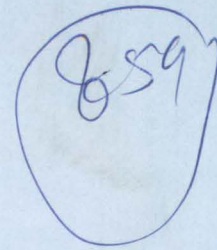


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**Report of the Comptroller and  
Auditor General of India**  
**on**  
**(STATE FINANCES)**  
**for the year ended 31 March 2011**  
**(Report No. 1)**



**GOVERNMENT OF CHHATTISGARH**



दिनांक ..... को विधान सभा  
में प्रस्तुत।  
Presented to Legislature  
on ..... 3 APR 2012

# Report of the Comptroller and Auditor General of India

## State Finances (Report No. 1)

### For the year ended 31 March 2011

### Government of Chhattisgarh



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## Preface

- 1 This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
- 2 Chapter-I 'Finances of the State Government' and Chapter II 'Financial Management and Budgetary Control' of this Report contains audit observations on matters arising from examination of the Finance Accounts and Appropriation Accounts respectively of the State Government for the year ended 31 March 2011.
- 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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1. The first part of the report deals with the general principles of the theory of the subject. It is divided into two main sections, the first of which is devoted to the study of the history of the subject and the second to the study of the principles of the subject. The first section is divided into three parts, the first of which is devoted to the study of the history of the subject and the second to the study of the principles of the subject. The second section is divided into two parts, the first of which is devoted to the study of the principles of the subject and the second to the study of the principles of the subject.

# EXECUTIVE SUMMARY







# Executive Summary

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## Background

This Report on the Finances of the Government of Chhattisgarh is being brought out with a view to assess objectively the financial performance of the State during 2010-11 and to provide the State Government and State Legislature with timely inputs based on audit analysis of financial data. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government in the Fiscal Responsibilities and Budget Management (FRBM) Act, 2005 and in the Budget Estimates of 2010-11, and norms recommended by the Thirteenth Finance Commission.

## The Report

Based on the audited accounts of the State Government for the year ending March 2011, this report provides an analytical review of the Annual Accounts of the State Government. The financial performance of the State has been assessed based on the FRBM Act, budget documents, Thirteenth Finance Commission (ThFC) recommendations and other financial data obtained from various Government departments and organisations. The report is structured in three chapters.

**Chapter 1** is based on the audit of Finance Accounts and makes an assessment of Chhattisgarh Government's fiscal position as of 31 March 2011. It provides an insight into trends in committed expenditure and borrowing pattern besides a brief account of central funds transferred directly to the State implementing agencies through off-budget route.

**Chapter 2** is based on audit of Appropriation Accounts and it gives the grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery departments. Besides, comments arising out of audit of budgetary process and budget assumptions and outcome of review of two grants (Grant No.6 and 25) pertaining to Finance and Mineral Resources department have also been made in this chapter.

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



## Audit findings and recommendations

**Amendment to the State FRBM Act:** The Thirteenth Finance Commission (ThFC) recommended amendment to the State FRBM Act, setting a target of three *per cent* of fiscal deficit by 2011-12 and for creating an independent review/ monitoring system. On the basis of the recommendation of ThFC the Government amended (September 2011) the FRBM Act 2005.

**Oversight over funds transferred directly from the GoI to the State implementing agencies:** GoI directly transferred substantial amount of grants-in-aid to the State Implementing Agencies for implementation of different schemes. The aggregate amount of unspent balances in the accounts of the implementing agencies kept outside the Government accounts (in Bank account) is also not readily ascertainable. The Government releases as well as actual expenditure as reflected in the accounts to that extent are, therefore, not final. The State Government has to put in place an appropriate mechanism to ensure proper accounting and utilization of the funds directly transferred by GoI to implementing agencies.

**Revenue Receipts:** The Revenue receipts (₹ 22,720 crore) grew by 25 *per cent* in 2010-11 over the previous year compared to 12 *per cent* in 2008-09 and 16 *per cent* in 2009-10. The increase was contributed by own tax revenue (26 *per cent*), non-tax revenue (26 *per cent*), State's share of union taxes and duties (24 *per cent*) and grants-in-aid receipts (23 *per cent*) from Government of India (GoI). Mining receipts was one of the major source of revenue receipts in Chhattisgarh and this alone constituted 64 *per cent* of the non-tax revenue receipts during the year 2010-11 as compared to 55 *per cent* in 2009-10.

The growth rate of Revenue receipts showed a decreasing trend during 2006-09 but showed increasing trend during 2009-11. As a result the revenue buoyancy ratio relative to GSDP which was at its lowest at 0.80 in 2008-09 rose to 1.39.

**The Revenue Expenditure:** Revenue Expenditure (RE) which constituted 85 *per cent* of the total expenditure during 2010-11, increased by 12 *per cent* over the previous year. Non-Plan Revenue Expenditure (₹ 11,286 crore) which constituted 58 *per cent* of RE, increased by eight *per cent* over the previous year and exceeded the ThFC's normative assessment (₹ 8,901 crore) by 27 *per cent*. The increase in NPRE was mainly due to 17 *per cent* increase in committed expenditure (₹ 11,844 crore) under salary, pension, interest payments and subsidies during the year. These together constituted 87 *per cent* of NPRE.

The major recipients of subsidies of ₹ 1,763.81 crore during 2010-11 were agriculture and allied activities (₹ 622.54 crore), energy (₹ 202.10 crore) and Social Welfare and Nutrition (₹ 886.73 crore). This was lower than the level of subsidies in the previous year (₹ 1,994.30 crore.) Expenditure on salaries and wages (₹ 6,363 crore) and pension (₹ 1810 crore) exceeded the ThFC's projection (₹ 3,548 crore and ₹ 984 crore) by ₹ 2,815 crore and ₹ 826 crore,



respectively, thus, narrowing fiscal space for undertaking developmental expenditure.

The expenditure on salaries and pension witnessed substantial increase during this year due to release of arrears of Sixth Pay Commission and revision of pension. As the expenditure on these items is expected to stabilize in the coming years, the state has an opportunity to reduce the level of subsidies, to reduce interest burden by more discreet borrowings and to use borrowings for creation of productive capital assets.

### **Review of fiscal position**

Fiscal position of the State viewed in terms of trends in deficit/surplus indicators revealed that in 2010-11, while revenue surplus increased, fiscal and primary deficits declined over the previous year. The consequential fiscal and primary surplus are indicative of the continuing effort of the State Government towards a path of fiscal correction and consolidation.

The fiscal deficit of ₹ 1,759 crore in 2009-10 has yielded to fiscal surplus of ₹ 410 crore in 2010-11, due to increase in revenue receipts as well as lower growth of revenue expenditure. The significant gap between the growth rates of the revenue receipts (25 *per cent*) and revenue expenditure (12 *per cent*) over the previous year resulted in increase of revenue surplus from ₹ 888 crore in 2009-10 to ₹ 3,364 crore during 2010-11. As against the year 2009-10, when the primary deficit was ₹ 664 crore, the year 2010-11 ended with a primary surplus of ₹ 1,608 crore.

Built upon early gains in achieving deficit targets, the Government continued to consolidate the same in the current year (2010-11) despite pressure on the committed expenditure due to implementation of the recommendations of Sixth Pay Commission.

**Greater priority to capital expenditure:** The Capital Expenditure (₹ 2,952 crore) increased by 7.54 *per cent* over the previous year (₹ 2,745 crore) but was less than the budget estimates (₹ 4,068 crore) and even lower than the projection made (₹ 5,019 crore) in the FRBM Act. The need for greater emphasis on asset creation through higher level of capital expenditure is evident.

**Review of Government investments:** An investment of ₹ 260 crore was made during the year 2010-11 in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives. The overall return (₹ four crore) on equity capital invested in these bodies during 2010-11 was 1.65 *per cent*, as against an average interest rate of seven *per cent* on funds borrowed by government. Financial unviability of funding such low yielding investments through high cost borrowings pointed out in the Audit Report for the year 2009-10 has not been given serious attention so far. The Government needs to urgently address this problem.

**Prudent cash management:** As against the required minimum cash balance of ₹ 0.72 crore with the Reserve Bank of India (RBI), the State had maintained



cash balance ranging from ₹ 824 crore to ₹ 3,241 crore on the last date of each month during 2010-11. Surplus cash balance was invested by the State government intermittently in short term deposits of Government of India (GoI) Treasury bills and GoI securities and earned interest of ₹ 89.73 crore during the year 2010-11. While the State earned an interest on these deposits at an average of 2.65 per cent, it paid average interest at the rate of 7.34 per cent on its market borrowings. One option for prudent cash management would be to use the surpluses to retire or pre-pay some of the high cost debts.

**Debt sustainability:** The debt position of the State indicated the sufficiency of incremental non-debt receipts which registered a positive change from ₹ (-) 731 crore in 2009-10 to ₹ 2,169 crore during the current year. This signified the enhanced capacity of the State to sustain the debt in the medium term.

Since large amounts of repayments to the extent of 38 per cent of the State debt would be taking place in the next five years, the State may consider restricting its short-term borrowings so that repayment obligations in the next five years do not rise unduly.

### **Financial Management and Budgetary Control**

During 2010-11, there was net savings of ₹ 5,268 crore. The total savings of ₹ 5,463 crore was offset by excess expenditure of ₹ 195 crore in four Grants and two Appropriation under Revenue section and two Grants and one Appropriation under Capital section. The above excess needs regularization under Article 205 of the Constitution of India. The savings largely contributed to surpluses on the revenue account and decline in fiscal deficit.

There were instances of savings exceeding ₹ 10 crore and also more than 20 per cent of the total provision in 14 cases relating to 12 grants and one appropriation. This included huge savings of ₹ 923 crore under four grants exceeding ₹ 100 crore in each case. There were persistent savings up to 41 per cent in nine grants during 2010-11. There were also instances of excess expenditure, unnecessary/excessive supplementary provision, substantial surrenders, non-surrender of anticipated savings during the current year and instances of rush of expenditure during the last month of the financial year. Budgetary controls should be strictly observed to avoid such deficiencies in financial management. Last minute fund releases and issue of re-appropriation/ surrender statements should be avoided.

### **Financial reporting**

Out of the 17200 Utilisation Certificates (UCs) in respect of grants aggregating ₹ 5,880.59 crore given for the period 2007-10, 10888 UCs amounting to ₹ 4,264.71 crore were pending. In the absence of the UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which these were given. This was mainly due to non adherence to the existing instructions for watching timely receipt of UCs.

At the year ended March 2011 an amount of ₹ 45.22 crore involving 1799 cases of misappropriations, losses and defalcations were awaiting

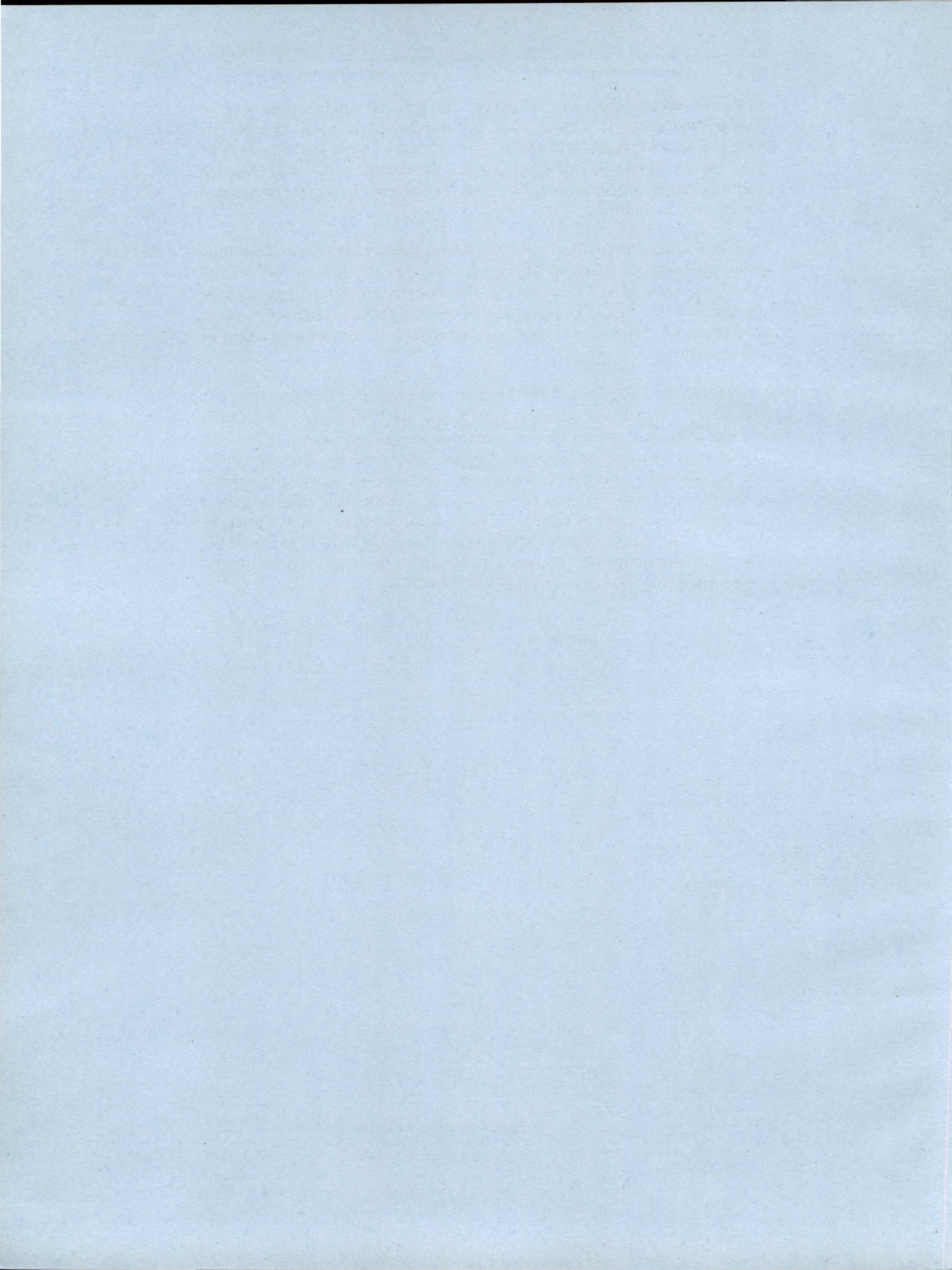


conclusive investigation and settlement for periods ranging from one to 25 years and above in various State Government Departments despite this being pointed out regularly in earlier Audit Reports. Departmental enquiries in such cases should be expedited to bring the defaulters to book. Internal controls in all the organizations should be strengthened to prevent occurrence of such cases in future.

The Chief Controlling Officers did not submit the Detailed Contingent Bills against the advances drawn on Abstract Contingent (AC) Bills of ₹ 4.53 crore up to five years as of 31 March 2011. A rigorous monitoring mechanism needs to be put in place by the Drawing and Disbursing Officers (DDOs) to adjust AC Bills in time and not to advance further amounts without adjustment of earlier advances.

A large unspent balance of ₹ 496.34 crore was lying in 153 inoperative PD accounts, of which 59 PD Accounts involving ₹ 24.03 crore were not operated for more than three years. This included one PD account with a balance of ₹ 16.02 crore lying unchanged since August 1996. Parking of funds in PD accounts adversely affected the transparency of State accounts as it inflated the revenue expenditure and locked up resources which could otherwise have been utilised elsewhere. Further, it also erodes budgetary and legislative control over the State's finances. Government may take suitable measures for closure of inoperative PD accounts and transfer the balance fund to the Consolidated Fund as required by the codal provisions.





# CHAPTER-I

## **Finances of the State Government**



CHAPTER I

History of the State

## CHAPTER-I

### FINANCES OF THE STATE GOVERNMENT

#### 1.1 Introduction

The State of Chhattisgarh is one of the leading States in the country in mineral production. The State of Chhattisgarh was formed on 1 November 2000 in terms of the Madhya Pradesh Reorganisation Act 2000 (No. 28 of 2000) with 16 districts<sup>1</sup> of the erstwhile State of Madhya Pradesh. Two<sup>2</sup> more districts have been formed after the formation of the Chhattisgarh State. The apportionment of assets and liabilities of the composite State of Madhya Pradesh prior to the date of reorganisation as well as other financial adjustments were carried out in accordance with the provisions of the Act<sup>3</sup>. Chhattisgarh has higher poverty levels as compared to the all-India average indicated in *Appendix 1.1*. Density of population in Chhattisgarh has increased from 154 persons per sq. km as per census 2001 to 189 persons per sq. km as per census 2011. However Chhattisgarh still has lower density of population as compared to the All India figure. Chhattisgarh State has shown a relatively higher economic growth in the past decade as the Compounded Annual Growth Rate (CAGR) of its Gross State Domestic Product (GSDP) for the period 2001-02 to 2010-11 increased to 17.85 *per cent* as compared to 14.68 *per cent* in other General Category States<sup>4</sup>. During this period, its population has grown by 22.59 *per cent* against 17.56 *per cent* in other General Category States. The infant mortality rate of the State was 54 (per 1000 live births) which was higher than the all-India average of 50. The inequality of income distribution in the case of rural areas of Chhattisgarh was less than the all-India average but more in the case of urban areas. The per capita income growth in Chhattisgarh has been higher than that of the General Category States in the current decade.

The annual accounts of the State Government consist of Finance Accounts and Appropriation Accounts. The Finance Accounts of the Government of Chhattisgarh are laid out in 19 statements, the structure and layout of which are depicted in **Appendix-1.1(a)**.

This chapter provides a broad perspective of the finances of the State Government 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 analysis is based on the Finance Accounts and the information obtained from the State Government. **Appendix-1.2** of the chapter briefly outlines the methodology adopted for the assessment of the fiscal position of the State and **Appendix-1.3** presents the time series data on key fiscal variables/ parameters and fiscal ratios relating to the State Government finances for the period 2006-11.

<sup>1</sup> Bastar, Bilaspur, Dantewara, Dhamtari, Durg, Janjgir-Champa, Jashpur, Kanker, Kawardha, Korba, Korba, Korba, Mahasamund, Raigarh, Raipur, Rajnandgaon and Surguja

<sup>2</sup> Bijapur and Narayanpur.

<sup>3</sup> Ibid.

<sup>4</sup> Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, and West Bengal.



### 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 (2010-11) vis-à-vis the previous year while **Appendix-1.4** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

**Table 1.1 Summary of Fiscal Operations**

(₹ in crore)

2009-10	Receipts	2010-11	2009-10	Disbursements	2010-11		
<b>Section-A: Revenue</b>					Non Plan	Plan	Total
18,153.66	Revenue receipts	22,719.54	17,265.44	Revenue expenditure	11,286.39	8,069.36	19,355.75
7,123.25	Tax revenue	9,005.14	4,349.77	General services	5,210.62	36.44	5,247.06
3,043.01	Non-tax revenue	3,835.32	8,023.54	Social services	2,807.08	5,502.64	8,309.72
4,380.66	Share of Union Taxes/ Duties	5,425.19	4,423.15	Economic services	2,582.25	2,509.17	5,091.42
3,606.74	Grants from Government of India	4,453.89	468.98	Grants-in-aid and Contributions	686.43	21.12	707.55
<b>Section-B: Capital</b>							
2.31	Misc. Capital Receipts	2.56	2,744.92	Capital Outlay	0.98	2,950.53	2,951.51
992.43	Recoveries of Loans and Advances	561.16	896.79	Loans and Advances disbursed	#	#	566.55
3.04	Inter-State Settlement	2.65	3.29	Inter-State Settlement	-	-	2.34
1,287.21	Public Debt receipts*	795.19	651.57	Repayment of Public Debt*	-	-	690.86
0.5	Contingency Fund	0	0	Contingency Fund	-	-	0
24,511.62	Public Account receipts	27,523.97	23,878.77	Public Account disbursements	-	-	26,895.50
2,059.67	Opening Cash Balance	1,569.66	1,569.66	Closing Cash Balance	-	-	2,712.22
<b>47,010.44</b>	<b>Total</b>	<b>53,174.73</b>	<b>47,010.44</b>	<b>Total</b>			<b>53,174.73</b>

(Source: Finance Accounts of the State Government 2010-11)

# Figures for Plan and Non-Plan are not available in the Finance Accounts.

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

The following are the significant changes during 2010-11 over the previous year:

- Revenue receipts increased by 25 per cent (₹ 4,566 crore), due to increase in own tax revenue by 26 per cent (₹ 1,882 crore), non-tax revenue by 26 per cent (₹ 792 crore), State's share of Union taxes and duties by 24 per cent (₹ 1,045 crore) and grants-in-aid from the Government of India by 23 per cent (₹ 847 crore) over the previous year.
- Revenue expenditure increased by 12 per cent (₹ 2,090 crore) over the previous year due to increase in Plan expenditure by 18 per cent (₹ 1,252 crore) and Non-Plan expenditure by eight per cent (₹ 839 crore).

- Capital expenditure increased by eight *per cent* (₹ 207 crore) over the previous year mainly due to increase in expenditure under the heads: Roads and Bridges, Education, Sports, Arts and Culture, Minor Irrigation, Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes, Rural Development Programmes and Social Security. The capital expenditure was ₹ 2,067 crore (41 *per cent*) less than the assessment made (₹ 5,019 crore) by the State Government in its Fiscal Responsibility and Budget Management Act, 2005 (FRBM Act) for the year 2010-11.
- Public debt receipts decreased by ₹ 492 crore (38 *per cent*) and repayment of public debt increased by ₹ 39 crore (six *per cent*) during the year. The decrease in Public debt receipts was mainly due to less borrowings through Market Loan, Loans from Financial Institutions and Loans from GoI.
- Public Account receipts and disbursements increased by ₹ 3,012 crore and ₹ 3017 crore respectively over the previous year.
- The cash balance at the end of the year increased by ₹ 1,142 crore (73 *per cent*) over previous year as a result of inflow/outflow of the funds as stated above.

### 1.1.2. Review of the fiscal position

In response to the Twelfth Finance Commission's (TFC) recommendation, the Government of Chhattisgarh enacted its Fiscal Responsibility and Budget Management Act, 2005, with a view to ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term fiscal framework.

The increase of 12 *per cent* in revenue expenditure during 2010-11 in comparison to the 25 *per cent* increase in revenue receipts resulted in an increase in the revenue surplus from ₹ 888 crore in 2009-10 to ₹ 3,364 crore in 2010-11.

As a result of the increase in the revenue surplus by ₹ 2,476 crore, decrease in non-debt capital receipts by ₹ 431 crore and decrease in disbursement of loans and advances including Inter-State Settlement by ₹ 331 crore, the fiscal deficit of ₹ 1,759 crore in 2009-10 changed to fiscal surplus of ₹ 410 crore in 2010-11.

On account of the increase in fiscal surplus (₹ 410 crore), the primary deficit of ₹ 664 crore in 2009-10 changed to primary surplus of ₹ 1,608 crore in 2010-11.

The Thirteenth Finance Commission (ThFC) recommended amendment to the State FRBM Act incorporating there in the continuation of the already achieved zero revenue deficit, setting a target of three *per cent* of fiscal deficit by 2011-12, a feature of independent review/ monitoring system. On the basis of the recommendation of ThFC the Government amended (September 2011) the FRBM Act 2005.

The fiscal performance of the State vis-à-vis FRBM targets and those framed in Thirteenth Finance Commission (ThFC) for the year 2010-11 is presented below:

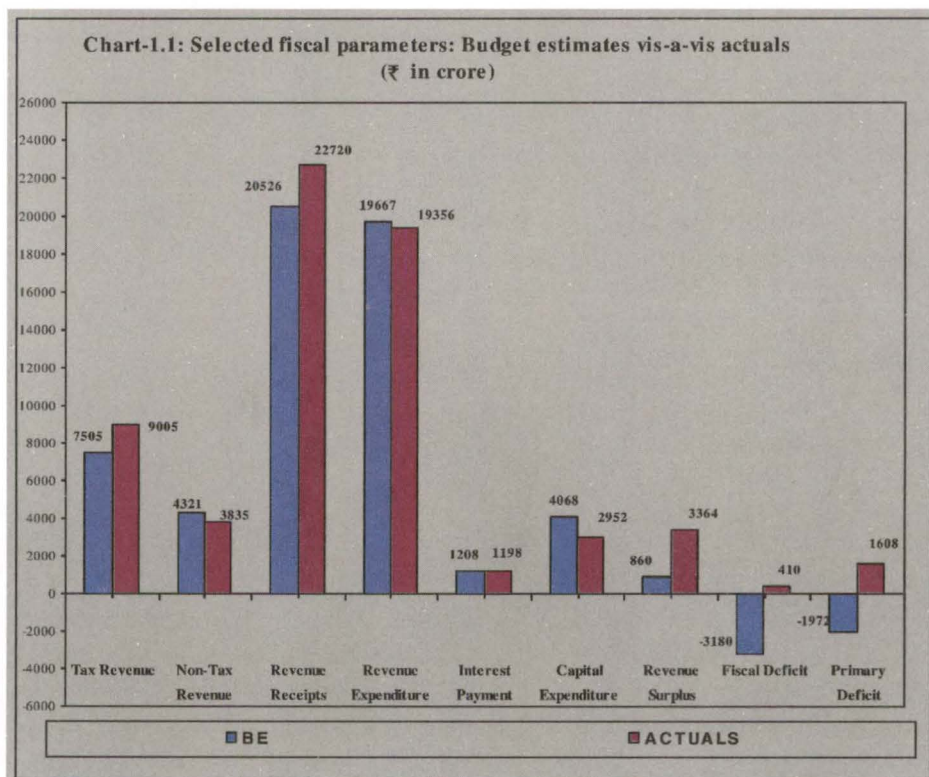
Fiscal forecasts	ThFC Targets	FRBM Targets	Actual
Revenue deficit (-)/ Surplus (+)	--	₹ (+)859.78 crore	₹(+) 3,363.79 crore
Fiscal deficit (-)/ Surplus (+)	To maintain Fiscal Deficit of Three per cent of GSDP	To bring down the Fiscal Deficit to Three per cent of GSDP and Fiscal deficit estimated as ₹ 3,180.03 crore	Turned into fiscal Surplus of ₹ 409.76 crore

(Source : FRBM Act , 2010-11 and Finance Accounts of the respective year.)

Since the State has achieved Revenue Surplus, hence the targets of ThFC and FRBM act have been achieved. The State's actual own tax revenue receipts, non-tax revenue receipts and Non-Plan expenditure were more than the normative assessment of ThFC by ₹ 58 crore (one per cent), ₹ 1,446 crore (61 per cent) and ₹ 2,384 crore (27 per cent) respectively but the interest payments were less by ₹ 380 crore (24 per cent).

### 1.1.3 Budget Estimates and Actuals

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



Source: Finance Accounts of the State Government 2010-11 and Budget Estimate 2010-11 of State)

It is evident from the above chart that during 2010-11, there were considerable differences in case of several parameters as detailed below :

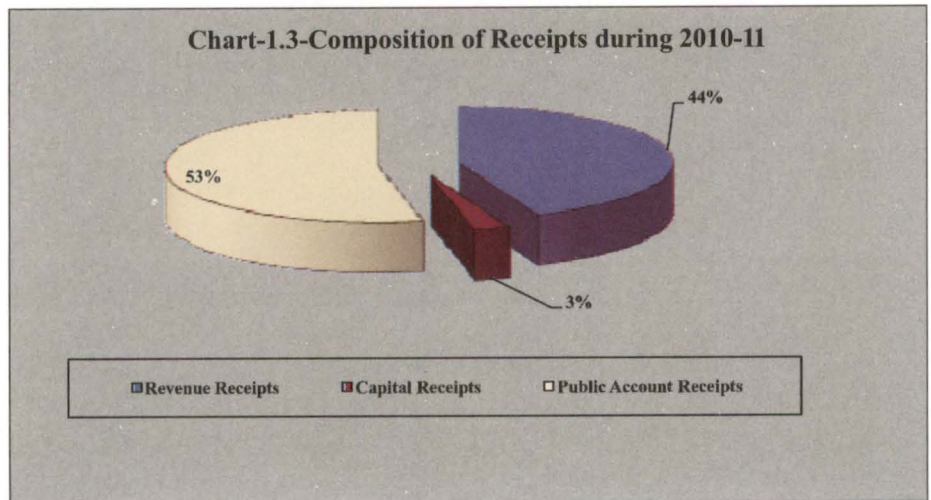
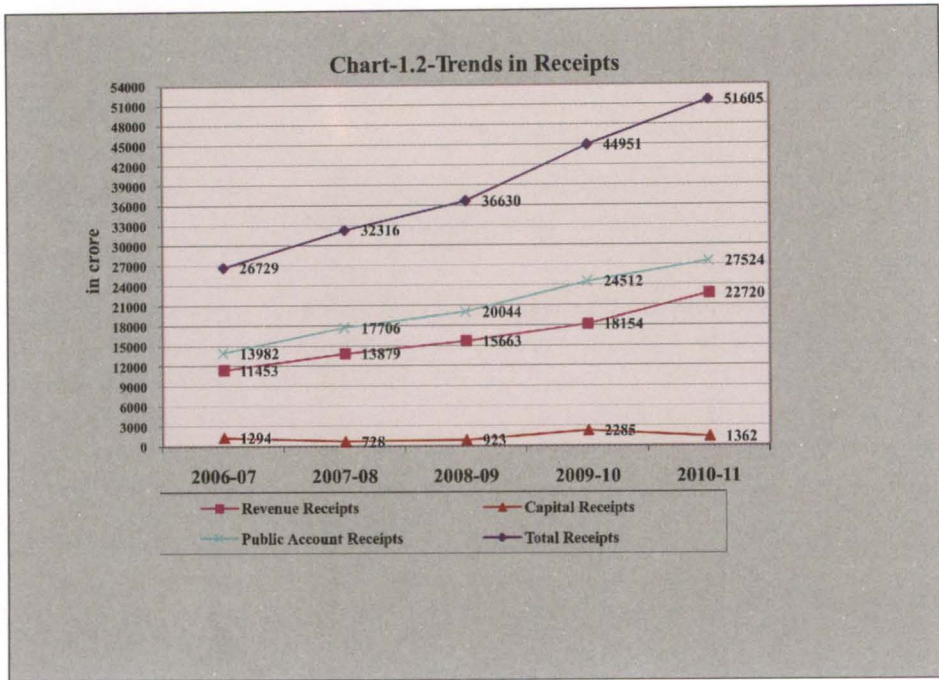
1. Revenue Receipts were more than the BE by 11 *per cent* (₹ 2,194 crore) due to Tax Revenue being higher than BE by ₹ 1,500 crore (20 *per cent*) while Non-Tax Revenue was less than BE by ₹ 486 crore (11 *per cent*).
2. Revenue Expenditure and Capital Expenditure were less than the BE by ₹ 311 crore (two *per cent*) and ₹ 1,116 crore (27 *per cent*) respectively.
3. Revenue surplus was more than BE by ₹ 2,504 crore (291 *per cent*) mainly due to Revenue Receipts being 11 *per cent* higher than the BE as compared to decrease of one percent in Revenue Expenditure over the BE.
4. The Fiscal deficit and Primary deficit, depicted as ₹ 3,180 crore and ₹ 1,972 crore respectively in the BE, turned into fiscal surplus of ₹ 410 crore and primary surplus of ₹ 1,608 crore mainly due to higher revenue receipts and lower Revenue Expenditure and Capital Expenditure than the BE.

## 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 2006-11. **Chart-1.3** depicts the composition of resources of the State during the current year.





The total receipts of the State for the year 2010-11 were 51,605 crore. The total receipts rose by 15 per cent ( 6,654 crore) during 2010-11 over the previous year, mainly due to increase of 25 per cent ( 4,566 crore) in revenue receipts and increase of 12 per cent ( 3,012 crore) in public account receipts. However, Capital receipts decreased by 40 per cent ( 924 crore) during 2010-11.

### 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 agencies<sup>5</sup> 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.

Government of India transferred funds of ₹ 4,360.17 crore directly to the State implementing agencies. Instances of funds directly transferred to the State implementing agencies are presented in **Table-1.2**.

**Table-1.2: Funds transferred directly to the major State Implementing Agencies**

Sl. No	Name of the Programme	Name of the implementing Agency in the State	Funds released by the Government of India (₹ in crore)	
			2009-10	2010-11
1	Mahatma Gandhi National Rural Employment Guarantee Scheme (90:10)	Chief Executive Officer, Zila Panchayat	827.10	1,653.76
2	<i>Sarva Shiksha Abhiyaan</i> (60:40)	Mission Director, Rajiv Gandhi Shiksha Mission	555.94	878.63
3	<i>Pradhan Mantri Gram Sadak Yojna</i> (100%)	Chief Executive Officer, Chhattisgarh Rural Development Authority	438.03	678.58
4	National Rural Health Mission (85:15)	Mission Director, National Rural Health Mission	180.19	205.87
5	<i>Indira Awas Yojna</i> (75:25)	Chief Executive Officer, Zilla Panchayat	162.60	132.00
6	National Rural Drinking Water Programme	Executive Engineer, Public Health Engineering	83.38	122.01
7	National Horticulture Mission	Director, Horticulture, Raipur	60.00	96.57
8	<i>Swarna Jayanti Gram Swarozgar Yojna</i> (75:25)	Chief Executive Officer, Zilla Panchayat	65.13	73.64
9	Integrated Water shed Management Programme(75:25)	Chief Executive Officer, Zilla Panchayat	51.57	73.72
10	Scheme for setting 6000 Model Schools (75:25)	Mission Director, Rajiv Gandhi Shiksha Mission	22.65	59.16
11	Central Rural Sanitation Scheme	<i>Chhattisgarh Rajya Jal evan Swasthya Mission</i>	50.18	54.80

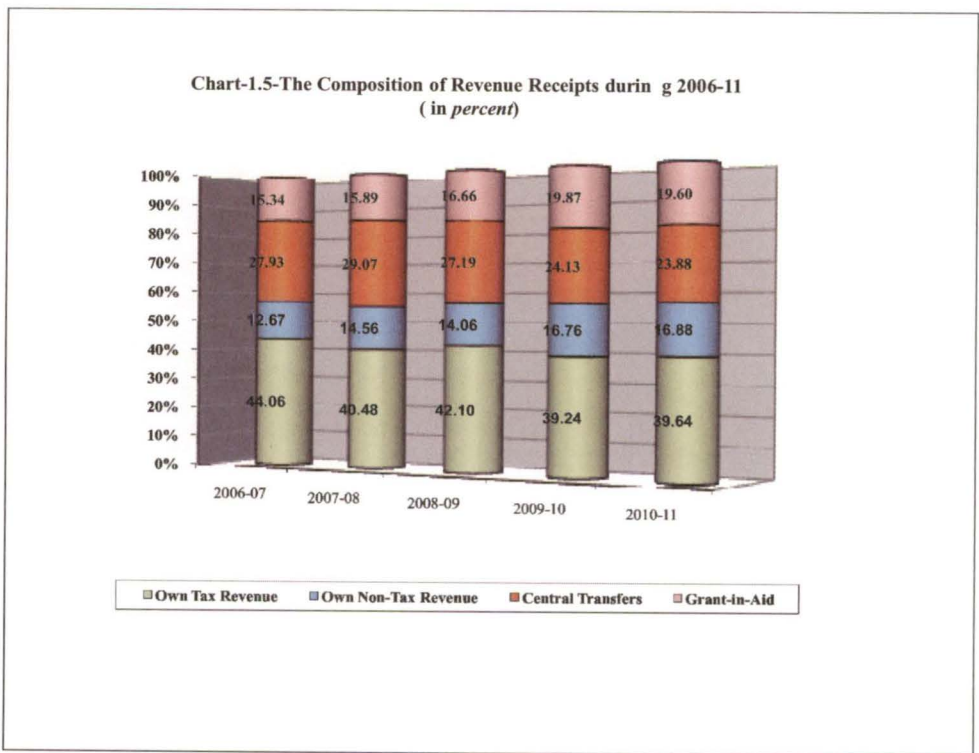
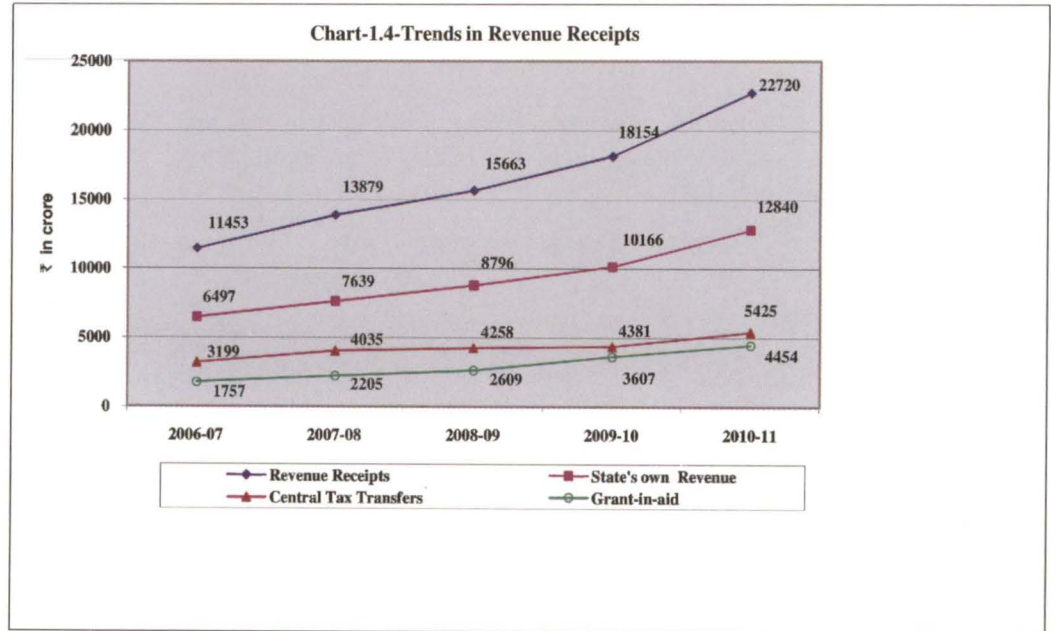
(Source: Appendix-VII of Finance Accounts 2010-11)

Direct transfer of funds from GoI to the implementing agencies ran the risk of improper utilisation of funds by these agencies. The aggregate amount of unspent balances in the accounts of the implementing agencies kept outside the Government accounts (in Bank account) is also not readily ascertainable. The Government releases as well as actual expenditure as reflected in the accounts to that extent are, therefore, not final.

<sup>5</sup> State implementing agency includes any organization/institution including Non-Governmental Organization which is authorized by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for SSA and State Health Mission for NRHM etc.

### 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 2006-11 are presented in **Appendix-1.3** and also depicted in **Charts-1.4** and **1.5** respectively.





The Revenue receipts increased from ₹ 11,453 crore in 2006-07 to ₹ 22,720 crore in 2010-11 and increased by 25 per cent (₹ 4,566 crore) during 2010-11 over previous year.

*The compounded annual growth rate of revenue receipts of the state during 2001-02 to 2009-10 was 19.46 per cent as against 15.20 per cent of General Category States.*

While 57 per cent of the revenue receipts during 2010-11 came from the State's own resources comprising tax and non-tax revenue, the Central tax transfers and grants-in-aid together contributed 43 per cent of the total revenue. The increase of ₹ 4,566 crore in the revenue receipts in 2010-11 over the previous year was due to increase of 26 per cent (₹ 1,882 crore) in tax revenue, 26 per cent (₹ 792 crore) in non-tax revenue, 24 per cent (₹ 1045 crore) in State's share of Union taxes and duties from GoI and 23 per cent (₹ 847 crore) in grants-in-aid from GoI.

The trends in revenue receipts relative to the Gross State Domestic Product are presented in Table-1.3 below:

**Table-1.3: Trends in Revenue Receipts relative to GSDP<sup>6</sup>**

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Receipts (RR) (₹ in crore)	11,453	13,879	15,663	18,154	22,720
Rate of growth of RR (per cent)	29.6	21.2	12.86	15.90	25.15
RR/GSDP (per cent)	17.70	17.48	16.45	16.83	17.52
<b>Buoyancy Ratios<sup>7</sup></b>					
Revenue Buoyancy with respect to GSDP	1.17	1.06	0.80	0.89	1.39
State's own tax Buoyancy with reference to GSDP	0.97	0.57	1.06	0.45	1.46
Gross State Domestic Product (₹ in crore)	66,874.89	80,255.11	93,179.43	1,09,823.43	1,29,717.54
Rate of Growth of GSDP	25.28	20.01	16.10	17.86	18.11

Revenue buoyancy with respect to the growth of GSDP decreased from 1.17 in 2006-07 to 0.80 in 2008-09 and then increased to 1.39 during 2010-11 due to the higher growth rate of revenue receipts in comparison to GSDP growth.

As the GSDP grows, the ability to increase the State's own tax revenue should also increase. During 2006-11, the State's own tax buoyancy with reference to GSDP showed an oscillating trend and ranged between 0.45 and 1.46.

### Grants-in-aid

The Grants-in-aid from Government of India increased by ₹ 847 crore (23 per cent) from ₹ 3,607 crore in 2009-10 to ₹ 4,454 crore in 2010-11, mainly due to increase of ₹ 192 crore in Centrally Sponsored Scheme and ₹ 740 crore in Plan

<sup>6</sup> The Buoyancy figures have changed due to change in GSDP figures (as outlined in Appendix 1.2).

<sup>7</sup> Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, 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.

grants for State Plan schemes. However, the receipt of non-plan grants decreased by ₹ 85 crore during the year.

### Central tax transfers

Central tax transfers increased by ₹ 1,045 crore (24 per cent) from ₹ 4,381 crore in 2009-10 to ₹ 5,425 crore in 2010-11. The increase was primarily due to increase of Customs duties by ₹ 336 crore (55 per cent), corporation tax by ₹ 318 crore (18 per cent), Union excise duties by ₹ 196 crore (40 per cent) and taxes on income other than corporation tax by ₹ 116 crore (12 per cent).

### 1.3.1 State's own resources

The State's share of Central taxes and grants-in-aid is determined on the basis of recommendations of the Finance Commission, collection of Central tax receipts and Central assistance for Plan schemes etc. The State's performance in mobilization of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The tax administration cost in the State was relatively lower than the national average during 2010-11 showing greater effectiveness in tax collection as detailed in **Appendix-1.5**.

The actual receipts under the State's tax and non-tax revenue vis-à-vis assessment made by ThFC and the State Government in its budget estimate are given below:

(₹ in crore)

	Assessment made by ThFC	Budget estimates	Actual
State's Tax Revenue	8,946.59	7,505.47	9,005.14
State's Non-Tax Revenue	2,389.38	4,321.46	3,835.32

**Table 1.4 : Growth Rate of Tax/Non-Tax Revenue between 2006-11**

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Tax Revenue	5,046	5,618	6,594	7,123	9,005
Rate of Growth (per cent)	24.53	11.34	17.37	8.03	26.42
Non-Tax Revenue	1,451	2,021	2,202	3,043	3,835
Rate of Growth (per cent)	18.06	39.28	8.96	38.19	26.03

### Tax Revenue

Tax revenue increased by 26 per cent (₹ 1,882 crore) during 2010-11 (₹ 9,005 crore) over the previous year (₹ 7,123 crore), mainly due to increase in taxes on Sales and trades etc. (₹ 1,129 crore), State excise (₹ 336 crore) and Stamps and registration (₹ 319 crore) over the previous year.

The growth rate of Tax Revenue during 2006-11 showed an oscillating trend and ranged between eight per cent and 26 per cent. The State's Tax Revenue (₹ 9,005 crore) during the current year was more than the projection made by ThFC (₹ 8,947 crore) and the normative assessment made in Budget estimates.

*The compounded annual growth rate of own tax revenue of the state during 2001-02 to 2009-10 was 17.26 per cent as against 14.53 per cent of General category states.*

The sector-wise components of tax revenue during the period 2006-11 are shown in **Table-1.5**.

**Table-1.5: Sector-wise components of tax revenue**

	(₹ in crore)				
	2006-07	2007-08	2008-09	2009-10	2010-11
Taxes on Sales, Trade, etc.	2,843	3,024	3,611	3,712	4,841
State Excise	707	843	964	1,188	1,506
Taxes on Vehicles	253	277	314	352	428
Stamps and Registration Fees	390	463	496	583	786
Land Revenue	61	88	359	160	247
Taxes on Goods and Passengers	302	511	421	696	675
Other Taxes	490	412	429	432	522
<b>Total</b>	<b>5,046</b>	<b>5,618</b>	<b>6,594</b>	<b>7,123</b>	<b>9,005</b>
<b>Growth Rate (in per cent)</b>	<b>24.53</b>	<b>11.34</b>	<b>17.37</b>	<b>8.03</b>	<b>26.42</b>

(Source: Finance Accounts)

### Non-Tax Revenue

Non-tax revenue increased by 26 per cent (₹ 792 crore) during 2010-11 over the previous year, mainly due to increase in receipts from non-ferrous mining and metallurgical industries (₹ 810 crore), major irrigation (₹ 144 crore) and general education (₹ 64 crore). Mining receipts (Mineral concession fees, rents, royalties and other receipts) was one of the major source of revenue receipts in Chhattisgarh and this alone constituted 64 per cent of the non-tax revenue receipts during the year 2010-11 as compared to 55 per cent in 2009-10.

The growth rate of Non-Tax Revenue during 2006-11 showed an oscillating trend and ranged between nine and 39 per cent. The Non-Tax Revenue receipts in 2010-11 exceeded the normative assessments made by ThFC by 61 per cent but were lower by ₹ 486 crore (11 per cent) than the assessments made by the State Government in its budget estimates due to short receipt from Minor Irrigation (₹ 388 crore) and energy (₹ 400 crore) than the budget estimates.

*The compounded annual growth rate of non-tax revenue of the state during 2001-02 to 2009-10 was 19.69 per cent as against 13.87 per cent of General category states.*

### 1.3.2 Loss of Revenue due to evasion of taxes, write off/waivers and refunds

There were two cases of evasion of tax pending finalization in respect of State Excise as on 31 March 2011 while 129 cases of sales tax and two cases of State Excise department involving ₹ 4.63 crore and ₹ 0.01 crore respectively were pending for refund.

### 1.3.3 Revenue Arrears

The arrears of revenue as on 31 March 2011 in respect of some principal heads of revenue as reported by eight departments amounted to ₹ 738.41 crore, of which ₹ 198.46 crore (27 per cent) was outstanding for more than five years.

Arrears were mainly in respect of revenue from Commercial Tax (₹ 450.85 crore), taxes and duties on electricity (₹ 199.64 crore), Land



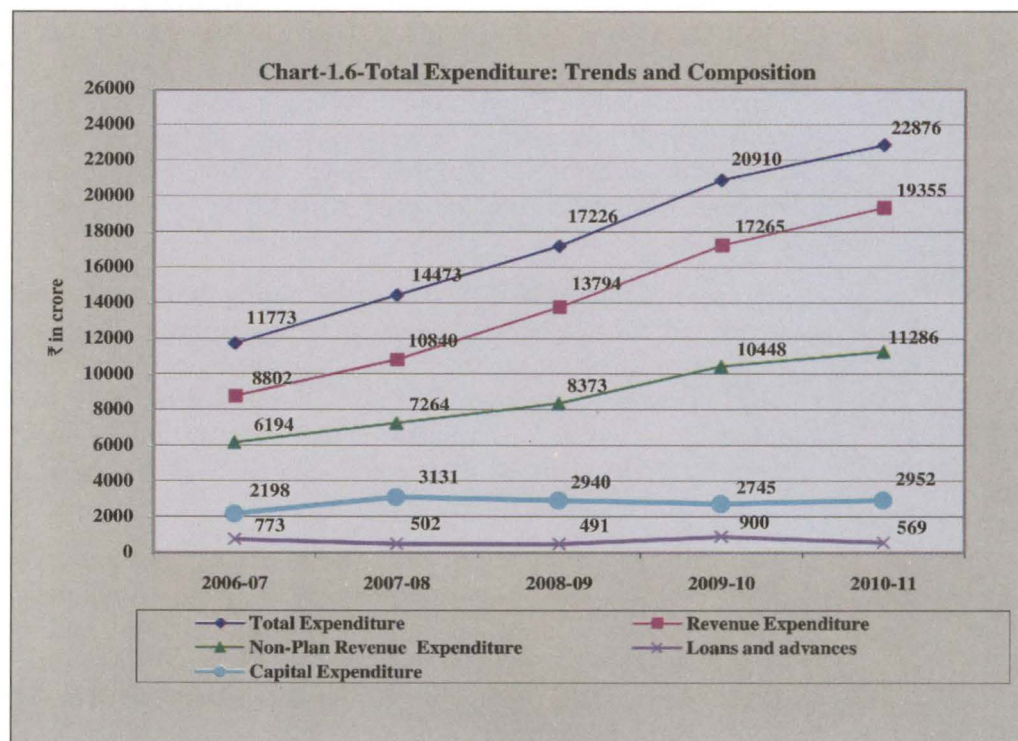
Revenue (₹ 38.30 crore), State excise duty (₹ 25.30 crore), Taxes on vehicles (₹ 14.65 crore), stamps and registration fees (₹ 5.43 crore), forest (₹ 2.45 crore) and mineral resources (₹ 1.79 crore).

## 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 in total expenditure over a period of five years (2006-11).



The total expenditure comprising revenue expenditure, capital expenditure and loans and advances including inter-State settlement, increased from ₹ 11773 crore in 2006-07 to ₹ 22876 crore in 2010-11. The increase of ₹ 1,966 crore in total expenditure in 2010-11 over the previous year was, mainly on account of an increase of ₹ 2090 crore (12 per cent) in revenue expenditure and of ₹ 207 crore (eight per cent) in Capital Expenditure which was set-off by decrease of ₹ 331 crore (37 per cent) in Loans and Advances including Inter State Settlement.

The compounded annual growth rate of total expenditure of the State during 2001-02 to 2009-10 was 18.16 per cent as against 13.53 per cent of General Category States.

The growth rate of total expenditure showed an oscillating trend and ranged between nine and 26 per cent during 2006-11. The growth rate of total expenditure stood at its lowest of 9.40 in 2010-11 during last five years.

The total expenditure and its composition during the years 2005-06 to 2010-11 is given below in **Table-1.6**.

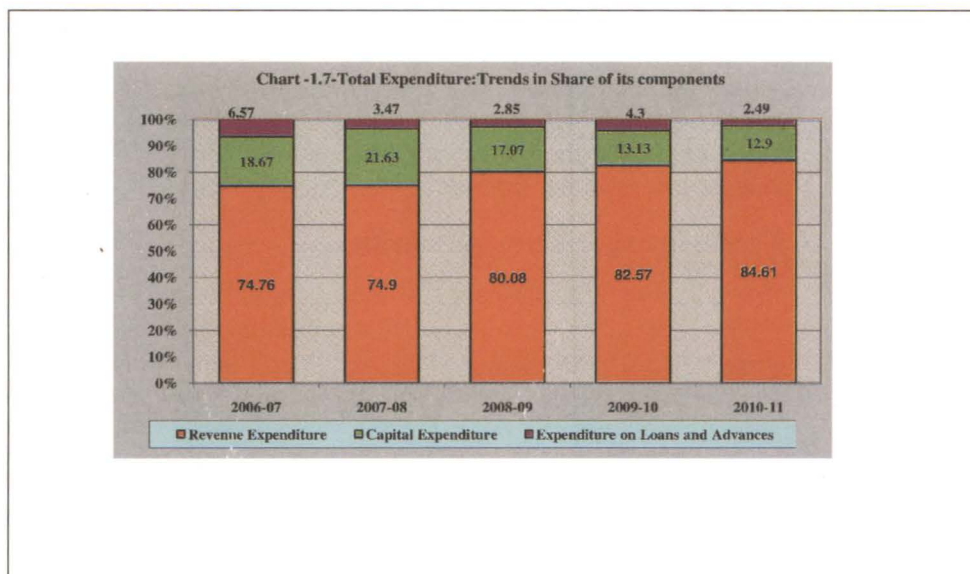
**Table-1.6: Total expenditure and its composition**

	(₹ in crore)				
	2006-07	2007-08	2008-09	2009-10	2010-11
Total Expenditure	11,773	14,473	17,226	20,910	22,876
Rate of Growth	26.71	22.93	19.02	21.39	9.40
Revenue Expenditure	8,802 (75)	10,840 (75)	13,794 (80)	17,265 (83)	19,356 (85)
Of which, Non Plan Revenue Expenditure	6,194	7,264	8,373	10,448	11,287
Capital Expenditure	2,198 (19)	3,131 (22)	2,940 (17)	2,745 (13)	2,952 (13)
Loans and Advances*	773 (07)	502 (04)	492 (03)	900 (04)	569 (02)

\*Includes Inter State Settlements

(Source : Finance Accounts)

**Charts-1.7** depicts the composition of total expenditure in terms of 'economic classification' over the period 2006-11.



### Revenue Expenditure

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

The revenue expenditure was 85 per cent of the total expenditure of which 58 per cent was on Non-Plan components and 42 per cent was on Plan components (**Appendix-1.3**).

The share of Plan revenue expenditure which normally covered the maintenance expenditure incurred on services, increased as a percentage of the total revenue expenditure, from 30 in 2006-07 to 42 in 2010-11. The Plan revenue expenditure during 2010-11 increased by ₹ 1252 crore (18 per cent) relative to 2009-10 mainly due to increase under education (₹ 758 crore), Agriculture and Allied Activities (₹ 303 crore) and Rural Development Programmes (₹ 290 crore).

The NPRES during 2010-11 increased by ₹ 838 crore (eight per cent) mainly on account of increase in the expenditure under Pension and Other Retirement Benefits (₹ 577 crore), Compensation and assignment to Local Bodies and Panchayati Raj Institutions (₹ 242 crore), Police (₹ 159 crore), General Education (₹ 127 crore) and Interest Payments (₹ 103 crore). However, The share of NPRES in total revenue expenditure declined from 70 per cent in 2006-07 to 58 per cent in 2010-11.

*The NPRES (₹ 11,286 crore) exceeded the normative projection of the ThFC (₹ 8,901 crore) by 27 per cent and the budget estimates (₹ 11,071 crore) by two per cent.*

### **Capital Expenditure**

The capital expenditure and loans and advances including inter-State settlement were 13 per cent and two per cent respectively of the total expenditure.

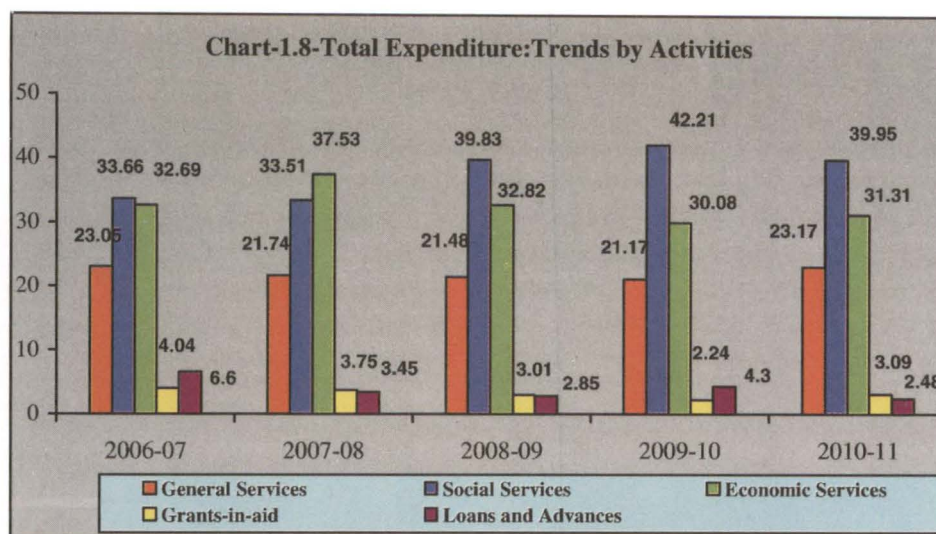
*The compounded annual growth rate of capital expenditure of the State was 24.48 per cent during 2001-02 to 2009-10 as against 22.61 per cent of General Category States.*

The share of expenditure on grants-in aid and loans and advances together with inter-state settlement in 2009-10 was 6.55 per cent which decreased to 5.58 per cent of the total expenditure during the year due to decrease in Loans and Advances in the Inter-State Settlements.

### **Trends in expenditure by activities**

In terms of activities, total expenditure could be considered as being composed of expenditure on general services(including interest payments), social and economic services, grant-in-aid and loans and advances. Relative share of these components in total expenditure is indicated in **Chart-1.8**





The expenditure on general service which was 23.05 per cent during 2006-07 decreased to 21.17 per cent of total expenditure during 2009-10 and further increased to 23.17 per cent during 2010-11. The expenditure on social services which was 33.66 per cent during 2006-07 increased to 42.21 per cent of total expenditure during 2009-10 and decreased to 39.95 per cent during 2010-11

The share of expenditure on economic services which was 32.69 per cent during 2006-07 increased to 37.53 per cent of total expenditure in 2007-08 and decreased to 31.31 per cent during 2010-11

#### 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-1.7** and **Chart-1.9** present the trends in the expenditure on these components during 2006-11.

**Table-1.7: Components of committed expenditure**

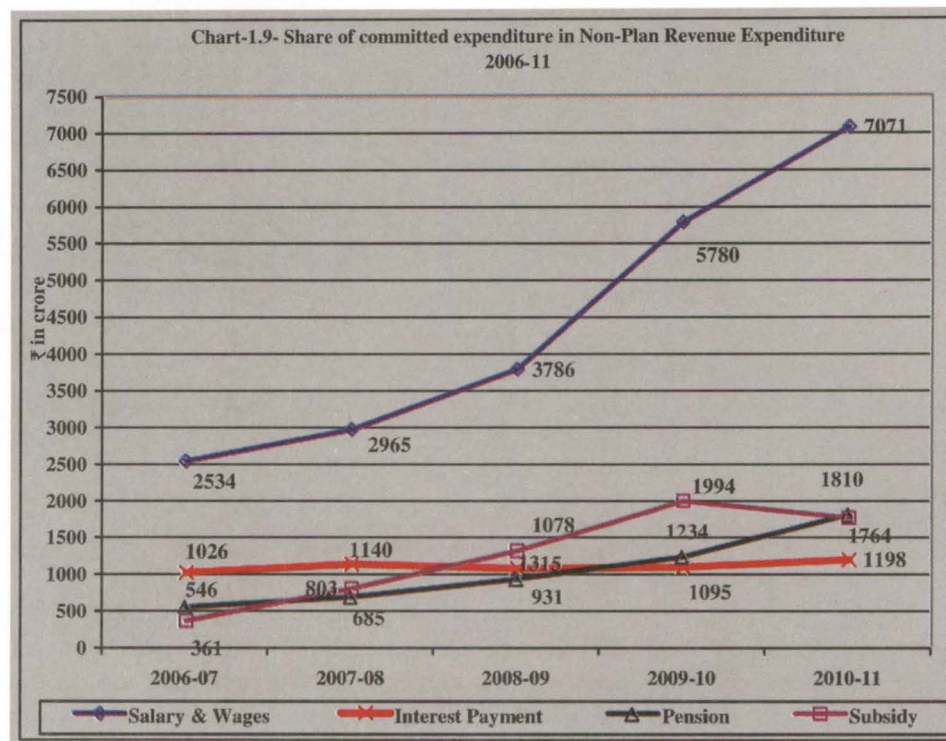
(₹ in crore)

Components of committed expenditure	2006-07	2007-08	2008-09	2009-10	2010-11	
					BE	Actuals
Salaries & Wages , of which	2,534.16 (22.13)	2,965.01 (21.36)	3,670.34 (23.43)	5,646.29 (31.10)	7,147.77	6,362.92 <sup>8</sup> (28.01)
Non-Plan Head	2,030.83	2,307.68	2,772.46	4,016.30	NA	4,338.28
Plan Head**	503.33	657.33	897.88	1,629.99	NA	2,024.64
Salary through Grants-in-aid	NA	NA	115.60 (0.74)	133.71 (0.74)	NA	708.33 (3.12)
Interest Payments	1,026 (8.96)	1,140 ( 8.21)	1,077.53 (6.88)	1,094.86 (6.03)	1,808.05	1,198.38 (5.27)
Expenditure on Pensions	546.08 (4.77)	684.58 (4.93)	930.77 (5.94)	1,233.76 (6.80)	1,233.85	1,810.33 (7.97)
Subsidies	361.07 (3.15)	802.55 (5.78)	1,314.68 ( 8.39)	1,994.30 (10.99)	1,839.97	1,763.83 (7.76)
<b>Total</b>	<b>4,467.31</b>	<b>5,592.14</b>	<b>7,108.92</b>	<b>10,102.92</b>	<b>12,029.64</b>	<b>11,843.79</b>

Figures in the brackets indicate percentage to Revenue Receipts  
 \*\* Head also includes the salaries and wages paid under Centrally Sponsored Schemes.

(Source: Finance Accounts of the State Government 2010-11)

<sup>8</sup> It includes Salary- ₹ 5,988.09 crore and Wages - ₹ 374.83 crore.



The overall committed expenditure increased by ₹ 7,377 crore from ₹ 4,467 crore in 2006-07 to ₹ 11,844 crore in 2010-11. Committed expenditure during 2010-11 had constituted 61 per cent of the Revenue Expenditure and 52 per cent of the revenue receipts. The component-wise analysis is given as under:

### (1) Expenditure on salary and wages

The expenditure on salaries and wages increased by ₹ 716.63 crore from ₹ 5,646.29 crore in 2009-10 to ₹ 6,362.92 crore in 2010-11 and the salary paid through Grants-in-aid (GIA)<sup>9</sup> increased from ₹ 113.71 crore in 2009-10 to ₹ 708.33 crore in 2010-11. The increase was due to release of second installment of the Sixth Pay Commission arrear.

*The compounded annual growth rate of salaries and wages of the State was 15.15 per cent during 2001-02 to 2009-10 as against 11.45 per cent of General Category States.*

The expenditure on Salary and Wages during the year was less by 11 per cent (₹ 746 crore) than the assessment made by the State Government in its budget estimate 2010-11. However, the expenditure on Non-plan salary and wages in 2010-11 was more by 22 per cent (₹ 790 crore) than the assessments made by ThFC.

<sup>9</sup> Salaries paid to various institutions under Education, Sports, Art and Culture, Agriculture and allied activities and Rural Development through grants- in-aid.

**(2) Expenditure on pension**

The expenditure on pension increased by 46.73 per cent (₹ 576.57 crore) from ₹ 1,233.76 crore in 2009-10 to ₹ 1,810.33 crore in 2010-11. The increase was mainly due to revision of Pension as per recommendations of Sixth Pay Commission, increase in relief of Pension etc.

*The compounded annual growth rate of pension of the State was 13.21 per cent during 2001-02 to 2009-10 as against 14.09 per cent of General Category States.*

The expenditure on pension was nine per cent of revenue expenditure and 16.04 per cent of Non-Plan revenue expenditure and consumed 7.97 per cent of the revenue receipts.

The expenditure on pension payment exceeded the projections made by State Government (₹ 1,233.85 crore) in its Budget Estimate for 2010-11 by 46.72 per cent (₹ 576.48 crore). As per the projection made by ThFC, the pension payments were to be ₹ 984 crore at the end of 2010-11. The actual payment on pension during 2010-11 exceeded the ThFC norms by ₹ 826 crore (84 per cent).

**(3) Interest payment**

Interest payment comprising interest charges on internal debts, loans raised from GoI and other obligations, increased by ₹ 103 crore from ₹ 1,094.86 crore in 2009-10 to ₹ 1,198.38 crore in 2010-11.

The interest payments (₹ 1,198 crore) were within the projection made by the ThFC (₹ 1,578 crore) for the year 2010-11. The interest payment as a ratio of revenue receipts and revenue expenditure were five and six per cent respectively during the year.

**(4) Expenditure on subsidies**

The details of subsidies provided by State Government during 2006-11 are shown in **Table-1.9**:

**Table-1.9: Details of Subsidies provided by Government during 2006-11***(₹ in crore)*

Head	2006-07	2007-08	2008-09	2009-10	2010-11
Social Security and Welfare	0.32	0.44	946.28	1,288.78	886.73
Crop Husbandry	35.93	39.35	41.23	41.00	40.07
Fisheries	0.00	0.55	0.41	0.47	0.75
Forestry and Wild Life	28.52	19.53	10.09	10.00	10.00
Food Storage and Warehousing	157.01	606.16	109.47	406.61	488.65
Co-operation	9.24	7.50	40.03	46.00	83.07
Minor Irrigation	6.99	8.09	10.49	10.62	11.01
Power	112.87	110.14	128.04	150.10	202.10
Village and Small Industries	6.98	9.66	24.27	39.26	37.71
Industries	3.20	1.13	4.37	1.46	3.72
<b>Total</b>	<b>361.06</b>	<b>802.55</b>	<b>1,314.68</b>	<b>1,994.30</b>	<b>1,763.81</b>

*(Source: Finance Accounts)*



The expenditure on subsidies decreased by ₹ 230.49 crore from ₹ 1,994.30 crore in 2009-10 to ₹ 1,763.81 crore in 2010-11. It constituted nine per cent of revenue expenditure. The major recipients of subsidies during 2010-11 were agriculture and allied activities<sup>10</sup> (₹ 622.54 crore), energy (₹ 202.10 crore) and Social Welfare and Nutrition (₹ 886.73 crore).

### 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 and previous years is presented in **Table-1.10**.

**Table-1.10: Financial assistance to Local Bodies etc.**

(₹ in crore)					
Financial assistance to institutions	2006-07	2007-08	2008-09	2009-10	2010-11
Educational Institutions (aided schools, aided colleges, Universities, etc.)	75.91	98.86	83.82	83.90	144.82
Power/energy	572.13	135.13	118.00	65.05	101.05
Agriculture	25.31	16.81	19.78	26.50	37.50
Urban Bodies	544.84	618.15	737.26	577.71	905.50
Panchayat Raj Institutions	763.82	955.14	1,299.47	1,520.71	1,835.92
Other Institutions	219.79	183.17	304.72	478.25	376.43
<b>Total</b>	<b>2,201.80</b>	<b>2,007.26</b>	<b>2,563.05</b>	<b>2752.12</b>	<b>3401.22</b>
Assistance as percentage of RE	25.01	18.52	18.58	15.94	17.57

(Source: Finance and Appropriation Accounts)

Financial assistance to local bodies and other institutions increased from ₹ 2,201.80 crore in 2006-07 to ₹ 3,401.22 crore in 2010-11, recording a growth rate of 24 per cent over the previous year. During 2010-11, the financial assistance was given by the Government mainly to urban bodies (26 per cent), Panchayati Raj institutions (54 per cent) and other institutions (11 per cent).

## 1.5 Quality of Expenditure

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

### 1.5.1 Adequacy of public expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if it is below the respective national average. **Table 1.11** analyses the fiscal priority of the State Government with regard to

<sup>10</sup> Includes - Crop Husbandry, Fisheries, Forestry and Wild Life, Food Storage and warehousing and Co-operation.

development expenditure, social expenditure and capital expenditure during 2010-11.

**Table 1.11: Fiscal Priority of the State in 2007-08 and 2010-11**

Fiscal Priority by the State*	AE/ GSDP	DE#/ AE	SSE/ AE	CE/ AE	Education/ AE	Health/ AE
General Category States Average (Ratio) 2007-08	17.09	64.28	32.54	16.14	14.64	3.98
Chhattisgarh's Average (Ratio) 2007-08	18.03	74.44	33.90	25.10	16.12	4.92
General Category Average (Ratio) 2010-11	16.68	64.29	36.68	13.25	17.39	4.34
Chhattisgarh's Average (Ratio) 2010-11	17.64	73.69	40.23	15.39	19.17	3.70
<p>* As per cent to GSDP            AE: Aggregate Expenditure DE: Development Expenditure            SSE: Social Sector Expenditure CE: Capital Expenditure.            # Development expenditure includes Development Revenue Expenditure, Development Capital expenditure and Loans and Advances disbursed.</p>						

Table 1.11 indicates the following:

1. Chhattisgarh has been spending a higher proportion of its GSDP on Aggregate Expenditure as compared to general category states.
2. Development expenditure as a proportion of Aggregate Expenditure in Chhattisgarh is also marginally higher than the general category states' average during 2007-08 as well as in the current year. Developmental expenditure consists of both economic service expenditure and social sector expenditure.
3. Capital expenditure as a corresponding ratio to aggregate expenditure ratio has been given higher priority in the current year as well as in 2007-08. Increased priority to physical capital formation will further increase the prospects of the state by creating durable assets.
4. Chhattisgarh had given adequate priority to both education sector and health sector in 2007-08 but less priority to health sector as compared to general category states during the current year.

### 1.5.2 Efficiency of expenditure use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods<sup>11</sup>. Apart from improving the allocation towards development expenditure<sup>12</sup>, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. **Table-1.12** presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year vis-à-vis budgeted and the previous years.

**Table-1.12: Development expenditure**

(₹ in crore)

Components of Development Expenditure	2006-07	2007-08	2008-09	2009-10	2010-11	
					BE	Actuals
<b>Development Expenditure (a to c)</b>	<b>8,578</b> (73)	<b>10,773</b> (74)	<b>12,995</b> (75)	<b>16,002</b> (77)	<b>19,010</b>	<b>16,857</b> (73)
a. Development Revenue Expenditure	5,687 (48)	7,257 (50)	9,676 (56)	12,447 (60)	14,113	13,401 (59)
b. Development Capital Expenditure	2,123 (18)	3,024 (21)	2,838 (16)	2,668 (13)	3,969	2,899 (13)
c. Development Loans and Advances	768 (07)	492 (03)	481 (03)	887 (04)	928	557 (02)

Figures in brackets indicate percentage to aggregate expenditure

(Source: Finance Accounts)

Development expenditure, in real terms and as a percentage of the aggregate expenditure of the State, increased continuously upto 2009-10. However, despite a marginal increase in real terms, as a percentage of aggregate expenditure, the same decreased from 77 per cent in 2009-10 to 73 per cent in 2010-11. The total development expenditure increased by ₹ 855 crore (five per

<sup>11</sup> 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.

<sup>12</sup> The analysis of expenditure data is disaggregated into development and non development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is 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.



cent) during 2010-11 over previous year mainly due to increase in development revenue expenditure (eight per cent) and development Capital expenditure (nine per cent) while the Loans and Advances decreased by 37 per cent.

The development capital expenditure as a percentage of aggregate expenditure of the State remained same during the year 2010-11 as compared to 2009-10. However, the development expenditure on loans and advances as a percentage of development expenditure came down from four per cent in 2009-10 to two per cent in 2010-11.

**Table 1.13** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

**Table-1.13: Efficiency of expenditure use in selected Social and Economic Services**

(in per cent)

Social/Economic Infrastructure	2009-10			2010-11		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		ME	S &W		ME	S&W <sub>13</sub>
<b>Social Services (SS)</b>						
<b>Total Social Services</b>	<b>3.84</b>	<b>0.84</b>	<b>39.92</b>	<b>3.62</b>	<b>1.22</b>	<b>42.08</b>
<i>Of which</i>						
General Education	0.57	0.32	52.85	1.10	0.37	45.84
Public Health and Family Welfare	0.46	0.55	73.61	0.75	0.45	75.41
Water Supply, Sanitation and Housing and Urban Development	1.69	4.31	10.07	0.81	4.21	14.20
<b>Economic Services (ES)</b>						
<b>Total Economic Services</b>	<b>8.92</b>	<b>7.23</b>	<b>27.00</b>	<b>9.05</b>	<b>4.35</b>	<b>25.84</b>
<i>of which</i>						
Agriculture and Allied Activities	0.32	1.08	30.51	0.23	1.08	29.78
Irrigation and Flood Control	4.64	4.57	63.28	4.54	7.63	74.46

TE: Total Expenditure in the concerned sector; CE: Capital Expenditure in the concerned sector; RE: Revenue Expenditure in the concerned sector; S&W: Salaries and Wages, ME: Maintenance Expenditure (does not include operational expenses.)

(Source: Finance Account)

The above table reveals that while the share of capital expenditure on Social Services decreased from 3.84 per cent to 3.62 per cent, the share of Economic Services increased from 8.92 per cent to 9.05 per cent during the same period.

### Expenditure on Social Services

Capital expenditure on social services increased from ₹ 802.10 crore in 2009-10 to ₹ 827.60 crore in 2010-11, but the share of capital expenditure on social services decreased from 3.84 per cent in 2009-10 to 3.62 per cent in 2010-11.

The share of salaries in revenue expenditure under social services increased from 39.92 per cent in 2009-10 to 42.08 per cent in 2010-11 mainly on account of increase in the share of salaries due to release of second installment

<sup>13</sup> Including salary Grants-in-aid.

of Sixth Pay Commission arrears. In the case of maintenance, the expenditure increased from 0.84 to 1.22 per cent in 2010-11.

### Expenditure on Economic services

Capital expenditure on economic services increased from ₹ 1,866.01 crore in 2009-10 to ₹ 2,071.04 crore in 2010-11, but the share of capital expenditure on economic services increased from 8.92 per cent in 2009-10 to 9.05 per cent in 2010-11.

The share of salaries under revenue expenditure in economic services decreased from 27 per cent to 25.84 per cent. In the case of maintenance, the expenditure decreased from 7.23 per cent to 4.35 per cent in 2010-11.

## 1.6 Financial analysis of Government expenditure and investments

In the post-FRBM framework, the State is expected to keep its fiscal deficit (and borrowing) not only at low levels but also to 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 previous years.

### 1.6.1 Incomplete projects

Blocking of funds on incomplete works which include works stopped due to reasons like litigations, etc., impinges negatively on the quality of expenditure. At the end of March 2011, there were 78 incomplete projects each costing ₹ one crore or more involving ₹ 2,449 crore as given in Table-1.14.

**Table-1.14: Department-wise profile of incomplete projects**

(₹ in crore)

Department	No. of incomplete projects	Initial budgeted cost	Revised total cost of projects	Cost overrun	Cumulative actual expenditure as on 31.3.2011
Public Works Department	49	1,144.15	1,407.86	0.81	498.69
Water Resources Department	29	867.53	1,041.45	4.05	388.72
<b>Total</b>	<b>78</b>	<b>2,011.68</b>	<b>2,449.30</b>	<b>4.86</b>	<b>887.41</b>

(Source: Finance Account 2010-11)

As against the initial budgeted cost of ₹ 2,011.68 crore in respect of 78 works stipulated to be completed on or before March 2011, the progressive expenditure of ₹ 887.41 crore was made as of March 2011. In five cases, the cost over run aggregated ₹ 4.86 crore. The time overrun of the above projects ranged from six months to five years as of September 2011.

Reasonwise number of incomplete works in Public Works Department alongwith the progressive expenditure upto 31 March 2011 are shown in Table 1.15 :

**Table 1.15: Reasonswise breakup of incomplete projects**

(₹ in crore)

Reasons	No. of incomplete works	Progressive expenditure as on 31-03-2011
Slow progress by contractor	15	166.51
Naxal problem	3	62.50
Non availability of land/ delay in acquisition of land	5	55.03
Railway portion	5	47.40
Approval of revised estimate	3	35.98
Work left incomplete by original contractor	4	33.33
Work delayed due to Court case.	1	9.31
Forest clearance	3	4.85
Change of Drawing/design	2	0.42
Other Reasons	8	83.36
<b>Total</b>	<b>49</b>	<b>498.69</b>

(Source : O/o The Engineer-in-Chief, PWD, Chhattisgarh)

As may be observed from the above table that, in the 49 incomplete works costing ₹ one crore or more each of the Public Works Department, progressive expenditure upto 2010-11 was ₹ 498.69 crore. Further, outstanding liability of ₹ 180.86 crore was created for payment of pending bills. This resulted into blockage of funds of ₹ 679.55 crore.

Reasons for non-completion of projects of Water Resources Department in the scheduled time were not intimated by the Department.

### 1.6.2 Investment and returns

As of 31 March 2011, Government had invested ₹ 259.92 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (Table-1.16). The average return on this investment was 1.65 per cent while the Government paid an average interest rate of 7.34 per cent on its borrowings during 2010-11. Continued use of borrowed funds to fund investments which do not have sufficient financial returns may lead to an unsustainable financial position. The Government may ensure proper justification for investment of high cost funds.

**Table-1.16: Return on investment**

Investment/Return/Cost of Borrowings	2006-07	2007-08	2008-09	2009-10	2010-11
Investment at the end of the year* (₹ in crore)	159.64	400.95	430.01	251.67	259.92
Return on investment (₹ in crore)	0.00	0.10	0.10	0.44	4.30
Return on investment (per cent)	0.00	0.02	0.02	0.17	1.65
Average rate of interest on Govt. borrowing (per cent)	7.49	7.97	7.36	7.13	7.34
Difference between interest rate and return (per cent)	7.49	7.95	7.34	6.96	5.69

\*The investment at the end of the year does not include un-apportioned investment

Out of ₹ 259.92 crore invested upto 2010-11, ₹ 147.17 crore was invested in 26 co-operatives, ₹ 78.06 crore in 12 Government companies/boards and departments, ₹ 21.86 crore was invested in two statutory corporations, ₹ 10.21 crore in rural banks and ₹ 2.63 crore in joint stock companies.



There were no set norms prescribed for making investments in various public sectors companies, rural banks etc.

### 1.6.3 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 of these institutions/organizations. **Table-1.17** presents the outstanding loans and advances as on 31 March 2011 and interest receipts vis-à-vis interest payments during the last three years.

**Table-1.17: Average interest received on loans advanced by the State Government**

(₹ in crore)

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2008-09	2009-10	2010-11
Opening balance	1,667.38	1,625.53	1,529.89
Amount advanced during the year	490.75	896.79	566.55
Amount repaid during the year	533.42	992.43	561.16
<b>Closing Balance</b>	<b>1,624.71</b>	<b>1,529.89</b>	<b>1,535.28</b>
<i>Of which</i> Outstanding balance for which terms and conditions have been settled	NA	1,517.60	1,523.68
Net addition	(-)42.67	(-) 95.64	(+)5.39
Interest receipts	121.89	71.63	79.86
Interest receipts as <i>per cent</i> to outstanding Loans and advances	7.40	4.54	5.21
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.	7.36	7.13	7.34
Difference between interest receipts and interest payments ( <i>per cent</i> )	(+)0.04	(-)2.59	(-)2.13

At the end of March 2011, the Government had outstanding loans and advances of ₹ 1,535.28 crore, of which loans for General Services was ₹ 136.11 crore, loans for Social Services was ₹ 756.74 crore and for Economic Services ₹ 653.49 crore. The outstanding loans and advances was off-set by recovery of ₹ 11.05 crore on account of Loans to Government Servants. The interest received against these loans and advances was only 5.21 *per cent* during 2010-11 as against 4.54 *per cent* in the previous year.

### 1.6.4 Cash balances and investment of cash balances

**Table-1.18:** depicts the cash balances of the State and the investments made by the State Government out of that during the year.

**Table-1.18: Cash balances and investment of cash balances**

Particulars	(₹ in crore)		
	As on 31 March 2010	As on 31 March 2011	Increase(+)/ decrease(-)
<b>Cash Balance (A+B+C)</b>	<b>1,569.66</b>	<b>2,712.22</b>	<b>1,142.56</b>
<b>A. General Cash Balances</b>			
1. Deposits with Reserve Bank	(-)554.81	(-)1,480.73	(-)925.92
2. Remittances in Transit	(-)0.25	0.00	0.25
3. Investments from Cash Balances (a to d)	1,364.05	3,380.80	2,016.75
a. GOI Treasury Bills	(-) 363.57	2,016.75	2,380.32
b. GOI Securities	1727.62	1,364.05	(-) 363.57
c. Other Securities, if any specify	0.00	0.00	0.00
d. Other Investments	0.00	0.00	0.00
<b>Total (A)- General Cash Balances (1 to 3)</b>	<b>808.99</b>	<b>1,900.07</b>	<b>1,091.08</b>
<b>B. Other Cash balances and investments (Cash/Permanent Advances with departmental Officers)</b>	<b>11.30</b>	<b>13.11</b>	<b>1.81</b>
<b>C. Funds wise Break-up of Investment from Earmarked balances (a to d)</b>	<b>749.37</b>	<b>799.04</b>	<b>49.67</b>
a. Sinking Fund	746.94	796.94	50.00
b. Famine Relief Fund	1.41	1.32	-0.09
c. Revenue Reserve Fund	0.97	0.73	-0.24
d. Development and Welfare Fund	0.05	0.05	0.00
<b>Interest realised</b>	<b>149.07</b>	<b>89.73</b>	<b>59.34</b>

(Source: Finance Account 2010-11)

As against the required minimum cash balance of ₹ 0.72 crore with the Reserve Bank of India (RBI), the State had maintained a cash balance ranging from ₹ 824 crore to ₹ 3241 crore on the last date of each month during 2010-11. Intermittently, surplus cash balance was invested by the State government in short term deposits of Government of India (GoI) Treasury bills and GoI securities earning an aggregate interest of ₹ 89.73 crore during the year 2010-11. While the State earned an average interest on these deposits at an average of 2.65 per cent, it had paid average interest on its market borrowings at the rate of 7.34 per cent. Instead of locking up cash balances in low interest investments, it would have been more prudent for the Government to retire high cost debt using cash available beyond the optimum levels recommended under FRBM Act.

## 1.7 Assets and Liabilities

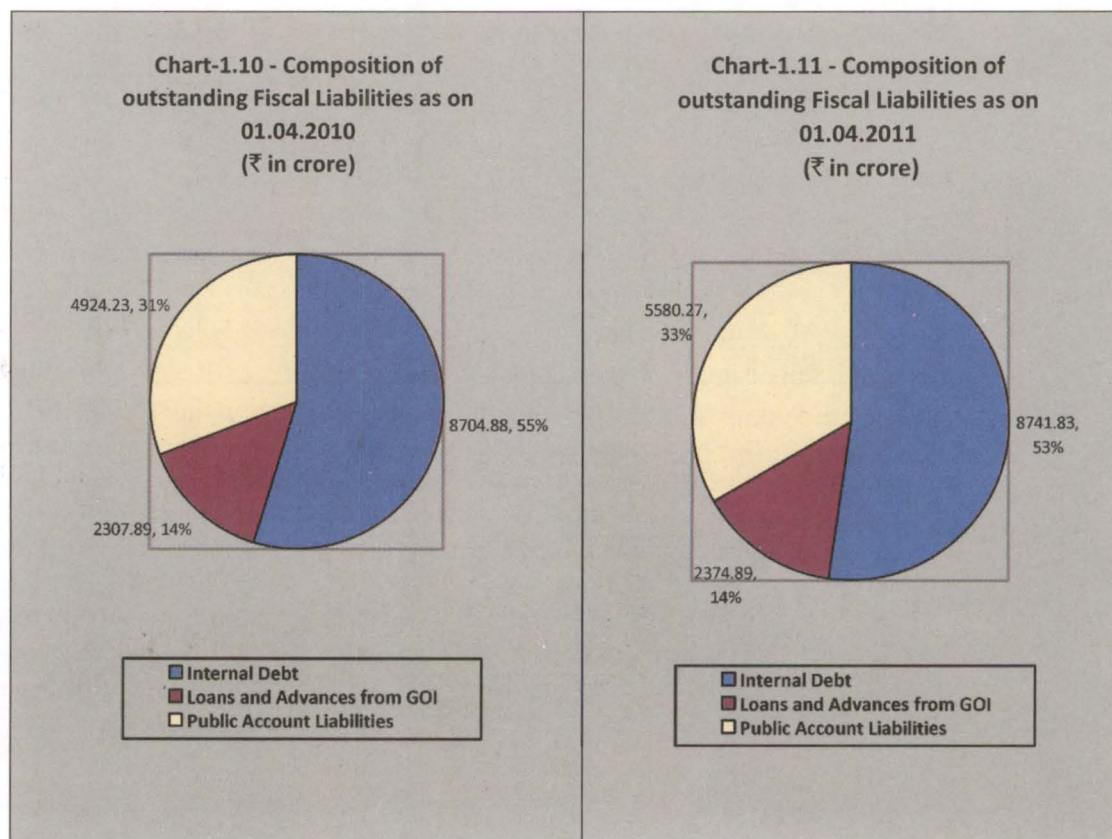
### 1.7.1 Growth and composition of assets and liabilities

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-1.4** gives an abstract of such liabilities and the assets as on 31 March 2011, compared with the corresponding position on 31 March 2010. 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.

While the growth rate of the liabilities decreased from 8.98 per cent in 2009-10 to 4.13 per cent in 2010-11, the growth rate of assets increased from 11.99 per cent to 19.17 per cent during the same period.

### 1.7.2 Fiscal liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix-1.4**. However, the composition of fiscal liabilities during the current year vis-à-vis the previous year is presented in **Chart-1.10 and 1.11**.



There are two sets of liabilities, namely, public debt and other liabilities. Public debt consists of the internal debt of the State and is reported in the Annual Financial Statements under the Consolidated Fund- capital account.



It includes market loans, special securities issued to RBI and loans and advances from GoI. The Constitution of India provides that the State may borrow within the territory of India upon the security of its Consolidated Fund, within such limits, as may from time to time, be fixed by an Act of the Legislature and give guarantees within such limits as may be fixed. Other liabilities or fiscal liabilities which are a part of the Public Account include deposits under the small savings scheme, provident funds and other deposits.

Internal debts decreased from 55 per cent in 2009-10 to 53 per cent of the fiscal liabilities at the end of 2010-11. While the Public Account liabilities as a percentage of the fiscal liabilities slightly increased from 31 per cent in 2009-10 to 33 per cent in 2010-11, the outstanding loans and advances from GoI at 14 per cent remained the same as that of the previous year.

The fiscal liabilities of the State, their rate of growth, ratio of these liabilities to GSDP and revenue receipts are brought out in **Table-1.19**:

**Table-1.19: Fiscal Liabilities – Basic Parameters**

	2006-07	2007-08	2008-09	2009-10	2010-11
Fiscal liabilities (₹ in crore)	14,113	14,512	14,780	15,933	16,697
Rate of growth of Fiscal liabilities (in per cent)	6.33	2.83	1.85	7.79	4.77
Fiscal liabilities/GSDP (in per cent)	21.10	18.08	15.86	14.51	12.87
Fiscal liabilities/Revenue receipts (in per cent)	123.23	104.56	94.36	87.77	73.49

(Source : Finance Accounts)

The overall fiscal liabilities of the State increased from ₹ 14,113 crore in 2006-07 to ₹ 16,697 crore in 2010-11. The growth rate of liabilities was 4.77 per cent during 2010-11 as against 7.79 per cent growth rate in 2009-10.

The fiscal liabilities as at the end of 2010-11 represented 73.49 per cent of the revenue receipts during the year as against 87.77 per cent during 2009-10. During 2010-11, the debt to GSDP ratio at 12.87 per cent was less than the projection made (19.23 per cent) in MTFPS.

### 1.7.3 Status of guarantees – contingent liabilities

Guarantees are contingent liabilities on the Consolidated Fund of the State in cases of default by the borrower for whom the guarantee has been extended.

The maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is given in **Table-1.20**.

**Table-1.20: Guarantees given by the Government of Chhattisgarh**

Guarantees	2008-09	2009-10	2010-11
Maximum amount guaranteed	3,649.53	4,400.65	5,053.59
Outstanding amount of guarantees	895.16	3,337.53	2,849.35
Percentage of maximum amount guaranteed to total revenue receipts	23.30	24.24	22.24

No law under Article 293 of the Constitution has been passed by the State Legislature laying down the limits within which Government may give guarantee on security of Consolidated Fund of the State. However, the State

Government has guaranteed loans raised by various corporations and others which stood at ₹ 2,849.35 crore at the end of 2010-11.

The outstanding guarantees given to Banks and Financial Institutions included 45 institutions/companies, under co-operative societies and banks (₹ 2,172 crore), power (₹ 429 crore), Urban Development & Housing (₹ 177 crore), State Finance and Development Corporation (₹ 63 crore) and others (₹ four crore).

The outstanding amount of guarantees in the nature of contingent liabilities was about 12.54 *per cent* of total revenue receipts of the State.

To provide for sudden discharge of State's obligations on guarantees, the TFC recommended that States should set up a Guarantee Redemption Fund through earmarked guarantee fees. However, the State Government had decided not to form Guarantee Redemption Fund in view of less high risk Guarantees in the State.

#### 1.7.4 Off -budget borrowings

Government companies/corporations borrow funds from the market/ financial institutions for implementation of various State Plan programmes projected outside the State budget. The borrowings of many of these concerns may sometimes turn out to be the liabilities of the State Government termed as 'off-budget borrowings'. The information on off-budget borrowing has not been received from Finance Department (September 2011).

### 1.8 Debt Sustainability

Apart from the magnitude of debt of the State Government, it is important to analyse various indicators that determine the debt sustainability<sup>14</sup> of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilization<sup>15</sup>; sufficiency of non-debt receipts<sup>16</sup>; net availability of borrowed funds<sup>17</sup>; burden

<sup>14</sup> Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about 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 a rise in fiscal deficit should match with the increase in capacity to service the debt.

<sup>15</sup> A necessary condition for stability states that if the rate of growth of the economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt\*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.

<sup>16</sup> 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.

<sup>17</sup> 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.

of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table-1.21** analyses the debt sustainability of the State according to these indicators for the period of three years beginning from 2008-09.

**Table-1.21: Debt Sustainability: Indicators and Trends**

Indicators of Debt Sustainability	(₹ in crore)		
	2008-09	2009-10	2010-11
Debt Stabilization (Quantum Spread +Primary Deficit)	1,868	245	3,324
Sufficiency of incremental Non-debt Receipts (Resource Gap)	(-)898	(-)731	(+)2,169
Net Availability of Borrowed Funds	(-)1,106.81	57	(-)438
Burden of Interest Payments (IP/RR Ratio)	6.88	6.03	5.27

(Source: Finance Account)

The trends in **Table-1.21** reveal that the quantum spread together with the primary deficit was positive during the period 2008-11, leading to a constant decline in fiscal liabilities to GSDP ratio which came down to 12.87 in 2010-11 from 14.51 in 2009-10.

Though the quantum spread and primary deficit was positive during the period, the same increased over the previous year.

During the current year, internal debt redemption and redemption of GoI loans was cent *per cent* of fresh debt receipts while in case of other obligations, repayments were 85.72 *per cent* of fresh receipts. These trends indicated that the debt receipts were mainly utilized for repayment of debt.

A persistent negative resource gap indicates non-sustainability of debt while a positive resource gap strengthens the capacity of the State to sustain the debt. The sufficiency of incremental non-debt receipts increased substantially from ₹ (-)731 crore in 2009-10 to ₹ 2,169 crore during the current year, indicating the increasing capacity of the State to sustain the debt in the medium / long run.

**Table 1.22: Maturity Profile of the State Debt (In Years)**

Years	(₹ in crore)			
	2008-09	2009-10	2010-11	Percentage to total debt
0-5	3,728.29	4,224.98	4,182.47	38
6-10	3,022.19	3,333.13	3,351.11	30
11-15	1,951.07	1,987.75	2,039.44	18
16-20	1,282.04	1,150.28	1,164.79	11
20 and above	393.16	316.25	378.91 <sup>18</sup>	3
<b>Total</b>	<b>10,376.75</b>	<b>11,012.39</b>	<b>11,116.72</b>	

(Source: Finance Account)

<sup>18</sup> Includes ₹ 152.81 crore for which details of maturity year not available and ₹ 0.23 crore taken as loan amount allocated to Madhya Pradesh but repaid by Chhattisgarh.



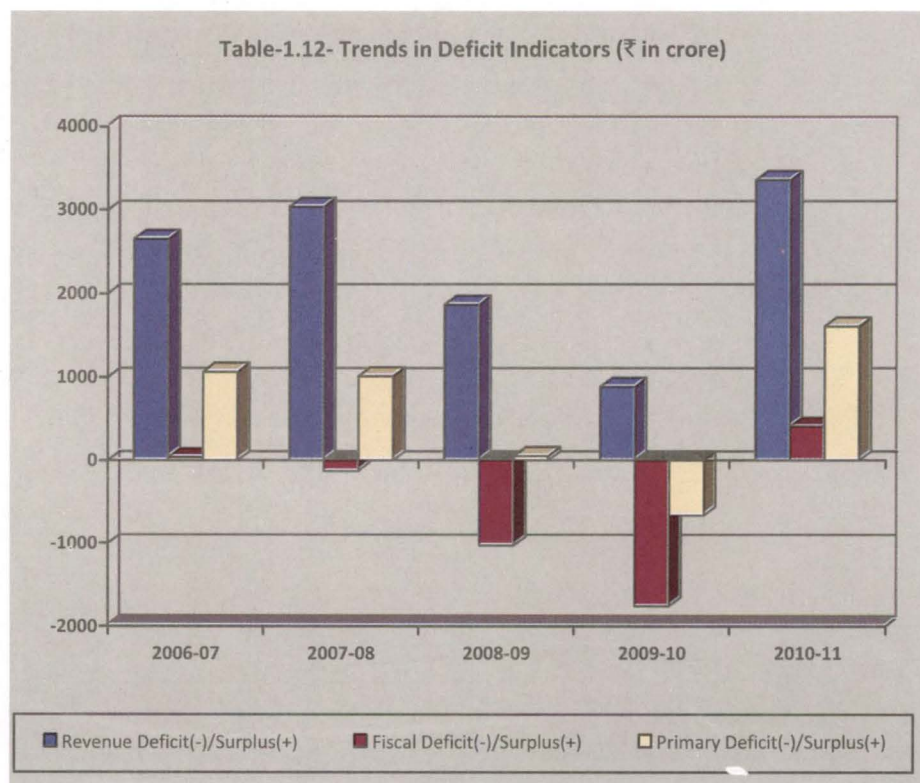
As regards repayment of debt, large amounts of repayments to the extent of 38 per cent of the State debt would be taking place in the next five years. Hence, the State may consider restricting its short-term borrowings so that repayment obligations in the next five years do not increase unduly.

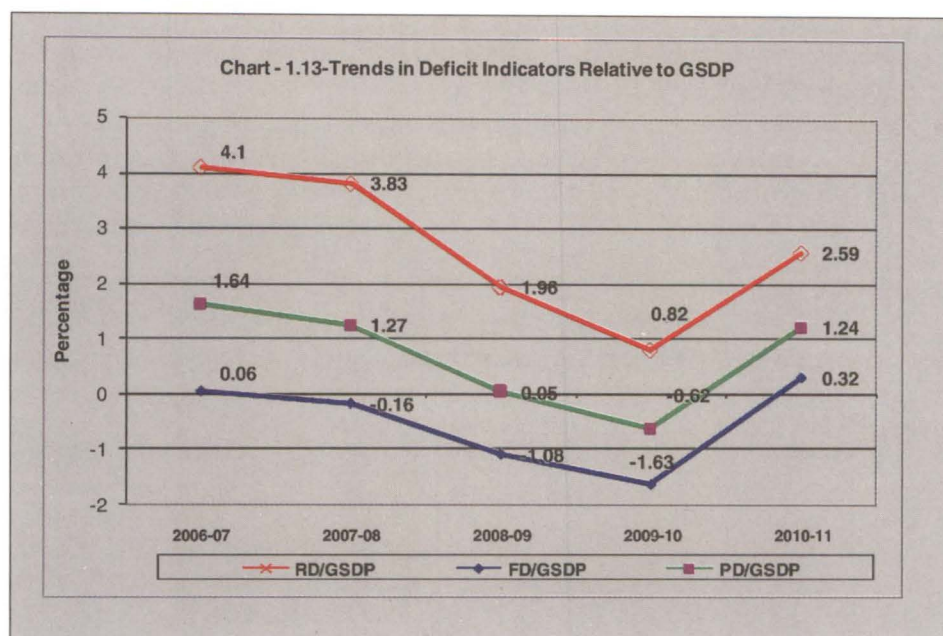
## 1.9 Fiscal Imbalances

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 FRBM Act/Rules for the financial year 2010-11.

### 1.9.1 Trends in Deficits

Chart-1.12 and 1.13 presents the trends in deficit indicators over the period 2006-11.



**Table-1.23: Trends in deficit**

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue deficit (-) / surplus (+)	(+)2,651	(+)3,039	(+)1,869	(+)888	(+)3,364
Fiscal deficit (-) / surplus (+)	(+)37	(-)128	(-)1,027	(-)1,759	(+)410
Primary deficit (-) / surplus (+)	(+)1,063	(+)1,012	(+)51	(-)664	(+)1,608

The State maintained a revenue surplus, which increased from ₹ 2,651 crore in 2006-07 to ₹ 3,039 crore in 2007-08. The decrease in revenue surplus began in 2008-09 and it declined sharply from ₹ 1,869 crore in 2008-09 to ₹ 888 crore in 2009-10 which however increased by ₹ 2,476 crore during 2010-11. The increase was mainly due to increase of 25 per cent (₹ 4,566 crore) in revenue receipts in comparison to an increase of 12 per cent (₹ 2,090 crore) in revenue expenditure during 2010-11.

The fiscal deficit, which represents the total borrowings of the Government and its total resource gap, increased from ₹ 128 crore in 2007-08 to ₹ 1,759 crore in 2009-10 but turned into fiscal surplus of ₹ 410 crore during 2010-11.

The primary surplus decreased from ₹ 1,063 crore in 2006-07 and reached the lowest level of ₹ 51 crore in 2008-09 before turning into a primary deficit of ₹ 664 crore in 2009-10 which again turned into a primary surplus of ₹ 1,608 crore during 2010-11.

The revenue surplus as a percentage of GSDP increased from 0.82 in 2009-10 to 2.59 in 2010-11. Though the fiscal deficit relative to GSDP was (-)1.63 per cent in 2009-10 it turned into a fiscal surplus of 0.32 per cent of GSDP in 2010-11.



### 1.9.2 Components of fiscal deficit and its financing pattern

The fiscal deficit is the total borrowing requirement of the State and is the excess of revenue expenditure and capital expenditure including loans and advances over revenue and non-debt capital receipts. Decomposition of fiscal deficit reveals the extent of various borrowings resorted to by the State to meet its requirements of funds over and above revenue and non-debt receipts.

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table-1.24**.

**Table-1.24: Components of Fiscal Deficit and its Financing Pattern**

		(₹ in crore)				
	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Decomposition of Fiscal Deficit</b>						
1	Revenue Deficit(-)/Surplus(+)	2,650.80	3,038.79	1,869.06	888.22	3,363.79
2	Net Capital Expenditure	(-)2,198.10	(-)3,103.73	(-)2,938.38	(-)2,742.61	(-) 2,948.95
3	Net Loans and Advances <sup>19</sup>	(-)416.18	(-)62.77	42.67	95.39	(-) 5.08
	<b>Total</b>	<b>36.52</b>	<b>(-)127.71</b>	<b>(-)1,026.65</b>	<b>(-)1,759.00</b>	<b>409.76</b>
<b>Financing Pattern of Fiscal Deficit*</b>						
1	Market Borrowings	(-)95.24	(-)157.08	(-)153.44	449.85	(-) 235.03
2	Loans from GoI	42.04	(-)167.06	94.93	106.83	67.38
3	Special Securities Issued to NSSF	736.23	37.75	(-)2.78	146.33	373.47
4	Loans from Financial Institutions	34.68	(-)10.06	(-)41.73	(-)67.36	(-) 101.49
5	Small Savings, PF etc	9.65	51.50	73.74	294.37	328.97
6	Deposits and Advances	312.77	441.77	30.20	(-)22.47	355.26
7	Suspense and Miscellaneous	(-)1,026.83	(-)257.12	1,024.80	512.00	(-) 2,129.58
8	Remittances	26.82	(-)78.72	80.65	(-)111.83	33.68
9	Others <sup>20</sup>	(-)203.09	184.00	265.96	244.91	(-) 28.08
	<b>Total</b>	<b>(-)162.97</b>	<b>44.98</b>	<b>1,372.33</b>	<b>1,552.63</b>	<b>(-) 1,335.42</b>
	<b>Overall Surplus(+)/Deficit(-)</b>	<b>(-)126.45</b>	<b>(-)82.73</b>	<b>345.68</b>	<b>(-)206.37</b>	<b>(-) 925.66</b>
	<b>Total</b>	<b>(-)36.52</b>	<b>127.71</b>	<b>1,026.65</b>	<b>1,759.00</b>	<b>(-) 409.76</b>

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

(Source: Finance Account)

During 2006-07, the deficit was financed mostly from the Special Securities issued to NSSF but the trend changed over the years and during 2009-10, the fiscal deficit was mainly financed from the resources raised from market borrowings, loans from GoI, special securities issued to NSSF and small savings, provident fund etc. However, the fiscal deficit of the state turned into fiscal surplus during 2010-11.

### 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<sup>21</sup> and capital expenditure (including loans and advances) would indicate the quality of deficit in the State's finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption

<sup>19</sup> It includes inter-State settlement.

<sup>20</sup> It includes Contingency Fund, Reserve Fund.

<sup>21</sup> Primary revenue deficit defined as gap between non interest revenue expenditure of the State and its non-debt receipts indicates the extent to which the non-debt receipts of the State are able to meet the primary expenditure incurred under revenue account.



The bifurcation of the primary deficit (**Table-1.25**) 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-1.25: Primary deficit/surplus – Bifurcation of factors**

(₹ in crore)

Year	Non-debt receipts	Primary revenue expenditure	Capital expenditure	Loans and advances	Primary expenditure <sup>22</sup>	Primary revenue deficit (-)/surplus (+)	Primary deficit (-)/surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2006-07	11,810	7,776	2,198	773	10,747	(+)4,034	(+)1,063
2007-08	14,345	9,700	3,131	502	13,333	(+)4,645	(+)1,012
2008-09	16,199	12,716	2,940	492	16,148	(+)3,481	(+)51
2009-10	19,151	16,170	2,745	900	19,815	(+)2,981	(-)664
2010-11	23,286	18,157	2,952	569	21,678	(+)5,129	(+)1,608

(Source: Finance Account)

The above table shows that the primary surplus showed declining trend during 2006-07 to 2008-09 and turned into primary deficit in 2009-10. However, the primary deficit again turned into primary surplus during 2010-11.

The growth rate of non-debt receipts of the state increased to 22 per cent in 2010-11 from 18 per cent in 2009-10.

The capital expenditure as a percentage of primary expenditure exhibited decreasing trend during 2008-11, indicating higher revenue expenditure. The reason for higher revenue expenditure during 2010-11 was due to payment of 2<sup>nd</sup> instalment of arrears of Sixth Pay Commission, revision of Pension and increase in relief of Pension.

While primary Revenue expenditure and Capital Expenditure increased by ₹ 1,988 crore (13.57 per cent) and ₹ 207 crore (7.54 per cent) respectively, the Loans and Advances decreased by ₹ 331 crore (37 per cent) during the year.

## 1.10 Conclusions and Recommendations

### Fiscal position

The Fiscal position of the state had improved in terms of the key parameters – revenue surplus substantially increased and fiscal deficit and primary deficit turned into fiscal surplus and primary surplus respectively.

The increase in the revenue surplus was mainly due to the increase in the State's own resources and its share of Union Taxes duties.

Due to substantial increase in total receipts (₹ 4,134 crore) over previous year as compared to the total expenditure (₹ 1,966 crore) of the state, the fiscal deficit (₹ 1,759 crore) turned into fiscal surplus (₹ 410 crore) and increase in Interest Payment resulted in the Primary deficit (₹ 664 crore) turning into Primary Surplus (₹ 1,608 crore)

<sup>22</sup> Primary expenditure of the State defined as the total expenditure net of the interest payments indicates the expenditure incurred on the transactions undertaken during the year.

The fiscal liabilities at the end of the current year worked out to ₹ 16697 crore which is 12.87 per cent of GSDP against projection of 19.23 per cent made in FRBM Act.

### **Revenue Receipts**

Revenue Receipts increased by 25 per cent over previous year due to substantial increase in Tax Revenue/Non-Tax Revenue by 26 per cent and by 25 per cent in Central transfers comprising the State's share in Union Taxes/Duties and Grant-in-aid from GoI during 2010-11 as compared to 2009-10.

The State's own tax revenue (₹ 9,005 crore) was higher than the normative assessment made by the ThFC (₹ 8,947 crore) and budget estimates (₹ 7,505 crore). On the other hand, although, the state's own non-tax revenue (₹ 3,835 crore) was higher than the ThFC projection (₹ 2,389 crore) but it was less than the budget estimates (₹ 4,321 crore).

### **Recommendation**

As GSDP grows, the State has the potential to increase its own tax revenue as well as non-tax revenue. The State may explore the possibility of widening the non-tax base so that there is greater fiscal space for undertaking developmental projects.

### **Revenue expenditure**

The revenue expenditure continued to be a dominant (85 per cent) part of the total expenditure during 2010-11.

Non-plan expenditure exceeded the normative projection of the ThFC and budget estimates by 27 per cent and two per cent respectively.

The committed expenditure on salaries and wages, pension, interest payment and subsidies constituted 87 per cent of NPPE during 2010-11 mainly due to release of second instalment of Sixth Pay Commission arrears.

### **Recommendation**

The expenditure on salaries and pension witnessed substantial increase during this year due to release of arrears of Sixth Pay Commission and revision of pension. As the expenditure on these items is expected to stabilize in the coming years, the State should take action to restrict the other components of Non-Plan revenue expenditure by phasing out subsidies and by ensuring that borrowings continue to be used for creation of productive capital assets.

### **Capital expenditure**

The Capital Expenditure (₹ 2,952 crore) increased by ₹ 207 crore over previous year and its proportion to total expenditure (13 per cent) remained same as previous year. It was less than the projection made in FRBM Act (₹ 5,019 crore) and budget estimates (₹ 4,068 crore) by 41 per cent and 27 per cent respectively.

### **Recommendation**

The State Government should step up asset creation through capital expenditure, as this would enhance future growth prospects.

### **Return on Investment**

The average return on Government's investments was 1.65 *per cent* while the Government paid an average interest rate of 7.34 *per cent* on its borrowings during 2010-11.

### **Recommendation**

The Government may ensure proper justification for investment of high cost funds and set norms prescribed for making investments in various public sector companies, rural banks etc.

### **Position of Cash Balance**

The closing cash balance significantly increased at the end of 2010-11. Holding large cash balance in the form of investment of ₹4180 crore which earned interest at 2.15 *per cent* against the average interest rate of 7.34 *per cent* on market borrowings indicated lack of prudent cash management.

### **Recommendation**

Proper debt management through advance planning is likely to minimize the need to hold large cash balances.

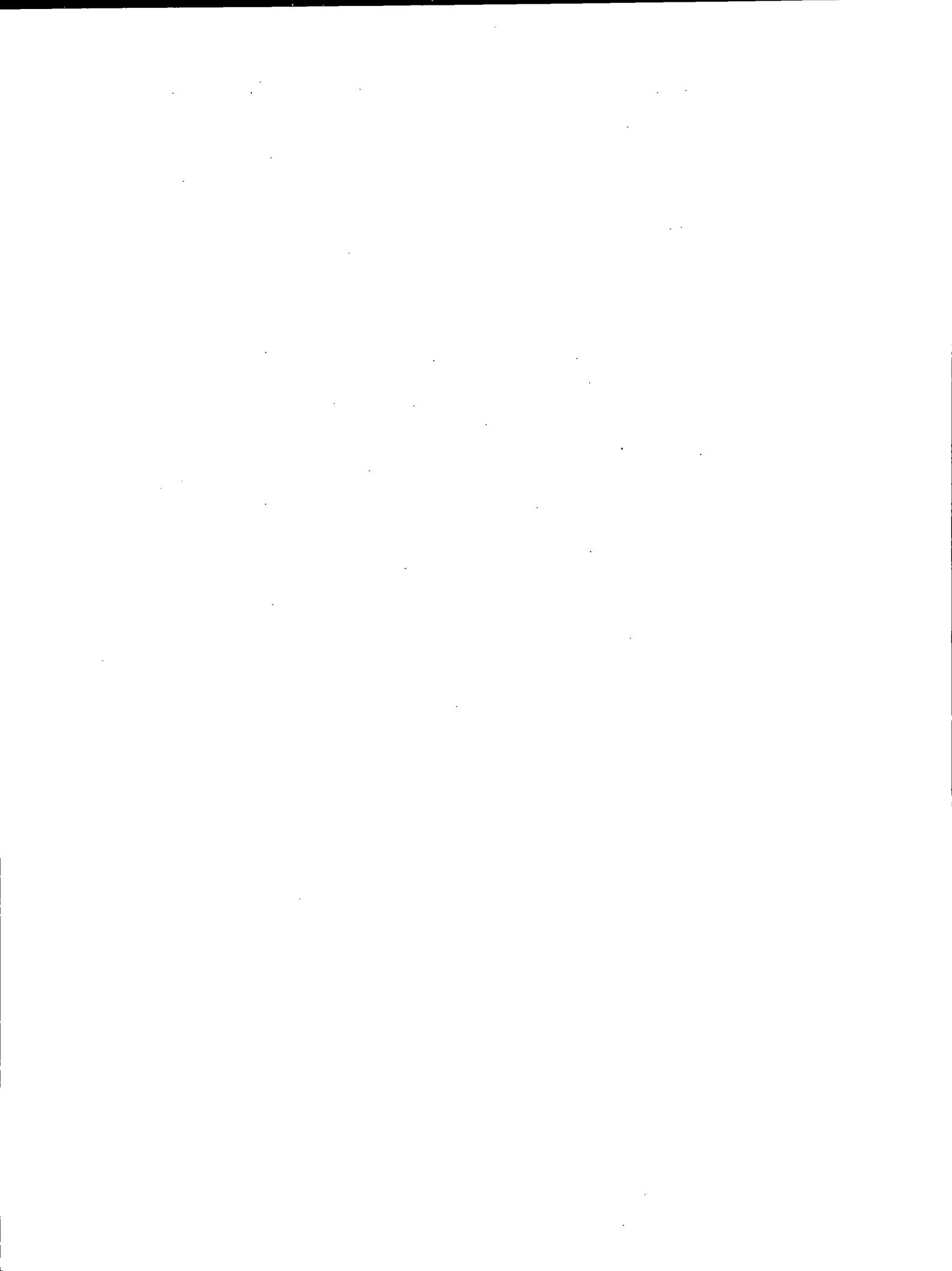
### **Incomplete Projects**

Fund aggregating ₹ 887 crore were blocked due to inordinate delays in completion of 78 works and irrigation projects leading to cost escalation which is also a major area of concern for the State Government.

### **Recommendation**

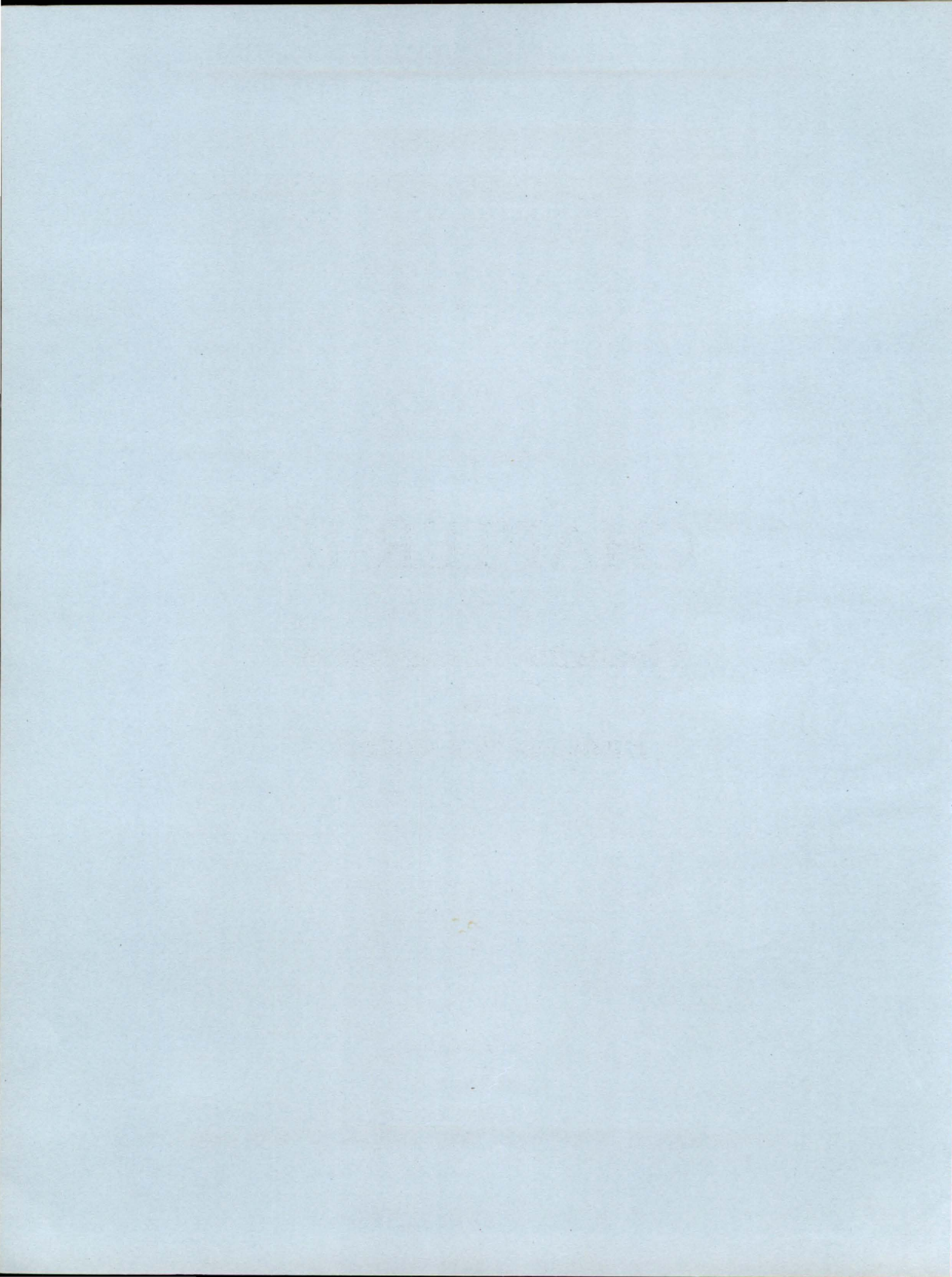
The State Government should formulate guidelines to complete all pending works/projects in a well defined time frame and to avoid cost escalation so that people derive the benefits in time.





# **CHAPTER-II**

## **Financial Management and Budgetary Control**



## CHAPTER-II

### FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

#### 2.1 Introduction

**2.1.1** Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year, compared with the amounts of voted grants and appropriations charged for different purposes, as specified in the schedules appended to the Appropriation Acts. These Accounts show the original budget estimates, supplementary grants, surrenders and re-appropriations 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.

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

#### 2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2010-11 against 75 grants/ appropriations is given in Table -2.1.

**Table-2.1: Summarized Position of Actual Expenditure vis-à-vis Original/Supplementary Provisions**

(₹ in crore)						
	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
1	2	3	4	5	6	7
<b>Voted</b>	<b>I Revenue</b>	18,631.47	2,706.34	21,337.81	18,264.99	(-)3,072.82
	<b>II Capital</b>	4,099.35	292.04	4,391.39	3,044.00	(-)1,347.39
	<b>III Loans and Advances</b>	951.17	157.78	1,108.95	568.89	(-)540.06
<b>Total Voted</b>		<b>23,681.99</b>	<b>3,156.16</b>	<b>26,838.15</b>	<b>21,877.88</b>	<b>(-)4,960.27</b>
<b>Charged</b>	<b>IV Revenue</b>	1,514.81	11.97	1,526.78	1,430.33	(-)96.45
	<b>V Capital</b>	0.66	0.00	0.66	0.38	(-)0.28
	<b>VI Public Debt- Repayment</b>	902.21	0.00	902.21	690.87	(-)211.34
<b>Total Charged</b>		<b>2,417.68</b>	<b>11.97</b>	<b>2,429.65</b>	<b>2,121.58</b>	<b>(-)308.07</b>
<b>Appropriation to Contingency Fund (if any)</b>		0.00	0.00	0.00	0.00	0.00
<b>Grand Total</b>		<b>26,099.67</b>	<b>3,168.13</b>	<b>29,267.80</b>	<b>23,999.46</b>	<b>(-)5,268.34</b>

(Source: Appropriation Accounts 2010-11 and Budget Estimate)



The net savings of ₹ 5,268.34 crore were the result of savings of ₹ 5,463.47 crore in 63 grants and 37 appropriations under the Revenue Section, 42 grants and four appropriations under the Capital Section and one appropriation (Public Debt) under the Loan Section, offset by excess of ₹ 195.13 crore in four grants and two appropriations under the Revenue Section and two grants and one appropriation under the Capital Section.

The savings/excesses in all grants/appropriations were intimated (June 2011) to the Finance Department, requesting them to explain the significant variations. All the Controlling Officers were also requested (June 2011) to furnish reasons. Out of 1068 sub-heads commented upon in the Appropriation Accounts (2010-11), explanations for variations were not received (September 2011) in respect of 954 sub-heads (savings: 801 sub-heads and excess: 153 sub-heads).

### 2.3 Financial Accountability and Budget Management

#### 2.3.1 Appropriation vis-à-vis allocative priorities

The outcome of appropriation audit reveals that in 14 cases related to 12 grants and one appropriation, savings exceeded ₹ 10 crore in each case and also were more than 20 per cent of the total provisions. This included huge savings of ₹ 923 crore under four grants exceeding ₹ 100 crore in each case as detailed in *Appendix-2.1*.

Further, against the total savings of ₹ 5,463.47 crore, savings (₹ 50 crore and above) of ₹ 1,582.99 crore (28.97 per cent) occurred in merely 10 cases relating to nine grants and one appropriation as indicated in **Table -2.2**.

**Table-2.2: List of grants with savings of ₹ 50 crore and above**

(₹ in crore)								
Sl. No.	Grant No.	Name of Grant	Original	Supplementary	Surrender	Total (4+5-6)	Expenditure	Savings (excluding surrender)
1	2	3	4	5	6	7	8	9
<b>Revenue – Voted</b>								
1	24	Public Works-Roads and Bridges	332.03	0.00	0.00	332.03	222.62	109.41
2	27	School Education	2,066.72	47.45	0.00	2,114.17	1,582.37	531.80
3	33	Tribal Welfare	862.32	21.70	51.00	833.02	773.52	59.50
4	41	Tribal Areas Sub-Plan	2,376.72	472.62	193.11	2,656.23	2,360.86	295.37
5	55	Expenditure pertaining to Women and Child Welfare	552.95	12.01	39.00	525.96	360.35	165.61
6	64	Special Component Plan for Scheduled Castes	959.37	25.80	75.24	909.93	792.68	117.25
7	80	Financial Assistance to Three Tier Panchayati Raj Institutions	1,023.73	313.88	116.90	1,220.71	1,156.56	64.15
<b>Capital – Voted</b>								
8	42	Public Works relating to Tribal Areas Sub-Plan-Roads and Bridges	267.87	11.40	0.00	279.27	163.56	115.71
9	67	Public Works-Buildings	210.96	2.85	0.00	213.81	156.26	57.55
<b>Revenue – Charged</b>								
10	12	Expenditure pertaining to Energy Department	100.90	0.00	0.00	100.90	34.26	66.64
<b>Total</b>			<b>8,753.57</b>	<b>907.71</b>	<b>475.25</b>	<b>9,186.03</b>	<b>7,603.04</b>	<b>1,582.99</b>

(Source: Appropriation Accounts 2010-11)

Reasons for savings called for (June 2011) from the State Government were awaited (September 2011).

### 2.3.2 Persistent Savings

In 10 cases during the last five years, there were persistent savings of more than ₹ 10 crore in each case as shown in **Table-2.3** and the savings ranged between three and 41 per cent of the total of the respective grants in the year 2010-11.

**Table -2.3: List of grants having persistent savings during 2006-2011**

(₹ in crore)

Sl. No.	Grant No.	Name of Grant						Percent of 2010-11
			2006-07	2007-08	2008-09	2009-10	2010-11	
1	2	3	4	5	6	7	8	
<b>Revenue Voted</b>								
1	20	Public Health Engineering	17.78	20.29	21.92	16.82	18.10	7
2	27	School Education	52.88	82.57	197.58	64.28	531.80	25
3	41	Tribal Areas Sub-Plan	124.79	238.89	258.32	212.90	295.37	10
4	64	Special Component Plan for Scheduled Castes	36.52	116.76	80.44	60.64	117.25	12
5	79	Expenditure pertaining to Medical Education Department	18.47	50.77	82.07	39.77	48.81	25
6	81	Financial Assistance to Urban Bodies	15.75	68.76	68.64	154.87	49.99	5
<b>Capital Voted</b>								
7	41	Tribal Areas Sub-Plan	90.57	69.34	116.26	117.83	33.22	3
8	42	Public Works relating to Tribal Area Sub-Plan Roads and Bridges	55.56	74.89	139.91	133.50	115.70	41
9	67	Public Works-Buildings	27.28	49.66	53.31	52.14	57.55	27
10	68	Public Works relating to Tribal Area Sub-Plan-Buildings	25.42	39.30	75.45	73.92	38.92	34

(Source: Appropriation Accounts 2010-11)

### 2.3.3 Excess over provisions relating to previous years requiring regularization

As per Article 205 of the Constitution of India, it is mandatory for the State Government to get excess over grants/appropriations regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Article, the regularization of excess expenditure is to be done after the completion of discussion of the Appropriation Accounts and the connected Audit Reports by the Public Accounts Committee (PAC). However, excess expenditure amounting to ₹ 1,341.60 crore for the period 2000-10 were still to be regularized as detailed in **Appendix-2.2**.

### 2.3.4 Excess over provisions during 2010-11 requiring regularization

**Table-2.4** contains a summary of total excess over provision of funds in 21 grants and seven appropriations amounting to ₹ 293.78 crore during 2010-11 requiring regularization under Article 205 of the Constitution.

**Table -2.4: Excess over provisions requiring regularization during 2010-11**  
(₹ in crore)

Sl. No.	Grant No.	Name of Grant	Total Grant/Appropriation	Expenditure	Excess
1	2	3	4	5	6
<b>Revenue Voted</b>					
1	1	General Administration	72.03	72.15	0.12
2	2	Other Expenditure Pertaining to General Administration Department	7.69	8.20	0.51
3	6	Expenditure pertaining to Finance Department	1681.41	1,843.66	162.25
4	7	Expenditure pertaining to Commercial Tax Department	148.45	155.98	7.53
5	8	Land Revenue and District Administration	227.51	230.40	2.89
6	9	Expenditure pertaining to Revenue Department	4.34	4.36	0.02
7	12	Expenditure pertaining to Energy Department	165.54	180.73	15.19
8	18	Labour	17.14	17.49	0.35
9	23	Water Resources Department	226.00	231.89	5.89
10	25	Expenditure pertaining to Mineral Resource Department	104.54	139.49	34.95
11	29	Administration of Justice and Elections	104.88	108.03	3.15
12	30	Expenditure pertaining to Panchayat and Rural Development Department	536.59	547.96	11.37
13	45	Minor Irrigation Works	36.98	37.83	0.85
14	49	Scheduled Caste Welfare	34.79	35.90	1.11
15	56	Rural Industries	46.58	47.24	0.66
16	58	Expenditure on Relief on account of Natural Calamities and Scarcity	188.29	203.77	15.48
17	82	Financial Assistance to Three Tier Panchayat Raj Institutions under Tribal Area Sub- Plan	501.80	514.95	13.15
<b>Revenue Charged</b>					
18	.	Interest Payments and Servicing of Debt	1296.36	1298.38	2.02
19	1	General Administration	8.01	8.43	0.42
20	20	Public Health Engineering	0.05	0.07	0.02
21	29	Administration of Justice and Elections	17.78	17.79	0.01
22	36	Transport	0.20	0.23	0.03
<b>Capital Voted</b>					
23	6	Expenditure pertaining to Finance Department	0.21	2.34	2.13
24	23	Water Resources Department	307.01	316.85	9.84

1	2	3	4	5	6
25	30	Expenditure pertaining to Panchayat and Rural Development Department	0.25	0.26	0.01
26	39	Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department	219.83	220.49	0.66
27	40	Expenditure pertaining to Ayacut Department	38.88	38.93	0.05
28	57	Externally Aided Projects pertaining to Water Resources Department	50.12	52.93	2.81
29	75	NABARD Aided Projects pertaining to Water Resources Department	65.90	65.99	0.09
30	82	Financial Assistance to Three Tier Panchayati Raj Institutions under Tribal Area Sub- Plan	45.45	45.60	0.15
<b>Capital Charged</b>					
31	..	Public Debt	690.83	690.87	0.04
32	23	Water Resources Department	0.25	0.28	0.03
<b>Total</b>			<b>6,845.69</b>	<b>7,139.47</b>	<b>293.78</b>

(Source: Appropriation Accounts 2010-11)

Reasons for excess over provisions called for (June 2011) from the State Government were awaited (September 2011).

### 2.3.5 Unnecessary/Inadequate supplementary provisions

Supplementary provisions aggregating ₹ 1,063.80 crore obtained in 39 cases (₹ 50 lakh or more in each case) during the year 2010-11, proved unnecessary as the expenditure did not even come up to the level of original provisions as detailed in *Appendix-2.3*.

In 15 cases, supplementary provisions of ₹ 423.84 crore proved insufficient (by more than ₹ one crore in each case) leaving an aggregate uncovered excess expenditure of ₹ 289.78 crore as shown in *Appendix-2.4*.

### 2.3.6 Excessive/unnecessary/insufficient re-appropriation of funds

A re-appropriation is a transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. It was noticed that in 134 schemes, there were excess/savings of more than ₹ one crore after making re-appropriation, of which, in 13 schemes, the excess/savings were more than ₹ 20 crore as detailed in *Appendix-2.5*.



### **2.3.7 Substantial surrenders**

Substantial surrenders (more than 50 per cent of the total provisions) were made in respect of 164 schemes on account of non-implementation or slow implementation. Out of the total provisions amounting to ₹ 1,416.83 crore for these schemes, ₹ 1,161.51 crore (81.98 per cent) was surrendered, which included cent per cent surrender in 83 schemes. Details are given in **Appendix-2.6**.

### **2.3.8 Surrender in excess of actual savings**

In 14 cases, the amounts surrendered (₹ 50 lakh or more in each case) were in excess of the actual savings, indicating inadequate budgetary control. As against savings of ₹ 660.19 crore, the amount surrendered was ₹ 737.01 crore, resulting in excess surrender of ₹ 76.82 crore. Details are given in **Appendix-2.7**. The concerned departments did not furnish reasons/explanations regarding the surrenders (September 2011) in excess of the actual savings.

### **2.3.9 Anticipated savings not surrendered**

According to paragraph 131 of the Chhattisgarh Budget Manual, a statement of anticipated savings should be submitted by all Controlling Officers so as to reach the Finance Department not later than 15 January each year. At the close of the year 2010-11, there were, however, 20 grants and three appropriations in which savings of more than ₹ one crore had occurred but no part of the same had been surrendered by the concerned departments. The total amount involved in these cases was ₹ 1,269.84 crore (23.24 per cent of the total savings) as detailed in **Appendix-2.8**.

Similarly, out of the savings of ₹ 2,740.02 crore under 21 other grants (after surrender, savings of ₹ one crore and above in each grant), amounts aggregating ₹ 975.07 crore (35.59 per cent of above savings) were not surrendered as detailed in **Appendix 2.9**.

Besides, in 35 cases (surrender of funds in excess of ₹ 10 crore in each case), ₹ 3,185.01 crore was surrendered on the last day of March 2011, indicating weak financial control, as detailed in **Appendix-2.10**. As a result, these funds could not be utilized for other developmental purposes. The departments did not furnish reasons/explanations regarding surrender of savings on the last day of the financial year.

### **2.3.10 Injudicious surrender**

In four grants, there was expenditure of ₹ 2,199.78 crore against the provision of ₹ 2,006.91 crore, resulting in excess expenditure of ₹ 192.87 crore. Despite this, there was surrender of ₹ 20.64 crore which was injudicious, as detailed in **Table-2.5**.

Table -2.5: Injudicious surrender

(₹ in crore)						
Sl. No	Grant No.	Name of Grants	Total provision	Expenditure	Excess expenditure	Amount surrendered
1	2	3	4	5	6	7
<b>A - Revenue voted</b>						
1	6	Expenditure pertaining to Finance Department	1,691.53	1,843.66	152.13	10.13
2	12	Expenditure pertaining to Energy Department	169.46	180.73	11.27	3.92
3	25	Expenditure pertaining to Mineral Resources Department	110.31	139.49	29.18	5.77
4	49	Scheduled Caste Welfare	35.61	35.90	0.29	0.82
		<b>Total -</b>	<b>2,006.91</b>	<b>2,199.78</b>	<b>192.87</b>	<b>20.64</b>

(Source: Appropriation Accounts 2010-11)

### 2.3.11 Rush of expenditure

According to Rule 92 of Chhattisgarh Budget Manual, rush of expenditure, particularly in the closing month of the financial year should be avoided. Contrary to this, in 28 Major Heads, expenditure during the last quarter was more than 50 per cent of the total expenditure and each expenditure exceeded ₹ 10 crore, while in 14 cases, the expenditure in the last month of the financial year was more than 50 per cent of the total expenditure as detailed in **Appendix-2.11**.

In Major Heads 2810 (New and Renewable Energy) and 4425 (Capital Outlay on Co-operation), expenditure incurred during last quarter i.e. January to March 2011 as a percentage of total provision was 227.90 per cent and 100.35 per cent respectively. Similarly, the expenditure incurred during March 2011 under these Heads also exceeded the total provision indicating deficient financial management and non-maintenance of uniform flow of expenditure which is a primary requirement of budgetary control.

## 2.4 Outcome of review of selected Grants

Review of Grant No. 06- Expenditure pertaining to Finance Department and Grant No. 25- Expenditure pertaining to Mineral Resource Department for the year 2010-11 revealed the following :-

### 2.4.1 Excess over provision

Review of Grant No. 6 revealed that in four cases, an expenditure of ₹ 1,713.15 crore was incurred against the total provision of ₹ 1,154.95 crore as detailed in **Table-2.6**

**Table-2.6: Excess over provision**

(₹ in crore)

Heads of Account	Total Provision	Expenditure	Excess	Percentage of excess
2071-01-101-2413-Payable to retired salaried personnel	786.88	1,069.89	283.01	35.97
2071-01-104-4590-Service and Death-Cum-Retirement Gratuity	146.84	268.25	121.41	82.68
2071-01-105-2514-Family Pensions	174.58	282.94	108.36	62.07
2071-01-115-5438-Leave Encashment	46.65	92.07	45.42	97.36
<b>Total</b>	<b>1,154.95</b>	<b>1,713.15</b>	<b>558.20</b>	

(Source: Appropriation Accounts 2010-11)

On being pointed out, no specific reasons for excess had been elucidated (September 2011).

**2.4.2 Injudicious Supplementary provision**

In the following Heads of Account under Grant No-6, huge supplementary provisions were sought during the year. However, at the end of 2010-11, substantial amounts remained unspent/ excess indicating injudicious supplementary provision as detailed in Table-2.7.

**Table-2.7: Injudicious Supplementary provision**

(₹ in lakh)

Heads of Account	Original Provision	Supplementary	Re-appropriation /Surrender	Total Budget	Expenditure	Unspent balance(-)/ Excess expenditure (+)
1.	2.	3.	4.	(2+3-4) = 5	6	7
2054-098-4361-Local Fund Accounts	1,191.55	70.00	(-) 444.13	817.42	789.14	(-) 28.28
2071-01-117-6801-State Government Share	5,000.00	700.00	--	5,700.00	6,882.29	(+) 1,182.29

(Source: Appropriation Accounts 2010-11 and Departmental Figures)

On being pointed out, Department accepted (September 2011) the facts but reasons of supplementary provisions and source from which excess was met out had not been mentioned.

**2.4.3 Non-reconciliation of Departmental receipt/expenditure figures**

At the end of the financial year, department should invariably reconcile their receipt/expenditure under different heads of Account with the Accountant General (A&E) figures. Review of Grant No. 25 and 6 revealed that departmental figures furnished under following heads were not reconciled as detailed in Table-2.8 and 2.9 respectively.

**Table 2.8: Non-reconciliation of receipts**

(₹ in lakh)

Heads of Account	Receipts as per AG (A&E)	Receipts as per Department	Difference Excess(+)/Less(-)
0853-101-Geological Survey of India	19.00	--	(+) 19.00
0853-102-Mineral Concession Fees, Rents and Royalties	18,432.52	--	(+) 18,432.52
0853-104-Mines Department	2.46	--	(+) 2.46
0853-800-Other Receipts	2,28,594.49	2,46,145.77	(-) 17,551.28
0853-900- Deduct Refunds	(-) 4.22	--	(-) 4.22
<b>Total</b>	<b>2,47,044.25</b>	<b>2,46,145.77</b>	<b>(+) 898.48</b>

(Source: Finance Accounts 2010-11 and Departmental Figure)

During 2009-10 there was a difference of ₹ 4.99 crore (AG figure: ₹ 1,660.87 crore and Departmental figure: ₹ 1,655.87 crore), which was not reconciled so far.

**Table-2.9: Non-reconciliation of Departmental expenditure**

(₹ in lakh)

Heads of Account	Total Provision	Expenditure as per AG(A&E)	Expenditure as per Department	Difference Excess(-)/less(+)
2047-103-2696-Publicity	8.35	8.22	8.22	(+) 0.13
2054-095-4307-Divisional Establishment	270.99	269.17	270.99	(+) 1.82
2054-095-2274-Direction & Administration	441.45	441.60	441.45	(-) 0.15
2054-097-1026-Treasury Establishment	1,476.15	1,487.04	1,476.15	(-) 10.89
2054-098-4361-Local Fund Accounts	817.42	789.14	817.42	(+) 28.28

(Source: Appropriation Accounts and Departmental Figures)

On being pointed out, Finance Department stated (September 2011) that reconciliation had been done. However, the reasons for excess/savings had not been mentioned.

**2.4.4 Rush of Expenditure**

Year	Total Provision	Total Expenditure
2004-05	150.00	150.00
2005-06	212.00	212.00
2006-07	172.00	172.00
2007-08	100.00	100.00
2008-09	100.00	100.00
2009-10	100.00	100.00
2010-11	100.00	100.00
2011-12	100.00	100.00
Total	1,000.00	1,000.00

(Source: Departmental Figures)

\* The expenditure was ₹ 0.142 lakh  
 # The expenditure was ₹ 0.052 lakh



**Table-2.10: Rush of Expenditure**

(₹ in lakh)

Major Head	Total Expenditure	Expenditure during 2011		Percentage of Expenditure during- 2011	
		last quarter	March	last quarter	March
2885- Other Outlays on Industries and Minerals	30.00	30.00	30.00	100	100
4853- Capital Outlay on Non-Ferrous, Mining and Metallurgical Industries	3,000	3,000	3,000	100	100

(Source: Departmental Figures)

The matter is brought to the notice of the Department, however, reply is awaited (September 2011).

#### 2.4.5 Inflated budget provisions and non-surrender of savings

The list of Major and Minor Heads of Account of Union and States under Major Head 2070-Other Administrative Services-Minor Head 800 includes expenditure on (a) taxes on non-residential buildings occupied by Departments other than Defence Department, and paid by Department nominated by Government and not passed on to the occupying department, (b) Deportation of foreigners, (c) rewards for destruction of wild animals.

According to paragraph 118(8) of the Chhattisgarh Budget Manual, the department should surrender appropriation or portions thereof, which are not likely to be required during the financial year, as soon as lapses or savings are foreseen.

Review of Grant No. 6 revealed that during the year 2004-05 to 2010-11, huge budget provision of ₹ 1,802 crore was made under above minor head. Out of these provisions, expenditure of only ₹ five lakh (0.003 per cent) was incurred in the said duration. The department could neither utilize the provision nor did it surrender the saving amount as detailed in **Table-2.11**.

**Table-2.11: Non-surrender of unspent provisions**

(₹ in Crore)

Year	Total Provision	Expenditure	Savings
2004-05	150.00	NIL	150.00
2005-06	215.00	NIL	215.00
2006-07	175.00	*	175.00
2007-08	300.00	#	300.00
2008-09	200.00	NIL	200.00
2009-10	362.00	0.05	361.95
2010-11	400.00	NIL	400.00
<b>Total</b>	<b>1,802.00</b>	<b>0.05</b>	<b>1,801.95</b>

(Source: Departmental Figures)

\* The expenditure was ₹ 0.145 lakh

# The expenditure was ₹ 0.023 lakh

Moreover, during the year 2010-11 under this Minor Head, budget provision of ₹ 400.00 crore was made for pay and allowances of Finance Department, which was violating the inter alia list of Major and Minor Heads of Account. This shows inflated budget provisions and non-surrender of savings since last seven years under this Minor Head.

Reasons for savings called for from the Finance Department were awaited (September 2011).

#### **2.4.6 Short transfer of amount to Mineral Development Fund**

According to the provisions of paragraph 3(2) of Chhattisgarh Mineral Development Fund Bill 2003, an equivalent of five *per cent* of the total mineral revenue each year was to be transferred to Mineral Development Fund. During the period 2002-03 to 2009-10, mining revenue of ₹ 7,355 crore was realised. Out of this, five *per cent* (₹ 367.75 crore) was to be allocated to the Mineral Development Fund.

Scrutiny of records revealed that during the period 2002-09, less than the five *per cent* each year and during 2009-10 more than five *per cent* amounting to ₹ 297.17 crore (4.04 *per cent*) was transferred to Mineral Development Fund, resulting in short transfer of ₹ 70.58 crore as detailed in **Appendix 2.12**.

On being pointed out, Mining Department accepted (September 2011) the facts and stated that due to non-preparation of Working Plan, less amount was allocated in the initial years. Reply is not acceptable as the provisions of Chhattisgarh Mineral Development Fund were not followed and prescribed amount was not transferred by the Department to the above fund.

#### **2.4.7 Booking of Royalty and Security Deposits in unspecified Heads of Account**

As per the list of Major and Minor Heads of Account of Union and States the royalties realised from mines should be classified under Major Head 0853 Non-Ferrous Mining and Metallurgical Industries-Minor Head 102- Mineral Concession fees, rents and royalties.

Revenue of ₹ 10,699.77 crore (Main Mineral ₹ 10,228.59 crore and Minor Mineral ₹ 471.18 crore), as detailed in **Appendix 2.13**, was realised on account of royalties by the Mining Department during the year 2000-01 to 2010-11 but the entire revenue receipts were not booked under the specified Minor Head 102 since 2000-01.

Scrutiny of records revealed that revenue amounting to ₹ 10,699.77 crore on account of royalty on Major Mineral and Minor Mineral was booked by operating new Sub Heads (0277) Receipts of Main Mineral and Sub Head (0278) Receipts of Minor Mineral, under Minor Head (800) "Other Receipts" of Major Head 0853.

Similarly, Security Deposits were to be classified under Major Head 8443-Civil Deposit - Minor Head 103- Security Deposits. It was noticed that contrary to above, Security Deposits were booked under Sub Head (0229) "Other Receipts" of Minor Head (800) of Major Head 0853 during the period

2005-06 to 2010-11. This resulted in the Royalty and Security Deposits being booked under unspecified Heads of Account.

On being pointed out (September 2011), the facts were accepted by the Mining Department and it was stated that these Sub Heads were opened under Minor Head (800) Other Receipts of Major Head 0853 as were defined in the Revenue Receipts Public Account Budget Estimate Book (Part II) of the Chhattisgarh State Finance Department. Reply is not acceptable because these Sub Heads are not specified for booking of the receipts on account of Royalty and Security Deposit.

**2.4.8- Inflating the Mining revenue receipts and non-obtaining of Utilization Certificates**

As per Rule 56(2) of Chhattisgarh Minor Mineral Rules 1996, the revenue collected on account of Minor Minerals should be transferred yearly to District Collectors for distribution to concerned Panchayats/Autonomous bodies. The Chhattisgarh State Financial Code (Rule 182) provides that Utilisation Certificates (UCs) for grants provided for specific purposes should be obtained by the departmental officers from the grantees and forwarded to the Accountant General after verification within 18 months from the date of their sanction unless specified otherwise. During the year 2000-01 to 2010-11, an amount of ₹ 471.18 crore was collected on account of Minor Mineral and the entire amount was transferred accordingly and shown utilized in the respective years (Appendix 2.14) by the Mining Department.

However, scrutiny of records revealed that Utilization Certificate as per rule was not obtained. Further it was observed that ₹ 2.87 crore (₹ 0.94 crore in 2008-09, ₹ 0.55 crore in 2009-10 and ₹ 1.38 crore in 2010-11) was transferred by the Collector, Kanker to the Panchayats, which was again credited as Revenue Receipts in the Major Head 0853 by the bank. This had inflated the net revenue receipt on account of Mining of the State by ₹ 2.87 crore while the concerned Panchayats of Kanker District was deprived of the intended benefits of these releases.

On being pointed out (September 2011), department had accepted the facts and stated that Utilisation Certificates would be ensured in future.

**2.5 Conclusion**

During 2010-11, expenditure of ₹ 23,999.46 crore was incurred against total grants and appropriations of ₹ 29,267.80 crore, resulting in savings of ₹ 5,268.34 crore. The overall savings were the net result of savings of ₹ 5,463.47 crore, offset by excess of ₹ 195.13 crore. The excess required regularization under Article 205 of the Constitution of India. In 92 cases, surrender of funds amounting to ₹ 3,311.15 crore were made on the last working day of the financial year, while in 20 grants and three appropriations, savings amounting to ₹ 1,269.84 crore (savings of ₹ one crore and above) were not surrendered. In 14 cases, a total amount of ₹ 76.82 crore (amount surrendered in excess was ₹ 50 lakh or more in each case) was surrendered in excess of the actual savings. Similarly, out of the total savings of ₹ 2,740.02 crore (savings of ₹ one crore and above) under 21 other grants, only

₹ 1,764.95 crore was surrendered. Despite excess expenditure of ₹ 192.87 crore, there was surrender of ₹ 20.64 crore in case of four grants.

## 2.6 Recommendations

- Budgetary control should be strengthened in all the Government departments.
- Issuance of re-appropriation/surrender orders at the end of the financial year should be avoided.
- Regularization of excess expenditure pending since the year 2000 should be taken up on priority basis.
- Regular flow of the expenditure should be maintained so as to avoid rush of expenditure in the month of March.
- Supplementary provisions should be obtained after ascertaining the actual requirements of the department concerned.



# CHAPTER-III

Financial Reporting



# CHAPTER-III

## **Financial Reporting**



## 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 compliance 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 responsibilities, including strategic planning and decision making. This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

#### 3.1 Delay in furnishing Utilization Certificates

The Chhattisgarh State Financial Code (Rules 182, 229F) provides that Utilisation Certificates (UCs) for grants provided for specific purposes should be obtained by the departmental officers from the grantees and forwarded to the Accountant General after verification within 18 months from the date of their sanction unless specified otherwise. However, of the 17,200 UCs in respect of grants aggregating ₹ 5,880.59 crore given for the period 2007-08 to 2009-10, 10888 UCs amounting to ₹ 4,264.71 crore pertaining to various major heads were pending as detailed in *Appendix-3.1*.

The departments for which UCs outstanding for more than ₹ 100 crore were Compensation and Assignments to Local Bodies and Panchayat Raj Institution (₹ 1,477.41 crore), General Education (₹ 1,187.69 crore), Other Rural Development Programmes (₹ 473 crore), Social Security and Welfare (₹ 239.59 crore), Power (₹ 125.87 crore), Crop Husbandary (₹ 115.89 crore), Water Supply and Sanitation (₹ 110.03 crore) and Welfare of SC/ST and other Backward Classes (₹ 109.36 crore).

In the absence of the UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which these were given.

#### 3.2 Misappropriations, losses, defalcations, etc.

Rules 22 and 23 of the Financial Code provide that each and every case of loss, misappropriation and defalcation should be intimated to the Accountant General. Of such cases reported by the State Government, 1,957 cases involving ₹ 46.03 crore were awaiting conclusive investigation and settlement at the year ended March 2011. Year-wise analysis of cases is shown in *Appendix-3.2*. The department-wise and category-wise break up of pending cases is given in *Appendix-3.3*. The age-profile of the pending cases and the number of cases pending in each category viz. theft and misappropriation/loss are summarized in *Table-3.1*.



**Table-3.1: Profile of Misappropriations, losses, defalcations, etc.**

(₹ in crore)

Age-profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved	Nature of the cases	Number of cases	Amount involved
0 – 5	502	30.83	Theft	158	0.81
5 – 10	367	5.95	Misappropriation/ Loss of material	1799	45.22
10 – 15	274	5.30			
15 – 20	261	2.42	<b>Total pending Cases</b>	<b>1957</b>	<b>46.03</b>
20 – 25	262	0.94			
25 & above	291	0.58			
<b>Total</b>	<b>1957</b>	<b>46.03</b>			

(Source: Cases reported by the departments of the State Government)

Further analysis indicates that the reasons for which the cases were outstanding could be classified under the five categories listed in the following table.

**Table-3.2: Reasons for outstanding cases of misappropriation, loss, defalcation, etc.**

(₹ in crore)

Sl. No.	Reasons for the delay/outstanding cases	Number of cases	Amount
1	Awaiting departmental and criminal investigation	252	2.06
2	Departmental action initiated but not finalized	196	1.47
3	Criminal proceedings finalised but execution of certificate cases for the recovery of the amount pending	20	0.11
4	Awaiting orders for recovery or write off	1438	41.33
5	Pending in the courts of law	51	1.06
	<b>Total</b>	<b>1957</b>	<b>46.03</b>

(Source : Information received from the departments of the State Government)

### 3.3 Non-adjustment of Abstract Contingent Bills and Temporary Advances

#### 3.3.1 Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

As per Rule 313 of the Chhattisgarh State Treasury Code, every drawing officer has to certify in each Abstract Contingent (AC) bill that Detailed Countersigned Contingent (DCC) bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective Controlling Officers for countersignature and transmission to the Accountant General. DCC bills for only ₹ 22.13 crore were received during the period 2006-2011 against pending AC bills of ₹ 26.66 crore, leading to an outstanding balance of AC bills for ₹ 4.53 crore as on 31 March 2011. Year-wise details are given in Table-3.3.



**Table-3.3: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills**

(₹ in crore)

Year	Opening balance		AC bills received during year		DCC bills during the year		Outstanding AC bills	
	No. of bills	Amount	No. of bills	Amount	No. of bills	Amount	No. of bills	Amount
2006-07	275	2.95	284	5.82	169	1.58	390	7.19
2007-08	390	7.19	98	1.43	3	0.13	485	8.49
2008-09	485	8.49	471	8.70	217	3.78	739	13.41
2009-10	739	13.41	30	0.55	-	-	769	13.96
2010-11	769	13.96	187	7.21	886	16.64	70	4.53
<b>Total</b>	-	-	<b>1070</b>	<b>23.71</b>	<b>1275</b>	<b>22.13</b>	-	-

(Source: Information from office of the Accountant General A&amp;E)

Major Head-wise pending AC bills for the years up to 2010-11 are detailed in **Appendix-3.4**.

### 3.3.2 Non-adjustment of temporary advances

Drawing and Disbursing Officers (DDOs) draw temporary advances for the purpose of meeting contingent expenditure either on the authority of standing orders or specific sanction of the State Government. According to the Rule 271 of Chhattisgarh State Financial Code, if any temporary advance is pending for more than three months, the Treasury Officer and Accounts Officer are required to write to the Head of Department concerned for adjustment within a month duly supported with vouchers. An advance pending for more than five months should be brought to the notice of the Government.

As of 31 March 2011, details of temporary advances pertaining to various Civil Departments were not available for the year 2010-11. However, year-wise advances pending for adjustment are given in **Table-3.4**.

**Table-3.4: Year-wise details of Temporary advances pending (Civil Departments)**

(₹ in lakh)

Sl.No	Advances pertaining to year	No. of Advances	Amount
1	2006-07	07	5.35
2	2007-08	16	23.22
3	2008-09	47	9.03
4	2009-10	12	0.48
5	2010-11	Not available	
<b>Total</b>		<b>82</b>	<b>38.08</b>

(Source: Information from office of the Accountant General A&amp;E)

In addition to the above, 118 cases of temporary advances aggregating ₹ 1.10 crore in Public Works, Public Health and Engineering and Water Resources Departments were pending adjustment by DDOs as on 31 March 2011. Year-wise details of advances were not available.

### 3.4 Advances from Contingency Fund

The Contingency Fund of the State has been established in pursuance of clause (1) of Articles 267 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 authorization by the Legislature, would be undesirable. The Fund is in the nature of an imprest and its corpus is ₹ 40 crore. The following instance was observed where expenditure, though foreseeable in nature, incurred from the Contingency Fund.

- An amount of ₹ 1.50 crore was sanctioned (28 May 2010) as advance for purchase of furniture in the High Court building situated at Bodri, Bilaspur.

### 3.5 Personal Deposit Accounts

Personal Deposit (PD) Accounts are created for parking funds by debit to the Consolidated Fund of the State and should be closed at the end of the financial year by minus debit to the relevant service heads. There were 153 PD Account holders in 19 district treasuries and sub treasuries involving ₹ 496.34 crore as of March 2011. Of which, 59 PD Accounts involving ₹ 24.03 crore were not operated for more than three years. This included one PD account with a balance of ₹ 16.02 crore lying unchanged since August 1996. The amount lying in these inoperative accounts was not transferred back to their respective Service Heads as pointed out by Accountant General (A&E) during treasuries inspections. Details of age-wise inoperative PD accounts are given below:

Year	No. of PD accounts inoperative	Amount (₹ in crore)
3 - 5	3	0.26
5-10	16	7.35
10-15	33	0.33
15 years and above	7	16.09
<b>Total</b>	<b>59</b>	<b>24.03</b>

Parking of funds in PD Accounts adversely affected the transparency of State accounts as inflated the revenue expenditure and locked up of resources which could have been utilised elsewhere for development.

### 3.6 Conclusion

Non-submission of 10,888 UCs amounting to ₹ 4,264.71 crore by recipients of grant-in-aid (GIA) indicated lack of a proper monitoring mechanism in the concerned departments. This also implies release of GIA by the departments in successive years without receiving UCs of the previous years. Out of 1,957 pending cases of misappropriation, loss, defalcation etc., 252 cases involving ₹ 2.06 crore were pending for want of initiation of departmental and criminal investigations and of the total pending cases, 553 cases involving ₹ 1.52 crore were pending for more than 20 years.

DCC bills for only ₹ 22.13 crore were received during the period 2006-2011 against pending AC bills of ₹ 26.66 crore, leading to an outstanding balance of

AC bills for ₹ 4.53 crore as on 31 March 2011. As on 31 March 2011, 200 cases of temporary advances amounting ₹ 1.48 crore were pending for adjustment. Advance of ₹ 1.50 crore was sanctioned (May 2010) from Contingency Fund for purchase of furniture in the High Court Building at Bodri, Bilaspur. 59 Personal Deposit accounts involving ₹ 24.03 crore were not operated for more than three years.

### 3.7 Recommendations

- Departments should keep a strict vigil on the receipt of UCs from grantee institutions.
- Departmental enquiries in cases involving misappropriations, losses, defalcations etc., should be initiated promptly and completed expeditiously. Internal controls in all the organizations should be strengthened to prevent such cases.
- Outstanding AC bills and Temporary Advances should be adjusted in a timely manner.
- Advances from Contingency Fund should be given only for meeting expenses of an unforeseen and emergent character.
- Personal Deposit accounts should be closed at the end of the financial year and amount lying in non-operative PD accounts should be transferred back to their respective service heads.


Raipur  
The 19 MAR 2012



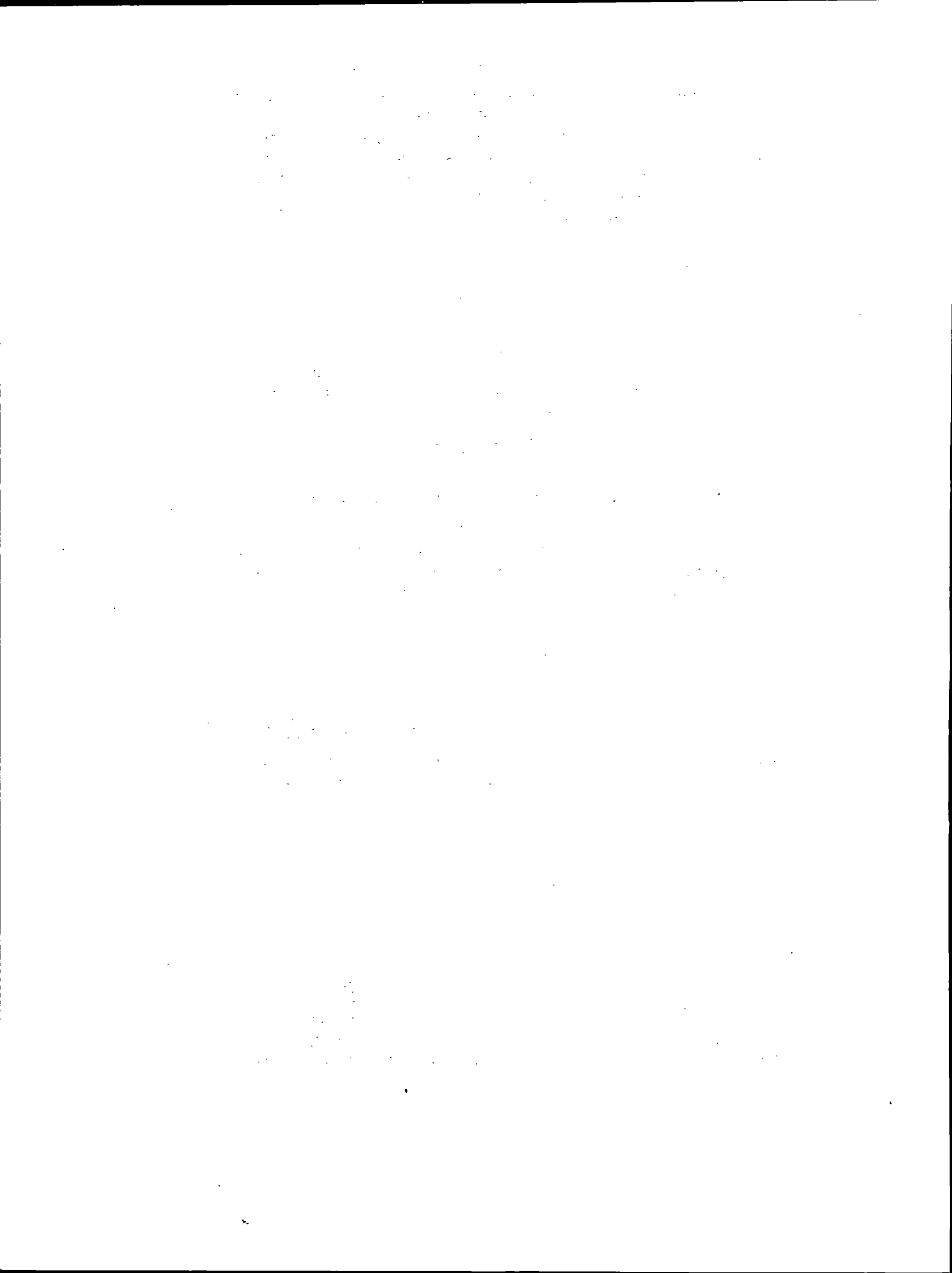
(PURNA CHANDRA MAJHI)  
Accountant General (Audit), Chhattisgarh

Countersigned

New Delhi  
The 19 MAR 2012



(VINOD RAI)  
Comptroller and Auditor General of India





# APPENDICES

ALPHABETICAL



## Appendix – 1.1

(Referred to in paragraph 1.1; Page 1)

## STATE PROFILE OF CHHATTISGARH

## A-General Data

S No.	Particulars	Figures
1	Area	1,37,898 Sq. km.
2	Population	
	a As per 2001 Census	2.08 crore
	b 2010-11	2.55 crore
3	a Density of Population ( as per 2001 Census) (All India Density = 325 persons per Sq. Km.)	154 person per Sq. km.
	b Density of Population ( as per 2011 Census) (All India Density = 382 persons per Sq. Km.)	189 person per Sq. km.
4	*Population Below Poverty Line (BPL) (All India Average = 27.5 per cent)	40.90 per cent
5	a Literacy (as per 2001 Census) (All India Average = 64.8 per cent)	64.66 per cent
	b Literacy (as per 2011 Census) (All India Average = 74.0 per cent)	71.04 per cent
6	Infant mortality** (per 1000 live births) (All India Average = 50 per 1000 live births)	54
7	Gini Coefficient***	
	a Rural (All India = 0.30)	0.29
	b Urban (All India = 0.37)	0.43
8	Gross State Domestic Product (GSDP) 2010-11 at current price	₹ 1,29,718 crore
9	GSDP CAGR (2001-02 to 2010-11)	17.85 per cent
10	Per capita GSDP CAGR (2001-02 to 2010-11)	13.61 per cent
11	GSDP CAGR (2001-02 to 2009-10)	Chhattisgarh 17.57 per cent General Category States 13.37 per cent
12	Population Growth (2001 to 2011)	Chhattisgarh 22.59 per cent General Category States 17.56 per cent

\*. Source of General data: BPL (Planning Commission and NSSO data, 61 Round), \*\*Infant Mortality rate (SRS Bulletin January 2011), \*\*\*Gini-coefficient is a measure of inequality of income among the population. Value rate is from zero to one, closer to zero inequality is less; closure to one inequality is higher (Unofficial estimates of Planning Commission and NSSO data, 61 Round 2004-05 MRP), Financial data is based on Finance Accounts of the States Government.

## B. Financial Data

Particulars		2001-02 to 2009-10		2001-02 to 2010-11
CAGR		General Category States	Chhattisgarh	Chhattisgarh
(In per cent)				
a.	of Revenue Receipts	15.20	19.46	20.06
b.	of Own Tax Revenue	14.53	17.26	18.22
c.	of Non Tax Revenue	13.87	19.69	20.36
d.	of Total Expenditure	13.53	18.16	17.14
e.	of Capital Expenditure	22.61	24.48	22.44
f.	of Revenue Expenditure on Education	12.73	21.69	22.43
g.	of Revenue Expenditure on Health	11.97	14.70	13.92
h.	of Salary and Wages	11.45	15.15	14.86
i.	of Pension	14.09	13.21	16.50

**Appendix-- 1.1(a)**

(Referred to in paragraph 1.1; Page 1)

**Part A: Structure and Form of Government Accounts**

**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 the State' established under Article 266(1) of the Constitution of India.

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

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

**PART B: Layout of Finance Accounts**

The Finance Accounts have been divided into two volumes from 2010-11.

**Volume -I – Summarised Statements**

1	Statement of financial position –contains the cumulative figures of assets and liabilities of the Government at the end of the year.
2	Statement of receipts and disbursement- depicts all receipts and disbursements of the Government during the year in three parts in which Government account is kept.
3	Statement of receipts- comprises revenue and capital receipts and receipts from borrowings of the Government.
4	Statement of expenditure (consolidated fund) -gives the details of expenditure by function and also summarises expenditure by nature of activity.

**Volume -II –**

5	Statement of progressive capital expenditure-contains the summarized statement of capital outlay showing progressive expenditure to the end of 2010-11.
6	Statement of Borrowings and other liabilities –Indicates the summary of debt position of the State which includes borrowing from internal debt, Government of India, other obligations and servicing of debt.
7	Statement of Loans given by the Government-Gives the summary of loans and advances given by the State Government during the year, repayments made, recoveries in arrears etc.
8	Statement of Grants-in-aid given by the State Government.
9	Statement of Guarantees given by State Government -Gives the summary of guarantees given by the Government for repayment of loans etc. raised by the statutory corporations, local bodies and other institutions.
10	Statement of voted and charged expenditure- Indicates the distribution between the charged and voted expenditure incurred during the year.
11	Indicates detailed Statement of Revenue and Capital Receipts by Minor Heads.
12	Provides accounts of revenue expenditure by minor heads under non-plan and plan separately and capital expenditure by major head wise and comparison with the figures of previous year.
13	Depicts the detailed capital expenditure incurred during and to the end of 2010-11 and comparison with the figures of previous year.
14	Shows the 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 2010-11
15	Detailed statement of Borrowings and other liabilities by minor heads.
16	Detailed account of loans and advances given by the Government of Chhattisgarh, the amount of loan repaid during the year, the balance as on 31 March 2011.
17	Detailed statement on sources and applications of funds for expenditure other than revenue account.
18	Detailed account of receipts, disbursements and balances under heads of account relating to Debt, Contingency Fund and Public Account.
19	Details of earmarked balances of reserve funds.



**Appendix - 1.2**  
(Referred to in paragraph 1.1 at page 1)  
**Methodology adopted for the assessment of fiscal position**  
**Part A**

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 (**Part B of Appendix-1.2**) 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 presented as percentage to the Gross State Domestic Product (GSDP) at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the 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)**

	2006-07	2007-08	2008-09(P)	2009-10(Q)	2010-11(A)
Gross State Domestic Product (₹ in crore)	66874.89	80255.11	93179.71	109823.43	129717.54
Growth rate of GSDP (in per cent)	25.28	20.01	16.10	17.86	18.11

Source: Economic and Statistical Department, Government of Chhattisgarh

**The sector wise details of GSDP<sup>1</sup>**

(₹ in crore)

	2006-07	2007-08	2008-09(P)	2009-10(Q)	2010-11(A)
Primary Sector	21416.68 (13.19)	26584.77 (24.13)	26904.55 (1.20)	29605.90 (10.04)	33309.20 (12.51)
Secondary Sector	23701.03 (51.80)	27648.79 (16.66)	35714.95 (29.17)	41978.29 (17.54)	50959.44 (21.39)
Tertiary Sector	21757.18 (15.44)	26021.55 (19.66)	30560.21 (17.44)	38239.24 (25.13)	45448.90 (18.88)
<b>Gross State Domestic Product (GSDP)</b>	<b>66874.89</b>	<b>80255.11</b>	<b>93179.71</b>	<b>109823.43</b>	<b>129717.54</b>

Source: Economic and Statistical Department, Government of Chhattisgarh for the year 2010-11  
Figures shown in the brackets represents Growth Rate

Note: A- Advance, Q- Quick and P- Provisional

The Primary sector – Agriculture (including Animal husbandry), Forestry & logging, Fishing, Mining and quarrying.

The Secondary sector– Manufacturing (registered and unregistered), Construction, Electric, Gas and Water Supply.

The Tertiary sector – Railway, Transport by other means, storage, communication, trade hotel & restaurant, Banking, Insurance & Real Estate, Owning of Dwelling & business services, community & personal services.

<sup>1</sup> **Choice of 2004-05 as the base year**

In the past, National Accounts Statistics were revised decennially changing the base year, which ends with 1. It was primarily because in the base year estimate of national accounts aggregates, the information on work force plays an important role and work force estimates were obtained from population census conducted decennially in the year ending with 1 (i.e. 1981, 1991, 2001 etc.). This practice continued upto the series with base year 1980-81, since then, the CSO started using the work force estimates from the results of **Quinquennial** Employment and Unemployment surveys of National Sample Survey Organisation (NSSO), which are conducted once in every five years and consequently started revising the base years of national accounts statistics once in five years with the years for which the NSSO conducts the **quinquennial** employment and unemployment surveys. In continuation with this practice, the new series of national accounts has been released with base year 2004-05. Hence the figures of GSDP also changed accordingly.

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 <b>minus</b> all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt

**Appendix - 1.2***(Referred to in paragraph 1.1 at Page 1)***Fiscal Responsibility and Budgetary Management (FRBM) Act, 2005  
Part B****The Fiscal Responsibility and Budget Management (FRBM) Act, 2005**

To ensure prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit, reduction in fiscal deficit, prudent debt management consistent to the fiscal sustainability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework and for matters connected therewith or incidental thereto, the Chhattisgarh Fiscal Responsibility and Budget Management (FRBM) Act, 2005 was enacted. To give effect to the fiscal management principles as laid down in the Act, and /or the rules framed (February 2006) there under, the following fiscal targets were prescribed for the State Government:

- By the 31<sup>st</sup> day of March 2009, the State Government shall take appropriate measures to eliminate the revenue deficit. The State shall make every endeavor to maintain nominal revenue surplus in each financial year beginning with 2005-06 but however, under no circumstance, the State should exceed revenue deficit as below:-

<b>Year</b>	<b>Amount (₹ in crore)</b>
2005-06	253.20
2006-07	168.80
2007-08	84.40
2008-09 and after	Zero revenue deficit

- The State Government shall reduce fiscal deficit every year beginning with financial year 2005-06 by an amount at least equivalent to one fourth of what actual fiscal deficit as a percentage of GSDP exceeds three *per cent* in the financial year 2004-05, so that fiscal deficit is brought down to not more than three *per cent* of GSDP at the end of March 2009;
- The State Government shall not give new guarantees, in any financial year beginning with the financial year 2005-06, in excess of 1.5 *per cent* of GSDP in nominal terms or 0.5 *per cent* on risk weighted basis, whichever is lower; and
- The State Government shall not assume additional total liabilities in excess of five *per cent* of GSDP for any financial year beginning with 2005-06.

**Appendix-1.3**  
(Referred to in paragraph 1.1 and 1.3 at page 1,8 and 13)  
**A time series data analysis of State Government finances**

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Part A- Receipts</b>					
<b>1. Revenue Receipts</b>	<b>11,453(90)</b>	<b>13,879(95)</b>	<b>15,663(95)</b>	<b>18,154(89)</b>	<b>22,720(94)</b>
<i>(i) Tax Revenue</i>	<b>5,046(44)</b>	<b>5,618(40)</b>	<b>6,594(42)</b>	<b>7,123(39)</b>	<b>9,005(40)</b>
Taxes on Agricultural Income	0	0	0	0	0
Taxes on Sales, Trade, etc.	2,843(56)	3,024(54)	3,611(55)	3,712(52)	4,841(54)
State Excise	707(14)	843(15)	964(15)	1,188(17)	1,506(17)
Taxes on Vehicles	253(5)	277(5)	314(5)	352(5)	428(5)
Stamps and Registration Fees	390(8)	463(8)	496(8)	583(8)	786(9)
Land Revenue	61(1)	88(2)	359(5)	160(2)	247(3)
Taxes on Goods and Passengers	302(6)	511(9)	421(6)	696(10)	675(7)
Other Taxes	490(10)	412(7)	429(7)	433(6)	522(6)
<i>(ii) Non Tax Revenue</i>	<b>1,451(13)</b>	<b>2,021(15)</b>	<b>2,202(14)</b>	<b>3,043(17)</b>	<b>3,836(17)</b>
<i>(iii) State's share in Union taxes and duties</i>	<b>3,199(28)</b>	<b>4,035(29)</b>	<b>4,258(27)</b>	<b>4,381(24)</b>	<b>5,425(24)</b>
<i>(iv) Grants in aid from GOI</i>	<b>1,757(15)</b>	<b>2,205(16)</b>	<b>2,609(17)</b>	<b>3,607(20)</b>	<b>4,454(20)</b>
<b>2. Misc. Capital Receipts</b>	--	27	02	02	02
<b>3. Recoveries of Loans and Advances</b>	<b>355(3)</b>	<b>437(3)</b>	<b>533(3)</b>	<b>992(5)</b>	<b>561(2)</b>
<b>3(a). Inter State Settlement</b>	<b>02</b>	<b>02</b>	<b>01</b>	<b>03</b>	<b>03</b>
<b>4. Total revenue and Non Debt capital receipts (1+2+3)</b>	<b>11,810</b>	<b>14,345</b>	<b>16,199</b>	<b>19,151</b>	<b>23,286</b>
<b>5. Public Debt Receipts</b>	<b>937(7)</b>	<b>262(2)</b>	<b>386(2)</b>	<b>1287(6)</b>	<b>795(3)</b>
Internal Debt (Excluding Ways & Means Advances & overdrafts)	882(94)	142(54)	181(47)	1064 (83)	592 (74)
Net transactions under ways and means advances and overdraft	--	--	--	--	--
Loans and Advances from Government of India	55(6)	120(46)	206(53)	223 (17)	203 (26)
<b>6. Total receipt in the Consolidated fund (4+5)</b>	<b>12747</b>	<b>14,607</b>	<b>16,585</b>	<b>20,438</b>	<b>24,081</b>
<b>7. Contingency Fund Receipts</b>	--	3	--	01	--
<b>8. Public Account Receipts</b>	<b>13,982</b>	<b>17,706</b>	<b>20044</b>	<b>24,512</b>	<b>27,524</b>
<b>9. Total receipts of the State (6+7+8)</b>	<b>26,729</b>	<b>32,316</b>	<b>36,629</b>	<b>44,951</b>	<b>51,605</b>
<b>PART B. Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>8,802(75)</b>	<b>10,840(75)</b>	<b>13,794(80)</b>	<b>17,265(83)</b>	<b>19,355(85)</b>
Plan	2,608(30)	3,576(33)	5,421(39)	6,817(39)	8,069(42)
Non Plan	6,194(70)	7,264(67)	8,373(61)	10,448(61)	11,286(58)
General Services (incl. interest payments)	2,639(30)	3,040(28)	3,599(26)	4,350(25)	5,247(27)
Social Services	3,459(39)	4,117(38)	6,153(45)	8,024(46)	8,310(43)
Economic Services	2,228(25)	3,140(29)	3,524(25)	4,423(26)	5,091(26)
Grants-in-aid and Contributions	476(6)	543(5)	519(4)	468(3)	707(4)
<b>11. Capital Expenditure</b>	<b>2,198(19)</b>	<b>3,131(22)</b>	<b>2,940(17)</b>	<b>2,745(13)</b>	<b>2,952(13)</b>
Plan	2,169(98.7)	3,101(99)	2,939(100)	2,745(100)	2,951(100)
Non Plan	29(1.3)	30(1)	01	0	01
General Services	75(3)	107(3)	102(3)	77(2)	53(2)
Social Services	503(23)	733(23)	708(24)	802(24)	828(24)
Economic Services	1,620(74)	2,291(73)	2,130(72)	1,866(74)	2,071(74)
<b>12. Disbursement of Loans and Advances</b>	<b>771(6)</b>	<b>500(3)</b>	<b>491(3)</b>	<b>897(4)</b>	<b>567(2)</b>



	2006-07	2007-08	2008-09	2009-10	2010-11
<b>12(a) Inter State Settlement</b>	02	02	01	03	02
<b>13.Total (10+11+12+12[a])</b>	11,773	14,473	17,226	20,910	22,876
<b>14. Repayment of Public Debt</b>	219 (2)	558 (4)	489 (3)	652(3)	691(3)
Internal Debt (excluding Ways & Means Advances and Overdrafts)	206(94)	272 (49)	379 (78)	536(82)	555(80)
Net transactions under Ways and Means Advances and Overdraft	--	--	..	0	0
Loans and Advances from Government of India	13(6)	286 (51)	110 (22)	116(18)	135(20)
<b>15. Appropriation to Contingency Fund</b>	--	--	..	..	..
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	11,992	15,031	17,715	21,562	23,567
<b>17. Contingency Fund disbursements</b>	3		01	0	0
<b>18.Public Account disbursements</b>	13,744	16,854	19585	23879	26,896
<b>19.Total disbursement by the State (16+17+18)</b>	25,739	31,885	37,301	45,441	50,463
<b>PART-C-Deficits</b>					
<b>20. Revenue deficit (-) (1-10)/ surplus (+)</b>	(+)2,651	(+) 3,039	(+)1,869	(+)888	(+)3,364
<b>21.Fiscal deficit(-)/ surplus (+) (4-13)</b>	(+)37	(-) 128	(-)1,027	(-)1,759	(+)410
<b>22. Primary deficit (-)/Primary surplus (+) (21+23)</b>	(+)1,063	(+)1,012	(+) 51	(-)664	(+)1,608
<b>PART-D-Other Data</b>					
<b>23. Interest payments (included in revenue exp.)</b>	1,026	1,140	1,078	1,095	1,198
<b>24. Financial assistance to local bodies etc<sup>2</sup></b>	2,201.80	2,007.26	2,563.05	2,889.45	3401.02
<b>25. Ways and Means Advances/ Overdraft availed (days)</b>	-	-	-	-	-
Ways and Means Advances availed (days)	-	-	-	-	-
Overdraft availed (days)	-	-	-	-	-
<b>26. Interest on WMA/Overdraft</b>					
<b>27. Gross State Domestic Product (GSDP)</b>	66,874.89	80,235.11	93,179.71 <sup>(P)</sup>	1,09,823.43 <sup>(Q)</sup>	1,29,718 <sup>(A)</sup>
<b>28. Outstanding debt (year-end)</b>	14,113	14,512	14,780	15,937 <sup>3</sup>	16,697
<b>29. Outstanding guarantees (year-end)</b>	486	481	895	3,338	2,849
<b>30. Maximum amount guaranteed (year-end)</b>	2,483	2,495	3,650	4,401	5,054
<b>31. Number of incomplete projects</b>	63	NA	223	159	77
<b>32. Capital blocked in incomplete projects</b>	2,968	NA	1,531	1,115	887
<b>PART-E-Fiscal Health Indicators</b>					
<b>I-Resource Mobilization</b>					
Own Tax Revenue/GSDP (Ratio)	0.08	0.07	0.07	0.07	0.07
Own Non-Tax Revenue/GSDP (Ratio)	0.02	0.03	0.02	0.03	0.03
Central Transfers/GSDP (Ratio)	0.08	0.08	0.07	0.07	0.08
<b>II-Expenditure Management</b>					
Total Expenditure/GSDP (Ratio)	0.18	0.18	0.18	0.19	0.18
Total Expenditure/Revenue Receipts (Ratio)	1.03	1.04	1.10	1.15	1.01
Revenue Expenditure/Total Expenditure (Ratio)	0.75	0.75	0.80	0.83	0.85
Capital Expenditure/Total Expenditure (ratio)	0.19	0.22	0.17	0.13	0.13
Capital Expenditure on Social and Economic Services/Total Expenditure (ratio)	0.18	0.21	0.16	0.13	0.13
<b>III-Management of Fiscal Imbalances</b>					
Revenue deficit(Surplus)/GSDP (ratio)	0.04	0.04	0.02	0.01	0.03
Fiscal Deficit(-)/Surplus (+)/GSDP (Ratio)	0.00	0.00	-0.01	0.02	0.00
Primary Deficit(Surplus)/GSDP (Ratio)	0.02	0.01	0.00	-0.01	0.01
Revenue Deficit (surplus)/Fiscal Deficit (Ratio)	71.65	-23.74	-1.82	0.50	8.21
Primary Revenue Balance/GSDP (Ratio)	0.03	0.03	0.01	0.02	
<b>IV- Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP (Ratio)	0.22	0.18	0.16	0.15	0.13
Fiscal Liabilities/RR(Ratio)	1.23	1.05	0.94	0.88	0.73
Primary deficit vis-à-vis quantum spread (Ratio)	1.00	1.00	0.03	-0.73	0.93
<b>V- Other Fiscal Indicators</b>					
Return on Investment	NA	NA	NA	0.44	4.30
Balance from Current Revenue (₹ in crore)	3,902	5,028	5,413	5,682	8,377
Financial Assets/Liabilities (Ratio)	0.90	1.10	1.24	1.25	1.43

Note: 1. Change in figures due to change in GSDP figures

2. A- Advance, Q- Quick and P- Provisional

3. NA Not available

<sup>2</sup> Source: Finance and Appropriation Accounts 2010-11 and Economic survey report of Chhattisgarh State 2010-11.

<sup>3</sup> Change in figure due to proforma correction

Appendix-1.4

(Referred to in paragraphs 1.1.1, 1.7.1 and 1.7.2 Page 2 and 26)

Part A: Abstract of receipts and disbursement for the year 2010-11

(₹ in crore)

2009-10		Receipts		2010-11		2009-10		Disbursement			
								2010-11			
								Non-Plan	Plan	Total	
18,153.66	I	Revenue Receipts		22,719.54		17,265.44		Revenue Expenditure	11,286.39	8,069.36	19,355.75
		7,123.25	Tax Revenue	9,005.14		4,349.77		General Services	5,210.62	36.45	5,247.06
		3,043.01	Non-Tax Revenue	3,835.32		8,023.54		Social Services	2,807.08	5,502.64	8,309.72
		4,380.66	State's Share of Union Tax	5,425.19			3,171.62	Education, Sports, Arts and Culture	1,247.31	2,834.38	4,081.69
		1,482.20	Non-Plan Grants	1,397.45			693.67	Health and Family Welfare	323.69	425.22	748.91
		1,429.42	Grants for State Plan Scheme	2,169.91			843.48	Water Supply, Sanitation Housing and Urban Development	180.34	505.97	686.31
		695.12	Grants for Central and Centrally Sponsored Plan Schemes	886.53			20.83	Information and Broadcasting	28.69	0.60	29.29
							943.86	Welfare of Scheduled Castes/Scheduled Tribes/Other Backward Classes	817.60	148.53	966.13
							54.22	Labour and Labour Welfare	40.98	20.01	60.99
							2,286.05	Social Welfare and Nutrition	161.21	1,564.33	1,725.54
							9.81	Others	7.26	3.60	10.86
						3,523.24	4,423.15	Economic Services	2,582.25	2,509.17	5,091.42
							2,327.54	Agriculture and Allied Activities	1,554.13	1,036.23	2,590.36
							827.30	Rural Development	359.22	856.99	1,216.21
							0.00	Special Areas Programme	0.00	0.00	0.00
							6.14	Communication	0.00	5.10	5.10
							298.26	Irrigation and Flood Control	146.62	141.66	288.28
							213.40	Energy	1.60	296.29	297.89
							231.96	Industry and Minerals	191.94	134.40	326.34
							462.53	Transport	297.87	2.21	300.08
							5.74	Science, Technology and Environment	1.20	3.22	4.42
							50.28	General Economic Services	29.69	33.06	62.75
						468.98		Grants-in-Aid and Contributions-	686.43	21.12	707.55
18,153.66		Total Revenue Receipts		22,719.54		13,793.70	17,265.44	Total Revenue Expenditure	11,286.39	8,069.36	19,355.75
	II	Revenue Deficit carried over to Section B				888.22		Revenue Surplus carried over to Section B			3,363.79
18,153.66		Total		22,719.54		18,153.66		Total			22,719.54
2,059.67	III	Opening Cash balance including permanent Advances and Cash Balance Investment		1,569.66			0.00	Opening Overdraft from Reserve Bank of India			
2.31	IV	Miscellaneous Capital Receipts		2.56		2,744.92		Capital Outlay	0.98	2,950.53	2,951.51
						76.81		General Services	0.97	51.90	52.87
						802.10		Social Services	0.01	827.59	827.60
							186.03	Education, Sports, Arts and Culture	0.00	303.17	303.17
							96.62	Health and Family Welfare	0.00	97.88	97.88
							352.87	Water Supply, Sanitation Housing and Urban Development	0.00	184.99	184.99
							0.02	Information and Broadcasting	0.01	0.00	0.01
							160.08	Welfare of Scheduled Castes/Scheduled Tribes/Other Backward Classes	0.00	217.28	217.28
							0.56	Social Welfare and Nutrition	0.00	19.15	19.15
							5.92	Others	0.00	5.13	5.13

2009-10		Receipts	2010-11		2009-10		Disbursement	2010-11		
								Non-Plan	Plan	Total
					1,866.01		Economic Services	0.00	2,071.04	2,071.04
						67.05	Agriculture and Allied Activities	0.00	52.23	52.23
						144.87	Rural Development	0.00	170.98	170.98
						971.12	Irrigation and Flood Control	0.00	1,038.99	1,038.99
						0.00	Energy	0.00	0.00	0.00
						32.51	Industry and Minerals	0.00	(-26.28)	(-26.28)
						637.46	Transport	0.00	816.97	816.37
						13.00	General Economic Services	0.00	18.74	18.74
					2,744.92		Total Capital Outlay			2,951.51
3.04	V	Inter-State Settlement		2.65	3.29		Inter-State Settlement			2.34
992.43	VI	Recoveries of Loans and Advances		561.16	896.79		Loans and Advances disbursed			566.55
		95.71 from Power Projects		73.17			for power projects			0.00
		0.85 From Government Servants		0.70			to Government Servants			0.00
		895.87 From Others		487.29	896.79		To others			566.55
888.22	VII	Revenue Surplus brought down		3,363.79	0.00		Revenue Deficit brought down			0.00
1287.21	VIII	Public Debt Receipts		795.19	651.57		Repayment of Public debt			690.86
		0.00 External Debt		0.00			External Debt			0.00
		1064.57 Internal debt other than Ways and Means Advances and Overdrafts		592.43			Internal debt other than Ways and Means Advances and Overdrafts			555.48
		0.00 Net Transactions under Ways and Means Advances		0.00			Net transactions under Ways and Means Advances			0.00
		0.00 Net Transactions under overdraft		0.00						
		222.64 Loans and Advances from Central Government		202.76			Repayment of Loans and Advances from Central Government			135.38
0.00	IX	Appropriation to Contingency Fund		0.00	0.00		Appropriation to Contingency Fund			0.00
0.50	X	Amount Transferred to Contingency Fund		0.00	0.00		Expenditure from Contingency Fund			0.00
24,511.62	XI	Public Account Receipts		27,523.97	23,878.77		Public Account Disbursement			26,895.50
		707.59 Small Savings and Provident Funds		825.25			Small Savings and Provident Funds			496.28
		544.02 Reserve Funds		405.06			Reserve Funds			383.46
		15584.09 Suspense and Miscellaneous		17632.65			Suspense and Miscellaneous			17743.68
		5462.43 Remittance		5852.93			Remittance			5819.25
		2213.49 Deposits and Advances		2808.08			Deposits and Advances			2452.83
	XII	Closing Overdraft from Reserve Bank of India		0.00	1569.66		Cash Balance at end-			2712.22
							Cash in Treasuries and Local Remittances			0.00
							Deposits with Reserve Bank			(-1480.73)
							Departmental Cash Balance including permanent Advances			13.11
							Cash Balance Investment			4179.84
29745.00		TOTAL-B		33818.98	29745.00		TOTAL-B			33818.98

**Appendix-1.4 (Continued)**  
(Referred to in paragraphs 1.1.1, 1.7.1 and 1.7.2 at Page 2 and 26)  
**Part B: Summarised financial position of the  
Government of Chhattisgarh**

(₹ in crore)

As on 31.03.2010	Liabilities	As on 31.03.2011
8,704.88	<b>Internal Debt -</b>	8,741.83
2,745.64	Market Loans bearing interest	2510.62
2.10	Market Loans not bearing interest	2.10
20.29	Loans from Life Insurance Corporation of India	20.29
5,936.85	Loans from other Institutions	6208.88
0.00	Ways and Means Advances	0.00
0.00	Overdrafts from Reserve Bank of India	0.00
<b>2,307.51</b>	<b>Loans and Advances from Central Government -</b>	<b>2,374.89</b>
0.68	Pre 1984-85 Loans	0.68
4.58	Non-Plan Loans	7.35
2,273.58	Loans for State Plan Schemes	2339.73
0.19	Loans for Central Plan Schemes	0.19
28.48	Loans for Centrally Sponsored Plan Schemes	26.94
40.00	Contingency Fund	40.00
1,998.37	Small Savings, Provident Funds, etc.	2,331.02
1,889.44	Deposits	2,244.59
1,782.11	Reserve Funds	1,803.70
256.04	Suspense and Miscellaneous Balances	145.00
<b>16,978.35</b>	<b>Total</b>	<b>17,681.03</b>
	<b>Assets</b>	
17,790.24	<b>Gross Capital Outlay on Fixed Assets -</b>	20,739.19
251.67	Investments in shares of Companies, Corporations, etc.	259.92
17,538.57	Other Capital Outlay	20,479.27
<b>1,529.89</b>	<b>Loans and Advances -</b>	<b>1,535.28</b>
580.20	Loans for Power Projects	411.33
833.93	Other Development Loans	998.90
115.76	Loans to Government servants and Miscellaneous loans	125.05
749.37	Reserve Fund Investments	799.04
2.51	Advances	2.40
305.82	Remittance Balances	272.15
0.00	Contingency Fund	0.00
820.30	<b>Cash -</b>	1,913.18
-0.25	Cash in Treasuries and Local Remittances	0.00
-554.81	Deposits with Reserve Bank	-1,480.73
11.02	Departmental Cash Balance including	12.81
0.29	Permanent Advances	0.30
1,364.05	Cash Balance Investments	3,380.80
<b>-4219.78</b>	<b>Deficit on Government Account -</b>	<b>-7,580.21</b>
-888.22	(i) Less Revenue Surplus of the current year	-3,363.79
18.68	(ii) Profoma corrections and other adjustments	3.36
-3350.24	Accumulated deficit at the beginning of the year	-4,219.78
<b>16,978.35</b>	<b>Total</b>	<b>17,681.03</b>



**Appendix-1.5**  
(Referred to in paragraph 1.3.1 page 10)

**Details of collection of taxes and duties and expenditure incurred on their collection**  
(₹ in crore)

Sl. no.	Heads of revenue	Year	Budget estimate	Collection	Expenditure on collection of revenue	Percentage of expenditure on collection	All-India average percentage
1	Taxes on sales, trade etc.	2008-09	3,470.00	3,610.94	16.38	0.45	0.83
		2009-10	3,447.12	3,712.16	25.71	0.69	0.88
		2010-11	4,524.13	4,840.79	29.99	0.62	0.96
2	Taxes on vehicles	2008-09	315.50	313.78	13.12	4.18	2.58
		2009-10	351.47	351.88	7.39	2.10	2.93
		2010-11	410.00	427.52	2.14	0.50	3.07
3	State Excise	2008-09	950.00	964.10	26.30	2.73	3.27
		2009-10	1158.00	1187.72	35.35	2.98	3.66
		2010-11	1,390.00	1,506.44	40.68	2.70	3.64
4	Stamp duty and registration fee	2008-09	520.00	495.59	11.69	2.36	2.09
		2009-10	600.01	583.13	13.97	2.40	2.77
		2010-11	650.35	785.85	17.75	2.26	2.47

(Source: Revenue Audit Report)

**Appendix-2.1**

(Referred to in paragraph 2.3.1; Page 38)

**Saving in excess of ₹ 10 crore each and more than 20 per cent of the total provision**

(₹ in crore)

Sl. No.	Grant No.	Name of the grant/appropriation	Total grant/appropriation	Savings	Percentage
1	2	3	4	5	6
	<b>A</b>	<b>Revenue Voted</b>			
1	4	Other expenditure pertaining to Home Department	27.15	16.81	61.92
2	24	Public Works-Roads and Bridge	332.03	109.41	32.95
3	27	School Education	2,114.17	531.80	25.15
4	38	Grant-in-aid received from the recommendation of Twelfth Finance Commission	31.10	12.60	40.51
5	55	Expenditure pertaining to Women and Child Welfare	525.96	165.61	31.49
6	79	Expenditure pertaining to Medical Education Department	199.15	48.81	24.51
		<b>Total -A</b>	<b>3,229.56</b>	<b>885.04</b>	<b>--</b>
	<b>B</b>	<b>Revenue Charged</b>			
7	12	Expenditure pertaining to Energy Department	100.90	66.64	66.04
		<b>Total- B</b>	<b>100.90</b>	<b>66.64</b>	
	<b>C</b>	<b>Capital Voted</b>			
8	11	Expenditure pertaining to Commerce and Industry Department	45.79	19.53	42.65
9	20	Public Health Engineering	31.35	11.20	35.71
10	42	Public Works relating to Tribal Areas	279.27	115.70	41.43
11	47	Technical Education and Man-Power Planning Department	20.38	11.46	56.23
12	67	Public Works-Building	213.81	57.55	26.92
13	68	Public Works relating to Tribal Areas Sub-Plan-Buildings	115.65	38.92	33.65
14	79	Expenditure pertaining to Medical Education Department	25.50	23.48	92.07
		<b>Total-C</b>	<b>731.75</b>	<b>277.84</b>	
<b>Grand Total- (A+B+C)</b>			<b>4,062.21</b>	<b>1,229.52</b>	

## Appendix-2.2

(Referred to in paragraph 2.3.3; Page 39)

## Excess over provision of previous years requiring regularization

(` in crore)

Year	Number of grants/ appropriations	Grant/appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee
1	2	3	4	5
2000-01	11 Grants	2, 14, 23, 24, 33, 34, 60, 71, 80, 82 and 83	10.21	Explanatory notes are awaited.
	2 Appropriations	6 and 24		
2001-02	14 Grants	6, 14, 15, 17, 23, 24, 30, 33, 45, 54, 60, 67, 71 and 83	115.90	
	2 Appropriations	16 and 25		
2002-03	8 Grants	10, 15, 24, 33, 37, 45, 58 and 82	114.59	
	2 Appropriations	20 and 67		
2003-04	4 Grants	12, 33, 40 and 67	591.12	
	2 Appropriations	Interest Payments and 6		
2004-05	4 Grants	15, 24, 67 and 81	133.36	
	5 Appropriations	Interest Payments, Public Debt, 6, 10 and 42		
2005-06	4 Grants	4, 15, 24 and 39	23.27	
	2 Appropriations	6 and 23		
2006-07	4 Grants	4, 24, 67 and 82	5.13	
	1 Appropriation	33		
2007-08	3 Grants	23, 33 and 60	15.99	
	3 Appropriations	13, 24 and 36		
2008-09	9 Grants	24, 40, 67, 80, 6, 23, 75, 76 and 82	115.26	
	1 Appropriation	23		
2009-10	10 Grants	3, 6, 22, 23, 24, 25, 49, 64, 76 and 80	216.77	
	5 Appropriation	3, 12, 13, 43 and 67		
Total			1341.60	

**Appendix-2.3**

(Referred to in paragraph 2.3.5, Page 41 )

**Cases where supplementary provision (₹ 50 lakh or more in each case) proved unnecessary**  
(₹ in crore)

Sl. No.	Grant No.	Name of grant	Original Provision	Actual expenditure	Savings out of original provision	Supplementary provision
1	2	3	4	5	6	7
	<b>A</b>	<b>Revenue (Voted)</b>				
1	1	General Administration	79.23	72.15	7.08	8.07
2	2	Other expenditure pertaining to General Administration Department	9.19	8.20	0.99	1.22
3	4	Other Expenditure pertaining to Home Department	26.01	10.34	15.67	1.32
4	8	Land Revenue and District Administration	342.39	230.40	111.99	14.00
5	14	Expenditure pertaining to Animal Husbandry Department	195.47	179.64	15.83	8.16
6	18	Labour	17.77	17.49	0.28	4.83
7	19	Public Health and Family Welfare	459.56	421.42	38.14	32.87
8	21	Expenditure pertaining to Housing and Environment Department	16.05	10.10	5.95	1.63
9	27	School Education	2,066.72	1,582.38	484.34	47.45
10	28	State Legislature	22.47	17.62	4.85	0.79
11	31	Expenditure Pertaining to Planning, Economics and Statistics Department	12.83	10.15	2.68	1.37
12	33	Tribal Welfare	862.32	773.52	88.80	21.70
13	34	Social Welfare	28.61	25.79	2.82	0.66
14	36	Transport	21.84	17.73	4.11	1.66
15	38	Grant-in-aid received from the recommendation of Twelfth Finance Commission	19.80	18.50	1.30	11.30
16	41	Tribal Areas Sub-Plan	2,376.72	2,360.86	15.86	472.62
17	43	Sports and Youth Welfare	32.93	20.35	12.58	0.85
18	44	Higher Education	359.07	327.92	31.15	3.20
19	45	Minor Irrigation Works	37.89	37.83	0.06	1.50
20	47	Technical Education and Man-Power Planning Department	117.45	89.22	28.23	7.29
21	51	Religious Trusts and Endowments	4.90	4.65	0.25	1.50
22	54	Expenditure pertaining to Agricultural Research and Education	37.50	37.50	0.00	9.50
23	55	Expenditure pertaining to Women and Child Welfare	552.95	360.35	192.60	12.01
24	56	Rural Industries	51.15	47.24	3.91	3.73
25	58	Expenditure on Relief on account of Natural Calamities and Scarcity	309.54	203.77	105.77	110.32
26	59	Externally Aided Projects pertaining to Panchayat and Rural Development	2.70	2.28	0.42	2.28
27	64	Special Component Plan for Scheduled Castes	959.37	792.68	166.69	25.80



1	2	3	4	5	6	7
28	67	Public Works-Buildings	265.32	244.21	21.11	2.21
29	79	Expenditure pertaining to Medical Education Department	198.35	150.34	48.01	0.81
<b>Total - A</b>			<b>9,486.10</b>	<b>8,074.63</b>	<b>1,411.47</b>	<b>810.65</b>
<b>B Revenue (Charged)</b>						
30	29	Administration of Justice and Elections	23.25	17.79	5.46	2.90
<b>Total - B</b>			<b>23.25</b>	<b>17.79</b>	<b>5.46</b>	<b>2.90</b>
<b>C Capital (Voted)</b>						
31	21	Expenditure pertaining to Housing and Environment Department	365.63	152.36	213.27	5.00
32	24	Public Works-Roads and Bridges	354.51	345.95	8.56	32.37
33	39	Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department	304.00	220.49	83.51	68.75
34	41	Tribal Areas Sub-Plan	1,121.28	855.61	265.67	107.16
35	42	Public Works relating to Tribal Areas	267.87	163.56	104.31	11.40
36	64	Special Component Plan for Scheduled Castes	677.79	222.13	455.66	18.42
37	67	Public Works-Buildings	210.96	156.26	54.70	2.85
38	68	Public Works Relating to Tribal Area Sub-Plan-Buildings	114.35	76.73	37.62	1.30
39	79	Expenditure pertaining to Medical Education Department	22.50	2.02	20.48	3.00
<b>Total - C</b>			<b>3,438.89</b>	<b>2,195.11</b>	<b>1,243.78</b>	<b>250.25</b>
<b>Grand Total - (A+B+C)</b>			<b>12,948.24</b>	<b>10,287.53</b>	<b>2,660.71</b>	<b>1,063.80</b>

**Appendix-2.4**

(Referred to in paragraph 2.3.5; Page 41)

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

(₹ in crore)

Sl. No.	Grant No.	Name of the grants	Original provision	Supplementary provision	Total	Expenditure	Excess
1	2	3	4	5	6	7	8
	<b>A</b>	<b>Revenue Voted</b>					
1	6	Expenditure pertaining to Finance Department	1,673.67	7.74	1,681.41	1,843.66	162.25
2	7	Expenditure pertaining to Commercial Tax Department	83.32	65.13	148.45	155.98	7.53
3	8	Land Revenue and District Administration	213.50	14.00	227.50	230.40	2.90
4	12	Expenditure pertaining to Energy Department	139.88	25.66	165.54	180.73	15.19
5	23	Water Resources Department	193.23	32.77	226.00	231.89	5.89
6	25	Expenditure Pertaining to Mineral Resources Department	102.66	1.88	104.54	139.49	34.95
7	29	Administration of Justice and Elections	74.40	30.48	104.88	108.03	3.15
8	30	Expenditure Pertaining to Panchayat and Rural Development Department	422.90	113.69	536.59	547.96	11.37
9	49	Scheduled Caste Welfare	32.70	2.09	34.79	35.90	1.11
10	58	Expenditure on Relief on account of Natural Calamities and Scarcity	77.97	110.32	188.29	203.77	15.48
11	82	Financial Assistance to Three Tier Panchayati Raj Institutions under Tribal Area Sub- Plan	501.72	0.08	501.80	514.95	13.15
		<b>Total -A</b>	<b>3,515.95</b>	<b>403.84</b>	<b>3,919.79</b>	<b>4,192.76</b>	<b>272.97</b>

1	2	3	4	5	6	7	8
<b>B</b>	<b>Revenue Charged</b>						
12		Interest Payments and Servicing of Debt	1,296.36	0.00	1,296.36	1,298.38	2.02
	<b>Total -B</b>		<b>1,296.36</b>	<b>0.00</b>	<b>1,296.36</b>	<b>1,298.38</b>	<b>2.02</b>
<b>C</b>	<b>Capital Voted</b>						
13	6	Expenditure pertaining to Finance Department	0.21	0.00	0.21	2.34	2.13
14	23	Water Resources Department	287.00	20.00	307.00	316.85	9.85
15	57	Externally Aided Projects pertaining to Water Resources Department	50.12	0.00	50.12	52.93	2.81
	<b>Total - C</b>		<b>337.33</b>	<b>20.00</b>	<b>357.33</b>	<b>372.12</b>	<b>14.79</b>
	<b>Total - (A+B+C)</b>		<b>5,149.64</b>	<b>423.84</b>	<b>5,573.48</b>	<b>5,863.26</b>	<b>289.78</b>

**Appendix-2.5**

(Referred to in paragraph 2.3.6; Page 41)

**Excessive/Unnecessary/Insufficient re-appropriation of funds**

(Where excess/savings were more than ₹ 20 crore)

(₹ in lakh)

Sl. No.	Grant no. and description	Head of account	Original plus Supplementary Provision	Reappropriation	Final excess(+)/savings (-)
1	2	3	4	5	6
1	3-Police	2055-104-4492-Normal expenditure(Special Police)-	32,712.50	-81.00	2,573.38
2		2055-109-4491-General expenditure-(District Establishment)	56,555.20	-454.00	4,627.47
3	23-Water Resources Department	4700-01-800-0101-State plan Schemes (Normal)-2898-Dam and Appurtenant works-	3,300.00	-488.64	4,417.94
4		4700-09-800-0101- State plan Schemes (Normal)-2898-Dam and Appurtenant works-	8,050.00	344.97	-4,583.31
5	25-Expenditure Pertaining To Mineral Resources Department	2853-02-797-5390-Transfer in Mineral Funds-	8,788.84	-133.35	3,500.00
6	33-Tribal Welfare	2225-02-277-2772-Primary Schools-	35,171.50	-2,469.79	-5,918.19
7	41-Tribal Areas Sub-Plan	2236-02-796-101-0702-Centrally Sponsored Scheme T.S.P.-414-Special Nutrition Programme in Tribal Areas	16,416.00	-91.20	-7,750.18
8	55-Expenditure Pertaining to Women and Child Welfare	2236-02-101-0701- Centrally Sponsored Scheme Normal - 9050-Minimum Needs Programme Special Nutrition Scheme-	21,600.00	-120.00	-6,964.60
9	58-Expenditure on Relief on account of Natural Calamities and Scarcity	2245-05-101-475-Transfer to Reserve fund and Deposit Account Natural Calamities unspent Margin Money Famine Relief-	12,500.00	-12,445.00	7,907.93
10		2245-05-101-7427-State Calamity Sinking Fund	2,632.00	4,934.00	-7,566.00
11	64-Special Component Plan for Scheduled Castes	2236-02-789-101-0703-Centrally Sponsored Schemes S.C.P.-2179-Special Nutrition Programme For Scheduled Castes-	5,084.00	-28.80	-2,289.72
12	80-Financial Assistance to Three Tier Panchayati Raj Institution	2515-101-8214-Secretariat Arrangement-	4,333.00	-29.75	5,216.80
13		2515-101-7416-Grants Received under Recommendation of Thirteenth Finance Commission	4,944.00	3,677.00	-6,456.20



**Appendix-2.6**

(Referred to in paragraph :2.3.7; Page 42)

**Results of review of substantial surrenders/re-appropriations made during the year**

(₹ in lakh)

Sl. No	Name and title of Grant	Name of the Scheme	Total Provisions	Surrender	Percentage of Surrender
1	2	3	4	5	6
1	1-General Administration	2070-003-1201-Externally Aided Projects (Normal)-6725- Grant assistance under European Commission State Partnership Programme	100.00	97.20	97.20
2	3-Police	2055-113-7244-Insurance Option grant	1,200.00	1,000.00	83.33
3	7-Expenditure pertaining to Commercial Tax Department	2030-02-797-6002- Transfer of Additional Stamp Duty levied under Madhya Pradesh Panchayat Adhiniyam Panchayat Land Revenue	2033.00	2033.00	100.00
4		2040-001-6810-Commercial Tax Authority	65.65	55.55	84.61
5		2040-001-7419-Mission Mode Project	579.00	479.00	82.72
6	8-Land Revenue and District Administration	2029-102-0701-Centrally Sponsored Schemes Normal-4729-Schemes for Aerial Survey	13,00.00	13,00.00	100.00
7		2029-103-0801-Central Sector Scheme Normal-5917-Expansion of Land Records Computerization Scheme	269.00	235.59	87.57
8		2029-103-0801-Central Sector Scheme Normal-908-Agricultural Census-	57.93	35.18	60.72
9		2029-103-0701-Centrally Sponsored Scheme Normal-6337-Update of Land Records-	31,55.00	28,37.45	89.93
10		2029-797-6753-Transfer to Environment Fund-	36,00.00	36,00.00	100.00
11		2029-797-6754-Transfer to Infrastructure	36,00.00	36,00.00	100.00
12	9-Expenditure pertaining to Revenue Department	2058-102-5659-Government Press, Raipur	217.75	119.30	54.78
13		2058-104-301-Printing Work at Private Press	50.00	30.10	60.20
14		4058-103-3427-Machinery and Equipment Purchase of Printing Machine	64.50	36.52	56.62
15	13-Agriculture	2401-113-903-Establishment of the Directorate of Agricultural Engineering	79.87	47.57	59.55
16		2401-119-0701-Centrally Sponsored Schemes Normal-2794-Grant for Sprinkler Irrigation-	945.00	687.94	72.79
17	17-Co-operation	6425-17-0101-State Plan Schemes (Normal)-3242-Purchase of Debentures Floated by the State Co-operative Agricultural Rural Development Bank-	100.00	96.81	96.80
18		6425-107-0101-State Plan Schemes (Normal)-6568-Loan to State Co-operative Bank for Strengthening of Agriculture Credit Stabilisation Fund	500.00	500.00	100.00

1	2	3	4	5	6
19	18-Labour	2210-01-102-0101-State Plan Schemes (Normal)-791-Employees State Insurance Department	139.60	103.39	73.99
20		2230-01-103-4270-Establishment of Labour Welfare Fund-	45.00	45.00	100.00
21		4250-201-0701-Centrally Sponsored Schemes-Normal-8352-Construction of Houses for Bidi Labours in State	343.00	288.12	84.00
22	19-Public Health and Family Welfare	2210-01-110-0101-State Plan Schemes (Normal)-7327-Mental Hospital-	227.80	227.80	100.00
23		2210-03-103-0101-State Plan Schemes (Normal)-5534-Grant for Health Mitadin Project-	40.00	40.00	100.00
24		2210-03-103-0101-State Plan Schemes (Normal)-5687-Secured Maternity Central Scheme-	60.00	60.00	100.00
25		2210-03-103-0101-State Plan Schemes (Normal)-6730-Health Panchayat Schemes-	81.10	81.10	100.00
26		2210-06-101-0701-Centrally Sponsored Schemes Normal-5026-Grant in aid for formation of Chhattisgarh State Illness Assistance Fund-	500.00	500.00	100.0
27		2210-06-101-0101-State Plan Schemes (Normal)-4244-Malaria-	90.70	49.06	54.09
28		2211-80-800-0101-State Plan Schemes (Normal)-7397-Chhattisgarh Emergency Medical Response Police Force Services Schemes	160.00	160.00	100.00
29		2211-105-0101-State Plan Schemes(Normal)-4601-Sterlization-	130.00	79.07	60.82
30		2211-200-0801-Central Sector Schemes Normal-2703-Direct Expenses	105.00	105.00	100.00
31		2210-01-001-2283-Direction and Administration-(Rajiv Gandhi Mission)-(Basic Services)	8.00	5.01	62.62
32		2210-01-110-0101-State Plan Schemes (Normal)-1473-District Hospital-	3.00	3.00	100.00
33		4210-01-110-0101-State Plan Schemes (Normal)-1473-District Hospital	240.00	240.00	100.00
34		4210-02-101-0101-State Plan Schemes (Normal)-617-Construction of Sub Health Central Building	320.00	320.00	100.00
35	4210-02-104-0101-State Plan Schemes (Normal)-5998-Community Health Centre	220.00	220.00	100.00	
36	4210-60-190-0101-State Plan Schemes (Normal)-7398-Medical Service Corporation	500.00	400.00	80.00	

1	2	3	4	5	6
37	21-Expenditure pertaining to Housing and Environment Department	2215-02-106-0101-State Plan Schemes (Normal)-8049-Grant to Environmental Planning and Co-ordination Organisation for Pollution Control Board	50.00	50.00	100.00
38		2217-05-001-0701-Centrally Sponsored Schemes Normal-6752-Extension of Urban Facilities in Rural Areas	100.00	100.00	100.00
39		2217-05-800-0101-State Plan Schemes (Normal)-7411-Grant to Development Authorities	50.00	50.00	100.00
40		4216-02-190-0101-State Plan Schemes (Normal)-7298-Housing Scheme for Naxal Affected Families	200.00	194.00	97.00
41		4217-01-051-1201-Externally Aided Projects (Normal)-7334-G.E.F Assisted SUTP Scheme	30,00.00	28,91.32	96.37
42		4217-01-051-0701-Centrally Sponsored Scheme(Normal)-7417-State Information Commission building	500.00	500.00	100.00
43		4217-01-051-0101-State Plan Schemes(Normal)-3177-Capital Project	3,33,57.00	1,82,35.79	54.66
44		23-Water Resources Department	4700-02-799-0101-State Plan Schemes (Normal)-541-Suspense	20.00	10.22
45	4700-06-800-0101-State Plan Schemes (Normal)-5685-Dam Safety and Strengthening		500.00	500.00	100.00
46	4700-08-800-0101-State Plan Schemes (Normal)-2884-Central and Appurtenant Work		10,00.00	5,09.88	50.90
47	4701-38-800-0101-State Plan Schemes (Normal)-2898-Dam and Appurtenant Work		19,00.00	10,75.00	56.61
48	24-Public Works-Roads and Bridges	5054-03-337-0101-State Plan Schemes(Normal)-4336-Construction of State	60,00.00	42,00.00	70.00
49	29-Administration of Justice and Elections	2014-105-0701-Centrally Sponsored Schemes Normal-7256-Computerisation of Courts	100.00	100.00	100.00
50		2014-114-3572-Mofussil Establishment	470.00	247.00	52.62
51		2014-800-2918-Grant-in-aid to Bar Association Libraries-	100.00	87.00	87.00
52		2235-60-200-3255-Legal Aid and Grant to Legal Advice Board	275.00	150.41	54.69
53	30-Expenditure pertaining to Panchayat and Rural Development Department	2235-60-101-0101-State Plan Schemes (Normal)-7291-Common Men Insurance Schemes	500.00	500.00	100.00
54		2501-05-101-0701-Centrally sponsored Scheme Normal-5077-Integrated Barren Land Development Programme	258.50	186.24	72.04
55		4515-102-0101-State Plan Schemes (Normal)-4871-Bridge Construction on Road, Pradhan Mantri Gram Sadak Yojana	300.00	300.00	100.00

1	2	3	4	5	6
56	33-Tribal welfare	2225-02-277-0801-Central Sector Scheme Normal-5325-Professional Training Education	300.00	300.00	100.00
57		2225-02-800-0701-Centrally Sponsored Schemes Normal-334-Tribal Research	130.30	83.19	63.84
58	34-Social Welfare	2235-02-001-0101-State Plan Schemes (Normal)-6969-Upgradation subsidy Scheme	15.00	15.00	100.00
59		2235-02-001-0101-State Plan Scheme(Normal)-6983-Rehabilitation and treatment for mentally disabled persons	29.92	15.84	52.94
60		2235-02-101-0101-State Plan Schemes(Normal)-5650-District disabled Rehabilitation Centre	64.45	36.71	56.95
61		2235-02-106-0101-State Plan Schemes (Normal)-3339-Institutions under Chhattisgarh Kishor Nyay Adhinyam	51.55	26.67	51.73
62		4235-02-101-0101-State Plan Schemes (Normal)-79-Schools and Institutions for Blind, Deaf and Dumb	74.00	74.00	100.00
63		38-Grant-in-aid received from the Recommendation of Twelfth Finance Commission	4217-01-051-1301-Recommendation of Finance Commission (Normal)-5723-Grant-in-aid received under Twelfth Finance Commission	23.00	23.00
64	39-Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department	6408-01-101-0101-State Plan Schemes(Normal)-6914-Assistance For Food Storage to unreachable areas during rainy season	400.00	292.19	73.04
65		6708-02-190-0101-State Plan Schemes (Normal)-6840-Loans to Civil Supply Corporation for Revolving Fund	150.00	150.00	100.00
66	41-Tribal Areas Sub-Plan	2202-02-796-109-0102-Tribal Areas Sub-Plan-585-Reimbursement of Examination Fees to Board of Secondary Education	60.00	24.04	75.58
67		2210-03-796-103-0102-Tribal Areas Sub-Plan-5534-Grant for Health Mitanin Central Scheme	69.00	69.00	100.00
68		2210-03-793-103-0102-Tribal Areas Sub-Plan-5687-Secured Maternity Central Scheme	59.70	59.70	100.00
69		2210-05-0796-105-0102-Tribal Areas Sub-Plan-2502-Training for Nurses	50.00	50.00	100.00
70		2210-06-796-101-0102-Tribal Area Sub-Plan-1104-Goitre Disease Control	46.40	45.00	96.98
71		2217-80-796-191-1002-Additional Central Assistance(T.S.P)-6807-Integrated Housing and Slum Areas Development Scheme	95.00	95.00	100.00
72		2217-80-796-191-1002-Additional Central Assistance(T.S.P)-6808-Infrastruture Development Scheme of Minor and Medium populated Cities	54.00	54.00	100.00



1	2	3	4	5	6
73	41-Tribal Areas Sub-Plan	2225-02-796-800-0102-Tribal Areas Sub-Plan-7320-State Tribal Research Institution	99.00	99.00	100.00
74		2230-03-796-101-0702-Centrally Sponsored Schemes-T.S.P.-5176-Establishment of Mini I.T.I	429.50	427.86	99.61
75		2230-03-796-101-0102-Tribal Areas Sub-Plan-6901-Incentive to carry Attenders of Janjagran Abhiyan	69.00	69.00	100.00
76		2401-796-119-0702-Centrally Sponsored Schemes-2794-Grant for Sprinkler Irrigation	718.20	697.69	97.14
77		2501-05-796-101-0702-Centrally Sponsored Schemes-T.S.P.-5077-Integrated Barren Land Development Programme	196.46	169.24	86.14
78		2702-02-796-016-0102-Tribal Areas Sub-Plan-5478-Indira Khet Ganga Yojana of Water Shed Area	300.00	176.18.	58.72
79		2810-60-796-800-0410-Energy Development Fund-5695-Chhattisgarh Bio-fuel Development Authority	100.00	100.0	100.00
80		2851-796-104-0102-Tribal Area Sub-Plan-8109-Bastar Handicraft Development Project	48.66	48.66	100.00
81		4210-01-796-110-0102-Tribal Areas Sub-Plan-1473-District Hospital	110.00	110.00	100.00
82		4210-02-796-101-0102-Tribal Area Sub-Plan-617-Construction of Sub Health Centre Building-	920.00	920.00	100.00
83		4701-25-796-800-0102-Tribal Area Sub-Plan-3366-Construction Work of Medium Projects	72.00	72.00	100.00
84		4702-796-800-0102-Tribal Areas Sub-Plan-7405-Maintainance/Renewal/Regeneration	2000.00	1999.85	99.99
85		5054-04-796-337-0102-Tribal Area Sub-Plan-4855-Pradhan Mantri Gram Sadak Yojana	500.00	500.00	100.00
86		6212-01-796-101-0102-Tribal Area Sub-Plan-2182-New Urban Water Supply Schemes	100.00	100.00	100.00
87		6408-02-796-190-0102-Tribal Area Sub-Plan-6840-Loans to Civil Supply Corporation for Revolving Fund	19000.00	19000.00	100.00
88		43-Sports and Youth Welfare	2204-104-0101-State Plan Schemes(Normal)-7396-Youth Academy	50.00	44.25
89	2204-800-0101-State Plan Schemes(Normal)-7342-Grant to Indian Olympic Committee-Other National Sports Committee		540.00	495.00	91.67
90	44-Higher Education	2202-03-104-0101-State Plan Schemes(Normal)-5715-Coaching Institution for Competitive Examination-	50.00	26.00	52.00

1	2	3	4	5	6
91	45-Minor Irrigation Works	4702-101-0101-State Plan Schemes(Normal)-7405-Repairs/ Renovation	1400.00	1400.00	100.00
92	46-Science and Technology	3425-60-200-0101-State Plan Schemes(Normal)-5433-Aid for Science and Technology Council	400.00	261.50	65.37
93		3425-60-200-0101-State Plan Schemes (Normal)-6736-Establishment of Central Laboratory	200.00	147.08	73.54
94	47-Technical Education and Man-Power Planning Department	2230-03-003-0101-State Plan Schemes (Normal)-717-Industrial Training Institutes	828.00	680.91	82.23
95		2230-03-101-0101-State Plan Schemes (Normal)-6903-Vishwakarma Yojana	100.00	84.30	84.30
96		4202-02-103-0701-Centrally Sponsored Schemes Normal-717-Industrial Training Institutions-	1100.00	748.94	68.08
97		4202-02-103-0701-Centrally Sponsored Schemes Normal-8355-Establishment of Mini I.T.I.	300.00	296.95	98.98
98		4202-02-103-0101-Centrally Sponsored Schemes Normal-717-Industrial Training Institutions-	1212.00	976.13	80.53
99		4202-02-103-0101-Centrally Sponsored-8355-Establishment of Mini I.T.I	148.00	100.01	67.57
100	48-Grant-in-aid received from the Recommendation of Thirteenth Finance Commission	2014-102-7416-Grant received under Recommendation of 13 <sup>th</sup> Finance Commission	583.20	583.20	100.00
101		2014-103-7416-Grant received under Recommendation of 13 <sup>th</sup> Finance Commission	1091.20	1091.20	100.00
102		2014-105-7416-Grant received under Recommendation of 13 <sup>th</sup> Finance Commission-	196.40	196.40	100.00
103		2014-116-7416-Grant received under Recommendation of 13 <sup>th</sup> Finance Commission-	565.80	565.80	100.00
104	53-Financial Assistance to Urban Bodies under Special Component Plan for Scheduled Castes	2217-05-789-0103-Special Component Plan for Schedule Castes-7329-Special Occasion-	500.00	500.00	100.00
105		2235-60-789-102-1003-Additional Central Assistance (S.C.S.P)-7336-Indira Gandhi National Widow Pension	85.00	60.76	71.48
106		6217-60-789-800-0103-Special Component Plan for Scheduled Castes-7329-Special Occasion	1000.00	1000.00	100.00
107	55-Expenditure Pertaining to Women and Child Welfare	2235-02-102-0801-Central Sector Schemes Normal-5354-Integrated Service Schemes (under Externally Aided Project)	3260.50	3260.00	99.98
108		2235-02-102-0801-Central Sector Schemes Normal-7543-Communication Strategy	640.00	640.00	100.00

1	2	3	4	5	6
109	56-Rural Industries	2851-103-0801-Central Sector Schemes Normal-6936-10%discount scheme in sale of Handlooms	150.00	118.83	79.22
110		2851-103-0801-Central Sector Schemes Normal-8109-Bastar Handicraft Development Project	73.66	73.66	100.00
111		2851-103-0701-Centrally Sponsored Schemes Normal-6934-Integrated Handloom Development Schemes	180.00	161.49	89.71
112		2851-103-0101-State Plan Schemes(Normal)-6769-Establishment of Indian Handloom Technology Institute	74.90	40.82	54.49
113		2851-104-0101-State Plan (Normal)-7399-Establishment of general facilities centre in Janjgir, Champa	100.00	100.00	100.00
114		2851-104-0101-State Plan Schemes (Normal)-7400-Establishment of general facilities centre in Chui Khadan	100.00	100.00	100.00
115		4851-103-0101-State Plan Schemes (Normal)-6769-Establishment of Indian Handloom Technology Institute	100.00	100.00	100.00
116		58-Expenditure on Relief on account of Natural Calamities and Scarcity	2245-01-103-7345-Nutrition	250.00	250.00
117	2245-01-104-7346-Supply of Fodder		100.00	100.00	100.00
118	2245-01-105-5492-Provision for Vaccination of Animals		300.00	300.00	100.00
119	2245-01-282-7347-Public Health		500.00	500.00	100.00
120	2245-02-104-7346-Supply of Fodder		100.00	100.00	100.00
121	2245-02-107-7349-Repairs		400.00	255.00	63.75
122	2245-02-109-7349-Repairs		100.00	100.00	100.00
123	2245-02-110-2018-Cash Doles		400.00	352.44	88.11
124	2245-02-111-7352-Grant-in-Aid to Griefful Family		2000.00	1003.15	50.15
125	2245-02-112-5607-Flood Control		900.00	900.00	100.00
126	2245-02-112-7357-Assistance to Flood Grant etc		100.00	66.15	66.15
127	2245-02-114-7357-Assistance to Flood Grant etc.		100.00	74.55	74.55
128	2245-02-117-7357- Assistance to Flood Grant etc.		200.00	150.96	75.48
129	2245-02-282-7347-Public Health		100.00	100.00	100.00
130	2245-05-101-475-Transfer to Reserve Fund and Deposit Accountant Natural Calamities unspent Margin Money Famine Relief		125.00	124.45	99.56
131	2245-05-101-4849-Transfer from Natural Calamities contingency Fund to Calamity Relief Fund		3000.00	3000.00	100.00
132	2245-05-101-7408-Efficiency Development under State Calamity Management	400.00	400.00	100.00	

1	2	3	4	5	6
133	59-Externally Aided Projects Pertaining to Panchayat and Rural Development Department	2515-102-1203-Externally aided Projects (S.C.P)-5442-District Poverty Eradication Project	25.00	25.00	100.00
134		2515-102-1202-Externally aided Projects(TSP)-5442-District Poverty Eradication Project	75.00	75.00	100.00
135		2515-102-1201-Externally aided Projects (Normal)-5442-District Poverty Eradication Project	170.00	170.00	100.00
136	64-Special Component Plan For Scheduled Castes	2202-02-789-109-0803-Central Sector Schemes S.C.P. -2676-Post Metric Scholarship	230.00	230.00	100.00
137		2210-03-789-103-0103-Special Component Plan For Scheduled Castes-9812-Establishment of Sub Health Centre-	79.70	51.70	64.86
138		2225-01-789-800-0603-Schemes Financed out of Special Central Assistance from Government of India for Special Component Plan-5014-United Fund for Regional Development.	100.00	100.00	100.00
139		2225-01-789-800-0103-Special Component Plan for Scheduled Castes-4719-Scheme for Assistance to Scheduled Caste	60.00	40.93	62.21
140		2230-03-789-003-0103-Special Component Plan for Scheduled Castes-717-Industrial Training Institute-	103.00	62.68	60.38
141		2501-05-101-0703-Centrally Sponsored Schemes S.C.P.-5077-Integrated Barren Land Development Programme	62.04	44.09	71.06
142		2702-02-789-016-0103-Special Component Plan For Scheduled Castes-5479-Grant for Bore Well Establishment	200.00	102.35	51.17
143		2810-60-789-800-0410-Energy Development Fund-5695-Chhattisgarh Biofuel Development Authority-	100.00	100.00	100.00
144		4210-02-789-101-0103-Special component Plan for Scheduled Castes-617-Development Sub Health Centre Building	860.00	560.00	65.11
145		4225-01-789-800-0603-Schemes Financed out of Special Central Assistance from Government of India for Special component Plan-5014-United Fund for Regional Development	125.00	125.00	100.00
146	6408-02-789-190-0103- Special Component Plan for Scheduled Castes-6840 loans to civil supply for revolving fund	100.00	100.00	100.00	
147	66-Welfare Of Backward Classes	4225-03-800-0101-State Plan Schemes (Normal)-5096-Capital Share to Finance and Development Corporation for National Backward Classes	37.00	37.00	100.00
148		4225-03-800-0101-State Plan Schemes (Normal)-7228-Share capital to National Minority Finance and Development Corporation	50.00	50.00	100.00



1	2	3	4	5	6
149	67-Public Works-Buildings	4216-01-106-0101-State Plan Schemes (Normal)-2631-Police Administration	1000.00	550.00	55.00
150	68-Public Works relating to Tribal Area Sub-Plan-Buildings	4210-03-796-105-0102-Tribal Area Sub-Plan-2216-Integration of Public Health by Basic Nursing Course	200.00	111.00	55.05
151	69-Urban Administration and Development Department-Urban Welfare	2217-80-191-1001-Additional Central Assistance (General)-6807-Integrated Housing and Slum Area Development Scheme-	5672.00	4879.24	86.02
152		2217-80-191-1001-Additional Central Assistance (General)-6808-Infrastructure Development Schemes of Minor and Medium	7400.00	7400.00	100.00
153	71-Information Technology and Bio-Technology	3275-800-1001-Additional Central Assistance (General)-7276-Establishment of Data Centre-	817.00	686.00	83.96
154		3275-800-1001-Additional Central Assistance (General)	1186.00	1002.08	84.49
155		3275-800-1001- Additional Central Assistance (General)-7278-Capacity Building Programme in State	182.30	182.30	100.00
156		3275-800-0101-State Plan Schemes(Normal)-6819-Choice Project	800.00	800.00	100.00
157		3275-800-0101-State Plan Schemes (Normal)-6894-Establishment of Digital Government	800.00	800.00	100.00
158		3275-800-0101-State Plan Schemes (Normal)-6895-Jan Suraj Pariyojana	100.00	100.00	100.00
159	80-Financial Assistance To Three Tier Panchayati Raj Institution	2515-101-5703-Grant to the Panchayati Raj according to Twelfth Finance Commission-Basic Facilities	123.00	123.00	100.00
160	81-Financial Assistance To Urban Bodies	2217-05-192-Assistance to other Non-Government Institutions-7416-Grant received under recommendation of Thirteenth Finance Commission	200.00	100.00	50.00
161		2217-05-193-Assistance to Local Bodies and Non-Government bodies/Institutions-7416-Grant received under recommendation of Thirteenth Finance Commission	106.00	54.00	50.94
162		2217-80-004-7409-Efficiency Training of elected candidates of Urban Bodies	100.00	70.00	70.00
163	83-Financial Assistance To Urban Bodies under Tribal Area Sub-Plan	2235-60-796-102-1002-Additional Central Assistance (TSP)-7336-Indira Gandhi National Widow Pension	330.00	256.86	77.83
164		2235-60-796-102-1002-Additional Central Assistance (TSP)-7340-Indira Gandhi National Handicapped Pension	40.00	25.44	63.60
		<b>Total</b>	<b>1,41,683.14</b>	<b>1,16,151.22</b>	<b>81.98</b>

**Appendix-2.7**

(Referred to in paragraph 2.3.8; Page 42)

**Surrenders in excess of actual savings**

(Cases where amount surrendered in excess of savings was ₹ 50 lakh or more)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total provisions	Savings	Surrender	Amount surrendered in excess
1	2	3	4	5	6	7
		<b>A – Revenue Voted</b>				
1	2	Other expenditure pertaining to General Administration Department	10.41	2.21	2.73	0.52
2	7	Expenditure pertaining to Commercial Tax Department	196.24	40.26	47.80	7.54
3	8	Land Revenue and District Administration	356.39	125.99	128.88	2.89
4	23	Water Resources Department	246.94	15.05	20.94	5.89
5	29	Administration of Justice and Elections	132.19	24.16	27.31	3.15
6	30	Expenditure pertaining to Panchayat and Rural Development Department	568.44	20.48	31.86	11.38
7	45	Minor Irrigation Works	39.39	1.56	2.41	0.85
8	56	Rural Industries	54.88	7.64	8.29	0.65
9	58	Expenditure on Relief on account of Natural Calamities and Scarcity	419.86	216.08	231.56	15.48
10	82	Financial Assistance to Three Tier Panchayati Raj Institution under Tribal Area Sub-Plan	533.31	18.36	31.50	13.14
<b>Total – A</b>			<b>2,558.05</b>	<b>471.79</b>	<b>533.28</b>	<b>61.49</b>
		<b>B – Capital Voted</b>				
11	23	Water Resources Department	334.05	17.20	27.04	9.84
12	39	Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department	372.75	152.26	152.92	0.66
13	57	Externally Aided Projects pertaining to Water Resources Department	62.21	9.27	12.08	2.81
<b>Total – B</b>			<b>769.01</b>	<b>178.73</b>	<b>192.04</b>	<b>13.31</b>
		<b>C – Revenue Charged</b>				
14	.	Interest Payments and Servicing of Debt	1308.05	9.67	11.69	2.02
<b>Total – C</b>			<b>1,308.05</b>	<b>9.67</b>	<b>11.69</b>	<b>2.02</b>
<b>Grand Total - (A+B)</b>			<b>4,635.11</b>	<b>660.19</b>	<b>737.01</b>	<b>76.82</b>

## Appendix-2.8

(Referred to in paragraph 2.3.9; Page 42)

## Statement of various grants/appropriations in which savings (more than ₹ One crore) occurred but no part of which had been surrendered

(₹ in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Savings
1	2	3	4
<b>A - Revenue Voted</b>			
1	3	Police	2.75
2	10	Forest	34.00
3	14	Expenditure pertaining to Animal Husbandry	23.99
4	17	Co-operation	1.45
5	20	Public Health Engineering	18.11
6	24	Public Works-Roads and Bridges	109.41
6	26	Expenditure pertaining to Culture Department	2.80
7	27	School Education	531.80
8	31	Expenditure pertaining to Planning, Economics and Statistics Department	4.05
9	36	Transport	5.76
10	38	Grant-in-aid received from the recommendation of Twelfth Finance Commission	12.60
11	44	Higher Education	34.35
12	51	Religious Trusts and Endowments	1.75
13	67	Public Works-Buildings	23.32
14	79	Expenditure pertaining to Medical Education Department	48.81
<b>Total-A</b>			<b>854.95</b>
<b>B - Revenue Charged</b>			
15	10	Forest	6.71
16	12	Expenditure pertaining to Energy Department	66.64
17	24	Public Works-Roads and Bridges	2.35
<b>Total-B</b>			<b>75.70</b>
<b>C - Capital Voted</b>			
18	3	Police	5.05
19	10	Forest	9.10
20	11	Expenditure pertaining to Commerce and Industry Department	19.53
21	20	Public Health Engineering	11.20
22	24	Public Works-Roads and Bridges	40.93
23	27	School Education	7.98
24	37	Tourism	4.43
26	42	Public Works relating to Tribal Area Sub-Plan Roads and Bridges	115.70
27	55	Expenditure pertaining to Women and Child Welfare	3.07
28	60	Expenditure pertaining to District Plan Schemes	2.25
29	67	Public Works-Buildings	57.55
30	68	Public Works relating to Tribal Area Sub-Plan-Buildings	38.92
31	79	Expenditure pertaining to Medical Education Department	23.48
<b>Total - C</b>			<b>339.19</b>
<b>Grand Total - (A+B+C)</b>			<b>1,269.84</b>

**Appendix-2.9**

(Referred to in paragraph :2.3.9; Page 42 )

**Details of savings of ₹ one crore and above that remained to be surrendered**

(₹ in crore)

Sl. No.	Grant No.	Name of Grants/Appropriation	Savings	Surrender	Savings not surrendered
1	2	3	4	5	6
		<b>A - Revenue Voted</b>			
1	4	Other expenditure pertaining to Home Department	16.99	0.18	16.81
2	11	Expenditure pertaining to Commerce and Industries Department	2.77	0.19	2.58
3	13	Agriculture	112.31	75.97	36.34
4	15	Financial Assistance to Three Tier Panchayati Raj Institutions under Special component Plan for Scheduled Castes	4.47	1.82	2.65
5	19	Public Health and Family Welfare	71.00	61.13	9.87
6	28	State Legislature	5.65	0.03	5.62
7	33	Tribal Welfare	110.50	51.00	59.50
8	39	Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department	53.65	45.97	7.68
9	41	Tribal Areas Sub-Plan	488.48	193.11	295.37
10	43	Sports and Youth Welfare	13.43	4.55	8.88
11	47	Technical Education and Man-Power	35.52	14.20	21.32
12	48	Grant-in-aid received from the recommendation of Thirteenth finance Commission	48.55	26.87	21.68
13	53	Financial Assistance to Urban Bodies under Special Component Plan for Scheduled Castes	8.37	6.48	1.89
14	55	Expenditure pertaining to Women and Child Welfare	204.61	39.00	165.61
15	64	Special Component Plan for Scheduled Castes	192.49	75.24	117.25
16	66	Welfare of Backward Classes	2.70	1.16	1.54
17	80	Financial Assistance to Three Tier Panchayati Raj Institutions	181.05	116.90	64.15
18	81	Financial Assistance to Urban Bodies	78.34	28.35	49.99
19	83	Financial Assistance to Urban Bodies under Tribal Area Sub-Plan	4.32	3.05	1.27
		<b>Total - A</b>	<b>1,635.20</b>	<b>745.20</b>	<b>890.00</b>
		<b>B - Capital Voted</b>			
20	38	Grant-in-aid received from the recommendation of Twelfth Finance Commission	22.68	20.50	2.18
21	41	Tribal Areas Sub-Plan	372.83	339.61	33.22
22	45	Minor Irrigation Works	202.53	201.25	1.28
23	47	Technical Education and Man-Power Planning Department	32.69	21.23	11.46
24	64	Special Component Plan for Scheduled Castes	474.09	437.16	36.93
		<b>Total - B</b>	<b>1,104.82</b>	<b>1,019.75</b>	<b>85.07</b>
		<b>Grand Total : (A+B)</b>	<b>2,740.02</b>	<b>1,764.95</b>	<b>975.07</b>



**Appendix-2.10**

(Referred to in paragraph :2.3.9; Page 42)

**Cases of surrender of funds in excess of ₹ 10 crore on 31 March 2011**

(₹ in crore)

Sl. No.	Grant No.	Name of Grants/Appropriation	Surrender	Percentage of total provision
1	2	3	4	5
		<b>A - Revenue Voted</b>		
1	1	General Administration	15.27	17.49
2	6	Expenditure pertaining to Finance Department	10.13	0.60
3	7	Expenditure pertaining to Commercial Tax	47.80	24.36
4	8	Land Revenue and District Administration	128.88	36.16
5	13	Agriculture	75.97	13.44
6	19	Public Health and Family Welfare	61.13	12.41
7	23	Water Resources Department	20.94	8.48
8	29	Administration of Justice and Elections	27.31	20.66
9	30	Expenditure pertaining to Panchayat and Rural Development Department	31.86	5.60
10	33	Tribal Welfare	51.00	5.77
11	39	Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department	45.97	3.92
12	41	Tribal Areas Sub-Plan	193.11	6.78
13	47	Technical Education and Man-Power	14.20	11.38
14	48	Grant-in-aid received from the recommendation of Thirteenth Finance Commission	26.87	11.18
15	55	Expenditure pertaining to Women and Child Welfare	39.00	6.90
16	58	Expenditure on Relief on account of Natural Calamities and Scarcity	231.56	55.15
17	64	Special Component Plan for Scheduled Castes	75.24	7.64
18	69	Urban Administration and Development –Urban Welfare	201.32	66.44
19	71	Information Technology and Bio-Technology	35.76	87.52
20	80	Financial Assistance to Three Tier Panchayati Raj Institutions	116.90	8.74
21	81	Financial Assistance to Urban Bodies	28.35	3.11
22	82	Financial Assistance to Three Tier Panchayati Raj Institutions under Tribal Area Sub-Plan	31.50	5.91
		<b>Total – A</b>	<b>1,510.07</b>	<b>--</b>
		<b>B- Revenue Charged</b>		
23	.	Interest Payments and Servicing Of Debt	11.69	0.89
		<b>Total – B</b>	<b>11.69</b>	<b>0.89</b>
		<b>C - Capital Voted</b>		
24	19	Public Health and Family Welfare	11.80	57.42
25	21	Expenditure pertaining to Housing and Environment Department	218.27	58.89
26	23	Water Resources Department	27.04	8.09
27	38	Grant-in-aid received from the recommendation of Twelfth Finance commission	20.50	67.88
28	39	Expenditure pertaining to Food, Civil Supplies and Consumer Protection Department	152.92	41.03
29	41	Tribal Areas Sub-Plan	339.61	27.65
30	45	Minor Irrigation Works	201.25	47.60
31	47	Technical Education and Man-Power Planning Department	21.23	51.02

1	2	3	4	5
32	53	Financial Assistance to Urban Bodies under Special Component Plan for Scheduled Castes	10.00	100.00
33	57	Externally Aided Projects pertaining to Water Resources Department	12.08	19.43
34	64	Special Component Plan for Scheduled Castes	437.16	62.79
		<b>Total - C</b>	<b>1,451.86</b>	<b>--</b>
		<b>D - Capital charged</b>		
35		Public Debt	211.39	23.43
		<b>Total - D</b>	<b>211.39</b>	<b>--</b>
		<b>Grand Total-(A+B+C+D)</b>	<b>3,185.01</b>	<b>--</b>

**Appendix-2.11**  
(Referred to in paragraph 2.3.11; Page 43)  
**Rush of expenditure**

(₹ in crore)

Sl. No.	Major Head	Total expenditure during the Year	Expenditure incurred during January-March 2011	Expenditure incurred in March 2011	Percentage of total expenditure incurred during	
					January-March 2011	March 2011
1	2	3	4	5	6	7
1	2810	15.70	35.78	22.04	227.90	140.38
2	4425	11.46	11.50	11.53	100.35	100.61
3	4235	19.15	19.15	19.15	100.00	100.00
4	5452	18.74	18.74	9.54	100.00	50.91
5	4851	33.60	33.59	33.46	99.97	99.58
6	2801	282.19	281.39	281.39	99.72	99.72
7	6425	21.02	20.88	11.77	99.33	56.00
8	3452	32.35	30.35	8.26	93.82	25.53
9	2853	202.44	189.15	187.01	93.44	92.38
10	4515	170.98	155.86	144.47	91.16	84.50
11	6217	49.36	43.55	43.55	88.23	88.23
12	4406	22.76	19.69	11.63	86.51	51.10
13	2030	57.78	43.88	39.84	75.94	68.95
14	4225	217.28	154.68	120.00	71.19	55.23
15	4217	152.30	107.11	54.61	70.33	35.86
16	4705	38.93	26.69	9.10	68.56	23.38
17	3604	707.55	466.36	241.75	65.91	34.17
18	2415	42.58	26.97	19.22	63.34	45.14
19	2217	276.92	166.49	120.93	60.12	43.67
20	4202	303.17	177.97	145.36	58.70	47.95
21	3054	300.08	169.98	67.37	56.64	22.45
22	2501	38.33	21.50	15.41	56.09	40.20
23	2015	19.58	10.68	4.36	54.55	22.27
24	2405	43.06	22.72	10.91	52.76	25.34
25	2515	993.71	515.69	184.96	51.90	18.61
26	4216	24.83	12.75	4.05	51.35	16.31
27	2204	28.19	14.26	7.49	50.59	26.57
28	2408	785.94	397.21	394.80	50.54	50.23

**Appendix-2.12**

(Referred to in paragraph 2.4.6; Page 47)

**Details of amount transferred to Mineral Development Fund**

(₹ in crore)

Year	Mineral Revenue	To be transferred in Development fund	Amount and percentage of amount transferred in Development fund	Less amount transferred in Development fund
1	2	3	4	5=(3-4)
2002-03	552.36	27.62	10.00 (1.81)	17.62
2003-04	637.18	31.86	10.00 (1.57)	21.86
2004-05	694.62	34.73	10.00 (1.44)	24.73
2005-06	735.39	36.77	35.00 (4.76)	1.77
2006-07	829.48	41.47	36.10 (4.35)	5.37
2007-08	1023.91	51.20	51.00 (4.98)	0.20
2008-09	1233.59	61.68	58.52 (4.74)	3.16
2009-10	1648.47	82.42	86.55 (5.25)	-4.13
<b>Total</b>	<b>7355.00</b>	<b>367.75</b>	<b>297.17 (4.04)</b>	<b>70.58</b>



**Appendix-2.13***(Referred to in paragraph 2.4.7; Page 47)***Details of revenue collected on account of royalty***(₹ in crore)*

<b>Financial Year</b>	<b>Royalty on Main Minerals</b>	<b>Royalty on Minor Minerals</b>	<b>Miscellaneous</b>	<b>Total</b>
1	2	3	4	5
2000-01	425.30	4.66	Nil	429.96
2001-02	451.69	6.84	Nil	458.53
2002-03	536.81	15.55	Nil	552.36
2003-04	623.16	14.02	Nil	637.18
2004-05	674.57	20.05	Nil	694.62
2005-06	706.67	28.72	2.46	737.85
2006-07	783.94	45.54	2.87	832.35
2007-08	964.01	59.90	4.47	1028.38
2008-09	1154.01	79.58	3.71	1237.30
2009-10	1554.12	94.35	7.41	1655.88
2010-11	2354.31	101.97	5.18	2461.46
<b>Total</b>	<b>10228.59</b>	<b>471.18</b>	<b>26.1</b>	<b>10725.87</b>

**Appendix-2.14**

(Referred to in paragraph 2.4.8; Page 48)

**Details of pending Utilisation Certificates**

(₹ in crore)

<b>Financial Year</b>	<b>Minor Minerals revenue transferred to District Collectors</b>
<b>1</b>	<b>2</b>
2000-01	4.66
2001-02	6.84
2002-03	15.55
2003-04	14.02
2004-05	20.05
2005-06	28.72
2006-07	45.54
2007-08	59.90
2008-09	79.58
2009-10	94.35
2010-11	101.97
<b>Total</b>	<b>471.18</b>

**Appendix-3.1**  
(Referred to in paragraph 3.1; Page 51)  
**Utilisation Certificates outstanding as on 31 March 2011**

(₹ in lakh)

Sl No.	Department		Year of payment of grant	Total grants paid		Utilisation Certificates			
	Major Head	Name				Received		Outstanding	
				No.	Amount	No.	Amount	No.	Amount
1	2011	Parliament/State/ Union Territory Legislatures	2009-10	19	103.93	0	0	19	103.93
			2007-08	29	129.84	0	0	29	129.84
			2008-09	18	173.16	0	0	18	173.16
	<b>Total</b>		66	406.93	0	0	66	406.93	
2	2013	Council of Ministers	2009-10	303	1168.55	302	1168.22	1	0.33
			2007-08	322	1,699.97	317	1695.48	5	4.49
	<b>Total</b>		625	2,868.52	619	2863.7	6	4.82	
3	2014	Administration of Justice	2007-08	10	224.4	0	0	10	224.4
			2008-09	7	247.95	0	0	7	247.95
	<b>Total</b>		17	472.35	0	0	17	472.35	
4	2202	General Education	2007-08	1993	39,720.56	839	6647.42	1154	33073.13
			2008-09	3516	43,153.75	1415	5116.35	2101	38037.4
			2009-10	2561	54960.95	1003	7301.99	1558	47658.96
	<b>Total</b>		8070	137835.26	3257	19065.76	4813	118769.49	
5	2203	Technical Education	2007-08	6	169	5	160	1	9
	<b>Total</b>		6	169	5	160	1	9	
6	2204	Sports and Youth Services	2007-08	135	84.72	60	36.04	75	48.68
			2009-10	146	126.31	66	51.05	80	75.26
			2008-09	128	132.45	52	20.85	76	111.6
	<b>Total</b>		409	343.48	178	107.94	231	235.54	
7	2205	Art and Culture	2007-08	69	53.77	1	0.6	68	53.17
			2009-10	66	64.86	0	0	66	64.86
			2008-09	93	86.43	1	0.71	92	85.72
	<b>Total</b>		228	205.06	2	1.31	226	203.75	
8	2210	Medical and Public Health	2007-08	111	1,702.93	77	1685.37	34	17.56
			2009-10	134	9366.43	89	9187.87	45	178.56
			2008-09	117	4,427.29	75	4183.43	42	243.86
	<b>Total</b>		362	15,496.65	241	15056.67	121	439.98	
9	2215	Water Supply and Sanitation	2007-08	109	5,681.41	2	420	107	5261.41
			2009-10	131	6081.54	2	340	129	5741.54
	<b>Total</b>		240	11762.95	4	760	236	11002.95	
10	2216	Housing	2007-08	45	478.79	0	0	45	478.79
			2008-09	47	1,938.56	0	0	47	1,938.56
			2009-10	50	2357.53	5	97.83	45	2259.7
	<b>Total</b>		142	4774.88	5	97.83	137	4677.05	
11	2217	Urban Development	2008-09	107	22,562.21	106	21682.2	1	880.01
			2007-08	66	19,142.50	63	17784.04	3	1358.46
			2009-10	63	35465.65	61	32825.65	2	2640
	<b>Total</b>		236	77170.36	230	72291.89	6	4878.47	

Sl No.	Department		Year of payment of grant	Total grants paid		Utilisation Certificates			
	Major Head	Name				Received		Outstanding	
				No.	Amount	No.	Amount	No.	Amount
12	2220	Information and Publicity	2007-08	5	6.47	0	0	5	6.47
			2008-09	12	10.05	0	0	12	10.05
			2009-10	7	12.8	0	0	7	12.8
	<b>Total</b>			24	29.32	0	0	24	29.32
13	2225	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	2009-10	241	3492.08	59	364.04	182	3128.04
			2007-08	269	3,829.56	98	330.85	171	3498.71
			2008-09	228	4,466.95	31	157.6	197	4309.35
	<b>Total</b>			738	11,788.59	188	852.49	550	10936.1
14	2235	Social Security and Welfare	2007-08	455	3,557.49	48	788.21	407	2769.28
			2009-10	521	4808.51	10	49.31	511	4759.2
			2008-09	480	16,443.61	6	13.55	474	16430.06
	<b>Total</b>			1456	24,809.61	64	851.07	1392	23958.54
15	2245	Relief on account of Natural Calamities	2007-08	22	9.21	0	0	22	9.21
			2009-10	13	9.92	0	0	13	9.92
	<b>Total</b>			35	19.13	0	0	35	19.13
16	2250	Other Social Services	2007-08	1	5.25	0	0	1	5.25
			2009-10	4	264.75	0	0	4	264.75
	<b>Total</b>			5	270	0	0	5	270
17	2401	Crop Husbandry	2007-08	94	2,374.60	0	0	94	2,374.60
			2009-10	236	4644.08	6	786	230	3858.08
			2008-09	178	6,381.09	3	1025	175	5356.09
	<b>Total</b>			508	13,399.77	9	1811	499	11588.77
18	2403	Animal Husbandry	2008-09	165	1,679.14	86	675.18	79	1003.96
			2007-08	155	1,862.60	134	273.3	21	1,589.30
			2009-10	146	3781.64	34	66.08	112	3715.56
	<b>Total</b>			466	7323.38	254	1014.56	212	6308.82
19	2405	Fisheries	2007-08	172	179.74	0	0	172	179.74
			2009-10	126	241.27	0	0	126	241.27
			2008-09	167	310.94	0	0	167	310.94
	<b>Total</b>			465	731.95	0	0	465	731.95
20	2408	Food, Storage and Warehousing	2008-09	18	2,035.59	17	2032.59	1	3
	<b>Total</b>			18	2,035.59	17	2032.59	1	3
21	2415	Agricultural Research and Education	2007-08	8	1,861.25	7	1823.75	1	37.5
	<b>Total</b>			8	1,861.25	7	1823.75	1	37.5
22	2425	Co-operation	2008-09	5	34.96	4	32.46	1	2.5
	<b>Total</b>			5	34.96	4	32.46	1	2.5
23	2435	Other Agricultural Programmes	2007-08	4	1,137.80	0	0	4	1,137.80
	<b>Total</b>			4	1,137.80	0	0	4	1,137.80

Sl No.	Department		Year of payment of grant	Total grants paid		Utilisation Certificates			
	Major Head	Name		No.	Amount	Received		Outstanding	
						No.	Amount	No.	Amount
24	2501	Special Programmes for Development	2009-10	164	1246.23	86	928.44	78	317.79
			2007-08	122	1,228.50	68	742.71	54	485.79
			2008-09	164	1,663.94	82	1144.65	82	519.29
	<b>Total</b>			450	4,138.67	236	2815.8	214	1322.87
25	2505	Rural Employment	2009-10	36	2272.68	27	1900.45	9	372.23
			2008-09	78	4,716.99	54	3261.34	24	1455.65
			2007-08	64	4,046.30	44	2496.45	20	1549.85
	<b>Total</b>			178	11,035.97	125	7658.24	53	3377.73
26	2515	Other Rural Development Programmes	2007-08	195	20,361.85	31	5663.22	164	14698.63
			2009-10	195	18935.47	13	3000.86	182	15934.61
			2008-09	179	19,119.64	22	2,367.24	157	16,752.40
	<b>Total</b>			569	58,416.96	66	11,031.32	503	47,385.64
27	2702	Minor Irrigation	2007-08	220	510.28	121	237.57	99	272.71
			2008-09	320	782.37	207	410.08	113	372.29
			2009-10	268	831.65	146	358.7	122	472.95
	<b>Total</b>			808	2124.3	474	1006.35	334	1117.95
28	2801	Power	2007-08	20	4,601.95	9	1972.48	11	2629.47
			2009-10	22	4760.25	0	0	22	4760.25
			2008-09	34	5,197.52	0	0	34	5,197.52
	<b>Total</b>			76	14,559.72	9	1972.48	67	12,587.24
29	2810	New and Renewable Energy	2008-09	14	2,918.00	13	2418	1	500
			2009-10	13	2475	9	1848.5	4	626.5
			2007-08	13	3,910.00	11	3160	2	750
	<b>Total</b>			40	9,303.00	33	7426.5	7	1876.5
30	2851	Village and Small Industries	2007-08	112	1,335.17	27	693.12	85	642.05
			2008-09	95	1,387.52	26	705.9	69	681.62
			2009-10	97	1841.7	16	1003.4	81	838.3
	<b>Total</b>			304	4564.39	69	2402.42	235	2161.97
31	2852	Industries	2007-08	2	41	0	0	2	41
			2008-09	5	136.39	0	0	5	136.39
			2009-10	11	359.88	0	0	11	359.88
	<b>Total</b>			18	537.27	0	0	18	537.27
32	2853	Non Ferrous Mining and Metallurgical Industries	2007-08	7	732.57	2	114.18	5	618.39
	<b>Total</b>			7	732.57	2	114.18	5	618.39
33	2885	Other Outlays on Industries and Minerals	2007-08	1	25	0	0	1	25
			2008-09	1	25	0	0	1	25
	<b>Total</b>			2	50	0	0	2	50
34	3054	Roads and Bridges	2007-08	2	500	0	0	2	500
			2008-09	2	2,497.00	0	0	2	2,497.00
			2009-10	1	2500	0	0	1	2500
	<b>Total</b>			5	5497	0	0	5	5497



Sl No.	Department		Year of payment of grant	Total grants paid		Utilisation Certificates			
	Major Head	Name		No.	Amount	Received		Outstanding	
						No.	Amount	No.	Amount
35	3275	Other Communication Service	2009-10	4	614	0	0	4	614
			2007-08	5	1,326.00	0	0	5	1,326.00
			2008-09	8	1,394.00	0	0	8	1,394.00
	<b>Total</b>			17	3,334.00	0	0	17	3,334.00
36	3425	Other Scientific Research	2009-10	12	573.58	0	0	12	573.58
			2007-08	15	691.82	0	0	15	691.82
			2008-09	14	709.46	0	0	14	709.46
	<b>Total</b>			41	1974.86	0	0	41	1974.86
37	3452	Tourism	2007-08	12	2,000.00	11	1950	1	50
			2008-09	10	3,100.00	9	2525	1	575
	<b>Total</b>			22	5,100.00	20	4475	2	625
38	3604	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions	2009-10	137	45092.14	1	98.48	136	44993.66
			2008-09	69	50,446.19	0	0	69	50,446.19
			2007-08	127	52,301.23	0	0	127	52,301.23
	<b>Total</b>			333	147,839.56	1	98.48	332	147,741.08
39	4225	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and other Backward Classes	2007-08	102	751.56	101	745.03	1	6.53
			2008-09	63	610.52	61	565.02	2	45.5
	<b>Total</b>			165	1362.08	162	1310.05	3	52.03
40	4515	Capital Outlay on other Rural Development Programmes	2009-10	32	2541.6	31	2453.6	1	88
	<b>Total</b>			32	2541.6	31	2453.6	1	88
	<b>Grand Total</b>			17200	588058.74	6312	161587.44	10888	426471.29

## Appendix-3.2

(Referred to in paragraph 3.2 ; Page 51 )

**Department-wise/year-wise analysis of the misappropriation, defalcation, etc.  
(Cases where final action was pending at the end of 31 March 2011)**

(₹ in lakh)

Sl. No.	Name of the Department	Number of cases and amount						Total
		Upto 05 years	05 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	above 25 years	
1	2	3	4	5	6	7	8	9
1	Higher Education	07 (11.02)	02 (2.51)	02 (0.18)	02 (0.11)	01 (0.50)	-	14 (14.32)
2	Art & Culture	-	-	-	-	-	02 (1.01)	02 (1.01)
3	District Administration	-	02 (0.40)	01 (0.67)	01 (0.16)	02 (3.02)	02 (0.27)	08 (4.52)
4	Treasury and Accounts Administration	-	03 (7.34)	01 (11.77)	-	02 (0.24)	04 (0.44)	10 (19.79)
5	Technical Education	11 (6.36)	-	-	-	-	01 (0.25)	12 (6.61)
6	Tribal	-	03 (1.46)	04 (12.67)	03 (1.60)	01 (0.53)	07 (1.25)	18 (17.51)
7	Taxes on Sales, trade	-	-	-	-	-	03 (0.03)	03 (0.03)
8	Jails	-	-	-	-	01 (2.29)	-	01 (2.29)
9	Woman & Child Welfare	-	01 (1.96)	-	03 (3.94)	01 (0.18)	01 (0.32)	06 (6.40)
10	Education	03 (0.71)	14 (50.42)	01 (0.51)	14 (5.08)	16 (10.44)	25 (7.00)	73 (74.16)
11	Police	132 (56.17)	86 (34.92)	16 (8.14)	06 (12.40)	15 (3.87)	-	255 (115.50)
12	Stamps and Registration	-	-	-	02 (1.80)	-	01 (0.62)	03 (2.42)
13	Distt. Health and Medical services	-	-	-	-	07 (1.25)	27 (2.13)	34 (3.38)
14	Tehsil	02 (0.98)	01 (0.00)	-	-	01 (0.16)	10 (5.65)	14 (6.79)
15	State Excise	01 (1.49)	02 (3.93)	-	-	-	01 (0.02)	04 (5.44)
16	Animal Husbandry	66 (5.36)	13 (0.38)	-	-	01 (0.73)	05 (0.69)	85 (7.16)
17	Public Services Commission	-	01 (3.16)	-	-	-	-	01 (3.16)
18	Co-operation	-	-	-	01 (96.26)	-	-	01 (96.26)
19	Land Conservation	01* (0.00)	-	-	-	-	01 (0.41)	02 (0.41)
20	Panchayat and Social Welfare	01* (0.00)	01 (0.15)	02 (0.24)	-	02 (0.10)	03 (1.07)	09 (1.56)

1	2	3	4	5	6	7	8	9
21	Dairy Development	-	-	01 (0.20)	-	01 (0.01)	-	02 (0.21)
22	Sericulture	06 (0.37)	06 (1.80)	-	-	-	01 (0.04)	13 (2.21)
23	District and Session Court	02 (0.63)	02 (1.48)	03 (8.81)	01 (0.12)	-	-	08 (11.04)
24	Mineral Resources Department	02 (0.59)	03 (12.33)	-	-	-	-	05 (12.92)
25	Transport	-	-	-	02 (0.15)	-	-	02 (0.15)
26	Fisheries	-	01* (0.00)	-	-	-	-	01* (0.00)
27	Labour and Employment	-	04 (2.46)	01 (0.25)	02 (0.07)	02 (0.19)	01 (0.16)	10 (3.13)
28	Land Revenue and District Administration	-	-	-	-	-	03 (0.46)	03 (0.46)
29	Food , Civil Supply & Consumer Protection Department	-	02 (0.24)	-	-	-	03 (0.13)	05 (0.37)
30	Welfare of SC/ST & other backward classes	-	-	-	03 (0.50)	02 (0.73)	08 (1.95)	13 (3.18)
31	Health and Medical service	04 (1.44)	04 (34.90)	06 (2.29)	05 (1.89)	07 (2.57)	08 (1.76)	34 (44.85)
32	Crop Husbandry	01 (2.73)	04 (3.57)	-	-	-	01 (0.06)	06 (6.36)
33	Forest	58 (110.40)	134 (144.23)	236 (484.31)	216 (117.97)	200 (67.23)	173 (32.86)	1017 (957)
34	PWD	180 (2683.44)	77 (287.76)	-	-	-	-	257 (2971.20)
35	WRD	25 (202.01)	01 (0.02)	-	-	-	-	26 (202.03)
Total		502 (3083.70)	367 (595.42)	274 (530.04)	261 (242.05)	262 (94.04)	291 (58.58)	1957 (4603.83)

## Appendix-3.3

(Referred to in paragraph 3.2; Page 51)

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

(₹ in lakh)

Sl. No.	Name of Department	Theft Cases		Misappropriation/Loss of Government material		Total	
		No. of cases	Amount	No. of Cases	Amount	No. of Cases	Amount
1	2	3	4	5	6	7	8
1	Higher Education	9	8.98	5	5.34	14	14.32
2	Art & Culture	1	0.81	1	0.20	2	1.01
3	District Administration	1	0.67	7	3.85	8	4.52
4	Treasury and Accounts Administration	3	0.19	7	19.60	10	19.79
5	Technical Education	5	0.4	7	6.21	12	6.61
6	Tribal	3	0.65	15	16.86	18	17.51
7	Taxes on Sales, trade	2	0.02	1	0.01	3	0.03
8	Jails	1	2.29	0	0	1	2.29
9	Woman & Child Welfare	1	3.49	5	2.91	6	6.40
10	Education	29	12.89	44	61.27	73	74.16
11	Police	28	8.69	227	106.81	255	115.50
12	Stamps and Registration	1	0.94	2	1.48	3	2.42
13	Health and Family welfare	9	0.33	25	3.05	34	3.38
14	Tehsil	2	0.5	12	6.29	14	6.79
15	State Excise	0	0	4	5.44	4	5.44
16	Animal Husbandry	4	0.51	81	6.65	85	7.16
17	Public services commission	0	0	1	3.16	1	3.16
18	Co operation	0	0	1	96.26	1	96.26
19	Land conservation	0	0	2	0.41	2	0.41
20	Panchayat and social welfare	2	0.1	7	1.46	9	1.56
21	Dairy Development	1	0.2	1	0.01	2	0.21
22	Sericulture	8	0.31	5	1.9	13	2.21
23	District and Session Court	2	0.21	6	10.83	8	11.04
24	Mineral Resources Department	4	9.9	1	3.02	5	12.92
25	Transport	0	0	2	0.15	2	0.15
26	Fisheries	1	0	0	0	1	0
27	Labour and Employment	7	2.84	3	0.29	10	3.13
28	Land Revenue and District Administration	0	0	3	0.46	3	0.46
29	Food, Civil Supply & Consumer Protection Department	1	0.14	4	0.23	5	0.37
30	Crop Husbandry	0	0	6	6.36	6	6.36
31	Welfare of SC/ST & OBC	-	-	13	3.18	13	3.18
32	Health and Medical Service	14	7.65	20	37.20	34	44.85
33	Forest	2	0.38	1015	956.62	1017	957.00
34	PWD	3	13.04	254	2958.16	257	2971.20
35	WRD	14	5.40	12	196.63	26	202.03
	<b>Total</b>	<b>158</b>	<b>81.53</b>	<b>1799</b>	<b>4522.30</b>	<b>1957</b>	<b>4603.83</b>

**Appendix-3.4**

(Referred to in paragraph 3.3.1; Page 53 )

**Status of Detailed Countersigned Contingent bills against Abstract Contingent bills  
up to 2010-11**

(₹ in lakh)

Sl. No.	Major-Head	Number of AC bills	Amount
1	2	3	4
1	2202	2	0.19
2	2204	17	0.62
3	2210	1	0.00
4	2217	1	1.06
5	2401	20	327.48
6	2402	8	1.46
7	4402	19	84.89
8	4225	2	37.00
	<b>Total</b>	<b>70</b>	<b>452.70</b>



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