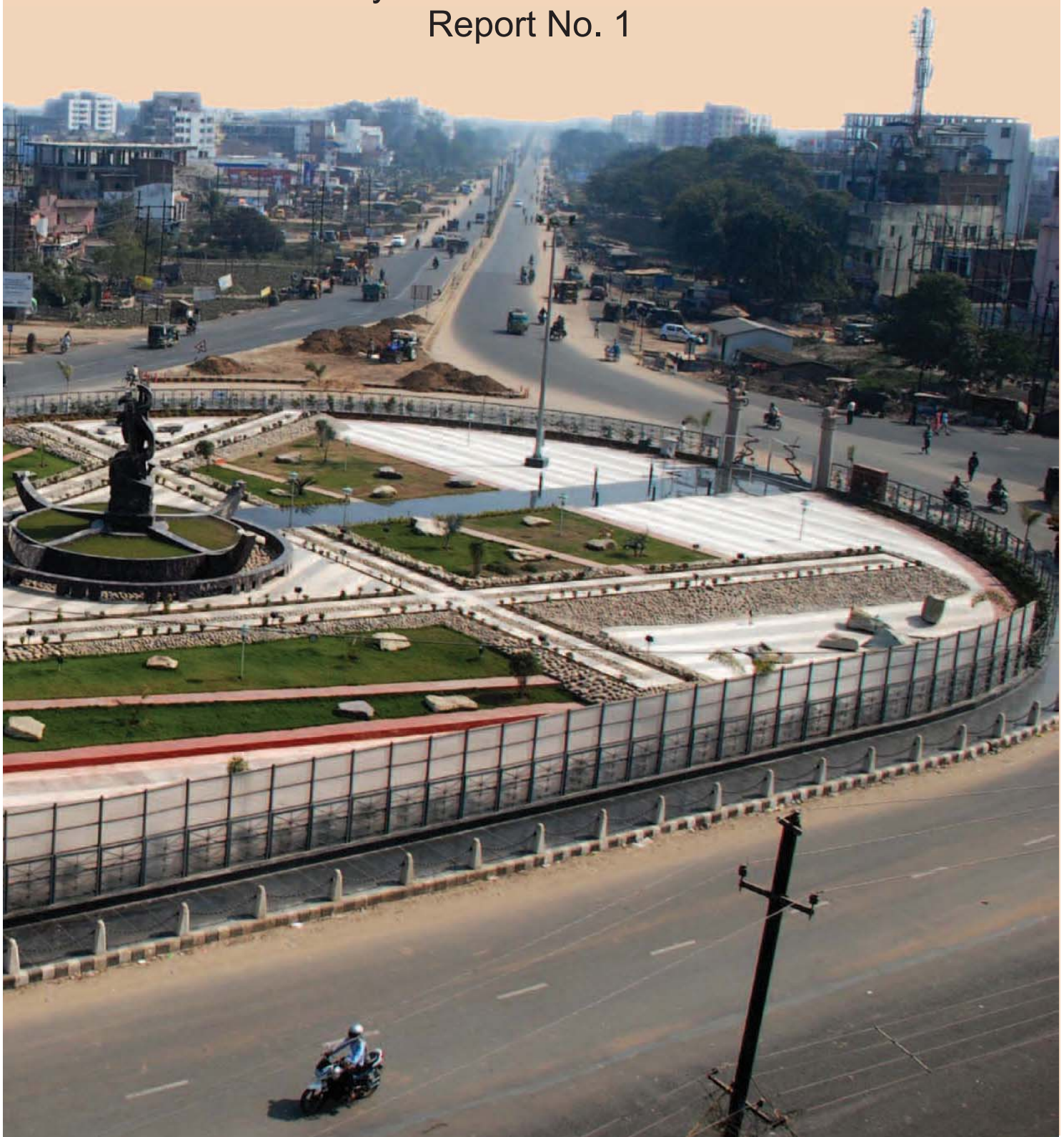
Report of the Comptroller and Auditor General of India

STATE FINANCES

for the year ended 31 March 2011
Report No. 1





Bodha Vikshuka (Bodh Gaya)

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Preface

1. This Report has been prepared for submission to the Governor of Bihar under Article 151 of the Constitution of India.

2. Chapters I and II of this Report contain audit observations on matters arising from the examination of the Finance Accounts and Appropriation Accounts respectively, of the State Government, for the year ended 31 March 2011. Information has been obtained from the Government of Bihar, wherever necessary.

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.

Executive Summary

Background

This Report on the finances of the Government of Bihar intends to objectively assess the financial performance of the State during 2010-11 and to provide the State Government and the State Legislature with proper inputs based on audit analysis of financial data. In order to put this analysis in a proper perspective, a broad comparison of targets envisaged by the Bihar Fiscal Responsibilities and Budget Management (FRBM) Amendment Act, 2010, the Thirteenth Finance Commission (ThFC) Report and the Budget Estimates of 2010-11 has been attempted.

The Report

Based on the audited accounts of the Government of Bihar for the year ended March 2011, this Report provides an analytical review of the Annual Accounts of the Government. The Report is structured in three Chapters.

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

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

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

Audit findings and recommendations

Chapter I

Revenue Receipts: The growth of revenue receipts during the year was 25 *per cen*t over the previous year, mainly due to increase in the State's own tax revenue/share of Union taxes/duties and grants from the Government of India (GOI) over the previous year. The Government succeeded in maintaining a revenue surplus during 2006-11. It had already achieved the ThFC recommendation of eliminating the revenue deficit. There was also an increase in the revenue surplus during the current year. The fiscal deficit to GSDP ratio of the State was 1.86 *per cent* during the current year, which was within the recommendation (3.5 *per cent*) of ThFC.

Interest payments: Interest payments (₹4319 crore), which increased by 17 *per cent* during the year over 2009-10, were within the projections made in the Budget Estimates (₹ 4513 crore) and the assessment of ThFC (₹ 4439 crore).

Revenue Expenditure: The revenue expenditure (RE) increased by 17 *per cent* over the previous year and constituted 79 *per cent* of the total expenditure during 2010-11 with Non-Plan Revenue Expenditure (NPRE) constituting 71 *per cent* of revenue expenditure. The NPRE increased by 13 *per cent* over the previous year and remained within the Budget Estimate (₹ 29683 crore) of the current year. The increase in NPRE was mainly due to increase in committed expenditure under salaries, pension, interest payments and subsidies.

Government may also consider reduction in subsidy payment to Public Sector Undertakings (PSUs) etc. for boosting their operational efficiency. As per the ThFC Report, all States were required to draw up a roadmap for winding up of non-working PSUs by March 2011.

Capital Expenditure: The Capital Expenditure (CE) of the State increased by *25 per cent* over the previous year.

Incomplete projects: Funds aggregating ₹1005 crore were blocked in 350 incomplete projects as at the end of 2010-11.Time and cost overruns of these incomplete projects needed to be reduced so as to ensure value for money for the people of Bihar.

Review of Government investments: The average return on the Government's investments in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operatives varied between zero and 0.28 *per cent* in the past five years, whereas its average interest outgo was in the range of 7.15 to 6.87 *per cent*. This is an unsustainable proposition.

The Government should, therefore, seek better value for money in investments as otherwise, high-cost borrowed funds invested in projects with low financial returns will continue to strain the economy. Projects which are justified on account of low financial but high socio-economic returns may be identified and prioritised with full justification for the high-cost borrowings. Time has come to review the working of State-owned PSUs incurring huge losses and work out either a revival strategy for those that are strategic in nature and can be made viable or close down the sick units by disinvesting their equity.

Position of Cash Balance: The cash balance at the end of the year increased by 19 *per cent* over the previous year. Since, maintaining an idle cash balance is not a prudent cash management practice, a shelf of projects should be kept ready with their techno-economic feasibility appraisals completed and approved so that the mismatch between the timing of borrowing and channeling these funds towards productive investment is considerably reduced.

Oversight of funds transferred directly from the Government of India to the State implementing agencies: The Government of India (GOI) directly transferred ₹ 10309 crore to State implementing agencies during the year, which was an increase of ₹ 5127 crore (99 *per cent*) over the previous year. As the funds were not routed through the Government accounts, the direct transfer of funds from GOI to the State implementing agencies ran the risk of oversight of maintenance of accounts and utilisation of funds by these agencies. In the absence of uniform accounting

practices followed by all these agencies, proper documentation was not in place. Timely reporting about the status of expenditure by the Government should ensure proper accounting of the funds transferred to the State implementing agencies and the updated information should be validated by the State Government as well as the Accountant General (A&E), Bihar, for proper monitoring of the expenditure incurred by the implementing agencies.

Chapter II

Financial Management and Budgetary Control: Slow progress in implementing of various social and development programmes in the State left overall savings of ₹ 14474 crore, even after offsetting of excess over the budget allocations of ₹ 273.71 crore. The excess expenditure required regularisation under Article 205 of the Constitution of India. There were instances of inadequate provision of funds and unnecessary or excessive re-appropriations. Rush of expenditure at the end of the financial year was another chronic feature noticed in the State. In many cases, the anticipated savings were either not surrendered or were surrendered on the last two days of the financial year, leaving no scope for utilizing these funds for other developmental purposes.

Budgetary controls should be strictly observed to avoid such deficiencies in financial management. Last minute fund releases and issuance of re-appropriation/surrender orders should be avoided. The department should submit realistic budget estimates, keeping in view the trends in expenditure and the actual requirement of funds. The controlling officers should closely monitor the expenditure against the allocations to avoid excess expenditure over the grants.

Chapter III

Financial Reporting: The Government's compliance with various rules, procedures and directives was lacking in various departments, which was evident from delays in furnishing of utilisation certificates against loans and grants by various grantee institutions. There were instances of losses and misappropriations for which departmental action was pending for long periods. Departmental inquiries in such cases should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent such cases in future.

Substantial amounts of receipts and expenditure were classified under the omnibus Minor Head '800-Other Receipts/Expenditure' during 2010-11, which should be avoided for greater transparency in financial reporting. The Controlling Officers did not submit the Detailed Contingent bills against the advances drawn on Abstract Contingent bills up to 31 March 2011. The issue of non-reconciliation of expenditure figures persisted during this period despite the same being regularly pointed out in the Audit Reports the Comptroller and Auditor General of India. In order to rectify this situation, a rigorous monitoring mechanism should be put in place by the DDO's to ensure adjustment of the Abstract Contingent bills within the stipulated period.

Chapter 1

Finances of the State Government

1. Profile of Bihar

Bihar is a landlocked State, bounded by West Bengal in the east, Uttar Pradesh in the west, Jharkhand in the south and a long international border with Nepal in the north. It is the twelfth largest State in India in terms of geographical size (94163 sq. km) and the third largest by population. In terms of the Bihar Re-organisation Act 2000 (No.30 of 2000), the composite State of Bihar was re-organised into the State of Bihar with 38 districts and a new State known as Jharkhand comprising 18 districts[1] with effect from 15 November 2000.

The economy of Bihar is primarily agrarian and the State does not possess any significant mineral wealth. As indicated in ***Appendix 1.1***, in the last 10 years, the density of population in Bihar has increased from 881 persons per sq. km to 1102 persons per sq. km. Bihar has higher poverty levels as compared to the all-India average. The State has shown higher economic growth in the past decade as the compound annual growth rate of its Gross State Domestic Product for the period 2001-02 to 2010-11 has been 15.61 *per cent* as compared to 14.68 *per cent* in General Category States. During this period, its population also grew by 25.07 *per cent* (highest among General Category States) against the average of 17.56 *per cent* in General Category States. The per capita income compound annual growth rate in Bihar (11.44 *per cent)* was higher than the average compound annual growth rate of the General Category States (11.32 *per cent)* in the current decade but the per capita GSDP income/contribution during 2010-11 was lowest as compared to the average of the per capita GSDP income of the General Category States.

1.1 Introduction

This Chapter is based on the audit of Finance Accounts and makes an assessment of the Bihar Government's fiscal position as on 31 March 2011. It provides a broad perspective of the finances of the Government of Bihar during the current year. It analyses the significant changes in the major fiscal aggregates relative to the previous year, keeping in view the overall trends during the last five years. The structure and form of Government accounts have been explained in ***Appendix 1.2 Part A*** and the layout of the Finance Accounts is depicted in ***Appendix 1.2 Part B.*** The methodology adopted for assessment of the fiscal position and norms/ceilings prescribed by the Fiscal Responsibility and Budgetary Management (FRBM) Act, 2010 are given in ***Appendix 1.3***.

1.1.1 Summary of the 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. The details of receipts and disbursements and the overall fiscal position during the current year is given at ***Appendix 1.4***.

[1] Bokaro, Chatra, Deoghar, Dhanbad, Dumka, Garhwa, Giridih, Godda, Gumla, Hazaribagh, Kodarma, Lohardaga, Pakur, Palamu, Ranchi, Sahebganj, Singhbhum (east) and Singhbhum (west).

Table 1.1: Summary of Current Year's Fiscal Transactions

(₹ in crore)

2009-10	Receipts	2010-11	2009-10	Disbursements	2010-11		
Section-A: Revenue					Non-Plan	Plan	Total
35526.83	**Revenue receipts**	**44532.32**	**32584.17**	**Revenue expenditure**	**27316.41**	**10899.51**	**38215.92**
8089.67	Tax revenue	9869.85	12202.35	General services	15109.01	177.96	15286.97
1670.42	Non-tax revenue	985.53	13186.41	Social services	7310.33	7779.09	15089.42
18202.58	Share of Union Taxes/ Duties	23978.38	7087.95	Economic services	4893.82	2942.46	7836.28
7564.16	Grants from Government of India	9698.56	107.46	Grants-in-aid and Contributions	3.25	0.00	3.25
Section-B: Capital							
0.00	**Misc. Capital Receipts**	**0.00**	**7332.09**	**Capital Outlay**	**45.69**	**9150.25**	**9195.94**
13.20	**Recoveries of Loans and Advances**	**11.86**	**896.78**	**Loans and Advances disbursed**	**268.05**	**834.58**	**1102.63**
6134.39	**Public Debt receipts***	**6032.42**	**1982.99**	**Repayment of Public Debt***	**-**	**-**	**2190.03**
0.00	**Contingency Fund**	**1150.00**	**0.00**	**Contingency Fund**	**-**	**-**	**1150.00**
15303.39	**Public Account receipts**	**17321.25**	**15447.74**	**Public Account disbursements**	**-**	**-**	**16749.02**
3557.09	**Opening Cash Balance**	**2291.13**	**2291.13**	**Closing Cash Balance**	**-**	**-**	**2735.44**
60534.90	**Total**	**71338.98**	**60534.90**	**Total**			**71338.98**

(Source: Finance Accounts for the year 2009-10 and 2010-11)
***Excluding net transactions under ways and means advances and overdraft.**

The following are the major changes in fiscal transactions during 2010-11 over the previous year:

- Revenue receipts increased by ₹ 9005 crore (25 *per cent*) due to increase in tax revenue by ₹ 1780 crore (22 *per cent*). Share of Union taxes and duties from GOI increased by ₹ 5775 crore (32 *per cent*) and grants-in-aid from GOI increased by ₹ 2135 crore (28 *per cent*). The State's own tax revenue (₹9870 crore) was higher by 20 *per cent* than the target fixed by the ThFC (₹8242 crore) but fell short by seven *per cent* of the Budget Estimates (₹10644 crore). The State's non-tax revenue decreased by ₹685 crore (41 *per cent*) during this year and fell short by 40 *per cent* of the assessment made by the ThFC (₹1654 crore) and 18 *per cent* of the Budget Estimates (₹1207 crore).

- Revenue expenditure increased by ₹ 5632 crore (17 *per cent*), mainly due to increase in expenditure on Social Services (₹1903 crore), Economic Services (₹748 crore) and General Services (₹3085 crore). The Non-Plan revenue expenditure (NPRE)(₹27316 crore) was higher by ₹ 2529 crore (10 *per cent*) than the assessment made by the ThFC (₹24787 crore) but was lesser by ₹ 2367 crore (eight *per cent*) than the Budget Estimates (₹ 29683 crore).

- There was an increase of ₹ 1864 crore (25 *per cent*) in capital expenditure, mainly due to increase in the expenditure on Power Projects (₹631.23 crore), Rural Development Programmes (₹351.18 crore), Water Supply and Sanitation (₹165.03 crore).
- Recoveries of loans and advances decreased from ₹ 13.20 crore to ₹ 11.86 crore during the current year, whereas disbursements of loans and advances increased from ₹ 897 crore to ₹ 1103 crore during the year. This resulted in a net increase in disbursements by ₹ 205 crore.
- Public debt receipts decreased by ₹102 crore (two *per cent*). Its repayments increased by ₹ 207 crore (10 *per cent*). Thus, there was a net increase of ₹ 105 crore in public debt.
- The Public Accounts receipts increased from ₹ 15503 crore in 2009-10 to ₹17321 crore in 2010-11 and their disbursement also increased from ₹15448 crore in 2009-10 to ₹ 16749 crore in 2010-11.
- The net impact of these transactions led to an increase of ₹ 444 crore in the cash balance at the end of the year over the previous year's balance.

1.2 Resources of the State

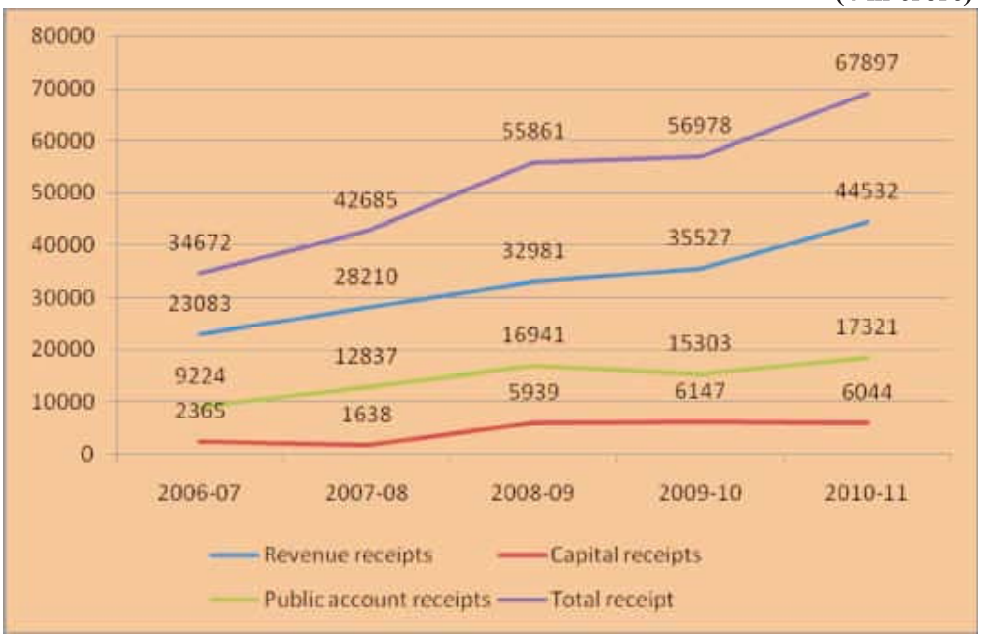
1.2.1 Resources of the State as per Annual Finance Accounts

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

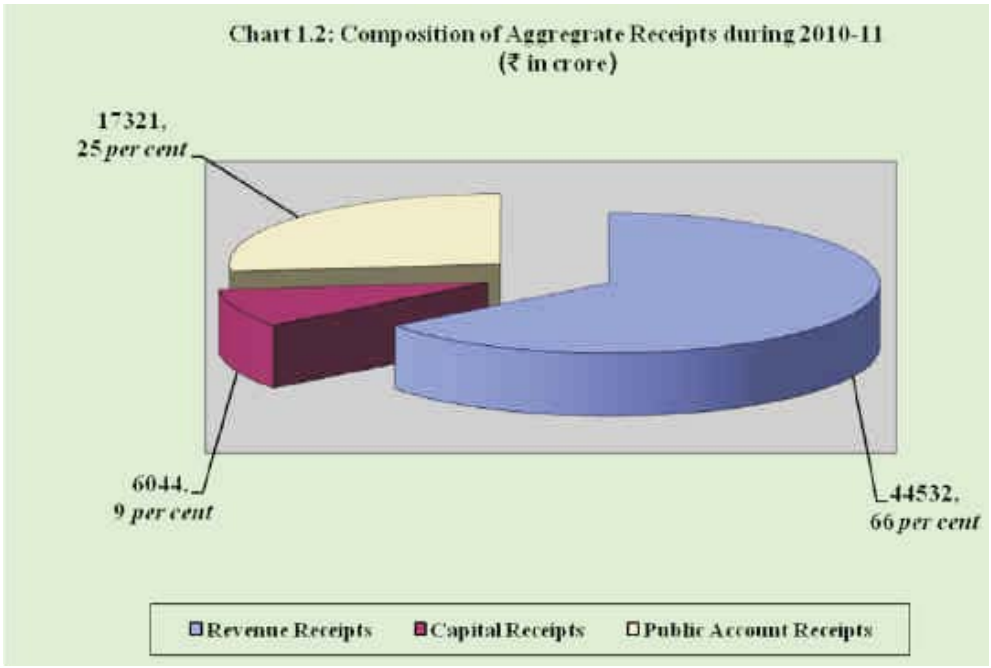
Table 1.1 represents the receipts and disbursements of the Government during 2010-11 as recorded in the Finance Accounts 2010-11 while **Chart 1.1** depicts the trend of various components of the receipts of the Government during 2006-11. **Chart 1.2** depicts the composition of resources of the Government during 2010-11.

Chart 1.1: Trends in Aggregate Receipts

(₹ in crore)



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



(Source: State Finance Accounts of 2010-11)

The receipts of the Government increased by ₹ 33225 crore, (96 *per cent*) from ₹ 34672 crore in 2006-07 to ₹ 67897 crore in 2010-11. Revenue receipts increased by ₹ 21449 crore (93 *per cent*), capital receipts which included recoveries of loans and advances and public debt increased by ₹ 3679 crore (156 *per cent*) and public account receipts increased by ₹ 8097 crore (88 *per cent*) during the same period. The share of revenue receipts in the total receipts decreased from 67 *per cent* in

2006-07 to 66 *per cent* in 2010-11. The share of the Public Accounts in the total receipts remained around 26 *per cent* during 2006-11 whereas the share of capital receipts including debt increased from seven to nine *per cent* during the same period.

1.2.2 Funds transferred to State implementing agencies outside the State budget

The Government of India has been transferring a sizeable quantum of funds directly to State implementing agencies[2] for the implementation of various schemes/programmes in the social and economic sectors. As these funds are not routed through the State Budget/State Treasury System, the Annual Accounts do not capture the flow of these funds and to that extent, the State's receipts and expenditure as well as other fiscal variables/parameters derived from them are underestimated. To present a holistic picture on the availability of aggregate resources, funds directly transferred to State implementing agencies during 2009-10 and 2010-11 are presented *in* ***Appendix 1.5.***

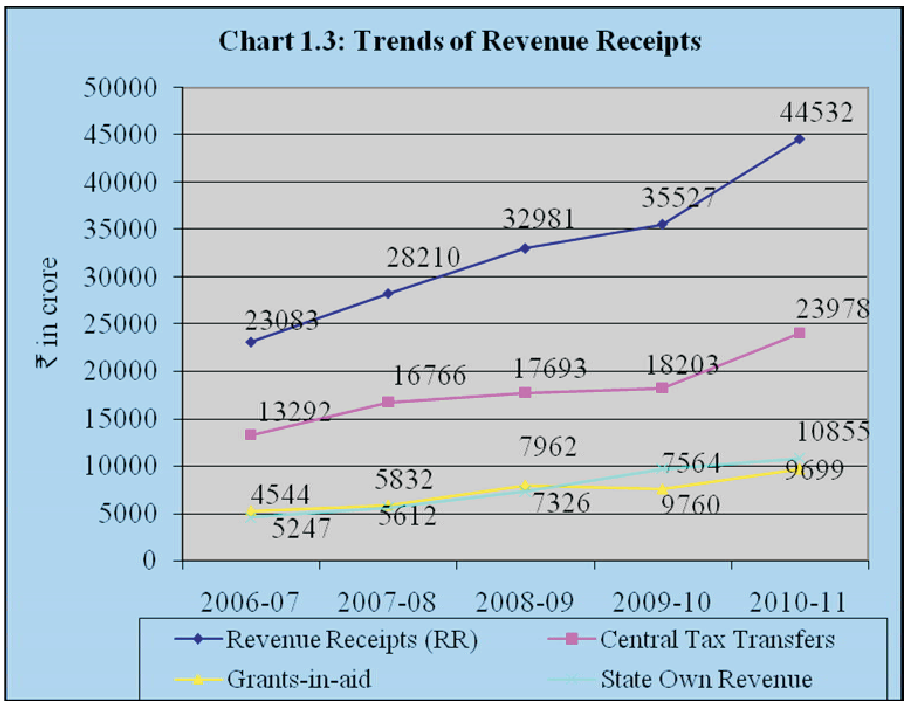
Appendix 1.5**,** shows that the funds, aggregating ₹ 10309 crore, transferred directly to the State implementing agencies, increased by 99 *per cent* during 2010-11. The increase was mainly in the funds transferred to the Bihar Education Project Council by ₹ 831 crore (68 *per cent*), District Rural Development Agency ₹ 1339 crore (42 *per cent*) and Health Insurance for Unrecognised Sector Workers (Rashtrya Swastha Bima) ₹ 24 crore (75 *per cent*) apart from fresh allocation to Pradhan Mantri Gram Sarak Yojna (PMGSY) ₹ 3459 crore in 2010-11. However, the transfer of funds decreased under the National Rural Health Mission by ₹ 401 crore (95 *per cent*), the National Child Labour Project including grants-in-aid to voluntary agencies by ₹ 10 crore (56 *per cent*) and setting up of new IITs by ₹ 33 crore (62 *per cent*).

As the funds are not routed through the Government accounts, the direct transfer of funds from GOI to the State implementing agencies runs the risk of oversight of maintenance of accounts and non-utilization of funds by these agencies. In the absence of uniform accounting practices followed by all these agencies, proper documentation by these implementing agencies was not being done. The expenditure in the Finance Accounts was understated to that extent.

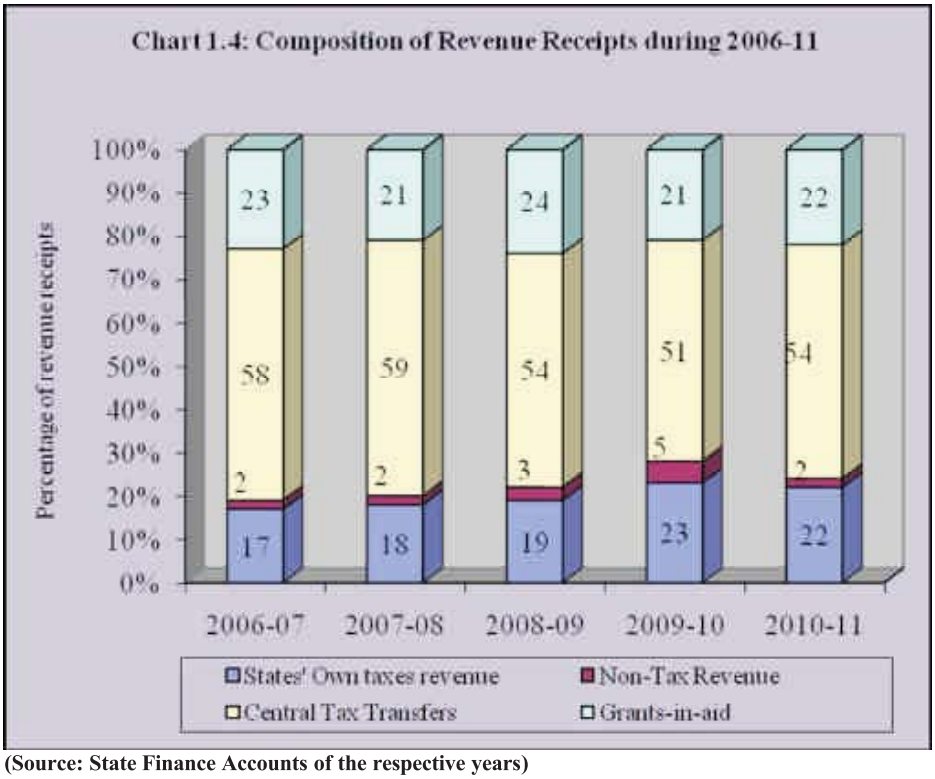
1.3 Revenue Receipts

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 revenue, 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 1.4*** and also depicted in **Charts 1.3** and **1.4** respectively.

[2] State implementing agencies include any organizations/institutions including non-governmental organizations which are authorized by the State Government to receive funds from the Government of India implementing specific programmes in the State, e.g. State implementing society for Sarva Shiksha Abhiyan, State Health Mission under National Rural Health Mission, etc.



(Source: State Finance Accounts of the respective years)



(Source: State Finance Accounts of the respective years)

The revenue receipts of the State increased by 93 *per cent* during the period from 2006-07 to 2010-11. The State's own revenue increased by 139 *per cent,* the grants-in-aid from GOI increased by 85 *per cent* and the Central tax transfers increased by 80 *per cent* during the same period. The share of the State's own revenue (tax revenue and non-tax revenue) in the total revenue increased from 19 *per cent* in 2006-07 to 24 *per cent* in 2010-11, which was mainly due to increase in non-tax revenue from ₹ 511 crore in 2006-07 to ₹ 985 crore in 2010-11. The share of grants-in-aid from GOI and Central tax transfers decreased from 23 and 58 *per cent* in 2006-07 to 22 and 54 *per cent* in 2010-11 respectively.

During 2001-02 to 2009-10, the compound growth rate of revenue receipts (17.41 *per cent*) was more than the growth rate of General Category States (15.20 *per cent*). This growth rate for the period 2001-02 to 2010-11 increased to 18.25 *per cent.*

The trends in revenue receipts relative to GSDP at current prices are presented in **Table 1.2**.

Table 1.2: Trends in Revenue Receipts relative to GSDP

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Receipts (RR) (₹ in crore)	**23083**	**28210**	**32981**	**35527**	**44532**
Rate of growth of RR (*per cent)*	29.41	22.21	16.91	7.72	25.35
R R/GSDP (*per cent)*	23.18	24.61	23.14	22.91	20.90
Buoyancy Ratios[3]					
Revenue Buoyancy with reference to GSDP	1.16	1.47	0.70	0.88	1.17
State's own tax buoyancy with reference to GSDP	0.52	1.73	0.88	3.53	1.02
GSDP (in crore)	**103317**	**118687**	**150709**	**175245**	**213073**
Rate of growth of GSDP	23.66	14.88	26.98	16.28	21.59

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

The growth rate of revenue receipts which indicated decreasing trends between 2006-07 to 2009-10 as it declined from 29.41 *per cent* in 2006-*07* to 7.72 *per cent* in 2009-10, has shown some improvement by rising to 25.35 *per cent* in 2010-11, while the percentage ratio of revenue receipts to GSDP has decreased from 22.91 in 2009-10 to 20.90 in 2010-11. The State's own tax buoyancy with reference to GSDP increased from 0.52 in 2006-07 to 1.02 in 2010-11, while the revenue buoyancy with reference to GSDP increased from 1.16 in 2006-07 to 1.17 in 2010-11.

1.3.1 State's Own Resources

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

[3] 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*.

The State's actual tax and non-tax revenues for the year 2010-11 *vis-a-vis* the assessment made by ThFC and the Budget Estimates are given in **Table 1.3** below:

Table 1.3 Assessment/Projection and Actual Figures

(₹ in crore)

	Thirteenth Finance Commission Assessment	State's Budget Estimate projections	Actuals
Tax revenue	8242	10644	9870
Non-tax revenue	1654	1207	985

(Source: State Finance Accounts, ThFC, Budget estimates, 2010-11)

Though the State's tax revenue during 2010-11 exceeded the ThFC assessment by ₹ 1628 crore, it was less than the Budget Estimates by ₹ 774 crore. However, the actuals of non-tax revenue were less than the assessment of the ThFC and the State's Budget Estimates by ₹ 669 crore and ₹ 222 crore respectively. The major reasons for non-achievement of non-tax revenue targets were reduction in collection of ₹ 770 crore under Miscellaneous General Services and of ₹ 115 crore under Interest Receipts.

Tax Revenue

The tax revenue increased by 145 *per cent* during 2006-11 from ₹ 4033 crore in 2006-07 to ₹ 9870 crore in 2010-11. Component-wise increases are indicated in **Table 1.4.**

Table 1.4: Major Components of Increase in Tax Revenue 2006-11

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Taxes on Sales, Trade, etc.	2081	2535	3016	3839	4557
Rate of growth	20	22	19	27	19
State Excise	382	525	679	1082	1523
Rate of growth	20	37	29	59	41
Stamps and Registration	455	654	716	998	1099
Rate of growth	-10	44	10	39	10
Taxes on vehicles	181	273	298	345	455
Rate of growth	-40	51	10	16	32

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

The revenue from taxes on sales, trade, etc comprised the major share of tax revenue and ranged from 52 *per cent* in 2006-07 to 46 *per cent* in 2010-11. The share of Stamps and Registration remained almost constant at 11 *per cent.* The share of State excise ranged from nine *per cent* to 16 *per cent* and Taxes on vehicles ranged from four to five *per cent* during the same period ***(Appendix 1.6)***. During 2001-02 to 2009-10, the compound growth rate of tax revenue (16.90 *per cent*) was higher than the growth rate of General Category States (14.53 *per cent*). This growth rate for the period 2001-02 to 2010-11 increased to 17.44 *per cent* ***(Appendix 1.1).***

1.3.2 Expenditure on Tax Collection

Table 1.5 indicates the major revenue sources, gross collection of major taxes, expenditure on collection for the years 2009-10 to 2010-11 along with the relevant all-India average for 2009-10.

Table 1.5: Cost of collection

(₹ in crore)

Sl. no.	Head of revenue	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India average percentage for the year 2009-10
1.	Commercial taxes*	2009-10	5,541.00	48.84	0.88	0.96
		2010-11	6653.37	57.23	0.86	
2.	State excise	2009-10	1,081.68	44.02	4.07	3.64
		2010-11	1523.35	37.65	2.47	
3.	Stamp duty and registration fees	2009-10	997.90	45.90	4.60	2.47
		2010-11	1098.68	46.58	4.24	
4.	Taxes on vehicles	2009-10	345.13	10.41	3.02	3.07
		2010-11	455.43	16.92	3.72	

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

The expenditure on collection of tax revenue was 0.86 to 0.88 *per cent* for commercial taxes which was less than the all-India average 0.96 *per cent.* In State excise, it was 2.47 *per cent* to 4.07 *per cent* whereas the all-India average was 3.64 *per cent.* In the case of Stamp duties and Registration fees, it was 4.24 *per cent* to 4.60 *per cent,* which was higher than the all-India average of 2.47 *per cent.* Similarly, the cost of collection of taxes on vehicles was 3.02 to 3.72 *per cent* against the all-India average of 3.07 *per cent* as detailed in **Table 1.5.**

1.3.3 Revenue Refund

The position of revenue refund cases pending at the beginning and the end of the financial year 2010-11 is indicated in **Table 1.6**.

Table 1.6: Position of pending Refund cases

(₹ in crore)

Sl. no.	Particulars	Sales tax/VAT		Taxes on entry of goods into local areas		Entertainment tax	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year 2010-11	2340	9506.77	103	96.74	06	2.00
2.	Claims received during the year	144	2272.93	01	563.20	Nil	Nil
3.	Refunds made during the year	174	1079.83	01	563.20	Nil	Nil
4.	Balance outstanding at the end of the year	2310	10699.87	103	96.74	06	2.00

(Source: Commercial Taxes Department, Government of Bihar).

* Gross collection by the Commercial Tax Department includes Sales tax/Value Added Tax (VAT), taxes on goods and passengers - Tax on entry of goods into local areas, Taxes and duties on electricity and Other taxes and duties on commodities and services.

1.3.4 Arrears of Revenue

The arrears of revenue as on 31 March 2011 in respect of the principal heads of revenue (as reported by seven departments) was ₹ 1198.24 crore, of which ₹ 598.99 crore was outstanding for more than five years as mentioned in ***Appendix 1.7.***

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 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

Trends observed in total expenditure of over a period of five years (2006-11) as shown in **Chart 1.5** and its composition both in terms of "Economic Classification" and "Expenditure by Activities" is depicted in **Chart 1.6** and **1.7.**



(Source: State Finance Accounts of the respective years)

Table 1.7 presents the growth of capital expenditure over the last five years (2006-11):

Table 1.7: Growth of Capital Expenditure

	2006-07	2007-08	2008-09	2009-10	2010-11
Capital expenditure	5211	6104	6436	7332	9196
Growth rate (*per cent*)	150	17	05	14	25
Percentage of total expenditure	20	20	18	18	19

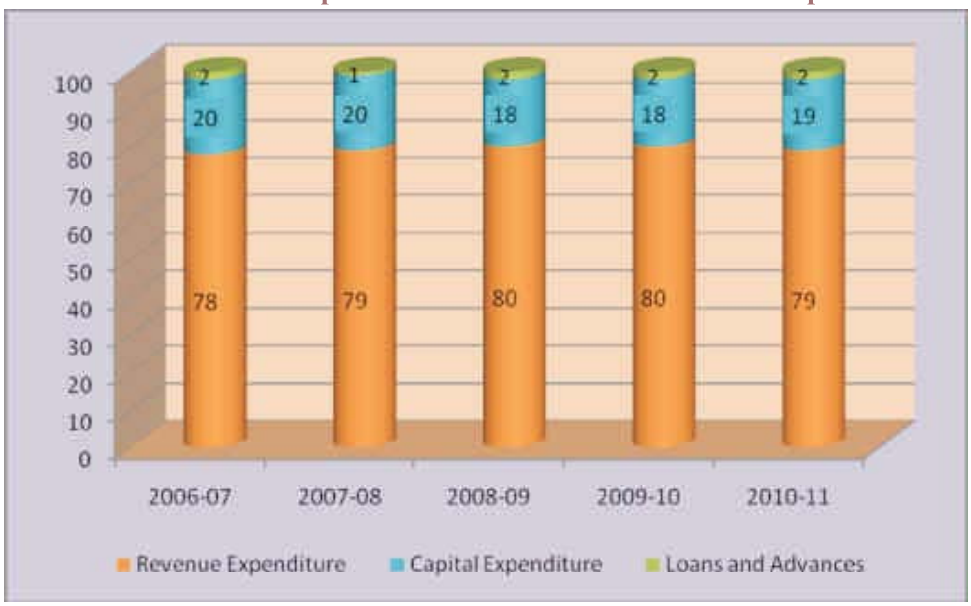
(Source: State Finance Accounts of the respective years)

Total expenditure increased by 86 *per cent* over a period of five years (2006-11). While the revenue expenditure increased by 86 *per cent,* the capital expenditure increased by 76 *per cent* during this period. However, the share of NPRE in the total expenditure decreased from 63 *per cent* in 2006-07 to 56 *per cent* in 2010-11 as indicated in **Chart 1.5**. The compound annual growth rate (33.14 *per cent*) of capital expenditure for 2001-02 to 2009-10 was higher than that the compound annual growth rate (22.61 *per cent*) of General Category States. This growth rate for the period 2001-02 to 2010-11 decreased to 32.22 *per cent* ***(Appendix1.1)***.

Disbursement of loans and advances also increased by 250 *per cent* during the period from 2006-07 to 2010-11 whereas the share of loans and advances to total expenditure increased from one *per cent* to two *per cent*.

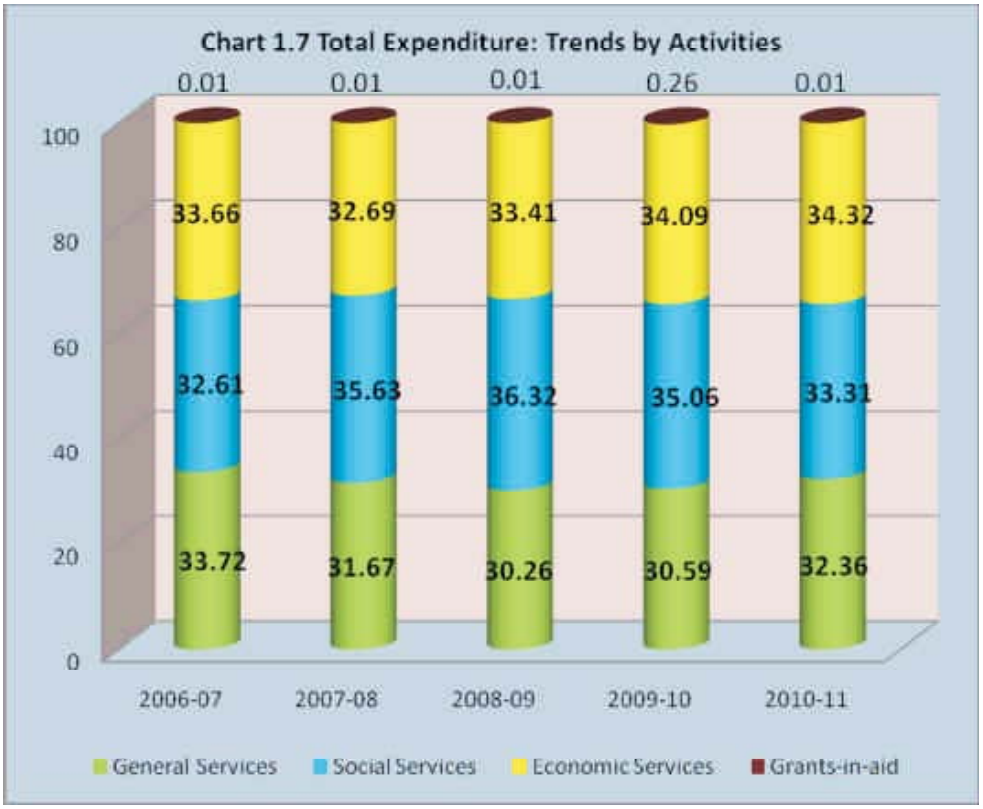
During 2001-02 to 2009-10, the compound growth rate (16.02 *per cent*) of total expenditure was higher than the compound growth rate (13.53 *per cent*) of General Category states. This growth for the period 2001-02 to 2010-11 increased to 16.31 *per cent.* The total expenditure increased by 19 *per cent* during the year. The bifurcation of total expenditure into Plan and Non-Plan expenditure was 44 *per cent* and 56 *per cent* respectively.

Chart 1.6: Total Expenditure: Trends in Share of the Components



(Source: State Finance Accounts of the respective years)

The share of revenue expenditure in the total expenditure increased from 78 *per cent* in 2006-07 to 79 *per cent* in 2010-11, while the share of capital expenditure in total expenditure decreased from 20 *per cent* in 2006-07 to 19 *per cent* in 2010-11. The share of loans and advances remained constant during the period. The ratio of NPRE to total expenditure decreased from 63 *per cent* in 2006-07 to 56 *per cent* in the year 2010-11. The ratio of NPRE to GSDP decreased from 16 *per cent* to 13 *per cent* in 2006-11.



(Source: State Finance Accounts of the respective years)

The movement of relative shares of various components of expenditure indicated that while the share of General Services including interest payments decreased from 34 *per cent* in 2006-07 to 32 *per cent* in 2010-11. The share of Economic Services remained constant during the period. The combined share of Social and Economic Services which represented development expenditure also remained constant during this period.

Revenue expenditure of the State increased by 17 *per cent* from ₹ 32584 crore in 2009-10 to ₹ 38216 crore in 2010-11, mainly due to increase in expenditure on General Services (₹ 3085 crore) on account of more expenditure on pension (₹ 1825 crore) and interest payments (₹ 634 crore). The expenditure on Social Services also increased by ₹ 1904 crore over the previous year due to more expenditure on Education, Sports, Art and Culture (₹ 684 crore), Social Welfare and Nutrition (₹ 643 crore), Water Supply and Sanitation (₹ 260 crore), and Health and Family Welfare (₹ 114 crore). The break-up of revenue expenditure into NPRE and Plan revenue expenditure (PRE) showed that the proportionate share of NPRE was substantially higher than the PRE. The total increase of ₹ 5632 crore comprised of ₹ 3171 crore and ₹ 2461 crore in NPRE and PRE respectively.

The NPRE in 2010-11 at ₹ 27316 crore was higher than the normative assessment of ThFC (₹ 24787 crore) but less than Budget Estimates (₹ 29683 crore).

1.4.2 Committed Expenditure

The committed expenditure of the State Government on the revenue account consisted mainly of interest payments, salaries, pensions and subsidies. The trend of expenditure of these components during 2006-11 are presented in **Table 1.8.**

Table-1.8: Components of Committed Expenditure

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11	
					BE	Actuals
Salaries of which	**6016.21** (26.06)	**6469.53** (22.93)	**7545.61** (22.88)	**9658.74** (27.18)	**10091.59**	**10549.85** (23.69)
Under Non-Plan Head	*5538.57*	*5914.81*	*6995.31*	*9001.42*	*NA*	9953.36
*Under Plan Head**	*477.64*	*554.72*	*550.30*	*657.32*	*NA*	596.49
Interest Payments	3416 (14.80)	3707 (13.14)	3753 (11.38)	3685.48 (10.37)	4513.10	4319.16 (9.70)
Expenditure on Pensions	2497 (10.82)	2789 (9.89)	3479.03 (10.55)	4318.70 (12.16)	5873.47	6143.86 (13.80)
Subsidies	-	-	861.58 (2.61)	944.39 (2.66)	-	1349.96 (3.03)
Total Committed Expenditure	11929.21 (52)	12965.53 (46)	15639.22 (47)	18607.31 (52)	-	22362.83 (50)
Other Components	8655.79 (38)	10597.47 (38)	12872.78 (39)	13976.69 (39)	-	15853.17 (35)
Total Revenue Expenditure	20585	23563	28512	32584	40678	38216
Revenue Receipts	23083	28210	32981	35527	47235	44532

(Source: State Finance Accounts of the respective years)
Figures in the parentheses indicate percentage to Revenue Receipts
**Plan Head also includes the salaries paid under the Centrally Sponsored Schemes*

Salaries

The expenditure on salaries (₹ 10550 crore) increased by 75 *per cent* during the period from 2006-07 to 2010-11. During 2001-02 to 2009-10, the compound annual growth rate of expenditure on salaries (7.85 *per cent)* was less than the growth rate (11.45 *per cent)* of General Category States. This growth rate for the period 2001-02 to 2010-11 increased to eight *per cent* ***(Appendix 1.1)***. The expenditure on salaries was 15 *per cent* and five *per cent* higher than assessment made by ThFC (₹ 9165 crore) and Budget Estimates (₹ 10092 crore) respectively.

Interest Payments

Interest payments (₹ 4319 crore) increased by 26 *per cent* over the last five years (2006-11) and increased by 17 *per cent* (₹ 634 crore) over the previous year. This percentage of interest payments to revenue receipts decreased from 15 in 2006-07 to 10 in 2010-11. Interest payments during 2010-11 were within the assessment made by ThFC (₹ 4439 crore) and the Budget Estimates (₹ 4513 crore) for the year 2010-11.

Pension Payments

Pension payments (₹ 6144 crore) increased by 146 *per cent* during the period from 2006-07 to 2010-11 but its percentage to revenue receipts increased from 11 in 2006-07 to 14 in 2010-11. During 2001-02 to 2009-10, the compound annual growth rate of expenditure on pension (8.35 *per cent*) was less than the compound annual growth rate (14.09 *per cent*) of General Category States. However, this growth rate for the period 2001-02 to 2010-11 increased to 11.67 *per cent* ***(Appendix 1.1)***. The expenditure on pension payments in 2010-11 was 59 *per cent* and five *per cent* higher than the assessment made by ThFC (₹ 3859 crore) and the budget estimates (₹ 5873 crore) respectively.

Subsidies

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

Payment on subsidies increased by ₹ 406 crore (43 *per cent)* from the previous year and became ₹ 1350 crore in 2010-11, which was three *per cent* of the revenue receipts. Out of the total subsidies of ₹ 1350 crore, ₹ 1080 crore (80 *per cent)* was provided as resource gap to the Bihar State Electricity Board (BSEB) against last years ₹ 840 crore and ₹ 70.84 crore for Rural Sanitation, ₹ 65.61 crore as electricity subsidy for Industry departments etc.

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

Table 1.9 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)	845.17	808.58	966.80	613.07	1940.11
Municipal Corporations and Municipalities	141.13	209.40	950.04	997.68	690.21
Zilla Parishad and Other Panchayati Raj Institutions	6.50	13.16	900.05	1395.22	1515.34
Development Agencies	3.20	1.88	26.84	984.13	394.24
Hospitals and Other Charitable Institutions	-	5.00	20.51	33.44	53.67
Other Institutions	21.23	95.35	1558.25	356.33	28.25
Total	**1017.23**	**1133.37**	**4422.49**	**4379.87**	**4621.82**
Assistance as per percentage of RE	**4.94**	**4.81**	**15.51**	**13.44**	**12.09**

(Source: State Finance Accounts of the respective years)

Financial assistance to local bodies and other institutions increased from ₹ 1017.23 crore in 2006-07 to ₹ 4621.82 crore constituting 12 *per cent* of the revenue expenditure during 2010-11. An analysis of the above table reveals that the financial assistance during 2010-11 increased to ₹ 4621.82 crore from ₹ 4379.87 crore in 2009-10. The increase of ₹ 241.95 crore (5.52 *per cent)* over the previous year was mainly due to increase in assistance to educational institutions (₹ 1327.04 crore), Zila Parishad and Panchayati Raj Institutions

(₹ 120.12 crore), hospitals and other charitable institutions (₹ 20.23 crore). The assistance to development agencies, municipal corporations and municipalities and other institutions, however decreased by ₹ 589.89 crore, ₹ 307.47 crore and ₹ 328.08 crore respectively.

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 provision for providing public services); efficiency of expenditure and effectiveness of expenditure (assessment of outlay-outcome relationships for selected services).

1.5.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Government are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like, education and 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 1.10** analyses the fiscal priority of the State Government with regard to development expenditure, social expenditure and capital expenditure during 2010-11.

Table-1.10: Fiscal Priority and Fiscal Capacity of the State in 2007-08 and 2010-11

(In *per cent*)

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
Bihar's Average (Ratio) 2007-08	25.23	67.43	35.63	20.39	18.55	4.63
General Category Average (Ratio) 2010-11	16.68	64.29	36.68	13.25	17.39	4.34
Bihar's Average (Ratio) 2010-11	22.77	65.39	33.31	18.95	16.99	3.44

* As *per cent* of 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.
Source: For GSDP, the information furnished by the State's Directorate of Economics and Statistics

Table 1.10 indicates the following:

- The aggregate expenditure of the State as a ratio to GSDP was higher in both the years 2007-08 and 2010-11 as compared to the average of General Category States.

- Development expenditure as a proportion of aggregate expenditure has also been higher than the average of the General Category States.

- Adequate priority given to the social sector, health sector and education sector in 2007-08 could not be sustained and the expenditure on these sectors declined in 2010-11, as compared to the average of the General Category States.

- The proportion of expenditure spent on capital has been higher in both the years 2007-08 and 2010-11, when compared to the average of General Category States. Increased priority to physical capital formation will further increase the growth prospects of the State by creating durable assets.

1.5.2 Efficiency of Expenditure

In view of the importance of public expenditure on development heads[4] to accelerate the State's social and economic development, it is important for the State Government to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods[5]. Apart from improving the allocation towards development expenditure[6], particularly in view of the fiscal space being created on account of decline in expenditure on debt servicing in the recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and the proportion of revenue expenditure incurred on the operation and maintenance of the existing social and economic services. The higher the ratio of these components to the total expenditure (and/or GSDP), the better would the quality of expenditure .

Developmental expenditure comprises revenue and capital expenditure including loans and advances in socio-economic services. **Table 1.11** and **Chart 1.8** present the trends of 'developmental expenditure' relative to the aggregate expenditure of the State during 2006-11, **Table 1.12** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of selected Social and Economic Services during 2009-10 and 2010-11.

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[4] Development heads include Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.

[5] *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 to the Government and therefore, wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

[6] The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into Social Services, Economic Services and General Services. Broadly, the Social and Economic Services constitute development expenditure, while expenditure on General Services is treated as non-development expenditure.

Table-1.11: Development Expenditure relative to aggregate expenditure

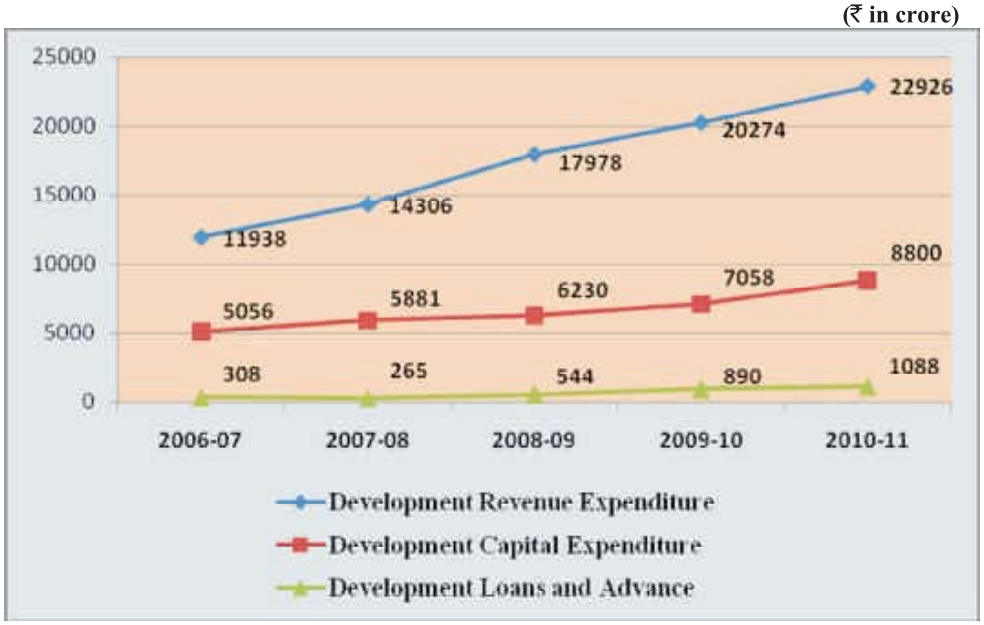
(₹ in crore)

Components of Development Expenditure	2006-07	2007-08	2008-09	2009-10	2010-11
Development Expenditure (a to c) *percentage of DE to total expenditure*	17302 (66.26)	20452 (68.31)	24752 (69.73)	28222 (69.15)	32814 (67.64)
a. Development Revenue Expenditure#	11938 (45.72)	14306 (47.78)	17978 (50.64)	20274 (49.68)	22926 (47.26)
b. Development Capital Expenditure#	5056 (19.36)	5881 (19.64)	6230 (17.55)	7058 (17.29)	8800 (18.14)
c. Development Loans and Advances	308 (1.18)	265 (0.89)	544 (1.53)	890 (2.18)	1088 (2.24)

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

Chart 1.8: Components of Development Expenditure

(₹ in crore)



(Source: State Finance Accounts of the respective years)

Developmental expenditure increased by 90 *per cent* during the period from 2006-07 to 2010-11. This expenditure, which constituted 68 *per cent* of the total expenditure increased by ₹ 4592 core (16 *per cent)* from ₹ 28222 crore in 2009-10 to ₹ 32814 crore in 2010-11. Revenue expenditure constituted 70 *per cent* of developmental expenditure whereas the share of capital expenditure including loans and advances was 30 *per cent.* The development capital expenditure during the year increased by 25 *per cent* over previous year, which indicates that more expenditure was incurred on asset creation.

Table 1.12: Efficiency of Expenditure use in Selected Social and Economic Services

(*Percentage*)

Social/Economic Infrastructure	2009-10		2010-11	
	Share of CE in TE	In RE, the share of Salaries	Share of CE in TE	In RE, the share of Salaries
Social Services (SS)				
General Education	3.88	73.33	0.15	44.60
Health and Family Welfare	7.99	66.21	9.90	73.32
WS, Sanitation, & HUD	24.42	11.28	27.06	10.28
Total (SS)	7.85	38.67	6.71	43.25
Economic Services (ES)				
Agri & Allied Activities	0.07	26.19	0.83	19.57
Irrigation and Flood Control	60.05	68.80	51.04	47.73
Power & Energy	30.23	-	45.31	-
Transport	81.59	22.55	86.52	25.73
Total (ES)	**49.08**	**22.87**	**55.51**	**22.86**
Total (SS+ES)	**28.18**	**33.14**	**30.72**	**36.80**

(Source: State Finance Accounts of the respective year).
TE: Total Expenditure; CE: Capital Expenditure; RE: Revenue Expenditure

The ratio of capital expenditure on Social Services with reference to the total expenditure decreased from 7.85 in 2009-10 to 6.71 in 2010-11, whereas the ratio of capital expenditure on Economic Services increased from 49.08 in 2009-10 to 55.51 in 2010-11.

The share of expenditure on salaries increased from 38.67 *per cent* in 2009-10 to 43.25 *per cent* in 2010-11. Under Economic Services, the share of salaries decreased from 22.87 *per cent* in 2009-10 to 22.86 *per cent* in 2010-11. Under Social Services and Economic Services combined, the share of salaries increased from 33.14 *per cent* in 2009-10 to 36.80 *per cent* in 2010-11.

1.6 Analysis of Government Expenditure and Investments

The FRBM framework requires the State Government to keep its fiscal deficit (and borrowings) not only at low levels, but also to meet its capital expenditure and investment (including loans and advances) requirements. Further, the transition from a traditional rural agrarian society to a market-based and resource-intensive society requires the State Government to initiate measures that earn adequate returns on its investments, enable recovery of the cost of borrowed funds and to take requisite steps to infuse transparency in financial operations. In this section, a broad financial comparison and analysis of the State Government's investments and capital expenditure during the current year vis-à-vis the previous years are presented.

1.6.1 Incomplete projects

Blocking of funds on incomplete works including works stopped due to litigation impinge negatively on the quality of expenditure. Department-wise information pertaining to incomplete projects as on 31 March 2011 is given in **Table 1.13.** Altogether, 350 schemes/projects (estimated cost ₹ 2819.35 crore) were due for completion up to March 2011, but remained incomplete resulting in blocking of ₹ 1004.74 crore. In addition, in 17 such schemes/incomplete projects under Public Health Engineering (07), Road Construction Department (02) and Water

Resources Department (08), cost over runs to the extent of ₹ 15.14 crore above the original estimates were noticed as given in ***Appendix 1.8***.

Table 1.13: Department-wise Profile of Incomplete Projects

(₹ in crore)

Department	No. of Incomplete Projects	Estimated cost	Cost over run		Progressive expenditure of March 2011
			Number	Amount	
Building Construction Department	39	798.59	-	-	247.67
Rural Works Department	09	29.57	-	-	8.64
Road Construction Department	51	702.21	02	3.23	127.07
Public Health Engineering Department	119	559.04	07	4.46	258.74
Water Resources Department	132	729.94	08	7.45	362.62
Total	**350**	**2819.35**	**17**	**15.14**	**1004.74**

(Source: State Finance Accounts of the respective years)

Non-completion of these projects/works within the stipulated time frame not only resulted in increase in cost etc. but also deprived the State of benefits for a long time.

1.6.2 Investments and returns

As of 31 March 2011, the State Government had invested ₹ 905.24 crore in Statutory Corporations, Government Companies, Joint Stock Companies, Co-operative Institutions and Local Bodies as indicated in **Table 1.14**.

Table-1.14: 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)	821.10	828.68	832.18	856.18	905.24
Return (₹ in crore)	0.04	3.19	2.14	2.06	2.53
Return (*per cent*)	0.00	0.38	0.26	0.24	0.28
Average rate of interest on Government borrowing *(per cent)*	7.15	7.15	7.93	6.48	6.87
Difference between interest rate and return (*per cent*)	7.15	6.77	7.67	6.24	6.59

(Source: State Finance Accounts of the respective years)

The average return on these investments was 0.23 *per cent* in the last five years while the Government paid an average interest rate of 7.11 *per cent* on its borrowings during 2006-11.

While the Government investments increased by 10 *per* cent over a period of five years from 2006-07 to 2010-11, the returns from investments increased from ₹ 0.04 crore in 2006-07 to ₹ 2.53 crore in 2010-11. The percentage returns from investments also increased from zero in 2006-07 to 0.28 in 2010-11. The Government paid interest at an average rate of 7.15 to 6.87 *per cent* on its borrowings during 2006-11.

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

1.6.3 Loans and advances by the State Government

In addition to investments in Co-operative Institutions/Societies, Government Corporations and Companies, the State Government has also been providing loans and advances to many institutions and organizations. **Table 1.15** presents the status of outstanding loans and advances and interest receipts vis-à-vis interest payments during the last three years**.**

Table-1.15: Average interest received on loans and advances by the State Government

(₹ in crore)

Amount of Loans/Interest Receipts/ Cost of Borrowings	2008-09	2009-10	2010-11
Opening balance	14128.10	14667.83	15551.42
Amount advanced during the year	551.05	896.79	1102.63
Amount repaid during the year	11.32	13.20	11.86
Closing Balance	**14667.83**	**15551.42**	**16642.19**
Of which outstanding balance for which terms and conditions have been settled			
Net addition	539.73	883.59	1090.77
Interest Receipts	304.57	353.27	237.96
Interest receipts as percentage of outstanding Loans and advances	2.08	2.27	1.43
Interest payments as percentage of outstanding fiscal liabilities of the State Government.	6.83	6.28	6.87
Difference between interest payments and interest receipts (*per cent*)	4.75	4.01	5.44

(Source: State Finance Accounts of the respective years)

Total outstanding loans and advances as on 31 March 2011 was ₹ 16642 crore, against an outstanding amount of ₹ 15551 crore as on 31 March 2010. Interest received on the loans and advances was 1.43 *per cent* in 2010-11. Out of ₹ 1103 crore advanced during the year, ₹ 1087.77 crore was for Economic Services (₹ 834.42 crore for power projects and other ₹ 238.49 crore and ₹ 14.86 crore for Government servants).

1.6.4 Cash Balances and Investment of Cash balances

Table 1.16 depicts the cash balances and investments made by the Government out of the cash balances during the year.

Table-1.16: Cash Balances and Investment of Cash balances

(₹ in crore)

Particulars	As on 1 April 2010	As on 31 March 2011	Increase/ Decrease
Cash Balances	2291.13	2735.44	444.31
Investments from Cash Balances (a to d)	4347.04	2294.80	(-)2052.24
a. GOI Treasury Bills	0.00	0.00	0.00
b. GOI Securities	4342.39	2290.15	(-)2052.24
c. Securities of other State Government	4.65	4.65	0.00
d. Other Investments	0.00	0.00	0.00
Funds-wise Break-up of Investment from Earmarked balances (a to c)	280.10	440.10	(+)160
a. Famine Relief Fund	0.10*	0.10	0.00
b. Sinking Fund	280.00	440.00	(+)160
Interest Realized	327.48	222.08	(-)105.40

(Source: State Finance Accounts of the respective years)

***No increase, figures adopted by rounding of 0.0961**

Cash balances during the year increased from ₹ 2291.13 crore to ₹ 2735.44 crore. However, the investments out of cash balances decreased from ₹ 4347.04 crore to ₹ 2294.80 crore. The investments from earmarked balances increased by ₹ 160 crore from ₹ 280.10 crore on 1 April 2010 to ₹ 440.10 crore. Interest of ₹ 222.08 crore realized on investments during 2010-11 was lower by ₹ 105.40 crore (32 *per cent)* than the interest earned (₹ 327.48 crore) during 2009-10.

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 1.9*** gives an abstract of such liabilities and assets as on 31 March 2011, compared with the corresponding position on 31 March 2010. While the liabilities shown in this Appendix mainly consist of internal borrowings, loans and advances from GOI, receipts from the Public Account and Reserve Funds, the assets mainly comprise the capital outlay and loans and advances given by the Government and cash balances.

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

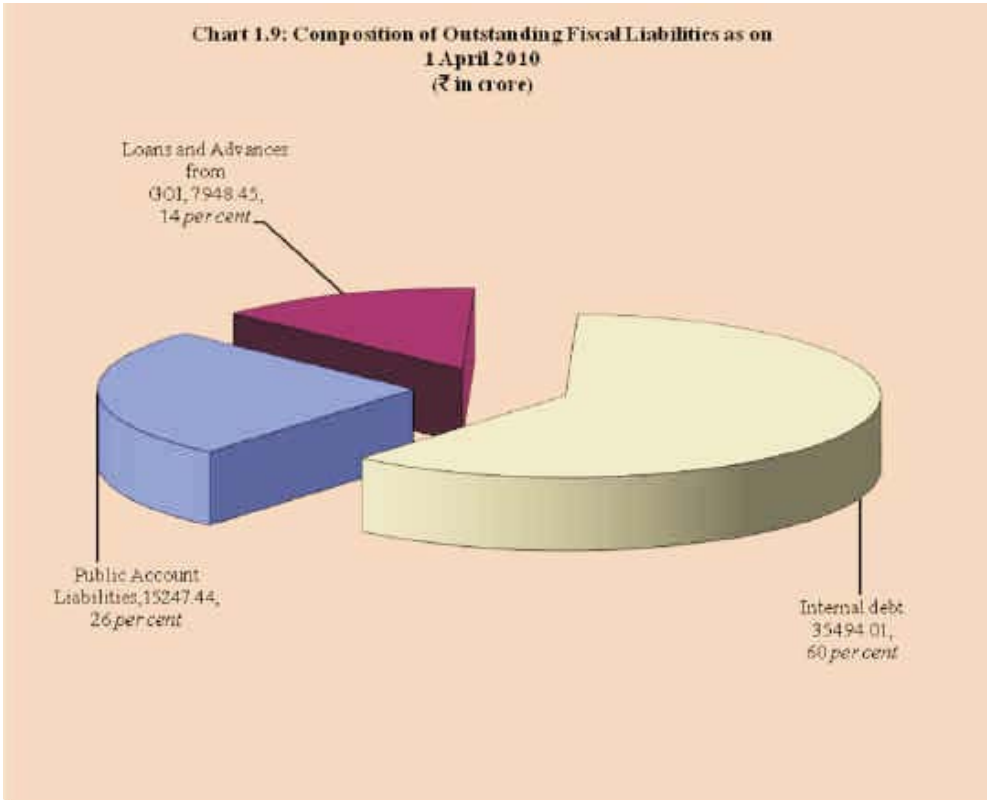
1.7.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Table 1.17.** and the composition of fiscal liabilities during the current year *vis-à-vis* the previous year is presented in **Chart 1.9** and **1.10.**

Table 1.17: Outstanding Fiscal Liabilities[7]

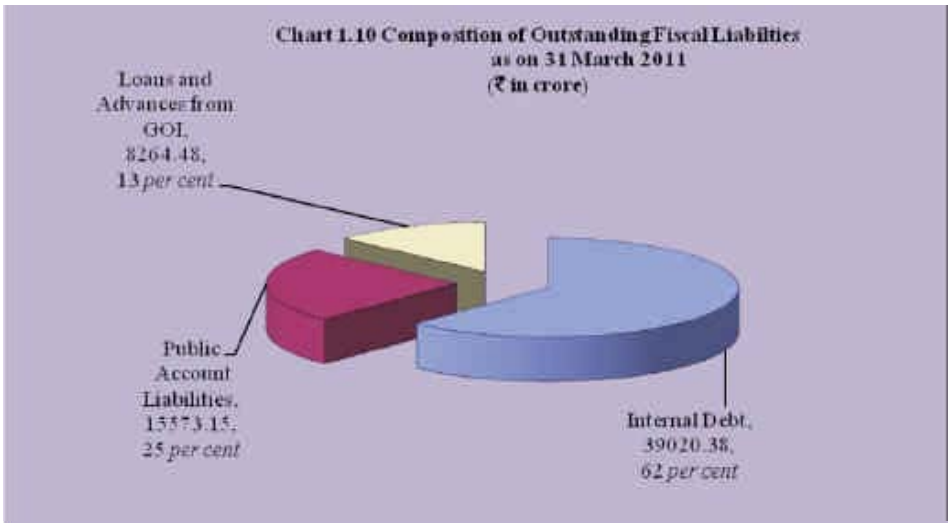
Year	2006-07	2007-08	2008-09	2009-10	2010-11
Amount (₹ in crore)	49089	50989	54977	58690	62858
Growth Rate	5.58	3.87	7.82	6.75	7.10
Ratio of fiscal liabilities to					
GSDP	0.475	0.429	0.365	0.335	0.295
Revenue receipts	212.66	180.75	166.69	165.20	141.15
Own resources	1080.3	908.57	750.44	601.33	579.07
Buoyancy ratio of fiscal liabilities to					
GSDP	0.24	0.26	0.29	0.41	0.33
Revenue receipts	0.19	0.17	0.46	0.87	0.28
Own resources	0.49	0.16	0.26	0.20	0.63

(Source: State Finance Accounts of the respective years)



(Source: State Finance Accounts, 2009-10)

[7] Market loan, Loans and advances from GOI, Loans from Small Saving Provident Fund etc and other obligation.



(Source: State Finance Accounts, 2010-11)

The overall fiscal liabilities of the State increased from ₹ 58690 crore in 2009-10 to ₹ 62858 crore in 2010-11**.** The growth rate was 7.10 *per cent* during 2010-11 over the previous year. The growth of fiscal liabilities increased from 6.75 *per cent* (2009-10) to 7.10 *per cent* (2010-11) and the ratio of fiscal liabilities to GSDP also decreased from 0.475 (2006-07) to 0.295 during the year 2010-11. The liabilities stood at 1.41 times the revenue receipts and 5.79 times the States' own resources at the end of 2010-11. The buoyancy of these liabilities with respect to GSDP during the year was 0.33, indicating that for each one *per cent* increase in GSDP, fiscal liabilities grew by 0.33 *per cent* ***(Appendix 1.6)***.

Further, the fiscal liabilities increased from ₹ 49089 crore in 2006-07 to ₹ 62858 crore in 2010-11. As on 31 March 2011, the outstanding balance in the Sinking Fund was ₹ 440 crore, including addition of ₹ 160 crore during 2010-11.

1.7.3 Status of Guarantees–Contingent liabilities

Guarantees are liabilities contingent on the Consolidate Fund of the State in cases of defaults by borrowers for whom the guarantees have been extended. No law under Article 293 of the Constitution has been passed by the State legislature laying down the limit within which the Government may give guarantees on the security of the Consolidated Fund of the State.

As per Statement 9 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is given in **Table 1.18**.

Table-1.18: Guarantees given by the Government of Bihar

(₹ in crore)

Guarantees	2008-09	2009-10	2010-11
Maximum amount guaranteed	1547.73	1547.73	1549.03
Outstanding amount (Principal) of guarantees	704.24	898.83	587.96
Percentage of maximum amount guaranteed to total revenue receipts	4.69 (32981)	4.36 (35527)	3.48 (44532)
Figures in brackets indicate revenue receipts			

(Source: State Finance Accounts of the respective years)

No amount was paid by the Government towards guarantees during 2010-11. The outstanding amount of ₹ 588 crore of guarantees, as on 31 March 2011, was in respect of the Bihar State Electricity Board (₹ 195 crore), the Bihar State Financial Corporation (₹ 127 crore) and others (₹ 266 crore). Further, the State Government had not yet established a guarantee redemption fund by charging guarantee fees for the discharge of any liability that could arise in future.

1.8 Debt Sustainability

Apart from the magnitude of debt of the State Government, it is important to analyze the various indicators that determine the debt sustainability[8] of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilization[9]; sufficiency of non-debt receipts[10]; net availability of borrowed funds[11], burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of the State Government securities. **Table 1.19** analysis the debt sustainability of the State, according to these indicators for the period of five years beginning from 2006-07.

Table 1.19: Debt Sustainability: Indicators and Trends

(₹ in crore)

Indicators of Debt Sustainability	2006-07	2007-08	2008-09	2009-10	2010-11
Debt Stabilisation (Quantum Spread plus Primary Surplus)	8396.51	5925.05	10729.53	-226.39	9449.84
Sufficiency of non-debt receipts (Resource Gap)	679.00	1318.00	-804.00	-1524	3372
Net Availability of borrowed funds	-692.00	-1496.00	93	28	71
Burden of Interest Payments (IP/RR Ratio)	0.15	0.13	0.11	0.10	0.10
Maturity Profile of State Debt (in years)					
Zero to one year					723 (4)
One to three years					3173 (18)
Three to five years					2700 (15)
Five to seven years					895 (5)
More than seven years					10089 (58)
Total market borrowing					17580

(Source: State Finance Accounts of the respective years)

[8] 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 a balance between costs of additional borrowings with returns from such borrowings. It means that the rise in fiscal deficit should match the increase in the capacity to service the debt.

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

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

[11] Defined as the ratio of the debt redemption (Principal plus Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.

Out of the four indicators of debt sustainability, the State had fared well on three indicators. The position of each indicator was as under:

If the quantum spread together with primary deficit is zero, the debt-GSDP ratio would be constant or debt would be stabilized eventually. The quantum spread together with the primary deficit increased from (-) ₹ 226.39 crore in 2009-10 to ₹ 9449.84 crore in 2010-11 indicating that the sustainability of the debt has increased. However, the State needs to step up its resources mobilization as well as reduce its unproductive expenditure to maintain debt stability.

Net availability of borrowed funds is defined as the ratio of debt redemption (principal plus interest payments) to total debt receipts and indicates the extent to which debt receipts are used in debt redemption.

As per Statement No.6 of Finance Accounts for the year 2010-11, the Government, during 2010-11, raised internal debt of ₹ 5251 crore, loans and advances from GOI of ₹ 782 crore and other obligations of ₹ 7658 crore and repaid internal debts of ₹ 1725 crore, loans and advances from GOI of ₹ 466 crore and discharged other obligations worth ₹ 7332 crore. Consequently, the net availability of borrowed funds was only ₹ 71 crore during the year.

The maturity profile of the State's debt as per **Table 1.19** indicated that nearly 37 *per cent* of the total debts were repayable within the next five years, while the remaining 63 *per cent* were payable thereafter. Hence the State was liable to repay debts of ₹ 2700 crore during the period 2014-16, ₹ 895 crore during 2016-17 and ₹ 10089 crore during 2017-18, for which it will have to improve its debt sustainability to generate funds for repayment of loans in the coming years. A well-planned debt repayment strategy will have to be worked out by the Government to ensure that no additional borrowings, which mature in these critical years, are made.

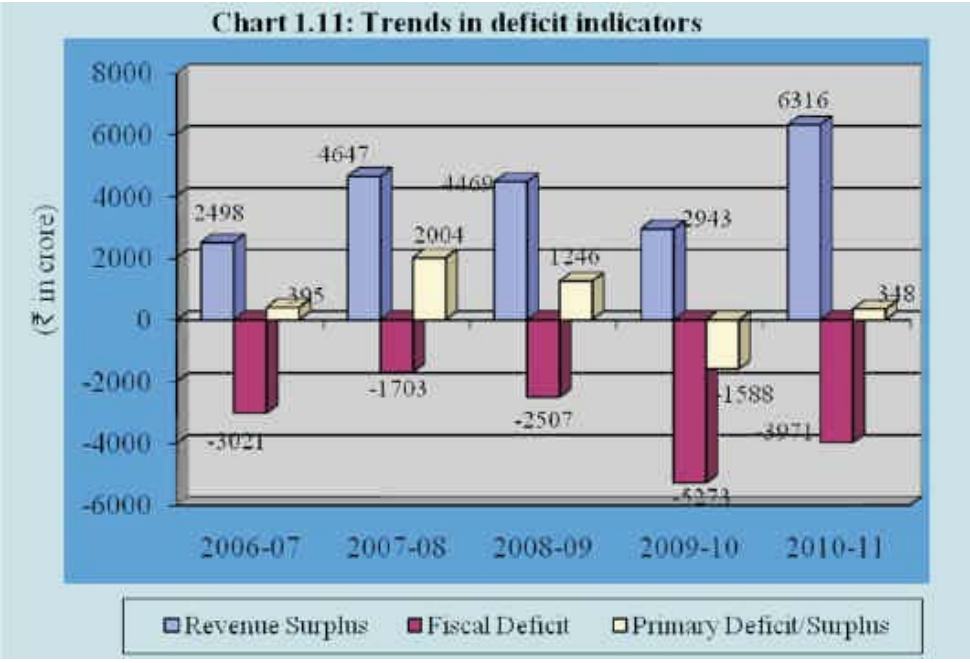
All the above-mentioned paragraphs lead to the conclusion that unless borrowings are restricted, the State will face serious problem in debt servicing.

1.9 Fiscal Imbalances

Three key fiscal parameters i.e. revenue, fiscal and primary deficits, indicate the extent of overall fiscal imbalances in the finances of the Government during a specified period. The deficit in the Government accounts represents the gap between its resources and commitments. The nature of the 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 are raised and applied are important pointers to its fiscal health. This section presents the trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-a-vis* targets set under FRBM Act/Rules for the financial year 2010-11.

1.9.1 *Trends of Deficits*

The State achieved revenue surplus since 2006-07. **Chart 1.11** indicates that while the actual surplus decreased by ₹ 1526 crore during 2009-10, it increased by ₹ 3373 crore in 2010-11 compared to the previous year.



(Source: State Finance Accounts of the respective years)

Table 1.20: Trends in deficit indicators over the period 2006-11

Year	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue surplus/GSDP	0.024	0.039	0.029	0.017	0.030
Fiscal deficit/GSDP	0.029	0.014	0.016	0.030	0.018
Primary surplus/GSDP	0.038	0.017	0.008	0.009	0.016

(Source: State Finance Accounts of the respective years)

During the year, the revenue surplus increased by ₹ 3373 crore due to increase of ₹ 9005 crore in revenue receipts. The State achieved the fiscal deficit target as laid down in its FRBM Act and projections recommended by the ThFC's during 2010-11. The fiscal deficit decreased from ₹ 5273 crore in 2009-10 to ₹ 3971 crore in 2010-11 and its ratio to GSDP decreased from 0.030 to 0.018 respectively as indicated in **Table 1.20**. Further, the primary deficit of ₹ 1588 crore (2009-10) turned into primary surplus of ₹ 348 crore during the year ***(Appendix 1.6)***.

1.9.2 *Components of Fiscal Deficit and its Financing Pattern*

The financing pattern of fiscal deficit has undergone a composite shift. Receipts and disbursements under the components of financing the deficit during 2010-11 are given in **Table 1.21**

Table1.21: Components of Fiscal Deficit and its Financing Pattern

(₹ in crore)

	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Composition of Fiscal Deficit		**(-)3020.91**	**(-)1703.46**	**(-)2506.97**	**(-)5273.01**	**(-)3971**
1	Revenue Deficit/Revenue Surplus	2498.14	4646.85	4469.11	2942.66	6316
2	Net Capital Expenditure	(-)5211.13	(-)6103.78	(-)6436.35	(-)7332.09	(-)9196
3	Net Loans and Advances	(-)307.92	(-)246.53	(-)539.73	(-)883.58	(-)1091
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	(-)412.72	(-)779.56	3757.12	2501.91	1707.78
2	Loans from GOI	(-)314.15	39.75	(-)278.81	(-)49.35	316.03
3	Special Securities Issued to NSSF	2040.69	661.59	529.08	1472.52	1533.39
4	Loans from Financial Institutions	(-)314.15	58.26	238.22	226.32	285.20
5	Small Savings, PF etc.	395.05	268.40	144.41	(-)262.86	252.70
6	Deposits and Advances	869.48	1700.04	(-)690.52	(-)134.15	50.94
7	Suspense and Misc	583.65	(-)2190.35	395.96	(-)290.89	1830.68
8	Remittances	(-)63.14	618.30	(-)221.57	(-)54.82	79.96
9	Others	nil	(-)44.60	293.24	(-)41.69	23.72
10	**Overall Surplus/Deficit**	**97.01**	**-1371.62**	**1660.14**	**-1906.02**	**6080.37**
11	Increase (-) decrease (+) in cash balance#					-2109.39
12	**Gross Fiscal Deficit**					**3971**

(Source: State Finance Accounts of the respective years)

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

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

Table 1.22: Receipts and Disbursements under components financing the fiscal deficit during 2010-11

(₹ in crore)

Sl. No.	Particulars	Receipts	Disbursements	Net
1	Market Borrowings	2600.00	892.22	1707.78
2	Loans from GOI	781.53	465.50	316.03
3	Special Securities Issued to National Small Savings Fund	2015.69	482.30	1533.39
4	Loans from Financial Institutions	635.20	350.00	285.20
5	Small Savings, PF etc.	838.84	586.14	252.70
6	Deposits and Advances	6624.39	6573.45	50.94
7	Reserve Funds	243.73	220.01	23.72
8	Suspense and Miscellaneous	123825.29	121994.61	1830.68
9	Remittances	9279.87	9199.91	79.96
10	**Overall surplus (-) deficit (+)**			**6080.37**
11	Increase (-) decrease (+) in cash balance			-2109.39
12	**Gross Fiscal Deficit**			**3971**

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

The fiscal deficit, which represents the borrowings of the Government and its resource gap decreased from ₹ 5273 crore in 2009-10 to ₹ 3971 crore in 2010-11.

Table 1.21 above indicates the decomposition of fiscal deficit of various borrowings resorted to by the State to meet its requirement of funds over and above the revenue and non-debt receipts.

During the period 2006-07 to 2010-11, there was a steady increase in the net capital expenditure from ₹ 5211 to ₹ 9196 crore (76.5 *per cent*) leading to an overall fiscal deficit situation. This decreased the fiscal deficit as a percentage of the net capital expenditure from 58 during 2006-07 to 43 in 2010-11.

Net loans and advances were significant components of fiscal deficit expenditure contributing as much as 10.19 *per cent* and 27.47 *per cent* during 2006-07 and 2010-11 respectively.

During 2009-10, the fiscal deficit which stood at 72 *per cent* of capital expenditure reduced to 43 *per cent* of capital expenditure during 2010-11. During the year 2006-07, the fiscal deficit was mainly financed by special securities issued to National Small Savings Funds, Deposits and Advances and Suspense and Miscellaneous whereas during 2010-11, the fiscal deficit was mainly financed by market borrowings and special securities issued to NSSF.

1.9.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the State's finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratios of revenue deficit to fiscal deficit also indicate that the asset base of the State was continuously shrinking and a part of the borrowings (fiscal liabilities) did not have any asset backup. The bifurcation of the primary deficit (**Table 1.23)** would indicate the extent to which the deficit was on account of enhancement in capital expenditure, which may have been desirable to improve the productive capacity of the State's economy.

Table 1.23: Primary deficit/surplus – bifurcation of factors

(₹ in crore)

Year	Non-debt receipts[12]	Primary Revenue Expenditure[13]	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary revenue deficit (-) /surplus (+)	Primary deficit (-) /surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2006-07	23090	17169	5211 (23)	315	22695	5921	+395
2007-08	28236	19856	6104 (23)	272	26232	8380	+2004
2008-09	32992	24759	6436 (20)	551	31746	8233	+1246
2009-10	35540	28899	7332 (21)	897	37128	6641	-1588
2010-11	44544	33897	9196(4)	1103	44196	10647	+348

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

[12] Non debt receipts considered here is the aggregate of Revenue receipts and recovery of loans and advances.
[13] Primary revenue expenditure is the difference between revenue expenditure and interest payments.

The Government had a primary revenue surplus with increasing trends. It increased from ₹ 5921 crore in 2006-07 to ₹ 8233 crore in 2008-09, but decreased to ₹ 6641 crore in 2009-10 and finally increased to ₹ 10647 crore in 2010-11. This was due to increase in primary expenditure (which includes primary revenue expenditure, capital expenditure and loans and advances) from ₹ 22695 crore in 2006-07 to ₹ 44196 crore in 2010-11. The details indicate that non-debt receipts were enough to meet the primary revenue expenditure and part of these receipts were utilized to meet capital expenditure. The State was experiencing primary surplus since 2008-09 which stood at ₹ 348 crore at the end of 2010-11.

1.10 Conclusion

Pattern of Revenue and Expenditure: Revenue receipts increased by 25 *per cent* during the year due to increase in tax revenue by 22 *per cent*. Collection of tax revenue was more than 20 *per cent* of the ThFC projections and fell short by seven *per cent* from Budget Estimates during the year. Non-tax revenue which declined by 41 *per cent* during the year, fell short of the 40 *per cent* and 18 *per cent* with respect to the assessment made by ThFC and the Budget Estimates respectively.

Revenue expenditure constituted 79 *per cent* of the total expenditure during the year and increased by 17 *per cent* over that of the previous year. Non-Plan Revenue Expenditure was 71 *per cent* of the revenue expenditure during 2010-11. The NPRE component at ₹ 27316 crore was more than the assessment of the ThFC for the State(₹ 24787 crore) but less than the Budget Estimates (₹ 29863 crore). Within the Non-Plan revenue expenditure, committed expenditure i.e. salaries, pension liabilities, interest payments and subsidies constituted about 82 *per cent* during 2010-11.

Capital expenditure which constituted 19 *per cent* of the total expenditure, increased during 2010-11 by 25 *per cent* over 2009-10. Financial assistance to local bodies and other institution (₹ 4622 crore) which constituted 12 *per cent* of revenue expenditure during 2010-11, decreased by six *per cent* over 2009-10.

Review of Government investments: The average return on the Government's investments in Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative institutions and local bodies varied between zero *per cent* to 0.28 *per* cent in the last five years, while the Government paid on average interest of 7.15 *per cent* to 6.87 *per* cent on their investments during 2006-11.

Arrears of revenue: The arrears of revenue as on 31 March 2011 in respect of the principal heads of revenue (as reported by seven departments) w as ₹ 1198.24 crore, of which ₹ 598.99 crore was outstanding for more than five years.

Incomplete projects: 350 projects of ₹ 1005 crore which were scheduled for completion by 31 March 2011, were still lying incomplete. Time overruns of incomplete projects will have to be reduced so that the people of Bihar benefit from these sunk costs.

Oversight of funds transferred directly from the GOI to the State implementing agencies: GOI directly transferred ₹ 10309 crore to State implementing agencies during the year, which was more by ₹ 5127 crore (99 *per cent*) over the previous year. As the funds were not routed through the Government accounts, the direct

transfer of funds from GOI to State implementing agencies ran the risk of oversight of maintenance of accounts and utilization of funds by these agencies. In the absence of uniform accounting practices followed by all these agencies, proper documentation was not in place and timely reporting about the status of expenditure by these implementing agencies was not being done.

Cash balance: The cash balance of the State was ₹ 2291 crore in 2009-10 and ₹ 2735 crore in 2010-11.Therefore the cash balance at the end of the year increased by 444 crore (19 *per cent*) over that of the previous year.

1.11 Recommendations

The Government may:

- strengthen its tax collection machinery so that arrears of revenue are reduced.
- take steps to ensure better value of money for investments. Projects which are justified on account of low financial but high socio-economic returns may be indentified and prioritized with full justification for channeling high-cost borrowings there.
- review the status of State Public Sector Undertakings and work out a revival strategy for those undertakings which can be made viable. Undertakings which are not likely to be viable may be closed down.
- ensure proper accounting of the funds transferred directly to State implementing agencies and also ensure that the updated information validated by the State Government as well as the Accountant General (A&E), Bihar for proper monitoring of the expenditure incurred by the implementing agencies.

Chapter 2

Financial Management and Budgetary Control

2.1 Introduction

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

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

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

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

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2010-11 against 51 grants/appropriations is given in **Table 2.1**.

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

(₹ in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Savings (-) / Excess (+)
Voted	I Revenue	36244.29	7979.89	44224.18	34842.39	(-) 9381.79
	II Capital	10433.96	3548.67	13982.63	9281.25	(-) 4701.38
	Loans and Advances	730.67	471.20	1201.87	1102.64	(-) 99.23
Total Voted		**47408.92**	**11999.76**	**59408.68**	**45226.28**	**(-) 14182.40**
Charged	IV Revenue	*4602.03*	*3.42*	*4605.45*	*4401.75*	*(-) 203.70*
	V Capital	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
	Public Debt-Repayment	*1915.56*	*362.39*	*2277.95*	*2190.02*	*(-) 87.93*
Total Charged		***6517.59***	***365.81***	***6883.40***	***6591.77***	***(-) 291.63***
Appropriation to Contingency Fund (if any)						
Grand Total		**53926.51**	**12365.57**	**66292.08**	**51818.05**	**(-)14474.03**

(Source: Appropriation Accounts, Government of Bihar)

Note:The expenditure includes recoveries of revenue expenditure amounting to ₹1028.22 crore and recoveries of capital expenditure amounting to ₹85.32crore, adjusted as reduction of expenditure.

Supplementary provisions of ₹ 12365.57 crore obtained during the year constituted 23 *per cent* of the original provision as against 12 *per cent* in the previous year.

The overall savings of ₹ 14474.03 crore were the result of savings of ₹ 14747.74 crore in 44 grants and five appropriations, offset by excess of ₹ 273.71 crore in two grants/appropriations under the Revenue Section. The excess of ₹ 273.71 crore requires regularisation under Article 205 of the Constitution.

The cases of savings/excesses were intimated (June 2011) by Accountant General (A&E), Bihar to the Controlling Officers, requesting them to explain the reasons for significant variations but their explanations had not been received (November 2011).

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

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

requiring examination, but should proceed with the examination of the estimates immediately on their receipt.

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

Appropriation audit revealed that savings of ₹ 14717.27 crore had occurred in 41 cases, exceeding ₹ 10 crore in each case (***Appendix 2.1***). The major savings under the Revenue Voted Section occurred in departments like the Urban Development and Housing Department (₹ 1531.90 crore); the Disaster Management Department (₹ 1355.21 crore), the Human Resources Department (₹ 1229.32 crore), the Water Resources Department (₹ 1722.90 crore) and the Finance Department (₹ 1174.44 crore) in the Capital Voted Section. The reasons for the savings have not been intimated (November 2011).

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

(₹ in crore)

Sl. No.	No. and Name of the Grant	Original	Supplem-entary	Total	Actual Expendi-ture	Savings	Surre-nders
Revenue-Voted							
1	16-Panchayati Raj Department	1288.69	600.15	1888.84	1297.80	591.04	550.99
2	21-Human Resources Department	9348.22	546.91	9895.13	8665.81	1229.32	836.27
3	39-Disaster Management Department	382.60	1607.60	1990.20	634.99	1355.21	370.75
4	48-Urban Development and Housing Department	1788.78	354.68	2143.46	611.56	1531.90	792.00
5	51-Social Welfare Department	2349.01	341.14	2690.15	2082.53	607.62	597.55
	Total	**15157.30**	**3450.48**	**18607.78**	**13292.69**	**5315.09**	**3147.56**
Capital-Voted							
6	12-Finance Department	35.52	1158.00	1193.52	19.08	1174.44	8.30
7	49-Water Resources Department	2279.76	752.95	3032.71	1309.81	1722.90	1600.91
	Total	**2315.28**	**1910.95**	**4226.23**	**1328.89**	**2897.34**	**1609.21**
Grand Total		**17472.58**	**5361.43**	**22834.01**	**14621.58**	**8212.43**	**4756.77**

(Source: Appropriation Accounts, Government of Bihar)

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

i. Grant Number "16-Panchayati Raj Department" (Revenue Voted)

Against the provision of ₹ 1888.84 crore, the expenditure was only ₹ 1297.80 crore, resulting in savings of ₹ 591.04 crore. Further, augmentation of funds (₹ 600.15 crore) through supplementary grants proved unnecessary as out of ₹ 600.15 crore, only ₹ 9.11 crore was utilized and the rest (₹ 591.04 crore) was saved. ₹ 550.99 crore was surrendered on 31 March 2011. The savings were due to non-receipt of demands, non-submission of utilization certificate and non-drawal of amount by the district. Reasons for final savings have not been intimated.

ii. Grant Number "21-Human Resource Department" (Revenue Voted)

Supplementary provisions of ₹ 546.91 crore proved unnecessary as the total expenditure of ₹ 8665.81 crore was less than the original budget (₹ 9348.22 crore). Savings (₹ 1229.32 crore) occurred mainly under the head 2202-General Education, 01-Elementary Education, 112-National Programme of Mid-Day-Meals in Schools, 0101-Mid-Day-Meal project(₹ 75 crore), 198-Assistance to Gram Panchayat, 0002-Consolidated payment to Panchayat teachers (₹ 120.72 crore), and 02-Secondary Education, 109-Government Secondary Schools, 0001-Other Schools (₹ 103.56 crore). Reasons for final savings have not been intimated.

iii. Grant Number "39-Disaster Management Department" (Revenue Voted)

The grant closed with savings of ₹ 1355.21 crore against the total budget of ₹ 1990.20 crore. Savings occurred mainly under the head 2245-Relief on account of Natural Calamities, 05-Calamity Relief Fund, 101-Transfer to Reserve Funds and Deposit Accounts-State Disaster Response Fund, 0001-State Disaster Response Fund (₹ 886.26 crore). Reasons for final savings have not been intimated.

iv. Grant Number "48-Urban Development and Housing Department" (Revenue Voted)

Against the provisions of ₹ 2143.46 crore, the expenditure was only ₹ 611.56 crore, resulting in savings of ₹ 1531.90 crore. Further augmentation of funds (₹ 354.68 crore) through supplementary grants proved unnecessary as the total expenditure of ₹ 611.56 crore was less than even the original estimates of ₹ 1788.78 crore. Savings (₹ 1531.90 crore) occurred mainly under the head 2217-Urban Development, 80-General, 800-Other Expenditure, 0116-Grants-in-aid to Urban Local Bodies for integrated Urban Development (₹ 246.06 crore), 0122-For Jawaharlal Nehru National Urban Renewal Mission Scheme (₹ 194.86 crore) and 0123-Integrated Housing and Slum Area Development Programme (₹ 95.93 crore) due to reduction in plan outlay. Reasons for final savings have not been intimated.

v. Grant Number "*51*-Social Welfare Department" (Revenue Voted)

The grant closed with savings of ₹ 607.62 crore, which included supplementary grants of ₹ 341.14 crore. In view of the overall savings, the supplementary grants provided during March 2011 proved unnecessary as the expenditure (₹ 2082.53 crore) did not even came to the level of the original budget (₹ 2349.01 crore). Reasons for final savings have not been intimated.

vi. Grant Number "49-Water Resources Department" (Capital Voted)

The grant closed with savings of ₹ 1722.90 crore, which included supplementary grants, of ₹ 752.95 crore. In view of the overall savings, the supplementary grants provided during March 2011 proved unnecessary as the expenditure (₹ 1309.81 crore) did not even come up to the level of the original budget (₹ 2279.76 crore). The savings (₹ 1722.90 crore) occurred mainly under heads 4700-Capital Outlay on Major Irrigation, 04-Irrigation Project for Kiul-Badua-Chandan Basin(Non-Commercial), 800-Other Expenditure, 0102-Irrigation Project for kiul-Badua-Chandan Basin [(works) (AIBP)] (₹ 18.22 crore) and 4711-Capital Outlay on Flood Control Projects, 01-Flood Control, 001-Direction and Administration, 0108-Anti Erosion Work on River Ganga-Centrally Sponsored Schemes, 25 *per cent* State Share (Works) (₹ 75.99 crore) due to revision in plan outlay of AIBP. Reasons for final savings have not been intimated.

2.3.2 Persistent Savings

Audit scrutiny revealed that during the last five years, in 11 cases, there were persistent savings of more than ₹ 20 crore in each case. Such savings ranged between 11 to 76 *per cent* of the total grants (***Appendix 2.2*****).** Reasons for the persistent savings have not been intimated (November 2011).

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 a State Government to get excesses over grants/appropriations regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Article, the regularization of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, expenditure amounting to ₹ 7115.94 crore for the year (1977-2010) was still to be regularized as shown in ***Appendix 2.3***.

2.3.4 Excess over provisions during 2010-11 requiring regularization

Excesses in two grants/appropriations as detailed in **Table 2.3,** amounting to ₹ 273.71 crore over authorizations from the Consolidated Fund of the State during 2010-11, required regularization under Article 205 of the Constitution.

Table 2.3: Excess expenditure during the year 2010-11

(₹ in crore)

Sl. No.	Number and name of grants/appropriations	Total grants/appropriations	Expenditure	Excess
Revenue- Voted/Charged				
1	05-Governor Secretariat	5.50	5.85	0.35
2	15-Pension	5868.08	6141.44	273.36
Total		**5873.58**	**6147.29**	**273.71**

2.3.5 Unnecessary/Inadequate supplementary provisions

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

Supplementary provisions aggregating ₹ 3684.99 crore obtained in 34 cases (30 grants/appropriations), involving ₹ 10 lakh or more in each case during the year proved unnecessary as the expenditure did not come up to the level of the original provisions also, as detailed in ***Appendix 2.4***.

Further in the case of Grant No.05, supplementary provision totalling ₹ 0.06[1] crore proved insufficient, leaving an aggregate uncovered excess expenditure of ₹ 0.35 crore. Interestingly, ₹ 0.17 crore was also injudiciously surrendered on 31 March 2011.

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

2.3.6 Excessive/unnecessary re-appropriation of funds

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

Audit scrutiny revealed that under 11 grants involving 26 sub-heads, additional funds of ₹ 54.29 crore provided through re-appropriation proved unnecessary as the final savings was ₹ 91.82 crore, as detailed in ***Appendix 2.5.*** Similarly, in nine cases involving seven grants, ₹ 108.09 crore was injudiciously withdrawn through re-appropriations, when there was a total excess expenditure of ₹ 40.81 crore under these grants as detailed in **Table-2.4**.

[1] Original ₹ 5.44 crore, Supplementary ₹ 0.06 crore, Actual expenditure ₹ 5.85 crore, Surrender ₹ 0.17 crore and Excess ₹ 0.35 crore

Table 2.4: Insufficient withdrawal through re-appropriation of funds

(₹ in crore)

Sl. No.	Grant No.	Head of Accounts and Description	Total Provision	Re-appropriation	Final Excess
1	1	2401-Crop Husbandry, 109-Extension and Farmer's Training, 0001-Divisional, District and Sub-divisional Establishment	114.36	-1.50	0.40
2	3	2059-Public Works, 80-General, 053-Maintenance and Repairs, 0001-Maintenance and repairs	112.00	-2.19	**1.74**
3	9	2425-Co-operation, 001-Direction and Administration, 0002-Superitendance	38.35	-1.18	0.02
4	21	2202-General Education, 01-Elementary Education, 101-Government Primary Schools, 0001-Government Primary and Middle School	2481.00	-0.20	17.40
5	41	5054-Capital Outlay on Roads and Bridges, 03-State Highways, 101-Bridges, 0105-Construction of Road and Bridge between Market and Remote Area from Bihar Commercial Fund	100.00	-25.00	**15.99**
6	41	5054-Capital Outlay on Roads and Bridges, 03-State Highways, 337-Road Works, 0106-Central Road Fund	80.00	-20.00	2.89
7	41	5054-Capital Outlay on Roads and Bridges, 03-State Highways, 337-Road Works, 0109-Construction of Road and Bridge for connecting market and sojourn regions (Bihar Trade Development Fund)	220.00	-55.00	0.46
8	43	2203-Technical Education, 001-Direction and Administration, 0001-Directrate of Technical Education	2.02	-0.02	0.43
9	49	2701-Medium Irrigation, 80-General, 001-Direction and Administration, 0001-Headquarters Secretariat Establishment (Engineer- in-Chief)	12.26	-3.00	1.48
Total			**3159.99**	**-108.09**	**40.81**

(Source: Grants Register & Detailed Appropriation Accounts, Government of Bihar)

Under the Head 2059-"Public Works, 80-"General", 053-"Maintenance and Repairs", 0001-Maintenance and Repairs of Grant No.03, ₹ 2.19 crore was withdrawn through re-appropriation, whereas excess expenditure of ₹ 1.74 crore occurred.

Under the Head 5054-"Capital outlay on Roads and Bridges", 03-"State Highways", 101-"Bridges", 0105-"Construction of Roads and Bridges between Markets and Remote Areas from Bihar Commercial Fund" under Grant No. 41, ₹ 25 crore was withdrawn through re-appropriation, whereas excess expenditure of ₹ 15.99 crore was incurred. The above facts revealed that instead of providing additional funds to meet additional requirements, there was withdrawal of funds from the deficient accounts. Further, in 50 cases, withdrawals through re-appropriation of ₹ 116.19 crore proved insufficient since there remained savings of ₹ 243.21 crore under the relevant detailed heads of these grants as shown in ***Appendix 2.6.***

The above instances are indicative of the fact that the Controlling Officers failed to anticipate their actual requirements and did not have up-to-date information regarding expenditure and re-appropriation. Withdrawals were not need-based but were resorted to in an adhoc manner.

2.3.7 Substantial surrenders

Rule 112 of the Bihar Budget Manual provides that all anticipated savings should be surrendered to Government immediately as and when foreseen without waiting till the end of the year, unless they are required to meet excesses under some other unit or units which are definitely foreseen at the time. No savings should be held in reserve for possible future excesses.

In 25 grants/appropriations involving 72 sub-heads, out of a total provision of ₹ 4879.59 crore, funds amounting to ₹ 3629.82 crore (₹ five crore and above in each case) were surrendered as indicated in ***Appendix 2.7.*** The surrender under each unit ranged between 50.70 to 99.83 *per* cent. These funds were surrendered on account of either non-implementation or slow implementation of schemes or programmes.

Further, there was 100 *per cent* surrender of funds (₹ 1817.18 crore) in 93 schemes under 26 grants/appropriations **(*Appendix 2.8*)** due to non-implementation of schemes and the beneficiaries were deprived of the benefits and services which could have been derived from these schemes.

2.3.8 Surrender in excess of actual savings

In eight cases, the amount injudiciously surrendered (₹ 50 lakh or more in each case) was in excess of the actual savings, indicating lack of or inadequate budgetary control in these departments. As against savings of ₹ 738.69 crore, the amount surrendered was ₹ 1012.14 crore, resulting in excess surrender of ₹ 273.45 crore as given in ***Appendix 2.9***. Injudicious surrenders of non-existent surpluses were not in conformity with the above provision and indicated lack of monitoring by the Controlling Officers of the departments.

2.3.9 Anticipated savings not surrendered

Audit scrutiny revealed that in violation of Rule 112 of the Bihar Budget Manual, savings of ₹ 4223.89 crore out of savings of ₹ 7544.26 crore involving 22 grants/appropriations were not surrendered as indicated in ***Appendix 2.10.***

Besides, in 35 cases, where there was surrender of funds in excess of ₹ 10 crore in each case ₹ 4012.34 crore was (***Appendix 2.11***) surrendered on the last two working days of March 2011.

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

2.3.10 Rush of Expenditure

As per Rule 113 of the Bihar Budget Manual, no money should be spent hastily or in an ill-considered manner merely because it is available or just to avoid the lapse of a grant. In public interest, grants that cannot be profitably utilized should be surrendered. The existence of likely savings should not be seized as an opportunity for introducing fresh items of expenditure which could wait till the next year. A rush of expenditure particularly in the closing months of the financial year will ordinarily be regarded as a breach of financial regularity.

Contrary to this, in respect of 26 Major heads listed in ***Appendix 2.12***, expenditure exceeding 50 *per cent* of the total expenditure for the year was incurred during the last quarter of the year or in the month of March 2011.

In addition to the violation of Rule 113 of the Bihar Budget Manual, the economy in such expenditure could not be ascertained.

2.4 Unreconciled Expenditure

Rules 475 (viii) of the Bihar Financial Rules states that heads of departments and the Accountant General (A&E), Bihar will be jointly responsible for the reconciliation of the figures given in their respective accounts maintained by the heads of the departments with those that appear in the books of Accountant General (A&E), unless in any case there are special rules or orders to the contrary.

Although non-reconciliation of departmental figures with those of the Accountant General (A&E) had been pointed out regularly in Audit Reports, under 80 Major heads, heads of departments did not reconcile expenditure amounting to ₹ 43444.37 crore (exceeding ₹ 10 crore in each case) during 2010-11 as shown in ***Appendix 2.13***. Out of these Major heads, ₹ 23642.70 crore (54.42 *per cent*) related to five Major[2] heads.

2.5 Advances from Contingency Fund

The Contingency Fund of the State was established under the Bihar Contingency Fund Act, 1950, in terms of the provisions of Articles 267 (2) and 283 (2) of the Constitution of India. Advances from the fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorization by the Legislature, would be undesirable. The fund is in the nature of an imprest. The balance at the beginning of the year on 1 April 2010 was ₹ 350 crore. The State Legislature raised the corpus of the Contingency Fund from ₹ 350 crore to ₹ 1500 crore on temporary basis for the current financial year for relief and rehabilitation measures. However, the corpus of the fund was reverted back to ₹ 350 crore at the end of the financial year.

During 2010-11, Government sanctioned 119 withdrawals amounting to ₹ 1349.54 crore (2.04 *per cent* of total budget provision), of which 55 withdrawals amounting to ₹ 680.92 crore (50 *per cent* of the total Contingency Fund) (***Appendix 2.14***) were for routine expenditure such as purchase of motor vehicles, office expenditure, pay and allowances, assistance to farmers, crop premium etc. Since these items were foreseeable expenditure, the drawal of advances from the Contingency Fund of the State was irregular and incorrect, notwithstanding the fact that entire amount was recouped during the year.

2.6 Review of a Selected Grant

A review of budgetary procedure and control over expenditure of Grant No. "49-Water Resources Department[3]" was conducted (August 2011) on

[2] 2049-Interest Payment, 2055-Police, 2071-Pensions and other retirement benefits, 2202-General Education and 5054-Capital Outlay on Roads and Bridges

[3] Dealing with, 2700-Major Irrigation, 2701-Medium Irrigation, 2705-Command Area Development, 2711-Flood Control and Drainage, 3451-Secretariate-Economic Services, 4700-

the basis of savings, excesses and magnitude of the grants and supplementary demands made during the year 2010-11. Important points noticed during the review are detailed below:

2.6.1 Grant No. 49 Water Resources Department

Against the budget provision of ₹ 4010.22 crore (Original: ₹ 3005.36 crore and Supplementary: ₹1004.86 crore) under the grant, an expenditure of ₹ 2056.56 crore was incurred, resulting in savings of ₹1953.66 crore (48.71 *per cent* of total provisions) ***(Appendix 2.15)*** as discussed below:

i Against the total savings of ₹ 1953.66 crore under the grant, an amount of ₹ 1812.40 crore was surrendered during the year 2010-11, out of which an amount of ₹ 468.82 crore was surrendered on 31 March 2011. Funds amounting ₹ 141.26 crore were not surrendered, indicating inadequate financial control and the fact that these funds could not be utilised on other schemes/programmes of the Government.

ii In view of savings of ₹ 1953.66 crore, supplementary provisions of ₹ 1004.86 core (₹ 251.91crore under 'Revenue' and ₹ 752.95 crore under 'Capital' heads) proved unnecessary as the actual expenditure (₹ 2056.56 crore) did not come up even to the level of the original provision (₹ 3005.36 crore).

iii Savings under Revenue (Voted) section, occurred mainly under heads, 2700-Major Irrigation, below minor heads, 01-Irrigation Project of Koshi Basin (Commercial), 001-Direction and Administration (Non-Plan), 0001-Establishment (₹ 1.60 crore), 101-Maintenance and Repairs (Non Plan), 0002-Other Maintenance Expenditure(₹ 1.30 crore), 03-Irrigation Project of Sone-Basin (Commercial), 001-Direction and Administration (Non-Plan), 0001-Establishment (₹ 2.54 crore) and 101-Maintenance and Repair (Non Plan), 0002-Other Maintenance Expenditure (₹ 16.47 crore), 2701-Medium Irrigation, 01-Major Irrigation (Commercial), 101-Koshi Project (Non-Plan), 0002-Other Maintenance Expenditure (for Kamala and North Bihar) (₹ 1.51 crore), 2705-Command Area Development, 001-Direction and Administration (State Plan), 0102-Area Development Command Level (₹ 4.75 crore) and 2711-Flood Control and Drainage, 01-Flood Control, 001-Direction and Administration (Non-Plan), 0003-Regional Establishment (₹ 7.66 crore) due to restriction imposed by the Finance Department and surrender of funds by regional offices. Reasons for final savings have not been intimated.

iv Savings under the Capital (Voted) Section (₹ 1722.90 crore) occurred mainly under the heads 4700-Capital Outlay on Major Irrigation, 04-Irrigation Project for Kiul-Badua-Chandan Basin (Non-Commercial), 800-Other Expenditure (State Plan), 0102-Irrigation Project of Kiul-Badua-Chandan Basin (AIBP) (₹ 18.22 crore), 0103-Irrigation Project for Kiul-Badua-Chandan Basin (NABARD) (₹ 6.50 crore), 4701-Capital Outlay on Medium Irrigation, 04-Medium Irrigation (Non-Commercial), 800-Other

Capital Outlay on Major Irrigation, 4701-Capital Outlay on Medium Irrigation, 4711-Capital Outlay on Flood Control Projects and 6701-Loans and Medium Irrigation

Expenditure (State Plan), 0101-Irrigation Project for Kiul-Badua-Chandan Basin (Works) (₹ 6.03 crore) and 4711-Capital Outlay on Flood Control Projects, 01-Flood Control, 001-Direction and Administration (State Plan), 0108-Anti Erosion Work on River Ganga (₹ 75.99 crore) due to revision in plan outlay of Accelerated Irrigation Benefit Programme and inclusion of scheme in the Accelerated Irrigation Benefit Programme. Reasons for final savings have not been intimated.

v The entire provision of ₹ 541.50 crore made for execution of five schemes/works (***Appendix 2.16***) under different sub-heads remained unutilised and was consequently surrendered mainly due to non-sanctioning of schemes and inclusion of the scheme in the Plan outlay of Accelerated Irrigation Benefit Programme. This indicated that the projections were made without adequate planning.

vi Against the provision of ₹ 370.38 crore made under seven Major heads (***Appendix 2.17***), a total amount of ₹ 99.20 crore was injudiciously surrendered by reappropriations and an expenditure of ₹ 292.27 crore was incurred on these works. This resulted in excess expenditure of ₹ 21.09 crore which indicated ineffective control over expenditure by drawing and disbursing officers and controlling officers.

vii Rule 113 of the Bihar Budget Manual provides that it is contrary to the interest of the State that money should be spent hastily or in an ill-considered manner, merely because it is available or that the lapse of a grant could be avoided. In the public interest, grants that cannot be profitably utilised should be surrendered. The existence of likely savings should not be seized as an opportunity for introducing fresh items of expenditure which might wait till next year. A rush of expenditure particularly in the closing month of the financial year will ordinarily be regarded as a breach of financial regularity. During 2010-11, an expenditure of ₹ 1395.68 crore was incurred under five Major heads, (***Appendix 2.19***) of which, expenditure of ₹ 530.74 crore (38 *per cent*) was incurred during March 2011. Rush of expenditure during the month of March 2011 showed non-adherence to the financial rules.

2.7 Conclusion

As seen from the foregoing, against a total appropriation of ₹ 66292 crore, the actual expenditure was ₹ 51818 crore. There was an overall savings of ₹ 14474 crore during the year (21.83 *per cent*). Supplementary appropriations of ₹ 12366 crore obtained during the year were not required in view of the overall savings of ₹ 14474 crore. The Government was still to regularize the excess expenditure of ₹ 7116 crore pertaining to the periods 1977-78 to 2009-10. Excess expenditure of ₹ 274 crore in two grants during the year was to be regularized under Article 205 of the Constitution of India. There were cases of unutilized provisions in 93 schemes during the year. A sum of ₹ 4012 crore was surrendered on the last two days of the financial year. About 83.93 *per cent* of total expenditure was not reconciled. In the Grant No.49-Water Resources Department, as against the budget of ₹ 4010 crore for the year 2010-11, the expenditure

incurred was limited to ₹ 2057 crore (51.28 *per cent*) resulting in an overall shortfall in expenditure of ₹1954 crore (48.72 *per cent* of the total appropriations).

2.8 Recommendations

The Government may:

- ensure that all the departments submit realistic budget estimates, keeping in view the trends of expenditure and the actual requirement of funds in order to avoid large savings/excesses.
- closely monitor the expenditure against the allocations in all departments and avoid incurring of excess expenditure over the grants.
- ensure surrender of funds before the last working day of the closing year so as to enable the Government to utilize the funds on other schemes.
- ensure release of funds are not made at the end of the year.

Chapter 3

Financial Reporting

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

Rule 322 (2) of the Bihar Treasury Code, Volume-I provides that every drawing officer has to certify in each abstract contingent (AC) bill that detailed contingent (DC) 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 counter-signature and their onward transmission to the Accountant General (A&E) so as to reach not later than 25 of the sixth month from the date of drawal of advance from the treasury to which they relate.

As indicated in **Table 3.1,** out of ₹ 25331.05 crore drawn on 83542 AC bills, only 9425 DC bills for ₹ 2755.68 crore were submitted to the Accountant General (A&E), Bihar. As on 14 September 2011, DC bills in respect of 74117 AC bills for ₹ 22575.37 crore drawn between 2002-03 to 2010-11 were not submitted, despite repeated requests.

Table 3.1: Outstanding Detailed Contingent Bills

(₹ in crore)

Year	AC Bills		DC Bills		Amount of DC Bills as *Percentage* of AC Bills	Outstanding DC Bills	
	Number	Amount	Number	Amount		Number	Amount
2002-03	6988	332.22	677	86.63	*26.08*	6311	245.59
2003-04	12570	548.41	845	81.95	*14.94*	11725	466.46
2004-05	10701	957.72	1197	264.99	*27.67*	9504	692.73
2005-06	6064	2376.31	1289	430.17	*18.10*	4775	1946.14
2006-07	6980	3849.31	1546	723.45	*18.79*	5434	3125.86
2007-08	7081	3860.47	1909	862.82	*22.35*	5172	2997.65
2008-09	8039	2348.04	1195	184.28	*7.85*	6844	2163.76
2009-10	12706	4043.20	658	105.59	*2.61*	12048	3937.61
2010-11	12413	7015.37	109	15.80	*0.23*	12304	6999.57
Total	**83542**	**25331.05**	**9425**	**2755.68**		**74117**	**22575.37**

(Source: Statement received from A.G. (A&E), Bihar)

The note below Rule 300 of Bihar Treasury Code (BTC), states that money should not be drawn from the treasury simply on the ground that the charge has been sanctioned by the competent authority. It is also not permissible to draw money from the treasury and then to place it in deposit in order to avoid lapse of allotment. If under special circumstances, money is drawn in advance under orders of the competent authority, the unspent-balance of the amount so drawn should be refunded to the treasury by short drawal in the next bill or with a challan at the earliest possible opportunity and in any case before the end of the financial year in which the amount was drawn.

Audit scrutiny revealed that out of ₹ 7015.37 crore drawn during 2010-11 on A C bills, a sum of ₹ 2749.82 crore (39 *per cent)* was drawn in March 2011. Of this, ₹ 937.75 crore was drawn during the last four days i.e. 28 March 2011 to 31 March 2011 of the financial year. Huge drawals during the last four days of financial year indicate not only weak financial management but is also fraught with the risk of misappropriation.

3.2 Delays in furnishing Utilization Certificates

Rule 342 of the Bihar Financial Rules read with State Government decision (2a) appended to it provides that in cases of grants-in-aid, which are sanctioned in quarterly or half yearly installments, the amount of grants for the first two quarterly installments or first half yearly installment may be sanctioned without insisting upon the production of utilization certificates (UC) in respect of the earlier grants. However, for sanctioning the remaining amount of the grant, UCs on the basis of the audited accounts of the previous grants should be insisted upon by the administrative departments. UCs should be obtained for grants provided for specific purposes by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General (A&E).

However, of the 21358 UCs due for submission in respect of grants aggregating ₹ 8926.41 crore, 21291 UCs (99.96 *per cent*) for an aggregate amount of ₹ 8465.97 crore where in arrears. The age-wise delays in submission of UCs is summarized in **Table 3.2.**

Table 3.2 : Age-wise arrears of Utilisation Certificates

Sl No.	Range of delay in number of years	Total grants paid		Utilisation Certificates outstanding	
		Number	Amount	Number	Amount
1	1-3	254	4571.29	198	4148.37
2	3-5	294	2620.33	284	2584.61
3	5-7	133	327.94	132	326.14
4	7-9	487	295.02	487	295.02
5	9 and above	20190	1111.83	20190	1111.83
Total		**21358**	**8926.41**	**21291**	**8465.97**

(Source: Audit findings)

Table 3.2 shows that out of 21291 outstanding UCs, 20190 UCs (95 *per cent*) were more than nine years old. Despite this being pointed out repeatedly in the Comptroller and Auditor General of India's Report on State Finances, no improvement was noticed in furnishing of outstanding UCs on time. This not only indicated lack of internal control in the administrative departments but also the tendency on the part of the Government to go on disbursing fresh grants without confirming proper utilization of the earlier grants.

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

Section 20 (i) of the Comptroller and Auditor General's (Duties, Power and Conditions of Service) Act, 1971, provides for the audit of accounts of any body or authority, if entrusted to the Comptroller and Auditor General by any law or if requested to do so by the Governor of a State having a Legislative Assembly. Such audit could be undertaken on such terms and conditions as may be agreed upon between him and the concerned Government and shall have, for the purposes of such audit, right of assess to the books and accounts of the bodies and authorities. Under this provision, the audit of four autonomous bodies set up by the State Government in respect of Housing, Khadi and Village Industries, Legal Services and Education were entrusted to the Comptroller and Auditor General.

The audit of accounts of the Bihar State Khadi and Village Industries Board (BSKVIB), the Bihar State Housing Board (BSHB) and the Rajendra Agriculture University (RAU), Pusa, Samastipur were entrusted to the Comptroller and Auditor General up to 2002-03, 2003-04 and 2010-11 respectively. Even after repeated pursuance by Audit, the entrustment of audits of BSKVIB and BSHB for the succeeding years was pending till date. Entrustment of accounts of the Bihar State Legal Services Authority was entrusted to the Comptroller and Auditor General permanently. The submission of accounts by these bodies, issuance of Separate Audit Reports (SARs) by the Comptroller and Auditor General and their placement in the State Legislature are indicated in ***Appendix 3.1***.

3.4 Misappropriations, Losses, Defalcations

Rules 31 and 32 of the Bihar Financial Rules provide that any loss or suspicion thereof, of public money held by or on behalf of the Government caused by defalcation or otherwise should be immediately reported by the officer concerned to his immediate superior official and the Finance Department as well as to the Principal Accountant General even when such loss has been made good by the party responsible. Subsequent to investigation, a complete report should be submitted regarding the nature, extent and reasons leading to such loss and the prospects of affecting its recovery. The officers receiving these reports must forward it forthwith to the Government along with a detailed report, after completing such departmental investigations as may be necessary or expedient, on the causes or circumstances which led to the misappropriation, loss or defalcation and mentioning the disciplinary action proposed against the responsible person. No such report was, however, made available to the Principal Accountant General by the heads of the offices.

Altogether, 1034 cases of defalcation, misappropriation, loss and theft involving ₹ 409.15 crore had been pending with the concerned departments as of March 2011. The age-wise/category-wise profile of the pending cases is detailed in ***Appendices 3.2*** and ***3.3*** and summarized in **Table 3.3** and **3.4.**

Out of ₹ 409.15 crore relating to cases of defalcation, misappropriation, losses and theft up to 2010-11, ₹ 1.18 crore involving 13 cases related to the current financial year. No case of loss written off during the period was intimated by the Government.

Table 3.3: Age-wise profile of the pending cases

(₹ in crore)

Range in years	Number of cases	Amount involved
Up to 5	948	275.06
5 - 10	86	134.09
Total	**1034**	**409.15**

(Source: Audit findings)

The number of cases pending in each category of defalcation, misappropriation, loss and theft detailed in ***Appendix 3.3*** are summarised in **Table 3.4**.

Table 3.4: Nature of the pending cases

(₹ in crore)

Nature/Characteristics of the Cases	Number of Cases	Amount involved
Loss	584	**112.90**
Misappropriation	256	248.01
Theft	01	0.02
Defalcation	193	48.22
Cases of Losses Written off during the Year	-	-
Total pending cases	**1034**	**409.15**

(Source: Audit findings)

Out of 1034 cases, 584 cases (56 *per cent*) related to lossess which indicates that appropriate steps for the safety of Government property as prescribed in the rules, had not been taken by the concerned departments. It was further noticed that out of 1034 cases of loss due to theft/misappropriations etc., 948 cases were up to five years old and 86 cases were more than five to 10 years old. The lackadaisical approach of the departments in finalization of these cases had not only caused losses to the State exchequer but also failure to take timely action against the guilty person.

3.5 Operations of omnibus Minor Head-800

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

During 2010-11, expenditure aggregating ₹ 3293.23 crore (78 *per* cent of the total expenditure, ₹ 4223.19 crore involving 13 major heads), was classified under Major Head – 800 against 13 Major Heads in the Revenue section. Total expenditure on urban development projects, other rural development programmes and major irrigation were classified under the omnibus Minor Head- 800, instead of depicting the same distinctly under relevant Minor Head below the functional Major Head in the Finance Accounts as indicated in ***Appendix 3.4.***

Similarly, revenue receipts aggregating ₹ 233.61 crore, i.e. 75 *per cent* of the total revenue receipts, of ₹ 310.16 crore were classified under the omnibus Minor Head '800 Other Receipts' under 16 Major Heads. Major amounts of non-tax revenue under Industries, Land and Revenue and Road and Bridges etc. were classified under this Minor Head as indicated in ***Appendix 3.5.***

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

3.6 Non-reconciliation of Receipts and Expenditure

Rule 475 (viii) of the Bihar Financial Rule provides that the head of department and the Accountant General (A&E), Bihar will be jointly responsible for the reconciliation of the figures given in the accounts maintained by, the head of the department with those of the figure appearing in the books of Accountant General (A&E). The main object of reconciliation is to ensure that the departmental accounts are sufficiently accurate to render possible and efficient departmental control of expenditure.

Audit scrutiny, however, revealed that in spite of the issue of non-reconciliations of departmental accounts being pointed out in the earlier Audit Reports, such lapses on the part of Controlling Officers continued to persist during 2010-11. During 2010-11, against the total expenditure of ₹ 47411.86 crore (does not include loans and advances) reconciliation was the completed only for ₹ 3920.39 crore (8.26 *per cent*) of the total expenditure. Out of the total receipts of ₹ 44532.32 crore, only ₹ 259.82 crore (0.58 *per cent*) was reconciled by the Controlling Officer during 2010-11.

3.7 Personal Deposit Accounts

Rule 541 (b) of the Bihar Treasury Code Vol-I provides that moneys tendered by Government servants acting in their official or any other capacity and funds of quasi-public institutions, may not be accepted as personal deposits at a treasury without the special permission of the Government for the opening of a banking account with that treasury. Such permission may be granted after consultation with the Accountant General (A&E), Bihar and unless the Government be satisfied that the initial accounts of moneys to be held in such personal deposit accounts are properly maintained and are subject to audit.

Further, Rule 552 of the Bihar Treasury Code provides that deposits not exceeding rupees five unclaimed for one whole account year, balances not exceeding rupees five of deposits partly repaid during the year than closing, and all balances unclaimed for more than three complete account years shall, at the close of March in each year, be credited to the Government. Of deposits and balances, thus lapsing, the treasury officer will submit a list of these accounts to the Accountant General (A&E), Bihar immediately after 31 March each year.

Though all treasuries and sub-treasuries and the Finance Department were repeatedly requested by the Accountant General (A&E) to make available the data relating to such operative/inoperative accounts, 21 treasuries informed that the data relating to Personal Deposit Accounts did not exist in their treasuries. Audit however, noticed from the departmental receipts that ₹ 21.88 crore was parked under Personal Deposit Accounts in treasuries of the State.

Treasury-wise details of funds kept in Personal Deposit Accounts are given below in **Table 3.5**:

Table 3.5: Fund kept in Personal Deposit Accounts

(₹ in crore)

Sl.No.	Name of the Treasuries	Opening balance	Credit	Debit	Closing balance
1	Muzaffarpur	6.17	0.00	-	6.17
2	Patna	0.02	-	0.01	0.01
3	Saran	-	-	0.11	-0.11
4	Khagaria	-	0.29	-	0.29
5	Patna Nirman Bhawan	0.61	-	-	0.61
6	Sheohar	0.16	-	-	0.16
7	Begusarai	8.08	-	-	8.08
8	Banka	0.01	-	-	0.01
9	Rohtas	6.59	-	-	6.59
10	Bhabhua	0.02	-	-	0.02
11	Bagha	0.05	-	-	0.05
	Total	**21.71**	**0.29**	**0.12**	**21.88**

(Source: Finance Accounts, Government of Bihar)

Inspection of treasuries by the Accountant General (A&E), Bihar during 2010-11 disclosed that in two treasuries, a total of ₹ 31.79 crore under several non-operational Personal Deposit Accounts was irregularly retained for years and no effort was made for the final closure of such accounts. Details of such Personal Deposit Accounts (11 cases) are indicated in **Table 3.6**.

Table 3.6: Unspent Balance in PD Accounts.

(₹ in crore)

Sl.No.	Name of the Treasury/ Sub-treasury	Name of the Administrator/ DDO	Balance as on 31 March 2011
1	District Treasury Nawada	Nagar Panchayat, Warshaliganj	0.32
		Zila Parishad	3.10
		Nagar Parishad	2.48
		Nagar Panchayat, Hilsa	0.32
2	District Treasury Gaya	Nagar Panchayat, Sherghati	0.64
		Nagar Panchayat, Tekari	0.88
		Nagar Panchayat, Bodh Gaya	1.10
		Zila Parishad, Gaya	0.10
		Water Board, Gaya	0.03
		Minicipal corporation, Gaya	22.57
		Sambad Sadan, Gaya	0.25
	Total	**11**	**31.79**

Government may review such Personal Deposit Accounts for their final closure. Non-closure of Personal Deposit Accounts is fraught with the risk of misappropriation of funds.

3.8 Conclusion

There were no progress in submission of Detailed Contingency bills against Abstract Contingency bills during the year and substantial delays in submission of utilisation certificates. Even after repeated pursuance by audit, the entrustment of Bihar State Khadi Board and Village Industries Board and Bihar State Housing Board were not given to Principal Accountant General (Audit), Bihar. Placement of Separate Audit Reports in the legislature was delayed. Further, there were a number of cases of theft of Government money, misappropriation, loss of Government material, defalcation, etc. for which departmental action was pending

for long periods. Substantial amounts of receipts and expenditure were classified under the omnibus minor head '800–Other Receipts/Expenditure' during 2010-11.

3.9 Recommendations

The Government may:

- put in place a rigorous monitoring mechanism in the departments to adjust the advances drawn on Abstract Contingent bills within the stipulated period, as required under the extant rules.
- ensure timely submission of utilization certificate in respect of grants released for specific purposes to the grantee institutions.
- ensure timely entrustment of audit of Bihar State Khadi and Village Industries Board and Bihar State Housing Board be ensured.
- ensure departmental enquiries in respect of all fraud and misappropriation cases are expedited to bring the defaulters to book. Internal controls in all the organizations may be strengthened to prevent such cases.
- ensure correctness in financial reporting by classifying the amounts received or expended under various schemes in the accounts distinctly, instead of clubbing the same under the Minor head '800-Other Expenditure' and '800-Other Receipts'

Patna
The

(R.B. SINHA)
Principal Accountant General (Audit), Bihar

Countersigned

New Delhi
The

(VINOD RAI)
Comptroller and Auditor General of India

Appendix 1.1

State Profile

(Reference: Paragraph 1, 1.3.1,1.4.1 & 1.4.2, Page 1,7,10 &13)

A.	General Data		
Sl. NO.	Particulars		Figures
1	Area		94163 sq km
2	Population		
	a.	As per 2001 Census	8.3 crore
	b.	As per 2011 Census	10.38 crore
3	a.	Density of Population (as per 2001 Census) (All India Density = 325 persons per Sq. Km.	881 person per Sq. km.
	b.	Density of Population (as per 2011 Census) (All India Density = 382 persons per Sq. Km.	1102 person per Sq. km.
4	* Population Below Poverty Line (BPL) (All India Average = 27.5 *per cent)*		41.4 *per cent*
5	a.	Literacy (as per 2001 Census) (All India Average = 64.8 *per cent*	47 *per cent*
	b.	Literacy (as per 2011 Census) (All India Average = 74.0 *per cent*	63.82 *per cent*
6	Infant mortality*** (per 1000 live births) (All India Average = 50 per 1000 live births)		52
7	Life Expectancy at birth*** (All India Average =63.5 years)		61.6 Years
8	Gini Coefficient[1]		
	a.	Rural. (All India = 0.30)	0.20
	b.	Urban. (All India = 0.37)	0.33
9	Gross State Domestic Product (GSDP) 2010-11 at current prices		213073 crore
	Per capita GSDP CAGR (2001-02 to 2010-11	Bihar	*11.44 per cent*
		General Category States	*11.32 per cent*
10	GSDP[2] CAGR[3] (2000-01 to 2010-11)	Bihar	15.61 *per cent*
		General Category States	*14.68 per cent*
11	Population Growth (2001 to 2011)	Bihar	25.07 *per cent*
		General Category States	17.56 *per cent*

B	Financial Data				
Sl. No.		Particulars	Figures (in *Per cent*)		
1	CAGR		2001-02 to 2009-10		2001-02 to 2010-11
			General Category States	Bihar	Bihar
	a.	of Revenue Receipts.	15.20	17.41	18.25
	b.	of Own Tax Revenue.	14.53	16.90	17.44
	c.	of Non-Tax Revenue.	13.87	24.64	14.69
	d.	of Total Expenditure.	13.53	16.02	16.31
	e.	of Capital Expenditure.	22.61	33.14	32.22
	f.	of Revenue Expenditure on Education.	12.73	14.69	14.05
	g.	of Revenue Expenditure on Health.	11.97	13.09	12.53
	h.	of Salary and Wages#.	11.45	7.85	8.00
	i.	of Pension.	14.09	8.35	11.67

Source: Financial data is based on figures in Finance Accounts. BPL (Planning Commission & NSSO data,61st Round-http://planningcommission.nic.in/data/database/Data0910/tab%2021.pdf), Gini Coefficient (Unofficial estimates of Planning Commission & NSSO data,61st Round 2004-05 MRP), Life Expectancy at birth (Office of the Registrar General of India; Ministry of Home Affairs; Economic Survey,2010-11 , Infant mortality rate (SRS Bulletin January, 2011), Density of population (Office of the Registrar General and Census Commissioner of India; Ministry of Home Affairs and Literacy (Office of the Registrar General of India; Ministry of Home Affairs). #For the period 2001-02 to 2009-10 or 2010-2011 as the case may be.

[1] It is a measure of inequality of income distribution where zero refers to perfect equality and one refers to perfect inequality.
[2] GSDP = Gross State Domestic Product.
[3] CAGR= Compound Annual Growth Rate.

Appendix 1.2

Part A : Structure and form of Government Accounts

(Reference: Paragraph 1.1 and Page 1)

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

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

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

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

Appendix 1.2 Part B: Layout of Finance Accounts

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

Appendix 1.2

Part B : Layout of Finance Accounts

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

Appendix 1.3

Part A : Methodology adopted for the assessment of fiscal position

(Reference: Paragraph 1.1 and Page 1)

The norms/ceilings prescribed by the Twelfth Finance Commission (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 the 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 GSDP at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc, are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

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

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

	2006-07	2007-08	2008-09	2009-10	2010-11
Gross State Domestic Product (₹ in crore)	103317	118687	150709	175245	213073
Growth rate of GSDP	23.66	14.88	26.98	16.28	21.59

Source: Directorate of Economic and Statistical Department, Government of Bihar
Note: Figures for 2008-09 are on provisional estimates, for 2009-10 on quick estimates and for 2010-11 on advance estimates.

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

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

Part B : Fiscal Responsibility and Budgetary Management

(Reference: Paragraph 1.1 and Page 1)

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

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

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

1. (a) This Act may be called the Bihar Fiscal Responsibility and Budget Management (Amendment) Act, 2010.

   (b) It shall extend to the whole of the State of Bihar.

   (c) It shall come into force on such date as the State Government may, by notification in the official Gazette, appoint in this behalf.

2. The following new sub-section (m) after sub-section (1) of section 2 of the Bihar Fiscal Responsibility and Budget Management Act, 2006 (Bihar Act 5, 2006).

3. Sub-section (a) of Section 3 of the Bihar Fiscal Responsibility and Budget Management Act, 2006 (Bihar Act 5, 2006) shall be substituted by the following:

   (a) for fiscal reform path the State on attaining a zero revenue deficit or revenue surplus in 2007-08 shall have to achieve a fiscal deficit of 3 *per cent* of Gross State Domestic Product by 2011-12 and maintain such thereafter."

4. Section 9 (2) of the Bihar fiscal Responsibility and Budget Management Act, 2006 (Bihar Act 5, 2006) shall be substituted by the following:

   (b) "In the financial year 2010-11 bring the fiscal deficit/Gross State Domestic Product ratio to 3.5 *per cent* and it shall be three *per cent* in 2011-12 and maintain such up to year 2014-15."

5. The following new clause (c) shall be added after clause (b) of sub-section 2 of section 9 of the Bihar Fiscal Responsibility and Budget Management Act, 2006 (Bihar Act 5,2006):

   (c) " bring Debt as *per cent* of Gross State Domestic Product in the financial year 2010-11, 2011-12, 2012-13, 2013-2014 and 2014-15 to 48.2, 46.4, 44.6, 43.0 and 41.6 respectively".

Appendix 1.4 Abstract of Receipts and Disbursements for the year 2010-11

(Reference: Paragraph 1.1.1, 1.3 and Page 1,5)

(₹ in crore)

Receipts					Disbursements					
2009-10			2010-11		2009-10		2010-11			
								Non-Plan	Plan	Total
		Section-A: Revenue								
35526.83	**I**	**Revenue receipts**		**44532.32**	**32584.17**	**I**	**Revenue expenditure**	**27316.41**	**10899.51**	**38215.92**
8089.67		-Tax revenue	9869.85		12202.35		General Services	15109.01	177.96	15286.97
1670.42		-Non-tax revenue	985.53		13186.41		Social Services	7310.33	7779.09	15089.42
18202.58		-State's share of Union Taxes	23978.38		7416.22		Education, Sports, Art and Culture	4732.26	3368.32	8100.58
2256.20		-Non-Plan grants	1924.78		1387.82		Health and Family Welfare	1283.54	218.65	1502.19
3720.97		-Grants for State Plan Schemes	5456.95		1438.24		Water Supply, Sanitation, Housing and Urban Development	458.85	1238.68	1697.53
1586.99		-Grants for Central and Centrally sponsored Plan Schemes	2316.83		52.01		Information and Broadcasting	49.58	2.41	51.99
					407.53		Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	79.33	458.86	538.19
					69.89		Labour and labour welfare	63.47	15.43	78.90
					2260.21		Social welfare and nutrition	609.26	2293.36	2902.62
					154.49		Others	34.04	183.38	217.42
					7087.95		Economic Services	4893.82	2942.46	7836.28
					1503.55		Agriculture and Allied Activities	780.66	1237.06	2017.72
					2680.44		Rural Development	649.08	1340.36	1989.44
							Special areas programmers			
					897.31		Irrigation and Flood control	1226.62	84.40	1311.02
					867.61		Energy	1214.24	1.59	1215.83
					265.39		Industry and Minerals	101.04	224.82	325.86
					690.04		Transport	634.49	-	634.49
					-		Science, Technology and Environment			

Appendix 1.4

Receipts					Disbursements					
2009-10			2010-11		2009-10		2010-11			
								Non-Plan	Plan	Total
					183.61		General Economic Services	287.68	54.23	341.91
					107.47		Grants-in-aid and Contributions	3.25	-	3.25
					32584.17		Total			38215.92
	II	Revenue deficit carried over to section B			2942.66	II	Revenue Surplus carried over to Section B			6316.40
35526.83		**Total**		**44532.32**	**35526.83**		**Total**			**44532.32**
		Section-B Others								
3557.09	**III**	**Opening Cash balance including Permanent Advances and Cash Balance Investment**		**2291.13**		**III**	**Opening overdraft from Reserve Bank of India**			
	IV	**Miscellaneous Capital receipts**			**7332.09**	**IV**	**Capital Outlay**	**45.69**	**9150.25**	**9195.94**
					274.48		General services	49.53	346.18	395.71
					1122.55		Social Services	-3.84	1075.92	1072.08
					333.96		Education, Sports, Art and Culture	-	143.75	143.75
					120.52		Health and Family Welfare	-7.91	172.89	164.98
					464.71		Water Supply, Sanitation, Housing and Urban Development	4.07	625.67	629.74
					3.00		Information and Broadcasting	-	1.05	1.05
					26.18		Welfare of Scheduled Castes, Schedule Tribes and Other Backward Classes	-	29.79	29.79
					153.59		Social welfare and nutrition	-	88.46	88.46
					20.59		Others	-	14.31	14.31
					5935.06		Economic Services	-	7728.15	7728.15
					1.00		Agriculture and Allied Activities	-	16.99	16.99
					852.65		Rural Development	-	1203.82	1203.82

Appendix 1.4

							Special areas programmes			
					1348.62		Irrigation and Flood Control	$	1366.98	1366.98
					376		Energy		1007.23	1007.23
					268.58		Industry and Minerals		8.81	8.81
					3058		Transport		4071.58	4071.58
					24.04		General Economic Services		52.74	52.74
13.20	**V**	**Recoveries of Loans and Advances**		**11.86**	**896.79**	**V**	**Loans and Advances disbursed**	**268.05**	**834.58**	**1102.63**
-		-From Power Projects			626.25		For Power Projects	44.07	834.42	878.49
7.12		-From Government Servants	10.95		7.12		To Government Servants	14.86		14.86
6.08		-From Others	0.91		263.42		To Others	209.12	0.16	209.28
2942.66	**VI**	**Revenue Surplus brought down**		**6316.40**		**VI**	**Revenue Deficit brought down**			
6134.39	**VII**	**Public debt receipts**		**6032.42**	**1982.99**	**VII**	**Repayment of Public debt**			**2190.03**
		External debt					External debt			
5370.07		Internal debt other than Ways and Means Advances and overdrafts	5250.89		1169.32		Internal debt other than Ways and Means Advances and Overdrafts			1724.53
-		-Net transactions under Ways and Means Advances					Net transactions under Ways and Means Advances			
-		-Net transactions under overdraft								
764.32		-Loans and Advances from Central Government	781.53		813.67		Repayment of Loans and Advances to Central Government			465.50
0.00	**VIII**	**Appropriation to Contingency Fund**		**1150.00**	**0.00**	**VIII**	**Appropriation to Contingency Fund**			**1150.00**
-	**IX**	**Amount transferred to Contingency Fund**		**-**		**IX**	**Expenditure from Contingency Fund**			
15303.39	**X**	**Public Account receipts**		**17321.25**	**15447.74**	**X**	**Public Account disbursements**			**16749.02**
707.19		Small Savings and Provident Funds	838.84		970.05		Small Savings and Provident Funds			586.14

$ Only -44,000/-

Appendix 1.4

565.67		Reserve Funds	243.72		467.36			Reserve Funds		60.00
296.81		Suspense and Miscellaneous	334.43		197.28			Suspense and Miscellaneous		329.52
7422.76		Remittance	9279.87		7367.94			Remittance		9199.91
6310.96		Deposits and Advances	6624.39		6445.11			Deposits and Advances		6573.45
	XI	**Closing Overdraft from Reserve Bank of India**			**2291.13**		**XI**	**Cash Balance at end**		**2735.44**
					-			Cash in Treasuries and Local Remittances		
					(-)2536.45			Deposits with Reserve Bank		-426.37
					200.44			Departmental Cash Balance including permanent Advances		426.92
					4627.14			Cash Balance Investment		2734.89
27950.74		**Total**		**33123.06**	**27950.74**			**Total**		**33123.06**

Appendix 1.5

Funds directly transferred to State Implementing Agencies

(Reference: Paragraph 1.2.2 and Page 5)

(₹in crore)

Programme/Scheme	Implementing Agency in the State	2009-10	2010-11
		Central Share	Central Share
Sarva Shiksha Abhiyan	Bihar Education Project Council	1217.39	1958.66
National Programme of Education of Girls at Elementary Level		0.00	15.96
Kasturba Gandhi Balika Vidyalaya		0.00	73.28
Total		**1217.39**	**2047.90**
National Rural Employment Guarantee Scheme	District Rural Development Agency	1032.80	2089.26
Swarnajayanti Gram Swarojgar Yojana		131.91	141.57
Indira Awas Yojana		2009.19	2255.58
Integrated Watershed Management Programme		-	0.74
District Rural Development Agency (Administration)		-	31.77
Hariyali		5.71	0.00
Total		**3179.61**	**4518.92**
National Rural Health Mission	State Health Society	420.84	19.71
Total Sanitation Compaign		90.47	-
Pradhan Mantri Gram Sadak Yojna	Registered Societies	-	3458.69
Members of Parliament Local Area Development Scheme	District Magistrate	101.50	111.53
Science and Technology Program for Social Economic Development	Registered Societies (NGOs)	0.85	0.63
Off Grid DRPS	Bihar Renewable Energy Development Agency	0.99	2.83
Promotion and Dissemination of Art and Culture	Registered Societies (NGOs)	1.07	0.84
Handicrafts	Registered Societies (NGOs)	1.82	0.00
Memorials and Others	Nava Nalanda Mahavihara	2.80	2.20
Mahila Samakhya	Bihar Mahila Samakhya Society	5.44	5.41
National Institute of Pharmaceuticals and Research	National Institute of Pharmaceuticals Education and Research	7.15	1.00

Appendix 1.5

Supports to NGOs Institutions SRCs for Adult Education and Skill Development	Jan Shikshan Sansthan	7.86	4.63
National Child Labour Project Including Grants in aid to Voluntary Agencies	Child Labour Project Society	16.61	7.31
Health Insurance for Unorganized Sector Workers (Rashtriya Swastha Bima)	Bihar State Labour Welfare Societies	31.98	55.86
National Food Security Mission	State Agriculture Management & Extension Training	43.32	51.65
Setting up of New IITs	Indian Institute of Technology, Patna	52.50	20.00
Total of GOI funds by passing State Budget		**5182.20**	**10309.11**

Appendix 1.6

Time series data on the State Government Finances

(Reference: Paragraph 1.3.1, 1.7.2 & 1.9.1, Page 7,21 & 25)

(₹in crore)

	2006-2007	2007-2008	2008-09	2009-10	2010-11
Part A. Receipts					
1. Revenue Receipts	**23083**	**28210**	**32981**	**35527**	**44532**
(i) Tax Revenue	**4033(17)**	**5086(18)**	**6173(19)**	**8090(23)**	**9870(22)**
Taxes on Sales, Trade, etc	2081(52)	2535(50)	3016(49)	3839(48)	4557(46)
State Excise	382(9)	525(10)	679(11)	1082(13)	1523(16)
Taxes on Vehicles	181(4)	273(5)	298(5)	345(4)	456(5)
Stamps and Registration fees	455(11)	654(13)	716(12)	998(12)	1099(11)
Land Revenue	75(2)	82(2)	102(1)	124(2)	139(1)
Taxes on Goods and Passengers	783(19)	938(18)	1279(21)	1613(20)	2006(20)
Other Taxes	76(2)	79(2)	83(1)	89(1)	90(1)
(ii) Non-Tax Revenue	**511(2)**	**526(2)**	**1153(3)**	**1670(5)**	**985(2)**
(iii) State's share of Union taxes and duties	**13292(58)**	**16766(59)**	**17693(54)**	**18203(51)**	**23978(54)**
(iv) Grants in aid from Government of India	**5247(23)**	**5832(21)**	**7962(24)**	**7564(21)**	**9699(22)**
2. Miscellaneous Capital Receipts	0.00	0.00	0.00	00	00
3. Recoveries of Loans and Advances	**7**	**26**	**11**	**13**	**12**
4. Total Revenue and Non-debt capital receipts (1+2+3)	**23090**	**28236**	**32992**	**35540**	**44544**
5. Public Debt Receipts	**2358**	**1612**	**5928**	**6134**	**6032**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	2355	1144	5778	5370	5251
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	-
Loans and Advances from Government of India	3	468	150	764	781
6. Total Receipts in the Consolidated Fund (4+5)	**25448**	**29848**	**38920**	**41674**	**50576**
7. Contingency Fund Receipts	**-**	**-**	**-**	**-**	**-**
8. Public Account Receipts	**9224**	**12837**	**16941**	**15303**	**17321**
9. Total Receipts of the State (6+7+8)	**34672**	**42685**	**55861**	**56978**	**67897**
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	**20585**	**23563**	**28512**	**32584**	**38216**
Plan	**4065(20)**	**4804(20)**	**7280(26)**	**8439(26)**	**10900(29)**
Non-Plan	**16520(80)**	**18759(80)**	**21232(74)**	**24145(74)**	**27316(71)**
General Services (including interest payments)	8643(42)	9252(39)	10530(37)	12202(37)	15287(40)
Social Services	7917(38)	9868(42)	12252(43)	13186(40)	15090(39)
Economic Services	4021(20)	4438(19)	5726(20)	7088(22)	7836(21)
Grants-in-aid and contributions	4	5	4	108(1)	3
11. Capital Expenditure	**5211**	**6104**	**6436**	**7332**	**9196**
Plan	**5132(98)**	**5991(98)**	**6336(98)**	**7268(99)**	**9150(99)**
Non-Plan	**79(2)**	**113(2)**	**100(2)**	**64(1)**	**46(1)**
General Services	155(3)	223(4)	206(3)	274(4)	396(4)
Social Services	596(11)	799(13)	640(10)	1123(15)	1072(12)
Economic Services	4460(86)	5082(83)	5590(87)	5935(81)	7728(84)
12. Disbursement of Loans and Advances	**315**	**272**	**551**	**897**	**1103**
13. Total (10+11+12)	**26111**	**29939**	**35499**	**40813**	**48515**

Appendix 1.6

	2006-2007	2007-2008	2008-09	2009-10	2010-11
14. Repayments of Public Debt	**1025**	**1632**	**1682**	**1983**	**2190**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	708	1203	1254	1169	1725
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	317	429	428	814	465
15. Appropriation to Contingency Fund	**-**	**-**	**-**	**-**	**-**
16. Total disbursement out of Consolidated Fund (13+14+15)	**27136**	**31571**	**37181**	**42796**	**50705**
17. Contingency Fund disbursements	**-**	**-**	**-**	**-**	**-**
18. Public Account disbursements	**8016**	**10334**	**17311**	**15448**	**16749**
19. Total disbursement by the State (16+17+18)	**35152**	**41905**	**54492**	**58428**	**67454**
Part C. Deficits					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	**2498**	**4647**	**4469**	**2943**	**6316**
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	**(-)3021**	**(-)1703**	**(-)2507**	**(-)5273**	**-3971**
22. Primary Deficit/Primary Surplus (21+23)	**(+)395**	**(+)2004**	**(+)1246**	**(-)1588**	**+348**
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	**3416**	**3707**	**3753**	**3685**	**4319**
24. Financial Assistance to local bodies etc.	**1017**	**1133**	**4423**	**4456**	**4622**
25. Ways and Means Advances/Overdraft availed (days)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Ways and Means Advances availed (days)					
Overdraft availed (days)					
26. Interest on Ways and Means Advances/ Overdraft	**NIL**	**NIL**	**Nil**	**NIL**	**NIL**
27 Gross State Domestic Product (GSDP)[@]	**103317**	**118687**	**150709**	**175245**	**213073**
28 Outstanding Fiscal liabilities (year end)	**49089**	**50989**	**54977**	**58690**	**62858**
29. Outstanding guarantees (year end)	**608**	**516**	**704**	**859**	**588**
30. Maximum amount guaranteed (year end)	**1538**	**1538**	**1538**	**1548**	**1549**
31. Number of incomplete projects	**6**	**9**	**78**	**288**	**350**
32. Capital blocked in incomplete projects	**2393**	**2793**	**1016**	**941**	**1005**
Part E: Fiscal Health Indicators					
I Resource Mobilization					
Own Tax revenue/GSDP	**0.039**	**0.043**	**0.041**	**0.046**	**0.046**
Own Non-Tax Revenue/GSDP	**0.005**	**0.004**	**0.007**	**0.009**	**0.004**
Central Transfers/GSDP	**0.128**	**0.141**	**0.113**	**0.103**	**0.112**
II Expenditure Management					
Total Expenditure/GSDP	**0.253**	**0.252**	**0.235**	**0.233**	**0.227**
Total Expenditure/Revenue Receipts	**1.131**	**1.061**	**1.076**	**1.148**	**1.089**
Revenue Expenditure/Total Expenditure	**0.788**	**0.787**	**0.803**	**0.798**	**0.787**
Expenditure on Social Services/Total Expenditure	**0.326**	**0.356**	**0.363**	**0.350**	**0.333**
Expenditure on Economic Services/Total Expenditure	**0.325**	**0.318**	**0.318**	**0.319**	**0.343**
Capital Expenditure/Total Expenditure	**0.199**	**0.203**	**0.181**	**0.179**	**0.189**

Appendix 1.6

	2006-2007	2007-2008	2008-09	2009-10	2010-11
Capital Expenditure on Social and Economic Services/Total Expenditure.	0.193	0.196	0.173	0.173	0.181
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	0.024	0.039	0.029	0.017	0.029
Fiscal deficit/GSDP	-0.029	-0.014	-0.016	-0.030	-0.018
Primary Deficit (surplus) /GSDP	0.038	0.017	0.008	-0.009	0.016
Revenue Deficit/Fiscal Deficit	0.827	-2.728	-1.782	-0.558	-1.590
Primary Revenue Balance/GSDP	-0.053	-0.053	-0.046	-0.047	-0.048
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	0.475	0.429	0.365	0.335	0.295
Fiscal Liabilities/RR	2.126	1.807	1.667	1.652	1.411
Primary deficit vis-à-vis quantum spread	0.001	-0.005	0.001	0.012	0.001
Debt Redemption (Principal +Interest)/ Total Debt Receipts	1.345	3.216	0.064	0.736	0.923
V Other Fiscal Health Indicators					
Return on Investment	0.00	0.38	0.26	0.24	0.28
Balance from Current Revenue	2996	5124	3953	6213	9602
Financial Assets/Liabilities	0.860	0.960	0.960	1.09	1.18

Figures in brackets represent percentages (rounded) to total of each sub-heading
@ GSDP figures communicated by the Government adopted.

Appendix 1.7

Details of Department-wise arrears of revenue

(Reference: Paragraph 1.3.4, Page 10)

(₹in crore)

Sl. no.	Heads of revenue	Amount outstanding as on 31 March 2011	Amount outstanding for more than five years	Remarks
1.	Taxes/VAT on sales, trades *etc.*	901.96	422.42	Out of ₹ 901.96 crore, demands for ₹ 258.32 crore were certified for recovery as arrears of land revenue. Recovery of ₹ 138.84 crore was stayed by the courts. An amount of ₹ 1.27 crore was held up due to rectification/review of application and ₹ 503.53 crore was pending at other stages.
2.	Entry Taxes	27.37	1.47	Out of ₹ 27.37 crore, demands for ₹ 0.50 crore was certified for recovery as arrears of land revenue. Recovery of ₹ 3.80 crore was stayed by the Courts and ₹ 23.07 crore was pending at other stages.
3.	Taxes and duties on electricity	2.32	1.76	Out of ₹ 2.32 crore, demands for ₹ 1.49 crore was certified for recovery as arrears of land revenue. Recovery of ₹ 0.77 crore was stayed by the Courts and ₹ 0.06 crore was pending at other stages.
4.	Entertainment tax	9.96	2.44	Out of ₹ 9.96 crore, demands for ₹ 9.06 crore was certified for recovery as arrears of land revenue. Recovery of ₹ 0.09 crore was stayed by the Courts and ₹ 0.81 crore was pending at other stages.
6.	Water rates	229.03	158.64	Stages at which the arrears were pending for collection have not been intimated (November 2011), despite being requested (between June and September 2011)
7.	Sugarcane	27.60	12.26	Out of ₹ 27.60 crore, demands for ₹ 3.84 crore was certified for recovery as arrears of land revenue. Recovery of ₹ 10.89 crore was stayed by the Government and ₹ 12.87 crore was pending at other stages.
Total		**1198.24**	**598.99**[3]	

Appendix 1.8

Details of Incomplete Projects (Cost over runs) as on 31 March 2011

(Reference : Paragraph 1.6.1, Page 18)

(₹ in crore)

Sl. No.	Sl. No. of Appendix -X of Finance Accounts	Department	Name of projects/Works	Estimated cost/Date	Progressive Expenditure	Cost over run	Physical progress of work (in *Per cent*)
1	150	Road Construction Department	Cart of High level Bridge in 32 KM Sheohar Minapur, Muzaffarpur.	4.63 02 April 08	4.70	0.07	90
2	155	Road Construction Department	Chausa-Chunni-Pawni, Kamarpur, Buxar.	5.07 14 June 08	8.23	3.16	80
3	16	Public Health Engineering Department	Rural Water Supply Scheme, at Sri Nagar, Madhepura.	2.44 04 November 06	2.45	0.01	99
4	25	Public Health Engineering Department	Rural Water Supply Scheme at Andhana,Nalanda under Accelerated Rural Water Supply Programme.	11.15. 11 September 06	11.78	0.63	99
5	156	Public Health Engineering	Chenari Rural Water Supply Scheme at Sasaram.	2.26 14 June 08	2.45	0.19	82
6	157	Public Health Engineering Department	Chhapiya Water Supply Scheme at Chapra under Accelerated Rural Water Supply Programme.	4.61 14 June 08	4.80	0.19	85
7	170	Public Health Engineering Department	125mm x 40mm x 61 mtr/125mm x 40mm x 46 mtr hand tubewell/ 125mm x 38 mtr. Gravel packed tubewell/125mm/115mmx50mtr. D eep hand tubewells in Primary/Middle Schools at Nawada.	5.64 -	5.73	0.09	95
8	182	Public Health Engineering Department	Construction of 412 numbers of 125mmx40mmx61mtr Deep tube well with India mark-III hand pump in NC./PC tola (MLA Quota) under P.H.Division,Patna West,Patna.	4.06 11 July 08	5.62	1.56	75
9	186	Public Health Engineering	Construction of 53 numbers of tubewell at Nawada.	10.11 19 August 06	11.90	1.79	74
10	61	Water Resources Department	Anti erosion work at Birbas Site from 29.78 km to 30.68 km of Badlanagar Embankment, Khagaria.	4.14 05 February 07	4.26	0.12	96
11	66	Water Resources Department	Anti-erosion work at Harser Bazarmuria Pahar Chak, Jhingha at Muzaffarpur	1.84 09 October 07	2.41	0.57	95
12	69	Water Resources Department	Anti erosion work at 43.50 km to 49.00 km of K.B. Embankment, Khagaria.	4.51 14 December 07	5.02	0.51	97
13	73	Water Resources Department	Anti-erosion work at Pahatguawn, Kishanganj	12.49 -	13.73	1.24	95
14	83	Water Resources Department	Anti erosion work at Tajpur in Munger.	4.00 05 October 08	4.34	0.34	79
15	90	Water Resources Department	Anti erosion work at village Khajurar, Bakhtiyarpur, Patna	0.49 04 February 09	0.52	0.03	95
16	311	Water Resources Department	Earth work from chain 0.00 to 190 and construction of cross drainage at chain 5.00,18.00, 45.00,84.00,120.00,139.00, 154.00 and 179.00 at Manjhauli Minor, Aurangabad.	1.66 -	5.79	4.13	30
17	328	Water Resources Department	Ganga pump canal scheme, Bateshwarsthan, Kahalgaon, Bhagalpur.	6.98 08 February 10	7.49	0.51	-
		Total		**86.08**	**101.22**	**15.14**	

Appendix 1.9

Summarized financial position of the Government of Bihar as on 31 March 2011

(Reference : Paragraph 1.7.1, Page 21)

(₹ in crore)

As on 31.03.2010	LIABILITIES		As on 31.03.2011
35494.01	**Internal Debt -**		**39020.39**
15871.95	Market Loans bearing interest	17579.57	
0.28	Market Loans not bearing interest	0.44	
22.08	Loans from Life Insurance Corporation of India	21.97	
19599.70	Loans from other Institutions	21418.41	
7948.45	**Loans and Advances from Central Government -**		**8264.48**
3.91	Pre 1984-85 Loans	3.91	
70.06	Non-Plan Loans	67.09	
7804.99	Loans for State Plan Schemes	8126.28	
6.73	Loans for Central Plan Schemes	6.13	
19.80	Loans for Centrally Sponsored Plan Schemes	18.11	
42.96	Ways and Means Advances for Plan Schemes	42.96	
350.00	**Contingency Fund**		**350.00**
9310.72	**Small Savings, Provident Funds, etc.**		**9563.43**
4753.62	**Deposits**		**4802.90**
1463.21	**Reserve Funds**		**1646.92**
5108.34*	**Surplus on Government Account -**		**11424.74**
2942.66	(i) Less Revenue Surplus of the current year	6316.40	
2165.68	(ii) Accumulated Surplus at the beginning of the year	5108.34	
64428.35			**75072.86**
	ASSETS		
44251.93	**Gross Capital Outlay on Fixed Assets -**		**53447.86**
856.18	Investments in shares of Companies, Corporations, etc.	905.24	
43395.75	Other Capital Outlay	52542.62	
15551.42	**Loans and Advances -**		**16642.19**
12916.23	Loans for Power Projects	13794.72	
2573.55	Other Development Loans	2781.92	
61.64	Loans to Government servants and Miscellaneous loans	65.55	
1224.33	**Remittances**		**1144.38**
187.13	**Advances**		**185.49**
922.41	**Suspense and Miscellaneous Balances**		**917.50**
2291.13	**Cash -**		**2735.44**
0.00	Cash in Treasuries and Local Remittances	0.00	
-2536.45#	Deposits with Reserve Bank	-426.37	
200.00	Departmental Cash Balance	254.61	
0.44	Permanent Advances	172.31	
4627.14	Cash Balance Investments including earmarked funds	2734.89	
64428.35			**75072.86**

* Figures changed due to rearrangement of figures.

Appendix 2.1

Statement of grants/appropriations where savings were more than ₹ 10 crore

(Reference : Paragraph 2.3.1, Page 32)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appro-priation	Actual Expend-iture	Savings	Perce-ntage
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	1	Agriculture Department	1676.27	1348.20	328.07	19.57
2	2	Animal and Fisheries Resources Department	407.47	241.75	165.72	40.67
3	3	Building Construction Department	445.38	333.57	111.81	25.10
4	4	Cabinet Secretariat Department	102.48	73.42	29.06	28.36
5	6	Election Department	256.80	194.08	62.72	24.42
6	8	Art, Culture and Youth Department	125.37	77.21	48.16	38.41
7	9	Co-operative Department	660.80	449.68	211.12	31.95
8	10	Energy Department	3626.07	3124.38	501.69	13.84
9	11	Backward Class and Most Backward Class Welfare Department	136.81	124.14	12.67	9.26
10	12	Finance Department	1607.00	376.93	1230.07	76.54
11	13	Interest Payments	4513.64	4319.16	194.48	4.31
12	14	Repayment of Loans	2277.96	2190.03	87.93	3.86
13	16	Panchayati Raj Department	2065.84	1297.80	768.04	37.18
14	17	Commercial Taxes Department	90.68	56.46	34.22	37.74
15	18	Food and Consumer Protection Department	228.09	162.61	65.48	28.71
16	19	Environment and Forest Department	118.73	106.83	11.90	10.02
17	20	Health Department	2207.79	1706.24	501.55	22.72
18	21	Human Resources Development Department	9954.95	8703.60	1251.35	12.57
19	22	Home Department	3464.84	3015.95	448.89	12.96
20	23	Industries Department	743.27	300.75	442.52	59.54
21	25	Information Technology Department	208.48	58.23	150.25	72.07
22	26	Labour Resources Department	197.92	143.33	54.59	27.58
23	27	Law Department	494.63	364.22	130.41	26.37
24	30	Minorities Welfare Department	465.86	280.09	185.77	39.88
25	33	General Administration Department	350.00	284.46	65.54	18.73
26	35	Planning and Development Department	784.85	412.11	372.74	47.49
27	36	Public Health Engineering Department	1260.62	937.02	323.60	25.67
28	37	Rural Works Department	1772.21	1592.70	179.51	10.13
29	38	Registration, Excise and Prohibition Department	112.00	88.39	23.61	21.08
30	39	Disaster Management Department	1993.65	636.66	1356.99	68.07
31	40	Revenue and Land Reforms Department	619.06	455.13	163.93	26.48
32	41	Road Construction Department	4799.44	4467.83	331.61	6.91
33	42	Rural Development Department	1426.70	1271.14	155.56	10.90

Appendix 2.1

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appro-priation	Actual Expend-iture	Savings	Perce-ntage
(1)	(2)	(3)	(4)	(5)	(6)	(7)
34	43	Science and Technology Department	189.37	144.44	44.93	23.73
35	44	Scheduled Castes and Scheduled Tribes Welfare Department	502.97	446.54	56.43	11.22
36	45	Sugar Industries Department	151.62	81.06	70.56	46.54
37	47	Transport Department	163.05	151.89	11.16	6.84
38	48	Urban Development and Housing Department	2150.46	611.56	1538.90	71.56
39	49	Water Resources Department	4010.23	2056.56	1953.67	48.72
40	50	Minor Water Resources Department	924.78	635.23	289.55	31.31
41	51	Social Welfare Department	2833.04	2082.53	750.51	26.49
Total			**60121.18**	**45403.91**	**14717.27**	

(Source: Appropriation Accounts of the State, 2010-11)

Appendix 2.2

List of Grants indicating Persistent Savings during 2006-11

(Reference : Paragraph 2.3.2, Page 35)

(₹ in crore)

Sl.No.	No. and Name of the grant	Amount of savings				
		2006-07	2007-08	2008-09	2009-10	2010-11
	Revenue-Voted					
1	2-Animal and Fisheries Resources Department	20.10 (12.27)	26.18 (14.94)	64.55 (18.10)	62.53 (18.99)	165.72 (40.67)*
2	12-Finance Department	21.04 (22.40)	94.54 (54.74)	35.16 (12.83)	39.09 (10.91)	55.64 (13.46)
3	20-Health Department	355.35 (28.24)	292.10 (22.03)	395.61 (24.92)	278.83 (16.79)	479.42 (23.92)
4	27-Law Department	29.54 (16.49)	35.32 (16.68)	70.45 (26.76)	31.32 **(10.72)**	130.41 (26.37)
5	40-Revenue and Land Reforms Department	36.53 (12.57)	38.58 (11.26)	73.16 (19.07)	120.13 (17.17)	128.43 (23.06)
6	41-Road Construction Department	37.82 (10.96)	123.15 (29.98)	114.75 (27.17)	274.30 (38.78)	198.29 (33.58)
7	50-Minor Water Resources Department	289.99 (68.09)	33.72 (17.33)	70.75 (21.92)	93.81 (28.18)	108.29 (15.78)
	Total Revenue Voted	**790.37**	**643.59**	**824.43**	**900.01**	**1266.20**
	Capital-Voted					
8	3-Building Construction Department	75.94 (59.98)	39.03 (57.17)	53.82 (58.81)	26.79 (29.86)	66.52 (36.16)
9	36-Public Health Engineering Department	318.63 (56.21)	389.41 (53.87)	495.89 (73.13)	462.89 (50.68)	268.62 (29.99)
10	49-Water Resources Department	463.82 (44.29)	593.42 (42.19)	1359.51 (55.29)	1415.28 (52.57)	1722.91 (56.81)
11	50-Minor Water Resources Department	60.72 (55.68)	79.06 (51.45)	60.63 (59.44)	95.11 (57.02)	181.26 **(75.96)**
	Total Capital Voted	**919.11**	**1100.92**	**1969.85**	**2000.07**	**2239.31**

(Source- State Appropriation Accounts of the respective years)

* Figures shown in brackets represents percentage of total provisions.

Appendix 2.3

Excess over provision of previous years requiring regularisation

(Reference : Paragraph 2.3.3, Page 35)

(₹ in crore)

Year	No. of Grants/ Appropriation	Grants/Appropriation number	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
1977-78	2	5, 24	0.40	Not regularized
1978-79	2	17, 27	16.17	Not regularized
1979-80	1	17	33.46	Not regularized
1980-81	2	12, 17	26.03	Not regularized
1981-82	5	3, 12, 13, 17, 24	38.04	Not regularized
1982-83	2	12, 22	4.79	Not regularized
1983-84	1	12	9.45	Not regularized
1984-85	2	3,14	2.62	Not regularized
1985-86	2	10, 13	14.83	Not regularized
1986-87	1	13	65.62	Not regularized
1987-88	5	9, 19, 25, 38, 48	242.45	Not regularized
1988-89	3	9, 25, 38	85.15	Not regularized
1989-90	3	25, 27, 38	99.40	Not regularized
1990-91	2	37, 38	47.55	Not regularized
1991-92	2	6, 38	71.24	Not regularized
1992-93	2	25, 38	93.25	Not regularized
1993-94	2	25, 37	157.68	Not regularized
1994-95	1	37	170.61	Not regularized
1995-96	2	25, 37	213.22	Not regularized
1996-97	2	23, 37	21.16	Not regularized
1997-98	1	7	0.01	₹ 0.01 crore has been settled by PAC but their Gazette notification is awaited.
1998-99	1	30	0.33	₹ 0.33 crore has been settled by PAC but their Gazette notification is awaited.
1999-00	4	10, 13, 14, 50	196.22	Considered for regularization by PAC but their Gazette notification is awaited.
	1	40	0.01	Not regularized
2000-01	4	5, 13, 15, 32	712.34	Considered for regularization by PAC but their Gazette notification is awaited.
2001-02	1	15	491.24	Considered for regularization by PAC but their Gazette notification is awaited.
2002-03	2	15, 47	10.15	Considered for regularization by PAC but their Gazette notification is awaited.
2003-04	4	10,14,15,32	3701.11	Considered for regularization by PAC but their Gazette notification is awaited.
	3	11,30,50	81.23	Not regularized
2004-05	4	19,20,21,46	5.68	Not regularized
2005-06	4	10,39,40,46	349.56	Not regularized
2007-08	2	17, 42	1.93	Not regularized
2008-09	3	15,17,28	54.63	Not regularized
2009-10	1	14	98.38	Not regularized
Total			**7115.94**	

Appendix 2.4

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

(Reference : Paragraph 2.3.5, Page 36)

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
A Revenue (Charged)					
1	13-Interest Payments	*4513.10*	*4319.16*	*193.94*	*0.53*
2	28-High Court of Bihar	*65.84*	*59.49*	*6.35*	*2.33*
Total for charged		***4578.94***	***4378.65***	***200.29***	***2.86***
A Revenue (Voted)					
1	02-Animal and Fisheries Resources Department	354.66	241.75	112.91	52.81
2	03-Building Construction Department	253.62	216.15	37.47	7.81
3	04-Cabinet Secretariat Department	86.14	72.60	13.54	7.30
4	07-Vigilance Department	18.85	18.74	0.11	1.50
5	08-Art, Culture and Youth Department	59.99	47.07	12.92	2.38
6	12-Finance Department	412.62	357.84	54.78	0.86
7	17-Commercial Taxes Department	56.73	56.46	0.27	29.87
8	20-Health Department	1906.69	1525.10	381.59	97.83
9	21-Human Resources Development Department	9348.22	8665.81	682.41	***546.91***
10	24-Information and Public Relation Department	57.35	52.57	4.78	0.25
11	25-Information Technology Department	94.24	49.23	45.01	0.24
12	26-Labour Resources Department	157.98	130.69	27.29	17.94
13	30-Minorities Welfare Department	335.87	247.02	88.85	88.04
14	32-Legislature	71.12	70.94	0.18	7.74
15	33-General Administration Department	281.23	264.31	16.92	48.62
16	37-Rural Works Department	536.27	388.45	147.82	0.70
17	38-Registration, Excise and Prohibition Department	91.31	84.57	6.74	16.84
18	41-Road Construction Department	586.86	392.13	194.73	3.57
19	42-Rural Development Department	1367.04	1271.14	95.90	22.08
20	45-Sugar Industries Department	49.42	42.37	7.05	26.04
21	47-Transport Department	26.02	18.04	7.98	3.17
22	48-Urban Development & Housing Department	1788.78	611.56	1177.22	354.68
23	51-Social Welfare Department	2349.01	2082.53	266.48	341.14
Total for Voted		**20290.02**	**16907.07**	**3382.95**	**1678.32**
Total for Revenue		**24868.96**	**21285.72**	**3583.24**	**1681.18**
B Capital Voted					
1	12-Finance Department	35.52	19.08	16.44	1158.00
2	20-Health Department	193.22	181.14	12.08	10.05
3	26-Labour Resources Department	20.00	12.64	7.36	2.00
4	35-Planning and Development Department	34.89	30.44	4.45	10.26
5	36-Public Health Engineering Department	865.81	627.19	238.62	30.00
6	39-Disaster Management Department	2.06	1.67	0.39	1.39
7	43-Science and Technology Department	110.75	103.80	6.95	34.16
8	48-Urban Development and Housing Department	2.00	0.00	2.00	5.00
9	49-Water Resources Department	2279.76	1309.81	***969.95***	752.95
Total for Capital		**3544.01**	**2285.77**	**1258.24**	**2003.81**
Grand Total		**28412.97**	**23571.49**	**4841.48**	**3684.99**

(Source: Appropriation Accounts of the state, 2010-11)

Appendix 2.5 Unnecessary Re-appropriation of Funds

(Reference : Paragraph 2.3.6, Page 36)

(₹in crore)

Sl. No.	Grant No.	Head of Accounts and Description	Total Provision	Re-appro-priation	Actual Expen-diture	Surren-dered	Final Saving
1	8	2204-00-101-0001-Physical Education	2.36	0.46	2.29	0.00	0.53
2	14	6004-04-800-0020-National Watershed Development Project for rainfed areas	0.35	0.03	0.34	0.00	0.04
3	16	2515-00-198-0001-Assistance to Panchayati Raj Institutions	431.63	0.59	221.79	210.27	0.16
4	20	2210-01-110-0012-Rajendra Nagar Hospital, Patna	2.98	2.51	2.05	2.50	0.94
5	20	2210-02-101-0004-Government Ayurvedic College Hospital, Panta	2.39	0.11	2.29	0.11	0.10
6	20	2210-05-105-0003-Darbhanga Medical College	28.43	1.41	26.55	3.15	0.14
7	20	2210-06-003-0002-Public Health Institute	8.61	0.35	6.56	1.13	1.27
8	20	2210-06-101-0003-National Malaria Eradication Programme	21.75	1.90	18.08	3.76	1.81
9	20	2210-06-104-0001-Drug Control Establishment	8.54	0.01	5.24	0.78	2.53
10	20	2251-00-090-0007-Health and Family Welfare Department	2.29	0.09	1.89	0.48	0.01
11	21	2202-04-001-0002-Directorate of Public Education	1.34	0.20	1.08	0.12	0.34
12	22	2055-00-101-0004-Survelliance of foreigner's activities	0.50	0.07	0.36	0.04	0.17
13	22	2055-00-104-0003-Special Task Force	25.10	0.05	23.67	1.37	0.11
14	39	2245-02-101-0006-Grants for building damaged by fire	24.00	1.00	6.12	18.87	0.01
15	39	2245-02-101-0007-Grants for cloths damaged by fire	10.50	1.00	5.38	5.78	0.34
16	39	2245-02-118-0001-Repairs of damaged boats/manufacture of new boats	6.00	1.00	0.85	6.08	0.07
17	41	3054-80-001-0001-Direction	28.29	0.20	23.19	3.31	1.99
18	41	3054-80-001-0006-National Highways Project-Direction	50.00	30.00	6.67	26.35	46.98
19	42	2501-01-800-0102-Swarna Jayanti Gram Swarojgar Yojana	111.00	0.07	52.47	57.72	0.88
20	42	2505-01-701-0102-National Rural Employment Programme Regional Establishment	2.00	0.25	1.86	0.32	0.07
21	48	2217-80-191-0010-Grants-in-aid to Municipal Corporations for primary works on recommendation of 11th Finance Commission	32.56	0.50	28.63	0.00	4.43

Appendix 2.5

Sl. No.	Grant No.	Head of Accounts and Description	Total Provision	Re-appro-priation	Actual Expen-diture	Surren-dered	Final Saving
22	48	2217-80-192-0001- Grants-in-aid to Municipal Councils for primary works on recommendation of 11th Finance Commission	28.72	0.48	22.01	0.00	7.19
23	49	2700-03-101-0002- Other maintenance expenditure	55.05	4.50	42.19	0.88	16.48
24	49	2701-04-001-0001-Establishment	32.14	3.00	28.94	5.58	0.62
25	49	4700-02-800-0101-Irrigation project for Gandak basin (works)	0.05	4.50	0.00	0.00	4.55
26	49	4701-04-001-0101-Establishment	2.78	0.01	2.10	0.63	0.06
Total			**919.36**	**54.29**	**532.60**	**349.23**	**91.82**

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

Appendix 2.6

Insufficient Withdrawal through Re-appropriation of Funds

(Reference : Paragraph 2.3.6, Page 36)

(₹ in crore)

Sl. No.	Grant No.	Head of Accounts and Description	Total Provision	Re-appropri-ation	Final Saving
1	2	2403-00-101-0003-Hospitals, Dispensaries and other establishment	77.97	-1.76	1.42
2	3	2059-80-052-0001-New supply and repairs	1.00	-0.07	0.20
3	4	2013-00-101-0002-Ministers of State	2.03	-0.05	0.02
4	4	2070-00-114-0001-Maintenance of Government aircrafts	17.62	-0.41	0.03
5	8	2204-00-104-0001-Sports and games	4.38	-0.46	1.54
6	8	2205-00-107-0101-Museums	2.70	-0.50	1.57
7	13	2049-04-101-0002-Interest on block loans received from 1989-90	156.58	-0.13	45.27
8	14	6004-02-101-0001-Block loans received from 1989-90	121.66	-0.04	46.32
9	16	2515-00-198-0004-Remuneration to clerk-cum-cashier in Gram Panchayats	40.62	-1.44	2.08
10	20	2210-01-001-0001-Superintendence	20.18	-2.34	1.63
11	20	2210-01-110-0013-Sadar Hospital	123.26	-1.33	16.01
12	20	2210-01-200-0001-Other dispensaries (T.B. eradication programme)	31.87	-0.04	0.84
13	20	2210-01-200-0002-Other dispensaries (Leprosy eradication programme)	46.33	-2.06	4.91
14	20	2210-03-110-0001-Referral Hospital	50.98	-0.08	5.42
15	20	2210-05-105-0023-Government Medical College, Bettiah	5.62	-1.41	2.19
16	20	2210-05-105-0024-Government Medical College, Madhepura	5.62	-1.40	0.14
17	20	2210-06-102-0001-Public Health and Sanitation Programme-Prevention of food adulteration	2.61	-0.05	1.04
18	20	2210-06-200-0001-Yoga training for other public	11.00	-2.17	0.79
19	20	2210-06-800-0002-Health and optical distribution scheme for backwards	7.00	-1.75	1.26
20	21	2202-03-102-0002-Magadh University (Grants-in-aid)	273.34	-41.39	1.94
21	21	2202-03-102-0004-Jai Prakash Narayan University, Chapra (Grants-in-aid)	63.81	-6.09	0.02
22	21	2202-04-800-0102-Adult education	75.00	-3.00	52.86
23	26	2230-01-101-0007-Implementation of the Minimum Wages Act in agriculture	20.84	-0.37	0.34
24	26	2230-01-101-0108-Shram Adhiniyam ke kriyanwan hetu prawartan tantra ka shudridhikaran	0.59	-0.07	0.10
25	26	2235-60-800-0103-Insurance project for common man	12.75	-0.50	11.77
26	32	2011-02-102-0006-Members	6.80	-0.96	0.06
27	35	3454-02-204-0002-Central Statistical Organisation	15.01	-1.25	0.31
28	39	2245-02-101-0002-Supply of food grains	140.40	-1.00	1.22
29	39	2245-02-107-0001-Repairs and restoration of Government Health & Education Buildings	0.50	-0.12	0.09
30	39	2245-02-109-0001-Repairs and restoration of damaged water supply, drainage and sewerage system	0.80	-0.20	0.15
31	39	2245-02-114-0001-Grants for agro input (for damaged crops)	28.41	-0.75	4.15
32	39	2245-02-114-0003-Grants for agriculture crops	1.00	-0.25	0.19
33	39	2245-02-114-0005-Grants for perennial crops	0.50	-0.12	0.09
34	39	2245-02-115-0001-Assistance to farmer to clean sand/silt/salinity from lands	1.00	-0.25	0.19
35	39	2245-02-115-0002-Extraction of salinity/sand etc from fishery area	0.50	-0.12	0.09
36	39	2245-02-116-0001-Grants to farmers for repair of damaged tube well/pump set etc.	0.50	-0.12	0.09

Appendix 2.6

Sl. No.	Grant No.	Head of Accounts and Description	Total Provision	Re-appropri-ation	Final Saving
37	39	2245-02-117-0001-Exchange of animals affected from flood and drought	2.50	-0.50	0.50
38	39	2245-02-282-0001-Supply of medicine for human beings	2.25	-0.50	0.19
39	39	2245-02-282-0003-Supply of POL for mobile health units	1.00	-0.25	0.08
40	39	2245-02-800-0006-Supply of supplementary nutrition for welfare department	0.55	-0.14	0.10
41	40	2029-00-104-0001-Expenditure on revenue administration	367.23	-0.12	13.35
42	41	3054-03-337-0001-Road construction works	330.00	-30.00	0.64
43	41	3054-80-001-0002-Supervision	176.31	-0.32	4.29
44	42	2216-03-105-0102-Indira Awas Yojna	780.00	-0.65	5.30
45	48	2217-80-193-0001-Grants-in-aid to Nagar Panchayats for primary works on recommendation of 11th Finance Commission	18.94	-0.98	2.64
46	49	2700-02-101-0002-Other maintenance expenditure	19.99	-4.00	0.63
47	49	2700-03-001-0001-Establishment	169.32	-0.13	2.54
48	49	4700-01-001-0101-Establishment	46.28	-0.02	0.43
49	49	4700-03-800-0101-Irrigation project for Sone Basin	96.64	-4.50	4.69
50	50	2702-02-005-0001-Survey and Investigation	104.06	-0.03	1.49
Total			**3485.85**	**-116.19**	**243.21**

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

Appendix 2.7

Substantial surrenders (₹ five crore or more) made during the year

(Reference : Paragraph 2.3.7, Page 38)

(₹ in crore)

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision	Actual Expen-diture	Amount surren-dered	Savings	Perc-entage
1	01-Agriculture Department	2401-00-103-0614-Consolidated cereal development programme (Macromode 90:10)	32.83	8.10	24.59	0.14	74.90
2		2401-00-107-0602-Consolidated insect management programme (Macromode 90:10)	7.07	0.81	6.21	0.05	87.84
3		2401-00-119-0101-Garden development scheme	10.00	2.05	7.95	0.00	79.50
4		2402-00-102-0602-N.W.D.P.R.A. (Macromode 10:90)	9.00	2.19	6.75	0.06	75
5	02-Animal and Fisheries Resource Department	2403-00-101-0101-Hospitals, Dispensaries and Other establishment	65.61	10.09	54.40	1.12	82.91
6		2403-00-106-0607-Scheme for control and prevention of animal diseases	24.00	3.52	20.48	0.00	85.33
7		2403-00-106-0104-Scheme for control and prevention of animal diseases	8.00	1.06	6.83	0.11	85.37
8		2405-00-101-0104-Development and renovation of pond fish	10.50	1.41	8.16	0.93	77.71
9	04-Cabinet Secretariat Department	5053-02-102-0101-Aerodromes	9.03	0.83	5.09	3.11	56.37
10	06-Election Department	2015-00-108-0001-Expenditure on Issue of Photo Identity Cards to Voters	20.10	8.34	10.55	1.21	52.49
11	09-Co-operative Department	2401-00-110-0107-Premium Grant to State Crop Insurance Fund for Crop Insurance Scheme based on Pilot Season	150.00	68.55	81.45	0.00	54.30
12	10-Energy Department	2801-80-190-0002-Rajeev Gandhi Rural Electrification Project and Rashtrya Sum Vikash Yojna	86.70	40.96	45.74	0.00	52.76
13	16-Panchayati Raj Department	2515-00-196-0003-Grants-in-aid to Panchayati Raj Institution	46.29	4.77	41.52	0.00	89.70
14		2515-00-197-0001-Assistance to Panchayati Raj Institution	92.74	14.47	78.27	0.00	84.40
15		2515-00-198-0004-Remuneration to Clerk-cum-Cashier in Gram Panchayats	40.62	0.00	38.54	2.08	94.88
16		2515-00-198-0105-Fixed Allowances for Elected Representatives of Gram Panchayat	18.09	0.99	15.69	1.41	86.73
17		2515-00-198-0106-Fixed Allowances for Elected Representatives of Gram Kuchheri	18.51	1.44	11.78	5.29	63.64
18		2515-00-800-0012-Gram Kachahari Ke Vibhinna Madon Hetu	45.70	20.69	25.01	0.00	54.73
19	17- Commercial Taxes Department	2040-00-001-0005-Mission Mode Project	20.87	2.50	18.37	0.00	88.02
20	20-Health Department	2210-01-110-0016-Mental Hospital	9.50	4.24	5.26	0.00	55.37
21		2210-05-105-0024-Government Medical College, Madhepura	5.62	0.27	5.22	0.13	92.88
22		2210-06-200-0001-Yoga Training for other public	11.00	0.00	10.21	0.79	92.82
23		2210-06-800-0002-Health and Optical Distribution Scheme for Backwards	7.00	0.39	5.35	1.26	76.43

Appendix 2.7

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision	Actual Expen-diture	Amount surren-dered	Savings	Perc-entage
24	20-Health Department	2211-00-001-602-Technical advice and supervision State Family Welfare Bureau	7.77	1.45	6.32	0.00	81.34
25	21-Human Resources Development Department	2202-02-001-0101-Directorate of Secondary Education	16.57	0.85	11.11	4.61	67.05
26		2202-02-110-0003-Secondary, Multipurpose and Minority Schools	201.00	40.68	158.84	1.48	79.02
27	22-Home Department	2055-00-001-003-Purchase of Materials at Central Level	26.99	9.46	17.53	0.00	64.95
28		2055-00-001-0008-Central Selection Committee for appointment of Police	15.44	4.91	10.53	0.00	68.20
29		2055-00-800-0105-Strengthening and development of Police Administration	9.50	3.39	6.11	0.00	64.32
30		2070-00-108-0102-Purchase of Fire Equipments	74.35	6.28	68.07	0.00	91.55
31		4055-00-800-0102-Construction of Residential Buildings for police Academy, Training Centre-on the recommendation of Finance Commission	40.00	11.20	28.80	0.00	72
32		4070-00-051-0103-Building construction of Central/Divisional/Sub-jail (Jail Department-Home)	6.90	0.00	5.05	1.85	73.19
33	23-Industries Department	2851-00-107-0101-Special Integrated scheme for backward classes development of sericulture	6.41	1.05	5.13	0.23	80.03
34		4885-02-800-0101-Land acquisition for industrial development	282.31	9.56	269.04	3.71	95.30
35	25-Information Technology Department	2852-07-202-0109-E-Governance State Plan	14.00	5.83	8.17	0.00	58.36
36		4859-02-800-0101-Bihar State Wide Area Network (SWAN)	109.00	9.00	100.00	0.00	91.74
37	27-Law Department	2014-00-003-0001-Bihar Judicial Service Training Institute	10.83	0.86	9.97	0.00	92.06
38		2014-00-106-0001-Small cases courts	42.86	0.08	42.74	0.04	99.72
39		2014-00-114-0002-Legal aid to the poor	7.59	1.71	5.88	0.00	77.47
40	30-Minorities Welfare Department	2250-00-800-0612-Entire area development of minority	254.84	99.82	154.91	0.11	60.79
41	35-Planning and Development Department	2053-00-800-0102-Strengthening of planning machinery	261.98	2.46	259.52	0.00	99.06
42		3454-02-204-0620-Indian statistical strengthening project	30.10	0.05	30.05	0.00	99.83
43	36-Public Health Engineering Department	2215-01-800-0001-Maintenance of water supply in Government buildings	24.83	11.44	13.39	0.00	53.93
44		4215-01-102-0101-Rural piped water supply scheme-works	35.20	13.59	21.39	0.22	60.77
45		4215-01-102-0116-Loans for NABARD for development of infrastructure for supply of drinking water in rural areas	49.50	15.08	34.12	0.30	68.93
46		4215-02-800-0102-Modernisation & Development of crematorium	16.37	8.07	8.30	0.00	50.70
47	39-Disaster Management Department	2245-01-101-0002-Supply of foodgrain	20.50	0.89	17.77	1.84	86.68
48		2245-02-101-0001-Cash payment to helpless and handicapped persons	32.00	12.40	19.60	0.00	61.25
49		2245-02-101-0002-Supply of foodgrain	140.40	52.02	87.16	1.22	62.08
50		2245-02-101-0004-Free distribution of clothes and utensils to affected persons	25.25	4.71	20.03	0.51	79.33

Appendix 2.7

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision	Actual Expen-diture	Amount surren-dered	Savings	Perc-entage
51	39-Disaster Management Department	2245-02-101-0006-Grants for buildings damaged by fire	24.00	6.12	17.87	0.01	74.46
52		2245-02-106-0001-Repairs and restoration of damaged roads and bridges	17.00	0.44	12.26	4.30	72.12
53		2245-02-112-0002-Evacuation of population	23.00	11.15	11.85	0.00	51.52
54		2245-02-112-0104-Purchase of communication instruments	14.17	0.20	8.01	5.96	56.53
55		2245-02-113-0001-Repair/restoration of damaged buildings caused by flood	34.16	0.10	26.42	7.64	77.34
56		2245-02-118-0001-Repairs of damaged boats/manufacture of new boats	6.00	0.85	5.08	0.07	84.67
57	40-Revenue and Land Reforms Department	2029-00-103-0104-Strengthening of revenue administration	14.46	4.81	7.89	1.76	54.56
58		2029-00-800-0101-Consolidation of holdings	20.00	8.69	11.31	0.00	56.55
59	42-Rural Development Department	2501-01-800-0102-Swarna Jayanti Gram Swarojgar Yojna	111.00	52.47	57.65	0.88	51.94
60	44-Scheduled Castes and Scheduled Tribes Welfare Department	4225-01-051-0101-Construction and renovation of residential schools & building	12.75	4.48	8.05	0.22	63.14
61	48-Urban Development and Housing Department	2217-80-800-0122-For Jawaharlal Nehru National Urban Renewal Mission Scheme	900.00	30.14	675.00	194.86	75
62	49-Water Resources Department	2705-00-001-0102-Area Development Command Level	178.40	79.64	94.01	4.75	52.70
63		2711-01-800-0103-Flood Management Information Technology (EAP) World Bank	10.00	2.54	7.46	0.00	74.60
64		4700-01-800-0102-Irrigation Project for Koshi Basin (Works) (AIBP)	600.00	201.02	392.86	6.12	65.48
65		4700-03-800-0102-Irrigation Project for Sone Basin AIVP	250.00	25.73	218.62	5.65	87.45
66		4701-03-800-0102-Irrigation Project for Sone Basin (Works) (AIBP)	19.90	2.17	14.95	2.78	75.13
67		4701-03-800-0103-Irrigation Project for Sone Basin (Works) (NABARD aided Project)	26.63	7.04	18.09	1.50	67.93
68		4711-01-001-0106-Drainange projects (works)	21.85	8.77	12.04	1.04	55.10
69	50-Minor Water Resources Department	2702-02-005-0003-Financial aid and share/Grants-in-aid/maintenance of surface irrigation scheme	6.00	0.04	5.76	0.20	96
70		2702-03-103-0104-Private tube wells	7.00	1.54	5.51	0.05	78.71
71		4702-00-102-0101-Loans from NABARD for completion of incomplete works of tube wells schemes	61.50	5.61	55.83	0.06	90.78
72	51-Social Welfare Department	2235-02-101-0106-Social security and welfare	10.50	0.03	10.35	0.12	98.57
Total			**4879.59**	**978.09**	**3629.82**	**271.78**	

(Source: Detailed Appropriation Accounts, Government of Bihar)

Appendix 2.8

Hundred *per cent* surrender of funds

(Reference : Paragraph 2.3.7, Page 38)

(₹ in crore)

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision surrendered
1	01-Agriculture Department	2401-00-001-0103-Agriculture marketing	25.00
2		2401-00-800-0105-State Farmers Commission	0.50
3		2401-00-800-0109-Agri business infrastructure development project (EAP)	20.00
4	02-Animal and Fisheries Resources Department	2403-00-001-0101-Directorate and regional administration	4.00
5		2403-00-101-0107-National agriculture development scheme	12.88
6		2405-00-101-0605-Development of Inland fisheries statistics	0.27
7		2405-00-101-0612-Fisheries development planning	4.50
8		2405-00-101-0107-Fisheries investigation scheme	0.42
9		2405-00-101-0112-Fisheries marketing scheme	1.50
10		2405-00-101-0115-Special integrated scheme for SC	0.35
11	03-Building Construction Department	2059-01-053-0011-Maintenance and repairs of building of Animal Husbandry Department	0.65
12		2059-80-103-0004-Furnishing of inspection buildings	0.30
13		4216-80-101-0001-Preliminary work before construction	0.10
14	08-Art, Culture and Youth Department	4202-04-800-0101-Expenditure on virasat sanrakshan area (Finance Commission)	30.00
15	10-Energy Department	2801-80-190-0101-Resource gap to Bihar State Electricity Board	360.00
16		2810-60-600-0101-Non-conventional sources of energy Grants-in-Aid	20.00
17		4801-05-800-0102-Transmission & Distribution Project of Bihar State Electricity Board (EAP)	100.00
18		6801-00-800-0104-Loan to Bihar State Hydro Electric Corporation	5.00
19	11-Backward Class and Most Backward Class Welfare Department	2225-03-277-0001-Stipend/Scholarship	0.25
20	12-Finance Department	4058-00-103-0101-Machine and Equipments-Modernisation schemes for Government Press, Gulzarbag	1.50
21	13-Interest Payments	2049-01-115-0001-Interest on ways & means advances from Reserve Bank of India	3.00
22	16-Panchayati Raj Department	2515-00-101-0110-Panchayati Raj Administration and Public Development	10.47
23		2515-00-196-0002-Grants to District Boards for Rural Buildings	1.00
24		2515-00-800-0112-Expenditure in different categories of Gram Kuchheri	6.96

Appendix 2.8

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision surrendered
25	16-Panchayati Raj Department	2515-00-800-0115-Provision of Panchayati Raj & Human Resources Development (EAP)	10.47
26		4515-00-101-0104-Panchayat Sarkari Bhawan in respect of recommendation of Finance Commission	177.00
27	17-Commercial Taxes Department	2040-00-001-0105-Mission mode project	8.84
28		4047-00-051-0101-Building construction	4.08
29	19-Environment and Forest Department	2406-01-105-0104-Pollution Control Board	3.00
30		2406-02-110-0120-Development of sanctuaries	0.15
31		2406-02-110-0603-Other park-Sanjay Gandhi Zoological Park (100% CSS)	0.50
32		2406-02-110-0605-Development of sanctuaries (100% CSS)	0.50
33		2406-02-110-0615-Valmiki Nagar Tiger Project Eco Development (100% CSS)	0.25
34		2406-02-110-0619-Development of wasteland	0.10
35		2406-02-110-0620-Development of sanctuaries	0.15
36		2406-02-110-0109-Sanjay Gandhi Jaiwik Udyan (50:50) Central sanctuary authority sponsored schemes	0.30
37		2406-02-111-0601-Other parks	0.30
38	20-Health Department	2210-05-105-0015-Education fees determination committee	0.10
39		4210-01-051-0103-Construction of residential and office building of District Medical Officer	0.90
40		4210-01-051-0104-Construction of Rajkiya Ausdhalaya in urban area	1.07
41		4210-80-800-0102-Construction of incomplete building of Referral Hospital	1.50
42		4210-80-800-0104-Land acquisition for primary health centre and sub-health centre	1.40
43	21-Home Department	2202-02-109-0605-ITC project	10.00
44		2202-02-109-0105-ITC project	3.34
45		2205-00-105-0011-Assistance to joint fund at Rajaram Mohan Rai Library, Kolkota and State Government	0.40
46	23-Industries Department	2851-00-103-0112-Special notified plan for backward classes	1.05
47		2852-80-102-0147-Capital investment for creation of groups under industrial development drive-of-Bihar	0.25
48		2852-80-800-0101-Creation, Development and maintenance of Infrastructure for trade, commerce and industry	115.00
49		2852-80-800-0102-Scheme of advertisement and publication for departmental programme	0.25
50		6885-01-190-0101-Loans to Bihar State Industries Corporation	11.06
51		6885-01-800-0101-Others loans	0.60
52	25-Information Technology Department	2852-07-202-0104-E-purchasing plan	5.00
53		2852-07-202-0106-Gyan city project	5.00
54		2852-07-202-0111-E-Governance State Plan-on-recommendation of Finance Commission	7.00
55		4859-02-800-0102-Information Technology Building	5.00

Appendix 2.8

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision surrendered
56	27-Law Department	2014-00-106-0002-In the light of recommendation of Finance Commission for ADR Centre	8.15
57	30-Minorities Welfare	2250-00-003-0101-Training of workers of minority classes	1.00
58	35-Planning & Development Department	3454-02-204-0120-Bharat statistical strengthening project	0.10
59	36-Public Health Engineering Department	2215-01-198-0001-Grants-in-aid to village panchayat for repair of Tube wells	7.20
60		4215-01-102-0112-State share to Centrally Sponsored Scheme under groundwater recharge and rainwater harvesting	0.50
61	39-Disaster Management Department	2245-01-101-0003-Gratuitous relief to draught affected families	0.20
62		2245-01-104-0001-Supply of fodder	1.50
63		2245-01-105-0001-Medicine for cattle	0.75
64		2245-01-282-0001-Supply of medicine	0.75
65		2245-01-800-0003-Other works (Grants to Agriculture Department for agricultural input)	25.00
66		2245-02-104-0001-Supply of fodder	2.07
67		2245-02-108-0001-Repairs and restoration of Government residential building	0.10
68		2245-02-109-0004-Purchase of communication instruments	0.20
69		2245-02-119-0001-Assistance to weavers for repairs/restoration of traditional weaving instruments	0.15
70		2245-02-119-0002-Assistance for purchase of threads and materials	0.15
71		2245-02-119-0003-Assistance to handloom weavers	0.13
72		2245-02-122-0001-Repair of damaged irrigation system and flood control system	5.00
73		2245-02-196-0001-Assistance to zila parishads/district level panchayats	0.10
74		2245-02-197-0001-Grants-in-aid to block panchayats/intermediate level panchayats	0.20
75		2245-02-800-0008-For damaged electricity system	2.00
76	40-Revenue and Land Reforms Department	2029-00-103-0002-Management of boundary pillars	0.15
77	42-Rural Development Department	2515-00-003-0101-Bihar Rural Development Training Institute	1.00
78	44-Scheduled Castes and Scheduled Tribes Welfare Department	2225-01-277-0101-Education	3.30
79		4225-01-277-0601-Construction of hostel for SC student	6.60

Appendix 2.8

Sl. No.	Number and name of grants	Name of Schemes (head of accounts)	Total provision surrendered
80	49-Water Resources Department	4700-02-800-0102-Irrigation project for Gandak Basin (works)	0.10
81		4700-02-800-0404-Nepal benevolent project under Gandak project	125.00
82		4701-80-005-0101-Survey and Investigation (Establishment)	0.50
83		4711-01-800-0610-Anti Erosion work on river Ganga	375.00
84		4711-01-800-0114-Flood control schemes under Finance Commission	40.00
85	50-Minor Water Resources Department	4702-00-102-0606-Bharat Nirman Yojna	25.00
86		4702-00-102-0103-Loan from NABARD for completion of new/incomplete lift irrigation scheme	5.00
87		4702-00-102-0106-Bharat Nirman Yojna	15.00
88	51-Social Welfare Department	2235-02-001-0103-Direction and Administration	0.55
89		2235-02-102-0105-Consolidated child development scheme under management information system	6.00
90		2235-02-102-0107-Scheme for dular ranniti	14.45
91		2235-02-106-0105-Establishment of school for spastic children-Grants-in-aid	3.00
92		2236-02-101-0802-Special programme for distribution of foodgrain to under nutritious pregnant/post-delivery women and adolescent girls	15.18
93		4235-02-102-0103-Integrated Child Development Scheme (NABARD Aided Scheme)	142.89
Total			**1817.18**

(Source: Detailed Appropriation Accounts, Government of Bihar)

Appendix 2.9

Surrenders in excess of actual savings (₹ 50 lakh or more)

(Reference : Paragraph 2.3.8, Page 38)

(₹ in crore)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
	Revenue – Voted				
1	11-Backward Class and Most Backward Class Welfare Department	121.37	8.97	12.78	3.81
2	17-Commercial Taxes Department	86.60	30.14	35.63	5.49
3	23-Industries Department	448.94	157.90	158.98	1.08
4	33-General Administration Department	329.85	65.54	87.65	22.11
5	46-Tourism Department	8.10	0.35	1.38	1.03
Total		**994.86**	**262.90**	**296.42**	**33.52**
	Capital- Voted				
1	10-Energy Department	1964.10	73.86	291.80	217.94
2	36-Public Health Engineering Department	895.81	268.62	272.49	3.87
3	41-Road Construction Department	4209.01	133.31	151.43	18.12
	Total	**7068.92**	**475.79**	**715.72**	**239.93**
	Grand Total	**8063.78**	**738.69**	**1012.14**	**273.45**

(Source : State Appropriation Accounts, 2010-11)

Appendix 2.10

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

(Reference : Paragraph 2.3.9, Page 38)

(₹ in crore)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrendered	Saving which remained to be surrendered	Percentage
1	03-Building Construction Department	111.80	54.26	57.54	51.47
2	04-Cabinet Secretariat Department	29.05	22.48	6.57	22.62
3	08-Art, Culture and Youth Department	48.16	30.00	18.16	37.71
4	12-Finance Department	1230.08	20.53	1209.55	98.33
5	13-Interest Payments	194.48	27.89	166.59	85.66
6	14-Repayment of Loans	87.93	35.90	52.03	59.17
7	18-Food and Consumer Protection Department	65.48	9.37	56.11	85.69
8	20-Health Department	501.56	226.39	275.17	54.86
9	21-Human Resources Development Department	1251.35	846.60	404.75	32.35
10	24-Information and Public Relation Department	6.38	1.94	4.44	69.59
11	26-Labour Resources Department	54.59	34.26	20.33	37.24
12	30-Minorities Welfare Department	185.77	164.60	21.17	11.40
13	37-Rural Works Department	179.51	134.49	45.02	25.08
14	38-Registration, Excise and Prohibition Department	23.62	7.94	15.68	66.38
15	39-Disaster Management Department	1356.99	372.13	984.86	72.58
16	40-Revenue and Land Reforms Department	163.93	121.98	41.95	25.59
17	41-Road Construction Department	331.61	296.17	35.44	10.69
18	43-Science and Technology Department	44.94	22.41	22.53	50.13
19	44-Scheduled Castes and Scheduled Tribes Welfare Department	56.43	47.40	9.03	16.00
20	45-Sugar Industries Department	70.55	41.82	28.73	40.72
21	47-Transport Department	11.15	9.81	1.34	12.02
22	48-Urban Development and Housing Department	1538.90	792.00	746.90	48.53
Total		**7544.26**	**3320.37**	**4223.89**	

Appendix 2.11

Cases of surrender of funds in excess of ₹ 10 crore on 30 and 31 March 2011

(Reference : Paragraph 2.3.9, Page 38)

(₹ in crore)

Sl. No.	Grant No.	Major Heads	Amount Surrendered	Percentage of Total Provision
(1)	(2)	(3)	(4)	(5)
1	01	2415-Agricultural Research and Education	22.04	43.22
2	02	2403-Animal Husbandry	20.48	85.33
3	09	2425-Co-operation	15.29	45.71
4	10	2801-Power	43.25	49.88
5		4801-Capital Outlay on Power Projects	267.24	25.70
6		6801-Loans for Power Projects	19.10	32.32
7	13	2049-Interest Payments	22.02	16.49
8	14	6003-Internal Debt of the State Government	34.43	20.26
9	16	2515-Other Rural Development Programmes	329.79	47.19
10	17	2040-Taxes on Sales, Trade etc.	18.37	88.02
11	20	2210-Medical and Public Health	69.17	9.45
12		4210-Capital Outlay on Medical and Public Health	10.16	29.22
13	21	2202-General Education	727.85	12.06
14	22	2055-Police	111.95	6.55
15		2070-Other Administrative Services	85.67	34.64
16		4055-Capital Outlay on Police	112.33	48.01
17	30	2250-Other Social Services	154.91	60.79
18	35	3454-Census Surveys and Statistics	66.97	64.43
19	36	4215-Capital Outlay on Water Supply and Sanitation	238.38	33
20	37	3054-Roads and Bridges	73.18	20.91
21		4515-Capital Outlay on other Rural Development Programmes	26.40	8.22
22	39	2245-Relief on account of Natural Calamities	276.89	34.95
23	40	2029-Land Revenue	75.26	20.49
24	41	3054-Roads and Bridges	28.43	16.12
25		5054-Capital Outlay on Roads and Bridges	42.26	12.93
26	44	2225-Welfare of Schedule Castes, Scheduled Tribes and Other Backward Classes	20.86	28.42
27	45	6860-Loans for Consumer Industries	37.46	49.19
28	49	2700-Major Irrigation	34.81	12.95
29		4700-Capital Outlay on Major Irrigation	75.35	30.60
30		4701-Capital Outlay on Medium Irrigation	36.68	70.23
31		4711-Capital Outlay on Flood Control Projects	108.80	26.81
32	50	2702-Minor Irrigation	83.35	13.69
33		4702-Capital Outlay on Minor Irrigation	172.96	75.66
34	51	2235-Social Security and Welfare	128.94	11
35		2236-Nutrition	421.31	42.48
		Total	**4012.34**	

Appendix 2.12

Rush of Expenditure during last quarter month of the financial year and in the month of March 2011

(Reference : Paragraph 2.3.10, Page 38)

(₹ in crore)

Sl. No.	Major Head	Total expenditure during 2010-11	Expenditure during last quarter of the year		Total expenditure during March 2011	Percentage of total expenditure
			Amount	*Percentage* of total expenditure		
1	2205	19.32	13.22	68.43	9.99	51.70
2	2217	505.16	327.52	64.84	257.89	***51.05***
3	2402	13.84	10.15	73.35	7.55	54.56
4	2404	47.39	40.37	85.18	27.77	58.60
5	2405	31.84	25.29	79.41	22.63	71.05
6	2435	34.19	31.51	92.16	30.56	89.40
7	2505	269.05	186.64	69.37	167.30	62.18
8	2851	56.52	42.19	74.65	38.05	67.31
9	2852	288.99	185.73	64.27	170.55	59.02
10	3054	632.44	413.57	65.39	320.82	50.73
11	3454	144.34	130.90	90.69	87.64	60.72
12	3604	3.25	3.25	***100***	3.25	***100***
13	4055	197.32	169.73	86.02	139.86	70.88
14	4059	118.99	92.42	77.68	79.18	66.54
15	4070	51.72	47.92	92.66	27.41	52.99
16	4210	181.14	180.67	99.74	160.47	88.59
17	4250	14.31	14.31	100	13.75	96.05
18	4406	0.16	0.16	100	0.16	100
19	4425	16.83	16.33	97.03	16.33	97.03
20	4859	9.00	9.00	***100***	9.00	***100***
21	4885	9.56	9.56	***100***	9.56	***100***
22	5053	0.83	0.83	***100***	0.83	***100***
23	6701	0.17	0.17	***100***	0.17	***100***
24	6801	878.49	549.87	62.59	519.87	59.18
25	6851	0.15	0.15	***100***	0.15	***100***
26	6860	38.69	38.69	***100***	37.39	96.63
Total		**3563.69**	**2540.15**		**2158.13**	

Appendix 2.13

Details of amounts exceeding ₹ 10 crore (in each case) which remained unreconciled during 2010-2011

(Reference : Paragraph 2.4, Page 39)

(₹ in crore)

Sl. No.	Major Heads	Amount not reconciled
1	2011-Parliament/State/Union Territory Legislatures	37.49
2	2014-Administration of Justice	297.03
3	2015-Elections	175.20
4	2029-Land Revenue	308.38
5	2030-Stamp and Registration	28.30
6	2039-State Excise	28.47
7	2040-Taxes on Sales, Trade etc.	15.69
8	2041-Taxes on motor vehicles	16.04
9	2048-Appropriation for reduction or avoidance of Debt	160.00
10	2049-Intrest Payments	***4319.03***
11	2051-Public Service Commission	14.66
12	2052-Secretariate-General Services	67.00
13	2053-District Administration	270.34
14	2054-Treasury and Accounts Administration	44.64
15	2055-Police	***2160.63***
16	2059-Public Works	222.68
17	2070-Other Administrative Service	146.89
18	2071-Pensions and other Retirement Benefits	***6143.86***
19	2202-General Education	***6960.94***
20	2203-Technical Education	38.79
21	2204-Sports and Youth Services	25.51
22	2205-Art and Culture	18.28
23	2210-Medical and Public Health	1242.33
24	2211-Family Welfare	240.35
25	2215-Water Supply and Sanitation	403.16
26	2216-Residence	550.73
27	2217-Urban Development	505.16
28	2220-Information and Publicity	34.46
29	2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Class	523.19
30	2230-Labour and Employment	64.04
31	2235-Social Security and Welfare	1011.48
32	2236-Nutrition	532.46
33	2245-Relief on Account of Natural Calamities	529.30
34	2250-Other Social Services	167.65
35	2251-Secretariat-Social Services	24.03
36	2401-Crop Husbandry	1318.10
37	2403-Animal Husbandry	159.97
38	2404-Dairy Development	41.43
39	2405-Fisheries	14.46
40	2406-Forestry and Wild Life	104.37
41	2408-Food Storage and Ware Housing	10.17
42	2415-Agricultural Research and Education	158.23
43	2425-Co-operation	39.75
44	2435-Other Agriculture Programme	32.34
45	2501-Special Programme for Rural Development	160.22
46	2505-Rural Employment	205.60
47	2515-Other Rural Development Programmes	1510.70
48	2700-Major Irrigation	171.08
49	2701-Medium Irrigation	58.44
50	2702-Minor Irrigation	540.49

Appendix 2.13

Sl. No.	Major Heads	Amount not reconciled
51	2705-Command Area Development	80.26
52	2711-Flood Control and Drainage	125.17
53	2801-Power	1170.00
54	2851-Village and Small Industries	21.30
55	2852-Industries	265.05
56	3054-Road and Bridges	616.56
57	3451-Secretariate-Economic Services	32.45
58	3454-Census Surveys and Statistics	142.16
59	3456-Civil Supplies	136.44
60	4047-Capital Outlay on Other Fiscal Services	23.26
61	4055-Capital Outlay on Police	197.32
62	4059-Capital Outlay on Public Works	118.99
63	4070-Capital Outlay on Other Administrative Services	31.91
64	4202-Capital Outlay on Education, Sports, Art & Culture	130.09
65	4210-Capital Outlay on Medical & Public Health	164.98
66	4215-Capital Outlay on Water Supply and Sanitation	626.77
67	4225-Capital Outlay on Welfare of SC, ST & OBC	28.79
68	4235-Capital Outlay on Social Security and Welfare	85.79
69	4250-Capital Outlay on Other Social Services	14.31
70	4425-Capital outlay on Co-operative	16.83
71	4515-Capital Outlay on Other Rural Development Programme	1113.80
72	4700-Capital Outlay on Major Irrigation	519.20
73	4701-Capital Outlay on Medium Irrigation	39.12
74	4702-Capital Outlay on Minor Irrigation	57.35
75	4711-Capital Outlay on Flood Control Projects	702.20
76	4801-Capital Outlay on Power Projects	1007.23
77	5054-Capital Outlay on Roads and Bridges	***4058.24***
78	5055-Capital outlay on Road Transport	12.51
79	5452-Capital Outlay on Tourism	26.55
80	5465-Investment in central financial and trading institutions	26.19
	Total	**43444.37**

Appendix 2.14 Details of withdrawals from Contingency Fund for routine expenditure

(Reference : Paragraph 2.5, Page 39)

(₹ in crore)

Sl. No.	Major Head	Name of Department/Major Head	Purpose	Amount
1	2011	State Assembly	Vidhan Parishad Sachivalaya-Vetan	0.26
2	2012	Governor	Purchase of New Motor Vehicle	0.06
3	2014	Administration of Justice	Purchase of New Motor Vehicles (four occasions)	1.27
4		Administration of Justice	Medical Expenses	0.25
5		Administration of Justice	Pay & other expenses of Parivar Nyayalaya	3.75
6		Administration of Justice	Salary for Civil & Session court (2 occasions)	40.45
7	2015	Election	Travelling expenses for Lok Sabha Election	0.69
8	2052	Secretariat-General Services	J.P. Senani Samman	0.95
9		Secretariat-General Services	Purchase of Motor Car (four occasions)	0.42
10		Secretariat-General Services	Expenditure on C.M. meetings	0.20
11		Secretariat-General Services	Purchase of Laptops	0.12
12		Secretariat-General Services	Expenses on hiring of vehicles	0.11
13		Secretariat-General Services	Pay & Allowances	1.20
14	2053	District Administration	Expenses for Motor Car	0.24
15	2054	Treasury and Accounts Administration	For compilation of provident fund accounts	0.35
16	2055	Police	Recruitment of constables (two occasions)	12.09
17		Police	Expenses for Bihar Police Academy	1.00
18		Police	Expenses for Special task force	0.15
19		Police	Control & maintenance of traffic	0.44
20		Police	Pay & Allowances	16.00
21		Police	Repair & maintenance of Bihar police building	17.20
22	2056	Jail	Expenses for District Jail	5.19
23		Jail	Payment of salary	0.20
24	2070	Other Administrative Services	Expenses for Nagrik Surakshha Samvardan	0.23
25		Other Administrative Services	Purchase of Motor Vehicles (two occasions)	0.08
26		Other Administrative Services	Security of citizen	0.10
27		Other Administrative Services	Pay & allowances	0.35
28		Other Administrative Services	Expenses for investigation Bureau	0.56
29		Other Administrative Services	Establishment of Bihar Bhawan	0.46
30	2071	Pension and Other Retirement Benefits	Medical expenses of retired judges & their family	0.50
31	2202	General Education	Scholarship (two occasions)	11.90
32	2205	Art and Culture	Expenses for Sri Krishna Seva Sadan, Munger	0.39
33		Art and Culture	Kala aur sanskriti ka samvardhan	1.50
34	2225	Welfare of SC, ST and OBC	Pay and other allowances (two occasions)	0.99
35	2230	Labour & Employment	For other social security & welfare programme	0.22
36		Labour & Employment	Biri Sarmiko ka girih Nirman	2.24
37	2235	Social security & welfare	Expenses for human right commission	0.70
38		Social security & welfare	Expenses for family & child welfare	1.06
39		Social security & welfare	Concessional travelling plan for handicapped	0.35
40		Social security & welfare	Security scheme for girls	39.00
41	2250	Other social services	Grants for religious organisations	1.00
42		Other social services	Reward to students	8.00
43	2251	Secretariat and Social Services	For Motor Vehicles (two occasions)	0.33
44	2401	Agriculture Department	Help to farmer	61.80
45		Agriculture Department	Purchase for agriculture work (two	320.75

Appendix 2.14

Sl. No.	Major Head	Name of Department/Major Head	Purpose	Amount
			occasions)	
46	2406	Forestry and wild life	Strengthening & security of forest	2.91
47		Forestry and wild life	Pay and other expenses	0.63
48	2700	Major irrigation	For motor vehicles	0.11
49	2801	Power	Expenses for electricity to Bihar State Electricity Board	90.00
50	2852	Industries	Payment to commercial special services	0.35
51		Industries	For motor vehicles	0.06
52	3454	Census surveys and statistics	For census work	1.00
53	3456	Civil Supplies	For customer helpline	0.28
54	4215	Water supply and sanitation	Expenditure on rural sanitation	30.00
55	6860	Loans for Consumer Industries	Credit to Sugar Mills	0.48
Total				**680.92**

Appendix 2.15 Details of Budget Provisions, Savings etc. under Grant No. 49

(Reference : Paragraph 2.6.1, Page 40)

(₹ in crore)

Budget Estimates	Revenue (Voted)	Revenue (Charged)	Capital (Voted)	Capital (Charged)	Total
Original provision	725.60	0.00	2,279.76	0.00	3,005.36
Supplementary provision	251.91	0.00	752.95	0.00	1,004.86
Total	**977.51**	**0.00**	**3,032.71**	**0.00**	**4,010.22**
Expenditure	746.75	0.00	1309.81	0.00	2056.56
Savings	230.76	0.00	1722.90	0.00	1953.66
Savings surrendered	211.49	0.00	1600.91	0.00	1812.40

Appendix 2.16

Details of Schemes where no Expenditure was incurred

(Reference : Paragraph 2.6.1, Page 40)

(₹ in crore)

Sl. No.	Major Head /Minor Head Schemes	Budget Estimate	Supple-mentary provision	Total	Revised estimate	Expenditure	Savings
Plan Schemes							
1	4700-Capital Outlay on Major Irrigation-02-Irrigation Project to Gandak Basin-800-Other Expenditure-0404-Nepal Benevolent Project	125.00	0.00	125.00	0.00	0.00	125.00
2	4701-Capital Outlay on Medium Irrigation-80-General-005-Survey & Investigation-0101-Establishment	0.50	0.00	0.50	0.00	0.00	0.50
3	4711-Capital Outlay on Flood Control Project-01-Flood Control-800-Other Expenditure -0114-Flood Control under F.C.	40.00	0.00	40.00	0.00	0.00	40.00
4	4711-Capital Outlay on Flood Control Project-01-Flood Control-800-Other Expenditure -0610-Anti Erosion Work on River Ganga	375.00	0.00	375.00	0.00	0.00	375.00
5	4711-Capital Outlay on Flood Control Project-01-Flood Control-800-Other Expenditure -0611-Water Drainage Project	1.00	0.00	1.00	1.00	0.00	1.00
Total		**541.50**	**0.00**	**541.50**	**1.00**	**0.00**	**541.50**

Appendix 2.17

Statement showing the sub-heads where the expenditure was in excess over the provision for the year 2010-11

(Reference : Paragraph 2.6.1, Page 40)

(₹ in crore)

Sl. No.	Major heads detailed head/ scheme wise	Total	Re-appro-priation Savings(-) Excess(+)	Final Grant or Appropr-iation	Actual expend-iture	Excess(+)
1	2700-Major Irrigation, 02-Irrigation Project on Gandak Basin (Commercial), 001-Direction and Administration, 0001-Establishment	99.53	(-)11.95	87.58	87.66	0.08
2	2701-Medium Irrigation, 03-Medium Irrigation Commercial (Sone Basin), 101-Maintenance and Repair, 0002-Other Maintenance Expenditure	19.65	(-)1.29	18.36	33.82	15.46
3	2701-Medium Irrigation, 04-Medium Irrigation Commercial, 101-Maintenance and Repair, 0002-Other Maintenance Expenditure	8.85	(+)0.31	9.16	9.17	0.01
4	2701-Medium Irrigation, 80-General, 001-Direction and Administration, 0001-Headquarters Secretariat Establishment (Engineer-in-Chief)	12.25	(-)5.39	6.86	8.34	1.48
5	2701-Medium Irrigation, 80-General, 190-Assistance to Public Sector and Other Undertaking, 0001-Grants-in-aid to Water and Land Management Institute	4.50	0.00	4.50	4.53	0.03
6	4700-Capital Outlay on Major Irrigation, 80-General, 800-Other Expenditure, 0101-Rashtriya Sam Vikas Yojna	200.00	(-)62.29	137.71	141.73	4.02
7	4701-Capital Outlay on Medium Irrigation, 04-Medium Irrigation, 800- Other Expenditure, 0103- Irrigation Project on Kiul Badua Chandan Basin (Works).	25.60	(-)18.59	7.01	7.02	0.01
Total		**370.38**	**(-)99.20**	**271.18**	**292.27**	**21.09**

Appendix 2.18

Details of schemes with rush of expenditure in the last quarter/month of the year (Grant No. 49)

(Reference : Paragraph 2.6.1, Page 40)

(₹ in crore)

Sl. No.	Major head of Account	Total expenditure during the year	Expenditure during the last quarter of the year		Expenditure during March 2011	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1	2701-Medium Irrigation (Revenue)	85.88	52.10	60.67	40.99	47.73
2	4700-Capital Outlay on Major Irrigation	564.73	327.39	57.97	213.01	37.72
3	4701-Capital Outlay on Minor Irrigation	42.00	19.96	47.52	13.07	31.11
4	4711-Capital Outlay on Flood Control Project	702.90	399.91	56.89	263.50	37.49
5	6701-Loans for Medium Irrigation	0.17	0.17	100.00	0.17	100.00
Total		**1395.68**	**799.53**	**57.28**	**530.74**	**38.02**

Appendix 3.1

Performance of autonomous bodies

(Reference : Paragraph 3.3, Page 45)

Sl. No.	Name of Body	Period of entrust ment	Year upto which accounts were rendered	Period upto which Separate Audit Report is issued	Date of receipt of accounts	Date of issue of Separate Audit Report	Placement of SAR in the Legislature	Delay in submiss-ion of accounts	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1	Bihar State Khadi and Village Industries Board, Patna	2002-03	2007-08	1989-90 to 1998-99 1999-2000 to 2001-2002 2002-03	Accounts received up to 2007-08	30 May 08 28 April 09 14 May10	Not communic-ated	-	Entrust-ment of Audit is still awaited.
2	Bihar State Housing Board, Patna	2003-04	2006-07	1994-95 to 1998-99 1999-2000 to 2002-03 2003-04	Accounts received up to 2006-07	31 December 08 20 November 09 13 May 10	Not communic-ated	-	Entrust-ment of Audit is still awaited.
3	Bihar State Legal Services Authority, Patna	Perma-nent	2010-11	2009-10	02 June 11	06 December 10	Not communic-ated	-	-
4	Rajendra Agriculture University, Pusa, Samastipur	2010-11	2009-10	2006-07 2007-08 2008-09	13 October 10	14 October 10 11 April 11 23 May 11	As intimated by Govt. SAR for the period 1971-72 to 1994-95, 1998-99 to 2001 and 2003-04 to 2006-07 already sent to State legislature for placement of report awaited.	3 months 13 days	-

Appendix 3.2

Age-wise details of cases of Defalcation, Misappropriation, Loss and Theft

(Reference : Paragraph 3.4, Page 45)

Sl. No.	Name of the Department/Office/Fund	Up to 5 years	5 to 10 years	Total No. of Cases
1	Road Construction	6	01	07
2	Water Resources	11		11
3	Building Construction	01		01
4	Public Health and Engineering	02		02
5	Rural Development	635	81	716
6	Labour Resources	03		03
7	Industries	02		02
8	Social Welfare	117		117
9	Home	24		24
10	Health and Family Welfare	33		33
11	Land Acquisition	11		11
12	General Administration	15		15
13	Member of Legislative Assembly/ Member Legislative Council	01		01
14	Co-operative	01		01
15	Election	04		04
16	Civil Court	01		01
17	Animal & Fisheries Resources	12		12
18	Human Resources Development	32		32
19	Urban Development and Housing	25	04	29
20	Environment & Forest	02		02
21	District Sub-Registrar	01		01
22	Rural Works	08		08
23	Minor Water Resources	01		01
Total		**948**	**86**	**1034**

Appendix 3.3

Category-wise details in respect of cases of Defalcations, Misappropriation, Loss and Theft

(Reference : Paragraph 3.4, Page 45)

(₹ in crore)

Sl. No.	Name of Department/Office/Fund	Defalcation, Misappropriation loss and theft	
		Number	Amount
1	Road Construction	07	2.59
2	Water Resources	11	13.19
3	Building Construction	01	0.33
4	Public Health and Engineering	02	2.46
5	Rural Development	716	328.36
6	Labour Resources	03	0.62
7	Industries	02	5.67
8	Social Welfare	117	12.66
9	Home	24	1.52
10	Health and Family Welfare	33	5.26
11	Land Acquisition	11	3.80
12	General Administration	15	6.73
13	Member of Legislative Assembly/ Member Legislative Council	01	0.02
14	Co-operative	01	2.66
15	Election	04	1.43
16	Civil Court	01	0.29
17	Animal & Fisheries Resources	12	5.18
18	Human Resources Development	32	11.66
19	Urban Development and Housing	29	3.33
20	Environment & Forest	02	0.39
21	District Sub-Registrar	01	0.26
22	Rural Works	08	0.74
23	Minor Water Resources	01	Negligible
Total		**1034**	**409.15**

Appendix 3.4

Operation of Minor Head 800- 'Other Expenditure' (50 *per cent* and above)

(Reference : Paragraph 3.5, Page 46)

(₹ in crore)

Sl. No.	Major Head Code	Nomenclature	Expenditure under Minor Head-800	Total Expenditure	Percentage of total expenditure under Minor head 800
1	2041	Taxes on Vehicles	12.00	16.92	70.92
2	2217	Urban Development	353.35	505.16	69.95
3	2250	Other Social Services	184.19	184.33	99.92
4	2501#	Special Programmes for Rural Development	172.47	172.92	99.74
5	2515	Other Rural Development Programmes	891.97	1548.10	57.62
6	3452	Tourism	3.07	6.04	50.83
7	4070	Capital Outlay on other Administrative Services	38.80	51.75	74.98
8	4235 #	Capital outlay on Social Security and Welfare	89.31	88.46	100.96
9	4700	Capital outlay on Major Irrigation	467.96	564.73	82.86
10	4701	Capital outlay on Minor Irrigation	37.33	42.00	88.88
11	4801	Capital outlay on Power Project	1007.23	1007.23	100
12	4859	Capital outlay on Telecommunication and Electronic Industries	9.00	9.00	100
13	5452	Capital outlay on Tourism	26.55	26.55	100
		Total	**3293.23**	**4223.19**	

Average Percentage 77.98.

(#) Includes accounting recoveries to the extent of ₹ 0.45 crore and ₹ 0.85 respectively. (which includes transferred to the fund head) and hence the percentage is more than 100.

Appendix 3.5

Operation of Minor Head 800- 'Other Receipts' (50 *per cent* and above)

(Reference : Paragraph 3.5, Page 46)

(₹in crore)

Sl. No.	Major Head Code	Nomenclature	Receipts under Minor Head-800	Total Receipts	Percentage of total Receipts under Minor head 800
1	0029	Land Revenue	70.63	139.02	50.81
2	0059	Public Works	6.72	6.73	99.85
3	0075	Miscellaneous General Services	0.21	0.34	61.76
4	0211	Family Welfare	0.03	0.04	75.00
5	0216	Housing	2.84	4.74	59.92
6	0217	Urban Development	0.03	0.03	100
7	0235	Social Security and Welfare	2.32	2.38	97.48
8	0250	Other Social Services	5.13	5.27	97.34
9	0404	Dairy Development	0.05	0.05	100
10	0425	Co-operation	0.07	1.30	53.85
11	0506	Land Reforms	0.08	0.09	88.89
12	0515	Other Rural Development Programmes	20.94	21.93	95.49
13	0852	Industries	88.36	88.36	100
14	1054	Roads and Bridges	35.96	39.60	90.81
15	1055	Road Transport	0.19	0.23	82.61
16	1456	Civil Supplies	0.05	0.05	100
		Total	**233.61**	**310.16**	

Average Percentage 75.36