



**Report of the
Comptroller and Auditor General of India
on
State Finances
for the year ended March 2012**

The Report has been laid on the table of the State Legislature Assembly on 10-07-2014



**Government of West Bengal
Report No. 1 of 2013**

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P R E F A C E

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

Chapters 1 and 2 of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2012. Information has also been obtained from the Government of West Bengal, wherever necessary.

Chapter 3 on ‘Financial Reporting’ provides an overview and status of the State Government’s compliance with various financial rules, procedures and directives during the current year.

Findings of performance and compliance audits in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the observations on Revenue receipts are being presented in separate reports.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The Report

Based on the audited accounts of the Government of West Bengal for the year 2011-2012, this report provides an analytical review of the Annual Accounts of the State Government. The financial performance of the State has been assessed based on the FRBM Act, Budget documents, Economic Review 2011-12, Thirteenth Finance Commission Report and other financial data obtained from various Government departments and organisations. The report is structured in three Chapters.

Chapter 1 is based on the audit of Finance Accounts and makes an assessment of West Bengal Government's fiscal position as on 31 March 2012. It provides an insight into trends in committed expenditure, borrowing patterns besides a brief account of Central funds transferred directly to the State implementing agencies through off budget route.

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

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

Audit findings and recommendations

Finances of the State Government:

Fiscal position of the State: The State Government has succeeded in improving the fiscal situation during 2011-12. Revenue Receipts grew at a healthy rate of 24 *per cent*, while the growth of Revenue Expenditure contained to 14 *per cent*. During the year Revenue Receipts were ₹ 58755.04 crore as against Revenue Expenditure of ₹ 73326.37 crore resulting in Revenue Deficit of ₹ 14571.33 crore. The revenue deficit was 2.65 *per cent* of GSDP as against the FRBM Act target of 1.6 *per cent*. The Fiscal Deficit during 2011-12 stood at ₹ 17704.88 crore which was 3.22 *per cent* of GSDP as against the FRBM Act target of 3.5 *per cent*.

Enactment of Fiscal Responsibility Legislation: The State introduced the West Bengal Fiscal Responsibility and Budget Management (WBFRBM) Act in July 2010 and amended it in February 2011 fixing the rolling fiscal targets for 2010-15. The Act aimed at prudence in fiscal management and fiscal stability by progressive elimination of revenue deficit and reduction in fiscal deficit and prudent debt management consistent with fiscal sustainability and greater transparency. The first Medium-term fiscal policy statement and Fiscal policy strategy statement

was presented before the Legislature along with the Budget for the year 2012-13.

Prioritisation of Capital expenditure: Capital Expenditure as well as expenditure under Economic Sector is the major indicator of development activity. In both the cases, not only was the actual expenditure far below budget estimate, Capital Expenditure was remarkably low at only 3.61 *per cent* of total expenditure during 2011-12. This was indicative of failure of the State in utilising its high cost borrowed funds in increasing Capital Expenditure and accelerating development, as most of the high cost borrowed funds were utilised to meet Revenue Expenditure.

Review of Government investment: Government is getting very little return from its capital outlay on Irrigation works. Return on investment in Statutory Corporations, rural banks, etc. depicted a grim picture, varying between zero and 0.06 *per cent*, while Government had to pay interest at the average rate of 7.78 to 8.99 *per cent* on its borrowings during 2007-08 to 2011-12 leading to substantial implicit subsidy.

Financial management and budgetary control:

There was an overall saving of ₹ 8201.48 crore, which was the result of saving of ₹ 13201.93 crore offset by excess of ₹ 5000.45 crore. Expenditure of ₹ 5617.30 crore was incurred in 78 cases without any provision in the original estimates/supplementary demand. There were instances of inadequate provision of funds and unnecessary/excessive re-appropriations. In many cases, the anticipated savings were not surrendered leaving no scope for utilising these funds for other development purposes. In violation of the provisions of Budget Manual and West Bengal Financial Rules, the Controlling Officers of test checked Departments did not monitor the progress of expenditure.

Financial Reporting

For ensuring proper utilisation of Government assistance received by autonomous bodies, timely submission of annual accounts assumes utmost importance. However, pendency in submission of annual accounts of autonomous bodies/ authorities coupled with delay in placement of Separate Audit Reports of some of the bodies in the Legislative Assembly diluted the financial control. There were considerable delays in finalising *pro forma* accounts of departmentally managed commercial undertakings indicating laxity in the accountability mechanism of both the management and Government in respect of public funds invested in those undertakings.

Accumulation of unadjusted AC bills and parking of developmental funds in Personal Deposit (PD) / Personal Ledger (PL) Accounts was a major area of concern, as substantial amounts were drawn from treasury or transferred out of the Consolidated Fund of the State without proper treasury checks and Legislative control.

CHAPTER 1

Finances of the State Government

Chapter 1

Finances of the State Government

Profile of West Bengal

West Bengal is an agrarian State with diverse agricultural products. A brief social and economic profile of the State is given in *Appendix 1.1*. The population of the State as per 2011 Census was 9.13 crore with a density of 1029 person per sq km. The literacy rate as per 2011 Census was 77.08 *per cent* which was higher than All India average of 74 *per cent*. The Gross State Domestic Product (GSDP) in West Bengal has grown at an average rate of 16.02 *per cent* over the last five years. Over half of its GSDP accrues from the Service Sector.

1.1 Introduction

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

The State Government introduced the West Bengal Fiscal Responsibility and Budget Management (WBFRBM) Act in July 2010. As recommended by the Thirteenth Finance Commission, the Act was amended in April 2011 by introduction of WBFRBM (Amendment) Act, in which *inter alia* annual targets for the period 2010-15 were set as Medium Term Fiscal Policy for debt stock, revenue deficit and fiscal deficit. The first Medium Term Fiscal Policy and Strategy Statement was presented before West Bengal Legislative Assembly (WBLA) in March 2012 while presenting the State Budget for 2012-13.

1.2 Summary of Current Year's Fiscal Transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year 2011-12 *vis-à-vis* the previous year while *Appendix 1.4* provides details of receipts and disbursements as well as overall fiscal position during the current year.

Table 1.1 Summary of Current Year's Fiscal Operations

(Rupees in crore)

Receipts			Disbursements				
	2010-11	2011-12		2010-11	2011-12		
					Non-Plan	Plan	Total
Section-A: Revenue							
Revenue Receipts	47264.20	58755.04	Revenue Expenditure	64538.16	59197.11	14129.26	73326.37
Tax Revenue	21128.74	24938.16	General Services	28680.41	32195.36	93.61	32288.97
Non-Tax revenue	2380.49	1340.25	Social Services	27343.09	21438.47	10125.30	31563.77
Share of Union	15954.95	18587.81	Economic Services	8090.50	5079.40	3889.72	8969.12
Taxes/Duties							
Grants from Government of India	7800.02	13888.82	Grants-in-aid and Contributions	424.16	483.88	20.63	504.51
Section-B: Capital							
Misc. Capital Receipts	-	-	Capital Outlay	2225.75	(-) 0.38	2764.13	2763.75
Recoveries of Loans and Advances	372.49	78.17	Loans and Advances disbursed	407.73	125.43	322.54	447.97
Public Debt receipts*	24800.66	26555.07	Repayment of Public Debt*	6846.29			9299.19
Contingency Fund	2.70	0.03	Contingency Fund	0.03			0.53
Public Account receipts	76696.07	94384.24	Public Account disbursements	74227.77			91187.25
Opening Cash Balance	4785.50	5675.89	Closing Cash Balance	5675.89			8423.38
Total	153921.62	185448.44	Total	153921.62			185448.44

Source: Finance Accounts

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

1.2.1 Budget Estimates vis-à-vis Actuals

Budget Estimates (BE) are the detailed estimates of the receipts and expenditure included in the budget for a financial year, which show actuals for the past year, revised estimates for the current year and the budget estimates for the ensuing year. These estimates are expected to prove useful for the Legislature to assess/anticipate the financial position of the Government and serve the departments with financial frameworks under which they have to carry out their operations. The overall responsibility of preparation of budget lies with Finance Department, which is based on the estimates prepared by the Departmental Controlling Officers, after obtaining inputs from the lower level functionaries.

A comparative analysis between budget estimates and actual in respect of certain selected fiscal parameters is brought out in the following table:

Table 1.2 Budget Estimates vis-a-vis Actual during 2011-12

(Rupees in crore)

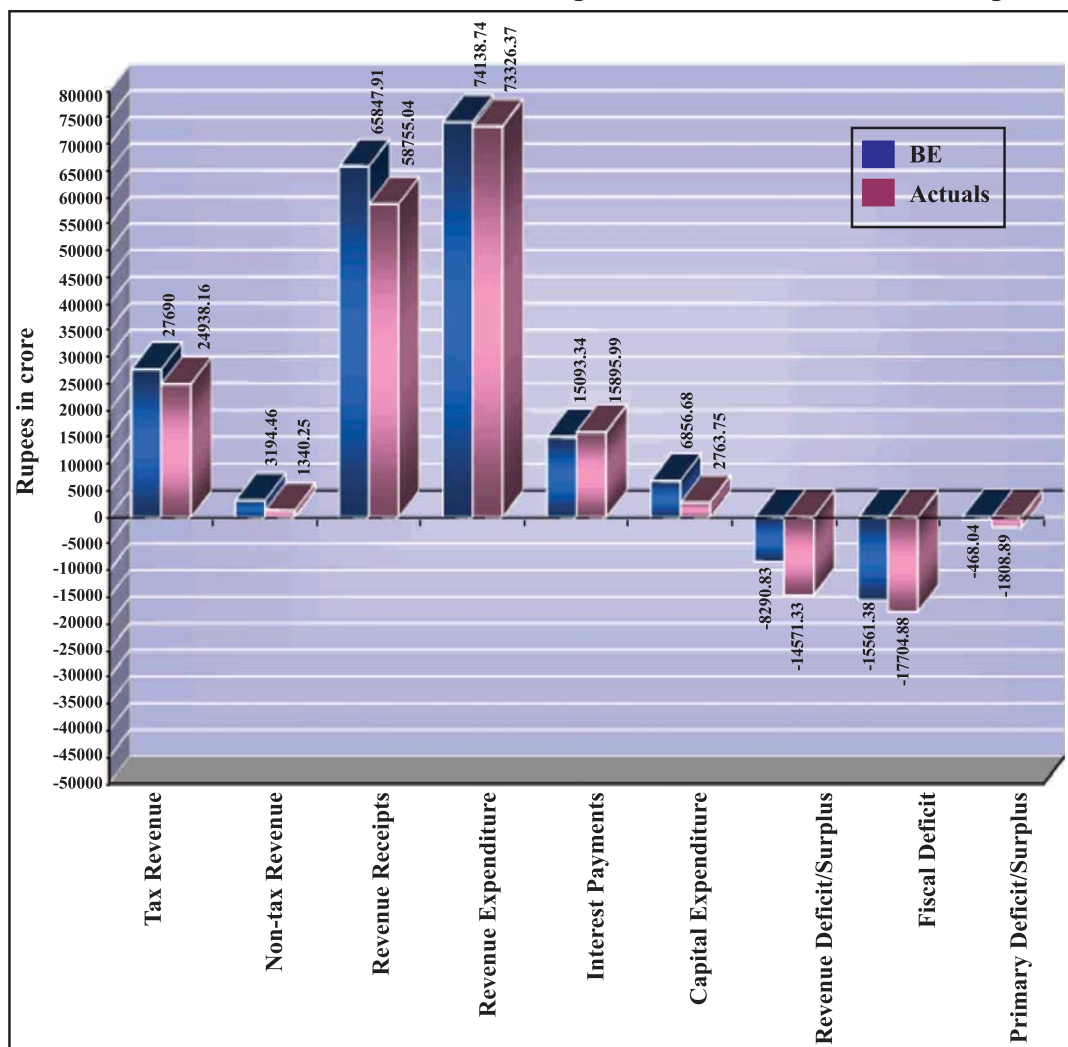
	Budget Estimates	Actual	Percentage variations
Tax Revenue	27690.00	24938.16	(-) 10
Non-Tax Revenue	3194.46	1340.25	(-) 58
Revenue Receipts	65847.91	58755.04	(-) 11
Revenue Expenditure	74138.74	73326.37	(-) 1
Interest Payment	15093.34	15895.99	(+) 5
Capital Expenditure	6856.68	2763.75	(-) 60
Revenue Deficit (-)/Surplus(+)	(-) 8290.83	(-) 14571.33	(+) 76
Fiscal Deficit(-)/Surplus(+)	(-) 15561.38	(-) 17704.88	(+) 14
Primary Deficit(-)/Surplus(+)	(-) 468.04	(-) 1808.89	(+) 286

Source: Budget publications and Finance Accounts

The Position is depicted in the **Chart 1.1**

As may be observed from **Table 1.2** and **Chart 1.1** there were considerable variation between budget estimates and actuals in the case of several key parameters. Significant shortfalls in capital expenditure on Water Supply, Sanitation, Housing and Urban

Chart 1.1 : Selected Fiscal Parameters : Budget Estimates *vis-a-vis* Actuals during 2011-12



Development (₹ 638.97 crore, 74 *per cent*) and Education, Sports, Art and Culture (₹ 186.59 crore, 67 *per cent*) in Social sector and Irrigation and Flood Control (₹ 2329.65 crore, 85 *per cent*), Transport (₹ 291.66 crore, 28 *per cent*) and Agriculture and Allied Activities (₹ 242.61 crore, 61 *per cent*) in Economic sector, the Capital expenditure fell drastically short of the estimate (60 *per cent*). Thus, asset creation was not given as much priority as intended in the BE.

Actual receipts under Tax Revenue was lower (10 *per cent*) than that projected in the BE, mainly due to lower collections under Sales Tax (7 *per cent*), State Excise (12 *per cent*), Stamps and Registration Fees (9 *per cent*), Taxes on Vehicles (26 *per cent*), etc. Non-Tax Revenue was significantly lower (58 *per cent*) than that projected in the BE, mainly because of less receipts under Food Storage and Warehousing and Interest Receipts compared with BE. The actual revenue deficit was higher than the budgetary estimate by 76 *per cent* (₹ 6280.50 crore) due to significant shortfall in non-tax revenue as well as shortfall in tax revenue. Fiscal deficit and primary deficit surpassed the budgetary estimate by 14 *per cent* and 286 *per cent* respectively mainly due to increase in revenue deficit.

There is need for effective steps in enhancing the tax base and tax realisation with simultaneous containment of Non-Plan Revenue Expenditure to improve the fiscal situation. Besides, expenditure on capital sector needs to be ameliorated to improve the productive capacity of the State's economy.

1.2.2 Implementation of West Bengal Fiscal Responsibility and Budget Management (WBFRBM) Act

With a view to ensuring prudence in fiscal management and fiscal stability by progressive elimination of Revenue Deficit, reduction of Fiscal Deficit, prudent debt management and greater transparency in fiscal operation of the State Government, West Bengal Fiscal Responsibility and Budget Management Act, 2010 was passed by the West Bengal State Legislature in July 2010. In compliance with the Act, WBFRBM Rules, 2011 was introduced by the Finance Department in February 2011. The Act was amended with effect from 7 February 2011 by passing the WBFRBM (Amendment) Act 2011 in April 2011. Extract of the WBFRBM Act 2010 and the Amendment Act are shown in **Appendix 1.5**.

As per the Act, the State Government was required to bring out the following fiscal documents in prescribed *pro forma* and table the same before the Legislative Assembly along with the Budget:

- Medium-term fiscal policy statement (MTFPS);
- Fiscal policy strategy statement (FPSS);
- Documents in the nature of Budget in brief, containing separate statements on indicators of fiscal situation, components of State Government's liabilities and interest cost of borrowing, guarantee given by the State, Guarantee Redemption Fund, Statement of Assets, etc.

Besides, the State Finance Minister was also required to make a statement before the Assembly to explain the significant changes in the accounting standards, policies and practices affecting compliance with fiscal indicators.

The first Medium-term fiscal policy statement and Fiscal policy strategy statement was presented before the Legislature along with the Budget for the year 2012-13.

Rolling targets for fiscal indicators envisaged in the Medium-term fiscal policy statement is presented in the table below :

Table 1.3: Rolling targets envisaged in the Medium-term fiscal policy statement

Item	Current Year Budget Estimate (BE)	Current Year Revised Estimates (RE)	Ensuing Year Budget Estimate (BE)	Targets for next two years	
	2011-12	2011-12	2012-13	2013-14	2014-15
Revenue deficit as percentage of GSDP	1.51	3.14	1.10	0.50	0
Fiscal deficit as percentage of GSDP	2.83	3.94	2.51	3.00	3.00
Total debt stock as percentage of GSDP	37.08	37.90	35.72	35.90	34.30

Source: Medium Term Fiscal Policy Statement

The above table shows that the State Government targets to progressively reduce the revenue deficit, fiscal deficit and debt stock in tune with the provisions of the WBFRBM Act. However, fiscal rolling targets for the year 2011-12, as envisaged in the amended Act and actual achievement there against indicated that targets set under the FRBM Legislation as well as in MTFPS were not achieved in respect of revenue deficit as detailed in the table below:

Table 1.4: Targets envisaged under FRBM Act and achievements thereagainst

Indicators	Medium term fiscal policy target	Target for 2011-12	Actual for 2011-12
Debt Stock	34.30 <i>per cent</i> of GSDP within 2014-15	39.10 <i>per cent</i> of GSDP i.e. ₹ 215002 crore	₹ 207702 crore i.e. 37.77 <i>per cent</i>
Revenue Deficit	To be eliminated within 2014-15	1.60 <i>per cent</i> of GSDP i.e. ₹ 8798 crore	₹ 14571 crore ¹ i.e. 2.65 <i>per cent</i>
Fiscal Deficit	To be reduced to three <i>per cent</i> of GSDP within a period of four years i.e. by 2013-14	3.50 <i>per cent</i> of GSDP i.e. ₹ 19246 crore	₹ 17705 crore i.e. 3.22 <i>per cent</i>

In the FPSS, it has been stated that due to excessive financial burden on the State, the fiscal indicators have not been moved towards the targets prescribed in the WBFRBM Act.

According to WBFRBM Act 2010, the State Government at the time of presentation of the budget is required to disclose significant changes in the Accounting Standard, policies and practices affecting or likely to affect the compliance of the prescribed fiscal indicators. However, no disclosure has been made by the State Government in this regard. Similarly, no disclosure has been made regarding Major Works and Contracts, Committed liabilities in respect of land acquisition charges, Claims in respect of unpaid bills on works and supplies, and Statement of Assets and also in respect of weighted average interest rates on Government liabilities.

1.2.3 Compliance with the recommendations of Thirteenth Finance Commission (13th FC)

The overall task of the Finance Commission is to discharge the mandate consistent with the principles of federal finance, taking into account the current and likely future macro economic and fiscal scenarios, so as to secure fiscal stability and adequate resource availability for the Centre, the States and the local bodies. The terms of reference assigned to the 13th Finance Commission a specific 'macro policy task' to review the state of the finances of the Union and the States and the operation of the States' Debt Consolidation and Relief Facility (DCRF) 2005-10 and suggest measures to maintain a stable fiscal environment, consonant with equitable growth. A subsequent addition to terms of reference mandated to review the road map for fiscal adjustment and suggest a suitable revised road map that would maintain the fiscal consolidation through 2010-15.

¹ In terms of the recommendations of the 13th Finance Commission, debt relief sanctioned by GoI, Ministry of Finance, Department of Expenditure in the form of write-off of Central Loans for an amount of ₹ 104.02 crore would not be considered for measuring fiscal performance of States in terms of Revenue/Fiscal Deficit. The Actual Revenue Deficit, therefore works out to ₹ 14675.35 crore instead of ₹ 14571.33 crore as shown above due to the impact of debt waiver. In such case, the revenue deficit is 2.67 per cent of GSDP. Correspondingly, the fiscal deficit should also increase to the same extent.

13th FC projections vis-à-vis actuals in key segments

A comparative study of 13th Finance Commission projections *vis-à-vis* actuals in respect of certain key indicators of the State during the current year is given in **Table 1.5**.

Table 1.5: 13th FC projections *vis-à-vis* actuals during 2011-12

Key segments	(Rupees in crore)		
	13 th FC Projections	Actual	Percentage variations
Own Tax Revenue	28375	24938	(-) 12
Non-Tax revenue	3325	1340	(-) 60
Own Revenue Receipts	31700	26278	(-) 17
Annual growth rate of GSDP (<i>per cent</i>)	13.96	16.03	(+) 15
Tax-GSDP ratio (<i>per cent</i>)	5.77	4.54	(-) 21
Non-Plan Revenue Expenditure	44387	59197	(+) 33
Interest Payment	14985	15896	(+) 6
Salary (it also includes salaries paid out of grants-in-aid) and Wages	8374	27031	(+) 223
Pension	6471	10066	(+) 56

Source: 13th Finance Commission Report and Finance Accounts

It would be evident from **Table 1.5** that though the GSDP grew at rate higher than the TFC projections, there was considerable scope for improvement in all the key segments as the actual receipts trailed behind Finance Commission projections whereas on the expenditure side, actual expenditure surpassed the Finance Commission projections. Simultaneously, the Government should take adequate steps in reducing the burden of committed expenditure to improve the fiscal situation.

Debt Consolidation and Relief Facility (DCRF)

The Thirteenth Finance Commission *inter alia* recommended that all Central loans outstanding at the end of 2009-10 given to State Government for Centrally Sponsored Schemes / Central Plan Schemes through Ministries other than Ministry of Finance were to be written off, subject to the conditions prescribed. Department of Expenditure, Ministry of Finance, GoI, has communicated (February 2012) write-off of the said Central loans amounting to ₹ 110.55 crore. After reconciliation, an amount ₹ 104.02 crore of central loans was written off by the State Government.

Further, NSSF loan contracted till 2006-07 and outstanding at the end of 2009-10 was to be reset at a common interest rate of 9 *per cent* in place of 10.5 *per cent* or 9.5 *per cent*. Scrutiny (July 2012) of Finance (Budget) department, however, revealed that the same was not done resulting in failure to avail interest relief of ₹ 477.70 crore during 2010-11 and ₹ 455.85 crore during 2011-12. In reply, Finance (Budget) department stated (August 2012) that GoI was in the process of giving this benefit to all the States including West Bengal for 2010-12. Accordingly, claims were sent by the department to GoI.

1.2.4 Trends and composition of GSDP

GSDP of the State which was ₹ 299482.75 crore in the year 2007-08 registered a growth of 84 *per cent* and stood at ₹ 549875.93 crore in 2011-12. Annual growth rate of GSDP ranged between 14 *per cent* and 19 *per cent*. Sector-wise composition of GSDP is depicted in the table:

Table 1.6: Decomposition of GSDP of West Bengal by Broad Sectors:

(Rupees in crore)					
Sector	2007-08	2008-09	2009-10 (P)	2010-11 (Q)	2011-12 (A)
Primary ²	72796.81(24)	79097.72(23)	97676.20(24)	110734.25(23)	131245.94(24)
Secondary ³	60329.71(20)	65766.63(19)	73543.94(18)	84053.45(18)	95293.70(17)
Tertiary ⁴	166356.23(56)	197078.13(58)	234327.01(58)	279102.41(59)	323336.29(59)
Total	299482.75	341942.48	405547.15	473890.11	549875.93

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

P: Provisional, Q: Quick, A: Advance

Chart 1.2: Trend in sectoral composition of GSDP

(In per cent)

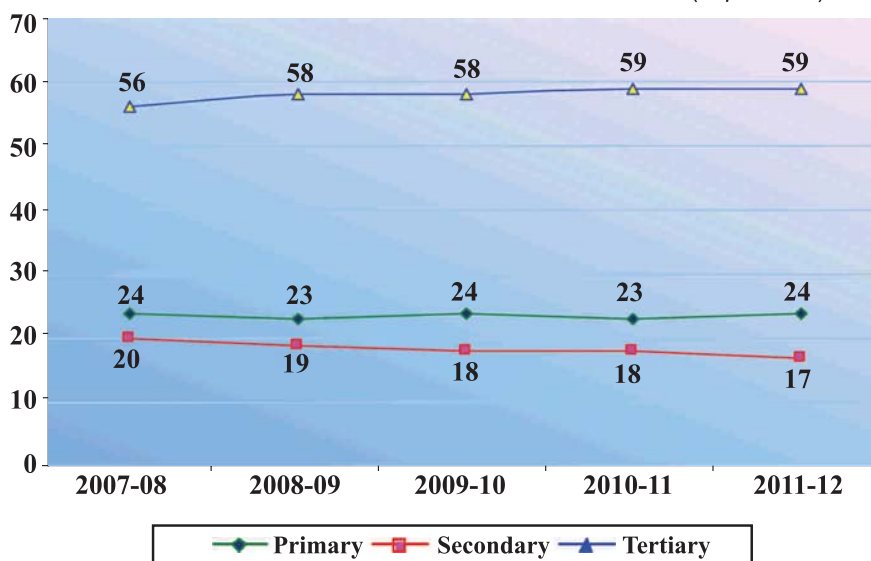


Table 1.6 would show that percentage share of primary sector remained constant, secondary sector declined, while contribution of tertiary sector in GSDP kept increasing during the five year period ending 2011-12. This indicated that the tertiary sector grew rapidly compared to other sectors. More attention is desirable in respect to secondary sector.

1.3 Resources of the State

1.3.1 Resources of the State as per Annual Finance Accounts

Revenue and Capital are the two streams of receipts that constitute the resources of the State Government. Revenue Receipts consist of Tax Revenues, Non-Tax Revenues, State's Share of Union Taxes and Duties and Grants-in-aid from the Government of India (GoI). Capital Receipts comprise Miscellaneous Capital Receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial

² Primary Sector: Sector that depends on natural resources includes Agriculture, Forestry, Fishery, Mining and Quarrying.

³ Secondary Sector: Sector that creates finished/usable products. This includes manufacturing, construction, etc.

⁴ Tertiary Sector: Sector that creates services; this includes transport, trading, banking, public administration, etc.

Chart 1.3: Trends in Receipts

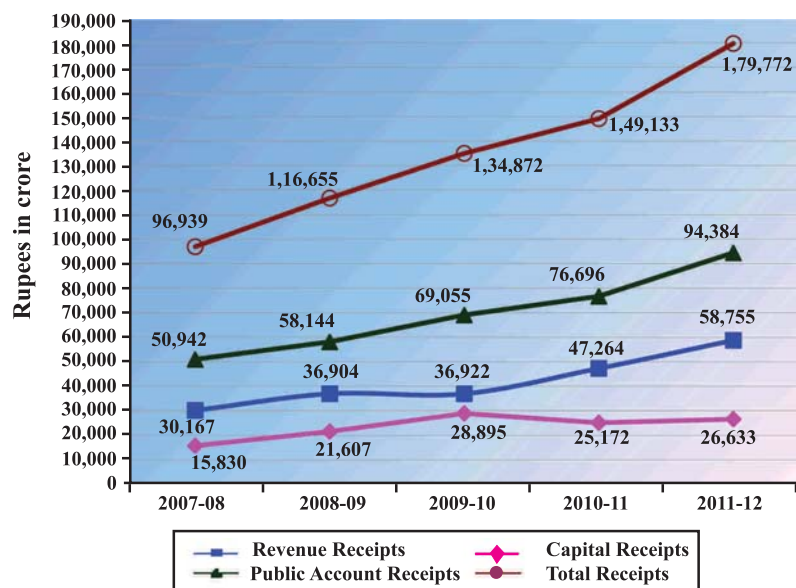
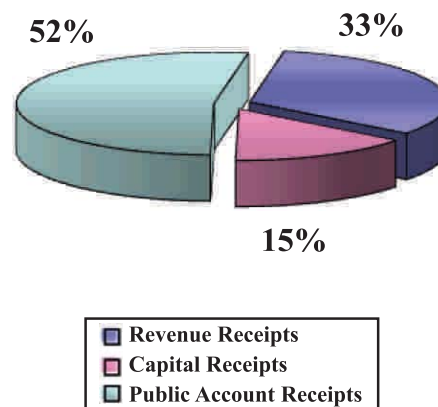


Chart 1.4 Composition of Receipts during 2011-12



institutions/commercial banks) and loans and advances from GoI as well as accruals from Public Account. **Table-1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.3** depicts the trends in various components of the receipts of the State during the years 2007-08 to 2011-12. **Chart 1.4** depicts the composition of resources of the State during the current year.

The total receipts of the State increased by 148 *per cent* over the last five years. During 2011-12, 52 *per cent* of the total receipts came from Public Account receipts, remaining was contributed by Revenue (33 *per cent*) and Capital Receipts (15 *per cent*). Again, of the total Revenue Receipts, Tax Revenue accounted for 42 *per cent*, Non-Tax revenue had a contribution of about two *per cent*, while State's Share of Union Taxes and Duties contributed 32 *per cent*. Remaining share of Revenue Receipts (24 *per cent*) came from Government of India grants. Of capital receipts, 99.7 *per cent* was contributed by Public Debt receipts and recoveries of Loans and Advances contributed 0.3 *per cent* which is negligible. In Public Accounts Receipts, Suspense and Miscellaneous accounted for 51 *per cent* and Deposits and Advances accounted for 38 *per cent*.

1.3.2 Funds transferred to State Implementing Agencies outside the State Budgets

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

The funds transferred directly to the State Implementing Agencies by various GoI Ministries outside the State budget are captured in the Central Plan Scheme Monitoring System (CPSMS) portal of the website of Controller General of Accounts (CGA). During 2011-12, out of total ₹ 19429.22 crore transferred by the GoI under various categories of schemes, ₹ 9349.53 crore was received outside the State budget as shown under:

Table 1.7: Overall position of release of funds by GoI Ministries

Type of Schemes Recipient agency	Assistance to State Plan	Central Sector	Centrally sponsored	Total Amount released during 2011-12	Total Amount released during 2010-11
(Rupees in crore)					
State PSUs	--	18.18	151.50	169.68	94.15
Statutory bodies	--	526.10	2.26	528.36	646.59
Local bodies	195.00	0.60	--	195.60	106.62
Government Autonomous bodies	--	933.57	7382.89	8316.46	7732.55
State Government institutions	--	3.98	16.05	20.03	83.29
NGOs	--	62.20	8.07	70.27	64.09
Others ⁵	--	49.13	--	49.13	79.55
Total direct transfer	195.00	1593.76	7560.77	9349.53	8806.84

Source: Website of CGA

Thus 48 *per cent* of the plan funds released by GoI were received outside the State Budget. **Table 1.7** shows that there has been six *per cent* increase in direct transfer of funds in 2011-12 (₹ 9349.53 crore) as compared to previous year (₹ 8806.84 crore). *There is a need for an institutionalised mechanism to monitor utilisation and accountal of these funds, as direct transfers from the GoI to the State implementing agencies run the risk of poor oversight. Unless uniform accounting practices are followed by all these agencies and there is proper documentation and timely reporting of expenditure, meaningful monitoring over their end use will be difficult.*

The following table shows an illustrative list of schemes under which substantial amounts were received by various State implementing agencies directly from the Central Government.

Table 1.8: Funds released under major schemes by GoI outside State budget

Name of the scheme (Funding pattern Centre:State)	Implementing agency	Amount received directly from GoI (Rupees in crore)	
		2010-11	2011-12
Aajeevika (75:25)	District Rural Development Agencies (DRDA)	159.62	130.28
Mahatma Gandhi National Rural Employment Guarantee Scheme*(90:10) (MGNREGS)	State Employment Guarantee Funds (WB)	2117.61	2597.03
Member of Parliament Local Area Development Scheme (100:0)	Kolkata Municipal Corporation	106.00	195.00
National Food Security Mission (100:0)	State Food Security Agency	33.94	39.50
National Rural Drinking Water Programme (50:50)	State Water and Sanitation Mission, Kolkata	499.19	342.51
National Rural Health Mission* (85:15)	West Bengal State Health and Family Welfare Samiti	414.42	649.92
Pradhan Mantri Gram Sadak Yojana* (100:0)	State Rural Development Agency, Kolkata	824.19	828.90
Rural Housing - Indira Awas Yojana* (75:25)	District Rural Development Agencies	630.14	678.63
Sarva Shiksha Abhiyan* (50:50)	Paschim Banga Sarva Shiksha Mission	1747.03	1776.53
Swarna Jayanti Sahari Rojgar Yojana (75:25)	Urban Development Agency	21.69	28.82

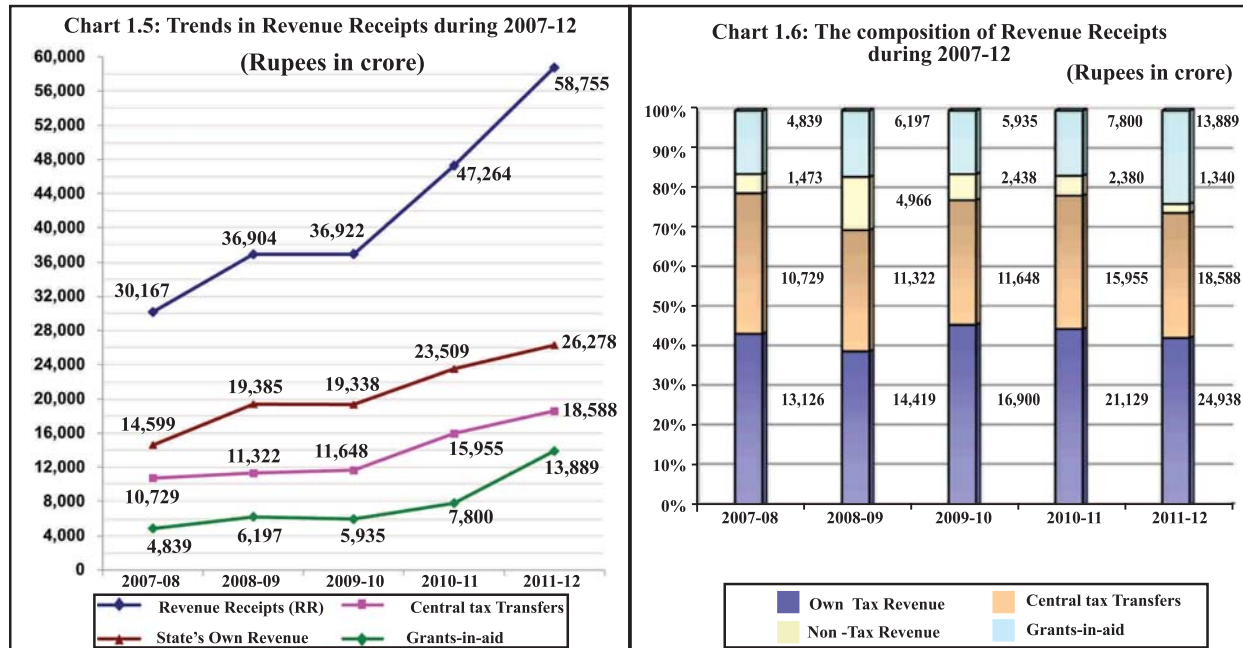
Source: Finance Accounts

* Central Government Flagship Schemes

⁵ Others include private sector companies, trusts, individuals and Central Government organisations

1.4 Revenue Receipts

Revenue receipts, which consist of the State's own tax and non-tax revenues, Central tax transfers and Grants-in-aid from GoI, are shown in detail in Statement 11 of Finance Accounts. Trends and composition of Revenue Receipts over the period 2007-08 to 2011-12 are presented in *Appendix 1.6* and also depicted in **Charts 1.5** and **1.6** respectively.



Revenue Receipts during the year rose by ₹ 11490.84 crore (24 per cent) as against increase of ₹ 10342.55 crore (28 per cent) during the last year. The trends in Revenue Receipts relative to Gross State Domestic Product (GSDP) are as follows:

Table 1.9: Trends in Revenue Receipts relative to GSDP

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Receipts (RR) (Rupees in crore)	30167	36904	36922	47264	58755
Rate of growth of RR (per cent)	16.80	22.33	0.05	28.01	24.31
GSDP (Rupees in crore)	299483	341942	405547(P)	473890(Q)	549876(A)
Rate of growth of GSDP (per cent)	14.45	14.18	18.60	16.85	16.03
RR/GSDP (per cent)	10.07	10.79	9.10	9.97	10.69
Buoyancy Ratios⁶					
Revenue Buoyancy w.r.t GSDP	1.163	1.575	0.003	1.662	1.517
State's Own Tax Buoyancy w.r.t GSDP	0.85	0.69	0.93	1.48	1.12

Source: Finance Accounts

Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. As GSDP grows, the ability of the Government to mobilise own tax revenue should also increase. In 2007-10, the growth in own tax resources as compared to growth in GSDP was lower than one but during 2010-11 and 2011-12, the situation improved and the buoyancy ratios were higher than one.

⁶Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, for 2011-12, revenue buoyancy at 1.517 implies that Revenue Receipts tend to increase by 1.517 percentage points, if the GSDP increases by one per cent.

Revenue Receipts have shown progressive increase over the period 2007-08 to 2011-12 and the growth was highest (28 *per cent*) in 2010-11 over the previous year. The share of own taxes in Revenue Receipts ranged between 42 and 46 *per cent* during 2007-08 to 2011-12, except a dip (39 *per cent*) in 2008-09, which was attributable to Revenue Receipts figures being inflated owing to adjustment of loan waiver. During 2011-12, the corresponding share was 42 *per cent*.

A scrutiny of relative shares of various other components of Revenue Receipts would reveal that share of Non-Tax Revenue in Revenue Receipts of the State hovered between two and 13 *per cent* over the five years period. The share of Non-tax revenue in Revenue Receipts was the lowest (two *per cent*) in 2011-12 mainly due to lower interest receipts and receipts under Food Storage and Warehousing. Relative share of Grants-in-aid in Revenue Receipts also remained almost static over the period 2007-11 except in 2011-12 when its share shot up to 24 *per cent*.

During 2011-12, while Tax Revenue registered a growth of 18 *per cent* over the previous year, Non-Tax revenue had a negative growth of 44 *per cent*. State's share of Union Taxes and Duties registered a growth of 17 *per cent* and grants from GoI increased by 78 *per cent*.

1.4.1 State's own resources

As the State's share in Central taxes and Grants-in-aid is determined on the basis of recommendations of the Finance Commission, collection of Central tax receipts, Central assistance for Plan schemes, etc., the State's performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The gross collection in respect of major taxes and duties as well as the component of non-tax receipts is given in *Appendix-1.4*.

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

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

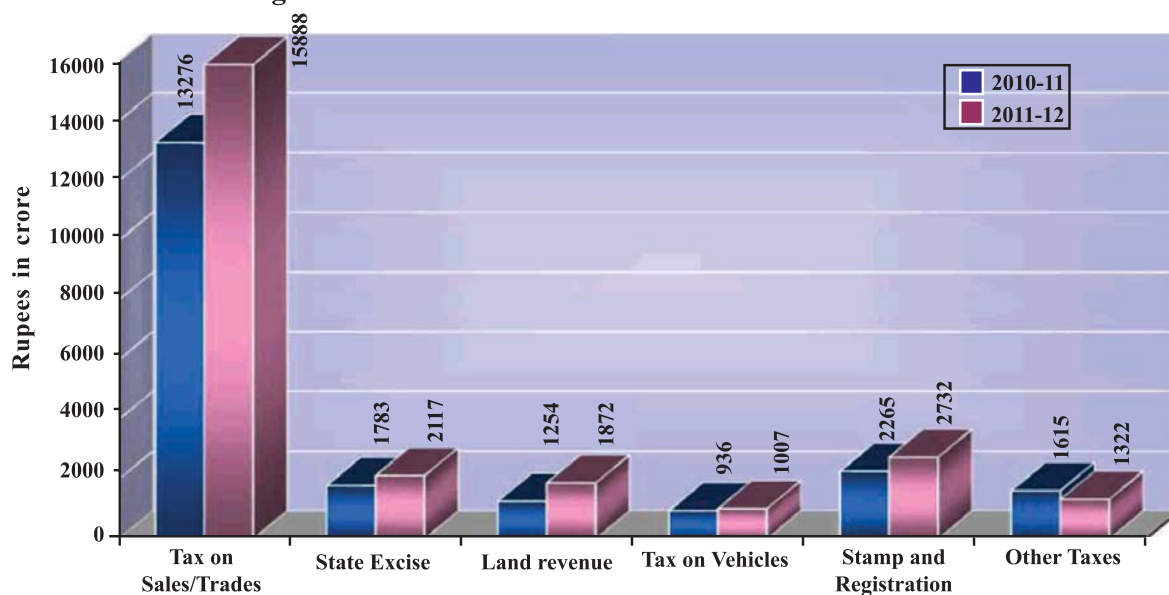
Tax Revenue: The Government of West Bengal enacted the West Bengal Value Added Tax (WBVAT) Act, 2003 with effect from April 2005. However, levy and collection of tax on sale of petrol, diesel, liquor, lottery tickets and aviation turbine fuel (ATF) continued to be governed under the WBST Act, 1994. During 2011-12, total Tax Revenue amounted to ₹ 24938 crore, registering an increase of ₹ 3809 crore (18 *per cent*) over the previous year.

Under Tax Revenue, remarkable increase was registered in collection from Taxes on Sales, Trade etc. (₹ 2612.64 crore). Substantial increases were also noticed under Land Revenue (₹ 618.57 crore), Stamps and Registration Fees (₹ 466.46 crore) and State Excise (₹ 333.70 crore). Increase in receipts under Sales Tax was attributable to more receipts on collection under Central Sales Tax Act and Value Added Tax (VAT) receipts. Increase in collection from Stamps and Registration was mainly due to increase in receipts on Sale of Non-Judicial Stamps, duty on impressing of documents, Registration Fees, etc. State Excise duty increased mainly

due to receipts of more Excise Duty from Country Spirits, Malt Liquors, Foreign Liquors and Medicinal and Toilet preparations. Increase in collection from land revenue was mainly due to more receipts from surcharge on Land Revenue under Rural Employment and Protection, Rural Employment Cess on Coal mines, Collection of Royalties from Mines and Minerals, etc.

The components of Tax Revenue during the current year *vis-a-vis* previous year are given in **Chart 1.7**.

Chart 1.7: Comparative study of various components of Tax Revenue during 2010-11 and 2011-12



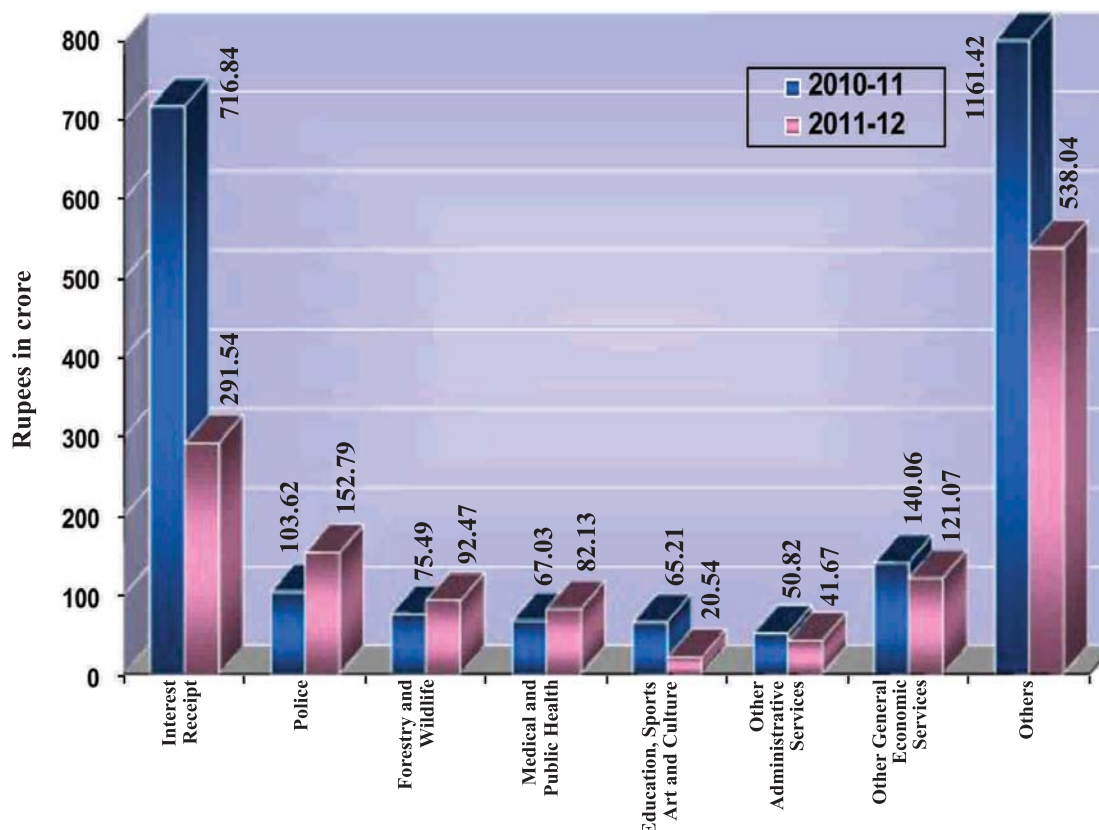
There was no significant variation among relative shares of the major components of Tax Revenue compared to the previous year. Contribution of Sales Tax maintained a steady trend ranging between 61 and 64 *per cent* over the five year period. During 2011-12, revenue from VAT and Sales Taxes contributed major share of Tax Revenue (64 *per cent*). Other significant contributors to the State's Tax Revenue included Stamp and Registration fees (11 *per cent*), Land Revenue (eight *per cent*), State Excise (eight *per cent*) and taxes on vehicles (four *per cent*).

Non-Tax Revenue: Non-Tax Revenue (₹ 1340 crore) constituted two *per cent* of total Revenue Receipts during 2011-12. Collection was less by ₹ 1040 crore than the previous year. Comparative study of various components of Non Tax Revenue during 2011-12 with those of 2010-11 is shown in **Chart 1.8**.

Such significant decrease in non-tax revenue was mainly attributable to lesser collections under Food Storage and Warehousing and Interest Receipts. The decrease of ₹ 875.76 crore under Food Storage and Warehousing was mainly due to decrease in receipts and subsidizing on supply of rice to below/above poverty level family. Lesser collection of interest receipts was mainly due to less interest receipts from West Bengal State Electricity Distribution Company Limited.

The receipts under own tax revenue and non-tax revenue during 2011-12 fell short of the 13th FC projections by 12 *per cent* and 60 *per cent* respectively. The tax revenue as a percentage of GSDP also fell short of the normative assessment made by the 13th FC by 21 *per cent*.

Chart 1.8: Comparative study of various components of Non-Tax Revenue during 2010-11 and 2011-12



1.4.1.1 Variation between the budget estimates and actuals

Variation between budget estimates of Revenue Receipts and actual receipts under the principal heads of Tax and Non-Tax Revenue for the year 2011-12 is mentioned below:

Table 1.10: Actual collection vis-à-vis budget estimates (Rupees in crore)

	Revenue head	Budget estimates	Actual receipts	Percentage variation
Tax Revenue				
1	Taxes/VAT on sales, trade etc	17024.44	15888.41	(-)7
2	State Excise	2418.83	2117.04	(-)12
3	Stamp duty and registration fees	3002.92	2731.68	(-)9
4	Taxes on vehicles	1358.97	1007.23	(-)26
5	Taxes and duties on electricity	1040.95	408.19	(-)61
6	Land revenue	1694.37	1872.23	10
7	Other Taxes and Duties on Commodities and Services	569.27	477.39	(-)16
8	Other Taxes on Income and Expenditure – Taxes on Professions, Trades, Callings and Employment	566.25	426.68	(-)25
Non-Tax revenue				
1	Police	130.91	152.79	17
2	Forestry and wild life	84.86	92.47	9
3	Interest receipts	602.91	291.54	(-)52
4	Food storage and Warehousing	1320.80	1.55	(-)100

Source: Budget Publication and Finance Accounts

There was significant short-collection under Taxes and duties on electricity, taxes on vehicles, Interest Receipts, Food Storage and Ware Housing which calls for attention of the Government.

1.4.1.2 Cost of collection

The gross collection from major taxes and expenditure incurred on collection during the years 2009-10 to 2011-12 along with All India average are given in the following table:

Table 1.11: Gross collection vis-a-vis expenditure on collection

	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	
		Rupees in crore		State's figure	All India Average
Taxes/VAT on sales	2009-10	10509.64	150.01	1.43	0.96
	2010-11	13275.77	165.18	1.24	0.75
	2011-12	15888.41	174.52	1.10	
State excise	2009-10	1443.81	77.99	5.40	3.64
	2010-11	1783.34	92.43	5.18	3.05
	2011-12	2117.04	76.51	3.61	
Stamp duty & registration fees	2009-10	1814.22	88.46	4.88	2.47
	2010-11	2265.21	94.31	4.16	1.60
	2011-12	2731.68	96.62	3.54	
Taxes on vehicles	2009-10	774.34	17.88	2.31	3.07
	2010-11	936.01	19.64	2.10	3.71
	2011-12	1007.23	20.16	2.00	

Source: Finance Accounts

As depicted in **Table 1.11**, the *percentage* of expenditure on collection of Sales Tax/VAT, State Excise and Stamp Duty and Registration Fees was well above the All India Average. Government should improve the efficiency of tax collection in respect of these departments. However, in respect of Taxes on Motor Vehicles, the *percentage* of expenditure on collection was lower than the All India Average.

1.4.2 Central Tax Transfers

Central Tax Transfers increased by ₹ 2633 crore (16.50 *per cent*) over the previous year and constituted 32 *per cent* of revenue receipts during the current year. The increase was mainly under Corporation Tax (₹ 1080.09 crore), Service Tax (₹ 627.67 crore), Custom Duties (₹ 432.87 crore) and Taxes on Income other than Corporation Tax (₹ 420.89 crore).

1.4.3 Grants-in-aid from Government of India

The trend of release of Grants-in-aid by GoI under Non-Plan, State Plan and Centrally Sponsored and Central Plan schemes is shown in the following table:

Table 1.12: Component-wise grants released by the Central Government

(Rupees in crore)

	Grants released by Central Government			
	Non-Plan	State Plan	Central Plan and Centrally Sponsored	Total
2007-08	971.90	2420.91	1446.09	4838.90
2008-09	1419.47	3015.94	1761.66	6197.07
2009-10	1394.98	2733.48	1806.94	5935.40
2010-11	2535.68	3126.78	2137.56	7800.02
2011-12	3536.79	6529.44	3822.59	13888.82

Source: Finance Accounts

During 2011-12, Grants-in aid from GoI stood at ₹ 13889 crore with significant increase of 78 *per cent* from ₹ 7800 crore in 2010-11. Non-Plan grants witnessed an increase of ₹ 1001.11 crore (39 *per cent*) this year, of which *inter alia* ₹ 422.94 crore came as 13th FC State Specific Grant, ₹ 416 crore came as Grants for upgradation-Elementary Education, ₹ 241.61 crore was received as 13th FC grant for Panchayati Raj Institutions and ₹ 240.05 crore came as contribution to State Disaster Response Fund. Grants under State Plan Schemes witnessed a significant rise of ₹ 3402.66 crore (109 *per cent*) of which ₹ 3173.18 crore came from Special Central Assistance under Backward Region Grant Fund. There was also an increase of ₹ 1685.03 crore (79 *per cent*) in receipts as grants for Central and Centrally Sponsored Plan Schemes. For Centrally Sponsored Plan Schemes, ₹ 1631.51 crore came as grants under Integrated Child Development Scheme and ₹ 648.71 crore for Mid-Day Meal for Children.

1.4.3.1 Grants-in-Aid recommended by 13th Finance Commission (13th FC)

Thirteenth Finance Commission recommended grants of ₹ 12639.01 crore⁷ to GoWB during the award period 2010-15, of which ₹ 2251.74 crore⁸ was to be availed in 2011-12, subject to fulfillment of preconditions. Test check of the records (July and August 2012) of Finance (Budget) department along with nine other departments⁹ revealed the following:

⁷ ₹ 10936.01 crore as other than State specific grants and ₹ 1703.00 crore as State specific grants

⁸ ₹ 1825.99 crore other than State specific grants and ₹ 425.75 crore State specific grant

⁹ Panchayat & Rural Development, Municipal Affairs, Irrigation and Waterways, Home (C&E), Home (Political), Judicial, Paschimanga Sarva Siksha Mission under School Education, Fire & Emergency and Information & Cultural Affairs departments

Failure to avail 13th FC grants

GoWB could not avail 13th FC grants (including State Specific grants) amounting to ₹ 64.28 crore during the award period 2011-12 due to non-compliance with the conditions / prerequisites imposed by 13th F.C and suitably adopted by GoI. Details are given in *Appendix 1.7*.

Short receipt of 13th FC grants from GoI

GoWB could not avail 13th FC grants amounting to ₹ 208.65 crore pertaining to award period 2011-12 due to lack of preparedness of the departments of GoWB and other reasons as detailed in *Appendix 1.7*.

Non release / Short release of 13th FC funds by Finance Department, GoWB

Finance department, GoWB could not release available 13th FC grants amounting to ₹ 254.55 crore received from GoI during 2010-12 due to inaction on the part of various departments of GoWB in fulfilling pre-conditions like submission of action plan, framing of policy, submission of UC for previously released grants, etc. The departments were, however, regularly reminded by the Finance (Budget) Department to comply with the conditionality of 13th FC grants.

Delay in release of 13th FC grants

Guidelines releasing grants for PRIs and ULBs categorically stated that States had to transfer the grants to local bodies within five days of receipt of funds from the Central Government in case of States with easily accessible banking infrastructure and ten days in case of States with inaccessible banking infrastructure. Any delay would require the State Government to release the instalment with interest, at RBI bank rate, for the number of days of delay.

Scrutiny revealed that GoWB had to pay interest amounting to ₹ 1.19 crore for delay in release of funds to PRIs and ULBs.

Lack of preparedness of the departments in availing 13th FC grants

Significant instances of lack of preparedness and attentiveness of the departments to utilise 13th FC grant are discussed below:

- 13th FC recommended grants of ₹ 208.40 crore to GoWB as **incentive for issuing Unique Identifications (UID)** to people living below poverty line (BPL) in five annual instalments, with two tranches per year. Scrutiny (August 2012) revealed that Home (C&E) department failed to utilise the first instalment of ₹ 20.84 crore released in 2010-11 and further failed to avail ₹ 62.52 crore upto 2011-12, as it had no data on BPL enrollee registering for Bio-metric UID operations. The department replied (August 2012) that it had obtained approval to utilise the fund in National Population Register (NPR), a flagship programme of GoI.
- With the objective of **improving justice delivery**, 13th FC recommended grant of ₹ 210.91 crore over its award period 2010-15, payable in 5 equal annual instalments. Finance (Budget) department failed to draw ₹ 21.09 crore from GOI

in 2011-12 as Judicial department could not utilise the available funds of ₹ 63.27 crore. Scrutiny revealed that SLSA¹⁰, DLSAs¹¹ and CHCLSC¹² could not utilise fund of ₹ 11.93 crore meant for Lok Adalat, Legal Aid and Alternate Dispute Resolution (ADR) centre out of the released grant of ₹ 12.52 crore by Judicial department. Underutilisation was due to lack of preparedness and poor absorptive capacity. Judicial department stated (August 2012) that it could not requisition fund from Finance department as no action plan could be finalised by its sub-units.

- 13th FC recommended that all employees, pensioners and family pensioners who are eligible for a defined pension benefit from the Consolidated Fund, either directly or indirectly through grants, should be included in a database. A grant of ₹ 10 crore was provided to set up an employee and pensioners' database during the award period 2010-15. Accordingly, GoWB received (September 2010) ₹ 2.50 crore during 2010-11 without any precondition to commence work which was to be completed in three years. The balance would be released after creation of database and its functional integration with treasury; thereby enabling projection of salary and pension expenditure by 14th FC. Scrutiny of records of Finance (Budget) department, however, revealed that the fund of ₹ 2.50 crore was not utilised and no physical progress was made. No reply was furnished by Finance (Budget) department in this regard.

1.5 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. It is, therefore important to ensure that the expenditure directed towards development and social sectors is maximised within its resources.

1.5.1 Growth and composition of expenditure

The total expenditure and its compositions during the years 2007-08 to 2011-12 are as follows:

Table 1.13: Total expenditure and its composition

(Rupees in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Total Expenditure	42064	56078	62263	67172	76538
Revenue Expenditure	38314	51613	58500	64538	73326
Non-plan Revenue Expenditure	31563	43568	48530	52491	59197
Capital Expenditure	2688	3705	3011	2226	2764
Loans and Advances	1062	760	752	408	448

Source: Finance Accounts

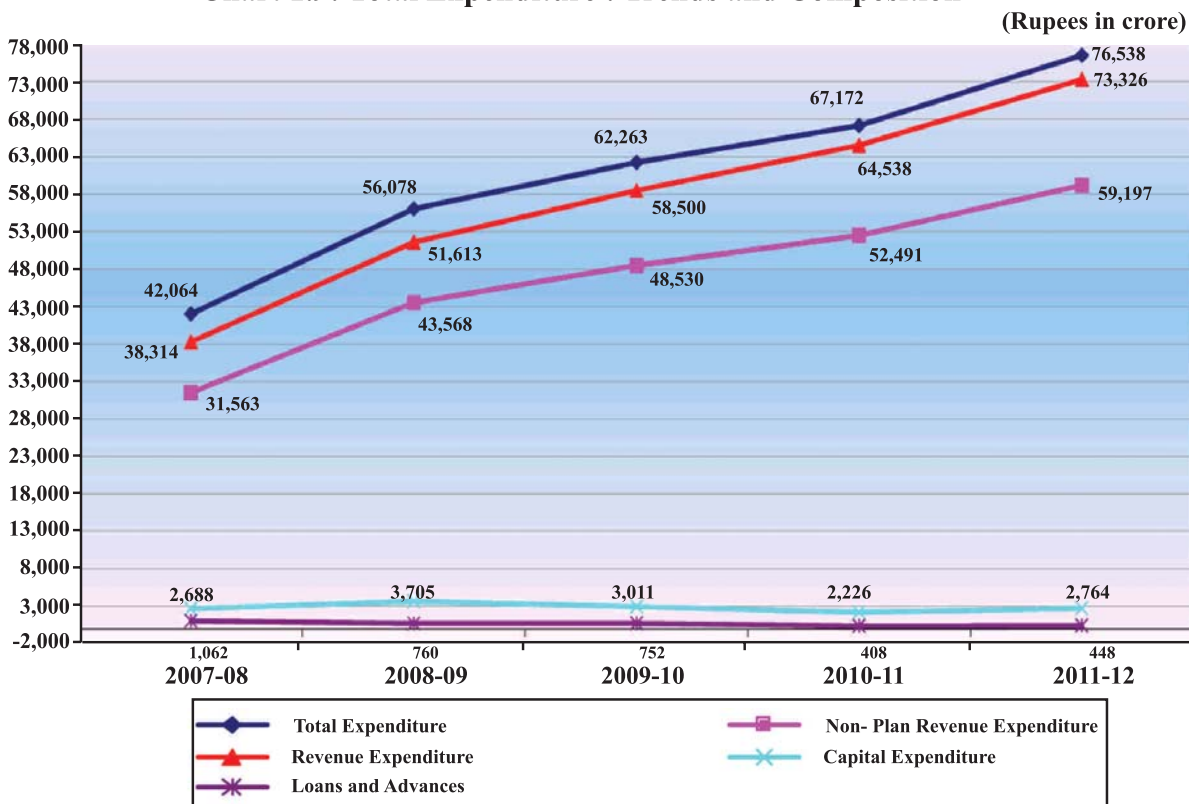
¹⁰ State Legal Services Authority

¹¹ District Legal Services Authority

¹² Calcutta High Court Legal Services Committee

Chart 1.9 presents the trends in total expenditure over a period of five years (2007-08 to 2011-12) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted in **Charts 1.10 and 1.11** respectively.

Chart 1.9: Total Expenditure : Trends and Composition

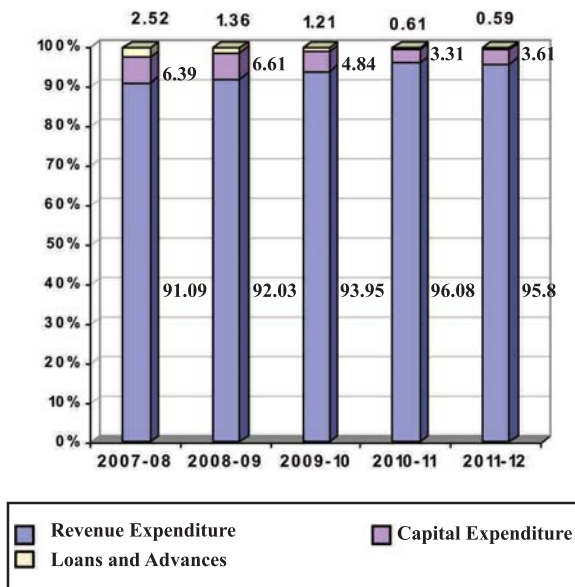
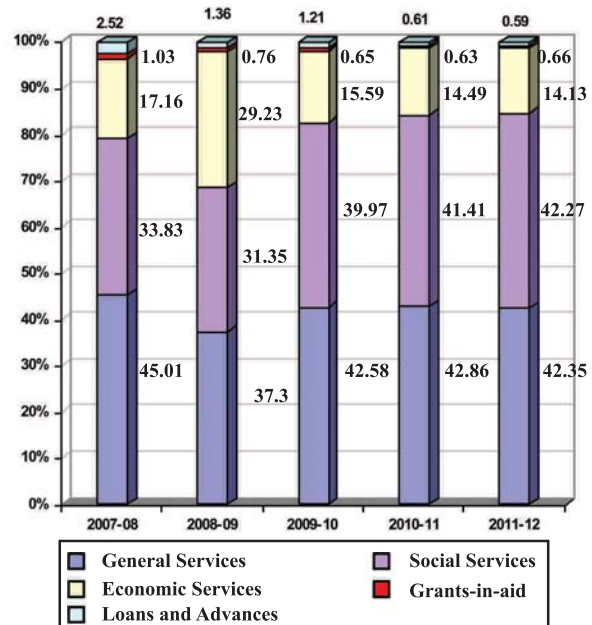


1.5.2 Total Expenditure

Total expenditure registered a growth of 14 *per cent* from 2010-11 to 2011-12. Over the last five years, it increased at an average growth rate of 16 *per cent*. The composition of total expenditure during 2011-12 indicates that Revenue Expenditure constituted 95.80 *per cent* (₹ 73326 crore) while Capital Expenditure and Loans and Advances disbursed constituted only 3.61 *per cent* (₹ 2764 crore) and 0.59 *per cent* (₹ 448 crore) respectively.

In terms of activities, total expenditure is composed of expenditure on General Services (including Interest Payments), Social and Economic Services, Grants-in -Aid and Loans and Advances.

The movement of the relative shares of these components indicates some significant change over the previous year (**Chart 1.11**). Expenditure on General Services (including interest payments) considered as non developmental, accounted for 42 *per cent* of total expenditure this year against 45 *per cent* in 2007-08. On the other hand, Developmental expenditure *i.e.* Social services and Economic services taken together rose to 56 *per cent* in 2011-12 from 51 *per cent* in 2007-08. However, the share of Social Services and Economic Services under Capital Expenditure increased marginally by ₹ 21 crore in 2011-12 from ₹ 2621 crore in 2007-08.

**Chart 1.10: Total expenditure:
trends in share of its components****Chart 1.11: Total expenditure:
trends by activities**

1.5.3 Revenue Expenditure

Revenue Expenditure consistently increased from ₹ 38314 crore in 2007-08 to ₹ 73326 crore in 2011-12 at an average annual growth of 16.83 *per cent*. Compared to the previous year, Revenue Expenditure grew by 13.62 *per cent*. Non Plan Revenue Expenditure (₹ 59197 crore) constituted 81 *per cent* of the total Revenue Expenditure during 2011-12, while Plan Revenue Expenditure constituted only 19 *per cent* (₹ 14129 crore). *Non Plan Revenue Expenditure of the current year (₹ 59197 crore) was substantially higher (by 33 per cent) than the normative projections of 13th Finance Commission (₹ 44387 crore) and was also higher (by five per cent) than Budget estimates of the Government (₹ 56413 crore).*

Plan Revenue Expenditure increased steadily during the period 2007-08 to 2011-12 from ₹ 6751 crore in 2007-08 to ₹ 14129 crore in 2011-12. During the current year, it increased by ₹ 2082 crore (by 17.28 *per cent*) over 2010-11. The increase was observed mainly under Education, Sports, Art and Culture (₹ 502.35 crore), Social Welfare and Nutrition (₹ 381.37 crore), and Water Supply, Sanitation, Housing and Urban Development (₹ 337.33 crore).

Non-Plan Revenue Expenditure not only constituted bulk of the Revenue Expenditure of the State, but also consistently increased during the period 2007-08 to 2011-12. During the current year it increased by ₹ 6706 crore (13 *per cent*) from the level of ₹ 52491 crore in 2010-11. This was mainly attributable to rise in expenditure under Social Welfare and Nutrition (₹ 1413.29 crore), Education, Sports, Art and Culture (₹ 1073.60 crore), Rural Development (₹ 277.42 crore) and Health and Family Welfare (₹ 176.99 crore).

1.5.4 Capital Expenditure

Terms of reference of 13th Finance Commission requires the State to consider the objective of not only balancing the revenue account but also generating surplus for Capital investment. The following table depicts the trends of Capital Expenditure of the State during the last five years:

Table 1.14: Trends in Capital Expenditure and its components

Components of Capital Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12
(Rupees in crore)					
Total Expenditure	42064	56078	62263	67172	76538
Capital Expenditure (percentage to total expenditure)	2688 (6)	3705 (7)	3011 (5)	2226(3)	2764(4)
Plan Capital Expenditure	2669	3729	2883	2232	2764
Plan Capital Expenditure under Social sector (percentage to Plan Capital Expenditure)	767 (29)	1214 (33)	894 (31)	480(22)	793(29)
Plan Capital Expenditure under Economic sector (percentage to Plan Capital Expenditure)	1883 (69)	2388 (64)	1834 (64)	1645(74)	1849(67)
Decomposition of Plan Capital Expenditure on Economic Sector (percentage to Plan Capital Expenditure on Economic Sector)					
Agriculture, Allied Activities	38 (2)	167 (7)	115 (6)	149(9)	158 (9)
Rural Development	-	-	3 (-)	2 (-)	1(-)
Special Areas Programme	112 (6)	157 (7)	231 (13)	200(12)	299 (16)
Irrigation and Flood Control	312 (17)	383 (16)	494 (27)	546(33)	420 (23)
Energy	986 (52)	1090 (46)	190 (10)	45(3)	124 (7)
Industry & Minerals	47 (3)	101 (4)	92 (5)	66(4)	63 (3)
Transport	312 (17)	433 (18)	690 (38)	630(38)	767 (41)

Source: Finance Accounts

Though the quantum of Capital Expenditure increased up to 2008-09, it showed a downward trend for the next two years (2009-10 and 2010-11). In 2011-12 it increased by 24 *per cent* and accounted for a meagre four *per cent* of total expenditure. Over the five year period, while Irrigation and Flood Control and Transport consumed bulk of Capital Expenditure on Economic Services, services like Agriculture and allied activities, Rural Development, Special Areas programme lagged behind. While expenditure on energy consumed nearly half of the capital expenditure during 2007-08 and 2008-09, it decreased rapidly thereafter and consumed four *per cent* of aggregate planned capital expenditure in 2011-12. On the other hand, Irrigation and Flood Control sector which consumed 33 *per cent* of Plan Capital Expenditure on economic sector in 2010-11, consumed only 23 *per cent* in 2011-12. The share of Industry & Minerals in Plan Capital Expenditure remained almost the same during the period. Individually, Special Areas Programme which consumed six *per cent* of Plan Capital expenditure on economic sector in 2007-08 attained 16 *per cent* in 2011-12.

1.5.5 Expenditure on Social and Economic Services

A comparative analysis between expenditure (Budget *vis-à-vis* Actual) on Social and Economic Services for 2010-11 and 2011-12 is detailed below:

Table 1.15: Position of expenditure under Social and Economic services

	2011-2012		2010-2011
	BE	Actual	Actual
(Rupees in crore)			
Education, Sports, Art & Culture	16453.94	15986.57 (97)	14395.80
Water Supply, Sanitation, Housing and Urban Development	6825.09	4278.55(63)	3945.11
Health & Family Welfare	4232.33	3992.96(94)	3502.32
Total Social Services	35339.96	32457.16	27959.18
Rural Development, Special Areas Programme	4778.87	4206.12(88)	3424.82
Agriculture and Allied Activities	2617.61	2175.80(83)	2110.61
Transport	2311.17	1848.25(80)	1728.61
Irrigation and Flood Control	3514.90	1273.52(36)	1374.31
Industry and Minerals	1062.23	728.84(69)	680.96
Energy	522.62	623.92(119)	399.40
Total Economic Services	15620.18	11161.46	9998.85

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

Source : Budget publications and Finance Accounts

Though actual expenditure on Social Services (₹ 32457.16 crore) during the current year was more than that incurred in 2010-11 (₹ 27959.18 crore), it was lower than the expenditure estimated in the budget (₹ 35339.96 crore). Expenditure on Economic Services also fell far short of estimated budget by ₹ 4458.72 crore (29 *per cent*). Excess expenditures over the budgetary estimates under Energy (₹ 101.30 crore) was offset by savings under Rural Development, Special Areas Programme (₹ 572.75 crore), Transport (₹ 462.92 crore), Agriculture and allied Activities (₹ 441.81 crore), Industry and Minerals (₹ 333.39 crore), etc. Abnormally high savings of ₹ 2241.38 crore (64 *per cent*) were noticed under Irrigation and Flood Control. These are indicative of aspirations reflected in the budget remaining unfulfilled.

1.5.6 Committed Expenditure

Committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. Such expenditure, as charged first on the Government's resources, renders the expenditure management process less flexible. **Table 1.16** presents the trends in the expenditure on these components during 2007-08 to 2011-12.

Table-1.16: Components of Committed Expenditure**(Rupees in crore)**

Components of Committed Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12	
					BE	Actuals
Salaries* & Wages, Of which	12205.04(40)	13778.65(37)	21902.53 (59)	24954.22(53)	26883.71	27031.33 (46)
Non-Plan Head	11617.64	12996.04	20848.28	23728.08		25537.31
Plan Head**	587.40	782.61	1054.25	1226.14		1494.02
Interest Payments	11383.56(38)	12068.99(33)	13305.12 (36)	13817.30(29)	15093.34	15895.99 (27)
Expenditure on Pensions	3995.40(13)	4432.79(12)	6510.57 (18)	8077.96(17)	6879.15	10065.74 (17)
Subsidies	732.93 (2)	1256.31(3)	2555.73 (7)	2093.42(4)	1306.34	2564.33 (4)
Total Committed Expenditure	28316.93	31536.74	44273.95	48942.90		55557.39
Components other than committed	9997.49	20076.57	14225.93	15595.26		17768.98
Total Revenue Expenditure	38314.42	51613.31	58499.88	64538.16		73326.37
Total Revenue Receipt	30167.38	36904.40	36921.65	47264.20		58755.04

Source: Finance Accounts, Voucher Level Computerisation (VLC) done by PAG (A&E) and Budget Publications

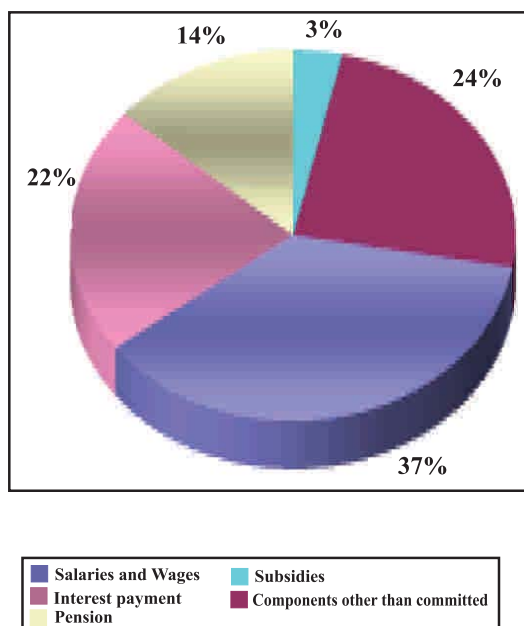
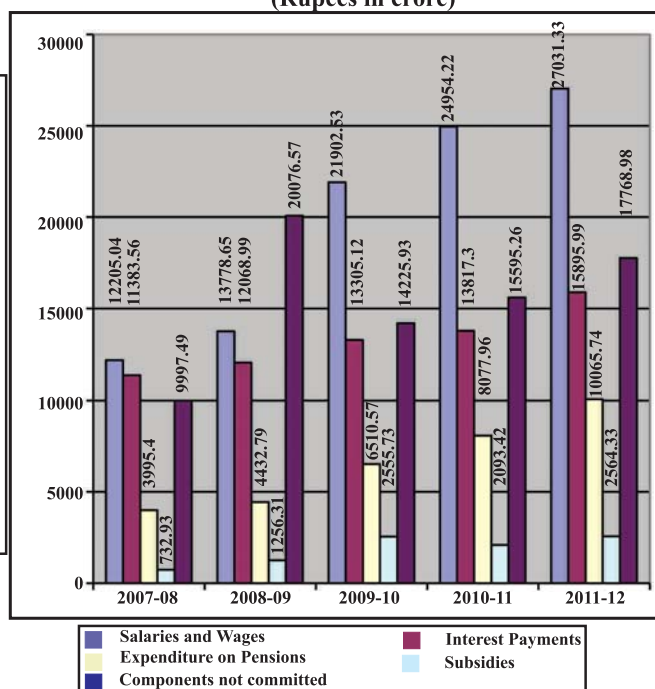
Figures in the parentheses indicate percentage to Revenue Receipts

* It also includes the salaries paid out of grants-in-aid,

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

As depicted in **Table 1.16** percentage of expenditure in all the major components of committed expenditure in relation to Revenue Receipts has either declined or remained static in 2011-12, compared to 2009-10 and 2010-11. Proportion of committed expenditure with respect to Revenue Expenditure remained almost static at 76 per cent, indicating little improvement in terms of flexibility enjoyed by the State in managing the resources.

Charts 1.12 and 1.13 show the percentage of various components of the committed expenditure in Revenue Expenditure during 2011-12 and the trends in committed expenditure during the years 2007-08 to 2011-12.

Chart 1.12: Decomposition of revenue expenditure in 2011-12**Chart 1.13: Trends in Committed expenditure during 2007-2012 (Rupees in crore)**

Expenditure on salaries and wages:

Expenditure on salaries, which was ₹ 12205.04 crore in 2007-08, stood at ₹ 27031.33 crore in 2011-12, registering a growth of nearly 121 *per cent* during this period. Rate of increase in Salary expenditure, however, was eight *per cent* during the current year as compared to 14 *per cent* in the previous year.

Compared to the projection of salary expenditure by 13th Finance Commission at ₹ 8374 crore for 2011-12, the actual salary expenditure exceeded by 223 per cent which is a matter of concern. During 2010-11, salary expenditure relative to Revenue Expenditure net of interest payment and pension was 59 per cent which further decreased to 57 per cent during 2011-12.

Pension payments:

Expenditure on Pensions, which was ₹ 3995.40 crore in 2007-08, stood at ₹ 10065.74 crore in 2011-12, registering a growth of nearly 152 *per cent* during this period. Rate of increase in pension expenditure, however, was 25 *per cent* during the current year as compared to 24 *per cent* in the previous year. Sector-wise analysis revealed that substantial increases were noticed under 'Pensions to Employees of State Aided Educational Institutions' (₹ 724.50 crore), Superannuation and Retirement Allowances (₹ 478.40 crore), Gratuity (₹ 271.45 crore) and Commuted Value of Pension (₹ 219.56 crore).

The expenditure on pension (₹ 10065.75 crore) surpassed the 13th Finance Commission projection (₹ 6471 crore) by 56 per cent in the current year.

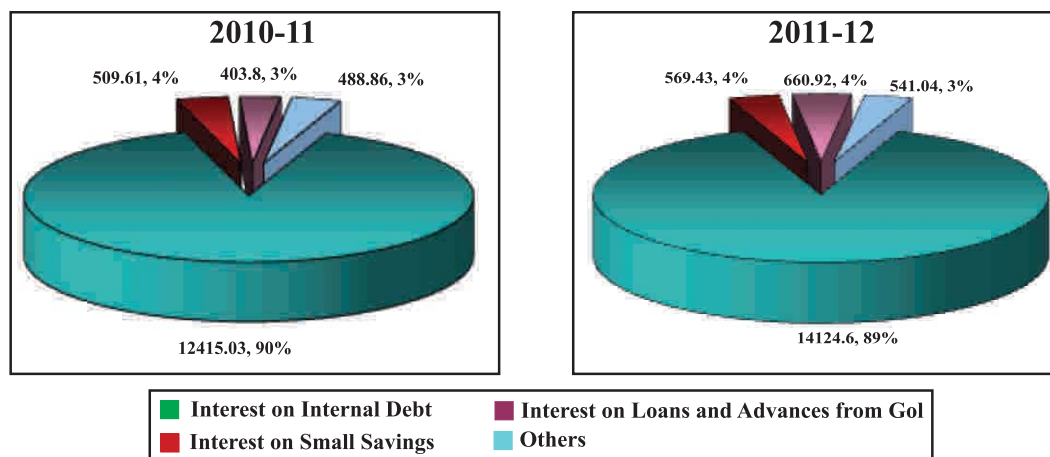
Interest payments:

Expenditure on Interest Payments which was ₹ 11383.56 crore in 2007-08 stood at ₹ 15895.99 crore in 2011-12 registering a growth of nearly 40 *per cent* in five years. Rate of growth was 15 *per cent* during the current year as compared to four *per cent* in the previous year. *Against the 13th Finance Commission projection of ₹ 14985 crore during 2011-12 actual expenditure incurred on interest payment was higher by six per cent.*

The position of the major of interest payment during 2010-11 and 2011-12 is shown in the following charts:

Chart 1.14: Major components of interest payments during 2010-11 and 2011-12

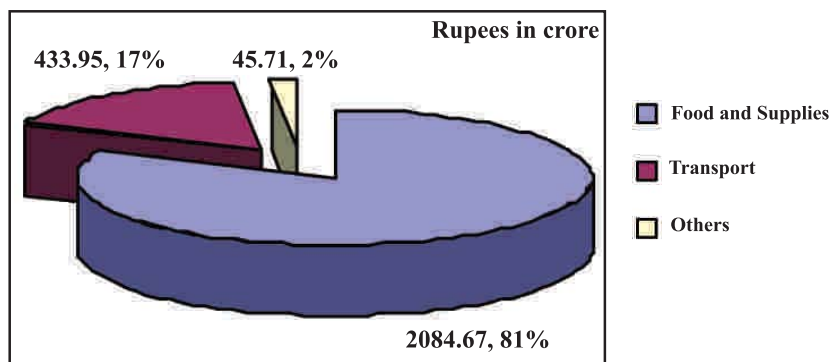
Rupees in crore



Payment of subsidies

Subsidies paid by the Government of West Bengal are given in Appendix III of the Finance Accounts. Expenditure on subsidies which was ₹ 732.93 crore in 2007-08 stood at ₹ 2564.33 crore in 2011-12 registering a growth of nearly 250 *per cent* in five years. Rate of growth was 22 *per cent* during the current year. The Sectoral segregation of subsidies paid during 2011-12 revealed that 81 *per cent* (₹ 2084.67 crore) of the subsidy paid related to Food and Supplies and 17 *per cent* (₹ 433.95 crore) of the subsidy paid related to Transport as shown in the following chart:

Chart 1.15: Sectoral break-up of subsidy during 2011-12



However, over and above these amounts audit scrutiny revealed that an amount of ₹ 9.79 crore had been booked as subsidy under the object heads (31-Grants in Aid/50-Other Charges) in respect of eight major heads during 2011-12.

1.5.7 Financial assistance by State Government to local bodies and other institutions

Introduction to Local Bodies

The West Bengal Panchayat Act, 1973 was enacted, *inter alia* to reorganise Panchayats in rural areas of West Bengal. The Act depicted the broad aspects of duties, powers and functions of three tier Panchayati Raj Institutions (PRIs) in West Bengal viz. 3351 Gram Panchayats (GPs) at the village level, 341 Panchayat Samitis (PSs) at intermediate level between the district and village level, 17 Zilla Parishads (ZPs) and one Mahakuma Parishad (MP) for Siliguri Sub-Division at District level.

Municipal Bodies have been accorded constitutional status in the 74th Constitutional Amendment Act of 1992 and raised to the status of 'Government' at the local level. There are 128 Urban Local Bodies¹³ (ULBs) in West Bengal governed by the West Bengal Municipal Act, 1993. With effect from November 2008, all municipal corporations (except Kolkata and Howrah) have been brought under the West Bengal Municipal Corporation Act, 2006. The municipalities were classified into five groups on the basis of population. Each municipality is divided into a number of wards. An elected Councillor represents each ward.

¹³ Municipal Corporation : 6, Municipality : 119, Notified Area Authority : 2, Industrial Township : 1.

Functions and Organisational Structure

The Constitution of India entrusts the PRIs with the responsibilities of preparation of plan and implementation of schemes by the PRIs for economic development and social justice of the rural people of the State. The Panchayat Act envisages that the PRIs shall function through functional Standing Committees called *Sthayee Samitis* (for ZPs and PSs) and *Upa-Samitis* (for GPs) having elected representatives and officials concerned as members.

For an ULB, the Chairman / Mayor, elected by the majority of the Board of Councillors, is the executive head and presides over the meetings. The executive power of a ULB is exercised by the Council. Every ULB having a population of three lakh or more, groups the wards into boroughs. The Councillors of the respective wards are the members of the Borough Committee of each Borough and elect the Chairman from amongst them. The Borough Committee discharges such functions, as the ULB assigns. At ward level, the ULB constitutes Ward Committee under the Chairmanship of the Ward Councillor.

Some obligatory functions of the ULBs encompass supply of water for public and private purposes, construction and maintenance of sewage and drainage system, collection and disposal of solid waste, construction and maintenance of streets, bridges, fly-overs, etc.

Funds and accounting

Funds released by Central and State Government through budget and funds directly released by the Central Government for implementation of schemes comprise the major sources of funds for the PRIs and ULBs. The State Government provides financial support to PRIs and ULBs for meeting their administrative expenditure. While property tax on land and building comprises the principal source of tax revenue, plan-sanction fees, mutation fees and water charges form the major part of the non-tax revenue of an ULB. In addition, the loans raised from different sources with prior approval of the State Government are utilised for execution of various projects / schemes.

Audit and Reporting arrangements of Local Bodies

In exercise of the powers conferred by the Panchayat Act and Municipal Acts of the State, the Examiner of Local Accounts (ELA), West Bengal was appointed as Auditor to audit the PRIs and ULBs. The Municipal Acts further envisage that the Auditor shall prepare a report on the accounts examined and send it to the Chairman / Mayor and a copy thereof to the Director of Local Bodies or such other officers as the State Government may direct. For examining Audit Reports on ULBs, a State Level Audit Committee¹⁴ (SLAC) was constituted in February 2006.

¹⁴ *Comprising the Chief Secretary (Chairman), Principal Secretary / Secretary of the Panchayats & Rural Development Department (Member), Principal Secretary / Secretary of the Municipal Affairs Department (Member), Principal Secretary of the Finance Department (Member), Pr. Accountant General, West Bengal (Member) and Principal Secretary of the Finance (IA) Department (Member-Secretary)- Notification No. 4010-F.B. dated 23 February 2006 of the Finance Department, Government of West Bengal.*

The Panchayat Act stipulates that the report of the ELA on PRIs shall be laid before the State Legislature and in terms of the Rules of Procedure and Conduct of Business in the WBLA, matters relating to scrutinising the Report have been entrusted to the Standing Committee on Panchayats and Rural Development, Land & Land Reforms and Sundarban Development, WBLA.

Financial Assistance to Local Bodies and others

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

Table 1.17: Financial Assistance to Local Bodies/Institutions etc

Financial Assistance to Local Bodies/Institutions	2007-08	2008-09	2009-10	2010-11	2011-12
	(R u p e e s i n c r o r e)				
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	6790.49	7811.01	11634.00	14882.58	14655.09
Municipal Corporations and Municipalities	1279.17	1802.54	946.60	2445.51	2310.80
Zilla Parishads and Other Panchayati Raj Institutions	3085.27	2998.77	1327.98	3022.82	3181.82
Development Agencies/Autonomous Bodies	122.14	340.33	4204.66	2306.72	3821.59
Hospitals and Other Charitable Institutions	149.40	226.84	393.12	588.50	452.46
Other Institutions [#]	927.77	802.74	1084.36	409.96	2346.00
Total	12354.24	13982.23	19590.72	23656.09	26767.76
Assistance as per percentage of Revenue Expenditure	32.24	27.09	33.49	36.65	36.50

Source: Figures generated through VLC

[#] Includes Co-operative Societies (Grant amount ₹ 28.21 crore in 2011-12)

The table above indicates that as compared to last year, substantial increase was noticed in assistance provided to Development Agencies / Autonomous Bodies (₹ 1514.87 crore). Further, assistance to Zilla Parishads and Other Panchayati Raj Institutions also witnessed an increase of ₹ 159 crore.

1.6 Quality of Expenditure

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

1.6.1 Adequacy of Public Expenditure

Expenditure responsibilities relating to social sector and economic infrastructure are largely assigned to State Governments. Enhancing human development levels requires the States to step up their expenditure on key social services like education and health, etc. The percentage of the expenditure incurred by a State in a certain sector with respect to aggregate expenditure and comparing the same with the all comparable States' average gives an indicator of the priority level it assigns to that sector. Low fiscal priority is attached to a particular sector in the State if it is below the respective General Category States' average. **Table 1.18** analyses fiscal priority and per capita expenditure of the State Government with regard to Development Expenditure (DE), Social Sector Expenditure (SSE), Capital Expenditure (CE) and expenditure under Education¹⁵ and Health¹⁶ Sector during 2008-09 and 2011-12.

¹⁵ Education, Sports, Art and Culture sector

¹⁶ Health and Family Welfare sector

Table-1.18: Fiscal priority of the State for 2008-09 and 2011-12:

		AE/GSDP	DE [#] /AE	SSE/AE	CE/AE	Expenditure on Education /AE	Expenditure on Health /AE
2008-09	*General category States' Average (Percentage)	17.00	67.09	34.28	16.47	15.41	3.97
	West Bengal's figure (Percentage)	16.40	61.93	31.62	6.61	14.28	3.88
2011-12	General category States' Average(Percentage)	16.09	66.44	36.57	13.25	17.18	4.30
	West Bengal's figure (Percentage)	13.92	56.99	42.41	3.61	20.89	5.22

* States other than 11 states termed as Special Category States (Arunachal Pradesh, Assam, Jammu and Kashmir, Himachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura and Uttarakhand). All India average of General Category States has been calculated on the basis of figures provided by 16 General Category States excluding Delhi, Goa and Puducherry.

[#]Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed

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

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

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

- The above table shows that during both the years, the **ratio of aggregate expenditure to the GSDP** for West Bengal was lower when compared to that of General Category States.
- Expenditure incurred on social and economic sectors taken together is considered as **Developmental Expenditure**. Low prioritisation of development expenditure was apparent from lower proportion of expenditure in these sectors as compared to corresponding all general category States' average.
- The State incurred higher percentage of expenditure on Health and Education sectors, as compared to what the General Category States were spending on an average during 2011-12. Consequently, in the **Social Sector**, level of expenditure has been higher than the average of all General Category States' expenditure in 2011-12.
- Though the expenditure in the social sector increased, development expenditure remained low, which was due to low priority being accorded to the economic sector. Without compromising social sector, expenditure in economic sector needs to be commensurately enhanced. Otherwise, not only the financial growth of the State would be jeopardised, but it would also not be possible for the State to sustain the current level of expenditure under the Social Sector.
- Proportion of capital expenditure (6.61 and 3.61 *per cent* as compared to General Category States' average of 16.47 and 13.25 *per cent* during 2008-09 and 2011-12 respectively) in aggregate expenditure was abysmally low which is a matter of concern.

1.6.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for State Governments to take appropriate expenditure rationalisation measures and lay

emphasis on provision of core public and merit goods¹⁷. Apart from improving the allocation towards development expenditure¹⁸, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of Capital Expenditure to Total Expenditure (and/or GSDP) and proportion of Revenue Expenditure being spent on operation and maintenance of the existing Social and Economic Services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.19** and **Chart 1.16** present the trends in development expenditure relative to the aggregate expenditure of the State during the current year *vis-à-vis* that budgeted and of the previous years, **Table 1.19** provides the details of Capital Expenditure and the components of Revenue Expenditure incurred on the maintenance of selected social and economic services.

Table-1.19: Development Expenditure**(Rupees in crore)**

Components of Development Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12	
					BE	Actuals
Development Expenditure (a to c)	22700 (54)	34732 (61)	35284 (57)	37958 (57)	50961	43618 (57)
a. Development Revenue Expenditure	19017(45)	30410(54)	31738(51)	35434(53)	43827	40533 (53)
b. Development Capital Expenditure	2621(6)	3562(6)	2854 (5)	2119(3)	6564	2641 (3)
c. Development Loans and Advances	1062(3)	760(1)	752 (1)	406(1)	570	444 (1)

Source: Finance Accounts and Budget Publications

Figures in parentheses indicate percentage to aggregate expenditure

During 2011-12, the share of Development Expenditure in aggregate expenditure remained same as in 2010-11. Further, shares of development revenue expenditure, development capital expenditure and development loans and advances in aggregate expenditure also remained static as in 2010-11. It would also be seen from above that Development Revenue Expenditure which stood at ₹ 19017 crore during 2007-08, was ₹ 40533 crore in 2011-12 registering a growth of 113.14 *per cent*. In terms of percentage to aggregate expenditure, development Revenue Expenditure rose from 45 *per cent* in 2007-08 to 53 *per cent* in 2011-12. The Development Capital Expenditure, after hovering between five and six *per cent* of aggregate expenditure during 2007-2010, went down to three *per cent* in 2011-12.

¹⁷ Core public goods are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. Merit goods are that the public sector provides free or at subsidised rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidised food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

¹⁸ The analysis of expenditure data is disaggregated into development and non development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.

In all the three spheres of development expenditure, the actual expenditure fell short of the budgetary estimates. In respect of development capital expenditure, the shortfall was 60 per cent mainly due to significantly low capital expenditure on Education, Sports, Art and Culture and Water Supply, Sanitation, Housing and Urban Development in Social sector and Irrigation and Flood Control, Agriculture and Allied Activities, and Transport in Economic sector.

Chart 1.16: Trend in Development Expenditure during 2007-2012

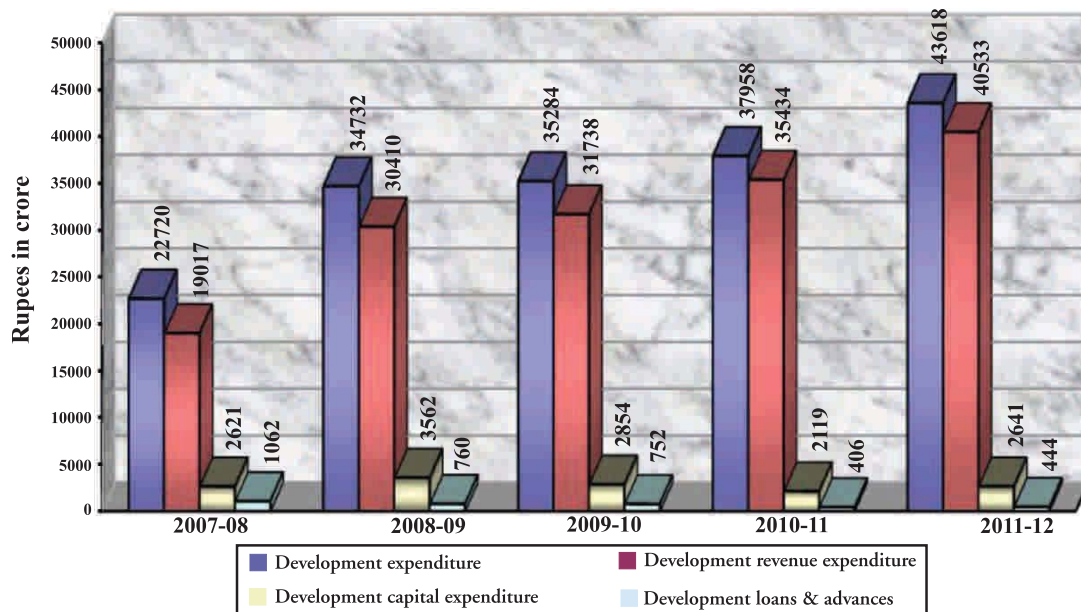


Table 1.20 -Efficiency of Expenditure Use in Selected Social and Economic Services

Social/Economic Infrastructure	2010-11			2011-12		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
	In <i>per cent</i>	S & W	O&M**	In <i>per cent</i>	S & W	O&M**
	Rupees in crore			Rupees in crore		
Social Services (SS)						
General Education	0.52	11695.64	1.97	0.56	13160.72	25.65
Health and Family Welfare	5.34	2554.33	11.43	9.86	2689.54	12.02
WS, Sanitation, & HUD	4.35	1240.28	118.19	5.31	1289.04	112.22
Total (SS)	1.71	16573.15	135.44	2.45	18479.31	154.51
Economic Services (ES)						
Agriculture & Allied Activities	7.04	1162.42	8.56	7.51	1163.23	10.26
Irrigation and Flood Control	39.70	585.45	88.76	32.97	584.60	127.53
Power & Energy	13.72	1.16	-	24.56	1.27	-
Transport	38.56	153.67	197.84	42.91	153.13	308.69
Total (ES)	16.88	3342.11	296.54	17.09	3358.25	448.36
Total (SS+ES)	5.64	19915.26	431.98	6.12	21837.56	602.87

TE: Total Expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages; O&M: Operations & Maintenance ** As could be identified, may not reflect the complete picture

Source: Finance Accounts and VLC

The trends presented in **Table 1.20** reveal that development capital expenditure as percentage of total expenditure increased in all three spheres of Social Services

during 2011-12. Under Economic Services, percentage of CE with respect to TE witnessed rise in Agriculture and Allied Activities and Power and Transport, which was counter-balanced by lower percentage of CE to TE under Irrigation and Flood Control.

A comparative study of various components of expenditure on Social and Economic Services with particular focus on the trends in salary and wages for 2010-11 and 2011-12 reveal that share of salary and wages in all the components has gone up in 2011-12 except in cases of Irrigation and Flood Control and Transport where there have been marginal decreases of ₹ 0.85 crore and ₹ 0.54 crore respectively. The share of operations and maintenance in revenue expenditure on Social Services increased from ₹ 135.44 crore in 2010-11 to ₹ 154.51 crore in 2011-12. The corresponding share on Economic Services increased from ₹ 296.54 crore in 2010-11 to ₹ 448.36 crore in 2011-12. Significant increases were seen under General Education in Social Sector and under Irrigation and Flood Control and Transport in Economic Sector.

1.6.3 Plan schemes: Position of allotment and expenditure

The Finance Accounts indicates the position of expenditure under various State Plan schemes as well as Central Plan schemes, for which Central funds are received through State Budget. As regards the Central Plan Schemes (including Central Flagship Schemes like SSA, MGNREGS, PMGSY, etc.) for which funds are not routed through the State budget, the position of allotment has been shown under para 1.3.2 *supra*. **Table 1.21** below shows the receipt and expenditure of funds under some other flagship schemes, which were transacted through the State budget.

Table 1.21: Expenditure *vis-à-vis* availability of funds under the flagship schemes implemented in West Bengal during 2011-12 (funds routed through the State budget)

	Funds received from GoI	State budget provision (inclusive of GoI share)	Expenditure	Under-Utilisation (percentage of under utilisation)	Expenditure during 2010-11	Increase in expenditure w.r.t 2010-11	Variation with respect to previous year
Rupees in crore							
Mid Day Meal	750.76	2031.37	1158.46	872.91 (43)	925.47	232.99	25
Integrated Child Development Services (ICDS)	1631.51	623.12	667.84	(-) 44.72 (7)	424.38	243.46	57
Macro Management of Agriculture	18.14	71.70	59.64	12.06 (17)	26.68	32.96	124
Pre-Matric Scholarship for Minorities	117.76	101.38	110.04	(-) 8.66 (9)	75.09	34.95	47
Integrated Scheme on Oilseeds, Pulses and Maize (ISOPOM)	1.00	11.69	5.73	5.96 (51)	3.79	1.94	51
National Rural Health Mission (NRHM)	334.96	270.00	202.50	67.50 (25)	108.87	93.63	86
Post-Matric Scholarship and Book Banks of Schedule Castes' Students	207.38	207.38	173.28	31.10 (16)	22.01	151.27	687

Source: Finance Accounts

Substantial under utilisation of funds was noticed under Mid-Day Meal, NRHM, ISOPOM, Macro Management of Agriculture, etc. Under-utilisation of plan scheme funds under the Economic Sector (namely, ISOPOM, Macro Management of Agriculture, etc.) may be viewed with little increase in the expenditure under Economic Services.

However, substantial increase in expenditure was noticed in 2011-12 under Mid-Day Meal, ICDS, NRHM and Post-Matric Scholarship and Book Banks of Scheduled Castes' Students as compared to 2010-11.

1.7 Financial Analysis of Government Expenditure and Investments

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

1.7.1 Financial Results of Irrigation Works

Works in Irrigation department are classified as productive or unproductive according to the net revenue (gross revenue less working expenses) derived from each work on the expiry of ten years from the date of closure of the construction and from the fact whether it covers or does not cover the prescribed annual interest charges on capital invested. If a work, classified as productive fails to yield the prescribed return for three successive years, it is transferred to the unproductive category. Similarly, if a work classified as unproductive succeeds in yielding prescribed return for three successive years, it becomes a productive one. There was no productive work in the State at the end of 2011-12. Revenue realised from 15 schemes during 2011-12 was only ₹ 6.64 crore (nearly 0.30 *per cent* of the capital outlay of ₹ 2178.57 crore). After meeting working expenses and interest charges, the schemes suffered a net loss of ₹ 201.04 crore. The major loss making projects were Damodar Valley Project (₹ 59.11 crore), Kangsabati Reservoir Project (₹ 53.33 crore), Teesta Barrage Project (₹ 43.67 crore) and Mayurakshi Reservoir Project (₹ 29.25 crore).

1.7.2 Incomplete projects

As of March 2012, there were 332 incomplete capital works¹⁹. A total of ₹ 4601.24 crore was invested in these projects by the Government.

Table 1.22: Work-wise Profile of Incomplete Projects (Rupees in lakh)

Types of Works	Number	Estimated cost of works	Expenditure up to March 2012	Cases for which revised estimates were available		
				Number	Original estimates	Revised estimates
Buildings	10	3683.19	2684.09	1	2313.52	2641.02
Roads	181	104105.95	44255.71	9	12753.16	17403.06
Irrigation	20	64377.83	35380.13	-		
Power	101	1381205.00	375175.00	34	401095.00	402640.00
Others	20	11686.14	2629.37	-		
Total	332	1565058.11	460124.30	44	416161.68	422684.08

Source: Finance Accounts and departmental information

There have been cost over-runs, since initial budgeted costs have been scaled up in the cases of time over-run. In 44 out of 332 cases, for which original as well as revised estimates were available, there were escalation of ₹ 65.22 crore over the estimated cost.

¹⁹Works costing ₹ one crore and above (except in Power sector) have only been included. Works with incomplete information, works which have not been commenced and works clubbed under broad scheme names were excluded

1.7.3 Investment and returns

As on 31 March 2012, Government had invested ₹ 11156.43 crore in statutory corporations, banks, Government companies, joint stock companies and co-operatives (**Table 1.23**). The average return on this investment was negligible while the Government paid an average interest rate of 8.41 *per cent* on its borrowings during 2007-08 to 2011-12.

Table-1.23: Return on Investment

Investment/Return/Cost of Borrowings	2007-08	2008-09	2009-10	2010-11	2011-12
Investment at the end of the year (Rupees in crore)	8847.89	10163.21	10675.98	10850.42	11156.43
Return (Rupees in crore)	6.22	6.05	0.48	1.07	1.33
Return (<i>per cent</i>)	0.08	0.06	–	0.01	0.01
Average rate of interest on Government borrowing (<i>per cent</i>)	8.99	8.70	8.51	7.78	8.05
Difference between interest rate and return (<i>per cent</i>)	8.91	8.64	8.51	7.77	8.04

Source: Finance Accounts

Change in figures of previous years is due to change in Fiscal Liabilities figures

Government investment, which was ₹ 10850.42 crore in 2010-11, rose to ₹ 11156.43 crore in 2011-12, i.e. a rise of ₹ 306.01 crore (nearly three *per cent*). This was mainly on account of investment in Government companies and Joint Stock companies, which rose together by ₹ 273.71 crore and ₹ 32.30 crore in Co-operative Banks and Societies. The return on investment was less than 0.1 *per cent*, while Government paid interest at the average rate of 7.78 to 8.99 *per cent* on its borrowings during 2007-08 to 2011-12. The difference between the rate of return on Government investment and the average interest rate on the outstanding liabilities represented implicit subsidy of ₹ 4163.58 crore during the period 2007-08 to 2011-12.

Further scrutiny showed that in many cases the companies having Government investment have suffered substantial losses leading to reduction of net worth to negative. **Appendix 1.8** shows an illustrative list of some such companies.

The Possibility of any return out of Government investments made in these companies is remote.

1.7.4 Departmental Commercial Undertakings

Activities of quasi-commercial nature are performed by departmental undertakings of certain Government departments. The department-wise position of investment made by the Government up to the year for which *pro forma* accounts were finalised, net profit/loss as well as return on capital invested in these undertakings are given in **Appendix 1.9** read with **Appendix 3.7**. Scrutiny reveals the following:

- An amount of ₹ 2072.96 crore (*vide Appendix 3.7*) had been invested by the State Government in 11 undertakings at the end of financial year up to which their accounts were finalised.
- All these undertakings incurred continuous losses aggregating to ₹ 2006.38 crore (*vide Appendix 3.7*) against their total capital investment of ₹ 2072.96 crore. Accumulated loss incurred by these 11 undertakings as per last year's audit report was ₹ 1896.31 crore. Thus losses in the past one year exacerbated by ₹ 110.07 crore.

- Of these loss making undertakings, five undertakings have turned into non-performing ones. (*vide Appendix 3.7*).
- Main reasons for such huge losses as analysed in audit were failure to fulfill production targets, under-utilisation of plant capacity, shortage of raw materials, high production cost, excess process/ distribution loss, low selling prices, inadequate market demand, etc.

In view of the heavy losses of some of the undertakings, Government should review their working so as to clean their balance sheets in the short run and to make them self-sustaining in the medium to long term.

1.7.5 Loans and advances by State Government

In addition to investments in Co-operative societies, Corporations and Companies, Government also provided loans and advances to many of these institutions/ organisations. **Table 1.24** presents the outstanding loans and advances as on 31 March 2012, interest receipts *vis-à-vis* interest payments during the last five years.

Table-1.24: Average interest received on loans given by the State

(Rupees in crore)

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2007-08	2008-09	2009-10	2010-11	2011-12	
					BE	Actuals
Opening Balance	17872.19	18437.67	13581.49	13946.83		13982.07
Amount advanced during the year	1062.12	759.65	752.44	407.73	577.21	447.97
Amount repaid during the year	496.64	5615.83	387.10*	372.49	163.34	78.17
Closing Balance	18437.67	13581.49	13946.83	13982.07		14351.87
<i>Of which</i> Outstanding balance for which terms and conditions have not been settled	1239.71	1050.09	1435.42	1300.30		1302.53
Net addition	565.48	(-) 4856.18	365.34	35.24		369.80
Interest Receipts	558.51	3865.93 ²⁰	234.20	580.47	602.91	162.90
Interest receipts as <i>per cent</i> to outstanding Loans and advances	3.08	24.15	1.70	4.16		1.15
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.[#]	8.99	8.70	8.51	7.78		8.05
Difference between interest payments and interest receipts (<i>per cent</i>)	5.91	(-) 15.45	6.81	3.62		6.90

Source: Finance Accounts * including ₹ 4.02 crore written off

[#] Change in figures of previous years is due to change in Fiscal Liabilities figures

As depicted in **Table 1.24**, the total outstanding loans and advances as on 31 March 2012 was ₹ 14351.87 crore. The amount of loans disbursed during the year increased from ₹ 407.73 crore in 2010-11 to ₹ 447.97 crore in 2011-12. Out of the total amount of loans and advances paid during the year, ₹ 100.82 crore went to social services and ₹ 343.42 crore went to economic services. Under the Economic Services, major portion of the loan went to Government companies (₹193.83 crore) while under Social Services, major portion went to Municipalities/Municipal Councils/Municipal Corporations (₹ 91.76 crore). Recovery of loans and advances decreased significantly from ₹ 372.48 crore in 2010-11 to ₹ 78.17 crore in 2011-12, mainly on account of low recoveries from Government Companies. Similarly, interest receipts against these loans decreased substantially from ₹ 580.47 crore in 2010-11 to ₹ 162.90 crore in 2011-12, mainly due to less interest receipts under energy sector. An amount of ₹ 3931.36 crore on account of Principal and ₹ 6341.40 crore on account of interest remained due for realisation, as of 31 March 2012.

²⁰ Of ₹ 3865.93 crore, ₹ 3245.50 crore was book adjustment.

Out of 168 loanees, only 18 loanees accepted the loan balances of 2010-11. As of March 2012 verification and acceptance of loan balances in respect of loans for ₹ 11767.36 crore were not available. In absence of the said confirmation, the quality of accounts could not be vouchsafed.

Of the total outstanding loans of ₹ 14351.87 crore, terms and conditions had not been settled in respect of 1729 loans for ₹ 1302.53 crore.

Scrutiny revealed that loans amounting to ₹ 867.78 crore relating to 19 departments remained unaltered for long period. Sixteen of these departments had such loans worth more than ₹ one crore, as shown in the following table:

Table-1.25: Cases of old loans without any recovery (Rupees in crore)

	Name of the Department	Loans with no recovery	Period of drawal
		Amount	
1	Agriculture	27.50	1984-85 to 1992-93
2	Commerce and Industries	122.55	1974-75 to 2004-05
3	Cottage and Small Scale Industries	3.33	1972-73 to 1990-91
4	Development and Planning	1.82	1974-75 to 1977-78
5	Fisheries	1.73	1977-78 to 1993-94
6	Food Processing Industries and Horticulture	2.21	1988-89 to 1998-99
7	Industrial Reconstruction	248.06	1976-77 to 2005-06
8	Micro & Small Scale Enterprises and Textiles	14.46	1974-75 to 1998-99
9	Municipal Affairs	2.22	1965-66 to 1969-70
10	Panchayat and Rural Development	2.14	Upto 1968-69
11	Public Enterprise	144.91	1976-77 to 2005-06
12	Public Health Engineering	2.44	1983-84 to 1997-98
13	Tourism	1.11	1975-76 to 1992-93
14	Transport	8.91	1982-83 to 1989-90
15	Urban Development	18.48	1980-81 to 1994-95
16	Water Resources Investigation and Development department	15.23	1984-85 to 1990-91
	Total	617.10	

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

Some instances of deficient loan management noticed in audit are discussed below:

- No repayment of loan was made by Asansol Durgapur Development Authority (ADDA) and Haldia Development Authority (HDA) during the last five years ending 31 March 2012.

In reply to audit queries, ADDA and HDA stated (April and May 2012) that no administrative decision was taken for repayment of loan.

- Ignoring non-payment of earlier loans by HDA, fresh loan amounting to ₹ 7.50 crore was released by Urban Development department to HDA during 2011-12. Further scrutiny of records revealed that neither ADDA nor HDA made any provision for repayment of the loan in their final accounts. The department stated (May 2012) that keeping an eye on the development of the State, loans were given to the development authorities for different development projects without giving much stress on their repayment capacity.

The reply was, however, not acceptable as the loans were sanctioned with provision for payment of interest as well as rebate on interest on early repayment of loans.

- As of March 2012, the UD department sanctioned 15 loans in favour of four development authorities²¹ for which terms and condition of loan was not settled. The department stated (May 2012) that the same would be framed soon.
- Though outstanding loan of ADDA as of 01 April 2007 amounted to ₹ 36.60 crore, UD department reflected the same as ₹ 36.20 crore; thus understating the loan amount by ₹ 0.40 crore. Moreover, as per UD department, outstanding balance of loan of HDA as on 01 April 2007 amounted to ₹ 85.90 crore; HDA, however, recorded the same as ₹ 85.72 crore. These differences were not reconciled.

Thus, sanction of loan without assessing the loan repayment capacity of the loanee coupled with poor monitoring resulted in huge accumulation of unpaid loan for years together which has resulted in adverse fund position of the State Government.

1.7.6 Cash balances and investment of cash balances

Under an agreement with the Reserve Bank of India, the State Government has to maintain with the Bank a daily minimum balance of ₹ 2.48 crore with effect from 1 May 2000. If the balance falls below the agreed minimum limit on any day, the deficiency is made good by taking special or normal ways and means advance/overdraft from the bank. During the year 2011-12, the State Government had to resort to special and normal ways and means advances and overdrafts for 127, 31 and 28 days respectively (total 186 days) indicating increasing mismatch between State's flow of resources and its expenditure obligations. During this year quantum of such advances was ₹ 20005.41 crore (Repayment during the year was ₹ 20611.50 crore). The State had to bear ₹ 37.24 crore as interest on ways and mean advances and overdrafts: Treasury bills amounting to ₹ 21304.71 crore and ₹ 18236.28 crore respectively were purchased and sold during the period 2011-12. An amount of ₹ 54.48 crore was received as interest on investment under treasury bills during the year. The investment made out of general cash balance and earmarked funds up to end of March 2012 are given in the following table.

Table-1.26: Cash Balances and Investment of Cash balances (Rupees in crore)

	As on 1 April 2011	As on 31 March 2012	Increase/ Decrease
Cash balance	5675.89	8423.38	(+) 2747.49
Cash in Treasuries	0.47	0.39	(-) 0.08
Deposits with Reserve Bank of India	168.77	(-) 791.88	(-) 960.65
Local remittances	-	-	-
Departmental cash balances	24.75	27.84	3.09
Permanent imprest	1.63	1.65	-
Investments from Cash Balances (a to d)			
a. Securities of Government of India	-	-	-
b. GoI Treasury Bills	(-) 0.69	3067.74	3068.43
c. Other Securities	-	-	-
d. Other Investments	-	-	-
Funds-wise Break-up of Investment from Earmarked balances (a and b)	5480.96	6117.64	636.68
a. Sinking Funds	5480.36	6117.04	636.68
b. Development of Welfare Fund	0.60	0.60	-
Interest Realised	63.96	54.48	(-) 9.48

Source: Finance Accounts

²¹ Kolkata Improvement Trust (1 loan of ₹ 1.50 crore), Kolkata Metropolitan Development Authority (7 loans of ₹ 5.22 crore), Haldia Development Authority (2 loans of ₹ 25 crore) and Howrah Improvement Trust (5 loans of ₹ 1.05 crore)

The cash balance of the State as at the end of 2011-12 stood at ₹ 8423.38 crore registering an increase of 48 *per cent* over the previous year.

1.8 Assets and Liabilities

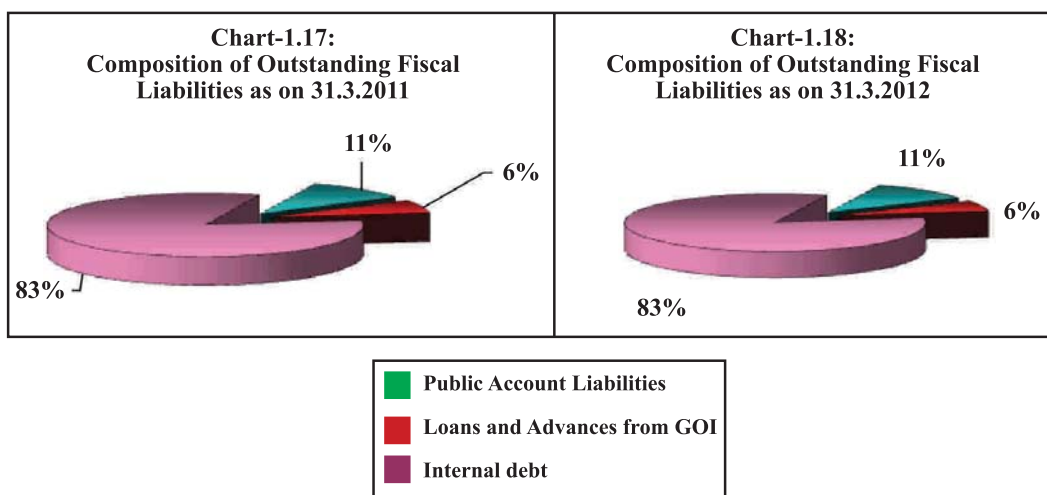
1.8.1 Growth and composition of Assets and Liabilities

In the existing cash-based Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and assets created out of the expenditure incurred. *Appendix 1.4* gives an abstract of such Assets and Liabilities as on 31 March 2012, compared with the corresponding position on 31 March 2011. While the liabilities consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds, assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances. During 2007-08 to 2011-12, assets-liability ratio hovered around 0.26 to 0.33 and during the current year, the ratio remained static at 0.26 from the previous year.

1.8.2 Fiscal Liabilities

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

The trends in outstanding fiscal liabilities of the State are presented in *Appendix 1.6*. The composition of fiscal liabilities during the current year *vis-à-vis* the previous year remained the same as depicted in **Charts 1.17** and **1.18**



Fiscal Liabilities of the State, their rate of growth, ratio of these liabilities to GSDP, Revenue Receipts and own resources are brought out in **Table 1.27:**

Table-1.27: Trend in Fiscal Liabilities of the State

	(Rupees in crore and ratios in percentage)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Fiscal Liabilities [#]	132473	145075	167682	187387	207702
Rate of growth	9.58	9.51	15.58	11.75	10.84
Ratio of Fiscal Liabilities to					
GSDP	44.23	42.43	41.35	39.54	37.77
Revenue Receipts	439.12	393.11	454.15	396.47	353.51
Own resources	907.41	748.39	867.11	797.09	790.40

Source: Finance Accounts

[#]Change in figures of previous years is due to non-inclusion of reserve fund investment in fiscal liabilities.

Overall fiscal liabilities of the State increased from ₹ 187387 crore in 2010-11 to ₹ 207702 crore in 2011-12 with a growth rate of 10.84 *per cent*. The ratio of fiscal liabilities to GSDP which was 39.54 *per cent* in 2010-11 declined to 37.77 *per cent* in 2011-12. The same was well within the targets stipulated in WBFRBM (Amendment) Act, 2011 (39.10 *per cent*). These liabilities stood at more than 3.5 times of the Revenue Receipts and 7.9 times the State's own resources as at the end of 2011-12. The rate of growth of GSDP, which was 16.85 *per cent* in 2010-11 over previous year, came down to 16.03 *per cent* this year; whereas, that of fiscal liabilities, which was 11.75 *per cent* last year, declined to 10.84 *per cent* this year. Thus the buoyancy of fiscal liabilities to GSDP during 2011-12 was 0.676 indicating that for each one *per cent* increase in GSDP, fiscal liabilities grew by 0.676 *per cent*.

1.8.3 Reserve Funds

There were 31 Reserve Funds, out of which eight funds were active and 23 inactive. As of 31 March 2012, the total accumulated balance in these funds was ₹ 6750.06 crore (₹ 6729.58 crore in active funds and ₹ 20.48 crore in dormant funds). Investment out of this balance was only ₹ 6117.64 crore. During the year, an amount of ₹ 2250.70 crore was transferred as annual contribution in various Reserve Funds. The Reserve Funds of the State increased by ₹ 1295.89 crore over the previous year. The position of the closing balances of some major Reserve Funds as of March 2012 and amount contributed therein during 2011-12 was as under:

Table 1.28: Closing balances and contribution in respect of some major reserve funds

	(Rupees in lakh)	
Name of the Fund (reference of Major-Minor Head)	Closing Balance as on 31 March 2012	Contribution made during 2011-12
State Disaster Response Fund (8121-122)	40678.80 (Cr)	99091.45
Consolidated Sinking Fund (8222-01-101)	611704.37 (Cr)	63667.73
State Roads and Bridges Fund (8225-02-101)	18103.40 (Cr)	36398.67
Calamity Relief Fund (8235-111)	1568.92 (Cr)	Nil

Source: Finance Accounts

According to the guidelines for administration of State Disaster Response Fund (SDRF) issued (September 2011) by the State Government, the accumulation²² in SDRF were to be invested in Central Government dated Securities and/ or Auctioned Treasury Bills and/ or Interest earning deposits and Certificates of deposits with Scheduled Commercial Banks. However, no such investments were made during 2011-12. Instead, the interest of ₹ 55.10 crore paid to the fund was met out of State Budget, though the guidelines were silent on transfer of interest to the fund being made out of budgetary outlay.

The State Government had set up a Consolidated Sinking Fund from the financial year 2008-09. The fund was to be utilised as an Amortisation Fund for redemption of the outstanding liabilities of the Government commencing from the financial year 2013-14. The corpus of the fund was to consist of periodic contributions as well as income accruing to the fund. Only the interest accrued and accumulated in the fund was to be utilised for redemption of the outstanding liabilities of the Government. The contributions to the fund were to remain intact, until a substantial amount is built up. The rate of contribution to the fund was to be on a modest scale of at least 0.5 per cent of the outstanding liabilities (Internal Debt and Public Account liabilities) as at the end of the previous year. Accordingly, the State Government was to contribute ₹ 936.94 crore (Outstanding liabilities as at the end of the year 2010-11 was ₹ 187387 crore) during 2011-12. However, there was no actual contribution to the fund, though a budget provision of ₹ 930.00 crore was made in the State Budget resulting in shortfall of contribution of ₹ 936.94 crore during the year.

1.8.4 Status of Guarantees - Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. The West Bengal Ceiling on Government Guarantees Act, 2001 stipulated that the total outstanding Government guarantees as on the first day of April of any year shall not exceed 90 per cent of the State Revenue Receipts of the second preceding year.

As per Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last five years is given in **Table 1.29**.

Table-1.29: Guarantees given by the Government of West Bengal (Rupees in crore)

	1 April 2008	1 April 2009	1 April 2010	1 April 2011	1 April 2012
Maximum amount guaranteed	23117.70	19974.48	20298.38	19860.49	20105.85
Outstanding amount of guarantees	13683.86	11972.75	10354.63	11943.44	10192.46
Ceiling fixed by State Government Act (90 per cent of Revenue Receipt of the second preceding year)	21353	23245	27150	33214	33230
Percentage of outstanding amount guaranteed to Revenue Receipts of second preceding year	58	46	34	32	28

Source: Finance Accounts

The total guarantee of the Government increased from ₹ 19860.49 crore in 2010-11 to ₹ 20105.85 crore in 2011-12. Outstanding guaranteed loan amount, however, decreased from ₹ 11943.44 crore in 2010-11 to ₹ 10192.46 crore in 2011-12. Out of a total of 631 guarantees outstanding as on 31 March 2012, Power sector alone accounted for 410 guarantees. No guarantees, however, have been invoked during 2011-12.

²² Accretion as per Central Guidelines issued in September 2010

Further, in terms of Section 10 of West Bengal Act I of 2002 the loanee for whom the State Government provided guarantee to the financial institutions, was required to pay guarantee commission at the rate of one *per cent* (minimum) on the total amount guaranteed. However, ₹ 153.83 crore towards guarantee commission or fee was outstanding as on 31 March 2012, of which power sector alone accounted for ₹ 114.94 crore (75 *per cent*). During 2011-12, the State Government has received ₹ 5.22 crore towards guarantee fee.

The State Government was silent about the mechanism available for recovery of the outstanding guarantee fees and keeping the guarantees alive, though called for (August 2012).

Sums paid by the Government in the event of invocation of guarantees are charged to the Consolidated Fund of the State under the concerned loan head and irrecoverable sums are adjusted under the concerned revenue expenditure heads, where the Guarantee Redemption Fund does not exist and to the Guarantee Redemption Fund, where it exists. In the Medium Term Fiscal Policy Statement presented before the WBLA in March 2012, it was stated that GoWB has not set up “Guarantee Redemption Fund”, instead the Government has increased its contribution to Consolidated Sinking Fund for the last few years. It was further stated that the Government may introduce a policy regarding Government Guarantee that new guarantee will be given subject to vacation of guarantee.

1.8.5 Adverse balances under DDR Heads

Adverse balances are negative balances appearing under those heads of account, where there should not be a negative balance. For instance, against the accounting head of any loan or advance, a negative balance will indicate more repayment than the original amount advanced.

As of 31 March 2012, there were four cases of adverse balances amounting to ₹ 173.08 crore under the Debt, Deposit and Remittances heads.

1.9 Debt Sustainability

Debt sustainability²³ is defined as the ability to maintain a constant debt-GSDP ratio over a period of time. In simple terms, public debt is considered sustainable as long as the rate of growth of income exceeds the interest rate or cost of public borrowings subject to the condition that the primary balance is either positive or zero. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt *rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or sustainable. On the other hand, if it is negative, debt-GSDP ratio would rise and if it turns

²³ Debt sustainability is defined as the ability of the State to maintain a constant debt-GDP ratio over a period of time and also embodies concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match the increase in capacity to service the debt.

positive, it would fall. **Table 1.30** analyses debt sustainability of the State according to these indicators for the period of five years beginning from 2007-08.

Table 1.30: Debt Sustainability: Indicators and Trends (Rupees in crore)

Indicators of Debt Sustainability	2007-08	2008-09	2009-10	2010-11	2011-12
Debt Stabilisation (Quantum Spread + Primary Deficit)	6901 {6917+ (-16)}	6116 {7605+ (-1489)}	4130 {15779+ (-11649)}	10384 {16102+ (-5718)}	13955 {15764+ (-1809)}
Debt-GSDP ratio	0.442	0.424	0.413	0.395	0.378
Sufficiency of Non-debt Receipts (Resource Gap)	(+) 30	(-) 2158	(-) 11396	(+) 5418	(+) 1831
Net Availability of Borrowed Funds	(+) 198.17	(+) 533	(+) 9302	(+) 5888	(+) 4419
Debt redemption/Debt receipt	1.00	0.99	0.85	0.92	0.95
Burden of Interest Payments (IP/RR Ratio)	0.38	0.35	0.36	0.29	0.27

Source: Figures from Finance Accounts

Changes in figures of previous years are due to changes in fiscal liabilities and GSDP figures

Debt Stabilisation²⁴ : Debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would rise and in case it is positive, debt-GSDP ratio would eventually fall. The sum of quantum spread and primary deficit was positive during all five years resulting in declining trend in debt-GSDP ratio. These trends indicate that the State is moving towards debt stabilization.

WBFRBM Act 2010 envisaged that during 2011-12, the Debt-GSDP ratio should be 39.10 *per cent* (medium term target being 34.30 *per cent* within 2014-15). The target was achieved as the Debt-GSDP ratio stood at 37.77 *per cent* during the current year. The ratio was marginally more than that envisaged in MTFPSS (37.08 *per cent*).

Sufficiency of non-debt receipts: For debt sustainability the incremental non-debt receipts of the State should be adequate to cover incremental interest liabilities and incremental primary expenditures. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure. Though the Resource Gap remained positive during 2011-12, there was noticeable decline in terms of sufficiency in non-debt receipts. The noticeable decline in resource gap was mainly attributable to significant increase (₹ 2079 crore) in interest payment over the last year.

Net availability of borrowed funds: This is defined as the ratio of debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which debt receipts are used in debt redemption indicating net availability of borrowed funds. Though availability of borrowed funds remained positive during last four years, quantum of the same came down from ₹ 9302 crore in 2009-10 to ₹ 5888 crore in 2010-11 and further down to ₹ 4419 crore this year.

²⁴A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate - interest rate) and quantum spread (Debt*rate spread).

Burden of interest payments: This is measured by interest payments to Revenue Receipts ratio. *The Twelfth Finance Commission recommended that in case of all the States the level of interest payments relative to Revenue Receipts should fall to about 15 per cent by 2009-10. In case of West Bengal, this was 36 per cent in 2009-10, which came down to 27 per cent in 2011-12. Interest payment by the State during 2011-12 stood at ₹ 15896 crore which was six per cent higher than Thirteenth Finance Commission projection of ₹ 14985 crore.*

Maturity profile of the State Debt:

Maturity profile of State debt is depicted in **Table 1.31** and **Chart 1.19** below :

Chart 1.19: Maturity Profile of State Debt

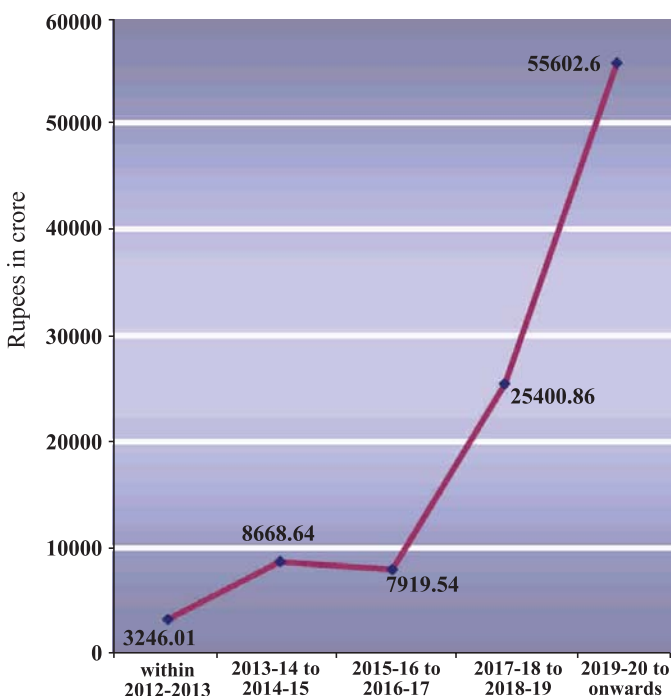


Table 1.31: Maturity Profile of State Debt

Period	Amount to be matured
Details of Maturity year not available	₹ 83860.32 crore
Within 2012-13	₹ 3246.01 crore
2013-14 to 2014-15	₹ 8668.64 crore
2015-16 to 2016-17	₹ 7919.54 crore
2017-18 to 2018-19	₹ 25400.86 crore
2019-20 onwards	₹ 55602.60 crore
Total redeemable debt	₹ 184697.97 crore

Source: Finance Accounts

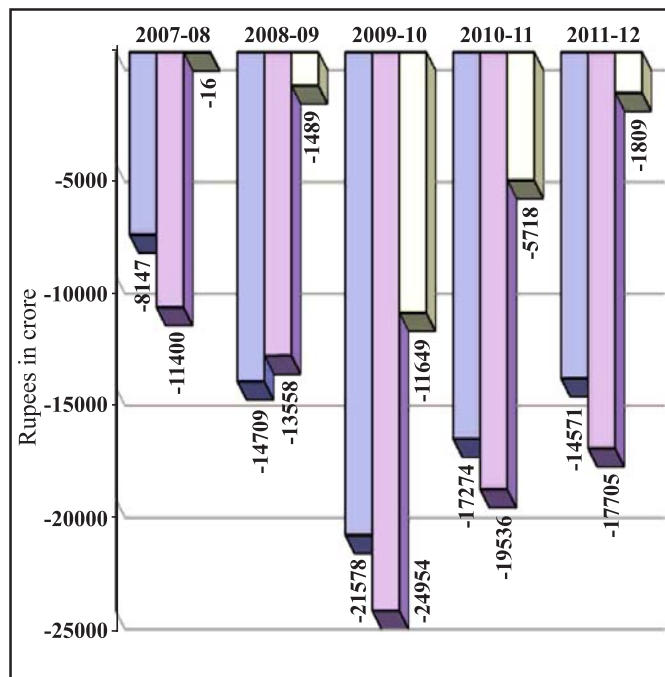
The maturity profile of the State debt as per **Table 1.31** and **Chart 1.19** indicates that nearly 10.74 *per cent* of the total State debt is repayable within the next five years while 43.86 *per cent* is repayable in more than five years. It further indicates that the liability of the State to repay the debt would be on the rise in coming years and shall amount to ₹ 25400.86 crore during the period 2017-19 and ₹ 55602.60 crore from 2019-20 onwards which would put a strain on the Government during those periods. The State may have to borrow further to repay those loans. A well thought-out 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.

Non-availability of maturity profile of ₹ 83860.32 crore (45.40 *per cent*) of the State debt would seriously affect the planning and preparedness of the State in repaying its debt, as bunching of debt repayments calls for a careful strategy to redeem the debt without either resorting to very high borrowings or cutting down operational expenditure.

1.10 Fiscal Imbalances

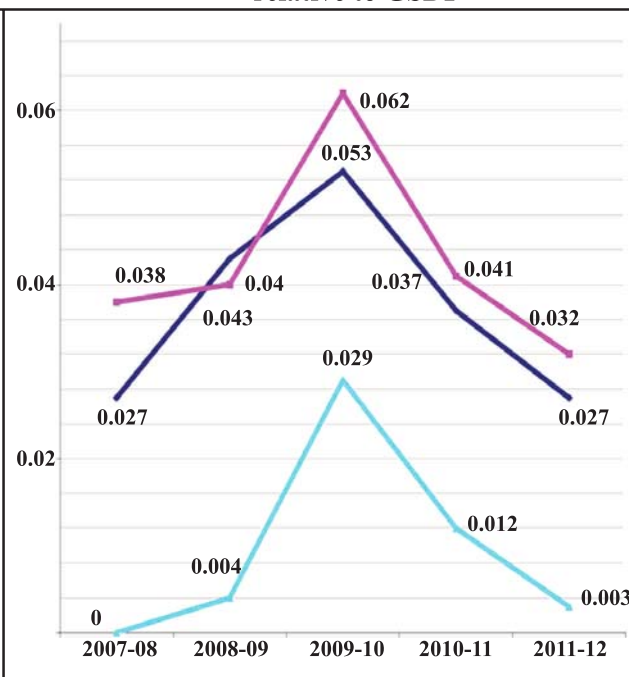
Three key fiscal parameters - Revenue, Fiscal and Primary Deficits - indicate the extent of overall fiscal imbalance in Government finances. Deficit in Government accounts represents the gap between receipts and expenditure. Nature of deficit is an indicator of prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of Revenue and Fiscal Deficits for the financial year 2011-12.

Chart 1.20: Trends in Deficit Indicators



■ Revenue Deficit ■ Fiscal Deficit ■ Primary Deficit

Chart 1.21: Trends in Deficit indicators relative to GSDP



— RD/GSDP — FD/GSDP — PD/GSDP

1.10.1 Trends in Deficits

Charts 1.20 and 1.21 present trends in deficit indicators over the period 2007-08 to 2011-12.

Revenue Deficit which was ₹ 8147 crore in 2007-08 shot up steeply to ₹ 21578 crore in 2009-10. Thereafter, it steadily came down to ₹ 17274 crore in 2010-11 and ₹ 14571 crore in 2011-12. The decrease in revenue deficit in 2011-12 was attributable to 24 per cent increase in Revenue Receipts led by significant augmentation of Grants-in-aid from GoI coupled with increases in tax revenue and State's share of Union taxes and duties. Revenue deficit, however, registered a growth of about 79 per cent over the five year period.

Fiscal Deficit which was ₹ 11400 crore in 2007-08 increased sharply to ₹ 24954 crore in 2009-10. It however, came down to ₹ 17705 crore in 2011-12. The WBFRBM Amendment Act 2011 envisaged containment of Fiscal Deficit within 3.5 per cent of GSDP. The target was achieved by the State as the Fiscal Deficit stood at 3.22 per cent of GSDP during 2011-12.

1.10.2 Components of Fiscal Deficit and its financing pattern

Financing pattern of fiscal deficit has undergone a compositional shift as reflected in **Table 1.32**.

Table 1.32: Components of Fiscal Deficit and its Financing Pattern

(Rupees in crore)

	Particulars	Net disbursements/outflows				2011-12		
		2007-08	2008-09	2009-10	2010-11			
Decomposition of Fiscal Deficit (1 to 3) (a)		11400(3.81)	13558(3.96)	24954 (6.15)	19536(4.12)	17705(3.22)		
1	Revenue Deficit	8147 (2.72)	14709 (4.30)	21578 (5.32)	17274 (3.65)	14571(2.65)		
2	Net Capital Expenditure	2688	3705	3011	2226	2764		
3	Net Loans and Advances	565	(-) 4856	365	36	370		
Financing Pattern of Fiscal Deficit (b)						Receipts	Disbursement	Net
1	Market Borrowings	10740	11543	15605	8445	23591	2791	20800
2	Loans from GoI	(-) 623	(-) 585	(-)1009	(-) 249	443	533	(-)90
3	Special Securities Issued to NSSF	936	520	6431	10088	1659	2648	(-)989
4	Loans from Financial Institutions	(-)300	(-) 341	(-)191	(-) 936	863	2722	(-)1859
5	Ways and Means	-	-	-	606	20006	20612	(-)606
6	Small Savings, PF etc	319	355	738	1129	2715	1683	1032
7	Reserve Fund	144	985	676	1192	2250	955	1295
8	Deposits and Advances	789	1231	1364	870	35640	34273	1367
9	Suspense and Miscellaneous	480	383	1162	(-)458	48241	49064	(-)823
10	Remittances	133	274	58	(-) 264	5537	5212	325
11	Contingency Fund	-	6	(-)1	3	-	-	-
12	Appropriation to/from Contingency Fund	-	-	-	-	-	-	-
13	Total (1 to 12)	12618	14371	24833	20426	140945	120493	20452
14	Increase (-)/Decrease (+) in Cash Balance	(-) 1218	(-)813	(+) 121	(-) 890			(-) 2747
15	Overall Surplus/Deficit (13 + 14)	11400	13558	24954	19536	17705		

Figures in brackets indicate the per cent to GSDP

Differences with Finance Accounts due to rounding

Source : Finance Accounts

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

It is evident from **Table 1.32** that market borrowings by the State Government continued to finance a major portion of the fiscal deficit. Market borrowing increased by ₹ 12355 crore (146 per cent) in 2011-12 over the previous year, thereby increasing the interest burden in future. As regards cost of borrowing, the rates of interest on Market borrowings prevailing in 2011-12 were 8.36 to 9.36 per cent.

1.10.3 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) indicate the quality of deficit. The ratio of Revenue Deficit to Fiscal Deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of Revenue Deficit to Fiscal Deficit also indicates that asset base of the State was continuously shrinking and a part of borrowings (Fiscal Liabilities) did not have asset backup. The bifurcation of Primary Deficit (**Table 1.33**) indicates the extent to which deficit has been on account of enhancement in Capital Expenditure which is desirable for improvement of the productive capacity of the State's economy.

Table 1.33: Primary deficit/Surplus - Bifurcation of factors (Rupees in crore)

	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary revenue deficit (-) /surplus (+)	Primary deficit (-) / surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2007-08	30664	26930	2688	1062	30680	(+)3734	(-) 16
2008-09	42520	39544	3705	760	44009	(+)2976	(-) 1489
2009-10	37309	45195	3011	752	48958	(-)7886	(-) 11649
2010-11	47636	50721	2226	408	53355	(-)3085	(-)5719
2011-12	58833	57430	2764	448	60642	(+)1403	(-)1809

Source: Finance Accounts

Further, proportion of capital expenditure with respect to total expenditure worked out only 3.61 *per cent* during 2011-12 which was marginally higher than 3.31 *per cent* in 2010-11. Primary Deficit decreased sharply from ₹ 5719 crore in 2010-11 to ₹ 1809 crore in 2011-12 as the non-debt receipts increased significantly during the year. Ideally, incremental non-debt receipts every year should cover not only primary expenditure, but also incremental interest burden. It would be seen from the table above that during the years 2008-09 to 2011-12, non-debt receipts could not meet the primary expenditure.

The capital expenditure as percentage to primary expenditure decreased from 8.76 *per cent* in 2007-08 to 4.17 *per cent* in 2010-11. It however increased marginally to 4.56 *per cent* in 2011-12. Thus enhancement of capital expenditure which is desirable to improve the productive capacity of the State's economy was not assigned priority by the State.

1.11 Conclusion and Recommendations

Fiscal position of the State: The State Government has improved its fiscal situation during 2011-12. Revenue Receipts grew at a healthy rate of 24 *per cent*, while the growth of Revenue Expenditure contained to 14 *per cent*. As a result, there was reduction in both Revenue and Fiscal Deficits. Revenue deficit and fiscal deficit during 2011-12 stood at 2.65 *per cent* and 3.22 *per cent* of GSDP against FRBM Act target of 1.6 *per cent* and 3.5 *per cent* respectively.

Enactment of Fiscal Responsibility Legislations: The State introduced the FRBM Legislation in July 2010 and amended it in February 2011 fixing the rolling fiscal targets for 2010-15. The Medium Term Fiscal Policy and Strategy Statement detailing the fiscal indicators and rolling plan for additional resource mobilisation was presented before the West Bengal Legislative Assembly in March 2012.

Prioritisation of Capital expenditure: Capital Expenditure as well as expenditure under Economic Sector are the major indicators of development activity. In both the cases, not only was the actual expenditure far below the budget estimate, Capital Expenditure was remarkably low at only 3.61 *per cent* of total expenditure. Thus, most of the high cost borrowed funds were utilised to meet Revenue Expenditure.

The State should consider assigning greater priority to expenditure on Economic Sector and Capital Expenditure. Terms of reference of 13th Finance Commission requires the State to consider the objective of not only balancing the revenue account but also generating surplus for Capital investment.

Review of Government investment: Government is getting very little return from its capital outlay on Irrigation works. Return on investment in Statutory Corporations, rural banks, etc. depicted a grim picture, varying between zero and 0.06 *per cent*, while Government had to pay interest at the average rate of 7.78 to 8.99 *per cent* on its borrowings during 2007-08 to 2011-12 leading to substantial implicit subsidy.

State Government should ensure better value for money in investments and prioritise projects with high socio-economic returns. Efforts are needed to implement the recommendations of the Thirteenth Finance Commission on clearance of arrear accounts of all PSUs, closure of non-working PSUs as well as divestment of non-viable PSUs.

CHAPTER 2

Financial Management and Budgetary Control

Chapter 2

Financial Management and Budgetary Control

2.1 Introduction

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

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

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2011-12 against 62 grants/appropriations is given in **Table 2.1**:

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

(Rupees in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	59399.82	5226.56	64626.38	59166.95	(-) 5459.43
	II Capital	7214.64	355.25	7569.89	3086.80	(-) 4483.09
	III Loans and Advances	577.21	79.92	657.13	447.97	(-) 209.16
Total Voted		67191.67	5661.73	72853.40	62701.72	(-) 10151.68
Charged	IV Revenue	16157.94	92.37	16250.31	16003.78	(-) 246.53
	V Capital	-	0.86	0.86	0.73	(-) 0.13
	VI Public Debt- Repayment	16073.88	11033.87	27107.75	29304.61	(+) 2196.86
Total Charged		32231.82	11127.10	43358.92	45309.12	(+) 1950.20
Appropriation to Contingency Fund (if any)		-	-	-	-	-
Grand Total		99423.49	16788.83	116212.32	108010.84	(-) 8201.48

Source: Appropriation Accounts

Note: The expenditure excludes the recoveries adjusted as reduction of expenditure under revenue expenditure ₹ 1844.36 crore and capital expenditure ₹ 323.78 crore.

The overall saving of ₹ 8201.48 crore was the result of saving of ₹ 13201.93 crore in 55 grants and 21 appropriations under Revenue Section and 51 grants and 13 appropriations under Capital Section, offset by excess of ₹ 5000.45 crore in six grants and five appropriations under Revenue Section and one grant and 12 appropriations under Capital Section.

The savings/excesses (Detailed Appropriation Accounts) were intimated (July 2012) to the Departmental Controlling Officers (DCOs) requesting them to explain the significant variations. Out of 1559 sub-heads, explanations for variations were not received in respect of 1549 sub-heads (Saving: 1163 sub-heads and Excess: 386 sub-heads). Substantial savings occurred in Irrigation and Waterways, Education (School), Panchayat and Rural Development, Municipal Affairs, Urban Development, Housing, Home and Public Health Engineering departments. Substantial excess occurred in Finance, Disaster Management, Public Works, Transport and Agriculture departments. Reasons for savings were furnished by only Housing and Tourism departments.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit reveals that in 121 cases, savings exceeded ₹ 10 crore in each case or by more than 20 *per cent* of total provision (*Appendix 2.1*). Against the total savings of ₹ 13201.93 crore, savings of ₹ 9887.06 crore (75 *per cent*) occurred in 25 cases¹ relating to 24 grants as indicated in **Table 2.2**.

Table 2.2: List of Grants with major savings

(Rupees in crore)

Sl. No.	Number and name of the Grant	Original	Supplementary	Total	Actual expenditure	Savings
Revenue-Voted						
1	6-Animal Resources Development	580.23	-	580.23	462.16	118.07
2	7-Backward Classes Welfare	636.49	289.43	925.92	779.19	146.73
3	9-Commerce and Industries	410.70	-	410.70	303.47	107.23
4	12-Development and Planning	447.14	0.48	447.62	260.81	186.81
5	13-Education (Higher)	1967.43	341.93	2309.36	2005.88	303.48
6	14-Education (Mass)	233.37	13.19	246.56	123.04	123.52
7	15-Education (School)	13657.08	1035.29	14692.37	13624.91	1067.46
8	21-Food and Supplies	2537.08	-	2537.08	2264.61	272.47
9	24-Health and Family Welfare	3685.57	59.51	3745.08	3442.96	302.12
10	27-Home	3629.03	323.32	3952.35	3491.52	460.83
11	36-Land and Land Reforms	981.77	-	981.77	781.09	200.68
12	38-Minority Affairs and Madrasah Education	860.80	43.47	904.27	774.68	129.59
13	39-Municipal Affairs	3384.62	29.83	3414.45	2411.78	1002.67
14	40-Panchayat and Rural Development	4125.29	707.55	4832.84	3753.31	1079.53
15	43-Power and Non-Conventional Energy Sources	221.20	287.89	509.09	386.09	123.00
16	45-Public Health Engineering	1036.16	5.76	1041.92	626.51	415.41
17	53-Transport	678.28	-	678.28	494.56	183.72
18	54-Urban Development	1907.24	-	1907.24	1387.14	520.10
19	55-Water Resources Investigation and Development	542.29	-	542.29	385.89	156.40
Total						6899.82
Capital-Voted						
1	5-Agriculture	115.26	-	115.26	10.08	105.18
2	25-Public Works	1136.94	-	1136.94	899.00	237.94
3	28-Housing	593.58	-	593.58	112.19	481.39
4	32-Irrigation and Waterways	2279.25	-	2279.25	358.51	1920.74
5	39-Municipal Affairs	298.17	-	298.17	183.44	114.73
6	51-Technical Education and Training	195.40	-	195.40	68.14	127.26
						2987.24
Total						9887.06

Source : Appropriation Accounts

¹Exceeding ₹ 100 crore in each case

2.3.2 Persistent Savings

In 19 cases, during the last five years, there were persistent savings of more than ₹ 5 crore in each case. The savings were also 10 *per cent* or more of the total grant except in five cases (**Appendix 2.2**). Departments with such major cases were Irrigation and Waterways, Municipal Affairs, Public Works, Water Resources Investigation and Development, Minority Affairs and Madrasah Education and Health and Family Welfare departments.

2.3.3 Excess over provisions during 2011-12 requiring regularisation

Table 2.3 contains the summary of total excess expenditure under six grants and 13 appropriations amounting to ₹ 5000.45 crore from the Consolidated Fund of the State over the amounts authorised by the State Legislature during 2011-12 which requires regularisation under Article 205 of the Constitution.

Table 2.3: Excess over provisions during 2011-12 requiring regularisation

Sl. No	Number and title of grant/appropriation		Total grant/ appropriation	Expenditure	Excess
			(R u p e e s i n c r o r e)		
	Voted Grants				
1	4-Revenue	Agricultural Marketing	28.27	42.57	14.30
	4-Capital		25.05	43.16	18.11
2	5-Revenue	Agriculture	769.10	785.64	16.54
3	18-Revenue	Finance	9082.60	10664.37	1581.77
4	25-Revenue	Public Works	1298.28	1395.46	97.18
5	47-Revenue	Disaster Management	857.76	1912.60	1054.84
6	60-Revenue	Civil Defence	279.39	291.98	12.59
Total		Voted			2795.33
	Charged Appropriations				
1	5-Capital	Agriculture	-	35.57	35.57
2	12-Capital	Development and Planning	-	0.14	0.14
3	18-Capital	Finance	27020.37	29119.47	2099.10
4	20-Revenue	Fisheries	5.20	5.47	0.27
5	23-Revenue	Forest	-	0.19	0.19
	23-Capital		-	1.27	1.27
6	25-Capital	Public Works	0.79	1.36	0.57
7	27-Revenue	Home	1.18	3.17	1.99
	27-Capital		0.04	1.79	1.75
8	32-Capital	Irrigation and Waterways	0.01	2.05	2.04
9	39-Capital	Municipal Affairs	-	5.42	5.42
10	42-Revenue	Personnel and Administrative Reforms	0.01	0.03	0.02
	42- Capital		0.06	0.17	0.11
11	43-Revenue	Power and Non-Conventional Energy Sources	30.90	30.91	0.01
	43-Capital		45.50	51.21	5.71
12	46-Capital	Refugee, Relief and Rehabilitation	-	1.34	1.34
13	53-Capital	Transport	4.77	54.39	49.62
Total		Charged			2205.12
Grand total					5000.45

Source : Appropriation Accounts

2.3.4 Excess expenditure of previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. The time limit for regularisation of expenditure has, however, not been prescribed under the Article. Regularisation of excess expenditure is done after the completion

of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, excess expenditure amounting to ₹ 24968.36 crore for the years 2006-2011 was yet to be regularised as of September 2012 as detailed in **Table 2.4**.

Table 2.4: Excess over provisions relating to previous years requiring regularisation

Year	Number of		Amount of excess over provision (Rupees in crore)
	Grants	Appropriations	
2006-07	12 (Grant Nos. 8, 9, 11, 13, 20, 26, 28, 30, 31, 43, 45, 54)	8 (Grant Nos. 5, 6, 20, 23, 27, 42, 47, 53)	293.31
2007-08	14 (Grant Nos. 3, 4, 5, 9, 18, 20, 21, 26, 32, 43, 44, 46, 50, 56)	8 (Grant Nos. 6, 9, 18, 23, 34, 42, 53, 55)	12145.54
2008-09	13 (Grant Nos. 4, 9, 18, 20, 21, 25, 27, 35, 50, 52, 53, 54, 59)	4 (Grant Nos. 12, 18, 39, 53)	705.89
2009-10	16 (Grant Nos. 4, 5, 19, 20, 21, 23, 24, 25, 27, 28, 33, 35, 40, 43, 53, 56)	6 (Grant Nos. 5, 18, 20, 29, 32, 43)	3492.90
2010-11	13 (Grant Nos. 4, 5, 15, 18, 20, 22, 23, 25, 27, 33, 35, 46, 60)	10 (Grant Nos. 11, 18, 23, 27, 35, 42, 43, 45, 47, 53)	8330.72
Total	68	36	24968.36

Source : Appropriation Accounts

Thus, excess expenditure for the years 2006-07 to 2011-12 worth ₹ 29968.81 crore² needs regularisation. In case of most of the grants, obtaining inadequate supplementary provision led to excess expenditure, which indicates lack of control over financial management by the controlling officers.

2.3.5 Significant excess expenditure

In twenty two cases, expenditure aggregating ₹ 44413.35 crore exceeded the approved provisions by ₹ one crore or more in each case or by more than 20 per cent of the total provisions. Details are given in **Appendix 2.3**.

2.3.6 Expenditure without Provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 5617.30 crore was incurred in 78 cases as detailed in **Appendix 2.4** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect. Reasons for incurring expenditure without any budget provision were not intimated by the departments (July 2012).

2.3.7 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating ₹ 2344.98 crore obtained in 26 cases (₹ 10 lakh or more in each case) during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in **Appendix 2.5**. On the other hand, in six cases, supplementary provision of ₹ 12628.53 crore proved insufficient by more than ₹ one crore in each case leaving an aggregate uncovered excess expenditure of ₹ 3858.51 crore (**Appendix 2.6**).

Under **Revenue-Voted Section of Grant Number 15- School Education**, savings out of original provision stood at ₹ 32.17 crore, further supplementary provision of ₹ 1035.29 crore proved unnecessary.

Under **Revenue-Voted Section of Grant Number 40- Panchayat and Rural Development**, savings out of original provision was ₹ 371.98 crore, further supplementary provision of ₹ 707.55 crore further inflated the savings.

² ₹ 24968.36 crore pertaining to 2006-11 plus ₹ 5000.45 crore pertaining to 2011-12

Under **Revenue-Voted Section of Grant Number 27- Home**, savings out of original provision was ₹ 137.51 crore, further supplementary provision of ₹ 323.32 crore proved to be unnecessary.

Under **Capital-Voted Section of Grant Number 8- Co-operation**, savings out of original provision was ₹ 34.90 crore, further supplementary provision of ₹ 15.00 crore was unrealistic.

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

2.3.8 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Cases were noticed where injudicious re-appropriation proved excessive or insufficient leading to savings of ₹ 592.12 crore (in 21 sub-heads under eight grants) and excess expenditure of ₹ 80.61 crore (in 21 sub-heads under 10 grants) as detailed in *Appendix 2.7*.

2.3.9 Surrender in excess of actual saving/Unrealistic surrenders

Under Grant number **11-Micro and Small Scale Enterprises and Textiles (Capital Voted)**, out of total grant/appropriation of ₹ 93.06 crore, there were savings of ₹ 13.86 crore. The department, however, surrendered ₹ 20.35 crore indicating excess surrender of ₹ 6.49 crore.

Under Grant number **28-Housing (Revenue Voted)**, out of total grant/ appropriation of ₹ 102.42 crore, there were savings of ₹ 23.98 crore. The department, however, surrendered ₹ 27.36 crore indicating excess surrender of ₹ 3.38 crore.

Under Grant number **43-Power and Non-Conventional Energy Sources (Revenue Voted)**, out of total grant/appropriation of ₹ 509.09 crore, there were savings of ₹ 123.00 crore. The department, however, surrendered ₹ 138.86 crore indicating excess surrender of ₹ 15.86 crore.

Under Grant number **47-Disaster Management (Revenue Voted)**, out of total grant/appropriation of ₹ 857.76 crore, there were excess expenditure of ₹ 1054.84 crore. The department, however, unrealistically surrendered ₹ 10.93 crore.

Under Grant number **18-Finance (Revenue Voted)**, out of total grant/ appropriation of ₹ 9082.60 crore, there were excess expenditure of ₹ 1581.77 crore. The department, however, unrealistically surrendered ₹ 1.28 crore.

Absence of budgetary control led to such excess surrenders.

2.3.10 Anticipated savings not surrendered

As per Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance department as and when savings are anticipated. At the close of the year 2011-12, under 47 grants and 14 Appropriations, no part of the aggregate savings of ₹ 8312.20 crore was surrendered by the concerned departments, as detailed in *Appendix 2.8*. Such un-surrendered savings accounted for 63 *per cent* of the total savings of ₹ 13201.93 crore during 2011-12.

Similarly, out of total savings of ₹ 4039.70 crore under 13 grants/ appropriations (saving of ₹ one crore and above in each case), only ₹ 2476.16 crore was surrendered leaving un-surrendered balances aggregating ₹ 1563.54 crore (39 *per cent* of savings under those grants), details of which are given in **Appendix 2.9**.

Besides, in 14 cases under 11 grants (surrender of funds in excess of ₹ 10 crore), ₹ 2016.13 crore were (**Appendix 2.10**) surrendered on the last working day of March 2012 or thereafter indicating inadequate financial control and the fact that these funds could not be gainfully utilised for other development purposes.

2.3.11 Rush of expenditure

According to Rule 389 A of West Bengal Financial Rules (WBFR), rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of nine major-heads, more than 75 *per cent* of the total expenditure for the year was incurred in March 2012. **Table 2.5** presents the major heads where more than 50 *per cent* of the total expenditure was incurred during the last month of the financial year.

Table 2.5 : Cases of rush of expenditure towards the end of the Financial year 2011-12

(Rupees in crore)

	Major Head	Expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2012	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1	2245-Relief on account of Natural Calamities	1192.00	946.70	79	749.94	63
2	2801-Power	368.95	318.95	86	268.95	73
3	2810-Non-Conventional Sources of Energy	11.90	7.88	66	7.24	61
4	4055-Capital Outlay on Police	25.18	22.54	90	17.69	70
5	4202-Capital Outlay on Education, Sports, Art and Culture	90.16	73.20	81	64.22	71
6	4210-Capital Outlay on Medical and Public Health	393.68	300.48	76	243.49	62
7	4215-Capital Outlay on Water Supply and Sanitation	4.25	4.25	100	4.25	100
8	4216-Capital Outlay on Housing	123.08	86.66	70	65.46	53
9	4217-Capital Outlay on Urban Development	94.54	55.22	58	50.51	53
10	4220-Capital Outlay on Information and Publicity	0.90	0.72	80	0.65	72
11	4225-Capital Outlay on Welfare of SC, ST and OBC	21.44	18.14	85	11.31	53
12	4235-Capital Outlay on Social Security and Welfare	38.09	23.65	62	22.69	60
13	4250-Capital Outlay on Other Social Services	26.44	20.84	79	13.61	51
14	4403-Capital Outlay on Animal Husbandry	13.02	11.52	88	8.09	62
15	4407-Capital Outlay on Plantations	1.08	1.08	100	1.08	100
16	4408-Capital Outlay on Food, Storage and Warehousing	8.34	7.33	88	6.73	81
17	4415-Capital Outlay on Agricultural Research and Education	0.55	0.47	85	0.42	76
18	4435-Capital Outlay on Other Agricultural Programmes	43.32	38.86	90	38.84	90
19	4515-Capital Outlay on Rural Development Programme	0.75	0.75	100	0.64	85
20	4551-Capital Outlay on Hill Areas	1.19	1.19	100	0.80	67
21	4702-Capital Outlay on Minor Irrigation	54.20	40.26	74	34.62	64
22	4705-Capital Outlay on Command Area Development	7.32	7.27	99	7.13	97
23	4711-Capital Outlay on Food Control Projects	236.52	158.77	67	141.89	60
24	4801-Capital Outlay on Power Projects	124.00	124.00	100	124.00	100
25	4851-Capital Outlay on Village and Small Industries	40.15	28.11	70	21.54	54
26	5055-Capital Outlay on Road Transport	20.07	15.60	78	14.94	74
27	5452-Capital Outlay on Tourism	12.58	11.46	91	9.67	77

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

High percentage of expenditure under these major heads as shown in **Table 2.5** was indicative of the fact that uniform flow of expenditure during the year, a primary requirement of budgetary control, was not maintained.

2.3.12 New Service/New Instrument of Service

Article 205 of the Constitution provides that expenditure on a “New Service” not contemplated in the Annual Financial Statement (Budget) can be incurred only after its specific authorisation by the Legislature.

In 20 cases, expenditure totaling ₹ 344.60 crore which should have been treated as “New Service”/“New Instrument of Service” was met without obtaining the requisite approval of the Legislature. Details of these cases are given in **Appendix 2.11**.

2.4 Advances from Contingency Fund

The Contingency Fund of the State has been established under the Act in terms of provisions of Article 267 (2) and 283 (2) of the Constitution of India. Advances from the Fund are permissible only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. Advances from West Bengal Contingency Fund may be given for meeting expenditure in the circumstances where (i) provision could not be made in annual/supplementary budget, (ii) expenditure could not be foreseen and (iii) the expenditure cannot be postponed till vote of Legislature is obtained. The Fund is in the nature of an imprest and has a corpus of ₹ 20 crore.

As on 1 April 2011, the balance in the fund was ₹ 19.97 crore. During the year advances drawn but unrecouped totalled ₹ 0.53 crore. Also ₹ 0.03 crore was recouped out of the advances drawn during previous years. Thus, the closing balance of the fund as on 31 March 2012 was ₹ 19.47 crore.

2.5 Review of budgetary process and financial management

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

The systems of preparation of budget as well as expenditure control followed by three departments namely, School Education, Minority Affairs and Madrasah Education and Forest departments during 2009-10 to 2012-13 were reviewed in Audit. Various deficiencies in budget preparation process, control over expenditure as well as lack of prudence in financial management were observed, as discussed in the succeeding paragraphs.

2.5.1 Budget preparation process

Under the provisions of West Bengal Financial Rules (WBFR) and West Bengal Budget Manual, the departmental budget estimates are required to be prepared by the respective department after obtaining budget proposals from the subordinate offices.

A) Delay in submission of budget estimates

In terms of Rule 333 of WBFR it is essential that the time table prescribed for submission of Budget Estimate should be strictly adhered to so that the realistic estimates may be prepared by the administrative department for onward transmission to Finance department and it may be laid before the Legislature on due date. The scheduled dates for submission of the Budget Estimate for the years 2010-11 to 2012-13 along with the actual dates of submission by the departments to Finance are as under:

Table 2.6: Statement showing target date and actual dates of submission of budget proposals by the departments

Sl. No.	Grant No.	Name of the Department	Year	Scheduled date of receipt from department	Actual date of submission	No. of days delayed
1	15	School Education	2010-11	14.10.2009	13.11.2009	30
			2011-12	15.10.2010	19.01.2011	96
			2012-13	14.10.2011	09.02.2012	118
2	38	Minority Affairs and Madrasah Education	2010-11	14.10.2009	09.02.2010	118
			2011-12	15.10.2010	24.01.2011	101
			2012-13	14.10.2011	15.12.2011	62

Source : Departmental Information

From the above, it transpired that there have been persistent delays ranging between 30 and 118 days in submission of the budget estimates by these two departments. Consequently, the budget was prepared on presumptive basis.

Scrutiny of Forest department (July 2012) revealed that during 2007-08 to 2011-12, budget was not prepared on the basis of actual inputs taken from the unit offices *viz*, circles, divisions, etc., but prepared in the directorate/ department based on the last years' revised estimates, after adding a percentage over it on *ad hoc* basis. The system in practice for preparation of budget estimate was a top-down approach. As per prevailing practice, the budgets were prepared within the amount specified by the Development and Planning department.

B) Watch over progress of expenditure

In terms of Rule 384 read with 385 of WBFR, the DCO or the Disbursing Officer under whose disposal the grant is placed is required to keep a constant watch over the progress of expenditure every month under different units of appropriation in order to take early steps for obtaining supplementary grants or surrendering any probable savings as may be necessary. Further, the DCOs are required to keep up-to-date information of expenditures incurred by various DDOs and reconcile the expenditure with those compiled by the Principal Accountant General (A&E). Neither Minority Affairs and Madrasah Education department nor School Education department regularly reconciled the departmental figures with those compiled by the Principal Accountant General (A&E). In respect of Forests department, no records/register was maintained by the DCO to watch timely receipt and compilation of expenditure statement from the subordinate units.

2.5.2 Budget Management in selected Grants

A review of budgetary and expenditure control during 2007-08 to 2011-12 in respect of grant numbers 15, 23 and 38 revealed substantial savings as discussed under:

Table 2.7: Persistent savings under the grants

(Rupees in crore)

Grant No	Section	2007-08	2008-09	2009-10	2010-11	2011-12
Quantum of savings (percentage to total allocation)						
15 School Education	Revenue	62.84 (1)	412.39 (6)	292.06 (3)	-	1067.46 (7)
	Capital	14.35 (72)	7.68 (56)	7.89 (55)	49.45 (66)	42.68 (71)
38 Minority Affairs and Madrasah Education	Revenue	128.64 (54)	154.79 (38)	91.39 (17)	189.48 (19)	129.59 (14)
	Capital	1.00 (10)	6.36 (9)	24.85 (54)	99.14 (94)	63.86 (65)
23 Forests	Capital	12.37 (49)	1.20 (5)	3.64 (13)	8.88 (19)	14.17 (47)

Source : Appropriation Accounts

Major head-wise analysis showed that in case of the following major heads, expenditures mostly fell short of budget allotments by substantial amounts.

Table 2.8: Cases of excess/savings under grants 15, 23 and 38

(Rupees in lakh)

	2007-08	2008-09	2009-10	2010-11	2011-12
Grant number: 15 – School Education					
2202-General Education (Voted)	(-) 6217.90 (1)	(-) 41143.62 (6)	(-) 29134.80 (3)	(+)43717.71 (4)	(-) 106451.71 (7)
2204- Sports and Youth Services (Voted)	(-)10.75 (4)	(-) 70.04 (19)	(-) 48.66 (12)	(-) 104.79 (22)	(-) 209.03 (31)
2251-Secretariat Social Services	(-) 5.80 (3)	(-) 5.08 (2)	(-) 2.20 (1)	(-) 8.06 (2)	(-) 65.47 (14)
2551-Hill Areas (Voted)	(-) 50.00 (100)	(-) 20.00 (100)	(-) 20.00 (100)	(-) 20.00 (100)	(-) 20.00 (100)
4202-Capital Outlay on Education, Sports, Art and Culture (Voted)	(-) 1435.16 (72)	(-) 767.80 (56)	(-) 788.82 (55)	(-) 4945.31(66)	(-) 4268.25 (71)
Grant number: 23 – Forests					
2401-Crop Husbandry (Voted)	-	(-) 235.71(49)	(-) 53.74 (12)	(+) 326.34 (70)	(-) 1134.11 (70)
2402-Soil and Water Conservation (Voted)	(-) 68.36 (12)	(-) 31.53 (5)	(+) 26.53 (4)	(+) 14.45 (2)	(-) 30.02 (3)
2406-Forestry and Wild Life (Voted)	(-) 1614.30 (9)	(-) 644.46 (3)	(+) 948.72 (4)	(+) 220.98 (1)	(-) 5178.48 (14)
2415-Agricultural Research and Education (Voted)	(-) 9.81 (23)	(-) 8.83 (20)	(-) 4.92 (8)	(-) 9.71 (12)	(-) 7.68 (9)
2551-Hill Areas (Voted)	(-) 30.15 (62)	(-) 30.01 (62)	(-) 40.07 (63)	(-) 20.13 (22)	(-) 34.02 (38)
3451-Secretariat Economic Services (Voted)	(+) 13.04 (13)	(+) 0.54	(+) 11.94 (7)	(+) 6.33(3)	(-) 18.06 (8)
4406-Capital Outlay on Forestry and Wild Life (Voted)	(-) 1237.27 (49)	(-) 119.81 (5)	(-) 6.00 (0.24)	(-) 287.93 (7)	(-) 1417.24 (47)
Grant number: 38 – Minority Affairs and Madrasah Education					
2052-Secretariat General Services (Voted)	(+) 0.77 (2)	(-) 13.98 (35)	(-) 32.38 (53)	(-) 34.95 (52)	(-) 40.73 (54)
2202-General Education (Voted)	(-) 10982.15(54)	(-) 13341.58(43)	(-) 8896.97 (23)	(-) 8622.00(18)	(-) 904.18 (2)
2204-Sports and Youth Services (Voted)	(-) 11.72 (59)	(-) 0.12 (0.46)	(-) 14.00 (17)	(-) 154.00(100)	(-) 81.05 (48)
2235-Social Security and Welfare (Voted)	(-) 1213.38 (49)	(-) 1293.81 (15)	(-) 493.62 (4)	(-) 9082.87(18)	(-) 11032.67 (32)
2250-Other Social Services (Voted)	(-) 627.35 (60)	(-) 721.50 (59)	(-) 103.80 (17)	(-) 956.38 (78)	(-) 278.67 (29)
2251-Secretariat Social Services (Voted)	(-) 30.63 (33)	(-) 2.07 (2)	(+) 21.25 (13)	(-) 75.02 (39)	(+) 70.11 (32)
2515-Other Rural Development Programmes (Voted)	-	(-) 106.00 (44)	(+) 380.37 (190)	(-) 22.54 (3)	(-) 691.77 (15)
4202-Capital Outlay on Education, Sports, Art and Culture (Voted)	(-) 100.00 (100)	-	(-) 1015.96 (48)	(-) 3230.19(96)	(-) 2149.46 (86)
4235-Capital Outlay on Social Security and Welfare (Voted)	-	(-) 636.28 (13)	(-) 1266.33 (58)	(-) 6521.58(97)	(-) 5375.01 (76)
4250-Capital Outlay on Other Social Services (Voted)	-	-	(-) 202.74 (67)	(-) 162.35 (32)	(+) 1138.28(569)

Source: Appropriation Accounts

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

A) Non-utilisation of budget provisions and non-surrender

Scrutiny of records of Minority Affairs and Madrasah Education department, School Education department and Forest department for the years from 2007-08 to 2011-12 revealed that the savings made in respect of certain grants were not surrendered

Table 2.9: Non-surrender of savings under Grant number 15, 23 and 38

(Rupees in crore)

Grant 15: School Education			Grant 23: Forest			Grant 38: Minority Affairs and Madrasah Education		
2007-08	(Revenue voted)	62.84	2007-08	(Revenue voted)	17.10	2007-08	(Revenue voted)	128.64
	(Capital voted)	14.35		(Capital voted)	12.37		(Capital voted)	1.00
2008-09	(Revenue voted)	412.39	2008-09	(Revenue voted)	9.50	2008-09	(Revenue voted)	154.79
	(Capital voted)	7.68		(Capital voted)	1.20		(Capital voted)	6.36
2009-10	(Revenue voted)	292.06	2009-10	(Capital voted)	3.64	2009-10	(Revenue voted)	91.39
	(Capital voted)	7.89		(Revenue Charged)	0.05		(Capital voted)	24.85
				(Capital Charged)	0.06			
2010-11	(Capital voted)	49.45	2010-11	(Capital voted)	8.88	2010-11	(Revenue voted)	189.48
							(Capital voted)	99.14
2011-12	(Revenue voted)	1067.46	2011-12	(Revenue voted)	64.02	2011-12	(Revenue voted)	129.59
	(Capital voted)	42.68		(Capital voted)	14.17		(Capital voted)	63.86
Total		1956.80	Total		130.99	Total		889.10

Source : Appropriation Accounts

B) Unnecessary/insufficient/injudicious re-appropriation

Under Grant Number 15- School Education, instances were noticed where reappropriation orders were either insufficient or injudicious.

Table 2.10: Cases of unnecessary / insufficient / injudicious re-appropriations under grant number 15

(Rupees in lakh)

	Year	Head of Account	Re-appropriation	Final Excess (+)/ Saving (-)
1	2009-10	2202-General Education-01-Elementary Education-104-Inspection-Non-Plan-001-Primary School (ES)	(+) 17.00	(+) 432.37
		02-Secondary Education-101-Inspection-Non-Plan-001-Men's Branch (ES)	(+) 18.00	(+) 168.42
		2202-General Education-01-Elementary Education-110-Examinations-Non-Plan-001-Examination Expenses (ES)	(-) 73.04	(+) 738.59
2	2010-11	2202-General Education-01-Elementary Education-107-Teacher's Training-Non-Plan-001-Primary Teacher's Training Institute (Government, Government Sponsored and Non-Government aided)(ES)	(+) 16.15	(+) 316.91
3	2011-12	2202-General Education-01-Elementary Education-112-National Programme of Mid Day Meal in Schools-Plan-State Plan (Annual Plan and Eleventh Plan)-SP002-Construction of Kitchen Shed with Store Room for Mid Day Meal Schemes (ES)	(+) 30.22	(+) 10.73

Source : Appropriation Accounts

C) Release of funds in March and rush of expenditure

Rule 373 of WBFR stipulates that the grants need to be released in due time throughout the year. Scrutiny of records of Minority Affairs and Madrasah Education department revealed that Plan funds aggregating ₹ 198.49 crore was released in the month of March 2012 out of total fund of ₹ 553.54 crore released during the year 2011-12. Thus, 36 per cent of total fund of the year 2011-12 was released in the month of March resulting in huge savings.

Further, Rule 389A of WBFR stipulates that rush of expenditure particularly in the closing months of the financial year shall ordinarily be regarded as a breach of financial regularity. Scrutiny of records relating to different major heads under Grant

Number 23-Forest, revealed that there was rush of expenditure in March during the years 2009-10 to 2011-12 ranging from 29 *per cent* to 52 *per cent* of the total expenditure incurred as mentioned in the following **Table**.

Table.2.11: Rush of Expenditure under different Major Heads during 2009-10 to 2011-12

(Rupees in crore)

Year	Major Heads / Sector	Expenditure during the Year	Expenditure during last quarter of the year	Expenditure during March
2009-10	State Plan (2401, 2402, 2406, 2415, 2551, 4216, 4406)	71.49	43.74 (61)	36.32 (51)
	CSS and CN (Major heads 2401,2402,2406)	17.47	12.61 (72)	6.80 (39)
2010-11	State Plan	105.42	68.20 (65)	43.25 (41)
	CSS and CN	18.90	15.13 (80)	7.98 (42)
2011-12	State Plan	74.90	51.47 (69)	38.81 (52)
	CSS	23.25	12.22 (53)	6.75 (29)

(CSS: Centrally Sponsored Scheme; CN: Central Sector)

Source: Office of the AG (E&RSA)

Rush in utilisation of funds at the end of the financial year was indicative of poor financial management in violation of the provisions of WBFR.

D) New Service/New Instrument of Service

Article 205 of the Constitution provides that expenditure on a 'New Service' not contemplated in the budget can be incurred only after its specific authorisation by the Legislature.

In the following cases, under Grant number 23-Forest, expenditure totalling ₹ 1.95 crore was incurred on 'New Service/New Instrument of Service' without obtaining the requisite approval of the Legislature as shown in **Table 2.12**.

Table 2.12: Expenditure on New Service during 2007-08 to 2010-11

Sl No.	Name of New Service / New Instrument of Service	Head of Account	2007-08	2008-09	2010-11	Total
Expenditure incurred for the year (₹ in crore)						
1	Additional Central Assistance for Accelerated Programme of Restoration and Regeneration of Forest Cover.	2406-01-101-SP-007-87	-	-	1.22	1.22
2	Rajganj Bird Sanctuary [FR]	2406-02-110-CS-000-50	0.17	0.20	-	0.37
3	Chapramari Wildlife Sanctuary	2406-02-110-CS-000-50	0.33	0.03	-	0.36
	Total		0.50	0.23	1.22	1.95

Source: Office of the AG (E&RSA)

2.6 Conclusion and Recommendations

Deficient budgetary control in Government departments was apparent from the instances of injudicious supplementary provisions, unnecessary / excessive re-appropriations, inadequate provision of funds, etc. The procedure of preparation of budget as prescribed in the budget manual was also not properly followed. Excess expenditure for the years 2006-07 to 2011-12 worth ₹ 29968.81 crore needs regularisation. During 2011-12, expenditure of ₹ 5617.30 crore was incurred in 78 cases without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect. Besides, the anticipated savings

were either not surrendered or surrendered on the last day of the year leaving no scope for utilising these funds for other development purposes. The Controlling Officers of three test checked departments did not monitor the progress of expenditure.

The following suggestions are made:

- *Efforts should be made by the departments to submit realistic budget estimates keeping in view the trends of expenditure and actual requirement of funds, in order to avoid large scale savings or excess.*
- *The Controlling Officers should keep constant watch over progress of expenditure as required under Rules 384 and 385 of West Bengal Financial Rules, so that possibility of savings/excess is anticipated well in advance.*
- *Non-surrendering of anticipated savings by various departments needs to be viewed seriously for fruitful utilisation of surplus fund.*
- *Expenditure against allocations should be spaced out and rush of expenditure in the closing months of the year should be avoided.*

CHAPTER 3

Financial Reporting

Chapter 3

Financial Reporting

This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

3.1 Delay in furnishing Utilisation Certificates

Subsidiary Rule 330A under the West Bengal Treasury Rules (WBTR) stipulates that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees within one year from the date of release of grant, unless specified otherwise, and after verification, these should be forwarded to the Principal Accountant General. The year-wise position of non-furnishing of UCs is shown in **Table 3.1**.

Table 3.1: Age-wise arrears of Utilisation Certificates

(Rupees in crore)

	Year	Number of UCs awaited	Amount involved
1	Up to 2007-08	143275	25439.58
2	2008-09	12460	4505.54
3	2009-10	19615	6011.77
4	2010-11	8873	5618.67
5	2011-12	9038	5538.50
	Total	193261	47114.06

Source : Finance Accounts 2011-12

Out of 193261 number of cases involving ₹ 47114.06 crore mentioned above, submission of UCs for 184223 cases involving ₹ 41575.56 crore, though became overdue, remained outstanding as of March 2012. Of these 143275 cases (₹ 25439.58 crore) remained outstanding for more than four years.

Non-submission of the UCs in time may result in mis-utilisation of the grants. The large pendency in submission of UCs indicates lack of monitoring of utilisation of grants and loans released to the grantees by the departments.

Utilisation Certificates under West Bengal Panchayat Act

Rules framed under the West Bengal Panchayat Act, 1973 stipulates that UCs shall be furnished by the grantee to the authority sanctioning the fund, within six months from the date of receipt of grant or before applying for further grant for the same purpose, whichever is earlier. Audit scrutiny during 2011-12, however, revealed that 74 Panchayati Raj Institutions (PRIs) sub-allotted grants amounting to ₹ 246.08 crore between the years 2005 and 2011 to their lower tiers, Village Education Committee, Schools, Village Water Shed Committee, Self Help Groups and other Government departments who in turn did not furnish UCs for ₹ 199.84 crore (81 *per cent*) as detailed in **Appendix 3.1**. Reasons for non submission of the UCs were not found on record.

3.2 Non-submission/delay in submission of accounts by ULBs/PRIIs

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

As of May 2012, 524 annual accounts of 139 autonomous bodies/ authorities due up to 2010-11 had not been received by the Examiner of Local Accounts, West Bengal. The details of these accounts are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.2**. Due to delay in preparation of accounts, utilisation of funds for intended purpose could not be verified.

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

Delay in Number of Years	No. of the Bodies/ Authorities
0 to 1	5
Above 1 to 3	38
Above 3 to 5	95
Above 5 to 7	-
Above 7 to 9	-
Above 9	1
Total	139

Source : Examiner of Local Accounts

Audit scrutiny of the accounts of 17 bodies and authorities during 2011-12 for the period from 2004-11 revealed that grants aggregating ₹ 45.16 crore, meant for development and miscellaneous purposes were lying unspent with 17 bodies (one District Primary School Council, five Universities, two local library authorities and nine Urban Local Bodies) as of March 2011. The details are given in **Appendix 3.3**. The concerned bodies did not furnish reasons for non-utilisation and non-refund of the Government grants. There was nothing on record to show whether any action have been taken to adjust/refund the unutilised grants. Moreover, due to non-maintenance of basic records by Bengal Engineering & Science University, the amount of unutilised grants of the same as of March 2011 could not be ascertained.

Further, scrutiny of Panchayati Raj Institutions revealed that out of total available grants of ₹ 3977.61 crore during the year 2010-11 in respect of 18 Zilla Parishads (ZPs), ₹ 868.04 crore (22 per cent) had been lying unutilised at the end of March 2011. Out of these, balances in seven ZPs¹ accounted for ₹ 479.50 crore (55 per cent). Reasons for non-utilisation of these grants were not furnished by any of the ZPs. The details are given in **Appendix 3.4**.

¹North 24 Parganas ZP : ₹ 63.19 crore, South 24 Parganas ZP: ₹ 85.53 crore, Malda ZP: ₹ 87.98 crore, Paschim Medinipur ZP: ₹ 56.21 crore, Bardhaman ZP: ₹ 57.68 crore, Birbhum ZP ₹ 75.68 crore and Purulia ZP: ₹ 53.23 crore

Similarly, in 142 PSs as of March 2011, ₹ 805.78 crore (38 per cent) remained unspent out of total available grants of ₹ 2102.63 crore as detailed in **Appendix 3.5**. Reasons for non-utilisation were not available in respect of all the PSs except Khejuri-II who stated that resolution could not be taken for utilisation of the unspent fund due to long absence of PS office bearers.

Thus, continued failure to utilise development grants by the PRIs deprived the rural people from getting the intended benefits from these grants.

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

Several autonomous bodies have been set up by the State Government in various fields namely, area development, animal resources, human rights, legal services, housing, etc. A large number of these bodies are audited by the C&AG under Sections 19 and 20 (1) of the C&AG's DPC Act 1971, with regard to the verification of their transactions, operational activities and accounts, conducting regulatory compliance audit of all transactions scrutinised in audit, review of internal management and financial control, review of systems and procedures, etc. The status of entrustment of audit, rendering of accounts to Audit, issuance of Separate Audit Report (SAR) and its placement in the Legislature in respect of 34 bodies, on which SARs are to be placed before the Legislature are indicated in **Appendix 3.6**. The frequency distribution of autonomous bodies according to the delays in submission of accounts to Audit and placement of Separate Audit Reports in the Legislature after the entrustment of Audit to C&AG is summarised in **Table 3.3**.

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

Delays in submission of Accounts (In Months)	Number of Autonomous Bodies	Delays in submission of SARs in Legislature (in Years)	Number of Autonomous Bodies
1 - 6	19	0 - 1	5
6 - 12	-	1 - 2	2
12 - 18	2	2 - 3	4
18 - 24	-	3 - 4	1
24 & above	25	4 - 5	1
Total	46	5 & above	1
		Total	14

Source : Concerned departments

None of these 34 autonomous bodies (*vide Appendix 3.6*) has submitted accounts for the year 2011-12, while only 12 have submitted accounts up to 2010-11. The remaining did not submit accounts for various years starting from 1991-92 (Darjeeling Gorkha Hill Council). Further, Separate Audit Reports on 100 annual accounts of 20 bodies are yet to be tabled as of August 2012. This has diluted the basic tenet of Legislative control over expenditure of public funds.

3.4 Departmental Commercial Undertakings

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

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

As of June 2012, out of 16 such undertakings; five² had not prepared their accounts since inception, four undertakings had prepared their up to date accounts and the accounts of remaining seven units were in arrears ranging from one to 23 years. The Comptroller and Auditor General had repeatedly commented in the Audit Reports of the State on the failure of the Heads of Departments and the management of undertakings in timely preparation of *pro forma* accounts. Principal Accountant General had also been periodically reminding the Principal Secretary (Finance) and the Secretaries of the concerned departments in this matter.

During the period July 2011 to June 2012, only five undertakings finalised five *pro forma* accounts for the years 2010-11 and earlier, as against six *pro forma* accounts finalised during July 2010 to June 2011. Consequently, there was hardly any accountability of the Management and Government in respect of public funds spent by these undertakings.

The department-wise position of arrears in preparation of *pro forma* accounts and investment made by the Government therein are given in **Appendix 3.7**. It appears that the 11 undertakings were incurring losses continuously for more than five years. Accumulated loss as per latest accounts received up to June 2012 amounted to ₹ 2006.38 crore.

3.5 Misappropriations, losses, defalcations, etc.

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

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

No such intimation was, however, furnished by the State Government since 2001. As of March 2012, there were 656 cases³ of misappropriation, defalcation, etc. involving Government money amounting to ₹ 15.75 crore on which final action was pending. The department-wise break up of pending cases and age wise analysis is given in **Appendix 3.8** and nature of these cases is given in **Appendix 3.9**. The age-profile of the pending cases and the number of cases pending in each category – theft and misappropriation/loss as emerged from these appendices are summarised in **Table 3.4**.

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

Age-Profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (₹ in lakh)	Nature/characteristics of the cases	Number of cases	Amount involved (₹ in lakh)
0 - 5	51	890.22	Theft	38	217.72
5 - 10	37	128.56			
10 - 15	54	391.95			
15 - 20	27	56.41			
20 - 25	44	46.09			
25 & above	443	61.86	Misappropriation/Loss of material	618	1357.37
Total	656	1575.09	Total Pending cases	656	1575.09

Source : Detected by Audit and as reported by DDOs

3.6 Non-reconciliation of departmental figures

3.6.1 Un-reconciled receipts / expenditure

To enable Controlling Officers (COs) of departments to exercise effective control over expenditure to keep it within budget grants and to ensure accuracy of their accounts, Financial Rules (Rule 385 of West Bengal Financial Rules) stipulate that expenditure recorded in their books be reconciled every month during the financial year with that recorded in the books of the Principal Accountant General.

Out of 185 COs, 111 COs (60 per cent) did not reconcile their departmental figures for the year 2011-12, while 36 COs (19 per cent) partially reconciled their figures. As a result, only 57.09 per cent (₹ 60,166.79 crore) of total receipts and 38.20 per cent (₹ 40,432 crore) of total expenditure were only reconciled by the State Government.

Such laxity on the part of the department can potentially affect the quality of accounts.

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

Administrative departments issue sanction orders with the concurrence of Finance department, authorising different Drawing and Disbursing Officers (DDOs) to draw advances on Abstract Contingent (AC) bills. Under Rule 4.138 of WBTR 2005, these AC bills are required to be adjusted within one month from the date of

³ Excluding cases included in the Civil Audit Reports as separate audit paragraphs, progress of which are monitored separately.

completion of the purpose for which the same were drawn and in no case beyond 60 days from the date of drawal of the respective AC bill. Sub Rule (5) and (6) of Rule 4.138 further stipulate that every drawing officer has to certify in each abstract contingent bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective Controlling Officers for countersignature and transmission to the Principal Accountant General.

However, in contravention of the said provisions of WBTR, ₹ 1049.07 crore⁴ drawn up to 2011-12 through 11869 AC bills remained unadjusted as of March 2012, which was substantially higher in terms of value (29 *per cent*) than the position as of March 2011. The position of drawal of AC bills and submission of adjustment there against were as under:

Table 3.5: Position of drawal and adjustment of AC bills (Rupees in crore)

Year	Opening balance		AC Bills drawn		DC Bills received		Outstanding AC Bills	
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
2007-08	8805	332.63	3544	262.52	3356	191.19	8993	403.96
2008-09	8993	403.96	3246	101.85	3657	17.08	8582	488.73
2009-10	8582	488.73	4054	276.94	4074	290.33	8562	475.35
2010-11	8562	475.35	3885	405.59	1133	65.65	11314	815.29
2011-12	11314	815.29	3928	403.33	3373	169.55	11869	1049.07

Source : Records of Pr AG (A&E), WB

As against 11314 bills outstanding as on 31 March 2011, only 546 DC bills (five *per cent*) were submitted during 2011-12. Out of 11869 outstanding bills, 8487 bills involving ₹ 701.05 crore were outstanding for more than one year. As amounts drawn through AC bills are not subjected to Treasury check, non-adjustment of AC bills for years together indicates dilution of the basic tenet of Treasury check and Legislative control. Moreover, such long pendency of DC bills is fraught with the risk of misuse of Government funds.

3.6.3 Personal Deposit Accounts

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

In terms of Rule 6.09 of WBTR, Personal Deposit Account or Personal Ledger Account (PLA) is created by debit to the Consolidated Fund of the State other than those created under any law or rule having the force of law by transferring fund from the Consolidated Fund of the State for discharging liabilities of the Government arising out of special enactments, shall be closed at the end of financial year by minus debit of the balance to the relevant service heads in the Consolidated Fund of the State. As per WBTR, any PD Account not operated for two consecutive years and there is a reason to believe that the need for such accounts has ceased, the same shall be closed.

⁴ Of the unadjusted amounts, pendency of the bills is as under: upto 2008-09: ₹ 248.75 crore, 2009-10: ₹ 111.22 crore, 2010-11: ₹ 341.08 crore and 2011-12: ₹ 348.02 crore.

In West Bengal, the closing balance under 8443- 106 - PD Accounts at the end of 2011-12 was ₹ 2383.20 crore. The balances as well as receipt and disbursement for the last three years are shown below:

Table 3.6: Amounts received and disbursed in PD accounts during last three years

	Opening balance	Receipt	Disbursement	Closing balances
	Rupees in crore			
2009-10	1697.47	1299.92	988.65	2008.74
2010-11	2008.74	1600.93	1179.10	2430.57
2011-12	2430.57	912.84	960.21	2383.20

Source : Finance Accounts

There were 148 PL Accounts in operation in the State as of March 2012. Total amounts remaining parked in PL Accounts of the State increased from ₹ 743.95 crore as of March 2005 to ₹ 2383.20 crore as of March 2012. During 2008-09, 2009-10, 2010-11 and 2011-12, amounts transferred to 8443-106-Personal Deposits Accounts (PL Accounts) by debit to Consolidated Fund stood at ₹ 304.63 crore, ₹ 549.87 crore, ₹ 655.94 crore and ₹ 552.59 crore, respectively. Given the fact that these amounts have been booked as final expenditure under service heads and final expenditures would not be subjected to Treasury checks, this trend assumes seriousness.

Test-check of 31 PLAs maintained by 30 DDOs revealed the following irregularities:

- As of March 2012, amount parked in the PLAs of seven DMs stood at ₹ 281.45 crore⁵ resulting in over-statement of expenditure to the same extent. Further, DM, Nadia had discrepancy of ₹ 4.83 crore (between PLA Cash Book balance and Pass Book balance pertaining to Border Area Development Fund) due to non-reconciliation.
- As per order (October 2008) of School Education department, all funds relating to cooked Mid-Day Meal Programme should be transferred to the savings bank account to be opened exclusively for transacting funds meant for this programme. However, two DMs⁶ retained Mid Day Meal programme funds of ₹ 0.14 crore as of March 2012 in their PL Accounts instead of transferring the same to the respective savings bank accounts.
- No effective steps were taken by District Magistrates of Paschim Medinipur, Murshidabad and South 24 Parganas to utilise funds amounting to ₹ 43.84 crore received between 2002-03 and 2011-12 under Bidhayak Elaka Unnayan Prakaalpa. Similarly, funds amounting to ₹ 2.37 crore under Chash-o-Basobaser Janya Bhumidan Prakaalpa remained parked in the PLAs of the DMs of Murshidabad and South 24 Parganas.

⁵DM, Murshidabad (₹ 63.50 crore), DM, Nadia (₹ 43.83 crore), DM, Burdwan (₹ 34.70 crore), DM, Paschim Medinipur (₹ 30.39 crore), DM, Purba Medinipur (₹ 20.14 crore), DM, Malda (₹ 43.31 crore), DM, South 24 Parganas (₹ 45.58 crore).

⁶DM, Nadia (₹ 7.84 lakh) and DM, Purba Medinipur (₹ 6.47 lakh).

- As of March 2012, five District Magistrates retained various funds amounting to ₹ 35.29 crore under Centrally Sponsored Schemes and other purposes without utilisation as detailed in *Appendix 3.10*.
- Where the landlord does not accept any rent from the tenant, the tenant may remit rent to the custody of the Rent Controller. The said rent is reflected in PLA of the Rent Controller.

However, failure of the Rent Controller, Kolkata to disburse the collected rent to the respective Land Lords led to accumulation of ₹ 110.15 crore in the PLA of the Rent Controller.

3.6.4 Bookings under Minor Head 800: Other Receipts and 800: Other Expenditure

With increasing range and diversification of Government activities and programmes, existing Minor heads often fall short in accommodating all transactions under some projects. In case of non-availability of accurate classification, the residuary Minor head 800: Other Expenditure or 800: Other Receipts are used to book transactions in the Accounts.

During 2011-12, ₹ 3187.38 crore under 76 Major Heads of Account (representing functions of the Government) was classified under the Minor Head “800-Other Expenditure” in the accounts and this amount constituted 5.69 *per cent* of the total expenditure recorded under the corresponding Major Heads. The major Schemes such as, Backward Region Grant Fund (Central Share), Grants to WBSEDCL for “Sabar Ghare Alo” under BRGF, Bidhayak Elaka Unnayan Prakalpa, New Incentive Scheme for encouraging the setting up of New Industrial Units, Incentive to Industrial Units in lieu of Power Tariff Concession, Grants to CMC/HMC for adjustment of Energy Bills of CESC, etc, are not depicted distinctly in the Finance Accounts, though the details of these expenditure are depicted at the sub-head (scheme) level or below in the Detailed Demands for Grants and corresponding head-wise Appropriation Accounts forming part of the State Government Accounts.

Similarly, ₹ 9980.65 crore under 52 Major Heads of Account, constituting more than 25 *per cent* of total recorded receipts under the corresponding Major Heads, was classified under “800-Other Receipts” in the accounts.

High incidence of transactions under minor head 800 is fraught with the risk of affecting the transparency of the accounts.

3.6.5 Analysis of balances of Suspense and Remittance

Clearance of Suspense and Remittance balance depends on the details furnished by the Government Departments/Works and Forest Divisions/ Central Ministries / PAOs /RBI, etc.

In West Bengal, net Debit balances under 8658-Suspense Accounts⁷ increased from ₹ 615.33 crore in 2010-11 to ₹ 1406.90 crore in 2011-12. Credit balances under Suspense head 8658⁸ decreased from ₹ 153.91 crore in 2010-11 to ₹ 138.74 crore in 2011-12. However, under 8782-Cash Remittances and Adjustments, etc.⁹ there was an increase in credit balance from ₹ 212.64 crore during the previous year to ₹ 539.16 crore in the current year.

Further, significant balances under Suspense and Remittance heads as of March 2012, which may impact the cash balances are shown in the table below:

Table 3.7: Suspense and Remittance Balances that impact the cash balance

A Suspense Balance				(Rupees in crore)
Sl. No.	Head of Account Ministry/Department with which pending	Balance as on 31 March 2012		Impact of outstanding on cash balance
		Dr.	Cr.	
	8658-Suspense Account-			
1	101 PAO Suspense (a) Ministry of Transport and Highways	75.80	(-) 0.32	Cash balance to increase on settlement
2	102-Suspense Account (Civil) Account with Defence CDAP Allahabad	185.83	177.39	
3	109-Reserve Bank Suspense- Headquarters	(-) 1.94	(-) 0.45	
4	102-Suspense Account (Civil) Account with Railway ER	2.83	2.79	
5	102-Suspense Account (Civil) Account with Railway SER	13.97	15.20	Cash balance will decrease on settlement
6	112-Tax Deducted at Source Suspense	-	62.67	
7	129-Material purchase settlement Suspense Account	-	76.07	

⁷ 101 – PAO Suspense, 102- Suspense Account (Civil), 107-Cash Settlement Suspense Account and 110-RB Suspense CAO

⁸ 112 TDS suspense and 129 MPSSA

⁹ 102-PW Remittances and 103-Forest Remittances

B Remittance Balances

(Rupees in crore)

Sl. No.	Head of Account Ministry/Department with which pending	Balance as on 31 March 2012		Impact of outstanding on cash balance
		Dr.	Cr.	
	8782- Cash Remittances and adjustments between officers rendering account to the same Accounts Officer			
1	102-PW Remittances I-Remittances into Treasuries	8441.77	8339.67	Cash balance to increase on clearance
2	103-Forest Remittances I-Remittances into Treasuries	1749.18	1423.14	
3	102-PW Remittances II- PW Cheques	31732.77	32833.18	Cash balance to decrease on clearance
4	103-Forest Remittances II-Forest Cheques	3427.84	3785.16	
5	8793-Inter State Suspense Account	(-) 3.76	(-) 12.92	Cash balance to increase on clearance

Source : Finance Accounts

Sustained efforts are needed to clear the balances so as to depict true and fair picture of the State accounts.

3.7 Conclusion and Recommendations

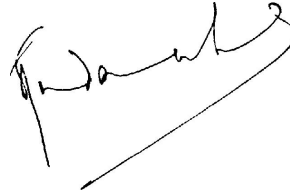
Pendency in submission of annual accounts of autonomous bodies/authorities coupled with delay in placement of Separate Audit Reports in the State Legislative Assembly diluted the financial control. There were considerable delays in finalising *pro forma* accounts of departmentally managed commercial undertakings indicating laxity in the accountability mechanism of both the management and Government in respect of public funds invested in those undertakings.

Accumulation of unadjusted AC bills and the trend of parking of developmental funds in PL Accounts were also major areas of concern, as substantial amounts were drawn from treasury or transferred out of the Consolidated Fund of the State without proper treasury checks and Legislative control. Some departments were negligent in reconciling the expenditure / receipt figures with those of the Principal Accountant General.

The following suggestions are made

- ***Controlling Officers should ensure submission of outstanding accounts of autonomous bodies within the stipulated period.***

- *Controlling Officers should ensure timely submission of adjustment bills against the advances drawn by DDOs on Abstract Contingent (AC) bills.*
- *Immediate steps need to be taken for review of the status of Personal Ledger Accounts and closure of the inoperative ones.*



(SUDARSHANA TALAPATRA)
Principal Accountant General
(General and Social Sector Audit)
West Bengal

Kolkata
The

Countersigned



(VINOD RAI)
Comptroller and Auditor General of India

New Delhi
The

APPENDICES

APPENDIX 1.1
(Refer State Profile, Page 1)

A brief profile of West Bengal

A General Data

S.No.	Particulars		Figures
1	Area		88,752 Sq. km.
2	Population		
	a.	As per 2001 Census	8.02 crore
	b.	As per 2011 Census	9.13 crore
3	a.	Density of Population (as per 2001 Census) (All India Density = 325 persons per Sq. Km.)	903 person per Sq. km.
	b.	Density of Population (as per 2011 Census) (All India Density = 382 persons per Sq. Km.)	1,029 person per Sq. km.
4	*Population Below Poverty Line (BPL) (All India Average = 27.5 per cent)		24.7 per cent
5	a.	Literacy (as per 2001 Census) (All India Average = 64.8 per cent)	68.64 per cent
	b.	Literacy (as per 2011 Census) (All India Average = 74.0 per cent)	77.08 per cent
6	Infant mortality** (per 1000 live births) (All India Average = 47 per 1000 live births)		31
7	Life Expectancy at birth*** (All India Average = 63.5 years)		64.4 years
8	Gini Coefficient****		
	a.	Rural (All India = 0.30)	0.27
	b.	Urban (All India = 0.37)	0.38
9	Gross State Domestic Product (GSDP) 2011-12 at current price		₹ 5,49,876 crore
10	Per capita GSDP CAGR (2002-03 to 2011-12)	West Bengal	13.98 per cent
		General Category States	13.09 per cent
11	GSDP CAGR (2002-03 to 2011-12)	West Bengal	15.39 per cent
		General Category States*****	14.46 per cent
12	Population Growth (2002-03 to 2011-12)	West Bengal	11.67 per cent
		General Category States	13.90 per cent

B Financial Data

		Particulars		
CAGR		2002-03 to 2010-11		2002-03 to 2011-12
		General Category States	West Bengal	West Bengal
		(In per cent)		
a.	of Revenue Receipts	16.86	15.89	16.80
b.	of Own Tax Revenue	16.74	14.71	15.08
c.	of Non Tax Revenue	12.84	17.52	8.30
d.	of Total Expenditure	14.58	12.98	13.08
e.	of Capital Expenditure	21.25	13.93	15.03
f.	of Revenue Expenditure on Education	15.41	15.89	15.34
g.	of Revenue Expenditure on Health	14.00	12.10	11.71
h.	of Salary and Wages	13.43	13.19	12.64
i.	of Pension	16.89	16.33	17.23

* Source of General data: BPL (Planning Commission and NSSO data, 61 Round), **Economic Review 2011-12, ***Health on the March 2011, ****Gini-coefficient (Unofficial estimates of Planning Commission and NSSO data, 61 Round 2004-05 MRP), ***** Excluding three General Category States i.e. Delhi, Goa and Puducherry. Financial data is based on Finance Accounts of the State Government.

Gini-coefficient is a measure of inequality of income among the population. Value rate is from zero to one, closer to zero inequality is less; closure to one inequality is higher.

APPENDIX 1.2
(Refer Paragraph 1.1, Page 1)

Structure and Form of Government Accounts

Part A: Structure of Government Accounts	
The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.	
Part I: Consolidated Fund : All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.	
Part II: Contingency Fund : Contingency Fund of the State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.	
Part III: Public Account: Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature.	
PART B: Layout of Finance Accounts	
Statement No.	Volume 1
1	Presents statement of Financial Position.
2	Contains Statement of Receipts and Disbursements
3	Contains Statement of Receipts in Consolidated Fund
4	Contains statement of Expenditure in Consolidated Fund
	A Expenditure by Function
	B Expenditure by Nature
Volume 2	
PART-I	
5	Contains Statement of Progressive Capital Expenditure
6	Gives Statement of Borrowings and other Liabilities
	i) Statement of Public Debt and Other Liabilities
	ii) Service of Debt
7	Gives Statement of Loans and Advances given by the Government.
	i) Sectors/Loanee Group-wise Loans and Advances
	ii) Repayment of Loans by Statutory Bodies, etc.
	iii) Recoveries in Arrears on account of Loans paid to Statutory Bodies, etc.
8	Depicts Statement of Grants-in-aid given by the Government
9	Shows Statement of Guarantees given by the Government.
10	Indicates Statement of Voted and Charged Expenditure
PART-II	
11	Indicates detailed Statement of Revenue and Capital Receipts by Minor Heads
12	Provides detailed Statement of Revenue Expenditure by Minor Heads
13	Depicts detailed Statement of Capital Expenditure

14	Shows Detailed Statement of Investments of the Government
	Section-1 : Comparative summary of Government Investments, etc.
	Section-2 : Details of Investments upto 2011-12
	Section-3 : Major and Minor Head-wise details of Investments during the year
15	Depicts Detailed Statement on Borrowings and other Liabilities
	(a) Statement of Public Debt and Other Interest Bearing Obligations
	(b) Maturity Profile
	(i) Maturity Profile of Internal Debt payable in Domestic Currency
	(ii) Maturity Profile of Loans and Advances from the Central Government
	(c) Interest Profile of Outstanding Loans
	(i) Internal Debt of the State Government
	(ii) Loans and Advances from the Central Government
16	Gives detailed Statement of Loans and Advances given by the Government
	Section-1:Major and Minor Head with summary of Loans and Advances
	Section-2:Details of Loans advanced during the year for Plan purposes, etc.
17	Presents detailed Statement on Sources and Application of funds for expenditure other than on revenue account
18	Provides detailed Statement on Contingency Fund and other Public Account transactions
19	Gives detailed Statement on Investments of earmarked funds

APPENDIX - 1.3

(Refer Paragraph 1.1, Page 1)

Methodology adopted for the Assessment of Fiscal Position

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

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

Trends in Gross State Domestic Product (GSDP)

	2007-08	2008-09	2009-10	2010-11	2011-12
Gross State Domestic Product (Rupees in crore)	299483	341942	405547 (P)	473890(Q)	549876(A)
Growth rate of GSDP	14.45	14.18	18.60	16.85	16.03
Source: Bureau of Applied Economics and Statistics, Development and Planning Department, Government of West Bengal					
P: Provisional, Q: Quick ; A: Advance					

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

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

APPENDIX 1.4

(Refer paragraph 1.2 , Page 1)

Part A : Abstract of Receipts and Disbursements for the year 2011-2012

		Receipt				Disbursements					
2010-2011				2011-2012		2010-2011					2011-2012
(R u p e e s i n c o r e)											
								Non-Plan	Plan	Total	
Section A : Revenue											
47264.20	I	Revenue Receipts		58755.04		64538.16	I	Revenue Expenditure	59197.11	14129.26	73326.37
						28680.41		General Services	32195.36	93.61	32288.97
21128.73		- Tax revenue	24938.16			27343.10		Social Services	21438.47	10125.30	31563.77
						14320.47		- Education, Sports, Arts and Culture	12541.93	3354.49	15896.42
2380.49		- Non-tax revenue	1340.25					- Health and Family Welfare	2888.53	710.75	3599.28
						3315.15					
15954.96		- State's share of Union taxes and duties	18587.81			3641.98		- Water Supply, Sanitation, Housing and Urban Development	1660.22	2297.90	3958.12
2535.68		- Non-Plan grants	3536.79					- Information and Broadcasting	62.03	2.20	64.23
						78.29					
						556.79		- Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	186.78	587.40	774.18
3126.78		- Grants for State Plan Scheme	6529.44								
2137.56		- Grants for Central and Centrally sponsored Plan Schemes	3822.59					- Labour and Labour Welfare	124.78	50.99	175.77
						156.29					
						5157.11		- Social Welfare and Nutrition	3874.21	3077.56	6951.77
						117.01		- Others	99.99	44.01	144.00
						8090.49		Economic Services	5079.40	3889.72	8969.12
						1951.96		- Agriculture and Allied Activities	1289.62	647.38	1937.00
						2437.83		- Rural Development	1354.82	1576.73	2931.55
								- Special Areas Programmes	347.90	622.99	970.89
						782.00					
						828.73		- Irrigation and Flood Control	764.93	88.71	853.64
						283.08		- Energy	1.27	379.58	380.85
						535.17		- Industry and Minerals	162.59	431.17	593.76
						1003.99		- Transport	926.85	93.89	1020.74
								- Science, Technology and Environment	0.59	16.30	16.89
						28.73					
						239.01		- General Economic Services	230.83	32.97	263.80
						424.16		Grants-in-aid and Contributions	483.88	20.63	504.51
17273.96	II	-Revenue deficit carried over to Section B		14571.33							
64538.16				73326.37		64538.16		Total	59197.11	14129.26	73326.37

Differences of 0.01 due to rounding

		Receipt				Disbursements					
2010-2011				2011-2012	2010-2011						2011-2012
(R u p e e s i n c r o r e)											
								Non-Plan	Plan	Total	
Section B Capital											
4785.50	III	Opening Cash Balance including Permanent Advances and Cash Balance Investment		5675.89	-	III	Opening Overdraft from RBI				-
Nil	IV	Miscellaneous Capital receipts		Nil	2225.75	IV	Capital Outlay	(-) 0.38	2764.13	2763.75	2763.75
					106.86	General Services	(-) 0.03	122.29	122.26		
					476.28	Social Services	(-) 0.01	792.58	792.57		
					75.33	- Education, Sports, Arts And Culture	-	90.15	90.15		
					187.17	- Health and Family Welfare	-	393.68	393.68		
					165.48	- Water Supply, Sanitation, Housing and Urban Development	(-) 0.01	221.88	221.87		
					0.21	- Information and Broadcasting	-	0.90	0.90		
					21.67	- Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-	21.44	21.44		
					4.90	- Social Welfare and Nutrition	-	38.09	38.09		
					-	- Social Security and Welfare	-	-	-		
					21.52	- Other Social Services	-	26.44	26.44		
					1642.61	Economic Services	(-) 0.34	1849.26	1848.92		
					147.91	- Agriculture and Allied Activities	(-) 0.35	157.69	157.34		
					1.82	- Rural Development	-	0.75	0.75		
					200.23	- Special Areas Programmes	-	299.15	299.15		
					545.58	- Irrigation and Flood Control	-	419.88	419.88		
					45.00	- Energy	-	124.00	124.00		
					64.62	- Industry and Minerals	-	62.77	62.77		
					630.03	- Transport	-	767.20	767.20		
					-	-Science Technology and Environment	-	5.00	5.00		
7.43	- General Economic Services	0.01	12.82	12.83							
372.48	V	Recoveries of Loans and Advances		78.17	407.73	V	Loans and Advances disbursed	125.43	322.54	447.97	447.97
34.21		- From Power Projects	49.10	-	71.32		- For Power Projects	-	119.07	119.07	
20.85		- From Government Servants	17.19	-	2.18		- To Government Servants	3.73	-	3.73	
317.42		- From others	11.88	-	334.23		- To Others	121.70	203.47	325.17	

2010-2011		Receipt		2011-2012	2010-2011	Disbursements				2011-2012
(R u p e e s i n c r o r e)										
							Non-Plan	Plan	Total	
					17273.96	VI Revenue deficit brought down				14571.33
24800.66	VII	Public debt receipts		26555.07	6846.29	VII Repayment of Public Debt				9299.19
23898.69		- Internal debt other than Ways and Means Advances and Overdraft	26112.23		6301.57	- Internal debt other than Ways and Means Advances and Overdraft			8159.80	
606.09		- Ways and Means Advances	-		-	- Ways and Means Advances			606.09	
295.88		- Loans and Advances from Central Government	442.84		544.72	- Repayment of Loans and Advances to Central Government			533.30	
2.70	VIII	Amount transferred to Contingency Fund		0.03	0.03	VIII Expenditure from Contingency Fund				0.53
76696.07	IX	Public Account receipts		94384.24	74227.76	IX Public Account disbursements				91187.25
2384.99		- Small Savings and Provident Funds	2715.01		1255.66	- Small Savings and Provident Funds			1683.21	
2119.63		- Reserve Funds	2250.70		927.55	- Reserve Funds			954.82	
43477.59		- Suspense and Miscellaneous	48240.99		43935.75	- Suspense and Miscellaneous			49064.05	
5270.24		- Remittances	5536.78		5534.77	- Remittances			5212.09	
23443.62		- Deposits and Advances	35640.76		22574.03	- Deposits and Advances			34273.08	
					Nil	- Miscellaneous Government Account			Nil	
Nil	X	Closing Overdraft from Reserve Bank of India		Nil	5675.89	X Cash balance at end				8423.38
					0.47	- Cash in Treasuries and Local Remittances			0.39	
					168.77	- Deposits with Reserve Bank			(-)791.88	
					26.38	- Departmental Cash Balance including Permanent Advances			29.49	
					5480.96	- Investment in earmarked funds			6117.64	
					(-) 0.69	- Cash Balance Investment			3067.74	
106657.41		Total		126693.40		Total				126693.40

*Minus balance under reconciliation with RBI

APPENDIX 1.4 (Continued)

(Reference: Paragraph 1.8.1; Page 36)

Part B: Summarised financial position of the Government of West Bengal as on 31 March 2012

As on 31.03.2011	Liabilities	As on 31.03.2012
155124.15	Internal Debt	172470.48
67171.18	Market Loans bearing interest	87971.13
4.02	Market Loans not bearing interest	4.39
12.92	Loans from Life Insurance Corporation of India	9.39
8576.40	Loans from other Institutions	6720.85
606.09	Ways and means Advances	-
-	Overdrafts from Reserve Bank of India	-
78753.54	Special securities issued to NSS fund of GOI	77764.72
12317.96	Loans and Advances from Central Government	12227.49
2.17	Pre 1984-85 Loans	4.83
1624.03	Non-Plan Loans	2231.56
10637.13	Loans for State Plan Schemes	9991.05
3.50	Loans for Central Plan Schemes	(-) 0.03
51.13	Loans for Centrally Sponsored Plan Schemes	0.08
19.97	Contingency Fund	19.47
7924.33	Small Savings, Provident Funds, Etc.	8956.13
12047.74	Deposits	13415.51
3174.45	Suspense and Miscellaneous Balances	2351.40
5454.17	Reserve Funds	6750.06
148.06	Remittance Balances	472.75
	Assets	
31176.41	Gross Capital Outlay on Fixed Assets	33940.15
10850.42	Investments in shares of Companies, Corporations, etc.	11156.43
20325.99	Other Capital Outlay	22783.72
13982.07	Loans and Advances	14351.88
8526.98	Loans for Power Projects	8596.95
5397.49	Other Development Loans	5710.79
57.60	Loans to Government servants and Miscellaneous loans	44.14
5480.96	Reserve Fund Investments	6117.64
29.95	Advances	30.04
	Suspense and Miscellaneous Balances	
194.93	Cash	2305.74
0.47	Cash in Treasuries and Loan Remittances	0.39
168.77	Deposits with Reserve Bank	(-) 791.88
26.38	Departmental Cash Balance including Permanent Advances	29.49
(-) 0.69	Cash Balance Investments	3067.74
145346.51	Deficit on Government Account	159917.84
17273.96	(i) add Revenue Deficit of the current year	14571.33
-	(ii) Miscellaneous Deficit	-
128072.55	Accumulated deficit at the beginning of the year	145346.51

* Difference of 0.01 due to rounding

Explanatory Notes for Appendices 1.3 and 1.4

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

APPENDIX - 1.5

(Refer Paragraph 1.2.2, Page 4)

Extracts from the West Bengal Fiscal Responsibility and Budget Management Act, 2010.

Fiscal policy statement to be laid before West Bengal Legislative Assembly

(1) The State Government shall lay in every financial year before the West Bengal Legislative Assembly along with the budget, a medium-term fiscal policy statement and a fiscal policy strategy statement.

(2) The medium-term fiscal policy statement shall set forth in such form as may be prescribed, the fiscal management objectives of the State Government and three years' rolling targets for fiscal indicators with specification of underlying assumptions.

(3) In particular and without prejudice to the provisions contained in sub-section (2), the medium-term fiscal policy statement shall include assessment of sustainability relating to –

(a) the balance between revenue receipts and revenue expenditure;

(b) use of capital receipts including open market borrowing for generating productive assets.

(4) The Fiscal Policy Strategy statement shall be in such form as may be prescribed and shall, *inter alia*, contain –

(a) policies of State Government for the ensuing financial year relating to taxation, expenditure;

(b) borrowings and other liabilities, lending and investment and such other activities like underwriting and guarantees and activities of Public Sector Undertakings which have potential budgetary implications;

(c) the strategic priorities of the State Government for the ensuing financial year in the fiscal area;

(d) evaluation as to how current policies of the State Government are in conformity with the fiscal management principles as set out in section 4 and the objectives set out in medium-term fiscal policy statement.

Fiscal management principles

(1) The State Government shall take appropriate measures to reduce the revenue deficit and build up an adequate revenue surplus by following such principles as may be prescribed.

(2) In particular and without prejudice to the generality of the foregoing provision, the State Government shall progressively reduce –

(a) revenue deficit to nil within a period of five years, -

- (i) with reducing revenue deficit up to 1.6 *per cent* of the Gross State Domestic Product (GSDP) during the financial year commencing from the 1st day of April, 2011, and
 - (ii) with reducing revenue deficit to zero during the financial year ending on the 31st day of March, 2015, and
 - (iii) build up surplus amount of revenue and utilise such amount for discharging liabilities in excess of assets;
- (b) fiscal deficit to 3 *per cent* of the estimated Gross State Domestic Product (GSDP) within a period of four years, -
- (i) with reducing fiscal deficit upto 3.5 *per cent* of the Gross State Domestic Product (GSDP) during the financial year commencing from the 1st day of April 2011, and
 - (ii) with reducing fiscal deficit to 3 *per cent* of the Gross State Domestic Product (GSDP) during the financial year ending on the 31st Day of March 2011;

Provided that the revenue deficit and the fiscal deficit may exceed such limit due to the ground of such natural calamity, or such other exceptional circumstances, as the State Government may, by order published in the *Official Gazette*, specify.

Provided further that every order made under the first proviso, shall be laid, as soon as may be after it is made, before the West Bengal Legislative Assembly.

Measure for fiscal transparency

- (1) The State Government shall take suitable measures to ensure greater transparency in its fiscal operations and minimize as far as practicable in public interest official secrecy in the preparation of budget:

Provided that the State Government shall have the power to reserve any such information which would adversely affect the interest of the State Exchequer.

- (2) In particular and without prejudice to the generality of the foregoing provision, the State Government shall, at the time of presentation of budget, disclose in such manner as may be prescribed, -

- (a) the significant changes in the accounting standards, policies and practices affecting or likely to affect the compliance of the prescribed fiscal indicators;
- (b) as far as practicable, all outstanding contractual liabilities, revenue demand raised, but not realised, committed liability in respect of major works and supply contracts, losses incurred in providing public goods and services, off budget borrowings and contingent liabilities created by way of guarantees having potential budgetary implications.

Extracts from the WBFRBM (Amendment) Act, 2011

State Government shall progressively reduce –

(a) debt stock to 34.3 *per cent* of the Gross State Domestic Product (GSDP) within a period of five years commencing from the year 2010-11 and ending on the 2014-15, in the manner as mentioned below :-

Year	Maximum debt stock as <i>per centum</i> of Gross State Domestic Product (GSDP)
2010-11	40.6
2011-12	39.1
2012-13	37.7
2013-14	35.9
2014-15	34.3

(b) revenue deficit to nil within a period of five years commencing from the year 2010-11 and ending on the 2014-15, in the manner as mentioned below:

Year	Maximum revenue deficit as <i>per centum</i> of Gross State Domestic Product (GSDP)
2010-11	3.6
2011-12	1.6
2012-13	1.1
2013-14	0.5
2014-15	0.0

(c) fiscal deficit to 3 *per cent* of the Gross State Domestic Product (GSDP) within a period of four years commencing from the year 2010-11, in the manner as mentioned below :

Year	Maximum fiscal deficit as <i>per centum</i> of Gross State Domestic Product (GSDP)
2010-11	3.5
2011-12	3.5
2012-13	3.5
2013-14	3.0
2014-15	3.0

Provided that the debt stock, the revenue deficit and the fiscal deficit may exceed such limit due to the ground of such natural calamity, or such other exceptional circumstances, as the State Government may, by order published in the Official Gazette, specify :

Provided further that every order made under the first proviso, shall be laid , as soon as may be after it is made, before the West Bengal Legislative Assembly.

APPENDIX 1.6

(Refer Paragraph 1.4, Page 10)

Time series data on the State Government finances

(Rupees in crore)

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
	(R u p e e s	i n	C r o r e)		
Part A. Receipts					
1. Revenue Receipts	30167	36904	36922	47264	58755
(i) Tax Revenue	13126(44)	14419(39)	16900(46)	21129(45)	24938(42)
Taxes on Agricultural Income	(-) 3	4	9	16	11
Taxes on Sales, Trade, etc.	8060(61)	8955(62)	10510(62)	13276(63)	15888(64)
State Excise	935(7)	1083(7)	1444(9)	1783(8)	2117(8)
Taxes on Vehicles	532(4)	608(4)	774(5)	936(4)	1007(4)
Stamps and Registration fees	1417(11)	1509(11)	1814(11)	2265(11)	2732(11)
Land Revenue	1040(8)	984(7)	929(5)	1254(6)	1872(8)
Other taxes	1145(9)	1276(9)	1420(8)	1599(8)	1311(5)
(ii) Non Tax Revenue	1473(5)	4966(13)	2438(7)	2380(5)	1340(2)
(iii) State's share of Union taxes and duties	10729(35)	11322(31)	11648(31)	15955(34)	18588(32)
(iv) Grants in aid from GOI	4839(16)	6197(17)	5935(16)	7800(16)	13889(24)
2. Misc. Capital Receipts	Nil	Nil	Nil	Nil	Nil
3. Total revenue and Non debt capital receipts (1+2)	30167	36904	36922	47264	58755
4. Recoveries of Loans and Advances	497	5616	387	372	78
5. Public Debt Receipts	15333	15991	28508	24800	26555
Internal Debt (excluding Ways and Means Advances and Overdrafts)	14639	15591	28208	23898	26112
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	606	-
Loans and Advances from Government of India ¹	694	400	300	296	443
6. Total receipts in the Consolidated Fund (3+4+5)	45997	58511	65817	72436	85388
7. Contingency Fund Receipts	7	6	1	3	-²
8. Public Account receipts	50942	58144	69055	76696	94384
9. Total receipts of the State (6+7+8)	96946	116661	134873	149135	179772
Part B. Expenditure /Disbursement					
10. Revenue Expenditure	38314 (91)	51613 (92)	58500 (94)	64538(96)	73326(96)
Plan	6751(18)	8045(16)	9970(17)	12047(19)	14129(19)
Non-Plan	31563(82)	43568(84)	48530(83)	52491(81)	59197(81)
General Services (including Interests Payments)	18867(49)	20103(40)	26357(45)	28680(44)	32289(44)
Social Services	13463(35)	16385(32)	23996(41)	27343(42)	31564(43)
Economic Services	5554(15)	14025(27)	7742(13)	8091(13)	8969(12)
Grants-in-aid and Contribution	431(1)	428(1)	405(1)	424(1)	504(1)
11. Capital Expenditure	2688 (6)	3705 (7)	3011 (5)	2226(3)	2764(4)
Plan	2669(99)	3729(101)	2883(96)	2232(100)	2764(100)
Non-Plan	19(1)	(-)24(-1)	128(4)	(-)6	-
General Services	67(2)	144(4)	157(5)	107(5)	122(4)
Social Services	766(29)	1214(32)	890(30)	476(21)	793(29)
Economic Services	1855(69)	2368(64)	1964(65)	1643(74)	1849(67)
12. Disbursement of Loans and Advances	1062	760	752	408	448
13. Total (10+11+12)	42064	56078	62263	67172	76538
14. Repayments of Public Debt	4580	4855	7672	6846	9299
Internal Debt (excluding Ways and Means Advances and Overdrafts)	3263	3870	6364	6302	8160
Net transactions under Ways and Means Advances and Overdrafts	-	-	-	-	606
Loans and Advances from Government of India	1317	985	1308	544	533
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	46644	60933	69935	74018	85837
17. Contingency Fund disbursements	7	-	3	-	1
18. Public Account disbursements	49077	54915	65057	74228	91187
19. Total disbursement by the state (16+17+18)	95728	115848	134995	148246	177025
Part C Deficits					
20. Revenue Deficit (1-10)	- 8147	-14709	- 21578	-17274	- 14571³
21 Fiscal Deficit (3+4-13)	-11400	-13558	- 24954	-19535	- 17705
22. Primary Deficit (21-23)/Surplus	- 16	-1489	- 11649	-5718	- 1809
Part D Other data					
23. Interest Payments (included in revenue exp.)	11384	12069	13305	13817	15896
24. Arrears of Revenue	NA	153 ²	107 ²	103 ²	NA
25. Financial Assistance to local bodies etc.	12354	13982	19591	23656	26768
26. Ways and Means Advances/Overdraft availed (days)	65	166	95	194	186
27. Interest on WMA/Overdraft	33	13	13	28	37
28. Gross State Domestic Product (GSDP)	299483	341942	405547(P)	473890 (Q)	549876 (A)
29. Outstanding Fiscal Liabilities (year end) ⁴	132473	145075	167682	187387	207702
30. Outstanding guarantees (year end)	13684	11973	10355	11943	10192
31. Maximum amount guaranteed(year end)	23118	19974	20298	19860	20106
32. Number of incomplete projects	NA	NA	NA	NA	NA

¹ Includes Ways and Means Advances from GOI

Note : Figures in brackets represent percentage (rounded)

² 0.03 Crore³ In terms of the recommendations of the 13th Finance Commission, debt relief sanctioned by GoI, Ministry of Finance, Department of Expenditure in the form of write-off of Central Loans for an amount of ₹104.02 crore would not be considered for measuring fiscal performance of States in terms of Revenue/Fiscal Deficit. The Actual Revenue Deficit, therefore works out to ₹14,675.35 crore instead of ₹14571.33 crore as shown above due to the impact of debt waiver. Correspondingly, the fiscal and primary deficit should also increase to the same extent.⁴ Change in figures of previous years is due to non-inclusion of Reserve Fund investment figures

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
	(R u p e e s i n C r o r e)				
33. Capital blocked in incomplete projects ⁵	1814	1881	1646	3493	4601
Part E Fiscal health Indicators					
I. Resource Mobilisation					
34. Own Tax Revenue/GSDP	0.044	0.042	0.042	0.045	0.045
35. Own Non-Tax Revenue/GSDP	0.005	0.015	0.006	0.005	0.002
36. Central Transfers/GSDP	0.036	0.033	0.029	0.034	0.034
II. Expenditure Management					
37. Total Expenditure/GSDP (in per cent)	14.05	16.40	15.35	14.17	13.92
38. Total Revenue Expenditure/Receipts (in per cent)	127.01	139.86	158.44	136.55	124.80
39. Revenue expenditure/Total Expenditure (in per cent)	91.09	92.04	93.96	96.08	95.80
40. Expenditure on Social Service/Total Expenditure (in per cent)	33.83	31.38	39.97	41.41	42.28
41. Expenditure on Economic Services / Total Expenditure (in per cent)	17.61	29.23	15.59	14.49	14.13
42. Capital Expenditure/Total Expenditure (in per cent)	6.39	6.61	4.84	3.31	3.61
43. Capital Expenditure on Social and Economic Services/Total Expenditure (in per cent)	6.23	6.39	4.58	3.15	3.45
III Management of Fiscal Imbalances					
44. Revenue Deficit (Surplus)/GSDP (in per cent)	(-) 2.72	(-) 4.30	(-) 5.32	(-)3.65	(-) 2.65
45. Fiscal Deficit/GSDP (in per cent)	(-) 3.81	(-) 3.96	(-) 6.15	(-)4.12	(-) 3.22
46. Primary Deficit (Surplus)/GSDP (in per cent)	0.01	(-) 0.44	(-) 2.87	(-)1.21	(-) 0.33
47. Revenue Deficit/Fiscal Deficit	71.46	108.49	86.47	88.43	82.30
48. Primary Revenue Balance/GSDP	0.011	(-) 0.008	(-) 0.020	(-) 0.007	0.002
IV Management of Fiscal Liabilities					
49. Fiscal Liabilities/GSDP (in per cent)	44.23	42.43	41.35	39.54	37.77
50. Fiscal Liabilities/RR (in per cent)	439.12	393.11	454.15	396.47	353.51
51. Primary Deficit vis-à-vis quantum spread (Rupees in crore)	6917/(-) 16	7605/(-) 1489	15779/(-)11649	16102/(-) 5718	15764/(-)1809
52. Debt Redemption (Principal +interest)/Total Debt Receipts	1.00	0.99	0.85	0.92	0.95
V Other Fiscal health Indicators					
53. Return on Investment (in per cent)	0.08	0.06	-	0.01	0.01
54. Balance from Current Revenue (Rupees in crore)	(-) 5053	(-) 10770	(-) 15416	(-)9791	(-) 10794
55. Financial assets/Liabilities	0.33	0.28	0.27	0.26	0.26

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

@ GSDP figures communicated by the Government adopted.

⁵ Represents progressive amount blocked in incomplete projects (which cost more than ₹ one crore and above) at the end of the year.

[#] Incomplete figure, as all the Departments did not submit information.

P: Provisional, Q: Quick ; A: Advance

APPENDIX 1.7

(Refer Paragraph 1.4.3.1, Page 16)

Analysis of reasons for non-release and short release of 13th FC grant by GoI during 2011-12

(Rupees in crore)

Name of the Department	Name of Sector / Component	Allocation for the period 2011-12	Release by GOI	Reasons for non release/ short release by GOI
P&RD	Special Area Performance Grants	0.80	-	Panchayat & Rural Development department intimated that Special Area Basic grant was meant for Darjeeling District and due to transformation of administrative set up, the fund could not be obtained.
Home (C&E)	Incentive for issuing UIDs	41.68	-	Home (C&E) intimated to Unique Identification Authority of India (UIDAI) that State Government does not have data relating to BPL category enrolled for UID card and as such incentive of ₹100 per person could not be utilised.
Development & Planning	Improvement of Statistical System	3.80	-	No UC/ SOE was received for ₹3.80 crore pertaining to award year 2010-11 released in Nov 2011.
Home (Police)	Training school for Kolkata Police	18.00	-	Non submission of UC by concerned department. Further State was to submit Action plan and UC.
P&RD	General Performance grants for PRIs	152.97	24.01	Non fulfilment of conditions attached for General Performance grant for PRIs.
Municipal Affairs	General Performance grants for ULBs	59.63	11.60	Non-fulfilment of conditions attached for General Performance grant for ULBs.
Judicial	8 components envisaged by 13 th FC under Improvement of delivery of Justice	42.18	21.09	Judicial department was yet to forward Perspective plan, UC, SOE, Action plan for (i) Morning /Evening Courts, (ii) Training of Judicial Officer and (iii) Appointment of Court Managers. Finance department had already requested the concerned department to comply with the preconditions attached for further release of grants by GoI. Judicial department stated that its subordinate units had not submitted action plan so that even available fund can be utilised.
Home (Police)	Training School for W.B Police	22.75	22.72	UC pending from the concerned department.
WCD&SW	Construction of Anganwadi Centres	75.00	74.96	UC and Action Plan pending from the concerned department.
I&CA	Maintenance of historical Monuments	25.00	14.50	UC and Action Plan pending from the concerned department.
Total		441.81	168.88	

Source: Audit findings

APPENDIX 1.8*(Refer Paragraph 1.7.3, Page 32)***Statement showing Government investment in Companies / Corporations with negative net-worth
(Rupees in crore)**

Sl. No.	Name of Companies/Corporations	Period of accounts	Paid up Capital	Accumulated profit (+) / Loss (-)	Negative Net Worth	Year(s) of investment	Amount invested (in crore)
1	North Bengal State Transport Corporation	2008-09	10.70	- 480.39	- 469.69	Upto 2010-11	3.63
2	The Kalyani Spinning Mills Limited	2009-10	12.63	- 443.38	- 430.75	Upto 2010-11	14.63
3	South Bengal State Transport Corporation	2009-10	11.01	- 352.90	- 341.89	Upto 2010-11	10.06
4	Greater Calcutta Gas Supply Corporation Limited	2010-11	41.15	- 274.77	- 233.62	Upto 2010-11	41.15
5	West Bengal Tea Development Corporation Limited	2010-11	37.98	- 175.02	- 137.04	Upto 2011-12	40.24
6	West Bengal Sugar Industries Development Corporation Limited	2010-11	15.24	-145.20	-129.96	Upto 2010-11	15.24
7	Basumati Corporation Limited	2010-11	0.10	-106.41	-106.31	Upto 2010-11	0.10
8	West Bengal Agro Industries Corporation Limited	2010-11	2.70	- 33.76	- 31.06	Upto 2010-11	8.41
9	Mayurakshi Cotton Mills (1990) Limited	2010-11	6.76	-34.48	-27.72	Upto 2011-12	8.58
10	Westinghouse Saxby Farmer Limited	2010-11	7.74	-28.92	-21.18	Upto 2010-11	386.87
11	West Bengal State Leather Industries Development Corporation Limited	2007-08	3.95	-20.96	-17.01	Upto 2010-11	5.65
12	The State Fisheries Development Corporation Limited	2010-11	2.70	-13.33	- 10.63	Upto 2010-11	2.70
13	West Bengal Handloom and Powerloom Development Corporation Limited	2009-10	46.76	-55.67	-8.91	Upto 2010-11	33.75
14	West Bengal Handicraft Development Corporation Limited	2008-09	15.30	- 20.43	- 5.13	Upto 2011-12	17.95
15	The West Bengal Small Industries Development Corporation Limited (WBSIDC Limited)	2010-11	27.72	- 28.21	- 0.49	Upto 2011-12	53.35
	Total				-1971.39		642.31

Source: Accounts of the Companies and Finance Accounts

APPENDIX 1.9

(Refer Paragraph 1.7.4, Page 32)

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

Sl. No.	Name of the Undertakings	Period of Accounts	Mean Government capital	Block assets at depreciated cost	Depreciation provided during the year	Turnover	Net profit/loss	Interest on capital	Total return (8+9)	Percentage return on capital
				(R u p e e s l a k h)						
1	Greater Calcutta Milk Supply Scheme	2010-11	67936.42	417.34	6.98	2707.13	(-)6335.99	595.42	(-)5740.57	
2	Burdwan Milk Supply Scheme	2010-11	2260.39	40.94	2.19	-	(-)182.21	8.06	(-)174.15	
3	Durgapur Milk Supply Scheme	2010-11	3992.74	18.97	0.46	80.39	(-)1009.88	506.99	(-)502.89	
4	Krishnanagar Milk Supply Scheme	2010-11	2245.46	41.38	2.22	-	(-)47.60	-	(-)47.60	
5	Directorate of Cinchona and Other Medicinal Plants	2009-10	26150.90	1147.42	133.38	1110.90	(-)3431.82	366.51	(-)3065.31	
6	Central Engineering Organisation Dasnagar, Howrah	2000-01	323.70	1.23	0.11	51.78	(-)68.96	73.78	(-)4.82	
7	Oriental Gas Company's Undertaking	1989-90	1540.12	159.86	0.70	32.08	(-)339.03	31.09	(-)307.94	
			104449.73	1827.14						

Source: Information collected by O/o the AG (E&RSA)

APPENDIX 2.1

(Refer Paragraph 2.3.1; Page 46)

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

Sr. No.	Grant No	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
		Revenue (Voted)			
1	1	Legislative Assembly Secretariat	53.60	18.97	35
2	3	Council of Ministers	8.86	3.10	35
3	6	Animal Resources Development	580.23	118.07	20
4	7	Backward Classes Welfare	925.92	146.73	16
5	8	Co-operation	226.75	99.07	44
6	9	Commerce and Industries	410.70	107.23	26
7	10	Consumer Affairs	49.03	13.27	27
8	11	Micro and Small Scale Enterprises and Textiles	388.49	70.27	18
9	12	Development and Planning	447.62	186.81	42
10	13	Education (Higher)	2309.36	303.48	13
11	14	Education (Mass)	246.56	123.53	50
12	15	Education (School)	14692.37	1067.46	7
13	16	Environment	30.62	17.17	56
14	17	Excise	99.19	21.93	22
15	19	Fire and Emergency Services	187.85	15.20	8
16	20	Fisheries	172.27	27.60	16
17	21	Food and Supplies	2537.08	272.47	11
18	22	Food Processing Industries and Horticulture	77.55	14.42	19
19	23	Forest	389.97	64.02	16
20	24	Health and Family Welfare	3745.08	302.12	8
21	26	Hill Affairs	367.37	47.13	13
22	27	Home	3952.35	460.83	12
23	28	Housing	102.42	23.98	23
24	29	Industrial Reconstruction	2.16	0.51	24
25	30	Information and Cultural Affairs	149.74	63.17	42
26	31	Information Technology	90.38	68.14	75
27	32	Irrigation and Waterways	579.60	81.76	14
28	33	Jails	177.45	24.90	14
29	34	Judicial	405.36	89.12	22
30	35	Labour	454.17	83.65	18
31	36	Land and Land Reforms	981.78	200.68	20
32	37	Law	6.35	2.41	38
33	38	Minority Affairs and Madrasah Education	904.27	129.59	14
34	39	Municipal Affairs	3414.45	1002.68	29
35	40	Panchayat and Rural Development	4832.84	1079.53	22
36	41	Parliamentary Affairs	6.18	1.41	23
37	42	Personnel and Administrative Reforms	39.34	13.10	33
38	43	Power and Non-conventional Energy Sources	509.09	123.00	24
39	44	Public Enterprises	2.67	1.20	45
40	45	Public Health Engineering	1041.92	415.41	40
41	46	Refugee, Relief and Rehabilitation	53.62	24.93	46
42	48	Science and Technology	15.58	7.70	49
43	49	Sports and Youth Services	133.50	37.45	28
44	50	Sunderban Affairs	173.58	75.21	43
45	51	Technical Education and Training	346.68	85.68	25
46	53	Transport	678.28	183.72	27

Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
47	54	Urban Development	1907.24	520.10	27
48	55	Water Resources Investigation and Development	542.30	156.40	29
49	56	Women and Child Development and Social Welfare	2245.64	60.39	3
50	58	Paschimanchal Unnayan Affairs	185.00	47.10	25
51	59	Self-Help Groups and Self Employment	215.48	80.14	37
52	62	North Bengal Development	171.30	40.09	23
Capital (Voted)					
1	1	Legislative Assembly Secretariat	6.60	5.35	81
2	2	Governor's Secretariat	0.50	0.50	100
3	5	Agriculture	115.26	105.18	91
4	6	Animal Resources Development	61.00	42.50	70
5	7	Backward Classes Welfare	45.09	23.65	52
6	8	Co-operation	69.66	49.90	72
7	9	Commerce and Industries	100.43	79.49	79
8	11	Micro and Small Scale Enterprises and Textiles	93.06	13.86	15
9	12	Development and Planning	140.05	31.48	22
10	13	Education (Higher)	28.60	18.66	65
11	14	Education (Mass)	15.25	11.39	75
12	15	Education (School)	60.11	42.68	71
13	17	Excise	10.00	6.89	69
14	18	Finance	94.41	87.90	93
15	19	Fire and Emergency Services	62.00	54.64	88
16	20	Fisheries	65.93	12.29	19
17	21	Food and Supplies	85.22	21.87	26
18	22	Food Processing Industries and Horticulture	40.76	22.73	56
19	23	Forest	30.00	14.17	47
20	24	Health and Family Welfare	469.63	75.32	16
21	25	Public Works	1136.94	237.94	21
22	27	Home	270.48	92.17	34
23	28	Housing	593.58	481.39	81
24	29	Industrial Reconstruction	7.40	7.40	100
25	31	Information Technology	11.10	3.04	27
26	32	Irrigation and Waterways	2279.25	1920.74	84
27	33	Jails	7.17	4.40	61
28	34	Judicial	51.86	28.42	55
29	35	Labour	0.60	0.32	53
30	36	Land and Land Reforms	37.17	32.77	88
31	38	Minority Affairs and Madrasah Education	98.00	63.86	65
32	39	Municipal Affairs	298.17	114.73	38
33	40	Panchayat and Rural Development	2.00	1.25	62
34	42	Personnel and Administrative Reforms	49.00	15.68	32
35	43	Power and Non-Conventional Energy Sources	309.64	65.57	21
36	44	Public Enterprises	44.85	9.68	22
37	45	Public Health Engineering	6.03	1.78	30
38	50	Sunderban Affairs	80.00	23.79	30
39	51	Technical Education and Training	195.40	127.26	65
40	52	Tourism	20.50	7.88	38
41	53	Transport	430.39	189.50	44
42	54	Urban Development	22.70	10.42	46
43	55	Water Resources Investigation and Development	470.28	408.74	87
44	56	Women and Child Development and Social Welfare	80.00	79.42	99
45	58	Paschimanchal Unnayan Affairs	15.00	12.46	83
46	59	Self Help Group and Self Employment	10.00	9.84	98
47	60	Civil Defence	12.80	6.20	48
48	62	North Bengal Development	30.00	29.92	100

Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
		Revenue (Charged)			
1	1	Legislative Assembly Secretariat	0.32	0.22	69
2	2	Governor's Secretariat	7.97	1.75	22
3	6	Animal Resources Development	0.10	0.10	100
4	7	Backward Classes Welfare	0.20	0.20	100
5	8	Co-operation	4.00	1.20	30
6	11	Micro and Small Scale Enterprises and Textiles	0.60	0.27	45
7	18	Finance	15931.27	193.68	1
8	19	Fire and Emergency Services	0.25	0.18	72
9	22	Food Processing Industries and Horticulture	0.20	0.20	100
10	28	Housing	2.55	0.65	25
11	34	Judicial	103.06	29.27	28
12	35	Labour	0.01	0.01	100
13	36	Land and Land Reforms	1.20	0.85	71
14	40	Panchayat and Rural Development	3.56	2.85	80
15	53	Transport	3.09	1.54	50
		Capital (Charged)			
1	4	Agricultural Marketing	0.01	0.01	100
2	6	Animal Resources Development	0.10	0.05	50
3	7	Backward Classes Welfare	0.40	0.40	100
4	9	Commerce and Industries	1.97	0.50	25
5	22	Food Processing Industries and Horticulture	0.30	0.08	27
6	40	Panchayat and Rural Development	1.78	0.76	43

Source: Appropriation Accounts

Appendix 2.2

(Refer Paragraph 2.3.2, Page 47)

Statement showing persistent savings under some grants (Rupees in crore)

	No. and Name of the grant	Amount of savings				
		2007-08	2008-09	2009-10	2010-11	2011-12
Revenue-Voted						
1	7-Backward Classes Welfare	64.06 (15)	37.88 (7)	31.03 (6)	72.29 (11)	146.73 (16)
2	10-Consumer Affairs	6.47 (25)	5.26 (18)	5.78 (15)	10.21 (25)	13.27 (27)
3	31-Information and Technology	17.77 (33)	13.96 (30)	6.43 (10)	71.99 (84)	68.14 (75)
4	34-Judicial	30.48 (17)	34.10 (17)	53.50 (20)	44.53 (13)	89.12 (22)
5	38-Minority Affairs and Madrasah Education	128.64 (54)	154.79 (38)	91.39 (17)	189.48 (19)	129.59 (14)
6	39-Municipal Affairs	269.89 (17)	69.75 (4)	536.87 (20)	557.09 (18)	1002.68 (29)
7	49-Sports and Youth Services	9.76 (17)	9.54 (13)	21.22 (23)	48.52 (41)	37.45 (28)
8	54-Urban Development	202.24 (19)	140.14 (11)	745.52 (43)	767.39 (41)	520.10 (27)
Capital-Voted						
1	6-Animal Resources Development	10.19 (72)	9.60 (81)	34.63 (81)	39.02 (72)	42.50 (70)
2	7-Backward Classes Welfare	28.85 (78)	5.14 (15)	8.23 (24)	23.67 (52)	23.65 (52)
3	9-Commerce and Industries	9.42 (18)	237.72 (83)	16.95 (47)	32.53 (59)	79.49 (79)
4	11- Micro and Small Scale Enterprises and Textiles	12.24 (25)	11.56 (20)	19.22 (26)	47.92 (36)	13.86 (15)
5	15-School Education	14.35 (72)	7.68 (56)	7.89 (55)	49.45 (66)	42.68 (71)
6	20-Fisheries	35.06 (65)	6.76 (21)	6.52 (14)	21.75 (31)	12.29 (19)
7	24-Health and Family Welfare	67.83 (52)	59.54 (30)	66.27 (24)	97.74 (35)	75.32 (16)
8	25-Public Works	240.03 (29)	53.84 (8)	71.53 (8)	218.28 (22)	237.94 (21)
9	32-Irrigation and Waterways	126.14 (35)	186.50 (43)	348.90 (48)	995.77 (68)	1920.74 (84)
10	39-Municipal Affairs	35.41 (30)	41.66 (22)	119.08 (61)	59.90 (26)	114.73 (38)
11	55-Water Resources Investigation and Development	43.42 (39)	17.60 (11)	69.18 (36)	348.26 (81)	408.74 (87)

Source: Appropriation Accounts

APPENDIX 2.3

(Refer : Paragraph 2.3.5; Page 48)

Statement of various grants/appropriations where expenditure exceeded budget provision either by more than ₹ 1 crore or by more than 20 per cent of total provision

Sl. No	Number and title of grant/appropriation		Total grant/ appropriation	Expenditure	Excess	Percentage
			(R u p e e s i n c r o r e)			
	Voted Grants					
1	4-Revenue	Agricultural Marketing	28.27	42.57	14.30	51
2	5-Revenue	Agriculture	769.10	785.64	16.54	2
3	18-Revenue	Finance	9082.60	10664.37	1581.77	17
4	25-Revenue	Public Works	1298.28	1395.46	97.18	7
5	47-Revenue	Disaster Management	857.76	1912.60	1054.84	123
6	60-Revenue	Civil Defence	279.39	291.98	12.59	5
7	4-Capital	Agricultural Marketing	25.05	43.16	18.11	72
	Total Voted			15135.78	2795.33	
	Charged Appropriations					
1	5-Capital	Agriculture	-	35.57	35.57	-
2	12-Capital	Development and Planning	-	0.14	0.14	-
3	18-Capital	Finance	27020.37	29119.47	2099.10	8
4	23-Revenue	Forest	-	0.19	0.19	-
	23-Capital		-	1.27	1.27	-
5	25-Capital	Public Works	0.79	1.36	0.57	72
6	27-Revenue	Home	1.18	3.17	1.99	169
	27-Capital		0.04	1.79	1.75	-
7	32-Capital	Irrigation and Waterways	0.01	2.05	2.04	-
8	39-Capital	Municipal Affairs	-	5.42	5.42	-
9	42-Revenue	Personnel and Administrative Reforms	0.01	0.03	0.02	200
	42-Capital		0.06	0.17	0.11	183
10	43-Capital	Power and Non-conventional Energy Sources	45.50	51.21	5.71	13
11	46-Capital	Refugee, Relief and Rehabilitation	-	1.34	1.34	-
12	53-Capital	Transport	4.77	54.39	49.62	-
Total		Charged		29277.57	2204.84	
Grand Total				44413.35	5000.17	

Source: Appropriation Accounts

APPENDIX 2.4

(Reference: Paragraph 2.3.6; Page 48)

Expenditure incurred without provision during 2011-12**(Rupees in crore)**

Number and names of		Expenditure incurred without provisions
Grants	Appropriations	
4-Agricultural Marketing -Revenue (Voted)-2435-Other Agricultural Programmes-01-Marketing and Quality Control-190-Assistance to Public Sector and Other Undertakings-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 004-Subsidy for Marketing of Non-perishable Agriculture Produces (AM)		5.00
5-Agriculture -Revenue (Voted)-2401-Crop Husbandry-00—113-Agricultural Engineering-Plan-Central Sector (New Schemes)-CN 001-Promotion and Strengthening of Agricultural Mechanisation through Training, Testing and Demonstration		1.71
6-Animal Resources Development - Revenue (Voted)-2404-Dairy Development-00-190-Assistance to Public Sector and Other Undertakings-Non-Plan-001-West Bengal Dairy and Poultry Development Corporation (AD)		2.33
9-Commerce and Industries -Revenue(Voted)-2852-Industries-80-General-800-Other Expenditure-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 024-Maintenance of Office Premises of Commerce and Industries Department at 4, Abanindranath Tagore Sarani (Camac Street), Kolkata (CI)		0.95
10-Consumer Affairs -Revenue (Voted)-3456-Civil Supplies-00-800-Other Expenditure-Plan-Central Sector (New Schemes)-CN 003-Consumer Awareness Programme (CA)		0.62
15-School Education -Revenue (Voted)-2202-General Education-01-Elementary Education-789-Special Component Plan for SC-Plan-Centrally Sponsored (New Schemes)-CS 007-Cost towards Honorarium to Cook-cum-Helper for Mid-Day Meal Scheme (ES)		42.41
Plan-State Plan (Annual Plan and Eleventh Plan)-SP 034-Provision for Sarba Siksha Avijan under the recommendation of 13 th Finance Commission (State Share)		99.84
796-Tribal Areas Sub-Plan-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 034-Provision for Sarba Siksha Avijan under the recommendation of 13 th Finance Commission (State Share)		24.96
02-Secondary Education-789-Special Component Plan for SC-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 013-Provision for Incentive to the Development of Secondary Education (ES)		9.01
80-General-001-Direction and Administration-Non-Plan-003-Strengthening of Education Administration (Higher)(EH)		52.64

Number and names of		Expenditure incurred without provisions
Grants	Appropriations	
107-Scholarship-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 002-National Scholarships to the Children of Primary and Secondary Teachers (ES)		27.39
25-Public Works -Revenue (Voted)-3054-Roads and Bridges-80-General-001-Direction and Administration-Non-Plan-001-Establishment charges transferred from the revenue head '2059'-Public Works		6.44
3054-Roads and Bridges-80-General-797-Transfers to/from Reserve Fund-Deposit Account-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 003 Transfer to the Deposit Account for subversion from Central Road Fund (CRF)(PR)		63.33
28-Housing -Revenue (Voted)-2216-Housing-01-Government Residential Buildings-700-Other Housing-Non-Plan-001-Maintenance and Repairs of Requisitioned buildings (HO)		1.08
28-Housing -Capital (Voted)-4216-Capital Outlay on Housing-02-Urban Housing-796-Tribal Areas Sub-Plan-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 001-Construction of Houses under Subsidised Housing Scheme for Forest Villagers (HO)		0.10
38-Minority Affairs and Madrasah Education -Revenue(Voted)-2235-Social Security and Welfare-02-Social Welfare-200-Other Programmes-Plan-State Plan(Annual Plan and Eleventh Plan)-SP 022-Integrated Minority Development Scheme		27.66
38-Minority Affairs and Madrasah Education -Capital(Voted)-4250-Capital Outlay on Other Social Services-00—800-Other Expenditure-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 004-Construction of Minority Bhavan		7.00
39-Municipal Affairs -Revenue (Voted)-2217-Urban Development-05-Other Urban Development Schemes-789-Special Component Plan for SC-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 002-Programme for Liberation of Scavengers by Conversion of Privies into Sanitary Latrines in Municipal Towns (State's Share)(MA)		0.86
SP 004-Basic Minimum Service		1.12
40-Panchayat and Rural Development - Revenue (Voted)-2515-Other Rural Development Programmes-00-196-Assistance to Zilla Parishad/District Level Panchayat-Non-Plan-001-Assistance to Panchayati Raj Bodies as Recommended by the 12 th Finance Commission (PN)		22.69
197-Assistance to Block Panchayats- Non-Plan-001-Assistance to Panchayati Raj Bodies as Recommended by the 12 th Finance Commission (PN)		34.03
198-Assistance to Gram Panchayats- Non-Plan-001-Assistance to Panchayat Raj Bodies as		132.35

Number and names of		Expenditure incurred without provisions
Grants	Appropriations	
Recommended by the 12 th Finance Commission (PN)		
800-Other Expenditure-Non-Plan-001-Production of Panchayati Raj Journal in Regional Language-Plan-State Plan (Annual Plan and Eleventh Plan)		2.92
SP 022-Assistance to Panchayati Raj Bodies for Meeting its Committed Liability for Completion of Infrastructure Schemes (PN)		4.61
3454-Census Surveys and Statistics-02-Surveys and Statistics-112-Economic Advice and Statistics-Plan-Central Sector (New Schemes)-CN 001-Assistance for Identification of Rural Households living below the poverty line		10.61
42-Personnel and Administrative Reforms-Capital(Voted)-4059-Capital Outlay on Public Works-01-Office Buildings-051-Construction-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 065-Other Administrative Service-one time ACA for construction of Regional Training Centre in District Head Quarters (Central Share)		1.45
45-Public Health Engineering - Revenue (Voted)-2215-Water Supply and Sanitation-01-Water Supply-800-Other Expenditure-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 024-Piped Water Supply Schemes for Rural Areas (ARWSP-State Share(PH)		0.85
46-Refugee, Relief and Rehabilitation-Capital (Voted)-4235-Capital Outlay on Social Security and Welfare-01-Rehabilitation-201-Other Rehabilitation Schemes-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 006-Development of Infrastructure facilities in rural plots for displaced persons' colonies in West Bengal		4.99
51-Technical Education and Training-Revenue (Voted)-2230-Labour and Employment-03-Training-003-Training of Craftsmen and Supervisors-Plan-Centrally Sponsored (New Schemes)-CS 004-State Committee for SDIS Scheme		4.76
51-Technical Education and Training-Capital (Voted)-4202-Capital Outlay on Education, Sports, Art and Culture-02-Technical Education-104-Polytechnics-Plan-Central Sector (New Schemes)-CN 001-Establishment of New Government Polytechnics		19.81
53-Transport-Capital (Voted)-5055-Capital Outlay on Road Transport-00-800-Other Expenditure-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 011-Calcutta Transport Infrastructure Development Project Design and Construction of Fly-overs Improvement of Road Inter-sections through JBIC (OECF) loan assistance		2.16

Number and names of		Expenditure incurred without provisions
Grants	Appropriations	
54-Urban Development -Revenue (Voted)- 2217-Urban Development-05-Other Urban Development Schemes-191-Assistance to Municipal Corporations-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 052-Grants to ADDA for Urban Infrastructure and Governance Schemes under JNNURM (JNNURM)(UD)		3.36
SP 053-Grants to ADDA for BSUP Schemes under JNNURM (JNNURM)(UD)		5.06
56-Women and Child Development and Social Welfare -Revenue (Voted)-2235-Social Security and Welfare-02-Social Welfare-104-Welfare of Aged, Infirm and Destitute-Non-Plan-021-Shelter for Homeless Persons		0.85
2236-Nutrition-02-Distribution of Nutritious Food and Beverages-101-Special Nutrition Programmes-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 007-Grants to PRIs for Construction of Anganwadi Centres under RIDF (RIDF)		8.97
789-Special Component Plan for SC-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 005-Grants to PRIs for construction of Anganwadi Centres under RIDF		3.08
60-Civil Defence -Capital (Voted)-4070-Capital Outlay on other Administrative Services-00-003-Training-Plan-Centrally Sponsored (New Schemes)-CS 001-Upgradation of Training Institute		0.97
800-Other Expenditure-Plan-Centrally Sponsored (New Schemes)-CS 001-Trooper Carrier-cum-Training Vehicle for upgradation of Central Civil Defence Training Institute, West Bengal		3.74
62-North Bengal Development -Revenue (Voted)-2575-Other Special Areas Programmes-02-Backward Areas-789-Special Component Plan for SC-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 018-Development of North Bengal		30.91
796-Tribal Areas Sub-Plan-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 018-Development of North Bengal		12.85
5-Agriculture-Capital (Charged)-		
	6004-Loans and Advances from the Central Government-04-Loans for Centrally Sponsored Plan Schemes-800-Other Loans-Non-Plan-011-Loans for Integrated Watershed Management in the Catchments of Flood Prone Rivers in Indo-Gangetic basin (AG)	0.46
	013-Loans for National Watershed Development Project for Rainfed Areas (NWDPA)(AG)	3.58

Number and names of		Expenditure incurred without provisions
Grants	Appropriations	
	063-Macro management of Agriculture-Supplementation/Complementation of States Efforts through Work Plans (AG)	31.53
	12-Development and Planning-Capital (Charged)-	
	6004-Loans and Advances from the Central Government-03-Loans for Central Plan Schemes-800-Other Loans-Non-Plan -013-Loans for Strengthening of State Land Use Board (DP)	0.14
	18-Finance-Revenue(Charged)-2049-Interest Payments-01-Interest on Internal Debt-101-Interest on Market Loans (Charged)-Non-Plan-	
	012-9.00 <i>per cent</i> West Bengal Loan, 1999	9.26
	045-9.72 <i>per cent</i> West Bengal Government Stock, 2011	19.03
	122-8.36 <i>per cent</i> West Bengal Government Stock, 2021(FA)	58.52
	123-8.44 <i>per cent</i> West Bengal Government Stock, 2021 (FA)	74.82
	124-8.60 <i>per cent</i> West Bengal Government Stock, 2021	215.00
	125-8.61 <i>per cent</i> West Bengal Government Stock, 2021	43.05
	127-8.64 <i>per cent</i> West Bengal Government Stock, 2021	43.20
	128-8.55 <i>per cent</i> West Bengal Government Stock, 2021	42.75
	129-7.80 <i>per cent</i> West Bengal State Development Loan, 2012 (FA)	8.93
	130-8.65 <i>per cent</i> West Bengal Government Stock, 2021	108.13
	115-Interest on Ways and Means Advance from RBI-Non-Plan	
	003-Cash Credit and Ways and Means Advance-Interest on Short Fall and Overdraft (FA)	8.31
	123-Interest on Special Securities issued to NSSF of the Central Government by the State Government-Non-Plan-	
	012-10.50 <i>per cent</i> West Bengal Government (NSSF)(Non-Transferable) Special Securities, 2001 (FA)	496.58
	013-10.50 <i>per cent</i> West Bengal Government (NSSF)(Non-Transferable) Special Securities, 2003 (FA)	124.30
	016-10.50 <i>per cent</i> West Bengal NSSF, 2000	350.15
	017-10.50 <i>per cent</i> West Bengal NSSF, 1999	260.86
	019-9.50 <i>per cent</i> West Bengal Government NSSF, 2011	189.98
	020-9.50 <i>per cent</i> West Bengal Government NSSF, 2012	89.57
	200-Interest on Other Internal Debts (Charged) – Non-Plan-	
	034-Loans from HUDCO (RL)	0.73

Number and names of		Expenditure incurred without provisions
Grants	Appropriations	
	04-Interest on Loans and Advances from Central Government-104-Interest on Loans for Non-Plan Schemes (Charged)-Non-Plan-	
	003-Interest on Loans for Share of Small Savings Collections (FA)	24.05
	18-Finance-Capital (Charged)-6003-Internal Debt of the State Government-00-101-Market Loans-Non-Plan-Bearing Interest	
	M 014-11.50 <i>per cent</i> West Bengal Loan, 2011 (FA)	94.10
	M 015-12.00 <i>per cent</i> West Bengal Loan, 2011	177.08
	M 047-8.30 <i>per cent</i> West Bengal Loan, 2012	245.90
	M 048-8.00 <i>per cent</i> West Bengal Loan, 2012	160.83
	M 049-9.45 <i>per cent</i> West Bengal Loan, 2011	75.00
	M 050-9.72 <i>per cent</i> West Bengal Loan, 2011	250.00
	M 051-10.35 <i>per cent</i> West Bengal Loan, 2011	387.74
	111-Special Securities issued to National Small Savings Fund of the Central Government-Non-Plan	
	009-10.50 <i>per cent</i> West Bengal Government (NSSF)(Non-Transferable) Special Securities, 2003	69.63
	013-9.50 <i>per cent</i> West Bengal Government (NSSF)(Non-Transferable) Special Securities, 2006 (FA)	146.33
	6004-Loans and Advances from the Central Government-02-Loans for State/Union Territory Plan Schemes-101-Block Loans-Non-Plan-001-Loans for State Plan Schemes (FA)	1068.55
	23-Forest-Revenue(Charged)-2049-Interest Payments-	
	04-Interest on Loans and Advances from Central Government-103-Interest on Loans for Centrally Sponsored Plan Schemes (Charged)-Non-Plan-035- Interest on Loans for Minor Irrigation, Soil Conservation and Area Development (i) Loans for Soil Conservation works in the River Catchment Area of the Kangsabati, Teesta, Ganga, etc.	0.19
	23-Forest-Capital (Charged)-6004-Loans and Advances from the Central Government-	
	04-Loans for Centrally Sponsored Plan Schemes-800-Other Loans-Non-Plan-009-Loans for Soil Conservation works in the River Catchment Area of the Kangsabati, Teesta, Ganga Basin, etc. (FR)	1.27

Number and names of		Expenditure incurred without provisions
Grants	Appropriations	
	25-Public Works-Capital (Charged)-6004-Loans and Advances from the Central Government-	
	04-Loans for Centrally Sponsored Plan Schemes-800-Other Loans-Non-Plan-044-State Roads of Economic or Inter-State Importance (PR)	0.69
	27-Home-Capital (Charged)- 6004-Loans and Advances from the Central Government-	
	01-Non-Plan Loans-800-Other Loans-Non-Plan-006-Loans for other Administrative Services : Modernisation of Police Force (HP)	1.75
	53-Transport-Capital (Charged)- 6004-Loans and Advances from the Central Government-	
	04-Loans for Centrally Sponsored Plan Schemes-800-Other Loans-Non-Plan-076-Loans for Construction of Second Bridge over Hooghly river including Kona Express Way (TR)	49.84
Total		5617.30

Source: Appropriation Accounts

APPENDIX 2.5

(Reference: Paragraph 2.3.7; Page 48)

Statement showing cases where supplementary provision (₹10 lakh or more in each case) proved unnecessary

(Rupees in lakh)

	Number and Name of the Grant	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
A-	Revenue (Voted)				
3-	Council of Ministers	663.37	576.36	87.01	223.00
10-	Consumer Affairs	4789.12	3575.99	1213.13	113.71
12-	Development and Planning	44713.78	26080.52	18633.26	48.10
14-	Mass Education	23336.78	12303.73	11033.05	1319.46
15-	School Education	1365708.20	1362491.14	3217.06	103529.16
16-	Environment	3037.11	1345.43	1691.68	24.87
20-	Fisheries	16310.04	14467.40	1842.64	917.04
24-	Health and Family Welfare	368557.40	344296.62	24260.78	5950.86
26-	Hill Affairs	35863.49	32023.84	3839.65	873.24
27-	Home	362903.61	349152.49	13751.12	32331.73
33-	Jails	16487.83	15254.23	1233.60	1256.88
34-	Judicial	37561.89	31624.28	5937.61	2974.57
38-	Minorities Affairs and Madrasah Education	86080.36	77468.08	8612.28	4346.68
39-	Municipal Affairs	338462.28	241177.72	97284.56	2983.00
40-	Panchayat and Rural Development	412528.89	375331.05	37197.84	70755.00
45-	Public Health Engineering	103616.00	62651.06	40964.94	576.00
Total for Revenue (Voted)		3220620.15	2949819.94	270800.21	228223.30
B-	Capital (Voted)				
8-	Co-operation	5466.00	1975.98	3490.02	1499.80
15-	School Education	5700.00	1742.25	3957.75	310.50
20-	Fisheries	6543.00	5364.10	1178.90	50.25
34-	Judicial	3550.00	2344.10	1205.90	1636.24
35-	Labour	50.00	27.68	22.32	10.00
40-	Panchayat and Rural Development	100.00	75.00	25.00	100.00
Total for Capital (Voted)		21409.00	11529.11	9879.89	3606.79
Total for (Voted)		3242029.15	2961349.05	280680.10	231830.09
	Revenue (Charged)				
18-	Finance	1590958.62	1573759.08	17199.54	2168.19
25-	Public Works	822.67	740.23	82.44	23.68
34-	Judicial	10086.64	7379.30	2707.34	219.73
40-	Panchayat and Rural Development	100.20	71.78	28.42	256.22
Total for Charged		1601968.13	1581950.39	20017.74	2667.82
Grand Total		4843997.28	4543299.44	300697.84	234497.91

Source: Appropriation Accounts

APPENDIX 2.6

(Refer : Paragraph 2.3.7; Page 48)

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

(Rupees in crore)							
Sl. No.	Grant Number	Name of the Grants and Appropriation	Original Provision	Supplementary provision	Total	Expenditure	Excess
1	4	Agricultural Marketing Revenue (Voted)	27.94	0.33	28.27	42.57	14.30
2	5	Agriculture- Revenue (Voted)	720.14	48.96	769.10	785.64	16.54
3	18	Finance Revenue (Voted)	7554.30	1528.30	9082.60	10664.37	1581.77
4		Capital (Charged)	15991.38	11028.99	27020.37	29119.47	2099.10
5	25	Public Works Revenue (Voted)	1281.10	17.18	1298.28	1395.46	97.18
6	53	Transport Capital (Charged)	-	4.77	4.77	54.39	49.62
		Total		12628.53			3858.51

Source: Appropriation Accounts

APPENDIX 2.7

(Refer : Paragraph 2.3.8; Page 49)

Excessive/unnecessary/insufficient re-appropriation of funds**(Rupees in lakh)**

Sl No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
1	11	Micro and Small Scale Enterprises and Textiles	2401-Crop Husbandry-00-108-Commercial Crops-Non-Plan-016-Schemes for Lac Development Programmes (CS)	(-) 52.28	(-) 59.48
			103-Handloom Industries-Non-Plan-008-Schemes for Handloom Industries (CS)	(-) 19.32	(-) 333.63
			789-Special Component Plan for SC-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 002-Development Scheme for Handicraft Industries (CS)	(-) 78.35	(-) 30.09
2	15	Education (School)	2202-General Education-01-Elementary Education-112-National Programme of Mid-Day Meals in Schools- Plan- Centrally Sponsored (New Schemes)-CS 001-Cooking Cost of Mid-Day Meal Scheme (ES)	(-) 3660.62	(-) 29753.23
			CS 007-Cost towards Honorarium to Cook cum Helper for Mid Day Meal Scheme (ES)	(-) 1321.56	(-) 5540.76
			Plan-State Plan (Annual Plan and Eleventh Plan)-SP 001-Mid Day Meal for Children	(-) 3022.07	(-) 11185.89
			789-Special Component Plan for SC-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 013-Mid Day Meal for Children (ES)	(-) 402.54	(-) 4273.08
			796-Tribal Areas Sub-Plan-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 013-Mid Day Meal for Children (State Share)(ES)	(-) 102.59	(-) 3424.48
3	18	Finance	2235-Social Security and Welfare-60-Other Social Security and Welfare Programmes-200-Other Programmes-Non-Plan-034-Payment of Monthly Allowances to Political Sufferers for Post-Independence Democratic Movement (FA)	(-) 647.00	(-) 557.71
4	23	Forest	2406-Forestry and Wild Life-01-Forestry-001-Direction and Administration-Non-Plan-002-Northern Circle	(-) 13.25	(-) 103.06
			003-Central Circle	(-) 7.55	(-) 226.32
			007-Wild Life Unit	(-) 22.75	(-) 428.63
			010-Soil Conservation (South) Circle	(-) 5.90	(-) 259.94
			2406-Forestry and Wild Life-01-Forestry-001-Direction and Administration-Non-Plan-004-Western Circle	1.52	(-) 337.92
			012-Biosphere Reserve Wing	29.96	(-) 180.43

Sl No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
5	35	Labour	2230-Labour and Employment-02-Employment-101-Employment Services-Non-Plan-001-Employment Exchange	(-) 3.00	(-) 539.66
6	43	Power and Non-Conventional Energy Sources	6801-Loans for Power Projects-00-202-Thermal Power Generation- State Plan (Annual Plan and Eleventh Plan)-Plan-SP 051-Loans to WBSEDCL on account of OECF Purulia Plant (State Share)-(EAP)	(-) 345.86	(-) 324.14
7	47	Disaster Management	2245-Relief on Account of Natural Calamities-02-Floods, Cyclones etc.-101-Gratuitous Relief-Non-Plan-004-Housing	(+) 4612.00	(-) 569.41
			2235-Social Security and Welfare-60-Other Social Security and Welfare Programmes-200-Other Programmes-Non-Plan-061-Exgratia payment to the families of indigent victims due to accident (RL)	(-) 59.50	(-) 314.75
			2235-Social Security and Welfare-02-Social Welfare-001-Direction and Administration-Non-Plan-004-Directorate of Relief and District Establishment (Relief)(RL)	(-) 651.91	(-) 406.84
8	54	Urban Development	4216-Capital Outlay on Housing-02-Urban Housing-101-Salt Lake Scheme-State Plan (Annual Plan and Eleventh Plan)-Plan-SP 021-Development of Infrastructure in Salt Lake	(-) 41.02	(-) 362.66
					(-) 59212.11
1	11	Micro and Small Scale Enterprises and Textiles	2851-Village and Small Industries-102-Small Scale Industries-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 014-Micro and Small Enterprises Cluster Development Programme (CS)	(-) 275.52	(+) 87.87
			SP 007-Development Schemes for Handicrafts Industries (CS)	(-) 320.05	(+) 123.29
			Non-Plan-014-Scheme for Sericulture Industries (CS)	(-) 581.32	(+) 126.41
2	23	Forest	2406-Forestry and Wild Life-01-Forestry-001-Direction and Administration-Non-Plan-019-Social Forestry (South) Circle	(+) 23.41	(+) 370.66
			2406-Forestry and Wild Life-01-Forestry-001-Direction and Administration-Non-Plan-001-General Direction	(+) 236.50	(+) 205.72
			2406-Forestry and Wild Life-01-Forestry-001-Direction and Administration-Non-Plan-017-Social Forestry (North) Circle	(+) 0.34	(+) 185.57
3	28	Housing	2216-Housing-01-Government Residential Buildings-700-Other Housing-Non-Plan-005-Estate Management Estate Directorate	(-) 1126.60	(+) 200.77

Sl No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
			2216-Housing-01-Government Residential Buildings-700-Other Housing-Non-Plan-001-Maintenance and Repairs of Requisitioned Buildings (HO)	(-) 0.09	(+) 108.15
4	34	Judicial	2014-Administration of Justice-00-105-Civil and Session Courts-Non-Plan-001-Civil and Session Courts	(+) 779.83	(+) 263.12
			007-Upgradation of Standards of Administration Recommended by the Seventh Finance Commission(i) Civil and Session Court	(+) 8.57	(+) 97.97
			009-Upgradation of Standards of Administration Recommended by the Eighth Finance Commission(i) New District and Subordinate Courts	(+) 9.08	(+) 136.96
5	35	Labour	2230-Labour and Employment-01-Labour-001-Direction and Administration-Non-Plan-002-Enforcement of Minimum Wages for Agricultural Labours (LB)	(+) 29.75	(+) 442.40
6	39	Municipal Affairs	2217-Urban Development-05-Other Urban Development Schemes-051-Construction- Plan-State Plan (Annual Plan and Eleventh Plan)-SP 003-Construction/Re-development of Housing of the Urban Poor (MA)	(-) 4807.14	(+) 481.74
			6217-Loans for Urban Development-60-Other Urban Development Schemes-800-Other Loans--Plan-State Plan (Annual Plan and Eleventh Plan)-SP 001-Loans to Kolkata Municipal Corporation for Kolkata Environmental Improvement Project (ADB)(EAP)(MA)	(+) 465.42	(+) 155.71
7	40	Panchayat and Rural Development	2235-Social Security and Welfare-60-Other Social Security and Welfare Programmes-789-Special Component Plan for SC-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 004-National Old Age Pension Scheme (State Share)	(+) 830.91	(+) 923.95
			2515-Other Rural Development Programmes-00-101-Panchayati Raj-Non-Plan-004-Contribution towards Salaries of Employees of Gram Panchayats (PN)	(-) 0.06	(+) 195.22
			800-Other Expenditure-Non-Plan-002-Panchayat Elections (PN)	(-) 200.00	(+) 333.52
8	43	Power and Non-Conventional Energy Sources	2810-Non-Conventional Sources of Energy-03-Wind-796-Tribal Areas Sub-Plan-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 001-Procurement/Installation of Wind Pump/Wind Farms etc.	(+) 222.96	(+) 123.04
9	47	Disaster Management	2235-Social Security and Welfare-60-Other Social Security and Welfare Programmes-200-Other Programmes-	(+) 9.30	(+) 212.05

Sl No.	Grant No.	Description	Head of Account	Re-appropriation	Final Excess(+)/ Saving (-)
			Non-Plan-042-Exgratia payments to the families of indigent victims due to death caused by sunstroke/snakebite (RL)		
			2245-Relief on Account of Natural Calamities-02-Floods, Cyclones, etc.-106-Repairs and restoration of damaged roads and bridges-Non-Plan-001-Emergent Repair of Roads, Culverts, Bridges etc. Damaged/Destroyed by Natural Calamities	(-) 250.00	(+) 105.03
10	54	Urban Development	2217-Urban Development-05-Other Urban Development Schemes-789-Special component plan for SC-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 014-Grants to Urban Planning Development Authorities (UD)	(-) 200.00	(+) 3182.34
					8061.49

Source: Appropriation Accounts

APPENDIX 2.8*(Refer Paragraph 2.3.10; Page 49)***Statement of various grants/appropriations in which savings occurred but no part of which had been surrendered****(Rupees in crore)**

Sl. No.	Grant No.	Name of grant/appropriation	(Rupees in Crores)	
I – Grant				
1	2	Governor’s Secretariat	(Capital-Voted)	0.50
2	3	Council of Ministers	(Revenue-Voted)	3.10
3	5	Agriculture	(Capital-Voted)	105.18
4	6	Animal Resources Development	(Revenue-Voted)	118.07
			(Capital-Voted)	42.50
5	7	Backward Classes Welfare	(Revenue-Voted)	146.73
			(Capital-Voted)	23.65
6	8	Co-operation	(Revenue-Voted)	99.07
			(Capital-Voted)	49.90
7	10	Consumer Affairs	(Revenue-Voted)	13.27
8	13	Education (Higher)	(Revenue-Voted)	303.48
			(Capital-Voted)	18.66
9	14	Education (Mass)	(Revenue-Voted)	123.53
			(Capital-Voted)	11.39
10	15	Education (School)	(Revenue-Voted)	1067.46
			(Capital-Voted)	42.68
11	16	Environment	(Revenue-Voted)	17.17
12	17	Excise	(Revenue-Voted)	21.93
			(Capital-Voted)	6.89
13	18	Finance	(Capital-Voted)	87.90
14	19	Fire and Emergency Services	(Revenue-Voted)	15.20
			(Capital-Voted)	54.64
15	20	Fisheries	(Revenue-Voted)	27.60
			(Capital-Voted)	12.29
16	21	Food and Supplies	(Revenue-Voted)	272.47
			(Capital-Voted)	21.87
17	22	Food Processing Industries and Horticulture	(Revenue-Voted)	14.42
			(Capital-Voted)	22.73
18	23	Forest	(Revenue-Voted)	64.02
			(Capital-Voted)	14.17
19	24	Health and Family Welfare	(Revenue-Voted)	302.12
			(Capital-Voted)	75.32
20	25	Public Works	(Capital-Voted)	237.94
21	26	Hill Affairs	(Revenue-Voted)	47.13
22	27	Home	(Capital-Voted)	92.17
23	30	Information and Cultural Affairs	(Revenue-Voted)	63.17
			(Capital-Voted)	1.31
24	32	Irrigation and Waterways	(Revenue-Voted)	81.76
			(Capital-Voted)	1920.74
25	33	Jails	(Revenue-Voted)	24.90
			(Capital-Voted)	4.40
26	34	Judicial	(Capital-Voted)	28.42
27	35	Labour	(Revenue-Voted)	83.65
			(Capital-Voted)	0.32
28	36	Land and Land Reforms	(Revenue-Voted)	200.68
			(Capital-Voted)	32.77
29	37	Law	(Revenue-Voted)	2.41

Sl. No.	Grant No.	Name of grant/appropriation	Saving
30	38	Minority Affairs and Madrasah Education	(Revenue-Voted) 129.59 (Capital-Voted) 63.86
31	41	Parliamentary Affairs	(Revenue-Voted) 1.41
32	42	Personnel and Administrative Reforms	(Capital-Voted) 15.68
33	44	Public Enterprises	(Revenue-Voted) 1.20 (Capital-Voted) 9.68
34	45	Public Health Engineering	(Revenue-Voted) 415.41 (Capital-Voted) 1.78
35	46	Refugee Relief and Rehabilitation	(Revenue-Voted) 24.93 (Capital-Voted) 1.78
36	47	Disaster Management	(Capital-Voted) 0.23
37	49	Sports and Youth Services	(Revenue-Voted) 37.45
38	50	Sunderban Affairs	(Revenue-Voted) 75.21 (Capital-Voted) 23.79
39	51	Technical Education and Training	(Revenue-Voted) 85.68 (Capital-Voted) 127.26
40	53	Transport	(Revenue-Voted) 183.72 (Capital-Voted) 189.50
41	55	Water Resources Investigation and Development	(Revenue-Voted) 156.40 (Capital-Voted) 408.74
42	56	Women and Child Development and Social Welfare	(Revenue-Voted) 60.39 (Capital-Voted) 79.42
43	57	Bio-Technology	(Revenue-Voted) 6.14
44	59	Self Help Group and Self Employment	(Revenue-Voted) 80.14 (Capital-Voted) 9.84
45	60	Civil Defence	(Capital-Voted) 6.20
46	61	Chief Minister's Office	(Revenue-Voted) 0.19
47	62	North Bengal Development	(Revenue-Voted) 40.09 (Capital-Voted) 29.92
		Total	8287.31
II – Appropriation			
1	6	Animal Resources Development	(Revenue-Charged) 0.10 (Capital-Charged) 0.05
2	7	Backward Classes Welfare	(Revenue-Charged) 0.20 (Capital-Charged) 0.40
3	8	Co-operation	(Revenue-Charged) 1.20 (Capital-Charged) 0.44
4	11	Micro and Small Scale Enterprises	(Capital-Charged) 0.15
5	19	Fire and Emergency Services	(Revenue-Charged) 0.18
6	22	Food Processing Industries and Horticulture	(Revenue-Charged) 0.20 (Capital-Charged) 0.08
7	25	Public Works	(Revenue-Charged) 1.06
8	32	Irrigation and Waterways	(Revenue-Charged) 5.54
9	35	Labour	(Revenue-Charged) 0.01
10	36	Land and Land Reforms	(Revenue-Charged) 0.85
11	45	Public Health Engineering	(Revenue-Charged) 0.20
12	46	Refugee Relief and Rehabilitation	(Revenue-Charged) 0.01
13	47	Disaster Management	(Revenue-Charged) 9.18 (Capital-Charged) 3.50
14	53	Transport	(Revenue-Charged) 1.54
		Total	24.89
		Grand Total	8312.20

Source: Appropriation Accounts

APPENDIX 2.9*(Refer Paragraph 2.3.10; Page 50)*

Statement showing details of cases of short-surrender (by ₹ 1 crore and above) leading to savings

(Rupees in crore)

Sl. No.	Number and Name of Grants/Appropriation		Saving	Surrender	Saving which remained to be surrendered
1	1-Legislative Assembly Secretariat	(Revenue-Voted)	18.97	17.74	1.23
2	9-Commerce and Industries	(Revenue-Voted)	107.23	3.98	103.25
3	12-Development and Planning	(Capital-Voted)	31.48	10.59	20.89
4	27-Home	(Revenue-Voted)	460.83	8.89	451.94
5	28-Housing	(Capital-Voted)	481.39	446.70	34.69
6	29-Industrial Reconstruction	(Capital-Voted)	7.40	6.40	1.00
7	34-Judicial	(Revenue-Voted)	89.12	42.34	46.78
		(Revenue-Charged)	29.27	2.76	26.51
8	39-Municipal Affairs	(Revenue-Voted)	1002.68	923.08	79.60
		(Capital-Voted))	114.73	80.66	34.07
9	40-Panchayat and Rural Development	(Revenue-Voted)	1079.53	870.38	209.15
10	42-Personnel and Administrative Reforms	(Revenue-Voted)	13.10	9.99	3.11
11	43-Power and Non-conventional Energy Sources	(Capital-Voted)	65.57	26.00	39.57
12	52-Tourism	(Capital-Voted)	7.88	1.88	6.00
13	54-Urban Development	(Revenue-Voted)	520.10	21.51	498.59
		(Capital-Voted))	10.42	3.26	7.16
	Total		4039.70	2476.16	1563.54

Source: Appropriation Accounts

APPENDIX - 2.10

(Refer Paragraph 2.3.10; Page 50)

Statement showing cases of surrender of funds in excess of ₹10 crore on the last working day of March 2012 or thereafter

(Rupees in crore)

Sl. No.	Date of surrender	Amount	Head(s) of Account	Name of Department/Grant
1	2	3	4	5
1	30-Mar-12	21.44	2217,3451	Urban Development
2	30-Mar-12	45.09	2014, 2052, 2059, 2070, 2235, 3454	Judicial
3	30-Mar-12	86.71	2401,2851,4851	Micro and Small Scale Enterprises and Textiles
4	30-Mar-12	57.87	2501,2505	Panchayat and Rural Development
5	30-Mar-12	107.99	2049, 2235, 3604, 4515, 6003	
6	30-Mar-12	699.83	2515	
7	31-Mar-12	59.23	2052, 2575, 4575	Paschimanchal Unnayan Affairs
8	8-Jun-12	22.66	2011, 2059, 4059	Legislative Assembly Secretariat
9	31-Mar-12	68.14	2251	Information Technology
10	30-Mar-12	134.95	2801	Power and Non-Conventional Energy Sources
11	30-Mar-12	29.96	2810,6003,6801	
12	30-Mar-12	196.60	2401, 2505, 2575, 3451, 3454, 4059, 4575	Development and Planning
13	30-Mar-12	10.93	2059, 2235, 2245, 2251	Disaster Management
14	30-Mar-12	474.73	2049, 2216, 2217, 2251, 2852, 4210, 4216, 6003	Housing
Total		2016.13		

Source: O/o the Pr. Accountant General (A&E)

APPENDIX - 2.11

(Refer Paragraph 2.3.12; Page 51)

Statement showing cases which satisfied the criteria laid down for treatment of New Service/New Instrument of Services but were not treated as such

(Rupees in lakh)

Sl. No	Grant No.	Head of Accounts in details	Name of the Department	Actual Expenditure
1	4	2435-Other Agricultural Programmes-01-Marketing and Quality Control-190-Assistance to Public Sector and Other undertaking-Plan-State Plan(Annual Plan and Eleventh Plan)-SP 004-Subsidy for Marketing of Non Perishable Agriculture Products(AM)	Agricultural Marketing	500.00
2	6	2404-Dairy Development-00-190 Assistance to Public Sector and other undertakings-Non-Plan-001-West Bengal Dairy & Poultry Development Corporation(AD)-31-Grants-in-Aid-General-01-Salary Grants	Animal Resources Development	233.11
3	11	4851-Capital Outlay on Village and Small Industries-00-109-Composite Village and Small Industries Co-operatives-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 068-Equity Participation for Tamralipta Co-operative Spinning Mill [CS]-54-Investment-00	Micro & Small Scale Enterprises and Textiles	90.00
4		6860-Loans for consumer Industries-01-Textiles-190-Loans to Public Sector and Other Undertakings-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 018-Modernisation of Tamralipta Co-Operative Spinning Mills Ltd-55-Loans and Advances-00		123.75
5	15	2202-General Education-01-Elementary Education-789- Special Education Plan for SC-Plan-Centrally Sponsored (New Schemes)-CS 001- Cooking Cost of Mid-day Meal Scheme[ES]-31-Grants-in Aid-General-02-Other Grants	School Education	13841.62
6		2202-General Education-01-Elementary Education-789- Special Education Plan for SC-Plan-Centrally Sponsored (New Schemes)-CS 004-Construction of Kitchen shed for Mid-day Meal Scheme[ES]-31-Grants-in Aid-General-02-Other Grants		1040.56
7		2202- General Education-01-Elementary Education-789-Special Education Plan for SC-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 033-Construction of Kitchen shed with Store Room		1519.89
8		2202- General Education-01-Elementary Education-796-Tribal Areas Sub-Plan-Plan-Centrally Sponsored (New Schemes)-CS 001-Cooking Cost of Mid-day Meal Scheme-31-Grants-in Aid-General-02-Other Grants		4562.52
9		2202- General Education-01-Elementary Education-796-Tribal Areas Sub-Plan-Plan-Centrally Sponsored (New Schemes)-CS 004-Construction of Kitchen Shed for Mid-day Meal Scheme-31-Grants-in Aid-General-02-Other Grants		267.67
10		2202-General Education-01-Elementary Education-796-Tribal Areas Sub-Plan- Plan-State Plan (Annual Plan and Eleventh Plan)-SP 033-Construction of Kitchen Shed with Store Room for Mid-day Meal Scheme [ES]-31-Grants-in Aid-General-02-Other Grants		337.25
11	32	4711-Capital Outlay on Flood Control Projects-01-Flood Control-103- Civil Works-Plan- State Plan (Annual Plan and Eleventh Plan)-SP 538-ACA for Flood Control and Ganga/Padma erosion-53-Major Works/Land and Building-00	Irrigation & Waterways	353.72

Sl. No	Grant No.	Head of Accounts in details	Name of the Department	Actual Expenditure
12	38	2235-Social Security and Welfare-02-Social Welfare-200-Other Programmes-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 022-Integrated Minority Development Scheme-31-Grants-in Aid-General-02-Other Grants	Minority Affairs and Madrasah Education	2765.97
13		4250-Capital Outlay on other Social Services-00-800-Other Expenditure-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 004-Construction of Minority Bhavan-53-Major Works/Land and Building-00		700.00
14	40	3454-Census Surveys and Statistics-02-Surveys & Statistics-112-Economic Advice and Statistics-Plan-Central Sector (New Scheme)-CN 001-Assistance for Identification of Rural Households living Below the Poverty Line-31-Grants-in Aid-General-02-Other Grants	Panchayat and Rural Development	1060.83
15	42	4059- Capital Outlay on Public Works-01-Office Buildings-051-Construction- Plan-State Plan (Annual Plan and Eleventh Plan)-SP 065-Other Administrative Service-one time ACA for Construction of Regional Training Centre in District H.Q(Central Scheme)-53-Major Works/Land and Building-00	Personnel & Administrative Reforms	145.00
16	51	4202- Capital Outlay on Education Sports, Art and Culture-02-Technical Education-104-Polytechnics-Plan-Central Sector (New Scheme)-CN 001-Establishment of New Government Polytechnics-53-Major Works/Land and Building-00	Technical Education	1980.92
17		2230-Technical Education-03-Training-003-Training of Craftsmen & Supervisors-Plan-Centrally Sponsored (New Scheme)-CS 004 State Committee for SDIS Scheme-31-Grants-in Aid-General-02-Other Grants		475.65
18	56	2235-Social Security & Welfare-02-Social Welfare-104-Welfare of Aged, Infirm & Destitute-Non-Plan-021-Shelter for Homeless Person-31-Grants-in Aid-General-02-Other Grants	Women and Child Development, and Social Welfare	84.77
19	62	2575-Other Special Areas Programmes-02-Backward Areas-789-Special Component Plan for SC-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 018-Development of North Bengal-31-Grants-in Aid-General-02-Other Grants	North Bengal Development	3091.50
20		2575-Other Special Areas Programmes-00-Backward Areas-796-Tribal Areas Sub-Plan-Plan-State Plan (Annual Plan and Eleventh Plan)-SP 018-Development of North Bengal-31-Grants-in-Aid General-02-Other Grants		1285.02
				34459.75

Source: O/o the Pr. Accountant General (A&E)

APPENDIX 3.1*(Refer Paragraph 3.1, Page 57)***Statement showing non-submission of Utilisation Certificates under West Bengal Panchayat Act****(Rupees in lakh)**

Sl. No	Name of the PRI	Amount sub-allotted	Period	Amount for which UCs received	Amount for which UCs wanting
1	Bankura ZP	1263.43	2010-11	184.15	1079.28
2	Bardhaman ZP	8.53	2010-11	0.00	8.53
3	Birbhum ZP	2706.86	2009-11	0.00	2706.86
4	Cooch Behar ZP	71.70	2010-11	0.00	71.70
5	Dakshin Dinajpur ZP	548.06	2010-11	63.47	484.59
6	Hooghly ZP	51.05	2008-11	4.65	46.40
7	Howrah ZP	61.30	2010-11	5.83	55.47
8	Malda ZP	685.87	2009-11	0.00	685.87
9	Murshidabad ZP	881.36	2010-11	38.47	842.89
10	Nadia ZP	1139.32	2010-11	5.98	1133.34
11	Paschim Medinipur ZP	785.00	2010-11	114.36	670.64
12	Purba Medinipur ZP	3844.38	2009-11	52.00	3792.38
13	Purulia ZP	3072.34	2010-11	0.00	3072.34
14	Siliguri Mahakuma Parishad	164.06	2008-10	126.58	37.48
15	Uttar Dinajpur ZP	6433.51	2010-11	3776.82	2656.69
16	Arambagh PS	104.01	2009-11	0.00	104.01
17	Ausgram-I PS	43.84	2009-11	31.59	12.25
18	Balurghat PS	87.47	2009-11	0.00	87.47
19	Barasat-I PS	9.96	2009-11	9.06	0.90
20	Barrackpore-I PS	44.22	2007-11	10.49	33.73
21	Barrackpore-II PS	14.84	2007-11	0.00	14.84
22	Basirhat-II PS	36.99	2009-11	28.53	8.46
23	Bhagwanpur-I PS	13.50	2009-11	0.00	13.50
24	Bhagwangola-I PS	16.65	2010-11	13.41	3.24
25	Bishnupur PS	52.41	2009-11	0.00	52.41
26	Bishnupur-I PS	157.99	2009-11	4.90	153.09
27	Burwan PS	89.33	2009-11	0.00	89.33
28	Canning-I PS	239.46	2009-11	0.00	239.46
29	Chanchal-II PS	17.62	2009-10	0.00	17.62
30	Chanditala-I PS	52.09	2009-11	0.00	52.09
31	Contai-III PS	1.30	2009-11	0.00	1.30
32	Daspur-I PS	79.35	2007-11	0.00	79.35
33	Daspur-II PS	160.84	2005-11	0.00	160.84
34	Diamond Harbour-I PS	9.75	2009-11	3.35	6.40
35	Falakata PS	47.72	2009-11	0.00	47.72

Sl. No	Name of the PRI	Amount sub-allotted	Period	Amount for which UCs received	Amount for which UCs wanting
36	Goghat-I PS	24.49	2009-11	14.53	9.96
37	Gopiballavpur-II PS	2.64	2010-11	0.00	2.64
38	Gosaba PS	144.06	2010-11	0.00	144.06
39	Haldibari PS	7.65	2009-11	0.00	7.65
40	Haripal PS	30.39	2007-11	0.00	30.39
41	Harirampur PS	1.72	2010-11	0.00	1.72
42	Hemtabad PS	10.40	2009-11	8.10	2.30
43	Hirbandh PS	18.11	2010-11	9.00	9.11
44	Indpur PS	111.72	2009-11	0.00	111.72
45	Jagatballavpur PS	10.11	2010-11	0.00	10.11
46	Jalpaiguri Sadar PS	36.72	2009-11	0.00	36.72
47	Jangipara PS	203.97	2009-11	0.00	203.97
48	Kaliachak-I PS	24.80	2009-11	0.00	24.80
49	Kaliachak-III PS	22.86	2009-11	0.00	22.86
50	Khanakul-I PS	19.83	2009-11	0.00	19.83
51	Khanakul-II PS	49.11	2009-11	0.00	49.11
52	Kulpi PS	67.55	2008-11	19.53	48.02
53	Magrahat-II PS	29.06	2009-11	1.40	27.66
54	Manikchak PS	23.58	2009-10	0.00	23.58
55	Mathabhanga-II PS	32.46	2009-11	4.35	28.11
56	Mathurapur-I PS	170.42	2009-11	0.00	170.42
57	Mathurapur-II PS	95.27	2007-11	20.20	75.07
58	Maynaguri PS	30.73	2009-11	0.00	30.73
59	Murrai-II PS	33.40	2009-11	0.00	33.40
60	Nagrakata PS	12.80	2009-11	0.00	12.80
61	Nandigram-II PS	5.12	2009-11	0.00	5.12
62	Onda PS	40.46	2009-11	21.46	19.00
63	Panchla PS	4.96	2010-11	0.00	4.96
64	Patharpratima PS	82.65	2009-11	0.00	82.65
65	Raiganj PS	15.00	2010-11	11.78	3.22
66	Raipur PS	45.00	2009-11	26.50	18.50
67	Rajganj PS	30.20	2009-11	0.00	30.20
68	Ranaghat-I PS	6.89	2006-11	1.66	5.23
69	Ratua-I PS	22.54	2009-10	0.00	22.54
70	Sandeshkhali-II PS	42.27	2009-11	0.00	42.27
71	Santipur PS	2.76	2009-10	0.00	2.76
72	Simlapal PS	79.13	2009-11	0.00	79.13
73	Singur PS	19.99	2009-11	11.53	8.46
74	Sitalkuchi PS	0.80	2009-11	0.00	0.80
	TOTAL	24607.73		4623.68	19984.05

Source: Examiner of Local Accounts

APPENDIX 3.2

(Refer Paragraph 3.2, Page 58)

Names of bodies and authorities (other than PRIs), the accounts of which had not been received

Sl. No.	Name of the Institutions	Period of Arrears in preparation of Accounts	Number of Annual Accounts in arrear
University			
1	Bidhan Chandra Krishi Viswavidyalaya	2009-10 to 2010-11	2
2	Burdwan	1999-2000 to 2010-11	12
3	Calcutta	2010-11	1
4	Jadavpur	2010-11	1
5	Kalyani	2007-08 to 2010-11	4
6	North Bengal	2008-09 to 2010-11	3
7	Vidyasagar	2008-09 to 2010-11	3
8	Uttar Banga Krishi Viswavidyalaya	2010-11	1
9	Bengal Engineering & Science University	2009-10 to 2010-11	2
10	Jadavpur PF Accounts	2009-10 to 2010-11	2
	Total		31
Other Local Bodies			
11	Kolkata Metropolitan Water & Sanitation Authority	2010-11	1
12	Kolkata Improvement Trust	2008-09 to 2010-11	3
13	Howrah Improvement Trust	2006-07 to 2010-11	5
	Total		9
Kolkata Metropolitan Area (KMA) – Municipal Corporation			
14	Chandernagore	2006-07 to 2010-11	5
15	Howrah	2008-09 to 2010-11	3
KMA – Municipality			
16	Baidyabati	2006-07 to 2010-11	5
17	Bally	2008-09 to 2010-11	3
18	Bansberia	2007-08 to 2010-11	4
19	Baranagar	2007-08 to 2010-11	4
20	Barasat	2008-09 to 2010-11	3
21	Barrackpore	2008-09 to 2010-11	3
22	Baruipur	2006-07 to 2010-11	5
23	Bhadreswar	2006-07 to 2010-11	5
24	Bhatpara	2006-07 to 2010-11	5
25	Bidhannagar	2007-08 to 2010-11	4
26	Budge Budge	2006-07 to 2010-11	5
27	Dum Dum	2006-07 to 2010-11	5
28	Garulia	2006-07 to 2010-11	5
29	Gayeshpur	2008-09 to 2010-11	3
30	Halisahar	2006-07 to 2010-11	5
31	Hooghly Chinsurah	2008-09 to 2010-11	3
32	Kalyani	2006-07 to 2010-11	5
33	Kamarhati	2008-09 to 2010-11	3
34	Kanchrapara	2006-07 to 2010-11	5
35	Khardah	2006-07 to 2010-11	5
36	Konnagar	2006-07 to 2010-11	5
37	Madhyamgram	2008-09 to 2010-11	3
38	Maheshtala	2006-07 to 2010-11	5
39	Nabadiganta Industrial Township	2006-07 to 2010-11	5
40	Naihati	2007-08 to 2010-11	4
41	New Barrackpore	2007-08 to 2010-11	4
42	North Barrackpore	2008-09 to 2010-11	3
43	North Dum Dum	2008-09 to 2010-11	3

Sl. No.	Name of the Institutions	Period of Arrears in preparation of Accounts	Number of Annual Accounts in arrear
44	Panihati	2007-08 to 2010-11	4
45	Pujali	2009-10 to 2010-11	2
46	Rajarhat Gopalpur	2009-10 to 2010-11	2
47	Rajpur Sonarpur	2006-07 to 2010-11	5
48	Rishra	2007-08 to 2010-11	4
49	Serampore	2006-07 to 2010-11	5
50	South Dum Dum	2007-08 to 2010-11	4
51	Titagarh	2006-07 to 2010-11	5
52	Uluberia	2006-07 to 2010-11	5
53	Uttarpara Kotraung	2006-07 to 2010-11	5
Total			166
Non KMA – Municipal Corporation			
54	Asansol	2007-08 to 2010-11	4
55	Durgapur	2007-08 to 2010-11	4
56	Siliguri	2007-08 to 2010-11	4
Total			12
Non KMA - Municipality			
57	Alipurduar	2007-08 to 2010-11	4
58	Arambag	2008-09 to 2010-11	3
59	Ashokenagar Kalyangar	2007-08 to 2010-11	4
60	Baduria	2007-08 to 2010-11	4
61	Balurghat	2007-08 to 2010-11	4
62	Bankura	2007-08 to 2010-11	4
63	Basirhat	2009-10 to 2010-11	2
64	Beldanga	2007-08 to 2010-11	4
65	Berhampur	2007-08 to 2010-11	4
66	Birnagar	2007-08 to 2010-11	4
67	Bishnupur	2007-08 to 2010-11	4
68	Bolpur	2007-08 to 2010-11	4
69	Bongaon	2008-09 to 2010-11	3
70	Burdwan	2010-11	1
71	Chakdaha	2008-09 to 2010-11	3
72	Chandrakona	2008-09 to 2010-11	3
73	Contai	2008-09 to 2010-11	3
74	Coochbehar	2007-08 to 2010-11	4
75	Coopers' Camp Notified Area Authority	2007-08 to 2010-11	4
76	Dainhat	2007-08 to 2010-11	4
77	Dalkhola	2007-08 to 2010-11	4
78	Dankuni	2007-08 to 2010-11	4
79	Darjeeling	2007-08 to 2010-11	4
80	Dhulian	2007-08 to 2010-11	4
81	Dhupguri	2007-08 to 2010-11	4
82	Diamond Harbour	2007-08 to 2010-11	4
83	Dinhata	2007-08 to 2010-11	4
84	Dubrajpur	2007-08 to 2010-11	4
85	Egra	2007-08 to 2010-11	4
86	English Bazar	2007-08 to 2010-11	4
87	Gangarampur	2007-08 to 2010-11	4
88	Ghatal	2008-09 to 2010-11	3
89	Gobardanga	2008-09 to 2010-11	3
90	Guskara	2009-10 to 2010-11	2
91	Habra	2007-08 to 2010-11	4
92	Haldia	2008-09 to 2010-11	3
93	Haldibari	2007-08 to 2010-11	4
94	Islampur	2007-08 to 2010-11	4
95	Jainagar-Majilpur	2007-08 to 2010-11	4

Sl. No.	Name of the Institutions	Period of Arrears in preparation of Accounts	Number of Annual Accounts in arrear
96	Jalpaiguri	2007-08 to 2010-11	4
97	Jamuria	2007-08 to 2010-11	4
98	Jangipur	2007-08 to 2010-11	4
99	Jhalda	2007-08 to 2010-11	4
100	Jhargram	2007-08 to 2010-11	4
101	Jiagunj-Azimgunj	2007-08 to 2010-11	4
102	Kaliagunj	2007-08 to 2010-11	4
103	Kalimpong	2007-08 to 2010-11	4
104	Kalna	2008-09 to 2010-11	3
105	Kandi	2007-08 to 2010-11	4
106	Katwa	2008-09 to 2010-11	3
107	Kharagpur	2008-09 to 2010-11	3
108	Kharar	2007-08 to 2010-11	4
109	Khirpai	2008-09 to 2010-11	3
110	Krishnanagar	2007-08 to 2010-11	4
111	Kulti	2007-08 to 2010-11	4
112	Kurseong	2007-08 to 2010-11	4
113	Mal	2007-08 to 2010-11	4
114	Mathabhanga	2008-09 to 2010-11	3
115	Medinipur	2007-08 to 2010-11	4
116	Mekhlignj	2007-08 to 2010-11	4
117	Memari	2007-08 to 2010-11	4
118	Mirik	2007-08 to 2010-11	4
119	Murshidabad	2007-08 to 2010-11	4
120	Nabadwip	2007-08 to 2010-11	4
121	Nalhati	2007-08 to 2010-11	4
122	Old Malda	2007-08 to 2010-11	4
123	Panskura	2007-08 to 2010-11	4
124	Purulia	2007-08 to 2010-11	4
125	Raigunj	2007-08 to 2010-11	4
126	Ramjibanpur	2008-09 to 2010-11	3
127	Rampurhat	2007-08 to 2010-11	4
128	Ranaghat	2007-08 to 2010-11	4
129	Raghunathpur	2007-08 to 2010-11	4
130	Ranigunj	2007-08 to 2010-11	4
131	Sainthia	2008-09 to 2010-11	3
132	Santipur	2007-08 to 2010-11	4
133	Sonamukhi	2007-08 to 2010-11	4
134	Suri	2007-08 to 2010-11	4
135	Taherpur	2007-08 to 2010-11	4
136	Taki	2009-10 to 2010-11	2
137	Tamluk	2008-09 to 2010-11	3
138	Tarakeswar	2008-09 to 2010-11	3
139	Tufangunj	2007-08 to 2010-11	4
Total			306

Source: Information furnished by the departments concerned

APPENDIX 3.3

(Refer Paragraph 3.2, Page 58)

Unutilised Government grants as of March 2011 (Other than PRIs)

Sl. No.	Name of the Institution	Period of Transaction/ Accounts audited	Unutilised grants (Rupees in lakh)
District Primary School Council			
1	Dakshin Dinajpur	2008-11	72.48
	Total		72.48
Urban Local Bodies			
2	Bhatpara	2010-11	54.93
3	Habra	2009-11	947.82
4	Hooghly-Chinsura	2008-11	10.49
5	Islampur	2008-11	7.57
6	Jamuria	2008-11	86.77
7	Kulti	2009-11	16.11
8	New Barrackpore	2009-11	419.49
9	Rajarhat-Gopalpur	2010-11	10.34
10	Rampurhat	2008-11	11.39
	Total		1564.91
University			
11	Kalyani University	2009-11	369.43
12	Rabindra Bharti University	2010-11	121.87
13	University of North Bengal	2010-11	259.91
14	Uttar Banga Krishi Vishwavidyalaya	2010-11	1743.54
15	Vidyasagar University	2009-11	122.76
	Total		2617.51
Local Library Authority (LLA)			
16	LLA, Jalpaiguri	2004-11	129.90
17	LLA, Purba Medinipore	2004-11	131.51
	Total		261.41
	Grand Total		4516.31

Source: Examiner of Local Accounts

APPENDIX – 3.4*(Refer Paragraph 3.2; Page 58)***Statement showing unutilised Government grants for the year 2010-11
(in respect of Zilla Parishads)**

Sl	Name of the PRI	Year of accounts audited	Unutilised grants (Rupees in crore)
1	Bankura Zilla Parishad	2010-11	48.10
2	Bardhaman Zilla Parishad	2010-11	57.68
3	Birbhum Zilla Parishad	2010-11	75.68
4	Cooch Behar Zilla Parishad	2010-11	47.99
5	Dakshin Dinajpur Zilla Parishad	2010-11	29.63
6	Hooghly Zilla Parishad	2010-11	21.57
7	Howrah Zilla Parishad	2010-11	34.17
8	Jalpaiguri Zilla Parishad	2010-11	41.51
9	Malda Zilla Parishad	2010-11	87.98
10	Murshidabad Zilla Parishad	2010-11	41.00
11	Nadia Zilla Parishad	2010-11	37.99
12	North 24 Parganas Zilla Parishad	2010-11	63.19
13	Paschim Medinipur Zilla Parishad	2010-11	56.21
14	Purba Medinipur Zilla Parishad	2010-11	38.90
15	Purulia Zilla Parishad	2010-11	53.23
16	Siliguri Mahakuma Parishad	2010-11	15.58
17	South 24 Parganas Zilla Parishad	2010-11	85.53
18	Uttar Dinajpur Zilla Parishad	2010-11	32.10
	Total		868.04

Source: Examiner of Local Accounts

APPENDIX – 3.5

(Refer Paragraph 3.2; Page 59)

**Statement showing unutilised Government grants during the year 2010-11
(in respect of Panchayat Samitis)**

Sl	Name of the PRI	Year of accounts audited	Unutilised grants (Rupees in crore)
1	Alipurduar I	2010-11	6.77
2	Amdanga	2010-11	4.08
3	Andal	2010-11	3.93
4	Arambagh	2010-11	4.35
5	Ausgram I	2010-11	4.76
6	Ausgram II	2010-11	3.45
7	Baduria	2010-11	6.56
8	Balagarh	2010-11	2.96
9	Bally Jagacha	2010-11	3.50
10	Balurghat	2010-11	10.95
11	Bamangola	2010-11	4.84
12	Bankura II	2010-11	5.25
13	Banshihari	2010-11	5.45
14	Barasat I	2010-11	2.97
15	Barasat II	2010-11	2.53
16	Barjora	2010-11	5.94
17	Barrackpore II	2010-11	3.01
18	Barrackpur I	2010-11	3.47
19	Baruipur	2010-11	11.06
20	Basanti	2010-11	8.13
21	Basirhat I	2010-11	6.36
22	Basirhat II	2010-11	2.68
23	Bhagawangola I	2010-11	4.03
24	Bhagwanpur I	2010-11	4.92
25	Bhangar I	2010-11	4.63
26	Bishnupur	2010-11	5.81
27	Bishnupur I	2010-11	4.36
28	Burdwan	2010-11	9.37
29	Canning I	2010-11	5.71
30	Canning II	2010-11	7.43
31	Chanchal II	2010-11	6.38
32	Chanchal I	2010-11	4.94
33	Chanditala I	2010-11	3.13
34	Chanditala II	2010-11	2.57
35	Chhatna	2010-11	7.00
36	Chinsura Mogra	2010-11	3.77
37	Chopra	2010-11	5.04
38	Contai III	2010-11	2.61
39	Cooch Behar I	2010-11	10.8
40	Cooch Behar II	2010-11	6.97
41	Daspur I	2010-11	3.44
42	Daspur II	2010-11	4.62
43	Deganga	2010-11	4.09
44	Diamond Harbour I	2010-11	4.54
45	Domjur	2010-11	4.22
46	Dubrajpur	2010-11	8.14
47	English Bazar	2010-11	3.98
48	Falakata	2010-11	8.39
49	Gangarampur	2010-11	8.29
50	Gazole	2010-11	10.34
51	Goalpokher II	2010-11	6.50
52	Goghat I	2010-11	2.01

SI	Name of the PRI	Year of accounts audited	Unutilised grants (Rupees in crore)
53	Goghat II	2010-11	1.77
54	Gopiballavpur II	2010-11	4.78
55	Gosaba	2010-11	4.67
56	Habibpur	2010-11	9.06
57	Habra I	2010-11	5.32
58	Habra II	2010-11	2.26
59	Haldibari	2010-11	5.08
60	Haripal	2010-11	3.45
61	Harirampur	2010-11	7.23
62	Harischandrapur II	2010-11	9.09
63	Haroa	2010-11	3.60
64	Hasnabad	2010-11	5.80
65	Hemtabad	2010-11	5.11
66	Hili	2010-11	4.16
67	Hingalganj	2010-11	8.00
68	Hirbandh	2010-11	4.40
69	Indpur	2010-11	5.36
70	Islampur	2010-11	6.72
71	Jagatballavpur	2010-11	7.58
72	Jalpaiguri Sadar	2010-11	8.59
73	Jangipara	2010-11	3.79
74	Jhargram	2010-11	7.26
75	Joynagar I	2010-11	3.15
76	Joypur	2010-11	3.73
77	Kalchini	2010-11	2.66
78	Kaliachak I	2010-11	6.66
79	Kaliachak III	2010-11	11.53
80	Kaliyaganj	2010-11	3.84
81	Karandighi	2010-11	7.97
82	Khanakul I	2010-11	4.44
83	Khanakul II	2010-11	3.59
84	Khargram	2010-11	8.74
85	Khayrasole	2010-11	6.71
86	Khejuri I	2010-11	2.12
87	Khejuri II	2010-11	2.77
88	Kolaghat	2010-11	2.96
89	Kulpi	2010-11	9.41
90	Kultali	2010-11	5.29
91	Lalgola	2010-11	7.90
92	Magrahat I	2010-11	5.32
93	Magrahat II	2010-11	7.50
94	Mal	2010-11	13.62
95	Manikchak	2010-11	12.16
96	Mathabhanga I	2010-11	5.63
97	Mathabhanga II	2010-11	4.11
98	Mathurapur I	2010-11	5.19
99	Mathurapur II	2010-11	7.64
100	Matiali	2010-11	5.22
101	Maynaguri	2010-11	8.85
102	Mayureswar I	2010-11	7.00
103	Mayureswar II	2010-11	5.59
104	Md Bazar	2010-11	2.91
105	Mekhliganj	2010-11	9.66
106	Minakhan	2010-11	8.55
107	Moyna	2010-11	2.49
108	Murarai II	2010-11	9.37
109	Nagrakata	2010-11	2.89
110	Nandigram I	2010-11	2.23

Sl	Name of the PRI	Year of accounts audited	Unutilised grants (Rupees in crore)
111	Nandigram II	2010-11	2.35
112	Old Malda	2010-11	5.75
113	Onda	2010-11	6.32
114	Panchla	2010-11	6.53
115	Pandua	2010-11	6.72
116	Panskura I	2010-11	5.02
117	Patharpratima	2010-11	5.40
118	Polba Dadpur	2010-11	5.11
119	Pursurah	2010-11	2.53
120	Raiganj	2010-11	7.74
121	Raipur	2010-11	10.6
122	Rajarhat	2010-11	3.69
123	Rajganj	2010-11	7.88
124	Ramnagar I	2010-11	3.99
125	Ramnagar II	2010-11	1.92
126	Rampurhat II	2010-11	7.25
127	Ranaghat I	2010-11	7.11
128	Ranaghat II	2010-11	7.55
129	Ranibandh	2010-11	5.70
130	Raniganj	2010-11	1.71
131	Ratua I	2010-11	11.04
132	Sainthia	2010-11	8.26
133	Saltora	2010-11	5.26
134	Sandeshkhali I	2010-11	7.95
135	Sandeshkhali II	2010-11	3.64
136	Santipur	2010-11	5.73
137	Simlapal	2010-11	4.36
138	Singur	2010-11	4.01
139	Sitalkuchi	2010-11	5.30
140	Suti I	2010-11	6.97
141	Tarakeswar	2010-11	3.18
142	Tufanganj II	2010-11	5.70
Total			805.78

Source: Examiner of Local Accounts

APPENDIX 3.6

(Refer Paragraph 3.3, Page 59)

Performance of Autonomous Bodies

Sl No	Name of the Body/ Authority	Period upto which audit is entrusted	Year upto which Accounts due for submission	Year upto which Accounts were submitted	Period upto which Audit Report had been issued	Date of issue of Audit Report	Year upto which Audit Report had been laid before the Legislature	Remarks
1	West Bengal Comprehensive Area Development Corporation	2013-14	2011-12	2009-10	2009-10	02.11.2009	2007-08	Concerned authorities have been reminded in November 2011 and June 2012 for laying previous AR and submission of accounts respectively.
2	West Bengal University of Animal & Fishery Sciences	2014-15	2011-12	2003-04	2003-04	08.05.2008	1999-2000	Concerned authorities have been reminded in March 2012 for submission of accounts
3	Darjeeling Gorkha Hill Council	2012-13	2011-12	1990-91	1990-91	11.07.2008	Not laid since 1988-89	Concerned authorities have been reminded in November 2011 for laying of previous AR.
4	West Bengal Commission for Women	2016-17	2011-12	2010-11	2009-10	18.11.2011	2006-07	Concerned authorities have been reminded in November 2011 for laying of previous AR.
5	West Bengal Human Rights Commission	Permanent entrustment	2011-12	2010-11	2010-11	28.05.2012	2007-08	Concerned authorities have been reminded in November 2011 for laying of previous AR.
6	State Legal Services Authority, West Bengal	Permanent entrustment	2011-12	2010-11	2010-11	29.05.2012	1997-98	Concerned authorities have been reminded for laying of previous AR in November 2011.
7	West Bengal Heritage Commission	2016-17	2011-12	2010-11	2010-11	27.06.2012	2007-08	Concerned authorities have been reminded (November 2011) for submission of AR.
8	West Bengal Commission for Backward Classes	2012-13	2011-12	Not at all submitted	Not at all submitted			A meeting was held with Chairman, WBCBC for submission of outstanding accounts..
9.	West Bengal Bio-diversity Board	2013-14	2011-12	2010-11	2009-10	15.11.2011	2007-08	-
10	Commissioners for Rabindra Setu	2013-14	2011-12	2010-11	2010-11	18.04.2012	2008-09	-
11	Hooghly River Bridge Commissioners	2008-13	2011-12	2010-11	2010-11	28.09.2012	2007-08	-
12	Kolkata Metropolitan Development Authority	2007-12	2011-12	2010-11	2009-10	13.10.2011	2007-08	-
13	West Bengal Housing Board	2007-12	2011-12	2010-11	2010-11	30.05.2012	2008-09	-
14	East Kolkata Wetland Management Authority	2014-15	2011-12	2010-11	2010-11	30.05.2012	-	-
15	West Bengal Building and Other Construction Workers Welfare Board	Permanent Entrustment	2011-12	2010-11	2009-10	13.06.2011	2007-08	-
16	District Legal Services Authority, Purba Medinipur	Permanent entrustment	2011-12	2007-08	2007-08	07.07.2009	Not laid since 1998-99	Concerned authorities have been reminded for laying previous AR and submission of accounts in November 2011 and June 2012 respectively.

Sl No	Name of the Body/ Authority	Period upto which audit is entrusted	Year upto which Accounts due for submission	Year upto which Accounts were submitted	Period upto which Audit Report had been issued	Date of issue of Audit Report	Year upto which Audit Report had been laid before the Legislature	Remarks
17	District Legal Services Authority, Bardhaman	Permanent entrustment	2011-12	2007-08	2007-08	09.09.2009	Not laid since 1998-99	Concerned authorities have been reminded for laying previous AR and submission of accounts in November 2011 and June 2012 respectively.
18	District Legal Services Authority, Hooghly	Permanent entrustment	2011-12	2006-07	2006-07	07.09.2009	Not laid since 1998-99	Concerned authorities have been reminded for laying previous AR and submission of accounts in November 2011 and June 2012 respectively.
19	District Legal Services Authority, Howrah	Permanent entrustment	2011-12	2008-09	2008-09	07-10-2011	Not laid since 1998-99	Concerned authorities have been reminded for laying previous AR and submission of accounts in November 2011 and June 2012 respectively.
20	District Legal Services Authority, Bankura	Permanent entrustment	2011-12	2010-11	2005-06	12-09-2011	Not laid since 1998-99	Concerned authorities have been reminded for laying previous AR and submission of accounts in November 2011 and June 2012 respectively.
21	District Legal Services Authority, Dakshin Dinajpur	Permanent entrustment	2011-12	2007-08	2007-08	11.12.2009	Not laid since 1998-99	Concerned authorities have been reminded for laying previous AR and submission of accounts in November 2011 and June 2012 respectively.
22	District Legal Services Authority, Jalpaiguri	Permanent entrustment	2011-12	2008-09	-	-	-	Concerned authorities have been reminded for laying previous AR and submission of accounts in November 2011 and June 2012 respectively.
23-34	DLSAs of rest 12 districts**	Permanent entrustment	2011-12	Not at all submitted				Concerned authorities have been reminded (April 2011) for submission of accounts

** Coochbehar, Purulia, Birbhum, 24 Parganas (North), 24 Parganas (South), Nadia, Murshidabad, Malda, Uttar Dinajpur, Medinipur West, Darjeling and Kolkata

APPENDIX 3.7*(Refer Paragraph 3.4, Page 60)***Statement of finalisation of accounts and the Government investment in departmentally managed Commercial and Quasi-Commercial undertakings**

Sl. No.	Department	Number of undertakings under the Department	Name of undertakings	Year of formation	Year from which accounts are due	Investment as per last Accounts (Rupees in crore)	Accumulated loss as per latest A/c received upto June, 2012 (Rupees in lakh)
1.	Food Processing Industries and Horticulture	1	Directorate of Cinchona and other Medicinal plants	1888	2010-11	523.02	48281.07
2	Micro & Small Scale Enterprises and Textiles	4	(1) Central Engineering Organisation, Howrah	1956	2001-02	7.21	619.73
			(2) Training-cum-production centre for Wood Industries, Siliguri	1956	1998-99	2.95	276.16
			(3) Integrated Wood Industries Scheme, Durgapur.	1956	1998-99	4.45	390.10
			(4) Integrated Wood Industries Scheme, Kalyani	1956	1998-99	6.36	495.90
3.	Public Enterprise	1	Undertaking of Darjeeling Ropeway Company Limited	1977	1983-84	0.26	18.09
4	Animal Resources Development	4	i) Durgapur Milk Supply Scheme	1972	No arrear	79.85	11012.10
			ii) Krishnanagar Milk Supply Scheme	1977	No arrear	44.91	4777.56
			iii) Burdwan Milk Supply Scheme	1982	No arrear	45.21	4494.13
			iv) Greater Calcutta Milk Supply Scheme	1990	No arrear	1358.73	130273.51
5	Fisheries, Aquaculture, Aquatic Resources and Fishing Harbors Department	1	Scheme for production of shark liver oil, fish meal, etc.	1961	1994-95	0.01	NA
Total		11				2072.96	200638.35

Non-working Government Undertakings

1	Training-cum-production centre for Wood Industries, Siliguri	Non-working since November 2006
2	Integrated Wood Industries Scheme, Durgapur.	Non-working since November 2006
3	Integrated Wood Industries Scheme, Kalyani	Non-working since November 2006
4	Undertaking of Darjeeling Ropeway Company Limited	Non-working since April 2006
5	Scheme for production of shark liver oil, fish meal, etc.	Non-working since 1992-93

Source: Office of the AG (E&RSA)

APPENDIX – 3.8*(Refer Paragraph 3.5; Page 61)*

**Department wise/duration wise break-up of the cases of misappropriation, defalcation, etc.
(Cases where final action was pending at the end of March 2012)**

Sl. No.	Name of the Department	Up to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 years or More	Total No. of Cases
1	Agriculture	-	-	2	2	7	33	44
2	Animal Resources Development	-	-	11	2	1	7	21
3	Board of Revenue	4	5	3	3	4	270	289
4	Cottage and Small Scale Industries	1	1	-	-	-	-	2
5	Finance	1	-	1	-	1	5	8
6	Finance (Taxation)	-	-	-	1	-	1	2
7	Fire and Emergency Services	1	-	-	-	-	-	1
8	Fisheries	-	-	-	-	1	-	1
9	Food and Supplies	1	-	-	-	1	2	4
10	Food Processing and Horticulture	-	-	-	1	-	-	1
11	Forest	8	9	4	2	-	-	23
12	Health and Family Welfare	14	15	21	3	5	21	79
13	Home (Civil) Defence	-	-	-	-	-	1	1
14	Home (Police)	1	-	-	-	1	8	10
15	Housing	-	-	1	-	-	-	1
16	Irrigation and Waterways	10	-	3	-	-	5	18
17	Information and Cultural Affairs	1	-	-	-	-	-	1
18	Judicial	-	-	1	-	-	3	4
19	Labour	-	-	-	1	-	10	11
20	Land and Land Reforms	1	1	-	-	3	39	44
21	Mass Education	-	-	-	-	-	1	1
22	Micro and Small Scale Enterprises and Textiles	1	-	-	-	-	-	1
23	Minor Irrigation	-	-	-	-	7	-	7
24	Municipal Affairs	-	-	1	-	-	-	1
25	Public Works	-	-	-	-	-	3	3
26	Public Works (RD)	-	-	-	-	-	1	1
27	Relief	2	-	1	2	-	1	6
28	Rural Development	-	2	2	5	6	17	32
29	School Education	-	4	1	-	-	-	5
30	Social Welfare	-	-	-	3	-	-	3
31	Sports and Youth Services	-	-	1	-	-	-	1
32	Sunderban Affairs	-	-	-	1	-	-	1
33	Technical Education and Training	3	-	1	1	7	-	12
34	Transport	2	-	-	-	-	-	2
35	Water Investigation and Development	-	-	-	-	-	15	15
	TOTAL	51	37	54	27	44	443	656

Source: Audit findings

APPENDIX – 3.9

(Refer Paragraph 3.5; Page 61)

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

Sl. No.	Name of the Department	Theft Cases		Misappropriation/ Loss of Government Material		Total	
		Number of Cases	Amount (Rupees in lakh)	Number of Cases	Amount (Rupees in lakh)	Number of Cases	Amount (Rupees in lakh)
1	Agriculture	1	0.01	43	15.48	44	15.49
2	Animal Resources Development	-	-	21	16.55	21	16.55
3	Board of Revenue	2	0.10	287	52.40	289	52.50
4	Cottage and Small Scale Industries	-	-	2	12.48	2	12.48
5	Finance	1	0.71	7	9.44	8	10.15
6	Finance (Taxation)	-	-	2	2.21	2	2.21
7	Fisheries	-	-	1	9.12	1	9.12
8	Fire and emergency Services	-	-	1	0.10	1	0.10
9	Food and Supplies	-	-	4	0.51	4	0.51
10	Food Processing and Horticulture	1	1.50	-	-	1	1.50
11	Forest	15	209.90	8	26.19	23	236.09
12	Health and Family Welfare	1	3.53	78	59.27	79	62.80
13	Home (Civil) Defence	-	-	1	1.91	1	1.91
14	Home (Police)	1	0.07	9	7.72	10	7.79
15	Housing	-	-	1	1.78	1	1.78
16	Irrigation and Waterways	-	-	18	925.73	18	925.73
17	Information and Cultural Affairs	-	-	1	0.06	1	0.06
18	Judicial	-	-	4	5.87	4	5.87
19	Labour	-	-	11	1.68	11	1.68
20	Land and Land Reforms	-	-	44	7.59	44	7.59
21	Mass Education	-	-	1	0.01	1	0.01
22	Micro and Small Scale Enterprises and Textiles	-	-	1	6.47	1	6.47
23	Minor Irrigation	7	0.44	-	-	7	0.44
24	Municipal Affairs	-	-	1	1.87	1	1.87
25	Public Works	2	1.32	1	0.13	3	1.45
26	Public Works (RD)	-	-	1	0.21	1	0.21
27	Relief	-	-	6	22.80	6	22.80
28	Rural Development	1	0.01	31	45.29	32	45.30
29	School Education	-	-	5	54.04	5	54.04
30	Social Welfare	-	-	3	22.28	3	22.28
31	Sports and Youth Services	-	-	1	3.24	1	3.24
32	Sunderban Affairs	-	-	1	0.41	1	0.41
33	Technical Education and Training	-	-	12	23.16	12	23.16
34	Transport	-	-	2	20.57	2	20.57
35	Water Investigation and Development	6	0.13	9	0.80	15	0.93
TOTAL		38	217.72	618	1357.37	656	1575.09

Source: Audit findings

Appendix 3.10
(Refer Paragraph 3.6.3; Page 64)

Funds kept idle by various DDOs

Sl. No	Name of DDO	Name of scheme/purpose for which fund was received	Period of receipt	Amount (₹)
1	DM, Paschim Medinipur	Paschimanchal Unnayan Prkalpa	2001-02 to 2010-11	10533898
			2011-12	11278206
2	DM, Nadia	Rastriya Krishi Vikash Yojana	2010-11	6275090
		Census	2010-11 to 2011-12	11776225
		Minority Development	2009-10 to 2011-12	14865641
		Relief to flood affected weavers	2006-07	467800
3	DM, Purba Medinipur	Election	2007-08	360885
			2008-09	47970
			2010-11	100000
		Construction of flood cyclone shelter	2007-08 to 2008-09	85916
4	DM, Murshidabad	BADP	2008-09 to 2010-11	129104774
			2011-12	151300000
		Minority Development	2009-10	752897
			2010-11	696223
		Election	2009-10	222683
5	DM, South 24-Parganas	Election	2009-10	6000
		Minority Development	2003-04 to 2010-11	15062534
	Total			352936742

Source: Audit findings

Appendix 4.1

Glossary of terms

Terms	Description
Appropriation Accounts	Appropriation Accounts present the total amount of funds (Original and Supplementary) authorised by the Legislative Assembly in the budget grants under each voted grant and charged appropriation <i>vis-à-vis</i> the actual expenditure incurred against each and the unspent provisions or excess under each grant or appropriation. Any expenditure in excess of the grants requires regularisation by the Legislature.
Autonomous bodies	Autonomous Bodies (usually registered Societies or Statutory Corporations) are set up whenever it is felt that certain functions need to be discharged outside the Governmental set up with some amount of independence and flexibility without day-to-day interference of the Governmental machinery.
Block Grant	A block grant is a lump sum grant provided by the Government of India to the State Government, which are given considerable discretion in how the money is spent (with only general provisions as to the way it is to be spent)
Committed expenditure	The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies on which the present executive has limited control.
Consolidated Fund of the State	The fund constituted under Article 266 (1) of the Constitution of India into which all receipts, revenues and loans flow. All expenditure from the CFS is by appropriation: voted or charged. It consists of two main divisions namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Public Debt and Loans, etc.).
Contingency Fund	Contingency Fund is in the nature of an imprest into which is paid from time to time such sums as may be determined by law, and the said fund is placed at the disposal of the Governor to enable advances to be made by him out of it for the purpose of meeting unforeseen expenditure pending authorisation of such expenditure by Legislature Assembly by law under Article 115 or Article 116 of the Constitution.
Contingent liability	Contingent liability is a liability which may or may not be incurred by an entity depending on the outcome of a future event such as a court case.
Core public goods	Core public goods are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free

	air and other environmental goods and road infrastructure etc. Merit goods are commodities that the public sector provides free or at subsidised rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. The examples of such goods include the provision of free or subsidised food for the poor to support nutrition, the delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.
Debt stabilisation	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilise eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.
Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.
Guarantee Redemption Fund	Guarantees are liabilities contingent on the Consolidated fund of the State in case of default by the borrower for whom the guarantee has been extended.
Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal <i>plus</i> 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.
Primary revenue expenditure	Primary revenue expenditure means revenue expenditure excluding interest payments.
Public Accounts Committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India.
Re-appropriation	Means the transfer of funds from one Primary unit of appropriation to another such unit.
Sinking Fund	A Fund into which the Government sets aside money over time, in order to retire its debt.

State implementing schemes	State Implementing Agency includes any Organisation/Institution including Non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State.
Sufficiency of non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
Supplementary grants	If the amount authorised by any law made in accordance with the provisions of Article 114 of the Constitution to be expended for a particular service for the current financial year is found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for the supplementary or additional expenditure upon some 'new service' not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 115(1) of the Constitution.
Surrenders of unspent provision	Departments of the State Government are to surrender to the Finance Department, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance Department is to communicate the acceptance of such surrenders, as are accepted by them to the Audit Officer and/or the Accounts Officer, as the case may be, before the close of the financial year.
Suspense and Miscellaneous	Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reasons, may be held temporarily under the major head "8658-Suspense Account" in the sector "L. Suspense and Miscellaneous" of the Accounts, (Footnotes under the major head in the list of major/minor heads of account may be referred to for further guidance). A service receipt of which full particulars are not given must not be taken to the head "Suspense Account" but should be credited to the minor head "Other Receipt" under the revenue major head to which it appears to belong pending eventual transfer to the credit of the correct head on receipt of detailed particulars.

LIST OF ABBREVIATIONS USED

Abbreviations	Full form
A&E	Accounts & Entitlement
AC	Abstract Contingent
ADDA	Asansol Durgapur Development Authority
ADR	Alternate Dispute Resolution
ATF	Aviation Turbine Fuel
ATMA	Agricultural Technology Management Agency
BE	Budget Estimates
BPL	Below Poverty Line
CE	Capital Expenditure
CGA	Controller General of Accounts
CHCLSC	Calcutta High Court Legal Services Committee
CO	Controlling Officer
CPSMS	Central Plan Scheme Monitoring System
DC	Detailed Contingent
DCO	Departmental Controlling Officer
DCRF	Debt Consolidation and Relief Facility
DDO	Drawing and Disbursing Officer
DDR	Debt, Deposit and Remittance
DE	Development Expenditure
DLSA	District Legal Services Authority
DM	District Magistrate
DPC	Duties, Powers and Conditions of Service
ELA	Examiner of Local Accounts
FC	Finance Commission
FPSS	Fiscal Policy Strategy Statement
GoI	Government of India
GoWB	Government of West Bengal
GP	Gram Panchayat
GSDP	Gross State Domestic Product
HDA	Haldia Development Authority
ICDS	Integrated Child Development Services
ISOPOM	Integrated Scheme on Oilseeds, Pulses and Maize
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MP	Mahakuma Parishad

Abbreviations	Full form
MTFPS	Medium-Term Fiscal Policy Statement
NFSM	National Food Security Mission
NREGA	National Rural Employment Guarantee Act
NRHM	National Rural Health Mission
PAC	Public Accounts Committee
PAO	Pay and Accounts Officer
PD	Personal Deposit
PLA	Personal Ledger Account
PMGSY	Pradhan Mantri Gram Sadak Yojana
PRI	Panchayati Raj Institution
PS	Panchayat Samiti
RBI	Reserve Bank of India
SAR	Separate Audit Report
SDRF	State Disaster Response Fund
SEGF	State Employment Guarantee Fund
SLAC	State Level Audit Committee
SLSA	State Legal Services Authority
SSA	Sarva Shiksha Abhiyan
SSE	Social Sector Expenditure
UC	Utilisation Certificate
UD	Urban Development
UID	Unique Identification
ULB	Urban Local Body
WBFRBM	West Bengal Fiscal Responsibility and Budget Management
WBLA	West Bengal Legislative Assembly
WBSEDCL	West Bengal State Electricity Distribution Company Limited
WBTR	West Bengal Treasury Rules
WBVAT	West Bengal Value Added Tax
ZP	Zilla Parishad