

**REPORT OF THE  
COMPTROLLER AND AUDITOR  
GENERAL OF INDIA**

**STATE FINANCES**

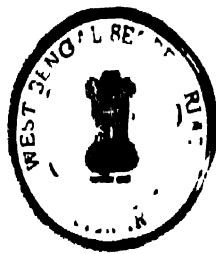
**REPORT NO. 1**

**FOR THE YEAR ENDED 31 MARCH 2010**

**GOVERNMENT OF WEST BENGAL**

Comptroller and Auditor General  
 India,  
 Govt of W.B.  
 No. 65/11  
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<b>Preface</b>
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1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters 1 and 2 of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2010.
3. Chapter 3 on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.
4. The Reports containing the findings of performance and compliance audits in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.



# **EXECUTIVE SUMMARY**



## **Executive Summary**

### **Background**

In terms of Gross State Domestic Product, West Bengal is one of the larger states in the country. On the social front, the State had fared much better than the other General Category States on an average, as it managed to contain infant mortality at level much lower than the all India average and achieved higher percentage of literacy and life expectancy at birth. The percentage of population below poverty line was also lower than the all India average. However, such social achievements notwithstanding, there are some issues of concern as regards financial performance in terms of various fiscal parameters. Besides there are some issues of budgetary management and compliance with financial rules, which call for attention of the Government, as discussed in the succeeding chapters.

With an aim to restructuring of public finances, restoring budgetary balances and achieving macro-economic stability, Twelfth Finance Commission (TFC) recommended that each State must enact fiscal responsibility legislation for eliminating the revenue deficit by 2008-09 and reducing fiscal deficit based on a path for reduction of borrowings and guarantees. In West Bengal, however, Fiscal Responsibility and Budget Management (FRBM) Act was enacted only in July 2010.

### **The Report**

Based on the audited accounts of the Government of West Bengal for the year ended March 2010, this report provides an analytical review of the Annual Accounts of the State Government. The report is structured in three Chapters.

**Chapter 1** is based on the audit of Finance Accounts and makes an assessment of West Bengal Government's fiscal position as on 31 March 2010. It provides an insight into trends in committed expenditure, borrowing patterns besides a brief account of central funds transferred directly to the State Implementing Agencies through off budget route.

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

**Chapter 3** is an inventory of West Bengal Government's compliance with various reporting requirements and financial rules. The report also has an appendage of additional data collated from several sources in support of the findings.

### **Audit findings and recommendations**

#### **Finances of the State Government**

The Twelfth Finance Commission had recommended that the States enact their fiscal responsibility legislations, bringing down the revenue deficit to zero and fiscal deficit to sustainable level by 2008-09. The State Government, however, enacted the same only in July 2010, which had cost the State Government total relief of ₹ 3157.87 crore. As the award period of Twelfth Finance Commission

comes to an end and the stage is all set to embrace the Thirteenth Finance Commission recommendations, the scenario of revenue collection *vis-à-vis* expenditure level does not seem to be encouraging. On revenue side of the receipts, there was almost no addition in the kitty in the present year. On the other hand, dependence on borrowing for meeting Revenue Expenditure was also on the rise. While Revenue expenditure constituted 94 *per cent* of the total expenditure, committed components accounted for 77 *per cent* of revenue expenditure leaving little flexibility for the Government to utilise its resources for service providing sectors. The situation deteriorated with the implementation of the Fifth State Pay Commission.

***FRBM act having been enacted in the State in July 2010, tighter integration would be desirable between the multi year framework provided by Medium Term Fiscal Plan and the annual budget exercise as recommended by the Thirteenth Finance Commission. The State should also take effective steps to increase its tax base to earn more revenue.***

Though the State has spent a higher proportion of money on social sector as compared to other general states, low expenditure on Economic sector might affect the economic growth, which in the long run may even jeopardize the availability of funds for social sector. Capital expenditure (CE) continued to be another area calling for attention as it constitutes only five *per cent* of total expenditure during 2009-10, which was far less than the all General Category States' average.

***The State may consider enhancing the priority it assigns to economic sector and capital expenditure.***

Given the increasing trend of transfer of GoI funds directly to implementing agencies outside the State's budget, another governance issue which merits concern, is monitoring over funds transferred directly from Government of India (GoI) to State implementing agencies. As these funds remain outside the State budget, there is no single agency monitoring utilisation.

***A system has to be in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the office of the Accountant General.***

Government is getting only a miniscule return from its capital outlay in Irrigation works. On the investment front, return on investment in Statutory Corporations, Rural Banks etc. varied between zero and 0.07 *per cent*, while Government had to pay interest at the average rate of 8.32 to 9.48 *per cent* on its borrowings during 2005-10.

***It would be desirable that the State Government ensures better value for money in investments and prioritise projects with high socio-economic return. Efforts are needed to implement the recommendations of the Thirteenth Finance Commission (2010-2015) on clearance of arrear accounts of all PSUs, consider closure of non-working PSUs as well as divestment and privatisation of non-viable PSUs.***

The significant increase in the three indicators of fiscal imbalance i.e. revenue deficit, fiscal deficit and primary deficit is a cause for concern. Revenue deficit, which was to be eliminated by 2008-09, stood at a whopping ₹ 21578 crore, while fiscal deficit, which was to be contained within four *per cent* of GSDP in 2009-10 (₹ 14705 crore as per this yardstick), stood at ₹ 24954 crore. Debt-GSDP ratio, which should have been 28 *per cent*, was 47 *per cent* during 2009-10.

***With phenomenal growth in committed expenditure and inability in adjusting expenditure downwards, State Government should endeavour to maintain debt-GSDP ratio in such a manner that incremental non-debt receipts become adequate to cover incremental interest burden.***

#### **Financial management and budgetary control:**

During 2009-10 there were overall savings of ₹4079.58 crore, which was the result of saving of ₹ 7572.48 crore offset by the excess of ₹ 3492.90 crore, requiring regularisation (para 2.3.7) under Article 205 of the Constitution of India. It was also noticed that during 2009-10, expenditure of ₹ 3442.12 crore was incurred in 27 cases without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect (para 2.3.4). There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriations. Besides, there were cases of rush of expenditure at the end of the year. In many cases, the anticipated savings were not surrendered leaving no scope for utilising these funds for other development purposes. In violation of the provisions of Budget manual and West Bengal Financial Rules the Controlling Officers of test checked Departments did not monitor over the progress of expenditure.

***The Controlling Officers should keep constant watch over progress of expenditure as required under Rules 384 and 385 of West Bengal Financial Rules, so that possibility of savings/excess is anticipated well in advance. Non-surrendering of anticipated savings by various Departments needs to be seriously viewed for fruitful utilisation of surplus fund.***

#### **Financial reporting:**

Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance contribute to a sound internal financial discipline. The desired level of compliance was, however, absent in many spheres as would be evident from non-submission of utilisation certificates for years together (para 3.1), non-submission of annual accounts of Autonomous Bodies/Authorities, delays in preparation of *pro forma* accounts of departmental undertakings performing quasi-commercial activities (paras 3.2 and 3.4). There were also delays in presentation of Separate Audit Reports in the State Legislature (para 3.3).

***Concerned Departments should take immediate steps for submission of outstanding accounts of autonomous bodies without further delay and for timely placement of Separate Audit Reports in the State Legislature.***

Drawing and Disbursing Officers (DDOs) draw advances by debiting the service heads through Abstract Contingent (AC) bills, which are to be adjusted within sixty days. As of March 2010, 8562 AC bills for ₹475.35 crore remained unadjusted, of which 5994 bills for ₹290.89 crore were outstanding for more than one year. (para 3.6.2).

***The issue of huge accumulation of unadjusted abstract contingent bills should be looked into and a target date should be stipulated by each controlling officer for adjustment of the old outstanding bills by his subordinate DDOs. Further, adjustment of all AC bills within the period stipulated by the Treasury Rules should also be ensured.***

Total amounts remaining parked in Personal Ledger Accounts of the State increased from ₹ 743.95 crore as of March 2005 to ₹ 2008.74 crore as of March 2010 (para 3.6.3). This indicated that though these amounts had been booked as expenditure under the service heads, the same were not actually spent, thereby inflating the expenditure figures to that extent. Of the 148 accounts in the State, 44 accounts were not operated for more than one year.

***Immediate steps need be taken for review of status of PL Accounts and closure of inoperative ones.***

# **CHAPTER 1**

## **Finances of the State Government**



## Chapter 1

### Finances of the State Government

#### Profile of West Bengal

Situated in the eastern part of the Gangetic basin, West Bengal is an agrarian State with fertile land and diverse agricultural products. On the economic front, the State is comparable to the larger states like Gujarat, Maharashtra, Karnataka and Tamilnadu in terms of Gross State Domestic Product (GSDP). However, the compound annual rate of growth (11.93 *per cent*) of its GSDP over the last decade lagged behind that of general category States' average (12.54 *per cent*). *Appendix 1.1* captures a brief social and economic profile of the State, which would also show that on the social development front the State had fared much better than the general category States' average. Though burdened by the highest population density of 903 persons per sq. kilometres (all India average being only 325), the State managed to contain infant mortality (only 35 per thousand against all India average of 53) and achieved higher percentage of literacy and life expectancy at birth. The percentage of population below poverty line was also lower than all India average. However, such social achievements notwithstanding, there are reasons for concern as regards to financial performance of the State, if viewed in terms of various fiscal parameters, as discussed in the succeeding paragraphs.

#### 1 Introduction

This chapter provides a broad perspective of the finances of the Government of West Bengal during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years. The structure of Government Accounts and the lay out of Finance Accounts are shown in *Appendix 1.2*. The methodology adopted in analysing the trends of State Government finances has been discussed in *Appendix 1.3*.

#### 1.1 Summary of Current Year's Fiscal Transactions

**Table 1.1** presents the summary of the State Government's fiscal transactions during the current year (2009-10) vis-à-vis the previous year while *Appendix 1.4* provides details of receipts and disbursements as well as overall fiscal position during the current year.

Table 1.1 Summary of Current Year's Fiscal Operations (Rupees in crore)

2008-09	Receipts	2009-10	2008-09	Disbursements	2009-10		
					Non-Plan	Plan	Total
<b>Section-A: Revenue</b>							
36904.40	Revenue Receipts	36921.65	51613.31	Revenue expenditure	48530.11	9969.77	58499.88
14419.15	Tax Revenue	16899.98	20775.44	General services	26251.04	105.75	26356.79
4966.39	Non-Tax Revenue	2438.11	16384.82	Social Services	17243.86	6752.10	23995.96
11321.78	Share of Union Taxes/Duties	11648.16	14025.41	Economic Services	4637.01	3104.83	7741.84
6197.08	Grants from Government of India	5935.40	427.64	Grants-in-aid and Contributions	398.20	7.09	405.29
<b>Section-B: Capital</b>							
	Misc. Capital Receipts	-	3705.30	Capital Outlay	128.22	2882.84	3011.06
5615.83	Recoveries of Loans and Advances	387.10	759.65	Loans and Advances disbursed	(-)320.80	1073.24	752.44
15991.14	Public debt receipts	28507.53	4854.86	Repayment of Public Debt*	7672.07	-	7672.07
6.34	Contingency Fund	1.43	0.47	Contingency Fund	2.70	-	2.70
58144.00	Public account receipts	69055.12	54915.45	Public account disbursements	65056.63	-	65056.63
4094.78	Opening Cash Balance	4907.45	4907.45	Closing cash balance	4785.50	-	4785.50
120756.49	<b>Total</b>	139780.28	120756.49	<b>Total</b>	125854.43	13925.85	139780.28

Source: Finance Accounts

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

Analysis of the Table 1.1 discloses the following:

- There was very little growth in the Revenue receipts as they increased marginally by ₹ 17.25 crore during 2009-10 from the level of ₹ 36904.40 crore in 2008-09. Though there was increase under Tax Revenue (₹ 2480.83 crore), share of Union Taxes and Duties (₹ 326.38 crore), decline was noticed under Non-Tax Revenue<sup>1</sup> (₹ 2528.28 crore) and Grants from Government of India (₹ 261.68 crore). On the capital side, Recoveries of Loans and Advances although witnessed a decrease of ₹ 5228.73 crore, Public Debt Receipts and Public Accounts Receipts increased by ₹ 12516.39 crore and ₹ 10911.12 crore respectively during the year. Under the Tax Revenue, substantial increase was noticed under Sales Tax (₹ 1554.55 crore) followed by State Excise Duty and Stamps and Registration fees which also witnessed increase of ₹ 360.87 crore and ₹ 304.73 crore respectively. Under State's share of Union Excise and Duties, increase of ₹ 1081.14 crore and ₹ 339 crore under Corporation Tax and Taxes on income other than Corporation Tax was counter

<sup>1</sup> Decrease in the figures of Non-tax revenue and recoveries of loans and advances was attributable to the fact that in 2008-09, both of these figures were inflated by book adjustment of ₹ 3245.50 crore and ₹ 4874.50 crore respectively in connection with waiver of dues from erstwhile West Bengal State Electricity Board

balanced by decrease under customs (₹ 534 crore) and Union Excise Duties (₹ 574 crore).

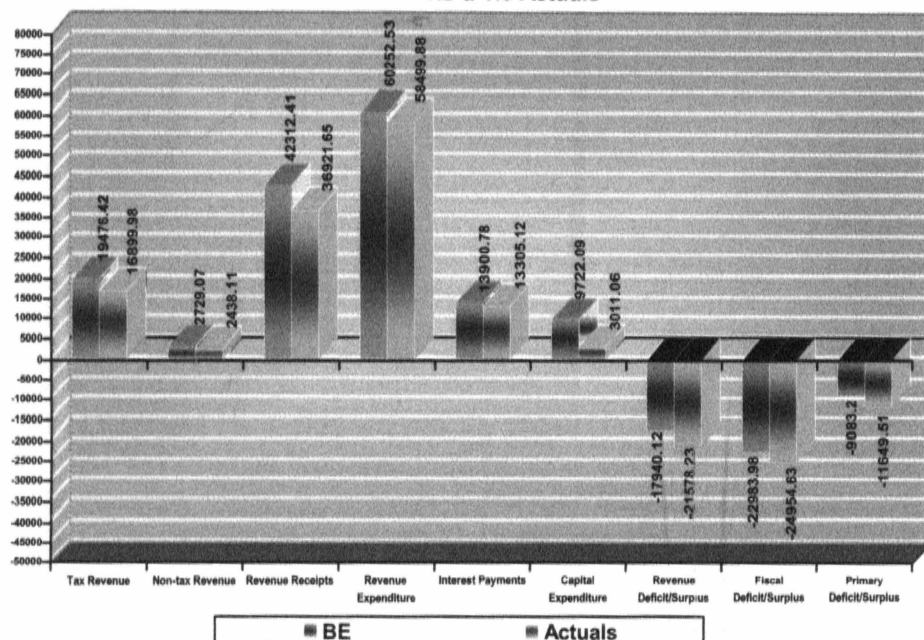
- Under Non-Tax Revenue, there was an increase of ₹ 952.80 crore in receipts under Food Storage and Warehousing. The same was offset by decrease in receipt to the tune of ₹ 3614.82 crore under Interest Receipts (0049-190-Int from P.S.-other undertakings). This was accountable to book adjustment per contra debit to the major heads due to waiver of Government Loan.
- *Like 2008-09, Tax Revenue of the State for 2009-10 (₹ 16899.98 crore) fell far short by 38 per cent (₹ 10404.68 crore) as compared to the normative projections of ₹ 27304.66 crore made by Twelfth Finance Commission and by 13 per cent (₹ 2576.44 crore) of amount assessed in State budget: (₹ 19476.42 crore). Non-Tax Revenue this year (₹ 2438.11 crore) fell short of both the TFC Projection (₹ 4000.61 crore) and State Budget (₹ 2729.07 crore).*
- **Revenue expenditure** during 2009-10 was ₹ 58499.88 crore against ₹ 51613.31 crore in 2008-09 registering an increase of ₹ 6886.57 crore (13 per cent). Increase was mainly attributable to increase in revenue expenditure under General Education (₹ 4061.57 crore), which was attributable to increase in expenditure under Assistance to Non-Government Primary Schools (₹ 824.86 crore), Sarba Siksha Abhiyan (₹ 183.83 crore), Assistance to Non-Government Secondary Schools (₹ 2181.35 crore), etc. Increase in Pensions and other retirement benefits (₹ 2077.78 crore) also contributed towards increase in revenue expenditure. Increase was due to increase in expenditure under superannuation and retirement allowances (₹ 458.74 crore), commuted value of pension (₹ 113.79 crore), Family Pensions (₹ 316.88 crore), Pension to employees of State-Aided Educational Institutions (₹ 992.29 crore)
- During 2009-10 **Capital outlay** (₹ 3011.06 crore) decreased by 19 per cent (₹ 694.24 crore) over that of previous year (₹ 3705.30 crore). Capital Account of Social and Economic Services together accounted for decrease of ₹ 707.87 crore. Increase in expenditure of Capital Account under Irrigation and Flood Control (₹ 108.05 crore), Industry and Minerals (₹ 133.36 crore) and Transport (₹ 259.21 crore) were offset by decrease in expenditure under Capital Account of Energy to the tune of ₹ 900.87 crore.
- **Recovery of Loans and Advances** decreased steeply by ₹ 5228.73 crore (93 per cent) in 2009-10. This may, however, be viewed with book adjustment of loan of ₹ 4874.50 crore done in 2008-09. Even after excluding the book adjustment figure, the recovery was still lower than last year's figure by 48 per cent.
- **Receipts and repayments under the Public Debt** increased by ₹ 12516.39 crore and ₹ 2817.21 crore respectively. Of ₹ 12516.39 crore increase in receipts under Public Debt, ₹ 6337.89 crore was accountable to Special Securities issued to

National Small Savings Fund of the Central Government followed by increase of ₹ 4154.45 crore on account of Market Loans.

- Significant increase (by ₹ 10911.12 crore *i.e.* 19 *per cent*) was also noticed in **Public Account Receipts**. This was mainly due to increase under Suspense and Miscellaneous heads (₹ 12413.87 crore).
- **Public Account disbursements** also registered an increase of ₹ 10141.18 crore (₹ 65056.63 crore disbursed in 2009-10 against ₹ 54915.45 crore in 2008-09) *i.e.* a growth by 18 *per cent*.
- Closing **cash balance** which was ₹ 4907.45 crore as on 31 March 2009 came down to ₹ 4785.50 crore in 2009-10.

Chart 1.1 presents the budget estimates (BE) and actuals for some important fiscal parameters during 2009-10:

Chart 1.1 : Selected Fiscal Parameters: Budget Estimates vis-à-vis Actuals



It would be seen from above that actual revenue receipts were less than that estimated in the budget. Actual Revenue Expenditure and Actual Capital Expenditure were also below the level of budget estimates. All the three deficits in actuals were far above the budget estimates. The situation urgently calls for effective steps in strengthening tax base and its realisation with simultaneous containment of Non-Plan Revenue Expenditure.

#### Box 1.1: Impact of non-enactment of the FRBM Act

With enactment of a **Fiscal Responsibility and Budget Management Act** (FRBMA) in 2003 at the Centre, the Twelfth Finance Commission (TFC) was mandated *inter alia* to suggest a plan by which the Governments collectively and severally may bring about a restructuring of public finances, restoring budgetary balances, achieving macro-economic stability and debt restructuring along with equitable growth. TFC also recommended a formula for extending **debt relief** to the States. Under this formula, outstanding central loans to the state as of 31 March 2004 were to be consolidated and rescheduled for a fresh

term of 20 years and an interest of 7.5 *per cent per annum* be charged on them after taking into account the repayment made during 2004-2005 on these loans. However, enactment of fiscal responsibility legislation by the State Government was the necessary pre-condition for availing such waiver. The Government of West Bengal has enacted FRBM act only in July 2010. As such, the State could not avail of the benefit of the scheme during the award period of TFC.

Total repayment due during 2005-10, before consolidation and re-schedulement, stood at ₹ 3612.55 crore. Under the formula recommended by TFC it would have come down to ₹ 2425.07 crore, indicating a debt relief of ₹ 1187.48 crore. On the other hand, admissible relief on interest payment during 2005-10 was calculated by the Commission as ₹ 1547.81 crore.

Moreover, though the State registered reduction in revenue deficits during 2004-05 (as compared to average revenue deficit of ₹ 8956 crore during the years 2001-04) and 2005-06, it could not avail of further **debt waiver of ₹ 422.58 crore**, (linked to such fiscal performance) owing to non-enactment of FRBM act.

**Thus, non-enactment of the legislation had cost the State Government total relief of ₹ 3157.87 crore (₹ 1187.48 crore plus ₹ 1547.81 crore plus ₹ 422.58 crore).**

It is also pertinent to mention here that at the end of the award period of TFC, revenue deficit stood at ₹ 21578 crore (as of March 2010), which was evidently in variance with the objective of eliminating revenue deficit by 2008-09.

In addition, the State could not avail TFC grant of ₹ 359.21 crore (out of total ₹ 6639.73 crore recommended). Sector-wise analysis showed that such short receipt of TFC grants occurred mainly under General Education (₹ 195.92 crore), arsenic contamination of ground water (₹ 60 crore), maintenance of roads & bridges (₹ 51.62 crore), maintenance of public buildings (₹ 22.65 crore), erosion of Ganga-Padma river basin in Malda & Murshidabad (₹ 19 crore) etc. Short receipt of grants under these heads was attributable to non-fulfilment of conditions<sup>2</sup>.

The TFC recommended creation of a permanent **State Finance Commission (SFC)** cell in the Finance Department as the collection and collation of data would need to be done constantly and data would need to be made available to the next SFC as and when it is constituted. However, the permanent SFC cell was not created in the Finance Department.

The recommendations of the TFC envisaged setting up of a **Guarantee Redemption Fund** through earmarked guarantee fees including risk weighing of guarantees and subsequent decision on the quantum of contribution to the fund. Such fund was not created.

With an aim to restructuring public finances of both Centre and the States, TFC took note of certain key fiscal trends which were of serious concern. A

<sup>2</sup> budget estimate (BE) under Non-Plan Revenue Expenditure (NPRE) of the relevant head should not be less than "total NPRE" projected by TwFC for that year and actual NPRE of the relevant head should not be less than the total of 'normal expenditure' plus the actual release of grant for that year.

close look at those parameters enumerated in the following table both in terms of Finance Commission stipulation and actuals assists in assessing the performance of the State.

Table 1.2: Comparison of TFC targets and actual in respect of some indicators

	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Deficits</b>					
Fiscal deficit (target)*	6225	7180	8336	9535	14705
Fiscal Deficit (actual)	9601 (5)	11430 (5)	11400 (4)	13558 (4)	24954 (7)
Revenue deficit (actual)	7391	8333	8147	14709	21578
Revenue deficit/GSDP (which should tend towards zero and be eliminated by 2008-09)	0.03	0.03	0.02	0.05	0.06
<b>Revenue Receipts</b>					
Own tax revenue (assessed by TFC)	14432	16926	19851	23282	27305
Own tax revenue-(actual) (Percentage of shortfall)	10388 (28)	11695 (31)	13126 (34)	14419 (38)	16900 (38)
Own non-tax revenue (assessed by TFC)	1826	2285	2793	3361	4001
Own non-tax revenue (actual) (Percentage of shortfall)	1019 (44)	1249 (45)	1473 (47)	4966 (-48)	2438 (39)
<b>Committed Expenditures</b>					
Interest payment (assessed by TFC)	8926	9506	10124	10782	11483
Interest Payment (actual) (percentage of excess)	9753 (9)	10879 (14)	11384 (12)	12069 (12)	13305 (16)
Interest payment (15 per cent of revenue receipt)	3559	3874	4525	5536	5538
Pension (assessed by TFC)	3205	3526	3878	4266	4693
Pension (actual) (percentage of excess)	3642 (14)	3553 (1)	3995 (3)	4433 (4)	6511 (39)
Salary (relative to revenue expenditure net of interest payment and pension)**	57	55	53	39***	57
Salary (actual)	10161	10876	12205	13779	21903

\* TFC had targeted to bring down the Fiscal Deficit to three per cent of GSDP by 2008-09. However, in view of economic slowdown, Government of India had relaxed the target to four per cent of GSDP during 2009-10

\*\* should not exceed 35 per cent

\*\*\* Reduction in percentage was due to inflation of Revenue expenditure figures by ₹8247 crore on account of debt waiver; excluding the same the percentage would have been 51 per cent

Thus, the State Government fell short of the targets fixed by the TFC throughout the award period in respect of all the above-mentioned parameters. During 2009-10, the Fiscal deficit (₹24954 crore) was far above the relaxed target (four per cent of GSDP) allowed by GoI in view of economic slow-down.

### 1.1.1 Trends and composition in GSDP

GSDP of the State which was 207495.08 in the year 2005-06 registered a growth of 77 per cent and stood at 367619.73 in 2009-10. Annual growth rate

of GSDP, however, ranged between 14 *per cent* and 16 *per cent*. Sector-wise composition of GSDP is depicted in the table:

**Table 1.3: Decomposition of GSDP (NSDP) of West Bengal by Broad Sectors:**

Sector	1999-00	2005-06	2006-07	2007-08 (P)	2008-09 (Q)	2009-10 (A)
Primary <sup>3</sup>	41063.33(33)	55061.01(27)	59557.93(25)	68387.78(25)	72945.85(23)	80894.02(22)
Secondary <sup>4</sup>	18350.81(15)	36254.15(17)	43736.89(18)	53625.87(19)	64924.71(20)	74644.17(20)
Tertiary <sup>5</sup>	65884.68(53)	116179.92(56)	136038.95(57)	155855.16(56)	179966.88(57)	212081.54(58)
<b>Total</b>	<b>125298.82</b>	<b>207495.08</b>	<b>239333.77</b>	<b>277868.81</b>	<b>317837.44</b>	<b>367619.73</b>

Source: Data furnished by Bureau of Applied Economics and Statistic, Development and Planning Department, Government of West Bengal (Sectoral contribution to GSDP in parenthesis)

**Table 1.3** would show that contribution of primary sector in GSDP of respective years declined steadily from 27 *per cent* in 2005-06 to 22 *per cent* in 2009-10. Contribution of secondary sector which was 17 *per cent* in 2005-06 marginally rose to 20 *per cent* in 2008-09 and remained the same in 2009-10. Share of tertiary sector in GSDP hovered around 56-58 *per cent* over the years. Relative share of above three sectors in GSDP of the State over the period of five years clearly suggests that although a positive shift in relative shares of sectors was in sight, there was ample scope left for secondary sector to share a larger portion of GSDP of the State.

## 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. **Table-1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.2** depicts the trends in various components of the receipts of the State during 2006-10. **Chart 1.3** depicts the composition of resources of the State during the current year.

<sup>3</sup> Primary Sector: Sector that depends on natural resources includes Agriculture, Forestry, Fishery, Mining and Quarrying.

<sup>4</sup> Secondary Sector: Sector that creates finished/usable products: This includes manufacturing, construction, etc.

<sup>5</sup> Tertiary Sector: Sector that creates services; this includes transport, trading, banking, public administration, etc

Chart 1.2: Trends in Receipts  
(Rupees in crore)

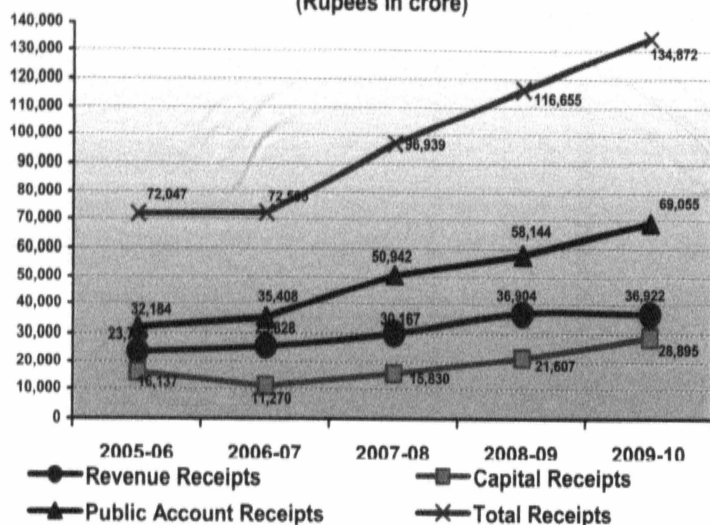
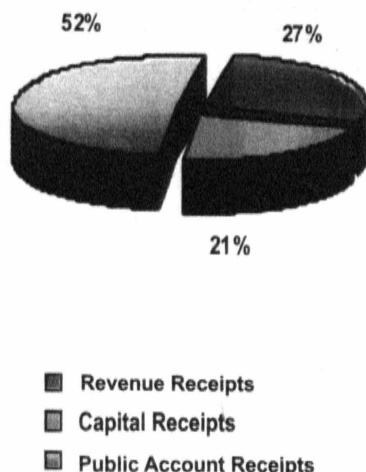


Chart 1.3: Composition of Receipts during 2009-10



Almost 51 per cent of the total receipts came from Public Account receipts, remaining was contributed by revenue (27 per cent) and capital receipts (22 per cent). Again, of revenue receipts, tax revenue accounted for 46 per cent, which was higher than 39 per cent as compared to previous year; non-tax revenue had a contribution of about seven per cent while State's share of union taxes and duties contributed 31 per cent. Remaining share of revenue receipts (16 per cent) came from Government of India grants. Tax revenue registered a growth of 17 per cent over previous year. Of other components of revenue receipts, State's share of Union taxes and duties registered only three per cent growth, where as grants from GoI came down to ₹ 5935.40 crore in 2009-10 from ₹ 6197.08 crore in 2008-09. Of capital receipts, while 99 per cent was contributed by public debt receipts, remaining one per cent came from recoveries of Loans and Advances. Recoveries of loans and advances was inflated by book adjustment of waiver of ₹ 4874.50 crore in 2008-09. Even after ignoring the book adjustment, actual recovery of loans in 2009-10 was 48 per cent lower than that of 2008-09 and came down to ₹ 387.10 crore in 2009-10. Loans and advances from Government of India was also lower by 25 per cent this year than that in the previous year.

### 1.2.2 Funds Transferred to State Implementing Agencies outside the State Budgets

The Government of India (GoI) transfers a sizeable quantum of funds directly to the State level/ district level project implementing agencies for implementation of various schemes/ programmes in social and economic sectors recognised as critical. As these funds are not routed through the State Budget/State Treasury System, annual Finance Accounts do not capture the flow of these funds and to that extent, State's receipts and expenditure as well as other fiscal variables/ parameters derived from them are underestimated.

The funds transferred to the State Government and State Implementing Agencies by various GoI Ministries are shown in the website of Controller

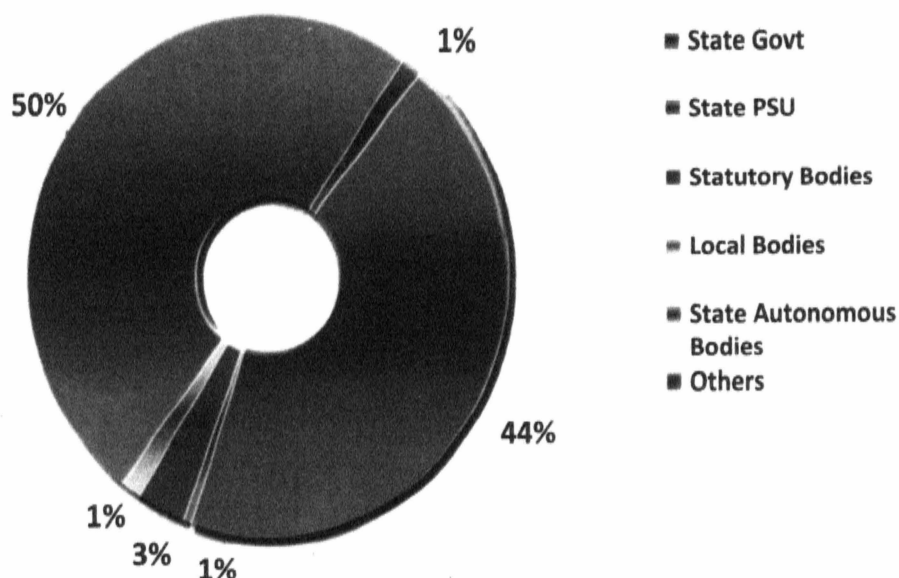
General of Accounts (CGA). As per the website, ₹ 11557.99 crore was released during 2009-10 by the GoI under various categories of schemes as shown under:

**Table 1.4: Overall position of release of funds by GoI Ministries**

Type of Schemes	Assistance to State Plan	Central Sector	Centrally sponsored	State Plan	Total Amount released
(Rupees in crore)					
State Government	845.04	110.58	1982.31	2173.53	5111.47
State PSUs	-	31.25	37.17	-	68.42
Statutory bodies	-	375.15	0.32	-	375.47
Local bodies	-	13.84	-	134.00	147.84
Government Autonomous bodies	-	709.00	4977.82	-	5686.82
State Government institutions	-	4.04	5.49	-	9.53
NGOs	-	38.51	14.85	-	53.36
Others <sup>6</sup>	-	99.79	5.24	0.04	105.08
<b>Total</b>	<b>845.04</b>	<b>1382.16</b>	<b>7023.20</b>	<b>2307.59</b>	<b>11557.99</b>

Source: Website of CGA

#### Share of funds released by GoI to State implementing agencies



Thus, more than half of the plan funds released by GoI were received outside the State Budget, indicating need for an institutionalised mechanism to monitor utilisation and accountal. The Appendix VII of the Finance Accounts tries to capture the position of receipt of such funds (more than ₹ 10 crore in each case) by various State implementing agencies outside State budget. The following table shows the amounts so received under various major schemes during last two years.

<sup>6</sup> Others include private sector companies, trusts, individuals and Central Government organisations

**Table 1.5: Funds released under major schemes by GoI outside State budget (Rupees in crore)**

Name of the scheme (Funding pattern Centre:State)	Implementing agency	Amount received directly from GoI (Rupees in crore)	
		2008-09	2009-10
Accelerated Rural Water Supply Scheme*	SWSM	1.23	250.43
Adult Education and Skill Development Scheme	West Bengal State Literacy Mission	2.44	14.16
Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE)	West Bengal Industrial Development Corporation Limited	95.23	16.84
Central Rural Sanitation Scheme	SWSM	9.85	26.67
Handlooms	Director of Handloom and Textiles	1.43	10.48
Rashtriya Swasthya Bima Yojana	Directorate of ESI (MB) Schme	2.55	20.08
Jute Technology Mission Textiles	Jute Manufacturers Development Council	85.89	68.00
Member of Parliament Local Area Development	District Magistrates	130.00	134.00
National Child Labour Project	Societies	21.27	10.15
National AIDS Control Programme	West Bengal State Aids Prevention and Control Society	23.91	37.02
National Food Security Mission	West Bengal State Food Security Agency	91.39	71.65
National Project for Cattle and Buffalo Breeding	Paschim Banga Go-Sampad Bikash Sanstha	-	13.00
National River Conservation Plan	KMDA	35.64	57.26
National Rural Employment Guarantee Scheme*	WB State Rural Development Agency	472.47	1787.29
National Rural Health Mission*	West Bengal State Health and Family Welfare Samiti	381.96	474.30
Pradhan Mantri Gram Sadak Yojana*	WB State Rural Development Agency	366.66	375.28
Infrastructure Development of Destinations and Circuits	West Bengal Tourism Development Corporation	36.00	375.28
Rashtriya Madhyamik Shiksha Abhiyan	West Bengal Society for Rashtriya Madhyamik Shiksha Mission	-	10.99
Renewable Energy for Rural Applications Remote Villages	West Bengal Renewable Energy Development Agency	-	13.61
Indira Awas Yojana*	DRDCs	200.73	627.08
Sarva Shiksha Mission*	Paschim Banga Sarva Shiksha Mission	651.69	1041.42
Swarna Jayanti Sahar Rojgaar Yojana	State Urban Development Agency	28.60	19.40
Swarna Jayanti Gram Swarojgar Yojana	DRDCs	65.99	120.21

Source: Finance Accounts

\* Central Government Flagship Schemes

Substantial increase in release of funds were noticed in 2009-10 as compared to 2008-09 under National Rural Employment Guarantee Scheme, Sarva Shiksha Abhiyan, Indira Awas Yojana and Accelerated Rural Water Supply Programme. Direct transfers from the GoI to the State implementing agencies run the risk of poor oversight. Unless uniform accounting practices are followed by all these agencies and there is proper documentation and timely reporting of expenditure, meaningful monitoring over their end use is not possible.

### 1.3 Revenue Receipts

Statement 11 of the Finance Accounts details the revenue receipts of the Government. Revenue receipts consist of the State's Own Tax and Non-Tax Revenues, Central tax transfers and Grants-in-Aid from GoI. Trends and composition of revenue receipts over the period 2005-10 are presented in *Appendix 1.5* and also depicted in **Charts 1.4** and **1.5** respectively.

Chart 1.4: Trends in Revenue Receipts

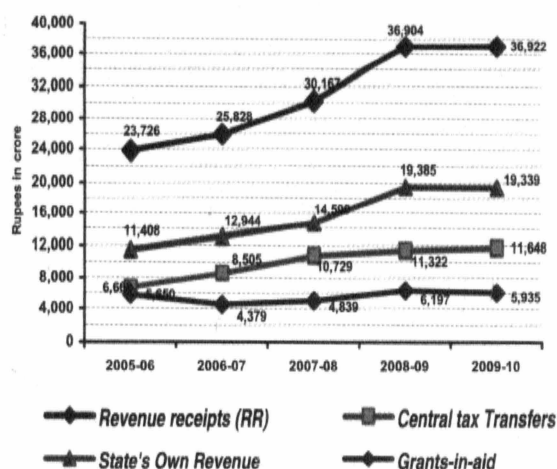
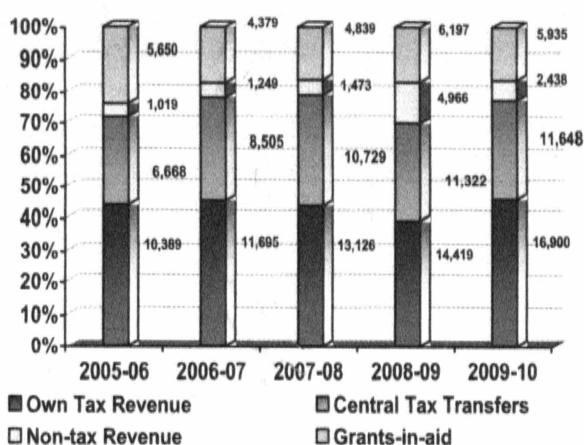


Chart 1.5: The composition of Revenue Receipts during 2005-10



The trends in revenue receipts relative to Gross State Domestic Product (GSDP) are as follows:

Table 1.6: Trends in Revenue Receipts relative to GSDP

	2005-06	2006-07	2007-08	2008-09	2009-10
Revenue Receipts (RR) (Rupees in crore)	23725	25828	30167	36904	36922
Rate of growth of RR (per cent)	19.11	8.86	16.80	22.33	0.05
RR/GSDP (per cent)	11.43	10.79	10.86	11.61	10.04
Buoyancy Ratios <sup>7</sup>					
Revenue Buoyancy w.r.t GSDP	2.108	0.578	1.043	1.553	0.003
State's Own Tax Buoyancy w.r.t GSDP	0.135	0.88	0.79	2.65	1.10

Source: Finance Accounts

While the **Revenue Receipts** have shown a progressive increase over the period 2005-10, share of own taxes in revenue collection ranged between 94 and 46 *per cent* during 2005-10, excepting a dip (39 *per cent*) in 2008-09, which were due to inflation of revenue receipt figure owing to book adjustment of loan waiver.

**State's own revenue** registered growth of about 17 *per cent* over the previous year. There was nearly three *per cent* growth in **Central tax transfers** in 2009-10 over previous year. **Grants-in-Aid from Government of India** were slashed down to ₹ 5935 crore in 2009-10 from ₹ 6197 crore in 2008-09. A close scrutiny of relative shares of various other components of Revenue Receipts would reveal that Non-Tax Revenue, which had a share of four *per cent* in Revenue Receipts of the State in 2005-06, stood at seven *per cent* in 2009-10. Relative share of Grants-in-aid in revenue receipts of the State for the last four years were around 16 to 17 *per cent*.

**Tax Revenue:** The Government of West Bengal enacted the West Bengal Value Added Tax (WB VAT) Act, 2003 with effect from April 2005. However, levy and collection of tax on sale of petrol, diesel, liquor, lottery

<sup>7</sup>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, for 2008-09, revenue buoyancy at 1.55 implies that revenue receipts tend to increase by 1.55 percentage points, if the GSDP increases by one per cent.

Tickets and Aviation Turbine fuel (ATF) continued to be governed under the WBST Act, 1994.

**Revenue from VAT and Sales Taxes** contributed major share of tax revenue (62 *per cent*). Other contributors to the State's tax revenue included Land Revenue (five *per cent*), State Excise (nine *per cent*), Stamps and Registration fees (11 *per cent*), taxes on vehicles (five *per cent*).

There was no significant variation among relative shares of the major components of Tax Revenue, though contribution of Sales Tax in Tax Revenue has shown an upward trend (from 59 *per cent* in 2005-06 to 62 *per cent* in 2009-10). Sales Tax collection shot up by ₹ 1554.55 crore (17 *per cent*) in 2009-10 over the previous year. Collection from Stamps and Registration and State Excise increased by ₹ 304.73 crore and ₹ 380.87 crore respectively. Increase in receipts under 'Sales Tax Act' and decrease in surcharge in 'Sales Tax'; increase in sale of non-judicial Stamps, 'Duty on Impressing of Documents', 'Fees for registering documents; increase in receipt under country spirits, foreign liquors and spirits, etc. were the main reasons for increase in Tax Revenue.

**Non Tax Revenue:** Non Tax Revenue (₹ 2438 crore) constituted seven *per cent* of total revenue receipts during 2009-10 and less by ₹ 2528 crore than previous year. Rupees 3637.07 crore alone were received less under Interest Receipts. This was due to inflation of previous year's figure by book adjustment of waiver of interest.

**Central Tax Transfers:** Central Tax Transfers increased by ₹ 326 crore over the previous year and constituted 31 *per cent* of revenue receipts. The increase was mainly under Corporation Tax (₹ 1081.14 crore), Taxes on Income other than Corporation Tax (₹ 339 crore) counter balanced by decreased under Custom Duties (₹ 533.99 crore) and Union Excise Duties (₹ 574.35 crore).

**Grants-in-aid:** The Grants-in aid from GoI decreased by ₹ 262 crore from ₹ 6197 crore in 2008-09 to ₹ 5935 crore during the current year while Grants for State Plan schemes decreased to the extent of ₹ 282.46 crore, Centrally Sponsored Plan Schemes and Central Plan Schemes increased by ₹ 30.63 crore and ₹ 14.65 crore respectively.

Receipts under Non-Plan Grants witnessed a decline of ₹ 24.50 crore during the year.

### **1.3.1 State's own resources**

Own Tax Revenue of the State consists of Sales Tax, Excise duty, Stamp Duty, Registration Fees, Motor Vehicle and Passenger tax and others.

The Government of West Bengal enacted the WBVAT Act, 2003 with the objectives of generating more revenue by reduction of rate of tax, eliminating cascading effect of tax on goods both for exports and domestic sales and reducing evasion and avoidance of tax.

### 1.3.2 Variation between the budget estimates and actuals

Variation between budget estimates of revenue receipts and actual receipts under the principal heads of tax and non-tax revenue for the year 2009-10 is mentioned below:

**Table 1.7: Actual collection vis-à-vis budget estimates**

(Rupees in crore)

Revenue head		Budget estimates	Actual receipts	Percentage variation
<b>Tax Revenue</b>				
1	Taxes/VAT on sales, trade etc	12046.85	10509.64	(-) 13
2	State Excise	1338.50	1443.81	8
3	Stamp duty and registration fees	1998.26	1814.22	(-) 9
4	Taxes on vehicles	774.08	774.34	-
5	Taxes and duties on electricity	800.51	664.57	(-) 17
6	Land revenue	1711.87	928.92	(-) 46
<b>Non-Tax Revenue</b>				
1	Non-ferrous mining and metallurgical industries	9.30	8.69	(-) 7
2	Forestry and wild life	66.14	64.17	(-) 3
3	Interest receipts	1292.20	362.83	(-) 72
4	Food storage and Warehousing	520.83	1292.97	148

The reason for variation between budget estimates and actuals in respect of State Excise (₹ 105.31 crore) was mainly due to increase in number of retail outlets and shift to *advalorem* duties structure for foreign liquor. The reason for decrease in actual receipts in respect of land revenue (₹ 782.95 crore) is attributed to crop failure due to Aila followed by drought situation in a number of districts of the State.

Other departments did not furnish any reason for variations between budget estimates and actual receipts.

Huge short-collection under land revenue and interest receipts was surely a matter of concern and calls for attention of the Government. The concerned departments did not furnish (January 2010) the reasons for the variation, despite being requested (between May and October 2009).

### 1.3.3 Analysis of collection

The break-up of the total collection at the pre-assessment stage and after regular assessment of taxes on sales, trade etc., during the year 2009-10 and corresponding figures for the preceding four years as furnished by the Finance (Commercial Taxes) Department is mentioned below:

**Table 1.8 : Analysis of collection of VAT**

(Rupees in crore)

Head of revenue	Year	Amount collected at pre-assessment stage	Amount collected after regular assessment	Penalty for delay in payment of taxes and duties	Amount refunded	Net collection as per department	Net collection as per Finance Account	Percentage of column 3 to 8
1	2	3	4	5	6	7	8	9
Taxes/ VAT on sales, trade etc	2005-06	5919.51	86.28	25.44	36.10	5995.13	6108.78	96.90
	2006-07	6993.04	94.57	31.03	39.62	7079.02	7079.02	98.79
	2007-08	8223.06	99.87	33.17	32.12	8323.98	8060.46	102.01
	2008-09	8857.15	98.53	36.12	24.40	8967.40	8955.09	98.91
	2009-10	10600.09	96.37	41.27	114.05	10623.68	10509.64	100.86

### 1.3.4 Revenue Arrears

The arrears of revenue as on 31 March 2010 in respect of some principal heads of revenue, as furnished by the departments, amounted to ₹ 107.37 crore, of which ₹ 75.91 crore was outstanding for more than five years. Arrears related to taxes on Agricultural Income (₹ 11.66 crore), Entertainment Tax (₹ 12.40 crore) and Water Rates (₹ 51.85 crore). The position of arrears of revenue at the end of 2009-10 in respect of other Departments was not furnished.

### 1.3.5 Refunds

The number of refund cases pending at the beginning of the year 2009-10, claims received during the year, refunds allowed during the year and cases pending at the close of the year (March 2010) as reported by the concerned Departments are mentioned below:

Table 1.9: Position of refunds of revenue

(Rupees in lakh)

	Particulars	Sales Tax		Taxes on entry of goods into local areas		State excise		Entertainment tax	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1	Claims outstanding at the beginning of the year	152	182	16010	680	-	-	2	1.08
2	Claims received during the year	1554	34115	-	-	-	-	1	0.05
3	Refunds made during the year	162	11405	128	2.21	-	-	2	1.03
4	Balance outstanding at the end of the year	1544	22892	15882	677.79	-	-	1	0.10

### 1.3.6 Cost of collection

The gross collection from major taxes and expenditure incurred on collection during the years 2007-08 to 2009-10 along with All India average are given in the following table:

Table 1.10: Gross collection vis a vis expenditure on collection

	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	
		Rupees in crore		State's figure	All India Average for 2008-09
Taxes/VAT on sales	2007-08	8060.46	92.42	1.15	0.88
	2008-09	8955.09	100.34	1.12	
	2009-10	10509.64	150.01	1.42	
State excise	2007-08	935.47	49.59	5.30	3.66
	2008-09	1082.94	65.76	6.07	
	2009-10	1443.81	77.99	5.40	
Stamp duty & registration fees	2007-08	1416.96	60.10	4.24	2.93
	2008-09	1509.49	53.61	3.55	

	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	
		Rupees in crore		State's figure	All India Average for 2008-09
	2009-10	1814.22	88.46	4.87	
Taxes on vehicles	2007-08	532.07	10.86	2.04	2.77
	2008-09	608.01	11.92	1.96	
	2009-10	774.34	17.88	2.30	

Source: Finance Accounts

The *percentage* of expenditure on collection of Sales Tax/VAT, State Excise and Stamp Duty and Registration Fees was well above the All India Average. There is considerable scope for the Government to improve the efficiency of tax collection in respect of these three departments. However, in respect of Taxes on Motor Vehicles, the *percentage* of expenditure on collection is lower than the All India Average.

Thus, costs of collection of all the major components of tax revenue, except for taxes on vehicles, were more than the all India average. The percentage of expenditure on collection of sales tax, stamp duty and registration fees and taxes on vehicles showed no remarkable change during the year.

## 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. It is therefore important to ensure that the expenditure directed towards development and social sectors is maximised within its resources.

### 1.4.1 Growth and composition of expenditure

The total expenditure and its compositions during the year 2005-06 to 2009-10 is as follows:

Table 1.11: Total expenditure and its composition

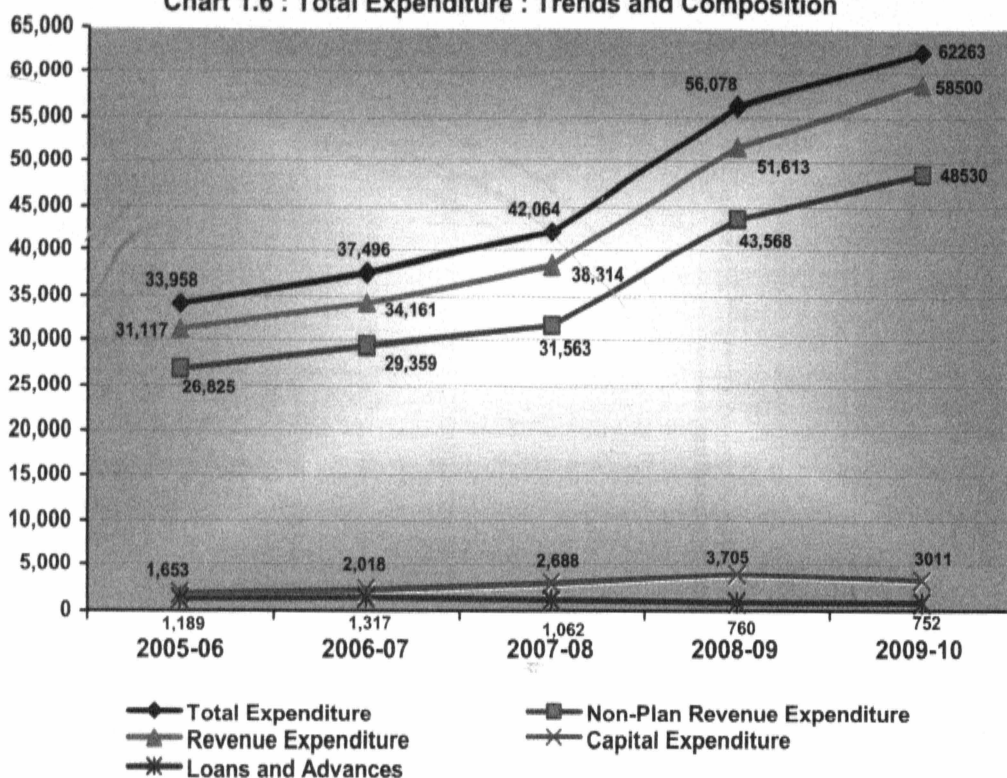
(Rupees in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Total Expenditure</b>	<b>33959</b>	<b>37496</b>	<b>42064</b>	<b>56078</b>	<b>62263</b>
Revenue Expenditure	31117	34161	38314	51613	58500
Non-plan Revenue Expenditure	26825	29359	31563	43568	48530
Capital Expenditure	1653	2018	2688	3705	3011
Loans and Advances	1189	1317	1062	760	752

Source: Finance Accounts

**Chart 1.6** presents the trends in total expenditure over a period of five years (2005-10) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted in **Charts 1.7 and 1.8** respectively.

Chart 1.6 : Total Expenditure : Trends and Composition



It would appear from the above that total expenditure, which was ₹ 56078 crore in 2008-09 rose to ₹ 62263 crore in 2009-10 i.e. a growth of 11 per cent. Over the last five years, it increased at an average growth rate of 15.54 per cent. The composition of total expenditure during 2009-10 indicates that Non Plan Expenditure accounted for 78 per cent (₹ 48658 crore) while Plan Expenditure constituted remaining 22 per cent (₹ 12853 crore). Further break-up of the total expenditure incurred during 2009-10 under various heads of revenue and capital accounts reveals that revenue expenditure constituted bulk of expenditure of the State (94 per cent: ₹ 58500 crore) while the shares of capital expenditure and loans and advances disbursed were only five per cent (₹ 3011 crore) and one per cent (₹ 752 crore) respectively.

In terms of activities, total expenditure is composed of expenditure on general services (including interest payments), social and economic services, grants-in-aid and loans and advances.

The movement of the relative shares of these components indicate some significant change over previous year (**Chart 1.8**). Expenditure on general services (including interest payments) considered as non-developmental, accounted for 43 per cent of total expenditure this year against 48 per cent in 2005-06. On the other hand, Social services and Economic services taken together (Developmental expenditure), which was 47 per cent in 2005-06, rose to 56 per cent in 2009-10.

Chart 1.7: Total expenditure: Trends in share of its components

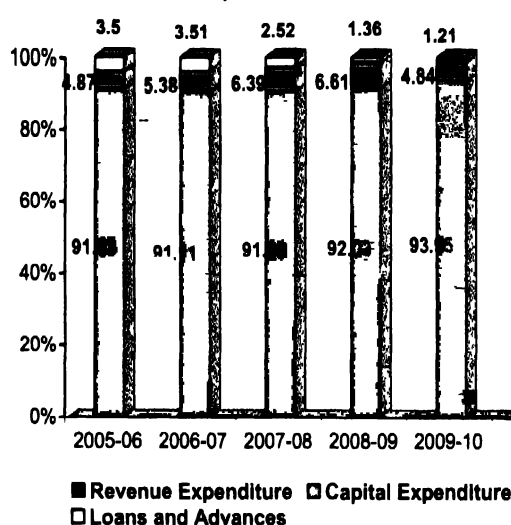
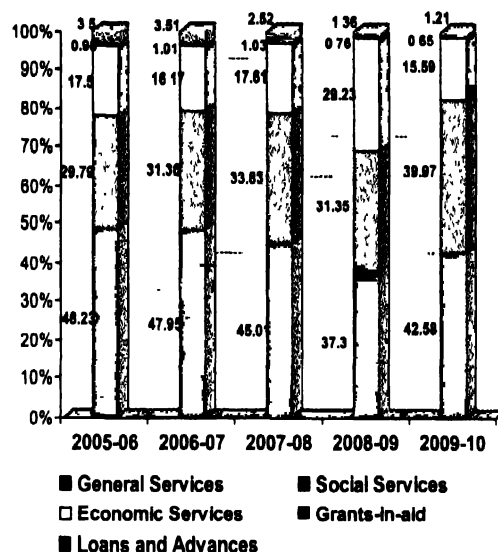


Chart 1.8: Total expenditure: Trends by Activities



#### a) Trends in Revenue expenditure

Revenue expenditure is incurred to maintain the current level of services and payment, past obligations and thus, does not result in any addition to the State infrastructure and service network.

Revenue expenditure consistently increased from ₹ 31117 crore in 2005-06 to ₹ 58500 crore in 2009-10 at an average annual rate of growth of 16.32 per cent during the period. Of the total Revenue expenditure, Non-Plan Revenue expenditure continued to enjoy the majority share, which was 83 per cent (₹ 48530 crore) during 2009-10 while Plan Revenue expenditure constituted only 17 per cent (₹ 9970 crore). *Non-Plan Revenue expenditure of the current year was substantially higher (by 39 per cent) than the normative projections of TFC (₹ 34932 crore) but was slightly lower than Budget estimates of the Government (₹ 48762 crore).*

Non-Plan Revenue expenditure not only constituted bulk of the revenue expenditure of the State, but it consistently increased during the period 2005-10. During the current year it increased by ₹ 4962 crore (11 per cent) from the level of ₹ 43568 crore in 2008-09. This was mainly attributable to rise in expenditure under Education, Sports, Art and Culture (₹ 3683.07 crore), Health and Family Welfare (₹ 837.47 crore), Water Supply, Sanitation, Housing and Urban Development (₹ 413.46 crore).

Although Plan Revenue expenditure increased consistently during the period 2005-10, it exhibited inter-year fluctuations. During the current year, it increased by ₹ 1925 crore from the level of ₹ 8045 crore in 2008-09. The increase was observed mainly under Education, Sports, Art and Culture (₹ 378.51 crore), Health and Family Welfare (₹ 167.36 crore) and Social Welfare and Nutrition (₹ 682.88 crore).

## b) Trends in Capital expenditure

The following table depicts the trends of capital expenditure of the State during the last five years:

Table 1.12: Trends in Capital expenditure and its components

Components of Capital expenditure	2005-06	2006-07	2007-08	2008-09	2009-10
(Rupees in crore)					
Total Expenditure	33959	37496	42064	56078	62263
Capital expenditure (percentage to total expenditure)	1653 (5)	2018 (5)	2688 (6)	3705 (7)	3011 (5)
Plan Capital expenditure (percentage to Capital expenditure)	1362 (82)	2009 (100)	2669 (99)	3729 (100)*	2883 (96)
Plan Capital expenditure under Social sector (percentage to Plan Capital expenditure)	314 (23)	380 (19)	767 (29)	1214 (33)	894 (31)
Plan Capital expenditure under Economic sector (percentage to Plan Capital expenditure)	1026 (75)	1556 (77)	1883 (69)	2388 (64)	1834 (64)
<b>Decomposition of Plan Capital Expenditure on Economic Sector</b>					
Agriculture, Allied Activities	44	42	38	167	115 (4)
Rural Development	-	-	-	-	3 (0.10)
Special Areas Programme	57	73	112	157	231 (8)
Irrigation and Flood Control (percentage to Plan Capital expenditure)	196 (14)	208 (10)	312 (12)	383 (10)	494 (17)
Energy (percentage to Plan Capital expenditure)	352 (26)	792 (39)	986 (37)	1090 (29)	190 (7)
Industry & Minerals (percentage to Plan Capital expenditure)	46 (3)	120 (6)	47 (2)	101 (3)	92 (3)
Transport (percentage to Plan Capital expenditure)	319 (23)	296 (15)	312 (12)	433 (12)	690 (24)

Source: Finance Accounts

\*Non-plan capital expenditure was in the negative

A scrutiny of Capital expenditure of the State during the period under review revealed that though the quantum of Capital Expenditure increased from ₹ 1653 crore to ₹ 3011 crore (*i.e.* increase by 82 *per cent*), it accounted for a meagre five to seven *per cent* of aggregate expenditure, which was far below the level of Capital expenditure incurred by other general category states on an average (*vide para 1.5.1*). It would appear that over the five years period, while Irrigation and Flood Control, Energy and Transport consumed bulk of the Capital Expenditure on Economic Services, services like Agriculture and allied activities, Rural Development, Special Areas programme lagged behind. During the year Irrigation and Flood Control, Energy, Industry and Minerals and Transport together consumed 51 *per cent* (₹ 1466 crore) of Plan Capital Expenditure as against 54 *per cent* (₹ 2007 crore) in the previous year. Individually, sector like Irrigation and Flood Control which consumed 14 *per cent* of Plan Capital Expenditure in 2005-06 attained 17 *per cent* in 2009-10. Like-wise, sectors like industry and Minerals and Transport, which consumed three and 23 *per cent* respectively of Plan Capital Expenditure in 2005-06 remained more or less the same in 2009-10 at 3 and 24 *per cent* respectively. In contrast, Energy sector which consumed 26 *per cent* of Plan Capital Expenditure in 2005-06 came down to mere seven *per cent* in 2009-10.

c) *Trends in expenditure on Social and Economic Services*

A comparative analysis between expenditure (Budget vis-à-vis Actual) on Social and Economic Services for 2008-09 and 2009-10 is detailed below:

**Table 1.13: Position of expenditure under Social and Economic services**

	2009-2010		2008-2009
	BE	Actual	Actual
(Rupees in crore)			
Education, Sports, Art & Culture	12374.32.	12081.47 (98)	8007.09
Health & Family Welfare	3178.46	3237.81 (102)	2173.95
Water Supply, Sanitation, Housing and Urban Development	5729.44	3635.80 (63)	3655.66
<b>Total social services</b>	<b>26052.81</b>	<b>31737.80</b>	<b>17578.40</b>
Agriculture and Allied Activities	1938.57	1942.89 (100)	1451.95
Rural Development, Special Areas Programme	3147.64	3524.40 (112)	2274.63
Irrigation and Flood Control	1641.18	1309.40 (78)	1020.29
Energy	915.51	398.69 (44)	9527.91
Industry and Minerals	950.70	656.25 (69)	657.44
Transport	1751.56	1673.01 (96)	1264.13
<b>Total Economic Services</b>	<b>10574.88</b>	<b>9705.55</b>	<b>16393.46</b>

(Figures in brackets represent percentage with respect to budget estimates)

It would appear from above that actual expenditure on Social Services (₹ 31737.80 crore) during the year was more than that in 2008-09 (₹ 17578.40 crore) and that (₹ 26052.81 crore) estimated in the budget for 2009-10. However, expenditure on both Education, Sports, Art and Culture and Water Supply, Sanitation, Housing and Urban Development fell short by ₹ 292.85 crore and ₹ 2093.74 crore respectively than estimation in the budget. In the case of expenditure on Economic Services, it was less by ₹ 6683.91 crore as compared to that in 2008-09. It was also less by ₹ 869.33 crore (eight per cent) than that estimated in the budget for 2009-10. Though there was increase of ₹ 376.76 crore in expenditure on Rural Development and Special Areas Programme, expenditure on spheres like Irrigation and Flood Control, Energy, Industry and Minerals and Transport fell short of the budget estimates. All these are indicative of aspirations reflected in the budget speech remaining unfulfilled.

#### 1.4.2 Committed Expenditure

Committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. Such expenditure, as charged first on the Government's resources, renders the expenditure management process less flexible. Table 1.14 and Chart 1.9 present the trends in the expenditure on these components during 2005-10.

Table-1.14: Components of Committed Expenditure

(Rupees in crore)

Components of Committed Expenditure	2005-06	2006-07	2007-08	2008-09	2009-10	
					BE	Actuals
Salaries* & Wages, Of which	10160.98 (43)	10875.73(42)	12205.04(40)	13778.65(37)	21013.48	21902.53 (59)
Non-Plan Head	9754.36	10350.45	11617.64	12996.04		20848.28
Plan Head**	406.62	525.28	587.40	782.61		1054.25
Interest Payments	9752.76 (41)	10878.88 (42)	11383.56(38)	12068.99 (33)	13168.78	13305.12 (36)
Expenditure on Pensions	3641.50(15)	3552.69(14)	3995.40(13)	4432.79(12)	8991.24	6510.57 (18)
Subsidies	593.68 (3)	459.55 (2)	732.93 (2)	1256.31(3)		2555.73 (7)
Other Components	-	-	-	792.02 <sup>8</sup>		774.72
<b>Total Committed Expenditure</b>	<b>24148.92</b>	<b>25766.85</b>	<b>28316.93</b>	<b>32328.76</b>		<b>45048.67</b>
<b>Components other than committed</b>	<b>6967.94</b>	<b>8394.42</b>	<b>9997.49</b>	<b>19284.55</b>		<b>13451.21</b>
<b>Total Revenue Expenditure</b>	<b>31116.86</b>	<b>34161.27</b>	<b>38314.42</b>	<b>51613.31</b>	<b>60252.53</b>	<b>58499.88</b>
<b>Total Revenue Receipt</b>	<b>23725.89</b>	<b>25828.32</b>	<b>30167.38</b>	<b>36904.40</b>	<b>42312.41</b>	<b>36921.65</b>

Source: Finance Accounts, Voucher Level Computerisation (VLC) done by AG (A&E) and Budget Publications  
 Figures in the parentheses indicate percentage to Revenue Receipts, \* It also includes the salaries paid out of grants-in-aid,  
 \*\*Plan Head also includes the salaries and wages paid under Centrally Sponsored Schemes

Despite declining trends noticed during 2005-09 in percentage of expenditure in all the major components of committed category in relation to Revenue Receipts, an upswing was again observed during the current year. During 2009-10, total committed expenditure accounted for 77 per cent of total revenue expenditure allowing the State lesser flexibility in managing its resources.

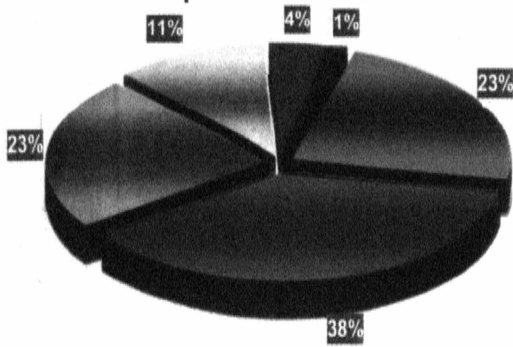
#### Expenditure on salaries:

Expenditure on salaries, which was ₹ 10160.98 crore in 2005-06, stood at ₹ 21902.53 crore in 2009-10 registering a growth of nearly 116 per cent. Especially during the current year the salary expenditure shot up steeply by about 59 per cent over that of previous year. Of the total expenditure increase on salaries (₹ 8123.88 crore) during 2009-10, increase under non-plan heads accounted for 97 per cent. Such massive increase is attributable to implementation of recommendations of the Fifth State Pay Commission and payment of salary at revised rate as well as payment of arrear salary (in three annual instalments starting from 2009-10). The same had also been hinted by Honourable Finance Minister in his budget speech.

*TFC had recommended that States should follow recruitment and wage policy in such a manner that the total salary bill relative to revenue expenditure net of interest payments and pension does not exceed 35 per cent. This percentage though came down from 54 in 2007-08 to 40 in 2008-09 but alarmingly shot up again to 57 per cent in 2009-10, which is a matter of concern. Given the future annual commitment for payment of one third of arrear pay and allowances annually over next two years, the prospect of improvement in the scenario seems remote in the years to come.*

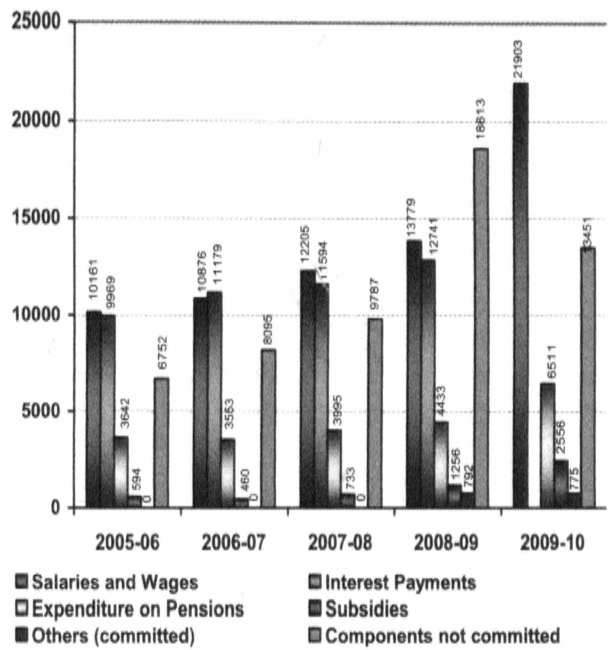
<sup>8</sup> Operation and Maintenance expenditure; the same is shown separately in the Finance Accounts from the year 2008-09 only

Decomposition of revenue expenditure in 2009-10



■ Salaries and Wages
■ Interest payment
■ Pension
■ Subsidies
■ Operation and Maintenance
■ Components other than committed

Chart 1.9: Trend of Committed Expenditure during 2005-10



### Pension payments:

Expenditure on Pensions increased by ₹ 2077.78 crore (almost 47 per cent) over the last year's expenditure. Sector-wise analysis revealed that substantial increases were noticed under 'Pensions to Employees of State Aided Educational Institutions' (₹ 992.29 crore), superannuation and retirement allowances (₹ 458.74 crore), family pension (₹ 316.88 crore), on commuted value of pension (₹ 113.79 crore) and gratuities (₹ 102.51 crore). Payment of arrear pension and gratuity in compliance with the recommendations of the Fifth Pay Commission was the main reason behind such increase.

The expenditure on pension (₹ 6510.57 crore) surpassed the TFC projection (₹ 4692.80 crore) by almost 39 per cent in the current year.

### Interest payments:

Expenditure on Interest Payments rose to ₹ 13305.12 crore in 2009-10 from ₹ 9752.76 crore in 2005-06 i.e. a growth of over 36 per cent. Rate of growth in 2009-10 was 10 per cent over the previous year.

TFC had projected that ₹ 11482.93 crore would be paid as interest in the current year. The actual expenditure incurred on this account was 16 per cent higher than the projection and stood at ₹ 13305.12 crore in 2009-10.

### Payments of subsidies:

Subsidies paid by the Government of West Bengal during 2009-10 (₹ 2555.73 crore) was more than double the amount (₹ 1256.31 crore) paid in the previous year. Of this subsidy paid under Social Security and Welfare sector alone accounted for ₹ 1260.94 crore. Further analysis showed that there

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was substantial increase under Antyodaya Anna Yojana (₹ 772 crore) and State subsidy for supply of rice to the APL/BPL families under Targeted Public Distribution System (TPDS) (₹ 400 crore). This was in consonance with the commitment made by the Finance Minister during the presentation of the budget where providing relief to poorer population in the context of recession was one of the aim of the Government.

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

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years are presented below:

**Table 1.15: Financial Assistance to Local Bodies/Institutions etc**

Financial Assistance to Local Bodies/Institutions	2005-06	2006-07	2007-08	2008-09	2009-10
	( R u p e e s i n c r o r e )				
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	5296.38	5420.44	6790.49	7811.01	11634.00
Municipal Corporations and Municipalities	1258.56	963.02	1279.17	1802.54	946.60
Zilla Parishads and Other Panchayati Raj Institutions	1419.43	1148.06	3085.27	2998.77	1327.98
Development Agencies	634.85	235.27	122.14	340.33	4204.66
Hospitals and Other Charitable Institutions	134.45	137.59	149.40	226.84	393.12
Other Institutions (To be specified)	373.08	811.06	927.77	802.74	1084.36
<b>Total</b>	<b>9116.75</b>	<b>8715.44</b>	<b>12354.24</b>	<b>13982.23</b>	<b>19590.72</b>
Assistance as per percentage of RE	29.30	25.51	32.24	27.09	33.49

Source: Figures generated through VLC

The table above indicates that as compared to last year, assistance provided to Local Bodies this year rose by ₹ 5608.49 crore i.e. nearly about 40 per cent. Increase in assistance were noticed under Educational Institutions (₹ 3822.99 crore), Development Agencies (₹ 3864.33 crore), Other Institutions (₹ 281.62 crore) and Hospitals and Charitable Institutions (₹ 166.28 crore) counterbalanced by decrease in assistance provided to Zilla Parishads and other Panchayati Raj Institutions (₹ 1670.79 crore), Municipal Corporations and Municipalities (₹ 855.94 crore). Funds were released as capital grants for buildings, salary grants, deficit grants, development schemes under District Rural Development Cell, Small Farmer Development Agency (SFDA), Command Area Development Authority (CADA), Kolkata Metropolitan Development Authority (KMDA) etc.

## 1.5 Quality of Expenditure

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

### 1.5.1 Adequacy of Public Expenditure

Expenditure responsibilities relating to social sector and economic infrastructure are largely assigned to State Governments. Enhancing human development levels requires the States to step up their expenditure on key social services like education and health etc. Percentage of the expenditure incurred by a State in a certain sector with respect to aggregate expenditure and comparing the same with the all States' average gives an indicator of the priority level it assigns to that sector. Low fiscal priority is attached to a particular sector if it is below the respective national average. Table 1.16 analyses fiscal priority and per capita expenditure of the State Government with regard to development expenditure (DE), social sector expenditure (SSE), capital expenditure (CE) and expenditures under Education<sup>9</sup> and Health<sup>10</sup> Sector during 2005-06 (the first year of the award period of Twelfth Finance Commission) and 2009-10 .

**Table-1.16 : Fiscal priority of the State for 2005-06 and 2009-10:**

		AE/GSDP	DE/AE	SSE/AE	CE/AE	Expenditure on Education /AE	Expenditure on Health /AE
2005-06	General category* States' Average (Percentage)	17.75	61.76	30.76	13.97	14.95	4.05
	West Bengal's figure (Percentage)	16.37	50.79	30.26	4.87	16.38	4.66
2009-10	General category States' Average(Percentage)	18.24	66.05	35.76	14.85	16.21	4.28
	West Bengal's figure (Percentage)	16.94	56.76	40.44	4.84	19.40	5.20

\*All Indian States excluding North Eastern States, Himachal Pradesh and Jammu and Kashmir

Source: Ratios relating to West Bengal were arrived at on the basis of Finance Accounts figures

AE: Aggregate Expenditure; DE: Development Expenditure; SSE: Social Sector Expenditure; CE: Capital Expenditure

- The above table shows that during both the years, the **ratio of aggregate expenditure to the GSDP** for West Bengal was lower when compared to what the other general category States are spending on an average. This indicated that the State is spending lower proportion of its GSDP as compared to other general category states.
- Expenditure incurred on Social and Economic sectors taken together is considered as **developmental expenditure**. Low prioritisation in development expenditure was apparent from lower proportion of those expenditures as compared to corresponding all states' average.
- However, on the **social sector**, though the level of expenditure was just below the average all general category states' expenditure level five years back, it has since reached a level higher than that average during current year. The State also incurred higher percentage of expenditure on Health and Education sectors, as compared to what the other general category states were spending.
- Though the State is spending higher proportion of money on Social sector, Development expenditure remains low, which was due to low priority being accorded to economic sector. It is desirable that level of

<sup>9</sup> Education, Sports, Art and Culture sector

<sup>10</sup> Health and Family Welfare sector

Development expenditure be raised by enhancement of expenditure in Economic sector, without compromising Social sector. Otherwise, not only the financial growth of the State would be jeopardised, but it would also not be possible for the State to sustain the current level of expenditure under the Social sector.

- However, what appeared to be a real matter of concern was remarkably low proportion of capital expenditure (only 4.87 and 4.84 per cent as compared to general category states' average of 13.97 and 14.85 per cent during 2005-06 and 2009-10 respectively) in aggregate expenditure.

### 1.5.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods<sup>11</sup>. Apart from improving the allocation towards development expenditure<sup>12</sup>, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While Table 1.17 presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year vis-à-vis that budgeted and of the previous years, Table 1.18 provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of selected social and economic services.

Table-1.17: Development Expenditure

(Rupees in crore)

Components of Development Expenditure	2005-06	2006-07	2007-08	2008-09	2009-10	
<b>Development Expenditure (a to c)</b>	<b>17249</b>	<b>19139</b>	<b>22733</b>	<b>34732</b>	<b>36631</b>	<b>35284</b>
<b>a. Development Revenue Expenditure</b>	<b>14435(43)</b>	<b>15884(42)</b>	<b>19017(45)</b>	<b>30410(54)</b>	<b>31723(45)</b>	<b>31738(51)</b>
<b>b. Development Capital Expenditure</b>	<b>1625(5)</b>	<b>1938(5)</b>	<b>2621(6)</b>	<b>3562(6)</b>	<b>3996 (6)</b>	<b>2854 (5)</b>
<b>c. Development Loans and Advances</b>	<b>1189(3)</b>	<b>1317(4)</b>	<b>1062(3)</b>	<b>760(1)</b>	<b>912 (1)</b>	<b>752 (1)</b>

Source: Finance Accounts and Budget Publications

Figures in parentheses indicate percentage to aggregate expenditure

<sup>11</sup> Core public goods are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. Merit goods are commodities that the public sector provides free or at subsidised rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidised food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

<sup>12</sup> The analysis of expenditure data is disaggregated into development and non development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure

It would be seen from above that development revenue expenditure which stood at ₹ 14435 crore during 2005-06 rose to ₹ 31738 crore in 2009-10 i.e. a growth of nearly 120 per cent. Rate of growth in 2009-10 as compared to 2008-09 was merely four per cent. While percentage of development revenue expenditure with respect to aggregate expenditure rose steadily from 43 per cent to 51 per cent over the last five years, with a peak of 54 per cent in 2008-09, development capital expenditure exhibited almost no change and remained five per cent in 2009-10.

Chart 1.10: Trend in Development Expenditure during 2005-06 to 2009-10

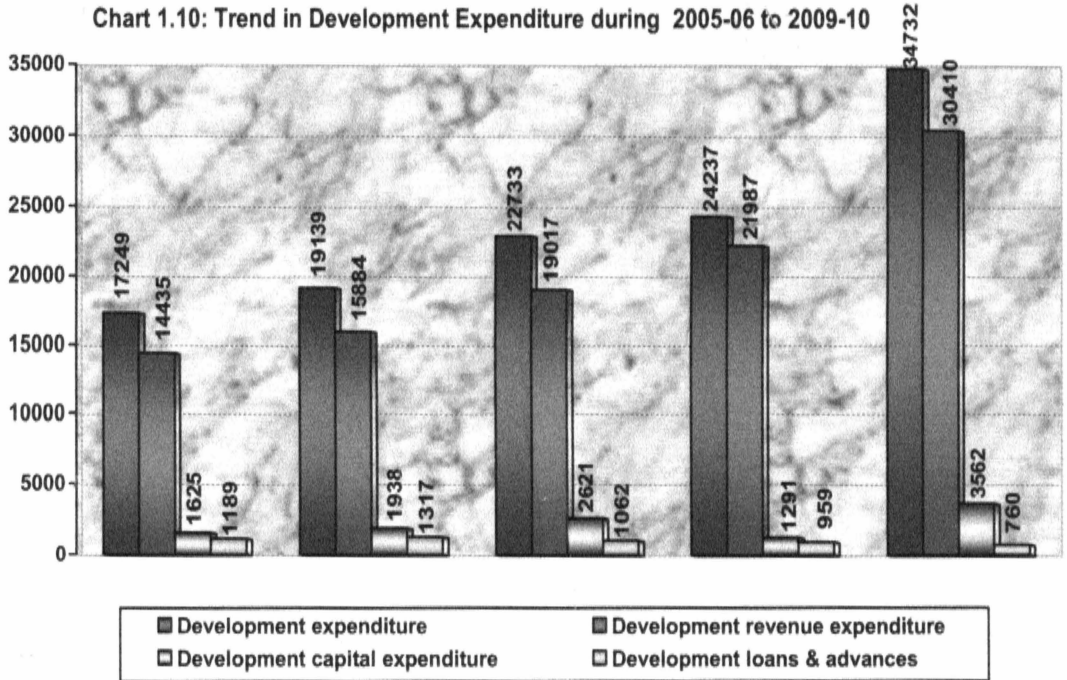


Table 1.18 –Efficiency of Expenditure Use in Selected Social and Economic Services

Social/Economic Infrastructure	2008-09			2009-10		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
	In per cent	S & W	O & M*	In per cent	S & W	O & M**
	Rupees in crore			Rupees in crore		
Social Services (SS)						
General Education	0.74	6321	1.86	0.59	10110	1.02
Health and Family Welfare	7.08	1438	14.51	6.57	2281	13.40
WS, Sanitation, & HUD	23.96	704	145.59	14.72	1121	165.23
Total (SS)	6.79	8949	540	3.58	13512	
Economic Services (ES)						
Agriculture & Allied Activities	10.95	698	0.14	5.48	1065	8.52
Irrigation and Flood Control	37.55	369	88.59	37.48	559	105.09
Power & Energy	11.44	1	-	47.53	1	-
Transport	34.02	85	0.12	41.22	145	313.17
Total (ES)	14.54	1950	255	20.23	1770	434
Total (SS+ES)	10.49	10899	795	8.25	15282	775

TE: Total Expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages; O&M: Operations & Maintenance \* O&M expenditure for the year 2007-08 could not be segregated. \*\* As could be identified, may not reflect the complete picture

Source: Finance Accounts and VLC

Under Social Services, fall in percentage of CE with respect to TE was noticed in all the three spheres of General Education, Health and Family Welfare and

Water Supply and Sanitation. Similar trend was noticed in Housing and Urban Development under Economic Services, while percentage of CE with respect to TE witnessed rise in Power and Transport. There was fall noticed in Agriculture and Allied Activities, while Irrigation and Flood Control remained almost stable.

In the absence of FRBM Act, prioritisation of capital expenditure or any other expenditure policy was not easy to ascertain. A comparative study of various components of expenditure on social and economic services with particular focus on the trends in salary and wage for 2008-09 and 2009-10 reveal that share of salary and wage in all the components has gone up in 2009-10 as compared to 2008-09. Twelfth Finance Commission considered provision for education and health to be integral to any plan for restructuring public finances. Salary and Wage component in NPPE on education which stood at ₹ 6217.79 crore in 2008-09 increased to ₹ 10015.90 crore in 2009-10 i.e. a rise of ₹ 3798.11 crore (61 per cent). Likewise shares on health which was ₹ 1193.84 crore in 2008-09, rose to ₹ 1968.43 crore in 2009-10 indicating a rise of ₹ 774.59 crore (65 per cent).

*TFC recommended that annual rate of growth of non-plan salary expenditure under education and health and family welfare should be restricted within five to six per cent. However, during 2009-10 trends in expenditure (taking expenditure on both plan and non-plan heads) showed that the salary and wage component both under education and health and family welfare sectors increased enormously.*

*TFC had also desired that rate of growth under non-salary component in those two sectors should be 30 per cent per annum during the award period. However, during the current year, non-salary components under education and health and family welfare increased by 17 and 23 per cent respectively.*

### 1.5.3 Plan schemes: Position of allotment and expenditure

The Finance Accounts 2009-10 captures the position of expenditure under various State Plan schemes as well as Central Plan schemes, for which Central funds are received through State Budget. As regards the Central Plan Schemes (including Central Flagship Schemes like SSA, NREGA, PMGSY, etc.) for which funds were not routed through the State budget, the position of allotment and expenditure has been shown under para 1.2.2. **Table 1.19** below shows the picture of receipt and expenditure of funds under some other flagship schemes, which were transacted through the State budget.

**Table 1.19: Expenditure vis-à-vis availability of funds under the flagship schemes implemented in West Bengal during 2009-10 (funds routed through the State budget)**

	Name of the scheme	Funds received from GoI	State budget provision	Expenditure during 2009-10	Expenditure during 2008-09
				(Rupees in crore)	
1	Mid Day Meal	566.59	1023.92	759.05	737.82
2	National Social Assistance Programme including Annapurna	373.84	614.70	696.52	490.93
3	Integrated Child Development Project	505.94	328.86	405.51	336.73

	Name of the scheme	Funds received from GoI	State budget provision	Expenditure during 2009-10	Expenditure during 2008-09
		( R u p e e s i n c r o r e )			
4	Rashtriya Krishi Vikash Yojana	147.38	65.05	143.44	79.38
5	Macro Management of Agriculture	50.78	69.69	54.34	42.02
6	Accelerated Irrigation Benefit Programme	238.31	138.30	34.13	66.73
7	Pre-Matric Scholarship for Minorities	19.72	7.65	19.98	5.11
8	Integrated Scheme on Oilseeds, Pulses and Maize	7.55	10.01	9.82	7.82
9	Jute Technology Mission	1.95	7.30	2.04	4.79

Source: Finance Accounts

It would be seen from the above table that except for AIBP, there have been increases in expenditure under flagship schemes in 2009-10 as compared to 2008-09. **Appendix 1.6** depicts the position of allocation and expenditure on major State Plan Schemes and other Central Plan Schemes (not declared as flagship).

Besides stepping up the expenditure on key social and economic services, improvement in human development index requires the State to improve the delivery mechanism to obtain the desired outcomes. The State Government is expected to relate expenditure to outcomes in terms of quality, reach and the impact of Government expenditure.

## 1.6 Financial Analysis of Government Expenditure and Investments

### 1.6.1 Financial Results of Irrigation Works

Works in Irrigation Department are classified as productive or unproductive according to the net revenue (gross revenue less working expenses) derived from each work on the expiry of ten years from the date of closure of the construction and from the fact whether it covers or does not cover the prescribed annual interest charges on capital invested. If a work, classified as productive fails to yield the prescribed return for three successive years, it is transferred to the unproductive category. Similarly, if a work classified as unproductive succeeds in yielding prescribed return for three successive years, it becomes a productive one. There was, however, no productive work in the State at the end of 2009-10. Revenue realised from fourteen schemes during 2009-10 was only ₹ 3.09 crore (nearly 0.15 per cent of the capital outlay of ₹ 2055.16 crore). None of these schemes succeeded in earning revenue receipts so as to cover even direct working expenses. After meeting working expenses and interest charges, fourteen schemes suffered a net loss of ₹ 215.28 crore (of which, the major loss making projects being Damodar Valley Project: ₹ 71.39 crore, Kangsabati Reservoir Project: ₹ 55.97 crore, Mayurakshi Reservoir Project: ₹ 27.89 crore and Teesta Barrage Project: ₹ 44.80 crore).

**1.6.2 Incomplete projects**

The department-wise list of some major incomplete projects as on 31 March 2010, as intimated by the Departments as well as observed in course of Audit is given in **Table 1.20**. Projects for which the scheduled dates of completion are already over as well as the projects which commenced more than two years ago and the target dates of completion have been postponed in view of slow progress of work are included in the list:

**Table 1.20: Department-wise Profile of Incomplete Projects**

Department	Name of the incomplete Projects	Commencement date	Target date of completion	Initial Budgeted cost	Revised cost	Cumulative expenditure upto 2009-10
				(Rupees in crore)		
<b>Irrigation and Waterways</b>	Teesta Barrage Project	1975-76	1990	69.72	2988.61	1263.29
	Goalmarajore Irrigation Scheme	1976-77	1980-81	0.52	3.92	3.94
	Beko Irrigation Scheme	1976-77	1980-81	0.64	5.90	4.88
	Patloi Irrigation Scheme	1976-77	1980-81	0.90	17.28	10.92
	Tatko Irrigation Scheme	1976-77	1980-81 <sup>*</sup>	0.98	19.76	9.42
	Extension of Bandhu Irrigation Scheme	1982-83	1986-87	1.01	6.70	5.96
	Futuary Irrigation Scheme	1980-81	1984-85	0.56	23.28	11.60
<b>Total</b>	<b>Seven schemes</b>			<b>74.33</b>	<b>3065.45</b>	<b>1310.01</b>
<b>Housing</b>	Construction of 152 numbers of RHE flats at Gumarmath, Phase-II, Budge Budge, South 24 Parganas, Housing Division-VI	1997-98	2002	4.32	5.42	4.03
	Construction of 208 numbers of RHE flats in 13 Blocks building under RHS Sampa Mirza Nagar at South 24 Parganas, Housing Division-VI	2000-01	2002-03	4.62	6.68	4.79
<b>Total</b>	<b>Two schemes</b>			<b>8.94</b>	<b>12.10</b>	<b>8.82</b>
<b>Public Works</b>	Six laning of B T Road from 11.72 to 17 km, 95-A/PW dated 7.3.2008, North Suburban	2008-09	2009-10	17.50	23.44	13.50
	Construction of State Guest House at 2 Circular Road, New Delhi, City Division	2008-09	2009-10	10.28	15.24	7.85
	W/S of Memari-Chakdighi-Tarakeswar Road 0-30.16Km, Bardhaman Division	2008-09	2009-10	12.56	-	7.55
<b>Total</b>	<b>Three schemes</b>			<b>40.34</b>		<b>28.90</b>
<b>Public Works (Roads)</b>	Construction of bridge over Katakhal at Hasnabad, Barasat HW Division I	2005-06	2008-09	26.53	-	12.60
	Construction of bridge over river Dwarka at 11th Km (at Gantla ghat) on Jibanti shenpur Road, Murshidabad, HW Division II	2005-06	2008-09	13.71	-	9.17
<b>Total</b>	<b>Two schemes</b>			<b>40.24</b>	<b>-</b>	<b>21.77</b>
<b>Sundarban Affairs</b>	Construction of Bituminuous road from Madartala to Basra Ferry ghat in Block and PS Haroa and Minakhan (length-11.100 Km)	2006-07	2007-08	6.86	-	6.25
<b>Total</b>	<b>One scheme</b>			<b>6.86</b>	<b>-</b>	<b>6.25</b>
<b>Public Health Engineering</b>	Raghunathganj-I Surface Water (16), Murshidabad	2005-06	2008-09	51.08	-	38.13
	Murshidabad (Central Sector)/17, Murshidabad	2005-06	2008-09	290.72	-	224.13
	Darjeeling Pumping Scheme (5), Darjeeling	2005-06	2008-09	49.16	-	8.31
<b>Total</b>	<b>Three schemes</b>			<b>390.96</b>		<b>270.57</b>
<b>Grand Total</b>	<b>18 Schemes</b>			<b>561.67</b>	<b>3116.23</b>	<b>1646.32</b>

Source: Finance Accounts as well as figures collected from Departments

\* Target dates were revised periodically in view of slow progress of work

Thus, ₹ 1646.32 crore remained blocked in 18 incomplete schemes. Besides, there were 113 other incomplete schemes pertaining to departments mentioned above wherein ₹ 163.23 crore remained blocked. Moreover, there have been cost over-runs, since initial budgeted costs have been scaled up in almost all cases of time over-runs.

### 1.6.3 Investment and returns

As of 31 March 2010, Government had invested ₹ 10675.98 crore in statutory corporations, rural banks, joint stock companies and co-operatives (Table 1.21). The average return on this investment was negligible while the Government paid an average interest rate of 8.90 *per cent* on its borrowings during 2005-10.

**Table-1.21: Return on Investment**

Investment/Return/Cost of Borrowings	2005-06	2006-07	2007-08	2008-09	2009-10
Investment at the end of the year (Rupees in crore)	6643.61	7641.58	8847.89	10163.21	10675.98
Return (Rupees in crore)	1.58	2.34	6.22	6.05	0.48
Return ( <i>per cent</i> )	0.02	0.03	0.07	0.06	-
Average rate of interest on Government borrowing ( <i>per cent</i> )	9.15	9.48	9.03	8.54	8.32
Difference between interest rate and return ( <i>per cent</i> )	9.13	9.45	8.96	8.48	8.32

Source: Finance Accounts

Government investment, which was ₹ 10163.21 crore in 2008-09, rose to ₹ 10675.98 crore in 2009-10, *i.e.* a rise of ₹ 512.77 crore (five *per cent*). This was mainly on account of investment in Government companies and joint stock companies, which rose together by ₹ 459.95 crore and ₹ 25.80 crore in Statutory Corporations. The return on investment varied between zero and 0.07 *per cent*, while Government paid interest at the average rate of 8.32 to 9.48 *per cent* on its borrowings during 2005-10. The difference between the rate of return on Government investment and the average interest rate on the outstanding liabilities represented implicit subsidy of ₹ 3871.54 crore.

### 1.6.4 Departmental Commercial Undertakings

Activities of quasi-commercial nature are also performed by departmental undertakings of certain Government Departments. Department-wise position of investment made by the Government up to the year for which *pro forma* accounts are finalised, net profits/loss as well as return on capital invested in these undertakings are given in *Appendix 1.7*. Scrutiny reveals that:

- An amount of ₹ 2463.93 crore had been invested by the State Government in these 15 undertakings at the end of financial year up to which their accounts were finalised.
- Of all undertakings (20), only one undertaking viz. Scheme of Public Distribution of Foodgrains, could earn net profit amounting to ₹ 0.31 crore as of 31 March 2005 (accounts are due from 2005-06) against the capital investment of ₹ 495.97 crore thereby yielding the rate of return of 0.06 *per cent*.

- Of the loss making undertakings, 14 incurred losses (aggregating ₹ 1895.97 crore) against total capital investment of ₹ 1968.36 crore continuously for more than five years and five undertakings have turned into non-performing ones. Directorate of Cinchona and other Medicinal Plants (with a Government investment of ₹ 421.08 crore), Greater Calcutta Milk Supply Scheme (₹ 1176.12 crore), Durgapur Milk Supply Scheme (₹ 89.71 crore) and Directorate of Mechanised Brick Production (₹ 66.80 crore) were the main loss-making units. Failure to achieve production targets, under utilisation of plant capacity, capacity mismatch, shortage of raw materials, high production cost, low selling price, inadequate market demand, excess process/distribution loss etc. were attributable reasons.

### 1.6.5 Loans and advances by State Government

In addition to investments in co-operative societies, Corporations and Companies, Government also provided loans and advances to many of these institutions/ organisations. **Table 1.22** presents the outstanding loans and advances as on 31 March 2010, interest receipts vis-à-vis interest payments during the last five years.

**Table-1.22: Average Interest Received on Loans given by the State**

(Rupees in crore)

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2005-06	2006-07	2007-08	2008-09	2009-10	
					BE	Actual
Opening Balance	16235.57	16792.83	17872.19	18437.67		13581.49
Amount advanced during the year	1188.59	1317.26	1062.12	759.65	911.60	752.44
Amount repaid during the year	631.33	237.90	496.64	5615.83		387.10*
<b>Closing Balance</b>	<b>16792.83</b>	<b>17872.19</b>	<b>18437.67</b>	<b>13581.49</b>		<b>13946.83</b>
<i>Of which</i> Outstanding balance for which terms and conditions have not been settled	1007.47	1186.96	1239.71	1050.09		1435.42
Net addition	557.26	1079.36	565.48	(-) 4856.18		365.34
Interest Receipts	248.03	549.14	558.51	3865.93 <sup>13</sup>		234.20
Interest receipts as <i>per cent</i> to outstanding Loans and advances	1.48	3.07	3.03	28.46		1.67
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.	9.15	9.48	9.03	9.02		
Difference between interest payments and interest receipts ( <i>per cent</i> )	7.67	6.41	6.00	19.44		

Source: Finance Accounts \* including ₹ 4.02 crore written off

The amount of loan advanced during the current year decreased marginally by ₹ 7.21 crore (One *per cent*) from the level of ₹ 759.65 crore in 2008-09 to ₹ 752.44 crore in 2009-10. Of the total outstanding loans, terms and conditions had not been settled in respect of 1750 loans for ₹ 1435.42 crore. *The earliest of such loans, the terms and conditions for which remain unsettled, pertained to 1966-67.* **Table 1.22** reveals that as compared to ₹ 752.44 crore advanced as loan during 2009-10, the amount of recovery of earlier loan stand at ₹ 387.10 crore during the year 2009-10. The recovery included overdue Government loan of ₹ 4.02 crore<sup>14</sup> written off as irrecoverable loans by sanction of equivalent amount of grants-in-aid. Sectoral analysis of the closing

<sup>13</sup> Of ₹ 3865.93 crore, ₹ 3245.50 crore was book adjustment. With its exclusion from amount of interest received, percentage (28.46) of interest receipt to outstanding loans and advances would come down to 4.57.

<sup>14</sup> Loan given by Development and Planning Department to West Bengal Development Corporation Limited

balance of ₹ 13946.83 crore of loan showed that Energy sector accounted for 63 per cent (₹ 8797.71 crore) followed by Industry and Minerals and Transport sectors with balances of ₹ 1910.49 crore (14 per cent) and ₹ 1452.61 crore (10 per cent) respectively.

In respect of the following loans given to various institutions/organisations, there have been no progress till March 2010:

Table 1.23: Cases of old loans without any recovery

Rupees in crore

	Name of the Department	Loans with no recovery		Period of sanction
		Number	Amount	
1	Industrial Reconstruction	210	157.84	1978-79 to 2005-06
2	Public Health Engineering	23	2.47	1972-73 to 1997-98
3	Municipal Affairs	20	1.61	1965-66 to 1969-70
4	Health and Family Welfare	24	18.48	1980-81 to 1994-95
5	Housing	30	0.40	1960-61 to 1968-69
6	Agriculture	11	29.50	1984-85 to 1992-93
7	Fisheries	6	1.73	1977-78 to 1993-94
8	Commerce and Industries	58	4.42	1975-76 to 2003-04
9	Micro & Small Scale Enterprises and Textiles	325	53.49	1967-68 to 2007-08
10	Public Undertaking	59	2.58	1976-77 to 1985-86
11	Public Enterprise	1234	150.73	1977-78 to 2007-08
12	Food Processing Industries and Horticulture	97	2.21	1988-89 to 1998-99
		<b>2097</b>	<b>425.46</b>	

Source: Compiled by Pr. Accountant General (Accounts and Entitlement)

For assessing the effectiveness of the internal mechanism and practices followed by the Government in various departments, records of four departments (namely, Power, Co-operation, Urban Development and Micro and Small Scale Enterprises) as well as Finance department were test checked (May-June 2010) and various control deficiencies were noticed, as discussed under succeeding paragraphs:

- None of the test-checked departments maintained records of loan, repayment schedule, actual repayment made and amount overdue for repayment. In absence of these records it was not possible for the department to monitor and pursue recovery of loans.
- Scrutiny also revealed that Urban Development, Power and Micro and Small Scale Enterprises and Textiles departments released fresh loans of ₹ 40.36 crore during 2009-10 to eight organisations, ignoring the fact that the said organisations had not repaid any part of earlier loans of ₹ 637.17 crore up to March 2009.
- Three development authorities (Jaigaon Development Authority, Siliguri Jalpaiguri Development Authority and Haldia Development Authority) have moved Urban Development Department for waiver/conversion of outstanding loan of ₹ 133.02 crore and interest of ₹ 145.23 crore. Similar waiver was sought for by three closed units under Micro and Small Scale Enterprise and Textiles (M&SSET) Department in respect of loans of ₹ 26.93 crore. The concerned departments acceded to the proposals (waiver/conversion of ₹ 305.18 crore), but approval of Finance Department towards waiver/conversion was awaited as of March 2010.

- It was also observed that loans were often disbursed only to sustain the business of the loanee organisations. Micro & Small Scale Enterprises and Textiles Department released loan of ₹ 25.85 crore during 2009-10 for working capital towards payment of salary, wages, spares, consumables, stock, repayment of bank loans and interest etc. Power Department released one interest free loan of ₹ 320 crore (March 2010) to West Bengal Power Development Corporation Limited (WBPDL) for meeting shortfall in cash flow. A part of such loan was utilised by WBPDL, in pursuance of order of the State Government to pay back ₹ 267 crore (Principal-Rs 186.38 crore and interest-Rs 80.62 crore) of outstanding Government loan.

Thus, absence of any centralised loan management mechanism and fruitful pursuance coupled with disbursement of loans merely to sustain the business of the loanee organisation ignoring repayment credentials resulted in poor recovery of Government loans.

### 1.6.6 Cash Balances and Investment of Cash balances

Under an agreement with the Reserve Bank of India, the State Government has to maintain with the Bank a daily minimum balance of ₹ 2.48 crore with effect from 1 May 2000. If the balance falls below the agreed minimum limit on any day, the deficiency is made good by taking special or normal ways and means advance/overdraft from the bank. During the year 2009-10, the State Government had to resort to special and normal ways and means advances and overdrafts for 80, seven and eight days respectively (total 95 days) indicating increasing mismatch between State's flow of resources and its expenditure obligations. During this year quantum of such advances (repaid fully within the year) was ₹ 9319.59 crore (which includes overdraft of ₹ 194.74 crore) while ₹ 7.47 crore had to be borne by the State towards interest thereon. Treasury bills amounting to ₹ 64982.88 crore and ₹ 67185.18 crore respectively were purchased and sold during the period 2009-10. An amount of ₹ 57.86 crore was received as interest on investment under treasury bills during the year. The investment made out of general cash balance and earmarked funds upto end of March 2010 are given in the following table.

**Table-1.24: Cash Balances and Investment of Cash balances** (Rupees in crore)

	As on 1 <sup>st</sup> April 2009	As on 31 <sup>st</sup> March 2010	Increase/Decrease
Cash in Treasuries	0.34	0.35	(+) 0.01
Deposits with Reserve Bank of India	(-) 222.20	101.25	(+) 323.45
Local remittances	-	-	-
Departmental cash balances	116.73	38.84	(-) 77.89
Permanent imprest	1.36	1.63	(+) 0.27
<b>Investments from Cash Balances (a to d)</b>			
a. Securities of Government of India	-	-	-
b. GoI Treasury Bills	1976.81	603.31	(-) 1373.50
c. Other Securities	-	-	-
d. Other Investments	-	-	-
<b>Funds-wise Break-up of Investment from</b>	<b>3034.41</b>	<b>4040.12</b>	<b>(+) 1005.71</b>

a. Sinking Funds	3033.82	4039.52	57.86
b. Development of Welfare Fund	0.59	0.60	(+) 0.01
Interest Realised	64.84	-	

Source: Finance Accounts

## 1.7 Assets and Liabilities

### 1.7.1 Growth and composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and assets created out of the expenditure incurred. **Appendix 1.4** gives an abstract of such Assets and Liabilities as on 31 March 2010, compared with the corresponding position on 31 March 2009. While the liabilities consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds, assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances. During 2005-10, Assets-Liability ratio hovered around 0.27 to 0.34. Such glaring mismatch indicated that only 27 per cent of the liabilities had the asset back-up which needs attention of the Government.

### 1.7.2 Fiscal Liabilities

There are two sets of liabilities namely, public debt and other liabilities. Public debt consists of internal debt of the State and is reported in the Annual Financial Statements under the Consolidated Fund – Capital Accounts. It includes market loans, special securities issued by RBI and loans and advances from the Central Government. The Constitution of India provides that a State may borrow, within the territory of India, upon the security of its Consolidated Fund, within such limits, as may from time to time, be fixed by the Act of its Legislature and give guarantees within such limits as may be fixed. Other liabilities, which are part of public account, include deposits under small savings scheme, provident funds and other deposits.

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.4**. However, the compositions of fiscal liabilities during the current year vis-à-vis the previous year are presented in **Charts 1.11 and 1.12**.

Chart 1.11: Composition of Outstanding Fiscal Liabilities as on 31.3.2009 (Rupees in crore)

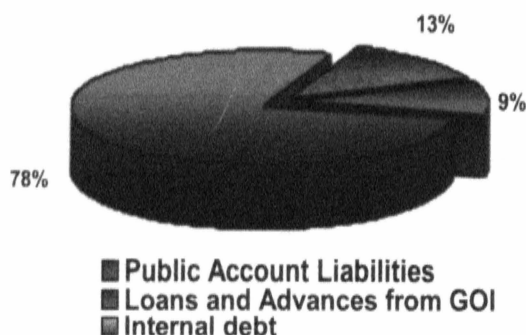
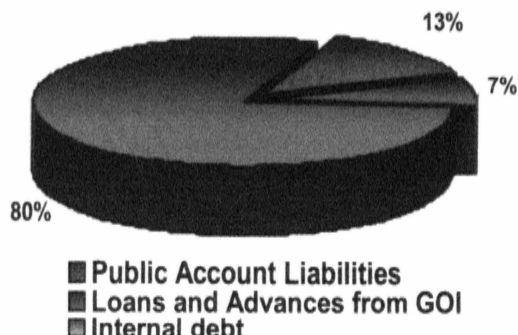


Chart 1.12: Composition of Outstanding Fiscal Liabilities as on 31.3.2010 (Rupees in crore)



Overall fiscal liabilities of the State increased from ₹ 148110 crore in 2008-09 to ₹ 171693 crore in 2009-10 with a growth rate of 15.92 *per cent*. The ratio of fiscal liabilities to GSDP marginally increased from 46.60 *per cent* in 2008-09 to 46.70 *per cent* in 2009-10. These liabilities stood at almost five times of the revenue receipts and nine times the State's own resources as at the end of 2009-10. No remarkable difference was noticed in the current year in rate of growth of fiscal liabilities (15.92) and that of GSDP (15.66) over previous year.

### 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. West Bengal Ceiling on Government Guarantees Act 2001 stipulated that the total outstanding Government guarantees as on the first day of April of any year shall not exceed 90 *per cent* of the State Revenue Receipts of the second preceding year.

As per Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last five years is given in Table 1.25.

Table-1.25: Guarantees given by the Government of West Bengal

	(Rupees in crore)				
	1 April 2006	1 April 2007	1 April 2008	1 April 2009	1 April 2010
Maximum amount guaranteed	22378.72	21826.39	23117.70	19974.48	20298.38
Outstanding amount of guarantees	14084.92	13136.64	13683.86	11972.75	10354.63
Ceiling fixed by State Government act (90 <i>per cent</i> of revenue receipt of the second preceding year)	17926	21353	23245	27150	33214
Percentage of outstanding amount guaranteed to revenue receipts of second preceding year	71	55	53	40	28

Source: Finance Accounts

The total guarantee of the Government increased from ₹ 19974.48 crore in 2008-09 to ₹ 20298.38 crore in 2009-10. Outstanding guaranteed loan amount, however, decreased from ₹ 11972.75 crore in 2008-09 to ₹ 10354.63 crore in 2009-10. Over the last five years outstanding amount of Government guarantee was consistently well within the ceiling permissible under the relevant Act.

*The Twelfth Finance Commission envisaged setting up of a guarantee redemption fund through earmarked guarantee fees. This also required risk weighting of guarantees and subsequent decision on the quantum of contribution to the fund. No such fund has been created by the State Government as of March 2010. However, Government has created Consolidated Sinking Fund towards redemption of the outstanding liabilities with contribution to the fund on a modest scale of at least 0.5 per cent of outstanding liabilities at the end of the previous year beginning from 2008-09 as per Rule 5 of the Revised Scheme for Constitution and Administration of the CSF of the Government of West Bengal.*

Test-check of the records of Finance department alongwith four other departments (Co-operation, Power, Micro & Small Scale Enterprise & Textiles (M&SSET) and Urban Development) revealed that ₹ 123.46 crore stood recoverable as guarantee fees, while the Government had to shoulder burdens of loans guaranteed to State level apex co-operative societies, as discussed in the succeeding paragraphs:

- The loanees for whom the State Government provided guarantee to the financial institutions, are required to pay the guarantee fee at the rate of 0.5 per cent to one per cent on the total amount guaranteed. The accumulated amount of unrealised guarantee fees stood at ₹ 123.46 crore (Power: ₹ 99.83 crore, Urban Development: ₹ 22.20 crore, M & SSE & T: ₹ 1.43 crore) as of March 2010.
- M&SSET department provided guarantee to the ₹ 100 crore loan given by National Bank for Agriculture and Rural Development (NABARD) to West Bengal State Co-operative Bank Ltd (WBSCB) for the period of three years with effect from April 2001 under the Reserve Bank of India Scheme for financing the handloom weavers' co-operative societies. Under the said scheme WBSCB extended two cash credits of ₹ 24.74 crore and ₹ 8.22 crore in September 2003 apart from an overdraft facility of ₹ 2 crore to West Bengal State Handloom Weavers' Co-operative Society Limited (TANTUJA). However, TANTUJA failed to service the cash credit and overdraft facility so availed. As of June 2006, ₹ 34.96 crore, along with interest of ₹ 81.65 lakh, remained outstanding. The department decided (October 2006) to repay dues aggregating ₹ 43.35 crore (Principal: ₹ 34.96 crore plus Interest: ₹ 8.39 crore upto June 2013) in fourteen half yearly installments of ₹ 2.50 crore each and upto 2009-10 released ₹ 6.27 crore to WBSCB through TANTUJA.

## **1.8 Debt Sustainability**

Debt sustainability is defined as the ability to maintain a constant debt-GSDP ratio over a period of time. In simple terms, public debt is considered sustainable as long as the rate of growth of income exceeds the interest rate or cost of public borrowings subject to the condition that the primary balance is either positive or zero. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt \* rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP

ratio would be constant or sustainable. On the other hand, if it is negative, debt-GSDP ratio would rise and if it turns positive, it would fall.

Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine debt sustainability<sup>15</sup> of the State. This section assesses sustainability of debt of the State Government in terms of debt stabilisation<sup>16</sup>; sufficiency of non-debt receipts<sup>17</sup>; net availability of borrowed funds<sup>18</sup>; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. Table 1.26 analyses debt sustainability of the State according to these indicators for the period of five years beginning from 2005-06.

**Table 1.26: Debt Sustainability: Indicators and Trends (Rupees in crore)**

Indicators of Debt Sustainability	2005-06	2006-07	2007-08	2008-09	2009-10
Debt Stabilisation indicator (Quantum Spread + Primary Deficit)	422	6485	6275	3188	-10562
Debt-GSDP ratio	271+151	7036+(-) 551	6291+(-) 16	4677+(-) 1489	1087+(-) 11649
	0.547	0.511	0.484	0.466	0.467
Sufficiency of Non-debt Receipts (Resource Gap)	1051	(-) 1828	30	(-) 541	(-) 11396
Net Availability of Borrowed Funds	(-) 858	(-) 3447	(-) 13176	(-) 9696	(-) 920
Debt redemption/Debt receipt	1.05	1.28	1.79	1.56	1.03
Burden of Interest Payments (IP/RR Ratio)	0.42	0.43	0.38	0.35	0.36

Source: Figures from Finance Accounts

Thus, during the period 2005-09 total debt redemption (principal plus interest) surpassed the debt receipt indicating that quantum spread together with primary deficit, which was positive till 2008-09, showed a downturn and went into negative at 10562 in 2009-10. The debt-GSDP ratio, which was 0.547 in 2005-06, however, steadily came down to 0.467 in 2009-10. Despite this improving trend, there has been a fall in non-debt receipts by ₹ 5211 crore over that of 2008-09. This was compounded by increase in interest burden by ₹ 1236 crore and increase in primary expenditure by ₹ 4949 crore which threatened the debt sustainability of the State in 2009-10. This indicated an absolute reversal of the positive trend experienced by the State in 2008-09. The ratio of net availability of borrowed funds was always more than one, indicating that the quantum of debt redemption always surpassed debt receipt and debt liabilities are even eating away State's own resources. Again, the ratio of net availability of borrowed funds were already negative. *TFC recommended that in case of all the states the level of interest payments relative to revenue receipts should fall to about 15 per cent by 2009-10. In case of West Bengal, the same was 36 per cent in 2009-10.* With incremental interest payment, debt-GSDP ratio failed to remain constant over the years and thereby rendering debt position of the state unsustainable.

<sup>15</sup> Debt sustainability is defined as the ability of the State to maintain a constant debt-GDP ratio over a period of time and also embodies concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match the increase in capacity to service the debt.

<sup>16</sup> A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt\*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would rise and in case it is positive, debt-GSDP ratio would eventually fall.

<sup>17</sup> Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

<sup>18</sup> Defined as the ratio of debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which debt receipts are used in debt redemption indicating net availability of borrowed funds.

In this backdrop, a look at the maturity profile (*vide* Table 1.27) would also reveal that quantum of annual liability towards redemption of State debt will increase steadily in the years to come.

Chart 1.13: Maturity profile of State Debt

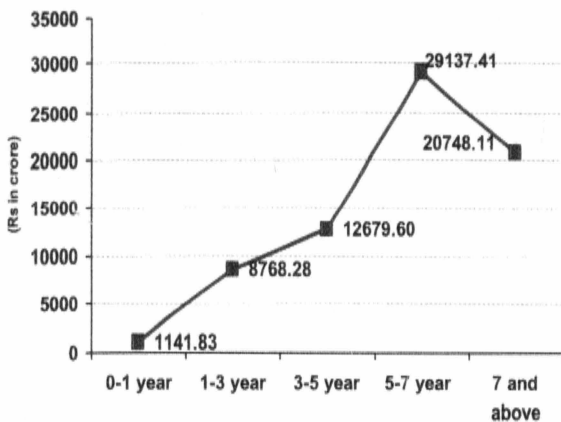


Table 1.27 Maturity profile of State Debt (percentage in respect of total are shown in brackets)

Within the period of	Amount to be matured
One year	Rs 1141.83 crore (2)
One to three years	Rs 8768.28 crore (12)
Three to five years	Rs 12679.60 crore (17)
Five to seven years	Rs 29137.41 crore (40)
Seven years and more	Rs 20748.11 crore (29)
Total redeemable debt	Rs 72475.23 crore

Source: Finance Accounts

Table 1.27 indicates that 69 per cent of the debt liability will have to be settled within two to seven years. This bunching of debt repayments calls for a careful strategy to redeem the debt without either resorting to very high borrowings or cutting down operational expenditure.

## 1.9 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalance in Government finances. Deficit in Government accounts represents the gap between receipts and expenditure. Nature of deficit is an indicator of prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits for the financial year 2009-10.

### 1.9.1 Trends in Deficits

Charts 1.14 and 1.15 present trends in deficit indicators over the period 2005-10.

Chart 1.14 : Trends in Deficit Indicators

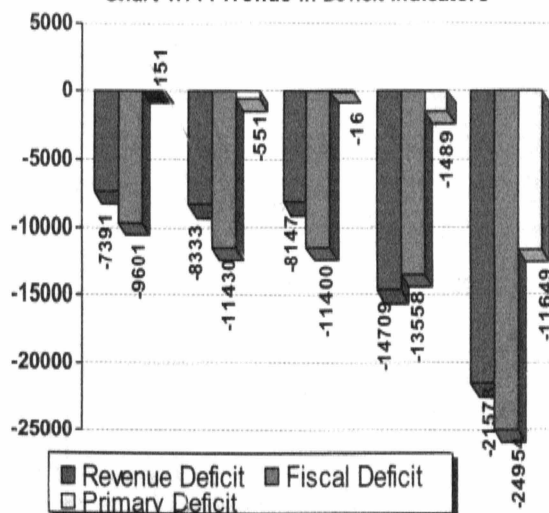
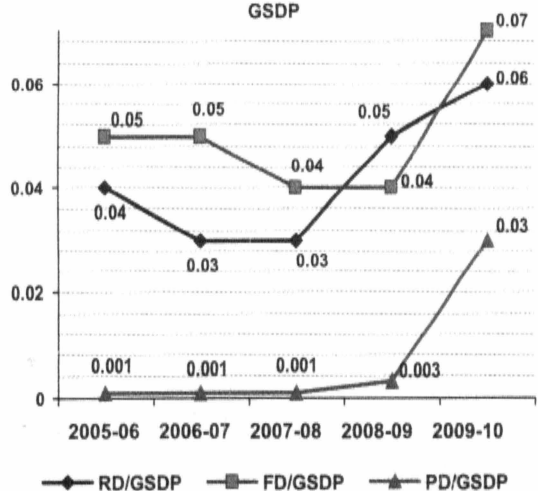


Chart 1.15: Trends in Deficit indicators relative to GSDP



Revenue deficit, which was ₹ 7392 crore in 2005-06, shot up steeply to ₹ 14709 crore in 2008-09 and even went higher to touch ₹ 21578 crore in 2009-10, i.e a growth of about 47 per cent over previous year. The gap between resources and expenditure on revenue account along with capital expenditure incurred and loans and advances disbursed led to higher magnitude of fiscal deficit. Fiscal deficit which was ₹ 9603 crore in 2005-06 touched ₹ 13558 crore in 2008-09; thereafter it jumped by 84 per cent to ₹ 24954 crore in 2009-10.

### 1.9.2 Components of Fiscal Deficit and its Financing Pattern

Financing pattern of fiscal deficit has undergone a compositional shift as reflected in Table 1.28.

Table 1.28: Components of Fiscal Deficit and its Financing Pattern

(₹ in crore)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Decomposition of Fiscal Deficit</b>	<b>9603(4.61)</b>	<b>11430(4.75)</b>	<b>11400(4.15)</b>	<b>13558(4.38)</b>	<b>24954 (6.78)</b>
1 Revenue Deficit	7392(3.55)	8333 (3.46)	8147(2.96)	14709 (4.76)	21578 (5.87)
2 Net Capital Expenditure	1653	2018	2688	3705	3011
3 Net Loans and Advances	558	1079	565	(-) 4856	365
<b>Financing Pattern of Fiscal Deficit*</b>					
1 Market Borrowings	1268	843	10740	11543	15605
2 Loans from GoI	(-) 4311	(-) 658	(-) 623	(-) 585	(-)1009
3 Special Securities Issued to NSSF	10726	8245	936	520	6431
4 Loans from Financial Institutions	(-) 1198	(-) 1104	(-) 293	(-) 335	(-)191
5 Small Savings, PF etc	288	314	319	355	738
6 Deposits and Advances	(-) 1242	893	789	1231	1364
7 Suspense and Miscellaneous	1772	2628	501	712	2614
8 Remittances	(-) 5	244	133	274	58
9 Others	-	-	-	-	-
10 Overall Surplus/Deficit	(-) 2305	(-) 18	(+) 1102	(+) 157	(+) 656

Figures in brackets indicate the per cent to GSDP.

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

Source: Finance Accounts

In financing this high magnitude of deficit, Government had to resort to market borrowings which stood at ₹ 1268 crore in 2005-06 and jumped to ₹ 15605 crore in 2009-10. It constituted 63 per cent of the fiscal deficit and grew by 35 per cent compared to the previous year. Another major source was special securities issued to NSSF which assumed a greater role in financing deficits. It shot up to ₹ 6431 crore from ₹ 520 crore last year. Market borrowings and special securities together took the burden of 88 per cent of Fiscal deficit. Other sources, on which Government had to fall back upon, were Small Savings, Deposits and Advances, suspense and Miscellaneous, remittances etc.

### 1.9.3 Quality of Deficit/Surplus

The ratio of Revenue Deficit to Fiscal Deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) did not have asset backup. The bifurcation of primary deficit (Table 1.29) indicates the extent to which deficit has been on account of enhancement in capital expenditure which is desirable for improvement of the productive capacity of the State's economy.

Table 1.29: Primary deficit/Surplus – Bifurcation of factors

(Rupees in crore)

	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary revenue deficit (-) /surplus (+)	Primary deficit (-) / surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2005-06	24357	21364	1653	1189	24206	(+) 2993	(+) 151
2006-07	26066	23282	2018	1317	26617	(+) 2784	(-) 551
2007-08	30664	26930	2688	1062	30680	(+) 3734	(-) 16
2008-09	42520	39544	3705	760	44009	(+) 2976	(-) 1489
2009-10	37309	45195	3011	752	48958	(-) 7886	(-) 11649

Source: Finance Accounts

Though, there was primary deficit during 2009-10, proportion of Capital expenditure with respect to total expenditure worked out only five *per cent* which was even lower than seven *per cent* last year.

### 1.10 Conclusion and Recommendations

As the award period of Twelfth Finance Commission comes to an end, the scenario of revenue collection *vis-à-vis* expenditure level does not seem to be encouraging. The Twelfth Finance Commission had suggested that the States should enact their fiscal responsibility legislations, bringing down the revenue deficit to zero and fiscal deficit to sustainable level by 2008-09. The State Government, however, enacted the same only in July 2010, which had cost the State Government total relief of ₹ 3157.87 crore. Owing to non-enactment of this legislation during the award period of the TFC, there were no statutory bindings or commitment on the Government to fix and achieve fiscal targets.

***FRBM act having been enacted in the State in July 2010, tighter integration would be desirable between the multi year framework provided by Medium Term Fiscal Plan and the annual budget exercise as has been recommended by the 13th Finance Commission.***

On revenue side of the receipts, there was almost no addition in the kitty in the present year. On the other hand, dependence on borrowing for meeting Revenue Expenditure was also on the rise. While Revenue expenditure constituted 94 *per cent* of the total expenditure, committed components accounted for 77 *per cent* of revenue expenditure leaving little flexibility for the Government to utilise its resources for service providing sectors. The situation even worsened with recommendations of Fifth State Pay Commission. Prospect of containment of the trend seems to be remote as Government will continue to bear the expenses on arrear salary during next two years.

***The State should take some effective steps in increasing its tax base to earn more revenue and consider enforcement of economy measures for restricting avoidable expenditure of non-plan nature.***

Though the State has spent higher proportion of money on Social sector as compared to other general states, low prioritisation on Economic sector might affect the economic growth, which in the long run may even jeopardize the availability of funds for social sector. Capital expenditure continued to be another area calling for attention of the Government, as the Capital Expenditure is reeling at only five *per cent* of total expenditure, which was far less than all the general category states' average. The scenario, if viewed with

increase in internal debt receipt this year, indicated that high cost borrowing is being utilised only to meet running expenditure and servicing debts, rather than creating assets.

***The State may consider enhancing the priority it assigns to economic sector and capital expenditure.***

Given the increasing trend of transfer of GoI funds directly to State implementing agencies outside the State's budget, another governance issue which merits concern is monitoring over funds transferred directly from Government of India to state implementing agencies. As these funds remain outside the State budget, there is no single agency monitoring fruitful utilisation. Resultantly, consolidated data is not available as to the quantum of total such funds actually available/spent in relation to centrally sponsored schemes.

***A system has to be in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Office of the Accountant General.***

Government is getting only a miniscule return from its capital outlay in Irrigation works. On the investment front, return on investment in Statutory Corporations, Rural banks etc. varied between zero and 0.07 per cent, while Government had to pay interest at the average rate of 8.32 to 9.48 per cent on its borrowings during 2005-10, leading to huge implicit subsidy.

***It would be desirable that the State Government ensure better value for money in investments and prioritise projects with high socio-economic return. Efforts are needed to implement the recommendations of the Thirteenth Finance Commission (2010-2015) on clearance of arrear accounts of all PSUs, closure of non-working PSUs as well as divestment and privatisation of non-viable PSUs.***

The significant increase in the three indicators of fiscal imbalance i.e. revenue deficit, fiscal deficit and primary deficit is a cause for concern. Revenue deficit, which was to be eliminated by 2008-09, stood at a whopping ₹ 21578 crore, while fiscal deficit, which was to be contained within four per cent of GSDP in 2009-10 (₹ 14705 crore as per this yardstick), stood at ₹ 24954 crore. Debt-GSDP ratio, which should have been 28 per cent, was 47 per cent during 2009-10.

***With phenomenal growth in committed expenditure and inability in adjusting expenditure downwards, State Government should endeavour to maintain debt-GSDP ratio in such a manner that incremental non-debt receipts become adequate to cover incremental interest burden. Otherwise, debt receipts would continue to be used mostly in debt redemption with reduced quantum of borrowed fund left for operational purposes including less expenditure being incurred on creation of capital assets.***

# **CHAPTER 2**

## **Financial Management and Budgetary Control**



## Chapter 2

### Financial Management and Budgetary Control

#### 2.1 Introduction

**2.1.1** Appropriation Accounts are accounts of expenditure, voted and charged, of the Government for each financial year as compared with amounts of voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act. Appropriation Accounts thus facilitate management of finances and monitoring of budgetary provisions and are therefore complementary to 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 various grants is within the authorisation given under the Appropriation Act and the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

#### 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2009-10 against 60 grants/appropriations is given in **Table 2.1**:

**Table 2.1: Summarised Position of Actual Expenditure vis-à-vis Original/Supplementary provisions**  
(Rupees in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
<b>Voted</b>	I Revenue	47003.99	3126.05	50130.04	45730.41	(-) 4399.63
	II Capital	4490.74	523.46	5014.20	3214.92	(-) 1799.28
	III Loans and Advances	911.60	31.82	943.42	752.44	(-) 190.98
	IV. Public Debt	-	-	-	-	-
<b>Total Voted</b>		<b>52406.33</b>	<b>3681.33</b>	<b>56087.66</b>	<b>49697.77</b>	<b>(-) 6389.89</b>
<b>Charged</b>	IV Revenue	14010.57	120.36	14130.93	14129.68	(-) 1.25
	V Capital	-	12.38	12.38	12.04	(-) 0.34
	VI Public Debt- Repayment	14562.39	122.33	14684.72	16996.62	(+) 2311.90
<b>Total Charged</b>		<b>28572.96</b>	<b>255.07</b>	<b>28828.03</b>	<b>31138.34</b>	<b>(+) 2310.31</b>
<b>Appropriation to Contingency Fund (if any)</b>		-	-	-	-	-
<b>Grand Total</b>		<b>80979.29</b>	<b>3936.40</b>	<b>84915.69</b>	<b>80836.11</b>	<b>(-) 4079.58</b>

Source: Appropriation Accounts

The overall saving of ₹ 4079.58 crore was the result of saving of ₹ 7572.48 crore in 38 grants and 25 appropriations under Revenue Section and 41 grants and 17 appropriations under Capital Section, offset by excess of ₹ 3492.90 crore in 16 grants under Revenue Section and eight grants under Capital Section.

The savings/excesses (Detailed Appropriation Accounts) were intimated (May 2010) to the Departmental Controlling Officers requesting them to explain the significant variations. Out of 1180 sub-heads, explanations for variations were not received in respect of 1051 sub-heads (Saving: 793 sub-heads and Excess: 358 sub-heads). Substantial savings occurred in Commerce and Industries, Education (Higher), Education (School), Finance, Housing, Municipal Affairs and Urban Development Departments. Substantial excess occurred in Finance, Home, Panchayat and Rural Development and Public Works Departments. Reasons for savings and excesses were not furnished by the Departments as of November 2010.

## 2.3 Financial Accountability and Budget Management

### 2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit reveals that in 74 cases, savings exceeded ₹ 10 crore in each case or by more than 20 per cent of total provision (*Appendix 2.1*). Against the total savings of ₹ 7572.48 crore, savings of ₹ 6673.88 crore (88 per cent) occurred in 21 cases<sup>1</sup> relating to 20 grants as indicated in **Table 2.2**.

**Table 2.2: List of Grants with savings of ₹ 50 crore and above** (Rupees in crore)

Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
<b>Revenue-Voted</b>						
1	9-Commerce and Industries	387.47	-	387.47	252.03	135.44
2	11-Cottage and Small Scale Industries	241.40	4.51	245.91	194.42	51.49
3	13-Education (Higher)	1721.76	-	1721.76	1492.01	229.75
4	15-Education (School)	9858.25	308.69	10166.94	9874.88	292.06
5	18-Finance	9524.05	305.99	9830.04	7331.45	2498.59
6	34-Judicial	271.76	0.33	272.09	218.59	53.50
7	36-Land and Land Reforms	729.29	59.92	789.21	713.78	75.43
8	38-Minority Affairs and Madrasah Education	480.11	54.89	535.00	443.61	91.39
9	39-Municipal Affairs	2680.99	-	2680.99	2144.12	536.87
10	44-Public Enterprises	152.13	-	152.13	1.63	150.50
11	47-Relief	612.63	575.30	1187.93	980.62	207.31
12	54-Urban Development	1716.02	-	1716.02	970.51	745.51
<b>Capital-Voted</b>						
1	5-Agriculture	81.10	-	81.10	5.44	75.66
2	24-Health and Family Welfare	278.88	-	278.88	212.61	66.27
3	25-Public Works	732.20	116.68	848.88	777.35	71.53
4	28-Housing	521.15	-	521.15	64.35	456.80
5	32-Irrigation and Waterways	577.67	141.42	719.09	370.19	348.90
6	39-Municipal Affairs	191.39	4.25	195.64	76.56	119.08
7	43-Power and Non-Conventional Energy Sources	847.36	-	847.36	648.94	198.42
8	45-Public Health Engineering	645.09	-	645.09	444.89	200.20
9	55-Water Resources Investigation and Development	192.09	-	192.09	122.91	69.18
	<b>Total</b>					<b>6673.88</b>

Source: Appropriation Accounts

<sup>1</sup> Exceeding ₹ 50 crore in each case

- **Under Grant No. 9 in Revenue-Voted Section**, saving was due to non-receipt of proposals from departmentally managed PSUs in due time.
- **Under Grant No. 15 in Revenue-Voted Section**, available reasons for savings included augmentation of funds by supplementary provision in March 2010 for meeting larger establishment charges for development of computer education in non-Government Secondary Schools (₹ 3.62 crore), creation of fund through supplementary provision in March 2010 for disbursing State share for centrally sponsored schemes, viz. Rashtriya Madhyamik Siksha Abhiyan (₹ 26.83 crore) and creation of fund through re-appropriation from within the grant required for construction of kitchen-cum-store under National Programme for Mid-Day Meal in schools (₹ 5.34 crore). Reasons for savings in other cases of the grant were not intimated.
- **Under Grant No. 47 in Revenue-Voted Section**, savings of ₹166.87 crore occurred mainly due to augmentation of fund by supplementary provision in March 2010 required for Intra-Account Transfer to Calamity Relief Fund.
- Savings of ₹ 355 crore under **Capital-Voted Section of Grant No. 28** was due to according of administrative approval at the fag end of the financial year 2009-10 pertaining to “Economically Weaker Section Housing Scheme”, guideline for which was finalised in December 2009.
- **Under Grant No. 32 in Capital-Voted Section** savings (₹ 171.44 crore) occurred due to augmentation of fund by supplementary provision in March 2010 for reconstruction of ‘Aila’ affected Sunderban embankments. Reasons for savings in other cases of the grant were not intimated.

Reasons for savings under other grants were not intimated.

### 2.3.2 Persistent Savings

In 25 cases, during the last five years there were persistent savings of more than ₹ 1 crore in each case and also by 10 *per cent* or more of the total grant (Table 2.3)

Table 2.3: List of Grants registering persistent savings during 2005-10  
(Rupees in crore)

No. and Name of the grant		Amount of savings				
		2005-06	2006-07	2007-08	2008-09	2009-10
<b>Revenue-Voted</b>						
1	1-State Legislature	5.34 (24)	5.69 (25)	4.95 (17)	7.41 (25)	6.15 (17)
2	7-Backward Classes Welfare	65.55 (19)	58.33 (16)	64.06 (15)	—*	—*
3	10-Consumer Affairs	3.05 (14)	4.85 (20)	6.47 (25)	5.26 (18)	5.78 (15)
4	22-Food Processing Industries and Horticulture	7.29 (40)	8.72 (48)	12.56 (33)	19.01 (32)	9.48 (14)
5	31-Information and Technology	5.05 (20)	14.49 (52)	17.77 (33)	13.96 (30)	—*
6	34-Judicial	25.09 (17)	20.80 (14)	30.48 (17)	34.10 (17)	53.50 (20)

	No. and Name of the grant	Amount of savings				
		2005-06	2006-07	2007-08	2008-09	2009-10
7	35-Labour	55.59 (28)	55.09 (27)	-*	50.29 (19)	-*
8	38-Minority Affairs and Madrasah Education	0.88 (21)	16.34 (79)	128.64 (54)	154.79 (38)	24.85 (54)
9	39-Municipal Affairs	65.99 (83)	42.43 (39)	269.88 (17)	-*	536.87 (20)
10	44-Public Enterprises	40.83 (42)	1.78 (11)	0.64 (35)	43.06 (43)	150.50 (99)
<b>Capital-Voted</b>						
1	5-Agriculture	8.26 (77)	6.14 (42)	14.74 (87)	4.93 (58)	75.67 (93)
2	9-Commerce and Industries	3.88 (10)	11.65 (21)	9.42 (18)	237.72 (83)	16.95 (47)
3	15-Education (School)	2.50 (50)	4.11 (68)	14.35 (72)	7.68 (56)	7.89 (55)
4	19-Fire Services	3.99 (50)	3.39 (38)	5.68 (38)	6.44 (26)	4.64 (19)
5	22-Food Processing Industries and Horticulture	2.67 (51)	4.51 (55)	17.20 (85)	3.38 (41)	18.66 (78)
6	23-Forest	8.85 (59)	12.86 (86)	12.37 (49)	-*	3.64 (13)
7	24-Health and Family Welfare	19.62 (28)	62.67 (54)	67.83 (52)	59.54 (30)	66.27 (24)
8	25-Public Works	266.83 (39)	310.31 (43)	240.03 (29)	-*	-*
9	32-Irrigation and Waterways	92.34 (37)	180.58 (52)	126.14 (35)	186.50 (43)	348.90 (48)
10	36-Land and Land Reforms	2.08 (20)	7.52 (30)	2.21 (19)	13.90 (43)	20.55 (63)
11	39-Municipal Affairs	65.99 (83)	42.43 (39)	35.41 (30)	41.66 (22)	119.08 (61)
12	51-Technical Education and Training	4.91 (81)	9.08 (70)	2.63 (43)	-*	42.78 (46)
13	55-Water Resources Investigation and Development	13.99 (26)	61.52 (66)	43.42 (39)	17.60 (11)	69.18 (36)
<b>Revenue Charged</b>						
1	28-Housing	2.16 (25)	2.69 (34)	1.97 (33)	1.33 (27)	1.28 (30)
2	36-Land and Land Reforms	3.10 (97)	2.44 (80)	1.99 (99)	1.74 (87)	1.49 (74)

Source: Appropriation Accounts

\*Savings were within 10 per cent of the respective grant

Further analysis revealed that the persistent savings were attributable to the following:

- **Savings under Revenue-Voted Section of Grant No. 34 – Judicial** were mainly due to non-filling of total sanctioned posts and economic measures imposed by the Finance Department. Other factors cited by the department included non-availability of lands for construction of buildings within the year, sanction of funds at the fag end of the year leading to non-drawal of

LOC and non-completion of tender formalities/process within the particular year.

- **Saving under Revenue-Voted Section of Grant No. 44 – Public Enterprises** was due to creation of fund by supplementary provision in March 2009 for implementation of the Externally Aided Project “West Bengal Public Sector Reform Programme-Phase II”. Reasons for savings under this grant in other years were not intimated.
- In respect of **Savings under Capital-Voted Section of Grant No. 24 – Health and Family Welfare**, savings were mainly due to non-submission of utilisation certificates for previously sanctioned funds in due time, non-finalisation of tender formalities within the financial year and too meagre allocation to take up a particular scheme having higher demand.

**Reasons for savings in other major cases under Revenue-Voted and Capital-Voted Section were not intimated.**

### 2.3.3 Excess Expenditure

In eight cases, expenditure aggregating ₹ 28906.79 crore exceeded the approved provisions by ₹ 10 crore or more in each case or by more than 20 per cent of the total provisions. Details are given in **Appendix 2.2**.

### 2.3.4 Expenditure without Provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 3442.12 crore was incurred in 27 cases as detailed in **Table 2.4** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

**Table 2.4: Expenditure incurred without provision during 2009-10**

(Rupees in crore)

Number and names of		Expenditure incurred without provisions
Grants	Appropriations	
<b>4-Agricultural Marketing-Revenue (Voted)-2435-Other Agricultural Programmes-01-Marketing and Quality Control-800-Other Expenditure-SP 012-Subsidy for Marketing of Potatoes Produced in West Bengal (AM)</b>		5.57
<b>6-Animal Resources Development-Revenue (Voted)-2403-Animal Husbandry-00-001-Direction and Administration-Centrally Sponsored (New Schemes)</b>		3.98
<b>6-Animal Resources Development-Revenue (Voted)-4403-Capital Outlay on Animal Husbandry-00-102-Cattle and Buffalo Development-SP 001-Strengthening of Artificial Insemination Services</b>		1.82
<b>13-Education (Higher)-Revenue (Voted)-2203-Technical Education-SP 011-Development of Non-Government Engineering Colleges and Institutions</b>		2.50

Number and names of		Expenditure incurred without provisions
Grants	Appropriations	
<b>15-Education(School)-Revenue (Voted)-2202-General Education-01-Elementary Education-112-National Programme of Mid-day Meals in Schools- Plan-Centrally Sponsored (New Schemes)</b>		18.18
	<b>18-Finance-Revenue(Charged)-2049-Interest Payments-01-Interest on Internal Debt-101-Interest on Market Loans (Charged)-Non-Plan</b>	
	099-7.55 per cent West Bengal Government Stock, 2019	75.50
	101-7.50 per cent West Bengal Government Stock, 2019	56.25
	102-7.10 per cent West Bengal Government Stock, 2014	88.75
	103-7.96 per cent West Bengal Government Stock, 2019	79.60
	105-8.02 per cent West Bengal Government Stock, 2019	80.20
	106-8.31 per cent West Bengal Government Stock, 2019	62.32
	107-7.70 per cent West Bengal Government Stock, 2019	15.82
	<b>18-Finance-Capital (Charged)-6003-Internal Debt of the State Government-</b>	
	101-Market Loans-Non-Plan-Bearing interest	
	M 004-12.15 per cent West Bengal Loan, 2008	435.16
	M 005-12.50 per cent West Bengal Loan, 2008	270.59
	M 011-11.50 per cent West Bengal Loan, 2008	148.14
	M 012-11.50 per cent West Bengal Loan, 2009	180.83
	M 041-12.25 per cent West Bengal Loan, 2009	494.00
	M 042-11.85 per cent West Bengal Loan, 2009	272.68
	111-Special Securities issued to National Small Savings Funds of the Central Government-Non-Plan-011-9.50 per cent Government of West Bengal (NSSF)(Non-Transferable) Special Securities, 2004 (FA)	118.22
	<b>18-Finance-Capital (Charged)-6004-Loans and Advances from the Central Government-101-Block Loans-Non-Plan-001-Loans for State Plan Schemes (FA)</b>	<b>796.54</b>
	101-Loans to cover gap in resources-Non-Plan-001-Special Medium-Term-Non-Plan Loans	75.89

Number and names of		Expenditure incurred without provisions
Grants	Appropriations	
<b>25-Public Works-Revenue(Voted)-3054-Roads and Bridges</b>		
80-General-797-Transfers to/from Reserve Fund-Deposit Account-SP 002- Transfer to West Bengal Transport Infrastructure Development Fund		53.02
<b>39-Municipal Affairs-Revenue (Voted)-2217-Urban Development</b>		
05-Other Development Schemes-051-Construction-SP 003-Construction/Re-development of Housing of the Urban poor (MA)		36.20
789-Special Component Plan for SC-SP 023-Construction/ Re-development of Housing of the Urban poor (MA)		15.36
<b>40-Panchayat and Rural Development-Revenue(Voted)</b>		
2515-Other Rural Development Programmes-800-Other Expenditure-SP 013-Assistance to Panchayati Raj Bodies for Running Sishu Siksha Kendra (CECs)		30.00
<b>45-Public Health Engineering-Capital (Voted)-</b>		
4215-Capital Outlay on Water Supply and Sanitation-101-Water Supply-SP 001-ACA for Darjeeling Water Supply Pumping Scheme		20.00
<b>53-Transport-Revenue (Voted)-</b>		
3055-Road Transport-800-Other Expenditure-SP 008-Subsidy to Owners of Buses/Mini Buses for Replacement of Pre-1993 Vehicles (TR)		5.00
<b>Total</b>		<b>3442.12</b>

Source: Appropriation Accounts

Expenditure of ₹ 8222.19 crore incurred without provisions for Special Ways and Means Advances and Overdraft under Grant no 18 (6003- internal debt of the State Government) has not been included in the list.

In none of the cases, reasons for incurring expenditure without any budget provision were intimated by the Departments (September 2010).

### 2.3.5 Operation of New Scheme Heads without obtaining requisite approval/concurrence

State Government is required to seek the advice of the Principal Accountant General (Accounts and Entitlement), West Bengal before opening any new sub-heads of account. On scrutiny Budget documents of Government of West Bengal for the year 2009-10, it was observed that necessary approval was not obtained in respect of opening of new sub-head codes under 19 grants through which about ₹ 528.93 crore were spent as detailed in *Appendix 2.3*.

### 2.3.6 Drawal of funds to avoid lapse of budget grant

Rules 4.004 and 4.005 of West Bengal Treasury Rules *inter alia* stipulate that (i) no money should be drawn from the Consolidated Fund unless it is required for immediate disbursement and (ii) the money should be spent for the purpose for which it was provided for in the Appropriation Act by the Legislature.

Test-check of records of three DDOs revealed that an amount of ₹ 106.29 crore, allotted for implementation of various development schemes

was transferred from different Service Heads to Deposit Accounts by drawing transfer credit bills ('NIL' bills) from the Treasury during 2009-10, as detailed below:

**Table 2.5: Amount transferred to Deposit Account**

(Rupees in crore)

Name of the DDO	Amount transferred	Service Head	Deposit Head	Name of the authority operating the Deposit Account
DM, Hooghly	10.25	2575	8443	DM
DM, Howrah	30.67	5475, 2575, 4059, 2235, 2245, 4216, 3425, 4217, 2204, 2203, 4202	8443	DM
DM, South 24 Parganas	65.37	2245, 3425, 2403, 2250, 2575,	8443	DM
	<b>106.29</b>			

Source: Records of test-checked DDOs

Thus, ₹ 106.29 crore, though booked as expenditure under the Consolidated Fund of the State, was not actually spent but credited to Deposit Account, thereby inflating the expenditure shown in the Government Account for 2009-10.

### 2.3.7 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 the excess over a grant/appropriation regularised by the State Legislature. Time limit for regularisation of expenditure has, however, not been prescribed under the Article. Regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, excess expenditure amounting to ₹ 28906.54 crore for the years 2003-2009 was yet to be regularised as detailed in **Table 2.6**.

**Table 2.6: Excess over provisions relating to previous years requiring regularisation**

Year	Number of		Amount of excess over provision (Rupees in crore)
	Grants	Appropriations	
2003-04	11 (Grant Nos. 7, 9, 16, 29, 31, 37, 47, 51, 54, 55, 56)	9 (Grant Nos. 5, 9, 18, 27, 28, 36, 43, 45, 47)	10734.02
2004-05	8 (Grant Nos. 8, 18, 20, 25, 29, 48, 53, 56)	7 (Grant Nos. 1, 6, 18, 20, 21, 24, 36)	4767.14
2005-06	13 (Grant Nos. 6, 7, 9, 11, 20, 30, 38, 44, 45, 50, 52, 53, 54)	4 (Grant Nos. 6, 12, 18, 43)	260.64
2006-07	12 (Grant Nos. 8, 9, 11, 13, 20, 26, 28, 30, 31, 43, 45, 54)	8 (Grant Nos. 5, 6, 20, 23, 27, 42, 47, 53)	293.31
2007-08	14 (Grant Nos. 3, 4, 5, 9, 18, 20, 21, 26, 32, 43, 44, 46, 50, 56)	8 (Grant Nos. 6, 9, 18, 23, 34, 42, 53, 55)	12145.54
2008-09	13 (Grant Nos. 4, 9, 18, 20, 21, 25, 27, 35, 50, 52, 53, 54, 59)	4 (Grant Nos. 12, 18, 39, 53)	705.89
<b>Total</b>	<b>71</b>	<b>40</b>	<b>28906.54</b>

Source: Appropriation Accounts

Non-regularisation of excess expenditure indicates breach of legislative control over appropriations.

**2.3.8 Excess over provisions during 2009-10 requiring regularisation**

**Table 2.7** contains the summary of total excess expenditure under 16 grants and six appropriations amounting to ₹ 3492.90 crore from the Consolidated Fund of the State over the amounts authorised by the State Legislature during 2009-10 which requires regularisation under Article 205 of the Constitution.

**Table 2.7: Excess over provisions requiring regularisation during 2009-10**

Sl. No	Number and title of grant/appropriation		Total grant/ appropriation	Expenditure	Excess
			( R u p e e s   i n   c r o r e )		
	Voted Grants				
1	4-Revenue	Agricultural Marketing	17.92	31.57	13.65
	4-Capital		19.12	22.07	2.95
2	5-Revenue	Agriculture	697.83	701.18	3.35
3	19-Revenue	Fire and Emergency Services	143.22	150.05	6.83
4	20-Revenue	Fisheries	132.19	143.57	11.38
5	21-Revenue	Food and Supplies	2207.96	2246.16	38.20
6	23-Revenue	Forest	280.66	289.54	8.88
7	24-Revenue	Health and Family Welfare	2780.04	2887.21	107.17
8	25-Revenue	Public Works	1324.55	1477.64	153.09
9	27-Revenue	Home	2597.31	2918.10	320.79
	27-Capital		106.36	107.71	1.35
10	28-Revenue	Housing	76.04	77.63	1.59
11	33-Revenue	Jails	132.11	138.75	6.64
12	35-Capital	Labour	0.52	2.10	1.58
13	40-Revenue	Panchayat and Rural Development	2998.17	3233.02	234.85
14	43-Revenue	Power and Non-Conventional Energy Sources	76.58	214.00	137.42
15	53-Capital	Transport	262.38	268.33	5.95
16	56-Revenue	Women and Child Development and Social Welfare	1404.42	1468.84	64.42
Total		Voted			1120.09
	Charged Appropriations				
1	5-Revenue	Agriculture	3.80	4.13	0.33
	5-Capital		1.97	2.21	0.24
2	18-Revenue	Finance	13917.52	13966.49	48.97
	18-Capital		14566.22	16888.31	2322.09
3	20-Revenue	Fisheries	6.49	6.99	0.50
4	29-Capital	Industrial Reconstruction	-	0.60	0.60
5	32-Capital	Irrigation and Waterways	68.31	69.37	0.0106
6	43-Revenue	Power and Non-Conventional Energy Sources	20.78	20.85	0.07
Total		Charged			2372.81
Grand total					3492.90

Source: Appropriation Accounts

Thus, excess expenditures for the years 2003-04 to 2009-10 worth ₹ 32399.44 crore<sup>2</sup> needs regularisation as of March 2010. In case of most of the grants, obtaining inadequate supplementary provision led to excess expenditure, which indicates lack of control over financial management by the controlling officers.

**2.3.9 Unnecessary/Excessive/Inadequate supplementary provision**

Supplementary provision aggregating ₹ 316.29 crore obtained in 18 cases (₹ 10 lakh or more in each case) during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in **Appendix 2.4**. On the other hand, in 14 cases, supplementary provision of

<sup>2</sup> ₹ 28906.54 crore pertaining to 2003-09 plus ₹ 3492.90 crore pertaining to 2009-10

₹ 1855.25 crore proved insufficient by more than ₹ 1 crore in each case leaving an aggregate uncovered excess expenditure of ₹ 3171.95 crore (*Appendix 2.5*).

Under **Capital-Voted Section of Grant No. 32- Irrigation and Waterways**, savings out of original provision stood at ₹ 207.48 crore, supplementary provision of ₹ 141.42 crore further inflated the savings.

Also under **Revenue-voted Section of Grant No. 36-Land and Land Reforms** saving out of original provision was ₹ 15.51 crore, further supplementary provision of ₹ 59.92 crore proved to be unnecessary.

Similarly, under **Revenue-Voted Section of Grant No. 38 – Minority Affairs and Madrasah Education**, given the saving of ₹ 36.50 crore out of original provision, supplementary provision of ₹ 54.89 crore was unrealistic.

All these indicated **lack of control on the part of the controlling authorities towards budget formulation.**

#### ***2.3.10 Excessive/unnecessary re-appropriation of funds***

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Cases were noticed where injudicious re-appropriation proved excessive or insufficient leading to savings of ₹ 426.68 crore (in 38 sub-heads under 17 grants) and excess expenditure of ₹ 333.22 crore (in 35 sub-heads under 17 grants), as detailed in *Appendix 2.6*.

Under **2202-General Education-112-National Programme of Mid-Day Meals in schools-Plan-SP 001-Mid-Day Meal for children of Grant No. 15 Education (School)**, even after ₹ 66.82 crore were withdrawn from original provision of ₹ 265.20 crore, savings to the tune of ₹ 51.76 crore occurred.

On the other hand, under **2055-Police-00-108-State Headquarters Police-Non-Plan-001-Calcutta Police of Grant No. 27 Home**, ₹ 2.38 crore were withdrawn by re-appropriation from original provision of ₹ 569.68 crore; but finally there was an excess expenditure of ₹ 103.26 crore.

All these reflect injudicious re-appropriation.

#### ***2.3.11 Unexplained re-appropriations***

According to Paragraph 14 of West Bengal Budget Manual, reasons for additional expenditure and savings should be explained in the re-appropriation statement. However, out of 171 re-appropriation orders issued during 2009-10 for ₹ 902.79 crore, reasons were furnished only in respect of ₹ 119.37 crore in ten instances (seven grants).

#### ***2.3.12 Surrender in excess of actual saving***

Under Grant number **11-Cottage and Small Scale Industries (Revenue-Voted)**, out of total grant/appropriation of ₹ 245.91 crore, there were savings of ₹ 51.49 crore. The Department, however, surrendered ₹ 55.67 crore indicating excess surrender of ₹ 4.18 crore. Absence of proper prudence and budgetary control led to such excess surrender.

**2.3.13 Anticipated savings not surrendered**

As per Budget Manual, spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when savings are anticipated. At the close of the year 2009-10, under 36 grants and 10 Appropriations, no part of the aggregate savings of ₹ 2136.71 crore was surrendered by the concerned Departments, as detailed in *Appendix 2.7*. Such un-surrendered savings accounted for 28 *per cent* of the total savings during 2009-10.

Similarly, out of total savings of ₹ 4579.53 crore under 10 other grants and one appropriation (each with a saving of ₹ 1 crore and above), amount aggregating ₹ 3502.89 crore (76 *per cent* of savings under those grants) were not surrendered, details of which are given in *Appendix 2.8*.

Besides, in eight cases, (surrender of funds in excess of ₹ 10 crore), ₹ 1754.64 crore were (*Appendix 2.9*) surrendered on the last working day of March 2010 indicating inadequate financial control and the fact that these funds could not be gainfully utilised for other development purposes.

**2.3.14 Rush of expenditure**

According to Rule 389 A of West Bengal Financial Rule, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 18 major-heads, expenditure exceeding ₹ 10 crore or more than 50 *per cent* of the total expenditure for the year was incurred in March 2010. **Table 2.8** presents the major heads where more than 50 *per cent* expenditure was incurred during the last month of the financial year.

**Table 2.8: Cases of rush of expenditure towards the end of the financial year 2009-10**  
(Rupees in crore)

	Major Head	Expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2009	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1	2425-Co-operation	162.53	102.73	63.	83.27	51
2	2435-Other Agricultural Programmes	41.08	27.19	66	25.46	62
3	2801-Power	196.76	180.00	91	180.00	91
4	2852-Industries	230.57	121.16	32	118.50	51
5	3425-Other Scientific Research	13.23	12.14	92	11.50	87
6	4055-Civil Outlay on Police	12.79	9.68	76	8.60	67
7	4059-Capital Outlay on Public Works	114.66	79.77	70	66.26	58
8	4070-Capital Outlay on Other Administrative Services	29.86	21.77	73	15.85	53
9	4202-Capital Outlay on Education, Sports, Art and Culture	71.63	49.29	69	41.61	58
10	4216-Capital Outlay on Housing	73.00	67.56	93	63.84	87
11	4217-Capital Outlay on Urban Development	17.21	14.12	82	10.56	61
12	4235-Capital Outlay on Social Security and Welfare	75.81	24.84	96	18.05	70
13	4250-Capital Outlay on Other Social Services	18.23	15.11	83	14.44	79
14	4435-Capital Outlay on Other Agricultural Programmes	27.09	20.80	77	15.43	57
15	4575-Capital Outlay on Other Special Areas Programmes	230.69	159.18	69	121.44	53
16	4711-Capital Outlay on Flood Control Projects	306.75	229.23	75	208.40	68

	Major Head	Expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2009	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
17	4801-Capital Outlay on Power Projects	189.50	144.50	76	99.50	53
18	5075-Capital Outlay on Other Transport Services	52.50	36.00	69	36.00	69

*Source. Expenditure booked by Pr. AG (A&E)*

The position emerging from Table 2.8 above reveals that although financial rules require that Government expenditure should be evenly distributed throughout the year, rush of expenditure particularly in the closing months of the financial year occurred. Under those major heads, as shown in the Table 2.8, 51 to 91 *per cent* of expenditure was incurred in March 2010. Thus, uniform flow of expenditure during the year, a primary requirement of budgetary control, was not maintained indicating deficient financial management.

## **2.4 Errors in Budgeting Process and Financial Management**

One basic tenet of efficient financial management is realistic preparation of budget. Under article 202 (1) of the Constitution of India, the overall responsibility of preparation of budget lies with Finance Department. The materials based on which budget estimates are to be prepared should be obtained from the local budgeting officers. The responsibility for preparation of annual budget estimate for a department by collecting necessary inputs from the lower level functionaries (DDOs) lies with the Departmental Controlling Officer of that department. The detailed procedure for the same and time schedule for submission of the same to the Finance department have been stipulated in the West Bengal Financial Rules as well as the West Bengal Budget Manual.

The system of preparation of budget as followed by two Departments namely, Panchayat and Rural Development (P&RD) and Municipal Affairs (MA) departments during 2004-09, were test-checked during May to July 2010. Similarly, a review of various financial management issues was conducted in respect of Grants No. 39-Municipal Affairs and 40-Panchayat and Rural Development for the period 2004-05 to 2009-10. Various deficiencies in budget preparation process, control over expenditure as well as lack of prudence in financial management were observed, as discussed in the succeeding paragraphs:

### **2.4.1 Budget preparation process**

#### **2.4.1.1 Punctuality in submission of estimates**

P&RD and MA were required to submit their budget estimates for the next year within 15 October every year. During 2006-09, the MA department submitted their estimates to Finance department up to December of previous year. Neither the P&RD itself nor Finance department could intimate the position in respect of P&RD department.

### **2.4.1.2 Compilation of actual expenditure**

As per Rule 384 and 385 of WBFR, the Departmental Controlling Officer or a Disbursing Officer, under whose disposal the grant is placed, is required to keep a constant watch over the progress of expenditure by obtaining monthly statement of expenditure (SOE) from the concerned authority. Further, DCOs are also required to maintain Departmental Consolidated Accounts (DCA) and arrange their verification month by month with those maintained by the Principal Accountant General (Accounts and Entitlement), West Bengal.

Neither of the test-checked departments either maintained any DCA or pursued the issue of obtaining SOEs with respective DDOs. In absence of any system of monitoring over actual progress of expenditure, departments had prepared their budget estimates on the basis of gross approximation by adding a percentage on the expenditure figures of previous financial years.

### **2.4.1.3 Non- consideration of actual men in position**

P&RD and MA departments did not maintain records of sanctioned strength *vis-a-vis* actual men-in-position under the Directorate. As a result, budget provision on pay and allowances of staff was also not realistic.

Thus, owing to non-adherence to the budget preparation process, there was little linkage between actual requirements and budget estimates.

### **2.4.1.4 New Service/New Instruments of Service**

In three cases involving three grants (Grant: 27 under Home Department; Grant: 39 under Municipal Affairs Department and Grant: 53 under Transport Department, expenditure aggregating Rs 65.84 crore, which should have been treated as 'New Service/New Instruments of Service', was incurred without the approval of the Legislature.

## **2.4.2 Review on financial management under two grants**

### **2.4.2.1 Persistent savings and excess**

There were persistent savings ranging from ₹ 47.54 crore to ₹ 444.26 crore under Grant No.40-P&RD during 2004-05 to 2008-09 with simultaneous occurrence of excess expenditure under different major heads of account ranging from ₹ 10.95 crore to ₹ 317.66 crore. In 82 cases the savings exceeded ₹ 1 crore. There were 13 sub-heads of accounts, in which persisting savings in at least four years were noticed during 2004-05 to 2008-09.

Grant No. 39-MA also revealed persistent savings ranging from ₹ 308.23 crore to ₹ 456.64 crore with simultaneous occurrence of excess expenditure ranging from ₹ 77.60 crore to ₹ 272.59 crore under different major heads. During 2004-05 and 2008-09 there were 16 sub-heads of accounts, in which persisting savings in at least four years were noticed.

The following table shows the cases of persistent variations under some major heads under these two grants:

Table 2.9: Cases of persistent savings/excesses

(Rupees in lakh)

Major Head	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Grant number: 39 – Municipal Affairs</b>						
2049-Interest Payments	(-) 187.15 (59)	(-) 199.99 (65)	(-) 82.18 (25)	-	-	-
2217-Urban Development	(-) 16875.63 (18)	(-) 16596.63 (17)	(-) 18484.15 (15)	-	-	(-) 50556.90 (21)
3604-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	-	(+) 7003.86 (41)	(+) 856.21 (124)	-	-	(-) 2734.18 (12)
4217-Capital Outlay on Urban Development	(-) 178.07 (51)	(-) 156.20 (31)	-	-	(-) 2985.67 (44)	(-) 9116.22 (87)
6217-Loans for Urban Development	(-) 12409.66 (93)	(-) 6442.40 (7)	-	(-) 3636.40 (35)	-	(-) 2788.78 (31)
<b>Grant number: 40 Panchayat and Rural Development</b>						
2049-Interest Payments	(-) 169.99 (100)	(-) 105.63 (58)	(-) 119.46 (53)	-	-	(-) 118.54 (61)
2217-Urban Development	(-) 3.61 (18)	(-) 10.96 (14)	-	(-) 18.61 (34)	-	-
2501-Special Programmes for Rural Development	-	(-) 579.67 (17)	-	(-) 8694.78 (22)	-	(-) 3879.94 (11)
<b>Grant number: 40 Panchayat and Rural Development</b>						
2575-Other Special Areas Programmes	-	(-) 470.12 (25)	-	(+) 232.50 (11)	(+) 1782.57 (247)	-
3604-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	(-) 161.10 (14)	-	-	(+) 847.68 (32)	(+) 1044.09 (67)	(-) 606.92 (19)

Source: Appropriation Accounts

(percentage of variations with respect to net budget allotments have been shown in brackets)

Cases where variations were within 10 per cent of budget provision are not indicated

Further, under the following heads of accounts also, variations (both excess and savings) were noticed in actual expenditure figures with respect to net budget allotments:

Table 2.10: Instances of variations with respect to net budget allotments (Rupees in lakh)

Major Head	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
<b>Grant number: 39 – Municipal Affairs</b>						
2211-Family Welfare	-	-	-	-	(+) 1270.94 (94)	(-) 463.75 (11)
3604-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	-	(+) 7003.86 (41)	(+) 856.21 (124)	-	-	(-) 2734.18 (12)
<b>Grant number: 40 Panchayat and Rural Development</b>						
2505-Rural Employment	-	-	-	-	(-) 5731.10 (18)	(+) 11988.63 (25)
2575-Other Special Areas Programmes	-	(-) 470.12 (25)	-	(+) 232.50 (11)	(+) 1782.57 (247)	-

Source: Appropriation Accounts

These were indicative of unrealistic assessment of budget estimates and laxity in budgetary control by the departments of Municipal Affairs (for Grant No. 39) and Panchayat and Rural Development (for Grant No. 40). These variations, if viewed in light of deficiencies in the budget preparation procedure as discussed in para 2.6 above, deemed attention of the Departmental Controlling Officer as well as Finance department.

#### 2.4.2.2 Delay in release of Funds

Rule 373 of the West Bengal Financial Rules (WBFR) stipulates that the Departments should make arrangement for distributing and communicating sanctioned funds among Drawing and Disbursing Officers (DDOs) at the

beginning of the financial year enabling them to plan their work programme subsequently as per availability of fund for the current year.

Scrutiny of the records in P&RD and MA Departments showed that the release of funds under 118 sub heads in the last quarter of the year varied between 50 *per cent* and 100 *per cent* of the total grant in both the departments during 2004-05 and 2008-09, which resulted in huge savings as well as hampering the various developmental works. In 2008-09, Panchayat and Rural Development Department released 97 *per cent*<sup>3</sup> of the total amount in the month of March.

#### **2.4.2.3 Non surrender of savings**

Under Rule 384 of the WBFR, the DCO or Disbursing Officer should keep a constant watch over the progress of expenditure and keep himself informed of such circumstances as may affect the progress of expenditure, in order to take early steps for obtaining supplementary grants or surrendering any probable savings as may be necessary.

During the period 2004-05 to 2008-09, the P&RD and MA departments did not surrender savings of ₹ 789.50 crore and ₹ 1908.69 crore respectively. P&RD department surrendered an amount of ₹ 45 crore in 2004-05, ₹ 192.03 crore in 2005-06 and ₹ 252.89 crore in 2006-07 on the 31<sup>st</sup> of March of respective financial years leaving no scope for its utilisation/re-appropriation in other schemes/development works. This indicated that pre-budget scrutiny of schemes had not been efficient.

#### **2.4.2.4 Unnecessary supplementary grants / Injudicious / Unnecessary Surrender**

In 2008-09 the original grant for “loans for KMC for Kolkata Environment Improvement Project” under Municipal Affairs Department was ₹ 65.35 crore which was augmented by supplementary grant of ₹ 20.65 crore. However, at the time of requisitioning supplementary funds, total anticipated expenditure was to the extent of ₹ 56.28 crore only and subsequently savings occurred to the extent of ₹ 29.72 crore. Hence, supplementary grant of ₹ 20.65 crore was unnecessary. Similarly in 2007-08, unnecessary supplementary grants of ₹ 121.48 crore made in six sub heads by P&RD department resulted in huge savings, which could have been re-appropriated to other sub heads for better utilisation.

P&RD department surrendered a sum of ₹ 90.64 crore under 22 sub-heads of accounts against Original Budget Provisions of ₹ 155.25 crore during 2004-05 and 2008-09. However, the expenditure of the Department for the same period under those sub-heads was ₹ 110.64 crore, which shows such surrender of fund to the extent of ₹ 46.03 crore was injudicious and assessment of budget requirements by the department was unrealistic.

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<sup>3</sup> ₹ 10304.80 lakh out of ₹ 10634.14 lakh under 11 sub heads.

## **2.5 Other topics of concern**

### **2.5.1 Irregularities in the functioning of treasuries**

#### **Non-maintenance of records relating to sanction orders**

During inspection of treasuries for the year 2009-10, it was noticed that in 14 treasuries the system of noting the sanction orders relating to drawal on AC Bills/Grants-in-aid/withdrawal from GPF/Committed Value of Pension/Gratuity and other bills were not maintained and as such the authenticity of the claims could not be checked leaving scope for fraudulent drawal/double drawal of Government money from the treasuries.

#### **Irregularities in payment of pension**

Scrutiny of the records of treasuries disclosed that ₹ 1.04 crore in respect of pension, family pension and relief thereon was paid in excess to pensioners due to non-reduction of basic pension, doubtful and unauthorised pension, payment of relief even after re-employment/re-marriage, payments of pension even after death of pensioners and non-reduction of enhanced rate of family pension even after the stipulated period. Details are as under:

- (i) In 27 treasuries an amount of ₹ 45.97 lakh was paid in excess to 115 pensioners on account of relief paid to re-employed pensioners, non-reduction of enhanced rate of family pension even after the stipulated period, wrong calculation of pension paid on remarriage, etc.
- (ii) The Treasury Officers of 43 treasuries failed to recover ₹ 57.62 lakh deposited to 559 deceased pensioners' bank accounts even after the death of the pensioners.
- (iii) Due to non-reduction of commuted value of pension from the basic pension in time ₹ 46784 was overpaid in four treasuries in 13 cases, requiring recovery from the pensioners.

## **2.6 Recommendations**

- *The Controlling Officers should keep constant watch over progress of expenditure as required under Rules 384 and 385 of West Bengal Financial Rules, so that possibility of savings/excess is anticipated well in advance.*
- *Non-surrendering of anticipated savings by various Departments needs to be seriously viewed for fruitful utilisation of surplus fund.*
- *Reconciliation of figures recorded by all controlling officers with those booked by Accountant General should be conducted regularly.*

# **CHAPTER 3**

## **Financial Reporting**



## Chapter 3

### Financial Reporting

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

#### 3.1 Delay in furnishing Utilisation Certificates

Subsidiary rule 330A under the West Bengal Treasury Rules stipulates that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees within one year from the date of release of grant, unless specified otherwise, and after verification, these should be forwarded to the Accountant General. However, of the 74512 grants and loans aggregating ₹ 18636.26 crore paid up to December 2009, 69470 UCs for an aggregate amount of ₹ 16421.46 crore were in arrears for more than two years. The department-wise break-up of outstanding UCs is given in *Appendix 3.1*. The age-wise analysis of delays in submission of UCs is summarised in **Table 3.1**.

**Table 3.1: Age-wise arrears of Utilisation Certificates**

(Rupees in crore)

	Range of Delay in Number of Years	Total grants paid		Utilisation Certificates Outstanding	
		Number	Amount	Number	Amount
1	1 - 3	14835	5542.77	14774	5530.90
2	3 - 5	25360	5886.68	25337	5799.04
3	5 - 7	34317	7206.80	34288	7190.54

Source: VLC : Pr. Accountant General (A&E)

Of 34288 number of cases involving ₹ 7190.54 crore remaining outstanding for more than five years, 19398 number of cases involving ₹ 4956.27 crore pertained to Education Department alone. Besides, 11574 number of cases involving ₹ 1146.86 crore related to Panchayat and Rural Development Department.

#### 3.2 Non-submission/delay in submission of accounts

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Heads of the Department are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose of assistance granted and the total expenditure of the institutions. Examiner of Local accounts, West Bengal, under the Accountant General (Receipts, Works and Local Bodies Audit),

West Bengal is the statutory Auditor of Autonomous Local Bodies. 38 annual accounts of 15 bodies/authorities were received and were audited<sup>1</sup> during 2009-10. The accounts so audited pertained to the period from 2002-03 to 2008-09.

Four hundred forty eight (448) annual accounts of 142 autonomous bodies/authorities due up to 2008-09 had not been received as of June 2010 by the Examiner of Local accounts, West Bengal, under the Accountant General (Receipts, Works and Local Bodies Audit), West Bengal. The details of these accounts are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.2**

**Table 3.2: Age-wise arrears of Annual Accounts due from Government Bodies**

Delay in Number of Years	No. of the Bodies/ Authorities*
0 - 1	3
1 - 3	132
3 - 5	2
5 - 7	2
7 - 9	1
9 & above	2

Source: Office of the AG (RW&LBA)

\*As grants released to Urban Local Bodies/Urban Development Authorities are not classified separately and since all the units are not audited in a particular year, complete picture of grants released is not readily available.

Grants aggregating ₹ 50.70 crore, meant for development and miscellaneous purposes were lying unspent with the 10 bodies (one District Primary School Council, four Municipalities, three Local Library Authorities and two other Local Bodies) whose accounts for varying periods between 2003-04 and 2008-09 were audited during 2009-10. The details are given in **Appendix 3.3**. The concerned bodies did not furnish reasons for non-utilisation and non-refund of the Government grants. There was nothing on record to show whether any action have been taken to adjust/refund the unutilised grants.

Further as of March 2010, grants aggregating to ₹ 787.21 crore had been lying unspent in respect of 18 Zila Parishads (ZPs). Out of these, Murshidabad ZP accounted for ₹ 95.99 crore, while North and South 24 Parganas accounted for ₹ 86.19 crore and ₹ 71.53 crore respectively. Reasons for non-utilisation of these grants were not furnished by most of the ZPs. The details are given in **Appendix 3.4**.

### 3.3 Delays in Submission of Accounts/Audit Reports of Autonomous Bodies

Several autonomous bodies have been set up by the State Government in various fields namely, area development, animal resources, human rights, legal services, housing etc. A large number of these bodies are audited by the CAG with regard to the verification of their transactions, operational activities and accounts, conducting regulatory compliance audit of all transactions scrutinised in audit, review of internal management and financial control,

<sup>1</sup> including transaction audit of 154 accounts

review of systems and procedures etc. The audit of accounts of 45 Bodies in the State has been entrusted to the Comptroller and Auditor General of India. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Report and its placement in the Legislature in respect of those bodies. SARs on whom are to be placed before the Legislature are indicated in **Appendix 3.5**. The frequency distribution of autonomous bodies according to the delays in submission of accounts to Audit and placement of Separate Audit Reports in the legislature after the entrustment of Audit to CAG is summarised in **Table 3.3**.

**Table 3.3: Delays in Submission of Accounts and tabling of Separate Audit Reports**

Delays in submission of Accounts (In Months)	Number of Autonomous Bodies	Delays in submission of SARs in Legislature (in Years)	Number of Autonomous Bodies
0 - 1	5	0 - 1	8
1 - 6	3	1 - 2	1
6 - 12	8	2 - 3	1
12 - 18	3	3 - 4	-
18 - 24	-	4 - 5	1
24 & above	26	5 & above	1
<b>Total</b>	<b>45</b>		<b>12</b>

Source: Concerned Department

### 3.4 Departmental Commercial Undertakings

The departmental undertakings of certain Government departments performing activities of quasi-commercial nature are required to prepare *pro forma* accounts in the prescribed format annually showing the working results of financial operations so that the Government can assess their working. The finalised accounts of departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business. In the absence of timely finalisation of accounts, the investment of the Government remains outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any required, for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delay in all likelihood may also open the system to risk of fraud and leakage of public money.

The Heads of Department in the Government are to ensure that the undertakings prepare such accounts and submit the same to Accountant General for audit within a specified time frame.

As of June 2010, there were 20 such undertakings out of which five<sup>2</sup> had not prepared their accounts since inception. Five undertakings had their up to date accounts whereas the remaining 10 units were in arrears ranging from one to 25 years. The Comptroller and Auditor General had repeatedly commented in the Audit Reports of the State on the failure of the Heads of Departments and the management of undertakings in timely preparation of *pro forma* accounts. Principal Accountant General (Audit) had also been periodically reminding

<sup>2</sup> 1. Silk Reeling Scheme; 2. Government Sales Emporia in Calcutta & Howrah; 3. Central Lock Factory; 4. Training cum Production Centre, Mechanical Toys, Hooghly and 5. Industrial Estate, Maniktala

Principal Secretary (Finance) and the Secretaries of the concerned departments in this matter.

During the period July 2009 to June 2010, six undertakings finalised eight *pro forma* accounts (for the years 2008-09 and earlier), as against 31 *pro forma* accounts finalised during July 2008 to June 2009. Consequently, there was hardly any accountability of the Management and Government in respect of public funds spent by these undertakings.

The department-wise position of arrears in preparation of *pro forma* accounts and investment made by the Government therein are given in **Appendix 3.6**. It appears that fourteen undertakings were incurring losses continuously for more than five years. Accumulated loss as per latest accounts received up to June 2010 amounted to ₹ 1895.97 crore.

### 3.5 Misappropriations, losses, defalcations, etc.

As per Rule 39 of the West Bengal financial rules, any loss of public money, departmental revenue of receipts, stores or other property, caused by defalcation or otherwise, should be immediately reported to the Accountant General. On the other hand, if the irregularity is detected by Audit in the first instance, the Accountant General will report it immediately to the administrative authority concerned.

No such intimation was, however, furnished by the State Government since 2001. As of March 2010, there were 1064 cases<sup>3</sup> of misappropriation, defalcation, etc. involving Government money amounting to ₹ 89.76 crore on which final action was pending. The department-wise break up of pending cases and age wise analysis is given in **Appendix 3.7** and nature of these cases is given in **Appendix 3.8**. The age-profile of the pending cases and the number of cases pending in each category – theft and misappropriation/loss as emerged from these appendices are summarized in **Table 3.4**.

**Table 3.4: Profile of Misappropriations, losses, defalcations, etc.**

Age-Profile of the Pending Cases			Nature of the Pending Cases		
Range in Years	Number of Cases	Amount Involved (Rs in lakh)	Nature/Characteristics of the Cases	Number of Cases	Amount Involved (Rs in lakh)
0 - 5	177	5922.38	Theft	329	1538.73
5 - 10	156	2012.43	Misappropriation/Loss of material	766	7448.02
10 - 15	142	591.37			
15 - 20	74	223.88			
20 - 25	73	157.84	Total	1095	8986.75
25 & above	442	67.62	Cases of Losses Written off during the Year	31	11.23
<b>Total</b>	<b>1064</b>	<b>8975.52</b>	<b>Total Pending cases</b>	<b>1064</b>	<b>8975.52</b>

Source: Detected by Audit and as reported by DDOs

<sup>3</sup> Excluding cases included in the Civil audit Reports as separate audit paragraphs, progress of which are monitored separately

### **3.6 Non-reconciliation of Departmental figures**

#### **3.6.1 *Un-reconciled Expenditure***

To enable controlling officers of Departments to exercise effective control over expenditure to keep it within budget grants and to ensure accuracy of their accounts, Financial Rules (Rule 385 of West Bengal Financial Rules) stipulate that expenditure recorded in their books be reconciled every month during the financial year with that recorded in the books of the Accountant General. Even though non-reconciliation of Departmental figures was pointed out regularly in Audit Reports, out of 185 Controlling Officers (COs) only 38 officers (21 *per cent*) reconciled either fully (15 COs) or partly (23 COs) as of March 2010. Out of ₹ 98433 crore (Receipt: ₹ 36922 crore and Expenditure: ₹ 61511 crore) only ₹ 12280 crore were reconciled leaving an amount of ₹ 86153 crore as unreconciled, ₹ 29322 crore being the amount partially reconciled by 23 COs.

#### **3.6.2 *Pendency in submission of Detailed Contingent Bills against Abstract Contingent Bills***

Administrative Departments issue sanction orders with the concurrence of Finance Department, authorising different Drawing and Disbursing Officers (DDOs) to draw advances on Abstract Contingent (AC) bills. These AC bills are required to be adjusted by submission of Detailed Contingent (DC) bills with the countersignature of the Controlling Officer within 60 days from the respective dates of drawal from the Treasury or within one month from the date of actual utilisation of amounts drawn, so that those expenditures are subjected to check by Pr AG (A&E). Moreover, as per Sub-Rules (5) and (6) of Rule 4.138 of West Bengal Treasury Rules, 2005, every drawing officer has to certify in each abstract contingent bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective controlling officers for countersignature and onward transmission to the Accountant General. However, as of March 2010, 8562 AC bills for ₹ 475.35 crore remained unadjusted, of which 2568 bills for ₹ 184.46 crore pertained to 2009-10, while 5994 bills for ₹ 290.89 crore were outstanding for more than one year. This indicated that those amounts, though booked as expenditure in the accounts, remained outside the surveillance of Pr AG (A&E).

**Table 3.5** shows the position of drawal of AC bills and submission of DC bills by the DDOs in the State during last five years.

**Table 3.5: Position of drawal of AC bills and adjustment thereof in the State (Rupees in Crore)**

Year	Opening balance		AC Bills drawn		DC Bills received		Outstanding AC Bills	
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
2005-06	8486	200.38	3240	186.25	3749	138.79	7977	247.84
2006-07	7977	247.84	4026	257.65	3198	172.86	8805	332.63
2007-08	8805	332.63	3544	262.52	3356	191.19	8993	403.96
2008-09	8993	403.96	3246	101.85	3657	17.08	8582	488.73
2009-10	8582	488.73	4054	276.94	4074	290.33	8562	475.35

For detailed scrutiny of DDO level activities relating to drawal of AC bills and submission of DC bills there against, records of 29 Drawing and Disbursing Officers (DDOs), who had drawn 2717 AC bills for ₹ 681.76 crore during 2004-05 to 2009-10, were test-checked. It was observed that these DDOs submitted DC bills for ₹ 494.40 crore (1770 bills) leading to an outstanding balance of DC bills for ₹ 176.26 crore (1404 bills<sup>4</sup>) as on 31 March 2010. It was also noticed that out of aggregate outstanding bills for ₹ 176.26 crore, ₹ 125.28 crore (71 per cent) have been lying unadjusted for more than one year. Department-wise list of unadjusted AC bills is given in **Appendix 3.9**. Long pending bills mainly pertained to nine DDOs<sup>5</sup>.

Scrutiny of bills further showed the following:

- Director General of Fire Services drew advances of ₹ 4.77 crore in four AC bills between March 2008 and March 2010 for procurement of vehicles and advanced to two suppliers of chassis. As the chassis were not supplied, all the bills remained unadjusted as of June 2010 (delay of three months to more than two years from due dates for adjustment). Further, out of 22 AC bills for ₹ 12.97 crore drawn and adjusted during 2005-09, adjustment of 20 were delayed by more than three months (up to 457 days) from the due date of submission of adjustment.
- Cross check of records of DDOs *vis-à-vis* Treasury/PAO records revealed some major discrepancies as under:

<sup>4</sup> Excluding bills, adjustment of which were not due on 31 March 2010

<sup>5</sup> Director General, West Bengal Fire Services (₹ 4.77 crore), Commandant, SAP 2<sup>nd</sup> Battalion (₹ 9.43 crore), SP, Paschim Medinipur (₹ 23.64 crore), DM, Murshidabad (₹ 5.36 crore), Superintendent, Presidency Correctional Home (₹ 2.09 crore), Director, Animal Resources and Animal Health, West Bengal (₹ 1.56 crore), DM, South 24 Parganas (₹ 16.13 crore), Assistant Director, Primary Education (Text Book) (₹ 58.19 crore) and Commandant, SAP 6<sup>th</sup> Battalion (₹ 1.29 crore)

**Table 3.6: Table showing discrepancies between treasury and DDO records (Amount in Rupees)**

	No of Bills	Amount
<b>bills adjusted in the DDOs' records but found outstanding in the Treasury records</b>		
1 Director General of Fire Services, Kolkata	59	86882094
2 Asstt. Director of Primary Education (Text Book)	3	80000000
3 A.O, Lalbazar, Kolkata	14	33082902
4 Commandant SAP, 2 <sup>nd</sup> Battalion	3	820264
5 DM & Collector, Hooghly	1	50000
6 DM & Collector, Murshidabad	3	218500
<b>bills adjusted in the Treasury records but found outstanding in the DDO's records</b>		
1 Supdt. Presidency Correctional Home, South 24 PGS	3	333880

- Superintendent, Presidency Correctional Home, South 24 Parganas had drawn advance of ₹ 15717000 and ₹ 5239000 (March 2009), whereas in the treasury records (Alipore Treasury-I) ₹ 157170 and ₹ 52390 were debited against the aforesaid bills respectively.

Thus, due to delay in submitting the DC bills, possibility of misuse of government funds and misappropriation thereof could not be eliminated. Moreover, discrepancies in DDOs' records and Treasury records were also matter of concern which needs immediate reconciliation.

### 3.6.3 Personal Deposit Accounts

**Funds Transferred to Personal Deposit (PD) Accounts** are booked as expenditure under the service heads from which the money was transferred.

In terms of Rule 6.09 of West Bengal Treasury Rules (WBTR) 2005 Personal Deposit (PD) Account or Personal Ledger Account created by debit to the Consolidated Fund of the State (other than those created under any law or rule having the force of law by transferring funds from the Consolidated Fund of the State for discharging liability of the Government arising out of special enactments), shall be closed at the end of the financial year by minus debit to the balance of the relevant service heads in the Consolidated Fund of State. Rule 6.08 of WBTR provides that any Personal Deposit Account, if not operated for consecutive two years or if there is reason to believe that the need for such Deposit Account has ceased, the same shall be closed.

During 2009-10, ₹ 549.84 crore was transferred to PD accounts from service heads. There were 148 PL Accounts in operation in the State as of March 2010. Total amounts remaining parked in PL Accounts of the State increased from ₹ 743.95 crore as of March 2005 to ₹ 2008.74 crore as of March 2010. This indicated that though these amounts had been booked as expenditure under the service heads, the same were not actually spent, thereby inflating the expenditure figures to that extent.

Further scrutiny revealed that 44 PL Accounts remained inoperative for more than one year. Of these, four were inoperative for one to five years, while remaining 40 were not operated for five to ten years.

Various cases of violation of the said rules as well as other irregularities were noticed during course of test-check of 33 PLAs operated by 31 DDOs. Those PLAs were opened during the period from 1968-69 to 2001-02.

Some irregularities noticed are discussed below:

- Though required under WBTR 6.09, twenty three PLAs operated by 22 DDOs (Sl. No. 1 to 22 of *Appendix 3.10*) were not closed and balance not transferred back to the respective service heads resulting in accumulation of ₹ 484.51 crore as of 31 March 2010 as detailed in *Appendix 3.10*. Of these 22 accounts, four<sup>6</sup> PLAs with a balance of ₹ 1.62 crore remained in-operative for seven to 13 years.
- Twelve DDOs retained ₹ 212.80 crore relating to various development works under Border Area Development Programme (₹ 64.39 crore), Bidhayak Elaka Unnayan Prakalpa (₹ 88.52 crore), Uttarbanga Unnayan Parshad (₹ 44.67 crore), and Paschimanchal Unnayan Parshad (₹ 15.22 crore) for several years in PLAs.
- Funds are generally sanctioned for utilization within the year of sanction. Six DMs failed to utilise ₹ 5.45 crore received between 1996-97 and 2009-10 for different purposes as detailed in *Appendix 3.11* and funds were parked in PLAs for years together.

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<sup>6</sup> 1. DG&IG of Police, West Bengal (Rs 0.18 crore), 2. Principal, Dr. R. Ahmed Dental College and Hospital, Kolkata (₹ 0.03 crore), 3. MSVP, Calcutta National Medical College and Hospital (₹ 0.46 crore) and 4. MSVP, Medical College and Hospital, Kolkata (₹ 0.95 crore)

- For management of funds for Mid Day Meal Programme (MDM), the School Education Department instructed (October 2008) all District Magistrates (DMs) to open a saving bank account and transfer the entire fund related to MDM in that account. However, during 2009-10 six DDOs<sup>7</sup> did not transfer ₹ 6.34 crore relating to Mid-Day Meal from PL Accounts to the respective Savings Bank Account leading to loss of interest of ₹ 0.22 crore.
- The unspent balance of ₹ 0.15 crore<sup>8</sup> (relating to different work) received as refund from the implementing agencies was not deposited to Government account by two DDOs.
- There were discrepancies in PLA Cash Books and corresponding Treasury Pass Books of nine DDOs. Of them under six DDOs, ₹ 28.86 crore was shown in excess in treasury pass books as compared to the cash book balances. On the other hand, under three DDOs cash book balances were more than treasury balances by ₹ 6.58 lakh.

However, the balances were not reconciled.

- An amount of ₹ 0.22 crore relating to the scheme/project 'Forest Department to different bodies' had been lying in the PL Account of DM, Bardhaman, the source and purpose of which could not be explained by the DM. Similarly, a sum of ₹ 4.63 crore was lying in the PL Account of Special LAO, South 24-parganas which was deposited into PL Account during the years 1986-91 from the then 'P-Bodies' accounts maintained by Spl. LAO. The Spl. LAO, South 24 Parganas could not clarify about the source and the purpose for which it was to be utilised.
- Spl LAO, Murshidabad deposited ₹ 0.60 crore during 2006-10 in PL Account of DM, Murshidabad, which was irregular, as the Spl LAO Murshidabad maintained a statutory PL Account specifically for the purpose of land acquisition. Moreover, the surplus of the administrative cost was required to be deposited in the appropriate revenue head of account of the PL Account.

<sup>7</sup> 1. DM, Murshidabad (₹ 0.11 crore), 2. DM, Bankura (₹ 0.81 crore), 3. DM, Jalpaiguri (₹ 0.74 crore), 4. DM, Howrah (₹ 0.28 crore), 5. DM, Cooch Behar (₹ 3.25 crore) and 6. DM, North 24-Parganas (₹ 1.15 crore)

Name of the DDO	Scheme/purpose for which fund received	Amount lying in PL Account (Rs)
DM, North 24 Parganas	BADP	76425
	BEUP	666093
DM, Bankura	Construction of Bye-Pass Road	34124
	Extension of Motor vehicle Building	28030
	Construction of morgue fund	704341
	<b>Total</b>	<b>1509013</b>

Thus, such parking of funds in PL account not only distorted figure of expenditure incurred during the financial year but also parking of funds meant for developmental work indicated delayed implementation/non-implementation of works.

### **3.6.4 Other topics of concern**

During 2009-10, ₹3404.33 crore under 78 major heads of account was classified under the minor head "800-other expenditure" in the accounts and this amount constituted eight *per cent* of the total expenditure under the various major heads. The major schemes, such as "Kolkata Municipal Corporation / Howrah Municipal Corporation for adjustment of energy bills to Calcutta Electric Supply Corporation", "Assistance to Urban Local Bodies, as recommended by TwFC", "New Incentive Scheme for encouraging setting up of new Industrial units", etc. are not depicted distinctly in the Finance Accounts. ₹ 4661.94 crore under 52 major heads of accounts was classified under "800-other receipts" in the accounts and these amounts constituted 19 *per cent* of the total receipts recorded. As a result of review during 2008-09, booking of expenditure under minor head "800-other expenditure" reduced by 70 *per cent* during 2009-10.

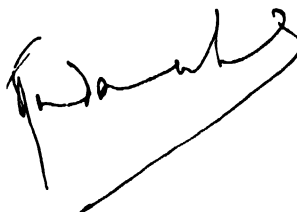
A comprehensive review in this regard for the year 2009-10 is in progress.

### **3.7 Conclusion and Recommendations**

For ensuring proper utilisation of Government assistance received by autonomous bodies as well as for giving a true and fair picture of the activities/ performance of those bodies, timely submission of annual accounts assumes utmost importance. However, non-receipt of 448 Annual Accounts of 142 autonomous bodies/ authorities (audit of which are conducted by Examiner of Local Accounts) and delay/ failure in submission of Separate Audit Reports on some of the bodies in the Legislative Assembly diluted the said control. There were also considerable delays in placement of Separate Audit Reports in respect of 12 institutions before the State Legislature. All these indicated breach of legislative control over spending of public money. There were considerable delays in finalising *pro forma* accounts of departmentally managed commercial undertakings indicating laxity in the accountability mechanism of both the management and Government in respect of public funds invested in those undertakings. Thus, proper internal financial reporting, which is a tool for the Government for efficient and effective governance, was compromised.

- *Concerned Departments should take immediate steps for submission of outstanding accounts of autonomous bodies without further delay.*

- *The issue of huge accumulation of unadjusted abstract contingent bills should be looked into and a target date should be stipulated by each controlling officer for submission of outstanding detailed contingent bills by his subordinate DDOs.*
- *Immediate steps need be taken for review of status of PL Accounts and closure of inoperative ones.*



**(SUDARSHANA TALAPATRA)**  
**Principal Accountant General (Audit)**  
**West Bengal**

**Kolkata**  
**The**

5 MAY 2011

**Countersigned**



**(VINOD RAI)**  
**Comptroller and Auditor General of India**

**New Delhi**  
**The**

6 MAY 2011



# APPENDICES



## APPENDIX 1.1

(Refer Page 1)

## A brief profile of West Bengal

## A. General Data

Sl. No.	Particular		Figures
1	Area		88752 Sq. Km.
2	Population	a. As per 2001 census	8.02 crore
		b. 2009-10	8.83 crore
3	Density of Population (2001) (All India Density = 325 persons per Sq. Km)		903/Sq. Km
4	Population below poverty line (All India Average = 27.5 per cent)		24.7 per cent
5	Literacy (2001) (All India Average = 64.8 per cent)		68.64
6	Infant mortality (per 1000 live births) (All India Average = 53 per 1000 live births)		35
7	Life Expectancy at birth (All India Average = 63.5 years)		64.9
8	Gini Coefficient **		
	a.	Rural (All India = 0.30)	0.27
	b.	Urban (All India = 0.37)	0.38
9	Gross State Domestic Product (GSDP) 2009-10		367620
10	GSDP CAGR (2000-01 to 2009-10)		12.34 per cent
11	Per capita GSDP CAGR (2000-01 to 2009-10)		11.15 per cent
12	GSDP CAGR (2000-01 to 2008-09)	West Bengal	11.93 per cent
		Other General Category States	12.54 per cent
13	Population Growth (2000-01 to 2009-10)	West Bengal	10.04 per cent
		Other General Category States	13.42 per cent

## B. Financial Data

Sl. No.	Particulars	Figures		
		2000-01 to 2008-09		2000-01 to 2009-10
	CAGR*	General category States	West Bengal	West Bengal
a	of Revenue Receipts	14.40	12.36	10.92
b	of Own Tax Revenue	13.59	11.58	12.19
c	of Non Tax Revenue	12.08	19.25	8.05
d	of Total Expenditure	12.38	10.33	10.41
e	of Capital Expenditure	21.41	13.74	9.57
f	of Revenue of Expenditure on Education	9.33	7.18	11.35
g	of Revenue Expenditure on Health	8.95	4.91	9.14
h	of salary and wages	9.37	6.95	12.38
i	of pension	12.03	10.90	14.42

\* Compound Annual Growth Rate

\*\* It represents inequality of income distribution where zero refers to perfect equality and one refers to perfect inequality.

Source: Financial data is based on figures in Finance Accounts; BPL (Planning Commission and NSSO data, 61<sup>st</sup> Round- <http://planningcommission.nic.in/data/database/Data0910/tab/%2021.pdf>); Gini Coefficient (Unofficial estimates of Planning Commission and NSSO data, 61<sup>st</sup> Round 2004-05 MRP); Life expectancy at birth (Office of the Registrar General of India; Ministry of Home Affairs, Economic Survey, 2009-10); Infant mortality rate (SRS Bulletin October, 2009); Density of population (Office of the Registrar General and Census Commissioner of India)

## APPENDIX 1.2

(Refer Paragraph 1, Page 1)

### Structure and Form of Government Accounts

#### Part A: Structure of Government Accounts

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

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

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

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

#### PART B: Layout of Finance Accounts

Statement No.	Volume 1
1	Presents statement of Financial Position.
2	Contains Statement of Receipts and Disbursements
3	Contains Statement of Receipts in Consolidated Fund
4	Contains statement of Expenditure in Consolidated Fund
	A      Expenditure by Function
	B      Expenditure by Nature
	<b>Volume 2</b>
	<b>PART-I</b>
5	Contains Statement of Progressive Capital Expenditure
6	Gives Statement of Borrowings and other Liabilities
	i)      Statement of Public Debt and Other Liabilities
	ii)     Service of Debt
7	Gives Statement of Loans and Advances given by the Government.
	i)      Sectors/Loanee Group-wise Loans and Advances
	ii)     Repayment of Loans by Statutory Bodies, etc.
	iii)    Recoveries in Arrears on account of Loans paid to Statutory Bodies, etc.
8	Depicts Statement of Grants-in-aid given by the Government
9	Shows Statement of Guarantees given by the Government.
10	Indicates Statement of Voted and Charged Expenditure
	<b>PART-II</b>
11	Indicates detailed Statement of Revenue and Capital Receipts by Minor Heads
12	Provides detailed Statement of Revenue Expenditure by Minor Heads
13	Depicts detailed Statement of Capital Expenditure

14	Shows Detailed Statement of Investments of the Government
	Section-1 : Comparative summary of Government Investments, etc.
	Section-2 : Details of Investments upto 2009-10
	Section-3 : Major and Minor Head-wise details of Investments during the year
15	Depicts Detailed Statement on Borrowings and other Liabilities
	(a) Statement of Public Debt and Other Interest Bearing Obligations
	(b) Maturity Profile
	(i) Maturity Profile of Internal Debt payable in Domestic Currency
	(ii) Maturity Profile of Loans and Advances from the Central Government
	(c) Interest Profile of Outstanding Loans
	(i) Internal Debt of the State Government
16	Gives detailed Statement of Loans and Advances given by the Government
	Section-1:Major and Minor Head with summary of Loans and Advances
	Section-2:Details of Loans advanced during the year for Plan purposes, etc.
17	Presents detailed Statement on Sources and Application of funds for expenditure other than on revenue account
18	Provides detailed Statement on Contingency Fund and other Public Account transactions
19	Gives detailed Statement on Investments of earmarked funds

### APPENDIX - 1.3 (Refer Paragraph 1, Page 1))

#### Methodology adopted for the Assessment of Fiscal Position

The norms/Ceilings prescribed by the TFC for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other Statements required to be laid in the legislature under the Act. **The Fiscal Responsibility and Budget Management Act has been enacted only in July 2010.** In absence of the Act, normative projections made by the TFC are used to make qualitative assessment of the trends and pattern of major fiscal aggregates during the year. Assuming that GSDP is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the Gross State Domestic Product (GSDP) at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilisation of resources, pattern of expenditure etc, are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

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

#### Trends in Gross State Domestic Product (GSDP)

	2005-06	2006-07	2007-08	2008-09	2009-10
Gross State Domestic Product (Rs in crore)	207495	239334	277869	317837 (Q)	367620 (A)
Growth rate of GSDP	9.07	15.34	16.10	14.38	15.66
<i>Source: Bureau of Applied Economics and Statistic, Development and Planning Department, Government of West Bengal</i>					

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

# **APPENDIX 1.4** (Refer paragraph 1.1 , Page 1)

## **Part A : Abstract of Receipts and Disbursements for the year 2009-2010**

2008-2009	Receipt		2009-2010	2008-2009	Disbursements				2009-2010
	( R u p e e s i n c r o r e )								
	<b>Section A : Revenue</b>					Non-Plan	Plan	Total	
<b>36904.40</b>	<b>Revenue Receipts</b>	<b>36921.65</b>	<b>51613.31</b>	<b>20775.44</b>	<b>Revenue Expenditure</b>	<b>48530.11</b>	<b>9969.77</b>	<b>58499.88</b>	<b>58499.88</b>
				<b>16384.82</b>	<b>General Services</b>	<b>26251.04</b>	<b>105.75</b>	<b>26356.79</b>	
14419.15	- Tax revenue	16899.98			<b>Social Services</b>	<b>17243.86</b>	<b>6752.10</b>	<b>23995.96</b>	
4966.39	- Non-tax revenue	2438.11		7948.27	- Education, Sports, Arts and Culture	10081.84	1928.00	12009.84	
				2020.34	- Health and Family Welfare	2388.38	636.79	3025.17	
11321.78	- State's share of Union taxes and duties	11648.16		2779.78	- Water Supply, Sanitation, Housing and Urban Development	1517.33	1583.37	3100.70	
1419.48	- Non-Plan grants	1394.98		64.43	- Information and Broadcasting	58.65	2.76	61.41	
3015.94	- Grants for State Plan Scheme	2733.48			- Welfare of Scheduled Castes, Scheduled Tribes and Other				
				502.83	Backward Classes	159.12	355.26	514.38	
	- Grants for Central and Centrally sponsored Plan Schemes	1806.94		92.03	- Labour and Labour Welfare	100.12	44.49	144.61	
1761.66				2859.48	- Social Welfare and Nutrition	2862.19	2114.20	4976.39	
				117.66	- Others	76.23	87.23	163.46	
				<b>14025.41</b>	<b>Economic Services</b>	<b>4637.01</b>	<b>3104.83</b>	<b>7741.84</b>	
				1292.51	- Agriculture and Allied Activities	1200.86	635.59	1836.45	
				1636.09	- Rural Development	1211.68	1386.79	2598.47	
				480.01	- Special Areas Programmes	312.90	379.48	692.38	
				637.42	- Irrigation and Flood Control	782.97	35.62	818.59	
				8437.54	- Energy	1.05	208.14	209.19	
				556.55	- Industry and Minerals	133.03	288.96	421.99	
				833.73	- Transport	867.98	115.42	983.40	
				37.98	- Science, Technology and Environment	0.49	35.09	35.58	
				113.56	- General Economic Services	126.05	19.74	145.79	
				<b>427.64</b>	<b>- Grants-in-aid and Contributions</b>	<b>398.20</b>	<b>7.09</b>	<b>405.29</b>	
<b>14708.92</b>	II -Revenue deficit carried over to Section B	<b>21578.23</b>							
<b>51613.32</b>		<b>58499.88</b>	<b>51613.31</b>	<b>Total</b>	<b>48530.10</b>	<b>9969.78</b>	<b>58499.88</b>		

Differences of 0.01 due to rounding

**Report of the C & AG on "State Finances" for the year ended 31 March 2010**

2008-2009	Receipt		2009-2010	2008-2009	Disbursements				2009-2010
( R u p e e s i n c r e )									
	<b>Section B</b>					Non-Plan	Plan	Total	
4094.78	III Opening Cash Balance including Permanent Advances and Cash Balance Investment		4907.45	-	III Opening Overdraft from RBI				-
Nil	IV Miscellaneous Capital receipts		Nil	3705.30	IV Capital Outlay	128.22	2882.84	3011.06	3011.06
				143.68	<u>General Services</u>	2.05	155.26	157.31	
				1193.58	<u>Social Services</u>	(-) 3.96	894.01	890.05	
					- Education, Sports, Arts And Culture	-	71.63	71.63	
				58.82	- Health and Family Welfare	-	212.64	212.64	
				153.61	- Water Supply, Sanitation, Housing and Urban Development	(-) 3.94	539.04	535.10	
				875.88	- Information and Broadcasting	-	1.00	1.00	
				0.64	- Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-	25.64	25.64	
				30.28	- Social Welfare and Nutrition	(-) 0.02	25.83	25.81	
				58.89	- Social Security and Welfare	-	-	-	
				-	- Other Social Services	-	18.23	18.23	
				15.46	<u>Economic Services</u>	130.14	1833.57	1963.71	
				2368.05	- Agriculture and Allied Activities	(-) 8.30	114.74	106.44	
				159.44	- Rural Development	-	2.64	2.64	
				0.85	- Special Areas Programmes	-	230.91	230.91	
				157.68	- Irrigation and Flood Control	(-) 3.64	494.45	490.81	
				382.77	- Energy	-	189.50	189.50	
				1090.37	- Industry and Minerals	142.03	92.23	234.26	
				100.89	- Transport	0.04	689.57	689.61	
				430.40	- Environment	-	-	-	
				-	- General Economic Services	0.01	19.53	19.54	
5615.83	V Recoveries of Loans and Advances		387.10*	759.65	V <u>Loans and Advances disbursed</u>	(-)320.80	1073.24	752.44	752.44
				406.26	- For Power Projects	(-) 617.80	1073.24	455.44	
5575.38	- From Power Projects	273.45		1.53	- To Government Servants	2.07	-	2.07	
29.16	- From Government Servants	24.36		351.85	- To Others	294.93	-	294.93	
11.29	- From others	85.27							

Rupees 4.02 crore written off

2008-2009	Receipt	2009-2010	2008-2009	Disbursements	Non-Plan	Plan	Total	2009-2010
( R u p e e s i n c r o r e )								
			14708.92	VI Revenue deficit brought down				21578.23
15991.14	VII Public debt receipts	28507.53	4854.85	VII Repayment of Public Debt				7672.07
	- Internal debt other than Ways and Means Advances and Overdraft	28207.70		- Internal debt other than Ways and Means Advances and Overdraft			6363.72	
15591.49			3869.89					
	- Ways and Means Advances	-	-	- Ways and Means Advances				
	- Loans and Advances from Central Government	299.83		- Repayment of Loans and Advances to Central Government			1308.35	
399.65			984.97					
6.34	VIII Amount transferred to Contingency Fund	1.43		VIII Expenditure from Contingency Fund				2.70
			0.47					
58144.00	IX Public Account receipts	69055.12	54915.45	IX Public Account disbursements				65056.63
	- Small Savings and Provident Funds	1831.72	1075.04	- Small Savings and Provident Funds			1093.80	
1430.37			730.38	- Reserve Funds			957.82	
1715.43	- Reserve Funds	1633.35	26558.57	- Suspense and Miscellaneous			38193.29	
26942.07	- Suspense and Miscellaneous	39355.94		- Remittances			5174.58	
5321.68	- Remittances	5232.82	5047.91	- Deposits and Advances			19637.14	
22734.45	- Deposits and Advances	21001.29	21503.55					
			Nil	- Miscellaneous Government Account	Nil			
Nil	X Closing Overdraft from Reserve Bank of India	Nil	4907.45	X Cash balance at end				4785.50
			0.34	- Cash in Treasuries and Local Remittances			0.35	
			(-) 222.20	- Deposits with Reserve Bank			101.25	
				- Departmental Cash Balance including Permanent Advances			40.47	
			118.09	- Investment in earmarked funds			4040.12	
			3034.41	- Cash Balance Investment			603.31	
			1976.81					
83852.09	Total	102858.63	83852.09	Total				102858.63

\*Minus balance under reconciliation with RBI

## APPENDIX 1.4 (Continued)

(Reference : Paragraph 1.7.1; Page 33)

### Part B : Summarised financial position of the Government of West Bengal as on 31 March 2010

As on 31.03.2009	Liabilities	As on 31.03.2010
<b>115076.96</b>	<b>Internal Debt</b>	<b>136920.94</b>
43976.50	Market Loans bearing interest	58727.00
(-) 851.11	Market Loans not bearing interest	3.15
20.51	Loans from Life Insurance Corporation of India	16.71
9696.54	Loans from other Institutions	9508.96
-	Ways and means Advances	-
	Overdrafts from Reserve Bank of India	
62234.52	Special securities issued to NSS fund of GOI	68665.12
<b>13575.31</b>	<b>Loans and Advances from Central Government</b>	<b>12566.80</b>
34.62	Pre 1984-85 Loans	2.17
2029.68	Non-Plan Loans	2520.02
11450.34	Loans for State Plan Schemes	9989.18
3.82	Loans for Central Plan Schemes	3.50
56.85	Loans for Centrally Sponsored Plan Schemes	51.93
<b>18.57</b>	<b>Contingency Fund</b>	<b>17.30</b>
<b>6057.08</b>	<b>Small Savings, Provident Funds, Etc.</b>	<b>6795.00</b>
<b>9813.65</b>	<b>Deposits</b>	<b>11177.51</b>
	<b>Suspense and Miscellaneous Balances</b>	<b>3632.61</b>
<b>3586.57</b>	<b>Reserve Funds</b>	<b>4262.10</b>
<b>(-) 354.35</b>	<b>Remittance Balances</b>	<b>(+) 412.59</b>
	<b>Assets</b>	
<b>25939.59</b>	<b>Gross Capital Outlay on Fixed Assets</b>	<b>28950.65</b>
10163.21	Investments in shares of Companies, Corporations, etc.	10675.98
15776.38	Other Capital Outlay	18274.67
<b>13581.49</b>	<b>Loans and Advances</b>	<b>13946.83</b>
8615.72	Loans for Power Projects	8797.71
4867.80	Other Development Loans	5073.43
97.97	Loans to Government servants and Miscellaneous loans	75.69
<b>3034.41</b>	<b>Reserve Fund Investments</b>	<b>4040.12</b>
<b>29.61</b>	<b>Advances</b>	<b>29.31</b>
<b>(-) 2469.97</b>	<b>Suspense and Miscellaneous Balances</b>	
<b>1873.04</b>	<b>Cash</b>	<b>745.38</b>
0.34	Cash in Treasuries and Loan Remittances	0.35
<b>(-) 222.20</b>	<b>Deposits with Reserve Bank</b>	<b>101.25</b>
	Departmental Cash Balance including	
118.09	Permanent Advances	40.47
1976.81	Cash Balance Investments	603.31
<b>106494.32</b>	<b>Deficit on Government Account</b>	<b>128072.55</b>
14708.92	(i) add Revenue Deficit of the current year	21578.23
-	(ii) Miscellaneous Deficit	-
91785.40	Accumulated deficit at the beginning of the year	106494.32

\* Difference of 0.01 due to rounding

#### Explanatory Notes for Appendices 1.3 and 1.4

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Appendix 1.3, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc.

## APPENDIX 1.5

(Refer Paragraph 1.3, Page 10)

### Time series data on the State Government finances

(Rupees in crore)

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
	(Rupees in Crore)				
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts</b>	<b>23726</b>	<b>25828</b>	<b>30167</b>	<b>36904</b>	<b>36922</b>
(i) Tax Revenue	10388(44)	11695(45)	13126(44)	14419(39)	16900(46)
Taxes on Agricultural Income	2	1	(-)	4	9
Taxes on Sales, Trade, etc.	6109(59)	7079(61)	8060(61)	8955(62)	10510(62)
State Excise	743(7)	817(7)	935(7)	1083(7)	1444(9)
Taxes on Vehicles	538(5)	509(4)	532(4)	608(4)	774(5)
Stamps and Registration fees	1178(11)	1259(11)	1417(11)	1509(11)	1814(11)
Land Revenue	917(9)	953(8)	1040(8)	984(7)	929(5)
Other taxes	901(9)	1077(9)	1145(9)	1276(9)	1420(8)
(ii) Non Tax Revenue	1019(4)	1249(5)	1473(5)	4966(13)	2438(7)
(iii) State's share of Union taxes and duties	6668(28)	8505(33)	10729(35)	11322(31)	11648(31)
(iv) Grants in aid from GOI	5650(24)	4379(17)	4839(16)	6197(17)	5935(16)
<b>2. Misc. Capital Receipts</b>	Nil	Nil	Nil	Nil	Nil
<b>3. Total revenue and Non debt capital receipts (1+2)</b>	<b>23726</b>	<b>25828</b>	<b>30167</b>	<b>36904</b>	<b>36922</b>
<b>4. Recoveries of Loans and Advances</b>	<b>631</b>	<b>238</b>	<b>497</b>	<b>5616</b>	<b>387</b>
<b>5. Public Debt Receipts</b>	<b>15506</b>	<b>11032</b>	<b>15333</b>	<b>15991</b>	<b>28508</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	14922(96)	10411(94)	14639	15591	28208
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	-
Loans and Advances from Government of India <sup>1</sup>	584(4)	621(6)	694	400	300
<b>6. Total receipts in the Consolidated Fund (3+4+5)</b>	<b>39863</b>	<b>37098</b>	<b>45997</b>	<b>58511</b>	<b>65817</b>
<b>7. Contingency Fund Receipts</b>	-	-	-	-	-
<b>8. Public Account receipts</b>	<b>32184</b>	<b>35408</b>	<b>50942</b>	<b>58144</b>	<b>69055</b>
<b>9. Total receipts of the State (6+7+8)</b>	<b>72047</b>	<b>72506</b>	<b>96939</b>	<b>116655</b>	<b>134872</b>
<b>Part B. Expenditure / Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>31117(92)</b>	<b>34161 (91)</b>	<b>38314 (91)</b>	<b>51613 (92)</b>	<b>58500 (94)</b>
Plan	4292(14)	4802(14)	6751(18)	8045(16)	9970(17)
Non-Plan	26825(86)	29359(86)	31563(82)	43568(84)	48530(83)
General Services (including Interests Payments)	16348(53)	17901(53)	18867(49)	20103(40)	26357(45)
Social Services	9800(31)	11380(33)	13463(35)	16385(32)	23996(41)
Economic Services	4635(15)	4504(13)	5554(15)	14025(27)	7742(13)
Grants-in-aid and Contribution	334(1)	376(1)	431(1)	428(1)	405(1)
<b>11. Capital Expenditure</b>	<b>1653(5)</b>	<b>2018 (5)</b>	<b>2688 (6)</b>	<b>3705 (7)</b>	<b>3011 (5)</b>
Plan	1362(82)	2009(100)	2669(99)	3729(101)	2883(96)
Non-Plan	291(18)	9	19(1)	(-)	128(4)
General Services	28(2)	80(4)	67(2)	144(4)	157(5)
Social Services	314(19)	379(19)	766(29)	1214(32)	890(30)
Economic Services	1309(79)	1559(77)	1855(69)	2368(64)	1964(65)
<b>12. Disbursement of Loans and Advances</b>	<b>1189</b>	<b>1317</b>	<b>1062</b>	<b>760</b>	<b>752</b>
<b>13. Total (10+11+12)</b>	<b>33958*</b>	<b>37496</b>	<b>42064</b>	<b>56078</b>	<b>62263</b>
<b>14. Repayments of Public Debt</b>	<b>6629</b>	<b>3706</b>	<b>4580</b>	<b>4855</b>	<b>7672</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1734	2428	3263	3870	6364
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	-
Loans and Advances from Government of India	4895	1278	1317	985	1308
<b>15. Appropriation to Contingency Fund</b>	<b>4</b>	<b>2</b>	<b>7</b>	<b>6</b>	<b>1</b>
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>40592</b>	<b>41204</b>	<b>46651</b>	<b>60939</b>	<b>69936</b>
<b>17. Contingency Fund disbursements</b>	<b>2</b>	<b>7</b>	<b>7</b>	<b>-</b>	<b>3</b>
<b>18. Public Account disbursements</b>	<b>27866</b>	<b>33185</b>	<b>49077</b>	<b>54915</b>	<b>65057</b>
<b>19. Total disbursement by the state (16+17+18)</b>	<b>68460</b>	<b>74396</b>	<b>95735</b>	<b>115854</b>	<b>134996</b>
<b>Part C Deficits</b>					
<b>20. Revenue Deficit (1-10)</b>	<b>- 7391</b>	<b>- 8333</b>	<b>- 8147</b>	<b>-14709</b>	<b>- 21578</b>
<b>21 Fiscal Deficit (3+4-13)</b>	<b>- 9601</b>	<b>- 11430</b>	<b>-11400</b>	<b>-13558</b>	<b>- 24954</b>
<b>22. Primary Deficit (21-23)/Surplus</b>	<b>+ 151</b>	<b>- 551</b>	<b>- 16</b>	<b>-1489</b>	<b>- 11649</b>
<b>Part D Other data</b>					
23. Interest Payments (included in revenue exp.)	9753	10879	11384	12069	13305
24. Arrears of Revenue (Percentage of Tax & non-tax Revenue Receipts)	1937 (17)	1588			
25. Financial Assistance to local bodies etc.	9117	8715	12354	8708	12852
26. Ways and Means Advances/Overdraft availed (days)	3**	7	65	166	95
27. Interest on WMA/Overdraft	0.09	-	33	13	13
28. Gross State Domestic Product (GSDP)	207495	239334	277869	317837(Q)	367620 (A)
29. Outstanding Debt (year end)	113493	122398	134402	148110	171693
30. Outstanding guarantees (year end)	14085	13137	13684	11973	10358
31. Maximum amount guaranteed (year end)	22379	21826	23118	19974	20298
32. Number of incomplete projects	25	25	25	20	18
33. Capital blocked in incomplete projects <sup>2</sup>	1606	1653	1814	1881	1646
<b>Part E Fiscal health Indicators</b>					
<b>I. Resource Mobilisation</b>					
34. Own Tax Revenue/GSDP	0.050	0.049	0.047	0.045	0.046
35. Own Non-Tax Revenue/GSDP	0.005	0.005	0.005	0.016	0.007
36. Central Transfers/GSDP	0.032	0.035	0.039	0.036	0.032
<b>II. Expenditure Management</b>					
37. Total Expenditure/GSDP	16.32	15.57	15.30	18.13	16.94
38. Total Revenue Expenditure/Receipts	69.86	68.88	71.72	65.81	88.88

<sup>1</sup> Includes Ways and Means Advances from GOI

Note : Figures in brackets represent percentage (rounded)

<sup>2</sup> Represents progressive amount blocked in incomplete projects at the end of the year based on figures collected from departmental heads (Details in Appendix 1.12). \* Due to rounding \*\*Special Ways and Means Advances

**Report of the C & AG on "State Finances" for the year ended 31 March 2010**

	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
	( R u p e e s i n C r o r e )				
39. Revenue expenditure/Total Expenditure	91.63	91.11	91.09	92.04	93.96
40. Expenditure on Social Service/Total Expenditure	28.86	30.35	32.00	29.22	39.97
41. Expenditure on Economic Services / Total Expenditure	13.65	12.01	13.20	25.00	15.59
42. Capital Expenditure/Total Expenditure	5.04	5.58	6.56	6.70	4.84
43. Capital Expenditure on Social and Economic Services/Total Expenditure	4.79	5.17	6.23	6.35	4.58
<b>III Management of Fiscal Imbalances</b>					
44. Revenue Deficit (Surplus)/GSDP	(-) 3.55	(-) 3.46	(-) 2.96	(-) 4.76	(-) 5.87
45. Fiscal Deficit/GSDP	(-) 4.61	(-) 4.75	(-) 4.15	(-) 4.38	(-) 6.79
46. Primary Deficit (Surplus)/GSDP	-	-	-	-	(-) 0.03
47. Revenue Deficit/Fiscal Deficit	76.98	72.90	71.46	108.49	86.47
48. Primary Revenue Balance/GSDP	0.015	0.013	0.014	0.114	(-) 0.021
<b>IV Management of Fiscal Liabilities</b>					
49. Fiscal Liabilities/GSDP	51.14	48.37	46.60	46.70	48.94
50. Fiscal Liabilities/RR	478.37	473.90	445.53	401.34	465.02
51. Primary Deficit vis-à-vis quantum spread	271/366/	7036/(-)251	6291/194	4677/(-) 817	1087/ (-)11649
52. Debt Redemption (Principal +interest)/Total Debt Receipts	1.05	1.28	1.79	1.56	1.03
<b>V Other Fiscal health Indicators</b>					
53. Return on Investment	0.02	0.03	0.07	0.06	-
54. Balance from Current Revenue (Rupees in crore)	(-) 5490	(-) 6118	(-) 5052	(-) 11846	(-) 18276
55. Financial assets/Liabilities	0.34	0.32	0.33	0.28	0.27

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

@ GSDP figures communicated by the Government adopted.

**APPENDIX 1.6**  
(Refer paragraph 1.5.3 page 27)

**Statement showing expenditure vis-à-vis availability of funds under the plan schemes (Central and State) implemented in West Bengal during 2009-10 (cases where expenditure was more than ₹ one crore)**

(Rupees in crore)

Sl	Name of the scheme	Funds received from Gol	State budget provision	Expenditure during 2009-10	Expenditure during 2008-09
1	Special Central assistance for Hill Areas	34.63	18.70	23.38	17.84
2	Panchayat Yuva Krida and Khel Abhiyan	1.87	15.27	13.94	9.90
3	Project Elephant	2.01	2.01	1.91	1.59
4	Agriculture census	1.78	0.30	1.91	0.22
<b>State Plan</b>					
5	Printing of Nationalised Text Books for Children at Primary Stage	-	46.00	42.84	40.00
6	Assistance for running Sishu Shiksha Kendra	-	93.00	30.00	69.75
7	Assistance to Panchayat Raj Bodies for Sewarage and Rural Sanitation	-	30.00	16.28	21.12
8	Land and Building of Development and Planning Department	-	8.00	6.41	0.17
9	Improvement of Libraries, Reading Room, Etc., in Secondary Schools	-	1.08	5.60	-
10	Paschimanchal Unnayan Parshad	-	6.00	4.50	35.33
11	Development of Institution for Education of the Handicapped (EM)	-	8.42	3.58	4.93
12	Distribution of Improved High Yielding/Hybrid varieties of seeds and other inputs through Demonstration Programme	-	4.00	2.57	2.85
13	Welfare of Aged, Infirm and Destitute Development and Expansion of Social Welfare Homes	-	3.36	2.55	3.09
14	Assistance to Universities for Technical Education	-	2.70	2.02	2.92
15	Hostels for Girl Students	-	1.75	1.23	0.66

Source: Finance Accounts

**APPENDIX 1.7**  
(Refer Paragraph 1.6.4, Page 29)

**Summarised Financial Statement of Departmentally Managed Commercial/Quasi-commercial Undertakings**

Sl. No.	Name of the Undertakings	Period of Accounts	Mean Government capital	Block assets at depreciated cost	Depreciation provided during the year	Turnover	Net profit/loss	Interest on capital	Total return (8+9)	Percentage return on capital
( R u p e e s i n l a k h )										
1	Greater Calcutta Milk Supply Scheme	2008-09	61639.50	493.41	67.32	3110.05	(-) 5845.62	584.83	(-) 5260.79	
2	Burdwan Milk Supply Scheme	2008-09	2069.47	45.54	2.70	-	(-) 159.80	7.94	(-) 151.86	
3	Durgapur Milk Supply Scheme	2008-09	3001.76	23.04	2.63	146.26	(-) 852.07	380.84	(-) 471.23	
4	Krishnanagar Milk Supply Scheme	2008-09	2202.73	46.01	2.69	-	(-) 62.10	-	(-) 62.10	
5	Directorate of Brick Production (Mechanised)	2002-03	3284.14	80.51	10.74	107.89	(-) 826.04	403.14	(-) 422.90	
6	Directorate of Brick Production (Manual)	1995-96	802.25	27.95	1.67	455.05	(-) 116.77	95.08	(-) 21.69	
7	Directorate of Cinchona and Other Medicinal Plants	2007-08	22815.82	1242.37	105.64	438.82	(-) 2575.28	321.42	(-) 2253.86	
8	Public Distribution System of Foodgrains	2004-05	14542.25	1003.52	52.73	138656.59	(+) 108.67	6160.85	(+) 6269.52	43.11
9	Central Engineering Organisation Dasnagar, Howrah	2000-01	323.70	1.23	0.11	51.78	(-) 68.96	73.78	(-) 4.82	
10	Oriental Gas Company's Undertaking	1989-90	1540.12	159.86	0.70	32.08	(-) 339.03	31.09	(-) 307.94	
11	Training-cum-production centre for Wood Industries, Siliguri	Non-working since November 2006								
12	Integrated Wood Industries Scheme, Durgapur.	Non-working since November 2006								
13	Integrated Wood Industries Scheme, Kalyani	Non-working since November 2006								
14	Undertaking of Darjeeling Ropeway Company Limited	Non-working since April 2006								
15	Scheme for production of shark liver oil, fish meal, etc.	Non-working since 1992-93								

**APPENDIX 2.1**  
(Refer Paragraph 2.3.1; Page 42)

**Statement of various grants/appropriations where saving was more than ₹ 10 crore each or more than 20 per cent of the total provision**

(Rupees in Crore)

Sr. No.	Grant No	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
		<b>Revenue (Voted)</b>			
1	3	Council of Ministers	5.81	1.55	27
2	6	Animal Resources Development	451.43	32.57	7
3	7	Backward Classes Welfare	552.70	31.03	6
4	8	Co-operation	200.85	14.26	7
5	9	Commerce and Industries	387.47	135.44	35
6	11	Micro and Small Scale Enterprises and Textiles	245.91	51.49	21
7	12	Development and Planning	314.38	22.47	7
8	13	Education (Higher)	1721.76	229.75	13
9	14	Education (Mass)	167.60	14.42	9
10	15	Education (School)	10166.94	292.06	3
11	16	Environment	34.84	8.33	24
12	30	Information and Cultural Affairs	107.06	12.15	11
13	34	Judicial	272.09	53.50	20
14	36	Land and Land Reforms	789.21	75.43	9
15	39	Municipal Affairs	2680.99	536.87	20
16	41	Parliamentary Affairs	4.70	1.00	21
17	42	Personnel and Administrative Reforms	29.96	6.15	21
18	44	Public Enterprises	152.14	150.50	99
19	47	Disaster management	1187.93	207.31	17
20	48	Science and Technology	10.40	2.37	23
21	49	Sports and Youth Services	90.58	21.22	23
22	51	Technical Education and Training	303.65	47.75	16
23	52	Tourism	29.00	9.20	32
24	53	Transport	523.29	26.46	5
25	54	Urban Development	1716.02	745.51	43
26	55	Water Resources Investigation and Development	429.97	46.48	11
27	59	Self-Help Groups and Self Employment	114.89	17.94	16
28	60	Civil Defence	282.39	31.63	11
		<b>Capital (Voted)</b>			
1	1	State Legislature	5.00	2.62	52
2	5	Agriculture	81.10	75.67	93
3	6	Animal Resources Development	42.20	34.63	81
4	7	Backward Classes Welfare	33.86	8.23	24
5	8	Co-operation	48.09	32.84	68
6	9	Commerce and Industries	35.77	16.95	47
7	11	Micro and Small Scale Enterprises and Textiles	74.40	19.22	26
8	12	Development and Planning	28.00	9.52	34
9	14	Education (Mass)	7.69	6.33	82
10	15	Education (School)	14.40	7.89	55
11	21	Food and Supplies	17.60	12.82	73
12	22	Food Processing Industries and Horticulture	23.97	18.66	78
13	24	Health and Family Welfare	278.88	66.27	24
14	28	Housing	521.15	456.80	88
15	29	Industrial Reconstruction	11.50	9.94	86
16	31	Information Technology	20.10	8.45	42
17	32	Irrigation and Waterways	719.09	348.90	48
18	33	Jails	14.54	5.61	39

Sr. No.	Grant No	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
<b>Revenue (Voted)</b>					
19	34	Judicial	31.80	19.09	60
20	36	Land and Land Reforms	32.61	20.55	63
21	38	Minority Affairs and Madrasah Education	46.01	24.85	54
22	39	Municipal Affairs	195.65	119.08	61
23	40	Panchayat and Rural Development	3.52	0.88	25
24	42	Personnel and Administrative Reforms	37.02	9.02	24
25	43	Power and Non-Conventional Energy Sources	847.36	198.42	23
26	45	Public Health Engineering	645.09	200.20	31
27	50	Sunderban Affairs	150.47	12.19	8
28	51	Technical Education and Training	92.58	42.78	46
29	52	Tourism	14.08	3.35	24
30	54	Urban Development	34.64	19.13	55
31	55	Water Resources Investigation and Development	192.10	69.19	36
32	58	Paschimanchal Unnayan Affairs	3.00	0.78	26
33	59	Self Help Group and Self Employment	8.00	2.98	37
34	60	Civil Defence	8.40	6.93	83
<b>Revenue (Charged)</b>					
1	1	State Legislature	0.28	0.15	54
2	8	Co-operation	5.21	1.87	36
3	22	Food Processing Industries and Horticulture	16.30	16.30	100
4	28	Housing	4.25	1.28	30
5	34	Judicial	89.27	26.64	30
6	36	Land and Land Reforms	2.00	1.49	74
7	40	Panchayat and Rural Development	1.95	1.19	61
8	46	Refugee Relief and Rehabilitation	7.38	6.99	95
9	47	Relief	35.14	7.51	21
<b>Capital (Charged)</b>					
1	11	Cottage and Small Scale Industries	2.04	0.83	41
2	39	Municipal Affairs	0.88	0.60	68
3	47	Relief	8.93	2.03	23

## APPENDIX 2.2

(Reference: Paragraph 2.3.3; Page 45)

Statement of various grants/appropriations where expenditure was more than ₹ 10 crore each and exceeded budget provision either by more than ₹ 10 crore or by more than 20 per cent of total provision

(Rupees in crore)

Sl. No.	Grant No	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Expenditure	Amount of excess	Percentage of excess expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		<b>Revenue (Voted)</b>				
1	4	Agricultural Marketing	17.92	31.57	13.65	76
2	24	Health and Family Welfare	2780.04	2887.21	107.17	4
3	25	Public Works	1324.55	1477.64	153.09	12
4	27	Home	2597.31	2918.10	320.79	12
5	40	Panchayat and Rural Development	2998.17	3233.02	234.85	8
6	56	Women and Child Development and Social Welfare	1404.42	1468.84	64.42	5
		<b>Capital (Voted)</b>				
1	35	Labour	0.52	2.10	1.58	304
		<b>Revenue (Charged)</b>				
1	18	Finance	14566.22	16888.31	2322.09	16
	<b>Total</b>	<b>Seven grants/ One appropriation</b>	<b>25689.15</b>	<b>28906.79</b>	<b>3217.64</b>	

**APPENDIX - 2.3**  
(Reference Paragraph 2.3.5; Page .47)

**Statement showing expenditure on sub-heads opened without approval**

				(Rupees)
Sl. No.	Grant No.	Head of Account	Amount of expenditure	Grant-wise total
1	5	2401-00-103-NP-007	333706	<b>625298164</b>
		2401-00-103-SP-012	16960000	
		2401-00-108-NP-015	2226008	
		2401-00-109-SP-031	579926346	
		2401-00-110-NP-001	392104	
		2401-00-789-SP-049	17620000	
		2401-00-796-SP-041	7840000	
2	10	3456-00-001-NP-005	37529572	<b>38950457</b>
		3475-00-106-NP-002	1420885	
3	12	2402-00-101-NP-006	760305	<b>37112275</b>
		2505-60-800-NP-001	153970	
		3451-00-090-NP-031	-	
		4575-60-789-SP-003	30166000	
		4575-60-796-SP-002	6032000	
4	51	2230-03-003-NP-004 & 005	-	-
5	16	2215-02-106-NP-004	22200000	<b>22200000</b>
6	20	2401-00-800-SP-012	60090000	<b>60090000</b>
7	22	2049-01-200-NP-001	-	<b>2005751</b>
		2551-60-101-NP-040, 041, 042 & 044	2005751	
		6003-00-108-NP-001	-	
8	23	2401-00-800-SP-014	40661464	<b>40661464</b>
9	24	2210-01-110-NP-030	-	<b>437005271</b>
		2210-01-110-SP-033	-	
		2210-02-103-NP-002	2620	
		2210-05-105-NP-025-029	-	
		4210-01-789-SP-002	17635876	
		4210-01-800-SP-010, 021, 022, 038 & 039	56677475	
		4210-02-789-SP-003	64705379	
		4210-02-796-SP-001	56015924	
		4210-02-800-SP-007	141362429	
		4210-03-105-SP-003-005 & 007	94313455	
		4210-03-789-SP-003 & 004	2090880	
		4210-04-107-SP-001	4201233	
		4210-06-200-SP-002	-	
		4210-06-800-SP-001	-	
10	27	2070-00-105-NP-026	3671735	<b>3671735</b>
11	30	2220-01-800-NP-010 & 011	11025000	<b>11025000</b>
12	32	2700-04-001-NP-001	367545007	<b>1018370423</b>
		2700-05-001-NP-001	26813969	
		2700-80-800-NP-001	127854	
		2701-80-001-NP-002-005	13444437	
		2701-80-002-NP-001	969383	
		2701-80-003-NP-001	-	
		2701-80-004-NP-002	4340831	
		2701-80-005-NP-002 & 003	94492829	
		2711-01-103-NP-003 & 004	48627828	
		2711-03-103-NP-011	21038062	
		2711-80-004-NP-001	-	
		2711-80-005-NP-001	3173238	
		4700-05-789-SP-001	-	
		4700-05-796-SP-001	-	
		4700-05-800-SP-002	-	
		4700-80-800-SP-004	45783262	
		4711-01-103-SP-559-561	46547654	
		4711-01-103-CS-005	51652700	
		4711-01-789-SP-009 & 010	167475391	
		4711-01-789-CS-005	51052700	
		4711-01-796-SP-009 & 010	59079104	
		4711-01-796-CS-005	16206174	

Sl. No.	Grant No.	Head of Account	Amount of expenditure	Grant-wise total
13	34	2216-01-700-SP-001	3429199	3429199
14	35	2230-01-789-SP-001 & 002	45000000	53805909
		2230-02-789-SP-002 & 003	8805909	
		2230-02-796-SP-002	-	
15	38	2235-02-200-NP-001 & 002	10125000	270335800
		2235-02-200-SP-011-014	202173800	
		2251-00-090-NP-001	-	
		2515-00-800-SP-031	58037000	
		4235-02-800-SP-003 & 004	-	
16	40	3451-00-090-NP-027	-	-
17	43	2575-02-101-NP-012	2651029	202703029
		4801-02-190-SP-011	135000000	
		4801-02-789-SP-006	50000000	
		4801-02-796-SP-006	10000000	
		6801-00-205-SP-006 & 007	5052000	
		6801-00-789-SP-018-021	-	
		6801-00-796-SP-018-021-	-	
18	59	2435-01-101-SP-007	-	-
		2435-01-789-SP-007	-	
		2435-01-796-SP-005	-	
19	60	2070-00-106-NP-012-016	363079857	2462676839
		2070-00-106-SP-002	-	
		2070-00-107-NP-004-006	1774869614	
		2070-00-107-SP-002	-	
		2070-00-800-NP-026-038	323399494	
		2070-00-800-SP-011	727874	
		2235-60-200-NP-049	600000	
		4070-00-800-SP-009	-	
				5289341316

## APPENDIX 2.4

(Reference: Paragraph 2.3.9; Page 49)

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

(In thousands of Rupees)

	Number and Name of the Grant	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
	<b>A Revenue (Charged)</b>				
34-	Judicial	755749	626204	129545	136903
<b>Total for Charged</b>		<b>755749</b>	<b>626204</b>	<b>129545</b>	<b>136903</b>
	<b>A- Revenue (Voted)</b>				
1-	State Legislature	345894	292381	53513	8000
6-	Animal Resources Development	4472942	4188595	284347	41330
26-	Hill Affairs	2936553	2880437	56116	78222
32-	Irrigation and Waterways	4655963	4610290	45673	26483
34-	Judicial	2717608	2185947	531661	3308
36-	Land and Land Reforms	7292944	7137823	155121	599155
38-	Minority Affairs and Madrasah Education	4801106	4436095	365011	548905
48-	Science and Technology	99758	80309	19449	4268
49-	Sports and Youth Services	857419	693610	163809	48398
<b>Total for Voted</b>		<b>28180187</b>	<b>26505487</b>	<b>1674700</b>	<b>1358069</b>
<b>Total for Revenue</b>					
	Number and Name of the Grant	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
	<b>B Capital (Voted)</b>				
7-	Agriculture	334000	256376	77624	4638
9-	Commerce and Industries	213890	188165	25725	143784
19-	Fire Services	230000	203623	26377	20000
30-	Information and Cultural Affairs	65640	53249	12391	19391
32-	Irrigation and Waterways	5776723	3701926	2074797	1414169
38-	Minority Affairs and Madrasah Education	440000	211597	228403	20100
39-	Municipal Affairs	1913932	765645	1148287	42545
<b>Total-capital</b>		<b>8974185</b>	<b>5380581</b>	<b>3593604</b>	<b>1664627</b>
	<b>B- Capital (Charged)</b>				
45-	Public Health Engineering	9954	9931	23	3320
<b>Total for Charged</b>		<b>9954</b>	<b>9931</b>	<b>23</b>	<b>3320</b>
<b>Grand Total</b>					<b>3162919</b>

## APPENDIX 2.5

(Reference: Paragraph 2.3.9; Page .50)

Statement of various grants/appropriation where supplementary provision proved insufficient by more than ₹1 crore each

(Rupees in crore)							
Sr. No.	Grant Number	Name of the Grants and Appropriation	Original Provision	Supplementary provision	Total	Expenditure	Excess
1	4	Agricultural Marketing Capital (Voted)	13.00	6.11	19.11	22.07	2.96
2	5	Agriculture-Revenue (Voted)	552.62	145.21	697.83	701.18	3.35
3	18	Finance Revenue (Charged)	13814.41	103.10	13917.51	13966.49	48.98
		Capital (Charged)	14444.06	122.16	14566.22	16888.31	2322.09
4	20	Fisheries Revenue (Voted)	111.13	21.06	132.19	143.57	11.38
5	21	Food and Supplies Revenue (Voted)	1258.95	949.01	2207.96	2246.16	38.20
6	23	Forest Revenue (Voted)	273.19	7.46	280.65	289.54	8.89
7	24	Health and Family Welfare Revenue (Voted)	2753.07	26.97	2780.04	2887.21	107.17
8	27	Home Revenue (Voted)	2517.93	79.38	2597.31	2918.10	320.79
		Capital (Voted)	56.52	49.84	106.36	107.71	1.35
9	28	Housing Revenue (Voted)	74.03	2.02	76.05	77.63	1.58
10	40	Panchayat and Rural Development Revenue (Voted)	2863.13	135.04	2998.17	3233.02	234.85
11	53	Transport Capital (Voted)	240.00	22.39	262.39	268.33	5.94
12	56	Women and Child Development and Social Welfare Revenue (Voted)	1218.92	185.50	1404.42	1468.84	64.42
				1855.25			3171.95

## APPENDIX 2.6

(Reference: Paragraph 2.3.10; Page 50)

### Excess/unnecessary/insufficient re-appropriation of funds

(Rupees in lakh)

Sl. No	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
1	5	Agriculture	2235-Social Security and Welfare-60-Other Social Security and Welfare Programmes-102-Pension under Social Security Scheme-Non-Plan-002-Grant of Old Age Pension to Marginal Farmers, Share Croppers and Agricultural Labourers (AG)	(-) 1208.10	(-) 351.27
			4401-Capital Outlay on Crop Husbandry-789-Special Component Plan for SC-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 001-Infrastructural Facilities on Agricultural Programmes under RIDF (AG)	(-) 562.31	(-) 2123.66
2	6	Animal Resources Development	2404-Dairy Development-192-Greater Clacutta Milk Supply Scheme-Non-Plan		
			002 Procurement (AD)	(-) 15.81	(-) 2607.85
			004 Distribution (AD)	(+) 15.81	(-) 624.10
3	12	Development and Planning	2575-Other Special Areas Programmes-60-Others-800-Other Expenditure-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 017-Bidhayak Elaka Unnayan Prakaipa (DP)	(-) 125.00	(-) 450.00
4	13	Education (Higher)	2202-General Education-03-University and Higher Education		
			103-Government Colleges and Institutions-Non-Plan-Plan-009-Government Colleges and Institutions (EH)	(-) 616.33	(-) 671.61
			010-Establishment of New Government College (i) Bidhan Nagar Government College (EH)	(-) 6.28	(-) 170.41
			011-Haldia Government College (EH)	(-) 6.09	(-) 171.76
			104-Assistance to Non-Government Colleges and Institutions-Non-Plan-007-Salary Deficit Scheme for Non-Government Colleges (EH)	(-) 105.11	(-) 175.48
			024-Assistance to Messes and Hostels attached to Government and Non-Government Institutions for Students' Welfare (EH)	(-) 334.65	(-) 203.25
5	14	Education (Mass)	2202-General Education-		
			80-General-800-Other Expenditure-Non-Plan-001-Strengthening of School Education Service (EM)	(-) 687.66	(-) 292.94

Sl. No	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
6	15	Education (School)	2202-General Education-		
			01-Elementary Education-		
			112-National Programme of Mid-Day Meals in Schools-Plan-SP 007-Mid-Day Meals for Children	(-) 6682.66	(-) 5176.42
			796-Tribal Areas Sub-Plan-Plan-SP 033-Construction of Kitchen Shed with store room for Mid-Day Meal Scheme (ES)	(+) 947.97	(-) 533.90
7	17	Excise	2039-State Excise-001-Direction and Administration-Non-Plan-002-District Charges (Ex)	(+) 849.90	(-) 319.23
8	24	Health and Family Welfare	2210-Medical and Public Health-		
			01-Urban Health Services-Allopathy-	(-) 9.35	(-) 173.11
			110-Hospital and Dispensaries-Non-Plan-015-Aid to Non-Government Hospitals and Dispensaries		
9	25	Public Works	3054-Roads and Bridges-		
			80-General-001-Direction and Administration-Non-Plan-002-Public Works (Roads) Directorate (PW)	(-) 25.00	(-) 704.85
			5054-Capital Outlay on Roads and Bridges-03-State Highway-337-Road Work-Plan-SP 001-Development of State Roads (Construction)	(-) 845.52	(-) 857.50
			SP 008-West Bengal Corridor Development Project	(-) 1250.00	(-) 290.49
			789-Special Component Plan for Scheduled Castes-SP 001-West Bengal Corridor Development Project (EAP)	(-) 581.00	(-) 205.08
			5054-Capital Outlay on Roads and Bridges-04-District and Other Roads		
			337-Road Works		
			SP 002-Development of State Roads-District Roads	(-) 1203.80	(-) 1118.83
			SP 003-Development of State Roads-Rural Roads (PR)	(-) 1015.33	(-) 3382.19
			796-Tribal Areas Sub-Plan-		
			SP 004-Development of State Roads-District Roads (PR)	(+) 94.63	(-) 261.56
			5054-Capital Outlay on Roads and Bridges-03-State Highways		
			337-Roads Works-SP 011-Improvement of State Roads and Bridges	(+) 3000.00	(-) 880.94
			04-District and Other Roads		
			789-Special Component Plan for SC-SP 004-Development of State Roads-District Roads (PR)	(+) 709.60	(-) 502.02
			796-Tribal Areas Sub-Plan-		
			SP 001-West Bengal Corridor Development Project (EAP)	(+) 1000.00	(-) 479.83
10	27	Home	2055-Police-00-001-Direction and Administration-Non-Plan-001-State Headquarters' Police	(-) 20.96	(-) 1698.36

Sl. No	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
11	28	Housing	4216-Capital Outlay on Housing-03-Rural Housing-796-Tribal Areas Sub-Plan-SP 002- Housing Scheme for Economically Weaker Sections of the Community belonging to the Scheduled Tribe Population (HO)	(+) 976.61	(-) 751.69
12	34	Judicial	2014-Administration of Justice-00-105-Civil and Session Courts		
			Non-Plan-001-Civil and Session Courts	(-) 816.90	(-) 1274.07
			005-Judicial Magistrates' Courts	(-) 62.74	(-) 438.78
			Plan-Central Sector (New Schemes)-CN 001-Establishment of Fast Track Court	(-) 11.82	(-) 1116.15
			102-High Court-Non-Plan		
			003-Appellate Side	(-) 323.73	(-) 1074.56
			002-Original Side	(-) 1.09	(-) 291.12
			4059-Capital Outlay on Public Works-01-Office Buildings-051-Construction-General Pool Accommodation-Plan-CS 001-Administration of Justice-Construction of Government Buildings at Different Places in West Bengal	(-) 366.77	(-) 464.68
13	39	Municipal Affairs	2217-Urban Development-05-Other Urban Development Scheme-192-Assistance to Municipalities/ Municipal Councils-Plan-SP 010-Grants to Municipalities for UIDSSMT & IHSDP under JNNURM (Central Share)	(-) 900.00	(-) 4830.02
14	40	Panchayat and Rural Development	2501-Special Programmes for Rural Development-06-Self Employment Programme		
			101-Swarna Jayanti Gram Swarozgar Yojana-SP 001-Swarna Jayanti Gram Swarozgar Yojana for Development Women (State Share)	(-) 0.96	(-) 1200.07
15	47	Relief	2245-Relief on Account of Natural Calamities-		
			02-Floods, Cyclones etc-106-Repairs and restoration of damaged roads and bridges-Non-Plan-001-Emergent Repair of Roads, Culverts, Bridges etc. Damaged/Destroyed by Natural Calamities	(+) 1005.00	(-) 1510.64
16	54	Urban Development	2217-Urban Development-01-State Capital Development-193-Assistance to Nagar Panchayats/Notified Ara Committees or equivalent thereof-SP 003-Grants to KMDA for BUSP schemes under JNNURM (JNURM)(UD)	(-) 10642.97	(-) 1206.47
			6217-Loans for Urban Development-60-Other Urban Development Schemes-193-SP 001-Loans for Haldia Development Authority for integrated	(+) 496.60	(-) 1797.57

Sl. No	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
17	60	Civil Defence	Development of Industrial Urban Complex and Township at Haldia (UD) 2070-Other Administrative Services 00-107-Home Guards-Non-Plan-004-Headquarters-Home Guards Raised in Connection with Emergency	(+) 1403.50	(-) 2285.52
					42667.98
1	1	State Legislature	2011-Parliament/State/Union Territory Legislatures -02-State/ Union Territory Legislatures -101-Legislative Assembly-Non-Plan-Establishment of the Members of Legislative Assembly	(-) 674.04	(+) 98.49
2	5	Agriculture	2401-Crop Husbandry 789-Special Component Plan for SC-Centrally Sponsored (New Schemes)-CS 003-Annual Macro management Mode Work Plan on Agricultural Development Works (AG) 796-Tribal Areas Sub-Plan, Centrally Sponsored (New Schemes)-CS 006-Annual Macro management Mode Work Plan on Agricultural Development Works (AG)	(+) 201.11	(+) 496.84
3	9	Commerce and Industries	2852-Industries-800-Other Expenditure-State Plan (Annual Plan and Eleventh Plan)-SP 001-Grants to WBIDC Ltd. for debt Servicing	(-) 6269.01	(+) 237.94
4	11	Cottage and Small Scale Industries	2851-Village and Small Industries-102-Small Scale Industries-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 013-Incentive for Emerging the setting up of New Enterprises and Expansion of Existing Enterprises (CS)	(-) 761.31	(+) 173.17
5	13	Education (Higher)	2202-General Education-102-Assistance to Universities-Non-Plan 003-Kalyani University (EH) 015-Establishment of a New University at Malda (EH) 104-Assistance to Non-Government Colleges and Institutes-Non-Plan-001-Assistance to Non-Government Colleges and Institutes (EH) 102-Assistance to Universities-Non-Plan 002-Jadavpur University (EH) 004-Burdwan University (EH)	(-) 1838.07 (-) 359.04 (-) 10129.50 (-) 126.37 (-) 377.32	(+) 183.00 (+) 174.00 (+) 524.68 (+) 692.61 (+) 678.14
6	14	Education (Mass)	2202-General Education-80-General-001-Direction and Administration-Non-Plan-006-Directorate of Library Sciences (EM)	(-) 687.42	(+) 957.46

Sl. No	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
7	15	Education (School)	2202-General Education-01-Elementary Education		
			104-Inspection-Non-Plan-001-Primary Schools (ES)	(+) 17.00	(+) 432.37
			110-Examination-Non-Plan-001-Examination Expenses (ES)	(-) 73.04	(+) 738.59
8	20	Fisheries	2515-Other Rural Development Programmes-		
			800-Other Expenditure-Non-Plan-012-Development of Tank Fisheries in the Selected CD Blocks in State (FI)	(-) 2.75	(+) 1526.85
9	23	Forest	2406-Forestry and Wild Life-01-Forestry-		
			001-Direction and Administration-Non-Plan-001-General Direction	(+) 148.85	(+) 187.63
			017-Social Forestry (North Circle)	(+) 0.69	(+) 193.78
			102-Social and Farm Forestry-Non-Plan-007-Social Forestry Project	(-) 25.92	166.48
10	24	Health and Family Welfare	2210-Medical and Public Health-01-Urban Health Services—Allopathy-110-Hospital and Dispensaries-Non-Plan		
			011-Other General Hospitals (HF)	(-) 0.09	(+) 1159.74
			013-District and Sub-Divisional Hospitals (HF)	(-) 2.80	(+) 2131.88
11	25	Public Works	2059-Public Works-01-Office Buildings-053-Maintenance and Repairs-Non-Plan-003-Maintenance of Other Government Non-Residential Buildings PWD (Civil)(PW)	(-) 22.68	(+) 921.01
			5054-Capital Outlay on Roads and Bridges-04-District and Other Roads-789-Special Component Plan for SC-SP 001-Construction	(-) 846.00	(+) 312.12
			800-Other Expenditure-SP 010-Programme for Roads and Bridges under Central Road Fund (CRF)(PR)	(-) 1358.90	(+) 203.38
			337-Road Works-SP 006-Scheme under RIDF PW (Roads) Deptt.	(+) 47.52	(+) 2956.58
			5054-Capital Outlay on Roads and Bridges-03-State Highway-052-Machinery and Equipment-SP 001-Development of State Roads	(-) 118.24	(+) 243.36
			800-Other Expenditure		
			SP 001-Development of State Roads (Other than BMS)(PR)	(-) 255.87	(+) 774.37
			04-District and Other Roads-101-Bridges-SP 003-Grant for construction of a bridge over the river Dwarka at Ganthla in the District of Murshidabad (PR)	(-) 200.00	(+) 544.60

Sl. No	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
12	27	Home	2055-Police		
			00-108-State headquarters Police-Non-Plan-001-Calcutta Police	(-) 238.01	(+) 10306.02
			00-113-Welfare of Police Personnel-Non-Plan-001-Hospitals for State Headquarters' Police	4.67	(+) 287.52
			00-800-Other expenditure-Non-Plan-004-Additional Police Force for Enforcement Branch	(-) 1.22	(+) 750.01
13	43	Power and Non-Conventional Energy Sources	6801-Loans for Power Projects-00789-Special Component Plan for SC-Plan-SP 016-Loans to WBSEDCL on account of OECF Purulia Plant (EAP)(PO)	(-) 2400.00	(+) 1800.00
			796-Tribal Areas Sub-Plan-SP 016-Loans to WBSEDCL on account of OECF Purulia Plant (EAP)(PO)	(-) 600.00	(+) 450.00
14	47	Relief	2245-Relief on Account of Natural Calamities-02-Floods, Cyclones etc-118-Assistance for Repairs/Replacement of damaged boats and equipment for fishing-Non-Plan-001-Supply of nets, fish, prawns etc.	(-) 494.00	(+) 290.00
15	53	Transport	2070-Other Administrative Services-00-114-Purchase and maintenance of Transport-Non-Plan-001-Motor Vehicles	(-) 387.09	(+) 95.96
16	54	Urban Development	2217-Urban Development-01-Assistance to Nagar Panchayats/Notified Area Committees or equivalent thereof-Plan-SP 001-Grants to KMDA on account of Grant component of ACA for BSUP under JNNURM	(-) 11266.91	(+) 1206.47
17	60	Civil Defence	2070-Other Administrative Services-00-107-Home Guards-Non-Plan-005-District Home Guard raised in connection with Emergency	(-) 1403.50	(+) 1032.18
					33322.23

**APPENDIX 2.7**  
(Reference Paragraph 2.3.13; Page 51)

**Statement of various grants/appropriations in which savings occurred but no part of which had been surrendered**

(Rupees in crore)

Sr. No.	Grant No.	Number and Name of grant/appropriation		Saving
I – Grant				
1	3	Council of Ministers	(Revenue-Voted)	1.55
2	6	Animal Resources Development	(Revenue-Voted)	32.57
			(Capital-Voted)	34.63
3	7	Backward Classes Welfare	(Revenue-Voted)	31.03
			(Capital-Voted)	8.23
4	8	Co-operation	(Revenue-Voted)	14.26
			(Capital-Voted)	32.84
5	10	Consumer Affairs	(Revenue-Voted)	5.78
6	13	Education (Higher)	(Capital-Voted)	3.08
7	14	Education (Mass)	(Revenue-Voted)	14.42
			(Capital-Voted)	6.33
8	15	Education (School)	(Revenue-Voted)	292.06
			(Capital-Voted)	7.89
9	17	Excise	(Revenue-Voted)	1.78
10	18	Finance	(Capital-Voted)	3.86
11	19	Fire Services	(Capital-Voted)	4.64
12	20	Fisheries	(Capital-Voted)	6.52
13	21	Food and Supplies	(Capital-Voted)	12.82
14	22	Food Processing Industries and Horticulture	(Revenue-Voted)	9.48
			(Capital-Voted)	18.66
15	23	Forest	(Capital-Voted)	3.64
16	24	Health and Family Welfare	(Capital-Voted)	66.27
17	26	Hill Affairs	(Revenue-Voted)	13.43
18	29	Industrial Reconstruction	(Capital-Voted)	9.94
19	31	Information Technology	(Revenue-Voted)	6.43
			(Capital-Voted)	8.45
20	32	Irrigation and Waterways	(Revenue-Voted)	7.22
			(Capital-Voted)	348.90
21	33	Jails	(Capital-Voted)	5.61
22	35	Labour	(Revenue-Voted)	7.25
23	36	Land and Land Reforms	(Revenue-Voted)	75.43
			(Capital-Voted)	20.55
24	38	Minority Affairs and Madrasah Education	(Revenue-Voted)	91.39
			(Capital-Voted)	24.85
25	39	Municipal Affairs	(Capital-Voted)	119.08
26	42	Personnel and Administrative Reforms	(Capital-Voted)	9.02
27	43	Power and Non-Conventional Energy Services	(Capital-Voted)	198.42
28	44	Public Enterprises	(Revenue-Voted)	150.50
			(Capital-Voted)	15.15
29	45	Public Health Engineering	(Revenue-Voted)	21.43
			(Capital-Voted)	200.20
30	46	Refugee Relief and Rehabilitation	(Revenue-Voted)	0.53
			(Capital-Voted)	0.05
31	49	Sports and Youth Services	(Revenue-Voted)	21.22
32	52	Tourism	(Revenue-Voted)	9.20
			(Capital-Voted)	3.35

Sr. No.	Grant No.	Number and Name of grant/appropriation		Saving
33	55	Water Resources Investigation and Development	(Revenue-Voted) (Capital-Voted)	46 49 69 19
34	57	Bio-Technology	(Revenue-Voted)	0.51
35	58	Paschimanchal Unnayan Affairs	(Capital-Voted)	0.78
36	59	Self Help Group and Self Employment	(Revenue-Voted) (Capital-Voted)	17.94 2.98
				2117.83
<b>II - Appropriation</b>				
1	8	Co-operation	(Capital Charged)	2 65
2	20	Fisheries	(Capital Charged)	4.34
3	22	Food Processing Industries and Horticulture	(Revenue-Charged)	0.16
4	23	Forest	(Revenue-Charged) (Capital Charged)	0.05 0.06
5	25	Public Works	(Revenue-Charged)	1.23
6	36	Land and Land Reforms	(Revenue-Charged)	1 49
7	40	Panchayat and Rural Development	(Revenue-Charged)	1.19
8	44	Public Enterprises	(Revenue-Charged)	0.20
9	45	Public Health Engineering	(Revenue-Charged) (Capital-Charged)	0.19 0.33
10	46	Refugee Relief and Rehabilitation	(Revenue-Charged)	6.99
				18.88

**APPENDIX 2.8**  
(Reference Paragraph 2.3.13; Page 51)

Statement showing details of saving of ₹ 1 crore and above not surrendered

(Rupees in crore)

Sr. No.	Number and Name of Grants/Appropriation		Saving	Surrender	Saving which remained to be surrendered
1	5-Agriculture	(Capital-Voted)	75.67	25.59	50.08
2	12-Development and Planning	(Revenue-Voted)	22.47	15.81	6.66
3	13-Education (Higher)	(Revenue-Voted)	229.75	192.98	36.77
4	18-Finance	(Revenue-Voted)	2498.59	0.02	2498.57
5	25-Public Works	(Capital-Voted)	71.53	38.85	32.68
6	30-Information and Cultural Affairs	(Revenue-Voted)	12.15	7.32	4.83
7	34-Judicial	(Revenue-Voted)	53.50	13.71	39.79
		(Revenue-Charged)	26.64	12.61	14.03
8	39-Municipal Affairs	(Revenue-Voted)	536.87	0.20	536.67
9	42-Personnel and Administrative Reforms	(Revenue-Voted)	6.15	0.08	6.07
10	47-Relief	(Revenue-Voted)	207.31	36.88	170.43
11	53-Transport	(Revenue-Voted)	26.46	3.22	23.24
12	54-Urban Development	(Revenue-Voted)	745.52	722.77	22.75
		(Capital-Voted)	19.13	1.73	17.40
13	58-Paschimanchal Unnayan Affairs	(Revenue-Voted)	9.24	1.21	8.03
14	60-Civil Defence	(Revenue-Voted)	31.63	0.07	31.56
		(Capital-Voted)	6.93	3.59	3.34
			<b>4579.54</b>		<b>3502.90</b>

**APPENDIX - 2.9**  
(Reference Paragraph 2.3.13; Page 51)

Statement showing cases of surrender of funds in excess of ₹10 crore on 31 March 2010

(Rupees in crore)

Sr. No.	Grant No.	Major Head	Amount of Surrender	percentage of total Provision
1	2	3	4	5
1	9	2058, 2852 (Revenue-Voted)	135.18	35
		6407, 6860, 6551, 4885, 6885 (Capital-Voted)	18.95	53
2	11	2851 (Revenue-Voted)	55.67	23
		4851 (Capital-Voted)	19.22	26
3	13	2202, 2203, 2205 (Revenue-Voted)	192.98	11
4	25	5054 (Capital-Voted)	38.85	5
5	28	4216 (Capital-Voted)	456.09	87
6	47	2235, 2245 (Revenue-Voted)	36.88	3
7	51	2203, 2230 (Revenue-Voted)	49.42	16
		4202, 4250 (Capital-Voted)	28.63	31
8	54	2215, 2216, 2217 (Revenue-Voted)	722.77	42
		<b>Total</b>	<b>1754.64</b>	

### APPENDIX 3.1

(Refer Paragraph 3.1, Page 57)

#### Utilisation Certificates outstanding as on 31 March 2010

Sl. No.	Department	Grants paid upto 31-12-2009		UC received upto 30-06-2010		UC remaining outstanding							
						Due up to 2006-2007		Due in 2007-2008		Due in 2008-2009 (up to 31-12-2009)		Total	
		No. of items	Amount	No. of items	Amount	No. of items	Amount	No. of items	Amount	No. of items	Amount	No. of items	Amount
( R u p e e s i n l a k h )													
1	Agriculture	908	23271 32	-	-	719	14403 21	143	5940 86	46	2927 25	908	23271 32
2	Animal Resources Development	60	675 86	-	-	54	476 83	5	26 03	01	173 00	60	675 86
3	Commerce and Industries	175	102798 08	1	0 10	143	53057 89	27	37726 08	04	12014 01	174	102797 98
4	Consumer Affairs	02	1 57	-	-	02	1 57	-	-	-	-	02	1 57
5	Co-operation	255	13394 50	-	-	187	8185 58	56	4745 62	12	463 30	255	13394 50
6	Cottage and Small Scale Industries	947	39959 83	2	100 94	690	35110 60	205	3657 68	50	1090 61	945	39858 89
7	Development and Planning	895	59556 66	-	-	622	34358 82	232	17546 90	41	7650 94	895	59556 66
8	Education	2424	594022 49	27	9054 34	22083	529390 96	618	13054 38	1996	42522 81	24697	584968 15
9	Environment	44	1564 77	1	50 00	40	1294 27	02	110 50	01	110 00	43	1514 77
10	Excise	01	0 10	-	-	01	0 10	-	-	-	-	01	0 10
11	Finance	273	3995 40	-	-	207	3986 26	62	5 59	04	3 55	273	3995 40
12	Fisheries	1103	9976 11	-	-	864	8359 08	177	742 34	62	874 69	1103	9976 11
13	Food Processing and Horticulture	128	987 17	-	-	81	497 33	42	274 08	05	215 76	128	987 17
14	Food and Supply	17	10181 57	-	-	13	9881 15	04	300 42	-	-	17	10181 57
15	Forest	35	1148 27	-	-	25	582 03	07	349 87	03	216 37	35	1148 27
16	Governor's Secretariat	03	5 45	-	-	03	5 45	-	-	-	-	03	5 45
17	Health and Family Welfare	335	2312 70	2	0 86	261	1579 94	18	495 46	54	236 44	333	2311 84
18	Hill Affairs	406	14682 09	-	-	278	9089 61	84	4357 31	44	1235 17	406	14682 09

Sl. No.	Department	Grants paid upto 31-12-2009		UC received upto 30-06-2010		LC remaining outstanding							
		No. of items	Amount	No. of items	Amount	Due up to 2006-2007		Due in 2007-2008		Due in 2008-2009 (up to 31-12-2009)		Total	
						No. of items	Amount	No. of items	Amount	No. of items	Amount	No. of items	Amount
( R u p e e s l a k h )													
19	Home (Parliamentary Affairs)	1335	24813.18	-	-	1171	24145.11	110	394.53	54	273.54	1335	24813.18
20	Industrial Reconstruction	03	148.79	-	-	03	148.79	-	-	-	-	03	148.79
21	Information and Cultural Affairs	779	4613.36	08	35.82	607	2735.05	117	1156.09	47	686.40	771	4577.54
22	Irrigation and Waterways	15	1698.94	-	-	14	1673.94	01	25.00	-	-	15	1698.94
23	Judicial	38	1247.27	-	-	32	705.98	05	281.79	01	259.50	38	1247.27
24	Labour	1039	2970.68	-	-	946	2152.82	83	710.14	10	107.72	1039	2970.68
25	Land and Land Reforms*	642	4508.96	-	-	615	4507.34	27	1.62	-	-	642	4508.96
26	Law	03	9.16	-	-	03	9.16	-	-	-	-	03	9.16
27	Municipal Affairs	9965	272068.53	16	892.98	7345	191761.28	1941	41737.66	663	37676.61	9949	271175.55
28	Power	132	55696.32	05	185.00	100	43335.73	26	3480.44	01	8695.15	127	55511.32
29	Public Enterprises*	18	10833.49	-	-	15	2990.48	02	2285.01	01	5558.00	18	10833.49
30	Public Health Engineering	327	3689.19	-	-	129	1564.63	192	2068.56	06	56.00	327	3689.19
31	Public Works	34	1269.30	-	-	32	1161.81	02	107.49	-	-	34	1269.30
32	Relief	460	10173.01	-	-	335	4096.20	122	5659.26	03	417.55	460	10173.01
33	Panchayat and Rural Development	20779	348706.79	01	4.95	16087	187515.01	3967	118916.20	724	42270.63	20778	348701.84
34	Backward Classes Welfare*	630	5439.16	-	-	573	3700.24	44	747.99	13	990.93	630	5439.16
35	Social Welfare	2838	13520.30	-	-	2179	12620.73	431	565.38	228	334.19	2838	13520.30
36	Sports and Youth Services	4179	13456.13	-	-	2688	9864.66	784	1926.33	707	1665.14	4179	13456.13
37	Sunderban Affairs	22	1502.65	-	-	10	531.93	10	885.13	02	85.59	22	1502.65
38	Tourism	74	1275.63	-	-	44	1078.25	22	103.33	08	94.05	74	1275.63
39	Transport	339	52479.73	1	340.00	203	49173.49	101	2712.14	34	254.10	338	52139.73

Sl. No.	Department	Grants paid upto 31-12-2009		UC received upto 30-06-2010		UC remaining outstanding							
						Due up to 2006-2007		Due in 2007-2008		Due in 2008-2009 (up to 31-12-2009)		Total	
		No. of items	Amount	No. of items	Amount	No. of items	Amount	No. of items	Amount	No. of items	Amount	No. of items	Amount
( R u p e e s i n l a k h )													
40	Urban Development	350	124935 06	-	-	165	29483 55	128	62270 11	57	33181 40	350	124935 06
41	Water Investigation and Development	38	4515 33	-	-	34	3486 19	02	544 25	02	484 89	38	4515 33
42	Housing	12	11959 44	-	-	07	10132 45	04	1818 74	01	8 25	12	11959 44
43	Information and Technology	01	39 50	-	-	01	39 50	-	-	-	-	01	39 50
44	Minorities Development	67	1142 10	-	-	13	68 49	30	405 87	24	667 74	67	1142 10
45	Personnel and Administrative Reforms	01	1 08	-	-	01	1 08	-	-	-	-	01	1 08
46	Bio-Technology	02	53 00	-	-	-	-	02	53 00	-	-	02	53 00
47	Paschimanchal Unnayan	14	6467 00	-	-	-	-	06	3000 00	08	3467 00	14	6467 00
48	Science and Technology	49	912 04	49	912 04	-	-	-	-	-	-	-	-
49	Self help Groups and Self Employment	16	4947 06	-	-	-	-	04	2012 45	12	2934 61	16	4947 06
Total		74512	1863626.12	113	11577.03	59625	129044.57	9845	343201.63	4929	209902.89	74399	1852049.09

\* Land Revenue, Public Undertakings and SC/ST Welfare respectively in previous Report

**APPENDIX 3.2**  
(Refer Paragraph 3.2, Page 58)

**Names of bodies and authorities, the accounts of which had not been received**

Sl. No.	Name of the Institutions	Period of Transaction/ Accounts audited	Period of Arrears in preparation of Accounts	Number of Annual Accounts in arrear
<b>University</b>				
1	Bidhan Chandra Krishi Viswavidyalaya	2005-06	2006-07 to 2009-10	4
2	Bardhaman	1997-98	1998-99 to 2009-10	11
3	Calcutta	2007-08	2008-09 to 2009-10	2
4	Jadavpur	2002-03	2003-04 to 2009-10	7
5	Kalyani	2003-04	2004-05 to 2009-10	6
6	North Bengal	2007-08	2008-09 to 2009-10	2
7	Rabindra Bharati	2006-07	2007-08 to 2009-10	3
8	Vidyasagar	2008-09	2009-10	1
9	Uttar Banga Krishi Viswavidyalaya	-	2002-03 to 2009-10	8
10	Bengal Engineering and Science University	-	2005-06 to 2009-10	5
	<b>Total</b>			<b>49</b>
<b>Other Local Bodies</b>				
11	Kolkata Metropolitan Water Supply and Sanitation Authority	2001-05	2005-06 to 2009-10	5
12	Kolkata Improvement Trust	2006-07	2007-08 to 2009-10	3
13	Change Management Unit	2008-09	2009-10	1
14	Howrah Improvement Trust	2005-06	2006-07 to 2009-10	4
	<b>Total</b>			<b>13</b>
<b>Municipalities (KMA)</b>				
15	Bansberia	2006-07	2007-08 to 2009-10	3
16	Hooghly-Chinsurah	2006-07 & 2007-08	2008-09 to 2009-10	2
17	Chandernagore MC	-	2006-07 to 2009-10	4
18	Bhadreswar	-	2006-07 to 2009-10	4
19	Chandpur	2006-07	2007-08 to 2009-10	3
20	Baidyabati	-	2006-07 to 2009-10	4
21	Serampore	-	2006-07 to 2009-10	4
22	Rishra	2006-07	2007-08 to 2009-10	3
23	Konnagar	-	2006-07 to 2009-10	4
24	Uttarpara Kotrung	-	2006-07 to 2009-10	4
25	Bally	2006-07 & 2007-08	2008-09 to 2009-10	2
26	Howrah Municipal Corporation	2006-07	2007-08 to 2009-10	3
27	Uluberia	-	2006-07 to 2009-10	4
28	Kalyani	-	2006-07 to 2009-10	4
29	Gayeshpur	2006-07	2007-08 to 2009-10	3
30	Kanchrapara	-	2006-07 to 2009-10	4
31	Halisahar	-	2006-07 to 2009-10	4
32	Naihati	2006-07	2007-08 to 2009-10	3
33	Bhatpara	-	2006-07 to 2009-10	4
34	Garulia	-	2006-07 to 2009-10	4
35	North Barrackpore	-	2006-07 to 2009-10	4
36	Barrackpore	2006-07 & 2007-08	2008-09 to 2009-10	2
37	Titagarh	-	2006-07 to 2009-10	4
38	Khardah	-	2006-07 to 2009-10	4

Sl. No.	Name of the Institutions	Period of Transaction/ Accounts audited	Period of Arrears in preparation of Accounts	Number of Annual Accounts in arrear
39	Panihati	2006-07	2007-08 to 2009-10	3
40	Kamarhati	2006-07	2007-08 to 2009-10	3
41	Baranagar	2006-07	2007-08 to 2009-10	3
42	Barasat	-	2006-07 to 2009-10	4
43	Madhyamgram	2006-07	2007-08 to 2009-10	3
44	New Barrackpore	-	2006-07 to 2009-10	4
45	North Dum Dum	2006-07	2007-08 to 2009-10	3
46	Dum Dum	-	2006-07 to 2009-10	4
47	South Dum Dum	-	2006-07 to 2009-10	4
48	Rajarhat Gopalpur	2006-07	2007-08 to 2009-10	3
49	Bidhan nagar	2006-07	2007-08 to 2009-10	3
50	Kolkata Municipal Corporation	2008-09 & (KEIP)	2009-10	1
51	Maheshtala	-	2006-07 to 2009-10	4
52	Budge Budge	-	2006-07 to 2009-10	4
53	Pujali	2006-07	2007-08 to 2009-10	3
54	Rajpur Sonarpur	-	2006-07 to 2009-10	4
55	Baruipur	-	2006-07 to 2009-10	4
<b>Municipalities (Non-KMA)</b>				
56	Bankura	-	2007-08 to 2009-10	3
57	Bishnupur	-	2007-08 to 2009-10	3
58	Sonamukhi	-	2007-08 to 2009-10	3
59	Suri	-	2007-08 to 2009-10	3
60	Rampurhat	-	2007-08 to 2009-10	3
61	Bolpur	-	2007-08 to 2009-10	3
62	Dubrajpur	-	2007-08 to 2009-10	3
63	Sainthia	-	2007-08 to 2009-10	3
64	Nalhati	-	2007-08 to 2009-10	3
65	Raigunj	-	2007-08 to 2009-10	3
66	Islampur	-	2007-08 to 2009-10	3
67	Kaliagunj	-	2007-08 to 2009-10	3
68	Dalkhola	-	2007-08 to 2009-10	3
69	Balurghat	-	2007-08 to 2009-10	3
70	Gangarampur	-	2007-08 to 2009-10	3
71	Jalpaiguri	-	2007-08 to 2009-10	3
72	Alipurduar	-	2007-08 to 2009-10	3
73	Mal	-	2007-08 to 2009-10	3
74	Dhupguri	-	2007-08 to 2009-10	3
75	Egra	-	2007-08 to 2009-10	3
76	Contai	-	2007-08 to 2009-10	3
77	Tamluk	-	2007-08 to 2009-10	3
78	Haldia	-	2007-08 to 2009-10	3
79	Panskura	-	2007-08 to 2009-10	3
80	Chandrakona	-	2007-08 to 2009-10	3
81	Ghatal	-	2007-08 to 2009-10	3
82	Khirpai	-	2007-08 to 2009-10	3
83	Ramjibanpur	2007-08	2008-09 to 2009-10	2
84	Kharar	-	2007-08 to 2009-10	3
85	Kharagpur	-	2007-08 to 2009-10	3
86	Jhargram	-	2007-08 to 2009-10	3
87	Medinipur	-	2007-08 to 2009-10	3
88	English Bazar	-	2007-08 to 2009-10	3
89	Old Malda	-	2007-08 to 2009-10	3
90	Berhampur	-	2007-08 to 2009-10	3

Sr. No.	Name of the Institutions	Period of Transaction/ Accounts audited	Period of Arrears in preparation of Accounts	Number of Annual Accounts in arrear
91	Murshidabad	-	2007-08 to 2009-10	3
92	Jagung-Azimgunj	-	2007-08 to 2009-10	3
93	Jangipur	-	2007-08 to 2009-10	3
94	Dhulian	-	2007-08 to 2009-10	3
95	Kandi	-	2007-08 to 2009-10	3
96	Beldanga	-	2007-08 to 2009-10	3
97	Purulia	-	2007-08 to 2009-10	3
98	Jhalda	-	2007-08 to 2009-10	3
99	Raghunathpur	-	2007-08 to 2009-10	3
100	Diamond Harbour	-	2007-08 to 2009-10	3
101	Jainagar-Majilpur	-	2007-08 to 2009-10	3
102	Bongaon	-	2007-08 to 2009-10	3
103	Gobardanga	-	2007-08 to 2009-10	3
104	Habra	-	2007-08 to 2009-10	3
105	Ashokenagar-Kalyangar	-	2007-08 to 2009-10	3
106	Basirhat	-	2007-08 to 2009-10	3
107	Taki	2007-08	2008-09 to 2009-10	2
108	Baduria	-	2007-08 to 2009-10	3
109	Coochbehar	-	2007-08 to 2009-10	3
110	Dinhata	-	2007-08 to 2009-10	3
111	Tufangunj	-	2007-08 to 2009-10	3
112	Mekhligunj	-	2007-08 to 2009-10	3
113	Mathabhanga	-	2007-08 to 2009-10	3
114	Haldibari	-	2007-08 to 2009-10	3
115	Darjeeling	-	2007-08 to 2009-10	3
116	Kurseong	-	2007-08 to 2009-10	3
117	Kalimpong	-	2007-08 to 2009-10	3
118	Mirik	-	2007-08 to 2009-10	3
119	Siliguri Municipal Corporation	-	2007-08 to 2009-10	3
120	Krishnanagar	-	2007-08 to 2009-10	3
121	Birnagar	-	2007-08 to 2009-10	3
122	Ranaghat	-	2007-08 to 2009-10	3
123	Coopers' Camp NAA	-	2007-08 to 2009-10	3
124	Taherpur	-	2007-08 to 2009-10	3
125	Chakdaha	2007-08	2008-09 to 2009-10	2
126	Santipur	-	2007-08 to 2009-10	3
127	Nabadwip	-	2007-08 to 2009-10	3
128	Arambag	-	2007-08 to 2009-10	3
129	Tarakeswar	2007-08	2008-09 to 2009-10	2
130	Burdwan	2007-08	2008-09 to 2009-10	2
131	Kalna	2007-08	2008-09 to 2009-10	2
132	Katwa	-	2007-08 to 2009-10	3
133	Dainhat	-	2007-08 to 2009-10	3
134	Ranigunj	-	2007-08 to 2009-10	3
135	Guskara	-	2007-08 to 2009-10	3
136	Kulti	-	2007-08 to 2009-10	3
137	Nabadiganta industrial town ship	-	2007-08 to 2009-10	3
138	Jamuria	-	2007-08 to 2009-10	3
139	Asansol	-	2007-08 to 2009-10	3
140	Memari	-	2007-08 to 2009-10	3
141	Durgapur MC	-	2007-08 to 2009-10	3
142	Dankuni	-	2007-08 to 2009-10	3

## APPENDIX 3.3

(Refer Paragraph 3.2, Page 58)

## Unutilised Government grants during the year 2009-10 (Other than PRIs)

Sl. No.	Name of the Institution	Period of Transaction/ Accounts audited	Unutilised grants (Rupees in lakh)
<b>District Primary School Council</b>			
1	Paschim Medinipur	2008-09	1263.70
	<b>Total</b>		<b>1263.70</b>
<b>Local Library Authority</b>			
2	Howrah	2008-09	48.83
3	Murshidabad	2008-09	53.13
4	Nadia	2008-09	172.75
	<b>Total</b>		<b>274.71</b>
<b>Other Local Bodies</b>			
5	West Bengal Council of Higher Secondary Education	2003-09	138.90
6	West Bengal Valuation Board	2003-09	83.20
	<b>Total</b>		<b>222.10</b>
<b>Municipality</b>			
7	Bidhannagar	2007-09	375.06
8	Guskara	2007-09	364.67
9	Halisahar	2007-09	1245.91
10	South Dum Dum	2008-09	1324.28
	<b>Total</b>		<b>3309.92</b>
	<b>Grand Total</b>		<b>5070.43</b>

**APPENDIX – 3.4**  
(Refer Paragraph 3.2; Page 58)

**Statement showing Unutilised Government grants during the year 2009-10 (in respect of PRIs)**

Sl. No.	Name of the PRI	Year of accounts audited	Unutilised grants (Rupees in crore)	Reason for non-utilisation
1	Bankura Zilla Parishad	2008-09	37.21	Reasons not available
2	Bardhaman Zilla Parishad	2008-09	47.73	Reasons not available
3	Birbhum Zilla Parishad	2008-09	29.44	Reasons not available
4	Coochbehar Zilla Parishad	2008-09	28.54	Reasons not available
5	Dakshin Dinajpur Zilla Parishad	2008-09	25.13	Reasons not available
6	Hooghly Zilla Parishad	2008-09	20.03	Funds remained unutilized in respect of closed schemes
7	Howrah Zilla Parishad	2008-09	29.31	Reasons not available
8	Jalpaiguri Zilla Parishad	2008-09	53.38	Reasons not available
9	Malda Zilla Parishad	2008-09	50.15	Reasons not available
10	Murshidabad Zilla Parishad	2008-09	95.99	Reasons not available
11	Nadia Zilla Parishad	2008-09	39.36	Reasons not available
12	North 24 Parganas Zilla Parishad	2008-09	86.19	Reasons not available
13	Paschim Medinipur Zilla Parishad	2008-09	67.16	Reasons not available
14	Purba Medinipur Zilla Parishad	2008-09	20.81	Delay in processing of tender due to receipt of funds at the fag end of the year
15	Purulia Zilla Parishad	2008-09	36.29	Reasons not available
16	Siliguri Mahakuma Parishad	2008-09	11.50	Reasons not available
17	South 24 Parganas Zilla Parishad	2008-09	71.53	Reasons not available
18	Uttar Dinajpur Zilla Parishad	2008-09	37.46	Due to occurrence of two major elections, funds could not be utilised
<b>Total</b>			<b>787.21</b>	

**APPENDIX 3.5**  
(Refer paragraph 3.3, Page 59)

**Performance of Autonomous Bodies**

Sl No	Name of the Body/ Authority	Period upto which audit is entrusted	Year upto which Accounts due for submission	Year upto which Accounts were submitted	Period upto which Audit Report had been issued	Date of issue of Audit Report	Year upto which Audit Report had been laid before the legislature	Remarks
1	West Bengal Comprehensive Area Development Corporation	2013-14	2009-10	2008-09	2007-08	03-11-2009	2005-2006	Reminder for laying previous AR and submission of accounts issued in June 2010.
2	West Bengal University of Animal & Fishery Sciences	2014-15	2009-10	2003-04	2003-04	08-05-2008	-	Reminder for laying previous AR and submission of accounts issued in June 2010.
3	Darjeeling Gorkha Hill Council	2012-13	2009-10	1990-91	1990-91	11.07.2008	-	Reminder for laying previous AR and submission of accounts issued in June 2010.
4	West Bengal Commission for Women	2011-12	2009-10	2008-09	2006-07	15.07.2008	2005-06	Reminder for laying previous AR and submission of accounts issued in June 2010.
5	West Bengal Human Rights Commission	Permanent entrustment	2009-10	2008-09	2007-08	31.05.2010	2005-06	Reminder for laying previous AR and submission of accounts issued in June 2010.
6	State Legal Services Authority, West Bengal	Permanent entrustment	2009-10	2009-10	2005-06	22.06.2007	1997-98	Reminder for laying previous AR and submission of accounts issued in June 2010.
7	West Bengal Heritage Commission	2010-11	2009-10	2008-09	2007-08	10.02.2010	2005-06	Reminder for laying previous AR and submission of accounts issued in June 2010.
8	West Bengal Commission for Backward Classes	1997-98	1997-98	-	-	-	-	Latest reminder for submission of accounts issued in June 2010.
9	West Bengal Bio-diversity Board	2013-14	2009-10	2007-08	2007-08	01-02-2010	-	Reminder for laying previous AR and submission of accounts issued in June 2010.
10	District Legal Services Authority, Purba Medinipur	Permanent entrustment	2009-10	2007-08	2007-08	07-07-2009	-	Reminder for laying previous AR in June 2010, latest reminder for submission of accounts issued in February 2010.
11	District Legal Services Authority, Bardhaman	Permanent entrustment	2009-10	2007-08	2007-08	09-09-2009	-	Reminder for laying previous AR in June 2010, latest reminder for submission of accounts issued in February 2010.
12	District Legal Services Authority, Hooghly	Permanent entrustment	2009-10	2006-07	2006-07	07-09-2009	-	Reminder for laying previous AR in June 2010, latest reminder for submission of accounts issued in February 2010.
13	Commissioners for Rabindra Setu	2013-14	2009-10	2009-10	2008-09	22.02.2010	2005-06	-
14	Hooghly River Bridge Commissioners	2008-13	2009-10	2009-10	2008-09	12.07.2010	2005-06	-
15	Kolkata Metropolitan Development Authority	2007-12	2009-10	2008-09	2007-08	01-01-2010	2004-05	Latest reminder for submission of accounts issued in August 2010
16	West Bengal Housing Board	2007-12	2009-10	2009-10	2008-09	05.01.2010	2006-07	-

### APPENDIX 3.6

(Refer paragraph 3.4, Page 60)

#### Statement of finalisation of accounts and the Government Investment in departmentally managed Commercial and Quasi-Commercial undertakings

Sl. No.	Department	Number of undertakings under the Department	Name of undertakings	Year of formation	Accounts finalised upto	Investment as per last Accounts (Rupees in crore)	Accumulated loss as per latest account received upto June, 2010 (Rupees in crore).
1.	Food Processing Industries and Horticulture	1	Directorate of Cinchona and other Medicinal plants	1888	2007-2008	456.32	421.08
2	Micro & Small Scale Enterprises and Textiles	4	Central Engineering Organisation, Howrah	1956	2000-2001	7.21	6.20
			Training-cum-production centre for Wood Industries, Siliguri	1956	1997-1998	2.95	2.76
			Integrated Wood Industries Scheme, Durgapur.	1956	1997-1998	4.45	3.90
			Integrated Wood Industries Scheme, Kalyani	1956	1997-1998	6.36	4.96
3.	Public Enterprise	1	Undertaking of Darjeeling Ropeway Company Limited	1977	1982-1983	0.26	0.18
4	Housing	2	(Directorate of Brick Production (Manual)	1965	1995-1996	16.05	7.05
			Mechanical Brick Factory, Palta	1965	2002-2003	65.68	66.80
5	Animal Resources Development	4	Durgapur Milk Supply Scheme	1972	No Arrear	60.03	89.70
			Krishnanagar Milk Supply Scheme	1977	No Arrear	44.05	46.82
			Burdwan Milk Supply Scheme	1982	No Arrear	41.39	41.02
			Greater Calcutta Milk Supply Scheme	1990	No Arrear	1232.80	1176.12
6.	Food and Supplies	1	Scheme for Public Distribution of Foodgrains (PDS)	1986	2004-2005	495.57	Accumulated Profit
7.	Fisheries, Aqua Culture, Aquatic resources and Fishing Harbours Department	1	Scheme for production of shark liver oil, fish meal, etc.	1961	1993-1994	0.01	NA
8.	Commerce and Industries Department	1	Oriental Gas Company's Undertaking	1960	No Arrear	30.80	29.38
<b>Eight Departments</b>		<b>15</b>				<b>2463.93</b>	<b>1895.97</b>

## APPENDIX – 3.7

(Refer Paragraph 3.5; Page 60)

Department wise/duration wise break-up of the cases of misappropriation, defalcation, etc.  
(Cases where Final action was pending at the end of March 2010)

Sl. No.	Name of the Department	Up to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 years or More	Total No. of Cases
1	Agriculture	-	1	3	-	7	33	44
2	Animal Resources Development	-	11	1	1	1	7	21
3	Board of Revenue	1	7	1	6	3	268	286
4	Cottage and Small Scale Industries	-	1	-	-	-	-	1
5	Finance	-	-	1	1	-	5	7
6	Finance (Taxation)	-	-	-	1	-	2	3
7	Fisheries	-	-	-	1	-	-	1
8	Food and Supplies	-	-	-	1	-	2	3
9	Food Processing and Horticulture	-	-	-	1	-	-	1
10	Forest	-	5	-	-	-	-	5
11	Health and Family Welfare	12	19	17	3	5	21	77
12	Home (Civil) Defence	-	-	-	-	1	-	1
13	Home (Police)	-	1	-	-	3	6	10
14	Housing	10	4	7	4	2	-	27
15	Irrigation and Waterways	38	37	26	14	7	8	130
16	Information and Cultural Affairs	1	-	-	-	-	-	1
17	Judicial	-	1	-	-	1	2	4
18	Labour	-	-	-	1	-	10	11
19	Land and Land Reforms	-	2	2	1	3	40	48
20	Mass Education	-	3	-	-	-	1	4
21	Micro and Small Scale Enterprises and Textiles	1	-	-	-	-	-	1
22	Minor Irrigation	-	-	-	1	1	5	7
23	Municipal Affairs	-	-	1	-	-	-	1
24	Public Works	38	17	17	3	4	3	82
25	Public Works (RD)	22	14	21	11	4	3	75
26	Public Works (CB)	3	1	3	2	-	-	9
27	Public Health Engineering	26	13	12	10	5	-	66
28	Relief	2	-	3	-	1	-	6
29	Rural Development	-	3	3	5	6	16	33
30	School Education	-	5	-	-	-	-	5
31	Social Welfare	-	-	-	3	-	-	3
32	Sports and Youth Services	-	-	1	-	-	-	1
33	Technical Education and Training	3	-	2	-	8	-	13
34	Urban Development	2	-	2	2	-	-	6
35	Water Investigation and Development	18	11	19	5	3	15	71
TOTAL		177	156	142	77	65	447	1064

**APPENDIX – 3.8**  
(Refer Paragraph 3.5; Page 60)

**Department/category-wise details in respect of cases of loss to Government due to theft, misappropriation/loss of Government material**

Sl. No.	Name of the Department	Theft Cases		Misappropriation/ Loss of Government Material		Total	
		Number of Cases	Amount (Rupees in lakh)	Number of Cases	Amount (Rupees in lakh)	Number of Cases	Amount (Rupees in lakh)
1	Agriculture	1	0.01	43	15.48	44	15.49
2	Animal Resources Development	-	-	21	16.55	21	16.55
3	Board of Revenue	2	0.10	284	20.66	286	20.76
4	Cottage and Small Scale Industries	-	-	1	9.98	1	9.98
5	Finance	-	-	7	9.44	7	9.44
6	Finance (Taxation)	-	-	3	3.69	3	3.69
7	Fisheries	-	-	1	9.12	1	9.12
8	Food and Supplies	-	-	3	0.50	3	0.50
9	Food Processing and Horticulture	1	1.50	-	-	1	1.50
10	Forest	-	-	5	10.06	5	10.06
11	Health and Family Welfare	-	-	77	62.18	77	62.18
12	Home (Civil) Defence	-	-	1	1.91	1	1.91
13	Home (Police)	1	0.07	9	5.11	10	5.18
14	Housing	14	10.04	13	564.86	27	574.90
15	Irrigation and Waterways	81	413.27	49	902.18	130	1315.45
16	Information and Cultural Affairs	-	-	1	0.06	1	0.06
17	Judicial	-	-	4	5.87	4	5.87
18	Labour	-	-	11	1.68	11	1.68
19	Land and Land Reforms	-	-	48	25.82	48	25.82
20	Mass Education	-	-	4	24.21	4	24.21
21	Micro and Small Scale Enterprises and Textiles	-	-	1	2.50	1	2.50
22	Minor Irrigation	7	0.44	-	-	7	0.44
23	Municipal Affairs	-	-	1	1.87	1	1.87
24	Public Works	56	108.14	26	1681.98	82	1790.12
25	Public Works (RD)	42	64.62	33	2170.60	75	2235.22
26	Public Works (CB)	6	-	3	-	9	-
27	Public Health Engineering	52	513.33	14	1710.72	66	2224.05
28	Relief	-	-	6	22.80	6	22.80
29	Rural Development	1	0.01	32	51.70	33	51.71
30	School Education	-	-	5	54.04	5	54.04
31	Social Welfare	-	-	3	22.28	3	22.28
32	Sports and Youth Services	-	-	1	3.24	1	3.24
33	Technical Education and Training	-	-	13	23.58	13	23.58
34	Urban Development	5	7.50	1	-	6	7.50
35	Water Investigation and Development	60	419.70	11	2.12	71	421.82
<b>TOTAL</b>		<b>329</b>	<b>1538.73</b>	<b>735</b>	<b>7436.79</b>	<b>1064</b>	<b>8975.52</b>

## APPENDIX – 3.9

(Refer paragraph 3.6.2; Page 62)

### Pending DC bills for the years up to 2009-10

Sr. No.	Department	Number of AC bills	Amount
<b>(Rupees in crore)</b>			
1	Fire Services	03	3.40
2	Land and Land Reforms	1120	73.99
3	Jail	05	2.13
4	School Education	02	0.17
5	Home (Police)	255	95.37
6	Health and Family Welfare	13	0.82
7	Higher Education	04	0.34
8	Tourism	02	0.04
	<b>Total</b>	<b>1404</b>	<b>176.26</b>

**APPENDIX 3.10**  
(Refer paragraph 3.6.3; Page 64)

**Statement showing accumulation of fund in test-checked PLAs as on 31.03.2010**

				Rupees in crore
Sl No.	Name of the DDO	Year of opening of PLA	Balance as on 31.03.2010	Development funds parked
1	DM, South 24-Parganas	1990-1991	68.68	10.49
2	DM, North 24-Parganas	1990-1991	30.63	20.75
3	DM, Jalpaiguri	1993-1994	51.19	40.57
4	DM, Uttar Dinajpur	1994-1995	30.00	14.78
5	DM, Malda	1990-1991	34.71	29.57
6	DM, Murshidabad	1990-1991	52.46	40.06
7	DM, Nadia	1990-1991	30.44	8.68
8	DM, Bardhaman	1994-1995	26.31	11.08
9	DM, Purulia	1993-1994	26.58	
10	DM, Bankura	1995-1996	25.21	19.06
11	DM, Cooch Behar	1990-1991	18.37	5.54
12	DM, Paschim Medinipur	1990-1991	19.87	
13	DM, Howrah	1990-1991	29.69	5.32
14	DM, Dakshin Dinajpur	1991-1992	20.24	
15	DM, Birbhum	1990-1991	9.79	6.90
16	DM Purba Medinipur	2001-02	8.50	-
17	Principal, Dr. R. Ahmed Dental College & Hospital	1973-74	0.03	-
18	Labour Commissioner, West Bengal	1972-1973	0.22	-
19	MSVP, Medical College & Hospital, Kolkata	1997-98	0.95	-
20	MSVP, National Medical College & Hospital, Kolkata	1997-98	0.46	-
21	DG & IG of Police, West Bengal	1994-1995	0.18	-
22	Addl. Director of Animal Resources Development, Haringhata Firm, Nadia	1968-69	0.0038	-
<b>Total</b>			<b>484.5138</b>	<b>212.80</b>
23	Spl. LAO, South 24 Parganas	NA	64.36	-
24	Spl. LAO, North 24 Parganas	NA	238.57	-
25	Spl. LAO, Bardhaman	NA	257.86	-
26	Spl. LAO, Purulia	NA	54.98	-
27	Spl. LAO, Howrah	(i) 1978-79	56.51	-
		(ii) 1983-84	8.81	-
28	Spl. LAO, Nadia	1992-93	9.96	-
29	Spl. LAO, Birbhum	1978-1979	4.44	-
30	Spl. LAO, Dakshin Dinajpur	1973-1974	3.67	-
31	Superintendent, Dum Dum Central Correctional Home	i) 1986-1987	0.048	-
		ii) NA	0.0004	-
<b>Grand Total</b>			<b>1183.7222</b>	<b>212.80</b>

**APPENDIX 3.11**  
(Refer paragraph 3.6.3; Page 64)

Statement showing funds not utilised at all by various DDOs

Sl No	Name of the DDO	Name of scheme/purpose for which fund received	Amount (Rs)	Year of receipt
1.	DM, Burdwan	Rastriya Krishi Vikash Yojana	18000000	2007-08
		Road Safety Awareness Programme	150000	2008-09
2.	DM, Malda	Construction/ electrification of Malda Museum	802533	2007-08
		Bird Flue/ Implementation of alternative Animal Husbandry Scheme	5850000	2009-10
3.	DM, Jalpaiguri	Bank commission charges	1737400	1996-97
		Implementation of Pilot project to provide foodgrains to under-nourised pregnant & lactating mothers and adolescent girls	12800000	2004-05
		Community development schemes	5546709	2006-07
4.	DM, Bankura	Bus terminus complex of SBSTC at Bishnupur	1400000	1997-98
		Tribal Sub-Plan fund	533400	2005-06
		Vocational Training Programme Fund	1150000	2007-08
		SC/ST Sub-Plan Fund	356393	2007-08
5.	DM, South 24 Parganas	Procurement of Mechanised Boats for relief	1000000	2001-02
		Developmental fund	4524451	2005-06
6.	DM, Cooch Behar	MSK	579500	2005-06
		Fund for non-KMAULBS	50000	2008-09
		Health Scheme	25000	2004-05
		<b>Total</b>	<b>54505386</b>	

IX  
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## Abbreviations

<b>A&amp;E</b>	<b>Accounts and Entitlement</b>
<b>AE</b>	<b>Aggregate Expenditure</b>
<b>AIBP</b>	<b>Accelerated Irrigation Benefit Programme</b>
<b>APL</b>	<b>Above Poverty Line</b>
<b>ATF</b>	<b>Aviation Turbine Fuel</b>
<b>BE</b>	<b>Budget Expenditure</b>
<b>BPL</b>	<b>Below Poverty Line</b>
<b>CADA</b>	<b>Command Area Development Authority</b>
<b>CE</b>	<b>Capital Expenditure</b>
<b>CGA</b>	<b>Controller General Of Accounts</b>
<b>CMDA</b>	<b>Calcutta Metropolitan Development Authority</b>
<b>CO</b>	<b>Capital Outlay</b>
<b>CPSMS</b>	<b>Central Plan Scheme Monitoring System</b>
<b>CSF</b>	<b>Consolidated Sinking Fund</b>
<b>DCA</b>	<b>Departmental Consolidated Accounts</b>
<b>DDOs</b>	<b>Drawing and Disbursing Officers</b>
<b>DE</b>	<b>Development Expenditure</b>
<b>ES</b>	<b>Economic Services</b>
<b>FD</b>	<b>Fiscal Deficit</b>
<b>FRBM</b>	<b>Fiscal Responsibility and Budget Management</b>
<b>GoI</b>	<b>Government of India</b>
<b>GS</b>	<b>General Services</b>
<b>GSDP</b>	<b>Gross State Domestic Product</b>
<b>IP</b>	<b>Interest Payment</b>
<b>M&amp;SSET</b>	<b>Micro &amp; Small Scale Enterprise &amp; Textiles</b>
<b>MA</b>	<b>Municipal Affairs</b>
<b>NGO</b>	<b>Non-Government Organisation</b>
<b>NPRE</b>	<b>Non Plan Revenue Expenditure</b>
<b>NREGA</b>	<b>National Rural Employment Guarantee Act</b>
<b>NSSF</b>	<b>National Social Security Fund</b>
<b>O&amp;M</b>	<b>Operation and Maintenance</b>
<b>OBC</b>	<b>Other Backward Classes</b>
<b>P&amp;RD</b>	<b>Panchayat and Rural Development</b>
<b>PAO</b>	<b>Pay and Accounts Offices</b>
<b>PCDE</b>	<b>Per Capita Development Expenditure</b>
<b>PD</b>	<b>Primary Deficit</b>
<b>PLA</b>	<b>Personal Ledger Account</b>
<b>PMGSY</b>	<b>Pradhan Mantri Gram Sadak Yojana</b>
<b>PRE</b>	<b>Plan Revenue Expenditure</b>
<b>RBI</b>	<b>Reserve Bank of India</b>
<b>RD</b>	<b>Revenue Deficit</b>
<b>RE</b>	<b>Revised Estimate/ Revenue Expenditure</b>
<b>RR</b>	<b>Revenue Receipts</b>

S&W	Salary and Wages
SARs	Separate Audit Reports
SC	Scheduled Castes
SFDA	Small Farmers Development Agency
SS	Social Sector
SSA	Sarbo Siksha Abhijan
SSE	Social Sector Expenditure
ST	Scheduled Tribes
TE	Total Expenditure
TPDS	Targeted Public Distribution System
TwFC	Twelfth Finance Commission
UC	Utilisation Certificate
UT	Union Territory
VAT	Value Added Tax
WBPDC	West Bengal Power Development Corporation Limited
WBSEB	West Bengal State Electricity Board
WBVAT Act	West Bengal Value Added Tax Act
ZP	Zilla Parishad

