

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

For the year ended 31 March 2005

(CIVIL)

GOVERNMENT OF BIHAR

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Preface

1. **T**his Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapter I and II of this Report contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government respectively for the year ended 31 March 2005.
3. The remaining chapters deal with the findings of performance audit, audit of transactions in the various departments and internal control system in Animal Husbandry Department.
4. The Report containing the observations arising out of audit of Statutory Corporations, Boards and Governments Companies and the Report containing such observations on Revenue Receipts are presented separately.
5. The cases mentioned in the Report are among those which came to notice in the course of test audit of accounts during the year 2004-2005 as well as those which had come to notice in earlier years but could not be dealt with in previous Reports; matters relating to the period subsequent to the year 2004-2005 have also been included wherever necessary.

OVERVIEW

OVERVIEW

This Report includes two chapters containing observations on Finances and Appropriation Accounts of the Government of Bihar for the year 2004-05 and three other chapters comprising five performance reviews, 20 paragraphs and internal control mechanism in the Animal Husbandry Department. A synopsis of the main audit observations contained in the Audit Report is presented in this overview.

1 Finances of the State Government

During 2004-05, revenue receipts (Rs 15714 crore) showed an increase of 26 per cent as against 15 per cent growth in revenue expenditure (Rs 14638 crore) over the previous year leading to revenue surplus of Rs 1076 crore. However, own resources of the State was only 24 per cent during 2004-05.

Capital expenditure (Rs 1205 crore) also decreased during 2004-05 by 22 per cent over the previous year. As a result, fiscal deficit decreased from Rs 4363 crore in 2003-04 to Rs 1242 crore in 2004-05. However, the area of concern is that the fiscal liabilities during the year (Rs 42483 crore) grew by 13 per cent over the previous year and the ratio of the liabilities to GSDP was as high as 68 per cent.

2 Allocative priorities and Appropriation

During 2004-05, the overall saving of Rs 6442.77 crore was the net result of savings of Rs 6448.45 crore and excess of Rs 5.68 crore. The excess expenditure would require regularisation under Article 205 of the Constitution of India. Supplementary provision of Rs 1166.41 crore obtained in 42 cases proved wholly unnecessary.

3 Flood control measures

The Water Resources Department (WRD) is implementing long and short term schemes for mitigating flood hazards which affect over two crore population in the State. During 2000-05, the WRD mainly executed anti-erosion works. Plan allocations for construction of new embankments, raising and strengthening of existing embankments and construction of all weather roads on embankments were curtailed. As a result, achievement against the targets were poor under raising and strengthening of embankments (123 km against 580 km), all weather road on embankments (64.15 km against 590.85 km) and total length of embankments (nil against 36 km). Audit observed that in three divisions avoidable expenditure of Rs 6.26 crore was incurred due to delay in execution of work and delay in finalisation of tenders.

(Paragraph 3.1)

4 Implementation of the Acts And Rules relating to consumer protection

The Consumer Protection Act, 1986 was enacted by Government of India to provide speedy and inexpensive redressal of consumers grievances. It provides establishment of consumer dispute redressal machinery (consumer courts) at National, State and District levels. In Bihar, implementation of the Acts and Rules relating to Consumer Protection was not satisfactory because there was delay in establishment of the districts forums; there was shortage of staff and absence of adequate infrastructure such as computers, fax machine, library books etc. No Circuit Bench has been created. There was only one notified laboratory in the State which received no samples for analysis. Consumer awareness programme suffered as Consumer Protection Councils were not established and District Consumer Information Centres were not set up in the State. As of June 2005, 15599 complaint cases were pending in the State Commission and the District Forums. Also, there was delay in settlement of cases and payment of decretal amount. Thus, objective of providing speedy redressal of consumer grievances was not achieved.

(Paragraph 3.2)

5 Flood relief operations in Bihar

For relief of the 2.13 crore flood affected people in 20 districts of the State Disaster Management Department provided Rs 132.40 crore during 2004-05. Of these, District Magistrates (DMs), who were the overall incharge of flood relief operations in the Districts, drew Rs 117.68 crore on AC bills and spent Rs 96.81 crore. Audit scrutiny of expenditure on foodgrains (Rs 37.40 crore) and cash dole (Rs 44.59 crore) revealed delay in distribution of foodgrains and cash dole, doubtful purchase of material and doubtful distribution of foodgrain and non-submission of DC bills of payment of cash dole.

DMs submitted utilisation certificates of Rs 81.94 crores to DMD without submitting the vouchers to the Accountant General. Rupees 10.77 crore advanced to staff for relief work was booked as expenditure without receipt of adjustment vouchers. Foodgrain worth Rs 4.85 crore and cash dole of Rs 9.84 crore were distributed after flood period thereby defeating the objective of providing immediate relief. Stock and distribution registers of foodgrain and relief material were not maintained at district and circle levels. As a result authenticity of distribution of 7.57 lakh quintal of food grains valued at Rs 36.96 crore reflected in form IX could not be verified.

(Paragraph 3.3)

6 Flood relief operations by District Magistrate, Patna

For flood relief operations, Disaster Management Department (DMD) allotted Rs 13.54 crore to DM Patna in 2004 though Patna was not a flood affected district and DM Patna was not notified as a nodal officer. Audit of relief operations conducted by DM Patna reflected failure of internal

control mechanism at Secretariat as well as district level. DM Patna failed to submit detailed contingent bills of Rs 13.34 crore drawn on AC bills. DM also diverted Rs 5.10 crore for relief operations from other heads of accounts such as Election, Welfare and Land Acquisition etc. DM failed to enter into pre-contract with the suppliers of relief material as required under GOI guidelines and made payment of Rs 17.80 crore to Baba Satya Sai Interprises. The DMs had not maintained stock and distribution register of relief materials. Thus, there was gross mismanagement of relief funds by the DM, Patna.

(Paragraph 3.4)

7 Execution of works by Zila Parishads

Thirty eight Zila Parishads (ZPs) received funds from Government of India for development works and implementation of various schemes. Review of the execution of works by ZPs revealed that DDC-cum-CEOs of ZPs, as controlling officers, failed to prepare accounts of the ZP and rendered incorrect utilisation certificates relating to funds allotted to the Gram Panchayats and Panchayat Samitis. Temporary advances which are given to the executive subordinates by the Divisional Officers for execution of works departmentally on the basis of vouchers passed for payment were outstanding for final adjustment to the extent of Rs 101.80 crore relating to execution of 9226 works.

Out of total 9879 works taken up by seven ZPs during 2001-2005, records of completion of works were available in respect of only 653 works and in respect of remaining works, the records were either not produced or were incomplete. Therefore, it could not be verified in Audit whether the works were actually completed.

(Paragraph 3.5)

8 Evaluation of Internal Control System in Animal Husbandry Department

Internal controls viz. financial control, expenditure control, operational control and monitoring mechanism were inadequate and ineffective in Animal Husbandry Department. Due to lack of budgetary and expenditure controls, there was unnecessary provision of supplementary grants and leading to huge savings. The schemes undertaken by the Department could not be commenced because the Central Purchase Committee failed to take timely decisions on procurement of equipment and materials. Department failed to furnish the data on targets and achievement against the various schemes implemented by the Department. No animal census was conducted after 1982. Department had no information regarding the men-in-position in the Department. Monitoring mechanism in the Department was weak. Against 452 internal audit paras issued during 2000-05, 419 paras valued Rs 52.54 crore were not settled as of August 2005.

(Paragraph 5.1)

9 Transaction audit findings

Audit of financial transactions, subjected to test-check, in various departments of the Government and their field functionaries revealed instances of misappropriation/non-accountal, misutilisation and infructuous expenditure etc. of over Rs 30.42 crore as mentioned below :

- Misappropriation/ non-accountal of funds amounting to Rs 12.18 crore were noticed in Water Resources Department (Rs 2.03 crore), Rural Development Department (Rs 9.67 crore), Road Construction Department (Rs 0.26 crore) and Secondary, Primary and Adult Education Department (Rs 0.22 crore).
- Violations of contractual obligations and undue favour to contractors amounting to Rs 2.65 crore was noticed in Road Construction Department.
- Misutilisation of funds amounting to Rs 9.71 crore was noticed in Rural Development Department (Rs 3.22 crore), Revenue and Land Reforms Department (Rs 1.06 crore), Urban Development Department (Rs 4.47 crore) and Labour, Employment and Training Department (Rs 0.96 crore).
- Infructuous expenditure of Rs 5.88 crore was noticed in Urban Development Department (Rs 1.17 crore) and Health and Family Welfare Department (Rs 4.71 crore).

Some of the important findings are as shown below:

Two cases of defalcation of Rs 1.02 crore were detected in Revenue Division, Purnea and Zila Parishad, Sitamarhi due to failure of DDOs to handle cash as per the codal provisions.

(Paragraph 4.1.1 & 4.1.4)

Fraudulent payments of Rs 1.33 crore in Western Kosi Canal Division, Darbhanga and Jhanjharpur were made to the two contractors on carriage of stone metal without obtaining vouchers in support of carriage of material from the quarry given in the agreement.

(Paragraph 4.1.3)

Amount of Rs 76.18 lakh (Rs 69.63 lakh under SJSRY) for payment of subsidy to USEP beneficiaries through urban local bodies was paid by the DM Patna to NGOs for the purposes not covered under the SJSRY scheme.

(Paragraph 4.1.7)

Failure of the Executive Engineer/departmental authorities to file a counter affidavit in the Court of the Sub Judge led to auction of office building and loss to Government amounting to Rs 26.06 lakh.

(Paragraph 4.1.11)

In violation of NSDP guidelines, Executive Officers of Madhubani and Darbhanga districts misutilised Rs 2.76 crore for development of non-slum areas apart from doubtful expenditure of Rs 94.67 lakh on purchase of materials.

(Paragraph 4.4.4)

CHAPTER-I

FINANCES OF THE STATE GOVERNMENT

Summary

Revenue receipts (Rs 15714 crore) during 2004-05 showed an increase of 26 per cent as against 15 per cent increase in revenue expenditure (Rs 14638 crore) over the previous year, although percentage of own resources of State Government in revenue receipts declined from 31 per cent (2000-01) to 24 per cent in 2004-05. Central tax transfers & grants-in-aid contributed nearly 76 per cent of the revenue receipts. Grants-in-aid from the Central Government increased by 75 per cent in 2004-05 over the previous year. Central Tax Transfers also increased from 16 per cent in 2003-04 to 20 per cent in 2004-05.

Among the sources of tax revenue, Sales Tax (57 per cent), Stamps and Registration Fees (13 per cent), State Excise (eight per cent) and Taxes on vehicles (six per cent) were the principal contributors. Of non-tax revenue sources, non-ferrous/mining and metallurgical industries (19 per cent) and interest receipts (18 per cent) were principal contributors.

Overall expenditure of the State increased from Rs 16829 crore in 2003-04 to Rs 16971 crore in 2004-05 at a marginal growth of 0.84 per cent. Revenue expenditure (Rs 14638 crore) constituted 86 per cent of total expenditure. The fiscal liabilities (Rs 42483 crore) increased during 2004-05 with a growth of 13 per cent over previous year and stood at three times the revenue receipts.

Interest payments increased by four per cent from Rs 3343 crore in 2003-04 to Rs 3474 crore in 2004-05 primarily due to continued reliance on borrowings for financing the deficit.

The revenue surplus along with decline in capital expenditure (Rs 1205 crore) in the current year resulted in reduction of fiscal deficit. The fiscal deficit which represents the total borrowings of the Government and its total resource gap decreased by 72 per cent. The positive balance from current revenue was mainly due to the increase in State share of Central taxes and non-plan grants-in-aid from Government of India. Also unbooked interest payment on GPF of Rs 1186 crore, if incorporated, would wipe out the positive BCR.

The ratio of fiscal liabilities to GSDP was 68 per cent indicating unsustainability of the debt burden of the State.

1.1 Introduction

The Finance Accounts of the Government of Bihar are laid out in 19 statements, presenting receipts and expenditure, revenue as well as capital in the Consolidated Fund, Contingency Fund and the Public Account of the State Government. The lay out of the Finance Accounts is depicted in Box 1.1.

Box 1.1

Lay out of Finance Accounts

Statement No. 1 presents the summary of transactions of the State Government-receipts and expenditure, revenue and capital, public debt receipts and disbursements etc. in the Consolidated fund, Contingency fund and Public account of the State.

Statement No. 2 contains the summarised statement of capital outlay showing progressive expenditure to the end of 2004-05.

Statement No. 3 gives financial results of irrigation works, their revenue receipts, working expenses and maintenance charges, capital outlay, net profit or loss, etc.

Statement No. 4 indicates the summary of debt position of the State, which includes borrowings from internal debt, Government of India, other obligations and servicing of debt.

Statement No. 5 gives the summary of loans and advances given by the State Government during the year, repayments made, recoveries in arrears, etc.

Statement No. 6 gives the summary of guarantees given by the Government for repayment of loans etc. raised by the statutory corporation, local bodies and other institutions.

Statement No. 7 gives the summary of cash balances and investments made out of such balances.

Statement No. 8 depicts the summary of balances under consolidated fund, Contingency fund and Public account as on 31 March 2005.

Statement No. 9 shows the revenue and expenditure under different heads for the year 2004-05 as a *percentage* of total revenue/expenditure.

Statement No. 10 indicates the distribution between the charge and voted expenditure incurred during the year.

Statement No. 11 indicates the detailed account of revenue receipts by minor heads.

Statement No. 12 provides accounts of revenue and capital expenditure by minor heads under Non-Plan, State Plan and Centrally Sponsored Schemes separately.

Statement No. 13 depicts the detailed capital expenditure incurred during and to the end of 2004-05.

Statement No. 14 shows the details of investment of the State Government in statutory corporations, government companies, other joint stock companies, cooperative banks and societies etc. up to the end of 2004-05.

Statement No. 15 depicts the capital and other expenditure to the end of 2004-05 and the principal sources from which the funds were provided for that expenditure.

Statement No. 16 gives the detailed account of receipts, disbursements and balances under heads of account relating to Debt, Contingency Fund and Public Account.

Statement No. 17 presents detailed account of debt and other interest bearing obligations of the Government of Bihar.

Statement No. 18 provides the detailed account of loans and advances given by the Government of Bihar, the amount of loan repaid during the year, the balance as on 31 March 2005 and the amount of interest received during the year.

Statement No. 19 gives the details of earmarked balances of Reserve Funds.

1.2 Trend of finances with reference to previous year

Finances of State Government during the current year as compared to that of the previous year were as under:

(Rupees in crore)

2003-04	Sl. No.	Major Aggregates	2004-05
12456	1	Revenue Receipts (2+3+4)	15714
2890	2	Tax Revenue	3347
320	3	Non-Tax Revenue	418
9246	4	Other Receipts	11949
10	5	Non-Debt Capital Receipts	15
10	6	Of which Recovery of Loans	15
12466	7	Total Receipts (1+5)	15729
14051	8	Non-Plan Expenditure (9+11+12)	13495
11627	9	On Revenue Account	12642
3343	10	Of which, Interest Payments	3474
56	11	On Capital Account	35
2368	12	Loans and advances disbursed	818
2778	13	Plan Expenditure (14+15+16)	3476
1084	14	On Revenue Account	1996
1493	15	On Capital Account	1170
201	16	Loans and advances disbursed	310
16829	17	Total Expenditure (8+13)	16971
(-) 4363	18	Fiscal Deficit (7-17) Deficit (-)/Surplus (+)	(-)1242
(-) 255	19	Revenue Deficit (1-9-14) Deficit (-)/Surplus (+)	(+)1076
(-) 1020	20	Primary Deficit (18-10) Deficit(-)/Surplus(+)	(+)2232

1.3 Summary of Receipts and Disbursements for the year

Table 1 summarises the finances of the State Government of Bihar for the year 2004-05 covering revenue receipts and expenditure, capital receipts and expenditure, public debt receipts and disbursements and public account receipts and disbursements made during the year as emerging from Appendix-1 of Finance Accounts and other detailed statements.

Table 1 SUMMARY OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR 2004-05

(Rupees in crore)

2003-04	Receipts	2004-05	2003-04	Disbursements	2004-05		
Section-A: Revenue							
					Non-Plan	Plan	Total
12455.56	I. Revenue receipts	15714.14	12710.83	I. Revenue expenditure	12642.78	1995.63	14638.41
2889.69	Tax revenue	3347.39	7175.46	General services	7625.29	178.19	7803.48
320.38	Non-tax revenue	417.79	4033.43	Social Services	3870.36	924.62	4794.98
7627.87	Share of Union Taxes/Duties	9117.13	1498.18	Economic Services	1142.85	892.82	2035.67
1617.62	Grants from Govt. of India	2831.83	3.76	Grants-in-aid / Contributions	4.28	--	4.28

(Rupees in crore)

2003-04	Receipts	2004-05	2003-04	Disbursements	2004-05		
Section-B: Capital							
-	II Misc. Capital Receipts	-	1549.17	II Capital Outlay	34.52	1170.00	1204.52
10.45	III Recoveries of Loans and Advances	14.83	2568.92	III Loans and Advances disbursed	817.56	310.28	1127.84
5068.51	IV Public debt receipts*	7622.58	2801.64	IV Repayment of Public Debt	--	--	3083.72
7440.06	V Public account receipts	4092.67	5788.95	V Public account – disbursements	--	--	5519.18
92.85	Opening Balance	-352.08	- 352.08	Closing Balance			1518.47
25067.43	Total	27092.14	25067.43	Total			27092.14

* Excluding ways and means advances and over drafts

1.4 Audit Methodology

Audit observations on the Finance Accounts bring out the trends in the major fiscal aggregates of receipts and expenditure and from the statement of the Finance Accounts for the year 2004-05 and wherever necessary, show these in the light of time series data (**Appendix I to IV**) and periodic comparisons.

The key indicators adopted for analysing the State finances are (i) Resources by volumes and sources, (ii) Application of resources, (iii) Assets and Liabilities and (iv) Management of deficits. Audit observations have also taken into account the cumulative impact of resource mobilisation efforts, debt servicing and corrective fiscal measures. Overall financial performance of the State Government as a body corporate has been presented by the application of a set of ratios commonly adopted for the relational interpretation of fiscal aggregates.

The erstwhile State of Bihar was bifurcated into the successor States of Bihar and Jharkhand with effect from 15 November 2000 as per the Reorganisation Act. Hence the indicators of the financial performances of Government take into account the Finance Accounts figures of the combined State of Bihar and Jharkhand up to 14.11.2000 and of the successor State of Bihar thereafter. The reporting parameters are depicted in Box 1.2.

Box 1. 2 Reporting Parameters

Fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal and external debt and revenue and fiscal deficits have been presented as *percentage* to GSDP at current market prices. The GSDP series provided by the State Government have been used.

For tax revenues, non-tax revenues, revenue expenditure etc. buoyancy projections have also been provided for a further estimation of the range of fluctuations with reference to the base represented by GSDP.

For most series a trend growth during 2000-2005 has been indicated. The ratios with respect to GSDP have also been depicted. Some of the terms used here are explained in *Appendix V*.

The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account as defined in Box 1.3.

Box 1.3 - State Government Funds and the Public Account

Consolidated Fund	Contingency Fund	Public Account
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 the State' established under Article 266(1) of the Constitution of India.	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.	Besides the normal receipts and expenditure of Government which relate to the Consolidated Fund, certain other transactions enter Government Accounts, in respect of which Government acts more as a banker. Transactions relating to provident funds, small savings, other deposits, etc. are a few examples. The public moneys thus received are kept in the Public Account set up under Article 266(2) of the Constitution and the related disbursements are made from it.

Indicators of financial performance of the successor State of Bihar after 14 November 2000 are subject to variation after completion of allocation of assets and liabilities between the successor States of Bihar and Jharkhand.

The chapter was discussed with Finance Secretary, Government of Bihar and views of the Government have been considered and incorporated at appropriate place.

1.5 Resources by volumes and sources

Resources of the State Government consist of revenue receipts and capital receipts. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the Central Government. Capital receipts comprise miscellaneous capital receipts like proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources viz. market loans, borrowings from financial institutions/ commercial banks etc. and loans and advances from Government of India as well as accruals from the Public Account.

Table 2 shows that the total receipts of the State Government for the year 2004-05 were Rs 27444 crore, of which, the revenue receipts of the State Government were only Rs 15714 crore, constituting 52.26 per cent of the total receipts. The balance of receipts came from borrowings and Public Account receipts.

Table 2 – Resources of Bihar

		(Rupees in crore)
I Revenue Receipts		15714.14
II Capital Receipts		7637.41
a	Miscellaneous Receipts	--
b	Recovery of Loans and Advances	14.83
c	Public Debt Receipts	7622.58
III Public Account Receipts		4092.67
(a)	Small Savings, Provident Fund etc.	1198.00
(b)	Reserve Fund	188.59
(c)	Deposits and Advances	3129.42
(d)	Suspense and Miscellaneous	(-) 1661.61
(e)	Remittances	1238.27
Total Receipts		27444.22

1.5.1 Revenue receipts

Statement-11 of the Finance Accounts details the Revenue receipts of the Government. Revenue receipts of the State increased from Rs 11177 crore in 2000-2001 (erstwhile composite state) to Rs 15714 crore in 2004-05 (successor state). Although *percentage* of own resources of State Government declined from 31 per cent from 2000-01 to 24 per cent in 2004-05 the rate of growth of revenue receipts during 2004-05 over the previous year was 26 per cent primarily due to 75 per cent growth in the Grants-in-aid from Government of India and 20 per cent growth in the State's share in Union taxes and duties.

Overall revenue receipts, its annual rate of growth, ratio of these receipts to the State's Gross Domestic Product (GSDP) and its buoyancy is indicated in Table 3.

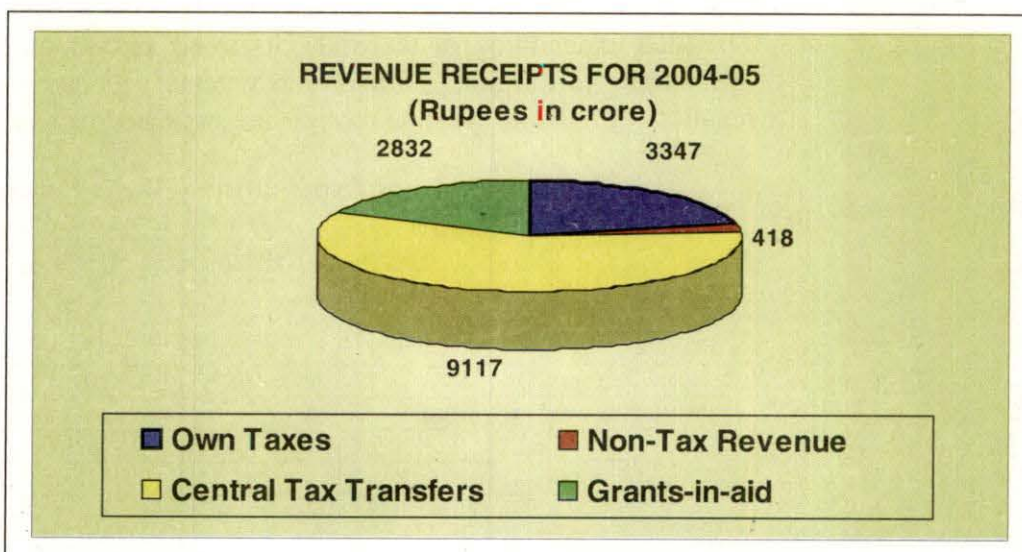
Table 3: Revenue Receipts – Basic Parameters
(Values in Rupees in crore and others in per cent)

	2000-01	2001-02	2002-03	2003-04	2004-05
Revenue Receipts (RR)	11177	9839	10968	12456	15714
Own taxes*	2809 (25)	2319(24)	2761(25)	2890(23)	3347(21)
Non-Tax Revenue*	712(6)	287(3)	261(2)	320(3)	418(3)
Central Tax Transfers*	6576(59)	6177(63)	6549(60)	7628(61)	9117(58)
Grants-in-aid*	1080(10)	1057(11)	1397(13)	1618(13)	2832(18)
Rate of Growth of RR	4.86	(-)11.97	11.47	13.57	26.16
Revenue Receipts/GSDP	22.63	19.30	19.35	20.81	25.03
Revenue Buoyancy	•	•	1.03	2.42	5.34
Own Tax Buoyancy	0.28	•	1.70	0.83	3.23
GSDP Growth	(-) 31.49	3.25	11.18	5.60	4.89

* (Figure in bracket represents percentage)

• Blank cell in the table represents buoyancy in negative.

While on average around 24 per cent of revenue receipts have come from own resources, Central Tax Transfers and Grants-in-aid together continued nearly 76 per cent of total revenue. Sales tax (57 per cent) was the major source of the State tax revenue followed by stamp and registration fees (13 per cent) and taxes on vehicles (6 per cent). Of non-tax revenue sources mining and metallurgical industries (19 per cent) and interest receipts 18 per cent were the principal contributors.



As on 31 March 2005 arrears of revenue pending collection under eight¹ of the major heads of revenue as reported by the Department were Rs 1101.34 crore out of which Rs. 395.35² crore were outstanding for more than five years.

The source of receipts under different heads and GSDP during 2000-2005 is indicated in Table 4.

Table 4 – Sources of Receipts: Trends

(Rupees in crore)

Year	Revenue Receipts	Capital Receipts			Total Receipts	Gross State Domestic Product (GSDP)
		Non-Debt Receipts	Debt Receipts	Public Account Receipt		
2000-01	11177	11	3528	10462	25178	49383
2001-02	9839	13	3758	7719	21329	50987
2002-03	10968	16	4190	5584	20758	56688
2003-04	12456	10	5069	7440	24975	59862
2004-05	15714	15	n7623	4092	27444	62792

¹ Taxes on sales and trade etc (Rs. 699.19 crore), Non-ferrous mining and metallurgical industries (Rs. 116.63 crore); Land revenue (Rs. 106.99 crore), Water rates (Rs. 147.45 crore), Taxes and duties on electricity (Rs. 7.14 crore); Taxes on sugarcane (Rs 15.43 crore); Entry tax (Rs. 5.64 crore) and Entertainment tax (Rs. 2.87 crore).

² Taxes on sales and trade etc (Rs.304.10 crore), Non-ferrous mining and metallurgical industries (Rs. 47.77 crore); Land revenue (Rs. 18.65 crore); Taxes and duties on electricity (Rs. 6.67 crore); Taxes on sugarcane (Rs 13.84 crore); Entry tax (Rs. 2.34 crore) and Entertainment tax (Rs.1.98 crore).

1.6 Application of resources

1.6.1 Trend of growth

The total expenditure of the state increased marginally from Rs 15263 crore in 2000-2001 for the erstwhile composite State of Bihar to Rs 16971 crore in 2004-05 for the reorganised State of Bihar.

The total expenditure of the State, its trend and annual growth, the ratio of expenditure to the State's GSDP and revenue receipts and its buoyancy with regard to GSDP and revenue receipts are indicated in Table 5 below:

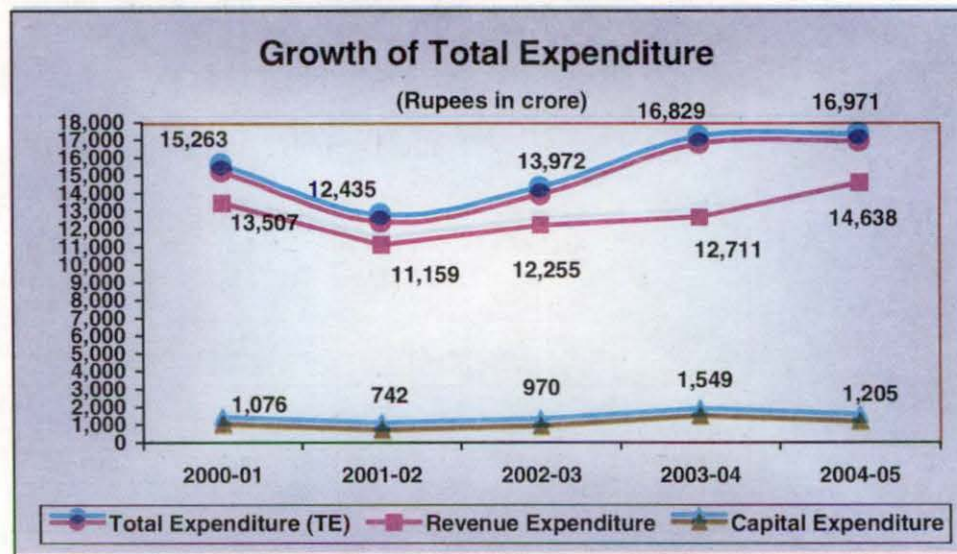
Table 5: Total Expenditure – Basic Parameters

(Value: Rupees in crore and others in per cent)

	2000-01	2001-02	2002-03	2003-04	2004-05
Total Expenditure	15263	12435	13972	16829	16971
Rate of Growth	(-) 8.42	(-) 18.53	12.36	20.45	0.84
TE/GSDP	30.91	24.39	24.65	28.11	27.03
Revenue Receipts/TE	73.23	79.12	78.50	74.02	92.59
Buoyancy of total expenditure with					
GSDP	0.27	-5.70	1.10	3.65	0.17
Revenue Receipts	*	1.55	1.08	1.51	0.03

(* Blank cell in the table represent buoyancy in negative).

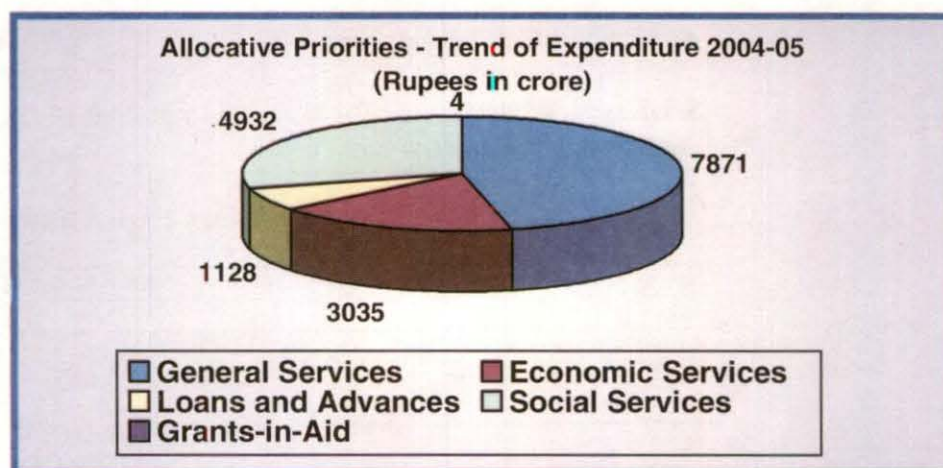
The total expenditure of the State increased by 0.84 per cent during 2004-05 over the previous year. During 2004-05 revenue receipts accounted for 92.59 per cent of the total expenditure.



In terms of activities, the total expenditure could be considered as being composed of expenditure on general services including interest payments, social and economic services, Grants-in-aid and loans and advances. The relative shares of these components in total expenditure are indicated in Table 6.

Table 6: Components of expenditure – Relative Share (in per cent)

	2000-01	2001-02	2002-03	2003-04	2004-05
General Services	45.81	51.00	47.63	42.77	46.38
Social Services	32.05	28.75	29.04	24.93	29.06
Economic Services	17.66	15.94	17.96	17.01	17.89
Grants-in-Aid	0.02	0.02	0.02	0.02	0.02
Loans and Advances	4.46	4.29	5.35	15.27	6.65



The movement of the relative shares of these components of expenditure indicated that while the share of social services in total expenditure declined from 32.05 per cent in 2000-2001 to 29.06 per cent in 2004-05, the relative share of general services increased from 45.81 per cent to 46.38 per cent during the period. Loans and advances increased from 4.46 per cent to 6.65 per cent during the same period. The share of economic services showed marginal increase by 0.22 per cent.

1.6.2 Incidence of revenue expenditure

Statement 12 of the Finance Accounts depicts the detailed revenue expenditure by minor heads and capital expenditure by major heads. Revenue expenditure had the predominant share in total expenditure. Revenue expenditure is usually incurred to maintain the current level of assets and services.

Revenue expenditure, its rate of growth, ratio of revenue expenditure to State's GSDP and revenue receipts and its buoyancy with both GSDP and revenue receipts are indicated in Table 7 below:

Table 7: Revenue Expenditure – Basic Parameters

(Value: Rupees in crore and others in per cent)

	2000-01	2001-02	2002-03	2003-04	2004-05
Revenue Expenditure (RE)	13507	11159	12255	12711	14638
Rate of Growth	(-) 5.95	(-) 17.38	9.82	3.72	15.16
RE/ GSDP	27.35	21.89	21.62	21.23	23.31
RE as per cent of Total Expenditure	88.50	89.74	87.71	75.53	86.25
RE as per cent to Revenue Receipts	120.85	113.42	111.73	102.05	93.15
Buoyancy of Revenue Expenditure with					
GSDP	0.19		0.88	0.66	3.10
Revenue Receipts		1.45	0.86	0.27	0.58

(Blank cell in the table represent buoyancy in negative).

Revenue expenditure of the State increased from Rs 13507 crore in 2000-2001 (for the composite State) to Rs 14638 crore in 2004-05. Revenue expenditure was 86.25 *per cent* of total expenditure (Rs 16971 crore) during 2004-05.

Though the ratio of revenue expenditure to revenue receipts declined from 120.85 *per cent* in 2000-01 to 93.15 *per cent* in 2004-05, the dependence of the State on borrowings for meeting its current expenditure continued.

♦ **Expenditure on salaries**

Salaries alone accounted for nearly 32 *per cent* of the revenue receipts of the State as indicated in the table below:

Table 8: Salary Expenditure

(Rupees in crore)					
Heads	2000-01	2001-02	2002-03	2003-04	2004-05
Salary Expenditure	7129.22	5275.89	5073.07	5019.88	5005.36
As <i>percentage</i> of GSDP	14.44	10.35	8.95	8.39	7.97
As <i>percentage</i> of Revenue Receipts	63.78	53.62	46.25	40.30	31.85

♦ **Expenditure on pension and other retirement benefits**

Pension payments have increased by 16 *per cent* from Rs 2011 crore in 2000-2001 to Rs 2325 crore in 2004-05. Year-wise break-up of expenditure incurred on pension payments during 2000-2005 was as under:

Table 9: Expenditure on Pensions

(Rupees in crore)		
Year	Expenditure	Percentage to Revenue Receipts
2000-2001	2011	17.99
2001-2002	2273	23.10
2002-2003	2049	18.68
2003-2004	2269	18.22
2004-2005	2325	14.80

With the increase in the number of retirees, the pension liabilities are likely to increase further in future. The State Government had not constituted any fund to meet the fast rising pension liabilities of the retired State employees. Considering the rate at which pension liabilities are increasing in the last few years, reforms in the existing pension schemes assume critical importance. The State Government clarified (December 2005) that the new contributed pension scheme on the pattern of Government of India has been introduced w.e.f. 1.10.2005.

♦ **Interest payments**

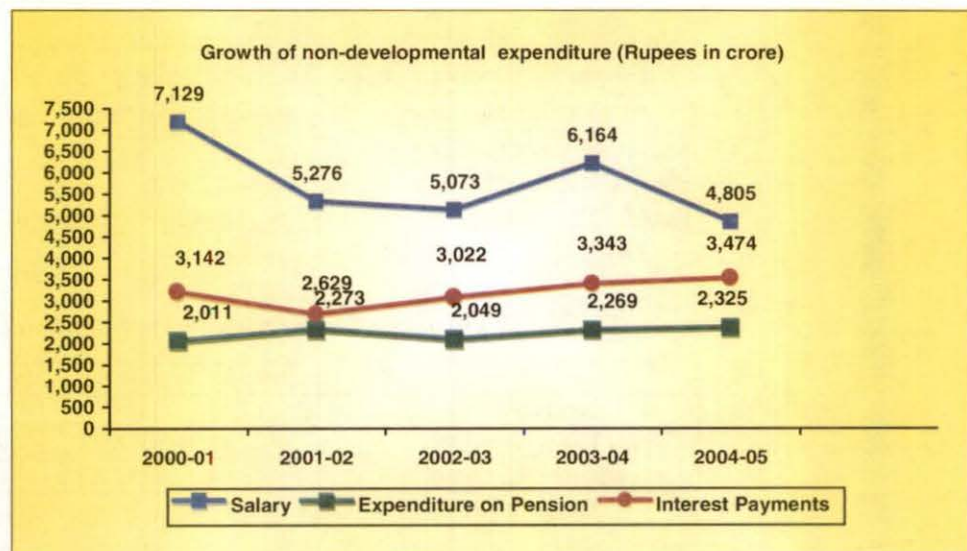
The Eleventh Finance Commission (August 2000) had recommended that as a medium term objective, States should endeavour to keep interest payment as a ratio to revenue receipts at 18 *per cent*. It was however observed that interest payments as *percentage* of revenue receipts ranged between 22 and 28 *per cent* during the last five years.

Table 10 : Interest payments

Year	Interest Payment (Rupees in crore)	Percentage of interest payment with reference to	
		Revenue Receipts	Revenue Expenditure
2000-2001	3142	28.11	23.26
2001-2002	2629	26.72	23.56
2002-2003	3022	27.55	24.66
2003-2004	3343	26.84	26.30
2004-2005	3474	22.11	23.73

In absolute terms, interest payments increased steadily by 11 *per cent* from Rs 3142 crore in 2000-01 to Rs 3474 crore in 2004-05 primarily due to continued reliance on borrowings for financing the fiscal deficit. The interest payment consumed 92 *per cent* of the State's own revenue. The increasing interest payments had adversely affected both development expenditure and social welfare schemes.

The State Government raised market loans of Rs 1889.17 crore at the average interest rate of 6.63 *per cent* during the year, whereas the borrowings of Rs 1198 crore from the National Small Saving Fund carried interest at the rate of 9.50 *per cent per annum* and the loan of Rs 1654.18 crore from Government of India carried interest at the rate of nine *per cent per annum*. Nearly 36 *per cent* of the total outstanding market loans as of 31 March 2005 carried interest rate exceeding 10 *per cent*. Thus, the effective cost of borrowings on past loans was much higher than the rate at which State was able to raise resources at present from the market. The maturity profile of the State Government market loans indicate that nearly 32 *per cent* of the total market loans are repayable within next five years while remaining loans are required to be repaid within five to 10 years. Thus, the rise in expenditure on interest payment is not likely to slow down in near future. The State Government has stated that they are forced to take higher interest cost loan from National Small Savings Fund and Government of India.



♦ **Understatement of interest payment on State Provident Fund**

The budgetary provisions of interest payment on provident fund were inadequate as these were not based on interest rates on provident fund fixed by the Government. The amount of interest payment even on the basis of average of opening balance and closing balance during 2000-2005 should have been Rs 3458.40 crore instead of Rs 2272.71 crore as reflected in the accounts as detailed below:

Table 11*(Rupees in crore)*

Years	Admissible rate of interest on GPF (in per cent)	Amount of interest payment provided in the accounts	State Provident Fund		Average of OB and CB	Minimum amount of interest to be booked in the accounts at the admissible rate of interest	Difference of column 7 and column 3
			Opening Balance (OB)	Closing Balance (CB)			
1	2	3	4	5	6	7	8
01.4.2000 – 14.11.2000	11.00	335.47	7115.21	7403.39	7259.30	499.08	163.61
15.11.2000 – 31.03.01	11.00	122.03	7403.39	7504.91	7454.15	307.48	185.45
2001-02	9.50	329.00	7504.91	7639.62	7572.27	719.37	390.37
2002-03	8.00	427.00	7639.62	7918.92	7779.27	622.34	195.34
2003-04	8.00	461.67	7918.92	8119.07	8018.99	641.52	179.85
2004-05	8.00	597.54	8119.07	8596.17	8357.62	668.61	71.07
Total		2272.71				3458.40	1185.69

(Calculated on average sum of opening and closing balance)

Government stated (December 2005) that provident fund and small savings have not been bifurcated between Bihar and Jharkhand. Therefore the interest provided for in the budget relates to the assumed figure for the Bihar portion of GPF balance.

1.7 Expenditure by allocative priorities

The actual expenditure of the State in the nature of plan expenditure, capital expenditure and developmental expenditure emerging from Statement 12 of the Finance Accounts reflect the allocative priorities of the State. The higher the ratio of these components to total expenditure, the better be the deemed quality of expenditure.

Table 12 below gives the *percentage* share of these components of expenditure in State's total expenditure*.

Table 12: Quality of expenditure (per cent to total expenditure*)

	2000-01	2001-02	2002-03	2003-04	2004-05
Plan Expenditure	13.13	13.52	17.57	18.07	19.98
Capital Expenditure	7.38	6.23	7.33	10.86	7.61
Developmental Expenditure	52.04	46.69	49.66	49.50	50.29

* Total expenditure excludes expenditure on loans and advances.

Plan expenditure varied between 13.13 *per cent* of total expenditure in 2000-2001 to 19.98 *per cent* in 2004-05. Out of the developmental expenditure

(Rs 7968 crore), Social Services (Rs 4932 crore) accounted for 61.90 *per cent* during the year. Education, Sports, Art and Culture, Health and Family Welfare and Water supply and Sanitation consumed 83.33 *per cent* of the expenditure in the social sector.

Table 13
Social Sector expenditure

<i>(Rupees in crore)</i>					
Major Heads	2000-01	2001-02	2002-03	2003-04	2004-05
Education, Sports, Art and Culture	3288.06	2501.70	2750.20	2875.92	3159.82
Health and Family Welfare	680.18	518.61	571.64	539.03	629.41
Water Supply and Sanitation, Housing and Urban Development	264.88	153.33	294.13	276.23	320.73
Total	4233.12	3173.64	3615.97	3691.18	4109.96

Similarly, the expenditure on Economic Services (Rs 3036 crore) accounted for 38.10 *per cent* of the developmental expenditure. Of this, Rural Development (Rs 1170 crore), Irrigation and Flood Control (Rs 916 crore) and Transport (Rs 369 crore) accounted for 80.84 *per cent* of the expenditure on economic sector.

Table 14
Economic Sector expenditure

<i>(Rupees in crore)</i>					
Major Heads	2000-01	2001-02	2002-03	2003-04	2004-05
Rural Development	992.92	814.74	1126.55	1094.97	1170.15
Irrigation and Flood Control	827.63	624.25	666.62	840.45	915.54
Transport	331.87	127.75	285.05	266.14	368.67
Total	2152.42	1566.74	2078.22	2201.56	2454.36

In addition, State Government paid Rs 1127.84 crore as loans and advances during the year. Of this, Rs 1071.04 crore (95 *per cent*) was paid to the Bihar State Electricity Board (BSEB).

1.7.1 Financial assistance to local bodies and other institutions

Autonomous bodies and authorities perform non-commercial functions and public utility services. These bodies along with other bodies such as those registered under the State Co-operative Societies Act, the Companies Act, 1956, etc. receive substantial financial assistance from the Government to implement various programmes. The quantum of assistance provided to different bodies during the period of five years ending 2004-05 was as follows:

Table 15

<i>(Rupees in crore)</i>						
Sl. No.	Bodies/authorities, etc.	2000-01	2001-02	2002-03	2003-04	2004-05
1.	Universities and Educational Institutions	463.00	369.13	461.13	545.94	564.99
2.	Municipal Corporations and Municipalities	57.18	28.99	99.98	83.71	117.91

(Rupees in crore)

Sl. No.	Bodies/authorities, etc.	2000-01	2001-02	2002-03	2003-04	2004-05
3.	Zila Parishads and Panchayati Raj Institutions	2.90	106.60	292.34	133.92	2.63
4.	Development Agencies	61.32	12.87	34.81	3.87	110.15
5.	Other Institutions (including statutory bodies)	49.20	47.05	133.45	20.99	17.68
	Total	633.60	564.64	1021.71	788.43	813.36
	Percentage increase (+) / decrease (-) over previous year	(-)10.14	10.88	80.94	(-) 22.83	3.16

1.7.2 Delay in furnishing utilisation certificates

The financial rules of Government require that where grants are given for specific purposes, certificates of utilisation (UCs) are to be obtained by the departmental officers from the grantees and after verification these should be forwarded to the Accountant General (AG) within 15 months from the date of sanction of the grant unless specified otherwise.

Of UCs due in respect of grants-in-aid of Rs 1931.10 crore (up to 2004-05), UCs for only Rs 164.78 crore were furnished to the Accountant General by 30 June 2005 and UCs for Rs 1766.32 crore were in arrears. Department-wise and age-wise break up is given in **Appendix VI**.

1.7.3 Delay in submission of accounts by Autonomous Bodies

The status of submission of accounts by the autonomous bodies and submission of Audit Reports thereon to the State Legislature is indicated in **Appendix VII**. Out of these autonomous bodies accounts were pending for over five years in respect of Bihar State Housing Board, Patna and Bihar Khadi and Village Industries Board, Patna.

1.8 Assets and Liabilities

The Government accounting system does not attempt for a comprehensive accounting of fixed assets, i.e. land, buildings etc., owned by the Government. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure. Statement 16 read with details in Statement 17 of Finance Accounts show the year-end balances under the Debt, Deposit and Remittance heads from which the liabilities and assets are worked out. **Appendix-I** presents an abstract of such liabilities and assets as on 31 March 2005 compared with the corresponding position on 31 March 2004. While the liabilities in this statement consist mainly of money owed by the State Government such as internal borrowings, loans and advances from the Government of India, receipts from the Public Account and Reserve Fund, the assets comprise mainly of the capital expenditure and loans and advances given by the State Government.

The liabilities of Government of Bihar depicted in the Finance Accounts, however, do not include the pension and other retirement benefits payable to serving/retired State employees and guarantees/ letters of comforts etc. issued by the State Government.

Appendix-IV depicts the Time Series Data on State Government Finances for the period 2000-2005.

1.8.1 Incomplete projects

As per information received from the State Government, as of 31 March 2005, there were 18 incomplete projects in which Rs 1183 crore were blocked. (Refer: Appendix -VIII)

1.8.2 Investments and returns

As on 31 March 2005 Government had invested Rs 708.66 crore in Statutory Corporations, Joint Stock Companies and Co-operatives. Government's return on this investment was negligible as indicated in Table 16 below:

Table 16: Return on Investment

Year	Investment at the end of the year	Return	Percentage of return	Weighted rate of interest on market loans
	(Rupees in crore)			
2000-2001	685.47	Rs 4500Only	NIL	10.62
2001-2002	686.67	0.01	NIL	8.71
2002-2003	694.34	0.02	NIL	9.00
2003-2004	700.01	0.04	0.01	9.00
2004-2005	708.66	0.04	NIL	9.59

1.8.3 Loans and Advances by State Government

In addition to its investment, Government has also been providing loans and advances to many organisations. Total outstanding balance of the loans advanced was Rs 11877 crore as on 31 March 2005 (Table 17). Interest received against these advances during 2000-05 was meagre varying from 0.12 per cent to 0.63 per cent.

Table 17: Average Interest received on Loans advanced by the State Government

	(Rupees in crore)				
	2000-01	2001-02	2002-03	2003-04	2004-05
Opening Balance	6282.97	6952.84	7473.60	8205.21	10763.68
Amount advanced during the year	680.46	533.71	747.19	2568.92	1127.84
Amount repaid during the year	10.59	12.95	15.58	1045	14.83
Closing Balance	6952.84	7473.60	8205.21	10763.68	11876.69
Net Addition (+) / Reduction (-)	669.87	520.76	731.61	2558.47	1113.01
Interest Received	8.58	11.75	53.01	23.08	75.06
Interest received as per cent to outstanding Loans and advances	0.12	0.16	0.65	0.21	0.63

1.8.4 Commercial activities

Lack of accountability for the use of public funds in departmental commercial undertakings

Activities of quasi-commercial nature are performed by the departmental undertakings of certain Government departments. These undertakings are to prepare *pro forma* accounts in the prescribed format annually showing the results of financial operation so that the Government can assess the results of their working. The Heads of Departments in the Government are to ensure that the undertakings, which are funded through the budget, prepare the accounts on timely basis and submit the same to the Accountant General for audit.

As of March 2005, there were 29 departmentally managed Commercial/Quasi-Commercial undertakings in the State. Of these, 26 undertakings, detailed in **Appendix-IX**, had not prepared proforma accounts since their inception. The matter had been taken up with the concerned Administrative Departments and the Finance Department from time to time.

The Proforma Accounts of three other undertakings were in arrears for varying periods ranging from 18 to 28 years as of March 2005. Relevant details are furnished in **Appendix-X**.

It was seen that none of the undertakings was maintaining its commercial accounts (accounts in double entry system) as prescribed in respect of the departmentally managed Commercial/Quasi-Commercial undertakings.

1.8.5 Management of cash balances

It is generally desirable that the State's flow of resources should match its expenditure obligations. However, to take care of any temporary mismatches in the flow of resources and the expenditure obligations, a mechanism of Ways and Means Advances (WMA) from the Reserve Bank of India has been put in place. Bihar had the WMA limit of Rs 340 crore from April 1, 2004. Special WMA not exceeding Rs 21.28 crore with effect from 1 April 2004 and Rs 20.80 crore with effect from 1 October 2004 and Rs 20.52 crore with effect from 1 January 2005 were made available against security of Government of India held by the State Government with effect from March 2004.

Table 18

Ways and Means advances and overdrafts of the State and interest paid thereon

(Rupees in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05
Ways and Means Advances					
Taken in the year	2144.41	2593.23	7.12	1708.45	3.50
Outstanding	NIL	NIL	NIL	NIL	NIL
Interest paid	10.70	7.86	0.13	3.71	Negligible
Overdraft					
Taken in the year	1224.55	3229.53	NIL	1142.89	NIL
Outstanding	NIL	NIL	NIL	NIL	NIL
Interest paid	1.36	3.94	NIL	1.42	NIL
Number of days the State was in overdraft	63	123	NIL	44	NIL

1.8.6 Undischarged Liabilities

Fiscal liabilities – public debt and guarantees

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 an Act of Legislature. However, no such law was passed by the State. Statement 4 read with Statements 16 and 17 of Finance Accounts show the year-end balances under Debt, Deposit and Remittances heads from which the liabilities are worked out. It would be observed that the overall fiscal liabilities of the State increased from Rs 28444 crore in 2000-01 to Rs 42483 crore in 2004-05. These liabilities as ratio to GSDP increased from 57.60 per cent in 2000-01 to 67.70 per cent in 2004-05 and stood at 2.70 times of its revenue receipts and 11.28 times of its own resources comprising its own tax and non-tax revenues. Table 19 below gives the fiscal liabilities of the State, its rate of growth, ratio of these liabilities to GSDP, revenue receipts and own resources and buoyancy of these liabilities with respect to these parameters.

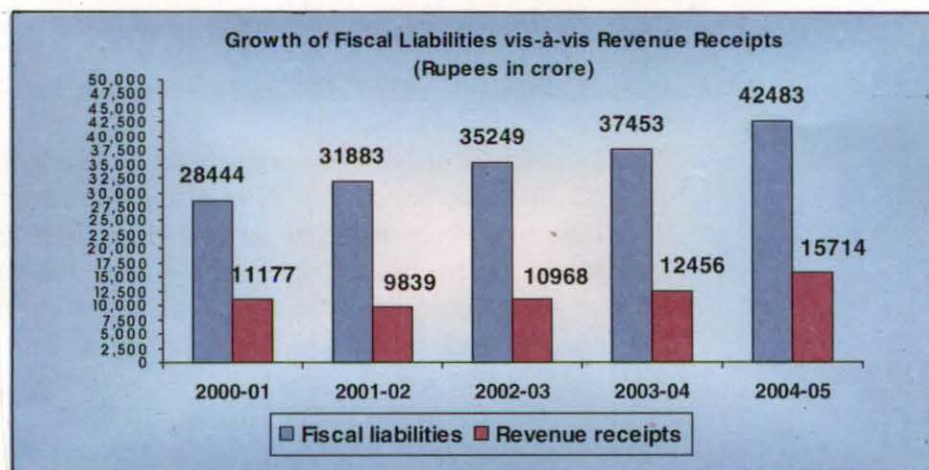
Table 19
Fiscal Imbalances–Basic Parameters

(Rupees in crore and Ratios in per cent)

	2000-01	2001-02	2002-03	2003-04	2004-05
Fiscal Liabilities	28444	31883	35249	37453	42483
Rate of Growth	(-) 7.08	12.09	10.56	6.25	13.43
Ratio of Fiscal Liabilities to					
GSDP	57.60	62.50	62.20	62.60	67.70
Revenue Receipts	254.50	324.00	321.37	300.70	270.40
Own Resources	807.80	1223.90	1166.46	1166.80	1128.40
Buoyancy of Fiscal Liabilities to					
GSDP	0.22	3.72	0.94	1.12	2.75
Revenue Receipts	*	*	0.92	0.46	0.51
Own Resources	0.41	*	0.66	1.00	0.78

(* Blank cell in the table represents buoyancy in negative)

In addition to these liabilities, Government had guaranteed loans taken by various Corporations and others, which in 2004-05 stood at Rs 473.44 crore. The guarantees are in the nature of contingent liabilities of the State and in the event of non-payment of loans, there is an obligation on the State to honour this commitment. The fiscal liabilities of the State have grown much faster as compared to its rate of growth of GSDP as shown by the high buoyancy ratio of 2.75 during 2004-05.



Another important indicator of debt sustainability is net availability of the funds after payment of the principal on account of the earlier contracted liabilities and interest. Table 20 below gives the position of the receipts and repayments of internal debt over the last five years. The net funds available on account of the internal debt and loans and advances from Government of India after providing for the interest and repayments oscillated from -0.06 per cent in 2000-01 to 22 per cent during 2004-05.

Table 20 : Net Availability of Borrowed Funds

(Rupees in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05
Internal Debt*					
Receipts	2045	2681	2935	4249	5969
Repayments (Principal + Interest)	1029	987	923	1766	2047
Net funds available	1016	1694	2012	2483	3922
Net funds available (per cent)	50.00	63	69	58	66
Loans and Advances from Government of India					
Receipts	1246	1077	1255	820	1654
Repayments (Principal + Interest)	2264	1926	3195	3894	3881
Net funds available	(-) 1018	(-) 849	(-) 1940	(-) 3074	(-) 2227
Net funds available (per cent)	(-) 82	(-) 79	(-) 155	(-) 375	(-) 135
Total Public Debt					
Receipts	3291	3758	4190	5069	7623
Repayments (Principal + Interest)	3293	2913	4118	5660	5928
Net funds available	(-) 2	845	72	(-) 591	1695
Net funds available (per cent) of total receipts	(-) 0.06	22.49	1.72	(-) 12	22

* Internal debt excluding ways and means advances

1.9 Management of deficits

1.9.1 Fiscal imbalances

The deficits in Government accounts represent the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed are important pointers to fiscal health.

The revenue deficit of the State, which continued during the period 2000-04 had improved in 2004-05. The fiscal deficit, which represents the total borrowing of the Government and the total resource gap, increased from Rs 2583 crore in 2001-02 to Rs 4363 crore in 2003-04 and then decreased to

Rs 1242 crore in 2004-05. The State with the primary deficit of Rs 933 crore in 2000-01 ended up with surplus of Rs. 22.32 crore in 2004-05. As proportionate to GSDP the fiscal deficit had decreased to 1.98 per cent.

Table 21: Fiscal Imbalances – Basic Parameters
(Value: Rupees in crore and Ratios in per cent)

	2000-01	2001-02	2002-03	2003-04	2004-05
Revenue Deficit	(-)2330	(-)1320	(-)1287	(-)255	(+)1076
Fiscal Deficit	(-)4075	(-)2583	(-)2988	(-)4363	(-)1242
Primary Deficit (-) / Surplus (+)	(-)933	(+) 46	(+) 34	(-)1020	(+)2232
RD/GSDP	(-)4.70	(-) 2.60	(-)2.27	(-)0.43	(+)1.71
FD/GSDP	(-)8.30	(-) 5.10	(-)5.27	(-)7.29	(-)1.98
PD/GSDP	(-)1.90	(+)0.10	(+)0.06	(-)1.70	(+)3.55
RD/FD	(+)57	(+)51	(+)43	(+)6	(-)87

1.10 Fiscal Ratios

The finances of a State should be sustainable, flexible and non-vulnerable. Table 22 below presents a summarized position of Government finances during 2000-2005 with reference to certain key indicators that help in assessing the adequacy and effectiveness of available resources and their applications highlight areas of concern and capture its important facets.

The buoyancy of the revenue receipts indicates the nature of the tax regime and the State's increasing access to resources with increase in GSDP. The ratios of revenue receipts and State's own taxes to GSDP indicate the adequacy of the resources. These ratios show an improvement during 2000-2005 indicating improved mobilization of resources and its sustainability.

Various ratios concerning expenditure management of the State indicate the quality of its expenditure and the sustainability of these in relation to its resource mobilisation. The ratio of revenue expenditure to total expenditure declined from 88.50 per cent in 2000-01 to 86.25 per cent in 2004-05. The developmental expenditure to total expenditure ratio has also declined from 52.04 per cent in 2000-01 to 50.29 per cent in 2004-05. The capital expenditure as percentage to total expenditure declined from 10.86 per cent from 2003-04 to 7.61 per cent in 2004-05.

Table 22: Ratios of Fiscal Efficiency (in per cent)

Fiscal Ratios	2000-01	2001-02	2002-03	2003-04	2004-05
Resource Mobilization					
Revenue Receipts/GSDP	22.63	19.30	19.35	20.81	25.03
Revenue Buoyancy	*	*	1.02	2.42	5.35
Own Tax/GSDP	5.69	4.55	4.87	4.83	5.31
Expenditure Management					
Total Expenditure/GSDP	30.91	24.39	24.65	28.11	27.03
Revenue Receipts/ Total Expenditure	73.23	79.12	78.50	74.02	92.59
Revenue Expenditure/Total Expenditure	88.50	89.74	87.71	75.53	86.25
Capital Expenditure	7.38	6.23	7.33	10.86	7.61
Development Expenditure/Total Expenditure (RE+CE)	52.04	46.69	49.66	49.50	50.29

Fiscal Ratios	2000-01	2001-02	2002-03	2003-04	2004-05
Buoyancy of TE with RR	*	1.55	1.08	1.51	0.03
Buoyancy of RE with RR	*	1.45	0.86	0.27	0.58
Management of Fiscal Imbalances					
Revenue Deficit (Rs in crore)	(-) 2330	(-) 1320	(-)1287	(-)255	+1076
Fiscal Deficit (Rs in crore)	(-)4075	(-)2583	(-)2988	(-)4363	(-)1242
Primary Deficit (Rs in crore)	(-)933	(+) 46	(+) 34	(-)1020	(+)2232
Revenue Deficit/Fiscal Deficit (Per cent)	57	51	43	6	-87
Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	57.60	62.50	62.20	62.60	67.66
Fiscal Liabilities/RR	254.50	324.00	321.37	300.70	270.40
Buoyancy of FL with RR	1.46	1.01	0.92	0.46	0.51
Buoyancy of FL with OR	0.41	0.46	0.66	1.00	0.78
Interest Spread	(-)41.45	(-)7.37	2.47	(-)3.40	(-)4.11
Net fund available	(-)0.06	22.49	1.72	(-)12	22
Other Fiscal Health Indicators					
Return on Investment	NIL	0.01	0.02	0.04	0.04
Balance of Current Revenue(BCR) (Rs in crore)	(-) 2387	(-) 1246	(-) 1039	(-)638	924
Financial Assets/Liabilities	73	72	72	72	78

(* Blank cell in the table represents buoyancy in negative).

Conclusions

While the BCR, Fiscal deficit showed positive trends, it may be seen that BCR would be negative if the GPF interest of Rs 1186 crore is taken into account. The areas of concern in State finances are that State's own resources have declined from 31 *per cent* in 2000-01 to 24 *per cent* in 2004-05. Fiscal liabilities stood at Rs 42483 crore being 68 *per cent* of GSDP which is an alarming situation.

CHAPTER-II

ALLOCATIVE PRIORITIES AND APPROPRIATION

Introduction

The Appropriation Accounts prepared annually indicate capital and revenue expenditure on various specified services vis-a-vis those authorised by the Appropriation Act in respect of both charged and voted items of budget.

Audit of appropriation by the Comptroller and Auditor General of India seeks to ascertain whether 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 the 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 2004-2005 against 52 Grants and Appropriations was as follows:

Table - I

(Rupees in crore)

	Nature of expenditure	Original grant/appropriation	Supplementary grants/appropriation	Total	Actual Expenditure	Saving
Voted	I. Revenue	12450.84	1931.50	14382.34	11138.00	3244.34
	II. Capital	2422.32	219.32	2641.64	1204.31	1437.33
	III. Loans and Advances	939.21	438.18	1377.39	1119.48	257.91
Total voted		15812.37	2589.00	18401.37	13461.79	4939.58
Charged	IV. Revenue	3890.66	17.57	3908.23	3500.41	407.82
	V. Capital	Nil	0.21	0.21	0.21	Nil
	VI. Loans and Advances	Nil	8.37	8.37	8.37	Nil
	VII. Public Debt.	4182.45	0.14	4182.59	3087.22	1095.37
Total charged		8073.11	26.29	8099.40	6596.21	1503.19
Appropriation to Contingency Fund (if any)		-	-	-	-	-
Grand Total		23885.48	2615.29	26500.77	20058.00	6442.77

The total expenditure was understated at least to the extent of Rs 31.42 crore for which vouchers were not received from the treasuries during the year 2004-05 and the expenditure remained unaccounted for in the Consolidated Fund of the State and kept in the Suspense Accounts of the Accountant General (A&E).

The total expenditure was inflated to the extent of Rs 723.37 crore since these were drawn on abstract contingent bills but detailed contingent bills for which

were not submitted. An amount of Rs 22.10 crore (Revenue: Rs 1.41 crore and Capital: Rs 20.69 crore) was transferred to major head "8443 Civil Deposits" "800 Other Deposits" through nil payment vouchers and this also inflated the expenditure figures as the money was actually retained by the Government.

2.3 Fulfillment of Allocative Priorities

2.3.1 Appropriation by Allocative Priorities

The overall saving of Rs 6442.77 crore (24 per cent of the total provision) was the net result of saving of Rs 6448.45 crore and excess of Rs 5.68 crore against total provision of Rs 26500.77 crore. In violation of the provisions of the Article 204(3) of the Constitution, the State Government incurred excess expenditure of Rs 5.68 crore in four voted Grants during the year 2004-05 which required regularisation under Article 205 of the Constitution as indicated in **Appendix XI**. The details of savings/excesses were sent to the Controlling Officers requiring them to explain the significant variations which were not received (October 2005)

2.3.2 Major savings

Departments were required to prepare their estimates keeping in view the relevant factors like trends in the economy, actual expenditure of last three years etc. Non-adherence to the tenets of budget formulation and budget management led to injudicious appropriation of funds resulting in large savings under various heads like health, education, welfare, public works etc. In 14 cases, involving 13 Grants and Appropriation, substantial savings of Rs 100 crore or more in each case totalling Rs 5639 crore (88 per cent of total savings) were noticed as shown in the Table-II below.

Table-II

Table-11						
Sl. No.	No. & Name of Grants	Grant			Actual Expenditure	Saving
		Original	Supplementary	Total		
		Rupees in crore				
Revenue- Voted						
1.	12. Finance Department	461.27	6.92	468.19	52.38	415.81
2.	15. Pension	2440.11	3.00	2443.11	2324.73	118.38
3.	20. Health, Medical Education and Family Welfare Department	697.25	114.28	811.53	604.12	207.41
4.	22. Home Department	1224.17	72.16	1296.33	1098.17	198.16
5.	39. Disaster Management Department	104.86	449.77	554.63	277.40	277.23
6.	42. Rural Development Department	668.97	401.13	1070.10	809.09	261.01
7.	44. Secondary, Primary and Adult Education Department	3338.16	302.37	3640.53	2570.17	1070.36
8.	51. Welfare Department	401.14	85.31	486.45	322.73	163.72
Capital- Voted						
9.	10. Energy Department	1196.35	410.66	1607.01	1097.74	509.27
10.	41. Road Construction Department	642.52	77.42	719.94	142.96	576.98

Sl. No.	No. & Name of Grants	Grant			Actual Expenditure	Saving
		Original	Supplementary	Total		
		Rupees in crore				
11.	42. Rural Development Department	438.03	34.60	472.63	370.51	102.12
12.	49. Water Resources Department	607.32	17.50	624.82	383.09	241.73
Revenue-Charged						
13.	13. Interest Payment	3859.61	15.72	3875.33	3473.90	401.43
Capital-Charged						
14.	14. Repayment of Public Debt	4182.45	0.14	4182.59	3087.22	1095.37
	Total	20262.21	1990.98	22253.19	16614.21	5638.98

In 62 schemes involved in these 13 Grants and Appropriation, major savings of Rs five crore or more occurred as per details given in *Appendix-XII*. In 10 out of 62 cases the entire provision of Rs 757.61 crore remained unutilised.

Reasons for savings were not intimated by the Departments except in a few cases where the reasons given were non-release of funds by Government of India for Centrally Sponsored Schemes, reduction of plan outlay, posts kept vacant and non-drawal of funds due to restrictions imposed by the State Government and transfer of staff and officers to Jharkhand State.

2.3.3 Other cases of savings

In 19 cases expenditure fell short by Rupees two crore or more and also by more than 20 per cent of the total provision in each case amounting to Rs 572.42 crore as indicated in *Appendix XIII*.

2.3.4 Persistent savings

In 28 cases involving 24 Grants and Appropriations, there were persistent savings of more than Rs two crore and 10 per cent or more of the total provisions in each case as indicated in *Appendix-XIV*.

2.3.5 Excess requiring regularisation

Excess over provision requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for the State Government to get the excess over a Grant or Appropriation regularised by the State Legislature. Out of excess expenditure amounting to Rs 11255.64 crore for the years 1977-78 to 2004-05, State Legislature regularised excess expenditure of Rs 4580.49 crore for the period 1977-78 to 1997-98 through notification issued in September 2004 leaving balance of Rs 6675.15 crore which needed regularisation. Details are indicated in *Appendix-XV*.

Expenditure in excess of provision in minor heads

In 18 cases, involving 11 Grants and Appropriation, expenditure in each case exceeded the approved provision by Rupees one crore or more totalling Rs 1659.30 crore as per details given in *Appendix XVI*.

Expenditure without provision

As per the Budget Manual expenditure should not be incurred on a scheme/service without provision of funds thereof. It was however noticed that expenditure of Rs 5.68 crore was incurred in four cases as shown in **Appendix XVII** without any provision in the original estimate or supplementary demand or any re-appropriation order.

2.3.6 Original budget and supplementary provisions

Supplementary provisions of Rs 2615.29 crore made during the year constituted 10.95 per cent of the original budget provision (Rs 23885.48 crore) as against 6.07 per cent in the preceding year.

Total supplementary Grants (other than Public Debt) obtained during the year were Rs 2615.15 crore while the ultimate total savings (other than Public Debt) amounted to Rs 5347.40 crore.

2.3.7 Unnecessary/excessive/inadequate supplementary provisions

- Supplementary provisions of Rs 1166.41 crore obtained in 42 cases during August 2004 to March 2005 were wholly unnecessary as the expenditure did not come up in these cases even to the level of original provision as shown in **Appendix XVIII**.
- In ten cases, against additional requirements of only Rs 614.55 crore, supplementary Grants/Appropriations of Rs 1279.98 crore were obtained resulting in savings in each case exceeding Rs 10 lakh aggregating to Rs 665.43 crore as detailed in **Appendix XIX**.

2.3.8 Excessive/unnecessary re-appropriation of fund

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. Three cases under three Grants where the re-appropriation of funds proved injudicious in view of the final excess of over Rupees five lakh are detailed in **Appendix-XX**. Besides, in nine cases of Grants/Appropriations, excessive surrenders resulted in large excess after re-appropriation as detailed in **Appendix - XXI**.

2.3.9 Anticipated savings not surrendered

The spending Departments are required to surrender the Grants/Appropriations or portions thereof to the Finance Department as and when savings are anticipated. However, at the close of the year 2004-05 there were 18 cases of Grants/Appropriations in Revenue section and six cases of Grants in Capital section in which savings of Rs 1312.19 crore, exceeding Rupees one crore in each case, had not been surrendered by the Departments vide **Appendix-XXII**.

In 70 cases, Rs 6156.53 crore out of the total savings of Rs 6442.77 crore were surrendered on the last day of March 2005 indicating inadequate financial control over expenditure. Details are given in the **Appendix-XXIII**.

2.3.10 *Surrender of entire provision*

In 82 schemes, involving 20 Grants and Appropriations, the State Government failed to utilize the entire provision of Rs 1259.77 crore (exceeding Rs 10 lakh in each case). The entire provision was re-appropriated/surrendered as shown in *Appendix-XXIV*.

2.3.11 *Surrender in excess of actual savings*

In 10 cases, the amount surrendered was in excess of actual savings. Against the savings of Rs 1442.51 crore, the amount surrendered was Rs 2464.60 crore resulting in excess surrender of Rs 1022.09 crore (*Appendix XXV*). Further, in four cases surrenders of Rs 1.07 crore were made even though expenditure of Rs 556.36 crore was in excess of the total provision of Rs 550.68 crore resulting in excess of Rs 6.75 crore after surrender/re-appropriation indicating inadequate budgetary control vide *Appendix XXVI*.

2.3.12 *Rush of expenditure*

The 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 is regarded as a breach of financial rules. The position in respect of expenditure (Revenue and Capital) for four quarters and also for the month of March 2005 is depicted in *Appendix-XXVII* which shows that the expenditure incurred in the quarter ending March 2005 was 56 per cent of the total expenditure during the year indicating a tendency to utilise the budget only at the close of the financial year.

2.3.13 *Unreconciled expenditure*

Financial rules require that the Departmental controlling officers should reconcile periodically the Departmental figures of expenditure with those booked by the Accountant General. In respect of 84 major heads, expenditure of Rs 9788.40 crore pertaining to 2004-05 remained unreconciled by various controlling officers. Details are given in *Appendix-XXVIII*. The unreconciled expenditure accounted for 49 per cent of the total expenditure.

2.3.14 *Plan performance*

Government expenditure is broadly classified into Plan and Non-Plan and Revenue and Capital. Plan and Capital expenditure is usually associated with asset creation while the non-plan and revenue expenditure is identified with expenditure on establishment, maintenance and services.

State Government raised market loans (borrowing) of Rs 1889.17 crore and obtained Central loans (Rs 1654.18 crore) at nine per cent rate of interest per annum and received Grants (Rs 2831.83 crore) from the Central Government (aggregate receipts Rs 6375.18 crore) for Plan Schemes during 2004-05. Against this only Rs 3475.91 crore (55 per cent) were spent on Plan Schemes including loans and advances.

It was also seen from the Appropriation Account of the State Government for the year 2004-05 that out of the budget provisions, the State Government failed to spend Rs 2097.46 crore (38 per cent), under various State Plan Schemes (Rs 1737.44 crore), Centrally Sponsored Schemes (Rs 346.06 crore) and Central Plan Schemes (Rs 13.96 crore) vide **Appendix XXIX(I)**.

In 84 cases involving 16 Grants and Appropriations, significant savings exceeding Rs one crore in each case aggregating to Rs 1988.05 crore (60 per cent) against the provision of Rs 3229.56 crore were due to non-implementation or slow implementation of the Plan Schemes by the Bihar Government as shown in **Appendix XXIX(II)**. In 23 cases the State Government failed to utilise the entire provision of Rs 684.88 crore.

Central Government provided Rs 1125 crore as additional central assistance to State Government for building new infrastructure through Rastriya Sam Vikas Yojana. But the State Government utilized Rs 309.68 crore resulting large savings of Rs 815.32 crore under various heads during 2004-05.

2.3.15 Non-receipt of explanations for savings/excesses

After close of the financial year the detailed Appropriation Accounts showing the final Grants/Appropriations, the actual expenditure and the resultant variations sub-head-wise are sent by the Accountant General (A&E) to the Controlling Officers requiring them to explain significant variations.

During 2004-05 there was an excess expenditure of Rs 5.68 crore and savings of Rs 6442.77 crore which constituted 24 per cent of the total budget provision. The Controlling Officers administering the Grants consistently failed to discharge their responsibility of providing explanation for the excesses/savings.

2.4 Budgetary Procedure and expenditure control.

2.4.1 Non-observance of accounting procedure for budgeting

Cases of persistent savings, persistent excesses, excessive/unnecessary re-appropriation of funds, anticipated savings not being surrendered, rush of expenditure at the fag end of the year etc as discussed earlier in this chapter were indicative of lack of budgetary and expenditure control.

2.4.2 Trend of recoveries and credits

According to the general principles of budgeting, the demands for Grants/Appropriations are to be made for gross amount of expenditure under the relevant service head (Revenue and Capital) and recoveries indicated as "Deduct-Receipts and Recoveries treated as reduction of expenditure" below the head separately. The budget of Government of Bihar did not follow this principle and as a result the extent of recoveries made out of the expenditure was not ascertainable.

2.4.3 *Non-adjustment of abstract contingent bills*

Bihar Financial Rules (Bihar Treasury Code Vol. I Rule 20) provide for drawal of funds on Abstract Contingent (AC) bills by Drawing and Disbursing Officers (DDOs) either under standing orders or specific sanction of Government. Detailed contingent (DC) Bills in respect of drawals made in advance on AC Bills from treasuries during a financial year were required to be prepared and submitted to the Accountant General (A&E) before the presentation of the next AC Bills at the treasury. The DDOs, who are not self counter signing Officers are also required to submit the DC Bills monthly to the controlling authority for counter signature and transmission to the Accountant General (A&E).

Analysis of the existing information showed that these rules were disregarded by large number of DDOs and Controlling Officers failed to enforce accountability for such lapse. No DC bills were submitted to the Accountant General (A&E) Bihar, Patna along with details of charges and supporting vouchers. AC Bills were submitted to the Treasury Officer (TO) without recording necessary certificate on the bills that detailed bill for AC Bills drawn in previous month had been submitted for counter signature to the Controlling Officer as per rules. The concerned TO did not insist on this requirement and passed AC Bills in violation of the provisions of financial rules.

Scrutiny of records revealed that out of total drawal of Rs 1566.47 crore on AC Bills, DC bills for only Rs 2.39 crore were submitted leaving behind Rs 1564.08 crore during the course of five years from 2000-01 to 2004-05 despite repeated requests and audit objections.

CHAPTER-III

PERFORMANCE REVIEWS

WATER RESOURCES DEPARTMENT

3.1 FLOOD CONTROL MEASURES

Highlights

Department has not paid adequate attention on expanding the flood protection infrastructure viz. construction of new embankments, construction of all weather roads on embankments and raising/strengthening of existing embankments. The Department has primarily relied on anti-erosion works* to protect existing embankments. During the last five years, there has been no increase in flood protected areas and only a fraction of the Tenth Five Year (2002-2007) plan targets have been achieved. Meanwhile the loss due to floods has increased from Rs 1559 crore in 2000-2001 to Rs 2216 crore in 2004-05.

Curtailment of plan allocations in the State budget on construction of new embankments, raising/strengthening of existing embankments and construction of all weather roads on embankments have resulted in poor achievements against the targets set for 2000-05.

Establishment expenditure in Flood Control Divisions was 60 per cent as against the stipulated 12 per cent.

(Paragraph 3.1.7)

There were instances of avoidable expenditure and infructuous expenditure (Rs 2.52 crore) in three out of 12 divisions test-checked due to delayed execution and works remaining incomplete.

(Paragraph 3.1.11 & 3.1.12)

Introduction

Bihar is one of the worst flood affected States in the country, 73 per cent (68.80 lakh hectares) of the geographical area covering 30 out of 38 districts is flood prone and 10 per cent (9.41 lakh hectare) is perpetually water logged. Destruction of forests for reclaiming areas for occupation in the catchments and upper reaches of the perennial rivers¹ of the State, heavy intensity of rainfall during monsoon and rise in river-bed-levels due to deposition of silt are some of the main reasons of floods. The Water Resources Department (WRD) of the State Government is implementing long and short term schemes for mitigating flood hazards which affect over two crore population of the State.

* Anti-erosion works include construction of spurs, studs, boulder pitching etc.

¹ Ganga, Ghaghra, Gandak, Kosi, Bagmati, Kamla-Balan etc.

3.1.2 Organisational set up

The Commissioner-cum-Secretary, WRD has overall responsibility for flood control measures in the State. He is assisted by Engineer-in-Chief (North), Superintending Engineer for Flood Control Planning and Monitoring Circle (FCPM) at the Secretariat level and eight Zonal Chief Engineers, 19 Superintending Engineers and 48 Executive Engineers in the field formations.

Besides, the Department has three² Technical Advisory Committees (TAC) all headed by Engineer-in-Chief (Flood zone) and Scheme Review Committee (SRC) to provide assistance regarding technical and financial aspects for finalisation of anti-erosion works to be executed every year. Bihar State Flood Control Board (BSFCB) headed by the Chief Minister is responsible for formulating policy, overseeing and monitoring of the planning and implementation of flood control measures. Ganga Flood Control Commission (GFCC), a Government of India (GOI) organisation is entrusted with monitoring of the Centrally Sponsored Schemes in the State.

3.1.3 Audit objectives

The specific audit objectives were to assess:

- planning and physical progress of implementation of flood protection schemes, both State and Centrally Sponsored, with reference to budgetary allocation and the Tenth Five Year Plan;
- whether flood protection works have been executed efficiently and effectively and
- the impact of flood protection works in minimising the damage to life and property.

3.1.4 Audit Criteria

- Departmental norms for execution of works, quality assurance and creation of Divisions.
- Budget estimates and expenditure reports.
- Examination of measurement books and works related records.
- Comparative analysis of Tenth Five Year plan and departmental targets with achievements.

3.1.5 Audit coverage and methodology

Records of Engineer-in-Chief (North) and Superintending Engineer, Flood Control Cell Planning and Monitoring in Secretariat, five Chief Engineers³ (out of eight), five Superintending Engineers⁴ (out of 19) and 12 Divisional

² Gandak High Level Committee (GHLC) for recommending Flood Control Measures (FCM) to be executed on Gandak river, Kosi High Level Committee (KHLC) for the same in Kosi river and for remaining rivers Technical Advisory Committee

³ Muzaffarpur, Patna, Purnea, Samastipur and Siwan.

⁴ Birpur, Katihar, Muzaffarpur, (D & I) Padrauna and Patna.

Offices⁵ (out of 48) along with their Circle Offices in districts for the period 2000-2005 were test-checked between August 2003 and March 2004 and April 2005 to June 2005.

The selection of auditee units for test check were made after taking into account expenditure incurred and incidence of flood in the areas covered by them.

Exit conference was held with Secretary, WRD in September 2005 and the views of the Department have been considered while finalising the review.

Audit findings

3.1.6 Under State plan for combating floods on a long term basis, the WRD had three dam projects⁶ for construction of reservoirs in the upper reaches of these rivers and their tributaries. But the Department did not take up any project during 2000-05. Primarily, anti-erosion works to protect existing embankments from floods were taken up. During the period 2000-05, 1439 anti-erosion works valuing Rs 321.26 crore were executed whereas only Rs 31.73 crore was spent on raising/strengthening of existing embankments, construction of all weather roads on embankments and Rs 8.73 crore on drainage works.

3.1.7 Financial management

The Budget provision and expenditure under plan and non plan head on the establishment and schemes of the Department during 2000-2005 were as under:

(Rupees in crore)

Year	Budget Provision			Expenditure		
	Works	Establishment	Grand Total	Works	Establishment	Grand Total
2000-01	78.46	60.53	138.99	73.89	57.75	131.64
2001-02	79.98	57.83	137.81	77.87	55.70	133.57
2002-03	97.92	58.22	156.14	96.1	56.24	152.34
2003-04	77.15	59.83	136.98	76.09	57.13	133.22
2004-05	110.2	59.65	169.85	110.16	49.07	159.23
Total	443.71#	296.06	739.77	434.11*	275.89	710.00

(Source :- Information furnished by the Water Resources Department)

Out of which Central grant was Rs 88.23 crore

* Out of which Central grant was Rs 86.69 crore

Excess expenditure on establishment

As per norms (Bihar Public Works Department Code), expenditure on establishment should be 12 per cent of works expenditure (Rs 52.09 crore) whereas it was about five times above the norms (Rs 275.89 crore). Department in their reply (May 2005) stated that establishment cost is proposed to be reduced by an amount of one third in the near future.

⁵ Begusarai, H.W. Division Birpur, Dalsinghsarai, Katihar, Karhagola, Western Enbankment Division Kunauli camp at Birpur, Padrauna FCD-1, Padrauna FCD-3, Lalganj (F & D Division), Motihari (Champaran Division), Digha and Ara.

⁶ Sapta Kosi High Dam Multipurpose Project, Barahshetra (Nepal), Bagmati Multipurpose Project, Noonthore and Kamla Multipurpose Project, Tetaria, Chisaperai.

During 2000-2005, plan outlay and budget provision on different short term measures were as under:

(Rupees in crore)

Sl. No.	Scheme	2000-2005				
		Plan outlay 2000-05	Budget provision	Expenditure	Saving	Percentage allotment to outlay
1	On going embankment	14.76	1.50	1.50	NIL	10
2	Raising/strengthening of embankments	83.63	20.51	20.51	NIL	25
3	Anti-erosion works	245.53	326.75	321.26	5.49	133
4	Drainage works	77.25	10.13	8.73	1.40	13
5	All weather road on embankments	83.02	9.86	9.72	0.14	14
	Total	504.19	368.75	361.72	7.03	

Allocative priorities to anti-erosion works

The funds provided for anti-erosion works was 133 per cent of the proposed plan outlay. Thus, curtailment of plan outlay in the budget of the Department in respect of flood protection measures other than anti-erosion works resulted in marginal achievement of target fixed by the Department and the Tenth Five Year Plan, as shown below:

Embankments schemes	Status as on March 2000	2000-01 to 2004-05		Target as proposed under 10th Five Year Plan (2002-07) (In km)
		Target for addition	Status as on March 2005	
Completed scheme	2873.37 km	Nil	2873.37 Km	
On-Going scheme	557.10 km	36.00	557.10 Km	
Total length of embankments	3430.47 km	36.00	3430.47 Km	1880
Raising/Strengthening of embankments	Nil	580 Km	123 Km	3082
Drainage works	1.50 lakh hectare	0.61 lakh hectare	0.15 lakh hectare	4.591 lakh hectare
All weather roads on embankments	Nil	590.85	64.15	3300

The Department replied (May 2005) that due to financial constraints, available funds were mainly utilised for the protection of existing embankments and flood fighting⁷ works. The Department again stated (October 2005) that anti-erosion works have their own importance in a flood ravaged State of Bihar. It saves the lives and properties of the affected areas and due to its emergent nature; it is given priority over other schemes. The fact remains that during the last decade there has been no increase in flood protected area of 29.16 lakh hectares. The flood protected area covers only 42 per cent of the flood prone area (68.80 lakh hectare). Keeping in view the fact that 30 districts of Bihar are flood prone, the flood protected area needs to be increased by making investment in construction of embankments, drainage works and roads on embankments.

Centrally Sponsored Schemes (CSS)

Four Centrally Sponsored Schemes (CSS) were implemented at a cost of Rs 86.69 crore out of which three CSS (Flood Protection Works: Rs 3.88 crore; Maintenance of Flood Protection Works of Kosi: Rs 26.38 crore; and Flood Proofing Scheme: Rs 5.02 crore) valuing Rs 35.28 crore were examined.

⁷

Dumping of sand bags on vulnerable points of embankments during flood.

3.1.8 Flood Protection Works

Inadequate utilisation of Central funds

Under Centrally sponsored schemes, raising/strengthening of the existing embankment on four rivers (Lalbakya, Bagmati, Kamla and Khando) were taken up during 1998-99. However, State Government proposed the scheme on only three rivers. The GOI sanctioned grant of Rs 8.68 crore (October 1999) only for two schemes (Lalbekya and Bagmati) and released Rs 6.30 crore during 2001-03. Against this, only Rs 3.88 crore was utilised and the scheme remained incomplete as of March 2005. The Department replied (May 2005) that the remaining work of Lalbekya embankment will be taken up this year and the proposal for Bagmati embankment was under consideration of GFCC.

Due to lack of initiative, schemes were not sanctioned

Flood protection schemes on Kamla river was not sanctioned by the GOI as of March 2005 though GFCC had submitted its proposal in December 2001. The Department in its reply said (May 2005) that for Kamla embankment, the scheme has been submitted to the GFCC while viability/ necessity of the Khando scheme will be decided after investigation.

Under the scheme of maintenance of flood protection works on Kosi, expenditure initially incurred by the State Government was fully reimbursed by Central Government as grant. Rupees 26.38 crore were spent on completion of 231 anti-erosion works under the scheme taken up during 2000-2005. Against this, only Rs 22.84 crore were reimbursed by GOI which led to extra burden of Rs 3.54 crore on State exchequer. The Department replied (May 2005) that the State Government is pursuing (May 2005) the matter with the Central Government to reimburse the balance amount.

3.1.9 Flood proofing schemes

Platforms constructed in flood prone areas were not as per GOI guidelines

The scheme aims to save lives of people from heavy floods by constructing earthen brick soled platforms 0.6 meter above the flood level. Audit noticed that the platforms constructed were not as per the GOI guidelines and also lacked civic amenities. Besides, out of one hundred flood proofing schemes sanctioned at a cost of Rs. 11.31 crore, due to non-availability of land only 69 schemes were taken up at an estimated cost of Rs 8.82 crore against which expenditure of Rs 5.02 crore was incurred by the State Government during March 1992 to March 2002. No further funds after 2002 were released by the GOI due to non-submission of utilisation certificate.

State Plan Schemes

3.1.10 Anti-erosion works

Every year (after floods, from October) a high level committee headed by Zonal Chief Engineers (CE) has to submit the proposals of anti-erosion works to the Technical Advisory Committee which submits its report to the Scheme Review Committee and finally to State Flood Control Board for approval.

However it was found that only 1542 (45 per cent) of anti-erosion works valued Rs 319.75 crore (12 per cent) of the estimated value during 2002-05 were approved by the SFCB out of the proposals originally submitted by the Zonal Chief Engineers (*Refer Appendix-XXX*).

**Anti-erosion works
were not arranged in
order of priority**

There was nothing on record to show that proposals submitted by CE were arranged in order of priority based on survey of vulnerable points.

In their reply the Department stated (October 2005) that anti-erosion works were executed on the basis of techno-economic viability in view of the resources available at the State level. However, no specific prioritisation of anti-erosion works which were to be executed before every flood was found on the records of the Department.

Deficiencies in execution of works

During 2000-05 against provision of Rs 110.50 crore to 12 test checked Divisions for execution of 324 anti-erosion works expenditure of Rs 98.54 crore was incurred out of which 129 anti-erosion works (expenditure Rs 57.74 crore) were test checked. The deficiencies noticed are discussed below:

3.1.11 There was avoidable expenditure of Rs 6.26 crore in three Divisions⁸ due to delay in execution of works. In Champaran Embankment Division (Motihari) failure to execute anti erosion works on the embankment resulted in expenditure of Rs 3.79 crore instead of the original estimate of Rs 74.15 lakh. In Padrauna Division, due to non-approval of raising the height of spur before 2003 floods by SRC the estimated cost of work went up from Rs 31.14 lakh to Rs 2.10 crore. In Lalganj Division during the flood season of 2001 the Bihar State Construction Corporation failed to supply boulders in time and complete the work as per specifications for which it received Rs 1.97 crore. As a result anti-erosion works had to be redone at a cost of Rs 1.35 crore.

3.1.12 Incomplete works

In three Divisions, there was infructuous expenditure of Rs 2.52 crore on four works executed by these Divisions due to works remaining incomplete.

Incomplete scheme

Sl. No.	Name of Division	Name of work and year	Infructuous/ wasteful/ doubtful expenditure (Rupees in lakh)	Remarks
1	Western Flood Embankment Division, Kunauli	Restoration work of nose apron of spur at 2.25 km of WFE (2001-02)	97.00	The work was left incomplete after spending Rs 40.00 lakh and flood fighting works of Rs 57 lakh was also carried out at the same point during 2001-05.

⁸ Champaran Embankment Division, Motihari, Flood Control Division-I, Padrauna, Flood and Drainage Division, Lalganj

Sl. No.	Name of Division	Name of work and year	Infructuous/wasteful/doubtful expenditure (Rupees in lakh)	Remarks
2.	Flood Control Division, Dalsingsarai	Anti-erosion work between 1255 and 2025 metre of left bank of river Ganga (February 2004)	55.51	The work was left incomplete after spending Rs 2.11 crore and flood fighting works of Rs 55.51 lakh were carried out by the Division. Further the incomplete work was included in the next year AE work at a cost of Rs 3.27 crore.
3	Champan Embankment Division, Motihari	Anti-erosion works between 54 miles and 56 miles at Nagdaha of Champan Embankment (April 2001)	29.77	The work was left incomplete.
		Anti-erosion works between 54 miles and 56 miles at Nagdaha of Champan Embankment (April 2004)	56.96	The work was left incomplete because non-acquisition of required land.

In their reply regarding Champan Embankment Division, Motihari the Department stated (October 2005) that the executed anti-erosion work (in 2000-01) was damaged during flood and the payment beyond Rs 29.77 lakh for work done was held up. The Department also clarified that land acquisition involves cumbersome and lengthy procedure. Keeping these factors in view the Department should not have initiated flood protection works in area where formalities for acquisition of land had not been completed.

The Department also stated that due to changes in river courses and unpredictable behavior regarding the intensity and angle of attack on critical points make it necessary to supplement the executed AE works with flood fighting works. The Department failed to reply to the point raised by audit that even after spending substantial amount on AE, the works were left incomplete.

3.1.13 Improper execution of work

Execution of work without adequate quality assurance

Restoration of service road valuing Rs 50 lakh on West Kosi Main Canal (WKMC) embankment from 0 to 4.23 km was allotted by the Head Works Division, Birpur on March 2003, to a contractor who had no valid labour license on the date of finalisation of tender. Further the contractor used sub-standard bricks (compressive strength 70 kg/cm²) worth Rs 15 lakh instead of 100A graded bricks (having compressive strength 100 kg/cm²) and delayed the work for almost one and half years. However, payment of Rs 50 lakh was made (September 2004) to the contractor.

3.1.14 Execution of work without model testing

Fifteen Spurs⁹ costing Rs 16 crore were constructed during 2000-2004 without conducting any investigation and model testing though it was required as per the recommendations of the KHLC (every year) and its project report (November 2001). It was further noticed by audit that two spurs valuing Rs 2.25 crore (constructed by FCD, Karhagola during 2001-02) were damaged during flood 2002 and in restoration work of these two spurs, the Division incurred Rs 2.48 crore before the flood of 2003.

Department replied (May 2005) that in emergencies, model test of spur in span of two months was not possible. The reply is not tenable because as per the working calendar of WRD, the work for next year's flood protection should commence from 16th October and should be completed by 14th June of the following year. Therefore adequate time is available to plan and execute flood protection works.

3.1.15 Stores management

Deficiencies like misappropriation, extra cost in procurement of materials and non-maintenance of records regarding stock noticed in 12 test-checked Divisions were as under:

Non-maintenance of
stock records and
shortage of materials

Western Flood Embankment (WFE) Division, Kunauli had paid Rs 22 lakh (through proforma bill) to suppliers against the supply of 107 MT Black Annealed Wire during 2001-05. But the Division had no records relating to the receipt and use of these materials in the works executed by the Division.

The Division purchased 19371 m³ boulders (valuing Rs 1.24 crore) between July 2002 and April 2003. However only 17199 M³ boulders were used in 26 anti-erosion and flood fighting works (out of 52 AE/ FF works) executed by the Division during July 2002 to March 2005. As per the records of the Division only 574 m³ boulders was balance in the stock instead of 2172 m³. The shortage of 1598 m³ boulders valuing Rs 10.27 lakh could not be explained by the Division.

3.1.16 Impact analysis

During 2000-2005 expenditure on flood relief was Rs 178.58 crore (ranging from Rs 21.18 crore to Rs 62.71 crore each year) and the extent of total damages caused by flood during 2000-2005 were as under :

Year	Affected population (in lakh)	Total damage	(Rupees in crore)
			Relief paid to public
2000-01	82.41	1558.92	21.44
2001-02	90.91	1005.80	42.26
2002-03	160.18	2813.44	62.71
2003-04	81.61	143.93	21.18
2004-05	212.51	2215.68	30.99
Total	627.62	7737.77	178.58

(Source: Relief and Rehabilitation Department, Government of Bihar)

⁹

Under Flood Control Division, Karhagola: 11, Head Works Division, Birpur: 3 and Eastern Embankment Division, Birpur: 1

Damages from floods increased

The WRD failed to increase the length of its existing embankments and there was marginal achievement on raising/strengthening of embankments (only 123 km) and construction of all weather roads on embankments (only 64.15 km) during 2000-05. Though Rs 710 crore (including establishment) were spent (2000-2005) on maintenance of embankments and anti-erosion works, incidence of floods increased considerably and loss due to floods had been increasing progressively from Rs 1559 crore in 2000-2001 to Rs 2216 crore in 2004-05.

3.1.17 Manpower management

Deployment of excess manpower

As per the norms of the Government (1987) one works Division required six Engineers and 67 others staff (including Junior Engineers) for maintenance of 720 Km of embankment and five Divisions was to be supervised by one circle office.

In the State total length of embankments is only 3430 Km (up to 2004-2005). For maintenance of these embankments only five Divisions and one circle office was required as per norms. Against this 48 Divisions and 19 circle offices were being operated. This resulted in excess deployment of 330 Engineers and 342 subordinate staff involving payment of Rs 223.80 crore on their pay and allowances during 2000-05.

The Department replied (May 2005), that a proposal to abolish three Divisions and reducing the total number of staff including Engineers to 46 in each Division has been sent for the consent of the Finance Department.

3.1.18 Monitoring

The monitoring circle headed by a Superintending Engineer under Engineer-in-Chief was responsible for co-ordination and monitoring of schemes with the assistance of four Executive Engineers and five Assistant Engineers. BSFCB and GFCC were also entrusted to monitor implementation of Centrally sponsored schemes. Though the Department has an established mechanism for monitoring, execution of work without model testing, delay in execution of work and use of substandard material could not be avoided indicating lack of monitoring control.

3.1.19 Conclusions

The WRD mainly executed anti-erosion works and the plan allocations in the State budget on construction of new embankments, raising/strengthening of existing embankments and construction of all weather roads on embankments were curtailed which resulted in only marginal achievement of targets set for 2000-05 in respect of Raising and strengthening of embankments, Drainage works and embankments. The physical progress in the implementation of short term measures like strengthening of embankments and drainage has been far below the target fixed by the Department and Tenth Five Year plan. The impact of flood protection works on containing the damage to life and property was not felt as a sizable population continued to be affected by floods

and the incidence of damage to the property was also on the rise during the period 2000-05.

Recommendations

- Due to heavy reliance on anti-erosion schemes to protect the existing embankments, the flood control infrastructure viz. construction of embankments and platforms, drainage schemes have not been adequately funded during 2000-2005.
- The Department needs to prioritise anti-erosion works to ensure that critical works required to protect embankments do not get left out.
- Execution of works should be completed within the working season (October to June).
- The Department should rationalise its manpower as per norms.

The matter was referred to Government (July 2005); their reply (October 2005) has been suitably incorporated.

FOOD, CIVIL SUPPLY AND COMMERCE DEPARTMENT

3.2 IMPLEMENTATION OF THE ACTS AND RULES RELATING TO CONSUMER PROTECTION

Highlights

The Consumer Protection Act, 1986 provides for establishment of separate three-tier quasi-judicial consumer dispute redressal machinery at the National, State and district level with a fixed monetary limit for disposing cases. Vacancies in the posts of Members, absence of adequate infrastructure, insufficient funding and shortage of staff hampered the functioning of the State Commission as well as the District Forums. Computers, fax machines, library books were not provided to all the forums. Weak enforcement mechanism due to dependence on district officials for execution of warrants contributed to non-realisation of intended objectives.

District Forums were set up after delays ranging from 10 months to six years. District Forum at Arwal was not set up as of August 2005. Additional circuit benches have not been created.

(Paragraph 3.2.8)

There were shortage of equipment viz. fax machine, photocopiers, type writer etc. in the consumer courts. There was shortage of staff and lack of library facilities.

(Paragraph 3.2.9 and 3.2.10)

As of June 2005, 3036 complaint cases in the State Commission and 12563 cases in the District Forums were pending for disposal. The enforcement machinery was weak as the SC and the DFs were dependent on the district authorities for implementing their orders.

(Paragraph 3.2.11)

Consumer awareness programme was not implemented adequately. District Information Centres were not set up and no NGO was involved in awareness and empowerment of consumers.

(Paragraph 3.2.13)

Introduction

The Consumer Protection Act, 1986 (Act) came into force with effect from 01 July 1987 throughout the country except the State of Jammu and Kashmir, and is intended to provide simple, speedy and inexpensive redressal to the consumers' grievances (in relation to goods purchased and services availed). It gives the consumer an additional remedy besides those that may be available under other existing laws. The Act provides for establishment of separate three-tier quasi-judicial consumer dispute redressal machinery at the National, State and District levels. Unlike the existing laws, which are punitive or preventive in nature, the provisions of this Act are compensatory. The Act was amended in 2002 to facilitate quicker disposal of the complaints.

In Bihar, the Consumer Affairs, Food and Civil Supplies Department is responsible for promoting consumer awareness and empowerment of consumers and the consumer organizations.

3.2.2 Objectives of the Consumer Protection Act

The objectives are:

- to protect interests of the consumers in all respects;
- to secure speedy and inexpensive redressal of consumer grievances;
- to ensure protection of consumer rights against marketing of goods and services injurious to life and property to the consumers, providing information about the quality, quantity, potency, purity, standards and price of goods and services;
- to enhance the powers of the redressal machinery;
- to spread awareness among the consumers about their rights;
- to empower consumers and consumer organizations to file complaints in the consumer courts and
- to strengthen voluntary consumer movement, particularly in rural areas.

3.2.3 Organisational set-up

The Act is implemented through the Department of Consumer Affairs under the Ministry of Consumer Affairs, Food and Public Distribution at GOI level by establishing National Consumer Disputes Redressal Commission (National Commission) at New Delhi.

The Secretary, Bihar State Food, Civil Supply and Commerce Department assisted by the Director are responsible for administration of the Act in the State. The State Government has established the State Commission at Patna and 37 district forums at district level.

The State Commission is under the control of National Commission, New Delhi, for implementation of the Act and Rules. The State Commission and the district forums consist of President & two members each besides ministerial staff.

3.2.4 Scope of Audit

The implementation of the Act during 2000-05 was reviewed through test check of records in the Directorate office of Bihar State Food Civil Supply and Commerce Department, the State Commission and nine district consumer forums¹ out of 37 between June 2005 and August 2005.

M/s ORG- MARG was commissioned to survey and assess the awareness of the consumers and other stake holders like manufacturers / service providers, non government organisation (NGOs), appropriate laboratories and also to assess the impact of implementation of the Consumer Protection Act. The survey was conducted between July and September 2005. The nine test-checked districts selected for audit were also covered in the survey. In the survey 2582 consumers, 234 complainants, 10 manufacturers/ service providers, two NGOs and one laboratory were interviewed. The State Government was informed (August 2005) of the engagement of the ORG-MARG for the survey. The executive summary of the survey is annexed to the review (*Refer : Appendix-XXXI*). An entry conference was held on June

¹ Aurangabad, Banka, Madhubani, Katihar, Patna, Rohtas, Saharsa, Saran, and Sitamarhi

2005 with the Director, Consumer Protection and the Secretary, Food and Civil Supply and Commerce Department. Exit conference was held with the Secretary, Food, Civil Supply and Commerce Department in October, 2005. The views of the Department have been considered while finalising the review.

3.2.5 Audit objectives

The main objectives of the review of implementation of the Acts relating to Consumer Protection were to examine whether:

- there was any delay in setting up of DFs;
- policy had been formulated and rules notified;
- adequate infrastructure had been provided;
- enforcement mechanism for administering the allied Acts for consumer protection were effective;
- the Consumer Protection Councils (CPC) at district and State level were operational;
- there was uniform plan for staffing and funding;
- appropriate laboratory had been notified and was being utilised for the purpose of testing of products ;
- awareness programmes through setting up of Consumer Protection Council, State Consumer Welfare Fund, District Consumer Information Centre and Consumer Voluntary Organisation were carried out in the State.

3.2.6 Audit criteria

The audit criteria to arrive at the audit findings and conclusions with reference to audit objective were:

- Assessing the functioning of State Commission, District forums, Department of Consumer Affairs and the Consumer Protection Councils with reference to adherence to the provisions of the Acts and Rules relating to consumer protection;
- Examining the availability of infrastructure, adequacy of staffing and funded with reference to the relevant Rules, norms and orders issued by the Government and the State commission.

Audit findings

3.2.7 Budget and expenditure

Budget provided by the State Government and expenditure incurred therefrom during last five years (2000-05) for the State Commission and all the district forums was as under:

(Rupees in crore)

Year	Budget Provision	Expenditure	Saving	Percent
2000-01	3.37	2.51	0.86	26
2001-02	2.64	2.24	0.40	15
2002-03	2.91	2.65	0.26	9
2003-04	2.94	2.75	0.19	6
2004-05	3.86	3.38	0.48	12
Total	15.72	13.53	2.19	14

Budget had been prepared on the basis of demands received from SC and DFs. No funds were made available for construction of building during the last five years (2000-05). The provision was mainly for meeting expenditure on salary, rent and minor office expenses etc.

3.2.8 Implementation of the Act

Creation of adjudication mechanism

The Secretary, Bihar State Food, Civil Supply and Commerce Department is responsible for administration of the Act. The State Government has established the SC at Patna and 37 DFs. Though the Act was notified by the State Government in September 1987, DFs were set up after delay ranging from ten months to six years. DF has not been established in Arwal (August 2005) though the district was created in August 2001.

The Director, stated (September 2005) that before obtaining the approval of the Government for setting of DFs, concurrence of different departments is required which causes delay.

Additional benches of the State Commission not set up

The Act provides for creation of additional benches and appointment of additional members in the SC and holding of circuit courts. Circuit benches have not been set up (July 2005).

The Director stated (September 2005) that no proposal to set up additional benches has been received from the State Commission.

Formulation of policy and notification of rules

The State Government had notified Bihar Consumer Protection Rules, 1987 in September 1987 to implement the Act. These rules contained various provisions governing the service conditions of the President/Members of the SC and DFs but rules governing the staff, including their recruitment rules were not framed. As per rule 7(9) of Bihar Consumer Protection Rules, uniform procedure for processing of complaints was drawn up by the SCs in which the disposal of cases was to be effected within 90 days from the date of receipt of notice by opposite party. Cases requiring quality analysis of goods were to be disposed off within 150 days.

3.2.9 Adequacy of Infrastructure

Infrastructure grant of Rs 4.20 crore (Centre Rs 3.2 crore; State Rs one crore) was provided (1995-97) for construction of 38 buildings and for procurement of office infrastructure respectively. The funds for construction of buildings were provided to Building Construction Department (BCD) and for office infrastructure to the District Magistrates. The combined building of the SC and the DF at Patna, was still under construction (September 2005). The SC and the DF Patna were housed in a rented building. The expenditure in respect of rent of combined office of the SC and DF at Patna during 2000-05 was Rs 30.24 lakh which was nearly the estimated cost Rs 34.44 lakh for construction of own combined office building.

Expenditure of
Rs 30.24 lakh on rent
in respect of office
building at Patna

Buildings constructed were sub-standard and incomplete

The Secretary, SC, informed (July 2005) that the buildings constructed were incomplete and also sub-standard.

The SC requested (June 2005) the State Government to send the utilisation certificate of the funds to the Government of India (GOI) so that further grants may be made available as impressed by the National Commission. The Director informed (September 2005) that against grant of Rs 3.20 crore the utilisation certificate for Rs 2.90 crore had already been sent to GOI (August 2005).

Inadequate office infrastructure**Office equipment**

For smooth functioning of the SC and DFs, availability of office equipment viz., fax machine, photocopiers, typewriters etc. are necessary and these have to be in proper working order.

- It was seen that SC and DFs lacked furniture including almirah etc. and stationery/articles including essential forms, papers, judgment papers, carbon etc.
- DFs of Katihar, Saharsa and Sitamarhi did not have photostat machine. Therefore, they are facing difficulty in supplying copies of judgments.
- The State Government had not provided funds to the SC or the DFs to purchase books, journals etc. Therefore, there is no library facility in the SC or DFs. Most of the DFs do not have funds to purchase even one monthly magazine relating to the cases of consumer disputes. Thus, the DFs were unaware of the latest judgment of the SC, NC and also of the Apex Court. The SC was also unable to purchase any journal or books for want of funds and the SC was having only those journals which were sent by the publishers as a specimen copy.

3.2.10 Staff**Additional staff not provided**

There was shortage of Presidents in four district forums during the year 2003-04. The following table shows the shortage in the category of Members of DFs during 2000-05:

Year	2000-01	2001-02	2002-03	2003-04	2004-05
	In numbers				
Sanctioned Post	76	76	76	76	76
Men-in-position	46	47	56	57	66
Shortage	30	29	20	19	10
Percentage of shortage	39	38	26	25	14

Shortage of staff hampered the functioning of the DFs

The Director stated that as of September 2005 post of one member each was vacant in only two DFs. No follow up action has been taken by the State Government in pursuance of recommendations of Bagla committee (constituted in October 1999).

The table below shows the sanctioned strength and men-in-position in the various cadres in DFs.

District Forums

Sanctioned Post	Superintendent	P.A	Bench Clerk	Clerk	LDC	Group D	Watch-man	Total
Sanctioned strength	37	74	37	37	37	111	37	370
Men in Position	Nil	24	20	29	24	89	22	208
Shortage	37	50	17	8	13	22	15	162

Audit noticed that the vital post of office superintendent was vacant in all the District Forums. Against the requirement of 370 officials in the above cadres in DFs, the shortfall was to the extent of 162 officials in district forums. The post of Registrar and Librarian had not been sanctioned by the Government.

The Secretary, SC accepted (July 2005) that there is an acute shortage of manpower both in Class III and Class IV level. This is one of the prime reasons for inadequate functioning of the DFs.

In almost all the DFs, the President and Members are writing orders by their own hand due to lack of stenographer, typist or typewriter and computer. Under these conditions, it was not possible to provide promptly the copy of the orders to the concerned parties. This delayed the process of filing appeals within the mandatory period and ultimately resulted in delay in the disposal of cases.

No rules were framed for appointment/recruitment/training for non judicial staff. The staff both in Class III and IV category was deployed by the local District Magistrate to the DF on request and at any time they were withdrawn without assigning any reason leaving the DF without any manpower.

3.2.11 Functioning of consumer courts

The Act provides for speedy and inexpensive redressal to consumer disputes within a fixed time frame. The consumer disputes cases generally related to Railway, Telecommunication, Insurance, Electricity and Household goods etc. The details of cases filed in the DFs and SC and their disposal during the year 2000-05 were as under:-

State Commission

Year	Opening Balance	Filed	Total	Disposed	Balance	Percentage of disposal
Number of cases						
2000-01 (Jan 01)	2218	1572	3790	527	3263	14
2001-02 (April 02)	3263	848	4111	276	3835	7
2002-03 (March 03)	3835	206	4041	292	3749	7
2003-04 (March 04)	3749	127	3876	1269	2607	33
2004-05 (upto 6/2005)	2607	2547	5154	2118	3036	41

District forums

Year	Opening Balance	Filed	Total	Disposed	Balance	Percentage of disposal
Number of cases						
2000-01 (Jan 01)	13644	3639	17283	3746	13537	22
2001-02 (April 02)	13537	5366	18903	5184	13719	27
2002-03 (March 03)	13719	3170	16889	2886	14003	17
2003-04 (March 04)	14003	4388	18391	5481	12910	30
2004-05 (upto 6/2005)	12910	6509	19419	6856	12563	35
147 cases were transferred to Jharkhand State.						

The disposal of cases had improved between 2000-01 and 2004-05 from 14 per cent to 41 per cent in the SC and 22 per cent to 35 per cent in DFs.

In nine test-checked DFs opening balance of cases on April 2000 was 5129 and the number of cases filed during 2000-05 were 8083, out of which only 1042 cases (eight per cent) were disposed off within 90 days, 7139 cases (fifty four per cent) were disposed off after 90 days and the balance 5031 cases (thirty eight per cent) were pending. The number of cases filed and their disposal in the nine test-checked districts during 2000-05 is given in *Appendix-XXXII*.

In the ORG-MARG survey an analysis of time taken at various stages of the cases showed that on an average 1.6 days were spent for registering a case, 19.6 days were taken for serving the notice and first hearing was held after 25.8 days of serving the notice. On an average 12.2 hearings were required to resolve the case. Around 34 per cent of cases were still unresolved even after 18.1 hearings. To resolve a case on an average 20.1 months were spent. In case of unresolved cases the same were pending on an average for the past 26 months.

Results of the ORG-MARG survey further revealed that about 89 per cent of complainants resided in urban areas and 97 per cent were the educated lot and earned a monthly household income of Rs10718. This implied that facilities provided by redressal agencies were availed mostly by residents of urban areas and that too by the middle /upper middle economic strata of the community.

Nearly 65 per cent of the complaints were against services such as communication services (31 per cent), insurance services (18 per cent), banking services (12 per cent) and transportation services (10 per cent).

Executive petitions under the CPA

Consumer Courts have powers of First Class Judicial Magistrate to punish those for not obeying the orders of the court. The District Magistrate (DM) and the Magistrate should proceed to recover the amount through certificate cases as arrears of land revenue. Audit examined the effectiveness of enforcement of judgments in SC. The table below shows the number of cases filed for execution of judgment.

(Cases in number)

Period	Filed	Disposed	Pending
2002	4	4	-
2003	51	34	17
2004	56	25	31
2005	18	11	7
Total	129	74	55

The Secretary, SC stated (July 2005) that letters were written to the DMs and the Superintendents of Police (SPs) to take steps for the execution of warrants but no reply was received from these officials. The State Government has not constituted any task force at the State and the district level for execution of non-bailable warrants issued under the provisions of the Act. The Secretary, SC further stated that the attachment orders were sent to the DM for execution

but no report with regard to the execution of the order was received. The Director stated (September 2005) that no complaint regarding execution of cases has been received from SC and DFs. Action will be taken after receiving complaints from them.

Results of ORG-MARG survey showed that there were 75 cases where the decree order was passed and compensation was yet to be received. On an average the compensation was due for 4.2 months. For those who received compensation the same was received within an average period of 15.1 months.

Testing of quality

No sample has been sent to Bureau of India standards either by the SC or the DFs

Goods whose quality was disputed was to be sent to the notified laboratory for testing by the SC and DFs. Bureau of Indian Standards, Patna Branch office, Patna is the only laboratory that has been notified by the Government for testing the quality of samples but no sample has been sent to it either by the SC or DFs between 2000 and 2005.

3.2.12 Other Acts relating to protection of consumer interest

Prevention of Food Adulteration Act 1954 (PFA)

Prevention of Food Adulteration Act 1954 (PFA) is administered by the Health Department. The main aim of the Act is to ensure quality of food to the consumers, to protect them from fraud and to encourage fair trade practices in food items and also ensure good manufacturing and hygienic practices in the food industry. Inspection of food articles was not carried out properly due to shortage of staff. Against the sanctioned strength of 66, men-in-position were only 39.

Food samples received from sources like State Food Inspectors/Railways/Supply Department were examined by concerned District Civil Surgeon offices during the year 2000-01 to 2004-05 as detailed below:

Year	Number of samples examined and reported	Number of sub-standard samples detected
2000	4742	795
2001	4282	645
2002	4189	745
2003	2915	555
2004	2927	437
2005	1185	168
Total	20240	3345

Out of 20240 samples, 3345 samples were found to be sub-standard. The reports of sub-standard samples were sent to be concerned Civil Surgeons for filing prosecution cases. However, the final action taken was not available on the records of the Health Department.

Awareness and empowerment of consumers

3.2.13 Performance of the consumer protection councils

Consumer Protection Councils (CPCs) function in the State to promote and protect the rights of the consumers. CPC was established (2000-01) at the State level but only two meetings had taken place during the last four years

(May 2000 to December 2003). A provision was made in the Consumer Protection (Amendment) Act, 2002 which mandates the State to establish District Consumer Redressal Councils at the district level to strengthen consumer movement at the grass root level. However they have not been set up at the district level. Absence of CPCs has led to low level of awareness about the Act.

- Results of the ORG-MARG survey revealed that only 10 per cent of the rural population has heard of the Act. In response to, whether the Government was making any effort in safeguarding the consumer rights, only eight per cent replied positively and the remaining have no idea of it according to the ORG-MARG survey.
- Nearly 44 per cent of the aware consumers at large have come to know about the Act only in the last four years whereas the Act has been in existence for the past 19 years. Overall 66 per cent of the consumers at large gave importance to knowing the CPA but 91 per cent were not aware of consumer rights and 80 per cent still unaware of CPA.
- Majority of complainants came to know about the redressal agencies through electronic media (24 per cent) and print media (45 per cent) and others i.e., friends/ relatives. Overall, only about four per cent were aware of the rights and CPA. Around 25 per cent though aware of any redressal agency did not know the location of the district forum in their respective districts.

State Consumer Welfare Fund

No funds were made available by the State Government for State Consumer Welfare Funds/voluntary organisation/institution/agencies for the purpose of consumer awareness programmes.

District Consumer information centre

District Consumer Information Centre has not been set up by the State Government. No funds were made available by the State Government during 2000-05.

Functioning of consumer voluntary organisation(NGO's)

No scheme was formulated for involvement of NGOs in awareness and empowerment of consumers. No funds were provided to the NGOs by the State Government. However survey of ORG-MARG revealed that the NGOs are involved in spate of activities such as consumer education and helping complainants in filing of complaints at the consumer forum.

Awareness through print media

For awareness and empowerment of consumers, 24 December and 15 March of every year is celebrated as National Consumer's day and World's Consumer Rights day respectively. A wall paper "Upbhokta Prahari" is published and distributed on National/World Consumers Right Day. GOI has not released any funds to the State under the scheme "JAGRIK SHIVIR YOJNA". Results

Funds were not provided to NGO for awareness and empowerment of consumers

of ORG-MARG survey revealed that formal source of awareness among the consumers was electronic and print media which stood at 66 and 35 per cent respectively.

The Director stated (September 2005) that funds for awareness of consumers were very meagre and efforts are being made to provide more funds for this purpose.

3.2.14 Monitoring mechanism

According to Sub-Section (2) of Section 24 B of the Act, the State Commission was to exercise administrative control over all District Forums of the State. It was noticed that the district forums were not monitored and supervised by the State Commission. However no such monitoring was being done to promote and protect the rights of the consumers due to shortage of staff and inadequate infrastructure facilities. The Secretary, SC stated (July 2005) that occasionally some inspections were carried out but due to paucity of funds, it was difficult to have periodical inspection of the DFs. During 2002-05 only four inspection of district forums² were carried out.

Thus, implementation of the Act in the State lacked in monitoring and supervision mechanism.

3.2.15 Conclusions

The basic tenet of the Consumer Protection Act to protect the interest of consumers through speedy and inexpensive redressal of their grievances remained largely unachieved mainly due to failure of the Government in generation of awareness among people and motivating them to avail other services of the redressal mechanism through fruitful utilisation of the media about consumer rights and various features of the Act. Ineffective enforcement of Prevention of Food Adulteration Act also affected the consumers' interest adversely. There were inordinate delays in settlement of cases and actual payment of decretal amounts. Moreover, there were deficiencies in providing adequate infrastructural facilities and sufficient manpower. District Consumer Information Centres were not opened in the State. There was one notified laboratory in the State but no samples had been sent to it either by SC or DFs between 2000 and 2005. Overall implementation of the Act in the State suffered due to shortage of staff and inadequate enforcement machinery.

Recommendations

- For effective implementation of the Consumer Protection Act, 1986 sufficient funds should be made available for office infrastructure.
- Circuit benches and additional forum should be established where pending cases exceed the norms.
- Consumer Protection Councils should be established within a stipulate time frame in the districts.

²

Nalanda, Nawada, Samastipur, Sitamarhi

- Government need to take serious initiatives to create awareness amongst the populace about consumer rights, provisions of the Act, and consumer redressal machinery.
- Proper mechanism needs to be put in place to ensure that the complainants actually receive the compensation as decided by the adjudication machinery.

The points were referred to Government (September 2005), the reply received (September 2005) has been incorporated in the review at appropriate places.

DISASTER MANAGEMENT DEPARTMENT

3.3 FLOOD RELIEF OPERATIONS IN BIHAR

In 2004, 20 districts¹ were affected by floods affecting a population of 2.13 crore in these districts.

The flood relief expenditure is funded by Calamity Relief Fund (CRF). The State Calamity Relief Fund Committee (SCRFC) was constituted (March 1997) for administration of the CRF. Chief Secretary is the ex-officio Chairperson and Development Commissioner, Finance Commissioner and Relief Commissioner are members of the Committee. The Committee is responsible for ensuring that the money drawn from CRF is applied for the intended purposes and as per norms contained in the guidelines issued by Ministry of Agriculture.

The District Magistrate (DM) is overall incharge of flood relief operations. He is assisted by Additional District Magistrate (ADM) (Relief) and Deputy Collector (Relief). The Disaster Management Department (DMD) allots funds to the concerned DMs on their requisition and on the basis of affected area/people.

3.3.2 Audit objectives

The audit objectives were to ascertain whether:

- funds were utilised optimally as per prescribed norms;
- any irregular/ unauthorised expenditure was incurred;
- purchase process was efficient and transparent;
- any monitoring mechanism was in place and working effectively for ensuring utilisation of funds.

3.3.3 Audit coverage

On the basis of number of people affected by flood of 2004 and allotments made, eight districts² out of 20 districts were selected for test check. Records of flood relief operations of eight DMs, 52 circles working under the eight DMs, eight district units of State Food and Civil Supplies Corporation and the DMD at Secretariat level for the year 2004-05 were test-checked during June 2005. Out of the nine components foodgrain supply, cash dole, evacuation of population, boat repair, human medicine, veterinary medicine, ex-gratia grant, drinking water supply and fodder supply of flood relief operations, two major components viz. supply of foodgrain and payment of cash dole for daily needs were test-checked in eight districts.

¹ Araria, Begusarai, Bhagalpur, Darbhanga, East Champaran, Gopalganj, Katihar, Kishanganj, Khagaria, Madhepura, Madhubani, Muzaffarpur, Purnea, Saharsa, Sheohar, Sitamarhi, Samastipur, Supaul, Vaishali and West Champaran

² Begusarai, Darbhanga, East Champaran, Khagaria, Madhubani, Muzaffarpur, Samastipur and Sitamarhi.

Audit findings

3.3.4 Financial management

Funds under different sub-heads of flood relief were allotted by the DMD on the requisitions based on norms fixed by Government of India (GOI) to the concerned DMs. The utilisation certificates of previous allotment were also to be annexed with the current requisition.

In test-checked districts, against provision of Rs 132.40 crore during 2004-05 under nine components of flood relief, amount drawn by DMs was Rs 117.68 crore and expenditure was Rs 96.81 crore (73 per cent) (*Refer : Appendix-XXXIII and XXXIV*). The provision (Rs 109.08 crore) under foodgrains (Rs 60.13 crore) and cash dole (Rs 48.95 crore) was 82 per cent of the total allotment under nine components. DMs drew money on abstract contingent (AC) bills and gave it as advance to circles. The unspent amount of Rs 10.59³ crore lying in banks in seven districts was not refunded as of June 2005.

Scrutiny revealed that:

Against drawal of Rs 117.68 crore on AC bills, DC bills of Rs 112.02 crore were not submitted by the DMs to Accountant General (A&E) as of July 2005 though required to be submitted by 25 of next month in which AC bills were drawn.

DMs furnished utilization certificates for Rs 87.60 crore⁴ which were accepted by the State Calamity Relief Fund Committee (SCRFC). While DC bills for only Rs 5.66 crore were received from Madhubani district, the utilisation certificates for Rs 81.94 crore were given and accepted by SCRFC. This issue was brought (September 2005) to the notice of the Chief Secretary who is the Chairperson of SCRFC. At the instance of audit, DMD has taken up (September 2005) the issue of non-submission of DC bills with the concerned District Magistrate.

In four districts⁵ advanced amount of Rs 10.77 crore was shown as expenditure without vouchers. Rupees 1.69 crore advanced between July 2004 and October 2004 to panchayat sevaks/staff of two districts (Sitamarhi and Begusarai) remained unadjusted (July 2005) due to non-submission of vouchers.

3.3.5 Procurement and distribution of foodgrain

As per the guidelines (August 1999) of DMD, each flood affected family (comprising five members) was to be provided with one quintal foodgrain as relief in four equal instalments in entire flood period. The foodgrain were to be distributed in the presence of local representatives (Mukhia/ Pramukh/MLA/MLC) as per list of beneficiaries approved by the circle officers.

³ Begusarai:Rs 6.02 lakh; Darbhanga :Rs 75.73 lakh; East Champaran:Rs 183.64 lakh; Madhubani: Rs 106.70 lakh; Muzaffarpur: Rs 77.52 lakh;Samastipur: Rs 493.54 lakh and Sitamarhi: Rs 115.51 lakh.

⁴ Begusarai: Rs 0.01crore; Darbhanga: Rs 20.39 crore; East Champaran: Rs 11.93 crore; Madhubani: Rs 15.88 crore; Muzaffarpur: Rs 9.30 crore; Samastipur: Rs 12.52 crore and Sitamarhi : Rs 17.57 crore.

⁵ Begusarai (Rs 1.11 crore); East. Champaran (Rs 7.98 crore); Muzaffarpur (Rs 1.60 crore) and Samastipur (Rs 0.08 crore)

UCs for Rs 81.94 crore accepted in absence of DC bills

Advance of Rs 10.77 crore was booked as expenditure without receipt of vouchers

Against provisions of Rs 60.13 crore⁶ for supply of foodgrain during 2004-05 Rs 51.45 crore was drawn and out of which Rs 45.18 crore was advanced for supply of foodgrain between July 2004 and September 2004 to the State Food and Civil Supplies Corporation (SFC). The balance Rs 6.27 crore was retained by the concerned DMs.

Against this, SFC supplied (July 2004 to October 2004) foodgrain valuing Rs 37.40 crore, returned amount of Rs 4.83 crore (March 2005 to May 2005) to the concerned DMs and retained Rs 2.95 crore (June 2005) with them.

Distribution of 757475 quintal foodgrain valuing Rs 36.96 crore could not be vouched in the absence of records.

- Scrutiny of reports of SFC units and that of district/circles further revealed that district reported short receipt of 16714 quintals wheat and 1521 quintal rice valuing Rs 0.88 crore (**Refer : Appendix-XXXV**). Foodgrain valuing Rs 0.90 crore (wheat 10,983 quintals and rice 6,216 quintals) were shown distributed by the circles (**Refer : Appendix-XXXVI**) in excess of their receipt. The discrepancy between receipt and distribution of foodgrain in districts and circles could not be verified by audit due to non-maintenance of stock and distribution registers in districts/circle offices. Therefore, Audit was not in a position to verify and authenticate the distribution of 88200 quintals of rice and 669275 quintals of wheat valued at Rs 36.96 crore in the test-checked districts.
- The irregularities noticed on the basis of reports on procurement of foodgrain by districts and its distributions by Districts/Circle as shown in Form IX (Form IX is the report submitted by Circle Officers/District Magistrates to the DMD regarding utilisation of relief materials. It includes details of affected population, livestock, area, house damaged, life lost (human & animal), families given shelter, boats operated, relief centres opened, foodgrains/ready food, cash, polythene, fodder distributed etc.) in test-checked districts in the distribution of foodgrain were as under :

Undistributed foodgrain of Rs 1.39 crore (wheat 21,232 quintals and rice 6379 quintals) lying with the circles (**Refer: Appendix-XXXVII**) was neither refunded to the SFC nor its cost remitted in treasury as required (March 2005). Foodgrain valuing Rs 4.85 crore were distributed by the circles/panchayats after flood period thereby reducing effective distribution during flood.

In 11 circles under five districts⁷ distribution of 9996 quintal wheat and 62 quintal rice valuing Rs 47.44 lakh was doubtful as the signatures or thumb impressions of beneficiaries and authentication by the public representatives were missing.

15.15 lakh empty gunny bags valuing about Rs 91 lakh were neither returned to the concerned circles nor its cost remitted by Circle Officers despite instructions issued (November 2004) by DMD in this regard.

⁶ Begusarai: Rs 1.55 crore; Darbhanga: Rs 12.50 crore; East Champaran: Rs 7.85 crore; Khagaria: Rs 5.65 crore; Madhubani: Rs 8.80 crore; Muzaffarpur: Rs 6.35 crore; Samastipur: Rs 8.50 crore and Sitamarhi: Rs 8.93 crore.
⁷ Khagaria, East Champaran, Begusarai, Samastipur and Muzaffarpur

3.3.6 Contract management

Government of India (GOI) in October 2003 directed Relief Commissioners of all States to enter into pre-contract or pre-agreement with various suppliers of identified items to be provided during various relief operations. The purpose was to check ad-hoc purchases during the time of flood and to have standard schedule of rates for services and goods at competitive market rates. The DMD directed all the DMs in February 2004 to comply with the directions of GOI with further instruction to initiate advance preparatory action by 25 May under intimation to the DMD.

Ignoring the GOI guidelines and instruction of the DMD, Notice Inviting Tenders (NIT) for supply of flood relief materials were invited as late as during June 2004 by seven districts⁸ and the rates of relief materials were finalised through District Purchase Committee by concerned DMs during the month of July. In Khagaria district, relief materials valuing Rs 34 lakh were purchased from a local dealer without inviting tenders.

There was irregular purchase (July 2004) of 1067 quintals of polythene valued Rs 69.19 lakh in Samastipur and East Champaran districts as purchases were made from the suppliers who had not submitted the tenders. In Samastipur district, quality of 850 quintals polythene valuing Rs 58 lakh was found sub-standard. The Department did not take any action against the suppliers/DMs.

3.3.7 Doubtful/Irregular purchase of materials

Materials⁹ valuing Rs 71.77 lakh¹⁰ were purchased by districts/circle authorities on plain paper without BST/CST number of suppliers. Scrutiny further revealed that entries of materials received and distributed were not made in the stock and distribution registers. Thus, these were doubtful purchases. On being pointed out (August 2005), Secretary, DMD during discussion (August 2005) stated that comments of concerned DMs would be obtained wherever purchases were made on plain paper and stock registers not maintained.

Purchase of 1022 MT polythene at a cost of Rs 5.91 crore in eight districts was made at rates ranging between Rs 50 per Kg (Muzaffarpur and Madhubani) to Rs 88.33 per Kg (Sitamarhi). DMD needs to work out a mechanism to avoid such variations in purchase of standard items of relief material.

3.3.8 Payment of cash dole

CRF guidelines provided for immediate disbursement of cash dole during flood. Rupees 200 was to be provided to each flood affected family during period of flood. It was to be disbursed in the presence of local representative (Mukhia/Pramukh/MLA/MLC) on the basis of Panchayat-wise list of flood affected family duly approved by Circle Officers. It was noticed that against sanctioned amount of Rs 48.95 crore, expenditure incurred was Rs 44.59 crore

Payment of
Rs 44.59 crore as
cash dole could not
be verified in the
absence of records

⁸ Begusarai, Darbhanga, East Champaran, Madhubani, Muzaffarpur, Samastipur and Sitamarhi.

⁹ Chura: 2096 quintal; Chana: 456 quintal; Gur: 251 quintal; Salai: 1500 piece
Candle: 26,019 piece and Polythene sheet: 751 quintal.

¹⁰ Khagaria (Rs 33.81 lakh); Muzaffarpur (Rs 30.67 lakh) and Samastipur (Rs 7.29 lakh)

on this account. The detailed vouchers for payment of cash dole at the rate of Rs 200 per family were not made available to audit. As a result, audit could not ascertain the authenticity of payment to flood affected families.

Rupees 9.84 crore of cash dole distributed after flood period

Rupees 9.84 crore were distributed by seven DMs¹¹ after flood period (16 October 2004 to 31 March 2005). Reasons for delay in distribution were not on record. In 14 circles under seven districts¹² payment of cash dole of Rs 36.99 lakh was doubtful as signature or thumb impressions of beneficiaries were missing.

3.3.9 Misutilisation of aircraft

Twenty five helicopters of Indian Air force were hired by Government of Bihar for air dropping the dry food packets to flood affected area and rescuing the affected persons between 10 July 2004 and 09 August 2004. Bills for hiring of eight helicopters (286 flights) amounting to Rs 5.78 crore (flying charges: Rs 2.84 crore and detention charges: Rs 2.94 crore) have been received by DMD for payment which has not been made (July 2005).

Out of Rs 5.78 crore spent for hiring aircrafts only 10 per cent related to dropping of relief material

- Scrutiny of bills revealed that out of 286 flights, only 66 flights costing Rs 55.89 lakh were used for dropping flood relief materials (110.98 MT).
- 143 flights costing Rs 1.28 crore were used for ferrying persons not affected by flood.
- 16 flights costing Rs 17.54 lakh were undertaken to locations not affected by flood.

3.3.10 Detention charges of aircraft

Creation of avoidable liability of Rs 2.94 crore

In case of MI-17, helicopter rate per flying hour was Rs 1.15 lakh whereas detention charge was Rs 57500 per hour. For MI-8 helicopter, rate per flying hour was Rs 75000 whereas detention charge was Rs 37500 per hour. After performing relief duty, flying back to Gorakhpur (nearest-IAF base) and taking position back at Patna would have cost Rs 2.87 lakh and Rs 1.87 lakh respectively. Therefore, detention period beyond five hours was uneconomical. It was observed that detention period of MI-17 helicopter and MI-8 helicopter was ranging from 11 to 37 hours and 10 to 17 hours respectively.

It was also noticed that in 2001-02, State Government had always returned the helicopter to Gorakhpur and the detention charges were paid only for three hours. However, a liability of Rs 2.94 crore was incurred in 2004-05 for detention period of 574 hours.

Secretary, DMD during discussion said (August 2005) that guidelines would be formulated to prevent misuse and unnecessary detention of aircrafts.

¹¹ Darbhanga: Rs 191 lakh; East Champaran: Rs 250 lakh; Khagaria: Rs 149.87 lakh; Madhubani: Rs 50 lakh; Muzaffarpur: Rs 143.16 lakh; Samastipur: Rs 150 lakh and Sitamarhi: Rs 50 lakh.

¹² Khagaria, East Champaran, Samastipur, Begusarai, Darbhanga, Muzaffarpur and Sitamarhi

3.3.11 Monitoring

Since the relief expenditure was being funded by CRF, DMs should have ensured proper accounting, failing which the expenditure would have been disallowed by GOI. However, DMs failed to monitor proper maintenance of records and accounts of relief expenditure resulting in non-submission of DC bills.

3.3.12 Conclusions

Out of AC bills for Rs 117.68 crore DC bills for Rs 112.02 crore have not been submitted to AG office by drawing and disbursing officers. DMs submitted utilisation certificates of Rs 81.94 crores to DMD without submitting the vouchers to the Accountant General. Rupees 10.77 crore advanced to staff under four districts for relief work was booked as expenditure by the concerned circles without receipt of adjustment vouchers. Adjustment of advance amount of Rupees 1.69 crore for relief work in two districts was still awaited (July 2005). Cash dole of Rs 44.59 crore was distributed to flood affected families, but the DMs failed to submit detailed contingent bills for the entire amount. Foodgrain worth Rs 4.85 crore and cash dole Rs 9.84 crore were distributed after flood period thereby defeating the objective of providing immediate relief. Stock and distribution registers of foodgrain and relief materials were not maintained at districts and circle level. Thus, the distribution of 757475 quintal of foodgrain valued at Rs 36.96 crore reflected in form IX could not be authenticated. There was doubtful purchase of relief materials of Rs 71.77 lakh in Samastipur, Muzaffarpur and Khagaria due to purchase on plain paper without BST/CST number and without recording receipt of material in the stock register.

Recommendations

- Advance preparatory action for flood relief should be taken as per the GOI instructions and DMD guidelines.
- Flood relief should be immediately given with priority during the flood to the affected people.
- The monitoring mechanism should be strengthened to ensure proper delivery of flood relief to the affected people in time.
- Stock and distribution registers relating to flood relief materials should be properly maintained in circle offices.
- DC bills in respect of expenditure approved by Controlling officers should be submitted to the Accountant General in time.

The matter was referred to Disaster Management Department in August 2005. The Department is in the process of initiating action on the points raised in the Report. The issue of non-submission of detailed contingent bills has also been taken up by the department with the District Magistrates of flood affected districts in September 2005.

DISASTER MANAGEMENT DEPARTMENT

3.4 FLOOD RELIEF OPERATIONS BY DISTRICT MAGISTRATE, PATNA

Bihar is one of the worst flood affected States of the country. About 2.13 crore persons of 204 talukas under 20 districts during the year 2004 were affected by flood. Flood relief operations consist of three major components: evacuation of flood affected population to safer locations, supply of food grain and other essential commodities and payment of cash dole for daily needs as per norms prescribed by Government.

3.4.2 Audit Coverage

Audit of expenditure of funds allotted to DM Patna by the Disaster Management Department (DMD) between May 2004 and August 2004 (flood period) for flood relief operations was conducted during April-May 2005 through test check of records of the Office of the District Magistrate, Patna, DMD and Bihar State Small Industries Corporation (BSSIC). Records of DM Patna was seized by the Vigilance Department and audit was conducted on the basis of records seized by them.

The matter was reported to the Vigilance Department by Government on 26 April 2005 for investigation. Audit report has been annexed with the FIR lodged by Vigilance department. The main findings of the Vigilance Department as recorded in the FIR was that the firm to which payment of Rs 17.80 crore had been made by DM Patna for supply of relief materials was a "fake" firm. The Vigilance Department had also pointed out that the quantities of relief materials distributed could not be ascertained as there were no facilities for weighing the relief materials in the districts. The scope of Audit was to examine whether any irregularities existed in the transactions made by DM Patna and to ascertain the effectiveness of internal control mechanism.

3.4.3 Audit Objectives

The audit objectives were to ascertain whether:

- any advance preparatory action for flood relief was taken by DMD and DM Patna;
- budget provision and its allotment to DM Patna was based on factual data and need assessment;
- funds were utilised optimally by DM Patna as per prescribed norms;
- internal control mechanism was effective.

3.4.4 Budget allotment for Flood Relief work

Audit scrutiny of records revealed (May 2004-August 2004) that though Patna was not a flood-affected district, the DM Patna was allotted Rs 13.54 crore from Calamity Relief Fund by the DMD for evacuation of population (Rs.3.16 crore), supply of food grain (Rs 5.05 crore) and for distribution of cash dole (Rs 5.33 crore). There was nothing on record to show that the DM Patna was notified as nodal officer by the Government and was authorised to spend the amount allotted to Patna district for procurement of relief materials for distribution to flood affected districts of north Bihar.

Patna was not a flood affected district

Lack of clarity regarding the status of DM Patna as nodal officer

Secretary, DMD noted on file (August 2004) that the Chief Secretary had directed the DM Patna to act as a nodal officer. But in October 2004, Secretary, DMD directed the DM Patna to furnish a copy of letter which authorised him to act as a nodal officer. While DMD is now taking a stand that funds were allotted to DM Patna on the basis of a note written by Chief Secretary (19 July 2004), the fact remains that even before receipt of the said note, Rs.7.89 crore had been allotted to DM Patna without designating him as nodal officer. Further, the note written by Chief Secretary was not followed by any Government notification. Thus, there was no clarity in the Department regarding appointment of DM Patna as nodal officer. DM Patna was only authorised by the Secretary, DMD to certify the flights of helicopters which were used for relief work. Thus, Rs 13.54 crore was allotted by DMD without any basis and there was no mechanism of demand appraisal of districts by DMD though the scale for relief work was defined and number of persons affected by previous flood was known.

GOI instructions to check adhoc purchases

Ministry of Home Affairs, Government of India (GOI) in October 2003 directed Relief Commissioners of all States to enter into pre contract or pre agreement with various suppliers of identified items to be provided during various relief operations. The purpose was to check adhoc purchases during the time of flood and to have standard schedule of rates for services and goods at competitive market rates. Secretary, DMD directed all District Magistrates in February 2004 to comply with the directions of GOI.

3.4.5 Award of work

Ignoring the GOI guidelines, Notice Inviting Tender (NIT) for supply of flood relief materials¹ for Patna District was published by the DM Patna, on 19 June 2004, in two Hindi dailies. The due date of receipt of tender was fixed as 28 June 2004. Against this NIT, four suppliers² submitted tenders. The tenders were opened on 28 June 2004 by the District Purchase Committee in which only nine out of 16 members were present. The DM Patna, who headed the purchase committee, was not present at the time of opening of tenders.

Award of contract without formal agreement with BSSIC

The work was awarded (July 2004) to BSSIC Patna on their quoted rates which were higher as compared to other tenderers on the ground that it was a Government undertaking. The supply order (July 2004) was issued to Managing Director (MD), BSSIC Patna for supply of flood relief material. However, no formal agreement was executed by DM Patna with BSSIC. The supply order was silent on the rates, quantity and quality of materials. However, BSSIC made no supply against this order and later on officially denied (April 2005) that it had entered into any agreement with DM Patna.

Infact, Bihar State Small Industries Corporation (BSSIC) does not supply the materials directly but through firms registered with the corporation under the Marketing Assistance Scheme (MAS). The rates quoted by BSSIC were based on the rate submitted by Santosh Printing Press. Reliance of BSSIC on the quotations of Santosh Printing Press, whose job is 'Printing' according to the certificate issued by District Industries Centre, is questionable.

¹ Atta, Sattu, Chura, Gur, Salt, Safety Matches, Candle, Cloath bag, Plastic bag, Jute bag, Polythene Sheet, Dhori, Sari

² Kalyani, Prakash Enterprises, K.P. Traders, and Bihar State Small Industries Corporation (BSSIC) Ltd. Patna,

Audit scrutiny revealed that B.K.Singh, who was neither an employee of BSSIC, Patna nor carrying any authority letter from BSSIC was present in the purchase committee meeting held on 28 June 2004 and had signed in the attendance register of meeting of District Purchase Committee on behalf of BSSIC, Patna.

Audit also noticed a discrepancy in the tender documents. The second page of the tender document available in the DM's office authorised B.K.Singh and Sanjiv Kumar to receive payment on behalf of BSSIC. The Office copy of BSSIC had no such authorisation.

The telephone number, name and address of the company as well as monogram of the second page of the office copy were not matching with the copy available in DM's Office. Had the members of the purchase committee signed on each page of the tender document, it could have been discovered at what stage the second page was changed.

Audit scrutiny of documents revealed that an agreement of two pages typed document between DM Patna and Shri B.K.Singh on behalf of BSSI was signed but the signature of DM Patna was not recorded on the document.

3.4.6 Payments for supplies of Relief materials

Unauthorised
payment to BSSI

An amount of Rs 17.80 crore was paid as an advance between 09 July 2004 to 08 August 2004 by the DM Patna through 22 cheques ranging from Rs 10 lakh to Rs one crore to BSSI (not BSSIC) though there was no formal agreement with BSSI. Payment was made to BSSI on the basis of requisitions made by Shri B. K. Singh on behalf of BSSI on the letter head of BSSIC (not BSSI). The requisitions were not supported by the rates and quantity of relief material supplied by him. The cheques were handed over to Shri B.K. Singh without verifying the quantity and quality of materials received and without verifying the fact that he was authorised by BSSIC to accept payments on behalf of the corporation. The entire amount was deposited in the account of Baba Satya Sai Interprises (BSSI) with IDBI Bank. BSSIC later confirmed to Audit that BSSI had not registered as a supplier with the corporation.

Payment to BSSIC
without formal
contract

It was also observed that although BSSIC had not entered into any agreement with the DM Patna for supply of relief material, it accepted payment of Rs 13.52 lakh through cheques issued by DM's office on 15 October 2004. In reply to audit query, BSSIC did not give any valid reason for accepting these cheques.

An amount of Rs 61.70 lakh³ was unauthorisedly advanced (July – August 2004) for the purposes not directly related to relief operations. Rupees 51.30 lakh was advanced (July-August 2004) to three hotels and two restaurants for stay and refreshment to Air Force pilots and staff engaged in relief operations. Except two bills of Hotel Maurya amounting to Rs 15.41 lakh, no bill was received (May 2005) against the balance amount. Scrutiny further revealed that 75 persons stayed in Hotel Maurya during 13 July 2004 to 06 August 2004 but from the bill it was not clear whether they were Air Force pilots. Thus, the genuineness of payments could not be verified by Audit.

³ Hotels/Restaurants : Rs 51.30 lakh; Petrol/Fuel : Rs 7.50 lakh; Office contingency : Rs 1.50 lakh; Liveries : Rs 0.40 lakh and Boat Repair : Rs 1.00 lakh

Heavy diversion of funds for procurement of dry food rations

Against allotment of Rs 13.54 crore (July 2004 to August 2004) DM Patna drew Rs 13.34 crore (July 2004 and August 2004) through ten AC bills for evacuation of population (Rs 3.15 crore), supply of foodgrain (Rs 4.90 crore) and cash dole (Rs 5.29 crore) and balance of Rs 0.20 crore was allowed to lapse. Further, a sum of Rs 5.10 crore was unauthorisedly diverted by DM Patna from the funds available with DM Patna under other heads of accounts i.e. Election (Rs 0.10 crore), Welfare (Rs 2.00 crore) and Land acquisition head (Rs 3.00 crore) for flood relief operations. Thus, the funds earmarked for supply of food grain, population evacuation as well as of other heads were diverted by the DM Patna for procurement of only dry food items (Chura, Sattu, Gur etc.).

As per Rules 322 of Bihar Treasury Code the DC bills should be submitted to the Accountant General by 25th of the following month. However, it was noticed that DC bills were not submitted by March 2005. Thus, non-submission of detailed contingent bills against Rs.13.34 crore received from DMD and diversion of Rs.5.10 crore from other heads without any approval of competent authority shows poor financial control. Also no form IX⁴ for relief work was ever submitted by DM Patna to DMD.

The award of contract suffered from further following deficiencies :

NIT did not specify the quantities and grade of items to be procured

➤ The NIT did not specify the quantities and quality/grade of items to be supplied. Under the circumstances, it was not clear on what basis the rates were quoted by the suppliers. Though the NIT was published in the newspapers, this obvious flaw was not pointed out by the DMD. DMD replied (July 2005) that the NITs were not sent by districts to the Department for vetting. In view of the audit observation, necessary instructions regarding quality/grade/ specifications have been issued (June 2005) by the DMD.

Financial viability of tenderers not ascertained

- The NIT did not specify the sales turnover, financial viability and experience in handling/supplying relief materials by the suppliers.
- Since the quantities and the rates at which different items to be procured were not worked out, the total financial implication of the purchase was not calculated at any stage.
- Scrutiny of comparative statement (CS) revealed that the rates of sattu and salai quoted by BSSIC in the tender @ Rs 45.90 per kg and Rs.45 per packet was entered in the CS as @ Rs 43.50 per kg and @ Rs 45.40 per packet respectively. Similarly, the rates of sattu quoted by KP traders in his tender @ Rs 3,100 per quintal was entered in the CS as @ Rs.1900 per quintal. The approval of rates quoted by BSSIC Patna was accorded and signed by concerned officers on different dates varying from 28 June 2004 to 8 July 2004. However, the signatures of the persons who had prepared and checked the CS were missing.

⁴ Form-IX is the weekly report submitted by District Magistrate to DMD regarding utilisation of relief materials.

Non-maintenance of stock register**3.4.7 Maintenance of stock register**

The entries of receipt and distribution of relief materials were not recorded in the stock register as no stock register was maintained. A material dispatch register showing only distribution/transfer of materials to flood affected districts was available in the DM's Office. Even this register was not checked and signed by the competent authority. Therefore, in the absence of invoices/challan of materials received, gate passes of material dispatch to flood affected districts audit, could not check the stock account.

To sum up, quantities and quality/grade of items to be supplied, sales turn over, financial viability and experience in handling/supplying relief material of suppliers were not specified in NIT. Award of contract was without formal agreement with BSSIC and unauthorised payments to BSSI though there was no agreement with the firm. DM Patna did not enter into any pre-contract for supply of relief materials. Thus, the Government lost the advantage of competitive rates. All these deficiencies were pointers of poor contract management.

3.4.8 Conclusions

Audit of relief operations conducted by DM Patna reflected failure of internal control mechanism at Secretariat as well as district level. Rupees 13.54 crore was provided by DMD without any need assessment as Patna was not a flood affected district and DM Patna was not notified as a nodal officer. DM Patna failed to submit detailed contingent bills of Rs 13.34 crore and diverted Rs 5.10 crore without any approval of competent authority. DM, Patna did not enter into pre contract or pre agreement with various suppliers of identified items to be provided during various relief operations as required under GOI guidelines. Contract was awarded to Bihar State Small Industries Corporation without formal agreement. DM Patna unauthorisedly paid Rs 17.80 crore to Baba Satya Sai Interprises without verifying the quantity and quality of materials received.

Recommendations

To make the flood relief operation effective the following measures are suggested:

- The DMD should release funds on the basis of need assessment and ensure that the districts have taken advance action as required in instructions of GOI.
- Proper scrutiny of bidding process is required and financial position of suppliers needs to be verified before signing agreements.
- The DMD needs to standardize the quality and grade of materials to be procured.
- Advances should be given strictly as per codal provisions and only after adjustment of earlier advances.
- Stock registers should be properly maintained.

DMD has replied (July 2005) that the recommendations will be implemented as far as possible. It has also circulated a copy of recommendations to all the District Magistrates for compliance.

RURAL DEVELOPMENT DEPARTMENT

3.5 EXECUTION OF WORKS BY ZILA PARISHADS

Introduction

The three-tier Panchayat Raj Institutions (PRIs) were established in the State in June 2001 following 73rd amendment of the Constitution. The Bihar Panchayat Raj Act 1993 was enacted to endow the PRI with functions and powers so as to enable them to function as vibrant institutions of Local Self Government. There were 38 Zila Parishads (ZPs) in the State.

Financial management in Zila Parishad is monitored by the Secretary, Rural Development Department. Zila Parishad is under overall control of DDC-cum-CEO who is assisted by District Engineer of Zila Parishad, Block Development Officer (BDO) of Panchayat Samiti (PS) and Mukhiya of Gram Panchayat (GP) for implementation of the works. The Commissioner, DM and DDC are required to physically inspect the execution of SGRY works.

Records of seven¹ Zila Parishads involving 9879 works pertaining to 2001-05 were test-checked in audit between May 2005 and July 2005. Results of the text-check are brought out in succeeding paragraphs.

3.5.2 Receipt and utilisation of funds

The position of receipts and expenditure in seven test-checked Zila Parishads during 2001-05 was as under: (*Refer : Appendix-XXXVIII*)

Sl No	Zila Parishad	Amount Received	Expenditure	Balance
(Rs in crore)				
1	Muzaffarpur	64.31	60.85	3.46
2	East Champaran	48.39	43.32	5.07
3	Patna	43.84	39.25	4.59
4	Vaishali	56.95	52.01	4.94
5	Samastipur	58.18	48.06	10.12
6	Bugusarai	28.71	24.89	3.82
7	Gaya	42.06	38.38	3.68
	Total	342.44	306.76	35.68

Grant of Tenth Finance Commission (TFC) Rs 26.74 crore (Central Share only) was received in 2002-03 and grant of Eleventh Finance Commission (EFC) Rs 132.54 crore was received between 2001-02 and 2004-05

Non-release of State Government and PRI share against central share of TFC

As per the norms against share of TFC hundred per cent matching share was to be borne by the PRIs or by the State Government but it was seen that neither the State Government nor the PRIs released any amount against Central share of Rs 26.74 crore during 2001-05. The works were incompleted due to non-release of matching share by PRIs or State Government.

ZPs furnished incomplete utilisation certificates

Against utilisation of Rs 147.67 crore (Rs 146.59 crore by PS & GPs and Rs 1.08 crore by ZPs) under Tenth and Eleventh Finance Commission, utilisation certificates were submitted by ZPs between October 2002 to December 2004 to the State Government for Rs 88.59 crore without obtaining details of expenditure from PS/GPs.

¹ Begusarai, East Champaran, Gaya, Muzaffarpur, Patna, Samastipur and Vaishali

The balance amount of Rs 59.08 crore was shown spent on works executed by PS and GPs and ZPs but financial and physical progress reports were not shown to Audit. As a result Audit could not verify utilisation of Rs 147.67 crore by ZPs, PS and GPs. Thus the DDC cum CEOs rendered incorrect utilisation certificates without obtaining expenditure details of GPs and PSs.

3.5.3 Non-maintenance of records

The Bihar Panchayat Samities and Zila Parishads (Budget and Accounts) Rules 1964 which provided for maintenance of various accounts records by Zila Parishads were deleted in 1993 and the Government adopted (October 2004), the formats suggested by the Comptroller and Auditor General of India (C&AG) for preparation of budget and maintenance of ZP accounts. But new accounts rules had not been framed by Government (November 2005). The Eleventh Finance Commission (EFC) also recommended creation of a data base on finances of local bodies in the formats prescribed by the C&AG. It was however, observed (July 2005) in Audit that basic accounting records such as government grant register, monthly and annual statements of expenditure, loans and advances registers, register of advances outstanding, register of works and property register were not maintained by the Zila Parishads. Consequently, audit could not ascertain the actual transactions and position of accounts.

3.5.4 Advances outstanding

In the case of works executed departmentally, to enable subordinate executives to make payments of wages to labourers temporary advances are granted subject to a condition that a second advance for any work should not be granted in any case without ensuring immediate adjustment/recovery of first advance. Further, such advances are to be made by the Divisional Officer on satisfying himself that the works were executed and the bills have been submitted by the Section Officers.

Heavy outstanding advances against executing agents

In the seven Zila Parishads test-checked, it was observed that out of Rs 114.26 crore² paid as advance during 2001-05 to the executive officers viz District Engineers (DEs), Assistant Engineers (AEs) and Junior Engineers (JEs), only Rs 12.46 crore (11 per cent) was adjusted as of March 2005. The balance of Rs 101.80 crore remained outstanding against 18 AEs (Rs 44.45 crore), 53 JEs (Rs 51.79 crore) and with 12 others (Rs 5.56 crore) for execution of 9226 works during 2001-05 due to non-submission of bills for adjustment by the executive officers. (*Refer : Appendix-XXXIX*)

Top three advance holders

Out of outstanding advance of Rs 101.80 crore, Rs 40.10 crore was lying with three AEs (Rs 24.90 crore with two AEs of ZP, Muzaffarpur and Rs 15.20 crore with one AE of Zila Parishad, Vaishali) for execution of 2701 works of SGRY, MP/MLA/MLC etc for a period ranging between one to four years (*Refer : Appendix-XXXIX*). In ZP, Muzaffarpur, the advance of Rs 24.90 crore was lumpsum advance instead of work wise advance. Age-wise analysis of advances outstanding were as under :

² Rs 16.53 crore in 2001-02, Rs 26.19 crore in 2002-03, Rs 33.51 crore in 2003-04 & Rs 38.03 crore in 2004-05.

(Rs in Crore)

Sl.No.	Name of the Zila Parishad	2001-02	2002-03	2003-04	2004-05	Total amount of advance as of 31 March 2005
1	Muzaffarpur	0.91	3.78	8.62	11.59	24.90
2	East Champaran	2.06	3.08	3.77	2.62	11.53
3	Patna	NIL	1.79	2.95	2.29	7.03
4	Vaishali	6.08	6.55	9.08	7.53	29.24
5	Samastipur	1.74	5.22	6.03	4.80	17.79
6	Begusarai	0.04	0.40	0.88	2.07	3.39
7	Gaya	0.02	0.24	0.72	6.94	7.92
Total		10.85	21.06	32.05	37.84	101.80

Advance ledger, which is an important record to exhibit outstanding advance at the beginning of the year, advance made, adjusted and advance outstanding at the end of the year was not maintained by any ZPs in the absence of which actual figure of outstanding advance which was given prior to 2001-02 and after 2001-02 could not be ascertained.

DDC-cum-CEOs of seven ZPs paid advances continuously to the executing agents without ensuring immediate recovery/adjustment of previous advances which led to growth of outstanding advances from Rs 10.85 crore in 2001-02 to Rs 101.80 crore in 2004-05. (Refer: Appendix-XXXIX) Prospects of recovery/adjustment of the advances outstanding in respect to 2001-02 and 2002-03 aggregating to Rs 31.91 crore were remote in view of changes in incumbency and non-susceptibility regarding verification of the execution of the works. This indicated that DDC-cum-CEOs completely disregarded the norms for sanctioning advances and undertook no action to ensure adjustment/recovery of outstanding advances.

3.5.5 Physical progress of works

Scrutiny revealed that out of 9879 works taken during 2001-05 by seven ZPs, only 653 works³ (291 in 2001-02, 209 in 2002-03, 147 in 2003-04 and six in 2004-05) were completed as of March 2005 at an expenditure of Rs 12.46 crore as detailed below:

Particulars of grants	No. of works taken up for execution	No. of works completed	Expenditure (Rupees in crore)	No. of incomplete works
SGRY	7260	647	12.30	6613
MP/MLA/MLC	1490	5	0.15	1485
Tenth and Eleventh Finance Commission (ZP share)	329	1	0.01	328
Self Financing and Personal Ledger Account	800	Nil		800
Total	9879	653	12.46	9226

The balance 9226 works remained incomplete as of March 2005 for which advances of Rs 101.80 crore were outstanding against different executing agents (Refer : Appendix-XL). ZPs showed 2940 works as completed till March 2005. However, in respect of 2287 works, it was observed in audit that there was no evidence to the completion of works for the following reasons :

- Bills relating to 629 works⁴ involving an advance of Rs 11.69 crore pertaining to three ZPs⁵ were only passed by the DEs between 2001-02

³ Begusarai(203); Gaya(145); Muzaffarpur(305)

⁴ 96 in 2001-02, 249 in 2002-03, 140 in 2003-04 and 144 in 2004-05

⁵ East Champaran (274); Patna(237); Samastipur (118)

Poor physical progress as only seven per cent works were completed during 2001-05

and 2004-05 but not submitted to the DDC-cum-CEOs for final approval. No reasons were given by the DEs for non-submission of bills to CEOs.

- Vouchers/MBs in respect of 795 works (651 works of MP/MLA fund 140 works of SGRY for SC/ST and four of T&EFC grants) involving advance of Rs 14.51 crore were not produced to Audit.
- In the remaining 863 works of SGRY, 85 works were test-checked which disclosed that in case of 17 works for which Rs 71 lakh was advanced, the works register did not reflect whether the works were completed, though the DE had recorded his pay order in the MB. In balance 68 works for which Rs 0.89 crore was advanced, MBs were passed only by the AEs which only recorded measurements. The final measurements had not been taken.
- The reasons for pending bills were due to incomplete posting in the works register, final measurements wanting in MBs and vouchers for purchase of materials and labour payment were not enclosed with the work bills.

Thus it was difficult to ascertain the position of completed works as final bills of 653 works only were passed by the DDC-cum-CEO in three ZPs while no bills were passed in the remaining four ZPs. Even the passed bills did not have copies of work order, completion certificate or any mention in MBs about the period in which the works was completed and the MBs of the test-checked works did not contain final measurement of the works. Further it was also noticed that no evaluation of projects was done by any outside technical agency.

3.5.6 Non-accountal of material

Purchases were being made separately for each work. The materials purchased were not entered in Material-at-site account as required, which was not maintained. Test check of vouchers of 287⁶ works in test-checked ZPs disclosed that against purchase of construction materials worth Rs 4.68 crore⁷, there were hand written vouchers for materials costing Rs 2.10 crore in four ZPs (Muzaffarpur Rs 1.21 crore, Patna Rs 0.48 crore, Gaya Rs 0.26 crore and Begusarai Rs 0.15 crore). Purchase of materials were not supported by bills/cash memos of the suppliers. Thus, there was doubtful purchase of materials valued Rs 2.10 crore by ZPs. However the entire purchase was also doubtful as Material-at-site accounts were not maintained and analysis of consumption of materials purchased were not enclosed with the work bills.

3.5.7 Irregularities in execution of SGRY works

SGRY guidelines (5.16.3) require that each District, Block and Village Panchayat should maintain complete inventory of the assets created under the programme giving details of the date of the start and completion of the works, cost involved, benefits obtained, employment generated and other relevant particulars. Signboards were to be displayed near the works giving these

⁶ Begusarai 31, East Champaran 17, Gaya 28, Muzaffarpur 81, Patna 37, Samastipur 8, and Vaishali 85.

⁷ Begusarai: Rs 0.44 crore, East Champaran: Rs 0.39 crore, Gaya: Rs 0.26 crore, Muzaffarpur: Rs 1.57 crore, Patna: Rs 0.52 crore, Samastipur: Rs 0.24 crore and Vaishali: Rs 1.26 crore.

SGRY guidelines in execution of works not followed

details. Photographic record of the work was also to be kept of the various stages of implementation.

During test-check it was noticed that asset register and employment register were not maintained, completion certificates, work order were not issued by ZP, photographs of work at various stages were not taken, sign board was not displayed by ZPs in the test-checked 287 SGRY works involving Rs 6.76 crore which included Rs 1.92 crore as wages. Muster rolls were certified by the JEs who themselves were executing the work and these were not certified by Mukhiya/Sarpanch or any member of Gram Panchayat.

Denial of benefits to SC/ST community

As per the guidelines of SGRY, 22.50 per cent of the fund received under it was required to be spent on the works for the benefit of SC /ST community. It was noticed that out of Rs 15.98 crore grant received by five⁸ ZPs during 2001-05, Rs 12.66 crore (Muzaffarpur: Rs: 1.90 crore, East Champaran: Rs 0.91 crore, Patna: Rs 4.23 crore, Vaishali: Rs 1.53 crore and Gaya: Rs 4.09 crore) was diverted during 2001-05 towards other works not for the benefit of SC/ST community. This resulted in denial of intended benefits to the SC/ST beneficiaries under SGRY works.

3.5.8 Monitoring

As per SGRY guidelines the Commissioner, DM and DDC were required to physically inspect five, ten and fifteen works under SGRY respectively in a month and a monthly progress report was to be furnished to the Government. However there was no record to show that these officers carried out inspection of any SGRY works. Further the ZPs, Panchayats Samitis and Gram Panchayats all executed works in Gram Panchayats but neither the ZPs nor the PS intimated the works being executed by them to the Gram Panchayats nor the GPs intimated ZPs and PS about the works being executed by the GPs. This showed lack of coordination between the three tiers of PRIs as possibility of executing similar works by the different tiers of PRIs cannot be ruled out.

3.5.9 Conclusions

The standard budget and accounting formats prepared by CAG were not operationalised by the ZPs. The new accounts rules based on Bihar Panchayat Raj Act 1993 were not framed. DDC-cum-CEOs failed to prepare accounts of the ZPs, rendered incorrect utilisation certificates relating to funds allotted to the Gram Panchayats and Panchayat Samitis. There was poor performance in respect of completion of schemes and denial of intended benefit to the beneficiaries. Besides, advances of Rs 101.80 crore outstanding against different executing agents for a period ranging from one year to four years was also indicative of weak internal control mechanism and poor monitoring.

Recommendations

- New Accounts Rules based on Bihar Panchayat Raj Act 1993 should be immediately framed.
- Data base on finances of local bodies should be created as per the recommendation of the EFC.

⁸ East Champaran: Rs 1.08 crore, Gaya: Rs 4.09 crore, Muzaffarpur: Rs 4.14 crore, Patna: Rs 4.23 crore and Vaishali: Rs 2.44 crore.

- Maintenance of the basic records such as one main cash book, grant register, loan register, advance register, employment register and asset register etc. should be ensured by the DDC-cum-CEOs.
- DDC-cum-CEOs should ensure submission of utilisation certificates after obtaining detail of expenditure from Panchayat Samitis/Gram Panchayats.
- The execution of work should be done as per the guidelines and in the time prescribed. The position of completion of works should be depicted in the Works Register and the bills of executing agents should invariably be passed by the DDC-cum-CEO and this should not be kept blocked at the level of either District Engineer or Assistant Engineer.
- Timely adjustment of advances should be ensured and a time schedule should be provided for submission of adjustment bills including invoking a penal clause for delayed submission of adjustment bills.

The matter was referred to the Government (September 2004); their reply has not been received (December 2005).

CHAPTER-IV

AUDIT OF TRANSACTIONS

4.1 Fraudulent drawal/ misappropriation/ embezzlement/ losses

WATER RESOURCES DEPARTMENT

4.1.1 Defalcation of cash

Failure of the Deputy Collector, Revenue Division, Purnea to handle cash as per the codal provision and lack of internal control mechanism led to defalcation of Rs 70.11 lakh.

Rule 86 of Bihar Treasury Code provides that all monetary transactions should be entered into the cash book as soon as they occur and attested by the head of the office in token of check exercised by him. The cash book should be closed and balanced daily. The head of the office should check the totaling of cash book and physically verify the cash balance and record a certificate to that effect at the end of each month. Provision of rules under Bihar Public Works Accounts code prescribes that temporary advance should be given against only passed vouchers and after adjustment/recovery of previous advance. Further the advance should be immediately recovered/adjusted positively before the end of the financial year.

Test check of records of Revenue Division, Purnea disclosed (July 2004) that there was opening balance of Rs 1.10 crore in the divisional cash book on 2 April 2000. A sum of Rs 7.67 crore was drawn from the treasury between 2 April 2000 and 29 April 2003 and there was expenditure of Rs 7.94 crore during this period. Thus, the closing cash balance on 29 April 2003 worked out to Rs 83.94 lakh. Against this the Divisional cash book reflected closing balance of only Rs 83.39 lakh resulting in shortage of cash of Rs 0.55 lakh as detailed below:

Closing cash balance as on 29 April 2003

	Actual	Required
Details of C.B.	Amount in Rupees	
Temporary advance	7503708.28	548238.28
Unadjusted voucher	107659.86	107659.86
Advances to office staff	87542.00	87,542.00
Cash in Bank	640045.30	640045.30
Cash in hand	Nil	7010752.28
Total	8338955.44	8394237.44

Further scrutiny of the closing balance revealed that cash in hand was reduced to nil and temporary advances were increased from Rs 5.48 lakh to

Rs 75.04 lakh against eight revenue circles¹ of Revenue Division, Purnea for disbursement of pay and allowances, GPF, Pension and other petty payments to staff during April 2000 to April 2003. In this way, Rs 69.56 lakh was defalcated as there was no record in the revenue circles in support of receiving temporary advance of Rs 69.56 lakh. As the claims of staff were not paid due to defalcation of the amount, the Water Resources Department later sanctioned (July 2004) additional allotment of Rs 24.30 lakh for payment of pensionary benefits to staff.

Thus, lack of internal control mechanism and failure of the Deputy Collector, Revenue Division, Purnea to verify the cash balances daily and to check totaling of cash as required under the codal provisions led to defalcation of Government money of Rs 70.11 lakh.

The matter was referred to Government (April 2005). The Deputy Secretary replied (September 2005) that on the basis of the departmental enquiry (January 2005) all the charges against the cashier has been proved and subsequently the second show cause notice has been issued in August 2005 to him.

RURAL DEVELOPMENT DEPARTMENT

4.1.2 Non-accountal and doubtful distribution of rice

Failure of monitoring the implementation of SGRY by DRDAs/Zila Parishads, Bhojpur, Bhagalpur and Jehanabad led to non-accountal of 3854 MT rice valued Rs 5.09 crore. Besides due to improper maintenance of MRs, distribution of 2156 MT rice valued at Rs 2.85 crore could not be authenticated.

As per the guidelines (Para 2.5 and 2.6) of Sampoorna Gramin Rojgar Yojana (SGRY) the rice allotted under the scheme is lifted by Bihar State Food Corporation (SFC) from Food Corporation of India (FCI) depot on release order issued by District administration. Monthly and annual progress report of the schemes are required to be submitted by BDOs/Panchayats and Zila Parishads to DRDA in the prescribed format. The DDC in charge of DRDA is required to monitor the proper delivery of rice from SFC to PDS dealers.

The primary objective of the SGRY is to provide additional wage employment in rural areas and thereby provide food security. SGRY guidelines envisaged that muster rolls (MRs) should be maintained for every work separately showing the details of wages paid to workers and rice distributed. The MRs should have entries showing the number and details of SC/ST/Women and others who have been provided employment. It should be maintained in stitched forms and all its pages must be numbered. Executing agencies would be responsible for measurement of work, maintenance of MRs and payment of wages to workers.

¹ Banmakhi (Rs 5.20 lakh); Bihariganj (Rs 11.39 lakh); Dhamdaha (Rs 29.11 lakh); Kasba (Rs 8.56 lakh); Korha (Rs 3.71 lakh); Katihar (Rs 2.49 lakh); Murliganj (Rs 12.15 lakh), Purnea (Rs 02.42 lakh) and Staff (Rs 0.01 lakh).

Besides, payment of wages is to be made on a fixed day in the presence of village pradhan/sarpanch of the panchayat. Zila Parishad/DRDA/Panchayat Samities are overall responsible for guidance, co-ordination, supervision, reporting and monitoring of implementation of the schemes under SGRY in order to ensure effective safeguard against leakages. Distribution of rice to the workers under the programme was to be made through the PDS.

Stock accounts of rice was required to be maintained by Gram Panchayats, Intermediate Panchayats (Blocks), Zila Parishad, DRDA and executing agencies, which were to be verified and certified by the Project Director of DRDA and Chief Executive Officer of Zila Parishad.

In Bhojpur district test-check of records viz. permits, challans, stock and distribution register of 210 Panchayats of 14 Blocks¹, it was noticed that as per delivery challans issued by SFC, 6396 MT of rice were dispatched to above implementing agencies during 2001-04. Against this, 5092 MT of rice was accounted for in the record of panchayats. Thus, 1304 MT of rice valued Rs 1.72 crore remained unaccounted for.

In Jehanabad district test-check of records, viz. permits, challans, stock and distribution register of Zila Parishad, six blocks² and 44 Panchayats revealed that as per permits issued by DRDA, 5259 MT of rice was lifted by 98 PDS dealers for execution of SGRY works from SFC godowns during 2001-05. The executing agencies distributed 4184 MT of rice to the beneficiaries leaving a balance of 1075 MT of rice (Rs 1.42 crore) with PDS/executing agencies unaccounted for.

In Bhagalpur district test-check of records viz. permits, challans, stock and distribution register of Zila Parishad and seven blocks³ revealed that DRDA allotted 4750 MT of rice to PDS dealers who lifted the said quantity from SFC godowns for execution of SGRY works during 2001-04. The executing agencies distributed 3275 MT of rice to the beneficiaries leaving a balance of 1475 MT of rice (Rs 1.95 crore) with PDS/executing agencies unaccounted for.

Stock registers and monthly accounts return were not submitted by the Blocks (Intermediate Panchayats), Zila Parishad and Panchayats to DDC. There was nothing on record to show why permits for excess quantity of rice were issued by the DRDA. DDC failed to monitor and evaluate whole process of receipt and utilisation of rice by PDS dealers as well as the implementing agencies.

Thus, 3854 MT rice valued Rs 5.09 crore in test-checked Zila Parishad/Blocks/Panchayat of Bhojpur, Jehanabad and Bhagalpur Districts were not accounted for in the records of the executing agencies.

¹ Agiaon, Ara Sadar, Barhar, Bihiyan, Charpokhari, Garhani, Jagdishpur, Koilwar, Piro, Sagar, Sandesh, Shahpur, Tarari, Udwan Nagar

² Arwal, Ghoshi, Jehanabad, Karpi, Kurtha and Makhdumpur

³ Gopalpur, Jagdishpur, Kahalgaon, Rangar Chowk, Pirpaiti, Sabour, Shahkund

Improper maintenance of Muster Rolls

In Bhojpur and Jehanabad districts audit scrutiny (between November 2004-May 2005) of 2425 Muster Rolls of 707 SGRY works executed in 20 Blocks⁴, eight Panchayats⁵ and two Zila Parishads (Ara and Bhagalpur) showed that 2156 MT of rice were distributed by the executing agencies on MRs during 2001-05. Scrutiny of permits issued by BDOs/Zila Parishad/Panchayats for lifting of rice by executing agencies from PDS dealers and scheme files showed that :

- Out of the 2156 MT of rice, 1299 MT rice was shown as distributed one to 12 months prior to receipt of the rice from the SFC by the executing agencies.
- In respect of distribution of balance of 857 MT of rice valued at Rs 1.13 crore the muster rolls were neither numbered nor stitched. They were also not signed, authenticated and passed by competent authorities.
- Further, rice was not distributed in the presence of Village Pradhan/Panch and employment registers were not maintained by the implementing agencies.

Thus, distribution of 2156 MT of rice valued Rs 2.85 crore could not be verified from the records.

On being pointed out DDC, Bhojpur stated (April 2005) that action would be taken after enquiry. DDCs of Jehanabad (May 2005) and Bhagalpur (June 2005) stated that an enquiry committee has been set up to examine facts and figures in view of the audit observations.

The matter was referred to Government (May-June 2005); their reply had not been received (December 2005).

WATER RESOURCES DEPARTMENT

4.1.3 Fraudulent payment on carriage of materials to contractors

Executive Engineers of Western Kosi Canal Divisions, Darbhanga and Jhanjharpur made fraudulent payment of Rs 1.33 crore on account of carriage charges of materials.

Audit of Western Kosi Canal Divisions (WKCD) of Darbhanga and Jhanjharpur disclosed (April/June 2005) that four¹ agreements for works were executed with two contractors by Executive Engineer (EE), WKCD,

⁴ ***Bhojpur-*** Hulasganj, Ara Sadar, Barhara, Bihiyan, Charapokhari, Garhani, Jagdishpur, Koilwar, Piro, Sahar, Sandesh, Shahpur, Tarari, Udwnnagar. Hulasganj, Jehanabad, Kako, Makhdumpur, Ghosi, Modanganj

⁵ ***Panchayat-*** Bandhuganj, Bishunpur, Deora, Jaitipur Kurva, Modanganj, Okari, Punahda, Sohlanda of Jehanabad District.

¹ ***1. Residual earth work from RD 27.00 to RD 93.75 construction of SLR Bridge at RD 31.70 and 42.04 cart bridge at RD 54.20, CD work at RD 59.62, 64.60, 80.17 and 83.07 (Total 42 items). 2. Construction of CD structure at RD 132.60 of Jhanjharpur Branch Canal (Total 27 items). 3. Construction of CD works at RD 63.65, 63.90, 84.65 and 87.55 of Jhanjharpur Branch Canal (28 items). 4. Construction of CD works at RD 22.00 of Ghoghardiha Distributory. (Total 19 items).***

Darbhangha and EE, WKCD, Jhanjharpur between May 2003 and October 2004 at a cost of Rs 4.53 crore. As per the agreements materials viz. stone metals and chips were to be carried from Jamalpur quarry to Karpurigram railway yard by rail and from Karpurigram railway station to work sites in trucks. Sand was to be brought from Kiul river. The works were executed between May 2003 and March 2005 and these divisions paid Rs 1.33 crore² for carriage of above materials between October 2004 and March 2005.

During scrutiny of bills paid to the contractors, it was noticed that divisions made payments without obtaining vouchers in support of carriage of above materials from Jamalpur quarry. In all the four cases, Forms 'M' and 'N'³ were neither submitted by the contractors nor asked for by the divisions for further verifications. Instead, the divisions deducted royalty from the bills of the contractors for the minerals. In the absence of forms 'M' and 'N', which are the proof of purchase of minerals from authorised permit holders, audit could not verify from the records of concerned District Mining Officer whether minerals were lifted from authorised lease holders. Moreover, the contractors also did not attach any vouchers with their bills. Therefore audit checked with the Goods Superintendent of Karpurigram railway station who also confirmed (May/July 2005) that no material of contractors was carried by railways from Jamalpur to Karpurigram during the period of contracts.

On being pointed out (June 2005) EE, WKCD, Darbhanga accepted the audit's contention and stated that contractors would be asked to submit vouchers while EE, WKCD, Jhanjharpur replied that vouchers were not required for payment of carriage of finished items of work. However, as per Rule 84 of Bihar PWA Code, payment should not have been made in the absence of vouchers. The reply was unacceptable because carriage of minerals had been separately incorporated in the rate analysis and it also figured as a separate item in the running account bills and final bills. Thus, the payment of Rs 1.33 crore on account of carriage of materials was inadmissible.

The matter was referred to Government (July 2005); The Commissioner-cum-Secretary of the Department stated (September 2005) that the matter would be thoroughly investigated and suitable action would be taken.

² Western Kosi Canal Division Darbhanga (Rs 47.93 lakh); Western Kosi Canal Division Jhanjharpur (Rs 85.34 lakh)

³ BMCC Rules provide that the work contractors shall submit to Works Department an affidavit in form 'M' and particulars in form 'N' indicating therein the source of purchase of minerals, price paid and quantity procured along with the bill. The Department in turn sends form 'M' and 'N' for verification to the Mining Officers

RURAL DEVELOPMENT DEPARTMENT

4.1.4 Misappropriation/fraudulent drawal of Government money

Failure of the DDC-cum-CEO, Sitamarhi to comply with the codal provisions relating to handling of cash and exercising proper checks and control led to misappropriation/fraudulent drawal of Rs 31.77 lakh.

As per provision under Bihar Panchayat Samitis and Zila Parishad (Budget and Account) Rule 1964 all sums received on account of Zila Parishad should be immediately remitted into Zila Parishad Fund and such deposits should be verified by the Chief Executive Officer (CEO) of Zila Parishad himself. Further, Rule provides that every cheque should be drawn in favour of the person to whom the money is actually to be paid and money drawn for disbursement by self cheque should be entered in the subsidiary cash book and the CEO should satisfy himself that every cheque drawn in his favour has been properly entered in it. Besides money should not be drawn unless it is necessarily required for immediate disbursement.

Scrutiny of records of Zila Parishad, Sitamarhi disclosed (June-August 2004) that Rs 13.49 lakh was drawn from conjoint¹ provident fund account during July 2001 to November 2002 for provident fund payments to 15 transferred and two retired employees. But the same was not accounted for in the subsidiary cash book. Payments of Rs 10.70 lakh were not made to the 15 transferred employees while the two retired employees were paid (Rs 2.79 lakh) out of grant of Tenth and Eleventh Finance Commission.

Further, it was seen that Rs 6.79 lakh collected by the cashier as per the money receipts between March 2001 to April 2003 on account of settlement of ghats and ponds (Rs 4.29 lakh), sale proceeds of fruits on roadside land and agriculture land (Rs 1.09 lakh), sale proceed of pond (Rs 0.03 lakh), rent of inspection bungalows and shops (Rs 0.12 lakh) and security money of contractors (Rs 1.26 lakh) were neither accounted for nor remitted to the Zila Parishad fund.

Besides, Rs 5.27 lakh was drawn (April 2003) for payment of Rs 4.79 lakh to four agencies as printing charges. The excess of Rs 0.48 lakh drawn was not refunded in the Zila Parishad Fund and misappropriated by fictitiously showing payment to one agency in the cash book as Rs 1.91 lakh against vouchers of Rs 1.43 lakh.

Further, Rs 6.48 lakh² drawn and encashed through 23 cheques during September 2001 to May 2003 was neither accounted for in the cash book nor shown disbursed. Rupees 4.53 lakh was again drawn through four cheques between February 2003 to April 2003 from Sunischit Rojgar Yojana fund against an Assistant Engineer, who denied (July 2004) receipt of the amount. The amount was also not accounted for in the cash book of Zila Parishad.

¹ It is a joint account operated by the DDO in which GPF subscription of all the employees of the unit is credited.

² Rs 5.79 lakh (Account of Self Financing Scheme); Rs 0.21 lakh (Rent Account) and Rs 0.48 lakh (District planning Grants from DRDA)

Thus, the failure of Deputy Development Commissioner-cum-Chief Executive Officer (DDC-cum-CEO), Sitamarhi to exercise controls and comply with the financial provisions relating to handling of cash resulted in fraudulent drawal/misappropriation of Government money of Rs 31.77 lakh. The DDC-cum-CEO, Sitamarhi accepted (April 2005) that fraud has been committed and FIR for misappropriation of Rs 31.77 lakh was lodged (December 2004) with the Police against the then DDC-cum-CEO and the clerk.

The matter was referred to Government (May 2005); the reply had not been received (December 2005).

SECONDARY, PRIMARY AND ADULT EDUCATION DEPARTMENT

4.1.5 Double drawal of fund

Due to failure of internal control mechanism and non-adherence of codal provision by DSE and TO, Rs 22.17 lakh was drawn twice from the Gopalganj treasury.

Rule 86 of the Bihar Treasury Code (BTC) provides that all monetary transactions should be entered in the cash book as soon as they occur and attested by the head of the office in token of check exercised by him. Rule 189 of the BTC stipulates that the Treasury Officer should ensure that the claim is valid and the payee has actually received the sum charged. Further Rule 305A and 306 A prescribes that DDO should ensure that the accounts have been maintained in the prescribed manner.

Test check of records of District Superintendent of Education (DSE), Gopalganj revealed (April 2005) that the Secretary, Secondary, Primary and Adult Education Department released (March 2004) Rs 22.17 lakh to DSE Gopalganj for repair/ renovation of school buildings in the Gopalganj district under Pradhan Mantri Gramodaya Yojana (PMGY).

Against the allotment of Rs 22.17 lakh the DSE, Gopalganj submitted to the Treasury Officer two bills of Rs 22.17 lakh each in March 2004 and both the bills were passed by the Treasury Officer on 31 March 2004. DSE drew amount of both the bills, took the amount as receipt in the cash book and then deposited the amount in the bank on 5th and 7th April 2004.

On being pointed out DSE, Gopalganj stated (May 2005) that excess amount of (Rs. 22.17 lakh) was drawn from treasury inadvertently. However the Treasury Officer, Gopalganj stated (May 2005) that both the bills were passed in the rush of the last day of financial year.

The reply was not acceptable as both the DSE and the Treasury Officer were required to have a check on excess/double drawal of fund from treasury. At the instance of audit, the DSE refunded (May 2005) Rs 22.17 lakh into treasury. Thus the failure of internal control mechanism and non-adherence of codal provisions by DSE and the Treasury Officer Gopalganj led to double drawal of fund amounting to Rs 22.17 lakh.

The matter was referred to the Government (May 2005), the reply had not been received (December 2005).

REVENUE AND LAND REFORMS DEPARTMENT

4.1.6 Misutilisation of miscellaneous receipts

Rupees 1.06 crore collected as miscellaneous receipts was misutilised by DM Gaya and nine SDOs for departmental expenditure and kept in banks.

Rules 37 and 52 of Bihar Financial Rule read with Rule 7 of Bihar Treasury Code envisaged that revenue receipts on behalf of Government should be forthwith deposited into treasury and should not be diverted towards departmental expenditure.

Scrutiny of records of District Nazarat Gaya and nine¹ Sub-Divisional Nazarat disclosed (April 2005) that miscellaneous receipts of Rs 1.66 crore was collected by them during 2002-05 as detailed below:

(Rs in lakh)							
Name of the office	Sairat ²	Sale of map	Motor Vehicle tax	Examination fee	Cattle pound charges	Rent of field	Total
District Nazarat, Gaya	4.99	0.82	-	-	-	-	5.81
Sub-Division Nazarat, Gaya	-	-	-	5.34	-	2.75	8.09
Sub-Division Nazarat, Sherghati	3.66	-	5.02	0.93	0.59	0.82	11.02
Sub-Division Nazarat, Tekari	-	-	2.52	-	-	0.69	3.21
Sub-Division Nazarat, Bathani	-	-	-	-	-	0.44	0.44
Sub-Division Nazarat, Muzaffarpur (East)	-	-	-	4.51	-	-	4.51
Sub-Division Nazarat, Muzaffarpur (West)	4.02	-	-	-	-	55.63	59.65
Sub-Division Nazarat, Hajipur	0.22	-	-	10.47	-	5.22	15.91
Sub-Division Nazarat, Biharsharif	-	-	-	13.41	-	4.99	18.40
Sub-Division Nazarat, Patna	0.78	-	-	37.90	-	-	38.68
Total	13.67	0.82	7.54	72.56	0.59	70.54	165.72

Out of Rs 1.66 crore collected as miscellaneous receipts, Rs 47.55 lakh was remitted into treasury by four SDOs³ during 2002-05. Rupees 12.19 lakh was also remitted (April/July 2005) in treasury by two SDOs⁴ at the instance of audit.

Out of the balance Rs 1.06 crore⁵, Rs 98 lakh was misutilised by the nine SDOs and DM Gaya for departmental expenditure and Rs 7.69 lakh kept in banks. Diverting miscellaneous receipts for departmental expenditure is highly irregular as it entails expenditure without legislature authorisation.

¹ Bathani, Biharsharif, Gaya, Hajipur, Muzaffarpur (East), Muzaffarpur (West), Patna Sadar, Sherghati, Tekari.

² Lease proceeds of market space, pond etc.

³ Biharsharif: Rs 12.82 lakh; Muzaffarpur (East): Rs 2.62 lakh; Muzaffarpur (West): Rs 4.83 lakh; Patna :Rs 27.28 lakh.

⁴ Gaya Sadar(Rs 8.09 lakh), Patna (Rs 4.10 lakh)

⁵ Rs 165.72 lakh - (Rs 47.55 lakh + Rs 12.19 lakh) = Rs 105.98 lakh i.e. Rs 1.06 crore

The matter was referred to Government (May 2005); their reply had not been received (December 2005).

URBAN DEVELOPMENT DEPARTMENT

4.1.7 Misutilisation of grant

SJSRY grant and cash balance of Rs 76.18 lakh payable to ULB was misutilised by DM Patna for USEP training.

As per guidelines of Swarna Jayanti Shahari Rojgar Yojana (SJSRY) there were three components of Urban Self Employment Programme (USEP) viz. SJSRY financial assistance to urban poor beneficiaries for carrying on their own enterprises, financial assistance for Development of Women and Children in Urban Areas (DWCUA) societies and providing training to the USEP beneficiaries. The training was to be provided in government managed training institutes, voluntary organisation or even in private institutes by arranging training of two to six months for minimum 300 hours and the applications of eligible candidates for training were to be scrutinised and forwarded by the Community Development Samiti (CDS).

Under SJSRY, the State Government sanctioned (May 2004) Rs 69.63 lakh to District Urban Development Agency (DUDA), Patna for distribution amongst 11 urban local bodies (ULBs) of Patna district based on their population ratio. The amount was to be spent by the ULBs on payment of subsidy under USEP for DWCUA (Rs 17.99 lakh), USEP training (Rs 23.99 lakh), Thrift and Credit Society to DWCUA (Rs 14.99 lakh), Infrastructure¹ (Rs three lakh) and for Community structure² (Rs 9.66 lakh).

Scrutiny of records of DUDA, Patna (March/April 2005) disclosed that the District Magistrate-cum-Chairman, DUDA, Patna instead of distributing the amount to ULBs, paid Rs 76.18 lakh (Rs 69.63 lakh + Rs 6.55 lakh out of cash balance) to 17 NGOs³/private training institutes between 8 June 2004 and 26 June 2004.

On scrutiny of records, the following deficiencies were noticed in the execution of training programmes:

- The procedure for selection of training institutions lacked transparency. No advertisement was issued inviting training institutes

¹ Construction of kiosks, Rehri Market and Hand Tubewell etc.

² Community hall, Sales Centre etc.

³ 1. Jan Kalyan Samiti, Chiraiyatar, Patna 2. Bindyawasini Sewasahsthan, Alka colony, Kumhrar, Patna 3. Asahay Samajik Vikash Samiti, Nand Lal chapra Patna 4. Pramila Gramin Mahila Vikas Sansthan, Begampur, Patna 5. Sumedha, Nehru Nagar, Patna 6. Jeewan Prabha Educational & charitable Trust, P.C. colony, Patna 7. Sita Mahila & Bal vikas Kendra, Rajendra Nagar, Patna 8. Atyant Pichra Barg Muzdoor vikas samiti, Kaushal Nagar, Patna 9. Jan Jagriti Prayas Sansthan Jaiprakash Nagar, Patna 10. Pragatishil Kala Sansthan, South Mandiri, Patna, 11. Srijan Bharti, Musalhahpur, Patna 12. Ambedkar wadi Samaj Vikas Parishad, Near museum, Patna 13. Janbandhu Kalyan Sansthan, Gulzarbagh, Patna, 14. Unique Social Association, Patna 15. Rama Vishwanath Sarwangan vikas Sansthan, East Lohanipur, Patna 16. Ashok, Budha Vihar, Jagdeo Path, Patna 17. Yuva Bahumukhi Berojgar Kalyan Sansthan, Anishabad, Patna.

to submit training proposals. Government managed training institutes were not selected for imparting training. DUDA did not determine any criteria for the selection of training Institutes;

- No record was kept in the office to watch registration number and experience of the Institutions as four Institutes⁴ did not have past experience of training as they were registered in 2003-04;
- No inspection/supervision was made by the DUDA authorities on the operation of the Institute's training programmes;
- The trainees were not surveyed and identified by the CDS, rather 17 institutes themselves submitted list of trainees which was in violation of SJSRY guidelines;
- Only five training institutes rendered account of expenditure amounting to Rs 31.01 lakh without any supporting vouchers. One of the institutes⁵ showed training of 300 candidates between 15 February 2004 and 30 June 2004 while work order was given to the institute on 23 June 2004 and cheque of Rupees three lakh was issued on 24 June 2004;
- DUDA rendered utilisation certificate of Rs 69.63 lakh (September 2004) under USEP training while the total grant available for 11 ULB's under training was of Rs 23.99 lakh and the actual expenditure incurred by DUDA was Rs 76.18 lakh.

Thus, the DM Patna unauthorisedly misutilised the grant of Rs 69.63 lakh and Rs 6.55 lakh out of cash balance for training purposes in violation of clear instructions of the State Government to DUDA to distribute the grant to ULBs. At the instance of audit DUDA authorities had entrusted (April 2005) three officers to inquire into the functioning of the training institutes and a report on this is awaited.

The matter was referred to Government (May 2005); in reply the Deputy Director, Urban Development Department submitted (August 2005) enquiry report of DM Patna addressed to the Secretary, Urban Development Department in which the DM Patna accepted (June 2005) that SJSRY fund of Rs 76.18 lakh has been misappropriated.

⁴ Bindyawasini Seva Sansthan, Patna, Pragatishil Kala Sansthan, Patna, Ram Vishwanath Sarvangin Vikas Sansthan, Patna and Yuva Bahumukhi Berojgar Kalyan Sansthan, Patna

⁵ Jan Bandhu Kalyan Sansthan, Gulzarbagh, Patna

LABOUR, EMPLOYMENT & TRAINING DEPARTMENT

4.1.8 Unadjusted advances for disbursement of old age pension

Failure of the BDOs to ensure adjustment of advances given to the Panchayat Sewaks for disbursement of old age pension for long was fraught with risk of misappropriation to Government funds.

As per the guidelines of Social Security Pension Scheme, payment of old age pension was to be made by disbursing officer to the persons who were above 60 years of age and were destitute having total annual family income not more than Rs 5000 (rural areas) and Rs 5500 (urban areas). Payments were to be made to the beneficiaries by the Block Development Officer (BDO) through open distribution camp in the presence of Mukhiyas, member of Gram Panchayats, Panchayat Samitis or Zila Parishads concerned either in cash or by cheque or by depositing the amount in saving bank/ post office account of the person concerned.

Test check of cash book, advance register, vouchers relating to payment of old age pension of 23 blocks¹ of eight districts revealed (August 2004) that the BDOs sanctioned advances of Rs 1.58 crore to 108 Panchayat Sewaks during 2001-05 for payment of old age pension to the beneficiaries of their respective Panchayats. Scrutiny revealed that 61 Panchayat Sewaks did not submit vouchers against advances of Rs 77.26 lakh received by them. Further 47 Panchayat Sewaks, against advances of Rs 80.74 lakh, submitted vouchers of only Rs 61.41 lakh and retained Rs 19.33 lakh with them.

The BDOs did not organise open distribution camps for disbursement of old age pension to the beneficiaries and irregularly advanced Rs 96.59 lakh to Panchayat Sewaks in violation of the guidelines. Besides, they failed to ensure immediate adjustment/recovery of such advances paid to the 108 Panchayat Sewaks for a period ranging from seven months to 50 months as of April 2005. Meanwhile 34 Panchayat Sewaks with outstanding dues of Rs 9.71 lakh were transferred to other blocks, two Panchayat Sewaks with dues of Rs 0.87 lakh outstanding were dismissed, one Panchayat Sewak with dues of Rs 0.25 lakh outstanding retired and one Panchayat Sewak with dues of Rs 2.05 lakh outstanding was suspended.

On being pointed out (April 2005) it was stated by eight BDOs² that action for recovery of outstanding advances is being taken. However 15 BDOs did not respond to audit query. The Deputy Secretary to Government replied (August 2005) that Rs 0.81 lakh has since been recovered from five panchayat sewaks of Manpur and Nursarai block.

¹ Bihar Sharif - Noor Sarai; Chapra- Jalalpur; Darbhanga - Benipur, Biroul, Ghanshyampur; Gaya- Manpur; Madhubani- Babubarhi, Basopatti, Benipatti, Bisfi, Kaluahi, Khutuna, Laukahi, Phulparas, Rahika, Rajnagar; Motihari - Chakia, Chiraiya, Dhaka, Motihari Sadar, Sagauli; Samastipur - Warisnagar Supaul - Marauna

² Motihari- Chiraiya, Dhaka, Motihari; Madhubani- Babubarhi, Benipatti, Bispi, Rahika, Rajnagar

Thus failure of the BDOs to comply with the codal provisions for granting old age pension to the beneficiaries was fraught with risk of misappropriation of government funds.

The matter was referred to Government (June 2005); their reply had not been received (December 2005).

RURAL DEVELOPMENT DEPARTMENT

4.1.9 Loss due to non-recovery of empty gunny bags

Government sustained a loss of Rs 63.08 lakh due to non-recovery of empty gunny bags by the departmental authorities.

Government of India (GOI) provides rice for distribution to labourers in the execution of Sampoorna Grameen Rojgar Yojana (SGRY). Rice is supplied in gunny bags weighing 50 kg each. SGRY guidelines envisage that empty bags are to be received back from the executing agents and should be sold in open market to meet the cost of transportation and handling charges.

Test check (November 2004 to May 2005) of stock records, statements of lifting and distribution of rice for under SGRY schemes in 45 Blocks¹ 601 Panchayats and three Zila Parishads² disclosed that rice in 1051387 gunny bags were lifted by executing agents during 2001-04 as detailed below :

(in numbers)				
Year	Ara	Jehanabad	Gaya	Total
2001-02	88428	18374	117856	224658
2002-03	111759	72294	121968	306021
2003-04	120566	84522	315620	520708
Grand Total	320753	175190	555444	1051387

Further, it was noticed that the empty bags were not returned by the executing agents which valued at Rs 63.08 lakh³. Hence due to non-observance of provisions of the guidelines by the departmental authorities, Government had sustained a loss of Rs 63.08 lakh.

Deputy Development Commissioner (DDC), Bhojpur stated (April 2005) that the action will be taken after investigation. Further, Accounts Officers of DRDA Jehanabad and Gaya stated that correspondence is being made for empty bags.

The matter was referred to Government (July 2005); their reply had not been received (December 2005).

¹ Ara : 1 Agiaon, 2 Ara Sadar, 3 Barahara, 4 Bihiya, 5 Charapokhari, 6 Garhani, 7 Jagdishpur, 8 Koilwar, 9 Piro, 10 Sahar, 11 Sandesh, 12 Shahpur, 13 Tarari, 14 Udwant Nagar;

Jehanabad : 1 Arwal, 2 Ghosi, 3 Hulasganj, 4 Jehanabad, 5 Kako, 6 Makhdumpur, 7 Modanganj

Gaya : 1 Gaya Sadar, 2 Manpur, 3 Khizer Sarai, 4 Wazirganj, 5 Bathani, 6 Atri, 7 Mohra, 8 Tekari, 9 Belaganj, 10 Mohanpur, 11 Barachatti, 12 Dobhi, 13 Sherghati, 14 Imanganj, 15 Dumaria, 16 Gurua, 17 Guraru, 18 Paraiya, 19 Tankuppa, 20 Banke Bazar, 21 Fatehpur, 22 Bodh-Gaya, 23 Konch, 24 Amas

² Ara, Jehanabad and Gaya

³ Value of bags : 1051387 bags X Rs 6 = Rs 6308322 or Rs 63.08 lakh

RURAL DEVELOPMENT DEPARTMENT (RURAL ENGINEERING ORGANISATION)

4.1.10 Temporary advances outstanding

Failure of the Executive Engineer REO (W) Division, Sasaram to comply with the codal provisions relating to sanction/adjustment of temporary advances led to advances of Rs 77.80 lakh remaining outstanding.

As per Rule 609 (b) of Bihar Treasury Code subsequent advance should be given to a person only after adjustment/recovery of previous advance and every attempt should be made by the Drawing and Disbursing Officer to ensure its immediate recovery/adjustment. Further, Bihar Public Works Accounts Code Rules also stipulates that temporary advances should be given against only passed vouchers and its recovery/adjustment should be positively made before the end of the financial year.

Test check of records of Rural Engineering (Works) Division, Sasaram transpired (November 2004) that the Executive Engineer (EE) sanctioned Rs 2.33 crore as temporary advance to Shri K.P. Singh, Assistant Engineer (AE), Dehri-on-Sone, who was also in additional charge of Bikramganj sub-division (February 1998 to November 1998) during 1997-1999 for construction of road works (Rs 2.29 crore) and for payment to work charged staff (Rs 0.04 crore). Out of this, Rs 1.55 crore was adjusted during 1998-99 by the EE. Meanwhile the officer transferred to his parent Department i.e. PWD in June 1999 and his LPC was not issued to his place of joining. However, non-submission of account and non-handing over charge on transfer by the AE and failure of EE in monitoring adjustment/recovery of advances led to advances of Rs 77.80 lakh remaining outstanding against the AE as of June 2005.

Thus failure to comply with the codal provisions relating to sanction/adjustment of temporary advances by the EE, REO Sasaram led to advances of Rs 77.80 lakh remained outstanding against the AE for seven years which was fraught with the risk of its misappropriation.

The matter was referred to Government (April 2005/August 2005); The Joint Secretary replied (August 2005) that since the officer had been posted in Jharkhand, it was proving difficult to obtain his response in this regard. However the concerned SE/AE had been directed to submit the relevant documents for further action.

ROAD CONSTRUCTION DEPARTMENT

4.1.11 Loss due to auction of Government building

Failure of the Executive Engineer/departmental authority to file a counter affidavit in the Court of the Sub Judge led to auction of office building.

Scrutiny of records of Road Construction Division (RCD) Siwan revealed (February 2004) that Executive Engineer allotted repair work of Siwan

Paigambarpur road (July 1993) and special repair of new Siwan Hansua road (July 1995) to a contractor at an estimated cost of Rs 10.35 lakh and Rs 1.62 lakh for completion by July 1994 and August 1995 respectively. The contractor second running bill of Rs 1.88 lakh submitted for payment in July 1993 for repair work of Siwan Paigambarpur road was not paid and against fifth and final bill of Rs 1.43 lakh submitted in July 1995 for special repair work of new Siwan Hansua road, the Division paid (March 1996) only Rs 0.64 lakh to the contractor.

The contractor filed a case (1996) in Patna High Court for his residual payment. The High Court ordered (August 1997) the contractor to represent before the Secretary, Road Construction Department, Bihar Patna for getting payment of his claim and also directed the Secretary of the department to clear the amount of the bill within six months from the date of representation, failing which the contractor would be allowed to move the Civil Court for realisation of amount. The Secretary, RCD rejected (June 1998) representation (September 1997) of the contractor regarding the claim. As the contractor was not paid, he filed (August 2000) a money suit in the court of Sub-judge, Siwan for realisation of Rs 2.67 lakh including interest from the department.

The department failed to file a counter affidavit in the court in time. The Sub-Judge allowed (September 2001) money suit of Rs 2.67 lakh with 10 per cent interest unilaterally in favour of the contractor (total decretal amount Rs 4.50 lakh). But the matter remained hanging between the Department and Division and neither the decretal amount was paid nor any appeal against the order of Sub-Judge filed before the High Court. Subsequently attachment order was passed (August 2002) by the Sub-Judge in which office building of the RCD, Siwan (valued Rs 26.02 lakh) was attached and auctioned in favour of contractor in January 2003 at Rs 4.89 lakh. The Department filed (March 2003) a case in Patna High Court after lapse of more than 18 months from the date of passing order of Sub-Judge. The appeal had been dismissed for default. After dismissal of this appeal another case was filed (February 2005) by the Department for restoration of the first appeal which is pending as of November 2005. In the meantime possession of auctioned building was given to the contractor (August 2003) who demolished the building after removing records of the office.

Thus, the failure of the Executive Engineer/departamental authorities to file a counter affidavit in the Court of the Sub Judge stating that the claim of the contractor was rejected by Government led to auction of office building and loss to Government amounting to Rs 26.02 lakh¹.

The matter was referred to Government (April 2005); the reply had not been received (December 2005).

¹ Value of land fixed by Registrar, District Registration Office, Siwan i.e. 9.075 katha of land x Rs 2.73 lakh = Rs 24.77 lakh + Rs 1.25 lakh (value of office premises)

4.2 Infructuous/ wasteful expenditure and overpayment

URBAN DEVELOPMENT DEPARTMENT

4.2.1 Augmentation of Patna Water Supply Scheme

Undue favour to an agency for purchase of motor pumps at a cost of Rs 3.25 crore by the Patna Water Board and infructuous expenditure of Rs 1.17 crore on purchase of materials (Rs 99.49 lakh) and one non-functional tubewell at Murtuliganj (Rs 17.98 lakh).

The State Government allotted Rs 12.17 crore (May 2002) under EFC for "augmentation of Patna water supply scheme" to Patna Water Board with the objective to fulfil the water demand by installation of 49 tubewells¹. On scrutiny of the records of Patna Water Board it was noticed (March/April 2005) that tenders were invited (May 2002) for supply of 49 number of 120/60HPVT Jyoti VT motor pump by name and not as per specification. Accordingly, M/s Jyoti Limited, the manufacturer and one of its distributor submitted the tender in June 2002 and 49 Jyoti VT motor pump sets valued Rs 3.25 crore were purchased (September 2002). However, neither the technical expert committee nor the Government specified purchase of Jyoti VT motor pump by name.

Further, it was seen that as per the project report the installation of motor pumps was to be started on five tube wells already sunk by Bihar Rajya Jal Parishad but the work was not started as dispute persisted between Bihar Rajya Jal Parishad and Patna Water Board regarding suitability of discharging capacity. Patna Water Board purchased materials worth Rs 99.49 lakh² between October 2002 and May 2003. The materials are lying dumped and the five tubewells were non-functional as of August 2005. Besides out of 44 tube wells newly replaced (October 2004), one tube well at Murtuliganj valued Rs 17.98 lakh was not made operational as of August 2005 due to non construction of pump chamber and non supply of electricity.

Thus there was undue favour to an agency for purchase of motor pumps at a cost of Rs 3.25 crore by the Patna Water Board and infructuous expenditure of Rs 1.17 crore on purchase of materials for five tubewells (Rs 99.49 lakh) and one non-functional newly replaced tubewell at Murtuliganj (Rs 17.98 lakh).

The matter was referred to Government (July 2005); the reply had not been received (December 2005).

¹ By replacing 44 defunct tubewells and energising of 5 tubewells already sunk by Bihar Rajya Jal Parishad.

² 5 nos Jyoti VT pump Rs 34.78 lakh, CI Spun pipes 4194.5 meters Rs 58.13 lakh, CI special pipes 16409 Kg Rs 5.23 lakh and 12 nos sluice valve Rs 1.35 lakh.

HEALTH AND FAMILY WELFARE DEPARTMENT

4.2.2 Setting up of Regional Diagnostic Centres

Infructuous expenditure of Rs 4.02 crore on incomplete building besides blockage of Rs 22.77 crore due to non-purchase of equipments.

The Eleventh Finance Commission recommended for setting of nine Regional Diagnostic Centres (RDCs) in the State at an estimated cost of Rs 27 crore¹ to provide modern diagnostic facilities at regional level. Test check of records (April, May 2005) of Director Health Services, Bihar Patna revealed that the Government of India (GOI) sanctioned Rs 24.30 crore during 2001-05. However, the Health Department, Government of Bihar released Rs 27 crore during 2001-05 for the work and requested (March 2005) GOI to release the balance grant (Rs 2.70 crore), which has not been received (September 2005). It was noticed that out of Rs 27 crore, Rs 4.23 crore was released between September 2002 and May 2003 to the Secretary, Building Construction Department (BCD) for the construction of building of RDCs. The BCD spent Rs 4.02 crore for construction of seven² completed buildings and two³ other buildings which were partially incomplete. However, the RDCs were non functional due to non purchase of necessary equipments. The Deputy Secretary, BCD stated (July 2005) to audit that the Secretary, Health Department was requested (August 2004) to release extra fund of Rs 25 lakh for completion of the buildings which was yet to be provided.

Scrutiny of records of eight Divisional Commissioners⁴ (DCs) pertaining to purchase of equipment of RDCs further revealed that out of Rs 22.77 crore sanctioned to them, Rs 15.56 crore was kept in Civil Deposit during 2003-05 and Rs 7.21 crore was lying unutilised in the accounts of the State Government due to non-drawal of funds in time. The process for inviting tenders for purchase of equipment was not initiated as of June 2005 as the buildings for keeping equipments were not handed over by BCD to RDCs. Thus there was infructuous expenditure of Rs 4.02 crores besides Rs 22.77 crore remained unutilised due to non purchase of necessary equipments for the RDCs.

The matter was referred to Government (July 2005); the reply had not been received (December 2005).

¹ 9 x Rs.3 crore per centre (Rs 0.47 lakh for building and Rs 2.53 crore for equipments)

² Ara, Bhagalpur, Gaya, Chapra, Motihari, Munger and Purnea.

³ Muzaffarpur, Saharsa

⁴ Patna, Muzaffarpur, Munger, Bhagalpur, Gaya, Chapra, Saharsa and Purnea.

4.3 Violation of contractual obligation/undue favour to contractors

ROAD CONSTRUCTION DEPARTEMENT

4.3.1 Undue financial aid to contractor and unfruitful expenditure

Due to incomplete construction of Gaya-Panchananpur-Daudnagar road expenditure of Rs 2.16 crore was rendered unfruitful besides loss of Rs 49.25 lakh on account of undue aid to contractor by Executive Engineer, RCD, Aurangabad.

Work for widening and strengthening of Gaya-Panchananpur-Daudnagar Road from 35.20 km to 70.50 Km was administratively approved (November 2000) for Rs 6.03 crore and technically sanctioned (November 2000) for Rs 5.63 crore. The work was allotted by tender committee (February 2001) to a contractor at three per cent above the estimated cost for completion of work by August 2001. Subsequently Executive Engineer, Road Construction Division (RCD), Aurangabad executed an agreement (February 2001) with the contractor. Another supplementary agreement was also made (March 2003) for Rs 52.87 lakh for widening of road by 2.05 meter on both sides and strengthening of road by providing 20 mm semi dense carpet (SDC). Bitumen was to be supplied departmentally. Contractor stopped (July 2003) the work after receiving payment of Rs 1.98 crore. The work was finally rescinded (December 2003) under orders of Executive Engineer and final payment was made in December 2003.

On scrutiny of records (March 2005), the following deficiencies were noticed:

- The work of widening and strengthening from 35.20 Km to 51 Km was not taken up whereas from 52 Km to 70.50 Km only widening work was completed. Thus no portion of road was completed in all respect and expenditure of Rs 1.98 crore incurred on incomplete construction of roads was rendered unfruitful.
- As per terms of agreement, cost of bitumen supplied to agency was to be recovered at the rate of Rs 10505 per MT. It was noticed that against recoverable amount of Rs 29.74 lakh towards cost of consumed bitumen (283 MT) only Rs 8.10 lakh was recovered resulting in short recovery of Rs. 21.64 lakh. Further cost of empty drums valued at Rs 0.63 lakh was also not recovered.
- As per codal provisions, quantity of bitumen issued to contractor should be restricted to 15 days consumption. Cost of unutilised quantity of bitumen was to be recovered at double of issue price or at current market rate whichever is higher. The contractor was issued 380 MT bitumen between January 2002 and March 2003 out of which only 283 MT was consumed in work and balance remained with the contractor. It was noticed that no recovery of cost of balance 97 MT bitumen amounting to Rs 20.35 lakh at double of issue price from the contractor.

Further, work against supplementary agreement (March 2003) could not be completed within time and the work was abandoned (July 2003) by the contractor after receiving payment of Rs 17.68 lakh. However, recovery of cost of unutilised bitumen (Rs 6.29 lakh) and empty drums (Rs 0.33 lakh) was not made from the contractor.

Thus there was unfruitful expenditure of Rs 2.16 crore on incomplete construction of road works besides undue aid to the contractor amounting to Rs 49.25 lakh.

The matter was referred to Government (July 2005); their reply had not been received (December 2005).

4.4 Avoidable/excess/unfruitful expenditure

RURAL DEVELOPMENT DEPARTMENT

4.4.1 Misutilisation of Indira Awas Fund

The fund of Rs 30.79 lakh meant for housing needs of rural people living below poverty line was used for ineligible persons.

The target group under Indira Awas Yojna for providing houses was the people living below poverty line (BPL) in rural areas belonging to Scheduled Castes/Scheduled Tribes (SC/ST), freed bonded labourers of SC/ST and non-SC/ST categories. People living below poverty line in rural areas were to be identified by Gram Sabha of the Panchayat. The Block Development Officer (BDO) after verification of their name in the BPL list was required to recommend the list of beneficiaries to Sub-divisional Officer (SDO) for sanction. The fund allotted under the scheme was to be given in lump sum to the beneficiaries living below poverty line for construction of dwelling units.

Audit scrutiny of the list of beneficiaries and other records of BDO Sanhaua (Bhagalpur) transpired (July 2004) that the BDO did not verify BPL list before recommending the names to the SDO and funds of Rs 30.79 lakh were paid (April 2002 - February 2005) to 215 persons who were not included in BPL list as per BPL survey report.

Thus the fund which was meant to fulfil the housing need of rural people living below poverty line was misutilised for the construction of dwelling units for ineligible people in violation of the guidelines of Indira Awas Yojana. In reply to the audit objection, BDO Sanhaua stated (July 2004) that the said provision would be strictly followed in future.

The matter was referred to Government (April 2005); their reply had not been received (December 2005).

4.4.2 Misutilisation of MPLADS Fund

Rupees 98.45 lakh was misutilised for nonspecified works under MPLADS.

The guidelines of Member of Parliament Local Area Development Scheme (MPLADS) prescribed the illustrative list of works to be undertaken under the scheme which included provision of civic amenities like electricity, water, pathways, public toilets etc. in slum areas of towns/villages; installation of computer in education project of high schools. Further, construction of office buildings, residential buildings and other buildings relating to Central or State Government, departments, agencies or organisations, repair and maintenance works of any type other than special repairs for restoration/upgradation of any durable asset, memorials and memorial buildings and purchase of stock of any type were not permitted under the scheme.

Test-check of records of District Rural Development Authority (DRDA), Motihari and Deputy Development Commissioner (DDC), Patna and Nalanda revealed (September 2004 to November 2004) that MPLADS funds amounting to Rs 98.45 lakh were misutilised during 2000-04 for different non-specified works, which included expenditure on electricity in non-slum areas of Patna (Rs 9.44 lakh), establishment of computer centre in Nalanda district headquarter and five block offices (Rs 17.75 lakh) instead of in schools, construction of town hall at Motihari (Rs 57.12 lakh) and construction of memorial and memorial buildings in Nalanda and Motihari (Rs 14.14 lakh).

Thus the intended objective of providing developmental works based on locally felt needs with emphasis on creation of durable assets as envisaged under for scheme was not fulfilled and funds amounting to Rs 98.45 lakh were misutilised for ineligible works.

The matter was referred to government (May 2005) ; their reply had not been received (December 2005).

4.4.3 Misutilisation of SGSY fund

Five DRDAs misutilised SGSY infrastructure fund of Rs 1.93 crore in violation of norms.

The Para 2.2 of the Sampoorna Gram Swarojgar Yojana (SGSY) guideline stipulates creation of additional infrastructure in order to provide critical missing links. Further as per para 2.5 of the guidelines, funds available for providing infrastructure support should be primarily used to bridge small gaps in infrastructure which can make the programme implementation more effective. The proposals should clearly spell out the time span envisaged for building infrastructure and funds should be given to the executing agency in phases depending upon progress of the work.

Scrutiny of records of four¹ District Rural Development Agencies (DRDAs) revealed (April- July 2004) that SGSY infrastructure funds amounting to

Rs 3.39 crore were provided to Bihar State Cooperative Milk Producers Federation Limited (COMFED) for creation of altogether non-existing infrastructure i.e. execution of civil and electrical works, procurement, installation and commissioning of milk chilling plants, construction of milk parlours and buildings for training and workshop of swarojgaris during 2001-2004. The details are as follows:

Name of DRDA	Purpose for which fund was released	Period of payment	Estimated value	Amount released to COMFED, Patna by the DDC/DRDA	Value of work executed	Balance amount with the agency	Remarks
(Rupees in lakh)							
Biharsharif	Establishment of chilling plant	2000-01	115.13	115.00	Nil	115.00	Due to land dispute work could not be started.
Bhabhua	-do-	2001-02	102.00	102.00	78.03	23.97	Effluent treatment plant not commissioned and problems relating to two boilers were not sorted out.
Bhagalpur	-do-	2002-03	111.94	107.48	107.48	-	No reasons for the incomplete works.
Nawada	Construction of 12 milk parlours	2001-02	14.05	14.05	7.03	7.02	Six booths were incomplete as of April 2005.
Total			343.12	338.66	192.54	145.99	

Scrutiny further disclosed that out of Rs 3.39 crore released to COMFED, Patna during 2001-04, it executed works valued Rs 1.93 crore only as of April 2004 and retained the balance of Rs 1.46 crore for two to four years (2001-2005). Funds were released to COMFED for creation of altogether non-existent infrastructure i.e. establishment of chilling plants and milk parlours in violation of SGSY guidelines.

The concerned Deputy Development Commissioners (DDCs) failed to monitor the execution of works undertaken in the scheme which led to misutilisation of SGSY infrastructure fund amounting to Rs 1.93 crore and denial of intended benefit of the scheme to the families living below poverty line.

The matter was referred to Government (May 2005); their reply had not been received (December 2005).

URBAN DEVELOPMENT DEPARTMENT

4.4.4 Misutilisation of NSDP fund

In violation of NSDP guidelines, Executive Officers of Madhubani and Darbhanga districts misutilised Rs 2.76 crore for development of non-slum areas apart from doubtful expenditure of Rs 94.67 lakh on purchase of materials.

As per guidelines of the National Slum area Development Programme (NSDP) persons living below poverty line in slum areas were to be surveyed, identified and social and economic benefits under the scheme were to be provided to them. The scheme was required to be implemented by Neighbourhood Committee or Community Development Society (CDS) at the grass root level.

The State Government allotted Rs 2.51 crore during 2000-2004 to Nagar

Parishad, Madhubani and Rs 1.40 crore to Municipal Corporation, Darbhanga in December 2000 for development of slum areas to provide facilities like water supply, storm water drains, community centres for education and health, widening and paving of existing lanes, sewers, community latrines and street lighting.

Scrutiny of records of Nagar Parishad, Madhubani and Municipal Corporation, Darbhanga revealed (February 2005) that instead of widening and paving of existing lanes in slum areas, the Nagar Parishad, Madhubani spent Rs 1.52 crore during 2000-04 on construction of plain cement concrete (PCC) road and drains in non-slum areas. Similarly the Municipal Corporation Darbhanga spent Rs 1.24 crore during 2001-02 on construction of PCC road, bituminous road, brick soling, road drains and repair of roads in non-slum areas. Thus the works undertaken by the Nagar Parishad, Madhubani and Municipal Corporation, Darbhanga were not in consonance with the guidelines of NSDP to execute works in slum areas. Besides the works were also not implemented by the Neighbourhood Committee or CDS though required under the guidelines.

It was also noticed that materials valued at Rs 76.82 lakh¹ purchased during 2001-04 by Nagar Parishad, Madhubani and Rs 17.85 lakh² in 2001 by Municipal Corporation Darbhanga were not accounted for in their respective stock registers and material-at-site accounts. Thus, expenditure of Rs 94.67 lakh on purchase of materials was doubtful.

In reply the Executive Officer, Nagar Parishad, Madhubani stated (February 2005) that the works were executed in non-slum areas on the directions of the District Magistrate (DM). The Chief Executive Officer, Municipal Corporation Darbhanga replied (Feb 2005) that all the schemes were selected by District Urban Development Agency (DUDA) and administratively approved by DM, Darbhanga.

Thus, Rs 2.76 crore were misutilised by Nagar Parishad, Madhubani and Municipal Corporation, Darbhanga for the development of non-slum areas which denied the intended benefits of the programme to the slum dwellers, the real beneficiaries. Besides there was doubtful expenditure of Rs 94.67 lakh on purchase of materials.

The matter was referred to Government (June 2005); their reply had not been received (December 2005).

¹ Stone chips and sand (Rs 53.85 lakh); cement (Rs 22.97 lakh)

² Bitumen (Rs 6.98 lakh), Cement (Rs 10.87 lakh).

HEALTH, MEDICAL EDUCATION AND FAMILY WELFARE DEPARTMENT

4.4.5 *Avoidable expenditure on energy charges*

Injudicious decision to charge energy charges at the rate prescribed for domestic connection from residential consumers and others instead of rate for HT connection led to avoidable expenditure of Rs 68.60 lakh during 2001-04.

The Indira Gandhi Institute of Medical Science (IGIMS), Patna obtained 11 KV High Tension (HT) power connection with contract demand of 670 KVA from Bihar State Electricity Board (BSEB), Patna and it was required to pay prescribed rate (Rs 1.78 per unit + other charges) for HT consumers category I at the time of the establishment for its Hospital Complex Area and residential area. About 300 occupants residing in this residential area in addition to one Dharamshala building, one school and a few shops having total load of about 400 KVA (approx) were also energized by the same power supply system. IGIMS has been paying energy charges to the BSEB at a rate¹ prescribed for HT consumers category - I.

A test-check of records of the Institute disclosed (February 2005) that no electric sub-meters were installed by the institute in the residential complex, shops etc. and electricity charges from residents were being recovered at the average rate of Rs 1.37 per unit for different categories of staff after averaging the monthly units aggregating to 51408 units only. Thus, energy charges were being recovered at a rate which was less than what was actually being paid by the IGIMS to BSEB. There was nothing on record to show the basis of fixation of average units and different rates charged from different categories of staff.

It was noticed that the Institute paid Rs 98.08 lakh on account of electricity consumed by residential and other consumers to BSEB though it realised only Rs 29.48 lakh from them during 2001-04.

This resulted in avoidable expenditure of Rs 68.40 lakh by the IGIMS on account of payment of electricity charges for residential and other consumers.

On being pointed out, the Director, IGIMS, Patna stated (March 2005) that correspondence had been made with BSEB for getting domestic connections for residential consumers and others. However, IGIMS should have moved BSEB for domestic connection when the staff quarters were being constructed. Due to delayed action of IGIMS they had to incur avoidable expenditure of Rs 68.40 lakh on electricity.

The matter was referred to Government (May 2005); their reply had not been received (December 2005).

¹ *Rs 1.78 per unit + maximum demand charge at the rate of Rs 125/- per KVA + Fuel surcharge at the rate of Rs 2.44 per unit + EDC 6 per cent of value of energy*

4.5 Idle investment/Idle establishment/blockage of funds

REVENUE AND LAND REFORMS DEPARTMENT

4.5.1 Denial of housing and road facilities to SC/ST and other backward classes

Against the target of 542 acres of land, only 26.22 acres of land was acquired. As a result target group of beneficiaries were deprived of the intended benefits and also funds of Rs 5.57 crore remained blocked.

The Contingency Fund of the State is in the nature of imprest placed at the disposal of the Government to meet unforeseen expenditure pending authorisation by the State Legislature.

Advance of Rs 10 crore from the Contingency Fund of the State was sanctioned by the Finance Department (March 2001). It was subsequently recouped (3rd Supplementary Budget of 2000-01) and amount was released (March 2001) by Revenue and Land Reforms Department to 17 Districts¹ for purchase of land for construction of approach roads and houses (Targeted beneficiaries area - 541.93 acre) for the homeless families of Scheduled Caste/Tribes/Other backward classes at district level on emergency basis. The purchases were to be made within three months from the date of drawal of advance.

Scrutiny of records of six District Magistrates² and Land Acquisition Officers (DMs & LAOs) revealed (April-May 2005) that Rs 6.90 crore was allotted and withdrawn (March 2001) for aforesaid project/scheme in these districts from the treasuries and was deposited (March 2001 to March 2002) by the concerned District Magistrates under the head-8443- 'Civil Deposit' as per the directives (March 2001) of the Commissioner-cum-Secretary, Revenue and Land Reforms Department. Government subsequently issued (September 2001 to March 2002) instructions to the District Magistrates for withdrawal/release of funds from Civil Deposit to meet expenditure on the project. Five DMs/LAOs³ withdrew (February 2002 to October 2004) Rs 4.14 crore from Civil Deposit and instead of utilising the fund on the scheme credited (February 2002 to October 2004) the amount of Rs 2.81 crore to the saving/current bank accounts and deposited Rs 50 lakh (March 2002) in treasury under the receipt head "0029 - Land Revenue" in Jamui district. However Rs 83 lakh was utilised for acquisition of 26.22 acres of land.

The officers at the district level failed to utilise the funds and the intended object of the scheme for the benefit of SC/ST and other backward class families was not realised. Revenue and Land Reforms Department also failed to monitor the progress of the scheme. As a result Rs 2.81 crore remained blocked in saving bank account and Rs 2.76 crore was kept in Civil Deposits for a period of over four years.

The matter was referred to Government (July 2005); their reply had not been received (December 2005).

¹ Aurangabad, Begusarai, Buxar, Darbhanga, Gopalganj, Jamui, Khagaria, Madhubani, Motihari, Muzaffarpur, Nawadah, Samastipur, Saran, Sitamarhi, Siwan, Supaul and Vaishali

² Jamui, Motihari, Madhubani, Muzaffarpur, Sitamarhi, Vaishali

³ Jamui (Rs 0.50 crore); Motihari (Rs 1.59 crore); Muzaffarpur (Rs 0.80 crore); Sitamarhi (Rs 0.70 crore); Vaishali (Rs 0.55 crore)

CHAPTER -V

INTERNAL CONTROL MECHANISM

ANIMAL HUSBANDRY DEPARTMENT

5.1 Evaluation of Internal Control System in Animal Husbandry Department

Highlights

Internal control mechanism in the Animal Husbandry Department was not functioning effectively leading to surrender of funds, unnecessary demand for supplementary grants and non-execution/partial execution of various schemes. The Department failed to furnish figures relating to targets fixed against schemes. Further the Department could not give the sanctioned strength and men-in-position in the Department. This showed that the internal control mechanism in the Department was not effective.

Budget estimates were prepared without taking into account the actual requirement which resulted in huge surrender of funds during 2000-05. In the absence of expenditure control register Department did not compile monthly expenditure figures received from the DDOs.

(Paragraphs 5.1.6 and 5.1.7)

Programme management was deficient as the Department failed to utilise amount of Rs 1.02 crore provided for construction of hospitals under Border Area Development Programme.

(Paragraph 5.1.18)

No animal census has been conducted since 1982 for the seventeenth quinquennial live stock census expenditure has been only 17 per cent. The achievements against plan target for poultry development were very low. Cattle breeding farm was almost non-functional.

(Paragraphs 5.1.15, 5.1.20 and 5.1.21)

Monitoring and evaluation mechanism was non-existent in the Department.

(Paragraph 5.1.22)

Due to non-preparation of frozen semen (straw) there was nugatory expenditure of Rs 22.70 crore during 2003-05 on 2980 employees of Cattle Breeding and Development Project.

(Paragraphs 5.1.24)

Introduction

Internal control is an integral part of an organisation's operations and internal control systems provide a tool for the management to ensure efficient, effective and economic utilization of resources. It also ensures that financial interests and resources are safeguarded and reliable information is available to the administration. Internal Auditors examine and evaluate the level of compliance

to departmental rules and procedures to provide independent assurance to the management on the adequacy or otherwise of existing internal controls.

The main objectives of the Animal Husbandry Department (Department) were development and healthcare of livestock and production of milk and milk products. The major activities of the Department were operation and maintenance of (i) farms for development of livestock and production of fodder (ii) veterinary polyclinics, hospitals and dispensaries for treatment of animals, vaccination, castrations and artificial insemination.

5.1.2 Organisational set-up

The Department is headed by a Secretary and assisted by one Director for administration and other for Institute of Animal Health & Production which deals with production of vaccine, eight Deputy Directors and 29 District Animal Husbandry Officers (DAHOs). There were three poultry farms (Patna, Muzaffarpur and Bhagalpur) and two cattle breeding farms (Dumraon and Patna) in the State.

5.1.3 Audit objectives

Audit objectives were to examine the adequacy and effectiveness of:

- Financial and budgetary controls
- Operational controls
- Internal Audit system
- Manpower management

5.1.4 Audit coverage

The review on adequacy and effectiveness of internal control mechanism including internal audit arrangements in the Department for the period 2000-2005 was conducted between April 2005 and July 2005 through test-check of records of Secretariat/Directorates, Research officer, National Small Pox Eradication Scheme for animals, Special Deputy Director, Frozen Semen Bank cum Bull station, Patna, eight¹ DAHOs, General Manager Central Poultry Farm, Patna, Manager Poultry Farms, Muzaffarpur and Bhagalpur and Manager Haryana cattle breeding farm, Dumraon.

5.1.5 Budgetary controls and expenditure controls

Scrutiny revealed that the Department did not follow the budgeting procedure as prescribed in the Bihar Budget Manual and standing instructions.

Audit observed that budget estimates were submitted late and the expenditure statements of the Department were not compiled by the Directorate Office which indicated ineffective and weak budgetary and expenditure control.

¹ Bhagalpur, Bhojpur, Darbhanga, East Champaran, Gaya, Muzaffarpur, Nalanda, Purnea

5.1.6 Budgeting procedure

According to the Bihar Budget manual and standing instructions the Drawing and Disbursing Officers (DDO) are required to send the Revised Estimates (REs) for the current year and the Budget Estimates (BEs) for the next year to the Directorate Office by 1 July who in turn sends it to the Finance Department by 1 October every year.

It was, however, noticed that submission of budget estimates was delayed for a period ranging from 15 to 75 days by DDOs and 17 to 25 days by Directorate to the Finance Department during 2002-05 leaving limited scope for examination of the estimates by the Finance Department.

Budget provision vis-à-vis expenditure of the Department during 2000-05 was as under:

Year	Original grant	Supplementary grant	Total grant	Expenditure	(Rs in crore)	
					Saving	Surrender
2000-01	102.45	0.43	102.88	72.81	30.07	29.47
2001-02	90.37	1.00	91.37	51.30	40.07	38.83
2002-03	68.29	1.52	69.81	50.82	18.99	17.94
2003-04	70.95	1.88	72.83	53.18	19.65	17.64
2004-05	69.84	7.75	77.59	57.77	19.82	14.90
Total	401.90	12.58	414.48	285.88	128.60	118.78

(Source:- Appropriation accounts of 2000-05 as the Department did not furnish the figures)

Budget estimates were framed without considering the previous years expenditure

Surrender of funds every year indicated that the budget estimates were framed without considering the trend of expenditure in the previous year. In the absence of expenditure control register supplementary grants were taken even when the original grant was sufficient. Further it was noticed that sanction for purchase of materials could not be accorded due to late sanction of schemes resulting in huge surrender of funds. This indicated poor financial control and lack of monitoring by the Department.

Department failed to surrender anticipated savings

The Bihar Budget Manual provides for surrender of all anticipated savings to the Finance Department by the Administrative Department latest by 25 March. However in violation of the rule the Department surrendered Rs 17.64 crore in 2003-04 and Rs 14.90 crore in 2004-05 on the last date of the financial year. Thus other Departments were deprived of funds which they could have utilised.

5.1.7 Non preparation of expenditure control register

Scrutiny of records of field offices of eight test-checked districts showed that they submitted the progressive reports of expenditure but it was not compiled by the officials of the Directorate because the expenditure control register was not maintained in the Directorate.

5.1.8 Irregular drawal of money to avoid lapse of budget grant

Funds kept in Civil Deposit

The Bihar Treasury Code (Rule-300) restricted the drawal of money from treasury unless it was required for immediate disbursement. It was noticed that four² District Animal Husbandry Officers (DAHOs) drew Rs 32 lakh in 2001-02 for Assistance to Small Marginal Farmers and Agricultural labourers scheme and kept the amount in Civil Deposit to avoid lapse of budget grant.

Under Assistance to State for the control of Animal Diseases (ASCAD) scheme the budget provision of Rs 3.16 crore was made in 2004-05 of which Rs 3.04 crore was allotted to the Director, Institute of Animal Health and Production. Director drew Rs 2.68 crore for ASCAD scheme in 2004-05 and kept the amount in Civil Deposit.

5.1.9 Rush of expenditure

35 to 69 per cent expenditure in March

The budget manual required the Controlling Officer to avoid rush of expenditure in the closing month by keeping a close watch on the progressive expenditure of DDOs and Department as a whole on a monthly basis. Rush of expenditure at the close of financial year is prone to the risk of Government not getting proper value for money as the expenditure is likely to take place without due diligence and care. Audit noticed that percentage of expenditure during the month of March in each year ranged between 35 and 69 per cent³ in the test-checked districts during 2000-2005 which indicated rush of expenditure at the close of the financial year.

5.1.10 Cash management

Rule 86 of the Bihar Treasury Code provides that all monetary transactions should be entered in the Cash Book as soon as they occur and attested by the head of office in token of check exercised by him. Test check of records of field offices of the Department revealed that the cash book was not attested daily, daily total in the Cash Book was not verified and physical verification of cash at the end of each month were not carried out by the heads of offices.

5.1.11 Utilisation certificate to the GOI

Under National Project on Rinderpest Eradication, the Department received Rs 94.10 lakh during 1994-95 for Scheme for control of Rinderpest from Government of India (GOI). The Department spent Rs 56.43 lakh under the scheme up to March 2005 but utilisation certificate was not submitted to the GOI (September 2005). Besides, balance of Rs 37.67 lakh was also not surrendered to the Finance Department.

5.1.12 Late sanction of schemes

Schemes were sanctioned at the fag end of financial year

There were 18 State plan schemes, five Centrally sponsored schemes, one Central plan scheme and 23 non-plan schemes under Animal Husbandry

² Gaya, Munger, Patna and Rohtas @ Rs eight lakh each.

³ Details of expenditure in March: 2000-01: 35 per cent, 2001-02: 48 per cent, 2002-03: 49 per cent, 2003-04: 69 per cent, 2004-05 43 per cent.

Department. (Refer Appendix-XLI and XLII). It was noticed that one out of 23 non-plan schemes (Poultry farm and small dressing plant) was sanctioned in February 2005 and six⁴ schemes were sanctioned in March 2005 which resulted in poor execution of schemes. Under non-plan schemes i.e. scheme for Range poultry farm, the required number of layers and boilers were not maintained, in cattle breeding farm schemes the breed of animal was not developed and in the cattle breeding and development project the target fixed for Tenth Five Year Plan could not be achieved. In the plan scheme for ASCAD, the amounts were kept in civil deposit and in the Border Area Development Programme, funds were released late to the Building Construction Department.

5.1.13 Inventory control

As per Bihar Financial Rules stores should not be purchased in small quantities. Periodical indents should be prepared and purchases should be made in bulk to ensure economy. Periodical indents should be prepared and as many articles as possible obtained by means of such indents. It was, however, noticed that no store materials such as chemicals required for laboratory, medicines for cattle and poultry, vaccine, machine and equipments etc. were procured during 2000-2005 except foot and mouth disease vaccine valued at Rs 51.95 lakhs in 2001-2003.

Unfruitful
expenditure on idle
plants and equipment

Further, under Technology Mission for Dairy Development, machinery and equipment valued at Rs 49.73 lakh supplied during 1996-97 to frozen semen bank Patna could not be installed. On this being pointed out (April-July 2005) it was stated that machinery and equipment could not be installed because the purchase of laboratory apparatus⁵ and chemicals⁶ required for operation of the plant were not approved by the Central Purchase Committee. This led to unfruitful expenditure of Rs 62.75 lakh⁷ on idle plant and equipment.

Production of vaccine
was stopped due to
delay in decision
making process

The production of bacterial vaccine i.e. Hemorrhagic Septicemia (HS) and Black Quarters (BQ) and Anthrax was stopped from the year 1993-94 in the Institute of Animal Health and Production at Phulwarisharif. The production was stopped as the machine required for the production of vaccine was beyond repair. Requisition for the purchase of new machine (autoclave and boiler) was sent to the Directorate in August 1999. However the machine could not be purchased (March 2005) due to non-approval of rates by the Central Purchase Committee.

5.1.14 Physical verification of stores

As per rule 143 of Bihar Financial Rules, physical verification of store was required to be done at least once every year under rules prescribed by Head of

⁴ (1) Scheme for range poultry farm, Central poultry development and production and distribution of poultry feed, (2) Cattle fair & exhibition and cattle welfare, (3) Scheme for cattle breeding farm, (4) Cattle breeding and development project, (5) Pig breeding farm and (6) Scheme for control of rinderpest

⁵ Hot Air Oven and Generator.

⁶ Mineral mixture, vitamins, liquid nitrogen.

⁷ Rs 6.51 lakh x 2 = Rs 13.02 lakh + Rs 49.73 lakh = Rs 62.75 lakh.

the Department. However, it was observed that no physical verification of medicine stores was done in the test-checked offices of the Department.

5.1.15 Animal census programme

Work on animal
census not completed

No animal census was done since 1982 in the State against the norms of census of once at every five years. However GOI sanctioned grants-in-aid of Rs 1.45 crore during 1997-2002 to the State Government for 16th quinquennial livestock census but the Department failed to utilise the amount till 2002-03. The GOI revalidated Rs 1.45 crore during 2003-04 and further provided Rs 1.18 crore during 2003-04 and 4.65 crore during 2004-05 to be utilised for 17th quinquennial livestock census. Against the total grant of Rs 7.28 crore (GOI) during 2003-05, Rs 90.43 lakh (17 per cent) was spent. However, the work on animal census could not be completed.

5.1.16 Implementation of CSS scheme of Assistance to State for the Control of Animal Diseases

Assistance to State for the Control of Animal Diseases (ASCAD) scheme was constituted (2003-04) by amalgamating the strengthening of vaccination programme, strengthening of production of vaccination programme, awareness programme, establishment of laboratory. But no progress was made under the scheme as the funds of Rs 3.04 crore were provided by the Department to the Institute of Animal Health and Production in 2004-05 against which expenditure shown was Rs 2.98 crore. However of this amount Rs 2.68 crore was deposited in Civil Deposit (March 2005).

5.1.17 National Project on Rinderpest Eradication

National Project on Rinderpest aimed at achieving freedom from deadly disease of Rinderpest. This is three stages process. First stage is vaccination, second stage is freedom from Rinderpest disease and the third stage is sero surveillance programme. As per scheme, ELISA laboratory was to be established with all infrastructure facilities and the present laboratory was to be upgraded. Government of Bihar sanctioned Rs 94.10 lakh (March 1995) for National Project on Rinderpest Eradication (Central plan). Out of this amount, Department spent Rs 54.34 crore upto March 2005.

It was noticed that the present laboratory was not upgraded due to non-purchase of autoclave, research microscope, computer printer, Elisa plate etc. in the absence of approval of rates by the Central Purchase Committee. Hence objective of establishing ELISA test laboratory, meant to know the effectiveness of vaccination done in the first stage, could not be achieved. Thus, the scheme was failed as the sero surveillance was not completed.

5.1.18 Border area development programme

Under Border Area Development Programme 12 hospital buildings were proposed to be constructed in border area for which Rs 1.02 crore was allocated in the budget during 2004-05. Amount of Rs 1.02 crore was advanced to the Building Construction Department in the month of May 2005. But the construction work had not been started (October 2005).

5.1.19 Cattle Breeding and Development Project

The Government through notification formulated new scheme named Cattle Breeding and Development Project (January 2002) by amalgamating the old schemes named Intensive Cow Development Block, Idle Village Block, Frozen Semen Bank with a target to achieve artificial insemination of 55 lakh cattle during the Tenth Five Year Plan.

Cattle breeding and development project was a non-starter

The frozen semen bank cum bull station, Patna was authorised to collect semen, to prepare frozen semen (Straw) and to distribute it to 1401 artificial insemination centres. However, out of 16 bulls purchased during 2002-03, six died between 2002-03 and 2004-05 and remaining bulls could not be utilised for the preparation of frozen semen and the project remained a non starter. Hence, the expenditure of Rs 8.65 crore in 2003-04 and Rs 14.05 crore in 2004-05 on their establishment was infructuous.

5.1.20 Cattle breeding farm

Poor performance of Haryana Cattle breeding Farm, Dumraon

The Haryana cattle breeding farm covers 231 acre⁸ of land and has capacity to keep 450 animals. The main objective of the farm was to develop the breed of the animal and production of milk. It was noticed that the strength of animals ranged between 60 to 77 during 2000-05. The milk production was only 1433 litre during 2000-05 whereas the farm spent Rs 1.92 crore during 2000-05 on its establishment.

On this being pointed out, the Manager stated (August 2005) that due to non-availability of dry fodder, the number of animals declined and production of milk decreased.

5.1.21 Poultry development

The Tenth Five Year Plan envisaged strengthening and expansion of three existing Poultry farms⁹ of 2000 layers and 5000 broilers each and setting up of two additional poultry farms for production of low input technology commercial chicks. Two new additional poultry farms were not set up as there was no budget provision. Out of three existing poultry farms only two viz Central Poultry Farm, Patna and Poultry Farm, Muzaffarpur were functioning. Against available funds of Rs 6.39 crore, Rs 6.16 crore was spent during 2000-05.

Schemes not executed due to improper planning

Physical target was not fixed by the Department, however target was taken from Xth Five Year Plan. The Central Poultry Farm, Patna had only 1693 broilers and layers in 2004-05 as against the target of 7000 broilers and layers. So the farm was not being optimally utilised. This was due to the dilapidated condition of 18 sheds out of 27 sheds and faulty water supply system. The matter was reported (August 2001) to the Directorate but no administrative approval for the repair of sheds was accorded by the Department (November

⁸ Plantation in 100 acre land, Building constructed on 36.20 acre of land and 94.90 acre land for charagah total 231 acre of land.

⁹ Central Poultry Farm Patna, Poultry Farm Muzaffarpur and Poultry Farm Bhagalpur.

2005). In the poultry farm at Muzaffarpur only eggs were produced but in the absence of incubator, there was no production of birds.

In the poultry farm of Bhagalpur there were no birds since 2000-01. However Rs 39 lakh was drawn by the Assistant Director, Poultry Farm Bhagalpur for construction of building and purchase of machinery and equipment under low in-put technology during 2002-03. Out of this, Rs 10 lakh was spent (April 2003) for construction of sheds and the remaining amount was kept (April 2003) in the current account. The farm was non-functional due to disconnection of electricity in March 2004 on account of non-payment of electricity bills. The expenditure of Rs 10 lakh on shed was infructuous.

5.1.22 Failure of monitoring mechanism

There was no monitoring and evaluation cell functioning in the Department. So the Department failed to monitor and evaluate proper and timely execution of various schemes and activities. As per rule 306 A of Bihar Treasury Code, every Controlling Officer should make a thorough inspection once in a year of the offices under his control but no inspection was carried out by the Director. Besides, the DAHOs also did not inspect the Sub-Divisional offices under their jurisdiction. The reports and returns submitted by the DAHOs were not scrutinised by the Directorate office. This indicates non-existent monitoring mechanism in the Department.

5.1.23 Internal Audit

The State Government established (1953) internal audit wing under the control of Finance Department. Internal audit wing is headed by the Chief Controller of Accounts functioning under the administrative control of Secretary cum Commissioner of Finance Department.

Scrutiny showed that internal audit of Animal Husbandry Department was undertaken on request of the Department. No independent audit planning was in existence.

During 2000-05 the Department issued only 64 Inspection Reports (IRs) but it failed to ensure speedy compliance of the points raised in the IRs. Against audit observation of Rs 8.28 crore, paras amounting to Rs 1.24 lakh (0.15 per cent) only was settled by the department as of August 2005 as indicated below:

(Rs in Lakh)								
Year	Total No. of IR issued	Defalcation/ misappropriation	Recoverable amount	Amount under objection	Loss	Unadjusted advance	Total	Amount settled
2000-2001	2	-	0.52	0.55	-	0.19	1.26	-
2001-2002	32	0.89	28.26	368.84	-	12.28	410.27	1.21
2002-2003	18	3.03	16.15	319.58	3.97	5.97	348.70	0.01
2003-2004	4	-	0.15	10.12	-	2.86	13.13	-
2004-2005	8	2.45	0.96	46.14	0.83	3.87	54.25	0.02
Total	64	6.37	46.04	745.23	4.80	25.17	827.61	1.24

Only three per cent objections raised by audit were settled

There were 231 auditee units (Annual 50, Biennial 98 and Triennial 83) under the Animal Husbandry Department. During 2000-05 122 Inspection Reports were issued by statutory audit having 452 paras amounting to Rs 54.45 crore. The Department settled only 33 paras amounting to Rs 1.91 crore (3 per cent) as of August 2005 as detailed below:

(Rs in crore)

Year	No of IRs	Total		Settled		Outstanding	
		Paras	Amount	Paras	Amount	Paras	Amount
2000-01	25	83	6.41	12	0.58	71	5.83
2001-02	39	121	8.06	13	1.13	108	6.93
2002-03	40	170	37.29	8	0.20	162	37.09
2003-04	9	42	1.91	-	-	42	1.91
2004-05	9	36	0.78	-	-	36	0.78
Total	122	452	54.45	33	1.91	419	52.54

5.1.24 Manpower management

No information regarding men-in-position

The Department did not furnish information about its sanctioned strength and men-in-position. The Government through notification formulated new scheme named Cattle Breeding and Development Project (January 2002) by amalgamating the old schemes named Intensive Cow Development Block, Artificial Insemination Centre, Castration of unwanted bull, Frozen Semen Bank with a target to achieve artificial insemination of 55 lakh cattle during the Tenth Five Year Plan and operated 2980 posts under this scheme.

The frozen semen bank cum bull station, Patna was authorised to collect semen to prepare frozen semen (Straw) and to distribute it to 1401 artificial insemination centres. However, out of 16 bulls purchased during 2002-03, six died between 2002-03 and 2004-05 and remaining bulls could not be utilised for the preparation of frozen semen and the project remained a non starter. Hence 2980 persons adjusted under the scheme remained idle and the expenditure of Rs 8.65 crore in 2003-04 and Rs 14.05 crore in 2004-05 on their establishment was infructuous.

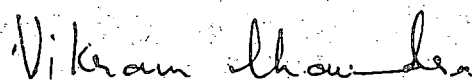
5.1.25 Conclusions

Internal controls viz. financial control, expenditure control, operational control and monitoring mechanism were inadequate and ineffective in the Department. In the absence of expenditure control register financial control could not be achieved. The schemes undertaken by the Department could not take off because the Central Purchase Committee failed to take timely decisions on procurement of equipment and materials. Department had no information regarding the men-in-position in the Department.

Recommendations

- Budget should be prepared on realistic basis to avoid surrender of funds.
- Expenditure control register should be maintained in the Directorate.
- Central Purchase Committee should take decisions within a fixed time schedule.
- Inspection of field offices by the higher officials should be conducted on a regular basis and monitoring mechanism should be strengthened.
- Compliance of audit paragraphs of internal audit wing and statutory audit should be ensured on priority.

The points were referred to the Government (October 2005). The reply was received December 2005 in which the Department accepted the audit observations and assured to take remedial measures.

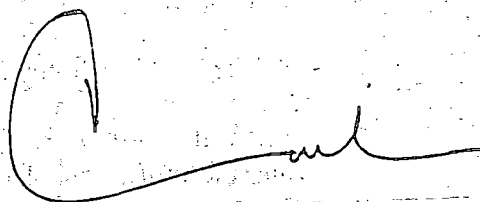


(Vikram Chandra)

Principal Accountant General (Audit), Bihar

**Patna
The**

Countersigned



(Vijayendra N. Kaul)

Comptroller and Auditor General of India

**New Delhi
The**

APPENDIX- I

(Refer : Paragraph – 1.3 ; Page 3)

SUMMARISED FINANCIAL POSITION OF THE GOVERNMENT OF BIHAR
(Rupees in crore)

As on 31 March 2004	Liabilities		As on 31 March 2005
16298.48	Internal Debt		21905.87
	8901.09	Market Loans bearing interest	10461.99
	4.34	Market Loans not bearing interest	0.34
	13.67	Loans from LIC	13.57
	7379.38	Loans from other Institutions, etc.	11429.97
747.99		Ways and Means Advances	
		Shortfall in deposit with Reserve Bank	
10105.59	Loans and Advances from Central Government		9037.06
	469.61	Pre 1984-85 Loans	409.92
	936.15	Non-plan Loans	300.13
	8631.38	Loans for State Plan Schemes	8257.41
	10.57	Loans for Central Plan Schemes	9.76
	14.92	Loans for Centrally Sponsored Plan Schemes	16.88
	42.96	Ways & Means Advance	42.96
350.00	Contingency Fund		350.00
7997.21	Small Savings, Provident Funds, etc.		8400.72
2592.07	Deposits		2603.10
459.88	Reserve Funds		536.63
-	Remittance Balances		---
-	Suspense and Miscellaneous Balances		---
38551.22	Total		44257.86
As on 31 March 2004	Assets		As on 31 March 2005
15880.15	Gross Capital Outlay		17084.67
	700.01	Investments in shares of Companies, Corporations, etc.	708.66
	15180.14	Other Capital Outlay	16376.01
10763.68	Loans and Advances		11876.69
	8630.26	Loans for Power Projects	9701.30
	2066.59	Other development Loans	2111.89
	66.83	Loans to Government Servants, etc.	63.50
145.84	Advances		196.04
1649.15	Remittance Balances		1642.89
-888.37	Suspense and Miscellaneous Balances		985.49
395.91	Cash		2942.95
		Cash in Treasuries and Local Remittances	
	91.70	Departmental Balances	92.83
	0.18	Permanent Cash Imprest	0.18
	304.03	Cash Balance Investment and other Reserve Fund Investment	2849.94
		Deposits with Reserve Bank	
10604.86	Deficit on Government Accounts		9529.13
	255.26	(i) Add Revenue Deficit/Less Revenue surplus of the Current Year	-1075.73
	10349.60	Accumulated deficit up to preceding year	10604.86
		Miscellaneous Government Account	
38551.22	Total		44257.86

Note : Provident Fund, Small Savings, Capital outlay, loans and advances have not been bifurcated between Bihar and Jharkhand.

APPENDIX- II
(Refer : Paragraph – 1.4 ; Page 4)
ABSTRACT OF RECEIPTS AND DISBURSEMENTS FOR THE YEAR
2004-05

(Rupees in crore)

Receipts			Disbursements				
2003-04			2004-05	2003-04			2004-05
	Section A : Revenue			Total		Non-Plan	Plan
12455.56	I. Revenue Receipts		15714.14	12710.83	I. Revenue Expenditure	12642.78	1995.63
2889.69	Tax Revenue	3347.39		7175.46	General Services	7625.29	178.19
320.38	Non Tax revenue	417.79		4033.43	Social Services	3870.36	924.62
7627.87	State's share of Union Taxes and Duties	9117.13		2821.76	Education, Sports, Art and Culture	2757.46	384.77
151.56	Non Plan Grants	683.99		534.25	Health and Family Welfare	400.39	207.08
1169.28	Grants for State Plan Schemes	1642.90		200.49	Water Supply, Sanitation, Housing and Urban Development	173.73	77.36
40.95	Grants for Central Plan	10.33		11.11	Information and Broadcasting	11.94	
250.83	Grants for Centrally Sponsored Plan Schemes	494.61					11.94
				81.73	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	67.59	27.52
				83.62	Labour and Labour Welfare	27.95	87.14
				291.01	Social Welfare and Nutrition	420.90	140.75
				9.46	Others	10.40	10.40
				1498.18	Economic Services	1142.85	892.82
				248.66	Agriculture and allied activities	212.98	183.86
				624.23	Rural Development	327.03	475.65
				319.09	Irrigation and Flood Control	284.34	188.68
				1.15	Energy		1.74
				31.50	Industry and Minerals	19.65	13.76
				204.61	Transport	223.51	1.10
				68.94	General Economic Services	75.34	28.03
				3.76	Grants-in-aid and Contributions	4.28	
255.27	II. Revenue Deficit carried over to Section B				Revenue surplus carried over to Section B		1075.73
12710.83	Total Section A		15714.14	12710.83			13714.14
	Section B – Others						
92.85	III. Opening Cash Balance including Permanent Advances and Cash Balance Investment		-352.08	1549.17	II. Capital Outlay	34.52	1170
				22.23	General Services	32.46	35.19
				163.44	Social Services	1.26	136.03
				54.16	Education, Sports, Art and Culture		17.59
				4.78	Health and Family Welfare	0.02	21.92
				75.74	Water Supply, Sanitation, Housing and Urban Development	1.24	68.40
				28.76	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes		8.49
					Social Welfare and Nutrition		19.63
				1363.50	Economic Services	0.80	998.78
				5.67	Agriculture and allied activities	0.65	9.67
				470.74	Rural Development		367.47
				521.36	Irrigation and Flood Control	--	442.52
				300.40	Energy	--	26.50
				1.80	Industry and Minerals	--	1.12
				61.53	Transport	--	144.06
				2.00	General Economic Services	0.15	7.44

* increased due to rounding

Receipts				Disbursements			
2003-04			2004-05	2003-04			2004-05
10.45	IV. Recoveries of Loans and Advances		14.83	2568.92	III. Loans and Advances Disbursed		1127.84
-	From Power Projects		--	2491.69	For Power Projects	1071.04	
7.77	From Government Servants	5.99		1.94	To Government Servants	2.66	
2.68	From others	8.84		75.30	To others	54.14	
	V. Revenue Surplus brought down		1075.73	255.27			
5068.51	VI. Public Debt Receipts		7622.58	2801.64	IV. Repayment of Public Debt		3083.72
4248.80	Internal Debt other than Ways and Means Advances and Overdraft	5968.40		421.94	Internal Debt other than Ways and Means Advances and Overdraft	361.01	
	Net transaction under Ways and Means Advances and Overdraft				Net transaction under Ways and Means Advances and Overdraft		
819.71	Loans and Advances from Central Government	1654.18		2379.70	Repayment of Loans and Advances to Central Government	2722.71	
7440.06	VI. Public Accounts Receipts		4092.67	5788.95	VI. Public Account Disbursements		5519.18
986.74	Small Savings, Provident Fund, etc.	1198		868.76	Small Savings, Provident Fund, etc.	794.50	
-	Reserve Funds	188.59		-	Reserve Funds	111.84	
3153.80	Deposits and Advances	3129.42		3386.63	Deposits and Advances	3168.59	
2079.64	Suspense and Miscellaneous	-1661.61		327.14	Suspense and Miscellaneous	212.24	
1219.88	Remittances	1238.27		1206.42	Remittances	1232.01	
				-352.08	VII. Cash Balance at end		1518.47
					Cash in Treasuries and Local Remittances		
				-747.99	Deposits with Reserve Bank	-1424.48	
				91.88	Departmental Cash Balance including Permanent Advances, etc.	93.01	
				304.03	Cash Balance Investment	2849.94	
12611.87	Total Section B		12453.73	12611.87	Total		12453.73

APPENDIX-III

(Refer: Paragraph – 1.4; Page 4)

SOURCES AND APPLICATION OF FUNDS

		(Rupees in crore)	
2003-04	Sources		2004-05
12455.56		Revenue Receipts	15714.14
10.45		Recoveries of Loans and Advances	14.83
2266.87		Increase in Public debt	4538.86
1651.11		Net Receipts from Public Account -	(-)1426.51
	117.98	Increase in Small Savings, Provident Funds, etc.	403.50
	(-) 232.83	Increase in Deposits and Advances	(-)39.17
	-	Increase in Reserve funds	76.75
	1752.50	Net effect of Suspense and Miscellaneous transactions	(-)1873.85
	13.46	Net effect of Remittance transactions	6.26
444.93		Decrease in cash balance	
16828.92	Total		18841.32
2003-04	Application		2004-05
12710.83		Revenue expenditure	14638.41
2568.92		Lending for development and other purposes	1127.84
1549.17		Capital expenditure	1204.52
-		Increase in cash balance	1870.55
16828.92	Total		18841.32

Explanatory Notes for Appendices - I, II and III:

- ♦ 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-I, 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.
- ♦ Remittance, Suspense and miscellaneous balances include cheques issued but not paid, payments made on behalf of other states and other transactions pending settlement etc.
- ♦ In terms of the Bihar Reorganisation Act, 2000 (No.30 of 2000) the apportionment of assets and liabilities of the composite State of Bihar immediately prior to the appointed day (15 November 2000) as also other financial adjustments has so far been made in respect of Public Debt and cash balance only.
- ♦ There was a difference of Rs 34.43 crore (debit) between the figures reflected in the accounts and that intimated by the RBI under "Deposits with Reserve Bank".

APPENDIX-IV

(Refer : Paragraph – 1.4 ; Page 4)

TIME SERIES DATA ON STATE GOVERNMENT FINANCES

(Rupees in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05
Part A. Receipts					
1. Revenue Receipts	11177	9839	10968	12456	15714
(i) Tax Revenue	2809(25)	2319(24)	2761(25)	2890(23)	3347(21)
Taxes on Sales, Trade, etc.	1821(65)	1413(61)	1648(60)	1637(57)	1891(57)
State Excise	243(9)	239(10)	242(9)	240(8)	272(8)
Taxes on Vehicles	224(8)	142(6)	178(6)	209(7)	213(6)
Stamps and Registration Fees	302(11)	304(13)	348(13)	418(14)	429(13)
Land Revenue	34(1)	34(2)	36(1)	34(1)	33(1)
Other Taxes	185(7)	187(8)	309(11)	352(13)	509(15)
(ii) Non-Tax Revenue	712(6)	287(3)	261(2)	320(3)	418(3)
(iii) State's share in Union taxes and duties	6576(59)	6177(63)	6549(60)	7628(61)	9117(58)
(iv) Grants-in-aid from Government of India	1080(10)	1057(11)	1397(13)	1618(13)	2832(18)
2. Misc. Capital Receipts	-	-	-	-	-
3. Total Revenue and Non debt capital receipt (1+2)	11177	9839	10968	12456	15714
4. Recoveries of Loans and Advances	11	13	16	10	15
5. Public Debt Receipts	3528	3758	4190	5069	7623
Internal Debt (excluding Ways & Means Advances and Overdrafts)	2045	2681	2935	4249	5969
Net transactions under Ways and Means Advances and Overdraft	237	-	-	-	-
Loans and Advances from Government of India ¹	1246	1077	1255	820	1654
6. Total Receipts in the Consolidated Fund (3+4+5)	14716	13619	15174	17535	23352
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Accounts receipts	10462	7719	5584	7440	4092
9. Total receipts of the State (6+7+8)	25178	21329	20758	24975	27444
Part B. Expenditure					
10. Revenue Expenditure	13507(89)	11159(90)	12255(88)	12711	14638
Plan	839(6)	867(8)	1354(11)	1084(9)	1996(14)
Non-plan	12668(94)	10292(92)	10901(89)	11627(91)	12642(86)
General Services (including Interests payments)	6983(52)	6323(57)	6574(54)	7176(56)	7803(53)
Economic Services	1713(13)	1302(12)	1763(14)	1498(12)	2036(33)
Social Services	4809(35)	3532(31)	3916(32)	4033(32)	4795(14)
Grants-in-aid and contributions	1.96	1.82	1.82	4	4
11. Capital Expenditure	1076	742	970	1549	1205
Plan	1076(100)	742(100)	970(100)	1493(96)	1170(97)
Non-plan	Neg.	Neg.	Negligible	56(4)	35(3)
General Services	9(1)	19(2)	81(8)	22(1)	68(6)
Economic Services	983(91)	680(92)	747(77)	1364(88)	1000(83)
Social Services	84(8)	43(6)	142(15)	163(11)	137(11)
12. Disbursement of Loans and Advances	680	534	747	2569	1128
13. Total (10+11+12)	15263	12435	13972	16829	16971
14. Repayments of Public Debt	807	624	1526	2802	3084
Internal Debt (excluding Ways and Means Advances and Overdrafts)	71	96	145	422	361
Net transactions under Ways and Means Advances and Overdraft	186	-	-	-	-
Loans and Advances from Government of India	550	528	1381	2380	2723
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	16070	13059	15498	19631	20055
17. Contingency Fund disbursements	-	-	-	-	-

¹ Includes Ways and Means Advances from GOI.

	2000-01	2001-02	2002-03	2003-04	2004-05
18. Public Accounts disbursements	8966	8060	4822	5789	5519
19. Total disbursement by the State (16+17+18)	25036	21119	20320	25420	25574
Part C. Deficits					
20. Revenue Deficit (1-10) (-) / surplus (+)	-2330	-1320	-1287	-255	(+)1076
21. Fiscal Deficit (3+4-13)	(-)4075	(-)2583	(-)2988	(-)4363	(-)1242
22. Primary Deficit (-)/surplus (+) (21-23))	(-)933	(+) 46	(+) 34	(-)1020	(+)2232
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	3142	2629	3022	3343	3474
24. Arrears of Revenue(Percentage of Tax & non-tax Revenue Receipts in brackets)	1012 (29)	1141 (44)	1485 (49)	1357 (42)	1101 (29)
25. Financial Assistance to local bodies etc.	634	1237	NA	N.A.	
26. Ways and Means Advances (WMA)/Overdraft availed (days)	188	229	1	44	3
27. Interest on WMA/Overdraft	12	12	Negligible	5	Negligible
28. Gross State Domestic Product (GSDP)	49383	50987	56688	59862	*62792
29. Fiscal liability (year end)	28444	31883	35249	37453	42483
30. Outstanding guarantees including interest (year end)					
31. Maximum amount guaranteed (year end)	NA	NA	NA	N.A.	473
32. Number of incomplete projects	23	22	22	22	18
33. Capital blocked in incomplete projects	116	30	NIL	N.A.	1183

Note: Figure in brackets represent percentage (rounded) to total of each subheading.

* Advance estimates figure provided by the Government of Bihar.

APPENDIX –V

(Refer : Paragraph – 1.4 ; Page 4)

List of terms used in the Chapter –I and basis for their calculations

Terms	Basis for 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 the parameter (X) Rate of Growth of the parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount}/\text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economics Services
Weighted Interest Rate (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 – Weighted Interest rates
Interest received as per cent to Loans Advanced	$\text{Interest Received}/[(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2] * 100$
Revenue Deficit	Revenue Receipts – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest Payment
Balance from Current Revenue (BCR)	Revenue Receipts <u>minus</u> all Plan grants and Non-Plan Revenue Expenditure excluding debits under 2048 – Appropriation for Reduction or Avoidance of Debt

(* denotes multiplication)

APPENDIX – VI

(Refer : Paragraph – 1.7.2; Page 14)

Utilisation certificates relating to Grants-in-aid paid upto March 2004 but not received upto September 2004

Combined State of Bihar upto 14.11.2000

(Rupees in lakh)

(Rupees in lakh)

Sl. No.	Department	Year to which Grants were paid	Utilisation due		Utilisation received		Utilisation awaited	
			Number	Amount	Number	Amount	Number	Amount
Combined State of Bihar upto 14.11.2000								
1.	Animal Husbandry	upto 2000-2002	511	1533.53	NIL	NIL	511	1533.53
2.	Agriculture	upto 2000-2002	167	4811.84	NIL	NIL	167	4811.84
3.	Co-operative	Upto 2000-2002	471	7149.69	NIL	NIL	471	7149.69
4.	Education	Upto 2000-2002	56	4214.91	NIL	NIL	56	4214.91
5.	Police	Upto 2000-2002	6	559.94	NIL	NIL	6	559.94
6.	Public Works	Upto 2000-2002	555	512.12	NIL	NIL	555	512.12
7.	Welfare	Upto 2000-2002	1615	2909.22	NIL	NIL	1615	2909.22
8.	Medical	Upto 2000-2002	778	2233.09	NIL	NIL	778	2233.09
9.	Urban Development	Upto 2000-2002	6852	22915.76	NIL	NIL	6852	22915.76
10.	Industry	Upto 2000-2002	2495	33639.88	NIL	NIL	2495	33639.88
11.	Other	Upto 2000-2002	6684	30702.84	NIL	NIL	6684	33702.84
	Total		20190	111182.82	NIL	NIL	20190	111182.82

(Rupees in lakh)								
Sl. No.	Department	Year to which Grants were paid	Utilisation due		Utilisation received		Utilisation awaited	
			Number	Amount	Number	Amount	Number	Amount
Separated State of Bihar from 15.11.2000								
1.	Animal Husbandry	2001-02	5	187.75	NIL	NIL	5	187.75
		2003-04	2	71.47	NIL	NIL	2	71.47
		2004-05	6	143.20	Nil	Nil	6	143.20
2.	Agriculture	2003-04	2	597.05	NIL	NIL	2	597.05
		2004-05	1	625.74	NIL	NIL	1	625.74
3.	Education	2001-02	30	7808.03	NIL	NIL	30	7808.03
		2002-03	21	1164.30	15	461.07	6	703.23
		2004-05	1	338.64	NIL	NIL	1	338.64
4.	Welfare	2001-02	28	1135.34	NIL	NIL	28	1135.34
		2003-04	7	338.62	2	39.00	5	299.62
		2004-05	3	191.92	NIL	NIL	3	191.92
5.	Co-opertive	2001-02	6	152.25	NIL	NIL	6	152.25
		2003-04	1	75.00	NIL	NIL	1	75.00
		2004-05	17	11023.87	NIL	NIL	17	11023.87
6.	Public Works	2003-04	37	233.00	7	41.69	30	191.31
7.	Industry	2001-02	37	980.74	NIL	NIL	37	980.74
		2002-03	19	891.83	NIL	NIL	19	891.83
		2004-05	28	823.07	NIL	NIL	28	823.07
8.	Urban Development	2001-02	207	1909.35	2	100.50	205	1808.85
		2002-03	18	3100.64	6	1577.93	12	1522.71
		2003-04	18	7685.68	NIL	NIL	18	7685.68
		2004-05	18	3925.41	NIL	NIL	18	3925.41
9.	Others	2001-02	141	14088.70	NIL	NIL	141	14088.70
		2002-03	6	756.48	3	446.58	3	309.90
		2003-04	6	6212.29	3	126.55	3	6085.74
		2004-05	25	17466.76	10	13684.26	15	3782.50
	Total	Up to 14.11.2000	20190	111182.82	NIL	NIL	20190	111182.82
		2001-02	454	26262.16	2	100.50	452	26161.66
		2002-03	64	5913.25	24	2485.58	40	3427.67
		2003-04	73	15213.11	12	207.24	61	15005.87
		2004-05	99	34538.61	10	13684.26	89	20854.35
	Grand Total			193109.95		16477.58		176632.37

APPENDIX-VII

(Refer : Paragraph – 1.7.3; Page 14)

Details with status of accounts submitted by Autonomous bodies to State Legislature

Sl. No.	Name of the body	Period of entrustment of audit of accounts to CAG	Year for which accounts due	Year upto which account submitted	Year upto which Audit Report issued	Year upto which Audit Report submitted to State Legislature	Reasons for non-finalisation of Audit Reports
1.	Bihar State Housing Board, Patna	1994-2005	1999-2005	1998-99	1993-94	1993-94	Separate Audit Reports 94-95 to 98-99 under process(Oct.2005)
2.	Bihar Khadi and Village Industries Board, Patna	1987-2005	1987-2005	1986-87	1986-87	1986-87	Annual Accounts for the period 1987-88 onwards awaited
3.	Bihar State Legal Service Authority, Patna	2004-05	2004-05	2003-04	2003-04		Annual Accounts for 2004-05 awaited

APPENDIX – VIII

(Refer : Paragraph - 1.8.1; Page 15)

List of incomplete irrigation projects where huge capital was blocked

Sl. No.	Name of the project/scheme	Expenditure (Rupees in crore)
		Up to 2004-05
1	Kosi Project	389.15
2	Gandak Project Phase II	47.50
3	North Koel Project	374.25
4	Konar Irrigation Project	70.64
5	Auranga Reservoir Project	36.53
6	Kadwan Reservoir	0.30
7	Durgawati Reservoir	52.23
8	Sone Canal Modernisation Project	74.68
	Total (A)	1045.28
1	Nakti Reservoir Scheme	14.01
2	Upper Sankh Reservoir	11.54
3	Ram Rekha Reservoir	2.96
4	Kans Reservoir Scheme	8.66
5	Sonua Reservoir Scheme	24.52
6	Bhairwa Reservoir Scheme	7.41
7	Kesso Reservoir Scheme	3.22
8	Dhansigh Toli Reservoir Scheme	14.83
9	Katri Reservoir Scheme	33.36
10	Kamsjore Reservoir Scheme	17.35
	Total (B)	137.86
	Grand Total (A + B)	1183.14

APPENDIX-IX

(Refer : Paragraph – 1.8.4; Page 16)

Departmentally managed commercial/ quasi-commercial undertakings which have not prepared proforma accounts since their inception

Sl. No.	Name of the commercial/quasi-commercial undertakings	No. of unit	Date of establishment of undertakings
	Animal Husbandry & Fisheries Department		
1	Central Poultry Farm, Patna	1	December 1948
2	Regional Poultry Farm, Bhagalpur	1	December 1959
3	Regional Poultry Farm, Muzaffarpur	1	October 1971
	Industries Department		
4	Adarsh Iron workshop	5	1956-61
5	Adarsh Wooden workshop	8	1956-64
6	Procurement Centre	7	--
7	Salt Petre Refinery, Mahesi, East Champaran	1	1953
	Excise & Prohibition Department		
8	Purchase and sale of opium stock	1	--
9	Grain Gola	1	1947-48
	Total	26	

APPENDIX-X

(Refer : Paragraph – 1.8.4; Page 16)

Departmentally managed commercial/quasi-commercial undertakings, the proforma accounts of which are in arrears

Sl. No.	Name of the commercial/quasi-commercial undertakings	Period of proforma account in arrears
	Agriculture Department	
1	State Tractor Organisation, Purnea	1977 onwards (November to October)
	Home-(Jail) Department	
2	Manufacturing Department of Central Jail, Bhagalpur	1981 to 2005 (January to December)
3	Manufacturing Department of Central Jail, Buxar	1987 to 2005 (January to December)

Notes: The State Tractor Organisation Purnea is reported to have been closed.

APPENDIX XI

(Refer : Paragraph – 2.3.1; Page 22)

Statement of excesses over Grants requiring regularisation

(Rupees in crore)

Sl No.	Number and Name of Grant	Total Grant (Original + Supplementary)	Actual Expenditure	Amount of Excess (Percentage of Excess)	Main Reasons
	Revenue Voted Grant				
1.	21-Higher Education Department	520.78	526.32	5.54 (1.06)	Not intimated (October 2005)
	Capital Voted Grants				
2.	19-Forest and Environment Department	0.60	0.65	0.05 (9.08)	Not intimated (October 2005)
3.	21-Health, Medical Education and Family Welfare Department	21.91	21.94	0.03 (0.12)	Not intimated (October 2005)
4.	46-Tourism Department	7.39	7.45	0.06 (0.74)	Not intimated (October 2005)
	Total Voted Grant	550.68	556.36	5.68	

APPENDIX XII

(Refer : Paragraph – 2.3.2; Page 23)

Areas in which major savings occurred (Rupees five crore or more)

			(Rupees in crore)
Sl. No.	Grant No. / Department	Head of Account (Major/Minor/Sub Head)	Major Savings (Percentage in provision)
A	Revenue Voted		
I	12-Finance Department	2048-Appropriation for reduction or avoidance of debt	
1.		0001-Sinking Funds 00-101-0001	400.00 (100)
II	15-Pension	2071-Pension and Other Retirement Benefits	
2.		0001-Payment of commuted value of pension to employees retired from successor State of Bihar 01-102-0001	82.59
3.		0003-Dearness relief to pre 15-11-2000/-family pensioners 01-105-0003	13.35
		2075-Miscellaneous General Services	
4.		0001-Pension for specific and distinguished services. 00-104-0001	6.00 (100)
III	20-Health, Medical Education and Family Welfare Department	2210-Medical and Public Health	
5.		0016- Mental Hospital 01-110-0016	9.90
6.		0001-Rural Dispensaries 03-101-0001	9.13
7.		0002-Additional Primary Health Centre 03-101-0002	15.55
8.		0003- Health Sub-centre 03 - 101 - 0003	9.05
9.		0001- Primary Health Centre 03 - 103 - 0001	19.64
10.		0801- Allopathy 03 - 110 - 0801	7.49
11.		0602-National Malaria Eradication Programme including Kalazar 06-003-0602	10.79
		2211 Family Welfare	
12.		0602- Health Sub-centre 00 - 101 - 0602	40.35
13.		0601- Compensation 00 - 105 - 0601	9.24
IV	22-Home Department	2055 Police	
14.		0003- Purchase of materials at central level 00 - 001 - 0003	8.85

Sl. No.	Grant No. / Department	Head of Account (Major/Minor/Sub Head)	Major Savings (Percentage in provision)
15.		0001- District Executive Force 00 - 109 - 0001	122.54
16.		0001- Establishment of Chowkidar, Dafadar 00 - 110 - 0001	18.97
17.		0001- Equipment amount of Central Government under the scheme of modernization of police force 00 - 115 - 0001	10.90
V	39-Disaster Management Department	2245-Relief on account of Natural Calamities	
18.		0001- Special nutritious food 01-103- 0001	25.88 (100)
19.		0003-Other Works (Grants to Agriculture Departments. for Agriculture input) 01-800-0003	67.40 (100)
20.		0004-Self Employment 01-800-0004	60.00 (100)
21.		0002-Supply of food grains 02-101-0002	11.76
22.		0001-Supply of drinking water 02-102-0001	18.92
23.		0001-Repairs and restoration of damaged roads and bridges 02-106-0001	14.08
24.		0003-Search of calamity affected persons and purchase of safety and evacuation instruments for relief work. 02-112-0003	6.14 (100)
25.		0001-Repair/Restoration of damaged buildings caused by flood 02-113-0001	93.52
26.		0001-Repair of damaged irrigation system and flood control system 02-122-0001	9.81
27.		0005-Cash Payment to Rural Development Department for Swarojgar Yojana	9.93
VI	42-Rural Development Department	2501-Special Programmes for Rural Development	
28.		0102-Swaran Jayanti Gram Swarojgar Yojana 01-800-0102	10.57
		2505-Rural Employment	
29.		0109-Ensured Employment Programme 01-702-0109	24.04
30.		0110-Complete Rural Employment Scheme 01-702-0110	21.60
		2515-Other Rural Development Programmes	
31.		0003- District Panchayat Establishment 00 - 001 - 0003	17.46
32.		0001 Post Stage-2 Block 00 - 102 - 0001	19.83

Sl. No.	Grant No. / Department	Head of Account (Major/Minor/Sub Head)	Major Savings (Percentage in provision)
33.		0001-Assistance to Panchayati Raj Institution 00-197-0001	8.68
34.		0001-Assistance to Panchayati Raj Institution 00-198-0001	124.50
35.		0004 Superintending Engineer (REO) 00 - 800 - 0004	9.89
VII	44-Secondary, Primary and Adult Education	2202-General Education	
36.		0001 Government Primary and Middle School 01 - 101 - 0001	759.31
37.		0801 Government Primary and Middle School- Prime Minister Village uplift Programme 01 - 101 - 0801	39.41
38.		0102 Employment Oriented Scheme under Minimum Needs Programmes 01 - 800 - 0102	22.56
39.		0111 Sarva Shiksha Abhiyan 01 - 800 - 0111	88.51
40.		0001 Other Schools 02 - 109 - 0001	147.88
VIII	51 Welfare Department	2225 Welfare of SCs, STs and OBCs	
41.		0602-Special Central Assistance for Multifarious Development of Harijans-Special Integrated Scheme of Scheduled Castes (100% Centrally Sponsored Scheme) 01-102-0602	9.34
		2235-Social Security and Welfare	
42.		0002-Special nutrition Scheme 02-102-0002	12.68
43.		0602-Consolidated child Development Scheme 02-102-0602	62.96
44.		0603-Externally Sponsored scheme (World Bank)State Sponsored Integrated Child Development Scheme 02-102-0603	16.26
45.		0605-Balika Samridhi Yojana-Grants-in-aid 02-103-0605	10.24 (100)
46.		0802-Special Programme for distribution of food grains to under nutritious Pregnant/Post Delivery women and Adolescent girls 02-101-0802	13.31 (100)
	Capital Voted Section		
IX	10-Energy Department	4801-Capital outlay on Power Projects	
47.		0101-Rashtriya Sum Vikash Yojana 05-800-0101	275.00
		6801-Loans for Power Projects	
48.		0105-Loans to Bihar State Jal Vidyut Nigam (NABARD) 00-201-0105	20.36
49.		0007-Loans to BSEB against the amount provided to Electrical Institutions of Central cell by Rural Electrification Corporation under	95.64 (100)

Sl. No.	Grant No. / Department	Head of Account (Major/Minor/Sub Head)	Major Savings (Percentage in provision)
		rural electrification scheme. 00-201-0007	
50.		0105-Loans to Bihar State Electricity Board for rural electrification 00-201-0105	73.00 (100)
X	41-Road Construction Department	5054-Capital Outlay on Roads and Bridges	
51.		0103-Bridge (NABARD Loan) 03-101-0103	149.20
52.		0106-Central Road Fund 03-337-0106	30.96
53.		0107-Rastriya Sam Vikash Yojana 03-337-0107	393.43
XI	42-Rural Development Department	4515-Capital outlay on other Rural Development Programmes	
54.		0101-Minimum Needs Programmes 00-103-0101	75.09
55.		0108-Chief Engineer/Superintending Engineer (Rural Development) 00-103-0108	8.39
XII	49-Water Resources Department	4701-Capital outlay on Medium Irrigation	
56.		0121-South Bihar Irrigation Project (NABARD Sponsored Project) 04-800-0121	59.30
57.		0126-Restablishment of Eastern Gandak Canal under Rastriya Sam Vikash Yojana 04-800-0126	97.93
Revenue Charged Section			
XIII	13-Interest Payment	2049-Interest Payment	
58.		0001-Interest on Ways & Means Advances from Reserve Bank of India 01-115-0001	10.00
59.		0001-Interest on Loans received from NABARD 01-200-0001	6.10
60.		0002-Interest on Block Loans received from 1989-90 04-101-0002	148.48
61.		0002-Interest on Loans received from 1984-85 as share of small savings collection 04-107-0002	229.90
Capital Charge Section			
XIV	14-Repayment of Loans	6003-Internal Debt of the State	
62.		0003-Repayment of Loans received at higher rate of Interest (Debt-Swap). 01-102-0003	584.01

APPENDIX - XIII

(Refer : Paragraph – 2.3.3; Page 23)

Cases where expenditure fell short of Budget provisions (in excess of Rupees two crore or more and also by more than 20 per cent of the total provisions in each case)

Sl No.	Number and Name of Grant / Appropriation	Amount of Grant/ Appropriation	Amount of Savings (Percentage of Provision in brackets)	Main reasons of Savings as furnished by the Government
		(Rupees in crore)		
A.-Revenue Voted Section				
1.	1- Agriculture Department	213.55	54.99 (25.75)	Reasons for the anticipated saving of Rs 54.99 crore have not been intimated.
2.	2-Animal Husbandry and Fisheries Department	94.08	24.39 (25.92)	Reasons for the saving of Rs 24.39 crore have not been intimated.
3.	17-Finance (Commercial Tax) Department	35.96	14.39 (40.01)	No reasons of saving of Rs 14.39 crore have been furnished.
4.	19-Forest and Environment Department	55.87	24.79 (44.37)	Reasons for excess expenditure of Rs 0.16 crore and saving of Rs 24.95 crore have not been stated.
5.	23-Industries Department	36.43	9.23 (25.33)	Reasons for the saving of Rs. 9.23 crore have not been stated.
6.	27-Law Department	163.79	41.15 (25.13)	The reason for saving of Rs. 34.51 crore was due to vacant posts. The reasons for excess expenditure of Rs 0.07 crore and final saving of Rs 6.71 crore have not been intimated.
7.	31-Parliamentary Affairs Department	2.73	2.21 (80.97)	The reasons for saving of Rs. 2.21 crore were due to non utilization of fund on vehicles and telephone due to employees strike and non payment of A.C.P. dues.
8.	33-Personnel and Administrative Reforms	16.85	9.09 (53.97)	The anticipated savings of Rs. 7.40 crore was due to postponement of examinations for recruitment and the reasons for the balance saving of Rs. 1.69 crore

Sl No.	Number and Name of Grant / Appropriation	Amount of Grant/ Appropriation	Amount of Savings (Percentage of Provision in brackets)	Main reasons of Savings as furnished by the Government
		(Rupees in crore)		
				have not been stated.
9.	43-Science and Technology Department	43.28	12.02 (27.78)	The reasons for saving of Rs. 12.02 crore have not been stated.
10.	48-Urban Development Department	179.02	50.19 (28.03)	Saving of Rs. 40.24 crore was due to non-release of fund by GOI. The reason for excess expenditure of Rs.0.11 crore and the final saving of Rs. 10.06 crore have not been intimated.
11.	49-Water Resources Department	286.92	63.56 (22.15)	The reasons for expenditure of Rs. 0.29 crore without budget provision have not been intimated. Savings of Rs. 1.44 crore was due to transfer of officers and staff to Jharkhand State and non-payment of DA. The reasons for balance saving of Rs. 62.41 crore have not been stated.
	Total	1128.48	306.01	
B.-Capital Voted Section				
1.	3-Building Construction and Housing Department	90.70	37.17 (40.98)	The reasons for final savings of Rs 37.17 crore have not been intimated
2.	9-Co-operative Department	37.20	13.48 (36.22)	The reasons for entire savings of Rs 13.48 crore have not been intimated.
3.	12-Finance Department	14.95	11.89 (79.57)	The reasons for entire saving of Rs 11.89 crore have not been intimated
4.	22-Home Department	72.95	72.95 (100.00)	The reasons for saving of Rs 72.95 crore have not been stated.
5.	36-Public Health Engineering Department	166.41	97.98 (58.88)	The reasons for excess expenditure of Rs 0.03 crore and final savings of Rs 98.01 crore have not been stated.

Sl No.	Number and Name of Grant / Appropriation	Amount of Grant/ Appropriation	Amount of Savings (Percentage of Provision in brackets)	Main reasons of Savings as furnished by the Government
		(Rupees in crore)		
6.	44-Secondary, Primary and Adult Education Department	21.51	6.95 (32.29)	The reasons for entire saving of Rs 6.95 crore have not been stated.
7.	50-Minor Irrigation Department	79.77	20.34 (25.50)	The reasons for the final saving of Rs 20.34 crore have not been stated.
	Total	483.49	260.76	
C.-Revenue Charged Section				
1.	28-High Court of Bihar	24.45	5.65 (23.12)	The anticipated savings of Rs 5.65 crore was due to vacant posts, non receipt of bills from suppliers and firms and non-payment of DA.
	Total	24.45	5.65	
Grand Total	(A+B+C)	1636.42	572.42	

APPENDIX - XIV

(Refer : Paragraph – 2.3.4; Page 23)

Cases of persistent savings exceeding Rupees two crore in each case

Sl. No.	Number and name of Grant/ Appropriation	Savings (Amount in crore of rupees) and its percentage to provision in bracket)		
		2002-03	2003-04	2004-05
A-REVENUE VOTED				
1	1- Agriculture Department	89.07(39)	73.91(35)	54.99(26)
2	2-Animal Husbandry and Fisheries Department	31.21(32)	23.05(26)	24.39(26)
3	6-Election	8.44(24)	22.26(43)	32.68(18)
4	12-Finance Department	314.30(86)	15.33(25)	415.81(89)
5	19-Forest and Environment Department	14.89(33)	21.14(39)	24.79(44)
6	20-Health Medical Education and Family Welfare Department	207.48(27)	185.56(26)	207.41(26)
7	22-Home Department	262.02(22)	136.55(13)	198.16(15)
8	23-Industries Department	16.43(29)	20.92(45)	9.23(25)
9	26-Labour, Employment and Training Department	45.44(24)	34.87(20)	40.59(19)
10	27-Law Department	31.73(24)	41.84(28)	41.15(25)
11	39-Relief and Rehabilitation Department	85.66(46)	50.40(47)	277.23(50)
12	40-Revenue and Land Reform Department	47.39(21)	53.42(22)	42.14(17)
13	41-Road Construction Department	32.98(15)	27.56(12)	26.64(11)
14	42-Rural Development Department	152.00(16)	287.84(31)	261.01(24)
15	43-Science and Technology Department	18.23(53)	26.22(51)	12.02(28)
16	44-Secondary, Primary and Adult Education Department	494.28(18)	696.75(23)	1070.36(29)
17	48-Urban Development Department	35.70(26)	43.55(34)	50.19(28)
18	49-Water Resources Department	38.36(16)	28.05(12)	63.56(22)
19	51-Welfare Department	109.80(32)	183.59(42)	163.72(34)
20	52-Art, Culture and Youth Department	5.47(28)	5.37(28)	2.98(16)
	Total	2040.88	1978.18	3019.05
B-CAPITAL – VOTED				
1	3-Building Construction and Housing Department	7.57(23)	113.28(74)	37.17(41)
2	9-Co-operative Department	9.86(32)	19.52(53)	13.48(36)
3	12-Finance Department	7.86(61)	10.64(85)	11.89(80)
4	36-Public Health Engineering Department	70.79(50)	113.78(61)	97.98(59)
5	41-Road Construction Department	39.08(31)	69.64(53)	576.98(80)
6	42-Rural Development Department	233.43(41)	120.21(20)	102.12(22)
7	49- Water Resources Department	331.96(52)	315.63(48)	241.73(39)
	TOTAL	700.55	762.70	1081.35
C-Revenue Charged Section				
1.	28- High Court of Bihar	7.09(32)	5.66(25)	5.65(23)
	TOTAL	7.09	5.66	5.65
	GRAND TOTAL (A+B+C)	2748.52	2746.54	4106.05

APPENDIX – XV

(Refer : Paragraph – 2.3.5; Page 23)

Excesses for the years 1977-78 to 2004-05

Year	No. of Grants/ Appropriation	Grants/Appropriation number	Amount of excess	Amount for which explanation not furnished to PAC
(Rupees in crore)				
1977-78	2	5, 24	0.40	0.40
1978-79	2	17, 27	16.17	16.17
1979-80	1	17	33.46	33.46
1980-81	2	12, 17	26.03	26.03
1981-82	7	3, 11, 12, 13, 15, 17, 24	39.24	39.24
1982-83	2	12, 22	4.79	4.79
1983-84	2	11, 12	9.98	9.98
1984-85	2	3, 14	2.62	2.62
1985-86	2	10, 13	14.83	14.83
1986-87	1	13	65.62	65.62
1987-88	6	9, 19, 25, 38, 48	244.76	244.76
1988-89	3	9, 25, 38	85.15	85.15
1989-90	3	25, 27, 38	99.40	99.40
1990-91	4	37, 38, 42, 43	92.07	92.07
1991-92	2	6, 38, 43	85.11	85.11
1992-93	2	25, 38	93.25	93.25
1993-94	2	25, 37	157.68	157.68
1994-95	1	37	170.61	170.61
1995-96	3	25, 36, 37	213.22	213.22
1996-97	3	20, 23, 37	22.44	22.44
1997-98	1	7	0.01	0.01
1998-99	1	30	0.33	0.33
1999-00	5	10, 13, 14, 40, 50	196.23	196.23
2000-01	5	5, 13, 15, 25, 32	712.34	712.34
2001-02	1	15	491.24	491.24
2002-03	2	15, 47	10.15	10.15
2003-04	7	10, 11, 14, 15, 30, 32, 50	3782.34	3782.34
2004-05	4	19, 20, 21, 46	5.68	5.68
Total			6675.15	6675.15

APPENDIX - XVI

(Refer : Paragraph – 2.3.5; Page 23)

Significant cases of excess expenditure exceeding Rupees one crore or more in each case against the provision in Minor Heads

(Rupees in crore)

Sl. No.	Grant No.	Head of Account (Major/ Minor/Sub-Head)	Provision	Expenditure	Excess	Percentage of Excess
I	11	2039 –State Excise				
1		0002-District Charges 00-001-0002	12.30	14.46	2.16	18
II	14	6003-Internal Debt				
2		N0006-13.5% Bihar State Development Loan, 2003 (Not bearing interest) 00-101-N0006	0.13	5.34	5.21	4008
3		N0039-11% Bihar State Development, Loan 2001 (Not bearing interest) 01-102-N0039	0.03	1.93	1.90	6333
4		N0040-11% Bihar State Development, Loan 2002 (Not bearing interest) 01-102-N0040	0.05	2.17	2.12	4240
		6004-Loans and Advances from the Central Government				
5		0002-Loans received from 1984-85 01-102-0002	189.70	195.47	5.77	3
6		0001-Block Loans received from 1989-90 01-101-0001	469.18	1944.83	1475.65	315
III	15	2071-Pension and Other Retirement Benefits				
7		0002-Payment to Employees retiring from successor Bihar 01-104-0002	220.00	221.00	1.00	0.45
IV	20	4210-Capital outlay on Medical and Public Health				
8		0101-Construction of Nurses Hostel Residence and Garage at PMCH Campus 01-110-0101	1.00	2.82	1.82	182
V	21	2202 General Education				
9		0003-Baba Saheb Bhimrao Ambedkar (Bihar University) (Grants-in-aid) 03-001-0003	70.35	76.35	6.00	9
10		0004-Jai Prakash Narayan University, Chapra (Grants-in-	30.90	32.77	1.87	6

Sl. No.	Grant No.	Head of Account (Major/ Minor/Sub-Head)	Provision	Expenditure	Excess	Percentage of Excess
		aid) 03-001-0004				
VI	22	2055-Police				
11		0001-Equivalent amount of Central Govt. under the scheme of modernization of police 00-115-0001	35.68	41.10	5.42	15
VII	29	2853-Non-ferrous Mining and Metallurgical Industries				
12		0001-Mining Establishment 02-001-0001	2.73	3.84	1.11	41
VIII	38	2030-Stamps and Registration				
13		0002-District Charges 03-001-0002	15.35	16.67	1.32	9
IX	39	2245-Relief on account of Natural calamities				
14		0002-Evacuation of Population 02-112-0002	20.39	24.59	4.20	21
15		0001-Calamity Relief Fund 05-101-0001	81.40	188.59	107.19	132
X	48	2217-Urban Development				
16		0113-Grants under environmental improvement Scheme for scheduled castes slum clearance and environmental improvement 80-800-0113	10.95	38.73	27.78	2454
XI	49	4701-Capital outlay on Major and Medium Irrigation				
17		0117-South Bihar Irrigation Project (AIBP) 04-800-0117	74.39	81.69	7.30	10
18		0120-North Bihar Irrigation Project (NABARD Sponsored scheme) 04-800-0120	25.00	26.48	1.48	6
		Total	1259.53	2918.83	1659.30	

APPENDIX XVII
(Refer : Paragraph – 2.3.5; Page 24.)

Expenditure without Budget provision in Minor Heads

(Rupees in crore)

Sl No.	Number and Name of Grant / Appropriation	Head of Account (Major/Minor/Sub-Head/Scheme)	Provision (Original + Supplementary)	Actual Expenditure	Excess
	Revenue Voted Grants				
I	39-Disaster Management Department	2245-Relief on account of Natural Calamities			
1		0005-Cash Payment to Rural Development Department for Swarojgar Yojana 02-800-0005	0.00	5.23	5.23
II	41-Road Construction Department	3054-Road & Bridges			
2		3710-Miscellaneous works Advance 03-799-3710	0.00	0.13	0.13
III	49-Water Resources Department	2701-Medium Irrigation			
3		3710-Miscellaneous Works Advance 00-799-3710	0.00	0.29	0.29
4		3730-Purchase 00-799-3710	0.00	0.03	0.03
		Total	0.00	5.68	5.68

APPENDIX – XVIII

(Refer : Paragraph – 2.3.7; Page 24)

Statement showing cases where supplementary provision was unnecessary

(Rupees in crore)

Sl No.	Number and name of the Grant / Appropriation	Original Grant/ Appropriation	Expenditure	Savings	Amount of unnecessary Supplementary Grant/Appropriation
1	2	3	4	5	6
A.-REVENUE SECTION-Voted					
1	1-Agriculture Department	198.16	158.55	39.61	15.38
2	2-Animal Husbandry and Fisheries Department	85.82	69.69	16.13	8.26
3	3-Building Construction and Housing Department	97.48	90.69	6.79	5.88
4	4-Cabinet secretariat and Co-ordination Department	6.86	5.62	1.24	0.57
5	6- Election	179.96	147.46	32.50	0.17
6	7-Vigilance	7.23	6.74	0.49	0.16
7	10- Energy Department	11.64	11.09	0.55	0.37
8	11-Excise and Prohibition Department	16.27	16.25	0.02	0.65
9	12-Finance Department	461.27	52.38	408.89	6.93
10	15-Pension	2440.12	2324.73	115.39	3.00
11	17-Finance (Commercial Tax) Department	25.79	21.57	4.22	10.17
12	19-Forest and Environment Department	55.12	31.08	24.04	0.75
13	20-Health, Medical Education and Family Welfare Department	697.25	604.12	93.13	114.28
14	22-Home Department	1224.17	1098.17	126.00	72.16
15	23-Industries Department	32.58	27.20	5.38	3.85
16	27-Law Department	161.64	122.64	39.00	2.15
17	30-Minority Welfare Department	2.01	1.32	0.69	0.12
18	31-Parliamentary Affairs Department	0.524	0.519	0.005	2.21
19	32-Legislature	34.98	33.25	1.73	0.35

Sl No.	Number and name of the Grant / Appropriation	Original Grant/ Appropriation	Expenditure	Savings	Amount of unnecessary Supplementary Grant/Appropriation
1	2	3	4	5	6
20	33-Personnel and Administrative Reforms Department	14.48	7.76	6.72	2.37
21	36-Public Health Engineering Department	128.87	124.29	4.58	2.29
22	37-Rajbhasha Department	14.22	12.86	1.36	0.65
23	38-Registration Department	22.55	22.02	0.53	1.49
24	40-Revenue and Land Reforms Department	236.48	204.63	31.85	10.29
25	41-Road Construction Department	249.24	224.01	25.23	1.42
26	44-Middle, Primary and Public Education Department	3338.16	2570.17	767.99	302.37
27	45- Sugarcane Department	10.34	9.58	0.76	1.30
28	49-Water Resources Department	279.78	223.35	56.43	7.14
29	50-Minor Irrigation Department	276.08	253.86	22.22	2.73
30	51-Welfare Department	401.14	322.73	78.41	85.31
31	52-Art, Culture and Youth Department	17.08	15.25	1.83	1.16
Total:		10727.29	8813.57	1913.72	665.93
B.-CAPITAL SECTION-Voted					
1	3- Building Construction and Housing Department	87.07	53.53	33.54	3.63
2	9-Co-operative Department	25.84	23.73	2.11	11.36
3	10- Energy Department	1196.35	1097.74	98.61	410.66
4	22-Home Department	72.00	0.00	72.00	0.96
5	42-Rural Development Department	438.03	370.51	67.52	34.60
6	44-Secondary, Primary and Adult Education Department	16.74	14.56	2.18	4.77
7	49-Water Resources Department	607.32	383.09	224.23	17.50
Total:		2443.35	1943.16	500.19	483.48

Sl No.	Number and name of the Grant / Appropriation	Original Grant/ Appropriation	Expenditure	Savings	Amount of unnecessary Supplementary Grant/Appropriation
1	2	3	4	5	6
C.-REVENUE SECTION- Charged					
1.	13-Interest Payment	3859.61	3473.90	385.71	15.72
2.	28-High Court of Bihar	23.47	18.80	4.67	0.98
3.	34-Bihar Public Service Commission	5.07	4.96	0.11	0.16
	Total:	3888.15	3497.66	390.49	16.86
D - Capital Charged					
1.	14-Repayment of Loan	4182.45	3087.22	1095.23	0.14
	Total:	4182.45	3087.22	1095.23	0.14
	Grand Total (A+B+C+D)	21241.24	17341.61	3899.63	1166.41

APPENDIX – XIX

(Refer : Paragraph – 2.3.7; Page 24)

Statement showing cases where supplementary provision was made in excess of additional requirement (exceeding Rupees 10 lakh in each case)

(Rupees in crore)

Sl. No.	Number and Name of the Grant / Appropriation	Original Provision	Expenditure	Actual requirement	Supplementary Provision	Excess supplementary Provision
1	2	3	4	5	6	7
Revenue Voted						
1	9-Co-operative Department	36.24	135.05	98.81	105.75	6.94
2	18-Food Supply and Commerce Department	58.45	71.38	12.93	16.27	3.34
3	26-Labour, Employment and Training Department	149.96	173.59	23.63	64.21	40.58
4	35-Planing and Development Department	26.36	135.79	109.43	120.60	11.17
5	39-Disaster Management Department	104.87	277.40	172.53	449.77	277.24
6	42-Rural Development Department	668.97	809.09	140.12	401.13	261.01
7	43-Science and Technology Department	28.75	31.26	2.51	14.53	12.02
8	46-Tourism Department	2.68	4.77	2.09	2.79	0.70
9	48-Urban Development Department	98.72	128.83	30.11	80.30	50.19
Total		1175.00	1767.16	592.16	1255.35	663.19
Capital Voted						
1	51-Welfare Department	2.25	24.64	22.39	24.63	2.24
Total		2.25	24.64	22.39	24.63	2.24
Grand Total		1177.25	1791.80	614.55	1279.98	665.43

APPENDIX – XX

(Refer: Paragraph – 2.3.8; Page 24.)

Statement of unnecessary reappropriation of funds (excess exceeding Rupees five lakh)

(Rupees in lakh)

Sl. No.	Grant No.	Head of Account (Major /Sub-Head/Schemes)	Provision (Original + Supplement ary)	Surrender	Total	Expenditure	Excess
1	21	2202-General Education					
		0003-Baba Saheb Bhim Rao Ambedkar Bihar University (Grants-in-aid) 03-102-0003	7417.45	382.37	7035.08	7634.58	599.50
2	26	2230-Labour and Employment					
		0001-Labour Commissioner 01-001-0001	126.41	6.60	119.81	152.65	32.84
3	41	3054-Roads and Bridges					
		0001-Direction 80-001-0001	500.99	26.32	474.67	572.90	98.23
		Total	8044.85	415.29	7629.56	8360.13	730.57

APPENDIX – XXI
(Refer: Paragraph – 2.3.8; Page 24)
Statement of excessive surrenders

(Rupees in lakh)

Sl. No.	Grant No.	Head of Account/Scheme (Major/Minor /Sub-Head)	Provision (Original + Supplementary)	Surrender/reappropriation	Total	Expenditure	Excess after reappropriation/surrender
1	8	5053-Capital outlay on Civil Aviation					
		0101-Aerodromes 02-102-0101	100.00	24.30	75.70	88.82	13.12
2	12	2013-Council of Ministers					
		0001-Ministers	274.49	133.21	141.28	159.96	18.68
3	18	3456-Civil Supplies					
		0002-District Charges 00-001-0002	1307.04	350.19	956.85	972.74	15.89
4	20	2210-Medical and Public Health					
		0003-Darbhanga Medical College 05-105-0003	650.92	93.86	557.06	581.69	24.63
		0008-Srikrishna Medical College, Muzaffarpur 05-105-0008	755.63	209.28	546.35	559.54	13.19
		0002-Public Health Institute 06-003-0002	647.24	92.30	554.94	568.44	13.50
5	22	2235-Social Security and Welfare					
		0001-Equivalent amount of Central Govt. under the Scheme modernization of police force 60-115-0001	5200.00	1631.58	3568.42	4109.66	541.24
6	29	2853-Non-ferrous Mining and Metallurgical Industries					
		0001-Mining Establishment 02-001-0001	475.28	202.72	272.56	384.42	111.86
7	38	2030-Stamps and Registration					
		0002-District Charges 03-001-0002	1860.86	326.10	1534.76	1667.37	132.61
8	39	2245-Relief on account of Natural Calamities					
		0005-Cash Payment to Rural Development Department for Swarojgar Yojana 02-800-0005	1516.00	1516.00	0.00	522.67	522.67
9	48	2217-Urban Development					
		0101-Assistance for development in Urban Infrastructure and Services 80-191-0101	1520.00	836.05	683.95	695.34	11.39
Total			14307.46	5415.59	8891.87	10310.65	1418.78

APPENDIX-XXII

(Refer : Paragraph – 2.3.9 ; Page 24)

Anticipated savings not surrendered (Exceeding Rupees one crore)

(Rupees in crore)					
Sl. No.	Number and name of the Grant / Appropriation	Savings	Surrender	Unsurrendered Savings	Percentage of Savings
A-Revenue Section-Voted					
1	1-Agriculture Department	54.99	40.65	14.34	26
2	2-Animal Husbandry and Fisheries Department	24.39	19.40	4.99	20
3	3- Building Construction and Housing Department	12.67	10.60	2.07	16
4	12-Finance Department	415.81	413.07	2.74	0.65
5	15-Pension	118.38	1.08	117.30	99
6	19-Forest and Environment Department	24.79	22.71	2.08	8
7	20-Health, Medical, Education and Family Welfare Department	207.41	106.53	100.88	49
8	22-Home Department	198.16	176.26	21.90	11
9	26-Labour Employment and Training Department	40.59	37.44	3.15	8
10	40-Revenue and Land Reforms Department	42.15	23.04	19.11	45
11	41-Road Construction Department	26.64	21.00	5.64	21
12	42-Rural Development Department	261.01	220.83	40.18	15
13	43-Science and Technology Department	12.02	0.00	12.02	100
14	44- Secondary, Primary and Adult Education Department	1070.36	736.10	334.26	31
15	49-Water Resources Department	63.56	20.80	42.76	67
16	50-Minor Irrigation Department	24.95	17.24	7.71	31
17	51-Welfare Department	163.72	126.19	37.53	23
	Total	2761.60	1992.94	768.66	
B-Capital Section – Voted					
1	3- Building Construction and Housing Department	37.17	32.66	4.51	12
2	10-Energy Department	509.27	413.49	95.78	19
3	22-Home Department	72.96	56.00	16.96	23
4	36-Public Health and Engineering Department	97.98	72.41	25.57	26
5	42-Rural Development Department	102.12	89.41	12.71	12
6	50-Minor Irrigation Department	20.34	14.50	5.84	29
	Total	839.84	678.47	161.37	
C-Revenue Section-Charged					
1	13-Interest Payment	401.43	19.27	382.16	95.00
	Total	401.43	19.27	382.16	
	Grand Total(A+B+C)	4002.87	2690.68	1312.19	

APPENDIX - XXIII
(Refer : Paragraph – 2.3.9; Page 24)

Amount surrendered on the last day of March 2005

(Rupees in crore)

Sl. No.	Number and name of the Grant/ Appropriation	Amount surrendered on the last day of March 2005
A	Revenue Section – Voted	
1	1- Agriculture Department	39.28
2	2-Animal Husbandry & Fisheries Department	19.40
3	3-Building Construction and Housing Department	10.60
4	4- Cabinet Secretariat and Co-ordination Department	1.37
5	6- Election	32.67
6	7-Vigilance	0.40
7	8-Civil Aviation Department	0.97
8	9- Co-operative Department	6.59
9	10-Energy Department	0.96
10	11-Excise and Prohibition Department	3.35
11	12-Finance Department	413.07
12	15- Pension	1.08
13	16- National savings	0.90
14	17-Finance (Commercial Taxes) Department	13.77
15	18- Food, Supply and Commerce Department	4.04
16	19- Forest and Environment Department	22.71
17	20- Health, Medical Education and Family Welfare Department	106.53
18	21- Higher Education Department	0.71
19	22-Home Department	176.26
20	23- Industries Department	8.62
21	24- Information and Public Relation Department	1.04
22	25- Institutional Finance and Programme Implementation Department	0.48
23	26- Labour, Employment and Training Department	37.44
24	27- Law Department	40.48
25	29- Mines and Geology Department	2.29
26	30- Minorities Welfare Department	0.76
27	31- Parliamentary Affairs Department	2.21
28	32-Legislature	2.15
29	33- Personnel and Administrative Reforms Department	8.91
30	35- Planning and Development Department	11.53
31	36- Public Health and Engineering Department	6.27
32	37-Raj Bhasha Department	1.43
33	38- Registration Department	4.14
34	39-Disaster Management	363.18
35	40- Revenue and Land Reform Department	23.04
36	41-Road Construction Department	20.34
37	42- Rural Development Department	220.83
38	44- Secondary, Primary and Adult Education Department	736.10
39	45-Sugarcane Department	1.99
40	46- Tourism Department	0.57
41	47-Transport Department	1.82
42	48-Urban Development Department	78.37
43	49-Water Resources Department	20.80
44	50-Minor Irrigation Department	17.24
45	51-Welfare Department	126.19
46	52- Youth, Art and Culture Department	2.38
	Total	2595.26

Sl. No.	Number and name of the Grant/ Appropriation	Amount surrendered on the last day of March 2005
B	Revenue Section -Charged	
1	5- Secretariat of the Governor	0.26
2	13- Interest Payment	19.27
3	28- High Court of Bihar	4.73
4	32-Legislature	0.02
5	34- Bihar Public Service Commission	0.26
	Total	24.54
C	Capital Section-Voted	
1	3- Building Construction and Housing Department	32.66
2	9- Co-operative Department	13.48
3	10-Energy Department	413.49
4	12- Finance Department	11.38
5	19- Forest and Environment Department	0.05
6	20- Health, Medical Education and Family Welfare Department	0.31
7	22-Home Department	56.00
8	30-Minority Welfare Department	0.08
9	36-Public Health Engineering Department	72.41
10	40- Revenue and Land Reforms Department	0.04
11	41- Road Construction Department	576.58
12	42-Rural Development Department	89.41
13	44-Secondary, Primary and Adult Education Department	5.98
14	47-Transport Department	0.75
15	48- Urban Development Department	0.71
16	49-Water Resources Department	250.16
17	50- Minor Irrigation Department	14.50
18	51-Welfare Department	2.24
	Total	1540.23
D	Capital- Section-Charged	
1	14- Repayment of Public Debt	1996.50
	Total	1996.50
	Grand Total (A+B+C+D)	6156.53

APPENDIX - XXIV

(Refer : Paragraph – 2.3.10; Page 25)

Significant cases of entire provision surrendered/reappropriated
(exceeding Rupees 10 lakh)

(Rupees in lakh)

Sl No.	Number and Name of Grants/Appropriations	Head of Account (Major/Minor/Sub-Head/Scheme)	Total Provision	Surrendered/reappropriated
I	1-Agriculture Department	2401-Crop Husbandry		
1.		0604-Corpus fund for small farmers credit agency (50:50) 00-001-0604	25.00	25.00
2.		0108-Rastriya Sam Vikash Yojana 00-001-0108	1000.00	1000.00
3.		0610-Spice Development Scheme (Macromode 90:10) 00-119-0610	63.00	63.00
4.		0612-Vegetable Seeds Development scheme (Macromode 90:10) 00-119-0612	45.00	45.00
5.		0122-Mushroom Production Work by Rajendra Agriculture University 00-119-0122	32.30	32.30
		2402- Soil and Water Conservation		
6.		0601-Punpun and Kosi (F.R.R.) (Macromode 90:10) 00-102-0601	44.54	44.54
II	2-Animal Husbandry and Fisheries Department	2403-Animal Husbandry		
7.		0604-Poultry Farm-Poultry Corporation 00-103-0604	80.00	80.00
8.		0106-Scheme for range poultry farm, Central poultry development and production and distribution of poultry feed 00-103-0106	20.00	20.00
		2404-Dairy Development		
9.		0603-Fisheries training and extension scheme 00-101-0603	16.00	16.00
10.		0401-Development of Inland Fisheries Statistics 00-800-0401	54.00	54.00

Sl No.	Number and Name of Grants/ Appropriations	Head of Account (Major/Minor /Sub-Head/Scheme)	Total Provision	Surrendered/ reappropriated
III	3-Building Construction Housing Department	4059-Capital outlay on Public Works		
11.		0002-Minor Works 80-051-0002	300.00	300.00
12.		0109-Construction of Hostel for Bihar State Judicial Service Training Institute (for Law department) 80-051-0109	58.55	58.55
		6216-Loans for Housing		
13.		0003-Payment of arrear amount of Loan received from Life Insurance Corporation of India 02-201-0003	519.51	519.51
14.		0004-Payment of arrear amount of Loan received from HUDCO for Rural Housing Project 02-201-0004	270.16	270.16
15.		0005-Payment of arrear amount of Loan received from HUDCO for Rural Housing Project 02-201-0005	191.76	191.76
IV	9-Co-operative Department	2425-Co-operation		
16.		0601-Grants-in-aid to Bihar State Co-operative Bank Limited Patna for Agricultural (Stablisation) Fund 00-001-0601	30.00	30.00
17.		0611-Subscription towards ITO fund under capital state of Bihar State Co-operative Bank Limited and Central Cooperative Bank 00-108-0611	1000.00	1000.00
18.		0601-Loans for Agriculture Credit (Stablisation) fund to Bihar State Cooperative Bank, Patna 00-107-0601	10.00	10.00
V	10-Energy Department	6801-Loans for Power Projects		
19.		0105-Loans for Bihar State Electricity Board for rural electrification 00-800-0105	7300.00	7300.00
		2801-Power		
20.		0001-Bihar State Electricity Board	24.04	24.04

Sl No.	Number and Name of Grants/ Appropriations	Head of Account (Major/Minor /Sub-Head/Scheme)	Total Provision	Surrendered/ reappropriated
VI	12-Finance Department	2048-Appropriation for reduction or avoidance of Debt		
21.		0001-Sinking Funds 00-101-0001	40000.00	40000.00
		7610-Loans to Govt. Servants		
22.		0003-Advance to Non-Gazetted Employees for purchase of cycles 00-203-0001	15.00	15.00
23.		0002-Advance to Gr'D' Govt. servants for purchase of Fan 00-800-0002	10.00	10.00
24.		0001-Advance to Non-Gazetted Employees for purchase of Cycle	10.00	10.00
VII	19-Forest and Environment Department	2406-Forestry and Wild Life Forestry		
25.		0126-Rastriya Sam Vikash Yojana 01-101-0126	1200.00	1200.00
26.		0605-Development of Sanctuaries (100% CSS) 01-101-0605	65.00	65.00
VIII	20-Health Medical Education and Family Welfare	4210-Capital outlay on Medical and Public Health		
27.		0601-Homeopathy College Hospital, Muzaffarpur 03-102-0601	15.00	15.00
28.		0601-Grants from the GOI for Machinery Equipment in Ayurvedic and Unani Drug Manufacturing Centre	15.70	15.70
IX	22-Home Department	2055-Police		
29.		0002-Guards for Central Intelligence Office, Patna 00-109-0002	65.73	65.73
30.		0003-Surrender of leftist extremist 00-109-0003	462.00	462.00
X	23-Industries Department	2851-Village and Small Industries		
31.		0614-Powerloom Scheme 00-103-0614	15.60	15.60
32.		0152-CIB (Critical Infrastructure Balance Project) State Share 50% 00-102-0152	70.62	70.62

Sl No.	Number and Name of Grants/Appropriations	Head of Account (Major/Minor /Sub-Head/Scheme)	Total Provision	Surrendered/ reappropriated
33.		0154-Grants-in-aid to Khandsari Industries 00-102-0154	10.00	10.00
34.		0157-Grants-in-aid to I.C.D/C.S.F Shilalpur Project	10.00	10.00
XI	36-Public Health Engineering Department	4215-Capital outlay on Water Supply and sanitation		
35.		0602-Centrally Sponsored Rural Clearness Programme 02-106-0602	200.00	200.00
XII	37-Rajbhasha Department	2052-Secretariat-General Services		
36.		0101-Rajbhasha Vibhag 00-090-0101	80.00	80.00
XIII	39-Disaster Management Department	2235-Social Security and Welfare		
37.		0003-Relief on account of Cold wave 01-200-0003	25.00	25.00
		2245-Relief on account of Natural Calamities		
38.		0001-Cash Payment to helpless and handicapped persons 01-101-0001	70.00	70.00
39.		0002-Supply of food grains 01-101-0002	80.00	80.00
40.		0004-Free distribution of clothes and utensils to drought affected persons 01-101-0004	30.00	30.00
41.		0001-Special Nutrition food 01-103-0001	2588.00	2588.00
42.		0001-Supply of fodder 01-104-0001	400.00	400.00
43.		0001-Medicine for cattle 01-105-0001	107.00	107.00
44.		0001-Supply of Medicine 01-282-0001	200.00	200.00
45.		0003-Other works (Grants to Agricultural Department for Agricultural input for Agricultural input 01-800-0003	6740.00	6740.00
46.		0004-Self Employment 01-800-0004	6000.00	6000.00
47.		0004-Free distribution of clothes and utensils to affected persons 01-101-0004	100.00	100.00

Sl No.	Number and Name of Grants/Appropriations	Head of Account (Major/Minor /Sub-Head/Scheme)	Total Provision	Surrendered/ reappropriated
48.		0001-Repairs and restoration of Govt. Health and Education Buildings 02-106-0001	50.00	50.00
49.		0001-Repairs and restoration of Government Residential Buildings 02-108-0001	35.00	35.00
50.		0004-Purchase of Communication instruments 02-112-0004	200.00	200.00
51.		0001-Repair/Restoration of damaged buildings caused by flood 02-113-0004	9352.00	9352.00
52.		0002-Extraction of salinity/sand etc. from fishery area 02-115-0002	50.00	50.00
53.		0001-Grants to farmers for repair of damaged tubewell/pumpset etc 02-116-0001	25.00	25.00
54.		0001-Exchange of animals affected from flood and drought	25.00	25.00
55.		0002-Exchange of milk giving animals 02-117-0002	25.00	25.00
56.		0001-Grants-in-aid to Block Panchayat/Intermediate level Panchayats 02-197-0001	66.25	66.25
57.		0003- Supply of P.O.H for mobile health unit 02-282-0003	50.00	50.00
58.		0001-Grants -in aid for loss due to land erosion 02-800-0001	100.00	100.00
59.		0006-Supply of supplementary nutrition for Welfare Department 02-282-0006	151.00	151.00
XIV	40-Revenue and Land Reforms Department	3475-Other General Economic Services		
	2029-Land Revenue			
60.		0004-Zamindari Abolition Bandh Patra	100.35	100.35
61.		0001-Finalisation of ceiling and acquisition of surplus land 00-201-0001	30.48	30.48
XV	41-Road Construction	5054-Capital outlay on Roads and Bridges		

Sl No.	Number and Name of Grants/ Appropriations	Head of Account (Major/Minor /Sub-Head/Scheme)	Total Provision	Surrendered/ reappropriated
	Department			
62.		0107-Rastriya Sam Vikash Yojana 03-337-0107	39343.00	39343.00
XVI	42-Rural Development Department	2515-Other Rural Development Programmes		
63.		0101-Bihar Rural Development Training 00-001-0101	27.70	27.70
64.		0101-Post Stage Block-2 Minor Construction Works 00-102-0101	100.00	100.00
65.		0002-Grants to District Board for Rural Buildings 00-196-0002	50.00	50.00
		4515-Capital outlay on other Rural Development Programme		
66.		0112-Border Area Development Programme 00-103-0112	128.00	128.00
XVII	44-Secondary, Primary and Adult Education Department	2202-General Education		
67.		0101-Govt. Primary and Middle School 01-101-0101	100.00	100.00
68.		0002-Other Schools 01-107-0002	120.00	120.00
		4202-Capital outlay on Education		
69.		0402-Buildings 01-201-0402	505.08	505.08
70.		0801-Building Construction and arrangement of drinking Water, Lavatory for primary school	86.14	86.14
XVIII	47-Transport Department	5075Capital outlay on other Transport Services		
71.		0101-River Training Work Project-Direction and Administration	75.00	75.00
XIX	49-Water Resources Department	4711-Capital Outlay on Flood Control Projects		

Sl No.	Number and Name of Grants/ Appropriations	Head of Account (Major/Minor /Sub-Head/Scheme)	Total Provision	Surrendered/ reappropriated
72.		112-Drainage Project (NABARD) sponsored Projects)-Works 01-001-0112	1500.00	1500.00
73.		0602-Construction Work of Tinmuhani Kursala Embankment 01-800-0603	1000.00	1000.00
74.		0604-Extension of Embankment of Kamla river (Indian portion and Heightening and Strengthening (100% Central Share)	500.00	500.00
75.		0609-Extension and Strengthening of Embankment on river Bagmati	500.00	500.00
XX	51-Welfare Department	2225-Welfare of SC, ST and OBC		
76.		0602-Hostel for girls students 01-277-0602	115.00	115.00
77.		0604-Pre-examination training Centre 01-277-0604	32.00	32.00
78.		0605-Hostel for Students- Major Construction Works	57.50	57.50
79.		0101-Multifarious Development of Schedule Tribes-Receipt from Govt. of India under Article 275(1) of the Constitution 02-102-0101	209.00	209.00
80.		0107-Hostel for girl students Major Construction works (50:50) 02-102-0107	115.00	115.00
		2236-Nutrition		
81.		0802-Special Programme for distribution of food grains to under nutritious Pregnant/Post Delivery women and Adolescent girls 02-101-0802	1331.00	1331.00
		4225-Capital outlay on welfare of SC, ST and OBC		
82.		0101-Construction and Renovation of Residential Schools and Hostel Buildings 02-277-0101	153.31	153.31
	Total		125976.32	125976.32
	Total (Rupees in crore)		1259.77	1259.77

APPENDIX XXV

(Refer : Paragraph – 2.3.11; Page 25)

Surrender in excess of actual savings in Grants

(Rupees in crore)

Sl. No.	Number and name of the Grant/ Appropriation	Total grant	Savings	Amount surrendered	Amount surrendered in excess
Revenue Section-Voted					
1	10-Energy Department	12.01	0.92	0.96	0.04
2	11-Excise and Prohibition Department	16.93	0.67	3.35	2.68
3	18-Food, Supply and Commerce Department	74.71	3.33	4.04	0.71
4	29-Mines and Geology Department	6.71	1.49	2.29	0.80
5	35-Planning and Development Department	146.96	11.17	11.53	0.36
6	38-Registration Department	24.04	2.03	4.14	2.11
7	39-Disaster Management Department	554.64	277.23	363.18	85.95
8	48-Urban Development Department	179.02	50.19	78.37	28.18
	Total (A)	1015.02	347.03	467.86	120.83
Capital Section-Voted					
9	08-Civil Aviation Department	1.00	0.11	0.24	0.13
	Total (B)	1.00	0.11	0.24	0.13
Capital Charge Section					
10	14-Repayment of Public Debt	4182.59	1095.37	1996.50	901.13
	Total (C)	4182.59	1095.37	1996.50	901.13
	Grand Total (A+B+C)	5198.61	1442.51	2464.60	1022.09

APPENDIX - XXVI

(Refer : Paragraph – 2.3.11; Page 25)

Injudicious surrender/re-appropriation under various Grants / Appropriations

(Rupees in crore)

Sl No.	Number and Name of Grant / Appropriation	Total Provision (Original + Supplementary)	Actual Expenditure	Excess	Surrender (Reappropriation)	Excess after surrender/re-appropriation
	Revenue Voted					
1.	21-Higher Education Department	520.78	526.32	5.54	0.71	6.25
	Capital Voted					
2.	19-Forest and Environment Department	0.60	0.65	0.05	0.05	0.10
3.	20-Health, Medical Education and Family Welfare Department	21.91	21.94	0.03	0.31	0.34
4.	46-Tourism Department	7.39	7.45	0.06	0.0002	0.06
	Total:	550.68	556.36	5.68	1.07	6.75

APPENDIX XXVII

(Refer : Paragraph – 2.3.12; Page 25)

Rush of expenditure during March 2005

(Rupees in crore)

Treasury Month	Revenue Expenditure	Capital Expenditure	Total Expenditure	Percentage of Expenditure in each quarter	Percentage of Expenditure in March
Apr-04	423.83	12.39	436.22		
May-04	592.04	31.52	623.56		
Jun-04	497.12	40.34	537.46		
Total:	1512.99	84.25	1597.24	10	
Jul-04	536.11	35.56	571.67		
Aug-04	618.98	27.56	646.54		
Sep-04	637.69	63.88	701.57		
Total:	1792.78	127.00	1919.78	12	
Oct-04	1421.10	59.11	1480.21		
Nov-04	1274.11	77.71	1351.82		
Dec-04	548.80	50.65	599.45		
Total:	3244.01	187.47	3431.48	22	
Jan-05	337.84	39.24	377.08		
Feb-05	1010.64	83.32	1093.96		
Mar-05 (P)	6584.56	663.02	7247.58		
Mar-05 (S)	155.59	20.22	175.81		47
Total:	8088.63	805.80	8894.43	56	
Grand Total	14638.41	1204.52	15842.93	100	

APPENDIX XXVIII

(Refer : Paragraph – 2.3.13; Page 25)

Statement of un-reconciled expenditure

Reconciliation in respect of following heads of accounts have not been done during 2004-05:
(Rupees in lakh)

Sl. No.	Major Head	Amount
1.	2011-State legislature	577.60
2.	2012-Governor	24.60
3.	2013-Council of Ministers	761.30
4.	2014-Administration of Justice	5423.50
5.	2015-Election	12442.70
6.	2029-Land Revenue	3106.30
7.	2030-Stamps & Registration	2047.10
8.	2039-State Excise	1135.00
9.	2040-Sales Tax	858.50
10.	2041-Motor Vehicle Transport	385.00
11.	2045-Other Taxes	5.10
12.	2047-Other Fiscal Services	223.70
13.	2049-Interest Payment	44105.10
14.	2051-B.P.S.C.	116.40
15.	2052-Secretariate General Services	1381.00
16.	2053-District Administration	19701.10
17.	2054-Trg. & Accounts Administration	1715.20
18.	2055-Police	1076.00
19.	2056-Jail	2046.90
20.	2058-Stationary & Printing	786.50
21.	2059-Public works	1714.40
22.	2070-Other Administrative services	9714.30
23.	2071-Pension	232473.20
24.	2075-Misc. General Services	0.20
25.	2202-General Education	306452.60
26.	2203-Technical Education	1942.90
27.	2204-Sports & youth services	566.00
28.	2210-Medical & Public Health	50446.30
29.	2211-Family Welfare	10300.70
30.	2215-Water supply & sanitation	9955.80

Sl. No.	Major Head	Amount
31.	2217-Urban development	10878.20
32.	2220-Information & publicity	1193.60
33.	2225-Welfare of SC, ST & OBC	9380.20
34.	2230-Labour & Employment	10892.20
35.	2235-Social Security & Welfare	24563.90
36.	2236-Nurition	3473.50
37.	2245-Relief on accounts of Natural calamity	23929.40
38.	2250-Other Social Services	35.50
39.	2251-Secretariate Social Service	399.60
40.	2401-Crop Husbandry	19825.30
41.	2402-Soil & Water conservation	599.40
42.	2403-Animal Husbandry	4258.80
43.	2415-Agriculture Research	4490.20
44.	2425-Co-operation	2496.30
45.	2501-Special Programme for Rural Development	2988.90
46.	2505-Rural Employment	212.00
47.	2515-Other Rural Dev. Programme	20009.90
48.	2701-Minor & Medium Irrigation	9572.90
49.	2702-Minor Irrigation	23892.50
50.	2705-Command Area Development	2231.90
51.	2711-Flood Control	2880.10
52.	2810-Non-Conventional energy	173.50
53.	2851-Village & Small Industries	1671.50
54.	2852-Industries	1156.00
55.	2853-Non-Ferrous Mines & Metal Inds.	513.80
56.	3054-Road & Bridge	8174.30
57.	3055-Road Transport	15.40
58.	3075-Other transport services	17.90
59.	3451-Secretariate Economic Services	382.20
60.	3452-Tourism	467.90
61.	3454-Census Survey & Statistics	1298.40
62.	3456-Civil Supplies	7016.00
63.	3475-Other General Economic Services	81.80
64.	3604-On sign and Compensation Payment	427.60
65.	4047-Capital Outlay on Fiscal Service	224.00
66.	4058- Capital Outlay on Stationery and Printing	40.00

Sl. No.	Major Head	Amount
67.	4059- Capital Outlay on Public Works	1885.10
68.	4070-Capital Outlay on Other administrative Service	1250.00
69.	4202-Capital Outlay on Education & Sports etc.	1758.70
70.	4210-Capital Outlay on Medical and Public Health	2194.00
71.	4215-Capital Outlay on Water Supply & Sanitation	3485.90
72.	4216-Capital Outlay on Housing	3.00
73.	4225-Capital Outlay on Welfare of SC, ST & OBC.	827.00
74.	4235-Capital Outlay on Social Security and Welfare	1962.60
75.	4403-Capital Outlay on Animal Husbandry	101.70
76.	4425-Capital Outlay on Co-operation	864.90
77.	4515-Capital Outlay other Rural Development Department	36634.80
78.	4701-Capital Outlay on Irrigation	2975.50
79.	4702-Capital Outlay on Flood Control	25.40
80.	4801-Capital Outlay On Power Project	2500.00
81.	4810-Capital Outlay as Non-conventional Sources of Energy	150.00
82.	4885-Capital Outlay on Industries and Minerals	112.00
83.	5452-Capital Outlay on Tourism	745.00
84.	5475-Capital Outlay on Other General Economic Services	14.50
	Total	978839.70
	(Rupees in crore)	9788.40

APPENDIX-XXIX

(Refer: Paragraph 2.3.14 Page 26)

(I)-Statement of savings under planned schemes

(Rupees in crore)

Schemes	Total Provision (Original + Supplementary)	Actual expenditure	Savings
State Plan	4861.76	3124.32	1737.44
Central Plan	15.64	1.68	13.96
Central Sponsored	695.97	349.91	346.06
Total	5573.37	3475.91	2097.46

(II)-Statement of substantial savings of Rupee one crore and above in plan schemes

(Rupees in lakh)

Sl. No.	Grant No.	Head of Account (Major/Minor/Sub-Head/Scheme)	Total Provision (Original + Supplementary)	Actual Expendit ure	Savings(-)
A	State Plan				
I	1	2401-Crop Husbandry			
1		0119-Rastriya Sam Vikash Yojana 00-119-0119	2000.00	1800.00	200.00
		2402-Soil and Water Conservation			
2		0108-Rastriya Sam Vikash Yojana 00-102-0108	2500.00	0.00	2500.00 (100)
II	3	4059-Capital outlay on Public Works			
3		0105 Building Construction Department - Construction of Judicial buildings (In the light of XI Finance Commission) 01-80-0105	1208.25	111.10	1097.15
4		0110 Judicial Buildings (Building Construction Department) 01-80-110	160.00	42.08	117.92
III	10	4801-Capital outlay on Power Projects			
5		0101-Rastriya Sam Vikash Yojana	30000.00	2500.00	27500.00
		6801-Loans for Power Projects			
6		0105-Loans for Bihar State Jal Vidyut Nigam (NABARD)	2338.00	302.00	2036.00

Sl. No.	Grant No.	Head of Account (Major/Minor/Sub-Head/Scheme)	Total Provision (Original + Supplementary)	Actual Expenditure	Savings(-)
		00-201-0105			
7		0007-Loans to BSEB against the amount provided to Electrical Institutions of Central Cell	9564.10	0.00	9564.10 (100)
8		0105-Loan to Bihar State Electricity Board for rural electrification	7300.00	0.00	7300.00 (100)
IV	19	2406-Forest and Wild Life			
9		0126-Rastriya Sam Vikash Yojana	1200.00	0.00	1200.00 (100)
V	20	2210-Medical and Public Health			
10		0105-Prevention of Blindness	323.81	190.70	133.11
11		0101-Primary Health Centre 03-103-0101	4003.22	3594.45	408.77
12		0801-Allopaty 03-110-0801	2417.30	1668.76	748.54
13		0101-Grants-in-aid to Indira Gandhi Institute of Medical Science, Patna 03-200-0101	675.00	500.00	175.00
		2211-Family Welfare			
14		0101-Rural Family Welfare centre 00-101-0101	1815.54	1375.09	440.45
		4210-Capital outlay on Medical and Public Health			
15		0701-other expenditure 80-800-0701	520.72	405.00	115.72
VI	40	2029 Land Revenue			
16		0701-Expenditure on Account of the recommendation of the XI Finance Commission	1203.72	917.94	285.78
VII	41	5054-Capital outlay on Roads and Bridges			
17		0103-Bridge (NABARD Loan) 03-337-0104	15000.00	80.00	14920.00
18		0106-Central Road Fund 03-337-0104	5000.00	1903.69	3096.31
19		0107-Rastriya Sam Vikash Yojana	39343.00	0.00	39343.00 (100)
VIII	42	2501-Special Programmes for Rural Development			
20		0102-Swarn Jayanti Gram Swarojgar Yojana 01-800-0102	3896.10	2838.72	1057.38
		2505-Rural Employment			
21		0105-National Rural Employment Programme Regional Establishment	1200.00	725.97	474.03

Sl. No.	Grant No.	Head of Account (Major/Minor/Sub-Head/Scheme)	Total Provision (Original + Supplementary)	Actual Expenditure	Savings(-)
22		0109-Ensured Employment Programme 01-702-0109	8460.55	6056.32	2404.23
23		0110-Complete Rural Employment Scheme. 01-702-0110	16800.00	14639.73	2160.27
		2515-Other Rural Development Programmes			
24		0101-Post-Stage Block-2 Minor Construction Works 00-102-0101	100.00	0.00	100.00 (100)
		4515-Capital Outlay on other Rural Development Programmes			
25		0101-Minimum Needs Programmes 00-103-0101	8587.15	1078.39	7508.76
26		0108-Chief Engineer/Superintending Engineer(Rural Development) 00-103-0108	4563.31	3723.87	839.44
27		0112-Border Area Development Programme 00-103-0112	128.00	0.00	128.00 (100)
IX	44	2202-General Education			
28		0101-Govt. Primary and Middle School 01-101-0101	100.00	0.00	100.00 (100)
29		0801-Govt. Primary and Middle School-Prime Minister Village Upliftment Programme 01-101-0801	19309.74	15369.23	3940.51
30		0102-Employment Oriented Scheme under Minimum Needs Programme 01-800-0102	8630.65	6374.82	2255.83
31		0111-Sarva Shiksha Abhiyan 01-800-0111	20900.00	12048.67	8851.33
32		0101-Other Schools 02-109-0101	303.94	154.64	149.30
33		0701-Public library (on the recommendation of XI Finance Commission)	546.29	338.64	207.65
X	49	2705-Command Area Development			
34		0102-Area Development Command Level 00-001-0102	1590.04	602.30	987.74
		4701-Capital Outlay on Major and Medium Irrigation.			
35		0113-North Bihar Irrigation Project 04-800-0113	3596.25	3102.71	493.54

Sl. No.	Grant No.	Head of Account (Major/Minor/Sub-Head/Scheme)	Total Provision (Original + Supplementary)	Actual Expenditure	Savings(-)
36		0121-South Bihar Irrigation project (NABARD Sponsored Project) 04-800-0121	6500.00	569.80	5930.20
37		0126-Reestablishment of Eastern Gandak Canal under Rastriya Sam Vikash Yojana	10000.00	206.85	9793.15
		4711-Capital Outlay on Flood Control Projects			
38		0105-Flood Control Embankment Road Project-Works 01-001-0105	250.00	80.79	169.21
39		0106-Drainage Projects (Works) 01-001-0106	480.00	182.15	297.85
40		0111-Flood Control Embankment Road Scheme (NABARD Sponsored Projects) works	1500.00	0.00	1500.00 (100)
XI	50	2702-Minor Irrigation			
41		0002-State Tube Wells 02-005-0002	6483.21	5607.18	876.03
		4702-Capital Outlay on Minor Irrigation			
42		0101-Loans from NABARD for completion of incomplete works of tubwell schemes 00-102-0101	4788.00	4260.04	527.96
43		0102-Loans from NABARD for Complete medium Irrigation schemes 00-102-0102	600.00	74.44	525.56
44		0103-Loans from NABARD for completion of new/incomplete lift irrigation schemes 00-102-0103	2500.00	1583.22	916.78
XII	51	2225-Welfare of scheduled Castes, Scheduled Tribes and other Backward classes			
45		0101-Education 01-277-0101	238.00	52.54	185.46
46		0101-Multifarious Development of scheduled Tribes-Receipt from Govt. of India under Article 275(1) of the Constitution 02-102-0101	209.00	0.00	209.00 (100)
47		0101-Education 03-277-0101	290.00	91.60	198.40
48		0107-Hostel for students-Major Construction Works-State Share(50:50)	115.00	0.00	115.00 (100)
		2235-Social Security and Welfare			

Sl. No.	Grant No.	Head of Account (Major/Minor/Sub-Head/Scheme)	Total Provision (Original + Supplementary)	Actual Expenditure	Savings(-)
49		0105-Women development Corporation-Grants-in-aid 02-103-0105	521.62	182.95	338.67
50		0802-Special Programme for distribution of food grains to under nutritious Pregnant/Post Delivery Women and Adolescent girls 02-101-0802	1331.00	0.00	1331.00 (100)
		4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes			
51		0101-Construction and Renovation of Residential Schools and Hostel Buildings 02-277-0101	153.31	0.00	153.31 (100)
	State Plan	Total	261243.82	95336.38	165907.44
		Total (Rupees in crore)	2612.43	953.36	1659.07
B-Central Plan Schemes					
I	20	2210-Medical and Public Health			
1		0401-Grants-in-aid to Govt. of India to Indira Gandhi Institute of Medical Science, Patna for development of Oncology wing 05-200-0401	200.00	0.00	200.00 (100)
II	35	2035-District Administration			
2		0401-Economic Census 00-800-0401	551.89	5.70	546.19
III	44	4202-Capital Outlay on Education, Sports, Art and Culture.			
3		0402-Buildings 01-201-0402	505.08	0.00	505.08 (100)
	CPS	Total	1256.97	5.70	1251.27
		Total (Rupees in crore)	12.57	0.06	12.51
C-Central Sponsored Scheme					
I	2	3454-Census Survey and Statistics			
1		0602-Cattle Census 01-001-0602	465.00	53.67	411.33
		4216-Capital Outlay on Housing Government Residential Buildings			
2		0602-Judicial Residential Buildings 01-700-0602	140.00	19.00	121.00
II	9	4425-Capital Outlay on Co-operation			
3		0601-Subscription towards capital share of Central Co-operative Development Project 00-108-0610	1042.65	864.92	177.73

Sl. No.	Grant No.	Head of Account (Major/Minor/Sub-Head/Scheme)	Total Provision (Original + Supplementary)	Actual Expenditure	Savings(-)
4		0611-Subscription towards L.T.O. fund under capital Share of Bihar State Co-operative Bank Limited and Central Co-operative Bank 00-108-0611	1000.00	0.00	1000.00 (100)
		6425-Loan for Co-operation			
5		0612-Loan for Central Co-operative Banks for Consolidated Co-operative Development Project 00-108-0612	531.69	407.78	123.91
III	20	2210-Medical and Public Health			
6		0602-National Malaria Eradication Programme-Including Kalajar 06-101-0602	1356.00	276.98	1079.02
7		0603-Filaria Eradication Programme 06-101-0603	350.00	218.82	131.18
		2211-Family Welfare			
8		0602-Technical advice and supervision State Family Welfare Bureau 00-001-0603	1053.13	648.31	404.82
9		0604-Training and Research ANM school/L.H.V School 00-001-0604	420.38	243.74	176.64
10		0602-Health Sub centre 00-101-0602	11515.52	7480.93	4034.59
11		0601-Compensaion 00-105-0601	1100.00	175.79	924.21
IV	35	2053-District Administration			
12		0604-Third Census of Minor Irrigation Project 00-800-0604	122.44	2.32	120.12
V	36	4215-Capital Outlay on Water Supply and Sanitation			
13		0602-Central Rural Water Supply Programme 01-102-0602	8925.00	3684.70	5240.30
14		0603-Accelerated Urban Water Supply Scheme 01-102-0603	1000.00	555.35	444.65
15		0602-Centrally Sponsored Rural Cleanliness Programme 02-106-0602	200.00	0.00	200.00 (100)
VII	49	2705-Command Area Development			
16		0602-Area Development Command Level 00-001-0602	3834.44	1616.41	2218.03

Sl. No.	Grant No.	Head of Account (Major/Minor/Sub-Head/Scheme)	Total Provision (Original + Supplementary)	Actual Expenditure	Savings(-)
		4711-Capital Outlay on Flood Control Projects.			
17		0602-Construction work of Timmuhani Kursela Embankment 01-001-0602	1000.00	0.00	1000.00 (100)
18		0603-Anti Erosion Work on river other than Ganga (for Kosi River in Nepal portion (100% Central Share) 01-001-0603	300.00	7.00	293.00
19		0604-Extension of Embankment of Kamla river (Indian Portion) and Heightening (100% Central Share) 01-001-0604	500.00	0.00	500.00 (100)
20		0609-Extension and Strengthening of Embankment on river Bagmati 01-001-0609	500.00	0.00	500.00
21		0610-Anti Erosion Work on river Ganga 01-001-0610	2480.00	954.22	1525.78
VIII	51	2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward classes			
22		0602-Special Central Assistance for Multifarious Development of Harijans-Special Integrated Scheme of Scheduled Castes (100% Centrally Sponsored Scheme) 01-001-0602	1295.00	361.34	933.66
23		0602-Hostel for girl Students 01-277-0602	115.00	0.00	115.00 (100)
24		0613-Post entrance scholarship 01-277-0602	1000.00	794.49	205.51
25		0601-Post Entrance Scholarships 01-277-0601	500.00	79.38	420.62
26		0602-Higher Secondary Scholarship(Pre matric Scholarship) 01-277-0602	100.00	0.00	100.00 (100)
		2235-Social Security and Welfare			
27		0602-Consolidated Child Development Scheme 02-102-0602	11854.73	5559.22	6295.51
28		0603-Externally Sponsored Scheme (World Bank) State sponsored integrated child development Scheme 02-102-0603	6430.92	4804.98	1625.94

Sl. No.	Grant No.	Head of Account (Major/Minor/Sub-Head/Scheme)	Total Provision (Original + Supplementary)	Actual Expenditure	Savings(-)
29		0602-Indira Women Scheme-Grants-in-aid 02-103-0602	300.00	0.00	300.00 (100)
30		0605-Balika Samridhi Yojana-Grants-in-aid 02-103-0605	1024.46	0.00	1024.46 (100)
	CPS	Total	60456.36	28809.35	31647.01
		Total (Rupees in crore)	604.56	288.09	316.47
	Grand Total	(A+B+C) (Rupees in crore)	3229.56	1241.51	1988.05

APPENDIX-XXX
(Refer: Paragraph - 3.1.10 : Page : 32)

Details of anti-erosion works

(Rupees in crore)

Year	Proposals made by Zonal CE		Recommended by TACs		Recommended by SRC		Finally approved by SFCB	
	Number of anti-erosion works	Estimated value	Number of anti-erosion works	Estimated value	Number of anti-erosion works	Estimated value	Number of anti-erosion works	Estimated value
2000-01	469	188.46	382	127.04	355	88.95	356	NA
2001-02	NA	NA	343	187.61	287	123.87	286	NA
2002-03	542	254.68	419	179.25	385	158.72	299	73.13
2003-04	513	624.33	463	579.13	329	82.43	278	121.99
2004-05	948	1800.26	596	1270.91	543	1017.49	323	124.63
Total	2472	2867.73	2203	2343.94	1899	1471.46	1542	319.75

(Source: As furnished by the WRD)

APPENDIX-XXXI

(Refer : Paragraph - 3.2.4 : Page : 39)

EXECUTIVE SUMMARY OF ORG MARG SURVEY

In order to gain an understanding of the functional status of the Consumer Protection Act consumers at large, complainants, manufacturers/service providers, NGOs and appropriate laboratories were covered under the ORG MARG survey. In Bihar a total of 2582 consumers spread across urban and rural areas were contacted. Besides 234 complainants, 10 manufactures/service providers, 2 NGOs and one laboratory were interviewed. The ORG MARG survey was conducted during 2nd week of July to second week of September 2005.

FINDINGS OF THE ORG MARG SURVEY

- Overall 66 per cent of the Consumers at large gave importance to knowing the Consumer Protection Act (CPA) but 91 per cent not aware of consumer rights and 80 per cent still unaware of Consumer Protection Act.
- The Act is envisaged to benefit all the consumers in urban and rural areas but only 10 per cent of the rural population has heard about it.
- In response to, whether the government is making any effort in safeguarding the consumer rights, only eight per cent replied positively and the remaining have either carrying negative or no idea of it.
- Formal sources of awareness-electronic and print media stand at 66 and 35 per cent respectively. None of the aware consumers came to know about CPA from the NGOs.
- Nearly 44 per cent of the aware Consumers at large have come to know about the Act only in the last four years whereas the Act has been in existence for past 19 years.
- Overall, only about four per cent reported to be aware of rights and CPA.
- Around 25 per cent, aware of any redressal agency, did not know the location of the district forum in their respective districts.
- About 89 per cent of complainants resided in urban areas and 97 per cent were the educated lot and earned a monthly household income of Rs 10,718. This implied that facilities provided by redressal agencies were availed mostly by residents of urban areas and that too by the middle/upper middle strata of the community.
- Nearly 65 per cent of the complaints were against services such as communications services (31 per cent), insurance services (18 per cent), banking services (12 per cent) and transportation services (10 per cent).
- Majority of complainants came to know about the redressal agencies through electronic media (24 per cent), print media (45 per cent) and others i.e., friends/relatives, NGOs were not mentioned as source of awareness.

- Nearly 13 per cent of the complainants used stamp paper to file the case and in majority of cases (66 per cent) the lawyers/agents advised them to do so.
- Around 10 per cent of complainants, who had registered their complainant prior to March 2003, reported to have deposited court fee notwithstanding the fact that the court fee was introduced only in March 2003.
- An analysis of time taken at various stages of the cases show that on an average 1.6 days were spent for registering a case and 19.6 days were taken for serving the notice, first hearing was held after 25.8 days of serving the notice.
- On an average 12.2 hearings were required to resolve the case. Around 34 per cent of cases were still unresolved even after 18.1 hearings and most of these cases were against communication services (21 per cent).
- To resolve a case on an average 20.1 months were spent. In case of unresolved cases the same were pending on an average for the past 26 months.
- There were 75 cases where the decree was passed and compensation was yet to be received. On an average the compensation was due for 4.2 months. For those received compensation the same was received within an average period of 15.1 months.
- On an average the complainant had to spend Rs 5880 to resolve the case of which a large proportion (average amount of Rs 5159) comprised of the advocates fee.
- The manufacturers and service providers were well aware of CPA on the contrary not many Consumers at large were aware of Act or the redressal system.
- The NGOs are involved in spite of Activities such as consumer education, solving the grievances and helping complainants in filing of complaints at the consumer forum.
- The laboratory was certified test products send by the consumer courts but had not received any sample for the purpose so far.
- Overall all the stakeholders and the complainants perceive the redressal as simple and economical but not speedy.

APPENDIX-XXXII

(Refer: Paragraph - 3.2.11 : Page :44)

Number of cases filed and its disposal in District Forums

Number as per calendar year		Aurangabad	Banka	Chhapra	Madhubani	Patna	Saharsa	Sitamarhi	Sasaram	Katihar	Total
2000	Opening Balance	239	62	725	276	2621	91	646	469	N.A	5129
	Filed	39	28	68	205	855	64	2	230	N.A.	1491
	Disposal within 90 days	-	-	-	18	18	16	-	307		359
	Disposal after 90 days	-	-	-	210	815	47	451	122		1645
2001	Opening Balance	278	90	793	253	2643	92	197	270		4616
	Filed	15	15	65	210	651	44	23	209		1232
	Disposal within 90 days	-	-	-	23	-	7	-	21		51
	Disposal after 90 days	-	-	39	226	582	20	1	207		1075
2002	Opening Balance	293	105	819	214	2712	109	219	251		4722
	Filed	174	46	365	152	391	19	66	151		1364
	Disposal within 90 days	28	40	31	7	2	-	-	1		109
	Disposal after 90 days	174	67	303	52	37	-	18	227		878
2003	Opening Balance	265	44	850	307	3064	128	267	174		5099
	Filed	231	117	172	152	465	108	16	105		1366
	Disposal within 90 days	46	39	2	14	3	30	-	1		135
	Disposal after 90 days	140	73	52	54	439	85	-	41		884
2004	Opening Balance	310	49	968	391	3087	121	283	237	5446	
	Filed	129	107	318	156	590	70	14	78	454	1916
	Disposal within 90 days	2	100	67	28	21	22	-	24	-	264
	Disposal after 90 days	22	16	280	226	1156	44	-	31	362	2137
2005	Opening Balance	415	40	939	293	2500	125	297	260	92	4961
	Filed	52	63	124	48	101	47	3	72	204	714
	Disposal within 90 days	1	49	39	-	1	5	-	29	-	124
	Disposal after 90 days	12	-	144	-	52	29	-	67	216	520
	Closing Balance	454	54	880	341	2548	138	300	236	80	5031

Total number of cases filed = 1491+1232+1364+1366+1916+714 = 8083

Disposal within 90 days = 359+51+109+135+264+124 = 1042

Disposed off after 90 days = 1645+1075+878+884+2137+520 = 7139

APPENDIX- XXXIII

(Refer : Paragraph - 3.3.4 : Page : 50)

Details of allotment and reported expenditure

(Rupees in crore)

Districts	Fund Provision	Amount drawn	Expenditure	Savings/ Lapsed	Unutilised balance of last year	Amount deposited in treasury	Unutilised balance kept in bank	Amount advanced to staff and others and booked as expenditure	Unadjusted advance
	1.	2.	3.	4.	5.	6.	7.	8.	9.
Begusarai	3.56	3.31	2.92	0.25	-	0.11	0.06	1.11	0.22
Darbhangha	25.28	21.97	17.65	3.32	-	3.56	0.76	0.00	0.00
East Champaran (Motihari)	18.01	14.89	12.28	3.12	0.34 ¹	1.13	1.84	7.98	0.00
Khagaria	13.63	10.48	10.48	3.15	-	0.00	0.00	0.00	0.00
Madhubani	18.91	16.33	14.41	2.58	0.01 ²	0.86	1.06	0.00	0.00
Muzaffarpur	11.56	9.30	8.38	2.26	-	0.14	0.78	1.60	0.00
Samastipur	19.19	19.19	13.13	0.00	-	1.13	4.93	0.08	0.00
Sitamarhi	22.26	22.21	17.57	0.05	0.35 ³	2.36	1.16	0.00	1.47
Total	132.40	117.68	96.81	14.73	0.70	9.29	10.59	10.77	1.69

Note : Column 4 = Column (1 - 2)

Column (2 - 3) = Column (6 +7+9-5)

¹ Excess expenditure of cash dole of Rs 10.40 lakh and evacuation of population of Rs 24.32 lakh from previous year balance.² Rs one lakh was suballotted by diversion from other head by District Magistrate.³ It includes Rs 0.35 crore of previous year balance..

APPENDIX - XXXIV

(Refer : Paragraph - 3.3.4 : Page : 50)

Component wise statement of Begusarai, Darbhanga, East Champaran, Khagaria, Madhubani, Muzaffarpur, Samastipur and Sitamarhi districts.

(Rupees in crore)

Sl. No.	Sub-head	Allotment	Amount Drawn	Reported Expenditure	Saving/Lapsed	Unutilised balance of last year	Amount deposited into Treasury	Unutilised balance kept in bank	Amount advanced to staff and others and booked as expenditure	Unadjusted advance
1.	Foodgrain	60.13	51.45	39.94	8.68	0.34	4.83	6.08	2.02	0.94
2.	Cash dole	48.95	48.45	44.59	0.50	0.10	1.92	1.37	7.97	0.68
3.	Ex-gratia grant	2.25	2.12	1.59	0.13	0.00	0.00	0.53	0.00	0.00
4.	Evacuation of Population	12.24	9.55	6.77	2.68	0.24	0.68	2.29	0.65	0.05
5.	Boat Repair	0.41	0.38	0.25	0.03	0.01	0.05	0.09	0.02	0.00
6.	Human Medicine	1.01	0.90	0.73	0.12	0.00	0.11	0.06	0.03	0.00
7.	Veterinary Medicine	0.15	0.15	0.15	0.00	0.01	0.00	0.00	0.01	0.00
8.	Drinking Water Supply	1.23	0.97	0.82	0.27	0.00	0.07	0.07	0.07	0.01
9.	Fodder Supply	6.03	3.71	1.97	2.32	0.00	1.63	0.10	0.00	0.01
	Total	132.40	117.68	96.81	14.73	0.70	9.29	10.59	10.77	1.69

APPENDIX-XXXV

(Refer : Paragraph - 3.3.5 : Page : 51)

Details of foodgrain receipt and distribution

(In quintal)

Districts	Supply of foodgrain as per SFC field units		Receipt of foodgrain as per DM/Circles		Shortage		Distribution by DMs/Circles (As per form IX)	
	Wheat	Rice	Wheat	Rice	Wheat	Rice	Wheat	Rice
1. Begusarai	32832.62	-	32822.00	-	10.62	-	32682.62	-
2. Darbhanga	159282.31	3502.67	156551.40	3,502.67	2730.91	-	159178.52	2630.77
3. East Champaran (Motihari)	90237.16	20094.81	76406	18163	13831.16	1931.81	84709*	21704*
4. Khagaria	84190.11	-	84189.61	-	0.50	-	83764.61	-
5. Madhubani	104186.87	4290.85	104186.87	4290.85	-	-	106351.63	4386.05
6. Muzaffarpur	83065.93	1062.80	83064.43	1062.80	1.50	-	83156.51	1062.80
7. Samastipur	79738.70	-	79738.70	-	-	-	77631.58	--
8. Sitamarhi	51217.18	54631.00	51077.95	55041.83	139.23	410.83	41800.67	58416.34
Total	684750.88	83582.13	668036.96	82061.17	16713.92	1520.98	669275.14	88199.96
	Valuing Rs 37.40 crore		Valuing Rs 36.52 crore in five districts.		Valuing Rs 88.08 lakh		Valuing Rs 36.96 crore	

* As per circle wise distribution report of DM, East Champaran, 89934.60 quintal wheat and 16922.28 quintal rice were distributed.

APPENDIX - XXXVI

(Refer : Paragraph - 3.3.5 : Page : 51)

(A) Details of foodgrain(Wheat) in excess of receipt by the circles

(Quantity in quintal)

Sl.No	District	Circle	Supplied by SFC	Receipt of foodgrain As per Circle/DM Office	Distribution as per Form IX	Balance in the Circle	Value of balance (Col.7) (In Rupees)
1	2	3	4	5	6	7	8
1	Madhubani	1. Madhopur	11181.92	NA	11181.93	0.01	4.71
		2. Benipatti	14753.29	NA	15078.00	324.71	152857.23
		3. Rajnagar	2110.00	NA	2610.00	500.00	235375.00
		4. Ladania	1687.15	NA	1709.00	21.85	10285.89
		5. Babubarhi	2082.73	NA	3870.41	1787.68	841550.36
		6. Rahika	3995.54	NA	4336.17	340.63	160351.57
		7. Basopatti	2152.25	NA	3388.46	1236.21	581945.86
		8. Hariakhi	4655.23	NA	4865.50	210.27	98984.60
		9. Ghoghadiha	2076.16	NA	3318.72	1242.56	584935.12
		10. Laukahi	1032.70	NA	1209.75	177.05	83346.29
		Total	45726.97	0.00	51567.94	5840.97	2749636.63
2	Khagaria	1. Mansi	3400.00	NA	3405.00	5.00	2353.75
		2. Chautham	12840.00	NA	12841.00	1.00	470.75
		Total	16240.00	0.00	16246.00	6.00	2824.50
3	Darbhanga	1. Tardih	4890.72	NA	4900.00	9.28	4368.56
		2. Baheri	12522.59	NA	12872.50	349.91	164720.13
		3. Kiratpur	1997.50	NA	2201.25	203.75	95915.31
		4. Biraul/Gaurabouram	17739.81	NA	17772.75	32.94	15506.50
		Total	37150.62	0.00	37746.50	595.88	280510.51
4	Samastipur	1. Warishnagar	9970.91	9970.91	9970.92	0.01	4.71
		2. Khanpur	9432.59	9432.59	9473.76	41.17	19380.78
		3. Morba	123.98	123.98	128.00	4.02	1892.42
		Total	19527.48	19527.48	19572.68	45.20	21277.90
5	Muzaffarpur	1. Sakara	11748.72	11746.72	11854.55	107.83	50760.97
		2. Kanti	2088.00	2088.00	2358.00	270.00	127102.50
		3. Bandra	5322.46	5322.46	5352.46	30.00	14122.50
		Total	19159.18	19157.18	19565.01	407.83	191985.97
6	East Champaran	1. Turkaulia	1673.64	1534.00	1673.93	0.29	136.52
		2. Piprakothi	4084.34	1562.00	5400.00	1315.66	619346.95
		3. Chhauradano	788.66	320.00	950.30	161.64	76092.03
		4. Raxaul	3690.20	1525.00	3690.25	0.05	23.54
		5. Chiraiya	6468.02	7754.00	6566.50	98.48	46359.46
		6. Patahi	3944.05	3622.00	5204.00	1259.95	593121.46
		7. Tetariya	1766.48	1825.00	1825.07	58.59	27581.24
		8. Madhuban	8648.47	4910.00	9840.91	1192.44	561341.13
		Total	31063.86	23052.00	35150.96	4087.10	1924002.33
		Grand Total	168868.11	61736.66	179849.09	10982.98	5170237.84

(B) Details of foodgrain (Rice) in excess of receipt by the circles

(Quantity in quintal)							
SL.No.	District	Circle	Supplied by SFC	Receipt of foodgrain As per Circle/DM Office	Distribution as per Form IX	Balance in the Circle	Value of balance (Col.7) (In rupees)
1	2	3	4	5	6	7	8
1	Madhubani	1. Ghoghadiha	569.77	NA	671.48	101.71	62864.92
		Total	569.77	0.00	671.48	101.71	62864.92
2	Darbhanga	1. Darbhanga	268.57	NA	349.52	80.95	50033.58
		Total	268.57	0.00	349.52	80.95	50033.58
3	East Champaran	1. Motihari	2961.59	2962.00	2962.00	0.41	253.41
		2. Turkaulia	401.80	402.00	741.50	339.70	209961.78
		3. Chhauradano	0.00	414.00	946.66	946.66	585111.61
		Total	3363.39	3778.00	4650.16	1286.77	795326.80
4	Sitamarhi	1. Runnisaipur	10468.67	NA	10667.00	198.33	122583.81
		2. Pupari	4836.16	NA	5628.00	791.84	489420.47
		3. Belsand	2145.13	NA	2200.00	54.87	33914.05
		4. Chorait	1028.33	NA	1818.33	790.00	488283.20
		5. Surshand	3366.10	NA	6277.15	2911.05	1799261.78
		Total	21844.39	0.00	26590.48	4746.09	2933463.31
		Grand Total	26046.12	3778.00	32261.64	6215.52	3841688.60

Wheat Rs 51.70 lakh

Rice Rs 38.42 lakh

Total Rs 90.12 lakh

APPENDIX-XXXVII

(Refer : Paragraph - 3.3.5 : Page : 51)

(A) Details of foodgrain (Wheat) lying with the Circles

(Quantity in quintal)

Sl.No.	District	Circle	Supplied by SFC	Receipt of foodgrain as per Circle/DM Office	Distribution as per Form IX	Balance in the Circle	Value of balance (Col.7) (In rupees)
1	2	3	4	5	6	7	8
1	Begusarai	1. Sahebpur Kamal	150.00	150.00	Nil	150.00	70612.50
		Total	150.00	150.00	0.00	150.00	70612.50
2	Madhubani	1. Jhanjharpur	9919.10	NA	9200.00	719.10	338516.33
		2. Lakhnaur	8896.20	NA	8896.16	0.04	18.83
		3. Pandaul	2107.95	NA	2107.00	0.95	447.21
		4. Phulparas	3300.12	NA	3058.00	242.12	113977.99
		5. Andhrathari	8051.68	NA	7437.68	614.00	289040.50
		6. Madhwapur	6263.02	NA	5302.00	961.02	452400.17
		7. Khutauna	1109.92	NA	312.14	797.78	375554.94
		8. Municipality	341.20	NA		341.20	160619.90
		Total	39989.19	0.00	36312.98	3676.21	1730575.86
3	Khagaria	1. Alauli	24625.00	NA	24194.00	431.00	202893.25
		2. Gogari	6062.50	NA	6062.00	0.50	235.38
		Total	30687.50		30256.00	431.50	203128.63
4	Darbhanga	1. Darbhanga	22114.93	NA	22114.88	0.05	23.54
		2. Hanuman Nagar	7319.81	NA	7318.78	1.03	484.87
		3. Singhwara	10950.43	NA	10947.00	3.43	1614.67
		4. Manigachhi	9081.60	NA	8991.75	89.85	42296.89
		5. Jale	11437.66	NA	11437.50	0.16	75.32
		6. Benipur	4919.50	NA	4918.75	0.75	353.06
		7. Alinagar	5700.00	NA	5601.50	98.50	46368.88
		8. Ghanshyampur	5836.75	NA	5633.00	203.75	95915.31
		9. Kusheshwarasthan	11644.15	NA	11342.00	302.15	142237.11
		Total	89004.83	0.00	88305.16	699.67	329369.65
5	Samastipur	1. Kalyanpur	15308.48	NA	15305.25	3.23	1520.52
		2. Pusa	1500.00	NA	611.25	888.75	418379.06
		3. Rosera	9718.38	NA	9698.50	19.88	9358.51
		4. Sighiya	8631.50	NA	7435.75	1195.75	562899.31
		5. Bibhutipur	221.71	NA	207.25	14.46	6807.05
		6. Mohanpur	30.25	NA		30.25	14240.19
		Total	35410.32	0.00	33258.00	2152.32	1013204.64

Sl.No.	District	Circle	Supplied by SFC	Receipt of foodgrain as per Circle/DM Office	Distribution as per Form IX	Balance in the Circle	Value of balance (Col.7) (in rupees)
1	2	3	4	5	6	7	8
6	Muzaffarpur	1. Mushahri	4625.00	4625.00	4417.25	207.75	97798.31
		2. Gaighat	10775.00	10775.00	10667.00	108.00	50841.00
		Total	15400.00	15400.00	15084.25	315.75	148639.31
7	East Champaran	1. Motihari	8413.65	7957.00	8413.00	0.65	305.99
		2. Sugauli	6830.10	6815.00	6805.35	24.75	11651.06
		3. Ramgarhwa	4508.06	1705.00	3803.00	705.06	331907.00
		4. Dhaka	5900.01	7400.00	5869.26	30.75	14475.56
		5. Pakridayal	4508.00	4508.00	4477.02	30.98	14583.83
		6. Mehsi	5961.32	2729.00	3415.32	2546.00	1198529.50
		7. Keshariya	3878.91	3806.00	3863.03	15.88	7475.51
		8. Chakiya	5317.82	3993.00	4917.00	400.82	188686.02
		9. Kalyanpur	4848.95	4849.00	4705.46	143.49	67547.92
		10. Areraj	490.28	1071.00		490.28	230799.31
		11. Municipality	1472.00	1492.00	1471.00	1.00	470.75
		Total	52129.10	46325.00	47739.44	4389.66	2066432.45
8	Sitamarhi	1. Runnisaipur	11909.44	NA	8300.50	3608.94	1698908.51
		2. Pupari	2223.24	NA	1436.00	787.24	370593.23
		3. Bajpatti	2485.71	NA	2447.88	37.83	17808.47
		4. Belsand	4254.00	NA	3800.00	454.00	213720.50
		5. Chorait	1158.58	NA	368.08	790.50	372127.88
		6. Riga	2271.80	NA	2150.50	121.30	57101.98
		7. Mejarganj	200.00	NA	190.00	10.00	4707.50
		8. Surshand	2911.05	NA		2911.05	1370376.79
		9. Sonbarsa	6689.87	NA	6269.00	420.87	198124.55
		10. Bathnaha	6186.35	NA	5950.85	235.50	110861.63
		11. Dumra	1287.40	NA	1287.00	0.40	188.30
		12. Nanpur	737.38	NA	733.25	4.13	1944.20
		13. Bokhara	2282.36	NA	2247.61	34.75	16358.56
		Total	44597.18	0.00	35180.67	9416.51	4432822.08
		Grand Total	307368.12	61875.00	286136.50	21231.62	9994785.12

(B) Details of foodgrain(Rice) lying with the Circles

(Quantity in quintal)

Sl.No.	District	Circle	Supplied by SFC	Receipt of Foodgrain- As per Circle/DM Office	Distribution as per Form IX	Balance in the Circle	Value of balance (Col.7) (In rupees)
1	2	3	4	5	6	7	8
1	Madhubani	1. Jhanjharpur	356.41	NA	350.00	6.41	3961.89
		2. Phulparas	411.28	NA	411.19	0.09	55.63
		3. Basopatti	102.86	NA	102.85	0.01	6.18
		Total	870.55	0.00	864.04	6.51	4023.70
2	Darbhanga	1. Bahadurpur	100.00	NA	0.00	100.00	61808.00
		2. Keoti /Khirma	100.85	NA	100.00	0.85	525.37
		3. Manigachhi	517.00	NA	0.00	517.00	319547.36
		4. Tardih	335.00	NA	0.00	335.00	207056.80
		Total	1052.85	0.00	100.00	952.85	588937.53
3	East Champaran	1. Piprakothi	1315.66	1103.00	0.00	1315.66	813183.13
		2. Ramgarhwa	868.76	1569.00	0.00	868.76	536963.18
		3. Chiraiya	1473.75	1309.00	1453.50	20.25	12516.12
		4. Patahi	1239.96	1380.00	0.00	1239.96	766394.48
		5. Tetariya	2405.44	1717.00	1476.87	928.57	573930.55
		6. Pakridayal	1260.02	0.00	1207.00	53.02	32770.60
		7. Keshariya	341.25	310.00	310.00	31.25	19315.00
		8. Chakiya	148.83	149.00	147.50	1.33	822.05
		9. Kalyanpur	279.09	279.00	278.59	0.50	309.04
		Total	9332.76	7816.00	4873.46	4459.30	2756204.14
4	Sitamarhi	1. Parihar	3038.00	NA	3037.50	0.50	309.04
		2. Bajpatti	2555.69	NA	2051.07	504.62	311895.53
		3. Mejarganj	3445.00	NA	3364.00	81.00	50064.48
		4. Bairgania	1746.70	NA	1603.00	143.70	88818.10
		5. Sonbarsa	2784.00	NA	2770.00	14.00	8653.12
		6. Dumra	6378.43	NA	6161.50	216.93	134080.09
		Total	19947.82	0.00	18987.07	960.75	593820.36
		Grand Total	31203.98	7816.00	24824.57	6379.41	3942985.73

Wheat Rs 99.95 lakh

Rice Rs 39.43 lakh

Total Rs 139.38 lakh or Rs 1.39 crore

APPENDIX XXXVIII

(Refer : Paragraph - 3.5.2 : Page :60)

Abstract of Finance during 2001-05

(Rs. in crore)

Zila Parishad	Xth & XIth F.C. 99 per cent			Xth & XIth F.C. 1 per cent			SGRY			MPMLA/MLC			P.L. Account & other Receipts			Grand Total		
	Receipt	Expenditure	Balance	Receipt	Expenditure	Balance	Receipt	Expenditure	Balance	Receipt	Expenditure	Balance	Receipt	Expenditure	Balance	Receipt	Expenditure	Balance
Muzaffarpur	25.51	23.67	1.84	0.37	0.33	0.04	18.60	18.24	0.36	8.52	8.24	0.28	11.31	10.37	0.94	64.31	60.85	3.46
East Champaran	27.07	25.11	1.96	0.28	0.14	0.14	10.11	8.20	1.91	3.14	3.20	-0.06	7.79	6.67	1.12	48.39	43.32	5.07
Patna	21.97	20.38	1.59	0.21	0.17	0.04	10.80	10.11	0.69	0.48	0.52	-0.04	10.38	8.07	2.31	43.84	39.25	4.59
Vaishali	19.57	18.02	1.55	0.19	0.16	0.03	16.01	15.21	0.80	15.16	14.46	0.70	6.02	4.16	1.86	56.95	52.01	4.94
Samastipur	25.10	23.29	1.81	0.25	0.18	0.07	11.88	7.02	4.86	15.60	13.48	2.12	5.35	4.09	1.26	58.18	48.06	10.12
Begusarai	16.94	15.72	1.22	0.17	0.10	0.07	8.03	6.63	1.40	0.56	0.27	0.29	3.01	2.17	0.84	28.71	24.89	3.82
Gaya	21.99	20.40	1.59	0.40	Nil	0.40	15.28	14.47	0.81	Nil	Nil	Nil	4.39	3.51	0.88	42.06	38.38	3.68
Total	158.15	146.59	11.56	1.87	1.08	0.79	90.71	79.88	10.83	43.46	40.17	3.29	48.25	39.04	9.21	342.44	306.76	35.68

Details of Receipt and Expenditure of Tenth and Eleventh Finance Commission

Amount received by Zila Parishads and transferred to Panchayat Samitis and Gram Panchayats (99 per cent)

Amount utilized by Zila Parishads (One per cent)

(Rs. in crore)

Zila Parishads	Xth Finance Commission			XIth Finance Commission			Xth F.C.			XI F.C.		
	Receipts	Expenditure	Balance	Receipts	Expenditure	Balance	Receipts	Expenditure	Balance	Receipts	Expenditure	Balance
Muzaffarpur	4.28	4.28	Nil	21.23	19.39	1.84	0.04	0.04	Nil	0.33	0.29	0.04
East Champaran	4.54	4.54	Nil	22.53	20.57	1.96	0.04	0.04	Nil	0.24	0.10	0.14
Patna	3.69	3.69	Nil	18.28	16.69	1.59	0.04	0.03	0.01	0.17	0.14	0.03
Vaishali	3.21	3.21	Nil	16.36	14.81	1.55	0.06	0.03	0.03	0.13	0.13	Nil
Samastipur	4.22	4.22	Nil	20.88	19.07	1.81	0.04	0.04	Nil	0.21	0.14	0.07
Begusarai	2.85	2.85	Nil	14.09	12.87	1.22	0.03	0.02	0.01	0.14	0.08	0.06
Gaya	3.69	3.69	Nil	18.30	16.71	1.59	0.04	Nil	0.04	0.36	Nil	0.36
Total	26.48	26.48	Nil	131.67	120.11	11.56	0.29	0.20	0.09	1.58	0.88	0.70

Note: - Receipt under Xth and XIth Finance Commission Grants also includes interest of Rs. 0.03 crore and Rs. 0.71 crore respectively

Note: - Apart from cash as shown above foodgrains of Rs. 18.32 crore were also provided in SGRY Schemes in 4 Zila Parishads (figures not available for remaining 3 Zila Parishads).

APPENDIX-XXXIX

(Refer : Paragraph - 3.5.4 : Page :61)

(A) Details of recipient of advances (Advance holders) during 2001-05

(Rs in crore)

Sl.No.	Name of Zila Parishad	Advance with A.E.		Advance with J.E.		Advance with others (BDO, NREP etc.)		Total Amount of Advance
		No. of A.E.	Amount of Advance	No. of J.E.	Amount	No. of persons	Amount	
1	Muzaffarpur	2	24.90	Nil	Nil	Nil	Nil	24.90
2	East Champaran	Nil	Nil	6	11.51	1	0.02	11.53
3	Patna	1	0.22	13	6.35	1	0.46	7.03
4	Vaishali	2	15.69	9	13.25	4	0.30	29.24
5	Samastipur	1	0.31	4	17.48	Nil	Nil	17.79
6	Begusarai	12	3.33	12	0.03	1	0.03	3.39
7	Gaya	Nil	Nil	9	3.17	5	4.75	7.92
Total		18	44.45	53	51.79	12	5.56	101.80

(B) Advances outstanding against three Assistant Engineers during 2001-05

Name of ZP	Name of AE/JE	Advances outstanding on 31.03.05	No. of works for which advance was given	Period of outstanding advance
Muzaffarpur	(i) Ale Hussain, AE	17.37 crore	1973 works	Rs. 0.91 crore for 3 to 4 year Rs. 2.83 crore for 2 to 3 year Rs. 5.78 crore for 1 to 2 year Rs. 7.85 crore for less than 1 year
	(ii) Ramji Sharma, AE	7.53 crore		Rs. 0.96 crore for 2 to 3 year Rs. 2.83 crore for 1 to 2 year Rs. 3.74 crore for less than 1 year
Vaishali	Shishir Kumar, AE	15.20 crore	728 works	Rs. 2.55 crore for 3 to 4 years Rs. 4.12 crore for 2 to 3 years Rs. 4.42 crore for 1 to 2 years Rs. 4.11 crore for less than 1 year
Total		40.10 crore	2701 works	

APPENDIX- XL

(Refer : Paragraph - 3.5.5 : Page : 62)

Statement of works taken up and completed during 2001-05

Sl.No	Zila Parishad	SGRY Schemes			Xth and XIth F.C. Schemes			MP/MLA/MLC Schemes			Schemes out of self financing & P.L. A/C			Grand Total of Schemes		
		No. of works taken up	No. of works completed	No. of incomplete works	No. of works taken up	No. of works completed	No. of incomplete works	No. of works taken up	No. of works completed	No. of incomplete works	No. of works taken up	No. of works completed	No. of incomplete works	No. of works taken up	No. of works completed	No. of incomplete works
1	Muzaffarpur	1529	305	1224	6	Nil	6	270	Nil	270	534	Nil	534	2339	305	2034
2	East Champaran	647	Nil	647	9	Nil	9	51	Nil	51	31	Nil	31	738	Nil	738
3	Patna	897	Nil	897	111	Nil	111	NA	NA	NA	NA	NA	NA	1008	Nil	1008
4	Vaishali	1094	Nil	1094	6	Nil	6	651	Nil	651	9	Nil	9	1760	Nil	1760
5	Samastipur	828	Nil	828	174	Nil	174	507	Nil	507	225	Nil	225	1734	Nil	1734
6	Begusarai	556	197	359	23	1	22	11	5	6	1	Nil	1	591	203	388
7	Gaya	1709	145	1564	Nil	Nil	Nil	NA	NA	NA	NA	NA	NA	1709	145	1564
Total		7260	647	6613	329	1	328	1490	5	1485	800	Nil	800	9879	653	9226

Note :- Against 9879 works the ZPs showed completion of 2940 works. However audit scrutiny disclosed only 653 works completed. The position of 2287 incomplete works is shown below:-

	No. of works of SGRY	No. of works of MP/MLA/MLC	No. of works of Xth & XIth F.C.	Total	Amount of Advance involved in these works (Rs. in crore)
Patna	237	Nil	Nil	237	3.14
Vaishali	1003	651	4	1658	22.91
Samastipur	37	81	Nil	118	2.96
East Champaran	241	29	4	274	5.59
Total	1518	761	8	2287	34.60

APPENDIX-XLI

(Refer : Paragraph -5.1.12 : Page : 93)

List of Plan scheme operated in the Animal Husbandary Department during the year 2000-05

(Rs in lakh)

Sl. No.	Name of scheme A : State plan scheme	2000-01		2001-02		2002-03		2003-04		2004-05		Total	
		Grant	Expenditure	Grant	Expenditure	Grant	Expenditure	Grant	Expenditure	Grant	Expenditure	Grant	Expenditure
1.	Directorate and regional administration	17.65	16.40	14.33	12.18	18.37	18.37	20.02	15.43	14.77	14.72	85.14	77.10
2.	Hospital, Dispensaries & other establishment	Nil	Nil	100.15	99.72	133.76	96.12	102.91	69.11	96.82	96.87	433.64	361.82
3.	Control of foot & mouth diseases	Nil	2.46	Nil	Nil	20.00	16.81	Nil	Nil	Nil	Nil	20.00	19.27
4.	Vaccination units	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-	-
5.	Assistance to small marginal farmers and agricultural labourers	40.51	32.77	64.56	62.06	29.25	Nil	75.09	28.08	Nil	Nil	209.41	122.91
6.	Scheme for range poultry farm, central poultry development and production and distribution of poultry feed	Nil	Nil	Nil	Nil	5.00	5.00	2.80	2.80	Nil	Nil	7.80	7.80
7.	Veterinary board	1.20	1.65	0.57	0.22	0.60	Nil	0.61	0.52	0.65	0.65	3.63	3.04
8.	Scheme for control and prevention of animal diseases	25.27	34.04	34.01	12.78	14.26	14.25	28.53	7.61	74.15	74.15	176.22	142.83
9.	Anyarog Nidan Prayogshala	4.75	5.30	5.55	4.57	12.40	12.40	3.67	3.44	7.86	7.86	34.03	33.57
10.	Scheme for survey & production of milk egg, meat & wool	21.99	24.52	37.68	33.13	17.31	17.31	13.26	4.81	14.10	8.74	104.34	88.51
11.	Frozen semen bank	23.00	39.39	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	23.00	39.39
12.	Poultry farm development scheme	Nil	Nil	6.50	3.80	Nil	Nil	Nil	Nil	Nil	Nil	6.50	3.80
13.	Tribal area sub plan Hospitals, dispensaries and other establishment.	22.30	10.67	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	22.30	10.67
14.	Tribal area sub plan Pig breeding Farm	14.68	7.47	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	14.68	7.47
15.	Tribal area sub plan Goat development	2.35	3.81	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2.35	3.81
16.	Tribal area sub plan Statistical unit	1.10	0.31	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1.10	0.31
17.	Tribal area sub plan Directorate and regional administration	23.32	32.93	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	23.32	32.93

18.	4403 Capital Outlay on Animal Health Border Area Development Programme	Nil	Nil	Nil	Nil	Nil	Nil	67.80	Nil	101.70	101.70	169.50	101.70
B : Centrally sponsored Schemes													
1.	Control of foot & mouth diseases	Nil	0.23	Nil	Nil	20.00	12.29	Nil	Nil	Nil	Nil	20.00	12.52
2.	Poultry farm- Poultry Corporation	Nil	Nil	Nil	Nil	20.00	20.00	11.20	11.20	Nil	Nil	31.20	31.20
3.	Scheme for survey and production of milk, egg, meat and wool	14.55	4.36	37.33	24.90	17.31	12.13	13.26	45.14	14.10	14.10	96.55	100.63
4.	Veterinary Board	0.68	0.29	0.57	0.39	0.60	Nil	0.61	0.70	0.65	0.44	3.11	1.82
5.	Scheme for control and prevention of animal diseases	23.17	13.00	34.01	14.63	14.26	14.26	Nil	Nil	222.44	224.33	293.88	266.22
	C : Central Plan Scheme Cattle census operation	Nil	Nil	Nil	Nil	Nil	Nil	82.55	36.76	444.21	53.67	526.76	90.43
	Total	236.52	229.60	335.06	268.38	323.12	238.94	422.31	225.60	991.45	597.23	2308.46	1559.75

(Source : Appropriation Accounts)

APPENDIX-XLII

(Refer : Paragraph - 5.1.12 : Page : 93)

List of non plan scheme operated in the Animal Husbandry Department during the year 2000-05

(As per appropriation account)

(Rs in crore)

Sl. No.	Name of scheme	2000-01		2001-02		2002-03		2003-04		2004-05		Total	
		Grant	Expenditure	Grant	Expenditure	Grant	Expenditure	Grant	Expenditure	Grant	Expenditure	Grant	Expenditure
1.	Superintendence	2.20	1.72	1.65	1.50	1.56	1.56	1.51	1.31	1.57	1.57	8.49	7.66
2.	Superintendence Divisional Level	1.49	2.68	1.10	1.03	1.38	1.38	1.47	2.44	1.46	1.46	6.9	8.99
3.	Superintendence District Level	4.64	4.31	3.14	3.10	3.46	3.46	3.63	3.17	3.61	3.61	18.48	17.65
4.	Scheme for control of rinderpest	1.13	1.35	0.65	0.65	0.53	0.53	0.53	1.42	0.52	0.51	3.36	4.46
5.	Hospital dispensaries and other establishment	29.73	30.36	21.83	21.60	21.53	21.53	22.81	21.09	23.79	22.82	119.69	117.40
6.	Scheme for control of animal tuberculosis	0.26	0.18	0.27	0.22	0.22	0.22	0.28	0.51	0.28	0.28	1.31	1.41
7.	Cattle breeding farm	1.73	4.37	1.12	1.12	1.10	1.10	1.16	5.54	1.25	1.25	6.36	13.38
8.	Scheme for the distribution of certified bulls in the rural area of National Extention Blocks	2.66	3.68	1.42	1.41	1.40	1.40	1.36	1.41	1.45	1.45	8.29	9.35
9.	Cattle breeding & development project	20.33	15.26	13.49	13.48	13.12	13.12	13.00	8.65	14.16	14.05	74.10	64.56
10.	Cattle fair and exhibition and cattle welfare	0.37	0.30	0.35	0.34	0.34	0.34	0.33	0.39	0.40	0.40	1.79	1.77
11.	Scheme for range poultry farm central poultry development and production & distribution of poultry feed	1.13	0.81	1.06	1.06	0.91	0.73	1.59	1.58	0.93	0.97	5.62	5.15
12.	Poultry farm and small dressing plant	0.12	0.41	0.05	0.05	0.06	0.04	0.05	0.06	0.05	0.05	0.33	0.61

Sl. No.	Name of scheme	2000-01		2001-02		2002-03		2003-04		2004-05		Total	
		Grant	Expenditure	Grant	Expenditure	Grant	Expenditure	Grant	Expenditure	Grant	Expenditure	Grant	Expenditure
13.	Pig breeding farm	0.33	0.28	-	-	-	-	0.05	0.07	0.05	0.05	0.43	0.40
14.	Fodder & feed development	0.56	0.55	0.31	0.30	0.28	0.28	0.30	0.32	0.32	0.36	1.77	1.81
15.	Extension & training	0.18	0.18	0.10	0.10	0.11	0.10	0.12	0.11	0.14	0.13	0.65	0.62
16.	Establishment of livestock research station	2.40	2.39	1.73	1.73	1.85	1.85	1.99	2.09	1.96	1.99	9.93	10.05
17.	Statistical units in Animal Husbandary & fisheries department	0.73	0.74	0.52	0.52	0.54	0.54	0.56	0.47	0.56	0.54	2.91	2.81
18.	Establishment of wool shearing centre	0.06	0.08	0.03	0.03	Nil	Nil	Nil	Nil	Nil	Nil	0.09	0.11
19.	Goat development	0.01	0.01	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.01	0.01
20.	Sheep breeding farm	0.12	0.10	0.04	0.04	0.03	0.03	Nil	Nil	Nil	Nil	0.19	0.17
21.	Scheme for establishment of Bacon factory and marketing unit.	0.39	0.30	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.39	0.30
22.	3451 Secretariate- Economic services 090 Secretariate 008- Cattle & fisheries department	0.34	0.33	0.25	0.26	0.15	0.15	0.17	0.17	0.06	0.06	0.97	0.97
23.	3454- Census Survey & statistic 01- Census 001- Direction & administration 003- Cattle census.	0.14	0.12	0.08	0.08	0.07	0.07	0.06	0.13	0.22	0.22	0.57	0.62
	Total	71.05	70.51	49.19	48.62	48.64	48.43	50.97	50.93	52.78	51.77	272.63	270.26

(Source : Appropriation Accounts)

