2006-07 have been sent to State Govt. for its placement before Legislature but no communication has been received.	8 month and 30 days	-

Statement of cases of Defalcation, Misappropriation, Theft, Fraudulent and Excess Payments during 2011-12

(Reference : Paragraph 3.4, Page 63)

(₹ in crore)

Sl. No.	Name of Departments	Defalcation, misappropriation loss, theft, fraudulent and excess payment	
		Number	Amount
1	Education	04	1.50
2	Energy	02	0.05
3	Panchayati Raj	01	0.21
4	Registration, Excise and Prohibition	02	0.56
5	Rural Development	03	0.12
6	Rural Works	02	0.54
7	Urban Development and Housing	03	0.60
Total		17	3.58

Appendix 3.10

Details of cases of Defalcation, Misappropriation, Theft, Fraudulent and Excess Payments during 2011-12

(Reference : Paragraph 3.4, Page 63)

(₹ in lakh)

Sl. No.	Department/ Unit	Brief Description	Period relating to	Nature	IR No./ Memo no. and Year	Para No.	Amount involved
1	Panchayati Raj / (ZP, Madhubani)	Amount collected through MRs were not deposited in ZP account	2009-10	Defalcation	215/2011-12	19	21.35
2	Urban Development and Housing (Nagar Parishad, Jehanabad)	The Cashier retained amount instead of depositing the same in Municipal fund	2008-09 to 2009-10	Misappropriation	742/2010-11	15	20.07
3	Urban Development and Housing (Nagar Parishad, Chhapra)	The Cashier defalcated the amount	2009-10	Defalcation	214/2011-12	16	10.17
4	Urban Development and Housing (Nagar Parishad, Gopalganj)	The Accountant -cum-cashier not deposited or short deposited in Municipal fund	2008-09 and 2009-10	Defalcation	184/2011-12	13(a)	30.00
5	Registration, Excise and Prohibition (Supdt.of Excise Muzaffarpur)	Defalcation of Government money	2010-11	Defalcation	1/2012-13	2(a)	41.29 ⁶
6	Registration, Excise and Prohibition (Asstt.Commissioner of Excise Patna)	Defalcation of Government money	2010-11	Defalcation	61/2011-12	3(a)	14.67
7	Rural Works (Rosera Division)	Fraudulent measurement and unauthorised removal of bricks	2010-11	Fraudulent	19/2012-13	1	22.84
8	Rural Works (Rosera Division).	Fraudulent measurement and unauthorised removal of bricks	2010-11	Theft	19/2012-13	1	31.09
9	Energy (BSEB, Bhagalpur)	short totaling in the receipt side of Cash Book	2011-12	Defalcation	97/28.08.12		4.51

6 ₹ 41.29 lakh deposited through Treasury Challan.

Appendix 3.10

(₹ in lakh)

Sl. No.	Department/ Unit	Brief Description	Period relating to	Nature	IR No./ Memo no. and Year	Para No.	Amount involved
10	Energy (BSEB, Hazipur)	Cash Book short amount in MR to DCR and the same amount not taken in Cash Book	2011-12	Defalcation	97/28.08.12		0.06
11	Education (DSE Jahanabad)	Some labourer were shown work in same period at same/different places	2008-09	Fraudulent payment	CASS I - 40 to 42/ 25.04.12		0.06
12	Education (DSE Samastipur)	Double payment made to food maker under MDM	2007	Excess double payment	CASS I - 300 to 302/ 30.07.2012		0.02
13	Rural Development /DRDA Motihari	Amount debited from bank but not taken in Cash Book	2008	Suspected embezzlement	CASS I - 720 to 723/ 05.10.12		1.00
14	Rural Development /DRDA Kishanganj	Amount debited from bank but not taken in Cash Book	2010-11	Suspected embezzlement	CASS I - 724 to 727/ 05.10.12		11.05
15	Rural Development /DRDA Darbhanga	Double adjustment shown in bill by same cheque number	-	Excess adjustment	CASS I - 728 to 731/ 05.10.12		0.19
16	Education/ DSE Gopalgang	Adjustment shown by AG (A&E) without ascertaining availability of vouchers	2010	Excess adjustment	CASS I - 708 to 713/ 05.10.12		39.27
17	Education /DSE Rohtas	Adjustment shown by AG (A&E) without ascertaining availability of vouchers	-	Excess adjustment	CASS I - 714 to 719/ 05.10.12		111.09
Total							358.73

Appendix 3.11

Operation of Minor Head 800-'Other Expenditure' having substantial expenditure (₹ 10 crore and above)

(Reference : Paragraph 3.5, Page 64)

(₹ in crore)

Sl. No.	Major head	Nomenclature	Total Expenditure	Expenditure under Minor head 800	Percentage of expenditure under 800
1	2041	Taxes on Vehicle	22.31	15.85	71.04
2	2217	Urban Development	5,72.33	2,47.94	43.32
3	2250	Other Social Services	2,23.56	2,23.38	99.92
4	2401	Crop Husbandry	13,06.91	4,22.29	32.31
5	2405	Fisheries	39.09	19.35	49.50
6	4070	Capital Outlay on other Administrative Services	97.11	50.58	52.09
7	4700	Capital Outlay on Major Irrigation	6,17.61	4,54.60	73.61
8	4801	Capital Outlay on Power Projects	102.37	102.37	100.00
9	4859	Capital Outlay on Telecommunication and Electronic Industries	45.34	45.34	100.00
10	4885	Capital Outlay on Industries and Minerals	17.93	17.93	100.00
11	5452	Capital Outlay on Tourism	23.79	23.94	100.63 [#]
Total			3068.35	1623.57	

(#) Includes accounting recoveries to the extent of ₹ 0.15 crore and hence the percentage is more than 100.

(Source: Information received from the office of the AG (A&E), Bihar, Patna)

Operation of Minor Head 800-'Other Receipts' having substantial receipts (₹ 10 crore and above)

(Reference : Paragraph 3.5, Page 64)

(₹ in crore)

Sl. No.	Major head	Nomenclature	Total Receipt	Receipt under Minor head 800	Percentage of receipt under 800
1	0029	Land Revenue	167.49	69.80	41.67
2	0059	Public Works	10.06	10.03	99.70
3	0210	Medical and Public Health	23.91	10.71	44.79
4	0515	Other Rural Development Programmes	29.85	27.19	91.09
5	1054	Roads and Bridges	60.35	60.78	100.71 [#]
	Total		291.66	178.51	

Includes refunds of revenue to the extent of ₹ 0.43 crore and hence the percentage is more than 100.
(Source: Information received from the office of the AG (A&E), Bihar, Patna)