

STATE FINANCES

For the year ended 31 March 2009

GOVERNMENT OF BIHAR



Jalmandir, Pawapuri

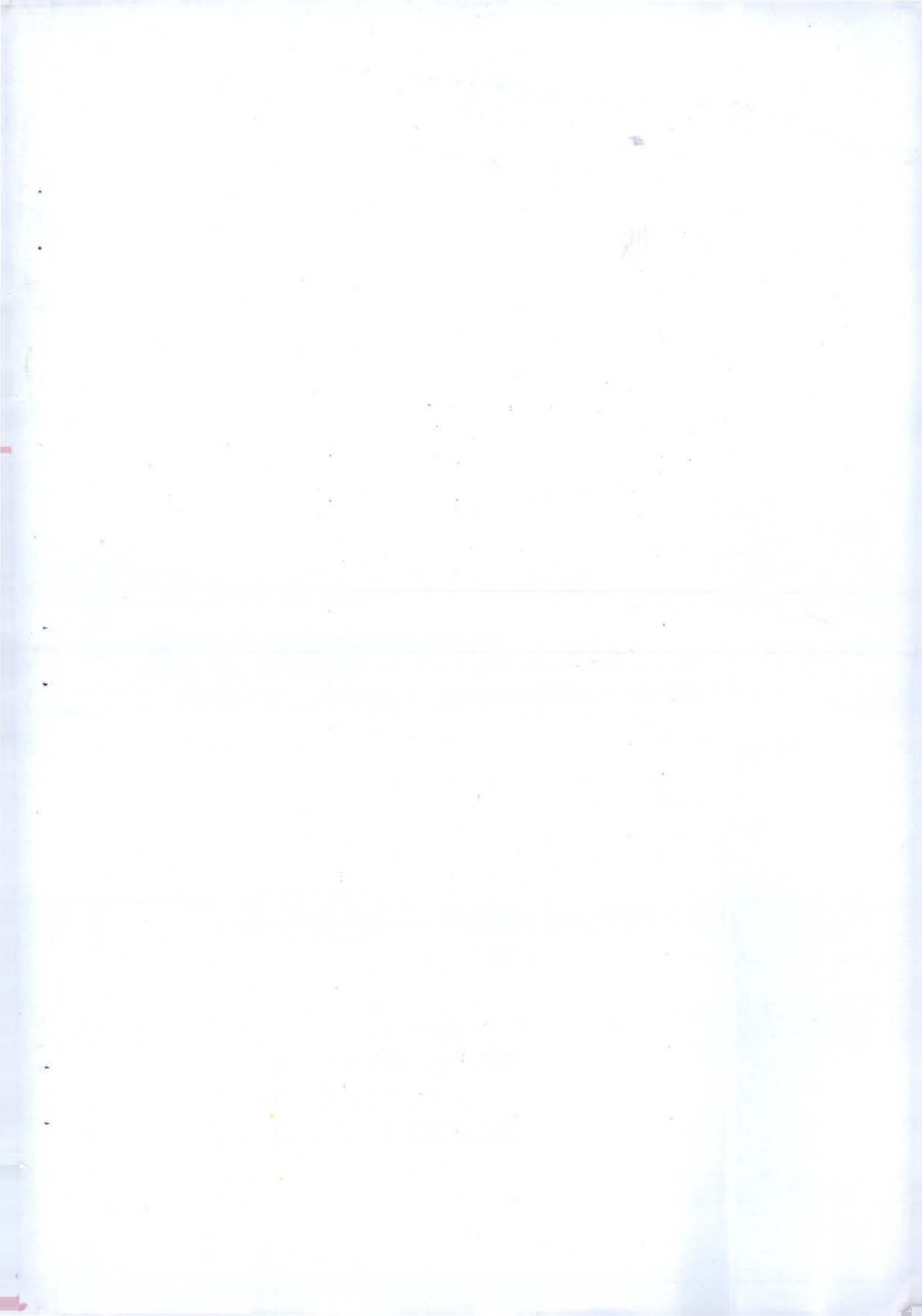
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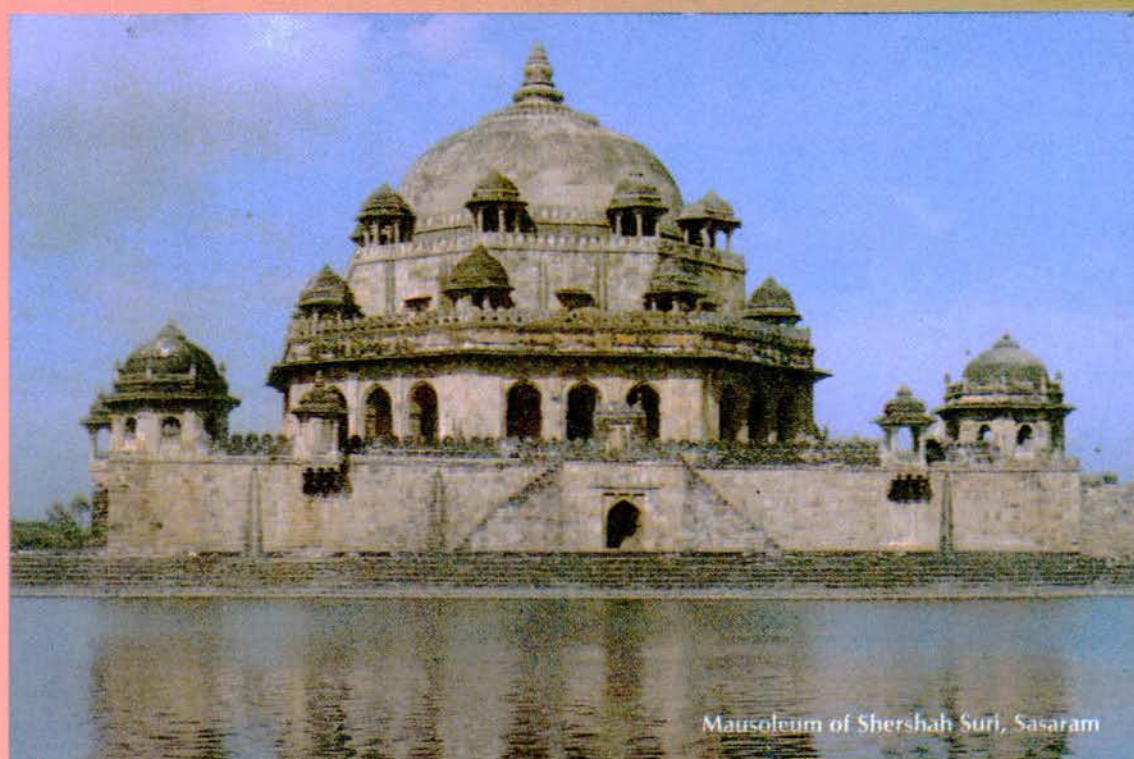
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PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
 2. Chapters I and II of this Report respectively contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2009.
 3. Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.
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EXECUTIVE SUMMARY



Mausoleum of Shershah Suri, Sasaram

Executive Summary

Background

In response to the Twelfth Finance Commission's recommendations, the Bihar Government enacted its Fiscal Responsibilities and Budget Management (FRBM) Act, entitled the Bihar Fiscal Responsibility and Budget Management Act, 2006 with a view to ensure prudence in fiscal management and fiscal stabilities by progressive elimination of revenue deficit, sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium-term fiscal framework. The state Government's commitment to carry forward these reforms is largely reflected in the policy initiatives announced in its subsequent budgets. The benefits of FRBM legislation have been realized to a great extent already, in terms of reduction in deficit indicators.

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

The Comptroller and Auditor General's Audit Reports have been commenting upon the Government's finance for over three years since the FRBM legislation. Since these comments formed part of the Civil Audit Reports, it was felt that the audit findings on State finances remained camouflaged because the majority of audit findings were on compliance and performance aspects. The obvious fallout of the all-inclusive reporting was that the audit findings on financial management did not receive proper attention. In recognition of the need to bring the State finances to centre-stage, a stand-alone report on State Government finances was considered an appropriate audit response to this challenge. Accordingly, from the report year 2009 onwards, the Comptroller and Auditor General has decided to bring out a separate volume titled 'Report on Finance'.

The report

Based on the audited accounts of the Government of Bihar for the year ending March 2009, this report provides an analytical review of the Annual Accounts of the State Government. The report is structured in three Chapters.

Chapter-1 is based on the audit of Finance Accounts and makes an assessment of the Government's fiscal position as of 31 March 2009. It provides an insight into trends of committed expenditure and borrowing pattern, besides giving a brief account of Central funds transferred directly to State implementing agencies through the off-budget route.

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

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

Audit findings and recommendations

Fiscal discipline: The target to reduce revenue deficit to Zero as per the Twelfth Finance Commission recommendations was achieved and the State was running into a revenue surplus. Revenue receipt increased by Rs 4770.97 crore, of which Rs 3056.67 crore, (64 *per cent*), was due to grants-in-aid and the share of Union Taxes received from Government of India.

Need to compress non-plan expenditure: The revenue expenditure was 80 *per cent* of the total expenditure of which 75 *per cent* was under non-plan, which also included expenditure on Salary, pension payment, interest liabilities and subsidies.

Review of Government Investment: The average return on the Government's investments in statutory companies, Government companies, co-operative banks and societies varied between zero to 0.38 *per cent* during the last three years, while the Government paid interest on borrowings at rates ranging from 7.15 to 7.93 *per cent*. This was obviously an unsustainable proposition. The Government should, therefore, hasten to seek better value for money in its investments. Otherwise, high cost borrowed funds invested in projects with low financial returns will continue to strain the economy.

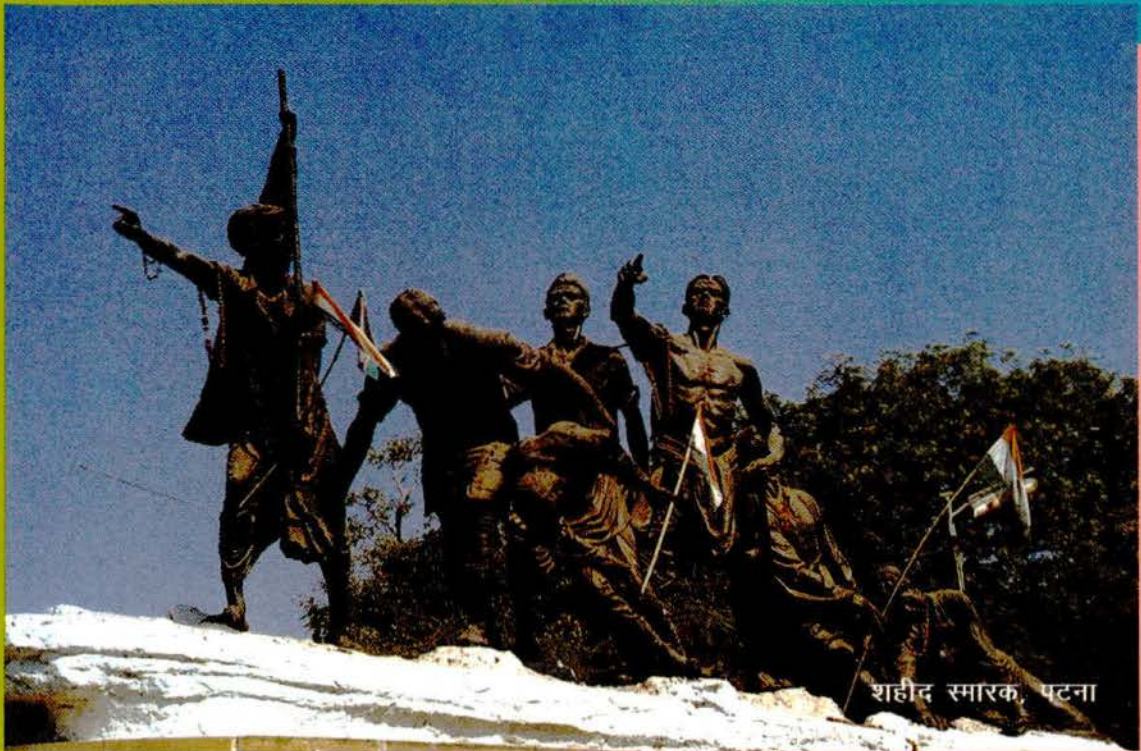
Increasing fiscal liabilities accompanied by negligible rates of return on Government investment and inadequate interest cost recovery on loans and advances might lead to a situation of unsustainable debt in the medium to long run unless suitable measures are initiated to compress the non-plan revenue expenditure and mobilise of additional resources, both through the tax and non-tax sources.

Financial management and budgetary control: During 2008-09, there were overall savings of Rs 11313.14 crore, which were a result of the total savings of Rs 11369.48 crore, being offset by the excess of Rs 54.63 crore. This excess requires regularization under Article 205 of the Constitution of India. Cases were noticed where the amounts surrendered were in excess of the actual savings, indicating lack of or inadequate budgetary control. As against savings of Rs. 1093.85 crore, the total amount surrendered was Rs.1262.73 crore, resulting in excess surrender of Rs 168.88 crore . There were 33 grants/appropriations in which savings of Rs 9802.01 crore occurred but Rs 2669.29 crore (27.23 *per cent* of savings) was not surrendered by the concerned departments. Similarly, in 50 cases, savings of Rs 6310.70 crore were surrendered on the last two working days of March 2009. Excess expenditure of Rs 7026.64 crore was pending for regularization from 1977 to 2008. There was 100 percent surrender of funds amounting to Rs 103.23 crore in 31 schemes. Budgetary controls should be strengthened to avoid such deficiencies in financial management.

Financial Reporting: The State Government's compliance with various rules, procedures and directives was unsatisfactory, which was evident from the delays in furnishing utilization certificates against the loans and grants received from various grantee institutions. The Government reported 890 cases of misappropriation, defalcation, theft, loss etc., involving Government money amounting to Rs 380.99 crore up to March 2009, on which final action was pending. Departmental enquiries /final action in respect of all misappropriation cases should be expedited to bring the defaulters to book. Internal controls in all the organizations should be strengthened to prevent such cases in future.

CHAPTER I

FINANCES OF THE STATE GOVERNMENT



CHAPTER I

FINANCES OF THE STATE GOVERNMENT

1.1 Introduction

This chapter provides a broad perspective of the finances of the Government of Bihar during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year, keeping in view the overall trends during the last five years. The structure of Government Accounts and layout of the Finance Accounts are shown in **Appendix 1.1**. The analysis has been made based on State Finance Accounts and the information obtained from the State Government. The methodology adopted for the assessment of the fiscal position of the State is given in **Appendix 1.2**. A time series data on State Government finances is given in **Appendix 1.3**.

1.1.1 Summary of Current Year's Fiscal Transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2008-09) vis-à-vis the previous year while **Appendix 1.4** provides details of receipts and disbursements as well as overall fiscal position during the current year.

Table 1.1: Summary of Current Year's Fiscal Operations

(Rupees in crore)

2007-08	Receipts	2008-09	2007-08	Disbursements	2008-09		
Section-A: Revenue					Non Plan	Plan	Total
28,209.72	Revenue receipts	32980.69	23,562.87	Revenue expenditure	21231.29	7280.29	28511.58
5,086.17	Tax revenue	6172.74	9,251.97	General services	10247.72	281.79	10529.51
525.59	Non-tax revenue	1153.32	9,867.99	Social services	7885.71	4366.39	12252.10
16,766.29	Share of Union Taxes/ Duties	17692.51	4,437.90	Economic services	3093.90	2632.11	5726.01
5,831.67	Grants from Government of India	7962.12	5.01	Grants-in-aid and Contributions	3.96	0.00	3.96
Section-B: Capital							
0.00	Misc. Capital Receipts	0.00	6,103.78	Capital Outlay	99.55	6336.80	6436.35
26.16	Recoveries of Loans and Advances	11.32	272.70	Loans and Advances disbursed	354.39	196.66	551.05
1,611.90	Public Debt receipts*	5927.89	1,631.85	Repayment of Public Debt*	**	**	1682.28
0.00	Contingency Fund	0.00	0.00	Contingency Fund	**	**	0.00
12,837.48	Public Account receipts	16941.02	10,333.58	Public Account disbursements	**	**	17310.63
1,407.58	Opening Cash Balance	2188.06	2,188.06	Closing Cash Balance	**	**	3557.09
44,092.84	Total	58048.98	44,092.84	Total			58048.98

(Source: Finance Accounts for the year 2007-08 and 2008-09).

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

** Bifurcation of Plan and Non-Plan not available

The significant changes during 2008-09 as compared to the previous year are given below:

- Revenue receipt of the State increased by Rs 4771 crore (17 *per cent*) over the previous year, mainly due to increase in the State's own tax revenue (Rs 1087 crore), non-tax revenue (Rs 628 crore), Government of India (GOI) grants (Rs 2130 crore) and share of Union taxes (Rs 926 crore).
- Revenue expenditure increased by Rs 4949 crore over the previous year, mainly due to increase in expenditure on General Services (Rs 1277 crore), Social Services (Rs 2384 crore) and Economic Services (Rs 1288 crore).
- While the expenditure on Social Services registered an increase of 24 *per cent*, expenditure on Economic Services increased by 29 *per cent*.
- Capital expenditure on asset creation increased by Rs 333 crore (five *per cent*) over the previous year.
- Public Account receipts and disbursements increased by Rs 4104 crore (32 *per cent*) and Rs 6977 crore (68 *per cent*) respectively. Net receipts under the Public Account decreased by Rs 2874 crore over the previous year.
- The net impact of these transactions led to a significant increase of Rs 1369 crore in the cash balance at the end of the year over the previous year.

1.1.2 Review of the fiscal situation

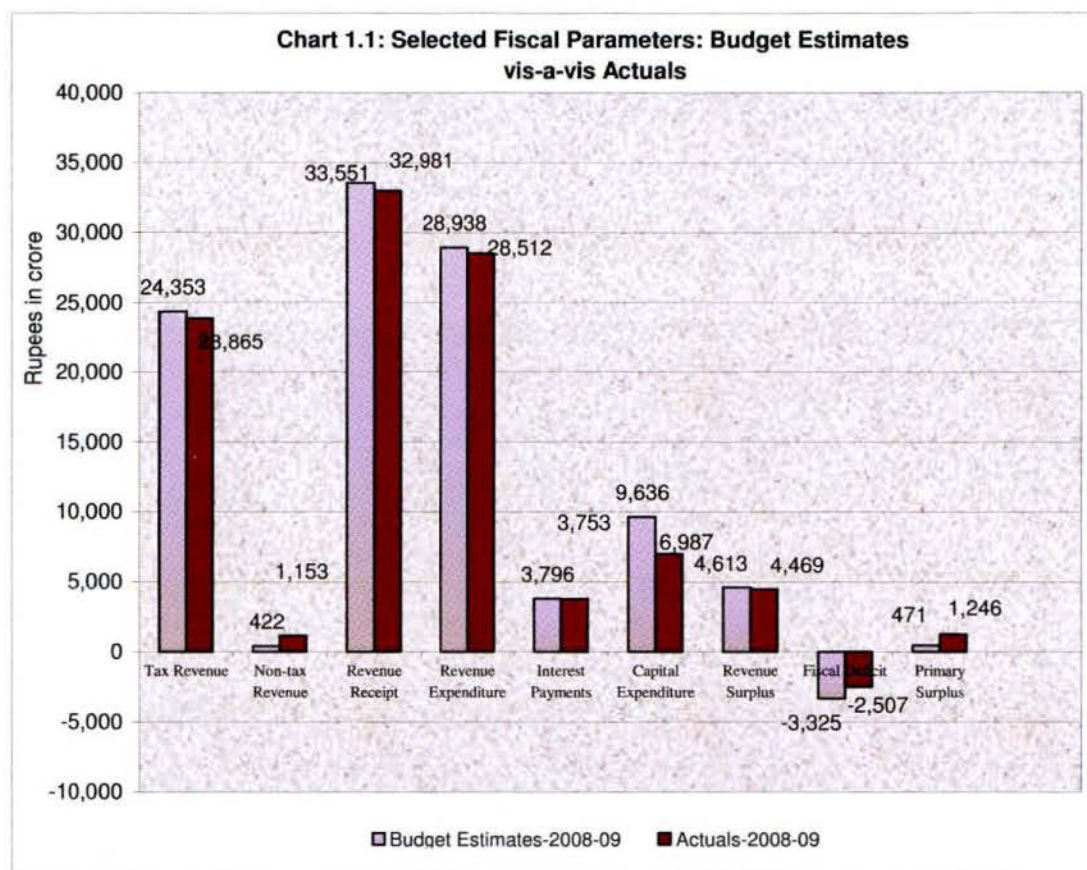
As per the Bihar Fiscal Responsibility and Budget Management (FRBM) Act 2006, in line with the recommendations of the Twelfth Finance Commission, (TFC), the State Government was to eliminate the revenue deficit by the end of 2008-09 and reduce the fiscal deficit to not more than three *per cent* of the Gross State Domestic Product (GSDP) by 2008-09.

The State is running into a revenue surplus during the award period of TFC. The fiscal deficit of the State is within three *per cent* of the GSDP.

1.1.3 Budget Analysis

The budget papers presented by a State Government provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from the budget estimates are indicative of non-attainment and non-optimisation of the desired fiscal objectives, due to a variety of causes, some within the control of the Government and some outside.

Chart 1.1 presents the budget estimates and actuals for some important fiscal parameters.



The actuals were fairly in line with the estimates, barring the following:

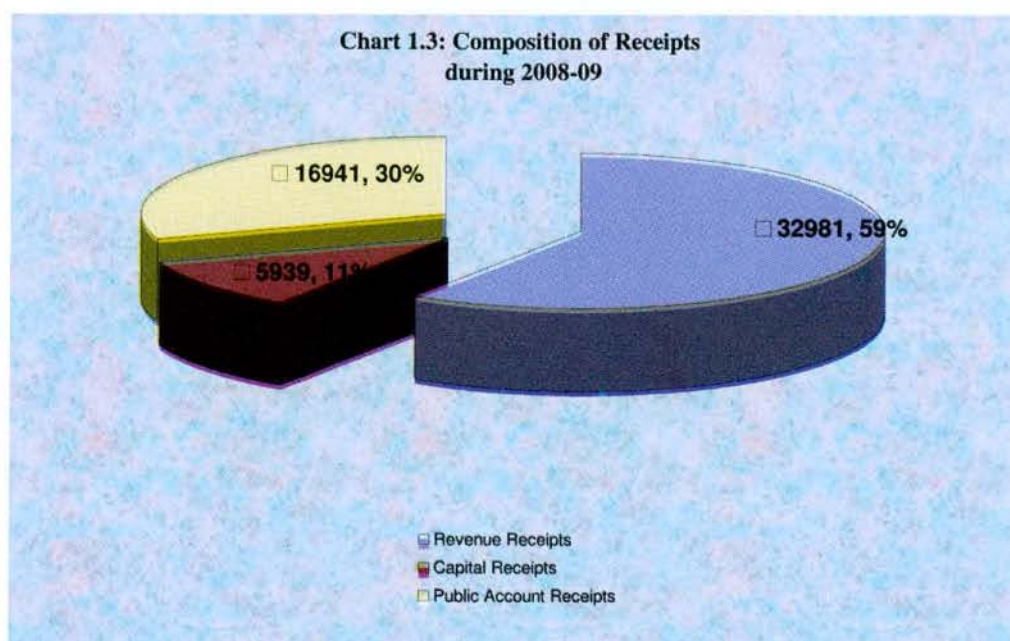
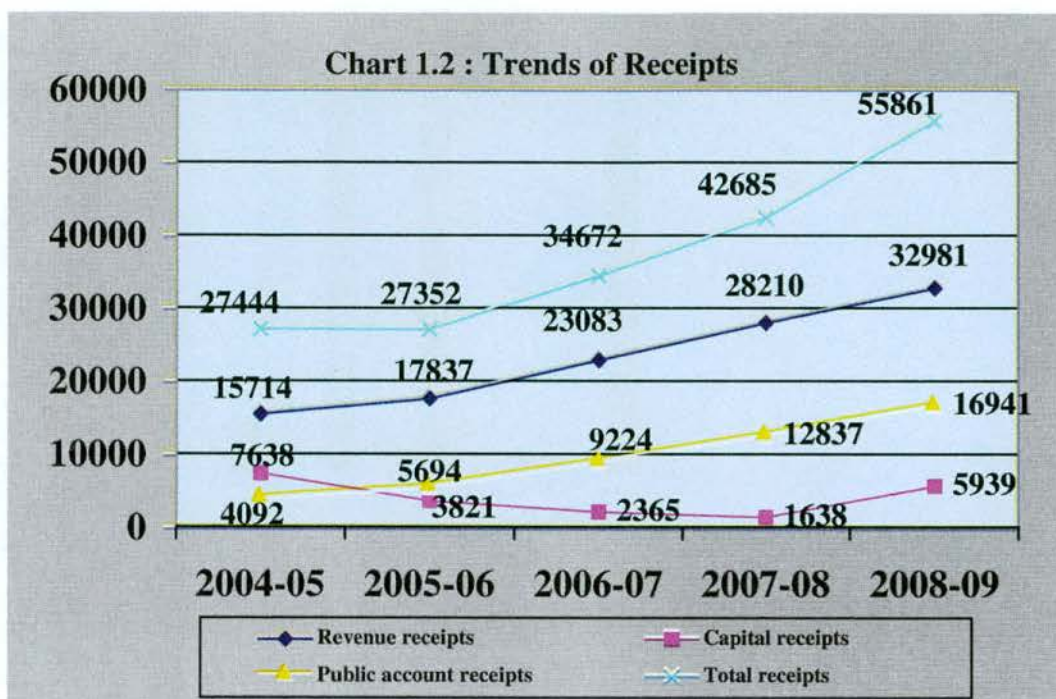
- Non-tax receipts surpassed the estimates by 173 per cent.
- While revenue receipts and revenue expenditure were lower than the estimates by Rs 570 crore and Rs 426 crore respectively, capital expenditure fell short of the estimate by Rs 2649 crore (27 per cent), indicating difficulties in fund absorption for capital works.
- Revenue surplus, fiscal deficit and primary surplus were off the mark; revenue surplus was short by Rs 144 crore (three per cent) against the budget estimate; fiscal deficit also came down by Rs 818 crore (25 per cent) whereas primary surplus increased by Rs 775 crore (165 per cent) against the estimate.

1.2 Resources of the State

1.2.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of Union taxes and duties and grants-in-aid from the Government of India (GOI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GOI as well as accruals from the Public Account. **Table-1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.2** depicts the trends in various components of

the receipts of the State during 2004-09. **Chart 1.3** depicts the composition of resources of the State during the current year.



- The total resources of the State increased by Rs 13176 crore (31 per cent) over the previous year, mainly due to increase of Rs 4104 crore (32 per

cent) in Public Account receipts and Rs 4771 crore (17 per cent) in revenue receipts.

- Public Debt receipts went up by Rs 4316 crore, an increase of 268 per cent over the previous year, mainly due to a substantial increase in open market borrowings. Open market borrowings increased from Rs 1144 crore in 2007-08 to Rs 5778 crore in 2008-09, a whopping 405 per cent over the previous year.
- The State's tax revenue increased from Rs 5086 crore in 2007-08 to Rs 6173 crore in 2008-09 (increase of 21 per cent), but the percentage of tax receipts to revenue receipts remained the same during 2007-08 and 2008-09.

1.2.2 Funds Transferred to State Implementing Agencies outside the State Budgets

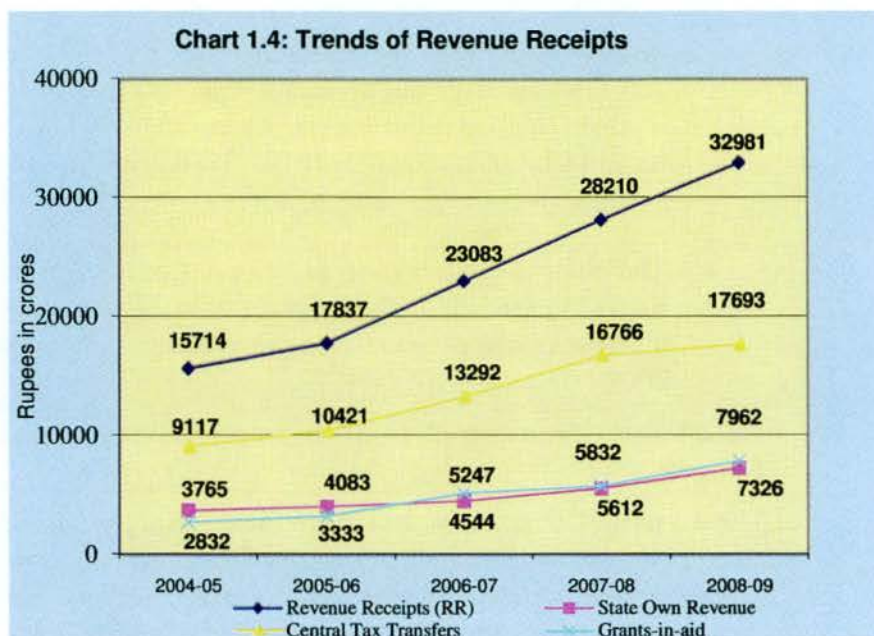
The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies¹ for the implementation of various schemes/programmes in social and economic sectors recognized as critical. As these funds are not routed through the State Budget/State Treasury System, the Annual Finance Accounts do not capture the flow of these funds and to that extent, the State's receipts and expenditure as well as other fiscal variables/parameters derived from them are underestimated. To present a holistic picture of the availability of aggregate resources, the funds directly transferred to State implementing agencies are presented in **Appendix 1.5**.

- It may be noted that the percentage of central funds (receipt and expenditure) bypassing the state budget increased considerably in the current year to 16.53 per cent and 17.31 per cent from 11.24 per cent and 10.63 per cent respectively in the previous year 2007-08.
- Since State implementing agencies do not have a uniform procedure to account for the funds received and do not always follow a timely reporting procedure, there appears to be no certainty about the amount of funds actually utilized during the year. There is an urgent need to ensure better monitoring of this expenditure either by the State or the GOI.

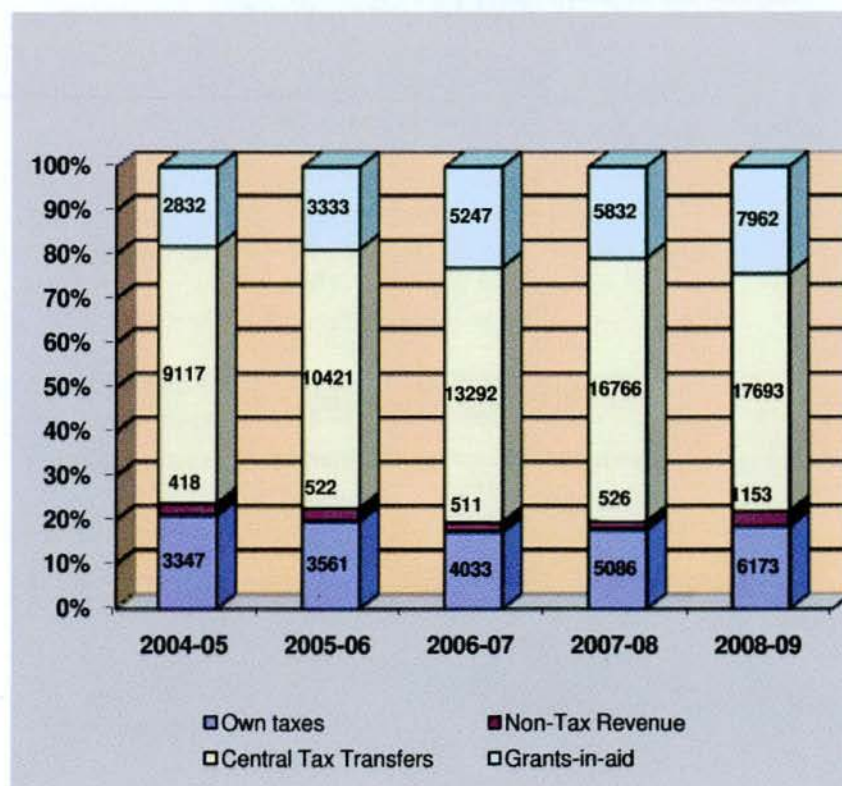
1.3 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of the State's own tax and non-tax revenues, central tax transfers and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2004-09 are presented in **Appendix 1.3** and also depicted in **Chart 1.4** and **1.5** respectively.

¹ State implementing agencies include any organization/institution including non-Governmental organization which is authorized by the State Government to receive funds from the Government of India for implementing specific programmes in the State, e.g. State implementation society for Sarva Shiksha Abhiyan and State Health Mission for National Health Rural Mission etc.



**Chart 1.5: Composition of Revenue Receipts during 2004-09
(Rupees in crore)**



- Increase in the State's own tax revenue was mainly due to increase in taxes on sales, trade etc. Rs 481.68 crore (19 *per cent*), Stamp duty and registration fee Rs 62.05 crore (9.48 *per cent*), State excise Rs 153.72 crore (29.26 *per cent*) and taxes on goods and passenger Rs 341.54 crore (36.42 *per cent*) over the previous year.

- Increase in non-tax revenue was mainly due to more receipts under interest realized on investment of cash balances (Rs 133.86 crore) 78.41 *per cent*, Non-ferrous mining and metallurgical industries (Rs 66.35 crore) 37.14 *per cent* over the previous year and under miscellaneous general services (Rs 384.93 crore) 61.32 *per cent* due to debt relief given by GOI on repayment of consolidation of loans.

- From 2004-05 onwards, except for the current year, the revenue growth was higher than the growth in GSDP. In 2008-09, however, for every one *per cent* growth in GSDP, revenue collection grew only by 0.67 *per cent*.

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

Table 1.2: Trends in Revenue Receipts relative to GSDP

Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Revenue Receipts (RR) (Rupees in crore)	15714	17837	23083	28210	32981
Rate of growth of RR (<i>per cent</i>)	26.16	13.51	29.41	22.21	16.91
R R/GSDP (<i>per cent</i>)	21.46	22.25	23.33	26.83	25.00
Buoyancy Ratios²					
Revenue Buoyancy w.r.t GSDP	2.49	1.43	1.25	3.55	0.67
State's Own Tax Buoyancy w.r.t GSDP	1.50	0.67	0.57	4.17	0.84
Revenue Buoyancy with reference to State's own taxes	1.66	2.13	2.19	0.85	0.79

(Source: Finance Accounts of Government of Bihar).

1.3.1 State's Own Resources

The wide variations in tax revenue and non tax revenue under the principal heads of accounts in the budget estimates and the actual amount realized revealed that the budget estimate was understated during 2008-09. The percentage of expenditure on collection of taxes on sales, trade, etc., State Excise and stamp duty and registration fees was more than the all India average percentage for 2007-08.

Tax revenue/non tax revenue of the State was far below the normative projections made by TFC. Although non tax revenue (excluding debt relief of Rs 385 crore) was merely 56 *per cent* of the TFC projections for the year, it exceeded the State's own projection made in its Fiscal Correction Path (FCP).

1.3.2 Loss of Revenue due to Evasion of Taxes

In the Commercial Taxes Department, out of 90 cases of tax evasion detected as on 31 March 2009, assessment/investigation was completed in 25 cases (28 *per*

²Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one *per cent*.

cent) in 2008-09, involving Rs 6.87 lakh leaving a balance of 65 cases pending finalization.

The number of refund cases pending at the beginning of the year 2008-09, claims received during the year, refunds allowed during the year and cases pending at the close of the year (March 2009), as reported by the departments are mentioned in **Table 1.3**.

Table 1.3: Department wise pending cases of refund

Sl. No.	Particulars	Sales tax		Taxes on entry of goods into local areas		State excise		Entertainment tax	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year	1995	4,423.04	5	20.34	335	417.71	5	0.12
2.	Claims received during the year	126	4,287.03	2	30.29	1,355	1,781.52	1	2.58
3.	Refunds made during the year	91	3,892.06	1	0.99	1,511	2,030.83	1	2.58
4.	Balance outstanding at the end of the year	2,030	4,818.01	6	49.64	179	168.40	5	0.12

(Source: State Government Departments).

1.3.3 Revenue Arrears

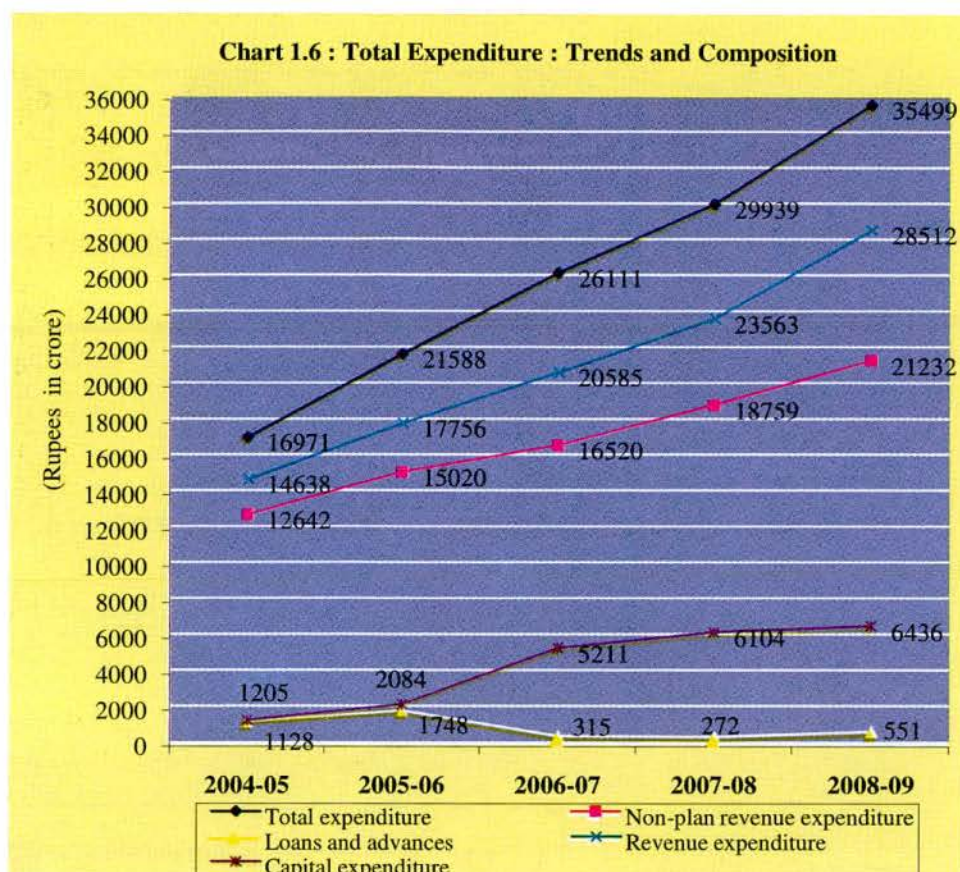
The arrears of revenue as on 31 March 2009 in respect of the principal heads of revenue as reported by the departments was Rs 1,703.52 crore, of which Rs 414.32 crore was outstanding for more than five years (**Appendix 1.6**). The position of arrears of revenue at the end of 2008-09 in respect of other departments was not furnished (November 2009), despite requests made between May and October 2009.

1.4 Application of resources

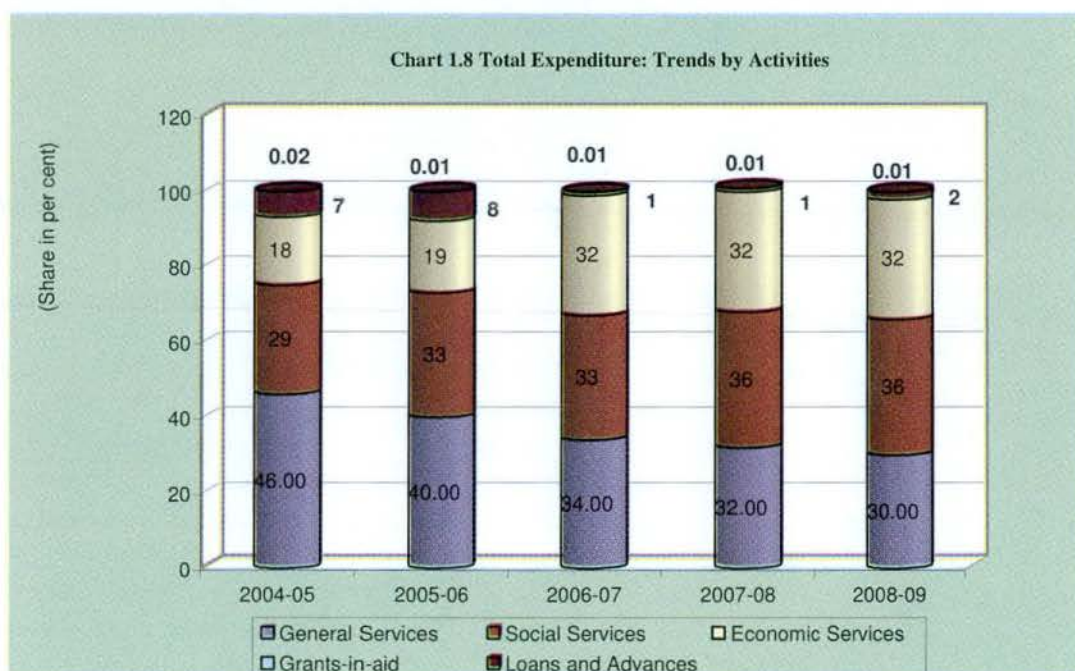
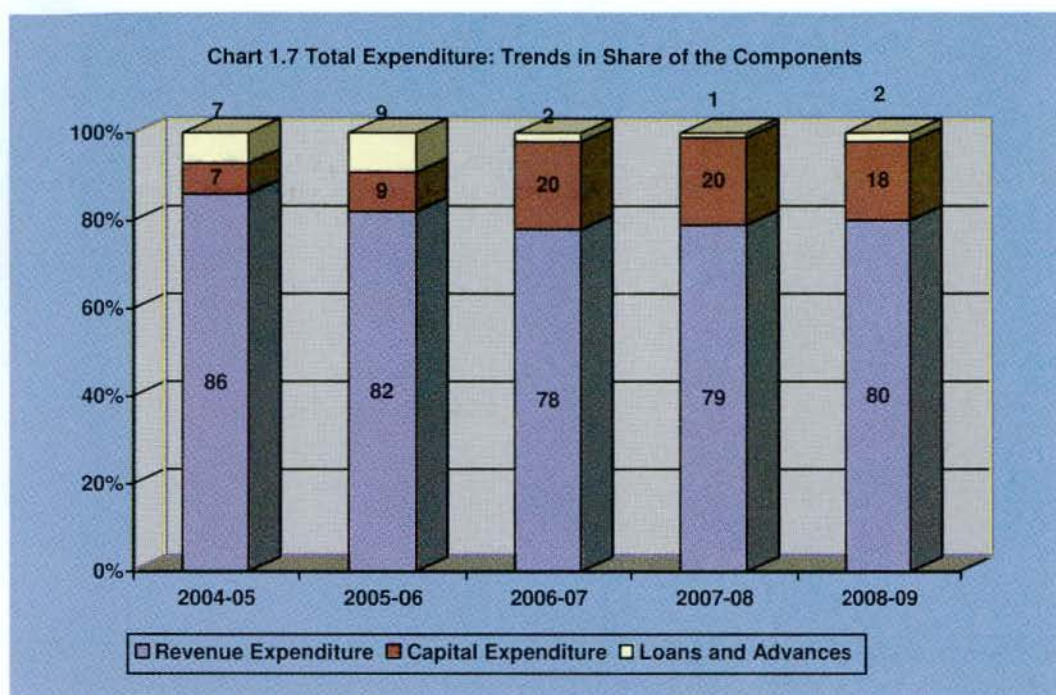
Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit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

1.4.1 Growth and Composition of Expenditure

Chart 1.6 presents the trends of total expenditure over a period of five years (2004-09). Its composition in terms of 'economic classification' and 'expenditure by activities', is depicted respectively in **Charts 1.7 and 1.8**.



• The total expenditure of the state increased from Rs 16971 crore in 2004-05 to Rs 35499 crore in 2008-09. The total expenditure during the current year increased by Rs 5560 crore over the previous year, of which revenue expenditure was Rs 4949 crore and capital expenditure including disbursement of loans and advances was Rs 611 crore. Increased Loans and Advances to Power Projects (Rs 200 crore) was the main component in the increase of capital expenditure. In terms of Plan and Non-Plan, the non plan expenditure (revenue and capital) increased by Rs 2735 crore and plan expenditure by Rs 2824 crore during the year. During the current year, 92.91 *per cent* of the total expenditure was made from revenue receipts and the remaining from capital receipts and borrowed funds. In recent years, Bihar had been very high growth of GSDP and hence, the buoyancy of the total expenditure in relation to GSDP fell to 0.73 in the current year. This indicated a tendency to spend less than the increase in income and higher elasticity of total expenditure with respect to GSDP.



• In terms of activities, total expenditure could be considered as being composed of expenditure on general services including interest payments, Social and Economic service, grants-in-aid and loans and advances. The movement of relative shares of these components of expenditure indicates that while the share of Social Services increased from 29.06 per cent in 2004-05 to 36.32 per cent in 2008-09, share of Economic Services in total expenditure increased from 17.89 per cent (2004-05) to 31.88 per cent (2008-09) and disbursement of loans and advances decreased from 15.27 to 1.55 per cent during these years. Relative shares of grants-in-aid remained practically the same during 2004-09. The share

of General Services which was the dominating portions (46.38 *per cent*) of the total expenditure in 2004-05 showed a diminishing trend and was only 30.24 *per cent* of the total expenditure during 2008-09.

- Revenue expenditure and capital expenditure increased by Rs 4949 crore (21 *per cent*) and Rs 611 crore (9.58 *per cent*) respectively. The share of revenue expenditure and capital expenditure to the total expenditure was 80 *per cent* and 20 *per cent* respectively which showed a marginal increase of one *per cent* in share of revenue expenditure to the total expenditure from the previous year. Growth in GSDP, therefore, was higher than growth in revenue expenditure in the current year.

- The Non-Plan revenue expenditure (NPRE) OF Rs 21232 crore exceeded not only the normative projections made by TFC (Rs 18380 crore) by Rs 2852 crore (15.51 *per cent*) but also the projection made in FCP (Rs 17785 crore) by Rs 3447 crore (19.38 *per cent*) and fell short of Rs 1393 crore (6.16 *per cent*) against budget estimate of Rs 22625 crore during the current year. The major increase was in Education, Sports, Art and Culture (Rs 1210 crore), Water Supply, Sanitation, Housing and Urban Development (Rs 700 crore), Social Welfare & Nutrition (Rs 623 crore), Agriculture and Allied Activities (Rs 536 crore), Rural Development (Rs 456 crore), Irrigation and Flood Control (Rs 142 crore), and Transport (Rs 86 crore).

1.4.2 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.4** presents the trends in the expenditure on these components during 2004-09.

Table-1.4: Components of Committed Expenditure

	2004-05	2005-06	2006-07	2007-08	(Rupees in crore)	
					2008-09	
					BE	Actuals
Salaries & Wages , Of which	5005.36 (31.85)	5783.35 (32.42)	6061.21 (26.06)	6469.53 (22.93)	7967	7545.61 (22.88)
Non-Plan Head	4564.16	5152.79	5538.57	5914.81	7379	6996
Plan Head*	441.20	630.56	477.64	554.72	588	550
Interest Payments	3474 (22.11)	3649 (20.46)	3416 (14.80)	3707 (13.14)	3796	3753 (11.38)
Expenditure on Pensions	2325 (14.80)	2456 (13.77)	2497 (10.82)	2789 (9.89)	3438	3479.03 (10.55)
Subsidies	-	-	-	-	-	861.58 (2.61)

Figures in the parentheses indicate percentage to Revenue Receipts

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

(Source: Finance Accounts of Government of Bihar)

The total salary under the Non-Plan head compared to NPRE, net of interest payments and pensions was 49.97 *per cent*, which was significantly more than 35 *per cent* as recommended by TFC. The interest and pension payments for 2008-09 were within the projected expenditure of Rs 4840 crore and Rs 3527 crore in the FCP and also within the assessment made by TFC of Rs 4876.31 crore and Rs 3563.79 crore respectively. The State Government also implemented a new contributory pension scheme on the Central pattern which was applicable to employees joining on or after 1 September 2005. The increase in pension

payments during 2008-09 over the previous year was attributed mainly to the end of two-year moratorium (March 2007) on the date of retirement declared by the Government. Out of subsidies amounting to Rs 861.58 crore disbursed, Rs 720 crore was paid to Bihar State Electricity Board as a resource gap.

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

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in **Table 1.5**

Table 1.5: Financial Assistance to Local Bodies etc.

(Rupees in crore)

Financial Assistance to Institutions	2004-05	2005-06	2006-07	2007-08	2008-09	
					BE*	Actual
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	564.99	803.65	845.17	808.58	925.04	966.80
Municipal Corporations and Municipalities	117.91	277.56	141.13	209.40	1055.35	950.04
Zilla Parishads and Other Panchayati Raj Institutions	2.63	3.75	6.50	13.16	1441.95	900.05
Development Agencies	110.15	18.56	3.20	1.88	46.31	26.84
Hospitals and Other Charitable Institutions	5.00	3.00	--	5.00	28.00	20.51
Other Institutions	12.68	3.92	21.23	95.35	1909.05	1558.25
Total	813.36	1,110.44	1,017.23	1,133.37	5405.70	4422.49
Assistance as per percentage of RE	5.56	6.25	4.94	4.81		15.51

(Source: Accounts compiled by the Accountant General (A & E), Bihar)

* Figures worked out on the basis of provisions made under different grants and budget estimate figures are gross figures.

Expenditure in excess of budget estimate was made through re-appropriations within the grants.

1.5 Quality of Expenditure

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

1.5.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to social sector and economic infrastructure are largely assigned to the State Governments. Enhancing human

development levels requires the States to step up their expenditure on key social services like, education, health etc. Low level of spending on any sector by a particular State may be either due to low fiscal priority attached by the State Government or on account of the low fiscal capacity of the State Government or due to both working together. Low fiscal priority (ratio of expenditure category to aggregate expenditure) would be attached to a particular sector if it was below the national average while low fiscal capacity would be reflected if the State's per capita expenditure was below the national average even after having a fiscal priority that was more than or equal to the national average. **Table 1.6** analyses the fiscal priority and fiscal capacity of the State Government with regard to development expenditure, social sector expenditure and capital expenditure during the current year.

Table-1.6: Fiscal Priority and Fiscal capacity of the State in 2005-06 and 2008-09

Fiscal Priority by the State	AE/GSDP	DE/AE	SSE/AE	CE/AE
All States/National Average* (Ratio) 2005-06	19.50	61.44	30.41	14.13
Bihar's Average (Ratio) 2005-06	31.53	60.17	33.31	9.65
All States/National Average* (Ratio) 2008-09	19.16	67.68	33.90	16.07
Bihar's Average (Ratio)* 2008-09	26.92	69.72	36.32	18.13
Fiscal Capacity of the State	DE#	SSE	CE	
All States Average Per capita Expenditure 2005-06	3,010	1,490	692	
Bihar's per Capita expenditure (Amount in Rupees) in 2005-06	1,443	799	232	
Adjusted per Capita** Expenditure (Amount in Rupees) in 2005-06	1474	NR	339	
All States' Average per capita expenditure 2008-09	5,030	2,520	1,254	
Bihar's Per Capita Expenditure (Amount in Rupees) in 2008-09	2,625	1,367	683	
Adjusted Per Capita** Expenditure (Amount in Rupees) in 2008-09	NR	NR	NR	

* As per cent to GSDP

** Calculated as per the methodology explained in the **Appendix 1.2**

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

CE: Capital Expenditure.

Population of Bihar: nine crore in 2005-06 and 9.43 crore in 2008-09.

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

Source : (1) For GSDP, the information was collected from the State's Directorate of Economics and Statistics

(2) Population figures were taken from Projection 2001-2026 of the Registrar General & Census Commissioner, India (Website:<http://www.censusindia.gov.in>) Population=Average of Projected population for 2005 and 2006.

NR = No adjustment required since the state is giving adequate fiscal priority.

(3) Expenditure figures are from the Finance Accounts of Government of Bihar.

Note: Data for Arunachal Pradesh has not been included

1.5.2 Fiscal Priority

In 2005-06, the Bihar Government gave adequate fiscal priority to Aggregate Expenditure (AE) and Social Sector Expenditure (SSE) compared to other states in the country since AE/GSDP, and SSE/AE in the case of Bihar was higher than the national average. The priority given to Developmental Expenditure (DE) and Capital Expenditure (CE) in Bihar was, however, not adequate as the DE/AE ratio and CE/AE ratio for Bihar was lower than the all states' average for this categories. In 2008-09, the position improved significantly and the State Government gave adequate priority to all categories of expenditure and all ratios for Bihar were higher than the all States' averages.

1.5.3 Fiscal Capacity

In 2005-06, the state's per capita DE of Rs 1443, SSE of Rs 799 and CE of Rs 232 were lower than the all States' averages of Rs 3010, Rs 1490 and Rs 692 respectively. Had the government spent as much of AE on DE and CE as per the all States' average, the adjusted per capita expenditure on DE and CE (calculated as per methodology given in the **Appendix 1.2**) would have been Rs 1474 and Rs 339 which would still be below the all States' average for this categories. This means that the absorptive capacity³ in Bihar was low and effective systems needed to be put in place to increase the benefits to the people.

In 2008-09 also, even though adequate fiscal priority was given by the Government, the per capita expenditure was significantly lower in all categories of expenditure compared to other states, calling urgent attention to the need for improving the capacity of the state to implement development schemes in such a way that residents received benefits at par with the residents of other States.

1.5.4 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods⁴. Apart from improving the allocation towards development expenditure⁵, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure on operation and maintenance of the existing Social and Economic Services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.7** presents the trends of development expenditure relative to the aggregate expenditure of the State during 2004-09, **Table 1.8** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected Social and Economic Services during 2007-08 and 2008-09.

³ Absorptive capacity in this case refers to the ability of a state to implement a developmental scheme in such a way that with given resources, there is maximum benefit to the people. This is usually achieved when the designs of schemes are well planned with careful risk mitigation strategy in place, administrative costs are low, operation, maintenance, monitoring and control mechanisms are in place etc so that the state is able to effectively achieve targeted outcomes.

⁴ Core public goods are goods which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. *Merit goods* are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore, wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

⁵ The analysis of expenditure data is disaggregated into development and non development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.

Table-1.7: Development Expenditure

(Rupees in crore)					
Components of Development Expenditure	2004-05	2005-06	2006-07	2007-08	2008-09
Development Expenditure (a to c)					
a. Development Revenue Expenditure	6831 (40.25)	9229 (42.75)	11938 (45.72)	14306 (47.78)	17978 (50.64)
b. Development Capital Expenditure	1137 (6.70)	2012 (9.32)	5056 (19.36)	5881 (19.64)	6230 (17.55)
c. Development Loans and Advances	1125 (6.63)	1744 (8.08)	308 (1.18)	265 (0.89)	544 (1.53)
Figures in parentheses indicate percentage of aggregate expenditure					

(Source: Finance Accounts of Government of Bihar)

Table 1.8 indicates that except in the case of Power & Energy and Transport sectors there has been fall in the percentage of CE to TE, which is not a very healthy sign. In the case of salary and wages, except in the case of General Education and Health & Family Welfare, there has been a fall in the percentage of salary and wages in revenue expenditure. This could be because the Pay Commission award was not implemented during 2008-09. Details of expenditure on operation & maintenance were not readily available in the Finance Accounts.

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

Annexure 1: Summary of Expenditure on Infrastructure Use in District Social and Economic Services (percentage)				
Social/Economic Infrastructure	2007-08		2008-09	
	Ratio of CE to TE	In RE, the share of	Ratio of CE to TE	In RE, the share of
		S & W		S&W
Social Services (SS)				
General Education	Negligible	66.72	01	67.64
Health and Family Welfare	18	53.14	08	61.23
WS, Sanitation, & HUD	32	16.33	12	9.85
Total (SS)	07	34.50	05	32.46
Economic Services (ES)				
Agri & Allied Activities	03	30.89	01	20.42
Irrigation and Flood Control	61	63.10	62	58.61
Power & Energy	14	-	36	-
Transport	85	28.91	83	27.83
Total (ES)	53	21.96	52	21.27
Total (SS+ES)	29	30.61	28	28.89
TE: Total Expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages.				

(Source: Finance Accounts of Government of Bihar).

Development revenue expenditure increased continuously from 40 *per cent* in 2004-05 to 51 *per cent* in 2008-09. Development capital expenditure also showed an increasing trend from seven *per cent* in 2004-05 to 20 *per cent* in 2007-08 but decreased in 2008-09 to 18 *per cent*. Development expenditure on loans and advances decreased from seven *per cent* in 2004-05 to one *per cent* in 2007-08 and then increased to two *per cent* in 2008-09.

1.6 Analysis of Government Expenditure and Investments

In the post-Fiscal Responsibility and Budget Management (FRBM) framework, the State is expected to keep its fiscal deficit (and borrowing) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to complete dependence on market based resources, the State Government needs to initiate measures to earn adequate returns on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year vis-à-vis the previous years.

1.6.1 Investment and returns

As of 31 March 2009, Government had invested Rs 832.18 crore in statutory corporations, rural banks, joint stock companies and co-operatives (Table 1.9).

Table-1.9: Return on Investment

Investment/Return/Cost of Borrowings	2004-05	2005-06	2006-07	2007-08	2008-09
Investment at the end of the year (Rs in crore)	708.66	805.64	821.10	828.68	832.18
Return (Rs in crore)	0.04	0.04	0.04	3.19	2.14
Return (per cent)	0.00	0.00	0.00	0.38	0.26
Average rate of interest on Govt borrowing (per cent)	9.59	8.20	7.15	7.15	7.93
Difference between interest rate and return (per cent)	9.59	8.20	7.15	7.03	7.67

(Source: Finance Accounts of Government of Bihar)

As of March 2009, the Government had invested Rs 832.18 crore i.e. Rs 105.63 crore in statutory corporations, Rs 351.17 crore in Government Companies, Rs 3.88 crore in joint stock companies and Rs 371.50 crore in banks and societies.

Returns from these investments was merely Rs 0.04 crore per annum against investments between Rs 805.64 crore and Rs 821.10 crore in 2005-07 and Rs 3.19 crore against investment of Rs 828.68 crore in 2007-08 and Rs 2.14 crore against investment of Rs 832.18 crore in 2008-09, which was merely 0.26 per cent. The average return on this investment was 0.21 per cent in the last three years while Government paid an average rate of interest of 7.41 per cent on its borrowings.

1.6.2 Loans and advances by State Government

In addition to investments in co-operative societies, Corporations and Companies, Government has also been providing loans and advances to many institutions/ organizations. Table 1.10 presents the status of outstanding loans and advances as on 31 March 2009, interest receipts vis-à-vis interest payments during the last three years.

Table-1.10: Average Interest Received on Loans Advanced by the State Government
(Rupees in crore)

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2006-07	2007-08	2008-09
Opening Balance	13573.65	13881.57	14128.10
Amount advanced during the year	315.32	272.70	551.05
Amount repaid during the year	7.40	26.16	11.32
Closing Balance	13881.57	14128.10	14667.83
<i>Of which</i> Outstanding balance for which terms and conditions have been settled			
Net addition	307.92	246.54	539.73
Interest Receipts	175.99	170.71	304.57
Interest receipts as percentage of outstanding Loans and advances	1.27	1.21	2.08
Interest payments as percentage of outstanding fiscal liabilities of the State Government.	6.96	7.27	6.83
Difference between interest payments and interest receipts (<i>per cent</i>)	5.69	6.06	4.75

(Source: Finance Accounts of Government of Bihar)

The major recipient of Government loans totaling Rs551.05 crore during 2008-09 were power projects (Rs 436.89 crore) which consumed 79.28 *per cent* of the total loans and advances paid by the Government during 2008-09. Government was providing loans and advances to the power sector without ensuring the refund and interest payment obligations thereon. Against the total outstanding loans of Rs 14668 crore, loans amounting to Rs 12290 crore was pending with power sector. Out of Rs 437 crore for power projects, Rs 99 crore was paid as arrears against bond (Rs 87 crore) and payment of interest (Rs 12 crore). Recovery of amounts aggregating Rs 15886.08 crore was overdue as of March, 2009 on account of principal and interest of loans advanced by the Government to District Boards, Municipalities and other local bodies, the State Electricity Board, private institutions, companies and individuals (principal: Rs 6206.81 crore and interest: Rs 9679.27 crore).

1.6.3 Cash Balances and Investment of Cash balances

Table 1.11 depicts the cash balances and investments made by the State Government out of cash balances available during the year.

Table-1.11: Cash Balances and Investment of Cash balances

Particulars	As on 1 April 2008	As on 31 March 2009	Increase/ Decrease
Cash Balances	-2400.20	-740.05	-1660.15
Investments from Cash Balances (a to d)	4471.06	3978.90	-492.16
a. GOI Treasury Bills	0.00	0.00	0.00
b. GOI Securities	4466.40	3974.24	-492.16
c. Securities of other State Govt.	4.66	4.66	0.00
d. Other Investments	0.00	0.00	0.00
Funds-wise Break-up of Investment from Earmarked balances (a to c)	0.0961	140.0961	140.00
a. Famine Relief Fund	0.0961	0.0961	0.00
b. Sinking Fund	-	140.00	140.00
Interest Realized	165.29	249.64	+84.35

(Source: Finance Accounts of Government of Bihar)

As per the Ways and Means Advances limits fixed by the Reserve Bank of India, the state Government had a Ways and Means Advances limit of Rs 425 crore with effect from 1 April 2008. Special Ways and Means Advance not exceeding Rs 19.12 crores with effect from 1 April 2008, Rs 18.17 crore with effect from 2 July 2008, Rs 18.38 crore with effect from 1 October 2008 and Rs 21.06 crore with effect from 1 January 2009 were made available against security of Government of India held by the state Government with effect from March 2008. States had to avail of special Ways and Means Advance @ 1 per cent below the bank rate before availing normal Ways and Means Advance. If even after the maximum advances are given, there is a shortfall in the minimum cash balance, the shortfall is left uncovered. Overdrafts are allowed by the bank if the state has a minus balance after availing of the maximum advance.

No Ways and Means Advance and overdraft were availed of by the Government during the last four years (2006-09).

Investments were made in Government securities (Rs 3974.24 crore) and State Government securities (Rs 4.66 crore).

1.7 Assets and Liabilities

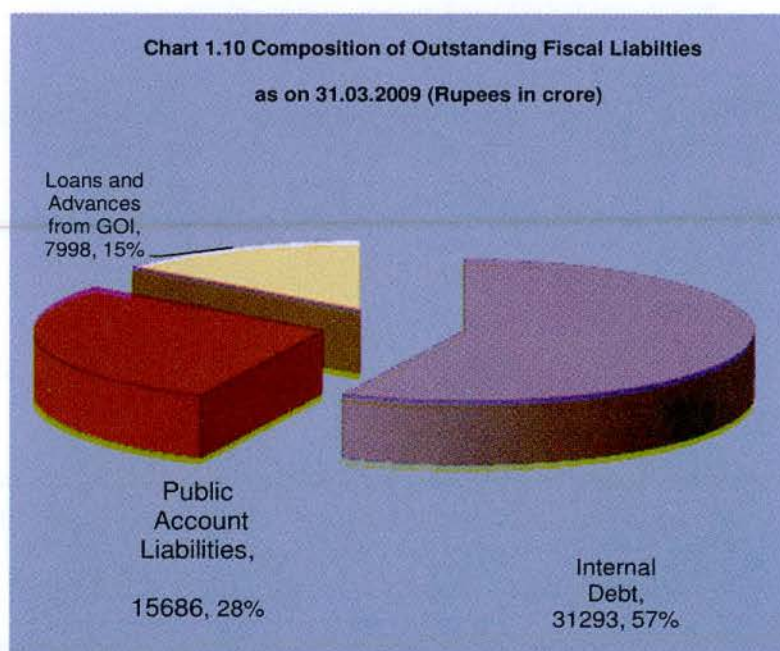
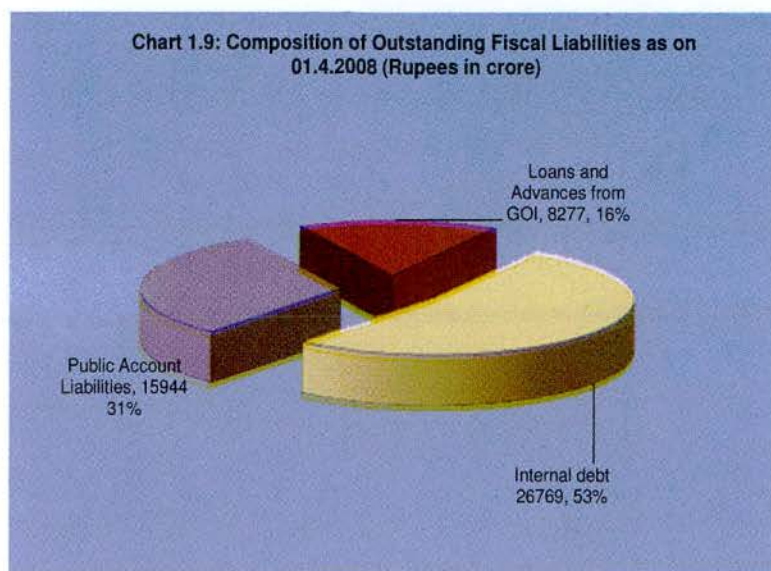
1.7.1 Growth and composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.7** gives an abstract of such liabilities and the assets as on 31 March 2009, compared with the corresponding position on 31 March 2008. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

The Bihar Fiscal Responsibility Act, 2006 defines the total liabilities of the State as the liabilities under the Consolidated Fund of the State and the Public Account of the State, which includes loans and advances from the Central Government, borrowings by public sector undertakings and special purpose vehicles and other equivalent instruments including guarantees where the principal/ or interest are to be serviced out of the State budget.

1.7.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.3**. However, the composition of fiscal liabilities during the current year vis-à-vis the previous year is presented in **Chart 1.9** and **1.10**.



The growth of fiscal liability increased from 3.87 *per cent* (2007-08) to 7.82 *per cent* (2008-09) and the ratio of fiscal liabilities to GSDP decreased from 58.02 *per cent* 2004-05 to 41.69 *per cent* during the year 2008-09. The liabilities stood at 1.67 times the revenue receipts and 7.50 times the states' own resources at the end of 2008-09. The buoyancies of these liabilities with respect to GSDP during the year were 0.31 *per cent*. Government constituted a Sinking Fund of Rs 140 crore for amortization of loans raised by the Government. Fiscal liabilities increased from Rs 42483 crore in 2004-05 to Rs 54977 crore in 2008-09, in which

the components of internal debt oscillated between 52 to 57 *per cent* during 2005-09.

1.7.3 Status of Guarantees – Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of defaults by borrowers for whom the guarantee is extended. As per Statement 6 of the Finance Accounts, the maximum amount for which guarantees were given by the State and the outstanding guarantees for the last three years is given in **Table 1.12**.

Table-1.12: Guarantees given by the Government

Guarantees	2006-07	2007-08	(Rupees in crore)	
			2008-09	
			BE	Actual
Maximum amount guaranteed	1537.73	1537.73	--	1547.73
Outstanding amount of guarantees	607.76	516.31	--	704.23
Percentage of maximum amount guaranteed to total revenue receipts	6.66	5.45	--	4.69

(Source: Finance Accounts of Government of Bihar)

Capital was raised by the Bihar State Financial Corporation (Rs 39.95 crore), loans, debenture, bonds etc. were raised by Statutory Corporations and Boards (Rs 839.05 crore), autonomous bodies (Rs 36.18 crore) Government Companies (Rs 84.20 crore), Joint Stock Companies (Rs 2.24 crore), cooperative banks and Other Societies (Rs 546.11 crore). No law under Article 293 of the Constitution has been passed by the State Legislature laying down the limit within which the Government may give guarantees on the security of the Consolidated Fund of the State.

1.7.4 Off - Budget Borrowings

The borrowings of a State are governed under Article 293 of the Constitution of India. In addition to the liabilities shown in **Table 1.12**, the State guaranteed loans availed of by Government companies/corporations. These companies/corporations borrowed funds from the market/financial institutions for implementation of various State plan programmes projected outside the State budget. Although the State Government projects that funds for these programmes would be met out of the resources mobilized by these companies/corporations outside the State budget, in reality the borrowings of many of these concerns ultimately turn out to be the liabilities of the State Government termed as 'off-budget borrowings'.

There were no off-budget borrowings in respect of the State Government.

1.8 Debt Sustainability

Apart from the magnitude of debt of State Government, it is important to analyze various indicators that determine the debt sustainability⁶ of the State. This section

⁶ Debt sustainability is defined as the ability of the State to maintain a constant debt-GDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match the increase in the capacity to service the debt.

assesses the sustainability of debt of the State Government in terms of debt stabilization⁷; sufficiency of non-debt receipts⁸; net availability of borrowed funds⁹; burden of interest payments (measured by interest payments to revenue receipts ratio) and the maturity profile of State Government securities. **Table 1.13** analyzes the debt sustainability of the State according to these indicators for the period of three years beginning from 2006-07.

Table 1.13: Debt Sustainability: Indicators and Trends

(Rupees in crore)

Indicators of Debt Sustainability	2006-07	2007-08	2008-09
Debt Stabilization (Quantum Spread + Primary Surplus)	8396.51	1366.64	11328.78
Sufficiency of Non-debt Receipts (Resource Gap)	679.00	1318.00	-804.00
Net Availability of Borrowed Funds	-692.00	-1496.00	93
Burden of Interest Payments (IP/RR Ratio)	0.15	0.13	0.11
Maturity Profile of State Debt (In Years)*			
0 - 1	28	27	23
1 - 3	10	12	12
3 - 5	16	14	14
5 - 7	02	02	02
7 and above	-	-	05

(Source: Finance Accounts of Government of Bihar)

Since Bihar enjoyed a primary surplus in 2008-09 and also since GSDP growth was very high (25.42), the debt stabilization indicator showed no cause for concern. However, during the current year, incremental non debt receipts could not cover incremental expenditure. Other indicators such as net availability of borrowed funds being positive and a manageable interest payments/ revenue receipt ratio also showed that Bihar's debt repayment may not be a problem provided this trend continues.

1.9 Fiscal Imbalances

⁷ A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, the debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.

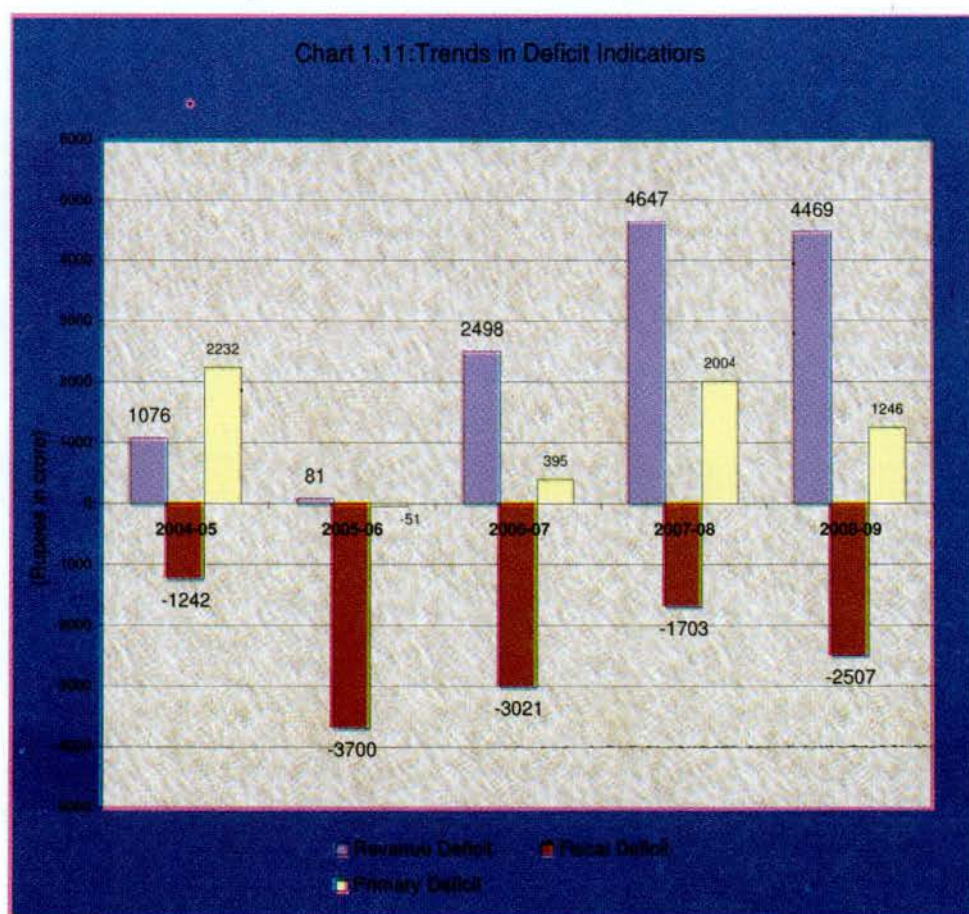
⁸ Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

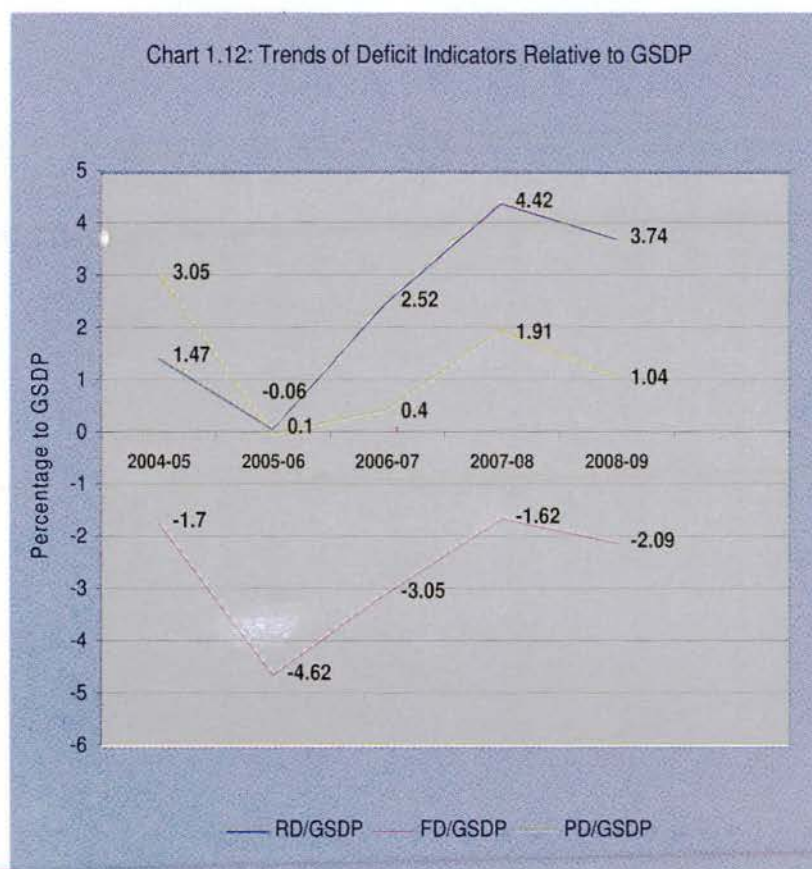
⁹ Defined as the ratio of the debt redemption (principal + interest payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government accounts represents 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 and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis targets set under the FRBM Act/Rules for the financial year 2008-09.

1.9.1 Trends of Deficits

Chart 1.11 and **1.12** presents the trends in deficit indicators over the period 2004-09.





The State was running in a revenue surplus from 2004-05 with wide variations but during 2008-09 revenue surplus decreased by Rs 178 crore over previous year. The state achieved actual deficit targets as laid down in its FRBM/TFC much before timeline indicated. Fiscal deficit increased from Rs 1703 crore in 2007-08 to Rs 2507 crore in 2008-09 and its ratio with GSDP increased from 1.62 *per cent* to 1.90 *per cent*. Decrease in the ratio of fiscal deficit was higher than the projection made in the FRBM. Primary surplus of Rs 2004 crore (2007-08) decreased to Rs 1246 crore in the current year.

1.9.2 Components of Fiscal Deficit and its Financing Pattern

The state experienced revenue surplus in 2004-05 and since then, it has maintained a surplus although with wide variations. The revenue surplus decreased from Rs 4647 crore in 2007-08 to Rs 4469 crore in 2008-09 due to the fact that revenue receipts increased by Rs 4770.97 crore (16.91 *per cent*) during 2008-09. Revenue expenditure increased by Rs 4469.11 crore (21 *per cent*) over the previous year, resulting in a decrease of Rs 178 crore in the revenue surplus in 2008-09. The percentage of market borrowings was 150 *per cent* of the fiscal deficit.

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1.14**.

Table1.14: Components of Fiscal Deficit and its Financing Pattern

		(Rupees in crore)				
	Particulars	2004-05	2005-06	2006-07	2007-08	2008-09
Decomposition of Fiscal Deficit		-1241.80	-3700.15	-3020.91	-1703.46	-2506.97
1	Revenue Deficit/Revenue Surplus	1075.73	80.71	2498.14	4646.85	4469.11
2	Net Capital Expenditure	-1204.52	-2083.90	-5211.13	-6103.78	-6436.35
3	Net Loans and Advances	-1113.01	-1696.96	-307.92	-246.53	-539.73
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	1596.90	343.13	-412.72	-779.56	3757.12
2	Loans from GOI	-1068.54	-486.04	-314.15	39.75	-278.81
3	Special Securities Issued to NSSF	2404.20	2446.59	2040.69	661.59	529.08
4	Loans from Financial Institutions	1646.30	485.92	-314.15	58.26	238.22
5	Small Savings, PF etc	403.50	365.02	395.05	268.40	144.41
6	Deposits and Advances	-39.17	414.56	869.48	1700.04	-690.52
7	Suspense and Misc	-4420.89	-39.91	583.65	-2190.35	395.96
8	Remittances	6.26	11.34	-63.14	618.30	-221.57
9	Others	76.75	439.62	nil	-44.60	293.24
10	Overall Surplus/Deficit	-676.49	298.88	97.01	-1371.62	1660.14

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

(Source: Finance Accounts)

1.9.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicate that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit (Table 1.15) would indicate the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table 1.15: Primary deficit/Surplus – Bifurcation of factors

(Rupees in crore)							
Year	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary revenue deficit (-) /surplus (+)	Primary deficit (-) /surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (3-6)	8 (2-6)
2004-05	15729	11164	1205 (09)	1128	13497	-2333	+2232
2005-06	17888	14107	2084 (12)	1748	17939	-3832	-51
2006-07	23090	17169	5211 (23)	315	22695	-5526	+395
2007-08	28236	19856	6104 (23)	272	26232	-6376	+2004
2008-09	32992	24759	6436 (20)	551	31746	-6987	+1246

(Source: Finance Accounts)

Non-debt receipts of the state were enough to meet the primary expenditure requirements in the revenue account and actually left some receipts to meet the expenditure under capital account. The surplus non-debt receipt was however not enough to meet the expenditure requirement under capital account resulting in

primary deficit in 2005-06. Non-debt receipts exceeded the primary expenditure during 2005-09, resulting in the primary surplus during the year. The fiscal deficit position accompanied by an increase in interest payment (Rs 46 crore) reduced the primary surplus from Rs 2004 crore to Rs 1246 crore during 2008-09.

1.9.4 State's Own Revenue and Deficit Correction

It is worthwhile to observe the extent to which deficit correction is achieved by the State on account of improvements in its own resources which is an indicator of the durability of the correction in deficit indicators. **Table 1.16** presents the changes in revenue receipts of the State and the correction of the deficit during the last three years.

Table-1.16: Change in Revenue Receipts and Correction of Deficit

Parameters	2006-07	2007-08	2008-09 (Per cent of GSDP)	
			BE*	Actual
Revenue Receipts (a to d)	23083	28210	33550.98	32981
a. State's Own Tax Revenue	4033	5086	5258.88	6173
b. State's Own Non- tax Revenue	511	526	421.83	1153
c. State's Share in Central Taxes and Duties	13292	16766	19094.31	17693
d. Grants-in-Aid	5247	5832	8775.96	7962
Revenue Expenditure	20585	23563	28937.89	28512
Revenue Deficit/Surplus	-2498	-4647	-4613	-4469
Fiscal Deficit/Surplus	3021	1703	3325	2507

*BE is a gross figure

(Source: Finance Accounts)

Revenue receipts increased from Rs 23083 crore in 2006-07 to Rs 32981 crore in 2008-09 and revenue expenditure also increased from Rs 20585 crore to Rs 28512 crore in 2008-09. But these were still less than the budget estimates of current year. Revenue surplus increased from Rs 2498 crore in 2006-07 to Rs 4647 crore in 2007-08 then decreased to Rs 4469 crore in 2008-09 but this was also less than projected budget estimates. Fiscal deficit decreased from Rs 3021 crore in 2006-07 to Rs 1703 crore in 2007-08 but further increased to Rs 2507 crore in 2008-09 but it was also less than the budget estimates.

1.10 Conclusion

The target to reduce revenue deficit to zero as per the Twelfth Finance Commission's recommendations was achieved and the State was running into revenue surplus. Revenue receipts increased by Rs 4770.97 crore, of which Rs 3056.67 crore, (64 per cent), was due to grants-in-aid and share of Union Taxes received from Government of India.

During 2007-08 and 2008-09, Rs 3355.61 crore and Rs 6434.66 crore respectively were provided directly to State implementing agencies outside the State budget.

Government disbursed loans and advances without ensuring refunds and interest payment obligation thereon. Loans amounting to Rs 12290 crore were pending from the power sector against total outstanding loans of Rs 14668 crore. The average return on investments made was 0.21 per cent in 2006-09, while the Government paid an average interest rate of 7.21 per cent on its borrowings during the period 2006-09. There were no off-budget borrowings.

Fresh debt receipts were being used to discharge the States' past debt obligations during 2006-08. However, the net funds available after providing the interest and repayment of debt was Rs 5243 crore (26 *per cent*) in 2008-09. The fiscal deficit increased due to increase of capital expenditure and disbursement of loan and advances.

1.11 Recommendations

- The Government may institute a mechanism for centralized monitoring of utilization of funds released directly to State implementing agencies by the Government of India.
- Increasing fiscal liabilities accompanied by negligible rates of return on Government investments and inadequate interest cost recovery on loans and advances might lead to a situation of unsustainable debt in the medium to long run unless suitable measures are initiated to compress Non-Plan revenue expenditure and mobilize additional resources, both through tax and non-tax sources.

CHAPTER II

**FINANCIAL MANAGEMENT
AND
BUDGETORY CONTROL**



Vishwa Shanti Stupa, Rajgir

CHAPTER II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

2.1.1 This Chapter outlines the Bihar Government's financial accountability and budgetary practices through audit of Appropriation Accounts. Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services vis-à-vis those authorized by the Appropriation Act in respect of both charged and voted items of the budget. Appropriation Accounts thus facilitate management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Audit of appropriations seeks to ascertain whether the expenditure actually incurred under various grants is within the authorization given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution of India is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2008-2009 against 51 grants/appropriations was as given in **Table 2.1**.

Table 2.1: Actual Expenditure vis-à-vis Original/Supplementary provisions

(Rupees in crore)

	Nature of expenditure	Original grant/appropriation	Supplementary grant/appropriation	Total	Actual expenditure	Saving (-)/Excess (+)
Voted	I Revenue	25248.38	6314.60	31562.98	24955.13	(-)6607.85
	II Capital	7635.39	3177.53	10812.92	6436.97	(-)4375.95
	III Loans and Advances	324.63	518.62	843.25	551.05	(-)292.20
Total Voted		33208.40	10010.75	43219.15	31943.15	(-)11276.00
Charged	IV Revenue	3852.10	4.31	3856.41	3820.40	(-)36.01
	V Capital	0.00	0.00	0.00	0.00	0.00
	VI Public Debt-Repayment	1676.21	7.20	1683.41	1682.28	(-)1.13
Total Charged		5528.31	11.51	5539.82	5502.68	(-)37.14
Appropriation to Contingency Fund (if any)		0.00	0.00	0.00	0.00	0.00
Grand Total		38736.71	10022.26	48758.97	37445.83	(-)11313.14

(Source- Appropriation Accounts of the state)

Note: The expenditure includes recoveries of revenue expenditure amounting to Rs 263.95 crore and capital expenditure amounting to Rs 0.61 crore adjusted as reduction of expenditure.

Total provision of Rs 48758.97 crore was made by the Government in the Budget for 2008-09. Out of this, Rs 37445.83 crore was utilised during the year which was short by Rs 1290.88 crore against the original provision of Rs 38736.71 crore. Voted Capital expenditure of Rs 6436.97 crore was merely 13.20 *per cent* of the total provision and was short by Rs 1198.42 crore against the original budget estimate for Capital outlay. Total revenue expenditure was also short by Rs 324.95 crore against the original budget provision of Rs 29100.48 crore.

The overall savings of Rs 11369.49 crore was the result of savings in 47 grants/appropriations under the Revenue Section and 33 grants/appropriations under the Capital Section, which was offset by a total excess of Rs 56.33 crore in four grants/appropriations under the Revenue Section.

The savings/excesses as per the detailed Appropriation Accounts were intimated (October 2009) to the Controlling Officers requesting them to explain the reasons for significant variations. Departments/Controlling Officers had not intimated the reasons for savings/excesses (December 2009).

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

Departments were required to prepare their estimates keeping in view relevant factors like trends in the economy, actual expenditure of the last three years etc. but non-adherence to the tenets of budget formulation and budget management led to injudicious appropriation of funds. The outcome of appropriation audit revealed that in 41 grants, aggregate savings of Rs 11352.44 crore exceeded Rs 10 crore in each case or by more than 20 *per cent* of the total provision (**Appendix 2.1**).

In 21 cases savings of Rs 9785.95 crore (86.50 *per cent* of net savings) as indicated in **Appendix 2.2** was more than Rs 100 crore in each case in various departments like the Disaster Management Department (Rs 1551.84 crore); Water Resources Department (Rs 1359.52 crore); Human Resources Development Department (Rs 1203.22 crore); Urban Development and Housing Department (Rs 623.49 crore); Energy Department (Rs 520.76 crore); Road Construction Department (Rs 505.36 crore) etc.. Reasons for the savings were not intimated by any department.

2.3.2 Persistent Savings

In 13 cases, during the last five years persistent savings of more than Rs 20 crore in each case was noticed, which was 11 to 81 *per cent* of the total grants (**Appendix 2.3**). In most of the cases, main reasons for the persistent savings were preparation of budgets without adequate details from field offices and lack of planning and monitoring at the department/Government level.

2.3.3 Excess Expenditure

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularized by the State Legislature after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee. In two cases (Voted grants), excess expenditure

aggregating Rs 46.10 crore was incurred and in one charged item, the expenditure by Rs 8.53 crore (**Table 2.2**) exceeded the provisions. However, the regularization of excess expenditure had not been done. Similarly, excess expenditure over provision amounting to Rs 7026.64 crore for the years 1977-2008 had also not been regularized as detailed in **Appendix 2.4**.

Table 2.2: Excess expenditure requiring regularization

(Rupees in crore)					
Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Expenditure	Percentage of Excess Expenditure
Voted					
1	15	Pension	3435.52	3481.24	1.33
2	17	Commercial Tax Department	46.30	46.68	0.82
		Total	3481.82	3527.92	
Charged					
1	28	High Court of Bihar	44.07	52.60	19.36
		Total	44.07	52.60	

(Source : Appropriation Accounts)

The possibility of financial irregularities remaining unexamined due to delayed/non-furnishing of explanation of excess expenditure cannot be ruled out.

2.3.4 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating Rs 2345.12 crore obtained in 34 cases (Rs 10 lakh and more in each case), during the year proved unnecessary as the expenditure did not come up to the level of the original provisions as detailed in **Appendix 2.5**. In two cases, supplementary provision of Rs 2.22 crore proved insufficient by more than Rs one crore in each case, leaving an aggregate uncovered excess expenditure of Rs 54.24 crore (**Table 2.3**).

Table 2 3: Supplementary provision proved insufficient by more than Rs one crore

(Rupees in crore)						
Grant Number	Name of the Grants/Appropriation	Original Provision	Supplementary provision	Total	Expenditure	Excess
15 (Voted)	Pension	3435.46	0.07	3435.53	3481.24	45.71
28 (Charged)	High Court of Bihar	41.92	2.15	44.07	52.60	8.53
	Total	3477.44	2.22	3479.66	3533.64	54.24

(Source: Appropriation Accounts)

It is clear from the above facts that supplementary provisions were made without assessing the actual requirement under these sub-heads.

2.3.5 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Re-appropriation of Rs 38.62 crore proved excessive and resulted in savings of Rs 124.46 crore in 19 sub-heads as detailed in

Appendix 2.6. Similarly, in three cases involving three grants, re-appropriation of funds proved injudicious due to withdrawal of Rs 2.70 crore through re-appropriation when there was excess expenditure of Rs 9.28 crore in these grants as detailed in **Table 2.4**.

Table 2.4: Unnecessary withdrawal through re-appropriation of funds

(Rupees in lakh)

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
1	12	0001-Stationery Office	2058-00-101-0001	-0.65	+32.85
2	16	0004-Remuneration to Clerk Cum Cashier in Gram Panchayats	2515-00-198-0004	-60.30	+698.29
3	48	0131-For Engineering Cell	2217-80-800-0131	-208.95	+197.20
		Total		-269.90	928.34

(Source : Appropriation Accounts)

Further, in 24 cases, withdrawals through re-appropriation of Rs 111.56 crore were insufficient as despite the withdrawals, there were savings of Rs 121.79 crore as detailed in **Appendix 2.7**. These instances indicate that controlling officers failed to anticipate actual requirements/savings of funds under these heads.

2.3.6 Substantial surrenders

Spending departments are required to surrender the grants/appropriations or portions thereof to the Finance Department as and when savings are anticipated.

In 69 sub-heads, out of a total provision of Rs 996.18 crore, funds amounting to Rs 752.41 crore (Rs 50 lakh and above and more than 50 *per cent* of total provision in each case) were surrendered as indicated in **Appendix 2.8** on account of either non-implementation or slow implementation of schemes/programmes. There was 100 *per cent* surrender of funds (Rs 103.23 crore) in 31 schemes.

2.3.7 Surrender in excess of actual saving

In seven cases (**Appendix 2.9**), Rs 1262.73 crore was surrendered (Rs 50 lakh or more in each case) against savings of Rs 1093.85 crore, which was in excess of the actual savings. This indicated lack of budgetary control in these departments, as it resulted in excess surrender of Rs 168.88 crore. Reasons for surrender of funds in excess of actual saving were not intimated by the concerned departments.

2.3.8 Anticipated savings not surrendered

In 23 grants, at the close of the year 2008-09, there were savings of Rs 8736.38 crore, (Rs 10 crore and above in each case), of which Rs 2628.44 crore was not surrendered (30 *per cent* of the total saving) as indicated in **Appendix 2.10**.

Similarly, out of saving of Rs 1065.63 crore (between Rs one crore and Rs 10 crore) under 10 grants/appropriation, Rs 40.85 crore was not surrendered as indicated in **Appendix 2.11**.

Besides, in 50 cases, Rs 6310.70 crore (Rs 10 crore and more in each case), were surrendered on the last two working days of March 2009 (**Appendix 2.12**) indicating inadequate financial control.

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

2.4 Outstanding Detailed Contingent Bills

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

Scrutiny of records revealed that out of Rs 11924.44 crore drawn on 50384 AC bills, only 5394 DC bills for Rs 964.85 crore were submitted to Accountant General (A&E), Bihar and no DC bills for 44990 AC bills of Rs 10959.59 crore drawn during the year from 2002-03 to 2007-08 (**Table 2.5**) were submitted, despite repeated audit objections.

Further, 8039 AC bills for Rs 2384.04 crore were drawn during 2008-09, of which 412 DC bills for Rs 77.27 crore had been submitted. Thus in all, adjustment of advances of Rs 13230.39 crore drawn through 52617 AC bills was pending.

Table 2.5: Outstanding Detailed Contingent Bills

(Rupees in crore)

Year	AC Bills		DC Bills		DC Bills as Percentage of AC Bills	Outstanding DC Bills	
	No.	Amount	No.	Amount		No.	Amount
2002-03	6988	332.22	464	8.33	2.51	6524	323.89
2003-04	12570	548.41	627	37.70	6.87	11943	510.71
2004-05	10701	957.72	1006	97.62	10.19	9695	860.10
2005-06	6064	2376.31	919	220.42	9.28	5145	2155.89
2006-07	6980	3849.31	899	204.29	5.31	6081	3645.02
2007-08	7081	3860.47	1479	396.49	10.27	5602	3463.98
Total	50384	11924.44	5394	964.85		44990	10959.59

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

2.5 Non-reconciliation of expenditure figures

Rules 475 (viii) of the Bihar Financial Rules requires that heads of departments should reconcile monthly/every third month, the departmental figures of expenditure with those booked in the books of Accountant General (A&E). Although non-reconciliation of departmental figure had been pointed out regularly in Audit Reports, in 73 out of 112 major heads, heads of departments

had not reconciled expenditure amounting to Rs 32793.95 crore (exceeding Rs 10 crore in each case) against the total expenditure of Rs 37445.83 crore during 2008-09 as shown in **Appendix 2.13**.

2.6 Advances from Contingency Fund

The Contingency Fund of the State has been established under the Bihar Contingency Fund Act, 1950 in terms of provisions of Articles 267 (2) and 283 (2) of the Constitution of India. Advances from the fund are to be given only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. During 2008-09, Government sanctioned 165 withdrawals amounting to Rs 1346.78 crore (2.76 *per cent* of total budget provision), of which 122 withdrawals amounting to Rs 472.46 crore (**Appendix 2.14**) were for routine purposes such as purchase of motor vehicles, construction of police buildings, water supply, acquisition of land, office expenditure, pay and allowances etc. Although these were foreseeable expenditure, advances were drawn from the Contingency Fund of the State. The entire amount had, however,, been recouped during the year.

2.7 Conclusion

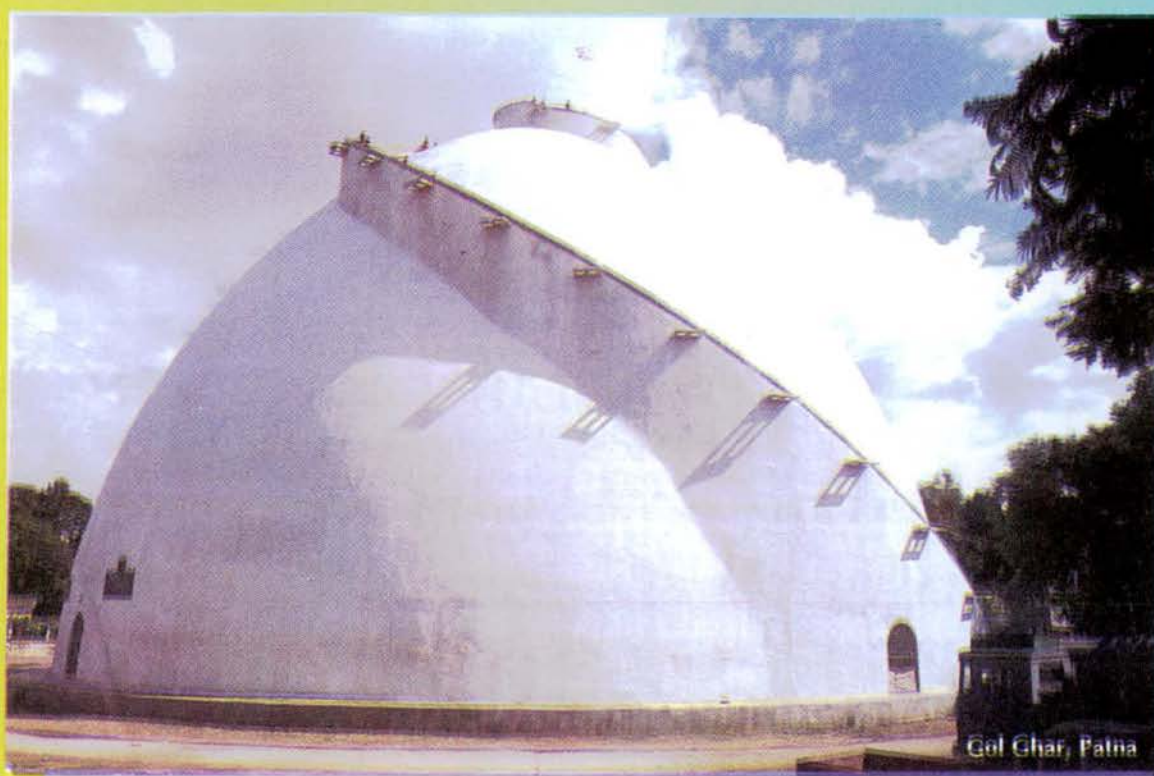
During 2008-09, expenditure of Rs 37445.83 crore was incurred against total grants and appropriations of Rs 48758.97 crore, resulting in net savings of Rs 11313.14 crore. Excesses over grants/appropriations of Rs 54.63 crore required regularisation under Article 205 of the Constitution of India. Departments had not prepared their estimates keeping in view the relevant factors like trends in economy, actual expenditure of last three years and other factors. Huge and persistent savings, excess over provisions, unnecessary /excessive / inadequate, supplementary provisions/re-appropriations and non surrender of anticipated savings indicated inadequate financial management and lack of budgetary control.

2.8 Recommendations

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

Chapter III

FINANCIAL REPORTING



Gol Ghar, Patna

CHAPTER III

FINANCIAL REPORTING

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

3.1 Delays in furnishing Utilization Certificates

Bihar Financial Rules provide that the first two quarterly instalments or first half-yearly instalments of grants-in-aid may be sanctioned without insisting upon the production of utilization certificates (UC) in respect of the last grants /instalments. However, for sanctioning the balance amount of the grants, UCs on the basis of the audited accounts of the previous grants should be obtained by the administrative departments and sent to the Accountant General (A&E).

It was observed that 21142 UCs aggregating Rs 4557.81 crore were due from various administrative departments, in respect of grants and loans paid up to October 2007. Details of outstanding UCs are given in **Appendix 3.1**.

3.2 Departmental Commercial Undertakings

Departmental undertakings performing activities of quasi-commercial nature are required to prepare proforma accounts in the prescribed format annually, showing the working results of financial operations so that the Government can assess their working. The finalised accounts of departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting their business. In the absence of timely finalization of accounts, the investments of the Government remain outside the scrutiny of Audit and the State Legislature. Consequently, corrective measures, if any required, for ensuring accountability and improving efficiency, cannot be taken in time. Besides, such the delays, in all likelihood, may open the system to the risk of fraud and leakage of public money.

Heads of departments in the Government have to ensure that the undertakings prepare such accounts and submit the same to the Accountant General for audit within a specified time frame. As of March 2009, departmental commercial undertakings of the State had not prepared accounts up to 2007-08 as detailed in **Table-3.1**.

Table 3.1: Details of Departmental Commercial undertakings

Sl. No.	Name of the Undertaking	No. of Units
1	Adarsh Iron Workshop	12
2	Hasthkargha Weaver's Training Centres	06
3	Salt Petre Refinery Centre, Maheshi, East Champaran	01
4	Handicrafts Complex, Madhubani	01
5	Polyster Weavers Training Centres, Barari, Bhagalpur	01
6	Upendra Maharashi Crafts Investigation Institute, Digha, Patna	01
7	Central Design Centre, Rajendra Nagar, Patna	01
	Total	23

(Source: Compiled from information received from heads of departments)

The CAG has repeatedly commented about the arrears in preparation of accounts in State Reports (Civil) but there has been no improvement as far as the preparation of proforma accounts by these undertakings is concerned.

3.3 Misappropriations, losses, defalcations, etc.

The Bihar Financial Rules provided that any loss or suspicion thereof, of public money held by or on behalf of Government due to defalcation or otherwise should be immediately reported by the officer concerned to his immediate superior official, the Finance Department as well as the Accountant General. Subsequent to investigation, a complete report should be submitted regarding the nature, extent reasons leading to such loss and recovery if any. The officer receiving the report should forward it to the State Government along with departmental investigations as may be necessary.

Altogether 890 cases of defalcation, misappropriation and loss have been pending as of March 2009. The age-wise profile of the pending cases detailed in **Appendix 3.2** is summarized in **Table 3.2**.

Table 3.2
Age-wise profile of pending cases

(Amount: Rupees in crore)		
Range in Years	Number of Cases	Amount Involved
Up to 5	813	247.81
5 - 10	77	133.18
Total	890	380.99

(Source: Compiled from information received from heads of departments)

The number of cases pending in each category of defalcation, misappropriation and loss detailed in *Appendix 3.3* are summarized in **Table 3.3**.

Table 3.3
Nature of the pending cases

(Amount: Rupees in crore)

Nature of Cases	Number of Cases	Amount involved
Misappropriation	562	304.56
Loss	175	64.80
Defalcation	153	11.63
Total Pending cases	890	380.99

(Source: Compiled from information received from heads of departments)

The amounts relating to cases of misappropriation, loss, defalcations were pending for settlement but no action had been taken to fix responsibility on the erring officials.

3.4 Conclusion

Submission of utilization certificates, annual accounts, proforma accounts etc. by State institutions/undertakings are the basic inputs of financial reporting and their timely submission and quality of reporting are necessary for effective and good governance. However, utilization certificates and accounts were not submitted by these institutions/undertakings on time and in complete form, which restricted the State Government from taking appropriate steps required for ensuring accountability and improving efficiency.

3.5 Recommendations

- Heads of departments should initiate prompt action to submit utilization certificates on time.
- It should be ensured that all departmental commercial undertakings submit their Annual Accounts within the prescribed period.



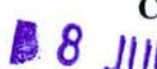
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 **(R PREMAN DINARAJ)**
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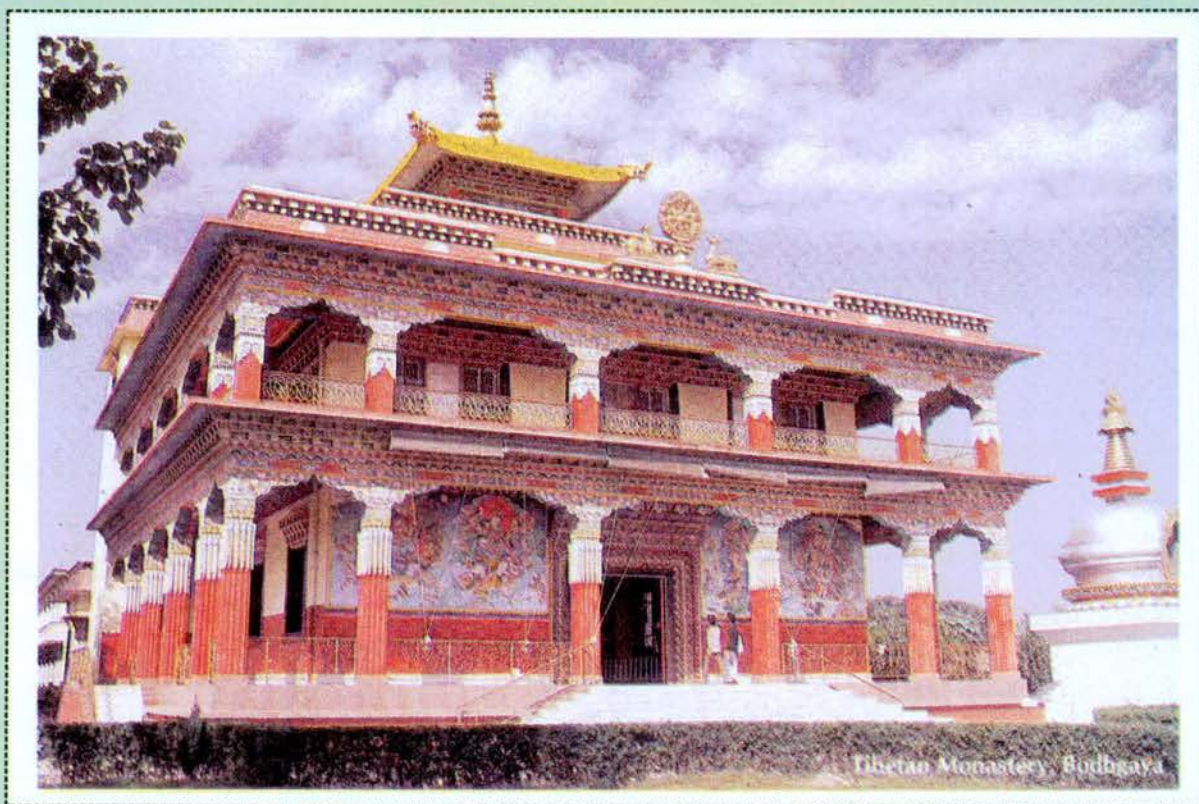
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COMPTROLLER AND AUDITOR GENERAL OF INDIA
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APPENDICES



Tibetan Monastery, Bodhgaya

Appendix 1.1
(Reference: Paragraph 1.1 and Page 1)

Part-A

Structure of Government Accounts

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

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

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

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

Appendix 1.1
(Reference: Paragraph 1.1; and Page 1)

Part-B
Layout of Finance Accounts

Statement No.	About
1.	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.
2.	Summarized statement of capital outlay showing progressive expenditure to the end of 2008-09.
3.	Financial results of irrigation works, their revenue receipts, working expenses and maintenance charges, capital outlay, net profit or loss, etc.
4.	Summary of debt position of the State which includes borrowing from intern debt, Government of India, other obligations and servicing of debt.
5.	Summary of loans and advances given by the State Government during the year repayments made, recoveries in arrears etc.
6.	Summary of guarantees given by the Government for repayment of loans etc. raised by the statutory corporations, local bodies and other institutions.
7.	Summary of cash balances and investments made out of such balances.
8.	Summary of balances under Consolidated Fund, Contingency Fund and Public Account as on 31 March 2009
9.	Revenue and expenditure under different heads for the year 2008-09 as a percentage of total revenue/expenditure.
10.	Distribution between the charged and voted expenditure incurred during the year.
11.	Detailed account of revenue receipts by minor heads.
12.	Accounts of revenue expenditure by minor heads under non-plan and plan separately and capital expenditure by major head wise.
13.	Detailed capital expenditure incurred during and to the end of 2008-09.
14.	Details of investment of the State Government in statutory corporations, Government companies, other joint stock companies, co-operative banks and societies etc. up to the end of 2008-09.
15.	Capital and other expenditure to the end of 2008-09 and the principal sources from which the funds were provided for that expenditure.
16.	Detailed account of receipts disbursements and balances under heads of account relating to Debt, Contingency Fund and Public Account.
17.	Detailed account of debt and other interest bearing obligations of the Government of Bihar.
18.	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 2009.
19.	Details of earmarked balances of reserve funds

Appendix 1.2

(Reference: Paragraph 1.1; 1.5.1 and 1.5.3; Page 1, 13 and 14)

PART A – Methodology adopted for the Assessment of Fiscal Position

The norms/Ceilings prescribed by the TFC for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other Statements required to be laid in the legislature under the Act (**Para 1.1**) are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that GSDP is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been represented as percentage to the Gross State Domestic Product (GSDP) at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc, are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

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

Trends in Gross State Domestic Product (GSDP)

	2004-05	2005-06	2006-07	2007-08	2008-09
Gross State Domestic Product (Rs in crore)	73221	80157	98957	105148	131873
Growth rate of GSDP	10.52	9.47	23.45	6.26	25.42

Source: Directorate of Statistics & Evaluation, Government of Bihar

Methodology for Estimating the Fiscal Capacity

For working out the fiscal capacity of the State Governments, the following methodology given in Twelfth Finance Commission report has been adopted.

Step 1: Calculate the national average of AE-GSDP and CO/DE/ SSE-AE.

Step 2: Based on the national average of AE-GSDP ratio, derive the aggregate expenditure so that no State is having a ratio AEGSDP less than the national average, i.e., if

$$AE/GSDP = x$$

$$AE = x * GSDP \dots\dots\dots(1)$$

where x is the national average of AE-GSDP ratio.

Wherever the States are having AE-GSDP ratio higher than national average, no adjustments were made. Wherever this ratio was less than average, it was made equal to the national average.

Step 3: Based on the national average of DE-AE, SSE-AE and CE/AE, derive the respective DE, SSE and CO, so that no State is having these ratios less than national average, i.e., if

$$DE/AE = y$$

$$DE = y * AE \dots\dots\dots(2)$$

where y is the national average of DE-AE ratio

Substituting (1) in (2), we get

$$DE = y * x * GSDP \dots\dots\dots(3)$$

Wherever the States are having DE/AE, SSE/AE and CE/AE ratio higher than national average, no adjustments have been made. Wherever these ratios were less than average, it was made equal to the national average.

Step 4: Based on the derived DE, SSE and CE as per equation (3), respective per capita expenditure was calculated, i.e.,

$$PCDE = DE/P \dots\dots\dots(4)$$

where PCDE is the per capita development expenditure and P is the population.

Substituting (3) in (4), we get

$$PDE = (y * x * GSDP)/P \dots\dots\dots(5)$$

Equation (5) provides the adjusted per capita expenditure. If the adjusted per capita expenditure is less than the national average of per capita expenditure, then the States' low level of spending is due to the low fiscal capacity. This gives a picture of actual level of expenditure when all the State Governments are attaching fiscal priority to these sectors equivalent to the national average.

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

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

PART-B-Fiscal Responsibility and Budget Management (FRBM) Act, 2006

The State has enacted Fiscal Responsibility and Budget Management (FRBM) Act in April 2006. The Act envisages that the state Government is responsible to ensure prudence in fiscal management and fiscal stability, to enhance the scope for improving social and fiscal infrastructure and human resources development by progressive elimination of revenue deficit, reduction in fiscal deficit, prudent debt management consistent with fiscal sustainability, greater transparency in fiscal co-operations of the Government and conduct of fiscal policy in a medium term frame work.

To give effect to the fiscal management objectives laid down in the Act, the State Government shall, *inter alia*,

- Beginning from financial year 2006-07 and in case there be revenue deficit, reduce revenue deficit/GSDP ratio every year by at least 0.1 *per cent* depending upon the economic situation and eliminate revenue deficit by 2008-09 and generate revenue surplus thereafter.
- Beginning from financial year 2006-07 reduce fiscal deficit/GSDP ratio every year by at least 0.3 *per cent* if it is more than three *per cent* and to not more than three *per cent* by 2008-09.

Appendix 1.3
(Reference: Paragraph 1.1; 1.3 and 1.7.2, Page 1, 5 and 18)
Time series data on the State Government finances

	(Rupees in crore)				
	2004-2005	2005-2006	2006-2007	2007-2008	2008-09
Part A. Receipts					
1. Revenue Receipts	15714	17837	23083	28210	32981
(i) Tax Revenue	3347(21)	3561(20)	4033(17)	5086(18)	6173(19)
Taxes on Sales, Trade, etc	1891(57)	1734(49)	2081(52)	2535(50)	3016(49)
State Excise	272(8)	319(9)	382(9)	525(10)	679(11)
Taxes on Vehicles	213(6)	302(8)	181(4)	273(5)	298(5)
Stamps and Registration fees	429(13)	505(14)	455(11)	654(13)	716(12)
Land Revenue	33(1)	55(2)	75(2)	82(2)	102(1)
Taxes on Goods and Passengers	473(14)	613(17)	783(19)	938(18)	1279(21)
Other Taxes	36(1)	33(1)	76(2)	79(2)	83(1)
(ii) Non Tax Revenue	418(3)	522(3)	511(2)	526(2)	1153(3)
(iii) State's share of Union taxes and duties	9117(58)	10421(58)	13292(58)	16766(59)	17693(54)
(iv) Grants in aid from Government of India	2832(18)	3333(19)	5247(23)	5832(21)	7962(24)
2. Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	0.00
3. Recoveries of Loans and Advances	15	51	7	26	11
4. Total Revenue and Non debt capital receipts (1+2+3)	15729	17888	23090	28236	32992
5. Public Debt Receipts	7623	3770	2358	1612	5928
Internal Debt (excluding Ways and Means Advances and Overdrafts)	5969	3768	2355	1144	5778
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	-
Loans and Advances from Government of India	1654	2	3	468	150
6. Total Receipts in the Consolidated Fund (4+5)	23352	21658	25448	29848	38920
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Account Receipts	4092	5695	9224	12837	16941
9. Total Receipts of the State (6+7+8)	27444	27353	34672	42685	55861
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	14638	17756	20585	23563	28512
Plan	1996(14)	2736(15)	4065(20)	4804(20)	7280
Non Plan	12642(86)	15020(85)	16520(80)	18759(80)	21232
General Services (including interest payments)	7803(53)	8523(48)	8643(42)	9252(39)	10530
Social Services	4795(14)	6862(38)	7917(38)	9868(42)	12252
Economic Services	2036(33)	2367(13)	4021(20)	4438(19)	5726
Grants-in-aid and contributions	4	4	4	5	4
11. Capital Expenditure	1205	2084	5211	6104	6436
Plan	1170(97)	2061(99)	5132(98)	5991(98)	6336
Non Plan	35(3)	23(1)	79(2)	113(2)	100
General Services	68(6)	72(3)	155(3)	223(4)	206
Social Services	137(11)	328(16)	596(11)	799(13)	640
Economic Services	1000(83)	1684(81)	4460(86)	5082(83)	5590
12. Disbursement of Loans and Advances	1128	1748	315	272	551
13. Total (10+11+12)	16971	21588	26111	29939	35499

	2004-2005	2005-2006	2006-2007	2007-2008	2008-09
14. Repayments of Public Debt	3084	981	1025	1632	1682
Internal Debt (excluding Ways and Means Advances and Overdrafts)	361	493	708	1203	1254
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	2723	488	317	429	428
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	20055	22569	27136	31571	37181
17. Contingency Fund disbursements	-	-	-	-	-
18. Public Account disbursements	5519	4415	8016	10334	17311
19. Total disbursement by the State (16+17+18)	25574	26984	35152	41905	54492
Part C. Deficits					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	1076	81	2498	4647	4469
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-)1242	(-)3700	(-)3021	(-)1703	(-)2507
22. Primary Deficit (21+23)	(+)2232	(-)51	(+)395	(+)2004	(+)1246
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	3474	3649	3416	3707	3753
24. Financial Assistance to local bodies etc.,	813	1110	1017	1133.37	4422.49
25. Ways and Means Advances/Overdraft availed (days)	3	NIL	NIL	NIL	Nil
Ways and Means Advances availed (days)					
Overdraft availed (days)					
26. Interest on Ways and Means Advances/Overdraft	negligible	NIL	NIL	NIL	Nil
27 Gross State Domestic Product (GSDP)[®]	73221	80157	98957	105148	131873
28 Outstanding Fiscal liabilities (year end)	42483	46495	49089	50989	54977
29. Outstanding guarantees (year end)	473	605	608	516	704
30. Maximum amount guaranteed (year end)	1531	1531	1538	1538	1538
31. Number of incomplete projects	18	6	6	9	78
32. Capital blocked in incomplete projects	1183	2393	2393	2793	1016.08
Part E: Fiscal Health Indicators					
I Resource Mobilization (In percentile)					
Own Tax revenue/GSDP	4.58	4.44	4.07	4.83	4.68
Own Non-Tax Revenue/GSDP	0.57	0.65	0.52	0.53	0.90
Central Transfers/GSDP	12.45	13.00	13.43	15.95	13.42
II Expenditure Management (In percentage)					
Total Expenditure/GSDP	23.18	26.93	26.39	28.47	26.92
Total Expenditure/Revenue Receipts	107.99	121.08	113.11	106.12	107.63
Revenue Expenditure/Total Expenditure	86.25	82.25	78.84	78.70	80.31
Expenditure on Social Services/Total Expenditure	29.06	33.31	32.60	35.63	36.32
Expenditure on Economic Services/Total Expenditure	17.89	18.76	32.48	31.80	31.88
Capital Expenditure/Total Expenditure	7.10	9.65	19.95	20.38	18.13

	2004-2005	2005-2006	2006-2007	2007-2008	2008-09
Capital Expenditure on Social and Economic Services/Total Expenditure.	6.69	9.32	19.36	19.64	17.34
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	1.47	0.10	2.52	4.48	3.39
Fiscal deficit/GSDP	-1.70	-4.62	-3.05	-1.62	-1.90
Primary Deficit (surplus) /GSDP	3.05	-0.06	0.40	1.91	0.94
Revenue Deficit/Fiscal Deficit	-86.63	-2.19	82.69	-272.87	-178.26
Primary Revenue Balance/GSDP	-3.19	-4.78	-5.58	-6.06	-5.30
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	58.02	58.00	49.61	48.49	41.69
Fiscal Liabilities/RR	270.35	260.67	212.66	180.75	166.69
Primary deficit vis-à-vis quantum spread	5.65	-0.09	0.05	-4.41	0.14
Debt Redemption (Principal +Interest)/ Total Debt Receipts	34.29	65.93	134.52	321.59	64.55
V Other Fiscal Health Indicators					
Return on Investment	0.00	0.00	0.00	0.38	0.25
Balance from Current Revenue (Rs in crore)	924	685.02	2995.78	5124.24	3952.78
Financial Assets/Liabilities	78	80	86	96	96

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

@ GSDP figures communicated by the Government adopted.

Appendix 1.4

(Reference: Paragraph 1.1.1 and Page 1)

Abstract of Receipts and Disbursements for the year 2008-09

(Rupees in crore)

Receipts					Disbursements					
2007-08			2008-09		2007-08		2008-09			
		Section-A: Revenue						Non- Plan	Plan	Total
28209.72	I	Revenue receipts		32980.69	23562.87	I	Revenue expenditure	21231.29	7280.29	28511.58
5086.17		-Tax revenue	6172.74		9251.97		General Services	10247.72	281.79	10529.51
525.59		-Non-tax revenue	1153.32		9867.99		Social Services	7885.71	4366.39	12252.10
16766.29		-State's share of Union Taxes	17692.51		5495.99		Education, Sports, Art and Culture	5149.89	1556.02	6705.91
1505.08		-Non-Plan grants	2550.44		1141.48		Health and Family Welfare	1039.35	154.02	1193.37
2913.83		-Grants for State Plan Schemes	3600.09		713.39		Water Supply, Sanitation, Housing and Urban Development	675.11	738.29	1413.40
1412.76		-Grants for Central and Centrally sponsored Plan Schemes	1811.59		25.16		Information and Broadcasting	37.91	6.08	43.99
					247.87		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	56.06	174.40	230.46
					281.38		Labour and labour welfare	43.86	23.53	67.39
					1939.53		Social welfare and nutrition	860.68	1701.54	2562.22
					23.19		Others	22.85	12.50	35.35
					4437.90		Economic Services	2632.11	3093.90	5726.01
					736.84		Agriculture and Allied Activities	386.82	885.87	1272.69
					1653.10		Rural Development	646.05	1463.15	2109.20
					-		Special areas programmers	-	-	-
					561.93		Irrigation and Flood control	637.01	67.31	704.32
					726.28		Energy	720.00	2.50	722.50
					232.92		Industry and Minerals	27.73	198.34	226.07
					407.54		Transport	493.37	-	493.37
					-		Science, Technology and Environment	-	-	-

				119.24		General Economic Services	182.92	14.94	197.86
				5.01		Grants-in-aid and Contributions	3.96	-	3.96
						Total			28511.58
	II	Revenue deficit carried over to section B		4646.85	II	Revenue Surplus carried over to Section B			4469.11
28209.72		Total	32980.69	28209.72		Total			32980.69
		Section-B Others							
1407.58	III	Opening Cash balance including Permanent Advances and Cash Balance Investment	2188.06		III	Opening overdraft from Reserve Bank of India			
	IV	Miscellaneous Capital receipts		6103.78	IV	Capital Outlay	99.55	6336.80	6436.35
				222.51		General services	63.91	142.74	206.65
				798.92		Social Services	30.87	609.15	640.02
				57.28		Education, Sports, Art and Culture	-	176.51	176.51
				245.55		Health and Family Welfare	-	97.21	97.21
				339.33		Water Supply, Sanitation, Housing and Urban Development	4.51	182.05	186.57
				-		Information and Broadcasting	-	4.93	4.93
				44.75		Welfare of Scheduled Castes, Schedule Tribes and Other Backward Classes	-	41.77	41.77
				107.52		Social welfare and nutrition	-	100.76	100.76
				4.49		Others	26.36	10.84	37.20
				5082.32		Economic Services	4.77	5584.91	5589.68
				22.37		Agriculture and Allied Activities	1.00	10.04	11.04
				1491.52		Rural Development	-	1273.79	1273.79
				-		Special areas programmes	-	-	-
				887.77		Irrigation and Flood Control	3.78	1136.90	1140.68
				115.00		Energy	-	400.00	400.00
				164.59		Industry and Minerals	-	276.72	276.72
				2299.50		Transport	-	2463.42	2463.42

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					101.60		General Economic Services	-	24.04	24.04
26.16	V	Recoveries of Loans and Advances		11.32	272.70	V	Loans and Advances disbursed	354.39	196.66	551.05
-		-From Power Projects		-	237.23		For Power Projects	273.05	163.84	436.89
4.76		-From Government Servants		9.09	7.33		To Government Servants	7.19	-	7.19
21.40		-From Others		2.23	28.14		To Others	74.15	32.82	106.97
4646.85	VI	Revenue Surplus brought down		4469.11	-	VI	Revenue Deficit brought down	-	-	-
1611.90	VII	Public debt receipts		5927.89	1631.85	VII	Repayment of Public debt			1682.28
-		External debt		-	-		External debt			-
1143.64		Internal debt other than Ways and Means Advances and overdrafts		5778.03	12335.00		Internal debt other than Ways and Means Advances and Overdrafts			1253.60
-		-Net transactions under Ways and Means Advances		-	-		Net transactions under Ways and Means Advances			-
-		-Net transactions under overdraft		-	428.50		Repayment of Loans and Advances to Central Government			428.68
468.26		-Loans and Advances from Central Government		149.86						
-	VIII	Appropriation to Contingency Fund		-	-	VIII	Appropriation to Contingency Fund			-
-	IX	Amount transferred to Contingency Fund		-	-	IX	Expenditure from Contingency Fund			-
12837.48	X	Public Account receipts		16941.02	10333.58	X	Public Account disbursements			17310.63
1083.81		Small Savings and Provident Funds	1153.36		815.41		Small Savings and Provident Funds			1008.95
391.70		Reserve Funds	1302.48		436.50		Reserve Funds			869.24
190.07		Suspense and Miscellaneous	184.45		228.29		Suspense and Miscellaneous			219.61
6687.34		Remittance	7090.79		6069.05		Remittance			7312.36
4484.56		Deposits and Advances	7209.94		2784.53		Deposits and Advances			7900.47
	XI	Closing Overdraft from Reserve Bank of India			2188.06	XI	Cash Balance at end			3557.09

							Cash in Treasuries and Local Remittances			
					-2400.21		Deposits with Reserve Bank			-740.06
					117.12		Departmental Cash Balance including permanent Advances			178.16
					4471.15		Cash Balance Investment			4118.99
20529.97		Total		29537.40	20529.97		Total			29537.40

Appendix 1.5

(Reference: Paragraph 1.2.2 and Page 5)

Funds Directly Transferred to State Implementing Agencies

(Rupees in crore)

Programme/Scheme	Implementing Agency in the State	2007-08			2008-09		
		Central Share	State Share, if applicable	Total	Central Share	State Share, if applicable	Total
SSA	BEPC	1326.10	816.00	2142.10	1659.24	855.00	2514.24
NPEGEL	-do-	0	9.23	9.23	36.20	30.00	66.20
KGBV	-do-	51.38	6.62	58.00	166.14	53.25	219.39
Total (SSA+ NPEGEL+KGBV)		1377.48	831.85	2209.33	1861.58	938.25	2799.83
Total NRHM-A	State Health Society	247.45	175.37	422.82	351.17	-	351.17
Total NRHM-B					217.20	-	217.20
Total NRHM-C					76.73	0.19	76.92
NRHM-D		13.34		13.34	12.44	-	12.44
Total NRHM		260.79	175.37	436.16	657.54	0.19	657.73
NREGP	DRDA	544.79	74.18	618.97	1369.03	144.28	1513.31
SGSY		105.21	44.75	149.96	240.75	35.11	275.86
IAY (New)		1054.12	369.43	1423.55	2187.24	494.79	2682.03
IAY (Upgradation)							
IAY (5%)		0		0	0	0.31	0.31
IAY (Kala Azar Affected) 2006 + 2008		1.63	0.54	2.17	97.58	0.53	98.11
IWDP		1.18	0.57	1.75	7.32	0.79	8.11
DRDA (Admin)		10.41	5.06	15.47	13.62	4.64	18.26
Total DRDA		1717.34	494.53	2211.87	3915.54	680.45	4595.99
Total of GOI funds bypassing State Budget		3355.61			6434.66		
Receipts of GOB		29848.00			38920.00		
Expenditure of GOB		31571.00			37181		
Total Plan Grants (State Plan+ Centrally Sponsored Plan + Central Plan)		4326.59			5411.68		
Total Central Grants (Plan + Non Plan)		5831.67			7962.12		
Percentage of Central Funds bypassing the State Budget (Receipt)		11.24			16.53		
Percentage of Central Funds bypassing the State Budget (Expenditure)		10.63			17.31		
Central Funds bypassing GOB budget as a percentage of Total Central Plan Grants (State Plan + Central Plan + Centrally Sponsored Plan)		77.56			118.90		
Central Funds bypassing GOB budget as a percentage of Total Central Grants		57.54			80.82		

Appendix 1.6
(Reference: Paragraph 1.3.3, Page 8)
Details of Department wise arrears of revenue

(Rupees in crore)

Sl. No.	Heads of revenue	Amount outstanding as on 31 March 2009	Amount outstanding for more than five years as on 31 March 2009	Remarks
1.	Taxes on sales, trades etc.	966.69	350.03	Out of Rs 966.69 crore, demands for Rs 304.70 crore were certified for recovery as arrears of land revenue. Recovery of Rs 334.51 crore and Rs 4.62 crore were stayed by the courts and the Government respectively. Recovery of Rs 1.15 crore was held up due to rectification/review of applications and Rs 321.71 crore were pending at other stages.
2.	Taxes on vehicles	118.50	NF	Out of Rs. 118.50 crore, demand for Rs. 113.06 crore was certified for recovery as arrears of land revenue. Specific action taken for the remaining arrears of Rs. 5.44 crore, has not been intimated (November 2009), despite being requested (between May and October 2009).
3.	Land revenue	145.70	NF	Stages at which the arrears were pending for collection has not been intimated (November 2009), despite being requested (between May and October 2009).
4.	State excise ¹	30.41	1.63	Out of Rs. 30.41 crore, demands for Rs. 24.89 crore were certified for recovery as arrears of land revenue. Recovery of Rs. 86.57 lakh and Rs. 11.20 lakh were stayed by the courts and the Government respectively. Recovery of Rs. 16.21 lakh and Rs. 0.56 lakh were held up due to rectification/review of applications and party becoming insolvent respectively. An amount of Rs. 36.21 lakh was likely to be written off and Rs. 4.01 crore were pending at other stages.
5.	Taxes and duties on electricity	2.83	2.81	Stages at which the arrears were pending for collection has not been intimated (November 2009), despite being requested (between May and October 2009).
6.	Entry tax	28.42	0.99	Out of Rs. 28.42 crore demand for Rs. 2.77 crore were certified for recovery as arrears of land revenue. Recovery of Rs. 0.96 crore was stayed by the Courts/Government and Rs. 24.69 crore were pending at other stages.
7.	Entertainment tax	9.31	2.50	Out of Rs. 9.31 crore, demands for Rs. 7.65 crore were certified for recovery as arrears of land revenue. Recovery of Rs. 2.12 lakh was stayed by the Courts/Government and Rs. 1.64 crore were pending at other stages.

¹ The amount of arrears does not include figures in respect of District Excise Offices Banka, Kaimur, Lakhisarai and Munger district excise offices due to non-availability of their report.

Sl. No.	Heads of revenue	Amount outstanding as on 31 March 2009	Amount outstanding for more than five years as on 31 March 2009	Remarks
8.	Taxes on sugarcane	19.57	4.21	Out of Rs. 19.57 crore, demands for Rs. 3.50 crore were certified for recovery as arrears of land revenue. Recovery of Rs. 12.64 lakh and Rs. 10.89 crore were stayed by the courts and the Government respectively. Specific action taken for remaining arrears of Rs. 5.05 crore has not been intimated (November 2009), despite being requested (between May and October 2009).
9.	Water rates	204.25	NF	Stages at which the arrears were pending for collection has not been intimated (November 2009), despite being requested (between May and October 2009).
10.	Mines and Minerals	177.84	52.15	Out of Rs. 177.84 crore, demands for Rs. 151.99 crore were certified for recovery as arrears of land revenue and Rs. 25.85 crore were pending at other stages.
Total		1,703.52	414.32	

Appendix 1.7

(Reference: Paragraphs 1.7.1, Page 18)

Summarized financial position of the Government of Bihar as on 31 March 2009

(Rupees in crore)

As on 31.03.2008	Liabilities		As on 31.03.2009
26768.85	Internal Debt -		31293.27
9613.12	Market Loans bearing interest	13370.12	
0.07	Market Loans not bearing interest	0.20	
24.44	Loans from Life Insurance Corporation of India	22.18	
17131.22	Loans from other Institutions	17900.77	
2400.21	Overdrafts from Reserve Bank of India		740.06
8276.61	Loans and Advances from Central Government -		7997.79
3.91	Pre 1984-85 Loans	3.91	
88.46	Non-Plan Loans	79.19	
8110.28	Loans for State Plan Schemes	7842.94	
7.93	Loans for Central Plan Schemes	7.33	
23.07	Loans for Centrally Sponsored Plan Schemes	21.46	
42.96	Ways and Means Advances	42.96	
350.00	Contingency Fund		350.00
9429.18	Small Savings, Provident Funds, etc.		9573.58
5583.00	Deposits		4887.30
931.65	Reserve Funds		1364.90
	Remittance Balances		
53739.50			56206.90

Continued...

	Assets		
30483.48	Gross Capital Outlay on Fixed Assets -		36919.83
828.68	Investments in shares of Companies, Corporations, etc.	832.28	
29654.80	Other Capital Outlay	36087.55	
14128.10	Loans and Advances -		14667.83
11853.09	Loans for Power Projects	12289.98	
2206.22	Other Development Loans	2310.95	
68.79	Loans to Government servants and Miscellaneous loans	66.90	
1057.59	Reserve Fund Investments		1279.15
191.85	Advances		186.67
986.78	Suspense and Miscellaneous Balances		1021.94
4588.27	Cash -		4297.16
0.00	Cash in Treasuries and Local Remittances	0.00	
0.00	Deposits with Reserve Bank	0.00	
116.77	Departmental Cash Balance including	177.76	
0.35	Permanent Advances	0.40	
4471.15	Cash Balance Investments	4119.00	
2303.43	Deficit on Government Account -		2165.68
(-)4646.85	(i) Less Revenue Surplus of the current year	(-)4469.11	
0.00	(ii) Miscellaneous Deficit	0.00	
6950.28	Accumulated deficit at the beginning of the year	2303.43	
53739.50			56206.90

Appendix 2.1

(Reference: Paragraph 2.3.1; Page 28)

Statement of grants/appropriations where saving were more than Rs 10 crore or more than 20 percent of the provision

(Rupees in Crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
1	1	Agriculture Department	786.19	223.86	28.47
2	2	Animal and Fisheries Resources Department	356.67	64.55	10.10
3	3	Building Construction Department	365.50	147.93	40.47
4	4	Cabinet Secretariat Department	83.18	26.88	32.32
5	6	Election Department	103.32	33.55	32.47
6	7	Vigilance Department	17.77	4.90	27.57
7	8	Art, Culture and Youth Department	84.12	15.58	18.52
8	9	Co-operative Department	367.93	37.89	10.30
9	10	Energy Department	2103.83	523.55	24.89
10	11	Backward Class and Most Backward Class Welfare Department	73.00	10.84	14.85
11	12	Finance Department	295.80	49.67	16.79
12	13	Interest payment	3796.04	43.09	1.14
13	16	Panchayati Raj Department	1401.75	406.19	28.98
14	18	Food and Consumer Protection Department	215.23	22.43	10.42
15	19	Environment and Forest Department	101.03	21.60	21.38
16	20	Health Department	1758.27	469.38	26.70
17	21	Human Resources Development Department	7867.81	1222.75	15.54
18	22	Home Department	2455.93	463.90	18.89
19	23	Industries Department	644.28	166.29	25.81
20	25	Information Technology Department	105.81	76.46	72.26
21	26	Labour Resources Department	149.78	58.41	39.00
22	27	Law Department	263.23	70.45	26.76
23	29	Mines and Geology Department	32.74	13.20	40.32
24	30	Minority Welfare Department	71.33	16.47	23.09
25	32	Legislature	65.65	10.36	15.78
26	33	Personnel and Administrative Reforms Department	69.37	25.37	36.57

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
27	35	Planning and Development Department	448.52	197.66	44.07
28	36	Public Health Engineering Department	945.28	522.07	55.23
29	37	Rural Works Department	1957.12	498.49	25.47
30	39	Disaster Management Department	2977.95	1551.84	52.11
31	40	Revenue and Land Reforms Department	686.20	372.85	54.34
32	41	Road Construction Department	3386.92	620.12	18.31
33	42	Rural Development Department	1304.99	194.60	14.91
34	43	Science and Technology Department	207.37	59.03	28.47
35	44	SC & ST Welfare Department	265.74	63.29	23.81
36	45	Sugar Industries Department	118.19	59.34	50.21
37	47	Transport Department	192.01	174.15	90.70
38	48	Urban Development and Housing Department	1792.27	623.49	34.79
39	49	Water Resources Department	2970.99	1409.70	47.45
40	50	Minor Water Resources Department	424.74	131.37	30.93
41	51	Social Welfare Department	2055.01	648.89	31.58
Total			43368.86	11352.44	

Appendix 2.2
(Reference: Paragraph 2.3.1; Page 28)
List of Grants with savings of Rs 100 crore and above

(Rupees in crore)

Sl. No.	No. and Name of the Grant	Original	Supplementary	Total grant	Actual Expenditure	Savings
Revenue-Voted						
1	1-Agriculture Department	409.26	374.01	783.27	559.41	223.86
2	16-Panchayati Raj Department	1062.53	251.68	1314.21	995.56	318.65
3	20-Health Department	1501.27	86.01	1587.28	1191.67	395.61
4	21-Human Resources Development Department	7122.26	702.03	7824.29	6621.07	1203.22
5	22-Home Department	2003.32	104.84	2108.16	1789.48	318.68
6	23-Industries Department	315.93	34.18	350.11	195.97	154.14
7	35-Planning and Development Department	430.35	3.35	433.70	236.04	197.66
8	39-Disaster Management Department	796.80	2154.79	2951.59	1399.75	1551.84
9	41-Road Construction Department	403.22	19.05	422.27	307.52	114.75
10	42-Rural Development Department	990.82	134.37	1125.19	1015.65	109.54
11	48-Urban Development and Housing Department	1051.84	740.43	1792.27	1168.78	623.49
12	51-Social Welfare Department	1613.87	218.43	1832.30	1383.42	448.88
	Total	17701.47	4823.17	22524.64	16864.32	5660.32
Capital-Voted						
13	10-Energy Department	1141.99	220.24	1362.23	841.47	520.76
14	22-Home Department	133.72	214.05	347.77	202.55	145.22
15	36-Public Health Engineering Department	628.11	50.00	678.11	182.22	495.89
16	37-Rural Works Department	1168.33	440.00	1608.33	1179.65	428.68
17	40-Revenue and Land Reforms Department	3.73	298.85	302.58	2.88	299.70
18	41-Road Construction Department	1912.46	1052.19	2964.65	2459.29	505.36
19	47-Transport Department	0.00	180.59	180.59	10.09	170.50
20	49-Water Resources Department	2128.90	329.93	2458.83	1099.31	1359.52
21	51-Social Welfare Department	22.71	200.00	222.71	22.71	200.00
	Total	7139.95	2985.85	10125.80	6000.17	4125.63
	Grand Total					9785.95

Appendix 2.3

(Reference: Paragraph 2.3.2; Page 28)

List of Grants indicating Persistent Savings during 2004-09

(Rupees in crore)

Sl.No.	No. and Name of the grant	Amount of savings				
		2004-05	2005-06	2006-07	2007-08	2008-09
	Revenue-Voted					
1	2-Animal and Fisheries Resources Department	24.39 (26)	24.75 (25.29)	20.10 (12.27)	26.18 (14.94)	64.55 (18.10)
2	6-Election Department	32.68 (18)	37.30 (26.98)	19.79 (53.90)	22.29 (58.02)	33.55 (32.47)
3	12-Finance Department	415.81 (81)	39.65 (42.99)	21.04 (22.40)	94.54 (54.74)	35.16 (12.83)
4	20-Health Department	207.41 (26)	457.13 (34.35)	355.35 (28.24)	292.10 (22.03)	395.61 (24.92)
5	27-Law Department	41.15 (25)	74.10 (34.89)	29.54 (16.49)	35.32 (16.68)	70.45 (26.76)
6	40-Revenue and Land Reforms Department	42.14 (17)	54.71 (20.04)	36.53 (12.57)	38.58 (11.26)	73.16 (19.07)
7	41-Road Construction Department	26.64 (11)	31.94 (10.94)	37.82 (10.96)	123.15 (29.98)	114.75 (27.17)
8	50-Minor Water Resources Department	29.95 (10.74)	128.97 (31.08)	289.99 (68.09)	33.72 (17.33)	70.75 (21.92)
9	51-Social Welfare Department	163.72 (34)	212.86 (29.40)	284.66 (33.30)	348.13 (46.09)	448.88 (24.50)
	Total Revenue Voted	1004.26	1088.05	1144.22	1179.96	1516.31
	Capital-Voted					
10	3-Building Construction Department	37.17 (41)	97.33 (71.76)	75.94 (59.98)	39.03 (57.17)	53.82 (58.81)
11	36-Public Health Engineering Department	97.98 (59)	209.96 (63.44)	318.63 (56.21)	389.41 (53.87)	495.89 (73.13)
12	49-Water Resources Department	241.73 (39)	313.30 (35.32)	463.82 (44.29)	593.42 (42.19)	1359.51 (55.29)
13	50-Minor Water Resources Department	20.34 (25.50)	42.49 (59.87)	60.72 (55.68)	79.06 (51.45)	60.63 (59.44)
	Total Capital Voted	397.22	663.08	919.11	1100.92	1969.85

(Source- Appropriation Accounts of the state)

Appendix 2.4

(Reference: Paragraph 2.3.3; Page 29)

Excess over provision of previous years requiring regularisation

(Rupees in crore)

Year	No. of Grants/ Appropriation	Grants/Appropriation number	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
1977-78	2	5, 24	0.40	Not regularised
1978-79	2	17, 27	16.17	-do-
1979-80	1	17	33.46	-do-
1980-81	2	12, 17	26.03	-do-
1981-82	7	3, 11, 12, 13, 15, 17, 24	39.24	-do-
1982-83	2	12, 22	4.79	-do-
1983-84	2	11, 12	9.98	-do-
1984-85	2	3, 14	2.62	-do-
1985-86	2	10, 13	14.83	-do-
1986-87	1	13	65.62	-do-
1987-88	6	9, 19, 25, 38, 48	244.76	-do-
1988-89	3	9, 25, 38	85.15	-do-
1989-90	3	25, 27, 38	99.4	-do-
1990-91	4	37, 38, 42, 43	92.07	-do-
1991-92	2	6, 38, 43	85.11	-do-
1992-93	2	25, 38	93.25	-do-
1993-94	2	25, 37	157.68	-do-
1994-95	1	37	170.61	-do-
1995-96	3	25, 36, 37	213.22	-do-
1996-97	3	20, 23, 37	22.44	-do-
1997-98	1	7	0.01	-do-
1998-99	1	30	0.33	-do-
1999-00	5	10, 13, 14, 40, 50	196.23	-do-
2000-01	5	5, 13, 15, 25, 32	712.34	-do-
2001-02	1	15	491.24	-do-
2002-03	2	15, 47	10.15	-do-
2003-04	7	10, 11, 14, 15, 30, 32, 50	3782.34	-do-
2004-05	4	19, 20, 21, 46	5.68	-do-
2005-06	4	10, 39, 40, 46	349.56	-do-
2007-08	2	17, 42	1.93	-do-
Total			7026.64	

Appendix 2.5

(Reference: Paragraph 2.3.4; Page 29)

Cases where supplementary provision (Rs 10 lakh or more in each case) proved unnecessary (Rupees in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
A Revenue (Voted)					
1	3- Building Construction Department	215.97	179.87	36.10	58.02
2	4-Cabinet Secretariat Department	52.49	52.26	0.23	17.99
3	8-Art, Culture and Youth Department	33.08	29.59	3.49	5.54
4	10-Energy Department	739.93	738.81	1.12	1.67
5	11-Backward Class and Most Backward Class Welfare Department	49.34	47.81	1.53	9.31
6	16-Panchayati Raj Department	1062.53	995.56	66.97	251.68
7	19-Environment and Forest Department	82.00	78.43	3.57	18.04
8	20-Health Department	1501.27	1191.67	309.60	86.01
9	21-Human Resources Development Department	7122.26	6621.07	501.19	702.03
10	22-Home Department	2003.32	1789.48	213.84	104.85
11	23-Industries Department	315.93	195.97	119.96	34.18
12	25-Information Technology Department	63.01	4.63	58.38	0.15
13	26-Labour Resources Department	120.89	85.47	35.42	15.89
14	27-Law Department	241.71	192.78	48.93	21.51
15	32- Legislature	62.86	55.28	7.58	2.48
16	33- Personnel and Administrative Reforms Department	36.38	27.91	8.47	16.60
17	35-Planning and Development Department	430.35	236.04	194.31	3.35
18	40-Revenue and Land Reforms Department	373.75	310.46	63.29	9.87
19	41-Road Construction Department	403.22	307.52	95.70	19.05
20	43-Science and Technology Department	53.13	34.75	18.38	10.58
21	44-SC&ST Welfare Department	217.76	186.19	31.57	17.45
22	45-Sugar Industries Department	43.09	29.50	13.59	16.64
23	47-Transport Department	10.25	7.77	2.48	1.18
24	51-Social Welfare Department	1613.87	1383.42	230.45	218.43
Total - Revenue (Voted)		16848.39	14782.24	2066.15	1642.50
B Capital Voted					
1	3- Building Construction Department	54.20	37.69	16.51	37.32
2	4-Cabinet Secretariat Department	8.00	4.04	3.96	4.70
3	10-Energy Department	1141.99	841.47	300.52	220.24

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
4	12-Finance Department	15.10	7.19	7.91	6.60
5	20-Health Department	130.34	97.21	33.13	40.65
6	21-Human Resources Development Department	42.34	23.98	18.36	1.18
7	26-Labour Resources Department	11.01	5.91	5.1	2.00
8	36-Public Health Engineering Department	628.11	182.23	445.88	50.00
9	44-SC&ST Welfare Department	20.54	16.27	4.27	10.00
10	49-Water Resources Department	2128.90	1099.31	1029.59	329.93
Total - Capital Voted		4180.53	2315.30	1865.23	702.62
Grant Total		21028.92	17097.54	3931.38	2345.12

Appendix 2.6
(Reference: Paragraph 2.3.5; Page 30)
Excess re-appropriation of funds

(Rupees in lakh)

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
1	1	0105-Promotion of Agriculture Mechanisation	2401-00-113-0105	741.69	-256.34
2	16	0002-Election of District board/Panchayat Samiti/Gram Panchayat	2015-00-109-0002	60.30	-698.29
3	20	0001-Supritendence	2210-01-001-0001	1.00	-422.50
4	20	0006-Magadh Medical College Hospital, Gaya	2210-01-110-0006	94.40	-245.70
5	20	0010Indira Gandhi Cardiac Institute, Patna	2210-01-110-0010	50.53	-536.78
6	20	0001-Other dispensaries (T.B. Eradication Programme)	2210-01-200-0001	191.87	-103.56
7	20	0002-Additional Primary Health Centre	2210-03-101-0002	200.00	-2328.73
8	20	0003-Health Subcentre	2210-03-101-0003	410.00	-688.88
9	20	0007-Magadh Medical College	2210-05-105-0007	84.23	-235.94
10	20	0012-Nurses training	2210-05-105-0012	44.04	-80.61
11	20	0001-Drug Control Establishment	2210-06-104-0001	32.00	-105.70
12	20	0007-Health & Family welfare Deptt.	2251-00-090-0007	4.03	-0.34
13	40	0001-General Department	2052-00-099-0001	45.00	-151.20
14	49	0002-Other maintenance Expenditure	2700-02-101-0002	410.00	-30.68
15	49	0001-Establishment	2700-02-101-0002	40.62	-82.49
16	49	0101- Establishment	4700-01-001-0101	102.00	-35.32
17	49	0101- Establishment	4700-03-001-0101	900.00	-5764.41
18	49	0101- Establishment	4701-04-001-0101	50.00	-269.12
19	49	0111-Flood Control Embankment Road Scheme (Nabard Sponsored Scheme) (works)	4711-01-001-0111	400.00	-409.17
		Total		3861.71	-12445.76

Appendix 2.7
(Reference: Paragraph 2.3.5; Page 30)
Insufficient withdrawal through re-appropriation of funds

(Rupees in lakh)

Sl. No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
1	1	0011-Agriculture Prasar Scheme	2401-00-109-0011	-250.90	-48.29
2	3	0003-Supervision	2059-80-001-0003	-28.63	-22.74
3	4	0147-Modernisation of secretariat Library & Purchase of book	2052-00-090-0147	-10.00	-25.74
4	20	0002-District Medical Officer	2210-01-001-0002	-69.01	-13.68
5	20	0013-Sadar Hospital	2210-01-110-0013	-200.00	-161.59
6	20	0014-Subdivisional Hospital	2210-01-110-0014	-132.00	-1543.57
7	20	0001-Primary Health Centres	2210-03-103-0001	-410.00	-2160.64
8	20	0001-Referral Hospital	2210-03-110-0001	-200.00	-278.95
9	20	0003-Darbhanga Medical College	2210-05-105-0003	-44.04	-23.79
10	20	0001-Supritendence	2210-06-001-0001	-15.50	-24.83
11	32	0006-Members	2011-02-102-0006	-77.00	-60.10
12	35	0011-Strengthening of planning machinery	2052-00-090-0011	-2.50	-1.44
13	35	0102-Strengthening of Planning machinery	2053-00-800-0102	-1952.00	-299.95
14	35	0105-Chief Minister District Development Schemes	2053-00-800-0105	-4312.00	-74.08
15	40	0001-Subdivisional Establishment	2053-00-094-0001	-20.00	-2559.63
16	48	0103-Grants in aid to construction/renovation of administrative & technical building of Municipal Councils	2217-80-193-0103	-175.00	-3.75
17	48	0125-E-governors/Nagariya Sudhar	2217-80-800-0125	-225.00	-3.00
18	49	0001-Establishment	2701-04-001-0001	-30.00	-79.97
19	49	0002-Other Maintenance Expenditure	2701-04-101-0002	-387.00	-10.51
20	49	0003-Regional Establishment	2711-01-001-0003	-1.00	-617.45
21	49	0101-Irrigation Project for Sone Basin	4700-03-800-0101	-1701.75	-3586.87
22	49	0101-Survey & Investigation (Establishment)	4700-80-005-0101	-59.79	-30.69
23	49	0103-Irrigation Project for Sone Basin (works) (AIBP)	4701-03-800-0103	-802.50	-508.23
24	49	0105-Flood Control Embankment Road Project (work)	4711-01-001-0105	-50.00	-39.48
		Total		-11155.62	-12178.97

Appendix 2.8

(Reference: Paragraph 2.3.6; Page 30)

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

(Rupees in lakh)

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Total provision	Amount of Surrender	Percentage of Surrender
1	1- Agriculture Department	Fertilization Management (Macromode 90:10) 2401-00-103-0615	450.00	404.53	89.90
2		Handling and Transporting of DAP in State 2401-00-105-0104	400.00	400.00	100.00
3		Consolidated Insect Management Programme 2401-00-107-0602	270.00	185.82	68.83
4		Jute Technology Mission 2401-00-108-0617	450.00	354.63	78.81
5		Integrated Scheme for Oil Seed, Pulses etc. (ISOPOM 25:75) 2401-00-108-0114	1200.00	1144.19	95.35
6		Incentive and Strengthening of Agriculture Mechanism 2401-00-109-0412	142.05	109.79	77.29
7		Intensified field Development and Training Support 2401-00-109-0106	700.00	692.49	98.93
8		Mushroom Production Work by RAU 2401-00-119-0122	1766.78	1325.09	75.00
9		State Horticulture Mission 2401-00-119-0123	1000.00	600.00	60.00
10		Punpun and Koshi (FRR) (Macromode 90:10) 2402-00-102-0601	90.00	55.69	61.88
11	2 – Animal and Fisheries Resources Department	Nutrition and Development of Avi and Aaza 2403-00-104-0102	97.75	97.75	100.00
12		Scheme for Control and Prevention of Animal Diseases 2403-00-106-0104	412.00	291.82	70.83
13		Reorganisation of Fisheries Directorate 2405-00-001-0101	919.50	583.18	63.42
14		Fisheries Extension 2405-00-001-0102	179.94	137.99	76.69
15		Development of Fish Seed 2405-00-101-0103	200.00	197.30	98.65
16		Development and Renovation of Pond Fish 2405-00-101-0104	407.00	245.40	60.29
17		Cattle Census 3454-01-001-0602	1630.58	898.83	55.12
18	25- Information Technology Department	Rashtriya E-Shasan Yojana- Common Service Centre 2852-07-202-0101	1500.00	1500.00	100.00
19		E-Governance Project's DPR 2852-07-202-0103	215.00	215.00	100.00
20		E-Purchasing Plan 2852-07-202-0104	100.00	100.00	100.00
21		State Portal Plan 2852-07-202-0105	200.00	200.00	100.00
22		Gyan City Project 2852-07-202-0106	2720.00	2720.00	100.00
23		Broadcasting Plan of IT 2852-07-202-0107	320.00	320.00	100.00

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Total provision	Amount of Surrender	Percentage of Surrender
24		IT Department 3451-00-090-0027	581.01	517.55	89.08
25		IT Building 4859-02-800-0102	300.00	300.00	100.00
26	36- Public Health Engineering Department	Grants - in- aid to Panchayat for Repairing of Tubewells 2215-01-198-0001	500.00	500.00	100.00
27		Central rural Water Supply Programme 4215-01-102-0602	39710.00	29871.84	75.22
28		Accelerated Urban Water Supply Scheme 4215-01-102-0603	400.00	284.55	71.14
29		Rural Piped Water Supply Schemes - Works 4215-01-102-0101	6078.34	4440.76	73.06
30		Rural Piped Water Supply Schemes (Tubewells, Wells, etc) 4215-01-102-0103	4657.85	3408.57	73.18
31		State share to CSS- Ground Water Recharge & Rain Water Harvesting 4215-01-102-0112	150.00	141.06	94.04
32		Loans for NABARD –Supply of Drinking Water in Rural Area 4215-01-102-0116	4500.00	3012.42	66.94
33		Rural Piped Water Supply Schemes - MNP 4215-01-102-0117	400.00	281.85	70.46
34		Rural Water Supply Schemes to Primary/Middle School 4215-01-102-0118	1500.00	956.12	63.74
35		Wells Accelerated Rural Water Supply Scheme 4215-01-102-0120	400.00	371.89	92.97
36		Crash Rural Water Supply Scheme 4215-01-102-0121	50.00	50.00	100.00
37		Water Supply to Govt. Buildings 4215-01-800-0001	765.00	478.95	62.61
38		Rural Sanitation 4215-02-106-0101	7500.00	4983.00	66.44
39		Strengthening of Supply of Drinking Water in Urban Area 4215-02-106-0104	300.00	187.75	62.58
40		Modernisation & Development of Crematorium 4215-02-800-0102	500.00	500.00	100.00
41		Monitoring & Other Works of State water Purifying Mission 4215-02-800-0103	100.00	100.00	100.00
42	39 – Disaster Management Department	Grants to Persons/Families Who Died/Injured in Disaster 2235-60-200-0008	100.00	65.00	65.00
43		Supply of Drinking Water by Truck and Tankers 2245-01-102-0001	100.00	100.00	100.00
44		Repairs of Wells etc. for Supply of Water 2245-01-800-0001	200.00	200.00	100.00
45		Grants to Agriculture Deptt. for Agriculture Input 2245-01-800-0003	500.00	500.00	100.00
46		Self employment 2245-01-800-0004	145.00	145.00	100.00
47		Payment of Gratuitous Relief to Affected Families 2245-02-101-0003	2850.00	1497.79	52.55

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Total provision	Amount of Surrender	Percentage of Surrender
48		Grants for Cloths Damaged by Fire 2245-02-101-0007	150.00	92.26	61.51
49		Supply of Drinking Water 2245-02-102-0001	2300.00	1505.49	65.46
50		Supply of Fodder 2245-02-104-0001	2110.00	1534.98	72.75
51		Medicine for Cattle 2245-02-105-0001	1300.00	1177.15	90.55
52		Repairs/Restoration of Govt. Health & Education Buildings 2245-02-107-0001	150.00	150.00	100.00
53		Repairs/restoration of Govt. Residential buildings 2245-02-108-0001	510.00	510.00	100.00
54		Search of Calamity Affected Persons, Purchase of Safety & Evacuation Instrument for Relief Work 2245-02-112-0003	100.00	100.00	100.00
55		Repair/Restoration of Damaged Buildings Caused by Fire 2245-02-113-0002	200.00	200.00	100.00
56		Repair/Restoration of Buildings Damaged by Other Natural Calamities 2245-02-113-0003	50.00	50.00	100.00
57		Grants for Annual Crops 2245-02-114-0002	200.00	200.00	100.00
58		Grants for Agricultural Crops 2245-02-114-0003	600.00	600.00	100.00
59		Grants for Horticulture Crops 2245-02-114-0004	50.00	50.00	100.00
60		Grants for Perennial Crops 2245-02-114-0005	50.00	50.00	100.00
61		Extraction of Salinity/Sand etc. From Fishery Area 2245-02-115-0002	100.00	100.00	100.00
62		Grants to Farmers for Repair of Damaged Tube Well etc. 2245-02-116-0001	50.00	50.00	100.00
63		Exchange of Milk Giving Animals 2245-02-117-0002	65.00	65.00	100.00
64		Supply of Medicine for Human Beings 2245-02-282-0001	2100.00	1430.21	68.11
65		Supply of POL for Mobile Health Unit 2245-02-282-0003	520.00	429.44	82.58
66		Reserve Storage of Food Grains for Starvation Affected Family 2245-02-800-0003	50.00	50.00	100.00
67		Cash Payment for RDD for Swarojgar Yojana 2245-02-800-0005	200.00	200.00	100.00
68		Supply of Supplementary Nutrition for Welfare Department 2245-02-800-0006	1025.00	963.46	94.00
69		Disaster Management of Bihar State 2245-80-001-0002	80.66	59.18	73.37
	Total		99618.46	75240.77	

Appendix 2.9

(Reference: Paragraph 2.3.7; Page 30)

Surrenders in excess of actual savings (Rs 50 lakh or more)**(Rupees in crore)**

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
Revenue – Voted					
1	6-Election Department	103.32	33.55	34.89	1.34
2	9-Co-operative Department	308.67	23.34	23.35	0.01
3	38-Registration, Excise & Prohibition Department	64.57	2.60	10.69	8.09
Capital – Voted					
4	10-Energy Department	1362.23	520.76	521.34	0.58
5	26-Labour Resources Department	13.01	7.10	7.31	0.21
6	41-Road Construction Department	2964.66	505.36	635.90	130.54
Capital - Charged					
7	14-Repayment of Loans	1683.41	1.14	29.25	28.11
Total		6499.87	1093.85	1262.73	168.88

Appendix 2.10

(Reference: Paragraph 2.3.8; Page 30)

Details of saving of Rs 10 crore and above not surrendered

(Rupees in crore)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered	Percentage
1	1 - Agriculture Department	223.86	167.69	56.17	25.54
2	4 - Cabinet Secretariat Department	26.88	3.28	23.60	87.80
3	8 - Art, Culture and Youth Department	15.58	1.91	13.67	86.25
4	12 - Finance Department	49.67	29.49	20.18	40.63
5	13 - Interest payment	43.09	21.94	21.15	49.08
6	16 - Panchayati Raj Department	406.19	374.20	31.99	7.87
7	20 - Health Department	469.38	236.46	232.92	57.34
8	21 - Human Resources Development Department	1222.75	1049.08	173.67	14.20
9	22 - Home Department	463.90	415.98	47.92	10.32
10	23 - Industries Department	166.29	0.08	166.21	99.95
11	26 - Labour Resources Department	58.41	38.22	20.19	34.56
12	27 - Law Department	70.45	55.66	14.79	21.00
13	29 - Mines and Geology Department	13.20	2.15	11.05	83.71
14	30 - Minority Welfare Department	16.47	1.20	15.27	92.71
15	37 - Rural Works Department	498.49	207.83	290.66	42.05
16	39 - Disaster Management Department	1551.84	337.52	1214.32	78.25
17	40 - Revenue and Land Reforms Department	372.85	355.43	17.42	4.67
18	42 - Rural Development Department	194.60	115.13	79.47	50.00
19	43 - Science and Technology Department	59.03	38.42	20.61	34.91
20	48 - Urban Development and Housing Department	623.49	609.97	13.52	2.16
21	49 - Water Resources Department	1409.70	1340.39	69.31	4.91
22	50 - Minor Water Resources Department	131.37	108.30	23.07	17.56
23	51 - Social Welfare Department	648.89	597.61	51.28	7.90
	Total	8736.38	6107.94	2628.44	30.08

Appendix 2.11

(Reference: Paragraph 2.3.8; Page 30)

Details of saving of Rs 1 crore and above and below Rs 10 crore not surrendered

(Rupees in crore)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered	Percentage
1	2 - Animal and Fisheries Resources Department	64.55	59.15	5.4	8.36
2	3 - Building Construction Department	147.93	138.64	9.29	6.27
3	7 - Vigilance Department	4.90	2.50	2.4	48.97
4	11 - Backward Class and Most Backward Class Welfare Department	10.84	8.10	2.74	25.27
5	18 - Food and Consumer Protection Department	22.43	21.19	1.24	5.52
6	19 - Environment and Forest Department	21.60	20.59	1.01	4.67
7	32 - Legislature	10.36	6.46	3.9	37.64
8	35 - Planning and Development Department	197.66	193.10	4.56	2.30
9	36 - Public Health Engineering Department	522.07	519.68	2.39	0.45
10	44 - SC & ST Welfare Department	63.29	55.37	7.92	12.51
	Total	1065.63	1024.78	40.85	3.83

Appendix - 2.12

(Reference Paragraph 2.3.8; Page 31)

Cases of surrender of funds in excess of Rs 10 crore on 30 and 31 March 2009

(Rupees in crore)

Sl. No.	Grant No.	Major Head	Amount of Surrender	%age of Total Provision
(1)	(2)	(3)	(4)	(5)
1	1	2401 –Crop Husbandry	91.47	14.19
2	2	2404 –Dairy Development	11.95	11.55
3	3	2059 –Public Works	71.68	27.02
4		4059 –Capital Outlay on Public Works	37.83	48.08
5	6	2015 – Elections	34.89	33.76
6	9	6425 –Loans for Co-operation	14.00	28.70
7	10	6801 –Loans for Power Projects	65.57	13.02
8		4801 – Capital Outlay on Power Projects	54.86	53.20
9	13	2049 –Interest Payments	27.06	1.40
10	14	6003 –Internal Debt of the State Government	25.30	2.01
11	16	2515 –Other Rural Development Programmes	68.41	5.23
12		4515 –Capital Outlay on Other Rural Development Programmes	87.54	100.00
13	18	2408 –Food Storage and Ware Housing	12.50	15.62
14	20	2210 –Medical and Public Health	35.34	2.58
15		2211 –Family Welfare	18.88	8.58
16	21	2202 –General Education	1044.85	13.35
17	22	2055 –Police	193.28	10.73
18		2070 –Other Administrative Services	15.53	12.97
19		4055 –Capital Outlay on Police	93.64	62.23
20		2235 –Social Security and Welfare	10.66	27.04
21		4070 –Capital Outlay on Other Administrative Services	16.46	14.03
22		2056 – Jails	15.61	12.64
23	25	2852 –Industries	50.55	100.00
24		4859 – Capital Outlay on Telecommunication and Electronic Industries	17.94	42.06
25	27	2014 –Administration of Justice	43.24	16.59
26	33	2070 –Other Administrative Services	12.75	45.69
27	35	2053 –District Administration	214.76	57.53
28		2052 –Secretariat-General Services	29.88	88.95
29	36	4215 –Capital Outlay on Water Supply and Sanitation	479.98	70.78
30	37	3054 –Roads and Bridges	54.91	22.70
31		4515 –Capital Outlay on Other Rural Development Programmes	138.25	8.59
32	39	2245 –Relief on Account of Natural Calamities	493.28	33.89
33	40	2053 –District Administration	11.70	9.46
34		4047 –Capital Outlay on Other Fiscal Services	299.35	98.93
35		2029 –Land Revenue	20.95	8.59
36	41	5054 –Capital Outlay on Roads and Bridges	486.94	16.42
37	42	2501 –Special Programmes for Rural Development	40.57	43.96
38	43	4202 –Capital Outlay on Education, Sports, Art & Culture	22.91	15.94
39	44	4225 –Capital Outlay on Welfare of SC, ST & OBC	10.87	36.79
40	45	6860 – Loans for Consumer Industries	29.12	49.58
41		2852 –Industries	13.32	53.60
42		2401 –Crop Husbandry	10.48	30.35
43	47	7055 –Loans for Road Transport	169.50	94.42
44	48	2215 –Water Supply and Sanitation	40.57	26.50
45		2217 –Urban Development	567.66	34.69

Sl. No.	Grant No.	Major Head	Amount of Surrender	%age of Total Provision
46	49	4701 –Capital Outlay on Medium Irrigation	95.82	60.29
47		4700 –Capital Outlay on Major Irrigation	288.78	24.20
48		4711 – Capital Outlay on Flood Control Projects	354.95	32.07
49	50	2702 –Minor Irrigation	90.69	28.26
50	51	2235 –Social Security and Welfare	173.67	13.95
		Total	6310.70	

Appendix - 2.13
(Reference paragraph 2.5; Page 32)
Details of amounts exceeding Rs 10 crore (in each case)
remained un-reconciled during 2008-2009

Sl. No.	Major Head	(Rupees in crore) Amount not reconciled
1	2011 – Parliament/State/Union Territory Legislatures	29.06
2	2014–Administration of Justice	136.90
3	2015–Elections	72.29
4	2029–Land Revenue	194.60
5	2030–Stamps & Registration	18.43
6	2039–State Excise	23.62
7	2040–Taxes on Sales, Trade etc.	14.28
8	2048 – Appropriation for reduction or avoidance of Debt	140.00
9	2049–Interest Payments	3750.12
10	2052–Secretariat-General Services	51.38
11	2053 –District Administration	308.34
12	2054–Treasury and Accounts Administration	29.03
13	2055–Police	843.67
14	2056–Jails	57.95
15	2059–Public Works	175.13
16	2070–Other Administrative Services	65.35
17	2071 – Pensions and Other Retirement Benefits	3479.03
18	2202–General Education	6606.57
19	2203–Technical Education	34.19
20	2204–Sports and Youth Services	16.54
21	2205–Art and Culture	10.98
22	2210–Medical and Public Health	1018.86
23	2211 –Family Welfare	164.59
24	2215–Water Supply and Sanitation	370.51
25	2217–Urban Development	1034.70
26	2225–Welfare of SC, ST and OBC	221.77
27	2230 –Labour and Employment	36.37
28	2235–Social Security and Welfare	903.18
29	2236 -Nutrition	500.67
30	2245–Relief on Account of Natural Calamities	1146.29
31	2250– Other Social Services	14.07
32	2251 –Secretariat-Social Services	14.74
33	2401–Crop Husbandry	589.05
34	2403–Animal Husbandry	180.39
35	2404 –Dairy Development	89.81
36	2406 – Forestry and Wild Life	76.99
37	2408 –Food Storage and Ware Housing	59.02
38	2415 –Agricultural Research and Education	92.08
39	2425–Co-operation	33.39
40	2501–Special Programmes for Rural Development	62.41

Sl. No.	Major Head	Amount not reconciled
41	2505–Rural Employment	772.75
42	2515–Other Rural Development Programmes	1208.94
43	2700 –Major Irrigation	25.82
44	2701 –Medium Irrigation	106.12
45	2702–Minor Irrigation	228.58
46	2705 –Command Area Development	31.95
47	2711–Flood Control and Drainage	56.39
48	2801 - Power	720.00
49	2851–Village and Small Industries	20.02
50	2852–Industries	167.24
51	3054–Roads and Bridges	480.57
52	3451–Secretariat-Economic Services	23.72
53	3454–Census Surveys and Statistics	20.53
54	3456–Civil Supplies	127.05
55	4055–Capital Outlay on Police	54.34
56	4059–Capital Outlay on Public Works	37.94
57	4070–Capital Outlay on Other Administrative Services	84.98
58	4202–Capital Outlay on Education, Sports, Art & Culture	176.51
59	4210 –Capital Outlay on Medical & Public Health	97.21
60	4215–Capital Outlay on Water Supply and Sanitation	182.23
61	4225 –Capital Outlay on Welfare of SC, ST & OBC	27.42
62	4235–Capital Outlay on Social Security and Welfare	100.76
63	4250–Capital Outlay on Other Social Services	32.27
64	4515–Capital Outlay on Other Rural Development Programmes	1243.45
65	4700–Capital Outlay on Major Irrigation	353.34
66	4701–Capital Outlay on Medium Irrigation	47.50
67	4702–Capital Outlay on Minor Irrigation	41.37
68	4711 – Capital Outlay on Flood Control Projects	523.03
69	4801 – Capital Outlay on Power Projects	400.00
70	4859 – Capital Outlay on Telecommunication and Electronic Industries	24.72
71	4885–Capital Outlay on Industries and Minerals	252.00
72	5054–Capital Outlay on Roads and Bridges	2435.81
73	5452–Capital Outlay on Tourism	23.04
	Total	32793.95

Appendix 2.14
(Reference: Paragraph 2.6; Page 32)
Details of withdrawals from contingency fund (2008-09)

(Rupees in crore)				
Sl. No.	Major Head	Department	Purpose	Amount
1.	2011	State Assembly	T.A.	0.15
2.		-do-	D.A.	0.10
3.		-do-	-	0.10
4.	2012	Governor	Discretionary Grant	0.09
5.	2014	Judiciary	Purchase of Vehicles	0.05
6.		-do-	Fuel for generators	0.60
7.		-do-	Library	0.10
8.		-do-	O.E.	0.99
9.	2015	Election	Local Body election	0.10
10.		-do-	Election-Lok Sabha-(three times)	0.34
11.		-do-	Assembly election-(two times)	7.27
12.	2029	Land Revenue	Management of govt. properties	0.85
13.		-do-	Computerisation	1.78
14.		-do-	Strengthening of revenue administration	1.78
15.	2039	Excise	Purchase of vehicles	0.76
16.	2051	BPSC	-	1.00
17.	2052	Secretariat	LTC	0.03
18.		-do-	Purchase of vehicles-(four times)	0.28
19.		-do-	Administrative expenses-(six times)	0.53
20.		-do-	Pay and allowances-(two times)	0.50
21.	2055	Police	Naxal affected areas-(four times)	5.33
22.	2056	Jail	Purchase of vehicles	0.40
23.	2059	Public Works Department	R/M of police building	0.50
24.	2070	Other Administrative Services	Bhagalpur riot	0.40
25.		-do-	Training of IAS	0.03
26.		-do-	Contingent expenditure	1.00
27.		-do-	Kahalgaoon enquiry commission	0.06
28.		-do-	Public finance	0.90
29.		-do-	Computerisation	0.15
30.		-do-	Bihar Bhawan	0.24
31.		-do-	O.E.	0.04
32.		-do-	Machineries	2.20
33.		-do-	Service expenditure	0.10
34.	2202	General Education	Grants	0.61
35.		-do-	Stipend	0.36
36.	2205	Art and Culture	Grants	1.50
37.	2210	Medical and Public Health	Administration	0.09
38.		-do-	Purchase of vehicles	0.09
39.	2215	Water supply and Sanitation	Purchase of vehicles	0.52
40.		-do-	Water supply (urban)	0.05
41.		-do-	Water supply (rural)	0.10
42.		-do-	Water supply	0.75
43.		-do-	Water supply (govt. buildings)	0.10
44.	2217	Urban Development	Municipality	0.23
45.	2210	Information and Broadcasting	-	0.90
46.	2230	Labour and Employment	Strengthening	0.25
47.		-do-	Rehabilitation of child labour-(two times)	0.69
48.		-do-	Welfare programme	0.03
49.		-do-	Management information system	0.11
50.		-do-	Minimum wages in agriculture	0.13
51.	2235	Social Security and Welfare	Administration	0.05

Sl. No.	Major Head	Department	Purpose	Amount
52.		-do-	Nutrition programme	0.25
53.		-do-	Insurance-(two times)	1.88
54.		-do-	Aid	1.00
55.		-do-	Family and child welfare	0.87
56.		-do-	Old age pension	0.05
57.	2250	Other Social Services	Stipend	0.70
58.		-do-	Aid	0.06
59.	2251	Secretariat and Social Services	Labour and employment	0.05
60.		-do-	Purchase of vehicles	0.60
61.		-do-	PHED-(nine times)	0.09
62.	2401	Crop Agriculture	Aid to farmers-(two times)	131.15
63.		-do-	Seed production	0.60
64.	2405	Fisheries	Development of ponds	1.54
65.	2406	Forest	Plantation	1.00
66.	2408	Food Corporation	Financial aid to farmers	17.50
67.	2425	Co-operative	Purchase of vehicle	0.03
68.		-do-	LTA	0.01
69.		-do-	O.E.	0.05
70.		-do-	Grant	41.46
71.	2515	Rural Development Department	Purchase of vehicle	20.74
72.		-do-	Training of employees	6.00
73.	2711	Flood Control	Direction and administration-(two times)	25.00
74.	3451	Secretariat Economic Service	Tourist-(two times)	0.29
75.		-do-	Animal Husbandry-(two times)	0.03
76.		-do-	Purchase of vehicle-(three times)	0.35
77.		-do-	Forest	0.03
78.	3456	Civil Supply	Village project	0.50
79.		-do-	Consumer awareness programme	0.08
80.	4055	Capital Expenditure on Police	Construction of police building-(two times)	34.08
81.	4049	Public Works Department	Land acquisition for construction of jail	0.71
82.	4202	Education Sports and Culture	Construction of schools-(two times)	1.18
83.	4210	Medical and Health Public	Construction of PHC	1.00
84.	4235	Social Security and Welfare	Boundary of Kabristan	20.00
85.	4250	Other Social Services	Land acquisition	2.00
86.	5055	Road Transport	Construction of DTO	1.00
87.	6860	Consumer Industry	Loan to co-operative sugar mill	0.02
88.		-do-	Loan to government undertakings	29.12
89.	7055	Road Transport	Loan to Bihar State Road Transport	10.00
(+33 in brackets)		Total		472.46

Appendix 3.1
(Reference: Paragraph 3.1, Page 33)
Statement showing the outstanding utilization certificates

(Amount: Rupees in crore)

Sl. No.	Year of Payment of grant	Utilisation Certificates Outstanding	
		Number	Amount
1	Upto 14.11.2000	20190	1111.83
2	2001-02	452	261.62
3	2002-03	40	34.28
4	2003-04	61	150.06
5	2004-05	86	205.84
6	2005-06	75	991.88
7	2006-07	228	1629.66
8	2007-08*	10	172.65
	Total	21142	4557.81

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

Appendix – 3.2

(Reference: Paragraph 3.3, Page 34)

**Department/age-wise details of losses due to misappropriation loss of material etc,
(Cases where Final action was pending at the end of March 2009)**

Sl. No.	Name of the Department	Up to 5 years	5 to 10 years	Total No. of Cases.
1	Road Construction	4	-	4
2	Water Resources	3	-	3
3	Building Construction	1	-	1
4	Public Health & Engineering	1	-	1
5	Rural Development Department	632	77	709
6	Labour and Employment	3	-	3
7	Industry	2	-	2
8	Welfare	117	-	117
9	Home	5	-	5
10	Health	9	-	9
11	Land Acquisition	1	-	1
12	General Administration	15	-	15
13	MLA/MLC Fund	1	-	1
14	Cooperatives	1	-	1
15	Election	4	-	4
16	Civil Court	1	-	1
17	Animal Husbandry and Fisheries	12	-	12
18	District Sub Registrar	1	-	1
	TOTAL	813	77	890

Appendix – 3.3
(Reference: Paragraph 3.3, Page 35)
Department-wise cases of loss to Government
(Amount: Rupees in crore)

Name of Department	Misappropriation/Loss of Government Materials	
	Number of Cases	Amount
Road Construction	04	2.23
Water Resources	03	12.35
Building Construction	01	0.33
Public Health & Engineering	01	2.45
Rural Development	709	327.23
Labour & Employment	03	0.62
Industry	02	5.67
Welfare	117	12.66
Home	05	0.77
Health	09	0.47
Land Acquisition	01	0.01
General Administration	15	6.38
MLA/MLC Fund	01	0.02
Co-operative	01	2.66
Election	04	1.41
Civil Court	01	0.29
Animal Husbandry and Fisheries	12	5.18
District Sub Registrar	01	0.26
Total	890	380.99