



**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**

**Report of the  
Comptroller and Auditor General  
of India  
on  
State Finances**

**For the year ended March 2012**

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

## Table of Contents

	Paragraph	Page
<b>Preface</b>		<b>vii</b>
<b>Executive Summary</b>		<b>ix</b>
<b>Chapter 1 – Finances of the State Government</b>		
<b>Profile of West Bengal</b>		<b>1</b>
<b>Introduction</b>	<b>1.1</b>	<b>1</b>
<b>Summary of Current Year’s Fiscal Transactions</b>	<b>1.2</b>	<b>1</b>
<i>Budget Estimates vis-à-vis Actuals</i>	1.2.1	2
<i>Implementation of West Bengal Fiscal Responsibility and Budget Management (WBFRBM) Act</i>	1.2.2	4
<i>Compliance with the recommendations of Thirteenth Finance Commission (13<sup>th</sup> FC)</i>	1.2.3	5
<i>Trends and composition of GSDP</i>	1.2.4	7
<b>Resources of the State</b>	<b>1.3</b>	<b>7</b>
<i>Resources of the State as per Annual Finance Accounts</i>	1.3.1	7
<i>Funds transferred to State Implementing Agencies outside the State Budgets</i>	1.3.2	8
<b>Revenue Receipts</b>	<b>1.4</b>	<b>10</b>
<i>State’s own resources</i>	1.4.1	11
<i>Central Tax Transfers</i>	1.4.2	14
<i>Grants-in-aid from Government of India</i>	1.4.3	14
<b>Application of resources</b>	<b>1.5</b>	<b>17</b>
<i>Growth and composition of expenditure</i>	1.5.1	17
<i>Total Expenditure</i>	1.5.2	18
<i>Revenue Expenditure</i>	1.5.3	19
<i>Capital Expenditure</i>	1.5.4	20
<i>Expenditure on Social and Economic Services</i>	1.5.5	21
<i>Committed Expenditure</i>	1.5.6	21
<i>Financial assistance by State Government to local bodies and other institutions</i>	1.5.7	24
<b>Quality of Expenditure</b>	<b>1.6</b>	<b>26</b>
<i>Adequacy of Public Expenditure</i>	1.6.1	26
<i>Efficiency of Expenditure Use</i>	1.6.2	27

	Paragraph	Page
<i>Plan schemes: Position of allotment and expenditure</i>	1.6.3	30
<b>Financial Analysis of Government Expenditure and Investments</b>	<b>1.7</b>	<b>31</b>
<i>Financial Results of Irrigation Works</i>	1.7.1	31
<i>Incomplete projects</i>	1.7.2	31
<i>Investment and returns</i>	1.7.3	32
<i>Departmental Commercial Undertakings</i>	1.7.4	32
<i>Loans and advances by State Government</i>	1.7.5	33
<i>Cash balances and investment of cash balances</i>	1.7.6	35
<b>Assets and Liabilities</b>	<b>1.8</b>	<b>36</b>
<i>Growth and composition of Assets and Liabilities</i>	1.8.1	36
<i>Fiscal Liabilities</i>	1.8.2	36
<i>Reserve Funds</i>	1.8.3	37
<i>Status of Guarantees – Contingent liabilities</i>	1.8.4	38
<i>Adverse balances under DDR Heads</i>	1.8.5	39
<b>Debt Sustainability</b>	<b>1.9</b>	<b>39</b>
<b>Fiscal Imbalances</b>	<b>1.10</b>	<b>42</b>
<i>Trends in Deficits</i>	1.10.1	42
<i>Components of Fiscal Deficit and its financing pattern</i>	1.10.2	43
<i>Quality of Deficit/Surplus</i>	1.10.3	43
<b>Conclusion and Recommendations</b>	<b>1.11</b>	<b>44</b>
<b>Chapter 2 – Financial Management and Budgetary Control</b>		
<b>Introduction</b>	<b>2.1</b>	<b>45</b>
<b>Summary of Appropriation Accounts</b>	<b>2.2</b>	<b>45</b>
<b>Financial Accountability and Budget Management</b>	<b>2.3</b>	<b>46</b>
<i>Appropriation vis-à-vis Allocative Priorities</i>	2.3.1	46
<i>Persistent Savings</i>	2.3.2	47
<i>Excess over provisions during 2011-12 requiring regularisation</i>	2.3.3	47
<i>Excess expenditure of previous years requiring regularisation</i>	2.3.4	47
<i>Significant excess expenditure</i>	2.3.5	48
<i>Expenditure without Provision</i>	2.3.6	48
<i>Unnecessary/Excessive/Inadequate supplementary provision</i>	2.3.7	48

	<b>Paragraph</b>	<b>Page</b>
<i>Excessive/unnecessary re-appropriation of fund</i>	2.3.8	49
<i>Surrender in excess of actual saving/Unrealistic surrenders</i>	2.3.9	49
<i>Anticipated savings not surrendered</i>	2.3.10	49
<i>Rush of expenditure</i>	2.3.11	50
<i>New Service/New Instrument of Service</i>	2.3.12	51
<b>Advances from Contingency Fund</b>	<b>2.4</b>	<b>49</b>
<b>Review of budgeting process and financial management</b>	<b>2.5</b>	<b>49</b>
<i>Budget preparation process</i>	2.5.1	51
<i>Budget Management in selected Grants</i>	2.5.2	52
<b>Conclusion and Recommendations</b>	<b>2.6</b>	<b>55</b>
<b>Chapter 3 – Financial Reporting</b>		
<b>Delay in furnishing Utilisation Certificates</b>	<b>3.1</b>	<b>57</b>
<b>Non-submission/delay in submission of accounts by ULBs/PRIs</b>	<b>3.2</b>	<b>58</b>
<b>Delays in Submission of Accounts/Audit Reports of Autonomous Bodies</b>	<b>3.3</b>	<b>59</b>
<b>Departmental Commercial Undertakings</b>	<b>3.4</b>	<b>60</b>
<b>Misappropriations, losses, defalcations, etc.</b>	<b>3.5</b>	<b>60</b>
<b>Non-reconciliation of Departmental figures</b>	<b>3.6</b>	<b>61</b>
<i>Un-reconciled receipts / expenditure</i>	3.6.1	61
<i>Pendency in submission of Detailed Contingent Bills against Abstract Contingent Bills</i>	3.6.2	61
<i>Personal Deposit Accounts</i>	3.6.3	62
<i>Booking under minor head 800: Other Receipts and 800: Other Expenditure</i>	3.6.4	64
<i>Analysis of balances of Suspense and Remittance</i>	3.6.5	65
<b>Conclusion and Recommendations</b>	<b>3.7</b>	<b>66</b>

## Appendices

Appendix No.	Description	Page
<b>Appendices to Chapter 1</b>		
1.1	A brief profile of West Bengal	69
1.2	Structure and Form of Government Accounts	70
1.3	Methodology adopted for the Assessment of Fiscal Position	72
1.4	Part A : Abstract of Receipts and Disbursements for the year 2011-2012	73
	Part B : Summarised financial position of the Government of West Bengal as on 31 March 2012	76
1.5	Extracts from the West Bengal Fiscal Responsibility and Budget Management Act, 2010	77
1.6	Time series data on the State Government finances	80
1.7	Analysis of reasons for non-release and short release of 13th Finance Commission grant by GoI during 2011-12	82
1.8	Statement showing Government investment in Companies / Corporations with negative net-worth	83
1.9	Summarised Financial Statement of Departmentally Managed Commercial/Quasi-commercial Undertakings	84
<b>Appendices to Chapter 2</b>		
2.1	Statement of various grants/appropriations where saving was more than ₹ 10 crore each or more than 20 percent of the total provision	85
2.2	Statement showing persistent savings under some grants	88
2.3	Statement of various grants/appropriations where expenditure exceeded budget provision either by more than ₹ one crore or by more than 20 percent of total provision	89
2.4	Expenditure incurred without provision during 2011-12	90
2.5	Statement showing cases where supplementary provision (₹ 10 lakh or more in each case) proved unnecessary	97
2.6	Statement of various grants/appropriation where supplementary provision proved insufficient by more than ₹ 1 crore each	98
2.7	Excess/unnecessary/insufficient re-appropriation of funds	99
2.8	Statement of various grants/appropriations in which savings occurred but no part of which had been surrendered	103

Appendix No.	Description	Page
2.9	Statement showing details of cases of short-surrender (by ₹ 1 crore and above) leading to savings	105
2.10	Statement showing cases of surrender of funds in excess of ₹ 10 crore on the last working day of March 2012 or thereafter	106
2.11	Statement showing cases which satisfied the criteria laid down for treatment of New Service/New Instrument of Services but were not treated as such	107
<b>Appendices to Chapter 3</b>		
3.1	Statement showing non-submission of Utilisation Certificates under West Bengal Panchayat Act	109
3.2	Names of bodies and authorities (other than PRIs), the accounts of which had not been received	111
3.3	Unutilised Government grants as of March 2011 (Other than PRIs)	114
3.4	Statement showing unutilised Government grants for the year 2010-11 (in respect of Zilla Parishads)	115
3.5	Statement showing unutilised Government grants during the year 2010-11 (in respect of Panchayat Samitis)	116
3.6	Performance of Autonomous Bodies	119
3.7	Statement of finalisation of accounts and the Government investment in departmentally managed Commercial and Quasi-Commercial undertakings	121
3.8	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)	122
3.9	Department/category-wise details in respect of cases of loss to Government due to theft, misappropriation/loss of Government material	123
3.10	Funds kept idle by various DDOs	124
4.1	Glossary of terms	125
	List of Abbreviations used	128